



# State of City

January 2026

Mayor Barbara Volk

City Manager John Connet

# Mayor Barbara Volk



# City of Hendersonville, NC



**Recommended Budget FY 2025-26**



## Our Vision



Hendersonville is a vibrant mountain city where the government and citizens work together for a high quality of life.



## Our Mission

The City of Hendersonville is committed to providing quality, efficient services to all citizens, visitors, and

# FOCUS AREAS

## CITY OF HENDERSONVILLE FY26 RECOMMENDED BUDGET AT A GLANCE



GREAT PUBLIC SERVICES



SOUND INFRASTRUCTURE



NUMEROUS AMENITIES



STRONG PARTNERSHIPS



ECONOMIC VITALITY



FINANCIAL SUSTAINABILITY

# COUNCIL GOALS

Rank #1 - Public Safety

Rank #2 - Compensation, Benefits, and Staff Development

Rank #3 - Strong Infrastructure

Rank #4 - Strategic Housing Plan

Rank #5 - Growth Management and Community Character

Rank #6 - Invest in Parks

Rank #7 - Enhance Sustainability Citywide

Rank #8 - Transportation Planning

Rank #9 - City Boards and Volunteers

Rank #10 - Support Downtown Businesses

The Fiscal Year 2025-2026 (FY26) budget was developed based upon information presented and discussed during our City Council and Staff Retreat on Feb. 27 and 28, 2025.

We are entering our final year of the 3-year plan and will begin developing a scope for the next 3-year plan during the FY27 budget development process.

Each goal area to the left is tracked in the City's strategic planning documents, which can be found online at:

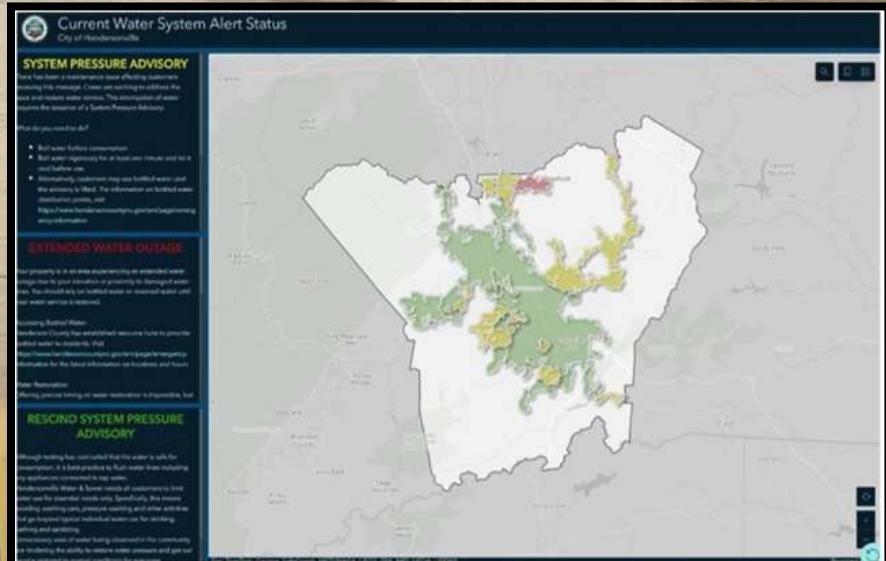
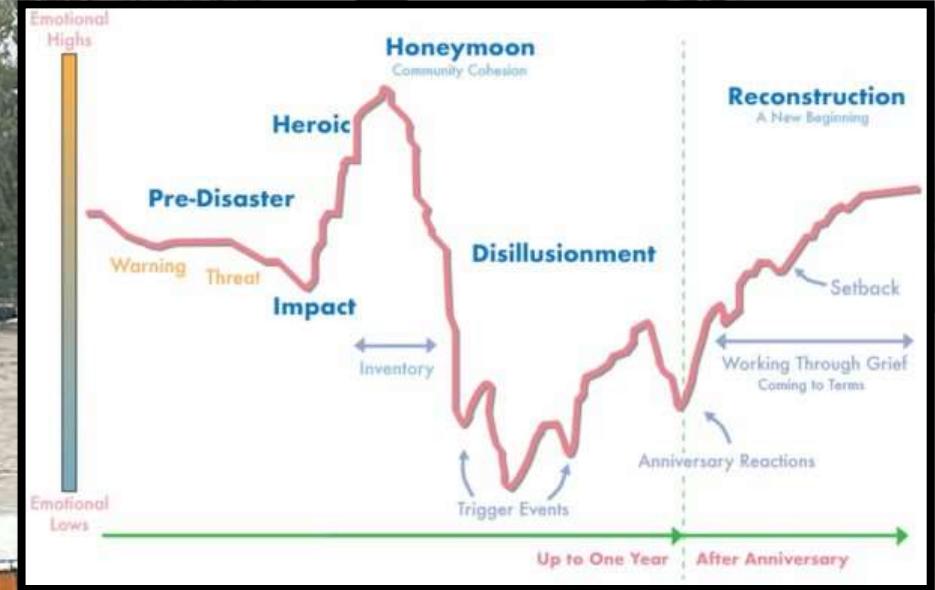
[www.hvlnc.gov/strategicplan](http://www.hvlnc.gov/strategicplan)

# Population Trends

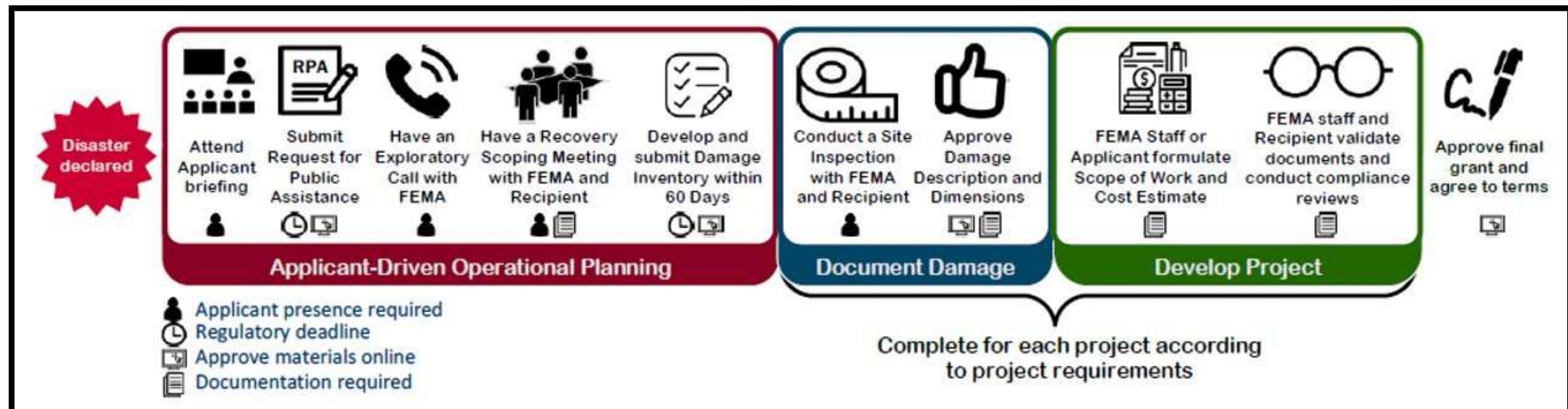
- 2020 Census - 15,181
- 2021 Estimate - 16,262
- 2022 Estimate - 16,654
- 2023 Estimate - 16,936
- 2024 Estimate - 17,149
- Source - U.S Census and N.C. State Demographer



# HELENE



# Budget, Obligations, and Revenues



## Fixed Cost Offers

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**

- Expedited Design Underway; Letter of Intent Submitted; Justification and Cost Estimates Ready for Submission

### ➤ **Patton Park & Pool**

- Concept Design Complete; Letter of Intent Submitted; Justification and Cost Estimates in Development

### ➤ **Whitmire Activity Center**

- Concept Design Complete; Letter of Intent Submitted; Justification and Cost Estimates in Development

## Small Projects

Public Assistance Program and Policy Guide (PAPPG): The PA program allows for simplified procedures on small projects to reduce the administrative burden on applicants and expedite the delivery of recovery funding. This means applicants may provide summary documentation and self-certify project eligibility.

### ➤ ~21 Small Projects Identified, Reviewed, and Submitted

- Hung up on technical issue with grants por

OPINION OF PROBABLE COST					
PROJECT: 1110 1st Ave. W. Culvert Failure and sidewalk replacement.					
PREPARED BY: Richard Smith, PE					
REVIEWED BY: [Signature]					
ITEM	DESCRIPTION	EST. QUANTITY	UNIT	UNIT PRICE	TOTAL
1	Midspan 12" Box	1	ft	\$3,217.00	\$3,217.00
2	Traffic Control	1	ft	\$1,300.00	\$1,300.00
3	Concreting formwork	1	ft	\$1,000.00	\$1,000.00
4	Demolition - Existing Removal	100	ft <sup>2</sup>	\$20.00	\$2,000.00
5	Demolition - Existing Sidewalk	20	ft <sup>2</sup>	\$20.00	\$400.00
6	Walling	1	ft	\$12,000.00	\$12,000.00
7	Rebar/steel - 48" CIP Culvert	30	ft	\$600.00	\$18,000.00
8	Stammeuler - Concrete Headwall	1	ft	\$25,000.00	\$25,000.00
9	Stammeuler - Composite ABC Soaker	20	ft	\$80.00	\$1,600.00
10	Rebar/steel - Composite Headwall	135	ft	\$10.00	\$1,350.00
11	Rebar/steel - 4" Concrete Sidewalk	30	ft	\$75.00	\$2,250.00
12	Rebar/steel - Cork and Soaker	10	ft	\$25.00	\$250.00
13	Rebar/steel - 4" Composite Headwall	8	ft	\$90.00	\$720.00
14	Rebar/steel - 4" Culvert Repair (if AddC)	8	ft	\$50.00	\$400.00
15	Stabilization - Domestic Grade	200	ft	\$8.00	\$1,600.00
16	Stabilization - Composite Headwall	100	ft	\$10.00	\$1,000.00
17	Stabilization - Wire Tie NCOT Class B Wire	60	ft	\$30.00	\$1,800.00
18	Stabilization - Riprap Infill, Gravel, Low Grade	100	ft	\$40.00	\$4,000.00
Construction Subtotal					
\$110,477.00					
Construction Contingencies (10%)					
\$11,047.70					
Design Costs (Engineering, Survey, Geotech, Permitting - Assume 15%)					
\$21,543.27					
Administrative Costs (Legal, Accounting - Assume 1%)					
\$1,385.70					
Total Estimated Project Cost (Pounded)					
\$173,000.00					

**Description:**  
A project to replace 50 LF of undermined sidewalk, replace a 48" comp culvert and headwall failed into the stream, repair 100 LF of streambank, and 100 LF of gravel road.



## Other Projects

### ➤ City Hall

- Roof and Water Damage
- Insurance Proceeds for Some of the Damage
- Project Close to Bid

### ➤ City Ops

- Flood Damage
- Insurance Proceeds for Some of the Damage
- Project Complete > Submission of Final Costs to FEMA

### ➤ Reservoirs & Intakes (French Broad, Mills River, North Fork, and Bradley)

- Flood Damage
- Insurance Proceeds for Some of the Damage
- Projects in Various Stages of Development



# Focus Area: Public Services

- ISO 1 – Fire Department
- CALEA Accredited Police Department
  - Police Chief – IACP 3<sup>rd</sup> VP
  - 2 officers attend FBI National Academy in 2025
- Solid Waste Program Evaluation
- Future Projects
  - Customer Service Initiative (Service Excellence) Refresh
  - Development/Infrastructure Review Process Analysis
  - Solid Waste Improvements



# Focus Area: Sound Infrastructure

- French Broad River Intake – 30 MGD
- Water Treatment Plant Expansion – 15 MGD
- Floodplain Restoration Projects
- Ashe Street/4<sup>th</sup> Avenue Water and Sewer Replacement Projects
- 7<sup>th</sup> Avenue Revitalization Project





# Focus Area: Sound Infrastructure

- Future Projects
  - WWTP Revitalization/Expansion
  - Mud Creek Sewer Interceptor Replacement
  - Brookside Camp Water Line
  - East Side Water Line
  - Stormwater Repairs/ Improvements
- **Transportation GO BOND Projects (if approved)**





# City of Hendersonvil le

GO Bond Referendum  
for Transportation

MARCH 3, 2026



## PSA

Municipalities, counties, and other local governments **cannot spend taxpayer money to explicitly endorse a "yes" or "no" vote** on a bond referendum.

**Permissible actions for local governments include:**

- Hosting public meetings to explain a bond proposal.
- Producing informational packets or videos outlining the proposed projects and the estimated cost.
- Creating a website with frequently asked questions and project details.





## Core Values Guiding Our Transportation Bond

1. Prioritizing Pavement Condition for Long-Term Value
2. Strategic and Transparent Use of Funds
3. Timely Delivery with Measurable Impact
4. Equal Access and ADA Compliance
5. Balanced Investment Across the Network
6. Advancing Complete Streets and Walk Hendo Goals

# IMPLEMENTATION STRATEGY

## How to allocate the funds?

### • Tier 1

- Improves PCI to ~79 in five (5) years
- Repaves ~2.5m Sq. Ft.
- All Segments <= Fair

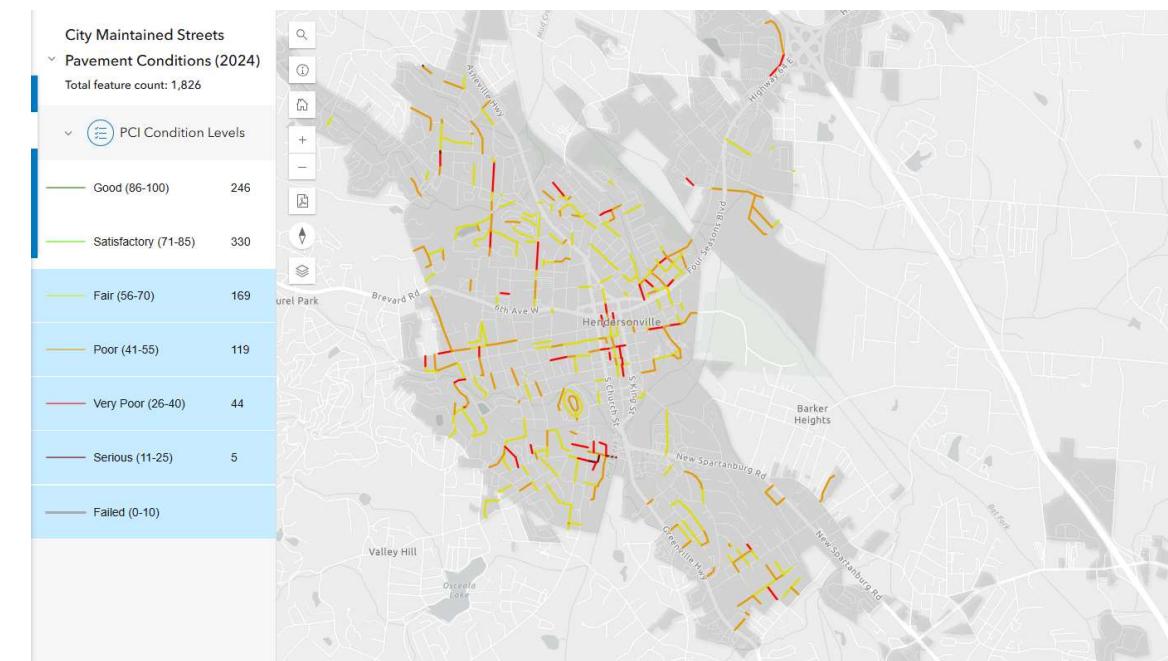
### • Tier 2

- Replaces ~25% of Non-compliant Curb Ramps

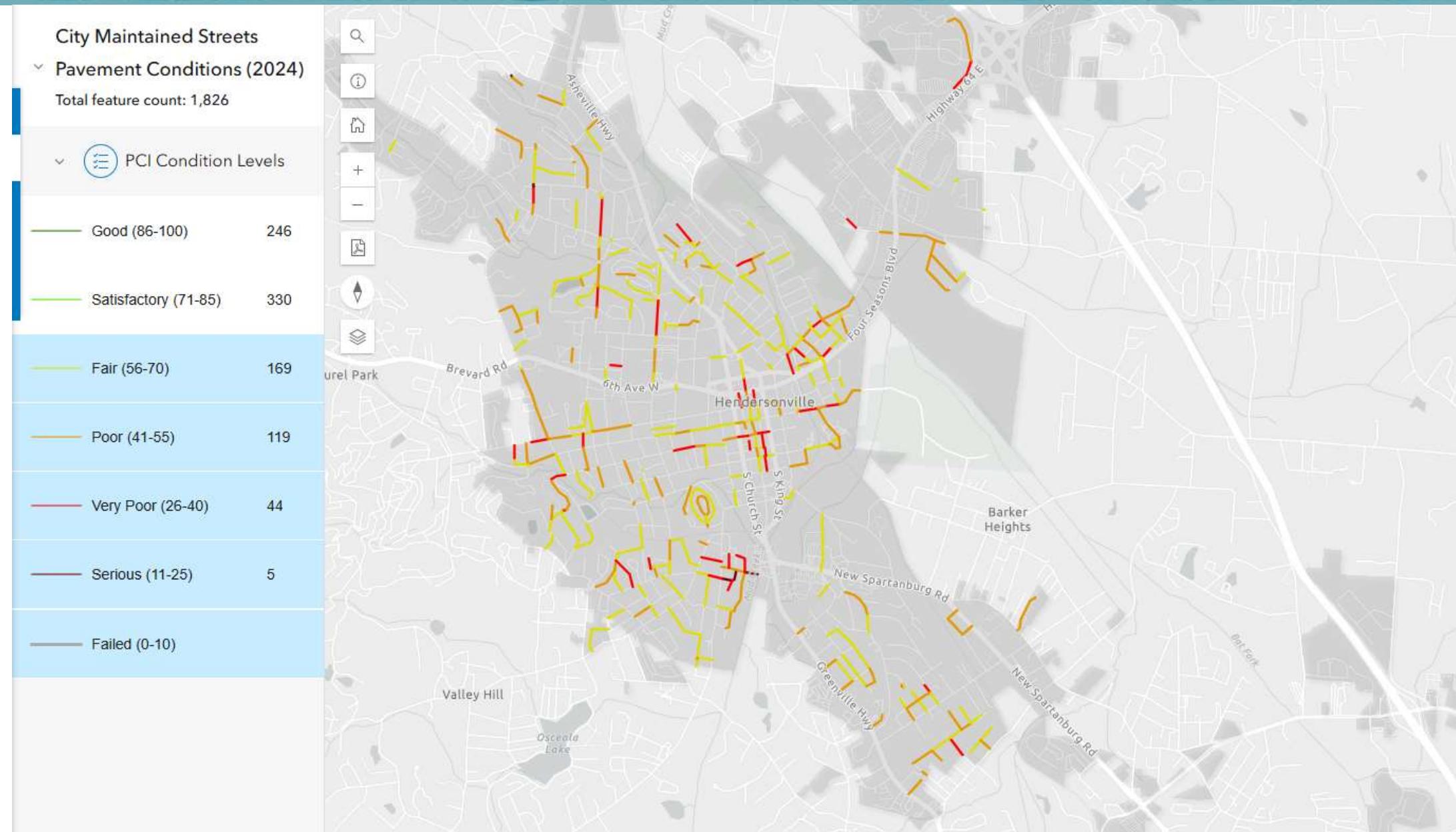
### • Tier 3

- \$750k per Year to Safety & Network Improvements

Per Year Allocation				
	Tier 1 - Resurfacing	Tier 2 - ADA Curb Ramps	Tier 3 - Complete Streets	
Year 1	\$ 1,659,863	\$ 490,118	\$ 750,019	
Year 2	\$ 1,659,863	\$ 490,118	\$ 750,019	
Year 3	\$ 1,659,863	\$ 490,118	\$ 750,019	
Year 4	\$ 1,659,863	\$ 490,118	\$ 750,019	
Year 5	\$ 1,659,863	\$ 490,118	\$ 750,019	
<b>Total</b>	<b>\$ 8,299,317</b>	<b>\$ 2,450,588</b>	<b>\$ 3,750,095</b>	
	Sq. Ft. Resurfaced	# of Curb Ramps		
Year 1	507,918	85	Ex. King Street Construction	
Year 2	507,918	85	Ex. Bike Lanes & New Sidewalk	
Year 3	507,918	85	Ex. Main St. Brick Crosswalks	
Year 4	507,918	85	Ex. Bollards at 6th Ave.	
Year 5	507,918	85	Ex. Traffic Calming Measure	
<b>Total</b>	<b>2,539,591</b>	<b>423</b>	<b>Overall +Network/Safety</b>	



# IMPLEMENTATION STRATEGY



# Focus Area: Numerous Amenities

- Laura Corn Mini-Golf
- Ecusta Trail
- Future Projects
  - Patton Park/Pool Repairs
  - Whitmire Center Repairs
  - Greenway Projects (Clear Creek Greenway and Above the Mud)



# Focus Area: Strong Partnerships



# Focus Area: Economic Vitality

- Garrison Industrial Park
  - Jabil \$150mil +/-
- McMurray Road Commercial Center
  - Speculative Buildings/Warehouse
  - Borg Werner Expansion \$75 mil +/-
- Retail/Commercial Expansion
  - Blue Ridge Mall
  - Gas “Super” Centers (QT, SpinX and Sheetz)



# Focus Area: Economic Vitality

- Strategic Housing Plan
  - Zoning Ordinance Amendments
  - Housing Trust Property Purchase
- Since 2019 – 4,401 Units Approved (entitled)
  - 813 – Complete
  - 1,479 – Under Construction
  - 363 – Final Site Plan Submitted
  - 600 – Awaiting Final Site Plan
  - 787 – Inactive
- 359 – Withdrawn or denied



# Focus Area: Financial Sustainability

- Environmental Sustainability Strategic Plan
  - Energy Efficient Vehicles (Electric/Hybrid)
  - Energy Efficient Motors / Electrical Equipment
  - Utilization of Solar Energy
- Multi-Year Capital Improvement Program
- Multi-Year Financial Modeling
- Vehicle Replacement Program



# Assessed Tax Base Value

- FY 22 - \$2.2 bil
- FY 23 - \$2.3 bil
- FY 24 - \$3.0 bil (Revaluation)
- FY 25 - \$3.3 bil
- FY 26 - \$3.4 bil (estimate)
- Source - [www.hvlnc.gov/budget](http://www.hvlnc.gov/budget)



# Tax Rate

- FY 22 - \$0.52 per \$100
- FY 23 - \$0.52 per \$100
- FY 24 - \$0.49 per \$100
- FY 25 - \$0.52 per \$100
- FY 26 - \$0.52 per \$100
- Source: [www.hvlnc.gov/budget](http://www.hvlnc.gov/budget)

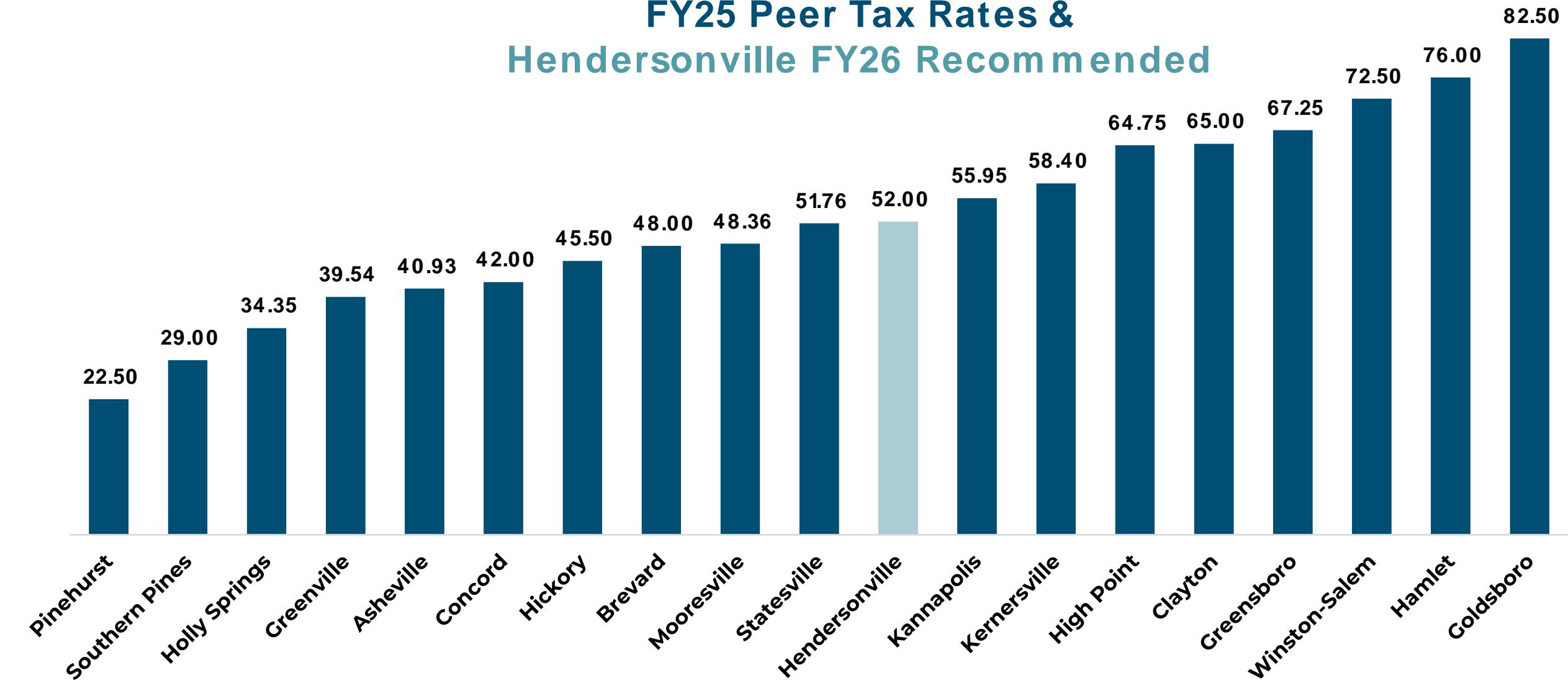


# GENERAL FUND

Setting the Tax Rate:

Avg. = \$0.5244

FY25 Peer Tax Rates &  
Hendersonville FY26 Recommended



# BUDGET AT A GLANCE

**TOTAL RECOMMENDED BUDGET: \$68,623,860**

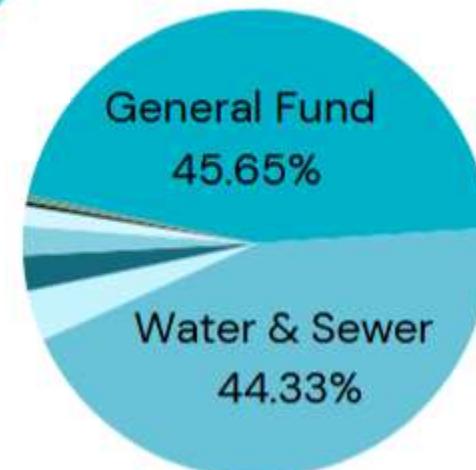
## WHERE IS THE MONEY COMING FROM?

### GENERAL FUND

Restricted Intergovernmental 3.45%  
Permits & Fees 2.28%  
Sales & Services 1.25%  
Investment Earnings 0.36%  
Other taxes & Licenses 0.03%  
Miscellaneous 0.02%



## WHERE IS THE MONEY GOING?



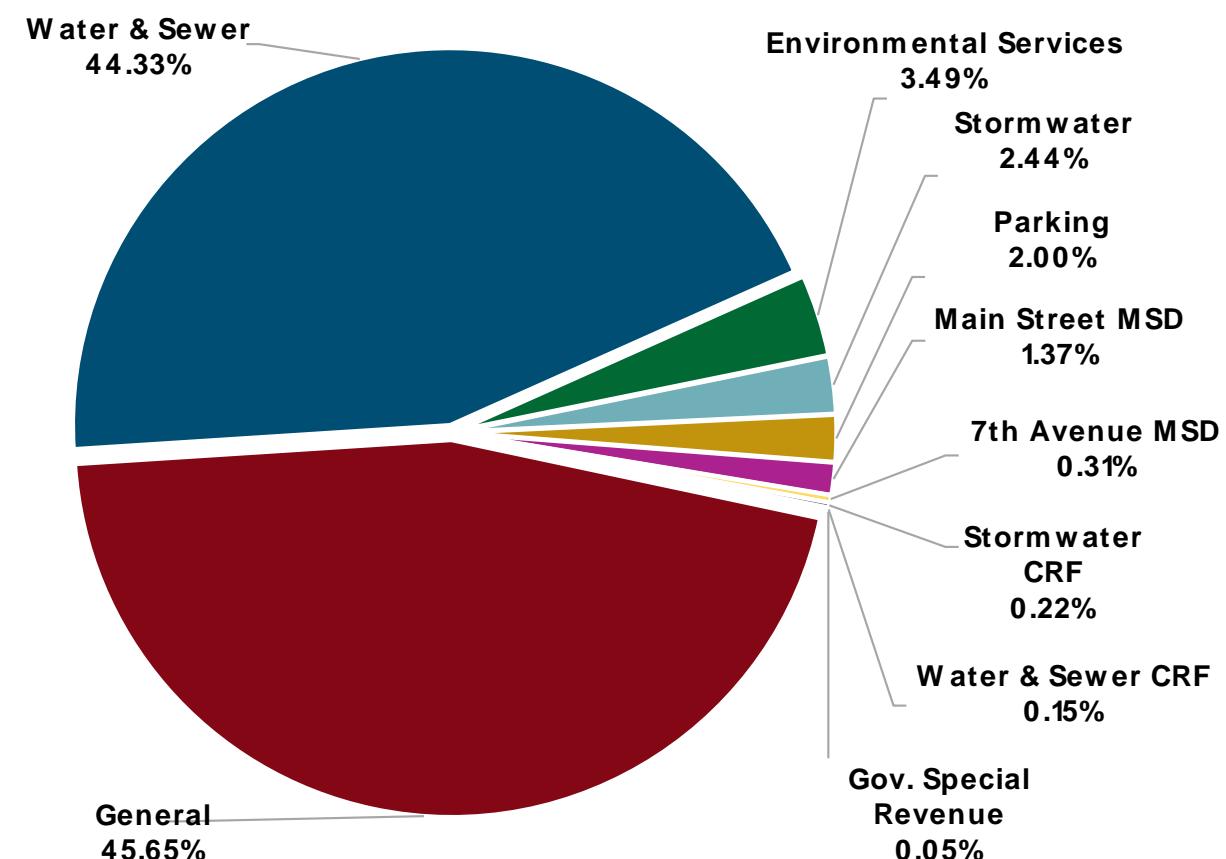
Environmental Services 3.49%  
Stormwater 2.44%  
Parking 2.00%  
Main St. MSD 1.37%  
7th Ave MSD 0.31%  
Stormwater Capital Reserve 0.22%  
Water & Sewer Capital Reserve 0.15%  
Governmental Special Revenue 0.05%

# BUDGET IN TOTAL

## FY26 MAJOR FUNDS SUMMARY

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROPRIATION
General	\$ 31,326,611	\$ 28,194,046	\$ 3,132,565
Water & Sewer	30,421,154	28,264,260	2,156,894
Environmental Services	2,394,000	2,394,000	-
Storm water	1,676,050	1,676,050	-
Parking	1,371,224	1,371,224	-
Main Street MSD	940,854	785,834	155,020
7th Avenue MSD	212,967	148,201	64,766
Storm water CRF	150,000	150,000	-
Water & Sewer CRF	100,000	100,000	-
Gov. Special Revenue	31,000	-	31,000
<b>SUB-TOTAL</b>	<b>\$ 68,623,860</b>	<b>\$ 63,083,615</b>	<b>\$ 5,540,245</b>

**TOTAL IN BALANCE      \$68,623,860**



# BUDGET

## Revenues

	Total	Per Year (for 5 years)
<b>Total Budget</b>	<b>14,500,000</b>	<b>2,900,000</b>
Debt Proceeds	10,000,000	2,000,000
Annual Revenues	4,500,000	900,000

# Model Impacts

Revenue Requirements and Sources					Financial Sustainability Scorecard			
FY	Revenue Neutral			Natural Growth Rate / Reval	Growth Rate Development	Available FB (Ass. + Unass.)	% of Expenditures	Amount Above (Under) Policy
	Tax Rate	Rate	Value of a Penny					
2020	49.00	41.81	214,263	18.00%	0.00%	5,949,067	36.7%	1,826,836
2021	49.00	49.00	218,956	2.39%	0.00%	3,460,866	20.0%	(718,214)
2022	52.00	52.00	221,658	1.34%	0.00%	5,777,008	30.1%	981,559
2023	52.00	52.00	230,781	4.11%	0.00%	7,353,518	30.7%	1,371,566
2024	49.00	40.43	302,187	23.00%	0.00%	6,159,237	23.8%	(306,981)
2025	52.00	52.00	328,020	7.22%	0.00%	7,336,091	26.7%	463,267
2026	52.00	52.00	337,765	2.97%	0.00%	7,828,221	27.1%	594,211
2027	52.00	52.00	341,143	1.00%	7.61%	7,745,031	25.9%	272,756
2028	50.00	44.24	403,324	16.00%	3.23%	8,025,630	25.3%	100,836
2029	50.00	50.00	429,471	3.25%	4.24%	9,221,111	28.1%	1,026,960
2030	50.00	50.00	460,586	3.00%	1.02%	9,278,267	26.3%	470,874

# Debt Service

8

Series 2027 - G.O. Bond Transportation

Principal	Interest	Debt Service	Balance
10,000,000	4,725,000	14,725,000	
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	10,000,000
500,000	450,000	950,000	9,500,000
500,000	427,500	927,500	9,000,000
500,000	405,000	905,000	8,500,000
500,000	382,500	882,500	8,000,000
500,000	360,000	860,000	7,500,000
500,000	337,500	837,500	7,000,000
500,000	315,000	815,000	6,500,000
500,000	292,500	792,500	6,000,000
500,000	270,000	770,000	5,500,000
500,000	247,500	747,500	5,000,000
500,000	225,000	725,000	4,500,000
500,000	202,500	702,500	4,000,000
500,000	180,000	680,000	3,500,000
500,000	157,500	657,500	3,000,000
500,000	135,000	635,000	2,500,000
500,000	112,500	612,500	2,000,000
500,000	90,000	590,000	1,500,000
500,000	67,500	567,500	1,000,000
500,000	45,000	545,000	500,000
500,000	22,500	522,500	-

Questions ?

