

**MINUTES
BREVARD CITY COUNCIL
Regular Meeting
April 18, 2022 – 5:30 PM**

The Brevard City Council met in regular session on Monday, April 18, 2022, at 5:30 p.m. in the Council Chambers of City Hall with Mayor Copelof presiding.

Present – Mayor Maureen Copelof, Mayor Pro Tem Gary Daniel and Council Members Mac Morrow, Aaron Baker, Maurice Jones and Geraldine Dinkins.

Staff Present – City Attorney Mack McKeller, Interim City Manager Steve Harrell, City Clerk Jill Murray, Executive Assistant to the City Manager Denise Hodsdon, Finance Director Dean Luebbe, Accounting Clerk Michael Owens, Tax Collector Tina Tanner, Planning Director Paul Ray, Assistant Planning Director Aaron Bland, Police Chief Tom Jordan, Fire Captain Adam Hughey, Public Works Director David Lutz, Administrative Services Manager for Public Works Letha Cox, Human Resources Director Kelley Craig, Public Safety Director Phil Harris, ORC Wastewater Treatment Plant Emory Owen and ORC Water Plant Dennis Richardson.

Press – Jon Rich, Transylvania Times

Guest – Mark Browder, Mark III Employee Benefits

A. Welcome and Call to Order – Mayor Copelof called the meeting to order and welcomed those present.

B. Invocation – City of Brevard ORC of the Wastewater Treatment Plant Emory Owen offered an invocation.

C. Pledge of Allegiance - Mayor Copelof led the pledge of allegiance.

D. Certification of Quorum - The City Clerk certified a quorum present.

E. Approval of Agenda – Mr. Harrell asked to add a Resolution for Application for Sewer Pump Station Upgrades to the agenda as item number K-7 under Consent. Attorney McKeller added a closed session for a personnel matter to the agenda. Mayor Copelof moved closing remarks after unfinished business so that everyone could hear them before we began on the budget. Mr. Jones moved, seconded by Mr. Morrow to approve the agenda as amended. Motion carried unanimously.

F. Approval of Minutes – Mr. Jones said that under Public Participation when Ms. Frankie Gordon spoke about the Port-O-Johns that I change it to Silversteen Drive, not Hillview Circle. Mr. Daniel moved, seconded by Mr. Morrow to accept the minutes from the April 4, 2022 regular meeting as amended. Motion carried unanimously.

G. Public Participation – None

H. Certificates/Awards/Recognition – None

I. Special Presentation(s) - None

J. Public Hearing(s) –

J-1. Ordinance No. 2022-15 to Extend the Corporate Limits of the City of Brevard-Annexation Ogeechee Hub, LLC (Formerly Pisgah Forest Outdoors LLC). Mr. Bland explained that Samuel and Jordan Salman of Pisgah Forest Outdoors submitted a request for voluntary contiguous annexation of the approximately 7 acre property with a historic house and two outbuildings. In the midst of this process, the property was sold to Mr. William “Tripp” Presnell and the property is now called Ogeechee Davidson LLC. The Planning Board unanimously approved

this at their February meeting and staff recommends approval as well. Mr. Presnell spoke and said that he does not have any specific plans for the site. Mr. Morrow moved, seconded by Mr. Jones to approve the ordinance as presented. Motion carried unanimously.

ORDINANCE NO. 2022-15

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS
OF THE CITY OF BREVARD, NORTH CAROLINA**

WHEREAS, the Brevard City Council has been petitioned under G.S. 160A-31, as amended, to annex the contiguous area described herein, and,

WHEREAS, the City Council has by Resolution No. 2022-04 directed the City Clerk to investigate the sufficiency of said petition; and,

WHEREAS, the Brevard Planning Board reviewed the Petition at their meeting held on February 22, 2022 and recommend approval of the voluntary contiguous annexation; and,

WHEREAS, the City Clerk has certified the sufficiency of said petition (relying on the opinion of the City Attorney) and the City Council adopted Resolution No. 2022-08 fixing a date of public hearing. By authority granted by G.S. 160A-31, a public hearing on the question of this annexation was held at the City Council Chambers at 5:30 P.M. on the 18th day of April, 2022, after due notice by publication on the 7th day of April, 2022 and

WHEREAS, the City Council does hereby find as a fact that the petition meets the requirements of G.S. 160A-31, as amended.

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

Section 1. By virtue of the authority granted by G.S. 160A-31, as amended, all of that property lying in Transylvania County, owned by Ogeechee Davidson, LLC as successor in interest to Pisgah Forest Outdoors, LLC, as shown and being a part of that property described in the deed recorded in Document Book 721, Pages 398-400, in the Transylvania County Register of Deeds and that certain plat provided by the Petitioners to be duly recorded upon annexation is hereby annexed and made a part of the City of Brevard as of the 18th day of April, 2022.

Said property is more fully described as follows:

Beginning at a rebar marking the northwest corner of the parcel shown as Tract D on the Plat recorded in Plat File 16, Slide 363 and the same corner shown as Tract C (Revised) on the Plat recorded in Plat File 16, Slide 396, and being the southwest corner of the Hughes Tract (Book 210, Page 133), and then running with the Hughes line, North 82 degrees 15'03" East 222.20 feet to a rebar in a branch, the northwest corner of the Walmart parcel (Book 560, Page 344); then South 23 degrees 10'52" East 123.60 feet to a rebar; then South 34 degrees 48'26" East 161.11 feet to a rebar in a stump; then South 27 degrees 51'32" East 280.49 feet to a concrete monument; then South 06 degrees 51'31" East 8.35 feet to a concrete monument; then South 20 degrees 37'21" West 231.82 feet to a rebar; then continuing South 20 degrees 37'21" West to an iron rod set at the northeastern corner of Tract D (Revised) shown on the Plat recorded in Plat File 16, Slide 396; then North 69 degrees 23'38" West 129.95 feet to an iron pipe; then North 48 degrees 07'13" West 413.65 feet to a 1 3/4" iron pipe in the line of the U.S. Forest Service; then with the Forest Service line, North 05 degrees 01'25" East 514.33 feet to the point of Beginning; containing 7.13 acres, and shown as Tract C (Revised) on the Plat recorded in Plat File 16, Slide 396.

Section 2. Upon and after the 18th day of April, 2022, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Brevard and shall be entitled to the same privileges and benefits as other parts of the City of Brevard. Said territory shall be subject to the municipal taxes according to G.S. 160A-31.

Also being all of that property described in a plat prepared by E. Roger Raxter P.L.S. for Ogeechee Davidson, LLC dated March 17, 2022, and recorded in Plat File _____, Slide _____, of the Transylvania County Registry.

Section 3. Pursuant to 160A-29 it shall be the duty of the Mayor of the City of Brevard to cause an accurate map of the annexed territory as described in Section 1 hereof, together with a duly certified copy of this Ordinance, to be recorded in the office of the Register of Deeds of Transylvania County, North Carolina, and in the office of the Secretary of State at Raleigh, North Carolina. Such a map shall also be delivered to the Transylvania County Board of Elections as required by G.S. 163.288.1.

Section 4. Notice of adoption of this Ordinance shall be published once, following the effective date of annexation, in a newspaper having general circulation in the City of Brevard.

Adopted and approved the 18th day of April, 2022.

J-2. Ordinance No. 2022-16 Amending the Official Zoning Map of the City of Brevard to Rezone Multiple Parcels Located at the Intersection of South Broad Street and Varsity Street. Mr. Bland explained that on October 26, 2021, RK Young of the Unitarian Universalists of Transylvania County submitted an application requesting a map amendment (rezoning) for five properties at the intersection of South Broad Street and Varsity Street. Three parcels are currently zoned General Residential 8 and two are zoned Residential Mixed Use. The request is to rezone all parcels to Institutional Campus. The parcels total approximately 1.5 acres in size and includes the Unitarian Universalists church building and its parking areas, as well as some vacant land. Mr. Morrow moved, seconded by Ms. Dinkins to approve the ordinances as presented. Motion carried unanimously.

ORDINANCE NO. 2022-16

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF BREVARD TO REZONE MULTIPLE PARCELS LOCATED AT THE INTERSECTION OF SOUTH BROAD STREET AND VARSITY STREET

WHEREAS, the Unitarian Universalists of Transylvania County requests that the Official Zoning Map of the City of Brevard be amended by rezoning multiple parcels of land, from the Residential Mixed Use and General Residential – 8 districts to the Institutional Campus district; such properties are identified by the following PINs: 8585-49-4183-000, 8585-49-3069-000, 8585-49-4137-000, 8585-49-3242-000, 8585-49-2242-000, and are hereafter referred to as the “Subject Properties” and,

WHEREAS, a public hearing was conducted April 18, 2022, in consideration of this rezoning request; and,

WHEREAS, the City of Brevard Planning Board considered this proposed map amendment, identified as REZ-21-007, on January 25, 2022, and unanimously recommended approval; and,

WHEREAS, in accordance with North Carolina General Statute 160D-605, Brevard City Council finds the following:

- 1) The proposed zoning map amendment is **consistent** with the following elements of the City's adopted plans and policies:

2015 Comprehensive Plan:
POLICY 2.1.A: Modify zoning regulations to encourage and allow greater density and intensities of land use within its jurisdiction.

The City of Brevard will work to foster a system of “complete neighborhoods” throughout Brevard with the following key components:

- Close proximity to stores, restaurants, schools, churches, and other amenities and services.

2002 City of Brevard Land Use Plan, Future Land Use Map: recommends a future use of Mixed Use – Neighborhood for two of the subject parcels.

- 2) The proposed zoning map amendment is **inconsistent** with the following elements of the City's adopted plans and policies:

2002 City of Brevard Land Use Plan, Future Land Use Map: recommends a future use of Residential – High Density for three of the subject parcels.

- 3) The proposed zoning map amendment is in the public interested and reasonable due to the following factors:
As defined in the City of Brevard Unified Development Ordinance, the Institutional Campus zoning district is the most logical and appropriate base zoning district for religious institutions.

and,

WHEREAS, the City of Brevard, after hearing all persons wishing to comment on this request, desires to approve said request.

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

Section 1. The Official Zoning Map of the City of Brevard is hereby amended as depicted herein on Exhibit A which is attached hereto and incorporated by reference.

Section 2. This Ordinance shall become effective upon its adoption and approval.

Adopted and approved this the 18th day of April 2022.

K. Consent and Information - Consent Agenda items are considered routine and are enacted by one motion. Mayor Copelof read aloud the items listed and asked for a motion to

approve the consent agenda. Mr. Jones moved, seconded by Mr. Baker to approve the consent agenda as presented. Motion carried unanimously.

K-1. Resolution No. 2022-10 Authorizing Application for NCDEQ Grant Funding to Conduct an Asset Inventory Assessment of the Wastewater Collection and Drinking Water Distribution Systems.

RESOLUTION NO. 2022-10

RESOLUTION AUTHORIZING APPLICATION FOR NCDEQ GRANT FUNDING TO CONDUCT AN ASSET INVENTORY ASSESSMENT OF THE WASTEWATER COLLECTION AND DRINKING WATER DISTRIBUTION SYSTEMS

- WHEREAS,** The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and studies of (state whether a wastewater treatment works, wastewater collection system, stream restoration, stormwater treatment, other “green” project, drinking water treatment works, and/or drinking water distribution system), and
- WHEREAS,** The City of Brevard has need for and intends to conduct a study of its wastewater collection system and drinking water distribution system through a project described as an asset inventory assessment.
- WHEREAS,** Said study will assess and document the size, material, age, and condition of the existing wastewater and drinking water infrastructure; and create a database of said assessment, a planned replacement schedule for the existing infrastructure, and a 20- year capital improvement program.
- WHEREAS,** The City of Brevard intends to request State grant assistance for the project,

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

That City of Brevard, the **Applicant**, will arrange for any remaining costs, if any, of the project.

That the **Applicant** will provide for efficient completion of the project thereof.

That Dean Luebbe - Finance Director, the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a grant to aid in the study of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted and approved this the 18th day of April 2022, in Council Chambers at Brevard, North Carolina.

- K-2. Tax Settlement Report for month ending March, 2022.**
- K-3. Council Public Safety Committee Minutes-January 24, 2022.**
- K-4. Council Public Works & Utilities Committee Minutes-February 15, 2022.**
- K-5. Council Downtown Master Plan Committee Minutes-March 2, 2022.**
- K-6. Ecusta Trail Advisory Board Minutes-March 2, 2022.**
- K-7. Resolution No. 2022-11 Application for Sewer Pump Station Upgrades.**

RESOLUTION 2022-11

APPLICATION FOR SEWER PUMP STATION UPGRADES

- WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina the Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and studies of new and upgraded water and wastewater infrastructure, and
- WHEREAS, The City of Brevard has need for and intends to construct water and wastewater infrastructure projects described as: Wastewater Pump Station Rehabilitation and Replacement, Drinking Water Storage Tank Project, Wastewater Treatment Plant Rehabilitation, and Water Treatment Plant Expansion; and
- WHEREAS, The City of Brevard intends to request state loan assistance for the project,

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

That City of Brevard, the **Applicant**, will arrange financing for all remaining costs of the project, if approved for a State grant or loan award.

That the **Applicant** will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.

That the governing body of the **Applicant** agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Brevard to make scheduled repayment of the loan, to withhold from the City of Brevard any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.

That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

That Steven L. Harrell, City Manager, the **Authorized Official**, and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan to aid in the construction of the project described above.

That the **Authorized Official**, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project: to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted and approved this the 18th day of April, 2022.

L. Unfinished Business – None

N. Remarks/Future Agenda Considerations.

Ms. Dinkins expressed her gratitude to our Interim City Manager and our Finance Director for coming up with a reformat of the budget. It's really informative and easy to read. I would just encourage anyone that is interested in how our town functions to either go to the library or City Hall or website and take a look.

Mr. Daniel echoed his appreciation for the clarity and transparency of the proposed budget. It is refreshing and I want to extend that to our Planning Department as well, as we had a meeting of our Housing Trust Fund Committee. Thank you to the staff.

Mr. Baker echoed what Ms. Dinkins and Mr. Daniel said. Transparency is key and I think this budget reflects this very well. For members of the public who have plenty of other things on their mind, this can be very easily understood.

Mr. Harrell said that Phil Harris has something to say.

Mr. Harris said that we are going to have two meetings led by an international expert, Dan Burton, regarding roundabouts. He will discuss pedestrian and bike safety and other things. By the time DOT is done, we're going to have 7 or 8 roundabouts so this is important. The first meeting is on Thursday, April 28th at 6:30pm and the second one is on Friday, April 29th at 11:00am, both here in City Council Chambers.

Mayor Copelof asked Mr. Lutz to speak about Arbor Day. Mr. Lutz said that the City is planning an event on Thursday, April 28th at 4:00pm at the new community garden for a short presentation. The event will host several Rise and Shine students to plant two Paw Paw trees. We encourage everyone to come out for it.

Mayor Copelof said that this Wednesday, Pisgah Forest Rotary will be at the dog park replanting our pollinator garden. They received a \$6,000 grant. Then on Sunday, May 1st, we'll be having a ceremony to thank the Rotary and put a sign in the garden. This is a big upgrade. We also have another Meet the Mayor this Thursday at Blue Ridge Bakery from 8:30am-10:00am. The community garden is up and running and we still have a few plots left so you can still get one. A big thank you to the volunteers that helped on Saturday moving all of the wood chips at the community garden and a big thank you to everyone who worked on our RAISE Grant application. We had a very tight deadline and it has been accepted and this is the grant where we are requesting \$15.5 million dollars for the Ecusta Trail.

~~ At 5:58 PM Mayor Copelof called for a ten minute break ~~

M. New Business

M-1. FY2022-2023 Budget

Mr. Harrell presented his FY2022-2023 Annual Budget to Council (Attached). The City of Brevard FY22-23 budget is \$25,261,208. Some highlights of the budget are as follows:

- Total ARPA Fund = \$2,401,000
- Outstanding debt as of June 30, 2021 = \$20,130,330
- Over 90% outstanding debt located in Water & Sewer Fund
- Request eleven (11) new positions for the City which increases expenditures by \$673,200
- Suggest 7% COLA for all full-time employees (CPI is 7.5%) which increases expenditures by \$438,000
- Requesting a change of health insurance from Health Plans, Inc. to Blue Cross Blue Shield of NC beginning July 1, 2022.
- Major capital purchases; 2 sanitation trucks, 2 police cars & 1 4-wheel drive fire engine
- Property tax revenue collection rate is at 98%
- Fund balance of \$329,666 appropriated to balance the General Fund budget
- Available fund balance at June 30, 2021 was 32% or \$3,471,210 which was \$758,789 in excess of the City policy of 25% of budgeted expenditures
- Proposed increase to recycling charge from \$3 to \$4 per month
- Water and sewer rates budgeted at 4% increase for residents within City limits using 2,500 gallons per month will be \$73.85

Mr. Harrell introduced Mark Browder from Mark III Employee Benefits to discuss changing over to Blue Cross Blue Shield and presented a PowerPoint. (Attached)

Mr. Daniel asked about the parking lot fund has \$734,120 in it and confirmed that the money is restricted to parking and Mr. Harrell said the parking revenue is restricted to parking and the general fund monies that are transferred to that fund are restricted while they're in that fund or could be transferred back to the general fund. Mr. Daniel said he prefer that it not be restricted and that we move it back to the general fund. He added that the capital reserve fund has \$245,000 with \$100,000 being added to it so that's close to \$350,000. Mr. Luebke explained that money is generated from system development fees that builders have to pay and its intended for the expansion or improvement of that system. Mr. Daniel pointed out that between the parking lot fund and the capital reserve fund, that is close to \$1,000,000 that we're not using in this budget as presented.

Mr. Baker had several questions:

- We had a great presentation about the Powell Bill plan and resurfacing streets each year. If we maintained that level, it would take about 80 years to pave every street in the city. I would like to see additional funds for expanding that. We should have it in our plan to resurface streets. Mr. Harrell said that he, Dean and David would take a look at this.
- How competitive are we with water/sewer tap and connect fees. Mr. Lutz said we're not competitive on our 2" taps but the rest of them run in line with everyone else.
- The Mary C. Jenkins Community Center had a budet line for contracted mowing. I know we have crews that mow other places. Mr. Harrell said by contracting it, we're not spreading David's people too thin. Ms. Dinkins added that we're adding another person in the grounds budget. Mr. Harrell said that he will look into that and get back to Council.
- There was a big discrepancy in the garage and working on County vehicles. Mr. Luebbe said that the City receives \$6500 a month whether we work on their vehicles or not but I can give you more information on that.
- I have some concerns of the code enforcement piece in the Police Department mainly in regards to difference in philosophy and where that fits in City government. I can certainly understand why having a uniformed officer communicate code enforcement is preferable and safer but to me, the most important part is business enforcement. Mr. Ray explained that the Police Department is handling nuisances but Planning is still handling zoning and UDO enforcement.

Mr. Morrow said that overall, this is a well written budget and commented with respect to the parking fund, we need to realize surface parking is what that money was earmarked for and we need to make decisions as to what is priority.

Ms. Dinkins had a few questions:

- What are all of the miscellaneous revenues about in the Planning and other departments? Mr. Luebee briefly explained but will give a breakout of them for each department at the next meeting.
- We have a safety consultant? Ms. Craig explained that we do and she helps keep us in compliance.
- Why does the Police Department need a 4x4 vehicle? Chief Jordan explained that they have a golf cart but it is not cutting it anymore. It will be helpful with setting up barricades for road closures, we would use it to get up to Bracken Preserve and its meant to replace what we've had for more than a decade.
- Does \$25,000 for building maintenance cover all of our buildings? Mr. Lutz said yes.
- We're taking a big hit with personnel. For the fire department, I feel like it should be two people now and phase the third one in. The Fire Chief should be one of them, at least for now.
- I want to follow up on the parking fund and what Mr. Daniel talked about. I would be in favor of removing the \$600,000 from the parking fund and I suggest putting it in the Downtown Master Plan.
- Can we raise some fees in the building area? Mr. Harrell said that would be Council's call.

Mr. Jones asked for an explanation of a 7.9% increase in our sales tax revenue. Mr. Luebbe said right now we're getting around 15% of the total sales tax revenue for Transylvania County and that means the County gets 84% and Rosman gets 1%.

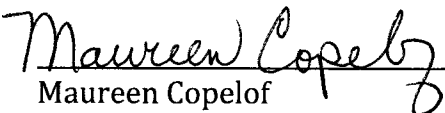
Mayor Copelof said that we covered the budget in great detail and some great points were made. One of the items that was brought up was road repaving and putting more money towards that and keeping our fund balance at a level that we really need. Take these suggestions and come back at our next workshop with some proposals.

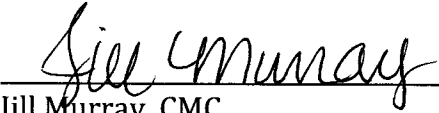
O. Closed Session(s)

Closed Session #1 - At 8:17 p.m. Mr. Jones moved, seconded by Mr. Daniel to enter into closed session for a personnel matter and clear Council Chambers. Motion carried unanimously. Authorized to remain for the closed session with Council and the Attorney were the Interim City Manager Steve Harrell, City Clerk Jill Murray and Human Resources Director Kelley Craig.

Council Returned to Regular Session – at 9:08 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.

P. Adjourn – There being no further business, Mr. Morrow moved, seconded by Mr. Jones, the meeting be adjourned. Motion carried unanimously. Meeting adjourned at 9:08 p.m.

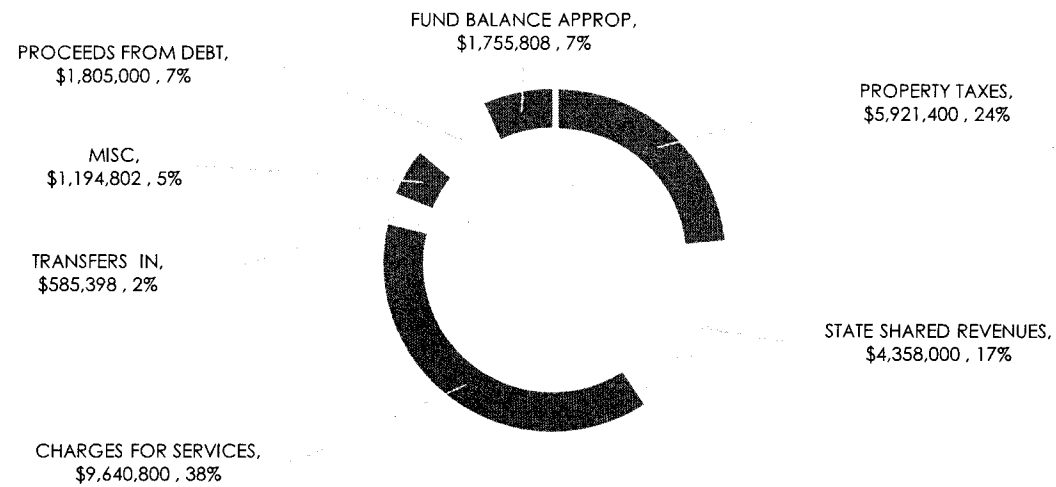

Maureen Copelof
Mayor


Jill Murray, CMC
City Clerk

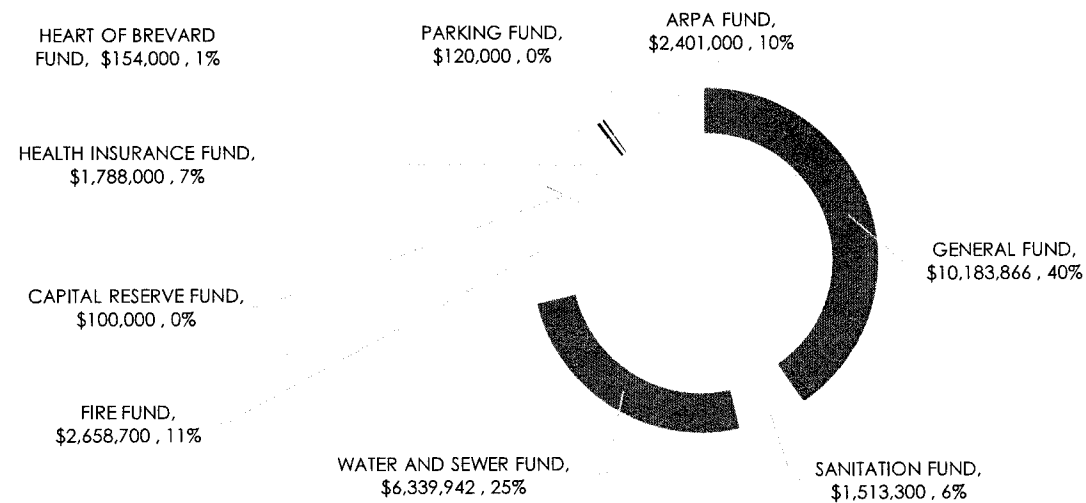
Minutes Approved: May 2, 2022

RECOMMENDED
CITY OF BREVARD FY22-23
ANNUAL BUDGET

All Funds – City of Brevard Total Revenue



All Funds – City of Brevard Total Expenditures By Fund



FUNDS INCLUDED IN FY22-23 ANNUAL
BUDGET

FUND TYPE	FY22-23 BUDGET	TRANSFERS OUT
<u>General Fund</u>	10,183,866	927,566
<u>Enterprise Funds</u>		
Sanitation	1,513,300	
Water and Sewer	6,339,942	
<u>Special Revenue Funds</u>		
Fire District	2,658,700	
Bjerg Trust	100	
Heart of Brevard	154,000	
Housing Trust	2,300	
Parking	120,000	
ARPA	2,401,000	2,401,000
<u>Internal Service Funds</u>		
Health Insurance Reserve	1,788,000	
<u>Other</u>		
Capital Reserve	100,000	
TOTAL APPROPRIATIONS	25,261,208	
Less: transfers		3,328,566
NET APPROPRIATIONS	21,932,642	

DETAILS FOR TRANSFERS OUT

General Fund

Fire \$541,166
Heart of Brevard \$ 11,000
Downtown Masterplan Fund \$250,000
Estateo Trail \$125,000

Total General Fund

\$927,566

American Rescue Plan Act (ARPA) Fund

Railroad Ave. Bridge Repl \$700,000
Estateo Trail-Stormwater Ph 1 \$420,000
Times Arcade Alley – Stormwater \$125,000
Main St. Water and Sewer \$600,000
Kings Mill Waterline Repl \$556,000

Total ARPA Fund

\$2,401,000

CAPITAL PROJECTS ARE NOT INCLUDED IN BUDGET
ORDINANCE BUT ACCOUNTED FOR IN PROJECT
ORDINANCES

Multi Use Paths Fund
Rosenwald Revitalization Fund
Downtown Master Plan Fund
Water and Sewer Capital Project Fund

FUND BALANCE AND DEBT

- Fund balance is difference between revenues and expenditures
- Similar to “working capital” for private business
- Goal is to maintain fund balance at level that will meet on-going cash flow needs and provide available funds for unexpected emergency situations.
- Adopted fund balance policy requires available fund balance in General Fund equal to, or greater, than 25% of budgeted expenditures

USING LONG-TERM DEBT

- City has authority to finance capital projects and major equipment purchases using long-term debt
- Per State law, debt may not exceed 8% assessed property valuation
- Property valuation assessed at over \$1.3 billion - debt limit would be **\$104,000,000.**
- June 30, 2021, City had outstanding debt of **\$20,130,330**
- Current debt recorded and paid from General, Water & Sewer, Sanitation, and Fire funds
- Over 90% outstanding debt located in Water & Sewer Fund

Personnel

Total budgeted full-time positions (FTE'S) largely
unchanged since FY17

FY17 95
FY18 95
FY19 96
FY20 97
FY21 97
FY22 93

Personnel cont'd

GENERAL FUND

1 Administration Communications and IT \$ 75,300
1 Building and Grounds Maintenance \$ 61,100
1 Community Center Director \$ 74,700
1 Police Code Enforcement \$ 76,800
1 Police Captain (upgraded) \$ 31,200

TOTAL GENERAL FUND

\$329,700

SANITATION

2 Sanitation (one transferred from Sewer Coll) \$ 57,300

TOTAL SANITATION

\$114,600

WATER AND SEWER

1 Water Distribution - Collection System Operator \$59,400
Less Sewer Collection (eliminated) (\$57,600)

TOTAL WATER AND SEWER

\$ 1,800

FIRE

3 Fire Engineers(each)

\$ 75,700

TOTAL FIRE

\$227,100

TOTAL ALL FUNDS

\$673,200

Personnel cont'd

- Budgeted 7% COLA for all full-time employees - CPI is 7.5%
- 7% COLA increases ongoing expenditures by **\$438,000**
- City required by NCGS143, Article 12E to contribute monthly amount equal to 5% of each sworn officer's salary to 401K plan - does not require an employee match
- City elected to offer 401K to general employees, beginning at 1% during FY22, and increasing 1% per year, not to exceed 5% - requires employee match
- FY23 budget has budgeted benefit at 2% of employee's salary at cost increase of **\$38,000**

PERSONNEL CONT'D

- City provides health and dental insurance through a self-insured plan of plan from Health Plans, Inc to BlueCross BlueShield of NC as of 7/1/2022.
- Costs will increase by 12% for the upcoming fiscal year instead of the 40% increase proposed by Health Plans, Inc
- Current cost of plan \$15,000 per full-time employee per year
- Employer paid insurance programs (health, dental, life, short-term disability, and wellness initiatives) total **\$1,788,000** in the upcoming budget
- Presentation by Mark Browder, Mark III Benefits on changes in City Health and Dental Plan

CAPITAL	
Major capital purchases included in FY22-23 recommended budget:	
2 Sanitation trucks	\$330,000
2 Police cars	\$140,000
1 Four-wheel drive fire engine	\$800,000

General Fund Highlights

Property tax revenue calculated as follows:

Property Value (estimated)	\$1,257,000,000
Collection Rate	98%
Tax Rate	0.45 per \$100 of value
Total	\$5,543,400

2% discount (if paid by Aug. 31) (\$70,000)

Total after discount \$5,473,400

Property Value of Vehicles	\$61,000,000
Collection Rate	100%
Tax Rate	0.45 per \$100 of value
Total	\$274,500

General Fund Highlights cont'd

- Sales tax revenues budgeted at \$2,030,000, a 7.9% increase - second largest contributor to General Fund at 19.8% of revenues
- Salaries and benefits make up largest portion 57.2% of General Fund expenditures
- City req'd contribution to NC Local Gov't Retirement System is 12.17% of full-time general employees' salary, and 13.04% for police officers. Employee required contribution is 6%
- Fund balance of \$329,666 has been appropriated to balance the General Fund budget. Available fund balance at June 30, 2021 was 32% or \$3,471,210, which was \$758,789 in excess of the City policy of 25% of budgeted expenditures

SANITATION FUND HIGHLIGHTS

- Customers charged \$20 per month for Sanitation services
- Proposed increase to recycling charge from \$3 to \$4 per month
- Dept. has two (2) new employees in proposed budget, for total of eleven (11) budgeted FTE's
- Two (2) sanitation trucks included the budget at cost of \$330,000. Intend to issue debt on trucks. Not expecting receipt or need to pay for vehicles in FY23. Debt payments begin FY24 at \$40,000 a year for 10-year period
- FY22 was first year that City reported Sanitation as a separate fund, no fund balance June 30, 2021. Estimate FY22 revenues will exceed expenditures by \$50,000

WATER AND SEWER FUND HIGHLIGHTS

- Water and sewer rates budgeted at 4% increase, for resident within City limits using 2,500 gallons per month will be \$73.85. Increase necessary to fund debt payments of water and sewer infrastructure projects started since 2016
- Total full-time position unchanged; one (1) new position requested under Water Distribution, but position in Sewer Collections transferred to Sanitation Fund. Water & Sewer Fund budgeted for 22 FTE's
- Debt payments budgeted at \$1,705,242, or 26.8% of total Water & Sewer expenditures. Three (3) debts (Gallimore Road Sewer, King Street Waterline, and Burrell Mountain Water Tank) added to FY23 budget. Scheduled debt payments will still exceed \$1,500,000 in FY30
- Fund balance of \$168,142 appropriated to balance budget. Unrestricted net position in Water & Sewer Fund was \$877,969 June 30, 2021

FIRE DISTRICT TAX FUND HIGHLIGHTS

- Transylvania County (46%) and the City of Brevard (54%) share funding of Fire Department.
- Converting three (3) part-time positions to full-time (Fire Engineer) and will assume medical first response calls from 8 AM to midnight. Response calls condition of Transylvania County to fund positions.
- Budget includes \$800,000 fire engine. Turnaround time on vehicle is approximately 24 months; debt payments on engine start FY25.
- Working with County for agreeable time length to finance \$800,000 engine plus \$675,000 Rescue truck approved in FY22. If both purchases financed for ten (10) years, in FY25 (and next eight (8) years) total debt payment would be approximately \$168,000; City responsible for 54%. Total amount General Fund will need to transfer to Fire Fund will exceed \$630,000 by FY25.
- Budget awaiting approval by Transylvania County Board of Commissioners

OTHER FUND HIGHLIGHTS

- **Heart of Brevard Fund** tax rate is .213 per \$100 of value, generating **\$143,000**
- **Parking Lot Fund** anticipating **\$120,000** in revenues; had a fund balance of **\$734,120** at June 30, 2021.
- **American Rescue Plan Act (ARPA) Fund** received **\$1,262,998** in July 2021; will receive same amount July 2022 allowing for the following projects:

Railroad Ave Bridge Replacement	\$700,000
Estatoe Trail Phase 1 – Stormwater	\$420,000
Times Arcade Alley Stormwater	\$125,000
Main Street Water and Sewer	\$600,000
Kings Mill Road Waterline Replacement	\$556,000

TOTAL	\$2,401,000
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OTHER FUND HIGHLIGHTS CONT'D

- **Health Insurance Reserve Fund** budgeted at **\$1,788,000**, increase of **\$194,000, or 12%**. Total City salaries are \$5,566,860. Health insurance costs increase that amount by over **27%**
- **Health Insurance Reserve Fund** had fund balance of **\$619,942** at June 30, 2021 and is appropriating **\$90,000** of fund balance in the FY23 budget
- **Capital Reserve Fund** funded annually by system development fees related to water & sewer. City expecting **\$100,000** revenues in FY23. Fund balance June 30, 2021 was **\$245,073**
- **Housing Trust Fund** used to account for annual interest payments on outstanding loans from developers. FY23 budget is \$2,300; fund balance of \$397,232 June 30, 2021
- The **Bjerg Trust Fund** is budgeted at \$100; had fund balance of **\$56,142** June 30, 2021

GRANTS

- December 2021, N. C. Office of State Budget and Management approved City for two grants. First amount \$125,000; no restrictions on use. City, under time constraints to provide scope of work for grant, allocated it to stormwater issues associated with Estate Trail project. City received these funds March 2022
- Second grant was \$700,000; restricted to stormwater purposes:

1. Recommended budget has \$125,000 of grant for Times Arcade Alley stormwater improvements along with \$125,000 ARPA funds for this \$250,000 project
2. ARPA funds originally earmarked for entire cost of Times Arcade stormwater; reallocating funds "trees up" \$125,000 of ARPA funds, currently available to be used at Council's discretion
3. Recommendation is to consider use of remaining \$575,000 of grant to address Norton Creek streambank restoration and associated stormwater work needed for Estate Trail. Scope of work needs to be submitted by June 30, 2022. City will not receive funds until scope of work is submitted

Timeline for Budget Adoption

- Recommended FY22-23 Budget submitted to City Council on April 14, 2022
- Draft copy available for public inspection on City website, at City Hall and at Transylvania County Library
- In accordance with NCGS 159-12(b), a public hearing on recommended budget to be held May 16, 2022, regular meeting City Council at 5:30 PM. Any person wishing to make comments may do so at that time
- Adoption of final approved FY22-23 Budget Ordinance is scheduled for June 20, 2022 regular meeting of City Council at 5:30 at City Hall, 95 West Main Street, Brevard, NC



MEDICAL PLAN

BCBSNC and Intergovernmental Healthcare Alliance



April 18, 2022



Prior to 2020 – 2021, the Plan had a history of stability in claims and administration.

In 2020 – 2021, there were changes that began to destabilize the Plan:

- CWI sold their Plan Administration business to HPI.
- High claimants began to destabilize the Plan.
- The stop loss contract passed on additional liability to the City of Brevard for 2021 – 2022.
- In response to poor service and negative claims activity, the Plan was bid.
- The Bid was successful, compared to the significant claim liability coming for 2022 – 2023.

Plan Experience 2020 – 2021



2020 - 2021 Experience										
Month	Subscribers	Medical	Pharmacy	Dental	Total Claims	Claims/Ee /Mth	Total Fixed Cost	Specific Credits	Total Net Cost	City Budgeted
July-20	94	\$10,761.22	\$15,276.42	\$4,912.31	\$30,949.95	\$329.25	\$31,839.79	\$0.00	\$71,122.74	\$116,077.78
August-20	90	\$65,092.69	\$30,583.57	\$5,437.86	\$101,114.12	\$1,123.49	\$30,485.39	\$0.00	\$139,932.51	\$111,138.30
September-20	91	\$33,049.12	\$31,483.18	\$1,797.20	\$66,329.50	\$728.90	\$30,823.99	\$204.16	\$105,282.33	\$112,373.17
October-20	89	\$50,588.22	\$27,979.20	\$9,724.73	\$88,292.15	\$992.05	\$30,146.79	\$9,031.76	\$117,740.18	\$109,903.43
November-20	88	\$38,840.79	\$10,815.80	\$3,644.20	\$53,300.79	\$605.69	\$29,808.19	\$4,217.69	\$87,224.29	\$108,668.56
December-20	88	\$21,367.71	\$7,124.38	\$2,792.20	\$31,284.29	\$355.50	\$29,808.19	\$862.07	\$68,563.41	\$108,668.56
January-21	87	\$74,516.50	\$0.00	\$4,830.60	\$79,347.10	\$912.04	\$29,469.59	\$3,975.81	\$113,173.88	\$107,433.69
February-21	85	\$119,797.77	\$0.00	\$11,302.10	\$131,099.87	\$1,542.35	\$28,792.39	\$95,980.25	\$72,245.01	\$104,963.95
March-21	88	\$65,542.53	\$116,119.37	\$8,897.40	\$190,559.30	\$2,165.45	\$29,808.19	\$47,269.43	\$181,431.06	\$108,668.56
April-21	88	\$195,146.64	\$42.69	\$1,031.25	\$196,220.58	\$2,229.78	\$29,808.19	\$195,197.39	\$39,164.38	\$108,668.56
May-21	87	\$26,913.73	\$26,945.74	\$4,633.00	\$58,492.47	\$672.33	\$29,469.59	\$0.00	\$96,295.06	\$107,433.69
June-21	85	\$123,490.10	\$34,440.73	\$5,793.89	\$163,724.72	\$1,926.17	\$28,792.39	\$56,901.36	\$143,948.75	\$104,963.95
Total	1,060	\$825,107.02	\$300,811.08	\$64,796.74	\$1,190,714.84	\$1,123.32	\$359,052.68	\$413,639.92	\$1,236,123.60	\$1,308,962.20
			\$283.78			140.80%		135.74%	Difference	\$72,838.60
			242.87%							

- In 2020 – 2021, claims were up 41%.
- And while the stop loss contract protected the City, the carrier did not intend to take the same level of losses going into 2021 – 2022.



2021 - 2022 Experience										
Month	Subscribers	Medical	Pharmacy	Dental	Total Claims	Claims/Ee /Mth	Total Fixed Cost	Specific Credits	Total Net Cost	City Budgeted
July-21	88	\$36,714.38	\$7,412.54	\$10,145.03	\$54,271.95	\$616.73	\$29,808.19	\$0.00	\$92,413.14	\$108,668.56
August-21	88	\$51,630.50	\$49,607.89	\$11,031.40	\$112,269.79	\$1,275.79	\$29,808.19	\$9,472.53	\$140,938.45	\$108,668.56
September-21	87	\$63,501.18	\$21,475.47	\$4,289.27	\$89,265.92	\$1,026.05	\$29,469.59	\$6,080.26	\$120,988.25	\$107,433.69
October-21	85	\$36,210.98	\$10,389.66	\$7,138.94	\$53,739.58	\$632.23	\$28,792.39	\$0.00	\$90,864.97	\$104,963.95
November-21	86	\$161,590.88	\$18,711.94	\$4,796.44	\$185,099.26	\$2,152.32	\$29,130.99	\$0.00	\$222,563.25	\$106,198.82
December-21	86	\$95,334.27	\$34,820.53	\$5,692.38	\$135,847.18	\$1,579.62	\$29,130.99	\$6,188.10	\$167,123.07	\$106,198.82
January-22	85	\$48,853.54	\$25,100.26	\$5,803.14	\$79,756.94	\$938.32	\$28,792.39	\$4,733.77	\$112,148.56	\$104,963.95
February-22										
March-22										
April-22										
May-22										
June-22										
Total	605	\$493,835.73	\$167,518.29	\$48,896.60	\$710,250.62	\$1,173.97	\$204,989.68	\$26,474.66	\$988,761.64	\$747,096.35
			\$276.89			104.51%		15.22%	Difference	-\$241,665.29

- 2021 – 2022 claims did not subside from the 41% claims increase.
- And the City is in a negative position in the current year.



Standard Renewal Calculations 2022 - 2023	
Current Plan Designs	Mature Annual
Claims	\$1,298,904.11
Trended Claims 8.9% - 17 Months of Trend	\$1,463,475.26
Annual Employee Count	1,038
Fixed Cost	\$393,402.00
PPACA - Fee for Comparative Effectiveness Research Agency - 7/31/22	\$444.54
HSA Contribution	\$100,000.00
Laser - \$140,000	\$100,000.00
Renewal Calculation	\$2,057,321.80
City 2021 - 2022	\$1,224,788.10
2022 - 2023 Rate Action - Projection	167.97%
Dollar Change	\$832,533.70

- For 2022 – 2023, the needed funding for the Plan is a 68% increase.
- The primacy condition impacting the Plan are cardiovascular and oncology.



In response to the significant funding, the Plan was bid and we requested quotes from:

- Aetna – No Quote
 - Allstate – No Quote
 - BCBSNC – Quoted
 - CIGNA – No Quote
 - HPI – No Response
 - MedCost – Quoted
 - Meritain – Quoted
 - United Healthcare – No Quote
-
- **The most competitive response came from BCBSNC**



Mark III Employee Benefits, a leader in Public Sector Employee benefits, is creating a healthcare pool to solve multiple needs for our customers:

- Membership scale creates Plan Cost Stability
- Multiple solutions for our customers
- Cost advantages through leverage
- Lower administrative costs
- Improved pharmacy contracts
- Stop Loss contract stability

Advantages of





Intergovernmental Healthcare Alliance

- Guaranteed Cost – for 25-500 employees – BCBSNC Admin Services
- Access to full IHA Services, including:
 - **Maximum liability for Groups**
 - Administration and Network partner
 - **Predictable Costs**
 - National Account Level Pharmacy Contract
 - Stop Loss Contract – Improved pricing and contract terms
 - The advantages of self-funding with the stability of a traditional funding model
 - Independent captive management – checks and balances
 - Transparency
 - Individual Client distribution – 100% retention of surplus
 - IHA captive residual – 100% of excess surplus distributed



Intergovernmental Healthcare Alliance

- IHA Participants:
 - City of Henderson
 - City of Gastonia
 - City of Salisbury
 - City of Sanford
 - City of Washington
 - Granville County
 - Harnett County
 - Henderson County
 - Hertford County
 - Jackson County
 - Lee County
 - Pitt County
 - Robeson County
 - Rowan County
 - Transylvania County
 - Wayne County
 - Wilkes County
 - Vaya Health
- IHA is the largest collaboration in North Carolina



	2021 - 2022	2022 - 2023	2022 - 2023	2022 - 2023	2022 - 2023
Medical Carrier and Pharmacy Benefit Manager	HPI	HPI	Medcost	BCBS	BCBSNC – IHA Guaranteed Cost Maximum Claims Liability 45K/110%/No Agg Spec
Annual Laser	\$140,000.00				None
Firm			No	Yes	Yes
Expected	\$1,224,788.10	\$2,057,321.80		\$1,169,483.52	
Maximum Liability				\$1,403,380.22	\$1,345,488.24
Change		167.97%		116.61%	112.13%

- The primacy condition impacting the Plan cardiovascular.



2022 - 2023 Costs		
HPI Runout Claims	One Time Expense	\$122,967.18
	Dental Claims	\$80,554.24
	HSA Contribution	\$84,000.00
	Total Cost	\$1,633,009.66
	Dollar Change	\$429,489.58
	Percentage Change	135.69%

BCBSNC - IHA	
Guaranteed Cost Rates	Remittance
\$733.97	\$30,826.74
\$1,665.22	\$18,317.42
\$1,334.09	\$13,340.90
\$2,363.76	\$49,638.96
	\$112,124.02
	\$1,345,488.24

- For 2022 – 2023, the BCBSNC Guaranteed Cost and transition funding cuts the renewal in half.



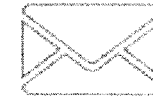
Affordable
access nationwide

98%

Of hospitals and
98.4% of doctors
covered*

385,000

Providers delivering
value-based care**



A presence in every
zip code***

100%

Target percentage of
members covered by
Blue Premier within
5 years

*As of 12/31/2014, 98.4% of doctors and 98% of hospitals were covered by Blue Cross of North Carolina. **As of 12/31/2014, 385,000 providers were delivering value-based care. ***As of 12/31/2014, Blue Cross of North Carolina had a presence in every zip code in North Carolina.



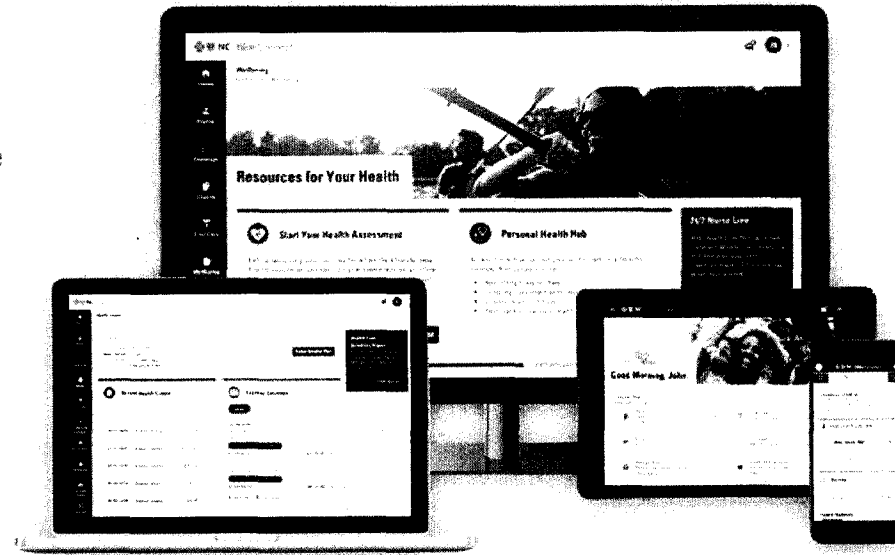
Tools to Navigate Health Care & Stay Healthy

Informed health care consumers save money and get better results.

Online tools

Blue ConnectSM employee portal and mobile app make it easy to:

- + Find a doctor or drug
- + Compare costs
- + View claims & benefits
- + Access wellness resources
- + Get your ID card
- + Chat with customer service
- + Cash in your Blue Rewards points
- + Select a primary care provider
- + Set up a telehealth visit
- + Manage your fund balances
- + Set your contact preferences



Phone support

Health Line BlueSM provides:

- + 24/7 access to RNs
 - Answers to general medical questions
 - Guidance on where to go for care

2022 – 2023 Plan Options



	Current: HPI 2021 - 2022	BCBSNC 2022 - 2023	BCBSNC 2022 - 2023
	Embedded	Unembedded	
	HSA	HSA	PPO Option
Primary Care Physician Visits	Deductible/20%	Deductible	\$35
Specialist Physician Visits	Deductible/20%	Deductible	\$70
Preventive Care	0%	0%	0%
Deductible	\$2,800	\$2,500	\$4,000
Deductible - Family	\$5,600	\$5,000	\$8,000
HSA Contribution – 7/1/22		\$1,000	N/A
Out of Pocket Limit - Includes Deductible	\$3,000	\$2,500	\$8,000
Out of Pocket Limit - Family Max - Includes Deductible	\$6,000	\$5,000	\$16,000
In-patient Hospital Services	Deductible/20%	Deductible	Deductible/30%
Out-patient Hospital Services	Deductible/20%	Deductible	Deductible/30%
Emergency Room	Deductible/20%	Deductible	\$500
Urgent Care	Deductible/20%	Deductible	\$70
Pharmacy	\$4/\$20/\$35 after deductible	Deductible	\$15/\$45/\$85/25% to \$200
Lifetime Maximum	Unlimited	Unlimited	Unlimited

- For 2022 – 2023, the recommended BCBSNC Guaranteed Cost Plan Options will give employees a dual option with improved benefits for the HSA.



The recommendations are as follows:

- Transition to the BCBSNC IHA solution effective 7/1/22.
- Terminate with HPI and Elixir Pharmacy Solutions effective 6/30/22
- Continue employee premiums as is for 2022 – 2023 to make a smooth transition to BCBSNC and continue to put the City of Brevard is the best position to attract and retain employee talent.
- Add the second Plan option (PPO) to give employees choices.

