Town of Fletcher
Town Council Budget Presentation Meeting
Minutes
May 7, 2026

Call the meeting to order at: 9:00 AM

Those who were in attendance are as follows:

Mayor Preston Blakely
Mayor Pro-Tem Trevor Lance
Councilmember Jim Player
Councilmember Keith Reed
Councilmember Amber McKinney
Town Manager Mark Biberdorf
Assistant Town Manager Heather Taylor

Discussion Items

Town Manager Mark Biberdorf did a PowerPoint presentation of the proposed budget for FY 26/27. (see attached)

Discussion Followed:

Adjourn
Mayor Blakely asked for a motion to adjourn.

Councilmember Jim Player motioned to adjourn, and it was seconded by Councilmember Keith Reed.

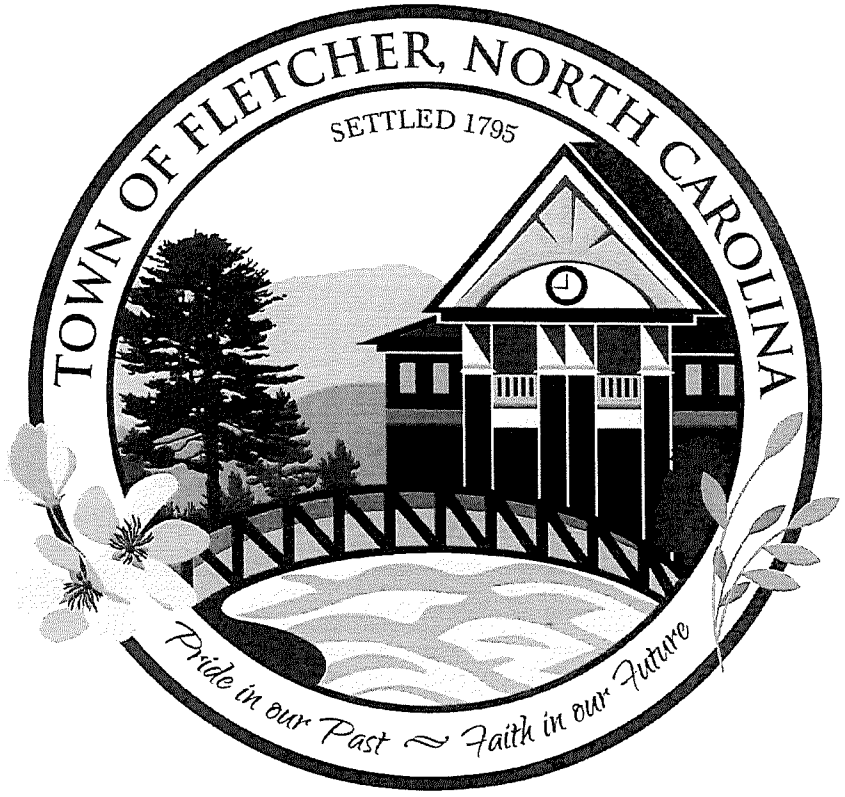
Motion all in favor.

Adjourned at: 11:22 am

Approved.

_____ _____
Date Signed

FY 2026-2027 Budget Meeting



Overview of Proposed FY 2026-2027 Budget

- Balanced budget presented totaling $10,531,353 in revenues and expenses.
- This is a $536,037 increase from the FY 2025-2026 budget.
- The proposed tax rate will increase from $.28 per $100 of assessed valuation to $.295 per $100 of assessed valuation.
- 17.5 cents of the proposed 29.5 cent tax rate will support services directly provided by the Town.
- The remaining 12 cents of the tax rate will go toward contracted fire protection services with Fletcher Fire & Rescue.

Overview of FY 2026-2027 Budget – contd.

- Most increases are for contracted fire protection services provided by Fletcher Fire & Rescue.
- Fire Stations 3 and 2 need improvements to provide adequate facilities for personnel and equipment.
- The Fire Department is also in need of additional personnel and equipment to maintain service levels.
- Health insurance for Town employees increasing by 34.7%.
- Upgrade in part-time planner position to full-time to provide better operational support for Planning & Zoning Department.
- Most of the remaining expenses are for personnel costs and capital items to maintain operational efficiencies.

Overall Economic Outlook For FY 2026-2027

- Projected GDP growth for 2026 initially estimated at 3.2% but now revised to 2.3%. GDP has averaged about 2% over the past two years.
- Straight of Hormuz being closed has had a major international ripple effect on the economy.
- Inflation is remaining higher than anticipated with high gas prices.
- Only expect one rate cut in interest rates by the Federal Reserve for 2026.
- NC's economic outlook shows moderate growth, with GDP for NC expected to grow by 2.6%.
- Economic development success stories and population growth in NC continue to fuel this.

Local Economic Factors

- Residential growth occurring – The Authors and Heritage Park on Rutledge Road (152 single-family home units); The Landing at Meadowview (299 units); and development on Burney Mountain Road (21 units).
- Commercial/Industrial growth has been moderate – HiViz going into the Fletcher Commerce Park has been the most recent announcement.
- Retail sales expected to be growing as compared to prior year two years where sales tax growth really slowed down.

Revenue Outlook

- Ad Valorem values projected to increase from $1,917,433,000 to $1,943,351,000.
- Largest portion of increase is from Real property values (land and improvements).
- Business Personal property values *decreased* by 3.13%.
- Individual Personal Property values projected to increase by 7.14%.
- Motor Vehicle values to increase by 2.55%.

Revenue Outlook (contd.)

- 7% increase (additional $360,720) in real and personal property taxes that includes 1.5 cent increase for Fire.
- Moderate increase (additional $54,556) in Motor Vehicle taxes.
- Large increase (additional $165,687) in Local Sales Tax.
- Sales and Use Tax Refund of $55,000 budgeted due to new accounting requirement.

Revenue Outlook (contd.)

- 1% increase (additional $2,000) in Powell Bill revenues.
- 14% increase (additional $2,000) in ABC Law Enforcement revenues.
- 11% increase (additional $700) in Tipping Fee Tax.
- 1% increase (additional $2,000) in ABC Distribution revenues.
- 3% increase (additional $8,324) in Appropriated Fund Balance revenues.

Revenue Outlook (contd.)

- 11% decrease (drop of $40,000) in Interest on Investments. This is invested fund balance revenues.
- 7% decrease (drop of $57,700) in Utilities Sales Tax revenues. $867,700 to $810,000.
- 12% decrease (drop of $4,500) in Beer & Wine Tax.
- 20% decrease (drop of $8,000) in Cable Franchise revenues.
- 2% decrease (drop of $2,000) in Recreational Activities revenues.

Budget Requests

- Budget requests initially came in $1,030,000 above the prior year budget.
- Facility improvements, equipment, and personnel expenses for the Fire Department covered by rate increase.
- Upgrading the part-time Planner position to a full-time position.
- Large increase in health insurance to stay with comparable plan.

Budget Requests (Contd.)

- Increase in monthly fee for recycling services with Curbie (per contract mirroring increases in CPI).
- Tipping fee expense for garbage collection up due to growth in the Town.
- Hardware firewalls need to replaced per IT.
- Smaller capital requests for Public Works, Parks & Recreation, and Police shifted to CIP budget.

Budget Requests (Contd.)

- Operating expense reductions made to multiple line items across all departments to help balance the budget.
- 2.8% COLA for all employees and merit pay as eligible.
- Recommending that ½ cent of tax levy dedicated for CIP projects be moved the operating budget.

Departmental Budget Highlights

Governing Body

- Small increase in overall funding for this department going from $58,629 to $59,379.
- Increase in Salaries line item for 2.8% COLA going from $44,239 to $45,478.
- Increase in FICA from $3,557 to $3,633 due to slight increase Salaries line.
- Decrease in Special Call line from $2,250 to $2,000 due to fewer special call meetings.
- Decrease in Travel & Training from $4,000 to $3,500 due to less anticipated usage.

Administration

- Moderate increase in total departmental appropriations from $800,776 to $851,037.
- Decrease in Salaries and some Fringe line items due to turnover with two positions.
- Decrease in Part-Time Salaries from $8,000 to $0 due to elimination of intern position.
- Slight decreases in Fuel Expense, M&R Vehicle, M&R Equipment, and Motor Vehicle Expense due to reductions identified.
- Significant Increase in Medical line from $55,600 to $76,165 due to increase in premiums.

Professional Services

- Large decrease in departmental budget from $280,481 to $232,356.
- Decreased Greenway Streambank line from $20,000 to $0.
- Increased Public Accountant line from $18,600 $19,100 due to contract increase.
- Increased Professional Services/Contract from $37,000 to $50,000 due to increased use.
- Decreased Fletcher Town Center line from $55,000 to $25,000.
- Decreased Economic Development line from $76,500 to $53,000 due to no incentives for Tageos.

Planning Department

- Slight increase in total appropriations going from $237,822 to $249,277.
- Upgrade of part-time Planner position to full-time to provide better support.
- Slight adjustments to salary and fringe benefit lines due to upgraded position.
- Slight decreases in Postage, Fuel Expense, Advertising, Dept. Supplies, Dues & Subscriptions, and M&R Equipment due to identified expense reductions.
- Kept Stormwater Program line at $30,000 by Director working on new stormwater management plan and MS4 permit.

Town Facilities

- A slight decrease in total departmental appropriations from $156,150 to $149,368.
- Discretionary line decreased from $4,000 to $2,000 due to budget reductions.
- Travel & Training line decreased from $5,000 to $4,000 due to decreased need.
- Advertisements decreased from $1,400 to $1,000 due to less expense anticipated.
- Contract Services decreased from $17,700 to $12,600 due to less expense anticipated.
- M&R Equipment line decreased from $600 to $500 due to less anticipated usage.

Police Department

- A moderate increase in the overall budget from $2,357,502 to $2,525,598.
- Largest area of expense associated with adjustments to salary and fringe lines with implementation of COLA and merit.
- Upgrade to VIPER radio system needed to maintain communications with State and regional public safety agencies.
- Slight adjustments up and down to other line items.

Police Department contd.

- Part-Time Reserve line increased from $20,500 to $22,000 for additional support with evidence management.
- Overtime line decreased from $18,000 to $16,000 due to budgetary reductions.
- Travel & Training decreased from $14,000 to $13,000 due to budgetary reductions.
- Public Relations line increased from $3,000 to $3,500 due to increased community engagement activities.

Police Department contd.

- Drug Forfeiture line decreased from $4,000 to $2,000 due to budget reductions.
- Physicals/Drug line decreased from $4,000 to $3,000 due to fewer vacancies in staffing.
- Uniforms line decreased from $15,000 to $13,000 due to less expense anticipated.
- M&R Equipment line increased from $7,000 to $13,000 to cover VIPER radios updates in compliance with NC VIPER Phase 2.

IT Department

- WNC Business IT Solutions continues to provide cost effective, high quality support.
- Moderate increase in overall departmental budget from $258,600 to $287,850.
- This is mostly due to capital project requests.
- The ADA Website Enhancements is being delayed since an extension was granted to jurisdictions our size to implement this requirement.

IT Department contd.

- Increase in Telephone line from $50,050 to $50,700 due to additional data costs.
- Dues line increased from $13,400 to $19,400 due to service price increases
- Increase in Subscriptions IT from $74,050 to $74,650 due vendor increases and new software added.
- Capital Expense line increased from $5,000 to $27,000 for new firewalls and police MDTs.

Contracted Services – Fletcher Fire & Rescue

- Fletcher Fire & Rescue (FF&R) will receive what the tax levy produces on 12 cents of the Town's new tax rate of 29.5 cents.
- This is a 1.5 cent increase for FF&R.
- Need to rebuild the Naples Station due to the damage sustained by Hurricane Helene.
- Hoopers Creek Station needs modernization work to make it code compliant.
- Personnel costs include a 3% COLA, longevity pay, additional staff, retirement contributions, and health insurance.

Contracted Services – Fletcher Fire & Rescue

- Total appropriations for FF&R will increase from $1,927,477 to $2,308,702.
- Also budget $24,000 for potential prior year adjustments.

Public Works

- Moderate increase in total departmental appropriations from $1,696,392 to $1,755,118.
- No new positions requested this year. Did add a full-time Maintenance Specialist last year.
- Capital requests for 2 Post Lift, Drum Pumps, Airless Paint Sprayer, and Remodel for Police Dept. moved to CIP.
- Recycling costs increase due to CPI contract provision; increase from $4.52/month to $4.62/month ($8,000 annual increase).

Public Works contd.

- Salaries line sees increase for COLA and merit adjustments.
- Fringe benefit line items increased for COLA and merit adjustments.
- Travel & Training decreased from $13,500 to $6,500 due to less need for full CDL training.
- M&R Town Facilities decreased from $108,500 to $102,000 due to budget reductions.
- M&R US 25 decreased from $17,000 to $15,000 due to budget reductions.
- M&R Vehicles decreased from $50,000 to $35,000 due to less expense anticipated.

Public Works contd.

- Department Supplies increased from $8,000 to $10,000 due to material costs rising.
- Stormwater Grant line item added at $40,000 for new grant program.
- Landfill Charges increased from $145,000 to $150,000 due to growth in households.
- Uniforms line increased from $12,966 to $14,000 due to increased costs.
- Disposal Fees increased from $20,000 to $22,000 due to increase in brush and leaves collected.

Public Works – Powell Bill

- Increase in funding for Powell Bill revenues from $259,000 to $261,000.
- $261,000 budgeted on the revenue and expense side.
- This is primarily used for re-surfacing of streets.

Parks & Recreation

- Small increase in overall departmental appropriation from $765,676 to $769,513.
- Still only seeing moderate increases in salary and fringe line items due some turnover in staff from last year.
- No additional full-time or part-time positions requested in this budget.
- Requesting that one capital item (UTV/Polaris) be funded in the CIP budget.

Parks & Recreation contd.

- Salary & fringe lines increased for COLA and merit adjustments.
- Part-Time Salary decreased from $115,000 to $100,000 due to less than anticipated expense.
- Increase in Overtime line from $4,000 to $5,000 due to assistance at events.
- Utilities increased from $38,000 to $40,000 due to increased energy usage at parks.
- Travel & Training decreased from $6,000 to $4,000 due to budget reductions.

Parks & Recreation contd.

- Holiday Decorations decreased from $7,000 to $3,000 due to less need for purchases.
- Program Materials increased from $36,000 to $44,000 for fireworks added to Family Festival.
- Summer Day Camp decreased from $37,000 to $25,000 due to no Middle School Camp.
- M&R Vehicles decreased from $5,500 to $3,500 due to less anticipated expense.
- Advertising increased from $1,500 to $2,500 due to need for new signage.

Parks & Recreation contd.

- Department Supplies decreased from $5,000 to $2,500 due to budget reductions.
- Dues & Subscriptions decreased from $2,000 to $1,000 due to decreased need.
- Contract Services increased from $25,000 to $27,000 due to increased costs with vendors.
- Park Maintenance increased from $60,000 to $62,000 due to increased activity at parks.

Conclusion of Operating Budget

- Presentation of CIP Budget next.
- Will prepare a more condensed presentation with some graphs and charts at the June 8 Public Hearing.

Capital Improvement Budget Within CIP

- Recommended capital budget includes $.055 of the tax levy to fund eligible projects.
- $.055 generates $1,058,155 in revenue for Fiscal Year 2026-2027.
- $.035 would be dedicated for projects supported by debt service and the remaining $.02 would be for non-debt service projects, or cash paid.
- The amount of tax levy available for debt service supported projects will be $673,371.
- Amount of tax levy available for new projects without debt will be $384,784.

CIP – Debt Service

- 1) Town Hall Improvements Project; 2) Highway 25 Land Acquisition; 3) Copier Lease Payments; and 4) Subscriptions Payments.
- Debt service for the Town Hall - $326,256; Debt service for the Hwy. 25 Land Acquisition project - $153,252; Debt service for Copier Lease - $10,695; and Subscription Payments - $14,625.
- Surplus debt service available is $168,543.
- The garbage truck in Year 1 of the CIP is not listed since the debt service payment may not hit until the following fiscal year.

CIP – Non-Debt Service or Pay As You Go Projects

- Police Vehicles (3) Patrol Cars - $175,000.
- Painting 1st Floor of Town Hall - $45,000.
- Parks & Rec. Utility Tractor - $60,000.
- Sewer Line Replacement BMCP - $45,000.
- *Remodel for Police Department - $19,000.
- *Airless Paint Sprayer - $12,000.
- *55 Gallon Drum Pump - $5,000.
- *2 Post Auto Lift - $10,000.
- *UTV for Parks & Recreation - $16,500.
- Leaves a deficit of $2,716 to fund all non-debt projects.
- * Capitalized items of $5,000 or more in value.