

Ordinance: O-26-16

STORMWATER CAPITAL RESERVE FUND ORDINANCE**AN ORDINANCE SETTING CAPITAL RESERVE GUIDELINES FOR
THE CITY OF HENDERSONVILLE, NORTH CAROLINA
FOR THE YEAR BEGINNING JULY 1, 2026, AND ENDING JUNE 30, 2027**

WHEREAS, under North Carolina General Statute 159-18 the City of Hendersonville is authorized to establish and maintain a capital reserve for any purposes for which bonds may be issued; and,

WHEREAS, the City Council deems it is in the best interest of the citizens of Hendersonville to establish a stormwater capital reserve to fund future capital improvements; and,

WHEREAS, the capital reserve fund will be used in conjunction with a multi-year capital improvement program to be reviewed annually during the budget process; and,

**THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
HENDERSONVILLE, NORTH CAROLINA:**

SECTION 1 BUDGET: That the following Stormwater Capital Reserve Fund (CRF) budget, purpose, anticipated revenues, and project appropriations are hereby adopted for the operation of the City of Hendersonville and its activities for the fiscal year beginning July 1, 2026, and ending June 30, 2027, in the amount of \$150,000.

SECTION 2 PURPOSE: That the purpose of the City of Hendersonville CRF will be to (1) raise funds for stormwater system rehabilitation and installation projects, (2) provide greater levels of transparency in raising and expending funds on capital projects, (3) delineate the timeframe for which revenues will be raised for and expended on capital projects, (4) display the amounts of revenues and expenditures for capital projects funded through the CRF, and (5) detail revenue sources of the fund.

This Capital Reserve Fund Ordinance will, more specifically, be established alongside the City's Budget Ordinance to provide for stormwater system capital rehabilitation and installation projects. The City has recognized the need to fund future system expansion projects and desires to fund such projects through a CRF to enhance transparency and accountability.

SECTION 3 TIMEFRAME: That revenues for Stormwater Fund related capital projects will be raised over a period of five (5) fiscal years - from July 1, 2025 (FY26) to June 30, 2030 (FY30).

SECTION 4 AMOUNTS ACCUMULATED: That this fiscal year (FY27), the City will transfer \$150,000.00 from the Stormwater Fund (067) to the Stormwater Capital Reserve Fund (457). The Stormwater Capital Reserve Fund has an estimated balance to end the fiscal year June 30th, 2026 (FY26) of \$150,000. The City will save \$750,000 of revenue in the CRF for

future system expansion projects. The City anticipates spending \$750,000 on system rehabilitation and expansion projects.

SECTION 5 REVENUE SOURCES: That the revenue source planned for the CRF is a transfer from the Stormwater Fund. Each year delineated, the City will transfer from the Stormwater Fund to the CRF until \$750,000 is accumulated.

Passed and adopted at the regular meeting of the City Council of the City of Hendersonville, North Carolina, held this 4th day of June 2026.

ATTEST:

Barbara G. Volk, Mayor, City of Hendersonville

Jill Murray, City Clerk

Approved as to form:

Angela S. Beeker, City Attorney