



MINUTES

May 3, 2024

SPECIAL CALL MEETING OF THE CITY COUNCIL

FY24-25 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, Jeff Miller & Melinda P. Lowrance

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

1. CALL TO ORDER

Mayor Volk called the meeting to order at 8:39 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.

DESIRED OUTCOMES

Desired Outcomes & Council's Direction:

1. Taxes & Rates

→ \$0.5050/\$100 | MS/7TH = \$0.2100/\$100.

2. WS Rates

→ +11.00% Water +12.00% Sewer.

3. SW Rate

→ \$7.00 per ERU + \$350.00 cap.

4. Benefits

→ COLA 4.00% | No Merit.

5. Position Additions

→ GF +1 | WS +4 | (+5 total).

6. Special Appropriations.

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROPRIATION
General	\$ 28,099,225	\$ 25,716,259	\$ 2,382,966
Water & Sewer	28,085,094	27,222,560	862,534
Environmental Services	1,885,477	1,885,477	-
Stormwater	1,454,050	1,454,050	-
Parking	1,280,292	1,088,575	191,717
Main Street MSD	795,676	641,830	153,846
Health & Welfare	362,025	362,025	-
7th Avenue MSD	168,372	121,500	46,872
Water & Sewer CRF	100,000	100,000	-
Gov. Special Revenue	35,000	-	35,000
SUB-TOTAL	\$ 62,265,211	\$ 58,592,276	\$ 3,672,935

GENERAL FUND – 010

FY24 → FY25
REVENUES

GENERAL FUND – 010

GENERAL FUND	FY24 REVISED	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
REVENUES						
Ad Valorem Taxes	(14,217,500)	(13,942,500)	(15,972,500)	(16,085,025)	(1,755,000)	12.3%
Other Taxes & Licenses	(7,500)	(7,500)	(7,500)	(10,000)	-	0.0%
Unrestricted Intergov.	(7,631,000)	(7,607,000)	(7,831,189)	(8,010,230)	(200,189)	2.6%
Restricted Intergov.	(805,833)	(849,920)	(849,920)	(1,021,325)	(44,087)	5.5%
Permits & Fees	(449,750)	(444,550)	(444,550)	(434,550)	5,200	-1.2%
Sales & Services	(363,600)	(363,600)	(354,600)	(381,000)	9,000	-2.5%
Investment Earnings	(211,000)	(175,000)	(175,000)	(200,000)	36,000	-17.1%
Miscellaneous	(135,000)	(106,000)	(31,000)	(31,000)	104,000	-77.0%
TOTAL REVENUES	(23,821,183)	(23,496,070)	(25,666,259)	(26,173,130)	(1,845,076)	7.7%

- Ad Valorem Taxes:
 - FY25 Requested: **\$0.49/\$100 rate**, \$14.2M = FY24 Revised.
 - FY25 Recommended: **\$0.5050/\$100 rate, +\$0.015**, \$15.9M (+\$1.76M over Revised).
 - Increased revenues from developments **\$490k**:
 - Firm #1: **+42,900** 80% econ. dev. incentive until met.
 - Firm #2: **+\$447,300** (no econ. dev. incentive)
 - Assessed value growth of real property = **+4.46%** in FY25.

GENERAL FUND – 010

FY24 → FY25
EXPENDITURES

GENERAL FUND – 010

GENERAL FUND	FY24 REVISED	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
EXPENDITURES						
Personnel/Benefits	15,883,606	19,031,219	16,387,663	15,807,863	504,057	3.2%
Operating	7,289,285	7,316,756	6,464,864	6,279,836	(824,421)	-11.3%
Capital	754,492	1,388,000	233,119	224,960	(521,373)	-69.1%
Debt Service	3,578,713	4,102,792	4,098,214	4,098,214	519,501	14.5%
TOTAL EXPENDITURES	27,506,096	31,838,767	27,183,860	26,410,873	(322,236)	-1.2%

- Personnel/Benefits:
 - FY25 Recommended **+\$504k, or 3.2%**
 - No merit-based increases (all COLA).
 - LGERS (Retirement) **+ 0.75% | +1.00%**.
 - Medical insurance **+6.2%** No MERP.
 - Re-adjusted salary splits across funds 47/1/44/2/3/3 | GF/MS/WS/PRK/STW/ESF.
- +1 Downtown Police Officer **+\$75k**.

LGERS City Contributions			
Fiscal Year	Non-LEO	LEO	
FY20	8.95%	9.70%	
FY21	10.15%	10.90%	
FY22	11.35%	12.10%	
FY23	12.10%	13.10%	
FY24	12.85%	14.10%	
FY25	13.60%	15.10%	
Merit-Based Increases			
Fiscal Year	Meets	Exceeds	Outstanding
FY22	1.00%	1.75%	2.50%
FY23	1.00%	2.00%	3.00%
FY24	1.00%	2.25%	3.50%
FY25	0.00%	0.00%	0.00%

GENERAL FUND – 010

FY24 → FY25
OTHER

GENERAL FUND – 010

GENERAL FUND	FY24 REVISED	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
OTHER FINANCING (SOURCES)/USES						
Insurance Proceeds	(13,368)	-	-	(30,000)	(13,368)	-100.0%
Debt Proceeds	-	-	-	-	-	0.0%
Capital Lease	-	-	-	-	-	0.0%
Sale of Capital Assets	(550,000)	-	(50,000)	(250,000)	(500,000)	-90.9%
Transfers (In)	-	-	-	(389,675)	-	0.0%
Transfers Out	425,000	629,380	915,365	714,833	490,365	115.4%
TOTAL OTHER (SOURCES)/USES	(138,368)	629,380	865,365	45,158	1,003,733	725.4%

- Other – Recommended Budget:
 - FY25 Recommended **+\$1.0M** compared to FY24 Revised.
 - \$350k** FY24 sale of HFD ladder and engine | non-recurring.
 - Transfers to other funds:

\$634k 7th Ave Project(Powell Bill), \$87k ESF, & \$194k Parking.
- Other – Estimated Actuals:
 - Potential sale of Fire Station Annex in FY25 **+\$200k**.
 - \$389k** Due from other funds: Parking, Stormwater, Environmental Services.
 - Certain transfers may not be needed in FY25, pending FY24 actuals.

GENERAL FUND – 010

FY24 → FY25
FUND BALANCE

GENERAL FUND – 010

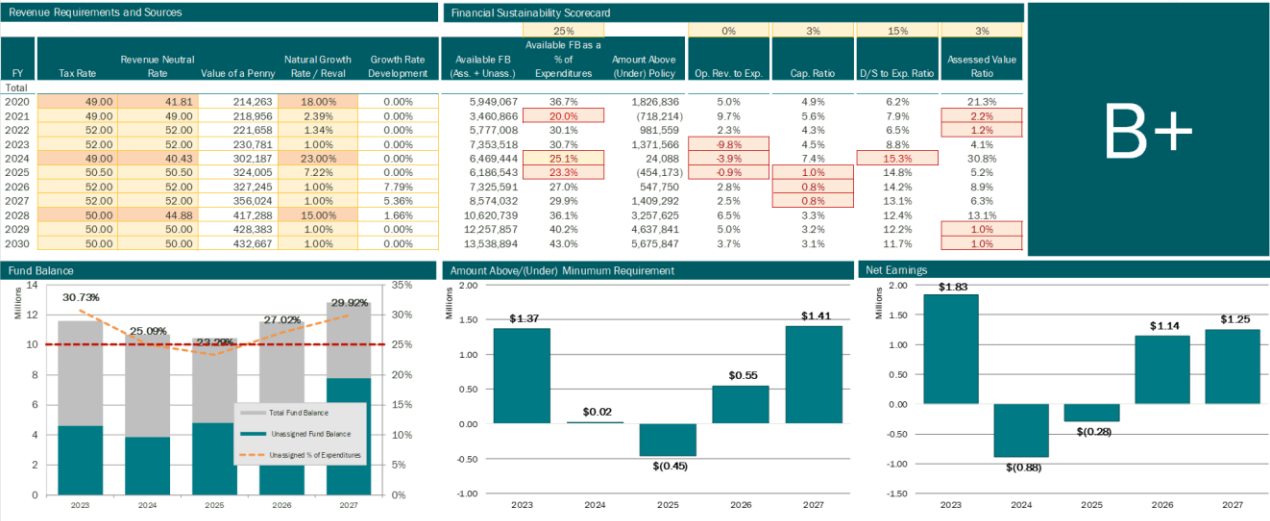
GENERAL FUND	FY24 REVISED	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
Fund Balance Appropriated	3,546,545	8,972,077	2,382,966	282,901	(1,163,579)	-32.8%
NET CHANGE IN FUND BALANCE	3,546,545	8,972,077	2,382,966	282,901	(1,163,579)	-32.8%
FUND BALANCE, BEGINNING OF YEAR	11,594,167	10,709,093	10,709,093	10,709,093		
FUND BALANCE, END OF YEAR	8,047,622	1,737,016	8,326,127	10,426,192		

- Fund Balance Appropriation Recommended Budget:
 - \$1.2M, or -32.8%** compared to FY24 Revised.
 - FY24 End of Year/FY25 Beginning = \$10,709,093.
- Fund Balance Appropriation Estimated Actuals:
 - Assuming 96.5% Expenditure and 103% Revenue Collection in FY25, \$282k use.
 - \$10,426,192 End of Year Total Fund Balance.
 - \$6,186,543 Unassigned = 23.29% Available | LGC Target Min. = 25.00%

GENERAL FUND – 010

FY25
GF MODEL

GENERAL FUND MODEL UPDATE



B+

MSD FUNDS – MAIN STREET 020

MAIN STREET MSD FUND	FY23 ESTIMATE	FY23 ACTUAL	FY24 REVISED	FY24 ESTIMATE	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
REVENUES									
Ad Valorem Taxes	(309,366)	(287,843)	(292,315)	(324,824)	(305,300)	(305,300)	(341,942)	12,985	4.4%
Unrestricted Intergov.	(294,449)	(294,107)	(314,000)	(352,508)	(316,000)	(316,000)	(353,926)	2,000	0.6%
Permits & Fees	(14,657)	(24,335)	(2,500)	(16,840)	(2,500)	(2,500)	(2,800)	-	0.0%
Investment Earnings	(100)	(5,287)	(2,197)	(100)	(100)	(100)	(100)	(2,097)	-95.4%
Miscellaneous	(100)	(429)	(19,930)	(6,096)	(17,930)	(17,930)	(20,082)	(2,000)	-10.0%
TOTAL REVENUES	(618,683)	(612,001)	(630,942)	(700,367)	(641,830)	(641,830)	(718,850)	10,888	1.7%
EXPENDITURES									
Personnel/Benefits	274,496	280,630	381,192	350,586	461,913	435,261	395,274	54,069	14.2%
Operating	268,210	245,828	375,231	305,720	375,324	316,619	287,532	(58,612)	-15.6%
Capital	38,768	-	-	6,423	5,000	-	-	-	0.0%
Debt Service	45,268	45,594	45,280	45,280	43,796	43,796	53,194	(1,484)	-3.3%
TOTAL EXPENDITURES	626,742	572,052	801,703	708,009	886,033	795,676	736,000	(6,027)	-0.8%
Insurance Proceeds	-	-	-	-	-	-	-	-	-
Debt Proceeds	-	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Transfers (In)	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
TOTAL OTHER (SOURCES)/USES	-	-	-	-	-	-	-	-	-
Fund Balance Appropriated	8,059	(39,949)	170,761	7,641	244,203	153,846	17,151	-	-
NET CHANGE IN FUND BALANCE	8,059	(39,949)	170,761	7,641	244,203	153,846	17,151		
FUND BALANCE, BEGINNING OF YEAR	193,759	193,759	233,708	233,708	226,067	226,067	226,067		
FUND BALANCE, END OF YEAR	185,700	233,708	62,947	226,067	(18,136)	72,221	208,916		

MSD FUNDS – 7TH AVENUE 021

7TH AVENUE MSD FUND	FY23 ESTIMATE	FY23 ACTUAL	FY24 REVISED	FY24 ESTIMATE	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
REVENUES									
Ad Valorem Taxes	(46,332)	(46,289)	(51,300)	(57,841)	(53,400)	(53,400)	(60,348)	2100	4.1%
Unrestricted Intergov.	(59,717)	(58,821)	(62,000)	(69,905)	(63,000)	(63,000)	(71,197)	1,000	1.6%
Investment Earnings	(100)	(3,469)	(100)	(100)	(100)	(100)	(100)	-	0.0%
Miscellaneous	(5,609)	(5,000)	(5,000)	(5,638)	(5,000)	(5,000)	(5,651)	-	0.0%
TOTAL REVENUES	(111,757)	(113,579)	(118,400)	(133,484)	(121,500)	(121,500)	(137,295)	3,100	2.6%
EXPENDITURES									
Personnel/Benefits	80,540	78,467	111,228	89,685	128,958	118,907	95,126	7,679	6.9%
Operating	98,643	43,557	70,615	57,853	63,065	49,465	39,572	(21,150)	-30.0%
Capital	-	-	-	-	20,000	-	-	-	0.0%
Debt Service	-	-	-	-	-	-	-	-	0.0%
TOTAL EXPENDITURES	179,183	122,024	181,843	147,538	212,023	168,372	134,698	(13,471)	-7.4%
OTHER FINANCING (SOURCES)/USES									
Insurance Proceeds	-	-	-	-	-	-	-	-	-
Debt Proceeds	-	-	-	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-	-	-	-
Sale of Capital Assets	-	-	-	-	-	-	-	-	-
Transfers (In)	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	81,439	-	230,000	-	-	-	-
TOTAL OTHER (SOURCES)/USES	-	-	81,439	-	230,000	-	-	-	-
Fund Balance Appropriated	67,426	8,445	144,882	14,054	320,523	46,872	(2,597)	-	-
NET CHANGE IN FUND BALANCE	67,426	8,445	144,882	14,054	320,523	46,872	(2,597)		
FUND BALANCE, BEGINNING OF YEAR	153,327	153,327	144,882	144,882	130,828	130,828	130,828		
FUND BALANCE, END OF YEAR	85,901	144,882	-	130,828	(189,695)	83,956	133,426		

WATER & SEWER FUND – 060

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

1. Rate Increases- 11% Water / 12% Sewer
2. System Development Fees – January 1, 2025
3. Cost-of-living direction (**COLA**) → **4.0%** current rec.
4. Position additions **+4 FTE**
5. Water Rate Differential **130% → 125%**

WATER & SEWER FUND – 060

FY24 → FY25
REVENUES

WATER & SEWER FUND – 060

WATER & SEWER FUND	FY24 REVISED	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
REVENUES						
Sales & Services	(22,966,700)	(25,766,700)	(25,766,700)	(26,416,195)	2,800,000	12.2%
Permits & Fees	(961,850)	(1,280,800)	(1,280,800)	(1,313,085)	318,950	33.2%
Investment Earnings	(97,800)	(97,000)	(97,000)	(97,000)	(800)	-0.8%
Miscellaneous	(76,000)	(76,000)	(76,000)	(77,916)	-	0.0%
TOTAL REVENUES	(24,102,350)	(27,220,500)	(27,220,500)	(27,904,195)	3,118,150	12.9%

- **Sales and Service:**
- FY25 Recommended: \$25.8M, +\$2.80M (12.2%) over FY24 Revised
- Rate Increase Recommendations:
- Water 11.00%
- Sewer 12.00%

The inside/outside **water** rate differential will transition from 130% (FY24) to **125% (FY25)**

The inside/outside **sewer** rate differential will remain at **150% (FY25)**

WATER & SEWER FUND – 060

FY24 → FY25
EXPENDITURES

WATER & SEWER FUND – 060

WATER & SEWER FUND	FY24 REVISED	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
EXPENDITURES						
Personnel/ Benefits	11,697,720	12,898,327	12,267,191	11,866,257	569,471	4.9%
Operating	7,757,073	8,363,229	8,565,369	8,285,424	808,296	10.4%
Capital	723,122	1,290,000	1,177,000	1,138,532	453,878	62.8%
Debt Service	3,880,340	5,382,933	5,370,534	5,370,534	1,490,194	38.4%
TOTAL EXPENDITURES	24,058,255	27,934,489	27,380,094	26,660,747	3,321,839	13.8%

- **Personnel and Benefits:**
 - FY25 Recommended: **+\$570k, or 4.9%** compared to FY24 Revised
 - +4.00% cost-of-living adjustment **+\$376k | each +1.0% COLA = ~\$94k**
 - Re-adjusted salary splits across funds 47/1/44/2/3/3 | GF/MS/WS/PRK/STW/ESF
 - Career ladders for **13 positions** and repurposed **3 positions**
 - **New FTEs (4):**
 - Generator Maintenance Technician
 - Instrumentation and Electrical Technician (I-II) – Treatment
 - WTP Laboratory Technician (I-III)
 - Payment Posting Specialist - Finance

PARKING FUND – 064

PARKING SERVICES FUND	FY23 ESTIMATE	FY23 ACTUAL	FY24 REVISED	FY24 ESTIMATE	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
REVENUES									
Parking Fees	(603,691)	(564,735)	(1,030,000)	(1,063,755)	(1,065,000)	(1,065,000)	(1,133,272)	35,000	3.4%
Investment Earnings	-	(4,884)	(2,500)	-	(2,500)	(2,500)	(2,500)	-	0.0%
Miscellaneous	-	-	(55,600)	(60,552)	(21,075)	(21,075)	(22,426)	(34,525)	-62.1%
TOTAL REVENUES	(603,691)	(569,619)	(1,088,100)	(1,124,307)	(1,088,575)	(1,088,575)	(1,158,198)	475	0.0%
EXPENDITURES									
Personnel/Benefits	100,539	114,540	207,841	168,423	292,039	268,507	239,799	60,666	29.2%
Operating	33,120	101,217	199,949	135,800	288,316	204,335	182,488	4,386	2.2%
Capital	432,399	403,937	6,530	6,917	-	-	-	(6,530)	-100.0%
Debt Service	818,402	810,951	812,200	812,000	807,450	807,450	807,450	(4,750)	-0.6%
TOTAL EXPENDITURES	1,384,459	1,430,645	1,226,520	1,123,140	1,387,805	1,280,292	1,229,736	53,772	4.4%
OTHER FINANCING (SOURCES)/USES									
Insurance Proceeds	-	-	-	-	-	-	-	-	0.0%
Debt Proceeds	(55,000)	-	-	-	-	-	-	-	0.0%
Capital Lease	-	-	-	-	-	-	-	-	0.0%
Sale of Capital Assets	-	-	-	-	-	-	-	-	0.0%
Transfers (In)	(202,253)	(202,253)	-	-	-	-	-	-	0.0%
Transfers Out	-	50,000	-	-	-	-	-	-	0.0%
TOTAL OTHER (SOURCES)/USES	(257,253)	(152,253)	-	-	-	-	-	-	0.0%
Fund Balance Appropriated	523,515	708,773	138,420	(1,167)	299,230	191,717	71,538		
NET CHANGE IN FUND BALANCE	523,515	708,773	138,420	(1,167)	299,230	191,717	71,538		
FUND BALANCE, BEGINNING OF YEAR	293,436	293,436	-	-	1,167	1,167	1,167		
FUND BALANCE, END OF YEAR	(230,079)	-	(138,420)	1,167	(298,063)	(190,550)	(70,371)		

STORMWATER FUND – 067

STORMWATER FUND	FY23 ESTIMATE	FY23 ACTUAL	FY24 REVISED	FY24 ESTIMATE	FY25 REQUESTED	FY25 RECOMMENDED	FY25 ESTIMATE	DOLLAR CHANGE	PERCENT CHANGE
REVENUES									
Stormwater Fees	(1,240,547)	(1,025,761)	(1,231,000)	(1,321,740)	(1,451,000)	(1,451,000)	(1,482,852)	220,000	17.9%
Investment Earnings	(50)	(2,893)	(3,050)	-	(3,050)	(3,050)	(3,050)	-	0.0%
Miscellaneous	-	-	-	-	-	-	-	-	0.0%
TOTAL REVENUES	(1,240,597)	(1,028,654)	(1,234,050)	(1,321,740)	(1,454,050)	(1,454,050)	(1,483,131)	220,000	17.8%
EXPENDITURES									
Personnel/Benefits	726,108	596,125	805,457	743,683	1,010,467	942,609	872,347	137,152	17.0%
Operating	309,855	194,625	160,809	152,827	433,335	317,725	295,489	156,916	97.6%
Capital	286,971	321,012	296,000	269,789	80,000	5,000	4,627	(291,000)	-98.3%
Debt Service	61,380	50,791	85,078	85,078	82,070	82,070	82,070	(3,008)	-3.5%
TOTAL EXPENDITURES	1,384,314	1,162,553	1,347,344	1,251,376	1,605,872	1,347,404	1,254,533	60	0.0%
OTHER FINANCING (SOURCES)/USES									
Insurance Proceeds	-	-	-	-	-	-	-	-	0.0%
Debt Proceeds	(140,000)	(377,000)	-	-	-	-	-	-	0.0%
Capital Lease	-	-	-	-	-	-	-	-	0.0%
Sale of Capital Assets	-	-	-	-	-	-	-	-	0.0%
Transfers (In)	-	-	-	-	-	-	-	-	0.0%
Transfers Out	-	377,000	153,000	153,000	106,646	106,646	106,646	(46,354)	-30.3%
TOTAL OTHER (SOURCES)/USES	(140,000)	-	153,000	153,000	106,646	106,646	106,646	(46,354)	-30.3%
Fund Balance Appropriated	3,717	133,899	266,294	82,636	258,468	-	(121,952)		
NET CHANGE IN FUND BALANCE	3,717	133,899	266,294	82,636	258,468	-	(121,952)		
FUND BALANCE, BEGINNING OF YEAR	150,396	150,396	-	-	-	-	-		
FUND BALANCE, END OF YEAR	146,679	-	(266,294)	-	(258,468)	-	121,952		

ENV. SERVICES FUND – 068

ENV. SERVICES FUND									
	FY23	FY23	FY24	FY24	FY25	FY25	FY25	DOLLAR	PERCENT
	ESTIMATE	ACTUAL	REVISED	ESTIMATE	REQUESTED	RECOMMENDED	ESTIMATE	CHANGE	CHANGE
REVENUES									
ESF Fees	(1,542,282)	(1,537,269)	(1,803,300)	(1,828,227)	(1,803,000)	(1,803,000)	(1,828,227)	(300)	0.0%
Investment Earnings	(300)	(794)	(300)	-	(300)	(300)	(300)	-	0.0%
Miscellaneous	(1,825)	(288)	(1,050)	(710)	(700)	(700)	(710)	(350)	-33.3%
TOTAL REVENUES	(1,544,407)	(1,538,351)	(1,804,650)	(1,829,237)	(1,804,000)	(1,804,000)	(1,829,237)	(650)	0.0%
EXPENDITURES									
Personnel/Benefits	926,179	1,026,827	1,080,833	1,016,424	1,197,093	1,102,648	1,042,170	21,815	2.0%
Operating	466,899	510,614	624,142	601,490	611,898	602,531	569,484	(21,611)	-3.5%
Capital	18,353	259,055	6,150	-	-	-	-	(6,150)	-100.0%
Debt Service	71,792	93,293	155,560	155,560	93,300	180,298	180,298	24,738	15.9%
TOTAL EXPENDITURES	1,550,479	1,889,789	1,866,685	1,773,475	1,902,291	1,885,477	1,791,952	18,792	1.0%
OTHER FINANCING (SOURCES)/USES									
Insurance Proceeds	-	-	-	-	-	-	-	-	0.0%
Debt Proceeds	-	-	-	-	-	-	-	-	0.0%
Capital Lease	-	-	-	-	-	-	-	-	0.0%
Sale of Capital Assets	-	-	-	-	-	-	-	-	0.0%
Transfers (In)	-	-	-	-	-	(81,477)	-	(81,477)	0.0%
Transfers Out	-	-	-	90,664	-	-	37,285	-	0.0%
TOTAL OTHER (SOURCES)/USES	-	-	-	90,664	-	(81,477)	37,284	(81,477)	0.0%
Fund Balance Appropriated	6,072	351,438	62,035	34,901	98,291	-	(1)		
NET CHANGE IN FUND BALANCE	6,072	351,438	62,035	34,901	98,291	-	(1)		
FUND BALANCE, BEGINNING OF YEAR	386,339	386,339	34,901	34,901	(0)	(0)	(0)		
FUND BALANCE, END OF YEAR	380,267	34,901	(27,134)	(0)	(98,291)	(0)	0		

The workshop was recessed at 11:45 a.m. for lunch and reconvened at 1:08 p.m. with all members present to discuss special appropriations listed below:

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 \$142,000

Arts, Education, Culture, & Recreation	
Organization	Requested Amount
Arts Council of Henderson County, Inc.	17,750
Blue Ridge Literacy Council- Literacy Connection	10,000
Boy's & Girl's Club of Henderson County	7,000
Flat Rock Playhouse (Vadabond School)	15,900
Henderson County Education Foundation	8,547
Hendersonville Community Theatre	9,690
Hendersonville Shuffleboard Club	1,200
Hendersonville Symphonv - Second Series	5,000
Hendersonville Symphony - Youth Education	5,000
Mineral & Labidary Museum	10,000
Team ECCO	6,000
The Hope Center of Hendersonville	15,000
YMCA of Western North Carolina	7,000
TOTAL	118,087

25% of Budget Available \$35,000

Life Quality & Economic Services	
Organization	Requested Amount
Aaribusiness Henderson County (AqHC)	5,000
Blue Ridge Community Health Services	10,000
Blue Ridge Humane	10,000
Children & Family Resource Center	10,000
Henderson County Council on Aging	19,950
Henderson County Habitat for Humanity	95,000
Henderson County Young Leaders (Campliy)	15,000
Interfaith Assistance Ministrv - Rent Asst.	56,000
Medical Loan Closet of Henderson County	3,000
Only Hope WNC	10,000
Pisgah Legal Services - Domestic Violence	10,000
Safelight, Inc.	10,000
St. Gerard House	6,000
Star Lite	2,000
The Mediation Center	3,000
Thrive	10,000
True Ridge	10,000
TOTAL	284,950

75% of Budget Available \$106,500

Special Appropriation Requests - Discretionary Funding													Council Recommendations								
City Manager Appropriation Target		\$	143,500																		
Organization	FY25 Requests	Notes		Council Appropriation	Is there a conflict?	Lyndsey Simpson	Is there a conflict?	Barbara Yule	Is there a conflict?	Jennifer Hensley	Is there a conflict?	Jeff Miller	Is there a conflict?	Category							
Appropriation Available (25% of Budget)		\$5,875		\$75		\$75		\$75		\$75		\$75									
Arts Council of Henderson County, Inc.	17,750	Provide arts ed. to 200+ students, in Title I schools. Renting classroom space, pay art teachers & supplies.		2,250	No	Yes	3,000	No	3,000	No	3,000	No	3,000	No	Education, Arts, Culture, & Recreation						
Blue Ridge Literacy Council- Literacy Connection	10,000	Provide tutoring to adults -learning materials: books, workbooks.		5,075	No	8,300	No	4,000	No	4,000	No	4,000	No	4,000	No	Education, Arts, Culture, & Recreation					
Boy's & Girl's Club of Henderson County	7,000	Triple Play athletics program and equipment		2,825	No	Yes	1,300	No	5,000	No	5,000	No	5,000	No	Education, Arts, Culture, & Recreation						
Flat Rock Playhouse (Vagabond School)	15,900	Funding for Black Box Series Production "The Mountaintop".		1,125	No	1,000	No	1,500	No	1,000	No	1,000	No	1,000	No	Education, Arts, Culture, & Recreation					
Henderson County Education Foundation	8,547	Leader in 3rd Program provides leadership development opportunities for students, educators, and parents/guardians		3,625	No	4,000	No	3,500	No	3,500	No	3,500	No	3,500	No	Education, Arts, Culture, & Recreation					
Hendersonville Community Theatre	9,690	Funding will be used for 2024 season productions		2,250	No	3,000	No	2,000	No	2,000	No	2,000	No	2,000	No	Education, Arts, Culture, & Recreation					
Hendersonville Shuffleboard Club	1,200	Purchase equipment for recreational opportunities and maintain facilities.		1,200	No	1,200	No	1,200	No	1,200	No	1,200	No	1,200	No	Education, Arts, Culture, & Recreation					
Hendersonville Symphony - Second Series	5,000	3rd and 6th grade orchestra education concerts.		1,500	No	1,500	No	1,500	No	1,500	No	1,500	No	1,500	No	Education, Arts, Culture, & Recreation					
Hendersonville Symphony - Youth Education	5,000	Facility and production costs for orchestra grades 9-12.		1,500	No	1,500	No	1,500	No	1,500	No	1,500	No	1,500	No	Education, Arts, Culture, & Recreation					
Mineral & Lapidary Museum	10,000	Educational materials for school tours of the museum and museum exhibits.		2,375	No	2,500	No	3,000	No	2,000	No	2,000	No	2,000	No	Education, Arts, Culture, & Recreation					
Team ECCO	6,000	Free admission for City residents, employees, and families/children with special learning needs. Educational video production**		3,125	No	3,000	No	3,000	No	3,000	No	3,000	No	3,000	No	Education, Arts, Culture, & Recreation					
The Hope Center of Hendersonville	15,000	Will allow 5 members with intellectual and developmental disabilities to attend day program at no cost to the members.		3,525	No	2,500	No	6,000	No	2,800	No	2,800	No	2,800	No	Education, Arts, Culture, & Recreation					
YMCA of Western North Carolina	7,000	Site assessment, market analysis, site massing, and capital campaign feasibility study for Hendersonville Facility		5,250	No	7,000	No	4,000	No	5,000	No	5,000	No	5,000	No	Education, Arts, Culture, & Recreation					
Sub-Total		\$18,087		\$5,400		\$5,500		\$5,500		\$5,500		\$5,500									
Appropriation Available (75% of Budget)		\$107,625		\$70		\$125		\$125		\$125		\$125									
Agribusiness Henderson County (AgIRC)	5,000	Promote economic growth in agribusiness through recruitment and retention.		3,750	No	5,000	No	5,000	No	2,500	No	2,500	No	2,500	No	Life Quality and Economic Services					
Blue Ridge Community Health Services	10,000	Provide 44 medical visits and 33 behavioral health visits for those experiencing homelessness.		5,625	No	7,500	No	5,000	No	5,000	No	5,000	No	5,000	No	Life Quality and Economic Services					
Blue Ridge Humane	10,000	Spay/neuter programming for residents of HVL - assists low income families and mitigates stray animal externalities.		3,125	No	2,500	No	5,000	No	5,000	No	5,000	No	5,000	No	Life Quality and Economic Services					
Children & Family Resource Center	10,000	Provide funding for developmental, hearing, and vision screenings for children ages 3-5.		3,000	No	3,500	No	2,500	No	3,000	No	3,000	No	3,000	No	Life Quality and Economic Services					
Henderson County Council on Aging	19,950	Full funding would provide 10 city residents home-delivered meals for an entire year. \$10.50/meal*1,900 meals = \$19,950.		15,900	No	15,000	No	15,000	No	15,000	No	15,000	No	15,000	No	Life Quality and Economic Services					
Henderson County Habitat for Humanity	95,000	Home repairs for 10 families in Hendersonville		25,000	No	25,000	No	25,000	No	25,000	No	25,000	No	25,000	No	Life Quality and Economic Services					
Henderson County Young Leaders (Campify)	15,000	Funds will be used for a weeklong overnight summer camp for 130 youths 6th-9th grade and 12 Counselors-in-Training		2,000	No	2,000	No	2,000	No	2,000	No	2,000	No	2,000	No	Life Quality and Economic Services					
Interfaith Assistance Ministry - Rent Asst.	50,000	Crisis Services = food and housing assistance.		19,500	No	18,000	No	20,000	No	20,000	No	20,000	No	20,000	No	Life Quality and Economic Services					
Medical Loan Closet of Henderson County	3,000	Preparation and maintenance on medical equipment offered to in-need members of the community.		1,250	No	1,000	No	1,000	No	1,500	No	1,500	No	1,500	No	Life Quality and Economic Services					
Only Hope WNC	10,000	Support of homeless youth including food, clothing, and school supplies.		3,125	No	3,500	No	3,000	No	3,000	No	3,000	No	3,000	No	Life Quality and Economic Services					
Pisgah Legal Services - Domestic Violence Safeflight, Inc.	10,000	Legal support for victims of domestic violence matched by federal grant from the NC Governor's Crime Commission.		4,625	No	3,500	No	5,000	No	5,000	No	5,000	No	5,000	No	Life Quality and Economic Services					
St. Gerard House	10,000	Job training program for survivors of interpersonal violence for economic empowerment & independence.		3,000	No	3,000	No	3,000	No	3,000	No	3,000	No	3,000	No	Life Quality and Economic Services					
Star Line	2,000	Event support for special needs children and families, including meals, education, and childcare.		3,000	No	3,000	No	3,000	No	3,000	No	3,000	No	3,000	No	Life Quality and Economic Services					
The Mediation Center	2,000	90 Banning bags and/or boxes- contains either food or school supplies		2,000	No	2,000	No	-	No	-	No	-	No	-	No	Life Quality and Economic Services					
Thrive	3,000	Funding for Community Mediation Coordinator.		1,125	No	500	No	2,000	No	1,000	No	1,000	No	1,000	No	Life Quality and Economic Services					
True Ridge	10,000	Funds will support Coordinated Entry staff to aid residents at risk of losing housing.		7,500	No	7,500	No	7,500	No	7,500	No	7,500	No	7,500	No	Life Quality and Economic Services					
Sub-Total		\$284,950		\$108,000		\$106,500		\$106,500		\$106,500		\$106,500									
Total		\$403,037		\$143,500		\$142,000		\$142,000		\$142,000		\$142,000									
Special Appropriation Requests - Full Funding																					
Organization	FY25 Requests	Notes		Council Appropriation	Is there a conflict?	Lyndsey Simpson	Is there a conflict?	Barbara Yule	Is there a conflict?	Jennifer Hensley	Is there a conflict?	Jeff Miller	Is there a conflict?	Category							
Henderson County Economic Investment Fund	50,000	Economic development support and programming.		50,000	No	50,000	No	50,000	No	50,000	No	50,000	No	50,000	No	Full Funding					
Henderson County Partnership for Econ. Dev.	25,000	Economic development support and programming.		25,000	No	25,000	No	25,000	No	25,000	No	25,000	No	25,000	No	Full Funding					
Henderson County Rescue Squad	15,000	Aid and assist in case of disaster or accident.		15,000	No	15,000	No	15,000	No	15,000	No	15,000	No	15,000	No	Full Funding					
Interfaith Assistance Ministry	14,000	Water bills and water repairs		14,000	No	14,000	No	14,000	No	14,000	No	14,000	No	14,000	No	Full Funding					
Merchant's and Business Association	2,500	To provide enhanced quality parades.		2,500	No	2,500	No	2,500	No	2,500	No	2,500	No	2,500	No	Full Funding					
Mills River Partnership	70,000	Water quality efforts in the Mills River.		70,000	No	70,000	No	70,000	No	70,000	No	70,000	No	70,000	No	Full Funding					
Total		\$176,500		\$176,500		\$176,500		\$176,500		\$176,500		\$176,500									

BACK TO BASICS

Finish What We Started

- Fire Station #1
- 7th Ave. Streetscape
- City Hall Preservation + Cust. Service Improvements
- Pickleball Courts
- Splash Pad at Patton
- S. Main St. Vehicle, Bicycle, and Pedestrian Improvements
- Comp. Plan
- Parks Plan
- Sustainability Plan
- Downtown Plan
- Housing Plan

BACK TO BASICS

Focus on Service Excellence and Accountability

- New Perf. Pay Program
- Enhance Safety Culture
- Train Employees
- Improve Processes
- Public Safety

CITY COUNCIL DIRECTION

- Taxes & Rates:
- | Fund | Revenue Source | Recommendation |
|---------------|-----------------|---|
| General Fund | Property Tax | \$0.5050/\$100 (+\$1.5 pennies) + |
| Main St. MSD | Property Tax | No Change = |
| 7th Ave. MSD | Property Tax | No Change = |
| Water & Sewer | Water Rates | +11.00% -5.00% inside/outside diff. (125.00%) + |
| Water & Sewer | Sewer Rates | +12.00% no inside/outside diff. change + |
| Parking | Parking Fees | No Change = |
| Stormwater | Stormwater Fees | \$7.00/month & \$350.00 cap (+1.00/month) + |
| Env. Services | Collection Fees | No Change = |
- COLA +4.00%: CPI =4.40% | Living Wage \$22.10 - \$24.95/hour.

401k Match 2.00% (no change).

Position additions:

General Fund +1 DT Police Officer.

W&S Fund +4 FTEs.

CITY COUNCIL DIRECTION

CUSTOMER IMPACTS: GENERAL FUND | PROPERTY TAX

Property Type	Assessed Value FY24	\$0.4900 Tax Rate	\$0.5050 Tax Rate	DOLLAR CHANGE	PERCENT CHANGE
Residential	450,000	2,205	2,273	67.50	3.1%
Residential	750,000	3,675	3,788	112.50	3.1%
Business	649,100	3,181	3,278	97.36	3.1%
Business	6,610,400	32,391	33,383	991.56	3.1%

Property Type	Assessed Value FY24	\$0.4900 Tax Rate	\$0.5200 Tax Rate	DOLLAR CHANGE	PERCENT CHANGE
Residential	450,000	2,205	2,340	135.00	6.1%
Residential	750,000	3,675	3,900	225.00	6.1%
Business	649,100	3,181	3,375	194.73	6.1%
Business	6,610,400	32,391	34,374	1,983.12	6.1%

CITY COUNCIL DIRECTION

Property Type	Assessed Value FY24	Property Tax	Stormwater Rate	Sanitation Rate	Water Rate	Sewer Rate	Total Monthly Cost Δ
Residential / 3kgal	450,000	11.25	1.00	-	1.73	2.87	16.85
Business / 15kgal	650,000	16.25	1.00	-	8.07	10.95	36.27

FY25 CUSTOMER IMPACTS:

- Tax Rate \$0.4900/\$100 tax rate → \$0.5200/\$100 tax rate.
- Stormwater Rate +\$1.00/month (per ERU) +\$50.00 cap → \$7.00/month & \$350.00 cap.
- Sanitation Rate → no change.
- Water Rate (+8.00%) → +\$0.80 Base (3/4" Meter) | +\$0.31 Vol. (per 1,000 gal.).
- Sewer Rate (+9.00%) → +\$1.01 Base (3/4" Meter) | +\$0.62 Vol. (per 1,000 gal.).

FY25 STRATEGIC PLAN



Council Priorities FY25

1. Public Safety
2. Comp., Benefits, & Staff Dev.
3. Strong Infrastructure
4. Strategic Housing Plan
5. Growth Man. & Comm. Charc.
6. Invest in Parks
7. Enhance Sus. City-wide
8. Transportation Planning
9. City Boards & Volunteers
10. Support Downtown Bus.

After much discussion, the final budget will come before Council at their next meeting on June 6, 2024.

3. **ADJOURN**

There being no further discussion, the meeting was adjourned at 1:39 p.m. upon unanimous assent of the Council.

ATTEST:

Barbara G. Volk, Mayor

Jill Murray, City Clerk