



MINUTES

February 26, 2026

REGULAR MEETING OF THE CITY COUNCIL

BUDGET RETREAT PART 1

CITY OPERATIONS CENTER | 305 WILLIAMS ST. | 6:00 p.m.

Present: Mayor Barbara 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 Beeker, Budget & Evaluation Director Adam Murr, Management Analyst II Jennifer Floyd, Public Services Director Brent Detwiler, Communications Director Allison Justus and others

Absent: City Clerk Jill Murray

1. CALL TO ORDER

City Manager John Connet called the meeting to order at 6:07 p.m. and welcomed everyone to the meeting.

2. CONSIDERATION OF AGENDA

3. PRESENTATIONS

A. **Welcome and Orientation** – *John Connet, City Manager*

City Manager Connet said we got through the first night at our workshop meeting last night and thanks to Brian and Adam for getting us through that. Now, tonight, with the help of Ms. Floyd, we will go through the utility fund and some of the other funds, economic trends and compensation and benefits. He then turned it over to the Budget & Evaluation Director Adam Murr and Management Analyst II Jenny Floyd.

B. **Financial Review** – *Budget Team*

Adam presented the following PowerPoint presentation on the MSD funds.



AGENDA: Feb. 27

Day 2 – Police H.Q.

- | | |
|------------------------------|--------------------|
| 1. Welcome & Breakfast | 8:00 – 8:30 a.m. |
| 2. Public Safety | 8:30 – 11:00 a.m. |
| 3. Strategic Plan Update | 11:00 – 12:00 p.m. |
| 4. Lunch | 12:00 – 12:30 p.m. |
| 5. Strategic Plan, Continued | 12:30 – 2:00 p.m. |

AGENDA: Feb. 26

Day 1 – City Ops, 305 Williams St.

- | | |
|----------------------------|------------------|
| 1. Welcome & Orientation | 6:00 – 6:15 p.m. |
| 2. Financial Review | 6:15 – 7:00 p.m. |
| 3. Economic Trends | 7:00 – 7:15 p.m. |
| 4. Compensation & Benefits | 7:15 – 8:00 p.m. |
| 5. Closing | 8:00 – 8:30 p.m. |



Financial Review

Council Retreat
Feb. 26, 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. 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

Main Street MSD Fund

020 – Main Street MSD Fund

020- Main Street MSD Fund					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Personnel	137,437	200,435	280,630	341,937	442,241
Dollar Change		62,998	80,195	61,307	100,304
Percent Change		45.8%	40.0%	21.8%	29.3%

• FY21 → FY22

- +1 Part-time Event Coordinator
- Salary splits for PW assistance (traffic, grounds, and building maintenance at 4%)
- Performance bonus \$2k

• FY22 → FY23

- Completion of Pay & Class (75th Percentile)
- Δ Part-time to Full-time Event Coordinator
- Maintained salary splits for PW traffic, grounds, and building maintenance
- Added 5% salary splits for env. services crews

• FY23 → FY24

- Added 1 Dedicated DT Maint. Positions in April 2024
- Implemented mid-year hiring freeze

• FY24 → FY25

- Adjusted salary splits
- Hired +1 FTE additional DT Maint. Staff
- Performance bonus \$9k

020 – Main Street MSD Fund

020- Main Street MSD Fund					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Operating	216,352	331,675	245,828	346,667	300,896
Dollar Change		115,323	(85,847)	100,839	(45,771)
Percent Change		53.3%	-25.9%	41.0%	-13.2%

• FY21 → FY22

- \$17k Tax Incentive (101 Allen St)
- Maintenance Contract \$116k = flowers, mulching, and hanging baskets
- Arborist \$3k
- Holiday lighting \$13k
- Electricity \$76k
- Holiday décor supplies \$44k (non-recurring)

• FY22 → FY23

- \$17k Tax Incentive (101 Allen St)
- Electricity \$42k (account recon.)
- Maintenance Contract \$116k = flowers, mulching, and hanging baskets
- Supplies & rentals \$15k

• FY23 → FY24

- \$20k Tax Incentive (101 Allen St)
- Maintenance Contract \$116k = flowers, mulching, and hanging baskets
- Placer AI \$16k
- Arborist \$27k
- Janitorial Contract increases

• FY24 → FY25

- \$20k Tax Incentive (101 Allen St)
- DT Wayfinding signage \$25k
- Maintenance Contract \$127k = flowers, mulching, and hanging baskets
- Electricity \$54k
- Wayfinding signs \$25k

020 – Main Street MSD Fund

020- Main Street MSD Fund					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Debt Service	52,219	54,635	45,594	45,208	43,796
Dollar Change		2,416	(9,041)	(386)	(1,412)
Percent Change		4.6%	-16.5%	-0.8%	-3.1%

• FY21 → FY22

- 2018 Pinnacle Loan – DT Offices & Restroom

• FY22 → FY23

- 2018 Pinnacle Loan – DT Offices & Restroom

• FY23 → FY24

- 2018 Pinnacle Loan – DT Offices & Restroom
- “Refunding” – reduced interest rate from 3.18% to 2.15%

• FY24 → FY25

- 2021 Pinnacle Refunding – DT Offices & Restroom

020 – Main Street MSD Fund

020- Main Street MSD Fund		
Revenues	FY25 (est.)	FY25 (act.)
Ad Valorem Taxes	(339,522)	(321,363)
Unrestricted Intergovernmental	(351,422)	(354,396)
Permits & Fees	(22,242)	(13,827)
Investment Earnings	(100)	(2,145)
Miscellaneous	(589)	-
Total	(713,875)	(691,731)
% Diff (+/-)		-3.1%

Variance Analysis:

- Property Tax Δ \$18k (5%): variance in projected business personal property assessed values (Feb – May)
- Sales Tax Δ: \$3k (0.8%)
- Permits & Fees Δ: \$8k - fewer special event permits due to Helene
- Overall, estimates exceeded actuals by \$22k – fluctuations in assessed value during the budget process, and special event revenue declines due to Hurricane Helene

020 – Main Street MSD Fund

020- Main Street MSD Fund		
Expenditure Type	FY25 (est.)	FY25 (act.)
Personnel	402,836	442,241
Dollar Change		39,405
Percent Change		9.8%
Operating	290,658	300,896
Dollar Change		10,238
Percent Change		3.5%
Pay-Go Capital	-	-
Dollar Change		-
Percent Change		0.0%
Debt Service	43,796	43,796
Dollar Change		-
Percent Change		0.0%
Total	737,290	786,933
% Diff (+/-)		6.7%

Variance Analysis:

- \$39k Personnel Δ: added after budget adoption and initial est.:
 - +1 DT Maint. Worker hired in June 2025
 - Performance Bonuses \$9k
 - Public Works Career Ladders
 - Many PW Staff have a salary split to the Main St Fund
- \$10k Operating Δ: Cleaning contract cost ↑ \$9k for extra cleaning at DT restrooms
- Overall, Actuals exceeded our estimates due to a late year position addition and public works career ladder opportunities

7th Avenue MSD Fund

021 – 7th Avenue MSD Fund

021- 7th Avenue MSD Fund					
Revenues	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Ad Valorem Taxes	(34,868)	(37,872)	(46,289)	(55,583)	(57,070)
Unrestricted Intergovernmental	(45,978)	(52,362)	(58,821)	(62,473)	(70,879)
Permits & Fees	(40)	962	(3,469)	-	(1,723)
Miscellaneous	(5,500)	(5,000)	(5,000)	(3,747)	(5,000)
Total	(86,386)	(94,272)	(113,579)	(121,803)	(134,672)
% Diff (+/-)		9.1%	20.5%	7.2%	10.6%

• FY21 → FY22

- \$0.17 Main St. MSD tax rate

• FY22 → FY23

- \$0.17 Main St. MSD tax rate
- Sales Tax increase ~\$6k

• FY23 → FY24

- \$0.21 Main St. MSD tax rate
- Sales tax increase ~\$4k
- Loss of \$3.8m Business Personal Property assessed value – Everest Mail & Marketing

• FY24 → FY25

- \$0.21 Main St. MSD tax rate
- Sales tax increase ~\$8k

021 – 7th Avenue MSD Fund

021- 7th Avenue MSD Fund					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Personnel	45,447	59,407	78,467	97,313	116,152
Dollar Change		13,960	19,060	18,846	18,839
Percent Change		30.7%	32.1%	24.0%	19.4%

• FY21 → FY22

- +1 Part-time Event Coordinator
- Salary splits for PW assistance (traffic, grounds, and building maintenance at 4%)
- Performance bonus \$640

• FY22 → FY23

- Completion of Pay & Class (75th Percentile)
- Δ Part-time to Full-time Event Coordinator
- Maintained salary splits for PW traffic, grounds, and building maintenance
- Added 5% salary splits for env. services crews

• FY23 → FY24

- Added 1 Dedicated DT Maint. Positions in April 2024
- Implemented mid-year hiring freeze

• FY24 → FY25

- Adjusted salary splits
- Hired +1 FTE additional DT Maint. Staff
- Performance bonus \$2.5k

021 – 7th Avenue MSD Fund

021- 7th Avenue MSD Fund					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Operating	18,220	14,253	43,557	23,167	20,860
Dollar Change		(3,967)	29,304	(20,390)	(2,307)
Percent Change		-21.8%	205.6%	-46.8%	-10.0%

• FY21 → FY22

- Hanging basket contract \$10k
- Arborist services \$3k

• FY22 → FY23

- Holiday décor \$25k
- 7th Ave Branding Project \$11k
- 7th Ave Branding Supplies \$2k
- 7th Ave Caboose safety improvements \$10k

• FY23 → FY24

- Hanging basket contract \$10k
- Arborist services \$3k
- Pedestrian wayfinding \$12k
- Depot Plaza renovation design \$4k

• FY24 → FY25

- Hanging basket contract \$10k
- Arborist services \$3k
- Cloudpermit \$5k

021 – 7th Avenue MSD Fund

021- 7th Avenue MSD Fund		
Revenues	FY25 (est.)	FY25 (act.)
Ad Valorem Taxes	(60,348)	(57,070)
Unrestricted Intergovernmental	(71,197)	(70,879)
Permits & Fees	(100)	(1,723)
Miscellaneous	(5,651)	(5,000)
Total	(137,295)	(134,672)
% Diff (+/-)		-1.9%

Variance Analysis:

1. Property Tax Δ \$3k (5%): variance in projected business personal property assessed values (Feb – May)
2. Sales Tax Δ \$318 (0.4%)
3. Overall, estimates exceeded actuals by \$2.6k – fluctuations in assessed value during the budget process

021 – 7th Avenue MSD Fund

021- 7th Avenue MSD Fund		
Expenditure Type	FY25 (est.)	FY25 (act.)
Personnel	95,902	116,152
Dollar Change		20,250
Percent Change		21.1%
Operating	39,572	20,860
Dollar Change		(18,712)
Percent Change		-47.3%
Pay-Go Capital	-	-
Dollar Change		-
Percent Change		-
Debt Service	-	-
Dollar Change		-
Percent Change		-
Total	135,474	137,012
% Diff (+/-)		1.1%

Variance Analysis:

1. \$20k Personnel Δ: added after budget adoption and initial est.:
 - a. +1 DT Maint. Worker hired in June 2025
 - b. Performance Bonuses +\$2.5k
 - c. Public Works Career Ladders
 - i. Many PW Staff have a salary split to the 7th Ave Fund
2. \$20k Operating Δ: Many recurring operating expenses did not occur due to 7th Ave Streetscape + Hurricane Helene
3. Overall, Actuals exceeded our estimates due to a late year position addition and public works career ladder opportunities

Jenny presented the following PowerPoint presentation on the Water & Sewer Fund, Parking Fund, Stormwater Fund, and the Environmental Services Fund.

Water & Sewer Fund

060 – Water & Sewer Fund

060 - Water & Sewer					
Revenues	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Sales & Services	(16,812,333)	(20,059,744)	(21,489,697)	(23,710,917)	(25,912,587)
Permits & Fees	(929,747)	(622,082)	(1,004,823)	(1,198,674)	(901,863)
Investment Earnings	(4,935)	27,351	(225,598)	(308,768)	(395,877)
Miscellaneous	(16,101)	(1,290)	(6,424)	(25,378)	(300,506)
Total	(17,763,116)	(20,655,765)	(22,726,542)	(25,243,737)	(27,510,833)
% Diff (+/-)		16.3%	10.0%	11.1%	9.0%

• FY21 → FY22:

FY22 Inside Bill: Water \$19.43 | Sewer \$25.04
Inside/Outside Rate Differential: 140%

• FY22 → FY23:

FY23 Inside Bill: Water \$21.76 | Sewer \$27.91
Inside/Outside Rate Differential: 135%

• FY23 → FY24:

FY23 Inside Bill: Water \$21.24 | Sewer \$31.80
Inside/Outside Rate Differential: 130%
• Introduction Lifeline Tier (0 – 3k gal)

• FY24 → FY25:

FY25 Inside Bill: Water \$22.94 | Sewer \$34.66
Inside/Outside Rate Differential: 125%
• SDF introduction 25% January 1, 2025

060 – Water & Sewer Fund

060 - Water & Sewer					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Personnel	7,795,930	9,467,563	10,500,016	11,117,886	12,703,867
Dollar Change		1,671,633	1,032,453	617,870	632,611
Percent Change		21.4%	10.9%	5.9%	14.3%

• FY21 → FY22:

- FTEs: +1 I.T Admin, +2 CCTV, +1 WWTP Operator, +1 Civil Engineer, +1 Construction Inspector, +2 HR Coord. , +1 Purchasing Admin
- One-Time Bonus \$116k

• FY22 → FY23:

- FTEs: +3 Line Maintenance Crew, +1 Facilities Maintenance Mechanic, +2 CCTV Crew, +1 Environmental Compliance Technician

• FY23 → FY24:

- FTEs: +1 Business Systems Analyst, +1 Engineer, +3 Line Maintenance Crew, +2 Meter Service Technicians

• FY24 → FY25:

- FTEs: +1 Generator Maintenance, +1 I&E Tech, +1 WTP Lab Technician, +1 Payment Posting Specialist
- One-Time Bonus \$129k

060 – Water & Sewer Fund

060 - Water & Sewer					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Operating	5,975,885	6,237,455	7,118,185	7,534,830	7,971,907
Dollar Change		261,570	880,730	416,645	437,077
Percent Change		4.4%	14.1%	5.9%	5.8%

• FY21 → FY22:

- Sludge Management \$667k (+39%)
- Non-Capital Equipment \$108k (+100%)
- Paving Cut Repairs \$226k (+96%)

• FY22 → FY23:

- Contract Services \$1.18m (+45%)
- Sludge Management \$662k (+6%)
- Non-Capital Equipment \$149k (+39%)
- Paving Cut Repairs \$263k (+16%)

• FY23 → FY24:

- Credit Card Processing Fees \$154k (+92%)
- Electricity \$1.18m (+8.7%)
- Non-Capital Equipment \$34k (-77%)
- Paving Cut Repairs \$376k (+43%)

• FY24 → FY25:

- FEMA Reimbursable Expenditures +\$801k
- Credit Card Processing Fees \$244k (+58%)
- Non-Capital Equipment \$77k (125%)
- Paving Cut Repairs \$222k (-41%)

060 – Water & Sewer Fund

060 - Water & Sewer					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Pay-Go Capital	859,501	804,522	1,843,812	627,304	1,010,525
Dollar Change		(54,979)	1,039,290	(1,216,508)	(147,676)
Percent Change		-6.4%	129.2%	-66.0%	61.1%

• FY21 → FY22:

- Capital Outlay Lines \$277k (+5%)
- Equipment & Vehicles \$521k

• FY23 → FY24:

- Plants & Pumps Stations \$205k
- Capital Outlay Equipment \$89k
- Capital Outlay Lines \$327k (-2%)
- Established CPO #VE024 \$589k

• FY22 → FY23:

- IT Capital Leases & Subscriptions \$619k
- Capital Outlay Lines \$333k (+20%)
- Property Acquisition \$118k
- Equipment & Vehicles \$770k (+48%)

• FY24 → FY25:

- Capital Outlay Lines \$532k (+62%)
- Property Acquisition \$253k
- Capital Outlay Equipment \$142k (+58%)
- CPO #VE025 \$530k

060 – Water & Sewer Fund

060 - Water & Sewer					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Debt Service	2,774,819	3,261,949	3,072,926	4,029,059	5,333,751
Dollar Change		487,130	(189,023)	956,133	(36,783)
Percent Change		17.6%	-5.8%	31.1%	32.4%

• FY21 → FY22:

- 2001 SRL –WWTP \$682k Final Payment
- 2019 Revenue Bond \$1.4m

• FY23 → FY24:

- 2022 Revenue Bond \$447k

• FY22 → FY23:

- Northside SRF \$330k
- Streambank SRF \$149k

• FY24 → FY25:

- 2023 IFC \$355k
 - City Hall and Operations Center
- 2023 Revenue Bond \$626k

060 – Water & Sewer Fund

060 - Water & Sewer		
Revenues	FY25 (est.)	FY25 (act.)
Sales & Services	(26,085,170)	(25,912,587)
Dollar Change		172,583
Percent Change		-0.7%
Permits & Fees	(1,312,936)	(901,863)
Dollar Change		411,073
Percent Change		-31.3%
Investment Earnings	(97,000)	(395,877)
Dollar Change		(298,877)
Percent Change		308.1%
Miscellaneous	(77,907)	(300,506)
Dollar Change		(222,599)
Percent Change		285.7%
Total	(27,573,013)	(27,510,833)
% Diff (+/-)		-0.2%

Permits & Fees

- Transfer Out
 - Water SDFs -\$143k
 - Sewer SDFs -\$32k

Investment Earnings

- Interest Income \$395k

Miscellaneous

- Insurance Proceeds \$245k

060 – Water & Sewer Fund

060 - Water & Sewer		
Expenditure Type	FY25 (est.)	FY25 (act.)
Personnel	11,970,056	12,703,867
Dollar Change		733,811
Percent Change		6.1%
Operating	8,292,560	7,971,907
Dollar Change		(320,653)
Percent Change		-3.9%
Pay-Go Capital	1,139,512	1,010,525
Dollar Change		(128,987)
Percent Change		-11.3%
Debt Service	5,370,534	5,333,751
Dollar Change		(36,783)
Percent Change		-0.7%
Total	26,772,662	27,020,050
% Diff (+/-)		0.9%

- Personnel**
 - Helene Related Personnel \$303k
 - One-Time Bonus Payments \$129k
- Operating**
 - Contract Services
 - Est. \$1.25m | Actual \$977k
 - Health & Welfare Expenditures
 - Est. \$152k | Actual \$49k
- Pay-Go Capital**
 - Capital Outlay Equipment Other Than Vehicles
 - Est. \$208k / Actual \$142k

060 – Water & Sewer Fund

Bond Issuance Narrative

In December 2019, the City issued the Revenue Bond (RB) - December 2019 for \$12,897,000 at a rate of 1.87%. Since the 2019 Revenue Bond, the City has added a \$6,915,000 February 2022 issuance, \$8,480,000 February 2023, and \$10,579,000 in 2025 issuance, at rates of 2.15%, 4.02%, and 4.261% respectively. These issuances have funded major water and sewer system capital improvements. Previously, major capital improvements were financed by leveraging the value of system assets. Revenue Bond issuances leverage the water and sewer utility's revenue generating capacity as a security, leading to better interest rates and lower costs for project financing. Revenue Bond indebtedness is considered "senior", while all other forms of indebtedness are "subordinate".

Bond Rate Covenant Narrative

The City is in compliance with the rate covenant per Section 6.6 of the General Indenture, authorizing the issuance of Revenue Bonds. Section 6.6 of the General Indenture requires (a) Revenues, together with 20% of the balance in the Surplus Fund at the end of the preceding Fiscal Year, at least equal (i) 100% of Current Expenses plus (ii) 120% of annual principal and interest requirements of revenue bonds plus (iii) 100% of debt service requirements of other indebtedness and (b) Revenues at least equal (i) 100% of Current Expenses plus (ii) 110% of annual principal and interest requirements of revenue bonds plus (iii) 100% of debt service requirements of other indebtedness.

Descriptions	Code	Amount		
Revenues plus 20% of Surplus Fund (a)	(a)	29,257,635	Ratio Calc. (a)	1.15
100% of Current Expenses (a)	(a)(i)	19,646,891		
120% of Annual Principal and Interest on Revenue Bond (a)	(a)(ii)	2,924,557	Ratio Calc. (b)	1.07
100% of Annual Principal and Interest on Other Indebtedness (a)	(a)(iii)	2,826,485		
Subtotal of Revenue Coverage (a)	(a) Subtotal	29,257,635		
Covenant Met (a)	Covenant Met Requirement (a)	3,859,701		
Revenues (b)	(b)	26,814,450		
100% of Current Expenses (b)	(b)(i)	19,646,891		
110% of Annual Principal and Interest on Revenue Bond (b)	(b)(ii)	2,680,844		
100% of Annual Principal and Interest on Other Indebtedness (b)	(b)(iii)	2,826,485		
Subtotal of Revenue Coverage (b)	(b) Subtotal	26,814,450		
Covenant Met (b)	Covenant Met Requirement (b)	1,371,277		

Calculation
 Covenant (a) = [(a) - (a)(i)] / [(a)(ii) + (a)(iii)]
 Covenant (b) = [(b) - (b)(i)] / [(b)(ii) + (b)(iii)]

Fiscal Year FY24-25



Parking Fund

064 – Parking Fund

064 - Parking				
Revenues	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Parking Fees	(236,266)	(564,735)	(1,061,252)	(1,153,826)
Investment Earnings	-	(4,884)	(3,731)	(3,442)
Miscellaneous	-	-	(43,051)	(2,712)
Total	(236,266)	(569,619)	(1,108,035)	(1,159,980)
% Diff (+/-)		141.1%	94.5%	4.7%

- FY22:**
 - Monthly Parking \$43k
 - Parking Meters \$159k
 - Parking Garage -
 - Parking Violations \$26k
- FY22 → FY23:**
 - Monthly Parking \$93k (+114%)
 - Parking Meters \$354k (+123%)
 - Parking Garage \$42k (1st Year)
 - Parking Violations \$75k (+194%)
- FY23 → FY24:**
 - Monthly Parking \$208k (+124%)
 - Parking Meters \$687k (94%)
 - Parking Garage \$166k (298%)
 - Parking Violations \$43k (-43%)
- FY24 → FY25:**
 - Monthly Parking \$194k (-6%)
 - Parking Meters \$687k (0%)
 - Parking Garage \$163k (-2%)
 - Parking Violations \$108k (150%)

064 – Parking Fund

City-Wide

• FY21 → FY22: 21.4% Increase

- 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%)

• FY23 → FY24: 5.9% Increase

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

• FY22 → FY23: 10.9% Increase

- COLA (Pay & Class); Merit 1.00%/2.00%/3.00%
- Med. Insurance -11.98% (\$2.9m City-wide)
- LGERS (general) = 12.10%

• FY24 → FY25: 14.3% Increase

- COLA +5.00%; Merit Paused: Process Δ
- Med. Insurance +6.00%
- LGERS (general) = 13.60%
- 401k Match 2.00%

064 – Parking Fund

064 - Parking				
Expenditure Type	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Personnel	-	114,540	177,465	270,062
Dollar Change	-	114,540	62,925	92,597
Percent Change	-	-	54.9%	52.2%

• FY22 → FY23:

- FTEs: +1 Parking Enforcement Officer, +1 Parking Services Supervisor

• FY24 → FY25:

- Salary Split Adjustments \$56k
- One-Time Bonus \$3k
- Helene Related Personnel \$7k

• FY23 → FY24:

- Med. Insurance -11.98% (\$2.9m City-wide)
- FTEs: +1 Traffic Engineering Technician

064 – Parking Fund

064 - Parking				
Expenditure Type	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Operating	40,948	101,217	211,558	290,205
Dollar Change	-	60,269	110,341	78,647
Percent Change	-	147.2%	109.0%	37.2%

• FY22

- Credit Card Processing Fees \$14k
- Permits, Licenses, & Fees \$22k

• FY23 → FY24:

- Supplies & Materials \$19k
- Utilities – Electricity \$9k
- Permits, Licenses, & Fees \$109k (+158%)
- R&M Buildings \$15k

• FY22 → FY23:

- Contracted Services \$10k
- Permits, Licenses, & Fees \$42k (+96%)
- Credit Card Processing Fees \$46k (+226%)

• FY24 → FY25:

- Contract Services \$35k
- Permits, Licenses, & Fees \$170k (+56%)

064 – Parking Fund

064 - Parking				
Expenditure Type	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Pay-Go Capital	-	403,937	6,530	-
Dollar Change	-	403,937	(397,407)	-
Percent Change	-	-	-98.4%	-100.0%

• FY22 → FY23:

- Supervac Air Sweeper \$36k
- Parking Enforcement Vehicle \$55k
- Parking Meters \$302k

• FY23 → FY24:

- Electric Vehicle Charging Station \$6.5k

064 – Parking Fund

064 - Parking				
Expenditure Type	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Debt Service	251,882	810,951	812,200	807,450
Dollar Change	-	559,069	1,249	-
Percent Change	-	222.0%	0.2%	-0.6%

• FY22 → FY23:

- Parking Deck
 - Principle \$375k
 - Interest \$436k

• FY24 → FY25:

- Parking Deck
 - Principle \$410k
 - Interest \$397k

• FY23 → FY24:

- Parking Deck
 - Principle \$395k
 - Interest \$417k

064 – Parking Fund

064 - Parking		
Revenues	FY25 (est.)	FY25 (act.)
Parking Fees	(1,125,395)	(1,153,826)
Investment Earnings	(2,500)	(3,442)
Miscellaneous	(22,270)	(2,712)
Total	(1,150,165)	(1,159,980)
% Diff (+/-)		0.9%

Parking Fees

- Monthly Parking
 - Est. \$211k | Actual \$194k
- Parking Meters
 - Est. \$750k | Actual \$687k
- Parking Garage
 - Est. \$164k | Actual \$163k
- Parking Violations
 - Est. \$21k | Actuals \$108k

064 – Parking Fund

064 - Parking		
Expenditure Type	FY25 (est.)	FY25 (act.)
Personnel	263,248	270,062
Dollar Change		6,814
Percent Change		2.6%
Operating	206,023	290,205
Dollar Change		84,182
Percent Change		40.9%
Pay-Go Capital	-	-
Dollar Change		-
Percent Change		-
Debt Service	807,450	807,450
Dollar Change		-
Percent Change		-
Total	1,276,722	1,367,717
% Diff (+/-)		7.1%

Personnel

- Helene Related Personnel \$7k
- One-Time Bonus Payments \$3k

Operating

- Permits, Licenses, & Fees
 - Est. \$80k | Actual \$170k
- Contract Services
 - Est. \$50k | Actual \$35k
- Credit Card Processing Fees
 - Est. \$60k | Actual \$41k

Stormwater Fund

067 – Stormwater Fund

067 - Stormwater					
Revenues	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Stormwater Fees	(652,269)	(998,963)	(1,025,761)	(1,234,806)	(1,489,191)
Investment Earnings	93	2,199	(2,893)	(1,171)	(2,022)
Miscellaneous	-	-	-	-	(18,541)
Total	(652,176)	(996,764)	(1,028,654)	(1,235,977)	(1,509,754)
% Diff (+/-)		52.8%	3.2%	20.2%	22.2%

• FY21 → FY22:

- FY22 Fees: Residential \$5 Flat | Non-Residential \$5 per ERU
- Stormwater Fee \$994k (+53%)
- Stormwater Permit \$4.5k (+82%)

• FY22 → FY23:

- FY23 Fees: No Change
- Stormwater Fee \$1.0m (+2%)
- Stormwater Permit \$8.9k (+95%)

• FY23 → FY24:

- FY24 Fees: Residential \$6 Flat | Non-Residential \$6 per ERU
- Stormwater Fee \$1.2m (+21%)
- Stormwater Permit \$2k (-76%)

• FY24 → FY25:

- FY25 Fees: Residential \$7 Flat | Non-Residential \$7 per ERU
- Stormwater Fee \$1.4m (+20%)
- Stormwater Permit \$4k (100%)

067 – Stormwater Fund

067- Stormwater					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Personnel	148,093	541,154	596,125	812,073	1,009,219
Dollar Change		393,061	54,971	215,948	197,146
Percent Change		265.4%	10.2%	36.2%	24.3%

• FY21 → FY22:

- COLA +10.00%; Merit 1.00%/1.75%/2.50%
- FTEs: +1 Stormwater Technician, +1 Civil Engineer, +1 Construction Inspector
- One-Time Bonus \$7k

• FY22 → FY23:

- Med. Insurance -11.98% (\$2.9m City-wide)
- FTEs: +3 Streets Crew

• FY23 → FY24:

- Med. Insurance – No Change
- FTEs: +4 Property Maintenance Crew

• FY24 → FY25:

- COLA +5.00%; Merit Paused: Process Δ
- Salary Split Adjustments \$122k
- One-Time Bonus \$10k

067 – Stormwater Fund

067- Stormwater					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Operating	218,098	596,096	194,625	103,417	146,111
Dollar Change		377,998	(401,471)	(91,208)	42,694
Percent Change		173.3%	-67.4%	-46.9%	41.3%

• FY21 → FY22:

- Contract Services \$423k
- Stream & Sidewalk Repair \$42k
- Culvert Repair \$99k
- Asset Plan \$24k
- CCTV Inspection & Cleaning \$146k
- Prof. Services – Engineering \$144k

• FY22 → FY23:

- Contract Services \$149k (-65%)
- Stormwater Masterplan Phase 1&2 \$129k

• FY23 → FY24:

- Contract Services \$25k (-83%)
- Prof. Services – Engineering \$33k

• FY24 → FY25:

- Contract Services \$123k (+380%)
- Emergency Sinkhole Repair \$47k
- VC3 Services Agreement \$7k

067 – Stormwater Fund

067- Stormwater					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Pay-Go Capital	67,979	41,450	321,012	145,512	38,379
Dollar Change		(26,529)	279,562	(175,500)	(107,133)
Percent Change		-39.0%	674.5%	-54.7%	-73.6%

• FY21 → FY22:

- Knuckleboom Loader Truck \$41k

• FY22 → FY23:

- Edwards Park Stormwater Infrastructure \$99k
- Mini Excavator \$118k
- Early Flood Warning Sensors \$25k
- CCTV Camera System \$46k

• FY23 → FY24:

- Highland Ave. Culvert Repair \$87k
- Culvert Liner \$26k
- Excavator Trailer \$21k

• FY24 → FY25:

- Rainwater Harvesting System \$32k

067 – Stormwater Fund

067- Stormwater					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Debt Service	44,868	44,578	50,791	83,782	84,403
Dollar Change		(290)	6,213	32,991	621
Percent Change		-0.6%	13.9%	65.0%	0.7%

• FY21 → FY22:

- Street Sweeper \$34k
- Enterprise Lease \$10k

• FY23 → FY24: :

- City Hall/ Ops Renovation \$33k
- Street Sweeper \$34k
- Solid Waste Truck \$6k
- Enterprise Lease \$10k

• FY22 → FY23:

- Street Sweeper \$34k
- Enterprise Lease \$9k
- Solid Waste Truck \$6k

• FY24 → FY25: :

- Street Sweeper \$35k
- Solid Waste Truck \$6k
- City Hall / Ops Renovation \$33k
- Enterprise Lease \$8k

067 – Stormwater Fund

067 - Stormwater		
Revenues	FY25 (est.)	FY25 (act.)
Stormwater Fees	(1,479,061)	(1,489,191)
Investment Earnings	(3,050)	(2,022)
Miscellaneous	(1,022)	(18,541)
Total	(1,483,133)	(1,509,754)
% Diff (+/-)		1.8%

Stormwater Revenues

- Stormwater Fees
 - Est. \$1.47m | Actual \$1.48k
- Stormwater Permits
 - Est. \$1k | Actual \$4k
- Grant Revenue
 - Est. \$0k | Actual \$18k

067 – Stormwater Fund

067- Stormwater		
Expenditure Type	FY25 (est.)	FY25 (act.)
Personnel	879,417	1,009,219
Dollar Change		129,802
Percent Change		14.8%
Operating	286,971	146,111
Dollar Change		(140,860)
Percent Change		-49.1%
Pay-Go Capital	4,627	38,379
Dollar Change		33,752
Percent Change		729.4%
Debt Service	82,070	84,403
Dollar Change		2,333
Percent Change		2.8%
Total	1,253,086	1,278,112
% Diff (+/-)		2.0%

Personnel

- Helene Related Personnel \$39k
- One-Time Bonus Payments \$10k

Operating

- Contract Services
 - Est. \$190k | Actual \$98k
- Constructions Repair & Supplies
 - Est. \$51k | Actual \$1k
- Prof. Services Engineering
 - Est. \$26k | Actual \$10k

Pay-Go Capital

- Est. \$4k | Actual \$34k

Env. Services Fund

068 – Environmental Services Fund

068- Environmental Services					
Revenues	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
ESF Fees	(1,335,919)	(1,521,117)	(1,537,269)	(1,762,897)	(1,816,305)
Investment Earnings	(334)	573	(794)	-	(89)
Miscellaneous	(1,288)	(932)	(288)	306	(18,318)
Total	(1,337,541)	(1,521,476)	(1,538,351)	(1,762,591)	(1,834,712)
% Diff (+/-)		13.8%	1.1%	14.6%	4.1%

• FY21 → FY22:

- Residential Fees : 32 gal. \$20 | 96 gal. \$22
- Residential Fees \$1.3m
- Commercial Fees \$208k

• FY23 → FY24:

- Residential Fees : 32 gal. \$23 | 96 gal. \$25
- Residential Fees \$1.5m
- Commercial Fees \$240k

• FY22 → FY23:

- Residential Fees: No Change
- Residential Fees \$1.3m
- Commercial Fees \$207k

• FY24 → FY25:

- Residential Fees: No Change
- Residential Fees \$1.6m
- Commercial Fees \$249k

068 – Environmental Services Fund

068- Environmental Services					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Personnel	843,398	1,062,823	1,026,827	1,016,503	1,137,582
Dollar Change		219,425	(35,996)	(10,324)	121,079
Percent Change		26.0%	-3.4%	-1.0%	11.9%

• FY21 → FY22:

- COLA +10.00%; Merit 1.00%/1.75%/2.50%
- One-time Bonus \$17k

• FY23 → FY24:

- COLA +3.00% ; Merit 1.00%/2.25%/3.50%

• FY22 → FY23:

- Med. Insurance -11.98% (\$2.9m City-wide)

• FY24 → FY25:

- Salary Split Adjustments \$79k
- One-Time Bonus \$14k

068 – Environmental Services Fund

068- Environmental Services					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Operating	450,308	470,271	510,614	558,257	532,665
Dollar Change		19,963	40,343	47,643	(25,592)
Percent Change		4.4%	8.6%	9.3%	-4.6%

• FY21 → FY22:

- Contract Services \$48k (+32%)
- Supplies & Materials \$35k (+115%)
- Fuel \$64k (+44%)
- Tipping Fees \$212k (-2%)

• FY23 → FY24:

- Contract Services \$74k (+16%)
- Supplies & Materials \$58k (+27%)
- Fuel \$63k (-14%)
- Tipping Fees \$224k (-1%)

• FY22 → FY23:

- Contract Services \$63k (+33%)
- Supplies & Materials \$46k (+30%)
- Fuel \$73k (+13%)
- Tipping Fees \$228k (+8%)

• FY24 → FY25:

- Contract Services \$33k (-55%)
- Supplies & Materials \$59k (+3%)
- Fuel \$49k (-22%)
- Tipping Fees \$248k (+10%)

068 – Environmental Services Fund

068- Environmental Services					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Pay-Go Capital	-	124,350	259,055	-	-
Dollar Change		124,350	134,705	(259,055)	-
Percent Change		-	108.3%	-100.0%	-

• FY21 → FY22:

- Knuckleboom Loader Truck \$124k

• FY22 → FY23:

- Solid Waste Truck \$243k

068 – Environmental Services Fund

068- Environmental Services					
Expenditure Type	FY21(act.)	FY22(act.)	FY23 (act.)	FY24 (act.)	FY25 (act.)
Debt Service	68,798	70,971	93,293	136,796	187,760
Dollar Change		2,173	22,322	43,503	50,964
Percent Change		3.2%	31.5%	46.6%	37.3%

• FY21 → FY22:

- Solid Waste Truck \$33k (last payment)
- Street Sweeper \$37k

• FY23 → FY24:

- Street Sweeper \$37k
- Solid Waste Truck \$55k

• FY22 → FY23:

- Street Sweeper \$37k
- Solid Waste Truck \$55k

• FY24 → FY25:

- Street Sweeper \$37k
- Solid Waste Truck \$55k
- 2024 Hometrust Vehicle & Equipment Loan
 - 4 –Year \$26k
 - 7 –Year \$66k

068 – Environmental Services Fund

068- Environmental Services		
Revenues	FY25 (est.)	FY25 (act.)
ESF Fees	(1,807,056)	(1,816,305)
Investment Earnings	(300)	(89)
Miscellaneous	(702)	(18,318)
Total	(1,808,057)	(1,834,712)
% Diff (+/-)		1.5%

ESF Revenues

- Residential Fees
 - Est. \$1.54m | Actual \$1.55m
- Commercial Fees
 - Est. \$260k | Actual \$249k
- Grant Revenue
 - Est. \$0k | Actual \$18k

068 – Environmental Services Fund

068- Environmental Services		
Expenditure Type	FY25 (est.)	FY25 (act.)
Personnel	1,106,630	1,137,582
Dollar Change		30,952
Percent Change		2.8%
Operating	600,015	532,665
Dollar Change		(67,350)
Percent Change		-11.2%
Pay-Go Capital	-	-
Dollar Change	-	-
Percent Change	-	-
Debt Service	180,298	187,760
Dollar Change		7,462
Percent Change		4.1%
Total	1,886,943	1,858,007
% Diff (+/-)		-1.5%

Personnel

- Helene Related Personnel \$8k
- One-Time Bonus Payments \$14k

Operating

- Contract Services
 - Est. \$59k | Actual \$33k
- Supplies & Materials
 - Est. \$65k | Actual \$59k
- Tipping Fees
 - Est. \$264k | Actual \$248k

~City Manager John Connet asked for a brief recess at 7:08 p.m. and returned to session at 7:12 p.m.~

C. Economic Trends – Budget Team

Adam Murr gave the Economic Update with the following PowerPoint presentation.



Economic Update

Council Retreat
Feb. 26, 2026



ECONOMIC UPDATE – Monetary Policy

Federal Open Market Committee (FOMC) “Dot Plot”



FOMC Statement & Powell Press Conference: We are looking for a hawkish quarter point cut, with three and possibly four dissents (one favoring a larger cut and two against any cut at all). Dissents mean less at this time, as a new Fed Chair will likely be announced ahead of the next FOMC meeting in January.

TLDR:

In Dec. 2025, the FOMC cut FFR by 25bps, maintaining control of inflation.

In Jan. 2026 and beyond, FOMC is targeting an FFR of 3.50% - 3.75%.



ECONOMIC UPDATE – Inflation

Headline Inflation – Easing Back to Norms?

- **Monthly CPI** ↑ 0.3% in Dec. '25
- **Annualized Dec.'24 -'25** inflation 2.7%
- **Shelter** prices ↑ 0.4% (major driver)
- **Food** prices ↑ 0.7%

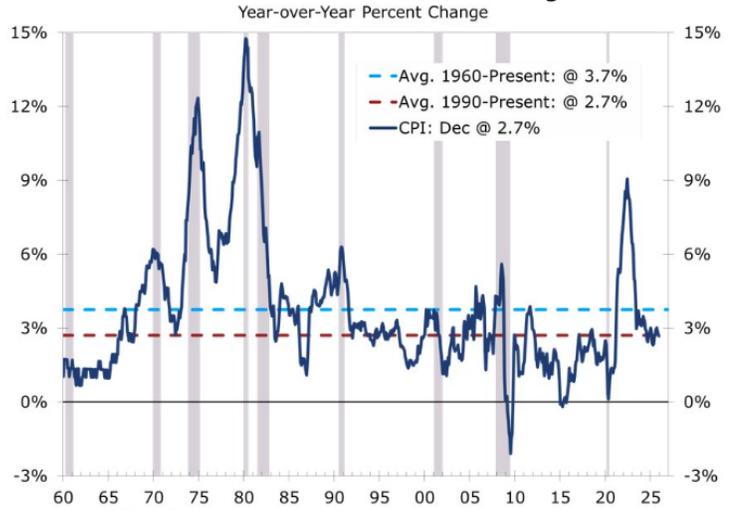
Locally, this could mean:

Higher food and shelter costs squeezing household budgets, especially for lower income workers. More demand for affordable housing. More demand for higher wages/COLAs.

Uneven Inflation:

masks pain points - food and shelter cost increases disproportionately impact low-income households.

Headline CPI vs Historic Averages

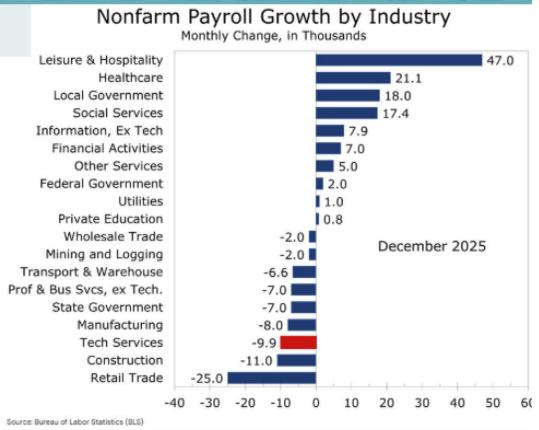


Source: Bureau of Labor Statistics (BLS)

ECONOMIC UPDATE – Labor Market

“Cooling Without Cracking”

- **Payroll growth** +50k nonfarm payrolls December 2025
- **Job growth concentrated** in the health care, social asst., and food service sectors
- **Unemployment** rate 4.4% unchanged, but labor underutilization remains high
- **Wage Growth** cooling, average hourly earnings are up 3.8% year-over-year
- **Productivity** sufficient to support real GDP growth
- **Rebalancing** labor market: slow hiring, slow growth in wages, marginal underutilization ↑



Locally, this could mean:

More PT workers wanting FT jobs, more financial stress on households, and ↑ demand for housing assistance, utility relief, and food security programs.

Sales Tax Implications (Elastic Revenue):
Slow wage growth + Fewer hours worked = Slow consumer spending growth.

ECONOMIC UPDATE – Labor Market

Henderson County Indicators – NC LEAD

National Average: 100.0

- **Unemployment Index 125.0**
- **Wage Index 69.6**
- **Income Index 89.2**
- **Education Index 102.2**
- **Composite Score 96.5**

- **Thriving** (upper right): Outperformed the U.S. and have improved
- **Waning** (upper left): Outperformed the U.S. but have declined
- **Gaining** (lower right): Underperformed the U.S. but have
- **Struggling** (lower left): Underperformed the U.S. and have declined

TLDR?

Henderson County’s economic vitality is in-line with US averages and gaining quickly. Helene impacts in 2025 may be skewing indicators.

County Economic Vitality Index



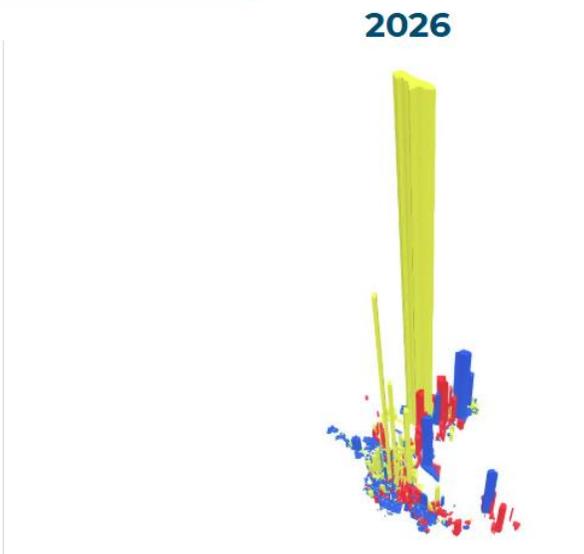
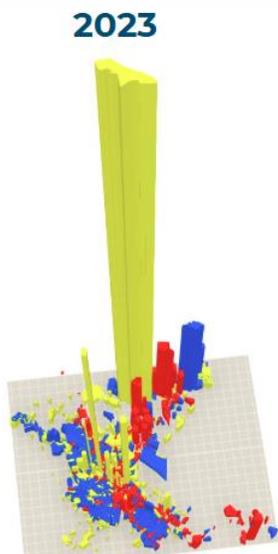
We have strong employment, but jobs within the County pay less than national average. High earners are commuting to other Counties. On average, our workers are more educated than the national average.

Deputy City Manager Brian Pahle took over on the Economic Update.

ECONOMIC UPDATE – Cost of Service Model

Total Real Property Value

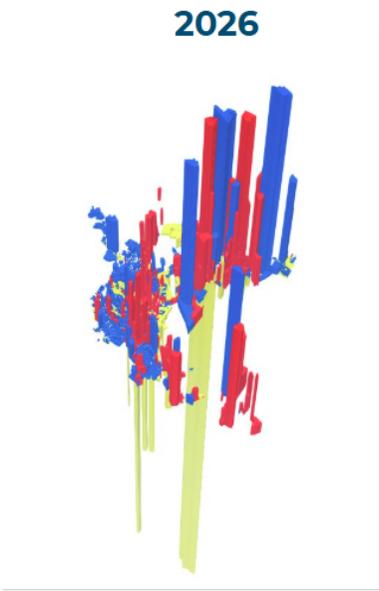
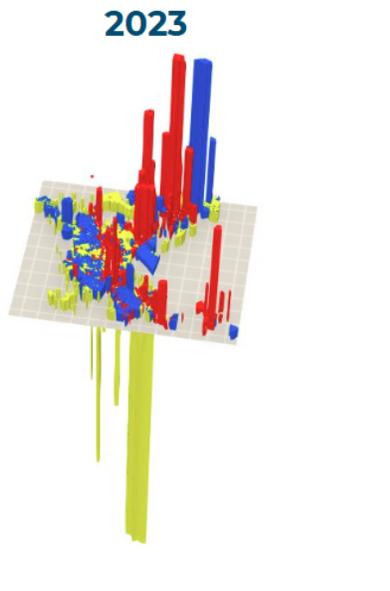
- Residential**
- Commercial**
- Exempt**



ECONOMIC UPDATE – Cost of Service Model

Cost of Service Values

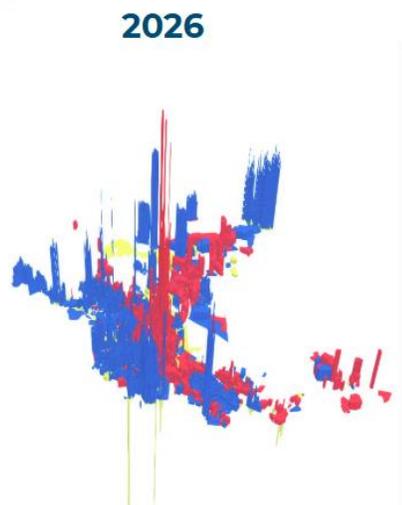
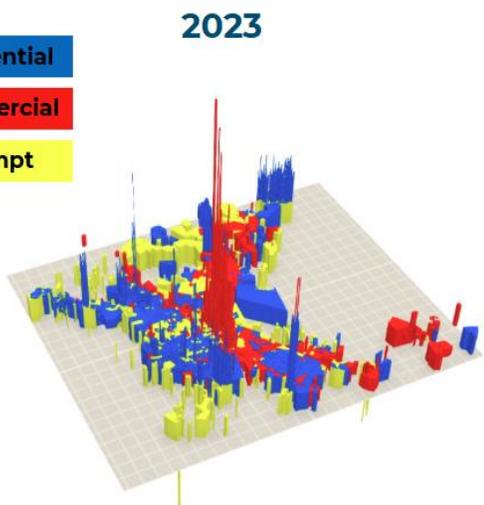
- Residential
- Commercial
- Exempt



ECONOMIC UPDATE – Cost of Service Model

Value per Acre

- Residential
- Commercial
- Exempt

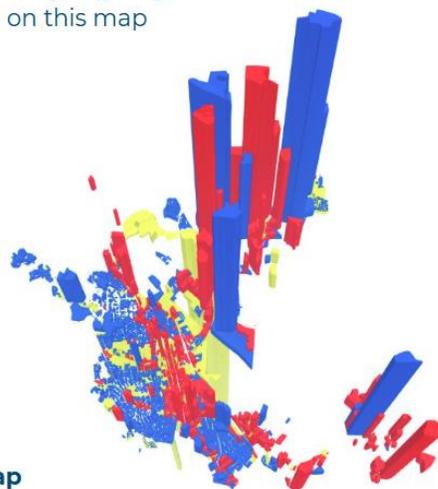


ECONOMIC UPDATE – Cost of Service Model

Cost of Service – Economic Development Drivers

- Economic Development Personal Property Impacts
 - Jabil ex. – >\$133m not captured on this map
- Increases Local Wages
- Overflow Economic Stimulus

- Residential
- Commercial
- Exempt



[Link to 2026 Map](#)

Budget and Evaluation Director Adam Murr finished the Economic Update.

ECONOMIC UPDATE – Local Developments

Jabil				
	FY24	FY25	FY26	FY27
Tax Rate	0.49	0.52	0.52	0.52
Value of a Penny (GFCP)	304,086	328,020	343,782	350,932
Real Property Assessed Value (Estimate)	16,495,100	16,495,100	16,495,100	16,495,100
Real Property Assessed Value (Actual)	16,495,100	16,495,100	16,495,100	16,495,100
Dollar (\$) Variance (Est. - Act.)	-	-	-	-
Percent (%) Variance (Est. - Act.)	100%	100%	100%	100%
Personal Property Assessed Value (Estimate)	27,428,117	27,428,117	27,428,117	27,428,117
Personal Property Assessed Value (Actual)	14,295,784	27,428,117	26,506,007	27,428,117
Dollar (\$) Variance (Est. - Act.)	(13,132,333)	-	(922,110)	
Percent (%) Variance (Est. - Act.)	52%	100%	97%	100%
Sum Real + Personal (Actuals preferred)	30,790,884	43,923,217	43,001,107	43,923,217
Levy in Actual Year (Actuals preferred)	150,875	228,401	223,606	228,401
Penny Equivalent	0.4962	0.6963	0.6504	0.6508

ECONOMIC UPDATE – Local Developments

Eli Lilly and Co.				
	FY24	FY25	FY26	FY27
Tax Rate	0.49	0.52	0.52	0.52
Value of a Penny (GFCP)	304,086	328,020	343,782	350,932
Personal Property Assessed Value (Estimate)	88,573,698	88,573,698	88,573,698	88,573,698
Personal Property Assessed Value (Actual)	-	88,573,698	133,518,789	133,518,789
Dollar (\$) Variance	(88,573,698)	-	44,945,091	
Percent (%) Variance	0%	100%	151%	151%
Sum Real + Personal (Actuals preferred)	-	88,573,698	133,518,789	133,518,789
Levy in Actual Year (Actuals preferred)	-	460,583	694,298	694,298
Penny Equivalent	-	1.4041	2.0196	1.9784

ECONOMIC UPDATE – Local Developments

117 McAbee Ct.				
	FY24	FY25	FY26	FY27
Tax Rate	0.49	0.52	0.52	0.52
Value of a Penny (GFCP)	304,086	328,020	343,782	350,932
Real Property Assessed Value (Estimate)	-	-	-	-
Real Property Assessed Value (Actual)	1,538,100	8,639,800	10,115,300	10,115,300
Dollar (\$) Variance	1,538,100	8,639,800	10,115,300	10,115,300
Percent (%) Variance	0%	0%	0%	0%
Sum Real + Personal (Actuals preferred)	1,538,100	8,639,800	10,115,300	10,115,300
Levy in Actual Year (Actuals preferred)	7,537	44,927	52,600	52,600
Penny Equivalent	0.0248	0.1370	0.1530	0.1499

ECONOMIC UPDATE – Local Developments

118 McAbee Ct.				
	FY24	FY25	FY26	FY27
Tax Rate	0.49	0.52	0.52	0.52
Value of a Penny (GFCP)	304,086	328,020	343,782	350,932
Real Property Assessed Value (Estimate)	-	-	-	-
Real Property Assessed Value (Actual)	1,184,000	7,450,200	9,980,900	9,980,900
Dollar (\$) Variance	1,184,000	7,450,200	9,980,900	9,980,900
Percent (%) Variance	0%	0%	0%	0%
Sum Real + Personal (Actuals preferred)	1,184,000	7,450,200	9,980,900	9,980,900
Levy in Actual Year (Actuals preferred)	5,802	38,741	51,901	51,901
Penny Equivalent	0.0191	0.1181	0.1510	0.1479

ECONOMIC UPDATE – Local Developments

Borg Warner				
	FY24	FY25	FY26	FY27
Tax Rate	0.49	0.52	0.52	0.52
Value of a Penny (GFCP)	304,086	328,020	343,782	350,932
Real Property Assessed Value (Estimate)	-	-	-	18,000,000
Real Property Assessed Value (Actual)	N/A	N/A	N/A	N/A
Dollar (\$) Variance				
Percent (%) Variance				
Personal Property Assessed Value (Estimate)	-	-	31,500,000	50,700,000
Personal Property Assessed Value (Actual)	N/A	N/A	N/A	N/A
Dollar (\$) Variance				
Percent (%) Variance				
Sum Real + Personal (Actuals preferred)	-	-	31,500,000	68,700,000
Levy in Actual Year (Actuals preferred)	-	-	163,800	357,240
Penny Equivalent	-	-	0.4765	1.0180

ECONOMIC UPDATE – Local Developments

SubTotal - Recent Major Economic Development Activity				
	FY24	FY25	FY26	FY27
SubTotal Real + Personal Assessed Value	33,512,984	148,586,915	228,116,096	266,238,206
SubTotal Levy in Actual Year	164,214	772,652	1,186,204	1,384,439
SubTotal Penny Equivalent	0.5400	2.3555	3.4505	3.9450

We interrupt this regularly scheduled program for Mayor’s Minutes with John Connet

City Manager John Connet spoke of a “Mayor’s Memory” when back in 2014 or 2015 we had a retreat at fire station two, we had a conversation about the need to focus on industrial development inside the city and council got behind the idea and felt like it was important to provide high quality services, to really focus on working with the partnership because we had very little industrial tax base inside the city at the at the time and this is a result of that. So, Council got behind us and this is the result of that. We are now generating 4 pennies of your tax rate that are coming from industrial development and is helping to pay the bills. So having that strategic vision is important.

D. Compensation and Benefits – Budget Team

Deputy City Manager Brian Pahle discussed the Employee Experience Survey.



Personnel & Benefits

Council Retreat
Feb. 26, 2026



COMPENSATION & BENEFITS

2025 EMPLOYEE EXPERIENCE SURVEY REPORT



“One team, one goal. All departments come together to help each other and make the City a great place.”

“The City has great insurance benefits and is always trying to grow benefits.”

“Knowing that your efforts directly contribute to the well-being of the community makes the work rewarding.”

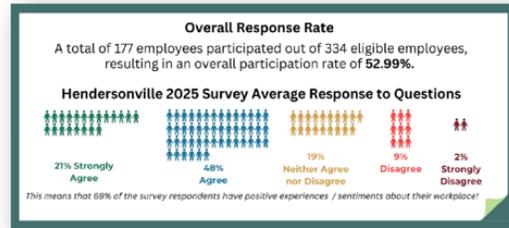
“My supervisors have been the best I’ve ever worked for. They hear my ideas and provide feedback.”

COMPENSATION & BENEFITS

Building an Employer of Choice

Climate Survey:

1. Surveyed 177 of 334 Employees
2. Last Stay Survey 2018
3. Satisfaction, Climate, Public Sector Motivation, and Open-ended
4. Pay & Benefits Stood Out as Motivators
5. Open-ended Responses Highlight Work-Life Balance, Pay, Cost of Living, Time Off Constraints, and Doing More with Less



- What are the top five workforce topics/issues do you believe are most important to your organization? In other words, which factors do you see the City of Hendersonville putting the most emphasis or value on?
- What considerations or factors might make you leave the public sector? Please consider the top five most important factors.
- What considerations or factors might make you leave your current organization and go to a different public sector organization?

*“Work/life balance is most important to me.
The ability to be involved in my kids’ lives is second to none.”*

COMPENSATION & BENEFITS

Building an Employer of Choice

Net Promoter Score

77.40

*This is strong score!
This indicates that employees feel very positive about working for the City and are highly likely to recommend it as a workplace.*

“I would recommend working at the City of Hendersonville to a friend”

Score	Rating
<0	Bad
0-19	Okay
20-49	Favorable
50-79	Excellent
80-100	World Class

The **City of Hendersonville's Net Promoter Score of 77.4** represents a strong and positive result. This score indicates that a clear majority of employees feel positively about their work experience and would recommend the City as an employer. Overall, the results suggest solid morale, confidence in the organization, and a healthy relationship between employees and the City.

Adam Murr took over to compensation and benefits.

COMPENSATION & BENEFITS

Culture Built on Performance Investments

Pay & Class Study Completed July 1, 2022 (FY23)... **Direction:**

- 1. 75th Percentile** pay competitiveness among peer local gov's
- No (2080hr) employee should earn < **\$16.88/hour (living wage)**
- Improve **merit-based pay structure** (↑ high performers)
- Provide a **401k match benefit**



Fiscal Year	Cost-of-Living (COLA)	Merit-Based Pay	401k Match
FY22	10.00%	1.00 1.75 2.50%	-
FY23	(Pay & Class)	1.00 2.00 3.00%	-
FY24	3.00%	1.00 2.25 3.50%	2.00%
FY25	5.00% + 5.00% Public Safety	(Eval. Process ↑)	2.00%
FY26	4.00%	1.00 2.25 3.50%	3.00%

COMPENSATION & BENEFITS

What are the costs?

City of Hendersonville, NC 5-year Salary & Benefit History by Fund

Fund	FY22	FY23	FY24	FY25	FY26
	Actual	Actual	Actual	Actual	Estimate
General Fund	11,967,964	13,636,945	15,279,858	15,807,863	17,689,945
Main St. MSD Fund	200,435	280,630	346,217	429,386	467,526
7th Ave. MSD Fund	59,407	78,467	97,313	95,352	116,739
Water & Sewer Fund	9,467,563	10,500,016	11,117,886	12,071,256	13,392,738
Parking Fund	-	114,540	177,465	263,248	266,529
Stormwater Fund	541,154	596,125	812,073	879,417	1,071,097
Env. Services Fund	1,062,823	1,026,827	1,016,503	1,101,060	1,161,672
TOTAL Salaries & Wages	23,299,346	26,233,550	28,847,315	30,647,584	34,166,245
\$ Change YoY	4,408,783	2,934,204	2,613,765	1,800,268	3,518,662
% Change YoY	23.34%	12.59%	9.96%	6.24%	11.48%

COMPENSATION & BENEFITS

A Strong Foundation

Since pay & class (FY22 & FY23), we've:

- Updated **pay structures** and **career ladders**
- Developed **direction on living wage target** and **procedure**
- Kept pace with Dec.-to-Dec. (YoY) **inflation**, + **catch-up**

Develop Career Ladders for All Departments	Achieved	07/01/2023	100%	01/16/2025	Following the 2022 pay & classification study, City staff continued work towards a pay structure that emphasized recruitment and retention of talented staff. In recent years, we have continued the development of non-competitive promotion opportunities, i.e. career ladders.
Develop a Living Wage Calculator Specific to Hendersonville	Achieved	07/01/2023	100%	06/30/2025	A living wage draft calculation was presented to City Council during the FY26 budget process. The draft calculation was accompanied by a draft living wage policy. Upon further discussion, it was determined the City should pursue a living wage in alignment with JustEconomics and/or MIT, without the adoption of a formalized policy.
Identify COLA Implementation Plan	Achieved	07/01/2023	100%	06/30/2025	During the FY26 budget process, a plan to "catch-up" with the living wage was presented to City Council. An inflation adjustment of 2.89% was recommended, in partnership with a 3.00% catch-up rate. The initial recommended COLA to align with living wage was 5.89% total. Upon discussion, it was determined the City would implement a 4.00% COLA, covering 2.89% inflation + 1.11% catch-up rate. The 4.00% COLA was adopted by City Council, effective July 1, 2025. Staff have clear direction from Council to pursue the living wage identified by JustEconomics until further direction is provided.

Supporting one of Council's top goal areas:
Compensation, Benefits, and Staff Development

COMPENSATION & BENEFITS

Culture Built on Performance Investments



Solutions and wins for **Community, Council, and Staff:**

1. Living wage **momentum**
 - a. 62.6% of approved positions provide a living wage
 - b. 77.1% of current staff earn a living wage
2. Advance 401k match to **5.00% target**

Maintain 100% of Job Classifications Starting Salaries Above the Living Wage	Off Track	07/01/2023	62.6%	09/30/2025	The City's FY26 living wage remains unchanged since the prior update dated 07/01/2025. The City is pursuing a \$23.15 per hour wage as identified by JustEconomics. In FY26, 62.6% of positions earn a wage greater than or equal to \$23.15 per hour upon probation completion. In the coming FY27 budget process, Staff will monitor changes to the living wage recommended by JustEconomics and provide Council information on wage inflation and a "catch-up" plan.
% of Workforce Making Living Wage or Greater	Off Track	07/01/2023	77.1%	09/30/2025	The \$48,152 identified living wage remains constant. As of 09/30/2025, 266 of 345 active employees earn an annual wage of \$48,152 or greater (77.1%). Staff will continue to monitor living wage trends entering the FY27 budget process and deliver information to Council for informed decision making on future living wage discussion.
Increase 401k Match by 1% per Year until 5% is Reached	On Track	07/01/2023	3%	09/30/2025	The FY26 401(k) contribution match for all general-class (non-sworn) employees remains 3.00%. The Human Resources team is working with Empower to change all 401(k) contributions made by employees to percentage-based and eliminate dollar-based options. This change will allow employees to enroll in programs that increase 401(k) contributions by a percentage point each year, automatically - improving retirement savings habits. In the FY27 budget process, Council will be provided participation data and forecasts of future program costs, including options to increase the 401(k) contribution match to 4% and/or 5%.

COMPENSATION & BENEFITS

COLA

The Living Wage Rate:

The 2026 Living Wage Rate for employers in Buncombe County is \$24.10/hr, and the Pledged Living Wage Rate is \$20/hr with a commitment to raise wages 3% plus inflation until the living wage for that year is met.

For employers in WNC counties excluding Buncombe, the 2026 'Rural' Living Wage Rate is \$17.55/hr.

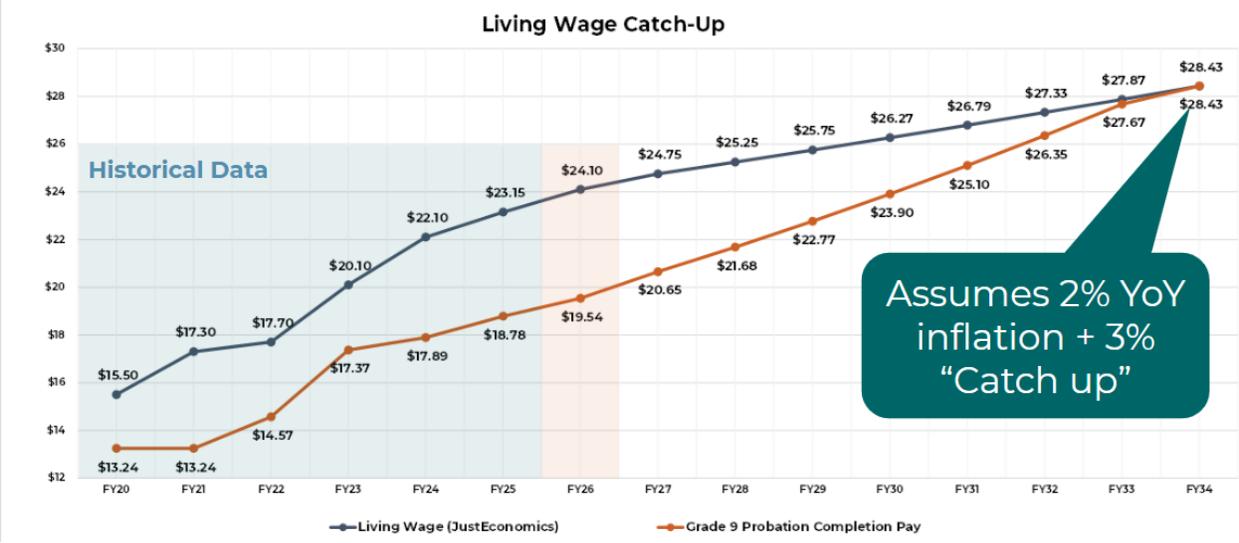
We recalculate the Buncombe living wage rate every year and adjust according to a formula. This formula is based on Fair Market Rent as determined by HUD and adjusted using a four year average of the FMR to mitigate any volatile changes up or down. To download the full calculation, [click here](#).

We adjust our wage rate based on a formula directly related to the cost of housing. Our area has seen a significant rise in the cost of housing over the last several years. As costs rise for employees, the living wage must increase to keep pace with inflation and the real costs of living. Below describes a little bit about how living wages can be calculated, how we calculated ours, and how we arrived at our wage rate.

The WNC rural living wage rate is calculated at 233% of the federal poverty guidelines, rounded to the nearest nickel, due to the unreliability of accurate FMR data in rural counties.

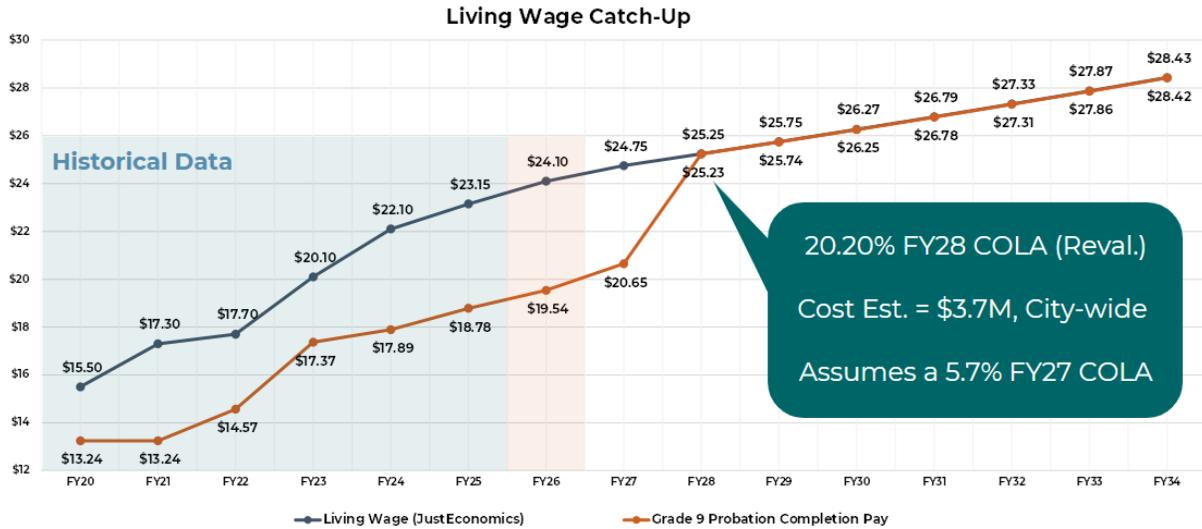
COMPENSATION & BENEFITS

Gradual Living Wage Catch-Up



COMPENSATION & BENEFITS

Reval. Living Wage Catch-Up



COMPENSATION & BENEFITS

401k Enrollment: FY25 (Dec.) & FY26 Current (Dec.)

City Employee 401k Enrollment

Enrollment Type	FY25			FY26		
	Before Tax	After Tax (Roth)	Before & After	Before Tax	After Tax (Roth)	Before & After
Dollar - Based	18	6	-	9	2	-
Percent - Based	69	75	11	92	90	10
Sub-Total (Before / After Tax)	87	81	11	101	92	10
Total Participation	179			203		

City Employee 401k Enrollment

Enrollment Type	FY25		FY26	
	Before Tax	After Tax (Roth)	Before Tax	After Tax (Roth)
Min. \$ Contribution	\$ 15.00	\$ 10.00	\$ 25.00	\$ 40.00
Avg. \$ Contribution	\$ 76.39	\$ 113.00	\$ 70.00	\$ 45.00
Max. \$ Contribution	\$ 350.00	\$ 300.00	\$ 125.00	\$ 50.00
Min. % Contribution	1.00%	1.00%	1.00%	1.00%
Avg. % Contribution	4.89%	4.65%	5.00%	4.87%
Max. % Contribution	45.00%	23.00%	70.00%	25.00%

Just over half (~55%) of EEs, not including police, are contributing to 401k plans and receiving some level of match.

COMPENSATION & BENEFITS

401k Match Consideration: FY27 Estimate

FY27 401k Match Consideration (Current Participation, +5.70% COLA + Merit)

Fund	2% Match (Est.)	3% Match (Est.)	4% Match (Est.)	5% Match (Est.)
General Fund	104,832	145,648	170,383	190,491
Main St. MSD Fund	5,427	8,044	9,344	10,224
7th Ave. MSD Fund	1,511	2,248	2,608	2,842
Water & Sewer Fund	103,799	143,298	168,131	187,507
Parking Fund	1,548	2,182	2,441	2,657
Stormwater Fund	11,418	16,205	17,666	18,030
Env. Services Fund	8,188	12,154	14,235	15,149
TOTAL	236,723	329,779	384,809	426,902

Fund	\$Δ (3% to 4%)
General Fund	24,735
Main St. MSD Fund	1,300
7th Ave. MSD Fund	360
Water & Sewer Fund	24,834
Parking Fund	259
Stormwater Fund	1,461
Env. Services Fund	2,081
TOTAL	55,030

Estimated cost to increase match in FY27 = \$55k

COMPENSATION & BENEFITS

401k Contribution Consideration: FY27 Estimate

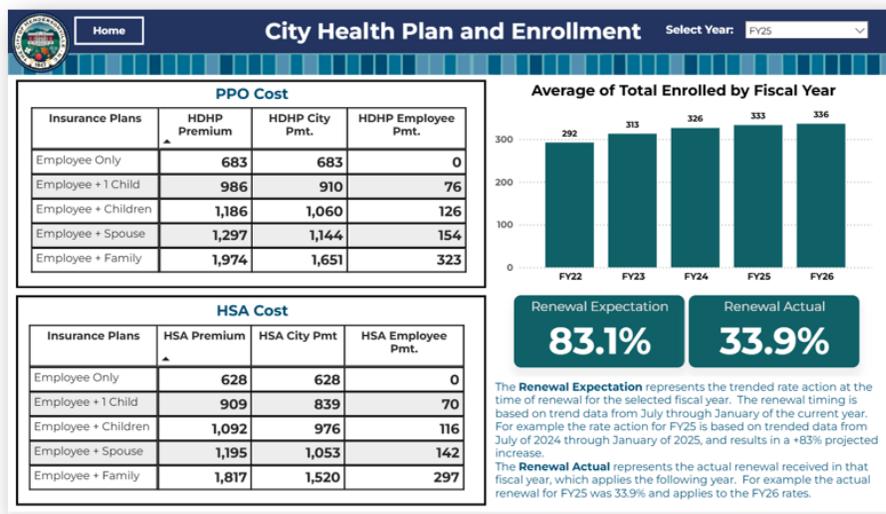
FY27 401k Contribution Consideration (100% Participation, +5.70% COLA + Merit)

Fund	1% Contribution	2% Contribution	3% Contribution	4% Contribution	5% Contribution
General Fund	81,669	163,338	245,007	326,676	408,346
Main St. MSD Fund	3,997	7,994	11,991	15,988	19,985
7th Ave. MSD Fund	1,120	2,241	3,361	4,481	5,601
Water & Sewer Fund	92,008	184,016	276,024	368,032	460,041
Parking Fund	1,949	3,898	5,847	7,796	9,746
Stormwater Fund	7,453	14,907	22,360	29,814	37,267
Env. Services Fund	9,659		28,978	38,638	48,297
TOTAL	197,856	376,394	593,569	791,426	989,282

COMPENSATION & BENEFITS

Medical Insurance Update

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



Brian Pahle went over a brief medical insurance update.

COMPENSATION & BENEFITS

Medical Insurance Update

Brief History:

1. The City has been with the League Medical Insurance Trust (MIT) for over a decade. The main healthcare provider was MedCost.
2. In FY24 the MIT moved away from MedCost and contracted with Aetna.
3. In FY25 the MIT closed the pool. The City contracted with the Carolina Public Entity Cooperative (CPEC), which uses Blue Cross Blue Shield of North Carolina for its healthcare provider.

Items to Note:

1. The City has bid its health plan numerous times over this period.
2. The City has modified its plan design multiple times over this period.
3. The City's claims ran well from 2019-2022.
4. In 2023 claims started to outpace the renewals received from MIT.

COMPENSATION & BENEFITS

Medical Insurance Update

In a Nutshell:

1. The City's plan is a PPO option and HDHP HSA option design.
2. Deductibles range from \$1,000 (single, PPO), to \$3,300 (family, HSA).
3. The City covers 75% of insurance premiums for dependent coverage. As example, for a family plan on the HSA, the employee only pays \$305 of the \$2,078 monthly premium.
4. There are approximately 337 subscribers.
5. Medical claims have been the main driver of cost increases, due to higher utilization, market/inflationary increases, and high-cost claimants.
6. We are in a highly competitive benefits market.
7. Recent plan changes FY24 MedCost, FY25 Aetna, and FY26 BCBS have complicated some of our reporting/data management.

Mark Browder with Mark III Employee Benefits and Josh McGee with Alpine Partners and works with the new pooled insurance cooperative called CPEC (Carolina Public Entity Cooperative) were there to discuss health insurance options.

Empowering Local Governments with Affordable Healthcare Solutions



2025

Our North Carolina Government Clients

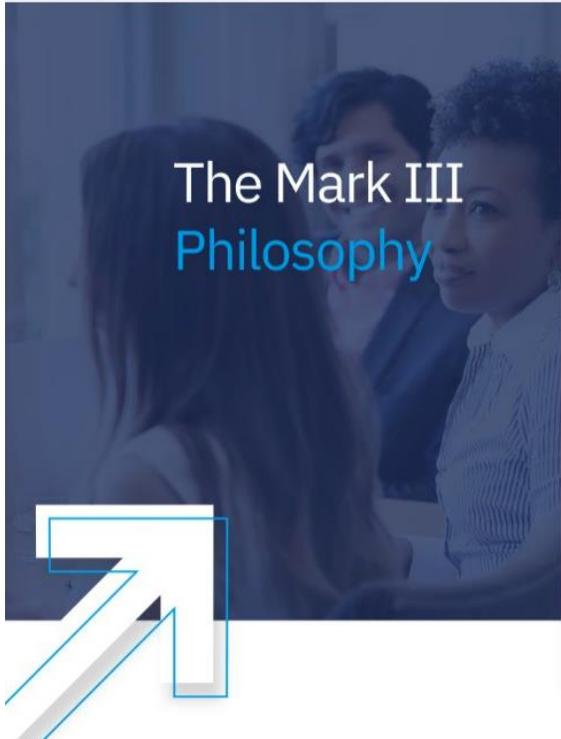
60+

County Governments
Municipalities
Government Entities

150+

Across the Southeast US





- ✓ Believes no one solution satisfies all needs.
- ✓ Independence is critical.
- ✓ Multiple options are required to best meet our customers' needs.
- ✓ Our long-term vendor partner relationships are critical for customer success.
- ✓ That doing the same thing and expecting a difference result, is a poor expectation.

What is the problem we are trying to address?

- Premium Hikes:** The average family health insurance premium in the U.S. increased by **20% from 2020 to 2025**, rising to over **\$24,000 annually**.
- Deductibles on the Rise:** Deductibles have surged by **30% in the past five years**, with the average individual deductible now exceeding **\$1,800 per year and \$3,600 for families**.
- Out-of-Pocket Maximums:** For many plans, out-of-pocket maximums have jumped to over **\$9,100 for individuals and \$18,200 for families**—a massive burden for middle-income households.
- Employer-Sponsored Plans:** Businesses are passing on costs to employees, with worker contributions to premiums increasing by **40% since 2015**, averaging over **\$6,500 annually** for families.

What is the problem we are trying to address?

For 2026, across 312 insurers participating in the ACA Marketplaces from the 50 states and the District of Columbia, this analysis shows a median proposed premium increase of 18%, which is about 11 percentage points higher than last year. This is the largest rate change insurers have requested since 2018, the last time that policy uncertainty contributed to sharp premium increases. On average, ACA Marketplace insurers are raising premiums by about 20% in 2026.

State	Carrier	Rate
Change		
North Carolina	Ambetter of North Carolina Inc.	27.7%
North Carolina	AmeriHealth Caritas North Carolina, Inc.	39.9%
North Carolina	Blue Cross Blue Shield of North Carolina	29.4%
North Carolina	CareSource North Carolina Co.	13.5%
North Carolina	Cigna HealthCare of North Carolina, Inc.	27.5%
North Carolina	Oscar Health Plan of North Carolina, Inc.	0.0%
North Carolina	UnitedHealthcare of North Carolina, Inc.	32.3%

Source: KFF analysis of data from [raterewiew.healthcare.gov](https://www.kff.org/raterewiew/healthcare.gov), California Department of Managed Health Care and insurer rate filings

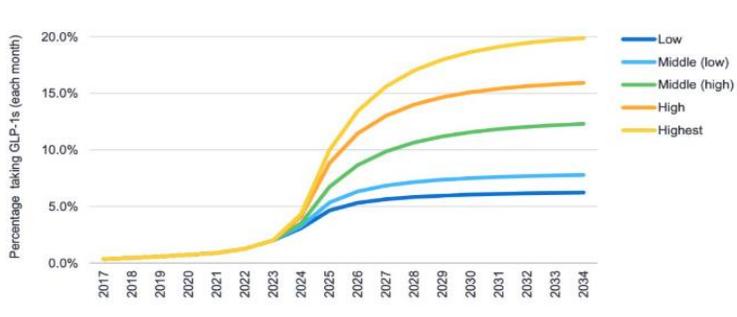
What factors are contributing to the problem?

Specialty Drug Pricing	Consolidation in Healthcare	Chronic Disease Epidemic	Administrative Overhead	Advancements in Medical Technology
The cost of specialty drugs, has risen by over 15% annually , with some therapies costing \$1 million+ per patient	Mergers among hospitals, physicians, and insurance companies reduce competition, allowing monopolistic pricing practices	Nearly 60% of U.S. adults have at least one chronic condition accounting for ~90% of annual healthcare expenditures	Administrative costs account for ~25% of U.S. healthcare spending increase overall cost of care	While lifesaving, new treatments and technologies such as Cell and Gene Therapy , add billions annually to healthcare costs

GLP-1s will continue to rise until at least 2028, stabilizing somewhere between 7.9% and 12.7% of members per month depending on the specific assumptions.

The forecast walks through multiple forces driving utilization:

- Expanded indications for sleep apnea, cardiovascular disease, and other indications
- Increased persistency and lower dropout rate
- Direct-to-consumer marketing and social media amplification
- Growing use by members without diabetes or documented obesity



<https://www.milliman.com/en/insight/long-range-glp-1-forecast-health-plans>

Specialty Drug Cost Growth driven by GLP-1 indication expansion and increased persistency

Pharmacy Benefit Manager & Insurance Company Vertical Integration

Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, and Providers, 2024



Group Purchasing Organization (GPO) are offshore entities utilized by Pharmacy Benefits Managers to:

- Negotiate discounts and rebates
- Take advantage of more tax and business friendly regulatory environments



30+ Cell & Gene Therapies Approved



Lyfgenia and Casgevy

Approved in December 2023 for Sickle Cell disease, Lyfgenia is priced similarly to Casgevy, with costs between \$2.2 million and \$3.1 million

Hemgenix

Approved for the treatment of Hemophilia B, Hemgenix is a one-time gene therapy infusion priced at approximately \$3.5 million per treatment

Skysona

Approved for Cerebral Adrenoleukodystrophy (CALD), Skysona is a gene therapy with a list price of \$3 million

Zynteglo

Approved for the treatment of Beta-Thalassemia, Zynteglo is a one-time gene therapy with a list price of approximately \$2.8 million

Zolgensma

Used to treat Spinal Muscular Atrophy in pediatric patients, Zolgensma is a one-time gene therapy priced at around \$2.1 million

Elevidys

Approved for Duchenne Muscular Dystrophy, Elevidys is a gene therapy priced at \$3.2 million

Luxturna

Approved for Leber Congenital Amaurosis, a rare form of inherited vision loss, Luxturna is a gene therapy with a cost of approximately \$850,000 for both eyes

Prevalence of claims >\$1m have increased by 150% in recent years and claims >\$3m have increased by 300%.

- Driven in large part by new treatments for rare diseases, and
- Emerging innovative therapies for cancer, neurological conditions, and lifestyle concerns

Recent claims examples include:

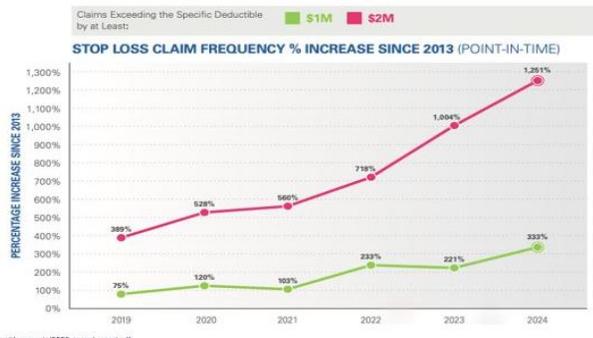
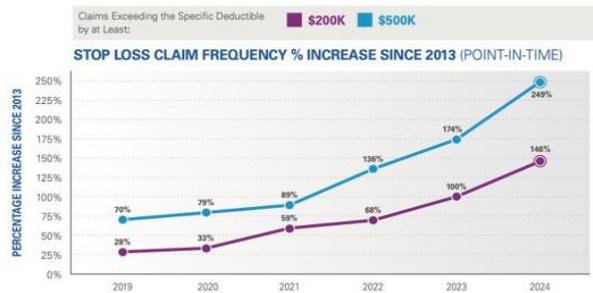
- >\$5m Zolgensma claim for newborn with Spinal Muscular Atrophy
- >\$10m claim for Hereditary Angioedema
- >\$4m claim for Hemophilia B

Frequency of Large Claims is on the Rise, driven by:

- Neoplasms/Cancers
- Cardiovascular Disease
- Musculoskeletal
- Digestive Disease
- Nervous System Disease

48,149 Transplants were performed in 2024

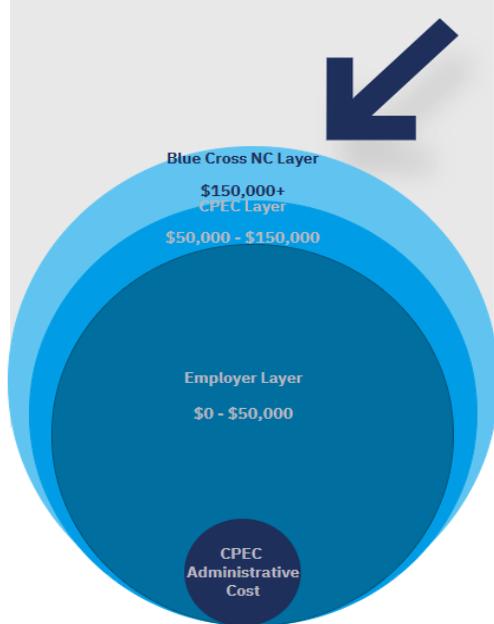
Stop Loss Carrier loss ratios have deteriorated to 86%



Marketplace Options

Funding Type	Fully Insured	Level Funded	Self Funded
Plan Administration			
Pharmacy Administration			
Network Access			
Stop Loss Carriers	Not Applicable	Various	Various
Differentiating Factors	<ul style="list-style-type: none"> • Access to all carriers and plan options available in the market • Stable and defined monthly premiums • Fully integrated solution • Limited access to claims data • Limited plan design flexibility 	<ul style="list-style-type: none"> • Access to all carriers and plan options available in the market • Stable and defined monthly premiums • Fully integrated solution • Modest access to claims data • Limited plan design flexibility • Opportunity "partially win" through positive performance 	<ul style="list-style-type: none"> • Access to all carriers and plan options available in the market • Cashflow volatility (limited through stop loss) • Plan design flexibility • Access to all paid claims data • Opportunity customize cost containment solutions • Retain all positive claims performance
Eligibility	• Eligibility requirements vary based on funding type and carrier	• Eligibility requirements vary based on funding type and carrier	• Applicable for entities with 100+ eligible employees

CPEC Funding Layers



Blue Cross NC Specific Stop Loss

- Protects against unpredictable high-cost claimants during the policy period
- Protection against Cell and Gene Therapy claims through BCS Synergy Program
- No New Laser, Renewal Rate Cap and Custom Experience Refund provisions

CPEC Layer

- Cooperative layer for medical and pharmacy claims (per member) from \$50,000 - \$150,000 during the policy period
- Pooling of claims in this layer provides [Renewal Stability and Predictability](#)

Employer Layer

- Medical and pharmacy claims (per member) from \$0-\$50,000 during the policy period
- Choose your own plan designs and contribution strategy

CPEC Administrative Cost

- Includes all administrative and professional services cost for the cooperative including: Blue Cross NC Administrative Fee, Accounting, Audit, Actuarial, and Legal Fees, Consultant Fee, and Projected Pharmacy Rebate Returns

Why CPEC?

- **Safety in Numbers**
 - Law of Large Numbers matters in health insurance allowing for leverage in all areas of vendor contracting
- **Conservative**
 - CPEC's financial approach delivers consistent value while providing predictability and sustainability year after year
- **Preservation**
 - Retain individual plan design and contribution strategy autonomy
- **Empowered**
 - Entities participate in, discuss, and vote on all opportunities explored by the cooperative
 - Subsequent years provide more options and additional financial flexibility
- **Ownership and Partnership**



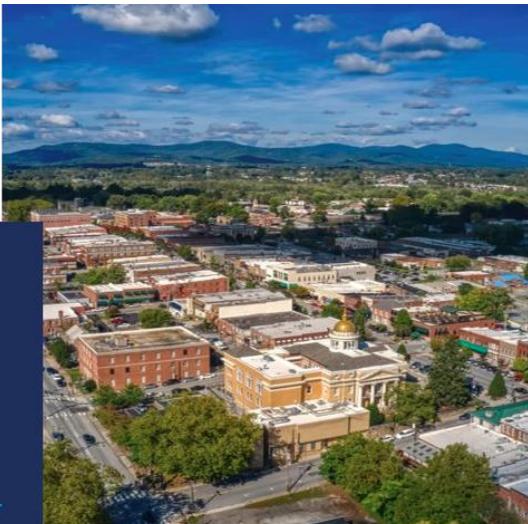
Mark III History of Municipal Collaboration

- ✓ Intergovernmental Healthcare Alliance program launched in 2022 with a focus on Self Funded and Guaranteed Cost employers
- ✓ CPEC launched in 2025 offering an innovative funding approach to managing claims costs, contracting and risk management that is predictable and budgetable
- ✓ **Our Goal:** Create unique funding arrangements that expands the benefits of scale and innovation to government entities in North Carolina

Employer Groups
40+

Members
30,000+

Saving
\$30M+

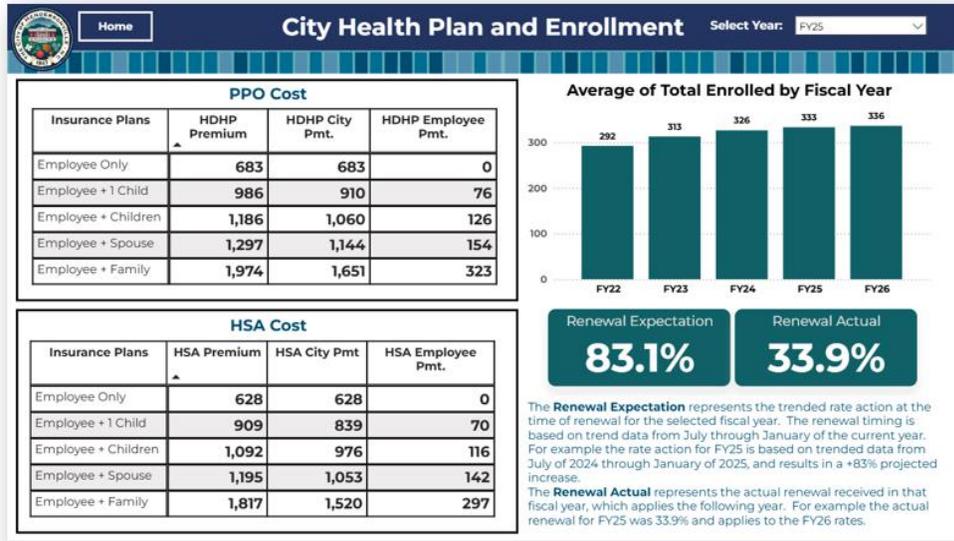


Lastly, Jenny Floyed continued with compensation and benefits.

COMPENSATION & BENEFITS

Medical Insurance Update

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



COMPENSATION & BENEFITS

Paid Family Leave

Line Maintenance Mechanic II Cost PFL Average 4.8 Per Year		
6 Weeks	\$	65,132
8 Weeks	\$	86,843
10 Weeks	\$	108,554
12 Weeks	\$	130,265

FF/EMT I Cost PFL Average 3.6 Per Year		
6 Weeks	\$	53,856
8 Weeks	\$	71,809
10 Weeks	\$	89,761
12 Weeks	\$	107,713

Police Officer I Cost PFL Average 3 Per Year		
6 Weeks	\$	47,124
8 Weeks	\$	62,833
10 Weeks	\$	78,541
12 Weeks	\$	94,249

City Wide Average Cost PFL Average 17.6 Per Year		
6 Weeks	\$	318,490
8 Weeks	\$	424,653
10 Weeks	\$	530,816
12 Weeks	\$	636,979

Average Cost Per 2 Weeks City-Wide: \$106k

COMPENSATION & BENEFITS

Compensation & Benefits FY27

Items for Consideration

1. COLA + Living Wage Catchup
2. COLA + Reval. Catchup
3. Dependent Insurance
4. Other Insurance Benefits
5. 401k Options
6. Paid Family Leave
7. Short-term Disability
8. Childcare Options

Mandates

1. Local Government Employees Retirement System (LGERS)



City Manager John Connet, ended the meeting saying to Council that we've shown you a lot but we'd like to give you the opportunity to ask any questions and open the door for any direction or conversation knowing that you won't be making any final decisions tonight but I'll pause here and see if anyone would like to speak. With no questions, Mr. Connet announced that we will have breakfast at the police department at 8:00 in the morning from Joey's bagels and then we will start promptly at 8:30 a.m.

4. CITY COUNCIL COMMENTS

None

5. ADJOURN

There being no further business, the meeting adjourned at 8:24 p.m. upon unanimous assent of the Council.

ATTEST:

Jill Murray, City Clerk

Barbara G. Volk, Mayor