

Memorandum

To: Gary W. Jackson, City Manager Date: March 31, 2017

From: Tammy Hooper, Chief of Police

Subject: APD Multi-Year Work Plan - "Safer Together"

Review:

The City Council vision for Asheville, adopted in January 2016, seeks to continue to be a city where all people experience a high quality of life. To sustain that vision, it is important to acknowledge communities are complex and constantly-changing systems. The Asheville Police Department's (Police Department) Multi-Year Work Plan known as "Safer Together", lays out a strategic approach for supporting a basic community need, safety (Attachment A).

This core city government service is one part of a complex system. Investments in safety will complement city priorities in areas that address other basic needs; such as food security (food action plan), water (water utility) and shelter (affordable housing). These simultaneous investments in core basic needs will enhance our entire community, recognizing that attention must be given to each in order to sustain a high quality of life.

The Police Department's Multi-Year Work Plan outlines the goals, objectives and action items intended to assist it in providing service to the community in pursuit of its vision which states, in part, the following:

The Asheville Police Department is committed to being the leading professional, progressive, and community focused police department in the State of North Carolina by promoting the highest standards of performance, best practices, and accountability that reflect our values and those of the community we serve.

As outlined below, the Police Department has submitted a maintenance budget for Fiscal Year 2018 which would continue the current level of response to demand for police services. In addition, this memo outlines the future funding implications associated with the implementation of the Multi-Year Work Plan.

Background:

Asheville, a community that is recognized as a great place to live based on its high quality of life and access to outdoor recreation and cultural resources, is described by Google's Asheville Travel Guide as being "known for a vibrant arts scene and historic architecture...[T]he vast 19th-century Biltmore estate displays artwork by masters like Renoir. The Downtown Art District is filled with galleries and museums, and in the nearby River Arts District, former factory buildings house artists' studios."

Based on the community's quality of life and vitality, Asheville has realized significant growth in population, development and tourism over the past decade. During that time, the community's residential population has grown to an estimated 90,000, while its daytime population is estimated at 161,000 (28,000 from tourism (18%), 44,000 from commuters (27%), 89,000 from residents (55%))¹. From a development perspective, the Department of Planning and Urban Development lists 22 large scale development projects in the downtown area alone. Additional development and growth has and continues to occur throughout the community including but not limited to South Asheville and the River Arts District. In addition, according to the Tourism Development Authority approximately eight million people visited the community in 2009, rising to over ten million visitors by 2015.

There is no question that Asheville is a booming and vibrant place to live and be. At the same time, the draw of the community as a choice place to live, regional employment hub and tourism also presents challenges related to such growth. An example of the challenges presented by such growth is the impact on livability ratings. While Areavibes.com livability ratings for Asheville acknowledge the amenities and other community characteristics with an A+ rating, it rates the community with an F for crime. In doing so, it states in part that:

- for 2015 “the overall crime rate in Asheville is 90% higher than the national average,” and 75% higher than the rest of North Carolina; and
- “in Asheville you have a 1 in 19 chance of becoming a victim of any crime”; and
- gives Asheville very low ratings in terms of safety.
- Asheville has 2.9 police employees per 1,000 residents in comparison to 4.8 police employees per 1,000 residents across North Carolina.

It is important to recognize that Asheville is generally a safe community in which to live, work and play. At the same time, unless resources are provided to address the challenges that come with growth, the trends recognized by sources such as Areavibes.com could continue to negatively impact the perceived and real sense of the community.

Workload

Ultimately, the growth of the City has created a substantial increase in demand for services by all City departments, including the Police Department. Calls for service have increased by over 1,000 per year for the past eight years and are projected to continue at or above that rate with the city's current planned growth.

Calls for service are only one of the measures of officer workload. In addition to calls for service, officers are expected to conduct traffic enforcement, foot and bike patrols, and employ community policing practices to improve trust, among a host of other duties. Although there has

¹ “The Economic Impact of Tourism in Buncombe, North Carolina, 2014 Analysis,” by Tourism Economics, June 2015.

been substantial growth in officer workload, additional positions have not been added to the Police Department to address the growth in demand for police services.

Growth has and continues to occur across the Asheville community. While the level of service for Downtown is detailed below, it is important to acknowledge the growth and corresponding impacts in areas such as South Asheville (increased population and development from Biltmore Park to the Airport Road corridor) and West Asheville. In an effort to maintain and maximize the level of service and response times across the community, patrol districts were restructured in 2015 without the addition of personnel resources. Those efforts have resulted in limited success with the Department struggling to maintain current levels of service without modifying the type and timing of calls to which service can be provided.

Downtown Level of Service

In order to address the impact of growth in popularity and corresponding crime and nuisance issues, the Downtown Unit (DTU) was created in 2010 to supplement the beat officer assigned to handle the area and reduce the use of overtime to fill the service needs. The mission of the DTU is to employ community policing strategies and proactive enforcement to ensure a safe environment for downtown visitors, residents, and businesses. By early 2015, due to the increase in workload demands, the DTU was expanded to two shifts (each with six officers and a supervisor). In the second half of 2015, the DTU was expanded again to include a second night shift to increase the days of coverage. Formation and growth of the DTU was implemented without the addition of any new personnel resources within the Police Department. Instead, internal vacancies in Criminal Investigations, Drug Suppression, Traffic and other units have been left vacant to support the initiative. In addition to the beat officer and the DTU, four to six officers are hired back on overtime each day to address the level of activity and calls in the downtown.

In 2016, officers working in the area of the downtown handled approximately 21% of all calls for service in the City. In addition they spent more than 300 hours in community and downtown stakeholder meetings, made more than 14,000 contacts with downtown businesses, worked over 300 permitted special events, innumerable non-permitted free speech assemblies, and collected sock, food and toy donations to assist area homeless.

Investments to maintain community-wide level of service

While the Police Department has worked hard over the past decade to maintain current levels of service in a community experiencing community-wide growth without additional personnel resources, it has reached its limit of capacity to continue the current level of service to residents.

Fiscal Year 2018 Continuation Budget Request

In order to *maintain* the Police Department's ability to handle the increasing demand for services in a manner that addresses crime, violence, and quality-of-life issues through modern, evidence based strategies integrated with the principles of community policing, additional sworn officers are needed in Fiscal Year 2018. In recent years, the Police Department - with support of city management, the community and City Council - has made great strides in moving the culture of policing in Asheville towards 21st century policing practices that employ the elements of procedural justice and ensure equitable, fair and impartial policing. In order to continue that momentum and move towards these common objectives, the Police Department has submitted a continuation budget request to the City Manager seeking the addition of 12 patrol officers, two sergeants and one lieutenant position for Fiscal Year 2018.

The addition of the requested positions will enable the Police Department to do the following:

- Restructure current patrol districts in a manner that evenly distributes the workload across the city and maintains or improves the current level of service and response times;
- Respond to the increasing demand for services across the community influenced by growth;
- Evolve the DTU into a fully functioning district which operates on a 24 hour/ 7 day a week basis expanding the area to include the rapidly growing South Slope and River Arts District. Due to the time required to hire and train a sufficient number of officers, the targeted date for implementation of the district is Fiscal Year 2020 (July 1, 2019). Efforts to enhance retention within the Police Department could speed up the targeted implementation date; and
- Continue to meet the increasing demand for services within the proposed area, reassign current district resources to better meet the growing needs of other areas of the City as described above and through the addition of a beat officer to the South Asheville area.

Without the investment of these resources, the Police Department will need to reallocate existing resources and prioritize calls for service. As a result, the Police Department's capacity to conduct foot and bicycle patrols, increase citizen engagement, partner with community members and organizations, and mentor youth will be diminished and eventually prove impossible. Other proactive activities such as traffic enforcement and safety, preventative patrols, and community meetings would also have to be reconsidered.

Fiscal Impact - Fiscal Year 2018

The Police Department has worked with the City Manager's Office and Finance Department to identify options to implement this continuation budget within the City's Manager's Recommended FY 2017-18 Budget which will be presented to City Council on May 9. As such, the following plan is proposed for consideration:

Capital Impact - Fiscal Year 2018

In the first year of the plan, the Police Department will need to purchase an additional eight (8) patrol vehicles at a cost of \$384,000. Staff is recommending that this capital purchase be funded with an appropriation of fund balance.

Operating Budget Impact - Fiscal Year 2018

Personnel costs for the 12 patrol officers, two sergeants and one lieutenant position would be funded at 50% in the first year of the plan at a cost of \$469,000. Equipment and uniform costs are estimated at \$98,000, for a total first year operating cost of \$567,000.

Future Investments - Police Department Multi-Year Plan

In support of the Police Department's Multi-Year Work Plan which is focused on moving the culture of policing in Asheville towards 21st Century policing practices through the employment of the elements of procedural justice and ensure equitable, fair and impartial policing, a chart listing anticipated investments beyond Fiscal Year 2018 is attached.

The Police Department appreciates the opportunity to continue to partner with the City Manager's Office and City Council in implementing a work plan that continues to maximize the high quality of life that the Asheville community enjoys.

ATTACHMENTS:

- A. Police Department Multi-Year Work Plan
- B. Downtown District Four Year Investment Layout
- C. Current and Proposed Allocation Maps



Asheville Police Department Multi-Year Work Plan

FY16/17 to FY 18/19

Table of Contents

Introduction.....	2
Vision Statement.....	3
Mission Statement	3
Core Values.....	3
Goals and Operational Objectives.....	4
Goal 1 Actions – Strategic Goals and Objectives	5
Goal 2 Actions – Crime Reduction	5
Goal 3 Actions – Accountability, Credibility and Community Relations	6
Goal 4 Actions – Resource Management	8
Goal 5 Actions - Employee Development	9
Goal 6 Actions - Technology	11
Goal 7 Actions - Accreditation	12
Population Trends, Anticipated Workload, and Personnel Levels.....	14
Population Trends.....	14
Anticipated Workload	14
Personnel Levels	15
Current and Projected Capital Improvement Needs.....	16
Technology and Equipment Needs	17

Introduction

The City of Asheville Police Department (Police Department), serving the residents and visitors of the largest city in Buncombe County, is fully accredited by the Commission on Accreditation for Law Enforcement Agencies (CALEA). The Police Department, first accredited in 1994, continually strives to maintain high standards in the law enforcement community.

While looking to the future, it is imperative that the Police Department develop a long term, multi-year work plan that considers factors such as increased population, additional workload demands along with the anticipated improvements and investments necessary to maintain the level of service expected by the community.

As the City continues to evolve and prosper, the Police Department faces unique challenges inherent with the community's growth and expansion.

The information contained in this Multi-Year Work Plan (Work Plan) represents a comprehensive three year work plan that formulated through a collaborative internal process. It also represents a consolidation of the Police Department's Strategic Operations Plan and recommendations contained within the Organizational Assessment completed by Matrix Consulting Group in March 2015. The focus areas within this Work Plan are strongly influenced by these documents as well as ensuring alignment with the City Council's 2036 VISION.

The Police Department's Work Plan is designed to be iterative – a guiding document that is constantly reviewed, updated and aligned with our community's values. It is intended to maximize the Police Department's ability to effectively manage resources, provide accountability through measured results, and adjust to change. Successful planning requires the fortitude to change course when opportunities and community demands arise.

As with any community, the landscape of Asheville continues to evolve. As such, it is imperative that the Police Department continue to develop and nurture partnerships, build trust, and instill confidence in its ability to maximize the community's quality of life by providing a high performing law enforcement services. This Work Plan is intended to be a roadmap for achieving both short and long term goals.

Vision Statement

The Asheville Police Department is committed to being the leading professional, progressive, and community focused police department in the State of North Carolina by promoting the highest standards of performance, best practices, and accountability that reflect our values and those of the community we serve.

We are united in partnership with our community and city in our commitment to addressing crime, violence, and quality of life issues through modern, evidence based strategies integrated with proven problem solving tactics and adherence to the principles of community policing.

The Asheville Police Department is accountable to protect our citizens by enforcing the laws of the State of North Carolina and upholding the United States Constitution through fair and impartial policing, treating all individuals with dignity and respect.

We strive to hire, retain and promote the most talented and loyal officers and staff who demonstrate the highest level of integrity and dedication to our profession by ensuring access to training, development and advancement opportunities, providing clear communication of our expectations, and rewarding innovation and commitment to duty.

Mission Statement

The City of Asheville Police Department is dedicated to providing public safety and maintaining order, enforcing the laws of North Carolina, upholding the United States Constitution and enhancing National Security. The City of Asheville is committed to supporting a safe city with safe neighborhoods.

Core Values

City of Asheville

Continuous Improvement - Asheville Employees are trained professionals who improve service delivery by balancing needs, resources and innovation.

Integrity - Asheville employees demonstrate character with courage, honesty and pride.

Diversity - Asheville employees value and respect a diverse community, workforce and ideas.

Safety and Welfare - Asheville employees value the safety and welfare of our employees and the citizens we serve.

Excellent Service - Asheville employees strive to address needs with courtesy, compassion, timeliness, efficiency and commitment.

Asheville Police Department

Integrity - Honesty, compassion, trust, and accountability. Police Officers have the courage to do what is morally, ethically, and legally right regardless of risk.

Fairness - The Police Department will treat everyone impartially without favoritism or bias.

Respect - The Police Department will treat everyone with dignity and courtesy without prejudice.

Professionalism - The Police Department will deliver quality services through cooperation, open communication and a commitment to continuous improvement.

Goals and Operational Objectives

Long-Term Agency Goals

Goal 1: Strategic Goals and Objectives - Annually review and update strategic goals and objectives and implement best practices as we evolve.

Goal 2: Crime Reduction - Reduce crime by ensuring timely, thorough, and efficient investigation of major crimes and trends with a focus toward evidence-based practices, prevention, suspect apprehension, case closures, and successful prosecutions.

Goal 3: Accountability, Credibility and Community Relations - Implement programs, training and initiatives to promote accountability and strengthen relationships between the department and diverse communities.

Goal 4: Resource Management - Implement an updated and efficient process for personnel, equipment, and unit inspections with a focus on accountability.

Goal 5: Employee Development - Promote recruiting, career development opportunities, and future leadership of the department.

Goal 6: Technology - Keep pace with emerging concepts and technologies to direct police services for the greatest effect.

Goal 7: Accreditation - Review and update departmental policies and procedures in accordance with nationally accepted standards and maintain the department's accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA).

Goal 1 Actions – Strategic Goals and Objectives

Annually review and update strategic goals and objectives and implement best practices as we evolve.

FY 2016/2017 - **Special Services Division:** Annually review and report on the department's
FY 2018/2019 MYP performance measures and update strategic goals and objectives accordingly.

All Major Organizational Components: Provide follow-up assessments to the Special Services Division by the end of each fiscal quarter on progress toward goals and objectives in the MYP.

Goal 2 Actions – Crime Reduction

Reduce crime by ensuring timely, thorough, and efficient investigation of major crimes and trends with a focus toward evidence-based practices, prevention, suspect apprehension, case closures, and successful prosecutions.

FY 2016/2017: **Administrative Services Division:** Provide complete, accurate, timely and integrated crime analysis reports that assist in planning and resource deployment through geographical and intelligence-based analysis of crime.

Investigations and Support Operations Division: Designate a current detective position to conduct a thorough review of cold cases as a primary duty.

Investigations and Support Operations Division: Obtain full authorized staffing at the Family Justice Center (FJC) by maintaining four Special Investigations Unit Detectives and one Sergeant at the FJC.

Patrol Operations Division: Employ evidence-based responses and preventative measures to reduce Part One Crime by 5% in each Patrol District.

FY 2017/2018: **Administrative Services Division:** Provide complete, accurate, timely and integrated crime analysis reports that assist in planning and resource deployment through geographical and intelligence-based analysis of crime.

Investigations and Support Operations Division: Achieve full authorized supervisory staffing in Criminal Investigations to support staff and their investigative efforts.

Investigations and Support Operations Division: Achieve and maintain full authorized staffing of Detectives in Criminal Investigations.

Investigations and Support Operations Division: Evaluate and recommend any changes to the Forensic Services Unit.

Patrol Operations Division: Employ evidence-based responses and preventative measures to reduce Part One Crime by 5% in each Patrol District.

FY 2018/2019: **Administrative Services Division:** Continue to provide complete, accurate, timely and integrated crime analysis reports that assist in planning and resource deployment through geographical and intelligence-based analysis of crime.

Investigations and Support Operations Division: Achieve full authorized supervisory staffing in Criminal Investigations to support staff and their investigative efforts.

Investigations and Support Operations Division: Maintain full authorized staffing of Detectives in Criminal Investigations.

Patrol Operations Division: Continue to employ evidence-based responses and preventative measures to reduce Part One Crime by 5% in each Patrol District.

Goal 3 Actions – Accountability, Credibility and Community Relations

Implement programs, training and initiatives to promote accountability and strengthen relationships between the department and diverse communities.

FY 2016/2017: **All Major Organizational Components:** Develop a Community Liaison Program to increase and improve communication and trust between APD and the diverse neighborhoods and organizations of Asheville.

Administrative Services Division: Implement and administer a body-worn camera system with the assistance of the newly hired Law Enforcement Technology Specialist.

Special Services Division: Identify and implement quality diversity training, implicit bias and de-escalation training for all department personnel.

Operations Bureau: Implement the phased-in use of body-worn cameras in the Patrol Operations Division as the devices become available.

FY 2017/2018: **All Major Organizational Components:** Implement the Community Liaison Program to increase and improve communication and trust between APD and the diverse neighborhoods and organizations of Asheville.

Administrative Services Division: Manage access and security of body-worn camera data to promote departmental transparency while maintaining personnel and investigative confidentiality as required by law and policy.

Special Services Division: Identify and implement quality diversity training, implicit bias and de-escalation training for all department personnel.

Patrol Operations Division: Expand the use of body-worn cameras to include all operational personnel as equipment becomes available.

FY 2018/2019: **All Major Organizational Components:** Continue the Community Liaison Program to increase and improve communication and trust between APD and the diverse neighborhoods and organizations of Asheville.

Administrative Services Division: Continue to manage access and security of body-worn camera data to promote departmental transparency while maintaining personnel and investigative confidentiality as required by law and policy.

Special Services Division: Identify and implement quality diversity training, implicit bias and de-escalation training for all department personnel.

Operations Bureau: Review, maintain and update the body-worn camera program and policy.

Investigations and Support Operations Division: Review and update the Citizen's Police Academy course and delivery platform to ensure it meets current community needs and expectations.

Goal 4 Actions – Resource Management

Implement an updated and efficient process for personnel, equipment, and unit inspections with a focus on accountability.

FY 2016/2017: **Special Services Division:** Implement staff/line inspections, digitally record and manage all inspections and audit for accuracy and timeliness. Identify areas for improvement and suggest changes to enhance performance and effectiveness.

Special Services Division: Continue the purge of property from the old property room, with a projected timeline for completion in 12 months. Publish quarterly reports on purge progress and update the projection for completion as necessary.

Special Services Division: Work with the Administrative Services Manager to eliminate the intake of all non-evidentiary case file items to the Property Section through implementation of the Electronic Records Policy.

Financial Services Section: Through the Financial Services Manager, ensure that adequate resources and technology are available to track and inventory all agency assets, with the primary goal to establish or procure software that enables tracking of all equipment. An annual audit will be conducted of all department equipment.

Investigations and Support Operations Division: Formalize a process that better tracks the agency's efforts in addressing traffic complaints.

FY 2017/2018: **Special Services Division:** Digitally record and manage all line inspections and audit for accuracy and timeliness.

Special Services Division: Complete inventory and purge of all property from the old property room.

Financial Services Division: Through the Financial Services Manager, ensure that adequate resources and technology are available to track and inventory all agency assets, with the primary goal to establish or procure software that enables tracking of all equipment. An annual audit will be conducted of all department equipment.

Investigations and Support Operations Division: Review and recommend whether the Department will continue with the DWI Task Force efforts when the funding source ceases at the conclusion of 2017.

Patrol Operations Division: Ensure 100% of TASER operators are CIT trained.

FY 2018/2019: **Special Services Division:** Digitally record and manage all line inspections and audit for accuracy and timeliness.

Special Services Division: Continue to inventory and purge all eligible property items to prevent a backlog.

Financial Services Division: Through the Financial Services Manager, ensure that adequate resources and technology are available to track and inventory all agency assets, with the primary goal to establish or procure software that enables tracking of all equipment. An annual audit will be conducted of all department equipment.

Goal 5 Actions - Employee Development

Promote recruiting, career development opportunities, and future leadership of the department.

FY 2016/2017: **Special Services Division:** Continue to forecast vacancies and maintain an on-going list of eligible applicants using the recruitment plan. Focus recruitment efforts on qualified minority applicants to reflect the diversity of the community.

Patrol Operations Division: Increase the number of CIT trained patrol officers by 20% annually until all patrol officers are CIT trained.

Patrol Operations Division: Provide extra CIT classes to train all current TASER certified officers ensuring that all TASER certified officers are trained by FY-2018.

Patrol Operations Division: Be courteous and professional to our customers while providing superior service. Reduce sustained courtesy complaints by 20%. Provide training opportunities and recommendations for those officers that may benefit. Develop a process for call auditing by supervisors.

Patrol Operations Division: In conjunction with Recruitment and Career Development, devise a career progression plan for patrol officers that identify core training competencies that each member of patrol can achieve, and flexible timelines for them to achieve their goals for knowledge and career advancement opportunities.

Investigations and Support Operations Division: Train three Detectives per year for basic homicide investigation skills with the goal of having all detectives in Criminal Investigations trained with this specialty.

Investigations and Support Operations Division: Create a performance enhancement plan for the Animal Control Unit.

Investigations and Support Operations Division: Increase the staffing level of the Emergency Response Team to 15 members for safety and availability/ response needs.

FY 2017/2018: **Special Services Division:** Continue to forecast vacancies and maintain an ongoing list of eligible applicants. Achieve and maintain full authorized staffing within the department.

Special Services Division: Provide training opportunities to all Peer Support Team staff. Provide assistance to regional agencies requesting peer team debriefings of critical incidents.

Patrol Operations Division: Review the new career progression plan for patrol officers and track progress through the system.

Patrol Operations Division: Provide training opportunities in areas for officers to continue to reduce sustained courteous and professional complaints by an additional 20%. Continue to be courteous and professional to our customers while providing superior service.

Investigations and Support Operations Division: Train three Detectives per year for basic homicide investigation skills with the goal of having all detectives in Criminal Investigations trained with this specialty.

FY 2018/2019: **Special Services Division:** Continue to forecast vacancies and maintain an ongoing list of eligible applicants. Achieve and maintain full authorized staffing.

Special Services Division: Maintain and review the formal training program for newly promoted supervisors.

Patrol Operations Division: Maintain and review the career progression plan for patrol officers.

Patrol Operations Division: Expand TASER Conducted Electronic Weapons (CEW) deployment so that every patrol officer who has completed CIT training is assigned a TASER.

Investigations and Support Operations Division: Train three detectives per year for basic homicide investigation skills with the goal of having all detectives in Criminal Investigations trained with this specialty.

Goal 6 Actions - Technology

Keep pace with emerging concepts and technologies to direct police services for the greatest effect.

FY 2016/2017: **Administrative Services Division:** Augment Crime Analysis by hiring a second analyst to aid in the compilation, analysis, and department wide dissemination of crime analysis products to provide valuable actionable intelligence to operational personnel.

Administrative Services Division: Acquire an analytical technology system (Automated Tactical Analysis of Crime Regional Analysis and Information Data Sharing – ATACRAIDS) for enhanced crime analysis.

Special Services Division: Implement technological upgrades to provide P-25 digital communications department wide and phase in encrypted communications for specialty units and Command Staff.

FY 2017/2018: **Administrative Services Division:** Provide immediate access to complete, accurate, timely, and integrated information reports that assist in planning and resource deployment through geographical and intelligence-based analysis of crime.

Special Services Division: Digitally record and manage all line inspections and audit for accuracy and timeliness.

FY 2018/2019: **Administrative Services Division:** Continue to use the two crime analysts and ATACRIADS to provide immediate access to complete, accurate, timely and integrated information reports that assist in planning and resource deployment by geographical and intelligence-led analysis of crime trends, including performance assessment and accountability.

Special Services Division: Complete replacement of all radios remaining in APD inventory at their end-of-life. Transition all radio equipment to full encryption and measure radio improvement needs for future planning.

Goal 7 Actions - Accreditation

Review and update departmental policies and procedures in accordance with nationally accepted standards and maintain the department's accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA)

FY 2016/2017: **Administrative Services Division:** Continue to organize the Records Management System (RMS) for retention of police records and set the groundwork for transition from summary based uniform crime reporting (UCR) to Incident Based Crime Reporting (IBR).

Administrative Services Division: Implement the conversion process of original documents to an electronic media format in accordance with state law and city policy.

Professional Standards Section: Review and revise 30 policies annually to ensure they reflect best practices and the Department is in compliance with current CALEA guidelines.

Professional Standards Section: Achieve CALEA reaccreditation for the 2014-2017 accreditation cycle, to include a successful August 2017 CALEA on-site assessment.

Special Services Division: Publish a Critical Incident Stress Management (CISM) policy and provide training opportunities to all Peer Support Team staff. Provide assistance to regional agencies requesting peer team debriefing of critical incidents.

Investigations and Support Operations Division: Review and update APD Policy 3001 – CID Administration.

Investigations and Support Operations Division: Draft and implement a policy for the Animal Control Unit.

Investigations and Support Operations Division: Review and update APD Policy 1640 - Informants.

FY 2017/2018: **Administrative Services Division:** Upgrade, based in part on user feedback for improvement, SunGard's Computer Aided Dispatch (CAD), Mobile Computing (MCT), and Records Management System (RMS). Prepare to transition from summary based UCR to Incident Based Crime Reporting (IBR).

Professional Standards Section: Review and revise 30 policies annually to ensure they reflect best practices and the Department is in compliance with current CALEA guidelines.

FY 2018/2019: **Administrative Services Division:** Upgrade SunGard's Computer Aided Dispatch (CAD), Mobile Computing (MCT), and Records Management System (RMS) for use of Incident Based Crime Reporting (IBR).

Professional Standards Section: Review and revise 30 policies annually to ensure they reflect best practices and the Department is in compliance with current CALEA guidelines.

Population Trends, Anticipated Workload, and Personnel Levels

Population Trends

The City of Asheville, with a current population of 89,000, averages a daily working population of 133,000, excluding tourism. Tourism data indicates that Asheville hosts approximately 27,000 daily visitors. In total, the City's population may exceed 160,000 at any given time during the year.

Historical population growth trend

- 1.55% increase per year on average, including residential, commuter and tourist
- Annual Projected Growth
 - Projected residential growth is 700 individuals
 - Projected commuter growth is 700 individuals
 - Projected tourism growth 800 individuals

Anticipated trends

- Increased calls for service, particularly in the Downtown, South Slope and River Arts District with plans for increased development.
- Increased traffic congestion and vehicle accidents.
- Increased reliance on digital technology, resulting in increased need for maintenance and data storage.
- Continued enhancement of community engagement efforts.

Anticipated Workload

The department utilized existing data to estimate anticipate and project the impact on the department's workload during the period of this work plan. The chart below summarizes the actual data through fiscal year (FY) 2015-2016, along with projections for FY 2016-2017 through 2018-2019. The projections are based on actual data, historical trends, and anticipated population growth.

	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Calls for Service	113,448	114,954	116,977	117,977	118,977	119,977
Arrests	5,418	4,792	4,920	5,110	5,179	5,249
Citations	8,671	10,025	9,960	10,127	10,264	10,402
Incident Reports	10,313	9,652	10,550	10,775	11,000	11,225
Vehicular Accident Reports	6,820	7,153	8,000	8,600	9,200	9,800

Personnel Levels

The department, with an authorized staffing level of 222 sworn and 62 non-sworn positions, is anticipated to reach full staffing by the end of calendar year 2017 based on applicant data analysis. With estimated increases in workload over the next three years, additional staff will be needed to ensure that service levels are not reduced.

The addition of a Downtown District (which would serve the Central Business District (including downtown and South Slope) as well as the River Arts District) will allow the department to maintain a high level of service and to address the increased workload that is projected with the proliferation of new development in these areas. A request to expand patrol coverage to these areas by adding nine additional officer positions and two additional sergeant positions has been included in the department's enhancement budget requests for FY17/18.

In addition to expanded patrol coverage provided by a Downtown District, additional staffing is needed to address projected increases in traffic safety needs and accident investigations. The addition of 2 officers to the Traffic Safety Unit will enhance the Police Department's response to traffic safety complaints and concerns. A request for these positions has been included in the department's enhancement budget requests for FY17/18.

Consistent annual increases in the volume of calls for police services will necessitate increased resources in the Communications Section to handle that workload. An additional four positions (one per shift/group) is needed for this purpose. The current infrastructure in the Communications Section is capable of accommodating an additional call taker on each shift, so funding for the positions is all that is needed.

Current and Projected Capital Improvement Needs

Vehicles - Ongoing replacement and up fit will cost approximately \$1.5 million in the 2017 fiscal year (FY17). This cost is inclusive of new mobile data terminals and required equipment for each vehicle. This is currently funded through CIP.

Body-Worn Camera (BWC) and Conducted Electronic Weapons (CEW) - The BWC and CEW program is estimated at \$1,273,738 over the next five years. This will need to be funded through the Police Department's General Operating Budget.

High Density Shelving – High density shelving, which will increase storage capacity within the Property and Evidence Section by fifty percent, is estimated to cost \$125,000 and is funded in FY17.

Crime Analysis Software - ATACRAIDs and related software from LexisNexis is needed for efficient crime analysis that includes predictive analysis. The cost is estimated at \$60,000, and will be purchased in FY17.

Police Facilities Improvement and Maintenance – As indicated during the development of potential bond referendum items for City Council consideration in June 2016, the facilities that support law enforcement operations are in need of capital improvement. In FY2017, costs to maintain and repair existing facilities are estimated at \$75,000. Over the next three to five years, it is estimated that approximately \$5 million of renovation and construction costs to support adequate facilities is needed. Similar funding requests will continue for years as the Police Department expands to meet growing community needs.

Radio Infrastructure - Upgrade and modernization of radio equipment is estimated at \$1.4 million. APD will work with City IT and Finance to determine funding.

Command Post Vehicle - A modern Command Post is needed to enable on-scene management of critical law enforcement incidents that require an extended period of time to resolve. The purchase of this resource is estimated to cost \$700,000 which will be requested in FY18. Grants or other funding sources may be available to offset the City's cost.

Hazardous Devices Vehicle – The Hazardous Devices Unit's operational vehicle needs to be replaced and will be requested in FY18 at an approximate cost of \$350,000. Grants or other funding sources may be available to offset the City's cost.

Technology and Equipment Needs

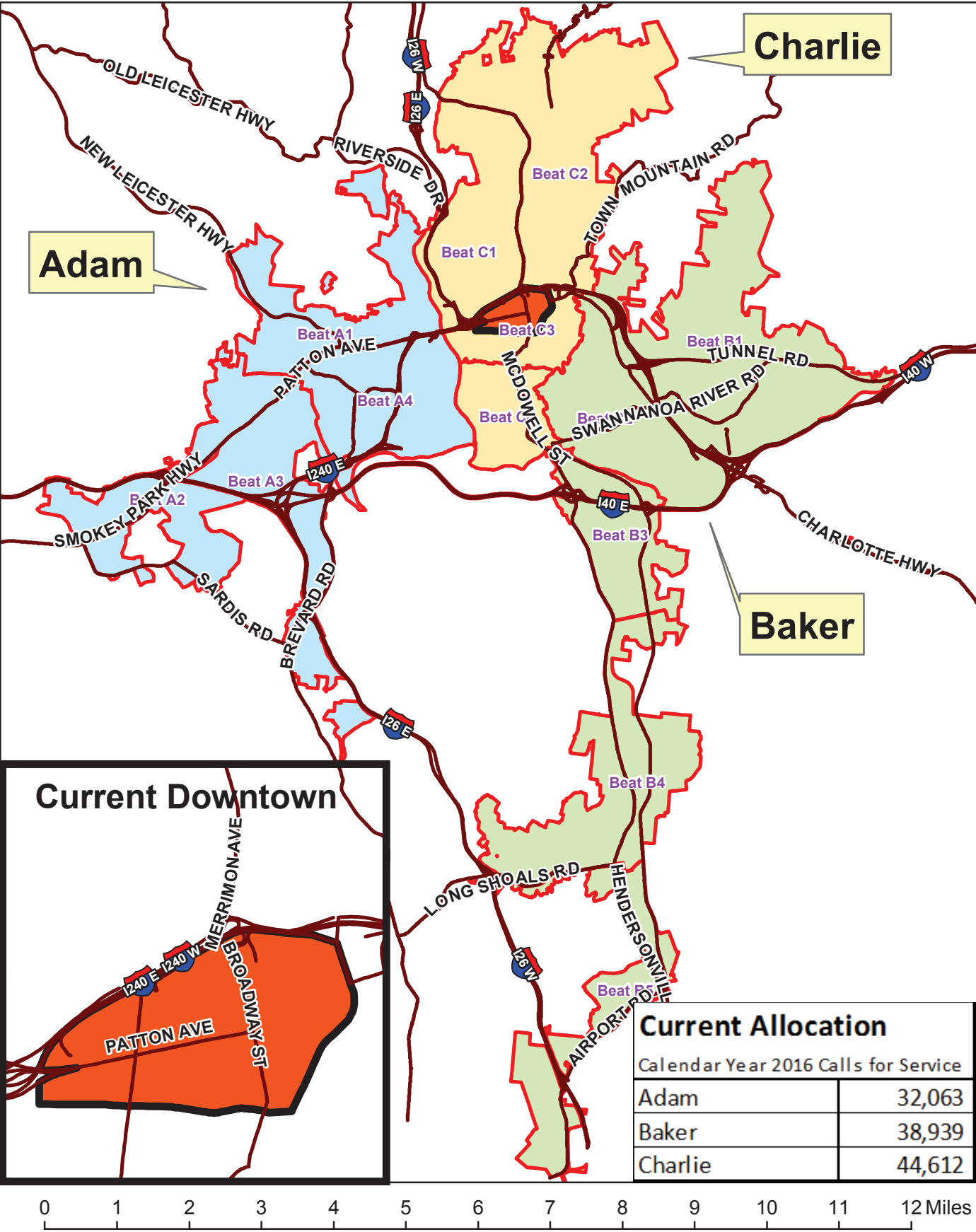
There will be ongoing needs in order to keep pace and adapt to “cutting-edge technology” for SunGard’s Records Management System (RMS), Computer Aided Dispatch (CAD). This will include exploring cloud storage systems.

In FY17, 180 body-worn camera systems and 180 TASER Conducted Electronic Weapons (CEWs) will be purchased. Grant funding has been awarded to complete the final purchase of 60 BWCs and CEWS.

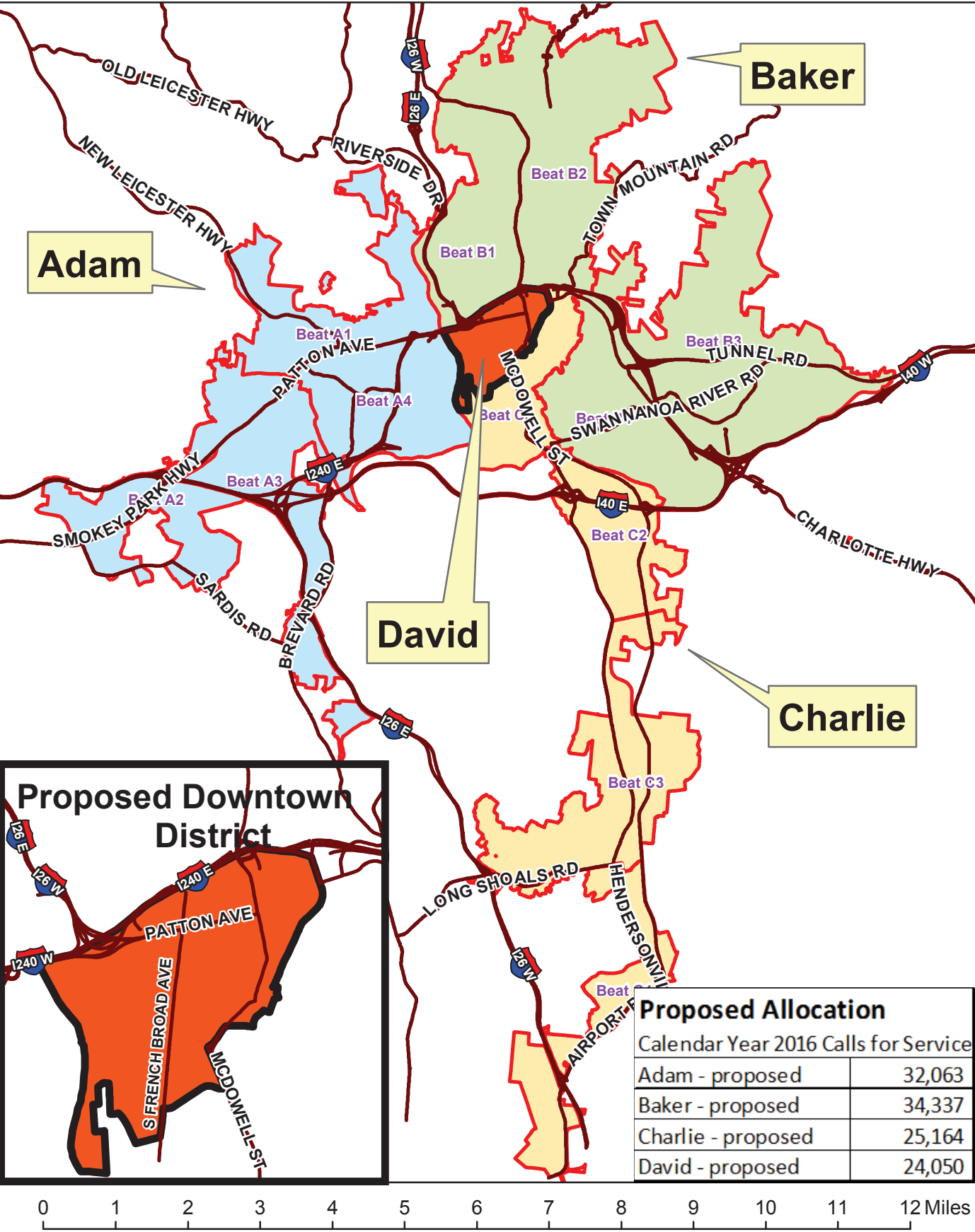
ATACRAIDS (ATAC Regional Analysis and Information Data Sharing) software by Lexis-Nexis enables local, regional, and national crime data sharing. This software is needed for efficient crime analysis that includes predictive analysis, i.e., pattern analysis, crime mapping and reporting. It will be purchased in FY17.

Asheville Police Dept					
Downtown District					
		FY' 2017- 2018	FY' 2018-2019	FY' 2019 - 2020	FY' 2020 - 2021
Personnel Cost:					
1 Lt, 2 Sgt & 12 Officers		469,007.00	966,155.34	995,140.00	1,024,994.00
Operating Cost:					
Uniforms and Equipment		98,800.00	86,450.00	32,250.00	32,250.00
Vehicles		384,000.00	336,000.00		
		(8 Vehicles)	(7 Vehicles)		
Total		951,807.00	1,388,605.34	1,027,390.00	1,057,244.00
Potential Savings:					
Augment with fringe benefits payment		-	-	(129,810.00)	(324,526.00)
Net impact		951,807.00	1,388,605.34	897,580.00	732,718.00
Notes:					
Need approval to promote Lieutenant and Sergeants during FY '17 to start recruitment process for Feb, 2018 class. Once approved, the impact will be a potential savings on "augment payment" during FY '20 and FY '21.					
First Class starting on Feb, 2018 will be ready FY 2018-19 (October 2018)					
Second Class starting on Aug, 2018 will be ready FY 2019-20 (June 2019)					
Fiscal Year	Estimated Augment Payment	Savings			
FY 2018	420,098.00	0%	-		
FY 2019	432,701.00	0%	-		
FY 2020	432,701.00	30%	129,810.30		
FY 2021	432,701.00	75%	324,525.75		

Current Allocation



Proposed Allocation



Memorandum

To: Mayor and Council Members Date: March 28, 2017

From: James Ayers,
General Service Director
Amber Weaver,
Sustainability Officer

Via: Gary Jackson,
City Manager

Subject: Energy Audits and the Facilities Master Planning Process

Introduction: The purpose of this memo is to respond to a question from council regarding the energy audit and facilities master planning process during the March 14, 2016 budget work session.

Review: The General Services Department and the Sustainability Office are working together on sustainability in multiple areas, including work in City-owned facilities. The use of energy audits would assist in understanding fully the potential for energy reduction in audited facilities and help in directing capital investment in sustainability projects at those facilities.

General Services and Sustainability Office staff are actively seeking mechanisms to procure and assist in funding of energy audits at targeted facilities. The Sustainability Office has already identified the top 20 energy-using sites, and older audits for some of these locations (ranging from 1999 to 2008) have been reviewed.

After identifying potential audit targets, the next step is to assess what level of energy audit is required for each site. Attached is a document from the North Carolina Department of Environmental Quality (NCDEQ) showing the differences between Level 1, 2, and 3 energy audits with 1 at the most basic level and 3 at the most advanced. An investment-grade Level 3 audit is expensive, so it would only be considered for a large facility with potential for energy performance contracting. Level 1 and 2 audits can still provide useful and actionable data, and they could be utilized for smaller facilities with lower energy use.

Following identification of audit type, work is in progress to assess options to procure consulting services. GS and SO staff have been in touch with potential providers of preliminary audits (State Utility Savings Initiative or USI), Level 1 & 2 audits (Land of Sky Waste Reduction Partners or WRP), and Level 3 audits (Energy Service Company or ESCO). Although the cost of an ESCO-provided Level 3 audit can be part of an energy savings performance contract, the other audits (except a preliminary audit by the State) typically require out-of-pocket expenditures even with potential grant funding.

Concurrent with the above-referenced outreach, the General Services team has modified its RFQ for the Facilities Condition Assessment & Diagnostic Study to include energy audits as an "add alternate" to assess both the feasibility of having the selected firm provide this supplemental service as well as the potential costs. Staff believes it is fiscally prudent to get

cost data on energy audits from multiple providers, and having hard data will help inform the budget decision-making process.

The provision of energy audits (and potential energy reduction improvements in City facilities) would support City Council Strategic Plan Goal #11 (Carbon Reduction Plan) as well as Goal #12 (Clean Energy Framework & Energy Demand Reduction). Further, the use of energy audits would align with recommendations of the Energy Innovation Task Force.

Recommendation: Energy Audits were recommended within the Energy Innovation Task Force recommendations. Council direction at the March 28 budget work session was to fund these in the Fiscal Year 2017 within the available fund balance.

Attachment:
(1) Audit Levels from NCDEQ

AUDIT LEVELS

A specialized version of a level 1 energy audit is called retrocommissioning. This type of study focuses on the building's HVAC systems, controls, and operation and maintenance issues. Retrocommissioning also examines the way the building was designed to operate and compares it with the way the building is actually running. It also reviews whether the HVAC system is working properly. Retrocommissioning can appear to be expensive but it usually generates energy cost savings that pay for related repairs in one or two years (50 to 100 percent ROI).

A level 2 energy audit focuses on specific energy efficiency measures that require some capital investments but yield an attractive ROI. This type of audit is for sophisticated organizations that understand the basics of energy efficiency measures and have capital available for energy-related investments. These types of organizations will always want to know the investment performance that can be expected from specific efficiency steps in the building being studied. A level 2 audit can logically follow a level 1 audit.

A level 3 energy audit is an investment-grade engineering study conducted after capital investment dollars are budgeted and the organization can justify a comprehensive study of all major energy savings opportunities in a building. This audit is for buildings that can economically justify such a detailed engineering study. A level 3 energy audit is performed for major capital investments, like those involved with an energy savings performance contract. The level 3 energy audit examines the who, what, where, when and why of each energy efficiency measure.

The cost of each type of energy audit varies and can increase from one level to the next by a factor of ten or more depending on what is included in the scope of work.

For all energy efficiency measures, check prior performance, actual savings and references. Avoid experimental devices and services. After the technology is proven and debugged it is generally a safer investment because the price drops as efficiency steps become more mainstream.

How much should be invested in efficiency? That depends on the organization's ROI criteria and a common sense evaluation of the potential financial outcome. A simple budgeting tool is to calculate some "what ifs." What if 20 percent of the present utility cost (yielding a specific amount annual savings) could be saved by measures producing a simple payback of a given number of years or less? If that is the case, then a specific range of investment is possible. By changing the "what if" numbers, facility executives can get a sense of what options will be possible.

Facility executives may also be surprised by other bonus benefits, like better comfort, better lighting, improved productivity and less impact on the environment. A slight improvement in worker productivity can pay for major investments in buildings. But these intangible benefits should not be included in the financial calculations because they're difficult to measure.

Source: NCDEQ

Memorandum

To: Mayor and Council Members Date: March 28, 2017

From: Barbara Whitehorn
Chief Financial Officer Prepared by: Taylor Floyd,
Senior Budget Analyst

Via: Gary Jackson
City Manager

Subject: Intergovernmental Funding

Introduction: The “Budget Blueprint” released by the U.S. Office of Management and Budget proposes significant changes to several federally funded programs. The most significant impact to the City of Asheville would be the elimination of community development programs and limited opportunities for future federal support of large capital projects.

Review: Most federal government support provided to the City of Asheville is focused in three major areas: community development, transit, and capital projects. Based on the limited information provided in the President’s Fiscal Year 2018 budget blueprint, cuts to the U.S. Department of Housing and Urban Development (HUD) are likely to be the most impactful to the City. The President’s proposal eliminates funding for the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. These two programs provide just under \$2 million annually in the City of Asheville, resources that benefit low- and moderate-income persons through a variety of investments in housing, infrastructure and economic development.

	FY 2014-15 Budget	FY 2015-16 Budget	FY 2016-17 Budget
CDBG	\$955,989	\$956,356	\$932,001
HOME	\$1,009,187	\$914,499	\$961,627
Total	\$1,965,176	\$1,870,855	\$1,893,628

While most of these funds are invested directly into the community through city programs or partnerships, the City retains 20% of CDBG funding and 10% of HOME funding for administrative costs. This funding supports approximately 3.35 full time equivalent positions along with other operational costs. Community Development staff also administer the federally funded Continuum of Care (\$104,000) and Emergency Solutions Grant (approximately \$150,000) programs, which are not specifically mentioned in the proposal.

The other major federally funding operating portion of the City’s budget is the transit program. Transit Services receives over \$2 million annually from federal sources, representing approximately a third of its total funding. While none of the cuts outlined in the budget blueprint impact Transit Services directly, the proposal does cut future funding for the Federal Transit Administration’s Capital Investment Program (New Starts), which could be a potential source of funding for expanded transit services in the future.

The budget proposal also eliminates the Transportation Investment Generating Economic Recovery (TIGER) grant program, which provides funding for investments in road, rail, transit and port projects across the country. The City of Asheville's TIGER VI suite of projects consists of six separate transportation improvement projects in the River Arts District and Southside Neighborhoods, with total TIGER grant funding of \$14.6 million. These projects are not at risk of losing funding as the City has already signed a full-funding agreement with the Federal Highway Administration (FHWA). While current funding is not in jeopardy, the elimination of the TIGER grant program would limit the City's ability to fund future transformational projects of similar size and scope. Other capital projects with significant federal funding, such as the \$2.9 million of Surface Transportation Program funding for sidewalks and pedestrian crossings on New Leicester Highway, also do not appear to be impacted by this budget proposal.

Recommendation: Staff will continue to monitor the potential financial and programmatic impacts of federal budget policy on the City of Asheville and provide updates to the City Council as new information is available.

Memorandum

To: Mayor and Council Members
From: Peggy Rowe, Human Resources Director
Via: Gary Jackson, City Manager
Subject: Human Resources Update

Date: March 28, 2017

Introduction: The purpose of this item is to inform the City Council of the Human Resources Director's strategies and priorities for the future. Specifically the purpose is to share projections for employees' salaries, incentives, market adjustments, health care benefits costs, employee development, retention and other Human Resources (HR) matters, as you review plans for the City Manager's FY2018 budget.

It is critical that a close review of compensation be conducted annually to ensure that salaries and benefits are competitive and that there are systems in place to maintain that competitiveness in the market. This is one of several steps needed to address turnover and retention.

Review: Employees of the City of Asheville are responsible for helping the City Council realize its vision for the Citizens of Asheville. In achieving this goal, the City of Asheville's status as a preferred employer is paramount. To do so, the City must offer competitive compensation, strong benefits and various rewarding career options to its employees. Additionally, it requires that the city as an employer, have an engaged work force who see the importance of their role in serving the citizens.

- **Compensation and Benefits:** In reviewing projections for salaries for the upcoming year, the Human Resources Department reviewed survey information from the following compensation sources: WorldatWork, Economic Research Institute (ERI), Aon Hewitt, Society for Human Resource Management (SHRM), Korn Ferry Hay Group and Bureau of Labor Statistics (BLS). All sources project a between a 2.1% and 3.0% increase in salary budgets in 2017. This supports the recommendation of a salary adjustment of 2.5% for employees.

In addition to the 2.5% request for the salary adjustment I recommend that the pay plan minimum and maximum salaries be adjusted upward by 1%. The HR Department will continue to review salaries and benefits on an annual basis to ensure the competitiveness of the City's pay structure. HR will review the incentives provided and ensure that the city is rewarding the competencies that drive outcomes and improve retention. Over the next year HR will be looking at where there are opportunities to add incentives to the compensation package that add value to our retention strategy.

Working with those respective departments, HR will evaluate very closely the step plans currently in place for Public Safety employees to ensure that the City of Asheville is competitively compensating and retaining those employees.

This is important to the City becoming and remaining a preferred employer in the market place.

- **Turnover:** There are areas where the city is experiencing unusually high turnover. One goal over the coming year is to identify where those highest levels of turnover exist and ascertain why the turnover is occurring. In some cases the reason may be attributable to salary. In cases where HR finds salaries are lagging behind, those will need to be addressed.
- **Healthcare:** An increase in the cost of the City's health care plan is anticipated. This is driven in part by overall increases on a national level, several high cost claims, and increases in pharmacy costs.

It is the intent of the Human Resources staff to take health and wellness strategies to the next level. The HR Department plans a steady cadence of communications aimed at assisting employees in becoming better consumers of health care. Additionally, the future includes revamping the city's wellness program to educate the employees on health and wellness best practices.

Better health results in longevity, better productivity, greater job satisfaction overall, and decreased cost of health care for both the employee and the employer.

Among several actions intended is a plan to rebid the benefits consulting service to ensure the best possible advice on the management of the city's health and wellness plan.

- **Electronic Filing System:** Recently an audit was conducted resulting in recommendations to HR on several fronts. The auditors cited specifically the maintenance of physical files as an area needing to be addressed. Additionally, the auditors brought into focus the need to better track time and labor and the use of overtime.

One of the ways intended to address the findings from the audit is to pursue an electronic filing system. This will ultimately improve the integrity of our data and that of our employee records. It will allow our systems to work more efficiently and allow staff to easily access information when needed.

- **Time and Labor Costs:** As mentioned previously, the audit results indicated that there is a need to evaluate a timekeeping system that will ensure the accuracy of the city's time and labor costs. An upgraded system will allow more effective evaluation of the use of overtime as well as ensure that work time is managed to the best extent possible. HR is working with Information Technology Systems (ITS) toward an integrated system with only one point of data entry. In the meantime, the Fire and Police Departments have explored systems as possible solutions for both departments to better manage their time keeping and use of overtime. HR supports this initiative recommended by Fire and Police and will continue to evaluate a citywide timekeeping solution.

Recommendation: For budget planning purposes, in order to accomplish the city's compensation goals the cost is \$ 2.5 million. In addition to the salary adjustments for current employees, I recommend that money be set aside to address potential market inequities and

additional compensation needs that will address the recruitment and retention concerns. The budget amount needed to fund those additional needs is included in the \$2.5 million.

The funds needed to address the timekeeping system for the Fire and Police Departments are estimated at approximately \$200,000 for the software.

The funds needed to correct and maintain the file room at the necessary professional standards are estimated at \$75,000. This will allow for one full-time staff person to be focused exclusively on this important activity.

Moving forward staff will continue to focus on attracting and retaining the best possible talent to serve the City of Asheville residents. HR will continue to work to:

- Ensure a competitive compensation and benefits package.
- Engage our talent fully.
- Evaluate success for today and for tomorrow.
- Develop talent and equip employees for success.
- Educate our staff to be good consumers of health care.
- Focus on having a robust wellness program.
- Evaluate opportunities to automate processes wherever possible.

Memorandum

To: Mayor and Council Members Date: March 28, 2017
From: Barbara Whitehorn, Chief Financial Officer
Via: Gary Jackson, City Manager
Subject: Review of Per Capita Costs and Staffing Trends in the General Fund

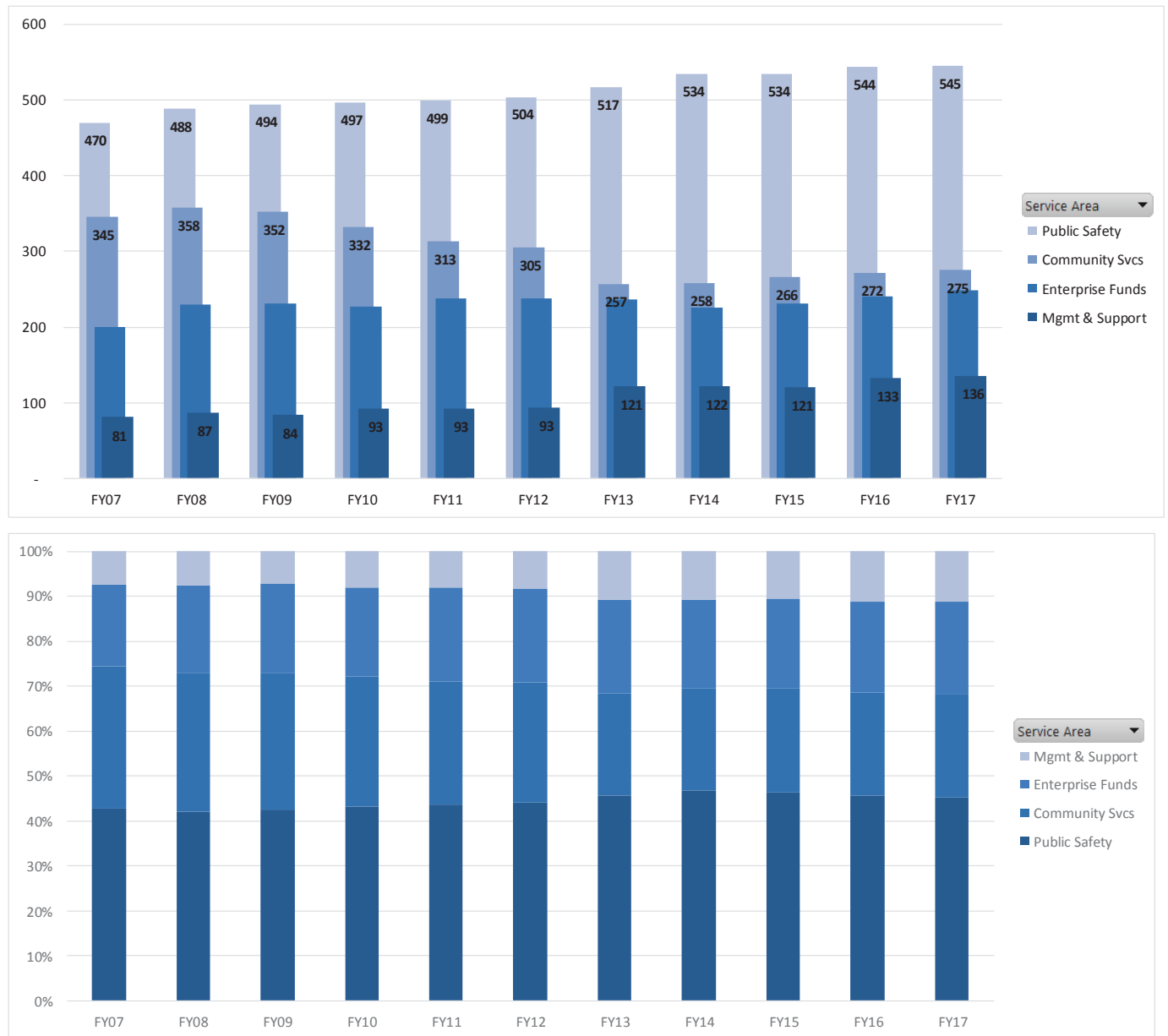
Review: Like most municipalities across the United States, the City of Asheville worked to do more with less during the recession. The recent surge in growth in Asheville is an indicator that we are recovering from the economic downturn and have emerged from recession. Nevertheless, Asheville continues to face providing services to the community at rising cost, while revenue streams are severely limited.

While the City has grown and continues to grow at a fast pace, and the demand for services is increasing, city government remains in “do more with less” mode. While this may seem counter-intuitive, even in so-called “boom” times, City staff are committed to providing the highest level of service for the lowest cost with the fewest people. Good stewardship of public funds demands just this. However, when the City grows and staffing does not keep pace, service levels are threatened.

Annually, during the budget and comprehensive annual financial reporting process, Finance staff reviews staffing trends within the City and metrics that measure costs relative to the population. Staffing trends reflect macro trends in industry as well as trends specific to Asheville. Below is data from 2007 through 2017, reported by operating function.

Note: the change in community service and management and support between FY 2012 and FY 2013 is due to the centralization of support services previously budgeted and staffed in individual departments. This change drove a net reduction in full-time equivalent positions, even with the addition of FTEs in both Police (4) and Fire (9).

Fiscal Year	Public Safety	Community Svcs	Enterprise Funds	Mgmt & Support	Grand Total
FY07	470	345	200	81	1,096
FY08	488	358	230	87	1,162
FY09	494	352	231	84	1,160
FY10	497	332	227	93	1,149
FY11	499	313	238	93	1,142
FY12	504	305	238	93	1,140
FY13	517	257	237	121	1,132
FY14	534	258	226	122	1,140
FY15	534	266	231	121	1,151
FY16	544	272	240	133	1,188
FY17	545	275	249	136	1,204



Staffing trends are important but cannot tell the whole story. Comparing the growth in the annual budget and the staff to population trends fills in more of the picture.

Since FY 2007-08, The City's population has grown by approximately 13,000 people, or nearly 17%. General Fund staffing over the same period has grown by 23 positions, or not quite 2.5%. There is not a direct correlation between population and staffing, but the disparity in growth is notable, and should be considered in light of the total budget and growth within the community. In four out of the last ten years, the City has reduced General Fund staff. See table below.

Fiscal Year	Population	Growth	GF Staffing	Growth
2008	77,837		933	
2009	79,393	2.0%	930	-0.3%
2010	79,973	0.7%	921	-1.0%
2011	83,986	5.0%	905	-1.7%
2012	85,646	2.0%	902	-0.3%
2013	86,207	0.7%	895	-0.8%
2014	88,003	2.1%	914	2.1%
2015	89,248	1.4%	920	0.7%
2016	89,330	0.1%	948	3.0%
2017	90,918	1.8%	956	0.8%
TOTAL GROWTH	13,081		23	
	16.8%		2.5%	

Another key measure is the total general fund budget to population. This is a more correlated amount, since population is one driver of the cost of delivering services. Over time, a stable inflation adjusted budget per capita indicates that City services are keeping pace with growth. Increasing costs per capita usually indicate the addition of services, or can suggest that the cost of providing existing services is increasing. A decreasing budget per capita can indicate that operational efficiencies have kept costs down, service levels have decreased, or some combination of the two.

Fiscal 2007-08

Adopted General Fund Budget*	\$ 86,777,252	
Population	77,837	Based on FY 2007-08 UNC Benchmarking Report
Budget per capita	\$ 1,115	

Fiscal 2016-17

Adopted General Fund Budget	\$ 110,834,666	
Inflation-Adjusted Adopted General Fund Budget	\$ 95,943,739	
Population	90,918	Based on current estimate from State Demographer
Budget per capita	\$ 1,055	

* In FY 2007-08 health insurance expenses were budgeted in the General Fund. The adopted budget number above is adjusted to provide a more accurate comparison to the FY 2016-17 budget

The change in budget per capita from FY 2007-08 to FY 2016-17 shows a decrease of 5.4%.

Recommendation: Staff recommends that City Council take this information under advisement for budget building purposes.

Memorandum

To: Mayor and Council Members Date: March 28, 2017

From: Ken Putnam,
Transportation Director Prepared by: Elias Mathes
Transit Projects Coordinator

Via: Gary Jackson
City Manager

Subject: Budget work session -Transit Revenue Information and Service Expansion Options

Introduction: Asheville's transit system is in a transitional period as we implement changes to transit operations, update the transit master plan, and absorb reduced federal funding. Council requested that staff provide additional information regarding the following: 1) Revenue from federal and state grants, 2) Fare recovery ratio, 3) Service expansion options that can be implemented given the current state of the transit fleet.

Review:

1.) Federal and State Grant Revenue

Combined federal and state grants accounted for 34.8% of total transit operating revenue in FY17. Federal 5307 funds make up the largest portion of these grants. The funding formula for FTA section 5307 will reduce Asheville's share of federal dollars as Buncombe and Haywood Counties now qualify for a share of the urbanized area apportionment. After the 3 year phase in of the new formula, Asheville's share of 5307 funding will have been reduced by 51%. This will equate to a reduction of approximately \$1 million in grant funding annually.

Revenue FY17	
Operating Revenue (Fares)	\$840,000
Miscellaneous	\$0
Federal/State Grants	\$2,429,500
General Fund Subsidy	\$2,730,836
Parking Fund Subsidy	\$616,875
Other	\$0
Motor Vehicle License Fee	\$360,000
TOTAL*	\$6,977,211
*Does not include Operating Pass Through	

Grants FY17		
Federal	\$1,922,000	79.11%
State	\$507,500	20.89%
TOTAL	\$2,429,500	

2.) Fare Recovery Ratio

Fare Recovery Ratio is the percentage of operating expenses which are met by the fares paid by passengers. The Operating Revenue from fares includes individual passenger fares, as well as bulk fare revenue from the Passport Program and individual contracts. The FY16 Operating Cost for transit was \$5,819,699 while the Operating Revenue from fares was \$810,000.

Asheville's Fare Recovery Ratio was 14% in FY16, which is within the range of similar systems in the region. Nearly all bus systems are subsidized and most only receive a small portion of their revenue from fares.

FY16 Fare Recovery Ratio	
Asheville	14%
Piedmont Authority for Regional Transportation	12%
Greensboro Transit Authority	21%
Capital Area Transit	15%

3.) Service Expansion Options

Below is a list of services that can be provided without the immediate purchase of additional vehicles. While it is technically possible to expand service hours without expanding the size of the fleet, it is important to consider the actual capital costs associated with service expansion because additional service hours deplete the fleet's useful life more quickly. For every hour of service added (assuming 7 hours of service per week) there is a \$67,000 capital cost over the life of the bus, a \$5,600 yearly charge. So whether or not a bus is purchased, every service expansion has a corresponding capital expense.

The two service expansion options listed below are both based on expanding service hours rather than creating new routes, which would increase peak demand and require the purchase of additional vehicles before the new service could begin.

Option 1: Sunday Service

The first option would provide Sunday Service on all routes 8AM-5PM; an expansion of 86.5 hours for an annual cost of \$404,820. Sunday Service is currently provided to only half the system; this would expand Sunday Service to 9 routes. Increased Sunday Service is one of the most frequently requested service enhancements.

Pros:

- Frequently requested by most transit riders.
- Requires less staff time to implement than other service expansions would because it does not require data collection and analysis to determine where to expand service.
- Aligns with 2036 Vision by supporting Connected and Engaged Community, and Transportation and Accessibility.

Cons:

- Increases annual transit operating expense by \$404,820.
- Increases wear on existing vehicles and will increase fleet replacement needs.

Option 2:

The second option would provide 8 additional evening service hours Monday-Friday that would be distributed to multiple routes. Similar to the service expansion in January 2017, Staff would survey riders and perform additional analysis to determine where to add the service hours. The annual cost of this expansion would be approximately \$224,640.

Pros:

- Aligns with 2036 Vision by supporting Connected and Engaged Community, and Transportation and Accessibility.
- Will have a smaller impact on fleet replacement needs than other service expansions.

Cons:

- Increases annual transit operating expense by \$224,640.
- Requires more staff time to implement than other service expansions would because it requires data collection and analysis to determine where to expand service.

Service Expansion Options				
Service Description	Hours	Annual Days of Service	Annual Miles	Operating Cost (\$90/hr)
<i>OPTION 1</i> Sunday Service on All Routes 8AM-5PM	86.5	52	69,269	\$404,820
<i>OPTION 2</i> 8 Additional Evening Hours Monday - Saturday	8	312	38,438	\$224,640
*Staff calculations for vehicles needed because of increased rate of replacement due to increased mileage.				

Considerations:

- Implementing new service requires significant staff time for public outreach, planning, system updates, and promotion of the new service. It will also require time to hire and train additional drivers and any needed support staff, and for driver scheduling. The new Operations and Maintenance Agreement also limits the number of times during the year that service can be updated. If Council authorizes a service expansion for FY18, the earliest that it could be implemented would be January 2018.
- A spare ratio is the percentage of unused vehicles operated during peak service periods. A healthy spare ratio is important because it allows vehicles to receive proper preventative maintenance during periods when vehicles are not in service. The transit fleet has a relatively low spare ratio considering the size of the system and the average age of the vehicles which makes them prone to more frequent mechanical issues. There are 22 vehicles in the fleet with a peak demand of 17, giving the system a total of 5 spares. But at the time of this report 2 vehicles were out of service for major repairs and 1 for minor repairs, giving the system only 2 spares.
- Expanding service with the fleet in its current condition, while technically possible, will put additional strain on the fleet. This increases the potential that service to a route may be temporarily cut in a situation where multiple vehicles are out of service for repairs or because of accidents, which has happened recently. Service interruptions are a risk and can be a significant burden to people that depend on transit.

Recommendations: Staff is prepared to act on Council's policy direction but has concerns about expanding service without funding for additional vehicles and staff positions for the reasons described above. Staff are concerned about the size and age of the fleet and whether it will be able to properly support the expanded service. Also, given the number of major projects currently underway, there is concern about having the needed staff to properly implement a service expansion.

Please let me know if additional information is needed.