MINUTES
BREVARD CITY COUNCIL
Budget Workshop
April 11, 2025

The Brevard City Council met for a Budget Workshop on Friday, April 11, 2025, at 8:30 a.m. in the Council Chambers at City Hall, with Mayor Maureen Copelof presiding.

Present - Mayor Maureen Copelof, Mayor Pro Tem Gary Daniel, Council Members Mac Morrow, Aaron Baker, Pamela Holder, and Lauren Wise

Staff Present –City Manager Wilson Hooper, City Clerk Denise Hodsdon, Assistant City Manager/Finance Director Dean Luebbe, Assistant City Manager David Todd, Assistant to the City Manager Selena Coffey, Planning Director Paul Ray, Human Resources Director Kelley Craig, Police Chief Tom Jordan, Fire Engineer Michael Owens, Public Works Director Wesley Shook, Water Treatment Plant ORC Dennis Richardson, Wastewater Treatment Plant ORC Aaron Winans, and Community Center Director Tyree Griffin.

Press – David Bradley, Transylvania Times

H. Welcome and Call to Order – Mayor Copelof called the meeting to order at 8:33 a.m. and welcomed those present.

B. Certification of Quorum – City Clerk Denise Hodsdon certified a quorum present.

C. Approval of Agenda – Ms. Holder moved, seconded by Mr. Baker to approve the agenda as presented. The motion carried unanimously. A copy of all workshop materials is on file in the Clerk's Office.

D. Miscellaneous Matters

1. **Revaluation Notes & Budget Data Points** – Mr. Hooper reviewed key data points. As of April 9, 2025 the projected new tax base total is $2,054,687,834, an increase of 48.6% from last year. The projected revenue neutral tax rate is $.3282. However, assuming a 5% appeal rate and 1.5% natural growth, staff projects the revenue neutral rate to be $.33 and has used this rate for budgetary purposes. Projected "penny on the tax rate" is approximately $200,000.

The Heart of Brevard revenue neutral tax rate is $.175, and the "penny on the tax rate" is $9700.

There was discussion that the tax burden appears to have shifted from higher valued properties and commercial properties to lower valued properties. Council asked Mr. Hooper to investigate whether there is a process to appeal the revaluations or if it is possible for the County to not use the new valuations.

2. **Compensation/Benefits Discussion** – Mr. Hooper noted that the current CPI is 2.8%, but he is recommending a 3.5% across the board COLA for employees to increase the lowest grade to a living wage, and that all scenarios include a 3.5% COLA. There was discussion about a tiered COLA of 2.8% for all employees, but 3.5% for employees at low- and mid-grade in the pay plan.

Mr. Hooper reviewed history of the City's premiums for employee insurance. He noted that our health insurance fund is dwindling because each year our costs go up. He proposes decreasing the City's subsidy of employee/

dependent plans. That will mean that employees with dependent coverage will pay more toward those premiums, with an increase of approximately $10 to $15 per pay period. He said one of the changes he is recommending this year is to switch the character of our behind the scenes insurance plan. In this new approach, the city's insurance would be pooled with approximately 50 other entities. Under our traditional risk plan, this year's increase would have been $300,000, but by pooling with other participants the increase is $97,000. This should have the effect of stabilizing the cost of the insurance, but offer the exact same plan for employees.

Mr. Hooper and HR Director Kelley Craig reviewed a proposal to remove the Police Department from the city's current pay and classification structure and adopt a separate plan with distinct compensation ranges to more accurately reflect the competitive nature of the sector right now. The proposal would move law enforcement compensation ranges up and adjust all existing employees' compensation with equitable increases depending on their class, with the highest increases going to the lower classes. It would also create compensation incentives for educational attainment and other special qualifications. The proposal included two options for Council's consideration. Plan A, which if passed, would make us the market leader in the area and this Plan was referred by the Finance, Human Resources and Citizen Appointment Committee. Plan B is the same concept, though with slightly smaller numbers, and would increase our market competitiveness, but not make us the market leader. Plan B is offered to help offset the potential contract with the County to cover the overnight shifts, at an estimated cost of $285,000. Following discussion, there was consensus to fund Plan A in the budget and appropriate fund balance for the contract with TCSO.

E. General Fund (w/Sanitation)

1. **Revenue Review –** Mr. Hooper reviewed General Fund projected revenue and noted the projected overall growth is 1.1%. He said with the increased cost of providing our base services, our budget is in the red out of the gate, so we will need to find some expenses that can be reduced or some revenue that can be enhanced.

   ~~ Council took a 10-minute break at 10:10 a.m. ~~

2. **GF Requests for Additional Funding/Notable Service Level Change (SLC) Requests** – Mr. Hooper reviewed requests for service level changes (SLCs) and changes to current level (CCLs), totaling 5,212,788, which is half of the whole cost of the General Fund. He said there are ways we can reduce the budgetary impact of some of these requests. New items include the Estatoe Trail boardwalk project and David Todd reviewed the options for that project. The Public Works Department has requested four additional full-time positions and the Fire Department is requesting 3 additional full-time firefighters.

3. **Operating Units Line Item Detail**

   a. **Governing Board (including non-profits)** – Total recommended is $223,700, with $111,500 for non-profit contributions.
   b. **Administration (including HR)** – Total recommended is $1,136,300.
   c. **Finance** – Total recommended is $964,500.
   d. **Planning** – Total recommended is $1,039,600.
   e. **Community Centers** – Total recommended is $193,400.
   f. **Police** – Total recommended is $4,453,500.
   g. **Public Works – Administration** – Total recommended is $839,550.

h. **Public Works – Buildings and Grounds** – Total recommended is $596,500.
i. **Public Works – Garage** – Total recommended is $524,900.
j. **Public Works – Streets Local** – Total recommended is $1,138,400.
k. **Public Works – Streets Powell Bill** – Total recommended is $268,000.
l. **Public Works – Recreation** – Total recommended is $306,500.
m. **Public Works – Sanitation** – Total recommended is $1,414,350
n. **Non-Departmental** – Total recommended is $2,932,845. Mr. Hooper noted that the transfer to the Fire Dept. Fund of almost $1.3M is the entirety of our contribution and includes the proposed three positions and our share of the new fire truck proposal. If Council chooses not to fund those positions, it would be reduced to approximately $1M.

4. **Reserve Fund Summary** – Mr. Hooper reviewed a summary of current reserve fund balances and the amounts that will be available for each fund as of July 1st.

5. **Scenario 1 – Fully Fund All Requests** – This scenario would require a $.49 tax rate, a $.16 increase over the revenue neutral rate.

6. **Scenario 2 – Adopt Revenue Neutral Tax Rate** – This scenario only funds a small amount of the additional funding requests and would require reducing contributions to housing, downtown and trails. It would also require approximately ¾ of a penny above revenue neutral.

7. **Scenario 3 – Fund All Changes to Current Level and Service Level Changes Designed to Enhance Organizational Capacity and Improve Core Services** – This scenario includes all the new positions, matching contributions to housing, downtown and trails, and a 3.5% COLA. It would require a tax rate of $.41, an increase of $.08 over revenue neutral.

8. **Scenario 4 – Scenario 3 + High Priority Elective Expenditures** – This includes Scenario 3 plus a few high-priority elective expenses such as the Sports Complex planning, garbage truck replacement, wayfinding signage, and enhanced sidewalk maintenance. It would require a tax rate of $.445, an $.115 increase over revenue neutral.

Mr. Hooper noted that in all scenarios the big-ticket capital items are financed and no scenario entertains cuts to services.

During discussion, Council discussed moving the request for $10,000 for Land of Sky grantwriting for CDBGI to the Housing Fund. Mayor Copelof noted that over the last 10 years the city has never increased the tax rate by more than $.03. Following further discussion of the scenarios, there was consensus to not fund any of the new positions. There was also consensus to try to target a maximum increase of $.03 over revenue neutral. Mr. Hooper suggested that by reallocating a higher portion the Assistant City Manager's salary to the Water Fund and increasing the Water Fund's contribution to the General Fund, that would equate to a half-cent savings.

~~ Council took a 30-minute break for lunch at 12:15 p.m. ~~

F. Fire Department Fund

1. **Revenue Review** – A vast majority of the Fire Department's funding is a General Fund contribution and the remainder is from the County.

2. **Requests for Additional Funding** – The Department has requested funding for three additional full-time firefighters. Mr. Hooper reported that the County said no to funding their share of the three new firefighters. If that goes forward it would be entirely underwritten by the General Fund.

3. **Operating Line-Item Detail** – Total recommended is $2,629,600.

G. Stormwater Fund

1. **Revenue Review** – Mr. Hooper noted that revenue projections are lower this year based on current numbers.

2. **Operating Line Item Detail** – Total recommended is $219,000.

H. Water/Sewer Fund

1. Revenue Review – Mr. Hooper noted that the projected revenue includes the regular 4% increase to the consumption fee.

2. Water/Sewer Fund Requests for Additional Funding – Mr. Hooper reviewed the additional funding requests, but noted that he is recommending paying for three of the four items as part of the FY25 Supplemental Spending Plan. However financing of the vacuum truck replacement will be included in the FY26 budget.

3. Operating Units Line-Item Detail

a. **Water Treatment Plant** – Total recommended is $1,164,100.
b. **Wastewater Treatment Plant** – Total recommended is $1,603,100.
c. **Utility Maintenance** – Total recommended is $2,071,300.
d. **Water/Sewer Non-Departmental** – Total recommended is $2,354,200.

4. **Water/Sewer Rate Discussion** – Mr. Hooper reviewed the cumulative impact of potential fee and tax increases on a representative sample of residential and commercial properties.

I. Proposed FY25 Supplemental Spending Plan – Mr. Hooper presented his recommended Supplemental Spending Plan:

FY25 Supplemental Spending Plan
(April 2025)

PROJECT	FUND	AMOUNT	SOURCE	STATUS	FISCAL YEAR	ACTION	NOTE
Downtown parking study	GF	$50,000	Restricted funds from sale of city camper property	Mgr. Proposed	Current	No accounting action needed	DMPC recommendation
SCADA upgrade	W/S	$80,000	FY25 budget surplus[1]	Mgr. Proposed	Current		Affordable by virtue of funding KCI w/state earmark
EQ tank	W/S	$60,000	FY25 budget surplus	Mgr. Proposed	Current		Affordable by virtue of funding KCI w/state earmark
Dump truck replacement	W/S	$220,000	FY25 budget surplus	Mgr. Proposed	Current		Affordable by virtue of funding KCI w/state earmark

J. Straw Votes

1. **Review Adds and Deletes** – Selena Coffey reviewed the proposals for add/deletes, which would reduce the tax rate to approximately $.355:

FY26 BUDGET WORKSHOP - ADDS & DELETES WORKSHEET

(Assumes Scenario 3 as starting point)

preliminary

FUND	ADD		DELETE AND/OR REVENUE INCREASE		STRAW VOTE		TAX RATE EQUIVALENT
					Yes	No	
GF	$8,800	Tiered COLA of 2.8% for all employees, but 3.5% for employees at low- and mid-grade in pay plan	$8,800	Reduction in personnel line items for tiered COLA of 2.8% for all employees, but 3.5% for employees at low- and mid-grade in pay plan	6		0.044
GF	$285,000	TCSD Contract for BPD instead of tax rate increase. (Remove from BPD contract services)	$285,000	Appropriate fund balance for BPD contract with TCSD	6		1.425
GF	$110,000	Fund the BPD incentive package A (offsett w/ 2 currently frozen positions)	$110,000	Fund BPD incentive package A (offsett w/ 2 currently frozen positions)			----
GF	$10,000	Move LOSRC CDBGi funds to Housing Fund	$10,000	Remove LOSRC CDBGi funds from GF budget	6		0.050
GF/FF	$274,657	Remove 3 Firefighter positions	$274,657	Remove 3 Firefighter positions	6		1.373
GF	$38,660	Remove Finance Analyst position	$38,660	Remove Finance Analyst position	6		0.193
GF	$270,848	Remove Public Works positions	$270,848	Remove Public Works positions	6		1.354
GF	$112,000	Available from funding the entire BPD/TC contract at 100% fund balance	$112,000	Available from funding the entire BPD/TC contract for partial year	6		0.560
GF	$100,000	Reallocation of portion of Asst. City Manager and allocation of other indirect costs to Water Fund	$100,000	Reallocation of Asst. City Manager position and other indirect costs to Water Fund	6		0.500
							5.500

preliminary

2. **Conduct Straw Vote** – Vote on the add/deletes plan was unanimously in favor.

K. Adjourn – There being no further business, at 2:24 p.m. Ms. Holder moved, seconded by Mr. Daniel, to adjourn the workshop. The motion carried unanimously.

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Maureen Copelof
Mayor

Denise Hodsdon, CMC
City Clerk

Minutes Approved: June 16, 2025