



# MINUTES

February 25, 2026

## SECOND MONTHLY MEETING OF THE CITY COUNCIL CITY OPERATIONS CENTER | 305 WILLIAMS ST. | 4:00 p.m.

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

**Staff Present:** City Manager John Connet, Deputy City Manager Brian Pahle, City Attorney Angela Becker, Communications Manager Allison Justus, Budget & Evaluation Director Adam Murr and others.

**Absent:** City Clerk Jill Murray

### 1. CALL TO ORDER

Mayor Barbara Volk called the meeting to order at 4:00 p.m. and welcomed those in attendance. A quorum was established with all members in attendance.

### 2. CONSIDERATION OF AGENDA

*Council Member Jennifer Hensley moved that City Council approve the agenda as presented. A unanimous vote of the Council followed. Motion carried.*

### 3. PRESENTATIONS

#### A. **Safe Routes to School Presentation** – David Hart, HCPS Teacher

David Hart, a teacher at Career Academy and a member of the Safe Routes to School Advisory Board, gave a brief presentation. Last year, he completed a “walk audit” of 9<sup>th</sup> Avenue which is the road that connects Hendersonville Elementary School, Hendersonville Middle School, and Hendersonville High School and as a coach with my athletes in the area and working previously at HMS, it gets used heavily. Students from the Middle School walk to the Boys & Girls Club, athletes walk from the Middle School to the High School as well as families walking kids and it’s an area that I have a concern with, so we conducted a walk audit, and I have a report for you all. A group of community stakeholders walked the area of concern and made observations. He presented the following handout.

HENDERSONVILLE MIDDLE SCHOOL

# WALK AUDIT REPORT

**School:** Hendersonville Middle School  
**Date:** 5/2/2025  
**Time of Day:** 3 pm to 4 pm  
**Weather Conditions:** 74 degrees, overcast with 5 - 10% chance of rain  
**Audit team members:**  
 Ada McGovern, Safe Routes to School,  
 David Hart, Hendersonville County Schools  
 Joe Sanders, Blue Ridge Bike Club  
 Matthew Owen, Henderson County Student  
 Zoe Faircloth, Henderson County Schools



**Purpose:**

The purpose of the audit was to document safety assets and needs on a popular road between Hendersonville Middle School and Hendersonville High School.

Prepared by Land of Sky Safe Routes to School

## Route Details

Route Walked: 9<sup>th</sup> Avenue from the middle school release near N. Whitted Street to Oakland St.

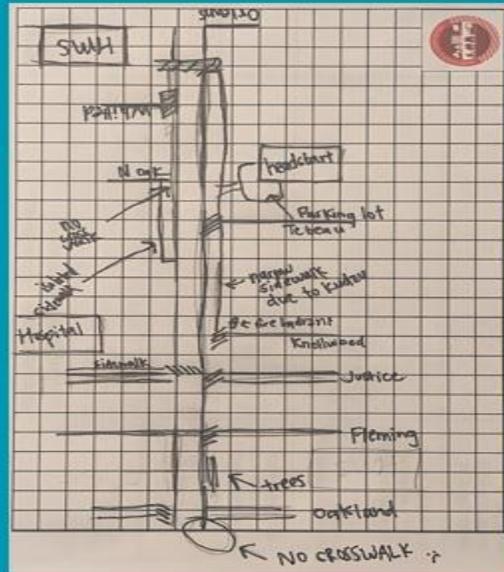
Length of route: .5 miles

Time Taken: Started at 3 pm, ended at 4 pm

Posted Speed Limit: 20 mph

Total Number of Vehicle Lanes: 2

Sidewalks: one on one side of the street



## Who's Using the Street?

65 people walking at an average pace

2 people walking slowly

No record of people pushing baby strollers or walking with young children

No people using a mobility aid (ie wheelchair, cane, walker)

No people crossing against a signal

No people waiting for or traveling to public transit

66 people traveling to/from school

1 group of three riding bicycles

Other: one car parked in road in front of HeadStart to pick up students that were walking.

## Observations

- The sidewalk is in fairly good condition
- School zone signs are needed on Oakland
- There was an issue with trash on the sidewalks
- Pedestrians are not aware of how a 4 way stop works for them
- The sidewalk is not ADA compliant, and has utility poles impeding movement
- The sidewalk is wide enough for two people to walk side by side, but there are several areas where the space is overgrown (Tableau to Knollwood)
- The street has "sharrow" markings to remind drivers of bicyclist rights
- The street does not have "push to walk" pedestrian crossing signals (also called beacons)
- There are no crosswalks to the high school

## Recommendations

- Place a pedestrian crosswalk at the end of 9<sup>th</sup> Ave. crossing Oakland St. with appropriate signage
- Add "Push to Walk" crossing signs where 9<sup>th</sup> Ave. crosses N. Justice St.
- Address impediments blocking the sidewalk on 9<sup>th</sup> Ave.
- Place a pedestrian crosswalk connecting HES and HMS

City Manager John Connet thanked Mr. Hart for his presentation as it plays right in to the next few days since we are having our Council Retreat and one of the things that we'll spend some time on is traffic and transportation and being more proactive on some of this stuff so it was important to do it

tonight to set the stage for that. We have set up a new committee internally to address intersections, roads, safety in general for traffic, so thank you.

- B. Building Hendersonville Retreat Overview – John Connet, City Manager**
- C. General Fund Financial Model Review – Adam Murr, Budget & Evaluation Director**
- D. City Projects and Strategic Housing Update - Brian Pahle, Deputy City Manager**
- E. Strategic Plan Review - Brian Pahle, Deputy City Manager**

City Manager John Connet said we are officially kicking off your retreat and I'll let Brian present some information but before we do I just want to thank Brian and Adam and Jenny and the rest of the budget team and Allison and everyone just worked hard on what you'll see the next three days, they have put a lot of effort into it and I appreciate your willingness to spend time with us for the next three days.

Deputy City Manager Brian Pahle presented the following PowerPoint presentation.



## AGENDA: Feb. 25

### Council Workshop - City Ops, 305 Williams St.

- |   |                         |
|---|-------------------------|
| <b>1. Building Hendersonville</b>       | <b>4:15 – 4:20 p.m.</b> |
| <b>2. GF Model Overload</b>             | <b>4:20 – 4:30 p.m.</b> |
| <b>3. Projects &amp; Housing Update</b> | <b>4:30 – 4:40 p.m.</b> |
| <b>4. Strategic Plan Preview</b>        | <b>4:40 – 5:00 p.m.</b> |
| <b>5. Financial Review</b>              | <b>5:00 – 6:00 p.m.</b> |

## Building Hendersonville

### 3-Day Overview

#### City Council Workshop

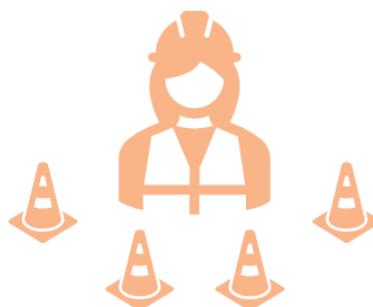
- Level Setting
- GF Model
  - Projects Report
  - Housing Report
  - Strategic Plan FY27-FY29

#### Council Retreat – Friday (all day)

- Building the Plan
- Public Safety Area
  - Strategic Plan Update
  - Reflections

#### Council Retreat – Thursday Night

- Finance, Comp., & Benefits
- 5-Year Historical
  - Estimate to Actual
  - Economic Impacts
  - Compensation & Benefits



# Building Hendersonville

## 3-Day Overview

### Financials Disclaimer

What we will cover...

- Deep dive on historical financials
- Budget/Estimate/Actual
- High level economic indicators
- Climate survey results
- Deep dive on compensation
- Deep dive on benefits

What we will not cover...

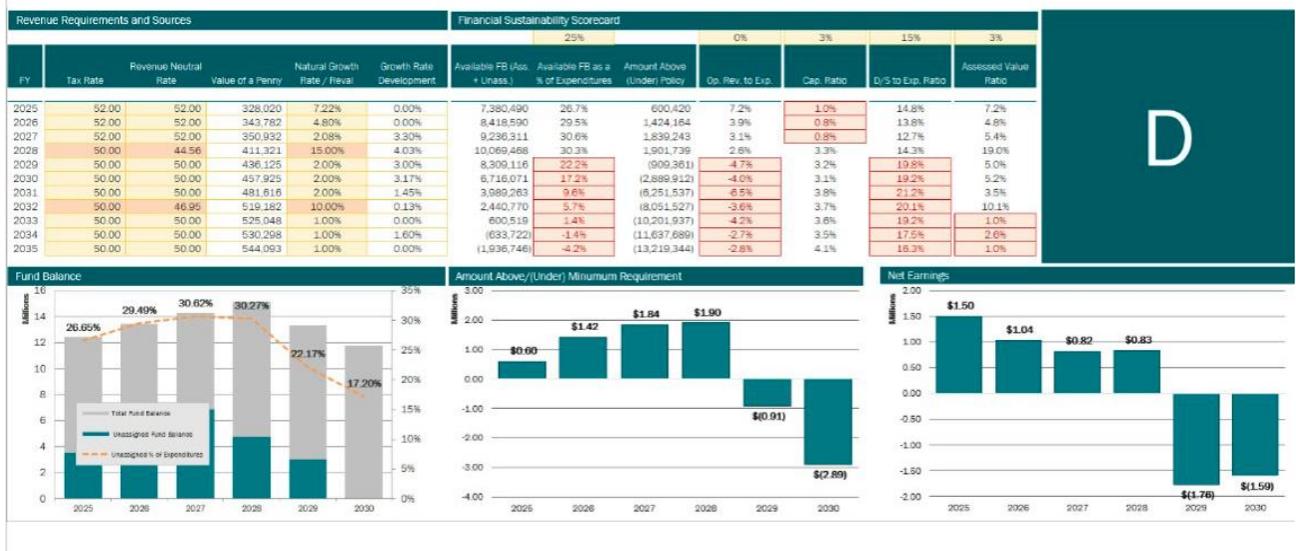
- Deep dive on GF Model; Plug and Play
- All inputs in the model
- Deep dive on sales taxes, etc.

**\*\*Model, Sales Tax, FY27 Budget Detail Comes in April/May\*\***

**This Retreat Creates the Blueprint for the Next 3-Year Plan**

# Building Hendersonville

## Model Overload



# Building Hendersonville

## Model Overload

### Float Year

Reval. is critical to understanding our capacity...

- No matter the outcome we will have to prioritize

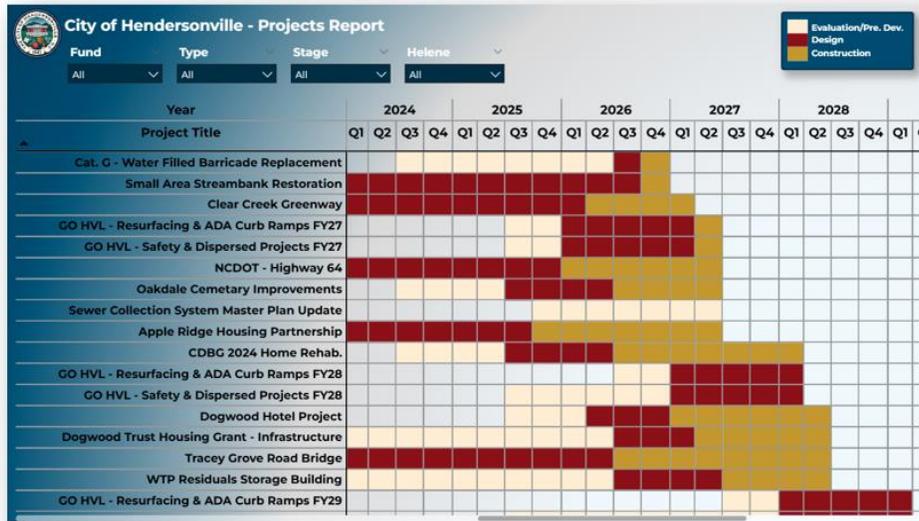
- Includes big projects
- Includes 29 new positions
- Still awaiting FEMA decisions

On/Off	Description	Amount	Timing (FY)	Funding Type	Structure	Term	Principal Deferral	Rate
Display Only	Annual Vehicle Replacement FY25	680,000	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	780,000	2027	L.O.B.	Level D/S	5	0.5	6.500%
On	Convention Center	5,000,000	2027	L.O.B.	Level D/S	20	0	5.350%
On	E9-5 Replacement (Quint)	1,640,000	2027	L.O.B.	Level D/S	15	0	5.350%
On	G.O. Bond Transportation (FY27 Tranche)	5,000,000	2027	G.O.	Level Principal	20	0	5.350%
On	Above the Mud Greenway	8,000,000	2028	L.O.B.	Level D/S	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%
On	Safety City	2,000,000	2028	L.O.B.	Level D/S	20	0	5.350%
On	Whitmire & Patton Park L.O.B.	20,000,000	2028	L.O.B.	Level D/S	20	0	5.350%
On	Annual Vehicle Replacement FY29	795,675	2029	L.O.B.	Level D/S	5	0.5	6.500%
On	E9-4 Replacement (Pumper)	1,300,000	2029	L.O.B.	Level D/S	15	0	5.350%
On	Annual Vehicle Replacement FY30	820,000	2030	L.O.B.	Level D/S	5	0.5	6.500%
On	Fire Station #3 (20 year)	9,000,000	2030	L.O.B.	Level D/S	20	0	5.350%
On	G.O. Bond Transportation (FY30 Tranche)	5,000,000	2030	G.O.	Level Principal	20	0	5.350%
On	E9-2 Replacement (Quint)	1,700,000	2032	L.O.B.	Level D/S	15	0	5.350%
On	E9-3 Replacement (Pumper)	1,300,000	2035	L.O.B.	Level D/S	15	0	5.350%
On	E9-1 Replacement (Pumper)	1,300,000	2039	L.O.B.	Level D/S	15	0	5.350%
On	Tower 9-4 Replacement	2,500,000	2042	L.O.B.	Level D/S	15	0	5.350%

# Building Hendersonville

## Projects Update

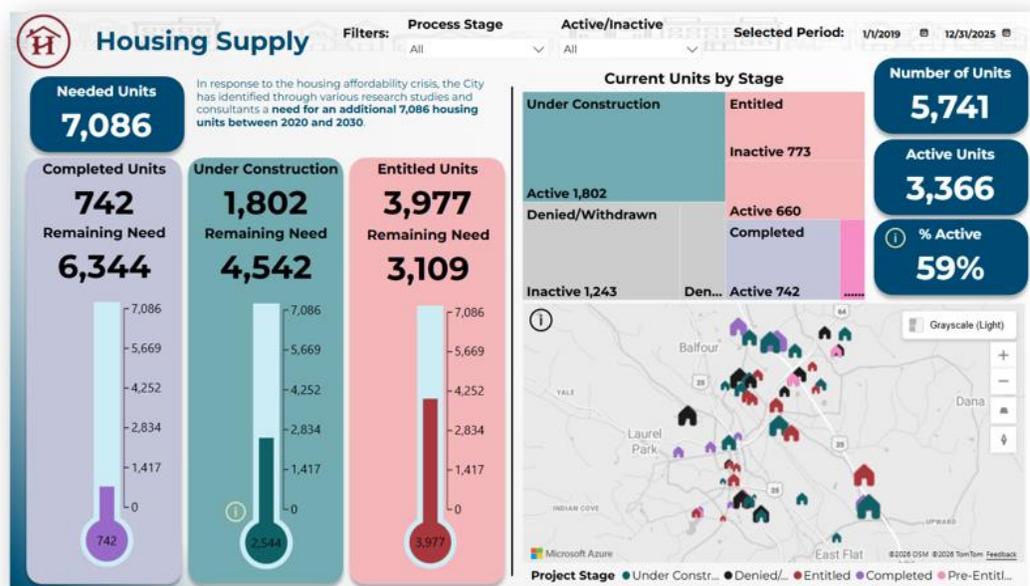
In Detail: [Link to Power BI Report](#)



# Building Hendersonville

## Housing Update

In Detail: [Link to Power BI Report](#)



# Building Hendersonville

## Strategic Plan Preview



# Building Hendersonville

## Strategic Plan Preview

### Why Update the Strategic Plan?

- Best Practice to Update 3-5 Years
- City Been on 3 Year Cycle
- Boards have more responsibility at the top, with the main charge of setting the vision - as we move down the pyramid more responsibility goes to staff
- This structure is not rigid!

### Organizational Strategic Plan Elements



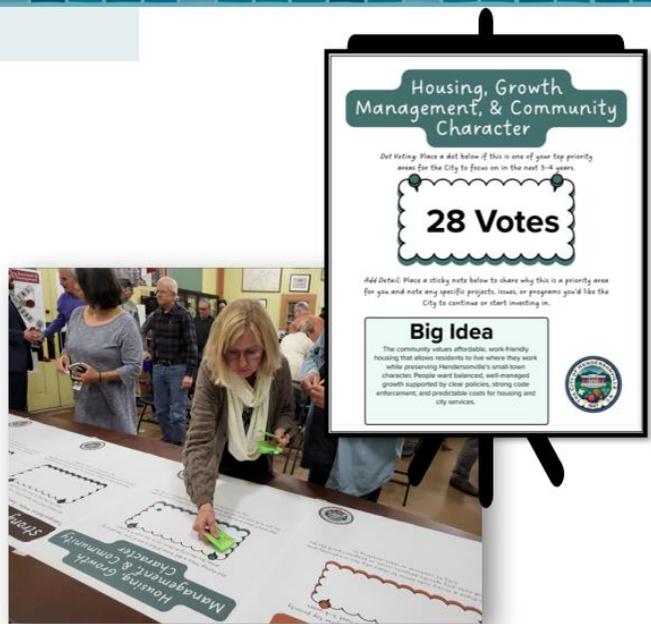
# Building Hendersonville

## Strategic Plan Preview

### Why Update the Strategic Plan?

- Started the process in August
- City Council 1-on-1 Interviews
- Council Conversations
- Community Leader Focus Group
- Staff Leader’s Input Meeting
- Executive Team Retreat

**Our strategic plan has been a collaborative effort, which will be led by your vision and leadership, informed by resident feedback, carried out by staff, and aligned with other Citywide efforts!**



# Building Hendersonville

## Strategic Plan Preview

### Strategic Plan Framework

Focus Areas, Enablers, and Lenses

- Change in the way of thinking from existing plan
- Reframes “Focus Areas”
- Reinforces Value Statements

STRATEGIC PLAN FRAMEWORK		
Element	Description	City of Hendersonville Services / Focuses
<p><b>CORE FOCUS AREAS</b> (OUR PROGRAMS)</p>	The key services and program areas that define HVI's work: what we deliver to the community.	<ul style="list-style-type: none"> <li>1. Public Safety</li> <li>2. Parks, Greenways, and Natural Amenities</li> <li>3. Strong Infrastructure</li> <li>4. Business and Economic Development</li> <li>5. Housing, Growth Management, and Community Character</li> </ul>
<p><b>ENABLERS</b> (HOW WE DELIVER WELL)</p>	The organizational capabilities and systems that allow us to deliver high-quality service and adapt over time.	<ul style="list-style-type: none"> <li>1. High-Performing Organization</li> <li>2. Financial Sustainability</li> <li>3. Community Partnerships</li> <li>4. High-Functioning City Council</li> <li>5. Engaged and Educated Community</li> </ul>
<p><b>STRATEGIC LENSES</b> (HOW WE THINK AND DECIDE)</p>	The cross-cutting filters/pillars (what we believe in) that shape how we approach everything we do, guiding choices and trade-offs across all programs.	<ul style="list-style-type: none"> <li>• City Council Values</li> </ul>

• **Planning** is about executing known services well.  
 • **Strategy** is about making conscious, adaptive choices about outcomes and approaches in the face of uncertainty and change.

# Building Hendersonville

## City Council Review

### As part of the agenda on Friday, we will invite Council to:

- Create Hendersonville's "Blueprint for the Future" (vision)
- Review and provide input on the City's updated draft strategic plan framework (key outcomes in our focus areas and enablers over the next 3-5 years and near and mid-term priorities).
- Identify some top priorities (big rocks) Council would like the City to emphasize in the near term



# Building Hendersonville

## What Does "Winning" Look Like

### Cutting Down the Nets

- At an early age, Jim knew what he wanted to do. When he was 17, on a white index card, he wrote down his professional goals. "He would play basketball in high school and college, become an assistant basketball coach, then a head coach, achieve a victory in Madison Square Garden, and finally cut down the nets after winning a National Championship". At the age of 36, Jim had accomplished every single one of his goals.



Budget and Evaluation Director Adam Murr gave the following PowerPoint presentation giving a financial review of the previous five years.



## Financial Review

Council Retreat  
Feb. 25, 2026



# Financial Review

## Helpful Information

1. We will provide a 5-year review of **actual** data from the annual audit.
2. We will also review FY25 **estimates**, in comparison to FY25 **actuals** (forecasting accuracy).
3. In addition to total costs and dollar/percent changes (**\$ / % Δ**), we've provided high-level changes between years, to show the **story behind the numbers**.
4. Slides on actual data in the **General Fund** are broken into functional areas:
  - a. **General Government** = Council, Admin., Legal, Finance, HR, IT, Engineering, and Debt Service.
  - Community Development** = stand-alone
  - b. **Police** = stand-alone.
  - c. **Fire** = stand-alone.
  - d. **Public Works** = PW Admin, Fleet, Buildings, Grounds, Streets, Traffic, Powell Bill, Recreation, Sustainability.
5. If there's an item you'd like more detail on, we're happy to find it and report back!

## Our Goal: maximize transparency within allotted time

### 010 – General Fund

010- General Fund	General Government				
Revenues	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Ad Valorem Taxes	(10,751,559)	(11,548,067)	(12,027,091)	(14,917,563)	(17,311,255)
Other Taxes & Licenses	(9,888)	(10,420)	(12,084)	(12,240)	(13,455)
Unrestricted Intergovernmental	(6,057,364)	(6,668,827)	(7,393,606)	(7,862,687)	(8,885,863)
Restricted Intergovernmental	(625,751)	(857,806)	(891,391)	(954,722)	(963,870)
Permits & Fees	(470,766)	(496,762)	(458,957)	(620,567)	(473,350)
Sales & Services	(261,576)	(101,301)	(352,080)	(437,006)	(287,914)
Investment Earnings	(37)	43,069	(281,089)	(285,018)	(258,140)
Miscellaneous	(153,159)	(91,395)	(164,756)	(251,723)	(249,956)
<b>Total</b>	<b>(18,330,100)</b>	<b>(19,731,509)</b>	<b>(21,581,054)</b>	<b>(25,341,526)</b>	<b>(28,443,803)</b>
<b>% Diff (+/-)</b>		<b>7.6%</b>	<b>9.4%</b>	<b>17.4%</b>	<b>12.2%</b>

• **FY21 → FY22**

- Tax Rate \$0.52/\$100 | 99.36% collection rate
- Assessed Value \$2.224B (+\$51.2M, or 2.39%)

• **FY22 → FY23**

- Tax Rate \$0.52/\$100 | 99.04% collection rate
- Assessed Value \$2.315B (+\$29.4M, or 1.34%)

• **FY23 → FY24 (reval.)**

- Tax Rate \$0.49/\$100 | 99.26% collection rate
- Assessed Value \$3.040B (+\$724.9M, or 31.31%)

• **FY24 → FY25**

- Tax Rate \$0.52/\$100 | 99.41% collection rate
- Assessed Value \$3.284B (+243.9M, or 8.02%)

### 010 – General Fund

010- General Fund	General Government				
Expenditures	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
<b>Personnel</b>	1,079,254	1,328,392	1,608,420	1,894,262	2,052,913
Dollar Change		249,138	280,028	285,842	158,651
Percent Change		23.1%	21.1%	17.8%	8.4%

• **FY21 → FY22**

- COLA +10.00%; Merit 1.00%/1.75%/2.50%
- Med. Insurance -3.01% (\$3.4m City-wide)
- Added Paid Family Leave/Short-Term Leave
- LGERS (general) = 11.35%
- 75.00% Dependent coverage start (+25%)
- FTEs: +2 HR, +1 Finance, +2 Engineering
- Performance bonuses \$11k

• **FY22 → FY23**

- COLA (Pay & Class); Merit 1.00%/2.00%/3.00%
- Med. Insurance -11.98% (\$2.9m City-wide)
- LGERS (general) = 12.10%
- FTEs: +1 IT, +1 Comms., +1 Budget

• **FY23 → FY24**

- COLA +3.00% ; Merit 1.00%/2.25%/3.50%
- Med. Insurance – No Change
- LGERS (general) = 12.85%
- 401k Match (2.00%) Begins
- FTEs: +3 Finance

• **FY24 → FY25**

- COLA +5.00%; Merit Paused: Process Δ
- Additional 5.00% COLA for Public Safety
- Med. Insurance +6.00%
- LGERS (general) = 13.60%
- 401k Match 2.00%
- FTEs: +1 Finance
- Performance Bonuses \$15k

## 010 – General Fund

Notable Changes	FY20	FY21	FY22	FY23	FY24	FY25	FY26
COLA	1.30%	1.50%	10.00%	Pay & Class - 75th	3.00%	5.00%   +5.00%*	4.00%
Merit	1.00   1.75   2.50%	1.00   1.75   2.50%	1.00   1.75   2.50%	1.00   2.00   3.00%	1.00   2.25   3.50%	HOLD	1.00   2.25   3.50%
Salaries & Wages	13,278,770	14,475,389	17,066,293	18,868,735	20,153,464	23,653,870	25,014,456
S&W % of Actuals	71.55%	76.63%	73.25%	71.93%	69.86%	77.18%	73.21%
FICA	990,286	1,069,872	1,270,687	1,413,675	1,504,592	1,721,758	1,841,188
FICA % of Actuals	5.34%	5.66%	5.45%	5.39%	5.22%	5.62%	5.39%
Worker's Comp.	369,769	295,141	282,946	331,244	308,031	216,222	188,982
W.Comp. % of Actuals	1.99%	1.56%	1.21%	1.26%	1.07%	0.71%	0.55%
401k Match	0.00%	0.00%	0.00%	0.00%	2.00%	2.00%	3.00%
401k Match Cost	-	-	-	-	185,528	203,911	283,524
401k Match % of Actuals	0.00%	0.00%	0.00%	0.00%	0.64%	0.67%	0.83%
Med. Insurance	14.69%	0.00%	-3.01%	-11.98%	0.00%	6.00%	33.90%
Dependent Coverage	50.00%	50.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Med. Insurance Cost	2,648,944	2,816,113	3,377,748	2,968,318	3,256,396	3,708,442	5,332,743
Med.Ins. % of Actuals	14.27%	14.91%	14.50%	11.31%	11.29%	12.10%	15.61%
LGERS (General)	8.95%	10.15%	11.35%	12.10%	12.85%	13.60%	14.35%
LGERS (Law Enf.)	9.70%	10.90%	12.10%	13.10%	14.10%	15.10%	16.10%
LGERS Cost	1,307,287	1,551,330	2,012,761	2,402,612	2,720,501	3,257,364	3,693,422
SAFER #1	+3 FTEs (65%)	+3 FTEs (65%)	+3 FTEs (100%)	-	-	-	-
SAFER #2	+12 FTEs (0%)	+12 FTEs (25%)	+12 FTEs (65%)	+12 FTEs (65%)	+12 FTEs (100%)	-	-

**Note:**

COLA +5.00% in FY25 was additional provided to Fire and Police.

## 010 – General Fund

Notable Changes	FY20	FY21	FY22	FY23	FY24	FY25	FY26
	Traffic Eng. Tech.		Police Officer (2)	Police Sgt.	Business Syst. Analyst	Police Officer	Fleet Maint. Tech.
	Const. Inspector		HR Coordinator (2)	Animal Enf. Officer	Police Officer	Generator Maint. Tech.	Env. Service Crew (3)
	GIS Tech.		Purchasing Admin.	Deputy Fire Chief	Property Maint. Crew (4)	I&E Technician	Line Maint. Mech. (2)
	Lab. Supervisor		Property Maint. Worker	IT Director	Traffic Eng. Tech.	WTP Lab Tech.	Downtown Maint.
	Line Maint. Crew (3)		Admin Asst. (HFD)	Comms. Coordinator	Cust. Svc. Field Rep. (2)	Pmt. Posting Splct.	
			W&S IT Admin.	Mgmt. Analyst	Utilities Engineer		
			CCTV Crew (2)	Sustainability Mngr.	Line Maint. Crew (3)		
			WWTP Operator	Street Maint. Crew (3)	Downtown Maint. (2)		
			Civil Engineer	Line Maint. Crew (3)			
			Const. Inspector	Facilities Maint. Mech.			
			Events Coordinator	CCTV Crew (2)			
			Stormwater Tech.	Env. Compliance Tech.			
<b>FTE Additions</b>	<b>7</b>	<b>0</b>	<b>15</b>	<b>17</b>	<b>15</b>	<b>5</b>	<b>8</b>

**Note:**

The table above reflects position additions occurring at budget adoption, not positions added within the fiscal year.

## 010 – General Fund

010- General Fund	General Government				
Expenditures	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
<b>Operating</b>	1,380,587	1,951,046	2,378,943	2,269,358	2,604,747
Dollar Change		570,459	427,897	(109,585)	335,389
Percent Change		41.3%	21.9%	-4.6%	14.8%

• **FY21 → FY22**

- Env. Assessment – Mud Creek Dump
- Operating cost ↑ for 5 new FTEs
- IT costs \$696k, ↑ \$237k
- Special Appropriations \$359k (-\$27k)

• **FY22 → FY23**

- Moved Electric budget to Gen.Gov. \$250k
  - Previously split across Depts.
  - Duke 2023 rate ↑ 10.1%
- City-wide cost increases for Fuel \$100k
- IT budget/VC3 contract +\$96k
- Special Appropriations \$352k (+\$7k)

• **FY23 → FY24**

- Electric increases & account recon. +\$192k
  - Duke 2024 rate ↑ 8.7%
  - Special Appropriations \$312k (-\$40k)

• **FY24 → FY25**

- Special Appropriations \$379k (+\$67k)
- Closeout H&W Fund / MERP \$71k
- \$177k Incentive Pmt. – Jabil
- \$154k Debris Removal (non-reimb.) – Trace

# 010 – General Fund

010- General Fund	General Government				
Expenditures	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
<b>Pay-Go Capital</b>	140,487	-	318,114	69,931	-
Dollar Change		(140,487)	318,114	(248,183)	(69,931)
Percent Change		-100.0%		-78.0%	-100.0%

**• FY21 → FY22**

- No Gen.Gov. vehicle purchases
- Property purchase – Pace St. \$95k

**• FY22 → FY23**

- No Gen.Gov. vehicle purchases
- Property purchase – Williams St. \$124k
- Oracle software \$130k
- Ricoh Capital Lease \$68k

**• FY23 → FY24**

- No Gen.Gov. vehicle purchases
- Property purchase – Williams St. \$60k

**• FY24 → FY25**

- No Gen.Gov. vehicle purchases
- No other capital Gen.Gov. purchases

# 010 – General Fund

010- General Fund	General Government				
Expenditures	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
<b>Debt Service</b>	1,319,851	1,446,543	2,489,202	4,172,642	4,138,864
Dollar Change		126,692	1,042,659	1,683,440	(33,778)
Percent Change		9.6%	72.1%	67.6%	-0.8%

**• FY21 → FY22**

- Final payments 2015 IFC
- Refunded 2018 IFC w/ 2021 LOB

**• FY22 → FY23**

- USDA Loan – Police HQ \$11.5M (+\$522k)
  - 30-year term | 2.125% rate
- 2021 LOB: PW Maint. Building
- FY22 V&E Loan

**• FY23 → FY24**

- 2022 IFC: FS1, Ladder, Engine, & Edwards Park
- FY23 V&E Loan

**• FY24 → FY25**

- End 2019 IFC (equipment)
- Pmt. on City Hall & Ops IFC +\$181k
- FY24 V&E Loan
- Final payment on FY22 V&E Loan

# 010 – General Fund

010- General Fund	General Government				
Expenditures	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
<b>Debt Service</b>	1,319,851	1,446,543	2,489,202	4,172,642	4,138,864
Dollar Change		126,692	1,042,659	1,683,440	(33,778)
Percent Change		9.6%	72.1%	67.6%	-0.8%

**• FY21 → FY22**

- “Refunding” 2018 IFC (savings)
- 7<sup>th</sup> Ave Streetscape \$1.75m
- Fire Engine 3 \$768k
- Enterprise lease \$193k
- Annual Vehicle Replacements \$572k
- Final payment on parking kiosks (2015)

**• FY22 → FY23**

- 20-year term | 2.99% rate | Level D/S:
  - Fire Station 1 \$14.1m
  - Edwards Park \$2.3m
  - Fire Ladder 1 \$1.5m
  - Fire Engine 1 \$803k
- Vehicles & Equipment \$461k
- Enterprise lease \$164k

**• FY23 → FY24**

- 20-year term | 3.23% rate | Level D/S
  - City Hall & Ops \$2.03m (General Fund)
- Enterprise lease \$165k

**• FY24 → FY25**

- Enterprise lease \$165k
- ↓ Interest Pmt. On 2022 IFC – FS1 / Edwards Park / Fire Engine + Ladder

## 010 – General Fund

010- General Fund		Community Development				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Personnel</b>	368,148	528,713	574,477	607,477	695,470	
Dollar Change		160,565	45,764	33,000	87,993	
Percent Change		43.6%	8.7%	5.7%	14.5%	

**• FY21 – FY22**

- COLA +10.00%; Merit 1.00%/1.75%/2.50%
- Med. Insurance -3.01% (\$3.4m City-wide)
- LGERS (general) = 11.35%
- 75.00% Dependent coverage start (+25%)
- FTEs: +1 Event Coord.
- Performance bonuses \$6k

**• FY22 – FY23**

- COLA (Pay & Class); Merit 1.00%/2.00%/3.00%
- Med. Insurance -11.98% (\$2.9m City-wide)
- LGERS (general) = 12.10%
- FTEs: No Change

**• FY23 – FY24**

- COLA +3.00% ; Merit 1.00%/2.25%/3.50%
- Med. Insurance – No Change
- LGERS (general) = 12.85%
- 401k Match (2.00%) Begins
- FTEs: No Change

**• FY24 – FY25**

- COLA +5.00%; Merit Paused: Process Δ
- Med. Insurance +6.00%
- LGERS (general) = 13.60%
- 401k Match 2.00%
- FTEs: No Change
- Performance bonuses \$6k

## 010 – General Fund

010- General Fund		Community Development				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Operating</b>	53,810	107,540	128,445	228,536	94,048	
Dollar Change		53,730	20,905	100,091	(134,488)	
Percent Change		99.9%	19.4%	77.9%	-58.8%	

**• FY21 → FY22**

- \$39k Demo. On Pace St.
- Zoning Ordinance and Subdivision Ordinance added to Municode \$11k

**• FY22 → FY23**

- Comp. Plan Consulting \$75k
- HPC Webpage update \$6k
- Transportation Consultant \$5k

**• FY23 → FY24**

- Comp. Plan \$145k
- \$12k Demo. On 1<sup>st</sup> Ave.
- \$10k Demo. On Blue Ridge St.

**• FY24 → FY25**

- Comp. Plan \$16k
- Roll-off of Comp. Plan costs from FY24

## 010 – General Fund

010- General Fund		Police				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Personnel</b>	4,391,160	4,867,870	5,389,685	5,659,236	6,151,259	
Dollar Change		476,710	521,815	269,551	492,023	
Percent Change		10.9%	10.7%	5.0%	8.7%	

**• FY21 – FY22**

- COLA +10.00%; Merit 1.00%/1.75%/2.50%
- Med. Insurance -3.01% (\$3.4m City-wide)
- LGERS (sworn) = 12.10%
- 75.00% Dependent coverage start (+25%)
- FTEs: +2 Police Officers
- Performance bonuses \$54k

**• FY22 – FY23**

- COLA (Pay & Class); Merit 1.00%/2.00%/3.00%
- Med. Insurance -11.98% (\$2.9m City-wide)
- LGERS (sworn) = 13.10%
- FTEs: +1 Sgt., +1 Animal Enforcement

**• FY23 – FY24**

- COLA +3.00% ; Merit 1.00%/2.25%/3.50%
- Med. Insurance – No Change
- LGERS (sworn) = 14.10%
- 401k Match (2.00%) Begins (non-sworn)
- FTEs: +1 Police Officer

**• FY24 – FY25**

- COLA +5.00%; Merit Paused: Process Δ
- **Additional 5.00% COLA for Public Safety**
- Med. Insurance +6.00%
- LGERS (sworn) = 15.10%
- FTEs: +1 Police Officer
- Performance bonuses \$59k

## 010 – General Fund

010- General Fund		Police				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Operating</b>	717,749	915,891	946,116	918,569	967,138	
Dollar Change		198,142	30,225	(27,547)	48,569	
Percent Change		27.6%	3.3%	-2.9%	5.3%	

**• FY21 → FY22**

- Dell laptops \$26k
- Axon subscription \$289k
- Uniforms \$84k | Supplies \$89k
- Non-capital \$206k (+\$201k)
- Liab./property insurance \$89k

**• FY23 → FY24**

- Uniforms \$59k | Supplies \$94k
- Non-capital \$84k (-\$27k)
- Liab./property insurance \$101k

**• FY22 → FY23**

- Uniforms \$72k | Supplies \$139k
- Non-capital \$111k (-\$90k)
- Liab./property insurance \$91k

**• FY24 → FY25**

- Uniforms \$61k | Supplies \$93k
- Non-capital \$37k (-\$47k)
- Liab./property insurance \$68k

## 010 – General Fund

010- General Fund		Police				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Pay-Go Capital</b>	137,271	492,699	570,548	47,148	5,451	
Dollar Change		355,428	77,849	(523,400)	(41,697)	
Percent Change		258.9%	15.8%	-91.7%	-88.4%	

**• FY21 → FY22**

- Vehicle purchases \$475k
- Server replacement \$18k

**• FY23 → FY24**

- Vehicle purchases CPO #VE024
- Speed trailer \$10k
- Digital fingerprint device \$8k
- Mobile forensics device \$4k

**• FY22 → FY23**

- Vehicle purchases CPO #VE023
- Motorola emergency mgmt. software \$397k
- Motorola cameras \$114k
- Computer voice stress analyzer CVSA \$11k

**• FY24 → FY25**

- Vehicle purchases CPO #VE025
- HPD Gym Equipment ~\$5k

## 010 – General Fund

010- General Fund		Fire				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Personnel</b>	2,000,216	3,255,678	3,732,973	4,597,726	5,286,810	
Dollar Change		1,255,462	477,295	864,753	689,084	
Percent Change		62.8%	14.7%	23.2%	15.0%	

**• FY21 → FY22**

- COLA +10.00%; Merit 1.00%/1.75%/2.50%
- Med. Insurance -3.01% (\$3.4m City-wide)
- 75.00% Dependent coverage start (+25%)
- LGERS (general) = 11.35%
- FTEs: +1 Admin. Asst., 3 Firefighters (0% SAFER), 12 Firefighters (35% SAFER)
- Performance bonuses \$38k

**• FY23 → FY24**

- COLA +3.00% ; Merit 1.00%/2.25%/3.50%
- Med. Insurance – No Change
- LGERS (general) = 12.85%
- 401k Match (2.00%) Begins
- FTEs: 12 Firefighters (0% SAFER)

**• FY22 → FY23**

- COLA (Pay & Class); Merit 1.00%/2.00%/3.00%
- Med. Insurance -11.98% (\$2.9m City-wide)
- LGERS (general) = 12.10%
- FTEs: +1 Deputy Chief, 12 Firefighters (35% SAFER)

**• FY24 → FY25**

- COLA +5.00%; Merit Paused: Process Δ
- **Additional 5.00% COLA for Public Safety**
- Med. Insurance +6.00%
- LGERS (general) = 13.60%
- 401k Match 2.00%
- Performance bonuses \$48k

## 010 – General Fund

010- General Fund		Fire				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Operating</b>	649,532	642,730	706,691	847,805	803,537	
Dollar Change		(6,802)	63,961	141,114	(44,268)	
Percent Change		-1.0%	10.0%	20.0%	-5.2%	

**• FY21 → FY22**

- Fire Station #1 Design
- Uniforms \$113k, includes PPE | Supplies \$42k
- Fuel \$66k | Non-capital \$65k
- Liab./property insurance \$63k
- Repairs & Maintenance \$151k

**• FY23 → FY24**

- Uniforms \$124k, includes PPE | Supplies \$34k
- Fuel \$81k | Non-capital \$100k
- Liab./property insurance \$143k
- Repairs & Maintenance \$148k

**• FY22 → FY23**

- End of SAFER Grant (12 Firefighters)
- Uniforms \$105k, includes PPE | Supplies \$37k
- Fuel \$78k | Non-capital \$42k
- Liab./property insurance \$94k
- Repairs & Maintenance \$98k

**• FY24 → FY25**

- Uniforms \$147k, includes PPE | Supplies \$49k
- Fuel \$71k | Non-capital \$86k
- Liab./property insurance \$69k
- Repairs & Maintenance \$186k

## 010 – General Fund

010- General Fund		Fire				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Pay-Go Capital</b>	128,138	11,817	209,366	25,133	26,811	
Dollar Change		(116,321)	197,549	(184,233)	1,678	
Percent Change		-90.8%	1671.7%	-88.0%	6.7%	

**• FY21 → FY22**

- No vehicle purchases
- RAD monitors \$12k

**• FY23 → FY24**

- Vehicle purchases CPO #VE024
- Fire extinguisher trainer \$19k
- Additional vehicle upfitting \$7k

**• FY22 → FY23**

- Vehicle purchases \$155k
- Airbag lift replacement \$21k
- Air pack replacements \$20k
- Rescue boat \$9k

**• FY24 → FY25**

- Vehicle purchases CPO #VE025
- Hose mgmt. system \$10k
- Rescue boat motor \$11k

## 010 – General Fund

010- General Fund		Public Works				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Personnel</b>	2,081,480	1,987,311	2,331,390	2,521,157	2,667,801	
Dollar Change		(94,169)	344,079	189,767	146,644	
Percent Change		-4.5%	17.3%	8.1%	5.8%	

**• FY21 → FY22**

- COLA +10.00%; Merit 1.00%/1.75%/2.50%
- Med. Insurance -3.01% (\$3.4m City-wide)
- LGERS (general) = 11.35%
- 75.00% Dependent coverage start (+25%)
- FTEs: +1 Grounds
- Performance bonuses \$27k

**• FY23 → FY24**

- COLA +3.00% ; Merit 1.00%/2.25%/3.50%
- Med. Insurance – No Change
- LGERS (general) = 12.85%
- 401k Match (2.00%) Begins
- FTEs: +4 Grounds, +1 Traffic, +2 DT Crew

**• FY22 → FY23**

- COLA (Pay & Class); Merit 1.00%/2.00%/3.00%
- Med. Insurance -11.98% (\$2.9m City-wide)
- LGERS (general) = 12.10%
- FTEs: +1 Sustainability, +3 Streets

**• FY24 → FY25**

- COLA +5.00%; Merit Paused: Process Δ
- Additional 5.00% COLA for Public Safety
- Med. Insurance +6.00%
- LGERS (general) = 13.60%
- 401k Match 2.00%
- FTEs: No Change
- Performance bonuses \$34k

## 010 – General Fund

010- General Fund		Public Works				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Operating</b>	1,962,488	1,445,488	1,846,859	1,982,588	1,018,449	
Dollar Change		(517,000)	401,371	135,729	(964,139)	
Percent Change		-26.3%	27.8%	7.3%	-48.6%	

**• FY21 → FY22**

- Powell Bill \$314k
- Uniforms \$22k | Supplies \$191k | Fuel \$66k
- Liab./property insurance \$38k

**• FY22 → FY23**

- Powell Bill \$625k (+\$310k)
- Uniforms \$32k | Supplies \$231k | Fuel \$78k
- Liab./property insurance \$44k

**• FY23 → FY24**

- Powell Bill \$577k (-\$48k)
- Uniforms \$28k | Supplies \$146k | Fuel \$81k
- Liab./property insurance \$46k
- Energy Efficiency/HVAC automation \$19k
- Parks & Greenspace Master Plan \$100k

**• FY24 → FY25**

- Powell Bill \$0 (7<sup>th</sup> Ave Streetscape)
- Uniforms \$36k | Supplies \$144k | Fuel \$71k
- Liab./property insurance \$64k

## 010 – General Fund

010- General Fund		Public Works				
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Pay-Go Capital</b>	306,150	299,306	683,264	114,219	27,036	
Dollar Change		(6,844)	383,958	(569,045)	(87,183)	
Percent Change		-2.2%	128.3%	-83.3%	-76.3%	

**• FY21 → FY22**

- Vehicle purchases \$150k
- Fleet- vehicle lifts and forklift \$80k
- Trailer \$10k
- Pool – diving repairs \$12k
- Traffic – conflict monitor \$14k

**• FY22 → FY23**

- Vehicle purchases \$272k (+\$173k)
- Fleet - vehicle lifts \$40k; fuel tank \$17k
- Key security system \$15k
- Re-roof Fleet \$55k
- Depot HVAC replacement \$23k
- Mower lease \$109k
- CAT Loader \$109k

**• FY23 → FY24**

- Vehicle purchases CPO #VE024
- Fleet fabrication equipment \$35k
- Patton Pool pump \$15k
- Trench/shoring box \$11k
- Snowplows & salt spreaders \$26k
- Message signs (traffic) \$27k

**• FY24 → FY25**

- Vehicle purchases CPO #VE025

## 010 – General Fund

010- General Fund		General Government				
Fund Balance	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)	
<b>Total Fund Balance</b>	9,636,447	9,763,382	11,594,167	10,934,151	12,433,902	
Dollar Change		126,935	1,830,785	(660,016)	1,499,751	
Percent Change		1.3%	18.8%	-5.7%	13.7%	
<b>Unassigned (Per City Policy)</b>	3,460,866	5,777,008	7,353,518	6,159,237	7,380,490	
Dollar Change		2,316,142	1,576,510	(1,194,281)	1,221,253	
Percent Change		66.9%	27.3%	-16.2%	19.8%	
<b>Unassigned % of Expenditures</b>	20.00%	29.40%	30.15%	23.35%	26.65%	
Dollar Change						
Percent Change		9.40%	0.75%	-6.81%	3.30%	

**• FY21 → FY22**

- Adjustment to LGC guidance – General Fund Expenditures >\$10M.
- 25% Unassigned FB target began
- Parking deck property purchase in FY22 ~\$2m, loan delayed until FY23.

**• FY22 → FY23**

- USDA Reserve increased Unassigned FB

**• FY23 → FY24**

- Prior period adjustment for FY24 Fund Balance (\$138k) HFD Permits Receivable
- Used FB for FSI, Edwards Park, City Hall/Ops, and 7<sup>th</sup> Ave Streetscape projects.

**• FY24 → FY25**

- Unassigned FB above 25% target

# 010 – General Fund

010- General Fund	General Government	
Revenues	FY25 (est.)	FY25 (act.)
Ad Valorem Taxes	(16,561,313)	(17,311,255)
Other Taxes & Licenses	(10,000)	(13,455)
Unrestricted Intergovernmental	(8,028,015)	(8,885,863)
Restricted Intergovernmental	(1,021,325)	(963,870)
Permits & Fees	(434,550)	(473,350)
Sales & Services	(381,000)	(287,914)
Investment Earnings	(200,000)	(258,140)
Miscellaneous	(31,000)	(249,956)
<b>Total</b>	<b>(26,667,203)</b>	<b>(28,443,803)</b>
<b>% Diff (+/-)</b>		<b>6.7%</b>

**Variance Analysis:**

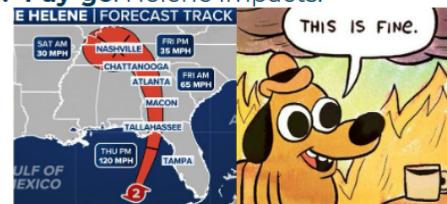
- Moved from a **\$0.49** tax rate in FY24 to **\$0.52** in FY25
- Economic **developments** boosted **property tax** in FY25: Jabil, Eli Lilly, and McAbee Ct.
- FY25 sales tax **budgeted conservatively**: FY24 slow growth
- Sales Tax variance (+\$857k actual) also due to FY24 reval. impacts
- A portion of the “Misc.” could be placed into “**Sales & Services**”
- Powell Bill Revenues were recorded in the General Fund, and Transferred to the **7<sup>th</sup> Ave. Streetscape Project**

# 010 – General Fund

010- General Fund	General Government	
Expenditures	FY25 (est.)	FY25 (act.)
<b>Personnel</b>	16,245,012	16,854,253
Dollar Change		609,241
Percent Change		3.8%
<b>Operating</b>	6,279,836	5,487,919
Dollar Change		(791,917)
Percent Change		-12.6%
<b>Pay-Go Capital</b>	224,960	59,298
Dollar Change		(165,662)
Percent Change		-73.6%
<b>Debt Service</b>	4,098,214	4,138,864
Dollar Change		40,650
Percent Change		1.0%
<b>Total</b>	<b>26,848,022</b>	<b>26,540,334</b>
<b>% Diff (+/-)</b>		<b>-1.1%</b>

**Variance Analysis:**

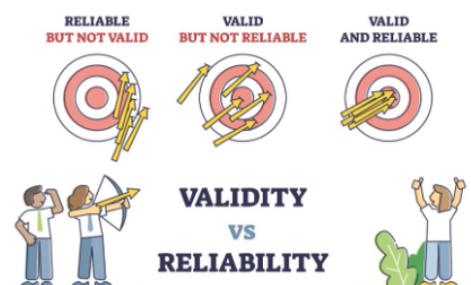
- \$600k Δ **Personnel**... added after budget adoption and initial est.:
  - +3 Firefighters added after adoption **+\$330k**
  - +1 Payment Posting Specialist (Finance) **+\$65k**
  - One-time Bonus **+\$159k**
  - Public Works **Career Ladders**
  - No Helene Impact – Fund 360
- \$791k **Operating** Variance:
  - Powell Bill → 7<sup>th</sup> Ave. (\$650k)
  - Hurricane Helene impacts
- Pay-go**: Helene impacts:



# Financial Review

## General Fund Wrap Up Feb. 25, 2026

- We're committed to providing a **transparent** view of the City's budget and finances.
- Our estimates are **valid and reliable** in comparison with actuals.
- Strong **estimates** are essential to continued **financial sustainability** and **strategic goal success**.
- We will **research** any questions and asks for additional information then return with answers.
- Tomorrow, we will provide a **similar financial analysis** for:
  - Main Street MSD Fund
  - 7<sup>th</sup> Avenue MSD Fund
  - Water & Sewer Fund
  - Parking Fund
  - Stormwater Fund
  - Env. Services Fund



City Manager John Connet said that we have a closed session and as far as the retreat portion of the meeting goes, we have a good foundation, so we begin again tomorrow evening.

**4. CLOSED SESSION**

*Council Member Lyndsey Simpson moved that City Council enter closed session pursuant to NCGS § 143-318.11 (a) (1) and (4) to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes and to discuss matters relating to the location or expansion of industries and businesses in the area served by the public body. A unanimous vote of the Council followed. Motion carried.*

**5. ADJOURN**

City Council went into closed session at 5:34 p.m.

Council went into open session at \_\_\_\_\_. There being no further business, the meeting was adjourned at 5:28 p.m. upon unanimous assent of the Council.

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Barbara Volk, Mayor

ATTEST:

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Jill Murray, City Clerk