



# TOWN OF MARSHALL

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## Honorable Mayor and Board of Aldermen Town of Marshall, North Carolina

In accordance with the Local Budget and Fiscal Control Act and N.C. General Statute 159-11, the proposed Annual Budget for the Fiscal Year starting July 1, 2026, and concluding June 30, 2027, is balanced and presented for your review.

On Monday June 22, 2026, at 5:30 pm the Mayor and Board of Aldermen will hold a public hearing on the proposed 2026-2027 fiscal year budget. Any person wishing to be heard on the budget may appear then. This budget may be reviewed online at [www.townofmarshall.org](http://www.townofmarshall.org)

### Introduction

The process of preparing the annual budget is influenced by numerous external factors, with the primary factor being continued recovery from Hurricane Helene. Other factors include economic conditions both on the local, state and federal levels. All these factors are carefully considered in this budget. Great care, detailed study, and thorough consideration were dedicated to every stage of this budget development process. It is my goal to present a responsible and fiscally conservative budget that strives to ensure public value for resources used.

A brief overview of the totals are:

<i>Fund</i>	<i>Proposed</i>
General Fund	\$1,224,656
Water/Sewer Enterprise	\$897,175
Total	\$2,121,831

You will find a draft budget ordinance for the Town of Marshall for Fiscal Year 2026-2027. The combined General Fund and Water and Sewer Fund budgets total \$2,121,831, an increase of approximately 2.67 percent over the combined budgets for the current fiscal year of \$2,066,594. The budget is made up of the General Fund (\$1,224,656), which includes the governing body, administration, streets, sanitation, police, parks, fire, and other general town services. Water and Sewer Fund (\$897,175), which is an enterprise fund for water and sewer personnel, operating expenses, and capital expenses. The Fiscal Year 2026-2027 budget is balanced using the current property tax rate of \$0.355 per \$100 of assessed valuation.

General Fund revenues come from a variety of sources, including Ad Valorem (property) Tax, Sales and Use Tax, and Utility Franchise Tax, which make up over 86 percent of the General Fund revenues. Water and Sewer fund operates independently of the General Fund, funded by charges to customers for water and sewer service.

Currently the Town of Marshall employs 12 full-time positions and 1 part-time position. The Town has 2 contract positions (County Attorney and Zoning Administrator). The current proposed budget keeps those same staffing levels and seeks to add one part-time position.

**General Fund**

***General Fund Overview***

The proposed General Fund budget of \$1,224,656 is approximately 1.25 percent higher than the current year’s adopted budget of \$1,209,492. Inflationary cost adjustments are made for items purchased by the Town, the budget includes a cost-of-living adjustment for employees, and cost increases for health insurance benefits. The budget also includes cost increases in property and liability insurance and increases in computer and it services. The budget includes \$30,000 in Contingency to cover any unanticipated expenses that occur throughout the year.

***General Fund Revenues***

Budgeted General Fund revenues total \$1,254,656 from the following sources:

*FY 2026-2027 Proposed General Fund Revenues*

Interest – Ad Valorem Taxes	\$4,700
Ad Valorem Taxes – Prior Years	\$10,650
2023Ad Valorem Tax	\$625,000
Vehicle Tax	\$35,000
Payment in Lieu of Taxes	\$11,000
Local Sales & Use Tax	\$340,000
Utilities Franchise Tax	\$125,000
Police Officer Fees	\$50
Alcohol/Beverage Tax Distribution	\$3,500
Solid Waste Disposal Tax	\$626
Parking Fines	\$1,500
Paid Parking Fees	\$6,000
Interest Earned	\$21,000
Powell Bill – Allocation from State	\$25,000
Powell Bill Interest	\$500
Credit Card Processing Fees	\$250
Town Hall – Copies	\$30
Parks & Recreation	\$3,000
Fines – Town Ordinance	\$500
Zoning Application Fees	\$1,600
Cell Tower Revenue	\$250
Miscellaneous Fees	\$2,000
TDA Grant	\$7,500
<b>Total</b>	<b>\$1,224,656</b>

Budgeted revenue from the vehicle tax remains the same at \$35,000. Budgeted Sales and Use Tax revenue is increased by \$1,000 to \$340,000 over the adopted budget for the current year.

State and local governments have seen significant increases in sales tax revenue since 2020. Many of these changes are due to how consumers purchase goods, travel and tourism patterns, and inflationary increases on consumer good prices. We currently anticipate this trend to continue. The budget anticipates a 4.1 percent (\$5,000) increase to Utilities Franchise Tax revenue. Revenue from interest earned on the Town’s cash reserves is increased by \$1,000 from the current year’s \$20,000.

The budget does contain increases in certain Town fees, the rental fee for Town owned parking spaces will increase from \$25 monthly to \$50 monthly. There will also be adjustments made to the Town facility use fees with the addition of a non-Town resident rate.

***General Fund Expenses***

Budgeted General Fund expenses total \$1,254,656, allocated to the following departments:

*FY 2026-2027 Proposed General Fund Expenses*

Governing Body	\$131,167.57
Administration	\$272,217.09
Planning and Zoning	\$35,884.51
Elections	\$2,500
Police	\$424,706.52
Streets	\$183,872.97
Powell Bill	\$25,000
Fire Department	\$130,000
Recreation	\$19,307.34
Contingency	\$30,000
<b>Total</b>	<b>\$1,254,656</b>

The proposed general fund budget includes a 3 percent cost-of-living adjustment for employees, for a total additional expense, including salaries and corresponding benefits increases, of \$25,645.11. The budget also includes increases to health insurance benefits, and anticipated property and liability insurances increases.

\$2,500 is budgeted and will be carried forward in 2027-2028 for the next upcoming municipal election. This allows the Town to mitigate a large one time cost. The budget for paving of streets is limited to \$5,000 for routine maintenance. A schedule of larger paving projects will be incorporated into a multi-year capital improvement plan and budget that will be developed moving into the fall of 2026.

In public safety, the Police budget includes the addition of the RMS service into the budget. The contract with the Marshall Community Volunteer Fire Department is anticipated to remain the same.

## Water and Sewer Fund

The proposed Water and Sewer Fund budget of \$897,175 is 4.7 percent higher than the adopted budget for FY 2025-2026 of \$857,102. The Water and Sewer budget includes a 3 percent increase in water and sewer charges, increases the industrial pre-treatment surcharge for certain large customers. There is a decrease in tap fees for new water and sewer connections as a conservative growth measure. The budget maintains all existing positions and is adding a part-time position into the budget. It funds inflationary increases to benefits and goods purchased, funds for a cost-of-living adjustment for Water and Sewer positions and sets aside funds for routine maintenance and repair of the water and sewer system.

### *Water and Sewer Revenues*

Budgeted Water and Sewer Fund revenues total \$897,175, from the following sources:

#### *FY 2026-2027 Proposed Water and Sewer Fund Revenues*

Water/Sewer – Miscellaneous Revenues	\$1,300
Water/Sewer – Service Fees	\$830,400
Water/Sewer – Sewer Pre-Treatment Fees	\$42,000
Water/Sewer – Sample Fees	\$1,200
Water/Sewer – Tap Fees	\$6,000
Water/Sewer – Re-Connect Fees	\$500
Water/Sewer – Late Fees	\$14,000
Water/Sewer – Disconnect Fees	\$100
Water/Sewer – Bad Check Fees	\$75
Water/Sewer – Credit Card Fees	\$1,600
<b>Water/Sewer – Total</b>	<b>\$897,175</b>

In addition to the 3 percent increase to water and sewer rates, the budget shows an increase to the high-impact sewer surcharge for industrial users that meet the requirements for monitoring under state regulations and the Town's Industrial Pre-Treatment Ordinance. The proposed charge is \$.40 per pound of Biochemical Oxygen Demand or Total Suspended Solids discharged into the system beyond the unregulated limit laid out in state regulations. Revenue from the surcharge is anticipated to be \$42,000. The budget does not increase water and sewer taps fees. There is a continued carryover of \$14,000 in late fee charges on water and sewer billing.

There will be additional Town fee increases, adding in a new out-of-town water and sewer deposit, and an after-hours reconnection fee.

### *Water and Sewer Fund Expenses*

Budgeted Water and Sewer Fund expenses total \$897,175, allocated to the following departments:

*FY 2026-2027 Proposed Water and Sewer Fund Expenses*

Water/Sewer – Operating	\$748,312
Wastewater Treatment Plant	\$126,363
Contingency	\$22,500
<b>Total</b>	<b>\$897,175</b>

The operating budget for Water and Sewer is increased by \$40,073 due to anticipated increase in maintenance of lines, repairs, and new equipment purchases. The proposed water/sewer fund budget includes a 3 percent cost-of-living adjustment for employees, for a total additional expense, including salaries and corresponding benefits increases, of \$9,071.47.

There are some specific projects (water line valve replacements) that are included in the capital outlay items for larger projects. If revenue exceeds expectations these revenue lines will be increased through budget amendments during the fiscal year. The budget for the Wastewater Treatment Plant is decreased by \$9,400 due to repairs being covered by FEMA and a reduction in some of the overall operation at the plant as a result in damage suffered from Hurricane Helene.

The Water and Sewer fund includes a Contingency line in the amount of \$22,500 to cover unanticipated issues that arise throughout the year.

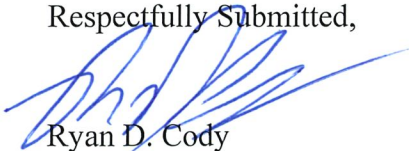
***Fund Balance***

As presented in the Towns audit report, we carry a very robust fund balance. That fund balance allowed the Town to operate and function in the months following Hurricane Helene. With FEMA reimbursements now in place, that fund balance is restored. The Mayor and Board of Aldermen have been fiscally responsible through the years to save money for the Town. The current projected fund balance is \$2,218,609.

***Conclusion***

The proposed Fiscal Year 2026-2027 budget presents a fiscally responsible and reasonable financial plan that directly reflects the Town Board of Aldermen’s vision. It ensures we maintain our core Town services, expands service delivery in targeted areas, and preserves the Town’s long-term financial stability. I submit this budget for your consideration as a sustainable path forward for our community

Respectfully Submitted,



Ryan D. Cody  
Town Administrator