



FY27 Budget Discussion

May 11, 2026

Budget Process & Council Role



- Council priorities were set prior to budgeting for actual costs
- Council's approved priorities included:
 - ▣ Developing a sustainable financial strategy for FY27 and beyond
 - ▣ Maximizing economic development opportunities
 - ▣ Enhancing the Town's identity
 - ▣ Continuing to pursue wastewater solutions
 - ▣ Maintaining a culture of respect and collaboration

Budget Process & Council Role



- During the process, Council Members expressed openness to evaluating multiple options presented.
- Staff used feedback from previous meetings to develop a recommended budget that supports a strong and sustainable future.
- Ultimately, final policy decisions remain with Town Council.

Budget Schedule



November 10, 2025	Council approved budget process
December 8, 2025 - January 23, 2026	Facilitator spoke with Mayor and Council Members individually to prepare for the Annual Retreat
January 24, 2026	Annual Retreat to review prior year priorities and update/establish priorities to be used during budget preparation
February 4, 2026	Staff meeting to discuss implementation strategies and budget development
February 18, 2026	Departmental requests due to Finance
February 25, 2026	Finance to meet with departments to discuss initial budget requests
March 4, 2026	Manager, Assistant Manager and Finance to meet with departments to discuss initial budget requests
March 30, 2026	Budget Retreat

Budget Schedule



April 13, 2026	Budget work session prior to Council meeting
April 30, 2026	Draft budget submission due to Council
May 4, 2026	Budget work session (special meeting night)
May 11, 2026	Budget work session prior to Council meeting
May 18, 2026	Budget work session (special meeting night) <i>*Final decisions must be made to have a completed budget for the public hearing and adoption date</i>
June 8, 2026	Budget Public Hearing and Adoption
June 22, 2026	Last day to adopt FY27 budget at regularly scheduled meeting

Types of Fund Balances



- Non-spendable
 - Prepayments
- Restricted – Includes amounts that are restricted to specific purposes externally imposed by creditors or law
 - Stabilization by State Statute
 - Powell Bill
 - Drug Forfeiture
 - ARPA

Types of Fund Balances

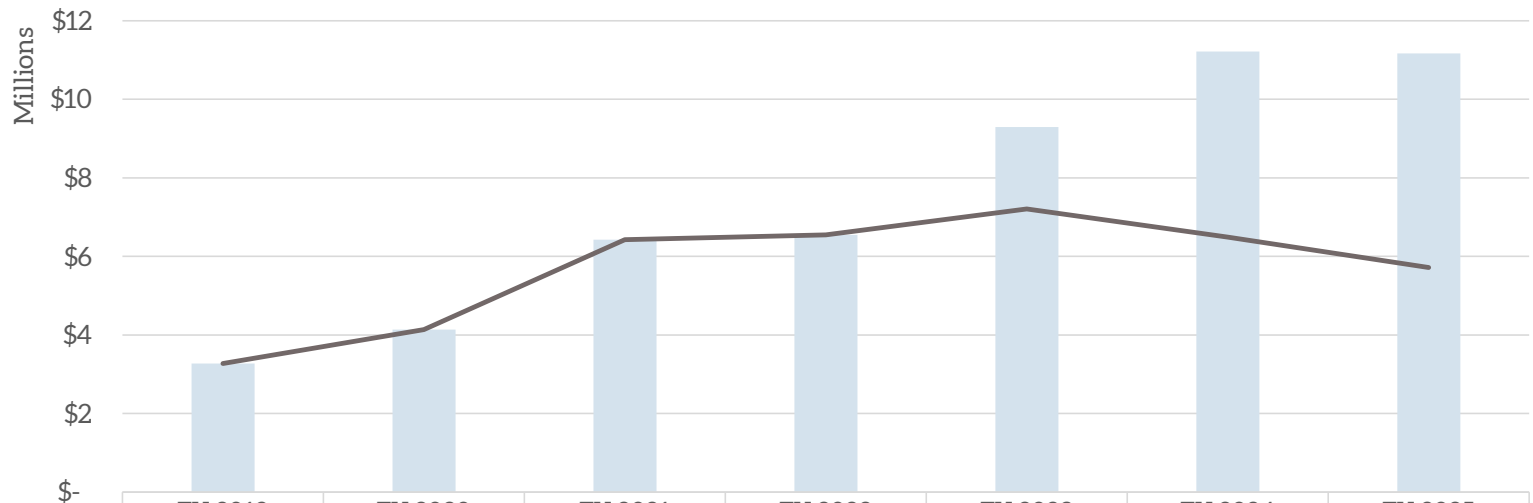


- Committed – Can only be used for specific purposes imposed officially by Town Council
 - ▣ Parks & Recreation
 - ▣ Chestnut Lane Roundabout
 - ▣ Capital Projects
- Assigned – Intended for a specific purpose
 - ▣ Subsequent year's expenditures
 - ▣ Minimum Fund Balance Requirement



Types of Fund Balances

- Unassigned – Has not been restricted, committed or assigned for another purpose



	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Unassigned FB	\$3,270,119	\$4,138,319	\$6,424,313	\$6,545,483	\$9,289,355	\$11,212,467	\$11,166,690
Unassigned FB w/o ARPA	\$3,270,119	\$4,138,319	\$6,424,313	\$6,545,483	\$7,204,403	\$6,486,867	\$5,712,879

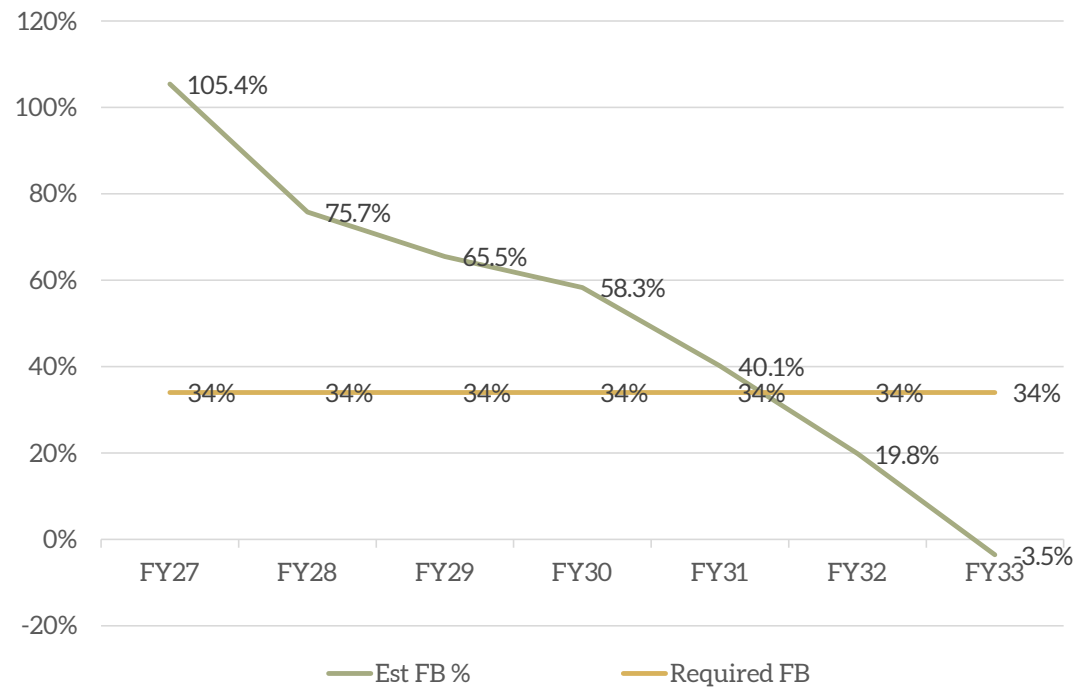
Unassigned FB

Unassigned FB w/o ARPA



FY27 Recommended Budget

- FY27 Recommended Budget includes 2¢ tax increase
- Why?
 - ▣ Current tax rate funds operating costs for FY27 only
 - ▣ Operating deficits are forecasted for FY28 and beyond



Above chart is forecasting using current tax rate of 18.9¢ and includes only routine capital replacements in FY30 and beyond.
Future revals have not been factored into these numbers.

Changes to Recommended Budget General Fund Revenues



	Recommended	Revised	Difference	Notes
Ad Valorem Taxes	\$8,852,500	\$8,922,500	\$70,000	Inc tax collection rate from 97.8% to 98.5%
Sales & Use Tax	\$2,400,000	\$2,400,000	\$0	
Utility Sales Tax	\$860,000	\$860,000	\$0	
Other Tax Distributions	\$88,700	\$88,700	\$0	
Powell Bill <i>(includes interest)</i>	\$550,000	\$550,000	\$0	
Permits & Fees	\$100,200	\$100,200	\$0	
Investment Earnings	\$605,000	\$605,000	\$0	
Other Revenues	\$28,500	\$28,500	\$0	
Restricted or Non-recurring Rev	\$312,166	\$312,166	\$0	
Fund Balance Appr - Unrestricted	\$181,900	\$0	(\$181,900)	No longer appr FB for capital items
Fund Balance Appr - Restricted	\$157,665	\$157,665	\$0	
Total Revenues	\$14,136,631	\$14,024,731	(\$111,900)	

Changes to Recommended Budget

General Fund Expenses

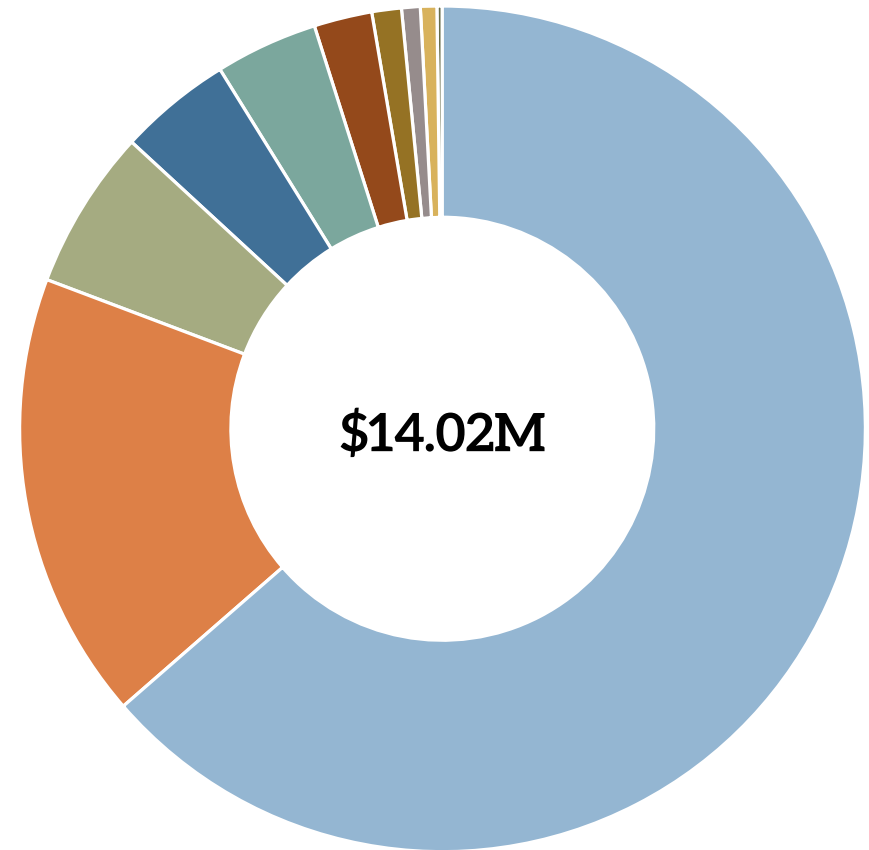


	Recommended	Revised	Difference	Notes
Personnel Costs	\$6,399,600	\$6,399,600	\$0	
Solid Waste	\$1,522,500	\$1,522,500	\$0	
Street Maintenance <i>(includes Powell Bill and Town funds)</i>	\$1,407,665	\$1,407,665	\$0	
Debt Service	\$320,000	\$320,000	\$0	
Operating Expenses	\$2,383,366	\$2,384,466	\$1,100	Union County tax collection costs increased due to increased tax revenues
Capital Expenses	\$287,000	\$287,000	\$0	
Restricted or Non-recurring Exp	\$330,500	\$330,500	\$0	
Other Financing Uses <i>(GASB required)</i>	\$36,000	\$36,000	\$0	
Transfers to Capital Project Fund	\$1,450,000	\$1,337,000	(\$113,000)	Decreased transfer for CRTPO projects from \$500K to \$387K
Total Expenses	\$14,136,631	\$14,024,731	(\$111,900)	



FY27 GF Revenues

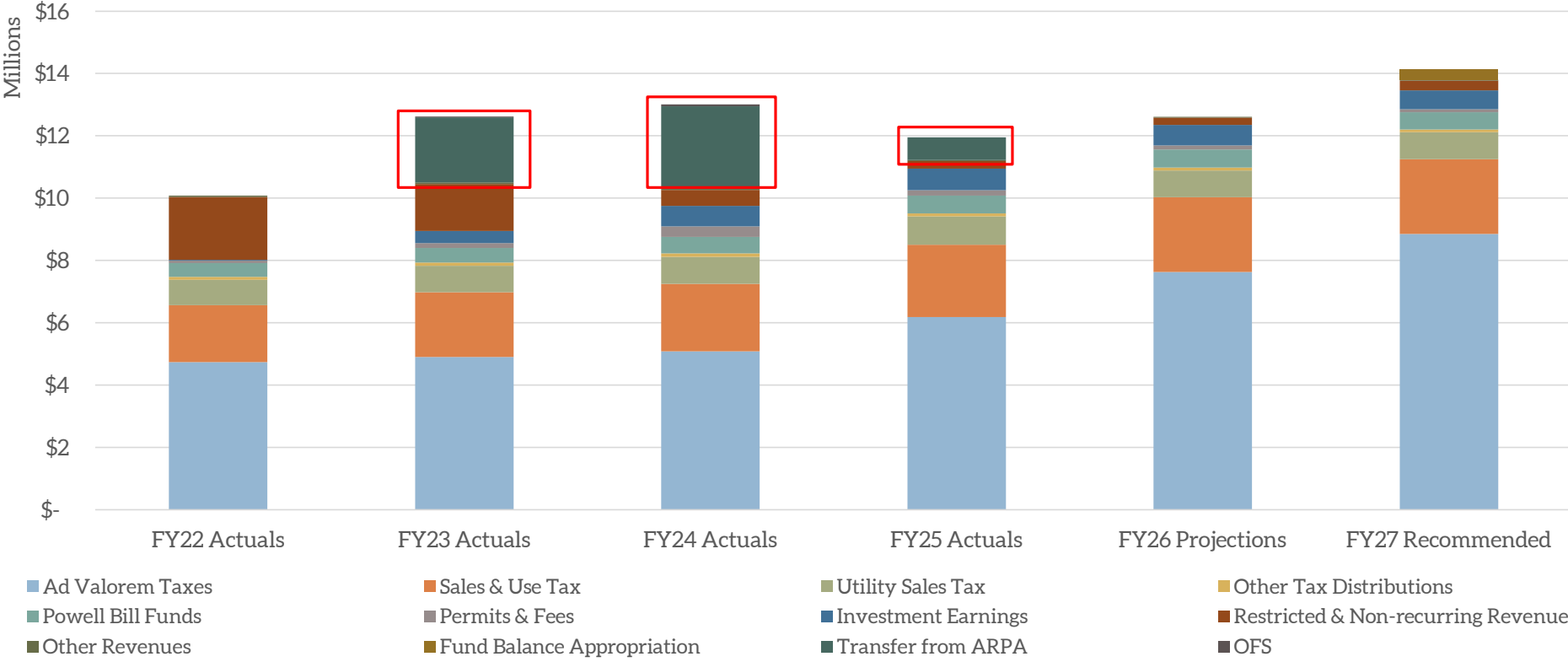
Revenue Source	Amount	%
Ad Valorem Taxes	\$8,922,500	63.6%
Sales & Use Tax	\$2,400,000	17.1%
Utility Sales Tax	\$860,000	6.2%
Investment Earnings	\$605,000	4.3%
Powell Bill <i>(includes interest)</i>	\$550,000	3.9%
Restricted or Non-recurring Rev	\$312,166	2.3%
Fund Balance Appropriation	\$157,665	1.1%
Permits & Fees	\$100,200	0.7%
Other Tax Distributions	\$88,700	0.6%
Other Revenues	\$28,500	0.2%
Total	\$14,024,731	100%



Revised budget using tax rate of 20.9¢ (2¢ increase)



General Fund Revenue History

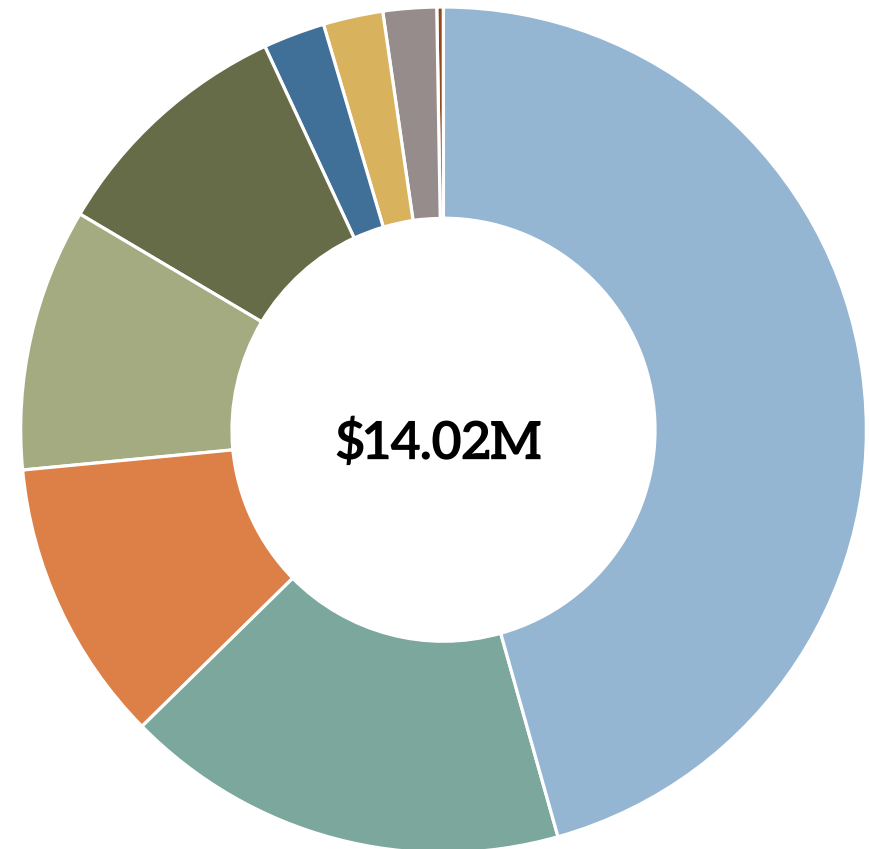


Recommended budget using tax rate of 20.9¢ (2¢ increase)



FY27 GF Expenses by Category

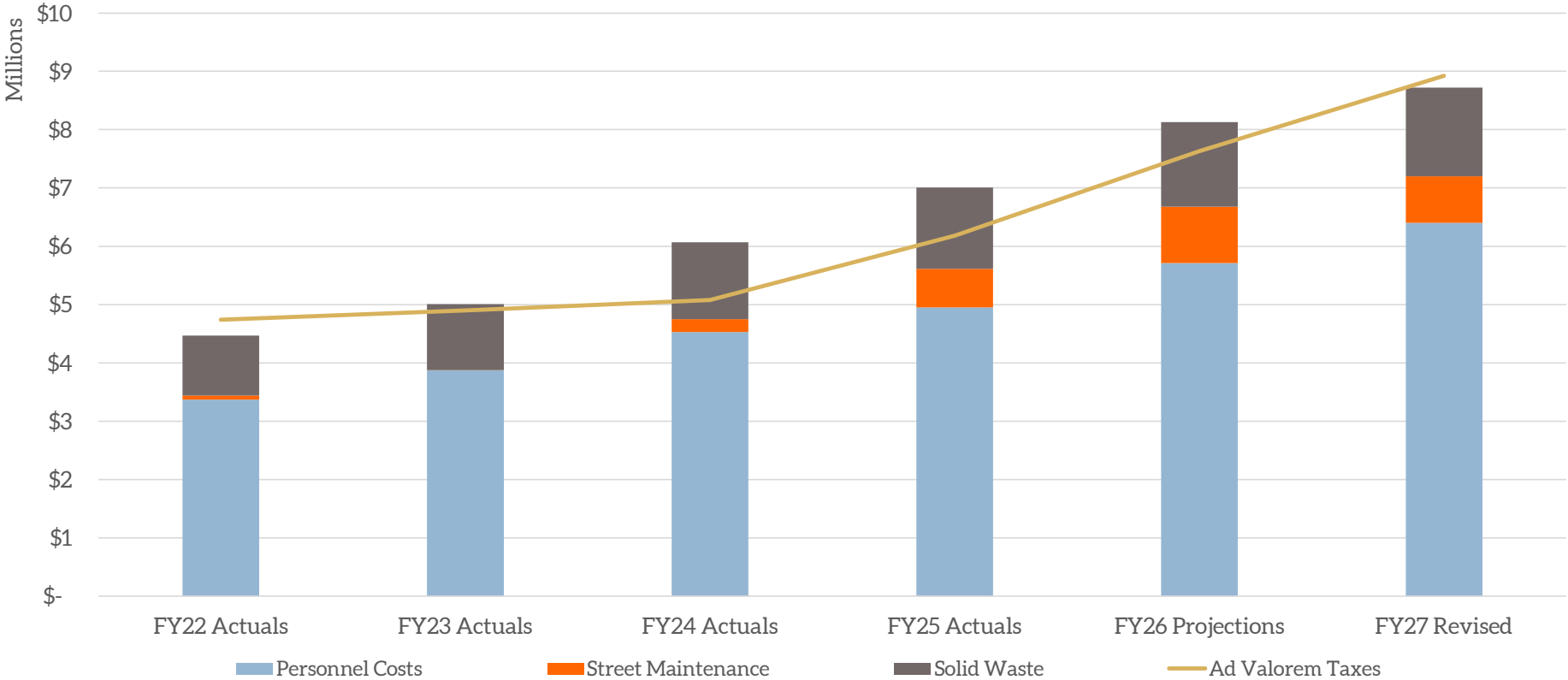
Category	Amount	%
Personnel*	\$6,399,600	45.6%
Operating Expenditures	\$2,384,466	17.0%
Solid Waste*	\$1,522,500	10.9%
Street Maintenance*	\$1,407,665	10.0%
Transfers to Other Funds	\$1,337,000	9.5%
Restricted or Non-recurring Exp	\$330,500	2.4%
Debt Service	\$320,000	2.3%
Operating Capital	\$287,000	2.0%
Other Financing Uses	\$36,000	0.3%
Total	\$14,024,731	100%



* - These categories combined make up 66.5% of the total budget.
Recommended budget using tax rate of 20.9¢ (2¢ increase)

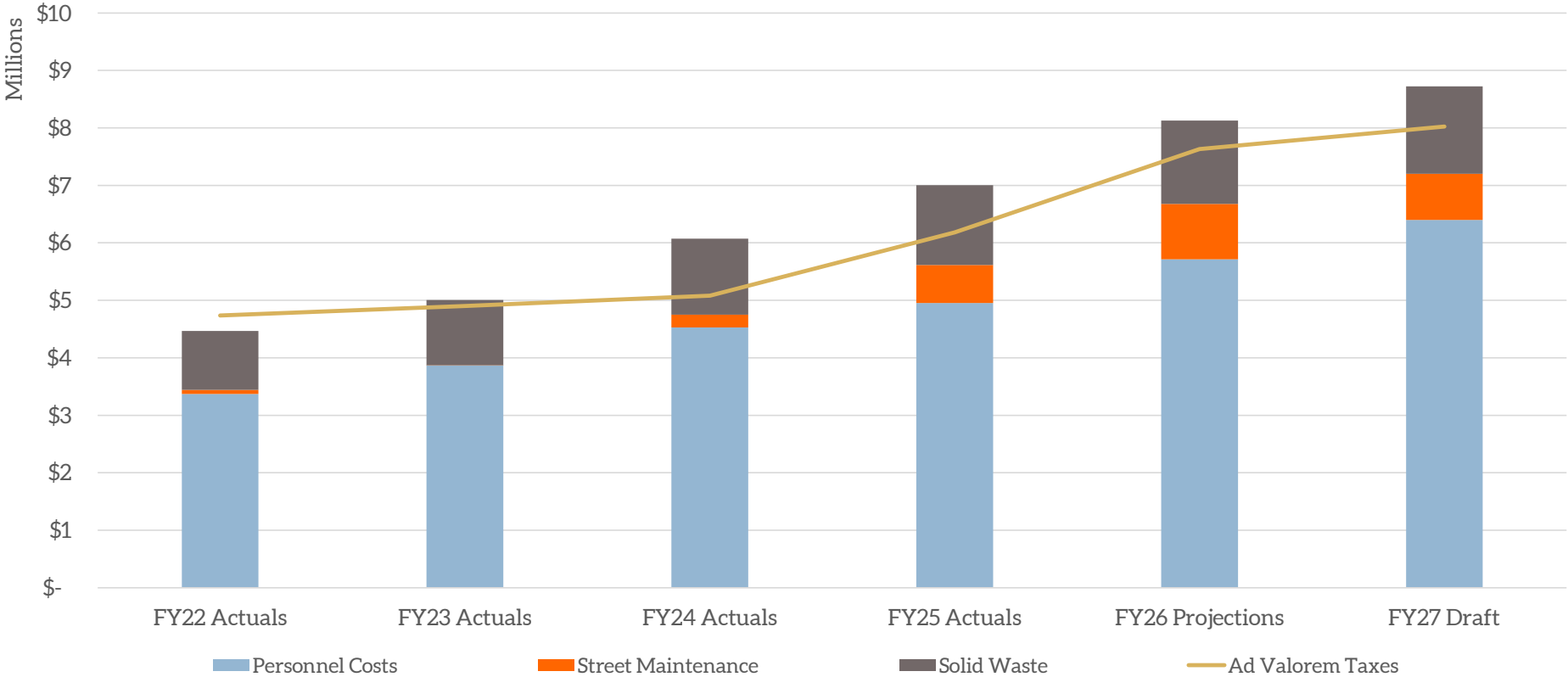
Where do tax dollars go?

Recommended tax rate = 20.9¢



Where do tax dollars go?

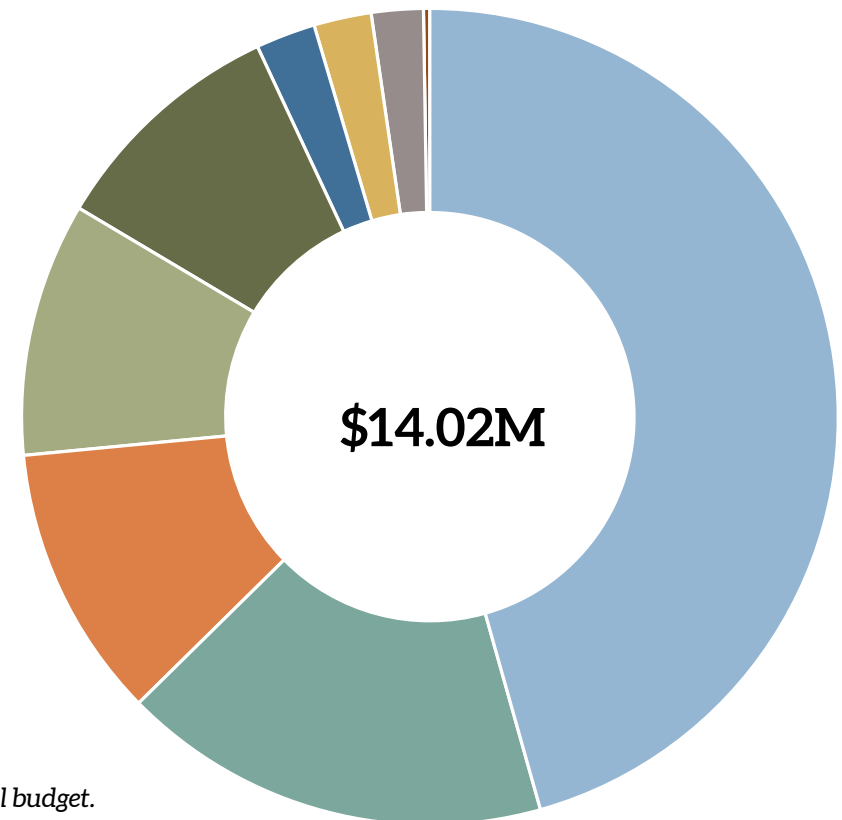
Current tax rate = 18.9¢



FY27 GF Expenses by Department



Department	Amount	%
Police	\$4,657,490	33.2%
General Government	\$2,082,126	14.8%
Transportation/Engineering	\$1,713,365	12.2%
Solid Waste	\$1,522,500	10.9%
Non-Departmental/Transfers	\$1,337,000	9.5%
Parks & Rec	\$1,175,800	8.4%
Public Works	\$612,350	4.4%
Planning & Zoning	\$568,100	4.1%
Debt Service	\$356,000	2.5%
Total	\$14,024,731	100%



Police, Solid Waste and Streets (included in Transportation/Engineering) make up 54.1% of the total budget.
 Recommended budget using tax rate of 20.9¢ (2¢ increase)

Tax Change Impact to Homeowner



Current Tax Rate = 18.9¢

Recommended Tax Rate = 20.9¢

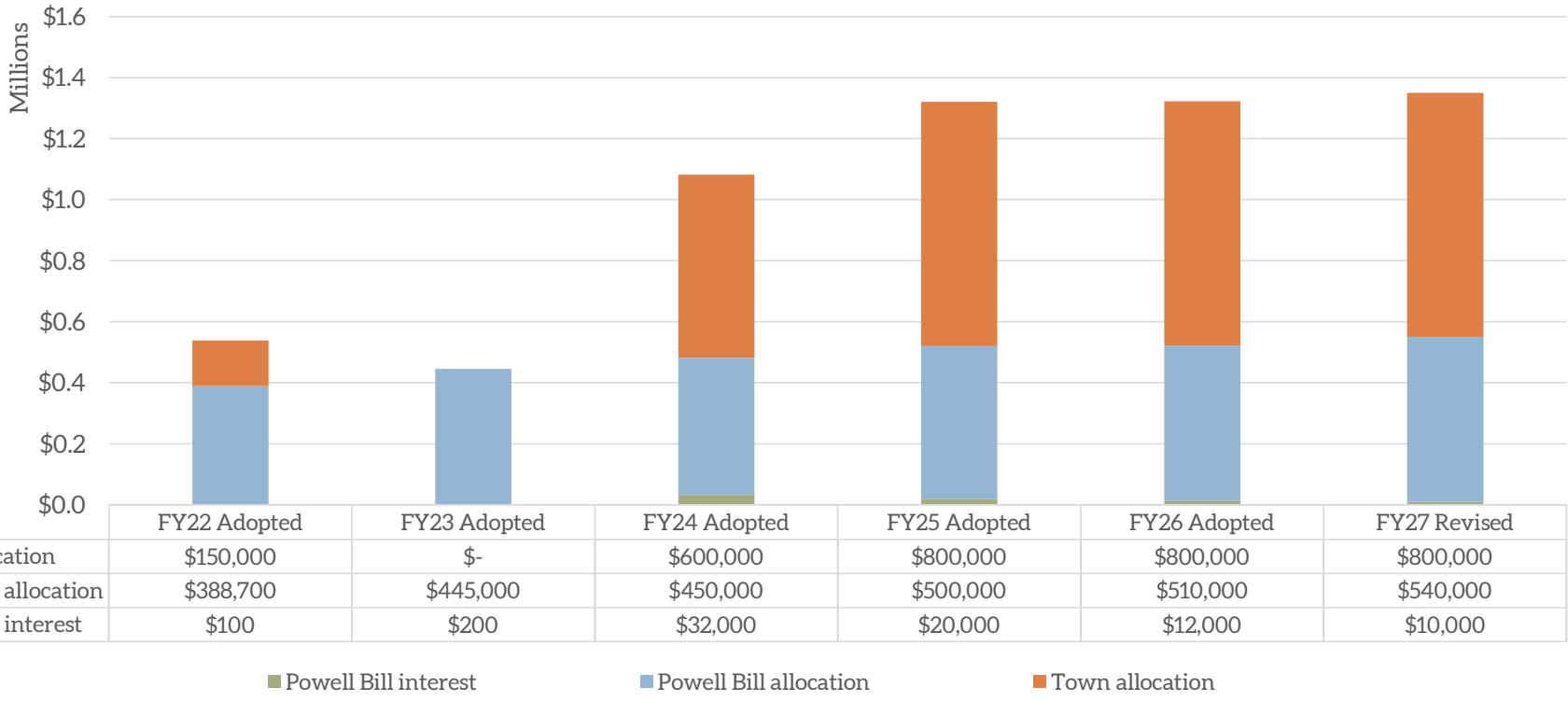
Tax Value	Annual Town Tax	Monthly Town Tax	Annual Town Tax	Monthly Town Tax	Annual Increase	Monthly Increase
\$100,000	\$189.00	\$15.75	\$209.00	\$17.42	\$20.00	\$1.67
\$200,000	\$378.00	\$31.50	\$418.00	\$34.83	\$40.00	\$3.33
\$300,000	\$567.00	\$47.25	\$627.00	\$52.25	\$60.00	\$5.00
\$400,000	\$756.00	\$63.00	\$836.00	\$69.67	\$80.00	\$6.67
\$425,000 ^a	\$803.25	\$66.94	\$888.25	\$74.02	\$85.00	\$7.08
\$446,500 ^b	\$843.89	\$70.32	\$933.19	\$77.77	\$89.30	\$7.44
\$489,900 ^c	\$925.91	\$77.16	\$1,023.89	\$85.32	\$97.98	\$8.16
\$500,000	\$945.00	\$78.75	\$1,045.00	\$87.08	\$100.00	\$8.33
\$600,000	\$1,134.00	\$94.50	\$1,254.00	\$104.50	\$120.00	\$10.00
\$700,000	\$1,323.00	\$110.25	\$1,463.00	\$121.92	\$140.00	\$11.67

a - median Stallings sales price as of April 2026 per Realtor.com
 c - median Stallings list price as of April 2026 per Realtor.com

b - average Stallings home value per last Union County reval



Streets Funding History



Above amounts include new funding appropriations only. Fund balance appropriations of already received funds and amendments, if any changes during the year, along with actual expenditures are not included.

Questions and Discussion

