



Board of Commissioners Meeting Agenda Item Submittal

Item To Be Considered: **Draft FY 2026/2027 Budget Discussion**

Board Meeting Date: **May 19, 2026**

Prepared By: **Jonathan Barlow – Town Manager/Sonia Johnson – Finance Director**

Overview: A draft FY 2026/2027 Budget is prepared for discussion and further guidance. At the last Board of Commissioners meeting, the Board directed staff to revert back to Scenario #7 until additional guidance is received regarding Senate Bill 889. Staff was also asked to explore including funding for Capital Improvement Plan set-aside funds within the proposed budget scenario.

Current Draft- Expenditures Exceed Revenues By (\$486,000)

**The following is a list of General Fund Expenditures with significant impact to the Budget:
Impact to FY 2026/2027 Budget**

- 1.35% COLA & 1.35% Merit (FICA & Retirement included)
- NC Orbit Retirement: Increase .75 basis points
- NCLM Property & Casualty-10% rate increases predicted
- BCBS Group Health Insurance-7.6% rate increase predicted
- Capital Improvement Plan-Set Aside-\$102,752
- Capital Outlay \$226,000- Funding using Loan Proceeds/Grants

Capital Outlay budget requests funded to (date)-\$226,000

- Police Interceptors (2) -\$116,000-Funded using loan proceeds
- Public Service Director Truck-\$50,000- Funded using loan proceeds
- Parks & Recreation-Municipal Tot Lot-\$60,000

Capital Improvement Plan-Set Aside-\$102,752

- Fire:\$75,000-Apparatus
- Police:\$11,500-Police Vehicle
- Public Services: \$16,250 (General Fund-\$8,125, Stormwater-\$4,062.50, Solid Waste-\$4,062.50)

The current draft appropriates \$486,000 from fund balance.

Action: _____

Major budget requests that were unfunded (to date) (\$1,100,360 Removed)

- Personnel-Benefits included-\$431,310
 - Recreation Coordinator: \$67,665
 - Firefighter (3)-214,696
 - Police Officer(2)-148,949

- **Capital Outlay budget requests that were unfunded (to date)-\$517,300**
 - Police-\$55,800-Finger Live Scan, Drone Replacement, Radio Replacement
 - Fire-\$333,000-Brush Truck, Boat, equipment for New Engine & Training Prop, FD Boat Launch (50%)
 - Downtown Facilities-\$44,000-New Christmas Tree, Floating Kayak Launch replacement, FD Boat Launch (50%)
 - Parks & Recreation-\$42,000-Vehicle
 - Emergency Management-\$42,500-Snow Removal Equipment & Message Boards

- **Capital Set aside that were unfunded (to date):\$151,750**
 - Fire Department-\$50,000
 - Police-\$11,500
 - Parks & Recreation-\$74,000
 - Public Services-\$16,250

Background Attachment(s): Draft FY 2026/2027

Recommended Action: Provide further guidance on FY 2026/2027 Budget.