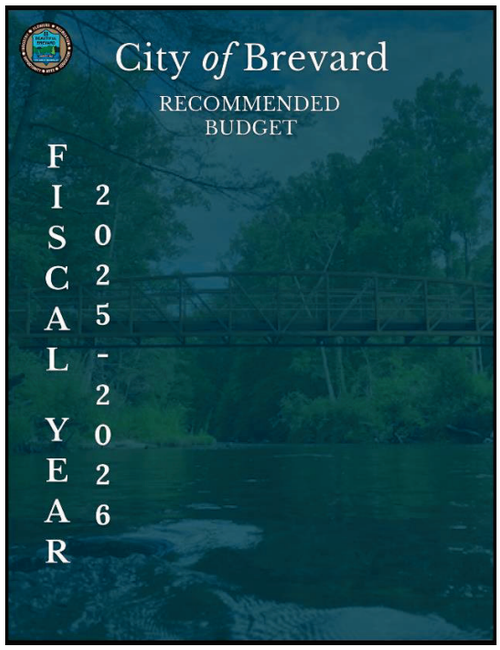
**City Manager's Recommended FY26 Budget**

**May 5, 2025**

## Presentation Summary

- Statutory and ordinance responsibilities
- Transparency and public hearing
- Budget building process
- Priorities
- Revaluation and revenue neutral disclosure
- Recommended budget
  - General Fund revenue
  - General Fund expenses
  - Fire Fund
  - Stormwater Fund
  - Water/Sewer Fund revenue
  - Water Sewer Fund expenses
- Reserve funds
- FY25 Supplemental Spending Plan
- Impact on taxpayers/ratepayers




## Statutory and ordinance responsibilities

- Brevard Code of Ordinances Sec. 2-113(5)

City Manager must "prepare and submit the annual budget and capital program to Council."

- NCGS 159-9

"Each local government…shall appoint a budget officer to serve at the will of the governing board. In cities…having the manager form of government, the city manager shall be the budget officer."

The Local Government Budget and Fiscal Control Act.

Part 1. Budgets.

**§ 159-7. Short title; definitions; local acts superseded.**

(a) This Article may be cited as "The Local Government Budget and Fiscal Control Act."

(b) The words and phrases defined in this section have the meanings indicated when used in this Article, unless the context clearly requires another meaning.

(1) "Budget" is a proposed plan for raising and spending money for specified programs, functions, activities or objectives during a fiscal year.

(2) "Budget ordinance" is the ordinance that levies taxes and appropriates revenues for specified purposes, functions, activities, or objectives during a fiscal year.

(3) "Budget year" is the fiscal year for which a budget is proposed or a budget ordinance is adopted.

(4) "Debt service" is the sum of money required to pay installments of principal and interest on bonds, notes, and other evidences of debt accruing within a fiscal year, to maintain sinking funds, and to pay installments on debt instruments issued pursuant to Article 7A of this Chapter or Chapter 159G of the General Statutes accruing within a fiscal year.

(5), (6) Repealed by Session Laws 1975, c. 514, s. 2.

(7) "Fiscal year" is the annual period for the compilation of fiscal operations, as prescribed in G.S. 159-8(b).

(8) "Fund" is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other resources, together with all related liabilities and residual equities or balances, and changes therein, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

(9) Repealed by Session Laws 1975, c. 514, s. 2.

(10) "Public authority" is a municipal corporation (other than a unit of local government) that is not subject to the State Budget Act (Chapter 143C of the General Statutes) or a local governmental authority, board, commission, council, or agency that (i) is not a municipal corporation, (ii) is not subject to the State Budget Act, and (iii) operates on an area, regional, or multi-unit basis, and the budgeting and accounting systems of which are not fully a part of the budgeting and accounting systems of a unit of local government.

(11) Repealed by Session Laws 1975, c. 514, s. 2.

(12) "Sinking fund" means a fund held for the retirement of term bonds.

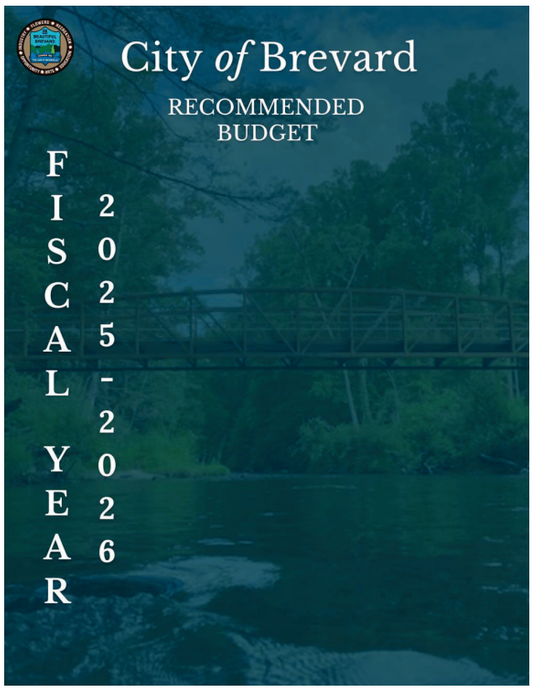
(13) "Special district" is a unit of local government (other than a county, city, town, or incorporated village) that is created for the performance of limited governmental functions or for the operation of a particular utility or public service enterprises.

(14) "Taxes" do not include special assessments.

(15) "Unit," "unit of local government," or "local government" is a municipal corporation that is not subject to the State Budget Act (Chapter 143C of the General Statutes) and that has the power to levy taxes, including a consolidated city-county, as defined by G.S. 160B-2(1), and all boards, agencies, commissions, authorities, and institutions thereof that are not municipal corporations.

## Transparency and public hearing

- The law merely requires that this presentation be filed with the City Clerk and be sent to all news media in the county.
- Brevard will also post prominently on its website, with links on all social media platforms. Hard copies will be sent to the Public Library for reference.
- If so directed by Council this evening, the Public Hearing will take place two weeks from tonight.
- Mayor/Council appreciate public input on this proposal.




## Budget building process

- Staff begins work in December, collecting data on the base costs of providing services.
- Requests for “new money” submitted in January.
- Revenues come into focus in February.
- Council names priorities in February/ March. Staff filters requests through these.
- Council gets first look at numbers in April. Conducts straw votes on spending plan and revenues.
- Manager incorporates Council’s feedback into recommendation presented in May.

**FY26 BUDGET CALENDAR**

| | |
|---|---|
| December 12, 2024 | Budget Kick-Off |
| Before Christmas | Send funding letters to non-profits |
| January 6-10 | Individual Department Kick-Off Meetings w/Wilson, Dean, David, and Selena |
| February 3 | Base operating budget, capital needs, and Service Level Change requests (SLCs) due |
| February 4-14 | Pursue preliminary reval numbers from County |
| | Dean/Finance compile expenses and prepare revenue projection |
| February 17-28 | Evaluate corporate-wide resource demands (compensation, ins. etc) |
| | Wilson/Dean/David review SLCs |
| | Prep for Strategic Planning Retreat |
| Late February TBD | Council Strategic Planning Retreat |
| March 3-28 | Craft first draft budget |
| Early April TBD | Budget retreat w/straw votes |
| April 14-May 2 | Craft recommended budget |
| | Produce recommended budget document |
| May 5 | Manager presents recommended budget |
| | Call for public hearing |
| May 19 | Conduct public hearing |
| June 2 | Approve budget |
| June 16 | Relief date if not approved June 2. |

## Priorities

- Six goals set by Council during the March Strategic Planning Session
- Affirmed at April 7 City Council meeting.
- Core of April 11 Budget Workshop discussion
- The filter through which funding requests or proposals are considered
- Even if little funding applied, this will guid staff’s activities in the year to come.

### Priorities Identified at the March 2025 Strategic Planning Retreat

- Affordable Housing
- Connected Transportation Network
- Healthy and Diverse Economy (+ Economic Incentives)
- Infrastructure Investments
- Community Partnerships and Engagement
- High-Quality Organization

FY26 BUDGET DATA POINTS

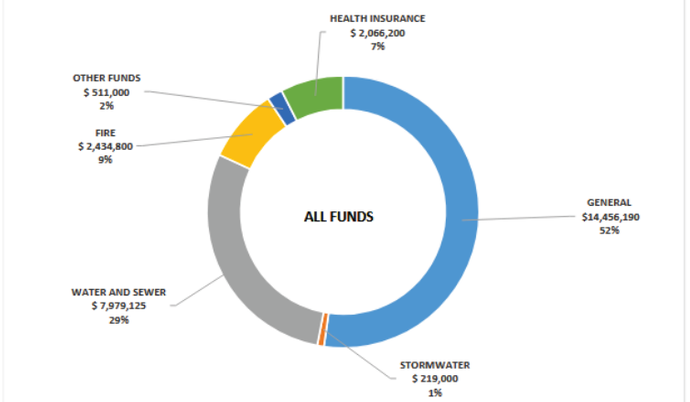
- New tax base as of 4/9/2025 - $1,995,900,000 (up 48.6%[1] from $1,342,933,225)
- New revenue neutral tax rate as of 4/9/2025 - $.3282[2]
- Projected "penny on the tax rate" with above revenue neutral rate - $198,527
- Current tax rate - $.48
- Recommended FY26 tax rate - $.3575

- New HoB tax base as of 4/9/2025 - $89,600,000 (up 23.5% from $72,535,291)
- New revenue neutral HoB rate as of 4/9/2025 – $.175
- Projected "penny on the tax rate with above revenue neutral rate - $9,100
- Current HoB rate - $.2130

# Notables

- Maintains service levels in all departments
- Proposed budget focuses resources on providing fair compensation and benefits for our employees even during times of austerity.
- Increases employee compensation 3.5%
  - However, asks employees to contribute a bit more to the cost of health insurance
- Proposed budget socks away money for future water/sewer utility project
- Continues contributions to Housing Trust Fund, Multi-Use Path Fund, and Downtown Master Plan Fund

**All Funds**
**City of Brevard Total Expenditures By Fund**

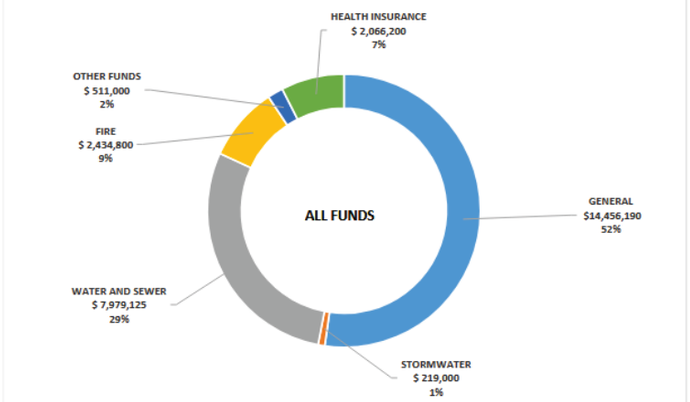



| | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | PROJECTED TO 06-30-25 | MANAGER RECOMMENDED FY25-26 | CHANGE IN % FROM FY24-25 ORIGINAL |
|---|---|---|---|---|---|---|
| GENERAL | $ 12,703,365 | $ 13,105,255 | $ 13,366,555 | $ 12,933,093 | $ 14,456,190 | 10.3% |
| STORMWATER | - | 244,000 | 244,000 | 18,500 | 219,000 | -10.2% |
| WATER AND SEWER | 6,679,304 | 7,432,800 | 7,432,800 | 6,738,279 | 7,979,125 | 7.4% |
| FIRE | 1,365,019 | 2,991,900 | 3,006,300 | 2,334,018 | 2,434,800 | -18.6% |
| CAPITAL RESERVE | - | 100,000 | 100,000 | - | 80,000 | -20.0% |
| BJERG | 5,600 | 2,800 | 2,800 | - | 2,400 | -14.3% |
| HEALTH INSURANCE | 1,742,802 | 1,832,900 | 1,832,900 | 1,888,500 | 2,066,200 | 12.7% |
| HEART OF BREVARD | 175,865 | 171,000 | 171,000 | 161,000 | 166,000 | -2.9% |
| HOUSING TRUST | 49,000 | 200,000 | 315,000 | 225,000 | 265,000 | 32.5% |
| TOTAL | $ 22,720,955 | $ 26,080,655 | $ 26,471,355 | $ 24,298,390 | $ 27,668,715 | 6.1% |

# Budget recommendation

- Total across all fund - $27,663,815
  - GF – $14,456,190
  - Fire Fund – $2,434,800
  - W/S Fund - $7,979,125
  - Stormwater Fund - $219,000
- Up 6.1% overall compared to last year
- Funded via:
  - $.0275 increase to millage rate (to $.3575) (yields $550,000)
  - Debt proceeds
  - Appropriated from various reserve funds
  - A 4% increase to utility consumption fees

**All Funds**
**City of Brevard Total Expenditures By Fund**




| | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | PROJECTED TO 06-30-25 | MANAGER RECOMMENDED FY25-26 | CHANGE IN % FROM FY24-25 ORIGINAL |
|---|---|---|---|---|---|---|
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| STORMWATER | - | 244,000 | 244,000 | 18,500 | 219,000 | -10.2% |
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| CAPITAL RESERVE | - | 100,000 | 100,000 | - | 80,000 | -20.0% |
| BJERG | 5,600 | 2,800 | 2,800 | - | 2,400 | -14.3% |
| HEALTH INSURANCE | 1,742,802 | 1,832,900 | 1,832,900 | 1,888,500 | 2,066,200 | 12.7% |
| HEART OF BREVARD | 175,865 | 171,000 | 171,000 | 161,000 | 166,000 | -2.9% |
| HOUSING TRUST | 49,000 | 200,000 | 315,000 | 225,000 | 265,000 | 32.5% |
| TOTAL | $ 22,720,955 | $ 26,080,655 | $ 26,471,355 | $ 24,298,390 | $ 27,668,715 | 6.1% |

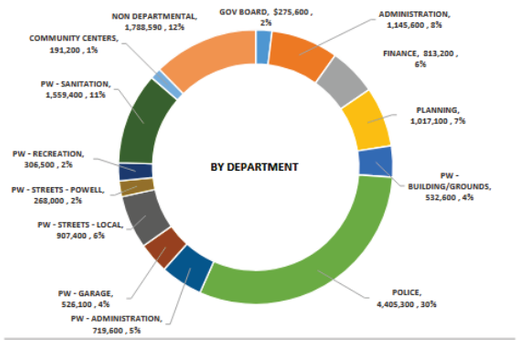
# Budget recommendation

## General Fund

- Total - $14,456,190
- By function
  - Public safety (34.1%) - $5,271,440
  - Public Works (31.2%) - $4,512,700
  - General Govt. (22.8%) - $3,291,500
  - Recreation/Culture (4.1%) – $592,700
  - Debt (2.8%) - $408,450
  - Housing (1.4%) - $198,000
  - Non-Departmental (1.25%) - $181,000

**General Fund**

**Fund Overview By Department**




| | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | PROJECTED TO 06-30-25 | MANAGER RECOMMENDED FY25-26 | CHANGE IN % FROM FY24-25 ORIGINAL |
|---|---|---|---|---|---|---|
| GOV BOARD | $ 234,885 | $ 194,410 | $ 194,410 | $ 181,200 | $ 275,600 | 41.8% |
| ADMINISTRATION | 961,278 | 1,049,500 | 1,049,500 | 1,031,675 | 1,145,600 | 9.2% |
| FINANCE | 843,522 | 917,200 | 917,200 | 897,486 | 813,200 | -11.3% |
| PLANNING | 937,568 | 1,005,400 | 1,005,400 | 1,003,025 | 1,017,100 | 1.2% |
| PW - BUILDING/GROUNDS | 533,053 | 557,500 | 570,400 | 531,850 | 532,600 | -4.5% |
| POLICE | 3,501,720 | 3,949,600 | 4,027,500 | 3,771,825 | 4,405,300 | 11.5% |
| PW - ADMINISTRATION | 535,445 | 626,000 | 626,000 | 661,020 | 719,600 | 15.0% |
| PW - GARAGE | 466,815 | 462,800 | 562,800 | 547,173 | 526,100 | 13.7% |
| PW - STREETS - LOCAL | 821,207 | 824,400 | 824,400 | 860,602 | 907,400 | 10.1% |
| PW - STREETS - POWELL | 225,385 | 243,000 | 243,000 | 223,500 | 268,000 | 10.3% |
| PW - RECREATION | 256,221 | 287,900 | 287,900 | 264,700 | 306,500 | 6.5% |
| PW - SANITATION | 1,086,667 | 1,157,600 | 1,228,100 | 1,122,881 | 1,559,400 | 34.7% |
| COMMUNITY CENTERS | 130,708 | 155,700 | 155,700 | 159,065 | 191,200 | 22.8% |
| NON DEPARTMENTAL | 2,168,891 | 1,674,245 | 1,674,245 | 1,677,092 | 1,788,590 | 6.8% |
| TOTAL | $ 12,703,365 | $ 13,105,255 | $ 13,366,555 | $ 12,933,093 | $ 14,456,190 | 10.3% |

# Budget recommendation

## Fire Fund

- Total - $2,434,800
- Includes $850,000 in debt proceeds for new engine expected to arrive in FY26. The proceeds were received and booked as revenue in a previous budget. They appear as an expense here.
- County contribution not yet finalized.

**Fire Fund**

**Total Revenue**

| ACCOUNT NUMBER | DESCRIPTION | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | ACTUAL 3-31-25 | PROJECTED FY25 | MANAGER RECOMMENDED FY26 |
|---|---|---|---|---|---|---|---|
| 40-3350-0000 | MISC REVENUE | $ 193 | $ - | $ - | $ 5,205 | $ 7,500 | $ - |
| 40-3530-0100 | DONATIONS | 1,735 | - | - | - | - | - |
| 40-3600-0000 | INSURANCE PROCEEDS | 6,578 | - | 14,400 | 18,082 | 20,000 | - |
| 40-3600-0100 | STAND BY PAY | 12,904 | 6,000 | 6,000 | 9,960 | 14,000 | 10,000 |
| 40-3830-0000 | SALE OF FIXED ASSETS | - | - | - | 42,500 | 42,500 | - |
| 40-3970-0000 | FIRE DISTRICT TAX - CURRENT YEAR | 606,728 | 646,155 | 646,155 | 401,222 | 532,000 | 708,660 |
| 40-3970-0500 | LOAN PROCEEDS | 1,544,588 | 1,550,000 | 1,550,000 | - | - | - |
| 40-3970-0600 | TRANSFER FROM GENERAL FUND | 726,000 | 789,745 | 789,745 | 592,309 | 789,745 | 866,140 |
| 40-3990-0000 | FUND BALANCE APPROPRIATED | - | - | - | - | - | 850,000 |
| TOTAL REVENUE | | $ 2,898,726 | $ 2,991,900 | $ 3,006,300 | $ 1,069,278 | $ 1,405,745 | $ 2,434,800 |

**Fire Fund**

**Total Expenditures**

| | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | PROJECTED TO 06-30-25 | MANAGER RECOMMENDED FY25-26 | CHANGE IN % FROM FY24-25 ORIGINAL |
|---|---|---|---|---|---|---|
| SALARY & BENEFITS | $ 743,233 | $ 730,500 | $ 730,500 | $ 844,000 | $ 810,800 | 11.0% |
| OPERATING | 376,248 | 362,400 | 376,800 | 366,300 | 424,700 | 17.2% |
| CAPITAL | 114,306 | 1,550,000 | 1,550,000 | 775,000 | 850,000 | -45.2% |
| DEBT | 131,232 | 349,000 | 349,000 | 348,718 | 349,300 | 0.1% |
| TOTAL | $ 1,365,019 | $ 2,991,900 | $ 3,006,300 | $ 2,334,018 | $ 2,434,800 | -18.6% |

# Budget recommendation

## Stormwater Fund

- Total - $219,000
- Second year of fund designed to raise money to repair and enhance Brevard's stormwater conveyance system.
- No rate changes recommended
- Revenues and expenses slightly down to reflect actual collections, rather than projections like last year.
- Expenses anticipated to be completion of stormwater master plan and, perhaps, contributions to small stormwater projects.

**Stormwater Fund**

**Total Revenue**

| ACCOUNT NUMBER | DESCRIPTION | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | ACTUAL 3-31-25 | PROJECTED FY25 | MANAGER RECOMMENDED FY26 |
|---|---|---|---|---|---|---|---|
| 21-3800-3000 | TIER 1 REVENUE | - | 147,120 | 147,120 | 141,696 | 142,000 | 145,000 |
| 21-3800-4000 | TIER 2 REVENUE | - | 82,480 | 82,480 | 58,680 | 59,000 | 62,000 |
| 21-3800-5000 | TIER 3 REVENUE | - | 14,400 | 14,400 | 9,000 | 9,000 | 12,000 |
| TOTAL REVENUE | | $ - | $ 244,000 | $ 244,000 | $ 209,376 | $ 210,000 | $ 219,000 |

**Stormwater Fund**

**Detailed Expenditures**

**Operating**

| ACCOUNT NUMBER | DESCRIPTION | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | ACTUAL 3-31-25 | PROJECTED FY25 | MANAGER RECOMMENDED FY26 |
|---|---|---|---|---|---|---|---|
| 21-8500-0925 | PROF SERVICES | $ - | $ - | $ - | $ 150 | $ 500 | $ - |
| 21-8500-4500 | CONTRACTED SERVICES | - | 244,000 | 244,000 | 15,234 | 18,000 | 219,000 |
| TOTAL OPERATING | | $ - | $ 244,000 | $ 244,000 | $ 15,384 | $ 18,500 | $ 219,000 |

# Budget recommendation

## Water/Sewer Fund

- Total - $7,979,125
- By function:
  - Water treatment - $1,171,600
  - Wastewater treatment - $2,500,400
  - Water/sewer maintenance - $1,567,500
  - Non-department (e.g. capital expenses) - $2,736,625
- Funded via:
  - Proposed 4% increase in per 1000/gallon rate
  - Debt proceeds

**Water and Sewer Fund**
**Total Revenue**

| ACCOUNT NUMBER | DESCRIPTION | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | ACTUAL 3-31-25 | PROJECTED TO 06-30-25 | MANAGER RECOMMENDED FY25-26 |
|---|---|---|---|---|---|---|---|
| 30-3350-0100 | MISC UTILITY FEES | $ 1,400 | $ 1,000 | $ 1,000 | $ 1,500 | $ 1,800 | $ 1,000 |
| 30-3710-0100 | WATER CHARGES | 3,289,845 | 3,450,500 | 3,450,500 | 2,584,883 | 3,445,000 | 3,531,125 |
| 30-3710-0200 | SEWER CHARGES | 3,249,324 | 3,480,800 | 3,480,800 | 2,444,864 | 3,260,000 | 3,341,500 |
| 30-3710-0300 | METER CHARGES | 181,484 | 180,000 | 180,000 | 137,350 | 180,000 | 185,000 |
| 30-3710-0400 | METER REACTIVATION | 1,320 | 500 | 500 | 720 | 1,000 | 500 |
| 30-3710-0500 | HIGH STRENGTH WASTE | - | - | - | 72,390 | 112,000 | 150,000 |
| 30-3730-0100 | WATER TAP & CONNECT FEE | 95,889 | 100,000 | 100,000 | 15,000 | 25,000 | 60,000 |
| 30-3730-0200 | SEWER TAP & CONNECT FEE | 45,875 | 60,000 | 60,000 | 12,375 | 25,000 | 30,000 |
| 30-3750-0200 | LATE - RECONNECT FEES | 61,465 | 60,000 | 60,000 | 24,410 | 38,000 | 55,000 |
| 30-3760-0000 | SEPTAGE PRETREATMENT | 70,725 | 100,000 | 100,000 | 52,148 | 80,000 | 85,000 |
| 30-3350-0000 | MISC REVENUE | 50,000 | - | - | - | - | - |
| 30-3970-0800 | LOAN FORGIVENESS | 2,882,583 | - | - | - | - | - |
| 30-3970-0300 | DEBT PROCEEDS | - | - | - | - | - | 540,000 |
| 30-3990-0000 | FUND BALANCE APPROP | - | - | - | - | - | - |
| TOTAL REVENUE | | $ 9,929,910 | $ 7,432,800 | $ 7,432,800 | $ 5,345,640 | $ 7,167,800 | $ 7,979,125 |

| | ACTUAL FY24 | ORIGINAL BUDGET FY24-25 | AMENDED BUDGET FY24-25 | PROJECTED TO 06-30-25 | MANAGER RECOMMENDED FY25-26 | CHANGE IN % FROM FY24-25 ORIGINAL |
|---|---|---|---|---|---|---|
| WATER TREATMENT | $ 1,012,069 | $ 1,081,200 | $ 1,081,200 | $ 1,009,494 | $ 1,171,600 | 8.4% |
| WASTEWATER TREATMENT | 1,577,571 | 1,896,200 | 1,896,200 | 1,590,898 | 2,500,400 | 31.9% |
| W/S MAINTENANCE | 1,899,330 | 1,731,900 | 1,731,900 | 1,678,656 | 1,567,500 | -9.5% |
| NON DEPARTMENTAL | 2,190,334 | 2,723,500 | 2,723,500 | 2,459,232 | 2,739,625 | 0.6% |
| TOTAL | $ 6,679,304 | $ 7,432,800 | $ 7,432,800 | $ 6,738,279 | $ 7,979,125 | 7.4% |

**Water and Sewer Fund - Non Departmental**
**Budget By Line Item / 30-6600-XXXX**

| | | |
|---|---|---|
| 1110 | Postage | $ 30,000 |
| | Utility Bill Postage | |
| 4500 | Contracted Services | $ 14,000 |
| | Utility Bill Other | |
| 5800 | Banking Fees | $ 44,000 |
| 9100 | Reimburse General Fund for Services | $ 750,000 |
| 9408 | Transfer to Water Capital Reserve Fund | $ 151,825 |
| 9250 | Debt Principal Due - FY20Cap-Unit 1078 | $ 20,500 |
| 9251 | Debt Interest Due - FY20Cap-Unit 1078 | $ 2,300 |
| 9270 | Debt Principal Due - FY18 Cap -Unit 7431 | $ 7,500 |
| 9271 | Debt Interest Due - FY18 Cap- Unit 7431 | $ 600 |
| 9310 | Debt Principal Due - Belt PR - DEQ476-03 | $ 71,500 |
| 9311 | Debt Interest Due - Belt PR - DEQ476-03 | $ 7,100 |
| 9320 | Debt Principal Due - Burrell -11-1778 | $ 132,400 |
| 9330 | Debt Principal Due - 6-8 UPG - DEQ476-04 | $ 84,000 |
| 9331 | Debt Interest Due - 6-8 UPG-DEQ476-04 | $ 18,500 |
| 9340 | Debt Principal Due - Radio M-12-1787 | $ 74,900 |
| 9350 | Debt Principal Due - KC1-DEQ476-05 | $ 37,500 |
| 9351 | Debt Interest Due - KC1 - DEQ476-05 | $ 6,000 |
| 9360 | Debt Principal Due - KC2 - DEQ476-06 | $ 71,800 |
| 9370 | Debt Principal Due - KC3 - DEQ476-07 | $ 74,200 |
| 9380 | Debt Principal Due - Sewer - DEQ476-08 | $ 649,400 |
| 9381 | Debt Interest Due - Sewer - DEQ476-08 | $ 155,400 |
| 9410 | Debt Principal Due - FY19 Cap - ST001 | $ 22,700 |

**Water and Sewer Fund - Non Departmental**
**Budget By Line Item / 30-6600-XXXX**

| | | |
|---|---|---|
| 9411 | Debt Interest Due - FY19 Cap - ST001 | $ 2,300 |
| 9430 | Debt Principal Due - WATMET - ST600-002 | $ 25,300 |
| 9431 | Debt Interest Due - WATMET - ST600-002 | $ 2,700 |
| 9440 | Debt Principal Due - Gallimore Road | $ 87,100 |
| 9460 | Debt Principal Due - King St | $ 12,400 |
| 9470 | Debt Principal Due - Burrell Mountain Tank | $ 48,700 |
| 9480 | Debt Principal Due - FY26 Vac Truck | $ 122,000 |
| 9470 | Debt Interest Due - FY26 Vac Truck | $ 13,000 |
| TOTAL | | $ 2,739,625 |

| FUND | Avail Bal. as of 3/31 | Encumbrances/ Commitments | Avail Balance as of 7/1 W/O Notable Changes[1] Credit/(Debit) | Avail |
|---|---|---|---|---|
| **Housing Trust Fund (76)**<br>--Azalea Ave.<br><br>--Fairhaven Mdws | $546,782 | ($1,503,280)<br><br>--Azalea Ave. option ($30,000)<br>--Rowhouse Architects ($23,280)<br><br>--Loan Tranche 1 ($262,500)<br>--Loan Tranche 2 ($262,500)<br><br>--Azalea Ave. purchase debt ($925,000) | $317,500<br>--Q4 FY25 transfer $49,500<br>--FY26 transfer $198,000<br>--Sale of properties TBD, est. $70,000[2] | ($638,998) |
| **Rosenwald (82)**<br>--Norton Crk Streambank | $50,411 | ($169,635)<br>--Streambank design/engineering ($19,635)<br>--Construction (est. $150,000) | $72,000<br>--DEQ grant $72,000 | ($47,224) |
| **Roundabouts (75)**<br>--Roundabouts<br><br>--R5800 Improve. | $24,421<br>--$24,421 | ($177,520)<br>--NCDOT betterments ($113,727)<br>--NCDOT landscaping ($40,410)<br><br>--R5800 trail-related improve ($23,383) | $123,750<br>--Q4 FY25 transfer $18,750<br>--FY26 GF transfer $75,000<br>--NCDOT reimb for art relocation $30,000 | ($29,349) |
| **Multi-Use Path (78)**<br>--Bracken Preserve<br><br>--Estatoe Trl | $1,199,156<br>--$9,999<br><br>--$1,189,157 | ($827,118)<br>--$0<br><br>--30% design ($59,330)<br>--Tannery North match ($112,000)<br>--Davidson River bridge ($310,000)<br>--HS path ($345,788) | $118,750<br><br>--Q4 FY25 transfer $23,750<br>--FY26 GF transfer $95,000 | $490,788<br>$9,999<br><br>$480,789 |
| **Downtown Master Plan Fund (83)**<br>--Times Arcade<br><br>--Streetscape Improve | ($767.53) | ($257,729)<br><br>--Remaining construction ($53,012)<br>--Remaining design ($7,550)<br><br>--NCDOT sidewalks/crosswalks ($197,167) | $452,272.50<br><br>--FY25 GF contr. $83,806<br>--FY26 GF contr. $95,000<br>--FY25 SW contr. $194,194<br>--DEQ reimb $79,272.50 | $193,776 |
| **Capital Reserve Fund (35)**<br>--Utilities | $550,036 | ($387,119)<br>--Fairhaven Meadows Loan Tranche 1 ($193,560)<br>--Fairhaven Meadows Loan Tranche 2 ($193,560) | $100,000<br>--Q4 FY25 sys dev fee collections $20,000<br>--FY26 sys dev fee collections $80,000 est. | $262,917 |
| **Unassigned Fund Balance** | $3,355,857 | ($470,806)<br>--FY25 budget balance ($70,000)<br>--ABC fund purchase ($24,100)<br>--NCLM risk mgmt.. fund match ($7,900)<br>--Contribution to TAA ($83,806)<br>--Supplemental PD coverage contract ($285,000) | See Audit | See Audit |

FY25 Supplemental Spending Plan
(May 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 |
| Dump truck replacement | W/S | $220,000 | FY25 budget surplus | Mgr. Proposed | Current | | Affordable by virtue of funding KCI w/state earmark |

[1] This surplus was intentional.



## Cumulative Impact of Potential Fee and Tax Increases (FY26)

Representative Sample of Properties

| Impact on household of $191,760 appraised value, residential refuse collection, and 800 gallons/mo. utility consumption ($98,960 appraised value prior to 2025) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Annual property taxes | | Annual refuse fees | Annual Utility fees | Annual Stormwater fees | TOTAL ANNUAL BURDEN | DIFFERENCE |
| FY24 | $475.01 | | $288 | $502.70 | | $1,265.71 | |
| FY25 | $475.01 | | $300 | $509.62 | $48 | $1,332.63 | $66.92 |
| FY26 | $.33<br>$.3575 | $632.80<br>$685.54 | $300<br>(No Change) | $516.91<br>(Total w/typical annual 4% consumption rate increase) | $48<br>(No Change) | $1,497.72<br>$1,550.45 | $165.09<br>$217.82 |

| Impact on household of $595,000 appraised value, residential refuse collection, and 2,700 gallons/mo. utility consumption ($311,440 appraised value prior to 2025) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Annual property taxes | | Annual refuse fees | Annual Utility fees | Annual Stormwater fees | TOTAL ANNUAL BURDEN | DIFFERENCE |
| FY24 | $1,494.91 | | $288 | $918.58 | | $2,701.49 | |
| FY25 | $1,494.91 | | $300 | $941.90 | $48 | $2,784.81 | $83.32 |
| FY26 | $.33<br>$.3575 | $1963.50<br>$2127.12 | $300<br>(No Change) | $966.53<br>(Total w/typical annual 4% consumption rate increase) | $48<br>(No Change) | $3,278.02<br>$3,441.65 | $493.22<br>$656.85 |

| Impact on household of $1,181,620 appraised value, residential refuse collection, and 4,200 gallons/mo. utility consumption ($906,820 appraised value prior to 2025) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Annual property taxes | | Annual refuse fees | Annual Utility fees | Annual Stormwater fees | TOTAL ANNUAL BURDEN | DIFFERENCE |
| FY24 | $4,352.73 | | $288 | $1,246.89 | | $5,887.62 | |
| FY25 | $4,352.73 | | $300 | $1,283.18 | $180 | $6,115.97 | $228.29 |
| FY26 | $.33<br>$.3575 | $3899.35<br>$4224.29 | $300<br>(No Change) | $1,321.49<br>(Total w/typical annual 4% consumption rate increase) | $180<br>(No Change) | $5,700.83<br>$6,028.78 | ($415.17)<br>($87.18) |

| | Annual Impact of New Tax Rate and Fees on Various Commercial Entities | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Prop Tax | | Refuse Fees | Existing Utility Fees | HSWS | Stormwater Fee | TOTAL BURDEN | DIFFERE |
| Ingles | FY25 | $49,343 | | $0 | $44,006 | $2,424 | $1,800 | $97,573 | |
| | FY26 | Based on valuation of $11,065,990 | | Not applicable | Based on Avg. of 191,975 gal./mo. (Total w/typical 4% annual consumpt increase) | Tier 3 rates Based on Avg. of 191,975 gal./mo. (No Change) | >250,000 sq. ft. of impervious @ $150/mo. (No Change) | | |
| | FY26 | $.33<br>$.3575 | $36,518<br>$39,560 | $0 | $45,756.56 | $2,424 | $1,800 | $86,498<br>$89,541 | ($11,074<br>($8,032) |
| Belk | FY25 | $12,628 | | $2,880 | $17,482.61 | $0 | $180 | $33,170 | |
| | FY26 | Based on valuation of $2,553,900 | | Based on 19 collections per month (No change) | Based on Avg. of 75,400 gal./mo. (Total w/typical 4% annual consumpt increase) | Tier 2 rates Based on Avg. of 75,400 gal./mo. (No change) | >7,000 sq. ft. of impervious @ $15/mo. (No change) | | |
| | FY26 | $.33<br>$.3575 | $8,428<br>$9,130 | $4,560 | $18,170 | $0 | $180 | $31,338<br>$32,040 | ($1,831)<br>($1,130) |
| Charlies Tire | FY25 | $5,000 | | $5,760 | $7,608 | N/A | N/A | $18,368 | |
| | FY26 | Based on valuation of $1,191,970 | | Based on 15 collections per month | Based on Avg. of 32,000 gal./mo. (Total w/typical 4% annual consumpt increase) | Tier 3 rates Based on Avg. of 32,000 gal./mo. (No change) | >7,000 sq. ft. of impervious @ $15/mo. (No change) | | |
| | FY26 | $.33<br>$.3575 | $3,932<br>$4,261 | $5,760 | $7,900 | $408 | $180 | $17,772<br>$18,509 | ($596)<br>$141 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| TR Hospital | FY25 | $114,965 | | $0 | $129,773 | $7,164 | $1,800 | $253,702 | |
| | FY26 | Based on valuation of $21,915,080 | | Not applicable | Based on Avg. of 568,941 gal./mo. (Total w/typical 4% annual consumpt increase) | Tier 3 rates Based on Avg. of 568,941 gal./mo. (No change) | >250,000 sq. ft. of impervious @ $150/mo. (No change) | | |
| | FY26 | $.33<br>$.3575 | $72,319<br>$78,346 | $0 | $129,763 | $7,164 | $1,800 | $216,245<br>$217,073 | ($37,45<br>($36,62 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Hunters & Gatherers | FY25 | $1,884 | | $0 | $3,103 | N/A | N/A | $4,987 | |
| | | Based on valuation of $662,540 | | Not applicable | Based on Avg. of 12,200 gal./mo. (Total w/typical 4% annual consumpt increase) | Tier 2 rates Based on Avg. of 12,200 gal./mo. (No change) | <7,000 sq. ft. of impervious @ $4.00/mo. (No change) | | |
| | FY26 | $.33<br>$.3575 | $2,186<br>$2,368 | $0 | $3,214 | $0 | $48 | $5,448<br>$5,630 | $461.99<br>$528.24 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Triangle Stop 208 | FY24 | $7,206 | | $0 | $23,398 | $108 | $180 | $30,892 | |
| | | Based on valuation of $4,535,350 | | Not applicable | Based on Avg. of 101,400 gal./mo. (Total w/typical 4% annual consumpt increase) | Tier 3 rates Based on Avg. of 101,400 gal./mo. (No Change) | >7,000 sq. ft of impervious @ $15.00/mo. (No Change) | | |
| | FY25 | $.33<br>$.3575 | $14,999<br>$16,213 | $0 | $24,322 | $108 | $180 | $39,610<br>$40,823 | $8,718<br>$9,931 |

IN CONCLUSION

- Budget preserves all services and maintains service levels.
- Values employees by keeping them fairly compensated.
- Intentionally overbudgets water/sewer utilities so that we'll be prepared in the future to shoulder the cost of capital improvements.
- Addl. burden on tax payers/ratepayers is modest.

CITY of BREVARD

BB BEAUTIFUL BREVARD
FOUNDED 1860
"THE LAND OF WATERFALLS"
INDUSTRY ✱ FLOWERS ✱ RECREATION ✱ OPPORTUNITY ✱ ARTS ✱ EDUCATION

**QUESTIONS?**