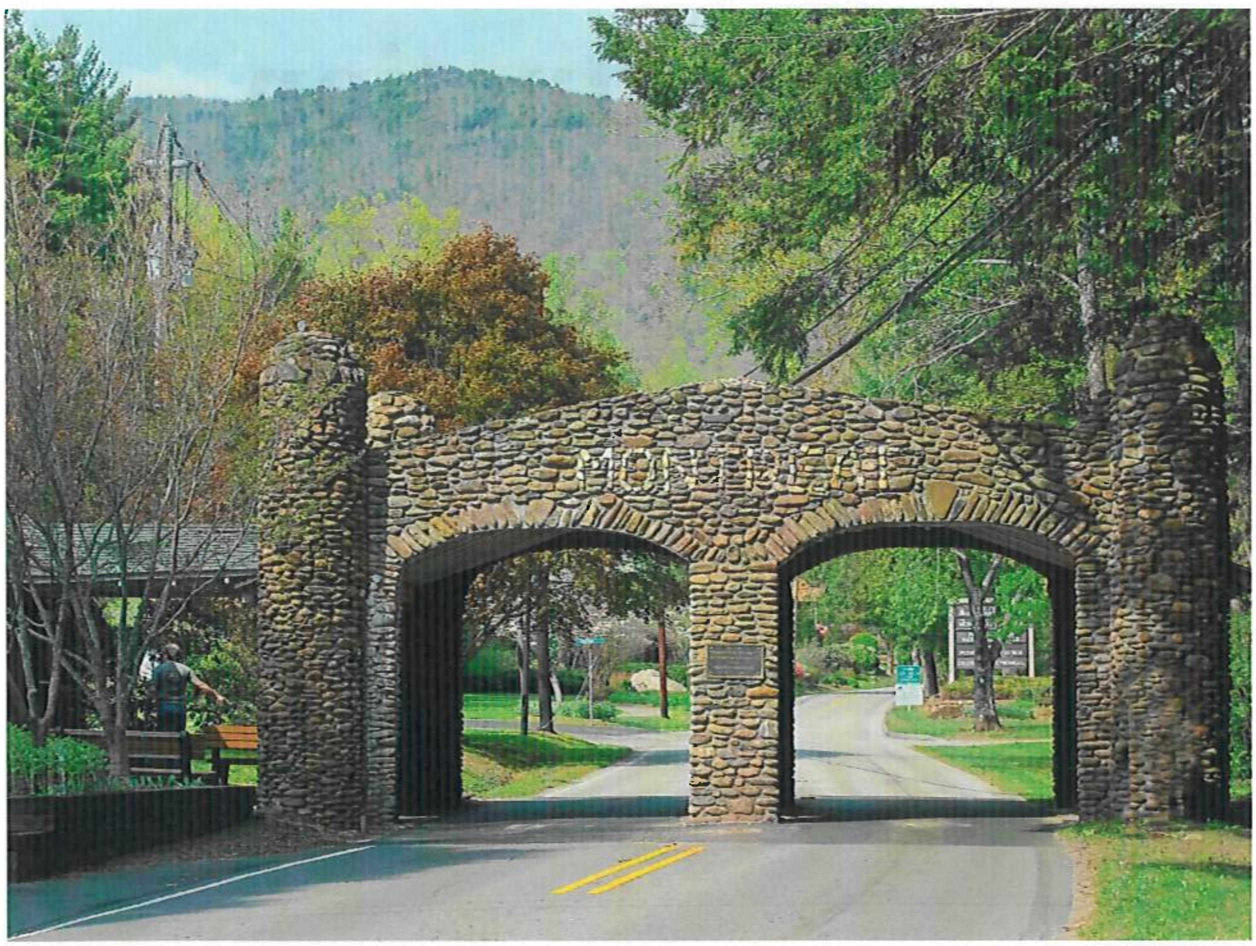
Town of Montreat
Fiscal Year 2026-2027
Budget



Introduction

BUDGET MESSAGE

July 17, 2026

TO: **Mayor Tim Helms**
Mayor Pro Tem Kitty Fouche
Commissioner Jane Alexander
Commissioner Tom Widmer
Commissioner Mason Blake
Commissioner Grant Dasher

FROM: Savannah Parrish, Town Manager

Dear Mayor and Board of Commissioners,

I am pleased to present the proposed Fiscal Year 2026–2027 Budget for the Town of Montreat. This budget reflects a thoughtful and responsible approach to maintaining essential services, investing in our staff, and addressing ongoing infrastructure needs.

The proposed General Fund budget totals $2,442,818, representing a 17.56% increase over the current fiscal year. This budget does not include an appropriation of General Fund balance. However, a Water Fund balance appropriation is included to address necessary infrastructure repairs.

The proposed ad valorem tax rate for FY 2026–2027 is $0.535 per $100 of assessed valuation. The Town's tax base, as reported by Buncombe County, is $305,904,825.

Budget Overview

The total proposed budget for FY 2026–2027 is $3,020,918, an increase of 20.7% from the previous year. General Fund revenues are projected at $2,442,818, while the Water Fund totals $578,100, a 36.06% increase.

This budget was developed with a focus on balance—ensuring we meet current needs without losing sight of long-term priorities or service expectations.

Key Budget Drivers

Personnel Investment: A 3% merit-based increase is included across all departments to support recruitment and retention of qualified staff.

Public Safety: The Police Department budget reflects a 13.17% increase to support staffing, operational readiness, and the implementation of a take-home vehicle program.

Sanitation: An 11.99% increase reflects the transition to contracted solid waste services, allowing approximately 80% of the sanitation operator's time and salary to shift to the Streets Department.

Street Maintenance: Expenditures in this area have increased by 46.81%, primarily due to critical equipment needs and the addition of personnel capacity from sanitation.

Recreation and Public Works: Increases of 12.08% and 24.38%, respectively, are driven by rising costs and necessary equipment investments, while maintaining core service levels.

Challenges and Opportunities

Like many small municipalities, Montreat continues to navigate rising costs, aging infrastructure, and increasing service expectations. These realities require careful prioritization and disciplined use of available resources.

Even with these challenges, the Board remains committed to:

- Delivering high-quality municipal services
- Supporting and retaining a strong workforce
- Addressing deferred maintenance and planning for capital needs
- Maintaining healthy fund balance levels to ensure long-term stability

Looking Ahead

While this budget reflects some improvement in the Town's financial position, it also highlights the need to address critical equipment and infrastructure needs. Strategic investments in these areas will support reliable, safe, and efficient operations across departments.

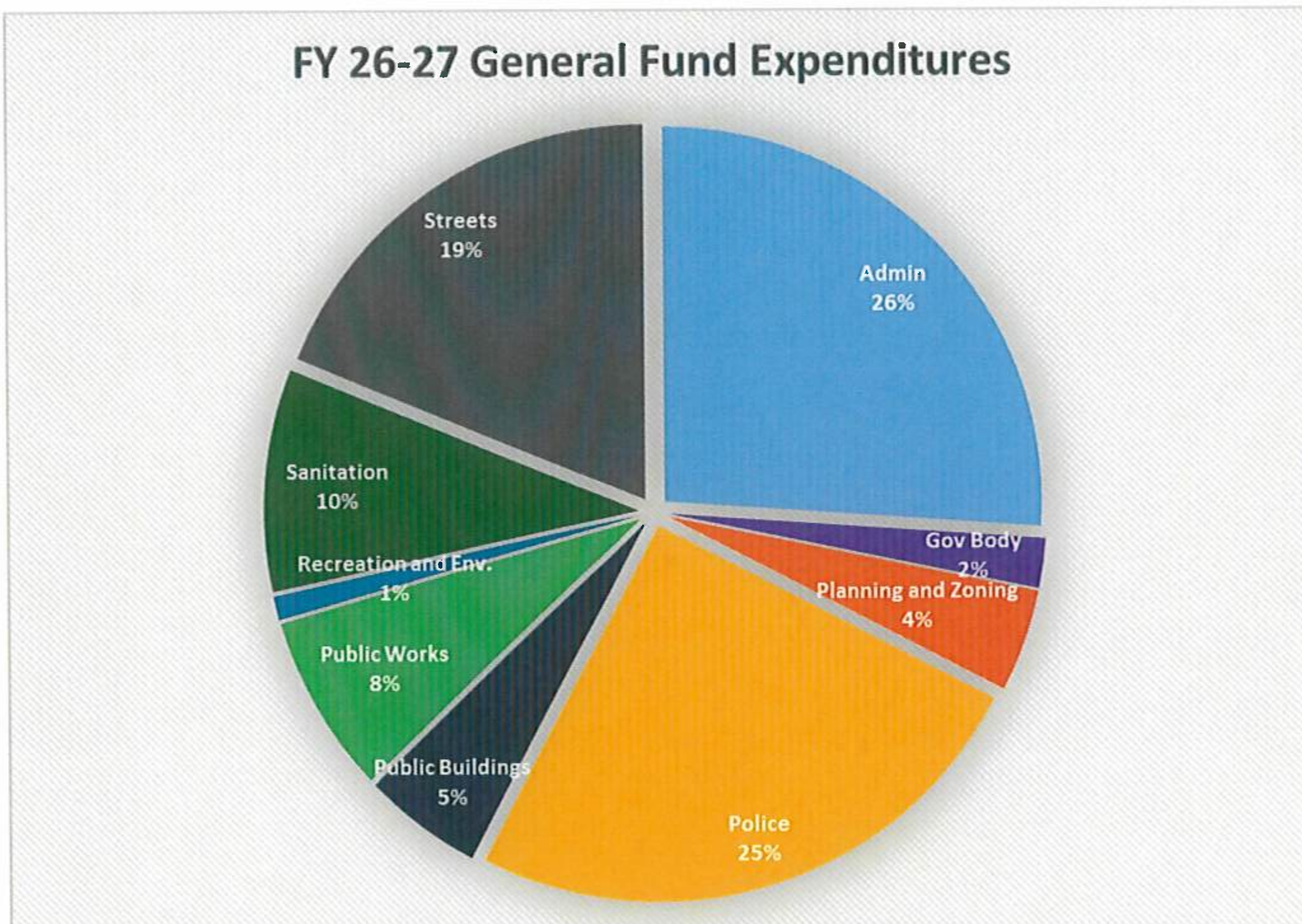
We will continue to pursue grant opportunities, partnerships, and cost-sharing efforts to support these investments while minimizing the impact on taxpayers. As always, spending will be adjusted as needed to prioritize core services and maintain long-term financial stability.

Conclusion

The proposed General Fund budget for FY 26-27 includes the revenues and expenditures as outlined in the following tables:

Revenue	FY 25-26	FY 26-27	Percent Change
Water Fund Revenue	$424,900	$578,100	36.06%
General Fund Revenue	$2,077,915	$2,442,818	17.56%
Combined	$2,502,815	$3,020,918	20.70%

Expense - GF	FY 25-26	FY 26-27		Percent Change
Admin	$ 560,714	$ 637,788		13.75%
Gov Body	$ 53,222	$ 52,092		-2.12%
Planning and Zoning	$ 99,900	$ 107,785		7.89%
Police	$ 539,521	$ 610,576		13.17%
Public Buildings	$ 128,097	$ 126,625		-1.15%
Public Works	$ 152,142	$ 189,233		24.38%
Recreation and Env.	$ 22,050	$ 24,714		12.08%
Sanitation	$ 208,900	$ 233,946		11.99%
Streets	$ 313,369	$ 460,060		46.81%
Subtotal	$2,077,915	$2,442,818		17.56%
Expense - Water	$ 424,900	$ 578,100		36.06%
Subtotal	$ 424,900	$ 578,100		36.06%



The FY 2026–2027 budget is fiscally responsible and service-oriented. It reflects Montreat's enduring values of stewardship, transparency, and community commitment. I thank the Board of Commissioners for their leadership, and Town staff for their dedication to public service.

Respectfully submitted,

Savannah Parrish
Town Manager

TOWN OF MONTREAT
2026-2027 BUDGET ORDINANCE

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF MONTREAT, NORTH CAROLINA:

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2026 and ending June 30, 2027 in accordance with the chart of accounts heretofore established for this Town:

Governing Board	$52,092
Administration	$637,788
Public Buildings	$126,625
Police	$610,576
Planning and Zoning	$107,785
Public Works	$189,233
Streets and Powell Bill	$460,060
Sanitation	$233,946
Recreation	$24,713
Total Expenditures	**$2,442,818**

Section 2. It is estimated that the following revenues will be available to the General Fund for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Taxes, Ad Valorem – Current	$1,590,000
NC Sales & Use Tax	$500,000
Taxes, Personal	$27,000
NC Franchise Tax	$89,600
Beer & Wine Tax	$3,650
Solid Waste Disposal Tax	$658
Contributions	$3,500
Community Service Fee	$45,700
Interest on Investments	$500
Interest on Powell Bill	$10
Fund Balance Appropriated	$0
Court Costs – Arrest Fees & Fines	$60
Misc Revenue	$200
Sale of Fixed Assets	$5,000
Zoning Permits	$4,000
Sanitation Fees	$112,140
Special Pick Up	$3,500
Back Door Pickup	$3,300
Powell Bill Grant	$54,000
Total Revenues	**$2,442,818**

Section 3. The following amounts are hereby appropriated in the Water Fund for the fiscal year beginning July 1, 2026, and ending June 30, 2027, in accordance with the chart of accounts heretofore approved for the Town:

Water Fund	$578,100
Total Expenditures	**$578,100**

Section 4. It is estimated that the following Revenues will be available in the Water Fund for the fiscal year beginning July 1, 2026, and ending June 30, 2027:

MSD Billing Fees Revenue	$24,000
Water Sales	$195,000
Water Access Fees	$190,000
Billing Fee Revenue	$22,000
Water Taps	$5,000
Water Transfer Fees	$1,000
Sale of Fixed Assets	$35,000
Interest on Investments	$300
Reconnect Fees	$300
Late Fees	$2,000
Misc Revenues	$3,500
Fund Balance Appropriated	$100,000
Total Revenue	**$578,100**

Section 5. The Budget Officer/Finance Officer is hereby authorized to distribute department funds upon the line-item budget and make expenditures therefrom, in accordance with the Local Government Budget and Fiscal Control Act.

Section 6. The Budget Officer/Finance Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

A. He/she may transfer amounts between line items, expenditures and revenues, within a department without limitation and without a report being required.

B. He/she may transfer amounts up to $5,000 between departments within any one division, including contingency appropriations, within the same fund during any month. For the purpose of this ordinance, the Town of Montreat has the following divisions: Public Works (Streets and Sanitation), Police, Governing Body, Administration, Public Buildings, Planning and Zoning, and Recreation. The Budget Officer/Finance Officer must make an official report on such transfers at the next regular meeting of the Governing Board. Transfers between divisions would require action of the Governing Board.

C. He/she may not transfer any amounts between funds, except as approved by the Governing Board in the Budget Ordinance as amended.

Section 7. There is hereby levied a tax at the rate of fifty-three and one-half cents (0.535) per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2027 for the purpose of raising the revenue listed as "Taxes Ad Valorem - Current Year" in the General Fund in Section 2 of this Ordinance. The estimated rate of collection is 99.69%.

Section 8. The Town of Montreat Fee Schedule, FY 2026-2027, as attached, is hereby incorporated into this annual budget ordinance, and such fees shall become effective on July 1, 2026.

Section 9. Copies of the Budget Ordinance shall be furnished to the mayor, to the Board of Commissioners and to the Clerk of the Town to be kept on file for their direction in the disbursement of funds.

AMENDED AND APPROVED THIS, THE 17th DAY OF JULY, 2026

TIM HELMS
MAYOR

ATTEST:

Angie Murphy
ANGIE MURPHY
TOWN CLERK

TOWN OF MONTREAT
CORPORATE
SEAL
NORTH CAROLINA