



The Municipal Capital and Operating Budget
Fiscal Year 2026-2027

THE BEST KEPT SECRET IN MONTGOMERY COUNTY.

Table of Contents

I.	Town Manager’s Budget Message	3
II.	The Organization	7
III.	Budget Ordinance	10
IV.	General Fund Revenues	15
V.	General Fund Expenditures	17
VI.	Water/Sewer Fund Revenues	22
VII.	Water/Sewer Fund Expenditures	23
VIII.	Glossary of Terms	26
IX.	Water/Sewer Rates	28
X.	Fee Schedule	31



TOWN OF MOUNT GILEAD

The best kept secret in Montgomery County

207 N Main Street, Mount Gilead, NC 27306

910.439.5111

info@mtgileadnc.com

MEMORANDUM

May 5, 2026

The Honorable Sheldon P. Morley, Mayor
Members of the Board of Commissioners
Town of Mount Gilead, North Carolina

I am pleased to submit for your review and consideration the proposed Budget for the Town of Mount Gilead for the Fiscal Year beginning July 1, 2026. The proposed budget totals \$3,980,280, reflecting a continued commitment to financial stability, core service delivery, and strategic investment in infrastructure and public safety.

I can report that the Town is on track to meet all financial obligations in the current fiscal year and anticipates closing the year with stable fund balances. The proposed budget reflects measured growth across both the General Fund and Water and Sewer Fund, while maintaining a conservative and responsible approach to revenue projections and expenditures.

GENERAL FUND

The proposed General Fund Budget for Fiscal Year 2026–2027 totals \$2,029,535, reflecting an increase from the prior fiscal year. The budget maintains the current property tax rate, water/sewer rates, and fee schedule. It is supported by stable and diversified revenue sources, with projections based on conservative assumptions.

The primary driver of the increase is related to personnel and operational costs needed to maintain service levels. The budget includes a 3% cost-of-living adjustment (COLA) and eligibility for merit increases of up to 2%, consistent with prior years. The key change is that merit increases will now be based on employee performance evaluations rather than being applied automatically, strengthening accountability and alignment with organizational goals.

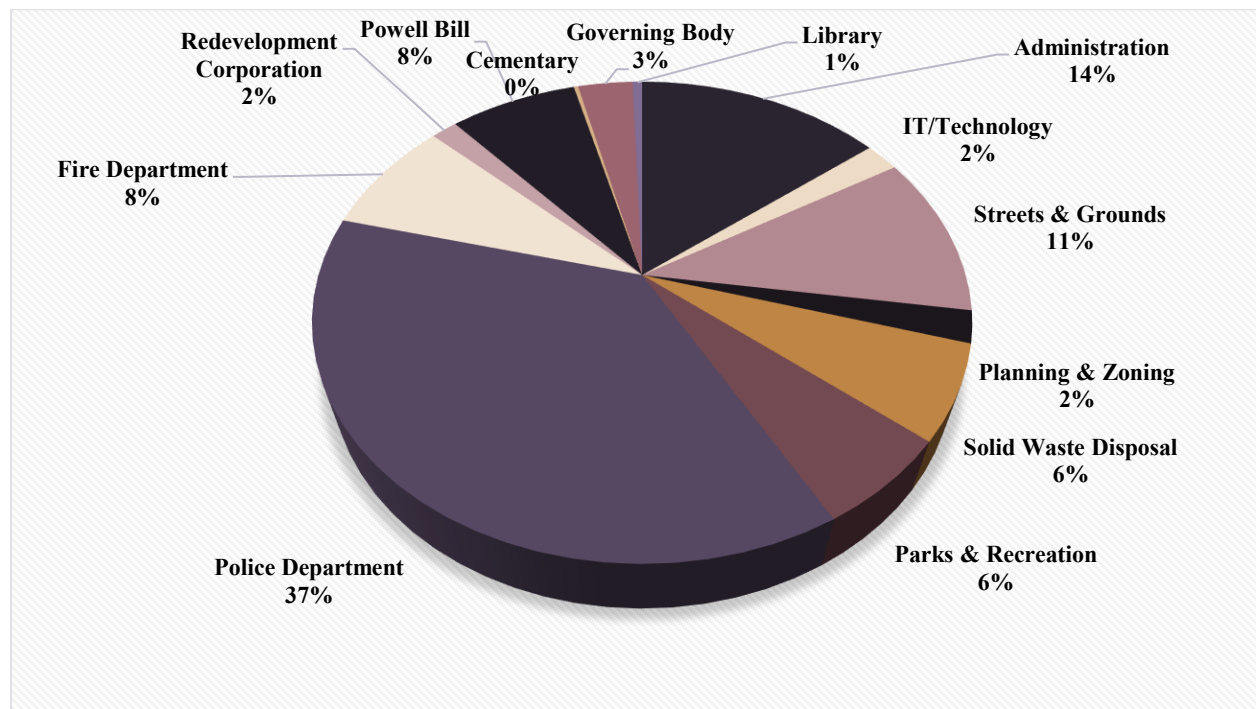
Administration expenditures have increased to support personnel adjustments and the transition to the new Town Hall. Streets and Grounds also reflects personnel-related increases and continued investment in maintenance and beautification. IT/Technology includes a small increase to support software updates and ongoing system needs.

Solid Waste expenditures reflect contractual CPI-based increases to maintain a self-supporting service. Parks and Recreation includes staffing adjustments, pool enhancements and modest facility improvements. The Police Department budget supports continued recruitment efforts, equipment updates, and a vehicle replacement. Fire Department funding includes operational support, equipment needs, and a stipend for the Fire Chief.

Powell Bill funding remains consistent, with approximately \$100,000 allocated for street paving through the use of \$50,000 from FY 25–26 and \$50,000 from FY 26–27, allowing the Town to complete priority road improvements.

The Governing Body budget includes an additional \$3,000 in contributions to provide flexible support for community events and programs that benefit the Town. Other departments, including Planning and Zoning, Redevelopment, and Cemetery, remain stable. Library funding has been returned to approximately \$11,400 following the completion of the HVAC replacement project in the prior fiscal year.

Overall, the General Fund budget reflects a balanced approach focused on maintaining core services, supporting employees, and addressing infrastructure and operational needs while remaining fiscally responsible.



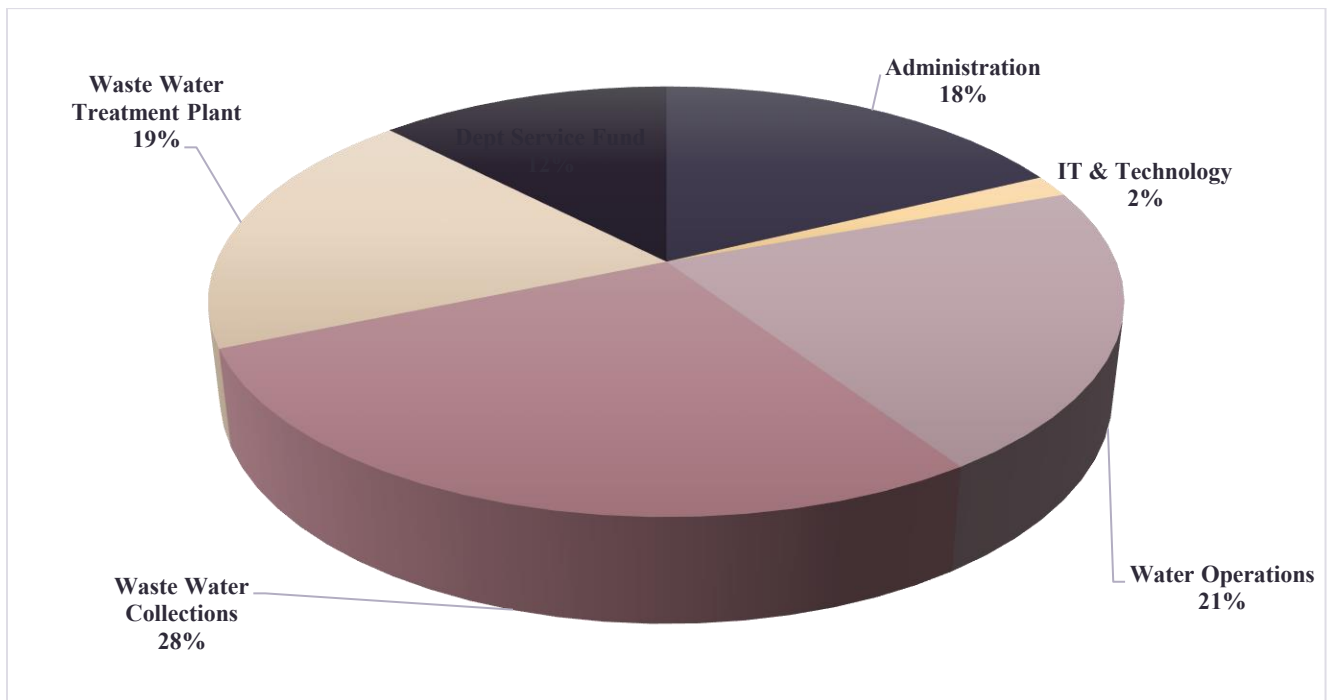
WATER/SEWER FUND:

The proposed Water and Sewer Fund Budget totals \$1,950,745, reflecting an increase from the prior fiscal year primarily due to operational and personnel needs.

No water or sewer rate increase is included in the FY 26–27 budget. Revenue projections are based on expected trends in usage, customer activity, and overall system performance.

Expenditures include a 3% cost-of-living adjustment (COLA) and potential merit increases consistent with prior years, as well as funding for staffing and routine equipment needs. Investments across the system support ongoing maintenance, reliability, and efficient operations. Debt service obligations remain consistent with prior years.

Overall, the budget reflects a balanced approach to maintaining service levels while continuing to monitor the long-term financial sustainability of the Water and Sewer Fund.



SUMMARY

The proposed FY 2026–2027 budget reflects the Town’s continued commitment to public safety, investment in community assets, and ongoing infrastructure improvements. The budget is balanced and based on conservative revenue projections while addressing key operational needs across both the General Fund and Water and Sewer Fund.

Priority has been placed on supporting public safety services, maintaining streets and facilities, and making targeted improvements that enhance quality of life for residents. Investments include street paving through Powell Bill funding, upgrades to parks and public spaces, and continued maintenance and reliability of the water and sewer system.

The budget also supports Town operations through appropriate staffing levels and standard compensation adjustments, while maintaining a focus on efficiency and long-term sustainability.

Overall, this budget positions the Town to remain financially stable, continue delivering essential services, and invest in the community in a responsible and forward-looking manner.

Sincerely,

Barrett Brown, Town Manager

THE ORGANIZATION:

SHELDON P. MORLEY, MAYOR
TIM MCAULEY, MAYOR PRO TEMPORE
PAULA COVINGTON, COMMISSIONER
VERA RICHARDSON, COMMISSIONER
MARY LUCAS, COMMISSIONER

APPOINTED OFFICIALS:

BARRETT L. BROWN, TOWN MANAGER
LESSIE D. JACKSON, TOWN CLERK
MAX GARNER, TOWN ATTORNEY

STAFF:

LESSIE D. JACKSON, ENTERPRISE MANAGER
TALMADGE LEGRAND, CHIEF OF POLICE
JAMES MCCORMICK, PUBLIC WORKS DIRECTOR
JIM HAITHCOCK, WASTEWATER TREATMENT PLANT OPERATOR
KEITH BYRD, FIRE CHIEF

THE TOWN OF MOUNT GILEAD:

Nearly 1,000 years ago, the Pee Dee Indian community located in what is now Mount Gilead, North Carolina. The native community had easy access to the river, where trade could occur more easily, and built a Mound for trading and security that is still preserved today.

As the United States developed as a nation, people began to naturally locate in Mount Gilead, originally named Providence. Early in the history, the community was primarily agricultural, with cotton and tobacco being the main crops grown in the area. As the United States industrialized, the Mount Gilead Community became a textile community, known for its hosiery mill.

The Town of Mount Gilead was officially incorporated by act of the North Carolina in 1899. Today, the community has 1,200 residents and is a full service government and is mostly known for industries including Lumber, Flooring Production, Boot Manufacturing, and Truss Manufacturing.

MAYOR:

The Mayor is the chief elected official of the Town of Mount Gilead. The Mayor is elected, at large, for a two year term. The Mayor is the presiding officer of the Mount Gilead Town Board. The Mayor votes to break a tie vote and does not have veto power. The Mayor represents the Town at various local, state, and national meetings. The Mayor serves as the Town's chief ambassador, meeting with various dignitaries and business representatives. The Mayor also plays an important role in the development of Mount Gilead's Municipal policy.

BOARD OF COMMISSIONERS:

The Mount Gilead Board of Commissioners is the Legislative Body of the Town of Mount Gilead. The Town Board is comprised of four members. Members of the Town Board are elected at large but must file for election. Two members of the Town Board stand election every two years and are elected to four year terms.

The Town Board appoints the Town Manager and the City Attorney; is responsible for passing all ordinances and resolutions; approves the annual budget; sets the Ad Valorem tax rate; sets utility rates; makes appointments to various boards and committees of the Town; and adopts memorandums, long range plans, policies, and ordinances for the Town.

TOWN MANAGER:

The Town Manager, the Chief Administrative Officer of the Town of Mount Gilead, is appointed by the Town board and serves at its pleasure. The Town of Mount Gilead adopted the Council-Manager form of government in 2004.

The Town Manager provides management control and coordinates all activities of Town Government. The Manager is the administrative head of the Town and sees that the laws of the Town and State are faithfully executed. The Manager attends all meetings of the Town Board, recommends for adoption such measures as they deem pertinent, and makes reports from time to time concerning the affairs of the Town. The Manager is the Chief Budgeting Officer of the Town of Mount Gilead and is responsible for the preparation of the annual budget and represents the Town on various boards, commissions, committees on town, state, and national levels.

TOWN CLERK:

The Town Clerk is appointed by the Town Board and serves at their pleasure. The Clerk keeps the Town's records, gives notices of meetings, and performs various other functions as required by the Town Board and Town Manager. The Clerk prepares the minutes of the governing board and maintains them in a set of full and accurate minute books.

TOWN ATTORNEY:

The Mount Gilead Town Attorney is the chief legal authority of the Town. The Town Attorney is appointed by the Town Board and serves at its pleasure.

The Town Attorney represents the Mayor and Town Board, the Town Manager, and various department supervisors of the Town government. The Town Attorney has the responsibility to advise the Town Board on all legal, procedural, and conduct of meetings. The Attorney represents the Town in all legal matters, personnel hearings, zoning administration, and any civil or criminal court procedure.



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MEMORANDUM

BUDGET ORDINANCE:

AN ORDINANCE ESTABLISHING REVENUES AND AUTHORIZING EXPENDITURES FOR FISCAL YEAR 2026-2027 FOR THE TOWN OF MOUNT GILEAD, NORTH CAROLINA

BE IT ORDAINED by the Mayor and Board of Commissioners of the Town of Mount Gilead:

SECTION 1. The following amounts are hereby appropriated in the General Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2026, and ending June 30, 2027, in accordance with the chart of accounts heretofore established for this Town:

EXPENDITURE	FY 25-26	FY 26-27
Administration	\$275,100	\$289,380
IT/Technology	\$32,000	\$40,000
Streets & Grounds	\$182,250	\$218,867
Planning & Zoning	\$43,000	\$43,000
Solid Waste Disposal	\$122,000	\$126,900
Parks & Recreation	\$111,000	\$146,325
Police Department	\$697,600	\$743,888
Fire Department	\$139,650	\$159,275
Redevelopment Corporation	\$30,750	\$30,750
Powell Bill	\$100,000	\$150,000
Cemetery	\$5,000	\$5,000
Governing Body	\$53,300	\$64,750
Library	\$18,900	\$11,400
TOTAL EXPENSES	\$2,003,535	\$2,029,535

Description		FY 26-27 REVENUE
	Property Tax - 2021 and Prior	\$2,000
10-300-20	Property Tax – 2022	\$1,500
10-300-21	Property Tax – 2023	\$1,500
10-300-22	Property Tax – 2024	\$4,000
10-300-23	Property Tax – 2025	\$10,500
10-300-24	Property Tax – 2026	\$617,000
10-305-20	Investment Interest	\$35,000
10-309-00	Pmt in Lieu of Taxes	\$9,000
10-310-20	Piped Natural Gas Tax Dist	\$3,000
10-310-21	Electric Franchise Tax Dist	\$69,500
10-310-22	Telecommunications Tax Dist	\$7,500
10-310-23	Video Programming Tax Dist	\$4,800
10-310-30	Article 40 Sales Tax Dist	\$102,000
10-310-31	Article 42 Sales Tax Dist	\$73,000
10-310-32	Article 39 Sales Tax Dist	\$141,000
10-310-34	Article 44* 524	\$57,000
10-312-23	Vehicle Tax 2023	\$8,000
10-312-24	Vehicle Tax 2024	\$65,000
10-315-10	Solid Waste Fees	\$122,000
10-315-11	Solid Waste Disposal Tax	\$1,000
10-315-15	Rental Property Payments	\$4,200
10-315-16	Donations Parks and Recs	\$5,000
10-315-17	Moco Recreation Grant Pool	\$30,000
10-315-20	Pool Pavilion Reservations	\$3,750
10-315-21	Pool Drinks and Snacks	\$500
10-315-22	Pool Admission	\$3,200
10-315-23	Pool Family Memberships	\$100
10-315-25	Park Program Fees	\$1,200
10-315-27	Pool Party Fees	\$500
10-315-30	ABC Revenue	\$17,000
10-315-31	ABC Law Enforcement Dist	\$11,200
10-315-32	Beer and Wine License	\$100
10-315-34	Festival Revenue	\$9,500
10-315-35	Fall Festival Fees	\$2,500
10-315-37	Fall Festival Shirt Sale	\$1,000
10-315-40	Cemetery Plot Sales	\$5,000
10-315-50	Red Corp Rent	\$40,000
10-315-70	Alcoholic Beverage Tax Dist	\$5,500
10-320-15	Zoning Permits	\$1,000
10-320-20	Powell Bill Dist	\$50,800
10-320-30	Misc Revenue	\$5,000
10-320-33	Misc Donations	\$1,150

10-320-46	Christmas Parade Donations	\$500
10-330-10	Sales Tax Refund	\$26,500
10-330-40	Hold Harmless Tax Dist	\$108,000
10-340-10	Drug Funds	\$300
10-340-27	Additional Grant Revenue	\$10,000
10-340-30	Police Calendar Sales	\$500
10-340-40	Police Miscellaneous Revenue	\$3,000
10-340-42	Shop with a Cop Program	\$10,000
10-340-47	Police Reports	\$300
10-340-48	SRO Revenue	\$65,000
10-350-40	Court Fees	\$500
10-360-10	Appropriated Fund Balance	\$121,335
10-360-20	Appropriated Fund Balance Powell Bill	\$100,000
10-360-30	Governing Board from W&S	\$24,600
10-399-51	Donations to Fire Dept	\$500
TOTAL REVENUES		\$2,029,535

SECTION 3. The Following amounts are hereby appropriated to the Water/Sewer Fund for the operation of the water and sewer utilities for the fiscal year beginning July 1, 2026, and ending June 30, 2027, and in accordance with the chart of accounts heretofore approved for the Town.

EXPENDITURE	FY 25-26	FY 26-27
Administration	\$324,015	\$346,860
IT & Technology	\$32,000	\$40,000
Water Operations	\$382,950	\$414,840
Waste Water Collections	\$480,950	\$545,299
Waste Water Treatment Plant	\$372,450	\$364,450
Dept Service Fund	\$239,296	\$239,296
TOTAL EXPENSES	\$1,831,661	\$1,950,745

SECTION 4. It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2026, and ending June 30, 2027.

Description		FY 26-27 REVENUE
20-300-05	Sewer Collections County	\$830,000
20-300-10	Sewer Collections Town	\$650,000
20-300-20	Sewer Tap Fees Town	\$30,000
20-300-95	Transfer From Debt Service Fund	\$30,000
20-305-20	Investment Income	\$81,245
20-310-10	Water Sale Revenues	\$270,000
20-310-20	Water Tap Fees	\$5,000
20-310-30	Reconnect Fees	\$7,500
20-310-40	Connection Fee	\$9,000
20-310-60	Late Fees	\$18,000
20-320-30	Miscellaneous	\$12,000
20-330-05	Sewer Tap Fees County	\$8,000
Total Revenues		\$1,950,745

SECTION 5. Special Funds.

DESCRIPTION	26-27 EXPENDITURE
21-400-10 Transfer to Water/Sewer Fund	\$26,950
Total	\$26,950

DESCRIPTION	26-27 REVENUE
21-300-10 Transfer From Water/Sewer Fund	\$26,950
Total	\$26,950

DESCRIPTION	26-27 EXPENDITURE
22-400-10 Transfer to Water/Sewer Fund	\$2,646
Total	\$2,646

DESCRIPTION	26-27 REVENUE
22-300-10 Transfer From Water/Sewer Fund	\$2,646
Total	\$2,646

SECTION 6. Ad Valorem Tax Rate: \$.60 per \$100 valuation of property as listed for tax purposes. This rate is based on a total valuation of property for the purposes of taxation of \$103,000,000 and an estimated collection rate of 95.07%

SECTION 7. Water & Sewer Rates heretofore established take effect July 1, 2026.

SECTION 8. The Town Manager shall serve as the Budget Officer.

The Budget Officer is hereby authorized to reallocate appropriations within a department, and among the various line accounts not organized by departments, as deemed necessary.

The Budget Officer is hereby authorized to make any budget transfers as may be required within each fund, not to exceed ten percent (10%) of the appropriated monies for the department whose allocation is reduced. The Budget Officer is also authorized to recommend allocation of funds remaining in each department, after all bills are paid and prior to closing of the books. Notification of all such transfers shall be made to the Town Board at its next meeting following the date of the transfer.

SECTION 9. Interdepartmental transfer of monies and Governing Body funds, except as noted in section 8, shall be accomplished by the Board of Commissioners authorizations only.

Utilization of appropriations contained in Appropriations from Fund Balance may be accomplished only with specific approval of the Board of Commissioners.

SECTION 10. This ordinance shall be the basis of the financial plan for the Town of Mount Gilead Municipal Government during the 2026-2027 fiscal year. The Town Manager shall administer and maintain the budget and shall ensure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the budget.

The Administration Department (Finance Officer) shall establish and maintain all records, which are in consonance with this budget ordinance, and the appropriate statutes of the state of North Carolina.

SECTION 11. Copies of the Budget Ordinance shall be furnished to the Clerk of the Governing Board and Finance Director to be kept on file by them for their direction in the disbursement of funds.

SECTION 12. Salary adjustments funds resulting from performance evaluations, wage level adjustments or merit increases may be made available beginning with the first payroll in the month of the new Fiscal Year. Additionally, all exempt employees shall receive a 3% COLA increase, and all non-exempt employees shall receive a 3.0% COLA increase. This salary adjustment shall not apply to seasonal employees.

TOTAL GROSS BUDGET \$3,954,280

Adopted this the _____ day of June, 2026

Attest:

Lessie D. Jackson, Town Clerk

Sheldon P. Morley, Mayor

FY 26/27 TOWN OF MOUNT GILEAD BUDGET

GENERAL FUND REVENUES FY 26/27

Description	FY 26-27 REVENUE
Property Tax - 2021 and Prior	\$2,000
10-300-20 Property Tax – 2022	\$1,500
10-300-21 Property Tax – 2023	\$1,500
10-300-22 Property Tax – 2024	\$4,000
10-300-23 Property Tax – 2025	\$10,500
10-300-24 Property Tax – 2026	\$617,000
10-305-20 Investment Interest	\$35,000
10-309-00 Pmt in Lieu of Taxes	\$9,000
10-310-20 Piped Natural Gas Tax Dist	\$3,000
10-310-21 Electric Franchise Tax Dist	\$69,500
10-310-22 Telecommunications Tax Dist	\$7,500
10-310-23 Video Programming Tax Dist	\$4,800
10-310-30 Article 40 Sales Tax Dist	\$102,000
10-310-31 Article 42 Sales Tax Dist	\$73,000
10-310-32 Article 39 Sales Tax Dist	\$141,000
10-310-34 Article 44* 524	\$57,000
10-312-23 Vehicle Tax 2023	\$8,000
10-312-24 Vehicle Tax 2024	\$65,000
10-315-10 Solid Waste Fees	\$122,000
10-315-11 Solid Waste Disposal Tax	\$1,000
10-315-15 Rental Property Payments	\$4,200
10-315-16 Donations Parks and Recs	\$5,000
10-315-17 Moco Recreation Grant Pool	\$30,000
10-315-20 Pool Pavilion Reservations	\$3,750
10-315-21 Pool Drinks and Snacks	\$500
10-315-22 Pool Admission	\$3,200
10-315-23 Pool Family Memberships	\$100
10-315-25 Park Program Fees	\$1,200
10-315-27 Pool Party Fees	\$500
10-315-30 ABC Revenue	\$17,000
10-315-31 ABC Law Enforcement Dist	\$11,200
10-315-32 Beer and Wine License	\$100
10-315-34 Festival Revenue	\$9,500
10-315-35 Fall Festival Fees	\$2,500
10-315-37 Fall Festival Shirt Sale	\$1,000
10-315-40 Cemetery Plot Sales	\$5,000

10-315-50	Red Corp Rent	\$40,000
10-315-70	Alcoholic Beverage Tax Dist	\$5,500
10-320-15	Zoning Permits	\$1,000
10-320-20	Powell Bill Dist	\$50,800
10-320-30	Misc Revenue	\$5,000
10-320-33	Misc Donations	\$1,150
10-320-46	Christmas Parade Donations	\$500
10-330-10	Sales Tax Refund	\$26,500
10-330-40	Hold Harmless Tax Dist	\$108,000
10-340-10	Drug Funds	\$300
10-340-27	Additional Grant Revenue	\$10,000
10-340-30	Police Calendar Sales	\$500
10-340-40	Police Miscellaneous Revenue	\$3,000
10-340-42	Shop with a Cop Program	\$10,000
10-340-47	Police Reports	\$300
10-340-48	SRO Revenue	\$65,000
10-350-40	Court Fees	\$500
10-360-10	Appropriated Fund Balance	\$121,335
10-360-20	Appropriated Fund Balance Powell Bill	\$100,000
10-360-30	Governing Board from W&S	\$24,600
10-399-51	Donations to Fire Dept	\$500
TOTAL REVENUES		\$2,029,535

General Fund Expenditures FY 25/26:

ADMINISTRATION		
10-400-02	Salaries	\$118,545
10-400-03	Annual Bonus	\$1,200
10-400-04	FICA	\$9,500
10-400-06	Retirement	\$17,200
10-400-15	Car Allowance	\$2,400
10-400-08	Group Health Insurance	\$18,000
10-400-09	401KMatch	\$5,985
10-400-18	Dues/Subscriptions	\$2,250
10-400-22	Supplies	\$4,000
10-400-23	Equipment <\$5,000	\$4,000
10-400-26	Contracted Services	\$10,000
10-400-14	Travel Training	\$7,500
10-400-28	Telephone/Postage	\$11,000
10-400-30	Utilities	\$9,300
10-400-32	Printing/Advertising	\$500
10-400-34	Building/Ground Maintenance	\$5,000
10-400-40	Professional Fees/Srv Chg	\$10,000
10-400-54	Insurance/Bonds	\$30,000
10-400-58	Equipment Rental	\$4,000
10-400-74	Miscellaneous	\$6,000
10-400-80	Workers Compensation	\$13,000
TOTAL ADMINISTRATION		\$289,380

IT/TECHNOLOGY		
10-480-40	Contracted Services	\$30,000
10-480-56	Equipment	\$5,000
10-480-57	Contingency	\$5,000
TOTAL IT EXPENSES		\$40,000

STREETS & GROUNDS		
10-450-02	Salaries	\$73,542
10-450-03	Annual Bonus	\$750
10-450-04	FICA	\$5,650
10-450-06	Retirement	\$10,600
10-450-08	Group Health Insurance	\$8,500
10-450-09	401k Match	\$3,800
10-450-22	Supplies	\$12,500
10-450-24	Auto Supplies	\$1,700

10-450-25	Vehicle Maintenance	\$6,500
10-450-26	Gasoline	\$8,125
10-450-30	Utilities	\$27,500
10-450-32	Printing/Advertising	\$500
10-450-33	Maint Supplies and Equip	\$8,200
10-450-35	Maintenance	\$15,000
10-450-38	MTG Beautification	\$19,000
10-450-56	Capital Outlay	\$0
10-450-74	Misc	\$7,000
10-450-75	Christmas Decorations	\$10,000
TOTAL STREETS & GROUNDS		\$218,867

PLANNING & ZONING		
10-460-22	Supplies	\$500
10-460-32	Printing/Advertising	\$2,500
10-460-46	Contracted Services	\$30,000
10-460-80	Demolition/Removal	\$10,000
TOTAL PLANNING & ZONING		\$43,000

SOLID WASTE DISPOSAL		
10-470-44	Solid Waste Disposal	\$102,900
10-470-50	Yard Debris/Bulk Goods	\$24,000
TOTAL SOLID WASTE DISPOSAL		\$126,900

PARKS & RECREATION		
10-500-03	Pool worker salaries	\$50,000
10-500-04	FICA	\$3,825
10-500-14	Training/Certifications	\$1,000
10-500-20	Uniforms	\$500
10-500-22	Supplies	\$6,000
10-500-23	Snacks/concessions	\$1,000
10-500-28	Telephone/postage	\$500
10-500-30	Utilities	\$16,000
10-500-32	Printing/Advertising	\$500
10-500-33	Equipment Under \$5,000	\$3,000
10-500-34	Maintenance	\$8,500
10-500-38	Park Program Expense	\$2,000
10-500-40	Fall Festival	\$18,000
10-500-74	Miscellaneous	\$2,500
10-500-75	Contracted Services	\$1,000
10-500-37	Pool Improvements	\$30,000
10-500-76	Misc Recreation	\$2,000

TOTAL PARKS & RECREATION	\$146,325
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POLICE DEPARTMENT		
10-550-01	Overtime	\$15,000
10-550-02	Salaries	\$393,000
10-550-03	Annual Bonus	\$3,900
10-550-04	FICA	\$30,000
10-550-05	Reserve Officer Pay	\$7,000
10-550-06	Retirement	\$63,273
10-550-08	Group Health Ins	\$59,000
10-5550-09	401k Match	\$19,650
10-550-14	Travel/Training	\$4,000
10-550-20	Uniforms	\$9,000
10-550-22	Supplies	\$6,000
10-550-23	Equipment	\$22,065
10-550-24	Auto Supplies	\$500
10-550-25	Vehicle Maintenance	\$13,000
10-550-26	Gasoline	\$16,000
10-550-28	Telephone/Postage	\$5,500
10-550-30	Utilities	\$7,000
10-550-32	Printing/Advertising	\$500
10-550-34	Building/Grounds Maintenance	\$12,000
10-550-35	Safety Program	\$250
10-550-36	Community Event Expense	\$250
10-550-38	Shop With a Cop Expense	\$7,000
10-550-40	Software Support	\$4,500
10-550-42	Contracted Services	\$500
10-550-53	Dues/Subscriptions	\$1,000
10-550-56	Capital Outlay	\$40,000
10-550-59	Applicant Processing	\$2,000
10-550-60	Equipment Grant	\$0
10-550-74	Miscellaneous	\$2,000
TOTAL POLICE DEPARTMENT		\$743,888

FIRE DEPARTMENT		
10-600-02	Salaries	\$13,000
	PAY PER CALL	\$24,000
10-600-06	Retirement	\$3,000
10-600-08	Accident and Health Policy	\$3,000
10-600-10	A D&D Insurance	\$500
10-600-18	Dues/Subscriptions	\$750
10-600-22	Supplies	\$800

10-600-24	Auto Supplies	\$500
10-600-25	Vehicle Maintenance	\$40,000
10-600-26	Gasoline	\$5,625
10-600-28	Telephone/Postage	\$600
10-600-30	Utilities	\$8,500
10-600-34	Building/Grounds Maintenance	\$4,000
10-600-42	Contracted Services	\$18,000
10-600-56	Capital Outlay	\$2,000
10-600-60	Escrow Truck Fund	\$30,000
10-600-72	Annual Banquet	\$5,000
TOTAL FIRE DEPARTMENT		\$159,275

REDEVELOPMENT CORP		
10-630-20	Operations	\$30,000
10-630-74	Miscellaneous	\$750
TOTAL REDEVELOPMENT CORP		\$30,750

POWELL BILL		
10-650-15	Street Maintenance	\$150,000
TOTAL POWELL BILL		\$150,000

CEMETERY		
10-700-15	Building/Grounds Maintenance	\$4,000
10-700-74	Miscellaneous	\$500
10-700-30	Utilities	\$500
TOTAL CEMETERY		\$5,000

GOVERNING BODY		
10-800-02	Salaries	\$12,000
10-800-04	FICA	\$950
10-800-14	Travel/Training	\$3,000
10-800-18	Dues/Subscriptions	\$2,500
10-800-22	Supplies	\$750
10-800-32	Printing/Advertising	\$1,000
10-800-40	Professional Fees/Srv Chg	\$5,000
10-800-41	Attorney Fees	\$2,500
10-800-42	Audit Fees	\$21,500
10-800-57	Miscellaneous	\$2,000
10-800-80	Façade Grant	\$1,000
10-800-81	Miscellaneous Contributions	\$3,000
10-800-82	Contributions Christmas Parade	\$1,000
10-800-83	Team Building	\$3,000

10-800-84	Contributions Piedmont Triad	\$550
10-800-85	Contributions Highland	\$2,000
10-800-85	Contributions Highland Summer	\$1,000
10-800-94	Contributions Mt Gilead Food Pantry	\$1,500
10-800-98	Contributions EDC	\$500
TOTAL GOVERNING BODY		\$64,750

LIBRARY		
10-850-10	Contributions Library	\$4,400
10-850-15	Building/Grounds Maintenance	\$2,000
10-850-30	Utilities	\$5,000
TOTAL LIBRARY		\$11,400

TOTAL GENERAL FUND BUDGET: \$2,029,535

WATER/SEWER REVENUES FY 26/27

Description	FY 26-27 REVENUE
20-300-05 Sewer Collections County	\$830,000
20-300-10 Sewer Collections Town	\$650,000
20-300-20 Sewer Tap Fees Town	\$30,000
20-300-95 Transfer From Debt Service Fund	\$30,000
20-305-20 Investment Income	\$81,245
20-310-10 Water Sale Revenues	\$270,000
20-310-20 Water Tap Fees	\$5,000
20-310-30 Reconnect Fees	\$7,500
20-310-40 Connection Fee	\$9,000
20-310-60 Late Fees	\$18,000
20-320-30 Miscellaneous	\$12,000
20-330-05 Sewer Tap Fees County	\$8,000
Total Revenues	\$1,950,745

WATER/SEWER EXPENSES FY 26/27:

ADMINISTRATION		
20-400-02	Salaries	\$119,700
20-400-03	Annual Bonus	\$1,200
20-400-04	FICA	\$9,200
20-400-06	Retirement	\$17,200
20-400-08	Group Health Insurance	\$18,000
20-400-09	401k Match	\$5,985
20-400-12	Insurance Bonds	\$37,400
20-400-13	Workers Compensation	\$12,075
20-400-15	Car Allowance	\$2,400
20-400-16	Travel/Training	\$7,500
20-400-20	Uniforms	\$1,000
20-400-22	Supplies	\$5,000
20-400-23	Equipment under \$5,000	\$1,000
20-400-28	Telephone/Postage	\$12,000
20-400-30	Utilities	\$7,300
20-400-32	Printing/Advertising	\$500
20-400-34	Building/Grounds Maintenance	\$9,500
20-400-40	Professional Fees/Srv Chg	\$10,000
20-400-59	Equipment Rental	\$4,000
20-400-73	Audit Fees	\$21,500
20-400-74	Miscellaneous	\$3,000
20-400-76	Dues/Subscriptions	\$2,500
20-400-80	Cty Monitor Payment	\$14,300

20-400-85	W&S To GF for Governing Board	\$24,600
ADMINISTRATION TOTAL		\$346,860

IT & TECHNOLOGY		
20-480-40	Contracted Services	\$30,000
20-480-56	Equipment	\$5,000
20-480-57	Contingency	\$5,000
IT & TECHNOLOGY TOTAL		\$40,000

WATER OPERATIONS		
20-410-02	Salaries	\$112,000
20-410-03	Annual bonus	\$1,300
20-410-04	FICA	\$8,568
20-410-06	Retirement	\$16,072
20-410-08	Group Health Insurance	\$15,000
20-410-09	401k Match	\$5,600
20-410-14	Travel Training	\$1,500
20-410-20	Uniforms	\$2,500
20-410-22	Supplies	\$16,000
20-410-23	Equipment under \$5,000	\$5,000
20-410-24	Auto Supplies	\$1,500
20-410-25	Vehicle Maintenance	\$6,000
20-410-32	Printing/Advertising	\$1,000
20-410-34	Bldgs Ground Maintenance	\$2,200
20-410-35	Safety Program	\$2,600
20-410-36	Equipment Maintenance	\$4,000
20-410-40	Professional Fees/Service Charges	\$500
20-410-46	Water Purchase for Resale	\$140,000
20-410-53	Dues/Subscriptions	\$1,500
20-410-56	Capital Outlay	\$30,000
20-410-74	Miscellaneous	\$2,000
20-410-75	Contracted Services	\$40,000
WATER OPERATIONS TOTAL		\$414,840

WASTE WATER COLLECTIONS		
20-415-02	Salaries	\$127,899
20-415-03	Annual Bonus	\$1,300
20-415-04	FICA	\$9,800
20-415-06	Retirement	\$18,500
20-415-08	Group Health Insurance	\$15,000
20-415-09	401k Match	\$6,400
20-415-14	Travel/Training	\$1,500
20-415-20	Uniforms	\$3,500
20-415-22	Supplies	\$30,000
20-415-23	Equipment under \$5,000	\$1,000
20-415-24	Auto Supplies	\$1,000
10-415-25	Vehicle Maintenance	\$4,000
20-415-26	Maintenance Supplies	\$4,000
20-415-28	Telephone Postage	\$3,000
20-415-29	Gasoline	\$16,000

20-415-30	Utilities	\$35,000
20-415-32	Printing/Advertising	\$400
20-415-36	Equipment Maintenance	\$60,000
20-415-37	Twin Harbor Maintenance	\$75,000
20-415-40	Professional Fees and Srv Chg	\$1,500
20-415-48	Fines/Penalties/Fees	\$1,000
20-415-53	Dues/Subscriptions	\$2,000
20-415-56	Capital Outlay Equipment	\$55,000
20-415-60	Capital Outlay	\$10,000
20-415-74	Miscellaneous	\$15,000
20-415-74	County Sewer Collection Fees	\$17,500
20-415-76	Contracted Services	\$30,000
WASTE WATER COLLECTIONS TOTAL		\$545,299

WASTE WATER TREATMENT PLANT		
20-420-02	Salaries	\$54,000
20-420-03	Annual Bonus	\$400
20-420-04	FICA	\$4,000
20-420-06	Retirement	\$7,500
20-420-08	Group Health Insurance	\$9,500
20-420-09	401k Match	\$2,450
20-420-14	Travel Training	\$2,000
20-420-20	Lab Equipment Instrument	\$3,000
20-420-22	Supplies	\$16,000
20-420-23	Equipment Under \$5,000	\$1,200
20-420-25	Vehicle Maintenance	\$1,500
20-420-26	Maintenance Supplies	\$3,000
20-420-28	Telephone/Postage	\$700
20-420-29	Gasoline	\$4,000
20-420-30	Utilities	\$70,000
20-420-34	Buildings/Grounds Maintenance	\$6,500
20-420-35	Safety Program	\$200
20-420-36	Equipment Maintenance	\$35,000
20-420-40	Professional Fees/Srv Chg	\$30,000
20-420-44	Solid Waste Disposal	\$5,000
20-420-53	Dues/Subscriptions	\$3,500
20-420-55	Capital Outlay	\$40,000
20-420-56	Capital Outlay Equipment	\$20,000
20-420-66	Lagoons	\$12,000
20-420-68	Sludge	\$2,000
20-420-72	Laboratory Fees	\$23,500
20-420-72	Fines/Penalties/Fees	\$2,000
20-420-77	Contracted Services	\$5,500
WASTE WATER TREATMENT PLANT TOTAL		\$364,450

DEBT SERVICE FUND		
20-900-80	Debt Service Principle WWTP	\$164,600
20-900-81	Debt Service Int WWTP	\$18,100
20-900-90	Debt Service Principle Water Main Project	\$13,000

20-900-91	Debt Service Int Water Main Project	\$14,000
Transfer to Fund 22		\$2,646
	Transfer to Fund 21	\$26,950
DEBT SERVICE FUND TOTAL		\$239,296

Total Water/Sewer Budget: \$1,950,745

SPECIAL FUND REVENUES FY 25/26

21 Fund		
21-300-10	Transfer From Water/Sewer Fund	\$26,950
21 FUND DEBT SERVICE RESERVE		\$26,950

22 Fund		
22-300-10	Transfer From Water/Sewer Fund	\$2,645
22 FUND DEBT SERVICE RESERVE		\$2,646

SPECIAL FUND EXPENDITURES FY 25-26

21 Fund		
21-300-10	Transfer From Water/Sewer Fund	\$26,950
21 FUND DEBT SERVICE RESERVE		\$26,950

22 Fund		
22-300-10	Transfer From Water/Sewer Fund	\$2,645
22 FUND DEBT SERVICE RESERVE		\$2,646

GLOSSARY OF BUDGET RELATED TERMS

**** ABC Law Enforcement:** By contract with the ABC Board, the Mount Gilead Police Department enforces the ABC Statutes in the corporate limits for a fee.

**** ABC Revenue:** A portion of the profits from the operation of the Mount Gilead Alcohol Beverage Control System.

****Ad Valorem Levy:** Revenue accounts showing taxes paid on real property and personal property, to include property of public service companies allocated by the Ad Valorem Tax Division of the State Department of Revenue.

****Appropriation Fund Balance:** The amount of fund balance (reserves) appropriated as a revenue for a given fiscal year to offset operating expenses that exceed current revenue.

****Bond:** A written promise to pay a specified sum on money (principal) as a specific future date, along with periodic interest payments paid at a specified percentage of the principal.

**** Budget Message:** The opening section of the budget that provides the Town Board and the public with a general summary of the most important aspects of the budget, and the views and recommendations of the Town Manager.

****Capital Expense:** Expenditures available for the acquisition of capital assets, including the cost of land, buildings, permanent improvements, machinery, large tools and equipment.

**** Debt Service:** The Town's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

****Depreciation:** The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a capital asset that cannot or will not be restored by repair and must be replaced. The cost of the capital asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

****Enterprise Fund:** A type of fund that accounts for governmental operations that are financed and operated in a manner similar to private business enterprises. It is financed primarily from charges to users for services provided. Included in this category is the Water and Sewer Fund.

****FICA:** The Social Security and Medicare tax governed by the Social Security Administration which is paid by the city based on a percentage of employees' wages.

****General Fund:** A type of governmental fund used to account for operations of the Town, which are not accounted for in the enterprise fund. The primary sources of revenue for this fund are property taxes and state-shared revenues.

****Local Sales & Use Tax:** A tax levied on the taxable sales of all final goods. The State of North Carolina levies a sales tax and allows counties to levy an additional sales tax amount. Montgomery County levies a sales tax and distributes the proceeds on a

****Miscellaneous:** Authorized expenses or revenues which are not otherwise defined.

****Payment in Lieu of Taxes:** Money transferred from an enterprise fund or an outside non-profit agency into the General Fund. The principle underlying such transfers is that the city would have received the equivalent amount in taxes had the service been provided by a private firm.

****Powell Bill Street Allocation:** Funding from State-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

****Prior Year Taxes:** Collection of delinquent taxes and to record discoveries.

****Retirement:** The Town's contribution to the North Carolina Local Government Employees' Retirement System which is based on a percentage of Employees' wages.

****SRO:** School Resource Officer.

****Training and Business Expense:** Department expense for training, travel, mileage, and other business expenses authorized by the Personnel Policy.

Water/Sewer Rates

Effective July 1, 2025

WATER GALLONS RESIDENTIAL, RECREATIONAL & INSTITUTIONAL	IN TOWN	OUT OF TOWN
BASE RATE (0 GALLONS)	\$8.69	\$15.81
Consecutive System Agreement Montgomery County Monitor Assessment Fee	\$1.62	\$1.62
Cost 1 to 1,000 Gallons	\$6.78 per 1,000	\$11.97 per 1,000
Cost 1,001 to 2,000	\$6.78 per 1,000	\$11.97 per 1,000
Cost 2,001 to 3,000	\$7.36 per 1,000	\$11.97 per 1,000
Cost 3,001 to 4,000	\$7.48 per 1,000	\$11.97 per 1,000
Cost 4,001 to 5,000	\$7.59 per 1,000	\$11.97 per 1,000
Cost Greater than 5,000	\$7.70 per 1,000	\$11.97 per 1,000

WATER GALLONS COMMERCIAL AND INDUSTRIAL	IN-TOWN	OUT OF TOWN
BASE RATE (0 GALLONS) Commercial	\$11.00	\$15.35
BASE RATE (0 GALLONS) Industrial	\$16.00	\$20.00
Consecutive System Agreement – Montgomery County Monitor Assessment Fee	\$1.62	\$1.62
Cost 1 to 1,000 Gallons	\$6.78 per 1,000	\$11.97 per 1,000
Cost 1,001 to 2,000 Gallons	\$6.78 per 1,000	\$11.97 per 1,000
Cost 2,001 to 3,000	\$7.36 per 1,000	\$11.97 per 1,000
Cost 3,001 to 4,000	\$7.48 per 1,000	\$11.97 per 1,000
Cost 4,001 to 5,000	\$7.59 per 1,000	\$11.97 per 1,000
Cost greater than 5,000	\$7.70 per 1,000	\$11.97 per 1,000

SEWER GALONS Residential and Institutional	In-Town
Base Rate (0 Gallons)	\$12.48
Cost 1 to 1,000 Gallons	\$8.45 per 1,000
Cost 1,001 to 2,000 Gallons	\$8.45 per 1,000
Cost 2,001 to 3,000 Gallons	\$8.45 per 1,000
Cost 3,001 to 4,000 Gallons	\$8.45 per 1,000
Cost 4,001 to 5,000 Gallons	\$8.52 per 1,000
Cost 5,001 to 6,000 Gallons	\$8.67 per 1,000

SEWER GALLONS Recreational¹	In-Town
0-2000 Gallons	\$20.60 Minimum
Cost Per Additional 1,000 Gallons	\$14.63 per 1,000 Gallons

SEWER GALLONS Commercial and Industrial	In-Town
Base Rate (0 Gallons)	\$20.60
Cost 1 to 1,000 Gallons	\$10.30 per 1,000
Cost 1,001 to 2,000 Gallons	\$10.30 per 1,000
Cost 2,001 to 3,000 Gallons	\$10.30 per 1,000
Cost 3,001 to 4,000 Gallons	\$10.82 per 1,000
Cost 4,001 to 5,000 Gallons	\$10.82 per 1,000

¹ The Recreational Rate Classification shall apply to any service connection made to recreational vehicles, which means any motor vehicle or trailer mounted on, towed by, or capable of being towed by another vehicle which includes living quarters. This classification includes, but is not limited to, motorhomes, camper vans, coaches, caravans, fifth-wheel trailers, popup campers, and truck campers. This Recreational Rate shall not apply to any structure certified as a manufactured home by the United States Department of Housing and Urban Development.

Cost Greater than 5,000 Gallons	\$11.33 Per 1,000
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Sewer Gallons Residential, Institutional, and Commercial	Out-Of-Town
0 to 2,000 Gallons	\$38.83
Cost per additional 1,000 Gallons	\$9.83 per 1,000

SEWER GALLONS Recreational¹	Out-Of-Town
0 to 2,000 Gallons	\$51.50
Cost per additional 1,000 Gallons	\$14.63 per 1,000

SEWER GALLONS Industrial	Out of Town
Base Rate (0 Gallons)	\$21.53
Cost per 1,000 Gallons	\$16.85 per 1,000

LATE FEE APPLIED AFTER 5th of Month	\$15.00
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Sheldon P. Morley, Mayor

(Seal)

Lessie D. Jackson, Town Clerk

ADOPTED 26-27 FEE SCHEDULE

SOLID WASTE FEE	\$16.15	\$12 per additional can
Solid Waste Only Customers Generation Fee \$13.50	Late Fee: \$3.00	Redelivery Fee: \$5.00

Water/Sewer Connection Fees	IN-TOWN	OUT-OF-TOWN
Water and Sewer Connection Fees/No reduction for Water only	\$100.00	\$100.00
Re-Connection fee – If water is disconnected for non-payment	\$100.00	\$100.00
Meter Tampering	\$250.00	\$250.00
Hydrant Tampering Fee	\$750.00	\$750.00
Water Tap ¾ inch	\$1200.00	\$1500.00
Water Tap 1 inch	\$1750.00	\$2250.00
Sewer Tap	\$1500.00	\$6000.00

Note: Connections crossing streets and/or sidewalks require additional man hours, work, fill dirt, gravel and asphalt re-paving. The Town must add a charge of \$850 plus any additional fees applicable to the listed tap fee to cover additional costs.

Note: Residential or commercial taps requiring larger meters than specified will be priced at cost.

Cemetery plots	In-Town	Out-of-Town
See the code of ordinances for cemetery regulations	\$500.00	\$1000.00

ADMINISTRATIVE FEES	AMOUNT
Zoning Permit	\$40.00
Sign Permit	\$40.00
Zoning Verification Letter	\$40.00
Full Copy of any Ordinance or plan	Priced per page
Subdivision, Minor	\$50 + \$10 per lot
Subdivision, Major	\$100 + 10 per lot
Mobile Home Park Application	\$500.00
Telecommunications Tower Permit	\$300.00
Zoning Variance	\$400.00
Rezoning	\$300.00
Change in Code of Ordinances	\$300.00

Special Use Permit Application	\$300.00
Zoning Decision Appeal Fee	\$300.00
Zoning Text Amendment Fee	\$300.00
Administrative Review Initial Meeting	\$300.00
Administrative Review Hourly	\$35 per additional hour.
Consulting Engineering Review Fee	Incurred by Town
Code Enforcement Fee	Incurred by Town
Off-Premise Alcohol Permit - Annual	\$15.00
Off-Premise Alcohol Permit - Annual	\$30.00
Social District Permit (One Time)	\$50.00
Copies	\$.10 per page
Fax	\$2.00 per page
Returned Check/ACH	\$35.00

PARK/FACILITY FEES	AMOUNT
Pool Entry	\$3
Pool Family, In Town	\$100.00 family of 4
Pool Family, Out of Town	\$200.00 family of 4
Pool Rental, Two Hours (under 50)	\$100
Pool Rental, Two Hours (Over 50)	\$125 (Covers additional Guard)
Pool Rental, Three Hours (Under 50)	\$125.00
Pool Rental, Three Hours (Over 50)	\$155.00 (Covers additional Guard)
Park Program	\$20.00
Pavilion, in-town	\$75.00 (\$25.00 deposit, \$50 fee).
Pavilion, Out of Town	\$125.00 (\$50.00 deposit, \$75.00 fee)
Fall Festival Vendor Fee (In-Town)	\$40.00
Fall Festival Vendor Fee (out of Town)	\$50.00
Fall Festival Food Truck Fee	\$60.00

OFFENSES AND MISCELLANEOUS PROVISIONS		
CIVIL CITATIONS (GENERAL VIOLATION)	First Citation	\$50.00
	Second Citation	\$100.00
	Third and Subsequent citation	\$200.00
Parking Violations	Initial Violations	\$25.00
	Subsequent Violations	\$50.00
Golf Cart Registration Fee	Annually	\$50.00
False Alarm Fee	First Offense	\$50.00
	Second Offense	\$100.00
	Subsequent offenses	\$200.00

Adopted, this _____ day of _____, 2026

Effective, the 1st day of July 2026

Signature:

Lessie D. Jackson, Town Clerk

Sheldon P. Morley, Mayor