



Legislation Text

File #: 22-164, **Version:** 1

TITLE:

Town Manager's Recommended Budget for Fiscal Year 2022-2023

PURPOSE: The purpose of this agenda item is for the Town Manager to present the Recommended Budget for FY23 and to set the public hearing for June 7, 2022.

DEPARTMENT: Town Manager, Finance

CONTACT INFORMATION: Richard J. White III, Town Manager, 918-7315; Arche McAdoo, Finance Director, 918-7439; and Cary McNallan, Deputy Finance Director, 918-7301

INFORMATION: By state law, the Town Manager is required to submit a recommended budget for FY23 and budget message to the Mayor and Town Council by June 1st. This recommended budget is to be made available for public inspection and the Town Council is required to hold a public hearing on it prior to adoption. The FY23 Recommended Budget can be found on the Town's website at the following location:
<http://www.ci.carrboro.nc.us/250/Financial-Documents>

Major goals for the FY23 budget were to: 1) refine alignment of Council strategic priorities with the budget, 2) control costs while maintaining current level of services, and 3) develop a balanced budget.

The ongoing pandemic and its impact on the economy continue to present challenges to revenue forecasting and budgeting. As a result, the FY23 Recommended Budget is based on revenue projections that are not overly aggressive and allow for some increases in expenditures to address inflationary pressures and staffing concerns.

The total General Fund, which is the Town's operating budget, recommended by the Town Manager is \$89.3 million comprised of:

General Fund at \$27,479,482
Special Revenue Fund at \$10,968,456
Capital Projects Fund at \$50,825,396

Enterprises funds total \$1.2 million as follows:

Storm Water Utility Enterprise Fund at \$1,081,601, and
Parking Enterprise Fund at \$143,190.

The total General Fund and Enterprise Fund budget for FY23 is \$90.5 million.

Special Revenue Funds change from year to year depending upon revenues from grants, revolving loan funds, and other restricted program revenues. The Affordable Housing Fund seeks to increase affordable housing in the Town, and this continues to be a major goal of the Town Council. To provide a steady and reliable revenue

source for affordable housing the Town Council dedicated $\frac{1}{2}$ cent of the property tax rate exclusively for affordable housing in FY19, FY20, and FY22, for a total of 1.5 cents. For FY23 the 1.5 cent property tax rate will continue to be dedicated for affordable housing.

Also included in the Special Revenue Fund is the \$6.7 million grant under the American Rescue Plan Act (ARPA) of 2021 for State and Local Fiscal Recovery Funds.

The Town Manager will provide a presentation on the recommended budget at the Council meeting and request that the Town Council set a public hearing for the budget on June 7, 2022. Notice of the public hearing will be published by the Town Clerk and posted to the Town's website.

FISCAL & STAFF IMPACT: The only cost associated with the agenda item is the cost to publish the public hearing notice.

RECOMMENDATION: Staff recommends that the Town Council accept the Town Manager's Recommended Budget for FY23 and set a public hearing for June 7, 2022, at 7:00 p.m. at Town Hall (Attachment).