

Board of Aldermen Agenda Setting Meeting
Special Called Draft Budget Presentation
Flossie White Board Room, Maggie Valley Town Hall
Monday April 20, 2026, 2:00pm

Members Present:

Mayor Mike Eveland, Alderman John Hinton and Alderman Tim Wise.

Members Absent:

Mayor Pro-Tem Jim Owens, Alderman Phillip Wight.

Staff Present:

Town Manager Sam Cullen, Assistant Town Manager/Finance Director Misty Hagood, Town Clerk Kathy Johnson, Police Chief Matthew Boger, Planning Director Noah Taylor, Public Services Director Seth Boyd.

Others Present:

Daryll Parker, Principal Consultant with Willdan Financial Group and Bill Sebastyn, Planning Board Member

Media Present:

Aarik Long, The Mountaineer.

Meeting Called to Order

Mayor Mike Eveland called the Special Called Board of Aldermen Draft Budget Presentation Meeting to order on Monday, April 20, 2026, at 2:02 pm in the Flossie White Boardroom in Maggie Valley 3987 Soco Road, Maggie Valley, NC 28751.

Manager Cullen explained that the Town had been undergoing a system development fee study and introduced Daryll Parker from Willdan Consulting to present the findings and recommend new fees based on calculations from general statute.

Presentation of System Development Fee Study

Daryll Parker - Willdan Financial Group

Daryll Parker from Willdan Financial Services presented the system development fee study for the town's sewer system. He explained that system development fees are governed by state legislation enacted in 2018, which defines what municipalities can and cannot do regarding these fees. The fees are designed for new development, whether subdivisions or individual houses, and are meant to fund the cost of improvements caused by that development, including both past infrastructure costs and future expansion needs.

- o Section 1, Chapter 162A, Article 8

- o SDF Defined By 162A-201 (9)
 - o Imposed on new development
 - o Fund costs of water/sewer improvements (existing and planned)
 - o "Necessitated by and attributable to such new development"
 - o United States Supreme Court has said growth is to pay for growth.

Fee Adoption Procedures

- o Fee analysis prepared by a financial professional
- o Must employ "generally accepted accounting, engineering, and planning methodologies"
- o CIP planning horizon of 5-20 years (incremental cost)
- o Posted online for at least 45 days (public comment)
- o Public Hearing after 45-day posting period
- o Modifications to fee analysis, if needed
- o Adopt fee by resolution or ordinance
- o Update Analysis at least every 5 years



Mr. Parker outlined the required procedures under state law, including that the analysis must be prepared by a financial professional using generally accepted accounting, engineering, and planning methodologies. The study must include a 5 to 20-year Capital Improvement Plan (CIP), with focus on the next 5 to 10 years. After completion, the report must be posted online for a 45-day public comment period before adoption by resolution or ordinance and must be updated at least every five years.

Mayor Eveland asked about the town's history with such studies, and Manager Cullen confirmed this was the first system development fee study the town had conducted, as it was not legally required before the 2018 legislation.

Existing Capacity Capital Charge (1)

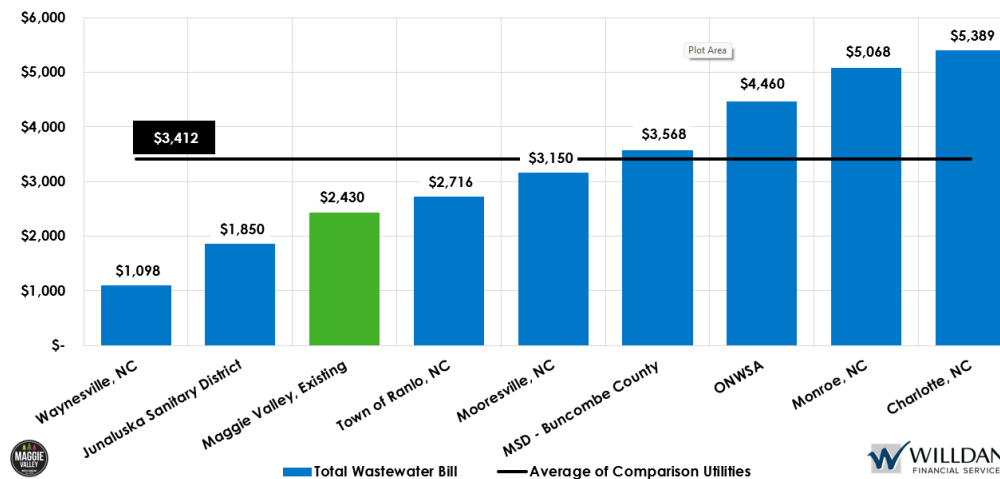
Description	Existing Charge Per ERU
Wastewater	\$ 2,430

(1) The Town currently applies its capital charge per bedroom. For comparison purposes throughout this presentation, the existing charge assumes a typical 3-bedroom residential home.



Mr. Parker compared the town's existing fees to other similar utilities, showing that Maggie Valley's current capacity capital charge of \$1,800 for a typical 3-bedroom home was well below the average of the comparison group and would likely be below statewide averages. He noted that wastewater facilities are inherently very costly to build, making the current fee insufficient for cost recovery.

Comparison With Other Utility Systems



The presentation detailed the methodology using the American Water Works Association M1 Manual as the industry standard. Mr. Parker explained three approaches: the buy-in method (recovering existing infrastructure costs), the incremental cost method (focusing only on future CIP projects), and the combined method that blends both approaches, which was being recommended for Maggie Valley.

For recoverable costs, Mr. Parker explained they focus on major facilities like transmission lines, treatment facilities, and lift stations - the "big backbone of the system" - while excluding smaller collection lines, neighborhood-specific infrastructure, and anything funded by grants or developers. From the town's asset listing of approximately \$9.2 million in original costs, they calculated a replacement cost new of about \$25 million, then adjusted for accumulated depreciation and applied a \$50,000 cost limit to exclude smaller assets, resulting in approximately \$10.7 million in recoverable existing assets.

Existing Assets – Included for Recovery

Wastewater System:

- Major Transmission Lines & Force Mains
- Major Lift Stations
- Flow Equalization Facilities
- Wastewater Treatment Facilities
- Disposal Facilities

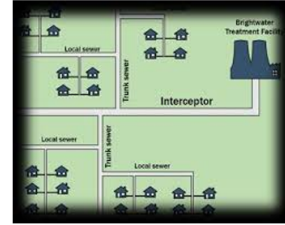


For future costs from the CIP, Mr. Parker noted they excluded more projects than they included for recovery, as many were either grant-funded or renewal-type projects rather than capacity-adding improvements. The analysis separated costs into treatment and transmission components, with treatment facilities having defined capacity while transmission capacity was estimated.

Existing Assets – Excluded from Recovery

Excluded Assets:

- Small/Local Collection Lines
- Neighborhood-Specific Facilities
- Contributed Facilities
- Grant Funded Facilities



Existing Assets – RCNLD

Description	Original Cost	Replacement Cost New	Accumulated Depreciation	RCNLD
Total Utility Assets:				
Land	\$ 125,249	\$ 125,249	\$ 0	\$ 125,249
Buildings And Systems	8,297,739	23,771,690	(12,829,010)	10,942,680
Improvements Other Than Buildings	333,748	450,737	(108,100)	342,637
Machinery & Equipment	250,310	562,213	(440,584)	121,629
Vehicles	198,451	198,452	(90,691)	107,761
Total	\$ 9,205,497	\$ 25,108,341	\$ (13,468,385)	\$ 11,639,956

Adjusted Recoverable Assets – RCNLD

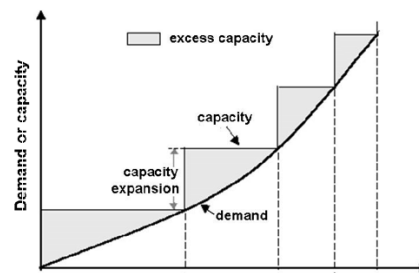
Description	RCNLD Included for Recovery
Total Recoverable Assets:	
Land	\$ 125,249
Buildings And Systems	10,313,815
Improvements Other Than Buildings	312,943
Machinery & Equipment	0
Vehicles	0
Total	\$ 10,752,007

He detailed the calculation methodology, explaining that they made adjustments including a debt service credit to avoid double recovery (backing out the remaining balance on utility debt since existing customers pay that through monthly rates) and a state-mandated 25% reduction of CIP costs. This resulted in a net recoverable amount used for fee calculations.

Planned Assets - Recoverable

Capital Improvement Program:

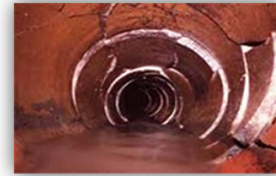
- Capacity Expansion Projects
- Major System Upgrades
 - Improved Operating Efficiency
 - Meeting Regulatory Requirements



Planned Assets – Nonrecoverable

Excluded Capital Improvements:

- Renewal & Replacement (R&R)
 - Aged/Deteriorated Facilities
 - No Added Capacity
- Other Capital Items
 - Vehicles & Equipment
 - Administrative Facilities
 - Grant/Developer Funded Projects



The capacity calculations included adjustments for inflow and infiltration (I&I), assuming 20% I&I which reduces available capacity for customer use. Using the town's 1 MGD permitted plant capacity adjusted for I&I, they calculated cost per gallon of capacity at approximately \$13.86 total (\$11.54 for treatment, \$2.32 for transmission).

Capital Improvement Program (CIP)

Description	Recoverable Capital	Excluded Capital	Total CIP
Wastewater:			
Treatment Projects	\$ 1,278,775	\$ 0	\$ 1,278,775
Transmission Projects	473,823	2,305,906	2,779,729
Total	\$ 1,752,598	\$ 2,305,906	\$ 4,058,504

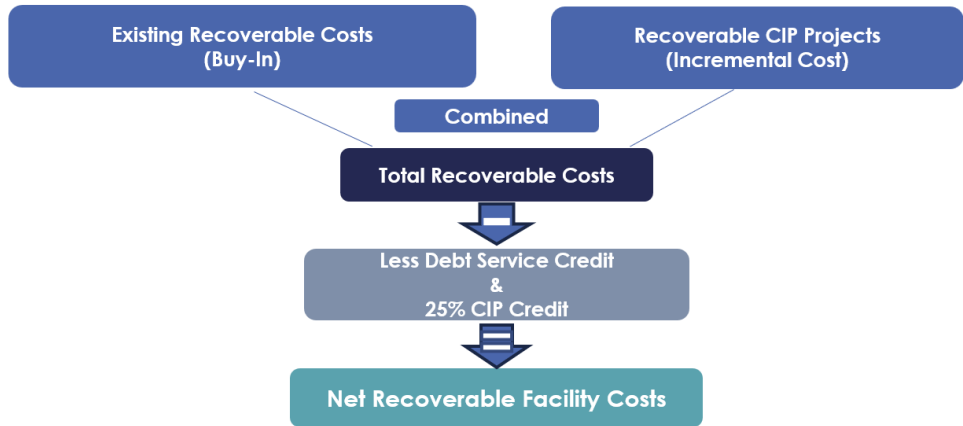
Applying this to an Equivalent Residential Unit (ERU) - a typical 3-bedroom home using the state's planning number of 120 gallons per bedroom per day (360 gallons total) - resulted in a proposed system development fee of \$4,990 per ERU.

Recoverable Costs

Description	Recoverable Facilities
Existing Facilities:	
Treatment Facilities	\$ 8,413,445
Transmission Facilities	2,338,562
Subtotal	\$ 10,752,007
Capital Improvement Program:	
Treatment Facilities	\$ 1,278,775
Transmission Facilities	473,823
Subtotal	\$ 1,752,598
Combined:	
Treatment Facilities	\$ 9,692,220
Transmission Facilities	2,812,385
Total	\$ 12,504,605



Combined Method – Recoverable Costs

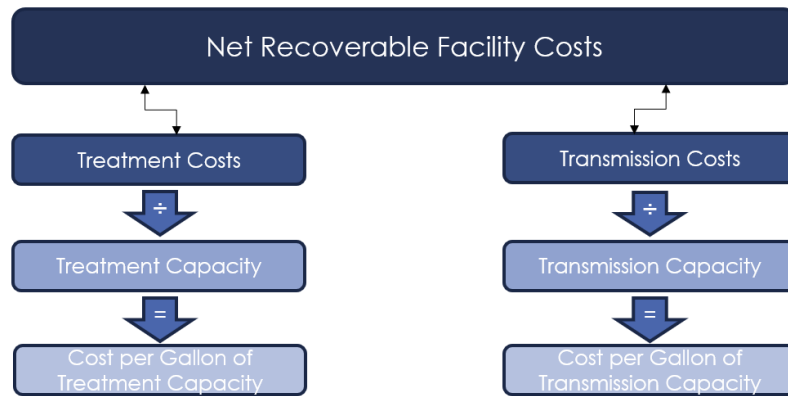


Net Recoverable Costs

Description	Net Recoverable Facilities
Combined Facilities:	
Treatment Facilities	\$ 9,692,220
Transmission Facilities	2,812,385
Subtotal	\$ 12,504,605
Less Combined Credit:	
Treatment Facilities	\$ (648,918)
Transmission Facilities	(209,965)
Total	\$ (858,883)
Net Capital Costs:	
Treatment Facilities	\$ 9,043,302
Transmission Facilities	2,602,420
Total	\$ 11,645,722



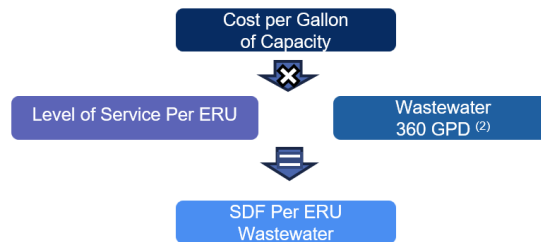
Methodology – Cost of Capacity



Cost Per Gallon of Capacity

Description	Estimated Cost Per Gallon
Net Capital Costs:	
Treatment Facilities	\$ 9,043,302
Transmission Facilities	2,602,420
Subtotal	\$ 11,645,722
I&I Adjusted Capacity - MGD:	
Treatment Facilities	0.800
Transmission Facilities	1.000
Calculated Cost Per Gallon of Capacity:	
Treatment Facilities	\$ 11.30
Transmission Facilities	2.60
Total Cost per Gallon of Capacity	\$ 13.90

Methodology – SDF Per ERU (1)



(1) Equivalent Residential Unit

(2) In accordance with wastewater flow design standards adopted by the State of North Carolina, the level of service requirement is based on 120 gallons of capacity per day per bedroom. Assuming a typical residential connection is 3 bedroom on average, it is assumed that 1 ERU requires a standard level of service of 360 gpd of wastewater system capacity.



Mr. Parker recommended changing from the current bedroom-based fee structure to a meter size-based structure, which is becoming the industry standard. This approach ties sewer capacity directly to water availability based on meter size, using standard equivalent unit factors from AWWA and Water Environment Federation manuals. Most residential homes would have 5/8" or 3/4" meters representing one ERU, while larger commercial users would pay multiples based on their larger meter sizes.

Comparison of Fees Per ERU (1)

Description	Fee Per ERU		
	Existing	Calculated	Difference
Wastewater SDF	\$ 2,430	\$ 4,990	\$ 2,560

(1) Assumes a typical 3-bedroom home is 1 ERU.

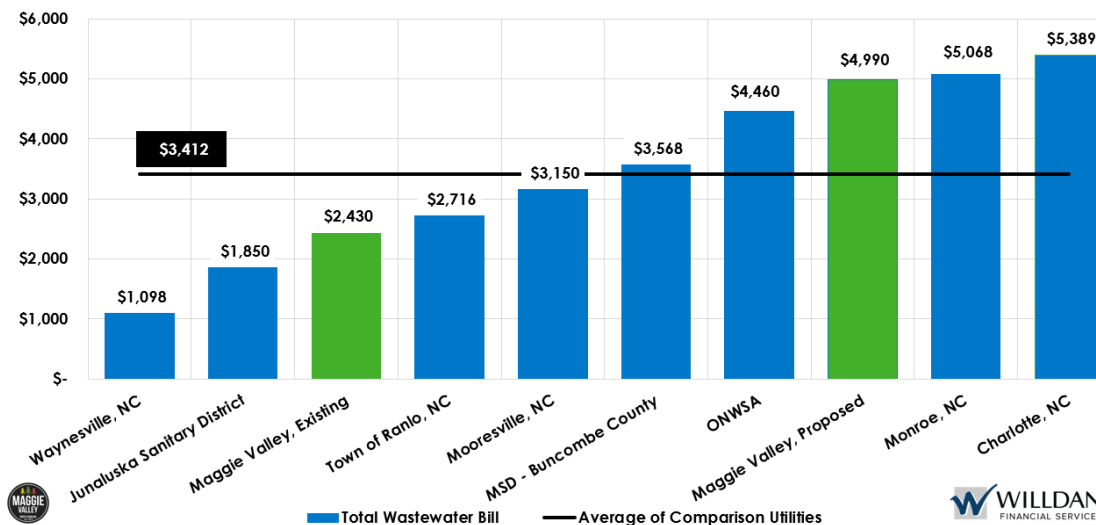
The proposed fee structure would put Maggie Valley higher than their comparison group average but would properly recover infrastructure costs. Mr. Parker emphasized that this protects existing customers from having to fund growth-related capital costs through user rates.

Calculated SDFs By Meter-Size

Description	Meter Factors ⁽¹⁾	Proposed Fees By Meter Size
Meter Size:		
5/8 x 3/4 Inch	1.00	\$ 4,990
1.0 Inch	2.50	\$ 12,475
1.5 Inch	5.00	\$ 24,950
2.0 Inch	8.00	\$ 39,920
3.0 Inch	16.00	\$ 79,840
4.0 Inch	25.00	\$ 124,750
6.0 Inch	50.00	\$ 249,500
8.0 Inch	80.00	\$ 399,200

(1) Meter-size equivalency factors established by the AWWA and identified in AWWA Standards C700, M1 and M22, as well as established by the Water Environmental Federation (WEF) and identified in Manual of Practice No. 27. Such factors are commonly applied consistently for both water and wastewater fee calculations.

Comparison With Other Utility Systems



Board members discussed the fairness and necessity of the fees. Mayor Eveland noted the historical context, mentioning that years ago the town had no such fees with an attitude of "giving it away" since there were no immediate costs. The discussion emphasized that the enterprise fund

operates as a business that must maintain itself, and that growth should help pay for the infrastructure improvements it necessitates.

Mr. Cullen clarified that the fee comparisons were not "apples to apples" since some entities like Junaluska Sanitary District do not own treatment plants and send sewage elsewhere, and many municipalities have not performed the statutorily required study, skewing regional comparisons. He noted that the state average is closer to \$5,000-\$7,000, making their recommended \$4,990 fee appropriately positioned.

Board members discussed how this study serves taxpayers by having new developments pay for infrastructure needs rather than existing users bearing those costs through rate increases. They noted the changing development patterns, with larger subdivisions of 150+ homes rather than individual houses, making proper fee structures more critical.

Mr. Parker concluded by noting that in over 30 years of experience, he had never seen a properly calculated development fee stop development, as developers expect these fees and understand they need the infrastructure to build. He also mentioned that the cost of the proposed fee was less than half the cost of installing a septic system under current regulations.

The presentation concluded with Mr. Parker thanking the town staff for their cooperation during the analysis process.

Manager Cullen noted that they would review the system development fees briefly again during the fee schedule portion of the budget overview, but allowed Daryll Parker to leave before the draft budget presentation began.

Board members and staff took a brief break at 2:43pm and reconvened at 2:52pm.

Draft Budget Overview

Budget Summary: Quick Facts

- The proposed FY26-27 Budget is balanced with respect to revenues and expenditures.
- Meets all requirements of the North Carolina Local Government Budget & Fiscal Control Act
- Appropriated General Fund Balance: \$42,000 (committed for pavilion remodel) and \$4,500 of PD state drug funds for subscription fee.
- No Appropriated Enterprise Fund Balance
- Town of Maggie Valley Proposed Tax Rate = \$0.42
- 2 cent increase in Tax Rate

Manager Cullen presented the draft budget for fiscal year 2026-27, emphasizing that this balanced budget meets all requirements of the North Carolina Local Government Budget and Fiscal Control Act. The proposed budget includes several key appropriations: \$42,000 from general fund balance for pavilion remodeling scheduled for late winter, and \$4,500 from the police state drug fund for investigative equipment subscriptions.

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 NCDOT 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 cash flow loan repayment due in this budget.

Category	Title	Type	Process Step	# Damages	Best Available Cost	Funds Received
A - Debris Removal	100% Maggie Valley Town-Wide Debris Removal - ROW	Actual Costs	Obligated	1	\$17,286.26	Received 12/17/25
E - Buildings and Equipment	Maggie Valley Building	Actual Costs	Obligated	1	\$15,420.00	Received 9/30/25
G - Parks, Recreational Facilities, a	Mary Rathbone Rich Park & Town Hall Parks	Actual Costs	Obligated	2	\$10,904.25	Received 11/13/25
A - Debris Removal	Town of Maggie Valley - Waterway Debris - 100%	Actual Costs	Obligated	1	\$6,675.00	Received 12/18/25
B - Emergency Protective Measures	Town of Maggie Valley 90%	Actual Costs	Obligated	1	\$23,194.71	Received 1/28/26
F - Utilities	Town of Maggie Valley Utilities	Estimated Costs	Obligated	2	\$20,661.14	Received 12/8/25
F - Utilities	Maggie Valley Fox Run & Carpet Golf utilities #4	Actual Costs	Obligated	2	\$292,798.52	Received 3/20/26
B - Emergency Protective Measures	Maggie Valley Emergency Protective Measures	Actual Costs	Obligated	1	\$157,892.47	Received 2/18/26
G - Parks, Recreational Facilities, a	Maggie Valley Parks	Estimated Costs	Obligated	3	\$456,659.04	Received 2/17/26
C - Roads and Bridges	Maggie Valley Roads	Estimated Costs	Pending Applicant Project Review	4	\$797,188.02	
D - Water Control Facilities	Maggie Valley Town Levee	Estimated Costs	Pending Applicant Project Review	1	\$112,723.53	
F - Utilities	Jonathan Creek sewer line #3	Estimated Costs	Pending Applicant Project Review	1	\$113,787.68	
F - Utilities	Maggie Valley Utilities #2 - Sewer Lines	Estimated Costs	Pending Applicant Project Review	4	\$257,629.64	
Total received from FEMA and State of NC					\$1,001,491.39	

Property Tax

- The proposed Fiscal Year 26-27 Budget is based upon a property tax rate of \$0.42 per \$100 assessed value.
- Property Tax is the largest source of revenue for the Town and is based upon real property assessments performed by Haywood County.
- Haywood County is scheduled to implement a revaluation of property in 2027.
- Based upon a 98.6% collection rate, property tax revenue is expected to be \$2,311,000.

Supplemental Info for Tax Rate Adjustment

- FEMA – The Town has made great progress in our recovery efforts. That being said we still have an outstanding balance of approximately **\$1.3 Million Dollars** in reimbursements. FEMA terminated communication with the Town of Maggie Valley over 5 weeks ago. I have confidence we will receive some form of reimbursements in the future, but I have low confidence in timely repayment.
- Global Events – Current global event is causing price increases in several goods. A major expense of the Town is fuel which has increased significantly in the last 2 months.
- Insurance – While the Town has budgeted for a 2.4% increase in health insurance contributions there is still discrepancy at the State level as to what forms of employee compensation the percentage will be based on. This could have significant financial implications if the surcharge is based on our employer retirement contributions.

Mr. Cullen recommended a tax rate of 42 cents per \$100 valuation, representing a 2-cent increase from the current rate. He provided a comprehensive FEMA recovery update, noting that while the town estimated approximately \$4.7 million in damages from Hurricane Helene, they have received strong federal support. The town has already received \$1.5 million through various grants and reimbursements, with approximately \$1.3 million still outstanding from FEMA. He emphasized that Maggie Valley has been more successful in FEMA recovery than neighboring jurisdictions, with Waynesville receiving less than \$500,000 and the county receiving only \$1.7 million despite tens of millions in damages.

The budget includes a \$48,000 cash flow loan repayment at 10% of the total loan, which will increase annually over the five-year term. This represents money the town had to borrow at zero percent interest while awaiting FEMA reimbursements.

For real property taxes, the town projects \$2.311 million in revenue at a 98.6% collection rate, reflecting a full percentage point improvement in collections. Manager Cullen attributed this improvement to the creation of the tax collector position, which has more than paid for itself by proactively pursuing delinquent taxes. He noted that Haywood County is scheduled to implement property revaluation in 2027, and the current budget is based on existing tax values rather than anticipated revaluation figures.

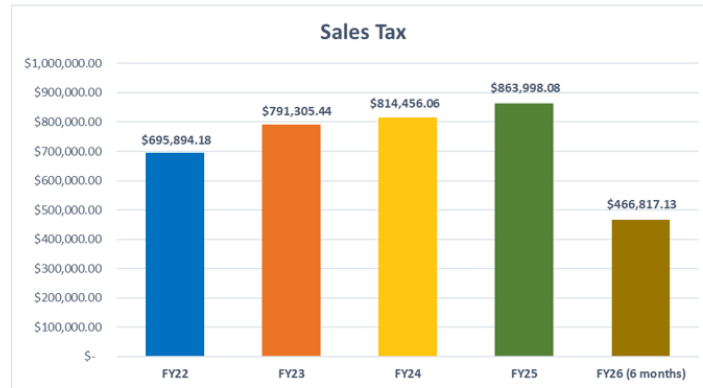
Manager Cullen outlined several justifications for the 2-cent tax rate increase, emphasizing that most factors are beyond the town's control. These include ongoing FEMA obligations, global events causing fuel price increases, state-mandated health insurance surcharges of 2.4%, delayed property revaluation that has postponed typical tax adjustments, and increased capital needs from significant growth including additional street maintenance responsibilities.

The presentation included a homeowner impact analysis showing that a property valued at \$350,000 would see an annual increase of approximately \$70, bringing the total town tax bill to \$1,470. He noted this would maintain Maggie Valley's position as having the lowest tax rate in the county.

For sales tax revenue, the town's second-largest revenue source, Mr. Cullen projected a conservative 1.5% increase to approximately \$870,200, based on municipal finance group projections and local economic trends.

Sales Tax

- Sales tax is the second largest revenue source for the Town’s General Fund.
- Based upon our projection of a 1.5% increase the Town should receive = \$870,200



Board Feedback and Questions

The board engaged in extensive discussion regarding the proposed budget and fee increases. Alderman Tim Wise raised concerns about the cumulative impact of multiple fee increases occurring simultaneously, noting that residents would face increases in property taxes, sewer user fees, and solid waste fees all in one year. He requested historical information about when these various rates were last increased to provide context for the public.

Fees

- Sewer Development Fees
 - See Chart
- Sewer User Fees
 - Increased:
 - From Minimum \$20.30 to \$21.52
- Planning & Zoning Fees
 - Increased:
 - Zoning Compliance Commercial \$75 to \$85
 - Add RV/Park Model New Unit Fee \$150 per unit
- Solid Waste Fee
 - Increased:
 - From \$8 to \$12 monthly
- Festival Grounds Fees
 - Increased: (adopted 2025)
 - Daily rental \$800
 - Set-up/break down days \$100
- Miscellaneous Fees
 - Increased
 - Police contract labor increased from \$50 to \$55 per hour
 - Public Works labor increased from \$40 to \$45 per hour
- Pavilion Rental Fees
 - Increased:
 - From \$20/30 to \$30 per hour

System Development Fees

Description	Meter Factors ⁽¹⁾	Proposed Fees By Meter Size
Meter Size:		
5/8 x 3/4 Inch	1.00	\$ 4,990
1.0 Inch	2.50	\$ 12,475
1.5 Inch	5.00	\$ 24,950
2.0 Inch	8.00	\$ 39,920
3.0 Inch	16.00	\$ 79,840
4.0 Inch	25.00	\$ 124,750
6.0 Inch	50.00	\$ 249,500
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(1) Meter-size equivalency factors established by the AWWA and identified in AWWA Standards C700, M1 and M22, as well as established by the Water Environmental Federation (WEF) and identified in Manual of Practice No. 27. Such factors are commonly applied consistently for both water and wastewater fee calculations.

Alderman Wise expressed understanding for the tax rate increase given the outstanding FEMA obligations but emphasized the importance of having comprehensive information available to explain the timing and rationale for all fee adjustments. Alderman Wise requested background data on previous rate adjustment schedules.

Mayor Eveland discussed the town's historical approach to fee management, referencing the period around 2013-2014 when the board began implementing more systematic approaches to rate adjustments. He noted that prior to that period, many decisions lacked consistent planning and methodology. He emphasized that neighboring jurisdictions are facing similar challenges, with some appropriating significant portions of their fund balances rather than adjusting rates.

Manager Cullen explained the proposed sewer development fees, noting that the town currently has zero dollars set aside in the required capital improvement account despite legal requirements. The new fee structure would begin generating approximately \$100,000 annually for this purpose.

Regarding solid waste fees, Manager Cullen detailed that current operations cost \$12.09 per month per user while the town only charges \$8.00, creating a \$4.09 monthly deficit per customer. The proposed increase to \$12.00 would move the service closer to revenue neutrality. He emphasized his intent to establish regular fee adjustment schedules tied to inflation to avoid future large increases.

Public Services Director Seth Boyd provided updates on infrastructure projects, including the status of DOT bridge replacements on Johnson Branch and Evans Cove. He confirmed that three salt spreading trucks would be operational for the upcoming winter season, with strategic positioning at separate locations throughout the valley.

General Fund Summary FY26-27

Department	Budget
Board of Aldermen	\$100,020
Administration	\$857,744
Public Works	\$1,241,000
Police	\$2,036,205
Powell Bill	\$16,000
Festival	\$121,360
Recreation	\$21,850
Debt Service	\$47,121
Contingency	\$0
Total	\$4,441,300
Revenues	\$4,441,300

Public Services

- Salt Spreader and Snowplow - \$30,000
- Dump Truck - \$100,000
- F-250 - \$60,000
- Needs Already Fulfilled – Mower- \$12,000

Powell Bill/Non-Powell Bill

- Repairs of Loafer Lane - \$20,607.30
- Valley Creek Run Repairs - \$17542.50
- New roads will enter the Town's system in FY26-27.

Police Department

- New Police Vehicle - \$52,000
 - Upfit - \$20,000
- License Plate Readers - \$7,300
- Body Camera System - \$9,700 (per year)
- Needs Already Fulfilled
 - Year One Body Cams - \$10,000
 - UTV - \$45,000

Strategic Planning Projects

- Pavilion upgrades - \$42,000.
- Festival Grounds CIP - \$40,000
- Sewer User Fee Study - \$35,000
- IT Upgrades - \$15,000
- Needs Already Fulfilled
 - EV Charger - \$15,000
 - SDF Study - \$28,000
 - Park Security Cameras - \$13,000

Debt Service

- Debt Service = \$47,121
 - 1st year payment on Cash Flow Loan
- We have an additional \$174,961 in debt service in the enterprise fund for our sewer plant expansion loan. This loan will be paid in full in FY28.
- No additional debt proposed for FY 26-27

Salary & Wages

- FY 26-27 Budget recommends:
 - COLA 2.5% - \$47,000
 - Merit 1% - \$9,600 (Jan. 2027)
- January 2026 CPI = 2.7%

Health Insurance

- The State Health Plan runs consistent with a calendar year (January 1-December 31) not fiscal year (July 1-June 30)
- The Town has budgeted for a 5% premium increase plus the additional 2.4% on salaries as proposed earlier this year.
- Total budgeted amount for employee health insurance coverage is - \$379,735.
- Total budgeted amount for dependent coverage - \$101,304
- Recommended coverage amounts remain 100% employee, 80% dependent for all employees.

FY 26-27 Work Force Composition

- Four Departments
 - Administration (7)
 - Police (15)
 - Public Works (5)
 - Sewer (4)
- 31 Total Full Time Employees
- Host (1) NC Fellow (11 months)

Sewer Fund Summary FY26-27

Department	Budget
Administration	\$693,939
Operations	\$480,600
Debt Service	\$174,961
Contingency/SDF Capital Fund	\$100,000
Total	\$1,449,500
Revenues	\$1,449,500

Sewer Fund

- 276 Temporary Pump Around - \$100,000
- Continued Line cleaning and videoing - \$80,000.
- Continued focus on the projects to repair damages from Tropical Storm Helene
- Needs Already Fulfilled
- Loader - \$110,000

The Board discussed the town's success with FEMA reimbursements compared to other jurisdictions, with Manager Cullen attributing this to proactive staff work and maintaining effective communication with FEMA representatives. However, he noted ongoing challenges with FEMA shutdowns and communication gaps that continue to create uncertainty in recovery timelines.

Alderman Wise questioned the adequacy of the proposed system development fees, given that they only generate revenue when new construction occurs. The discussion revealed that if all town sewer infrastructure needed replacement, the cost would approach \$11 million, far exceeding any realistic accumulation timeline for the development fee account.

Manager Cullen emphasized that this budget positions the town to meet all requested departmental needs while maintaining fiscal responsibility. He noted that the proposed increases, while significant, represent necessary adjustments that have been delayed and should prevent the need for similar large adjustments in future years.

Adjournment

The meeting concluded with Town Manager Cullen noting that the next budget-related meeting would be the June 2nd agenda setting and work session, followed by the public hearing on June 9th. He requested that board members submit any additional questions before the work session and indicated that only a brief budget overview would be provided at that time.

With no further business, Alderman Tim Wise made a motion to adjourn the meeting at 3:50 pm. The motion carried unanimously.

S: Mike Eveland
Mayor Mike Eveland

S: Sam Cullen
Sam Cullen, Town Manager

Attest:
S: Kathy Johnson
Kathy Johnson, Town Clerk