MINUTES
BREVARD CITY COUNCIL
Budget Workshop
April 10, 2026

The Brevard City Council met for a Budget Workshop on Friday, April 10, 2026, at 8:30 a.m. in the Council Chambers at City Hall, with Mayor Maureen Copelof presiding.

Present - Mayor Maureen Copelof, Mayor Pro Aaron Baker, and Council Members Pamela Holder, Lauren Wise and Dean Lytle

Absent – Council Member Gary Daniel

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 Shawnee Cummings, Planning Director Paul Ray, Human Resources Director Kelley Craig, Police Chief Christy Wentzell, Fire Chief Chase Owen, Public Works Director Wesley Shook, Water Treatment Plant ORC Dennis Richardson, Wastewater Treatment Plant ORC Aaron Winans, and Community Center Director Tyree Griffin, Assistant Planning Director Aaron Bland, and Senior Planner Emily Brewer

Press – David Bradley, Transylvania Times

A. Welcome and Call to Order – Mayor Copelof called the meeting to order at 8:30 a.m. and welcomed those present.

B. Certification of Quorum – City Clerk Denise Hodsdon certified a quorum present. Mr. Baker moved, seconded by Ms. Holder to excuse Council Member Daniel. The motion carried unanimously.

C. Approval of Agenda – Mr. Baker moved, seconded by Ms. Holder 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. Regular New Business

D-1. Award of Hillview Culvert Construction Contract – David Todd explained that the City received four bids to replace the culvert on Hillview Street that was damaged during Tropical Storm/Hurricane Helene. Bids were opened on March 24, 2026 and the lowest bid was from Hyatt Pipeline in the amount of $1,108,748. Based on an analysis of the bids received, and of the qualifications required, the City's engineer WSP USA, Inc. recommends award of the project to the low bidder Hyatt Pipeline, LLC. This amount is less than the most recent construction estimate provided by WSP, which is $1,302,304 of a total Estimated Project Budget of $1,741,823.

Mr. Baker moved, seconded by Mr. Wise to approve the Resolution Awarding the Construction Work for the Hillview Street Culvert Replacement Project. The motion carried unanimously.

RESOLUTION NO. 2026-15
A RESOLUTION AWARDING THE CONSTRUCTION WORK FOR THE CITY OF BREVARD HILLVIEW STREET CULVERT REPLACEMENT PROJECT

WHEREAS, in September of 2024, the City of Brevard was struck by Tropical Storm/Hurricane Helene. The storm caused significant damage throughout the city and surrounding county. The storm damage impacted the Hillview Street Culvert and created a sinkhole in the road, sidewalk, and ground adjacent to the culvert caused by the storm eroding the bottom of the culvert. The damage was reported to FEMA and has been identified as FEMA Project Number 815595 (The Project); and

WHEREAS, the City of Brevard has worked with WSP USA, LLC, the engineer of record, for The Project, and has determined that the estimated total project cost, revised to reflect actual construction bids and including a 10% contingency, is $1,306,759.30; and

WHEREAS, the Project has received approval and permits from the North Carolina Department of Environmental Quality (NCDEQ), state regulating agency and from the U.S. Army Corps of Engineers, federal regulating agency; and

WHEREAS, The Project has followed the required FEMA processes, and FEMA's total project cost estimate is $1,359,098.27, and FEMA has committed to fully funding the project based on "Actual Costs" versus the FEMA estimate or the City's estimate; and

WHEREAS, the City of Brevard has placed The Project out to public bid under state requirements, and has received bids that are within the established budget for The Project; and

WHEREAS, in accordance with G.S. 143-129 and FEMA requirements, the City of Brevard received formal bids for the Hillview Street Replacement Culvert Project at 1:00 PM on Tuesday, March 24, 2026 at Brevard City Hall; and

WHEREAS, the City of Brevard, upon recommendation of the City's Consulting Engineers, WSP USA, LLC., desires to accept the low bid, award and construct The Project; and

WHEREAS, after receiving the Bid Tabulation from this bid opening for the proposed project, the Brevard City Council now desires to approve an award of contract.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BREVARD, NORTH CAROLINA THAT:

1. A construction contract for Hillview Street Culvert Replacement Project is hereby awarded to Hyatt Pipeline, LLC of Canton, NC for the bid price of **$1,018,748.00** as received at 1:00 P.M., on Tuesday, March 24, 2026, in accordance with the City's bid documents, produced by the designer of record WSP USA, LLC. for this Project.

2. The City Manager is authorized and directed to sign a construction contract with Hyatt Pipeline, LLC.

3. The City Manager is authorized and directed to take all necessary actions required to complete The Project, including all close out documents.

4. The City Manager is authorized and directed to process and approve any required change orders up to The Project's budget limit that may be needed to complete The Project.

5. The City Manager shall advise the Council periodically on the status of The Project.

6. This Resolution shall become effective upon its adoption and approval.

Attest: s/ Denise Hodsdon, CMC, NCCMC, City Clerk s/ Maureen Copelof, Mayor

E. Introductory Matters

E-1. Proposed Dependent Coverage Subsidy Cap – Kelley Craig reviewed Staff's proposal to cap the amount of subsidy offered to employees who opt for dependent health coverage. She explained that this year there will be a 2% increase in health insurance premiums, which equates to approximately $75,000. The City spends between $1.5M to $2.5M per year on healthcare costs. In looking for ways to continue to make the plan feasible and maintain the level of benefits offered to employees, staff are recommending that Brevard adopt an approach to dependent coverage more in line with our peer agencies by capping the city's subsidy. Staff proposes a gradual decrease in subsidy over the next four fiscal years capping the subsidy at 75% in FY30. For FY27, the subsidy would change from 86% to 83%. In FY27, this proposal would yield approximately $25,426 in additional premium collections, mitigating the strain to the budget caused by the ever-increasing cost of healthcare. Staff have performed additional analysis and concluded that as long as Council approves the 2.7% cost of living adjustment (COLA) proposed in the budget, no employee will see a lower paycheck in FY27 because of this action. Under this plan, the subsidy would cap at 80% in FY28, 77% in FY29, and 75% in FY30.

Mr. Hooper noted that in recent years the City has subsidized the cost of health insurance for its workforce via a surplus in the Health Insurance Reserve Fund. The balance has dwindled down to approximately $40,000, so the full cost of insurance for employees must be borne by the budget. The recommended budget includes $17,000 per employee budgeted for FY27. This increase is needed to account for increased health insurance costs even with the subsidy cap factored in.

E-2. Budget Workshop Stage-Setting Remarks – Mr. Hooper noted that as presented, the budget is not balanced. There is a $1.38M gap between where we want to be and where we can be with the projected revenues. There are two significant pieces of information that staff need before we can make a productive attempt to balance:

- Whether Transylvania County will fund its portion of proposed enhancements to Fire staffing
    - If they agree, it will reduce the City's budget by approximately $160,000

- Whether we receive funding from the State's Helene Recovery Recycling Infrastructure (HRRI) grant for
    - Purchase of 98-gallon tipper carts for residential garbage collection, increasing the efficiency of that service and decreasing the number of manhours needed
    - The need for a new garbage truck would be eliminated, thus reducing the budget gap by $62,500

The budget proposal scenario is built with the following assumptions factored in:

- No decreases to external service levels
- Transylvania County *does not* fund 48% of 3 new FT Fire positions; *nor do* they fund 48% of the proposed increase to PT staffing increases
- Brevard does not receive the HRRI grant
- The proposed FY26 Supplemental Spending Plan is adopted
- A 2.7% COLA is adopted for all full-time employees
- The cap on dependent health care coverage subsidy is adopted
- All proposed General Fund capital purchases are financed
- Staff -implemented operational savings
- The following revenue increases move forward:
    - Regular 4% increase in both water and sewer consumption rates
    - Proposed 4% increase in High Strength Waste Surcharge and Septage/ Digested fees is approved
    - Franklin Pool entrance fee increase from $2 to $3/day
- There are no legislative changes from Raleigh regarding property taxes; no unfunded mandates are added
- There are no shocks to world economy
- The City's Cashiers Valley Rd. property sells before the end of FY27 for at least $50,000
- All expected FEMA reimbursements are received

Additional data points:

- One penny on the tax rate equates to $202,800
- One penny on Heart of Brevard tax rate equates to $8,150

F. General Fund

F-1. Revenue Review - Mr. Hooper reviewed FY27 revenue projections for all funds and noted that overall, the assumption is that General Fund revenues are flat. Sales tax revenue is still growing, but at a slower rate than in the past few years.

FY27 City of Brevard Revenue Projections

Major Revenues			
General Fund			
Source	FY25 Actual	FY26 Projected	FY27 Projected
Prop Tax	$6,121,275	$6,516,000	$6,991,000[1]
Vehicle Tax	$362,948	$325,000	$325,000
Interest Income	$485,241	$450,000	$400,000[2]
Franchise Tax	$712,784	$700,000	$666,500
Powell Bill	$283,149	$283,000	$283,000
Sales Tax	$2,462,936	$2,604,000	$2,675,000
ABC	$243,313	$188,000	$251,000
Reimb from W/S	$661,000	$750,000	$750,000
County Vehicle	$328,361	$264,000	$264,000
Sanitation Fees	$1,198,723	$1,207,100	$1,232,000
Other	$373,462	$1,146,800[3]	$222,700
GF Subtotal	$13,233,192	$14,758,900	$14,060,200
Stormwater Fund			
Tier 1-2-3 Rev.	$209,376	$208,000	$209,000
Water and Sewer			
Water Charge	$3,464,570	$3,600,000	$3,700,000[4]
Sewer Charge	$3,230,808	$3,300,000	$3,375,000[5]
Other	$468,276	$1,394,200[6]	$707,900[7]
W/S Subtotal	$7,164,104	$8,294,200	$7,782,900
Fire Fund[8]			
Transfer from GF	$789,745	$858,905	$1,195,182
Transylvania County	$536,359	$775,624	$762,618
Other	$77,342	$232,500	$10,000
Fire Subtotal	$1,403,446	$1,867,029	$1,967,800

Covers 100% of the cost of three addl. FT salaries + funding for addl. PT hours. If county agrees to fund, the number could reduce between $27,670-$130,784

[1] Assumes no change to tax rate and 2.2% natural growth factor
[2] Assumes predictability in interest rates (i.e., no artificial rate adjustments from Washington)
[3] Includes $425,000 in debt proceeds and projected $500k FEMA reimbursement
[4] Assumes continuation of annual 4% consumption rate increase and maintenance of current fixed rate.
[5] Assumes continuation of annual 4% consumption rate increase and maintenance of current fixed rate.
[6] Includes $540,000 in debt proceeds and projected $76,200 FEMA reimbursement
[7] Assumes 4% increase in High Strength Waste Surcharge and Septage Fees
[8] Assumes no change in funding model re: city/county split.

F-2. GF Requests for Additional Funding/Notable Service Level Change Requests (includes Fire) – Mr. Hooper reviewed requests for service level changes (SLCs) and changes to current level (CCLs):

GF Service Level Change Requests

Department	Project	Est. $	Priority	Amt. In
Fire	Three full-time engineers (100% share)	$276,500	Red	$276,500
Fire	ALT 1 SAFER grant for six FT engineers	$138,000[1]	Green	$0
Fire	*ALT 2 One full-time engineer (100% share)*	$92,600	Red	$0
Fire	ALT 3 SAFER grant for three FT engineers	$69,450[2]	Red	$0
Fire	ALT 4 Fully staff overnight with PT (100% share)	$58,500	Yellow	$58,500
Fire	Compensation adjustments for "officer plan"	$21,000	Green	$0
Fire	Rescue boat and equipment	$20,000*	Green	$0
PW/SW	Tipper carts for regular garbage	$175,000*	Green	$0
PW/BG & Street	Four new full-time crew	$270,000	Green	$270,000
PW/SW	One man leaf machine	$250,000*	Green	$0
PW/BG	Buildings/Ground reclass scheme	$30,000	Green	$30,000
Admin/Comm.	Better streaming equipment for Chamber	$90,000*	Purple	$10,000
HR	HR Specialist Reclass	$7,500	Green	$7,500
Admin/Finance	*GF portion financial planning model/bond prep*[3]	$20,000	Green	Net $0[4]
Admin/HR	NeoGov appraisal module	$6,200	Green	$0
Admin/Eng	GF portion of CIP software[5]	$75,000*	Green	$0
Various	GF portion of full-time grant writer[6]	$72,000	Green	$0
Planning	UDO Ch 13 Street and Infrastructure Standards Update	$25,000*	Purple	$0
PSC	Speed humps on Carolina Ave	$14,000*	Purple	$0
Planning	Local Match for Estatoe Trail Wayfinding signs	$25,000*	Blue	$0
Police	Security Cameras (FLOCK)[7]	$21,600	Green	$0
Various	Security Cameras (SCW)	$60,200*	Green	$60,200
PTR Comm.	Sports complex masterplan/redesign/bathrooms (design)	$60,000*	Purple	$0
DMPC/ETAB	Ecusta Trail/Main St. connection	$230,000*	Blue	$0
DMPC	Grant firm to write BUILD application for DMP	$75,000*	Purple	$0
Police	Training Increase	$5,000	Green	$5,000
Police	Automatic Vehicle Location Devices for CID vehicles	$3,900*	Green	$0
DTMP/Planning	Updated Downtown wayfinding/signage	$45,000*	Purple	$0
DTMP/Planning	Updated parking wayfinding	$15,000*	Purple	$0
Police	Police K-9[8]	$15,000	Green	$0

[1] First year cost only. $144,000 in year two, $358,000 in year three; $600,000 in year four and beyond
[2] $69,450 in year one, $72,000 in year two, $189,711 in year three, $300,000 in year four.
[3] 50% GF; 50% W/S
[4] GF portion redirected from Planning budget
[5] 25% GF; 75% W/S
[6] 75% GF; 25% W/S
[7] First year cost includes subscription and startup cost. Years two and three $19,000 each.
[8] Pisgah Forest Rotary Club has offered to fund the majority of the cost, with an annual recurring cost of ~$15k

GF Significant Changes to Current Level

Department	Project	Est. $	Priority	Amt. In
All	*CPI-based compensation adjustment (2.7% COLA)*	$184,680	N/A	$184,680
All	*Health insurance increase (w/new positions)*	$262,000	N/A	$242,000[9]
All	*ALT 1 Health insurance inc. (current staffing level)*	$141,000	N/A	$0
Planning	New vehicle	$35,000*	Green	$0
Planning	Improvements to Jordan St. parking lot	$20,000*	Purple	FY26 SSP
Police	*Body cam update*[10]	$25,000	Red	$25,000
Police	*Firearms update*[9]	$25,000	Red	$25,000
Police	*Tazer update*[9]	$25,000	Red	$25,000
Fire	*Increase for phase-in of dual band radios*	$30,000*	Green	$30,000
Solid Waste	Replacement truck	$250,000*	Yellow	$62,500
Admin/HR	GF portion of compensation study[11]	$6,000*	Green	$6,000
Admin/Eng	*GF portion of City Hall deferred maintenance*[12]	$300,000*	Red	$225,000
Police	Ammunition increase	$2,000	Red	$2,000

GF Significant Carry-Over Expenses

Department	Expense	FY26 amt.	FY 27 Amt.
Non-Departmental	Pennies for Rosenwald	$182,900	$186,300
Non-Departmental	GF contrib to Fund 70 (Housing Trust)	$198,000	$235,000[13]
Non-Departmental	GF contrib to Fund 83 (Downtown master plan)	$95,000	$47,500
Non-Departmental	GF contrib to Fund 78 (Estatoe fund)	$95,000	$47,500

Key

*Asterisks denotes one-time cost

Italics denotes no accompanying write-up

"Keep the Lights On" priority level
"Comply with the Big Guy" priority level
"Efficiency" and "Risk mitigation" priority level
"Voluntary service enhancement" priority level
"Blue sky ideas" priority level

[9] Net $27,000 ($20,000 in GF, $7,000 in W/S) in new premiums derived from cap on dependent subsidy.
[10] Comply with the big guy, but don't need to do all of them at once.
[11] 66% GF; 33% W/S
[12] 80% GF; 20% W/S
[13] Number is higher than $210,000 needed for Azalea Ave debt service to make up for missing out on rental revenue from Old HVL Hwy house. This amount will keep HTF in the black assuming Cashiers Valley Rd. property is sold for >$50k prior to end of FY27.

Mr. Hooper noted that there are a couple of changes to the SLC's and CCL's. Chief Wentzell has dropped her request for Flock cameras and instead is asking to redirect that money to body cams and tasers, which would bump both of those numbers up from $25,000 each to $45,000 each.

F. 3. Operating Units Line Item Detail – Individual operating unit budgets were reviewed:

a. **Governing Board (including non-profit contributions)** – Total recommended is $282,000, including $135,500 for non-profit contributions.

b. **Administration (including HR and Communications)** – Total recommended is $1,192,800.

c. **Finance** – Total recommended is $844,200.

d. **Planning** – Total recommended is $1,012,900.

e. **Community Centers** – Total recommended is $186,300.

f. **Police Department** – Total recommended is $4,559,600. Chief Wentzell reviewed her SLC's and noted that the Department is using the leftover funds allocated for the Berry Dunn study to develop an immediate strategic plan, and she does not recommend moving forward with the second phase of the Berry Dunn study. She is requesting to increase the budget for the Axon tasers and body cams as the costs have come back almost double of what was originally projected. She is also removing the $25,000 request for firearms update. Mr. Hooper noted that two previously frozen positions have been unfrozen in this budget to help with reorganization of the Department.

g. **Public Works – Administration** – Total recommended is $744,300.

h. **Public Works – Buildings and Grounds** – Total recommended is $1,025,850. Mr. Hooper explained that the requests for increases include two new staff members and to reclassify two current staff members to match their level of responsibilities. The proposed budget also includes funding for City Hall deferred maintenance and city-wide security cameras.

i. **Public Works – Garage** – Total recommended is $535,300.

j. **Public Works – Streets** – Total recommended is $1,073,225. The increase includes two new staff members.

k. **Public Works – Powell Bill** – Total recommended is $268,000

l. **Public Works – Recreation** – Total recommended is $297,700.

m. **Public Works – Sanitation** – Total recommended is $1,560,200. **Supplementary Sanitation Information/Data** – Mr. Hooper noted that the proposal includes some large expenses, that if funded, he believes would relieve some of the pressure on other operating units in Public Works, and thus all four new Public Works positions may not be needed. Tipper carts would make the sanitation service more efficient and cut down on the need to borrow staff from the Buildings and Grounds and Streets divisions. He recommended that even if we don't get the HRRI grant, it would still be worth doing and the tipper carts could be financed for $50,000 per year. Later in the meeting, Staff received word that the City was not awarded the HRRI grant.

   Mr. Hooper discussed a proposal to change the commercial recycling collection schedule in an attempt to reduce the requested Public Works positions. He asked Council to consider dialing back commercial cardboard collection from 5 days a week to 3. Following discussion, there was consensus to look at increasing the fee for commercial recycling and developing a tier system for service and fees for commercial cardboard collection.

F-4. General Fund Non-Departmental – Total recommended is $2,163,907.

~~ At 12:10 pm Council and Staff took a 35-minute break for lunch~~

G. Fire Department Fund

G-1. Revenue Review – Total projected revenue is $1,967,800, including a $1,195,182 transfer from the General Fund.

G-2. Operating Line Item Detail – Total recommended is $1,618,400. Mr. Hooper noted that the SLC's include a series of options for Fire Dept. staffing that would each accomplish the goal of hiring at least 3 new full-time people, but in a different way. The draft budget includes paying it 100% by the City. However, there are some

alternatives and the possibility that the County funds their 48%. There are alternatives of applying for SAFER grants to fund three or six new positions, which looks good in the first year, but costs would increase every year, and by year four and beyond the commitment would be $600,000 more in personnel cost. There is also an alternative of hiring one new full-time engineer at a 100% share. ALT 4 would fund the part-time salary line item adequately enough to have at least two people on every shift.

a. Supplementary Fire Department Information/Data – Chief Owen reviewed NFPA standards and Brevard's response data. He noted that as the call numbers increase the Department's response time will continue to get higher if we don't have the people to back that up. He discussed the current staffing model with only three full-time engineers, noting that the remainder are part-time, and they have the option to come or not unless they are working a shift. The Department responded to 3000 calls last year and the big issue is overlapping calls. Chief Owen said that the part-time budget hours are a necessity, but three full-time people would allow him to keep a second truck up all the time. Chief Owen reviewed the remainder of his SLC's and CCL's. He has requested $21,000 for compensation adjustments to create a ranked structure within the department. Mr. Hooper noted that this request is not included in the proposed budget.

G-3. Fire Fund Non-Departmental – Total recommended is 349,400.

H. Stormwater Fund – Mr. Hooper noted that there are no recommended changes this year. There is one more year to go with the master plan process. When that master plan is completed, there will be some recommendations regarding the fee structure next year.

H-1. Revenue Review – Total projected is $209,000.

H-2. Operating Line Item Detail – Total recommended is $209,000.

H. Water/Sewer Fund

I-1. Revenue Review – Mr. Hooper noted that the projected revenue includes the regular 4% increase to the consumption fee. Total projected revenue is $7,782,900.

I-2. Water/Sewer Fund Requests for Additional Funding

Water/Sewer Fund Requests for Addl. Funding

W/S Service Level Change Requests

Department	Project	Est. $	Priority	Amt. In
~~WWTP~~	~~Reorg./reclass for dedicated FOG enforcer~~	~~$20,000~~	~~Red~~	
Maint.	Non-revenue water measures	$300,000*	Red	$300,000
All	W/S portion of full-time grant writer	$24,000[6]	Green	$0
All	W/S portion of CIP software	$225,000[5]*	Green	$0
WTP	Security Cameras (SCW)	$40,000*	Green	FY26 SSP

W/S Significant Changes to Current Level

Division	Project	Est. $	Priority	Amt. In
All	*CPI-based compensation adjustment (2.7% COLA)*	$45,090	N/A	$45,090
All	*Health insurance increase*	$23,000	N/A	$16,000[9]
All	Accelerated light duty truck replacement	$200,000*	Green	$100,000
All	W/S portion of compensation study[11]	$3,000*	Green	$3,000
Admin/Eng	*W/S portion of City Hall deferred maint.*[12]	$100,000*	Red	$75,000
Admin/Finance	W/S portion of financial planning model/ bond prep[3]	$10,000	Green	$10,000

Key

*Asterisks denotes one-time cost

Italics denotes no accompanying write-up

"Keep the Lights On" priority level
"Comply with the Big Guy" priority level
"Efficiency" and "Risk mitigation" priority level
"Voluntary service enhancement" priority level
"Blue sky ideas" priority level

Mr. Hooper noted even with all of these requests, there will still be a surplus of approximately $100,000.

I-3. Operating Units Line-Item Detail

a. **Water Treatment Plant** – Total recommended is $1,223,700.

b. **Wastewater Treatment Plant** – Total recommended is $1,518,300.

c. **Utility Maintenance** – Total recommended is $2,390,200.

d. **Non-Departmental** – Total recommended is $2,650,700.

J. FY26 Supplemental Spending Plan (SSP) as of April 2026 – Mr. Hooper presented his recommended FY26 Supplemental Spending Plan:

FY26 Supplemental Spending Plan
(April 2026 Draft)

PROJECT	FUND	AMOUNT	SOURCE	STATUS	FISCAL YEAR	ACTION	NOTE
Jordan St. parking lot enhancement w/Pisgah Health	GF	$20,000 est	Fund 83 and operating savings	Pending	Current	Depends on total cost	Total cost unknown. Using $20k as a target number
Tannery North remediation (smokestack and vault removal)	GF	$400,000 est	Fund 78, operating savings, and unassigned fund balance	Pending	Current	Council action needed to reappropriate FB if needed.	
Azalea Ave. sewer extension contribution	W/S	$525,000	FY26 budget surplus[1]	Council approved	Current	Council approved at 3/16/26 meeting	
Water Treatment Plant Security Camera	W/S	$45,000	FY26 budget surplus[1]	Staff proposed	Current		Staff intend to piggyback off TCSO contract with vendor Security Camera Warehouse

[1] This surplus was intentional.

Mr. Hooper asked Paul Ray to explain the proposed Jordan St. parking lot enhancement agreement with Pisgah Health. Mr. Ray explained that Pisgah Health would give the lot to the City to create additional parking spaces in return for the City repaving their parking lot behind their building at an estimated cost of $12,000. The City would also install a 4' privacy fence for headlight mitigation. Mr. Hooper clarified that this amount does not include paving our parking lot. There was consensus to reduce the amount from $20,000 to $12,000, and to use the savings to fund audio visual equipment in the Council Chambers.

There was also consensus to approve the security cameras for the Water Treatment Plant.

Mr. Hooper noted staff is working on the bid documents for the Tannery North smokestack and vault removal. He is waiting to get that number before bringing a funding plan to Council at a later time.

Mr. Hooper then reviewed Reserve Account balances:

FUND	Acct. Bal. as of 03/31/26	Encumbrances/ Commitments	Q4 Activity	Avail 7/1[1]
Housing Trust Fund (76) --Azalea Ave. --Fairhaven Mdws --Other	**$196,484**	**($484,875)** --Azalea Ave. debt service ($210,000) --Fairhaven loan tranche 2 ($262,500) --Habitat tap fee reimb ($12,375)	**($2,880)** --Q4 FY26 transfer $49,500 --Azalea debt svc ($52,380)	**($291,271)**
Rosenwald (82) --Norton Crk Streambank	**$81,213**	**($44,242)** --Streambank design/engineering ($14,730) --Construction ($29,512)	**$62,000** --DEQ grant $62,000	**$98,971**
Roundabouts (75) --Roundabouts --R5800 improve.	**$133,092**	**($250,287)** --NCDOT betterments ($113,727) --NCDOT landscaping ($53,900) --Forest entrance sidewalk ($27,000) --Bear Statue ($19,660) --Various McAdams prof. services ($36,000)	**$28,250** --Q4 FY26 transfer $18,750 --Bear Statue (CFF) $9,500	**($88,945)**
Multi-Use Path (78) --Bracken Preserve --Estatoe Trl	**$646,979** --$42,973 --$604,006	**($454,055)** --Long Cane contract ($39,688) --30% design ($27,256) --100% design trail match ($168,500) --Tannery North environmental ($3,650) --path from David River bridge to 276 ($48,411) --Tannery North match ($112,000) --BLE-Eng Smokestack ($23,000) -- TAPCO RFB ($10,758) --Traffic Control Rosman Hwy ($12,242) --Tree Removal-Smokestack ($8,550)	**$136,083** --Q4 FY26 transfer $23,750 --Great State Trail grant revenue $112,333	**$329,007**
Downtown Master Plan Fund (83) --Times Arcade --Streetscape Improve	**$45,488**	**($95,096)** --Remaining construction ($20,870) --Remaining design ($1,226) --Jordan and Broad stamped xwalks ($73,000)	**$64,750** --Q4 FY26 transfer $23,750 --Platt reimb $41,000	**$15,142**
Capital Reserve Fund (35) --Utilities	**$505,036**	**($130,738)** --Fairhaven Meadows Loan Tranche 2 ($130,738)[2]	**$30,000** --Q4 sys dev fee collections est. 30,000	**$404,298[3]**
FUND	**Acct. Bal. as of 3/3126**			
Unassigned Fund Balance	**$4,400,000**	**($3,425,000)** --Council's policy of retaining 25% of GF budgeted expenditures minus transfers ($3,425,000)		

There was some discussion regarding the Rosenwald Fund. Mr. Hooper noted that it is Staff's understanding that the available $98,971 is for construction of the Norton Creek Streambank enhancement in the years to come. Mayor Copelof asked whether Council could decide to do something else with those funds and move the money out of that fund to another fund. Mr. Hooper and Mr. Luebbe confirmed that that could be done.

Mr. Hooper noted that the City's policy regarding Unassigned Fund Balance requires maintaining an amount equivalent to 25% of the last General Fund expense. Currently the estimated usable balance is $975,000 or approximately 31%. He said he will ask Council to use a portion of that for the smokestack demolition but noted that Council could dip into this fund to balance the budget.

K. Straw Votes

K-1. Review Adds and Deletes – Mayor Copelof asked that Council have a discussion about what it thinks is an acceptable tax rate for the coming year. Staff prepared an updated spreadsheet reconciling the adds and deletes that have been discussed so far. Mr. Hooper noted that this new proposal keeps one of the Police Department's positions frozen, which takes the total deficit to $1,136,205.10. There was considerable discussion regarding ways to increase revenue and make cuts to SLC's

and CCL's. During discussion, there was consensus to look at increasing the Heart of Brevard MSD tax rate by 2 cents in order to reduce the amount of the contribution to the Heart of Brevard. Council asked for clarity on the balance in the Rosenwald Fund and whether it is restricted for Norton Creek restoration. Mr. Baker expressed concern that the Sports Complex parking lot and bathroom design was not included in the budget, which led to discussion about the need for a master plan for all parks and recreational facilities.

K-2. Conduct Straw Vote – There was consensus to accept the following adds/deletes, resulting in a tax increase of 2.5 cents.

Department	GENERAL FUND	Currently Included	Not Included
All	Salary, cola, 1% = 68,400, currently at 2.7	$ 184,680.00	$ -
All	Health Insurance increase	$ 85,800.00	$ -
Admin	Compensation Study (GF share 66%)	$ 6,000.00	$ -
Admin	Performance Appraisal Module	$ -	$ 6,200.00
Admin	Audio Visual Upgrade for Council Chambers	$ 10,000.00	$ 80,000.00
Admin	Reclassification for HR Specialist	$ 3,750.00	$ -
Finance	50% of grant writer/finance analyst	$ -	$ 48,000.00
Finance	Government Financial Software Increase CCL	$ 10,000.00	$ -
Planning	25% of grant writer/finance analyst	$ -	$ 24,000.00
Planning	UDO Ch 13 street/infrastructure standards update	$ -	$ 25,000.00
Planning	Downtown Wayfinding signage (parking)	$ -	$ 15,000.00
Planning	Downtown Wayfinding signage (General)	$ -	$ 45,000.00
Planning	Local match for Estatoe Trail wayfinding	$ -	$ 25,000.00
Planning	Grant consultant to apply for BUILD grant	$ -	$ 75,000.00
Planning	AWD Pickup truck	$ -	$ 35,000.00
Police	Berry Dunn Phase 2	$ -	$ 35,000.00
Police	Training Increase (5K increase from 15K to 20K)	$ 5,000.00	$ -
Police	Automatic Vehicle locater for CID vehicles	$ -	$ 3,900.00
Police	Ammunition Increase	$ 2,000.00	$ -
Police	Body camera (phase-in)	$ 36,000.00	$ -
Police	Taser rental (phase-in)	$ 36,000.00	$ -
Police	FLOCK Cameras	$ -	$ 21,600.00
Police	Police K9	$ -	$ 15,000.00
Police	Firearm Increase (19k increase from 6K to 25K)	$ -	$ -
Police	2 Police Vehicles	$ 26,250.00	$ -
Police	Frozen Position	$ (200,000.00)	
B&G	2 New Employees	$ 68,000.00	$ -
B&G	Reclassification for 2 employees	$ 30,000.00	$ -
B&G	Security Cameras (GF share 60%)	$ 40,000.00	$ -
B&G	Jordan St parking lot improvement	$ -	$ 20,000.00
B&G	City Hall Deferred Maintenance (GF share 75%)	$ 150,000.00	$ 75,000.00
PW Admin	CIP software (GF share 25%)	$ -	$ 75,000.00
Streets	2 New Employees	$ 136,000.00	
Streets	Speed humps on Carolina Ave	$ -	$ 14,000.00
Sanitation	Garbage Truck (financed)	$ -	$ -
Sanitation	Tipper carts (possibly grant funded; can be financed)	$ 35,000.00	$ 175,000.00
Sanitation	One man leaf machine	$ -	$ 250,000.00
Non-dept	Estatoe Trail - Main street connection 230K	$ -	$ 230,000.00
Non-dept	Housing Trust (increase from 198K to 235,000 for Azaela debt service)	$ 37,000.00	$ -
Non-dept	Sports Complex Redesign (pave parking lot, bathrooms)	$ -	$ 60,000.00
Non-dept	Fire contribution (3 FT engineers & PT hours)	$ 156,782.00	$ -
Roundabout Fund	Eliminate roundabout transfer for FY27	$ (75,000.00)	
Fire	Remove 2 VIPER radios	$ (10,000.00)	
DTMP	Remove downtown planters	$ (27,000.00)	
DTMP	HOB MSD Tax Increase	$ (16,000.00)	
TOTAL of Requests		$ 730,262.00	$ 1,352,700.00
Over Budget		$ 701,162.10	
After Additional Sanitation Revenues		$ 533,162.10	2.5
Cents on the tax rate		$ 507,000.00	
Gap after tax increase		$ 26,162.10	

Department	FIRE	Currently Included	Not Included
Fire	Three Full-time Engineers (100% share)	$ 276,500.00	$ -
Fire	Alternative 1: SAFER Grant for 6 Employees (increases annually)	$ -	$ 138,000.00
Fire	Alternative 2: One FT engineer (100% share)	$ -	$ 92,600.00
Fire	Alternative 3: SAFER Grant for 3 Employees (increases annually)	$ -	$ 69,450.00
Fire	Alternative 4: Fully staff overnight shifts with PT hours (100% share)		$ -
Fire	Compensation Adjustments for "Officer Plan"	$ 21,000.00	
Fire	Rescue Boat and Equipment		$ 8,000.00
TOTAL (100% share)		$ 297,500.00	$ 308,050.00
TOTAL with County Contribution		$ 156,782.50	$ 162,342.35

Department	WATER/SEWER	Currently Included	Not Included
WWTP	Reclassification Request for FOG position	$ -	$ -
Water	Non-reveneue water measures	$ 300,000.00	$ -
All	25% of grant writer/finance analyst	$ -	$ 24,000.00
All	CIP software (W/S share 75%)	$ -	$ 225,000.00
WTP	Security Cameras (W/S share 40%)	$ -	$ 40,000.00
All	Salary, cola, currently at 2.7	$ 45,090.00	$ -
All	Health Insurance increase	$ 16,000.00	$ 7,000.00
All	Accelerated Light Duty Truck Replacement	$ 100,000.00	$ 100,000.00
All	Compensation Study (W/S share 33%)	$ 3,000.00	$ -
Admin/Eng	City Hall Deferred Maintenance (W/S share 25%)	$ 75,000.00	$ 25,000.00
Admin/Finance	Financial planning model/bond prep (W/S share)	$ 10,000.00	$ -
TOTAL		$ 549,090.00	$ 421,000.00

L. Adjourn – There being no further business, at 4:42 p.m. Ms. Holder moved, seconded by Mr. Baker, to adjourn the workshop. The motion carried unanimously.

Maureen Copelof
Mayor

Denise Hodsdon, CMC
City Clerk

Minutes Approved: June 1, 2026