



Morrisville
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Budget Overview &

January 24, 2026

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Chief Financial Officer

Base Budget History

Budget Portal Survey

- **Preliminary Survey from 12/5 – 1/17**
- **Survey Offered in English, Hindi, Spanish, Chinese, & Vietnamese**
- **34 Responses total (3 in Hindi)**
- **6 Questions**
 - How familiar are you with how the Town of Morrisville's budget is allocated?
 - How should your tax dollars be invested across the Town's strategic goals
 - Ranking of FY2026 budget priorities
 - Support for new funding
 - Do you believe the current level of public services is adequate
 - Open-Ended Additional Thoughts to Share

Budget Portal Survey

How familiar are you with how the Town of Morrisville's budget is allocated?

Budget Familiarity	Responses
Very Familiar	5
Somewhat Familiar	13
Not Very Familiar	14
Not At All Familiar	2
Total	34

How should your tax dollars be invested across the Town's strategic goals?

Strategic Goal	Responses
Sustainable, Livable Community Growth	29
Public Safety Readiness	23
Engaged, Inclusive Community	14
Community Mobility	21
Economic Prosperity	15
Operational Excellence	21
Organizational Resiliency	14
Total	137

Budget Portal Survey

Please rank the following budget priorities, included in the FY2026 Town of Morrisville Budget, in order of most important to least important:

Rank	FY26 Budget Priority
#1	Quality of Life
#2	Community Viewpoint
#3	Safe Community
#4	Economic Resiliency
#5	Business Collaboration
#6	Operational Excellence
#7	Inclusivity
#8	Transportation
#9	Sustainability & Environment
#10	Recognizing Success

Do you believe the current level of public services (e.g., parks, roads, emergency services) is adequate?

Service Level Adequacy	Responses
Yes	16
No	11
Not Sure	7
Total	34

Depending on what your prioritization was for improvements or investments it may require new funding. What is your view?

Viewpoint on New Funding	Responses
I support new investment, even if it requires additional cost to me	7
I support reallocating funds from other programs	12
I prefer to maintain current funding levels	12
I'm not sure / Need more information	3
Total	34

Budget Portal Survey

Do you have any other thoughts or ideas you wish to share with our staff and Town Council as they begin brainstorming sessions and evaluate future budget and capital needs?

“Being a taxpayer here in Morrisville, it frustrates me the amount of tax I pay and infrastructure is poor at best! I’m lucky to live about 1 or 2 miles from my home. The traffic congestion is horrible at 2 key intersections on chapel hill rd. We need to fix this issue before we add parks and more schools.”

“I think our current level of services is adequate, but we are growing rapidly and need to be prepared for the future!”

“I don’t mind if it cost a little more as long as it is transparent and voted on with resident input”

“Street lights. Me, my family and my friends all of them face issue with street lights. It is dark at night. Specific when raining. At night sometimes we are unable to recognize road while turning due to lack of light and road divider not properly established”

Budget Process

Our Budget Process Journey:

- ✓ Mid-Year Report
- ✓ Preliminary Budget Portal
- ✓ Retreat Brainstorming
- ✓ Community Outreach Plan
- ✓ CIP Prioritization & Debt Capacity
- ✓ Budget & CIP Outlook
- ✓ Budget Preview



Base Budget Expenditures

What's Included	What's <u>NOT</u> Included
Current Personnel Costs	New Positions; Merit & Market Increases
Non-Discretionary Operating Expenses Utilities, IT Hardware	New Programs and Initiatives
Annual Debt Service Payments	New Anticipated Debt Not Issued
Transfers with Dedicated Funding	Transfers without Dedicated Funding

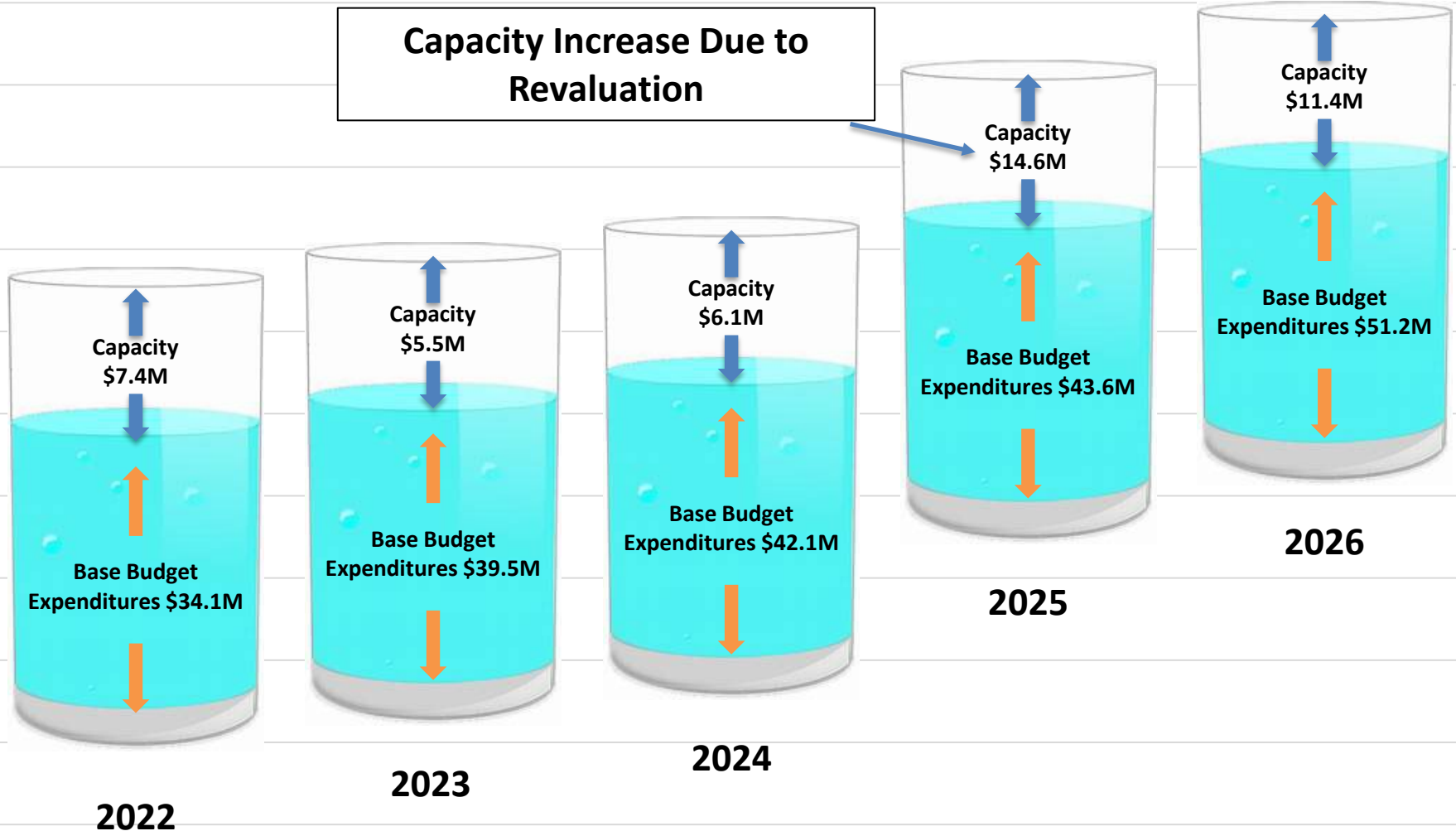
- Captures Recurring Personnel & Operating Expenditures
- Starting Point for Department Budget Discussions

Base Budget Expenditures

Methodology	Efficiencies/Duplications
Departments Complete Current Operating Expenditure Budgets with Updates to Line Items	Duplication of Travel/Training Expenses in HR & Admin <ul style="list-style-type: none"> • \$10,000 in Professional Development for the same program listed in both departments
Departments to Provide Additional Detail for Line Items ✗ “Miscellaneous Software” - \$1,000 ✓ “4 Microsoft Suite Licenses (\$250/user)” - \$1,000	Deep Dive of Department Contingency in Line Items. <ul style="list-style-type: none"> • Budget staff identified \$75,000 in Contingency that could be reduced
Budget Staff Reviews Dept. Base Budget Worksheets for Completeness/Accuracy	Multiple Departments Utilizing Car Wash Services <ul style="list-style-type: none"> • Opportunity for one town subscription less than multiple department subscriptions
Budget Staff Meets with Departments to Discuss Changes/Efficiencies in Base Budget	

Expenditure History

Capacity Increase Due to Revaluation



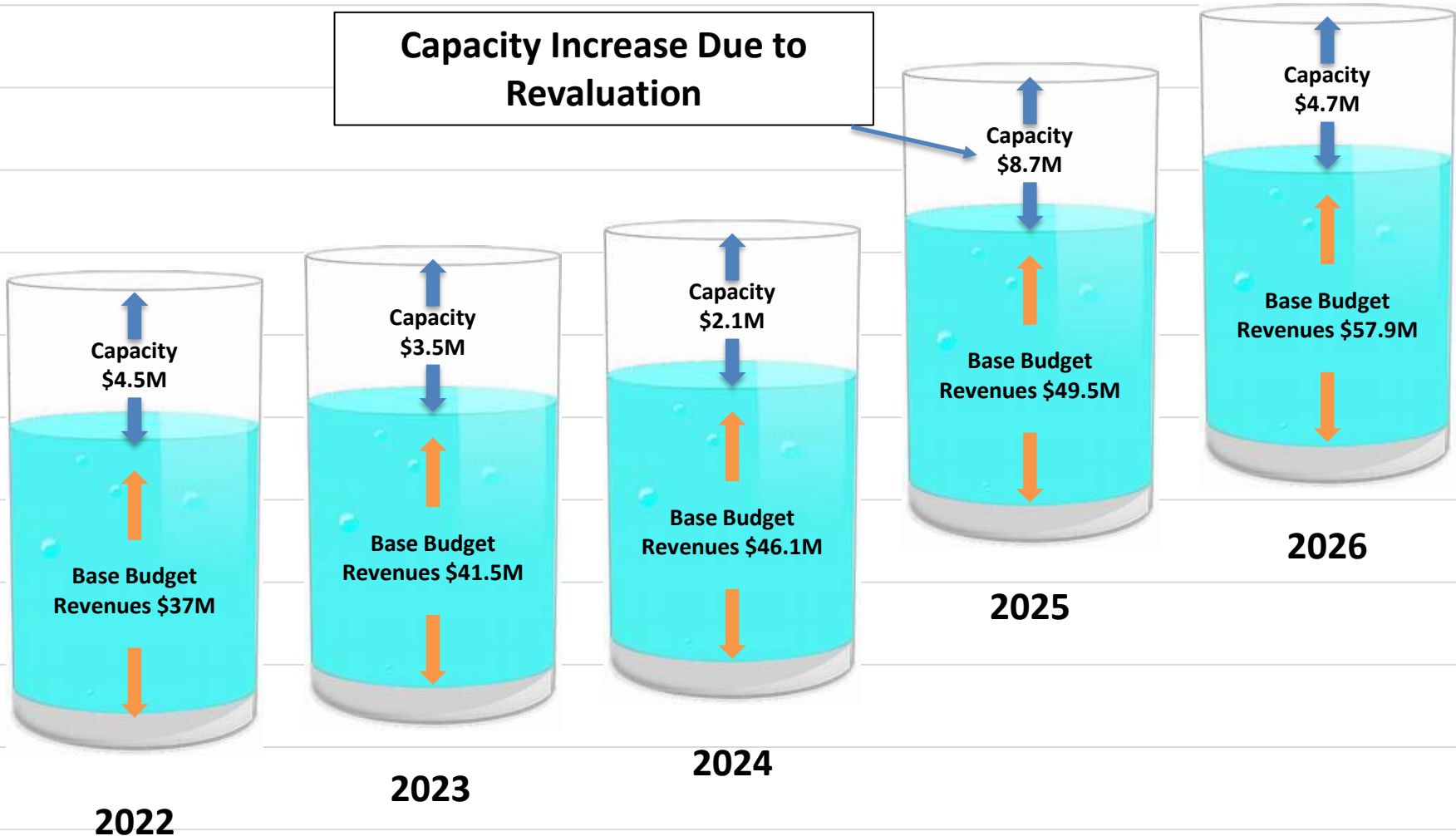
Base Budget Revenues

What's Included	What's <u>NOT</u> Included
Town Recurring Revenues	Revenues from Unfunded Programming
Awarded Grants and Revenue from Signed Contracts	Revenue Generated from Grants without Signed Agreements
Revenues Resulting from a Change in Tax Rate	Revenue from New Fee Changes

- Captures Recurring Revenues
- Projects Natural Growth for Recurring Revenues

Revenue History

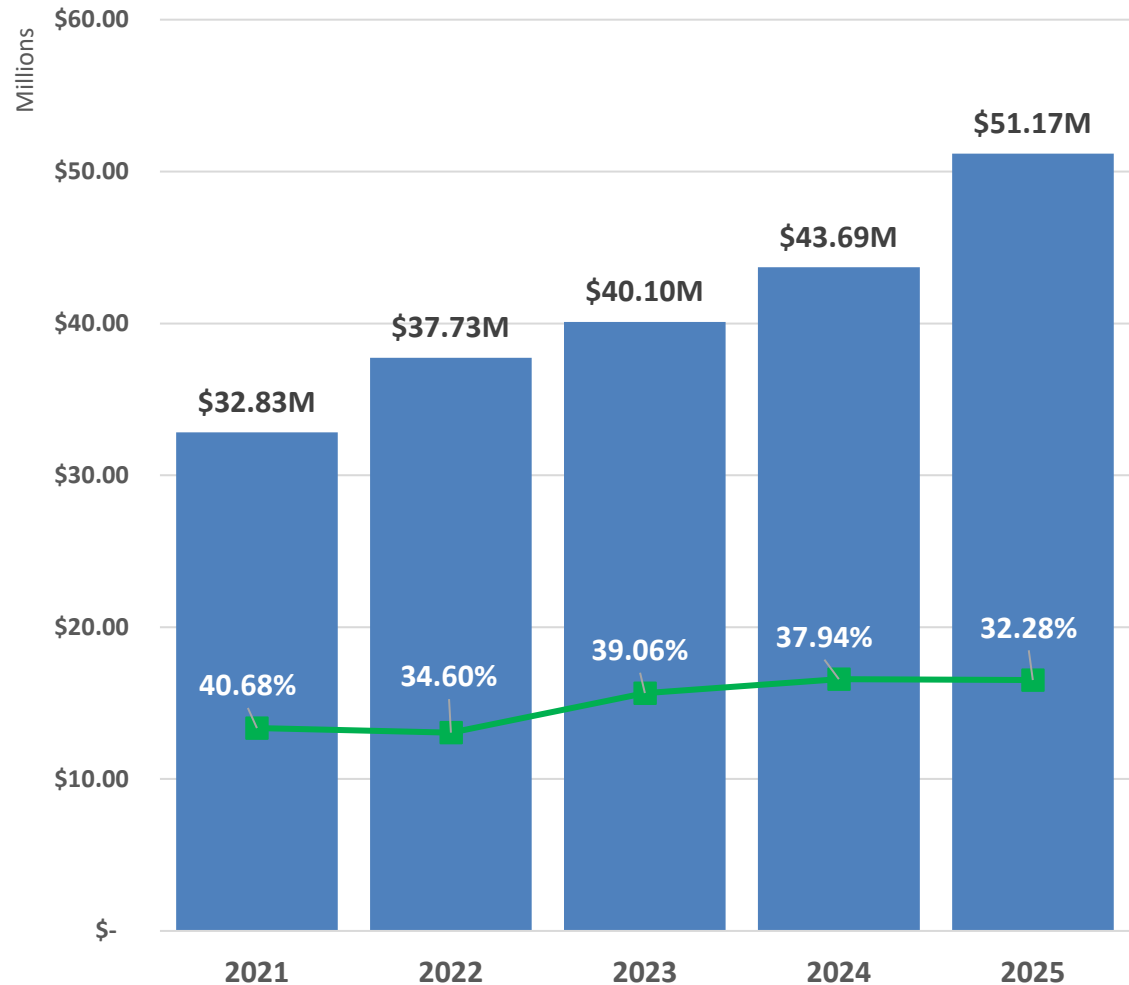
Capacity Increase Due to Revaluation



Reserves & Fund Balance

- Increased Commitment Toward Funding Up Reserves:
 - ✓ Currently allocating \$3.7M to reserves in FY26
 - ✓ Increased Total Fund Balance Even When Unassigned Fund Balance Decreased
 - ✓ Public Safety—Accruing Reserves at Higher Level to Prepare for Future Planned Apparatus & Other Large Public Safety Replacements
 - ✓ FY2025 Increased CRF Allocations to Align with One Cent of the Tax Rate for Each Reserve
- Expenditures Growing at Faster Pace – Impacts Cash Flow Needs 1st & 2nd Quarter
 - ✓ 5-Year Average Increase FY2018 – FY2022 = 5%
 - ✓ 5-Year Average Increase FY2021 – FY2025 = 12%
- Less Purchase Order Rollovers at Year-End

GF Expenditures vs. Unassigned Fund Balance



• Fund Balance Adjusted for Consistency in Reporting MSD

Reserves & Fund Balance

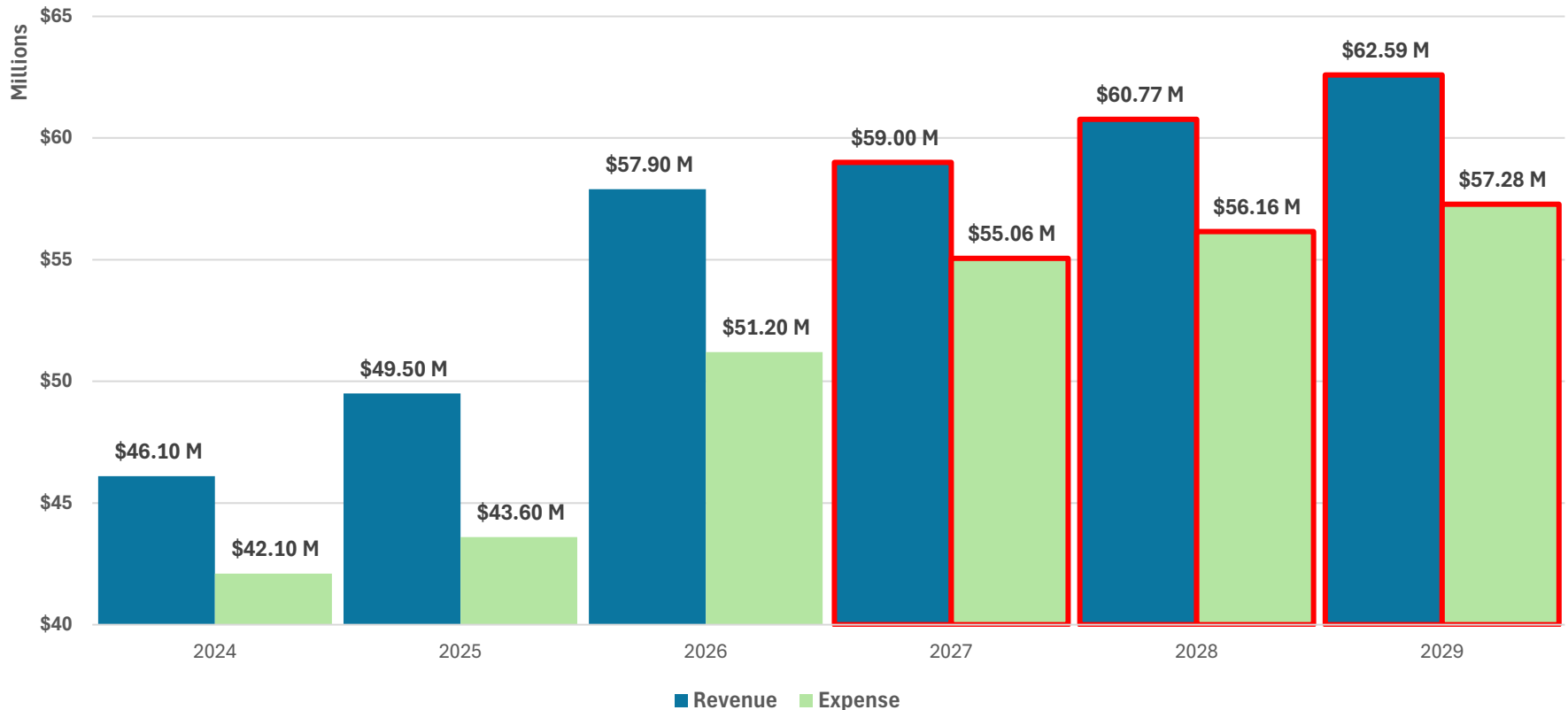
Capital Reserve Funds	Public Safety	Land Acquisition	Roadway & Transportation	Parks & Recreation
	Beginning Balance	\$2,496,685	\$ 176,236	\$4,166,731
Net Change	(\$1,262,964)	\$ 701,815	\$ 913,550	\$ 509,890
Ending Balance Measured as of June 30, 2025	\$1,223,721	\$ 878,051	\$5,080,281	\$ 1,430,094
Current Balance as of January 2026	\$1,259,085	\$ 891,068	\$5,288,230	\$ 1,451,294

Current Funding Allocation

Public Safety	\$ 850,000
Land Acquisition	970,000
Roadway & Transportation	970,000
<u>Parks & Recreation</u>	<u>970,000</u>
Total Reserve Funding in FY26	\$ 3,760,000

Future Outlook

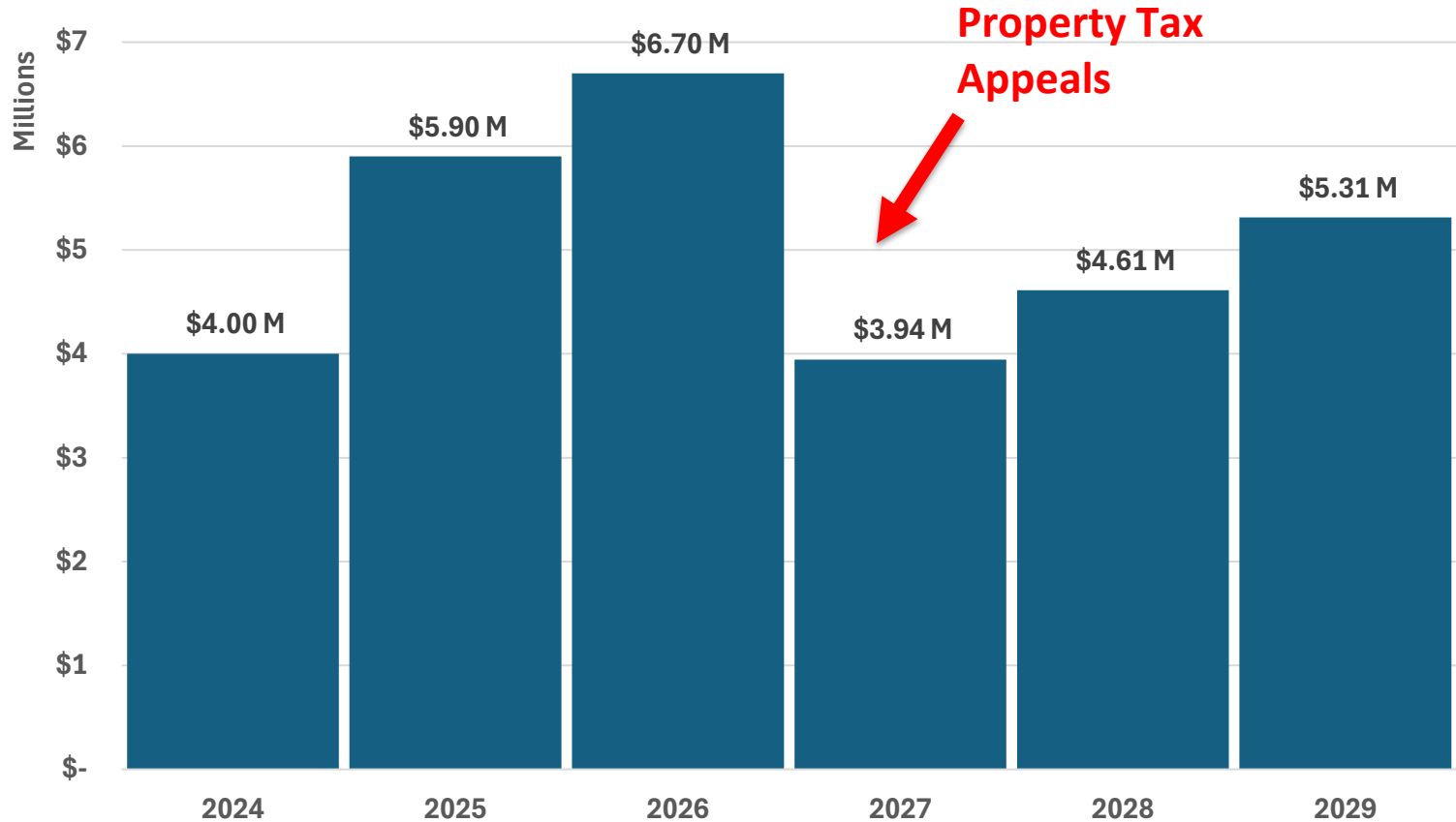
3 Year Projected Base Budget



- Assumes Conservative Growth in most Town Revenues
- Variability in Property/Sales Tax
- Staff will continue to Monitor and Update throughout the Budget Process

Projected Capacity (Rev/Exp)

- Conservative Growth Average = 1%
- FY25 Revaluation a key factor in capacity growth
- No use of Fund Balance is included



Capacity = Additional Resources

- New Programming
- Additional Staffing Needs
- Capital Needs
- Town Center Operational Needs

Early Projected Capacity (Rev/Exp)

Challenges	Opportunities
Ad Valorem Tax Revenue Appeals	Sales Tax Revenue Exceeding Current Expectations
Inflationary Cost of Goods and Services	Other Revenue Growth (Fire Tax, Fee Updates)
	Grant and Sponsorship Opportunities

Capacity

Key Influences

- **Timing of Revenue Projections**
 - Sales Tax (2 Month Lag in Reporting)
 - Property Tax (Updated Valuation from Wake Co. Tax Office)
 - Evaluation of Fees & Preliminary Municipal Fee Comparisons
- **Expense Projections**
 - Base Budget Evaluations with Budget Staff & Departments
 - Personnel Changes from FY26 (Updated Retirement Contribution Amounts, Health Insurance Contribution Rates, etc.)
 - Debt Service Requirements for Upcoming Fiscal Year

3 Year Operational Outlook

- **Major Service Impacts**
 - Solid Waste
 - Janitorial
 - Landscaping
 - CAM
 - Other
- **Completing Future Project Needs (Future Operational Impacts & Potential Revenue Enhancements)**
 - Town Center
 - Public Works Facility
 - Existing Facility Enhancements
 - Fire Station Construction
- **Preparing Next Bond Issuance**
 - Retirement of Future Debt
 - Uses of Bond Premium Received in Most Recent Issuance
- **Current & Future Grant/Sponsorship Opportunities**
 - Potential Grant Funding for Town Center, Public Safety, etc.
 - Hospitality Grant Opportunities
 - Sponsorship Opportunities

Budget Outreach & Engagement

Budget Connection Portal

Goal is to build awareness, message the community value & gather feedback to share with Council.



Website Base Platform:
Central Platform for Information Access
Calendar for Council Deliberation
Awareness
Email & Portal Opens – Q&As



Budget Connection Open Houses
Listening Sessions
Informative Drop-in Q&As
Event & Facility Information Tables



Social Media
Spotlight Key Budget Highlights
Other Creative Interactions

*Budget Outreach to fit within the Town Language Access Plan

Budget Calendar – Important Dates

December 2025 – Mid-Year Budget Meetings with Departments

December 2025/January 2026 – Preliminary Budget Survey Open

February 2026: Department Budget Submittal Preparation

March/April 2026: Budget Preview Work Sessions

April 28, 2026: Recommended Budget & CIP Presentation to Council

May 12, 2025: Recommended Budget Public Hearing

May 26, 2026: Adoption of the FY2027 Recommended Budget

Council Discussion

Council Discussion

What Other Operational Opportunities and Challenges does Council see when Developing an Operating Budget for the next Fiscal Year?

What other information does Council need in relation to the Town Base Budget Methodology?

Council Prioritization Exercise

Potentially SOAR; Maybe Council Priorities

Council Priorities Brainstorming Exercise

Let's get ready to...



Handout & Flipchart Exercise with Group.

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How to Use SOAR Matrix

Directions for Session:

- Individually at your Place, use Post-It Notes to Identify up to three items for each quadrant (20 minutes, one thought per post)
- Be mindful not to repeat yourself within quadrants
- When all have Completed, Post on SOAR Chart
- Discuss & Clarify Terminology/Understanding with Each Other

	INTERNAL	EXTERNAL
CURRENT	<p>Strengths</p> <ul style="list-style-type: none"> • What do we do well? • What are current strengths? • What are our greatest achievements? 	<p>Opportunities</p> <ul style="list-style-type: none"> • What partnerships to improve/pursue? • What are community/organizational needs that we value? • What trends we can optimize?
FUTURE	<p>Aspirations</p> <ul style="list-style-type: none"> • What inspires the organization/community? • What do we hope to achieve? • What is our desired future vision? 	<p>Results</p> <ul style="list-style-type: none"> • What does success look like? • Do we have the right tools in place? • How can we convert aspirations to actions?

	INTERNAL	EXTERNAL
CURRENT	S trengths	O pportunities
FUTURE	A spirations	R esults

SOAR Notes Template

This template may be used ahead of session to capture notes or may be used during session to organize thoughts.

Strengths:

- *What do we do well?*
- *What are current strengths?*
- *What are our greatest achievements?*

Opportunities:

- *What partnerships to improve/pursue?*
- *What are community/ organizational needs that we value?*
- *What trends we can optimize?*

Aspirations:

- *What inspires the organization/ community?*
- *What do we hope to achieve?*
- *What is our desired future vision?*

Results:

- *What does success look like?*
- *Do we have the right tools in place?*
- *How can we convert aspirations to actions?*

Drawing Out the Priorities FY27



- What Core Values Emerged from Exercise?
- Can we Connect the Common Themes & Interests?
- What Else Should we Discuss to Capture a Preliminary Priority List?

Special Topic – Solid Waste



- **Very Few Variable Costs**
 - Eliminates Need for Significant Fund Balance
- **Creates General Fund Capacity**
 - General Fund dollars to be used for new operational initiatives
 - Potential Investment Toward Public Works Facility Renovation
- **Rate Changes to Occur with New Contract (5 Year Increments)**
 - Re-evaluate rate before each renewal

- **Resource Slide – Not to Be Shared in Agenda Packet**

Special Topic – Solid Waste

Timeline



- **Implementation**
 - Must Notify Wake County by early February
 - Implementation Fee: \$1,000
 - Use Stormwater Data to Validate Billing
- **Council to Advise by March**
 - Wake County to Request Fees in March
 - Option 1 – Full Fee Implementation
 - FY27: 100% (**\$1.7M Gen Fund Capacity**)
 - Option 2 - Tiered approach:
 - FY27: 50% (**\$850k Gen Fund Capacity**)
 - FY28: 100% (**\$1.7M Gen Fund Capacity**)
- **Resource Slide – Not to Be Shared in Agenda Packet**

Special Topic – Solid Waste

Current Financials – Wake Co Annual Billing	FY27	FY28	FY29	FY30
Recurring Annual Expenses	\$1,563,395	\$1,625,949	\$1,691,012	\$1,758,686
Billing Contractual Cost	\$17,160	\$17,846	\$18,560	\$18,560
GFL Contractual Cost	\$1,526,985	\$1,588,065	\$1,651,587	\$1,717,651
Public Works White Goods Item Pick-up	\$2,500	\$2,500	\$2,500	\$2,500
Customer Service Support	\$15,750	\$16,538	\$17,364	\$18,233
Incidentals and Outreach	\$1,000	\$1,000	\$1,000	\$1,000
Total Cost Evaluation	\$1,563,395	\$1,625,949	\$1,691,012	\$1,758,686
Number of Dumpsters	445	450	455	460
Number of Residential Homes	6,675	6,700	6,725	6,750
User Fee Based on Current Cost	\$220 Annual Fee (\$18.50 Monthly)	\$227 Annual Fee (\$19.00 Monthly)	\$236 Annual Fee (\$20.00 Monthly)	\$244 Annual Fee (\$20.50 Monthly)

Sustainable Cost Recovery User Fee Assuming Inflationary Factors Over 5-Year Period

\$235 Annual Fee (\$19.58 Monthly)

***FY26 Includes One Time Implementation Cost**

• Resource Slide – Not to Be Shared in Agenda Packet