## Budget Workshop Stage-Setting Notes

- As presented, the budget is not balanced.
- There are two significant pieces of information staff need before we can make a productive attempt to balance. We are still waiting to hear…
    - Whether Transylvania County will fund its portion of the proposed enhancements to our Fire staffing.
        - The next milestone on this matter is April 20.
        - If they agree—and depending on what they agree to—the city's budget could reduce between $27,670 and $158,455
    - Whether we receive funding from the state's Helene Recovery Recycling Infrastructure (HRRI) grant.
        - We expect to hear any day. If we receive funding…
        - 98-gallon tipper carts can be purchased for residential garbage collection, increasing the efficiency of that service and decreasing the amount of manhours spent on it. Staff are still working to quantify the savings, but we believe it will reduce the need to draw staff from other areas of Public Works and let them spend more time on their normal tasks. Thus the need for extra staff will be mitigated.
        - The need for a new garbage truck will be eliminated, thus reducing the FY27 budget gap by $62,500 (and preventing burdensome debt service payments in FY28-FY31 budgets)

- The enclosed budget scenario is built with these assumptions factored in:
    - New money requests and money for changes to current service levels are included as expressed in the enclosed "Addl. Funding/Notable Service Level Change Requests" (GF) and "Water/Sewer Fund Requests for Addl. Funding" (W/S) pages. Fire requests are included in the GF document.
    - No decreases to external service levels.
    - Transylvania County *does not* fund 48% of 3 new FT positions in Fire; *nor do* they fund 48% of the proposed increase to PT staffing increases in Fire.
    - Brevard *does not* receive money from 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 and premium collections increase by about $27,000/year.
    - All proposed General Fund capital purchases are financed.
    - Staff implement operational savings in:

        - Citywide copier contract budget
        - Public Works uniform/clothing budget
        - Citywide desk phone budget
    - The following revenue increases move forward:
        - Regular 4% increase to both water and sewer consumption rates continues
        - Proposed 4% increase to High Strength Waste Surcharge and Septage/Digested fees is approved
        - Franklin Park Pool entrance fee increased from $2/day to $3/day
    - There are no legislative changes from Raleigh regarding property taxes; no unfunded mandates are added.
    - There are no shocks to the world economy.
    - The city's for-sale Cashiers Valley Rd. property sells before the end of FY27.
    - 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
    - Solid waste collection fees (residential and commercial) could be replaced with a seven-cent tax increase. This proposal would result in overall savings for residential properties valued at $427,500 and below.