



April 13, 2026

Dear Mayor and Members of Town Council:

North Carolina's Local Government Budget and Fiscal Control Act names me, your Town Manager, as budget officer and directs that I prepare and submit for your consideration an annual budget.

I am, therefore, pleased to present for your consideration the Town of Weaverville's proposed budget for Fiscal Year 2026-2027 (FY27).

This budget has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The budget is balanced and represents a concerted effort to serve the citizens of Weaverville with a focus on sustainability and resiliency during a time of uncertainty and change.



INTRODUCTION AND BUDGET HIGHLIGHTS

The Town of Weaverville's governmental services are funded through budgets adopted for a General Fund that includes administration, finance, planning, police, facilities maintenance, Community Center, and public works functions of streets, sanitation, stormwater and grounds maintenance; a special revenue Fire Fund; and a public enterprise Water Fund that includes water administration, water production, and water distribution.

Ordinances have also been adopted to establish budgets for capital reserve funds, capital project funds, and grant project funds.

This budget message will provide background information and highlights of all fiscal matters for FY27.

FINANCIAL POSITION AND FUND BALANCE

The Town's financial position in all funds is very sound, but it is important to recognize the difference between a cash flow position and the Town's financial position based on assets.

The Town's general fund balance as of June 30, 2025, totaled \$6.7M with an available balance of \$5.6M. The water fund's equivalent, unrestricted net position, was \$6.9M as of June 30, 2025. Town Council's policy on fund balance minimums and targets was formalized in 2024, although it has been in practice for many years. Your focus on maintaining a healthy fund balance has resulted in funds being available to pay for large capital projects and equipment purchases without incurring debt and to provide readily available financial resources to react to major disasters and financial uncertainty.

While the financial position is sound, we do have challenges in meeting our operational expenditures with our projected revenues, especially as we respond to growth pressures in advance of associated property tax revenue. Overuse of fund balance, especially for operating expenses, is not sustainable; however, use of some fund balance was needed to present a budget that is balanced and that meets the minimum needs of the growing Town. I have approached its use cautiously.

PROPERTY TAXING AUTHORITY

A majority of the General Fund budget is funded through property taxes. Property taxes are used by most municipalities to fund, among other things, police and fire services, and street improvements. Based on a House Committee report issued in March 2026, it appears that the North Carolina General Assembly may be considering bills that would reduce or limit local governments' ability to levy property taxes that would greatly impact the Town's ability to fund critical governmental services. I urge Town Council to oppose state-imposed limits on local property tax authority.

PRESSURES FROM ANTICIPATED GROWTH

The Town of Weaverville continues to grow and attract new businesses, residents, and visitors. With projects that have been approved, the Town is expected to increase its number of residential dwelling units by approximately 33% in the next five years. AdventHealth's hospital campus is expected to come online within that same time period, which will increase access to medical care in our area and bring a large number of visitors to Weaverville on a daily basis. Growth in healthcare related businesses is expected to increase. There are exciting conversations concerning the former Balcrank facility at 115 Reems Creek Road, to be known as the "Dry Ridge Arcade" and "Ballcrank Pickleball Club", that is to include a pickleball complex that could become a significant economic driver for the Town and surrounding area.

The value to the Town's tax base as a result of development is not added until the completion of the projects and **Town staff is experiencing service delivery pressures as a direct result of this growth in advance of the anticipated revenue.**

So, this growth forecasts a bright economic future for the Town, but does come with challenges and this budget reflects the growing pains. In other words, budgets are tight right now, but we do expect an increase in revenues based on anticipated growth in the coming years.

REAPPRAISAL AND TAX APPEALS

This budget is based on Buncombe County's reappraisal that is effective as of this tax year. Many property owners experienced a large increase in tax value. Property tax appeals are underway and will result in a reduction in tax base for successful appeals. Some allowance has been made for the reduction in property values associated with successful tax appeals, but it will be several months before we will know if further reductions are to be expected. **Town's property tax revenue will remain uncertain until after the Town's deadline to adopt a budget.**

REVENUE NEUTRAL TAX RATE

In any tax reappraisal year I am required to report to you and the public the tax rate that would result in the property tax revenue from last year with a growth factor. Based on the currently available County data, **the revenue neutral tax rate, adjusted for growth, has been calculated to be \$0.27.** That calculation sheet was provided to you at your March 23, 2026, meeting, but is also available upon request.

BUDGET NEEDS EXCEED REVENUE PROJECTIONS

The Departmental requests included operational and capital expenditures that were thoughtful, based on actual and anticipated needs, and mindful that revenues are constrained. Unfortunately, the projected revenues do not fully cover the requested expenditures. This necessarily meant that cost-savings measures or deferrals had to be considered to balance the budget.

HIGH EXPECTATIONS IN SERVICE DELIVERY

Municipalities provide a wide range of local government services, and the Town of Weaverville provides a wider array of services than most other municipalities in Buncombe County. Town elected officials and the Town's Leadership Team consistently set high expectations for the work that we do at all levels. This is both inspiring and daunting as I try to support our staff so that local government services can be maintained or improved at a time of uncertainty, extreme growth, and budget constraints. **Investment in our personnel remains critical** for retention and recruitment, training and professional development, and long-term succession planning, all of which is necessary to maintain and improve local government services.

RECRUITMENT AND RETENTION

The Town's personnel is the most important and valuable resource to ensure effective and efficient service delivery. Attention has been on how to sustain and grow a professional and competent workforce in all areas of Town government. Areas that have been reviewed include the following:

- Competitiveness of salaries and benefits
- Succession planning in each department
- Training needs and opportunities, especially for supervisors
- Recruitment strategies
- Review of employee policies and procedures

Instead of merit increases available to all employees based on performance, **market adjustments** are planned for a more individualized approach that considers competitive salary

levels for each position in addition to employee performance. I have continued funding for the **Employee Incentive Program** that incentivizes professional development, enhanced customer service, and innovation.

I have included a **3% cost of living increase** (COLA) so all employees will receive some increase in their salaries in FY27. This percentage seems to be in line with area jurisdictions.

Healthcare insurance rates increased by approximately 8%. This is a moderate increase to ensure that the Town's employees have access to healthcare, a critical benefit to remain a competitive employer.

Other benefits are needed for retention and recruitment that have a more limited impact on financial costs:

- Increase in maternity/paternity paid leave from 2 weeks to 4 weeks;
- Employee Assistance Network and Responder Support Services;
- Automatic contribution of 2% to all employees' 401(k) with matching up to 6%
 - Provides some base level of deferred compensation for entry level employees that may not be able to afford to contribute

It is my firm belief that investing in personnel is much more than a budgetary item. It is workplace culture, professional development and coaching, providing tools and resources and a supportive and healthy working environment. It is recognizing that our employees are whole people with interesting and complicated lives outside of work and that we can no longer "do more with less".

STRATEGIES TO BALANCE THE BUDGET

The following strategies are recommended or have been used to balance the budget:

- Issue debt service for vehicles, fire apparatus, and some capital equipment;
- Delay budgeting for land purchase of fire station and finance when property located;
- Delay police department relocation, but actively searching for property;
- Include 3% cost of living adjustment, but pause merit increase in FY27;
- Fund the most critical new positions with primary focus on service delivery;
- Better allocate administrative services between funds;
- Develop a street rating system and improvement plan in FY27, but postpone needed street paving projects until FY28;
- Develop a sidewalk improvement plan in FY27 and consider funding in FY28;
- Increase use of in-house resources for facility and grounds maintenance;
- Use advancing technology where appropriate;
- Contract out for some services where appropriate;
- Continue to pursue grant funding.

VEHICLE AND EQUIPMENT FINANCING

I am recommending that the following be included in a vehicle/equipment financing: 6 vehicles, 1 swaploader, 2 fire engines, and water meter replacements. We are working with a broker to determine the loan with the best terms. Each purchase of equipment gets added to the master loan agreement so we won't pay interest on equipment until it is purchased. Debt service is included for the vehicle/equipment loan beginning in FY27. Debt service for water

meter replacement project will begin in FY28, if approved, and the rescue truck will be added when delivered, which is expected in 2028.

UNKNOWNNS AND ESTIMATES IN BUDGET

The budget has been prepared with several unknowns, so adjustments will likely be needed as we progress through the next budget meetings. Those unknowns included the following:

- Property tax revenue (property tax appeals pending)
- Property and liability insurance costs (renewal costs pending)
- Fire Fund Budget – Countywide fire tax and County approved fire budget allocation (County to adopt fire tax rate in April)
- County Public Safety Fees – Town’s cost-share of countywide public safety expenses (PSIP and CDE) is not finalized

BUDGET IN BRIEF

The full summary of the proposed FY27 budgets are attached and show a comparison to the FY26 budget. The proposed fund budgets, in brief, are as follows:

Fund	Proposed Budget	% Increase from FY26
General Fund	\$10,828,272	9.3%
Fire Fund	\$4,855,923	11.9%
Water Fund	\$4,183,265	19.2%
Total	\$19,867,460	11.9%

These proposed Town budgets represent an 11.9% increase over FY26.

Unfortunately, there were no alternatives to present a budget with a revenue neutral tax rate.

The proposed budget is balanced using a **property tax rate of \$0.31** per \$100 of assessed value, which is a proposed tax rate increase of **\$0.04 over revenue neutral**, and a **cautious usage of approximately \$1.25M of fund balance**, both of which are explained in more detail in the General Fund section below.

In keeping with the water rate study adopted in FY24, a **water rate increase of 5%** is included. The unrestricted funds in the Water Fund are expected to be used for the large capital projects that are underway or in some stage of development. **Funding of approximately \$560,000 from these unrestricted funds is proposed, largely for the Town’s cost-share for the waterline replacements under the USACE grant project.**

GENERAL FUND OVERVIEW

The General Fund supports traditional government services such as public safety, recreation, planning, streets, sanitation, and general administrative services. It is funded by ad valorem property taxes, sales and use taxes, investment earnings, ABC profit distributions, and locally generated fees such as facility rental fees, zoning application fees, etc. Highlights from the proposed general fund budget are noted below:



General Fund Revenues

- Buncombe County’s property reappraisal was just finalized and is reflected in the property tax revenues.
- Property tax revenue represents approximately 56% of the General Fund’s revenue, the single largest revenue source for the Town.
- The property tax revenue estimates included a growth rate of 4.7%.
- One cent of tax revenue = +/- \$186,875 (based on current County estimates).
- I am proposing a **property tax rate increase of \$0.04** over the revenue neutral rate. The rate increase is estimated to produce approximately \$747,500 in revenue.
- Examples of tax bills with the proposed property tax rate and the revenue neutral rate are shown below:

Property Value	Tax Bill with Proposed Tax Rate (\$0.31)	Tax Bill with Revenue Neutral Rate (\$0.27)	Difference
\$400,000	\$1,240	\$1,080	+\$160
\$450,000	\$1,395	\$1,215	+\$180
\$500,000	\$1,550	\$1,350	+\$200
\$750,000	\$2,325	\$2,025	+\$300
\$1,000,000	\$3,100	\$2,700	+\$400

- The proposed budget includes the use of **approximately \$1.25M of appropriated fund balance**. This amount will comfortably keep fund balance within the 20% minimum and 40% target percentages as adopted by Town Council and feels reasonable given the cash flow constraints discussed above.

- I recognize that the continued appropriation of fund balance for operational expenses is not sustainable, but it is needed until revenues related to property value appreciation and growth are realized or until we can determine how to more effectively balance projected revenues with operational expenses.
- After several of years of zero to no growth in sales tax revenue, the Town's sales tax revenue has been projected to increase by 3.5% over end-of-year projections.
- Revenue from the Utility Sales Tax is also expected to increase slightly in FY27, but only represents a minimal increase of general fund revenues.
- Investment earnings represent another important but more modest source of revenue. Due to uncertainty in the financial markets, rates are expected to decrease and the amount of money that the Town has invested is also slightly lower than in previous years. The proposed budget, therefore, reflects lower anticipated investment earnings of \$389,000 for both general fund and water fund.
- The ABC Store continues to thrive and the Town continues to benefit from its profit distributions. The ABC Board has undertaken a store expansion and has forecast lower profit distributions to the Town for FY27 so that it can focus its funds on that capital project.

General Fund Expenditures

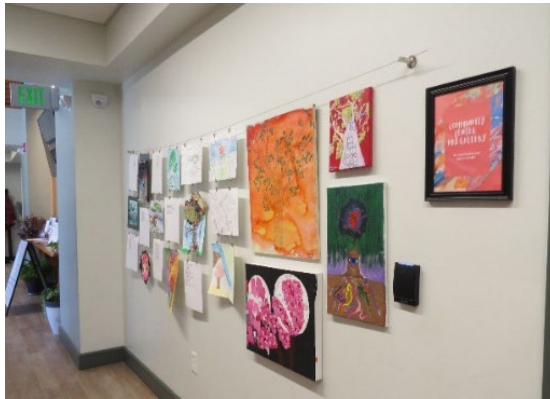
General Highlights

- The general fund supports the fire fund with a transfer each year. The amount needed for the fire budget will not be known until the County adopts its countywide fire tax and releases the approved fire district budgets. For now, a transfer of \$2,227,889 from the general fund to the fire fund is included for the Town's portion of the fire budget for FY27. This amount may change if required by the County.
- As a budget balancing strategy, I propose consolidating all vehicle purchases and several pieces of capital equipment, such as the swaploader and fire engines, into a vehicle/equipment loan. This will allow us to purchase the equipment needed and extending that cost over 5-10 years. Debt service on these vehicle/equipment purchases is estimated to be approximately \$139,000 per year for five years.
- Some revisions to the Town's pay plan, employee policies and procedures, and the fee schedule will be recommended.

Governing Body, Administration, Planning, Community Center Highlights

- Governing Body – No changes proposed or recommended.
- Administration – **1 full-time HR position** is recommended. While the community engagement/PIO position is needed, it could not be justified this year given other critical needs.
- Finance Department – **1 part-time front office position** to work at the front window at Town Hall is recommended.
- Planning Department – No changes proposed or recommended.

- Community Center – No changes proposed or recommended. There will be a continued focus on a wide range of community programming that includes families and young children.



- Community Programming and Events are funded within the FY27 budget:
 - Community Programming – Full schedule of around 30 free classes offered each month at Community Center
 - Youth Summer Programs and other events at the Community Center
 - Music Concerts –
 - 4 Summer concerts in the Main Street Nature Park
 - 4 Fall/Winter concerts at the Community Center
 - Storytelling – 12 events at the Community Center
 - Theater Performances – 5 events at the Community Center
 - Arbor Day Event – Tree planting and youth engagement
 - Patriotic Events – Memorial Day, 9/11 Observance, Veteran’s Day
 - Fourth of July Celebration – Band, Food Trucks, Fireworks
 - Pickleball Clinic – 5 clinics at the Recreation Complex
 - Holiday Events and Christmas Tree
- Current and proposed staffing:

	2015	2020	2025	Current	Recommended
Administration	2	3	4	4	+1 Human Resources
Finance	3	4	4	4	+1 Front Office (parttime)
Planning	1	1	2	2	-
Community Ctr	-	1	2	2	-

- Requested but not funded:
 - Community Engagement/PIO position
 - Capital improvements at Town Hall/Police Department building
 - Downtown restrooms were not included in the budget.
 - Emergency backup generator at the Community Center

- Not all of the outside agency funding support could be included due to the budgetary constraints. Outside agency support and funding includes the following:
 - Weaverville Business Association –
 - \$6,000
 - Town staff support of WBA events: Shamrock Festival, Music on Main, Salute to Summer, Art in Autumn, Candlelight Stroll
 - Senior Meals Program – \$6,000
 - WEDAC - \$2,000





Police Department Highlights

- Vehicle/Equipment Request – **4 patrol vehicles** are recommended – 2 for the new positions that are recommended and 2 replacement vehicles. These vehicles are included in the vehicle/equipment loan.
- Capital Requests –
 - **Added security cameras** are recommended
 - **Drone, speed alert trailer, and additional street barriers** are recommended
 - **Safety equipment** and other **essential law enforcement equipment** are recommended and included
 - Not included due to financial constraints:
 - Restroom trailer at the range
 - Public Safety Facility funding
- The Town’s cost-share of the County public safety fees for Public Safety Interoperability Partnership (PSIP) and Centralized Data Entry (CDE) is not yet finalized but some amount has been included.
- Personnel Request – **2 full-time police officer positions** are recommended as it is needed to respond to the existing growth pressures of residents and visitors and as a first step in expanding service capacity within existing squads. It is expected that these officers will work “peak” hours and can focus on traffic-related matters when available. These positions were requested last year.
- **Responder Support Services** is funded with this FY27 budget.
- The two 1/2-year over hires were not recommended, but staffing needs can be managed with the timing associated with the hire of the new positions.
- Current and proposed staffing:

	2015	2020	2025	Current	Recommended
Police Personnel	15	17	21	22	+2 Police Officers

Public Works [Sanitation, Streets, Stormwater, Grounds Maintenance] – Highlights

- Vehicle/Equipment Request – **2 vehicle replacements** and a **replacement swaploader** are recommended to be included in the vehicle/equipment loan;



- Capital Request –
 - **Playground resurfacing** is recommended to replace damaged surface and provide a safe play area for our youngest residents and visitors;
 - **1 mower, 1 message board, and 1 arrow board** have been recommended;
 - Funds for **stormwater improvements** are recommended;
 - Not included due to financial constraints:
 - fitness equipment area upgrade
 - swing set area resurfacing (can wait until next year)
 - Additional mower - 2 steep grade mowers requested; 1 mower funded
- Personnel Request – **1 fulltime maintenance technician position with funding beginning in January 2027**. This position will primarily be assigned with stormwater responsibilities, but will also provide general PW assistance as needed. A second maintenance technician position was requested but not recommended in FY27.
- Current and proposed staffing:

	2015	2020	2025	Current	Recommended
PW Personnel	13	13	14	14	+1 Maintenance Tech

- The street repaving project for FY26 just concluded so the focus in FY27 will be to develop a street rating system and street improvement plan for implementation beginning in FY28. Any remaining money in that budget and Powell Bill funds can be reappropriated and carried forward to the next paving project.
- A sidewalk program has not yet been initiated within the Town but should be considered in future years to support the Active Weaverville Plan. Budget constraints do not allow for this funding in FY27, but some fees in lieu of sidewalks are currently held in a capital reserve fund and will need to be used on new sidewalk installation, likely to support the Meribel affordable housing project. Work in FY27 can focus on the development of a sidewalk improvement plan.
- Funding for engineering services has been included in the budget.



FIRE FUND OVERVIEW

The Town's Fire Department (WFD) handles calls both inside the Town's municipal limits and within the North Buncombe Fire District. The Town is required to operate a special revenue fund for the fire department, separate from its general fund, in order to receive tax revenue from the County's North Buncombe Fire Tax District.

Fire Fund Revenues

- Buncombe County is mindful of the percentage breakdown of calls when approving funding and strives to keep their portion of funding close to their call percentage.
- The County is implementing a countywide fire tax this year which will be set by the Buncombe County Board of Commissioners.
- Sales tax within that fire tax district is also a revenue source, but not overly significant in amount.
- The Town supplements this fund by providing the remaining funding to balance the revenues and expenditures in this fund. This proposed budget includes a Town contribution of \$2,227,889. This contribution comes as a transfer from general fund revenues.

Fire Fund Expenditures

- Town Council has approved the purchase of the following fire apparatus:
 - New engine in FY24 with delivery expected in November 2026 - \$1,092,804
 - New engine in FY26 with delivery expected in May 2026 - \$1,052,346
 - Rescue Truck in FY26 with delivery expected in 2028 - \$1,367,741
- The **two fire engines** will be included in the vehicle/equipment loan. The rescue truck can be added to the financing when it is ready for delivery.

- The total amount that has been set aside and can be used for fire truck purchases is approximately \$700,000. This amount can be applied to the purchase of the two trucks that are expected to be delivered in 2026, which will lower the amount that will need to be financed. Debt service payments have been budgeted beginning with FY27 and are estimated to be approximately \$183,000 per year for ten years.
- Capital Requests –
 - Additional Fire Station(s) – To meet anticipated contractual obligations with County the Town will need to add one or two fire stations within our fire service area. We are actively searching for property and considering other options. The purchase of land and construction of a fire station will have to be financed and no funds have been budgeted for FY27 since property has not yet been located.
 - The **rescue equipment** that was requested has been funded.
- New apparatus bay was not recommended or funded but can be added to a second fire station.
- WFD service delivery in the Reems Creek area is difficult due to the geographic distance from the Town’s Fire Station on Monticello Road and lack of Town property in the Reems Creek area. An Automatic Aid Agreement was put in place with Reems Creek Valley Fire Department (RCVFD) in 2024. Active negotiations are underway between WFD and RCVFD on a new or modified agreement.
- Personnel Request – None requested or recommended in FY27; focus on competitive salaries. An increase of 12 employees will be needed for any fire station added.
- Current and proposed staffing:

	2015	2020	2025	Current	Proposed
Fire Personnel	18	24	30	30	-



WATER FUND OVERVIEW

The critical need for clean and safe drinking water was underscored with Hurricane Helene. This recent disaster has revealed some operational vulnerabilities that are important to address with this budget. This includes the addition of one full-time employee at the Water Treatment Plant.

The Water Fund supports the water production operations at the Water Treatment Plant located on the Ivy River and the water distribution system consisting of the many miles of waterlines and various pump stations and storage tanks that get the drinking water produced by the Town to its customers. Revenues in this fund include the money generated by water rates and water system development fees.

Town Council has established a 20% minimum for the “unrestricted net position” in the water fund, the equivalent of fund balance on the general fund side, and a target of 50%. The balance of unrestricted net position as of June 30, 2025, was \$6.9M. This proposed FY27 includes using approximately \$560,000 from the unrestricted net position water funds.

Highlights from the proposed water fund budget are noted below.

Water Fund Revenues

- Proper budgeting for enterprise funds, such as the Town’s Water Fund, requires that revenues be sufficient to cover all operating costs and debt service.
- USDA revenue bonds are in place for the waterline extension project completed in FY21 also require careful attention to the revenue streams in the water fund.
- The Town engaged WithersRavenel in FY24 to conduct a water rate study and establish a rate plan to ensure the fiscal health of the water fund over a 10-year period. Town Council adopted the water rate plan beginning with FY25.
- The FY27 budget includes the recommended 5% increase in water rates and continuation of the planned restructuring of fees over a five-year period as set out in the adopted water rate plan. A corresponding amendment to the FY27 fee schedule will be recommended.
- Revenues associated with water system development fees are difficult to predict as they are billed at the completion of projects, which is not typically known in advance. A reasonably conservative amount for this revenue has been budgeted, but it really is a guess.

Water Fund Expenditures

Public Works [Water Production and Water Distribution] - Highlights

- Vehicle Request – Not recommended; vehicle reassigned from a different PW division.
- Capital Request – The following capital requests are recommended and included in the FY27 budget:
 - **Backup generator installation** for pump station for Hillcrest/High Bluff Tank
 - Grant funds sought in FY26 but not awarded
 - Included in FY26 budget, but not purchased as prices increased
 - FY26 funds to be reappropriated
 - **Insulation of the pipes to the Claricone** at the Water Treatment Plant
 - Replacement of **light tower** (with LED)
 - Cost-share for the **waterline replacements** in USACE grant project.
 - Meter Replacement Project –
 - The Metron Farnier radio-read meters that are prevalent in the water system are obsolete and must be replaced. These meters are likely impacting water revenues.
 - Outside funding has been requested twice, but no award made.
 - We can't delay this project any longer.
 - Three companies were vetted and have or are providing proposals: Metron Farnier, Sensus, and Aclara/Miller Supply.
 - **One-time purchase of automatic-read meters with installation is recommended and expected to be approximately \$1.4M. This equipment can be included in the vehicle/equipment financing with the first payment due in FY28.**
 - **Immediate meter inventory replacement = \$30,000 in FY27**
 - Formal presentation and recommendation will be brought to Town Council once all proposals received and reviewed.
- Personnel Request – The addition of **1 full-time water plant operator** is recommended for safe operations by ensuring 2 operators for each shift and succession planning.
- Current and proposed staffing:

	2015	2020	2025	Current	Recommended
Water Distribution	5	5	6	6	-
Water Production	4	5	5	7	+1 WTP Operator

- Additional staffing in Water Distribution is also needed as the aging water system is experiencing breaks and leaks and the system itself is growing. This need could not be funded this year due to budget constraints but should be strongly considered in FY28.
- Funding for engineering services has been included in the budget.
- Debt service expenses in the Water Fund will remain relatively unchanged for FY27. This debt consists of the original general obligation bonds and USDA revenue bonds issued in 2021 for the waterline extension project along Ollie Weaver Road and Clarks Chapel Road.

CAPITAL PROJECT/GRANT FUNDS OVERVIEW

Water System Capital Project Fund

The Town has large capital projects in various stages of planning, design, and bidding that are underway for the Water System including: Water Treatment Plant (WTP) Resiliency Project and WTP Expansion Project. After the expansion is completed and online, a WTP Rehabilitation Project must be undertaken for comprehensive maintenance and repair of the Claricone and basins [see photos belows].



There are significant grant awards that are being used to fund these projects and Town Council has adopted a capital project ordinance that sets out the budget and funding plan. This capital project ordinance is reviewed with you on a quarterly basis and updated regularly to reflect cost estimates that have been updated by engineers or once contracts are awarded.

Water Fund – Capital Reserve Fund

Water system development fees are required to be accounted for in a capital reserve fund. All such fees are deposited into this fund and are allocated first to pay debt service and then to water system improvements as funds are available. The capital reserve fund ordinance is reviewed and amended on an as-needed basis.

US Army Corps of Engineers Grant Project Fund

The Town was awarded a \$4M grant from the US Army Corps of Engineers (USACE) for water system improvements. These monies are being used by USACE to install a redundant waterline across Reems Creek and for replacement of some waterlines in the downtown area. The Town's cost-share will not exceed \$1.33M. A capital project ordinance was adopted in March for these projects. This capital project ordinance will be reviewed on a quarterly basis and updated as the projects progress through bidding and award. The Town's anticipated cost-share for FY2027 is estimated at \$400,000 and that amount has been budgeted.



Hurricane Helene Grant Project Fund

FEMA funds received by the Town and expenditures incurred related to Hurricane Helene are accounted for in a grant project ordinance that was adopted in November 2024. Funds have been obligated on all approved projects and the Town has received \$2.6M of the FEMA funds for storm recovery. Between property insurance, FEMA funding, and a small amount of OSBM grant funding, nearly all expenses have been covered and are soon to be fully reimbursed.

General Fund - Capital Reserve Fund

Fees in lieu of sidewalks are deposited into a capital reserve fund linked to the Town's general fund. These funds are available for the design and installation of new sidewalks. The current funds of \$262,560 can be used for sidewalks to support the Meribel affordable housing project and other apartments along Monticello Road to provide pedestrian access to the Northridge Commons Shopping Center.

NEXT STEPS

As a reminder, the following schedule has been set for continued budget deliberations:

April 22	Community Conversations with Town Manager – Budget focused
April 27	Regular Council Meeting - continued discussion and direction
May 11	Budget Workshop #3 - public hearing and continued discussion and direction
May 18	Regular Council Meeting - continued discussion and direction
June 8	Budget Workshop #4 - continued direction; possible adoption
June 22	Budget Workshop #5 – adoption (if not previously adopted)

CONCLUSION

I extend my thanks to the Town's Leadership Team for their thoughtfulness, reasonableness, and forward thinking in preparing their requested budgets. This proposed budget starts with input from staff on what is needed to achieve success for our citizens. Our team is dedicated to serving the Weaverville community and that is just as apparent when they advocate for items in their budget as it is when they are directly providing services to our citizens and visitors. The Finance Director and Assistant Town Manager also worked diligently to translate those needs into a workable funding plan for the upcoming fiscal year, and I am grateful for their contributions to this budget and guidance throughout the process.

The Town's staff and I look forward to working with you in the coming weeks as you evaluate the proposed FY27 budget and adjust the budget to make it your own and reflect your priorities for this upcoming fiscal year.

Respectfully submitted,



David Scott Harris
Town Manager

Fiscal Year 2026-2027 Budget
Budgets by Fund, Department, Function & Category

GENERAL FUND REVENUE	FY 2026 Adopted Budget	FY 2027 Proposed Budget	\$ Variance	% Variance
Prior Year Tax Revenue	\$3,000	\$3,000	\$0	0.0%
Ad Valorem Tax Revenue	\$4,771,838	\$5,813,417	\$1,041,579	21.8%
DMV Tax Revenue	\$288,513	\$249,923	(\$38,590)	-13.4%
Tax Penalties & Interest	\$2,000	\$2,000	\$0	0.0%
Utilities Franchise Tax	\$522,594	\$541,121	\$18,528	3.5%
Beer & Wine Tax	\$19,000	\$19,000	\$0	0.0%
Powell Bill Distributions	\$164,000	\$164,000	\$0	0.0%
Local Government Sales Tax	\$2,167,561	\$2,205,679	\$38,118	1.8%
ABC Store Distribution to Town	\$170,000	\$170,000	\$0	0.0%
ABC Store Alcohol Education	\$0	\$0	\$0	0.0%
ABC Store Police Department	\$0	\$0	\$0	0.0%
Grant Funds	\$0	\$0	\$0	0.0%
Cell Tower Revenue	\$22,300	\$22,300	\$0	0.0%
Miscellaneous Revenue	\$12,000	\$12,000	\$0	0.0%
Interest Earned	\$276,061	\$263,362	(\$12,699)	-4.6%
Interest Earned-Powell Bill	\$16,302	\$9,000	(\$7,302)	-44.8%
Zoning Inspections Fees	\$20,000	\$18,000	(\$2,000)	-10.0%
Facility Use Rental Fees	\$45,000	\$45,000	\$0	0.0%
Parking Enforcement Fees	\$3,400	\$5,000	\$1,600	47.1%
Sale of Property	\$16,000	\$15,000	(\$1,000)	-6.3%
Appropriated Fund Balance	\$1,383,466	\$1,270,469	(\$112,997)	-8.2%
TOTAL GENERAL FUND REVENUE	\$9,903,035	\$10,828,272	\$925,237	9.3%

GENERAL FUND EXPENDITURES	FY 2026 Adopted Budget	FY 2027 Proposed Budget	\$ Variance	% Variance
Governance				
Personnel - Town Council	\$41,553	\$41,553	\$0	0.0%
Personnel - Legal	\$0	\$0	\$0	#N/A
Operations	\$301,927	\$243,891	(\$58,036)	-19.2%
Capital Equipment	\$0	\$0	\$0	0.0%
Total	\$343,480	\$285,444	(\$58,036)	-16.9%
Administration				
Personnel	\$731,666	\$853,512	\$121,847	16.7%
Operations	\$398,885	\$371,491	(\$27,393)	-6.9%
Capital Equipment	\$20,000	\$0	(\$20,000)	-100.0%
Total	\$1,150,550	\$1,225,004	\$74,453	6.5%
Planning & Code Enforcement				
Personnel	\$235,705	\$244,654	\$8,949	3.8%
Operations	\$25,069	\$19,926	(\$5,143)	-20.5%
Capital Equipment	\$0	\$0	\$0	0.0%
Total	\$260,775	\$264,581	\$3,806	1.5%

Police Department

Personnel	\$2,764,395	\$3,140,099	\$375,703	13.6%
Operations	\$613,322	\$745,661	\$132,338	21.6%
Capital Equipment	\$96,600	\$49,505	(\$47,095)	-48.8%
Capital Improvements	\$33,911	\$66,627	\$32,716	96.5%
Total	\$3,508,229	\$4,001,891	\$493,663	14.1%

Public Works: All Divisions

Personnel	\$1,232,616	\$1,372,007	\$139,390	11.3%
Operations	\$739,199	\$790,472	\$51,273	6.9%
Capital Equipment	\$133,000	\$24,165	(\$108,835)	-81.8%
Capital Improvements	\$110,000	\$113,000	\$3,000	2.7%
Total	\$2,214,815	\$2,299,644	\$84,829	3.8%

Recreation / Community Center

Personnel	\$238,048	\$262,217	\$24,169	10.2%
Operations	\$127,686	\$122,402	(\$5,284)	-4.1%
Capital Equipment	\$0	\$0	\$0	0.0%
Total	\$365,734	\$384,619	\$18,885	5.2%

Debt Service

Loan Payment- Vehicles & Equipment PD & P	\$0	\$139,200	\$139,200	#N/A
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Contingency

Total	\$10,000	\$0	(\$10,000)	-100.0%
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Transfer to Fire District Fund

	\$2,049,452	\$2,227,889	\$178,437	8.7%
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Total General Fund Expenditures	\$9,903,035	\$10,828,272	\$925,236	9.3%
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FIRE DISTRICT FUND REVENUE	FY 2026 Adopted Budget	FY 2027 Proposed Budget	\$ Variance	% Variance
Buncombe County Fire Protection	\$2,289,779	\$2,627,034	\$337,255	14.7%
Fire Inspections Fees	\$1,000	\$1,000	\$0	0.0%
Transfer from General Fund	\$2,049,452	\$2,227,889	\$178,437	8.7%
TOTAL FIRE DISTRICT FUND REVENUE	\$4,340,231	\$4,855,923	\$515,692	11.9%

FIRE DISTRICT FUND EXPENDITURES	FY 2026 Adopted Budget	FY 2027 Proposed Budget	\$ Variance	% Variance
Fire Department				
Personnel	\$3,370,040	\$3,682,976	\$312,935	9.3%
Operations	\$670,191	\$894,667	\$224,477	33.5%
Capital Equipment	\$300,000	\$95,000	(\$205,000)	-68.3%
Capital Improvements	\$0	\$0	\$0	0.0%
Total	\$4,340,231	\$4,672,643	\$332,412	24.5%
Debt Service				
Loan Payment-Fire Truck 09/14	\$0	\$183,280	\$183,280	#N/A
Total Fire District Fund Expenditures	\$4,340,231	\$4,855,923	\$515,692	11.9%

WATER FUND REVENUE	FY 2026 Adopted Budget	FY 2027 Proposed Budget	\$ Variance	% Variance
Water Revenue	\$2,996,505	\$3,056,435	\$59,930	2.0%
Miscellaneous Revenue	\$88,000	\$80,000	(\$8,000)	-9.1%
Water Taps	\$26,250	\$26,250	\$0	0.0%
System Development Fees	\$190,600	\$250,000	\$59,400	31.2%
Fees for MSD Collection	\$86,990	\$86,990	\$0	0.0%
Interest Earned	\$122,299	\$116,727	(\$5,572)	-4.6%
Appropriated Fund Balance	\$0	\$566,863	\$566,863	0.0%
Total Water Fund Revenue	\$3,510,644	\$4,183,265	\$672,621	19.2%

WATER FUND EXPENDITURES	FY 2026 Adopted Budget	FY 2027 Proposed Budget	\$ Variance	% Variance
Water Fund				
Personnel	\$1,643,055	\$2,079,566	\$436,511	26.6%
Operations	\$1,070,105	\$1,311,355	\$241,250	22.5%
Capital Equipment	\$388,250	\$73,000	(\$315,250)	-81.2%
Capital Improvements	\$100,000	\$418,000	\$318,000	318.0%
Total	\$3,201,411	\$3,881,921	\$680,511	21.3%
Contingency	Total \$5,000	\$0	(\$5,000)	-100.0%
Debt Service				
Reserve for Bond Payment	\$210,529	\$207,595	(\$2,934)	-1.4%
USDA Revenue Bond Payment	\$93,705	\$93,749	\$44	0.0%
Total	\$304,234	\$301,344	(\$2,890)	-1.3%
Total Water Fund Expenditures	\$3,510,644	\$4,183,265	\$672,622	19.2%

GRAND TOTAL BUDGET	\$17,753,911	\$19,867,460	\$2,113,550	11.9%
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