

CITY COUNCIL BUDGET WORK SESSION

AGENDA

3:00 pm, April 10, 2018

First Floor Conference Room, City Hall

1. Recap of Finance Committee Budget Work Session
2. Review of Information Requested by Finance Committee
 - a. Compensation Discussion
 - b. Review Parking Revenues
 - c. Review Transit Service and Master Plan Progress
3. Review Calendar
4. Discussion
5. Wrap Up & Next Steps

MEMORANDUM

To: Mayor and Council Members
 From: Barbara Whitehorn, Chief Financial Officer
 Via: Cathy Ball, Interim City Manager
 Subject: Committee Work Session Report

Date: April 10, 2018

| <u>Item</u> | <u>Finance Committee Response</u> | <u>General Fund Impact Cost/(Savings)</u> |
|---|-----------------------------------|---|
| <i>Initial budget gap after staff workshop:</i> | | \$ 3,200,000 |
| Expanded Equity Program | Recommended | 259,000 |
| Reduce salary increase by (0.5%) | Discuss | (300,000) |
| Reduce Health Insurance Contribution | Recommended | (255,000) |
| Debt Fund Capital Maintenance | Recommended | (700,000) |
| Fund Balance allocation to operations | Discuss | (300,000) |
| Reduce Police Academy class size | Discuss | (200,000) |
| Reduce AFD Fleet allocation | Recommended | (100,000) |
| <i>Gap assuming all of the above:</i> | | \$ 1,604,000 |
| Updated state transit revenue* | | (200,000) |
| <i>Adjusted gap:</i> | | \$ 1,404,000 |

**Based on information recently received, state transit grant revenue has increased for FY 2018-19.*

Topics of Discussion:

24-Hour Restroom availability at Rankin Street Garage

A proposal was brought forward with a strategy to keep the restrooms open with no financial impact. Staff recommended that the restrooms be staffed, for a potential cost of \$156,000. Additional Cost: \$0-\$156,000; Parking Fund (no General Fund impact) Recommended.

Unspent Neighborhood Funds assigned from Fund Balance for FY 2017-18

Fund balance allocation of \$50,000 in FY 2017-18 to be reallocated in FY 2018-19, potentially to be used for first participatory budgeting funds.

Recommended.

Inclusion of expanded Equity program

Additional Cost: **\$259,000**

Recommended.

Additional information: The table below outlines the full year cost for each position including salary, benefits and associated operating expenses. In the memo provided to the Finance Committee, the estimated costs (\$365,000) included an additional position that was not part of the Blue Ribbon Committee's recommendations. An updated total cost is provided below. The staff recommendation to fully fund two positions for a full year and one for half a year would still result in savings of approximately \$40,000 in FY 2018-19.

Full Year Cost of Expanded Equity Program

| Position | FY19 | Ongoing |
|---------------------------------------|-------------------|-------------------|
| Equity Action Plan Implementation | \$ 98,000 | \$ 92,000 |
| Human Relations Commission Support | \$ 94,000 | \$ 89,000 |
| Equity & Inclusion Community Outreach | \$ 107,000 | \$ 101,000 |
| <i>Total</i> | <i>\$ 299,000</i> | <i>\$ 282,000</i> |

Adjust proposed salary increase for employees from 3.0% to 2.5% and reduce pool for market adjustments

Savings: **(\$300,000) salaries; (\$125,000) market adjustment pool**

Councilmembers Wisler and Mayfield supported both; Wisler also recommended no Council raises and the consideration of a cap on the salary level at which staff would be eligible for raises. Councilmember Kapoor did not support a reduction in the 3% increase, citing the market competition for high performing employees.

Recommendation: move forward for discussion.

Additional Information: Public safety step plans provided as attachment.

Adjust employer health insurance contribution to current year funding level

Savings: **(\$255,000)**

Recommended based on current trends and projections for next fiscal year.

Debt fund certain capital maintenance expenses currently in operating budgets

Savings: **(\$700,000)**

Staff would propose this as a one-year cost shift to the CIP model, and that funding revert to the General Fund operating budget in FY 2019-20 pending a review of the capital capacity and operating budget.

Recommended.

Additional Information: A full list of pay-go projects historically funded in the General Fund and staff recommendations for debt funding is provided as Attachment A.

One-Time revenues - fund balance (\$300,000)

As outlined in the March 20 work session, staff would recommend maintaining the City's existing fund balance percentage (currently 16.6%) to avoid negatively impacting the City's credit rating. Based on current year-end projections for FY 2017-18 as well as projections for next year's adopted General Fund budget total, staff is currently estimating that there may be approximately \$300,000 in fund balance available for appropriation while still staying at the 16.6% level. Councilmembers Wisler and Mayfield supported, Councilmember Kapoor cautioned against the use of fund balance.

Recommendation: move forward for discussion.

Additional Information: Calculation to estimate the amount of available fund balance is included as Attachment B.

Adjust APD academy class size from 20 to 15 recruits

Savings: ***(\$200,000)***

The Police Department has experienced persistent under-staffing in sworn positions for several years. To address this issue, additional personnel expenses are programmed in the Police Department to support a higher number of recruits attending the Police Academy. Reducing the number of recruits may result in more vacancies for a longer period of time. The cost per extra recruit is approximately \$40,000, so reducing the number by five next fiscal year would produce savings of \$200,000.

Recommendation: move forward for discussion.

Additional Information: Public safety overtime information is provided as Attachment C.

Materials requested:

- 1) turnover rate and change since market and other pay adjustments;
- 2) projection of staffing level and timing to fully staff if classes at 20 and 15 recruits;

Adjust AFD fleet maintenance budget

Savings: ***(\$100,000)***

Recommended.

Other Items Discussed:

Increase parking fees to support Transit (TBD)

An increase in parking deck fees could be considered to cover a portion of the increased cost of Transit services. Staff is evaluating options for fee adjustments in the Parking Fund and will provide an analysis at the April 10 budget work session.

Recommendation: move forward for discussion.

Additional Information: The bike and pedestrian plan is currently funded at \$175,000 (\$140,000 in grant funding). Staff estimate that expanding the plan to include greenways would cost an additional \$100,000.

Materials requested:

- 1) Revenue if County parking rates matched
- 2) Revenue if no "first hour free"

Property Tax equivalent of gap

One-cent = \$1,427,000

\$3.2 million gap = 2.2 cents

Additional Materials and Information to be provided for the April 10 full Council work session:

- 1) General Fund current year fees and charges
- 2) Property Tax analysis (impact on homeowners)

Staff continues to evaluate the following:

- 1) Potential for reallocation of staff
- 2) Programs to consider eliminating
- 3) Non-core services

**Attachment A
FY 2017-18 General Operating Fund Capital Pay-Go Project List**

| <u>Department</u> | <u>Project</u> | <u>Amount (\$)</u> | <u>Details</u> |
|--------------------|--------------------------------------|--------------------|--------------------------------------|
| General Services | | | |
| | Roof Replacement | 150,000 | Already shifted to CIP Debt |
| | Various Facility Maintenance | 150,000 | Not recommended for debt funding |
| Parks & Recreation | | | |
| | Public Art Maintenance | 40,000 | Not recommended for debt funding |
| | Parks General Maintenance | 650,000 | Not recommended for debt funding |
| | Pack Square Maintenance | 300,000 | Not recommended for debt funding |
| Public Works | | | |
| | Sidewalk Cleaning | 300,000 | Not recommended for debt funding |
| | Sidewalk Maintenance (Materials) | 70,000 | Recommended |
| | Sidewalk Maintenance (Contract) | 271,000 | Recommended |
| | Median Maintenance | 100,000 | Not recommended for debt funding |
| | Roll Cart Replacement | 90,000 | Recommended |
| | Guardrail Maintenance | 100,000 | Recommended |
| Transportation | | | |
| | Transit Capital (Regular Allocation) | 120,000 | Already shifted to CIP Debt |
| | Transit Capital (Bus Replacement) | 315,270 | Already shifted to CIP Debt |
| | Traffic Calming | 100,000 | Recommended |
| | Traffic Safety Projects | 35,000 | Not recommended for debt funding |
| US Cellular Center | | | |
| | USCC General Maintenance | 133,650 | Not recommended for debt funding |
| TOTAL | | 2,924,920 | Total Recommended: \$ 731,000 |

Attachment B
Estimated Fund Balance Calculation

| | |
|--|-------------------------|
| FY 2017-18 Year End Estimates (per Q2 Financial Report) | |
| Revenues | \$120,248,258 |
| Expenses | \$120,130,004 |
| Revenues over (under) Expenses | \$118,254 |
| | |
| Beginning FY 2017-18 Fund Balance | \$21,271,224 |
| Ending FY 2017-18 Fund Balance | \$21,389,478 |
| | |
| Estimated FY 2018-19 Budget | \$127,000,000 |
| Desired Fund Balance Percentage | 16.60% |
| Fund Balance Required to Meet % Goal | \$21,082,000 |
| Fund Balance Above % Goal | <u>\$307,478</u> |

**Attachment C
Public Safety Overtime**

Information provided below is in response to the following Council questions:

- What percentage of total wages does overtime represent for public safety?
- How has the percentage trended historically?
- What is generating this use of overtime?

| | FY14 | FY15 | FY16 | FY17 | FY18 YTD |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| AFD Total Wages | \$ 13,204,381 | \$ 13,776,202 | \$ 14,755,193 | \$ 15,036,095 | \$ 10,435,864 |
| Compensation - Full Time Reg | \$ 12,065,151 | \$ 12,543,880 | \$ 13,375,824 | \$ 13,817,796 | \$ 9,728,154 |
| Compensation - Part Time | \$ 29,710 | \$ 33,873 | \$ 34,278 | \$ 35,392 | \$ 25,800 |
| Compensation - Temp/Seasonal | \$ 5,514 | \$ 1,878 | \$ 9,104 | \$ 16,331 | \$ 13,971 |
| Compensation - Overtime | \$ 1,001,586 | \$ 1,107,644 | \$ 1,331,745 | \$ 1,162,772 | \$ 661,132 |
| Fire Dept Vacation Deferral | \$ 98,933 | \$ 85,448 | \$ 599 | \$ - | \$ - |
| Compensation - Stand By Pay | \$ 3,487 | \$ 3,479 | \$ 3,644 | \$ 3,804 | \$ 6,806 |
| <i>Overtime as a % of Total</i> | <u>7.6%</u> | <u>8.0%</u> | <u>9.0%</u> | <u>7.7%</u> | <u>6.3%</u> |
| APD Total Wages | \$ 12,197,839 | \$ 12,893,497 | \$ 13,027,224 | \$ 14,073,788 | \$ 10,484,933 |
| Compensation - Full Time Reg | \$ 10,653,615 | \$ 11,407,940 | \$ 11,557,196 | \$ 12,520,506 | \$ 9,507,481 |
| Compensation - Temp/Seasonal | \$ 73,513 | \$ 197,462 | \$ 282,349 | \$ 365,162 | \$ 269,553 |
| Compensation - Overtime | \$ 1,379,046 | \$ 1,201,893 | \$ 1,097,427 | \$ 1,097,088 | \$ 541,656 |
| Compensation - Stand By Pay | \$ 91,665 | \$ 86,202 | \$ 90,251 | \$ 91,031 | \$ 166,243 |
| <i>Overtime as a % of Total</i> | <u>11.3%</u> | <u>9.3%</u> | <u>8.4%</u> | <u>7.8%</u> | <u>5.2%</u> |

Asheville Fire Department (AFD) Overtime Usage:

All emergency response personnel (230 FTEs) are scheduled to work 3 hours of overtime every week. This is a standard firefighter schedule used by most all fire departments in the country to comply with FLSA. All other overtime is used to meet minimum staffing standards when scheduled personnel are absent (e.g., vacation, sick, training, FMLA).

Asheville Police Department (APD) Overtime Usage:

APD utilizes overtime to provide staffing necessary to address workload in the following areas:

- Major case investigations (e.g., homicides, shootings) in which multiple detectives or officers are required to work beyond their normal shift and others are called back in
- Major or fatal motor vehicle accident investigations
- Augment Downtown patrols to offset when Downtown Unit (DTU) officers aren't working
- Augment for City Council meetings
- Extra shifts required to meet minimum staffing standards when scheduled personnel are absent (e.g., vacation, sick, training, FMLA)
- Court attendance beyond the normal work shift or on days off
- Coverage of special events (e.g., Holiday Parade, Downtown After 5, Shindig)



Fire Pay Plan - Effective June 3, 2017

| Position | Grade | Hours | Step 0 | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | Step 7 | Step 8 | Step 9 | Step 10 | Step 11 | Step 12 | Step 13 | Step 14 | Step 15 | | | |
|-------------------------|-------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|------------|
| Firefighter/Trainer | F1 | A | \$32,630.52 | \$32,630.52 | | | | | | | | | | | | | | | | | |
| | | B | | \$15,687.7 | | | | | | | | | | | | | | | | | |
| Firefighter | F2 | A | \$33,935.72 | \$34,783.84 | \$35,655.08 | \$37,458.46 | \$38,394.98 | \$39,354.90 | \$40,338.74 | | | | | | | | | | | | |
| | | B | \$17,402.9 | \$17,837.9 | \$18,283.9 | \$18,741.0 | \$19,208.5 | \$19,687.7 | \$20,182.0 | \$20,685.5 | | | | | | | | | | | |
| | | C | \$16,315.2 | \$16,723.1 | \$17,141.1 | \$17,569.7 | \$18,008.9 | \$18,458.2 | \$18,920.6 | \$19,395.6 | \$19,882.6 | | | | | | | | | | |
| Senior Firefighter | F3 | A | \$40,603.16 | \$41,481.20 | \$42,388.72 | \$43,324.98 | \$44,298.28 | \$45,308.62 | \$46,354.58 | \$47,437.80 | \$48,558.98 | \$49,718.04 | \$50,917.80 | | | | | | | | |
| | | B | \$21,342.6 | \$21,876.2 | \$22,431.2 | \$23,007.2 | \$23,603.8 | \$24,221.6 | \$24,871.2 | \$25,553.4 | \$26,270.6 | \$27,024.4 | \$27,815.4 | \$28,644.4 | \$29,512.0 | \$30,418.0 | \$31,363.2 | \$32,347.6 | \$33,371.2 | \$34,434.6 | |
| | | C | \$19,520.7 | \$20,087.7 | \$20,677.7 | \$21,290.7 | \$21,927.7 | \$22,589.7 | \$23,276.7 | \$23,989.7 | \$24,729.7 | \$25,507.7 | \$26,323.7 | \$27,178.7 | \$28,073.7 | \$28,999.7 | \$29,957.7 | \$30,947.7 | \$31,970.7 | \$33,027.7 | \$34,119.7 |
| Fire Engineer | F4 | A | \$42,749.88 | \$43,818.84 | \$44,914.48 | \$46,037.16 | \$47,188.18 | \$48,367.80 | \$49,577.06 | \$50,816.48 | \$52,086.58 | \$53,388.18 | \$54,722.76 | \$56,091.88 | \$57,494.06 | \$58,931.34 | \$60,404.76 | \$61,914.84 | | | |
| | | B | \$21,923.0 | \$22,471.2 | \$23,040.8 | \$23,632.0 | \$24,245.2 | \$24,880.8 | \$25,548.4 | \$26,248.4 | \$26,981.2 | \$27,748.8 | \$28,551.6 | \$29,390.0 | \$30,264.4 | \$31,175.2 | \$32,114.0 | \$33,080.4 | \$34,084.0 | \$35,125.6 | \$36,204.8 |
| | | C | \$20,550.0 | \$21,068.8 | \$21,609.2 | \$22,182.4 | \$22,787.2 | \$23,423.2 | \$24,090.8 | \$24,791.6 | \$25,526.0 | \$26,294.4 | \$27,096.4 | \$27,932.8 | \$28,804.0 | \$29,710.4 | \$30,652.0 | \$31,629.6 | \$32,643.2 | \$33,693.6 | \$34,780.0 |
| Fire Specialist | F5 | A | \$45,843.98 | \$46,990.06 | \$48,164.74 | \$49,369.06 | \$50,603.02 | \$51,866.18 | \$53,164.80 | \$54,493.92 | \$55,859.32 | \$57,255.52 | \$58,684.08 | \$60,147.52 | \$61,647.52 | \$63,185.52 | \$64,761.52 | \$66,377.52 | \$68,035.52 | \$69,737.52 | |
| | | B | \$24,097.4 | \$24,699.4 | \$25,317.4 | \$25,951.4 | \$26,611.4 | \$27,298.4 | \$28,012.4 | \$28,753.4 | \$29,521.4 | \$30,316.4 | \$31,139.4 | \$31,990.4 | \$32,869.4 | \$33,777.4 | \$34,714.4 | \$35,680.4 | \$36,676.4 | \$37,702.4 | \$38,758.4 |
| | | C | \$22,043.3 | \$22,591.3 | \$23,159.3 | \$23,747.3 | \$24,355.3 | \$24,993.3 | \$25,661.3 | \$26,360.3 | \$27,090.3 | \$27,841.3 | \$28,614.3 | \$29,419.3 | \$30,256.3 | \$31,125.3 | \$32,016.3 | \$32,939.3 | \$33,894.3 | \$34,881.3 | \$35,891.3 |
| Senior Fire Specialist | F6 | A | \$50,603.02 | \$51,866.18 | \$53,164.80 | \$54,493.92 | \$55,859.32 | \$57,255.52 | \$58,684.08 | \$60,147.52 | \$61,647.52 | \$63,185.52 | \$64,761.52 | \$66,377.52 | \$68,035.52 | \$69,737.52 | \$71,477.52 | \$73,261.52 | \$75,089.52 | \$76,962.52 | |
| | | B | \$26,599.1 | \$27,264.0 | \$27,945.6 | \$28,644.2 | \$29,360.8 | \$30,094.4 | \$30,845.0 | \$31,612.6 | \$32,407.2 | \$33,229.8 | \$34,079.4 | \$34,967.0 | \$35,881.6 | \$36,813.2 | \$37,772.8 | \$38,759.4 | \$39,683.0 | \$40,643.6 | \$41,631.2 |
| | | C | \$24,328.4 | \$24,936.6 | \$25,566.0 | \$26,216.6 | \$26,888.4 | \$27,581.6 | \$28,296.4 | \$29,033.2 | \$29,793.2 | \$30,576.4 | \$31,392.8 | \$32,241.6 | \$33,122.8 | \$34,037.2 | \$34,985.2 | \$35,966.4 | \$36,981.2 | \$38,030.4 | \$39,114.0 |
| Lieutenant | F7 | A | \$51,109.24 | \$52,386.88 | \$53,696.50 | \$55,038.88 | \$56,414.80 | \$57,825.04 | \$59,270.64 | \$60,752.64 | \$62,275.64 | \$63,839.84 | \$65,445.52 | \$67,093.28 | \$68,783.52 | \$70,516.80 | \$72,293.60 | \$74,114.40 | \$75,979.60 | \$77,889.60 | |
| | | B | \$26,209.8 | \$26,865.0 | \$27,536.6 | \$28,224.2 | \$28,937.8 | \$29,677.4 | \$30,443.0 | \$31,234.6 | \$32,052.2 | \$32,895.8 | \$33,775.4 | \$34,691.0 | \$35,642.6 | \$36,630.2 | \$37,654.8 | \$38,716.4 | \$39,814.0 | \$40,943.6 | \$42,104.2 |
| | | C | \$24,571.7 | \$25,151.2 | \$25,751.2 | \$26,372.2 | \$27,014.2 | \$27,677.2 | \$28,361.2 | \$29,075.2 | \$29,819.2 | \$30,593.2 | \$31,397.2 | \$32,231.2 | \$33,095.2 | \$33,989.2 | \$34,913.2 | \$35,867.2 | \$36,851.2 | \$37,875.2 | \$38,929.2 |
| Captain | F8 | A | \$56,414.80 | \$57,825.04 | \$59,270.64 | \$60,752.64 | \$62,275.64 | \$63,839.84 | \$65,445.52 | \$67,093.28 | \$68,783.52 | \$70,516.80 | \$72,293.60 | \$74,114.40 | \$75,979.60 | \$77,889.60 | \$79,843.20 | \$81,841.20 | \$83,884.00 | \$85,971.20 | |
| | | B | \$29,930.6 | \$30,595.2 | \$31,276.2 | \$31,973.8 | \$32,697.4 | \$33,448.0 | \$34,225.6 | \$35,029.2 | \$35,858.8 | \$36,720.4 | \$37,614.0 | \$38,539.6 | \$39,497.2 | \$40,487.8 | \$41,510.4 | \$42,565.6 | \$43,643.6 | \$44,754.8 | \$45,899.2 |
| | | C | \$27,122.5 | \$27,800.6 | \$28,495.5 | \$29,208.0 | \$29,936.2 | \$30,689.4 | \$31,468.6 | \$32,273.8 | \$33,105.0 | \$33,963.4 | \$34,847.8 | \$35,758.2 | \$36,694.2 | \$37,655.6 | \$38,642.0 | \$39,654.4 | \$40,692.4 | \$41,756.8 | \$42,847.2 |
| Safety Training Officer | F9 | A | \$59,270.64 | \$60,752.64 | \$62,275.64 | \$63,839.84 | \$65,445.52 | \$67,093.28 | \$68,783.52 | \$70,516.80 | \$72,293.60 | \$74,114.40 | \$75,979.60 | \$77,889.60 | \$79,843.20 | \$81,841.20 | \$83,884.00 | \$85,971.20 | \$88,103.20 | \$90,280.00 | |
| | | B | \$30,395.2 | \$31,155.2 | \$31,934.1 | \$32,732.4 | \$33,550.7 | \$34,389.5 | \$35,249.2 | \$36,130.4 | \$37,043.0 | \$37,988.0 | \$38,964.4 | \$39,972.4 | \$41,011.6 | \$42,082.4 | \$43,184.8 | \$44,318.8 | \$45,484.4 | \$46,681.6 | \$47,910.4 |
| | | C | \$28,354.0 | \$29,082.9 | \$29,829.9 | \$30,606.6 | \$31,412.6 | \$32,248.6 | \$33,114.6 | \$34,011.6 | \$34,938.6 | \$35,895.6 | \$36,892.6 | \$37,919.6 | \$38,976.6 | \$40,083.6 | \$41,220.6 | \$42,387.6 | \$43,584.6 | \$44,811.6 | \$46,068.6 |
| Chief Officer Battalion | F10 | A | \$66,326.11 | \$67,984.26 | \$69,683.87 | \$71,425.97 | \$73,211.62 | \$75,041.91 | \$76,917.95 | \$78,840.90 | \$80,811.93 | \$82,832.23 | \$84,903.03 | \$87,025.61 | \$89,200.48 | \$91,429.24 | \$93,712.40 | \$96,050.48 | \$98,444.00 | \$100,893.60 | |
| | | B | \$34,073.3 | \$34,863.7 | \$35,675.3 | \$36,508.7 | \$37,364.8 | \$38,245.1 | \$39,149.4 | \$40,077.4 | \$41,029.4 | \$42,004.8 | \$43,004.4 | \$44,028.0 | \$45,075.6 | \$46,147.2 | \$47,238.8 | \$48,352.4 | \$49,488.0 | \$50,644.8 | \$51,823.2 |
| | | C | \$31,887.5 | \$32,668.4 | \$33,470.9 | \$34,295.9 | \$35,144.2 | \$36,015.6 | \$36,909.0 | \$37,825.4 | \$38,764.8 | \$39,727.2 | \$40,711.6 | \$41,726.0 | \$42,761.4 | \$43,817.8 | \$44,896.2 | \$45,996.6 | \$47,118.0 | \$48,260.4 | \$49,423.8 |
| Fire Marshal | F11 | A | \$67,964.26 | \$69,683.87 | \$71,425.97 | \$73,211.62 | \$75,041.91 | \$76,917.95 | \$78,840.90 | \$80,811.93 | \$82,832.23 | \$84,903.03 | \$87,025.61 | \$89,200.48 | \$91,429.24 | \$93,712.40 | \$96,050.48 | \$98,444.00 | \$100,893.60 | \$103,398.40 | |
| | | B | \$34,837.3 | \$35,735.3 | \$36,657.7 | \$37,604.4 | \$38,586.1 | \$39,592.8 | \$40,624.4 | \$41,680.8 | \$42,762.0 | \$43,868.0 | \$44,998.4 | \$46,153.2 | \$47,333.2 | \$48,538.4 | \$49,773.6 | \$51,039.2 | \$52,335.2 | \$53,661.6 | \$55,018.4 |
| | | C | \$32,648.3 | \$33,529.9 | \$34,437.7 | \$35,371.7 | \$36,331.9 | \$37,318.3 | \$38,330.9 | \$39,369.7 | \$40,436.1 | \$41,529.1 | \$42,647.7 | \$43,791.9 | \$44,961.9 | \$46,157.7 | \$47,379.3 | \$48,627.7 | \$49,907.1 | \$51,218.3 | \$52,560.3 |
| Division Chief | F12 | A | \$73,211.62 | \$75,041.91 | \$76,917.95 | \$78,840.90 | \$80,811.93 | \$82,832.23 | \$84,903.03 | \$87,025.61 | \$89,200.48 | \$91,429.24 | \$93,712.40 | \$96,050.48 | \$98,444.00 | \$100,893.60 | \$103,398.40 | \$105,958.40 | \$108,573.60 | \$111,244.80 | |
| | | B | \$37,544.4 | \$38,483.1 | \$39,445.1 | \$40,431.2 | \$41,441.2 | \$42,475.1 | \$43,542.8 | \$44,644.4 | \$45,780.0 | \$46,948.8 | \$48,150.0 | \$49,385.2 | \$50,654.0 | \$51,956.4 | \$53,291.2 | \$54,659.2 | \$56,060.4 | \$57,495.2 | \$58,964.8 |
| | | C | \$35,197.9 | \$36,079.9 | \$36,995.9 | \$37,946.9 | \$38,932.9 | \$39,954.9 | \$41,012.9 | \$42,097.9 | \$43,211.9 | \$44,355.9 | \$45,530.9 | \$46,737.9 | \$47,967.9 | \$49,231.9 | \$50,521.9 | \$51,838.9 | \$53,183.9 | \$54,557.9 | \$55,961.9 |



Police Pay Plan - Effective June 3, 2017

| Position | Grade | Hours | | Step 0 | |
|-----------------------|-------|-------|------|-------------|-------------|
| | | B | 2080 | \$35,722.96 | \$17,174.5 |
| Police Trainee | P1 | B | 2080 | \$35,722.96 | \$17,174.5 |
| Police Officer | P2 | B | 2080 | \$37,531.26 | \$18,043.9 |
| | | | | \$39,431.08 | \$19,431.2 |
| Senior Police Officer | P3 | B | 2080 | \$44,321.16 | \$21,308.2 |
| | | | | \$45,428.76 | \$21,840.8 |
| Master Police Officer | P4 | B | 2080 | \$53,501.76 | \$27,699.8 |
| | | | | \$54,839.20 | \$28,392.2 |
| Police Sergeant | P5 | B | 2080 | \$66,549.67 | \$33,397.1 |
| | | | | \$68,213.50 | \$34,558.4 |
| Lieutenant | P6 | B | 2080 | \$79,176.93 | \$39,926.3 |
| | | | | \$81,155.52 | \$41,111.32 |
| Captain | P7 | A | 1950 | \$94,115.84 | \$46,063.8 |
| | | | | \$96,189.02 | \$48,084.32 |

| Position | Grade | Hours | | Step 0 | | Step 1 | | Step 2 | | Step 3 | | Step 4 | | Step 5 | | Step 6 | | Step 7 | | Step 8 | | |
|-----------------------|-------|-------|------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | B | 2080 | \$37,531.26 | \$39,431.08 | \$41,427.36 | \$43,522.12 | \$45,717.88 | \$48,013.64 | \$50,409.40 | \$52,905.16 | \$55,500.92 | \$58,196.68 | \$60,992.44 | \$63,588.20 | \$66,283.96 | \$69,079.72 | \$71,875.48 | \$74,671.24 | \$77,467.00 | \$80,262.76 | |
| Police Officer | P2 | B | 2080 | \$37,531.26 | \$39,431.08 | \$41,427.36 | \$43,522.12 | \$45,717.88 | \$48,013.64 | \$50,409.40 | \$52,905.16 | \$55,500.92 | \$58,196.68 | \$60,992.44 | \$63,588.20 | \$66,283.96 | \$69,079.72 | \$71,875.48 | \$74,671.24 | \$77,467.00 | \$80,262.76 | |
| Senior Police Officer | P3 | B | 2080 | \$44,321.16 | \$45,428.76 | \$46,536.36 | \$47,643.96 | \$48,751.56 | \$49,859.16 | \$50,966.76 | \$52,074.36 | \$53,181.96 | \$54,289.56 | \$55,397.16 | \$56,504.76 | \$57,612.36 | \$58,719.96 | \$59,827.56 | \$60,935.16 | \$62,042.76 | \$63,149.36 | |
| Master Police Officer | P4 | B | 2080 | \$53,501.76 | \$54,839.20 | \$56,176.64 | \$57,514.08 | \$58,851.52 | \$60,188.96 | \$61,526.40 | \$62,863.84 | \$64,148.72 | \$65,465.60 | \$66,782.48 | \$68,099.36 | \$69,416.24 | \$70,733.12 | \$71,949.92 | \$73,266.72 | \$74,583.52 | \$75,899.36 | |
| Police Sergeant | P5 | B | 2080 | \$66,549.67 | \$68,213.50 | \$69,918.83 | \$71,666.69 | \$73,458.41 | \$75,294.77 | \$77,177.35 | \$79,106.67 | \$81,084.32 | \$83,111.32 | \$85,189.02 | \$87,312.72 | \$89,482.62 | \$91,698.62 | \$93,960.72 | \$96,268.92 | \$98,623.32 | \$101,024.72 | |
| Lieutenant | P6 | B | 2080 | \$79,176.93 | \$81,155.52 | \$83,184.61 | \$85,264.20 | \$87,396.31 | \$89,580.94 | \$91,820.11 | \$94,115.84 | \$96,461.74 | \$98,858.84 | \$101,307.14 | \$103,806.64 | \$106,357.34 | \$108,959.24 | \$111,612.34 | \$114,316.64 | \$117,072.14 | \$119,878.84 | \$122,736.74 |
| Captain | P7 | A | 1950 | \$94,115.84 | \$96,189.02 | \$98,368.04 | \$100,652.12 | \$102,941.24 | \$105,335.40 | \$107,734.64 | \$110,138.96 | \$112,548.44 | \$114,963.08 | \$117,382.88 | \$119,806.92 | \$122,236.12 | \$124,670.48 | \$127,109.92 | \$129,554.44 | \$132,004.04 | \$134,458.80 | \$136,918.72 |



MEMORANDUM TO: Mayor and Council Members

FROM: Ken Putnam, PE, Transportation Department Director

VIA: Cathy Ball, Interim City Manager

DATE: April 10, 2018

SUBJECT: Parking-Related Items

The purpose of this memorandum is to provide information regarding potential ideas to create additional parking revenue as a follow-up to the Finance Committee Budget Update Work Session on March 29, 2018.

The Parking Enterprise Fund, which was established on June 2, 1987 by City Council via Resolution # 87-97, has been self-sufficient for the past several years and it receives no revenue from the General Fund. The two primary revenue sources include on-street parking (meters) and off-street parking (four garages). As a reminder, revenues from off-street parking can be used for any public purpose while revenues from on-street parking must be used to defray the cost of enforcing and administering traffic and parking ordinances and regulations. The Finance Department has prepared annual Profit & Loss Statements for the parking garages for the past three years. For FY 2016-17, the net revenues over expenses totaled \$405,000 including the debt service for the Biltmore Avenue Garage (It does not include the annual \$616,000 transfer to the Transit Enterprise Fund).

The Finance Committee asked staff to benchmark the city's current hourly rates with Buncombe County and the results are shown in Table 1.

Table 1 - Hourly Rate Comparison

| | First Hour | Add'l Hours | Daily Maximum | Parking Spaces |
|----------------------------------|--|-------------|---------------|----------------|
| Buncombe County (2 garages) | \$2.00 (\$1.00 per each 30 minutes) | \$1.00 | \$12.00 | 1,310 |
| City of Asheville (4 garages) | Free | \$1.25 | \$10.00 | 1,437 |

Note: At this time, monthly accounts are not available in Buncombe County's garages.

Several years ago, City staff and the downtown business community worked together and agreed that a rate differential in the hourly rates should be created between on-street parking and off-street parking to help encourage turnover for on-street parking and to encourage longer

parking periods in the garages. This differential includes two parts; first hour free and a specific hourly rate differential (the current hourly meter rate is \$1.50 compared to \$1.25 in the garages).

Potential Revenue Options:

Increase monthly rates in garages: Depending on the garage, monthly rates range from \$40 (discounted rate) to \$140. Currently, there are 950+ monthly account holders generating about \$750,000 annually. Raising the monthly rates by \$10 would generate a potential increase of \$100,000 annually.

Eliminate first hour free: Based on the current annual transient transactions occurring in the four parking garages, staff estimates that eliminating the first hour free would generate a potential increase of \$1,000,000 annually.

Increase Daily Maximum: Based on the current annual transient transactions that exceed the \$10 daily maximum in the four parking garages, staff estimates that raising the daily maximum to \$12 would generate a potential increase of \$60,000 annually.

Please let me know if additional information is needed.



MEMORANDUM TO: Mayor and Council Members

FROM: Ken Putnam, PE, Transportation Department Director

PREPARED BY: Elias Mathes, Transit Planning Manager

VIA: Cathy Ball, Interim City Manager

DATE: April 10, 2018

SUBJECT: Transit-Related Items

The purpose of this memorandum is to provide information regarding potential expansions of transit service hours.

The Transit Planning Division is in the process of developing a new Transit Master Plan (TMP) which will replace the current plan, developed in 2009. The Draft Plan is scheduled to be presented to City Council at the June 19 meeting. The key goals of the TMP will be increased service frequency, expanded service hours, and future service into areas outside the existing coverage area. In order to meet these goals, the plan will call for a significant increase in transit spending over the next several years, have a major impact on the lives of existing transit users, and will help make the system more accessible to potential transit users. Implementation of changes and service expansion are planned to begin in Fiscal Year 2019-20 (FY20), with additional expansions recommended over the next decade.

Aside from daily work, the Transit Planning Division is also focused on a number of other major projects which will help support the implementation of the TMP:

- Implementation and oversight of the new Transit Operations and Maintenance Contract
- ART Station renovation project
- Oversight of new federal grants and grant subrecipients
- Purchase of five new electric vehicles (onboarding analysis training)
- Federal Triennial Review Preparation

Transit Staffing Needs

Due to existing heavy workload and limited staff time, conducting a service expansion in FY19 will impact staff capacity to implement other projects, especially the TMP. Creation of a new Transit Planner Position would help ensure that transit projects are delivered on time and implemented effectively. This new position will also ensure that appropriate outreach efforts are made to avoid negatively impacting existing riders and to promote transit services to potential riders. The additional cost of this position would be \$86,000 for FY19.

FY19 Potential Service Expansion

Under the current Transit Operations and Maintenance Contract, if the number of Revenue Hours is increased by more than 20% of the original amount specified in the contract, that would trigger a renegotiation of the contract rates. The Transit Committee recommended adding 12 additional daily services hours in FY19. Due to schedule requirements for service changes, it is likely that this service could not be implemented until January 1, 2019.

| FY19 Proposed Service Expansion - 12 Additional Daily Service Hours | |
|--|-----------|
| Total Additional Annual Revenue Hours | 4356 |
| FY19 Cost per Revenue Hour | \$41.89 |
| Full Year Cost of Service Expansion | \$183,000 |

Staff Recommendation

Staff recommends that the Transit Planner position be funded in FY19 and that any service expansions be considered for FY20. This will allow staff to focus efforts during FY19 on building up the fleet, facilities, and staffing levels needed to properly implement the TMP beginning in FY20. The final recommendations from the TMP can then be programmed into the budget and Transit Operations and Maintenance Contract with FY20 as the starting year, which will define a clear plan for long term transit growth.

STAFF REPORT

To: Mayor and Council Members Date: April 10, 2018
From: Peggy Rowe, Interim Assistant City Manager
Via: Cathy Ball, Interim City Manager
Subject: Salary Adjustments FY 2019

Summary Statement: At last week’s meeting, the Finance Committee directed staff to consider and provide options to Council which include various FY 2019 salary increase percentages for employees. Additionally staff was asked to compute scenarios where salaries would be adjusted at certain levels of the employee population but not include all levels of employees. Below please find a chart with various cost scenarios related to salary adjustments for City employees for FY 2019.

Review: On average, salaries in the US are expected to increase 3% in 2018. This projection is according to Korn Ferry and Bureau of Labor Statistics. Additionally, some sources predict a 2% inflation rate thus lowering the “real wage” increase. The unemployment rate in the U.S. is 4.1% and in Asheville is 3.5% making this truly an employees’ market. The City of Asheville aspires to be a premier employer and as such must maintain a competitive compensation plan. Freezing salaries in a booming economy creates challenges in attracting and retaining high performing employees.

A decision on the part of Council to exclude employees earning over \$50,000 from receiving an increase will impact approximately 400 employees for a savings of \$956,000. Should Council exclude employees earning over \$80,000 it will impact approximately 44 employees who would receive no salary increase for a savings of \$284,800.

In order to avoid exacerbating an existing challenge of salary compression I recommend that any salary increase afforded to employees include all full time and part time benefited employees.

Fiscal Impact: Fiscal impact will vary depending on the option selected. One half (½) % salary increase for all employees represents approximately \$300,000.

Recommendation: Staff recommends salaries for all full time and part time benefited employees be adjusted by 3% effective July 7, 2018, the first pay period in July.

| | | |
|--------------------------------------|--------------------------------------|------------------------|
| Based on 3% salary increase | | |
| Exclude employees earning over \$50k | Exclude employees earning over \$80k | Exclude all Executives |
| \$956,000 | \$284,800 | \$166,250 |