

BUDGET SUMMARY - REVENUES

<u>Revenue Sources:</u>	2011-12 Actual	2012-13 Actual	2013-14 Budget	2014-15 Proposed
Property Tax	46,800,092	46,891,865	51,606,975	52,103,473
Charges For Service	45,305,834	45,272,645	49,296,623	52,330,539
Intergovernmental	15,187,531	13,994,461	14,095,571	14,307,480
Sales & Other Taxes	16,258,875	17,067,516	18,084,277	18,704,766
Licenses & Permits	4,901,834	5,955,454	5,213,690	5,682,010
Investment Earnings	346,925	152,398	332,677	245,324
Parking Fees	3,249,254	3,865,516	3,840,200	4,024,663
Miscellaneous	2,267,297	2,359,072	1,349,358	1,535,795
Other Financing Sources	<u>3,621,941</u>	<u>6,642,395</u>	<u>11,993,691</u>	<u>5,979,904</u>
Total Revenue	137,939,583	142,201,322	155,813,062	154,913,954
Less: Interfund Transactions	(5,245,835)	(6,164,308)	(6,506,822)	(7,415,198)
Net Revenue	<u>132,693,748</u>	<u>136,037,014</u>	<u>149,306,240</u>	<u>147,498,756</u>

BUDGET HIGHLIGHTS

- The property tax, which comprises 35% of total revenue, is the single largest source of revenue for the City. The proposed FY 2014-15 budget maintains the current tax rate at 46 cents per \$100 of assessed valuation. Based on projections received from the Buncombe County Tax Office, staff is budgeting a 0.9% increase in property tax revenue in FY 2014-15.
- Most of the revenue in the charges for services category, approximately \$34.4 million, comes from water utility charges. In April, City Council approved minor rate adjustments for the 2014-15 fiscal year based on the Raftelis financial model. These rate adjustments are expected to generate approximately \$460,000 in additional revenue. Overall, revenue from charges for services is budgeted to increase by 6.1% in FY 2014-15. Much of this increase is in the Stormwater Fund, where rate adjustments are projected to produce \$1.9 million in additional revenue.
- Based on statewide projections from the North Carolina League of Municipalities and local trend data, staff is projecting a 3.4% budget-to-budget increase in sales tax revenue in FY 2014-15.
- Intergovernmental revenue, which includes state-shared utility taxes as well as Powell Bill funding, is budgeted to increase 1.5% in FY 2014-15.
- Revenue from licenses and permits shows a 9.0% increase. Part of this increase is the result of an upward adjustment in the budget for business privilege licenses to reflect actual collections from the prior year. In addition, based on current trends, staff is budgeting a \$300,000 increase in license and permit revenue in the Development Services Department (DSD).
- The budget for investment earnings revenue in the Water Resources Fund is reduced to reflect recent trends.
- The other financing sources budget includes items such as interfund transfers and fund balance appropriations. The large decrease in this category in FY 2014-15 is due to the removal of the \$8.3 million FY 2013-14 fund balance appropriation in the Water Resources Fund which has been discussed in other sections of the budget document. The FY 2014-15 proposed general fund budget includes a \$2.0 million fund balance appropriation. The City ended FY 2012-13 with available fund balance of \$15.4 million, which equated to 17.6% of expenditures. Based on current revenue and expenditure projections for FY 2013-14, staff estimates that the City will end the year with sufficient fund balance to appropriate \$2.0 million for budget purposes and maintain a fund balance that exceeds the City's 15% policy target.