

FY2026 BUDGET WORK SESSION

Tuesday, April 8, 2025



TOWN OF CARRBORO • NC

Purpose



Provide budgetary assumptions from current year



Identify major budgetary priorities and drivers for upcoming year

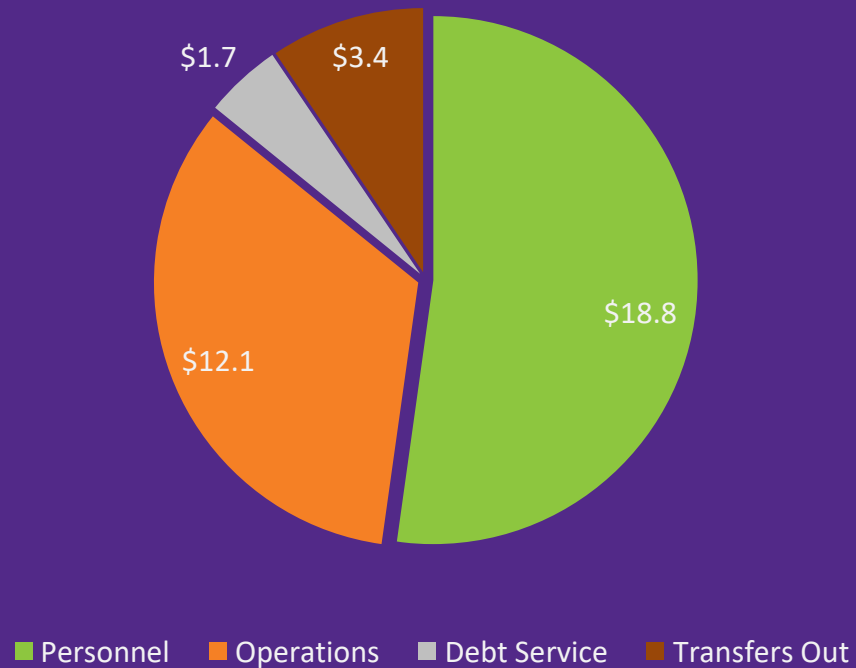


Provide preliminary revenue information



TOWN OF CARRBORO • NC

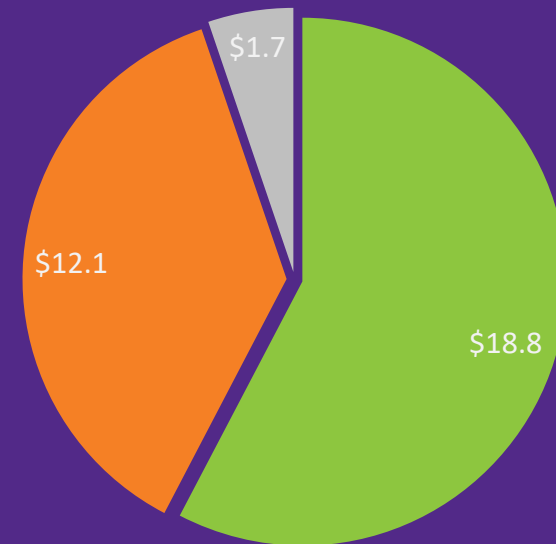
General Fund Expenditure Budget
FY2025, *Original Budget by Category*
(in Millions)



Original Budget

- Town budgetary categories represent costs for payroll and benefits, operating and programmatic costs, principal and interest payments on Town debt, interfund transfers

General Fund Expenditure Budget
FY2025, *Original Budget by Category*
(in Millions)



■ Personnel ■ Operations ■ Debt Service

Original Budget

- Town budgetary categories represent costs for payroll and benefits, operating and programmatic costs, principal and interest payments on Town debt

Current Year Adjustments

FY2025 Original Budget (excluding Transfers Out):	\$32.6M
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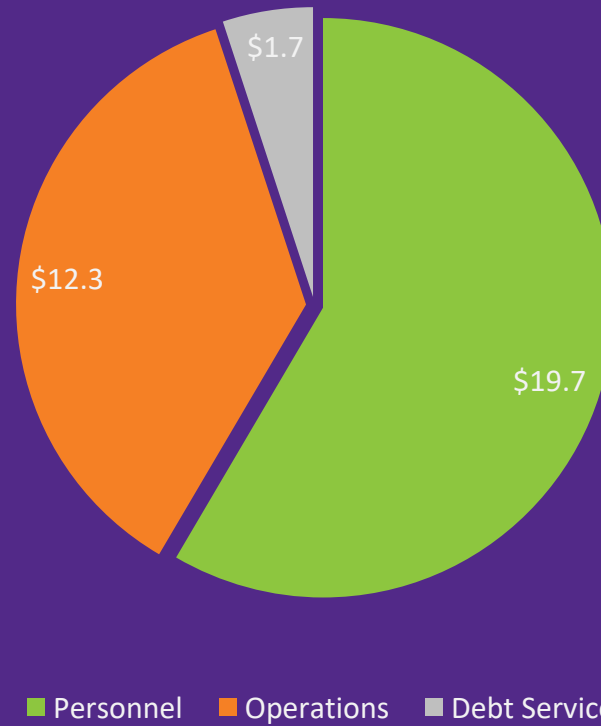
Base realignment:

- | | |
|---|------------------|
| • (+) Natural growth in payroll and benefits | |
| • (+) Mid-year implementation of Staffing Study, Phase 1 | + \$ 850k |
| • <u>(+) Increased Human Services Grants allocation to 2% of expenses</u> | <u>+ \$ 170k</u> |

Net Total:	+ \$ 1.2M
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FY2025 Current Year Adjusted:	+ \$33.8M
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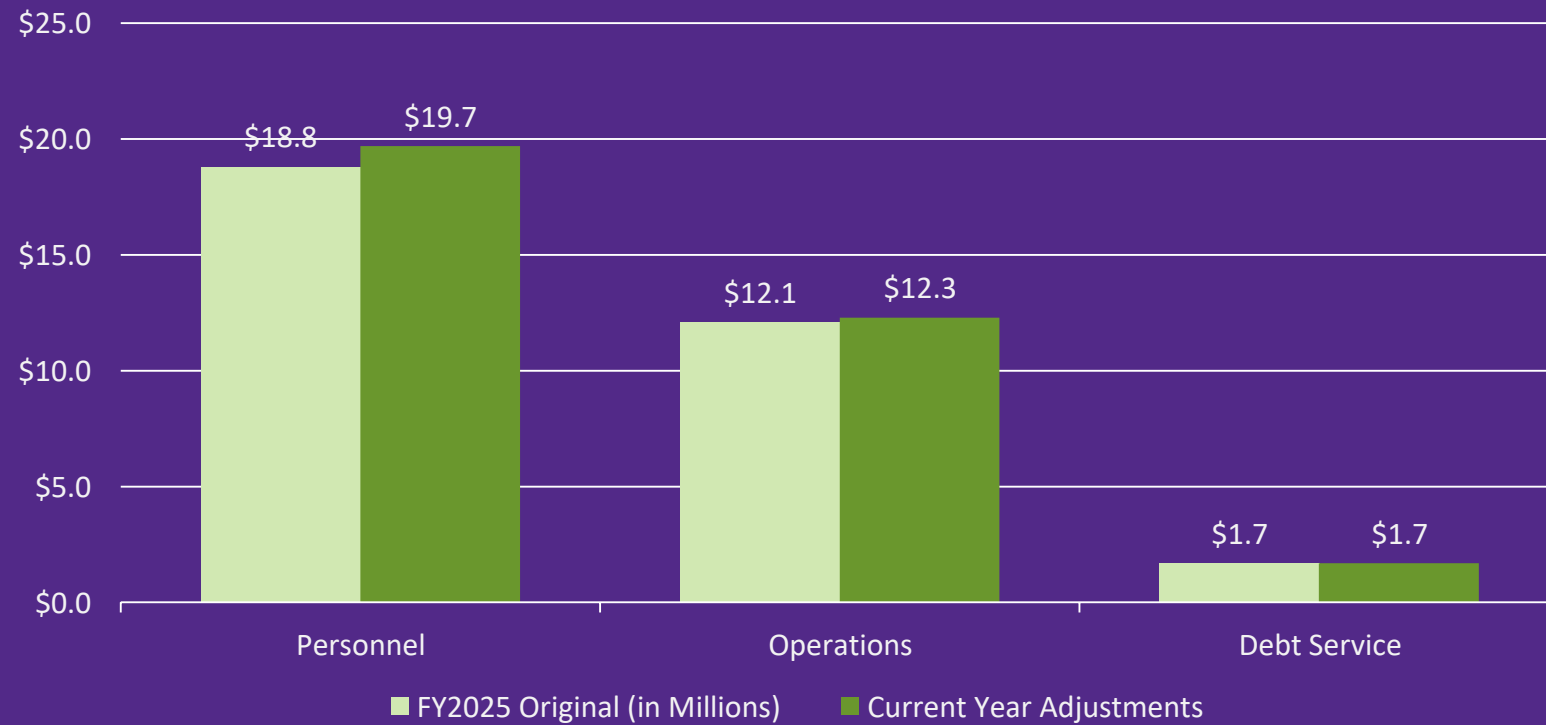
General Fund Expenditure Budget
Current Year Adjusted



Current Year Adj.

- Represents cost of continuing operations, natural growth, other commitments previously authorized

General Fund Expenditure Budget Current Year Adjustments (in Millions)



Current Year Adj.

- Represents cost of continuing operations, natural growth, other commitments previously authorized

Current Year Gap

Base Expenditure Total:	+\$ 33.7M
<u>Base Revenue Total:</u>	<u>- \$ 28.6M</u>
Net Total (Gap):	+ \$ 5.1M

Current Year Gap

- Recurring revenues to fund baseline recurring expenditures
- \$4.1m in fund balance appropriated in FY2025 to close gap one-time
- Gap does not include fund balance as a revenue

Major Budget Priorities for FY2026

• Affordable Housing (half penny equivalent increase)	+\$200k
• Sustainability Initiatives Town-wide	+\$500k
• Personnel initiatives	+\$3M
• Reimagine Weaver Street	+\$400k
• Bolin Creek Phase 3 & 4 (design)	+\$1.4M
• <u>Chapel Hill Transit (requested increase)</u>	<u>+\$400k</u>
Net Total	+\$5.9M

• Other	
• Town Hall Renovations	+\$15M
	(FY27 impact: early estimate \$1.4M in Debt Service)
• OWASA	+\$TBD

Major Budget Priorities for FY2026

Personnel:

- (+) Projected increases to retiree insurance, workers compensation + \$ 150k
- (+) Implementation of Phase 2 of Staffing Study + \$ 640k
- (+) Supplemental New Position Requests + \$ 610k
- (+) Full Implementation of Classification and Compensation Study + \$1.6M
- Net Total: +\$3M

Major Budgetary Drivers

- Key factors and variables that significantly influence Town budget
- May affect expenditures or revenues
- Critical for financial planning and decision-making

Major Operations Budget Drivers for FY2026

• (+) Natural growth in Town operations	\$200k
• (+) Housing & Community Services	\$215k
• (+) Information Technology	\$1.5M
• <u>(+) Parking Fund expenses</u>	<u>\$133k</u>
• Net Total:	\$2M

Major Budgetary Drivers

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Major Capital Budget Drivers for FY2026

Capital Projects – Planning, Zoning & Inspection/Transportation:

- | | |
|--|------------------|
| • (+) Reimagine Weaver Street | + \$ 400k |
| • (+) Downtown Area Plan revision | + \$ 27k |
| • (+) NC 54 Corridor Study | + \$ 250k |
| • (+) Unified Development Ordinance rewrite | + \$ 245k |
| • (+) Other PZI projects | + \$ 167k |
| • <u>(+) Bike Plan – Shelton, E Poplar, Maple Ave contribution</u> | <u>+ \$ 222k</u> |
| • Net Total: | +\$1.31M |

Major Budgetary Drivers

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Major Capital Budget Drivers for FY2026

Capital Projects – Public Works:

- | | |
|--|-----------|
| • (+) Scheduled vehicle replacements | + \$1.02M |
| • (+) Westwood cemetery | + \$ 135k |
| • (+) Century Center renovation | + \$ 100k |
| • (+) Stormwater Treatment and Pocket Park | + \$ 325k |

Net Total: **+\$1.58M**

• Other

- | | |
|-------------------------|--------|
| • Town Hall Renovations | +\$15M |
|-------------------------|--------|

(FY27 impact: early estimate \$1.4M in Debt Service)

Major Budgetary Drivers

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Major Capital Budget Drivers for FY2026

Capital Projects – Recreation and Parks:

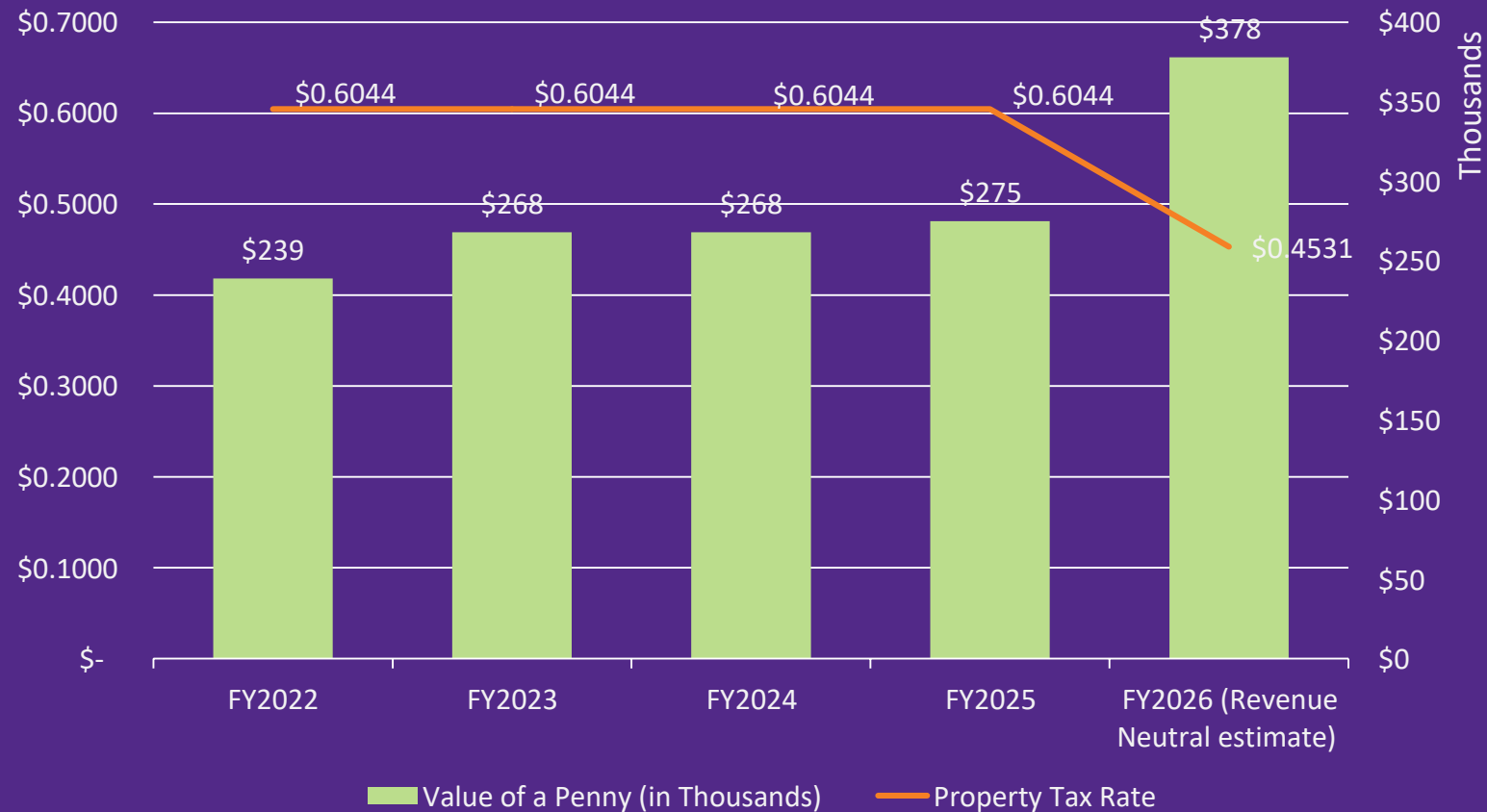
- | | |
|---|---------------|
| • (+) Outdoor lights, outage facility updates, and park signage | \$490k |
| • (+) Playground Resurfacing | \$715k |
| • <u>(+) Playground Replacements</u> | <u>\$600k</u> |

Net Total: **\$1.8M**

Major Budgetary Drivers

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Property Tax by Fiscal Year



Property Tax Rate

- Indicates tax per \$100 of Assessed Valuation
- Value of a penny indicates amount one penny on tax rate generates in revenue
- FY2025 = \$275,000
- FY2026 (estimated revenue neutral rate) = \$378,000

Upcoming Dates

Milestone	Estimated Data
Council Work Session FY2026 Budget Work Session	April 8, 2025
Council Business Meeting Manager Recommended Budget & CIP	May 6, 2025
Council Business Meeting Budget Public Hearing	May 20, 2025
Council Business Meeting Budget Public Hearing, Motion to Adopt	June 3, 2025
Additional Council Business Meeting for Budget (if needed)	June 17, 2025