MINUTES
BREVARD CITY COUNCIL
Budget Workshop
April 12, 2024

The Brevard City Council met for a Budget Workshop on Friday, April 12, 2024, 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 to the City Manager Alex Shepherd, Planning Director Paul Ray, Human Resources Director Kelley Craig, Fire Chief Bobby Cooper, Public Works Director Wesley Shook, Water Treatment Plant ORC Dennis Richardson, Wastewater Treatment Plant ORC Emory Owen, and Community Center Director Tyree Griffin. Police Chief Tom Jordan joined via telephone.

Press – Jon Rich, Transylvania Times

H. 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.

C. Approval of Agenda – Mr. Hooper noted that a closed session needed to be added to discuss a pending litigation matter. Mr. Wise moved, seconded by Ms. Holder to approve the agenda as amended. The motion carried unanimously.

D. Review Priorities

1. **Review Priorities** – The following priorities were identified at the February 29, 2024 Strategic Planning Retreat:

- Community safety
- Infrastructure investments
- Economic incentives
- Affordable housing
- Community partnerships & engagement
- Efficient, high-quality organization
- Connected transportation network

2. **Affirm Priorities -** Mr. Hooper noted that the budget has been built around the priorities set by Council at the Strategic Planning Retreat. He asked Council to affirm these priorities. There was consensus to affirm the priorities as listed.

E. General Fund (w/Sanitation)

- **Revenue Review –** Mr. Hooper reviewed General Fund projected revenue. Mr. Hooper is recommending the following changes to our revenue scheme:

  - Increase transfer from Water/Sewer Fund to General Fund from $525,000 to $661,000 to better reflect administration employees' time spent on water/sewer matters, including half of the cost of the new Assistant City Manager/City Engineer position

- Redirect revenue from paid parking kiosks into the General Fund in the amount of $100,000.
- Increases in Sanitation Revenues
    - Increase in refuse collection fee by $1/month from $20 to $21
    - Increase commercial dumpster fee from $20/month for 8 pickups to $100/month for 8 pickups plus $20 for each additional pickup
    - Increase commercial cardboard fee $1/month

- **General Fund Requests for Additional Funding** – Council reviewed the entire list of requests for additional funding. Mr. Hooper noted that most of these requests were submitted by staff, but they are in pursuit of Council's goals. He noted that Scenario 1 would fund all of these requests.

    a. **Notable Service Level Change (SLC) Requests** – Mr. Hooper explained that he wanted to discuss these separately because he thinks these can only be funded if we do so discreetly and in total.

        - **Three Additional Full-time Firefighters** in order to provide two full-time firefighters per shift. The County has declined to fund the additional expense so the City would have to absorb 100% of the cost. To do so would require a 2-cent increase in the tax rate and that is not included in this recommended budget.

        - **Stormwater Maintenance** – Mr. Hooper said he is proposing to establish a stormwater program to raise funds and use them for making improvements to our stormwater system. The proposal is for a $5/month flat fee on all property owners in FY25 and then develop a more equitable fee structure for future years, such as Black Mountain's tiered rating system based on the amount of a property's impervious surface. There was discussion that we need to establish a more equitable fee structure now for FY25, rather than a flat fee across the board.

- **Operating Units Line-Item Detail**

    a. **Governing Board** – Total recommended is $194,410. However, Mr. Hooper noted that this budget includes the Non-profit contributions, and we received more requests than we are able to fund, so this is an area where there will probably be some negotiation.
    b. **Administration** – Total recommended is $1,049,500.
    c. **Finance** – Total recommended is $967,200.
    d. **Planning** – Total recommended is $1,005,400.
    e. **Community Centers** – Total recommended is $155,700.
    f. **Police** – Total recommended is $4,109,600 and includes $125,000 for rent and expenses for the new facility at 132 Commerce Street, and $140,000 for 2 new police vehicles.
    g. **Public Works – Administration** – Total recommended is $626,000 and includes salary for the new Assistant City Manager/City Engineer position. That expense may be moved to the Administration budget.
    h. **Public Works – Buildings and Grounds** – Total recommended is $557,500.
    i. **Public Works – Garage** – Total recommended is $462,800.
    j. **Public Works – Sanitation** – Mr. Hooper is recommending that we fold Sanitation back into the General Fund, rather than as a separate enterprise fund. He noted that there are no significant changes in expenses, but there is an increase in revenue based on

the recommended fee increases. Total recommended is $1,157,600.

k. **Public Works – Streets Local** – Total recommended is $824,400.
l. **Public Works – Streets Powell Bill** – Total recommended is $243,000.
m. **Public Works – Recreation** – Total recommended is $287,900.
n. **Non-Departmental** – Total recommended is $1,484,740. This includes transfers to various other funds and debt service. Mr. Hooper noted that the recommended transfers do not include funding for the Multi-use Path Fund or the Downtown Master Plan Fund, and this would be discussed during the FY24 Supplemental Spending Plan.

- **Reserve Fund Summary** – Mr. Hooper reviewed a summary of current reserve fund balances.

- **Scenario 1 – Fully Fund All Requests with Millage Rate Increase** – Mr. Hooper said he didn't think this was a realistic scenario, but he included it anyway just to illustrate that we can't afford to fund all of the additional funding requests. This scenario would require a 27.5 cent tax rate increase.

- **Scenario 2 – Balance Budget w/Current Revenues** – Mr. Hooper explained that this scenario balances the budget with no changes to our revenue. It would cut pay adjustments for employees, it leaves a lot of our funding needs unfunded, gives our non-profits zero, cuts our housing allocation by ¾ of a penny, and sends nothing to Downtown or the trails.

- **Scenario 3 – Balance Budget with Manager's Proposed Revenue Enhancements** – Mr. Hooper explained that this scenario is a mix of unfunded, fully funded, and partially funded priorities and he believes this is what the budget will ultimately look like. It includes:

    - 3.25% COLA for employees
    - 4% contribution to 401K for all employees rather than the current match
    - Raise on-call pay from $.90/hour to $2/hour
    - Partially funds technology upgrades
    - Rent/utilities for 132 Commerce Street
    - Two police vehicles
    - Tracking software and investigation fund for Police Department
    - Vehicular wayfinding signage update
    - Plusurbia contract Phase 2
    - $100,000 in contributions to non-profits that help us accomplish our stated priorities. It was noted that some of the non-profits we have funded in the past, such as the Farmers Market and Rise & Shine, are not included and it could have a big impact to their budgets. There was considerable discussion of the non-profit requests. There was a proposal to reduce contributions to Pisgah SORBA and to Pisgah Conservancy by $2500 each to fund Rise & Shine's request for $5,000. There was consensus to continue discussion of the budget and try to find $10,000 for the Farmer's Market.
    - Partial funding for Housing at a "Penny and a half for housing"
    - No funding for Downtown Master Plan infrastructure projects, but use existing FY24 sidewalk "fee in lieu" proceeds to fix brick and concrete concerns identified in the HOB walkability study, as part of the FY24 Supplemental Spending Plan.
    - No funding for Estatoe Trail, but Mr. Hooper noted that with current funds work will continue with construction of Tannery North, a wayfinding study on merging the Estatoe and Ecusta Trail names and placing signage at appropriate spots, 30%

design of the Estatoe Trail from Main Street to MCJCCC, funding for trail betterments study needed to integrate the Asheville Hwy portion of the Ecusta Trail into downtown, and in exchange for construction of the Rosman Hwy crossing we will build the sidewalk from the terminus of our Tannery South trail to the gas station.

~~ Council took a 30-minute break for lunch at 12:00 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. **Fire Fund Requests for Additional Funding** – The Department has requested funding for three additional full-time firefighters. Mr. Hooper reported that the County has only approved modest increases to current compensation and a few operational increases. They have 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 $1,092,900.

G. Water/Sewer Fund

1. **Revenue Review** – Mr. Hooper said he is proposing two changes to our fees in order to start banking money for our wastewater treatment plant project. One is a 4% increase in the water and sewer consumption fees. The second is to establish a high-strength waste surcharge for commercial and institutional users to account for the treatment costs specifically attributable to the high-strength waste they produce.

2. **Water/Sewer Fund Requests for Additional Funding** – Mr. Hooper reviewed the additional funding requests. He noted that it includes adding a full-time utility maintenance position.

3. **Operating Units Line-Item Detail**

   a. **Water Treatment Plant** – Total recommended is $1,081,200.
   b. **Water Distribution** – Total recommended is $744,600.
   c. **Wastewater Treatment Plant** – Total recommended is $1,731,900.
   d. **Wastewater Collections** – Total recommended is $1,151,600.
   e. **Water/Sewer Non-Departmental** – Total recommended is $2,723,500.

4. **Water/Sewer Rate Discussion** – Mr. Hooper reviewed the proposed rates and examples for residential, commercial and industrial customers, including the applicable tiered high-strength waste surcharge.

H. FY24 Supplemental Spending Plan

1. **City Manger's Recommended FY24 Supplemental Spending Plan** Mr. Hooper explained that we can't afford to do everything in the FY25 budget, but he wants to be able to keep Council's priorities going. He is recommending that we dip into some of our reserve funds to pay for some of those items that can be met with one-time payments. His recommended FY24 Supplemental Spending Plan includes:

- City Hall Reconfiguration $ 40,000
- 132 Commerce Street upfits $100,000
- One-time paving supplement $100,000
- Fix brick/concrete concerns in HOB Walkability Study $ 40,000
- Phases 1 & 2 of Probart St. Traffic Calming $ 3,000
- Norton Creek Streambank Restoration Phase 2 $ 72,000
- Estatoe/Ecusta Trail Wayfinding Signage Study $ 50,000
- Estate Trail Main St. to MCJCC 30% design $ 20,000
- R5800 trail betterments study $ 75,000
- Rosman Hwy connecting sidewalks $ 21,000

There was discussion about spending the $100,000 for one-time paving on other items:

Mayor Copelof proposed using $30,000 to complete all of the Probart Street Traffic Calming and $25,000 for engineering for the picnic shelter at Silversteen Park.

Mr. Daniel said he would like to see the Farmers Market fully funded this year. There was some question regarding whether the funding request from the Farmers Market included a portion of their operating budget, which is not allowed. There was a suggestion to fund $10,000 to them in FY24 and $10,000 in FY25, with the caveat that staff will research to assure that it is within the funding guidelines set by the state. Ms. Holder said she would be willing to fund $10,000.

Mr. Baker said he doesn't want to move away from ongoing funding of the Estatoe Trail. He said he would rather split the $100,000 equally to the Multi-use Path Fund and Downtown Master Plan Fund and also find the money to fund the Farmers Market and Probart Street traffic calming.

Mr. Wise suggested dividing the $100,000 as follows: $30,000 for Probart Street; $5,000 for Rise & Shine; $20,000 for Farmers Market; $22,500 for Multi-use Path Fund; and $22,500 for Downtown Master Plan Fund.

a. **Alternatives to Manager's Recommended Supplemental Spending Plan Proposal re Trails** – It was decided to send this to the Parks, Trails & Recreation Committee for discussion/recommendation.

I. Straw Votes

1. **Review Adds and Deletes** – Mr. Hooper reviewed the proposals for add/deletes:

a. Divide the $100,000 one-time paving supplement - $20,000 for Farmers Market; $5,000 for Rise and Shine; $30,000 for Probart Street Traffic Calming; $22,500 for Multi-use Path Fund; and $22,500 for Downtown Master Plan
b. Divide the one-time paving supplement 50/50 between the Multi-use Path Fund and the Downtown Master Plan Fund
c. Take $25,000 from the one-time paving supplement and dedicating it to Silversteen picnic shelter design
d. Take $30,000 from the one-time paving supplement and use it fund Probart Street traffic calming
e. Delay hiring of engineer and use funds to pay for Probart Street
f. Use $10,000 from allocation for downtown planters and $10,000 from the paving supplement to fund Farmers Market
g. Reduce contributions to Pisgah SORBA and to Pisgah Conservancy by $2500 each to fund Rise & Shine's request for $5,000

2. **Conduct Straw Vote** –

   a. Vote to Reduce contributions to Pisgah SORBA and to Pisgah Conservancy by $2500 each to fund Rise & Shine's request for $5,000 – 5 yes; 1 recusal (Holder)
   b. Vote to use $100,000 from one-time paving supplement to fund $30,000 for Probart Street traffic calming; $20,000 for Farmers Market; $25,000 for Multi-use Path Fund; and $25,000 for Downtown Master Plan Fund – 5 yes; 1 no (Holder)

Following discussion, Council asked the manager to prepare his recommended budget to include the 2-cent property tax increase for firefighters, and to include a table showing what the tax increase and all other fee increases will look like for different sized households.

J. Closed Session – At 3:25 p.m. Mr. Baker moved, seconded by Mr. Wise to enter into closed session to discuss a pending litigation matter City of Brevard vs. Bauslaugh - Case No. 21-CVS-381 and to clear Council Chambers. The motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were City Manager Wilson Hooper, City Clerk Denise Hodsdon, Planning Director Paul Ray and Assistant Planning Director Aaron Bland.

Council Returned to Regular Session – at 3:58 p.m. Council resumed the meeting in regular session. No official action was taken in closed session and the minutes of the closed session are authorized to be sealed.

K. Adjourn – There being no further business, at 3:58 p.m. Ms. Holder moved, seconded by Mr. Baker, to adjourn the workshop. The motion carried unanimously.

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Maureen Copelof
Mayor

Denise Hodsdon, CMC
City Clerk

Minutes Approved: June 17, 2024