



# FY27 Recommended Budget General Fund

May 4, 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

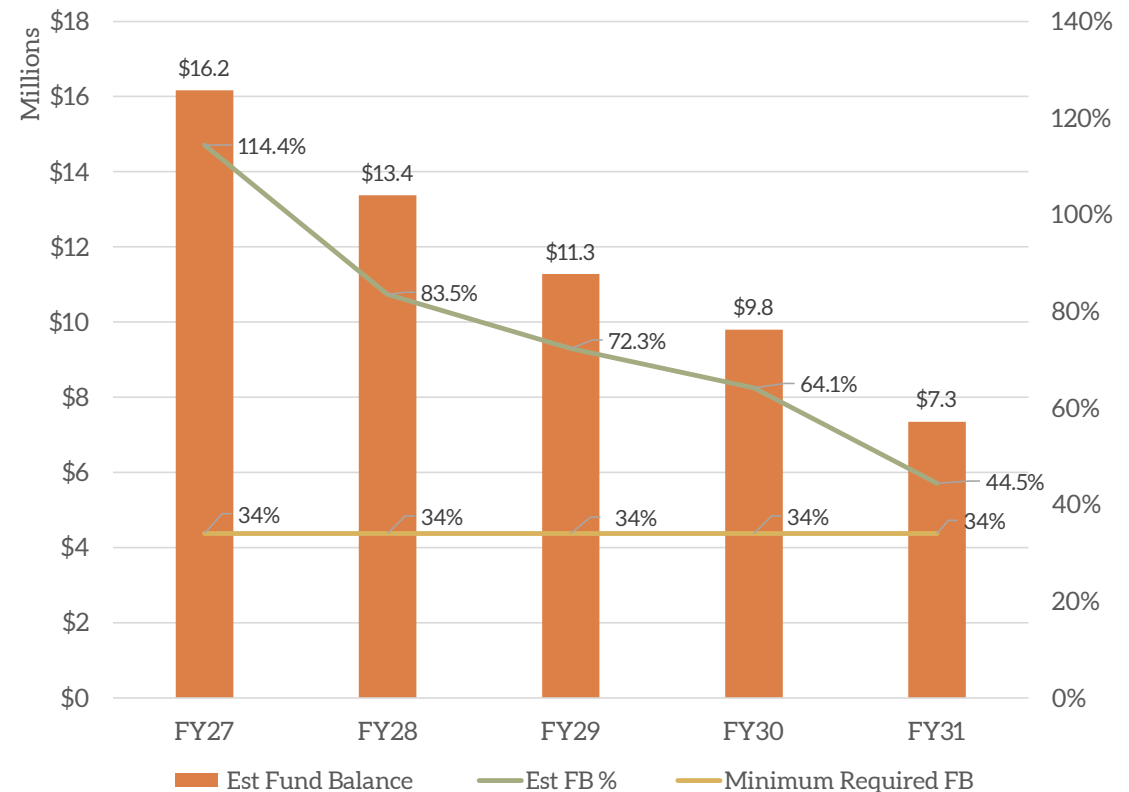


- During the process, Council Members expressed openness to evaluating multiple options presented.
- Staff used feedback from previous meetings to develop a recommended budget that supports a strong and sustainable future.
- Ultimately, final policy decisions remain with Town Council.



# 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

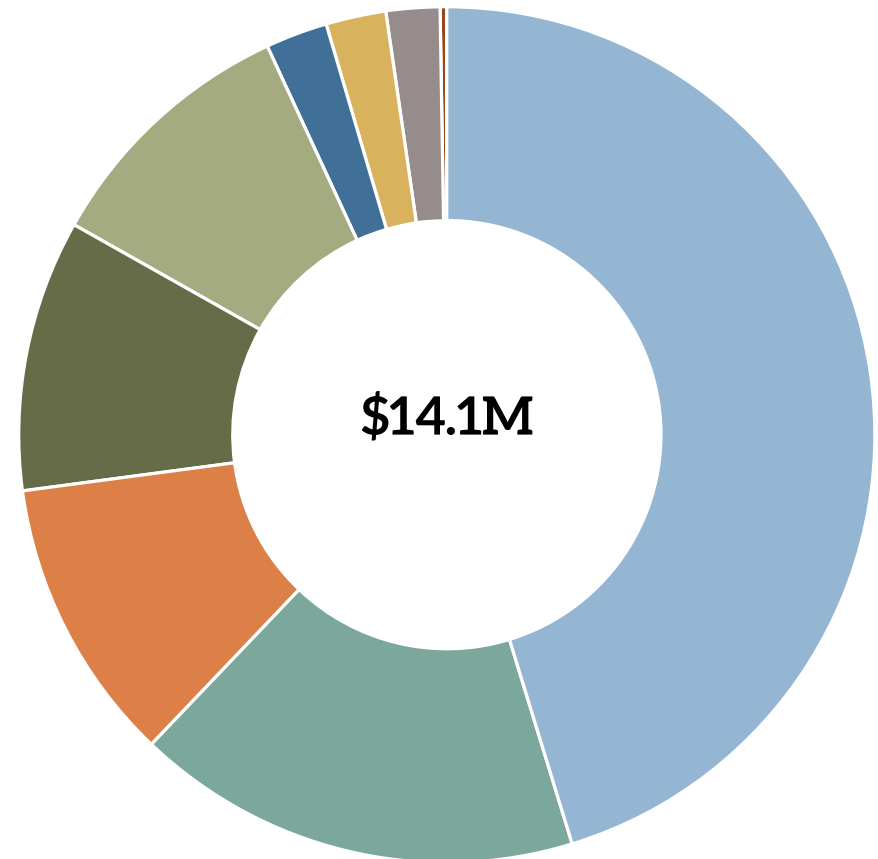


Above chart is forecasting using current tax rate of 18.9¢



# FY27 GF Expenses by Category

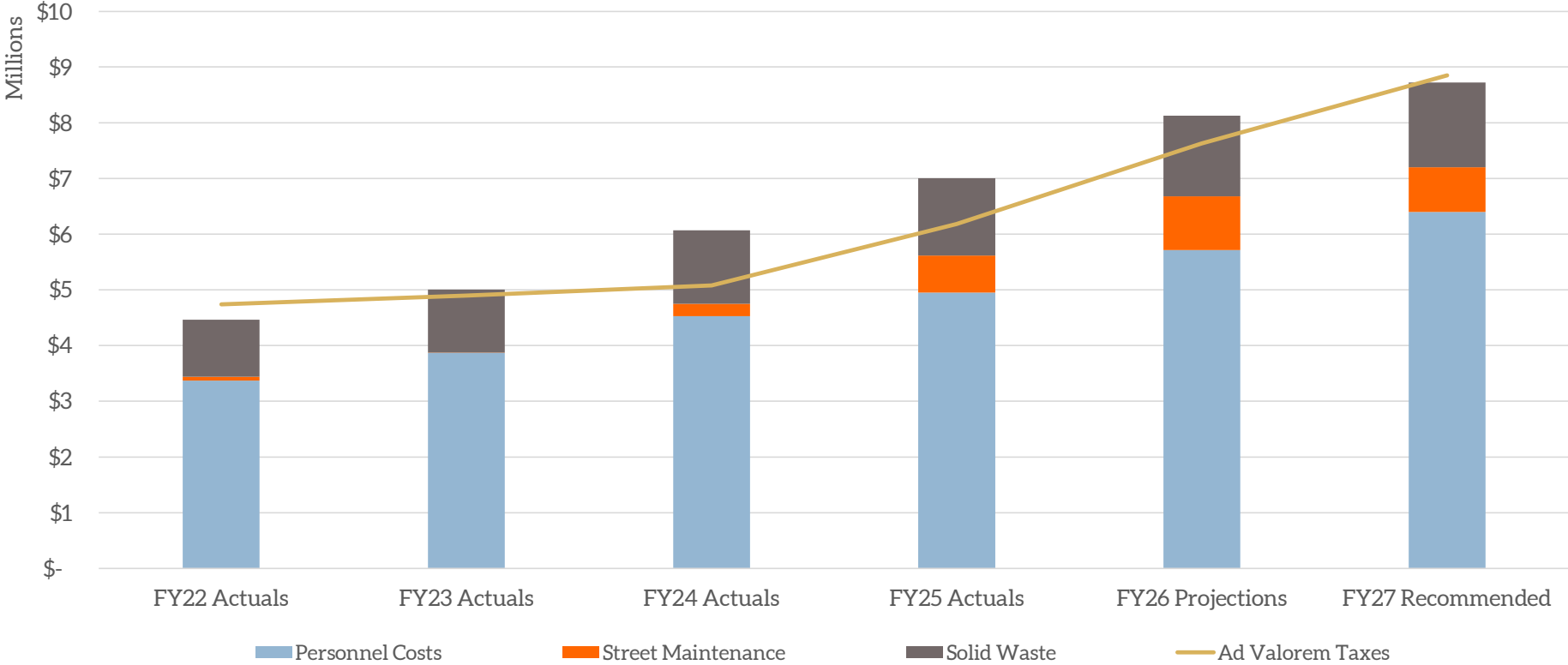
Category	Amount	%
Personnel*	\$6,399,600	45.3%
Operating Expenditures	\$2,383,366	16.9%
Solid Waste*	\$1,522,500	10.8%
Transfers to Other Funds	\$1,450,000	10.3%
Street Maintenance*	\$1,407,665	10.0%
Restricted or Non-recurring Exp	\$330,500	2.3%
Debt Service	\$320,000	2.2%
Operating Capital	\$287,000	2.0%
Other Financing Uses	\$36,000	0.2%
<b>Total</b>	<b>\$14,136,631</b>	<b>100%</b>



\* - These categories combined make up 66% of the total budget.  
Recommended budget using tax rate of 20.9¢ (2¢ increase)

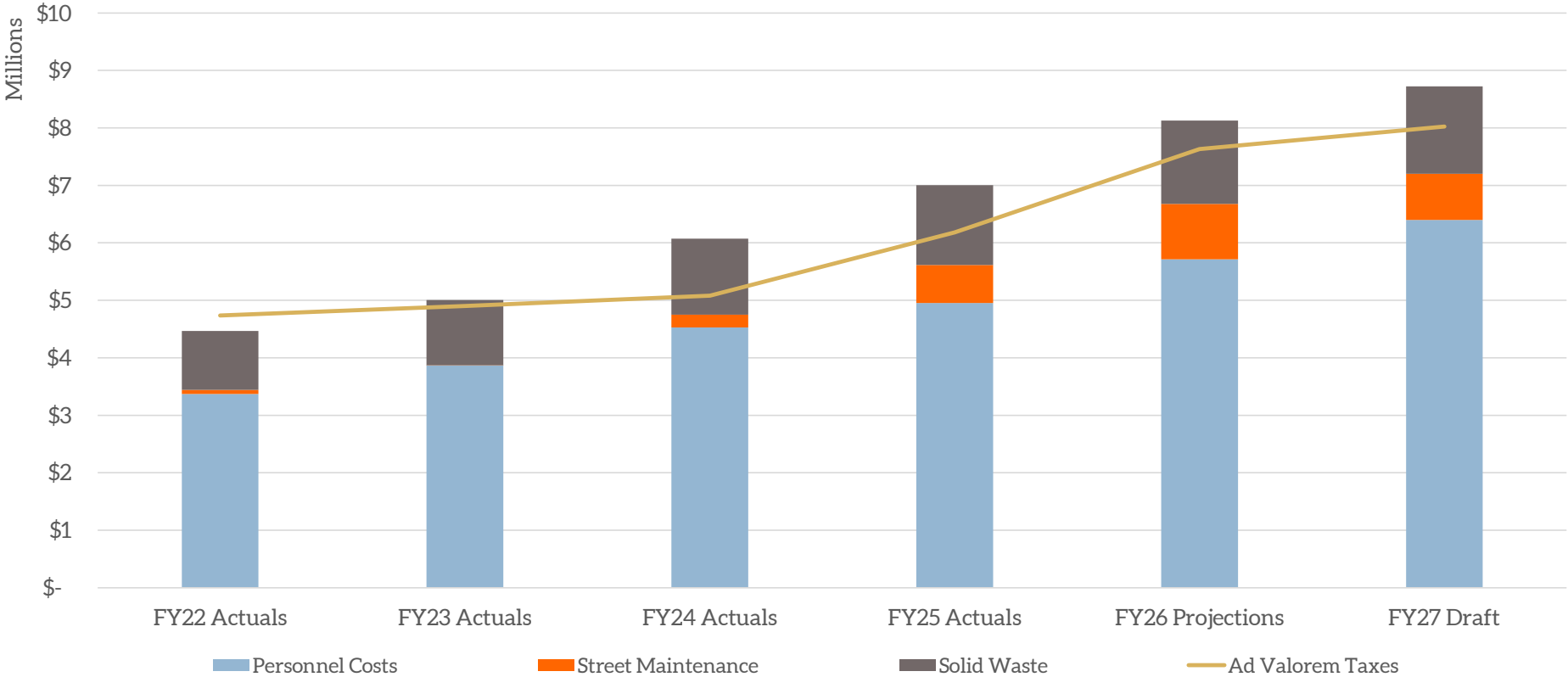
# Where do tax dollars go?

Recommended tax rate = 20.9¢



# Where do tax dollars go?

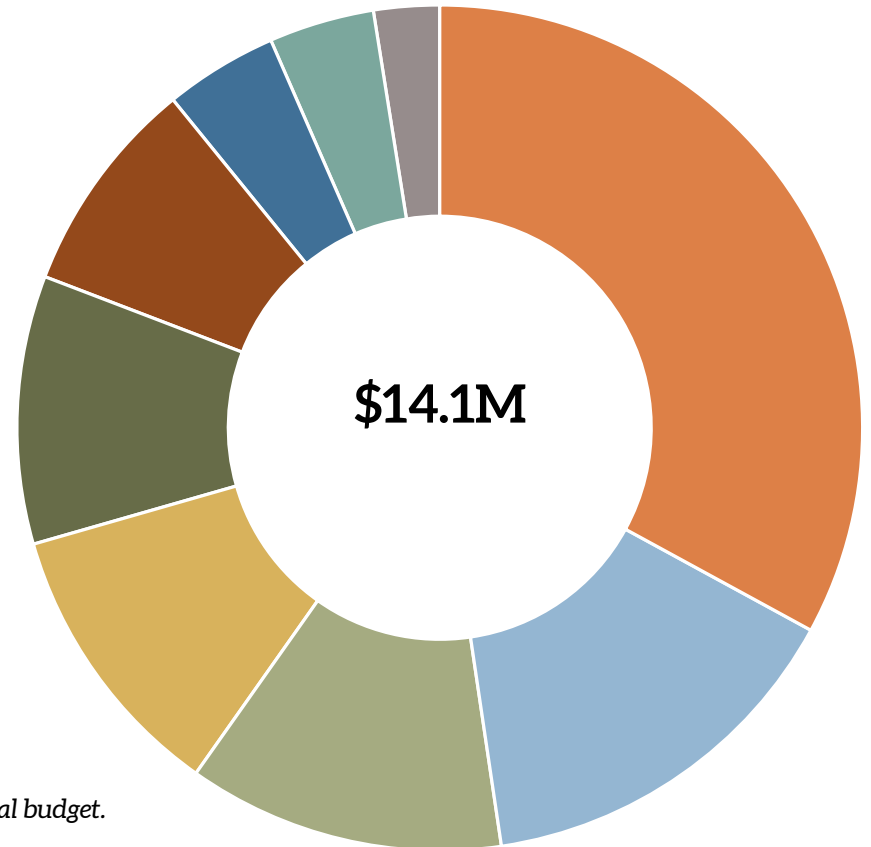
Current tax rate = 18.9¢





# FY27 GF Expenses by Department

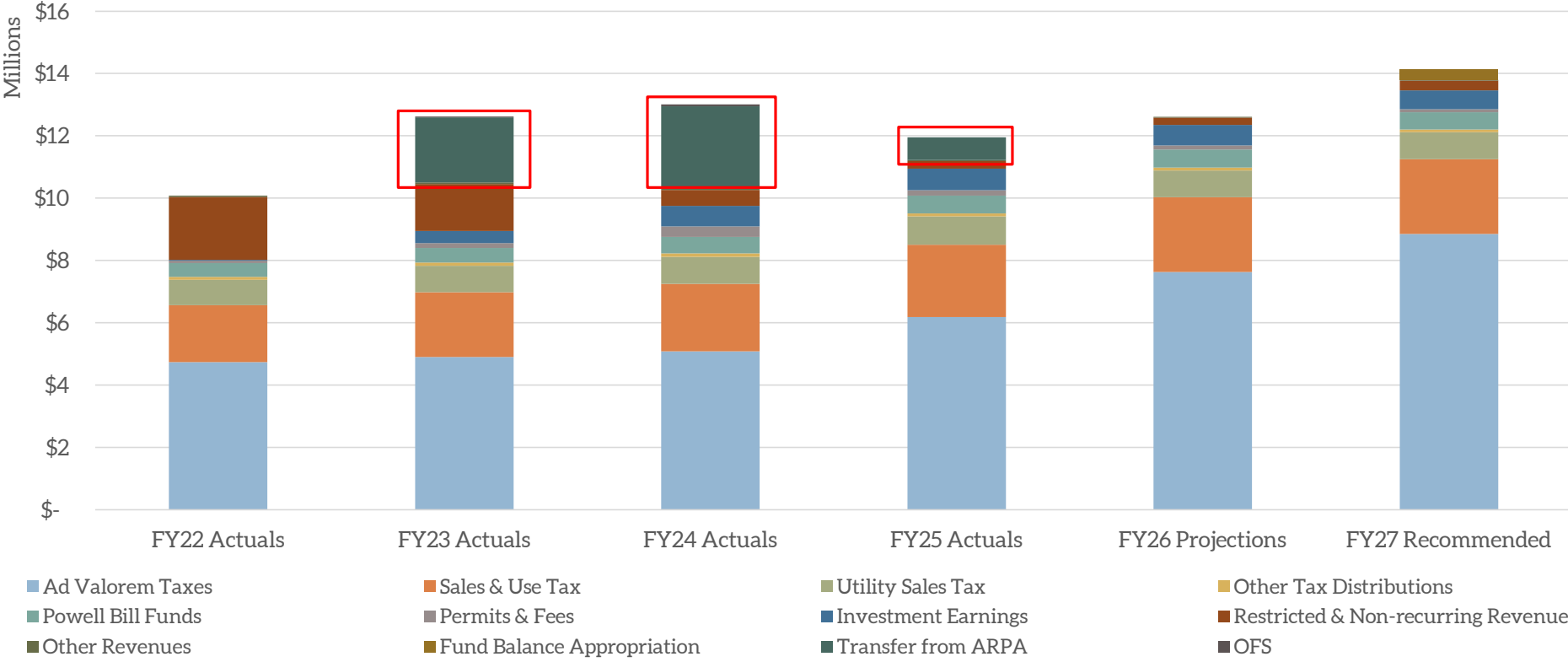
Department	Amount	%
Police	\$4,657,490	32.9%
General Government	\$2,081,026	14.7%
Transportation/Engineering	\$1,713,365	12.2%
Solid Waste	\$1,522,500	10.8%
Non-Departmental/Transfers	\$1,450,000	10.3%
Parks & Rec	\$1,175,800	8.3%
Public Works	\$612,350	4.3%
Planning & Zoning	\$568,100	4.0%
Debt Service	\$356,000	2.5%
<b>Total</b>	<b>\$14,136,631</b>	<b>100%</b>



Police, Solid Waste and Streets (included in Transportation/Engineering) make up 53.7% of the total budget.  
Recommended budget using tax rate of 20.9¢ (2¢ increase)



# General Fund Revenue History

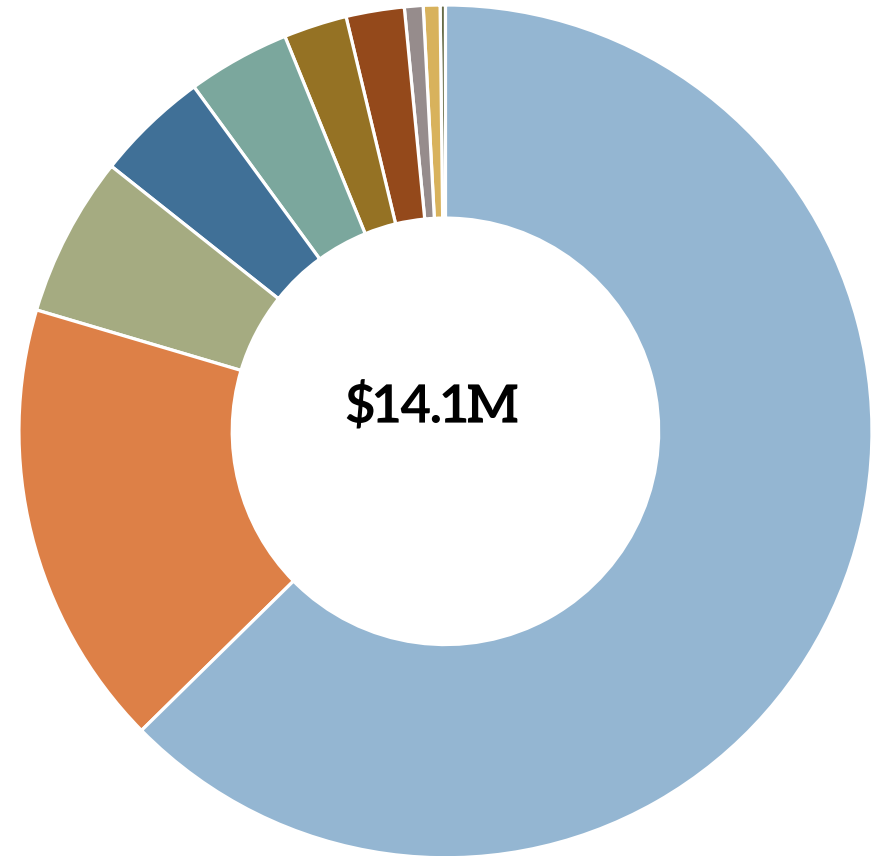


Recommended budget using tax rate of 20.9¢ (2¢ increase)



# FY27 GF Revenues

Revenue Source	Amount	%
Ad Valorem Taxes	\$8,852,500	62.6%
Sales & Use Tax	\$2,400,000	17.0%
Utility Sales Tax	\$860,000	6.1%
Investment Earnings	\$605,000	4.3%
Powell Bill <i>(includes interest)</i>	\$550,000	3.9%
Fund Balance Appropriation	\$339,565	2.4%
Restricted or Non-recurring Rev	\$312,166	2.2%
Permits & Fees	\$100,200	0.7%
Other Tax Distributions	\$88,700	0.6%
Other Revenues	\$28,500	0.2%
<b>Total</b>	<b>\$14,136,631</b>	<b>100%</b>



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 <sup>a</sup>	\$803.25	\$66.94	\$888.25	\$74.02	\$85.00	\$7.08
\$446,500 <sup>b</sup>	\$843.89	\$70.32	\$933.19	\$77.77	\$89.30	\$7.44
\$489,900 <sup>c</sup>	\$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

# Zoning/Engineering Fees



- Staff was directed to look at setting fees that would fully recoup costs determined by staff time spent on these activities.
  - Rates would need to be adjusted/increased annually as payroll costs (salaries and benefits) continue to rise.
- Staff has consulted the Planning Attorney regarding this method of fee calculation.
- Current fee schedule is based on market rates and comparable to surrounding municipalities.

# Zoning/Engineering Fees



	Current Fee <sup>a</sup>	Fee Based on Staff Time <sup>b</sup>	Amount Increase	% Increase
General Rezoning	\$2,250	\$5,428	\$3,178	141.2%
Conditional Rezoning	\$3,400	\$8,390	\$4,990	146.8%
High Complexity Conditional Zoning	\$3,400	\$15,090	\$11,690	343.8%
Developer Initiated Text Amendment	\$600	\$2,250	\$1,650	275.0%
Standard Zoning/Permit Reviews	\$150	\$328	\$178	118.7%
Simple Admin Permits	\$75	\$164	\$89	118.7%
Complex Admin Permits	\$125	\$890	\$765	612.0%
Site Plan Review (3 phases)	\$12,025	\$18,485 <sup>c</sup>	\$6,460	53.7%

a - based upon average time spent on an average project

b - based on current FY26 personnel costs

c - additional engineering time/fees if TIA or ROW abandonment are required

# Stormwater Fund & Budget Restraint



- Stormwater budget is balanced with no fee increase
  - ▣ Residential fee = \$67 annually
  - ▣ Non-residential = \$67/ERU annually
- Recommended budget is after internal/staff reviews
  - ▣ \$543,600 has been excluded per the notable items
  - ▣ Additional smaller cuts were made at the individual line-item level

# Staff Recommendations



- No change to current fee structure
  - ▣ Remain comparable with market rates
- Increase the tax rate by 2.0¢
  - ▣ Increasing the tax rate now is a measured and predictable way to mitigate both larger tax increases and/or significant service reductions in future years

# Recap



- Current tax rate can balance the FY27 budget but does not place the Town on a sustainable long-term path



# Questions and Discussion

