



**TO: THE CITIZENS OF THE TOWN OF FLETCHER  
THE HONORABLE MAYOR AND TOWN COUNCIL OF  
THE TOWN OF FLETCHER**

**FROM: MARK E. BIBERDORF  
TOWN MANAGER/BUDGET OFFICER**

**DATE: May 28, 2025**

**SUBJECT: BUDGET MESSAGE FOR THE TOWN OF FLETCHER FOR  
FISCAL YEAR 2025/2026**

## **BUDGET MESSAGE**

### **Overview:**

Presented here for your consideration is the recommended budget for the Town of Fletcher for Fiscal Year 2025-2026. Revenues and expenses for the new budget are expected to total \$9,995,316. This represents a slight increase from the prior year budget of \$9,729,525. Increases in this spending plan are occurring primarily through growth in projected property tax revenues. The proposed tax rate will be \$.28 per \$100 of assessed valuation, which is the same rate as the previous fiscal year.

This past year Western North Carolina experienced its worst natural disaster on record. Tropical Storm Helene left an indelible mark on this region but the Town of Fletcher was spared the worst of it. The flooding and wind damage that occurred in Fletcher was significant but not as devastating as what occurred in some of the other surrounding communities. This in turn has helped the Town to recover faster and also withstand any major decline in our tax base. In fact, there was still some net growth in the tax base that is reflected in this budget.

Our tax base may not have increased much but our number of households continues to go up which means our responsibility for services increases. This has a particular impact on solid waste services, police response, and the use of park facilities. Fortunately, growth from revenue sources such property taxes and interest earnings on reserves are meeting that need without necessitating an increase in the tax rate.

The largest area of expense in this budget will be on the personnel side. We are recommending the creation of an additional Public Works Maintenance Specialist position to help keep pace with demand for services. The number of new households that were added this past year and what is anticipated in the new year has created the need to add a position. There has been no increase in full-time staffing levels in this department for over 20 years. Increases in efficiency have helped us to avoid adding staff but it is time now to add a new position.

The personnel budget for this fiscal year will also include a cost of living adjustment and continued implementation of our merit pay system for eligible employees.

Multiple capital expense items are also included in this budget year. Some of them

will be included within the departmental operating budgets and others will be included within the annual budget of the Capital Improvement Plan (CIP). Recommended capital items will be detailed later in this document.

### **FY 25/26 Budget Goals:**

The Town Council held a budget workshop in March and a budget meeting in May of this year. Certain goals and priorities were identified at the budget workshop. Among those goals were the following:

- 1) Maintain service levels within our current property tax rate. This would include some adjustments in our projected revenues and expenses in order maintain existing service levels.
- 2) Continue to dedicate up to 7 cents of the tax levy toward year five of the Five-Year Capital Improvement Plan (CIP). The budget presented here includes 6 cents of the tax levy for the CIP.
- 3) Establish a strategy and marketing plan for attracting retail development to the Town Center area. This would also include further analysis of the Town Center property to determine full development capabilities.

### **General Fund Revenues:**

Total revenues for the FY 25-26 budget will see a moderate level of growth. Property taxes make up the largest portion of the general fund revenues. Real property values will make up the largest portion of that increase. Other portions of the property tax base were relatively flat with the exception of motor vehicles which showed 2.37% growth. The result is that our overall property tax levy for the new fiscal year includes a moderate amount of growth at \$5,260,283.

The projected tax levy for this budget will be based off of a total property valuation of \$1,897,649,000. For comparison purposes, the prior year budgeted valuation was \$1,852,381,000.

The second largest source of revenue for the Town comes from sales tax and it is impacted by consumer spending. Retail spending wound up slowing down this past year due to high inflation, impacts from the storm, and consumer confidence. Sales

tax receipts for the current fiscal year are not likely to meet budget for a second year in a row. This has caused us to again lower our estimates for the new fiscal year meaning we will decrease anticipated sales tax receipts from \$2,455,999 to \$2,350,429.

Our third largest source of revenue comes from utility sales tax. These are monies that are collected by the utility companies and re-distributed back to municipalities from the Department of Revenue. The amount of utility sales tax produced depends on the amount of business and consumer usage of those services. We are anticipating the amount of revenues received here to increase moderately from \$750,105 to \$867,700.

ABC profits are another large source of revenue to the Town. They increased significantly seven years ago when the loan on the ABC store was paid off. Sales also grew this past year greater than the original projections. Total revenues therefore to the Town from the Fletcher ABC Store are projected to hit \$325,000 for the new fiscal year.

### **General Fund Expenditures:**

#### **CIP:**

This is the fifth year of implementation of the Town's five-year Capital Improvement Plan (CIP). This year the CIP will be funded with \$.06 of the tax levy. From that total, \$.04 will be applied to debt service on projects supported by loans. The remaining \$.02 of the tax levy will be applied to new projects paid for with cash. Total revenues available for the CIP this year are estimated to be \$1,127,203.

#### ***Debt Service Commitments in CIP:***

Debt is projected to be issued for four projects. The resulting debt service requirements are a part of the current commitment of CIP funds. The annual debt service requirements for this fiscal year are as follows:

Town Hall & Infrastructure	\$326,256
Town Center Property on Hwy. 25	\$157,164
Copier Lease Payments	\$ 12,150
Subscription Payments	<u>\$ 30,630</u>

Total Debt Service Requirements	\$526,200
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***Non-Debt Service Projects:***

Projects recommended for funding with cash are as follows:

Police Car Rotation (2 patrol vehicles)	\$110,000
Cane Creek Greenway Extension	\$100,000
Computer Workstation Replacements	<u>\$ 25,500</u>

Total Cash Project Requirements	\$235,500
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***Surplus for Future Projects     \$365,503***

**Major Contracted Services - Fire Departments:**

The Town of Fletcher contracts for fire protection services with Fletcher Fire and Rescue. The Town also contracts with Mills River Fire & Rescue for one parcel on the west side of Town. Each department receives a portion of the Town's tax levy. 10.5¢ of the tax rate is proposed for Fletcher Fire & Rescue. 10¢ of the tax rate is proposed on the value of the one parcel with multiple listings that receives fire protection services from Mills River Fire & Rescue. The following are the estimated appropriations for each fire department:

Fletcher Fire & Rescue	\$1,927,477
Mills River Fire & Rescue	\$ 45,608

**Departmental Capital Expenditures:**

**Police Department** – The funding authorized here supports the purchase of two new vehicles for the fleet rotation schedule at \$110,000. This is budgeted within the CIP. The Police Department's operating budget will also receive \$15,000 for the purchase of automated license plate reader cameras to help identify suspect vehicles involved in criminal incidents.

**Public Works** – Public Works will receive \$7,000 for the purchase of a tire changer, \$18,000 for the purchase of a scag mower, and \$4,000 for cameras to be installed on

the brush trucks.

**Information Technology** – The IT Department will receive funding in the amount of \$25,500 in the CIP for a workstation replacement project.

### **Personnel:**

This budget will include adding one full-time Public Works Maintenance Specialist position. This will help to keep up with the daily service demands of the department to include the recent transition to collecting garbage five days a week. No other new part-time or full-time positions are included in budget.

A cost of living adjustment (COLA) of 2.5% is included for all staff. This will be coupled with our Merit pay system for those employees who qualify through the performance review system.

## **SUMMARY**

This budget message provides a brief overview of the financial plan for the Town of Fletcher for Fiscal Year 2025-2026. Estimates of anticipated revenues and expenditures have been carefully analyzed and presented within the full body of the proposed budget. With the Mayor, Council and staff's input we have presented a document that will guide the decisions and services provided to our residents over the coming year.

This budget also includes implementation of our updated five-year capital improvement plan (CIP). Developing the CIP was a good opportunity to look strategically at both existing and future needs of the Town. Continuing to implement the plan is a good way to keep pace with the replacement, upgrade and expansion of the Town's capital facilities.

The Fletcher Town Center project continues to be a top priority and an important part of the budget for this year. The Town will continue to work with a consultant to identify retail opportunities that will fit within our mixed-use district. Funding is also included in this budget to better market the property for development with the ideal partner under a public-private partnership.

I would finally like to thank the Mayor, Council and staff for the time and effort that

went in to the formation of this budget. This was truly a collaborative effort that took many months and multiple meetings to achieve. I relied heavily on our staff who displayed a great attitude and team effort to make this happen.

I respectfully submit this budget for your consideration.

Mark E. Biberdorf  
Budget Officer/Town Manager