



TOWN OF CARRBORO • NC

BUDGET WORK SESSION II

May 14, 2024
Bret Greene, Finance Director

Calendar

Operating Budget Development Schedule for FY 2024-25

TASK	Target Date
Town Council Strategic Planning Retreat	February 3, 2024
Management Team Retreat (Strategic Planning)	February 8, 2024
Town Manager Presents Budget Needs to Management Team	February 28, 2024
Preliminary Revenue Estimate by Finance	February 28, 2024
FY25 Budget Instructions Distribution	March 26, 2024
Good Friday Holiday	March 29, 2024
Department Directors submit Budget Requests to Finance	April 5, 2024
Department Directors present budget to Town Manager & Finance Officer	April 8-12, 2024
Town Council Budget Work Session on FY 2024-2025 Budget (1)	April 16, 2024
Finance Drafts Manager's Recommended Budget	April 26, 2024
Manager Finalizes Presentation for the Town Council	May 10, 2024
Town Council Budget Work Session on FY 2024-2025 Budget (2)	May 14, 2024
Manager Presents FY 2024-25 Recommended Budget to Town Council	May 21, 2024
Memorial Day Holiday	May 27, 2024
Notice of Required Public Hearing	May 28, 2024
Public Hearing on Recommended Budget	June 4, 2024
Town Council Adopts FY 2023-24 Budget	June 18, 2024
Juneteenth Holiday	June 19, 2024
Additional Town Council meeting if needed	June 25, 2024

Operational Budget

	FY 2023-2024 Adopted <u>Budget</u>	FY 2023-2024 Anticipated <u>Total</u>	FY 2024-2025 Preliminary <u>Budget</u>	\$ Change	% Change	
Revenues:						
Ad Valorem Taxes	\$ 15,800,200	\$ 16,417,625	\$ 16,910,154	\$ 492,529	3.0%	
Local Sales Taxes	6,116,000	6,116,000	6,268,900	152,900	2.5%	
Other Revenues	5,010,190	5,023,318	5,308,901	285,583	2.5%	
Fund Balance Appropriated	3,388,796	986,883	4,765,434	3,778,551	NA	Will decrease FB as % expenditures from 58% to 39%
Total Revenues	30,315,186	28,543,826	33,253,389	2,938,203	9.7%	
Expenses:						
Personnel			\$ 18,172,755	\$ 18,172,755	3.0%	
Operating			15,080,634	15,080,634	2.5%	
Total Expenses	30,315,186	28,543,826	33,253,389	2,938,203	9.7%	

Fund Balance Impacts

Town of Carrboro, NC

Capital Planning Model

Dashboard

General Fund					
				Target	35.0%
				Minimum	22.5%
	12	13	14	15	16
FY	Current Tax Rate	Value of a Penny	Growth Rate	Unassigned Fund Balance	FB as a % of Expenditures
Total					
2023	58.94	266,675		12,328,841	49.0%
2024	58.94	270,675	1.50%	14,627,669	58.1%
2025	58.94	278,795	3.00%	9,862,235	39.2%
2026	58.94	285,765	2.50%	10,682,312	42.4%
2027	58.94	335,774	17.50%	10,222,486	40.6%
2028	58.94	340,810	1.50%	9,935,869	39.5%



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New Expense Drivers FY25

- Additional Investment in Staff
 - 10% increase (3% COLA, 7% One-time Market Adjustment) for existing Staff
 - Completion of staffing study approved in FY 2024, completion fall 2024 - \$300k; 75% FY 2024; additional 10% staff considered for 1/1/2025 start date at median staff salary
 - Completion of Compensation study in FY 2025 (\$50k)
- Planning / Zoning
 - Begin re-write of Land Use Ordinance (\$225k in FY 2025); 12-24 month completion
 - Small area Study / Downtown Master Plan (\$200k in FY 2025); 18-24 month completion
- Technology
 - Additional investment in existing SaaS (deferred from prior years) - \$275k
 - New software for Community Engagement, Economic Development, Town Manager - \$125k



Council Identified Budget Priorities

Key Priorities

Short-term:

- Staff retention, recruitment, and fulfillment
- Land Use Ordinance Rewrite
- Economic Development
- Environment: Stormwater and infrastructure improvements and environmental protection and tree-canopy

Long-term:

- Race and Equity Initiatives: Implement Community Safety Task Force recommendations, race equity initiatives, and the Language Access Plan
- Multi-Modal: Multi-Modal connectivity and Bolin Creek Greenway
- Subsidization of Affordable Housing

Major Budget Challenge – Delivering same to improved service levels to Town residents with modest increases in revenue



Council Priorities

- **Staff retention, recruitment, and fulfillment - \$2.1M included in FY 2025 Preliminary Budget**
 - 3% COLA, 7% One-time adjustment for existing staff
 - Staffing study initiated, completion fall 2024
 - Compensation study to begin summer 2024, complete YE 2024
- **Land Use Ordinance Rewrite - \$225k included in FY 2025 Preliminary Budget, anticipate additional spend in FY 2026 due to timing and logistics**
 - Conversations have begun concerning scope and developing RFP
 - Reliance on 3rd party firm to guide and administer; minimal reliance on existing town staff
- **Economic Development - \$300k in ARPA funding over next 14 months**
 - Additional loan opportunities for qualified businesses
 - Begin to see impacts from development of Land Use Ordinance
- **Environment - \$160k additional in FY 2025 preliminary budget, \$100k in ARPA funding**
 - Additional investment in storm water infrastructure improvements
 - Opportunities for Town assistance to qualified residents
 - Completion of fleet study in Spring, 2024 highlighting opportunities for alternative fueled vehicles



Council Priorities Continued

- **Race and Equity Initiatives – Approximately \$525k in ARPA funding and Preliminary FY 2025 Budget**
 - \$300k approved and being processed for Carrboro Family Financial Assistance Program (phases 1 and II)
 - \$75k approved and being utilized for Community Safety Task Force
 - \$25k being utilized for Language Access Plan approved in April
 - \$125k allocated for undefined projects in preliminary FY 2025 operating budget
- **Subsidizing Affordable Housing and Human Services - \$2.1M in ARPA funding; \$750k Operating**
 - APRA funding to support Habitat for Humanity (\$1M), Empower (\$600k), and weatherization (\$500k)
 - Recommendation to maintain \$0.015 property tax to build Affordable Housing Fund
 - Recommendation to allocate 2% of operating budget to human services (approximately \$600k)
- **Multi-Modal Connectivity and the Bolin Creek Greenway – Exploring options for operating and capital investments**
 - Will likely involve additional funding sources
 - Goal to identify scope and needs following delivery of 203





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APPENDIX

Other Objectives

- ARPA spending timeline, expectations, reporting
- Update of the Capital Improvement Program
- Review and update of Town fee schedule
- Economic Development and Recreation/Parks revenue diversification initiatives

Primary Budget Considerations

- Investment in Staffing, retention, and recruitment
 - Plan to increase existing salaries by 10%
 - Staffing Study – ongoing, anticipated completion Fall, 2024
 - Compensation study – planned to commence late summer, 2024 as part of 2024-2025 FY budget
- Public Transportation
- Rewrite of the Land Use Ordinance
- Human services
 - IFC, OCPEH, Community Home Trust
 - Convert to a 2% of operating budget to fund Affordable Housing Fund annually
- Capital planning
 - FY 2025 Objectives – Continue investment as outlined in Capital Improvement Program 2022
 - Infrastructure – Deliver 203 Project, Engage Architect/Engineer to update Town Hall, revisit needs for Century Center (Chiller / Control Upgrade bid opening tomorrow, 4/17!), Fire Station 1 & 2, Public Works)

