



CITY OF HENDERSONVILLE
BUSINESS ADVISORY COMMITTEE
City Hall – 2nd Meeting Room | 160 6th Avenue E. | Hendersonville NC 28792
Monday, May 11, 2026– 11:30 AM

MINUTES

Present: Chairman Ken Gordon, , Vice-Chair Rebecca Waggoner, Chris Cormier, Michael Gilligan, Adam Justus Tiffany Lucey, Jake Ross, Sarah Cosgrove & Melinda Lowrance

Absent: Andrea Martin

Staff Present: City Manager John Connet, Deputy City Manager Brian Pahle, City Clerk Jill Murray, and Communications Director Allison Justus

1. CALL TO ORDER

Chairman Ken Gordon called the meeting to order at 11:32 a.m. and welcomed those present.

2. APPROVAL OF AGENDA

Michael Gilligan moved to approve the agenda as presented. Motion carried unanimously.

3. APPROVAL OF MINUTES

Adam Justus moved to approve the minutes of January 12, 2026. Motion carried unanimously.

4. OLD BUSINESS

5. NEW BUSINESS

A. Review of FY26-27 Budget - *John Connet, City Manager*

City Manager John Connet gave the following PowerPoint presentation.

**Business
Advisory
Committee**

May 11, 2026



DESIRED OUTCOMES

Desired Outcomes & Council's Direction:

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

SETTING THE STAGE – BUDGET MEMOS

The Manager's Message

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

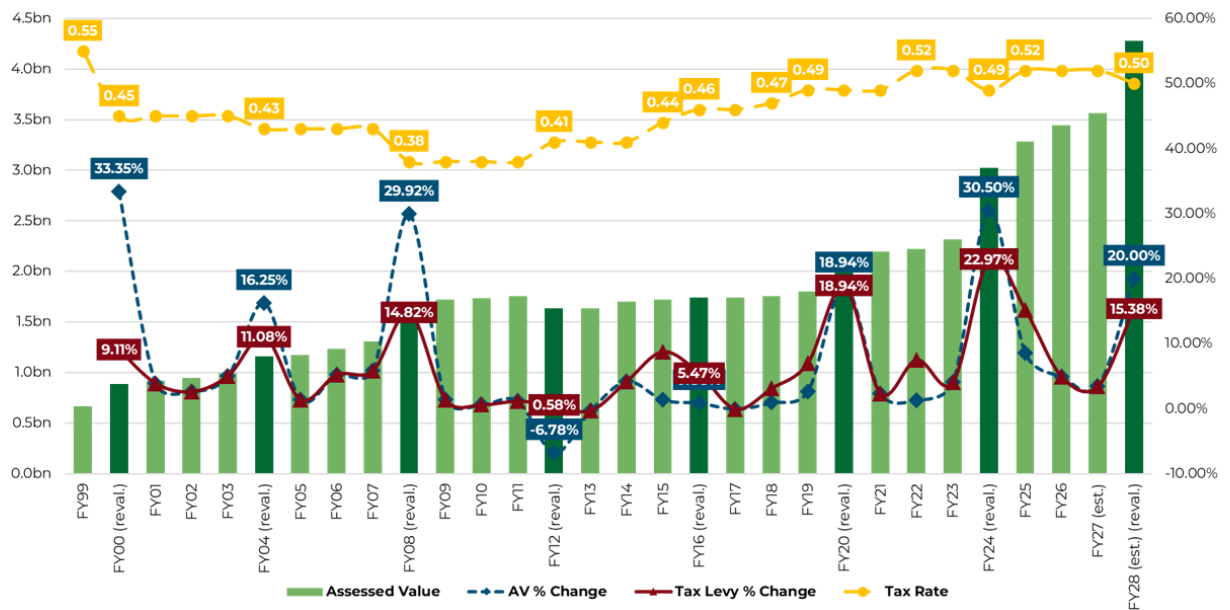
SETTING THE STAGE – TAX STRATEGY

The Property Tax

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

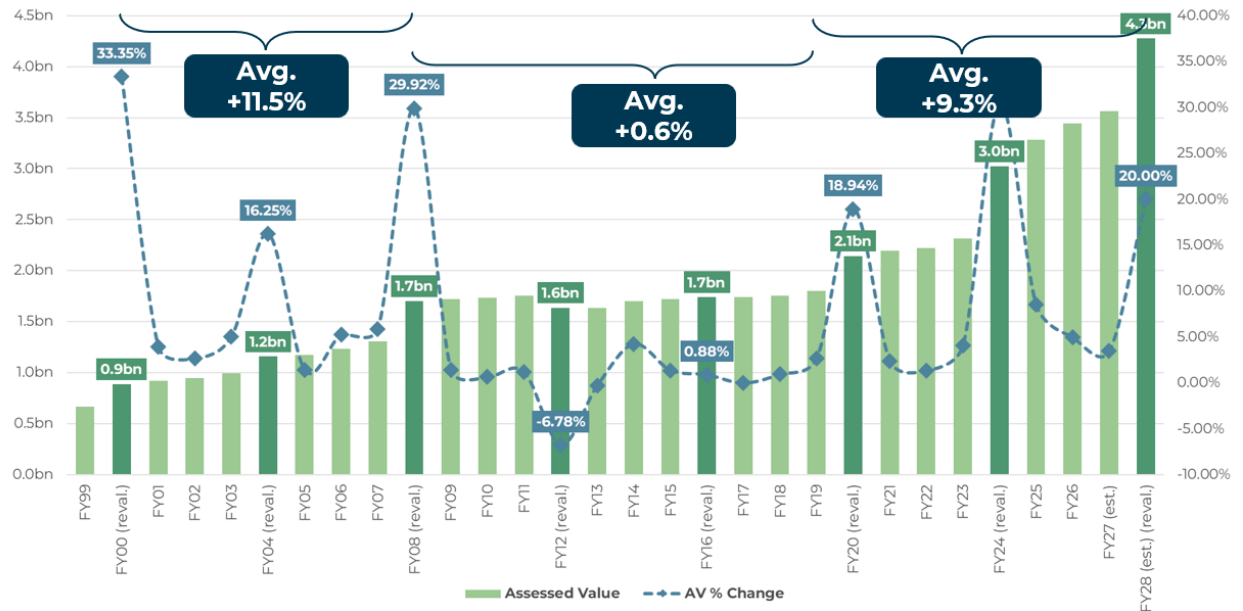
SETTING THE STAGE – TAX STRATEGY

Values, Rates, & Levies



SETTING THE STAGE – TAX STRATEGY

Values, Rates, & Levies



SETTING THE STAGE – TAX STRATEGY

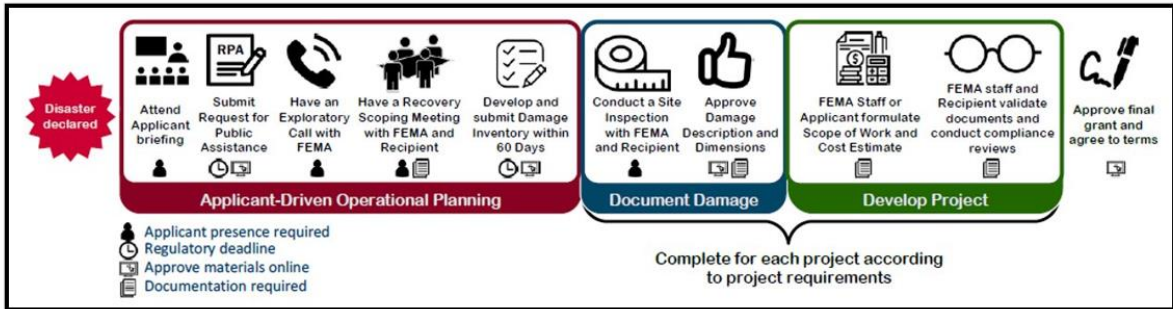
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SETTING THE STAGE – HELENE RECOVERY

FEMA PA – Budget, Obligations, and Revenues

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



SETTING THE STAGE – HELENE RECOVERY

FEMA PA – Fixed Cost Offers (FCOs)

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

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

Dear Mr. Stanton,

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

- Project 824995 – Whitmire Activity Center

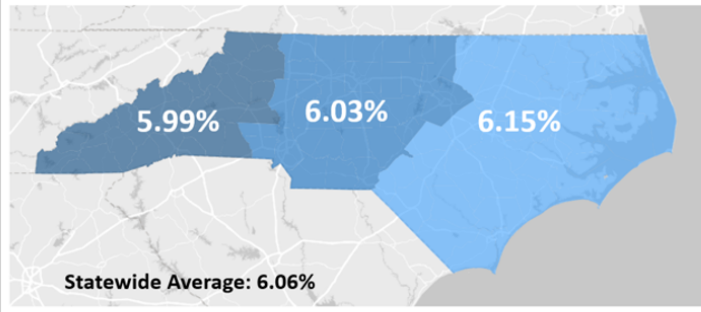
The City has submitted a complete FCO package for this project via the FEMA Grants Portal. Submission was made in advance of both the administrative deadline of February 28, 2026 established by FEMA leadership for this disaster, and the statutory deadline of March 28, 2026. The City acted diligently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

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



North Carolina Association of County Commissioners

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



COLA & Merit

FY24 Overview

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

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

Making progress towards our living wage target.

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

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

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

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

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

SETTING THE STAGE – FINANCIAL CONDITION

Financial Sustainability Scorecard

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

* = Budget Year Only



GENERAL FUND

Council Workshop
May 01, 2026



GENERAL FUND – 010

General Fund Desired Outcomes...

Council Direction on:

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

GENERAL FUND – 010

FY26 Revised →
FY27 Recommended

REVENUES

GENERAL FUND – 010

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

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

Est. = 107% of budgeted revenues

GENERAL FUND – 010

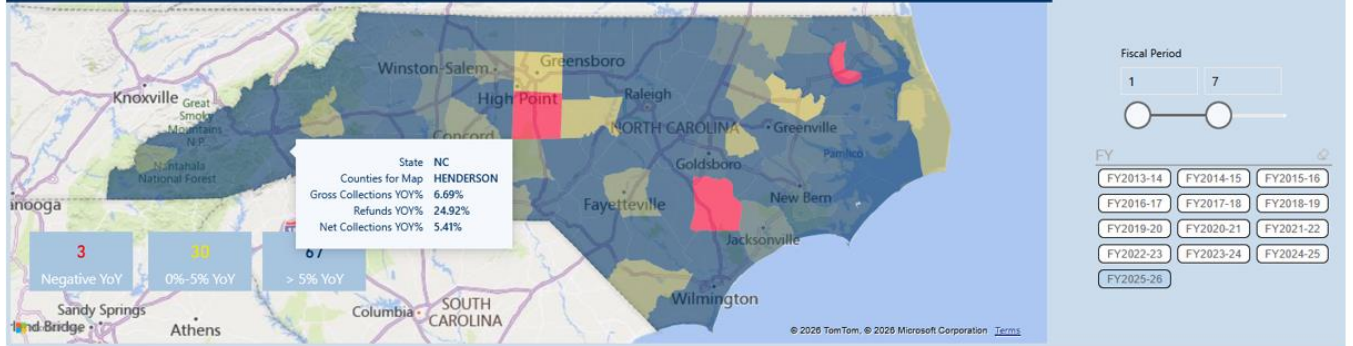
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Unrestricted Intergovernmental:

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

GENERAL FUND – 010

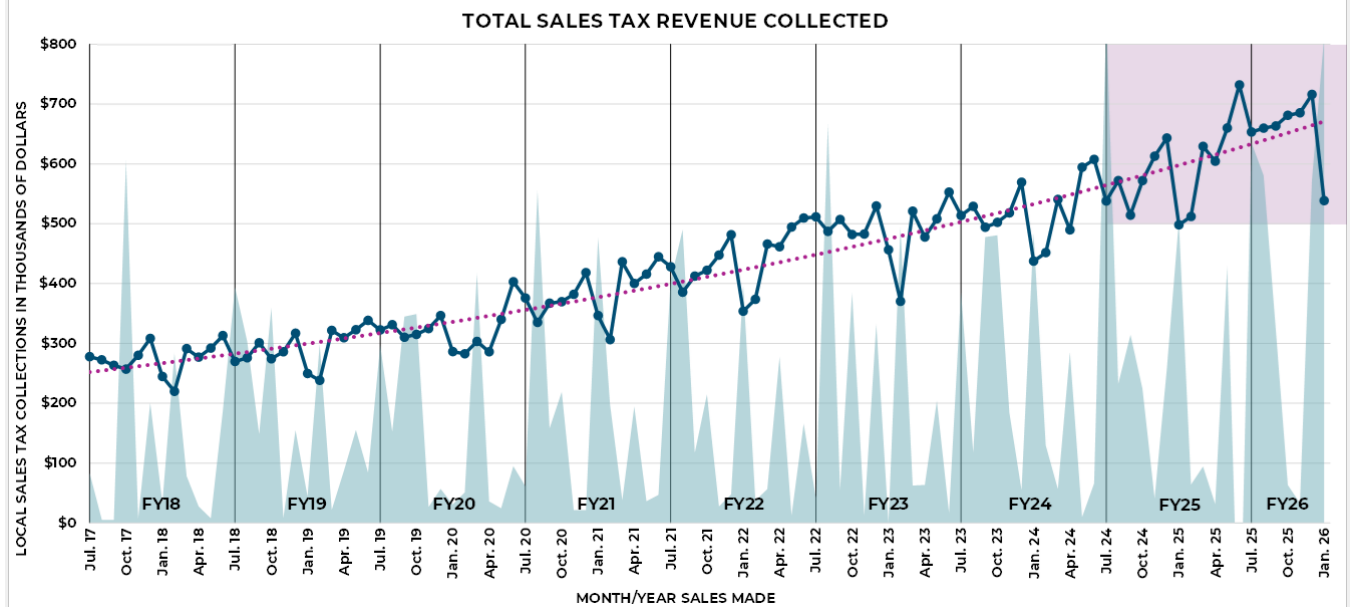
% Gross Collections YoY



% Gross Collections YoY



GENERAL FUND – 010



GENERAL FUND – 010

FY26 Revised →
FY27 Recommended

EXPENDITURES

GENERAL FUND – 010

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

Personnel/Benefits:

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

Est. = 96% of
budgeted
expenditures

GENERAL FUND – 010

LGERS (Retirement) City Contributions

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

Local Gov. Employee Retirement System (LGERS):

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

GENERAL FUND – 010

GENERAL FUND

	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
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TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%

Operating:

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

GENERAL FUND – 010

Data Source	Fund	Project	Department	FY25	FY25	FY25	FY26	Comments	FY26	FY27	FY27	
Data Source	010:General Fund	Total Project	Total Department/All Departments	Plan	Plan	Actual	Plan		Plan	Plan	Plan	
				Adopted	Revised	Final	Requested		Available	Dollar Change	Requested	Adjusted
				YearTotal	YearTotal	YearTotal	YearTotal		YearTotal	YearTotal	YearTotal	
40000-Revenue Top Most				-28,535,622	-30,111,023	-27,274,153	-27,904,6					
501000-Salaries				11,981,110	12,266,398	11,769,252	13,419,1					
502000-Payroll Taxes & Benefits				4,859,612	4,929,083	4,681,712	6,196,2					
519000-Professional / Contracted Services				1,415,997	1,203,315	1,074,340	1,150,5					
521000-Supplies				966,200	832,111	728,205	1,011,6					
522000-Chemicals				5,000	0		7,5					
523000-Utilities				615,710	698,535	655,139	719,8					
524000-Repairs & Maintenance				605,475	534,058	474,611	1,417,6					
531100-Fuel				335,750	275,783	239,520	328,2					
531200-Postage				13,225	13,284	6,989	13,5					
531205-Advertising				34,500	22,450	11,893	35,0					
531210-Permits, License And Fees				358,506	345,556	301,133	384,0					
531215-Dues & Subscriptions				158,039	134,304	104,249	157,5					
531220-Travel				0	0	2,579	5,9					
531225-Training/Training				298,580	249,301	196,989	318,1					
531230-Tax Billing				115,000	115,000	117,828	140,0					
531235-Tax Foreclosure Expenses												
531240-Uncollectible Accounts												
531245-Cash Short/Over				100	100	27	1					
531246-Variance												

Comments

amurr@hvlnc.gov

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

jward@hvlnc.gov

15'500=7500. Replace damaged Facemask lenses Masks routinely get damaged in training, fires, etc. Frequently, we change the lenses out which is a better financial option than replacing; 1'3000=3000: Replace damaged Gloves and Hoods due to increased training hours. 6'1800=10,800: Dry Suits, Boots, Gloves, Helmets, PFD's. Outfit select personnel incrementally for water rescue with PPE for Water Rescue; 22'3800=83,600. Replacement of existing and new members Fire Protective Ensembles. This does not include Helmet, boots, shields, eye protection, or facemask. Fire Protective Ensembles -Turnout gear (coat and jacket); have a 10-year shelf life. NFPA 1851 recommends that each employee has two sets; 1'6000=6000: Reserve Engine 5 Rapid Intervention Team Rescue Pack RIT (Rapid Intervention Team) this equipment is constantly switched between vehicles, every time personnel switch into reserve trucks. 10'1450=14500: Scott Sight -- SCBA Masks with integrated TIC (Thermal Infrared Camera) for Officers. Currently there is one Scott / ISG thermal imaging camera (single person use) on each apparatus. This would allow each officer on an apparatus the independence to lead their crews on the fire ground with independence. TIC is integrated into the mask and allows Officer to carry equipment and freely use both hands. ** Anticipated price increases from Manufacturing for Turnout Gear of over 10% in April 2025.

Enter Comments

Post Close

GENERAL FUND – 010

GENERAL FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Revised to FY27 Rec.* DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
EXPENDITURES						
Personnel/Benefits	19,515,783	22,051,442	20,834,808	19,878,278	1,641,667	8.4%
Operating	7,553,000	7,432,637	7,078,770	6,753,782	(166,303)	-2.2%
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TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%

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

GENERAL FUND – 010

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Operating	7,553,000	7,432,637	7,078,770	6,753,782	(166,303)	-2.2%
Capital	278,855	3,805,543	442,543	422,226	127,543	45.7%
Debt Service	4,215,863	4,444,775	4,189,750	4,189,750	(26,113)	-0.6%
TOTAL EXPENDITURES	31,563,501	37,734,397	32,545,871	31,244,036	1,576,794	5.0%

Debt Service:

- FY27 Recommended = **-\$26k (-0.6%)**
 - Final (partial) payment on '17 GO Bond Refunding
 - Final (partial) payment on '22 & '23 vehicle & equipment loans
 - First payment on Helene Cash Flow Loan
 - First payment on '26 vehicle & equipment loan
- +\$126k** for ½ year payment on **\$1.09M** FY27 vehicle & equipment loan:
 - 12 Police Vehicles = **\$845,850**
 - 1 Public Works Dump Truck = **\$100,000**
 - 1 Public Works Tractor = **\$64,500**
 - 1 Public Works Truck = **\$55,000**
 - 1 Code Enforcement Vehicle = **\$30,000**

GENERAL FUND – 010

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

Capital:

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

GENERAL FUND – 010

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

Debt Service:

- FY27 Recommended = **-\$26k (-0.6%)**
 - Final (partial) payment on '17 GO Bond Refunding
 - Final (partial) payment on '22 & '23 vehicle & equipment loans
 - First payment on Helene Cash Flow Loan
 - First payment on '26 vehicle & equipment loan
- **+\$126k** for ½ year payment on **\$1.09M** FY27 vehicle & equipment loan:
 - **12** Police Vehicles = **\$845,850**
 - **1** Public Works Dump Truck = **\$100,000**
 - **1** Public Works Tractor = **\$64,500**
 - **1** Public Works Truck = **\$55,000**
 - **1** Code Enforcement Vehicle = **\$30,000**

GENERAL FUND – 010

General Fund Desired Outcomes...
Council Direction on:

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



WATER & SEWER FUND

Council Workshop
May 01, 2026



WATER & SEWER FUND – 060

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

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

WATER & SEWER FUND – 060

FY26 Revised → FY27 Recommended

REVENUES

WATER & SEWER FUND – 060

WATER & SEWER FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
REVENUES						
Sales & Services	(26,423,980)	(27,669,500)	(27,669,500)	(28,225,231)	1,245,520	4.7%
Permits & Fees	(1,952,550)	(1,674,000)	(1,826,500)	(1,863,185)	1,826,500	93.5%
Investment Earnings	(97,000)	(125,000)	(125,000)	(125,000)	125,000	128.9%
Miscellaneous	(210,400)	(50,000)	(50,000)	(51,004)	50,000	23.8%
TOTAL REVENUES	(28,683,930)	(29,518,500)	(29,671,000)	(30,264,420)	29,671,000	103.4%

Sales and Service:

- FY27 Recommended = **\$27.7M (+\$1.2m, 4.7% over FY26 Revised)**
 - Recommended Rate Increases:
 - **+8.00%** Water
 - **+9.00%** Wastewater

The inside/outside **water** rate differential is recommended to decrease from 120% to **115%**.
The inside/outside **sewer** rate differential is recommended to remain at **150% (FY27)**.

WATER & SEWER FUND – 060

WATER & SEWER FUND	FY26 REVISED	FY27 REQUESTED	FY27 RECOMMENDED	FY27 ESTIMATE	*FY26 Rev. to FY27 Rec.*	
					DOLLAR (\$) CHANGE (Δ)	PERCENT (%) CHANGE (Δ)
REVENUES						
Sales & Services	(26,423,980)	(27,669,500)	(27,669,500)	(28,808,749)	1,245,520	4.7%
Permits & Fees	(1,952,550)	(1,674,000)	(1,826,500)	(1,901,703)	(126,050)	-6.5%
Investment Earnings	(97,000)	(125,000)	(125,000)	(125,000)	28,000	28.9%
Miscellaneous	(210,400)	(50,000)	(50,000)	(52,059)	(160,400)	-76.2%
TOTAL REVENUES	(28,683,930)	(29,518,500)	(29,671,000)	(30,887,511)	29,671,000	103.4%

- **Permits and Fees:**

- FY27 Recommended: **\$1.8M (-\$126k, 6.5% under FY26 Revised)**
 - Water Tap Fees: \$300,000
 - Sewer Tap Fees: \$50,000
 - System Development Fees: **100.00%** of the authorized amount starting **July 1, 2026**.
 - Water System Development Fees: \$600,000
 - Sewer System Development Fees: \$250,000

WATER & SEWER FUND – 060

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

System Development Fees

Fees charged for new connections joining the water and wastewater system and connections requiring additional system capacity

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

WATER & SEWER FUND – 060

FY26 → FY27 EXPENDITURES

WATER & SEWER FUND – 060

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

- **Personnel and Benefits:**

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

WATER & SEWER FUND – 060

WATER & SEWER FUND

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

• Operating:

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

WATER & SEWER FUND – 060

WATER & SEWER FUND

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

• Capital:

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

WATER & SEWER FUND – 060

WATER & SEWER FUND

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

• Debt Service:

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

WATER & SEWER FUND – 060

FY27 Water and Sewer Debt Service (Principal + Interest)

Project Title	Amount Issued	Interest Rate	FY27 Debt Service	Issuance Type
Brightwater SRF	571,781	0.00%	32,134	2011 SRF
Etowah Water Improvements	6,655,371	1.87%	684,663	2019 Rev. Bond
2012 AMI Water Meter Refunding	6,243,629	1.87%	642,499	2019 Rev. Bond
Jackson Park Sewer SRF	4,340,600	2.00%	256,095	2015 SRF
Shepherd Creek/Atkinson SRF	1,815,000	2.00%	107,085	2015 SRF
Wolfpen SRF	2,784,961	2.00%	164,313	2016 SRF
City Hall & Operations Renovation: WS Portion	4,016,000	3.29%	352,767	2023 IFC
Multi-Area Streambank Restoration	2,961,925	0.00%	165,689	2020 SRF
Northside Water Improvements	5,370,932	1.23%	300,447	2020 SRF
Clear Creek Sewer Interceptor	4,584,659	2.15%	296,470	2022 Rev. Bond
Church Street Sewer	373,454	2.15%	24,150	2022 Rev. Bond
Laurel Park AMI Meters	356,990	2.15%	23,059	2022 Rev. Bond
Ewart Hill Water Storage Improvements	729,882	2.15%	47,198	2022 Rev. Bond
NCDOT Erikwood Water Improvements	710,094	2.15%	45,919	2022 Rev. Bond
NCDOT Old Airport Rd. Water Improvements	160,321	2.15%	10,367	2022 Rev. Bond
Fleetwood Water Improvements	1,557,917	4.02%	115,183	2023 Rev. Bond
Long John Mountain Property Acquisition	1,000,000	4.02%	73,954	2023 Rev. Bond
Church Street Sewer Improvements	535,000	4.02%	39,555	2023 Rev. Bond
NCDOT I-26 Water Improvements	3,235,054	4.02%	239,181	2023 Rev. Bond
AMI Meter Replacements	525,000	4.02%	38,815	2023 Rev. Bond
North Fork Reservoir Water Improvements	1,103,929	4.02%	81,618	2023 Rev. Bond
Vector Truck Acquisition	523,100	4.02%	38,675	2023 Rev. Bond
French Broad River Intake	23,514,035	1.04%	1,395,793	2022 SRF
Lead Service Line Replacement	229,368	0.00%	305	2025 LSL SRF
CCTV Inspection Truck	381,961	4.49%	29,839	2025 Revenue Bond
NCDOT Highland Lake Rd Water Improvements	489,693	4.49%	38,255	2025 Revenue Bond
WWTP BioSolids Drying System	3,427,853	4.49%	267,783	2025 Revenue Bond
WTP 15 MGD Expansion and Improvements	2,413,208	4.49%	188,519	2025 Revenue Bond
Operations Facility Improvements	489,693	4.49%	38,255	2025 Revenue Bond
WWTP Residuals Storage Facility	2,293,723	4.49%	179,185	2025 Revenue Bond
WTP Mills River Intake Scour System	528,869	4.49%	41,315	2025 Revenue Bond
4th and Ashe Water	1,570,993	1.10%	191,336	2025 SRF
4th and Ashe Sewer	2,943,936	1.10%	102,104	2025 SRF
TOTAL	\$ 88,436,531		\$ 6,252,505	

WATER & SEWER FUND – 060

RATE DISCUSSION

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

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

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

Est. Revenue Bond Covenants

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

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



FEE SCHEDULE

Council Workshop
May 01, 2026



FEE SCHEDULE CHANGES

Community Development

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

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

Finance

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

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

FEE SCHEDULE CHANGES

Public Works

- Increased to reflect true cost

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

- Removed

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

FEE SCHEDULE CHANGES

Water

WATER	
FEEES	
Inside City Limits	
Base Charge by Meter Size	
3/4"	\$12.55
1"	\$15.26
1.5"	\$22.05
2"	\$30.19
3"	\$55.98
4"	\$89.91
6"	\$191.71
8"	\$225.64
Volumetric Charges	
Residential	
0 to 3,000 gallons	\$4.73 per 1000 gallons
3,000 to 6,000 gallons	\$6.31 per 1000 gallons
6,000 to 14,000 gallons	\$7.89 per 1000 gallons
14,000 gallons and greater	\$9.47 per 1000 gallons
Commercial/Industrial	
0 to 40,000 gallons	\$6.31 per 1000 gallons
40,000 to 200,000 gallons	\$6.31 per 1000 gallons
200,000 gallons and greater	\$6.31 per 1000 gallons
Irrigation	
0 to 40,000 gallons	\$12.62 per 1000 gallons
40,000 gallons and greater	\$13.26 per 1000 gallons
Outside City Limits	
Base Charge by Meter Size	
3/4"	\$14.43
1"	\$17.55
1.5"	\$25.36
2"	\$34.72
3"	\$64.38
4"	\$103.40
6"	\$220.47
8"	\$259.49

WATER	
Volumetric Charges	
Residential	
0 to 3,000 gallons	\$5.44 per 1000 gallons
3,000 to 6,000 gallons	\$7.26 per 1000 gallons
6,000 to 14,000 gallons	\$9.07 per 1000 gallons
14,000 gallons and greater	\$10.89 per 1000 gallons
Commercial/Industrial	
0 to 40,000 gallons	\$7.26 per 1000 gallons
40,000 to 200,000 gallons	\$7.26 per 1000 gallons
200,000 gallons and greater	\$7.26 per 1000 gallons
Irrigation	
0 to 40,000 gallons	\$14.52 per 1000 gallons
40,000 gallons and greater	\$15.24 per 1000 gallons
Wholesale	
Base Charge by Meter Size	
3/4"	\$14.43
1"	\$17.55
1.5"	\$25.36
2"	\$34.72
3"	\$64.38
4"	\$103.40
6"	\$220.47
8"	\$259.49
Volumetric Charges	
Wholesale	
All Usage	\$6.31 per 1000 gallons
Bulk Water	
All Usage	\$10.89 per 1000 gallons
Public Schools	
Base Charge per Account	\$12.55
All Usage	\$6.31 per 1000 gallons

Rate Increase
8% Water / 9% Sewer

FEE SCHEDULE CHANGES

Sewer

SEWER	
FEE	
Inside City Limits	
Base Charge by Meter Size	
3/4"	\$14.45
1"	\$17.53
1.5"	\$25.21
2"	\$34.43
3"	\$63.64
4"	\$102.06
6"	\$217.34
8"	\$255.76
Volumetric Charges	
All Usage	\$8.91 per 1000 gallons
Sewer Only-Flat Rate	\$48.31 per month
Outside City Limits	
Base Charge by Meter Size	
3/4"	\$21.68
1"	\$26.29
1.5"	\$37.82
2"	\$51.65
3"	\$95.45
4"	\$153.09
6"	\$326.01
8"	\$383.65
Volumetric Charges	
All Usage	\$13.37 per 1000 gallons
Sewer Only-Flat Rate	\$72.47 per month

SEWER	
FEE	
Wholesale	
Base Charge by Meter Size	
3/4"	\$21.68
1"	\$26.29
1.5"	\$37.82
2"	\$51.65
3"	\$95.45
4"	\$153.09
6"	\$326.01
8"	\$383.65
Volumetric Charges	
All Usage	\$13.37 per 1000 gallons
Public Schools	
Base Charge per Account	\$14.45
All Usage	\$8.91 per 1000 gallons
MSD Sewer	
Base Charge per Account	See Wholesale Charges
All Usage	\$13.37 per 1000 gallons
Taps and Connections	
4" Gravity Sewer Service Installation	\$1,600.00
6" Gravity Sewer Service Installation	\$2,000.00
8" Gravity Sewer Service Installation	\$2,400.00

FEE SCHEDULE CHANGES

System Development Fees 100% of Authorized Fee

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

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



FINALE

Council Workshop
May 01, 2026



CITY COUNCIL DIRECTION

Tax and Rate Impacts by Fund

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

CITY COUNCIL DIRECTION

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

FY26 CUSTOMER IMPACTS:

Property Tax → **No Change**

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

Sanitation Rate → **No Change**

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

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

B. Discussion Regarding Review of Development Review Process - John Connet, City Manager

City Manager Connet said that we have heard loud and clear that our development review process can be cumbersome and slow. It is not intentional, but we are getting ready to kick off an effort to do a full review of our development review process. Its two-fold. One part will involve the zoning ordinance rewrite as it can be somewhat convoluted and difficult, and the rules are not clear. The second part is about 7 or 8 years ago we moved a lot of stuff to the conditional use process, and the conditional use process is long and can be challenging. We have talked about moving the threshold up bit. I will tell you that there will be opposition in the community, particularly from folks who want to control growth. We also want to review the process; be sure our processes are clear and

streamlined. Stay tuned. Brian and I would like to host local developers, regional developers, engineers to have an opportunity for constructive criticisms so that we're capturing everything and we thought it would be appropriate if this committee hosted that here we have this forum and it would be Brian and I, maybe with the help of the Chamber.

The Business Advisory Committee thinks that is a good idea.

C. Dogwood Lot Proposal - *John Connet, City Manager*

City Manager Connet said that we put out proposals for the Dogwood Lot and we did not get any proposals. The feedback we got back is that the real estate is too expensive. We went back to a couple of developers looking for opportunities and because it is public property, there are certain ways we have to sell it and if we discount the value, we have to get some public purpose out of it which is not always easy. We have put some suggestions forward, but we have not gotten any takers on it. We are still talking to one potential, but we are also hearing that they need a little more room, so we will see.

D. Review of City's Strategic Plan (Time Permitting) - *John Connet, City Manager*

Moved to next meeting.

6. OTHER BUSINESS – None

7. ADJOURNMENT

Fair Waggoner moved to adjourn and there being no further discussion, the meeting was adjourned at 12:43 p.m. upon unanimous assent of the Committee.

Ken Gordon, Chairman

ATTEST:

Jill Murray, City Clerk