CITY COUNCIL SPECIAL MEETING
300 WEST CROWELL STREET
MONROE, NORTH CAROLINA 28112
JUNE 23, 2025 – 6:00 P.M.
AGENDA
www.monroenc.org

PUBLIC HEARING

Please adhere to the following guidelines: Proceed to the podium, and state your name and address clearly; Be concise; avoid repetition; limit comments to three (3) minutes or less; and, Designate a spokesperson for large groups.

1. Fiscal Year 2025-2026 Budget
   A. Public Hearing
   B. Action

REGULAR AGENDA

2. Closed Session pursuant to North Carolina General Statute Sections 143-318.11(a)(1) and (3)

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	June 23, 2025
FROM:	Lisa Strickland, Finance Director
PREPARED BY:	Angela Duncan, Senior Budget Analyst
SUBJECT:	Resolution and Budget Ordinance for Fiscal Year 2026 Financial Plan for Self-Insurance Funds for Fiscal Year 2026

SUMMARY STATEMENT

A resolution and budget ordinance are recommended for approval of the fiscal year 2026 annual budget. A financial plan for the self-insurance funds (includes Health & Dental Fund, Workers Compensation Fund and Property Casualty Fund) is also recommended for approval for fiscal year 2026.

REVIEW

The budget provides a basis for all fiscal policy decisions during the fiscal year. Staff has met with City Council for direction on compiling the fiscal year 2026 budget and conducted a workshop to outline the elements included in the proposed budget on April 29, 2025. Pursuant to N.C.G.S. §159-12, on June 10, 2025 the budget message was presented to City Council at the regular council meeting. The proposed budget was made available to the public and posted on the City's website. A public hearing is being held for the proposed budget at the regular council meeting on June 23, 2025.

Pursuant to N.C.G.S. §159-13, the governing board shall adopt a budget ordinance making appropriations and levying taxes for the budget year.

Pursuant to N.C.G.S. §159-13.1, if a local government or public authority establishes and operates one or more intragovernmental service funds, it need not include such a fund in its budget ordinance. However, at the same time it adopts the budget ordinance, the governing board shall approve a balanced financial plan for each intragovernmental service fund.

RECOMMENDATION

Staff recommends that Council adopt Resolution R-2025-30 and Budget Ordinance BO-2025-13 for the fiscal year 2026 annual budget. Staff also recommends approval of the internal service funds financial plan for fiscal year 2026.

Attachment: R-2025-30
BO-2025-13
Financial Plan for Self-Insurance Funds

RESOLUTION TO ADOPT ANNUAL
BALANCED BUDGET FOR FISCAL YEAR 2025-2026
R-2025-30

WHEREAS, the City of Monroe is required by the North Carolina Local Government Budget and Fiscal Control Act to adopt an annual balanced budget; and

WHEREAS, a balanced budget has been prepared for the City of Monroe for fiscal year 2025-2026 under the provisions set forth in the above referenced legislation.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Monroe adopts the following budget ordinance:

BUDGET ORDINANCE
BO-2025-13

BE IT ORDAINED by the City Council of the City of Monroe, North Carolina:

Section 1A The following amounts are hereby appropriated in the General Fund for the operation of the City government and its activities for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

General Government	$	17,117,486
Economic and Physical Development		1,051,016
Transportation		8,223,420
Environmental Protection		176,002
Public Safety		35,568,010
Cultural and Recreational		6,720,489
Transfers out to Other Funds		5,904,961
	$	74,761,384

Section 1B It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Ad Valorem Taxes	$	37,245,183
Other Taxes and Licenses		1,151,487
Unrestricted Intergovernmental		17,942,587
Restricted Intergovernmental		2,304,314
Sales and Services		6,230,384
Investment Earnings		2,244,764
Miscellaneous		407,435
Other Financing Sources		6,437,443
Transfers in from Other Funds		797,787
	$	74,761,384

Section 1C There is hereby levied a tax at the rate of forty-four cents ($0.44) per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2025, for the purpose of current year property taxes listed under “Ad Valorem Taxes” in the General Fund in Section 1B. This rate is based on an estimated total valuation of property for the purposes of taxation of $8,464,721,373 and an estimated rate of collection of ninety-nine and thirty-five hundredths of a percent (99.35%).

Section 1D There is hereby levied a tax of thirty dollars ($30.00) per motor vehicle residing in the City of Monroe, for the purpose of current year taxes listed under “Other Taxes and Licenses” in the General Fund in Section 1B.

Section 2A The following amounts are hereby appropriated in the Governmental Capital Project Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Capital Outlay	$	3,289,000

Section 2B It is estimated that the following revenues will be available in the Governmental Capital Project Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Transfers in from Other Funds	$	3,289,000

Section 3A The following amounts are hereby appropriated in the Downtown Monroe Fund to record the activities related to economic and physical development for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Economic and Physical Development	$	479,985

Section 3B It is estimated that the following revenues will be available in the Downtown Monroe Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Municipal Service District Tax	$	93,575
Transfers in from Other Funds		386,410
	$	479,985

Section 3C There is hereby levied a tax at the rate of sixteen ($0.16) cents per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2025, for the purpose of "Municipal Service District Tax" in the Special Revenue Funds in Section 3B. This rate was based on an estimated total valuation of property in the Municipal Service District for the purposes of taxation of $57,242,605 and an estimated rate of collection of ninety-nine and eighty-one hundredths of a percent (99.81%).

Section 4A The following amounts are hereby appropriated in the Occupancy Tax Fund for capital projects to promote tourism in the city for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Economic and Physical Development	$	305,894

Section 4B It is estimated that the following revenues will be available in the Occupancy Tax Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Restricted Intergovernmental	$	288,413
Investment Earnings		17,481
	$	305,894

Section 5A The following amounts are hereby appropriated in the Police Forfeiture Fund to record the activities related to assets forfeited to the Police for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Public Safety	$	240,000

Section 5B It is estimated that the following revenues will be available in the Police Forfeiture Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Restricted Intergovernmental	$	240,000

Section 6A The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer facilities for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Distribution System	$	17,390,286
Water Filter Plant		5,393,310
Waste Treatment Plant		4,792,048
Transfers out to Other Funds		5,760,499
	$	33,336,143

Section 6B It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Charges for Services	$	24,231,399
Other Revenues		795,037
System Development Fees		4,985,499
Investment Income		1,790,258
Other Financing Sources		1,533,950
	$	33,336,143

Section 7A The following amounts are hereby appropriated in the Water Resources Capital Reserve Fund for future construction of a new wastewater treatment plant for fiscal year beginning July 1, 2025, and ending June 30, 2026:

Reserved	$	5,183,637

Section 7B It is estimated that the following revenues will be available in the Water Resources Capital Reserve Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Investment Earnings	$	641,655
Transfers In from Other Funds		4,541,982
	$	5,183,637

Section 8A It is estimated that the following amounts are hereby appropriated in the Water and Sewer Capital Projects Fund for improvements to the City's water and sewer system for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Capital Outlay	$	775,000

Section 8B It is estimated that the following revenues will be available in the Water and Sewer Capital Projects Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Transfers in from Other Funds	$	775,000

Section 9A The following amounts are hereby appropriated in the Stormwater Fund for the operation of the stormwater facilities for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Operations	$	3,381,117
Transfers out to Other Funds		400,000
	$	3,781,117

Section 9B It is estimated that the following revenues will be available in the Stormwater Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Stormwater Receipts	$	3,084,607
Other Operating Revenues		69,700
Investment Earnings		120,310
Other Financing Sources		506,500
	$	3,781,117

Section 10A The following amounts are hereby appropriated in the Stormwater Capital Projects Fund for improvements to the stormwater system for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Capital Outlay	$	400,000

Section 10B It is estimated that the following revenues will be available in the Stormwater Capital Projects Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Transfers from Other Funds	$	400,000

Section 11A The following amounts are hereby appropriated in the Aquatics and Fitness Center Fund for the operation of the Aquatics and Fitness Center for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Operations	$	6,051,709

Section 11B It is estimated that the following revenues will be available in the Aquatics and Fitness Center Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Sales and services	$	5,589,446
Investment Earnings		82,263
Other Financing Sources		380,000
	$	6,051,709

Section 12A The following amounts are hereby appropriated in the Electric Fund for the operation of the City's electrical system for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Purchases of Electricity	$	43,694,376
Energy Services Administrative		6,511,155
Electric System Maintenance and Improvements		14,433,467
Transfers out to Other Funds		4,766,787
	$	69,405,785

Section 12B It is estimated that the following revenues will be available in the Electric Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Charges for Electricity	$	65,763,740
Investment Earnings		3,120,870
Other Revenues		488,372
Other Financing Sources		32,803
	$	69,405,785

Section 13A The following amounts are hereby appropriated in the Electric Capital Projects Fund for improvements to the City's electric system for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Capital Outlay	$	4,522,880

Section 13B

It is estimated that the following revenues will be available in the Electric Capital Projects Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Investment Earnings	$	347,880
Transfers in from Other Funds		4,175,000
	$	4,522,880

Section 14A The following amounts are hereby appropriated in the Natural Gas Fund for the operation of the City's natural gas system for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Natural Gas Purchases	$	8,438,093
Natural Gas Maintenance and Improvements		11,877,747
Transfers out to Other Funds		3,802,000
	$	24,117,840

Section 14B It is estimated that the following revenues will be available in the Natural Gas Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Charges for Natural Gas	$	20,418,117
Investment Earnings		1,534,213
Other Revenues		215,510
Other Financing Services		1,950,000
	$	24,117,840

Section 15A The following amounts are hereby appropriated in the Natural Gas Capital Projects Fund for improvements to the City's natural gas system for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Capital Outlay	$	3,585,000

Section 15B It is estimated that the following revenues will be available in the Natural Gas Capital Projects Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Transfers in from Other Funds	$	3,585,000

Section 16A The following amounts are hereby appropriated in the Airport Fund for the operation of the City's municipal airport for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Operations	$	5,351,593

Section 16B It is estimated that the following revenues will be available in the Airport Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Sales and Services	$	3,106,853
Other Financing Services		15,189
Transfers in from Other Funds		2,229,551
	$	5,351,593

Section 17A The following amounts are hereby appropriated in the Solid Waste Fund for the operation of refuse collection for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Operations	$	4,385,873

Section 17B It is estimated that the following revenues will be available in the Solid Waste Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Refuse Collection Fees	$	4,336,020
Other Sales & Services		5,000
Unrestricted Intergovernmental Revenues		28,400
Investment Earnings		16,453
	$	4,385,873

Section 18 The City Manager, the City's Budget Officer, is hereby authorized to transfer appropriations as contained herein under the following conditions:

a. He/she may transfer amounts between line-item expenditures within a department without limitation and without a report being required. These changes should not result in increases in recurring obligations such as salaries.

b. He/she may transfer between departments within the same fund. These changes should not result in increases in the total budget for the fund.

c. He/she may not transfer any amounts between funds or activities as adopted, except as approved by the City Council in the Budget Ordinance as amended.

Section 19 Encumbrances. Appropriations herein authorized and made shall have the total of outstanding encumbrances as of June 30, 2025 added to each appropriation as it appears in order to account for the expenditures in the fiscal year they are paid.

Section 20 A copy of this Budget Ordinance shall be furnished to the Director of Finance for the City of Monroe to be kept on file for direction in the disbursement of funds.

Adopted this 23rd day of June, 2025.

Attest:

____
Robert A. Burns, Mayor

____
Bridgette H. Robinson, City Clerk

FY 2026 REVISED FINANCIAL PLAN - INTERNAL SERVICE FUNDS

SIF HEALTH & DENTAL	FY 2024 Actual	FY 2025 Financial Plan	FY 2026 Financial Plan
Revenues			
Contributions from Departments	$ 11,913,843	$ 10,669,522	$ 12,364,898
Investment Earnings	59,133	66,839	66,839
Miscellaneous	1,344,474	1,527,594	1,473,154
Appropriations Fund Balance	-	-	-
Total Revenues	$ 13,317,450	$ 12,263,955	$ 13,904,891
Expenditures			
Operations	$ 12,737,104	$ 12,037,679	$ 13,670,305
Unreserved	-	-	-
Allocations	206,442	226,276	234,586
Total Expenditures	$ 12,943,546	$ 12,263,955	$ 13,904,891
Net Revenues/ (Exp.)	**$ 373,904**	**$ -**	**$ -**

SIF PROPERTY CASUALTY	FY 2024 Actual	FY 2025 Financial Plan	FY 2026 Financial Plan
Revenues			
Contributions from Departments	$ 1,156,353	$ 1,156,353	$ 1,291,701
Investment Earnings	32,510	30,849	30,849
Miscellaneous	120,744	20,003	20,003
Appropriations Fund Balance	-	129,297	-
Total Revenues	$ 1,309,607	$ 1,336,502	$ 1,342,553
Expenditures			
Operations	$ 924,826	$ 1,219,526	$ 1,220,749
Unreserved	-	-	-
Allocations	106,921	116,976	121,804
Total Expenditures	$ 1,031,747	$ 1,336,502	$ 1,342,553
Net Revenues/ (Exp.)	**$ 277,860**	**$ -**	**$ -**

SIF WORKERS' COMP.	FY 2024 Actual	FY 2025 Financial Plan	FY 2026 Financial Plan
Revenues			
Contributions from Departments	$ 593,942	$ 593,942	$ 800,000
Investment Earnings	41,709	42,160	42,160
Miscellaneous	-	-	-
Appropriations Fund Balance	-	-	-
Total Revenues	$ 635,651	$ 636,102	$ 842,160
Expenditures			
Operations	$ 647,556	$ 335,966	$ 657,804
Unreserved	-	147,765	26,000
Allocations	138,673	152,371	158,356
Total Expenditures	$ 786,229	$ 636,102	$ 842,160
Net Revenues/ (Exp.)	**$ (150,579)**	**$ -**	**$ -**

City of Monroe
Budget Discussions

Stewardship of Our Assets, by Maintaining What We've Built

Monroe
North Carolina

Outline

- Budget Message
- Overview and Highlights of the Proposed Budget
- Positions and Operating Adjustments
- Budget Rate and Current Rate Difference
  - Municipal Service District (MSD)

Message – Diligent Management of Assets

- Growth
- Public Safety
- Excellence in Finance, Debt (policy) and Fund Balance
- Paving and Streets
- Permitting Process for Business Friendly
- Economic Development and Downtown
- Utilities
- Employee Investment
- Property Management

Included: Continuing Obligations

1	Health insurance increase	$175,325
2	Increase in NC retirement contribution	270,420
3	Workers compensation increase	153,735
4	Increase in debt service requirement	662,271
5	FY25 partial year positions annualized	491,594
6	Contractual and inflationary increases to existing requirements	709,784
7	Microsoft 365 (General Fund Share)	207,799
8	Police department full year salary adjustments	652,220
9	Adjustments to Personal Services	487,987

General Fund Recommended Positions

Positions:	General Fund Portion	Enterprise Allocated Portion	Other Funding	Total	If Other, Type of Funding
1 Staff Attorney (Includes Desk/Computer)	$68,898	$95,145	-	$164,043	
.5 PT Communications Specialist (Includes Desk/Computer)	28,879	54,828	-	83,707	$525K no longer appropriated to interlocal agreement
1 Director of Economic Development (Includes Desk/Computer)	71,497	135,741	-	207,238	$525K no longer appropriated to interlocal agreement
1 Equipment Operator I - Property Management	37,983	37,983	-	75,966	
3 Housekeepers	90,392	90,392	-	180,784	Offset by current contract savings
1 Housekeeping Supervisor (Includes Vehicle)	34,975	34,975	55,000	124,950	Vehicle from fund balance
1 Budget Analyst I/II (includes desk/computer)	39,242	87,345	-	126,587	
1 Accounting Manager (includes desk/computer)	63,504	80,823	-	144,327	

General Fund Recommended Positions

Positions:	General Fund Portion	Enterprise Allocated Portion	Other Funding	Total	If Other, Type of Funding
1 Civil Engineer I (for Plan Review)	-	-	115,063	115,063	Permit revenues
1 Permit and Development Administrator (Includes Desk/Computer) (for plan review)	-	-	126,219	126,219	Permit revenues
1 Recreation Center Supervisor - Ballroom	-	-	107,553	107,553	Costs covered by revenue
1 Assistant Recreation Center Supervisor-Ballroom	-	-	84,922	84,922	Costs covered by revenue
Part Time Pooled Positions for Ballroom	-	-	55,037	55,037	Costs covered by revenue
13 Total	$435,370	$617,232	$543,794	$1,596,396	

Enterprise Recommended Positions

Positions:	Enterprise Total	Type of Funding
1 Civil Engineer I	$ 136,021	Water/Sewer Operating Revenue
1 Construction Inspector I	149,066	Water/Sewer Operating Revenue
1 Engineering Tech I	107,440	Water/Sewer Operating Revenue
1 Equipment Operator I (Construction)	85,448	Water/Sewer Operating Revenue
1 Equipment Operator I (WTP)	143,517	Water/Sewer Operating Revenue
1 Substation & Transmission Eng. Manager	192,163	Electric Operating Revenue
1 Energy Services Utility Services Manager	170,220	Electric Operating Revenue
1 Electric Technical Systems Journeyman	244,488	Electric Operating Revenue
1 Gas Technician IV- Welder	135,066	Natural Gas Revenue
1 Damage Prevention Supervisor	207,800	Natural Gas Revenue

Critical Cost Drivers/Council Priorities

Street Condition Improvement Priority (Contract Paving Program 70 PCI)	$2,083,738
Public Safety Priority (2 New Police Officers/6 New Firefighters)	878,439
COLA (Cost of Living Adjustment) 3%	1,610,942
TOTAL	**$4,573,119**

Tax Rate Reductions and Anticipated Collections

	New Values	Rates Current/ Budget Rate	Collections Current/ BR Collections
Current Rate	$8,368,941,576	0.5025	$42,053,931
Budget Rate	$8,368,941,576	0.44	$36,823,343
	Difference	(0.0625)	($5,230,588)

Note: Total for Budget Rate Additional Funds: $4,402,063
$171k less than needed to match budget needs.

FY 2025-26 Vehicle Tax Revenue Approx. $385k less than FY 2024-25.

Tax Rate Reductions and Anticipated Collections Municipal Service District

	New Values	Rates Current/ Budget Rate	Collections Current/ BR Collections
Current Rate	$57,242,605	0.195	$111,623
Budget Rate	$57,242,605	0.16	$91,588
	Difference	(0.035)	($20,035)

Questions?

Questions?

City of Monroe
Where Heartland Meets High Tech

STAFF REPORT

TO:	City Council
VIA:	Mark Watson, City Manager
DATE:	June 23, 2025
FROM:	Richard Long, City Attorney
PREPARED BY:	Bridgette H. Robinson, City Clerk
SUBJECT:	Closed Session pursuant to North Carolina General Statute Sections 143-318.11(a)(1) and (a)(3)

SUMMARY STATEMENT

City Council is asked to approve a motion to go into Closed Session.

REVIEW

City Council is permitted to hold a Closed Session in accordance with North Carolina General Statute (N.C.G.S.) Sections 143-318.11(a)(1) to prevent the disclosure of information that is privileged or confidential pursuant to the laws of the State of North Carolina and (a)(3) to consult with the City's attorneys.

RECOMMENDATION

Staff recommends that City Council approve a motion to go into Closed Session pursuant to N.C.G.S. Sections 143-318.11(a)(1) and (a)(3).