



# FY 2026-2027 Budget

May 11, 2026

*Statesville will be a vibrant regional center that provides a higher quality of life for ALL.*



## Accomplishments in FY2026

- African American Historic District received national recognition
- Completed the Airport Terminal Building
- Opening Fire Station #5 in July
- Started construction on the Police Department addition and Parking Deck
- More than halfway completed on the Water Line “Spline” project
- Completed major improvements at MLK Jr., Kimbrough, and Newtonville parks



# Budget Retreat Takeaways

- Employees – top priority
- Build new firefighter salaries into the budget without a tax increase
- More street paving funds
- MOC next phase
- Wastewater Treatment Planning
- Refine the Strategic Plan this year



**FRONT & CENTER**

**VISION**  
Statesville will be a vibrant regional center that provides a higher quality of life for ALL.

**MISSION**  
City of Statesville will serve with integrity, provide sound resource management, and equitably deliver high-quality public services.



**GOALS & STRATEGIES**

**DEVELOP**  
Description: most value profession service and  
**STRATEGIES**  
1. Attract to the  
2. Invest learnin

**CONNECTING**  
Description: utilities for businesses  
**STRATEGIES**  
1. Product current  
2. Invest in critical public infrastructure to align with long-term goals and accommodate future growth citywide.

**CONNECTING OUR COMMUNITIES**  
Description: The City of Statesville supports vibrant communities and safe neighborhoods with opportunities for employment, recreation, engagement, and housing.  
**STRATEGIC INITIATIVES**  
1. Provide reliable, high-quality public safety to ensure the wellbeing of residents, businesses, and visitors.  
2. Expand access to enriching cultural, recreational, and open space amenities.  
3. Promote the development of a range of housing types throughout our community and housing stability for residents.

**CORE VALUES**

**We Value City Staff**—We acknowledge the unique talents of each employee, their career goals, and the importance of their overall well-being. We incentivize excellent performance, thinking creatively, and quality customer service. We provide opportunities for employees to provide feedback on what would improve the workplace, their quality of work, and how the city serves its citizens.

**We Value Engagement**—We look for opportunities to listen to community members where they are. We engage with the community in order to improve quality of service, deliver better programming, and develop solutions to community problems. We provide timely, clear, and accessible information on current challenges, forthcoming opportunities, and solutions delivered to the community.

**We Value & Encourage Opportunity**—We design facilities and programs in a way that enables all citizens to participate and benefit. We develop local talent and strengths into the next generation of city employees and leaders.

**We Value Integrity**—We interact with one another and the community with honesty, compassion, and respect. We act as responsible stewards of the resources entrusted to us. We govern, lead, and serve as we would want to be governed, led, and served.

**We Value Quality & Creativity**—We collaborate to find cost effective, creative, and equitable solutions and procedures. We work with citizens, community partners, and other units of local government to deliver better outcomes for members of our community.

[www.statesvillenc.net](http://www.statesvillenc.net)



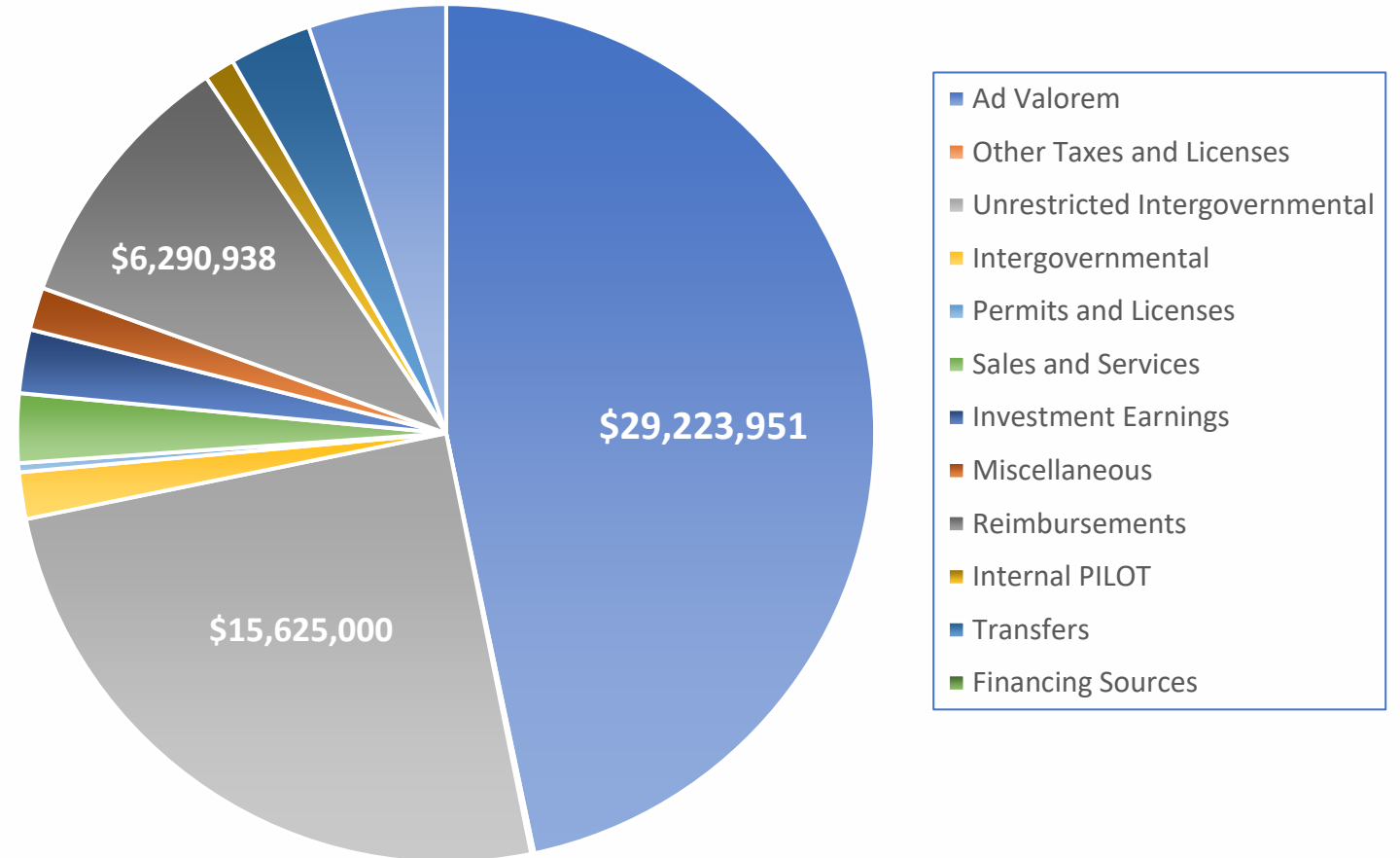


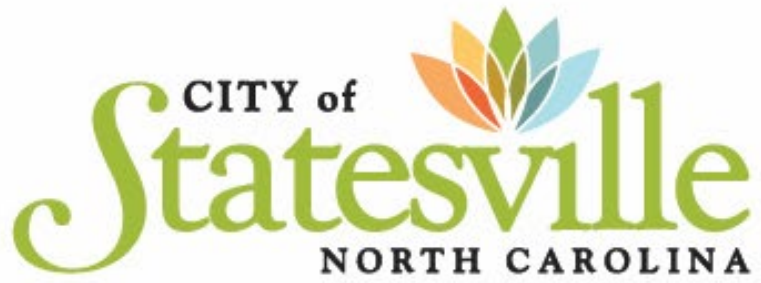
# General Fund

*“The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state and federal grants, and various other taxes and licenses. The primary expenditures are for public safety, streets, sanitation, recreation and parks, and general government.” – City of Statesville Annual Comprehensive Financial Report.*

## FY27 Projected Revenue Sources

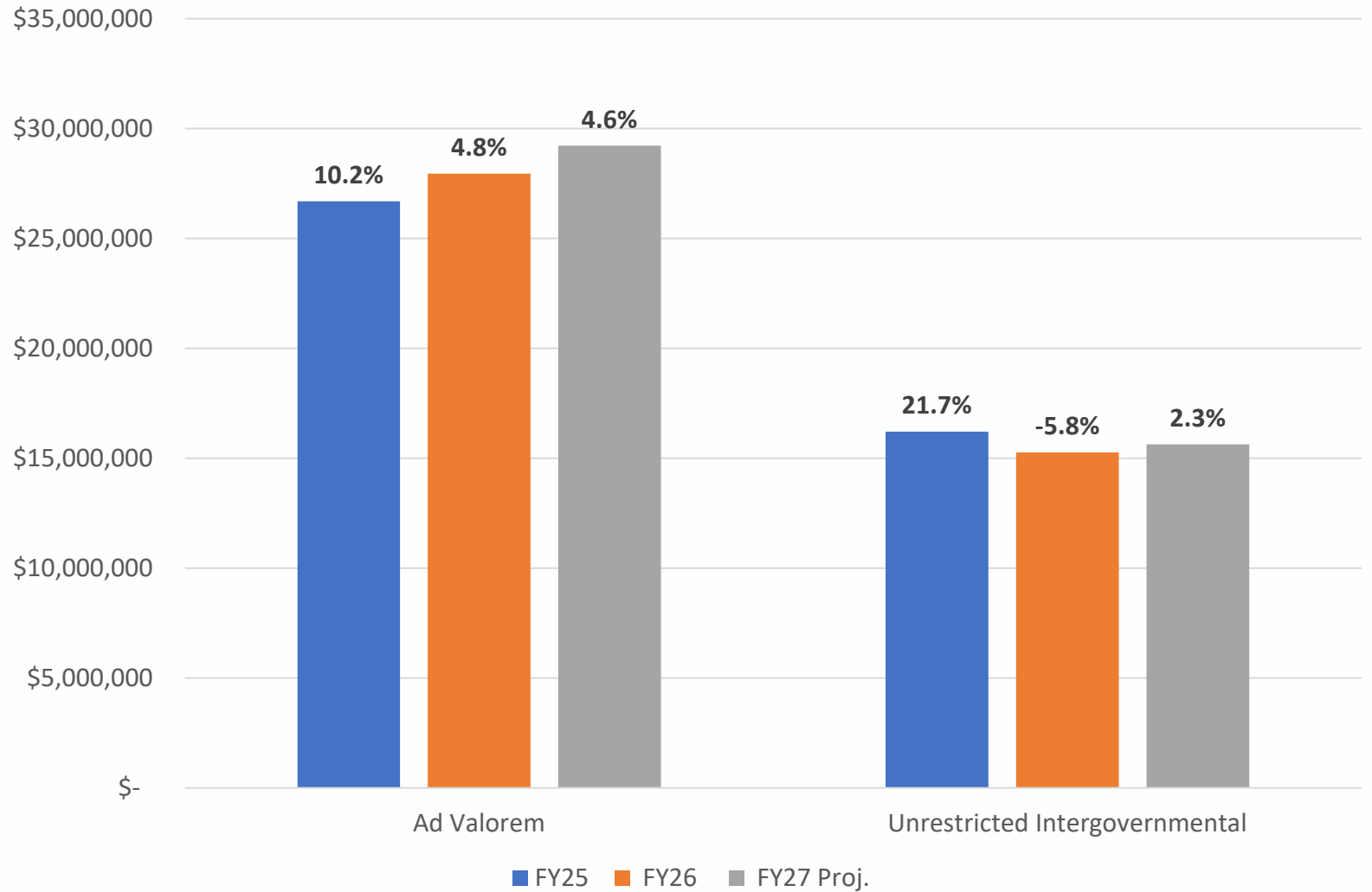
- Ad valorem (46%)
- Unrestricted Intergovernmental (25%)
- Reimbursements (10%) – static
- 81% of General Fund revenues





- Total Ad valorem +4.6% vs budget
- Sales tax +4.4% vs budget
- Growth continues
  - Tax base grew by \$153m
  - Real property growth is increasing (3.5%)
  - Personal property growth is minimal (1.1%)

## Primary General Fund Revenues





**Permits & Fees & Services**

- Some decrease due to overstated revenues in previous years

**Investment Earnings**

- Interest rates remain stable

**Debt**

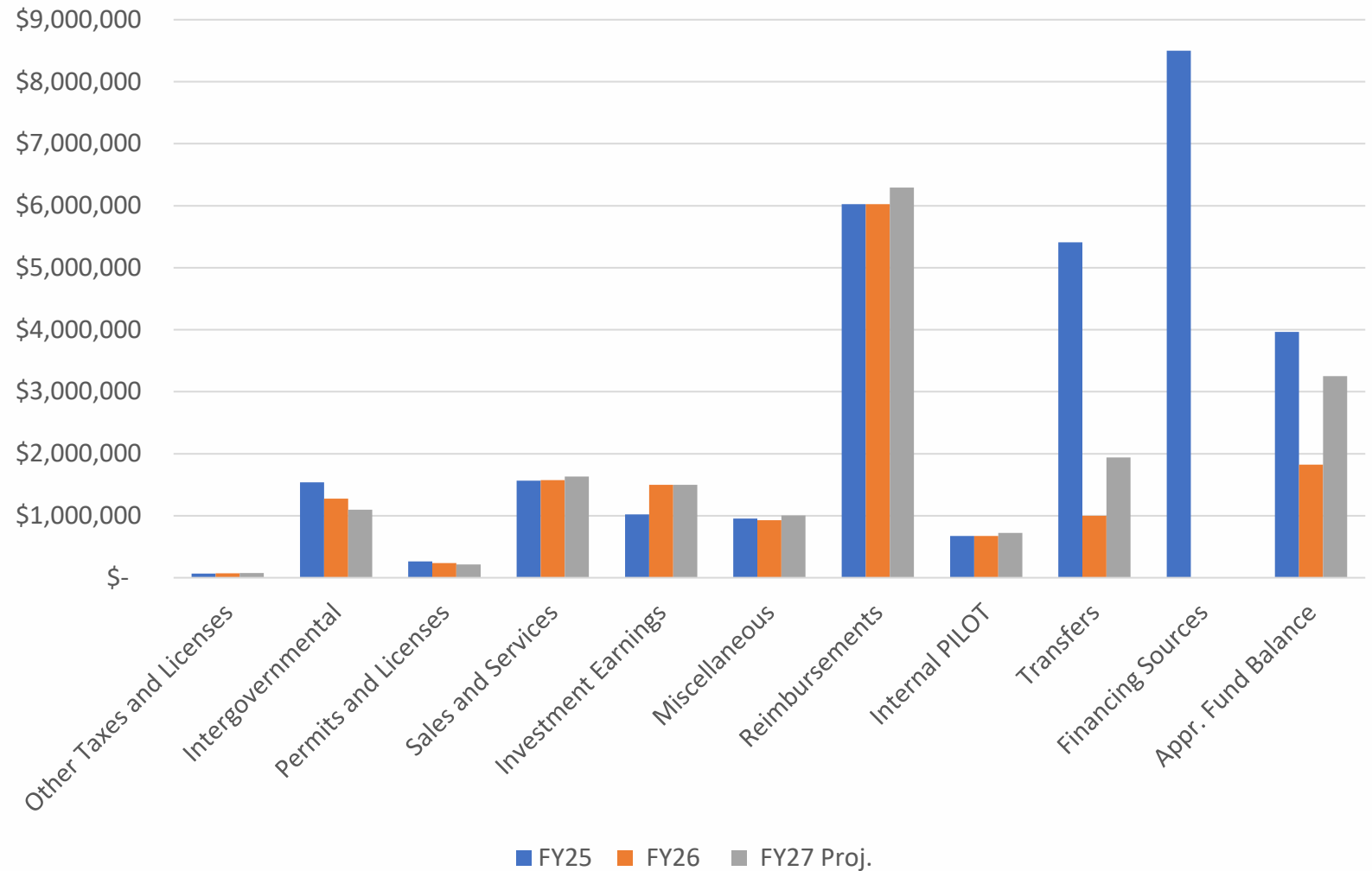
- No new debt proposed as a revenue

**Fund Balance Appropriation**

- Solely for one-time capital investments, up from '26

**Powell Bill funding is level**

**Other General Fund Revenues**



## Major Expenditures and Changes

### Fee Schedule Changes

#### Credit card and postage cost pass-through

- 3.0% COLA
- Market study
- Mandated LGERS increase
- Health insurance costs increase

### Positions

- Full year funding for 15 firefighters
- Four full time position additions (Police, City Attorney, Finance – 2)
- Conversion of part time to full time – PW
  
- ~\$1.5m for employee moves
- ~\$1.5m for firefighters

### Operating

- Many departmental budgets are level with '26, or propose minimal growth

### Capital

- Additional paving funds (\$500k)
- IT infrastructure (\$230k)
- Early site package for MOC (\$2.5m)
- Greenway connector under US21 (\$600k)
- Sanitation truck and equip. (\$270k)
- Police vehicles (\$616k)
- Various fire expenditures (\$366k)
- Bentley Center roof replacement (\$400k)
- Over \$5,000,000 in capital

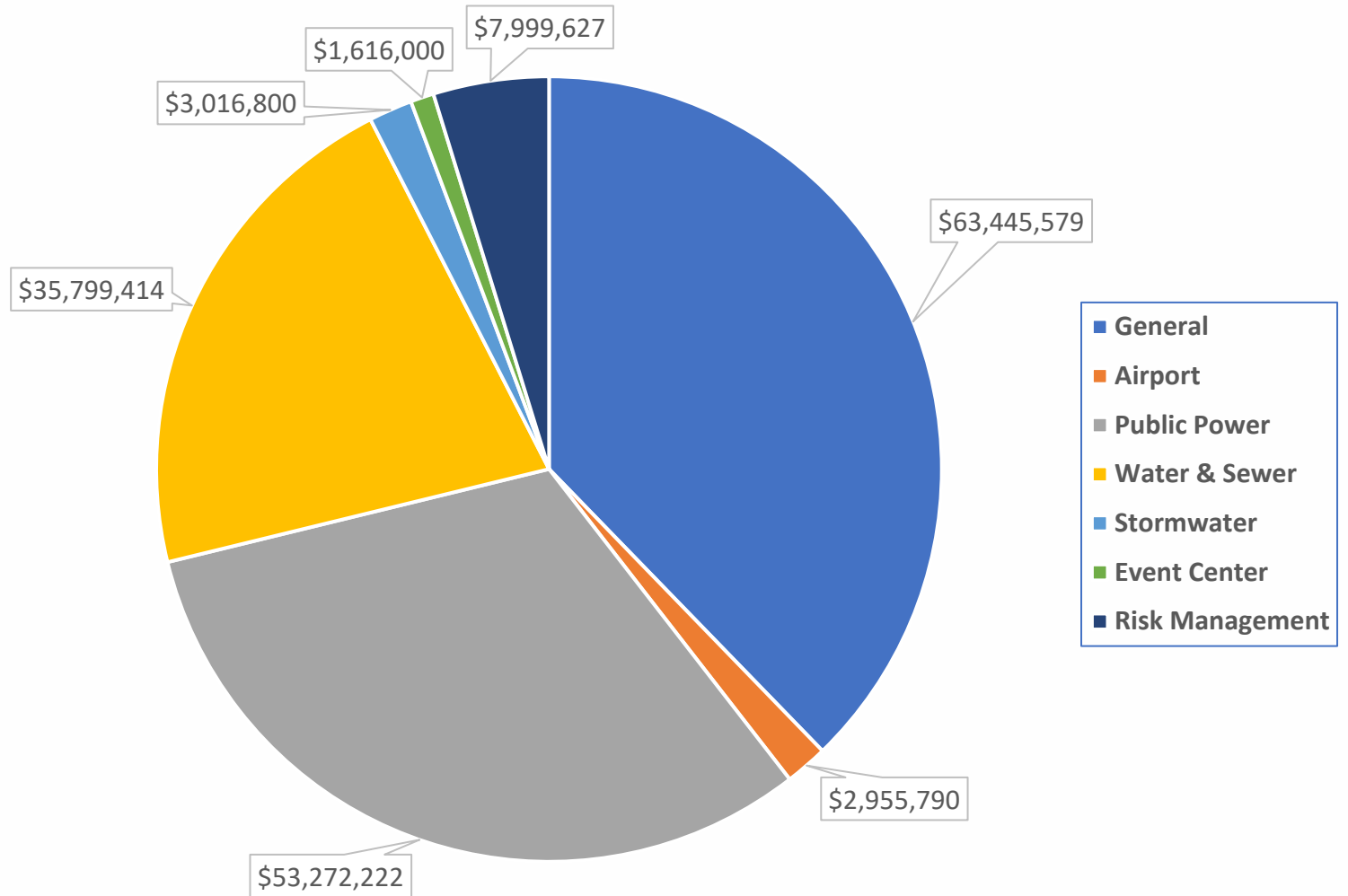
# Enterprise Funds

*Enterprise funds operate on a philosophy that they will “stand on their own two feet”. Revenues result from exchange transactions associated with the principal activity of the fund, an example being the payment of an electric bill for the electricity used. These funds do not rely on the ad valorem or sales tax and receive no assistance from the General Fund. The city’s enterprise funds include the Airport, Public Power, Water and Sewer, Event Center, and Stormwater.*



## FY2027 Proposed by Fund

- General Fund – 38%
  - Statesville Public Power – 32%
  - Water and Sewer – 20%
  - Airport – 2%
  - Stormwater – 2%
  - Event Center – 1%
  - Risk - 5%
- 
- Total of Enterprises = \$104,659,850
  - Total Proposed + \$168,105,432
  - 62% of the total





## Revenue Assumptions

### Public Power

- Growth in electric sales

### Water & Sewer

- Steady growth, but major investments require additional revenue
- 12% rate increase proposed

### Airport

- Increase in hangar rentals

### Stormwater

- Stable growth
- Grants

### Event Center and Occupancy Tax

- Continued growth in rental revenue
- Occupancy tax is decreasing

# Enterprise Funds

## Expense Assumptions

### Public Power

- Major capital investments (Delivery 1 design, undergrounding, 4kv conversion, and expansion)

### Water & Sewer

- Major capital investments (4<sup>th</sup> Ck, 3<sup>rd</sup> Ck sewer line, Arey Rd. water line, etc.)

### Airport

- Fuel concerns

### Stormwater

- Culvert replacements, emergency repair funds

### Event Center

- Internal and external projects



# Budget Summary

Fund	FY2025 Adopted	FY2026 Adopted	FY2027 Proposed	\$ Change	% Change
<b>General</b>	\$72,876,775	\$58,328,679	\$63,445,579	\$5,206,900	8.77%
<b>Airport</b>	\$4,099,651	\$4,063,113	\$2,955,790	(\$1,107,323)	-27.30%
<b>Public Power</b>	\$55,770,700	\$49,055,041	\$53,272,222	\$4,217,181	8.60%
<b>Water &amp; Sewer</b>	\$31,603,846	\$31,021,745	\$35,799,414	\$4,777,669	15.40%
<b>Stormwater</b>	\$2,818,334	\$3,383,935	\$3,016,800	(\$367,135)	10.80%
<b>Event Center</b>	\$1,726,761	\$1,680,978	\$1,616,000	(\$64,978)	-3.90%
<b>Risk Management</b>	\$8,030,101	\$7,999,627	\$7,999,627	\$0	0%
<b>TOTAL</b>	<b>\$176,926,168</b>	<b>\$155,443,118</b>	<b>\$168,105,432</b>	<b>\$12,662,314</b>	<b>8.10%</b>



# Keep a weather eye on the horizon...

## Opportunities

### Growth

- Residential – level growth/reigning in (1700 units currently under review)
- Commercial/Retail – larger projects
- Industrial – continued interest with large investment numbers

### Municipal Operations Center – next phase

- FY27 – site package
- FY28 Budget – construction?

### Airport

- Level setting of major projects

### Finance

- More structure and redundancy

### Current Strength of the Fund Balance

## Concerns/Be Aware

### State Legislative Overreach

- Tax levy limitations
- Reappraisal moratorium
- Local issues are not always state issues

### Cost Escalation and Inflation

- Fuel (especially airport)
- Flat operating budgets
- Delayed capital projects/needs

### Water & Sewer

- 4<sup>th</sup> Creek expansion costs
- Necessary major capital investments over the next 10 years will require higher rates

### Street Conditions – City investment

### Tax reappraisal – FY28

# Recommendations

- Approve FY2027 Capital & Operating Budgets \$168,105,432, based on a tax rate that will remain at \$0.5176/\$100 in valuation.
- The overall property tax base is estimated to be \$5.5B, which is an increase of over \$152M from FY2026.
- There are no changes to the tax rate for the Woods Dam Special Assessment District (\$0.18) or the Municipal Service District (\$0.10).
- General Fund Appropriation of just over \$3.25M includes a one-time investments in capital outlay.
- The estimated unassigned Fund Balance at the end of FY2026 is 45.9%, or \$26.8M.
- A utility fee increase is being proposed in the Water and Sewer Fund (12%)



## Next Steps

- Public Hearing – 6/1/2026
- Budget Work Session – 5/14/2026 (others as needed)
- Budget Adoption – 6/1/26, alternate date 6/15/26



# Thank You

- Department Heads and Staff
- Scott Harrell and Sherisha Hills, Asst. City Managers
- Finance Staff & Contributors
  - Karen Amos
  - Michael Garrison
  - **Gina Lawrence, CFO**



CITY of  
*Statesville*  
NORTH CAROLINA