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BUDGET MEETING APRIL 1, 2026

The Town Council of the Town of Pineville, NC met in a Budget Workshop on Wednesday, April 1, 2026, at 6:00 pm. The meeting was held in Town Hall Council Chambers.

Attendance:

Mayor: Amelia Stinson-Wesley

Mayor Pro Tem: Nick Gallo

Council Members: Danielle Moore, Josh Simelton, and Ed Samaha

Town Manager: Ryan Spitzer

Asst. Manager/Finance Director: Chris Tucker

Town Clerk: Lisa Snyder

Fire Chief: Mike Gerin

Assistant Town Manager/Finance Director, Chris Tucker, stated that this budget meeting will cover Davenport Financial Services' presentation and Chief Gerin's presentation for the Fire Department. He stated that we are fundamentally balanced at April 1, 2026, with no proposed tax increase. We will continue to use Fund Balance to work Debt Service. We have one reclass upward and no new positions at this time. We are considering a 3.5% COLA and 2.5% Merit. Mr. Tucker further added that we have seen some growth over the last two years. The County has a 99% collection rate and we should thank them for that. He noted that one penny on the tax rate would create \$410,000.

Mitch Brigulio, of Davenport Financial Advisors, noted for the newest council members that he serves as the financial adviser to the Town. He will largely focus on capital this evening. He began with explaining credit ratings for municipalities and shared the ratings of other municipalities for reference. He also explained Moody's Rating Methodology and said that the economy is 30% of this rating. Financial Performance is another 30% of the rating, among others.

Historically, the Town's operating revenues have exceeded operating and debt service expenditures, resulting in a structurally balanced budget and annual operating surpluses. The Town has adopted a fund balance policy stating: "The Town will target Unassigned Fund Balance, as defined by the Government Accounting Standards Board, equal to 32% (4 months) of the General Fund Budget and maintain a minimum of Unassigned Fund Balance at the close of each fiscal year equal to 24% (3 months) of the General Fund Budget.

Mr. Brigulio said that in order to provide perspective related to the Town's Debt Capacity and related cash flow impacts, he shared three cases for FY27 with varying penny values (1 cent, 2 cents, and 5 cents). For each of these cases, the debt affordability is calculated assuming equal debt issuances semi-annually beginning in FY 2027, with the following assumptions being utilized when calculating the Town's debt affordability: a term of 20 years, interest rate of 5.0%, a level principal amortization, with the first interest and principal payments following issuance.

Electric Systems and Debt Profile were reviewed, as well as Revenue Bonds. He outlined the rate setting requirements and discussed the Additional Bonds Test. Mr. Brigulio highlighted historical Electric System Operating Results and noted

the net revenue after Debt Service. Lastly, he discussed ways to fund capital with credit options, security overview, and other considerations.

Chief Gerin gave a Fire Department presentation to council and began with a brief history of the Pineville Fire Department for the newest council members. He stated that they were all volunteers until 2008. Pineville is the last town that maintains the part-time model; others have transitioned to the full-time model. His department's goals are to hire four new firefighters on each company; make efforts to meet the 29CFR 1910.134 Standard; and meet the lower OSHA Standard.

He discussed Safer Grants and explained that he will be aggressively applying for those grants. These grants are offered through FEMA, but there is no guarantee that they will obtain one. The grants only cover full-time staff. He stated that there is currently no openings for grants. He noted that the Town would be responsible for a portion of the cost if the grant is obtained. There was a general discussion amongst council and Chief Gerin regarding the grant process and his request for additional firefighters.

Assistant Manager/Finance Director, Chris Tucker, summarized and added that this may be a good time to expand services with a tax increase. Chief Gerin also added a request to increase the salaries of his full and part-time members, as they have not received salary increases for a few years. The Chief had one future Capital Improvement request, to simply put on the radar, and that is a request for a new fire truck which equals \$1.6 million dollars and takes approximately three to four years to build. This new truck would replace their current truck.

Mr. Tucker reviewed the presentations provided at this meeting and stated where we will have growth. He also shared pie charts showing the General Fund by Function and by Category, as well as consideration of the proposed sponsorships for FY27. Town Manager Spitzer added that they are looking at a COLA of 3.5% and merit of 2.5%. Mr. Tucker continued with listing some of the pressures which include: lagging salaries in the market, debt affordability, future park expansion, retirement contributions to full-time employees, health insurance, and fuel costs. Mr. Spitzer noted that they have seen an increase again this year, and they are considering a \$1,500 deductible for the employee to meet before any health reimbursements.

There was more general discussion amongst council members about engineering costs and the process for the expansion of the Belle Johnston Community Center. Mr. Tucker noted that the base engineering cost would be \$150,000. Council members Simelton and Moore made the request to look into the expansion for the future of the Town. Mr. Tucker concluded by stating that council has the ability to change the tax rate and they need to consider the pie chart for the General Fund by Function as a resource.

Mr. Tucker reminded us that the next budget meeting is Thursday, April 23rd.

Council Member Moore moved to adjourn the meeting followed by a second made by Council Member Simelton. All ayes. Adjournment was at 10:00 pm.

Mayor Pro Tem Nick Gallo

ATTEST:

Town Clerk Lisa Snyder