AGENDA

Special Call Meeting of the
Town of Biltmore Forest
Board of Commissioners

To be held Monday, July 20, 2026 at 4:00 p.m.

****THIS MEETING IS BEING HELD IN ACCORDANCE WITH NCGS 160A-71 (B) (1)****

Notice is hereby provided that the purpose of this special call meeting is to consider an amendment to the fiscal year 2026-2027 budget.

A. Roll Call

Mayor George F. Goosmann, III
Commissioner Doris P. Loomis
Commissioner Drew Stephens
Commissioner Allan Tarleton

B. Business Matters

1. Consideration of FY2026-2027 Budget Amendment

C. Adjourn

For those interested in viewing the Board meeting remotely, please utilize the following information:
https://us02web.zoom.us/j/82228455470?pwd=SG9WU0FwUlFSdGZveS95b3pLTUlHdz09
Meeting ID: 822 2845 5470
Passcode: 966757

BOARD OF COMMISSIONERS MEETING
STAFF MEMORANDUM
JULY 20, 2026

TOWN of Biltmore Forest

Agenda Item H-1

Consideration of FY26-27 Budget Amendment
Jonathan Kanipe, Town Manager

Background

The Mayor and Board of Commissioners adopted the FY26-27 budget on June 9, 2026 with the following specific goals based on statutorily mandated property revaluation practices in Buncombe County that generated an additional $1.48MM in revenue while reducing the tax rate by 3 cents. The question before the Board today is whether to amend the FY26-27 budget to reflect the State Legislature's mandated property revaluation moratorium.

Modernizing Public Facilities & Capital Infrastructure

- Police & Public Works Campus: The budget allocates $750,000 for the final architectural and pre-construction phases of these building projects, with groundbreaking scheduled for March 2027.
- Fiscal Prudence: The Town's contingency funding includes interest payments for the first (interest-only) payments on the project, likely due in March 2027.
- Infrastructure Improvements: Funds are designated for robust annual paving and drainage maintenance and the final restoration of all streetlights damaged during Hurricane Helene.

Operational Efficiency & Workforce Support

- Competitive Compensation: To support staff recruitment and retention, the budget includes a 3.3% Cost-of-Living Adjustment (COLA) based on March CPI data and includes a competitive merit pool for all departments.
- Benefit Stability: The budget maintains the Town's commitment to employees' long-term financial health through the 5% 401(k) contribution for all full-time personnel.
- Retirement Funding: Reflecting state statutory changes (LGERS), retirement contributions rise to 17.1% for sworn officers and 15.1% for general staff.

State Legislature Actions

The synopsis of the State Legislature's actions is best summed up by Buncombe County's memorandum related to this topic:

On June 19, 2026, Senate Bill 889 became Session Law 2026-8 and placed a moratorium on the County's reappraisal that went into effect on January 1, 2026 and required the County to use the real property tax valuations from 2025 based on the 2021 Schedule of Values; and as a result of the passage of N.C. Session Law 2026-8 , the difference in the 2026 Property Values and the 2025 Property Value creates a revenue shortfall of $24,751,713, which creates a substantial revenue shortfall for the FY 2027; and pursuant to N.C. Gen. Stat. § 159-15, if after July 1, the revenues received are substantially less than anticipated, the Commissioners may amend the budget ordinance to increase the property tax levy to account for the unanticipated reduction in revenues; and the Board of Commissioners conclude that N.C. Sess. Law 2026-8 substantially reduces the amount of revenue coming into Buncombe County and requires the County to amend the Budget Ordinance to adjust the tax levies to account for the revenue shortfall.[1]

Buncombe County Action

Following the Legislature's actions, the Buncombe County Board of Commissioners voted unanimously on July 14, 2026 to amend their existing budget and use the 2021 property tax schedule of values. This means that all municipalities within Buncombe County are also obligated to use the 2021 schedule of values.

Biltmore Forest Impact

Like Buncombe County, this moratorium's impact to the Town is similarly catastrophic. Dramatic cuts to the approved budget, as shown below, are required and still result in a ten (10) cent property tax increase.

1) Salary merit pool reduction from three (3) percent to two (2) percent across all departments
2) Freezing one (1) open police officer position
3) Eliminating the initial debt service payment to the State of North Carolina for the cashflow loan (approximately $210,000)
4) Eliminating the contingency line item earmarked for additional costs related to the pre-construction services or emergency events ($267,000)
5) Removing planned capital equipment purchases from the streets department (approximately $75,000 for the switch-n-go and chassis)
6) Reducing the community events line item by half (from $50,000 to $25,000)
7) Reducing Forest Management by half (from $100,000 to $50,000)
8) Reducing the overall paving/striping program for FY27 by thirty-five percent (from $200,000 to $130,000)

[1] Buncombe County Staff Memo to Board of Commissioners. Presented at Buncombe County Commissioners' Special Call Meeting on Tuesday, July 14, 2026. Retrieved on July 17, 2026.

In order to appropriately fund this year's adopted budget and the programming and goals established by the Board, a more significant tax rate increase is required. In order to recover the lost revenue generated by the property revaluation moratorium, **it is necessary for the Town to increase the tax rate for FY27-28 by seventeen (17) cents to 51.5 cents per $100 valuation.** This tax increase recommendation is not taken lightly. I recognize this is a dramatic increase from our existing tax rate, but this recommended tax rate exists within the reality of the services required and expected from our citizens and takes into full account the planning and work being conducted to keep the Town moving forward.

Impact on Property Owners

Ironically, the recommended tax rate of 51.5 cents per $100 valuation will be *slightly less* as an overall tax bill from the Town to most property owners. The table below shows the property tax bill impact for a property owner at various levels.

Scenario	TaxRate	TaxCost at $1M AvgPropValue	Change vs Current	Additional Cost per $100k AvgPropValue	Additional Cost per $1M AvgPropValue
Current Tax Rate	0.345	$3,450	0.000	$0	$0
Minimum Rate Increase	0.445	$4,450	0.100	$100	$1,000
Recapture Adopted Revenue Rate	**0.515**	**$5,150**	**0.170**	**$170**	**$1,700**

Table 1

Recommendation

I recommend the Town Board of Commissioners amend the FY26-27 tax rate to 51.5 cents per $100 valuation as a result of being mandated to use the 2025 property tax values. This will enable the Town to appropriately and effectively meet our goals and service levels for this fiscal year.

Attachment

(1) FY26-27 Budget Ordinance Amendment