

# City of Hendersonville, NC



**Adopted Budget FY2018-2019**

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## **Vision Statement**

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

## **Mission Statement**

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



## About the Cover

### “Four Seasons Bear”

**Sponsor(s): Apple Valley Model Railroad Club**

**Artist: Natalie Hudson Bennett**

**To Benefit: Big Brothers and Big Sisters of Henderson County**

**Auction Date: October 20<sup>th</sup>, 2018**

### **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 7<sup>th</sup> 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 continues its pursuit of 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 2018 which began July 1, 2017. 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 2019 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, 2017**

*Christopher P. Morill*

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 FY18-19 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, 2019, 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 2019:

<b>City of Hendersonville Budget Calendar FY18-19</b>		
Budget Procedure	Legally Required Date	Projected Date
<input type="checkbox"/> Distribute CIP Requests		10/13/17
<input type="checkbox"/> Department Head Retreat		11/03/17
<input type="checkbox"/> CIP Requests Due		12/01/17
<input type="checkbox"/> CIP Meetings with Department Heads		December-January
<input type="checkbox"/> Distribute Budget Request Forms		01/05/18
<input type="checkbox"/> Budget Request Forms Due	Before 04/30/18	02/09/18
<input type="checkbox"/> Establish Prelim. Rev./Exp. Estimates		02/12/18 – 02/16/18
<input type="checkbox"/> Council Retreat/Budget Preview		02/08/18 – 02/09/18
<input type="checkbox"/> Special Appropriations Due		02/23/18
<input type="checkbox"/> Prelim. Budget Review Meeting (Admin. & Finance)		03/01/18 – 03/02/18
<input type="checkbox"/> Meetings with Department Heads		03/05/18 – 03/23/18
<input type="checkbox"/> Revised Rev./Exp. Estimates		03/30/18
<input type="checkbox"/> Budget Review & Adjustments		April
<input type="checkbox"/> Budget Memos		April
<input type="checkbox"/> Budget Workshop		05/04/18
<input type="checkbox"/> Public Notice of Budget Hearing	By 06/01/18	05/23/18
<input type="checkbox"/> Turn in Budget to City Council/City Clerk	By 06/01/18	05/23/18
<input type="checkbox"/> Public Budget Hearing/Adopt Budget Ordinance	By 07/01/18	06/07/18





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 and the full Council then considers and acts upon the proposal.

Finally, the budget is enacted upon official adoption of the Budget Ordinance, not later than July 1<sup>st</sup>. 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

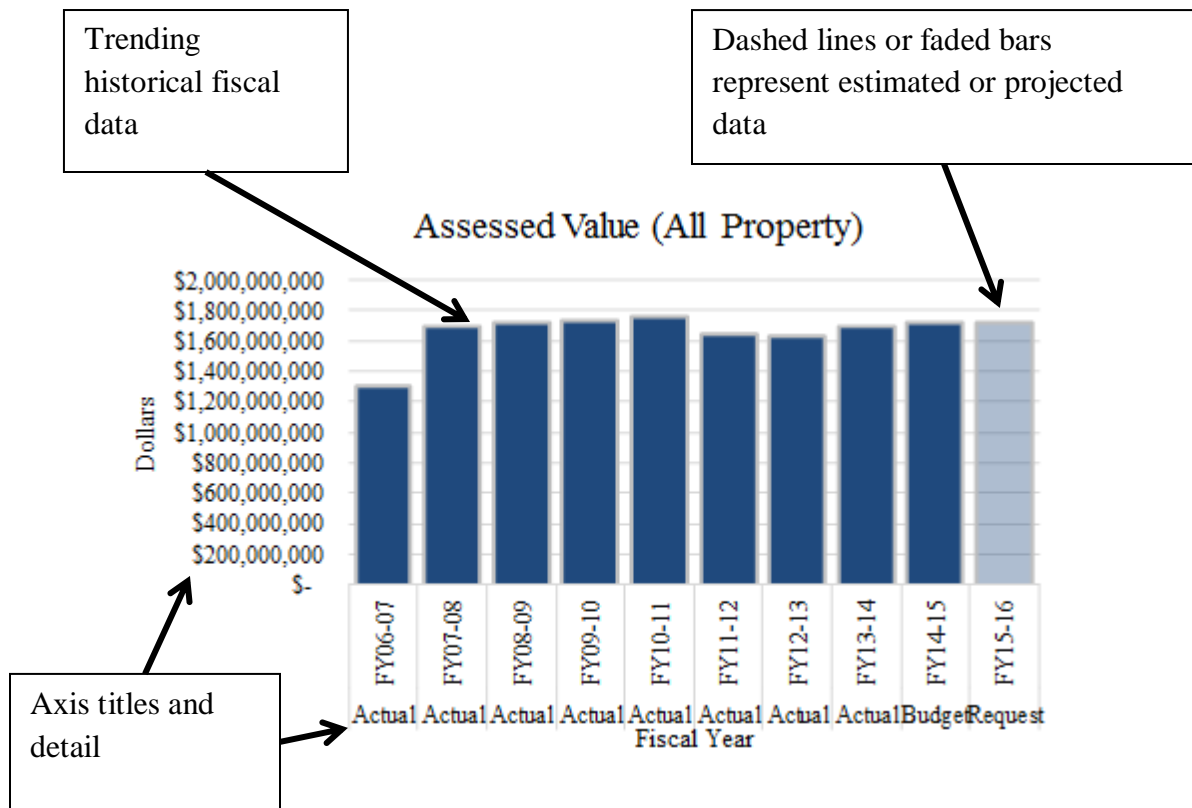
Includes capital  
items such as  
land, vehicles,  
equipment, etc...

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:

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

**Or**

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

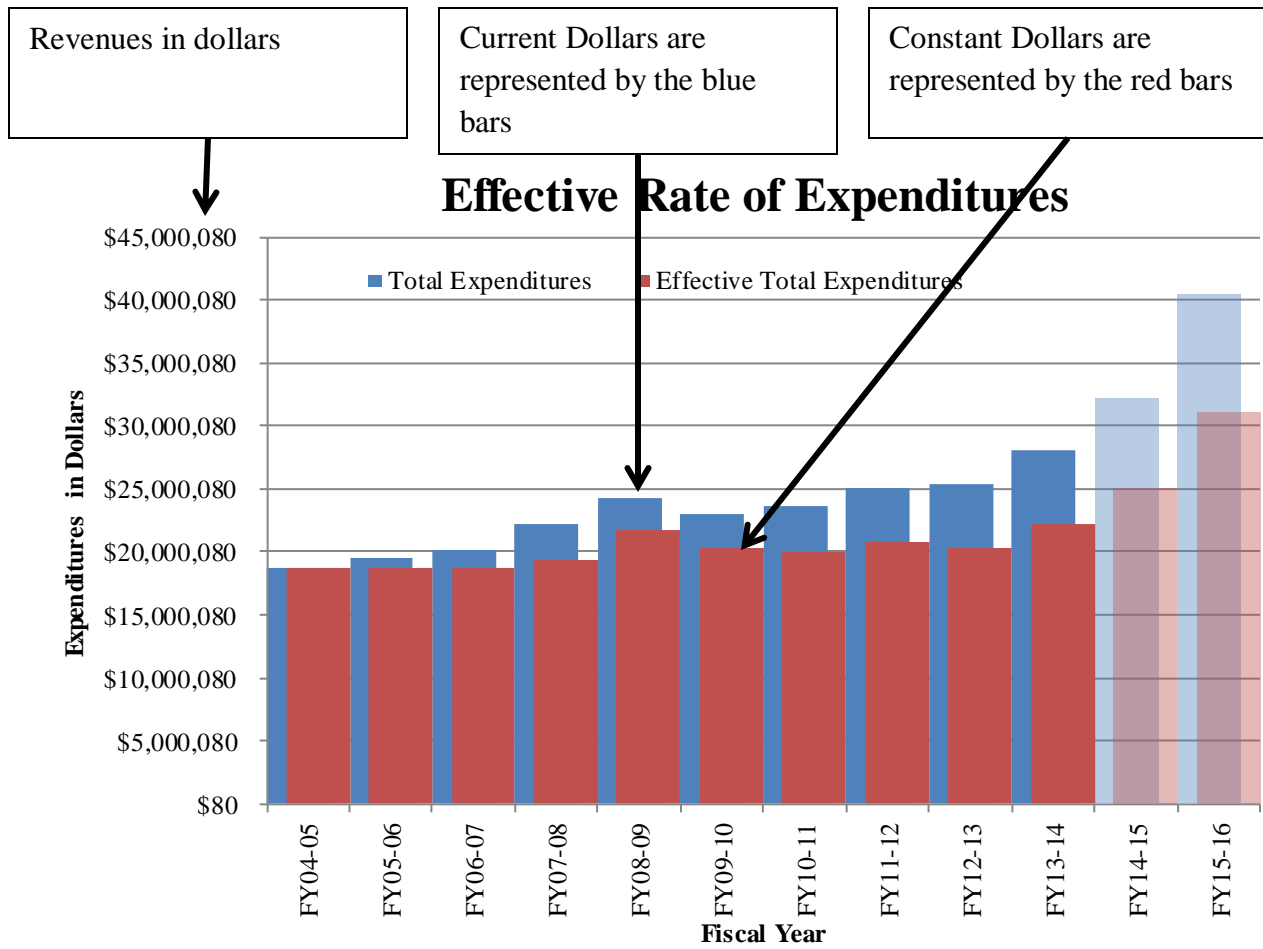
**INFLATION COMPARISON EXAMPLE**

	<b>Actual FY04-05</b>	<b>Actual FY05-06</b>	<b>Actual FY06-07</b>	<b>Actual FY07-08</b>
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CPI Index	100.0	104.1	106.6	112.6
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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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By using the same steps for calculating the deescalating percent for the CPI, one can calculate the deescalating percent for the General Fund. With these two deescalating percent's and indexes a reader has two options to view the effects of inflation.

Let's look at what can be observed:

Difference between GF and CPI shown as a percent

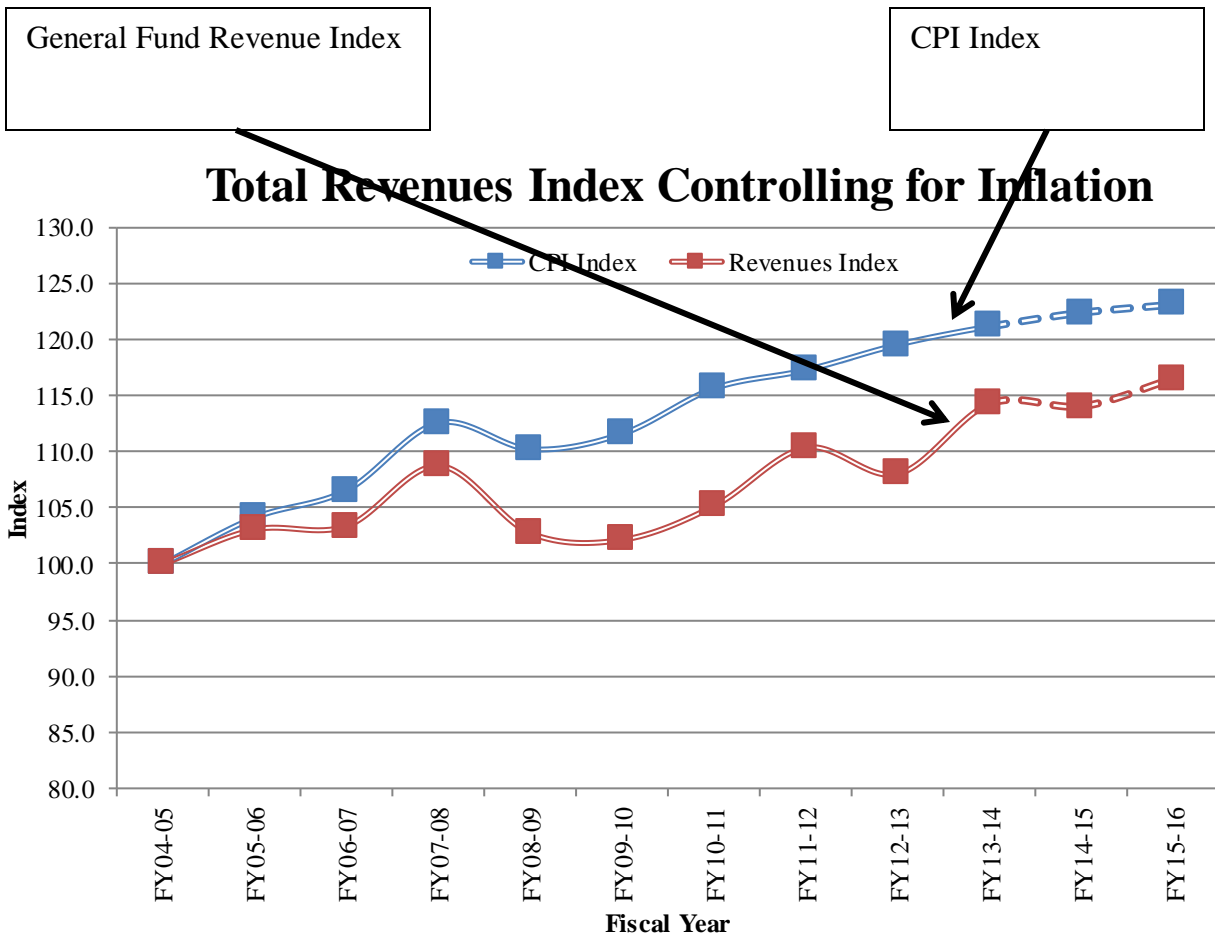
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CPI Index	100.0	104.1	106.6	112.6
GF Index	100.0	102.3	105.6	111.8

Difference between GF and CPI shown as an index



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



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

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



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

# CITY OF HENDERSONVILLE

*The City of Four Seasons*

OFFICE OF THE CITY MANAGER  
JOHN F. CONNET

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

May 23<sup>rd</sup>, 2018

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) 2018-2019 for your review and consideration.

The FY18-19 Budget is based upon information presented and discussed during our City Council/Staff Retreat on February 8<sup>th</sup> – 9<sup>th</sup>, 2018. In addition, the City Council attended a formal Budget Workshop on May 4<sup>th</sup>, 2018. These meetings provided an avenue for priority setting, fact finding, and general inquiries regarding the City's Budget for FY18-19.

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.

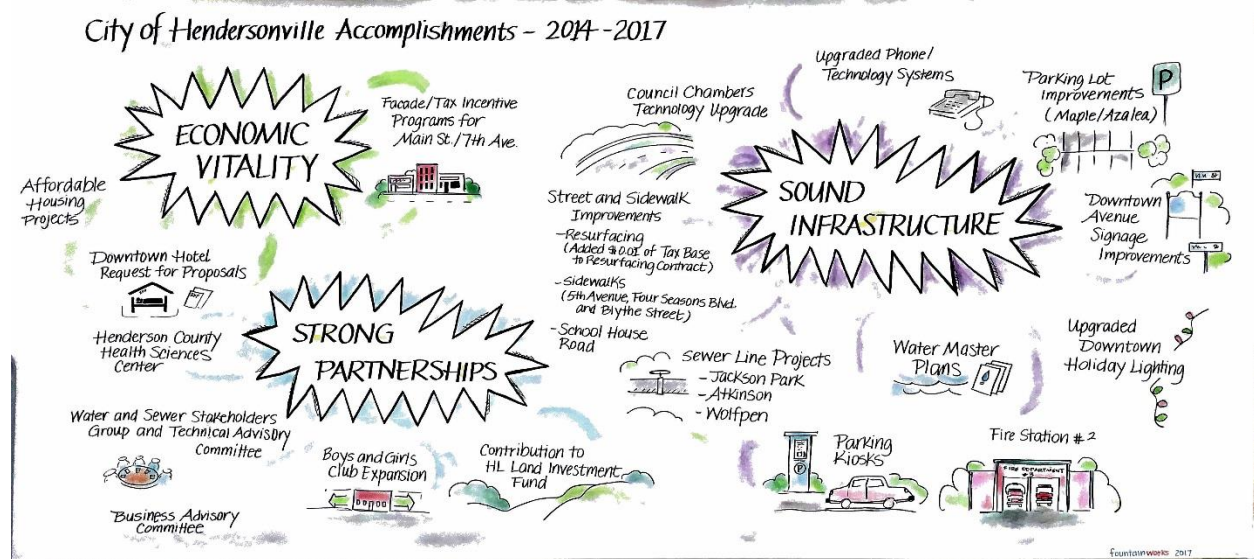
**Great Public Services:** Hendersonville will provide high quality public services by utilizing excellent customer service to enhance the safety, health, and quality life for our citizens and visitors.



**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.

At the 2017 Council Retreat we reviewed many of the City’s prior year accomplishments. Below is the graphic of the wall charts of successes reviewed at the Retreat:



We look to continue to enhance our programs and services in this budget for fiscal year 2018-19. We plan to review our accomplishments and conduct this exercise again in FY20-21.

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



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

### Facilities

#### **1-2 Year Priorities**

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

#### **3-5 Year Priorities**

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

### Parks

#### **1-2 Year Priorities**

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

#### **3-5 Year Priorities**

- Greenways; Other parks

### Infrastructure

#### **1-2 Year Priorities**

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

#### **3-5 Year Priorities**

- Streetscape – 7<sup>th</sup> to 4<sup>th</sup>

These priorities guided decision making in this budget process and were reviewed again at our Council/Staff Retreat in February. This information will be discussed further in the *Community and Organization Profile* section of this document.

The following budget message contains an overview of all budgeted funds for FY18-19.



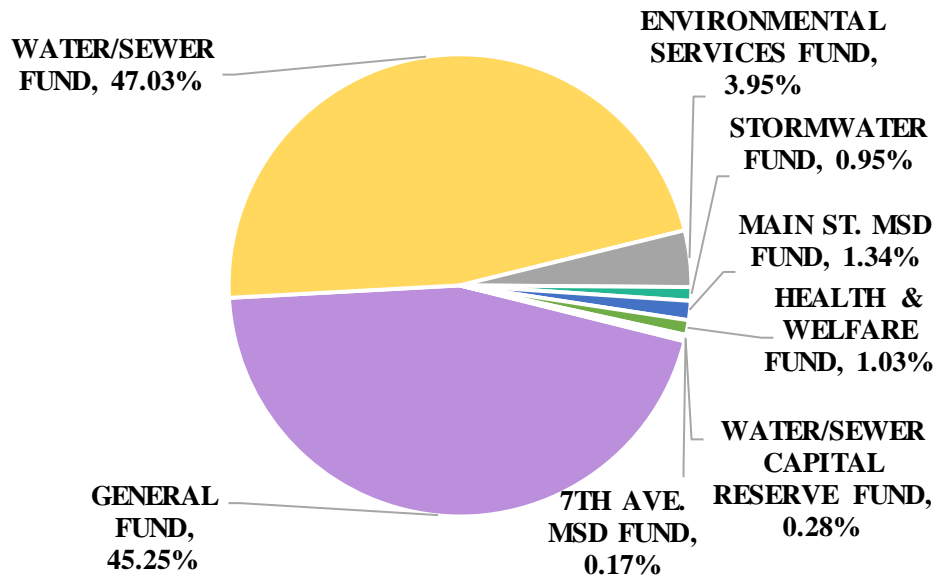
**Introduction**

The following document contains the City Manager’s final recommendation for the City’s Budget for FY18-19. This budget includes seventeen (17) governmental and proprietary funds. The table below presents the budget for each City major fund and the total budget in balance:

**TOTAL BUDGET OVERVIEW FY18-19**

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROP.
GENERAL FUND	\$ 16,011,666	\$ (15,399,666)	\$ (612,000)
WATER/SEWER FUND	16,639,133	(16,167,196)	(471,937)
ENVIRONMENTAL SERVICES FUND	1,398,377	(1,200,200)	(198,177)
MAIN ST. MSD FUND	475,057	(475,057)	-
STORMWATER FUND	337,274	(327,500)	(9,774)
HEALTH & WELFARE FUND	362,885	(362,885)	-
WATER/SEWER CAPITAL RESERVE FUND	100,000	(100,000)	-
7TH AVE. MSD FUND	59,083	(59,083)	-
POLICE - STATE DRUG FORFEITURES FUND	50,000	-	(50,000)
HISTORIC PRESERVATION COMMISSION FUND	15,000	-	(15,000)
POLICE - KENNEL CLUB FUND	7,500	-	(7,500)
POLICE - NEEDY PERSONS FUND	7,500	-	(7,500)
POLICE - FEDERAL DRUG FORFEITURES FUND	5,000	-	(5,000)
WALK OF FAME FUND	4,000	-	(4,000)
FIRE - COMMUNITY FUND	2,000	-	(2,000)
POLICE - MOTOR UNIT FUND	1,000	-	(1,000)
POLICE - RAD FUND	1,000	-	(1,000)
<b>SUB-TOTAL</b>	<b>\$ 35,476,475</b>	<b>\$ (34,091,587)</b>	<b>\$ (1,384,888)</b>
<b>TOTALS IN BALANCE</b>	<b>\$ 35,476,475</b>	<b>\$ (35,476,475)</b>	

The chart below presents each major fund (over \$50,000) as a percent of total expenditures:



### General Fund

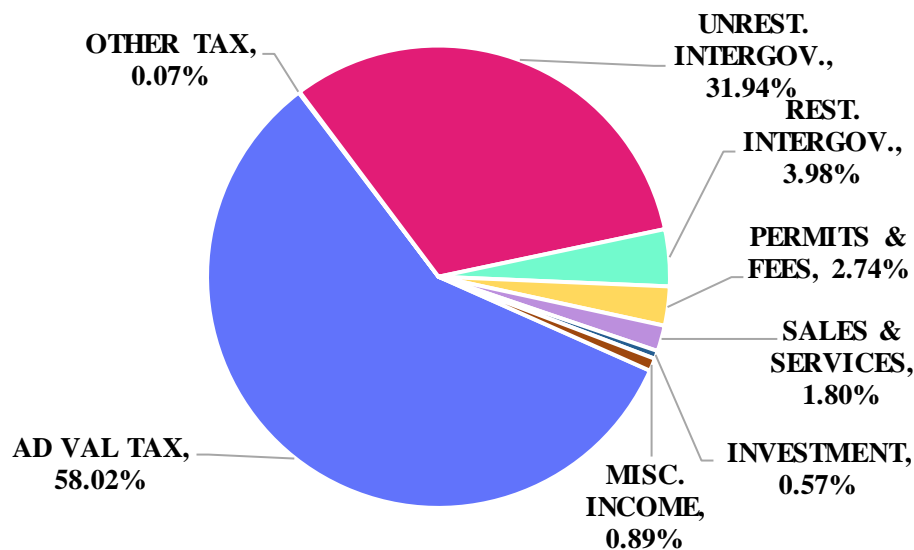
The General Fund is the primary fund in terms of the operating budget. It is “general” because any transaction that cannot be accounted for in another fund must be recorded in the General Fund. The General Fund Budget totals **\$16,011,666** for FY18-19.

### General Fund – Revenues

The following section will detail the City’s operating revenues for the General Fund. The total budget for General Fund revenues, excluding “Other Financing Sources”, is **\$14,754,666**. The table below details the City’s General Fund operating revenues by source for FY18-19:

<b>GENERAL FUND REVENUES</b>						*Based on Budget*	
REVENUE SOURCE	BUDGET FY17-18	ESTIMATE FY17-18	BUDGET FY18-19	ESTIMATE FY18-19	DOLLAR CHANGE	PERCENT CHANGE	
AD VAL TAX	\$ (8,147,201)	\$ (8,285,703)	\$ (8,559,971)	\$ (8,705,491)	\$ (412,770)	5.07%	
OTHER TAX	(11,800)	(12,001)	(11,000)	(11,187)	800	-6.78%	
UNREST. INTERGOV.	(4,559,925)	(4,637,444)	(4,712,425)	(4,792,536)	(152,500)	3.34%	
REST. INTERGOV.	(590,597)	(600,637)	(586,520)	(596,491)	4,077	-0.69%	
PERMITS & FEES	(251,900)	(256,182)	(403,900)	(410,766)	(152,000)	60.34%	
SALES & SERVICES	(408,300)	(415,241)	(266,250)	(270,776)	142,050	-34.79%	
INVESTMENT	(83,600)	(85,021)	(83,600)	(85,021)	-	0.00%	
MISC. INCOME	(153,582)	(156,193)	(131,000)	(133,227)	22,582	-14.70%	
<b>SUB-TOTAL</b>	<b>\$ (14,206,905)</b>	<b>\$ (14,448,422)</b>	<b>\$ (14,754,666)</b>	<b>\$ (15,005,495)</b>	<b>\$ (547,761)</b>	<b>3.86%</b>	
OTHER FINANCING SOURCES	\$ (1,138,630)	\$ (426,389)	\$ (1,257,000)	\$ (509,809)	\$ (118,370)	10.40%	
<b>NET TOTAL</b>	<b>\$ (15,345,535)</b>	<b>\$ (14,874,811)</b>	<b>\$ (16,011,666)</b>	<b>\$ (15,515,304)</b>	<b>\$ (666,131)</b>	<b>4.34%</b>	

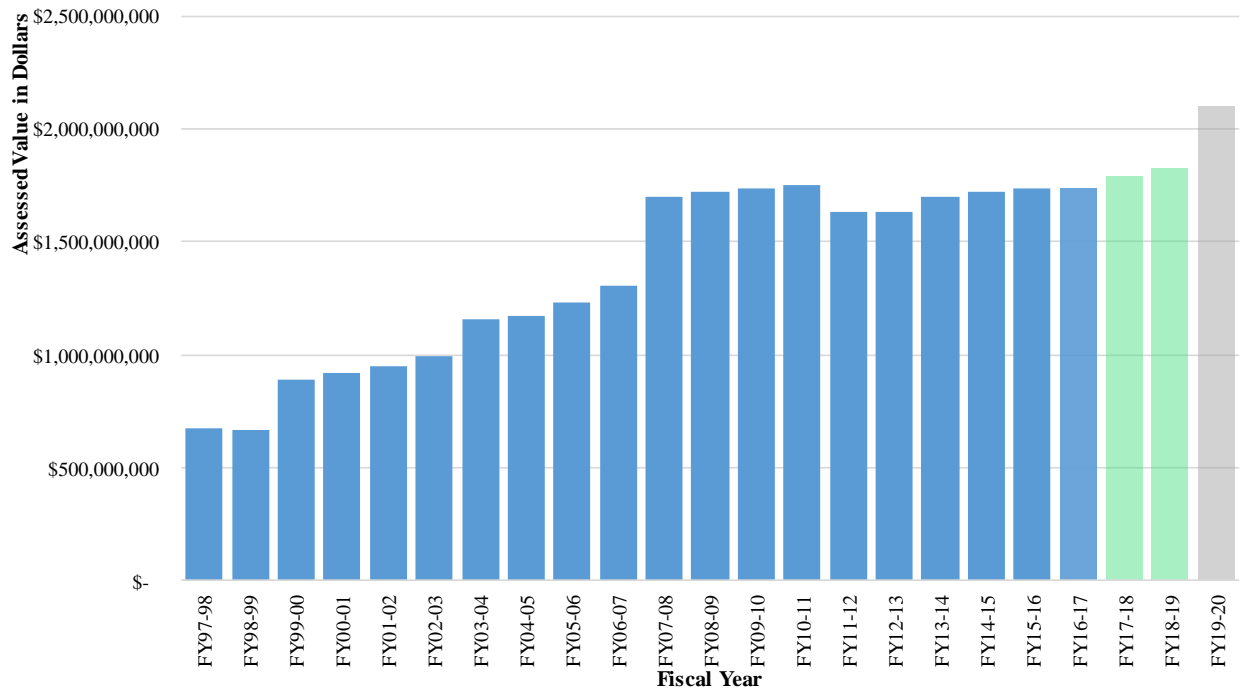
The chart below presents each source as a percent of total budgeted revenues for FY18-19:



**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 **5.07%** increase in ad valorem taxes. The recommended tax rate



is **\$0.49** per **\$100** valuation, a **\$0.02** increase over last fiscal year. This \$0.49 level is estimated to generate **\$7,944,941** in ad valorem tax revenue and **\$615,000** in ad valorem motor vehicle tax revenue for FY18-19. The chart below presents the total assessed value for all property in the City of Hendersonville, less tax exempt property:



The green shaded columns represent estimates while the grey shaded column represents the estimate for the reappraisal year. The next revaluation of real property is scheduled to occur in FY19-20. This revaluation is a critical piece of the City’s strategic planning and budgeting processes. The City Council includes estimated new future revenues from revaluations in planning for future expenditures. Historically, the last 5 revaluations have had the following effects:

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

**Unrestricted Intergov. – Sales Taxes:** Two and one-half percent of sales tax paid on retail sales in North Carolina represents the local sales tax portion levied by the City and County. These taxes consist of a one percent tax that was first levied in 1971, a one-half cent levied in 1983, a one-half cent levied in 1986 and a one-half cent levied in 2001. 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 levy basis in Henderson County. The City of Hendersonville has the second largest tax levy 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 2016-17 strong, have regressed slightly in FY17-18. This is primarily due to the large tax increases made by Mills River, a municipality in Henderson County, and the County itself. These increase, increased their respective levies and lowered the City’s share of the total sales tax revenue. At the county level, sales taxes are pushing 7% to 8% growth, year over year. However, the City is averaging a 1% decrease year over year. It is estimated that after the change in levy has taken its effect, we will see more average growth (6% - 8%) in the coming year, FY18-19.

The table below displays actual sales tax data in black and estimated collections in blue for FY17-18:

<b>Sales Tax Comparison</b>							
Reflects Sales	Collection	FY15-16	FY16-17	FY17-18	\$ Change (FY17 - FY18)	% Change (FY17 - FY18)	
July	Oct.	\$ 275,879	\$ 268,663	\$ 277,731	\$ 9,068	3.38%	
Aug.	Nov.	\$ 267,878	\$ 271,415	\$ 272,430	\$ 1,015	0.37%	
Sep.	Dec.	\$ 271,367	\$ 276,052	\$ 263,187	\$ (12,865)	-4.66%	
	<b>Q1</b>	<b>\$ 815,124</b>	<b>\$ 816,130</b>	<b>\$ 813,347</b>	<b>\$ (2,783)</b>	<b>-0.34%</b>	
Oct.	Jan.	\$ 232,447	\$ 263,071	\$ 257,103	\$ (5,967)	-2.27%	
Nov.	Feb.	\$ 264,741	\$ 288,644	\$ 280,052	\$ (8,592)	-2.98%	
Dec.	March	\$ 283,077	\$ 320,552	\$ 308,362	\$ (12,190)	-3.80%	
	<b>Q2</b>	<b>\$ 780,265</b>	<b>\$ 872,267</b>	<b>\$ 845,517</b>	<b>\$ (26,749)</b>	<b>-3.07%</b>	
Jan.	April	\$ 226,818	\$ 239,138	\$ 244,718	\$ 5,580	2.33%	
Feb.	May	\$ 230,090	\$ 257,121	\$ 219,826	\$ (37,294)	-14.50%	
March	June	\$ 295,454	\$ 309,849	\$ 306,751	\$ (3,098)	-1.00%	
	<b>Q3</b>	<b>\$ 752,362</b>	<b>\$ 806,108</b>	<b>\$ 771,295</b>	<b>\$ (34,813)</b>	<b>-4.32%</b>	
April	July	\$ 281,646	\$ 289,159	\$ 286,267	\$ (2,892)	-1.00%	
May	August	\$ 280,988	\$ 237,601	\$ 239,977	\$ 2,376	1.00%	
June	Sep.	\$ 295,504	\$ 288,106	\$ 290,987	\$ 2,881	1.00%	
	<b>Q4</b>	<b>\$ 858,138</b>	<b>\$ 814,866</b>	<b>\$ 817,231</b>	<b>\$ 2,365</b>	<b>0.29%</b>	
<b>Total</b>		<b>\$ 3,205,889</b>	<b>\$ 3,309,370</b>	<b>\$ 3,247,391</b>	<b>\$ (61,980)</b>	<b>-1.87%</b>	
<b>Minus Transfers to MSD Funds</b>		<b>\$ 106,652</b>	<b>\$ 198,562</b>	<b>\$ 194,843</b>	<b>\$ (3,719)</b>	<b>-1.87%</b>	
<b>Sub-Total GF</b>		<b>\$ 3,099,237</b>	<b>\$ 3,110,808</b>	<b>\$ 3,052,547</b>	<b>\$ (58,261)</b>	<b>-1.87%</b>	

It is important to note that the City’s collections lag the actual taxable sale by four months. The “Minus Transfers to MSD Funds” row reflects a portion of sales tax revenue that is distributed to the City’s two municipal service districts (MSDs), based on percentage of assessed value. The Main St. MSD receives **5%** of the actual revenues and the 7<sup>th</sup> Avenue MSD receives **1%** of the actual revenues. This continues to be a strong revenue source for the two MSDs.



The FY18-19 Budget includes a **6%** increase in sales tax revenues from the FY17-18 estimated final collection. The budget for local sales tax collections in the General Fund is **\$3,507,017**, less \$207,017 in transfers, for a total of \$3,300,000 in FY18-19.

Lastly, there is a proposed bill in the North Carolina General Assembly (NCGA) regarding local sales tax. House Bill 900 Safe Infrastructure and Low Property Tax Act would provide municipalities the option, if approved through a public referendum, to leverage a ¼ cent sales tax within their corporate limits. This local sales tax option could provide an estimated **\$1.7 million** in new revenue for the City. This revenue is substantial and could help alleviate pressure on the general ad valorem tax base.

**Restricted Intergov. – Powell Bill Street Allocation:** Two years ago, the General Assembly eliminated the tie between the gas tax and Powell Bill funds and instead made the Powell Bill a direct appropriation of state dollars. The General Assembly could choose to adjust the amount of Powell Bill funds during its budget process, 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 FY18-19 is **\$543,682**.

In addition to the Powell Bill funds, this revenue source accounts for various other restricted intergovernmental contributions. Some of these funds are for ABC law enforcement, Hendersonville Housing Authority police officers, and school resource officer reimbursements.

**Permits & Fees:** A **\$15** motor vehicle tag fee is recommended as part of the FY18-19 budget. Municipalities in North Carolina are authorized under general law to levy up to a \$30 licensing tax on any motor vehicle resident in the municipality. General Statute 20-97(b) details this authority. This revenue source is conservatively estimated to generate **\$150,000** in recurring revenues, to be used for transportation and street improvements.

**Sales & Services:** This funding source is estimated to decrease by **\$142,050** or **34.79%** in the FY18-19 budget. This is due to the management of the Patton Pool being contracted with the local YMCA. This revenue source has a corresponding expenditure decrease.

**Fund Balance:** The North Carolina Local Government Commission recommends that local governments maintain a minimum available fund balance of no less than eight percent (8%) of expenditures. The City of Hendersonville's fund balance goal is a range between **25%-35%**. Anything in excess of 35% can be transferred to the Capital Reserve Fund at the City Manager's discretion. If the available fund balance drops below the 25% mark, then the City Manager has to present a plan to Council as to how to achieve the adopted goal. The City of Hendersonville's available fund balance as of June 30, 2017 is **\$4,326,041**, or **31.13%** of budgeted expenditures. The total fund balance is **\$7,381,399** as of June 30<sup>th</sup>, 2017. The proposed FY18-19 budget estimates that the total fund balance will increase by **\$135,191**. This is a strong fund balance and is within City Council's stated goal.

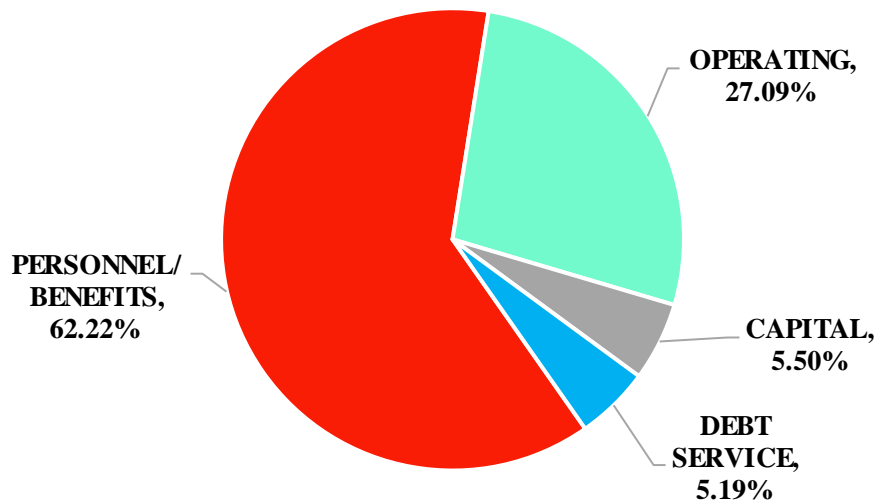


**General Fund – Expenditures**

The following section will detail the City’s operating expenditures for the General Fund. The total budget for General Fund expenditures is **\$16,011,666**. The table below details the City’s General Fund expenditures by type for FY18-19:

<b>GENERAL FUND EXPENDITURES</b>					<i>*Based on Budget*</i>	
EXPENDITURE TYPE	BUDGET FY17-18	ESTIMATE FY17-18	BUDGET FY18-19	ESTIMATE FY18-19	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 9,590,447	\$ 9,281,653	\$ 9,962,721	\$ 9,636,966	<b>\$ 372,274</b>	<b>3.88%</b>
OPERATING	4,063,659	3,932,817	4,336,764	4,194,963	<b>273,105</b>	<b>6.72%</b>
CAPITAL	965,525	934,437	881,000	852,194	<b>(84,525)</b>	<b>-8.75%</b>
DEBT SERVICE	565,000	565,000	831,181	831,181	<b>266,181</b>	<b>47.11%</b>
<b>SUB-TOTAL</b>	<b>\$ 15,184,631</b>	<b>\$ 14,713,907</b>	<b>\$ 16,011,666</b>	<b>\$ 15,515,304</b>	<b>\$ 827,035</b>	<b>5.45%</b>
TRANSFERS OUT	\$ 160,904	\$ 160,904	-	-	\$ (160,904)	-100.00%
<b>NET TOTAL</b>	<b>\$ 15,345,535</b>	<b>\$ 14,874,811</b>	<b>\$ 16,011,666</b>	<b>\$ 15,515,304</b>	<b>\$ 666,131</b>	<b>4.34%</b>

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY18-19:



Personnel and benefits type expenditures make up the largest portion of General Fund expenditures, at approximately **62%** of the total budget. Operating expenditures make up another large portion at **27%** of the total budget. The remainder of the General Fund budget is spent on capital outlay and debt service.

**Personnel/Benefits:** Personnel and benefits type expenditures include salaries, stipends, insurance, retirement contributions, and respective taxes (i.e. income tax, etc...). The total increase, for this expenditure type, between the FY17-18 and FY18-19 budgets is **\$372,274**, or **+3.88%**. This increase is a result of an **11.6%** increase in health insurance premiums and three



new School Resource Officer positions. The remainder of the increase is due to natural growth from merit and market increases. The performance based pay program amounts are currently not scheduled to change (+1.00% **Achieves**/+1.75% **Exceeds**/+2.50% **Outstanding**). The market, “cost-of-living”, adjustment is proposed to be **1.20%**. Additionally, the budget includes a final compression adjustment of the pay and classification study for number of years in served in current position. The following positions were discussed at City Council’s budget workshop and were recommended to be included in the FY18-19 budget:

1. Hiring of 3 School Resource Officer (SRO) positions to enhance school safety

The City Council directed staff to provide data on the cost of adding three additional SROs in the FY18-19 budget. The total estimated cost for three SROs is \$360,000, with \$220,500 recurring. This impact will require a \$0.02 increase on the tax rate, where every penny is estimated to produce \$160,000 in recurring revenues. These positions were prioritized to provide at least one SRO in each school located within the City limits. Additionally, this will provide one additional SRO to float between schools and fill-in when another officer is out sick, on vacation, or during a vacancy.

2. Pursuit of a SAFER Grant for 3 additional Fire Fighter positions

If the Fire Department receives a SAFER grant for hiring three Fire Fighter positions (1 per shift), the grant will fund 75% of the position cost. Currently, there are nine fire fighters on shift (three per apparatus). By hiring a tenth position we will be able to decrease overtime and part-time costs by approximately \$100,000 annually. This savings, combined with the grant, lowers expenditures enough that we can hire the 3 Fire Fighter positions and an Administrative Assistant I position. Due to the logistics of recruitment and hiring the total budget impact will be about half for FY18-19. It is important to note that the grant will only fund 35% in FY21-22 and will require full funding from the City in FY22-23.

These additions are an efficient use of available resources. They were prioritized based on the goal of continuing to support the Fire Department’s staffing to a minimum acceptable level in terms of safety on the fire-ground and in accordance with the Fire Dept. Strategic Plan, and increasing our effectiveness and efficiency of collecting and managing our revenue streams.

3. Hire an additional Accountant and Tax Collector position to assist bringing in uncollected revenues

The Finance Department has identified revenue collection as an opportunity moving forward. To this point, the staff has not had time to do in-depth research and work on revenues, above and beyond basic reconciliations and collections. By adding personnel, dedicated to revenue collections, the Finance Department has identified over \$500,000 of outstanding taxes that can be collected through foreclosures, wage garnishments, bank garnishments, and debt set-off. The cost for these positions is partially split with the Water and Sewer Fund as they will also have a focus on general billing and collections for water and sewer revenues.

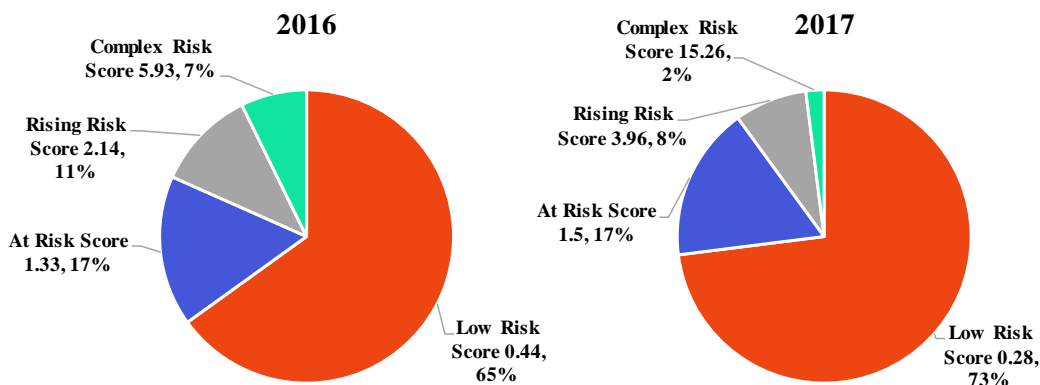


The 11.6% increase in health insurance premiums is the final variable that lead to the increase in personnel and benefits type expenditures. The original proposed renewal was for a 13.3% premium increase. By making some small adjustments in our co-pays we were able to drop the increase by a couple percentage points reducing the cost increase by approximately \$30,500. Those changes are summarized below:

<u>Co-Pay Plan Changes</u>			
<b>Patient Services</b>	<b>FY17-18</b>	<b>FY18-19</b>	
PCP Visits	\$ 30	\$ 35	
Specialist Visits	40	50	
<b>Pharmacy</b>			
Generic	\$ 5	\$ 10	
Preferred	30	40	
Non-Preferred	50	60	
Specialty	75	85	

According to our broker these changes are in line with industry trends. They also reflect changes to a major driver of our premium increase, being pharmacy/Rx costs. We do want to be cognizant that these prescriptions are helping keep members out of the emergency and operating rooms. To raise co-pays to an unreasonable level would be a serious detriment to our plan. We recognize this importance and discussed the co-pay in depth with our broker.

Our greatest challenges continue to be rising Rx costs and chronic hyperlipidemia, hypertension, and diabetes. Our total expense ratio for 2017 was **103.3%** or claims costing **3.3%** more than what we contributed. A provider is typically looking for a ratio of **85%** to break even. Additionally, a provider will consider risk factors, or how much a customer is expected to cost compared to an average risk population, when determining customer contribution levels. The City’s population risk stratification is detailed below:



The “Score” represents the average level or severity of risk on the MARA risk stratification scale. In 2017 our risk metrics improved, increasing our low risk percentage and decreasing our

\*MARA: Milliman Advanced Risk Adjusters. MARA uses medical and Rx claim history to predict an individual’s relative healthcare cost risk compared to an average population risk \*



rising risk. However, the score associated with the rising risk and complex risk increased. These high scores are representative of the high cost claimants' statistics detailed in the annual report provided by Medcost.

Additional considerations to be included in this budget are the City's participation in a shared clinic located at Pardee Hospital, the new tobacco cessation incentive, and working to develop a health savings account (HSA) as an option for employees in the FY19-20 budget. Ultimately, the nature of healthcare is complex and challenging. The City will continue to manage and encourage beneficial health practices. Through incentive programs, an on-site clinic, various educational and awareness programs, a re-work of our current wellness program, and future potential plan changes, management hopes to reach a stabilizing point in our healthcare costs.

**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 FY17-18 and FY18-19 budgets is an increase of **\$273,105**, or **6.72%**. This year we are seeing an increase from increased Powell Bill spending, continued rising public transit costs, professional services for a zoning ordinance consultant, additional protective clothing for the Fire Department, increased contributions to the Health and Welfare Fund, and inflation. In the budget process departments adjusted approximately **\$78,000** out of their requests. Additionally, the contingencies line item has been decreased by **\$50,000**.

There are no major recommended changes for the General Fund operating budget. However, it is important to note the continued increase in public transit costs. In 2014 the cost for the public transit City portion was **\$98,675**. This year the cost is **\$145,447**. This is a **\$46,772**, or **47%**, increase over five years. The purpose of the recommended \$15 motor vehicle license tax is to assist in paying for these increasing transportation costs.

**Capital:** Capital type expenditures are physical or intangible assets with an initial value greater than \$5,000 and a projected useful life greater than 1 year. The change between the FY17-18 and FY18-19 budgets is a decrease of **\$84,525**, or **-8.75%**. Fluctuations in capital spending from year to year are normal, however this year the capital program saw substantial cuts in order to help address the current deficit.



A list of the items removed from the CIP for FY18-19 are presented below:

<b>CIP Items Postponed</b>	<b>Cost</b>
Berkeley Baseball Dugouts	60,000
Berkeley Baseball Lighting	210,000
Berkeley Baseball Field Improvements	12,000
Berkeley Improvements (master plan)	300,000
City Hall Landscape	25,000
FS#1 Apparatus Floor Resurfacing	50,000
FS#1 HVAC Replacement	30,000
FS#1 Renovation Architect	25,000
FS#1 Repair Front Apron	90,000
Painting Contract	20,000
Patton Park Bleachers	8,000
Patton Pool Fence	16,000
Patton Pool Umbrellas	20,000
Patton Pool Vacuum	5,000
Police Computer Replacements	25,000
Police Vehicle Replacements (3)	133,000
<b>Sub-Total</b>	<b>1,029,000</b>

Additionally, the Whitmire building improvements, an estimated \$150,000, are recommended to be funded through debt proceeds associated with the Mill streetscape improvements and Main St. public restrooms debt issuance. This will provide additional collateral for that loan and alleviate pressure on the General Fund to pay for these projects through pay-go funding. The total pay-go portion of the capital plan is **\$241,000**. Historical averages for pay-go capital ranges from **\$900,000** to **\$1,000,000**. Again, this is a slim capital program for FY18-19.

***Debt Service:*** Debt service type expenditures are those associated with the payment of principal and interest owed by the City. The change between the FY16-17 and FY17-18 budget is an increase of **\$266,181**, or **47.11%**. This increase can be attributed to a combination of two factors. In FY15-16 the City created a debt service fund and transferred a portion of reserves to that fund to make payments on debt service notes ending in FY19-20. This dropped the General Fund's annual principal and interest payments. In FY17-18 the City refunded an outstanding general obligation bond and through that process depleted the reserves in the debt service fund. This required the General Fund to cover the portion of principal and interest payments for this final fiscal year, prior to the notes being paid in full in FY19-20. This is the reason this expenditure type increased by \$266,181 in FY18-19. It is estimated that \$120,000 of principal and interest payments will decrease in FY19-20, associated with the completion of payments for the City Hall Renovation debt issuance. Upcoming debt projects include the new Police Headquarters, Main St. Public Restrooms, Mill Project Streetscape, Public Works Maintenance Facility, and the 7<sup>th</sup> Avenue Streetscape Phase I. The loan for the Main St. Public Restrooms

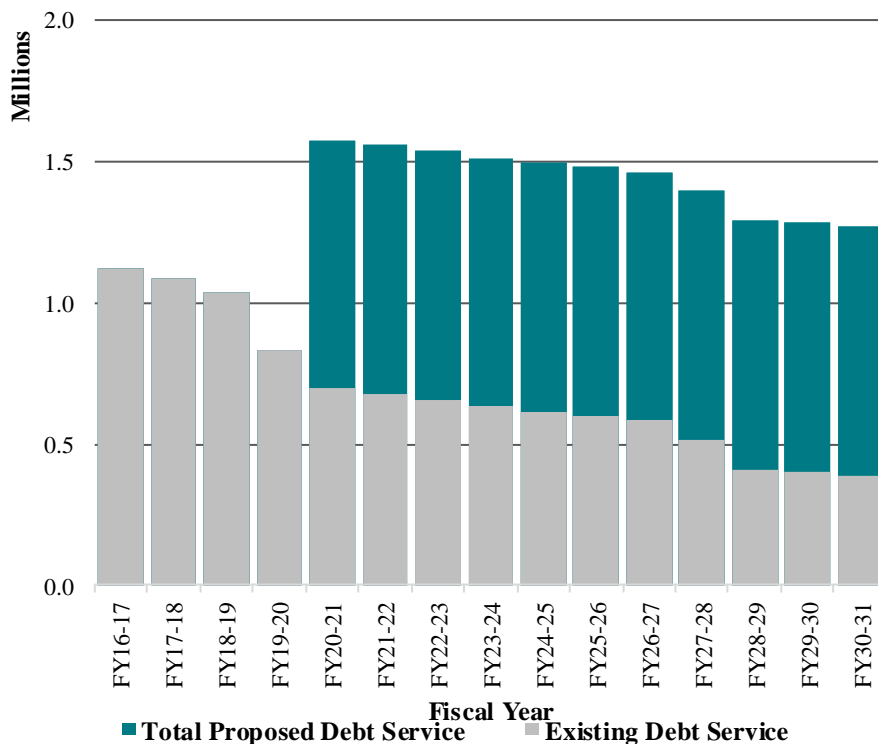


project will be funded through Main Street MSD Fund revenues and the loan for the Mill Project Streetscape will be funded through project revenues from the sale of the Grey Hosiery Mill.

The following table details the City’s existing and proposed debt obligation for the General Fund:

Project	Finance Type	Outstanding Principal	Interest	End Date	FY18-19 Payment
<b>General Fund - Existing</b>					
2008 G.O. Bond Refunding	General Obligation	\$ 1,500,000	2.02%	FY26-27	\$ 193,129
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 119,098
Fire Engine #2 Replacement Loan	Bank Loan	\$ 664,621	2.49%	FY31-32	\$ 52,081
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 454,433
Parking Kiosk Loan	Bank Loan	\$ 56,023	3.10%	FY21-22	\$ 12,438
<b>General Fund - Proposed</b>					
7th Avenue Streetscape Loan	Bank Loan	\$ 1,400,000	4.00%	FY38-39	\$ 103,014
Capital Equipment Loan	Bank Loan	\$ 615,000	4.00%	FY33-34	\$ 55,314
Police Station Loan	Bank Loan	\$ 8,000,000	4.00%	FY38-39	\$ 586,654
PW-Maintenance Bldg. Loan	Bank Loan	\$ 1,500,000	4.00%	FY33-34	\$ 134,912

The following chart details the City’s total existing and proposed debt service payments through FY29-30:





It has been communicated that our future debt and expenditures will require recouping revenues through the county-wide real property reappraisal next budget year. This means remaining revenue neutral (i.e. not adjusting the property tax rate) for a real property increase of at least **18%**. This is expected to provide enough revenues to break even with expenditures in FY19-20. The current County estimate is an average increase of 15% – 30%. If the reappraisal comes in higher than 18%, then the City will need to evaluate how much revenue above and beyond our break-even point to retain. We mention this because there are still a number of unfunded projects in our strategic plan, including the construction of Fire Station #3, improvements at Berkeley Park, a Parking Deck, Main Street Avenue improvements, and Customer Service Renovations. These projects combined with service demands will continue to drive the need for additional revenue options.

More detail on the General Fund and long range strategic plan can be found in the *Community and Organization Profile* and *Financial Summaries* sections of this document.



### Water & Sewer Fund

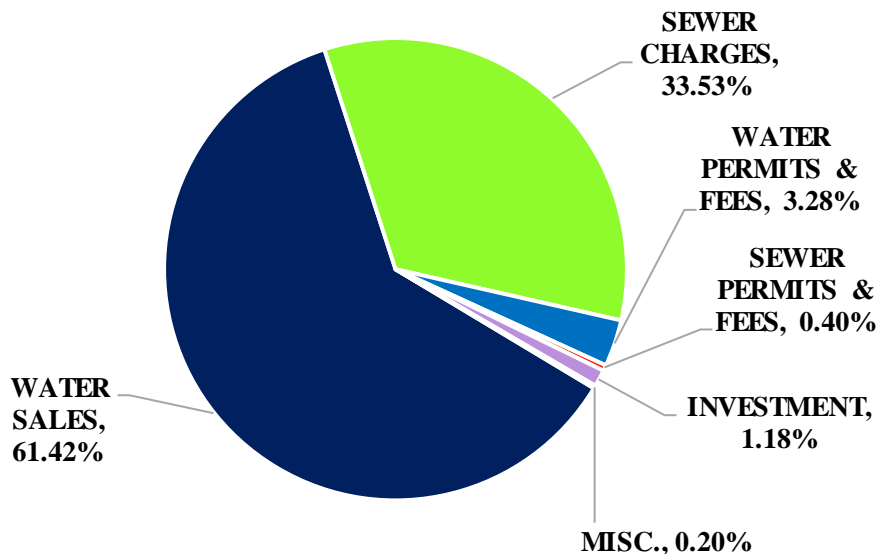
The Water and Sewer Fund is an enterprise fund and is primarily funded through user charges. The Fund is the largest part of the City of Hendersonville’s operating budget, **47.03%** or **\$16,639,133** of the total \$35,476,475 budget for FY18-19.

### 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 **\$16,167,196**. The following table shows the revenues for FY18-19:

REVENUE TYPE	WATER/SEWER FUND REVENUES		BUDGET		*Based on Budget*	
	BUDGET FY17-18	ESTIMATE FY17-18	BUDGET FY18-19	ESTIMATE FY18-19	DOLLAR CHANGE	PERCENT CHANGE
WATER SALES	\$ (9,536,461)	\$ (9,917,919)	\$ (9,929,436)	\$ (10,028,730)	\$ (392,975)	4.12%
SEWER CHARGES	(4,806,412)	(4,998,668)	(5,420,415)	(5,474,619)	(614,003)	12.77%
WATER PERMITS & FEES	(524,500)	(545,480)	(529,745)	(535,042)	(5,245)	1.00%
SEWER PERMITS & FEES	(65,000)	(67,600)	(65,200)	(65,852)	(200)	0.31%
INVESTMENT	(190,000)	(197,600)	(190,000)	(191,900)	-	0.00%
MISC.	(34,900)	(36,296)	(32,400)	(32,724)	2,500	-7.16%
<b>SUB-TOTAL</b>	<b>\$ (15,157,273)</b>	<b>\$ (15,763,564)</b>	<b>\$ (16,167,196)</b>	<b>\$ (16,328,868)</b>	<b>\$ (1,009,923)</b>	<b>6.66%</b>
OTHER FINANCING SOURCES	\$ (6,854,423)	\$ (5,562,323)	\$ (471,937)	\$ -	\$ 6,382,486	-93.11%
<b>NET TOTAL</b>	<b>\$ (22,011,696)</b>	<b>\$ (21,325,887)</b>	<b>\$ (16,639,133)</b>	<b>\$ (16,328,868)</b>	<b>\$ 5,372,563</b>	<b>-24.41%</b>

The chart below presents each revenue source as a percent of total budgeted revenues for FY18-19:



**Rate Study:** The Water and Sewer Fund generates revenue via various user charges and fees. User charges comprise about 95% of all utility revenues. Due to reliance on user charges, the rate study will have significant implications for the Utility’s revenue stream. Proposed changes



to rate structure in the Water and Sewer fund will increase revenue for the utility system in order to fund necessary capital improvements. Changes in the proposed rate structure will accomplish a number of objectives: (1) establishes more encompassing volumetric rate blocks, (2) maintains the utility's debt service coverage ratio at a 1.0 or higher, and (3) funds the debt and capital needs of the utility system through fiscal year 2030. These changes for customers will be experienced to different degrees. Industrial and commercial customers can expect a more notable change in charges as the City moves away from a declining block structure. Residential customers will experience gradual and less notable change than industrial and commercial customers. It is anticipated in some cases residential customers will see a decline in payments for service. Overall, the changes will enhance equitable service delivery, ensuring long-term sustainability for the system.

Following the City Council's retreat in February, staff asked the rate consultant to provide scenarios regarding system development charges, industrial comparisons, and rate differentials. Information regarding these topics is presented below.

**System Development Charges (SDCs):** In addition to the user fees and charges summarized above, the City considered the option to re-implement system development charges (SDCs). Re-implementation of SDCs may increase the utility's revenues from taps and fees, decreasing current reliance on user charges. Conservatively, SDC revenues are estimated to produce \$492,135 per year, on average. They may also shift some financial burden from current customers who are already invested in the system to those customers who have not previously invested in existing and future infrastructure. Re-implementation would also decrease the total rate increases by approximately 1%, or a \$0.25 less per month on a typical residential customer. This information was presented to the Water Advisory Council at their regular April meeting and they took formal action to make a recommendation that the City Council not re-implement this fee. This revenue source has not been included in this proposed budget for FY18-19.

**Industrial Rate Comparisons:** After the retreat, the City's rate consultant provided City staff with a corrected industrial comparison under a flat rate for volumetric charges to industries. We currently have a declining block (pay less for the more you use) structure. The original recommendation was to go to a flat rate in year one. After seeing the impact of a year one full implementation, it was apparent that this would have a substantial impact on our industry stakeholders. As a result, the City Manager is recommending that City Council phase out the declining block over 5-years, rather than all at once. This will give current industries time to react to the changes and provide an opportunity to maintain a competitive edge for utility costs as they relate to economic development. The 5-year phased implementation maintains a lower Hendersonville water and sewer rate for a majority of meter size and usage scenarios.

**Rate Differentials:** For informational purposes, the City asked the rate consultant to produce a model under a unified rate structure (i.e. residents outside the City-limits pay the same rates as those inside). Under this scenario, a residential customer using 3,000 gallons of water would pay



\$19.29 per month. This would be a \$4.80 per month increase for the inside City customer and a \$2.56 per month decrease for the outside City customer. A full customer impact table is available. This is simply for informational purposes and the current rate model maintains a 150% differential for outside customers.

***Other Financing Sources – Fund Balance:*** Similar to the General Fund, the Water and Sewer Fund maintains a fund balance or retained earnings. However, the LGC does not provide a recommended minimum level. The City Council has established and adopted its own policy goal of a range from 50% - 75% of expenditures. This level is higher than the General Fund because water and sewer type infrastructure and expenditures are typically more costly. The fund balance as of June 30<sup>th</sup>, 2017 was **\$14,973,146**, or **91%** of estimated operating expenditures for FY16-17. It is estimated that this Fund's fund balance will increase by **\$351,300** in FY18-19.

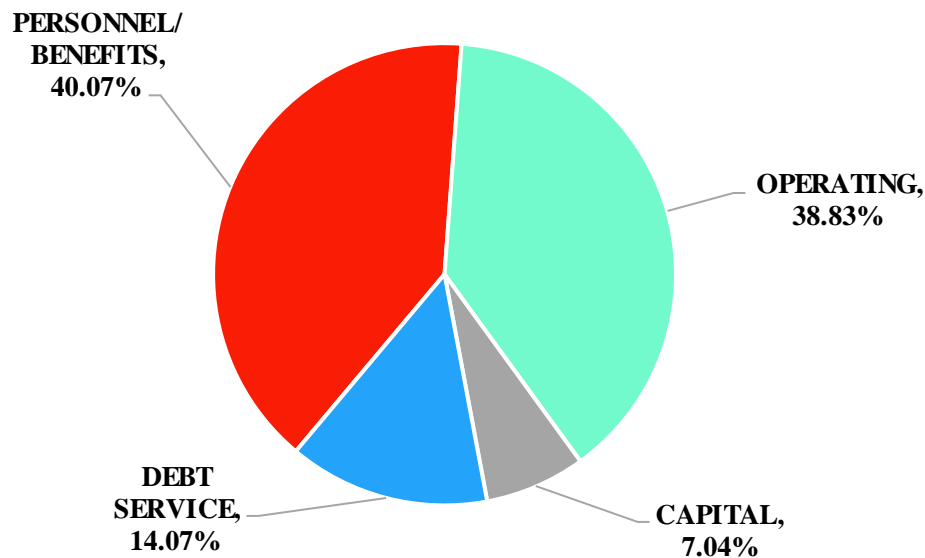


**Water & Sewer Fund – Expenditures**

Hendersonville Water and Sewer is responsible for providing water service to more than 65,000 residents and businesses of Hendersonville and Henderson County and sewer service to more than 21,000 residents and businesses. The Water and Sewer Fund continues to evaluate and improve its already high quality services through work with various outside consultants, stakeholder groups, and internal strategic priority meetings. The recommended expenditures in this memo reflect the priorities identified in the aforementioned initiatives. Below is a breakdown of the Fund’s total expenditures for FY18-19:

WATER/SEWER FUND EXPENDITURES					*Based on Budget*	
EXPENDITURE TYPE	BUDGET FY17-18	ESTIMATE FY17-18	BUDGET FY18-19	ESTIMATE FY18-19	DOLLAR CHANGE	PERCENT CHANGE
PERSONNEL/BENEFITS	\$ 6,265,100	\$ 5,961,453	\$ 6,626,887	\$ 6,318,419	\$ 361,787	5.77%
OPERATING	6,252,947	5,949,889	6,421,668	6,122,753	\$ 168,721	2.70%
CAPITAL	1,572,608	1,496,389	1,164,000	1,109,818	\$ (408,608)	-25.98%
DEBT SERVICE	2,982,434	2,982,434	2,326,578	2,326,578	\$ (655,856)	-21.99%
<b>SUB-TOTAL</b>	<b>\$ 17,073,089</b>	<b>\$ 16,390,165</b>	<b>\$ 16,539,133</b>	<b>\$ 15,877,568</b>	<b>\$ (533,956)</b>	<b>-3.13%</b>
TRANSFERS OUT	\$ 4,935,722	\$ 4,935,722	\$ 100,000	\$ 100,000	\$ (4,835,722)	-97.97%
<b>NET TOTAL</b>	<b>\$ 22,008,811</b>	<b>\$ 21,325,887</b>	<b>\$ 16,639,133</b>	<b>\$ 15,977,568</b>	<b>\$ (5,369,678)</b>	<b>-24.40%</b>

The chart below presents each expenditure type as a percent of total budgeted expenditures for FY18-19:



**Personnel/Benefits:** Personnel and benefits expenditures include salaries, insurance, retirement contributions, and respective taxes (i.e. income tax, etc.). The total increase, for this expenditure type, between the FY17-18 and FY18-19 budgets is **\$361,787** or **+5.77%**. This increase is the result of a health insurance premium increase, implementation of a part of the pay and classification plan, and the hiring of additional personnel. New personnel proposed for the



upcoming fiscal year will assist by reducing cost for the City to complete services previously offered by contractors. Additionally, the budget associated with the vacant Finance Manager position has been converted into an Accountant position and AMI Data Analyst position. The total personnel requested for FY18-19 include:

1. Meter Maintenance Mechanic
2. Generator Maintenance Mechanic
3. Wastewater Collections Line Maintenance Crew Leader
4. Wastewater Collections Line Maintenance Mechanic (2)
5. AMI Data Analyst
6. Accountant

New positions listed above are justified through cost-savings anticipated versus the option to contract necessary services to the private sector. Hiring new personnel will increase service levels for the Water and Sewer Department.

**Operating:** Operating type expenditures include everything that is not considered capital, salaries/benefits, or debt, so it includes a wide array of expenditures. The change between the FY16-17 and FY17-18 budgets is an increase of **\$168,721**, or **+2.70%**. It is important to note when considering operating expenditures, is their likelihood to fluctuate from budget to actual spending. This is common due to the nature of system repair and maintenance. Leaks and other damages to the system vary in cost and severity, and tends to drive the need for a high initial budget that may not always be completely used during the year.

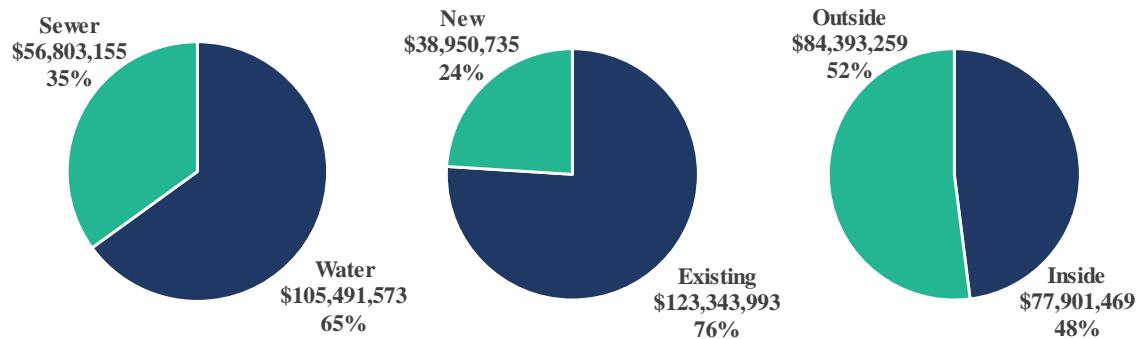
**Capital:** The Utility's pay-go capital budget is in line with historical averages, totaling \$1.6 million, and was discussed in the City's initial CIP communication in February. The total pay-go budget for FY18-19 is **\$1,164,000**. Pay-Go funded projects are typically smaller, frequently purchased, or common equipment and vehicles.

In addition to pay-go financed projects, the City has planned for reserve and debt series funded projects. Reserve projects are major projects funded through the Water and Sewer Fund's fund balance (savings). Reserve funded projects allow the City to purchase or complete larger projects while reducing dependence on debt (loans/bonds). The City plans to fund projects totaling \$10.18m using reserves. Funds were made available through transfers to these projects over the past three fiscal years.

Debt series projects are funded through borrowing. Debt funded projects are typically larger projects that would be difficult to fund within a reasonable timeframe through pay-go or when reserves are not available. There will be debt series funded projects beginning in FY18-19; however, debt will not be issued for the projects until FY19-20 and payments on the debt will not begin until FY20-21. Total expense for debt series funded projects beginning in FY18-19 is anticipated to be \$21.11m.



After the City Council retreat in February, staff took time to make final revisions to the CIP and prepare for costs associated with approaching NCDOT projects. This reprioritization lowered the total capital spend by approximately \$10 million through 2030 and added in City costs for the NCDOT projects. These projects are in-line with the water system master plan developed in FY16-17. The final average breakdown for the CIP through 2030 is presented below:



Additionally, a table listing the debt and reserve funded projects through FY19-20 is provided below:

Project Title	Water	Sewer	Inside	Outside	Existing	New	Funding Source	Project Costs
Etowah Water System Improvements	100%	0%	0%	100%	50%	50%	Reserve	4,200,000
WTP Pumps and Equipment Upgrade	100%	0%	30%	70%	80%	20%	Reserve	2,574,000
WWTP Generator & ATS	0%	100%	70%	30%	0%	100%	Reserve	912,500
WWTP Gravity Filter Replacement	100%	0%	70%	30%	100%	0%	Reserve	2,300,000
Eastside Transmission Main, Phase 2 & 3	100%	0%	0%	100%	0%	100%	2020 Series	5,100,000
French Broad River Water Intake, Phase 2	100%	0%	30%	70%	0%	100%	2020 Series	5,925,000
NCDOT Airport Road	100%	0%	0%	100%	100%	0%	2020 Series	700,000
NCDOT Shepherd/Erkwood	100%	0%	0%	100%	100%	0%	2020 Series	300,000
Northside Water System Improvements	100%	0%	0%	100%	50%	50%	2020 Series	3,600,000
WTP Expansion, 12-MGD to 15-MGD	100%	0%	30%	70%	100%	0%	2020 Series	1,387,000
WWTP Sludge Drying System	0%	100%	50%	50%	0%	100%	2020 Series	4,100,000

**Debt Service:** As outlined in the capital projects section, the City funds a number of projects through debt financing. Debt financing helps the City meet current obligations using future financial resources. Debt financing requires payments on principal and interest over a fixed number of years.

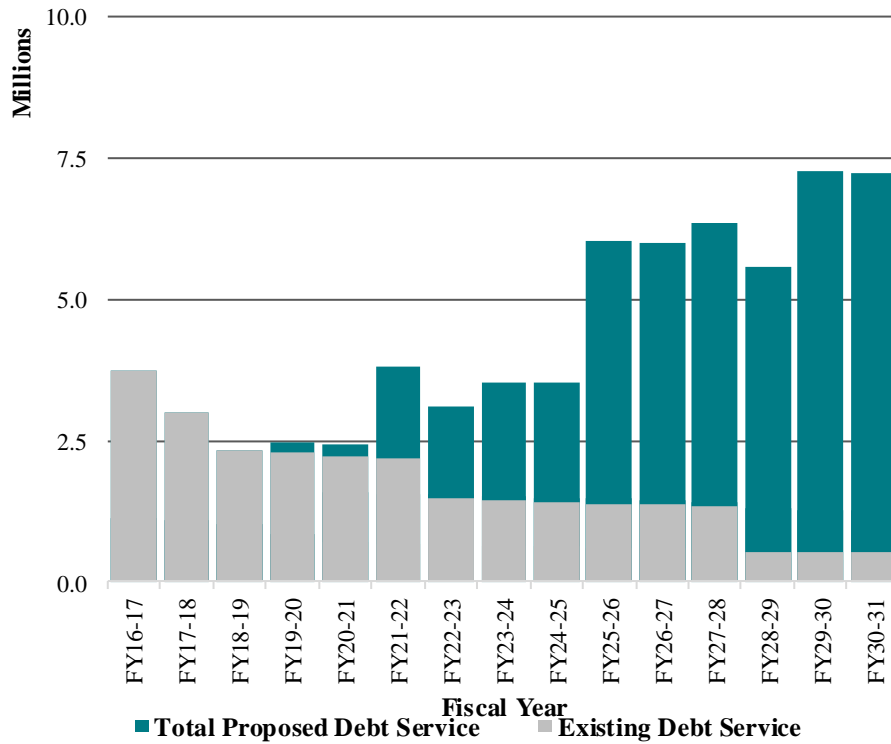
The City has issued debt in the past and; therefore, has current debt service payments. Some of these payments will roll off as the loans are paid back in full. Debt which will be paid in full in FY17-18 includes debt issued for a water treatment plant upgrade and debt issued for sewer line improvements.

There is approximately **\$136.65** million worth of debt issuances proposed in the 10-year CIP. An estimated **\$21.10** million is proposed to be issued in a FY19-20 series. The rate study

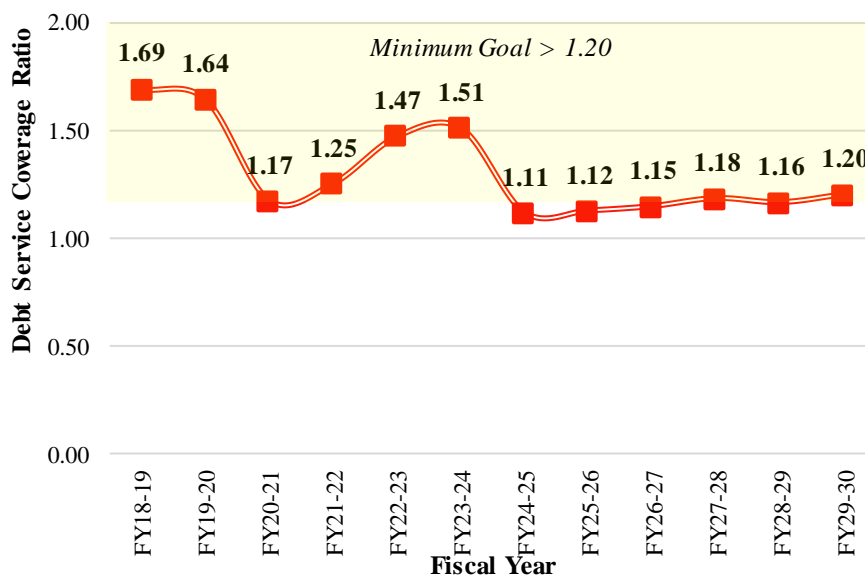


recommendations were based on the ability to fund these proposed project while maintaining acceptable debt service coverage, operating, and available fund balance ratios.

The following chart details the Utility’s total existing and proposed debt service payments through FY29-30:

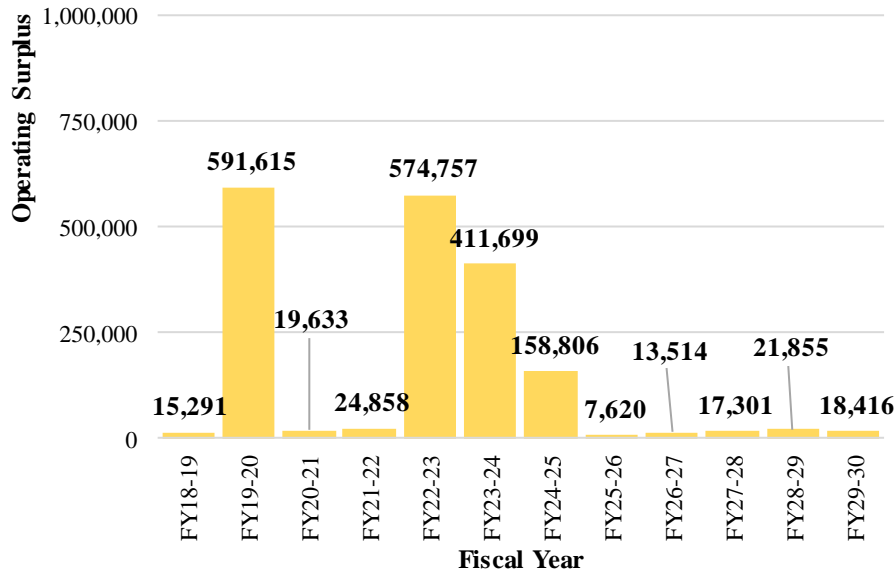


The following chart details the Fund’s debt service coverage ratio and the expected impacts through FY29-30:

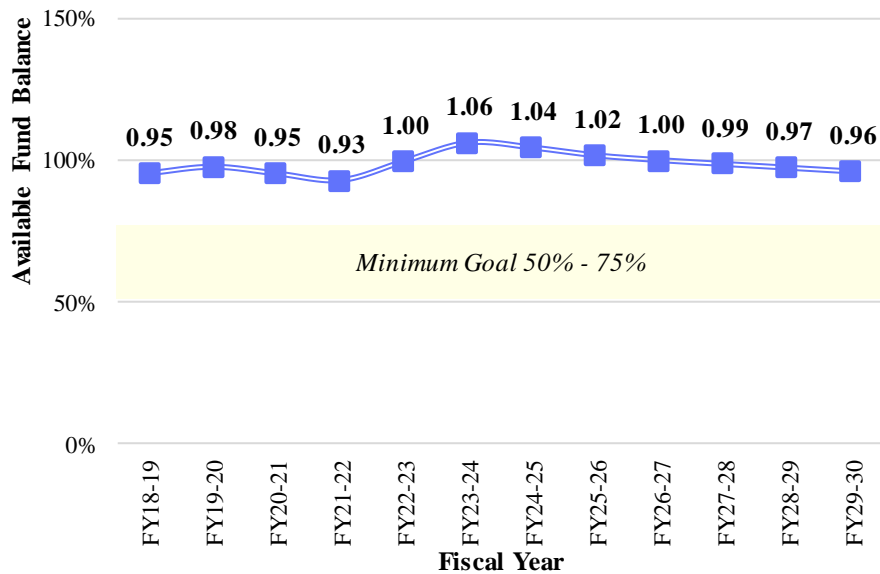




The following chart details the Fund’s operating ratio and the expected impacts through FY29-30:



The following chart details the Fund’s available fund balance ratio and the expected impacts through FY29-30:



**Transfers Out:** A major part of the prior year budgets are transfers to capital project ordinances. In FY17-18, these costs totaled approximately **\$4,935,722**. These were planned uses of the Fund’s reserves to pay for major projects. These projects have been identified above in the capital narrative. The total cost for these projects have been transferred to their respective funds and we do not include any major transfers in the FY18-19 budget. There is a transfer for \$100,000 to the Water and Sewer Capital Reserve Fund. This transfer will be used to build a capital reserve designated to pay for economic development projects within the County.



## Other Funds

In addition to the two largest City funds, the City budgets for a variety of other funds. These include enterprise funds, special revenue funds, capital reserve funds, and internal service funds. These remaining funds make up approximately **7.96%**, or **\$2,825,676**, of the total budget for FY18-19.

## Downtown Program

Under the authority provided by the State, the City levies two separate municipal service district (MSD) taxes in addition to its base ad valorem taxing authority. These two MSDs participate in the North Carolina Main Street Program and provide services above and beyond the standard services provided throughout the City. 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 two historic commercial districts that are part of the City of Hendersonville's Downtown Economic Development Program are each defined by Municipal Service Districts.

**Main Street MSD Fund:** 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 Main Street Advisory Committee as it relates to supporting a vibrant Main Street district. In the FY18-19 budget there is no recommended change in the property tax rate and no budgeted fund balance appropriation. Mentioned in the General Fund section, this Fund will be responsible for the payments associated with the Main Street Public Restrooms project. This project is estimated to cost \$825,000 and which a portion of will be financed through debt proceeds. Through a grant from the Tourism Development Authority and a transfer of Main St. MSD Fund fund balance, it is estimated that recurring debt service payments will total between \$25,000 and \$50,000. The MSD Fund is prepared to take on this recurring expenditure. The Fund also funds various special events and infrastructure. The total budget for the Fund is **\$475,057** in FY18-19.

**7th Avenue MSD Fund:** 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. In the FY18-19 budget there is no recommended change in the property tax rate and no budgeted fund balance appropriation. The Committee is also exploring the costs to make infrastructure and landscape improvements at the Historic Train Depot on 7<sup>th</sup> Avenue. The total budget for the Fund is **\$59,083** in FY18-19.

Both proposed budgets for FY18-19 were recommended for approval by their respective advisory committees. More detail can be found in the *Other Funds* section of this document.



### Environmental Services

The City funds two enterprise funds relating to sanitation and stormwater. The first, is the Environmental Services Fund which provides sanitation services to rate payers within the City. The second, is the Stormwater Fund which provides stormwater infrastructure improvements, street and gutter cleaning, and maintains the City's NPDES phase II permit with the State of North Carolina.

**Environmental Services Fund:** The total budget for this Fund is **\$1,398,377** in FY18-19. There is no recommended changes in rates and the budget includes a fund balance appropriation of **\$198,177**. It is estimated that the actual fund balance appropriation will be less at year end. This appropriation is partly due to the purchase of non-recurring capital expenditures, including a leaf machine replacement, service truck replacement, and route software upgrade. The Fund's fund balance totals **\$620,600** as of June 30<sup>th</sup>, 2017 and is expected to decrease by approximately \$200,000 in FY17-18. This is a strong fund balance and the appropriation for FY18-19 will not be a substantial deterrent on continued sustainability. Seeing that fund balance has been required to fund non-recurring capital outlay, the Council will need to consider a more sustainable funding structure for capital needs in future years. This combined with growing service demands at the outer edges of our corporate limits, will drive the need to look at rates and revenue options in FY19-20 and beyond.

**Stormwater Fund:** The total budget for this Fund is **\$337,274** in FY18-19. This budget includes a rate increase on the stormwater fee from a flat rate \$2 per month to \$3 per month, a **\$1** increase. This increase is expected to generate an additional **\$100,000** in revenues for FY18-19. There is a budgeted fund balance appropriation of \$9,774 however, this is not expected to actually be appropriated at year end. The \$1 increase in rates is designated for a stormwater master plan to evaluate the Wash Creek watershed. This master plan will serve as a guide and template for other watersheds in the future. City Council directed staff to start with this study to further identify stormwater capital needs, prior to adopting a more progressive rate structure. This is the next step in the development of a full service stormwater utility. Additionally, staff have submitted applications for two separate grants to assist with Patton Park stormwater improvements and Hendersonville Elementary School runoff improvements.

More detail can be found in the *Enterprise Funds* section of this document.

### Internal Service Fund

The City provides one internal service fund for the provision of health and welfare employee benefits. Internal service funds are used to account for the financing of goods or services provided by one department or agency of a governmental unit to other departments or agencies of the same governmental unit on a cost-reimbursement basis. The City's Health and Welfare Fund is adopted by ordinance as a financial plan, in accordance with North Carolina law.



**Health & Welfare Fund:** The total budget for this Fund is **\$362,885** in FY18-19. This Fund pays for the City’s MERP plan claims and provides other employee benefit services. These services are managed by the Wellness Committee and program. Each City fund makes annual contributions to this Fund to pay for the services provided.

### **Special Revenue Funds**

The City supports a variety of other special revenue funds. These funds are relatively small in comparison to the other functions of the City. Some of the functions that these funds provide are related to police and fire community services, historic preservation, and the City’s Walk of Fame Committee. In total these funds make up **\$93,000** of the total budget. Their primary revenue source comes from donations or events which creates uncertainty when budgeting for revenues. Considering that uncertainty, each year we balance these budgets through fund balance appropriations rather than creating revenue accounts that may or may not be realized.



## Budget in Total

The long-term revenue picture for the City of Hendersonville appears to be good. We are experiencing residential and commercial growth in all parts of the City. Local real estate agents have informed us that residential property sales continue to exceed expectations and property values have grown by at least eighteen percent since 2015. This should translate into a strong property revaluation in FY2019-20. In addition, several commercial projects are under construction and developers have recently contacted City staff regarding potential projects in the City. I expect this activity to continue for at least the next twelve months as Hendersonville solidifies its position as a major residential and commercial center in the Asheville Metropolitan Statistical Area.

The City Council has taken several bold steps over the last several years to improve its position to attract new visitors, industry and commercial development to Hendersonville. The City has supported the continued growth of Team Ecco Aquarium, Flat Rock Playhouse, and Hands on Children's Museum. All three of these non-profits agencies serve as visitor destinations. These efforts along with the significant infrastructure investments in the Main Street and 7<sup>th</sup> Avenue Municipal Service Districts are paying significant dividends in fostering private reinvestment by local property owners. The City has also made significant investment in the work of the Henderson County Economic Development Partnership's Property Investment Fund. These funds in addition to water and sewer infrastructure improvements are being used to improve our ability to bring and support world class manufacturing facilities in Henderson County.

In planning for the future, we must be vigilant in understanding how the growth of the community directly affects how existing services are provided to our citizens and visitors. Service and program costs can directly impact the long-term financial health of the City of Hendersonville. In addition, expecting City departments to maintain a high level of service in a fast growing community without additional resources will lead to low morale, significant organizational turnover and poor service. City management will work with the City Council to balance service level expectations and the needs for additional personnel and equipment. However, it must be recognized the many of our peer cities are operating on larger budgets, higher tax rates, and with more personnel.

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 2018-2019 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 and other staff members who helped in preparing this budget.

I recommend this proposed budget for Fiscal Year 2018-2019 to the Mayor and City Council.

Respectfully submitted,



**John F. Connet**  
**City Manager**



Ordinance # \_\_\_\_\_

**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, 2018 AND ENDING JUNE 30, 2019**

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, 2018; 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 COUNCIL OF THE CITY OF HENDERSONVILLE,  
NORTH CAROLINA:**

**SECTION 1:** That the following amounts are hereby appropriated for the major governmental and proprietary budgets, together with a financial plan for internal service funds, for the City of Hendersonville and its activities for the fiscal year beginning July 1, 2018, and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

**GOVERNMENTAL FUNDS**

**General Fund**

**General Fund**

Budgeted Revenues	\$(14,754,666)
Ad Valorem Taxes	(8,559,971)
Other Taxes & Licenses	(11,000)
Unrestricted Intergovernmental	(4,712,425)
Restricted Intergovernmental	(586,520)
Permits & Fees	(403,900)
Sales & Services	(266,250)
Investment Earnings	(83,600)
Miscellaneous	(131,000)
Budgeted Expenditures	\$16,011,666
General Government	2,221,679
Police	5,543,657
Fire	2,971,163
Development Assistance	491,683
Public Works	4,042,303
Debt Service	831,181
Other Finance (Sources)/Uses	\$(1,257,000)
Proceeds of Debt	(615,000)
Transfers (In)	(30,000)
Transfers Out	-
Fund Balance Appropriated	(612,000)
<b>Sub-Total Appropriation</b>	<b>\$16,011,666</b>



**Special Revenue Funds****Fire Community Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$2,000
General Administration	2,000
Other Finance (Sources)/Uses	\$(2,000)
Fund Balance Appropriated	(2,000)
<b>Sub-Total Appropriations</b>	<b>\$2,000</b>

**Historic Preservation Commission Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$15,000
General Administration	15,000
Other Finance (Sources)/Uses	\$(15,000)
Fund Balance Appropriated	(15,000)
<b>Sub-Total Appropriations</b>	<b>\$15,000</b>

**Kennel Club Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$7,500
General Administration	7,500
Other Finance (Sources)/Uses	\$(7,500)
Fund Balance Appropriated	(7,500)
<b>Sub-Total Appropriations</b>	<b>\$7,500</b>

**Main Street MSD Fund**

Budgeted Revenues	\$(475,057)
Ad Valorem Taxes	(236,873)
Other Taxes & Licenses	( - )
Unrestricted Intergovernmental	(173,684)
Restricted Intergovernmental	( - )
Permits & Fees	( - )
Sales & Services	( - )
Investment Earnings	(500)
Miscellaneous	(64,000)
Budgeted Expenditures	\$475,057
Downtown Program	\$475,057
Other Finance (Sources)/Uses	\$( - )
Fund Balance Appropriated	( - )
<b>Sub-Total Appropriations</b>	<b>\$475,057</b>

**Motor Unit Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$1,000
General Administration	1,000
Other Finance (Sources)/Uses	\$(1,000)
Fund Balance Appropriated	(1,000)
<b>Sub-Total Appropriations</b>	<b>\$1,000</b>





**Special Revenue Funds (cont.)****Needy Persons Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$7,500
General Administration	7,500
Other Finance (Sources)/Uses	\$(7,500)
Fund Balance Appropriated	(7,500)
<b>Sub-Total Appropriations</b>	<b>\$7,500</b>

**PD Federal Drug Forfeiture Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$5,000
General Administration	5,000
Other Finance (Sources)/Uses	\$(5,000)
Fund Balance Appropriated	(5,000)
<b>Sub-Total Appropriations</b>	<b>\$5,000</b>

**PD State Drug Forfeiture Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$50,000
General Administration	50,000
Other Finance (Sources)/Uses	\$(50,000)
Fund Balance Appropriated	(50,000)
<b>Sub-Total Appropriations</b>	<b>\$50,000</b>

**RAD Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$1,000
General Administration	1,000
Other Finance (Sources)/Uses	\$(1,000)
Fund Balance Appropriated	(1,000)
<b>Sub-Total Appropriations</b>	<b>\$1,000</b>

**Seventh Avenue MSD Fund**

Budgeted Revenues	\$(59,083)
Ad Valorem Taxes	(17,750)
Other Taxes & Licenses	( - )
Unrestricted Intergovernmental	(33,333)
Restricted Intergovernmental	( - )
Permits & Fees	( - )
Sales & Services	( - )
Investment Earnings	(500)
Miscellaneous	(7,500)
Budgeted Expenditures	\$59,083
Downtown Program	\$59,083
Other Finance (Sources)/Uses	\$( - )
Fund Balance Appropriated	( - )
<b>Sub-Total Appropriations</b>	<b>\$59,083</b>



**Special Revenue Funds (cont.)****Walk of Fame Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$4,000
General Administration	4,000
Other Finance (Sources)/Uses	\$(4,000)
Fund Balance Appropriated	(4,000)
<b>Sub-Total Appropriations</b>	<b>\$4,000</b>

**PROPRIETARY FUNDS****Enterprise Funds****Environmental Services Fund**

Budgeted Revenues	\$(1,200,200)
Charges for Services	(1,185,000)
Other Taxes & Licenses	( - )
Unrestricted Intergovernmental	(9,000)
Restricted Intergovernmental	( - )
Permits & Fees	( - )
Sales & Services	( - )
Investment Earnings	(5,000)
Miscellaneous	(1,200)
Budgeted Expenditures	\$1,398,377
Sanitation	1,364,749
Debt Service	33,628
Other Financing Services	\$(198,177)
Fund Balance Appropriated	(198,177)
<b>Sub-Total Appropriations</b>	<b>\$1,398,377</b>

**Stormwater Fund**

Budgeted Revenues	\$(327,500)
Charges for Services	(325,000)
Other Taxes & Licenses	( - )
Unrestricted Intergovernmental	( - )
Restricted Intergovernmental	( - )
Permits & Fees	(1,500)
Sales & Services	( - )
Investment Earnings	(1,000)
Miscellaneous	( - )
Budgeted Expenditures	\$307,274
Stormwater	307,274
Other Financing Sources	\$20,910
Fund Balance Appropriated	(9,774)
Transfer (In)	( - )
Transfers Out	30,000
<b>Sub-Total Appropriations</b>	<b>\$337,274</b>



**Enterprise Funds (Cont.)****Water & Sewer Capital Reserve Fund**

Budgeted Revenues	\$( - )
Miscellaneous	( - )
Budgeted Expenditures	\$100,000
General Administration	100,000
Other Finance (Sources)/Uses	\$(100,000)
Fund Balance Appropriated	( - )
Transfers (In)	(100,000)
Transfers Out	-

**Sub-Total Appropriations** **\$100,000**

**Water & Sewer Fund**

Budgeted Revenues	\$(16,167,196)
Charges for Services	(15,349,851)
Other Taxes & Licenses	( - )
Unrestricted Intergovernmental	( - )
Restricted Intergovernmental	( - )
Permits & Fees	(594,945)
Sales & Services	( - )
Investment Earnings	(190,000)
Miscellaneous	(32,400)
Budgeted Expenditures	\$16,539,133
General Business	4,050,387
Facilities Maintenance	1,574,304
Water Treatment Plant	2,058,544
Operations Support	868,308
Water Distribution	2,069,755
Wastewater Treatment Plant	1,760,372
Wastewater Collection	1,830,885
Debt Service	2,326,578
Other Financing Sources	\$(371,937)
Fund Balance Appropriated	(471,937)
Transfers (In)	( - )
Transfers Out	100,000

**Sub-Total Appropriations** **\$16,639,133**

**Internal Service Funds****Health & Welfare Fund**

Budgeted Revenues	\$(362,885)
Charges for Services	(352,635)
Grant Revenue	( - )
Miscellaneous	(10,250)
Budgeted Expenditures	\$362,885
Employee Benefits	362,885
Other Financing Sources	\$( - )
Fund Balance Appropriated	( - )

**Sub-Total Appropriations** **\$362,885**

**Total Appropriations**

**\$35,476,475**



**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, 2018, and ending June 30, 2019. A copy of said document 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 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-nine cents (\$0.49) per one hundred dollars valuation of property as listed for taxes as of March 1, 2018. This rate is based on an estimated total valuation of property for the purpose of taxation of \$1,787,226,986 and estimated collection rate of 98.01%.

A tax rate is also levied of twenty-eight cents (\$0.28) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2018, 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 \$86,256,402 and an estimated collection rate of 98.01%.

A tax rate is also levied of twelve cents (\$0.12) per one hundred dollars (\$100) valuation of property as listed for taxes as of March 1, 2018, for the Seventh Avenue Municipal Service District formed upon a petition of some of the property owners, established for the purpose of infrastructure improvements and special events in the district. The rate is based on an estimated total valuation of property for the purpose of taxation of \$16,386,965 and an estimated collection rate of 98.01%.

There is hereby adopted an official *Fee Schedule* listing specific fees, licenses, and utility rates charged by the City of Hendersonville for the use of City facilities and equipment for the purposes of making them available to public, specific utility rates the proceeds of which are for the maintenance and expansion of its utility systems, 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, and 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 9:** This ordinance shall become effective on and after July 1, 2018.

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

Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this 7<sup>th</sup> day of June, 2018.

ATTEST:

  
Barbara Volk, Mayor, City of Hendersonville

  
Tammie K. Drake, MMC, City Clerk

Approved as to form:

  
Samuel H. Fritschner, City Attorney



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Ordinance # \_\_\_\_\_

**CAPITAL RESERVE FUND ORDINANCE**

**AN ORDINANCE SETTING CAPITAL RESERVE GUIDELINES FOR  
THE CITY OF HENDERSONVILLE, NORTH CAROLINA  
FOR THE YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019**

WHEREAS, under North Carolina General Statute 159-18 the City of Hendersonville is authorized to establish and maintain a capital reserve for any purposes for which bonds may be issued; and

WHEREAS, the City Council deems it is in the best interest of the citizens of Hendersonville to establish a capital reserve to fund future capital improvements; and

WHEREAS, the capital reserve fund will be used in conjunction with a multi-year capital improvement program to be reviewed annually during the budget process;

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

**SECTION 1 BUDGET:** That the following Capital Reserve Fund (CRF) budget, purpose, anticipated revenues, and project appropriations are hereby adopted for the operation of the City of Hendersonville and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

**Fiscal Year 2018-19**

**Capital Reserve Fund Revenues**

Transfer from Water and Sewer Fund	\$	100,000
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**Capital Reserve Fund Expenditures**

Miscellaneous Expense	\$	100,000
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<b>Total Fund Balance</b>	\$	-
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**SECTION 2 PURPOSE:** That the purpose of the City of Hendersonville CRF will be to (1) raise funds for future economic development capital projects, (2) provide greater levels of transparency and flexibility in raising and expending funds on capital projects, (3) delineate the timeframe for which revenues will be raised for and expended on capital projects, (4) display the amounts of revenues and expenditures for capital projects funded through the CRF, and (5) detail revenue sources of the fund.

This Capital Reserve Fund Ordinance will, more specifically, be established alongside the City’s Budget Ordinance to begin saving for Water and Sewer Fund related economic development projects. The City has recognized the need to fund economic development projects and desires to fund such projects through a CRF to enhance transparency and accountability.

**SECTION 3 TIMEFRAME:** That revenues for Water and Sewer Fund related capital projects will be raised over a period of five (5) fiscal years- from July 1, 2018 to June 30, 2023.




**SECTION 4 AMOUNTS ACCUMULATED:** That each fiscal year, the City will transfer \$100,000 from the Water and Sewer Fund (Fund 60) to the Capital Reserve Fund (Fund 66). The City will save \$500,000 of revenue in the CRF for future economic development projects. The City anticipates to expend \$500,000 on economic development projects.

**SECTION 5 REVENUE SOURCES:** That the revenue source planned for the CRF is the Water and Sewer Fund. Each year delineated, the City will transfer \$100,000 from the Water and Sewer Fund to the CRF.

Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this 7<sup>th</sup> day of June, 2018.

ATTEST:

  
Barbara G. Volk, Mayor, City of Hendersonville

  
Tammie K. Drake, MMC, City Clerk

Approved as to form:

  
Samuel H. Fritschner, City Attorney





Resolution # \_\_\_\_\_

**RESOLUTION OF INTENT****A RESOLUTION TO CONSIDER AND ADOPT THE RECOMMENDED CAPITAL IMPROVEMENT PLAN (CIP) AND WATER/SEWER RATE STUDY FOR THE CITY OF HENDERSONVILLE, NORTH CAROLINA FOR THE FISCAL YEAR 2018-19 THROUGH THE FISCAL YEAR 2022-23**

WHEREAS, the City of Hendersonville recognizes that a Capital Improvement Plan (CIP) enables staff and the Board to plan for a vibrant community; and

WHEREAS, the CIP is a 10-year planning tool designed to help the City plan for the repair, replacement, and acquisition of capital items; to assist in financial planning; to ensure better coordination and evaluation of projects; to provide necessary lead time for project planning, permitting, and design; and to maintain or improve the City's credit rating and fiscal health; and

WHEREAS, the recommended FY18-19 through FY22-23 CIP updates preceding budgets and CIPs of prior fiscal years; and

WHEREAS, this plan is updated annually for Board review; and

WHEREAS, the Board authorizes staff to reallocate undesignated or unused funds within the CIP and Capital Reserve Fund to support other projects that may come about in the course of this timeframe; and

WHEREAS, this flexibility in the planning and implementation of capital needs makes the City's CIP responsive to the changing needs of its community; and

WHEREAS, the Board intends to follow the recommendations of the water and sewer rate study as to provide adequate funding for the projects identified in the CIP while maintaining a strong financially sustainable fiscal position; and

WHEREAS, the Board intends to generate revenues through the County-wide real property revaluation, effective FY19-20, to provide funding for the debt service payments on General Fund projects: 7<sup>th</sup> Avenue Streetscape Project, Phase I (\$1,400,000); Capital Equipment Loan (\$615,000); Police Headquarters Project (\$8,000,000), and Public Works – Maintenance Facility Project (\$1,500,000); and

WHEREAS, this CIP will provide a vibrant future for our community and is intended to further the vision and mission of the City.


THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HENDERSONVILLE, NORTH CAROLINA that the City of Hendersonville City Council has received and adopts the recommended Capital Improvement Plan (CIP) in conjunction with the annual City Budget for Fiscal Year 2018-2019.



Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this 7<sup>th</sup> day of June, 2018.

ATTEST:

  
Barbara G. Volk, Mayor, City of Hendersonville

  
Tammie K. Drake, MMC, City Clerk

Approved as to form:

  
Samuel H. Fritschner, City Attorney



## History, Geography, and Demographic Background

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

### History

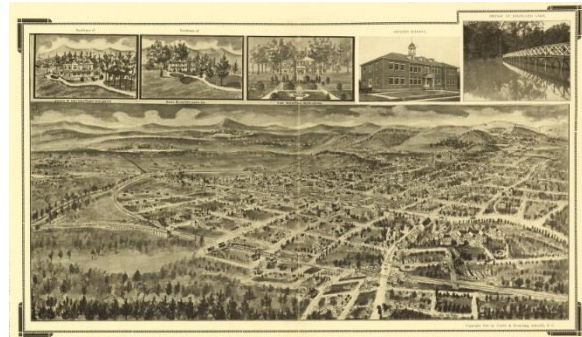
The first presence of settlers in Henderson County began to take shape in 1785, legally acquiring Cherokee lands with the Treaty of Hopewell. The Treaty only designated half of present day Henderson County; however, the settlers and newcomers migrated beyond that set boundary and came to inhabit the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

The original design of Hendersonville consisted of 40 lots enclosed by present day King Street, Washington Street, Caswell Street, and 7<sup>th</sup> Avenue. The plot consisted of a square with a 100ft. wide Main Street, which provided enough space for a horse and carriage to turn around without backing up. Upon the City's chartering, the City attracted a small population of merchants, lawyers, innkeepers, and other

professionals. The City also saw a growing presence of religious and scholastic institutions, including the St. James Episcopal Church and the Western North Carolina Female College. The architecture in this period exemplified the Greek revival or the antebellum period. The C.M. Pace House at 813 Fifth Avenue West is one of the few remaining antebellum buildings in Hendersonville.



*\*C.M. Pace House*



*\*Hendersonville - Original Lots*

Entering the 20<sup>th</sup> Century, the City of Hendersonville experienced union raids during the Civil War and reaped benefits from the establishment of the first railroad in 1879. The presence of the railroad was said to be the beginning of the modern era in Henderson County. The County and City profited from produce and livestock, and became a tourist destination in the cool western North Carolina Mountains. The area also

experienced economic growth due to its excess supplies of lumber and clay. This profit resulted in new streets, buildings, and an extension of the City's legal jurisdiction.

As the 1900s progressed, Hendersonville suffered dramatically due to the Great Depression. The 1930s saw all three banks close, dwindling 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 7<sup>th</sup> Avenue, improvements to the Patton Memorial Hospital, and the creation of public parks. The Second World War provided the backbone for economic recovery, however, the tourist industry remained stunted.

After World War II, the County emerged as an economic leader in the western part of the State. During this time, major construction projects continued, including the construction of the Margaret R. Pardee Memorial Hospital, the tourism industry recovered, population began to grow, and the school systems continued to expand.

In recent years, the downtown business core has seen a large amount of demolition and construction of public parking areas. The suburbs and neighborhoods have fared much better than the downtown district; however, rapid and widespread development threatens to overwhelm these early neighborhood areas.

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

## Geography

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



**Demographics**

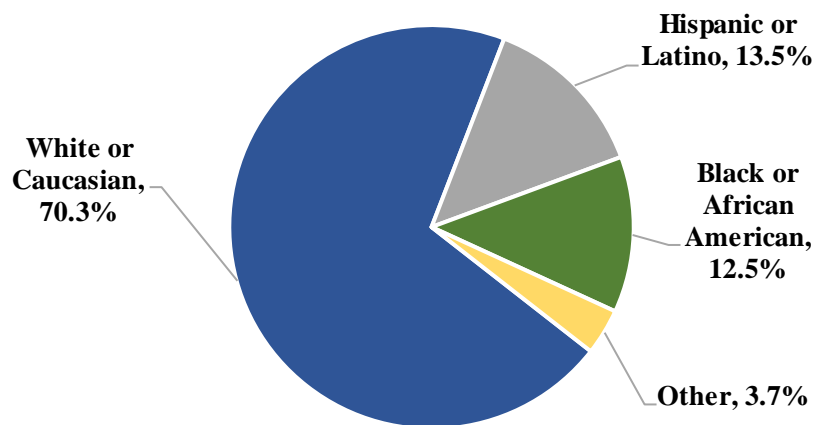
The population of the City of Hendersonville as of 2017 was 14,064. This is a 8.21% increase since 2008. The median resident age is 45.2 years and the median household income was \$36,620 as of 2017.

The table below provides a summary of local housing, income, and poverty conditions:

<b>2017</b>	<b>U.S. Census Bureau</b>	<b>Housing, Income, Poverty</b>
	Owner Occupied Houses	42.6%
	Owner Occupied Home	
	Median Value	\$ 167,000
	Median Monthly Home	
	Ownership Costs with	
	Mortgage	\$ 999
	Median rent	\$ 757
	Median household income	
	(2016 dollars)	\$ 34,620
	Per capital income	
	(2016 dollars)	\$ 22,510
	Persons in poverty	24.9%

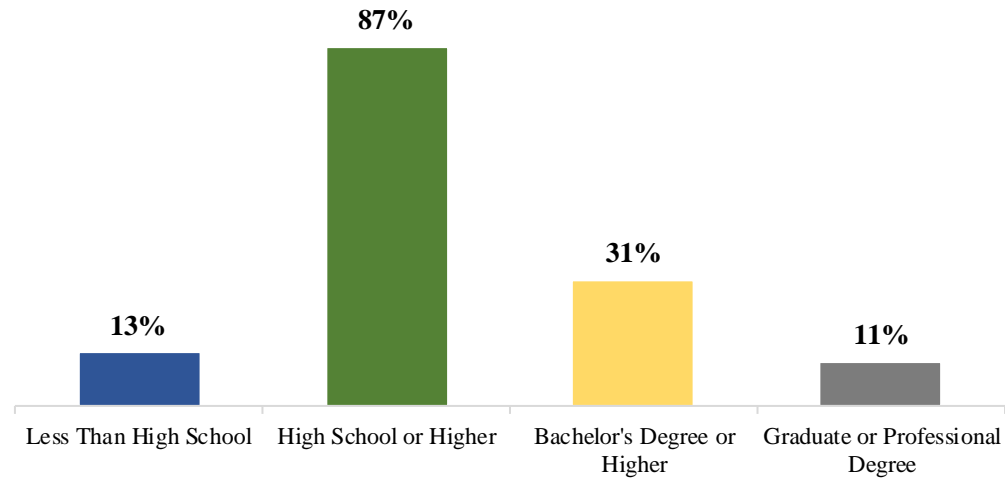
The following pie chart details the percent each race comprises of the total population:

**Hendersonville Race Breakdown (2017)**



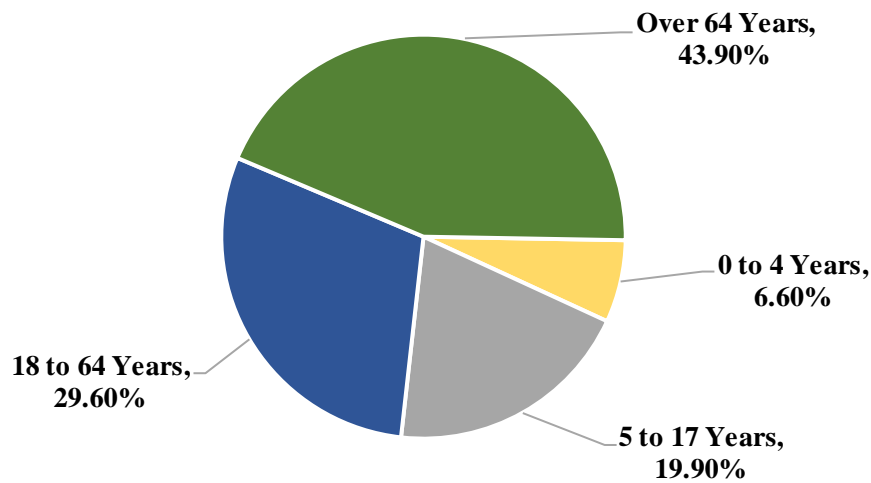
The bar chart below details the percent each level of education comprises of the total population. This data is depicted in bar chart form. Note that education populations overlap (i.e. 87% of the population has a High School education or higher and 31% has a Bachelor’s degree or higher):

### Hendersonville Education Breakdown (2017)



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

### Hendersonville Age Breakdown (2017)



## The Local Economy & Government Structure

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

### Local Economy

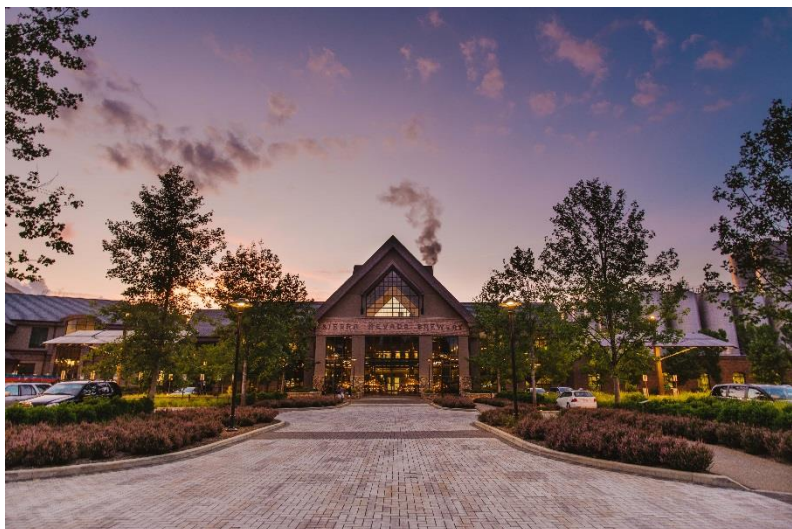
The economy of the area is sustained by the local government employment markets, community college system, agricultural production, healthcare systems, and industries located within the County. The area has experienced unbroken population growth for over four decades and more than half of new residents are under the age of 35. The Economic Assessment Report of Henderson County (Syneva Economics, September 2015) evaluated five key economic activities: manufacturing, health care, agri-business, tourism and in-migration. Manufacturing activities contribute the most total and supported jobs, have the highest wages, and have the top job multiplier among job categories. Industrial parks located within the area include: Broadpointe



*\*Broadpointe Industrial Park*

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

Manufacturing has stable growth and contributed to 13% of the job growth from 2009 to 2014. Since 2012, there has been \$722M in new investment and 1,997 new manufacturing jobs announced. In the fourth quarter of 2017, manufacturers paid \$75,753,075 in payroll and accounted for 15% of the workforce. According the Economic Assessment Report of Henderson County, the average weekly wage in manufacturing is \$983, 34% above the overall county average. There are more than 140 manufacturing and industrial companies that support the economy. The 2007 Lockwood Greene Economic Master Plan identified primary target markets including: plastics, automotive, life sciences, outdoor recreation, machinery, advanced materials, food and beverage and paper and packaging. Today, those sectors continue to contribute to the diversity of our economy by producing different products and employing different production processes. Among the largest



*\*Sierra Nevada Brewing Co.* 71



companies in the area are: Current by GE, Continental, Wilsonart International, Kimberly-Clark Corporation, Kyocera Industrial Ceramics, Meritor, and Sierra Nevada Brewing Company.

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

Micro brewing is becoming a big business in Henderson County and craft beer is providing a substantial industry for Western North Carolina. The Southern Appalachian Brewing Company, Basic Brewery, and Sanctuary Brewing Company are open and operating near downtown Hendersonville.

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

The organic farming of apples and vegetables is an emerging market for wholesale and retail sales. In all its various forms, agricultural production contributes more than a \$103 million dollars to our local economy each year. Gross income for the past year totaled about \$60 million in farm gate sales with another \$50 million from the landscaping and ecosystem restoration sector. These sectors should continue to prosper as more people become environmentally conscious. The County also has a different kind of agricultural market known as "entertainment





farming" that began taking root several years ago. It includes hay rides, petting zoos, corn mazes, educational tours, and pumpkin carving. In addition, the City of Hendersonville hosts an annual Apple Festival in September, typically Labor Day weekend. The festival is held on Main Street and lasts the entirety of the holiday weekend. This type of farming is a major attraction for the area and is expected to grow as more tourists and outdoor enthusiasts discover its existence.

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

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



The following table details the ten largest personal property and real estate tax payers in the City of Hendersonville, year end June 30, 2017:

**TEN LARGEST PERSONAL PROPERTY TAX PAYERS BY ASSESSED VALUE AS OF JUNE 30, 2017**

<b>Tax Payer</b>	<b>Assessed Value</b>	<b>Percent of Total Assessed Value</b>	<b>Total Tax Paid</b>
Duke Energy Carolinas, LLC	\$ 13,692,644	0.78%	\$ 64,888
Morris Broadband LLC	\$ 10,560,866	0.60%	\$ 54,600
Ingles Markets Inc.	\$ 9,321,066	0.53%	\$ 43,809
Bellsouth Tel. Co.	\$ 5,717,785	0.33%	\$ 34,697
Public Service Company of NC Inc.	\$ 3,932,887	0.22%	\$ 19,136
GE HFS LLC	\$ 2,504,836	0.14%	\$ 11,773
PF Hendersonville	\$ 1,904,818	0.11%	\$ 9,848
Sam's East Inc	\$ 1,873,979	0.11%	\$ 8,808
Harris-Teeter #379	\$ 1,611,066	0.09%	\$ 8,329
Wal-Mart Stores East LP	\$ 1,721,600	0.10%	\$ 8,092
SUB-TOTAL	\$ 52,841,547	3.02%	\$ 263,979
<b>Total City Assessed Value</b>	<b>\$ 1,752,392,816</b>		

**TEN LARGEST REAL ESTATE TAX PAYERS BY ASSESSED VALUE AS OF JUNE 30, 2017**

<b>Tax Payer</b>	<b>Assessed Value</b>	<b>Percent of Total Assessed Value</b>	<b>Total Tax Paid</b>
Triangle Ballantyne Hendersonville, Inc.	\$ 25,185,900	1.44%	\$ 118,374
Wal-Mart Real Estate Business Trust	\$ 17,541,300	1.00%	\$ 82,444
Highland Investors Limited Partnership	\$ 16,107,900	0.92%	\$ 75,707
Hyder, Boyd L*	\$ 15,440,900	0.88%	\$ 72,580
First Citizens Bank & Trust Co.*	\$ 8,143,600	0.46%	\$ 58,818
Ingles Market Inc.	\$ 11,735,900	0.67%	\$ 55,159
Triangle Real Estate of Gastonia, Inc.	\$ 11,114,800	0.63%	\$ 52,240
Home Depot USA Inc.	\$ 10,595,000	0.60%	\$ 49,797
Lake Pointe Landing Real Estate Investor	\$ 10,358,600	0.59%	\$ 48,685
Rubin, Stuart I Trustee*	\$ 7,126,500	0.41%	\$ 47,031
SUB-TOTAL	\$ 133,350,400	7.61%	\$ 660,834
<b>Total City Assessed Value</b>	<b>\$ 1,752,392,816</b>		

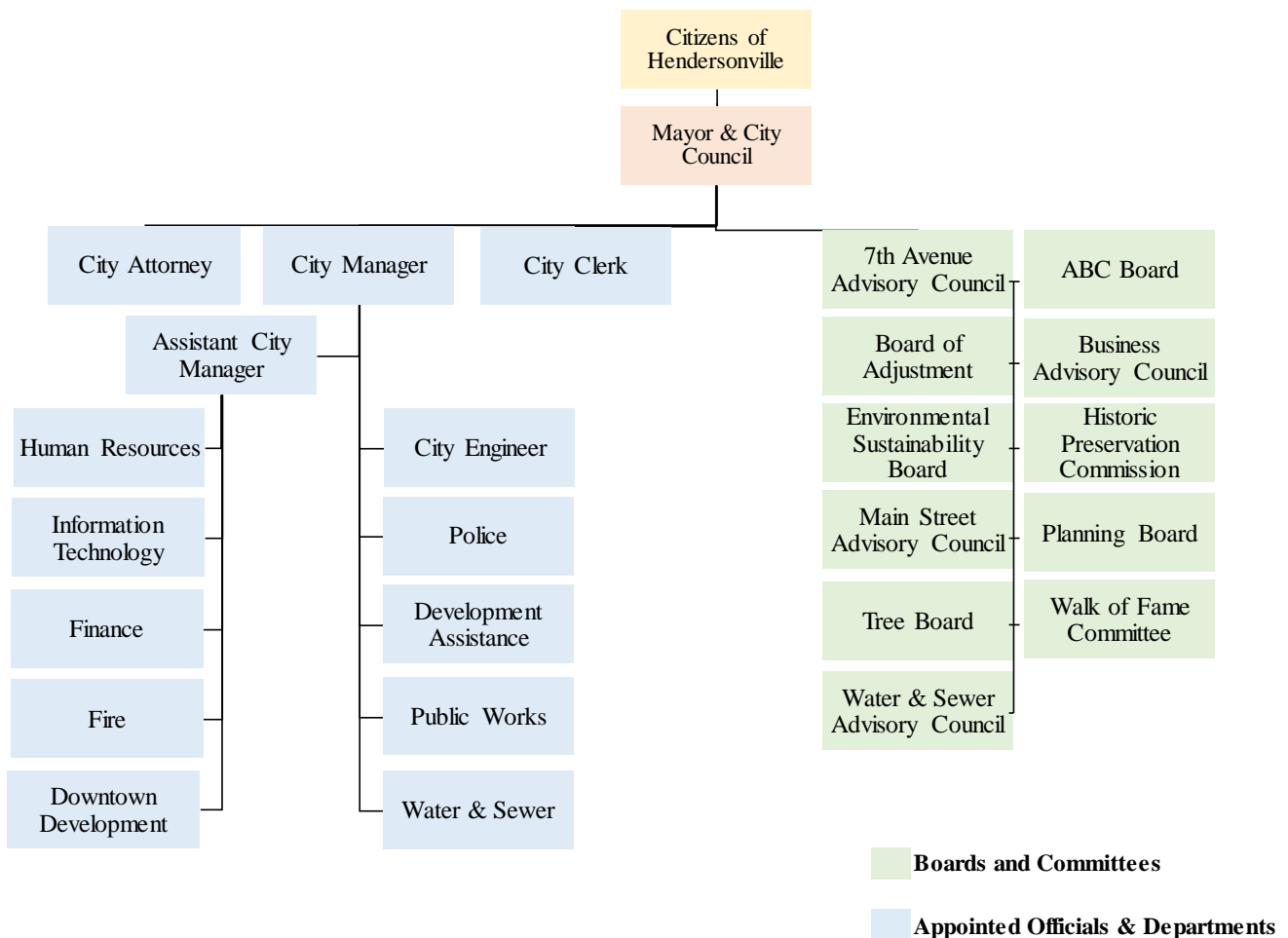
Those tax payers with an asterisk "\*" after their name denotes that they pay additional municipal service district (MSD) taxes via location in one of the City's two MSDs.



### Government Structure

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

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



## Strategic Planning, Performance Budgeting, & Financial Impacts

The City of Hendersonville has updated its strategic plan for fiscal year 2019 and beyond, detailing a variety of priorities, goals, and objectives to be achieved. This section will include a brief overview of the City Council's priorities and goals, short-term factors influencing budget development, a summary of long range financial plans, and a performance budgeting overview which details how the City is achieving its goals.

### Vision Statement

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

### Mission Statement

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

### City Priorities, Focus Areas, & Strategic Goals

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



**Priority: Economic Vitality**

Hendersonville is a great place for business and promotes policies encouraging growth in all areas of our City.

**Focus Areas**

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

1. Work closely with Henderson County Partnership for Economic Development (HCPED) to promote economic development.
2. Complete the redevelopment of the Grey Hosiery Mill.
3. Support the revitalization of Historic Seventh Avenue District.
4. Actively promote Hendersonville as great community to live, work, and visit.
5. Continue to evaluate downtown parking needs and vet solutions.
6. Implement a communitywide way finding program to enhance signage.
7. Continue to promote effective, equitable, and efficient development processes within the City.

**Priority: Strong Partnerships**

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

**Focus Areas**

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

Strategic Goals

1. Improve partnerships with Henderson County and surrounding local governments.
2. Strengthen partnerships with local businesses and non-profits.
3. Continue Water and Sewer Technical Advisory Committee meetings.
4. Distribute checklist for developers and contractors to inform them of land development requirements.
5. Develop a Hendersonville Design Standards Manual to incorporate all design standards in one manual for placement on our website.
6. Continue to improve the Fire and Police Department’s relationship with the public.



**Priority: Sound Infrastructure**

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

**Focus Areas**

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

**Strategic Goals**

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

**Priority: Numerous Amenities**

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

**Focus Areas**

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

**Strategic Goals**

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



**Priority: Great Public Services**

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

**Focus Areas**

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

Strategic Goals

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

**Priority: Financial Sustainability**

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

**Focus Areas**

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

Strategic Goals

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



## Performance Budgeting and Strategic Planning

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

Why does this approach matter?

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

Establishing a performance budgeting program takes time and resources. The City of Hendersonville is in the early stages of this process and has established preliminary measures and linkages to outcomes and priorities. City Council has already established a mission, vision, goals, and priorities, provided in the prior pages. Continuing the process will include reviewing measures already tracked and evaluating their ability to be linked to City outcomes.

Departments will begin establishing objectives linked to City goals and priorities. The City will take time to observe and tweak the measures that are leading to the selected City priority. It will be important to think critically and determine if the measure is a true representation of the desired outcome. If so, one can then learn what measure need improvement, what resources are needed to improve the measure, and how the ultimate priority can be achieved.

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

1. Budget office compiles actuals for FY17-18 measures and includes them in budget for FY18-19.
2. Submit target/goals for upcoming FY18-19 in budget packet, February 2017.
3. Budget office presents proposed budget for FY17-18 with FY16-17 PM Actuals, FY17-18 Estimates, and FY18-19 Estimates & Target/Goals.
4. Begin tracking measures for FY18-19 July 1st, 2018.
5. Reporting of measures for prior fiscal year (FY17-18) completed by December 31st, 2018.

The following pages will provide the current Department performance overviews for FY18-19.





Performance Indicators

Human Resources Department

City-wide Priorities Supported

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

**Objective:**

To increase the number of covered employees that are compliant with mandatory preventative screenings through an incentive program by 3% by FY19-20.

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Percent of employees compliant with mandatory preventative screenings.	90%	94%	97%	100%

**Objective:**

To lessen City health risks by reducing the percentage of covered employees in the "Chronic" risk category, identified by the MARA scale, to less than 10% by FY19-20, through wellness participation and education.

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Number of eligible employees in the wellness program.	N/A	88%	99%	100%
Number of eligible employees attending at least 2 wellness classes.	N/A	80%	94%	100%
Percent of employees in the "Chronic" risk category.	N/A	11%	9%	<10%

**Objective:**

To train employees in excellent customer service through 100% participation in regular principle of the month discussions through June 30th, 2021.

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Percentage of employees participating in principle of the month discussions.	N/A	62%	84%	100%



**Fire Department**

**City-wide Priorities Supported**

<b>Economic Vitality</b>	<b>Sound Infrastructure</b>	<b>Great Public Services</b>
Strong Partnerships	Numerous Amenities	<b>Financial Sustainability</b>

**Objective:**

To provide fire inspections for more than 95% of the eligible businesses each year.

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Number of total fire inspections	-	1,691	4,314	4,400
Number of fire inspections performed.	1,658	1,898	2,036	2,100
Number of businesses eligible for fire inspections.	1,850	1,875	1,875	2,000
Percent of fire inspections performed on eligible businesses.	89.6%	101.2%	106.0%	105.0%

**Objective:**

To promote quality service through professional development represented by 100% of Fire FTE employees with an EMT certification as of June 30th, 2017.

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
% of Fire FTE's with EMT certification.	95.00%	100.00%	100.00%	100.00%

**Objective:**

To provide staffing to safely confine and contain a typical residential structure fire represented by at least fourteen (14) firefighters responding by June 30th, 2021.

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Average number of available responders	9.0	8.0	9.0	9.0
Average number of actual responders	11.2	11.0	11.0	11.0
Average number of FTEs per apparatus.	3.7	3.7	3.7	3.7

**Objective:**

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

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Number of engine/ladder companies.	3.00	3.00	3.00	3.00
Number of calls.	4,163.00	4,761.00	4,638.00	4,700.00
Number of overlapping calls.	1,875.00	1,881.00	1,694.00	1,700.00
% of overlapping calls (reliability measure).	45.0%	39.5%	36.5%	<25%

*\*Note: The fire department must re-inspect properties when ownership changes; therefore, number of fire inspections exceed the number of businesses eligible for inspection.*



## Water and Sewer Department

## City-wide Priorities Supported

Economic Vitality

Sound Infrastructure

Great Public Services

Strong Partnerships

Numerous Amenities

Financial Sustainability

**Objective:**

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

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Capital assets being depreciated	117,655,282	120,347,418	122,823,926	N/A
Accumulated depreciation.	45,140,929	51,666,133	42,502,627	N/A
Capital assets condition ratio.	61.6%	57.1%	65.4%	>50%

**Objective:**

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

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
WTP annual production in gallons.	2,700,303,000	2,540,603,000	2,556,015,000	N/A
Annual consumption in gallons.	1,968,205,490	2,041,746,438	1,972,532,300	N/A
Water loss ratio.	27.1%	19.6%	22.8%	<23%

**Objective:**

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

Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Annual usage in gallons.	795,474,300	748,453,500	724,303,800	N/A
Annual treatment in gallons.	1,229,980,300	1,011,901,000	1,099,379,800	N/A
Inflow and infiltration ratio.	35.3%	26.0%	34.1%	<33%

**Objective:**

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

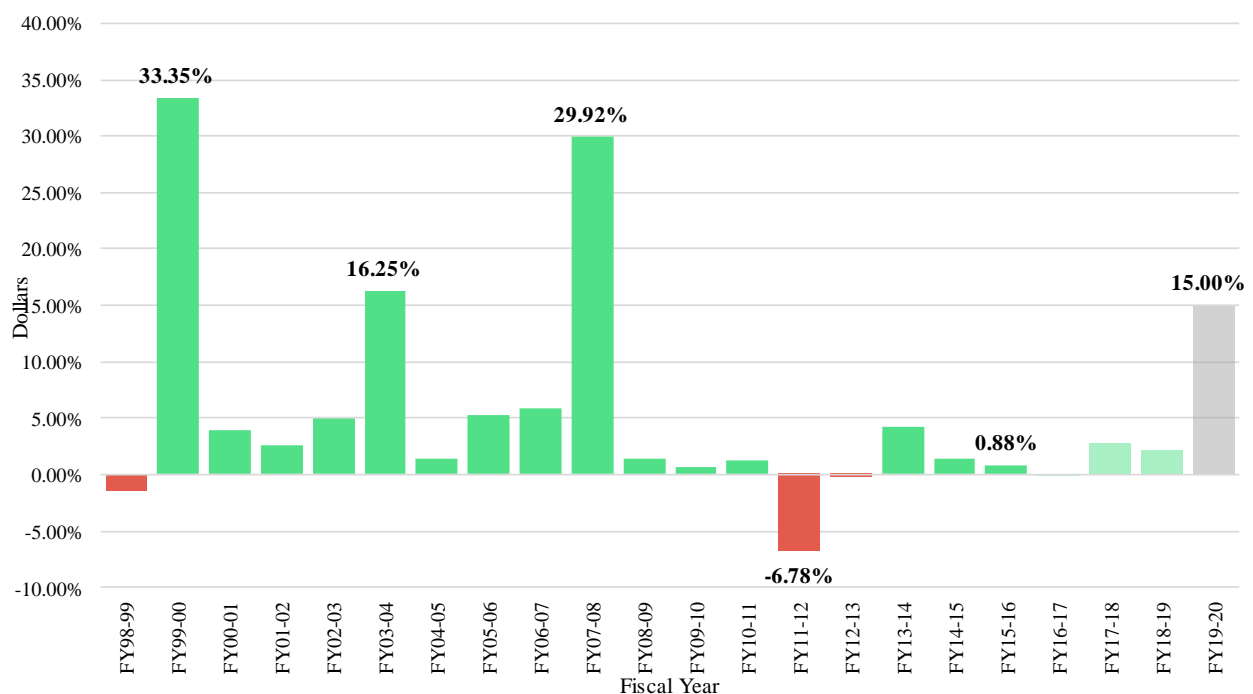
Performance Indicators	Actual FY15-16	Actual FY16-17	Est. FY17-18	Target
Number of calls per year.	55,742.00	36,784.00	44,028.00	N/A
Number of calls going to voicemail per year	21,000.00	16,154.00	12,172.00	N/A
% of calls going to voicemail.	37.7%	43.9%	27.6%	<25%

### Short-term Organization-wide Factors

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

### Ad Valorem Tax – Property Revaluation FY19-20

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

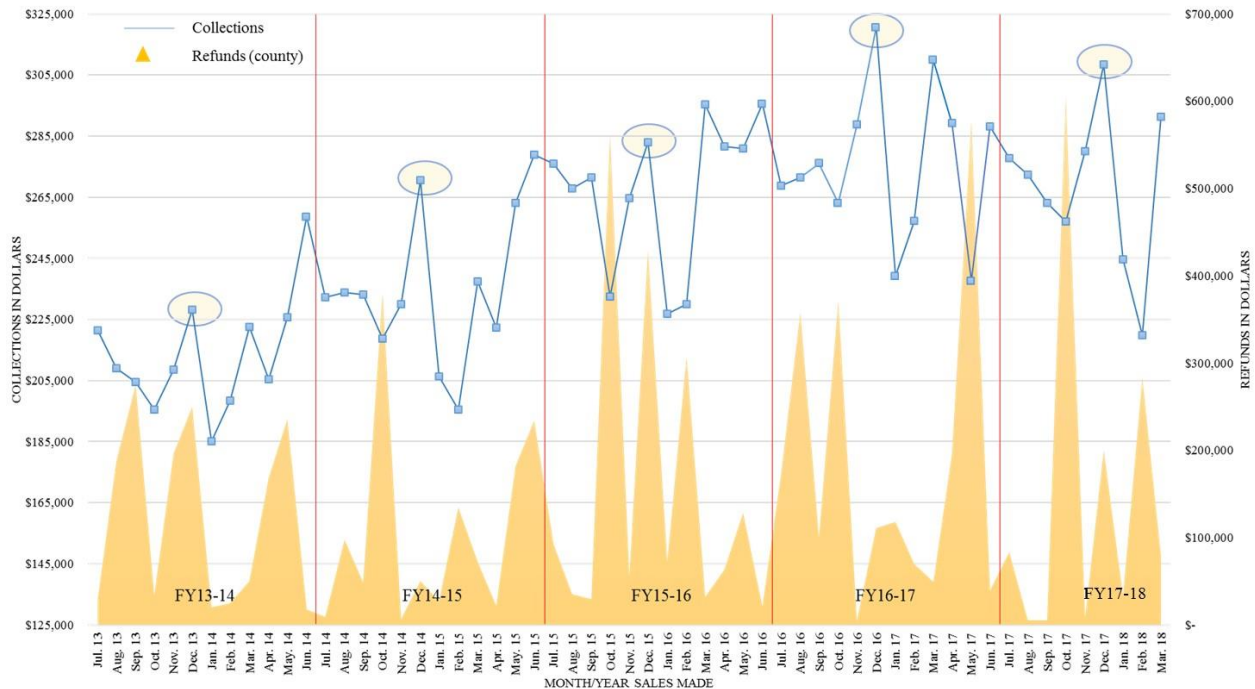


The trend shows strong real property revaluations in the early 2000’s and then a significant decrease after the recession (2009). Modest to no growth occurred in FY15-16. City Staff believe that we may have a strong revaluation in FY19-20 (forecasted above) due to a more recovered economy, which has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



Revenue Growth – Local Option Sales Tax

As discussed in the *Budget Message* section of this document, the City’s share of local options sales taxes have been driving revenue growth. The total revenue growth for local options sales taxes from FY13-14 to an estimated FY17-18 is **\$572,275, or 23.2%**. The following table displays sales tax revenue collections by month from September 2013 to March 2018:



December of each year is highlighted by a transparent yellow circle in order to show comparable change. This revenue source is elastic, meaning it rises and falls in a sporadic manner. We are currently experiencing a downturn in collections. This is due to the distribution method in Henderson County. Sales taxes are distributed from the State to the County and then the County to the City. This distribution is based on what each unit makes up as a portion of the total tax levy. When the County and Mills River, a municipality in Henderson County, raised their tax rates in FY16-17, it lowered the City’s proportionate share of sales tax revenues. Sales are still up, however our collections are down in FY17-18 due to this distribution method. We expect a return to increased sales tax revenues in FY18-19.

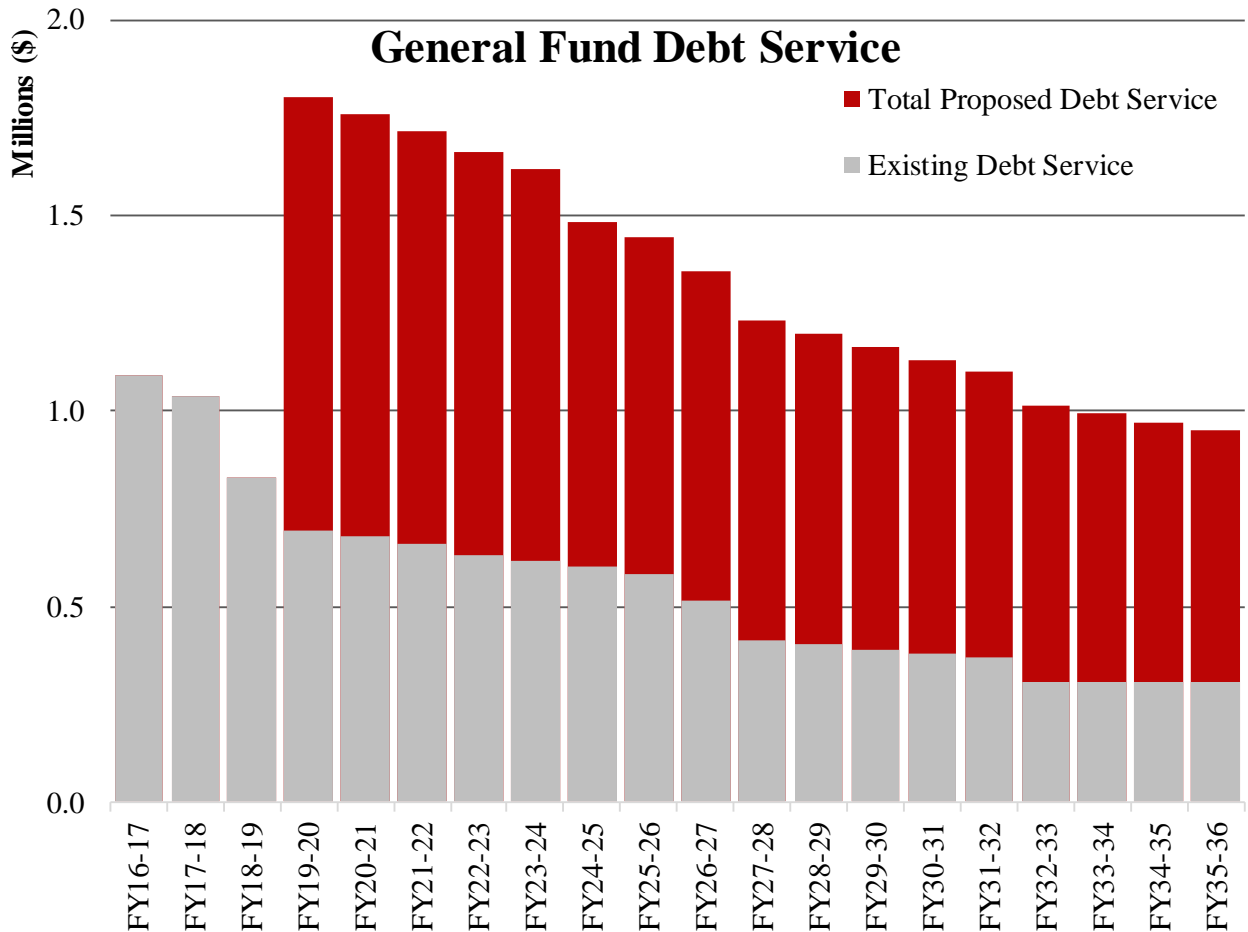
It is important to remember that this revenue source is elastic and dependent on a wide variety of variables including the local, regional, and national economy, legislative action, local development, tourism, and consumer confidence. We have conservatively budgeted a **3.0%** increase in FY18-19. The budget for local sales tax collections in the General Fund is \$3,507,017, less \$207,017 in transfers, for a total of \$3,300,000 in FY18-19.



**General Fund Debt Obligation – Debt Service Fund and New Debt**

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

The following is a current breakdown of the City’s General Fund debt obligation through FY35-36:



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



The chart also displays an estimated future debt service payments associated with four capital projects approved in the FY17-18 budget. These projects are the New Police Headquarters, a capital equipment and building improvement loan, 7<sup>th</sup> Avenue streetscape improvements project, and the Buildings and Grounds Maintenance Facility project. Each project is adopted by a capital project ordinance and have reimbursement resolutions which will allow the City to expend money and reimburse itself with debt proceeds upon issuing a financing agreement. The projects are estimated to have a recurring cost of \$586,654, 55,314, 103,014 and \$134,912, respectively. This new expenditure is expected to occur in FY19-20, at which time new revenues from a county-wide property revaluation are expected to be available.

The following table provides a summary of debt service notes associated with the General Fund:

Project	Finance Type	Outstanding Principal	Interest	End Date	FY18-19 Payment
<b>General Fund - Existing</b>					
2008 G.O. Bond Refunding	General Obligation	\$ 1,500,000	2.02%	FY26-27	\$ 193,129
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 119,098
Fire Engine #2 Replacement Loan	Bank Loan	\$ 664,621	2.49%	FY31-32	\$ 52,081
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 454,433
Parking Kiosk Loan	Bank Loan	\$ 56,023	3.10%	FY21-22	\$ 12,438
<b>General Fund - Proposed</b>					
7th Avenue Streetscape Loan	Bank Loan	\$ 1,400,000	4.00%	FY38-39	\$ 103,014
Capital Equipment Loan	Bank Loan	\$ 615,000	4.00%	FY33-34	\$ 55,314
Police Station Loan	Bank Loan	\$ 8,000,000	4.00%	FY38-39	\$ 586,654
PW-Maintenance Bldg. Loan	Bank Loan	\$ 1,500,000	4.00%	FY33-34	\$ 134,912

### Medical Insurance Expenditures

Another major factor contributing to the FY18-19 Budget is the 11.6% health insurance premium increase, as discussed in the *Budget Message* section of this document. This increase is estimated to cost the City \$350,000 annually across all funds. In response to this increase, City Council has directed staff to create an incentive based program to encourage employees to participate in wellness, practice healthy habits, and get regular preventative screenings. The City is now partnering in a shared clinic located at Pardee Hospital. This clinic is an initiative to increase employee health and wellness. While the City has continued positive wellness practices and provided wellness education, there are some factors that are out of the City's control. Approximately, 7.27% of the City's covered employees have a "complex" classified risk. Most of these types of claims and risks are outside of the City's control and influence. So, the City has made it a priority to focus on the "chronic" classified risk category, which includes things like hypertension, hyperlipidemia, and diabetes. The City's success in addressing these challenges will be tracked and measured through objectives and performance indicators.



The City has also contracted with a private insurance broker to consult and obtain the best possible insurance solutions for City employees. The City has seen increases in insurance premiums of approximately 12%, 9%, and 25%, respectively over the past three fiscal years. Work with the private insurance consultants will help the City obtain high-quality and cost-effective insurance, providing great flexible benefits to employees while mitigating program costs to the organization. The City will pay the insurance brokers \$25,000 annually for consultation services. Cost savings associated with expertise from the brokers are anticipated to exceed the costs in the long-run.

### **Fire Department SAFER Grant and Additional Positions**

In FY16-17 the Hendersonville Fire Department concluded its work on a strategic plan to be adopted and continuously revised to direct the professional service delivery of fire protection and education. As a result of this study, funding has been allocated to staff three additional firefighters which will provide one additional firefighter per shift. The strategic plan contains a total of forty-two (42) specific recommendations and can be found on the City's website. Increasing staffing levels was a top recommendation.

To further the service delivered by the Hendersonville Fire Department, pursuit of the SAFER Grant has been initiated. This grant will fund three Fire Fighter positions (1 per shift). By staffing 10 firefighters per shift and maintaining a maximum requirement of 9 per shift, the City anticipates savings in overtime and part-time costs of approximately \$100,000 annually. These savings will be applied to staff an Administrative Assistant I position for the Department. These additions are contingent upon the receipt of the SAFER grant.

### **Police Department Personnel – School Resource Officers**

The Hendersonville Police Department has identified a critical need for staffing in Hendersonville public schools as a result of recent national events. Hendersonville City Council has identified the community concern for safety and well-being of students as a top priority. In total, the City of Hendersonville has raised revenue to fund five (5) total, fully equipped, School Resource Officers (SROs) and for public schools inside City limits. Three of the SRO positions are new, offering increased coverage. In addition, a floating officer will be available to fill-in when others are sick, on vacation, or otherwise vacant. Funding of three additional officers meant a property tax increase of \$0.02 per \$100. The total cost for three new SROs in year one is \$360,000; with a recurring \$220,500 expense for the officers each following year. These SROs are present at assigned public school any time the schools are in operation.

### **Resolution of Intent – County-wide Revaluation and Water & Sewer Rate Study**

In conjunction with the adopted budget for FY18-19, the City Council resolved to adopt its capital improvement plan (CIP) and recoup revenues to fund the identified projects through the county-wide revaluation and water & sewer rate study. The proposed new debt service projects in the General Fund, discussed above, are intended to be funded through property taxes gained





through the next revaluation of real property. Also above, this revaluation is conservatively estimated to be at least a 15% - 18% increase over the current valuation. This revenue will provide significant new revenues, to be used to fund these pressing capital improvements. Additionally, the City just completed and adopted a new water and sewer rate study. This rate study sets out the rates necessary to fund the current CIP through year FY27-28. This resolution is a critical communication piece, detailing the City's plan of financing and incurring debt. This provides ample proactive awareness for the public and other agencies. This also will benefit the City when securing its debts. In North Carolina, the City has to receive approval from the Local Government Commission (LGC), a regulatory arm of the State, for most debt issuances. The resolution signifies to the LGC that the City has estimated and planned for these future debt service costs and has a plan of finance. This proactive communication will benefit the City and their constituents moving forward.

### 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. Proactive planning has allowed the City to continue enhanced public safety programs, provide funding for pay-as-you-go capital projects, and pursue larger debt funded capital improvements needed for a growing community. These capital projects are critical in achieving goals and priorities. More detail about capital projects can be found in the *Capital Improvements Plan* section of this document.



### Long-Term Financial Plan

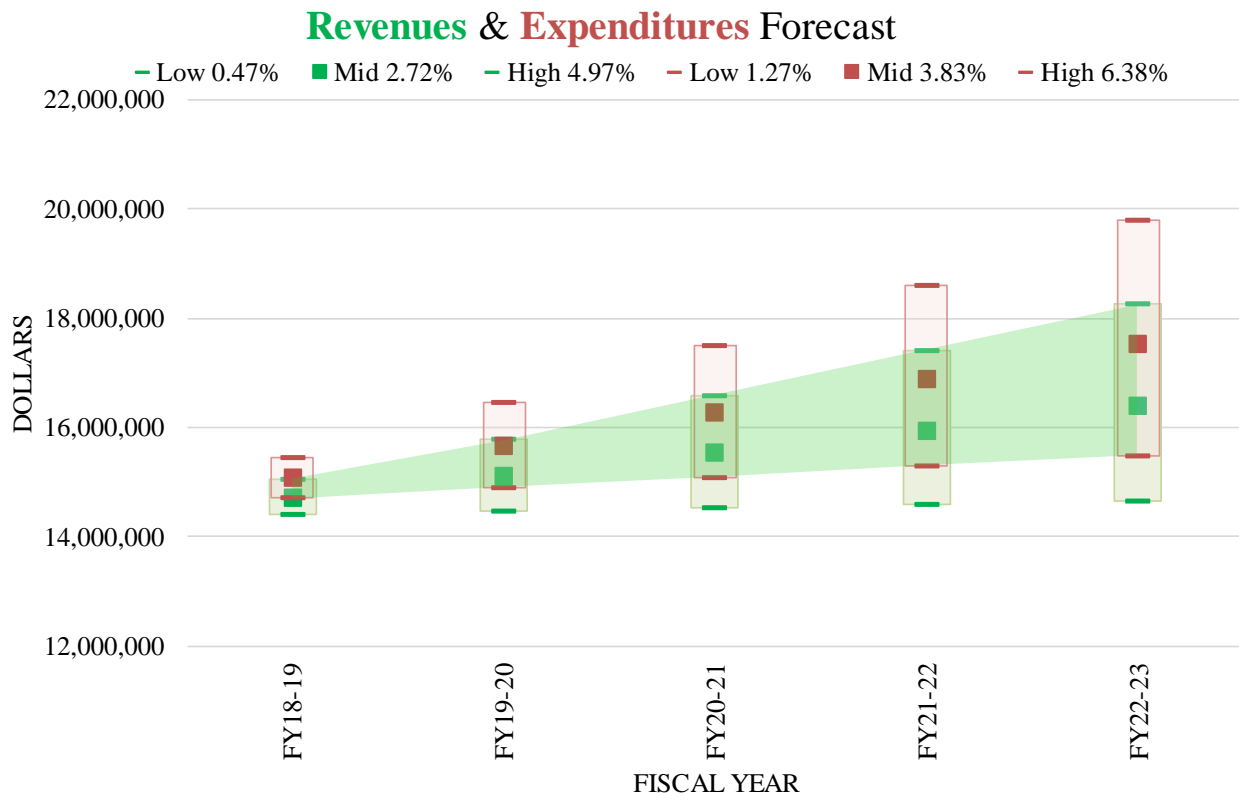
The City’s long-term financial health is contingent upon prudent planning and management which, aided by increases in revenue through growth and new sources, will provide financial sustainability. The City’s current financial condition has been communicated in the *Budget Message*, *Capital Improvements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

### Financial Forecasting, Planning, and Effects on Future Budgets

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

### General Fund

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



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

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

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

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

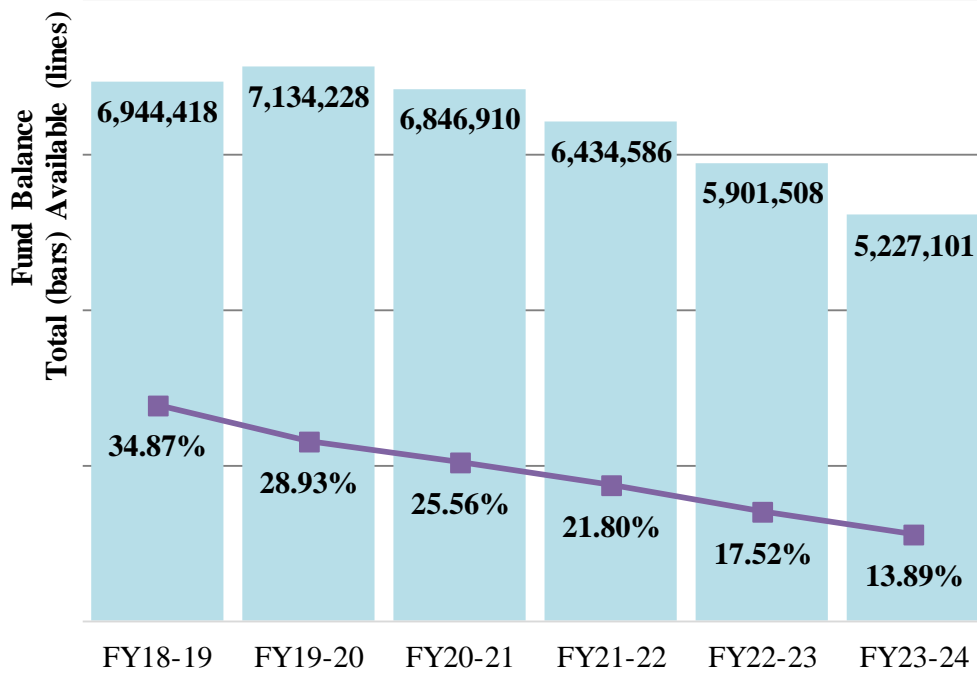
The second major factor is sales tax. This revenue source will reflect the current economic conditions and has recently grown dramatically. If this growth continues, it could provide a reliable revenue source for future capital needs. Additionally, legislation has been discussed in the General Assembly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

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



5-Year Forecast

	ESTIMATE FY18-19	FORECAST FY19-20	FORECAST FY20-21	FORECAST FY21-22	FORECAST FY22-23	FORECAST FY23-24
<b>Operating Budget</b>						
Revenues	14,530,906	14,905,225	15,289,187	15,683,039	16,087,037	16,501,443
Recurring Expenditures	14,384,098	14,882,261	15,397,678	15,930,945	16,482,680	17,053,523
<b>Non-Recurring Capacity</b>	<b>\$ 146,808</b>	<b>\$ 22,964</b>	<b>\$ (108,491)</b>	<b>\$ (247,905)</b>	<b>\$ (395,642)</b>	<b>\$ (552,081)</b>
Revenue Variable(s)	1,148,015	1,402,808	0	0	0	194,834
Expenditure Variable(s)	279,013	987,002	0	(12,438)	0	0
Adj. Revenues	15,678,921	16,870,621	17,305,212	17,750,997	18,208,267	18,872,149
Adj. Recurring Expenditures	14,663,111	16,157,939	16,717,536	17,284,075	17,882,673	18,502,003
Adj. Non-Recurring Capacity	1,015,810	712,682	587,676	466,922	325,593	370,146
Pay-Go CIP	826,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Surplus/(Deficit)</b>	<b>\$ 189,810</b>	<b>\$ (287,318)</b>	<b>\$ (412,324)</b>	<b>\$ (533,078)</b>	<b>\$ (674,407)</b>	<b>\$ (629,854)</b>
<b>Ad Valorem Tax</b>						
One Cent on Tax Rate	162,294	191,507	193,915	196,353	198,821	203,792
Current Tax Rate	0.4900	0.4900	0.4900	0.4900	0.4900	0.4900
Tax Rate Equivalent	(0.0117)	0.0150	0.0213	0.0271	0.0339	0.0309
<b>Adj. Tax Rate (cents)</b>	<b>\$ 0.4783</b>	<b>\$ 0.5050</b>	<b>\$ 0.5113</b>	<b>\$ 0.5171</b>	<b>\$ 0.5239</b>	<b>\$ 0.5209</b>
<b>Debt Service Coverage</b>						
Financing Obligation	5.16%	9.84%	9.32%	8.82%	8.30%	7.85%
<b>Fund Balance</b>						
Total Fund Balance	6,944,418	7,134,228	6,846,910	6,434,586	5,901,508	5,227,101
Available Fund Balance	5,334,228	5,046,910	4,634,586	4,101,508	3,427,101	2,797,247
<b>% Available</b>	<b>34.87%</b>	<b>28.93%</b>	<b>25.56%</b>	<b>21.80%</b>	<b>17.52%</b>	<b>13.89%</b>



This planning tool provides for the adjustment of different variables including the projected revenues and projected recurring expenditures within their respective range of standard error from the financial forecast. The highlighted column (blue) represents the starting forecast being used, in this case the estimate based on the adopted budget, not the forecast based on trend data, for FY18-19. The table and chart also provides projected tax rates needed to balance the budget, debt service coverage, total fund balance, and available fund balance. Additionally, a project surplus/deficit is calculated for each fiscal year. The adopted plan for FY18-19 includes the following variables (includes FY17-18 for prior year reference):

VARIABLE FY17-18	VARIABLE FY18-19	VARIABLE FY19-20	VARIABLE FY20-21	VARIABLE FY21-22
<b>PERSONNEL/BENEFITS</b>				
P&C New Grade Minimums P&C Years Service Fire Fighters (3) Telecommunicator (1) Animal Control Officers (2)	P&C Years in Class School Resource Officers (3)			
<b>INFRASTRUCTURE/FACILITIES/PARKS/LAND/EQUIPMENT</b>				
Police Station PW-Facility	7th Avenue Capital Equipment Loan Whitmire Activity Center			
<b>NEW REVENUES</b>				
One Penny	One Penny One Penny \$15 Tag Fee Capital Equipment Loan Proceeds	18% Reval		
<b>LOANS PAID IN FULL</b>				
		2005 City Hall Renovation		2015 Parking Kiosks

This tool prompts long-term decision making and managerial thinking. City Council and Staff are able to add variables such as major projects requiring debt service, additional personnel, new or increased revenue sources, and other variables. For example the “Infrastructure/ Facilities/ Parks /Land /Equipment” rows represent various projects that are expected to require debt financing. The estimated cost, appearing in the “Revenue Variable(s)” and “Expenditure Variable(s)” rows in the strategic planning model, assumes specific interest rates, terms, and project costs to generate the variable. Most project names like “7<sup>th</sup> Avenue”, assume that payments will start in later years, upon completion of the project. Also, many of the “Personnel/Benefits” variables are recurring costs. This tool looks multiple years into the future and provides forecasted data based on decisions made in this year and moving forward. These assumptions and listed priorities are provided on the following pages.



Variable	Description	Assumptions	Type	Term	Other Comments
<b>Personnel/Benefits</b>					
5% 401k Match	A 5% city match for a 401k employee retirement plan.	Assumes that 50% of General Fund employees would contribute 5% of their annual salary to a 401k totalling \$147,964 and the City would match those contributions	Benefit   Recurring	On-going	None.
Battalion Chiefs (3)	Hire 3 Battalion Chiefs to serve as the on-duty chief of operations and lead incident commander.	A Battalion Chief is typical for a department with three or more stations. This position will be needed when the City approves a third station and it may make sense to hire the position before the station is built as it will provide an increase in minimum daily staffing. Assumes \$73,575 cost per employee.	Salary   Recurring	On-going	This position is being considered for year 3-5.
Fire Fighters (3)	Hire 3 Firefighters to increase the staffing per shift by 1 employee.	Three positions are needed to provide 1 additional firefighter per shift. Assumes \$52,528 cost per employee.	Salary   Recurring	On-going	None.
Fire Fighters (9)	Hire 9 Firefighters to serve on a new engine company. Nine positions will provide for 3 employees per shift to serve on a new apparatus, either ran out of station 1 or new station 3.	Assumes \$52,528 cost per employee and that an additional engine company will be needed in the next 5 years. This company will be ran out of station 1 or a new station 3.	Salary   Recurring	On-going	None.
P&C Full	The full cost of implementing the pay and classification recommendations.	Assumes a cost of \$208,115 for all three parts.	Salary   Recurring	On-going	None.
P&C New Grade Minimums	The cost of implementing the new grade minimums option of the pay and classification recommendations.	Assumes a cost of \$54,116 to move all employees to the new pay plan.	Salary   Recurring	On-going	None.
P&C Years in Class	The cost of implementing the years in class option of the pay and classification recommendations.	Assumes a cost of \$56,941 to apply the compression adjustment for the years in class option.	Salary   Recurring	On-going	None.
P&C Years Service	The cost of implementing the years in service option of the pay and classification recommendations.	Assumes a cost of \$97,059 to apply the compression adjustment for the years in service option.	Salary   Recurring	On-going	None.
Planner (1)	Hire a Planner I position to assist with the development and plan review within the City.	Assumes \$55,557 cost per employee.	Salary   Recurring	On-going	We may need to start looking at the Development Department's workload over the next 5 years.
School Resource Officers (3)	Hire 3 Police Officers to serve as sworn officers.	Assumes \$72,024 cost per employee including equipment. Assumes three officers are needed to provide one employee per school.	Salary   Recurring	On-going	Start considering staffing levels as they compare to service demands.
Telecommunicator (1)	Hire 1 Telecommunicator position to assist with increasing call volumes.	Assumes \$39,768 cost per employee.	Salary   Recurring	On-going	None.
Worker I (1)	Hire 1 Worker I position to address increased service demands as the City grows.	Assumes \$35,458 cost per employee.	Salary   Recurring	On-going	New buildings and projects come with the need for increased maintenance that the public works staff manages.
<b>New Debt/Major Projects</b>					
7th Avenue	A debt issuance to pay for a phase I (upper block + Locust) of the 7th Avenue streetscape project.	Assumes the initial phase of the 7th Avenue streetscape improvements project (upper block and Locust St.) will cost \$1.4 million, with a \$102,667 annual payment for a 20 year term with a 4.00% interest rate. Assumes payment on the debt will occur two years after approval (ex approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	Approved in FY18-19 budget. To be combined with PD Headquarters debt issuance and payment beginning FY19-20.
Berkeley Park	A debt issuance to pay for the Berkeley Park master plan.	Assumes a project cost of \$1.35 million, with a \$121,500 annual payment for a 20 year term with a 4% interest rate. This assumes a level principal debt structure. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	Includes the master plan (destination playground, parking, etc...) and various other CIP items relating to Berkeley (baseball field improvements).
Capital Equipment Loan	A debt issuance to pay for certain capital equipment and vehicle replacements, including improvements at the Whitmire Activity Center.	Assumes a project and equipment cost of \$615,000, with a \$55,350 annual payment for a 20 year term with a 4.00% interest rate. This assumes a level principal debt structure. Also, assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	Approved in FY18-19 budget. To be combined with PW-Maint. Facility debt issuance and payment beginning FY19-20.
City Hall Reno.	A debt issuance to pay for the renovation of City Hall.	Assumes a project cost of \$750,000, with a \$67,500 annual payment for a 20 year term with a 4.00% interest rate. This assumes a level principal debt structure. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	After the Police Department is moved into a new facility, City Hall will need to be renovated for a different use. This is expected to occur beyond FY19-20.
Fire Engine	A debt issuance to pay for a new fire engine.	Assumes a project cost of \$750,000, with a \$105,000 annual payment for a 10 year term with a 4.00% interest rate. This assumes a level principal debt structure. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	10 at 4%	A new fire engine will need to be purchased with the installation of a third fire station or additional company of fire fighters (whichever comes first). This would be more in line with at timeframe of FY20-21 and beyond.
Fire Ladder	A debt issuance to pay for a new fire ladder truck.	Assumes a project cost of \$1.5 million, with a \$210,000 annual payment for a 10 year term with a 4.00% interest rate. This assumes a level principal debt structure. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	10 at 4%	The current ladder truck is scheduled to be replaced in FY21-22 or FY22-23.



Variable	Description	Assumptions	Type	Term	Other Comments
<b>New Debt/Major Projects</b>					
FS#1 Reno.	A debt issuance to pay for the renovation of Fire Station #1.	Assumes a project cost of \$1 million, with a \$90,000 annual payment for a 20 year term with a 4.00% interest rate. This assumes a level principal debt structure. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	The age of Fire Station #1 is beginning to cause maintenance issues. The outside porch is a particular area of problems. That area will also need to be built out if an additional engine company were added to the station.
FS#3 Construction	A debt issuance to pay for the construction of Fire Station #3.	Assumes a project cost of \$2 million, with a \$180,000 annual payment for a 20 year term with a 4.00% interest rate. This assumes a level principal debt structure. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	With the growth of the City and in accordance with the Fire Dept. Strategic Plan an additional station will be needed to better serve the southside of the City. This would occur sometime in FY20-21 and beyond.
Main St. Ave.	A debt issuance to pay for Main St. Avenue streetscapes.	Assumes a single avenue streetscape from Church St. to King St. cost of \$350,000, with a \$31,500 annual payment for a 20 year term with a 4.00% interest rate. This assumes a level principal debt structure. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	Pricing and cost estimates will vary for each avenue. Staff would recommend 1st Avenue take priority, then 4th and 3rd. The hotel project may drive prioritization.
Other Buildings	A debt issuance to pay for the building/property maintenance building/public restroom/greenway parking construction at Patton Park and N. Main Street.	Assumes a project cost of \$1 million, with a \$90,000 annual payment for a 20 year term with a 4.00% interest rate. Assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	Building needed for safety concerns. Will provide public restrooms and parking for greenway.
Police Station	A debt issuance to pay for a new police headquarters.	Assumes a project cost of \$8 million, with a \$720,000 annual payment for a 20 year term with a 4.00% interest rate. This assumes a level principal debt structure. Also, assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	Building needed for space needs. City Hall is at capacity and the Police Department does not fit well within this building. This project will provide all Police functions in one location and free up space in City Hall. Approved in FY17-18 budget and will be combined with the 7th Avenue Streetscape, Phase I project.
PW-Maintenance Facility	A debt issuance to pay for the construction of a new Public Works maintenance building at Patton Park.	Assumes a project cost of \$1,500,000, with a \$135,000 annual payment for a 20 year term with a 4.00% interest rate. This assumes a level principal debt structure. Also, assumes payment on the debt will occur two years after approval (ex. approval FY17-18, payment begins FY19-20).	Debt   Recurring	20 at 4%	Approved in FY17-18 budget.
<b>Revenues</b>					
\$5 Tag Fee	A revenue source applied as a \$5 vehicle registration tag fee.	Assumes \$50,000 of new recurring annual revenue.	Revenue	On-going	Can charge up to \$30, has to be used for a debt note on streetscapes, we can do away with this fee once the debt note is paid in full.
\$10 Tag Fee	A revenue source applied as a \$10 vehicle registration tag fee.	Assumes \$100,000 of new recurring annual revenue.	Revenue	On-going	See above (H29).
\$15 Tag Fee	A revenue source applied as a \$15 vehicle registration tag fee.	Assumes \$150,000 of new recurring annual revenue.	Revenue	On-going	See above (H29).
2.5% Reval	A 2.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$194,834 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	Historical revaluations have had the following effects: FY99-00 = +33.35%   FY03-04 = +16.25%   FY07-08 = +29.92%   FY11-12 = -6.78%   FY15-16 = +0.76%.
5% Reval	A 5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$389,669 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
7.5% Reval	A 7.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$584,503 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
10% Reval	A 10% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$779,338 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
12.5% Reval	A 12.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$974,172 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
15% Reval	A 15% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$1,169,007 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
17.5% Reval	A 17.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$1,363,841 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
18% Reval	A 18% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$1,402,808 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
20% Reval	A 20% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$1,558,676 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).



Variable	Description	Assumptions	Type	Term	Other Comments
<b>Revenues</b>					
22.5% Reval	A 22.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$1,753,510 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
25% Reval	A 25% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$1,948,345 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
27.5% Reval	A 27.5% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$2,143,179 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
30% Reval	A 30% increase in property tax revenue from an increase in property values from the next county-wide revaluation.	Assumes \$2,338,014 of new recurring annual revenue if the property tax rate goes unchanged (not revenue neutral).	Revenue	On-going	See above (H32).
One Penny	An additional penny added to the property tax rate.	Assumes the value that is provided on the "DASHBOARD" tab for the corresponding year. The value of a penny changes based on a variety of factors including the assumed reval amount.	Revenue	On-going	None.
\$0.0025 Sales Tax	A revenue source applied as a quarter cent sales tax on every dollar per sale (0.25% sales tax).	Assumes \$1,788,405 in new recurring annual revenue.	Revenue	On-going	Currently, we do not have the authority to levy this tax but it has been discussed in the legislature.

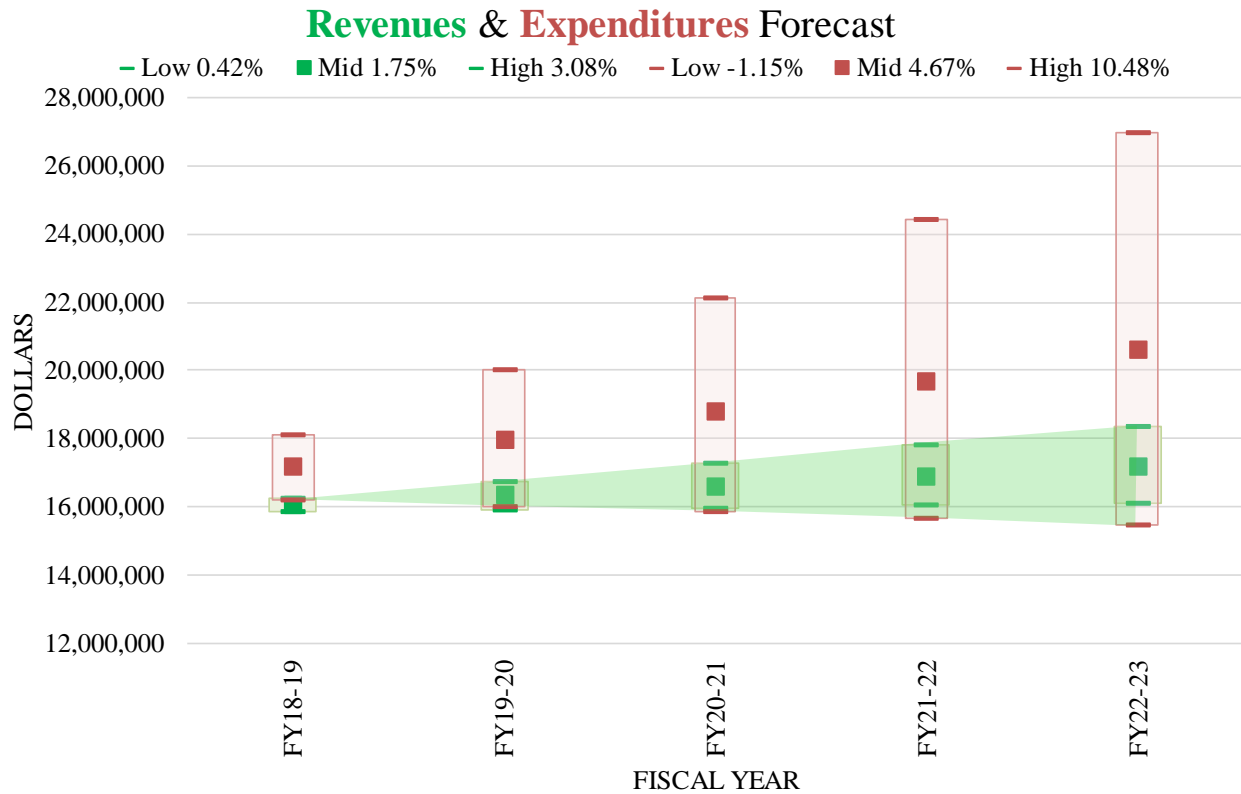
The table provides background information on the long-term projects and priorities of the City. This is used within the strategic planning tool to assist in understanding how the variables will be used and effect the long-term financial sustainability of the City. There are some priorities that are not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





Water and Sewer Fund

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



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



The most important long-range factor discussed in the *Budget Message* section of this budget are the continued capital needs for the growing system. The City completed a water system master plan in FY16-17 and has conducted a sewer system master plan throughout FY17-18. These plans helped identify revisions for the City's CIP for the Water and Sewer Fund. Current projects will continue to be funded and were taken into consideration during the planning processes. The City has developed a Gantt chart to guide the sometimes long processes involved in major water and sewer projects. The Gantt chart includes any project greater than \$500,000 or that is expected to last longer than one year. The current five-year chart includes approximately \$70 million worth of projects. The chart also includes proposed financing strategies, identifies projected vs. actual schedule (design, bid, construction, etc...), as well as various funding submittal deadlines and easement acquisition deadlines.

The City has also completed a long-term capital planning and rate study process. With assistance from financial advisors and utility rates specialists, the City was able to create a more long-term and comprehensive CIP through fiscal year 2030. The comprehensive CIP was developed as an initiative to depict the funding requirements for major capital projects and provide transparent information to the public and various stakeholder groups. Currently, the long-term CIP developed has assisted in the re-structuring of water and wastewater rates for the City of Hendersonville. The CIP includes \$162,294,728 of projects to maintain and improve water and wastewater infrastructure throughout Henderson County. To fund these necessary improvements, a new rate structure has been adopted by the City of Hendersonville for FY18-19; with more changes anticipated in later fiscal years. Intensive project planning and partnership with various financial experts will help the City continue to improve its currently positive financial standing and meet criteria set by the Local Government Commission for bond and loan issuances.

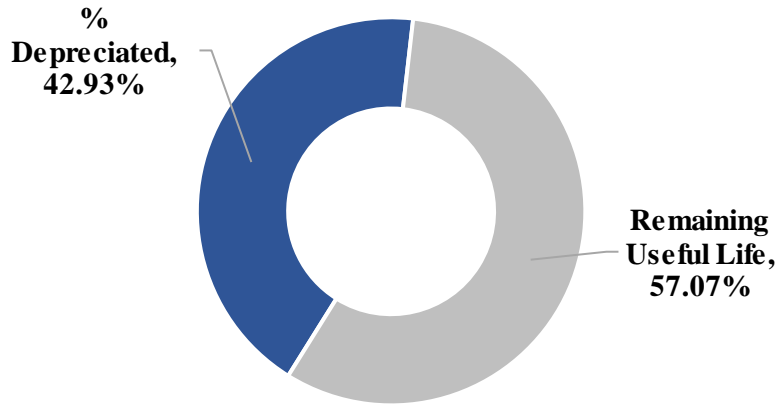
The Fund's healthy fund balance allows for long-term rate stabilization. The City also adopted a debt service coverage ratio standard in FY17-18 to help with guidelines related to debt and operating expenses. This policy identifies the need to maintain a ratio greater than 1.0.

A final piece of the City's long term financial plan as it relates to its utility system is recurring capital improvements and investment. The City allocates approximately \$1.3 to \$1.8 million of operating revenues to recurring, pay-as-you-go, capital improvements each year. An additional estimated \$500,000 of that is designated for the regular repair and replacement of damaged water and sewer lines that are located by the utility's leak detection crew. These initiatives are targeted at decreasing the utility's water loss ratio, approximately 23%, and increasing its capital assets condition ratio, 57.07% remaining useful life as of June 30<sup>th</sup>, 2017. The water loss ratio provides the percent of water that goes unaccounted for in the system every year. There will always be some level of water loss. However, the City would like to limit this loss as much as possible. The capital asset condition ratio depicts the remaining useful life of the utility's assets.



The chart below displays the remaining useful life of the Water and Sewer Fund’s assets:

### Business Type Activities



This ratio has decreased by approximately 14% since FY11-12 (71% remaining useful life). With continued reinvestment, master plan implementation, and prudent financial planning the City expects this number to increase in the coming years. This is an objective and performance measure for the City.



## Financial Structure

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

## Basis of Preparation

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

## Governmental Funds

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

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

*Special Revenue Funds.* Special Revenue Funds are used to account for the process of specific revenue sources (other than expendable trusts or capital reserves) that are legally restricted to expenditures for specified purposes. The City of Hendersonville's Special Revenue Funds include the Main Street Tax District Fund, Seventh Avenue Tax District Fund, Fire Community Fund, Historic Preservation Commission Fund, Police Drug Forfeitures Fund, Police Kennel Club Fund, Police Motor Unit Fund, Police Needy Persons Fund, Police RAD Fund, and the Walk of Fame 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 7<sup>th</sup> Avenue Streetscape Improvements Fund, Buncombe Street Stormwater Fund, Eastside Transmission



Main Fund, Etowah Water System Improvements Fund, Fiber Infrastructure Improvements Fund, Fletcher Area System Improvements Fund, French Broad Raw Water Intake Fund, Highway 280 Water System Improvements Fund, Main St. Public Restrooms Fund, Mud Creek Dump Cleanup Fund, N. Main St. Sidewalk Construction Project Fund, Police Department Headquarters Fund, Public Works Maintenance Facility Fund, Rutledge Rd. System Improvements Fund, Tracey Grove Bridge Replacement Fund, WTP Pumps and Equipment Upgrade Fund, WWTP Generator/ATS Replacement Fund, WWTP Gravity Filter Replacement Fund, WWTP Sludge Drying System Fund, and the Wastewater System Master Plan Fund. These are multi-year funds that have been adopted by the City Council. More information on multi-year funds can be found in the City's Comprehensive Annual Financial Report (CAFR). The City will create a capital project fund for any project that costs more than \$500,000 or lasts over one fiscal year.

### Proprietary Funds

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

*Enterprise Funds.* The Water and Sewer Fund is used to account for the City's water and sewer operations. The major revenue sources in this fund are water and sewer user charges. The Environmental Services Fund accounts for the cost of the solid waste collection and the recycling program. This fund's revenues are generated through residential and commercial use, as well as base charges and miscellaneous income. The last enterprise fund is the Stormwater Fund, which is used to account for the application of the City's NPDES Phase II Permit.

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

### Fiduciary Funds

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

### Basis of Accounting & Budgeting

In accordance with the North Carolina Budget and Fiscal Control Act (NCBFCA), the budget is developed and adopted under the modified accrual basis of accounting, whereby revenues are recognized in the period they become available and measureable, and expenditures are recognized in the period the associated liability is incurred. During the fiscal year, budgets are



maintained using the modified accrual basis of accounting. At fiscal year end, the City's Audited Financial Statements are prepared using Generally Accepted Accounting Principles (GAAP). G.S. 159-34 requires all local governments to have their accounts audited by independent auditors after the close of each fiscal year. All governmental funds are reported using the modified accrual basis of accounting. However, all proprietary funds are reported using the full accrual basis in the annual financial reports, whereby revenues are recognized when earned and expenses are recognized in the period incurred. In comparison, the budget document reports all propriety funds' prior year actuals using the modified accrual basis.

The following table details each fund category, type, and its respective accounting method for all fiscal year funds for FY18-19:

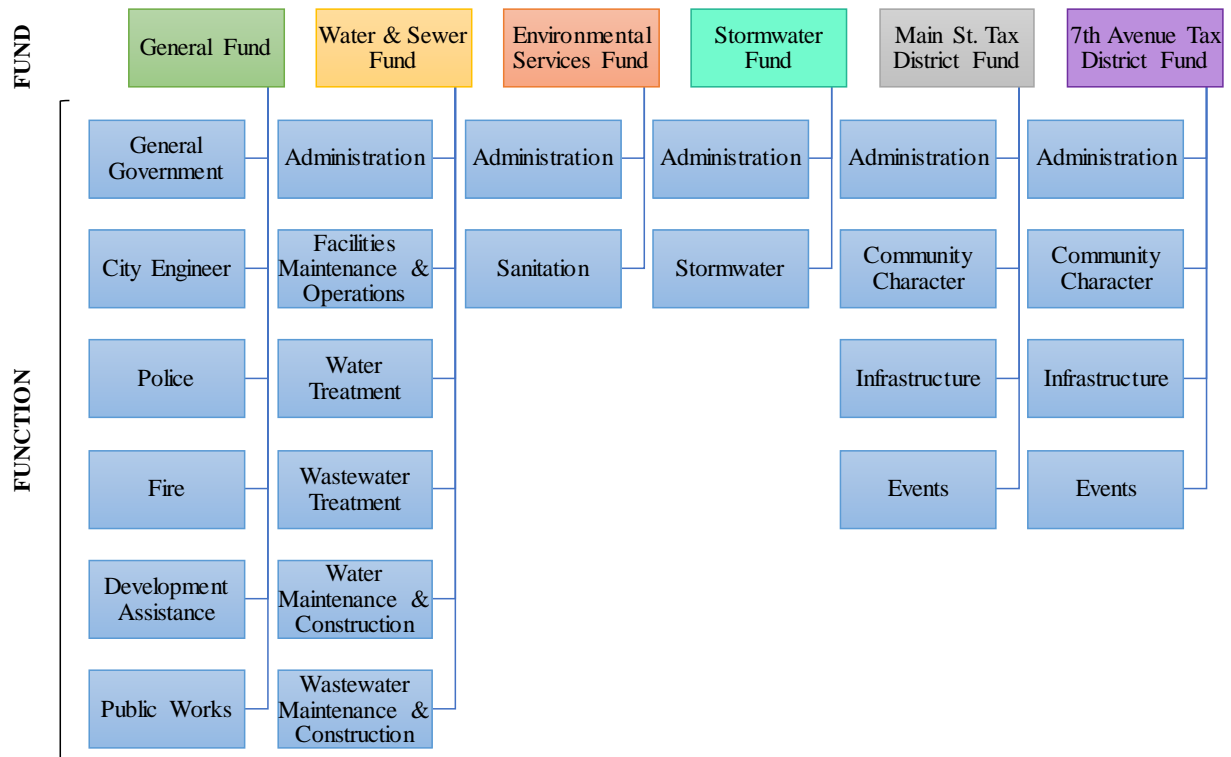
<b>Fund Category</b>	<b>Fund Description</b>	<b>Fund Type</b>	<b>Class</b>	<b>Audit Statement Accounting</b>	<b>Budgetary Accounting</b>
<b>Governmental</b>					
	General Fund	General	Major	Modified Accrual	Modified Accrual
	Main Street Tax District	Special Revenue	Non-Major	Modified Accrual	Modified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

The difference between the accounting methodologies between the governmental and proprietary funds is the nature of how the information is recorded and accounted for. At a basic level, the full accrual methodology accounts for a purchase when it is made and the modified accrual methodology accounts for a purchase when the goods are substantially received. The City considers all revenues available if they are collected within 90 days after year end, except for property taxes. Those revenues susceptible to accrual include investments, sales tax, and grants-in-aid earned. On a budgetary basis, revenues are recorded by department, function, or project. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the fund level for multi-year funds. Revenue sources include ad valorem taxes (property taxes), sales taxes, other taxes and licenses, restricted and unrestricted



intergovernmental revenues, sales and services, investment earnings, other revenues, permits and fees, fund transfers, and fund balance appropriated. Expenditure functions are primarily budgeted at the departmental level but are grouped into six primary categories for the General Fund including general government, public safety, transportation, park maintenance, drainage, and lot clearing, culture and recreation, and debt service.

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



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

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



## Financial Policies

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

### General/Operating Budget Policy

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

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

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

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

### Budget Amendment Policy

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

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

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





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

### Capital Improvement Policy

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

### Debt Policy

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

### Fund Balance Policy

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

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

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



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

### Investment Policy

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

### Revenue Policy

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

### Purchasing Policy

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

### Special Appropriations Policy

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

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



### Debt Service Coverage Ratio Policy

A Debt Service Coverage Ratio policy was adopted by City Council on June 7, 2018. This policy provides guidance on the City's debt service coverage ratio (DSCR). A DSCR higher than 1.0 is recommended by the University Of North Carolina School Of Government for Enterprise Funds. Maintaining a ratio of 1.0 or higher indicates to the Local Government Commission (LGC) and stakeholder groups in bond issuance that the City is capable of paying for debt expenditures using operational revenue. Establishing this policy has helped to provide guidance for the City on debt issuance and best practice. The City will aim to maintain a DSCR between 1.0 and 1.5. The City will also consider how this ratio affects credit and bond ratings for the proper management of debt.



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Revenue & Expenditure Summaries

The following is a summary of all revenues and expenditures to provide an overview of the total resources budgeted for FY18-19:

BUDGET FY18-19	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Stormwater	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community	
<b>Revenues</b>												
Ad Valorem Taxes	\$ (8,559,971)	\$ (236,873)	\$ (17,750)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,814,594)
Other Taxes & Licenses	(11,000)	-	-	-	-	-	-	-	-	-	-	\$ (11,000)
Unrestricted Intergov.	(4,712,425)	(173,684)	(33,333)	-	(9,000)	-	-	-	-	-	-	\$ (4,928,442)
Restricted Intergov.	(586,520)	-	-	-	-	-	-	-	-	-	-	\$ (586,520)
Charges for Service	-	-	-	(15,349,851)	(1,185,000)	(325,000)	-	-	-	-	-	\$ (16,859,851)
Permits & Fees	(403,900)	-	-	(594,945)	-	-	-	-	-	-	-	\$ (998,845)
Sales & Services	(266,250)	-	-	(190,000)	-	(1,500)	-	-	-	-	-	\$ (457,750)
Investment Earnings	(83,600)	(500)	(500)	-	(5,000)	(1,000)	-	-	-	-	-	\$ (90,600)
Misc. Income	(131,000)	(64,000)	(7,500)	(32,400)	(1,200)	-	-	-	-	-	-	\$ (236,100)
Other Financing Sources	(1,257,000)	-	-	(471,937)	(198,177)	(9,774)	-	(100,000)	-	-	(2,000)	\$ (2,038,888)
<b>SUB-TOTAL</b>	<b>\$ (16,011,666)</b>	<b>\$ (475,057)</b>	<b>\$ (59,083)</b>	<b>\$ (16,639,133)</b>	<b>\$ (1,398,377)</b>	<b>\$ (337,274)</b>	<b>\$ -</b>	<b>\$ (100,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,000)</b>	<b>\$ (35,022,590)</b>
<b>Expenditures</b>												
Personnel/Benefits	\$ 9,962,721	\$ 141,287	\$ 13,738	\$ 6,330,222	\$ 809,099	\$ 154,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,411,107
Operating	4,391,764	321,770	45,345	6,781,833	460,650	153,234	-	100,000	-	-	2,000	\$ 12,256,596
Capital	826,000	12,000	-	1,200,500	95,000	30,000	-	-	-	-	-	\$ 2,163,500
Debt Service (Transfer to)	831,181	-	-	2,326,578	33,628	-	-	-	-	-	-	\$ 3,191,387
<b>SUB-TOTAL</b>	<b>\$ 16,011,666</b>	<b>\$ 475,057</b>	<b>\$ 59,083</b>	<b>\$ 16,639,133</b>	<b>\$ 1,398,377</b>	<b>\$ 337,274</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,000</b>	<b>\$ 35,022,590</b>
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.	Walk of Fame		
<b>Revenues</b>												
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ -
Other Taxes & Licenses	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Unrestricted Intergov.	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Restricted Intergov.	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Charges for Service	(352,635)	-	-	-	-	-	-	-	-	-	N/A	\$ (352,635)
Permits & Fees	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Sales & Services	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Investment Earnings	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Misc. Income	(10,250)	-	-	-	-	-	-	-	-	-	N/A	\$ (10,250)
Other Financing Sources	-	(15,000)	-	(55,000)	(7,500)	(1,000)	(7,500)	(1,000)	-	(4,000)	N/A	\$ (91,000)
<b>SUB-TOTAL</b>	<b>\$ (362,885)</b>	<b>\$ (15,000)</b>	<b>\$ -</b>	<b>\$ (55,000)</b>	<b>\$ (7,500)</b>	<b>\$ (1,000)</b>	<b>\$ (7,500)</b>	<b>\$ (1,000)</b>	<b>\$ -</b>	<b>\$ (4,000)</b>	<b>N/A</b>	<b>\$ (453,885)</b>
<b>Expenditures</b>												
Personnel/Benefits	\$ 362,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 362,885
Operating	-	15,000	-	55,000	7,500	1,000	7,500	1,000	-	4,000	N/A	\$ 91,000
Capital	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Debt Service (Transfer to)	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
<b>SUB-TOTAL</b>	<b>\$ 362,885</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ 7,500</b>	<b>\$ 1,000</b>	<b>\$ 7,500</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 4,000</b>	<b>N/A</b>	<b>\$ 453,885</b>
											<b>TOTAL REVENUES</b>	<b>\$ (35,476,475)</b>
											<b>TOTAL EXPENDITURES</b>	<b>\$ 35,476,475</b>



The following is a summary of all revenues and expenditures to provide an overview of the total resources budgeted for FY17-18:

BUDGET FY17-18	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Stormwater	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community	
<b>Revenues</b>												
Ad Valorem Taxes	\$ (8,147,201)	\$ (244,052)	\$ (17,394)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,408,647)
Other Taxes & Licenses	(11,800)	-	-	-	-	-	-	-	-	-	-	\$ (11,800)
Unrestricted Intergov.	(4,559,925)	(161,134)	(33,333)	-	-	-	-	-	-	-	-	\$ (4,754,392)
Restricted Intergov.	(590,597)	-	(100,000)	-	-	-	-	-	-	-	-	\$ (690,597)
Charges for Service	-	-	-	(14,342,873)	(1,213,000)	(225,000)	-	-	-	-	-	\$ (15,780,873)
Permits & Fees	(255,900)	-	-	(589,500)	-	(1,200)	-	-	-	-	-	\$ (846,600)
Sales & Services	(408,300)	-	-	-	-	-	-	-	-	-	-	\$ (408,300)
Investment Earnings	(83,600)	(50)	(50)	(190,000)	(5,000)	-	-	-	-	-	-	\$ (278,700)
Misc. Income	(153,582)	(80,038)	(7,050)	(34,900)	(3,630)	-	-	-	-	-	(1,500)	\$ (280,700)
Other Financing Sources	(1,150,292)	(100,200)	(33,450)	(6,854,423)	(204,150)	(185,543)	-	-	(2,422,216)	-	(4,250)	\$ (10,954,524)
<b>SUB-TOTAL</b>	<b>\$ (15,361,197)</b>	<b>\$ (585,474)</b>	<b>\$ (191,277)</b>	<b>\$ (22,011,696)</b>	<b>\$ (1,425,780)</b>	<b>\$ (411,743)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,422,216)</b>	<b>\$ -</b>	<b>\$ (5,750)</b>	<b>\$ (42,415,133)</b>
<b>Expenditures</b>												
Personnel/Benefits	\$ 9,625,593	\$ 140,681	\$ 13,808	\$ 6,277,002	\$ 736,306	\$ 153,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,947,240
Operating	4,504,421	434,616	74,968	11,124,657	505,959	174,206	-	-	-	-	5,750	\$ 16,824,577
Capital	666,183	10,177	102,501	1,627,603	149,886	83,687	-	-	-	-	-	\$ 2,640,037
Debt Service (Transfer to)	565,000	-	-	2,982,434	33,629	-	-	-	2,422,216	-	-	\$ 6,003,279
<b>SUB-TOTAL</b>	<b>\$ 15,361,197</b>	<b>\$ 585,474</b>	<b>\$ 191,277</b>	<b>\$ 22,011,696</b>	<b>\$ 1,425,780</b>	<b>\$ 411,743</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,422,216</b>	<b>\$ -</b>	<b>\$ 5,750</b>	<b>\$ 42,415,133</b>
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.	Walk of Fame		
<b>Revenues</b>												
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	-	-	-	-	-	-	-	-	-	(2,898)	N/A	\$ (2,898)
Investment Earnings	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Misc. Income	(11,003)	-	-	-	-	(1,305)	(5,300)	-	-	(1,100)	N/A	\$ (18,708)
Other Financing Sources	(401,105)	(15,000)	-	(55,000)	(12,500)	(2,400)	(8,000)	(1,500)	-	(1,900)	N/A	\$ (497,405)
<b>SUB-TOTAL</b>	<b>\$ (412,108)</b>	<b>\$ (15,000)</b>	<b>\$ -</b>	<b>\$ (55,000)</b>	<b>\$ (12,500)</b>	<b>\$ (3,705)</b>	<b>\$ (13,300)</b>	<b>\$ (1,500)</b>	<b>\$ -</b>	<b>\$ (5,898)</b>	<b>N/A</b>	<b>\$ (519,011)</b>
<b>Expenditures</b>												
Personnel/Benefits	\$ 367,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 367,105
Operating	45,003	15,000	-	55,000	5,000	3,705	13,300	1,500	-	5,898	N/A	\$ 144,406
Capital	-	-	-	-	7,500	-	-	-	-	-	N/A	\$ 7,500
Debt Service (Transfer to)	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
<b>SUB-TOTAL</b>	<b>\$ 412,108</b>	<b>\$ 15,000</b>	<b>\$ -</b>	<b>\$ 55,000</b>	<b>\$ 12,500</b>	<b>\$ 3,705</b>	<b>\$ 13,300</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ 5,898</b>	<b>N/A</b>	<b>\$ 519,011</b>
											<b>TOTAL REVENUES</b>	<b>\$ (42,934,144)</b>
											<b>TOTAL EXPENDITURES</b>	<b>\$ 42,934,144</b>



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

ACTUAL FY16-17	EXECUTIVE SUMMARY											TOTAL
	REVENUES AND EXPENDITURES - ALL APPROPRIATED FUNDS											
Fund Description	General	Main Street	7th Avenue	Water & Sewer	Environmental Services	Stormwater	Capital Reserve - GF	Capital Reserve - WS	Debt Service	Fire Car Seat	Fire Community	
<b>Revenues</b>												
Ad Valorem Taxes	\$ (7,972,004)	\$ (239,283)	\$ (20,714)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,232,001)
Other Taxes & Licenses	(12,200)	-	-	-	-	-	-	-	-	-	-	\$ (12,200)
Unrestricted Intergov.	(4,621,593)	(165,469)	(33,094)	-	-	-	-	-	-	-	-	\$ (4,820,156)
Restricted Intergov.	(669,516)	(15,098)	-	-	(9,285)	-	-	-	-	-	-	\$ (693,899)
Charges for Service	-	-	-	(14,374,806)	(1,417,155)	-	-	-	-	-	-	\$ (15,791,961)
Permits & Fees	(143,614)	-	-	(704,869)	-	-	-	-	-	-	-	\$ (848,483)
Sales & Services	(423,860)	-	-	-	-	-	-	-	-	(464)	(3,460)	\$ (427,784)
Investment Earnings	(115,439)	(911)	(384)	(81,814)	(3,695)	-	-	-	-	-	-	\$ (202,243)
Misc. Income	(216,543)	(112,254)	(11,210)	(67,240)	(20,075)	-	-	-	-	-	-	\$ (427,322)
Other Financing Sources	(52,827)	-	-	(2,279,074)	-	(100,000)	-	-	(633,723)	(2,250)	(5,324)	\$ (3,073,198)
<b>SUB-TOTAL</b>	<b>\$ (14,227,595)</b>	<b>\$ (533,015)</b>	<b>\$ (65,402)</b>	<b>\$ (17,507,804)</b>	<b>\$ (1,450,210)</b>	<b>\$ (100,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (633,723)</b>	<b>\$ (2,714)</b>	<b>\$ (8,784)</b>	<b>\$ (34,529,247)</b>
<b>Expenditures</b>												
Personnel/Benefits	\$ 8,540,741	\$ 135,009	\$ 9,970	\$ 5,617,042	\$ 798,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,101,017
Operating	3,977,913	357,384	37,317	7,361,157	614,215	-	-	-	-	2,949	1,129	\$ 12,352,064
Capital	724,394	10,177	2,500	1,664,061	3,729	-	-	2,263,753	-	-	-	\$ 4,668,614
Debt Service (Transfer to)	633,723	12,438	-	3,742,623	33,628	-	-	-	1,090,023	489	-	\$ 5,512,924
<b>SUB-TOTAL</b>	<b>\$ 13,876,771</b>	<b>\$ 515,008</b>	<b>\$ 49,787</b>	<b>\$ 18,384,883</b>	<b>\$ 1,449,827</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,263,753</b>	<b>\$ 1,090,023</b>	<b>\$ 3,438</b>	<b>\$ 1,129</b>	<b>\$ 37,634,619</b>
Fund Description	Health & Welfare	Historic Preservation	Police DARE	Police Drug	Police Kennel	Police Motor Unit	Police Needy Persons	Police RAD	Police Youth Exp.	Walk of Fame		
<b>Revenues</b>												
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	-	-	-	-	-	(188)	-	-	-	-	N/A	\$ (188)
Investment Earnings	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Misc. Income	-	-	-	(8,264)	-	-	-	-	-	-	N/A	\$ (8,264)
Other Financing Sources	(395,540)	(3,395)	-	-	(9,987)	(1,790)	(6,984)	(425)	107	(11,050)	N/A	\$ (429,064)
<b>SUB-TOTAL</b>	<b>\$ (395,540)</b>	<b>\$ (3,395)</b>	<b>\$ -</b>	<b>\$ (8,264)</b>	<b>\$ (9,987)</b>	<b>\$ (1,798)</b>	<b>\$ (6,984)</b>	<b>\$ (425)</b>	<b>\$ 107</b>	<b>\$ (11,050)</b>	<b>N/A</b>	<b>\$ (437,516)</b>
<b>Expenditures</b>												
Personnel/Benefits	\$ 438,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	\$ 438,740
Operating	-	1,228	3,218	50,562	3,754	853	7,924	-	1,380	6,363	N/A	\$ 75,282
Capital	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
Debt Service (Transfer to)	-	-	-	-	-	-	-	-	-	-	N/A	\$ -
<b>SUB-TOTAL</b>	<b>\$ 438,740</b>	<b>\$ 1,228</b>	<b>\$ 3,218</b>	<b>\$ 50,562</b>	<b>\$ 3,754</b>	<b>\$ 853</b>	<b>\$ 7,924</b>	<b>\$ -</b>	<b>\$ 1,380</b>	<b>\$ 6,363</b>	<b>N/A</b>	<b>\$ 514,022</b>
											<b>TOTAL REVENUES</b>	<b>\$ (34,966,763)</b>
											<b>TOTAL EXPENDITURES</b>	<b>\$ 38,148,641</b>

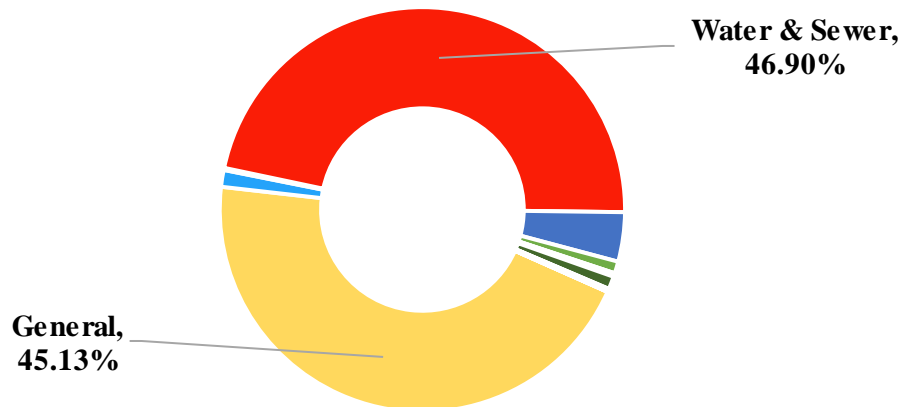


Revenues

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

Fund	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE	PERCENT OF TOTAL
General	\$ (14,227,595)	\$ (15,361,197)	\$ (16,011,666)	\$ (650,469)	45.13%
Main Street	(533,015)	(585,474)	(475,057)	110,417	1.34%
7th Avenue	(65,402)	(191,277)	(59,083)	132,194	0.17%
Water & Sewer	(17,507,804)	(22,011,696)	(16,639,133)	5,372,563	46.90%
Environmental Services	(1,450,210)	(1,425,780)	(1,398,377)	27,403	3.94%
Stormwater	(100,000)	(411,743)	(337,274)	74,469	0.95%
Capital Reserve - GF	-	-	-	-	0.00%
Capital Reserve - WS	-	-	(100,000)	(100,000)	0.28%
Debt Service	(633,723)	(2,422,216)	-	2,422,216	0.00%
Fire Car Seat	(2,714)	-	-	-	0.00%
Fire Community	(8,784)	(5,750)	(2,000)	3,750	0.01%
Health & Welfare	(395,540)	(412,108)	(362,885)	49,223	1.02%
Historic Preservation	(3,395)	(15,000)	(15,000)	-	0.04%
Police DARE	-	-	-	-	0.00%
Police Drug	(8,264)	(55,000)	(55,000)	-	0.16%
Police Kennel	(9,987)	(12,500)	(7,500)	5,000	0.02%
Police Motor Unit	(1,978)	(3,705)	(1,000)	2,705	0.00%
Police Needy Persons	(6,984)	(13,300)	(7,500)	5,800	0.02%
Police RAD	(425)	(1,500)	(1,000)	500	0.00%
Police Youth Exp.	107	-	-	-	0.00%
Walk of Fame	(11,050)	(5,898)	(4,000)	1,898	0.01%
<b>TOTAL</b>	<b>\$ (34,966,763)</b>	<b>\$ (42,934,144)</b>	<b>\$ (35,476,475)</b>	<b>\$ 7,457,669</b>	<b>100.00%</b>

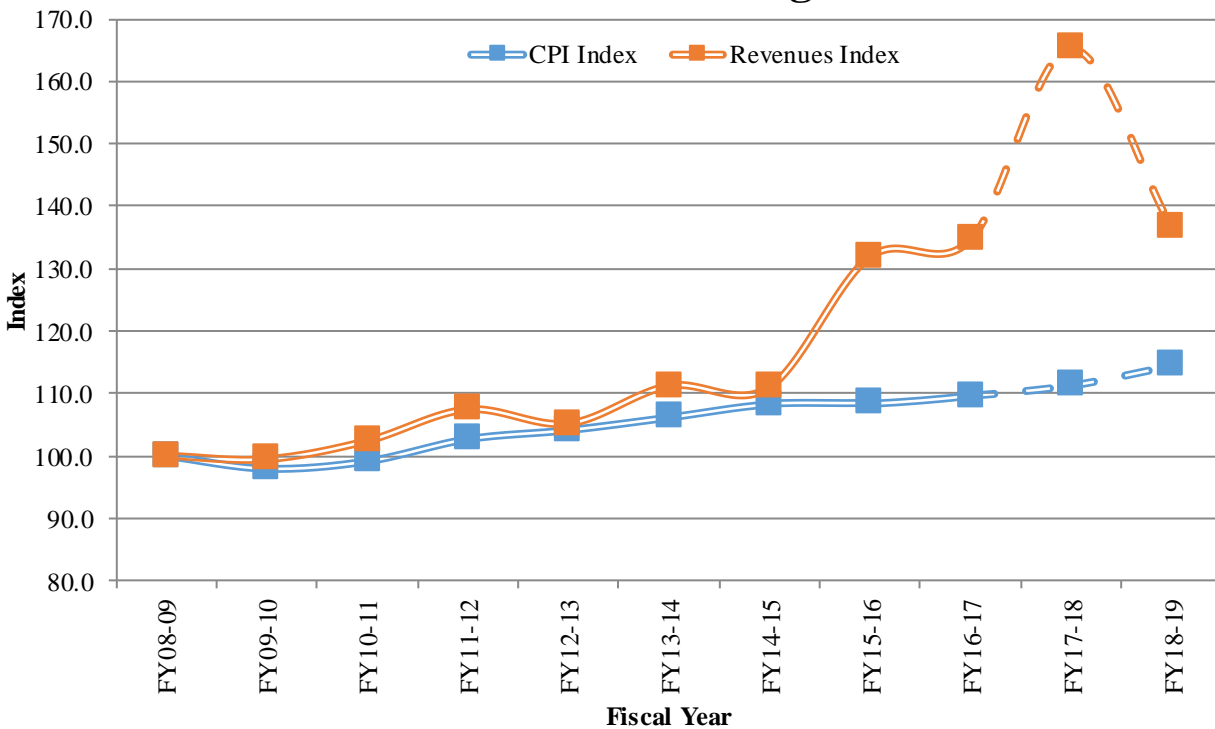
City Revenues by Fund FY18-19





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

### Total Revenues Controlling for Inflation



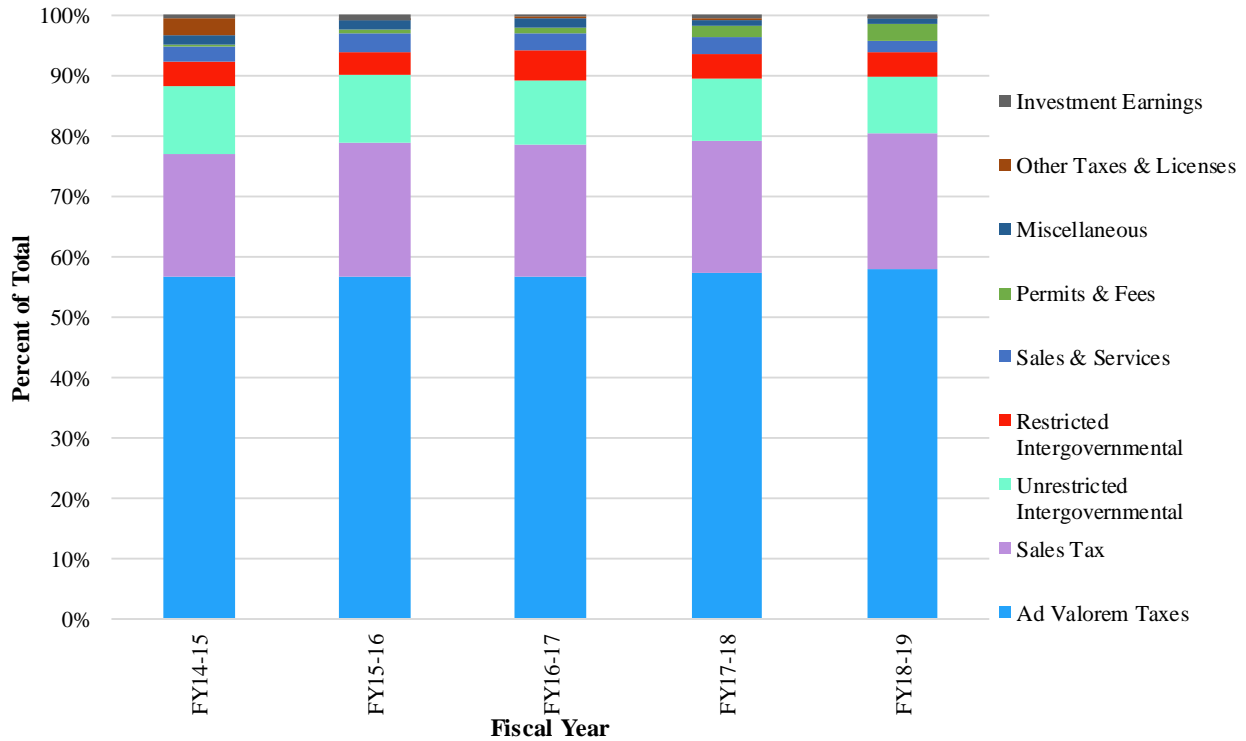
The Consumer Price Index (CPI) provides the effects inflation has on the market overtime. By using this data the City is able to adjust its revenues to actual levels, controlling for inflation. The chart shows that the City of Hendersonville’s effective revenues are estimated to equal, or exceed, levels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

According to the data, the CPI details an 14.5% increase since FY08-09. The City’s total revenues are estimated to increase 36.6% over that same time period, and actual increase of 34.7% through FY16-17. Inflation can have powerful effects on an organization’s dollar worth if not monitored. The high jump in FY15-16 correlates with the recent growth in City services, development, and population. As discussed in the *Budget Message* the City is experiencing a period of strong economic growth and as a result revenues have begun to grow at a relatively stronger pace.

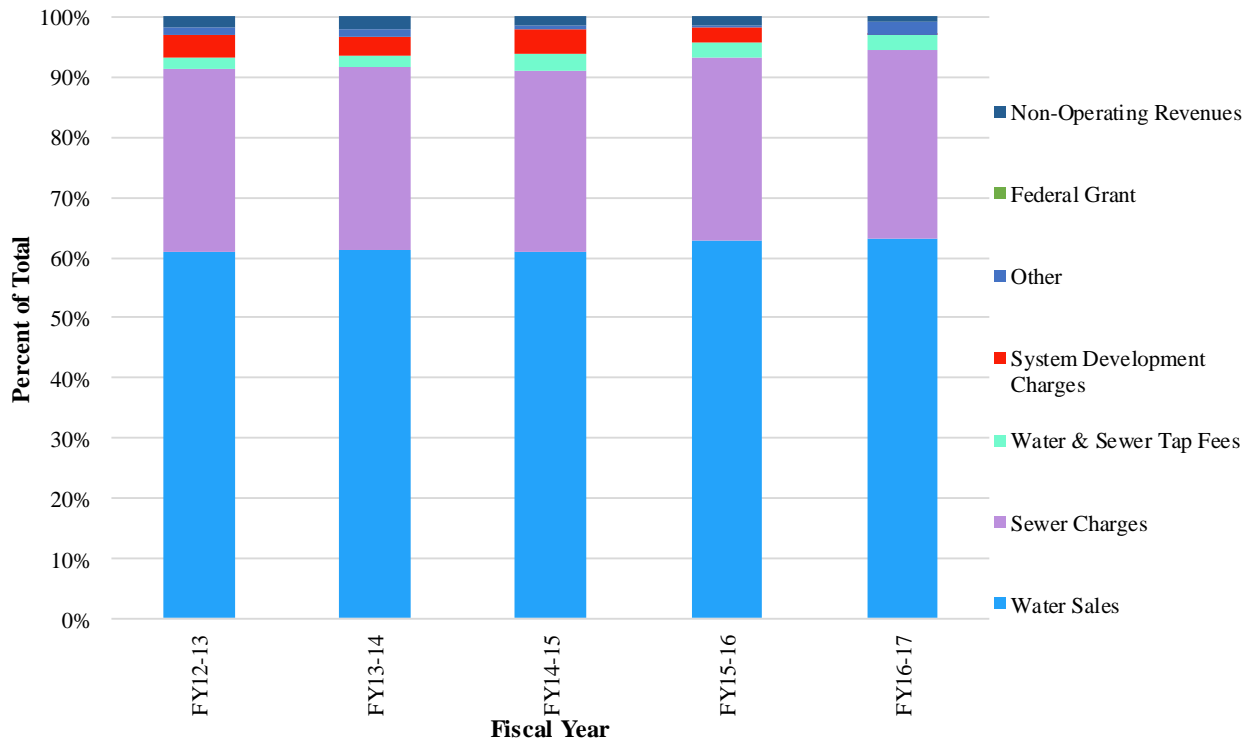


The following charts display revenue sources for the General Fund and Water and Sewer Fund:

### 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 60.24% of all General Fund revenues for FY18-19. Another main source of revenue for the General Fund is sales and use taxes, making up 23.22% of all General Fund revenues for FY18-19. Another trend to note, is the shrinking of the brown bar for “Other Taxes & Licenses” in FY15-16. This is the result of the removal of municipal authority to leverage a privilege license tax for doing business in the City. This revenue source provided close to \$400,000 in revenue a year. The FY15-16 budget speaks more in depth on this issue.

The Water and Sewer fund receives 65.51% of its revenues from water sales and 35.76% from sewer charges for FY18-19. 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. One trend is the loss of “System Development Charges” revenues (red bar). The authority to levy this revenue was called into question in FY17-18, at which point the City Council voted to suspend the fee. In response to this confusion, the North Carolina General Assembly (NCGA) recently clarified the authority, providing provisions for the charging of this impact fee. The City Council requested guidance from its Water Advisory Council on the reinstatement of this fee. After the Water Advisory Council voted unanimously against reinstating the fee, the Council directed staff to not include this fee in future budgets.

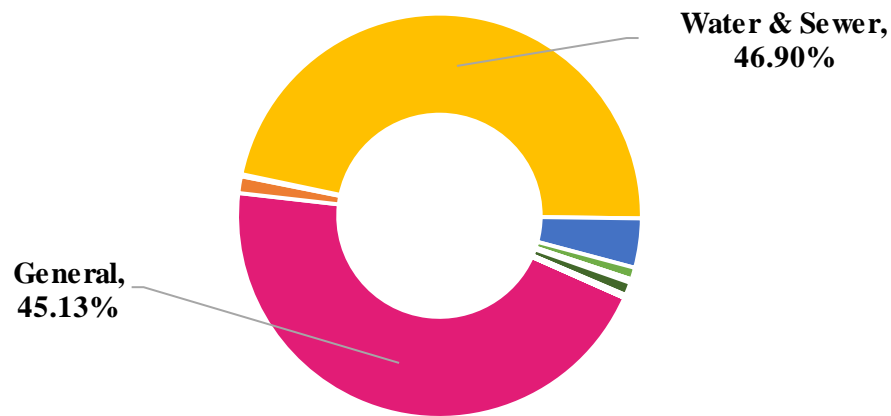


Expenditures

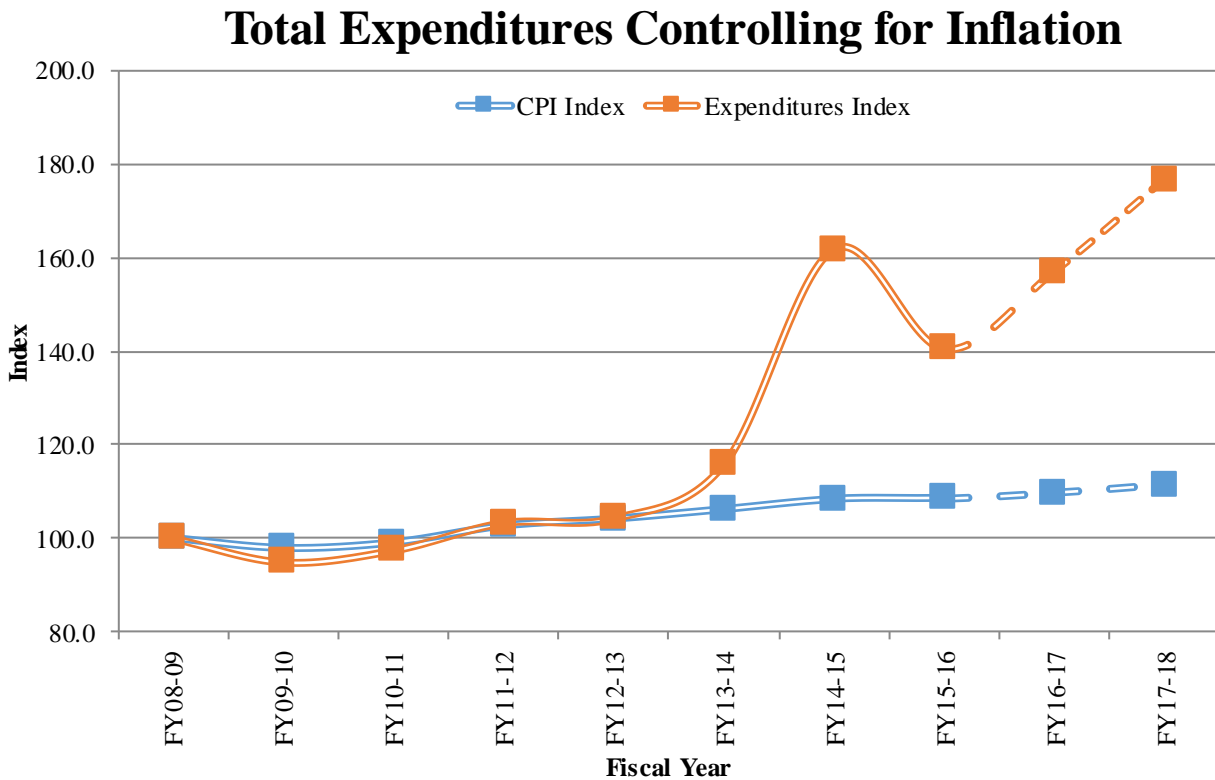
The following table and graph detail the City’s expenditures by fund:

Fund	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE	PERCENT OF TOTAL
General	\$ 13,876,771	\$ 15,361,197	\$ 16,011,666	\$ 650,469	45.13%
Main Street	515,008	585,474	475,057	(110,417)	1.34%
7th Avenue	49,787	191,277	59,083	(132,194)	0.17%
Water & Sewer	18,384,883	22,011,696	16,639,133	(5,372,563)	46.90%
Environmental Services	1,449,827	1,425,780	1,398,377	(27,403)	3.94%
Stormwater	-	411,743	337,274	(74,469)	0.95%
Capital Reserve - GF	-	-	-	-	0.00%
Capital Reserve - WS	2,263,753	-	100,000	100,000	0.28%
Debt Service	1,090,023	2,422,216	-	(2,422,216)	0.00%
Fire Car Seat	3,438	-	-	-	0.00%
Fire Community	1,129	5,750	2,000	(3,750)	0.01%
Health & Welfare	438,740	412,108	362,885	(49,223)	1.02%
Historic Preservation	1,228	15,000	15,000	-	0.04%
Police DARE	3,218	-	-	-	0.00%
Police Drug	50,562	55,000	55,000	-	0.16%
Police Kennel	3,754	12,500	7,500	(5,000)	0.02%
Police Motor Unit	853	3,705	1,000	(2,705)	0.00%
Police Needy Persons	7,924	13,300	7,500	(5,800)	0.02%
Police RAD	-	1,500	1,000	(500)	0.00%
Police Youth Exp.	1,380	-	-	-	0.00%
Walk of Fame	6,363	5,898	4,000	(1,898)	0.01%
<b>TOTAL</b>	<b>\$ 38,148,641</b>	<b>\$ 42,934,144</b>	<b>\$ 35,476,475</b>	<b>\$(7,457,669)</b>	<b>100.00%</b>

City Expenditures by Fund FY18-19



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

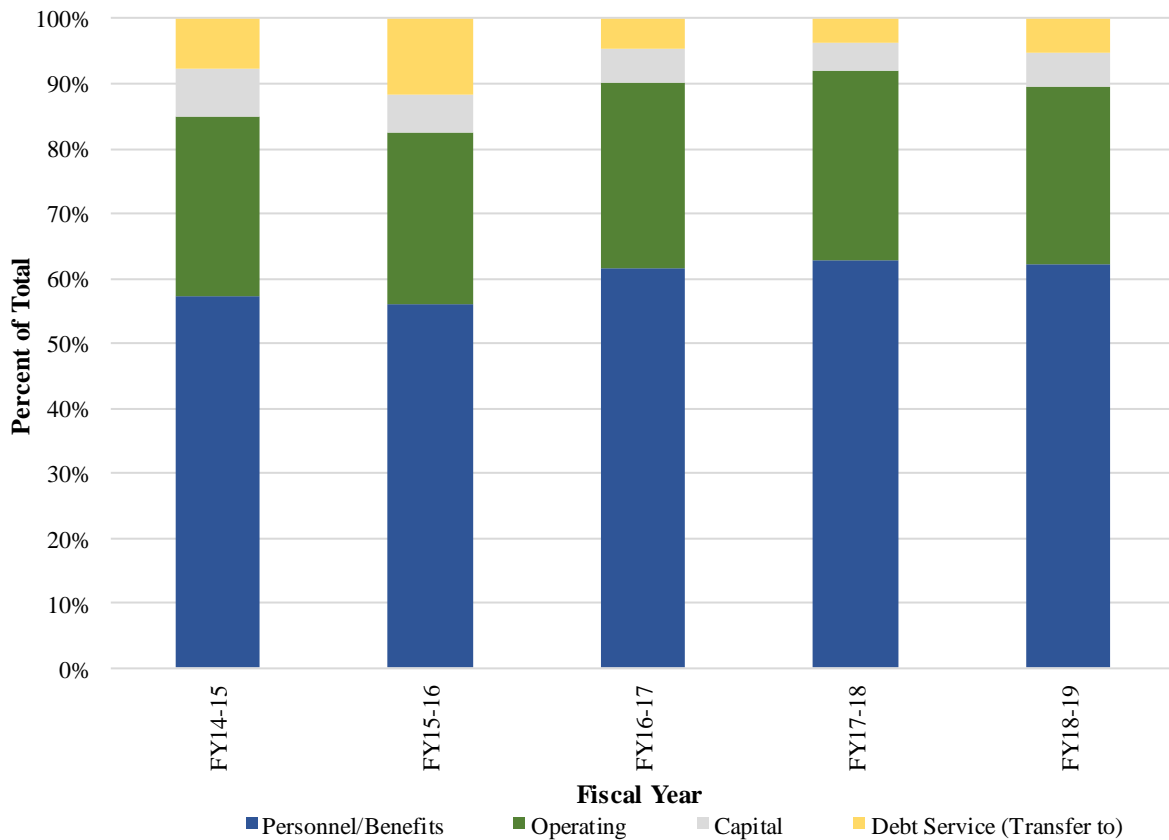


Similar to the “Revenues” section, the chart above displays the City’s total expenditures which include a calculation adjusting expenditures for inflation. Again, the Consumer Price Index (CPI) provides the effects inflation has on the market overtime. According to the data, the CPI details an 14.5% increase since FY08-09. One will notice a large spike in the “Expenditures Index” in FY 14-15. This depicts the near 57% increase in expenditures since FY08-09. In FY08-09 total expenditures were approximately \$24 million. Now, in FY18-19 total expenditures are estimated to be near \$35 million.



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

### General Fund Expenditures by Type



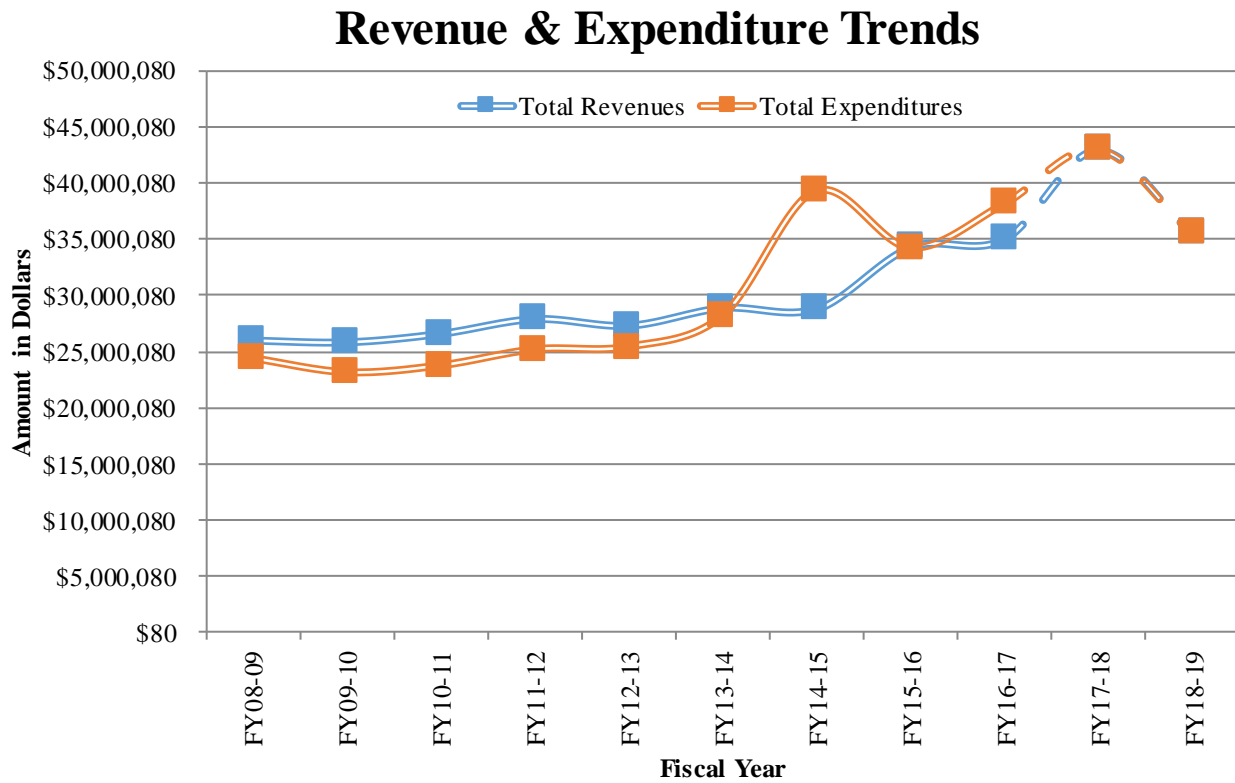
This chart highlights important functions of expenditures for the City of Hendersonville. Personnel/Benefits type expenditures have decreased since FY14-15 due to the change in reporting methodology used by the city for the reimbursement of indirect costs for enterprise funds. This methodology was originally discussed in the FY15-16 budget document. The result is an increase in the portion of costs allocated to operating expenditures.

Additionally, one will notice a substantial decrease in the portion of “Debt Service (Transfer to)” type expenditures.



Trends & Comparisons

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



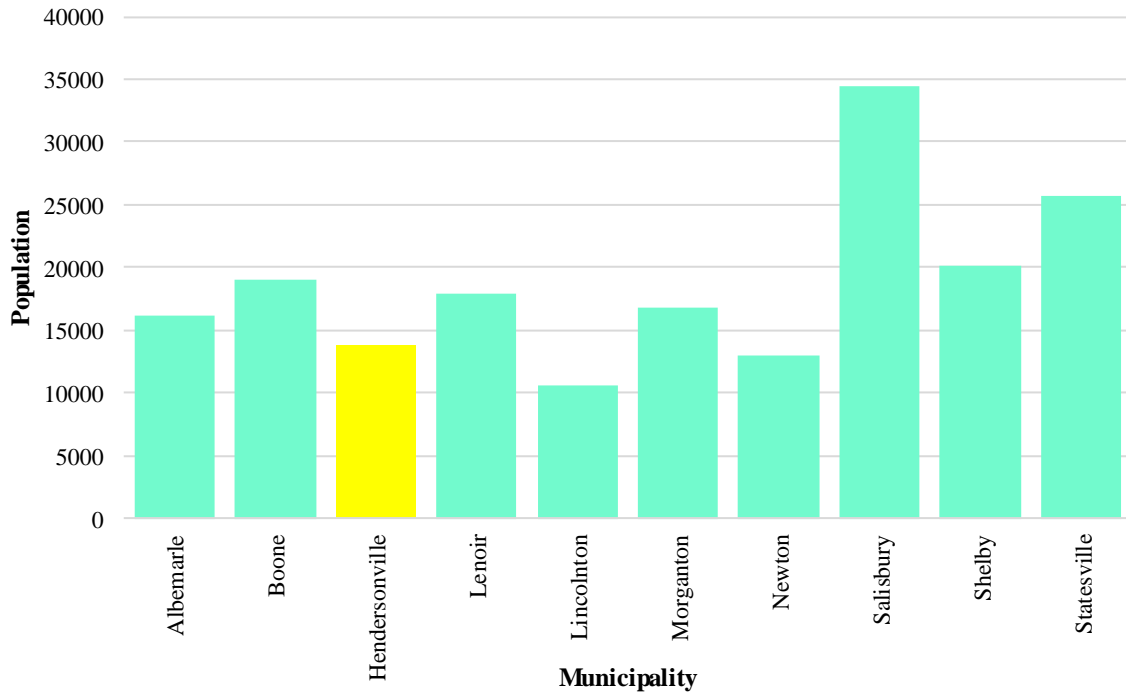
Ideally, the City’s revenue and expenditure actuals would equal one another, however this is very unlikely and it is preferable to have greater actual revenues than expenditures. Expenditures are expected to greatly increase, primarily due to the funding of multiple multi-year capital project ordinances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



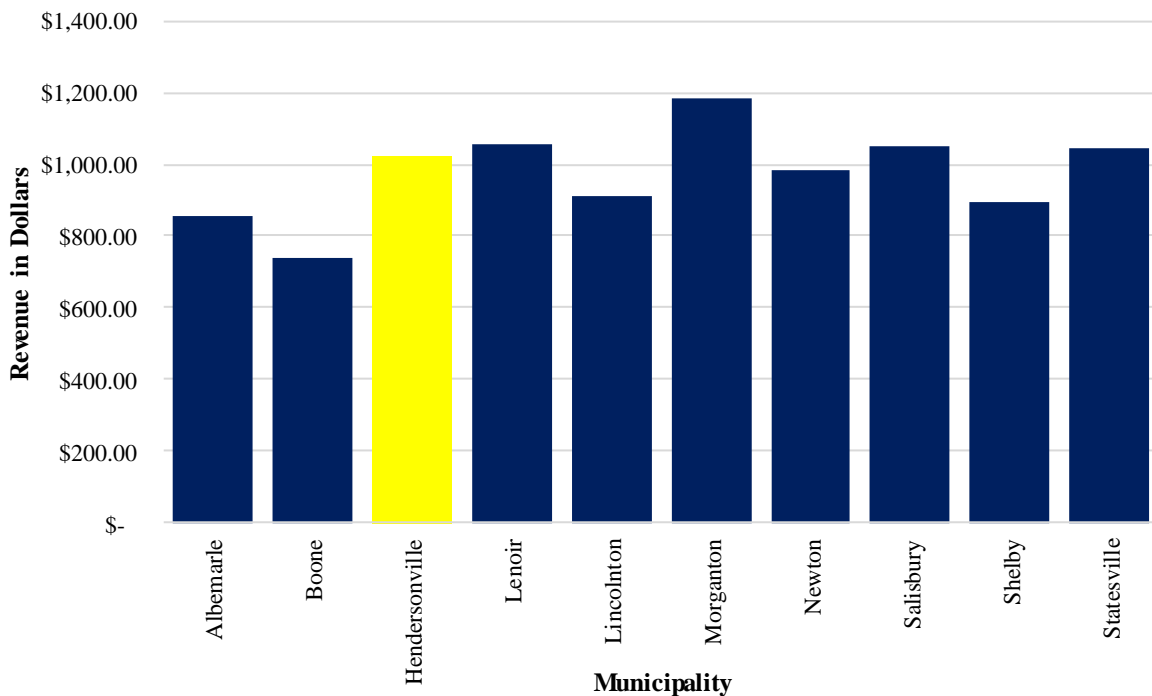
Municipal Comparisons:

The following charts provide financial information for different North Carolina municipalities from actual data for FY16-17:

### Population Comparison



### General Fund Revenues per Capita

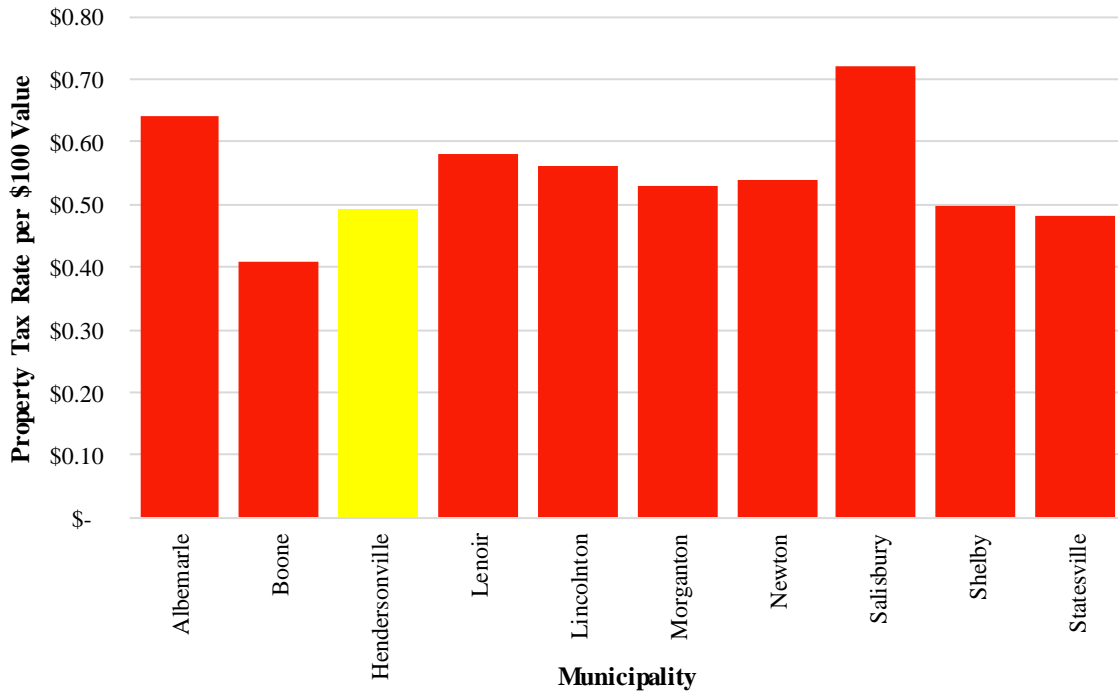




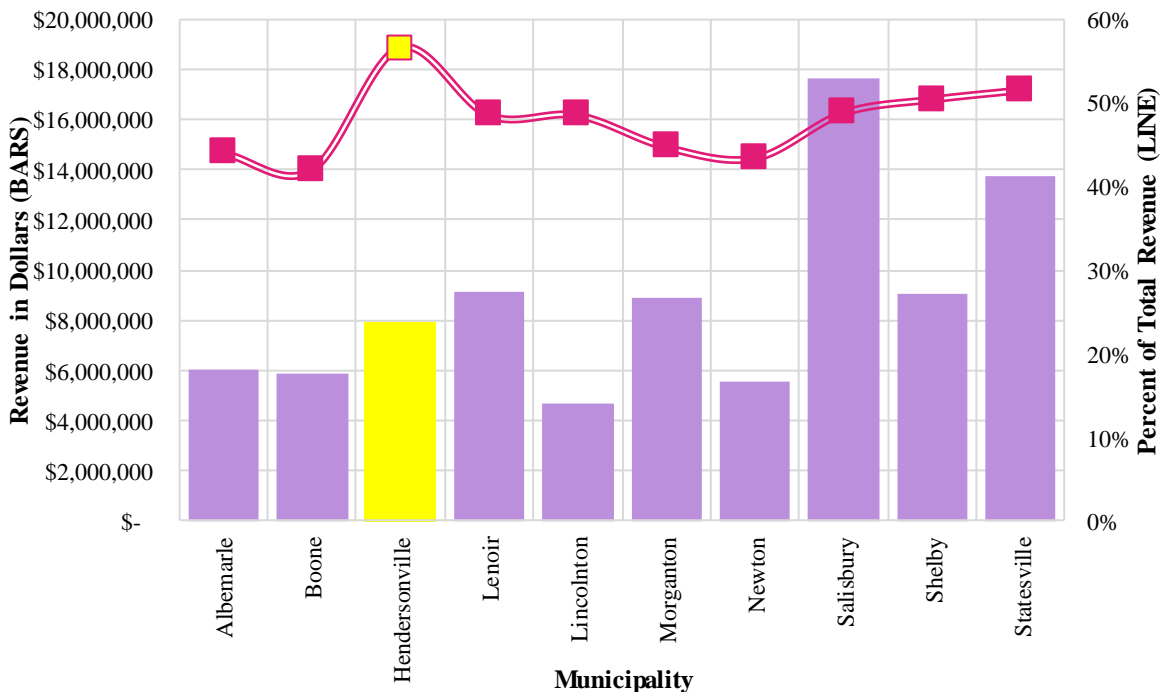
Municipal Comparisons:

The following charts provide financial information for different North Carolina municipalities from actual data for FY16-17:

### Property Tax Rate Comparison



### Prop. Tax Revenue as % of Total Revenue



### Financial Condition

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

Establishing goals for each indicator will provide the City with a measurable system for performance evaluation. These indicators can also be used in comparing Hendersonville with other similar municipalities. The following table summarizes the City of Hendersonville's City-Wide financial condition for FY18-19. Charts and graphs following the City-Wide financial condition analysis examine the City's General Fund separately. Some measures' calculation methodology differs from the financial condition analysis. The measures used in the General Fund analysis include:

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

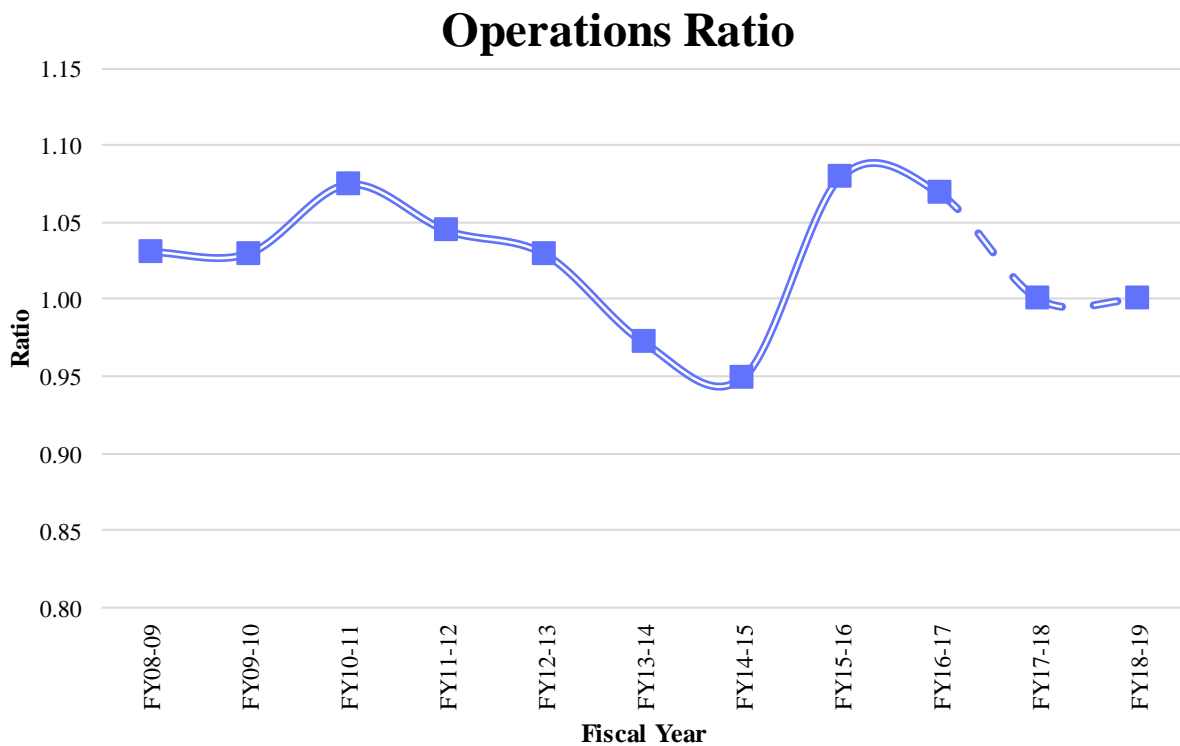
Establishing goals for each indicator will provide the City with a measurable system for performance evaluation. These indicators can also be used in comparing Hendersonville with other similar municipalities. The following dimensions and indicators use General Fund data.



### Service Obligation

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

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



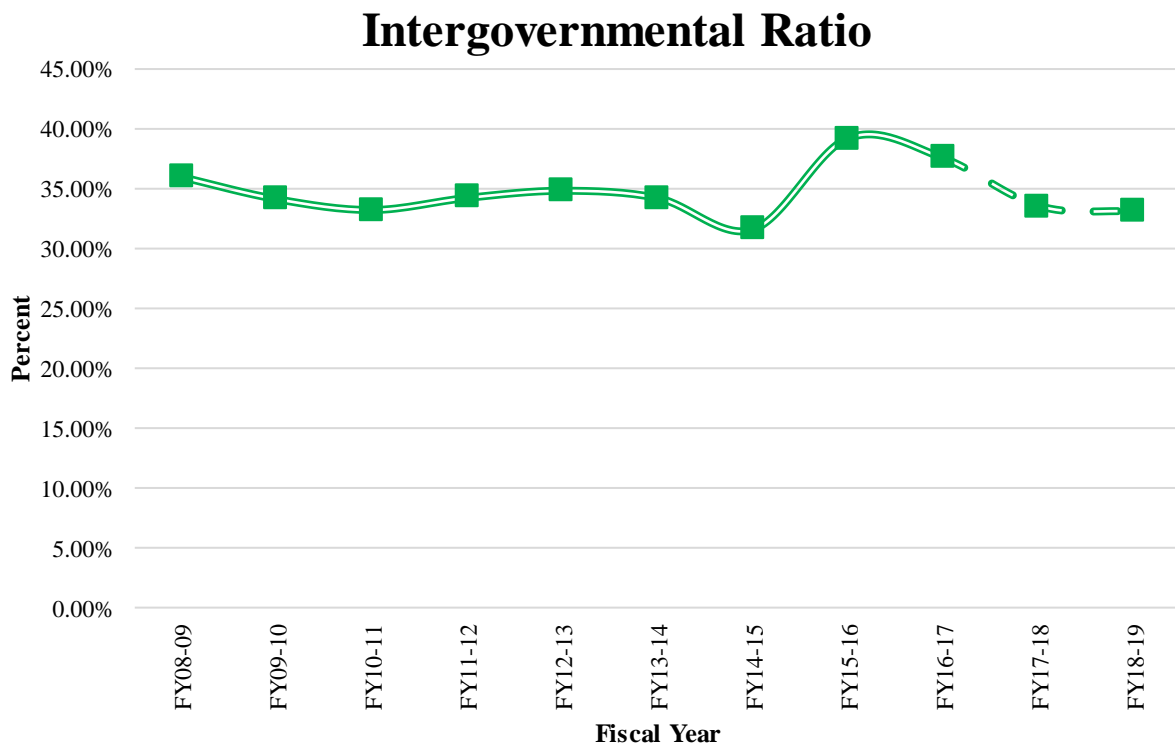
Over the past ten years the City of Hendersonville has utilized sound budget practices. A ratio of above 1.0 represents a surplus in actual revenues for the fiscal year. The City has maintained a ratio above 1.0 up until FY13-14 when expenditures began to exceed revenues. Operating revenues then rebounded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



### 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:



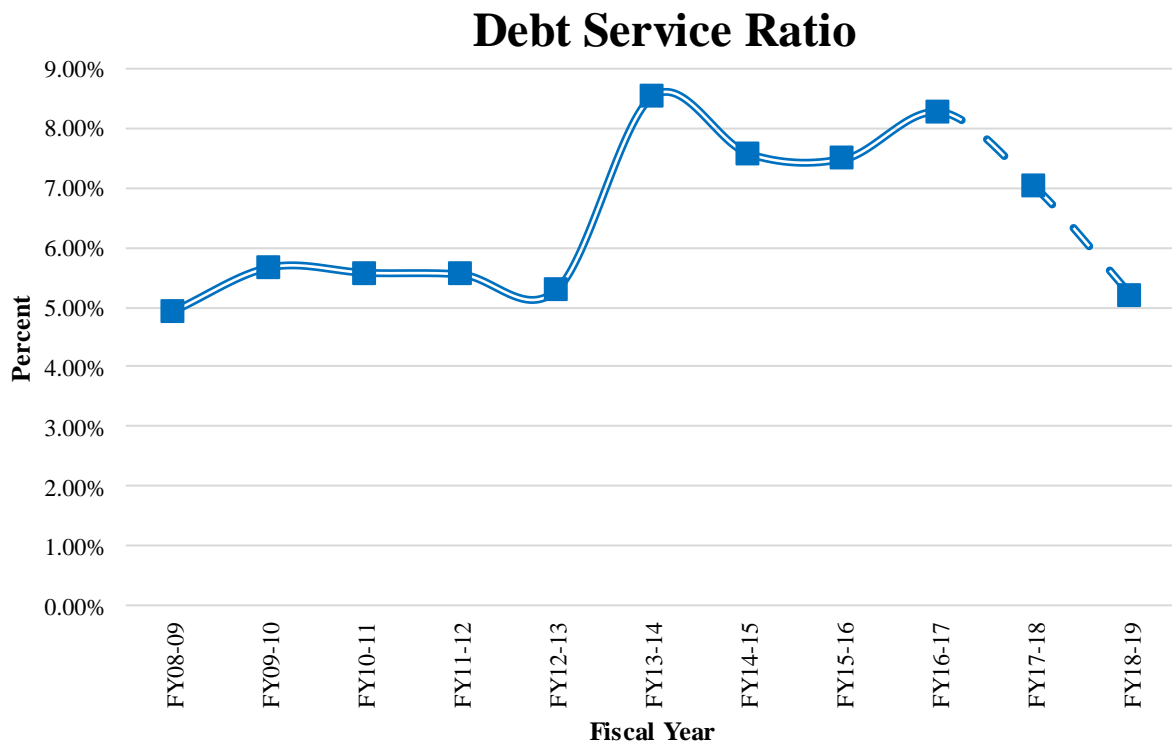
The City of Hendersonville’s intergovernmental ratio has been elastic in the past ten fiscal years, meaning that it has changed (increased and decreased) from year-to-year. The dependency on intergovernmental revenue spiked in FY15-16 and reflects the strong sales and use tax growth that was discussed 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. Recently, the City has experienced a regression in this sales tax increase.



### 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:



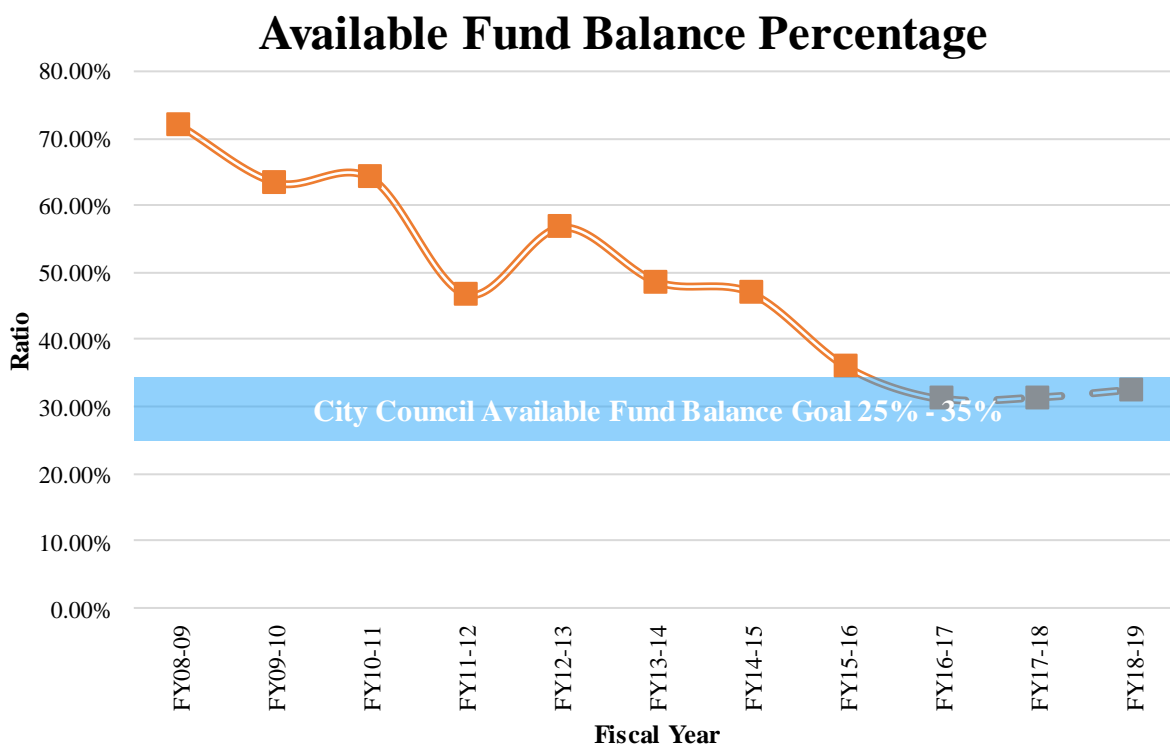
The City has maintained healthy debt service practices in the past ten fiscal years. The chart depicts the debt capacity dipping below the five percent (5%) mark in FY07-08 signifying the capacity for more debt financing. The following years experienced a conservative and manageable increase, close to 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. In FY18-19 this ratio is estimated to decrease due to debt service notes being paid in full.



### Solvency

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

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



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



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

Financial Dimension	Actual FY14-15	Actual FY15-16	Actual FY16-17	Estimate FY17-18	Estimate FY18-19
Operations Ratio	0.95	1.08	1.07	1.00	1.00
Dependency	31.58%	39.18%	37.57%	33.53%	33.09%
Financing Obligation	7.57%	7.49%	8.26%	7.02%	5.19%
Solvency	46.88%	35.93%	31.13%	31.26%	32.51%

The table below depicts the City of Hendersonville’s financial condition in comparison to municipal peers for FY16-17 actual reports:

General Fund Financial Condition Comparison FY16-17 Actuals				
Dimension	Service Obligation	Dependency	Financing Obligation	Solvency
Indicator	Operations Ratio	Intergovernmental Ratio	Debt Service Ratio	Available Fund Balance Percent
Hendersonville	1.07	37.57%	8.26%	31.13%
Peer 1	0.91	38.85%	3.47%	33.62%
Peer 2	1.13	39.16%	3.34%	45.16%
Peer 3	0.91	41.09%	2.93%	24.39%

The table suggests that the City of Hendersonville’s financial practices are performing at an equivalent level or better than comparable municipalities. The City relies less on intergovernmental revenues, less than the municipal average, 39.70%. Also, financing obligation remains greater than the municipal average of 3.25%. The City maintains a lower reserve of available fund balance than its comparable municipalities. It also maintains a strong operations ratio.



## Fund Balance

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

## Purpose of Fund Balance

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

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

## Issues Concerning Fund Balance

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

## Amount of Fund Balance

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



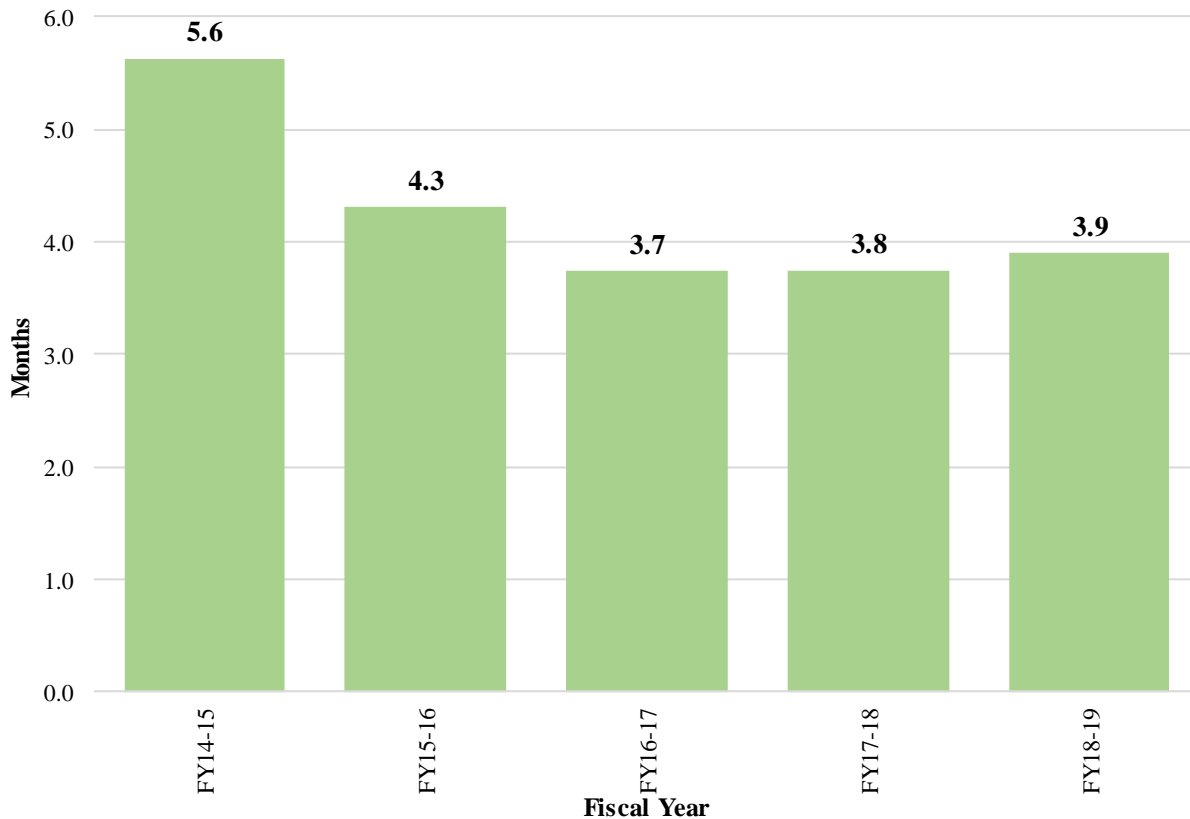


**General Fund – Fund Balance Trends**

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

	<b>ACTUAL FY14-15</b>	<b>ACTUAL FY15-16</b>	<b>ACTUAL FY16-17</b>	<b>ESTIMATE FY17-18</b>	<b>ESTIMATE FY18-19</b>
<b>Unassigned Fund Balance</b>	\$ 7,036,662	\$ 5,528,024	\$ 4,326,041	\$ 4,826,743	\$ 4,531,483
<b>Percent Change</b>	-5.95%	-21.44%	-21.74%	11.57%	-6.12%
<b>Percent Available</b>	46.9%	35.9%	31.1%	31.3%	32.5%
<b>Months Equivalent</b>	5.6	4.3	3.7	3.8	3.9

**Operating Expenses in Month Equivalents**



	<b>ACTUAL FY14-15</b>	<b>ACTUAL FY15-16</b>	<b>ACTUAL FY16-17</b>	<b>ESTIMATE FY17-18</b>	<b>ESTIMATE FY18-19</b>
<b>Beginning Fund Balance</b>	\$ 8,395,233	\$ 8,103,727	\$ 7,381,399	\$ 7,648,008	\$ 7,413,008
<b>Ending Fund Balance</b>	\$ 8,103,727	\$ 7,381,399	\$ 7,648,008	\$ 7,413,008	\$ 7,518,199
<b>Percent Change</b>	-3.47%	-8.91%	3.61%	-3.07%	1.42%

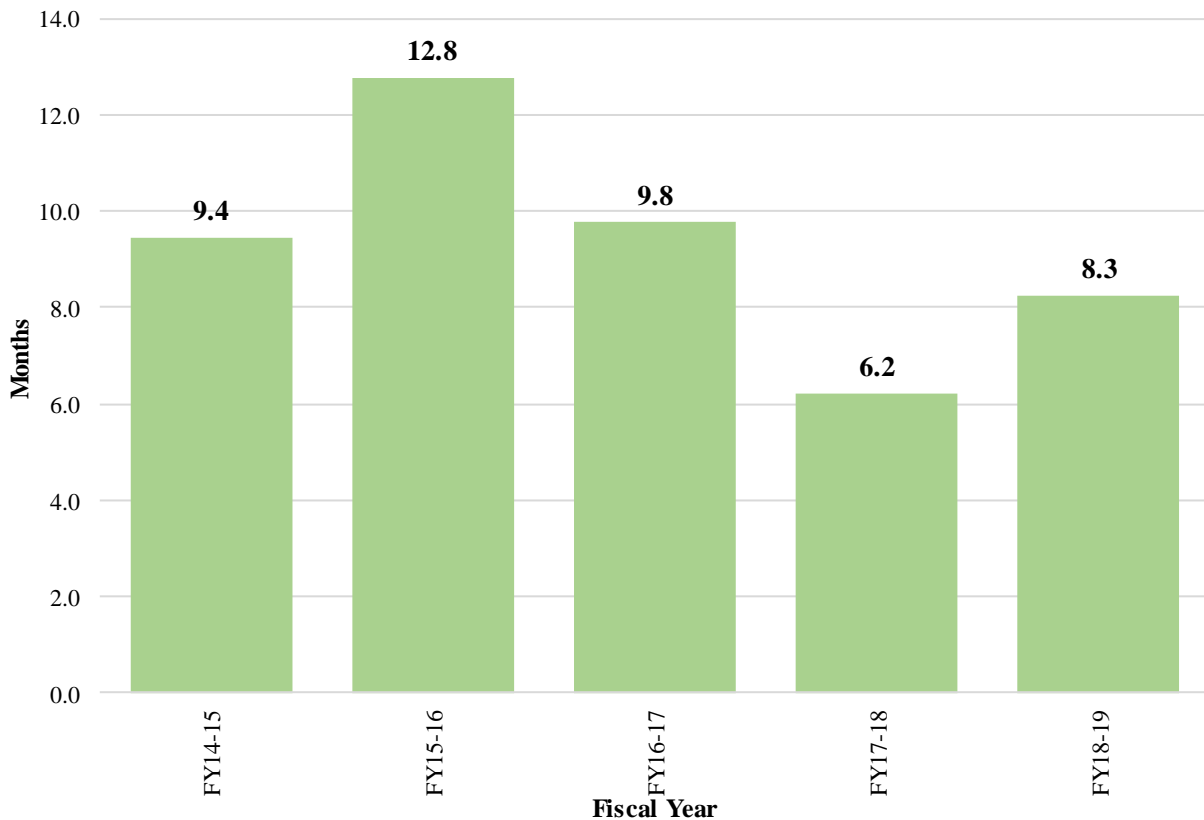


**Water & Sewer Fund – Fund Balance Trends**

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

	ACTUAL FY14-15	ACTUAL FY15-16	ACTUAL FY16-17	ESTIMATE FY17-18	ESTIMATE FY18-19
<b>Unassigned Fund Balance</b>	\$ 18,381,314	\$ 17,046,848	\$ 14,973,198	\$ 10,633,313	\$ 10,984,613
<b>Percent Change</b>	-20.08%	-7.26%	-12.16%	-28.98%	3.30%
<b>Percent Available</b>	78.7%	106.4%	81.4%	51.9%	68.8%
<b>Months Equivalent</b>	9.4	12.8	9.8	6.2	8.3

**Operating Expenses in Month Equivalents**



	ACTUAL FY14-15	ACTUAL FY15-16	ACTUAL FY16-17	ESTIMATE FY17-18	ESTIMATE FY18-19
<b>Beginning Fund Balance</b>	\$ 24,203,158	\$ 25,531,004	\$ 25,246,428	\$ 22,123,386	\$ 21,532,125
<b>Ending Fund Balance</b>	\$ 25,531,004	\$ 25,246,428	\$ 22,123,386	\$ 21,532,125	\$ 11,751,612
<b>Percent Change</b>	5.49%	-1.11%	-12.37%	-2.67%	-45.42%



### 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 FY18-19, ending values, and percent change for each fund:

Fund	BEGINNING FUND BALANCE FY18-19	INCREASE (DECREASE)	ENDING FUND BALANCE FY18-19	PERCENT CHANGE
General	\$ 7,413,008	\$ (612,000)	\$ 6,801,008	-8.26%
Main Street	41,866	-	41,866	0.00%
7th Avenue	65,478	-	65,478	0.00%
Water & Sewer	21,532,125	(471,937)	21,060,188	-2.19%
Environmental Services	420,725	(198,177)	222,548	-47.10%
Stormwater	10,000	(9,774)	226	-97.74%
Capital Reserve - GF	-	-	-	N/A
Capital Reserve - WS	-	-	-	N/A
Debt Service	-	-	-	N/A
Fire Car Seat	-	-	-	N/A
Fire Community	8,205	(2,000)	6,205	-24.38%
Health & Welfare	19,800	-	19,800	0.00%
Historic Preservation	18,689	(15,000)	3,689	-80.26%
Police DARE	-	-	-	N/A
Police Drug	68,446	(55,000)	13,446	-80.36%
Police Kennel	14,121	(7,500)	6,621	-53.11%
Police Motor Unit	1,944	(1,000)	944	-51.43%
Police Needy Persons	10,292	(7,500)	2,792	-72.87%
Police RAD	2,526	(1,000)	1,526	-39.59%
Police Youth Exp.	-	-	-	N/A
Walk of Fame	4,687	(4,000)	687	-85.34%
<b>TOTAL</b>	<b>\$ 29,631,911</b>	<b>\$ (1,385,575)</b>	<b>\$ 28,246,336</b>	<b>-4.68%</b>

### 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).

#### Environmental Services Fund

The Health and Welfare Fund is budgeted to appropriate \$198,177 of its fund balance, a decrease of 47.10%. This Fund has accumulated over \$600,000 in available fund balance, approximately 50% of its operating expenditures. There are no legal requirement for retaining fund balance in this fund and the City sees benefit reinvesting these retained earnings in capital improvements.

#### Stormwater Fund

The Stormwater Fund is budgeted to appropriated \$9,774 of its fund balance, a decrease of 97.74%. It is not estimated that this fund balance will actually be appropriated at year-end and is just needed to balance the budget. This is a new fund and will take some time to build up stronger reserves.



### Other Special Revenue Funds

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

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

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



## Debt Obligation

The City may choose to take on debt through financing to pay for major projects or large equipment. Issuing debt to pay for major projects and equipment allows the City to reduce its immediate burden to pay for large capital projects. This allows the cost to spread out over time and shares the financing burden among the taxpayers who receive the most benefit from the project. North Carolina General Statute 159-55 limits local government debt to a maximum of eight percent (8%) of the unit's taxable assessed valuation, which is \$139,121,830 (1,739,022,874\*0.08) for the audited actuals for FY16-17. The City's current outstanding debt applicable to the debt margin is \$28,457,664, or 1.63% of total assessed value.

## Types of Debt Financing

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

### General Obligation Bonds

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

### Revenue Bonds

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

### Installment Purchase Agreements

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

### Certificates of Participation

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

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

### **Tax Increment Financing Bonds**

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

### **Bond Anticipation Notes**

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

### **Clean Water State Revolving Fund (CWSRF)**

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

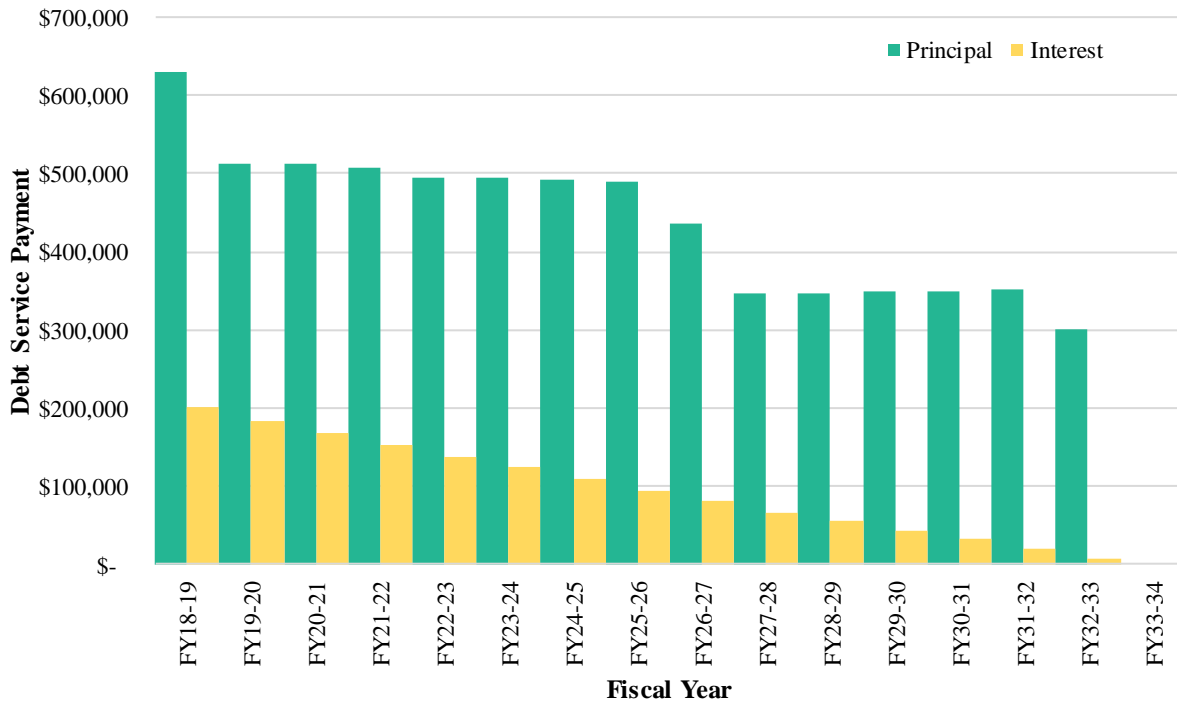
### **Hendersonville's Debt Obligation**

As of June 30, 2017, the City of Hendersonville's total notes payable was \$28,457,664. 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	FY18-19 Payment
General Fund					
2008 G.O. Bond Refunding	General Obligation	\$ 1,500,000	2.02%	FY26-27	\$ 193,129
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 119,098
Fire Engine #2 Replacement Loan	Bank Loan	\$ 664,621	2.49%	FY31-32	\$ 52,081
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 454,433
Parking Kiosk Loan	Bank Loan	\$ 56,023	3.10%	FY21-22	\$ 12,438

**2008 G.O. Bond Refunding:** This is a general obligation bond refunding. After an analysis of market rates the City was able to realize debt service savings by refunding its General Obligation Bonds, Series 2008A, maturing March 1, 2019 through and March 1, 2027, inclusive. This refunding will save the City an estimated \$76,750, or 5.4% of the refunded amount, over ten years.

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

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



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

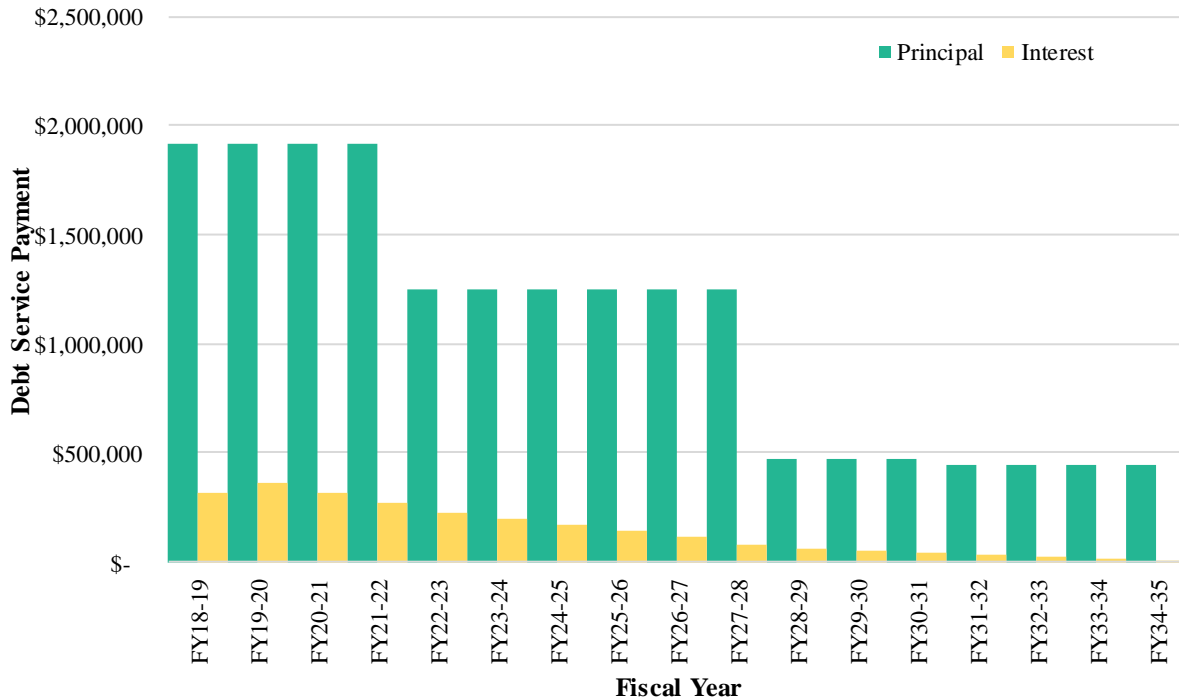
**Parking Kiosks:** This is an installment financing agreement with Entegra Bank for the acquisition of six smart meter parking kiosks to be placed in different parking lots around the City.





Water & Sewer Fund

### Water & Sewer Fund Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY18-19 Payment
Water & Sewer Fund					
AMR Project	Bank Loan	\$ 8,538,531	2.36%	FY27-28	\$968,439
Brightwater Project	SRLF	\$ 400,247	2.48%	FY29-30	\$ 38,515
Jackson Park Sewer	SRLF	\$ 3,906,540	2.00%	FY34-35	\$295,161
Sewer Line Improvements	SRLF	\$ -	3.43%	FY16-17	\$ -
Shepherd/Atkinson Sewer	SRLF	\$ 1,633,500	2.00%	FY34-35	\$123,420
Wolfpen Sewer	SRLF	\$ 2,506,465	2.00%	FY34-35	\$189,377
WTP Renovation	Bank Loan	\$ 596,979	3.90%	FY17-18	\$608,620
WWTP Project	SRLF	\$ 3,312,500	2.91%	FY21-22	\$758,894

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

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



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

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

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

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

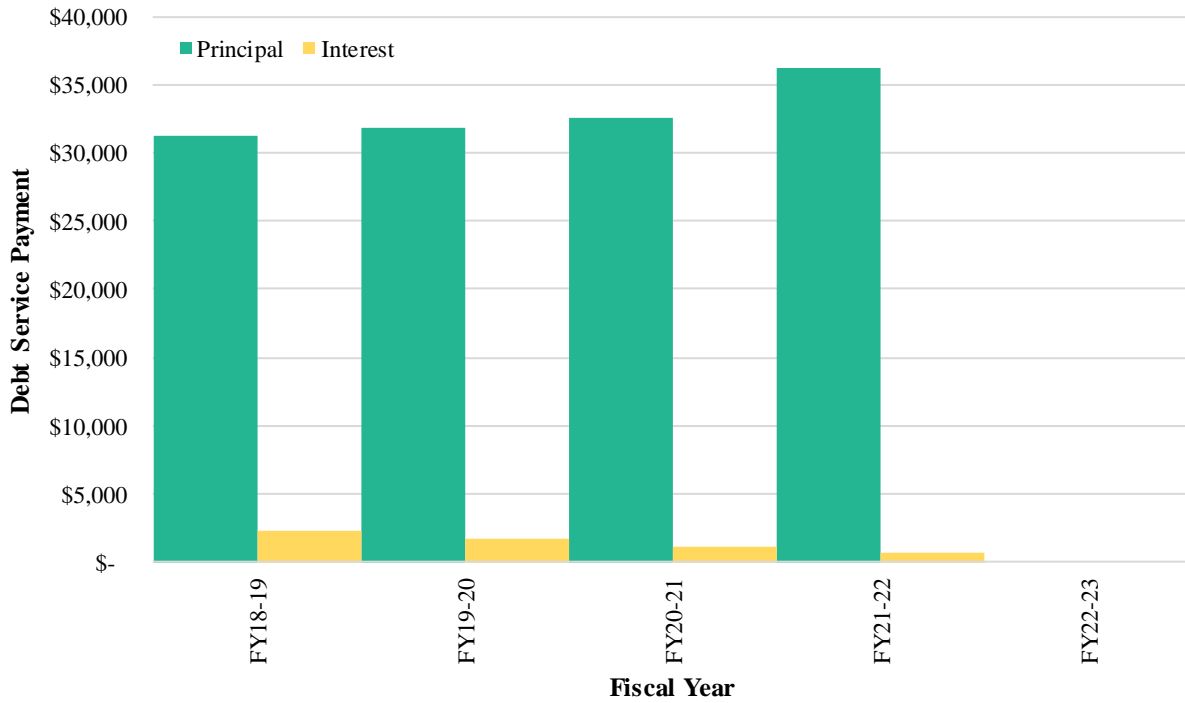
**WTP Renovation:** This is an installment financing agreement with BB&T for the renovation and repair of the City's water treatment plant facility, located on HWY 191.

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



Environmental Services Fund

**Environmental Services Fund Debt Service**



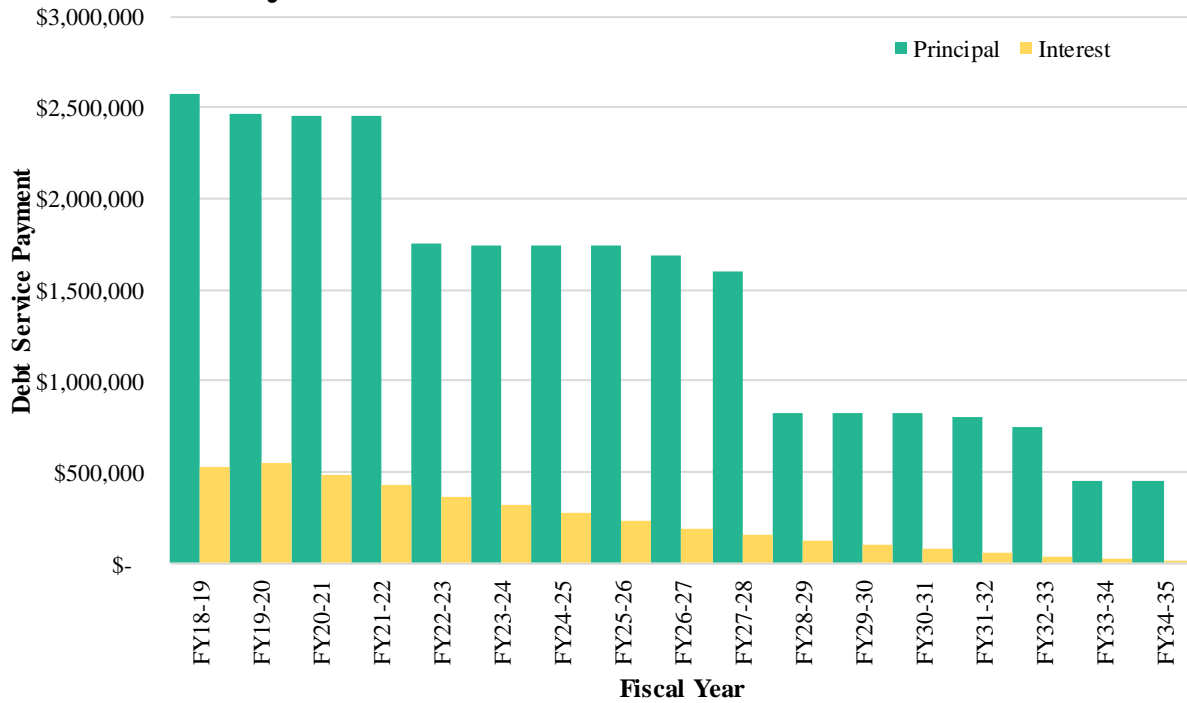
Project	Finance Type	Outstanding Principal	Interest	End Date	FY18-19 Payment
Environmental Services Fund					
Sanitation Truck Replacement	Bank Loan	\$ 162,608	1.89%	FY21-22	\$ 33,628

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



Total Debt Service – Summary

City of Hendersonville Total Debt Service



Project	Finance Type	Outstanding Principal	Interest	End Date	FY18-19 Payment
General Fund					
2008 G.O. Bond Refunding	General Obligation	\$ 1,500,000	2.02%	FY26-27	\$ 193,129
City Hall Reno. Loan	Bank Loan	\$ 583,334	4.10%	FY18-19	\$ 119,098
Fire Engine #2 Replacement Loan	Bank Loan	\$ 664,621	2.49%	FY31-32	\$ 52,081
Main St., Fire Station/Engine Loan	Bank Loan	\$ 5,100,000	4.10%	FY32-33	\$ 454,433
Parking Kiosk Loan	Bank Loan	\$ 56,023	3.10%	FY21-22	\$ 12,438
Water & Sewer Fund					
AMR Project	Bank Loan	\$ 8,538,531	2.36%	FY27-28	\$ 968,439
Brightwater Project	SRLF	\$ 400,247	2.48%	FY29-30	\$ 38,515
Jackson Park Sewer	SRLF	\$ 3,906,540	2.00%	FY34-35	\$ 295,161
Sewer Line Improvements	SRLF	\$ -	3.43%	FY16-17	\$ -
Shepherd/Atkinson Sewer	SRLF	\$ 1,633,500	2.00%	FY34-35	\$ 123,420
Wolfpen Sewer	SRLF	\$ 2,506,465	2.00%	FY34-35	\$ 189,377
WTP Renovation	Bank Loan	\$ 596,979	3.90%	FY17-18	\$ 608,620
WWTP Project	SRLF	\$ 3,312,500	2.91%	FY21-22	\$ 758,894
Environmental Services Fund					
Sanitation Truck Replacement	Bank Loan	\$ 162,608	1.89%	FY21-22	\$ 33,628



### Revenues

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

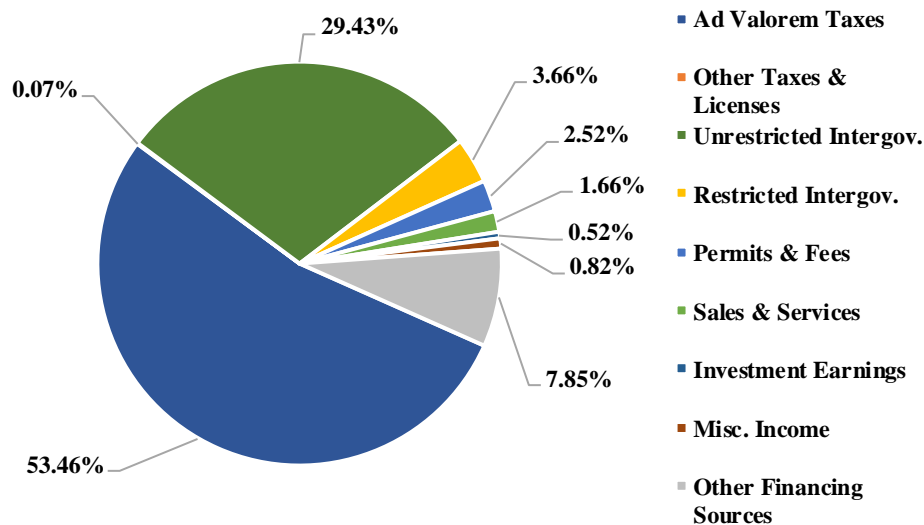
### Revenues by Source

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

REVENUE SOURCE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (7,972,004)	\$ (8,147,201)	\$ (8,559,971)	\$ (412,770)
Other Taxes & Licenses	\$ (12,200)	\$ (11,800)	\$ (11,000)	\$ 800
Unrestricted Intergov.	\$ (4,621,593)	\$ (4,559,925)	\$ (4,712,425)	\$ (152,500)
Restricted Intergov.	\$ (669,516)	\$ (590,597)	\$ (586,520)	\$ 4,077
Permits & Fees	\$ (143,614)	\$ (255,900)	\$ (403,900)	\$ (148,000)
Sales & Services	\$ (423,860)	\$ (408,300)	\$ (266,250)	\$ 142,050
Investment Earnings	\$ (115,439)	\$ (83,600)	\$ (83,600)	\$ -
Misc. Income	\$ (216,543)	\$ (153,582)	\$ (131,000)	\$ 22,582
Other Financing Sources	\$ (52,827)	\$ (1,150,292)	\$ (1,257,000)	\$ (106,708)
<b>Total</b>	<b>\$ (14,227,595)</b>	<b>\$ (15,361,197)</b>	<b>\$ (16,011,666)</b>	<b>\$ (650,469)</b>

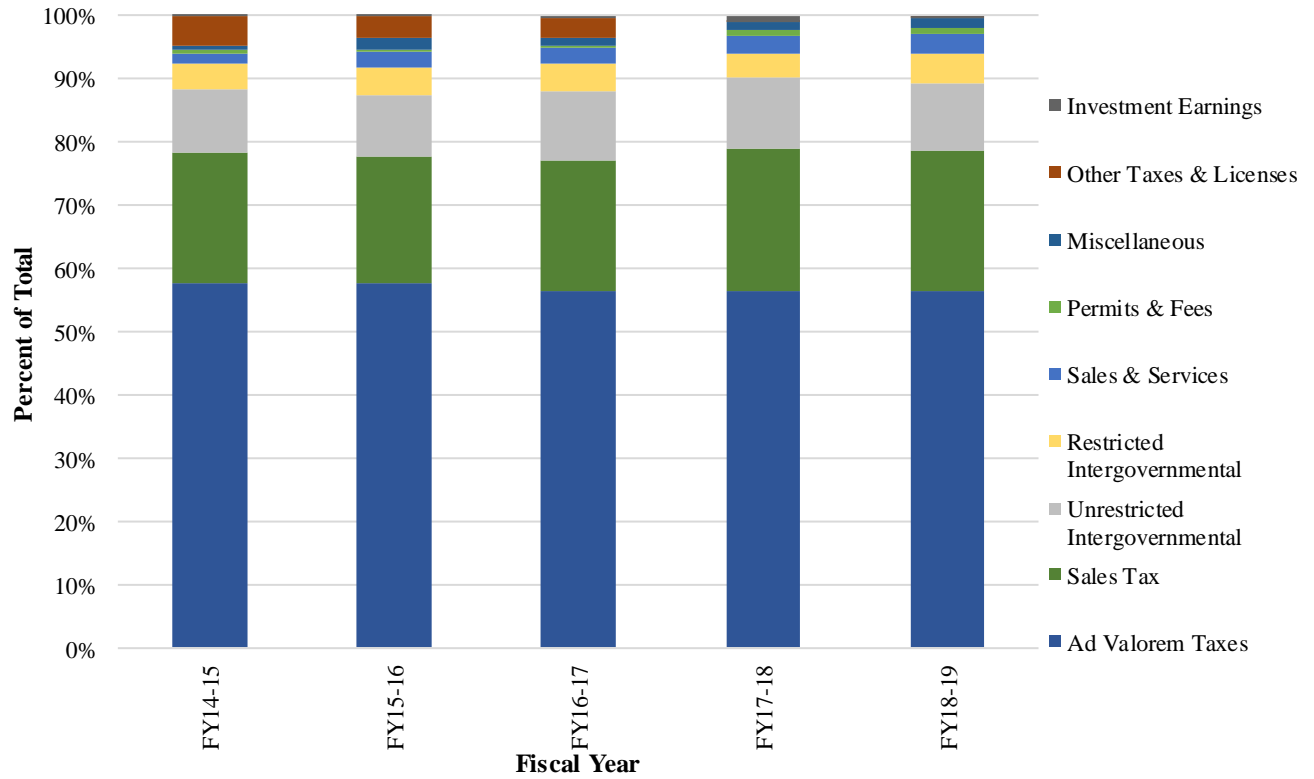
Ad valorem taxes are paid on real and personal property located within the Hendersonville city limits. Taxes for real and personal property are levied based upon the preceding January 1<sup>st</sup> valuations of the property and the tax rate established by the City Council. Ad valorem taxes typically comprise approximately one-half of all General Fund revenues with an estimated \$8,559,971 in FY18-19 at a tax rate of \$0.49 per \$100 valuation.

**General Fund Revenues by Source FY18-19**



The following chart details General Fund revenues by source

### General Fund Revenues by Source



Revenues by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
100010	411300	TAX LATE LIST >10 YEARS OLD	\$ (769)	\$ (500)	\$ (914)	\$ (414.00)
100010	411400	TAX - INTEREST	\$ (35,083)	\$ (28,000)	\$ (25,000)	\$ 3,000.00
100010	420101	AD VAL TAX - MTR VEHS	\$ (629,199)	\$ (600,000)	\$ (615,000)	\$ (15,000.00)
100010	420500	2005 AD VAL TAX - R/P	\$ (26)	\$ -	\$ -	\$ -
100010	420600	2006 AD VAL TAX - R/P	\$ (30)	\$ (25)	\$ -	\$ 25.00
100010	420700	2007 AD VAL TAX - R/P	\$ -	\$ (50)	\$ (25)	\$ 25.00
100010	420800	2008 AD VAL TAX - R/P	\$ (2)	\$ (50)	\$ (50)	\$ -
100010	420900	2009 AD VAL TAX - R/P	\$ -	\$ (150)	\$ (50)	\$ 100.00
100010	421000	2010 AD VAL TAX - R/P	\$ -	\$ (500)	\$ (150)	\$ 350.00
100010	421100	2011 AD VAL TAX - R/P	\$ -	\$ (500)	\$ (500)	\$ -
100010	421200	2012 AS VAL TAX - R/P	\$ (32)	\$ (1,500)	\$ (500)	\$ 1,000.00
100010	421300	2013 AD VAL TAX - R/P	\$ (1,600)	\$ (2,500)	\$ (5,000)	\$ (2,500.00)
100010	421400	2014 AD VAL TAX R/P	\$ (13,450)	\$ (5,000)	\$ (7,500)	\$ (2,500.00)
100010	421500	2015 AD VAL TAX R/P	\$ (57,861)	\$ (10,000)	\$ (10,000)	\$ -
100010	421600	2016 AD VAL TAX R/P	\$ (7,233,954)	\$ (50,000)	\$ (25,000)	\$ 25,000.00
100010	421700	2017 AD VAL TAX R/P	\$ -	\$ (7,448,426)	\$ (75,000)	\$ 7,373,426.00
100010	421800	2018 AD VAL TAX R/P	\$ -	\$ -	\$ (7,795,282)	\$ (7,795,282.00)
<i>Sub-Total</i>			\$ (7,972,004)	\$ (8,147,201)	\$ (8,559,971)	\$ (412,770.00)
Other Taxes & Licenses						
100020	422000	RENTAL VEHICLE TAX	\$ (9,655)	\$ (10,000)	\$ (8,000)	\$ (2,000.00)
100020	426100	BEER & WINE LICENSES	\$ (2,545)	\$ (1,800)	\$ (3,000)	\$ 1,200.00
<i>Sub-Total</i>			\$ (12,200)	\$ (11,800)	\$ (11,000)	\$ 800.00
Unrestricted Intergovernmental						
100030	423000	LOCAL SALES & USE TAX	\$ (3,110,808)	\$ (3,120,000)	\$ (3,300,000)	\$ 180,000.00
100030	425000	ABC REVENUES	\$ (160,564)	\$ (130,000)	\$ (130,000)	\$ -
100030	432500	COURT FEES - POLICE	\$ (3,935)	\$ (5,000)	\$ (2,500)	\$ (2,500.00)
100030	433100	PAY IN LIEU OF TAX	\$ (15,526)	\$ (14,925)	\$ (14,925)	\$ -
100030	433200	BEER & WINE EXCISE TX	\$ (62,570)	\$ (60,000)	\$ (60,000)	\$ -
100030	433400	ELECTRICITY UTILITY TAX	\$ (920,861)	\$ (900,000)	\$ (810,000)	\$ (90,000.00)
100030	433500	TELCOM SALES TAX	\$ (231,960)	\$ (225,000)	\$ (210,000)	\$ (15,000.00)
100030	433600	VIDEO PROGRAM FEES	\$ (115,368)	\$ (105,000)	\$ (110,000)	\$ 5,000.00
100030	433700	NATURAL GAS UTILITY TAX	\$ -	\$ -	\$ (75,000)	\$ 75,000.00
<i>Sub-Total</i>			\$ (4,621,593)	\$ (4,559,925)	\$ (4,712,425)	\$ (152,500.00)
Restricted Intergovernmental						
100040	425100	ABC LAW ENFORCEMENT	\$ (40,000)	\$ (40,000)	\$ (40,000)	\$ -
100040	431050	BULLET PROOF VEST REVENUE	\$ -	\$ (1,990)	\$ -	\$ (1,990.00)
100040	432700	HHA REIMBURSEMENT	\$ (115,000)	\$ (125,000)	\$ (125,000)	\$ -
100040	434990	GRANT REVENUE	\$ (13,504)	\$ -	\$ -	\$ -
100040	443500	SRO REIMBURSEMENT	\$ (37,838)	\$ (37,839)	\$ (37,838)	\$ (1.00)
100040	447000	POWELL BILL REV NCDOT	\$ (383,681)	\$ (385,768)	\$ (383,682)	\$ (2,086.00)
100040	447060	CONTRIBUTION FROM TDA	\$ (33,000)	\$ -	\$ -	\$ -
100040	449200	FIREMEN'S RELIEF FUND	\$ (46,493)	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (669,516)	\$ (590,597)	\$ (586,520)	\$ 4,077.00



Revenues by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Permits & Fees						
100050	426200	VENDOR PERMITS	\$ (15,515)	\$ (18,000)	\$ (14,000)	\$ (4,000.00)
100050	426500	MOTOR VEHICLE FEE	\$ -	\$ -	\$ (150,000)	\$ 150,000.00
100050	434100	FIRE INSPECTION FEES	\$ (79,600)	\$ (200,000)	\$ (200,000)	\$ -
100050	434200	FIRE PERMITS & FEES	\$ (8,500)	\$ (8,000)	\$ (8,000)	\$ -
100050	434250	HAZARDOUS MATERIAL RESPONSE	\$ -	\$ -	\$ (500)	\$ 500.00
100050	434300	ZONING PERMITS	\$ (17,130)	\$ (13,500)	\$ (15,000)	\$ 1,500.00
100050	434400	RESALE ITEMS	\$ (5)	\$ (50)	\$ (50)	\$ -
100050	434600	SPEC PROJ FEES - PLAN	\$ (18,189)	\$ (15,000)	\$ (15,000)	\$ -
100050	434650	DEMO FEES	\$ (200)	\$ (100)	\$ (100)	\$ -
100050	434700	COND USE FEES - ZONE	\$ (1,985)	\$ (1,000)	\$ (1,000)	\$ -
100050	434780	STREET SIDEWLK ENCROACHMENT	\$ (490)	\$ (250)	\$ (250)	\$ -
100050	443000	STORMWATER PERMITS	\$ (2,000)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (143,614)	\$ (255,900)	\$ (403,900)	\$ (148,000.00)
Sales & Services						
100060	443230	MISC ITEM SALES	\$ (901)	\$ (900)	\$ -	\$ (900.00)
100060	444400	RENTAL INCOME-NON TAXABLE	\$ (21,306)	\$ (21,000)	\$ (21,000)	\$ -
100060	461000	MONTHLY PKING REVENUE	\$ (53,210)	\$ (50,000)	\$ (55,000)	\$ 5,000.00
100060	461100	PARKING METER REVENUE	\$ (121,048)	\$ (122,000)	\$ (120,000)	\$ (2,000.00)
100060	461200	BOYD PK GOLF REVENUE	\$ (21,006)	\$ (20,000)	\$ (18,000)	\$ (2,000.00)
100060	461300	BOYD PK CONCESSIONS	\$ (1,467)	\$ (1,500)	\$ (1,250)	\$ (250.00)
100060	461400	FACILITY RENT INCOME	\$ (42,046)	\$ (38,000)	\$ (35,000)	\$ (3,000.00)
100060	461500	CEMETERY LOT REVENUE	\$ (16,000)	\$ (13,000)	\$ (15,000)	\$ 2,000.00
100060	461600	ALARM FEES	\$ (1,175)	\$ (1,900)	\$ (1,000)	\$ (900.00)
100060	461700	PATTON PARK POOL	\$ (108,515)	\$ (100,000)	\$ -	\$ (100,000.00)
100060	461800	PAT POOL CONCESSIONS	\$ (37,184)	\$ (40,000)	\$ -	\$ (40,000.00)
		<i>Sub-Total</i>	\$ (423,860)	\$ (408,300)	\$ (266,250)	\$ 142,050.00
Investment Earnings						
100070	483100	INTEREST INCOME	\$ (115,435)	\$ (83,600)	\$ (83,600)	\$ -
100070	483111	INT INCOME-POWEL BILL	\$ (4)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (115,439)	\$ (83,600)	\$ (83,600)	\$ -
Miscellaneous Income						
100080	404310	MISC REVENUE - POLICE	\$ (1,166)	\$ (1,500)	\$ (1,000)	\$ (500.00)
100080	404500	MISC REVENUE- PUBLIC WORKS	\$ (9,915)	\$ (7,500)	\$ (7,500)	\$ -
100080	434750	STREET PAVING CUT-CUSTOMER	\$ (10,841)	\$ (20,000)	\$ (15,000)	\$ (5,000.00)
100080	443100	PARKING VIOLATIONS	\$ (80,165)	\$ (72,750)	\$ (70,000)	\$ (2,750.00)
100080	443110	PKING VIOLATIONS-PEN	\$ (11,018)	\$ (19,000)	\$ (15,000)	\$ (4,000.00)
100080	443200	SPECIAL ACTIVITIES NONTAXABLE	\$ -	\$ (500)	\$ -	\$ (500.00)
100080	443300	SPECIAL PERMITS PRECIOUS METAL	\$ (1,095)	\$ (1,000)	\$ (1,000)	\$ -
100080	443400	SPECIAL PARKING PERMITS	\$ (2,445)	\$ (1,500)	\$ (1,500)	\$ -
100080	443800	DISCOUNTS EARNED	\$ (12,229)	\$ (15,000)	\$ (15,000)	\$ -
100080	443900	MISCELLANEOUS INCOME	\$ (46,793)	\$ (5,000)	\$ (5,000)	\$ -
100080	498207	DONATIONS/CONTRIBUTIONS	\$ (40,875)	\$ (9,832)	\$ -	\$ (9,832.00)
		<i>Sub-Total</i>	\$ (216,543)	\$ (153,582)	\$ (131,000)	\$ 22,582.00





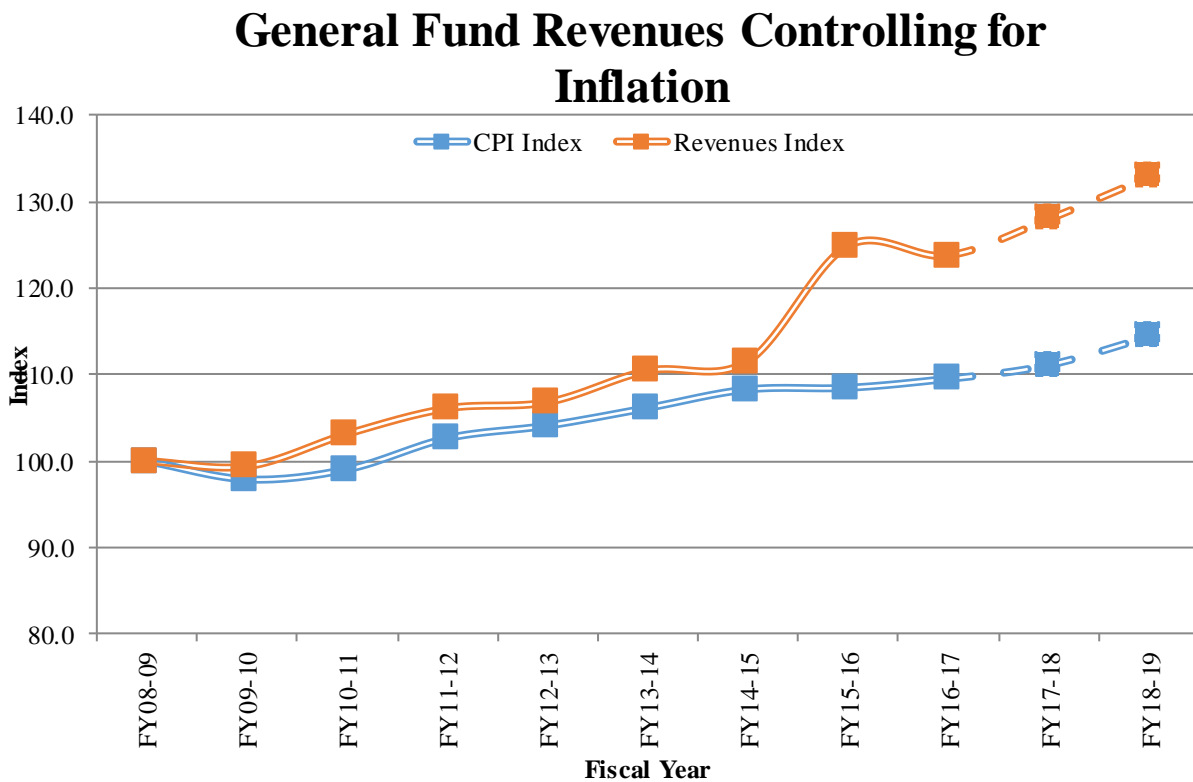
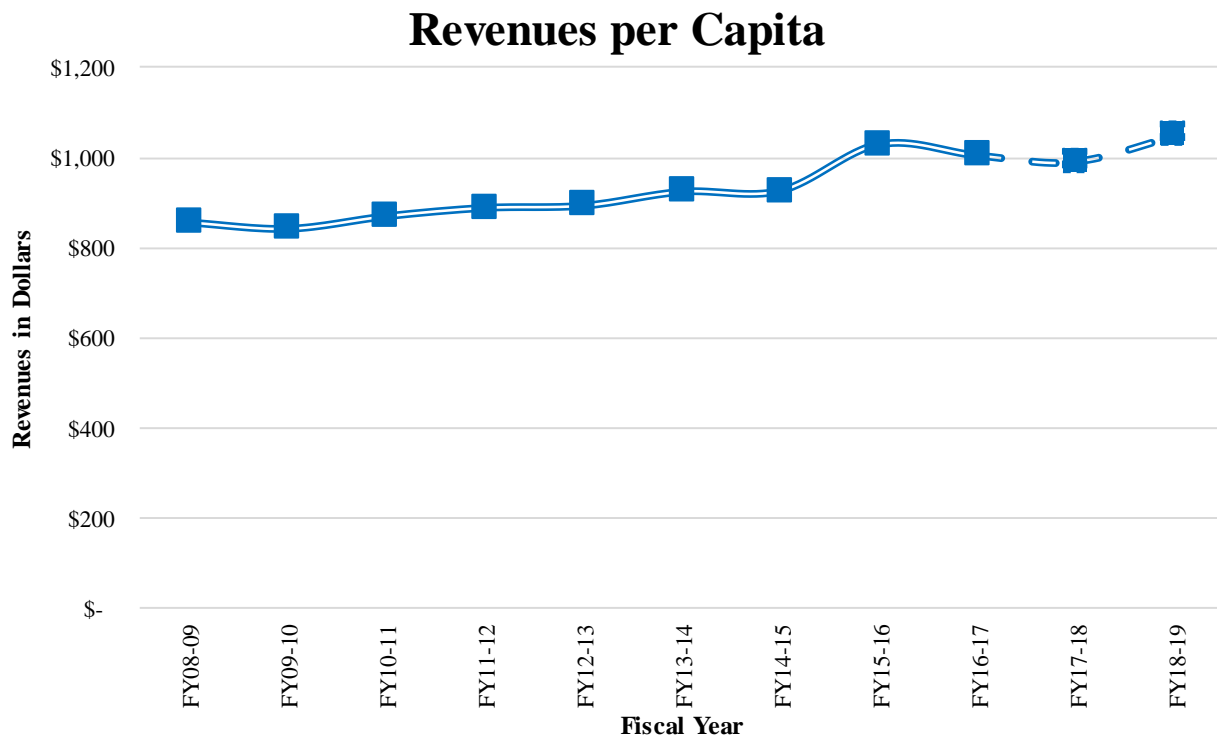
Revenues by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Miscellaneous Income						
100080	404310	MISC REVENUE - POLICE	\$ (1,166)	\$ (1,500)	\$ (1,000)	\$ (500.00)
100080	404500	MISC REVENUE- PUBLIC WORKS	\$ (9,915)	\$ (7,500)	\$ (7,500)	\$ -
100080	434750	STREET PAVING CUT-CUSTOMER	\$ (10,841)	\$ (20,000)	\$ (15,000)	\$ (5,000.00)
100080	443100	PARKING VIOLATIONS	\$ (80,165)	\$ (72,750)	\$ (70,000)	\$ (2,750.00)
100080	443110	PKING VIOLATIONS-PEN	\$ (11,018)	\$ (19,000)	\$ (15,000)	\$ (4,000.00)
100080	443200	SPECIAL ACTIVITIES NONTAXABLE	\$ -	\$ (500)	\$ -	\$ (500.00)
100080	443300	SPECIAL PERMITS PRECIOUS METAL	\$ (1,095)	\$ (1,000)	\$ (1,000)	\$ -
100080	443400	SPECIAL PARKING PERMITS	\$ (2,445)	\$ (1,500)	\$ (1,500)	\$ -
100080	443800	DISCOUNTS EARNED	\$ (12,229)	\$ (15,000)	\$ (15,000)	\$ -
100080	443900	MISCELLANEOUS INCOME	\$ (46,793)	\$ (5,000)	\$ (5,000)	\$ -
100080	498207	DONATIONS/CONTRIBUTIONS	\$ (40,875)	\$ (9,832)	\$ -	\$ (9,832.00)
<i>Sub-Total</i>			\$ (216,543)	\$ (153,582)	\$ (131,000)	\$ 22,582.00
Other Financing Sources						
100090	443610	SALE OF FIXED ASSETS	\$ (8,972)	\$ (10,000)	\$ -	\$ (10,000.00)
100090	444000	INSURANCE SETTLEMENTS	\$ (43,855)	\$ (45,193)	\$ -	\$ (45,193.00)
100090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ (615,000)	\$ 615,000.00
100090	499200	FUND BALANCE APPROP	\$ -	\$ (1,095,099)	\$ (612,000)	\$ (483,099.00)
109900	998067	TRANSFER IN FROM STORMWATER	\$ -	\$ -	\$ (30,000)	\$ 30,000.00
<i>Sub-Total</i>			\$ (52,827)	\$ (1,150,292)	\$ (1,257,000)	\$ (106,708.00)
<b>GRAND TOTAL</b>			\$ (14,227,595)	\$ (15,361,197)	\$ (16,011,666)	\$ (650,469.00)



### Revenue Trends

The following charts display General Fund revenue trends:



## Expenditures

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

## Expenditures by Function

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

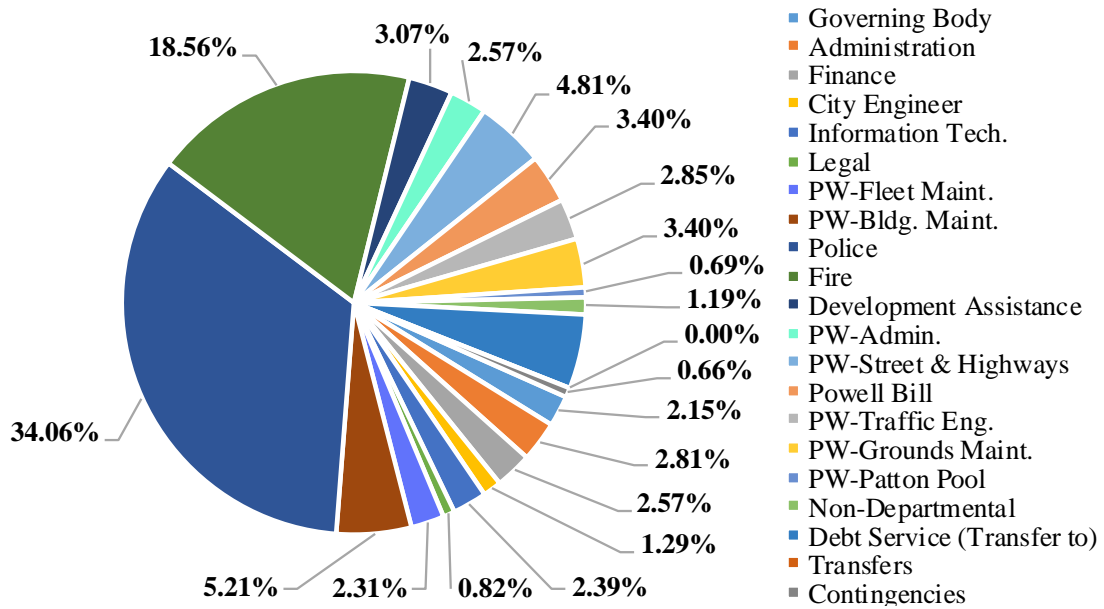
EXPENDITURE FUNCTION	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
<b>Governing Body</b>	\$ 373,238	\$ 354,390	\$ 344,728	\$ (9,662)
<b>Administration</b>	\$ 473,533	\$ 445,766	\$ 449,919	\$ 4,153
<b>Finance</b>	\$ 377,642	\$ 327,376	\$ 411,714	\$ 84,338
<b>City Engineer</b>	\$ 177,290	\$ 275,733	\$ 206,666	\$ (69,067)
<b>Information Tech.</b>	\$ 362,033	\$ 444,644	\$ 382,369	\$ (62,275)
<b>Legal</b>	\$ 111,958	\$ 127,362	\$ 130,791	\$ 3,429
<b>PW-Fleet Maint.</b>	\$ 352,144	\$ 339,457	\$ 369,957	\$ 30,500
<b>PW-Bldg. Maint.</b>	\$ 735,084	\$ 610,874	\$ 834,970	\$ 224,096
<b>Police</b>	\$ 4,635,889	\$ 5,061,619	\$ 5,453,657	\$ 392,038
<b>Fire</b>	\$ 2,447,008	\$ 3,015,660	\$ 2,971,163	\$ (44,497)
<b>Development Assistance</b>	\$ 368,716	\$ 461,372	\$ 491,683	\$ 30,311
<b>PW-Admin.</b>	\$ 334,481	\$ 370,921	\$ 411,596	\$ 40,675
<b>PW-Street &amp; Highways</b>	\$ 745,030	\$ 814,099	\$ 770,129	\$ (43,970)
<b>Powell Bill</b>	\$ 475,629	\$ 475,159	\$ 543,682	\$ 68,523
<b>PW-Traffic Eng.</b>	\$ 407,905	\$ 466,210	\$ 456,064	\$ (10,146)
<b>PW-Grounds Maint.</b>	\$ 557,263	\$ 618,789	\$ 545,096	\$ (73,693)
<b>PW-Patton Pool</b>	\$ 243,174	\$ 234,189	\$ 110,809	\$ (123,380)
<b>Non-Departmental</b>	\$ -	\$ 178,340	\$ 189,818	\$ 11,478
<b>Debt Service (Transfer to)</b>	\$ 633,723	\$ 565,000	\$ 831,181	\$ 266,181
<b>Transfers</b>	\$ 65,030	\$ 168,720	\$ -	\$ (168,720)
<b>Contingencies</b>	\$ -	\$ 5,517	\$ 105,674	\$ 100,157
<b>Total</b>	<b>\$ 13,876,771</b>	<b>\$ 15,361,197</b>	<b>\$ 16,011,666</b>	<b>\$ 650,469</b>

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- explained in more detail later in this document. Another large change city-wide is the increase of health and wellness expenses and insurance premiums in each department. The other miscellaneous functions include things like transfers, contingencies, and non-departmental expenditures.

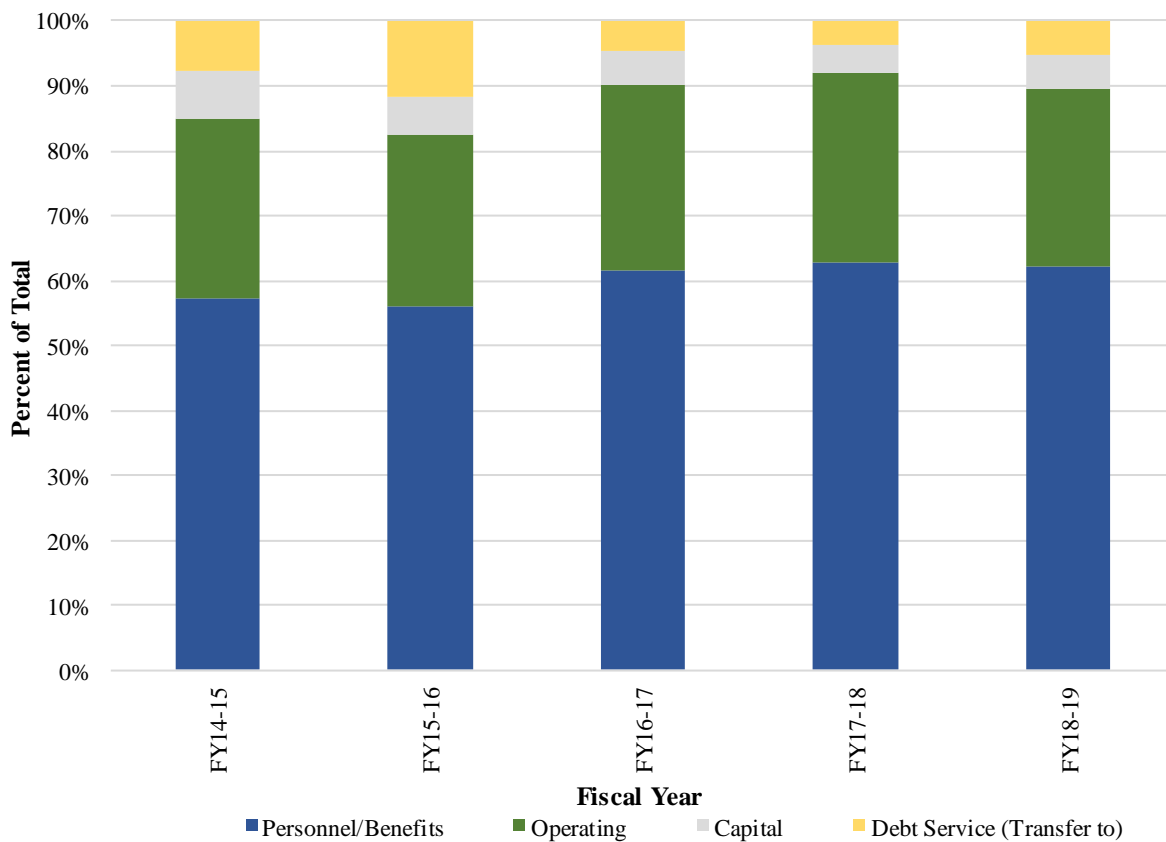


The following charts detail General Fund expenditures by function and type:

### General Fund Expenditures by Function FY18-19



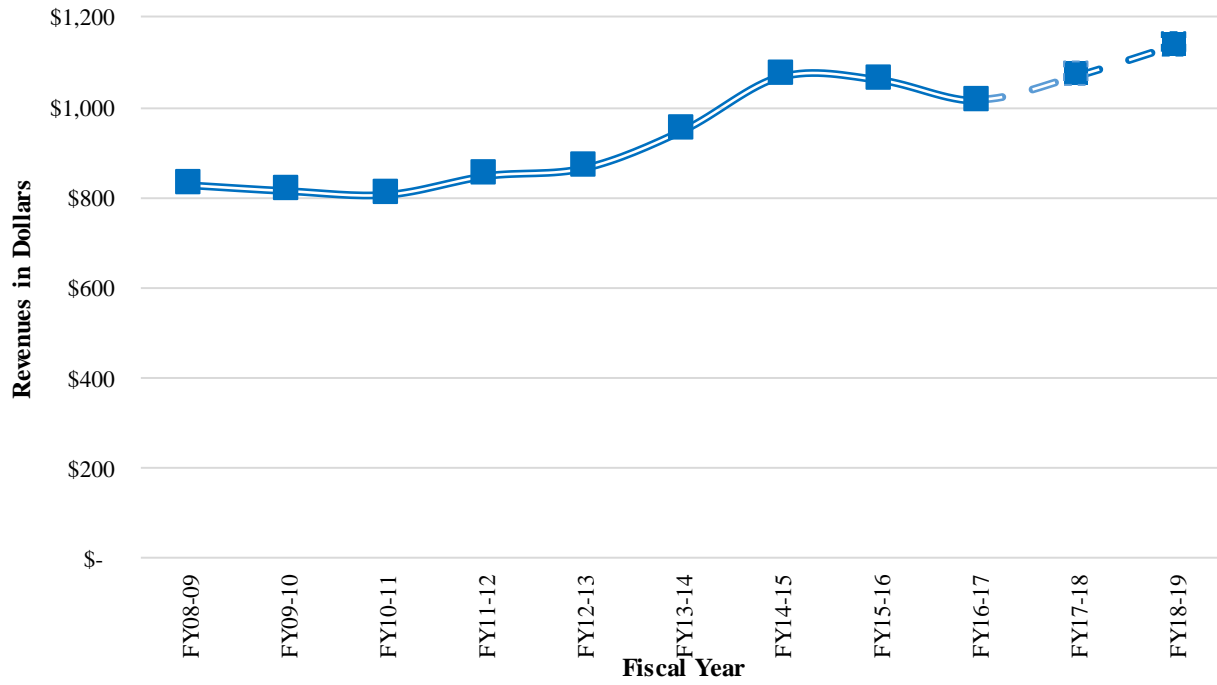
### General Fund Expenditures by Type



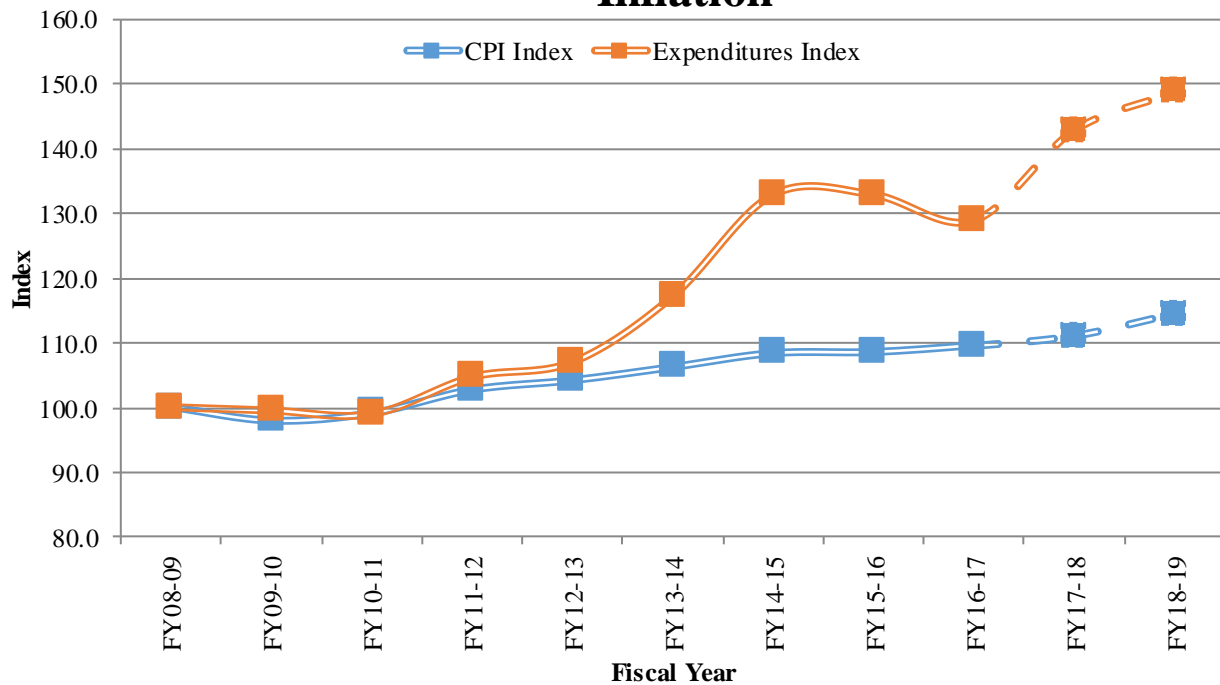
### Expenditure Trends

The following charts detail General Fund expenditure trends:

#### Expenditures per Capita



#### General Fund Expenditures Controlling for Inflation



## Governing Body

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

The City Council chooses one of its members to act as Mayor Pro Tempore. The Mayor Pro Tempore performs the duties of the Mayor in the Mayor's absence or disability. The Mayor Pro Tempore does not have a fixed term of office, but serves in the capacity at the pleasure of the City Council. The Mayor Pro Tem is Ron Stephens. He was selected by the City Council at their December 2017 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 or her successor for the unexpired term. Any vacancy in the office of Councilman is filled by majority vote of the Mayor and the remaining members of the Council until the next election.

## Meetings of the City Council

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

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





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

City Council members may receive written correspondence at:

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

City Council Contact Information:

<b>Mayor Barbara Volk</b>	<b>(828)-697-3000</b>	<b><a href="mailto:bvolk@hvlnc.gov">bvolk@hvlnc.gov</a></b>
<b>Mayor Pro Tem Ron Stephens</b>	<b>(828)-697-1146</b>	<b><a href="mailto:rstephens@hvlnc.gov">rstephens@hvlnc.gov</a></b>
<b>Council Member Steve Caraker</b>	<b>(828)-696-3615</b>	<b><a href="mailto:scaraker@hvlnc.gov">scaraker@hvlnc.gov</a></b>
<b>Council Member Jerry Smith</b>	<b>(828)-243-9123</b>	<b><a href="mailto:jerrysmith@hvlnc.gov">jerrysmith@hvlnc.gov</a></b>
<b>Council Member Jeff Miller</b>	<b>(828)-693-7426</b>	<b><a href="mailto:jmiller@hvlnc.gov">jmiller@hvlnc.gov</a></b>



**FY17-18 Accomplishments**

- ✓ Began property acquisition for new Police HQ.
- ✓ Acquired space and began design for new downtown restrooms.
- ✓ Worked with Mill Building developers to create a solution to establish residential housing for median income groups.
- ✓ Worked towards the preliminary design for the 7<sup>th</sup> Avenue Streetscape project.
- ✓ Completed the first phase for the Whitmire Building project.
- ✓ Designed a new public works maintenance building.
- ✓ Approved the hiring of 3 new School Resource Officers.
- ✓ Raised the tax rate by 2 pennies to fund School Resource Officers.
- ✓ Approved a vehicle tax to fund contributions to Apple Valley Transit, Henderson County's public transit service.

**FY18-19 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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Governing Body						
104110	500010	LEGAL SVC-DOMESTIC VIOLENCE	\$ 4,000	\$ 6,500	\$ 6,500	\$ -
104110	500011	CHILDREN & FAMILY RESOURCE CNT	\$ 5,000	\$ 5,200	\$ 5,900	\$ 700.00
104110	500012	CAROLINA CONCERT CHOIR	\$ -	\$ -	\$ 300	\$ 300.00
104110	500013	CHAMBER OF COMMERCE	\$ -	\$ -	\$ -	\$ -
104110	500014	FLAT ROCK PLAYHOUSE	\$ 16,000	\$ 12,200	\$ 12,900	\$ 700.00
104110	500015	MAYORS ADV COUNCIL	\$ 500	\$ 500	\$ 500	\$ -
104110	500016	HANDS ON GALLERY	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
104110	500017	HEND CO RESCUE SQUAD	\$ -	\$ -	\$ -	\$ -
104110	500018	HERITAGE MUSEUM	\$ 3,800	\$ 3,060	\$ 2,500	\$ (560.00)
104110	500019	HEND CO DISPUTE CENTR	\$ 1,000	\$ 1,300	\$ 1,250	\$ (50.00)
104110	500020	CONTR TO PUBLIC TRANSIT	\$ 126,691	\$ 136,868	\$ 145,447	\$ 8,579.00
104110	500021	BLUE RIDGE LITERACY COUNCIL	\$ -	\$ 1,400	\$ 1,580	\$ 180.00
104110	500022	SISTER CITIES PROGRAM	\$ 1,500	\$ 1,100	\$ 1,120	\$ 20.00
104110	500023	MEDICAL LOAN CLOSET	\$ 3,000	\$ 4,300	\$ 3,520	\$ (780.00)
104110	500026	TEAM ECCO	\$ -	\$ 1,700	\$ -	\$ (1,700.00)
104110	500027	BOYS & GIRLS CLUB	\$ 20,000	\$ 15,000	\$ 15,600	\$ 600.00
104110	500032	HENDERSONVILLE SYMPHONY	\$ 3,000	\$ 3,400	\$ 3,400	\$ -
104110	500033	BLUE RIDGE COMM COLLEGE ED	\$ 1,200	\$ 1,240	\$ 1,500	\$ 260.00
104110	500034	HENDERSONVILLE LITTLE THEATER	\$ 3,000	\$ 2,400	\$ 2,600	\$ 200.00
104110	500035	INTERFAITH ASSISTANCE MINISTRY	\$ 4,000	\$ 3,800	\$ 4,600	\$ 800.00
104110	500036	AMERICA IN BLOOM	\$ 700	\$ -	\$ -	\$ -
104110	500037	CAMPLIFY	\$ 1,000	\$ 1,600	\$ 1,220	\$ (380.00)
104110	500038	BLUE RIDGE COMM HEALTH SERVICE	\$ 6,000	\$ 3,600	\$ 3,920	\$ 320.00
104110	500039	ST GERARD HOUSE	\$ 2,400	\$ 3,700	\$ 3,300	\$ (400.00)
104110	500040	HENDERSON COUNTY NAACP	\$ 1,500	\$ 500	\$ 910	\$ 410.00
104110	500041	TOURISM DEVELOPMENT AUTHORITY	\$ 30,000	\$ -	\$ -	\$ -
104110	500042	SAFELIGHT, INC.	\$ 10,000	\$ 9,000	\$ 7,900	\$ (1,100.00)
104110	500043	MINERAL & LAP MUSEUM	\$ 2,200	\$ 2,100	\$ 2,200	\$ 100.00
104110	500044	P'SHIP ECON DEVELOPMT	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
104110	500045	SHUFFLEBOARD CLUB	\$ 1,200	\$ 1,200	\$ 1,200	\$ -
104110	500046	HENDERSON CO. AGRI-BUS	\$ 5,000	\$ 4,600	\$ 5,000	\$ 400.00
104110	500047	BLUE RIDGE HUMANE SOCIETY	\$ 21,900	\$ 10,000	\$ 8,000	\$ (2,000.00)
104110	500048	ARTS COUNCIL	\$ 1,600	\$ 1,700	\$ 1,580	\$ (120.00)
104110	500050	EBLEN CHARITIES INC	\$ -	\$ 1,000	\$ -	\$ (1,000.00)
104110	500051	MERCHANTS & BUSINESS ASSOC	\$ 2,000	\$ 2,000	\$ 2,500	\$ 500.00



Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Governing Body						
104110	517100	BOARD MEMBER WAGES	\$ 18,000	\$ 20,750	\$ 20,500	\$ (250.00)
104110	517200	CELLPHONE STIPEND	\$ 1,800	\$ 1,800	\$ 1,800	\$ -
104110	518100	FICA TAX EXPENSE	\$ 1,190	\$ 1,515	\$ 3,294	\$ 1,779.00
104110	518300	GROUP MED & LIFE INS	\$ 8,370	\$ 9,309	\$ 8,451	\$ (858.00)
104110	518600	WORKER'S COMP INS	\$ 26	\$ 34	\$ 33	\$ (1.00)
104110	526000	OFFICE SUPPLIES	\$ 1,055	\$ 1,000	\$ 1,000	\$ -
104110	529900	SUPPLIES & MATERIALS	\$ 263	\$ -	\$ -	\$ -
104110	532100	TELEPHONE	\$ -	\$ -	\$ -	\$ -
104110	539400	TRAVEL	\$ 2,157	\$ 3,500	\$ 3,500	\$ -
104110	539500	TRAINING	\$ 85	\$ 2,900	\$ 2,900	\$ -
104110	545600	LIAB & PROP INS & BONDS	\$ 12,248	\$ 10,846	\$ 6,988	\$ (3,858.00)
104110	549100	DUES & SUBSCRIPTIONS	\$ 23,986	\$ 26,893	\$ 26,915	\$ 22.00
104110	549600	MAYOR'S DISCRET'NARY ACCT	\$ -	\$ 400	\$ 400	\$ -
104110	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
104110	549900	MISC BD EXPENSE	\$ 2,178	\$ 3,500	\$ 2,000	\$ (1,500.00)
104110	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104110	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104110	553000	NON-CAPITAL EQUIPMENT	\$ 6,689	\$ -	\$ 2,000	\$ 2,000.00
104110	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104110	569000	CONTRACTED SERVICES	\$ -	\$ 13,975	\$ 1,000	\$ (12,975.00)
<i>Sub-Total</i>			\$ 373,238	\$ 354,390	\$ 344,728	\$ (9,662.00)

**FY18-19 Budget Highlights**

The first table depicting Governing Body expenditures by line item details the amount of special appropriations funding provided to local non-profit groups. Special appropriations have been moved under the Governing Body to display the City Council appropriated amounts for non-profits participating in the City’s process.

The second table depicts operational and capital expenses for the Governing Body. The governing body’s most significant changes from FY17-18 to FY18-19 were related to health insurance and other personnel costs. In addition, \$2,000 has been appropriated for FY18-19 to update the Governing Body’s non-capital equipment. Overall, expenditures for the Governing Body have decreased by approximately \$9,662 from the previous fiscal year.

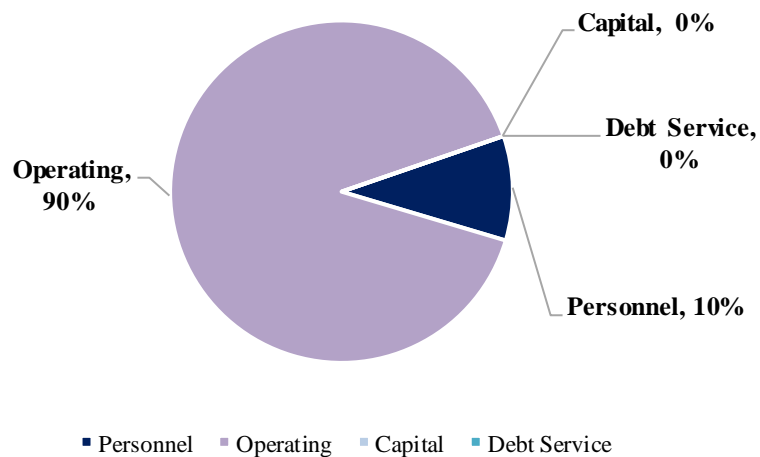


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Governing Body				
Personnel	\$ 29,386	\$ 33,408	\$ 34,078	\$ 670
Operating	\$ 343,852	\$ 320,982	\$ 310,650	\$ (10,332)
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 373,238	\$ 354,390	\$ 344,728	\$ (9,662)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Governing Body				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	5.00	5.00	5.00	0.00
<i>Sub-Total</i>	5.00	5.00	5.00	0.00

Expenditures by Type



## Administration

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

## FY17-18 Accomplishments

- ✓ Continued improvement of the Wellness, Safety, and Service Excellence programs.
- ✓ Implemented 2 of 3 phases for the pay and classification study.
- ✓ Installed new signage to help guide residents and visitors through Hendersonville.
- ✓ Hosted and facilitated the Water and Sewer Advisory Council and the Water and Sewer Technical Advisory Committee.
- ✓ Contracted with an insurance consultant to derive best possible costs and services from insurance providers.
- ✓ Examined cost savings for local businesses on utility bills resulting from annexation.
- ✓ Completed a competitive bid process for I.T. services.
- ✓ Continued Summer Internship Program.
- ✓ Continued work to redevelop the Historic Grey Hosiery Mill.
- ✓ 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 FY17-18 Budget.

## FY18-19 Goals & Initiatives

- ✓ Invest in the beautification of areas outside downtown center.
- ✓ Continue the Service Excellence Program.
- ✓ Continue implementing safety recommendations.
- ✓ Implement the final phase of the pay and classification study.
- ✓ Focus on Main Street and 7<sup>th</sup> Avenue infrastructure improvements.
- ✓ Break ground on new downtown residences on the Grey Hosiery Mill historic site.
- ✓ Continue to enhance relationship with HCPED.
- ✓ Work regionally to attract high speed internet provider to the area.



Administration Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Administration						
104120	512100	SALARIES & WAGES-REG	\$ 187,842	\$ 212,704	\$ 230,806	\$ 18,102.00
104120	512900	SALARIES & WAGES-P/T	\$ 17,261	\$ 17,933	\$ 20,814	\$ 2,881.00
104120	513100	SALARIES & WAGES- CM INS PREM	\$ 3,980	\$ 3,981	\$ 3,981	\$ -
104120	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104120	517200	CELLPHONE STIPEND	\$ 300	\$ 800	\$ 600	\$ (200.00)
104120	518100	FICA TAX EXPENSE	\$ 15,238	\$ 17,644	\$ 19,248	\$ 1,604.00
104120	518200	RETIREMENT EXPENSE	\$ 14,920	\$ 17,187	\$ 18,962	\$ 1,775.00
104120	518300	GROUP MED & LIFE INS	\$ 19,402	\$ 22,545	\$ 26,618	\$ 4,073.00
104120	518500	STATE UNEMPLOYMENT INSURANCE	\$ -	\$ -	\$ -	\$ -
104120	518600	WORKER'S COMP INS	\$ 449	\$ 623	\$ 509	\$ (114.00)
104120	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ -	\$ -	\$ -
104120	519000	PROF SERVICES	\$ 76,268	\$ 24,478	\$ 29,270	\$ 4,792.00
104120	525100	GASOLINE & DIESEL	\$ -	\$ 500	\$ 1,000	\$ 500.00
104120	526000	OFFICE SUPPLIES	\$ 4,214	\$ 5,000	\$ 5,000	\$ -
104120	527000	PURCH FOR RESALE	\$ 886	\$ 400	\$ -	\$ (400.00)
104120	529900	SUPPLIES & MATERIALS	\$ 797	\$ 1,000	\$ 1,500	\$ 500.00
104120	532100	TELEPHONE	\$ 2,632	\$ 3,000	\$ 3,000	\$ -
104120	532500	POSTAGE	\$ 544	\$ 900	\$ 600	\$ (300.00)
104120	535100	R & M - BULIDINGS	\$ -	\$ 250	\$ 4,000	\$ 3,750.00
104120	535200	R & M - EQUIPMENT	\$ -	\$ 3,365	\$ 3,365	\$ -
104120	535300	R & M - AUTO/TRUCKS	\$ -	\$ 1,000	\$ 500	\$ (500.00)
104120	537000	ADVERTISING	\$ 354	\$ 1,500	\$ 1,000	\$ (500.00)
104120	539400	TRAVEL	\$ 8,875	\$ 12,974	\$ 13,978	\$ 1,004.00
104120	539500	TRAINING	\$ 6,751	\$ 11,514	\$ 11,290	\$ (224.00)
104120	539700	LIAISON EXPENSE	\$ 202	\$ 300	\$ 300	\$ -
104120	545600	LIAB/PROP INS & BONDS	\$ 1,581	\$ 1,888	\$ 1,988	\$ 100.00
104120	549100	DUES & SUBSCRIPTIONS	\$ 3,666	\$ 4,720	\$ 3,540	\$ (1,180.00)
104120	549750	PERMITS, LICENSE AND FEES	\$ 2,427	\$ 6,387	\$ 800	\$ (5,587.00)
104120	549800	FLOWERS/MEMORIALS	\$ 245	\$ 900	\$ 900	\$ -
104120	549890	MISC EVENT EXPENSES	\$ 1,566	\$ 2,600	\$ 3,600	\$ 1,000.00
104120	549900	MISCELLANEOUS	\$ -	\$ 425	\$ -	\$ (425.00)
104120	549910	SAFETY PROGRAM	\$ 3,656	\$ 6,900	\$ 4,000	\$ (2,900.00)
104120	549920	EMPLOYEE EVENTS	\$ 4,818	\$ 7,400	\$ 6,500	\$ (900.00)
104120	549930	SERVICE EXCELLENCE	\$ 3,490	\$ 6,000	\$ 5,750	\$ (250.00)
104120	549955	DRUG TESTING	\$ 2,381	\$ 2,000	\$ 2,000	\$ -
104120	549958	EMPLOYEE ASSIST PROG	\$ -	\$ 3,000	\$ 3,000	\$ -
104120	549960	TUITION REIMBURSEMENT PROGRAM	\$ 1,496	\$ 1,423	\$ 3,000	\$ 1,577.00
104120	549962	STATE UNEMPLOYMNT INS	\$ 2,946	\$ 6,575	\$ 11,000	\$ 4,425.00
104120	549965	EMPLOYEE DEATH BENEFIT	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
104120	549999	MISCELANEOUS EXPENSE	\$ 57	\$ -	\$ 500	\$ 500.00
104120	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104120	553000	NON-CAPITAL EQUIPMENT	\$ 37,992	\$ 1,500	\$ 2,000	\$ 500.00
104120	554000	CAPT OUTLAY- VEHICLES	\$ -	\$ 20,095	\$ -	\$ (20,095.00)
104120	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ 28,866	\$ 9,355	\$ -	\$ (9,355.00)
104120	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ -	\$ -	\$ -
104120	569000	CONTRACTED SERVICES	\$ 12,431	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 473,533	\$ 445,766	\$ 449,919	\$ 4,153.00



**FY18-19 Budget Highlights**

Overall the budget for FY18-19 has increased from last fiscal year by \$4,153. All personnel costs have increased due to the implementation of the pay and classification plan, an additional 11.6% health insurance increase, in addition to, natural growth. Many operational expenses for FY18-19 have decreased from the previous fiscal year. Notable decreases include a reduction in expenses for vehicles and land improvements.

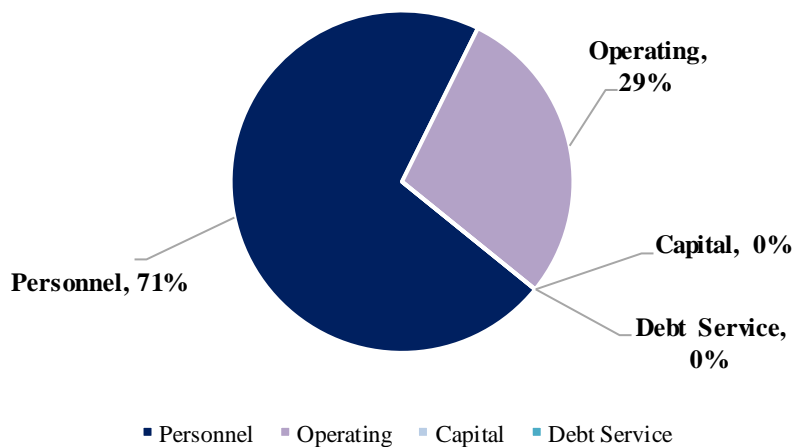


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Administration				
Personnel	\$ 259,393	\$ 293,417	\$ 321,538	\$ 28,121
Operating	\$ 185,275	\$ 122,899	\$ 128,381	\$ 5,482
Capital	\$ 28,866	\$ 29,450	\$ -	\$ (29,450)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 473,533	\$ 445,766	\$ 449,919	\$ 4,153

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Administration				
Full-Time	6.00	6.00	6.00	0.00
Part-Time	5.00	5.00	5.00	0.00
<i>Sub-Total</i>	11.00	11.00	11.00	0.00

Expenditures by Type



## Finance

The Finance Department is responsible for the collection of all revenues of the City such as property taxes, water fees, sewer charges, refuse collection fees, beer & wine licenses, etc. The department is also responsible for investments, 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 250 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 "Aa2" bond rating from Moody's Investors Service and a "AA" 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.

### FY17-18 Accomplishments

- ✓ Continued changes in staffing, organization, and ongoing training of existing and new employees.
- ✓ Annual audit completed and submitted on time.
- ✓ Implemented new timekeeping system.
- ✓ Implemented new utility billing module.
- ✓ Accounting and expense transactions closed on time each month.
- ✓ Tammy Holland and Krystal Powell both passed Local Government Finance Officer Certification.
- ✓ Continued increase in investment earnings.

### FY18-19 Goals & Initiatives

- ✓ Begin rotating annual physical counts of assets.
- ✓ Improve Audit schedule, Report to State by October 31, have audit presented to Council at November meeting.
- ✓ Update Travel Policy/Whistle Blower Policy/Fraud Policy.
- ✓ Install/ train staff on new payroll timekeeping module.
- ✓ Install/train customer service staff on UBCIS.
- ✓ Improve Grant accounting.
- ✓ Resolve and reduce audit findings.
- ✓ Enhance knowledge of Tax laws, foreclosure processes, coordinate annual process with legal department, county.
- ✓ Improve annual tax reporting/ County information / TR-2.
- ✓ Improve revenue accounting, accuracy.
- ✓ Take on additional portions of CAFR/Notes.





Finance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Finance						
104130	512100	SALARIES & WAGES-REG	\$ 197,986	\$ 152,074	\$ 212,996	\$ 60,922.00
104130	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
104130	512900	SALARIES & WAGES-P/T	\$ -	\$ -	\$ -	\$ -
104130	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104130	517200	CELLPHONE STIPEND	\$ -	\$ -	\$ -	\$ -
104130	518100	FICA TAX EXPENSE	\$ 14,860	\$ 12,399	\$ 16,295	\$ 3,896.00
104130	518200	RETIREMENT EXPENSE	\$ 14,949	\$ 12,156	\$ 16,507	\$ 4,351.00
104130	518300	GROUP MED & LIFE INS	\$ 27,712	\$ 20,667	\$ 34,224	\$ 13,557.00
104130	518600	WORKER'S COMP INS	\$ 488	\$ 430	\$ 445	\$ 15.00
104130	519000	PROF SERVICES	\$ 3,520	\$ 4,000	\$ 2,500	\$ (1,500.00)
104130	519100	PROF SERVICES - AUDIT	\$ 23,175	\$ 25,000	\$ 20,000	\$ (5,000.00)
104130	526000	OFFICE SUPPLIES	\$ 4,529	\$ 8,300	\$ 5,190	\$ (3,110.00)
104130	532100	TELEPHONE	\$ 957	\$ 720	\$ 720	\$ -
104130	532500	POSTAGE	\$ 2,890	\$ 5,692	\$ 3,300	\$ (2,392.00)
104130	535200	R & M - EQUIPMENT	\$ -	\$ 200	\$ 600	\$ 400.00
104130	537000	ADVERTISING	\$ 740	\$ 1,900	\$ 900	\$ (1,000.00)
104130	538200	TAX SCROLL & BILLING	\$ 33,912	\$ 30,575	\$ 39,560	\$ 8,985.00
104130	539400	TRAVEL	\$ 5,135	\$ 5,180	\$ 8,725	\$ 3,545.00
104130	539500	TRAINING	\$ 4,799	\$ 13,905	\$ 11,605	\$ (2,300.00)
104130	545600	LIAB/PROP INS & BONDS	\$ 3,846	\$ 1,248	\$ 1,397	\$ 149.00
104130	549100	DUES & SUBSCRIPTIONS	\$ 1,035	\$ 1,665	\$ 1,825	\$ 160.00
104130	549200	UNCOLLECTIBLE ACCOUNTS MISC	\$ (50)	\$ 250	\$ 250	\$ -
104130	549300	TAX SHORT/OVER	\$ (18)	\$ 100	\$ 100	\$ -
104130	549750	PERMITS, LICENSE AND FEES	\$ 110	\$ 130	\$ 120	\$ (10.00)
104130	549900	MISCELLANEOUS	\$ 407	\$ 1,000	\$ 1,000	\$ -
104130	549920	EMPLOYEE EVENTS	\$ 95	\$ 150	\$ 120	\$ (30.00)
104130	549999	MISCELANEOUS EXPENSE	\$ 265	\$ 160	\$ -	\$ (160.00)
104130	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
104130	553000	NON-CAPITAL EQUIPMENT	\$ 5,570	\$ 100	\$ 300	\$ 200.00
104130	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104130	559900	C/O LAND IMPROVEMENTS	\$ -	\$ 400	\$ -	\$ (400.00)
104130	569000	CONTRACTED SERVICES	\$ 2,953	\$ 3,535	\$ 8,435	\$ 4,900.00
104130	575200	BANK SERVICE CHARGES	\$ 16,012	\$ 13,000	\$ 14,000	\$ 1,000.00
104130	575210	CREDIT CARD PROCESSING FEES	\$ 11,764	\$ 12,440	\$ 10,600	\$ (1,840.00)
<i>Sub-Total</i>			\$ 377,642	\$ 327,376	\$ 411,714	\$ 84,338.00

FY18-19 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, a 11.6% health insurance increase, in addition to, natural growth. Additionally, a payroll time keeping software system has been installed. Costs associated with annual audits have decreased \$5,000 from last FY along with various other expenses in the operating budget. Overall, costs have increased from last fiscal year by \$84,388.

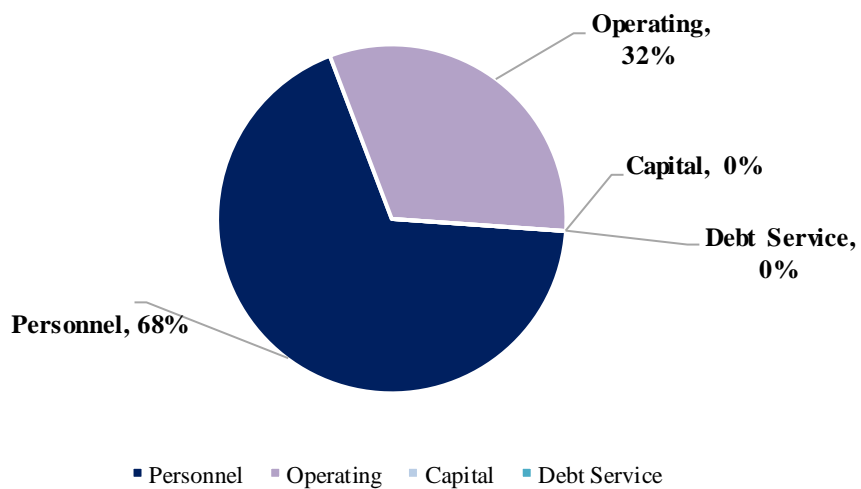


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Finance				
Personnel	\$ 255,995	\$ 197,726	\$ 280,467	\$ 82,741
Operating	\$ 121,646	\$ 129,250	\$ 131,247	\$ 1,997
Capital	\$ -	\$ 400	\$ -	\$ (400)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 377,642	\$ 327,376	\$ 411,714	\$ 84,338

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Finance				
Full-Time	14.00	18.00	19.00	1.00
Part-Time	1.00	0.00	0.00	0.00
<i>Sub-Total</i>	15.00	18.00	19.00	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) Phase 2 Stormwater 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 III, Civil Engineer I, GIS Administrator, Construction Manager, Construction Inspector, Engineering Technician III, and a Stormwater Quality Specialist. The Engineering Department is located at 305 Williams Street, Hendersonville, NC 28792. For more information about the Engineering Department, please contact Brent Detwiler at (828) 697-3000.

## Mission

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

## FY17-18 Accomplishments

- ✓ Completing design and construction of the Buncombe Street stormwater project.
- ✓ Managed design and permitting of the N Main Street Sidewalk project.
- ✓ Managed design and coordinated construction of the Blythe Street Sidewalk project.
- ✓ Managing re-design and permitting of the Etowah Area Water Improvements project.
- ✓ Completed the initial phase of a Southside stormwater Modeling and Master Plan project.
- ✓ Managing Mud Creek Dump Additional Investigation.
- ✓ Managing design and permitting of Multi-Area Streambank Restoration project.
- ✓ Managing on-call updates to the Water System Master Plan.
- ✓ Managing Wastewater Asset Inventory and Assessment project.
- ✓ Designing and permitting the Eastside Phase 2 Water project.
- ✓ Managing design and construction of the Water Treatment Plant High Service Pump Station project.
- ✓ Working with developer engineers and NCDOT staff and engineers to help manage utility extension projects.
- ✓ Began a Development and Design Manual to include checklists, flowcharts, details and specifications.
- ✓ Enhanced the City's NPDES stormwater program so that we are meeting all of our mapping and education/outreach requirements established in our permit.
- ✓ Continued to maintain the Enterprise ArcGIS and Cityworks Servers.



### FY18-19 Goals & Initiatives

- ✓ Complete construction of the N Main Street Sidewalk project.
- ✓ Complete construction of the Etowah Area Water Improvements project.
- ✓ Complete the Mud Creek Dump Additional Investigation.
- ✓ Complete design and begin construction of the Multi-Area Streambank Restoration project.
- ✓ Continue to update and implement the Water System Master Plan.
- ✓ Complete the Wastewater Asset Inventory and Assessment project.
- ✓ Complete construction of the Water Treatment Plant High Service Pump Station project.
- ✓ Complete construction of the Northside Water Improvements project
- ✓ Continue coordination with NCDOT on their various improvement projects.
- ✓ 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
- ✓ Further enhance the City's NPDES stormwater program so that we are meeting all of our mapping and education/outreach requirements established in our permit
- ✓ Continue to use advancements in technology to efficient design and administer infrastructure projects
- ✓ Complete construction of the N Main Street Sidewalk project.

### Long Term Goals and Objectives

- ✓ Develop a City-standard construction contract
- ✓ Design, bid and manage construction of future City water, sewer, stormwater, greenway and sidewalk projects
- ✓ Develop long term solutions to prioritizing and funding stormwater improvements.



City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
City Engineer						
104131	512100	SALARIES & WAGES-REG	\$ 106,315	\$ 170,036	\$ 120,911	\$ (49,125.00)
104131	512200	SALARIES & WAGES - OVERTIME	\$ 160	\$ -	\$ -	\$ -
104131	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104131	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104131	518100	FICA TAX EXPENSE	\$ 7,999	\$ 12,812	\$ 9,250	\$ (3,562.00)
104131	518200	RETIREMENT EXPENSE	\$ 8,117	\$ 12,871	\$ 9,371	\$ (3,500.00)
104131	518300	GROUP MED & LIFE INS	\$ 12,944	\$ 18,460	\$ 13,943	\$ (4,517.00)
104131	518600	WORKER'S COMP INS	\$ 1,100	\$ 1,750	\$ 2,227	\$ 477.00
104131	519000	PROFESSIONAL SERVICES	\$ -	\$ 30	\$ -	\$ (30.00)
104131	525100	GASOLINE & DIESEL	\$ 1,284	\$ 1,200	\$ 1,200	\$ -
104131	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104131	525300	VEHICLE PARTS	\$ -	\$ 65	\$ 500	\$ 435.00
104131	525400	OIL, LUBRICATION, ETC	\$ 27	\$ 100	\$ 100	\$ -
104131	526000	OFFICE SUPPLIES	\$ 3,121	\$ 3,930	\$ 4,700	\$ 770.00
104131	529900	SUPPLIES & MATERIALS	\$ 415	\$ 1,100	\$ 1,200	\$ 100.00
104131	532100	TELEPHONE	\$ 4,485	\$ 5,000	\$ 6,000	\$ 1,000.00
104131	532500	POSTAGE	\$ 447	\$ 200	\$ 200	\$ -
104131	535200	R & M - EQUIPMENT	\$ 598	\$ 600	\$ 1,100	\$ 500.00
104131	535300	R & M - AUTO/TRUCKS	\$ 180	\$ 16,280	\$ 500	\$ (15,780.00)
104131	537000	ADVERTISING	\$ 880	\$ 200	\$ 300	\$ 100.00
104131	539400	TRAVEL	\$ 976	\$ 770	\$ 3,000	\$ 2,230.00
104131	539500	TRAINING	\$ 4,886	\$ 7,000	\$ 7,250	\$ 250.00
104131	545600	LIAB/PROP INS & BONDS	\$ 2,390	\$ 1,239	\$ 1,739	\$ 500.00
104131	549100	DUES & SUBSCRIPTIONS	\$ 1,540	\$ 1,420	\$ 2,175	\$ 755.00
104131	549750	PERMITS, LICENSE AND FEES	\$ 15,461	\$ 16,270	\$ 18,350	\$ 2,080.00
104131	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104131	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104131	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ -	\$ -	\$ -
104131	553000	NON-CAPITAL EQUIPMENT	\$ 3,964	\$ 4,400	\$ 2,650	\$ (1,750.00)
104131	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 177,290	\$ 275,733	\$ 206,666	\$ (69,067.00)

FY18-19 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, an 11.6% health insurance increase, in addition to, natural growth. Personnel have appropriated less time to General Fund projects and as a result the costs have decreased throughout the department. Various operational expenses have increased as work in the department is predicted to increase in FY18-19. Overall, the department is budgeted for \$69,067 less than last fiscal year.

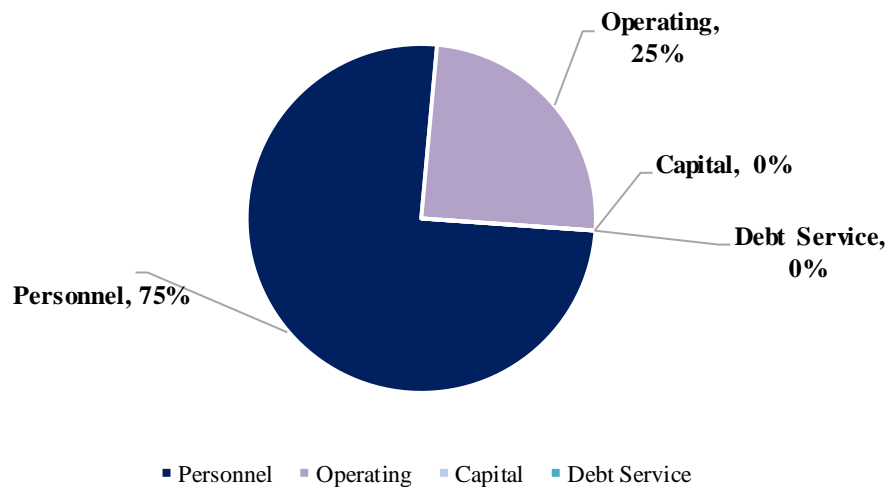


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
City Engineer				
Personnel	\$ 136,636	\$ 215,929	\$ 155,702	\$ (60,227)
Operating	\$ 40,654	\$ 59,804	\$ 50,964	\$ (8,840)
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 177,290	\$ 275,733	\$ 206,666	\$ (69,067)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
City Engineer				
Full-Time	6.00	8.00	8.00	0.00
Part-Time	1.00	0.00	0.00	0.00
<i>Sub-Total</i>	7.00	8.00	8.00	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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Information Technology						
104140	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ -	\$ -
104140	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ -	\$ -
104140	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ -	\$ -
104140	518300	GROUP MED & LIFE INS	\$ -	\$ -	\$ -	\$ -
104140	518600	WORKER'S COMP INS	\$ -	\$ -	\$ -	\$ -
104140	519000	PROFESSIONAL SERVICES	\$ 4,457	\$ 4,000	\$ 5,000	\$ 1,000.00
104140	526000	OFFICE SUPPLIES	\$ 5,471	\$ 10,000	\$ 10,000	\$ -
104140	529900	SUPPLIES & MATERIALS	\$ 1,034	\$ 500	\$ 2,500	\$ 2,000.00
104140	532100	TELEPHONE	\$ 74,998	\$ 71,014	\$ 75,013	\$ 3,999.00
104140	532500	POSTAGE	\$ -	\$ -	\$ -	\$ -
104140	535200	R & M - EQUIPMENT	\$ (128)	\$ 1,750	\$ 5,000	\$ 3,250.00
104140	539400	TRAVEL	\$ -	\$ -	\$ -	\$ -
104140	539500	TRAINING	\$ -	\$ -	\$ -	\$ -
104140	545600	LIAB/PROP INS & BONDS	\$ 116	\$ 122	\$ 108	\$ (14.00)
104140	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104140	549750	PERMITS, LICENSE AND FEES	\$ 78,572	\$ 128,220	\$ 119,483	\$ (8,737.00)
104140	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104140	552000	CAP OUTLAY-EQUIPMENT	\$ 17,664	\$ -	\$ -	\$ -
104140	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ -	\$ 47,783	\$ -	\$ (47,783.00)
104140	553000	NON-CAPITAL EQUIPMENT	\$ 3,105	\$ 2,850	\$ 4,000	\$ 1,150.00
104140	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104140	559900	C/O LAND IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
104140	569000	CONTRACTED SERVICES	\$ 176,746	\$ 178,405	\$ 161,265	\$ (17,140.00)
<i>Sub-Total</i>			\$ 362,033	\$ 444,644	\$ 382,369	\$ (62,275.00)

**FY18-19 Budget Highlights**

The capital outlay for this account is for key scan technology upgrades for the City Operations Center. Additionally, the increase in “Permits, License, and Fees” from FY16-17 is for a timekeeping software module, social media archiving, and an increase in our data management software annual fee.

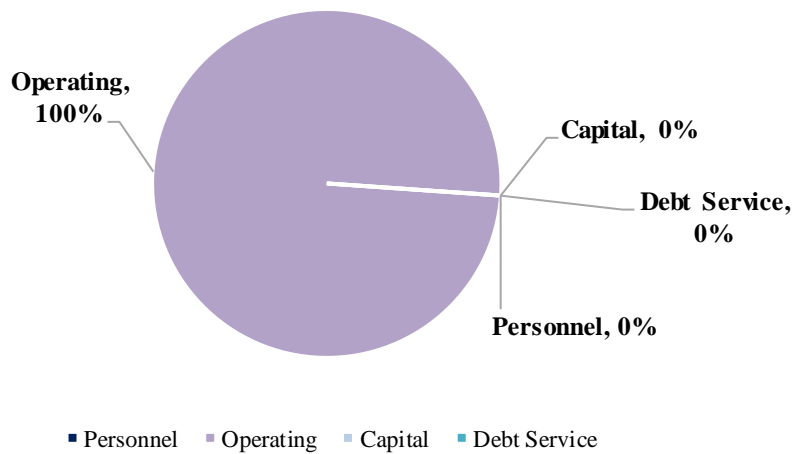


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Information Technology				
Personnel	\$ -	\$ -	\$ -	\$ -
Operating	\$ 344,369	\$ 396,861	\$ 382,369	\$ (14,492)
Capital	\$ 17,664	\$ 47,783	\$ -	\$ (47,783)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 362,033	\$ 444,644	\$ 382,369	\$ (62,275)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Information Technology				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	0.00	0.00	0.00	0.00

Expenditures by Type





## Legal

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

## FY17-18 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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Legal						
104150	512100	SALARIES & WAGES-REG	\$ 61,176	\$ 63,978	\$ 65,293	\$ 1,315.00
104150	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
104150	512900	SALARIES & WAGES-P/T	\$ 19,487	\$ 22,502	\$ 21,242	\$ (1,260.00)
104150	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104150	518100	FICA TAX EXPENSE	\$ 5,909	\$ 6,616	\$ 6,620	\$ 4.00
104150	518200	RETIREMENT EXPENSE	\$ 6,115	\$ 6,486	\$ 6,706	\$ 220.00
104150	518300	GROUP MED & LIFE INS	\$ 4,023	\$ 7,515	\$ 8,451	\$ 936.00
104150	518600	WORKER'S COMP INS	\$ 82	\$ 83	\$ 102	\$ 19.00
104150	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ 2,500	\$ 2,500.00
104150	519200	LITIGATION EXPENSE	\$ -	\$ -	\$ -	\$ -
104150	526000	OFFICE SUPPLIES	\$ 116	\$ 850	\$ 600	\$ (250.00)
104150	529900	SUPPLIES & MATERIALS	\$ 221	\$ 250	\$ 250	\$ -
104150	532100	TELEPHONE	\$ -	\$ 500	\$ -	\$ (500.00)
104150	532500	POSTAGE	\$ 31	\$ 250	\$ 250	\$ -
104150	535200	R & M - EQUIPMENT	\$ -	\$ 250	\$ 250	\$ -
104150	539400	TRAVEL	\$ 2,937	\$ 5,250	\$ 5,250	\$ -
104150	539500	TRAINING	\$ 2,260	\$ 2,860	\$ 3,110	\$ 250.00
104150	545600	LIAB/PROP INS & BONDS	\$ 262	\$ 157	\$ 219	\$ 62.00
104150	549100	DUES & SUBSCRIPTIONS	\$ 9,339	\$ 7,480	\$ 7,648	\$ 168.00
104150	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 250	\$ 250	\$ -
104150	549999	MISCELANEOUS EXPENSE	\$ -	\$ 60	\$ 50	\$ (10.00)
104150	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 2,025	\$ 2,000	\$ (25.00)
104150	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104150	569000	CONTRACTED SERVICES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 111,958	\$ 127,362	\$ 130,791	\$ 3,429.00

FY18-19 Budget Highlights

The Legal Department has not experienced many changes besides normal personnel growth. Overall the Department is budgeted \$3,429 higher than last fiscal year, primarily due to personnel expenses.

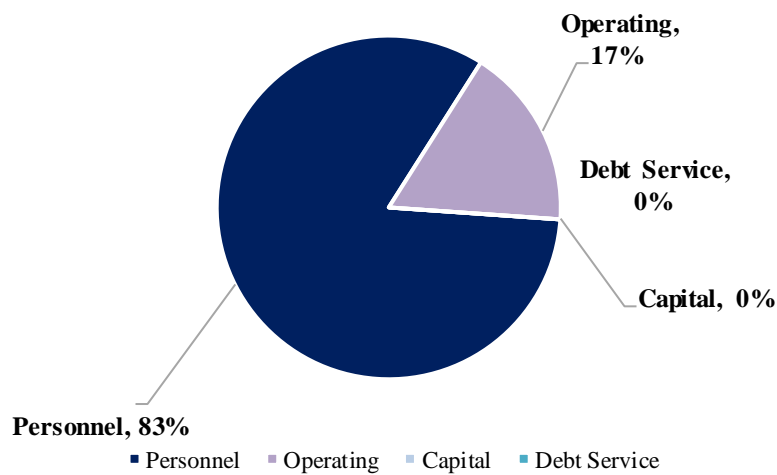


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Legal				
Personnel	\$ 96,792	\$ 107,180	\$ 108,414	\$ 1,234
Operating	\$ 15,167	\$ 20,182	\$ 22,377	\$ 2,195
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 111,958	\$ 127,362	\$ 130,791	\$ 3,429

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Legal				
Full-Time	1.00	1.00	1.00	0.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	2.00	2.00	2.00	0.00

Expenditures by Type



### Public Works-Fleet Maintenance

The Fleet Maintenance Division is responsible for maintenance and repairs to 190 vehicles and 331 other pieces of equipment such as backhoes, tractors, and mowers. The Division reviews vehicle replacement request every year and helps makes recommendations for replacement within the budget and CIP. The division includes a supervisor, an equipment services specialist and four mechanics. The Fleet Maintenance Division is located at 310 Williams Street. For more information about the Fleet Maintenance Division, please contact Tom Wooten at 697-3084.

### FY17-18 Accomplishments

- ✓ Finished remodeling the offices and restrooms within the shop.
- ✓ Finished installing the generator and switch gear for the shop.
- ✓ Sent four people to CNG Tank Inspection School.
- ✓ Assisted with Special Events.

### FY18-19 Goals & Initiatives

- ✓ Send staff to CNG Tank Inspector Exam.
- ✓ Search for other training opportunities.
- ✓ Search for additional efficiencies.
- ✓ Replace the skylights in the roof of the shop.



Public Works-Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance						
104250	512100	SALARIES & WAGES-REG	\$ 161,487	\$ 163,702	\$ 170,034	\$ 6,332.00
104250	512200	SALARIES & WAGES-O/T	\$ 21,884	\$ 22,500	\$ 22,702	\$ 202.00
104250	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 460	\$ 2,260	\$ 1,308	\$ (952.00)
104250	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ 781	\$ 1,212	\$ 1,212	\$ -
104250	518100	FICA TAX EXPENSE	\$ 14,001	\$ 13,767	\$ 14,845	\$ 1,078.00
104250	518200	RETIREMENT EXPENSE	\$ 13,899	\$ 13,517	\$ 15,038	\$ 1,521.00
104250	518300	GROUP MED & LIFE INS	\$ 29,171	\$ 28,858	\$ 32,449	\$ 3,591.00
104250	518600	WORKER'S COMP INS	\$ 3,764	\$ 4,977	\$ 6,797	\$ 1,820.00
104250	518900	RETIREE INSURANCE	\$ -	\$ -	\$ -	\$ -
104250	519000	PROFESSIONAL SERVICES	\$ 135	\$ 400	\$ 400	\$ -
104250	521200	UNIFORMS	\$ 876	\$ 3,288	\$ 4,500	\$ 1,212.00
104250	523000	MEDICAL SUPPLIES	\$ -	\$ 400	\$ 400	\$ -
104250	525100	GASOLINE & DIESEL	\$ 2,243	\$ 3,600	\$ 4,500	\$ 900.00
104250	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104250	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104250	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104250	526000	OFFICE SUPPLIES	\$ 2,096	\$ 1,000	\$ 1,000	\$ -
104250	529900	SUPPLIES & MATERIALS	\$ 10,573	\$ 12,600	\$ 12,600	\$ -
104250	532100	TELEPHONE	\$ 730	\$ 1,350	\$ 1,350	\$ -
104250	533000	UTILITIES	\$ 17,772	\$ 20,900	\$ 20,900	\$ -
104250	535100	R & M - BUILDINGS	\$ 31,040	\$ 3,000	\$ 6,000	\$ 3,000.00
104250	535200	R & M - EQUIPMENT	\$ 6,595	\$ 8,500	\$ 6,000	\$ (2,500.00)
104250	535300	R & M - AUTO/TRUCKS	\$ 55,666	\$ 87,600	\$ 88,600	\$ 1,000.00
104250	539400	TRAVEL	\$ -	\$ 500	\$ 500	\$ -
104250	539500	TRAINING	\$ 626	\$ 2,000	\$ 2,600	\$ 600.00
104250	545600	LIAB/PROP INS & BONDS	\$ 2,999	\$ 2,186	\$ 2,972	\$ 786.00
104250	549100	DUES & SUBSCRIPTIONS	\$ -	\$ 240	\$ 650	\$ 410.00
104250	549750	PERMITS, LICENSE AND FEES	\$ 100	\$ 100	\$ 100	\$ -
104250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104250	552000	CAPITAL OUTLAY-EQUIPMENT	\$ -	\$ -	\$ 12,500	\$ 12,500.00
104250	553000	NON-CAPITAL EQUIPMENT	\$ 9,472	\$ -	\$ -	\$ -
104250	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104250	559900	C/O LAND IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
104250	569000	CONTRACTED SERVICES	\$ 676	\$ 1,000	\$ -	\$ (1,000.00)
104250	598301	DEPT CHGS-OPERATING	\$ (34,902)	\$ (60,000)	\$ (60,000)	\$ -
<i>Sub-Total</i>			\$ 352,144	\$ 339,457	\$ 369,957	\$ 30,500.00

FY18-19 Budget Highlights

Salary expenses have increased in this Public Works division as a result of health insurance increases city-wide.

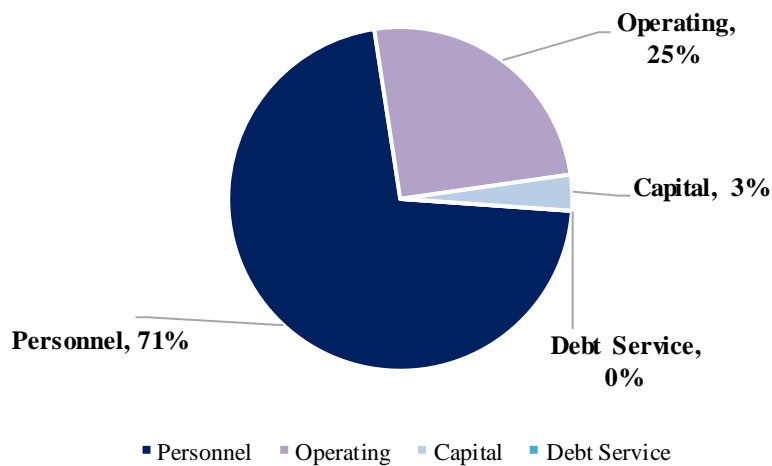


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Fleet Maintenance				
Personnel	\$ 245,449	\$ 250,793	\$ 264,385	\$ 13,592
Operating	\$ 106,696	\$ 88,664	\$ 93,072	\$ 4,408
Capital	\$ -	\$ -	\$ 12,500	\$ 12,500
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 352,144	\$ 339,457	\$ 369,957	\$ 30,500

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 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 three 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.

### FY17-18 Accomplishments

- ✓ Replaced electric panels in the downtown festival area.
- ✓ Rebuild the Tiger Water Fountain.
- ✓ Plan for replacement of the HVAC systems at City Hall.
- ✓ Repair floors at the Operation Center.
- ✓ Contract painting of two floors at City Hall and some of the Operation Center.
- ✓ Rebuild the water fall feature at Mini Golf.
- ✓ Metal roof at Sugarloaf Sheds have been replaced.
- ✓ Rebuilt several raised planter beds on Main Street.
- ✓ Rebuild the front deck and accessible ramp at Patton Admin Building.

### FY18-19 Goals & Initiatives

- ✓ Replace HVAC at City Hall.
- ✓ Continue to paint at City Hall and Operation Center with a contractor.
- ✓ Replace floors at the Whitmire Activity Center.
- ✓ Assist with the new building for Grounds and Building Maintenance.



Public Works-Building Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance						
104270	512100	SALARIES & WAGES-REG	\$ 148,534	\$ 154,892	\$ 160,365	\$ 5,473.00
104270	512200	SALARIES & WAGES-O/T	\$ 14,814	\$ 12,000	\$ 11,072	\$ (928.00)
104270	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 878	\$ 1,192	\$ 1,234	\$ 42.00
104270	512600	SALARIES & WAGES-TEMP	\$ 8,748	\$ 16,200	\$ 15,850	\$ (350.00)
104270	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ 610	\$ 808	\$ 808	\$ -
104270	518100	FICA TAX EXPENSE	\$ 13,113	\$ 13,792	\$ 14,422	\$ 630.00
104270	518200	RETIREMENT EXPENSE	\$ 12,368	\$ 12,307	\$ 13,382	\$ 1,075.00
104270	518300	GROUP MED & LIFE INS	\$ 30,298	\$ 30,060	\$ 33,801	\$ 3,741.00
104270	518600	WORKER'S COMP INS	\$ 4,165	\$ 5,536	\$ 7,089	\$ 1,553.00
104270	519000	PROFESSIONAL SERVICES	\$ -	\$ 200	\$ 200	\$ -
104270	521100	JANITORIAL SUPPLIES	\$ 8,871	\$ 11,000	\$ 11,000	\$ -
104270	521200	UNIFORMS	\$ 2,830	\$ 2,592	\$ 4,000	\$ 1,408.00
104270	525100	GASOLINE & DIESEL	\$ 3,184	\$ 4,500	\$ 4,500	\$ -
104270	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104270	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104270	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104270	527000	RESALE ITEMS-BOYD PK	\$ -	\$ 1,200	\$ 1,200	\$ -
104270	529900	SUPPLIES & MATERIALS	\$ 26,346	\$ 23,000	\$ 22,000	\$ (1,000.00)
104270	532100	TELEPHONE	\$ 2,809	\$ 3,488	\$ 3,488	\$ -
104270	533000	UTILITIES	\$ 77,048	\$ 82,000	\$ 80,000	\$ (2,000.00)
104270	535100	R & M - BUILDINGS	\$ 49,364	\$ 32,400	\$ 30,000	\$ (2,400.00)
104270	535200	R & M - EQUIPMENT	\$ 8,261	\$ 500	\$ 8,200	\$ 7,700.00
104270	535300	R & M - AUTO/TRUCKS	\$ 3,817	\$ 2,700	\$ 5,000	\$ 2,300.00
104270	539400	TRAVEL	\$ 12	\$ -	\$ 500	\$ 500.00
104270	539500	TRAINING	\$ 1,049	\$ 400	\$ 1,400	\$ 1,000.00
104270	544010	LEASE- BUILDING	\$ 11,150	\$ 11,200	\$ 11,200	\$ -
104270	545600	LIAB/PROP INS & BONDS	\$ 2,628	\$ 2,707	\$ 3,659	\$ 952.00
104270	549100	DUES & SUBSCRIPTIONS	\$ -	\$ -	\$ -	\$ -
104270	549750	PERMITS, LICENSE AND FEES	\$ 40	\$ 725	\$ 1,600	\$ 875.00
104270	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104270	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 8,191	\$ -	\$ -	\$ -
104270	553000	NON-CAPITAL EQUIPMENT	\$ 81,491	\$ 9,500	\$ -	\$ (9,500.00)
104270	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104270	558000	CAPITAL OUTLAY - BUILDINGS	\$ 10,720	\$ -	\$ 153,500	\$ 153,500.00
104270	559500	CAP OUTLAY-STREETS/BRIDGES	\$ -	\$ 50,975	\$ -	\$ (50,975.00)
104270	559900	C/O LAND IMPROVEMENTS	\$ 54,251	\$ -	\$ 145,000	\$ 145,000.00
104270	569000	CONTRACTED SERVICES	\$ 149,496	\$ 125,000	\$ 90,500	\$ (34,500.00)
<i>Sub-Total</i>			\$ 735,084	\$ 610,874	\$ 834,970	\$ 224,096.00

FY18-19 Budget Highlights

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, an 11.6% health insurance increase, in addition to, natural growth. Additionally, various capital outlay projects were approved.



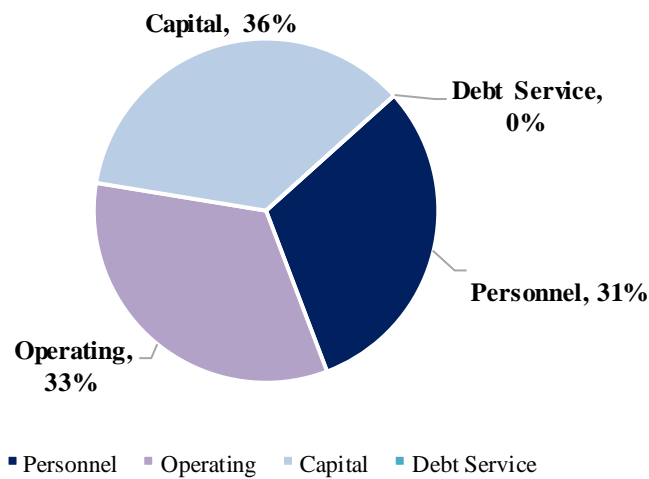


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Building Maintenance				
Personnel	\$ 233,527	\$ 246,787	\$ 258,023	\$ 11,236
Operating	\$ 428,395	\$ 313,112	\$ 278,447	\$ (34,665)
Capital	\$ 73,162	\$ 50,975	\$ 298,500	\$ 247,525
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 735,084	\$ 610,874	\$ 834,970	\$ 224,096

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
PW-Building Maintenance				
Full-Time	4.00	4.00	4.00	0.00
Part-Time	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	6.00	6.00	6.00	0.00

Expenditures by Type



## Police

The Police Department performs and coordinates law enforcement services and public safety efforts for the city. Through investigations, patrols, collaborations, and other proactive efforts, the department works to deter and prevent crime within the city. As of fiscal year 2018, the police department is authorized 43 full time sworn police officers, 13 fulltime civilian support staff, and an approximate variety of 10 part-time officers, support staff, and volunteers.

## 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.

## FY17-18 Accomplishments

- ✓ Provide law enforcement services by contract to the Hendersonville Housing Authority.
- ✓ Assumed full responsibilities for animal care and control.
- ✓ Increased social media presence by launching a Twitter and Facebook presence.
- ✓ Updated dispatch and communications capabilities with the latest appropriate technology
- ✓ Transition to all-terrain appropriate vehicles continued.
- ✓ Launched a proactive crime prevention campaign to reduce thefts from vehicles within the city limits through the lock; hide it; take it initiative.
- ✓ Officers received specialized and advanced certifications that reflect our events to provide as much appropriate trainings as possible to our employees.
- ✓ Maintain efforts to reduce larcenies, especially vehicle larcenies and vehicle breaking and entering.

## FY18-19 Goals & Initiatives

- ✓ Maintain our efforts to reduce larcenies, especially vehicle larcenies and vehicle breaking and entering.
- ✓ Continue the ACE team deployment to help address high crime areas and repetitive nuisance calls such as street level illegal drugs sales, noise complaints, patterns of petty larcenies, etc.
- ✓ Continue specialized training for officers, detectives, and dispatchers to enhance their skills.
- ✓ Continue to train newly hired officers in CIT crisis intervention training so they may properly respond to citizens with mental health issues
- ✓ Continue to utilize TIP Trauma Intervention Program volunteers
- ✓ Apply ordinances and laws and recommend changes in them to improve animal care within the city limits abuse situations.



- ✓ Conduct ongoing evaluations of department employees and resources.
- ✓ Assist city with new police headquarters construction as needed
- ✓ Point out traffic and public safety concerns relating to vehicle and pedestrian traffic to city leadership and other relevant department heads; and address those concerns for the safety and welfare of our citizens.

### Long Term Goals and Objectives

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



Police Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Police						
104310	512100	SALARIES & WAGES-REG	\$ 2,396,393	\$ 2,602,179	\$ 2,853,565	\$ 251,386.00
104310	512200	SALARIES & WAGES-O/T	\$ 92,594	\$ 105,730	\$ 100,000	\$ (5,730.00)
104310	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 67,843	\$ 96,328	\$ 112,192	\$ 15,864.00
104310	512300	SAL & WAGES-STANDBY	\$ 14,949	\$ 14,560	\$ 14,605	\$ 45.00
104310	512400	SAL & WAGES-COURT PAY	\$ 3,127	\$ -	\$ -	\$ -
104310	512500	SAL & WAGES-CROSS GDS	\$ 24,817	\$ 32,015	\$ 27,500	\$ (4,515.00)
104310	512700	SAL & WAGES-SEP ALLOW	\$ 45,342	\$ 45,110	\$ 25,755	\$ (19,355.00)
104310	512800	SAL & WAGES-DRUG ENFR	\$ 3,822	\$ -	\$ -	\$ -
104310	512900	SAL & WAGES-SRO GRANT	\$ -	\$ -	\$ -	\$ -
104310	513000	SAL & WAGES-AUX OFFS	\$ 67,558	\$ 52,000	\$ 63,878	\$ 11,878.00
104310	513200	SAL & WAGES-SRO CITY	\$ -	\$ -	\$ -	\$ -
104310	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ 11,250	\$ 11,150	\$ 10,500	\$ (650.00)
104310	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104310	518100	FICA TAX EXPENSE	\$ 202,320	\$ 225,332	\$ 242,328	\$ 16,996.00
104310	518200	RETIREMENT EXPENSE	\$ 317,013	\$ 369,860	\$ 415,300	\$ 45,440.00
104310	518300	GROUP MED & LIFE INS	\$ 409,097	\$ 420,840	\$ 490,115	\$ 69,275.00
104310	518600	WORKER'S COMP INS	\$ 59,981	\$ 79,120	\$ 77,228	\$ (1,892.00)
104310	518900	RETIREE INSURANCE	\$ 35,109	\$ 56,578	\$ 55,028	\$ (1,550.00)
104310	519000	PROFESSIONAL SERVICES	\$ 9,816	\$ 10,545	\$ 7,500	\$ (3,045.00)
104310	519300	PROF SERVICES-MEDICAL	\$ 1,474	\$ 3,000	\$ 3,000	\$ -
104310	521200	UNIFORMS	\$ 32,732	\$ 38,493	\$ 42,493	\$ 4,000.00
104310	525100	GASOLINE & DIESEL	\$ 77,642	\$ 98,655	\$ 110,000	\$ 11,345.00
104310	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104310	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104310	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104310	526000	OFFICE SUPPLIES	\$ 11,134	\$ 13,000	\$ 15,000	\$ 2,000.00
104310	529900	SUPPLIES & MATERIALS	\$ 49,243	\$ 64,718	\$ 63,343	\$ (1,375.00)
104310	532100	TELEPHONE	\$ 23,150	\$ 25,000	\$ 26,500	\$ 1,500.00
104310	532500	POSTAGE	\$ 716	\$ 1,600	\$ 1,600	\$ -
104310	535200	R & M - EQUIPMENT	\$ 18,845	\$ 18,200	\$ 18,200	\$ -
104310	535300	R & M - AUTO/TRUCKS	\$ 86,639	\$ 94,280	\$ 82,000	\$ (12,280.00)
104310	537000	ADVERTISING	\$ 166	\$ 1,500	\$ 1,500	\$ -
104310	539400	TRAVEL	\$ 19,721	\$ 33,423	\$ 36,665	\$ 3,242.00
104310	539500	TRAINING	\$ 17,854	\$ 16,695	\$ 12,595	\$ (4,100.00)
104310	539600	SPEC DRUG ENFORCEMENT	\$ -	\$ -	\$ -	\$ -
104310	545600	LIAB/PROP INS & BONDS	\$ 65,686	\$ 72,778	\$ 79,566	\$ 6,788.00
104310	548400	D A R E PROGRAM	\$ 4,500	\$ 4,500	\$ 4,500	\$ -
104310	548700	OUTREACH PROGRAM	\$ 2,800	\$ 5,300	\$ 5,500	\$ 200.00
104310	549100	DUES & SUBSCRIPTIONS	\$ 14,293	\$ 13,329	\$ 14,037	\$ 708.00
104310	549200	UNCOLLECTIBLE ACCOUNTS	\$ 14,300	\$ -	\$ -	\$ -
104310	549750	PERMITS, LICENSE AND FEES	\$ 61,141	\$ 60,928	\$ 65,664	\$ 4,736.00
104310	549920	EMPLOYEE EVENTS	\$ 918	\$ 2,300	\$ 2,300	\$ -
104310	549999	MISCELANEOUS EXPENSE	\$ 1,116	\$ -	\$ -	\$ -
104310	552000	CAPITAL OUTLAY-OTHER EQUIPMENT	\$ 60,868	\$ -	\$ 15,000	\$ 15,000.00
104310	552500	CAP OUT - SOFTWARE/INTANGIBLE	\$ 74,500	\$ -	\$ -	\$ -
104310	553000	NON-CAPITAL EQUIPMENT	\$ 20,742	\$ 63,690	\$ 30,600	\$ (33,090.00)
104310	554000	CAP OUTLAY-MOTOR VEHS	\$ 214,678	\$ 308,283	\$ 327,500	\$ 19,217.00
104310	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104310	569000	CONTRACTED SERVICES	\$ -	\$ 600	\$ 600	\$ -
<i>Sub-Total</i>			\$ 4,635,889	\$ 5,061,619	\$ 5,453,657	\$ 392,038.00



**FY18-19 Budget Highlights**

Personnel and benefits lines have increased due to the implementation of the pay and classification plan, an 11.6% health insurance increase. In Fy18-19 City Council approved the hiring of 3 new School Resource Officers to better ensure the safety of all students within City limits. Hiring new SROs has contributed to the overall \$392,038 increase in expenditure for the next fiscal year. Additional costs come from on-boarding and providing equipment and capital to new officers.

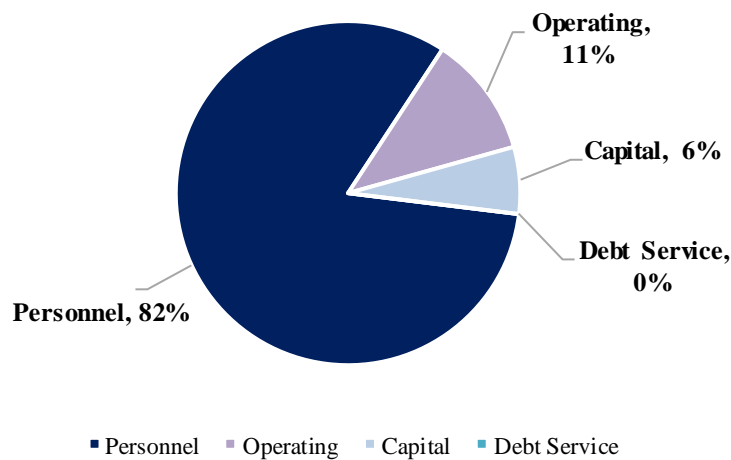


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Police				
Personnel	\$ 3,751,217	\$ 4,110,802	\$ 4,487,994	\$ 377,192
Operating	\$ 534,627	\$ 642,534	\$ 623,163	\$ (19,371)
Capital	\$ 350,046	\$ 308,283	\$ 342,500	\$ 34,217
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 4,635,889	\$ 5,061,619	\$ 5,453,657	\$ 392,038

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Police				
Full-Time	53.00	56.00	59.00	3.00
Part-Time	14.00	14.00	14.00	0.00
<i>Sub-Total</i>	67.00	70.00	73.00	3.00

Expenditures by Type



## Fire

The Hendersonville Fire Department (HFD) responded to 4,768 calls for service in 2017, performed 1800 annual fire inspections and offered over 150 hours of public education. They also conducted over 12,000 hours of training and participated in 80 public education and prevention activities. The HFD operates on an annual budget of \$ 2,967,937 and is made up of three divisions: Administration, Operations, and Life Safety. The Operations division has 27 full-time personnel that operate on a modified L.A. schedule and performs various functions including fire mitigation, emergency medical services, hazardous material operations, and specialized rescue. The Life Safety division is made up of a Fire Marshal, Assistant Fire Marshal, Fire Inspector, and one part-time Fire Inspector that perform roles in education, enforcement, inspections, and fire investigations. The administrative division is made up of the Fire Chief, Deputy Fire Chief and Administrative Assistant that performs roles in budget, strategic planning, training, and the overall direction of the organization. The HFD also utilizes 15 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 3 for its public protection classification.

## Mission

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

## Department Values

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

### Honor

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

### Professionalism

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



### Pride

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

### Dedication

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

### Teamwork

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

### FY17-18 Accomplishments

- ✓ The Hendersonville Fire Department responded to 4,768 calls for service in 2017, performed 1800 annual fire inspections and offered over 150 hours of public education.
- ✓ Conducted over 12,000 hours of training and participated in 80 public education and prevention activities.
- ✓ The Hendersonville Fire Department was evaluated by the Department of Insurance – Office of State Fire Marshal on June 28, 2017 for its Public Protection Classification. We were notified on August 28, 2017 that the Hendersonville Fire Department's new rating will be a Class 3 effective December 1, 2017.
- ✓ Celebrated our departments 125th Anniversary with an open house for both City employees and the Citizens of Hendersonville
- ✓ Signed an automatic aid contract with Blue Ridge Fire & Rescue Department on September 27, 2017 in relation to structure fire responses. The City will start responding automatically to the Blue Ridge Fire District (in areas approved by the Fire Chief) for any structure fire responses.
- ✓ Created a new district in order to start tracking information pertaining to emergency incident responses on the south side of the City. This enables us to have factual data that can be utilized when considering the addition of a third fire station.
- ✓ Placed a new engine in service at Station 2 and invited the public to join us for a “push in” ceremony. This new engine replaced a 27 year old open cab apparatus.
- ✓ Updated, revised, and created multiple standard operating guidelines and policies to aid in the overall safety and success of the fire department.
- ✓ Performed routine staff meetings with our personnel to improve internal communication and ensure we are addressing any concerns.
- ✓ 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.





- ✓ Conducted an extensive hiring process for a full-time Fire Inspector to assist with inspections, public education, and prevention activities.
- ✓ Canvased properties throughout the City and installed over 230 smoke alarms within the City of Hendersonville. These smoke alarms were provided through a grant from the Office of State Fire Marshal's and the Hendersonville Fire Department.

### **FY18-19 Goals & Initiatives**

- ✓ Continue to evolve as an organization to continually meet the needs and demands of our community, citizens, and visitors.
- ✓ Hire an engineer and/or architect to conduct a cost analysis related to a renovation at Fire Station 1
- ✓ Continue to improve customer service and enforce safe practices.
- ✓ Develop a Cancer guideline for our organization due to the increased risks associated with firefighting.
- ✓ Apply for our medium rescue certification through the N.C. Association of Rescue and Emergency Medical Services
- ✓ Continue to develop a Community-Driven Strategic Plan
- ✓ Continue to develop, revise, and implement new Standard Operating Guidelines
- ✓ Continue with development and implement a Citizens Fire Academy in FY 2018-2019.
- ✓ Replace out-dated AED'S with updated technology and train all members on proper techniques and operations.

### **Long Term Goals and Objectives**

- ✓ Build a third fire station on the south side of the City to ensure we are providing adequate service delivery to all areas of the City
- ✓ Continue to evaluate and perform recommendations from the City of Hendersonville Fire Department strategic plan peer review report that was developed by Facets Consulting and the North Carolina Department of Insurance – Office of State Fire Marshal.
- ✓ Consider adding an additional apparatus (Rescue/Service Company) to increase the availability of resources throughout the City. This apparatus would be housed at Fire Station 1 due to the high risk and vulnerability of that part of the City.
- ✓ Conduct a Citywide Hazard Analysis and establish critical task analysis for both emergency and non-emergency calls.
- ✓ Hire additional personnel in the operations division to ensure we are meeting the two-in/two-out OSHA standard for interior firefighting. This standard requires that we have a minimum of 2 trained firefighters in full PPE anytime we send personnel into an immediately dangerous to life or health (IDLH) atmosphere. With our current staffing we cannot meet this standard.
- ✓ Being the Accreditation Process through the Center for public safety excellence.
- ✓ Perform a cost analysis for a City owned fire training facility.
- ✓ Continually evaluate ways to keep fire department personnel safe.



Fire Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Fire						
104340	512100	SALARIES & WAGES-REG	\$ 1,190,576	\$ 1,470,298	\$ 1,455,736	\$ (14,562.00)
104340	512200	SALARIES & WAGES-O/T	\$ 80,422	\$ 101,600	\$ 80,868	\$ (20,732.00)
104340	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 40,629	\$ 55,955	\$ 54,602	\$ (1,353.00)
104340	512600	SALARIES & WAGES-TEMP	\$ -	\$ -	\$ -	\$ -
104340	512800	SALARIES & WAGES - HALFTIME	\$ -	\$ 52,000	\$ 67,415	\$ 15,415.00
104340	512900	SALARIES & WAGES-P/T	\$ 71,374	\$ 80,288	\$ 80,288	\$ -
104340	518100	FICA TAX EXPENSE	\$ 103,308	\$ 132,233	\$ 134,109	\$ 1,876.00
104340	518200	RETIREMENT EXPENSE	\$ 98,239	\$ 123,618	\$ 128,544	\$ 4,926.00
104340	518300	GROUP MED & LIFE INS	\$ 212,665	\$ 259,268	\$ 270,408	\$ 11,140.00
104340	518600	WORKER'S COMP INS	\$ 30,116	\$ 51,974	\$ 57,338	\$ 5,364.00
104340	518900	RETIREE INSURANCE	\$ 62,748	\$ 67,248	\$ 45,504	\$ (21,744.00)
104340	519000	PROFESSIONAL SERVICES	\$ 23,991	\$ 18,600	\$ 16,500	\$ (2,100.00)
104340	519600	FIREMEN'S RELIEF FUND PAYMENTS	\$ 46,493	\$ -	\$ -	\$ -
104340	521200	UNIFORMS	\$ 24,775	\$ 31,625	\$ 34,600	\$ 2,975.00
104340	521300	PROTECTIVE CLOTHING	\$ 37,923	\$ 56,450	\$ 73,550	\$ 17,100.00
104340	525100	GASOLINE & DIESEL	\$ 25,098	\$ 27,000	\$ 27,000	\$ -
104340	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104340	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104340	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104340	526000	OFFICE SUPPLIES	\$ 9,833	\$ 14,000	\$ 13,500	\$ (500.00)
104340	528000	EDUCATIONAL SUPPLIES	\$ 18,047	\$ 15,500	\$ 17,000	\$ 1,500.00
104340	529900	SUPPLIES & MATERIALS	\$ 19,891	\$ 24,500	\$ 31,900	\$ 7,400.00
104340	532100	TELEPHONE	\$ 6,543	\$ 7,000	\$ 8,500	\$ 1,500.00
104340	532500	POSTAGE	\$ 906	\$ 1,721	\$ 1,734	\$ 13.00
104340	533000	UTILITIES	\$ 21,783	\$ 24,000	\$ 24,000	\$ -
104340	535100	R & M - BUILDINGS	\$ 22,367	\$ 26,930	\$ 24,820	\$ (2,110.00)
104340	535200	R & M - EQUIPMENT	\$ 26,280	\$ 27,025	\$ 28,250	\$ 1,225.00
104340	535300	R & M - AUTO/TRUCKS	\$ 59,122	\$ 63,250	\$ 68,750	\$ 5,500.00
104340	537000	ADVERTISING	\$ 1,874	\$ 5,500	\$ 3,500	\$ (2,000.00)
104340	539200	LAUNDRY	\$ -	\$ -	\$ -	\$ -
104340	539400	TRAVEL	\$ 20,815	\$ 18,900	\$ 20,400	\$ 1,500.00
104340	539500	TRAINING	\$ 16,999	\$ 22,085	\$ 25,105	\$ 3,020.00
104340	545600	LIAB/PROP INS & BONDS	\$ 15,114	\$ 15,007	\$ 17,912	\$ 2,905.00
104340	549020	REIMBURSABLE FEMA EXPENDITURES	\$ 112	\$ -	\$ -	\$ -
104340	549100	DUES & SUBSCRIPTIONS	\$ 19,270	\$ 29,185	\$ 30,680	\$ 1,495.00
104340	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104340	549750	PERMITS, LICENSE AND FEES	\$ 2,669	\$ 6,000	\$ 6,000	\$ -
104340	549900	DONATION EXPENDITURE	\$ -	\$ -	\$ -	\$ -
104340	549999	MISCELANEOUS EXPENSE	\$ 5,086	\$ 6,900	\$ 4,650	\$ (2,250.00)
104340	552000	CAPITAL OUTLAY EQUIPMENT	\$ 61,867	\$ 17,200	\$ -	\$ (17,200.00)
104340	553000	NON-CAPITAL EQUIPMENT	\$ 38,472	\$ 112,572	\$ 80,500	\$ (32,072.00)
104340	554000	CAP OUTLAY-MOTOR VEHS	\$ 31,603	\$ 36,428	\$ 37,500	\$ 1,072.00
104340	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104340	558000	CAP OUTLAY-BUILDINGS	\$ -	\$ 12,800	\$ -	\$ (12,800.00)
104340	569000	CONTRACTED SERVICES	\$ -	\$ 1,000	\$ -	\$ (1,000.00)
<i>Sub-Total</i>			\$ 2,447,008	\$ 3,015,660	\$ 2,971,163	\$ (44,497.00)



**FY17-18 Budget Highlights**

Personnel and benefits lines have decreased. This is due to natural turnover in the organization. Other expenses have decreased as a number of equipment purchases were made last fiscal year and will not need to be replicated in FY18-19. Certain operational expenses have increased; for example, training for new employees has driven certain expenses higher. Overall the Fire Department is budgeted to expend \$44,497 less than the previous fiscal year.

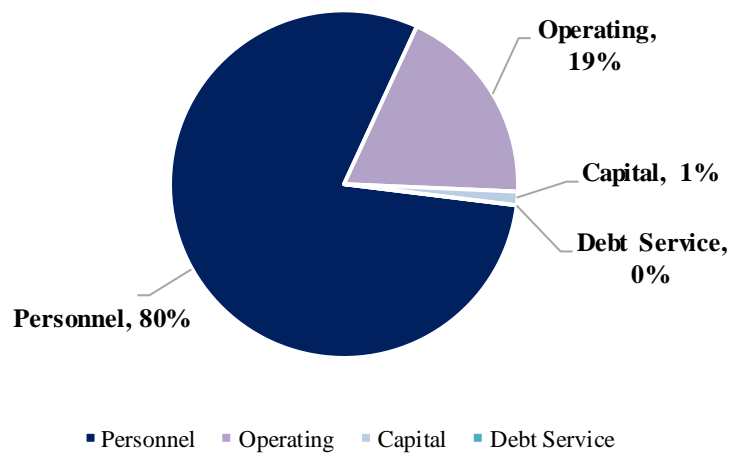


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Fire				
Personnel	\$ 1,890,076	\$ 2,394,482	\$ 2,374,812	\$ (19,670)
Operating	\$ 463,462	\$ 554,750	\$ 558,851	\$ 4,101
Capital	\$ 93,470	\$ 66,428	\$ 37,500	\$ (28,928)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 2,447,008	\$ 3,015,660	\$ 2,971,163	\$ (44,497)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Fire				
Full-Time	29.00	33.00	33.00	0.00
Part-Time	18.00	18.00	18.00	0.00
<i>Sub-Total</i>	47.00	51.00	51.00	0.00

Expenditures by Type



## Development Assistance

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

## FY17-18 Accomplishments

- ✓ Held a plaque dedication and park celebration at Berkeley Mills Park.
- ✓ Completed a zoning ordinance text amendment for "Conditional Zoning Districts."
- ✓ Presented the Bike Plan to City Council for adoption.
- ✓ Reviewed site plans and issued special use permits for 403 new multi-family residential units and 377,516 sq. ft. of commercial/institutional space within the City.
- ✓ Continued work with the new owner and Henderson County to improve living conditions at Alpine Woods.
- ✓ Reviewed development plans and issued seven 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

## FY18-19 Goals & Initiatives

- ✓ Continue to work toward voluntary compliance with codes and ordinances.
- ✓ Work with consultant to update subdivision ordinance.
- ✓ Conduct quasi-judicial training session for HPC.
- ✓ Continue to work with Water and Sewer Department on voluntary annexations for sewer service.
- ✓ Complete and adopt updates to subdivision ordinance.
- ✓ Review and Update 2030 Comprehensive Plan.
- ✓ Hold Community Meetings to begin review of zoning districts and update zoning map.



Development Assistance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Development Assistance						
104370	512100	SALARIES & WAGES-REG	\$ 248,457	\$ 271,248	\$ 278,433	\$ 7,185.00
104370	512200	SALARIES & WAGES - OVERTIME	\$ 41	\$ 5	\$ -	\$ (5.00)
104370	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
104370	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104370	518100	FICA TAX EXPENSE	\$ 18,770	\$ 20,751	\$ 21,300	\$ 549.00
104370	518200	RETIREMENT EXPENSE	\$ 18,802	\$ 20,344	\$ 21,578	\$ 1,234.00
104370	518300	GROUP MED & LIFE INS	\$ 33,534	\$ 37,575	\$ 42,252	\$ 4,677.00
104370	518600	WORKER'S COMP INS	\$ 2,414	\$ 3,096	\$ 5,128	\$ 2,032.00
104370	519000	PROFESSIONAL SERVICES	\$ 3,994	\$ 13,000	\$ 20,000	\$ 7,000.00
104370	519200	PROF SERVICES-LEGAL	\$ 3,065	\$ 3,500	\$ 5,000	\$ 1,500.00
104370	521200	UNIFORMS	\$ -	\$ 700	\$ 700	\$ -
104370	525100	GASOLINE & DIESEL	\$ 1,684	\$ 4,000	\$ 4,000	\$ -
104370	525200	TIRES	\$ -	\$ -	\$ 800	\$ 800.00
104370	525300	VEHICLE PARTS	\$ -	\$ -	\$ 500	\$ 500.00
104370	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ 500	\$ 500.00
104370	526000	OFFICE SUPPLIES	\$ 5,731	\$ 10,000	\$ 11,000	\$ 1,000.00
104370	532100	TELEPHONE	\$ 1,245	\$ 2,400	\$ 3,500	\$ 1,100.00
104370	532500	POSTAGE	\$ 3,365	\$ 8,000	\$ 8,000	\$ -
104370	535200	R & M - EQUIPMENT	\$ -	\$ 100	\$ 100	\$ -
104370	535300	R & M - AUTO/TRUCKS	\$ 161	\$ 2,700	\$ 700	\$ (2,000.00)
104370	537000	ADVERTISING	\$ 4,068	\$ 4,500	\$ 4,500	\$ -
104370	539400	TRAVEL	\$ 1,898	\$ 7,000	\$ 6,000	\$ (1,000.00)
104370	539500	TRAINING	\$ 1,949	\$ 4,500	\$ 6,000	\$ 1,500.00
104370	544000	LEASE - EQUIPMENT	\$ -	\$ 2,000	\$ 2,000	\$ -
104370	544010	LEASE- BUILDING	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
104370	545600	LIAB/PROP INS & BONDS	\$ 1,955	\$ 1,853	\$ 2,592	\$ 739.00
104370	549100	DUES & SUBSCRIPTIONS	\$ 1,070	\$ 1,500	\$ 2,000	\$ -
104370	549500	HISTORIC PRESERVATION COMM	\$ 6,201	\$ 10,000	\$ 10,000	\$ -
104370	549750	PERMITS, LICENSE AND FEES	\$ 80	\$ 100	\$ 100	\$ -
104370	549920	EMPLOYEE EVENTS	\$ 41	\$ 100	\$ -	\$ (100.00)
104370	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104370	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104370	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
104370	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104370	559900	C/O LAND IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
104370	569000	CONTRACTED SERVICES	\$ 190	\$ 1,900	\$ -	\$ (1,900.00)
104370	569400	CONT SERV-CONDM BLDGS	\$ -	\$ 20,500	\$ 25,000	\$ 4,500.00
<i>Sub-Total</i>			\$ 368,716	\$ 461,372	\$ 491,683	\$ 30,311.00

FY18-19 Budget Highlights

The regular salaries account line has increased along with other personnel expenses stemming from insurance and benefits increases. There are no other significant changes to report.

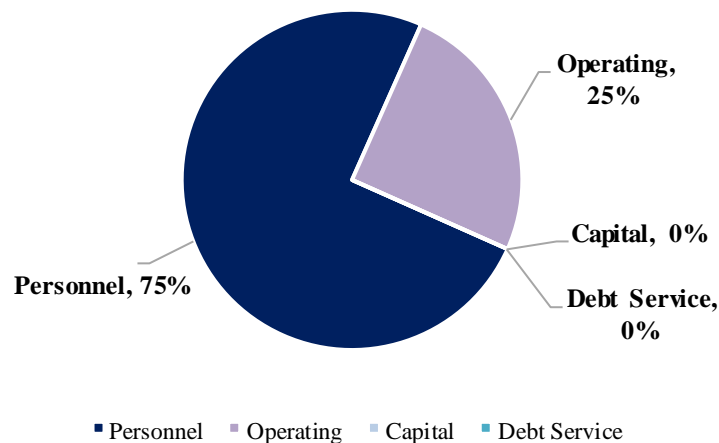


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Development Assistance				
Personnel	\$ 322,019	\$ 353,019	\$ 368,691	\$ 15,672
Operating	\$ 46,697	\$ 108,353	\$ 122,992	\$ 14,639
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 368,716	\$ 461,372	\$ 491,683	\$ 30,311

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Development Assistance				
Full-Time	5.00	5.00	5.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	5.00	5.00	5.00	0.00

Expenditures by Type



## Public Works-Administration

The Administration Division is dedicated to serving the citizens of Hendersonville and customers of our facilities, grounds, and our services. The Administration Division offers staff support to the Hendersonville Tree Board, Downtown and Seventh Avenue Historic District, Walk of Fame Committee, 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, supports the Walk of Fame Committee, 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 Assistant III. The Administrative Division is located in the City Operation Center at 305 Williams Street. For additional information, please contact Tom Wooten at 697- 3084.

## FY17-18 Accomplishments

- ✓ Working with the Walk of Fame Committee, Special Events Committee, and Sustainability Committee.
- ✓ Continue to utilize the additional funds for city street improvements.
- ✓ Worked with Engineering on the new storm water system partnership with residents.
- ✓ Working with Vaughn and Melton and NCDOT to replace a bridge for Old Tracey Grove Road.
- ✓ Worked with the Tree Board on several tree planting projects and polinator planting projects.
- ✓ Working with arborists on the Main Street Trees and MLK Blvd Trees.
- ✓ Purchased all janitorial supplies for all city buildings and parks.
- ✓ Managed insurance claims for the city.
- ✓ Worked with City Manager, Insurance Company, and Engineering Department on Farnside insurance claim.
- ✓ Manage pest control at city buildings.
- ✓ Purchase supplies for parking kiosk and assisted with repairs.
- ✓ Worked with downtown landscaping contractor on landscaping and hanging baskets.

## FY18-19 Goals & Initiatives

- ✓ Begin construction on the Tracey Grove Road Bridge Project.
- ✓ Begin construction on the Grounds and Building Offices/shops.





Public Works-Administration Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Administration						
104500	512100	SALARIES & WAGES-REG	\$ 204,888	\$ 211,641	\$ 218,676	\$ 7,035.00
104500	512200	SALARIES & WAGES - OVERTIME	\$ 69	\$ 500	\$ -	\$ (500.00)
104500	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ 610	\$ 404	\$ 404	\$ -
104500	513600	SALARIES & WAGES-AUTO/TAXABLE	\$ -	\$ -	\$ -	\$ -
104500	518100	FICA TAX EXPENSE	\$ 14,579	\$ 16,191	\$ 16,729	\$ 538.00
104500	518200	RETIREMENT EXPENSE	\$ 15,536	\$ 15,874	\$ 16,947	\$ 1,073.00
104500	518300	GROUP MED & LIFE INS	\$ 23,252	\$ 22,545	\$ 25,350	\$ 2,805.00
104500	518600	WORKER'S COMP INS	\$ 1,472	\$ 1,972	\$ 3,152	\$ 1,180.00
104500	518900	RETIREE INSURANCE	\$ 8,964	\$ 11,196	\$ 12,699	\$ 1,503.00
104500	519000	PROFESSIONAL SERVICES	\$ -	\$ 800	\$ 600	\$ (200.00)
104500	521200	UNIFORMS	\$ 826	\$ 1,096	\$ 1,500	\$ 404.00
104500	523000	MEDICAL SUPPLIES	\$ 276	\$ 1,300	\$ 1,000	\$ (300.00)
104500	525100	GASOLINE & DIESEL	\$ 1,660	\$ 2,400	\$ 2,400	\$ -
104500	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104500	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104500	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104500	526000	OFFICE SUPPLIES	\$ 2,591	\$ 2,650	\$ 2,200	\$ (450.00)
104500	529900	SUPPLIES & MATERIALS	\$ 945	\$ 2,200	\$ 2,200	\$ -
104500	532100	TELEPHONE	\$ 1,406	\$ 1,940	\$ 1,940	\$ -
104500	532500	POSTAGE	\$ 57	\$ 200	\$ 200	\$ -
104500	535200	R & M - EQUIPMENT	\$ -	\$ 500	\$ -	\$ (500.00)
104500	535300	R & M - AUTO/TRUCKS	\$ 2,223	\$ 3,391	\$ 2,000	\$ (1,391.00)
104500	537000	ADVERTISING	\$ -	\$ -	\$ 1,000	\$ 1,000.00
104500	539400	TRAVEL	\$ 152	\$ 1,600	\$ 2,000	\$ 400.00
104500	539500	TRAINING	\$ 1,277	\$ 2,000	\$ 2,000	\$ -
104500	545600	LIAB/PROP INS & BONDS	\$ 2,500	\$ 2,432	\$ 2,629	\$ 197.00
104500	549100	DUES & SUBSCRIPTIONS	\$ 500	\$ 850	\$ 300	\$ (550.00)
104500	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
104500	549400	H'VILLE TREE BOARD	\$ 13,298	\$ 12,330	\$ 12,770	\$ 440.00
104500	549750	PERMITS, LICENSE AND FEES	\$ 6,576	\$ 609	\$ 100	\$ (509.00)
104500	549999	MISCELANEOUS EXPENSE	\$ 97	\$ 1,700	\$ 1,200	\$ (500.00)
104500	552000	CAP OUTLAY-DP EQUIP	\$ -	\$ -	\$ -	\$ -
104500	554000	CAPT OUTLAY-MOTOR VEHICLES	\$ 21,500	\$ 27,500	\$ 55,000	\$ 27,500.00
104500	569000	CONTRACTED SERVICES	\$ 9,227	\$ 25,100	\$ 26,600	\$ 1,500.00
<i>Sub-Total</i>			\$ 334,481	\$ 370,921	\$ 411,596	\$ 40,675.00

FY18-19 Budget Highlights

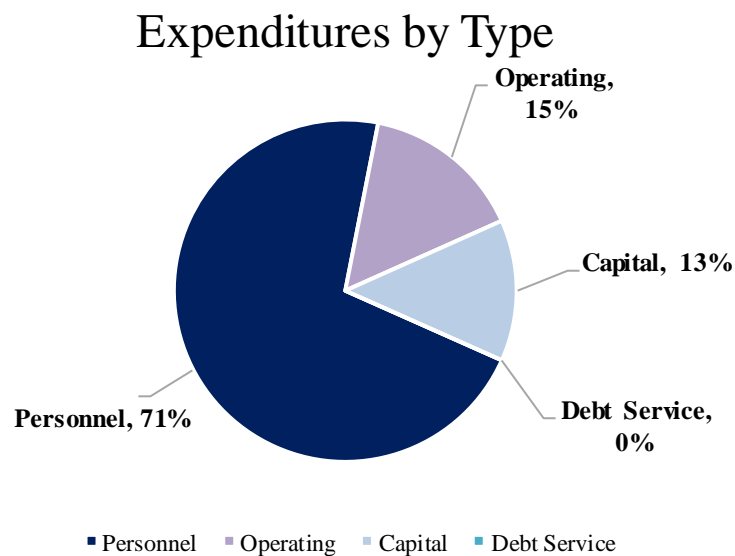
Personnel increases in Public Works Admin are due to natural pay increases along with increases in health insurance premiums. The Department has budget in FY18-19 for a new vehicle, this is a significant increase from last fiscal year. Overall the department's budget is \$40,675 higher than FY17-18.



Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Administration				
Personnel	\$ 269,370	\$ 280,323	\$ 293,957	\$ 13,634
Operating	\$ 43,611	\$ 63,098	\$ 62,639	\$ (459)
Capital	\$ 21,500	\$ 27,500	\$ 55,000	\$ 27,500
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 334,481	\$ 370,921	\$ 411,596	\$ 40,675

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 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



### 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 plus tree trimming and removal. 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, five Workers. The Street Maintenance Division is located at the City Operation Center. For more information, please contact Tom Wooten at (828) 697-3084.

### FY17-18 Accomplishments

- ✓ Installed sidewalk on Blythe Street.
- ✓ Renovated Maple Street from the Depot to 5th Avenue.
- ✓ Purchased Skid Steer unit with attachments.
- ✓ Purchased new snow plow blade.
- ✓ Purchased new salt/sand spreader.
- ✓ Assisted with special events.
- ✓ Purchased a fork lift broom and dust control agent for Sugarloaf Storage Facility.

### FY18-19 Goals & Initiatives

- ✓ Renovate 4th Avenue from Grove Street to Main Street.
- ✓ Finalize pavement condition study.



Public Works-Streets & Highways Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways						
104510	512100	SALARIES & WAGES-REG	\$ 225,430	\$ 265,132	\$ 282,682	\$ 17,550.00
104510	512200	SALARIES & WAGES-O/T	\$ 7,777	\$ 12,500	\$ 7,000	\$ (5,500.00)
104510	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 767	\$ 2,040	\$ 2,175	\$ 135.00
104510	512900	SALARIES & WAGES-P/T	\$ 9,912	\$ 10,000	\$ -	\$ (10,000.00)
104510	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ 1,829	\$ 1,616	\$ 1,616	\$ -
104510	518100	FICA TAX EXPENSE	\$ 18,041	\$ 20,975	\$ 22,328	\$ 1,353.00
104510	518200	RETIREMENT EXPENSE	\$ 17,693	\$ 20,563	\$ 22,619	\$ 2,056.00
104510	518300	GROUP MED & LIFE INS	\$ 51,065	\$ 60,120	\$ 67,602	\$ 7,482.00
104510	518600	WORKER'S COMP INS	\$ 13,802	\$ 16,819	\$ 13,832	\$ (2,987.00)
104510	519000	PROFESSIONAL SERVICES	\$ -	\$ 25,900	\$ 900	\$ (25,000.00)
104510	521200	UNIFORMS	\$ 2,272	\$ 4,586	\$ 6,000	\$ 1,414.00
104510	524000	CONST & REPAIR SUPP	\$ 111,334	\$ 115,000	\$ 145,000	\$ 30,000.00
104510	525100	GASOLINE & DIESEL	\$ 14,445	\$ 17,000	\$ 20,000	\$ 3,000.00
104510	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104510	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104510	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104510	529900	SUPPLIES & MATERIALS	\$ 39,817	\$ 25,000	\$ 25,000	\$ -
104510	532100	TELEPHONE	\$ 730	\$ 900	\$ 900	\$ -
104510	535200	R & M - EQUIPMENT	\$ 10,422	\$ 26,000	\$ 12,000	\$ (14,000.00)
104510	535300	R & M - AUTO/TRUCKS	\$ 34,874	\$ 35,000	\$ 45,000	\$ 10,000.00
104510	539400	TRAVEL	\$ -	\$ 400	\$ 400	\$ -
104510	539500	TRAINING	\$ 337	\$ 900	\$ 900	\$ -
104510	545600	LIAB/PROP INS & BONDS	\$ 21,314	\$ 14,990	\$ 16,005	\$ 1,015.00
104510	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 100	\$ 100	\$ -
104510	549999	MISCELANEOUS EXPENSE	\$ 233	\$ -	\$ -	\$ -
104510	552000	CAPITAL OUTLAY - EQUIPMENT	\$ 130,885	\$ 78,000	\$ 30,000	\$ (48,000.00)
104510	553000	NON-CAPITAL EQUIPMENT	\$ 2,786	\$ -	\$ -	\$ -
104510	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
104510	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104510	557500	CAPITAL OUTLAY - SIDEWALKS	\$ -	\$ -	\$ -	\$ -
104510	559500	CAP OUTLAY-STREETS/BRIDGES	\$ -	\$ -	\$ -	\$ -
104510	559900	C/O LAND IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
104510	569000	CONTRACTED SERVICES	\$ 29,265	\$ 60,558	\$ 48,070	\$ (12,488.00)
<i>Sub-Total</i>			\$ 745,030	\$ 814,099	\$ 770,129	\$ (43,970.00)

FY18-19 Budget Highlights

A major change to note in this budget is a decline in capital equipment expenditures. This is the most significant decrease, ahead of a decline in professional services expenditures. The changes noted have contributed to an overall decline in divisional expenditures for this fiscal year.

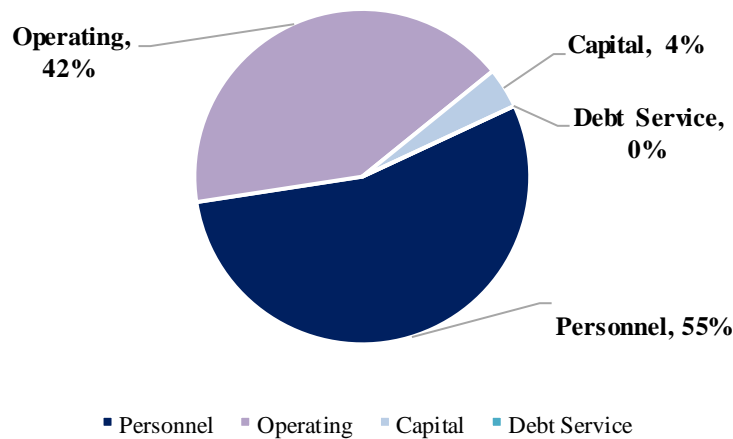


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Streets & Highways				
Personnel	\$ 346,316	\$ 409,765	\$ 419,854	\$ 10,089
Operating	\$ 267,829	\$ 326,334	\$ 320,275	\$ (6,059)
Capital	\$ 130,885	\$ 78,000	\$ 30,000	\$ (48,000)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 745,030	\$ 814,099	\$ 770,129	\$ (43,970)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
PW-Streets & Highways				
Full-Time	8.00	8.00	9.00	1.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	8.00	8.00	9.00	1.00

Expenditures by Type



**Powell Bill**

Powell Bill allocations are made to incorporated municipalities which establish their eligibility and qualify per North Carolina General Statute 136-41.1 through 136-41.4. Annually, State Street-Aid (Powell Bill) allocations are made to incorporated municipalities which establish their eligibility and qualify as provided by G.S. 136-41.1 through 136-41.4. The new general statutes per HB 97 v9 of Session 2015 require that a sum of \$147,500,000 be disbursed to the qualifying municipalities. The statutes also provide that funds be disbursed to the qualified municipalities on or before October 1st and January 1st, thereby allowing sufficient time after the end of the fiscal year for verification of information and to determine the proper allocations and preparation of disbursements. Powell Bill funds shall be expended primarily for the purposes of resurfacing streets within the corporate limits of the municipality but may also used for maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare within the municipal limits or for planning, construction, and maintenance of bikeways, greenways or sidewalks..

**Powell Bill Expenditures by Line Item**

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Powell Bill						
104511	535400	R & M - STREET MAINT	\$ 475,629	\$ 475,159	\$ 543,682	\$ 68,523.00
104511	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
104511	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104511	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 475,629	\$ 475,159	\$ 543,682	\$ 68,523.00

**FY18-19 Budget Highlights**

A portion of the revenues going towards the Powell Bill budget for FY17-18 have been used for a pavement condition rating study, budgeted in the Streets Division. More funds have been designated for street maintenance in FY18-19. Expenditures have increased by \$68,523 from last fiscal year.



## Public Works-Traffic Engineering

The Traffic Division is dedicated to serving the citizens of Hendersonville through operation and maintenance of our over 43 traffic signals, 6,153 signs (including street name signs, regulatory signs, and parking lot signs), traffic markings, parking kiosk maintenance and repair, 5 emergency phone stations, graffiti removal, traffic data collection, 1,937 decorative light poles, and 175 overhead banners. The Traffic Division also offers support for downtown events. The division includes a Traffic Supervisor and a Traffic Technician. The Traffic Division is located in the City Operation Center. For more information about the Traffic Division, please contact Tom Wooten at (828) 697-3084.

## FY17-18 Accomplishments

- ✓ Upgraded signal cabinet at Main & Caswell from EPAC to 2070.
- ✓ Yearly preventative maintenance on all traffic signal systems.
- ✓ Yearly inspection and preventative maintenance on all road signs. Replaced the signs that failed the inspection.
- ✓ Completed traffic counts in zones 1, 2, 3, and 4.
- ✓ Restriped city parking lots, as needed.
- ✓ Began annual maintenance and repair on the emergency trial phone towers.
- ✓ Began annual maintenance and repair on the solar parking lot lights on the trail.
- ✓ Install new security system at Patton Park.
- ✓ Install new security system at Building and Grounds shop when it is finished.
- ✓ Installed new pedestrian signal system at 4th Avenue & Washington Street.
- ✓ Install 200 Amp service and plug banks for special events and lighting on Maple Street.
- ✓ Install ten new and maintained art banners on Main Street and 7th Avenue.
- ✓ Preventative maintenance and outage repair on the city decorative street and parking lot lights.
- ✓ Collect radar speed data for Public Works and Police Dept.
- ✓ Repair stop blocks and parking signs on the blocks that get damaged.
- ✓ Completed IMSA Training.
- ✓ Assisted with special events.

## FY18-19 Goals & Initiatives

- ✓ Continue to perform yearly preventive maintenance on all city signal system.
- ✓ Complete signal preventative maintenance tasks.
- ✓ Complete traffic counts on all roads in Zones 1, 2, 3, & 4.
- ✓ Restripe all the parking lots, as needed.



Public Works-Traffic Engineering Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering						
104520	512100	SALARIES & WAGES-REG	\$ 77,532	\$ 79,024	\$ 82,978	\$ 3,954.00
104520	512200	SALARIES & WAGES-O/T	\$ 3,757	\$ 6,000	\$ 3,225	\$ (2,775.00)
104520	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 290	\$ 608	\$ 639	\$ 31.00
104520	512300	SAL & WAGES-STANDBY	\$ 13,253	\$ 13,000	\$ 13,221	\$ 221.00
104520	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ 407	\$ 404	\$ 404	\$ -
104520	518100	FICA TAX EXPENSE	\$ 7,244	\$ 7,125	\$ 7,655	\$ 530.00
104520	518200	RETIREMENT EXPENSE	\$ 7,186	\$ 6,985	\$ 7,755	\$ 770.00
104520	518300	GROUP MED & LIFE INS	\$ 15,493	\$ 15,030	\$ 16,901	\$ 1,871.00
104520	518600	WORKER'S COMP INS	\$ 9,091	\$ 9,313	\$ 11,860	\$ 2,547.00
104520	518900	RETIREE INSURANCE	\$ 8,964	\$ 11,196	\$ 12,699	\$ 1,503.00
104520	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -
104520	521200	UNIFORMS	\$ 1,626	\$ 1,096	\$ 1,500	\$ 404.00
104520	525100	GASOLINE & DIESEL	\$ 1,725	\$ 2,600	\$ 2,600	\$ -
104520	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104520	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104520	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104520	529900	SUPPLIES & MATERIALS	\$ 59,416	\$ 56,422	\$ 50,000	\$ (6,422.00)
104520	532100	TELEPHONE	\$ 1,878	\$ 2,250	\$ 1,800	\$ (450.00)
104520	533900	STREET & TRAFFIC LTS	\$ 180,253	\$ 215,480	\$ 200,000	\$ (15,480.00)
104520	535200	R & M - EQUIPMENT	\$ 526	\$ 3,000	\$ 3,500	\$ 500.00
104520	535300	R & M - AUTO/TRUCKS	\$ 3,516	\$ 3,600	\$ 4,100	\$ 500.00
104520	539400	TRAVEL	\$ 519	\$ 2,180	\$ 2,200	\$ 20.00
104520	539500	TRAINING	\$ 1,840	\$ 2,135	\$ 2,200	\$ 65.00
104520	545600	LIAB/PROP INS & BONDS	\$ 1,553	\$ 1,238	\$ 1,727	\$ 489.00
104520	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 160	\$ 100	\$ (60.00)
104520	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104520	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ 26,364	\$ 29,000	\$ 2,636.00
104520	553000	NON-CAPITAL EQUIPMENT	\$ 11,837	\$ -	\$ -	\$ -
104520	554000	CAPT OUTLAY-MOTOR VEHICLES	\$ -	\$ -	\$ -	\$ -
104520	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
104520	559900	C/O LAND IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
104520	569000	CONTRACTED SERVICES	\$ -	\$ 1,000	\$ -	\$ (1,000.00)
<i>Sub-Total</i>			\$ 407,905	\$ 466,210	\$ 456,064	\$ (10,146.00)

FY18-19 Budget Highlights

Personnel costs have increased due to insurance costs, as can be observed in other departments. Various projects were completed and will not need budget again in FY18-19; therefore, costs for this department have decreased for the new fiscal year. Overall, the budget for this Public Works division is \$10,146 less than in FY17-18.



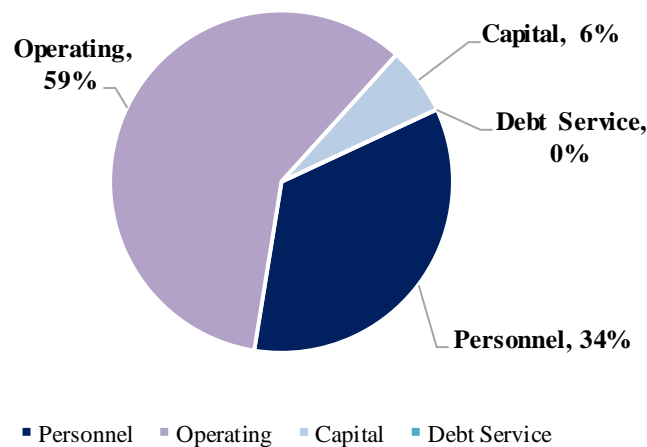


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Traffic Engineering				
Personnel	\$ 143,217	\$ 148,685	\$ 157,337	\$ 8,652
Operating	\$ 264,688	\$ 291,161	\$ 269,727	\$ (21,434)
Capital	\$ -	\$ 26,364	\$ 29,000	\$ 2,636
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 407,905	\$ 466,210	\$ 456,064	\$ (10,146)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 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 roadside mowing, collection of fall bulk leaves, water hanging baskets, snow removal in town and downtown, and provides maintenance for all of the Oklawaha Greenway trail. The Grounds Maintenance Division also provides support for Downtown Special Events and Special events at the City's Parks. The division also performs nuisance abatements for the Zoning Department. The division includes a Supervisor, two Crew Leaders, an Equipment Operator, and four 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.

## FY17-18 Accomplishments

- ✓ Installed landscaping around the Patton building.
- ✓ Continuing to work on the new building design and construction process, preparing to relocate equipment.
- ✓ Purchased zero turn mower.
- ✓ Resurfaced courts at Sullivan Park.
- ✓ Installed wood mulch (playground fall protection material) at Sullivan Park.
- ✓ Installed artificial turf playground fall protection material at Patton Park playground.
- ✓ Purchased a new pickup truck.
- ✓ Watered all hanging baskets in downtown.
- ✓ Assisted with special events.
- ✓ Assisted with tree replacement project on Main Street and planter bed rebuilding projects.
- ✓ Power wash the sidewalks along Main Street to remove dirt, grease, and grime.

## FY18-19 Goals & Initiatives

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



Public Works-Grounds Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance						
104760	512100	SALARIES & WAGES-REG	\$ 269,501	\$ 291,892	\$ 298,347	\$ 6,455.00
104760	512200	SALARIES & WAGES-O/T	\$ 14,313	\$ 10,000	\$ 11,628	\$ 1,628.00
104760	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 1,005	\$ 2,132	\$ 2,295	\$ 163.00
104760	512900	SALARIES & WAGES-P/T	\$ 20,562	\$ 21,591	\$ -	\$ (21,591.00)
104760	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ 1,627	\$ 1,616	\$ 1,616	\$ -
104760	518100	FICA TAX EXPENSE	\$ 23,300	\$ 25,229	\$ 23,888	\$ (1,341.00)
104760	518200	RETIREMENT EXPENSE	\$ 21,514	\$ 23,213	\$ 24,200	\$ 987.00
104760	518300	GROUP MED & LIFE INS	\$ 61,973	\$ 66,350	\$ 67,602	\$ 1,252.00
104760	518600	WORKER'S COMP INS	\$ 3,978	\$ 5,710	\$ 7,893	\$ 2,183.00
104760	518900	RETIREE INSURANCE	\$ -	\$ -	\$ -	\$ -
104760	519000	PROFESSIONAL SERVICES	\$ -	\$ 400	\$ 400	\$ -
104760	521200	UNIFORMS	\$ 1,342	\$ 5,134	\$ 6,750	\$ 1,616.00
104760	525100	GASOLINE & DIESEL	\$ 13,516	\$ 16,000	\$ 16,000	\$ -
104760	525200	TIRES	\$ -	\$ -	\$ -	\$ -
104760	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
104760	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
104760	529900	SUPPLIES & MATERIALS	\$ 32,544	\$ 26,240	\$ 26,700	\$ 460.00
104760	532100	TELEPHONE	\$ 1,025	\$ 1,400	\$ 900	\$ (500.00)
104760	535200	R & M - EQUIPMENT	\$ 8,334	\$ 13,000	\$ 9,000	\$ (4,000.00)
104760	535300	R & M - AUTO/TRUCKS	\$ 7,841	\$ 9,150	\$ 12,000	\$ 2,850.00
104760	539400	TRAVEL	\$ 18	\$ 500	\$ 500	\$ -
104760	539500	TRAINING	\$ 377	\$ 1,210	\$ 900	\$ (310.00)
104760	545600	LIAB/PROP INS & BONDS	\$ 13,079	\$ 7,917	\$ 8,377	\$ 460.00
104760	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 950	\$ 100	\$ (850.00)
104760	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
104760	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
104760	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ 20,000	\$ -	\$ (20,000.00)
104760	555000	CAP OUTLAY-OTR EQUIP	\$ 8,801	\$ -	\$ 21,000	\$ 21,000.00
104760	559900	C/O LAND IMPROVEMENTS	\$ -	\$ 31,000	\$ -	\$ (31,000.00)
104760	569000	CONTRACTED SERVICES	\$ 52,614	\$ 38,155	\$ 5,000	\$ (33,155.00)
<i>Sub-Total</i>			\$ 557,263	\$ 618,789	\$ 545,096	\$ (73,693.00)

FY18-19 Budget Highlights

Personnel and benefits lines have increased due to a health insurance increase, in addition to natural growth. Part-time costs have decreased for next fiscal year as no part-time workers are anticipated to assist crews. Other operational expenses have decreased from FY17-18 as a few equipment purchases, land expenses, and projects have completed. Overall, this department is anticipated to expend \$73,693 less than last fiscal year.

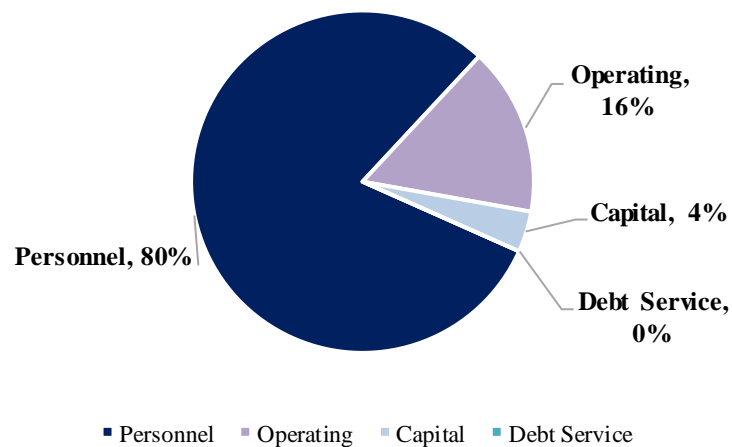


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Grounds Maintenance				
Personnel	\$ 417,773	\$ 447,733	\$ 437,469	\$ (10,264)
Operating	\$ 130,689	\$ 140,056	\$ 86,627	\$ (53,429)
Capital	\$ 8,801	\$ 31,000	\$ 21,000	\$ (10,000)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 557,263	\$ 618,789	\$ 545,096	\$ (73,693)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
PW-Grounds Maintenance				
Full-Time	8.00	8.00	8.00	0.00
Part-Time	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	8.00	8.00	8.00	0.00

Expenditures by Type



### Public Works-Patton Pool

Patton Pool is now owned by the City and operated by the Hendersonville Family YMCA. The YMCA provides staffing for summer employees including lifeguards, cashiers, and pool managers. This joint effort is beneficial to the community, providing additional services and recreational opportunities for the citizens and visitors of Hendersonville. The City of Hendersonville still maintains the pool and performs maintenance as needed.

### FY17-18 Accomplishments

- ✓ Continue to work on our point of sale system to better control inventory and accuracy of our deposits.
- ✓ We continue to look for ways to improve revenue.
- ✓ Added more air conditioning to some of the office space.
- ✓ Worked with the Child Nutrition Supervisor at Henderson County Public Schools to serve meals at Patton Pool to local school kids.
- ✓ Purchased a stand for the kiddy pool. Adult Admissions - 6,281

### FY18-19 Goals & Initiatives

- ✓ Replace lounge chairs.
- ✓ Replace guard stands to improve safety of the guards.
- ✓ Negotiating with the YMCA to run the pool.



Public Works-Patton Pool Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
PW-Patton Pool						
106170	512100	SALARIES & WAGES-REG	\$ -	\$ -	\$ -	\$ -
106170	512200	SALARIES & WAGES - OVERTIME	\$ 4,087	\$ -	\$ -	\$ -
106170	512900	SALARIES & WAGES-P/T	\$ 127,616	\$ 123,752	\$ -	\$ (123,752.00)
106170	513500	SALARIES & WAGES-UNIFORM/TAXAB	\$ -	\$ -	\$ -	\$ -
106170	518100	FICA TAX EXPENSE	\$ 10,076	\$ 9,468	\$ -	\$ (9,468.00)
106170	518600	WORKER'S COMP INS	\$ 1,796	\$ 2,324	\$ -	\$ (2,324.00)
106170	519000	PROFESSIONAL SERVICES	\$ 175	\$ -	\$ -	\$ -
106170	521200	UNIFORMS	\$ 2,296	\$ 2,336	\$ -	\$ (2,336.00)
106170	527000	PURCH FOR RESALE-POOL	\$ 24,049	\$ 10,000	\$ -	\$ (10,000.00)
106170	529900	SUPPLIES & MATERIALS	\$ 19,552	\$ 16,400	\$ 2,400	\$ (14,000.00)
106170	532100	TELEPHONE	\$ -	\$ -	\$ -	\$ -
106170	533000	UTILITIES	\$ 18,294	\$ 26,600	\$ 23,600	\$ (3,000.00)
106170	535100	R & M - BUILDINGS	\$ 2,289	\$ 8,000	\$ 8,000	\$ -
106170	535200	R & M - EQUIPMENT	\$ 2,970	\$ 8,000	\$ 8,000	\$ -
106170	545600	LIAB/PROP INS & BONDS	\$ -	\$ 10	\$ 9	\$ (1.00)
106170	549300	POOL/ MINI GOLF SHORT/OVER	\$ (415)	\$ 250	\$ -	\$ (250.00)
106170	549750	PERMITS, LICENSE AND FEES	\$ 1,374	\$ 2,100	\$ -	\$ (2,100.00)
106170	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
106170	553000	NON-CAPITAL EQUIPMENT	\$ 16,765	\$ -	\$ 700	\$ 700.00
106170	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
106170	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
106170	569000	CONTRACTED SERVICES	\$ 12,251	\$ 24,949	\$ 68,100	\$ 43,151.00
<i>Sub-Total</i>			\$ 243,174	\$ 234,189	\$ 110,809	\$ (123,380.00)

FY18-19 Budget Highlights

Patton Pool is now owned by the City of Hendersonville and operated by the Hendersonville Family YMCA. The partnership between the City and the YMCA is anticipated to provide greater levels of service to the community with enhanced recreational opportunity. The City has no personnel expenses due to the change in operations; however, the City still performs maintenance and other work as needed at the facilities. Overall, this partnership has decreased the expenditures for Patton Pool by \$123,380 for FY18-19.

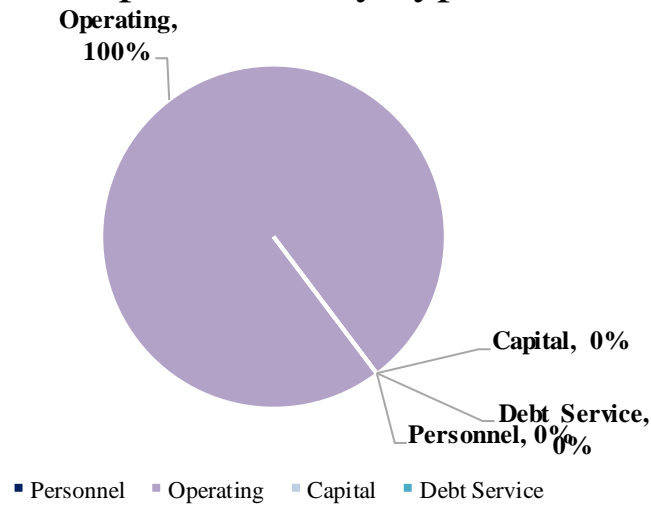


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Personnel	\$ 143,575	\$ 135,544	\$ -	\$ (135,544)
Operating	\$ 99,599	\$ 98,645	\$ 110,809	\$ 12,164
Capital	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 243,174	\$ 234,189	\$ 110,809	\$ (123,380)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
PW-Patton Pool				
Full-Time	0.00	0.00	0.00	0.00
Part-Time	34.00	34.00	0.00	-34.00
<i>Sub-Total</i>	35.00	36.00	0.00	-36.00

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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Non-Departmental						
109619	598880	CONTR TO H&W FUND	\$ -	\$ 178,340	\$ 189,818	\$ 11,478.00
<i>Sub-Total</i>			\$ -	\$ 178,340	\$ 189,818	\$ 11,478.00

**FY18-19 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 FY18-19.





### 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.

In FY17-18, the City of Hendersonville moved Special Appropriations expenses under the governing body. For more information about the Special Appropriations process and expenditures, please see the *Governing Body* section of the General Fund portion of the budget document.



**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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Debt Service						
109621	570100	PRIN - PARKING KIOSKS	\$ -	\$ -	\$ 11,580	\$ 11,580.00
109621	570200	INT - PARKING KIOSKS	\$ -	\$ -	\$ 859	\$ 859.00
109621	573303	PRIN- CITY HALL RENOVATE	\$ -	\$ -	\$ 116,667	\$ 116,667.00
109621	573407	PRIN - FIRE ENGINE	\$ -	\$ -	\$ 36,891	\$ 36,891.00
109621	573413	PRIN - FIRE & MAIN ST	\$ -	\$ -	\$ 300,000	\$ 300,000.00
109621	573420	PRINCIPAL 2017 REFUNDING BOND	\$ -	\$ -	\$ 166,000	\$ 166,000.00
109621	574303	INT - CITY HALL RENOVATE	\$ -	\$ -	\$ 2,431	\$ 2,431.00
109621	574407	INT - FIRE ENGINE	\$ -	\$ -	\$ 15,191	\$ 15,191.00
109621	574413	INT - FIRE & MAIN ST	\$ -	\$ -	\$ 154,433	\$ 154,433.00
109621	574420	INTEREST 2017 REFUNDING BOND	\$ -	\$ -	\$ 27,129	\$ 27,129.00
Sub-Total			\$ -	\$ -	\$ 831,181	\$ 831,181.00

**FY18-19 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 through FY17-18. For FY18-19, \$831,181 has been appropriated to pay for debt service expenses related to various General Fund projects within the General Fund budget.



**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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Transfers						
109900	998180	TRANSFER FROM CAR SEAT	\$ (488)	\$ -	\$ -	\$ -
109900	999015	TRANSFER TO DEBT SERVICE FUND	\$ 633,723	\$ 565,000	\$ -	\$ (565,000.00)
109900	999067	TRANSFER TO STORMWATER	\$ -	\$ 32,600	\$ -	\$ (32,600.00)
109900	999170	TRANSFER TO FIRE COMMUNITY	\$ 2,714	\$ -	\$ -	\$ -
109900	999305	TRANSFER TO G.H. MILL GRANT	\$ -	\$ 60,000	\$ -	\$ (60,000.00)
109900	999325	TRANSFER TO PD GRANT	\$ -	\$ 1,525	\$ -	\$ (1,525.00)
109900	999350	TRANSFER OUT TO HWY64 SWALK	\$ 9,314	\$ -	\$ -	\$ -
109900	999404	TRANSFER TO TRACEY GROVE	\$ 41,389	\$ 16,611	\$ -	\$ (16,611.00)
109900	999435	TRANSFER TO N. OAK ST.	\$ 9,101	\$ -	\$ -	\$ -
109900	999450	TRANSFER TO FIRE ENGINE	\$ 3,000	\$ -	\$ -	\$ -
109900	999467	TRANSFER TO BUNCOMBE SW	\$ -	\$ 57,984	\$ -	\$ (57,984.00)
<i>Sub-Total</i>			\$ 698,753	\$ 733,720	\$ -	\$ (733,720.00)

**FY18-19 Budget Highlights**

Transfers were previously used to move funds to pay for various capital and operational expenses. Funds have been sufficiently transferred to pay for these expenses in FY17-18; therefore, no funds have been appropriated for transfer in FY18-19.



**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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Contingencies						
109910	599100	CONTINGENCIES	\$ -	\$ 5,517	\$ 105,674	\$ 100,157.00
		<i>Sub-Total</i>	\$ -	\$ 5,517	\$ 105,674	\$ 100,157.00
		<b>GRAND TOTAL</b>	<b>\$ 13,876,771</b>	<b>\$ 15,361,197</b>	<b>\$ 16,011,666</b>	<b>\$ 650,469.00</b>

**FY18-19 Budget Highlights**

For FY18-19, the City of Hendersonville budgeted \$105,674 for contingencies expenditures. Budgeting for contingencies helps the City pay for certain unanticipated or emergency costs not budgeted elsewhere. General Fund contingencies are a helpful management tool which allows the City to pay for emergency items.



## Water and Sewer Fund 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

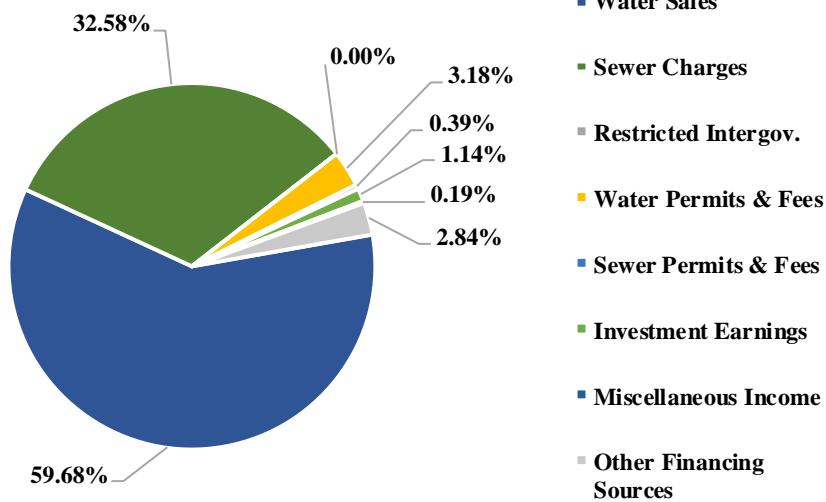
The following tables and charts detail the City's Water and Sewer Fund revenues by source:

REVENUE SOURCE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Water Sales	\$ (9,600,604)	\$ (9,536,461)	\$ (9,929,436)	\$ (392,975)
Sewer Charges	\$ (4,774,202)	\$ (4,806,412)	\$ (5,420,415)	\$ (614,003)
Restricted Intergov.	\$ -	\$ -	\$ -	\$ -
Water Permits & Fees	\$ (609,314)	\$ (524,500)	\$ (529,745)	\$ (5,245)
Sewer Permits & Fees	\$ (95,555)	\$ (65,000)	\$ (65,200)	\$ (200)
Investment Earnings	\$ (81,814)	\$ (190,000)	\$ (190,000)	\$ -
Miscellaneous Income	\$ (67,240)	\$ (34,900)	\$ (32,400)	\$ 2,500
Other Financing Sources	\$ (2,279,074)	\$ (6,854,423)	\$ (471,937)	\$ 6,382,486
<b>Total</b>	<b>\$ (17,507,804)</b>	<b>\$ (22,011,696)</b>	<b>\$ (16,639,133)</b>	<b>\$ 5,372,563</b>

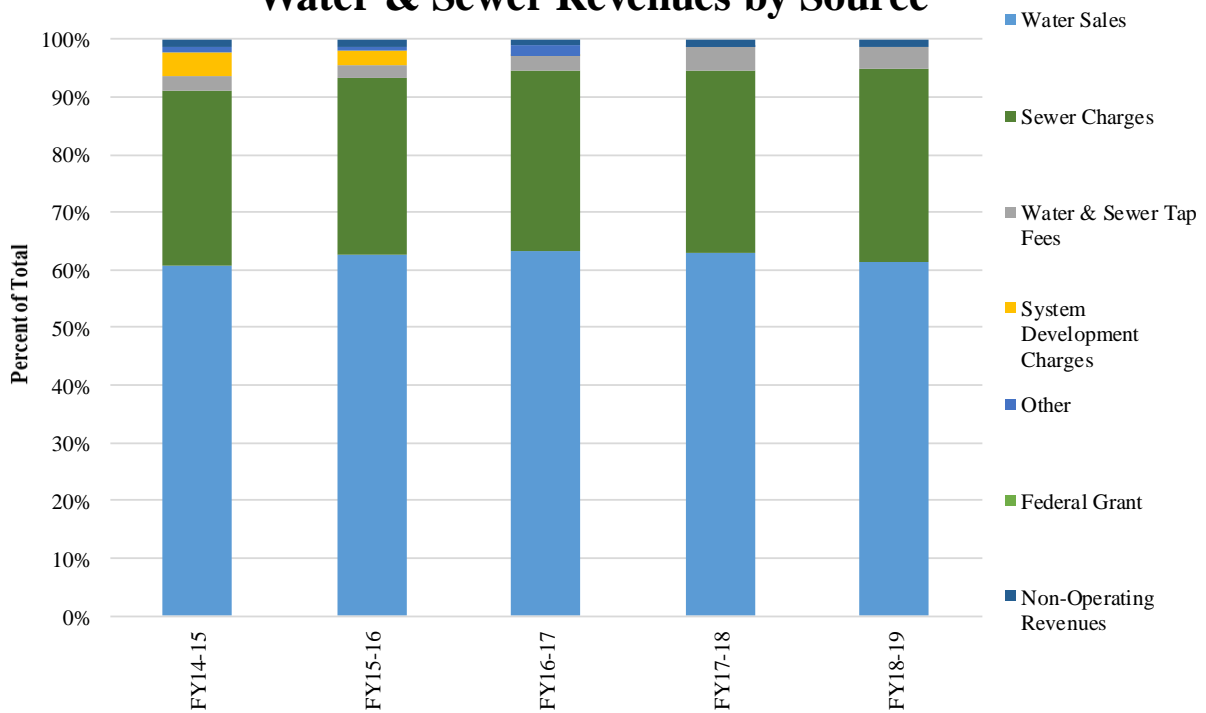


The following charts detail Water and Sewer Fund revenues by source:

### Water & Sewer Fund Revenues by Source FY18-19



### 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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Water Sales						
600012	451100	WATER SALES - GENERAL	\$ (9,598,548)	\$ (9,534,461)	\$ (9,927,336)	\$ (392,875.00)
600012	451110	WATER SALES-UNCOLLECTABLE	\$ -	\$ -	\$ -	\$ -
600012	451200	WATER SALES - MISCELLANEOUS	\$ (2,057)	\$ (2,000)	\$ (2,100)	\$ (100.00)
		<i>Sub-Total</i>	\$ (9,600,604)	\$ (9,536,461)	\$ (9,929,436)	\$ (392,975.00)
Sewer Charges						
600013	451300	SEWER CHARGES	\$ (4,612,796)	\$ (4,656,412)	\$ (5,268,915)	\$ (612,503.00)
600013	451310	SEWER SALES-UNCOLLECTABLE	\$ -	\$ -	\$ -	\$ -
600013	451350	ETOWAH SEWER CHARGES	\$ 213	\$ (30,000)	\$ (30,300)	\$ (300.00)
600013	451400	SEPTIC TANK DISPOSAL	\$ (161,619)	\$ (120,000)	\$ (121,200)	\$ (1,200.00)
		<i>Sub-Total</i>	\$ (4,774,202)	\$ (4,806,412)	\$ (5,420,415)	\$ (614,003.00)
Restricted Intergovernmental						
600040	447060	HEN CO FIRE DEPT CONTRIBUTION	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ -	\$ -	\$ -
Water Permits & Fees						
600050	445200	WATER PERMITS & FEES	\$ (4,365)	\$ (2,500)	\$ (2,525)	\$ (25.00)
600050	451150	WATER SEWER LATE FEES	\$ (216,219)	\$ (200,000)	\$ (202,000)	\$ (2,000.00)
600050	452100	WATER TAP FEES	\$ (310,135)	\$ (235,000)	\$ (237,350)	\$ (2,350.00)
600050	452150	MAIN LINE TAP FEES	\$ -	\$ -	\$ -	\$ -
600050	452200	WATER CUSTOMER PART	\$ -	\$ (2,000)	\$ (2,020)	\$ (20.00)
600050	452300	DISCONNECT/RECONNECT ADMIN FEE	\$ (54,125)	\$ (55,000)	\$ (55,550)	\$ (550.00)
600050	452400	TURN ON SERVICE CHG	\$ -	\$ -	\$ -	\$ -
600050	452500	WATER SYS DEV CHARGES	\$ (66,880)	\$ -	\$ -	\$ -
600050	452510	REFUNDS	\$ 79,459	\$ -	\$ -	\$ -
600050	452600	BRIGHTWATER FEES	\$ (37,049)	\$ (30,000)	\$ (30,300)	\$ (300.00)
		<i>Sub-Total</i>	\$ (609,314)	\$ (524,500)	\$ (529,745)	\$ (5,245.00)
Sewer Permits & Fees						
600055	453000	SEWER PERMITS & FEES	\$ (1,500)	\$ (2,000)	\$ (2,020)	\$ (20.00)
600055	453100	SEWER TAP FEES	\$ (57,900)	\$ (45,000)	\$ (45,000)	\$ -
600055	453200	SEWER CUSTOMER PART	\$ -	\$ (2,000)	\$ (2,020)	\$ (20.00)
600055	453300	SEWER BILLING SERVICE CHARGES	\$ (12,978)	\$ (10,500)	\$ (10,605)	\$ (105.00)
600055	453400	SEWER SURCHARGES	\$ (6,307)	\$ (5,000)	\$ (5,050)	\$ (50.00)
600055	453500	SEWER SYS DEV CHARGES	\$ (23,620)	\$ -	\$ -	\$ -
600055	453510	REFUND SEWER SYS DEV	\$ 6,750	\$ -	\$ -	\$ -
600055	453600	SWR PRETREAT COST REC	\$ -	\$ (500)	\$ (505)	\$ (5.00)
		<i>Sub-Total</i>	\$ (95,555)	\$ (65,000)	\$ (65,200)	\$ (200.00)



Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Investment Earnings						
600070	483100	INTEREST INCOME	\$ (81,814)	\$ (190,000)	\$ (190,000)	\$ -
<i>Sub-Total</i>			\$ (81,814)	\$ (190,000)	\$ (190,000)	\$ -
Miscellaneous Income						
600080	434750	CUSTOMER PARTICIPATION	\$ (10,163)	\$ (1,000)	\$ (1,000)	\$ -
600080	443660	SALE OF F/ASSETS-W/S	\$ (16,457)	\$ (1,500)	\$ (1,500)	\$ -
600080	443661	WARRANTY FEES UTIL SRVC PTRNS	\$ (11,736)	\$ (11,200)	\$ (11,200)	\$ -
600080	443800	DISCOUNTS EARNED	\$ (7,036)	\$ (10,000)	\$ (10,000)	\$ -
600080	443900	MISCELLANEOUS INCOME	\$ (19,870)	\$ (10,000)	\$ (7,500)	\$ 2,500.00
600080	444160	EPA GRANTS	\$ -	\$ -	\$ -	\$ -
600080	444200	CNG REIMBURSEMENT	\$ -	\$ -	\$ -	\$ -
600080	444400	RENTAL INCOME-NONTAXABLE	\$ (1,978)	\$ (1,200)	\$ (1,200)	\$ -
<i>Sub-Total</i>			\$ (67,240)	\$ (34,900)	\$ (32,400)	\$ 2,500.00
Other Financing Sources						
600090	444000	INSURANCE SETTLEMENTS	\$ (15,321)	\$ -	\$ -	\$ -
600090	498210	OPER TRANS FR GEN FD	\$ -	\$ -	\$ -	\$ -
600090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ -	\$ -
600090	499200	FUND BALANCE APPROP	\$ -	\$ (6,423,621)	\$ (471,937)	\$ 5,951,684.00
600090	499800	OPER TRANS FR CR FUND	\$ (2,263,753)	\$ (430,802)	\$ -	\$ 430,802.00
600090	499999	PRIOR PERIOD ADJUSTMENT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ (2,279,074)	\$ (6,854,423)	\$ (471,937)	\$ 6,382,486.00
<b>GRAND TOTAL</b>			\$ (17,507,804)	\$ (22,011,696)	\$ (16,639,133)	\$ 5,372,563.00





## Water and Sewer Fund 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 75 employees making up seven divisions including: Administration, Facilities Maintenance, Water Treatment, Meter Services and Utilities Support, Water Distribution/Maintenance, Wastewater Treatment and Sewer Collection/Maintenance.

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

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

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

The Meter Services division is responsible for reading over 29,000 meters located across the City's water system from Hendersonville to Etowah to Edneyville to Saluda to Fletcher. All of these meters are read from 13-towers located throughout the City's distribution system. The information received from this AMI/AMR (advanced metering infrastructure/automated meter reading) system is uploaded on to an off-site server from which information is accessed for preparing bills for our customers. The Meter Services division is also responsible for



maintaining all water meters, the reading equipment associated with this system and addressing customer concerns regarding billing and other related issues. The meters that the City maintains in the water system range in size from 3/4" x 5/8" up to 6". The larger meters are manually tested on a regular basis by a certified contractor to ensure accuracy, both for the customer and for the City.

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

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

The City's current Wastewater Treatment Plant was constructed in 2002, replacing the original plant constructed in the 1960s. The plant utilizes an activated sludge process to achieve an outstanding level of treatment. There are two aeration basins, each holding 2,400,000 gallons of wastewater, where the primary treatment occurs; the mixing of the wastewater and return activated sludge (RAS) with oxygen helps to support the biological treatment process. Sedimentation and flotation occurs in two 90-ft. diameter clarifiers. Effluent sand filters reduce the amount of solids in the treated wastewater (effluent); while disinfection is achieved by the use of ultraviolet (UV) light. All effluent from the plant flows through the disinfection channel before being discharged to Mud Creek. Sludge removed from the bottoms of the two 90-ft. diameter clarifiers is either recycled to the aeration basins or is removed (waste activated sludge – WAS) from the treatment process and is pumped into two thickeners where the wasted sludge is allowed to settle (dewatered). Once the sludge has settled in the thickeners, it is processed through one of two automated belt presses where the material is further dewatered to approximately 18% solids (82% water) and is stored for transporting and disposal off site. The City's current sewer service area includes the City of Hendersonville, portions of Laurel Park, the Village of Flat Rock and a portion of the central region (urban services area) of Henderson



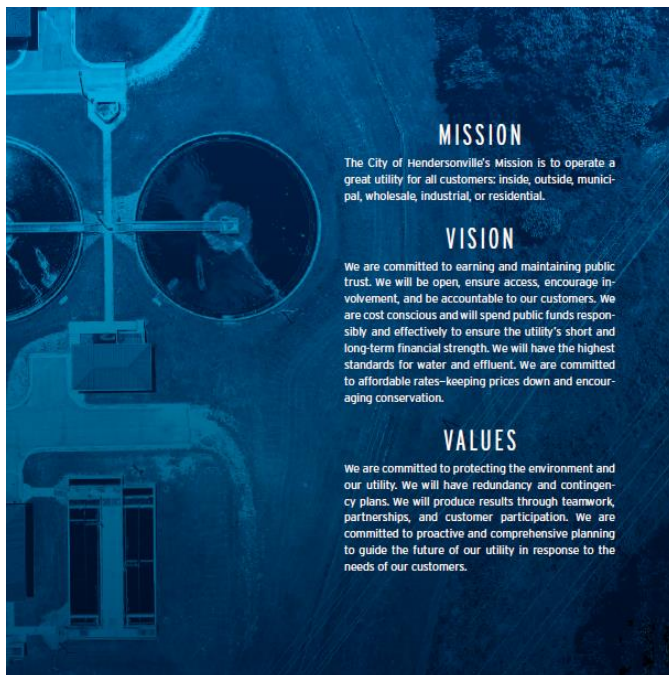
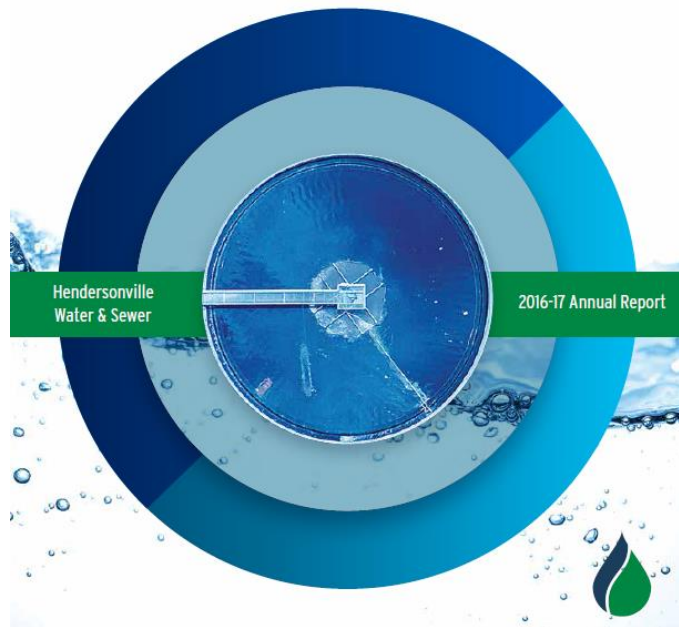
County. The total population served in the existing service area is approximately 21,000 with nearly 13,500 being residents of the City, through a total of approximately 9,500 sewer connections. Residents not connected to the City's sewer system are located in the unsewered areas outside the City or have chosen to maintain their own private systems.



### Annual Report

To enhance communications and provide transparency for the Water and Sewer Fund, the City began publication of a Water and Sewer Annual Report. This report will be published each fiscal year for the foreseeable future.

The annual report from FY17-18 includes information on the Water and Sewer Department’s mission, vision, and values. A letter from the Mayor is included in the report; this letter provides an executive summary of the concise document. The report also highlights important metrics related to performance, infrastructure, economic development, and a comparison against 27 peer water and sewer utilities.



The Annual Report has provided necessary information to customers and stakeholders. The annual report provides recognition to our employees and highlights the successes of the Water and Sewer Department.



### FY17-18 Accomplishments

- ✓ Completed three major gravity sewer projects.
- ✓ Completed a study of the AMI system with MeterSYS consulting.
- ✓ Began implementation of recommendations suggested by MeterSYS.
- ✓ Published the first annual Water and Sewer Annual Report.
- ✓ Presented and Implemented rate changes suggested by financial advisors.
- ✓ Completed comprehensive reprioritization of the Water and Sewer CIP.
- ✓ Began financial planning for the future of the water and sewer system.
- ✓ Explored a number of future projects to improve the health and longevity of the City's infrastructure.
- ✓ Produced 2.56 billion gallons of treated water for consumption.
- ✓ Treated 1.10 billion gallons of wastewater.
- ✓ Performed 405 water locates and 18 sewer locates.
- ✓ Installed 128 water taps and 163 sewer taps.
- ✓ Dropped-in 161 meter stub-outs.
- ✓ Repaired 83 water main leaks.
- ✓ Cleaned approximately 29 miles of sewer lines.
- ✓ Examined alternative projects to eliminate pump stations and reduce operational costs.
- ✓ Responded to increased leak detection capabilities with the AMR system in conjunction with AquaHawk Alerting
- ✓ Began implementation of projects via water system master plan.
- ✓ Identified water lines in need of repair or replacement utilizing GIS analysis.
- ✓ Identified substandard sewer lines in need of repair or replacement utilizing GIS analysis.
- ✓ Filled vacant positions, including the Utility Engineer position.
- ✓ Requested and approved by City Council for a right of way clearing crew.
- ✓ Requested and advertised for an AMI Systems Analyst
- ✓ Requested and advertised for a generator maintenance technician.
- ✓ Increased number of customers signed up for Automatic Bank Draft by having a promotional credit, waiver of deposit requirements.
- ✓ Altered the timeframe for overdue billing to enhance customer service.
- ✓ Improved processing of Brightwater special assessments so that balances could easily be tracked inside the system.
- ✓ Implemented new automated procedure to process delinquent account write offs. (Manual process was very time consuming and not accurate).
- ✓ Automated the transfer of old balances to the customer's new account (when customer moves to new house). This reduces the number of unnecessary customer refunds with monies from old accounts being automatically applied to new account balance.



**FY18-19 Goals & Initiatives**

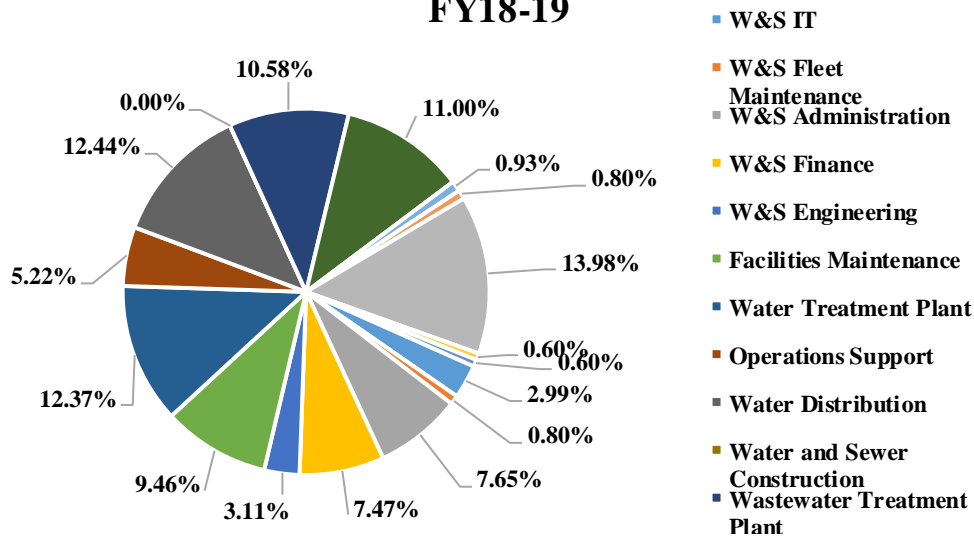
- ✓ Continue design and permitting required to upgrade WTP high service pump station.
- ✓ Complete final design and bidding required to construct Etowah Water System Improvements project.
- ✓ Initiate engineer selection, design and permitting process for the Northside Water System Improvements project (Fletcher).
- ✓ Initiate integrator selection, design and installation process for SCADA for the remaining pump stations without SCADA.
- ✓ Continue to keep repair/replacement/construction crew engaged.
- ✓ Engage water distribution system and sewer collection system hydraulic models.
- ✓ Design, permit, select contractor and replacement of Hunter's Glen hydro pneumatic pump station.
- ✓ Design, permit and complete gravity sewer extension to Garden Lane to eliminate pump station.
- ✓ Continue to Research better method or location for customer service windows/better customer access.
- ✓ Implement new payment plan module which will make a more consistent method of administration of payment plans.
- ✓ Streamlining Customer Self-Service module, working with Payments (vendor) to make it easier for customers to pay-on line. Current set up causes a lot of customer confusion and frustration.
- ✓ Create on-line fillable customer service forms on the 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.
- ✓ Begin work on various capital projects.
- ✓ Improve coordination with NCDOT.
- ✓ Prioritize projects for City Council's feedback.
- ✓ Improve financial condition of the water and sewer system, cleaning up customer information to provide more accurate billing process.
- ✓ Better coordinate between City Hall and City Operations W&S employees.
- ✓ Host monthly meetings to discuss projects and ensure efficient communication.
- ✓ Implement new processes to streamline budget.
- ✓ Implement new policies and guides to assist in the development process.
- ✓ Facilitate the W&S Advisory Council and Technical Advisory Committee.
- ✓ Work with engineering and legal departments to execute projects, obtain easements, etc.



Expenditures by Function

EXPENDITURE FUNCTION	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W&S IT	\$ 466,085	\$ 559,571	\$ 496,800	\$ (62,771)
W&S Fleet Maintenance	\$ 117,267	\$ 115,131	\$ 133,527	\$ 18,396
W&S Administration	\$ 1,129,620	\$ 1,333,141	\$ 1,273,304	\$ (59,837)
W&S Finance	\$ 1,107,998	\$ 1,375,887	\$ 1,242,350	\$ (133,537)
W&S Engineering	\$ 343,803	\$ 405,138	\$ 517,089	\$ 111,951
Facilities Maintenance	\$ 1,291,181	\$ 1,505,740	\$ 1,574,304	\$ 68,564
Water Treatment Plant	\$ 1,887,895	\$ 2,044,993	\$ 2,058,544	\$ 13,551
Operations Support	\$ 742,358	\$ 867,497	\$ 868,308	\$ 811
Water Distribution	\$ 2,368,458	\$ 1,954,693	\$ 2,069,755	\$ 115,062
Water and Sewer Construction	\$ 471,418	\$ 778,802	\$ -	\$ (778,802)
Wastewater Treatment Plant	\$ 1,378,937	\$ 1,573,404	\$ 1,760,372	\$ 186,968
Sewer Collection	\$ 898,602	\$ 1,246,242	\$ 1,830,885	\$ 584,643
Non-Departmental	\$ -	\$ 149,950	\$ 154,817	\$ 4,867
Special Appropriations	\$ 526,000	\$ 145,000	\$ 132,500	\$ (12,500)
Debt Service (Transfer to)	\$ 3,742,623	\$ 2,982,434	\$ 2,326,578	\$ (655,856)
Transfers	\$ 1,912,639	\$ 4,935,722	\$ 100,000	\$ (4,835,722)
Contingencies	\$ -	\$ 35,466	\$ 100,000	\$ 64,534
<b>Total</b>	<b>\$ 18,384,883</b>	<b>\$ 22,008,811</b>	<b>\$ 16,639,133</b>	<b>\$ (5,369,678)</b>

Water & Sewer Fund Expenditures by Function  
FY18-19



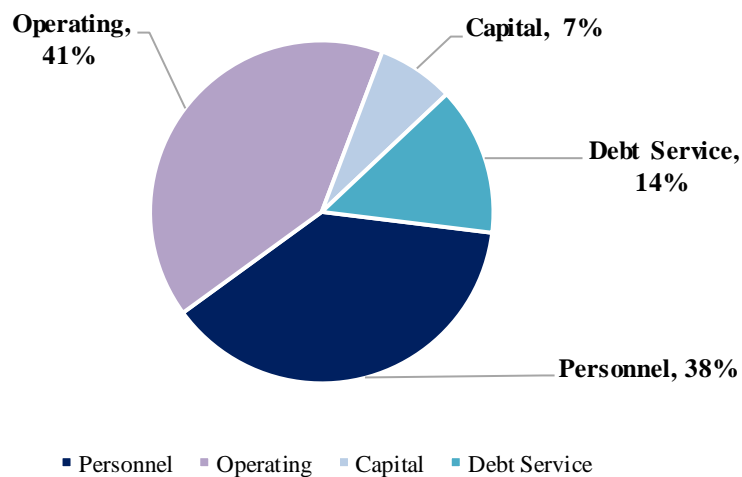
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Water & Sewer Fund				
Personnel	\$ 5,617,042	\$ 6,277,002	\$ 6,330,222	\$ 53,220
Operating	\$ 7,361,157	\$ 11,124,657	\$ 6,781,833	\$ (4,342,824)
Capital	\$ 1,664,061	\$ 1,627,603	\$ 1,200,500	\$ (427,103)
Debt Service	\$ 3,742,623	\$ 2,982,434	\$ 2,326,578	\$ (655,856)
<i>Sub-Total</i>	\$ 18,384,883	\$ 22,011,696	\$ 16,639,133	\$ (5,372,563)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Water & Sewer Fund				
Full-Time	68.00	74.00	80.00	6.00
Part-Time	1.00	1.00	1.00	0.00
<i>Sub-Total</i>	69.00	75.00	81.00	6.00

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

Expenditures by Type





Water & Sewer IT Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 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	947	8,400	5,000	(3,400)
604140	526000	OFFICE SUPPLIES	5,471	8,000	10,000	2,000
604140	529900	SUPPLIES & MATERIALS	2,311	2,500	2,500	-
604140	532100	TELEPHONE	53,681	64,566	72,265	7,699
604140	532500	POSTAGE	-	-	-	-
604140	535200	R & M - EQUIPMENT	500	2,350	5,000	2,650
604140	539400	TRAVEL	-	-	-	-
604140	539500	TRAINING	-	-	-	-
604140	545600	LIAB/PROP INS & BONDS	-	-	-	-
604140	549100	DUES & SUBSCRIPTIONS	-	165	165	-
604140	549750	PERMITS, LICENSE AND FEES	181,175	239,310	236,605	(2,705)
604140	549999	MISCELLANEOUS EXPENSE	-	-	-	-
604140	552000	CAP OUTLAY-EQUIPMENT	17,664	-	-	-
604140	552500	CAP OUT - SOFTWARE/INTANGIBLE	-	48,275	-	(48,275)
604140	553000	NON-CAPITAL EQUIPMENT	12,599	7,600	4,000	(3,600)
604140	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
604140	559900	C/O LAND IMPROVEMENTS	-	-	-	-
604140	569000	CONTRACTED SERVICES	191,736	178,405	161,265	(17,140)
604140	598060	DEPARTMENTAL CHGS-W/S	-	-	-	-
<i>Sub-Total</i>			466,085	559,571	496,800	(62,771)

FY18-19 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. One major change to note is the completion of a one-time project expended out of “Cap Out- Software/Intangible”. Overall, the division is budgeted at \$62,771 less than in FY17-18.



Water & Sewer Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Fleet Maintenance						
604250	512100	SALARIES & WAGES - REGULAR	80,305	76,735	79,704	2,969
604250	512200	SALARIES & WAGES - OVERTIME	6,766	9,718	8,847	(871)
604250	512250	SALARIES & WAGES-HOLIDAY PAY	216	591	614	23
604250	513500	SALARIES & WAGES-UNIFORM/TAXAB	366	-	-	-
604250	518100	FICA TAX EXPENSE	6,688	5,985	6,821	836
604250	518200	RETIREMENT EXPENSE	6,589	5,867	6,911	1,044
604250	518300	GROUP MED & LIFE INS	14,568	13,527	15,211	1,684
604250	518600	WORKER'S COMP INS	1,769	2,333	2,395	62
604250	521200	UNIFORMS	-	-	-	-
604250	545600	LIAB & PROP INS & BONDS	-	375	524	149
604250	549999	MISCELANEOUS EXPENSE	-	-	-	-
604250	552000	CAPITAL OUTLAY - EQUIPMENT	-	-	12,500	12,500
604250	569000	CONTRACTED SERVICES	-	-	-	-
<i>Sub-Total</i>			117,267	115,131	133,527	18,396

FY18-19 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. Expenditures have increased for this division in FY18-19 mainly due to increases in insurance costs and employee benefits.



Water & Sewer Admin. Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Administration						
607110	500024	DRUG TESTING	-	20	20	-
607110	500028	EMPLOYEE ASSISTANCE PROGRAM	-	1,485	1,485	-
607110	500030	TUITION REIMBURSEMENT PROGRAM	-	-	-	-
607110	512100	SALARIES & WAGES-REG	539,561	643,926	665,153	21,227
607110	512200	SALARIES & WAGES-O/T	105	2,000	-	(2,000)
607110	512600	SALARIES & WAGES-TEMP	-	-	-	-
607110	512900	SALARIES & WAGES - P/T	28,651	34,675	30,536	(4,139)
607110	513100	SALARIES & WAGES - CM INS PREM	3,980	3,981	3,981	-
607110	513500	SALARIES & WAGES-UNIFORM/TAXAB	-	-	-	-
607110	513600	SALARIES & WAGES-AUTO/TAXABLE	-	-	-	-
607110	517100	BOARD MEMBER WAGES	-	18,000	20,750	2,750
607110	517200	CELLPHONE STIPEND	2,100	2,100	2,400	300
607110	518100	FICA TAX EXPENSE	42,399	53,428	55,296	1,868
607110	518200	RETIREMENT EXPENSE	41,669	51,217	56,019	4,802
607110	518300	GROUP MED & LIFE INS	64,671	75,150	104,361	29,211
607110	518500	STATE UNEMPLOYMENT INSURANCE	-	-	-	-
607110	518600	WORKER'S COMP INS	2,240	3,826	3,927	101
607110	518800	EMPLOYEE DEATH BENEFIT	-	-	-	-
607110	519000	PROF SERVICES	75,137	130,386	22,100	(108,286)
607110	519200	PROF SERVICES - LEGAL	-	1,000	1,000	-
607110	519400	PROF SERVICES-ENGRING	53,526	109,255	80,000	(29,255)
607110	521100	JANITORIAL SUPPLIES	8,443	10,000	10,000	-
607110	521200	UNIFORMS	179	200	300	100
607110	525100	GASOLINE & DIESEL	673	1,438	2,000	562
607110	526000	OFFICE SUPPLIES	2,497	3,100	3,100	-
607110	529900	SUPPLIES & MATERIALS	513	1,000	4,000	3,000
607110	532100	TELEPHONE	1,354	1,500	2,250	750
607110	532500	POSTAGE	127	300	300	-
607110	533000	UTILITIES	96,840	82,400	95,000	12,600
607110	535100	R & M - BUILDINGS	14,762	2,400	2,000	(400)
607110	535200	R & M - EQUIPMENT	-	600	1,000	400
607110	535300	R & M -AUTO/TRUCKS	559	1,500	2,250	750
607110	537000	ADVERTISING	222	1,000	1,000	-
607110	539400	TRAVEL	-	2,965	7,200	4,235
607110	539500	TRAINING	1,951	3,545	5,000	1,455
607110	545600	LIAB/PROP INS & BONDS	2,413	3,633	4,566	933
607110	549100	DUES & SUBSCRIPTIONS	60	190	360	170
607110	549750	PERMITS, LICENSE AND FEES	1,934	5,120	5,500	380
607110	549910	SAFETY PROGRAM	3,133	6,900	3,650	(3,250)
607110	549920	EMPLOYEE EVENTS	5,733	6,500	6,000	(500)
607110	549930	SERVICE EXCELLENCE	3,533	9,801	3,500	(6,301)
607110	549955	DRUG TESTING	1,247	3,738	1,500	(2,238)
607110	549958	EMPLOYEE ASSISTANCE PROGRAM	2,964	3,000	3,000	-
607110	549960	TUITION REIMBURSEMENT PROGRAM	779	2,000	2,000	-
607110	549962	STATE UNEMPLOYMNT INS	2,946	9,375	11,000	1,625
607110	549965	EMPLOYEE DEATH BENEFIT	-	5,000	10,000	5,000
607110	549999	MISCELANEOUS EXPENSE	-	-	-	-
607110	553000	NON-CAPITAL EQUIPMENT	-	1,400	-	(1,400)
607110	554000	CAP OUTLAY-MOTOR VEHS	54,820	167	-	(167)
607110	557000	LAND,ROW,AND LAND IMPROVEMENT	61,341	1,230	-	(1,230)
607110	559900	C/O LAND IMPROVEMENTS	-	-	-	-
607110	569000	CONTRACTED SERVICES	6,557	32,690	39,800	7,110
<i>Sub-Total</i>			1,129,620	1,333,141	1,273,304	(59,837)



**FY18-19 Budget Highlights**

The largest changes in the Administration Division are in personnel expenses due to insurance and benefits costs. Various expenses in the Administration Division have decreased from last fiscal year- notably the professional services line is appropriated at \$108,286 less. This is a significant decrease which has aided in the department's overall budget appropriated at \$59,837 less in FY18-19 than FY17-18.



Water & Sewer Finance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Finance						
607113	512100	SALARIES & WAGES - REGULAR	434,340	639,635	643,399	3,764
607113	512200	SALARIES & WAGES - OVERTIME	503	11	-	(11)
607113	512900	SALARIES & WAGES - P/T	35,102	24,441	-	(24,441)
607113	513500	SALARIES & WAGES-UNIFORM/TAXAB	-	-	-	-
607113	518100	FICA TAX EXPENSE	35,417	50,802	49,220	(1,582)
607113	518200	RETIREMENT EXPENSE	34,729	49,806	49,864	58
607113	518300	GROUP MED & LIFE INS	74,447	107,089	129,712	22,623
607113	518600	WORKER'S COMP INS	778	1,761	1,315	(446)
607113	519000	PROFESSIONAL SERVICES	5,538	7,308	7,680	372
607113	519100	PROF SERVICES - AUDIT	12,875	25,000	15,000	(10,000)
607113	526000	OFFICE SUPPLIES	13,239	13,050	14,150	1,100
607113	532100	TELEPHONE	-	-	-	-
607113	532500	POSTAGE	138,630	129,000	137,500	8,500
607113	535200	R & M - EQUIPMENT	525	1,600	1,000	(600)
607113	537000	ADVERTISING	825	1,200	1,000	(200)
607113	539400	TRAVEL	892	2,525	4,075	1,550
607113	539500	TRAINING	5,061	9,320	12,250	2,930
607113	545600	LIAB/PROP INS & BONDS	-	2,655	3,711	1,056
607113	549100	DUES & SUBSCRIPTIONS	700	1,150	1,050	(100)
607113	549200	UNCOLLECTIBLE ACCOUNTS	15,170	30,000	-	(30,000)
607113	549300	CASH SHORT/OVER	264	1,925	500	(1,425)
607113	549310	BANK RECONCILIATION SUSPENSE	(2,271)	3,643	-	(3,643)
607113	549350	WRITE OFF	(0)	1,825	-	(1,825)
607113	549750	PERMITS, LICENSE AND FEES	-	500	-	(500)
607113	549920	EMPLOYEE EVENTS	159	430	1,020	590
607113	549999	MISCELANEOUS EXPENSE	437	1,200	2,560	1,360
607113	552000	CAPITAL OUTLAY - EQUIPMENT	-	-	-	-
607113	552500	CAP OUT - SOFTWARE/INTANGIBLE	17,375	49,000	-	(49,000)
607113	553000	NON-CAPITAL EQUIPMENT	39,170	4,300	-	(4,300)
607113	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607113	558000	BUILDING	16,942	-	-	-
607113	559900	C/O LAND IMPROVEMENTS	-	-	-	-
607113	569000	CONTRACTED SERVICES	102,716	117,036	86,944	(30,092)
607113	575200	BANK SERVICE CHARGES	78,384	99,600	80,400	(19,200)
607113	595760	DRAFT INCENTIVE	46,050	75	-	(75)
607113	598800	INTERCOMPANY DEPT CHARGES	-	-	-	-
607113	598801	DEPT CHARGES-OPERATING	-	-	-	-
<i>Sub-Total</i>			1,107,998	1,375,887	1,242,350	(133,537)

FY18-19 Budget Highlights

Significant turnover in this department in customer service positions has left this department relatively unaffected on a budgetary basis by changes in insurance. A number of operational expenses occurring in this department in FY17-18 will not reoccur in FY18-19; therefore the department has come in \$133.537 less appropriated for the new fiscal year compared to the last.



Water & Sewer City Engineer Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-City Engineer						
607114	512100	SALARIES & WAGES-REG	249,778	288,652	378,855	90,203
607114	512900	SALARIES & WAGES - P/T	28	-	-	-
607114	513500	SALARIES & WAGES-UNIFORM/TAXAB	-	-	-	-
607114	518100	FICA TAX EXPENSE	18,748	22,082	28,983	6,901
607114	518200	RETIREMENT EXPENSE	18,982	21,649	29,362	7,713
607114	518300	GROUP MED & LIFE INS	31,046	34,194	45,632	11,438
607114	518600	WORKER'S COMP INS	2,340	3,712	3,382	(330)
607114	519000	PROFESSIONAL SERVICES	-	-	-	-
607114	535200	R & M - EQUIPMENT	598	1,101	1,100	(1)
607114	545600	LIAB/PROP INS & BONDS	-	948	1,325	377
607114	549750	PERMITS, LICENSE AND FEES	19,707	23,250	25,800	2,550
607114	549999	MISCELANEOUS EXPENSE	-	-	-	-
607114	552500	CAP OUT - SOFTWARE/INTANGIBLE	-	-	-	-
607114	553000	NON-CAPITAL EQUIPMENT	2,576	9,550	2,650	(6,900)
607114	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607114	598800	INTERCOMPANY DEPT CHARGES	-	-	-	-
<i>Sub-Total</i>			343,803	405,138	517,089	111,951

FY18-19 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. For FY18-19, the budget for the W&S portion of the Engineering Department is \$111,951 higher than FY17-18. This increase is due mostly to personnel expenses.



Facilities Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Facilities Maintenance						
607123	512100	SALARIES & WAGES-REG	312,028	323,455	324,481	1,026
607123	512200	SALARIES & WAGES-O/T	18,606	12,000	14,470	2,470
607123	512250	SALARIES & WAGES-HOLIDAY PAY	-	2,489	2,496	7
607123	512300	SALARIES & WAGES - STANDBY PAY	6,847	15,434	10,305	(5,129)
607123	512600	SALARIES & WAGES-TEMP	36,593	-	-	-
607123	512900	SALARIES & WAGES - P/T	-	20,472	-	(20,472)
607123	513500	SALARIES & WAGES-UNIFORM/TAXAB	748	1,224	-	(1,224)
607123	518100	FICA TAX EXPENSE	28,052	27,883	26,909	(974)
607123	518200	RETIREMENT EXPENSE	25,549	26,241	27,261	1,020
607123	518300	GROUP MED & LIFE INS	52,752	52,605	59,152	6,547
607123	518600	WORKER'S COMP INS	7,497	9,487	9,467	(20)
607123	518900	RETIREE INSURANCE	8,964	16,824	25,378	8,554
607123	519000	PROFESSIONAL SERVICES	-	8,500	8,700	200
607123	519400	PROF SERVICES-ENGRING	-	-	-	-
607123	521200	UNIFORMS	1,953	4,440	4,472	32
607123	525100	GASOLINE & DIESEL	11,690	23,800	24,000	200
607123	529900	SUPPLIES & MATERIALS	46,067	57,641	50,000	(7,641)
607123	532100	TELEPHONE	16,065	13,515	9,400	(4,115)
607123	533000	UTILITIES	210,879	256,200	240,200	(16,000)
607123	535100	R & M - BUILDINGS	1,589	30,476	25,000	(5,476)
607123	535200	R & M - EQUIPMENT	38,010	81,302	100,000	18,698
607123	535300	R & M - AUTO/TRUCKS	17,645	9,080	6,000	(3,080)
607123	539400	TRAVEL	1,543	1,000	1,500	500
607123	539500	TRAINING	1,863	2,965	4,000	1,035
607123	543900	RENT - EQUIPMENT	1,800	3,000	2,000	(1,000)
607123	545600	LIAB/PROP INS & BONDS	7,102	8,136	8,053	(83)
607123	549100	DUES & SUBSCRIPTIONS	-	-	-	-
607123	549750	PERMITS, LICENSE AND FEES	4,632	2,916	1,060	(1,856)
607123	549999	MISCELANEOUS EXPENSE	-	-	-	-
607123	552000	CAPITAL OUTLAY - EQUIPMENT	85,672	202,925	318,000	115,075
607123	553000	NON-CAPITAL EQUIPMENT	20,347	8,130	10,000	1,870
607123	554000	CAP OUTLAY-MTR VEHS	136,386	70,500	-	(70,500)
607123	555000	CAP OUTLAY-OTR EQUIP	-	-	-	-
607123	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607123	559900	C/O LAND IMPROVEMENTS	19,034	7,800	30,000	22,200
607123	569000	CONTRACTED SERVICES	75,741	130,000	132,000	2,000
607123	595600	ISSUES FROM INVENTORY	95,528	75,300	100,000	24,700
607123	595800	CUSTOMER PARTICIPATE	-	-	-	-
607123	598800	INTERCOMPANY DEPT CHRGS	-	-	-	-
<i>Sub-Total</i>			1,291,181	1,505,740	1,574,304	68,564

FY18-19 Budget Highlights

The Facilities Maintenance Department will increase personnel costs from FY17-18 going towards FY18-19. A number of other lines have been appropriated lower in FY18-19 including supplies and materials, utilities, telephone, and R&M builings. A notable increase in expense includes a budgeted \$318,000 in capital outlay equipment. Overall this W&S division is budgeted at \$68,564 higher in FY18-19 than the previous fiscal year.



Water Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Water Treatment Plant						
607124	512100	SALARIES & WAGES-REG	470,249	480,897	477,659	(3,238)
607124	512200	SALARIES & WAGES-O/T	26,905	12,890	16,488	3,598
607124	512250	SALARIES & WAGES-HOLIDAY PAY	4,404	19,903	22,046	2,143
607124	512600	SALARIES & WAGES - TEMPORARY	-	-	-	-
607124	512900	SALARIES & WAGES - P/T	-	14,895	-	(14,895)
607124	513400	SALARIES & WAGES - SHIFT DIFF	7,046	7,800	7,800	-
607124	513500	SALARIES & WAGES-UNIFORM/TAXAB	3,820	1,997	-	(1,997)
607124	518100	FICA TAX EXPENSE	38,105	40,759	40,086	(673)
607124	518200	RETIREMENT EXPENSE	38,437	38,843	40,610	1,767
607124	518300	GROUP MED & LIFE INS	85,597	82,665	92,953	10,288
607124	518600	WORKER'S COMP INS	11,710	13,838	14,205	367
607124	519000	PROFESSIONAL SERVICES	581	5,357	26,500	21,143
607124	519400	PROF SERVICES-ENGRING	2,164	22,337	1,500	(20,837)
607124	521100	JANITORIAL SUPPLIES	165	1,500	1,500	-
607124	521200	UNIFORMS	2,914	7,234	7,600	366
607124	523000	MEDICAL SUPPLIES	189	200	225	25
607124	525100	GASOLINE & DIESEL	8,866	10,000	10,500	500
607124	526000	OFFICE SUPPLIES	1,556	5,565	4,000	(1,565)
607124	526100	LABORATORY SUPPLIES	22,888	33,728	32,000	(1,728)
607124	529000	CHEMICALS	395,979	406,236	475,000	68,764
607124	529900	SUPPLIES & MATERIALS	96,460	29,647	30,250	603
607124	532100	TELEPHONE	3,219	4,254	3,900	(354)
607124	532500	POSTAGE	118	400	475	75
607124	533000	UTILITIES	292,889	326,060	361,300	35,240
607124	535100	R & M - BUILDINGS	5,878	42,295	63,500	21,205
607124	535200	R & M - EQUIPMENT	59,885	60,580	34,750	(25,830)
607124	535300	R & M - AUTO/TRUCKS	8,038	3,000	500	(2,500)
607124	539400	TRAVEL	1,167	4,000	6,000	2,000
607124	539500	TRAINING	2,392	4,000	6,000	2,000
607124	543900	RENT - EQUIPMENT	27,172	-	20,000	20,000
607124	545600	LIAB/PROP INS & BONDS	18,354	15,385	15,332	(53)
607124	549100	DUES & SUBSCRIPTIONS	218	383	-	(383)
607124	549750	PERMITS, LICENSE AND FEES	9,088	12,815	10,565	(2,250)
607124	549999	MISCELANEOUS EXPENSE	-	-	-	-
607124	552000	CAPITAL OUTLAY - EQUIPMENT	76,683	25,100	-	(25,100)
607124	553000	NON-CAPITAL EQUIPMENT	8,900	39,485	-	(39,485)
607124	554000	CAP OUTLAY-MOTOR VEHS	-	105,245	-	(105,245)
607124	555000	CAP OUTLAY-OTR EQUIP	-	-	-	-
607124	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607124	558000	CAP OUTLAY -BUILDINGS	-	-	30,000	30,000
607124	559900	C/O LAND IMPROVEMENTS	-	-	-	-
607124	569000	CONTRACTED SERVICES	48,929	45,270	93,300	48,030
607124	569100	SLUDGE MANAGEMENT	106,929	120,430	112,000	(8,430)
<i>Sub-Total</i>			1,887,895	2,044,993	2,058,544	13,551





**FY18-19 Budget Highlights**

The Water Treatment Plant experienced relatively frequent employee turnover in FY17-18. Moving into FY18-19 personnel at the WTP are expected to stabilize. Turnover has created the opportunity to reduce regular employee wages; however, overtime and holiday pay, as well as benefit and insurance lines are expected to increase. A number of equipment purchases and repairs were made at the WTP in FY17-18, these costs will not be reoccurring in FY18-19; however, certain needed items are expected to increase in cost (e.g. Chemicals); therefore, the overall budget for the WTP has increased by \$13,551 for FY18-19.



Shop Operations Center Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Operations Support						
607125	512100	SALARIES & WAGES-REG	461,056	477,178	562,346	85,168
607125	512200	SALARIES & WAGES-O/T	1,280	5,000	2,873	(2,127)
607125	512250	SALARIES & WAGES-HOLIDAY PAY	-	-	-	-
607125	512900	SALARIES & WAGES - P/T	2,687	2,880	-	(2,880)
607125	513500	SALARIES & WAGES-UNIFORM/TAXAB	1,223	446	-	(446)
607125	518100	FICA TAX EXPENSE	34,317	36,954	-	(36,954)
607125	518200	RETIREMENT EXPENSE	35,064	36,014	43,805	7,791
607125	518300	GROUP MED & LIFE INS	86,052	82,665	109,854	27,189
607125	518600	WORKER'S COMP INS	11,371	11,395	13,666	2,271
607125	518900	RETIREE INSURANCE	8,964	15,878	25,371	9,493
607125	519000	PROFESSIONAL SERVICES	-	500	500	-
607125	521200	UNIFORMS	1,241	3,760	4,693	933
607125	521300	PROTECTIVE EQUIP-CLOTHING	-	-	-	-
607125	523000	MEDICAL SUPPLIES	183	-	-	-
607125	525100	GASOLINE & DIESEL	17,593	14,929	20,000	5,071
607125	525200	TIRES	-	500	500	-
607125	526000	OFFICE SUPPLIES	3,819	5,022	4,000	(1,022)
607125	529900	SUPPLIES & MATERIALS	21,630	28,330	23,000	(5,330)
607125	532100	TELEPHONE	8,667	17,269	13,600	(3,669)
607125	533000	UTILITIES	-	-	-	-
607125	535100	R & M - BUILDINGS	-	500	500	-
607125	535200	R & M - EQUIPMENT	11,494	2,675	4,500	1,825
607125	535300	R & M - AUTO/TRUCKS	8,287	8,184	6,500	(1,684)
607125	539400	TRAVEL	4,218	4,500	5,300	800
607125	539500	TRAINING	3,624	3,700	3,700	-
607125	545600	LIAB/PROP INS & BONDS	8,215	7,820	9,930	2,110
607125	549100	DUES & SUBSCRIPTIONS	1,085	1,415	1,350	(65)
607125	549750	PERMITS, LICENSE AND FEES	10,286	11,921	12,320	399
607125	549999	MISCELLANEOUS EXPENSE	-	30	-	(30)
607125	553000	NON-CAPITAL EQUIPMENT	-	13,082	-	(13,082)
607125	554000	CAP OUTLAY-MTR VEHS	-	74,950	-	(74,950)
607125	555000	CAP OUTLAY-OTR EQUIP	-	-	-	-
607125	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607125	559900	C/O LAND IMPROVEMENTS	-	-	-	-
607125	569000	CONTRACTED SERVICES	-	-	-	-
607125	598010	DEPARTMENTAL CHGS-G/F	-	-	-	-
607125	598800	INTERCOMPANY DEPT CHRGS	-	-	-	-
<i>Sub-Total</i>			742,358	867,497	868,308	811

FY18-19 Budget Highlights

The most notable change for Operations Center in FY18-19 will be personnel changes. This is noted in lines including: “Salaries & Wages- Reg”, “Salaries & Wages-P/T”, “Group Med & Life Ins”, etc. Overall, the division is relatively consistent on a bottom line budgetary basis. A vehicle purchase was completed in FY17-18 and will not be carried over to FY18-19, saving a significant amount of funds.



Water Distribution Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Water Distribution						
607126	512100	SALARIES & WAGES-REG	445,964	480,739	615,996	135,257
607126	512200	SALARIES & WAGES-O/T	52,290	35,966	65,626	29,660
607126	512250	SALARIES & WAGES-HOLIDAY PAY	723	3,698	4,750	1,052
607126	512300	SALARIES & WAGES - STANDBY PAY	3,592	6,646	12,819	6,173
607126	513500	SALARIES & WAGES-UNIFORM/TAXAB	4,350	867	-	(867)
607126	517200	CELLPHONE STIPEND	1,225	1,500	1,800	300
607126	518100	FICA TAX EXPENSE	36,934	39,766	53,626	13,860
607126	518200	RETIREMENT EXPENSE	38,354	38,986	54,327	15,341
607126	518300	GROUP MED & LIFE INS	99,212	105,210	143,656	38,446
607126	518600	WORKER'S COMP INS	13,137	16,010	18,333	2,323
607126	519000	PROFESSIONAL SERVICES	66,450	15,094	6,000	(9,094)
607126	519400	PROF SERVICES-ENGRING	-	1,500	31,500	30,000
607126	521200	UNIFORMS	4,359	8,598	11,302	2,704
607126	521300	PROTECTIVE EQUIP-CLOTHING	-	-	-	-
607126	525100	GASOLINE & DIESEL	19,921	34,690	38,000	3,310
607126	529900	SUPPLIES & MATERIALS	87,974	103,078	140,000	36,922
607126	532100	TELEPHONE	4,322	6,700	4,800	(1,900)
607126	535200	R & M - EQUIPMENT	24,901	19,680	34,000	14,320
607126	535250	R&M-LINES	-	85,221	200,000	114,779
607126	535300	R & M - AUTO/TRUCKS	26,719	26,795	30,000	3,205
607126	539400	TRAVEL	27	1,000	3,000	2,000
607126	539500	TRAINING	1,146	4,176	8,000	3,824
607126	545600	LIAB/PROP INS & BONDS	33,852	38,483	29,120	(9,363)
607126	549100	DUES & SUBSCRIPTIONS	5,742	5,887	6,200	313
607126	549750	PERMITS, LICENSE AND FEES	2,796	7,972	900	(7,072)
607126	549950	DAMAGES TO OTHER UTILITIES	5,079	10,000	15,000	5,000
607126	549999	MISCELANEOUS EXPENSE	250	260	300	40
607126	552000	CAPITAL OUTLAY - EQUIPMENT	-	145,275	-	(145,275)
607126	553000	NON-CAPITAL EQUIPMENT	2,416	73,492	35,700	(37,792)
607126	554000	CAP OUTLAY-MTR VEHS	209,450	250,700	-	(250,700)
607126	555000	CAP OUTLAY-OTR EQUIP	-	-	-	-
607126	556000	CAP OUTLAY-MTRZED EQ	-	-	-	-
607126	557000	LAND,ROW,AND LAND IMPROVEMENT	-	21,000	-	(21,000)
607126	559600	CAP OUTLAY-LINE UPGRD	26,932	50,000	50,000	-
607126	559700	CAP OUTLAY-WATER LINES	853,740	-	-	-
607126	559900	C/O LAND IMPROVEMENTS	-	-	-	-
607126	569000	CONTRACTED SERVICES	10,770	37,000	25,000	(12,000)
607126	595600	ISSUES FROM INVENTORY	260,070	238,704	300,000	61,296
607126	595800	CUSTOMER PORTION	-	-	-	-
607126	598500	PAVING CUT REPAIRS	25,759	40,000	130,000	90,000
607126	598600	REIMBURSE WATER DEPT	-	-	-	-
607126	598800	INTERCOMPANY DEPT CHRGS	-	-	-	-
<i>Sub-Total</i>			2,368,458	1,954,693	2,069,755	115,062

FY18-19 Budget Highlights

Water Distribution expenditures generally decrease from FY17-18 to FY18-19. The majority of the increase in this department is due to personnel expenses. A significant budget was appropriated in FY17-18 for capital outlay and vehicle purchases, this budget will not carry over.



In addition, this division has absorbed some of the operational and capital budget appropriated previously for the W&S Maintenance and Construction Division which will be sent to Water Distribution and Wastewater Collections in FY18-19 (see next section).



Water/Sewer Maintenance & Construction Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Maintenance & Construction						
607127	512100	SALARIES & WAGES-REG	130,063	141,966	-	(141,966)
607127	512200	SALARIES & WAGES-O/T	14,415	17,974	-	(17,974)
607127	512250	SALARIES & WAGES-HOLIDAY PAY	51	1,093	-	(1,093)
607127	512300	SALARIES & WAGES - STANDBY PAY	1,343	6,646	-	(6,646)
607127	513500	SALARIES & WAGES-UNIFORM/TAXAB	1,509	534	-	(534)
607127	517200	CELLPHONE STIPEND	300	300	-	(300)
607127	518100	FICA TAX EXPENSE	10,919	12,071	-	(12,071)
607127	518200	RETIREMENT EXPENSE	10,709	11,834	-	(11,834)
607127	518300	GROUP MED & LIFE INS	26,569	30,060	-	(30,060)
607127	518600	WORKER'S COMP INS	3,893	3,901	-	(3,901)
607127	519000	PROFESSIONAL SERVICES	462	1,600	-	(1,600)
607127	519400	PROF SERVICES-ENGRING	-	30,000	-	(30,000)
607127	521200	UNIFORMS	517	2,480	-	(2,480)
607127	521300	PROTECTIVE EQUIP-CLOTHING	-	-	-	-
607127	525100	GASOLINE & DIESEL	5,862	12,000	-	(12,000)
607127	529900	SUPPLIES & MATERIALS	(30,536)	39,660	-	(39,660)
607127	532100	TELEPHONE	418	850	-	(850)
607127	535200	R & M - EQUIPMENT	8,427	10,000	-	(10,000)
607127	535250	R&M-LINES	250,153	110,444	-	(110,444)
607127	535300	R & M - AUTO/TRUCKS	611	8,000	-	(8,000)
607127	539400	TRAVEL	-	500	-	(500)
607127	539500	TRAINING	350	1,500	-	(1,500)
607127	543900	RENT - EQUIPMENT	7,189	10,000	-	(10,000)
607127	545600	LIAB/PROP INS & BONDS	390	898	-	(898)
607127	549100	DUES & SUBSCRIPTIONS	-	-	-	-
607127	549750	PERMITS, LICENSE AND FEES	225	400	-	(400)
607127	549950	DAMAGES TO OTHER UTILITIES	934	5,000	-	(5,000)
607127	549999	MISCELANEOUS EXPENSE	-	100	-	(100)
607127	553000	NON-CAPITAL EQUIPMENT	-	4,000	-	(4,000)
607127	554000	CAP OUTLAY-MTR VEHS	-	-	-	-
607127	555000	CAP OUTLAY-OTR EQUIP	-	-	-	-
607127	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607127	559600	CAP OUTLAY-LINE UPGRD	-	6,091	-	(6,091)
607127	559700	CAP OUTLAY-LINES	-	307,000	-	(307,000)
607127	559900	C/O LAND IMPROVEMENTS	-	-	-	-
607127	569000	CONTRACTED SERVICES	-	-	-	-
607127	595600	ISSUES FROM INVENTORY	-	-	-	-
607127	595800	CUSTOMER PORTION	-	-	-	-
607127	598500	PAVING CUT REPAIRS	26,645	1,900	-	(1,900)
607127	598600	REIMBURSE WATER DEPT	-	-	-	-
607127	598800	INTERCOMPANY DEPT CHRGS	-	-	-	-
<i>Sub-Total</i>			471,418	778,802	-	(778,802)

FY18-19 Budget Highlights

This division in W&S has been dissolved and various expenses have been relocated to the Water Distribution and Wastewater Collections divisions. Dissolving this department is an effort to increase transparency and show what types of projects are being funded- water versus sewer.



Wastewater Treatment Plant Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Wastewater Treatment Plant						
607134	512100	SALARIES & WAGES-REG	414,291	437,438	375,772	(61,666)
607134	512200	SALARIES & WAGES-O/T	724	1,878	859	(1,019)
607134	512250	SALARIES & WAGES-HOLIDAY PAY	1,423	3,118	2,407	(711)
607134	513400	SALARIES & WAGES - SHIFT DIFF	1,741	3,120	3,120	-
607134	513500	SALARIES & WAGES-UNIFORM/TAXAB	2,435	2,765	-	(2,765)
607134	518100	FICA TAX EXPENSE	31,535	34,056	29,235	(4,821)
607134	518200	RETIREMENT EXPENSE	31,660	33,389	29,618	(3,771)
607134	518300	GROUP MED & LIFE INS	73,673	75,150	84,503	9,353
607134	518600	WORKER'S COMP INS	14,645	11,907	11,961	54
607134	518900	RETIREE INSURANCE	7,470	11,196	12,686	1,490
607134	519000	PROFESSIONAL SERVICES	1,455	2,500	3,100	600
607134	521100	JANITORIAL SUPPLIES	1,339	3,000	3,000	-
607134	521200	UNIFORMS	4,374	3,504	5,610	2,106
607134	523000	MEDICAL SUPPLIES	-	300	350	50
607134	525100	GASOLINE & DIESEL	3,313	6,000	8,500	2,500
607134	526000	OFFICE SUPPLIES	1,186	2,500	2,600	100
607134	526100	LABORATORY SUPPLIES	19,129	18,000	21,000	3,000
607134	529000	CHEMICALS	20,767	26,000	26,000	-
607134	529900	SUPPLIES & MATERIALS	9,938	9,350	10,000	650
607134	532100	TELEPHONE	-	2,600	-	(2,600)
607134	532500	POSTAGE	1,082	1,500	1,500	-
607134	533000	UTILITIES	305,541	335,622	336,000	378
607134	535100	R & M - BUILDINGS	8,923	15,000	30,000	15,000
607134	535200	R & M - EQUIPMENT	156,008	139,002	145,000	5,998
607134	535300	R & M - AUTO/TRUCKS	3,389	3,500	3,500	-
607134	537000	ADVERTISING	490	-	-	-
607134	539400	TRAVEL	718	2,584	3,500	916
607134	539500	TRAINING	1,314	3,000	3,000	-
607134	545600	LIAB/PROP INS & BONDS	13,919	12,964	13,146	182
607134	549100	DUES & SUBSCRIPTIONS	1,470	-	200	200
607134	549700	PRETREATMENT PROGRAM	-	416	-	(416)
607134	549750	PERMITS, LICENSE AND FEES	6,260	7,155	7,205	50
607134	549999	MISCELANEOUS EXPENSE	-	-	-	-
607134	552000	CAPITAL OUTLAY - EQUIPMENT	-	85,265	320,000	234,735
607134	554000	CAP OUTLAY-MTR VEHS	-	-	-	-
607134	555000	CAP OUTLAY-OTR EQUIP	-	-	-	-
607134	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607134	569000	CONTRACTED SERVICES	20,627	33,500	40,000	6,500
607134	569100	SLUDGE MANAGEMENT	218,099	246,125	227,000	(19,125)
<i>Sub-Total</i>			1,378,937	1,573,404	1,760,372	186,968

FY18-19 Budget Highlights

Personnel expenses have generally declined from FY17-18 to FY18-19 in this division. Insurance and benefits have increased, as observable City-wide. Operational expenses have increased going into FY18-19, mostly due to increased market costs for materials and supplies used by the WWTP. Overall, the WWTP is appropriated \$186,968 higher for the new fiscal year.



Sewer Collection Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Sewer Collection						
607136	512100	SALARIES & WAGES-REG	359,923	370,976	468,710	97,734
607136	512200	SALARIES & WAGES-O/T	24,486	32,321	29,706	(2,615)
607136	512250	SALARIES & WAGES-HOLIDAY PAY	69	2,854	3,606	752
607136	512300	SALARIES & WAGES - STANDBY PAY	1,914	6,552	3,096	(3,456)
607136	513500	SALARIES & WAGES-UNIFORM/TAXAB	2,451	1,071	-	(1,071)
607136	517200	CELLPHONE STIPEND	1,100	1,200	1,200	-
607136	518100	FICA TAX EXPENSE	29,136	30,721	38,734	8,013
607136	518200	RETIREMENT EXPENSE	29,594	30,119	39,240	9,121
607136	518300	GROUP MED & LIFE INS	79,532	82,665	118,304	35,639
607136	518600	WORKER'S COMP INS	8,882	10,835	10,866	31
607136	519000	PROFESSIONAL SERVICES	4,811	2,500	2,900	400
607136	519400	PROF SERVICES-ENGRING	942	2,500	2,500	-
607136	521200	UNIFORMS	2,704	6,558	7,426	868
607136	521300	PROTECTIVE EQUIP-CLOTHING	-	-	-	-
607136	525100	GASOLINE & DIESEL	18,779	24,000	24,000	-
607136	529900	SUPPLIES & MATERIALS	57,563	88,485	90,000	1,515
607136	532100	TELEPHONE	4,036	5,200	3,600	(1,600)
607136	535200	R & M - EQUIPMENT	31,829	33,423	37,700	4,277
607136	535250	R&M-LINES	-	71,585	299,437	227,852
607136	535300	R & M - AUTO/TRUCKS	32,217	30,905	35,000	4,095
607136	539400	TRAVEL	36	1,262	1,500	238
607136	539500	TRAINING	4,453	4,500	5,500	1,000
607136	543900	RENT - EQUIPMENT	-	2,000	1,000	(1,000)
607136	545600	LIAB/PROP INS & BONDS	19,587	20,825	20,180	(645)
607136	549100	DUES & SUBSCRIPTIONS	-	1,300	1,400	100
607136	549750	PERMITS, LICENSE AND FEES	2,975	9,280	2,130	(7,150)
607136	549950	DAMAGES TO OTHER UTILITIES	1,237	10,000	10,000	-
607136	549999	MISCELANEOUS EXPENSE	-	168	200	32
607136	552000	CAPITAL OUTLAY - EQUIPMENT	15,084	65,500	180,000	114,500
607136	553000	NON-CAPITAL EQUIPMENT	36,622	20,402	17,950	(2,452)
607136	554000	CAP OUTLAY-MOTOR VEHS	26,303	159,400	64,000	(95,400)
607136	555000	CAP OUTLAY-OTR EQUIP	-	-	-	-
607136	557000	LAND,ROW,AND LAND IMPROVEMENT	-	-	-	-
607136	559600	CAP OUTLAY-I/I UPGRD	-	-	-	-
607136	559700	CAP OUTLAY-LINE UPGRD	64,300	455	196,000	195,545
607136	559900	C/O LAND IMPROVEMENTS	-	-	-	-
607136	569000	CONTRACTED SERVICES	15,434	55,580	40,000	(15,580)
607136	595600	ISSUES FROM INVENTORY	18,518	30,000	40,000	10,000
607136	598500	PAVING CUT REPAIRS	4,084	31,100	35,000	3,900
607136	598600	REIMBURSE SEWER DEPT	-	-	-	-
607136	598800	INTERCOMPANY DEPT CHRGS	-	-	-	-
<i>Sub-Total</i>			898,602	1,246,242	1,830,885	584,643

FY18-19 Budget Highlights

Increase in expenditure for this W&S Division. The increase can be explained by personnel cost increases related to insurance and benefits. This division has also seen increased costs from absorbing the previously budgeted W&S Construction Division. Finally, funds for emergency repair and replacement of lines have increased in appropriated amount for FY18-19..



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Non-Departmental						
609619	518900	RETIREE INSURANCE	-	-	-	-
609619	549999	MISCELANEOUS EXPENSE	-	-	-	-
609619	560200	OPER TRANS TO CR FUND	-	-	-	-
609619	598030	GOVERNING BODY	-	-	-	-
609619	598031	ADMIN - CITY HALL	-	-	-	-
609619	598032	CITY ENGINEER	-	-	-	-
609619	598033	IT DEPARTMENT	-	-	-	-
609619	598034	LEGAL DEPARTMENT	-	-	-	-
609619	598880	CONTR TO H&W FUND	-	149,950	154,817	4,867
<i>Sub-Total</i>			-	149,950	154,817	4,867

FY18-19 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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Special Appropriations						
609620	500035	IAM-LEAK REPAIR ASSISTANCE	2,500	15,000	2,500	(12,500)
609620	560200	OTHER AGENCIES	473,500	80,000	80,000	-
609620	561600	P'ship for Econ. Development	50,000	50,000	50,000	-
<i>Sub-Total</i>			526,000	145,000	132,500	(12,500)

FY18-19 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. Interfaith Assistance Ministry’s leak repair program has requested less funding for FY18-19; therefore, appropriation amounts from the W&S fund are relatively lower than FY17-18.



Debt Service Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Debt Service						
609621	571100	PRIN - SRLF SWR LINES	100,880	-	-	-
609621	571200	PRIN - SRLF WWTP PROJ	662,500	662,500	662,500	-
609621	571300	PRIN - BRIGHTWTR PROJ	28,589	28,590	28,590	-
609621	571400	PRIN - JP MORGAN AMR SYSTEM	776,230	776,231	776,231	-
609621	571500	PRIN - BB&T WTP UPGRADE	1,159,921	596,980	-	(596,980)
609621	571600	PRIN - SRLF JACKSON PARK	217,030	217,030	217,030	-
609621	571700	PRIN - SRLF WOLFPEN SEWER	139,248	139,249	139,249	-
609621	571800	PRIN - SRLF SHEPHERD CREEK	90,750	90,750	90,750	-
609621	572100	INT - SRLF SWR LINES	3,460	-	-	-
609621	572200	INT - SRLF WWTP PROJ	115,673	96,394	77,115	(19,279)
609621	572300	INT - SRLF BRIGHTWTR PROJ	10,635	9,927	9,218	(709)
609621	572400	INT- JPMORGAN AMR SYSTEM	210,517	192,210	173,904	(18,306)
609621	572500	INT-BB&T WTP UPGRADE	57,319	11,642	-	(11,642)
609621	572600	INT-SRLF JACKSON PARK	82,471	78,131	73,791	(4,340)
609621	572700	INT-SRLF WOLFPEN SEWER	52,914	50,130	47,345	(2,785)
609621	572800	INT-SRLF SHEPHERD CREEK	34,485	32,670	30,855	(1,815)
609621	575200	BANK SERVICE CHARGES	-	-	-	-
<i>Sub-Total</i>			3,742,623	2,982,434	2,326,578	(655,856)

FY18-19 Budget Highlights

The major change in debt service for the W&S Fund for FY18-19 is the payment in full of the WTP upgrade, along with lowered payments of interest for various other capital project debts. In all, Principal and Interest payments will cost the City \$655,856 less in FY18-19 than the previous fiscal year. These costs will increase in future years; however, as new projects come online, requiring new debt packages to finance them.



Transfers Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Transfers						
609900	999032	TRANS TO SDWALK IMPMT	-	273,589	-	(273,589)
609900	999066	TRANSFER OUT TO W&S CRF	-	-	100,000	100,000
609900	999080	TRANSFER OUT TO H&W FUND	-	-	-	-
609900	999350	TRANSFER OUT TO HWY64 SWALK	18,599	-	-	-
609900	999378	TRANSFER TO ACADEMY RD	-	-	-	-
609900	999401	TRANSFER TO FLETCHER	-	250,000	-	(250,000)
609900	999402	TRANSFER TO EASTSIDE	-	-	-	-
609900	999403	TRANSFER TO HIGH SERVICE	-	410,000	-	(410,000)
609900	999410	TRANSFER TO SCADA	793,000	-	-	-
609900	999415	TRANSFER TO RUGBY RD.	-	-	-	-
609900	999420	TRANSFER TO RUTLEDGE	445,800	-	-	-
609900	999425	TRANSFER TO GRAVITY FILTER	-	2,085,000	-	(2,085,000)
609900	999426	TRANSFER TO FRENCH BROAD	184,867	-	-	-
609900	999430	TRANSFER TO ETOWAH	-	-	-	-
609900	999435	TRANSFER TO N. OAK ST.	7,875	-	-	-
609900	999440	TRANSFER TO GLENBROOK SEWER	197,649	-	-	-
609900	999445	TRANSFER TO WWTP GENERATOR/ATS	100,000	1,545,133	-	(1,545,133)
609900	999460	TRANSFER TO WWIA	164,850	372,000	-	(372,000)
<i>Sub-Total</i>			1,912,639	4,935,722	100,000	(4,835,722)

FY18-19 Budget Highlights

A number of transfers to various projects were completed in FY17-18. Transfers completed in FY17-18 will not reoccur in FY18-19. A notable transfer in FY18-19 is the transfer to the Water and Sewer Capital Reserve Fund (CRF) for \$100,000. The CRF was created to save for economic development related projects. The City will begin contributions to this fund in FY18-19.



**Contingencies Expenditures by Line Item**

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
W/S-Contingencies						
609910	599100	CONTINGENCIES	-	38,351	100,000	61,649
<i>Sub-Total</i>			-	38,351	100,000	61,649

**FY18-19 Budget Highlights**

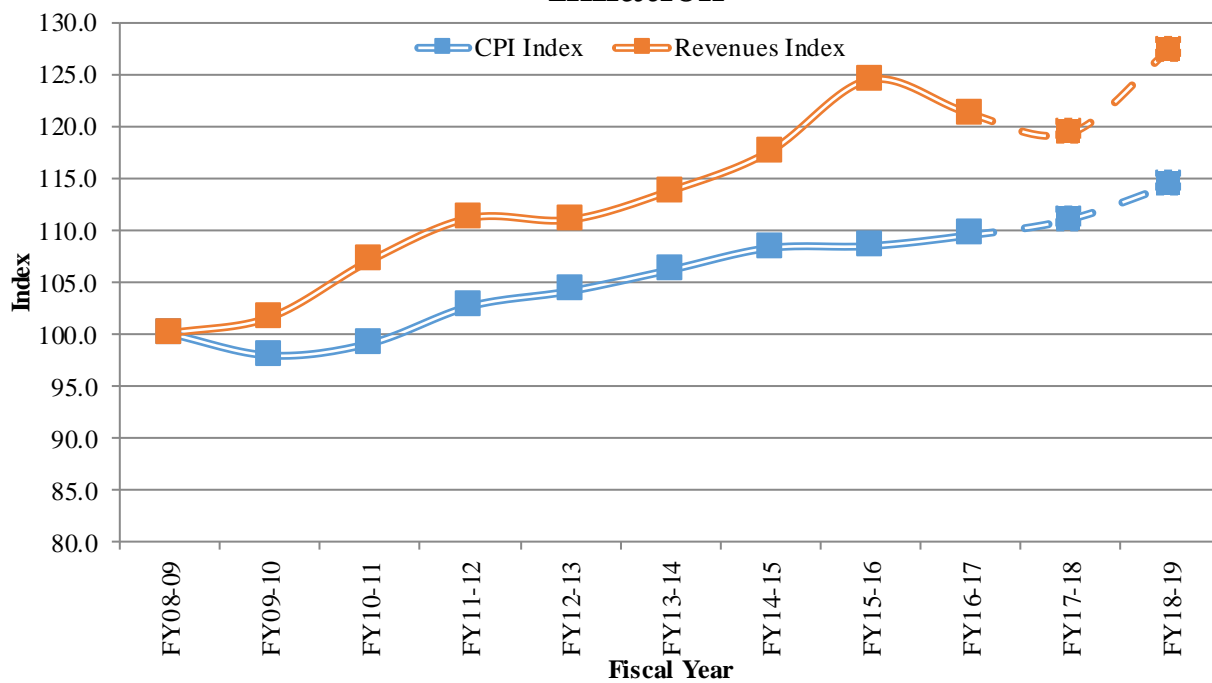
Water and Sewer Fund contingencies are used to pay for unexpected expenses- typically related to emergencies. For FY18-19 the City has appropriated \$100,000 for this expenditure purpose.



### Revenue and Expenditure Trends

Water and Sewer Revenues are relatively consistent and are driven primarily by user fees from water and sewer usage. Controlling for inflation smooths revenue data and provides more accurate depictions of revenue streams as observed in the line chart below. It is reasonable to assume that increased water and sewer revenues correlate to a higher demand for service.

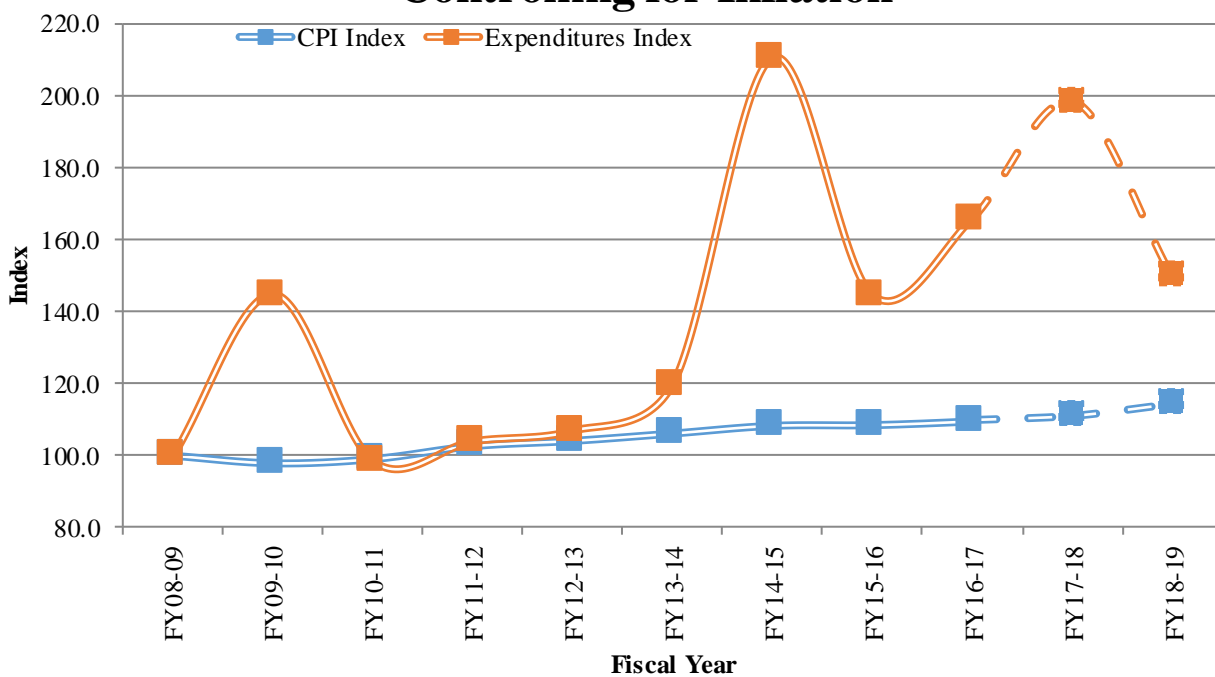
### Water & Sewer Fund Revenues Controlling for Inflation



### Revenue and Expenditure Trends

Water and Sewer Fund expenditures are slightly more fluctuating than revenues. Expenditures increase on a stable base year over year; however, incremental increases, or spikes, in expenditure may result from infrequent and large projects and purchases. This budgetary phenomenon can be observed in the expenditure line chart depicted below.

### Water & Sewer Fund Expenditures Controlling for Inflation



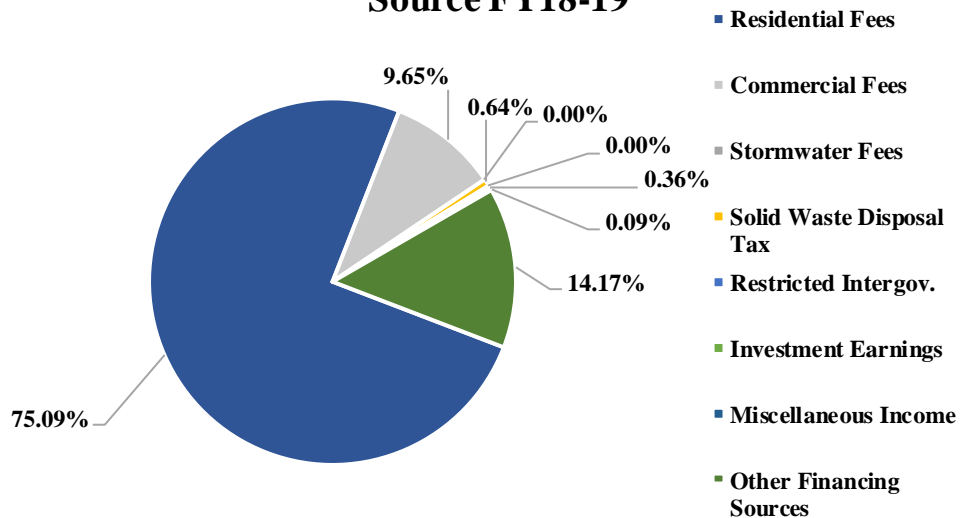
### Environmental Services Fund Revenues

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

### Revenues by Source

REVENUE SOURCE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY17-18 ADOPTED	DOLLAR CHANGE
Residential Fees	\$ (1,048,342)	\$ (1,065,000)	\$ (1,050,000)	\$ 15,000
Commercial Fees	\$ (135,222)	\$ (140,000)	\$ (135,000)	\$ 5,000
Stormwater Fees	\$ (233,591)	\$ -	\$ -	\$ -
Solid Waste Disposal Tax	\$ -	\$ (8,000)	\$ (9,000)	\$ (1,000)
Restricted Intergov.	\$ (9,285)	\$ -	\$ -	\$ -
Investment Earnings	\$ (3,695)	\$ (5,000)	\$ (5,000)	\$ -
Miscellaneous Income	\$ (20,075)	\$ (3,630)	\$ (1,200)	\$ 2,430
Other Financing Sources	\$ -	\$ (204,150)	\$ (198,177)	\$ 5,973
<b>Total</b>	<b>\$ (1,450,210)</b>	<b>\$ (1,425,780)</b>	<b>\$ (1,398,377)</b>	<b>\$ 27,403</b>

Environmental Services Fund Revenues by Source FY18-19



Revenues by Line Item

Environmental Service Fund (ESF) Revenues are primarily obtained through user fees. The City delineates revenue sources for the ESF as seen in the table below. Each year, revenue is earned primarily through residential and commercial waste disposal fees. The City also transfers in funds from larger funds such as the General Fund to pay for various expenses.

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF Fees						
680014	451500	WASTE DISPSL FEES-RESIDENTAL	\$ (1,048,342)	\$ (1,065,000)	\$ (1,050,000)	\$ 15,000
680014	451600	WASTE DISPSL FEES-COMMERCIAL	\$ (135,222)	\$ (140,000)	\$ (135,000)	\$ 5,000
680014	451700	SOLID WASTE DISPOSAL TAX -DOR	\$ (9,285)	\$ (8,000)	\$ (9,000)	\$ (1,000)
680014	451800	STORMWATER FEE	\$ (233,591)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (1,426,440)	\$ (1,213,000)	\$ (1,194,000)	\$ 19,000
Restricted Intergovernmental						
680040	434990	GRANT REV - DENR	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ -	\$ -	\$ -
Investment Earnings						
680070	483100	INTEREST INCOME	\$ (3,695)	\$ (5,000)	\$ (5,000)	\$ -
		<i>Sub-Total</i>	\$ (3,695)	\$ (5,000)	\$ (5,000)	\$ -
Miscellaneous Income						
680080	443668	SALE OF FIXED ASSETS - SW FUND	\$ -	\$ -	\$ -	\$ -
680080	443800	DISCOUNTS EARNED	\$ -	\$ (200)	\$ (200)	\$ -
680080	443900	MISCELLANEOUS INCOME	\$ (20,075)	\$ (2,130)	\$ (1,000)	\$ 1,130
680080	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ (1,300)	\$ -	\$ 1,300
		<i>Sub-Total</i>	\$ (20,075)	\$ (3,630)	\$ (1,200)	\$ 2,430
Other Financing Sources						
680090	444000	INSURANCE SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
680090	498210	OPER TRANS FR GEN FD	\$ -	\$ -	\$ -	\$ -
680090	499100	PROCEEDS OF DEBT	\$ -	\$ -	\$ -	\$ -
680090	499200	FUND BALANCE APPROP	\$ -	\$ (204,150)	\$ (198,177)	\$ 5,973
		<i>Sub-Total</i>	\$ -	\$ (204,150)	\$ (198,177)	\$ 5,973
		<b>GRAND TOTAL</b>	\$ (1,450,210)	\$ (1,425,780)	\$ (1,398,377)	\$ 27,403

For the coming fiscal year, the primary source of revenue for the ESF will be residential and commercial waste disposal fees. A notable amount of funds will be transferred into the ESF from other funds. Overall, the ESF is conservatively budgeted, receiving approximately \$27,403 less revenue for FY18-19 than the estimate FY17-18.





## Environmental Services Fund 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.

## FY17-18 Accomplishments

- ✓ Assisted with community shredding events for the public at Patton Park.
- ✓ Continue to focus on customer service and improve on customer service in every way possible.
- ✓ Purchased new recycling and garbage carts, began a big cart replacement project.
- ✓ Continued our outreach program by providing Environmental Services Brochure to anyone who needed it plus began giving out information to customers on the street.
- ✓ Fill the crew leader position.
- ✓ Continue to focus on safety and efficiency.
- ✓ Complete a route study.
- ✓ Working with our Finance Dept. to set up the routes in Munis which will give us the ability to send out messages to our customers on a specific route (or day of the week).
- ✓ Purchased one new truck.
- ✓ Clean trash and recycling receptacles on Main Street on a regular basis.

## FY18-19 Goals & Initiatives

- ✓ Continue to provide shredding events to the public.
- ✓ Continue to replace worn/broken carts to better serve our customers.
- ✓ Continue to promote our recycling program.
- ✓ Focus on employee safety and accident prevention.
- ✓ Utilize Munis to be able to notify customers of a change in their collection day.

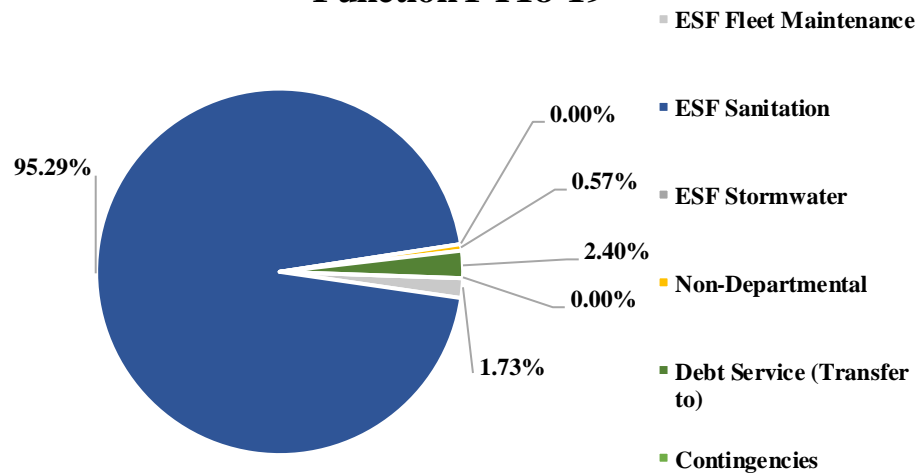
## Long Term Goals and Objectives

- ✓ 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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF Fleet Maintenance	\$ 23,493	\$ 22,201	\$ 24,248	\$ 2,047
ESF Sanitation	\$ 1,114,712	\$ 1,356,025	\$ 1,332,501	\$ (23,524)
ESF Stormwater	\$ 177,996	\$ -	\$ -	\$ -
Non-Departmental	\$ -	\$ 13,925	\$ 8,000	\$ (5,925)
Debt Service (Transfer to)	\$ 33,628	\$ 33,629	\$ 33,628	\$ (1)
Contingencies	\$ 100,000	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,449,829</b>	<b>\$ 1,425,780</b>	<b>\$ 1,398,377</b>	<b>\$ (27,403)</b>

Environmental Services Fund Expenditures by Function FY18-19



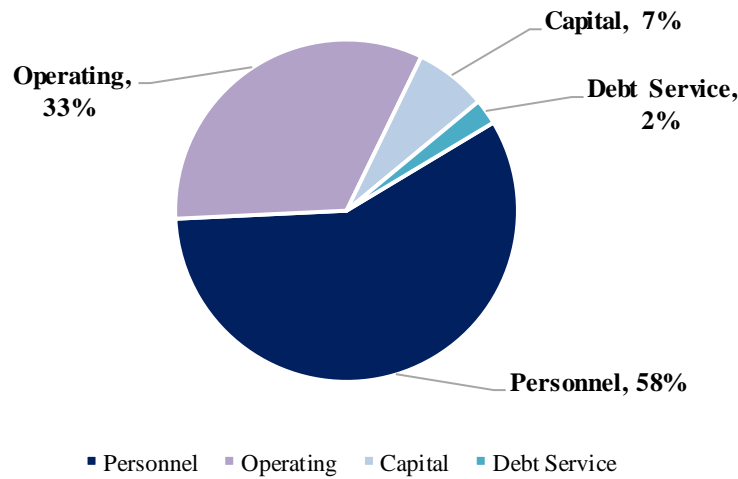
Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Environmental Services Fund				
Personnel	\$ 798,255	\$ 736,306	\$ 809,099	\$ 72,793
Operating	\$ 614,215	\$ 505,959	\$ 460,650	\$ (45,309)
Capital	\$ 3,729	\$ 149,886	\$ 95,000	\$ (54,886)
Debt Service	\$ 33,628	\$ 33,629	\$ 33,628	\$ (1)
<i>Sub-Total</i>	\$ 1,449,827	\$ 1,425,780	\$ 1,398,377	\$ (27,403)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 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 PW-Streets & Highways\**

Expenditures by Type



Environmental Services Fleet Maintenance Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF-Fleet Maintenance						
684250	512100	SALARIES & WAGES - REGULAR	\$ 16,061	\$ 15,347	\$ 15,941	\$ 594
684250	512200	SALARIES & WAGES - OVERTIME	\$ 1,353	\$ 1,116	\$ 1,769	\$ 653
684250	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 43	\$ 119	\$ 123	\$ 4
684250	513500	SALARIES & WAGES-UNIFORM/TAXA	\$ 73	\$ -	\$ -	\$ -
684250	518100	FICA TAX EXPENSE	\$ 1,338	\$ 1,197	\$ 1,365	\$ 168
684250	518200	RETIREMENT EXPENSE	\$ 1,318	\$ 1,174	\$ 1,382	\$ 208
684250	518300	GROUP MED & LIFE INS	\$ 2,953	\$ 2,706	\$ 3,043	\$ 337
684250	518600	WORKER'S COMP INS	\$ 354	\$ 467	\$ 625	\$ 158
684250	521200	UNIFORMS	\$ -	\$ -	\$ -	\$ -
684250	545600	LIAB & PROP INS & BONDS	\$ -	\$ 75	\$ -	\$ (75)
684250	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 23,493	\$ 22,201	\$ 24,248	\$ 2,047

FY18-19 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. In FY18-19, there will be an increase in costs for the ESF, primarily due to personnel, insurance, and benefits costs.



Environmental Services Administration Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF-Sanitation						
684710	500024	DRUG TESTING	\$ -	\$ -	\$ -	\$ -
684710	500028	EMPLOYEE ASSISTANCE PROGRAM	\$ -	\$ -	\$ -	\$ -
684710	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ -	\$ -
684710	512100	SALARIES & WAGES-REG	\$ 430,545	\$ 457,533	\$ 504,525	\$ 46,992
684710	512200	SALARIES & WAGES-O/T	\$ 10,549	\$ 15,000	\$ 11,191	\$ (3,809)
684710	512250	SALARIES & WAGES-HOLIDAY PAY	\$ 8,056	\$ 19,358	\$ 23,286	\$ 3,928
684710	512900	SALARIES & WAGES-P/T	\$ 28	\$ -	\$ -	\$ -
684710	513500	SALARIES & WAGES-UNIFORM/TAXA	\$ 4,001	\$ 2,828	\$ 2,828	\$ -
684710	518100	FICA TAX EXPENSE	\$ 33,915	\$ 37,401	\$ 41,234	\$ 3,833
684710	518200	RETIREMENT EXPENSE	\$ 34,193	\$ 36,667	\$ 41,773	\$ 5,106
684710	518300	GROUP MED & LIFE INS	\$ 107,077	\$ 105,210	\$ 118,304	\$ 13,094
684710	518400	OPEB EXPENSE	\$ -	\$ -	\$ -	\$ -
684710	518500	STATE UNEMPLOYMENT INSURANCE	\$ -	\$ -	\$ -	\$ -
684710	518600	WORKER'S COMP INS	\$ 15,064	\$ 21,149	\$ 24,011	\$ 2,862
684710	518800	EMPLOYEE DEATH BENEFIT	\$ -	\$ -	\$ 5,000	\$ 5,000
684710	518900	RETIREE INSURANCE	\$ 17,928	\$ 19,034	\$ 12,699	\$ (6,335)
684710	519000	PROFESSIONAL SERVICES	\$ -	\$ 1,000	\$ 1,000	\$ -
684710	519100	AUDIT FEES	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
684710	521200	UNIFORMS	\$ 3,911	\$ 6,922	\$ 10,500	\$ 3,578
684710	525100	GASOLINE & DIESEL	\$ 41,344	\$ 53,680	\$ 52,000	\$ (1,680)
684710	525200	TIRES	\$ -	\$ -	\$ -	\$ -
684710	525300	VEHICLE PARTS	\$ -	\$ -	\$ -	\$ -
684710	525400	OIL, LUBRICATION, ETC	\$ -	\$ -	\$ -	\$ -
684710	526000	OFFICE SUPPLIES	\$ 219	\$ 1,000	\$ 1,000	\$ -
684710	529900	SUPPLIES & MATERIALS	\$ 18,842	\$ 36,900	\$ 36,000	\$ (900)
684710	532100	TELEPHONE	\$ 4,508	\$ 5,050	\$ 4,050	\$ (1,000)
684710	532500	POSTAGE	\$ 100	\$ 200	\$ 200	\$ -
684710	535200	R & M - EQUIPMENT	\$ 20	\$ 2,950	\$ 500	\$ (2,450)
684710	535300	R & M - AUTO/TRUCKS	\$ 69,887	\$ 63,093	\$ 57,683	\$ (5,410)
684710	539400	TRAVEL	\$ -	\$ 800	\$ 1,200	\$ 400
684710	539500	TRAINING	\$ 275	\$ 900	\$ 900	\$ -
684710	545600	LIAB/PROP INS & BONDS	\$ 8,457	\$ 11,031	\$ 10,317	\$ (714)
684710	549020	GRANT EXP DENR RECYCLE	\$ -	\$ -	\$ -	\$ -
684710	549200	UNCOLLECTIBLE ACCOUNTS	\$ 1,044	\$ -	\$ -	\$ -
684710	549400	ENVIRON SUSTAIN BOARD	\$ -	\$ 3,300	\$ 2,000	\$ (1,300)
684710	549750	PERMITS, LICENSE AND FEES	\$ 78	\$ 100	\$ 500	\$ 400
684710	549955	DRUG TESTING	\$ 250	\$ 380	\$ 300	\$ (80)
684710	549960	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ 750	\$ 750
684710	549962	STATE UNEMPLOYMNT INS	\$ 2,946	\$ 2,500	\$ 2,500	\$ -
684710	549999	MISCELANEOUS EXPENSE	\$ 415	\$ 40	\$ -	\$ (40)
684710	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ 30,000	\$ 30,000
684710	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
684710	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ 149,886	\$ 35,000	\$ (114,886)
684710	555000	CAP OUTLAY-OTHER	\$ -	\$ -	\$ 30,000	\$ 30,000
684710	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ -	\$ -	\$ -	\$ -
684710	569000	CONTRACTED SERVICES	\$ 96,451	\$ 95,400	\$ 64,500	\$ (30,900)
684710	569300	TIPPING FEES	\$ 202,272	\$ 204,822	\$ 205,000	\$ 178
684710	575200	BANK SERVICE CHARGES	\$ 1,337	\$ 891	\$ 750	\$ (141)
684710	598300	REIMB G/F FLEET MAINT	\$ -	\$ -	\$ -	\$ -
684710	598800	INTERCOMPANY DEPT CHRGS	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 1,114,712	\$ 1,356,025	\$ 1,332,501	\$ (23,524)



**FY18-19 Budget Highlights**

In this fiscal year, there will be increased personnel costs due to insurance and benefits expenses. The largest change in expenditure outside personnel for Sanitation Administration in FY18-19 is the savings from a lower capital outlay expense for motor vehicles compared to FY17-18.



Stormwater Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF-Stormwater						
684720	512100	SALARIES & WAGES - REGULAR	\$ 84,141	\$ -	\$ -	\$ -
684720	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
684720	512250	SALARIES & WAGES-HOLIDAY PAY	\$ -	\$ -	\$ -	\$ -
684720	513500	SALARIES & WAGES-UNIFORM/TAXA	\$ -	\$ -	\$ -	\$ -
684720	518100	FICA TAX EXPENSE	\$ 6,400	\$ -	\$ -	\$ -
684720	518200	RETIREMENT EXPENSE	\$ 6,276	\$ -	\$ -	\$ -
684720	518300	GROUP MED & LIFE INS	\$ 15,106	\$ -	\$ -	\$ -
684720	518600	WORKER'S COMP INS	\$ 1,482	\$ -	\$ -	\$ -
684720	529900	SUPPLIES & MATERIALS	\$ 12,997	\$ -	\$ -	\$ -
684720	535100	R & M - BULIDINGS	\$ 12,508	\$ -	\$ -	\$ -
684720	535250	R&M-STORMWATER	\$ 35,355	\$ -	\$ -	\$ -
684720	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
684720	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
684720	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
684720	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ 3,729	\$ -	\$ -	\$ -
684720	559900	C/O LAND IMPROVEMENTS	\$ -	\$ -	\$ -	\$ -
684720	598035	DEPT CHGS-STRMWTR-G/F	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 177,994	\$ -	\$ -	\$ -

FY18-19 Budget Highlights

The Stormwater department was moved out of the Environmental Services Fund to a separate individual fund. This is reflected in the table above, where Stormwater has no costs in the Environmental Services Fund for FY17-18 and FY18-19. This is the final year this change will be noted in the budget document.



Non-Departmental Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF-Non-Departmental						
689619	500024	DRUG TESTING	\$ -	\$ -	\$ -	\$ -
689619	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ -	\$ -
689619	518500	STATE UNEMPLOYMNT INS	\$ -	\$ -	\$ -	\$ -
689619	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
689619	598880	CONTR TO H&W FUND	\$ -	\$ 13,925	\$ 8,000	\$ (5,925)
		<i>Sub-Total</i>	\$ -	\$ 13,925	\$ 8,000	\$ (5,925)

FY18-19 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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF-Debt Service						
689621	571000	PRIN -GARBAGE TRUCK LOAN	\$ 30,135	\$ 30,716	\$ 31,307	\$ 591
689621	572000	INT -GARBAGE TRUCK LOAN	\$ 3,493	\$ 2,913	\$ 2,321	\$ (592)
689621	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 33,628	\$ 33,629	\$ 33,628	\$ (1)

FY18-19 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.



Transfers Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
ESF-Transfers						
689900	999067	TRANSFER TO STORMWATER	\$ 100,000	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 100,000	\$ -	\$ -	\$ -

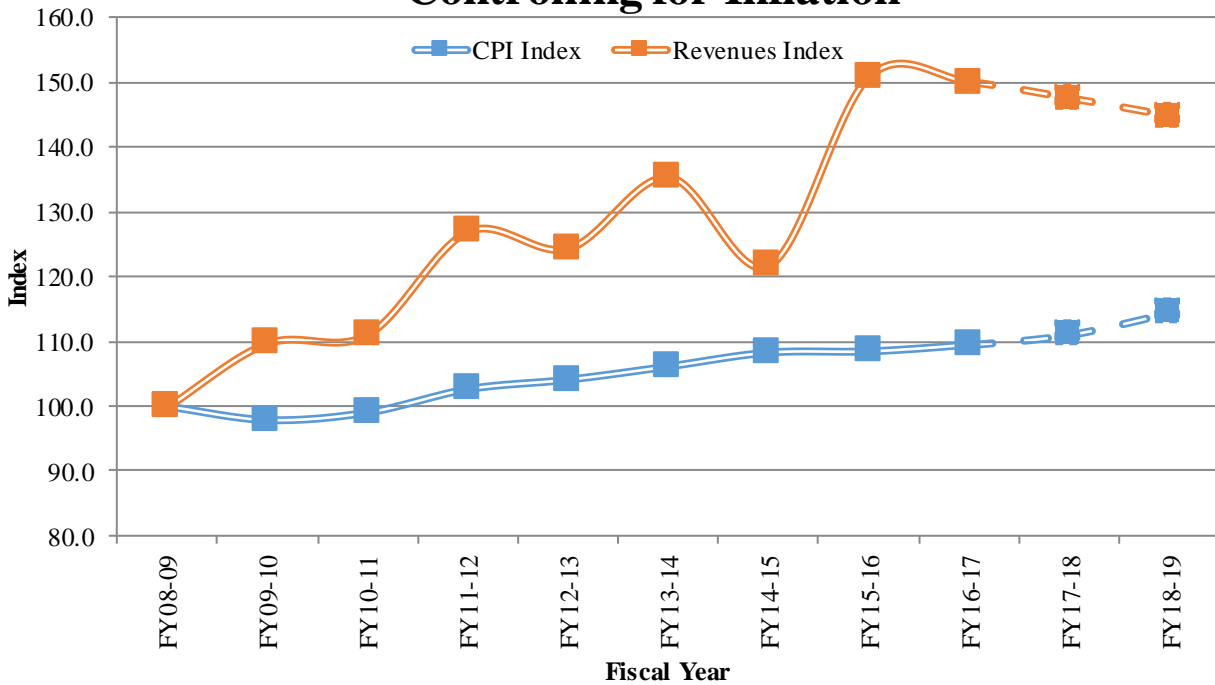
FY18-19 Budget Highlights

There are no transfers or contingencies in the Environmental Services Fund for this FY.

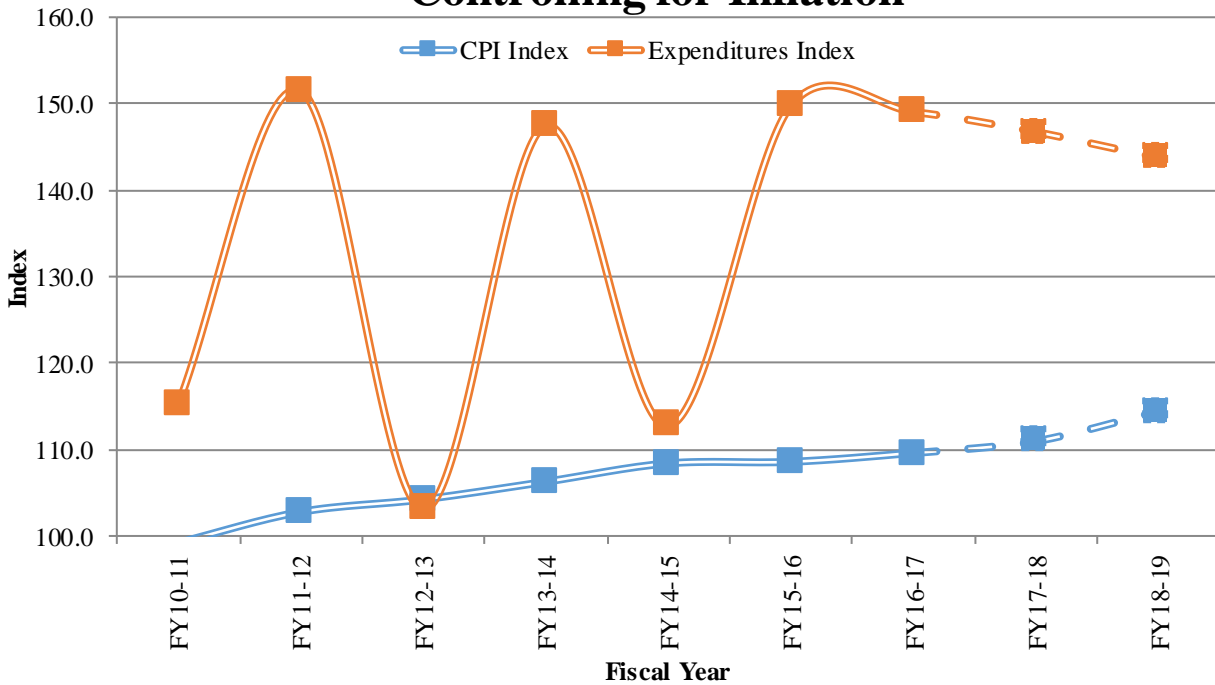


Revenue and Expenditure Trends

**Environmental Services Fund Revenues  
Controlling for Inflation**



**Environmental Services Fund Expenditures  
Controlling for Inflation**



### Stormwater Fund Revenues

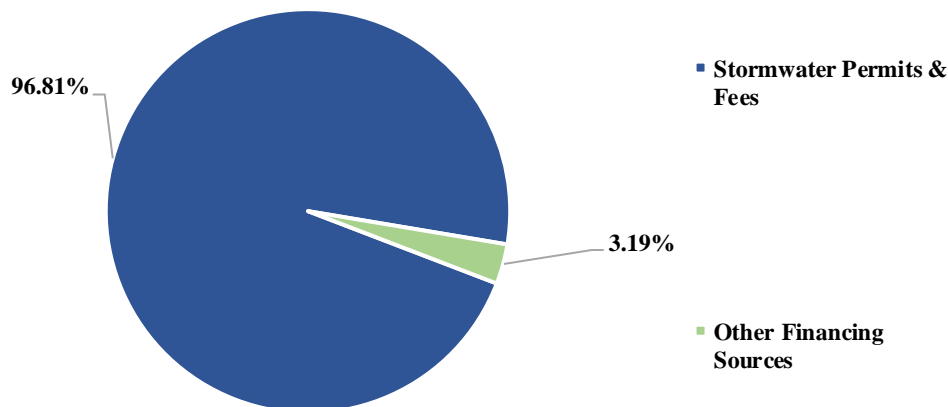
The Stormwater Management Fund operates as an enterprise fund. The fund is much like a private sector service however, unlike the private sector the government rarely sells its service in a competitive market. The government will often assume the production of this service because the opportunity for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

The Stormwater Management Fund receives revenue from 2 sources: stormwater fees and fund balance appropriation. In FY18-19, 96.81% of revenue (\$326,500) will come from stormwater fees, the remaining 3.19% (\$10,774) will be from fund balance appropriation. Revenue sources are further displayed in the following table. It is notable this fund’s revenues may change as the City Council begins to examine the capacity to create a storm water utility through findings from a master plan. Creating a utility could foundationally impact the structure of revenues for this fund.

### Revenues by Source

REVENUE SOURCE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Stormwater Permits & Fees	\$ -	\$ (226,200)	\$ (326,500)	\$ (100,300)
Other Financing Sources	\$ (100,000)	\$ (185,543)	\$ (10,774)	\$ 174,769
<b>Total</b>	<b>\$ (100,000)</b>	<b>\$ (411,743)</b>	<b>\$ (337,274)</b>	<b>\$ 74,469</b>

**Stormwater Fund Revenues by Source FY18-19**



Revenues by Line Item

Revenues for the Stormwater fund are primarily from fees and permits, with some additional funds coming from transfers out of other City funds. A master plan is currently in process which may alter the revenue structure for this fund in the future.

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Stormwater Permits & Fees						
670014	451800	STORMWATER FEE	\$ -	\$ (225,000)	\$ (325,000)	\$ (100,000)
670050	443000	STORMWATER PERMITS	\$ -	\$ (1,200)	\$ (1,500)	\$ (300)
		<i>Sub-Total</i>	\$ -	\$ (226,200)	\$ (326,500)	\$ (100,300)
Investment Earnings						
670070	483100	INTEREST INCOME	\$ -	\$ -	\$ (1,000)	\$ (1,000)
		<i>Sub-Total</i>	\$ -	\$ -	\$ (1,000)	\$ (1,000)
Miscellaneous Income						
670080	443667	SALE OF FIXED ASSETS STWFND	\$ -	\$ -	\$ -	\$ -
670080	443800	DISCOUNTS EARNED	\$ -	\$ -	\$ -	\$ -
670080	443900	MISCELLANEOUS INCOME	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ -	\$ -	\$ -
Other Financing Sources						
670090	444000	INSURANCE SETTLEMENTS	\$ -	\$ (52,943)	\$ -	\$ 52,943
670090	998010	TRANSFER IN FROM GF	\$ -	\$ (32,600)	\$ -	\$ -
670090	498268	REVENUE FROM ES FUND	\$ -	\$ -	\$ -	\$ -
670090	499200	FUND BALANCE APPROPRIATED	\$ (100,000)	\$ (100,000)	\$ (9,774)	\$ 90,226
		<i>Sub-Total</i>	\$ (100,000)	\$ (185,543)	\$ (9,774)	\$ 175,769
<b>GRAND TOTAL</b>			\$ (100,000)	\$ (411,743)	\$ (337,274)	\$ 74,469



## Stormwater Fund Expenditures

The City of Hendersonville's Stormwater Management Program works to preserve, protect, and restore the quality of water in the streams, rivers, and lakes within the City of Hendersonville. The City's Stormwater Management program was developed in compliance with the Federal Clean Water act and the North Carolina Department of Environmental Quality to ensure that stormwater is effectively controlled in order to reduce pollution generated from stormwater runoff. Staff is working to complete a stormwater master plan in order to assess existing stormwater infrastructure and identify and prioritize necessary capital improvement projects. The Stormwater Management Program is located within the Engineering Department and located at the City Operation Center at 305 Williams Street. For further information about the Stormwater Management Program, please contact Mike Huffman at (828)-697-3013 or email mhuffman@hvlnc.gov.

## FY17-18 Accomplishments

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



- ✓ Developed a Rain Barrel Program for COH: distributed 300 rain barrels to residents. Stormwater Management Fund Budget FY17-18 269
- ✓ Pursued/developed partnership with NC-State and NC Co-Op Extension leading to design/install of 3 innovative stormwater practices in Hendersonville using 319 Grant money (Rain Garden, Level Spreader, 5000 gal. rainwater harvesting system) and booked future stormwater education events in Hendersonville.
- ✓ Organized and participated in multiple stream clean-ups and water quality monitoring events.
- ✓ Developed ArcGIS online tools (Collector/Survey 123) to be used for stormwater inspections, data tracking, and data collection.
- ✓ Working with HC School system to install rain gardens at local school to be installed during 2017 “Day of Action”.
- ✓ Presented to multiple community groups and City Boards regarding stormwater management in COH.
- ✓ Partnered with AVL GreenWorks to install North Carolina’s 1st in-stream trash collection device “Trash Trout” (See AVL GreenWorks website).
- ✓ Conducted equivalent residential unit (ERU) analysis using impervious surface image classification for COH using ArcGIS to be used in future stormwater fee development.
- ✓ Addressed multiple citizen request regarding stormwater drainage concerns and issues.

### FY18-19 Goals and Initiatives

- ✓ Complete a SW Master Plan Pilot project in the Wash Creek Sub-watershed that will aid the City in establishing a working SW Asset Management Program (SWAMP)
- ✓ Begin a comprehensive Asset inventory for all City owned SW infrastructure
- ✓ Integrate storm water into CityWorks to assist in SWAMP implementation
- ✓ Continue to conduct streambank restorations throughout the City.
- ✓ Incentivize Green Infrastructure in new development projects
- ✓ Include green infrastructure in new city projects (Sidewalks, streets, redevelopment, new buildings).
- ✓ Implement long term drainage management plan for COH Greenway
- ✓ Host a Mud Creek work day in partnership with local non-profits and County
- ✓ Develop a Storm drain mural project (Public education and outreach)
- ✓ Conduct additional stormwater training for City Employees
- ✓ Hire intern to assist in day-to-day activities of stormwater management program

### Long Term Goals and Objectives

- ✓ Develop a more robust and equitable SW fund to address aging infrastructure, private property issues, and current funding restraints.
- ✓ Establish a working Stormwater Asset Management Program
- ✓ Complete asset inventory for City owned infrastructure
- ✓ Develop 10-yr stormwater CIP project list



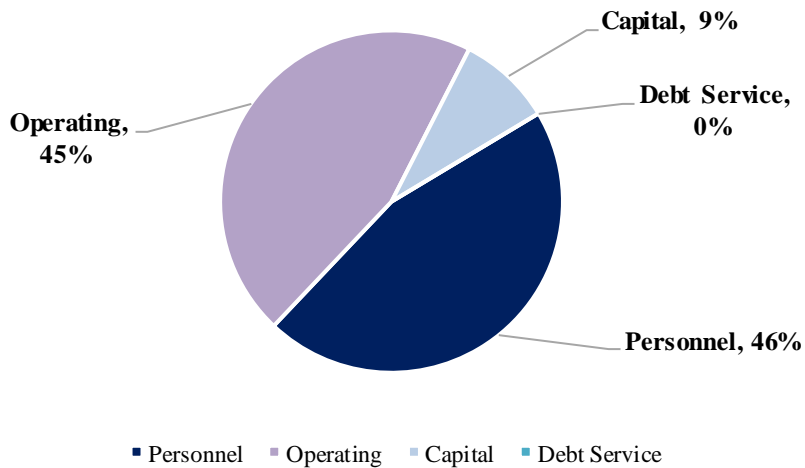
- ✓ Examine feasibility of City Erosion and Sediment Control program (which is currently delegated)
- ✓ Improve water quality in COH: Remove Mud Creek, Bat Fork, Devils Fork off 303(d) list
- ✓ Develop TMDL's for COH waters.

**Budget Summary - Type, Personnel Count, & Type Chart**

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Stormwater Fund				
Personnel	\$ -	\$ 153,850	\$ 154,040	\$ 190
Operating	\$ -	\$ 174,206	\$ 153,234	\$ (20,972)
Capital	\$ -	\$ 83,687	\$ 30,000	\$ (53,687)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ -	\$ 411,743	\$ 337,274	\$ (74,469)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Stormwater Fund				
Full-Time	0.00	1.00	1.00	0.00
Part-Time	0.00	0.00	0.00	0.00

Expenditures by Type





Stormwater Administration Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Stormwater-Administration						
674720	500024	DRUG TESTING	\$ -	\$ 500	\$ 250	\$ (250)
674720	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ 500	\$ 500	\$ -
674720	512100	SALARIES & WAGES - REGULAR	\$ -	\$ 114,485	\$ 108,751	\$ (5,734)
674720	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ 875	\$ 875	\$ -
674720	512250	SALARIES & WAGES-HOLIDAY PAY	\$ -	\$ 340	\$ 354	\$ 14
674720	512900	SALARIES & WAGES - P/T	\$ -	\$ -	\$ 5,760	\$ 5,760
674720	513500	SALARIES & WAGES-UNIFORM/TAXA	\$ -	\$ 202	\$ 202	\$ -
674720	518100	FICA TAX EXPENSE	\$ -	\$ 8,852	\$ 8,855	\$ 3
674720	518200	RETIREMENT EXPENSE	\$ -	\$ 8,678	\$ 8,670	\$ (8)
674720	518300	GROUP MED & LIFE INS	\$ -	\$ 17,661	\$ 17,324	\$ (337)
674720	518600	WORKER'S COMP INS	\$ -	\$ 2,757	\$ 3,249	\$ 492
674720	519000	PROFESSIONAL SERVICES	\$ -	\$ 6,500	\$ 105,700	\$ 99,200
674720	521200	UNIFORMS	\$ -	\$ 798	\$ 600	\$ (198)
674720	525100	GASOLINE & DIESEL	\$ -	\$ -	\$ -	\$ -
674720	529900	SUPPLIES & MATERIALS	\$ -	\$ 15,903	\$ 13,000	\$ (2,903)
674720	535200	R & M - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
674720	535300	R & M - TRUCKS	\$ -	\$ -	\$ -	\$ -
674720	545600	LIAB & PROP INS & BONDS	\$ -	\$ 490	\$ 684	\$ 194
674720	549200	UNCOLLECTIBLE ACCOUNTS	\$ -	\$ -	\$ -	\$ -
674720	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
674720	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
674720	552000	CAPITAL OUTLAY - EQUIPMENT	\$ -	\$ -	\$ -	\$ -
674720	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ 2,500	\$ 2,500
674720	554000	CAP OUTLAY-MOTOR VEHS	\$ -	\$ -	\$ -	\$ -
674720	557000	LAND,ROW,AND LAND IMPROVEMEN	\$ -	\$ -	\$ -	\$ -
674720	559500	CAP OUTLAY-STORMWATER	\$ -	\$ -	\$ 30,000	\$ 30,000
674720	559900	C/O LAND IMPROVEMENTS	\$ -	\$ 83,687	\$ -	\$ (83,687)
674720	575200	BANK SERVICE CHARGES	\$ -	\$ -	\$ -	\$ -
674720	598035	DEPT CHGS-STRMWTR-G/F	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ 262,228	\$ 307,274	\$ 45,046
SW-Non-Departmental						
679619	500024	DRUG TESTING	\$ -	\$ -	\$ -	\$ -
679619	500030	TUITION REIMBURSEMENT PROGRAM	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ -	\$ -	\$ -
SW-Transfers						
679900	998010	TRANSFER IN FROM GF	\$ -	\$ -	\$ -	\$ -
679900	999010	TRANSFER OUT TO GF	\$ -	\$ -	\$ 30,000	\$ -
679900	999467	TRANSFER TO BUNCOMBE SW	\$ -	\$ 149,515	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ 149,515	\$ 30,000	\$ (119,515)
SW-Contingencies						
679910	599100	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ -	\$ -	\$ -	\$ -
<b>GRAND TOTAL</b>			\$ -	\$ 411,743	\$ 337,274	\$ (74,469)



**FY18-19 Budget Highlights**

FY18-19 is the second year the Stormwater Management Fund will be separate from the Environmental Services Fund. The Stormwater Fund will see a decrease in expenditure for FY18-19 of \$74,469 overall. While the fund's total expenditures will shrink, it a notable increase in expenditure includes \$99,200 appropriated in professional services for FY18-19. These funds will help plan for the future of the stormwater system.



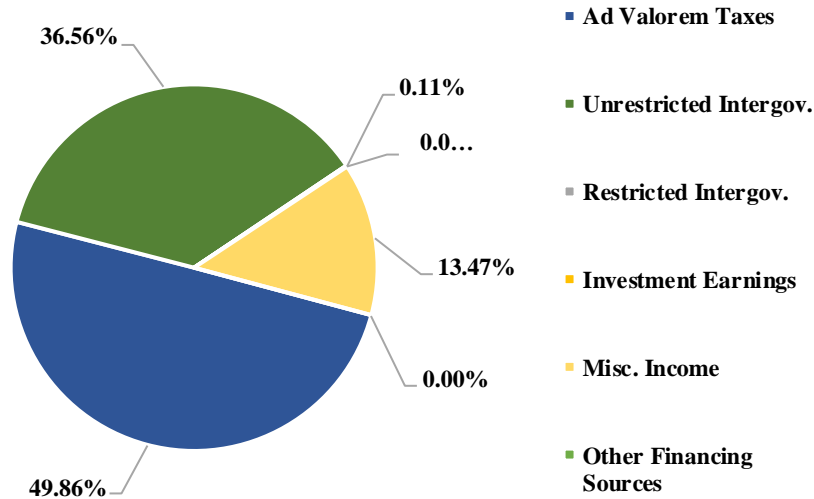
**MSD Revenues**

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

**Revenues by Source**

REVENUE SOURCE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (239,283)	\$ (244,052)	\$ (236,873)	\$ 7,179
Unrestricted Intergov.	\$ (165,469)	\$ (161,134)	\$ (173,684)	\$ (12,550)
Restricted Intergov.	\$ (15,098)	\$ -	\$ -	\$ -
Investment Earnings	\$ (911)	\$ (50)	\$ (500)	\$ (450)
Misc. Income	\$ (112,254)	\$ (80,038)	\$ (64,000)	\$ 16,038
Other Financing Sources	\$ -	\$ (100,200)	\$ -	\$ 100,200
	\$ (533,015)	\$ (585,474)	\$ (475,057)	\$ 110,417

**Main Street MSD Fund Revenues by Source  
FY18-19**



## Revenues by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
200010	411400	TAX - INTEREST	\$ (1,224)	\$ (2,977)	\$ (500)	\$ 2,477
200010	420101	AD VAL TAX - MTR VEHS	\$ (2,776)	\$ (2,776)	\$ (2,500)	\$ 276
200010	420900	2009 AD VAL TAX - R/P	\$ -	\$ (25)	\$ -	\$ 25
200010	421000	2010 AD VAL TAX - R/P	\$ -	\$ (25)	\$ -	\$ 25
200010	421100	2011 AD VAL TAX-R/P	\$ -	\$ (25)	\$ (25)	\$ -
200010	421200	2012 AS VAL TAX - R/P	\$ -	\$ (50)	\$ (25)	\$ 25
200010	421300	2013 AD VAL TAX - R/P	\$ (448)	\$ (1,088)	\$ (25)	\$ 1,063
200010	421400	2014 AD VAL TAX R/P	\$ (448)	\$ (3,111)	\$ (50)	\$ 3,061
200010	421500	2015 AD VAL TAX R/P	\$ (1,655)	\$ (659)	\$ (150)	\$ 509
200010	421600	2016 AD VAL TAX R/P	\$ (232,732)	\$ (1,167)	\$ (500)	\$ 667
200010	421700	2017 AD VAL TAX R/P	\$ -	\$ (232,149)	\$ (1,000)	\$ 231,149
200010	421800	2018 AD VAL TAX R/P	\$ -	\$ -	\$ (232,098)	\$ -
		<i>Sub-Total</i>	\$ (239,283)	\$ (244,052)	\$ (236,873)	\$ 7,179
Unrestricted Intergovernmental						
200030	432300	S&U TAX REIMBURSEMENT	\$ (165,469)	\$ (161,134)	\$ (173,684)	\$ (12,550)
		<i>Sub-Total</i>	\$ (165,469)	\$ (161,134)	\$ (173,684)	\$ (12,550)
Restricted Intergovernmental						
200040	447060	CONTRIBUTION FROM TDA	\$ (15,098)	\$ -	\$ -	\$ -
200040	447100	STATE REIMBURSEMENT	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (15,098)	\$ -	\$ -	\$ -
Investment Earnings						
200070	483100	INTEREST INCOME	\$ (1,923)	\$ (50)	\$ (500)	\$ (450)
200070	483102	UNREALIZED MARKET ADJ	\$ 1,012	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (911)	\$ (50)	\$ (500)	\$ (450)
Miscellaneous Income						
200080	444310	SPONSORSHIPS & DONATIONS	\$ (18,575)	\$ (11,595)	\$ -	\$ 11,595
204755	443215	BEARFOOTIN' BEAR SALES	\$ (36,999)	\$ (45,943)	\$ (40,000)	\$ 5,943
204755	444310	SPONSORSHIPS & DONATIONS	\$ (15,280)	\$ (16,000)	\$ (16,000)	\$ (720)
204756	443220	RHYTHM & BREWS SALES	\$ (28,738)	\$ -	\$ -	\$ 28,738
204756	443300	R&B VENDOR PERMITS	\$ (600)	\$ -	\$ -	\$ 600
204756	444310	SPONSORSHIPS & DONATIONS	\$ (3,200)	\$ -	\$ -	\$ 3,200
204757	443300	SIDEWALK VENDOR FEES	\$ (6,487)	\$ (4,000)	\$ (5,500)	\$ 987
204757	444310	SPONSORSHIPS & DONATIONS	\$ (1,875)	\$ (2,000)	\$ (2,000)	\$ (125)
204758	444310	SPONSORSHIPS & DONATIONS	\$ (500)	\$ (500)	\$ (500)	\$ -
		<i>Sub-Total</i>	\$ (112,254)	\$ (80,038)	\$ (64,000)	\$ 48,254
Other Financing Sources						
200090	444000	INSURANCE SETTLEMENTS	\$ -	\$ (200)	\$ -	\$ 200
200090	499200	FUND BALANCE APPROP	\$ -	\$ (100,000)	\$ -	\$ 100,000
		<i>Sub-Total</i>	\$ -	\$ (100,200)	\$ -	\$ 100,200
		<b>GRAND TOTAL</b>	\$ (533,015)	\$ (585,474)	\$ (475,057)	\$ 110,417

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



## MSD Expenditures

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

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

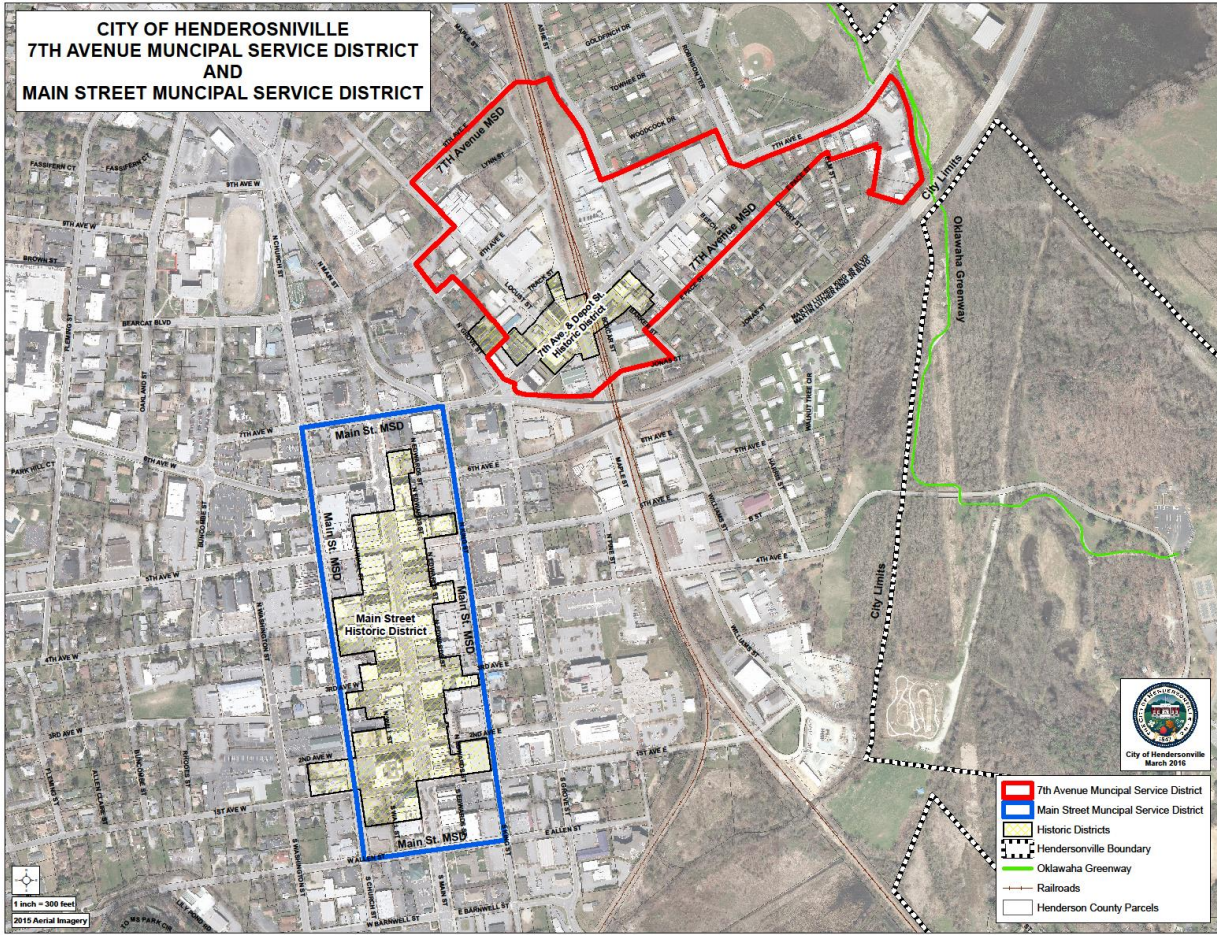
The two historic commercial districts that are part of the City of Hendersonville's Downtown Economic Development Program are each defined by Municipal Service Districts. The Main Street municipal service district is bounded by Church and King Streets to the west and east and 7th Avenue and Allen Street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

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

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

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





### FY17-18 Accomplishments

- ✓ Completion of, in partnership with Henderson County Tourism Development Authority, the county wide wayfinding signage program.
- ✓ Saw over 1,900 hours of volunteer time donated to the program by various community members. Valued by the North Carolina Main Street Center at over \$42,000.
- ✓ Planned, organized and executed 17 downtown/volunteer events, not including the work invested in a brand new Seventh Avenue event Strut Your Mutt and Tails In Town, dog friendly downtown events scheduled for July of 2018.
- ✓ For the fifth year in a row we have hosted the Bearfootin' Public Art Walk with at least 20 new additions to the Bearfootin' Catalogue. Additionally, for the sixth year in a row we exceeded our previous year's total no-profit donation at the annual Bearfootin' Art Auction held each October.
- ✓ Saw 16 new businesses open their doors and 4 businesses expand in the districts between July 1st 2017 and June 30th 2018. This continues to drive a relatively low vacancy rate of 8% to 10% of available commercial spaces within the districts at any given time.
- ✓ Saw private investment in the districts combined top 1.9 million dollars in building purchases and rehabilitation. Including our first new construction in the Seventh Avenue District in years.
- ✓ Completed the Maple Street rehabilitation project on approximately two blocks of Maple Street between 5th Avenue and 7th Avenue adjacent to our historic downtown depot. The public investment totaled \$118,000.
- ✓ Partnered with the UNC – School of Government Development Finance Initiative to conduct a feasibility study on developing a boutique hotel in downtown Hendersonville. The study resulted in the development of a Request for Proposals from private developers for a boutique hotel at the Grey Hosiery Mill Site.
- ✓ Initiated a project to redevelop the Grey Hosiery Mill and continue to work to complete that project.

### FY18-19 Goals & Initiatives

- ✓ See the initiation and substantial completion of construction on the Grey Hosiery Mill Project.
- ✓ See the initiation of the planning and design process for the Phase I Seventh Avenue Streetscape Project
- ✓ See the design and construction of the new Main Street District Public Restrooms along with the new office facility for the downtown economic development program.
- ✓ Continue to nurture the variety of partnership which help to sustain and strengthen the role of downtown in our community's economy.
- ✓ Further develop, through community outreach and stakeholder conversations, our strategic vision for the downtown districts and align our organizational approach with that vision.



### 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.

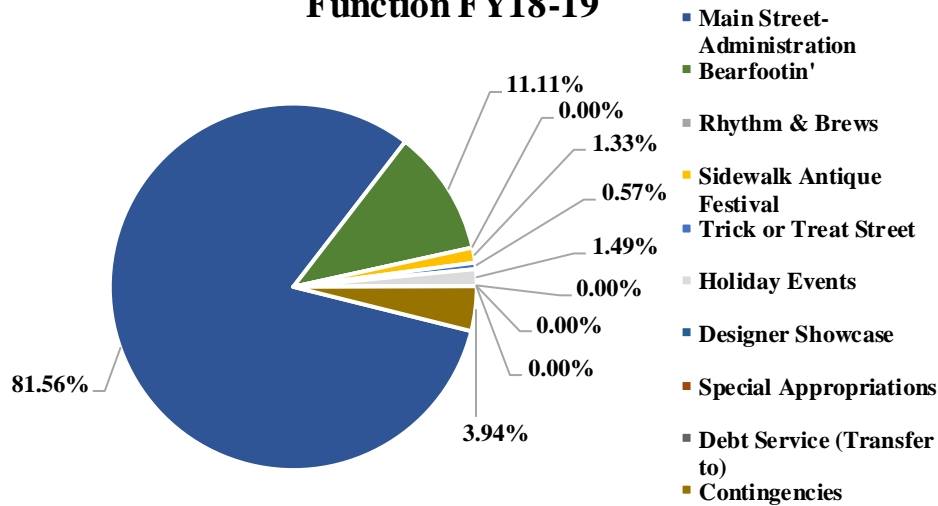




Expenditures by Function

EXPENDITURE FUNCTION	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Main Street-Administration	\$ 369,973	\$ 393,889	\$ 387,438	\$ (6,451)
Bearfootin'	\$ 46,750	\$ 51,600	\$ 52,800	\$ 1,200
Rhythm & Brews	\$ 38,593	\$ -	\$ -	\$ -
Sidewalk Antique Festival	\$ 3,679	\$ 6,100	\$ 6,300	\$ 200
Trick or Treat Street	\$ 2,355	\$ 3,125	\$ 2,700	\$ (425)
Holiday Events	\$ 4,908	\$ 4,850	\$ 7,100	\$ 2,250
Designer Showcase	\$ -	\$ -	\$ -	\$ -
Special Appropriations	\$ 36,313	\$ 25,000	\$ -	\$ (25,000)
Debt Service (Transfer to)	\$ 12,438	\$ 100,000	\$ -	\$ (100,000)
Contingencies	\$ -	\$ 910	\$ 18,719	\$ 17,809
<b>Total</b>	<b>\$ 515,009</b>	<b>\$ 585,474</b>	<b>\$ 475,057</b>	<b>\$ (110,417)</b>

Main Street MSD Fund Expenditures by Function FY18-19

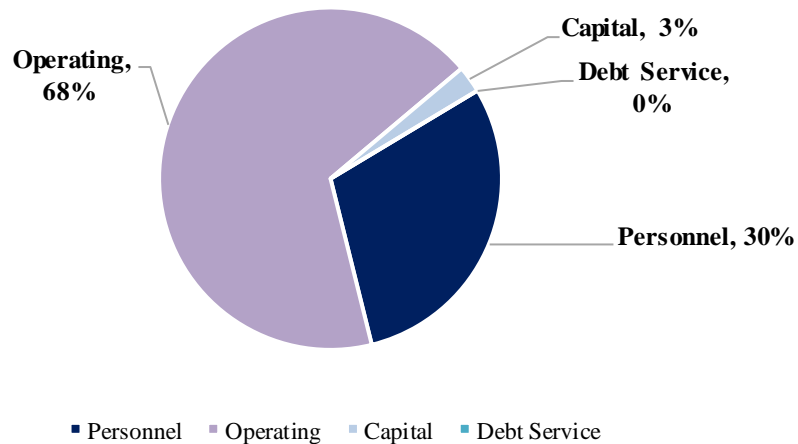


Budget Summary - Type, Personnel Count, & Type Chart

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Main Street MSD Fund				
Personnel	\$ 135,009	\$ 140,681	\$ 141,287	\$ 606
Operating	\$ 357,385	\$ 434,616	\$ 321,770	\$ (112,846)
Capital	\$ 10,177	\$ 10,177	\$ 12,000	\$ 1,823
Debt Service	\$ 12,438	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 515,008	\$ 585,474	\$ 475,057	\$ (110,417)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Main Street MSD Fund				
Full-Time	1.00	1.00	1.00	0.00
Part-Time Perm.	1.00	1.00	1.00	0.00
Part-Time Non-Perm.	2.00	2.00	2.00	0.00
<i>Sub-Total</i>	3.00	3.00	3.00	0.00

Expenditures by Type



## Main Street MSD Expenditures by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Main Street-Administration						
204750	512100	SALARIES & WAGES-REG	\$ 61,457	\$ 60,768	\$ 66,150	\$ 5,382
204750	512900	SALARIES & WAGES - P/T	\$ 47,051	\$ 49,709	\$ 41,592	\$ (8,117)
204750	517200	CELLPHONE STIPEND	\$ 883	\$ 864	\$ 864	\$ -
204750	518100	FICA TAX EXPENSE	\$ 8,233	\$ 8,518	\$ 8,308	\$ (210)
204750	518200	RETIREMENT EXPENSE	\$ 6,917	\$ 7,142	\$ 7,162	\$ 20
204750	518300	GROUP MED & LIFE INS	\$ 9,485	\$ 12,409	\$ 15,211	\$ 2,802
204750	518600	WORKER'S COMP INS	\$ 982	\$ 1,271	\$ 2,000	\$ 729
204750	519000	PROFESSIONAL SERVICES	\$ 4,739	\$ 7,900	\$ 8,000	\$ 100
204750	519100	AUDIT FEES	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
204750	525100	GASOLINE & DIESEL	\$ 36	\$ 300	\$ 300	\$ -
204750	525300	VEHICLE PARTS	\$ 21	\$ -	\$ 500	\$ 500
204750	526000	OFFICE SUPPLIES	\$ 876	\$ 1,000	\$ 1,000	\$ -
204750	529900	SUPPLIES & MATERIALS	\$ 36,928	\$ 32,143	\$ 20,000	\$ (12,143)
204750	532100	TELEPHONE	\$ -	\$ 12,060	\$ 14,805	\$ 2,745
204750	532500	POSTAGE	\$ 288	\$ 400	\$ 400	\$ -
204750	533000	UTILITIES	\$ 25,642	\$ 24,900	\$ 25,500	\$ 600
204750	535200	R & M - EQUIPMENT	\$ -	\$ -	\$ 1,469	\$ 1,469
204750	535300	R & M - TRUCKS	\$ -	\$ 500	\$ -	\$ (500)
204750	536000	FACADE GRANT EXPENSE	\$ -	\$ -	\$ -	\$ -
204750	537000	ADVERTISING	\$ 7,870	\$ 4,500	\$ 5,000	\$ 500
204750	539400	TRAVEL	\$ 457	\$ 1,500	\$ 2,500	\$ 1,000
204750	539500	TRAINING	\$ 1,863	\$ -	\$ 2,000	\$ 2,000
204750	545600	LIAB & PROP INS & BONDS	\$ 262	\$ 385	\$ -	\$ (385)
204750	549100	DUES & SUBSCRIPTIONS	\$ 1,275	\$ 2,500	\$ 2,375	\$ (125)
204750	549750	PERMITS & FEES -ORGANIZATIONAL	\$ 6	\$ 1,000	\$ -	\$ (1,000)
204750	549999	MISCELANEOUS EXPENSE	\$ 1,133	\$ 750	\$ -	\$ (750)
204750	552000	CAP OUTLAY - EQUIPMENT	\$ 10,177	\$ -	\$ 12,000	\$ 12,000
204750	553000	NON-CAPITAL EQUIPMENT	\$ 3,665	\$ -	\$ -	\$ -
204750	555000	CAP OUTLAY-OTR EQUIP	\$ -	\$ -	\$ -	\$ -
204750	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
204750	559900	C/O LAND IMPROVEMENTS	\$ -	\$ 11,320	\$ -	\$ (11,320)
204750	560300	TAX INCENTIVE PROGRAMS	\$ 2,000	\$ 650	\$ 9,000	\$ 8,350
204750	561600	MAIN ST SPEC EVENTS	\$ -	\$ -	\$ -	\$ -
204750	569000	CONTRACTED SERVICES	\$ 136,513	\$ 149,700	\$ 139,402	\$ (10,298)
204750	575200	BANK SERVICE CHARGES	\$ 213	\$ 700	\$ 900	\$ 200
204750	575320	OPER TRAN TO GEN FD	\$ -	\$ -	\$ -	\$ -
204750	598400	REIMB PUB WORKS DEPT	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 369,973	\$ 393,889	\$ 387,438	\$ (6,451)



Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Main Street-Bearfootin'						
204755	519000	BEARFOOTIN' PROFESSIONAL SVCS	\$ 6,090	\$ 7,250	\$ 6,950	\$ (300)
204755	527000	PURCHASE FOR RESALE-BEARS	\$ 14,175	\$ 15,400	\$ 14,000	\$ (1,400)
204755	529900	SUPPLIES & MATERIALS-BEARS	\$ 258	\$ 500	\$ 350	\$ (150)
204755	537000	BEARFOOTIN' ADVERTISING	\$ 6,951	\$ 5,500	\$ 6,500	\$ 1,000
204755	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
204755	561700	CONTRIBUTION OF % BEAR SALES	\$ 19,275	\$ 22,950	\$ 25,000	\$ 2,050
<i>Sub-Total</i>			\$ 46,750	\$ 51,600	\$ 52,800	\$ 1,200
Main Street-Rhythm & Brews						
204756	512100	SALARIES & WAGES - REGULAR	\$ -	\$ -	\$ -	\$ -
204756	512200	SALARIES & WAGES - OVERTIME	\$ -	\$ -	\$ -	\$ -
204756	518100	FICA TAX EXPENSE	\$ -	\$ -	\$ -	\$ -
204756	518200	RETIREMENT EXPENSE	\$ -	\$ -	\$ -	\$ -
204756	519000	PROFESSIONAL SVCS R & BREWS	\$ 24,587	\$ -	\$ -	\$ -
204756	527000	PURCH FOR RESALE- R & BREWS	\$ 10,172	\$ -	\$ -	\$ -
204756	529900	SUPPLIES & MATERIALS - R & B	\$ 1,298	\$ -	\$ -	\$ -
204756	537000	ADVERTISING-R & BREWS	\$ 2,195	\$ -	\$ -	\$ -
204756	549750	PERMITS & LICENSE FEES- R & B	\$ 341	\$ -	\$ -	\$ -
204756	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 38,593	\$ -	\$ -	\$ -
Main Street-Sidewalk Antique Festival						
204757	519000	PROFESSIONAL SVCS - SIDEWALK	\$ 412	\$ 1,600	\$ 1,600	\$ -
204757	529900	SUPPLIES & MATERIALS -SIDEWALK	\$ -	\$ 500	\$ 200	\$ (300)
204757	537000	ADVERTISING-SIDEWALK	\$ 3,267	\$ 4,000	\$ 4,500	\$ 500
204757	549750	PERMITS VENDOR FEES - SIDEWALK	\$ -	\$ -	\$ -	\$ -
204757	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 3,679	\$ 6,100	\$ 6,300	\$ 200
Main Street-Trick or Treat						
204758	519000	PROF SVCS TREAT OR TREAT	\$ 1,050	\$ 1,150	\$ 1,050	\$ (100)
204758	529900	SUPPLIES & MAT -TREAT OR TREAT	\$ -	\$ 150	\$ 150	\$ -
204758	537000	ADVERTISING-TRICK OR TREAT	\$ 1,305	\$ 1,825	\$ 1,500	\$ (325)
204758	549750	PERMITS VENDOR FEE-TRICK TREAT	\$ -	\$ -	\$ -	\$ -
204758	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 2,355	\$ 3,125	\$ 2,700	\$ (425)
Main Street-Holiday Events						
204759	519000	PROFESSIONAL SVCS HOLIDAY	\$ 1,997	\$ 1,850	\$ 4,000	\$ 2,150
204759	529900	SUPPLIES & MATERIALS - HOLIDAY	\$ 271	\$ 150	\$ 250	\$ 100
204759	537000	ADVERTISING-HOLIDAY EVENTS	\$ 2,641	\$ 2,850	\$ 2,850	\$ -
204759	549750	PERMITS & VENDOR FEES-HOLIDAY	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 4,908	\$ 4,850	\$ 7,100	\$ 2,250

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Main Street-Debt Service						
204761	443220	SALES	\$ -	\$ -	\$ -	\$ -
204761	519000	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -
204761	529900	SUPPLIES & MATERIALS	\$ -	\$ -	\$ -	\$ -
204761	537000	ADVERTISING	\$ -	\$ -	\$ -	\$ -
204761	549750	PERMITS, LICENSE AND FEES	\$ -	\$ -	\$ -	\$ -
204761	549999	MISCELANEOUS EXPENSE	\$ -	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ -	\$ -	\$ -	\$ -
Main Street-Special Appropriations						
209620	500016	HANDS ON	\$ -	\$ 25,000	\$ -	\$ (25,000)
209620	500041	TOURISM DEVELOPMENT AUTHORITY	\$ 23,812	\$ -	\$ -	\$ -
209620	500049	FRIENDS OF DOWNTOWN	\$ 12,500	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 36,312	\$ 25,000	\$ -	\$ (25,000)
Main Street-Debt Service						
209621	570100	PRIN - PARKING KIOSKS	\$ 11,146	\$ -	\$ -	\$ -
209621	570200	INT - PARKING KIOSKS	\$ 1,292	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ 12,438	\$ -	\$ -	\$ -
Main Street-Transfers						
209900	999454	TRANSFER TO RESTROOMS	\$ -	\$ 100,000	\$ -	\$ (100,000)
		<i>Sub-Total</i>	\$ -	\$ 100,000	\$ -	\$ (100,000)
Main Street-Contingencies						
209910	599100	CONTINGENCIES	\$ -	\$ 910	\$ 18,719	\$ 17,809
		<i>Sub-Total</i>	\$ -	\$ 910	\$ 18,719	\$ 17,809
<b>GRAND TOTAL</b>			<b>\$ 515,008</b>	<b>\$ 585,474</b>	<b>\$ 475,057</b>	<b>\$ (110,417)</b>

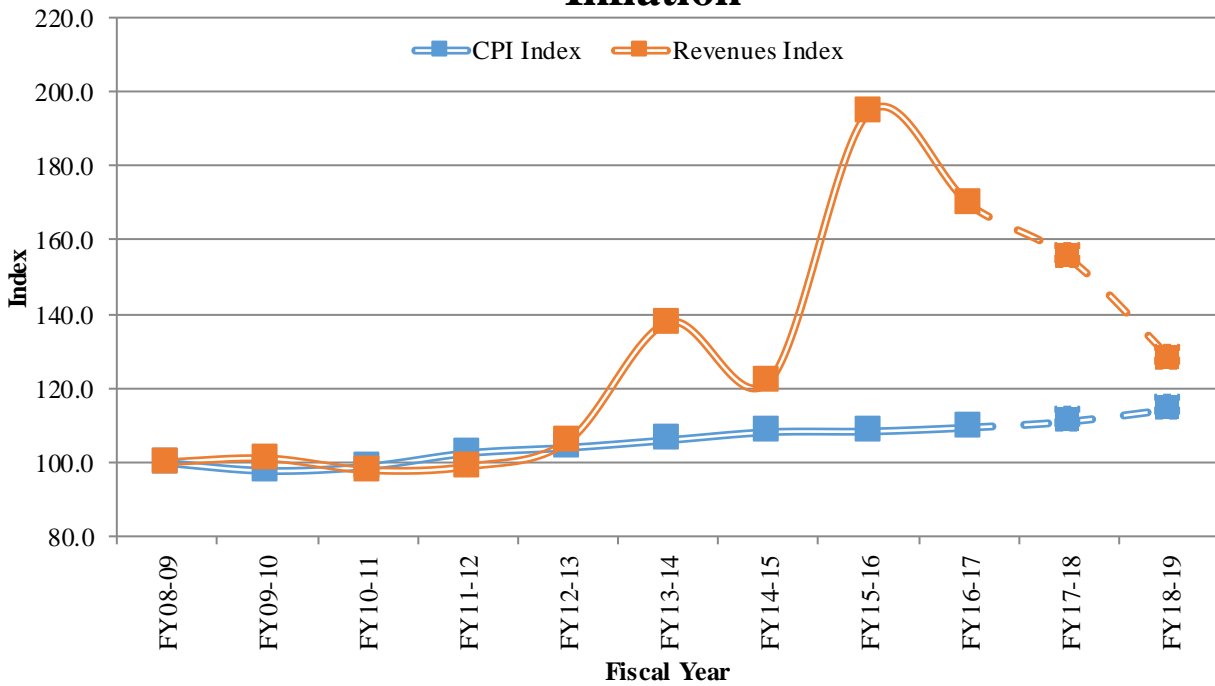
### FY18-19 Budget Highlights

There are a few noteworthy changes for the Main Street MSD in FY18-19. The first notable change is the non-recurring \$25,000 special appropriation to the Hands On! Children's Museum through the special appropriation process which occurred in FY17-18. These funds were designated to help Hands On! Children's Museum's master planning process. The second notable change is from the public restroom project. In FY17-18, \$100,000 was transferred out of the MSD budget to cover a portion of the cost for a public restroom project that has been a City Council priority. This transfer will not occur again in FY18-19. Other notable changes are increases in personnel costs which can be observed City-wide due to insurance and benefits cost increases.

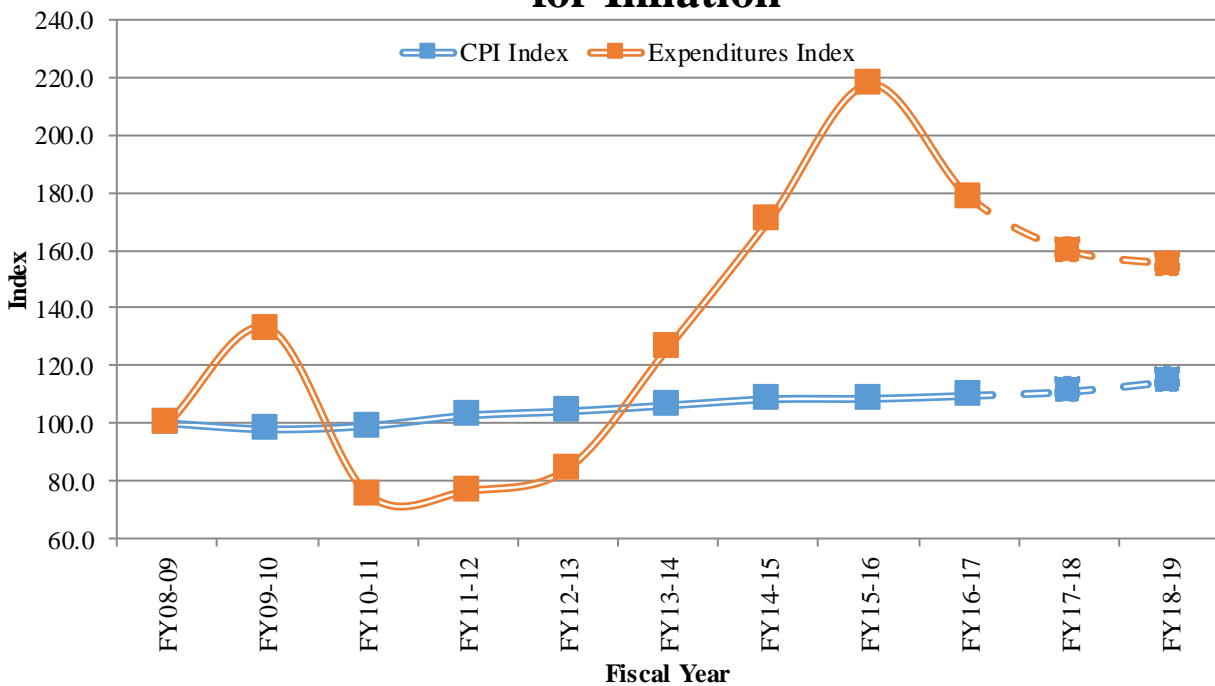


Revenue and Expenditure Trends

**Main St. MSD Fund Revenues Controlling for Inflation**



**Main St. MSD Fund Expenditures Controlling for Inflation**



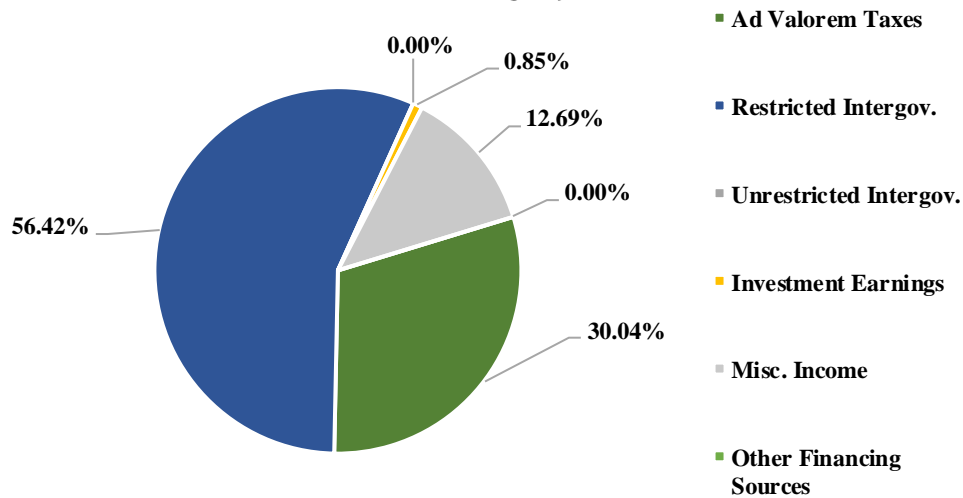
**7<sup>th</sup> Avenue Revenues**

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

**Revenues by Source**

REVENUE SOURCE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes	\$ (20,714)	\$ (17,394)	\$ (17,750)	\$ (356)
Restricted Intergov.	\$ (33,094)	\$ (33,333)	\$ (33,333)	\$ -
Unrestricted Intergov.	\$ -	\$ (100,000)	\$ -	\$ 100,000
Investment Earnings	\$ (384)	\$ (50)	\$ (500)	\$ (450)
Misc. Income	\$ (11,210)	\$ (7,050)	\$ (7,500)	\$ (450)
Other Financing Sources	\$ -	\$ (33,450)	\$ -	\$ 33,450
	\$ (65,402)	\$ (191,277)	\$ (59,083)	\$ 132,194

**7th Avenue MSD Fund Revenues by Source  
FY18-19**



## Revenues by Line Item

Org.	Obj.	Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
Ad Valorem Taxes						
210010	411300	TAX LL PRIOR 2008, ADV	\$ -	\$ -	\$ -	\$ -
210010	411400	TAX - INTEREST	\$ (302)	\$ (100)	\$ (100)	\$ -
210010	420101	AD VAL TAX - MTR VEHS	\$ (1,814)	\$ (1,000)	\$ (1,000)	\$ -
210010	420800	2008 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	420900	2009 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421000	2010 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421100	2011 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421200	2012 AS VAL TAX-R/P	\$ -	\$ -	\$ -	\$ -
210010	421300	2013 AD VAL TAX - R/P	\$ -	\$ -	\$ -	\$ -
210010	421400	2014 AD VAL TAX R/P	\$ (313)	\$ -	\$ -	\$ -
210010	421500	2015 AD VAL TAX R/P	\$ (1,182)	\$ (50)	\$ -	\$ 50
210010	421600	2016 AD VAL TAX R/P	\$ (17,103)	\$ (100)	\$ (50)	\$ 50
210010	421700	2017 AD VAL TAX R/P	\$ -	\$ (16,144)	\$ (100)	\$ 16,044
210010	421800	2018 AD VAL TAX R/P	\$ -	\$ -	\$ (16,500)	\$ (16,500)
		<i>Sub-Total</i>	\$ (20,714)	\$ (17,394)	\$ (17,750)	\$ (356)
Unrestricted Intergovernmental						
210030	432300	S&U TAX REIMBURSEMENT	\$ (33,094)	\$ (33,333)	\$ (33,333)	\$ -
		<i>Sub-Total</i>	\$ (33,094)	\$ (33,333)	\$ (33,333)	\$ -
Restricted Intergovernmental						
210040	498207	DOWNTOWN REVIT.-NCCOMM	\$ -	\$ (100,000)	\$ -	\$ 100,000
		<i>Sub-Total</i>	\$ -	\$ (100,000)	\$ -	\$ 100,000
Investment Earnings						
210070	483100	INTEREST INCOME	\$ (878)	\$ (50)	\$ (500)	\$ (450)
210070	483102	UNREALIZED MARKET ADJ	\$ 494	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (384)	\$ (50)	\$ (500)	\$ (450)
Miscellaneous Income						
210080	443210	SPECIAL EVENTS - MRKT AT DEPOT	\$ (2,035)	\$ (2,000)	\$ (2,500)	\$ (500)
210080	443900	MISCELLANEOUS INCOME	\$ -	\$ (50)	\$ -	\$ 50
210080	444400	RENTAL INCOME-NON TAXABLE	\$ (5,000)	\$ (5,000)	\$ (5,000)	\$ -
210080	498207	DONATIONS/CONTRIBUTIONS	\$ (4,175)	\$ -	\$ -	\$ -
		<i>Sub-Total</i>	\$ (11,210)	\$ (7,050)	\$ (7,500)	\$ (450)
Other Financing Sources						
210090	444000	INSURANCE SETTLEMENTS	\$ -	\$ -	\$ -	\$ -
210090	498207	DONATIONS/CONTRIBUTIONS	\$ -	\$ -	\$ -	\$ -
210090	498210	OPER TRANS FR GEN FD	\$ -	\$ -	\$ -	\$ -
210090	499200	FUND BALANCE APPROP	\$ -	\$ (33,450)	\$ -	\$ 33,450
		<i>Sub-Total</i>	\$ -	\$ (33,450)	\$ -	\$ 33,450
		<b>GRAND TOTAL</b>	\$ (65,402)	\$ (191,277)	\$ (59,083)	\$ 132,194





### 7<sup>th</sup> Avenue Expenditures

Seventh Avenue East developed as a commercial district during the late 19<sup>th</sup> and early 20<sup>th</sup> 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.

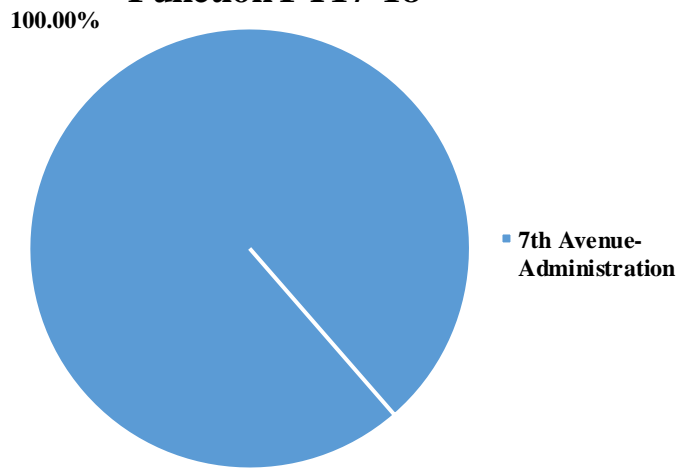
The accomplishments and goals for the 7<sup>th</sup> Avenue district have been expressed in conjunction with the goals and accomplishments for the Main Street MSD Fund. These funds work together under one greater downtown brand; therefore, it is fitting to list the goals and accomplishments for these funds together.



Expenditures by Function

EXPENDITURE FUNCTION	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
7th Avenue-Administration	\$ 49,787	\$ 91,276	\$ 59,083	\$ (32,193)
<b>Total</b>	<b>\$ 49,787</b>	<b>\$ 191,277</b>	<b>\$ 59,083</b>	<b>\$ (132,194)</b>

7th Avenue MSD Fund Expenditures by Function FY17-18



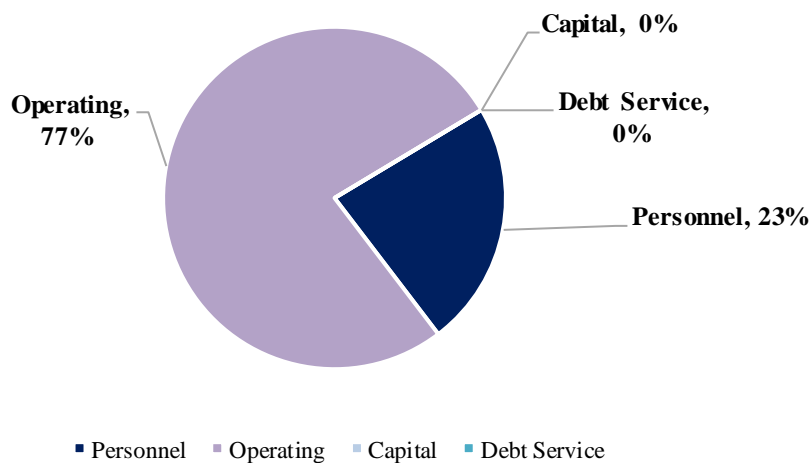
**Budget Summary - Type, Personnel Count, & Type Chart**

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
7th Avenue MSD Fund				
Personnel	\$ 9,969	\$ 13,808	\$ 13,738	\$ (70)
Operating	\$ 37,317	\$ 74,968	\$ 45,345	\$ (29,623)
Capital	\$ 2,500	\$ 102,501	\$ -	\$ (102,501)
Debt Service	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>	\$ 49,787	\$ 191,277	\$ 59,083	\$ (132,194)

Description	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE
Main Street MSD Fund				
Full-Time	0.00	1.00	1.00	0.00
Part-Time Perm.	0.00	1.00	1.00	0.00
Part-Time Non-Perm.	0.00	0.00	0.00	0.00
<i>Sub-Total</i>	0.00	1.00	1.00	0.00

*\*The 7<sup>th</sup> 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	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	DOLLAR CHANGE
7th-Administration						
214751	500005	ORGANIC GARDEN EXPENSES	\$ 460	\$ 2,250	\$ -	\$ (2,250)
214751	512100	SALARIES & WAGES - REGULAR	\$ 5,201	\$ 6,752	\$ 7,350	\$ 598
214751	512900	SALARIES & WAGES - P/T	\$ 2,654	\$ 3,732	\$ 2,830	\$ (902)
214751	517200	CELLPHONE STIPEND	\$ 77	\$ 96	\$ 96	\$ -
214751	518100	FICA TAX EXPENSE	\$ 591	\$ 810	\$ 786	\$ (24)
214751	518200	RETIREMENT EXPENSE	\$ 573	\$ 794	\$ 796	\$ 2
214751	518300	GROUP MED & LIFE INS	\$ 800	\$ 1,503	\$ 1,690	\$ 187
214751	518600	WORKER'S COMP INS	\$ 73	\$ 121	\$ 190	\$ 69
214751	519000	PROFESSIONAL SERVICES	\$ 10,118	\$ 1,740	\$ -	\$ (1,740)
214751	526000	OFFICE SUPPLIES	\$ -	\$ -	\$ -	\$ -
214751	529900	PW SUPPLIES & MATERIALS	\$ 8,898	\$ 6,600	\$ 7,350	\$ 750
214751	533900	STREET/TRAFFIC LIGHTS	\$ 8,342	\$ 9,020	\$ 11,000	\$ 1,980
214751	535200	R & M - WEBSITE	\$ -	\$ -	\$ -	\$ -
214751	535400	R & M - STREET MAINT	\$ -	\$ 39,148	\$ -	\$ (39,148)
214751	536000	FACADE GRANT EXPENSE	\$ 8,480	\$ 4,000	\$ 7,500	\$ 3,500
214751	537000	ADVERTISING	\$ 1,515	\$ 760	\$ 1,500	\$ 740
214751	549750	PERMITS, LICENSE AND FEES	\$ -	\$ 250	\$ 250	\$ -
214751	549890	FARMERS MKT EVENT EXPENSES	\$ 1,901	\$ 2,500	\$ 2,500	\$ -
214751	553000	NON-CAPITAL EQUIPMENT	\$ -	\$ -	\$ -	\$ -
214751	557000	LAND,ROW,AND LAND IMPROVEMENT	\$ -	\$ -	\$ -	\$ -
214751	559900	C/O LAND IMPROVEMENTS	\$ -	\$ 2,500	\$ -	\$ (2,500)
214751	560500	7TH AVE DEVELOP PROGM	\$ -	\$ -	\$ -	\$ -
214751	569000	CONTRACTED SERVICES	\$ -	\$ 8,500	\$ 15,245	\$ 6,745
214751	575200	BANK SERVICE CHARGES	\$ 105	\$ 200	\$ -	\$ (200)
214751	599100	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -
<i>Sub-Total</i>			\$ 49,787	\$ 91,276	\$ 59,083	\$ (32,193)
7th-State Grant						
214900	535400	ORGANIC GARDEN EXPENSES	\$ -	\$ 34,025	\$ -	\$ (34,025)
214900	559900	SALARIES & WAGES - REGULAR	\$ -	\$ 65,976	\$ -	\$ (65,976)
<i>Sub-Total</i>			\$ -	\$ 100,001	\$ -	\$ (100,001)
<b>GRAND TOTAL</b>			\$ <b>49,787</b>	\$ <b>191,277</b>	\$ <b>59,083</b>	\$ <b>(132,194)</b>

## FY18-19 Budget Highlights

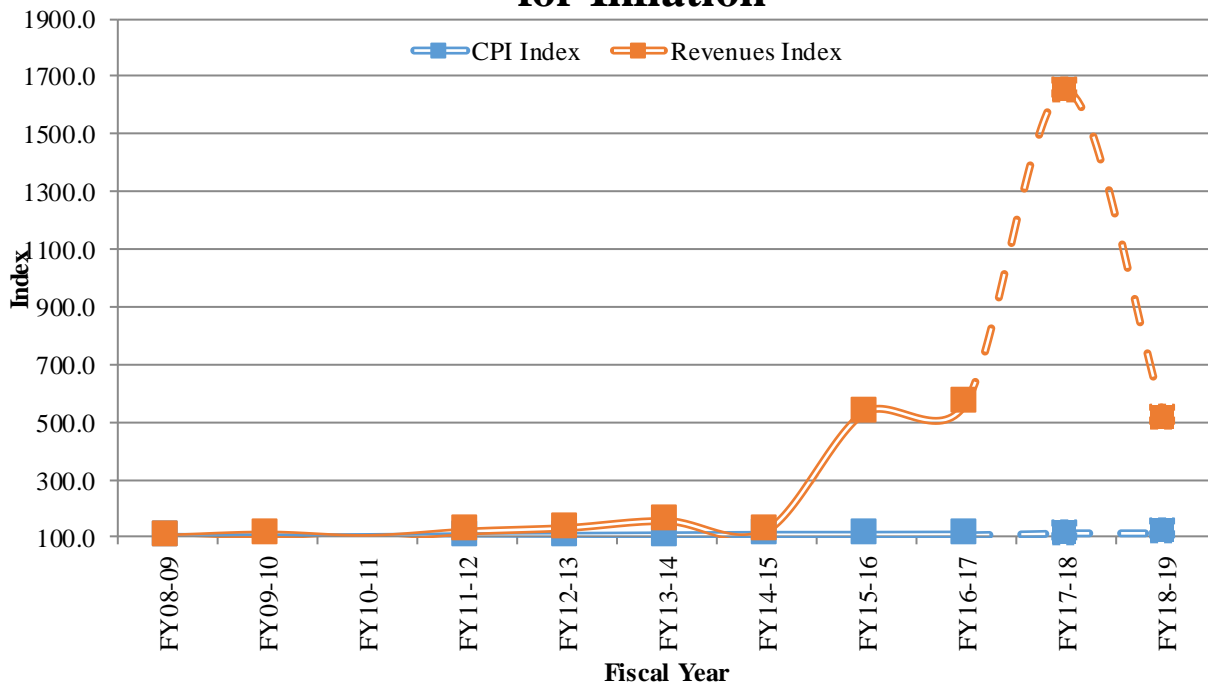
7<sup>th</sup> Avenue experienced a number of budgetary changes moving towards FY18-19.

Administrative costs for 7<sup>th</sup> have declined \$32,193 from FY17-18 moving to FY18-19. Savings are mainly due to R&M Street Maintenance decreasing for the coming fiscal year as this account appropriated funds in conjunction with a state grant. Additional savings come from grant match requirements being fulfilled in FY17-18 which will not occur again in FY18-19. Overall, this fund is appropriated at \$132,194 less in FY18-19 than FY17-18.

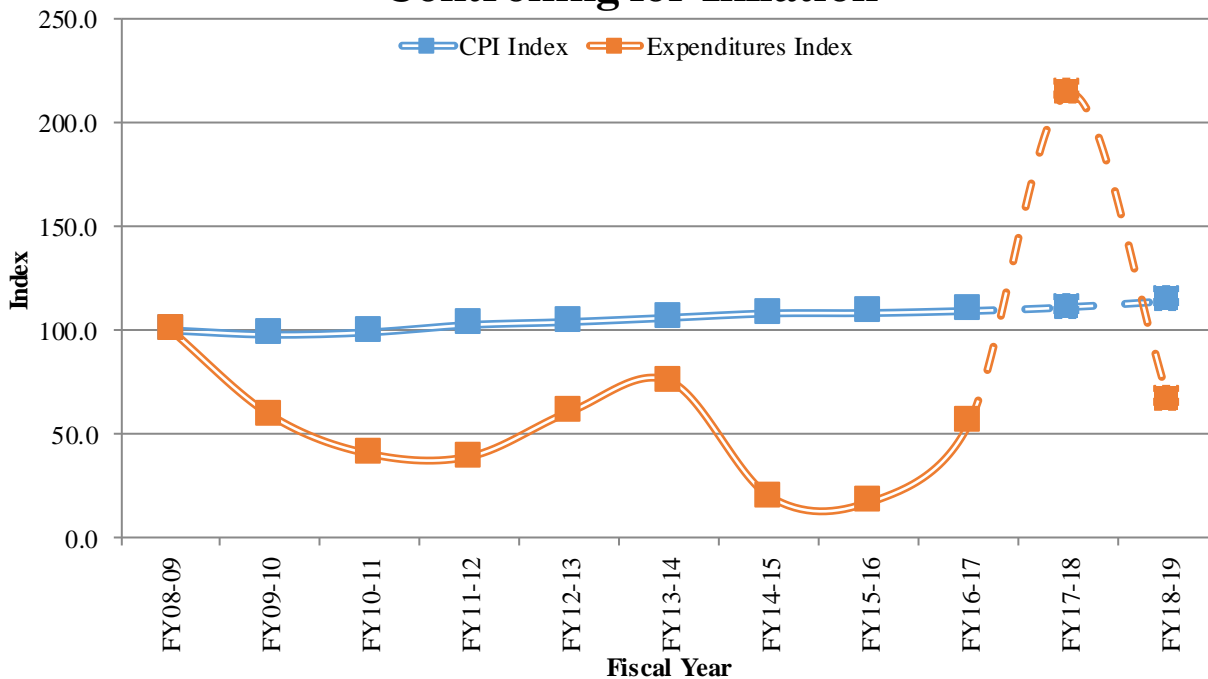


Revenue and Expenditure Trends

**7th Avenue MSD Fund Revenues Controlling for Inflation**



**7th Avenue MSD Fund Expenditures Controlling for Inflation**



## Other Funds

The following section will briefly describe the various special revenue funds budgeted for the City of Hendersonville in FY18-19.

## Capital Reserve Fund-W&S

The City began a Capital Reserve Fund to save for economic development projects requiring water and sewer services. The goal of this fund is to save money to directly assist economic development growth in the City of Hendersonville and Henderson County. For FY18-19, the Capital Reserve Fund has been appropriated \$100,000 by City Council. This fund receives revenues from Water and Sewer Fund transfers.

## 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 FY18-19 is \$2,000.

## 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 \$362,885 for FY18-19.

## 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 FY18-19.

## 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 \$55,000 for FY18-19.

## 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 FY18-19 is 7,500.

## 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 FY18-19 is \$1,000.



### 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 \$7,500 for FY18-19.

### 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 \$1,000 for FY18-19.

### Walk of Fame

The Walk of Fame Fund is a special revenue fund that provides recognizes individuals, past or present, who have made a significant difference to Henderson County in any field of endeavor. This Fund's budget totals \$4,000 for FY18-19.



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## 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.



**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 FY18-19:

City of Hendersonville CIP Calendar FY18-19	
Description	Date
Departments begin meeting internally to develop CIP project requests	October 13th, 2017
Departments work with Budget Staff in developing requests	October - November
Departments submit CIP project requests to Finance & Administration	December 1st, 2017
City Manager & Finance review CIP project requests	December 5th, 2017
Department Head discuss CIP project requests with City Manager & Finance	December - January
CIP project impact & financial analysis is prepared	By January 26th, 2018
City Council Budget Preview (Includes CIP Estimates)	February 15th, 2018

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 2018. It is important that department heads are educated on the Capital Request Forms and the dates by which they need to be submitted. The CIP will set the stage for the annual budget process.

### Financial Projections

Projections will be made to provide an estimate of the financial resources available for capital outlay purposes for the same period that the CIP covers. This also means that future operating needs will have to be projected. There are four major factors that play a role in predicting available resources for capital purposes. These are annual operating revenues and expenditures, outstanding debt, annual debt service payments, and intergovernmental aid and grants.

Predicting revenues and expenditures is done through trend analyses. These forecasts will also include foreseen tax/rate increases, legislative decisions, property valuations, population growth, cost of living adjustments, contractual services, new positions, and a wide variety of other factors. What should be understood is that if operating revenues are expected to greatly exceed operating expenditures in a particular year, the sum can be transferred to the capital budget to finance capital improvements and outlays. The excess can also be reverted to the fund balance. Fund balances may also build to amounts greater than needed and then drawn down to finance capital projects. Fund balances should be considered when forecasting resources for the CIP.

Debt is another avenue for financing capital programs. This makes projecting outstanding debt and annual debt service an important aspect in capital program planning.

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



### General Obligation Bonds

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

### Revenue Bonds

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

### Installment Purchase Agreements

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

### Certificates of Participation (COPs) or Special Obligation Bonds (SOBs)

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

### Tax Increment Financing

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



dependent upon an increase in property value of the designated district. The inherent risk in TIF is the assumption that property values will increase enough to repay the associated debt. TIFs can be financed up to thirty years.

### **Bond Anticipation Notes (BANs)**

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

A final forecast should be based on intergovernmental aid and grants. These options can be significant sources of financing for local government capital projects. However, forecasting the availability of such grants and aid can be problematic. Many grants and aid are subject to reductions because of federal and state budget shortages and changes in federal and state administrations. Even for the aid or grant programs for which this does not occur, legal and administrative provisions governing the distribution of the aid often change. Considering the aforementioned, grants and aid should be considered but not counted on in a forecast of guaranteed financial resources for a capital improvement program.

### **Budget Stage**

The budget stage of a CIP involves feasibility studies, selection of financing methods, and appropriating moneys to fund capital requests.

### **Project Evaluation**

Evaluation refers to a detailed and often technical study of a capital outlay request. It is a precursor to the approval and ranking of a project. As such, it relates more to capital budgeting than to capital planning. Project evaluation is typically done one of two ways, in house or contracted out, depending on the size. The purpose of the evaluation is to help determine the need for and/or economic viability of the project. It may also involve preparation of general plans and project specifications. There are a variety of techniques available for program evaluation ranging from quantitative analysis to informed judgment.

### **Project Financing**

This stage of the CIP process differs from planning in that it involves the actual selection of the financing method and how heavily the City should rely on said method. As discussed before there are a wide variety of funding mechanisms for capital projects. One of the most popular and advantageous methods to financing capital projects is commonly referred to as pay-as-you-go. This type of financing encourages responsible spending by requiring the same officials who approve projects to also raise the revenues to pay for them. It also avoids paying the interest charges involved with debt. Another advantage is avoiding the accumulation of large, fixed debt service payments in the operating budget. A wealth of information exists on capital financing, it



is up to the City to decide what is the best avenue for financing their projects in this stage of the Capital Improvement Program.

### **Authorization of Capital Projects**

The final step in the budget stage is the authorization and appropriation of funds for the capital requests. This is typically done by the governing body through:

- The annual budget ordinance,
- A capital projects ordinance that provides funding for all capital requests approved in a year,
- Or one or more bond orders approved by the governing board and perhaps by the voters.

Each of the aforementioned appropriating vehicles has their own advantages and disadvantages.

### **Implementation Stage**

The final step in the capital planning and budget process is implementation. Financial plans and arrangements are either a success or a failure in this stage. A key facet in ensuring successful implementation is the management and investment of revenue available for financing. A locality may have revenue accumulated to finance a project well before the revenue must be spent. It is beneficial to plan for investing in funds so that they become available to meet payments required by a capital project.

It is important to keep in mind that in keeping a separate capital budget process:

1. The unit faces large capital needs requiring the expenditure of substantial amounts of money.
2. Meeting these needs is likely to shape or alter the basic features of the community.
3. Debt will be required to meet at least some of the needs.
4. Other procedures will probably not guarantee that the needs are met in an orderly and fiscally sound manner.



## CIP Policy

The CIP helps the City manage capital expenditures to meet the following goals:

- ✓ Eliminate hazards and risks to public health and safety
- ✓ Promote economic development
- ✓ Improve service effectiveness and efficiency
- ✓ Maintain financial stability

To achieve these goals, the following policies and finance strategies guide staff in CIP development:

- ✓ A capital project is a physical asset with an initial cost greater than \$5,000 and a projected useful life greater than 5 years or a non-recurring operating expenditure greater than \$5,000 directly related to service delivery. Capital assets may include infrastructure, buildings, vehicles, or information technology equipment and software. Planning and design costs associated with the request should be included in the projected costs when applicable.
- ✓ Similar projects costing less than \$5,000 should not be lumped together to form a single project greater than \$5,000. Such smaller projects should be included within the upcoming operating budget.
- ✓ The term of any City debt issue shall not exceed the useful life of the asset for which the debt is issued.
- ✓ The capital program will recognize the borrowing limitation of the City to maintain fiscal stability.
- ✓ The City will search for all possible outside funding sources for CIP projects to help offset City debt, including grants, private-partnerships, and intergovernmental agreements.
- ✓ A financial analysis will accompany the CIP to illustrate the City's capacity to repay debt and identify the effects on financial indicators.
- ✓ The City will seek to maintain financial indicators within an acceptable level as compared to peer cities.
- ✓ The City will attempt to utilize pay-as-you-go financing when possible, particularly for capital assets with costs less than \$75,000.



Capital Improvements Plan – Summary Table

DEPARTMENT	FISCAL YEAR	TITLE	TOTAL COST	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28+	Funding Source
Environmental Services		Leaf Machine Replacement	90,000	30,000	-	-	30,000	-	-	30,000	-	-	-	-	ESF Cash
		Replace Equip # 16-01 (2006 Chevy 1500)	35,000	35,000	-	-	-	-	-	-	-	-	-	-	ESF Cash
		Replace Route Software	30,000	30,000	-	-	-	-	-	-	-	-	-	-	ESF Cash
	2019 Total		155,000	95,000	-	-	30,000	-	-	30,000	-	-	-	-	
		Replace Equip # 52-02 (2011 CNG Sweeper)	250,000	-	250,000	-	-	-	-	-	-	-	-	-	ESF Cash
		Truck Replacement	600,000	-	200,000	-	200,000	-	200,000	-	-	-	-	-	ESF Cash
		2020 Total	850,000	-	450,000	-	200,000	-	200,000	-	-	-	-	-	
	2021 Total		130,000	-	-	130,000	-	-	-	-	-	-	-	ESF Cash	
	2021 Total		130,000	-	-	130,000	-	-	-	-	-	-	-		
<b>Environmental Services Total</b>			<b>1,135,000</b>	<b>95,000</b>	<b>450,000</b>	<b>130,000</b>	<b>230,000</b>	<b>-</b>	<b>200,000</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Fire		Life Safety Trailer w/Lettering	7,500	7,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Chevy Astro Van	30,000	30,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Fire Department Nozzles and Hose	30,000	30,000	-	-	-	-	-	-	-	-	-	-	GF Cash
	2019 Total		95,500	75,500	-	-	-	10,000	10,000	-	-	-	-	-	GF Cash
		Renovation of Fire Station 1	1,125,000	-	1,125,000	-	-	-	-	-	-	-	-	-	Loan
		Replace Extrication Equipment (Over 3 Years)	60,000	-	15,000	15,000	30,000	-	-	-	-	-	-	-	GF Cash
		Replace Fire Station 1 Pick-Up	25,000	-	25,000	-	-	-	-	-	-	-	-	-	GF Cash
		Tablet Replacement – Recurring every 3 years	45,000	-	15,000	-	-	15,000	-	-	15,000	-	-	-	GF Cash
		Training/Logistics Vehicle	40,000	-	40,000	-	-	-	-	-	-	-	-	-	GF Cash
	2020 Total		1,295,000	-	1,220,000	15,000	30,000	15,000	-	-	15,000	-	-	-	
		Fire Station 3	2,500,000	-	-	2,500,000	-	-	-	-	-	-	-	-	Loan
		Purchase an additional Engine or Quint for Station 3	800,000	-	-	800,000	-	-	-	-	-	-	-	-	Loan
		Replace Deputy Chief Vehicle	50,000	-	-	50,000	-	-	-	-	-	-	-	-	GF Cash
	2021 Total		3,350,000	-	-	3,350,000	-	-	-	-	-	-	-	-	
		Replacement of Ladder One.	1,500,000	-	-	-	1,500,000	-	-	-	-	-	-	-	Loan
		Thermal Imaging Camera Replacement (Over two years) – Recurring every 5 years	90,000	-	-	-	30,000	15,000	-	-	-	30,000	15,000	-	GF Cash
	2022 Total		1,590,000	-	-	-	1,530,000	15,000	-	-	-	30,000	15,000	-	
		Fire & Life Safety Educator Vehicle	35,000	-	-	-	-	35,000	-	-	-	-	-	-	GF Cash
		Forcible Entry Prop	8,500	-	-	-	-	8,500	-	-	-	-	-	-	GF Cash
		Kubota RTU 900 w/ Trailer	27,500	-	-	-	-	27,500	-	-	-	-	-	-	GF Cash
		Replace Engine 3 (Engine 1 will go into Reserve)	800,000	-	-	-	-	800,000	-	-	-	-	-	-	Loan
	2023 Total		871,000	-	-	-	-	871,000	-	-	-	-	-	-	
		Commission on Fire Accreditation International – Applicant Agency	16,250	-	-	-	-	-	6,250	-	10,000	-	-	-	GF Cash
		Fire Department Training Facility	20,000	-	-	-	-	-	20,000	-	-	-	-	-	Loan
		Replace Station Lawnmowers (Over 2 Years)	15,000	-	-	-	-	-	7,500	7,500	-	-	-	-	GF Cash
		Replacement of Self-Contained Breathing Apparatus	300,000	-	-	-	-	-	300,000	-	-	-	-	-	Loan
	2024 Total		351,250	-	-	-	-	-	333,750	7,500	10,000	-	-	-	
		Fire Department Training Facility	200,000	-	-	-	-	-	-	200,000	-	-	-	-	Loan
		Replace AED's	60,000	-	-	-	-	-	-	60,000	-	-	-	-	GF Cash
		Replace Assistant Fire Marshal Vehicle	40,000	-	-	-	-	-	-	40,000	-	-	-	-	GF Cash
		Replace Station 1 Breathing Air Compressor	85,000	-	-	-	-	-	-	85,000	-	-	-	-	GF Cash
	2025 Total		385,000	-	-	-	-	-	-	385,000	-	-	-	-	
		Purchase a Service/Rescue Company for Station 1	800,000	-	-	-	-	-	-	-	800,000	-	-	-	Loan
		Replace Fire Chief Vehicle	50,000	-	-	-	-	-	-	-	50,000	-	-	-	GF Cash
		Vehicle Stabilization Struts	15,000	-	-	-	-	-	-	-	15,000	-	-	-	GF Cash
	2026 Total		865,000	-	-	-	-	-	-	-	865,000	-	-	-	
		Replace Engine 4 (Engine 2 will go into Reserve)	800,000	-	-	-	-	-	-	-	-	800,000	-	-	Loan
		Replace Exercise Equipment	25,000	-	-	-	-	-	-	-	-	25,000	-	-	GF Cash
		Replace Fire Inspector Vehicle	30,000	-	-	-	-	-	-	-	-	30,000	-	-	GF Cash
	2027 Total		855,000	-	-	-	-	-	-	-	-	855,000	-	-	
		Replace Fire Marshal Vehicle	45,000	-	-	-	-	-	-	-	-	-	45,000	-	GF Cash
	2028 Total		45,000	-	-	-	-	-	-	-	-	-	45,000	-	
<b>Fire Total</b>			<b>9,702,750</b>	<b>75,500</b>	<b>1,220,000</b>	<b>3,365,000</b>	<b>1,560,000</b>	<b>911,000</b>	<b>343,750</b>	<b>392,500</b>	<b>890,000</b>	<b>885,000</b>	<b>60,000</b>	<b>-</b>	



DEPARTMENT	FISCAL YEAR	TITLE	TOTAL COST	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28+	Funding Source
Police		Laptop Replacements	61,000	17,000	-	-	-	-	22,000	22,000	-	-	-	-	GF Cash
		Police Headquarters Project	8,000,000	8,000,000	-	-	-	-	-	-	-	-	-	-	Loan
		SRO Vehicle 1	46,500	46,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		SRO Vehicle 2	46,500	46,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		SRO Vehicle 3	46,500	46,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		Surveillance Cameras	15,000	15,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-03	48,500	48,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-33	46,500	46,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-43	46,500	46,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 14-34	46,500	46,500	-	-	-	-	-	-	-	-	-	-	GF Cash
	2019 Total		8,403,500	8,359,500	-	-	-	-	22,000	22,000	-	-	-	-	
		Livescan	18,000	-	10,000	-	-	-	-	-	-	-	8,000	-	GF Cash
		Vehicle Replacement 01-45	46,500	-	46,500	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-46	46,500	-	46,500	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-49	46,500	-	46,500	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 14-10	40,000	-	40,000	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 15-17	40,000	-	40,000	-	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 15-18	48,500	-	48,500	-	-	-	-	-	-	-	-	-	GF Cash
	2020 Total		286,000	-	278,000	-	-	-	-	-	-	-	8,000	-	
		Vehicle Replacement 01-09	40,000	-	-	40,000	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-12	40,000	-	-	40,000	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 14-41	40,000	-	-	40,000	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 14-42	40,000	-	-	40,000	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 15-09	40,000	-	-	40,000	-	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 15-19	46,500	-	-	46,500	-	-	-	-	-	-	-	-	GF Cash
	2021 Total		246,500	-	-	246,500	-	-	-	-	-	-	-	-	
		Domain Server Replacement	10,000	-	-	-	10,000	-	-	-	-	-	-	-	GF Cash
		Netmotion Server Replacement	10,000	-	-	-	10,000	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-14	46,500	-	-	-	46,500	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-16	46,500	-	-	-	46,500	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-17	46,500	-	-	-	46,500	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-18	46,500	-	-	-	46,500	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 14-35	46,500	-	-	-	46,500	-	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 14-39	40,000	-	-	-	40,000	-	-	-	-	-	-	-	GF Cash
	2022 Total		292,500	-	-	-	292,500	-	-	-	-	-	-	-	
		Vehicle Replacement 01-05	40,000	-	-	-	-	40,000	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-19	48,500	-	-	-	-	48,500	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-51	46,500	-	-	-	-	46,500	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-52	46,500	-	-	-	-	46,500	-	-	-	-	-	-	GF Cash
		Vehicle Replacement 01-53	46,500	-	-	-	-	46,500	-	-	-	-	-	-	GF Cash
	2023 Total		228,000	-	-	-	-	228,000	-	-	-	-	-	-	
		911 Computer Replacement (all 911 funds)	10,000	-	-	-	-	-	10,000	-	-	-	-	-	N/A
	2024 Total		10,000	-	-	-	-	-	10,000	-	-	-	-	-	
		911 Voice Logger (all 911 funds)	30,000	-	-	-	-	-	-	30,000	-	-	-	-	N/A
	2025 Total		30,000	-	-	-	-	-	-	30,000	-	-	-	-	
<b>Police Total</b>			<b>9,496,500</b>	<b>8,359,500</b>	<b>278,000</b>	<b>246,500</b>	<b>292,500</b>	<b>228,000</b>	<b>32,000</b>	<b>52,000</b>	-	-	<b>8,000</b>	-	



DEPARTMENT	FISCAL YEAR	TITLE	TOTAL COST	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28+	Funding Source
Public Works		7th Avenue Streetscape Improvements, Phase I	1,400,000	1,400,000	-	-	-	-	-	-	-	-	-	-	Loan
		City Hall HVAC Replacement	70,000	70,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Diagnostic Equipment for Large Trucks	11,000	11,000	-	-	-	-	-	-	-	-	-	-	GF/WS Cash
		Equipment Trailer	7,000	7,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Flamable Storage Cabinets	5,000	5,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Floor Covering Repairs at City Ops	25,000	25,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Main Street Public Restrooms	825,000	825,000	-	-	-	-	-	-	-	-	-	-	Loan
		Mill Project Streetscape	700,000	700,000	-	-	-	-	-	-	-	-	-	-	Loan
		Motor Vehicle Replacements	357,500	55,000	55,000	-	27,500	55,000	-	27,500	55,000	-	27,500	55,000	GF Cash
		Patton Park Picnic Shed Re-roof	9,500	9,500	-	-	-	-	-	-	-	-	-	-	GF Cash
		PW-Maintenance Building	1,500,000	1,500,000	-	-	-	-	-	-	-	-	-	-	Loan
		Repair Patton Playground Structure	7,000	7,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Carpet at Mini-Golf	12,000	12,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Resurface Whitmire Building Parking Lot and Install New Parking at Tom's Park	120,000	120,000	-	-	-	-	-	-	-	-	-	-	Loan
		Salt Spreaders	28,000	14,000	14,000	-	-	-	-	-	-	-	-	-	GF Cash
		Snow Blades	20,000	10,000	10,000	-	-	-	-	-	-	-	-	-	GF Cash
		Street Dept. Walk Saw	6,000	6,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Sullivan Park Playground Improvements	25,000	25,000	-	-	-	-	-	-	-	-	-	-	GF Cash
		Traffic Signal Cabinet Replacements	136,000	17,000	17,000	-	17,000	17,000	-	17,000	17,000	-	17,000	17,000	GF Cash
		Two Post Vehicle Lift	9,000	9,000	-	-	-	-	-	-	-	-	-	-	GF Cash
	Wayfinding/Gateway Signage	36,000	12,000	12,000	12,000	-	-	-	-	-	-	-	-	GF Cash	
	Whitmire Building Floor Replacement	30,000	30,000	-	-	-	-	-	-	-	-	-	-	Loan	
	Zero Turn Mower Replacement	154,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	GF Cash	
	2019 Total		5,493,000	4,883,500	122,000	26,000	58,500	86,000	14,000	58,500	86,000	14,000	58,500	86,000	
		Air Compressor Replacement	18,000	-	18,000	-	-	-	-	-	-	-	-	-	GF Cash
		Asphalt Roller Replacement	65,000	-	65,000	-	-	-	-	-	-	-	-	-	GF Cash
		Berkeley Outfield Irrigation	20,000	-	20,000	-	-	-	-	-	-	-	-	-	GF Cash
		City Hall Roof Enclosure	390,000	-	390,000	-	-	-	-	-	-	-	-	-	GF Cash
		Expand Greenway Parking	25,000	-	25,000	-	-	-	-	-	-	-	-	-	GF Cash
		Forklift Replacement	11,000	-	11,000	-	-	-	-	-	-	-	-	-	GF Cash
		Gym Equipment for City Ops	40,000	-	40,000	-	-	-	-	-	-	-	-	-	GF Cash
		Hendersonville Gateway Park	110,000	-	110,000	-	-	-	-	-	-	-	-	-	GF Cash
		Install Ozonator	25,000	-	25,000	-	-	-	-	-	-	-	-	-	GF Cash
		Landscape Trailer Replacement	5,000	-	5,000	-	-	-	-	-	-	-	-	-	GF Cash
		Main Street Electrical Panel Upgrade	47,000	-	12,000	7,000	7,000	7,000	7,000	7,000	-	-	-	-	GF Cash
		Painting Contract for City Buildings	180,000	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	-	GF Cash
		Patton Ball Field Electrical Panel	10,000	-	10,000	-	-	-	-	-	-	-	-	-	GF Cash
		Patton Park Tennis Court Lights	36,000	-	36,000	-	-	-	-	-	-	-	-	-	GF Cash
		Patton Pool Electrical Panel Upgrade	6,000	-	6,000	-	-	-	-	-	-	-	-	-	GF Cash
		Pressure Washer for Wash Bay	5,000	-	5,000	-	-	-	-	-	-	-	-	-	GF Cash
		Purchase Hybrid Dump Trailer	7,000	-	7,000	-	-	-	-	-	-	-	-	-	GF Cash
		Replace A/C Service Machine	7,000	-	7,000	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Diving Board Stands	20,000	-	20,000	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 11-07 (2008 Service Van)	14,000	-	14,000	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 16-04 (2002 F250 Sign Truck)	40,000	-	40,000	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 17-11 (1995 Ford F350 Flat Bed)	45,000	-	45,000	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 44-02 (1997 New Holland Backhoe)	80,000	-	80,000	-	-	-	-	-	-	-	-	-	GF Cash
		Replace Mini-Excavator	55,000	-	55,000	-	-	-	-	-	-	-	-	-	GF Cash
		Scissor Lift	30,000	-	30,000	-	-	-	-	-	-	-	-	-	GF Cash
		Utility Vehicle Replacement	19,000	-	19,000	-	-	-	-	-	-	-	-	-	GF Cash
	2020 Total		1,310,000	-	1,115,000	27,000	27,000	27,000	27,000	27,000	20,000	20,000	20,000	-	



DEPARTMENT	FISCAL YEAR	TITLE	TOTAL COST	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28+	Funding Source
		Berkely Park Bathrooms	125,000	-	-	125,000	-	-	-	-	-	-	-	-	GF Cash
		Bucket Truck Replacement	150,000	-	-	150,000	-	-	-	-	-	-	-	-	GF Cash
		Conflict Monitor Tester	15,000	-	-	15,000	-	-	-	-	-	-	-	-	GF Cash
		Patton Park Pedestrian Bridge and Vehicular Bridge Replacement	70,000	-	-	70,000	-	-	-	-	-	-	-	-	GF Cash
		Replace # 18-05 (1994 Ford F700 Dump Truck)	90,000	-	-	90,000	-	-	-	-	-	-	-	-	GF Cash
		Replace 3 A/c Units at City Operations	35,000	-	-	35,000	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 11-01 (2007 Service Van)	14,000	-	-	14,000	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 17-16 (2006 F350 Service Body Truck)	60,000	-	-	60,000	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 18-01 (2000 F450 Dump Truck)	45,000	-	-	45,000	-	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 42-05 (2005 loader tractor)	45,000	-	-	45,000	-	-	-	-	-	-	-	-	GF Cash
		Re-Roof Whitmire Building	30,000	-	-	30,000	-	-	-	-	-	-	-	-	GF Cash
		Rotary Park Playground Equipment	15,000	-	-	15,000	-	-	-	-	-	-	-	-	GF Cash
	2021 Total		694,000	-	-	694,000	-	-	-	-	-	-	-	-	
		Columbarium at Oakdale Cemetery	18,000	-	-	-	18,000	-	-	-	-	-	-	-	GF Cash
		New A/C Machine for New Freon Rquirements	8,000	-	-	-	8,000	-	-	-	-	-	-	-	GF Cash
		Redesign and Re-roof City Garage	100,000	-	-	-	100,000	-	-	-	-	-	-	-	GF Cash
		Remarsite Pool	150,000	-	-	-	150,000	-	-	-	-	-	-	-	GF Cash
		Replace Equip # 22-05 (2007 Pothole Patcher)	200,000	-	-	-	200,000	-	-	-	-	-	-	-	GF Cash
		Splash Pad or Water Slide	400,000	-	-	-	400,000	-	-	-	-	-	-	-	GF Cash
	2022 Total		876,000	-	-	-	876,000	-	-	-	-	-	-	-	
		Southside Park Development	2,400,000	-	-	-	-	2,400,000	-	-	-	-	-	-	Loan
		West Lake Avenue Widening ROW	400,000	-	-	-	-	400,000	-	-	-	-	-	-	Loan
	2023 Total		2,800,000	-	-	-	-	2,800,000	-	-	-	-	-	-	
	<b>Public Works Total</b>		<b>11,173,000</b>	<b>4,883,500</b>	<b>1,237,000</b>	<b>747,000</b>	<b>961,500</b>	<b>2,913,000</b>	<b>41,000</b>	<b>85,500</b>	<b>106,000</b>	<b>34,000</b>	<b>78,500</b>	<b>86,000</b>	
Stormwater		Hendersonville Elementary Runoff Improvements	30,000	30,000	-	-	-	-	-	-	-	-	-	-	SW Cash
	2019 Total		30,000	30,000	-	-	-	-	-	-	-	-	-	-	
	<b>Stormwater Total</b>		<b>30,000</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Water & Sewer		District Metering and Pump Station Metering	350,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	-	-	-	-	WS Cash
		Etowah Water System Improvements	4,200,000	4,200,000	-	-	-	-	-	-	-	-	-	-	Loan
		Front-end Loader Replacement (50-01)	105,000	105,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		Garden Lane Pump Station Upgrade/Deck	30,000	30,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		Generators and ATS	316,000	158,000	158,000	-	-	-	-	-	-	-	-	-	WS Cash
		Motor Vehicle Replacement	2,140,000	140,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	WS Cash
		NCDOT Old Airport Road	700,000	700,000	-	-	-	-	-	-	-	-	-	-	Loan
		NCDOT Shepherd/Erkwood	300,000	300,000	-	-	-	-	-	-	-	-	-	-	Loan
		Northside (Fletcher Area) Water System Improvements	3,600,000	3,600,000	-	-	-	-	-	-	-	-	-	-	Loan
		Pump Station Metering and Weather Stations	150,000	50,000	50,000	50,000	-	-	-	-	-	-	-	-	WS Cash
		Replace Gutters on Metal Buildings at Ewart Hill	30,000	30,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		Rubber-tired Backhoe Replacement (44-07)	75,000	75,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		SCADA Distribution Systems	30,000	30,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		SCADA System Servers	30,000	30,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		Streambank Restoration-SRF	2,336,000	2,336,000	-	-	-	-	-	-	-	-	-	-	Loan
		U.S. Highway 64 E / Highland Square Sanitary Sewer Improvements	146,000	146,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		WTP Expansions, from 12-MGD to 15-MGD to 18-MGD	5,599,000	237,000	1,150,000	-	-	-	-	-	-	-	-	4,212,000	Loan
		WTP Pumps and Equipment Upgrade	2,574,000	2,574,000	-	-	-	-	-	-	-	-	-	-	Reserves
		WWTP Generator & ATS	912,500	912,500	-	-	-	-	-	-	-	-	-	-	Reserves
		WWTP Gravity Filter Replacement	2,300,000	2,300,000	-	-	-	-	-	-	-	-	-	-	Reserves
		WWTP Lawnmower	20,000	20,000	-	-	-	-	-	-	-	-	-	-	WS Cash
		WWTP Upgrade SCADA Equipment and VFDs	300,000	300,000	-	-	-	-	-	-	-	-	-	-	WS Cash
	2019 Total		26,243,500	18,323,500	1,608,000	300,000	250,000	250,000	250,000	250,000	200,000	200,000	200,000	4,412,000	
		Bradley Creek Dredging	200,000	-	100,000	100,000	-	-	-	-	-	-	-	-	WS Cash
		Eastside Transmission Main, Phase 2 and 3	5,100,000	-	5,100,000	-	-	-	-	-	-	-	-	-	Loan
		Equipment Shed and Parking Lot	200,000	-	200,000	-	-	-	-	-	-	-	-	-	WS Cash
		French Broad River Raw Water Intake and Pump Station, Phase 2	5,925,000	-	5,925,000	-	-	-	-	-	-	-	-	-	Loan
		Trench Roller/Compactor	67,500	-	67,500	-	-	-	-	-	-	-	-	-	WS Cash
		WTP Waterproofing & Basin Repair	300,000	-	300,000	-	-	-	-	-	-	-	-	-	Loan
		WWTP Sludge Drying System	4,100,000	-	4,100,000	-	-	-	-	-	-	-	-	-	Loan
	2020 Total		15,892,500	-	15,792,500	100,000	-	-	-	-	-	-	-	-	



Capital Improvements Plan – Summary Table

Budget FY18-19

DEPARTMENT	FISCAL YEAR	TITLE	TOTAL COST	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28+	Funding Source
		Air Compressor Replacements - Water	40,000	-	-	20,000	20,000	-	-	-	-	-	-	-	WS Cash
		Dump Truck Replacement (22-01)	80,000	-	-	80,000	-	-	-	-	-	-	-	-	WS Cash
		NCDOT Highland Lake Rd	100,000	-	-	100,000	-	-	-	-	-	-	-	-	Loan
	2021 Total		220,000	-	-	200,000	20,000	-	-	-	-	-	-	-	
		Brookwood Sewer Pump Station Replacement	350,000	-	-	-	350,000	-	-	-	-	-	-	-	WS Cash
		Equipment Trailer Replacements - Sewer	30,000	-	-	-	30,000	-	-	-	-	-	-	-	WS Cash
		Ewart Hill 5.0 MG Storage Reservoir Replacement	3,843,000	-	-	-	3,843,000	-	-	-	-	-	-	-	Loan
		NCDOT Kanuga	2,700,000	-	-	-	2,700,000	-	-	-	-	-	-	-	Loan
		Rubber-tired Backhoe Replacement (44-06)	75,000	-	-	-	75,000	-	-	-	-	-	-	-	WS Cash
		Shoring Box Replacement	30,000	-	-	-	30,000	-	-	-	-	-	-	-	WS Cash
	2022 Total		7,028,000	-	-	-	7,028,000	-	-	-	-	-	-	-	
		16-inch Transmission Water Main from WTP to Ewart Hill Slip Lining	3,881,000	-	-	-	-	3,881,000	-	-	-	-	-	-	Loan
		7th Ave Residential Sanitary Sewer and Water Improvements	906,000	-	-	-	-	906,000	-	-	-	-	-	-	Loan
		CCTV Generator Replacement	7,500	-	-	-	-	7,500	-	-	-	-	-	-	WS Cash
		Dump Truck 1-1/2 Ton Replacement (17-05)	80,000	-	-	-	-	80,000	-	-	-	-	-	-	WS Cash
		NCDOT Blythe	2,500,000	-	-	-	-	2,500,000	-	-	-	-	-	-	Loan
		NCDOT HWY 64	600,000	-	-	-	-	600,000	-	-	-	-	-	-	Loan
		NCDOT White St/ South Main	2,000,000	-	-	-	-	2,000,000	-	-	-	-	-	-	Loan
		Upward Road Water Main Upgrade	870,000	-	-	-	-	870,000	-	-	-	-	-	-	Loan
	2023 Total		10,844,500	-	-	-	-	10,844,500	-	-	-	-	-	-	
		Dana Rd. Water Main Extension	1,800,000	-	-	-	-	-	1,800,000	-	-	-	-	-	Loan
		Excavator, 6500-lb. - Replacement (44-08)	80,000	-	-	-	-	-	80,000	-	-	-	-	-	WS Cash
		Long John Mountain Interconnect, Pump Stations and Storage Tank	5,200,000	-	-	-	-	-	5,200,000	-	-	-	-	-	Loan
		NCDOT 191	11,000,000	-	-	-	-	-	11,000,000	-	-	-	-	-	Loan
		North Fork Raw Water Line Slip Lining	3,881,000	-	-	-	-	-	3,881,000	-	-	-	-	-	Loan
		Smokey Ridge Apts Sewer Pump Station	400,000	-	-	-	-	-	400,000	-	-	-	-	-	Loan
	2024 Total		22,361,000	-	-	-	-	-	22,361,000	-	-	-	-	-	
		All Terrain Vehicle	16,000	-	-	-	-	-	-	16,000	-	-	-	-	WS Cash
		Bradley Creek Raw Water Line Slip Lining	2,890,000	-	-	-	-	-	-	2,890,000	-	-	-	-	Loan
		Dump Truck Replacement (22-07)	80,000	-	-	-	-	-	-	80,000	-	-	-	-	WS Cash
		Dump Truck, Single-axle - Replacement (22-13)	80,000	-	-	-	-	-	-	80,000	-	-	-	-	WS Cash
		Sewer Vactor Truck Replacement (29-05)	754,000	-	-	-	-	-	-	754,000	-	-	-	-	Loan
	2025 Total		3,820,000	-	-	-	-	-	-	3,820,000	-	-	-	-	
		Dump Truck 1-1/2 Ton Replacement (17-21)	135,000	-	-	-	-	-	-	-	135,000	-	-	-	WS Cash
		Dump Truck Replacement Single-Axle (22-12)	90,000	-	-	-	-	-	-	-	90,000	-	-	-	WS Cash
		Dump Truck, Dual-axle - Replacement (22-20)	150,000	-	-	-	-	-	-	-	150,000	-	-	-	WS Cash
		Dump Truck, Triaxle - Replacement (22-17)	150,000	-	-	-	-	-	-	-	150,000	-	-	-	WS Cash
		Excavator, 12,000-lb. - Replacement (44-11)	75,000	-	-	-	-	-	-	-	75,000	-	-	-	WS Cash
		Excavator, 12,000-lb. - Replacement (44-17)	75,000	-	-	-	-	-	-	-	75,000	-	-	-	WS Cash
		Excavator, 33,000-lb. - Replacement (44-16)	136,000	-	-	-	-	-	-	-	136,000	-	-	-	WS Cash
		NCDOT I-26	1,000,000	-	-	-	-	-	-	-	1,000,000	-	-	-	Loan
		Skid Steer ROW Clearing Equipment (50-03)	69,000	-	-	-	-	-	-	-	69,000	-	-	-	WS Cash
		WWTP Expansion, 6.0 MGD	210,000	-	-	-	-	-	-	-	210,000	-	-	-	WS Cash
	2026 Total		2,090,000	-	-	-	-	-	-	-	2,090,000	-	-	-	
		AMI Metering Infrastructure Replacement	12,000,000	-	-	-	-	-	-	-	-	-	12,000,000	-	Loan
		CCTV Sewer Inspection Vehicle	400,000	-	-	-	-	-	-	-	-	-	400,000	-	WS Cash
		Mills River Raw Water Intake Relocation	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000	-	Loan
		NCDOT Balfour Parkway	1,900,000	-	-	-	-	-	-	-	-	-	1,900,000	-	Loan
		WWTP EQ Basin	6,000,000	-	-	-	-	-	-	-	-	-	6,000,000	-	WS Cash
	2028 Total		21,300,000	-	-	-	-	-	-	-	-	-	21,300,000	-	



DEPARTMENT	FISCAL YEAR	TITLE	TOTAL COST	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28+	Funding Source
	2028+	1st Avenue W and Oak St Sanitary Sewer and Water Improvements	795,000	-	-	-	-	-	-	-	-	-	-	795,000	Loan
		Druid Hills Sanitary Sewer and Water Improvements	4,116,000	-	-	-	-	-	-	-	-	-	-	4,116,000	Loan
		Fairgrounds Avenue (E. Flat Rock Area) - Repair and Replacement Project	1,645,000	-	-	-	-	-	-	-	-	-	-	1,645,000	Loan
		Florida Ave Water and Sewer Improvements	1,059,000	-	-	-	-	-	-	-	-	-	-	1,059,000	Loan
		Fruitland Rd. Water Main Extension	1,980,000	-	-	-	-	-	-	-	-	-	-	1,980,000	Loan
		Howard Gap Rd. Water Extension Mid	1,960,000	-	-	-	-	-	-	-	-	-	-	1,960,000	WS Cash
		Howard Gap Rd. Water Extension North End	1,200,000	-	-	-	-	-	-	-	-	-	-	1,200,000	Loan
		Mud Creek Interceptor Replacement, Phase 1	1,281,000	-	-	-	-	-	-	-	-	-	-	1,281,000	Loan
		Mud Creek Sewer Interceptor Replacement, Phase 2	850,000	-	-	-	-	-	-	-	-	-	-	850,000	Loan
		Mud Creek Sewer Interceptor Replacement, Phase 3	1,180,000	-	-	-	-	-	-	-	-	-	-	1,180,000	Loan
		N. Main St. Sanitary Water and Sewer Improvements	1,090,000	-	-	-	-	-	-	-	-	-	-	1,090,000	Loan
		Oakland St and Fleming St Water and Sewer Improvements	2,188,000	-	-	-	-	-	-	-	-	-	-	2,188,000	Loan
		Pace Rd. Water Main Extension and Interconnect	1,350,000	-	-	-	-	-	-	-	-	-	-	1,350,000	Loan
		S. Mills Gap Rd. Water Main Extension	1,386,000	-	-	-	-	-	-	-	-	-	-	1,386,000	Loan
		S. Rugby Road Water Main Interconnect	1,888,000	-	-	-	-	-	-	-	-	-	-	1,888,000	Loan
		Soil Screen, Portable	45,000	-	-	-	-	-	-	-	-	-	-	45,000	WS Cash
		Southside Water System Improvements	3,128,000	-	-	-	-	-	-	-	-	-	-	3,128,000	Loan
		Tapping Machine (4" to 12")	64,000	-	-	-	-	-	-	-	-	-	-	64,000	WS Cash
		Trailer-mounted Sewer Jetter (29-04)	56,000	-	-	-	-	-	-	-	-	-	-	56,000	WS Cash
		Vacuum Excavator	64,000	-	-	-	-	-	-	-	-	-	-	64,000	WS Cash
		Williams St./4th Ave E Sanitary Sewer Replacement	542,000	-	-	-	-	-	-	-	-	-	-	542,000	Loan
		Willow Rd., Cherokee Dr., Park St. Sanitary Sewer and Water Improvements	3,198,000	-	-	-	-	-	-	-	-	-	-	3,198,000	Loan
		WTP Lawnmower	16,000	-	-	-	-	-	-	-	-	-	-	16,000	WS Cash
	2028+ Total		31,081,000	-	-	-	-	-	-	-	-	-	-	31,081,000	
<b>Water &amp; Sewer Total</b>			<b>140,880,500</b>	<b>18,323,500</b>	<b>17,400,500</b>	<b>600,000</b>	<b>7,298,000</b>	<b>11,094,500</b>	<b>22,611,000</b>	<b>4,070,000</b>	<b>2,290,000</b>	<b>200,000</b>	<b>21,500,000</b>	<b>35,493,000</b>	
<b>Grand Total</b>			<b>172,417,750</b>	<b>31,767,000</b>	<b>20,585,500</b>	<b>5,088,500</b>	<b>10,342,000</b>	<b>15,146,500</b>	<b>23,227,750</b>	<b>4,630,000</b>	<b>3,286,000</b>	<b>1,119,000</b>	<b>21,646,500</b>	<b>35,579,000</b>	



Projects Summary

A summary of all capital expenditures is totaled below by function:

Function	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28+	Total
<b>Environmental Service</b>	95,000	450,000	130,000	230,000	-	200,000	30,000	-	-	-	-	1,135,000
<b>Fire</b>	75,500	1,220,000	3,365,000	1,560,000	911,000	343,750	392,500	890,000	885,000	60,000	-	9,702,750
<b>Police</b>	8,359,500	278,000	246,500	292,500	228,000	32,000	52,000	-	-	8,000	-	9,496,500
<b>Public Works</b>	4,883,500	1,237,000	747,000	961,500	2,913,000	41,000	85,500	106,000	34,000	78,500	86,000	11,173,000
<b>Stormwater</b>	30,000	-	-	-	-	-	-	-	-	-	-	30,000
<b>Water &amp; Sewer</b>	18,323,500	17,400,500	600,000	7,298,000	11,094,500	22,611,000	4,070,000	2,290,000	200,000	21,500,000	35,493,000	140,880,500
<b>Total</b>	<b>31,767,000</b>	<b>20,585,500</b>	<b>5,088,500</b>	<b>10,342,000</b>	<b>15,146,500</b>	<b>23,227,750</b>	<b>4,630,000</b>	<b>3,286,000</b>	<b>1,119,000</b>	<b>21,646,500</b>	<b>35,579,000</b>	<b>172,417,750</b>

All requested projects, for all financing methods in FY18-19, total **\$31,767,000**.

All requested project, for all financing methods across the capital plan, total **\$172,417,750**.





## Project Detail

### General Fund

#### Fire

Life Safety Trailer with Lettering: \$7,500

Purchase an 8 x 20 Enclosed Life Safety Trailer. The Fire Department does not own a trailer and often utilizes personal vehicles and trailers to transport life safety equipment and props. With the numerous fire prevention and educational events that the Fire Department participates in it has become a priority to purchase an enclosed trailer that can be utilized for storing and hauling life safety materials.

Replace Chevy Astro Van: \$30,000

Replace Chevy Astro Van that was utilized for training and logistical operations. We are recommending to replace this vehicle with a vehicle that can be utilized for the Part-Time Fire Inspector and Fire Station 2. The Chevy Astro Van is a 2003 and is over 15 years old. According to the Public Works Department the vehicle rates a 26, which means it is recommended for replacement due to its current condition and estimated maintenance costs. This vehicle is utilized for various activities such as public education, training, prevention, and logistical operations.

Replace Fire Department Nozzles and Hose: \$30,000

Replace hose and nozzles. The Fire Department has numerous types of nozzles and adapters from various different manufacturers. This capital request is to replace these nozzles and standardize all the nozzles on fire apparatus ensuring that all fire personnel are aware of the capabilities and limitations of the fire attack nozzles.

During testing that was conducted in 2017 by AKRON we determined that many of the nozzles we currently have in service, flow less gallons per minute than intended. Some nozzles produced as low as 60-70 gallons per minute instead of 150 gallons per minute which causes a significant safety concern. We purchased new low pressure nozzles with the purchase of E-2 and were able to purchase some nozzles and hoses. Additional nozzles and hose are still needed to standardize our apparatus.

Additionally, with switching to low pressure nozzles which will reduce friction loss and nozzle pressure we need to replace some of our fire hose.

Replace Multi Gas Monitors (Year 2 of 2) – Recurring every 4 years: \$8,000

Replace Multi Gas Monitors (Year 2 of 2). The Fire Department currently owns five multi-gas monitors that are all over five years ago and out of warranty. We routinely have maintenance issues with these monitors and have spent hundreds on repairs over the last two years. Also,



many of the small vehicles do not have these monitors which causes significant issues on an emergency scene especially when evacuating structures. The multi-gas monitors are designed to monitor potentially hazardous levels of combustible gases, oxygen enrichment or depletion, carbon monoxide, and hydrogen sulfide. Simple, intuitive user operation enables operators to focus on the situation rather than equipment.

**Police**

Laptop Replacements \$17,000

Replace laptop computers. Replace the laptop (some in house, most in vehicles) computers within the department. Divided into a two year plan to spread out costs.

Police Headquarters Project \$8,000,000

Concurrent with the 7<sup>th</sup> Ave. revitalization project, building a new police station will revitalize the area and create an efficient space for law enforcement officers and the public.

SRO Vehicle 1 \$46,500

The purchase of a new vehicle for a new School Resource Officer position.

SRO Vehicle 2 \$46,500

The purchase of a new vehicle for a new School Resource Officer position.

SRO Vehicle 3 \$46,500

The purchase of a new vehicle for a new School Resource Officer position.

Surveillance Cameras \$15,000

Cameras to be mounted on poles for surveillance in identified areas. Request of City Manager and Chief of Police.

Vehicle Replacement 01-03 \$48,500

Replace car 1-03, K9 vehicle. Replacing a 2006 Ford Crown Vic K9 vehicle. Vehicle has over 90K miles and is estimated to cost 1-2K for repairs next year. Rated at 34.

Vehicle Replacement 01-33 \$46,500

Replace car 1-33, patrol car. Replacing a 2005 Ford Crown Vic. Vehicle has over 120K miles and is estimated to cost 1-2K for repairs next year. Rated at 32.



Vehicle Replacement 01-43 \$46,500

Replace car 1-43, patrol car. Replacing a 2007 Dodge Charger. Vehicle has over 150K miles and is estimated to cost 2-3K for repairs next year. Rated at 31. Historically, the Chargers have had high maintenance needs and high repair costs.

Vehicle Replacement 14-34 \$46,500

Replace car 1-38, patrol car. Replacing a 2007 Dodge Charger. Vehicle has over 100K miles and is estimated to cost 2-3K for repairs next year. Rated at 31. Historically, the Chargers have had high maintenance needs and high repair costs.

**Public Works**

7<sup>th</sup> Avenue Streetscape Improvements, Phase I \$1,400,000

Continue to make strides revitalizing 7<sup>th</sup> Ave. by beginning Phase I of Streetscape Improvements. This phase includes the upper block of 7<sup>th</sup> Avenue and Locust Street north to Bearcat Boulevard. Improvements will include new pavement and sidewalk, decorative lighting, improved landscaping, and crosswalk and intersection improvements.

City Hall HVAC Replacement \$70,000

Replace the main air handler unit on the roof of City Hall. This system operates in conjunction with the HVAC system at City Hall. If it fails, the entire building will be without heat or air conditioning. The main fan has failed (12/20/2016) and been replaced so we need to plan to replace the entire unit. This price includes a crane to set the unit on top of the building and removal of the old unit. A weekend schedule for the installation and a Monday morning start up and system check.

Diagnostic Equipment for Large Trucks \$11,000

Computer to connect with ECM of larger trucks (garbage trucks, dump trucks, etc) to diagnose fault codes that we are currently unable to do. Many repairs could be made "in-house" if we could determine what the cause of various problems are. We currently have to either farm out the work or use trial and error to fix problems with big trucks.

Equipment Trailer: \$7,000

Equipment trailer for skid steer and/or min excavator. Low deck equipment trailer better suited for loading and unloading track type equipment.



Flammable Storage Cabinets: \$5,000

Install flammable storage cabinets at each work station. With each work station having flammable materials on hand, we need storage cabinets at each of these stations to be OSHA compliant.

Floor Covering/Repairs at Operations Center: \$25,000

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

Main Street Public Restrooms: \$825,000

Collaborating with the Henderson County Tourism and Development Authority, the City will build accessible public restrooms in its downtown corridor. Public restrooms have been a growing need and concern amongst the public. Having public restrooms will provide necessary facilities for the public to utilize. The project is to be located on 5<sup>th</sup> Avenue West, between Church Street and Main Street.

Mill Project Streetscape: \$700,000

The City is constructing streetscape improvements near the historic Grey Hosiery Mill.

Motor Vehicle Replacements: \$55,000

Annual replacement of motor vehicles.

Patton Park Picnic Shed Re-roof: \$9,500

Remove and replace existing shingles. Shingles have reached the end of their effective life and are due for replacement.

PW-Maintenance Building: \$1,500,000

Replacement of the current Public Works building at Patton Park. The existing structure has been a safety concern for a number of years and is in critical need of improvement. This new building will provide an improved work environment for the City's maintenance employees.

Repair Patton Playground Structure \$7,000

Replace stairs/decks on playground structure. Stairs and treads have had UV deterioration over the years resulting in delamination of the coating and causing sharp edges and excessive rust.



Replace Carpet at Mini-Golf: \$12,000

Repair the waterfall hole at Boyd Park and replace the carpet on all of the holes. Rocks are falling off of the existing waterfall structure. Additionally the water pump and holding tank are in poor condition. We need to rebuild this feature at the Mini Golf Course. The carpet is beginning to accumulate wear and tear and needs to be replaced (yr 2).

Resurface Whitmire Building Parking Lot and Install New Parking at Tom's Park: \$120,000

Crack seal and Resurface the parking lot at the Whitmire Activity Center. Add a new parking lot in the Tom's Park area that will serve Whitmire and other local businesses. The existing parking has block and alligator cracking and the cracks need to be repaired. Additionally, the lot needs to be resurfaced. There is a need for additional parking due to the large number of uses in the building each day.

Salt Spreaders: \$28,000

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.

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.

Street Dept. Walk Saw: \$6,000

Replace 2003 Multiquip SP2 walk behind concrete saw. Existing saw will be at the end of its useful life.

Sullivan Park Playground Improvements \$25,000

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



Traffic Signal Cabinet Replacements: \$17,000

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

Two Post Vehicle Lift \$9,000

Install 15K pound 2 post vehicle lift for larger trucks. Replace existing 4 post lift that is currently under-utilized with new (more versatile 2 post lift) move 4 post lift to Parks Department new facility.

Wayfinding/Gateway Signage: \$12,000

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. Additional gateway signs to be installed at key City entrances.

Whitmire Building Floor Replacement \$30,000

Replace existing VCT tile floor and attempting to level the floor as needed. Existing poles have deteriorated to the point of being dangerous. Additionally, lighting fixtures are also every old and in need of significant annual repairs.

Zero Turn Mower Replacement \$14,000

Replace zero turn mower annually. We currently have seven zero turn mowers in our fleet. If we replace one each year, we will be replacing mowers that are seven years old which should be at the end of their useful life.

**Water & Sewer Fund**

District Metering and Pump Station Metering: \$50,000

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.



Etowah Water System Improvements: \$4,200,000

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

Front-end Loader Replacement (50-01) \$105,000

Large skid-steer front-end loader. Replace existing 2001 Volvo L35B-2 rubber-tired front-end loader (50-01) with large diesel skid-steer.

Garden Lane Pump Station Upgrade/Deck \$30,000

Project consists of upgrading a problematic pump station; determined that gravity sewer is not accessible to this site, so the upgrade is necessary. The existing pump station is the City's oldest. It is problematic, cannot be easily accessed by maintenance personnel and does not have an emergency generator. This project will eliminate the pump station thereby decreasing operation and maintenance expenses.

Generators and ATS: \$158,000

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.

Motor Vehicle Replacements: \$140,000

Regular replacement of water/sewer motor vehicles.

NCDOT Old Airport Road \$700,000

The City of Hendersonville is working with the North Carolina Department of Transportation (NCDOT) to complete infrastructure projects in various areas in the county.



NCDOT Shepherd/Erkwood \$300,000

A water and sewer improvements project at the intersection of Shepherd and Erkwood streets. This project is aligned with an NCDOT street improvements project.

Northside Water System Improvements: \$3,600,000

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

Pump Station Metering and Weather Stations: \$50,000

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

Replace Gutters on Metal Buildings at Ewart Hill \$30,000

To up fit failing gutters on facilities at Ewart Hill.

Rubber-tired Backhoe Replacement (44-07) ..... \$75,000

12,000-lb. Excavator. 12,000-lb. CAT 305 Mini-Excavator - replacement for 2003 John Deere 410G, rubber-tired, extended boom backhoe (44-07); useful life for this equipment is about 15 years.

SCADA Distribution Systems: \$30,000

The City is updating its SCADA Distribution System to provide more data and support to Water Sewer operations.

SCADA System Servers \$30,000

Replace 2-existing SCADA system servers supporting the WTP, WWTP and distribution/collections systems pump stations and tanks. The anticipated life expectancy of a server is approximately 3-5 years.





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Streambank Restoration Project: \$2,336,000

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

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U.S. Highway 64 E / Highland Square Sanitary Sewer Improvements \$146,000

Project consists of the replacement of an existing 10-inch sewer line that is sloped in the wrong direction. Construction will include a realignment of the sewer and a new crossing of the US 64 at Highland Square. The existing sewer line is sloped in the wrong direction, which causes backup of the line and odor problem. By replacing the sewer these operation and maintenance issues can be avoided.

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WTP Expansions, from 12-MGD to 15-MGD to 18-MGD \$5,599,000

Expand treatment plant capacity from 12-MGD to 15-MGD including, but not limited to, environmental assessment, installation of the 5th multi-media gravity filter with air scour and UV disinfection system. The current annual daily average flow at the WTP is 7.37 MGD or 61.4% of the treatment capacity of 12-MGD, but the single day maximum (max day) flow was 10.35 (86% treatment capacity) in 2007, 10.279 MGD (86% of treatment capacity) in 2008, 8.925 MGD (74% of treatment capacity) in 2009, 10.039 MGD (84% of treatment capacity) in 2010, 8.671 MGD (72% of treatment capacity) in 2011, 9.644 MGD (80% of treatment capacity) in 2012, 9.11 MGD (76% of treatment capacity) in 2013, 9.32 MGD (78% of treatment capacity) in 2014 and 9.77 MGD (81% of treatment capacity) in 2015. The State typically requires a utility to submit a plan of action once the treatment facility reaches 80% of treatment capacity and requires plans and specifications for permitting an expansion of the treatment plant once 90% of treatment capacity is realized. Our daily flows have exceeded the 80% threshold, but only as max day flows, but this is something the State may not take into consideration when requiring expansion.

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WTP Pumps and Equipment Upgrade: \$2,574,000

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

WWTP Generator & ATS: \$912,000

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

WWTP Gravity Filter Replacement \$2,300,000

Replace existing gravity, sand filters with newer technology utilizing membrane. These filters are approaching 12-years of use. The sand media was replaced a couple of years ago and are beginning to fail again. We believe that the new filters can be placed within the same footprint of the existing structure. We would like to have an evaluation performed on the existing filters before proceeding on with new filters.

WWTP Lawnmower \$20,000

Replace existing mower.

WWTP Upgrade SCADA Equipment and VFDs \$300,000

Up fitting SCADA and variable frequency drives at the Wastewater Treatment Facility

### **Other Funds**

#### **Environmental Services**

Leaf Machine Replacement: \$30,000

Scheduled replacement of leaf machine. We currently have 3 leaf machines. The year models are 2010, 2004, and 2000. These machines should be replaced every 10 years.

Replace 2006 Chevy 1500: \$35,000

Replace Supervisor Truck. This truck is used for can replacement/repair, white goods pick up, and has its own trash route on certain days. Also used of snow removal.

Replace Route Software: \$30,000

Replace Freeance Route Software with Mobile 311. Existing software is very cumbersome with little product support. Staff has reviewed Mobile 311 and like the fact that its user friendly.

#### **Stormwater Fund**

Hendersonville Elementary Runoff Improvements: \$30,000

Improve septic dispersion by installing rain gardens at Hendersonville Elementary School.



### Financial Analysis and Planning

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

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

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

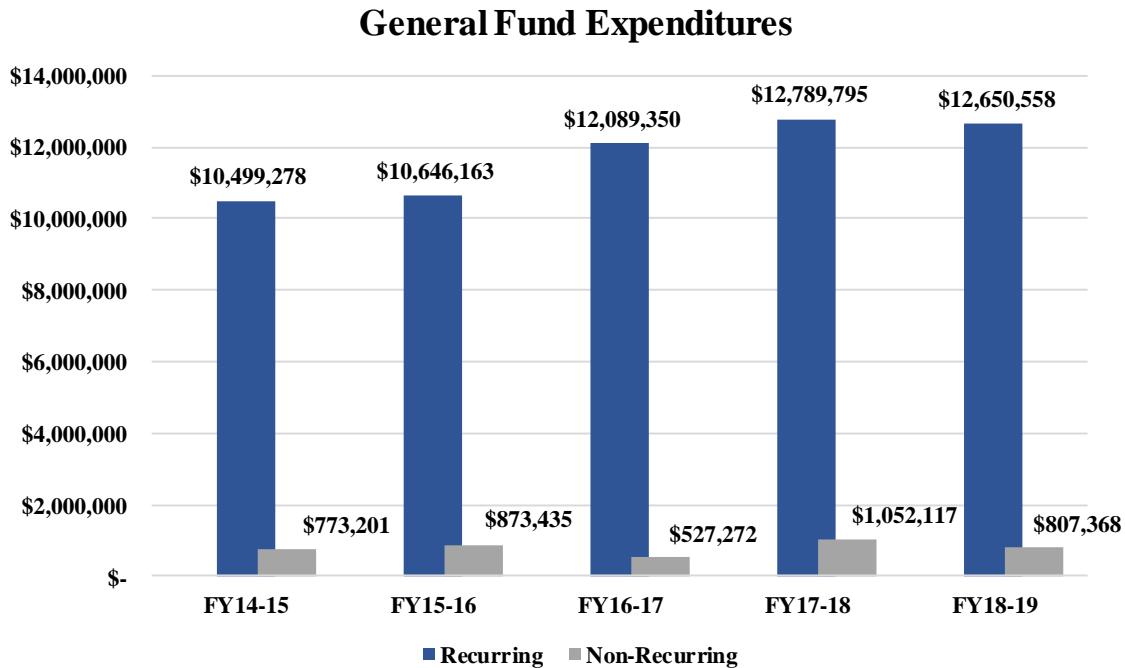
### General Fund

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



### Historical Trend Analysis

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



A steady increase in recurring expenditures year over year with an average percent increase of 6.79% is observable. The non-recurring expenditures varied in appropriation level from year to year.

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

General Fund	ACTUAL FY14-15	ACTUAL FY15-16	ACTUAL FY16-17	ESTIMATE FY17-18	BUDGET FY18-19
Recurring	\$ 12,789,795	\$ 12,650,558	\$ 13,152,377	\$ 14,695,014	\$ 15,185,666
Non-Recurring	\$ 1,052,117	\$ 807,368	\$ 724,394	\$ 666,183	\$ 826,000
<b>Revenues Available for Capital</b>	<b>\$ 342,948</b>	<b>\$ 1,217,154</b>	<b>\$ 1,075,218</b>	<b>\$ 666,183</b>	<b>\$ 826,000</b>

Depicted above, the remaining current revenues available for non-recurring expenditures has ranged from \$527,272 to \$1.05 million, averaging \$825,501.



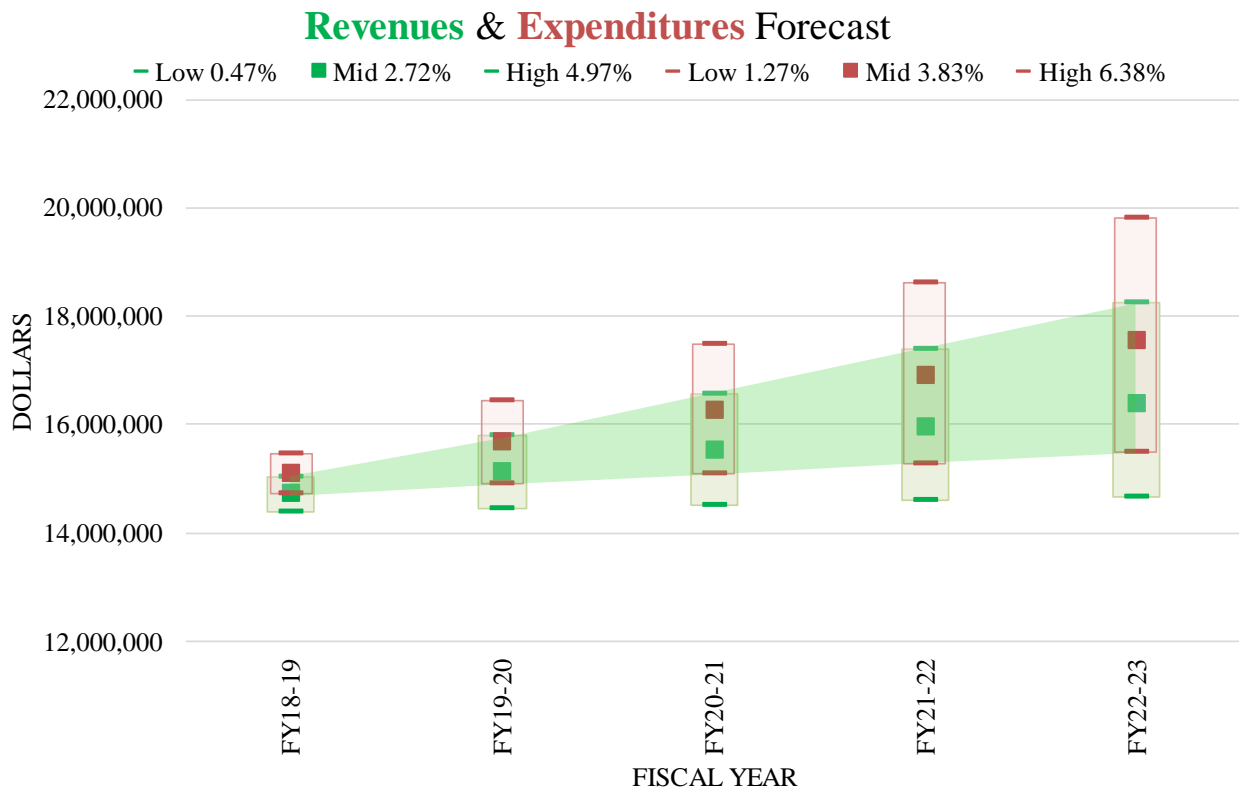
The table below depicts the City’s total expenditures by type:

	ACTUAL FY14-15	ACTUAL FY15-16	ACTUAL FY16-17	ESTIMATE FY17-18	BUDGET FY18-19
Personnel/Benefits	\$ 7,917,944	\$ 8,102,026	\$ 8,540,741	\$ 9,625,593	\$ 9,962,721
Operating	\$ 3,823,905	\$ 3,429,759	\$ 3,977,913	\$ 4,504,421	\$ 3,552,590
Capital (transfer to)	\$ 1,052,117	\$ 807,368	\$ 724,394	\$ 666,183	\$ 826,000
Debt Service (transfer to)	\$ 1,047,946	\$ 1,118,773	\$ 633,723	\$ 565,000	\$ 1,670,355
<b>Total Expenditures</b>	<b>\$ 13,841,912</b>	<b>\$ 13,457,926</b>	<b>\$ 13,876,771</b>	<b>\$ 15,361,197</b>	<b>\$ 16,011,666</b>

It is apparent that current revenues have not always fully funded non-recurring expenditures. The City has had to use alternative funding mechanisms, most commonly savings, to implement non-recurring capital outlay. Over the past five fiscal years, on average, there has been about \$825,501 in current revenues available for capital outlay in the General Fund.

**Financial Forecast**

The City utilizes a forecasting model to predict future trends. This methodology is further explained in the City’s adopted budget, in the *Community and Organization Profile* section. The total revenue and expenditure forecast for FY18-19 through FY22-23 is presented below:



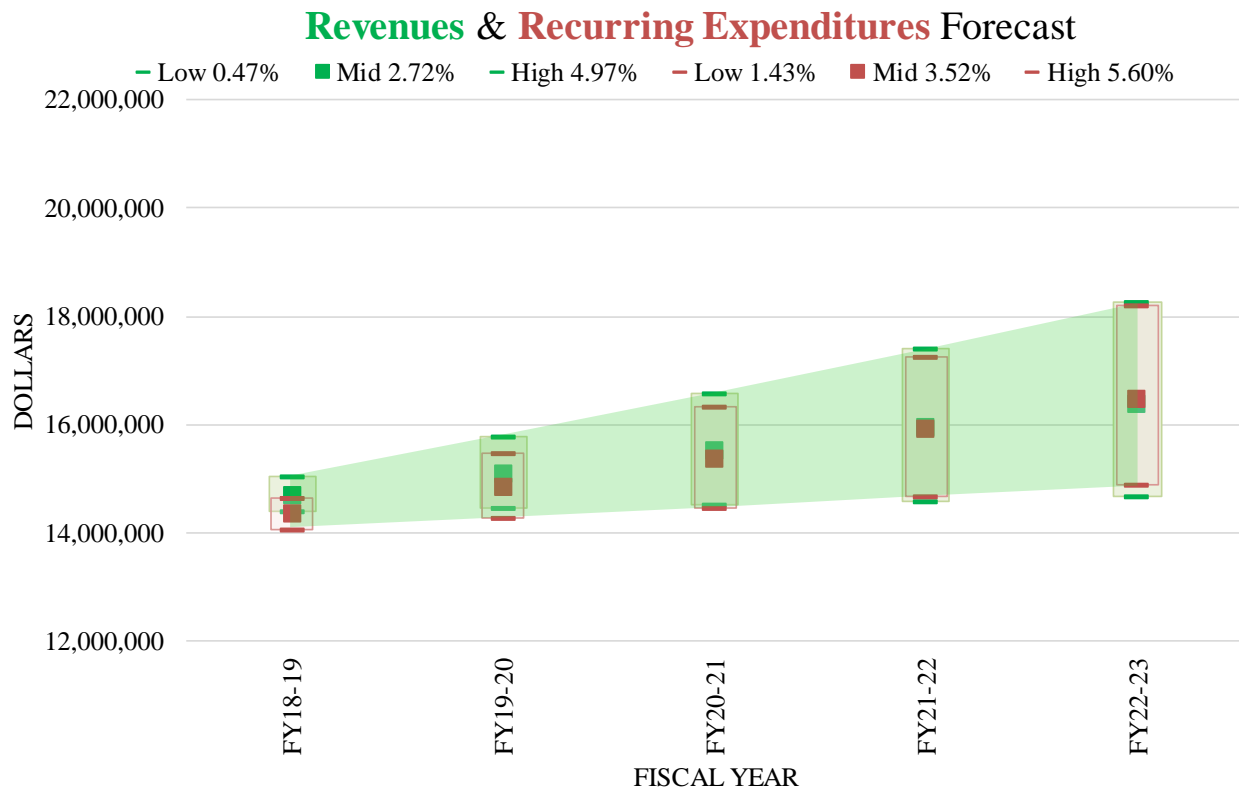
The chart displays forecasted revenues with the average total as a green box and high and low standard errors as green dashes or lines. Average total expenditures is displayed with a red box



and high and low standard errors as red dashes or lines. The green shaded areas represent where the lowest project expenditures overlap with the highest projected revenues. This represents an estimated total budget level that could be sustainable in the future. It is encouraging to see that the average projected revenue and expenditure growth, the green and red boxes, is neighboring one another. Responsible budgeting combined with recent trends signal financially sustainable growth in the coming years.

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

The following chart displays the City’s revenue and recurring expenditure forecast for FY18-19 through FY22-23:



Much like the previous forecast, the data and forecast become wider ranging the further out one projects. The FY18-19 prediction has the smallest margin of error and is the most reliable.



The details of the chart’s forecast, on the previous page, are presented below:

% CHANGE	ESTIMATE FY18-19	ESTIMATE FY19-20	ESTIMATE FY20-21	ESTIMATE FY21-22	ESTIMATE FY22-23
<b>Recurring Expenditures</b>					
<b>Low 1.43%</b>	\$ 14,065,505	\$ 14,267,256	\$ 14,471,900	\$ 14,679,481	\$ 14,890,038
<b>Mid 3.52%</b>	\$ 14,354,050	\$ 14,858,629	\$ 15,380,944	\$ 15,921,620	\$ 16,481,303
<b>High 5.60%</b>	\$ 14,642,596	\$ 15,462,010	\$ 16,327,280	\$ 17,240,971	\$ 18,205,793
<b>Recurring Revenues</b>					
<b>Low 0.47%</b>	\$ 14,392,498	\$ 14,459,779	\$ 14,527,375	\$ 14,595,287	\$ 14,663,516
<b>Mid 2.72%</b>	\$ 14,715,192	\$ 15,115,453	\$ 15,526,601	\$ 15,948,933	\$ 16,382,752
<b>High 4.97%</b>	\$ 15,037,885	\$ 15,785,664	\$ 16,570,627	\$ 17,394,623	\$ 18,259,593

The following table presents the best-case, worst-case, and median differences between forecasted revenues and forecasted recurring expenditures is depicted below:

(Rev Exp)	ESTIMATE FY18-19	ESTIMATE FY19-20	ESTIMATE FY20-21	ESTIMATE FY21-22	ESTIMATE FY22-23
High Low	\$ 972,381	\$ 1,518,408	\$ 2,098,726	\$ 2,715,142	\$ 3,369,555
Mid Mid	\$ 361,141	\$ 256,824	\$ 145,657	\$ 27,312	\$ (98,550)
Low High	\$ (250,098)	\$ (1,002,231)	\$ (1,799,905)	\$ (2,645,684)	\$ (3,542,277)

In FY18-19 funding available for capital outlay, transfers, or additional debt service is estimated to range from \$(250,098) to \$972,381. The average estimated funding available per year is \$1,266,889, over the next five years. This is in line with actual historical spending on capital outlay. Without any major additional gains or losses in future revenues, or adjustments to City expenditures, this trend should continue at the forecasted level. It is important to recognize that the next county-wide revaluation will take effect in the FY19-20 budget and is expected to have significant impacts on this forecast.

**CIP Analysis**

Capital type expenditures are physical or intangible assets with an initial value greater than \$5,000 and a projected useful life greater than 1 year. The change between the FY17-18 and FY18-19 budgets is a decrease of \$218,025, or -22.58%. Fluctuations in capital spending from year to year are normal, however this year the capital program saw substantial cuts in order to help address the current deficit.



A list of the items removed from the CIP for FY18-19 are presented below:

<b>CIP Items Postponed</b>	<b>Cost</b>
Berkeley Baseball Dugouts	60,000
Berkeley Baseball Lighting	210,000
Berkeley Baseball Field Improvements	12,000
Berkeley Improvements (master plan)	300,000
City Hall Landscape	25,000
FS#1 Apparatus Floor Resurfacing	50,000
FS#1 HVAC Replacement	30,000
FS#1 Renovation Architect	25,000
FS#1 Repair Front Apron	90,000
Painting Contract	20,000
Patton Park Bleachers	8,000
Patton Pool Fence	16,000
Patton Pool Umbrellas	20,000
Patton Pool Vacuum	5,000
Police Computer Replacements	25,000
Police Vehicle Replacements (3)	133,000
<b>Sub-Total</b>	<b>1,029,000</b>

Additionally, the Whitmire building improvements, an estimated \$150,000, are recommended to be funded through debt proceeds associated with the Mill streetscape improvements and Main St. public restrooms debt issuance. This will provide additional collateral for that loan and alleviate pressure on the General Fund to pay for these projects through pay-go funding. The total pay-go portion of the capital plan is \$597,500. Historical averages for pay-go capital ranges from \$900,000 to \$1,000,000. Again, this is a slim capital program for FY18-19.

Staff adjusted the funding amount for FY18-19 by \$1,029,000. Some items were moved to future years and will be funded using other methods (e.g. grants, loans, bonds, etc.). Many of the items and projects listed above were adjusted because they were identified as a lower priority in comparison to other items.

Berkeley Mills Park improvements were removed from the CIP in FY18-19, which also occurred in FY17-18. A larger project including a bond referendum to expand and improve Berkeley Mills Park, along with other City parks, was explored briefly by City Council and Staff. The final decision on the bond was to hold, and explore in future years.

Patton Pool improvements will be placed on hold until later years. Re-structuring the administration of services at Patton Pool with the Hendersonville YMCA has created potential opportunities in future years to partner on improvements. The City will continue to perform routine maintenance on Patton Pool, anticipating larger repair projects in the future to be funded by pay-go financing.

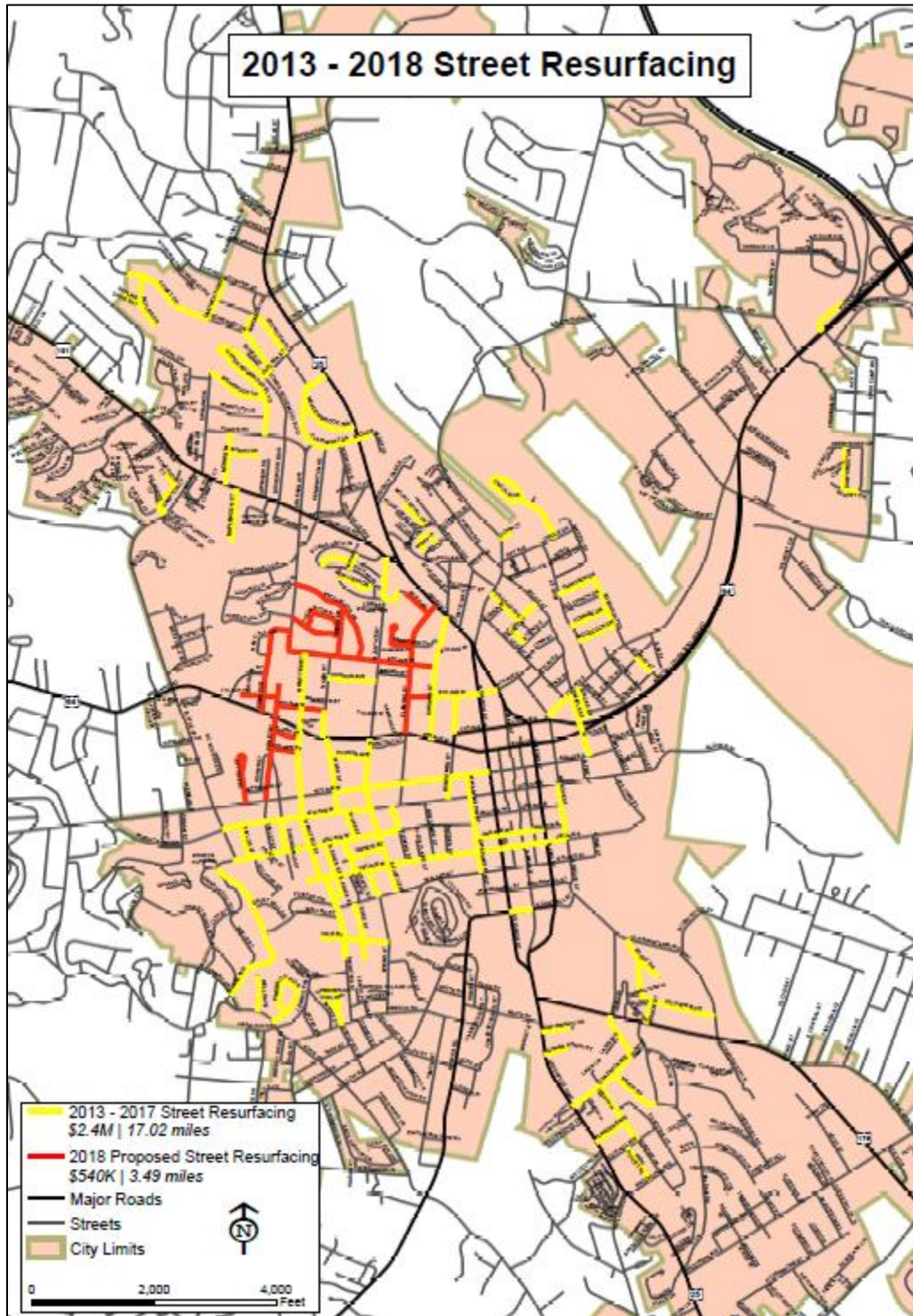




Police equipment has been placed on pause until later years. The City has created new School Resource Officer positions and is dedicated to fully funding those officers and providing equipment for FY18-19; meaning other equipment and vehicles have been pushed back. City Council has made priority the safety of City schools and students.



Additionally, the City receives State funds dedicated for street resurfacing. The City also dedicates an equivalent of one penny on the tax rate to street resurfacing annually. A summary map of the recent streets resurfaced and planned resurfacing for FY18-19 is presented below:



After the adjustments were made the total projected General Fund CIP pay-as-you-go fits well within the estimated future year funding capacity. The projected capacity and the proposed CIP is presented below:

(Rev Exp)	ESTIMATE FY17-18	ESTIMATE FY18-19	ESTIMATE FY19-20	ESTIMATE FY20-21	ESTIMATE FY21-22
High Low	\$ 2,100,060	\$ 972,381	\$ 1,518,408	\$ 2,098,726	\$ 2,715,142
Mid Mid	\$ 1,454,918	\$ 361,141	\$ 256,824	\$ 145,657	\$ 27,312
Low High	\$ 809,775	\$ (250,098)	\$ (1,002,231)	\$ (1,799,905)	\$ (2,645,684)
CIP	\$ 1,037,025	\$ 1,176,000	\$ 1,303,000	\$ 695,000	\$ 598,000

**\*\*Average Pay-as-you-go Capacity = \$1,266,889**

The proposed CIP provides flexibility for new personnel and benefits, new programs and services, additional pay-as-you-go capital, and/or new debt service payments, dependent upon future non-recurring capacity. An estimate of this capacity along with various priorities and variables will be discussed with the City Council at their February Budget Retreat. It is important to remember that these are estimates and each year the City’s forecast will change depending on externalities and other variables.

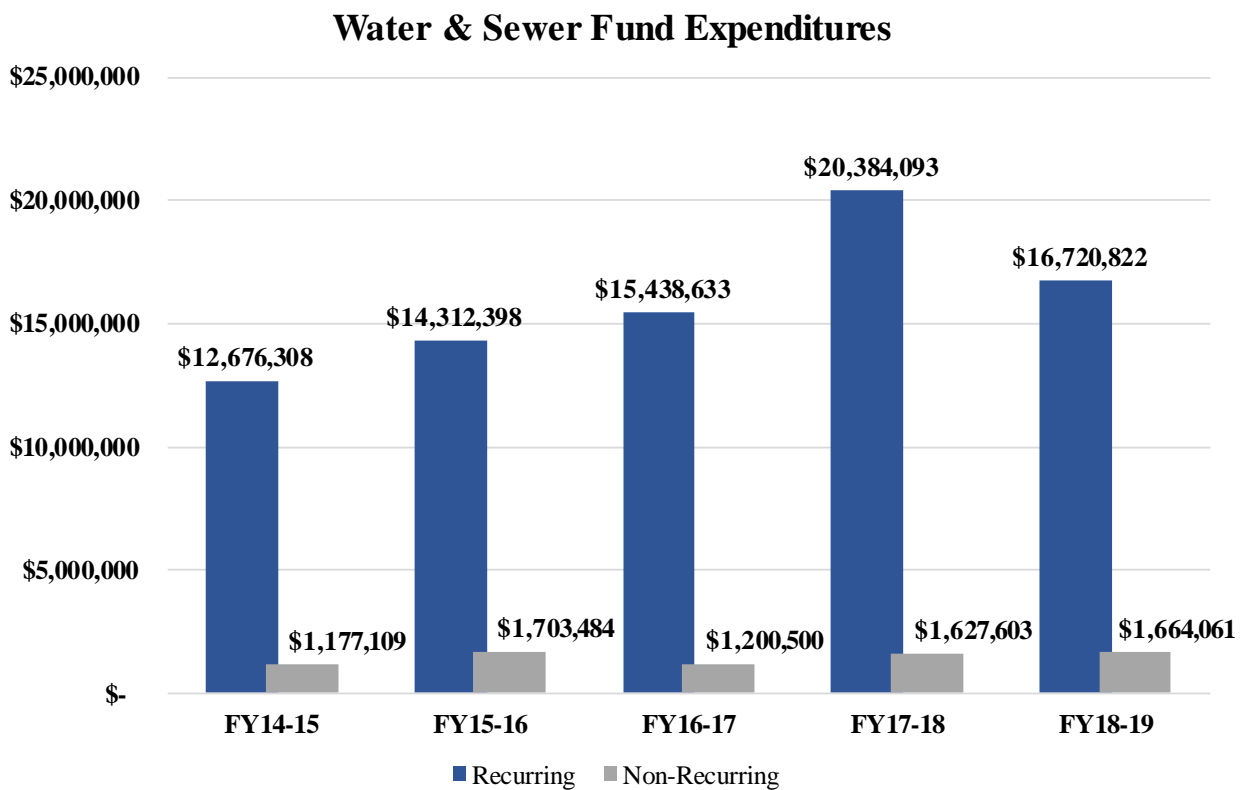


### Water & Sewer Fund

The Water and Sewer Fund is the City’s largest fund and provides functions such as water and sewer services to over 26,000 customer accounts. The majority of capital costs fall within equipment and project categories for both respective major functions, water and sewer. The following information will identify the City’s historical recurring and non-recurring expenditures. Recurring expenditures are anything that is considered to be a regular expense that occurs from year to year. These expenditures include things like personnel and benefit costs and general supplies and operating costs. Non-recurring expenditures are typically more substantial costs and may only be purchased one-time or over a short period of time, not recurring from year to year. These expenditures include items like capital outlay (depreciable and non-depreciable), and transfers.

### Historical Trend Analysis

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



One can see a steady increase in recurring expenditures year over year with an average percent increase of 8.80%, with a decrease from FY17-18 to FY18-19. The non-recurring expenditures varied in appropriation level from year to year. Historically, actual pay-as-you-go capital appropriations have made up a small portion of the Water and Sewer Fund budget. This can be



attributed to larger projects being financed through debt issuances and accounted for in separate capital project ordinances (CPOs).

Next, to gauge capital program financing capacity, we will analyze recurring revenues and those that are available for capital outlay. The following table presents the total recurring expenditures compared to total recurring revenues for the Water & Sewer Fund:

W&S Fund	ACTUAL FY14-15	ACTUAL FY15-16	ACTUAL FY16-17	ESTIMATE FY17-18	BUDGET FY18-19
Recurring Expenditures	\$ 12,676,308	\$ 14,312,398	\$ 15,438,633	\$ 20,384,093	\$ 16,720,822
Recurring Revenues	\$ 14,925,511	\$ 15,836,340	\$ 16,639,133	\$ 22,011,696	\$ 17,507,804
<b>Revenues Available for Capital</b>	<b>\$ 2,249,203</b>	<b>\$ 1,523,942</b>	<b>\$ 1,200,500</b>	<b>\$ 1,627,603</b>	<b>\$ 786,982</b>

Depicted above, the remaining current revenues available for non-recurring expenditures has ranged from \$1.2 million to \$2.25 million, averaging \$1.47 million.

The table below depicts the Fund’s total expenditures by type:

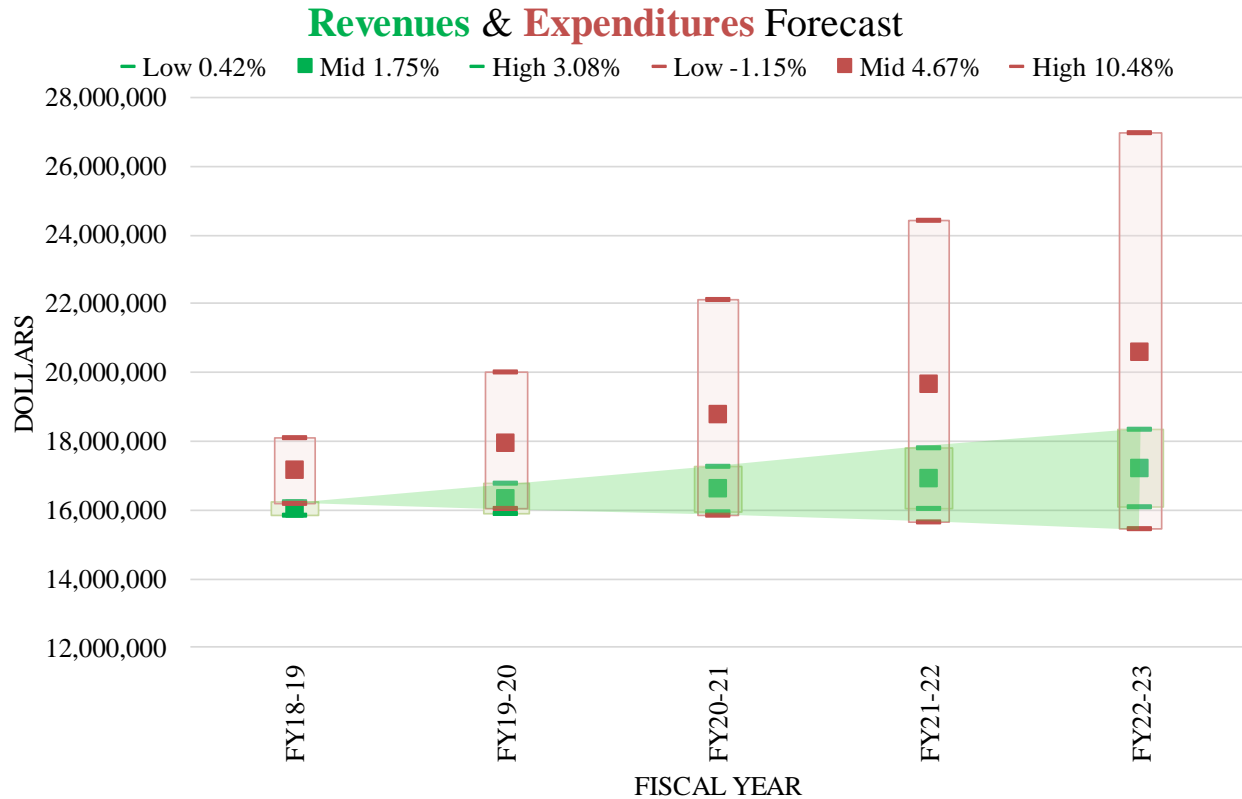
W&S Fund					
<b>Total Revenues</b>	<b>\$ 14,925,511</b>	<b>\$ 15,836,340</b>	<b>\$ 16,639,133</b>	<b>\$ 22,011,696</b>	<b>\$ 17,507,804</b>
Personnel/Benefits	\$ 4,471,638	\$ 5,305,725	\$ 6,330,222	\$ 6,277,002	\$ 5,617,042
Operating	\$ 4,950,846	\$ 5,251,264	\$ 6,781,833	\$ 11,124,657	\$ 7,361,157
Capital (transfer to)	\$ 1,177,109	\$ 1,703,484	\$ 1,200,500	\$ 1,627,603	\$ 1,664,061
Debt Service (transfer to)	\$ 3,253,824	\$ 3,755,409	\$ 2,326,578	\$ 2,982,434	\$ 3,742,623
<b>Total Expenditures</b>	<b>\$ 13,853,417</b>	<b>\$ 16,015,882</b>	<b>\$ 16,639,133</b>	<b>\$ 22,011,696</b>	<b>\$ 18,384,883</b>

Historically, the Water & Sewer Fund has not always utilized its full capital capacity. On average the Fund appropriates approximately \$1,360,790 for pay-as-you-go capital outlay each year.



**Financial Forecast**

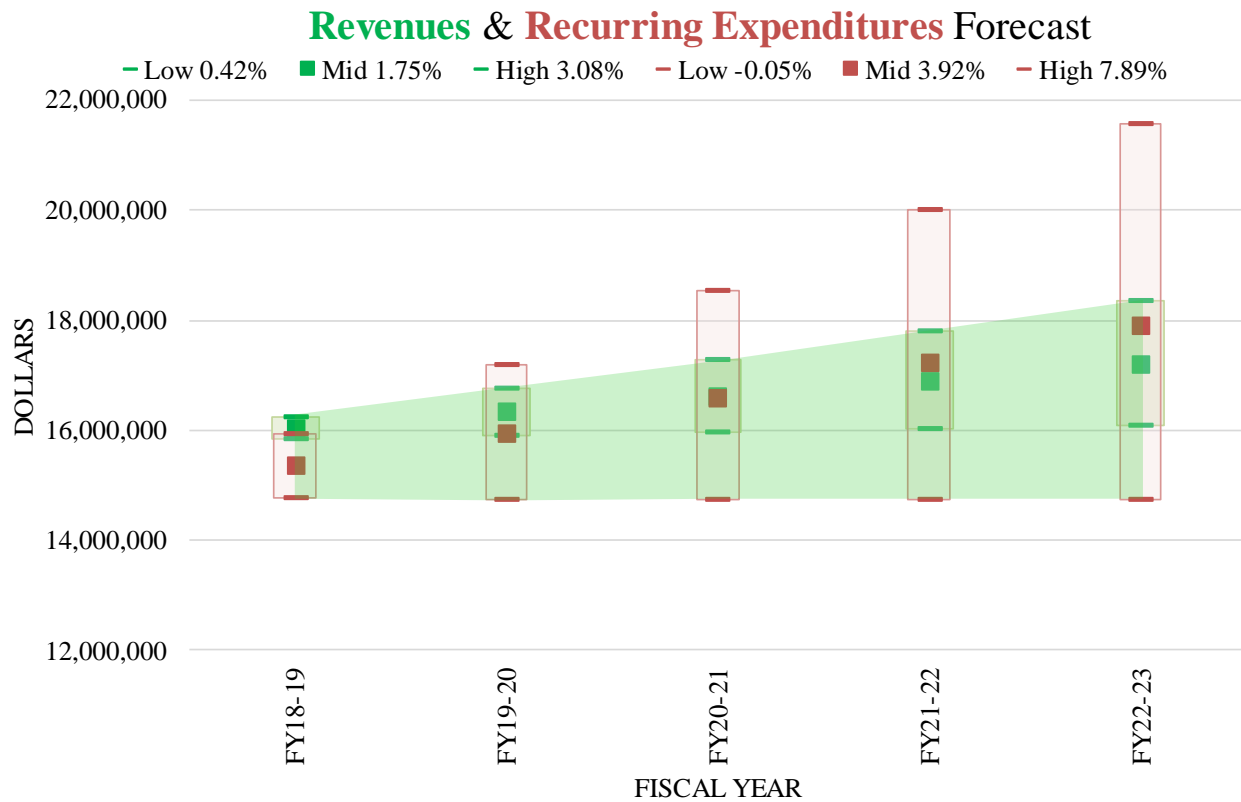
As mentioned before, the City uses a financial model to predict future trends, explained in the *Community and Organization Profile* section of this document. The total revenue and expenditure forecast for FY17-18 through FY21-22 is presented below:



The chart displays forecasted revenues with the average total as a **green** box and high and low standard errors as **green** dashes or lines. Average total expenditures is displayed with a **red** box and high and low standard errors as **red** dashes or lines. The green shaded areas represent where the lowest project expenditures overlap with the highest projected revenues. This represents an estimated total budget level that could be sustainable in the future. The Water & Sewer Fund’s total forecast is markedly different from the General Fund. The immense size of the Fund’s typical capital outlay creates substantial swings in the Fund’s average percent change for expenditures. On the high end, it is predicted that Water & Sewer Fund expenditures may increase by close to 9% and on the low end 0.5%. This large discrepancy hurts the use of this forecast and highlights the funds volatility in year-to-year spending. However, one can be confident in the less volatile revenue forecast, knowing that this is what is likely to be available for appropriation in the coming years.



It is normal for the Water and Sewer Fund to appropriate large portions of its budget for capital improvements. When those volatile non-recurring expenditures are removed from the forecast, one can observe a much more reliable recurring expenditure forecast, presented below:



The chart displays forecasted recurring expenditures at an average growth rate of 3.65%. Much like the previous forecast, the data and forecast become wider ranging the further out one projects. The FY18-19 prediction has the smallest margin of error and is the most reliable.

The details of the previous chart’s forecast are presented below:

% CHANGE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
<b>Recurring Expenditures</b>					
<b>Low 0.01%</b>	\$ 14,490,767	\$ 14,491,850	\$ 14,492,933	\$ 14,494,016	\$ 14,495,099
<b>Mid 3.65%</b>	\$ 15,018,630	\$ 15,566,884	\$ 16,135,153	\$ 16,724,167	\$ 17,334,682
<b>High 7.29%</b>	\$ 15,546,492	\$ 16,680,379	\$ 17,896,967	\$ 19,202,286	\$ 20,602,809
<b>Revenues</b>					
<b>Low 1.29%</b>	\$ 16,040,458	\$ 16,247,207	\$ 16,456,621	\$ 16,668,734	\$ 16,883,581
<b>Mid 1.62%</b>	\$ 16,093,496	\$ 16,354,828	\$ 16,620,404	\$ 16,890,292	\$ 17,164,563
<b>High 1.96%</b>	\$ 16,146,534	\$ 16,462,804	\$ 16,785,270	\$ 17,114,051	\$ 17,449,272



The following table presents the best-case, worst-case, and median differences between forecasted revenues and forecasted recurring expenditures is depicted below:

(Rev Exp)	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22
High Low	\$ 1,655,768	\$ 1,970,955	\$ 2,292,337	\$ 2,620,035	\$ 2,954,174
Mid Mid	\$ 1,074,867	\$ 787,944	\$ 485,251	\$ 166,125	\$ (170,119)
Low High	\$ 493,966	\$ (433,172)	\$ (1,440,346)	\$ (2,533,552)	\$ (3,719,228)

In FY17-18 funding available for capital outlay, transfers, or additional debt service is estimated to range from \$493,966 to \$1,655,768. The average estimated funding available per year is \$413,667 over the next five years. This is not in line with historical actuals and brings into question the validity of this forecast. With any forecasting tool it is important to evaluate the accuracy of the forecast once actuals are reported. The earlier fiscal years (FY17-18 and FY18-19) will be more reliable and will provide time to gauge the effectiveness of this forecast.

**CIP Analysis**

The CIP process is made up of requests, evaluation, and revisions to those requests. The initial requests for pay-as-you-go, using current revenues to fund projects, in the Water & Sewer Fund totaled \$1,668,750. As identified in the financial forecast, the City expects to have capacity to fund pay-as-you-go with approximately \$0.5 million up to \$1.6 million. During review, City Staff felt comfortable with this initial number. Adjustments will be made later in the process to help balance the budget, if needed. Some of the variables that will have impacts on the upcoming capital budget are debt service, financing for major projects, revenues, and available fund balance.

The biggest factor to be considered in future budgets is upcoming decreases in debt service payments. The Water & Sewer Fund currently has eight (8) debt service notes and pays \$3,755,409 in principal and interest for FY16-17. The Fund’s bank loan with BB&T for the renovation of the Water Treatment Plant facility, located on HWY 191, is set to be paid in full by FY17-18. The outstanding principal on this loan as of FY16-17 totals \$1,756,901. The payment scheduled to be made in FY16-17 totals \$1,217,241. This leaves approximately 539,660 left to be paid in FY17-18 and will have greatly decreased the Fund’s debt service obligation by FY18-19. Another sewer line improvements loan financed by the State Revolving Loan Fund will be paid in full by the end of FY16-17. This will decrease the Fund’s debt service obligation by another \$104,340. In total, the estimated decrease in debt service is depicted below:

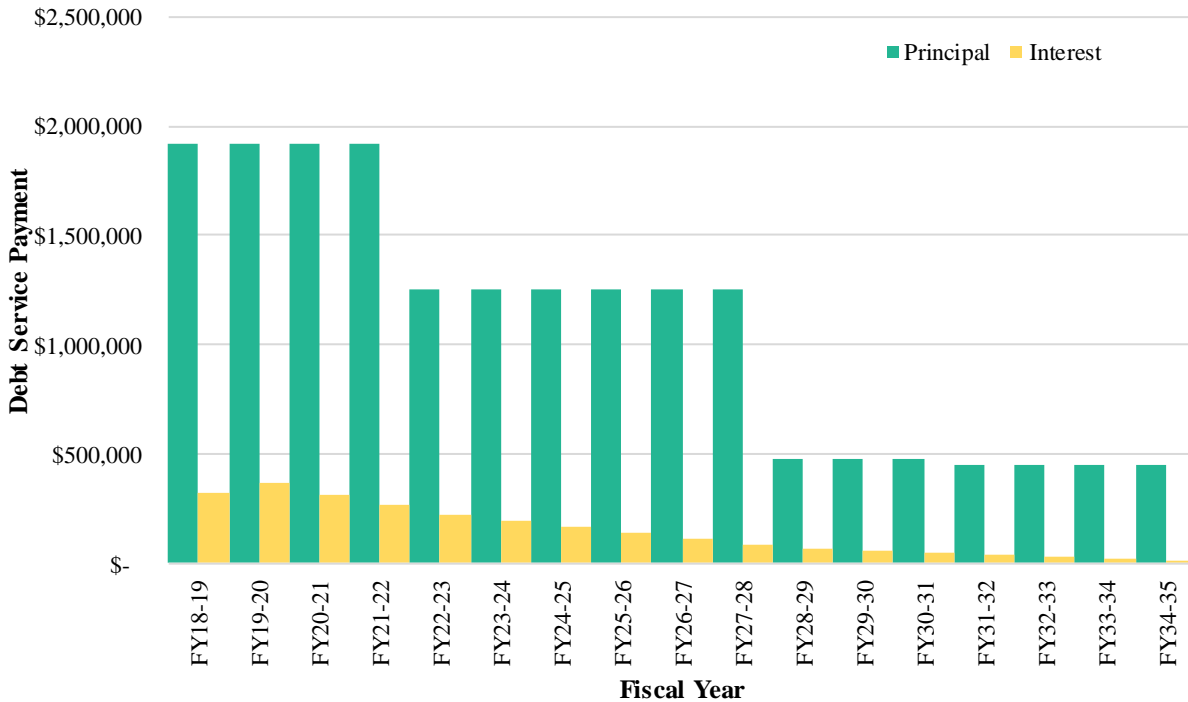
	ESTIMATE	ESTIMATE	ESTIMATE
	FY16-17	FY17-18	FY18-19
<b>Debt Service Payment</b>	\$ 3,755,409	\$ 2,973,488	\$ 2,433,828
<b>\$ Change</b>	\$ -	\$ (781,921)	\$ (539,660)
<b>Cumulative Change</b>	\$ -	\$ (781,921)	\$ (1,321,581)





As depicted in the table, the Water and Sewer Fund is expected to increase its expenditure capacity by \$1,321,581 by FY18-19. The Fund’s debt service schedule is presented below:

### Water & Sewer Fund Debt Service



Looking further out, another large portion of debt service payments are paid in full by FY22-23. This loan was for the construction of the Fund’s Wastewater Treatment Plant, located on Balfour Road, and will provide approximately \$750,000 in future expenditures capacity.

There are several major projects that are part of the current 5-year Capital Improvement Plan (CIP). Major project refers to anything with a cost greater than \$500,000 or will last more than one fiscal year. These projects are identified in the summary sheets and Gantt chart in this document. The Gantt chart details projected project stages, design, evaluation, bid, construction, etc..., and identifies when funding will be needed. This chart and plan is reliant on funding capacity and will be continually evaluated and revised. In total, seven major projects will be fully funded in FY17-18, totaling \$12,650,050 in pay-go funding.

The tool uses the City’s Gantt chart and other planning documents to identify projects and their estimated costs. Staff and City Council can then adjust the table for funding type, structure, term, principal deferral, rate, etc... This information is then added into the financial model and produces benchmark ratios that are needed to be met to maintain financial sustainability. The two main benchmark ratios used are the debt service coverage ratio and the days’ cash on hand. These measures determine the unit’s ability to pay for debt service and amount of cash reserves, respectively. Our target for these ratios are 1.40 (debt service coverage ratio) and 270 days (days



cash on hand). The tool shows that under the current strategy the City can afford to pursue these projects and maintain financial sustainability.

In addition to the financing tool, the following pages contain the City’s Gantt chart for major water and sewer projects, along with a map of where the CIP projects are occurring.



Project	Funding Source	Estimated Cost	FY17-18				FY18-19				FY19-20				FY20-21				FY21-22				FY22-23				FY23-24			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Streambank Restoration - SRF	2018 Series	2,920,000																												
Eastside Transmission Main	2020 Series	5,100,000																												
NCDOT Old Airport Road	2020 Series	700,000																												
NCDOT Shepherd / Erkwood	2020 Series	300,000																												
Etowah Water Improvements	2020 Reserve	4,200,000																												
French Broad River Pump Station and Intake	2020 Series	5,925,000																												
Northside Water System Improvements	2020 Series	3,600,000																												
WTP Expansions, from 12-MGD to 15-MGD	2020 Series	1,387,000																												
WTP Pumps & Equipment Upgrade	2020 Reserve	2,574,000																												
WWTP Generator & ATS	2020 Reserve	912,500																												
WWTP Gravity Filter Replacement	2020 Reserve	2,300,000																												
WWTP Sludge Drying System	2020 Series	4,100,000																												
Ewart Hill 5-MG Storage Reservoir Replacement	2022 Series	3,843,000																												
7th Avenue Improvements	2024 Series	906,000																												
Bradley Creek 20-in. Raw Water Pipe Sliplining	2024 Series	2,890,000																												
Dana Rd. Water Main Extension	2024 Series	1,800,000																												
LongJohn Mountain Interconnect	2024 Series	5,200,000																												
North Fork 16-in. Raw Water Pipe Sliplining	2024 Series	3,881,000																												
Upward Road Water Main Upgrade	2024 Series	870,000																												

*Series* = Loan Financed Projects  
*Reserve* = Savings Finance Projects  
*Pay-go* = Finance as Projects Progress

Evaluation
  Contractor Pre-Qualification
  Construction
  E Easement Acquisition

Design
  Bidding
  Permitting

The Gantt chart above is useful for short-term project planning. The Gantt chart includes information on project evaluation, qualification, construction, easement, design, bidding, and permitting time-frame. It is important to note, that while more accurate than the larger long-term CIP, a Gantt chart remains an estimated timeframe for projects. Unforeseen challenges and opportunities often arise which bring alterations to the Gantt chart. Projects listed in this chart are relatively expensive capital the City does not intend to finance using a pay-go method. Projects included in the chart are financed using reserves and loans. Reserves are savings the City has collected over previous years to finance large projects. Series financing indicate loans or other borrowing used to leverage future resources to fund current projects. Pay-go capital is paid in increments, as projects “go” along.



Development and implementation of capital projects from the Capital Improvement Plan (CIP) often results in financial impact on municipal operating budgets. Certain capital projects may involve small personnel and operating and maintenance (O&M) costs, while others may create a considerably more notable impact. Capital projects, large or small, involve a municipality's operating budget. It is important to estimate changes in operating budget created by CIP projects to understand the full benefits and costs of implemented projects.

The City of Hendersonville's capital budgeting process involves estimating the impact of capital projects on the operating budget. Impacts are estimated during the project request and development stages. Personnel and O&M costs are estimated through future fiscal years (FY), in terms of current FY dollars during the first full year of operation. A 3.5% inflation rate per year is applied to estimates to provide a more accurate representation of future FY operating budget impacts.

The City of Hendersonville's operating impact forecasts are based on a few key assumptions listed below. Assumptions assist in interpreting the following tables and graphs.

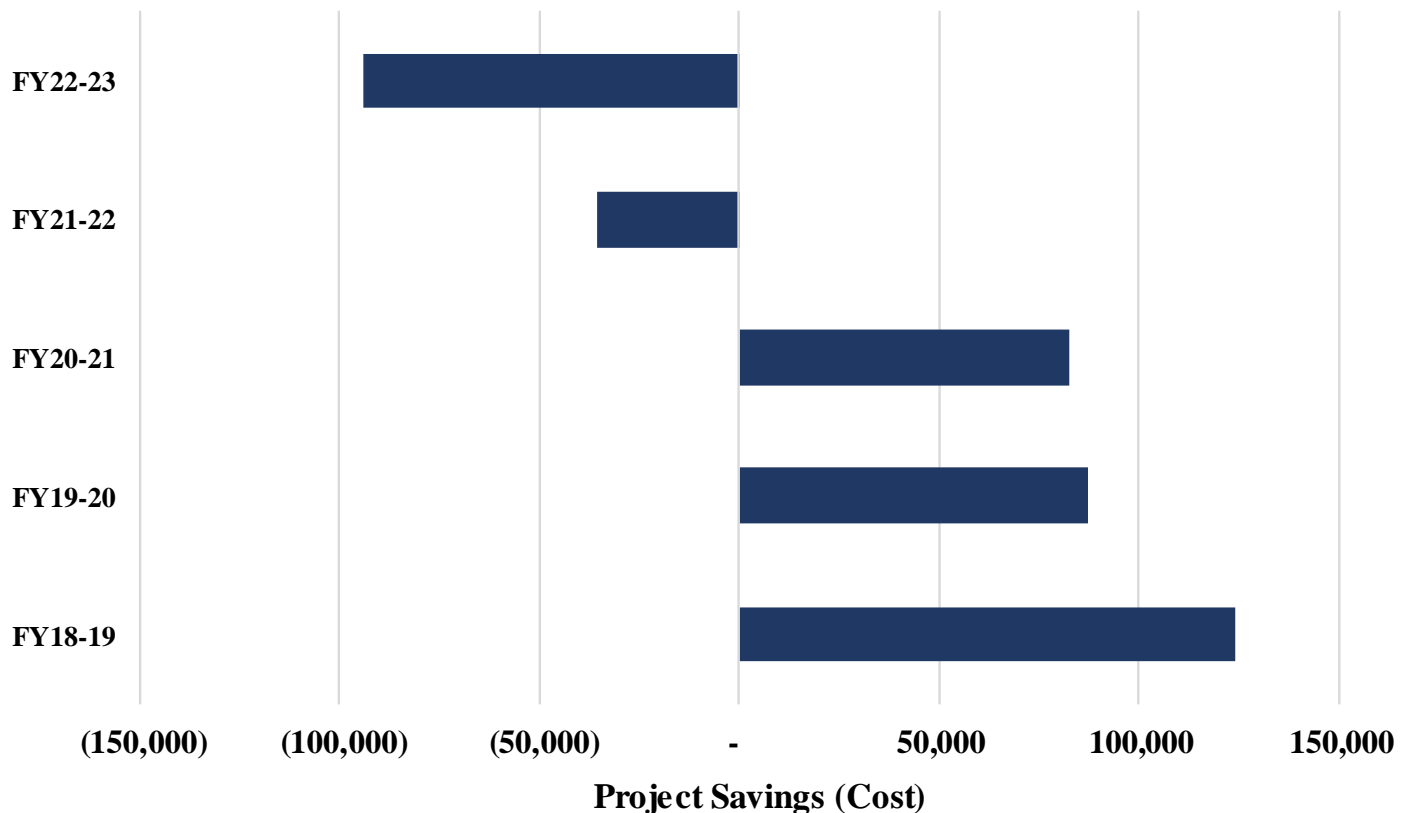
1. Operating impacts involve personnel and O&M needs associated with a capital project that must be met on a continual (annual) basis in order to maintain the capital project.
2. Operating impacts associated with capital projects beginning FY18-19 are included in the City's Annual Operating Budget.
3. Operating impacts contained in the following schedules are cumulative- operating impacts beginning in the current FY are included in future years' impact figures.
4. Operating impacts are effective for the first year a project is fully functioning.
5. Inflation for operating impacts is calculated at 3.5% per year. This inflation factor is based on long-run, aggregate, economic data and is somewhat conservative.

A table and chart depicting the operating impacts is presented below:

**Operating Impacts of Capital Projects**

Project	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
Eastside Trans. Main	43,995	7,000	7,245	7,761	14,490	15,060
Etowah Water Impv.	211,059	43,400	43,400	37,309	17,215	34,618
Rutledge Rd. Water Impv.	(15,556)	(5,400)	(5,400)	(5,602)	(5,385)	(11,146)
SCADA System Upgrade	(1,747)	(1,747)	(1,747)	(1,808)	(1,872)	(1,937)
Streambank Restoration	(447,521)	(27,000)	(69,863)	(72,308)	(74,467)	(163,013)
Wastewater AIA	303,500	100,000	100,000	103,500	-	-
WTP High Service Pump	33,425	2,000	7,070	7,245	7,864	12,450
WWTP Generator/ATS	90,258	14,361	14,864	15,384	15,922	29,727
WWTP Gravity Filter	(8,000)	(8,512)	(8,512)	(8,760)	(9,376)	(9,687)
<b>TOTAL SAVINGS (COST)</b>	<b>209,413</b>	<b>124,102</b>	<b>87,057</b>	<b>82,721</b>	<b>(35,609)</b>	<b>(93,928)</b>


**Operating Savings (Cost) of Capital Projects**



The following is a screenshot from the CIP story map created to show all water and sewer projects planned or underway:

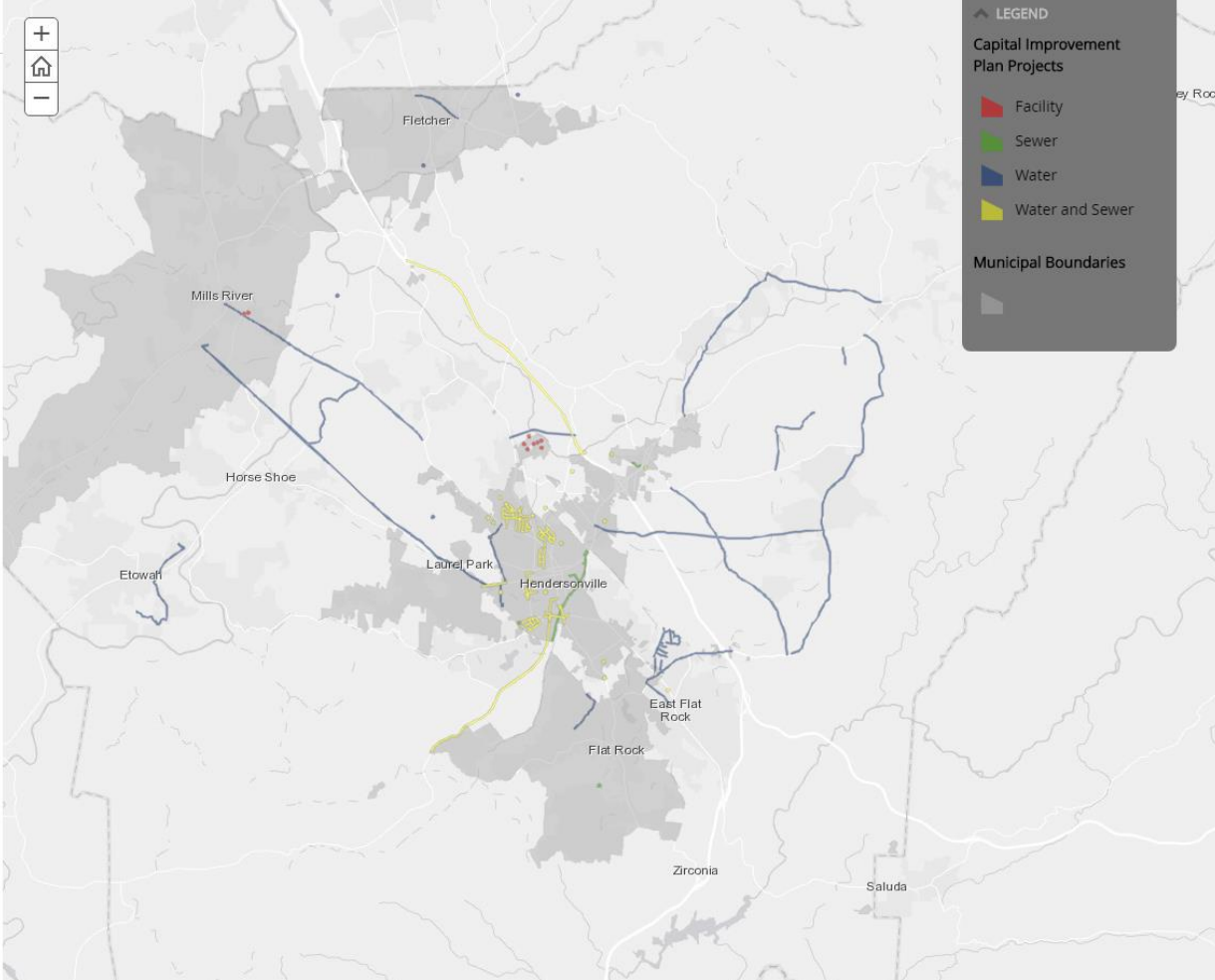
City of Hendersonville

Hendersonville Water and Sewer  
Capital Improvement Plan Projects



Hendersonville Water and Sewer is responsible for providing water service to more than 65,000 residents and businesses of Hendersonville and Henderson County and sewer service 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.

This CIP story map provides an online geographical representation of the Capital Improvement Projects currently underway by Hendersonville Water and Sewer. Each colored point or line represents a specific CIP project. Scroll down to see project descriptions.



For more information and to view the full CIP story map, please visit [www.hendersonvillenc.gov/water-sewer](http://www.hendersonvillenc.gov/water-sewer) and find the “Water and Sewer CIP Story Map” tab under the Water & Sewer Department.



## Other Funds

Other non-major City funds will be discussed in less detail. These funds follow the same capital improvement plan process. However, the extent of their requests do not require the same analysis to understand funding capacity.

### 7<sup>th</sup> Avenue MSD Fund

The 7<sup>th</sup> Avenue MSD Fund is a smaller fund with an estimated revenue budget of \$59,083. Initial expenditures estimates, prior to any capital, totals \$59,083. This leaves no funds available for expenditures on capital outlay and/or other expenditures.

### Environmental Services Fund

The Environmental Services Fund provides sanitation and other related services for the City and has an estimated revenue budget of \$1,398,377. Estimated expenditures total around \$1,303,377, providing little capacity for pay-as-you-go capital outlay. In FY18-19 there \$95,000 earmarked for capital outlay purposes. These funds will be used for the purchase of a leaf clearing machine, a new service truck, and upgraded route software.

### Main Street MSD Fund

The Main Street MSD Fund is another one of the City's smaller funds, with an estimated revenue budget of \$475,057. There is an estimated \$12,000 available for annual capital outlay. It is anticipated these funds will be used for wayfinding and gateway signage.

### Stormwater Fund

The City's Stormwater Fund provides a variety of stormwater services to the City. It is a smaller fund and its budget totals around \$337,274. The estimated funding available for capital outlay is \$60,000 - \$70,000 per year. This provides enough funding to conduct small stormwater improvement projects. However, any major endeavor will require revenue from other sources. The request for capital outlay totals \$30,000 in FY18-19. This \$30,000 is anticipated to go towards the remediation of water runoff at Hendersonville Elementary. This fund is currently undergoing a master planning process, which could result in altered revenues and capacity for more capital improvement projects in the future.

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## Personnel Summary

The following will provide an overview and detail of the City of Hendersonville's position allocation to salary range, position counts, and position distribution within the range:

### Position Allocation to Range Summary

GRADE	MIN	MID	MAX
1	20,554.51	25,918.84	31,278.62
2	21,582.24	27,214.78	32,842.55
3	22,661.35	28,575.52	34,484.68
4	23,794.41	30,004.30	36,208.91
5	24,984.14	31,504.52	38,019.36
6	26,233.34	33,079.74	39,920.32
7	27,545.01	34,733.73	41,916.34
8	28,922.26	36,470.41	44,012.16
9	30,368.37	38,293.94	46,212.77
10	31,886.79	40,208.63	48,523.40
11	33,481.13	42,219.06	50,949.57
12	35,155.19	44,330.02	53,497.05
13	36,912.95	46,546.52	56,171.91
14	38,758.59	48,873.84	58,980.50
15	40,696.52	51,317.54	61,929.53
16	42,731.35	53,883.41	65,026.00
17	44,867.92	56,577.58	68,277.30
18	47,111.31	59,406.46	71,691.17
19	49,466.88	62,376.79	75,275.73
20	51,940.22	65,495.62	79,039.51
21	54,537.23	68,770.41	82,991.49
22	57,264.10	72,208.93	87,141.06
23	60,127.30	75,819.37	91,498.12
24	63,133.67	79,610.34	96,073.02
25	66,290.35	83,590.86	100,876.67
26	69,604.87	87,770.41	105,920.51
27	73,085.11	92,158.92	111,216.53
28	76,739.37	96,766.87	116,777.36
29	80,576.33	101,605.21	122,616.23
30	84,605.15	106,685.47	128,747.04
31	88,835.41	112,019.74	135,184.39
32	93,277.18	117,620.73	141,943.61
33	97,941.04	123,501.77	149,040.79
34	102,838.09	129,676.86	156,492.83
35	107,979.99	136,160.70	164,317.47
36	113,378.99	142,968.74	172,533.34



## Position Allocation to Range Detail

<b>Grade</b>	<b>Job Classification Title</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
1	Not assigned	20,554.51	25,918.84	31,278.62
2	Not assigned	21,582.24	27,214.78	32,842.55
3	Not assigned	22,661.35	28,575.52	34,484.68
4	Not assigned	23,794.41	30,004.30	36,208.91
5	Not assigned	24,984.14	31,504.52	38,019.36
6	Environmental Services Worker I	26,233.34	33,079.74	39,920.32
6	Property Maintenance Worker I	26,233.34	33,079.74	39,920.32
6	Street Maintenance Worker I	26,233.34	33,079.74	39,920.32
7	Customer Service Collection Specialist	27,545.01	34,733.73	41,916.34
7	Facilities Maintenance Technician	27,545.01	34,733.73	41,916.34
8	Administrative Assistant I	28,922.26	36,470.41	44,012.16
8	Customer Service Representative	28,922.26	36,470.41	44,012.16
8	Environmental Services Worker II	28,922.26	36,470.41	44,012.16
8	Line Maintenance Mechanic I	28,922.26	36,470.41	44,012.16
8	Meter Services Technician	28,922.26	36,470.41	44,012.16
8	Police Support Specialist	28,922.26	36,470.41	44,012.16
8	Property Maintenance Worker II	28,922.26	36,470.41	44,012.16
8	Street Maintenance Worker II	28,922.26	36,470.41	44,012.16
8	Warehouse Specialist	28,922.26	36,470.41	44,012.16
8	WTP Operator I	28,922.26	36,470.41	44,012.16
8	WWTP Operator I	28,922.26	36,470.41	44,012.16
9	Evidence Technician/Admin Assistant	30,368.37	38,293.94	46,212.77
9	Facilities Maintenance Mechanic I	30,368.37	38,293.94	46,212.77
9	Senior Police Support Specialist	30,368.37	38,293.94	46,212.77
10	Accounts Payable Specialist	31,886.79	40,208.63	48,523.40
10	Building Maintenance Technician	31,886.79	40,208.63	48,523.40
10	Environmental Services Equip Operator	31,886.79	40,208.63	48,523.40
10	Fleet Equipment Mechanic	31,886.79	40,208.63	48,523.40
10	Line Maintenance Mechanic II	31,886.79	40,208.63	48,523.40
10	Property Maintenance Equip Operator	31,886.79	40,208.63	48,523.40
10	Telecommunicator	31,886.79	40,208.63	48,523.40
10	Street Maintenance Equipment Operator	31,886.79	40,208.63	48,523.40
10	Utilities Locator	31,886.79	40,208.63	48,523.40
10	WTP Operator II	31,886.79	40,208.63	48,523.40
10	WWTP Operator II	31,886.79	40,208.63	48,523.40



<b>Grade</b>	<b>Job Classification Title</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
11	Administrative Assistant II	33,481.13	42,219.06	50,949.57
11	Downtown Promotions Coordinator	33,481.13	42,219.06	50,949.57
11	Environmental Services Crew Leader	33,481.13	42,219.06	50,949.57
11	Facilities Maintenance Mechanic II	33,481.13	42,219.06	50,949.57
11	Firefighter/EMT	33,481.13	42,219.06	50,949.57
11	Fleet Equipment Services Specialist	33,481.13	42,219.06	50,949.57
11	Lead Telecommunicator	33,481.13	42,219.06	50,949.57
11	Property Maintenance Crew Leader	33,481.13	42,219.06	50,949.57
11	Street Maintenance Crew Leader	33,481.13	42,219.06	50,949.57
11	Traffic Control Technician	33,481.13	42,219.06	50,949.57
11	Utility Operations Support Specialist	33,481.13	42,219.06	50,949.57
12	CCTV Crew Leader	35,155.19	44,330.02	53,497.05
12	Fire Inspector I	35,155.19	44,330.02	53,497.05
12	Inflow Infiltration Technician	35,155.19	44,330.02	53,497.05
12	Laboratory Technician	35,155.19	44,330.02	53,497.05
12	Leak Detection Technician	35,155.19	44,330.02	53,497.05
12	Line Maintenance Crew Leader	35,155.19	44,330.02	53,497.05
12	Police Officer	35,155.19	44,330.02	53,497.05
12	Senior Firefighter/EMT	35,155.19	44,330.02	53,497.05
12	WTP Operator III	35,155.19	44,330.02	53,497.05
12	WWTP Operator III	35,155.19	44,330.02	53,497.05
12	Zoning Enforcement Officer	35,155.19	44,330.02	53,497.05
13	Administrative Assistant III	36,912.95	46,546.52	56,171.91
13	Deputy Tax Collector/Administrative Assistant III	36,912.95	46,546.52	56,171.91
13	Fire Engineer	36,912.95	46,546.52	56,171.91
13	Fire Inspector II	36,912.95	46,546.52	56,171.91
13	Human Resources Coordinator	36,912.95	46,546.52	56,171.91
13	Parking Services Supervisor	36,912.95	46,546.52	56,171.91
13	Payroll & Benefits Coordinator	36,912.95	46,546.52	56,171.91
13	Police Communications Supervisor	36,912.95	46,546.52	56,171.91
13	School Resource Officer	36,912.95	46,546.52	56,171.91
13	Senior Customer Support Specialist	36,912.95	46,546.52	56,171.91
13	Utilities Operations Support Supervisor	36,912.95	46,546.52	56,171.91
13	WWTP Laboratory Technician	36,912.95	46,546.52	56,171.91
14	Customer Service Supervisor	38,758.59	48,873.84	58,980.50
14	Engineering Technician I	38,758.59	48,873.84	58,980.50
14	Environmental Services Coordinator	38,758.59	48,873.84	58,980.50
14	Fire and Life Safety Educator	38,758.59	48,873.84	58,980.50
14	Instrumentation & Electrical Technician	38,758.59	48,873.84	58,980.50
14	Meter Services Supervisor	38,758.59	48,873.84	58,980.50
14	Paralegal & Grants Coordinator	38,758.59	48,873.84	58,980.50
14	Police Detective	38,758.59	48,873.84	58,980.50
14	Public Information Officer	38,758.59	48,873.84	58,980.50



<b>Grade</b>	<b>Job Classification Title</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
15	AMI Data Analyst	40,696.52	51,317.54	61,929.53
15	Assistant Fire Marshal	40,696.52	51,317.54	61,929.53
15	Budget & Management Analyst	40,696.52	51,317.54	61,929.53
15	Building Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Chief WTP Operator	40,696.52	51,317.54	61,929.53
15	Chief WWTP Operator	40,696.52	51,317.54	61,929.53
15	Construction Inspector	40,696.52	51,317.54	61,929.53
15	Engineering Technician II	40,696.52	51,317.54	61,929.53
15	Environmental Services Supervisor	40,696.52	51,317.54	61,929.53
15	Facilities Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Fire Lieutenant	40,696.52	51,317.54	61,929.53
15	Fleet Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	GIS/IT Analyst	40,696.52	51,317.54	61,929.53
15	Planner	40,696.52	51,317.54	61,929.53
15	Police Sergeant	40,696.52	51,317.54	61,929.53
15	Property Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Sewer Collection Systems Supervisor	40,696.52	51,317.54	61,929.53
15	Street Maintenance Supervisor	40,696.52	51,317.54	61,929.53
15	Traffic Control Supervisor	40,696.52	51,317.54	61,929.53
15	Water Distribution Systems Supervisor	40,696.52	51,317.54	61,929.53
15	WWTP Laboratory Supervisor	40,696.52	51,317.54	61,929.53
16	Accountant I	42,731.35	53,883.41	65,026.00
16	Engineering Technician III	42,731.35	53,883.41	65,026.00
16	Stormwater Quality Specialist	42,731.35	53,883.41	65,026.00
17	Accountant II	44,867.92	56,577.58	68,277.30
17	Senior Budget Analyst	44,867.92	56,577.58	68,277.30
17	Senior Planner	44,867.92	56,577.58	68,277.30
18	Accounting Supervisor	47,111.31	59,406.46	71,691.17
18	Civil Engineer I	47,111.31	59,406.46	71,691.17
18	Construction Manager	47,111.31	59,406.46	71,691.17
18	Deputy Fire Marshal	47,111.31	59,406.46	71,691.17
18	Fire Captain	47,111.31	59,406.46	71,691.17
18	Fire Training Officer	47,111.31	59,406.46	71,691.17
18	Revenue Supervisor	47,111.31	59,406.46	71,691.17
18	Wastewater Treatment Facilities Manager	47,111.31	59,406.46	71,691.17
18	Water Treatment Facilities Manager	47,111.31	59,406.46	71,691.17
19	Fire Battalion Chief	49,466.88	62,376.79	75,275.73
19	Police Lieutenant	49,466.88	62,376.79	75,275.73
20	Civil Engineer II	51,940.22	65,495.62	79,039.51
20	Fire Marshal	51,940.22	65,495.62	79,039.51
20	Stormwater Administrator	51,940.22	65,495.62	79,039.51
20	Utilities Technology Manager	51,940.22	65,495.62	79,039.51
21	Not Assigned	54,537.23	68,770.41	82,991.49



<b>Grade</b>	<b>Job Classification Title</b>	<b>Minimum</b>	<b>Midpoint</b>	<b>Maximum</b>
22	Assistant Finance Director	57,264.10	72,208.93	87,141.06
22	Assistant Public Works Director	57,264.10	72,208.93	87,141.06
22	Civil Engineer III	57,264.10	72,208.93	87,141.06
22	GIS Administrator	57,264.10	72,208.93	87,141.06
22	Operations Manager	57,264.10	72,208.93	87,141.06
22	Police Captain	57,264.10	72,208.93	87,141.06
23	Assistant Police Chief	60,127.30	75,819.37	91,498.12
23	Deputy Fire Chief	60,127.30	75,819.37	91,498.12
24	Civil Engineer IV	63,133.67	79,610.34	96,073.02
25	City Clerk	66,290.35	83,590.86	100,876.67
25	Downtown Economic Development Dir	66,290.35	83,590.86	100,876.67
25	Human Resources Director	66,290.35	83,590.86	100,876.67
26	Not assigned	69,604.87	87,770.41	105,920.51
27	Not assigned	73,085.11	92,158.92	111,216.53
28	City Engineer	76,739.37	96,766.87	116,777.36
28	Development Assistance Director	76,739.37	96,766.87	116,777.36
28	Finance Director	76,739.37	96,766.87	116,777.36
28	Fire Chief	76,739.37	96,766.87	116,777.36
28	Police Chief	76,739.37	96,766.87	116,777.36
28	Public Works Director	76,739.37	96,766.87	116,777.36
28	Utilities Director	76,739.37	96,766.87	116,777.36
29	Not assigned	80,576.33	101,605.21	122,616.23
30	Not assigned	84,605.15	106,685.47	128,747.04
31	Assistant City Manager	88,835.41	112,019.74	135,184.39
32	Not assigned	93,277.18	117,620.73	141,943.61
33	Not assigned	97,941.04	123,501.77	149,040.79
34	Not assigned	102,838.09	129,676.86	156,492.83
35	Not assigned	107,979.99	136,160.70	164,317.47
36	Not assigned	113,378.99	142,968.74	172,533.34



Position Count Detail

POSITION	POSITION TYPE	SALARY GRADE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE	FY18-19 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
Assistant City Manager	F/T	31	1.00	1.00	1.00	0.00	1.00
City Clerk	F/T	25	1.00	1.00	1.00	0.00	1.00
Downtown Economic Development Director	F/T	25	1.00	1.00	1.00	0.00	1.00
Human Resources Director	F/T	25	1.00	1.00	1.00	0.00	1.00
Human Resources Coordinator	F/T	13	1.00	1.00	1.00	0.00	1.00
Public Information Officer	P/T-PERMANENT	14	1.00	1.00	1.00	0.00	0.50
Promotions Coordinator	P/T-PERMANENT	11	1.00	1.00	1.00	0.00	0.50
Parking Ambassador	P/T-NON-PERMANENT	N/A	2.00	2.00	2.00	0.00	0.00
Administrative Intern	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
<i>Sub-Total</i>			11.00	11.00	11.00	0.00	7.00
<i>Finance</i>							
Finance Director	F/T	28	1.00	1.00	1.00	0.00	1.00
Utility Finance Manager	F/T	22	0.00	1.00	0.00	-1.00	0.00
Accounting Supervisor	F/T	18	1.00	1.00	1.00	0.00	1.00
Revenue Accounting Supervisor	F/T	18	1.00	1.00	1.00	0.00	1.00
Accountant	F/T	16	1.00	1.00	1.00	0.00	1.00
Revenue Accountant	F/T	16	0.00	0.00	1.00	1.00	1.00
Customer Service Supervisor	F/T	14	2.00	2.00	1.00	-1.00	1.00
Deputy Tax Collector/Administrative Assistant III	F/T	13	0.00	0.00	1.00	1.00	1.00
Payroll & Benefits Coordinator	F/T	13	1.00	1.00	1.00	0.00	1.00
Accounts Payable Specialist	F/T	10	1.00	1.00	1.00	0.00	1.00
Customer Service Representative	F/T	9	4.00	6.00	7.00	1.00	7.00
Customer Service Collection Specialist	F/T	7	2.00	3.00	3.00	0.00	3.00
Customer Service Collection Specialist	P/T-PERMANENT	7	1.00	0.00	0.00	0.00	0.00
<i>Sub-Total</i>			15.00	18.00	19.00	1.00	19.00
<i>City Engineer</i>							
City Engineer	F/T	28	1.00	1.00	1.00	0.00	1.00
Civil Engineer III	F/T	22	1.00	1.00	1.00	0.00	1.00
GIS Administrator	F/T	22	1.00	1.00	1.00	0.00	1.00
Civil Engineer I	F/T	18	0.00	1.00	1.00	0.00	1.00
Construction Manager	F/T	18	1.00	1.00	1.00	0.00	1.00
Engineering Technician III	F/T	16	1.00	1.00	1.00	0.00	1.00
Stormwater Quality Specialist	F/T	16	1.00	1.00	1.00	0.00	1.00
Construction Inspector	F/T	15	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			7.00	8.00	8.00	0.00	8.00
<i>Legal</i>							
City Attorney	F/T	N/A	1.00	1.00	1.00	0.00	1.00
Paralegal & Grants Coordinator	P/T-PERMANENT	14	1.00	1.00	1.00	0.00	0.50
<i>Sub-Total</i>			2.00	2.00	2.00	0.00	1.50
<i>Public Works-Fleet Maintenance</i>							
Fleet Maintenance Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Fleet Equipment Services Specialist	F/T	11	1.00	1.00	1.00	0.00	1.00
Fleet Equipment Mechanic	F/T	10	4.00	4.00	4.00	0.00	4.00
<i>Sub-Total</i>			6.00	6.00	6.00	0.00	6.00



POSITION	POSITION TYPE	SALARY GRADE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE	FY18-19 F.T.E
<i>Public Works-Building Maintenance</i>							
Building Maintenance Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Building Maintenance Technician	F/T	10	3.00	3.00	3.00	0.00	3.00
Mini-Golf Attendant	P/T-NON-PERMANENT	N/A	2.00	2.00	2.00	0.00	0.00
<i>Sub-Total</i>			6.00	6.00	6.00	0.00	4.00
<i>Police</i>							
<i>Police-Sworn Officers</i>							
Police Chief	F/T	28	1.00	1.00	1.00	0.00	1.00
Assistant Police Chief	F/T	23	1.00	0.00	0.00	0.00	0.00
Police Captain	F/T	22	1.00	3.00	3.00	0.00	3.00
Police Lieutenant	F/T	19	6.00	5.00	5.00	0.00	5.00
Police Sergeant	F/T	15	5.00	5.00	5.00	0.00	5.00
Police Detective	F/T	14	5.00	5.00	5.00	0.00	5.00
Police Officer	F/T	12	20.00	22.00	22.00	0.00	22.00
School Resource Officer	F/T	13	2.00	2.00	5.00	3.00	5.00
<i>Police-Civilian Staff</i>							
Police Communications Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
Parking Services Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Lead Telecommunicator	F/T	11	1.00	1.00	1.00	0.00	1.00
Police Telecommunicator	F/T	10	4.00	5.00	5.00	0.00	5.00
Evidence Technician/Admin. Assistant	F/T	9	1.00	1.00	1.00	0.00	1.00
Sr. Police Support Specialist	F/T	9	1.00	1.00	1.00	0.00	1.00
Administrative Assistant I	F/T	8	1.00	1.00	1.00	0.00	1.00
Police Support Specialist	F/T	8	1.00	1.00	1.00	0.00	1.00
<i>Police-Part-Time</i>							
Crossing Guard	P/T-NON-PERMANENT	N/A	7.00	7.00	7.00	0.00	0.00
Reserve Telecommunications	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
Reserve Officer	P/T-NON-PERMANENT	N/A	6.00	6.00	6.00	0.00	0.00
<i>Sub-Total</i>			67.00	70.00	73.00	3.00	59.00
<i>Fire</i>							
Fire Chief	F/T	28	1.00	1.00	1.00	0.00	1.00
Deputy Fire Chief	F/T	23	1.00	1.00	1.00	0.00	1.00
Fire Marshal	F/T	20	1.00	1.00	1.00	0.00	1.00
Fire Battalion Chief	F/T	19	0.00	0.00	0.00	0.00	0.00
Deputy Fire Marshal	F/T	18	0.00	0.00	0.00	0.00	0.00
Fire Captain	F/T	18	3.00	3.00	3.00	0.00	3.00
Assistant Fire Marshal	F/T	15	1.00	1.00	1.00	0.00	1.00
Fire Lieutenant	F/T	15	6.00	6.00	6.00	0.00	6.00
Fire Engineer	F/T	13	9.00	9.00	9.00	0.00	9.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
Senior Firefighter/EMT	F/T	12	0.00	0.00	0.00	0.00	0.00
Fire Inspector I	F/T	12	0.00	1.00	1.00	0.00	1.00
Firefighter/EMT	F/T	11	6.00	9.00	9.00	0.00	9.00
P/T Fire Inspector	P/T-NON-PERMANENT	N/A	2.00	2.00	2.00	0.00	0.00
Reserve Firefighter	P/T-NON-PERMANENT	N/A	16.00	16.00	16.00	0.00	0.00
<i>Sub-Total</i>			47.00	51.00	51.00	0.00	33.00
<i>Development Assistance</i>							
Development Assistance Director	F/T	28	1.00	1.00	1.00	0.00	1.00
Planner II	F/T	17	1.00	1.00	1.00	0.00	1.00
Planner I	F/T	15	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
Zoning Code Enforcement Officer	F/T	12	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			5.00	5.00	5.00	0.00	5.00



POSITION	POSITION TYPE	SALARY GRADE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE	FY18-19 F.T.E
<i>Public Works-Administration</i>							
Public Works Director	F/T	28	1.00	1.00	1.00	0.00	1.00
Assistant Public Works Director	F/T	22	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			3.00	3.00	3.00	0.00	3.00
<i>Public Works-Streets &amp; Highways</i>							
Street Maintenance Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Street Maintenance Crew Leader	F/T	11	1.00	1.00	1.00	0.00	1.00
Equipment Operator	F/T	10	2.00	2.00	2.00	0.00	2.00
Street Maintenance Worker II	F/T	8	2.00	2.00	2.00	0.00	2.00
Street Maintenance Worker I	F/T	6	2.00	3.00	3.00	0.00	3.00
Temporary Worker	P/T-NON-PERMANENT	N/A	0.00	0.00	0.00	0.00	0.00
<i>Sub-Total</i>			8.00	9.00	9.00	0.00	9.00
<i>Public Works-Traffic Engineering</i>							
Traffic Control Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Traffic Control Technician	F/T	11	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			2.00	2.00	2.00	0.00	2.00
<i>Public Works-Grounds Maintenance</i>							
Property Maintenance Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Property Maintenance Crew Leader	F/T	11	2.00	2.00	2.00	0.00	2.00
Property Maintenance Worker I	F/T	6	5.00	5.00	5.00	0.00	5.00
Temporary Worker	P/T-NON-PERMANENT	N/A	0.00	0.00	0.00	0.00	0.00
<i>Sub-Total</i>			8.00	8.00	8.00	0.00	8.00
<i>Public Works-Patton Pool</i>							
Pool Manager	P/T-NON-PERMANENT	N/A	1.00	1.00	0.00	-1.00	0.00
Assistant Manager	P/T-NON-PERMANENT	N/A	2.00	3.00	0.00	-3.00	0.00
Gate/Concessions Manager	P/T-NON-PERMANENT	N/A	1.00	1.00	0.00	-1.00	0.00
Head Guard	P/T-NON-PERMANENT	N/A	9.00	9.00	0.00	-9.00	0.00
Aerobics Instructor	P/T-NON-PERMANENT	N/A	1.00	1.00	0.00	-1.00	0.00
Lifeguard	P/T-NON-PERMANENT	N/A	12.00	12.00	0.00	-12.00	0.00
Gate/Concessions Operator	P/T-NON-PERMANENT	N/A	9.00	9.00	0.00	-9.00	0.00
<i>Sub-Total</i>			35.00	36.00	0.00	-36.00	0.00
<i>W/S Administration</i>							
Utilities Director	F/T	28	1.00	1.00	1.00	0.00	1.00
Operations Manager	F/T	22	0.00	1.00	1.00	0.00	1.00
Civil Engineer I	F/T	18	1.00	1.00	1.00	0.00	1.00
Budget & Management Analyst	F/T	15	0.00	1.00	1.00	0.00	1.00
Environmental Services Coordinator	F/T	14	1.00	1.00	1.00	0.00	1.00
Administrative Assistant III	F/T	13	1.00	1.00	1.00	0.00	1.00
Administrative Assistant I	F/T	8	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			5.00	7.00	7.00	0.00	7.00
<i>W/S Facilities Maintenance</i>							
Facilities Maintenance Superintendent	F/T	15	1.00	1.00	1.00	0.00	1.00
Instruments & Electronics Technician	F/T	13	1.00	1.00	1.00	0.00	1.00
Facilities Maintenance Mechanic II	F/T	11	2.00	2.00	2.00	0.00	2.00
Facilities Maintenance Mechanic I	F/T	9	2.00	2.00	3.00	1.00	3.00
Facilities Maintenance Technician	F/T	7	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			7.00	7.00	8.00	1.00	8.00





POSITION	POSITION TYPE	SALARY GRADE	FY16-17 ACTUAL	FY17-18 REVISED BUD	FY18-19 ADOPTED	COUNT CHANGE	FY18-19 F.T.E
<i>Water Treatment Plant</i>							
Water Treatment Facilities Manager	F/T	18	1.00	1.00	1.00	0.00	1.00
Chief WTP Operator	F/T	15	1.00	1.00	1.00	0.00	1.00
WTP Operator III	F/T	12	4.00	4.00	4.00	0.00	4.00
WTP Operator II	F/T	10	1.00	1.00	1.00	0.00	1.00
WTP Operator I	F/T	8	4.00	4.00	4.00	0.00	4.00
Temporary Treatment Plant Operator	P/T-NON-PERMANENT	N/A	1.00	1.00	1.00	0.00	0.00
<i>Sub-Total</i>			12.00	12.00	12.00	0.00	11.00
<i>Shop Operations Center</i>							
Utilities Technology Manager	F/T	20	1.00	1.00	1.00	0.00	1.00
AMI Data Analyst	F/T	15	0.00	0.00	1.00	1.00	1.00
GIS/IT Analyst	F/T	15	1.00	1.00	1.00	0.00	1.00
Meter Services Supervisor	F/T	14	1.00	1.00	1.00	0.00	1.00
Utilities Operations Support Supervisor	F/T	13	1.00	1.00	1.00	0.00	1.00
Utility Operations Support Specialist	F/T	11	1.00	1.00	1.00	0.00	1.00
Utilities Locator	F/T	10	2.00	2.00	2.00	0.00	2.00
Warehouse Specialist	F/T	8	1.00	1.00	1.00	0.00	1.00
Meter Services Technician	F/T	8	3.00	3.00	4.00	1.00	4.00
<i>Sub-Total</i>			11.00	11.00	13.00	2.00	13.00
<i>Water Distribution</i>							
Water Distribution Systems Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Leak Detection Technician	F/T	12	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crew Leader	F/T	12	2.00	3.00	3.00	0.00	3.00
Line Maintenance Mechanic II	F/T	10	2.00	2.00	2.00	0.00	2.00
Line Maintenance Mechanic I	F/T	8	8.00	10.00	10.00	0.00	10.00
<i>Sub-Total</i>			14.00	17.00	17.00	0.00	17.00
<i>Wastewater Treatment Plant</i>							
Wastewater Treatment Facilities Manager	F/T	18	1.00	1.00	1.00	0.00	1.00
WWTP Laboratory Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Chief WTP Operator	F/T	15	1.00	1.00	1.00	0.00	1.00
Laboratory Technician	F/T	12	1.00	1.00	1.00	0.00	1.00
Treatment Plant Operator III	F/T	12	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator II	F/T	10	2.00	2.00	2.00	0.00	2.00
Treatment Plant Operator I	F/T	8	1.00	1.00	1.00	0.00	1.00
<i>Sub-Total</i>			9.00	9.00	9.00	0.00	9.00
<i>Wastewater Collection</i>							
Sewer Collections Systems Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Inflow & Infiltration Technician	F/T	12	1.00	1.00	1.00	0.00	1.00
Line Maintenance Crew Leader	F/T	12	2.00	2.00	3.00	1.00	3.00
Line Maintenance Mechanic II	F/T	10	2.00	2.00	2.00	0.00	2.00
Line Maintenance Mechanic I	F/T	8	5.00	5.00	7.00	2.00	7.00
<i>Sub-Total</i>			11.00	11.00	14.00	3.00	14.00
<i>Environmental Services</i>							
Environmental Services Supervisor	F/T	15	1.00	1.00	1.00	0.00	1.00
Environmental Services Crew Leader	F/T	11	1.00	1.00	1.00	0.00	1.00
Equipment Operator	F/T	10	6.00	4.00	4.00	0.00	4.00
Administrative Assistant I	F/T	8	1.00	1.00	1.00	0.00	1.00
Environmental Services Worker II	F/T	8	1.00	2.00	2.00	0.00	2.00
Environmental Services Worker I	F/T	6	4.00	5.00	5.00	0.00	5.00
<i>Sub-Total</i>			14.00	14.00	14.00	0.00	14.00
<b>TOTAL</b>			<b>310.00</b>	<b>328.00</b>	<b>302.00</b>	<b>-26.00</b>	<b>257.50</b>
<b>TOTAL FULL TIME EQUIVALENT (FTE)</b>			<b>230.00</b>	<b>247.50</b>	<b>257.50</b>	<b>10.00</b>	

\*\*Note that the “Total” includes part-time employees represented by “1.00” full count\*\*



\*\*The “Total Full Time Equivalent (FTE)” includes F/T as “1.00”, P/T-Permanent as “0.50”, and P/T-Non-Permanent as “0.00”\*\*

The 10 full time equivalent employee increase is a result of the following additions:

1. Finance organizational changes, (1 total position)

The Finance Department approved a variety of structural changes with the goal of improving customer service and revenue collections. Two “Customer Service Supervisor” positions were consolidated into one position. The funds remaining were used to add an additional “Customer Service Representative”. Also, the “Utility Finance Manager” position was converted into a “Revenue Accountant” and “Deputy Tax Collector/Administrative Assistant III”.

2. Three full-time “School Resource Officer” positions, (3 total positions)

Discussed in the *Budget Message* section of this document, the City Council requested the addition of three “School Resource Officers” (SROs) to staff all four County schools located within the City’s jurisdiction. The City currently funds two SROs, and these additions will provide enough SROs to adequately staff the existing four schools. Henderson County refused a request from the City to contribute to funds to this initiative.

3. One full-time “Facilities Maintenance Mechanic I” position, (1 total position)

The addition of one mechanic will assist the W/S Facilities Maintenance division with their regular preventative maintenance of facility generators. This function is currently contracted out to a private service provider and it was determined to be more cost effective to bring this function into the City.

4. One full-time “AMI Data Analyst” position, (1 total position)

The City engaged the work of an advanced metering consulting firm in FY17-18. Part of their findings was the recommendation to hire an analyst to work solely on the City’s advanced metering infrastructure. This position will evaluate meter reads, non-revenue water, and system efficiency on a daily basis.

5. One full-time “Meter Services Technician” position, (1 total position)

Currently, the City has three total “Meter Services Technician” positions. With the growth of the water and sewer system it has become more difficult for the current staffing level to keep up with meter cuts, maintenance, and installations. We currently fall behind on meter cuts and the additional position will provide greater coverage and accountability for our system.

6. An additional line maintenance crew, (3 total positions)

A new line maintenance crew was approved in the budget to address right of way maintenance associated with City sewer lines. This crew will be made up of two “Line Maintenance Mechanic I” positions and a “Line Maintenance Crew Leader” position.

Additionally, the City contracted out the staffing and operation of Patton Pool. This is reflected by a decrease of 36 “P/T Non-Permanent” employees. This is reflected in the “Total” change.



**CITY OF HENDERSONVILLE FEE SCHEDULE**  
**ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>ADMINISTRATION</b>	
<b>General</b>	
Application for Certificate of Public Convenience & Necessity (taxicab)	\$60.00
CDs	\$1.00
<b>Copy Charges (per page)</b>	
Black	\$0.15
Color	\$0.25
<b>Special Event Vendors: (per day)</b>	
Food Vendors	\$30.00
Non-Food Vendors	\$15.00
<b>DEVELOPMENT ASSISTANCE</b>	
<b>General</b>	
Administrative Review	No Charge
Annexation Waiver, Voluntary (contiguous or satellite)	\$26.00
Comprehensive Plan (per page)	
Black	\$0.15
Color	\$0.25
Conditional Use	\$200.00
Copy Charges (per page)	
Black	\$0.15
Color	\$0.25
Large Format Copy	\$10.00
Demolition Admin Fee	\$100.00
Floodplain Development Permit	\$300.00
Non-Conforming Use	\$100.00
Nuisance Fee (Admin. Cost Doubles for each Offense within a Year)	Cost + \$100 Admin. Cost
Outdoor Dining Fee (Annual)	\$0.50 per Sq. Ft.
<b>Sign Permits (based on cost of sign)</b>	
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
<b>Site Plan Reviews &amp; Amendments</b>	
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
Conditional Use Reviews & Amendments	\$100/acre (\$500 minimum)



**CITY OF HENDERSONVILLE FEE SCHEDULE  
ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>DEVELOPMENT ASSISTANCE</b>	
Street Closing Petition (\$1,000 deposit)	Actual Cost
Subdivision Ordinance (per page)	\$0.15
Subdivision Plats	\$20/lot
Telecommunications Towers, Antennas and Equipment	
Basic Permit (C-3, I-1)	\$450.00
Special Use Permit	\$2500.00 <sup>1</sup>
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

<sup>1</sup>Applicable 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 conditional use review.

<b>FIRE DEPARTMENT</b>	
<b>General</b>	
Illegal Burn Fee	\$100.00
<b>Operational Permits</b>	
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
<b>Construction Permits</b>	
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 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>FIRE DEPARTMENT</b>	
<b><u>Construction Plans Review</u></b>	
Commercial hood suppression systems	\$100.00
Explosives and fireworks	\$100.00
Petroleum tanks and appurtenances	\$100.00
<b><u>Sprinkler systems and fire alarm systems:</u></b>	
Minimum up to 1,000 square feet	\$50.00
1,001 - 5,000 square feet	\$100.00
5,001 - 10,000 square feet	\$150.00
10,001 - 25,000 square feet	\$200.00
25,001 - 50,000 square feet	\$250.00
50,001 - 100,000 square feet	\$300.00
100,001 - 200,000 square feet	\$350.00
Over 200,000 square feet	\$400.00
Work without a permit	\$250.00
<b><u>Fire Inspection Fees</u></b>	
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
<b><u>R-2 Occupancies (Apartment Complexes, etc...)</u></b>	
1-20 Units	\$50.00
21-50 Units	\$100.00
51-100 Units	\$150.00
101-150 Units	\$200.00
151-200 Units	\$250.00
201-250 Units	\$300.00
251-300 Units	\$350.00
Over 300 Units	\$400.00
<b><u>Re-inspections</u></b>	
Re-inspection Fee (Follow-up) per re-inspection	\$100.00
<b><u>Hazardous Material Response Fees</u></b>	
Chief Officer - per officer (per hr.)	\$75.00
Engine Company Response - per engine (per hr.)	\$150.00
Fire Marshal/Deputy Fire Marshal - per person (per hr.)	\$50.00
Ladder/Truck Response - per ladder/truck (per hr.)	\$200.00
Materials/Supplies Used	Actual replacement cost
Off Duty/Call Back Personnel	Average hourly rate x 1.5
Site Assessment Fee	\$50.00
<b>FINANCE</b>	
<b><u>General</u></b>	
Beer License - On Premises	\$15.00
Beer License - Off Premises	\$5.00
Carnival Permit	\$100/week + \$5 per device
Returned item fee	\$25.00
Itinerant Merchant/Peddlers Permit	\$100.00
Motor Vehicle Tag Fee	\$15.00
Wholesale Dealers License - Beer Only	\$37.50
Wholesale Dealers License - Wine Only	\$37.50



**CITY OF HENDERSONVILLE FEE SCHEDULE**  
**ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>FINANCE</b>	
Wholesale Dealers License - Beer & Wine	\$62.50
Wine License - On Premises	\$15.00
Wine License - Off Premises	\$10.00

*\*In accordance with G.S. 105-113.77 and G.S. 105-113.79 If a business has multiple locations in one county or city, that business will need to obtain separate ABC licenses for each location. City beer and wine taxes must increase by 10% for each additional license of the same type issued to the same taxpayer for use at a separate location. Furthermore, G.S. 105-236 applies penalties for failure to pay for and obtain local beer and wine license taxes. Operating a business without the required privilege license triggers a monthly penalty of 5 % of the applicable privilege license tax, up to a total of 25 %. Failure to pay the required tax triggers a separate 10% penalty. These violations are also Class 1 misdemeanors.*

<b>POLICE</b>	
<b>General</b>	
Fingerprinting	\$10.00
Precious Metals Dealer Background Check	\$75.00
Precious Metals Dealer Permit	\$180.00
<b>Parking Fees, Fines &amp; Penalties:</b>	
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

<b>PUBLIC WORKS</b>	
<b>Boyd Park Mini-Golf Admission</b>	
Adults	\$3.00
Children	\$2.00
Course Rental (full day - with concessions)	\$200.00
Course Rental (full day - without concessions)	\$300.00
<b>Miscellaneous</b>	
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
Sidearm Mower Rental (per hour)	\$125.00



**CITY OF HENDERSONVILLE FEE SCHEDULE**  
**ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>PUBLIC WORKS</b>	
Water/Flusher Truck (per load)	\$100.00
Water/Sewer Utility Cuts	\$300.00
Weed Eater/Hedge Trimmer (per hour)	\$40.00
<b>Oakdale Cemetery Lots (per grave space)</b>	
City Resident	\$500.00
Out of City Resident	\$1,000.00
Infant Lots - City Resident	\$250.00
Infant Lots - Out of City Resident	\$500.00
<b>Operation Center Room Rental Rates</b>	
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
<b>Park Usage</b>	
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
<b>Patton Pool</b>	
Daily Admittance Fee (adults)	\$5.00
Daily Admittance Fee (children) (3yrs or younger will be free with adult)	\$4.00
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
<b>Sanitation Services</b>	
<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
<b>Stormwater Services</b>	
Stormwater Monthly Fee	\$3.00
Stormwater Permit Fee	\$520.00



**CITY OF HENDERSONVILLE FEE SCHEDULE**  
**ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2018 - 2019**

PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK

DESCRIPTION	COST/CHARGE/FEE
<b>WATER AND SEWER</b>	
<b>Deposits</b>	
Water & Sewer Service Deposit <sup>1</sup>	\$100.00
<i>Inside City Limits</i>	
<b>Base Charge by Meter Size</b>	
3/4"	\$5.68
1"	\$6.73
1 1/2"	\$9.34
2"	\$12.47
3"	\$19.80
4"	\$30.26
6"	\$56.40
8"	\$87.77
<b>Volumetric Charges</b>	
<b>Residential</b>	
0 to 6,000 gallons	\$2.85 per 1000 gallons
6,000 to 14,000 gallons	\$3.14 per 1000 gallons
14,000 gallons and greater	\$3.56 per 1000 gallons
<b>Commercial/Industrial</b>	
0 to 40,000 gallons	\$2.85 per 1000 gallons
40,000 to 200,000 gallons	\$2.35 per 1000 gallons
200,000 gallons and greater	\$2.22 per 1000 gallons
<b>Irrigation</b>	
0 to 40,000 gallons	\$3.56 per 1000 gallons
40,000 gallons and greater	\$3.56 per 1000 gallons
<i>Outside City Limits</i>	
<b>Base Charge by Meter Size</b>	
3/4"	\$8.52
1"	\$10.09
1 1/2"	\$14.00
2"	\$18.71
3"	\$29.70
4"	\$45.39
6"	\$84.59
8"	\$131.66
<b>Volumetric Charges</b>	
<b>Residential</b>	
0 to 6,000 gallons	\$4.28 per 1000 gallons
6,000 to 14,000 gallons	\$4.70 per 1000 gallons
14,000 gallons and greater	\$5.34 per 1000 gallons
<b>Commercial/Industrial</b>	
0 to 40,000 gallons	\$4.28 per 1000 gallons
40,000 to 200,000 gallons	\$3.52 per 1000 gallons
200,000 gallons and greater	\$3.33 per 1000 gallons
<b>Irrigation</b>	
0 to 40,000 gallons	\$5.34 per 1000 gallons
40,000 gallons and greater	\$5.34 per 1000 gallons





**CITY OF HENDERSONVILLE FEE SCHEDULE**  
**ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>WATER AND SEWER</b>	
<i>Wholesale</i>	
<b>Base Charge by Meter Size</b>	
3/4"	\$8.52
1"	\$10.09
1 1/2"	\$14.00
2"	\$18.71
3"	\$29.70
4"	\$45.39
6"	\$84.59
8"	\$131.66
<b>Volumetric Charges</b>	
<b>Municipal/Wholesale</b>	
All Usage	\$2.85 per 1000 gallons
<b>Bulk Water</b>	
All Usage	\$5.34 per 1000 gallons
<i>Other Customers</i>	
<b>Public Schools</b>	
Base Charge per Account	\$5.68 per month
All Usage	\$2.85 per 1000 gallons
<b>Taps &amp; Connections</b>	
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
<b>Meters</b>	
Turn On/Off/Set Meter During Business Hours	\$40.00
Turn On/Off/Set Meter After Business Hours	\$100.00
Meter Tampering Fee	\$250.00
Test Meter, at customer's request (<1-in.); if meter faulty - No Charge	\$45.00
Test Meter, at customer's request (>1-in.); if meter faulty - No Charge	Cost plus 10%
<b>Engineering Review Fees</b>	
Line Extensions	\$300.00
Pump Stations	\$75.00
Storage Tanks	\$75.00
<b>Miscellaneous Fees</b>	
Assist with Fire Hydrant Flow/Pressure Testing Conducted by Others	\$50.00
Chemical Analysis of Water	Cost plus 10%
Drill for Main Tap, Cost/Inch of Diameter	\$150.00
Fire Hydrant Installation	Cost plus 10%
Illegal Use of Fire Hydrant/Tampering Fee	\$500 + Damages
Premise Visit	\$40.00
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
<b>Water Conservation Incentives Program Rebate Schedule</b>	
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 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>WATER AND SEWER</b>	
<i>Inside City Limits</i>	
<b>Base Charge by Meter Size</b>	
3/4"	\$7.21
1"	\$8.66
1 1/2"	\$12.25
2"	\$16.56
3"	\$26.65
4"	\$41.06
6"	\$77.04
8"	\$120.24
<b>Volumetric Charges</b>	
All Usage	\$5.05 per 1000 gallons
<i>Outside City Limits</i>	
<b>Base Charge by Meter Size</b>	
3/4"	\$10.82
1"	\$12.99
1 1/2"	\$18.37
2"	\$24.84
3"	\$39.97
4"	\$61.58
6"	\$115.56
8"	\$180.35
<b>Volumetric Charges</b>	
All Usage	\$7.58 per 1000 gallons
<i>Wholesale</i>	
<b>Base Charge by Meter Size</b>	
3/4"	\$10.82
1"	\$12.99
1 1/2"	\$18.37
2"	\$24.84
3"	\$39.97
4"	\$61.58
6"	\$115.56
8"	\$180.35
<b>Volumetric Charges</b>	
All Usage	\$7.58 per 1000 gallons
<i>Other Customers</i>	
<b>Public Schools</b>	
Base Charge per Account	\$7.21
All Usage	\$5.05 per 1000 gallons
<b>Internal Sewer</b>	
Base Charge per Account	See Wholesale Charges
All Usage	\$7.58 per 1000 gallons
<b>Henderson County Sewer</b>	
Base Charge per Account	See Wholesale Charges
All Usage	\$7.58 per 1000 gallons
<i>Note: These sewer rates are not applicable to the Cane Creek Sanitary Sewer District</i>	



**CITY OF HENDERSONVILLE FEE SCHEDULE**  
**ADOPTED BY BUDGET ORDINANCE FOR FISCAL YEAR 2018 - 2019**

*PUBLIC HEARING REQUIRED FOR ITEMS DENOTED WITH ASTERIK*

DESCRIPTION	COST/CHARGE/FEE
<b>WATER AND SEWER</b>	
<b>Taps and Connections</b>	
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
<b>Surcharges</b>	
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
<b>Engineering Review Fees</b>	
Line Extensions	\$300.00
Pump Stations	\$75.00
<b>Miscellaneous Fees</b>	
Concrete Core Drill (manhole), Cost/Inch of Diameter	\$150.00
Drill for Main Tap, Cost/Inch of Diameter	\$100.00
Food Services Sewer Connection Application Fee	\$75.00
Nondischarge Permit Fee	\$300.00
Premise Visit	\$40.00
Pretreatment Program	Cost of Program Per SIU
Septic Tank Waste Disposal, per 1000-gallons	\$60.00
Septic Tank Waste Disposal Permit	\$75.00
Equipment Usage (hourly rates)	
Rubber-Tired Backhoe, Small	\$33.00
Rubber-Tired Backhoe, Large	\$38.00
Mini-Excavator, 8,000-lb	\$18.00
Mini-Excavator, 12,000-lb	\$39.00
Excavator, 30,000-lb	\$65.00
Vac Truck	\$75.00
Dump Truck (single-axle), Small	\$20.00
Dump Truck (single-axle), Large	\$35.00
Dump Truck (dual axle)	\$55.00
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 on 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 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 the budget.

### **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/Ordinance**

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, and 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 1<sup>st</sup> and ends June 30<sup>th</sup>.

### **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' 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 recommend available 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, and 4) Debt Service Funds.

**Grant**

A contribution by a government of other organization to support a particular function.

**Inter-fund Transfers**

Amounts transferred from one fund to another.

**Intergovernmental Revenues**

Revenues from other governments (State, Federal, or local) that can be in the form of grants, shared revenues, or entitlements.



**Internal Service Fund**

This fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, on a cost reimbursement, or cost allocation, basis.

**Inventory**

A detailed listing of property currently held by a government.

**Investment Earnings**

Revenue earned on investments with a third party.

**Lease/Installment-Purchase Financing**

A method of purchasing equipment in which payments are spread over time. The purchased equipment serves as collateral.

**Line Item**

A budgetary account representing a specific object of expenditure.

**Local Government Budget and Fiscal Control Act (LGBFCA)**

The act governs all financial activities of local governments within the State of North Carolina.

**Local Government Commission (LGC)**

A division of the North Carolina Department of State Treasurer, the LGC is responsible for the approval, sale, and delivery of substantially all North Carolina local government bonds and notes as well as monitoring certain fiscal and accounting standards prescribed for units of local government by the Local Government Budget and Fiscal Control Act.

**Long Term Debt**

Debt with a maturity of more than one year after the date of issuance.

**Maturities**

The dates on which the principal or stated values of investments or debt obligations become due and/or may be reclaimed.

**Mission**

A broad statement outlining a department's purpose for existing.

**Modified Accrual Basis of Accounting**

Accounting method for governmental funds that recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the period the fund liability is incurred, if measurable, except for unmatured interest on (and principal of) general long-term debt, which should be recognized when due.

**North Carolina General Assembly (N.C.G.A.)**

The legislative body of the State's government.



## North Carolina General Statutes (N.C.G.S.)

Laws governing the State of North Carolina.

## Objective

A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

## Occupational Safety and Health Act (OSHA)

Regulations passed by the U.S. Department of Occupational Safety and Health Administration to assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the Act.

## Operating Budget

A financial plan for the provision of direct services and support functions.

## Operating Expenses

The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, and materials.

## Pay-As-You-Go (or Pay-Go)

Financial policy of a government unit that finances capital outlays from current revenues rather than from borrowing.

## Peer Group

Other municipalities with similar characteristics, such as population, services provided, and tax base, used for comparison of financial condition and performance.

## Performance-Based Budget

A budget wherein expenditures, planning, and management decisions are based primarily upon measurable performance of activities.

## Performance Indicator

A performance indicator is a measurement designed to determine whether a service objective has been met. It measures the effectiveness of achieving an objective.

## Performance Measurement

The regular collection of quantifiable information regarding the results of service delivery.

## Personal Property

Movable property classified within two categories; tangible and intangible. “Tangible” or touchable property includes items of visible and movable property not permanently affixed to real property. “Intangible” or non-touchable property includes stocks, bonds, notes, cash, bank deposits, accounts receivable, patents, trademarks, copyrights, and similar assets.

**Personnel Services**

Salaries and wages paid to employees for fulltime, part-time, and temporary work including overtime and similar compensation.

**Policy**

A definite course or method of action in light of given conditions to guide and determine present and future decisions.

**Powell Bill Funds**

Funding from state-shared gasoline taxes that are restricted for use on maintenance of local streets and roads.

**Productivity Measure**

A performance measure combining efficiency and effectiveness measures into a single factor.

**Program**

An organized set of related work activities that are directed toward accomplishing a common goal.

**Property Taxes**

Taxes levied on both real and personal property according to the property's valuation and tax rate.

**Proprietary Funds**

Funds used to separate, control, and track financial resources of business-type activities carried out by a government. The two proprietary fund types include: 1) Enterprise Funds, and 2) Internal Service Funds.

**Real Property**

Land, buildings, and items permanently affixed to land or buildings.

**Reclassification**

Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

**Reserve**

An account designated for a portion of the fund balance that is to be used for a specific purpose.

**Resources**

Assets that can be used to fund expenditures such as property taxes, user fees, beginning fund balance, or working capital.

**Restricted Intergovernmental Revenues**

Grants, entitlements, and shared revenues that are recorded in the appropriate fund and classified by both source and function for which the revenues are to be spent.



### **Retained Earnings**

Amounts shown as retained earnings represent accumulated earnings of proprietary funds after all budgeted business expenses have been made.

### **Revaluation**

The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

### **Revenue**

Funds the City receives as income including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.

### **Revenue Bonds**

Bonds issued by a government that are backed by a specific revenue source such as water and sewer fees.

### **Revenue-Neutral Rate**

The tax rate that would generate the same amount of ad valorem revenues as before a revaluation while considering growth.

### **Special Assessment**

A compulsory levy made against certain properties to defray part of the cost of a specific improvement or service, which are deemed primarily to benefit those properties.

### **Special Revenue Fund**

A fund used to account for the revenues from specific sources that are to be used for legally specified expenditures.

### **Surplus**

The amount by which revenues exceed expenditures.

### **Target-Based Budget (TBB)**

A budget wherein departments receive a maximum dollar figure, or target, to provide services.

### **Tax Base**

The assessed valuation of all taxable real and personal property within the City's corporate limits.

### **Tax Levy**

The resultant product when the tax rate per one-hundred dollars valuation is multiplied by the total taxable valuation, or tax base.

### **Taxes**

Compulsory charges levied by a government for financing services performed for the common benefit of the people. This term does not include specific charges made against particular



persons or property for current or permanent benefit, such as special assessments or to user charges for enterprise type services.

### **Undesignated Fund Balance/Undesignated Retained Earnings**

The portion of a fund's unspent monies, or reserves that are not restricted for a specific purpose and are available for general appropriation.

### **Unencumbered Balance**

The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for expenditures.

### **User Fee/Charge**

The payment for direct receipt of a service by the party benefiting from the service.

### **Workload Measure**

A performance measure identifying how much or how many products or services were produced.

### **Zero-Based Budget (ZBB)**

A budget wherein all expenses must be justified for each new period. Budgeting starts from a "zero base" and every function within an organization is analyzed for its needs and costs.



**Common Budget Acronyms**

CDBG	Community Development Block Grant
CIP	Capital Improvement Plan
COPS	Certificates of Participation
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
LGBFCA	Local Government Budget and Fiscal Control Act
LGC	Local Government Commission
NCGA	North Carolina General Assembly
NCGS	North Carolina General Statute
OSHA	Occupational Safety and Health Act
PM	Performance Measurement

