

TOWN OF McADENVILLE

Proposed Budget Summary

Fiscal Year 2026–2027

Total Proposed Budget — FY2026–2027

\$2,366,300

12.6% increase (+\$266,300) over prior year

Budget Overview

The FY2026–2027 budget maintains essential services, funds critical infrastructure improvements, and reflects a disciplined approach to fiscal management. The budget was prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act (G.S. Ch. 159, Art. 3).

Key economic factors shaping this budget include:

- The closure of Mannington Mills (December 2025), which significantly reduced both property tax base and water/sewer revenues.
- Continued inflationary pressures on operational costs, including a 7.5% increase in wholesale water/sewer rates from the City of Gastonia.
- Ongoing success in securing state and federal grant funding to offset capital infrastructure costs.

General Fund — \$1,759,350

The ad valorem (property) tax rate is proposed at \$0.42 per \$100 of assessed valuation. Gaston County's projected net taxable value for McAdenville is \$161,736,284, with estimated tax revenues of \$670,258 at a 98.67% collection rate. The tax base decreased primarily due to a 49.5% decline in personal property valuation following the Mannington Mills closure. Fund balance appropriations of \$350,000 are included to balance the budget.

Salary & Benefits	\$342,000
Police & Fire Protection	\$367,000
Trash & Public Works	\$182,000
Capital Improvements	\$504,200
General Government	\$114,450
Professional Services	\$185,000
Parks & Recreation	\$42,100
Elected Officials	\$22,600
Total General Fund	\$1,759,350

Key Priorities & Investments

- **Police and Fire services represent approximately 21% of the General Fund (excl. capital). A new five-year law enforcement agreement with Gaston County provides fixed costs for the first two years, enhancing budget predictability. A renegotiated Fire Service Agreement with Cramerton Fire Department includes a 10% increase under a new three-year term, along with planned electrical upgrades and backup generator installation at the Fire Station.**

- **Capital Improvements include a \$350,000 local match supporting a \$2.5 million CMAQ grant award for this pedestrian connectivity project. Excluding this investment, overall expenditure growth would have been only 1.8%.**
- **Powell Bill funding of approximately \$32,000 in NCDOT grants, supplemented by \$68,000 in Powell Bill reserves, will fund a formal Street Inventory & Assessment study along with resurfacing projects.**
- **Merit-based salary adjustments of up to 5% are included. No new staff positions are added.**

Water & Sewer Fund

The Water & Sewer Fund has faced significant revenue declines over the past three years due to the loss of the Town's industrial customer base. The Mannington Mills closure alone is projected to reduce water sale revenues by approximately 25% in FY2027.

To maintain operational stability, a 5% water/sewer rate increase and implementation of Industrial Availability Fees are proposed. The estimated rate impact for residential customers is:

- At 2,500 gallons/month: \$3.22/month increase
- At 5,000 gallons/month: \$5.88/month increase (<\$10/month total impact)

McAdenville's rates remain in the median range compared to similar-sized municipalities per the UNC School of Government rate dashboard. The new rate schedule is effective for all billings after July 1, 2026.

Capital infrastructure needs total over \$16.7 million. Through successful grant pursuits, over \$11 million has been secured from the NC Division of Water Infrastructure (DWI), reducing the unfunded capital burden by approximately 70%:

- Water System Improvements Grant – \$3,749,048 (construction in progress, est. completion December 2026)
- Water System Rehabilitation Grant – \$3,269,750 (construction in progress, est. completion December 2026)
- Main Street Interconnect Project Grant – \$4,000,000 pending (supports Gastonia merger and future capacity)