



BOARD OF ALDERMEN BUDGET RETREAT

Wednesday, March 18, 2026 at 9:00 AM

Landis Board Room

MINUTES

PLEASE SILENCE ALL CELL PHONES

Present: Mayor Meredith B. Smith, Alderman Ryan Nelms, Alderman Darrell Overcash

Absent: Mayor Pro-Tem Ashley Stewart, Alderman Tony Corriher

Staff Present: Town Manager Michael Ambrose, HR Director/Town Clerk Madison Stegall, Finance Director Carly Blackmon, Police Chief Matthew Geelen

1. INTRODUCTION:

1.1 Call Meeting to Order

Mayor Meredith Smith called the meeting to order at 9:17 AM

1.2 Welcome

Mayor Smith welcomed those in attendance.

1.3 Adoption of Agenda

ACTION: A MOTION WAS MADE TO ADOPT THE AGENDA AS PRESENTED.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

2. CONSENT AGENDA:

All items below are considered to be routine by the Board of Aldermen and will be enacted by one motion. There will be no separate discussion on these items unless an Aldermen member so requests, in which event, the item will be removed from the Consent Agenda and placed in the appropriate corresponding Agenda Section to then be considered.

2.1 Consider Approval of Work Session Meeting Minutes from February 5, 2026, Regular Scheduled Meeting Minutes from February 9, 2026, and Regular Scheduled Budget Retreat Meeting Minutes from February 18, 2026

ACTION: A MOTION WAS MADE TO APPROVE THE CONSENT AGENDA AS PRESENTED.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

3. PRESENTATIONS/CONSIDERATIONS:

3.1 Consider Presentation of Electricities EC 101 Presentation by Scott Jones

Town Manager Michael Ambrose introduced Scott Jones from Electricities for a presentation on their services. Mr. Jones, serving as Chief Financial Officer at Electricities based in Raleigh, provided an overview of the organization and discussed upcoming contract renewals.

Mr. Jones explained that Electricities is a public power organization serving 51 communities in North Carolina for wholesale electricity supply, with an additional 99 members receiving broader services. He emphasized that public power utilities like Landis maintain community control through local elected officials, which he strongly supports as it prioritizes community needs over investor profits.

The presentation covered Landis's ownership share in the Catawba Nuclear Station, which Mr. Jones described as "one of the best operating nuclear plants in the country." He noted that the plant has a license to operate through 2043, with expectations for a 20-year extension that would run through 2063. Mr. Jones highlighted that nuclear power provides emission-free electricity and remarkable long-term stability.

Regarding rates, Mr. Jones provided compelling comparisons showing that Landis's wholesale power costs approximately 5.5 cents per kilowatt hour, compared to Hawaii's 45 cents, Southern California's 30-35 cents, and the Northeastern United States' 25-30 cents. He emphasized that all 19 members in the western power agency, including Landis, maintain retail rates lower than Duke Energy.

Board members engaged in discussion about billing practices, with questions about separating electric bills from other utilities to help residents better understand their competitive electric rates. Mr. Jones acknowledged this challenge, noting that comprehensive bills can create confusion when residents compare their total bills to Duke Energy customers who receive separate bills.

The conversation touched on the complexity of electricity usage, particularly during cold weather when heat pumps require auxiliary strip heat, and how this affects customer bills. Mr. Jones shared anecdotes about efficiency issues he had encountered in other communities.

Mr. Jones concluded by discussing the contract renewal process, explaining that both the primary contract (nuclear plant ownership) and supplemental contract are being extended to align with the Catawba license expiration in 2043. He mentioned that Huntersville had approved their contracts the previous evening, and Landis's approval was scheduled for the April meeting.

3.2 Consider Presentation of FY25 Financial Audit by Tonya Coffey with Martin Starnes & Associates PA

Tonya Coffey, the new audit partner from Martin Starnes & Associates, presented the FY25 financial audit results. She began by explaining the audit process and responsibilities, clarifying that their role is to issue an opinion on the financial statements' fair presentation in accordance with GAAP, while the town is responsible for the underlying content and internal controls.

Ms. Coffey praised Town Manager Michael Ambrose and his team for their cooperation during the audit process, noting improvements in routine accounting work such as timely bank reconciliations, which addressed a finding from the previous year. She acknowledged challenges due to the absence of a finance director during the audit period and the involvement of consultants.

The audit revealed a clean, unmodified opinion on both financial statements and federal/state compliance. Key financial highlights included:

General Fund Performance:

- Total revenues of \$6.5 million (increase of approximately \$1 million from prior year)
- Total expenditures of \$5.7 million (increase of approximately \$1.4 million)
- Property taxes comprised 41% of revenues (down from 47% due to growth in other revenue sources)
- Unrestricted intergovernmental revenue (primarily sales tax) increased \$136,000 or 8%
- Major expenditure increases included \$1.1 million in public safety (primarily a \$700,000 fire truck purchase) and \$334,000 in public services (Powell Bill sidewalk projects)

Fund Balance Growth: The town's available fund balance increased dramatically to \$6 million, representing 108.3% of annual net expenditures. This far exceeds the LGC minimum requirement of 34% and the average of 57% for similar-sized municipalities. Board members expressed satisfaction with this remarkable turnaround from their low fund balance situation in 2020.

Enterprise Funds Performance:

- Water and sewer fund showed positive cash flows from operations of \$350,000 and a quick ratio of 13.42
- Electric fund demonstrated strong performance with \$2 million in cash flows from operations and a quick ratio of 5.53

Performance Issues: The audit identified three FPICs (Fiscal Performance Indicators of Concern):

- Material audit adjustments due to year-end accrual challenges
- Late audit submission (turned in February 27, missing the February 12 deadline by two weeks)
- Water and sewer capital asset condition ratio below 50%, indicating potential future capital needs

Additionally, a compliance finding related to Powell Bill equipment tracking was noted, stemming from missing documentation from previous administrations dating back to 2009 and 2010.

3.3 Consider Approval of FY26 Audit Contract with Martin Starnes & Associates PA

Manager Ambrose presented the FY26 Audit Contract with Martin Starnes & Associates PA and requested approval.

ACTION: A MOTION WAS MADE TO APPROVE THE FY26 AUDIT CONTRACT WITH MARTIN STARNES & ASSOCIATES PA.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

Mayor Smith requested a brief recess.

ACTION: A MOTION WAS MADE TO ENTER A BRIEF RECESS AT 10:07 PM.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

ACTION: A MOTION WAS MADE TO RETURN FROM THE BRIEF RECESS AT 10:24 PM.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

3.4 Consider Discussion of the Police Department Annual Budget Retreat

Police Chief Matthew Geelen presented a comprehensive budget request for the police department, beginning with equipment needs and culminating in a significant personnel request.

Equipment and Infrastructure Requests:

Chief Geelen outlined a multi-year equipment replacement and upgrade plan including:

- Annual purchase of two patrol vehicles (\$130,000 per year) to establish a proper rotation schedule
- HVAC unit replacement for the police department (\$23,000, pushed to FY31 pending building decisions)
- Portable breath testing devices (\$1,600 per year, potentially grant-funded)
- Digital speed limit signs with data collection capability (\$7,374 for four signs over two years)
- Body camera and taser renewal continuation (\$36,000 annually)
- Ballistic vest replacements (\$3,800 per year for three vests)
- Updated drug testing kits with QR code technology to limit officer exposure to substances like fentanyl

The board discussed completing the police department flooring project, with Chief Geelen noting that while his office carpet wasn't scheduled for replacement until FY28, board members suggested completing the entire project now for consistency and safety reasons, particularly regarding potential evidence contamination.

Critical Personnel Needs:

Chief Geelen presented alarming statistics demonstrating the urgent need for additional officers:

- 911 calls increased from 1,482 in 2023 to 2,235 in 2024 to 2,627 in 2025
- The department has maintained 12 officers since approximately 2013-2014
- Officers frequently work alone, particularly on night shift

Chief Geelen made an impassioned plea for three additional officers, stating bluntly: "Somebody's gonna get hurt. Somebody's gonna get killed. We don't send firemen in a structure fire with one person." He shared a personal anecdote about responding alone to a disturbance call where a suspect came to the door with a sword, with no mutual aid available. That individual was later convicted of murder.

The personnel request would bring the department to 15 officers in total, allowing for:

- Two officers on day shift
- Two officers on night shift
- A sergeant on mid-shift
- A dedicated detective position

Chief Geelen emphasized the critical importance of having a dedicated detective, noting that the current detective sergeant handles multiple roles including internet crimes against children cases while also serving patrol duties.

Budget Impact:

Town Manager Ambrose indicated the three additional positions would cost approximately \$325,000 total, including all equipment, training, benefits, and vehicles. He noted that preliminary budget numbers suggest this could be accomplished without raising tax rates, though it would require drawing from fund balance. The impact could be reduced by staggering hiring from October through December rather than starting all positions on July 1.

Manager Ambrose noted that FY27 will be a revaluation year with additional revenue from developments like Landis Ridge, which should help support the increased personnel costs.

Technology and Equipment Discussion:

The board engaged in detailed discussion about a radar speed trailer versus fixed speed signs, with Chief Geelen explaining the trailer's versatility and data collection capabilities. The proposed trailer costs \$30,000 and can display messages for events and detours, but storage became a concern. Board members expressed preference for the mobile trailer to gather data before determining optimal locations for fixed signs.

3.5 Consider Presentation of Board Rules and Procedures by Geraldine Gardner with Centralina Regional Council

Item 3.5 was deferred due to all Board members not being present.

ACTION: A MOTION WAS MADE TO TABLE THE PRESENTATION OF BOARD RULES AND PROCEDURES BY GERALDINE GARDNER WITH CENTRALINA REGIONAL COUNCIL TO A FUTURE DATE OF APRIL 22ND OR APRIL 23RD AT 4:00 PM.

Moved By: Darrell Overcash, seconded by Ryan Nelms

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

4. CLOSING:

4.1 Motion to Adjourn

ACTION: A MOTION WAS MADE TO ADJOURN THE MEETING AT 10:52 AM.

Moved By: Ryan Nelms, seconded by Darrell Overcash

Motion Passed: (2-0)

Voting For: Ryan Nelms, Darrell Overcash

Respectfully Submitted,

Madison T. Stegall, Town Clerk