

**ANNUAL BUDGET ORDINANCE FY 2026-27
Town of Carrboro, North Carolina**

Ordinance No. XX/ FY 2026-27

WHEREAS, the recommended budget for FY 2026-27 was submitted to the Town Council on May 12, 2026 by the Town Manager pursuant to G.S. 159-11 and filed with the Town Clerk pursuant to G.S. 159-12; and

WHEREAS, on May 19, 2026, the Town Council held a public hearing on the budget pursuant to G.S. 159-12; and

WHEREAS, on June 2, 2026, the Town Council held a second public hearing on the budget pursuant to G.S. 159-12; and

WHEREAS, on June 2, 2026, the Town Council adopted a budget ordinance making appropriations and levying taxes in such sums as the Town Council considers sufficient and proper in accordance with G.S. 159-13;

BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CARRBORO, NORTH CAROLINA.

ARTICLE I – GENERAL FUND

Section 1. General Fund Revenues

Revenues from the following major sources are estimated to be available during the fiscal year beginning July 1, 2026, and ending June 30, 2027, to support General Fund expenditures:

Ad Valorem Taxes	20,355,164
Local Sales Taxes	7,000,000
Licenses & Fees	2,055,163
Intergovernmental	1,749,100
Permit & Fees	1,500,943
Other Revenues	815,361
Total Recurring Revenues	\$33,475,731
Fund Balance Appropriation	2,958,727
Grand Total	\$36,434,458

Section 2. General Fund Appropriations

The General Fund is the Town of Carrboro's operating account. The following amounts are hereby appropriated by function for the operation of the Town and its activities for the fiscal year beginning July 1, 2026, and ending June 30, 2027:

GENERAL GOVERNMENT		9,303,231
Mayor & Town Council	368,033	
Advisory Boards & Commissions	30,500	
Governmental Support	230,000	
Town Manager	1,186,378	
Economic Development	296,871	
Communication & Engagement	345,915	
Housing & Community Services	801,184	
Town Clerk	228,101	
Finance	1,759,612	
Human Resources	919,851	
Information Technology	2,653,363	
Climate Action	483,423	
PLANNING & TRANSPORTATION		4,939,407
Planning, Zoning & Inspections	2,194,407	
Transportation	2,745,000	
PUBLIC WORKS		5,903,600

Public Works	5,903,600	
RECREATION & PARKS		2,481,468
Recreation, Parks & Cultural Resources	2,481,468	
PUBLIC SAFETY		9,824,146
Police	5,458,422	
Fire & Rescue	4,365,724	
OTHER		3,982,606
Nondepartmental	605,235	
Transfers	1,852,402	
Debt Service	1,524,969	
TOTAL GENERAL FUND EXPENDITURES		\$36,434,458

ARTICLE II – SPECIAL REVENUE FUNDS

The Special Revenue Fund accounts for revenues and expenditures legally restricted or designated by the Town Council for specific program activities or services. The Special Revenue Fund was restructured in 2011 to comply with GASB 54. Included in the Special Revenue Fund are the following funds:

Grant Administration	3,095,900
Affordable Housing	755,156
Powell Bill	780,500
Revolving Loan Fund	-
Energy Efficiency Revolving Loan	-
Emergency Loans	-
Total	\$4,631,556

Section 1. Affordable Housing Fund

The Affordable Housing Special Revenue Fund was created by the Town Council to increase the stock of affordable, safe and decent housing within the Town and its' planning jurisdiction. The following amounts are hereby appropriated for Special Revenue Fund activities:

Revenues	FY 2026-27
Ad Valorem Tax	554,838
Interest Earnings	13,500
Payment in Lieu	-
Fund Balance Appropriated	186,818
Transfer from General Fund	-
Total Revenues	\$755,156
Expenditures	
Program Expenses	755,156
Unexpended Reserves	-
Total Expenditures	\$755,156

Section 2. Grant Administration Fund

The Grant Administration fund accounts for grant awards made to the Town that are legally restricted to expenditures for specific programs, activities, and purposes.

Revenues	FY2026-27
Hazard Mitigation Grant	-
NC CDBG Coronavirus Program	-
Article 46	-
FEMA Grant	1,336,374
Transfer from General Fund	1,759,526
Total Revenues	3,095,900
Expenditures	
Article 46	-
Tropical Storm Chantal—Vehicle Replacement	2,915,900
Tropical Storm Chantal—Public Works Facility	180,000
Total Expenditures	\$3,095,900

Section 3. Powell Bill Fund

Annually, State Street-Aid (Powell Bill) allocations are made to incorporated municipalities which establish their eligibility and qualify as provided by G.S. 136-41.1 through 136-41.4. The Town's special revenue fund for Powell Bill was established by council on September 14, 2021

Revenues	FY 2026-27
Interest Earnings	25,750
Powell Bill Revenue	600,000
Fund Balance Appropriated	154,750
Transfers from the General Fund	-
Total Revenues	\$780,500
Expenditures	
Professional Services	10,000
M & R Equipment	5,000
Advertising	500
Departmental Supplies	30,000
Contractual Services	100,000
Equipment	35,000
Construction	600,000
Total Expenditures	\$780,500

Section 4. Emergency Loan Fund

The purpose of the Emergency Loan Fund is to assist Carrboro based businesses and non-profits that serve Carrboro with short-term payroll and other recurring expenses during the State/Town declared COVID 19 Emergency to maintain and sustain operations for existing viable enterprises. The fund is intended to assist small local businesses and non-profits that are in current good standing with creditors but are low on capital to maintain operations. Loan approval is at the discretion of the Town of Carrboro. Ten percent of the provided funding is considered a grant and ninety percent is considered a loan. The loan portion is to be repaid to the Town at zero percent interest.

Revenues	FY2026-27
Interest Earnings	-
CARES Grant Revenues	-
Loan Principal Payments	-
Other Financing Sources	-
Total Revenues	-
Expenditures	-
Grant Disbursements	-
Loan Disbursements	-
Other Financing Uses	-
Reserves for Loans	-
Total Expenditures	-

Section 5. Energy Efficiency Revolving Loan Fund

The Energy Efficiency Revolving Loan was started in 2010 with US Department of Energy funds through a grant to Southeastern Energy Efficiency Alliance (SEEA) for the Town to implement a small business energy efficiency revolving loan fund with the goal of increasing energy efficiency in commercial buildings.

Revenues	FY2026-27
Interest Earnings	-
Loan Interest Earnings	-
Loan Principal Payments	-
Other Financing Sources	-
Total Revenues	-
Expenditures	-
Loan Disbursements	-
Reserves for Loans	-
Total Expenditures	-

Section 6. Revolving Loan Fund

The Revolving Loan Fund is used to encourage economic and community development in Carrboro by offering loans to new businesses and encouraging businesses to locate in Carrboro. The Fund sustains itself with the interest earned on loans and repayment of the principal provided to businesses. With this interest, a reserve is created that enables the Town to continue loaning funds to businesses. As loans are paid off, the Town closes the loans and removes them from financial records.

Revolving Loan Fund	
Revenues	FY 2026-27
Interest Earnings	-
Loan Interest Earnings	-
Loan Principal Payments	-
Total Revenues	-
Expenditures	
General Government Expense	-
Loan Disbursements	-
Reserves for Loans	-
Total Expenditures	-

ARTICLE III – CAPITAL PROJECT FUNDS

The Capital Project Funds consists of projects financed (in whole or in part) by the proceeds of bonds, notes or debt instruments involving the construction or acquisition of a capital asset. Capital projects are approved via a balanced project ordinance as required by the North Carolina General Statutes (G.S. 159-13.2) whereby the Town budgets for the life of the capital project. A project ordinance is balanced when revenues estimated to be available for the project equal appropriations for the project.

Capital Project Funds	
Capital Projects	1,960,000
G.O. Bonds, Sidewalks and Greenways	550,000
Facilities Rehab	-
Capital Reserves	-
Payment In Lieu	-
Total	\$2,510,000

Section 1. Capital Projects Fund

Pursuant to GS 159-13.2, the Town Council may authorize and budget for capital projects and special revenue funds in its annual budget or project ordinance. The Town Council has elected to enact a project ordinance to appropriate revenues and expenditures for capital projects which is effective until the project is completed rather than for a single fiscal year.

Revenues	FY 2026-27
Restricted Intergovernmental	647,000
Transfer from Stormwater Fund	35,000
Other Financing Sources	1,278,000
Total Revenues	\$1,960,000
Expenditures	
Stormwater and Park	35,000
Sustainability Initiatives	200,000
Vehicle Replacements & New Purchases	295,000

Pickleball	25,000
Safe Streets for All Planning & Demonstration	390,000
Bolin Creek Phases 3 & 4 (Crossing Study)	500,000
Barnes Street Sidewalk	175,000
Fire Apparatus	140,000
Bolin Creek Phase 2 (Design)	200,000
Total Expenditures	\$1,960,000

Section 2. General Obligation (G.O.) Bond Fund

The Town continues its sidewalks and greenways construction program authorized by the voters in 2003. In January 2013, the Town discontinued the use of bond anticipation notes to finance this construction and issued \$4.6 million of general obligation bonds. The Town does not have any other outstanding general obligation bonds.

Revenues	FY 2026-27
Interest Earnings	-
Restricted Intergovernmental	440,000
Other Financing Sources	110,000
Total Revenues	\$550,000
Expenditures	
Jones Creek Greenway	550,000
Total Expenditures	\$550,000

Section 3. Facilities Rehabilitation Fund

On November 12, 2019, the Town Council authorized the establishment of a Facilities Rehabilitation Fund. The purpose of this Fund is to repair and rehabilitate existing Town Facilities. No new construction is permitted under this Fund.

Revenues	FY 2026-27
Interest Earnings	-
Transfer from General Fund	-
Total Revenues	-
Expenditures	
Capital Expense Reserve	-
Total Expenditures	-

Section 4. Capital Reserve

The Town has established a Capital Reserve Fund to set aside resources for future capital projects. This fund allows the Town to proactively plan and accumulate funding in advance of anticipated capital needs.

Revenues	FY 2026-27
Interest Earnings	-
Transfer from General Fund	-
Total Revenues	-
Expenditures	
Unexpended Reserves	-
Total Expenditures	-

Section 5. Payment In Lieu Reserve

The Payment-in-Lieu Reserve Fund was established in 1985. Developers whose residential developments are required to provide on-site active recreational areas, and open space areas may choose to make a payment-in-lieu of providing such facilities with Town approval.

Revenues	FY 2026-27
Interest Earnings	-
Payment in Lieu	-
Total Revenues	-
Expenditures	
Unexpended Reserves	-
Total Expenditures	-

ARTICLE IV – STORMWATER UTILITY ENTERPRISE FUND**Section 1. Stormwater Utility Enterprise Fund**

The purpose of the Stormwater Utility Enterprise Fund is to comprehensively address stormwater management and flooding issues throughout the Town, and in compliance with state and federal rules and regulations. A total of \$1,181,317 is appropriated for stormwater activities.

Section 2. Revenues for Stormwater Utility Enterprise Fund

Revenues to support stormwater activities are generated through the fee structure established in the Town Code, Chapter 18, Article II, Section 18-6.

ARTICLE V – PARKING ENTERPRISE FUND**Section 1. Parking Enterprise Fund**

The purpose of the Parking Enterprise Fund is to manage parking facilities and services within the Town and monitor related expenses. A total of \$92,876 is appropriated for parking activities.

Section 2. Revenues for Parking Enterprise Fund

Revenues to support the Parking Enterprise Fund include a transfer of funds in the amount of \$92,876 from the General Fund to the Parking Enterprise Funds.

ARTICLE VI – MISCELLANEOUS FEES AND CHARGES

Charges for services and fees by Town Departments are levied in the amounts set forth in the Miscellaneous Fees and Charges Schedule. The Town Council may periodically adjust the fee schedule through the adoption of an amendment.

ARTICLE VII – GENERAL AUTHORITIES

Section 1. The following authorities shall apply:

- a. The Town Manager may transfer funds between departments and functions within the General Fund for pay adjustments; service level benefits; law enforcement separation allowance; unemployment insurance; retiree, dependent, health insurance benefits; and, for any other purpose deemed necessary by the Town Manager without further action by the Town Council.
- b. The Town Manager may transfer funds within departments and functions.
- c. When the unassigned fund balance exceeds 35% in the General Fund, the Town Manager, in accordance with the Town's Fund Balance Policy, may set aside an amount in the assigned fund balance for transfer to the Capital Projects Fund for future projects.
- d. All funds encumbered or designated within fund balance for expenditures as confirmed in the annual audit for the year ending June 30, 2026, shall be re-appropriated to the Fiscal Year 2026-27 Adopted Budget without further action by the Town Council.
- e. The Finance Officer shall be authorized to execute interfund transfers for active projects in response to unforeseen circumstances and/or as part of the year-end financial process.
- f. The Finance Officer may approve transfer requests between programs or organizational units within the adopted budget.
- g. Transfers between Funds may be authorized only by the Town Council.
- h. The Orange County Tax Collector, is authorized, empowered, and commanded to collect the taxes set forth in the tax records filed in the office of the Orange County Tax Assessor, and in the tax receipts herewith delivered to the Tax Collector, in the amounts and from the taxpayers likewise set forth. Such taxes are hereby declared to be a first lien upon all real property of the respective taxpayers in Orange County. This section of the ordinance shall be full and sufficient authority to direct, require, and enable the Orange County Tax Collector to levy on and sell any real or personal property of such taxpayers, for and on account thereof, in accordance with law.
- i. Pursuant to NCGS 160A-314.1 and 160A-317 the Town of Carrboro authorizes Orange County to provide recycling collection services within the Town and to impose and administer a basic annual services fee per household for recycling services and a solid waste convenience center fee for residents within the Town.
- j. Under G.S.143-64.32, architectural, engineering, and surveying services with fees less than thirty thousand dollars (\$30,000) may be exempt from the RFQ (Request for Qualification) process if approved by the Town Manager.

- k. The Town Manager is authorized to execute contracts necessary to carry out capital projects, within the approved project budget and in accordance with applicable state law.

Section 2. There is hereby levied the following rates of tax on each one hundred dollars (\$100) valuation of taxable property as listed for taxes as of January 1, 2026, for the purpose of raising the revenue constituting the general property taxes as set forth in the foregoing estimates of revenue (Article I, Section 1), to finance the foregoing General Fund appropriations (Article I, Section 2).

General Fund	\$.5503
<u>Affordable Housing Fund</u>	<u>\$.0150</u>
Total Tax Rate	\$.5653

Section 3. The Finance Officer shall distribute property tax collections to the appropriate fund(s) at least monthly as levied in Article VII, Section 2 above.

Section 4. In accordance with G.S. 159-13, a copy of this ordinance shall be filed with the Town Manager, the Finance Officer, and the Town Clerk.