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BUDGET MEETING MARCH 24, 2026

The Town Council of the Town of Pineville, NC met in a Budget Workshop on Tuesday, March 24, 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

PCS Director: Tammy Vachon

Electricities Manager: Kevin Josupait

Assistant Town Manager/Finance Director, Chris Tucker, stated that this budget meeting will cover Electric and Telephone funds. He explained that Enterprise Funds come from the monthly billing, interest earnings, and miscellaneous revenue from reconnect fees. He outlined the areas of Pineville that we service, and he noted the areas that are not covered by us. Some newer revenues that can be collected are CIAC (Contributions in Aid of Construction). When new developments come in, we put in electric infrastructure, then the developers pay a cut of that. We collected about 40% of recent infrastructure. There is no splitting of the functions of the Electric. It's operations and capital overlay, or expenditures and revenues. There are two pressure points: the wholesale rate increase and revenue bonds. The Rate Committee is recommending a 3.4 wholesale rate increase. Additionally, we have taken on revenue bonds \$7.25 million in order to construct the new substation.

Kevin Josupait, Electricities Manager, presented the proposed Electric Budget. He noted that wholesale rates have not increased in ten years. Wholesale rates have actually decreased by 45% since 2015. For FY27, they are proposing a 3% rate increase and said that there will be a steady rate of increases in the next few years. Wholesale Power Costs make up the majority of expenses for the Electric Fund. Electricities staffing was reviewed. They have an open position for an Electric Systems Manager. The Town pays 40% of the Electric Systems manager's salary and benefits.

The Capital Improvement Plan for Electric includes new infrastructure projects, a new Line Truck, systems reliability/safety projects, and contract labor vs Electricities labor, for a total of \$2.4 million dollars. A new program they are looking at is changing out 3 to 4 junction boxes/switchgears per year. The projected cost for this project is \$100,000. The Line (bucket) truck is estimated to cost \$300,000. The truck they use now is over twenty years old and has some reliability issues.

Assistant Manager/Finance Director, Chris Tucker, discussed revenue bonds. He explained that our revenues have to support our operations, then cover debt service, before we can spend any money on capital. He further gave three scenarios with various rates provided to council. There was general discussion among council members regarding these options.

Mr. Tucker continued with the creation of a rate stabilization fund by former councils, which can transfer to create more revenue for the General Fund. There was general discussion among council members regarding rates and revenues. Mr. Tucker suggested a 4% rate, with a minimum of 3.5%. Council agreed to the 4% rate.

The Telephone Fund (PCS) FY27 proposed budget was discussed and led by PCS Director, Tammy Vachon. Ms. Vachon explained that this year's budget looks different than in the past, as the administration salaries are out of the PCS fund now. In this year's budget, we decided to build Miller Farms, because we wanted to add value to our plant, as well as some small expansion projects. Miller Farm Phase I is complete and they're starting Phase II, which should be completed by the end of this fiscal year. Phase III will remain for FY27. She stated that revenues will cover regular expenses and the capital ask.

She is requesting \$94,000 for marketing, which is half the cost for a full-year campaign. JSI will be looking at potential buyers for them. They will act as the seller representative and do the due diligence, and strategic planning. They deal with both ILEC and CLEC customers. It's approximately a six-month process. Ms. Vachon further stated that there is a possibility that the marketing plan will improve revenues and postpone the sale for another year. Ms. Vachon also asked for \$289,000 for Plant Under Construction projects, for continuation of Miller Farms, Coventry, and the property off of College Street, which is a conservative estimate.

Ms. Vachon asked for a six-month buy-in and to be proactive while we own it. Council asked for a general number of what other companies are getting through JSI. She said that since they have NDA's they may just give her general numbers. All council members agreed to proceed with negotiations with JSI.

Mr. Tucker reminded us that the next budget meeting is Wednesday, April 1st and Davenport Financial Advisors will be first, followed by the Fire Department. Davenport will be updating the models and ratios and recapping what they do for us.

Council Member Moore moved to adjourn the meeting followed by a second made by Council Member Simelton. All ayes. Adjournment was at 8:30 pm.

Mayor Pro Tem Nick Gallo

ATTEST:

Town Clerk Lisa Snyder