

To: Town Council Members, staff, and residents

From: MaryCary (Cay) Bradley, chair Budget & Finance Committee

Date: June 8, 2025, for the June 12, 2025, Town Council Meeting

Re: Overview of FY 2025 – 2026 Budget to be considered for adoption

The Budget & Finance Committee made no changes to the proposed budget for FY 2025 – 2026 after the May 2025 Town Council meeting. The files were updated to include FY 2024 – 25 Actuals as of May 31, 2025.

As a reminder, by June 30, the Town must adopt (1) a balanced operating budget and (2) a capital budget with a balance of 0 or greater for the fiscal year. As of the June 8, 2025, files we have a balanced operating budget. However, the capital budget may need to be modified based on the end of fiscal years actuals. We anticipate decreases in either reserves (currently \$30,000) or Commons (currently \$85,000) if needed.

Our projected revenue is \$603,205, which represents a 2% increase from FY 2024-25. The increase is primarily due to projected increases in Local Sales Tax. Most revenue sources were maintained at the previous budget levels, with a few adjustments for possible economic downturns (interest and permit fees).

Our projected operating expenses are \$399,541, representing a 6.41% decrease from FY 2024-25. Some of the “savings” are from the fact the FY 2024 – 25 budget included a salary for a third staff person, who was not hired. The deputy program was increased to 800 hours and includes the potential for annual bonuses. We plan to replace all flags and flag holders with commercial-grade versions made in the United States.

We anticipate a contribution of \$170,764 to the capital/reserve budget at the end of the FY 2025 – 2026.

The Budget & Finance Committee plans to update the budget file on a quarterly basis to include actuals.