

The background of the slide is a dense field of three-dimensional numbers in various sizes and orientations. The numbers are rendered in a light blue color with soft shadows, giving them a sense of depth and volume. They are scattered across the entire frame, creating a complex, abstract pattern that suggests a focus on data, finance, or mathematics.

FY2026 ANNUAL BUDGET

OCTOBER 1, 2025 —
SEPTEMBER 30, 2026

2026 BUDGET GOALS



Target

Revenues
Fund Balance
Reserve



Monitor

Expenses
Externalities
Economy



Achieve

Fiscal Health

CHARTER SECTION 28

- Town Manager shall prepare a rough draft of the Town Budget for presentation in July.
- Town Budget shall contain the debt of the town, an itemized statement of all estimated expenses, a statement of the amount required for bonded debt, and an estimate of money received from taxes, water rents, license fees, and all other sources of income.
- From this budget presented by the Town Manager, the Mayor and Town Council shall prepare the Town Budget and financial plan for conducting the affairs of the Town.
- This budget document is to be presented at a public hearing for citizen comment.

OUR PROCESS

- ❖ Supervisors prepare and submit budget documents to the Town Manager
- ❖ Town Manager reviews, compares to current facts and past year budget performance
- ❖ Review comments are communicated to the supervisors for revised budget considerations
- ❖ Consumer Price Index/Employment Cost Index is reviewed
- ❖ Current and past budgets are reviewed for projections of a fee schedule
- ❖ Town Manager completes a last review of department budgets, revises revenues and expenses to present a balanced budget document to Mayor and Town Council

FY2025 BUDGET PERFORMANCE

As of June 30:

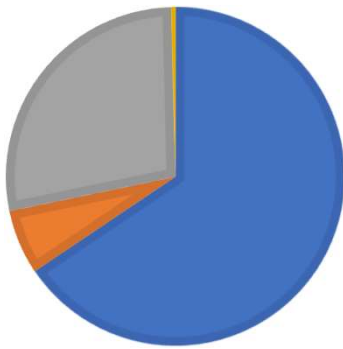
- General Fund revenues mostly recognized; expenses are ahead at 86%
- Utility Fund revenues are 63% recognized; expenses are in-line though appear overexpended due to capital projects.

Year of tax and fee increases

Goals:

- Continue to explore new revenues
 - Gross Rental Receipts Tax
 - Parking Impact Fee
- Complete FOP negotiations
- Continue long range planning

WHAT MAKES A TOWN BUDGET?

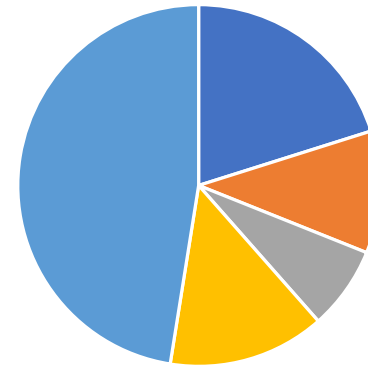


Revenues

Taxes & Fees

Grants

Restricted Taxes and Fees &
Reserve Funds



Expenses

Employment

Maintenance / Operations

Capital

REVENUES - GENERAL FUND

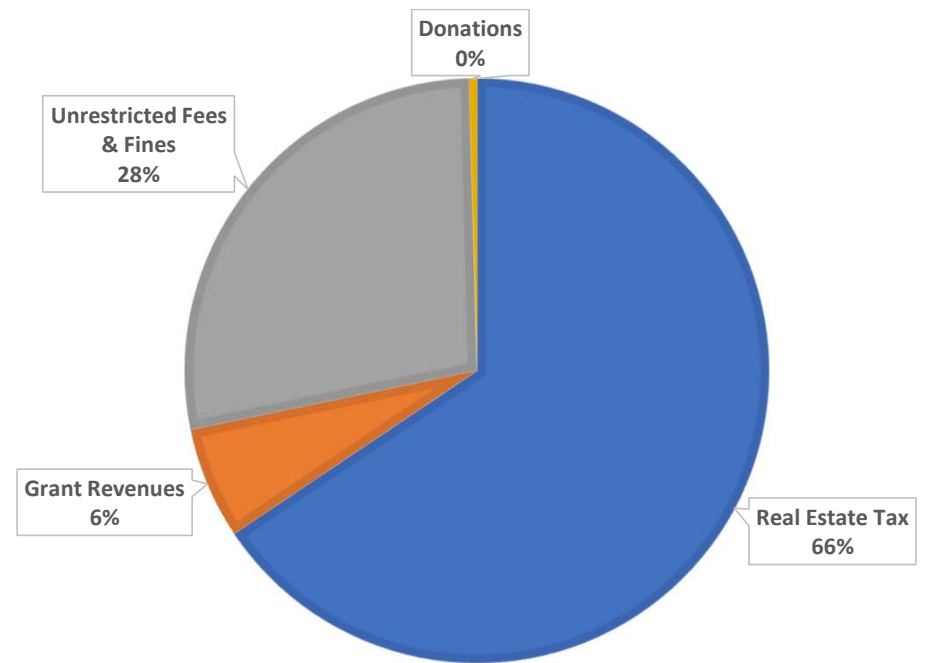
Operating / Grant Revenue Projections:
\$4,710,255

Reserve use for Capital Improvements:
\$844,250

According to policy, tax rate increased
based on an average of CPI (2.4%) &
ECI (4.3%) = .42 to .434 (3.35%)

Building revenues based on 72 units

New revenue: Verizon Land Lease



EXPENSES — GENERAL FUND

Operating / Grant Projections
\$4,104,698

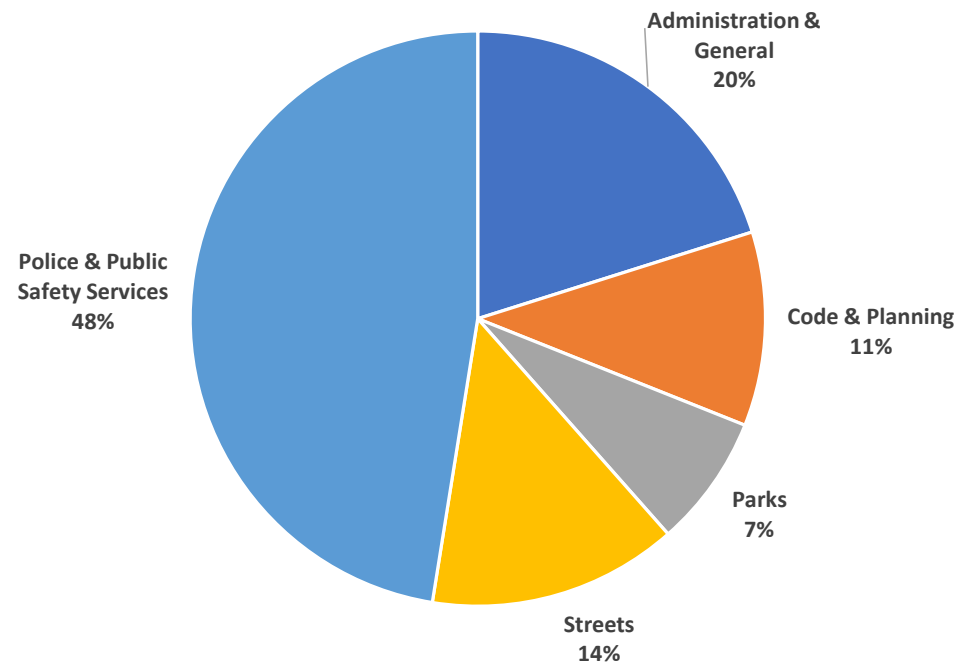
Capital Outlay \$844,250

State benefits increased 4%

Assumption liability insurances to
increase 15%

Based on the FOP contract, pay scale
increase 8%

MHS lease payment



REVENUES — UTILITY FUND

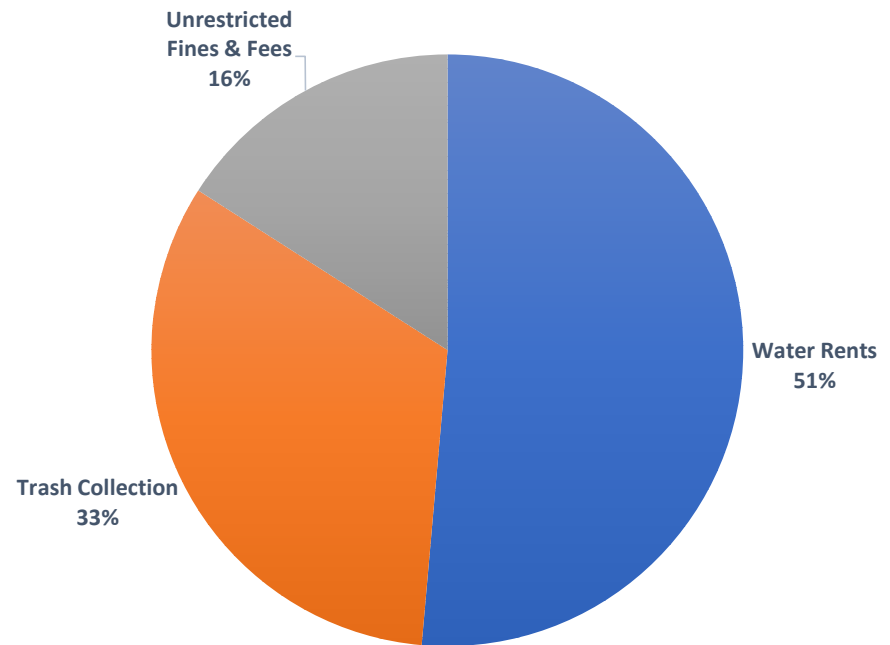
Operating Projections \$1,788,324

Proprietary Fund = Business Fund

Impact fee reserve for Capital
Improvements: \$287,000

Waste Collection Fee to increase \$80 to
\$83 per quarter

Debt Service Fee to increase \$8.50 to
\$12.00 per quarter



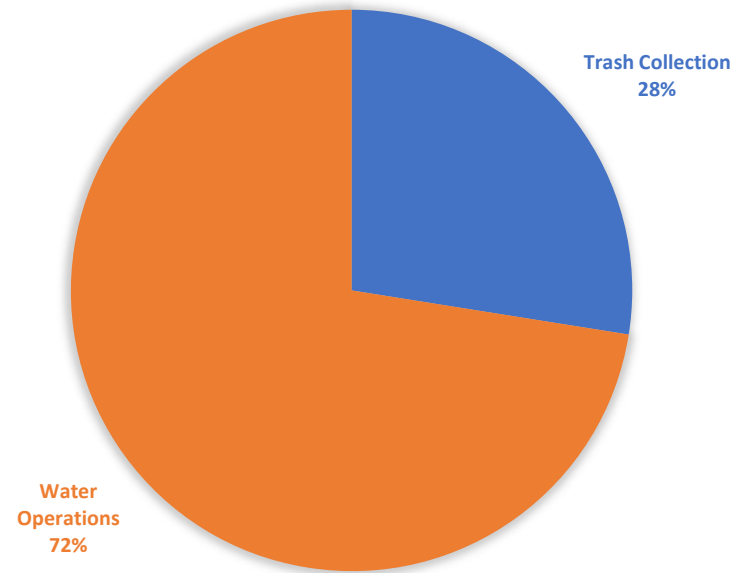
EXPENSES — UTILITY FUND

Operating Projections \$1,740,605

Capital Outlay \$287,000

Not included are the DWSRF withdrawals; one bi-annual payment expected on the three 2024-2025 projects

Maintaining Lead & Copper Rule requirements, and revised sampling plans



BANK BALANCES

June 30, 2024

Total Cash: \$9,864,237

General Fund:

- Operating Sources \$1,371,022
- Restricted Sources \$5,363,870
- Money Market \$1,656,825

Proprietary Fund:

- Operating Source \$479,290
- Restricted Source \$993,230

June 30, 2025

Total Cash: \$9,282,885

General Fund:

- Operating Sources \$1,234,161
- Restricted Sources \$4,576,270
- Money Market \$1,673,103

Proprietary Fund:

- Operating Source \$639,379
- Restricted Source \$1,159,972

DEBT SCHEDULE

Completed Projects

Wagamons Water Main Extension

- \$307,837.37 principal balance

Shipbuilders Well & Treatment

- \$426,164.50 principal balance

2024/2025 Projects

Water Main Replacement

- \$1,785,000

Chandler Street Treatment Facility Rehabilitation

- \$579,000

Federal Street Water Tower

- \$3,850,000

NEW FOR FY2026

Capital Improvement Plan

- In-depth report
- Categorized by department and type
- Reviewed each year with the annual budget preparation
- Determine priorities through a scoring system

Reserve (Fund Balance) Policy

- Create sound financial management
- Maintain adequate levels of unassigned fund balance
- Mitigate against financial risk
- Provide cash-flow liquidity
- Reach investment level bond rating

FY2026 CAPITAL PROGRAM

Administrative & General

- Town Hall Renovation
- Planning of Magnolia/Mulberry property
- Magnolia structure demolition

Parks & Streets

- ADA Improvements and Street Improvement (MSA limitation)
- Salt spreader, Utility trailer
- ORPT, 50% expenditure of realigning Rails to Trails intersection at Federal Street
- New facility on Sam Lucas

Police

- Vehicles

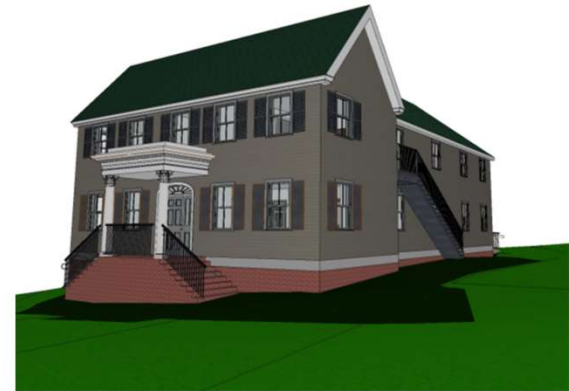
Water

- Replace water main on Boxwood and Hemlock Streets
- Equipment trailer

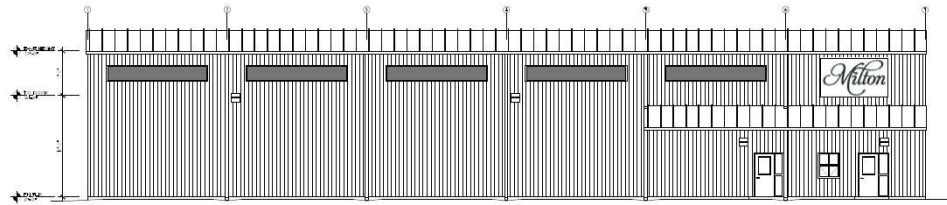
TOWN HALL RENOVATIONS



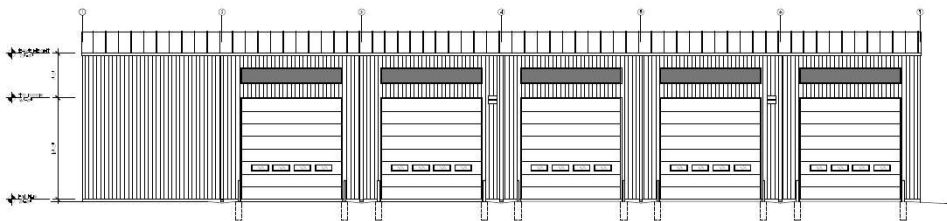
Objectives: downstairs meeting room, Mayor & Council office, security and office organization, addition of 4 (maybe 5) office spaces.



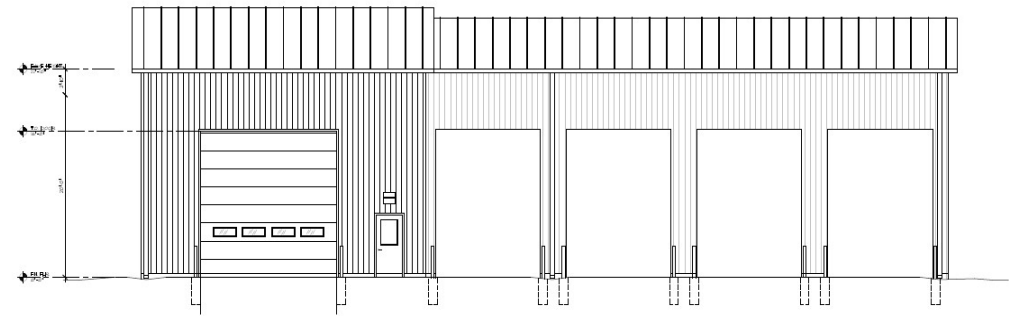
PUBLIC WORKS FACILITY



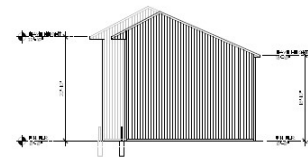
① VEHICLE MAINTENANCE GARAGE - FRONT ELEVATION
SCALE: 1/8" = 1'-0"



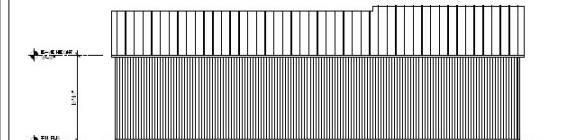
② VEHICLE MAINTENANCE GARAGE - REAR ELEVATION
SCALE: 1/8" = 1'-0"



① FRONT ELEVATION
SCALE: 1/8" = 1'-0"



② TYPICAL SIDE ELEVATION
SCALE: 1/8" = 1'-0"



③ REAR ELEVATION
SCALE: 1/8" = 1'-0"

Congressional Directed Spending = \$2,048,000;
unsuccessful with match funding

Site improvements, maintenance building = \$4million

MAGNOLIA/MULBERRY PROPERTIES



FACTS & FEES

- FY2024 Financial Audit concluded reserves of 11 months (GF) and 16 months (PF) in operating expenses; minimum standard is no less than 6 months
- FOP negotiations should begin Spring 2026, for the next contract cycle
- Determine progress of Town Hall renovations, Public Works facility, and Magnolia/Mulberry Street properties
- Fee Increases:
 - Property Tax: .42 to .434 (3.35%)
 - Trash Collection: \$80 to \$83 per quarter
 - Debt Service Fee: \$8.50 to \$12.00 per quarter

WHAT'S MISSING

Line item reductions to supervisor requests

Permit Clerk position not funded

Sergeant and Lieutenant positions not funded

Police officer position not funded

Water operator position not funded

SUMMARY OF FISCAL YEAR 2026

General Fund

- Surplus \$15,947
- Set aside Realty Transfer Tax, Community Enhancement and Emergency Services Funds

Utility Fund

- Surplus \$47,719
- Set aside of Water Impact Fees

Implement 1st year of the FY26 – FY30 Capital Improvement Plan

SCHEDULE OF MEETINGS

Town Council meeting August 4

- Finance Committee meetings: August 5 and 14

Town Council public hearing August 18

Town Council meeting / vote September 8