

Reader's Guide to the Budget Document

The Mayor and Town Council adopt a balanced annual operating budget ordinance for the Town as required by the North Carolina General Statutes (GS 159-13). The budget document describes the economic, financial, and environmental factors that translate community values into a dynamic web of services that contribute to the town's desired quality of living.

In addition to presenting the town's annual budget, the budget document includes the multi-year, special revenue funds, the capital budget, and financial trends and projections for general fund revenues and expenditures to present a complete picture of the Council's commitments. The purpose of presenting this holistic picture is to assist the Town Council, town staff, and the community in understanding the impact that current decisions have on future resources and to assist with development of strategies to address potential changes or problems.

The budget document is divided into the following sections.

- Budget Message** – This section includes the Executive Summary that describes the fiscal environment faced by the Town and identifies the expenditure and revenue budget actions to be considered by the elected governing council. This section also includes the Town's budget ordinance appropriating projected revenues and expenditures for various funds.
- Community and Organizational Profile** – This section of the budget document highlights the demographic, economic and cultural characteristics of the Carrboro community, and the goals of the community expressed by the elected Council. It also describes the Town's budget process, financial policies, and other pertinent information.
- General Fund** - This is the Town's operating fund. The General Fund is organized around functional areas and sub-divided by department or expenditure category that is authorized within the budget ordinance. The General Government section includes numerous departments that support the Town's operations and other departments. Larger departments show divisions based on distinctive service provided along with a description of the department's purpose, service activities, coming year work plan goals, objectives, and projects, table of authorized positions, performance measures and spending history and budget.
- Special Revenue Fund** – The Town currently maintains the following Special Revenue Funds: Revolving Loan Fund, Energy Efficiency Revolving Loan Fund, Emergency Loan Fund, Affordable Housing Fund, Powell Bill Fund, American Rescue Plan Act Fund, and Grants Fund.
- Capital Projects Fund** – This fund includes all active capital projects of the Capital Projects Fund, Bond Fund, Facilities Rehabilitation projects, Capital Reserve Fund, and the Payment-in-Lieu Fund.

- ☐ **Enterprise Funds** – These are business type funds that are intended to generate sufficient revenues to become self-supporting. The Town has two Enterprise Funds: 1) Stormwater Utility Enterprise Fund supported by user fees for stormwater management and flood remediation activities; and 2) Parking Enterprise Fund currently supported by the General Fund for parking management.

- ☐ **Glossary** – A list of common budgeting terms defined and explained.

Please direct comments or questions to:

Darrell Keyes
Comptroller/Interim Finance Director
Town of Carrboro
301 W. Main Street
Carrboro, NC 27510
Telephone: (919) 918-7301
Email: dkeyes@carrboronc.gov

Budget information is also available for viewing on the Internet at:
www.ci.carrboro.nc.us/250/Financial-Documents



June 18, 2024

Dear Mayor Foushee and Council Members:

I am pleased to present the fiscal year 2024-25 annual budget for the Town of Carrboro. The Town's annual operating budget represents Carrboro's mission and commitment to enhancing the quality of life of our residents. This budget reflects our dedication to supporting our valuable employees, investing in critical infrastructure, and meeting the immediate needs of our community. The proposed budget aims to include the Council's key priorities of affordable housing, race and equity, environmental protection, and will continue to integrate Carrboro Connects throughout the budgeting process.

The adopted budget for fiscal year 2024-25 totals \$68.3 million across all funds. In FY 2025, property and sales tax revenues constitute 80.6% of the total general fund revenues. The property tax rate for FY 2025 will remain the same at \$0.5894 per \$100 of valuation for the General Fund, with an additional \$0.0150 per \$100 of valuation allocated to the Affordable Housing Fund. The operating budget for the Town is \$32.6 million consisting of multiple revenue sources including property taxes, permits, and fees, which offsets expenditures such as personnel, operating, and debt service.

The Town of Carrboro is committed to acknowledging and compensating its employees for their hard work and dedication to public service through a comprehensive compensation and benefits package. To fulfill this commitment, the Council has identified employee investment and retention as the top priority for the upcoming fiscal year. In the adopted budget for FY 2025, there is a 10% across-the-board salary increase for existing staff. This increase consists of a 3% cost-of-living adjustment (compared to the 3.4% CPI for SE USA in December 2023) and a one-time 7% salary adjustment to align with the competitive environment in which the Town of Carrboro resides. Additionally, the FY 2025 adopted budget includes a 3.4% increase to starting salaries for pay ranges on open positions available within Carrboro while awaiting the results of the compensation study.

The American Rescue Plan Act (ARPA), which was signed into law on March 11, 2021, provides funding to state and local governments to help them address COVID-19 pandemic public health emergency response needs and build a stronger, more equitable economy as the country recovers. The Town has received \$6.75 million under this Act. As of now, the Town has invested over \$750,000 back into the community, contracted an additional \$2.9 million, and plans to spend an additional \$1.5 million by the end of 2024. This \$4.9 million spent represents over 75% of the federal ARPA funding. The Town will obligate and contract the remaining \$1.5 million in line with Council objectives in the Fall of 2024.

The Capital Projects Fund, totaling \$25.6 million, encompasses projects aimed at adding new infrastructure or renovating existing structures within the town. This amount reflects a significant

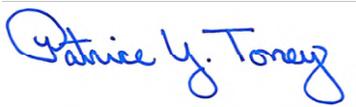
decrease from the FY 2024 budget, mainly due to the pending completion of the 203 Project. Other projects include the development of greenways, initial planning for renovating existing town buildings, and ongoing reinvestment in the town's fleet. The 203 project is expected to be completed in the first half of FY 2025. Additionally, the Capital Projects Fund allocates an additional \$650,000 specifically for replacing Fire Ladder 1, which has an anticipated 36-month production lead time before delivery.

The FY 2025 budget allocates resources to the Council's top priorities, such as the Carrboro Family Financial Assistance Program, Land Use Ordinance rewrite, and significant investment in affordable housing. We believe the Council's key priorities will strengthen our workforce, improve our town's stability, and enhance residents' quality of life.

On behalf of all Town of Carrboro employees, I want to thank the Mayor and Council Members for your leadership, vision and dedication to Carrboro's unique identity and quality of life. I would also like to thank the Finance Department staff for their leadership during the development of this budget. They have worked tirelessly to bring you a budget that reflects the values and needs of our ever-growing community.

We value the discussions that have shaped this budget, and we look forward to executing the budget objectives in FY 2025.

Sincerely,



Patrice Toney
Town Manager