



CITY OF HENDERSONVILLE BUSINESS ADVISORY COMMITTEE

City Hall – 2nd Floor Meeting Room | 160 6th Ave. E. | Hendersonville, NC 28792
Monday, October 13, 2025 – 11:30 AM

AGENDA

1. **CALL TO ORDER**

2. **APPROVAL OF AGENDA**

3. **APPROVAL OF MINUTES**

A. July 14, 2025 - *Jill Murray, City Clerk*

4. **NEW BUSINESS**

A. Approval of 2025 Annual Schedule of Regular Meetings - *Jill Murray, City Clerk*

B. Transportation General Obligation Bond Referendum Update – *Brian Pahle, Deputy City Manager*

C. Unhoused Population Update and Discussion – *Various Staff*

5. **OTHER BUSINESS**

6. **ADJOURNMENT**

The City of Hendersonville is committed to providing accessible facilities, programs and services for all people in compliance with the Americans with Disabilities Act (ADA). Should you need assistance or an accommodation for this meeting please contact the City Clerk no later than 24 hours prior to the meeting at 697-3005.



CITY OF HENDERSONVILLE
BUSINESS ADVISORY COMMITTEE
 City Hall – 2nd Meeting Room | 160 6th Avenue E. | Hendersonville NC 28792
 Monday, July 14, 2025– 11:30 AM

MINUTES

Present: Chairman Ken Gordon, Adam Justus, Sarah Cosgrove, Chris Cormier, Michael Gilligan, Tiffany Lucey, & Melinda Lowrance

Absent: Vice-Chair Rebecca Waggoner, Andrea Martin & Jamie Justus (no longer on board)

Staff Present: City Manager John Connet, City Clerk Jill Murray, Communications Director Allison Justus, Evaluation & Budget Director Adam Murr

1. CALL TO ORDER

Chairman Ken Gordon called the meeting to order at 11:30 a.m. and welcomed those present.

2. APPROVAL OF AGENDA

Melinda Lowrance moved to approve the agenda as presented. Motion carried unanimously.

3. APPROVAL OF MINUTES

Adam Justus moved to approve the minutes of April 14, 2025. Motion carried unanimously.

4. NEW BUSINESS

City Manager John Connet gave a little bit of background on the committee and why it was set up since we have several new members.

A. Review of SB 69 City/County Compromise - John Connet, City Manager

City Manager John Connet gave the following PowerPoint presentation regarding Senate Bill 69.



Section 1 - Water and Sewer Commission

Nine Members

Four City of Hendersonville
Appointments

Four Henderson County
Appointments

Chair - Appointment
alternates between
City/County every two years

No elected officials or City/County employees
may serve on the Commission.

Mayor and Henderson County Chair shall serve
as ex-officio non-voting members.

Section 1 - Water and Sewer Commission

Govern

Govern day to day operations and maintenance of the City and County water and sewer systems.

Recommend

Recommend plans and policies for adoption by City and County governing boards

Approve

Approve extensions in accordance with City and County policies

Recommend

Recommend fees, charges and rates to City and County governing boards.

Recommend

Recommend to City and County a new interlocal sewer agreement for Mud Creek Drainage Basin.

Section 1- Water and Sewer Commission

► Miscellaneous Provisions

- Equalize water rates by 2030
- Equalize sewer rates by 2035
- Assets remain with current owners
- Current 2000 Mud Creek Agreement stays in place until new agreement is approved by both governing boards.

Section 3 - Annexation Standards



City cannot require annexation for any property located wholly outside of Mud Creek Drainage Basin.



Existing development does not have to petition for annexation to receive water and sewer service.



New Development or redevelopment > 50% does have to petition for annexation. (Applies only to City's proposed growth area west of I-26 and small area around Upward Road.)



City will contract with rural fire departments to serve newly annexed area. Fire departments will be compensated based on new tax base.

Section 4 & 5 - Planning and Development



Upon annexation - City will request County to assume jurisdiction for land development regulation.



County has 30 days to assume land development regulation



Municipal ETJ is eliminated in Henderson County

Section 6 - Down-Zoning

- City and County shall have the authority to down-zone property to protect community character, reduce growth and prevent urban sprawl.





Interlocal Agreement

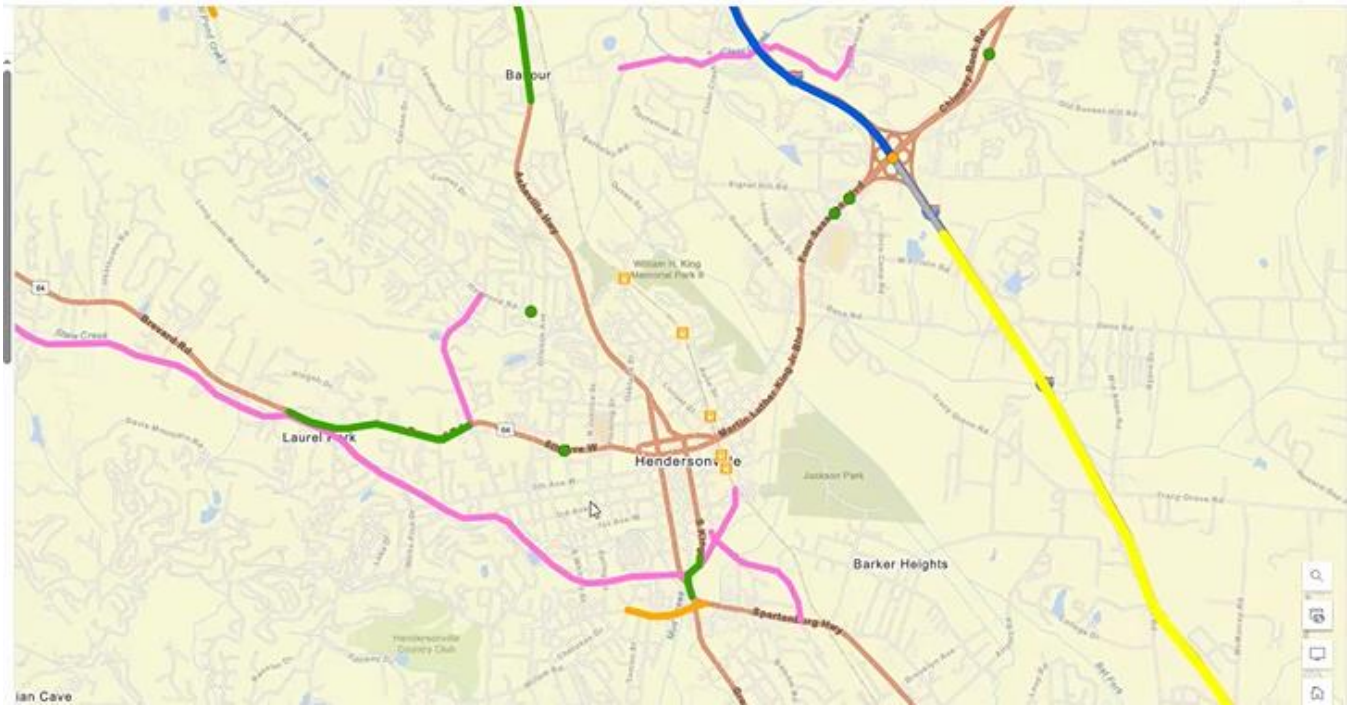
- ▶ Water and Sewer Commission will:
 - ▶ Assist in the development of affordable housing
 - ▶ Work closely with HCPED to serve existing and new industries
 - ▶ Work closely with Henderson County and AgHC to meet farmland preservation and agricultural development goals
- ▶ Will not require annexation for Flat Rock Cidery or Baystone Glen developments.
- ▶ Waives City Attorney conflict of interest from 2000 Mud Creek Agreement.
- ▶ City /County staff to work together on planning and zoning items.

Current Status

North Carolina General Assembly

B. NCDOT Road Project Updates - John Connet, City Manager

City Manager John Connet showed an interactive map that shows any road projects going in the City of Hendersonville, as well as sidewalk projects, bike path projects etc.



C. Review of FY 25/26 Budget - John Connet, City Manager



CITY OF HENDERSONVILLE

FY26 BUDGET ADOPTION

June 05, 2025



City of Hendersonville, NC



Recommended Budget FY 2025-26



Our Vision



Hendersonville is a vibrant mountain city where the government and citizens work together for a high quality of life.



Our Mission



The City of Hendersonville is committed to providing quality, efficient services to all citizens, visitors, and businesses through open communication, timely responses, and quality results.

BUDGET AT A GLANCE

**CITY OF HENDERSONVILLE
FY26
RECOMMENDED
BUDGET
AT A GLANCE**



GREAT PUBLIC SERVICES



SOUND INFRASTRUCTURE



NUMEROUS AMENITIES



STRONG PARTNERSHIPS



ECONOMIC VITALITY



FINANCIAL SUSTAINABILITY

COUNCIL GOALS

- Rank #1 – Public Safety
- Rank #2 – Compensation, Benefits, and Staff Development
- Rank #3 – Strong Infrastructure
- Rank #4 – Strategic Housing Plan
- Rank #5 – Growth Management and Community Character
- Rank #6 – Invest in Parks
- Rank #7 – Enhance Sustainability Citywide
- Rank #8 – Transportation Planning
- Rank #9 – City Boards and Volunteers
- Rank #10 – Support Downtown Businesses

The Fiscal Year 2025-2026 (FY26) budget was developed based upon information presented and discussed during our City Council and Staff Retreat on Feb. 27 and 28, 2025.

We are entering our final year of the 3-year plan and will begin developing a scope for the next 3-year plan during the FY27 budget development process.

Each goal area to the left is tracked in the City's strategic planning documents, which can be found online at:

www.hvInc.gov/strategicplan

HELENE RECOVERY AND RESILIENCY

City Council and City Staff Developed Eight (8) Priorities for the Resiliency and Recovery Plan:

1. Invest in Redundant & Resilient Critical Infrastructure
2. Housing
3. Communications & Storytelling
4. Emergency Response Plan
5. Financial Resiliency
6. Debris Management
7. Floodplain Mitigation
8. Trained & Right-Sized City Staff

Helene Resiliency and Recovery Plan

Created By: Brian Panle

🔍

Levels include Plan OR Priority

Clear

Edit

9 It

Timeline Controls

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#	Level	Name	Start Date	2024-2026												
				2025				2026				2027				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
...	Plan	Helene Resiliency and Recovery Plan	07/01/2025			Helene Resiliency and Recovery Plan										
...	1	Priority	Investment in Redundant and Resilient Critical Infrastructure	07/01/2025			Investment in Redundant and Resilient Critical Infrastructure									
...	2	Priority	Housing	07/01/2025			Housing									
...	3	Priority	Communications & Storytelling	07/01/2025			Communications & Storytelling									
...	4	Priority	Emergency Response Plan	07/01/2025			Emergency Response Plan									
...	5	Priority	Financial Resiliency	07/01/2025			Financial Resiliency									
...	6	Priority	Debris Management	07/01/2025			Debris Management									
...	7	Priority	Floodplain Mitigation	07/01/2025			Floodplain Mitigation									
...	8	Priority	Trained & Right-Sized City Staff	07/01/2025			Trained & Right-Sized City Staff									

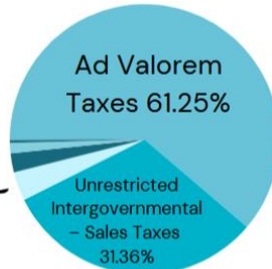
BUDGET AT A GLANCE

TOTAL RECOMMENDED BUDGET: \$68,623,860

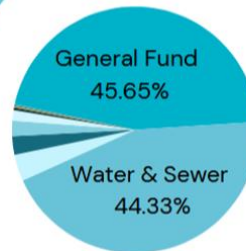
WHERE IS THE MONEY COMING FROM?

GENERAL FUND

Restricted Intergovernmental 3.45%
Permits & Fees 2.28%
Sales & Services 1.25%
Investment Earnings 0.36%
Other taxes & Licenses 0.03%
Miscellaneous 0.02%



WHERE IS THE MONEY GOING?



Environmental Services 3.49%
Stormwater 2.44%
Parking 2.00%
Main St. MSD 1.37%
7th Ave MSD 0.31%
Stormwater Capital Reserve 0.22%
Water & Sewer Capital Reserve 0.15%
Governmental Special Revenue 0.05%

BUDGET AT A GLANCE



City Wide: \$0.52/per \$100
No change from the previous rate
Main St and 7th Ave MSD: \$0.21/per \$100
Main St: No change from the previous rate
7th Ave: No change from the previous rate

WATER & SEWER RATES

Water: 8% increase
Sewer: 9% increase

The rate differential between inside & outside water customer rates has lowered by 5% reflecting City Council's commitment to equalize rates by 2030

RATES & FEES

Stormwater: \$8.00/month
\$1 increase for residential customers
Non-residential Stormwater Fee Cap \$400

Environmental Services:
32-gallon can: \$30; 96-gallon can: \$32
\$7 increase to make fund sustainable
& hire 3 workers

Parking: No increase in parking rates

Motor Vehicle Fee:
\$15 increase for Vehicle Registration Renewal
Funding earmarked for maintaining streets/ADA compliant sidewalks in compliance PROWAG unfunded federal mandate

LEARN MORE AT: HVLNC.GOV/BUDGET

BUDGET AT A GLANCE

TOTAL RECOMMENDED BUDGET: \$68,623,860

PERSONNEL BENEFITS

4.0% Cost of Living Adjustment
3.00% 401k Match
2.56% Average Merit Increase



HIGHLIGHTS

Focusing on long-term financial sustainability, the FY26 budget centers on rebuilding from Hurricane Helene and continuing to offer high-quality services to residents

Committing to Compensation/Benefits requires additional funds to recruit & retain personnel, by covering increasing medical insurance & retirement costs

Prioritizing Strong Infrastructure with key Water & Sewer projects including treatment plant, line, and pump station improvements

Enhancing Public Safety by funding 911 Software, CPR Device, and Swift Water Rescue Equipment

New positions include: 3 Environmental Service Workers, 2 Water & Sewer Line Maintenance Mechanics, 1 Downtown Maintenance Worker & 1 Fleet Maintenance Technician

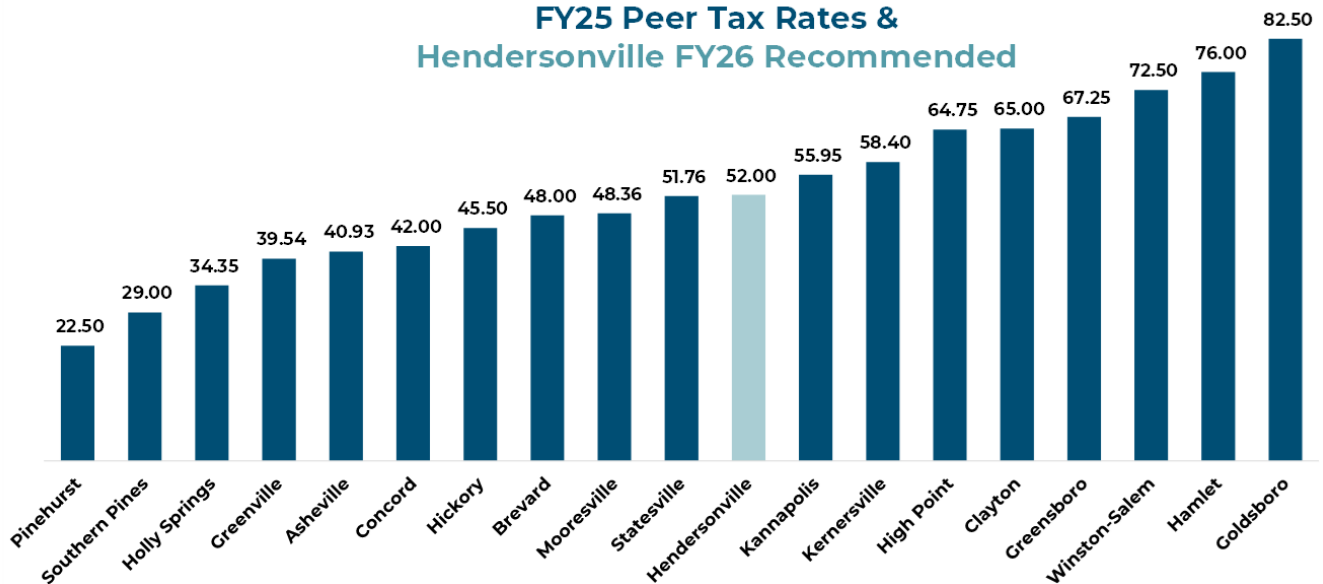


GENERAL FUND

Setting the Tax Rate:

Avg. = \$0.5244

FY25 Peer Tax Rates &
Hendersonville FY26 Recommended



GENERAL FUND

TAX RATE	\$0.52/\$100
REVENUES	(28,194,046)
EXPENDITURES	30,969,077
OTHER FINANCING	357,534
FUND BALANCE	
APPROPRIATED	(3,132,565)
FUND BALANCE	
FY26 START	11,072,165
FUND BALANCE	
FY26 END	7,939,600

REVENUES

- Rate = **\$0.52/\$100 (no change)**
- Sales Tax Growth & Development

EXPENDITURES (+\$3.1m, or 11.23%)

- **\$15.8m** Personnel & Benefits (+\$2.0m)
 - COLA, Merit, 401k, LGERS, etc.
 - Fleet Maint. Position Added
- **\$7.2m** Operating (+\$826k)
 - Powell Bill Expenditures
- **\$297k** Capital (+\$179k)
 - Critical & life-saving equipment
- **\$4.2m** Debt Service (+\$118k)
 - Vehicle & equipment debt payments

FUND BALANCE & OTHER FINANCING

- Estimated FY26 Transfer to Parking = \$113,907
- Estimated FY26 Total Fund Balance = \$12,362,795
- Estimated FY26 Unassigned - City Policy = \$7,449,867 | 25.75%

MAIN STREET MSD FUND

TAX RATE	\$0.21/\$100
REVENUES	(697,400)
EXPENDITURES	940,854
OTHER FINANCING	(88,434)
FUND BALANCE	
APPROPRIATED	(155,020)
FUND BALANCE	
FY26 START	155,020
FUND BALANCE	
FY26 END	-

REVENUES

- Rate = **\$0.21/\$100 (no change)**

EXPENDITURES

- **\$611,320** Personnel & Benefits (+\$146k)
 - Salaries and benefits increases
 - DT Worker Added (75%)
- **\$267,204** Operating (-\$85k)
- **\$20,000** Capital (+\$20k)
- **\$42,330** Debt Service (-\$1.5k)

FUND BALANCE

- Budgeted Transfer from GF **\$88,434**
- Est. Transfer from GF **\$0**
- Est. Fund Bal. Appropriation = **\$87,820**
- Est. End of Year Fund Bal. = **\$67,200**

7th AVE MSD FUND

TAX RATE	\$0.21/\$100
REVENUES	(131,750)
EXPENDITURES	212,967
OTHER FINANCING	(16,451)
FUND BALANCE	
APPROPRIATED	(64,766)
FUND BALANCE	
FY26 START	64,766
FUND BALANCE	
FY26 END	-

REVENUES

- Rate = **\$0.21/\$100** (no change)

EXPENDITURES

- \$171,757** Personnel & Benefits (+\$43k)
 - Salaries and benefits increases
 - DT Worker Added (25%)
- \$41,210** Operating (-\$625)
- \$0** Capital (no change)
- \$0** Debt Service (no change)

FUND BALANCE

- Budgeted Transfer from GF **\$16,451**
- Est. Transfer from GF **\$0**
- Est. Fund Bal. Appropriation = **\$64,766**
- Est. End of Year Fund Bal. = **\$1,616**

WATER & SEWER FUND

USER FEES	+ ~8.5%
REVENUES	(28,262,200)
EXPENDITURES	29,904,154
OTHER FINANCING	514,940
FUND BALANCE	
APPROPRIATED	(2,156,894)
FUND BALANCE	
FY26 START	10,757,658
FUND BALANCE	
FY26 END	8,600,764

REVENUES

- Water Sale Rev. **+8.0%**
- Sewer Charge Rev. **+9.0%**
- SDFs** → 50% Effective Jul 1, 2025
- 120%** Inside/Outside Rate Diff. **(-5.0%)**

EXPENDITURES

- \$14.1m** Personnel & Benefits (+\$1.4m)
- \$8.5m** Operating (-\$40k)
- \$1.2m** Pay-Go Capital (-\$18k)
- \$6.1m** Debt Service (+\$774k)
- \$417k** Transfer for Vehicles & Equipment
- \$100k** Transfer to Capital Reserve Fund

FUND BALANCE/BOND COVENANT

- FY25 Est. Bond Covenant **(a)=1.47 (b)=1.09**
- FY26 Est. Bond Covenant **(a)=1.46 (b)=1.18**
- Min (a)=1.00, Min (b)=1.00**

PARKING FUND

USER FEES	No Change
REVENUES	(1,118,575)
EXPENDITURES	1,371,224
OTHER FINANCING	(252,649)
FUND BALANCE	
APPROPRIATED	-
FUND BALANCE	
FY26 START	-
FUND BALANCE	
FY26 END	-

REVENUES

- Parking Fee Revenues = **No Change**

EXPENDITURES

- \$297,784** Personnel & Benefits (+\$18k)
- \$261,490** Operating (+50k)
- \$0** Capital
- \$811,950** Debt Service (+\$4.5k)

FUND BALANCE

- Budgeted Transfer from GF **\$252,649**
- Est. Transfer from GF **\$113,907**
- Est. Fund Bal. Appropriation = **\$0**
- Est. End of Year Fund Bal. = **\$0**
- No Fund Balance – GF Supported**

STORMWATER FUND

USER FEES	\$8.00/mo.
REVENUES	(1,676,050)
EXPENDITURES	1,526,050
OTHER FINANCING	150,000
FUND BALANCE	
APPROPRIATED	-
FUND BALANCE	
FY26 START	-
FUND BALANCE	
FY26 END	-

REVENUES

- Rate = **\$8.00/Month/ERU** (+\$1.00)
- Cap = **\$400.00/Month/ERU** (+\$50.00)
- +\$225k user fee revenue

EXPENDITURES

- \$1.0M** Personnel & Benefits (+\$129k)
- \$370,833** Operating (+\$17k)
- \$0** Capital
- \$75,885** Debt Service (-\$6.2k)
- \$150,000** Transfer to Capital Reserve

FUND BALANCE

- No Fund Balance
- No General Fund Transfer (In)
- Estimated Increase **\$109,824**

ENVIRONMENTAL SERVICES FUND

USER FEES	\$32.00/mo.
REVENUES	(2,394,000)
EXPENDITURES	2,394,000
OTHER FINANCING	-
FUND BALANCE	
APPROPRIATED	-
FUND BALANCE	
FY26 START	-
FUND BALANCE	
FY26 END	-

REVENUES

- Rate = **+\$7.00/month**
\$30.00/32gal
\$32.00/96gal

EXPENDITURES

- \$1.5M** Personnel & Benefits (+\$279k)
 - +3 Environmental Service Workers
- \$683,666** Operating (+\$77k)
- \$0** Capital
- \$194k** Debt Service (+\$14k)

FUND BALANCE

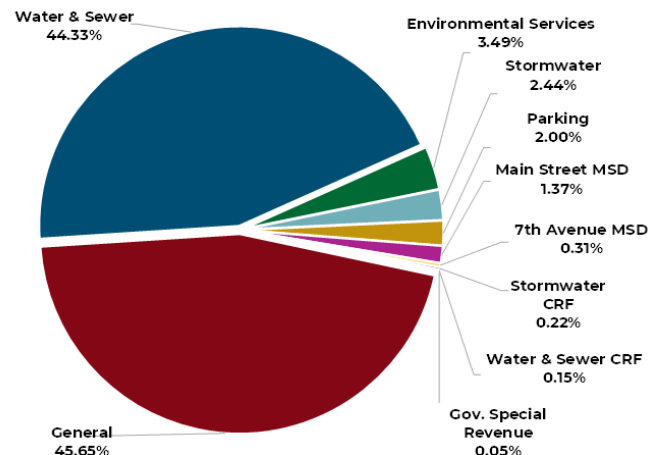
- No Fund Balance
- No General Fund Transfer (In)
- Estimated Increase **\$125,685**

BUDGET IN TOTAL

FY26 MAJOR FUNDS SUMMARY

FUND	EXPENDITURES	REVENUES	FUND BALANCE APPROPRIATION
General	\$ 31,326,611	\$ 28,194,046	\$ 3,132,565
Water & Sewer	30,421,154	28,264,260	2,156,894
Environmental Services	2,394,000	2,394,000	-
Stormwater	1,676,050	1,676,050	-
Parking	1,371,224	1,371,224	-
Main Street MSD	940,854	785,834	155,020
7th Avenue MSD	212,967	148,201	64,766
Stormwater CRF	150,000	150,000	-
Water & Sewer CRF	100,000	100,000	-
Gov. Special Revenue	31,000	-	31,000
SUB-TOTAL	\$ 68,623,860	\$ 63,083,615	\$ 5,540,245

TOTAL IN BALANCE \$68,623,860



THANK YOU COUNCIL & STAFF

[A Shimmy A Day Keeps the Budget At Bay](#)

5. OTHER BUSINESS

6. ADJOURNMENT

Sarah Cosgrove moved to adjourn and there being no further discussion the meeting was adjourned at 12:29 p.m. upon unanimous assent of the Committee.

ATTEST:

Ken Gordon, Chairman

Jill Murray, City Clerk

NOTICE

City of Hendersonville Business Advisory Committee | 160 Sixth Avenue East Hendersonville, NC 28792

CITY OF HENDERSONVILLE Business Advisory Committee

2026 ANNUAL SCHEDULE OF REGULAR MEETINGS

Regular Meetings of the City of Hendersonville Business Advisory Committee are held **Quarterly on the second Monday of January, April, July, and October, at 11:30 a.m.** in the 2nd Floor Meeting Room inside of City Hall located at 160 6th Avenue East, Hendersonville NC.

The following regular meetings have been scheduled for 2026:

January 12, 2026

April 13, 2026

July 13, 2026

October 12, 2026

Meetings are open to the public.

Ken Gordon, Chairman

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Adopted: 10/13/2025 Posted: 10/13/2025
<https://www.hendersonvillenc.gov>





CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

SUBMITTER: John Connet, City Manager **MEETING DATE:** 10/13/2025
AGENDA SECTION: NEW BUSINESS **DEPARTMENT:** Administration
TITLE OF ITEM: Transportation General Obligation Bond Referendum Update – *Brian Pahle, Deputy City Manager*

SUGGESTED MOTION(S):

NA

SUMMARY:

Deputy City Manager Brian Pahle will provide information regarding the proposed general obligation bond referendum for transportation improvements.

BUDGET IMPACT: \$ 10,000,000

Is this expenditure approved in the current fiscal year budget? NA

If no, describe how it will be funded. NA

ATTACHMENTS:

None



CITY OF HENDERSONVILLE AGENDA ITEM SUMMARY

SUBMITTER: John Connet, City Manager **MEETING DATE:** 10/13/25
AGENDA SECTION: NEW BUSINESS **DEPARTMENT:** Administration
TITLE OF ITEM: Unhoused Population Update and Discussion – *Various Staff*

SUGGESTED MOTION(S):

NA

SUMMARY:

Various city staff will provide an update on the unhoused population within the City of Hendersonville.

BUDGET IMPACT: \$ NA

Is this expenditure approved in the current fiscal year budget? NA

If no, describe how it will be funded. EnterTextHere

ATTACHMENTS:

None