

Town of Taylorsville



TOWN COUNCIL WORK SESSION

Town Council Chambers

Tuesday, April 21, 2026 at 2:00 p.m.

Prepared By: Nicole Mayes

Present: Mayor George Holleman
Mayor Pro Tem Eric Bumgarner
Councilwoman Tamara Odom
Councilwoman Kim Brown
Councilman Jack Simms

Call to Order, Invocation, Pledge of Allegiance

George B. Holleman, Mayor

The Town Council Work Session was called to order on Tuesday, April 21, 2026, at 2:00 pm by Mayor George Holleman. Invocation was given by Mayor Pro Tem Eric Bumgarner followed by the Pledge of Allegiance led by Councilmember Kim Brown.

Discussion Items

1. ED Industrial Incentive Program Resolution

Nathan Hester, Town Manager

Town Manager Nathan Hester presented the resolution for the Economic Development Industrial Incentive Program, which was initially adopted during the April 7, 2026, meeting. Mr. Hester noted that this resolution serves as the formal documentation for the previously approved program, confirming the Town's commitment to adhere to the established parameters.

Motion to adopt the resolution for the economic development industrial incentive program was made by Councilmember Jack Simms, seconded by Councilmember Kim Brown, and approved unanimously. *(See [attachment A](#), which is hereby incorporated and made a part of these minutes.)*

2. Water Shortage Response Plan

Aaron Wikes, Public Works Manager

Public Works Manager Aaron Wike presented a revised Water Shortage Response Plan. Mr. Wike explained that the plan requires a review every five years, with the last update occurring in 2023. The proposed revisions include administrative updates, such as reflecting the current Town Manager's name, and technical corrections to verbiage to ensure accuracy. The draft was posted on the Town's website and at Town Hall on April 17, 2026, to allow for a 30-day public review period as required by policy.

Discussion and Water Conservation Status Mr. Wike reported that the Town is currently under Stage 1 (voluntary) water reduction measures. Due to extreme drought conditions in portions of Alexander County, the Town is now required to submit weekly water usage reports to the state. Mr. Wike anticipated a potential move to Stage 2 restrictions within one to two weeks.

Council members inquired about the impact of these restrictions on local amenities and businesses:

- **Splash Pad:** Mr. Wike noted that the splash pad will remain operational to maintain revenue until Stage 3, at which point mandatory restrictions prohibit the filling of swimming pools and necessitate the closure of such facilities.
- **Commercial Businesses:** Mr. Wike clarified that under Stage 3 restrictions, vehicle and hard-surface washing are prohibited, with priority given to essential commercial and industrial water usage. He noted that existing car wash facilities are expected to have water reduction measures in place to meet reduction requirements.

The Council discussed the status of regional water partners, noting that while some neighboring providers have already moved to mandatory restrictions due to local supply chains, the Town remains in a stable position for the time being. Further updates from the state are expected by May 1, 2026.

3. Solid Waste Ordinance Proposed Amendments

Nathan Hester, Town Manager

Town Manager Nathan Hester introduced revisions to Section 50.14, Special Collection; Yard Waste and Bulk Items (#5), found on page 19 of the agenda packet. Mr. Hester explained that the proposed amendments refine the allowable limb length and diameter, maintain existing truckload limits, and implement a 30-minute time limit for collection at any single site to better manage staff time. Mr. Hester noted that collection demand has increased, with staff transporting 14 loads to the landfill over the past three to four weeks.

Discussion Council members and staff discussed the current limitations regarding equipment. When Councilmember Eric Bumgarner asked if the Town owned a chipper, Public Works Manager Aaron Wike noted that the Town possesses an outdated chipper, which Mayor George Holleman characterized as dangerous.

Regarding the potential for future equipment upgrades, Councilmember Eric Bumgarner and Councilmember Tamara Odom inquired if purchasing a new chipper would be a feasible, cost-saving strategy. Mr. Wike explained that while a chipper could reduce fuel costs and landfill fees—particularly with an upcoming \$25.00 per ton landfill fee increase—it presents significant logistical and safety hurdles. These include the requirement for state-permitted storage sites, equipment maintenance costs, and liability concerns. Mr. Wike and Mr. Hester indicated that land availability for such a site remains limited.

The Council discussed the scope of current yard waste services. Councilmember Kim Brown asked how the proposed limits would affect debris cleanup following natural disasters. Mr. Wike clarified that the Town would continue to provide necessary assistance during declared states of emergency.

Councilmember Jack Simms expressed concern regarding the policy's consistency, noting that the Town provides collection services for household bulk items—such as appliances from apartments—while restricting certain yard waste cleanup. Mr. Hester responded that the policy aims to distinguish between general property maintenance and private tree removal, which incurs significant costs.

Mr. Wike noted that staff currently handle approximately five to six private tree-related removals per month. Mr. Hester concluded that the Town must determine a compromise that balances the level of service provided to the community with the associated operational costs and the potential for property damage caused by heavy equipment like tractors and grapples.

4. Budget Discussion

Nathan Hester, Town Manager

Revenue Overview and Departmental Funding Nathan Hester provided an analysis of the town's revenue sources, noting that the previous year's ad valorem budget of \$949,750 included property taxes as well as motor vehicle taxes. He outlined that general revenue is supplemented by sales taxes, franchise taxes, communications taxes, and miscellaneous income from ABC revenues and permitting fees.

Mr. Hester presented a breakdown of departmental funding, noting that Police operations account for 50.4% of the budget, while Streets and Sanitation account for 21%. He explained that when these revenue sources are applied across departments, it becomes clear that ad valorem revenue funds less than 50% of departmental needs, while sales tax revenue funds over 60%, with miscellaneous income covering the remainder.

Fire Tax District Discussion Mr. Hester provided a visual presentation of the town limits, the Extraterritorial Jurisdiction (ETJ), and the Central Taylorsville Fire District. He explained that town residents currently pay a \$0.35 tax rate, which includes \$0.05 cents given to the fire department. He noted that residents outside the town limits pay county taxes in addition to an \$0.08 fire tax, despite receiving the same level of service.

In response to a clarification from Jack Simms regarding county tax obligations, Mr. Hester confirmed that while town residents pay county taxes, they are not subject to the \$0.08 fire tax paid by those outside the town limits. Regarding the fire department's budget, Mr. Hester informed the Council that the department has requested an additional \$0.03 allocation from the town, which would be in addition to the \$0.05 they currently receive from the town's \$0.35 tax rate.

Budget Status and Projections Mr. Hester reported that the current draft of the budget is not yet balanced, noting that while the Water and Sewer fund is stable, the General Fund requires further adjustments. To facilitate the review process, he provided the Council with a checklist to identify priority items for future discussion. Regarding the current financial status, Mr. Hester noted that the General Fund shows \$2.9 million in projected revenue against \$3.5 million in expenditures. He explained that this discrepancy exists because the draft currently includes all proposed items without corresponding revenue adjustments.

He pointed to a 17.4% decrease in investment earnings—from \$116,000 to \$96,000—which he and Public Works Manager Aaron Wike attributed to the planned transfer of \$750,000 from a Certificate of Deposit to the NC Management Trust to cover one-time expenditures. Mr. Wike noted that anticipated interest rate changes will likely impact these earnings. Mr. Hester confirmed that interest rates are expected to decline from 5% to 4.2%, resulting in a projected loss of one full percentage point.

General Fund Revenues

Mr. Hester directed the Council to the General Fund Revenue section on page 9 of the budget. He noted that the projected property tax revenue is based on a tax rate of \$0.35, totaling \$886,739. Additionally, he highlighted a decrease in projected investment earnings to \$96,000 for the upcoming fiscal year.

ABC Board Revenue Projections Mr. Hester stated that ABC revenue is projected at \$50,000 for the current fiscal year, which is lower than in previous years.

In response to an inquiry from Councilmember Kim Brown regarding the decrease, Mr. Hester explained that the town's ABC allotment is determined by state-mandated formulas based on store sales. He noted that the town has received \$40,475 year-to-date and does not anticipate further payments this fiscal year, as the ABC Board must complete its audit before distributing funds. Mr. Hester suggested that the lower returns are due to the board managing initial startup costs and a line of credit.

Councilmember Brown explained that once the board's initial loan obligations are satisfied, the funds available for distribution should increase significantly, as state law requires excess funds to be redistributed to the Town. Mr. Hester agreed, noting that the Town should expect higher distributions once the initial repayment period is complete.

Parking Violations and Enforcement Councilmember Jack Simms requested clarification on the Town's policy regarding parking violations. Police Chief Michael Millsaps stated that while the police department has the authority to issue citations for violations such as parking in fire zones, the department has not actively enforced these in

recent years. He noted that enforcement was previously limited by concerns that the costs of potential court proceedings could exceed the revenue collected from citations.

Mr. Holleman noted that parking violations are typically handled as civil matters and paid at the Town office rather than through court proceedings. Chief Millsaps reiterated that enforcement challenges remain regarding how to compel payment for civil citations. Mr. Hester suggested that the Town could review this issue, particularly regarding downtown parking, where availability is a frequent concern. Councilmember Brown suggested that implementing a formal parking ordinance and meters could serve as a viable revenue stream. Mr. Hester concluded that any enforcement strategy would require an update to the Town's fee schedule and a formal parking ordinance.

General Fund Expenditures: Town Council

Compensation and Contracted Services Mr. Hester opened the discussion on page 13 of the budget, proposing a 3% Cost of Living Adjustment (COLA) for all staff, including members of the Town Council. Additionally, he noted an increase in the contracted services budget for attorney fees to support the Town's downtown incentive initiatives.

Fuel and Travel Expenses During a review of Council expenditures, Councilmembers Kim Brown, Tamara, and Jack Simms questioned the inclusion of a \$1500.00 fuel cost line item for the Council. Councilmembers expressed that they do not seek reimbursement for fuel usage related to Town business. Mr. Hester proposed removing this line item to reduce expenses.

Regarding travel, Mr. Hester recommended retaining the current budget allocation of \$1500.00 to ensure funds are available should Councilmembers decide to attend The Main Street conference, in the coming year.

Miscellaneous Expenditures The Council reviewed the miscellaneous line item, intended for civic donations or unexpected expenditures. Mr. Hester reported that \$984.91 had been spent to date, leaving a remaining balance of \$2,615.09. Expressing concern over the current surplus, Councilmembers Brown and Simms discussed reducing this allocation. Following the discussion, the Council reached a consensus to reduce the miscellaneous budget to \$1,500.00, noting that this amount provides a buffer should unexpected expenses arise without requiring immediate budget amendments.

Advertising Expenditures The Council discussed the advertising budget, which supports promotions for local festivals, sports programs, and Town events via radio and local print media. Mr. Hester and Mr. Wike noted that these funds are frequently utilized for active Town programming. When asked about public service announcements (PSAs), staff clarified that the current budget is primarily designated for specific event and program advertising rather than general PSAs.

General Fund Expenditures: Administration

Personnel and Benefits Mr. Hester presented the Administration budget, noting a slight increase in salary expenditures due to the proposed 3% Cost of Living Adjustment (COLA). He outlined several mandatory cost increases for employee benefits: FICA (up 1%), retirement contributions (up 1%), insurance premiums (up 7%), and dental coverage (up \$1.00 per person per month). Vision coverage is projected to remain unchanged.

Contracted Services Mr. Hester detailed several adjustments within the operations budget:

- **Accounting and Auditing:** The budget for the G. Isley Group (accounting) was increased from \$15,000 to \$30,000, while the Audit line item was reduced from \$30,000 to \$15,000. Mr. Hester explained that the Town intends to select a new, more cost-effective auditing firm. The additional funds for the G. Isley Group are intended to support staff training in governmental accounting and debt-book management.
- **County Tax Collection:** The allocation for Alexander County tax collection services was increased slightly.

- **Technology and Systems:** The Town has discontinued its service agreement with Harris Computers. Additionally, the contract with Time Clock Plus (TCP) will be terminated after the current year due to unsatisfactory customer service.
- **Professional Dues:** Dues for the Western Piedmont Council of Governments (WPCOG) were increased from \$6,350 to \$6,596.

Insurance Mr. Hester noted that the Insurance - Property & Liability line item remains pending as the Town awaits premium increase figures, though Mr. Wike estimated an approximate 8% increase due to rising property values. The Workers' Compensation insurance budget saw a slight increase.

Training Mr. Hester reported an increase in the Training and Travel line items to support professional certification programs. This includes funding for Town Clerk, Nicole Mayes to attend Clerk School and for the Finance Director to pursue certification as a Finance Officer through the UNC School of Government.

Council Discussion Councilmember Brown observed that the overall increase for the administrative budget is a modest 1.8%. When Councilmember Simms asked about telephone expenses, Mr. Wike confirmed that those costs are projected to remain the same for the upcoming fiscal year.

General Fund Expenditures: Police Department

Personnel and Compensation Mr. Hester directed the Council to the Police Department budget on page 16, noting a significant increase in personnel expenditures. He explained that this is primarily driven by the Town's decision to resume direct staffing of the School Resource Officer (SRO) position at Taylorsville Elementary School. As a result, the budget for Contracted Services—specifically for Alexander County SROs—was reduced from \$82,100 to \$31,100, with those costs shifting into the department's salary line items.

Additionally, Mr. Hester reported that departmental personnel costs were further impacted by across-the-board increases in mandatory benefits, including FICA, retirement contributions, 401K contributions, and employee insurance premiums. The Law Enforcement Separation Allowance is projected to remain unchanged for the upcoming fiscal year.

Operational Enhancements and Contracted Services

- The cellular and air card services line item was increased to provide the necessary connectivity to support the addition of a new School Resource Officer (SRO) to the department.
- The department is entering a five-year, \$12,000-per-year contract with Axon for body cameras and cloud-based data storage. Chief Millsaps explained that this package provides upgraded equipment and Mr. Hester ensures that video files are secure and non-manipulable, which assists in providing evidence to the District Attorney's office.
- The \$5,000 allocation for CLEAR software was included following the discussion held during the budget retreat.
- The traffic cameras line item was adjusted to reflect a slight increase in costs.
- Funding for department supplies was increased to provide additional office supplies required for daily police operations.
- The fuel line item was increased across the board to account for the expectation that gas prices will remain high for the foreseeable future.

- The maintenance and repair—automobile line item was increased by \$5,000 to address the ongoing maintenance needs of the police vehicle fleet.
- The maintenance and repair—equipment line item was increased by \$3,000 to ensure the department can adequately maintain its operational equipment throughout the year.
- The uniform budget was increased from \$12,000 to \$18,000 to accommodate the purchase of Class A uniforms, which will be worn by officers during court appearances and special Town events.
- The vehicle equipment line item was increased to \$25,000 to cover the necessary expenses to fully outfit a new police vehicle.
- The capital outlay allocation was increased to \$60,000 to account for the current market cost of purchasing one new Ford Explorer police vehicle

School Resource Officer (SRO) Funding Discussion The Council engaged in a lengthy discussion regarding the funding of SROs. Attorney Monroe raised concerns regarding why Town citizens are subsidizing SROs for county-funded schools. Mr. Hester and staff clarified the current funding structure:

- **High School:** The Town utilizes two SROs. One is fully reimbursed by the school system, and the second is reimbursed at 50%.
- **Taylorsville Elementary:** The Town is taking over this position.
- **Student Success Center (SSC) and Early College:** The Town subsidizes one SRO, who splits time between these two locations. The state grant covers \$44,000 of the salary, and the school system covers \$11,000; the Town covers the remaining balance of approximately \$31,100, for which there is no reimbursement.

Chief Millsaps confirmed that the department prioritizes school coverage, ensuring that officers are on-site at the high school at all times to address security concerns.

Departmental Status In response to Councilmember Brown’s inquiry regarding the current budget status, Mr. Hester reported that the department has utilized 69% of its \$1.5 million budget to date. Regarding Councilmember Simm’s question on safety equipment, Chief Millsaps confirmed that body armor and Taser supplies are currently up to date, awaiting the last order to arrive. The department has established a cycle to ensure equipment is replaced before expiration dates moving forward.

General Fund Expenditures: Public Safety – Fire Department

Fire Department Funding Request Mr. Hester presented a request from the Taylorsville Fire Department for an increase in funding equivalent to a \$0.08 tax rate, which would total approximately \$223,600. He clarified that the department has requested an increase from their current allocation of \$0.05 per \$100 of valuation to \$0.08. Councilmembers Odom, Simms, and Bumgarner expressed significant concern regarding the size of the requested increase. Councilmember Odom questioned whether the department is also requesting additional funding from Alexander County; while Councilmember Simms requested transparency regarding the department's current cash reserves and capital plans.

Tax Rate and Fire District Structure A significant portion of the discussion centered on how fire services are funded. Mr. Hester and Mr. Wike clarified that Town residents currently do not pay a separate fire tax; rather, the Town allocates \$0.05 of its \$0.35 general property tax rate to the fire department. Mr. Hester explained that while a separate fire tax is legally permissible, the Town’s contract with the county for tax collection, their software does not support a distinct line item on tax bills. Mr. Hester further clarified that if the Town were to move to an \$0.08 allocation as requested, it would require a tax increase, as the Town cannot provide additional funds under the current budget constraints.

Budgetary Constraints and Revenue Needs Councilmember Brown argued that the Town should increase the tax rate to ensure the fire department receives the funding necessary to operate effectively. Councilmember Brown noted that the Town's tax rate had been lowered previously and, in her view, should not have been reduced, as it has left the Town with insufficient revenue. Councilmember Simms expressed hesitation regarding a tax increase, citing concerns for taxpayers and the upcoming property re-evaluation cycle. Attorney Monroe added context, noting that in theory, re-evaluation years are intended to be revenue-neutral. Councilmember Brown stated but we can't keep going revenue neutral because we don't have enough revenue. Councilmember Simms stated we haven't gone revenue neutral. Mr. Hester stated, we haven't gone revenue neutral but we still don't have enough revenue to operate.

Proposed Path Forward Mr. Hester explained that the Town cannot provide additional funding to the fire department from the existing budget without reducing other services. Councilmembers discussed the possibility of implementing a separate fire tax or raising the general tax rate, with Councilmember Brown suggesting a \$0.06 tax increase to support the fire department's request. Mr. Hester agreed to calculate the potential revenue impact of various tax rate scenarios to assist the Council in future deliberations. The Council concluded the discussion by requesting a comprehensive review of all remaining budgetary needs before making a final decision on tax adjustments.

General Fund Expenditures: Parks & Recreation

Parks and Recreation Master Plan Mr. Hester proposed the creation of a Parks and Recreation Master Plan, requesting a \$52,000 allocation for contracted services with McGill Associates. He explained that this plan is a prerequisite for applying for state PARTF grants and other funding mechanisms required for future park upgrades, such as improvements at Matheson Park, the Town Park behind Town Hall, and the development of a potential new sports complex. Regarding the choice of consultant, Mr. Hester recommended McGill Associates over a lower-cost quote from the Western Piedmont Council of Governments (WPCOG), noting in his opinion McGill would provide a superior product. Mr. Hester clarified that this is a one-time expense which would be funded by moving capital from a maturing Certificate of Deposit (CD) into the NC Management Trust, thereby avoiding withdrawal penalties.

Capital Outlay and Facility Improvements Mr. Hester also proposed a \$100,000 capital outlay, also to be funded via the maturing CD. This allocation is intended to support a potential project partnering with the high school. The Town will provide the materials and the high school will build a bathroom facility, pending further coordination.

He asked the Council whether they would prefer to proceed with immediate improvements to the Town Park behind Town Hall or wait until the Master Plan is completed. He expressed that, regardless of the broader plan, he believes upgrades to the bathroom facilities at the Town Park are necessary.

Facility Security and Public Concerns Councilmembers discussed current maintenance and security at Matheson Park. Mr. Wike explained that the main park bathrooms are equipped with magnetic locks on a set timer (6:30 a.m. to 8:30 p.m.), while the shelter bathroom remains unlocked. Mr. Wike noted that retrofitting the shelter bathroom with a timed lock is technically challenging due to infrastructure constraints.

Councilmember Bumgarner raised concerns regarding public complaints about Matheson Park, specifically citing issues related to the homeless population, bathroom, and lighting. Councilmember Kim Brown noted that she had not received similar complaints, prompting a discussion on the current state of the park and the need for ongoing monitoring.

General Fund Expenditures: Tourism

Mr. Hester presented a funding request from the Hiddenite Center, which has requested an increase in support from \$1,500 to \$2,500. He included this amount in the proposed budget but noted that the Council may choose to approve or deny the increase.

Taylorsville Development Alliance (TDA): Mr. Hester requested guidance on the long-term funding strategy for the TDA, a non-profit organization focused on economic development. He proposed using proceeds from the potential sale of the urgent care building as "seed money" for the TDA but asked the Council to consider whether they prefer to provide annual appropriations until the organization generates its own revenue streams.

Marketing & Branding: Mr. Hester included a \$50,000 placeholder in the budget for a community branding project. He noted that this figure is based on previous industry quotes (ranging from \$15,000 to \$60,000) and suggested that if approved, the funds would be held in the Capital Management Trust to earn interest until a formal request for proposals is issued.

Land Acquisition: Mr. Hester proposed a \$275,000 allocation in Capital Outlay for the purchase of land to facilitate future economic development projects.

General Fund Expenditures: Buildings

Mr. Hester presented a proposal for \$100,000 in Capital Outlay dedicated to Town Hall renovations. He explained that this funding is intended to reconfigure current office space to accommodate staffing changes, including the arrival of a new Finance Director.

Mr. Hester noted that aside from the adjustments in utilities, all other expenditures within the "Buildings" remain consistent with previous budget levels.

General Fund Expenditures: Cemetery

Mr. Hester directed the Council to page 22 of the budget to review the Cemetery department. He outlined the following proposed allocations:

- **GIS Mapping:** The budget includes a \$10,000 annual expenditure for GIS mapping of the cemetery, which will span a two-year period.
- **Grounds Maintenance:** An allotment of \$17,500 (an additional \$14,000) has been added to the Maintenance & Repair—Grounds line item to facilitate the removal of hazardous trees.
- **Headstone Repair:** Mr. Wike noted that the Maintenance & Repair—Grounds line item also includes \$4,500 dedicated to the repair of damaged headstones.

General Fund Expenditures: Streets & Sanitation

Personnel and Operational Increases Mr. Hester reported a slight increase in salary expenditures, attributed to the same Cost of Living Adjustment (COLA) and benefit adjustments (insurance, FICA, etc.) applied to other departments.

Additionally, departmental supplies were increased to allow for the purchase of decorative trash cans for the downtown area, and allocations for fuel and equipment maintenance were raised to accommodate rising costs and operational needs.

Downtown and Streetscape Enhancements

- **Christmas Lights:** The budget includes a \$16,000 allocation for Christmas lighting maintenance and installation. This also includes a five-year, \$10,000-per-year commitment to purchase new lighting.
- **Streetscape Design:** Mr. Hester proposed a \$50,000 line item for a Streetscape Design project, which will be moved to the Planning and Development budget. The goal is to develop a plan that integrates with new state DOT traffic pattern design, specifically focusing on pedestrian-friendly sidewalks and crossings. Mr. Hester noted that this plan would position the Town to apply for grant funding for construction and would be funded by the withdrawal from the Taylorsville Savings CD.

- **Sidewalk Maintenance:** The budget for sidewalk maintenance was increased \$17,500 to facilitate pressure washing. In response to an inquiry from Councilmember Bumgarner, Mr. Hester confirmed this line item is dedicated to the cleaning of existing sidewalks.

Sanitation and Capital Outlay

- **Solid Waste:** The Tipping Fees line item for solid waste pickup was increased by \$13,000 to cover brush collection costs.
- **Capital Outlay:** The budget includes \$40,000 for the purchase of a new brush truck. Mr. Hester explained that this replacement is necessary because the existing vehicle utilized by the department is experiencing significant mechanical reliability issues.

Enterprise Fund Revenue

Proposed Miscellaneous Revenue Increase Mr. Hester and Mr. Wike presented a proposal to increase the "Other Revenues – Miscellaneous" line item from \$250 to \$50,250. This adjustment is based on a planned pilot program to allow residential septic haulers from within Alexander County to discharge waste at the Town's treatment plant.

Program Mechanics and Implementation Mr. Wike explained that the process would involve a controlled decanting system designed to protect the treatment plant:

- **Processing:** Waste would be screened at a digester to remove solid trash, then moved to a secondary digester to be aerated and mixed with existing plant waste for dilution and stabilization.
- **Service Scope:** The program is limited to residential septic waste only; no grease traps or out-of-county waste will be accepted.
- **Pricing and Projections:** The Town is considering a fee of \$0.10 per gallon, primarily to cover the costs of chemicals (such as lime) required to neutralize bacteria. While a volume of one million gallons annually could theoretically generate \$100,000 in revenue, the staff has conservatively budgeted \$50,000 for the initial trial period to account for potential operational challenges and testing costs.

Strategic Justification The Council discussed the motivation behind this initiative, noting that many neighboring counties have closed their facilities to private septic haulers, leaving local residents with limited options. Mr. Wike emphasized that this is intended as a community service rather than a significant profit generator for the Town.

Operational Risks and Oversight

- **Financial Oversight:** The budget allocates \$40,000 of the projected revenue toward sludge hauling and \$10,000 toward chemicals to offset the anticipated increase in operating expenses.
- **Capacity and Risk Management:** Mr. Wike noted that the Town has verified that it has sufficient land capacity to handle the projected doubling of sludge volume without compromising the Town's long-term needs.
- **Trial Period:** Mr. Wike clarified that the program is a test. If the process proves too disruptive or costly to the treatment plant's core operations, the Town will abandon the pilot and revert to current procedures.

Enterprise Fund - General Expenditures

Personnel and Operational Adjustments Mr. Hester reported that salary expenditures within the Enterprise Fund have increased, reflecting the same adjustments for COLA, insurance, FICA, and retirement contributions previously discussed for the General Fund. Regarding operational costs, he noted that most line items remain consistent with the prior year, with the exception of the "Contracted Services – Utility Software" line item, which has decreased.

Capital Outlay and Financial Strategy Mr. Hester and Mr. Wike addressed a significant reduction in the Capital Outlay budget, which has been cut in half to \$70,000. Mr. Wike explained the underlying financial challenge: the Town's current investment earnings are approximately \$144,000, yet the Town is utilizing \$70,000 of those earnings to offset general operating expenses. Mr. Wike emphasized that this strategy of using investment income to supplement core operations is not sustainable, and the Council will need to address this budgetary imbalance in future planning.

Enterprise Fund - Water Expenditures

Operational Adjustments Mr. Hester reported that most water expenditure line items remain consistent with the prior year. Key adjustments include:

- **Leak Repairs:** A significant portion of funding from the "Leak Repairs" line item was reallocated to "Capital Outlay" to reduce the need for supplemental funding.
- **Water Meter Replacement:** The budget for this line item was increased to ensure the department can proactively identify and replace faulty water meters.

Debt Service and Future Obligations Mr. Hester provided an overview of the department's debt service strategy, specifically regarding the Energy United loan:

- **Current Status:** While the budget maintains a \$73,000 allocation for the Energy United debt service, the actual payment due this year is \$38,843.

Long-term Planning: The Town intends to maintain the \$73,000 budgeted amount to prepare for upcoming debt obligations related to the \$1.25 million State Revolving Fund (SRF) loan for Helene-related projects. As the annual debt payment for this project is estimated at approximately \$65,000–\$68,000, the current budget structure ensures the Town is already prepared to absorb these future payments without needing to adjust revenue levels.

Enterprise Fund - Sewer Expenditures

Operational Adjustments Mr. Hester reported that most sewer expenditure line items remain consistent with the prior year. Key adjustments include:

- **System Maintenance:** Mr. Wike noted a decrease in the "System Maintenance" line item. This is because the FEMA-funded outfall line project was carried over into the current budget year; therefore, the full expansion costs will not be reflected until the following fiscal year.
- **Sludge Removal and Chemicals:** Mr. Hester and Mr. Wike confirmed that the budgets for "Sludge Removal" and "WWTP Chemicals" have been increased. This adjustment accounts for both the anticipated pilot program for septic haulers and the consistent, recurring price increases for treatment chemicals observed from our supplier, Jones Chemicals.

Revenue and Infrastructure Strategy Mr. Hester proposed a rate adjustment for water and sewer services:

- **Rate Structure:** The proposal includes a \$0.25 increase per 1,000 gallons for usage beyond the minimum charge, while the minimum charge itself will remain unchanged.
- **Financial Sustainability:** Mr. Hester explained that this increase is necessary to align with market rates and to demonstrate financial consistency to the Local Government Commission (LGC), assisting the Town in moving off the unit assist list.
- **Grant Matching and Debt:** Addressing the need for infrastructure funding, Mr. Hester noted that the Town was not selected for Phase 2 of the State Revolving Fund (SRF) grant. He plans to consult with the Western

Councilmember Bumgarner asked if the \$100,000 figure was based on formal estimates or if it was a preliminary estimate. Mr. Hester responded that he is seeking Council input on the scope of the project before soliciting contractor quotes, aiming to have more precise figures by the June 2nd public hearing. He added that the budget should include a contingency fund for unforeseen costs and noted that the project will also include the replacement of the building's aging flooring.

Long-Term Facility Needs Mr. Hester closed by noting that the Town must eventually address further facility aging, specifically regarding necessary renovations to the Public Works shop on June Bug Road or the potential construction of a new facility.

CD Fund Utilization and Sustainability A significant portion of the discussion addressed the sustainability of using the Town's \$7 million Certificate of Deposit (CD) for capital projects.

- **Financial Strategy:** Mr. Hester and Finance Director Aaron Wike explained that the CD is split approximately 60/40 between Water/Sewer and General Fund assets, leaving approximately \$3.5 million in General Fund capital available for use. They emphasized that while pulling from the CD funds one-time purchases, it results in a direct loss of investment earnings—projected at \$50,000 for the current requests—and reduces the Town's emergency reserves.
- **Sustainability Concerns:** Mr. Wike cautioned the Council that much of the existing fund balance was derived from one-time federal sources (CARES Act/COVID funding) rather than ongoing Town revenue. He urged the Council to be strategic, noting that it is far easier to spend from the fund balance than it is to replenish it.
- **Revenue Generation:** Councilmember Tamara argued that many of the proposed investments—such as economic development projects—are essential to creating new long-term revenue streams for the Town.

Council took a 5-minute break from 4:25 to approximately 4:30.

5. **Motion to Enter into Closes Session pursuant to N.C.G.S. § 143-318.11(a)(3) to consult with the Town attorney and preserve the attorney-client privilege.**

Motion to enter into a closed session meeting at approximately 4:30 pm was made by Councilmember Jack Simms, seconded by Councilmember Tamara Odom, and approved unanimously.

Motion to adjourn the closed session meeting at 5:10 pm was made by Councilmember Tamara Odom, seconded by Councilmember Kim Brown, and approved unanimously.

Staff Reports

No staff reports were presented at this meeting.

City Managers Report

No report was provided by the City Manager.

Council General Discussion

Councilmember Kim Brown mention the possibility of have a bulk clean-up day and a Town wide yard sale. Nathan stated, could we do it later in May so we have time to communicate and advertise it to the Town.

Adjournment

With no further business to discuss, the Mayor George Holleman requested a motion to adjourn the closed session meeting at 5:21 pm.

Motion to adjourn was made by Councilmember Jack Simms, seconded by Councilmember Tamara Odom, and approved unanimously.

Mayor

Councilmember

Councilmember

Councilmember

Councilmember

Attest: _____
Nicole Mayes, Town Clerk

Town of Taylorsville

“The Brushy Mountain Gateway”

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TOWN OF TAYLORSVILLE RESOLUTION ADOPTING THE ECONOMIC DEVELOPMENT INCENTIVE GRANT PROGRAM

Resolution No. 2026-09

WHEREAS, the Town of Taylorsville desires to promote economic development, stimulate private investment, and encourage the creation and retention of quality jobs within the community; and

WHEREAS, the Town Council recognizes that strategic use of economic development incentives can enhance the Town’s ability to attract new industries and support the expansion of existing industries; and

WHEREAS, the Town of Taylorsville is authorized pursuant to North Carolina General Statutes § 158-7.1 to appropriate funds for economic development purposes; and

WHEREAS, the Town Council finds that the adoption of a formal Economic Development Incentive Grant Program will provide clear guidance, consistency, and accountability in the administration of such incentives; and

WHEREAS, the Town Council has reviewed the proposed Town of Taylorsville Economic Development Incentive Grant Program, which establishes eligibility requirements, investment thresholds, job creation standards, grant calculation methods, and administrative procedures; and

WHEREAS, the Town Council intends for this Program to mirror and complement the economic development incentive policies of Alexander County in order to promote a unified and competitive approach to economic development recruitment and retention; and

WHEREAS, the Town Council desires to maintain flexibility within the Program to address unique economic development opportunities and reserves the right to approve variances when deemed in the best interest of the Town; and

WHEREAS, nothing in this Program shall be construed as a pledge of the full faith and credit or taxing power of the Town of Taylorsville, and all grants shall be subject to annual appropriations and compliance with applicable law;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Taylorsville as follows:

Adoption of Program

The Town of Taylorsville Economic Development Incentive Grant Program, as presented, is hereby adopted and incorporated by reference as the official policy governing the consideration and administration of economic development incentive grants.

Purpose and Intent, The Program shall be used to encourage capital investment, job creation, and the retention and expansion of existing industries within the Town of Taylorsville.

Administration, The Town Manager and Economic Development staff are authorized to administer the Program, evaluate applications, negotiate proposed incentive agreements, and make recommendations to the Town Council for final approval.

Council Authority, The Town Council retains sole discretion to approve or deny any incentive grant, establish specific terms and conditions, and approve variances from the Program when deemed necessary to advance the Town's economic development objectives.

Public Hearing Requirement, Any incentive grant awarded under this Program shall require a duly noticed public hearing in accordance with North Carolina law prior to final approval by the Town Council.

Annual Appropriation, All incentive grants are subject to annual appropriation by the Town Council and shall not exceed the ad valorem tax revenue generated by the project in any given year.

Consistency with County Program, This Program is intended to align with and mirror the economic development incentive program of Alexander County to ensure consistency and maximize the effectiveness of local recruitment and retention efforts.

This Resolution shall become effective immediately upon adoption.

ADOPTED this 21 day of April, 2026


George Holliman, Mayor


Nicole Mayes, Town Clerk

