



Town of Cornelius
FY 26
(July 1, 2025 – June 30, 2026)

Manager's Recommended Budget

May 5, 2025

Vision Statement

Cornelius is a vibrant and inclusive small community on Lake Norman dedicated to promoting the highest quality of life for all residents.

Organizational Mission:

The Cornelius Way: Consistently striving to reach above and beyond the “high bar”, we will uphold the qualities we see and hope to inspire in our citizens, to serve Cornelius with loyalty, integrity, innovation, resilience, and courage.

Summary

Manager's Recommended Budget

- Manager's Recommended Budget generally maintains current service levels across all departments and allows the Town to focus on and address.....
 - Citizen Priorities identified in the citizen budget survey
 - Critical Needs in order to continue to provide quality services to our community
- Recommended Property Tax Rate is 17.31 cents
 - Same as current tax rate
- However, Manager's Recommended Budget and recommended property tax rate **maintains** previous two years' forecast projections for violation of Town's Fund Balance Policy in FY29
 - **NOTE: Policy violation is now only three years away**
- The Recommended Budget cuts \$98K of recurring expenditures without negatively impacting services to the community
- The Recommended Budget does not have enough recurring revenue to fund other originally proposed FY26 expenditures (\$3M+)
 - Due to the valid nature of these expenditures, most will need to be funded in future years

**Manager's Recommended
Budget Funds Citizen
Priorities....**

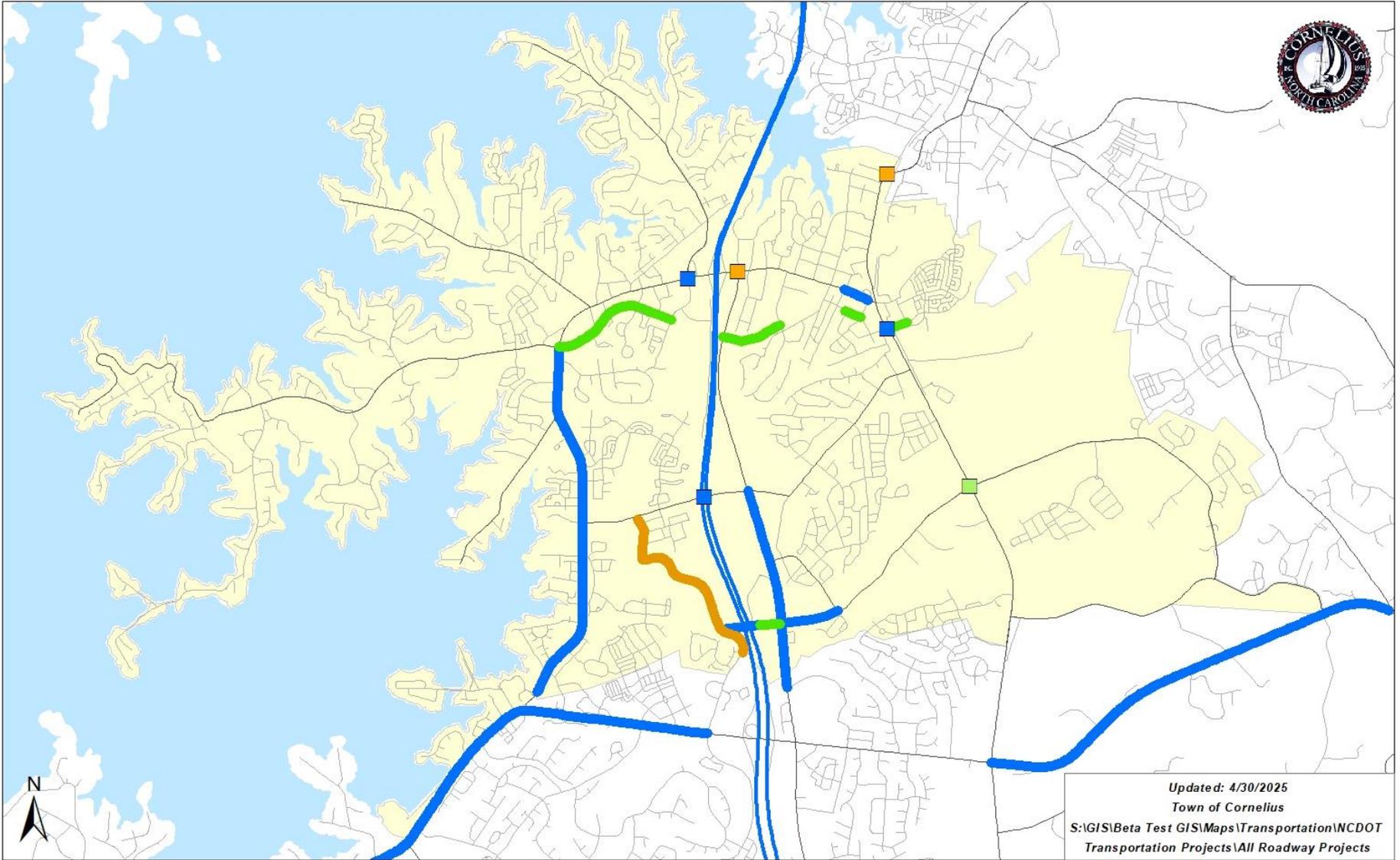
Citizen Priority #1....Transportation

- Match Payments to NCDOT Road Projects
 - 115/Hickory St. Intersection (\$1.8M)
 - 115/Potts St./Davidson St. Roundabout (\$2.5M)
 - Catawba/21 Roundabouts (\$1.9M)
 - Northcross Dr. Ext. (\$3.1M)
- Main St./Catawba Pedestrian Safety Improvements(\$150K)
- (3) Crosswalk Safety Improvements - RRFBS –
Catawba/Cornelius Elem., Washam Potts/Coachmans Tr.,
Bethel Church/Walter Henderson (\$45K)
- New sidewalk construction (\$50K)
- Updating Town's Comprehensive Bike and Pedestrian Plan
– Town's 20% matching funds to CRTPO grant (\$30K)

Citizen Priority #1....Transportation

- Currently servicing \$14.7M of Road Bonds
 - Total Debt Service payments= \$1.1M/year
- Total Town current commitment to major road projects = \$52.3M
 - Through FY25 = \$17.9M paid (NCDOT partnership projects + Town projects)
 - FY26 and beyond = \$34.4M (Identified CIP Projects: Active NCDOT partnership projects)

All Roadway Projects



Citizen Priority #2....Public Safety

- Facilities Needs Assessment – Police, Fire, and Town Hall (\$250K)
- Market Salary Study and Compression Recommendations – Police Officers, Telecommunicators, Firefighters (\$95,286)

Citizen Priority #2...Public Safety

➤ Fire

- Fire Dept. Transition Plan (Total \$411,564)
 - Fund 3 New Firefighter Positions (\$252,000)
 - Fund Town Deputy Chief (1/2 Year) (\$86,034)
 - Fund Administrative Asst. (1/2 Year) (\$11K)
 - Career Development – Funding Senior Firefighter positions for six full-time Firefighters (\$21,450)
 - Part-Time Firefighters – 2.6% COLA reflective of 2024 C-CPI-U (\$41,080)
- Annual Service for station alerting system (\$6,427)
- Rescue 4 refurbishment (\$400K)
- Fire Station 2 roof replacement (\$250K)
- Debt Service on \$2.5M of Apparatuses/Trucks (~\$439K/year)

Citizen Priority #2....Public Safety

➤ Police

- Replacement cycle of portion of Body-Worn and In-Car Cameras (\$63,500)
- Replacement cycle of portion of tasers (\$14K)
- Griffeye Forensics Software (\$2,500)
- Police Vehicles – rolling stock replacement (\$650K)
- (2) Console Radios Replacement for 911 Center – Year 1 of 2 (Town matching funds \$90K)
- Debt Service on \$1.7M of vehicles(~\$454K/year)

Citizen Priority #3...Parks and Recreation

- Bailey Road Park Turf Replacement - (2) Multi-purpose fields – Cost-share Partnership with Charlotte Independence (\$1.25M)
- Expansion of Athletic Programs – add 3 vs. 3 basketball tourney and 8 summer sports camps (Net \$0)
- Bailey Road Park Court Complex – operating and programming for tennis/pickleball (Net \$0)
- Enhance Laketoberfest entertainment – regional headline act (Net \$0)
- Debt Service on \$5.3M of Parks Bonds utilized for Wilhelm Park, McDowell Creek Phase II Greenway, Antiquity Greenway, and Plum Creek Greenway (~\$371K/year)
- Other Park capital projects (such as, Bailey Road park Synthetic Turf and Field Lighting, Jetton Rd. Ext. Land Banking) debt service (~\$469K/year)

Citizen Priority #4....

Public Works

- Water Quality - Dana's Branch/Magnolia Estates/Westmoreland Stream Restoration – Easement Acquisition and Construction (\$300K)
- Solid Waste collection increase due to CPI/tipping fees/house count (~\$18K)

**Manager's Recommended
Budget Funds Critical
Needs.....**

IT/Cyber Security

- Switch Infrastructure Replacement (\$110K)

Community Development

- Town Support Grants for community non-profits (~\$531K)
 - Cain Center (\$411K)
 - Lake Norman CDC (\$40K)
 - Smithville Community Coalition (\$25K)
 - Ada Jenkins (\$23K)
 - Bags of Hope (\$15K)
 - NC Youth Orchestra (\$10K)
 - Senior Community Connections (\$4,300)
 - YMCA (\$2,500)

Infrastructure Capital Reserve Fund

- \$1,148,821 contribution to Infrastructure Capital Project Fund that is earmarked for future high priority infrastructure capital projects, such as road projects

Retention and Recruitment

- Employees are our #1 Resource
- Labor market remains competitive, and we are competing against the public and private sectors due to transferrable skills
- Cornelius investment in staff is necessary to remain competitive, maintain quality service, and to avoid cost of lost productivity/hiring/training (6-12 months of salary)

Retention and Recruitment

- Recommended budget includes items that will help Cornelius keep pace with the market
 - Merit/COLA combined 5.0% (Market combined is 5.6%) (\$558,242)
 - 3.5% Average Merit
 - 1.5% COLA (Average 2023 C-CPI-U @ 2.6%)
 - Salary Market Study and Compression Recommendations – Police Officers, Telecommunicators, and Firefighters (\$95,286)
 - Career Development within departments to recognize growth of employees, such as Senior Firefighters, Downtown Events Manager, and Park Maintenance Technician (\$21,450)
- 87% of Total Personnel Budget Increase is for Public Safety

FY 25 General Fund Budget - Summary

- Recommended Property Tax Rate: 17.31 cents
- Total General Fund Budget Revenues = \$34,851,950
- Total General Fund Budget Expenditures = \$39,357,678
- Use of Fund Balance = (\$4,505,728)*

*Includes \$4,506,823 of one-time expenditures funded by restricted & dedicated funding sources (such as, ARP supplanted funds, sale of assets, Stormwater Fees, Powell Bill funds, and Building Maintenance Reserve funds), general Fund Balance, and surplus interest earnings.

*Net Contribution to Fund Balance after reconciliation = \$1,095

EXPLANATION OF USES OF FUND BALANCE

Highway 115-Hickory St. Intersection Improvements Town Match (ARP Supplanted Funds)	459,323
Bailey Road Park Turf Fields (Fund Balance)	1,250,000
Transfer to Long Term Liabilities (OPEB)	1,500,000
Rescue 4 Refurbishment (Future Fire Apparatus Funds) (proceeds from sale of fire engine)	100,000
Police Fire and Town Hall Facilities Needs Assessment (surplus interest earnings)	250,000
Police 911 Console Radios (surplus interest earnings)	90,000
Police Body Worn Cameras and in Car Cameras (surplus interest earnings)	63,500
Police Taser Replacement Plan (surplus interest earnings)	14,000
Bike and Pedestrian Grant Town Match (surplus interest earnings)	30,000
Sidewalks and Catawba/115 Pedestrian Improvements (Powell Bill)	200,000
Fire Station 2 Roof Replacement (Building Maint. Reserve Fund)	250,000
Magnolia Estates/Westmoreland Stream Restoration (Stormwater Fees)	300,000
	-
	4,506,823
ARP Supplanted Funds Designated For NCDOT Projects	459,323
Restricted and Designated (Powell Bill/Stormwater/Building Maintenance Funds)	750,000
Future Fire Apparatus Funds (proceeds from sale of fire engine)	100,000
Surplus Interest Earnings	447,500
General Fund Fund Balance Earmarked for Long Term Liabilities (OPEB)	1,500,000
Fund Balance	1,250,000
Contribution (Use) to Fund Balance	(4,505,728)
Use of Fund Balance per above categories	4,506,823
Net Contribution (Use) to Fund Balance	1,095

Future Considerations.....

CIP NCDOT ROAD PROJECTS

DEPT	DESCRIPTION	Funds Source	2026	2027	2028	2029	2032	Total
PW	Hwy 115- Hickory St. Intersection Improvements	Transportation CRF	718,102	-	-	-	-	718,102
PW	Hwy 115- Hickory St. Intersection Improvements	Fund Balance/ARP Supplanted Funds	459,323	-	-	-	-	459,323
PW	Bailey Rd. Extension	Future Bonds Sale (2018 voter approved referendum)	-	-	8,392,772	-	-	8,392,772
PW	Northcross Drive Extension	Transportation CRF	3,081,484	-	-	-	-	3,081,484
PW	Northcross Drive Extension	Future Bonds Sale (2018 voter approved referendum)	-	-	556,528	-	-	556,528
PW	Catawba 21 Roundabouts	Transportation CRF	1,900,894	-	-	-	-	1,900,894
PW	NC 115 Potts Davidson Street Roundabout	Transportation CRF	2,467,500	-	-	-	-	2,467,500
PW	Torrence Chapel Rd W. Catawba Ave Intersection Improvements	Infrastructure CRF	-	5,046,463	-	-	-	5,046,463
PW	Torrence Chapel Rd W. Catawba Ave Intersection Improvements	Fund Balance/ARP Supplanted Funds	-	2,469,677	-	-	-	2,469,677
PW	Torrence Chapel Rd W. Catawba Ave Intersection Improvements	General Fund Fund Balance	-	645,831	-	-	-	645,831
PW	West Catawba Ave Phase II	General Fund Fund Balance	-	-	-	-	1,178,537	1,178,537
PW	West Catawba Ave Phase II	Infrastructure CRF	-	-	-	-	3,446,463	3,446,463
PW	Highway 21 Widening-Bike PED Accomodations	Infrastructure CRF	-	-	-	2,297,642	-	2,297,642
PW	Highway 21 Widening-Bike PED Accomodations	General Fund Fund Balance	-	-	-	1,702,358	-	1,702,358
			8,627,303	8,163,998	8,951,328	4,002,029	4,627,032	34,363,574

Remaining CIP

DEPT	DESCRIPTION	Funds Source	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Future	Total
Park	BRP Major Renovations	Fund Balance FY 25, 28, 30/Debt FY 26	1,250,000	-	550,000	300,000	-	-	-	-	-	-	2,530,000	4,630,000
PD	Police Vehicle Replacement	Debt	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	-	6,500,000
Fire	Rescue 4 Refurbishment	Fund Balance	400,000	-	-	-	-	-	-	-	-	-	-	400,000
PW	Magnolia Estates/Westmoreland Stream Restoration	Stormwater Fees	300,000	250,000	-	-	-	-	-	-	-	-	-	550,000
PD/Fire	Police Fire and Town Hall Facilities Needs Assessment	Fund Balance	250,000	-	-	-	-	-	-	-	-	-	-	250,000
Fire	Fire Station 2 Roof	Building Maintenance Reserve Fund	250,000	-	-	-	-	-	-	-	-	-	-	250,000
PW	Hwy 115- Catawba Pedestrian Improvements	Fund Balance	150,000	-	-	-	-	-	-	-	-	-	-	150,000
IT	Switch Infrastructure Replacement	Fund Balance	105,000	-	-	-	-	-	-	110,000	-	-	-	215,000
PD	Console Radios Replacement for 911 (911 Board covers 70% of cost) (year 1 of 2)	Fund Balance	90,000	90,000	-	-	-	-	-	-	-	-	-	180,000
PW	Sidewalks	Powell Bill	50,000	-	200,000	-	200,000	-	200,000	-	200,000	-	-	850,000
PW	Crosswalk Improvements (RRFB at CES, Washam Potts/ Coachmans Trace & Bethel Church/Walter Henderson)	Fund Balance	45,000	-	-	-	-	-	-	-	-	-	-	45,000
Park	Park Bonds I	Future Bonds	-	9,000,000	-	-	-	-	-	-	-	-	-	9,000,000
Fire	Fire Station 3 & Apparatus	Debt	-	3,000,000	1,800,000	-	1,500,000	18,000,000	-	-	-	-	-	24,300,000
Fire	Replace Engine 2	Debt	-	1,800,000	-	-	-	-	-	-	-	-	-	1,800,000
PW	Westmoreland Interchange Design Town Match	Fund Balance	-	1,345,500	-	-	-	-	-	-	-	-	-	1,345,500
PW	Street Resurfacing	Powell Bill	-	950,000	-	950,000	-	950,000	-	950,000	-	950,000	-	4,750,000
Fire	Replace Truck 4	Fund Balance	-	500,000	-	-	-	-	-	-	-	-	-	500,000
PW	Roundabout and 21/Catawba Intersection Aesthetics	Fund Balance	-	450,000	100,000	-	-	-	-	-	-	-	-	550,000
Park	Westmoreland Athletic Complex Major Renovations	Fund Balance	-	400,000	-	-	-	-	-	-	-	-	-	400,000
PW	Town Center Parking Improvements	Fund Balance	-	306,500	-	-	-	-	-	-	-	-	-	306,500
PW	Antiquity Bridge	Fund Balance	-	200,000	-	-	-	-	-	-	-	-	-	200,000
Park	Equipment and Vehicles	Fund Balance	-	136,000	85,000	50,000	35,000	75,000	75,000	50,000	75,000	25,000	90,000	696,000
PW	Public Works Equipment	Fund Balance	-	135,000	100,000	-	100,000	-	100,000	-	100,000	-	-	535,000
PW	Town Hall Community Room/Kitchen/Breakroom Renovations	Building Maintenance Reserve Fund	-	100,000	100,000	-	-	-	-	-	-	-	-	200,000
Fire	Station 2 SCBA Compressor, Fill Station & Installation	Fund Balance	-	84,000	-	-	-	-	-	-	-	-	-	84,000
PW	Traffic Preemption	Fund Balance	-	80,000	-	-	-	-	-	-	-	-	-	80,000
Fire	Fire UTV	Fund Balance	-	60,000	-	-	-	-	-	-	-	-	-	60,000
IT	Assembly Room AV Upgrade	Fund Balance	-	60,000	-	-	-	-	-	-	-	-	-	60,000
Park	McDowell Creek East Greenway and MUP	Debt	-	-	5,360,000	-	-	-	-	-	-	-	-	5,360,000
Fire	Radio Replacements	Debt	-	-	825,000	-	-	-	-	-	-	-	-	825,000
PD	Portable Radio Replacement	Asset Forfeiture	-	-	268,000	-	-	-	-	-	-	-	-	268,000
Park	BRP Athletic Lighting	Fund Balance	-	-	160,000	-	-	-	-	-	-	-	-	160,000
Fire	Staff Vehicles	Debt	-	-	97,241	-	-	112,568	-	-	130,312	-	-	340,121
Park	Smithville Park Major Renovations	Fund Balance	-	-	-	260,000	-	-	-	-	-	-	-	260,000
Park	Park Bonds II	Future Bonds	-	-	-	-	5,500,000	-	-	-	-	-	-	5,500,000
PD	New Police Station	Debt	-	-	-	-	3,000,000	-	2,200,000	16,564,674	-	-	-	21,764,674
IT	VX Rail Server Replacement	Fund Balance	-	-	-	-	300,000	-	-	-	-	-	-	300,000
PW	Land Banking	Fund Balance	-	-	-	-	-	500,000	3,700,000	-	-	-	-	4,200,000
Park	Legion Park Major Renovations	Fund Balance	-	-	-	-	-	350,000	-	-	-	-	-	350,000
PW	Festival Street Catawba Avenue	Debt	-	-	-	-	-	-	3,300,000	-	-	-	-	3,300,000
Park	Park Bonds III	Future Bonds	-	-	-	-	-	-	-	5,500,000	-	-	-	5,500,000
Park	Washam Neighborhood Park	Debt	-	-	-	-	-	-	-	-	-	2,000,000	-	2,000,000
Park	Smithville Park Synthetic Turf	Debt	-	-	-	-	-	-	-	-	-	1,160,000	-	1,160,000
Park	Cain Park Hillside Upgrades	Fund Balance	-	-	-	-	-	-	-	-	-	300,000	-	300,000
			3,540,000	19,597,000	10,295,241	2,210,000	11,285,000	20,637,568	10,225,000	23,824,674	1,155,312	5,085,000	2,620,000	110,474,795

Remaining CIP

DEPT	DESCRIPTION	Funds Source	Future	Total
Park	Southeast Cornelius Large Park	Debt	14,070,000	14,070,000
Park	Smithville to JV Washam Linear Park	Debt	9,570,000	9,570,000
Park	Robbins Park Phases IV and V	Debt	7,750,000	7,750,000
Park	Small Park Land Acquisition and Development	Debt	5,500,000	5,500,000
Park	Westmoreland McDowell Creek Small Park	Debt	5,400,000	5,400,000
Park	Northeast Large Park Construction	Debt	4,070,000	4,070,000
Park	Waterfront Park	Debt	4,040,000	4,040,000
PD	Police Substation	Debt	4,000,000	4,000,000
Park	North Bailey Road Greenway	Debt	3,250,000	3,250,000
Park	Village Center Neighborhood Park	Debt	3,200,000	3,200,000
Park	Victoria Bay Greenway	Debt	2,950,000	2,950,000
Park	McDowell Creek Greenway Phase III (Westmoreland Tunnel)	Fund Balance	2,850,000	2,850,000
Park	Westmoreland Athletic Complex Synthetic Turf	Debt	1,750,000	1,750,000
Park	Torrence Chapel Park Major Renovations	Fund Balance	1,530,000	1,530,000
PW	Caldwell Station Connection	Debt	1,500,000	1,500,000
Park	Plum Creek South Bailey Rd Greenway Phase III	Debt	1,450,000	1,450,000
Park	North Bailey Road to Bailey Road Greenway	Debt	1,265,000	1,265,000
PW	I-77 Service Road	Fund Balance	1,088,062	1,088,062
PW	Bailey Road Flyover	Future Bonds	1,000,000	1,000,000
Park	Jetton Neighborhood Park Major Renovations	Fund Balance	850,000	850,000
Park	Glen Oak Green Park Connector	Fund Balance	700,000	700,000
Park	Nantz Road Connector Greenway	Fund Balance	700,000	700,000
PW	Westmoreland Road Widening	Fund Balance	525,000	525,000
Park	Robbins Park Playground Renovations	Fund Balance	400,000	400,000
PW	Upper McDowell Stream Restoration	Fund Balance	300,000	300,000
Park	Westmoreland Athletic Complex PNG Parcel	Fund Balance	100,000	100,000
Park	Torrence Chapel Park Court Conversion	Fund Balance	40,000	40,000
			79,848,062	79,848,062

Debt Service

- Town has sold all of \$20.4M 2013 Voter-Approved Transportation, Parks, Town Center Redevelopment Bonds
- Town has sold \$3.6M of \$24M 2018 Voter-Approved Transportation Bonds (\$20.4M authority remains)
- \$34.4M of active NCDOT-partnership projects still remain in the CIP
- \$20M of 2024 voter-approved Park Bonds in the CIP for future bond sales in CIP
- \$50M of future Public Safety Facilities needs identified in CIP
- Other debted capital remains, such as Park projects, Town roads resurfacing, and Public Safety vehicles (Total CIP = \$225M)

Debt Service

➤ FY18 Total Debt Service (Bonds + Installment Financing) = \$2.2M

➤ FY19 = \$2.4M

➤ FY20 = \$2.7M

➤ FY21 = \$3.2M

➤ FY22 = \$2.6M

➤ FY23 = \$3.5M

➤ FY24 = \$3.9M

➤ FY25 = \$3.6M (64% increase in 7 years)

➤ FY26 = \$3.6M

➤ FY27 = \$3.9M

➤ FY28 = \$5.7M (159% increase in 10 years)

➤ FY29 = \$6.7M

➤ FY30 = \$7.1M

➤ FY31 = \$8.3M

➤ FY32 = \$9.6M

➤ FY33 = \$9.0M (309% increase in 15 years)

Operations

- Other drivers for cost increases in future years.....
 - Recruitment and Retention of Personnel has been an increasing priority over the past few years. Labor market has made operations more costly.
 - Fire Dept. Transition Plan
 - Slowly adding Full-time Firefighters to create a new department
 - Maintaining competitive pay for part-time and on-call personnel
 - Average \$323K/year additional net costs (personnel & operating) for the next ~11 years
 - Equivalent of ~0.3 cents of Property Tax Rate each year

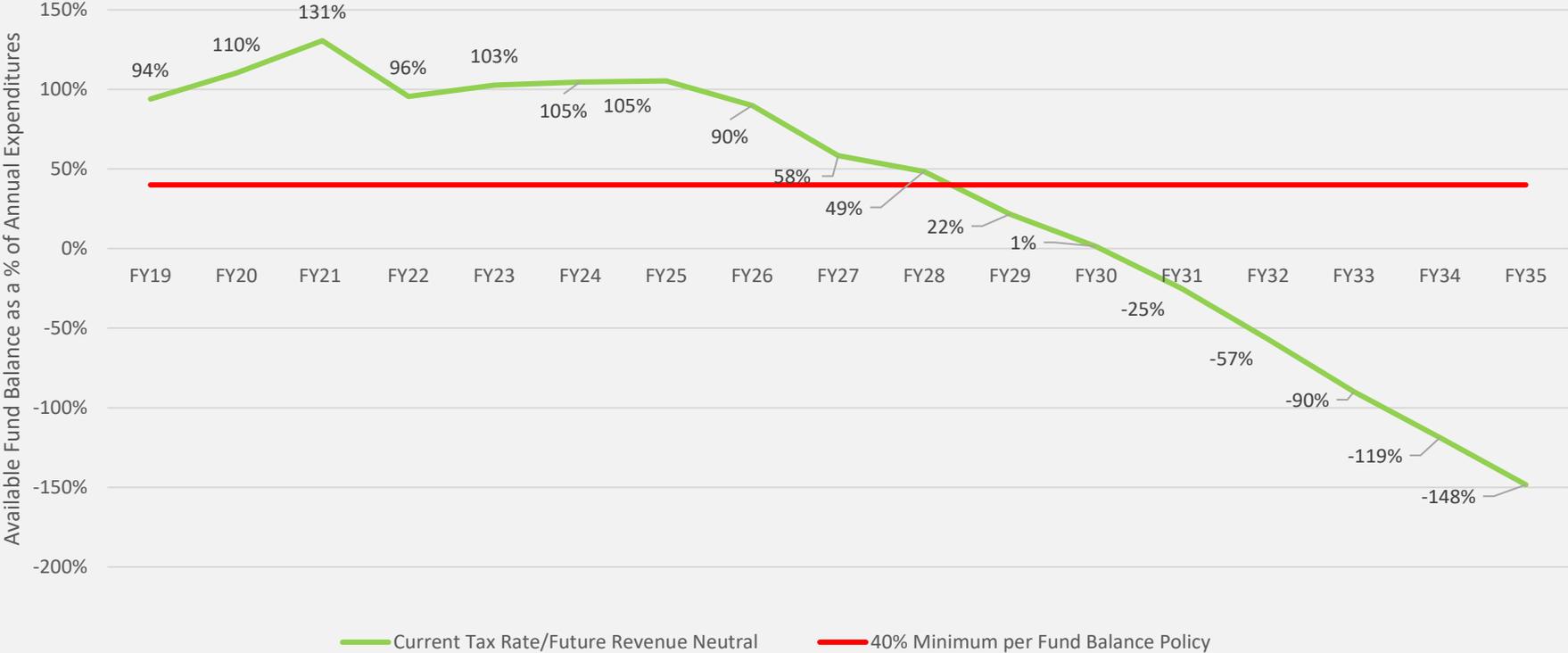
	FY 23 Actual	FY 2024 Actual	FY 2025	FY 2025 EYE	FY 2026	FY 2027	FY 2028
Beginning Fund Balance	38,415,301	46,901,983	38,402,239	41,758,769	42,700,984	38,195,256	28,992,462
Revenues:							
Property tax	18,006,362	20,062,728	20,024,226	20,081,315	20,422,921	20,951,591	20,951,535
Sales tax	6,282,174	6,657,351	6,440,000	6,902,787	6,939,090	7,147,262	7,361,680
Franchise tax	1,903,817	1,988,733	1,782,909	1,782,909	1,800,000	1,850,400	1,902,211
Powell Bill allocation	861,206	958,230	858,000	1,042,337	900,000	900,000	900,000
ARP Funds Transfer In from Grant Project Fund/State 3M	4,821,414	4,821,414	3,000,000	3,000,000	-	-	-
All others (grants, Tourism-related taxes, Parks revenue, etc.)	6,278,389	6,617,411	4,426,014	6,027,481	4,789,939	4,861,788	4,934,715
Total Revenues	38,153,362	41,105,867	36,531,149	38,836,829	34,851,950	35,711,041	36,050,141
Expenditures:							
Personnel (supplanting \$4.8M of Public Safety salaries with ARP funds in FY 23 and \$4.8M in FY 24)	10,923,418	12,616,518	15,690,120	15,590,123	17,108,491	18,435,000	19,841,100
Operating	9,868,265	10,213,786	11,640,689	12,034,641	12,215,835	12,779,468	13,365,647
TH/PS/PW/Bldg Maint. Rsv Fund	10,000	10,000	10,000	10,000	10,000	-	-
Cain Center (operating support)	411,000	411,000	411,000	411,000	411,000	411,000	390,450
Existing Debt service (includes debt issued in FY 26)	3,538,509	3,882,860	3,743,806	3,636,293	3,614,208	2,565,954	2,066,556
Powell Bill/Stormwater Capital	1,301,268	1,301,268	650,000	850,000	500,000	1,200,000	200,000
Other Capital (fund balance cash)	492,746	4,746,410	4,185,821	4,042,557	2,849,323	7,062,508	1,263,000
New debt svc	-	-	-	-	-	1,311,083	3,633,093
Transfers	500,000	3,523,579	4,270,000	1,320,000	2,648,821	1,148,821	1,148,821
Smithville/Infrastructure (Transfer to Capital Project Fund)	3,011,182	-	-	-	-	-	-
Use of Cap Reserve (389,708)	-	-	-	-	-	-	-
Total Expenditures	29,666,680	36,705,421	40,601,436	37,894,614	39,357,678	44,913,835	41,908,668
Net	8,486,682	4,400,446	(4,070,287)	942,215	(4,505,728)	(9,202,794)	(5,858,527)
Ending Total Fund Balance (Includes Capital Reserve Funds)	46,901,983	53,094,749	45,113,190	54,805,785	44,480,898	28,992,462	24,282,756
Transportation Capital Reserve Fund	-	11,335,980	7,632,417	10,555,980	2,388,000	-	-
Infrastructure Capital Reserve Fund	-	-	3,148,821	1,548,821	3,897,642	-	1,148,821
Total General Fund Balance	46,901,983	41,758,769	34,331,952	42,700,984	38,195,256	28,992,462	23,133,935
Available Fund Balance	30,483,356	38,432,157	31,531,952	39,900,984	35,395,256	26,192,462	20,333,935
Ending Total Fund Balance as % of Expenditures	158%	145%	111%	145%	113%	65%	58%
Available Fund Balance as % of Expenditures	103%	105%	78%	105%	90%	58%	49%
Tax Assumptions:							
Value	7,610,372,920	7,774,573,759	11,537,467,458	11,622,840,830	11,718,148,009	11,917,461,988	12,066,430,263
% increase growth	2.16%	0.00%	1.53%	0.82%	1.70%	1.25%	1.25%
% Change reval	0%	49%	0%	0%	0%	0%	25%
New Value	7,774,573,759	11,622,840,830	11,714,440,672	11,718,148,009	11,917,461,988	12,066,430,263	15,271,575,802
Collection rate	99.74%	99.72%	98.75%	99.00%	99.00%	99.00%	99.00%
Rate	0.2320	0.1731	0.1731	0.1731	0.1731	0.1731	0.1368
Tax produced	17,990,115	20,062,728	20,024,226	20,081,273	20,422,835	20,678,121	20,678,065
Revenue assumptions:							
Sales tax						3.0%	3.0%
Franchise tax						2.8%	2.8%
Powell Bill						0.0%	0.0%
Other						1.5%	1.5%
Expense assumptions:							
Personnel						6.00%	6.00%
Operating						4.00%	4.00%
Debt issuance variable:							
Beginning Debt Outstanding	23,175,021	22,785,397	20,330,495	20,334,559	18,009,344	16,010,438	28,586,234
Principal retired	(2,711,103)	(3,120,838)	(2,793,699)	(3,030,215)	(2,648,906)	(1,874,204)	(1,735,621)
Principal issued	2,321,479	670,000	705,000	705,000	650,000	14,450,000	17,681,541
Ending Debt Outstanding	22,785,397	20,334,559	18,241,796	18,009,344	16,010,438	28,586,234	44,532,154
Total Debt Outstanding as a % of Assessed Value:		0.17%	0.16%	0.15%	0.13%	0.24%	0.29%
<i>Per Statute, Town will limit General Fund Debt issued to no more than 8% of the total assessed valuation</i>							
Debt Service as a % of Expenditures		10.58%	9.22%	9.60%	9.18%	8.63%	13.60%
20% Debt Capacity Remaining (up to 20% per Town's Debt Policy)*		9.42%	10.78%	10.40%	10.82%	11.37%	6.40%

	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Beginning Fund Balance	23,133,935	12,945,152	3,448,566	(10,168,509)	(30,475,350)	(47,972,179)	(67,816,141)
Revenues:							
Property tax	21,210,011	21,471,717	21,736,696	21,743,610	22,011,987	22,283,718	22,558,847
Sales tax	7,582,531	7,810,007	8,044,307	8,285,636	8,534,205	8,790,231	9,053,938
Franchise tax	1,955,473	2,010,226	2,066,513	2,124,375	2,183,858	2,245,006	2,307,866
Powell Bill allocation	900,000	900,000	900,000	900,000	900,000	900,000	900,000
ARP Funds Transfer in from Grant Project Fund/State 3M	-	-	-	-	-	-	-
All others (grants, Tourism-related taxes, Parks revenue, etc.)	5,008,736	5,083,867	5,160,125	5,237,527	5,316,089	5,395,831	5,476,768
Total Revenues	36,656,750	37,275,817	37,907,640	38,291,148	38,946,139	39,614,786	40,297,419
Expenditures:							
Personnel (supplanting \$4.8M of Public Safety salaries with ARP funds in FY 23 and \$4.8M in FY 24)	21,331,567	22,911,461	24,586,148	26,361,317	28,242,996	30,237,576	32,351,830
Operating	13,975,273	14,609,284	15,268,655	15,954,402	16,667,578	17,409,281	18,180,652
TH/PS/PW/Bldg Maint. Rsv Fund	-	-	-	-	-	-	-
Cain Center (operating support)	370,928	352,381	334,762	318,024	302,123	287,017	272,666
Existing Debt service (includes debt issued in FY 26)	1,620,234	1,547,694	1,501,819	1,451,963	826,725	806,175	785,625
Powell Bill/Stormwater Capital	950,000	200,000	950,000	950,000	950,000	950,000	950,000
Other Capital (fund balance cash)	2,312,358	435,000	925,000	5,053,537	160,000	175,000	325,000
New debt svc	5,136,353	5,567,763	6,809,508	8,109,925	8,144,726	8,444,879	8,667,258
Transfers	1,148,821	1,148,821	1,148,821	1,148,821	1,148,821	1,148,821	1,148,821
Smithville/Infrastructure (Transfer to Capital Project Fund)	-	-	-	-	-	-	-
Use of Cap Reserve	-	-	-	-	-	-	-
Total Expenditures	46,845,533	46,772,403	51,524,714	58,597,989	56,442,969	59,458,748	62,681,852
Net	(10,188,783)	(9,496,586)	(13,617,074)	(20,306,841)	(17,496,830)	(19,843,962)	(22,384,433)
Ending Total Fund Balance (includes Capital Reserve Funds)	12,945,152	4,597,387	(7,870,867)	(30,475,350)	(46,823,358)	(65,518,499)	(86,754,112)
Transportation Capital Reserve Fund	-	-	-	-	-	-	-
Infrastructure Capital Reserve Fund	-	1,148,821	2,297,642	-	1,148,821	2,297,642	3,446,463
Total General Fund Balance	12,945,152	3,448,566	(10,168,509)	(30,475,350)	(47,972,179)	(67,816,141)	(90,200,575)
Available Fund Balance	10,145,152	648,566	(12,968,509)	(33,275,350)	(50,772,179)	(70,616,141)	(93,000,575)
Ending Total Fund Balance as % of Expenditures	28%	10%	-15%	-52%	-83%	-110%	-138%
Available Fund Balance as % of Expenditures	22%	1%	-25%	-57%	-90%	-119%	-148%
Tax Assumptions:							
Value	15,271,575,802	15,462,470,499	15,655,751,381	15,851,448,273	20,061,989,220	20,312,764,086	20,566,673,637
% increase growth	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
% Change reval	0%	0%	0%	25%	0%	0%	0%
New Value	15,462,470,499	15,655,751,381	15,851,448,273	20,061,989,220	20,312,764,086	20,566,673,637	20,823,757,057
Collection rate	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%	99.00%
Rate	0.1368	0.1368	0.1368	0.1081	0.1081	0.1081	0.1081
Tax produced	20,936,541	21,198,247	21,463,226	21,470,140	21,738,517	22,010,248	22,285,377
Revenue assumptions:							
Sales tax	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Franchise tax	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Powell Bill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Expense assumptions:							
Personnel	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Operating	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Debt issuance variable:							
Beginning Debt Outstanding	44,532,154	46,882,154	53,257,154	70,744,722	75,624,722	97,654,396	97,749,708
Principal retired	(1,300,000)	(1,275,000)	(1,275,000)	(1,270,000)	(685,000)	(685,000)	(685,000)
Principal issued	3,650,000	7,650,000	18,762,568	6,150,000	22,714,674	780,312	3,810,000
Ending Debt Outstanding	46,882,154	53,257,154	70,744,722	75,624,722	97,654,396	97,749,708	100,874,708
Total Debt Outstanding as a % of Assessed Value:	0.30%	0.34%	0.45%	0.38%	0.48%	0.48%	0.48%
<i>Per Statute, Town will limit General Fund Debt issued to no more than 8% of the total assessed valuation</i>							
Debt Service as a % of Expenditures	14.42%	15.21%	16.13%	16.32%	15.89%	15.56%	15.08%
20% Debt Capacity Remaining (up to 20% per Town's Debt Policy)*	5.58%	4.79%	3.87%	3.68%	4.11%	4.44%	4.92%

Long-Term View

- As forecasted for the past seven years.....
- Projected annual operating revenue will not keep pace with capital projects (bonds, installment financing debt), personnel retention/recruitment, general operations, and Fire Dept. Transition Plan
- A rapid use of Total Fund Balance (including capital reserve funds) will begin in FY26

Available Fund Balance



Long-Term View

- FY25 Estimated Year End Available Fund Balance = \$39.9M / 105%
- Violate Fund Balance Policy in FY29 (Less than 40% of Expenditures)
 - FY29 Available Fund Balance = \$10.1M / 22%
 - FY30 Available Fund Balance = \$649K / 1%
 - FY31 Available Fund Balance = (\$13M) / -25%
 - FY32 Available Fund Balance = (\$33M) / -57%
 - FY33 Available Fund Balance = (\$51M) / -90%
- Will need a correction prior to FY29, with either substantial additional revenue, property tax increase(s) or significant cut to expenses (i.e., cut services and capital projects)
 - Earlier action will lead to less impactful property tax increase

FY 26 Electric Fund Budget - Summary

- Recommended Budget includes cost of two-year construction project of \$5.3M new electric substation in order to maintain reliability and allow for growth of the system
- Due to new substation construction, renovation of existing Zion substation, other future capital projects, and operating cost increases.....
 - Recommending a 5.0% customer rate increase in FY26
 - Projecting rate increases in future years
 - Phasing-in rate increases rather than all at once

FY 26 Electric Fund Budget - Summary

- Increase to the Renewable Energy Portfolio Standards Rider
 - Residential increasing from \$0.82 to \$0.87
 - Commercial increasing from \$4.47 to \$4.72
 - Industrial increasing from \$46.08 to \$48.67

- Total Electric Fund Budget Revenues = \$8,035,663
- Total Electric Fund Budget Expenditures = \$11,171,464
- Use of Fund Balance = (\$3,135,801)*

*Use of Fund Balance due to \$3,141,245 new substation costs in FY26 (multi-year capital project).

Next Steps

- Town Board discussion tonight
- Open Public Hearing tonight and recommend continuing to May 19th meeting
- Adopt Budget at a future meeting: May 19th, June 2nd, or June 16th

**Questions
and
Town Board Discussion**