



MINUTES

May 5, 2023

SPECIAL CALL MEETING OF THE CITY COUNCIL

FY23-24 BUDGET WORKSHOP

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

Present: Mayor Barbara G. Volk, Mayor Pro-Tem Lyndsey Simpson, and Council Members: Dr. Jennifer Hensley, Debbie O’Neal-Roundtree and Jerry Smith

Staff Present: City Manager John F. Connet, Assistant City Assistant Manager Pahle, City Clerk Jill Murray, City Attorney Angela Becker, Communications Manager Allison Justus, Senior Budget & Management Analyst Adam Murr, and others

1. **CALL TO ORDER**

Mayor Volk called the meeting to order at 8:32 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 Assistant City Manager Brian Pahle, Budget Manager Adam Murr and Budget & Management Analyst Jenny Floyd would be reviewing the budget with them. Below is a summary of the key takeaways from the meeting.

1. **Appropriations summarized below.**

| FUND | EXPENDITURES | REVENUES | FUND BALANCE APPROPRIATION |
|----------------------------|---------------|--------------|-------------------------------|
| General | \$ 25,909,589 | \$23,295,070 | \$ 2,614,519 |
| Water & Sewer | \$ 24,265,088 | \$23,876,650 | \$ 388,438 |
| Environmental Services | \$ 1,866,035 | \$ 1,804,000 | \$ 62,035 |
| Stormwater | \$ 1,500,344 | \$ 1,234,050 | \$ 266,294 |
| Parking | \$ 1,168,920 | \$ 1,030,500 | \$ 138,420 |
| Main Street MSD | \$ 757,592 | \$ 626,830 | \$ 130,762 |
| Health & Welfare | \$ 306,025 | \$ 306,025 | \$ - |
| 7 th Avenue MSD | \$ 181,843 | \$ 118,400 | \$ 63,443 |
| Water & Sewer CRF | \$ 100,000 | \$ 100,000 | \$ - |
| Gov. Special Revenue | \$ 50,500 | \$ - | \$ 50,500 |
| SUB-TOTAL | \$ 56,105,936 | \$52,391,525 | \$ 3,714,411 |

2. **City-wide trends:**
- a. 3.0% COLA
 - b. 1.25% Merit based pay differential (1.00% achieves, 2.25% exceeds, 3.50% outstanding)
 - c. No increases to health insurance premium budgets due to wellness proگرامing
 - d. Local Government Employee Retirement System (LGERS) contributions 12.85% for all employees, except Law Enforcement Officers at 14.10%

3. **General Fund**
- a. FY23 Tax Rate =\$0.52/\$100
 - b. FY24 Tax Rate=\$0.49/\$100
 - c. FY24 Revenue Neutral Tax Rate = \$0.4192/\$100

4. **Main Street MSD**
- a. FY23 Tax Rate =\$0.24/\$100
 - b. FY24 Tax Rate=\$0.21/\$100
 - c. FY24 Revenue Neutral Tax Rate = \$0.2032/\$100

5. **7th Ave MSD**

- a. FY23 Tax Rate = \$0.17/\$100
 - b. FY24 Tax Rate = \$0.21/\$100
 - c. FY24 Revenue Neutral Tax Rate = \$0.1967/\$100
- 6. W&S Fund**
- a. 11.0% increase in water sale revenue generation, creation of a lifeline tier
 - b. 12.0% increase in sewer charge revenue generation
 - c. Exploration of system development charges (SDCs) to be revisited at mid-year FY24
 - d. 130% water rate differential between inside/outside city customers (-5.0%)
- 7. Parking Fund**
- a. No recommended fee changes
- 8. Stormwater Fund**
- a. FY24 Stormwater rate = \$6.00 per equivalent residential unit (ERU), and a \$300 cap
 - b. +\$1.00 per month compared to FY23's \$5.00/ERU/month fee.
 - c. Future analyses will be provided as we transition to project construction phases.
- 9. Environmental Services Fund**
- a. FY24 residential rate = +\$3.00/month, in-line or lower than competitive private waste providers plus additional services.
 - i. 32gallon customers = \$23.00/month
 - ii. 96gallon customers = \$25.00/month
 - iii. We also provide leaf and brush collection, and large and misc. item hauling
- 10. 401K Match**
- a. Council agreed to a 2% match

The workshop was recessed at 11:41 a.m. for lunch and reconvened at 1:00 p.m. with all members present to discuss special appropriations listed below:

| Organization | Requested Amount | Recommended Funding Amount |
|---|------------------|----------------------------|
| Arts/Culture/Education/Recreation | | |
| Arts Council of Henderson County, Inc. | 5,000 | 3,900 |
| Blue Ridge Literacy Council | 7,000 | 4,700 |
| Boy's & Girl's Club of Henderson County | 20,000 | 6,860 |
| Flat Rock Playhouse (Vagabond School) | 4,992 | 800 |
| Henderson County Education Foundation | 8,075 | 5,065 |
| Henderson County Education Initiative | 1,000 | 300 |
| Henderson County NAACP - Medical Training | 10,200 | 5,890 |
| Hendersonville Community Theatre | 26,498 | 1,400 |
| Hendersonville Shuffleboard Club | 1,200 | 1,200 |
| Hendersonville Symphony - Second Series | 5,000 | 800 |
| Hendersonville Symphony - Youth Education | 5,000 | 700 |
| Mineral & Lapidary Museum | 10,000 | 900 |
| Team ECCO | 3,500 | 1,600 |
| Western North Carolina Air Museum | 12,000 | 400 |
| Life Quality/Economic Services | | |
| Blue Ridge Community Health Services | 10,000 | 10,000 |
| Blue Ridge Humane | 10,000 | 5,000 |
| Children & Family Resource Center | 10,000 | 10,000 |
| Henderson County Council on Aging | 16,860 | 14,544 |
| Henderson County Young Leaders (Campify) | 2,500 | 2,200 |
| Interfaith Assistance Ministry - Rent Asst. | 145,000 | 17,000 |
| Medical Loan Closet of Henderson County | 3,000 | 3,000 |
| Only Hope WNC | 10,000 | 9,700 |
| Pisgah Legal Services - Domestic Violence | 5,000 | 2,200 |
| Pisgah Legal Services - Homeless Prevention | 5,000 | 2,200 |
| Safelight, Inc. | 20,000 | 6,828 |
| St. Gerard House | 6,900 | 6,900 |
| The Mediation Center | 2,000 | 1,600 |
| Thrive | 10,000 | 7,200 |
| True Ridge | 10,000 | 2,200 |
| Agribusiness Henderson County (AgHC) | 5,000 | 5,000 |
| Henderson County Economic Investment Fund | 50,000 | 50,000 |
| Henderson County Partnership for Econ. Dev. | 25,000 | 25,000 |
| Henderson County Planning Department | 102,709 | 102,709 |
| Henderson County Rescue Squad | 15,000 | 15,000 |
| Interfaith Assistance Ministry | 15,000 | 15,000 |
| Merchant's and Business Association | 2,000 | 2,000 |
| Mills River Partnership | 80,000 | 80,000 |

3. **ADJOURN**

There being no further discussion, the meeting was adjourned at 1:23 p.m. upon unanimous assent of the Council.

Barbara G. Volk, Mayor

ATTEST:

Jill Murray, City Clerk