



**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 27, 2026

**SUBJECT: BUDGET MESSAGE FOR THE TOWN OF FLETCHER FOR
FISCAL YEAR 2026/2027**

BUDGET MESSAGE

Overview:

Presented here for your consideration is the recommended budget for the Town of Fletcher for Fiscal Year 2026-2027. Revenues and expenses for the new budget are expected to total \$10,553,424. This represents a moderate increase from the prior year budget of \$9,995,316. Increases in this spending plan are occurring primarily through growth in projected property tax revenues. The proposed tax rate is recommended to be \$.295 per \$100 of assessed valuation. This is a 1.5 cent increase from the prior year rate of \$.28. The revenue derived from this rate increase will be dedicated entirely toward contracted fire protection services.

Responding to the demand for quality public safety services continues to be a high priority for the Town of Fletcher. Fletcher Fire & Rescue (FF&R) is an integral part of that public safety picture. This budget will address critical infrastructure needs for FF&R. Among those needs are improvements to the Naples and Hoopers Creek Fire Stations. The Naples station was damaged by Hurricane Helene and needs to be rebuilt. Other needs of FF&R include equipment and staffing enhancements that will enable them to respond appropriately to the diverse types of facilities and emergency calls that they encounter. All these steps also help to ensure that a high fire safety rating is maintained that impacts property insurance rates for our residents.

Growth that the Town of Fletcher is experiencing is also having an impact on our other services as we add households to our population. This has a particular impact on solid waste services, police response, and the use of park facilities. Revenue growth has helped to meet some of that need in this budget. However, we also had to make multiple cuts to our operating budget to avoid a tax increase to support these other services. We were fortunately able to put together a budget that did not compromise core services despite those cuts.

The growth of the Town has also had an impact on the number of personnel needed to operate at an optimal level. For example, we are recommending that the part-time planner position in Planning & Zoning be elevated to a full-time position. This will help with the increase in activity that this department is experiencing. In addition to planning review and permitting, this department also provides code enforcement services. Planning & Zoning is also responsible for overseeing our NPDES Phase II

Stormwater Program that supports water quality protection measures.

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. 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 26/27 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 to our projected revenues and expenses in order maintain existing service levels. A slight tax rate increase was included for fire protections services only.
- 2) Continue to dedicate up to 6 cents of the tax levy toward year one of the new Five-Year Capital Improvement Plan (CIP). The budget presented here, however, dedicates a reduced amount of 5.5 cents of the tax levy for the CIP.
- 3) Establish a strategy and marketing plan for attracting mixed-use development to the Town Center area. This would also include further analysis of the Town Center property through updates to the master plan.

General Fund Revenues:

Total revenues for the FY 26-27 budget will see a moderate level of growth. Property taxes make up the largest portion of the general fund revenues. Growth from 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 individual personal property which showed 7.11% growth. The result is that our overall property tax levy for the new fiscal year includes a moderate amount of growth at \$5,708,100.

The projected tax levy for this budget will be based off a total property valuation of \$1,954,494,000. For comparison purposes, the prior year budgeted valuation was \$1,897,649,000.

The second largest source of revenue for the Town comes from sales tax and it is impacted by consumer spending. After two consecutive years of decline in this revenue source, it appears that retail sales are improving as the current budget year appears to be on track. Projections for the new budget year show sales tax revenue increasing from \$2,350,429 to \$2,516,116.

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 decrease from \$867,700 to \$810,000.

ABC profits are another large source of revenue for the Town. They increased significantly eight years ago when the loan on the ABC store was paid off. Sales also grew this past year, but that growth appears to be slowing down. Total revenues for the new fiscal year are only anticipated to increase from \$325,000 to \$327,000.

General Fund Expenditures:

CIP:

This is the first year of implementation of the Town's new five-year Capital Improvement Plan (CIP). This year's CIP budget will be funded with \$.055 of the tax levy. From that total, \$.035 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 \$1,064,222.

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
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Town Center Property on Hwy. 25	\$153,252
Copier Lease Payments	\$ 10,695
Subscription Payments	<u>\$ 14,625</u>
 Total Debt Service Requirements	 \$504,828

Non-Debt Service Projects:

Projects recommended for funding with cash are as follows:

Police Car Rotation (3 patrol vehicles)	\$175,000
Painting 1 st Floor Town Hall	\$ 45,000
Parks & Recreation 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	<u>\$ 16,500</u>
 Total Cash Project Requirements	 \$387,500

Surplus for Future Projects \$171,894

Major Contracted Services - Fire Department:

The Town of Fletcher contracts fire protection services with Fletcher Fire and Rescue. 12¢ of the tax rate is proposed for Fletcher Fire & Rescue. This is a 1.5¢ increase from the prior fiscal year. The following are the estimated appropriations for the fire department:

Fletcher Fire & Rescue	\$2,321,939
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Departmental Capital Expenditures:

Police Department – The funding authorized here supports the purchase of three new vehicles for the fleet rotation schedule at \$175,000. This is budgeted within the CIP.

The Police Department will also receive some additional storage space through a remodel project at Town Hall that is estimated to cost \$19,000.

Public Works – Public Works will receive \$45,000 for repainting the first floor of Town Hall, \$12,000 for the purchase of an airless paint sprayer for road markings, \$5,000 for a 55 gallon drum pump for fleet maintenance, and \$10,000 for a two post auto lift for fleet maintenance.

Parks & Recreation – Parks & Recreation will receive \$60,000 for a utility tractor, \$45,000 for a sewer line replacement at Bill Moore Community Park, and \$16,500 for a UTV (side by side) for maintenance use at our parks.

Personnel:

This budget will include upgrading the part-time Planner position to a full-time Planner for the Planning & Zoning Department. This will help to keep up with the plan review and permitting duties of the department in addition to code enforcement services. No other new part-time or full-time positions are included in budget.

A cost-of-living adjustment (COLA) of 2.8% 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 2026-2027. Estimates of anticipated revenues and planned 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 services provided to our residents over the course of the next 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 into 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