



MINUTES

May 1, 2026

SPECIAL CALL MEETING OF THE CITY COUNCIL

FY26-27 BUDGET WORKSHOP

CITY OPERATIONS CENTER | 305 WILLIAMS ST. | 8:30 a.m.

Present: Mayor Barbara G. Volk, Mayor Pro-Tem Jennifer Hensley, and Council Members: Lyndsey Simpson, Melinda P. Lowrance & Gina Baxter

Staff Present: City Manager John Connet, Deputy City Manager Brian Pahle, City Clerk Jill Murray, City Attorney Angela Becker, Budget & Evaluation Director Adam Murr, Management Analyst Jenny Floyd, Communications Director Allison Justus, Fire Chief Justin Ward, Utilities Director Adam Steurer, Communications Coordinator Brandy Heatherly, Assistant City Manager-Public Services Brent Detwiler, Community Development Director Lew Holloway, Finance Director Krystal Powell & IT Director Jay Heatherly

1. CALL TO ORDER

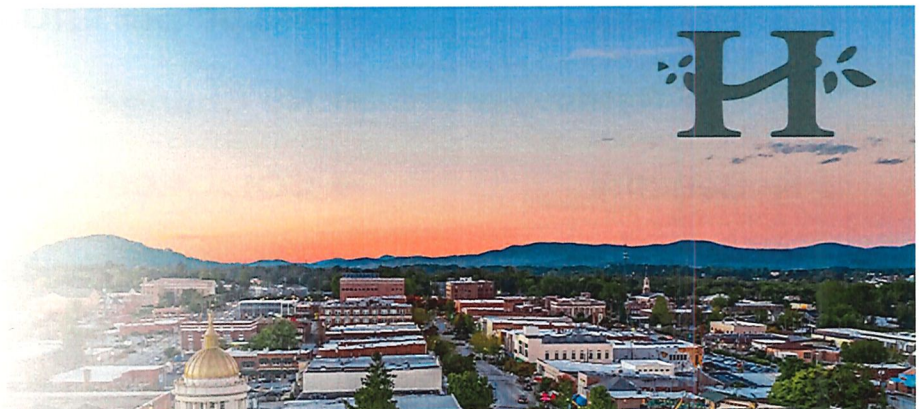
Mayor Volk called the meeting to order at 8:34 a.m. and welcomed those in attendance. A quorum was established with all members in attendance.

2. BUDGET OVERVIEW

City Manager John Connet welcomed everyone and explained to Council that Deputy City Manager Brian Pahle, Budget & Evaluation Director Adam Murr and Management Analyst Jenny Floyd would be reviewing the budget with them. Below is a PowerPoint of the key takeaways from the meeting.

City Council Budget Workshop

May 01, 2026



WORKSHOP OBJECTIVES

01

To provide City Council with an understanding of the recommended fiscal year 2026-2027 (FY27) budget.

02

To prioritize the level of services to be included and the corresponding taxes and rates needed to fund priorities.

AGENDA

Setting the Stage + Breakfast	8:30am – 8:50am
General Fund Model	8:50am – 9:10am
General Fund	9:10am – 10:00am
10 Min. Break	10:00am – 10:10am
Water & Sewer Fund	10:10am – 11:00am
Parking Fund	11:00am – 11:30am
Lunch	11:30am – 12:30pm
Spec. Approp. + Fee Schedule	12:30pm – 1:30pm
Discussion + Direction	1:30pm – 3:00pm

DESIRED OUTCOMES

Desired Outcomes & Council's Direction:

1. Taxes & Rates → **\$0.52/\$100 | Main & 7TH = \$0.21/\$100.**
No Change in Tax Rates.
2. WS Rates → **+8.00% Water +9.00% Sewer.**
3. SW Rate → **+\$1.00 per ERU +\$50.00 Cap.**
4. ESF Rates → **No Change.**
5. Benefits → **COLA 4.00%, Merit 2.56%, 401k 4.00%.**
6. Position Additions → **GF +8.5 | WS +1.5 | Housing +1.**

SETTING THE STAGE

Process Update & Current Initiatives

1. Budget Memos & Manager's Message – Externalities (sales tax dist., economy, property tax, etc.)
2. Property Taxes
3. Helene Recovery
4. Parks
5. GO Bond – Transportation
6. Financial Condition
7. COLA

SETTING THE STAGE – BUDGET MEMOS

The Manager’s Message

- 1. City financial condition is strong
- 2. Helene recovery remains a top priority and focus for staff
- 3. Potential County tax increases (courthouse), could have detrimental impact on City sales tax revenues
- 4. State prop. tax reforms could threaten future improvements
- 5. Geo-political activity sets the stage for high levels of economic uncertainty in the coming year
- 6. This budget expands public safety services while balancing a conservative approach for other future service expansion

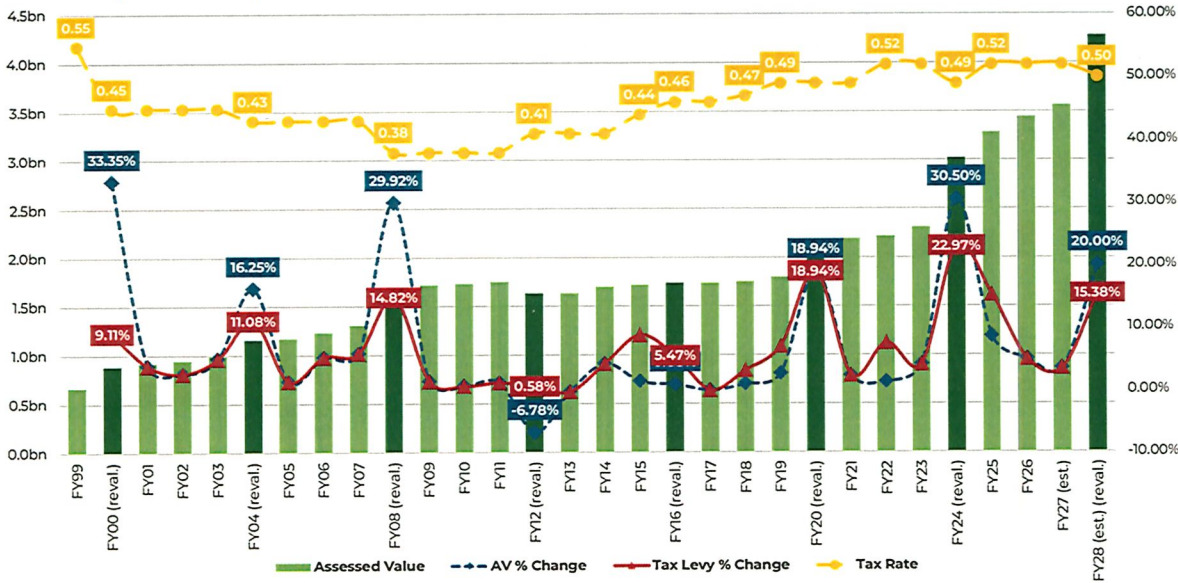
SETTING THE STAGE – TAX STRATEGY

The Property Tax

- 1. Makes up approximately 60% of General Fund revenues
- 2. Only significant locally controlled source
- 3. Revaluations have provided opportunities for broader levy growth while maintaining rates at reasonable levels
- 4. Revaluations have allowed the City to keep up with growing cost demands, fund service enhancements, and build public projects

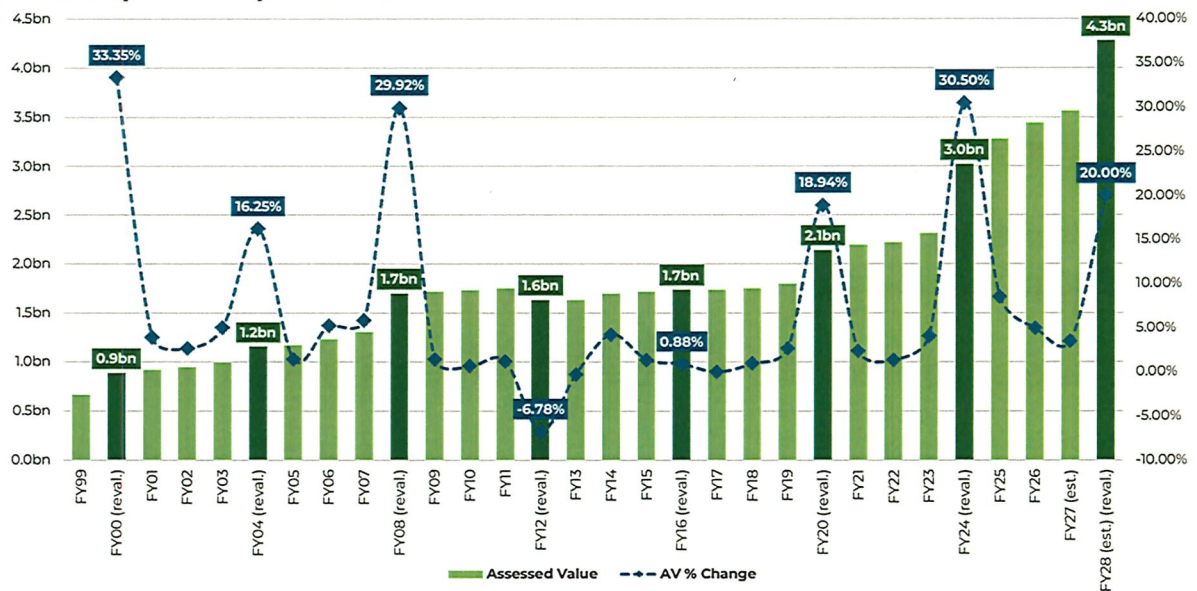
SETTING THE STAGE – TAX STRATEGY

Values, Rates, & Levies



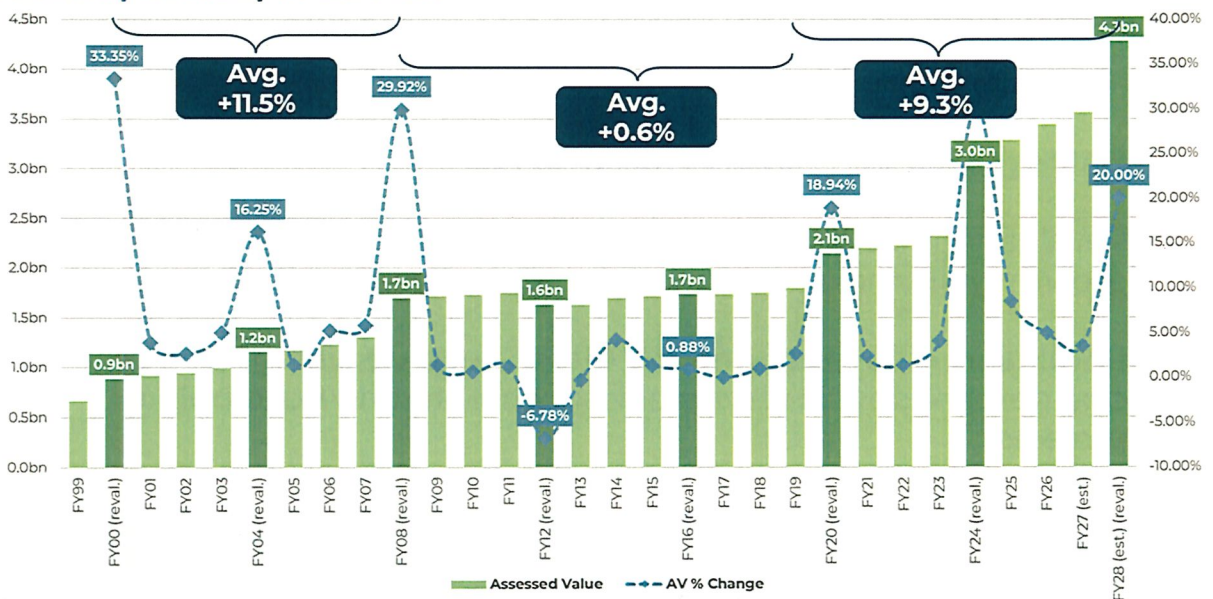
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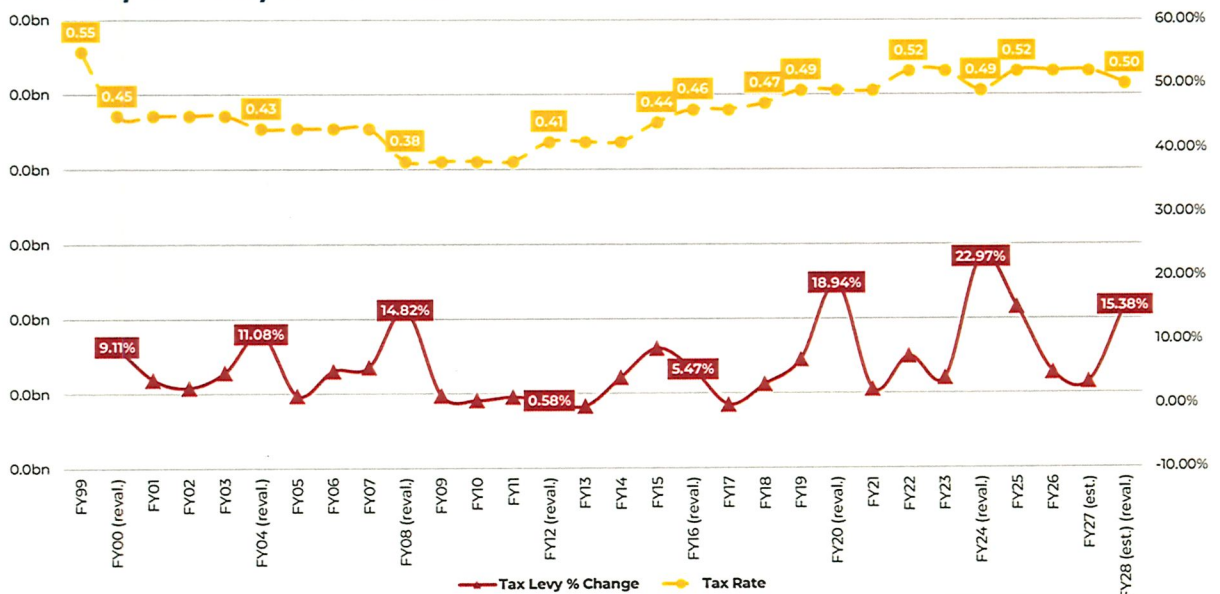
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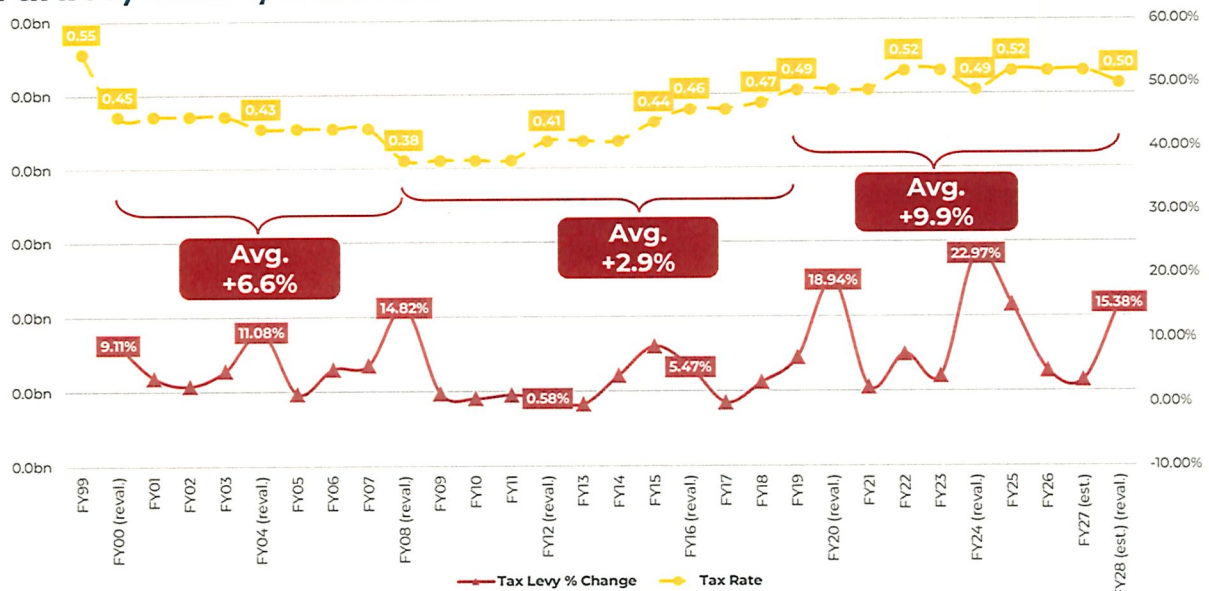
SETTING THE STAGE – TAX STRATEGY

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SETTING THE STAGE – TAX STRATEGY

Values, Rates, & Levies



SETTING THE STAGE – TAX STRATEGY

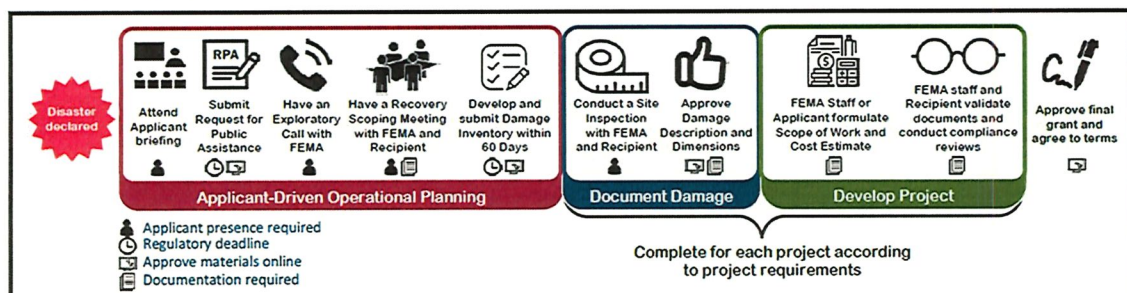
The Property Tax

1. Levy growth since 1999 has averaged **+6.11%**
2. Our tax rate is 3 pennies lower than it was in 1999, with little year-to-year fluctuation
3. The 2000's were a decade of strong revaluations and subsequent tax decreases
4. The 2010's saw the tax value suffer and tax rates rise over 10 pennies
5. More recent years have seen moderate value increases, combined with tax rate stability, while furthering community projects and services

SETTING THE STAGE – HELENE RECOVERY

FEMA PA – Budget, Obligations, and Revenues

- Current Revised Budget = **\$11,172,004** Projected Budget = ~\$160,000,000
 - Current Actuals & Obligations = **\$9,460,592** Non-Reimb. Actuals = \$288,074
 - Current Revenues
 - FEMA = **\$4,149,917**
 - Insurance = \$3,372,564
 - Loans = \$10,639,005
- Current Net Surplus/(Deficit) = \$8,973,559**



SETTING THE STAGE – HELENE RECOVERY

FEMA PA – Fixed Cost Offers (FCOs)

Public Assistance Program and Policy Guide (PAPPG): A Fixed Cost Offer is an estimated and fixed amount of federal funding that an eligible applicant can accept for a project, rather than waiting for reimbursement based on final, actual eligible costs.

- Wastewater Treatment Plant – \$125,544,874
- Patton Park & Pool – \$21,494,799
- Whitmire Activity Center – \$7,098,666

Dear Mr. Stanton,

The City of Hendersonville respectfully submits this letter to request an extension of the deadline for completion and acceptance of Fixed Cost Offers (FCOs) under Section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act for the following FEMA Public Assistance project associated with DR-4827-NC:

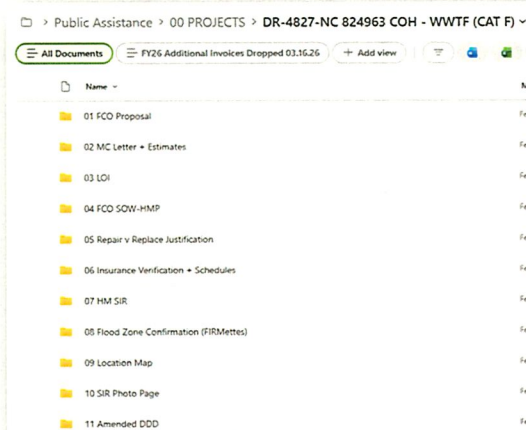
- Project 824995 – Whitmire Activity Center

The City has submitted a complete FCO package for this project via the FEMA Grants Portal. Submission was made in advance of both the administrative deadline of February 28, 2026 established by FEMA leadership for this disaster, and the statutory deadline of March 28, 2026. The City acted diligently and in good faith to meet these deadlines.

SETTING THE STAGE – HELENE RECOVERY

FEMA PA – Fixed Cost Offers (FCOs)

The City of Hendersonville has submitted diligent, thorough, and thoughtful FCOs and is currently waiting to hear back from FEMA on their consideration.



2. Calculation of Eligible Repair Costs

The following table details the deduction of ineligible costs to arrive at the net eligible repair value:

Cost Category	Amount
A. Total Repair Estimate (CPL)	\$4,086,307
B. Net Eligible Repair Cost (Palacio)	\$7,098,666

3. 50% Rule Determination

Per 44 CFR §206.226(f), a facility is considered eligible for replacement if the cost to repair the damage exceeds 50% of the cost to replace the facility:

- Numerator (Eligible Repair Cost): \$4,086,307
- Denominator (Replacement Construction Cost): \$7,098,666

$$\frac{\$4,086,307}{\$7,098,666} = 57.56\%$$

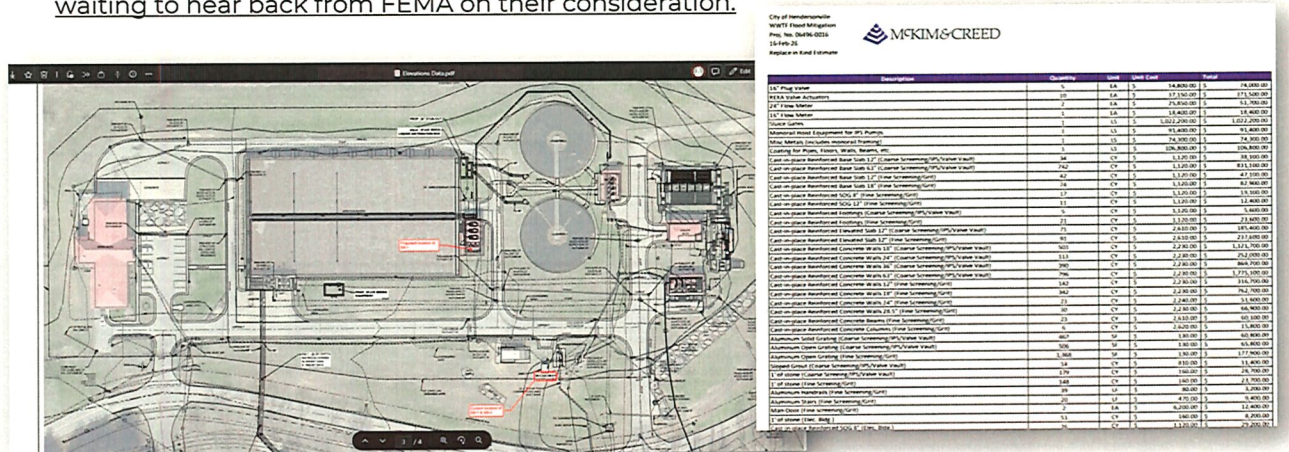
4. Conclusion

The calculation confirms that the cost to repair the storm-related damage is 57.56% of the replacement cost. Since this ratio exceeds the 50% threshold, the Whitmire Activity Center is eligible for replacement. The City of Hendersonville requests that the Fixed Cost Offer be established based on the replacement cost.

SETTING THE STAGE – HELENE RECOVERY

FEMA PA – Fixed Cost Offers (FCOs)

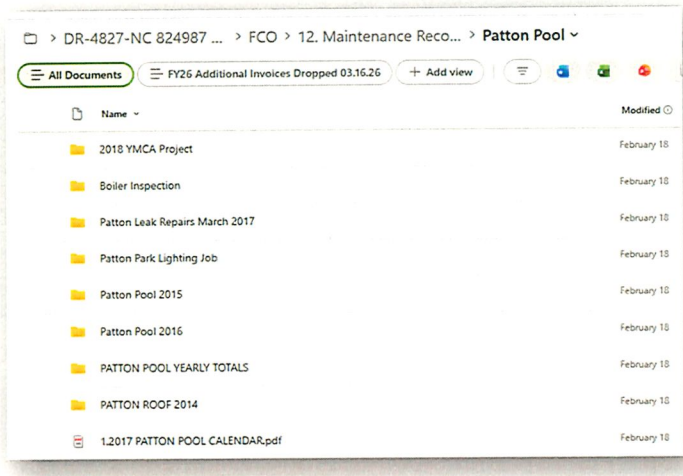
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SETTING THE STAGE – HELENE RECOVERY

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Rough Order of Magnitude Cost for Aquatics
Hendersonville, NC
8/27/2025
PATTON POOL IN-KIND REPLACEMENT

Item	Qty.	Unit	Unit Cost	Costs
Outdoor Main Pool				
Aquatics Demolition	1	EA	\$203,000	\$203,000
New Pool	13,801	SF	\$150	\$2,070,150
New Quartz Aggregate Finish	12,440	SF	\$40	\$497,568
New Tile Fountains	1,242	SF	\$75	\$93,150
New Depth Markers	52	EA	\$30	\$1,564
New Fountain Outlet	119	LF	\$220	\$26,180
New Faux Inlets	11,260	SF	\$4	\$45,040
New Suction Outlets	7	EA	\$20,000	\$140,000
New Pump	1	EA	\$60,000	\$60,000
New Strainer	1	EA	\$9,500	\$9,500
New Filter	1	EA	\$54,000	\$54,000
New Chemical Controller	1	EA	\$12,500	\$12,500
New Disinfection Chemical	1	EA	\$20,000	\$20,000
New pH Chemical	1	EA	\$15,000	\$15,000
New Heater	11,260	SF	\$10	\$112,596
New Valving	10	EA	\$2,500	\$25,000
New Piping & Supports	200	LF	\$165	\$49,500
New Rusted Piping	150	LF	\$200	\$30,000
Outdoor Main Pool Subtotal				\$3,877,338
Swimming Pool				
Aquatics Demolition	1	EA	\$30,000	\$30,000
New Pool	400	SF	\$125	\$50,000
New Quartz Aggregate Finish	440	SF	\$40	\$17,600
New Tile Fountains	40	SF	\$70	\$2,800
New Depth Markers	6	EA	\$30	\$1,800
New Skimmers	4	EA	\$300	\$1,200
New Faux Inlets	400	SF	\$4	\$1,600
New Suction Outlets	2	EA	\$10,000	\$20,000
New Pump & Strainer	1	EA	\$15,000	\$15,000
New Filter	1	EA	\$25,000	\$25,000
New Chemical Controller	1	EA	\$7,500	\$7,500
New Disinfection Chemical	1	EA	\$10,000	\$10,000
New pH Chemical	1	EA	\$10,000	\$10,000
New Heater	400	SF	\$10	\$4,000
New Valving	10	EA	\$750	\$7,500
New Piping & Supports	150	LF	\$125	\$18,750
New Rusted Piping	150	LF	\$200	\$30,000
Outdoor Swimming Pool Subtotal				\$264,100
Aquatics ROM Cost				\$4,141,438

Notes:
1. Estimate includes pool excavation and structure, pool finishes, deck equipment, pool mechanical systems, play/slide features, pool and feature mechanical systems, and piping.
2. Estimate assumes all utilities & infrastructure to be brought to within 5 feet of the facility and does not include additional contingencies for unusual soil conditions or unforeseen development risk items.
3. Estimate does not include contingency, escalation, bonding, insurance, general conditions, etc.

SETTING THE STAGE – PARK INITIATIVES

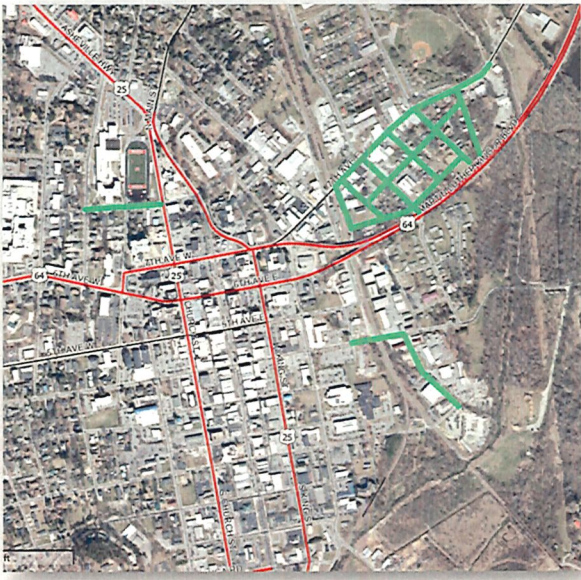
Current Park Projects

1. Patton Park and Whitmire Activity Center – FCOs
2. S. Main St. Park – BUILD Grant
3. Clear Creek Greenway – NCDOT Bid
4. Sullivan Park Playground – PARTF Grant Received
5. Rosa Edwards – Community Meeting Held
6. Above the Mud Greenway – Looking for Funding Sources
7. Disc Golf – Delayed (Helene/WWTP Expansion)

SETTING THE STAGE – GO BOND

Transportation Improvements

1. Current Project Bid
 - Approx. 2 miles; ~268k sq. ft.
 - Avg. PCI = 57
 - Replaces 28 ADA Ramps
 - ~\$1.4m Cost
2. Under this Example
 - Resurfacing goals would be met
 - ADA Ramp goals would not
3. GO Bond Draw Target = June 2027



SETTING THE STAGE – GO BOND

Transportation Improvements

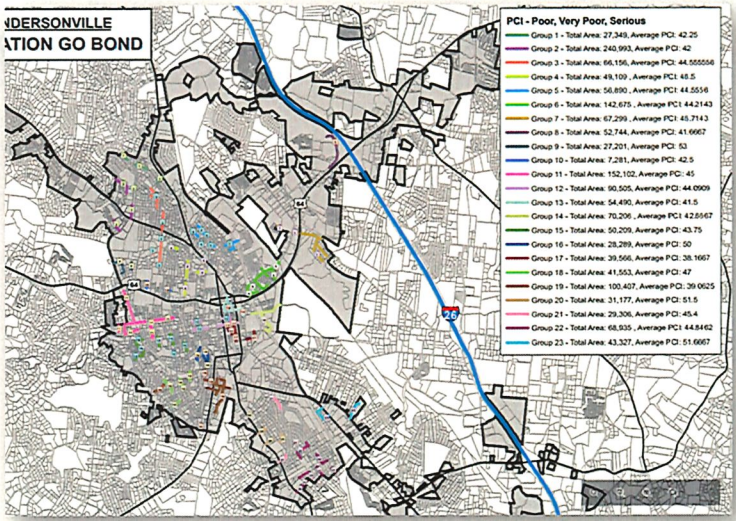
1. Future Projects
- Resurfacing = 640k sq. ft.

▪ Curb Ramps = 20
2. Future Budget
- Resurfacing = \$1,420k

▪ Curb Ramps = \$419k

▪ General = \$285k

**Analysis excludes safety & network improvements*

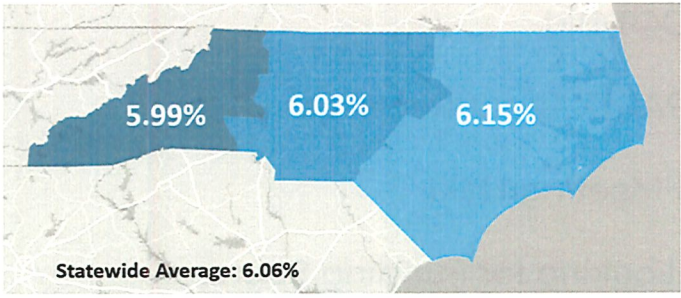


SETTING THE STAGE – COLAs/MERIT (+6.6%)



North Carolina Association
of County Commissioners

Average Combined COLA and Merit Increases for FY27 (Among Respondents Implementing COLA and/or Merit) by Region



COLA & Merit

FY24 Overview
In 2021, the City Council set a compensation philosophy in its pay and classification study. This pay philosophy was defined as compensating employees fairly and competitively, which they further defined as the 75th percentile of the regional market. Large increases in the salary base were made from FY21 to FY23, resulting in the minimum wage increasing by 31.2% (\$12.61 per hour to \$16.54 per hour). Additionally, City Council increased wages across the board known as a process of range penetration as to negate impacts from salary compression with existing employees. City Council additionally offers a highly competitive

FY27 Budget Proposal is Competitive with Region and State... 4.0% COLA + Up-to 3.5% Merit.

Making progress towards our living wage target.

SETTING THE STAGE – COLAs/MERIT (+6.6%)

FY26: 50.1% of job classifications ≥ living wage target
63.3% of employees ≥ living wage target

FY27: 61.6% of job classifications ≥ living wage target (4.0% COLA)
72.5% of employees ≥ living wage target (4.0% COLA)

Council’s current living wage direction is to pursue the rate advertised by **JustEconomics, \$24.10/hour as of Feb. 2026**

Name	...	Status	...	Start Date	...	Current Value	...	Last Updated	...	Last Comment
Maintain 100% of Job Classifications Starting Salaries Above the Living Wage		Off Track		07/01/2023		50.14%		03/31/2026		The (WNC) regional living wage, as identified by JustEconomics is \$24.10 per hour. Based on FY26 job classifications, to earn an entry-level pay greater than or equal to \$24.10, an employee must be placed in Grade 15 or higher. There are currently 351 active employees in the City, and 176 of these employees are in Grade 15 or above. This means 50.14 (176/351) job classifications provide a living wage as defined by JustEconomics in their February 2026 update.
% of Workforce Making Living Wage or Greater		Off Track		07/01/2023		63.25%		03/31/2026		The (WNC) regional living wage, as identified by JustEconomics is \$24.10 per hour. According to a 04/10/26 data extract, 222 of 351 active employees earn a wage of \$24.10 or greater (63.25%). This number varies from the grade-based calculation of living wage percentages because it considers employee-specific pay (tenure, time-in-grade, performance, etc.).

SETTING THE STAGE – FINANCIAL CONDITION

Enabler – How we do things well...

1. Financial Sustainability
- Confidence in revenue models to move projects forward
 - Acknowledgement of upper threshold of taxes and rates, setting guardrails to protect affordability for residents and ratepayers
 - Revenue diversification
 - Transparent and regular data-driven decision-making and reporting

SETTING THE STAGE – FINANCIAL CONDITION

Financial Sustainability Scorecard

Indicator	FY24 Actual	FY25 Actual	FY26 Estimate	FY27 Estimate	Target/Goal
\$ Available Fund Balance	6,159,237	7,380,490	8,054,112	8,352,394	* 7,936,945 *
% Available Fund Balance	23.81%	26.65%	26.30%	25.81%	25.00%
Total Fund Balance	11,072,165	12,433,902	13,107,524	13,405,806	* 13,206,199 *
Total FB as % of Exp.	42.66%	46.85%	45.30%	42.66%	* 42.02% *
Operating Revenues	25,341,526	28,443,802	30,623,939	32,655,228	N/A
Operating Expenditures	25,955,787	26,540,333	28,937,696	31,422,036	N/A
Operating Revenues % Change (YoY)	17.43%	12.24%	7.66%	6.63%	N/A
Operating Expenditures % Change (YoY)	8.54%	2.25%	9.03%	8.59%	N/A
Operating Ratio	-2.37%	7.17%	5.83%	3.92%	> 0%
Capital Ratio	0.96%	0.22%	1.06%	2.08%	> 3%
Debt Service Ratio	15.07%	15.59%	12.97%	12.23%	< 15%
Assessed Value	3,040,864,842	3,284,842,316	3,442,677,766	3,654,919,423	N/A
Assessed Value % Change (YoY)	31.31%	8.02%	4.80%	6.17%	> 3%
Tax Rate	0.4900	0.5200	0.5200	0.5200	<= 0.5599

Why it's important...

1. Fund Balance Indicators
- Cash available to pay for normal operating expenses
 - Emergency funds
 - Ability to adapt to unforeseen opportunities
 - Beneficial for ratings
 - Required to issue debt with LGC approval

SETTING THE STAGE – FINANCIAL CONDITION

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Why it's important...

2. Operating Indicators
- Points to recurring ability to fund services
 - Represents baseline services
 - Negative ratio leads to depletion of fund balance or need for new revenues

SETTING THE STAGE – FINANCIAL CONDITION

Financial Sustainability Scorecard

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* = Budget Year Only

Why it's important...

3. Capital Indicators

- Represents investments in infrastructure
- Points to quality of infrastructure maintenance
- Not meeting ratio leads to deferred maintenance and need for increased debt service or fund balance depletion in the future

SETTING THE STAGE – FINANCIAL CONDITION

Financial Sustainability Scorecard

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Why it's important...

4. Debt Service Indicators

- Represents debt payments as a percent of total spending
- Points to capacity to issue additional debt
- Not meeting ratio impacts ability to issue future debt to fund large projects, impacts bond ratings, and rates

SETTING THE STAGE – FINANCIAL CONDITION

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Why it's important...

5. Assessed Value Indicators

- Represents value of City properties
- Points to growth in the City and capacity to fund services and programs
- Impacts ability to maintain sustainable service levels (think Ven Diagram)

SETTING THE STAGE – FINANCIAL CONDITION

Financial Sustainability Scorecard									
Indicator	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Estimate	FY27 Estimate	Target/Goal
\$ Available Fund Balance	5,949,067	3,460,866	5,777,008	7,353,518	6,159,237	7,380,490	8,054,112	8,352,394	* 7,936,945 *
% Available Fund Balance	36.72%	20.00%	30.12%	30.73%	23.81%	26.65%	26.30%	25.81%	25.00%
Total Fund Balance	8,552,569	9,636,447	9,763,382	11,593,167	11,072,165	12,433,902	13,107,524	13,405,806	* 13,206,199 *
Total FB as % of Exp.	51.87%	57.65%	50.64%	48.48%	42.66%	46.85%	45.30%	42.66%	* 42.02% *
Operating Revenues	17,320,222	18,330,100	19,731,509	21,580,054	25,341,526	28,443,802	30,623,939	32,655,228	N/A
Operating Expenditures	16,488,923	16,716,321	19,281,024	23,914,493	25,955,787	26,540,333	28,937,696	31,422,036	N/A
Operating Revenues % Change (YoY)	11.76%	5.83%	7.65%	9.37%	17.43%	12.24%	7.66%	6.63%	N/A
Operating Expenditures % Change (YoY)	7.76%	1.38%	15.34%	24.03%	8.54%	2.25%	9.03%	8.59%	N/A
Operating Ratio	5.04%	9.65%	2.34%	-9.76%	-2.37%	7.17%	5.83%	3.92%	> 0%
Capital Ratio	5.59%	4.26%	4.52%	7.45%	0.96%	0.22%	1.06%	2.08%	> 3%
Debt Service Ratio	6.17%	7.90%	7.50%	10.41%	15.07%	15.59%	12.97%	12.23%	< 15%
Assessed Value	2,143,764,984	2,194,961,736	2,224,375,594	2,315,870,638	3,040,864,842	3,284,842,316	3,442,677,766	3,654,919,423	N/A
Assessed Value % Change (YoY)	18.00%	2.39%	1.34%	4.11%	31.31%	8.02%	4.80%	6.17%	> 3%
Tax Rate	0.4900	0.4900	0.5200	0.5200	0.4900	0.5200	0.5200	0.5200	<= 0.5599

= Budget Year Only

GENERAL FUND MODEL

Council Workshop
May 01, 2026

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

Revenue Requirements and Sources						Financial Sustainability Scorecard				
FY	Tax Rate	Revenue Neutral Rate	Value of a Penny	Natural Growth Rate / Reval	Growth Rate Development	25%				
						Available FB (Ass. + Unass.)	Available FB as a % of Expenditures	Amount Above (Under) Policy	Op. Rev. to Exp.	Cap. Ratio
2025	52.00	52.00	328,835	8.02%	0.00%	7,380,490	26.7%	600,420	7.2%	1.0%
2026	52.00	52.00	341,558	4.80%	0.00%	8,054,112	26.3%	640,426	6.4%	0.8%
2027	52.00	52.00	365,492	6.17%	0.00%	8,352,394	25.8%	415,448	4.6%	0.8%
2028	50.00	45.75	434,068	15.00%	2.84%	11,566,890	35.1%	3,499,357	12.7%	3.3%
2029	50.00	50.00	455,083	2.00%	1.32%	11,709,827	31.7%	2,656,949	2.7%	3.2%
2030	50.00	50.00	470,192	2.00%	3.06%	11,906,843	30.7%	2,387,285	2.4%	3.1%
2031	50.00	50.00	493,982	2.00%	0.00%	10,391,434	25.2%	228,011	-1.8%	3.8%
2032	48.00	42.63	579,914	15.00%	0.62%	11,466,205	27.1%	1,663,546	4.5%	3.7%
2033	48.00	43.00	590,469	1.00%	0.00%	12,368,003	28.4%	1,642,116	3.9%	3.6%
2034	48.00	48.00	596,373	1.00%	0.14%	13,498,216	30.4%	2,582,316	4.4%	3.5%
2035	48.00	48.00	603,145	1.00%	0.00%	14,580,038	32.0%	3,356,598	4.2%	4.1%

Fund Balance

Amount Above/(Under) Minimum Requirement

Net Earnings

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

1. Projections through 2060 – Operating, Capital, Debt, Revenues, etc.

		Projected	Projected	Projected	Projected	Projected
		2056	2057	2058	2059	2060
Growth (%) 5.0%	Public buildings					
	Salaries and employee benefits	819,424	860,395	903,415	948,585	996,015
	Operating expenses	433,942	438,281	442,664	447,091	451,562
	Capital outlay	57,245	57,245	57,245	57,245	57,245
	Additional Staffing	342,928	360,074	378,078	396,982	416,831
Total - Public buildings		1,653,539	1,715,996	1,781,402	1,849,903	1,921,652
Total - General government		17,051,127	17,720,570	18,421,957	19,156,869	19,926,968
Growth (%) 5.0%	Police					
	Salaries and employee benefits	30,741,807	32,278,898	33,892,843	35,587,485	37,366,859
	Operating expenses	1,647,405	1,663,879	1,680,518	1,697,323	1,714,296
	Capital outlay	40,113	40,113	40,113	40,113	40,113
	Additional Staffing	1,366,180	1,434,489	1,506,213	1,581,524	1,660,600
Total - Police		33,795,505	35,417,379	37,119,687	38,906,445	40,781,869
Growth (%) 5.0%	Fire					
	Salaries and employee benefits	25,054,485	26,307,209	27,622,570	29,003,698	30,453,883
	Operating expenses	1,239,076	1,251,467	1,263,982	1,276,621	1,289,388
	Capital outlay	97,317	97,317	97,317	97,317	97,317
	On-behalf payments: Firefighter's Relief fund	-	-	-	-	-
Total - Fire		25,350,878	26,655,993	27,983,869	29,377,636	30,840,588

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

Projects Under Consideration								
1	2	3	4	5	6	7	8	9
On/Off	Description	Amount	Timing (FY)	Funding Type	Structure	Term	Principal	Rate
Display Only	Annual Vehicle Replacement FY25	600,000	2025	L.O.B.	Level D/S	4	0.5	6.000%
Display Only	Annual Equipment Replacement FY26	300,000	2026	L.O.B.	Level D/S	7	0.5	6.500%
Display Only	Annual Vehicle Replacement FY26	600,000	2026	L.O.B.	Level D/S	5	0.5	6.500%
On	Annual Vehicle Replacement FY27	1,000,000	2027	L.O.B.	Level D/S	5	0.5	6.500%
On	E9-S Replacement (Quint)	1,640,000	2028	L.O.B.	Level D/S	15	0	5.350%
On	G.O. Bond Transportation (FY27 Tranche)	5,000,000	2028	G.O.	Level Principal	20	0	5.350%
On	Annual Vehicle Replacement FY28	772,500	2028	L.O.B.	Level D/S	5	0.5	6.500%
On	Mulch Yard Site	2,000,000	2028	L.O.B.	Level D/S	20	0	5.350%

2. Robust Debt Projections

Estimate				Projected		Projected	
2027				2028		2029	
Debt service (existing):							
Principal				3,181,250		2,196,054	
Interest				1,008,500		836,074	
Debt service (proposed):							
Principal				-		516,387	
Interest				-		163,080	

City of Hendersonville, North Carolina

Capital Planning Model - General Fund

Scenario 1

Existing and Proposed Debt Service

Existing Debt Service				Series 2023 - Mulch Yard Site			
Principal	Interest	Debt Service	Balance	Principal	Interest	Debt Service	Balance
44,616,730	12,269,745	57,306,475	-	2,000,000	1,305,641	3,305,641	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
989,768	261,178	1,250,946	43,826,962	-	-	-	-
1,431,745	682,086	2,113,831	42,395,217	-	-	-	-
2,814,513	1,095,915	3,910,427	39,580,704	-	-	-	-
2,839,493	1,055,404	3,894,897	36,741,211	-	-	-	-
2,699,622	979,325	3,678,948	34,041,589	-	-	-	-
2,471,353	904,567	3,375,919	31,707,296	-	-	-	-
2,156,054	836,074	3,002,128	29,374,182	-	-	-	2,000,000
2,101,259	777,270	2,878,529	27,272,923	58,282	107,000	165,282	1,941,718
2,119,057	718,930	2,837,987	25,153,866	61,400	103,882	165,282	1,880,318
2,099,697	660,579	2,760,277	23,054,169	64,685	100,597	165,282	1,815,633
2,049,254	603,961	2,653,206	21,004,914	68,146	97,136	165,282	1,747,487
2,036,501	550,579	2,587,079	18,968,414	71,792	93,491	165,282	1,675,695
1,751,298	497,647	2,248,945	17,217,116	75,632	89,650	165,282	1,600,063
1,653,055	448,635	2,101,710	15,564,061	79,679	85,603	165,282	1,520,384
1,639,546	401,471	2,041,017	13,924,515	83,941	81,341	165,282	1,436,443
1,625,322	356,238	1,981,560	12,299,193	88,432	76,850	165,282	1,348,011
1,642,173	310,132	1,952,304	10,657,021	93,163	72,119	165,282	1,254,847
1,304,232	263,991	1,568,223	9,352,789	98,148	67,134	165,282	1,156,699
1,311,503	228,503	1,540,006	8,041,286	103,399	61,883	165,282	1,053,301
1,318,631	193,187	1,511,818	6,722,655	108,930	56,352	165,282	944,370
1,237,570	157,091	1,394,661	5,450,586	114,758	50,124	165,282	829,612
1,246,379	123,674	1,370,053	4,236,706	120,898	44,384	165,282	708,714
432,376	90,069	522,445	3,006,330	127,366	37,916	165,282	581,348
441,342	81,103	522,445	3,364,888	134,180	31,102	165,282	447,168
450,042	71,503	522,445	2,914,046	141,359	23,924	165,282	305,010
460,525	61,900	522,445	2,403,520	148,921	16,361	165,282	156,688
470,311	52,134	522,445	1,983,209	156,889	8,394	165,282	-
480,180	42,255	522,445	1,503,019	-	-	-	-
490,509	31,936	522,445	1,012,510	-	-	-	-
500,833	21,515	522,445	511,577	-	-	-	-
511,577	10,866	522,445	-	-	-	-	-

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

1	2	3	4	5	6	7
On/Off	Job Title	Grade	Min/Mid/Max	# of Positions	Start Year	General Fund %
Display Only	Police Officer II	15	Min	4.00	2027	100.00%
Display Only	Police Telecommunicator I	12	Min	1.00	2027	100.00%
Display Only	Police Officer I	15	Min	1.00	2027	100.00%
On	Police Officer I	15	Min	1.00	2028	100.00%
On	Police Officer I	15	Min	2.00	2029	100.00%
On	Police Detective II	16	Min	1.00	2029	100.00%
Display Only	Fire Captain	20	Min	2.00	2027	100.00%
On	Fire Engineer	15	Min	3.00	2029	100.00%
On	Fire Captain	20	Min	3.00	2030	100.00%
Display Only	Construction Inspector II	18	Min	1.00	2027	30.00%
On	Construction Inspector II	18	Min	1.00	2028	30.00%
On	Building Maintenance Technician	11	Mid	1.00	2028	50.00%
On	Traffic Engineering Technician II	12	Min	1.00	2028	70.00%

3. Detailed Personnel Cost Impacts

From Inputs / Dashboard					
Job Title	2029	2030	2031	2032	2033
Fire					
New Salaries	180,109	430,479	452,002	474,603	498,333
Additional Benefits					
Probation Completion	4,503	6,259	6,572	6,901	7,246
Retirement Expense (Non-Sworn)	-	-	-	-	-
Retirement Expense (Sworn)	30,799	73,612	77,292	81,157	85,215
Health Insurance	40,157	84,330	88,547	92,974	97,623
Holiday Pay	-	-	-	-	-
Halftime	-	-	-	-	-
Worker's Comp	5,234	10,992	11,542	12,119	12,725
New Employee Benefit	18,996	19,946	-	-	-
Total Additional Benefits	99,689	195,139	183,953	193,151	202,808
Total New - Fire	279,798	625,618	635,956	667,753	701,141

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

Development	Year Built	Units	Type	Value per Unit	Value	Taxable Value	Status	Tax Revenue	Penny Equi	% Built Modifi	Adj. Tax Revenue
Universal at Lakewood Project	2025	291	Multi-Family	110,000	32,010,000	32,010,000	Entitled	166,452	0.50	1.00	166,452
Ivy Crossing Project	2025	45	Single-Family Detached	425,000	19,125,000	19,125,000	Entitled	99,450	0.30	1.00	99,450
Dairy Street Minor PRD Project	2025	5	Single-Family Detached	425,000	2,125,000	2,125,000	Entitled	11,050	0.02	0.75	8,288
Townes at Stonecrest (Clear Creek Project)	2026	142	Single-Family Attached	350,000	49,700,000	49,700,000	Entitled	258,440	0.52	0.70	180,908
Cantrell Hills (Clear Creek Project)	2026	192	Single-Family Detached	425,000	81,600,000	81,600,000	Entitled	424,320	0.97	0.80	339,456
303 Chadwick Avenue Single Family Housing Project	2026	4	Single-Family Detached	425,000	1,700,000	1,700,000	Entitled	8,840	0.01	0.25	2,210
Dairy Street Minor PRD Project B	2026	5	Single-Family Detached	425,000	2,125,000	2,125,000	Entitled	11,050	0.01	0.25	2,763

4. Property Tax Projections Considering Growth from Development

	Projected 2032	Projected 2033	Projected 2034
Revenues:			
Ad valorem taxes			
Taxes	27,206,203	27,510,605	27,785,711
Taxes from New Development	32,340	-	407,778

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

	Minimum	25%	0%	15%	3%		
	18	19	21	22	23		
FY	Available FB (Ass. + Unass.)	Available FB as a % of Expenditures	Amount Above (Under) Policy	Op. Rev. to Exp.	Cap. Ratio	D/S to Exp. Ratio	Assessed Value Ratio
Total							
2020	5,949,067	36.72%	1,826,836	5.0%	4.9%	6.2%	18.0%
2021	3,460,866	20.00%	(718,214)	9.7%	5.6%	7.9%	2.4%
2022	5,777,008	29.40%	981,559	2.3%	4.3%	6.5%	1.3%
2023	7,353,518	30.15%	1,371,566	-9.8%	4.5%	8.8%	4.1%
2024	6,159,237	23.35%	(306,981)	-2.4%	7.4%	15.1%	31.3%
2025	7,380,490	26.65%	600,420	7.2%	1.0%	14.8%	8.0%
2026	8,054,112	26.30%	540,426	6.4%	0.8%	13.6%	4.8%
2027	8,352,394	25.81%	415,448	4.5%	0.8%	12.2%	6.2%
2028	11,586,890	35.14%	3,499,357	12.7%	3.3%	11.6%	17.8%
2029	11,789,827	31.72%	2,656,949	2.7%	3.2%	17.2%	3.3%
2030	11,906,843	30.75%	2,387,285	2.4%	3.1%	16.6%	5.1%
2031	10,391,434	25.15%	228,011	-1.8%	3.8%	18.9%	2.0%
2032	11,486,205	27.11%	1,063,548	4.5%	3.7%	17.7%	15.8%
2033	12,368,003	28.37%	1,642,116	3.9%	3.6%	16.8%	1.0%
2034	13,498,216	30.37%	2,562,316	4.4%	3.5%	15.1%	1.1%
2035	14,580,038	31.97%	3,356,598	4.2%	4.1%	13.9%	1.0%

5. Tracking Financial Indicators

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

Revenue Requirements and Sources						Financial Sustainability Scorecard						
FY	Tax Rate	Revenue Neutral Rate	Value of a Penny	Natural Growth Rate / Rental	Growth Rate Development	Available FB (Ass. + Unass.)	Available FB as a % of Expenditures	Amount Above (Under) Policy	Op. Rev. to Exp.	Cap. Ratio	D/S to Exp. Ratio	Assessed Value Ratio
2025	52.00	52.00	328,835	8.02%	0.00%	7,380,490	26.7%	600,420	7.2%	1.0%	14.8%	8.0%
2026	52.00	52.00	341,858	4.80%	0.00%	8,054,112	26.3%	540,426	6.4%	0.8%	13.6%	4.8%
2027	52.00	52.00	365,492	6.17%	0.00%	8,352,394	25.8%	415,448	4.5%	0.8%	12.2%	6.2%
2028	50.00	45.76	434,060	15.00%	2.84%	11,586,890	35.1%	3,499,357	12.7%	3.3%	11.6%	17.8%
2029	50.00	50.00	455,063	2.00%	1.32%	11,789,827	31.7%	2,656,949	2.7%	3.2%	17.2%	3.3%
2030	50.00	50.00	470,192	2.00%	3.06%	11,906,843	30.7%	2,387,285	2.4%	3.1%	16.6%	5.1%
2031	50.00	50.00	493,982	2.00%	0.00%	10,391,434	25.2%	228,011	-1.8%	3.8%	18.9%	2.0%
2032	48.00	42.63	579,914	15.00%	0.82%	11,486,205	27.1%	1,063,548	4.5%	3.7%	17.7%	15.8%
2033	48.00	48.00	590,469	1.00%	0.00%	12,368,003	28.4%	1,642,116	3.9%	3.6%	16.8%	1.0%
2034	48.00	48.00	596,373	1.00%	0.14%	13,498,216	30.4%	2,562,316	4.4%	3.5%	15.1%	1.1%
2035	48.00	48.00	603,145	1.00%	0.00%	14,580,038	32.0%	3,356,598	4.2%	4.1%	13.9%	1.0%

Fund Balance

Amount Above/(Under) Minimum Requirement

Net Earnings

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

1. Park Questions Remain
2. Fire Station #3 Timing
3. Mulch Yard Priority
4. What's Missing?

Major Projects

On/Off	Description	Amount	Timing (FY)	Funding Type	Term	Rate
Display Only	Annual Vehicle Replacement FY25	660,000	2025	L.O.B.	4	6.000%
Display Only	Annual Equipment Replacement FY26	300,000	2026	L.O.B.	7	6.500%
Display Only	Annual Vehicle Replacement FY26	600,000	2026	L.O.B.	5	6.500%
On	Annual Vehicle Replacement FY27	1,000,000	2027	L.O.B.	5	6.500%
On	E9-5 Replacement (Quint)	1,640,000	2028	L.O.B.	15	5.350%
On	G.O. Bond Transportation (FY27 Tranche)	5,000,000	2028	G.O.	20	5.350%
Off	Above the Mud Greenway	8,000,000	2028	L.O.B.	20	5.350%
On	Annual Vehicle Replacement FY28	772,500	2028	L.O.B.	5	6.500%
On	Mulch Yard Site	2,000,000	2028	L.O.B.	20	5.350%
Off	Safety City & Rosa Edwards Park	1,000,000	2028	L.O.B.	20	5.350%
On	G.O. Bond Parks	20,000,000	2028	L.O.B.	20	5.350%
On	Annual Vehicle Replacement FY29	795,675	2029	L.O.B.	5	6.500%
On	E9-4 Replacement (Pumper)	1,300,000	2029	L.O.B.	15	5.350%
On	Annual Vehicle Replacement FY30	820,000	2030	L.O.B.	5	6.500%
On	Fire Station #3 (20 year)	9,000,000	2030	L.O.B.	20	5.350%
On	G.O. Bond Transportation (FY30 Tranche)	5,000,000	2030	G.O.	20	5.350%
On	E9-2 Replacement (Quint)	1,700,000	2032	L.O.B.	15	5.350%
On	E9-3 Replacement (Pumper)	1,300,000	2035	L.O.B.	15	5.350%
On	E9-1 Replacement (Pumper)	1,300,000	2039	L.O.B.	15	5.350%
On	Tower 9-1 Replacement	2,500,000	2042	L.O.B.	15	5.350%

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

1. Police Staffing (strategic priority)
2. Staffing for FS#3
3. Public Works

New Positions

On/Off	Job Title	Grade	Min/Mid/Max	# of Positions	Start Year	General Fund %
Display Only	Police Officer II	15	Min	4.00	2027	100.00%
Display Only	Police Telecommunicator I	12	Min	1.00	2027	100.00%
Display Only	Police Officer I	15	Min	1.00	2027	100.00%
On	Police Officer I	15	Min	1.00	2028	100.00%
On	Police Officer I	15	Min	2.00	2029	100.00%
On	Police Detective II	16	Min	1.00	2029	100.00%
Display Only	Fire Captain	20	Min	2.00	2027	100.00%
On	Fire Engineer	15	Min	3.00	2029	100.00%
On	Fire Captain	20	Min	3.00	2030	100.00%
Display Only	Construction Inspector II	18	Min	1.00	2027	30.00%
On	Construction Inspector II	18	Min	1.00	2028	30.00%
On	Building Maintenance Technician	11	Mid	1.00	2028	50.00%
On	Traffic Engineering Technician II	12	Min	1.00	2028	70.00%

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

1. Conservative Construction Outlook
2. Economic Development Project Drivers

Development with Property Tax Revenue Impacts

1	2	3	4
On/Off	Description	Amount	Start Date
On	Halfmoon Heights Project	197,625	2028
On	Washburn Multi-Family	165,000	2028
On	Apple Ridge Project	33,000	2028
On	Lakewood Apartments Project	177,100	2028
On	The Lofts at Chadwick Project	33,000	2028
On	First Ave. Villas Project	6,600	2028
Off	The Cedars Hotel/Fairmont Project	342,500	2029
On	1202 Greenville Highway Project	87,500	2029
On	Apple Ridge Project	42,500	2029
On	Waterleaf at Flat Rock (Phase 2) Project	105,600	2029
On	Altitude Hendersonville Project	62,700	2029
On	715 Greenville Highway Apartment Project	101,750	2030
On	Duncan Terrace Project	72,600	2030
On	Washburn Single Family	340,000	2030
On	Brooklyn Ave. Townhomes Project	110,250	2030
On	Signal Hill Townhomes Project	87,500	2030
Off	The Cedars Hotel/Fairmont Project B	342,500	2031
On	Jabil	192,000	2032
On	Meadowcrest Phase I Project	31,680	2032
On	Meadowcrest Phase II Project	38,016	2034
On	Project Vert	600,000	2038
On	Project Energize	480,000	2038

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

1. Rate at \$0.50
2. Reval at 15% (of +20%)

Revenue Requirements and Sources								Financial Sustainability Scorecard						
10	11	12	13	14	15	16	17	Minimum	25%		0%	3%	15%	3%
								18	19	20	21	22	23	24
FY	Tax Rate	Revenue Neutral Rate	Cost of Total Debt	Value of a Penny	Collection Percentage	Assessed Value % Change	Growth Rate from Development	Available FB (Ass. + Unass.)	Available FB as a % of Expenditures	Amount Above (Under) Policy	Op. Rev. to Exp.	Cap. Ratio	D/Sto Exp. Ratio	Assessed Value Ratio
Total														
2020	49.00	41.81	-	214,263	99.43%	18.00%	0.00%	5,949,067	36.72%	1,826,836	5.0%	4.9%	6.2%	18.0%
2021	49.00	49.00	-	218,956	99.29%	2.39%	0.00%	3,460,866	20.00%	(718,214)	9.7%	5.6%	7.9%	2.4%
2022	52.00	52.00	5.68	221,658	99.36%	1.34%	0.00%	5,777,008	29.40%	981,559	2.3%	4.3%	6.5%	1.3%
2023	52.00	52.00	9.25	230,781	99.04%	4.11%	0.00%	7,353,518	30.15%	1,371,566	-9.8%	4.5%	8.8%	4.1%
2024	52.00	40.17	13.76	286,254	99.26%	31.31%	0.00%	6,159,237	23.35%	(306,981)	-2.4%	7.4%	15.1%	31.3%
2025	52.00	52.00	11.98	328,835	99.41%	8.02%	0.00%	7,380,490	26.65%	600,420	7.2%	1.0%	14.8%	8.0%
2026	52.00	52.00	11.56	341,858	99.30%	4.80%	0.00%	8,054,112	26.30%	540,426	6.4%	0.8%	13.6%	4.8%
2027	52.00	52.00	10.53	365,492	99.30%	6.17%	0.00%	8,352,394	25.81%	415,448	4.5%	0.8%	12.2%	6.2%
2028	50.00	45.75	8.61	434,068	99.30%	15.00%	2.84%	11,586,890	35.14%	3,499,357	12.7%	3.3%	11.6%	17.8%
2029	50.00	50.00	13.81	455,083	99.30%	2.00%	1.32%	11,789,827	31.72%	2,656,949	2.7%	3.2%	17.2%	3.3%
2030	50.00	50.00	13.52	470,192	99.00%	2.00%	3.06%	11,906,843	30.75%	2,387,285	2.4%	3.1%	16.6%	5.1%
2031	50.00	50.00	15.61	493,982	99.00%	2.00%	0.00%	10,391,434	25.15%	228,011	-1.8%	3.8%	18.9%	2.0%
2032	48.00	42.63	12.94	579,914	98.00%	15.00%	0.82%	11,486,205	27.11%	1,063,548	4.5%	3.7%	17.7%	15.8%

SETTING THE STAGE – GF MODEL

The Property Tax – Planning and Modeling

1. Many unknowns are impacting our budget strategy
 - FEMA Funding
 - BUILD Grant
 - NC Legislature
2. The model provides options to adjust to these varying impacts



GENERAL FUND

Council Workshop
May 01, 2026



GENERAL FUND – 010

- Budget/Financial Table Review Focus Areas:
 - FY26 Revised → **FY27 Recommended**
 - FY27 Requested → **FY27 Recommended**
- Revenues
- Expenditures
- Other (Sources) / Uses & Fund Balance
- Strategic Plans & Future Priorities

GENERAL FUND – 010

Remember:

- Budgeting is an **art** and a **science**: estimate ≠ guarantee
- We budget conservatively and adapt to opportunities
- “**Estimates**” are rendered upon budget adoption:
 - Estimates don’t change through the fiscal year
 - We keep estimates consistent to show the accuracy of forecasting

GENERAL FUND – 010

General Fund Desired Outcomes...
Council Direction on:

1. Taxes & Rates → **\$0.52/\$100** current rec.
2. Cost-of-living direction (**COLA**) → **4.0%** current rec.
3. 401k amount and structure → **4.0% match** current rec.
4. Position Additions → (**+8.5 FTE** in the General Fund)

GENERAL FUND – 010

FY27 Recommended Budget Consideration

Item	Initial Recommendation	Updated Recommendation
COLA	[2.70% + 3.00%] = 5.70%	4.00%
Merit	1.00% 2.25% 3.50%	1.00% 2.25% 3.50%
401k Match	3.00% → 4.00%	3.00% → 4.00%
PFL/STL	No Change (Δ)	No Change (Δ)
Insurance	2.00%	2.00%
LGERS (General)	14.35 → 15.10%	14.35 → 15.10%
LGERS (L.E.O.)	16.10% → 17.10%	16.10% → 17.10%

GENERAL FUND – 010

FY26 Revised → FY27 Recommended REVENUES

GENERAL FUND – 010

GENERAL FUND					*FY26 Revised to FY27 Rec.*	
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
REVENUES						
Ad Valorem Taxes	(17,267,500)	(18,205,000)	(18,380,000)	(19,231,710)	1,112,500	6.4%
Other Taxes & Licenses	(7,500)	(7,500)	(7,500)	(8,029)	-	0.0%
Unrestricted Intergov.	(9,447,500)	(9,803,000)	(9,953,000)	(10,889,952)	505,500	5.4%
Restricted Intergov.	(1,002,054)	(969,055)	(969,055)	(1,037,359)	(32,999)	-3.3%
Permits & Fees	(651,750)	(647,350)	(647,350)	(692,978)	(4,400)	-0.7%
Sales & Services	(362,700)	(346,000)	(346,000)	(370,387)	(16,700)	-4.6%
Investment Earnings	(277,300)	(210,000)	(210,000)	(410,000)	(67,300)	-24.3%
Miscellaneous	(72,896)	(6,000)	(6,000)	(14,813)	(66,896)	-91.8%
TOTAL REVENUES	(29,089,200)	(30,193,905)	(30,518,905)	(32,655,228)	1,429,705	4.9%

• Ad Valorem Taxes:

- FY27 Recommended: \$0.52/\$100 rate, **\$18.4 million (+\$1.1M, 6.4%)**
- Increased revenues from developments
- Henderson County **March** Tax Projection File:
 - **FY26 Billed Assessed Value to FY27 Projected Assessed Value:**
 - **3.48% net increase**, \$3.443 billion → \$3.562 billion
 - +4.23% real | -1.76% business | +0.11% individual |
-0.30% public service | +2.15% motor vehicles

Est. = 107% of
budgeted
revenues

GENERAL FUND – 010

GENERAL FUND					*FY26 Revised to FY27 Rec.*	
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TOTAL REVENUES	(29,089,200)	(30,193,905)	(30,518,905)	(32,655,228)	1,429,705	4.9%

Unrestricted Intergovernmental:

- FY27 Recommended = **\$9.9M (+\$505,500, +5.4%)** over FY26 Revised
- **Sales Tax:**
 - FY27 Rec. **+\$495,000 (+6.7%)** over FY26 Revised
 - Growth from development, increased sale prices
- **ABC Revenues -\$75k**
- **Electric Utility Sales Tax +\$87.5k**

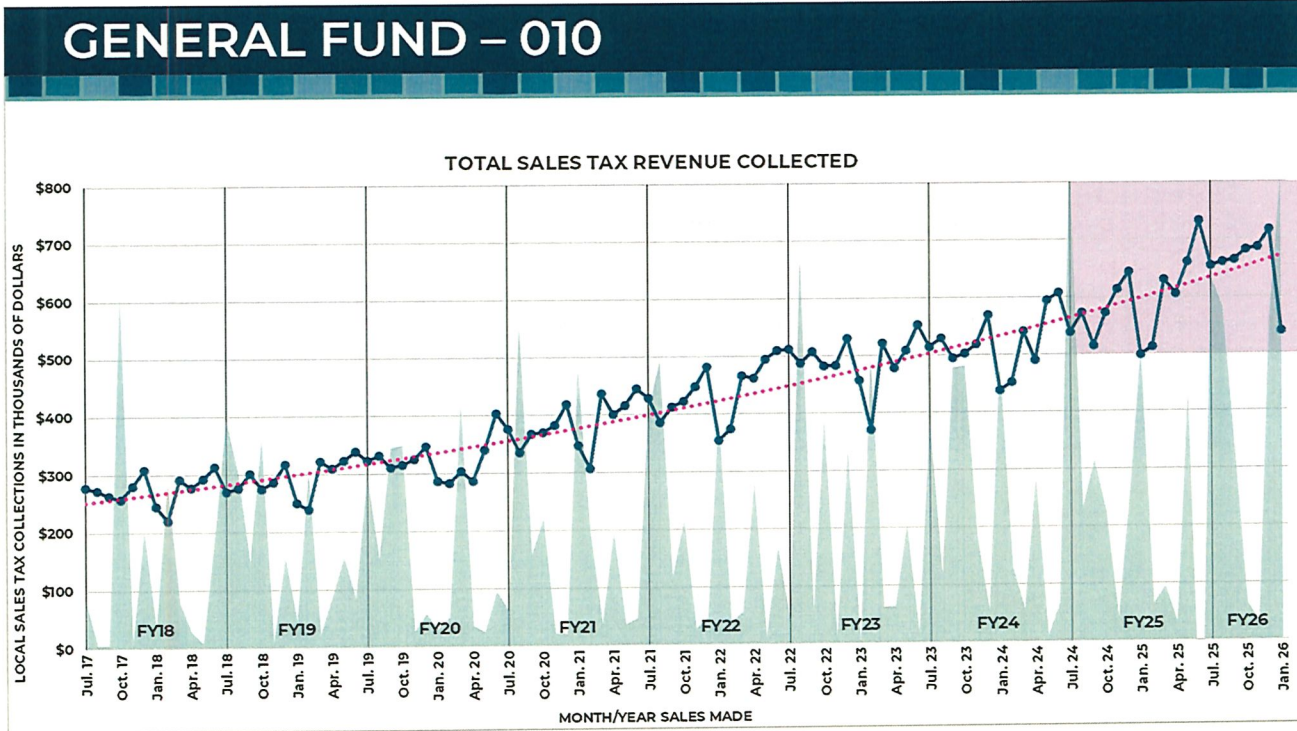
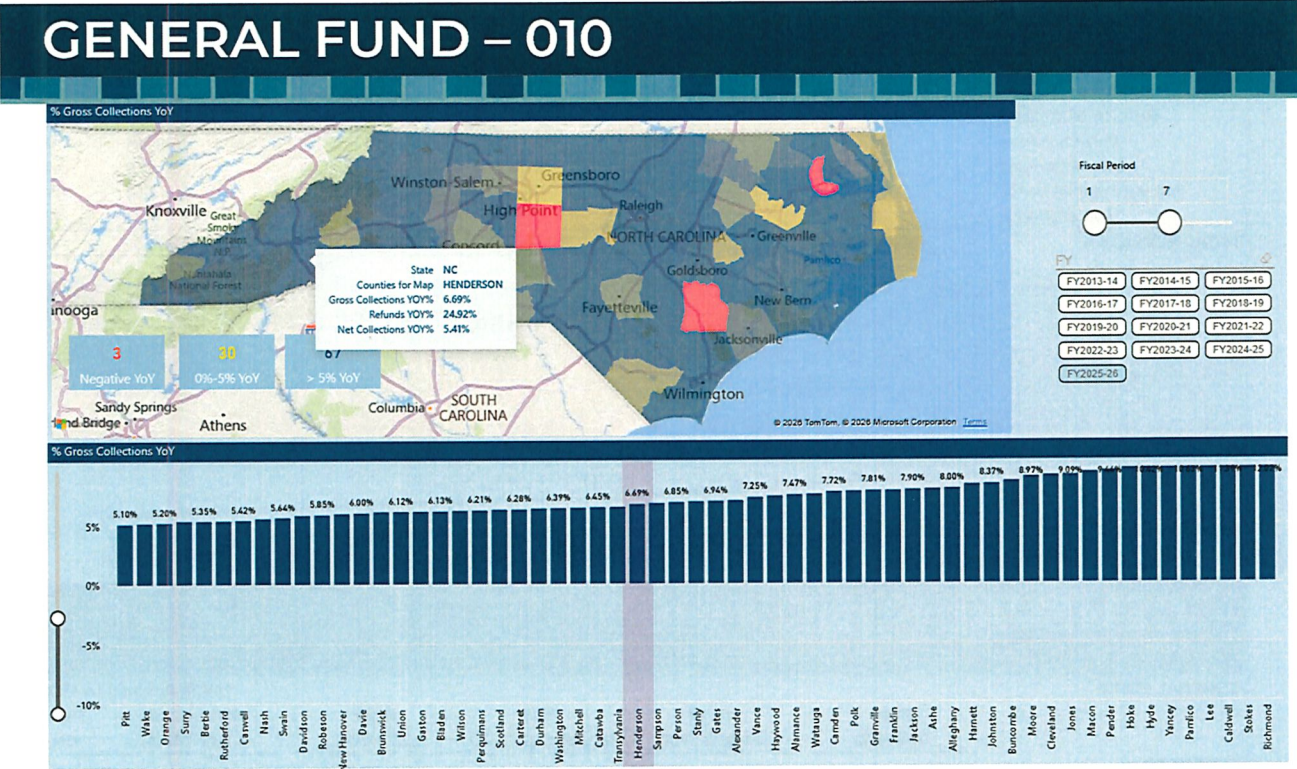
GENERAL FUND – 010

Sales Tax Comparison

Sales Month	Distribution Month	FY25 Actual	FY26 Budget	FY26 Actual	\$ Change (FY25>FY26)	% Change (FY25>FY26)	FY27 Budget
Jul	Oct	537,991	552,065	653,195	115,204	21.41%	666,259
Aug	Nov	571,901	586,862	659,641	87,740	15.34%	672,834
Sep	Dec	514,375	527,831	663,281	148,906	28.95%	676,547
Q1		1,624,268	1,666,758	1,976,118	351,850	21.66%	2,015,640
Oct	Jan	572,117	587,084	681,168	109,051	19.06%	694,792
Nov	Feb	612,880	628,913	685,168	72,288	11.79%	698,872
Dec	Mar	643,054	659,876	716,097	73,043	11.36%	730,419
Q2		1,828,051	1,875,873	2,082,434	254,383	13.92%	2,124,083
Jan	Apr	498,004	511,032	538,595	40,591	8.15%	549,367
Feb	May	512,131	510,335	579,792	67,661	13.21%	591,388
Mar	Jun	629,177	636,512	723,141	93,965	14.93%	737,604
Q3		1,639,311	1,657,879	1,841,528	202,217	12.34%	1,878,359
Apr	Jul	604,428	630,666	716,500	112,072	18.54%	730,830
May	Aug	659,895	675,566	767,510	107,615	16.31%	782,860
Jun	Sep	731,960	696,123	790,865	58,905	8.05%	806,682
Q4		1,996,283	2,002,355	2,274,875	278,592	13.96%	2,320,373
Total		7,087,913	7,202,865	8,174,955	1,087,042	15.34%	8,338,454
Minus Transfers to MSDs		425,275	432,172	490,497	65,223	15.34%	500,307
Sub-Total General Fund		6,662,638	6,770,693	7,684,458	1,021,820	15.34%	7,838,147
Sub-Total Main St. MSD		354,396	360,143	408,748	54,352	15.34%	416,923
Sub-Total 7th Ave. MSD		70,879	72,029	81,750	10,870	15.34%	83,385

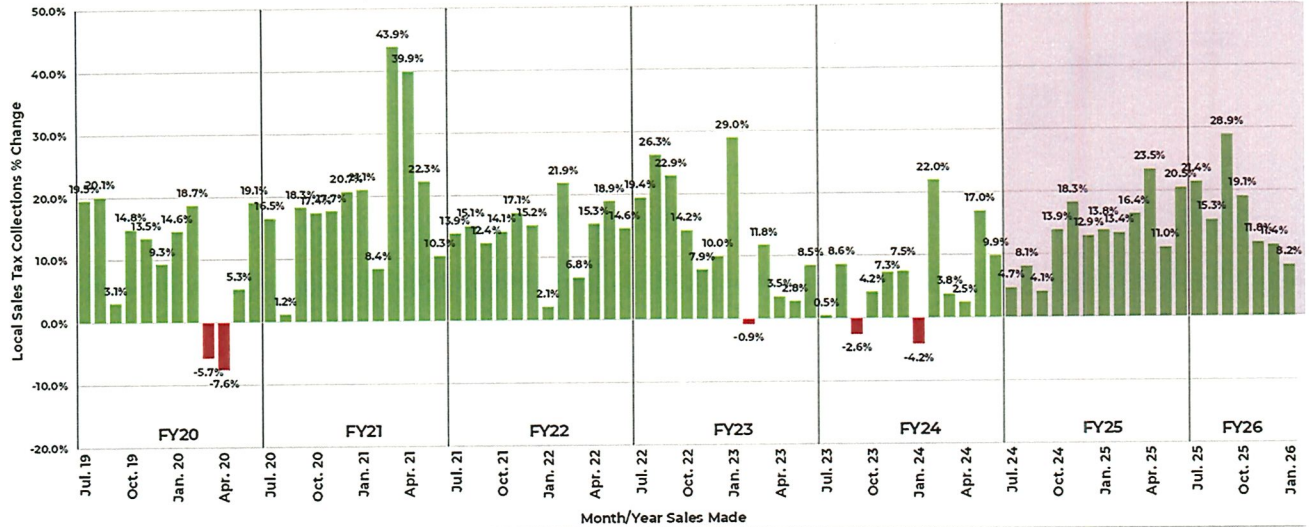
Sales Tax:

- FY27 Recommended **\$495,000** over FY26 Revised
- FY26 actuals trend 13.6% over FY26 adopted budget, on average
- 2.0% natural growth (FY27 conservative)
- ...FY27 **estimated** sales tax growth is more significant: in the GFCP model, **\$8.5M, +\$772k** compared to FY26 **estimated \$7.7M**

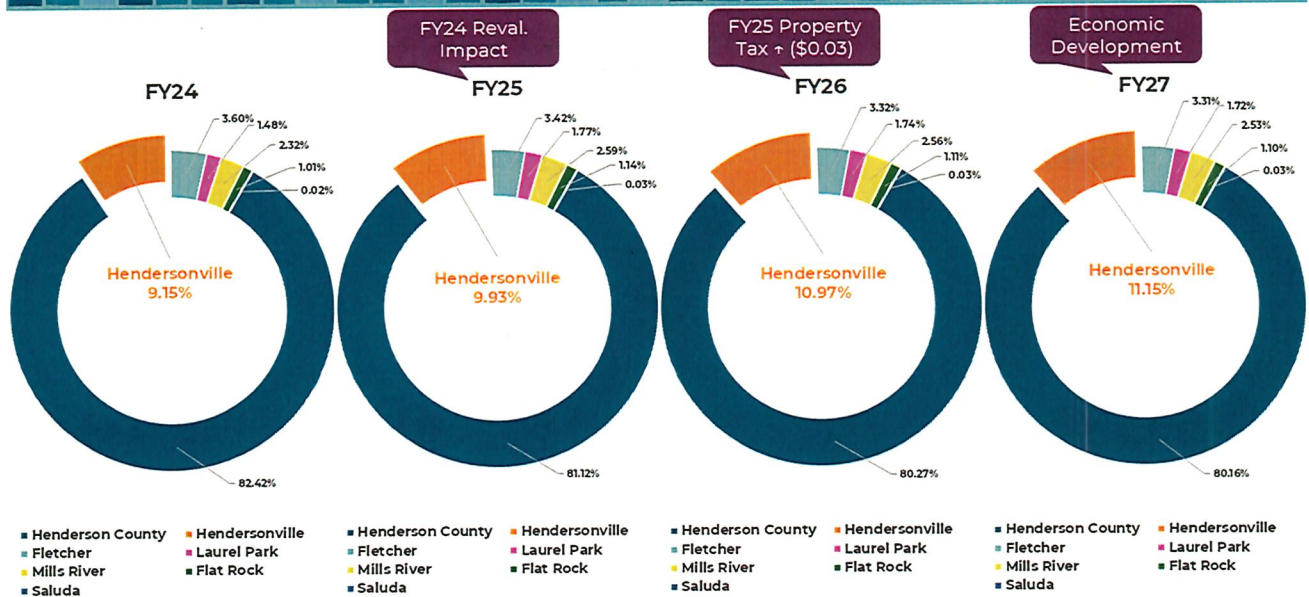


GENERAL FUND – 010

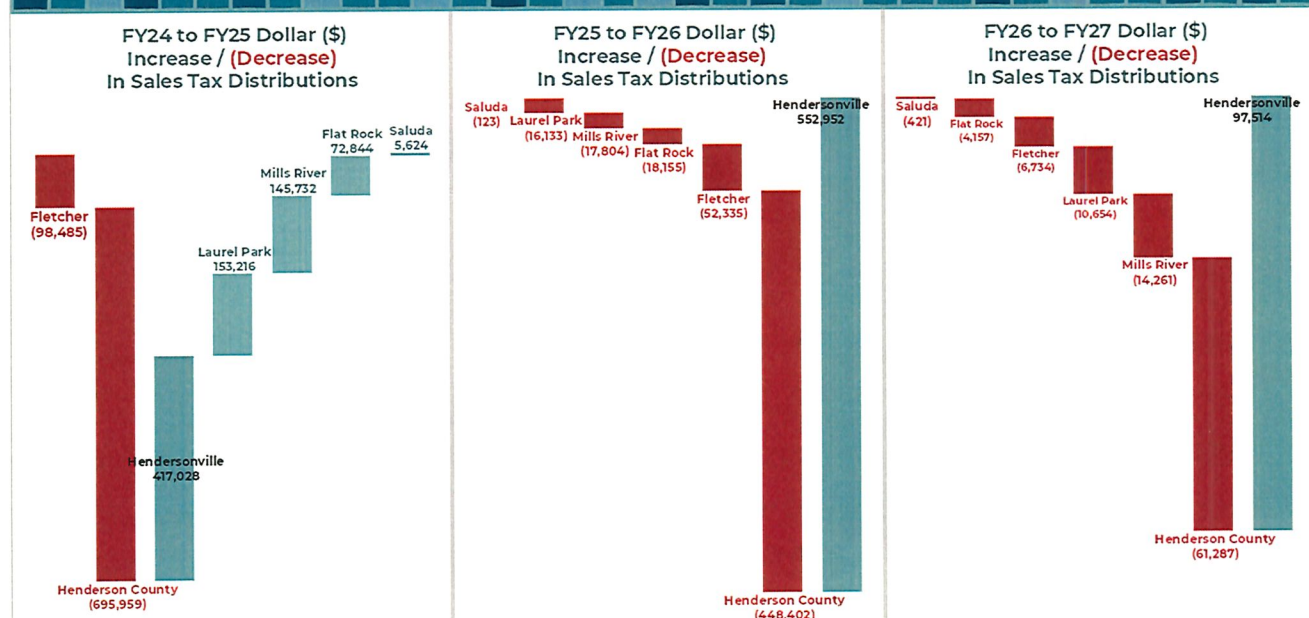
% CHANGE IN SALES TAX COLLECTIONS, YEAR-OVER-YEAR



GENERAL FUND – 010

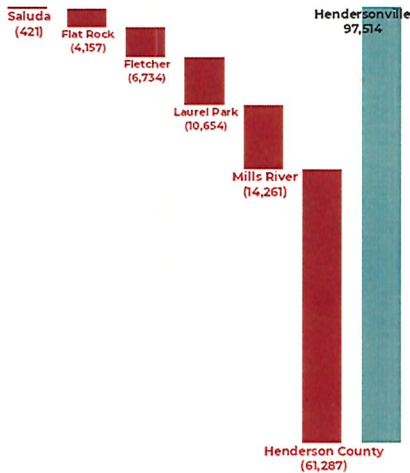


GENERAL FUND – 010

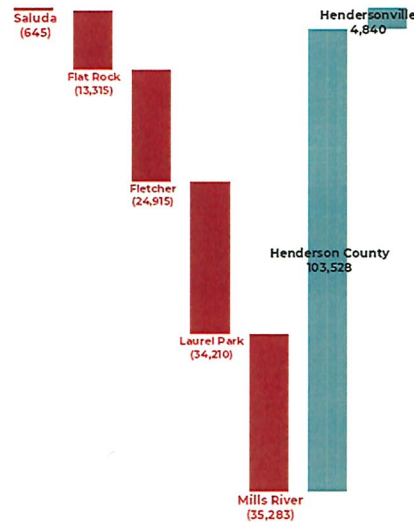


GENERAL FUND – 010

Base-Case



"What if?"



"What if?"

Henderson County increases their property tax rate from \$0.431 to **\$0.441 (+\$0.01)?**

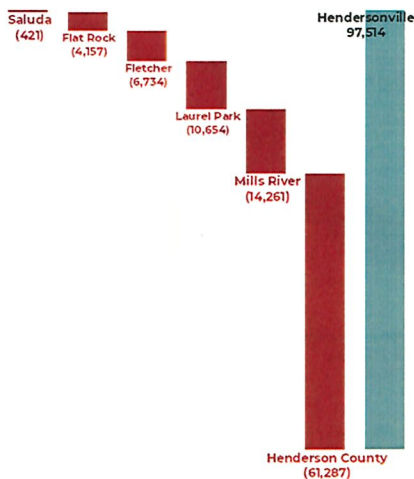
AND

The City and all other jurisdictions maintain the same rate.

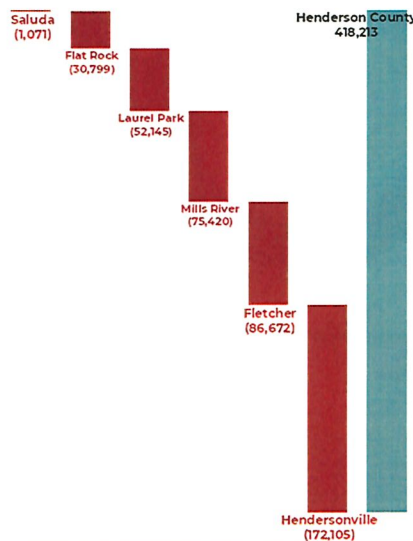
... The County increases their distribution **\$164k**, and the City sees an **increase**, but not as significant (**-\$5k**).

GENERAL FUND – 010

Base-Case



"What if?"



"What if?"

Henderson County increases their property tax rate from \$0.431 to **\$0.461 (+\$0.03)?**

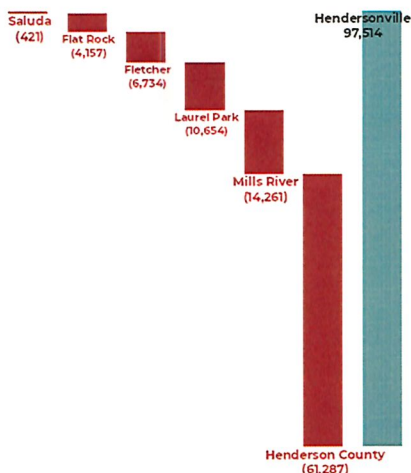
AND

The City and all other jurisdictions maintain the same rate.

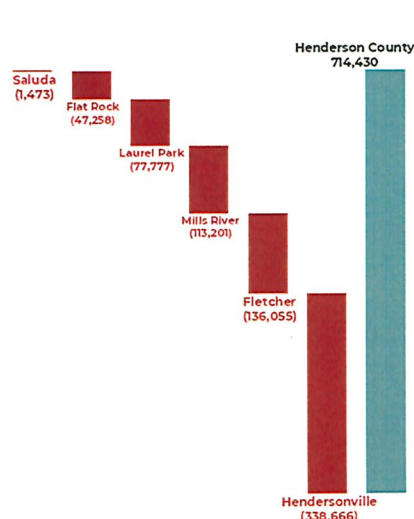
... The County increases their distribution **\$480k**, and the City sees a **decrease** of **\$270k**.

GENERAL FUND – 010

Base-Case



"What if?"



"What if?"

Henderson County increases their property tax rate from \$0.431 to **\$0.481 (+\$0.05)?**

AND

The City and all other jurisdictions maintain the same rate.

... The County increases their distribution **\$714k**, and the City sees a **decrease** of **\$339k**.

GENERAL FUND – 010

GENERAL FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
REVENUES						
Ad Valorem Taxes	(17,267,500)	(18,205,000)	(18,380,000)	(19,231,710)	1,112,500	6.4%
Other Taxes & Licenses	(7,500)	(7,500)	(7,500)	(8,029)	-	0.0%
Unrestricted Intergov.	(9,447,500)	(9,803,000)	(9,953,000)	(10,889,952)	505,500	5.4%
Restricted Intergov.	(1,002,054)	(969,055)	(969,055)	(1,037,359)	(32,999)	-3.3%
Permits & Fees	(651,750)	(647,350)	(647,350)	(692,978)	(4,400)	-0.7%
Sales & Services	(362,700)	(346,000)	(346,000)	(370,387)	(16,700)	-4.6%
Investment Earnings	(277,300)	(210,000)	(210,000)	(410,000)	(67,300)	-24.3%
Miscellaneous	(72,896)	(6,000)	(6,000)	(14,813)	(66,896)	-91.8%
TOTAL REVENUES	(29,089,200)	(30,193,905)	(30,518,905)	(32,655,228)	1,429,705	4.9%

Restricted Intergovernmental:

- FY27 Recommended = **-\$32,999 (-3.3%)** under FY26 Revised
- One-time grant revenue received in FY26
- SRO Reimbursements:** School Board (HCPS) and Sheriff's Office, combined **\$360k**
- Powell Bill** revenue budgeted at **\$569,055** – to be transferred to GO Bond project
- No Change to **ABC Law Enforcement Revenues, \$40k**

GENERAL FUND – 010

GENERAL FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
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Miscellaneous	(72,896)	(6,000)	(6,000)	(14,813)	(66,896)	-91.8%
TOTAL REVENUES	(29,089,200)	(30,193,905)	(30,518,905)	(32,655,228)	1,429,705	4.9%

Permits & Fees:

- FY27 Recommended = **-\$4,400 (-0.7%)** under FY26 revised
- Other Permits/Fees:**
 - Fire, Zoning, Demo, etc.** budgeted conservatively
- Motor Vehicle Fees (NCGS 20-97[b1][1-3])**
 - Includes \$30.00 fee (increased in FY26): **\$400,000** - Transfer to GO Bond project

GENERAL FUND – 010

GENERAL FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
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TOTAL REVENUES	(29,089,200)	(30,193,905)	(30,518,905)	(32,655,228)	1,429,705	4.9%

Investment Earnings:

- FY27 Recommended = **-\$67,300 (-24.3%)** under FY26 revised
- Market volatility = uncertain investment returns
- Budget conservatively

GENERAL FUND – 010

GENERAL FUND					*FY26 Revised to FY27 Rec.*	
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
REVENUES						
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TOTAL REVENUES	(29,089,200)	(30,193,905)	(30,518,905)	(32,655,228)	1,429,705	4.9%

Miscellaneous:

- FY27 Recommended = **-\$66,896 (-91.8%)** under FY26 revised
- Higher than anticipated one-time revenues in FY26
 - Will amend budget if grants, contributions, and other revenues are received
 - Adjust and leverage opportunities as they become known
- Misc. Income for HPD, PW, HFD, and others not budgeted at start of FY27

GENERAL FUND – 010

FY26 Revised →
FY27 Recommended

EXPENDITURES

GENERAL FUND – 010

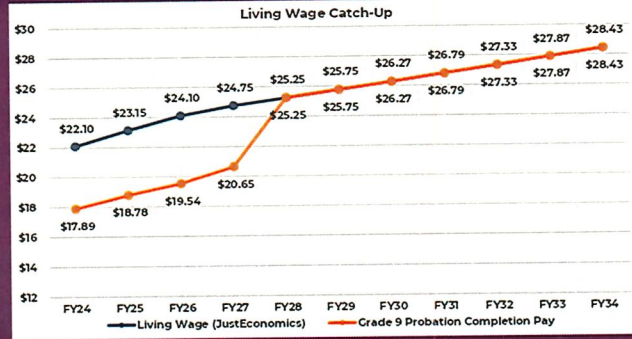
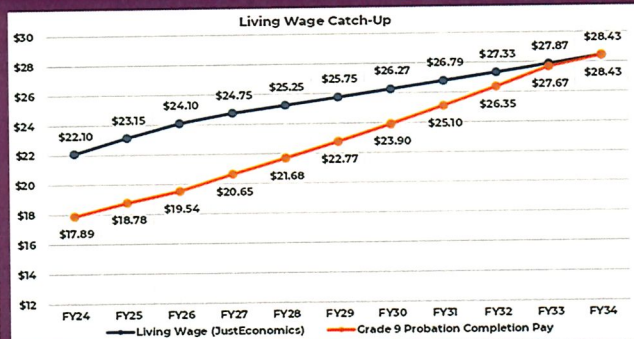
GENERAL FUND	FY26	FY27	FY27	FY27	*FY26 Revised to FY27 Rec.*	
	REVISED	REQUESTED	RECOMMENDED	ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	19,515,783	22,051,442	20,834,808	19,878,278	1,641,667	8.4%
Operating	7,553,000	7,432,637	7,078,770	6,753,782	(166,303)	-2.2%
Capital	278,855	3,805,543	442,543	422,226	127,543	45.7%
Debt Service	4,215,863	4,444,775	4,189,750	4,189,750	(26,113)	-0.6%
TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%

Personnel/Benefits:

- FY27 Recommended = **+\$1.64M (8.4%)**
- Cost-of-Living Adjustment (COLA) recommendation **4.00%**
- Merit Increases **1.00% | 2.25% | 3.50%** → 2.60% weighted average
- Medical Insurance **+2.00% (+\$61k)**
- 401k match increase from **3.00% → 4.00% (+\$45k)**
- LGERS **+0.75% General, +1.00% Law-Enforcement (+\$306k)**
- Added Positions **(+8.5 FTE)**:
 - HPD** +4 Police Officers | +1 Telecommunicator | +1 Civilian Traffic Crash Investigator
 - HFD** +2 Fire Safety and Training Officers
 - HR** +0.5 Human Resources Coordinator

Est. = 96% of
budgeted
expenditures

GENERAL FUND – 010



COLA / Living Wage Catch-up:

- Presented a long-term “catch-up” plan at Feb. 2026 retreat (inflation + catch-up rate)
 - 3.00% each year through FY34, on top of assumed 2.00% annualized inflation
- Reval. COLA Option:
 - If leveraging a 4.00% COLA in FY27, we'd need a ~20.26% COLA in FY28

GENERAL FUND – 010

Assumed Living Wage COLA Increases	5.00% (+5.00%)	4.00%	4.00%	20.26%
Fiscal Year	FY25	FY26	FY27	FY28
General Fund Salary Cost	16,899,253	17,575,223	18,278,232	21,981,402
\$Δ, YoY: Living Wage Catch-Up	-	675,970	703,009	3,703,170

Assessed Value	3,284,842,316	3,442,677,766	3,576,470,398	4,051,515,754
Assessed Value \$Δ, YoY	-	157,835,450	133,792,632	475,045,356
Assessed Value %Δ, YoY	0.00%	4.80%	3.89%	13.28%

Levy	15,690,783	16,366,753	17,069,762	20,772,932
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COLA / Living Wage Catch-up:

- If leveraging a **4.00% COLA** in FY27 we'd need a ~20.26% COLA in FY28
- 20.26% COLA = **+\$3,703,170** General Fund salary budget increase in FY28
- Need a **\$475.0M (13.28%)** assessed value increase or assessed value re-capture

GENERAL FUND – 010

LGERS (Retirement) City Contributions

Employee Type	FY20	FY21	FY22	FY23	FY24	FY25	FY26 (est.)	FY27 (est.)
Non-Law Enforcement	8.95%	10.15%	11.35%	12.10%	12.85%	13.60%	14.35%	15.10%
Law Enforcement	9.70%	10.90%	12.10%	13.10%	14.10%	15.10%	16.10%	17.10%
General Fund	751,611	854,968	1,048,209	1,289,892	1,514,953	1,744,193	2,070,946	2,384,099
Main St. MSD Fund	10,305	9,908	16,129	23,992	30,908	41,687	59,424	66,678
7th Ave. MSD Fund	3,059	3,279	4,855	6,718	8,877	11,298	16,758	18,696
Water & Sewer Fund	455,137	547,553	741,761	880,079	987,534	1,148,412	1,336,437	1,506,533
Parking Fund	-	-	-	9,574	15,968	24,414	33,581	32,500
Stormwater Fund	13,308	10,892	43,763	51,462	72,741	91,835	103,684	98,258
Env. Services Fund	51,407	58,527	80,600	84,218	88,852	103,268	139,688	154,021
Grant Fund (SAFER)	22,460	66,203	76,216	56,216	-	-	-	-
TOTAL	1,307,287	1,551,330	2,011,533	2,402,151	2,719,833	3,165,107	3,760,518	4,260,785
\$ Δ Year-over-Year		244,043	460,203	390,618	317,682	445,274	595,411	500,267
% Δ Year-over-Year		18.67%	29.67%	19.42%	13.22%	16.37%	18.81%	13.30%

Local Gov. Employee Retirement System (LGERS):

- +\$494k in FY27, compared to FY26 Revised
- Program costs have increased nearly \$3.0M since FY20
- Expect LGERS rates to increase through FY29 (based on actuarial projections):
 - 18.97% General Class Employees
 - 21.29% Law Enforcement Employees

GENERAL FUND – 010

GENERAL FUND					*FY26 Revised to FY27 Rec.*	
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	19,515,783	22,051,442	20,834,808	19,878,278	1,641,667	8.4%
Operating	7,553,000	7,432,637	7,078,770	6,753,782	(166,303)	-2.2%
Capital	278,855	3,805,543	442,543	422,226	127,543	45.7%
Debt Service	4,215,863	4,444,775	4,189,750	4,189,750	(26,113)	-0.6%
TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%

Operating:

- FY27 Recommended = **-\$166k (-2.2%)**
 - Powell Bill budgeted transfer to GO Bond project
- \$242k increase to professional/contracted services
- \$40k increase to utilities
- \$51k increase to non-capital (HPD tasers)
- Other items consistent with FY26 revised budget levels

GENERAL FUND – 010

GENERAL FUND					*FY26 Revised to FY27 Rec.*	
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	19,515,783	22,051,442	20,834,808	19,878,278	1,641,667	8.4%
Operating	7,553,000	7,432,637	7,078,770	6,753,782	(166,303)	-2.2%
Capital	278,855	3,805,543	442,543	422,226	127,543	45.7%
Debt Service	4,215,863	4,444,775	4,189,750	4,189,750	(26,113)	-0.6%
TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%

Comments

amurr@hvinc.gov

Scott ISG Thermal Imaging cameras - Justin to provide numbers. Old thermal cameras are ~3 years old. Handhelds are a higher priority than the heads up display (HUD). Ted recommends a 50% rollout of the new systems if needed.

Delete

jward@hvinc.gov

15"500=7500. Replace damaged Facemask lenses Masks routinely get damaged in training, fires, etc. Frequently, we change the lenses out which is a better financial option than replacing. 1"3000=3000: Replace damaged Gloves and Hoods due to increased training hours. 6"1800=10,800: Dry Suits, Boots, Gloves, Helmets, PFD's Outfit select personnel incrementally for water rescue with PPE for Water Rescue: 22"2800=82,600: Replacement of existing and new members Fire Protective Ensembles. This does not include Helmet, boots, shields, eye protection, or facemask. Fire Protective Ensembles - Turnout gear (coat and jacket), have a 10-year shelf life. NFPA 1851 recommends that each employee has two sets; 1"6000=6000: Reserve Engine 5 Rapid Intervention Team Rescue Pack RIT (Rapid Intervention Team) this equipment is constantly switched between vehicles, every time personnel switch into reserve trucks. 10"1450=14500: Scott Sight -- SCBA Masks with integrated TIC (Thermal Infrared Camera) for Officers. Currently there is one Scott / ISG thermal imaging camera (single person use) on each apparatus. This would allow each officer on an apparatus the independence to lead their crews on the fire ground with independence. TIC is integrated into the mask and allows Officer to carry equipment and freely use both hands. ** Anticipated price increases from Manufacturing for Turnout Gear of over 10% in April 2025.

Delete

Enter Comments

Post Close

GENERAL FUND – 010

GENERAL FUND					*FY26 Revised to FY27 Rec.*	
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	19,515,783	22,051,442	20,834,808	19,878,278	1,641,667	8.4%
Operating	7,553,000	7,432,637	7,078,770	6,753,782	(166,303)	-2.2%
Capital	278,855	3,805,543	442,543	422,226	127,543	45.7%
Debt Service	4,215,863	4,444,775	4,189,750	4,189,750	(26,113)	-0.6%
TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%

Capital:

- FY27 Recommended = \$442k, **+\$128k (45.7%)** over FY26 Revised
 - Requested pay-go = **\$3,805,543...** management adjustment **-\$3,363,000**
 - \$442k Recommended includes **prioritized** projects & acquisitions:
 - \$15k Thermal Imaging Camera
 - \$10k Fleet Garage Door
 - \$50k HVAC Improvements
 - \$10k Equipment Trailer
 - \$6k Edwards Park Improvement
 - \$10k Traffic Barricades
 - \$54k Salt Spreaders + Plows
 - \$8k Roadway Weather Stations
 - \$30k Message Board Sign Trailer
 - \$40k Traffic Cabinets + Engineering
 - \$32k Camera Infrastructure
 - \$7.5k Emergency Comms. Kit
 - \$40k Traffic Calming
 - \$20k Drone
 - \$22k Traffic Safety Trailer
 - \$10k Hose Roller
 - \$10k Exercise Equipment
 - \$30k Body Cameras
 - \$12k PPE Dryer
 - \$25k Extrication Equipment

GENERAL FUND – 010						
GENERAL FUND						
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	19,515,783	22,051,442	20,834,808	19,878,278	1,641,667	8.4%
Operating	7,553,000	7,432,637	7,078,770	6,753,782	(166,303)	-2.2%
Capital	278,855	3,805,543	442,543	422,226	127,543	45.7%
Debt Service	4,215,863	4,444,775	4,189,750	4,189,750	(26,113)	-0.6%
TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%
Debt Service:						
• FY27 Recommended = -\$26k (-0.6%)						
• Final (partial) payment on '17 GO Bond Refunding						
• Final (partial) payment on '22 & '23 vehicle & equipment loans						
• First payment on Helene Cash Flow Loan						
• First payment on '26 vehicle & equipment loan						
• +\$126k for ½ year payment on \$1.09M FY27 vehicle & equipment loan:						
• 12 Police Vehicles	= \$845,850					
• 1 Public Works Dump Truck	= \$100,000					
• 1 Public Works Tractor	= \$64,500					
• 1 Public Works Truck	= \$55,000					
• 1 Code Enforcement Vehicle	= \$30,000					

GENERAL FUND – 010

FY26 Revised →

FY27 Recommended

OTHER (SOURCES) / USES

GENERAL FUND – 010						
GENERAL FUND						
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
OTHER FINANCING (SOURCES)/USES						
Insurance Proceeds	(32,150)	-	-	-	32,150	-100.0%
Debt Proceeds	-	-	-	-	-	0.0%
Capital Lease	-	-	-	-	-	0.0%
Sale of Capital Assets	-	-	-	-	-	0.0%
Transfers (In)	(7,500)	-	-	-	7,500	-100.0%
Transfers Out	921,516	940,000	1,408,468	1,112,910	486,952	52.8%
TOTAL OTHER (SOURCES)/USES	881,866	940,000	1,408,468	1,112,910	526,602	59.7%
Other Sources/Uses (Transfers):						
• FY27 Recommended = +\$526,602 transfer out						
• GO Bond Project	\$900,000 budget		\$900,000 estimate			
• Oakdale Project	\$40,000 budget		\$40,000 estimate			
• Main St. MSD Fund	\$192,090 budget		\$43,939 estimate			
• 7 th Ave. MSD Fund	\$76,468 budget		\$0 estimate			
• Parking Fund	\$199,910 budget		\$128,971 estimate			

GENERAL FUND – 010

FY26 Revised → FY27 Recommended

FUND BALANCE

GENERAL FUND – 010						
GENERAL FUND						
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
TOTAL OTHER (SOURCES)/USES	881,866	940,000	1,408,468	1,112,910	526,602	59.7%
Fund Balance Appropriated	3,356,167	8,480,492	3,435,434	(298,282)	79,267	2.4%
NET CHANGE IN FUND BALANCE	3,356,167	8,480,492	3,435,434	(298,282)	79,267	2.4%
FUND BALANCE, BEGINNING OF YEAR	12,433,902	12,433,902	12,433,902	12,433,902		
FUND BALANCE, END OF YEAR	9,077,735	3,953,410	8,998,468	12,732,184		

Recommended Fund Balance Appropriation:

- **+\$79k (2.4%)** appropriation compared to FY26 Revised Budget
- FY25 End-of-Year (Audited) = FY26 Beginning-of-Year = **\$12,433,902**

Estimated Fund Balance Appropriation:

- Assuming **107% revenue** and **96% expenditures**, we **add \$298k** to FB in FY27
- Estimated FY27 End-of-Year Fund Balance = **\$12,732,184 (+\$298,282 over FY25 Actual)**

GENERAL FUND – 010

General Fund Desired Outcomes...
Council Direction on:

1. Taxes & Rates → **\$0.52/\$100** current rec.
2. Cost-of-living direction (**COLA**) → **4.0%** current rec.
3. 401k amount and structure → **4.0% match** current rec.
4. Position Additions → **(+8.5 FTE** in the GF)

GENERAL FUND – 010

FY27 Recommended Budget Consideration

Item	Initial Recommendation	Updated Recommendation
COLA	[2.70% + 3.00%] = 5.70%	4.00%
Merit	1.00% 2.25% 3.50%	1.00% 2.25% 3.50%
401k Match	3.00% → 4.00%	3.00% → 4.00%
PFL/STL	No Change (Δ)	No Change (Δ)
Insurance	2.00%	2.00%
LGERS (General)	14.35 → 15.10%	14.35 → 15.10%
LGERS (L.E.O.)	16.10% → 17.10%	16.10% → 17.10%

Council took a break beginning at 10:03 a.m. and resuming at 10:18 a.m.



MUNICIPAL SERVICE DISTRICT (MSD) FUNDS

Council Workshop
May 01, 2026



MSD FUNDS – MAIN STREET 020

MAIN STREET MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR CHANGE	PERCENT CHANGE
REVENUES						
Ad Valorem Taxes	(317,105)	(301,900)	(301,750)	(325,893)	(15,355)	-4.8%
Unrestricted Intergov.	(375,000)	(410,000)	(420,000)	(453,605)	45,000	12.0%
Permits & Fees	(5,635)	(2,500)	(2,500)	(2,700)	(3,135)	-55.6%
Investment Earnings	(100)	(100)	(100)	(100)	-	0.0%
Miscellaneous	(56,462)	(17,950)	(17,950)	(19,386)	(38,512)	-68.2%
TOTAL REVENUES	(754,302)	(732,450)	(742,300)	(801,684)	(12,002)	-1.6%

Ad Valorem Taxes:

- FY27 Recommended: \$0.21/\$100 rate, **\$297k** (-\$16,500 under FY26 Revised)
- Henderson County **March** Tax Projection... FY26 Billed vs. FY27 Projected
 - 0.08% net increase**, \$145.3 million→ \$145.4 million assessed value
 - 0.04% real | +4.19% business | +50.10% individual |
 - 0.30% public service | +28.07% motor vehicles

Unrestricted Intergovernmental:

- Sales and Use Tax: **\$420k** (+\$45k)

MSD FUNDS – MAIN STREET 020

MAIN STREET MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR CHANGE	PERCENT CHANGE
EXPENDITURES						
Personnel/Benefits	619,821	671,112	659,350	597,403	39,529	6.4%
Operating	277,093	228,518	227,240	205,890	(49,853)	-18.0%
Capital	58,512	-	-	-	(58,512)	-100.0%
Debt Service	42,330	40,855	47,800	42,330	5,470	12.9%
TOTAL EXPENDITURES	997,756	940,485	934,390	845,623	(63,366)	-6.4%

Personnel and Benefits - FY27 Recommended: \$659k (+\$40k over FY26 Revised) - No Additional FTEs - Health Insurance \$97k (+\$15k) 401k Match \$10k (+\$10)	Contracts Christmas Lights \$17k Arborist Services \$30k Janitorial Services \$20k Hanging Baskets \$20k
Operating - FY27 Recommended: \$227k (-\$50k under FY26 Revised) - Contract Services \$77k (-\$46k) - Pressure washing contract (-\$10k) - Greenhouse Rental \$1k - Bench and Furniture Repair \$5k	

MSD FUNDS – MAIN STREET 020

MAIN STREET MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR CHANGE	PERCENT CHANGE
OTHER FINANCING (SOURCES)/USES						
Insurance Proceeds	-	-	-	-	-	
Debt Proceeds	-	-	-	-	-	
Capital Lease	-	-	-	-	-	
Sale of Capital Assets	-	-	-	-	-	
Transfers (In)	(243,454)	-	(192,090)	(43,939)	51,364	-21.1%
Transfers Out	-	-	-	-	-	
TOTAL OTHER (SOURCES)/USES	(243,454)	-	(192,090)	(43,939)	51,364	-21.1%

Other Sources/Uses (Transfers): - FY27 Recommended - From General Fund \$192,010 budget \$43,939 estimate

MSD FUNDS – MAIN STREET 020

MAIN STREET MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR CHANGE	PERCENT CHANGE
Fund Bal. Appropriated	-	208,035	-	(0)	(0)	
NET CHANGE IN FUND BALANCE	-	208,035	-	(0)	(0)	
FUND BALANCE, BEGINNING OF YEAR	62,403	-	-	-		
FUND BALANCE, END OF YEAR	62,403	(208,035)	-	0		

Fund Balance Appropriation Recommended Budget: - FY25 End-of-Year (Audited) = FY26 Beginning-of-Year = \$62,403 - FY26 Estimated End-of-Year Fund Balance = \$0 - FY27 Budgeted Transfer from General Fund \$192,090 - FY27 Estimated Transfer from General Fund \$43,393
--

MSD FUNDS – 7th AVENUE 021

7TH AVENUE MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR CHANGE	PERCENT CHANGE
REVENUES						
Ad Valorem Taxes	(54,685)	(58,100)	(57,350)	(62,669)	2,665	4.9%
Unrestricted Intergov.	(77,500)	(82,000)	(84,000)	(91,791)	6,500	8.4%
Investment Earnings	(100)	(100)	(100)	-	-	0.0%
Miscellaneous	(5,000)	(5,000)	(5,000)	(5,464)	-	0.0%
TOTAL REVENUES	(137,285)	(145,200)	(146,450)	(159,923)	9,165	6.7%

Ad Valorem Taxes:

- FY27 Recommended: \$0.21/\$100 rate, **\$57k (\$2,665 over FY26 Revised)**
- Henderson County **March** Tax File FY26 Billed vs. FY27 Projected:
 - 1.66% net increase**, \$27.1 million → \$27.6 million assessed value
 - +3.12% real | -1.03% business | +16.14% individual |
 - 0.30% public service | -5.61% motor vehicles

Unrestricted Intergovernmental:

- Sales and Use Tax: **\$84k (+\$7k over FY26 Revised)**

MSD FUNDS – 7th AVENUE 021

7TH AVENUE MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR CHANGE	PERCENT CHANGE
EXPENDITURES						
Personnel/Benefits	175,882	198,484	185,742	101,878	9,860	5.6%
Operating	42,620	40,070	90,135	49,439	47,515	111.5%
Capital	-	-	-	-	-	-
Debt Service	-	-	2,307	1,265	2,307	-
TOTAL EXPENDITURES	218,502	238,554	278,184	198,067	59,682	27.3%

Personnel and Benefits

- FY27 Recommended: **\$186k (+\$10k over FY26 Revised)**
 - No New FTEs
 - Health Insurance **\$28k (+\$4k)**
 - 401k Match **\$3k (-\$215)**

Operating

- FY27 Recommended: **\$90k (+\$48k over FY26 Revised)**
 - Contract Services **\$11k**
 - 7th Ave Wayfinding **\$20k**
 - Streetscape Soft Costs **\$30k**

Contracts

Christmas Lights **\$6k**
Arborist **\$5k**

MSD FUNDS – 7th AVENUE 021

7TH AVENUE MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR CHANGE	PERCENT CHANGE
OTHER FINANCING (SOURCES)/USES						
Insurance Proceeds	-	-	-	-	-	-
Debt Proceeds	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Transfers (In)	(37,033)	-	(76,468)	-	(39,435)	106.5%
Transfers Out	-	-	-	-	-	-
TOTAL OTHER (SOURCES)/USES	(37,033)	-	(76,468)	-	(39,435)	106.5%

Other Sources/Uses (Transfers):

- FY27 Recommended**
From General Fund **\$76,468** budget | **\$0** estimate

MSD FUNDS – 7th AVENUE 021

7TH AVENUE MSD FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.* DOLLAR CHANGE	PERCENT CHANGE
Fund Balance Appropriated	44,184	93,354	55,266	38,144	11,082	25.1%
NET CHANGE IN FUND BALANCE	44,184	93,354	55,266	38,144	11,082	25.1%
FUND BALANCE, BEGINNING OF YEAR	62,426	55,266	55,266	55,266		
FUND BALANCE, END OF YEAR	18,242	(38,088)	(0)	17,122		

Fund Balance Appropriation Recommended Budget:

- **\$55k (+\$11k)** compared to FY26 Revised
- FY25 End-of-Year (Audited) = FY26 Beginning-of-Year = **\$62,426**
- FY27 Estimated End-of-Year Fund Balance = **\$17,122**



WATER & SEWER FUND

Council Workshop
May 01, 2026



WATER & SEWER FUND – 060

Water & Sewer Fund Desired Outcomes...
Council Direction on:

- 1. Rate Increases → **+8.00%** Water | **+9.00%** Sewer
- 2. System Development Fees → **100%** July 1, 2026
- 3. Cost-of-living direction (**COLA**) → **+4.00%** current rec
- 4. Position Additions → **+1.5 FTEs**
- 5. Water Rate Differential → **120% decreases to 115%**

WATER & SEWER FUND – 060

FY26 Revised →
FY27 Recommended

REVENUES

WATER & SEWER FUND – 060						
WATER & SEWER FUND				*FY26 Rev. to FY27 Rec.*		
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
REVENUES						
Sales & Services	(26,423,980)	(27,669,500)	(27,669,500)	(28,225,231)	1,245,520	4.7%
Permits & Fees	(1,952,550)	(1,674,000)	(1,826,500)	(1,863,185)	1,826,500	93.5%
Investment Earnings	(97,000)	(125,000)	(125,000)	(125,000)	125,000	128.9%
Miscellaneous	(210,400)	(50,000)	(50,000)	(51,004)	50,000	23.8%
TOTAL REVENUES	(28,683,930)	(29,518,500)	(29,671,000)	(30,264,420)	29,671,000	103.4%
Sales and Service:						
• FY27 Recommended = \$27.7M (+\$1.2m, 4.7% over FY26 Revised)						
• Recommended Rate Increases:						
• +8.00% Water						
• +9.00% Wastewater						
The inside/outside water rate differential is recommended to decrease from 120% to 115% .						
The inside/outside sewer rate differential is recommended to remain at 150% (FY27) .						

WATER & SEWER FUND – 060						
WATER & SEWER FUND				*FY26 Rev. to FY27 Rec.*		
	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
REVENUES						
Sales & Services	(26,423,980)	(27,669,500)	(27,669,500)	(28,808,749)	1,245,520	4.7%
Permits & Fees	(1,952,550)	(1,674,000)	(1,826,500)	(1,901,703)	(126,050)	-6.5%
Investment Earnings	(97,000)	(125,000)	(125,000)	(125,000)	28,000	28.9%
Miscellaneous	(210,400)	(50,000)	(50,000)	(52,059)	(160,400)	-76.2%
TOTAL REVENUES	(28,683,930)	(29,518,500)	(29,671,000)	(30,887,511)	29,671,000	103.4%
• Permits and Fees:						
• FY27 Recommended: \$1.8M (-\$126k, 6.5% under FY26 Revised)						
• Water Tap Fees: \$300,000						
• Sewer Tap Fees: \$50,000						
• System Development Fees: 100.00% of the authorized amount starting July 1, 2026 .						
• Water System Development Fees: \$600,000						
• Sewer System Development Fees: \$250,000						

WATER & SEWER FUND – 060				
Water & Sewer System Development Fees	FY25 actual	FY26 est.	FY27 est.	FY28 est.
Water SDF	\$ 143,267	\$ 774,800	\$ 624,600	\$ 727,000
Sewer SDF	\$ 32,211	\$ 355,780	\$ 260,250	\$ 320,320
Equals: Total SDF Revenue	\$ 175,478	\$ 1,130,580	\$ 884,850	\$ 1,047,320

- System Development Fees**
Fees charged for new connections joining the water and wastewater system and connections requiring additional system capacity
- Fees are applied based on units of service
 - Intended to recover the cost of constructing water and wastewater capacity
 - Reduce reliance on debt to complete capital projects
 - Reduces burden from existing customers
 - Potential to ease future rate increases
 - SDF Revenue is transferred to the Capital Reserve Fund each year

WATER & SEWER FUND – 060

FY26 → FY27
EXPENDITURES

WATER & SEWER FUND – 060

WATER & SEWER FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	14,356,658	15,906,389	15,193,027	14,946,747	836,369	5.8%
Operating	9,051,917	8,705,548	8,680,253	8,539,546	(371,664)	-4.1%
Capital	1,114,821	1,519,570	1,448,070	1,424,597	333,249	29.9%
Debt Service	6,144,553	5,175,920	6,252,550	6,252,550	107,997	1.8%
TOTAL EXPENDITURES	30,667,949	31,307,427	31,573,900	31,163,439	31,573,900	103.0%

• Personnel and Benefits:

- FY27 Recommended: **\$15.1M (+\$836k, 5.8% over FY26 Revised)**
 - Cost-of-Living Adjustment: **4.00%**
 - Merit Increases **1.00% | 2.25% | 3.50%** → 2.60% weighted average
 - New FTEs (1) / Part-time (2)**
 - 1- Construction Inspector (70%)
 - 1- Part-time Human Resource Coordinator (40%)
 - 1- Part-time Co-op Student (100%)
 - 401k Match: **\$183k (+\$57k)**
 - Health Insurance: **\$2.27M (+\$161k)**

WATER & SEWER FUND – 060

WATER & SEWER FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	14,356,658	15,906,389	15,193,027	14,946,747	836,369	5.8%
Operating	9,051,917	8,705,548	8,680,253	8,539,546	(371,664)	-4.1%
Capital	1,114,821	1,519,570	1,448,070	1,424,597	333,249	29.9%
Debt Service	6,144,553	5,175,920	6,252,550	6,252,550	107,997	1.8%
TOTAL EXPENDITURES	30,667,949	31,307,427	31,573,900	31,163,439	31,573,900	103.0%

• Operating:

- FY27 Recommended: **\$8.7M (-\$371k, 4.1% under the FY26 Revised)**
 - Contract Services: **\$1.6M (+\$170k)**
 - Credit Card Processing Fees: **\$90k (-\$168k)**
 - Non-Capital Equipment: **\$143k (-\$28k)**
 - Sludge Management:
 - Water Treatment Plant: **\$275k (+\$55k)**
 - Wastewater Treatment Plant: **\$125k (-\$455k)**

WATER & SEWER FUND – 060

WATER & SEWER FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	14,356,658	15,906,389	15,193,027	14,946,747	836,369	5.8%
Operating	9,051,917	8,705,548	8,680,253	8,539,546	(371,664)	-4.1%
Capital	1,114,821	1,519,570	1,448,070	1,424,597	333,249	29.9%
Debt Service	6,144,553	5,175,920	6,252,550	6,252,550	107,997	1.8%
TOTAL EXPENDITURES	30,667,949	31,307,427	31,573,900	31,163,439	31,573,900	103.0%

• Capital:

- FY27 Recommended: **\$1.4M (+\$333k, 29.9% over FY26 Revised)**
 - Operational Equipment: **\$235k**
 - Bulk Water Billing Kiosks: \$30k
 - Autoclave \$25k
 - AMI Base Station Replacement \$180k
 - New Taps: **\$376k**
 - Water and Sewer Line Improvement: **\$359k**
 - Pump Station & SCADA Improvements: **\$196k**
 - Treatment Plant Improvements: **\$238k**

WATER & SEWER FUND – 060

WATER & SEWER FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	14,356,658	15,906,389	15,193,027	14,946,747	836,369	5.8%
Operating	9,051,917	8,705,548	8,680,253	8,539,546	(371,664)	-4.1%
Capital	1,114,821	1,519,570	1,448,070	1,424,597	333,249	29.9%
Debt Service	6,144,553	5,175,920	6,252,550	6,252,550	107,997	1.8%
TOTAL EXPENDITURES	30,667,949	31,307,427	31,573,900	31,163,439	31,573,900	103.0%

Debt Service:

- FY27 Recommended: **\$6.3M (+\$107k, 1.8% over FY26 Revised)**
 - Increase is due to 2025 Revenue Bond:
 - CCTV Inspection Truck
 - NCDOT Highland Lake Rd Water Improvements
 - WWTP BioSolids Drying System
 - WTP 15 MGD Expansion
 - Operations Facility Improvements and Expansion
 - WWTP Residuals Storage Facility
 - WTP Mills River Intake Scour System

WATER & SEWER FUND – 060

FY27 Water and Sewer Debt Service (Principal + Interest)

Project Title	Amount Issued	Interest Rate	FY27 Debt Service	Issuance Type
Brightwater SRF	571,781	0.00%	32,134	2011 SRF
Etowah Water Improvements	6,653,371	1.87%	684,663	2019 Rev. Bond
2012 AMI Water Meter Refunding	6,243,629	1.87%	642,499	2019 Rev. Bond
Jackson Park Sewer SRF	4,340,600	2.00%	256,095	2015 SRF
Shepard Creek/Atkinson SRF	1,815,000	2.00%	107,085	2015 SRF
Wolfpen SRF	2,784,961	2.00%	164,313	2016 SRF
City Hall & Operations Renovation: WS Portion	4,016,000	3.29%	352,767	2023 IFC
Multi-Area Streambank Restoration	2,961,925	0.00%	165,689	2020 SRF
Northside Water Improvements	5,370,932	1.23%	300,447	2020 SRF
Clear Creek Sewer Interceptor	4,584,669	2.15%	296,470	2022 Rev. Bond
Church Street Sewer	373,454	2.15%	24,150	2022 Rev. Bond
Laurel Park AMI Meters	356,590	2.15%	23,059	2022 Rev. Bond
Ewart Hill Water Storage Improvements	729,882	2.15%	47,198	2022 Rev. Bond
NCDOT Erkrwood Water Improvements	710,094	2.15%	45,919	2022 Rev. Bond
NCDOT Old Airport Rd. Water Improvements	160,321	2.15%	10,367	2022 Rev. Bond
Fleetwood Water Improvements	1,557,917	4.02%	115,183	2023 Rev. Bond
Long John Mountain Property Acquisition	1,000,000	4.02%	73,934	2023 Rev. Bond
Church Street Sewer Improvements	535,000	4.02%	39,555	2023 Rev. Bond
NCDOT I-26 Water Improvements	3,235,054	4.02%	259,181	2023 Rev. Bond
AMI Meter Replacements	525,000	4.02%	38,815	2023 Rev. Bond
North Fork Reservoir Water Improvements	1,103,929	4.02%	81,618	2023 Rev. Bond
Vector Truck Acquisition	523,100	4.02%	38,675	2023 Rev. Bond
French Broad River Intake	23,514,035	1.04%	1,395,793	2022 SRF
Lead Service Line Replacement	229,368	0.00%	305	2025 LGL SRF
CCTV Inspection Truck	381,961	4.49%	29,639	2025 Revenue Bond
NCDOT Highland Lake Rd Water Improvements	489,693	4.49%	38,255	2025 Revenue Bond
WWTP BioSolids Drying System	3,427,853	4.49%	267,783	2025 Revenue Bond
WTP 15MGD Expansion and Improvements	2,413,208	4.49%	188,519	2025 Revenue Bond
Operations Facility Improvements	489,693	4.49%	38,255	2025 Revenue Bond
WWTP Residuals Storage Facility	2,293,723	4.49%	179,185	2025 Revenue Bond
WTP Mills River Intake Scour System	528,869	4.49%	41,315	2025 Revenue Bond
4th and Ashe Water	1,570,993	1.10%	191,336	2025 SRF
4th and Ashe Sewer	2,943,936	1.10%	102,104	2025 SRF
TOTAL	\$ 88,436,531		\$ 6,252,505	

WATER & SEWER FUND – 060

WATER & SEWER FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
OTHER FINANCING (SOURCES)/USES						
Insurance Proceeds	(34,578)	-	-	-	(34,578)	100.0%
Debt Issuance	-	-	-	-	-	
Debt Proceeds	-	-	-	-	-	
Capital Lease	-	-	-	-	-	
Sale of Capital Assets	-	-	-	-	-	
Transfers (In)	-	-	-	-	-	
Transfers Out	517,000	325,000	1,265,000	1,265,000	748,000	144.7%
TOTAL OTHER (SOURCES)/USES	482,422	325,000	1,265,000	1,265,000	782,578	162.2%

Other Financing Sources:

- FY27 Recommended: **\$1.26M (\$783k over FY26 Revised)**
 - FY27 Transfer Out**
 - System Development Fees **\$850k**
 - Transfer to Fund 459 (Capital Reserve Fund) **\$100k**
 - Vehicle and Equipment Purchases from Fund 460 **\$240k**
 - Generators and ATS Project **\$75k**

WATER & SEWER FUND – 060

WATER & SEWER FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
Fund Balance Appropriated	2,466,441	2,113,927	3,167,900	1,540,928	701,459	28.4%
NET CHANGE IN FUND BALANCE	2,466,441	2,113,927	3,167,900	1,540,928	701,459	28.4%
FUND BALANCE, BEGINNING OF YEAR	10,771,721	10,771,721	10,771,721	10,771,721	-	0.0%
FUND BALANCE, END OF YEAR	8,305,280	8,657,794	7,603,821	9,230,793	(701,459)	-8.4%

- **Fund Balance Appropriation Recommended Budget:**
 - **\$3.2M (+\$701k, 28.4% over FY26 Revised)**
 - **FY25 End of Year/FY27 Beginning = \$10.7M**
- **Fund Balance Appropriation Estimated Actuals:**
 - Assuming 98.7% Expenditure and 104.1% Revenue Collection in FY27, Estimated Fund Balance Appropriation **~\$1.5M**
 - End of Year Total Fund Balance **\$9.2M**

WATER & SEWER FUND – 060

RATE DISCUSSION

8% and 9% Increases	FY25 Act.	FY26 Est.	FY27 Est.
Total Rate Revenue	\$ (25,912,587)	\$ (27,144,000)	\$ (28,627,500)
Plus: Other Operating Revenue	\$ (901,863)	\$ (2,250,830)	\$ (2,102,204)
Equals: Total Operating Revenue	\$ (26,814,450)	\$ (29,394,830)	\$ (30,729,704)

Bond Test A	FY25	FY26	FY27
100% Current Expenses	19,646,891	22,571,156	23,467,343
20% of PY Surplus Fund	(2,443,185)	(3,757,001)	(3,370,453)
Total Funds Available for Test A	17,203,706	18,814,155	20,096,890
120% Senior-Lien Debt Service	2,924,557	3,736,275	3,821,324
100% Subordinate Debt Service	2,826,485	2,881,371	3,072,920
Total Annual Debt Service	5,751,042	6,617,646	6,894,244
Calculated Coverage	1.15	1.14	1.12

Bond Test B	FY25	FY26	FY27
100% Current Expenses	19,646,891	22,571,156	23,467,343
110% Senior- Lien Debt Service	2,680,844	3,424,919	3,502,880
100% Subordinate Debt Service	2,826,485	2,881,371	3,072,920
Total Annual Debt Service	5,507,329	6,306,290	6,575,800
Calculated Coverage	1.07	1.02	1.02

Est. Revenue Bond Covenants

- Bond Test (a) **1.12**
- Bond Test (b) **1.02**

To maintain legal compliance with our general trust indenture, both ratios must be equal to or greater than 1.0



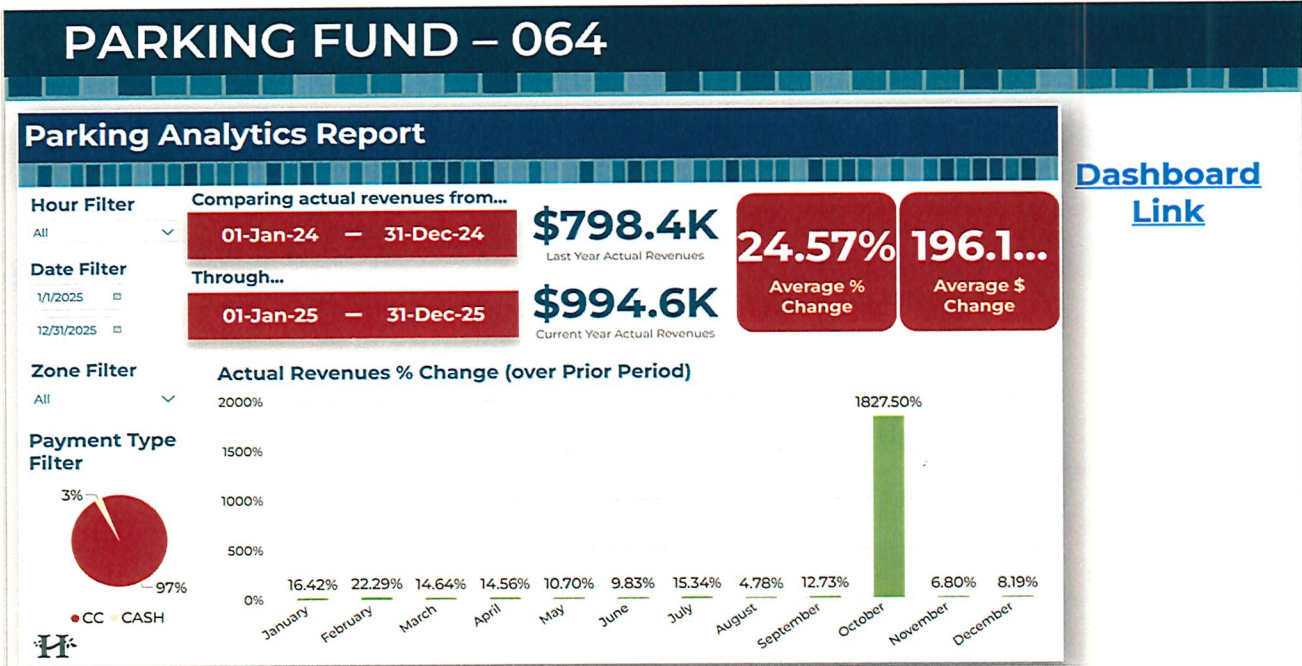
PARKING FUND

Council Workshop
May 01, 2026



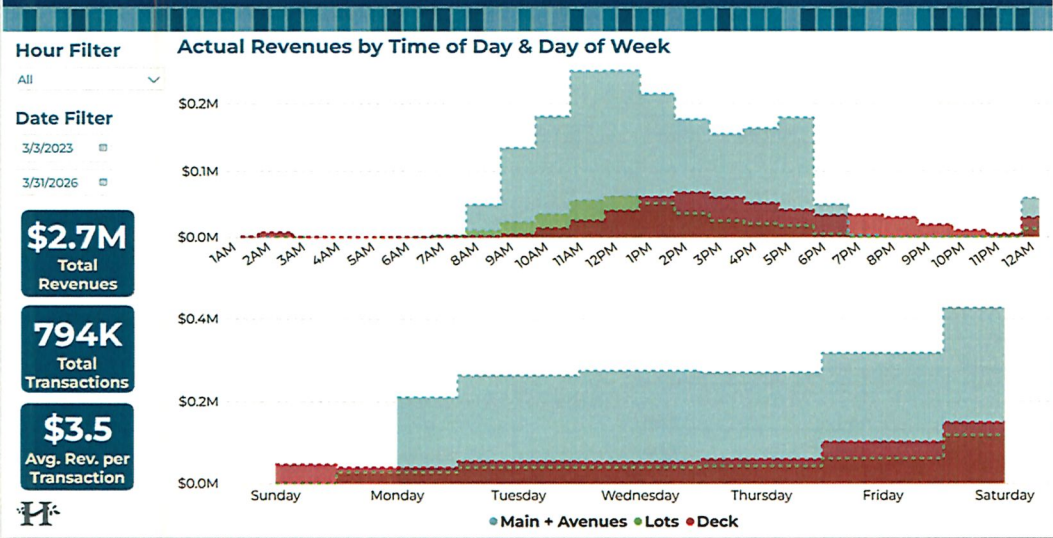
PARKING FUND – 064						
PARKING SERVICES FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec. DOLLAR (\$)	*FY26 Rev. to FY27 Rec. PERCENT (%)
REVENUES						
Parking Fees	(1,065,000)	(1,065,000)	(1,065,000)	(1,127,973)	-	0.0%
Investment Earnings	(2,500)	(2,500)	(2,500)	(2,500)	-	0.0%
Miscellaneous	(60,444)	(70,175)	(80,175)	(84,916)	19,731	32.6%
TOTAL REVENUES	(1,127,944)	(1,137,675)	(1,147,675)	(1,215,388)	19,731	1.7%
EXPENDITURES						
Personnel/Benefits	302,576	341,738	282,951	258,117	(19,625)	-6.5%
Operating	286,717	214,780	254,434	232,103	(32,283)	-11.3%
Capital	-	-	-	-	-	-
Debt Service	811,950	810,200	810,200	810,200	(1,750)	-0.2%
TOTAL EXPENDITURES	1,401,243	1,366,718	1,347,585	1,300,420	(53,658)	-3.8%
OTHER FINANCING (SOURCES)/USES						
Insurance Proceeds	(20,650)	-	-	-	20,650	-100.0%
Debt Proceeds	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-
Transfers (In)	(252,649)	(229,043)	(199,910)	(85,032)	52,739	-20.9%
Transfers Out	-	-	-	-	-	-
TOTAL OTHER (SOURCES)/USES	(273,299)	(229,043)	(199,910)	(85,032)	73,389	-26.9%
Fund Balance Appropriated	-	-	-	(0)	-	-
NET CHANGE IN FUND BALANCE	-	-	-	(0)	-	-
FUND BALANCE, BEGINNING OF YEAR	6,849	6,848	-	6,848		
FUND BALANCE, END OF YEAR	6,849	6,848	-	6,848		

- No Recommended Rate Increases
- Personnel
 - Salaries & Benefits \$282k
 - No New FTEs
- Operating
 - Contracted Services- \$67k
 - CC Processing Fees- \$40k
 - Permits, Licenses, Fees- \$134k
- Debt Service
 - Parking Deck - \$810k
- Transfer In
 - Recommended - \$0k
 - Estimate - \$0k



PARKING FUND – 064

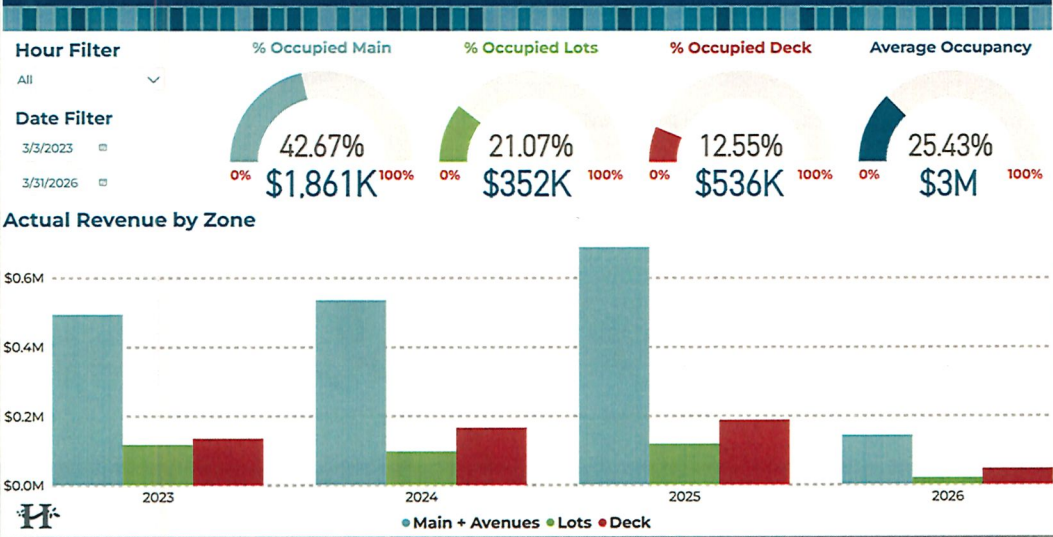
Parking Analytics Report



[Dashboard Link](#)

PARKING FUND – 064

Parking Occupancy Report



[Dashboard Link](#)

Council took a break beginning at 10:56 a.m. and resuming at 11:17 a.m.



SPECIAL APPROPRIATIONS

Council Workshop
May 01, 2026



SPECIAL APPROPRIATIONS

City of Hendersonville Special Appropriations Policy

The budget for Special Appropriations is 0.05% of budgeted expenditures in the General Fund

- Legal Limitations**
- 1. Must be for a public purpose
 - 2. The City must be statutorily permitted to engage in the activity
 - 3. Expenditure must be consistent with state and federal laws

- There are two categories of discretionary funding**
- 1. Arts, Education, Culture, and Recreations – 25% of available Special Appropriations budget
 - 2. Life Quality & Economic Services – 75% of available Special Appropriations budget

In addition to the discretionary funding, there is a “Full Funding List” for requests the City deems necessary services.

SPECIAL APPROPRIATIONS

City Manager Recommended Target \$169,000

Arts, Education, Culture, & Recreation	
Organization	Requested
Arts Council of Henderson County, Inc.	\$ 6,500
Literacy Connection	10,000
Boys & Girl's Club of Henderson County	5,000
Henderson County Education Foundation	18,700
Hendersonville Community Theatre	15,000
Hendersonville Shuffleboard Club	1,200
Hendersonville Symphony	12,000
Team ECCO	3,500
The Hope Center of Hendersonville	3,000
YMCA of Western North Carolina	5,250
TOTAL	\$ 80,150

25% of Budget Available - \$42,250

Life Quality & Economic Services	
Organization	Requested
Agribusiness Henderson County (AgHC)	8,000
Blue Ridge Community Health Services	10,000
Children & Family Resource Center	15,000
Aging Partners (formally Council on Aging)	25,000
Henderson County Habitat for Humanity	75,000
Interfaith Assistance Ministry	80,000
Latino Advocacy Coalition of Henderson	15,000
Medical Loan Closet of Henderson County	2,000
Mountain True	5,000
Pisgah Legal Services	10,000
Safelight, Inc.	15,000
St. Gerard House	6,000
The Mediation Center	1,500
Thrive	10,000
True Ridge	10,000
TOTAL	287,500

75% of Budget Available - \$126,750

[FY27 Special Appropriations](#)

SPECIAL APPROPRIATIONS

Hand’s On!

SPECIAL APPROPRIATIONS

BUILD
Hendersonville
Recommended Project

Ecusta-Oklawaha Connector Route Signage Project
Submitted By: Mary Davis

BikeWalkHVL is requesting through the City's Capital Improvement Program to create a signed and road-marked, safe walking and bicycling route that connects the Ecusta Trail to the Oklawaha Greenway through downtown Hendersonville and the 7th Avenue District.

The project will install directional, way finding, and safety signage along streets such as 4th, 5th, Maple, Center, and the overpass, helping residents and visitors navigate through town with greater confidence.

YMCA of Western North Carolina	Y-Access Program	5,250	3,235
Sub-Total		80,150	44,175
Appropriation Available (75% of Budget)		126,750	(11,800)
Agribusiness Henderson County (AgHC)	Local Agriculture Support Programming	8,000	8,000
Blue Ridge Community Health Services	7th Ave Medical Clinic	10,000	4,200
Children & Family Resource Center	PREP (Preschoolers Reaching Educational Potential) Program	15,000	9,000
Aging Partners (formally Council on Aging)	Nutrition Services Program	25,000	16,350
Henderson County Habitat for Humanity	Exterior Home Repairs	75,000	17,400
Interfaith Assistance Ministry	Rent, Food Assistance, Utility Assistance	80,000	32,000
Latino Advocacy Coalition of Henderson County (El Centro)	Bilingual Emergency Preparedness and Communication Program	15,000	8,400
Medical Loan Closet of Henderson County	Medical Equipment Loans	2,000	2,000
Mountain True	Water Quality Monitoring - French Broad River	5,000	4,800
Pisgah Legal Services	Domestic & Sexual Violence Prevention	10,000	7,100
Safelight, Inc.	Expand Job Training Program	15,000	4,600
St. Gerard House	Family Group Night	6,000	4,850
The Mediation Center	Community Mediation	1,500	1,500
Thrive	Housing Case Management	10,000	9,400
True Ridge	Bilingual Support and Resource Referrals	10,000	8,950
Sub-Total		287,500	138,550
Total		367,650	182,725
Special Appropriation Requests - Full Funding			
Organization		FY27 Requests	Council Appropriation
Henderson County Economic Investment Fund		50,000	50,000
Henderson County Partnership for Econ. Dev.		28,000	28,000
Henderson County Rescue Squad		15,000	15,000
Interfaith Assistance Ministries - Utilities Assistance		20,000	-
Merchant's and Business Association		2,500	2,500
Mills River Partnership		80,000	80,000
Total		195,500	175,500

The workshop was recessed at 11:39 a.m. for lunch and reconvened at 12:15 p.m. with all members present to continue the budget discussion.



FEE SCHEDULE

Council Workshop
May 01, 2026



FEE SCHEDULE CHANGES

Community Development

- Introduces a "no fee" permit for interior residential remodeling
- Increases commercial permits to account for staff time

COMMUNITY DEVELOPMENT	
PERMITS	
General- Zoning Compliance	
Zoning Compliance Permit - Residential Interior	\$0.00
Zoning Compliance Permit - Residential (Non-Interior)	\$50.00
Zoning Compliance Permit - Commercial	\$75.00
Temporary Use Permit	\$60.00

Finance

- Restructures utility deposits by reducing the amount for each deposit and combining High Credit Risk & Unable to Perform Credit Check

FINANCE	
UTILITY CUSTOMER ACCOUNT SECURITY DEPOSITS	
Residential Water Only Deposit	
Tier 1 - Low Credit Risk	\$0.00
Tier 2 - Medium Credit Risk	\$50.00
Tier 3 - High Credit Risk or Unable to Perform Credit Check	\$75.00
Residential Multiple Services Deposit (Water, Sewer, Sanitation, Stormwater)	
Tier 1 - Low Credit Risk	\$0.00
Tier 2 - Medium Credit Risk	\$150.00
Tier 3 - High Credit Risk or Unable to Perform Credit Check	\$200.00
Non-Residential Water Only Deposit	
No Tiers - All	\$75.00
Non-Residential Multiple Services Deposit (Water, Sewer, Sanitation, Stormwater)	
No Tiers - All	\$225.00

FEE SCHEDULE CHANGES

Public Works

- Increased to reflect true cost

Paving Cut Repairs	
Mobilization/Base Fee (cuts less than or equal to 25 square feet)	\$600.00
Repair fee per square foot, greater than 25 square feet	\$16.00/sqft
Concrete & Sidewalk Mobilization/Base Fee (cuts less than or equal to 25 square feet)	\$1,800.00
Concrete Curb and Sidewalk Replacement (W&S Cut Repairs per Sq ft over 25)	\$30.00 / sqft

- Removed

PUBLIC WORKS	
General	
Backhoe (per hour)	\$125.00
Building Maintenance Fees (per hour)	\$75.00
Bush Hogs/Tractor Mowing (per hour)	\$80.00
Fleet Maintenance Fees (per hour)	\$100.00
Sidearm Mower Rental (per hour)	\$125.00
Water/Flusher Truck (per load)	\$100.00
Weed Eater/Hedge Trimmer (per hour)	\$40.00
Asphalt Curb Installation - per linear foot	\$15.00
Large Assembly Room (5 p.m. - 10 p.m.)	\$100.00
Sanitation Service Deposit	\$60.00
Railroad Depot Room Rental Rate	
Meeting Room (8 a.m. - 5 p.m.)	\$100.00
Meeting Room (5 p.m. - 10 p.m.)	\$50.00

FEE SCHEDULE CHANGES

Water

WATER	
FEES	
Inside City Limits	
Base Charge by Meter Size	
3/4"	\$12.55
1"	\$15.26
1 1/2"	\$22.05
2"	\$30.19
3"	\$55.98
4"	\$89.91
6"	\$191.71
8"	\$225.64
Volumetric Charges	
Residential	
0 to 3,000 gallons	\$4.73 per 1000 gallons
3,000 to 6,000 gallons	\$6.31 per 1000 gallons
6,000 to 14,000 gallons	\$7.89 per 1000 gallons
14,000 gallons and greater	\$9.47 per 1000 gallons
Commercial/Industrial	
0 to 40,000 gallons	\$6.31 per 1000 gallons
40,000 to 200,000 gallons	\$6.31 per 1000 gallons
200,000 gallons and greater	\$6.31 per 1000 gallons
Irrigation	
0 to 40,000 gallons	\$12.62 per 1000 gallons
40,000 gallons and greater	\$13.26 per 1000 gallons
Outside City Limits	
Base Charge by Meter Size	
3/4"	\$14.43
1"	\$17.55
1 1/2"	\$25.36
2"	\$34.72
3"	\$64.38
4"	\$103.40
6"	\$220.47
8"	\$259.49

WATER	
Volumetric Charges	
Residential	
0 to 3,000 gallons	\$5.44 per 1000 gallons
3,000 to 6,000 gallons	\$7.26 per 1000 gallons
6,000 to 14,000 gallons	\$9.07 per 1000 gallons
14,000 gallons and greater	\$10.89 per 1000 gallons
Commercial/Industrial	
0 to 40,000 gallons	\$7.26 per 1000 gallons
40,000 to 200,000 gallons	\$7.26 per 1000 gallons
200,000 gallons and greater	\$7.26 per 1000 gallons
Irrigation	
0 to 40,000 gallons	\$14.52 per 1000 gallons
40,000 gallons and greater	\$15.24 per 1000 gallons
Wholesale	
Base Charge by Meter Size	
3/4"	\$14.43
1"	\$17.55
1 1/2"	\$25.36
2"	\$34.72
3"	\$64.38
4"	\$103.40
6"	\$220.47
8"	\$259.49
Volumetric Charges	
Wholesale	
All Usage	\$6.31 per 1000 gallons
Bulk Water	
All Usage	\$10.89 per 1000 gallons
Public Schools	
Base Charge per Account	\$12.55
All Usage	\$6.31 per 1000 gallons

Rate Increase
8% Water / 9% Sewer

FEE SCHEDULE CHANGES

Sewer

SEWER	
FEE	
Inside City Limits	
Base Charge by Meter Size	
3/4"	\$14.45
1"	\$17.53
1 1/2"	\$25.21
2"	\$34.43
3"	\$63.64
4"	\$102.06
6"	\$217.34
8"	\$255.76
Volumetric Charges	
All Usage	\$8.91 per 1000 gallons
Sewer Only-Flat Rate	\$48.31 per month
Outside City Limits	
Base Charge by Meter Size	
3/4"	\$21.68
1"	\$26.29
1 1/2"	\$37.82
2"	\$51.65
3"	\$95.45
4"	\$153.09
6"	\$326.01
8"	\$383.65
Volumetric Charges	
All Usage	\$13.37 per 1000 gallons
Sewer Only-Flat Rate	\$72.47 per month

SEWER	
FEE	
Wholesale	
Base Charge by Meter Size	
3/4"	\$21.68
1"	\$26.29
1 1/2"	\$37.82
2"	\$51.65
3"	\$95.45
4"	\$153.09
6"	\$326.01
8"	\$383.65
Volumetric Charges	
All Usage	\$13.37 per 1000 gallons
Public Schools	
Base Charge per Account	\$14.45
All Usage	\$8.91 per 1000 gallons
MSD Sewer	
Base Charge per Account	See Wholesale Charges
All Usage	\$13.37 per 1000 gallons
Taps and Connections	
4" Gravity Sewer Service Installation	\$1,600.00
6" Gravity Sewer Service Installation	\$2,000.00
8" Gravity Sewer Service Installation	\$2,400.00

FEE SCHEDULE CHANGES

System Development Fees
100% of Authorized Fee

Water System Development Fees	
Residential Single-Family Dwelling (per unit, Heated Sq. Ft.)	
<1000 sq ft	\$1,247.00
1,000 - 1,500 sq ft	\$1,332.00
1,501 - 2,000 sq ft	\$1,359.00
2,001 - 2,500 sq ft	\$1,443.00
2,501 - 3,000 sq ft	\$1,500.00
3,001 - 3,500 sq ft	\$1,613.00
3,501 - 4,000 sq ft	\$1,724.00
4,000+ sq ft	\$1,992.00
Multi-Family Master Meter (per unit)	\$894.00
Mobile Home Park (per unit)	\$1,399.00
Non-Residential	
3/4" meter	\$2,494.00
1" meter	\$4,156.00
1.5" meter	\$8,312.00
2" meter	\$13,300.00
3" meter	\$29,093.00
4" meter	\$52,368.00
6" meter	\$108,062.00
8" meter	\$232,748.00
10" meter	\$349,122.00

Sewer System Development Fees	
Residential Single-Family Dwelling (per unit, Heated Sq. Ft.)	
<1000 sq ft	\$2,048.00
1,000 - 1,500 sq ft	\$2,188.00
1,501 - 2,000 sq ft	\$2,233.00
2,001 - 2,500 sq ft	\$2,370.00
2,501 - 3,000 sq ft	\$2,465.00
3,001 - 3,500 sq ft	\$2,650.00
3,501 - 4,000 sq ft	\$2,883.00
4,000+ sq ft	\$3,273.00
Multi-Family Master Meter (per unit)	\$1,496.00
Mobile Home Park (per unit)	\$2,299.00
Non-Residential	
3/4" meter	\$4,097.00
1" meter	\$6,828.00
1.5" meter	\$13,657.00
2" meter	\$21,850.00
3" meter	\$47,789.00
4" meter	\$86,036.00
6" meter	\$177,535.00
8" meter	\$382,383.00
10" meter	\$573,575.00



FINALE

Council Workshop
May 01, 2026



CITY COUNCIL DIRECTION

Tax and Rate Impacts by Fund

Fund	Revenue Source	Recommendation
General Fund	Property Tax	No Change \$0.52 per \$100
Main St. MSD Fund	Property Tax	No Change \$0.21 per \$100
7th Ave. MSD Fund	Property Tax	No Change \$0.21 per \$100
Water & Sewer Fund	Water Rate	+8% Increase -5% Inside/Outside Differential (115%)
Water & Sewer Fund	Sewer Rate	+9% Increase No Change Inside/Outside Differential (150%)
Parking Fund	Parking Fees	No Change Variable Rates (see fee schedule)
Stormwater Fund	Stormwater Fees	+\$1 per ERU & +\$50 Cap \$9 per ERU & \$450 Cap
Env. Services Fund	Sanitation Fees	No Change \$32 per set of 96gal bins (see fee schedule)

CITY COUNCIL DIRECTION

Property Type	Property Tax	Stormwater Rate	Sanitation Rate	Water Rate	Sewer Rate	Monthly Cost Δ
Residential / 3/4"meter, 3kgal	No Change	1.00	No Change	1.98	3.41	6.39
Business / 1"meter, 15kgal	No Change	1.00	No Change	8.18	12.55	21.73

FY26 CUSTOMER IMPACTS:

Property Tax → **No Change**

Stormwater Rate → +\$1.00/month (per ERU) +\$50.00 cap → **\$9.00/month & \$450.00 cap**

Sanitation Rate → **No Change**

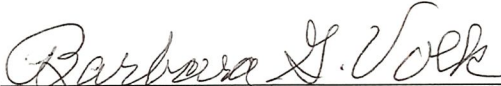
Water Rate (+8.00%) → **+\$0.93 Base** (3/4" Meter) | **+\$0.35 Vol.** (per 1,000 gal.)

Sewer Rate (+9.00%) → **+\$1.19 Base** (3/4" Meter) | **+\$0.74 Vol.** (per 1,000 gal.)

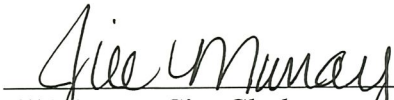
After much discussion, the final budget will come before Council for adoption at their next meeting on June 4, 2026.

3. ADJOURN

There being no further discussion, the meeting was adjourned at 12:32 p.m. upon unanimous assent of the Council.


Barbara G. Volk, Mayor

ATTEST:


Jill Murray, City Clerk

