ORDINANCE NO. 2026-XX
AN ORDINANCE AMENDING THE FY2025-2026 BUDGET.
BUDGET AMENDMENT NUMBER 26-09

SUBJECT: Budget Amendment to increase the General Fund budget by $515,000

AGENDA INFORMATION

Agenda Location	**Consent**
Department:	**Finance**
Contact:	**Dean Luebbe, Assistant City Manager and Finance Director**

BRIEF SUMMARY: Many departments within the General Fund are requiring budget amendments to ensure that actual expenditures do not exceed budgeted amounts at fiscal year end.

The Finance Department salary accounts are expected to be nearly $25,000 over budget due to overtime costs and the vacation payout of a retiring employee. The City budgets Citywide IT replacement and upgrades from the contracted services line item. In FY26, the City budgeted $20,000 for this purpose, but actual costs were nearly double that amount, due largely to a upgrade from Windows 10, which affected fifteen users.

The Police Department will require a $65,000 budget amendment. In the last three fiscal years, the City has purchased four Police vehicles. The Police Department has a total of thirty vehicles. Eighteen are considered pursuit vehicles. Even if the City is able to replace two vehicles a year, the oldest pursuit vehicles would still be nine years old. Additionally, a 2022 Ford Explorer was totaled during Hurricane Helene when a tree fell on it. The City did receive insurance proceeds for the vehicle.

The Building and Grounds Department will require a $120,000 budget amendment. Full time salary and overtime accounts amount to $50,000 of this need and $70,000 has been spent on studies and overdue building maintenance of City Hall. The City Hall building originally constructed in the 1960s is currently experiencing poor indoor air quality issues related to a leaky building envelope due in part to old windows, leaky fenestrations, poor flashing, and an air conditioning retrofit that is creating moisture issues due to condensation. Clean up and repairs are underway on the ground floor of City Hall and building envelope repairs have been designed and will be going out for bid soon. Currently the FY27 Recommended Budget includes two new positions in this department, which should greatly reduce the overtime being paid, and $150,000 has been budgeted for building maintenance as the City continues to correct longstanding issues related to moisture and air flow..

Public Works Administration requires a $25,000 budget amendment as overtime will exceed budgeted amounts and Maintenance and Repair – Building has exceeded budget, in large part because of a $15,000 needed for door replacements leading into the building.

Public Works Garage requires a $50,000 budget amendment. Salaries and overtime costs are expected to exceed budget by $10,000, and the City paid $15,000 for a diagnostic scanner for large trucks during the fiscal year. Additionally, maintenance and repair on Transylvania County vehicles is expected to exceed budget. The budget overage on Transylvania County vehicle expense will increase related revenues.

Public Works Streets requires a budget amendment in the amount of $70,000. The Maintenance and Repair – Vehicle line is expected to be $15,000 over budget. This line item can vary annually more than other operating line items due to the type of vehicle repairs needed, and the department incurred many higher expenses in FY26. The Supplies line item is expected to end the fiscal year $35,000 over budget. Higher than expected

stone and asphalt costs are the primary drivers. In July of 2025, the City Council approved budget amendment 26-01 in the amount of $150,000 for the purchase of a new Bucket Truck. The City received three bids and the bid was awarded to Global Rental Company in the amount of $169,201, so the Capital Outlay line item also needs to be increased by $20,000.

The Public Works Sanitation Department requires a $150,000 budget amendment. The Maintenance and Repair – Vehicle line item is expected to exceed budget by $40,000. As noted earlier, these type of line items often do not have consistent year to year costs associated with them. In FY26, sanitation trucks have required a $10,000 high end fuel pump and a $10,000 transmission as well as numerous charges in the $2,000 to $5,000 range. The contracted services line item is expected to end the fiscal year nearly $110,000 over budget. Because of maintenance issues with sanitation trucks, the City needed to rent a Sanitation Truck for five months at a cost of $35,000. The City also budgeted $32,400 under this line item for brush grindings and disposal. In FY26 the City has spent $109,800 for this purpose. The budgeted amount was fairly accurate, based on the last four years of activity ($116,000 spent over the last four fiscal years), but FY26 amounts are much higher than expected in large part because of the grinding and removal of brush from Hurricane Helene.

The budget offset to this entry will come from FEMA reimbursement related to Hurricane Helene.

MOTION FOR CONSIDERATION: To approve Budget Amendment 26-09, as submitted, increasing the budget in expenditure accounts:

10-4400-0200 (Salaries)	$15,000
10-4400-0210 (Overtime)	$10,000
10-4400-4500 (Contracted Services)	$20,000
10-5100-7400 (Capital Outlay)	$65,000
10-5000-0200 (Salaries)	$25,000
10-5000-0210 (Overtime)	$25,000
10-5000-7400 (Capital Outlay)	$70,000
10-5450-0210 (Overtime)	$10,000
10-5450-1500 (Maint & Repair – Building)	$15,000
10-5550-0200 (Salaries)	$5,000
10-5550-0210 (Overtime)	$5,000
10-5550-3120 (M & R County)	$20,000
10-5550-3300 (Supplies)	$20,000
10-5600-1700 (M & R Vehicles)	$15,000
10-5600-3300 (Supplies)	$35,000
10-5600-7400 (Capital Outlay)	$20,000
10-5800-1700 (M & R Vehicles)	$40,000
10-5800-4500 (Contracted Serv)	$110,000

TOTAL	**$525,000**

And increasing the budget in the revenue accounts:

10-3940-0200 (FEMA Reimb)	$525,000
TOTAL	**$525,000**

ATTACHMENTS: None.

MANAGER'S RECOMMENDATION: Approve budget amendment 26-09 as presented.

Approved and adopted this 15th day of June, 2026.

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Maureen Copelof
Mayor

ATTEST:

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Denise Hodsdon, CMC
City Clerk

APPROVED AS TO FORM:

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Mack McKeller
City Attorney