

Board of Aldermen Special Called Budget Meeting
Flossie White Board Room, Maggie Valley Town Hall
Monday February 23, 2026, 10:00 am

Members Present:

Mayor Mike Eveland, Mayor Pro-Tem Jim Owens, Alderman John Hinton, and Alderman Tim Wise

Members Absent:

Alderman Phillip Whight

Staff Present:

Interim Town Manager Sam Cullen, Town Clerk Kathy Johnson, Finance Director Misty Hagood, Police Chief Matthew Boger, Public Works Director Seth Boyd, Acting Planning Director Noah Taylor.

Others Present:

No others were present.

Media Present:

Paul Nielsen, The Mountaineer.

Meeting Called to Order

The Special Called Board of Aldermen Budget Kickoff Meeting was called to order on Monday, February 23, 2026, at 10:00 AM in the Flossie White Boardroom, 3987 Soco Road, Maggie Valley, NC.

Interim Town Manager Sam Cullen noted that the meeting was held earlier than in previous years and that while projections and preliminary numbers were available, hard numbers would not be finalized until the next draft presentation. The purpose of the meeting was to discuss the FY 2026–2027 budget, including department needs and requests, current projects, fee changes, and the Town's financial and FEMA recovery status.

Financial Overview

Fund Balance

Interim Town Manager Sam Cullen presented the Town's current fund balance status. He noted that the Town recently adopted a fund balance policy limiting the unassigned fund balance from dropping below 100 percent. Per the most recent audit, the unassigned fund balance stood at 109.83 percent, representing \$4,717,245.00. This leaves an available fund balance of approximately \$422,157.00, with a recommended \$25,000.00 buffer maintained at all times.

Manager Cullen explained the challenges of reporting fund balance on a day-to-day basis, noting that as of February 4, the balance read 131 percent or approximately \$5,656,619.00; a figure inflated by collected taxes not yet offset by payroll and other expenditures. He emphasized that the most common and sound practice is to use the prior year's audit figures to determine available monies, particularly during the recovery period following Hurricane Helene, when large reimbursements were flowing in and out on an unpredictable basis.

The Board discussed the distinction between total fund balance and the unassigned, unencumbered amount available for use. Alderman Tim Wise clarified that when the Board adopted its fund balance policy at 100 percent, the intent was that the available amount, currently the \$422,157, carried no strings attached. There was general consensus that the total fund balance figure, which is tied to many factors and encumbrances, was less useful to the Board than a clear picture of what money was freely available to spend.

Mayor Eveland requested that staff develop a potentially quarterly report showing available funds in dollar terms rather than the full fund balance calculation. Manager Cullen agreed, acknowledging that while the figure would still vary, trending information would be valuable for planning purposes. Finance Director Misty Hagood confirmed that the majority of taxes had already been collected but that roughly half a year of payroll expenditures remained, further explaining the current elevated balance. The Board expressed comfort with using the 109.83 percent figure as their working baseline going forward.

Tax Rate

Manager Cullen reported that the Town is proposing to maintain the tax rate at \$0.40 per \$100 of assessed value, which remains the lowest rate in the county. Tax revenue has grown from \$2,036,753.00 to \$2,107,755.00 as a result of growth in the tax base, and the collection rate increased by nearly a full percentage point, generating an additional approximately \$22,250.00. Overall, the Town is projecting approximately \$100,000 in additional tax revenue for the upcoming budget cycle. However, Mr. Cullen cautioned that this growth brings with it corresponding capital needs, including dump trucks and snow removal equipment to serve newly developed neighborhoods, effectively offsetting much of the revenue gain. The next full revaluation is scheduled for FY 2027, with collections beginning in FY 2028.

FEMA Recovery Status

Manager Cullen provided an update on the Town's FEMA recovery following Hurricane Helene. The Town originally estimated approximately \$4,700,000 in damages to town-owned infrastructure and facilities. The 276-sewer project was deemed ineligible by FEMA, but the Town received \$1,500,000 in grant funding from the Department of Commerce to cover that project. Additionally, the NC Department of Transportation agreed to incorporate the Town's sewer line work into two bridge replacement projects, reducing the Town's remaining financial obligation to approximately \$2,100,000 (not including the DOC grant).

To date, the Town has received \$708,692.87 from FEMA and has spent a total of \$801,869.00, broken down as follows: \$550,000.00 from the enterprise fund for sewer repairs, \$101,000.00 from the general fund, and \$114,000.00 for the temporary pump-around on Highway 276. Mr. Cullen noted that the temporary pump-around expense has been found ineligible for any grant or loan funding and must be absorbed entirely by the enterprise fund. He estimated that the pump-around would continue for approximately another eight to ten months, which Public Works Director Seth Boyd acknowledged and indicated he would push the engineering firm to prioritize the pipe bridge installation to eliminate pump costs as soon as possible.

Manager Cullen noted that the projects shown as "obligated" on the recovery chart had all been received, as payment typically follows obligation within a couple of months. He also reported that the Maggie Valley Fox Run and Carpet Golf project, one of the earliest completed, had experienced delays with FEMA and state coordination, but that as of the morning of the meeting, the project had been approved and was moving to obligated status, with approximately \$300,000.00 expected to be paid out within the coming months. The remaining unfunded balance from FEMA was identified as approximately \$1,570,000.00. Mr. Cullen noted that FEMA payment amounts represent what the Town will receive, not necessarily what projects will cost.

The budget will include approximately \$48,000.00 for the DEQ loan repayment, at terms requiring a minimum of 10 percent per year until FEMA payments are received.

FEMA RECOVERY

FOLLOWING THE HURRICANE DISASTER THE TOWN ESTIMATED 4.7 MILLION DOLLARS IN DAMAGES TO TOWN OWNED INFRASTRUCTURE AND FACILITIES. AFTER REMOVAL OF THE 276 SEWER PROJECT (1.5 MILLION IN GRANT MONEY) AND REMOVAL OF 2 NC DOT BRIDGE PROJECTS, OUR ESTIMATED FINANCIAL OBLIGATION IS CLOSER TO 2.1 MILLION. BELOW IS A CHART OF THE MONIES RECEIVED FROM FEMA AND THE STATE TO DATE. WE WILL HAVE APPROXIMATELY \$48,000 IN DEQ LOAN REPAYMENT DUE IN THIS BUDGET.

Category	Title	Process Step	Best Available Cost	
A - Debris Removal	100% Maggie Valley Town-Wide Debris Removal - ROW	Obligated	\$17,286.26	Received 12/17/25
E - Buildings and Equipment	Maggie Valley Building	Obligated	\$15,420.00	Received 9/30/25
G - Parks, Recreational Facilities, a	Mary Rathbone Rich Park & Town Hall Parks	Obligated	\$10,904.25	Received 11/13/25
A - Debris Removal	Town of Maggie Valley - Waterway Debris - 100%	Obligated	\$6,675.00	Received 12/18/25
B - Emergency Protective Measures	Town of Maggie Valley 90%	Obligated	\$23,194.71	Received 1/28/26
F - Utilities	Town of Maggie Valley Utilities	Obligated	\$20,661.14	Received 12/8/25
B - Emergency Protective Measures	Maggie Valley Emergency Protective Measures	Obligated	\$157,892.47	Received 2/18/26
G - Parks, Recreational Facilities, a	Maggie Valley Parks	Obligated	\$456,659.04	Received 2/17/26
C - Roads and Bridges	Maggie Valley Roads	Pending Applicant Project Review	\$797,188.02	
D - Water Control Facilities	Maggie Valley Town Levee	Pending Applicant Project Review	\$112,723.53	
F - Utilities	Jonathan Creek sewer line #3	Pending Applicant Project Review	\$113,787.68	
F - Utilities	Maggie Valley Utilities # 2 - Sewer Lines	Pending Applicant Project Review	\$257,629.64	
F - Utilities	Maggie Valley Fox Run & Carpet Golf utilities #4	Pending PDMG Project Review	\$292,798.52	
Total received from FEMA and Sta			\$708,692.87	

Department Needs/Requests

Manager Cullen noted that department needs and requests were listed in rough order of priority and that it was highly likely not all items would be funded once hard numbers were finalized. The purpose of presenting them at this stage was to give the Board a clear picture of what departments would be prioritizing in the current and coming years.

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Personnel

Manager Cullen proposed a 2.5 percent Cost of Living Adjustment (COLA) for the FY 2026–2027 budget. He noted that the CPI for the previous year ended at 2.7 percent, the Board had approved a 3 percent COLA for FY 2025–2026, and the projected trend for the second half of 2026 indicated a slight decrease. He also proposed a supplemental 1 percent merit increase effective January 2027, at a cost of \$9,600, to serve as a trial run for the new merit system the Board had approved under Option 1 of the pay study. He explained that the modest figure was intentional while staff worked out how the merit system would operate in practice, with the expectation that the merit allocation would grow in future years. He also noted that the League's benefit and salary survey had not yet been released, but he anticipated it would align with the proposed COLA. No new positions were being requested by any department at this time. Public Works and Police were currently adequately staffed, though he projected that within one to two years, a public services technician position would be recommended, particularly as the Town anticipates promoting internally to a Public Works Supervisor position as that role comes online.

Public Services Needs and Requests

Mr. Boyd presented the Public Works department needs, which were listed in order of priority. The top priority was a new dump truck equipped with a salt spreader and snowplow. With the salt bin approved and installed last year at the wastewater treatment plant, this addition would give the Town three full-time plow trucks for snow removal, with a fourth available as a spare for major events. He noted that as the Valley View and Wild Brook subdivisions come fully online, the additional plow capacity would be needed. The dump truck would also be shared for general duties between Public Works and the wastewater treatment plant.

A new loader for the wastewater treatment plant was identified as the next priority. The current bobcat skid steer has been in service since before Mr. Boyd joined the Town in 2010, has a non-functioning hour meter, and while still operational, he recommended selling it through GovDeals and replacing it with a new unit to secure another twenty years of reliable service.

A new mower was also listed. Mr. Boyd explained that the department mows approximately 45 acres per year, running mowers in excess of 400 hours annually, and that a mower replacement was essentially a yearly or every-other-year requirement to maintain fleet dependability. He also noted plans to add the firing range and wastewater treatment plant grounds to the mowing rotation, which would increase the mowing workload from approximately two and a half days to closer to three full days for two crew members, a factor that would eventually support the case for an additional staff member. Finally, an F-250 truck replacement was listed. The vehicle in question was last replaced in 2017 and was approaching ten years of service, showing rust and deterioration. Mr. Boyd indicated it would need replacement next year at the latest, and that doing so this year would allow the department to avoid an emergency replacement.

The Board discussed the practice, established in the prior year's budget, of authorizing early vehicle purchases to secure better pricing, with the understanding that the money would cycle back into the following budget. Manager Cullen indicated this approach would likely be revisited for vehicles once the draft budget was assembled. The discussion also touched on the importance of establishing a formal vehicle replacement policy, which Mr. Cullen confirmed was still being

developed with input from department heads, and which would ultimately allow vehicle replacement needs to be budgeted in advance as recurring line items.

Police Department Needs and Requests

Police Chief Matthew Boger presented the Police Department's needs. The highest priority was a combined interrogation room camera system and body-worn camera package from Axon, totaling approximately \$57,000 to \$58,000 in total cost of ownership, payable at approximately \$11,000 per year over five years. Chief Boger explained that audio and video recording of suspect interviews is now statutorily required, and the existing system had been failing. The body-worn cameras, while an industry standard, were included because when bundled with the interrogation room system and cloud-based storage software, they represented a minimal additional cost. He also noted the existing in-car cameras were approximately ten years old, failing, and running on a local storage system causing ongoing problems, the Axon system would effectively replace that capability. He is actively working on a competitive grant that, if awarded, would offset a portion of the cost, particularly for the body cameras and associated cloud storage.

The second item was a Ford Police Interceptor Explorer, estimated at approximately \$47,000, intended to replace a current vehicle and serve as the detective's vehicle, which requires a less expensive upfit than patrol units. Manager Cullen and Chief Boger explained the decision to move toward Ford Explorers after experiencing repeated mechanical issues with the Dodge Chargers. The vehicle would cascade through the fleet: the new Explorer to CID, the current CID vehicle moving to the School Resource Officer, and the current SRO vehicle being retired.

Chief Boger also requested quotes for a Polaris UTV for storm and snow response, citing the department's service area including locations like The Swag and Cataloochee Ski Area, which had required reliance on the fire department for access during both the hurricane and recent snowstorm. Mr. Cullen noted the UTV could also serve at the Festival Grounds during events where alcohol is sold, and that restricted funding sources might be available for that purpose.

Finally, Chief Boger listed the addition of two investigative cameras to expand the existing system, currently two cameras at the east end of town, to cover the west end of town. The additional cameras would come with a \$6,000 annual subscription fee on top of the existing system costs. Manager Cullen noted that the camera analytics platform provides detailed traffic data, including origin state of vehicles, that is valuable for TDA grant applications, and that the January count showed approximately 1,400,000 vehicles passing the roundabout camera, or roughly 45,000 per day.

Manager Cullen reiterated that all department requests across both departments were listed in rough order of priority and would be refined against actual available revenues before the draft budget presentation in April.

Upcoming Fee Changes

Solid Waste Fees

Mr. Cullen reported that the Town is currently charging \$8.00 per month per user for solid waste collection but that the actual cost to the Town is slightly over \$12.00 per month per user. He noted that the Town has been subsidizing this service, that the rate has not been increased since at least 2010, and that the gap between the fee and the cost has been growing as the CWS contract has escalated on a known, scheduled basis. The Board acknowledged that the failure to make incremental increases over many years had resulted in the current significant shortfall, and that it would not be prudent to continue the subsidy. Raising the fee to \$12.00 per month would essentially bring the Town to cost-neutral on solid waste, with the CWS contract rate as the benchmark and the extra dollar supplementing brush pickup. Mr. Boyd confirmed that the Town has the CWS escalation schedule from the beginning of the contract, enabling a forward-looking approach to future adjustments.

Board members acknowledged that even at \$12.00 the fee would not be entirely revenue-neutral, and that the primary benefit would be freeing up the general fund subsidy currently going to solid waste for use toward capital needs in other departments. The Board emphasized the importance of continuing to make incremental adjustments going forward rather than allowing another decade-long gap. It was also noted that the current fee structure limits the Town's eligibility for certain grants, which would be resolved by moving to a cost-based rate.

Sewer User Fees

Manager Cullen proposed a 3.5 percent increase in sewer user fees, from \$20.30 per month to \$21.01 per month, consistent with the schedule projected in the Town's previous engineering plan with Withers Ravenel. However, Mr. Cullen noted that this figure may change. He reported that he had signed a contract that morning with Willdan Engineering to conduct a system development fee study. The study came in under budget, requiring no board approval or budget amendment. The first phase, the system development fee study, would be completed before the budget adoption, as required by general statute. The second phase, a full sewer rate study, would be contracted separately and would update the monthly rate. Manager Cullen indicated both phases would inform the final budget and that the \$21.01 figure shown was a placeholder pending the study's findings. He expressed confidence in Willdan Engineering, noting that Finance Director Hagood had prior positive experience with the firm.

Current Projects

Manager Cullen presented a summary of ongoing projects being addressed within the current budget year, noting that these items explain why they would not appear as new budget requests.

Town Hall Improvements

Public Works had been systematically addressing deferred maintenance and beautification items at Town Hall. Mr. Boyd reviewed the completed work, which included removal of dead trees (a blue spruce and a Japanese maple that was obstructing the Rocky Top driveway and encroaching on the road right-of-way), removal of an old phone cut-off, removal of a deteriorated bike rack, removal of rotten pet waste stations, cleanup and reconstruction of the dumpster area with a new privacy fence and gate, and removal and replacement of all planters around Town Hall. He noted

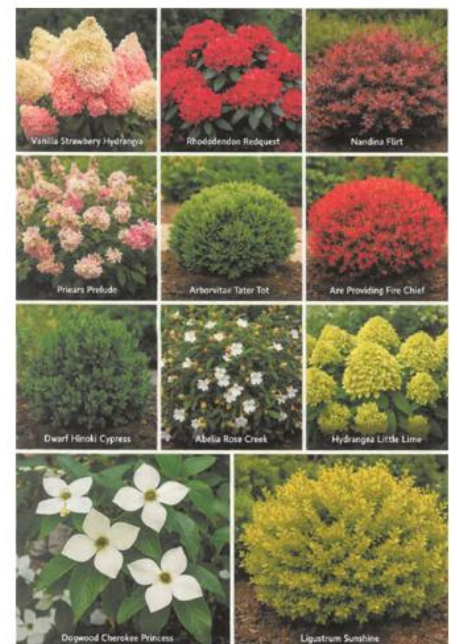
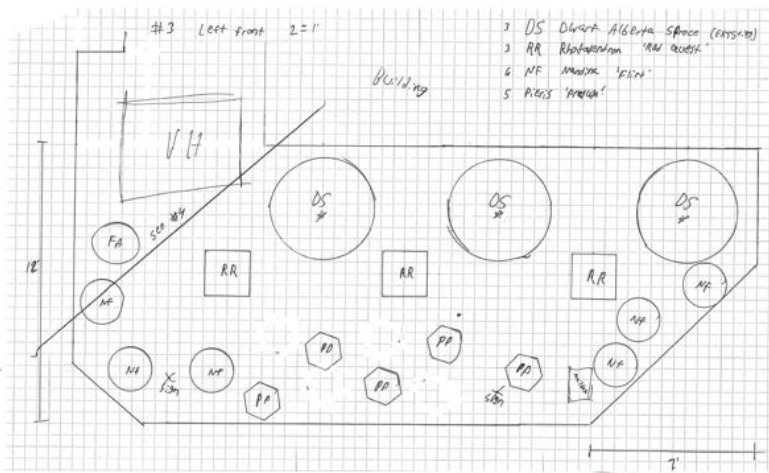
a combination lock would be installed on the dumpster gate to prevent unauthorized use, while still allowing CWS access for weekly pickup.

The Town has engaged landscape designer Adam Hamilton to develop a planting plan for the Town Hall grounds. Mr. Boyd, Mr. Cullen, and Mr. Hamilton walked the property together to identify low-maintenance, perennial plantings in keeping with the Town's green, red, and yellow color scheme. The plants would be warranted for one year and include installation. Prior to planting, Public Works would bring the grounds to a clean slate, removing all remaining old plantings, resetting the railroad tie curbing, and re-mulching. New gutters would also be installed to replace the existing downspout system on the building prior to Hamilton beginning planting work; Mr. Cullen noted this was already approved and funded within the current budget at just under \$1,000.

CURRENT PROJECTS

- BELOW ARE SOME ITEMS WE PLAN TO ADDRESS OR ARE IN THE PROCESS OF FINISHING WITHIN THE CURRENT BUDGET.

- TOWN HALL PLANTINGS
- SOME SMALL EQUIPMENT NEEDS
- PORTIONS OF THE EV CHARGING STATIONS



Manager Cullen raised the question of using economic development placemaking funds to cover the cost of the plantings, noting that the facade grant program was currently frozen, there were no active applications, and any future application would not be paid out before July, which would fall into the next budget year. The Board expressed unanimous support for this approach, noting it did

not remove the funds from the program but simply reallocated them between departments via a budget amendment. The Board requested this be moved forward as quickly as possible.

Additional work noted for Town Hall included quotes obtained for repainting the old Police Department building at Town Hall and retaining and repainting the posts and handrails at the Pavilion. Mr. Cullen indicated that one of the two could likely be accomplished within the current budget, with the other budgeted in the coming year.

Pavilion Improvements

Mr. Boyd reported that significant work had been completed at the Pavilion, including removal of old speakers and the eave over the stage, permanent attachment of the stage steps to eliminate movement, sanding and repainting of all interior walls, removal of the kitchen hood system and associated windows, installation of new interior storage room doors, replacement of broken fixtures, and replacement of the parking cones in front of the ABC store with permanent rocks.

He also reported that he had received a quote that morning from contractor Clint Watkins for a full bathroom renovation at the Pavilion, totaling \$41,500 for both bathrooms. The renovation would bring both bathrooms into full ADA compliance, including new stall doors, drywall, ceilings, toilet reconfiguration to accommodate accessible spacing, and door modifications. A sink in each bathroom would be removed to accommodate the accessible toilet stall, with cabinet storage added in its place. The quote also included installation of ceiling heaters in both bathrooms, which would allow the bathrooms to remain open to the public year-round, they are currently closed in winter due to inadequate heating. Manager Cullen noted the quote was received just fifteen minutes before the meeting and had not yet been fully reviewed.

Alderman Tim Wise moved to formalize the commitment to fund the bathroom renovation, proposing that the Board allocate \$42,000 out of fund balance, make it a matter of record at the next meeting, and target the project for the upcoming winter season when Clint's schedule would accommodate it. The Board expressed broad agreement. Alderman Wise noted that ADA compliance would strengthen any grant applications associated with the project, and that the timing allowed staff to pursue available grant funding before construction commenced. Mr. Cullen indicated that if directed, he would bring a formal budget amendment to the Board.

Alderman Wise also noted the significant transformation of the pavilion, commenting that it was now appropriate to address the bathrooms as a finishing step, given the improvements already made to the patio, interior, and stage area.

Strategic Planning Projects

EV Chargers

Manager Cullen reported that EV charger installations at the Sweet Briar parking lot and Town Hall were planned at approximately \$15,000 for four chargers. He noted that Mr. Boyd would work on running conduit within the current budget year to reduce the cost, with the charger installation itself to be funded in the coming budget.

IT Upgrades and Service Changes

Mr. Cullen reported that the Town had completed a comprehensive inventory of devices with Advanced Data and developed a rotation schedule for aging computer systems. The Town had recently approved and completed migration of all email services to the cloud at a cost of \$12,900, approximately one-third the cost of a new server, eliminating an end-of-life server housed at the Police Department. He noted the next step would be migrating the Tyler Technologies accounting and permitting software to the cloud, estimated at approximately \$14,000, which he and Finance Director Misty Hagood would continue to evaluate.

Park Camera Upgrades

Mr. Cullen reported that the camera system at the Town's parks were aging and inconsistent in performance, with some cameras working and others not. Advanced Data was working on a quote to update the system and had implemented a new failsafe notification process so that offline cameras are now flagged and addressed promptly. The upgraded system would also cover Town Hall and surrounding areas. He noted the investigative camera system being proposed for the Police Department (discussed under Department Needs) was a higher-quality platform than the parks system and served a distinct purpose.

Town Hall Parking Lot

Mayor Mike Eveland raised the need to eventually resurface the Town Hall parking lot. Mr. Boyd explained that due to the current height relationship between the pavement and the curbing, a simple resurfacing overlay was not feasible, adding two inches of asphalt would render the existing curbing too low. The parking lot would need to be fully excavated and reconstructed. The cost was estimated at approximately \$200,000 or more. The Board acknowledged this as a multi-year planning item and discussed the possibility of setting aside a portion of funding each year toward the eventual project. Mr. Cullen confirmed that he and Mr. Boyd had discussed getting a professional assessment of the pavement's condition to better inform timing and scope.

Board Projects and Requests

Festival Grounds Engineering and Capital Improvement Plan

Mayor Eveland raised the topic of engineering work at the Festival Grounds, which had been discussed at a prior strategic planning meeting in Winston-Salem. Mr. Cullen confirmed that the Town needed to engage an engineering firm to develop a capital improvement plan (CIP) specific to the Festival Grounds, covering items such as the parking lot, bathrooms, fencing, power infrastructure, lighting, and other long-term needs. He noted that staff was in the process of developing a scope of work to solicit proposals, and that he anticipated having a recommendation by the April draft budget presentation.

Manager Cullen advised some patience before committing Festival Grounds engineering funds, explaining that the Town was participating in a collaborative public lands planning project with the TDA and neighboring municipalities. TDA Director Corrina Ruffieux had asked that the Festival Grounds property be included in that study, and it was possible the TDA could fund a portion of the planning or engineering work. The second meeting in that collaboration was scheduled for the following week. He indicated it was strategically better to wait for those

deliverables and then use them as the foundation for a firm-specific CIP, rather than spending the Town's own money independently.

The Board discussed the Festival Grounds as a distinct and large-scale project compared to the more immediate Town Hall and Pavilion work and expressed support for the phased approach. Having a study completed by the following year's budget kickoff meeting would enable meaningful conversations about priorities and timelines. Alderman Jim Owens noted that a completed study and CIP would strengthen the Town's presentation when the Travel Writers of America visit in October, as it would demonstrate a clear plan for the venue's future.

Board members confirmed the target timeline: the TDA public lands planning collaboration would produce deliverables that the Town could use to frame a Festival Grounds CIP; the CIP would then guide capital project decisions starting in the FY 2027–2028 budget cycle. Mr. Cullen confirmed that Public Works was already performing smaller maintenance tasks at the Festival Grounds in the interim.

Non-Powell Bill Road Applications

Manager Cullen noted that the draft budget would also include recommendations under the Town's non-Powell Bill road assistance program. Three applications were currently under review, with a possible fourth anticipated before the year's end. He noted that applications had been cut off earlier in the cycle under the newly adopted non-Powell Bill policy, which he said made the program more manageable. Not all applications would meet the Town's criteria, and not all qualifying applications could be funded, the program operates within a fixed annual allocation. He indicated the recommendations would be included in the April draft presentation.

Budget Process and Next Steps

Manager Cullen outlined the next steps in the budget process. Staff, including Mr. Boger, Ms. Hagood, and Mr. Boyd would meet individually during the week of March 16 to finalize department-level numbers and cut items that cannot be funded this cycle. The Board was invited to submit any additional priorities or requests by March 16. A draft budget presentation would be brought to the Board at an agenda-setting meeting on or around April 16, followed by a full month for Board feedback and adjustments before final adoption.

Adjournment

With no further business to discuss, Alderman Tim Wise made a motion to adjourn the meeting at 11:23am. The motion carried unanimously.

Attest:

S: Mike Eveland

Mayor Mike Eveland

S: Kathy Johnson

Kathy Johnson, Town Clerk

S: Sam Cullen

Sam Cullen, Interim Town Manager