



Legislation Text

File #: 24-043, **Version:** 1

Financial Planning Model

PURPOSE: This item is for the Town's financial advisors, First Tryon, and Finance staff to present the current financial planning model to show Council the short and long-term impacts on revenue assumptions, operating expenses, and capital expenditures.

DEPARTMENT: Finance

CONTACT INFORMATION: Bret Greene, Finance Director, (919) 918-7439, bgreene@carrboronc.gov

INFORMATION: Each year the Town is required to develop budgets for its programs and various funds. These funds include operating (the largest by far), capital projects, affordable housing, debt services, and others. A common element of each budget is the balancing of anticipated revenues with expenses. Under state law, the Town may not adopt a budget that is unbalanced and is expected to remain in good financial health. The Town Manager and staff have been working with First Tryon Advisors to develop a tool to help gauge the financial impact of decisions related to potential operating and capital projects. Factors included with this tool will help to evaluate impact(s) on tax rate, cash reserves, debt service, as well as other financing strategies.

Chazzo Habliston, V, Vice President, at First Tryon Advisors will present an overview of this financial planning tool, then work with Town staff to layer in identified priorities in the 2024-2025 FY and implications into future years surrounding the health of the town's finances. This session is an introduction to the functionality of actual recommendations and real capital needs for prioritization over a five-year forecast with implications to the Town extending 20 years and beyond. This tool will be further utilized by staff and included in the 2024-2025 FY budget work session in May 2024.

FISCAL IMPACT: Initial fiscal impact has already been incurred bringing First Tryon in as a partner. As town staff becomes trained and competent working with the model, the reliance on the First Tryon team will decrease.

RECOMMENDATION: It is recommended that Council continue to relay priorities through the Town Manager for financial priorities as they are identified so staff can update model and continue to utilize in an effective manner.