



# Town of Archer Lodge Town Council Meeting

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ARCHER LODGE WORK SESSION MEETING / PRESENTATION OF THE  
FY2026-27 RECOMMENDED BUDGET

MAY 18, 2026

# Item 3.b. – Presentation of the FY 2026-27 Town Administrator's Proposed Budget

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- In accordance with the General Statutes of North Carolina, Town Administrator Bone respectfully submit for your review and consideration the Recommended Budget for the Town of Archer Lodge for Fiscal Year 2026-27.
- The budget was prepared in accordance with the North Carolina Local Government and Budget Fiscal Control Act. This budget is balanced and identifies revenue and expenditure estimates for Fiscal Year (FY) 2026-27.

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- The FY2026-27 Recommended Budget totals **\$3,946,600**
- The FY2026-27 Budget is balanced with a **reduction of the property tax rate of 1.5 cents** (from \$0.30 to per \$100 valuation to \$0.285 per \$100 valuation)

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- The following represents the Town Administrator's recommended budget, as is required by the NC General Statutes, Chapter 159. As this proposed document is transmitted from the Town Administrator to the Town Council, it now becomes the Council's budget.
- One of the critical purposes of this document is to encourage open dialogue, questions, and public deliberation as it relates to how best citizen tax dollars can be used to serve the community. Ideally, the recommended budget will be successful in identifying key issues, needs, costs, and implications of decisions so the governing board and public can decide how they want their municipal government to operate next year.

Date(s)	Event
February 16, 2026	Council Budget Planning Retreat I
March 16, 2026	Council Budget Planning Retreat II
April 6, 2026	Regular Council Meeting (Continued Budget Discussions)
April 20, 2026	Council Work Session (Continued Budget Discussions)
April 7 – 27, 2026	Staff Budget Preparation
April 28 – May 11, 2026	Budget Officer, Mayor, Council Rep & Finance Officer Budget Meeting
April 30, 2026	Council Budget Work Session
May 7, 2026	Council Budget Work Session
May 18, 2026	Budget Presentation
May 19 – June 1, 2026	Questions/Answers/Comment Period Between Mayor/Council & Budget Officer & Finance Officer
June 1, 2026	Budget Public Hearing / Regular Council Meeting
June 2 - 30, 2026	Budget Ordinance Adoption
June 15, 2026	Work Session (if needed for budget purposes)
July 1, 2026	FY 26-27 Budget Implementation

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- Council discussed budget priorities at their February 16, 2026, Budget Retreat. The top priority discussed was to consider reduction in costs / the property tax rate. The Recommended Budget respects this direction from Council and includes a recommendation to reduce the tax rate by 1.5-cents.
- The list of budget priorities developed during the budget retreat includes:
  - Top Priorities
    - Review Opportunities to Reduce Costs
    - 250th Anniversary of the USA
    - Lights for Ballfields
    - Speed Limit Enforcement Signs and Mobile Unit
    - Multi-Use Parks and Recreation Facility (Looking at other towns and putting together concepts)

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- Additional Items
  - New Park Land
  - Fund Balance Policy/Goal
  - Cybersecurity Training for Staff and Elected Officials
  - Classification and Pay Study
  - Parks and Recreation
  - Funds for Sport Equipment
  - Resource Center/Library
  - Public Safety
  - Needs of Archer Lodge Community Center
  - Resources for Seniors

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- At the March 16, 2026, Budget Retreat, Council discussed the following items:
  - Johnston County Fire Commission Cost Share Policy
  - Results of the 2026-27 Budget Survey
  - The NC Legislative Review of Property Taxes
  - Additional priorities for the Town after the FY 2026-27 Budget
  - Development of a Fund Balance Policy
  - The Budget Development Calendar

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- Of the priorities listed above, the following items have been addressed in the current (FY2025-26) budget year:
  - 250th Anniversary of the USA
  - Lights for the Archer Lodge Community Center Ballfield
  
- Of the priorities listed above, **funding for the following items has been included in the Recommended Budget** for FY2026-27:
  - Speed Limit Enforcement Signs and Mobile Unit
  - Increased funding for Archer Lodge Community Center
  - Cybersecurity Training for Staff and Elected Officials
  - New Park Land – includes contribution to the Park Reserve Fund

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## Budget Survey

- The Town received 72 total responses. Of those, 64 respondents indicated that they lived or owned property within the Town limits. Only those 64 responses were included in the final data set. Based on an estimated population of approximately 5,000 residents, this resulted in a response rate of 1.28%.
- Some of the highlights from the budget survey include:
  - Nearly 75% of respondents feel that Archer Lodge is a good place to live.
  - 56.24% feel that Archer Lodge is a good place to play.
  - When asked to rank services in order of importance, 63.8% ranked Public Safety and Land Use Planning as the most important services.
  - 92% of respondents felt that protection of agriculture and farmland was important to keep in mind during the upcoming budget.
  - Infrastructure and the reduction of costs were the most common themes mentioned in open-ended questions from the survey.

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## **Budget Emphasis**

- This budget has been drafted with Council's goal of reducing spending / reducing the tax rate. The FY2026-27 Budget is balanced with a reduction of the property tax rate of 1.5 cents (from \$0.30 to per \$100 valuation to \$0.285 per \$100 valuation). This is also consistent with the feedback from the public through the budget survey.
- Completion of some Phase 2 and 3 elements that were planned for the Town Park but for which funding was not fully available.
- Strategically planning for the future.

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- The Phase 2 and Phase 3 elements planned in this budget include:
  - \$40,000 for batting cages
  - \$10,000 for a bullpen
  - \$15,000 for completion of the disc golf course
  - \$15,000 for gravel at the Parks Maintenance Equipment Yard

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- With a focus on preparing the Town for the future, several planning initiatives are included in the budget, with the utilization of cost-effective strategies.
  - \$10,000 for a strategic plan
  - \$10,000 for a potential project involving a proposed “Village Center”, as suggested in the Comprehensive Land Use Plan
  - \$2,000 for expenses related to two graduate student projects in partnership with the UNC-CH City and Regional Planning Program:
    - A Comprehensive Transportation Plan (CTP)
    - A Street Inventory / Mapping Project
  - Up to \$35,000 in general planning consulting services for:
    - Updating the Unified Development Ordinance (UDO) based on new state statutes
    - Updating the UDO based on the Comprehensive Land Use Plan update
    - Funds to move forward with the develop of an Extraterritorial Jurisdiction (ETJ), if Council accepts the Planning Board recommendation to do so
    - Additional planning services on an on-call basis

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## General Fund

General Fund 10 Revenue Sources:	Proposed Projected Revenues (FY 2026-27)
Ad Valorem Taxes	\$ 2,013,500
Unrestricted Intergovernmental	\$ 711,000
Restricted Intergovernmental	\$ 76,000
Permits and Fees	\$ 8,500
Parks & Recreation Fees/Rentals	\$ 83,000
Investment Earnings	\$ 18,000
Miscellaneous	\$ 1,600
Transfer From Other Funds	\$ 492,000
Fund Balance Appropriated	\$ -
<b>Total Revenues / Estimated Resources</b>	<b>\$ 3,403,600</b>

General Fund 10 Expenditures:	Proposed Anticipated Expenditures (FY 2026-27)
General Government	\$ 876,000
Public Safety	\$ 1,169,000
Transportation	\$ 31,000
Economic & Physical Development (P/Z)	\$ 271,300
Cultural and Recreation	\$ 694,200
Debt Service	\$ 132,100
Capital Outlay	\$ -
Transfer To Other Funds	\$ 230,000
<b>Total Estimated/Appropriated</b>	<b>\$ 3,403,600</b>

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- Highlights of the General Fund include:
  - Property Tax Rate: decrease of the tax rate from \$0.30 per \$100 of valuation \$0.285 per \$100 valuation, which equates to \$857.50 on a \$175,000 home
  - Fees for Services: no increase in fees
  - No new full-time General Fund positions (retaining current full-time and part-time positions)
  - No vehicle replacement
  - Includes Annual Transfer of \$50,000 to Capital Reserve Fund and Public Safety Reserve Fund
  - Property/Liability Insurance increases based on property additions and new appraised values

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- Highlights of the General Fund include:
  - Current Staff:
    - 2.4% cost of living adjustment (aka: market adjustment)
    - Up to 2% Merit Increase based on Annual Performance Evaluation
  - Law Enforcement Consideration = 7 days a week / 12 daylight hours a day
  - Contracted Services and Utilities in Public Buildings increased for Town Park Facilities and ALCC Facilities being managed
  - Professional Fees – Design/Engineering Services, Auditing, and Legal
  - Public Safety Department (Law Enforcement, Fire, and Animal Control) represents 34% of budget

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## Capital Reserve Fund

<b>Capital Reserve Fund 30:</b>	<b>Proposed Estimates (FY 2026-27)</b>
Investment Earnings	\$ 1,000
Transfer from General Fund 10	\$ 50,000
Transfer to Fund Balance	\$ (51,000)
<b>Revenue Totals = Expenditure Totals</b>	<b>\$ -</b>

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- Highlights of the Capital Reserve Fund include:
  - Continuing Annual Transfer from the General Fund (\$50,000 this year)
  - Investment earnings received will be transferred to fund balance

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## Park Reserve Fund

Park Reserve Fund 31:	Proposed Estimates (FY 2026-2027)
Investment Earnings	\$ 1,000
Transfer from General Fund 10	\$ 70,000
Transfer to General Fund 10	\$ (132,000)
Fund Balance Appropriated	\$ 61,000
<b>Revenue Totals = Expenditure Totals</b>	<b>\$ -</b>

Park Reserve Fund 31:	Proposed Estimates (FY 2026-2027)
Investment Earnings	\$ 1,000
Transfer from General Fund 10	\$ 70,000
Transfer to General Fund 10	\$ (132,000)
Fund Balance Appropriated	\$ 61,000
<b>Revenue Totals = Expenditure Totals</b>	<b>\$ -</b>

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- Highlights of the Park Reserve Fund include:
  - Transfer from General Fund consists of:
    - One Cent Property Taxes Estimate = \$70,000
  - Transfer to General Fund – Final Loan Payment on Park Land \$52,000
  - Transfer to General Fund – Parks & Recreation Capital Purchases 80,000

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## Public Safety Fund

<b>Public Safety Reserve Fund 32:</b>	<b>Proposed Estimates (FY 2026-27)</b>
Investment Earnings	\$ 1,000
Transfer from General Fund 10	\$ 50,000
Fund Balance Appropriated	\$ 309,000
Transfer to General Fund 10	\$ (360,000)
<b>Revenue Totals = Expenditure Totals</b>	<b>\$ -</b>

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- Highlights of the Public Safety Reserve Fund include:
  - Continuing Annual Transfer of \$50,000
  - Utilize Public Safety Reserve Funds for the General Fund Public Safety / Law Enforcement Consideration = 7 days a week /12 daylight hours a day

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## Transfers to and from the General Fund

<b>Transfers to the General Fund</b>	<b>Proposed (FY 2026-2027)</b>
From the Capital Reserve Fund 30	\$ -
From the Park Reserve Fund 31	\$ 132,000.00
From the Public Safety Reserve Fund 32	\$ 360,000.00
<b>Total Transfers to the General Fund</b>	<b>\$ 492,000.00</b>

<b>Transfers from the General Fund</b>	<b>Proposed (FY 2026-2027)</b>
To the Capital Reserve Fund 30	\$ 50,000.00
To the Park Reserve Fund 31	\$ 70,000.00
To the Public Safety Reserve Fund 32	\$ 50,000.00
<b>Total Transfers from the General Fund</b>	<b>\$ 170,000.00</b>

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## **Ad Valorem (Property) Taxes**

- NC General Statute 105-286 requires all counties to conduct a revaluation at least once every eight years. Johnston County's most recent property tax revaluation was January 1, 2025. The new values were used to calculate tax bills in the summer of 2025. The goal of the revaluation is to distribute the overall tax burden throughout the county in a way that is fair and equitable, and based on current property values.
- The Johnston County tax rate is currently \$0.52 per \$100 valuation.

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- Ad valorem tax revenue represents approximately 60% of the Town of Archer Lodge’s revenues.
- The historical property tax rate in Archer Lodge is as follows:

FY	TAX RATE	TOWN	FIRE DEPT	PARK RES	GEN FUND ADOPTED BUDGET
FY17/18	0.20	0.10	0.07	0.03	\$ 1,030,685
FY18/19	0.22	0.10	0.09	0.03	\$ 1,155,760
FY19/20	0.22	0.10	0.09	0.03	\$ 1,391,500
FY20/21	0.22	0.10	0.09	0.03	\$ 1,355,850
FY21/22	0.22	0.10	0.09	0.03	\$ 1,659,545
FY22/23	0.27	0.16	0.09	0.02	\$ 2,632,400
FY23/24	0.30	0.16	0.12	0.02	\$ 2,455,346
FY24/25	0.32	0.16	0.14	0.02	\$ 2,888,000
FY25/26	0.30	0.165	0.115	0.02	\$ 3,379,700
FY26/27	0.285	0.160	0.115	0.01	\$ 3,403,600 (rec.)

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- One cent on the tax rate equates to approximately \$70,000.
  - Ad Valorem Property Taxes (approximately 59.16% of revenue)
  - State Sales Tax Distributions (approximately 14.6% of revenue)
  - Franchise Sales Tax Distributions (approximately 6.29% of revenue)
- For a home valued at \$325,000, the town property tax bill would be approximately \$926, a reduction of approximately \$50 from FY2025-26.

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- Below you will find a table that represents the Ad Valorem Tax Revenues projected in the budget, however, a conservative figure of \$2,010,000 is recommended.

Date	Type	Net Assessed Value	Provided By	Levy \$0.285 / \$100
12/31/2025	Motor Vehicles	\$ 69,487,068	Jo Co Tax Office	\$ 198,038
08/25/2025	Public Service Companies	\$ 7,484,725	NC Dept of Rev	\$ 21,331
05/01/2026	Real and Personal Property	\$ 631,639,908	Jo Co Tax Office	\$ 1,800,174
07/01/2026	<b>TOTAL</b>	<b>\$ 708,611,701</b>		<b>\$ 2,019,543</b>
<b>PROPOSED</b>	<b>AD VALOREM</b>	<b>TAXES</b>	<b>CONSERVATIVE</b>	<b>\$ 2,010,000</b>

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- The following table shows the trends in the tax base and tax revenue:

<b>Real &amp; Personal Property Tax Information (per Jo Co Tax Scrolls)</b>	<b>FY2024 Audited Financials</b>	<b>FY2025 Audited Financials</b>	<b>FY2026 Adopted</b>	<b>FY2027 Proposed</b>
Tax Base Valuation	\$ 434,511,000	\$ 441,240,443	\$ 695,756,310	\$708,611,701
Tax Rate/\$100	\$ 0.300	\$ 0.320	\$ 0.300	\$ 0.285
NCDMV & Jo Co Collection Rate	99.94%	99.94%	not available	
<b>Amount Collected (after abatements, discoveries, releases)</b>	<b>\$ 1,302,692</b>	<b>\$1,411,010</b>		

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## Debt Service

- Archer Lodge will be paying off two of its three loans in FY2026-27 as shown in the table below. This low debt service speaks to the positive financial management by prior Councils and administration.
- The table below shows the Town’s Debt Service:

LOAN	LENDER	BALANCE BEFORE PAYMENT	PAYMENT DUE	FY 26-27	BALANCE AFTER PAYMENT
Town Hall	Truist Gov't	\$ 33,333	03/22/27	\$ 34,470	\$ 0.00
Park Loan	M/M G. Smith	\$ 50,000	08/20/26	\$ 52,000	\$ 0.00
Town Hall Expansion	KS Bank	\$ 21 6,000	09/10/26	\$ 34,280	\$ 189,000
<b>TOTAL</b>		<b>\$ 299,333</b>		<b>\$ 120,750</b>	<b>\$ 189,000</b>

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## Looking to the Future

- Archer Lodge has grown while preserving its rural character, small-town charm, and quality of life.
- Completion of the I-540 loop is expected to bring additional growth, making proactive planning critical.
- Continued investment in parks, recreation, and community amenities remains a top resident priority.
- Strong partnerships with the Johnston County Sheriff's Office, Northside Fire Department, and Town of Clayton support public safety services.
- The Town remains financially stable through reserve funding and long-term planning.
- Proposed NCGA legislation could limit property tax revenue growth, creating uncertainty for future funding.

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## Closing Thoughts

- The FY2026–27 Recommended Budget focuses on balancing fiscal responsibility with meeting community needs.
- Town Staff worked diligently to develop a balanced and carefully planned budget for Council consideration.
- The proposed budget reflects a commitment to effective planning, good stewardship of public funds, and long-term governance.
- Council review and evaluation will help ensure the budget aligns with community priorities and expectations.
- Appreciation to Town Staff, especially the Assistant Town Administrator/Finance Officer, and Town Council for their work and leadership throughout the budget process.