



April 19, 2024

Dear Honorable Mayor and Town Council:

I am pleased to share this year's recommended budget, which is prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The FY 24-25 ("FY25") recommended budget is balanced and totals \$12,051,500 and represents a decrease from prior year amended budget of \$651,495 or about 5.13%. This proposed balanced budget was prepared using the *2024 Town Council Priorities & Action Strategies* as a roadmap and feedback received at the Annual Retreat and special budget meetings.

Over the past several years, the Town has sought a multi-year approach to financial planning and forecasting. The logic being we should not be only focused on the current fiscal year while omitting the longer-term big picture. Instead, the Town Council ("Council") has sought to identify financial trends so that any problems can be foreseen and proactively addressed.

Due to these financial planning efforts, the Council has been aware that the FY25 budget creation process would be challenging due to several converging factors. First, inflation over multiple years has increased the cost of almost everything, from trash collection to police cars to asphalt to office supplies. Second, the cost of attracting and retaining competent staff (especially police officers) has increased significantly, which has been a widespread issue in the U.S. economy. Third, the Town has sought to meet community demand for enhanced levels of certain services including improving road maintenance, adding a full-time school resource officer at Stallings Elementary, making various greenway/park enhancements including adding playgrounds, improving roadside aesthetics in key areas, etc. Fourth, the Town has pursued Council priorities including Town Center creation and various economic development investments aimed at a more sustainable tax base. Fifth, FY25 will be the last year we have American Rescue Plan Act ("ARPA") funding (pandemic related federal funding that the Town has used to sustain our police service levels).

At the same time, projections show expenditures exceeding revenues if the tax rate remains unchanged. Therefore, the Council was/is faced with the decision of whether to make draconian reductions to core public services (trash collection, police, road maintenance, parks, etc.), raise taxes, use reserve funds as a short-term stopgap, or some combination of the three. Fortunately, our long-term forecasting efforts have allowed us to be aggressive in understanding and addressing the budget deficit issues.

Due to these budget challenges, the Council took the proactive step of approving an enhanced priority and budget decision-making process for FY25. This process was designed to be collaborative, while also facilitating clear decision-making. The Council dedicated more time to working through the issues, brought on an experienced facilitator, and explored all available options. Over the course of several months, the Council gained a detailed understanding of the Town's "big picture" financial situation.

Ultimately, the Council settled for an equitable approach to addressing the projected budget deficit. By doing so, the Council recognized two competing truths: the cost of providing services our community relies on versus the impact of taxes on the public.

On one hand, the services that the community expects (trash, police, roads, parks, etc.) come at a cost. And, like most sectors of the U.S. economy, we have seen these costs increase over the past several years. As a result, to close the budget deficit without raising taxes, the Council would be forced to consider severe and undoubtedly unpopular service reductions, such as reducing trash collection frequency, eliminating recycling, reducing police officers on a shift (where our most recent staffing analysis recommended adding officers), closing park(s), and/or reducing road maintenance funding causing roads to deteriorate at a quicker pace than they would be repaired. The Council gave much thought to the community impact of cutting services so severely.

On the other hand, the Council did not want to try to solve a multi-year problem in one year and overburden taxpayers. Indeed, the Council wrestled with how any tax increase might affect our community. The Council felt as though we, as a Town, needed to ensure we are operating efficiently and make cuts where needed. Also, the Council expressed an openness to using reserve funds to help but recognized that this was only a short-term strategy.

Ultimately, the Council decided to maintain core service levels, set aggressive spending cut targets (where it would not result in decreased service levels), tentatively settled on raising taxes by three cents (\$0.03) in FY25, and using reserves to make up any difference. At the same time, the Council recognized that the property tax reevaluation is scheduled for the following year (FY 25-26 “FY26”) and ARPA funding is projected to be exhausted by then.¹ As a result, the future FY26 budget process will also be challenging. However, while recognizing that the solution for FY25, like all the others, would be imperfect, the Council believes it is the best balance of competing interests.

I would like to thank the Town Council for their dedication as we crafted this budget. Despite your demanding schedules, you gave the Town additional time to work through the budget. Indeed, it was an extraordinarily challenging situation and no matter what the Council decided, they would not make everyone happy. Also, I would like to thank our Town staff who worked diligently to identify cost savings throughout each stage of the budget development process. Staff scrutinized every aspect of their core services and made thoughtful decisions on how to avoid costs while preserving quality service delivery to our residents. It was truly a collaborative process.

FY25 Recommended Budget Highlights

The following is a summary of the proposed budget as it relates to the *2024 Council Priorities & Action Strategies*. The applicable strategy is listed, along with the proposed task or action item, and an explanation of the corresponding linkage to the FY25 recommended budget **is listed in the red text**.

Notably, there will be less funding for the pursuit of these annual priorities for two primary reasons. First, the Town has had to make cuts to continue service levels, while moderating tax rate increases. By fiscal necessity, we will do more work in-house and likely move a bit slower.

¹ With ARPA funding set to be exhausted, the budget deficit is projected to increase in FY26.

Second, we find ourselves in transition stages of many of the already underway strategic processes that, by coincidence, mostly do not currently require a direct cash infusion.



2024 Council Priorities & Action Strategies

The Stallings Town Council strives to provide excellent services in a fiscally responsible manner, pursue our residents' ideal future community, and invest in economic development to achieve a sustainable tax base. The Council will pursue this through a variety of methods including the creation of a Town Center, enhancing the Union West Business Park, and exploring sewer capacity alternatives.

- 1.) **Focus on Long-Range Financial Planning** – *The Town will focus on fiscally responsible financial planning and management while making thoughtful and strategic investments to ensure excellent service delivery, key strategic investments, and the effective pursuit of Council priorities.*
 - a. Focus on managing through the next two to three budgets.
 - i. Action Items:
 1. Follow the Town's adopted budget creation and priority setting process and adopt a budget by 6/30/24. **Staff time dedication.**
 2. Continue updating, on an annual basis, both the 5-Year Financial Plan and Capital Improvement Plan (CIP). **Staff time dedication.**
 3. Hold a referendum on the occupancy tax by 12/31/24. **Staff time dedication.**
 - b. Ensure prudent management of expenditures:
 - i. Invest wisely in supporting, attracting, and retaining competent staff.
 1. Action Items:
 - a. Fund, conduct, and implement a pay study during FY 24-25 that looks holistically at salaries, benefits, policies, etc. **\$57,000 is included for study/implementation.**
 - b. Staff present a policy capping CPI increases as outlined in the Pay Policy by 12/31/24. **Staff time dedication.**
 - c. Implement a functional performance pay policy by 6/30/26. **Staff time dedication.**
 - d. Evaluate employee cost-savings incentive programs by 6/30/25. **Staff time dedication.**
 - ii. Focus parks events/programming primarily at Stallings residents.
 1. Action Items:

- a. The Parks Department will develop an action strategy aimed at targeting parks events/programming primarily at Stallings residents. Share with Council by 12/31/24.
Staff time dedication.

2.) **Pursue Sewer Alternatives** – *Having adequate sewer capacity is essential to ensuring a long-term sustainable tax base, supporting economic development efforts (including the Atrium Hospital/Light Rail area and Union West Business Park), while also supporting the community priority of building a Town Center. The Town will keep all options open while continuing to explore obtaining sewer capacity in key areas from Charlotte Water.*

a. Action Items:

- i. Approve a budget amendment in FY 24-25 to carry over a portion of the contract with consultant Kimley-Horn to allow for continued coordination with Charlotte Water.
- ii. With the assistance of our consultant Kimley-Horn, continue in FY 24-25 exploring options for additional sewer capacity from Charlotte Water. **Staff time dedication.**
- iii. Complete a preliminary Capacity Assurance Program application to Charlotte Water by 6/30/24. **Staff time dedication – note: due date has been moved to Fall 2024.**

3.) **Support/Enhance Union West Business Park** – *Supporting and growing economic development efforts for existing and new businesses in Union West Business Park (“UWBP”) as an opportunity to help foster a sustainable tax base for all residents and businesses in Stallings.*

a. Action Items:

- i. Staff to bring recommended development ordinance updates to Council by 12/31/24, that encourage/support existing and new industrial businesses in UWBP. **Staff time dedication.**
- ii. Council will identify representatives by 12/31/24 to engage with NC General Assembly members regarding repairing the roads and potential property annexation. **Council time dedication.**
- iii. In FY 24-25, task the Economic Development Committee with continuing to monitor and identify improvement opportunities. At the appropriate time in the future, explore funding mechanisms for the UWBP aimed at potentially supporting enhancements. **Council and staff time dedication.**
- iv. Encourage MUCEDC to prioritize marketing UWBP by 6/30/24. **Staff time dedication.**

4.) **Pursue Town Center Creation** – *Our residents desire a Town Center that can serve as both the vibrant cultural heart/destination/identity of our community and as a positive economic catalyst. The Council recognizes this will take many years to fully realize the Town Center vision but is committed to helping build the foundation.*

a. Action Items:

- i. Call it “Town Center” instead of “Downtown.” More appropriate to what the Council is trying to accomplish.
- ii. Per DFI’s recommendation aimed at supporting Town Center oriented retail, continue to encourage higher residential density (multi-family) in the Town Center. (TBD based on opportunities).

- *Rationale: DFI study advised current low residential density is a challenge for attracting specialty (non-chain/boutique) retail. DFI recommended encouraging higher density residential to support retail.*
- *When asked to clarify what is meant by “higher density,” DFI advised:*
 - *“We studied both the multifamily and townhouse scenario (you have financial impacts for both), and we believe the multifamily scenario will do more to support the downtown-oriented retail that is desired by the Town. Additionally, this type of product is attractive to developers in the Stallings market, evidenced by recent developments in Indian Trail and the proposed development for the 13-acre site across from Pad A. Therefore, ‘higher density’ would mean projects that align with the 200+ unit developments occurring in the market.”*

- iii. If the Town receives a significant development plan within the Town Center area from a private developer that requests public participation, consider contracting with DFI for a third-party review of the development plan. **If Council decides to consult with DFI, would need budget amendment.**
- iv. Implement Town Center streetscape requirements into the Stallings Development Ordinance by 6/30/24. **Completed.**
- v. Continue to explore sewer alternatives. (See priority #2 above).
- vi. To support activity in the Town Center area, hold 11 parks events at Stallings Municipal Park in 2024. **\$92,000 is included for events.**
- b. 2725 Old Monroe Road – Due to sewer limitations, pursue an interim use (5 to 10 years) until the sewer capacity situation is resolved. Interim use should be aligned with Town Center goals. Consider this as an asset that can be used as a Town Center economic catalyst tool.
 - i. Action Items:
 - 1. Provide a general list to Council of interested potential tenants by 3/29/24 for Council consideration. Continue to pursue the use(s) identified by Council via the Town’s broker. **Staff time dedication.**

5.) **Maximize Positive Development Around the Hospital/Light Rail** – *Recognize the area’s importance, invest in beautification/placemaking, support the light-rail, and plan to maximize positive development with the twin-anchors of the Atrium Hospital and the planned light rail.*

a. Action Items:

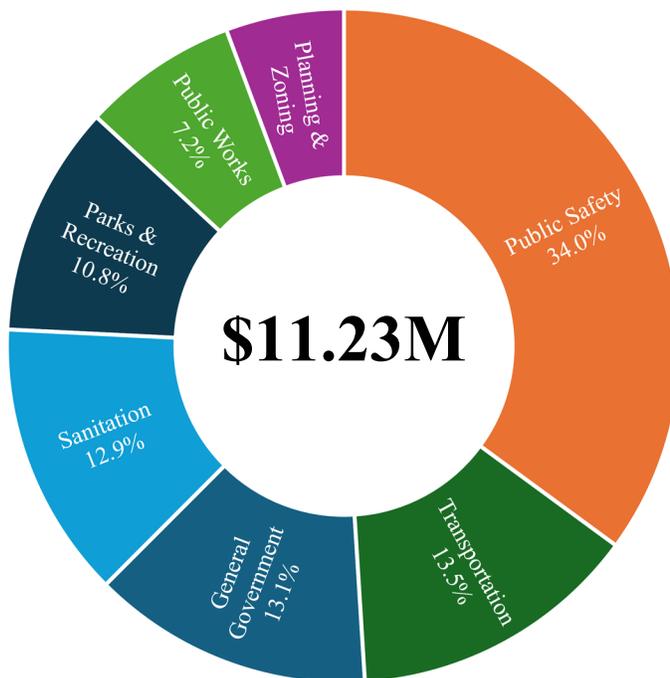
- i. Council approval of planning/zoning updates by 12/31/24, including updating to the transit overlay district into the development ordinance, small area plan, and CLUP. **Budgeted. Staff time dedication.**
- ii. Ensure Atrium can participate as a stakeholder in the above-described planning process.

General Fund

Expenditure Review

The FY25 proposed General Fund Budget is \$11,243,300, which is a decrease of \$561,523 or 4.8% from prior year amended budget. The following graph shows how tax dollars will be spent for FY25. The largest portion of expenditures are allocated to the Town’s Police Department (34%). Notably, the annual principal and monthly interest payments on debt service (\$340,225) is included in the General Government Department budget.

Graph 1. Expenditures – Where the Money Goes

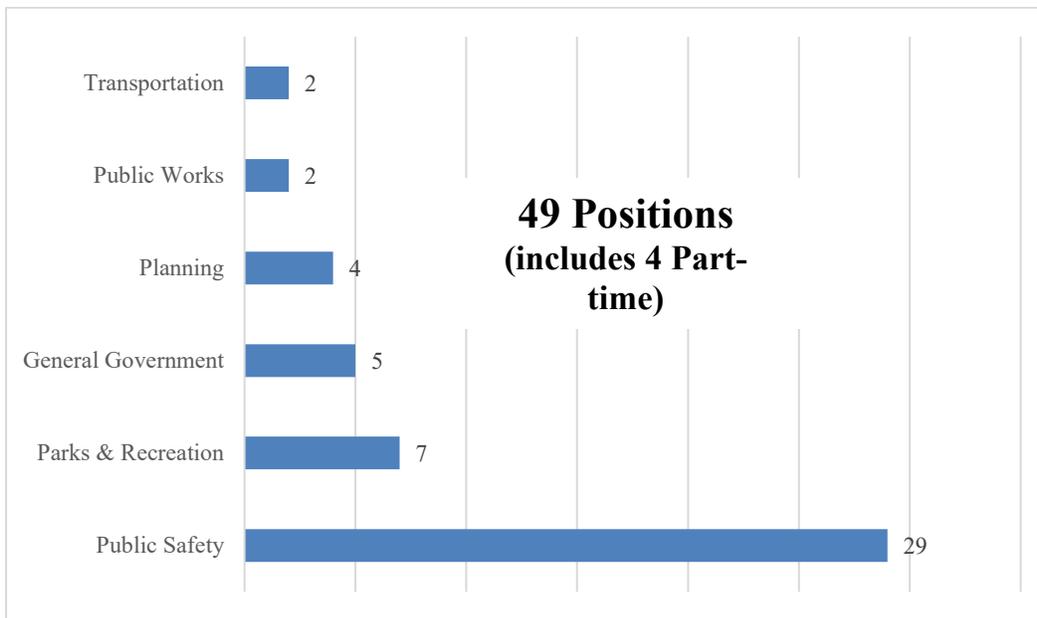


Personnel Review

Personnel are a key component in efficient and effective service delivery to our residents. The total personnel budget for FY25 is \$3,723,990, which is in accordance with the Town’s Pay Policy and Officer Incentive Plan. Per Town policy, pay increases for the year are based on the Consumer Price Index² and a 2% pay step to avoid salary compression and retention challenges. In addition, the Workers’ Compensation insurance premiums decreased by 7.07%. Premiums for short-term disability, dental, vision, or life insurances are not increasing. Employee health insurance is going up 3.5%, or about the current rate of inflation.³ We have not yet received our property and liability insurance renewal amounts, but we budgeted for a 10% increase which hopefully will end up being too conservative.

The Town has 49 total positions (full and part-time), with most positions allocated to policing services. Graph 2 shows the distribution of personnel by department based on the recommended FY25 budget. While the total number of positions remains unchanged, the part-time internship position is recommended to be converted to full-time as explained under “Position Conversion” below.

Graph 2. Position Count by Department



Position Conversion: Management recommends adding redundancies in the finance department to help foster organizational resilience. A survey of surrounding jurisdictions indicates the number of full-time positions in our finance department (one) is well below average. With just one full-time position dedicated solely to finance, the Town is susceptible to service and resulting audit issues because we do not have built-in technical redundancies for this essential function. This created a multitude of issues when the Town unexpectedly had to transition Finance Officers.

² 3.4% - [Consumer Price Index: 2023 in review : The Economics Daily: U.S. Bureau of Labor Statistics \(bls.gov\)](#)

³ [US consumer prices heat up in March; seen delaying Fed rate cut | Reuters](#)

The most direct way to address this issue is to create a new full-time position. However, this is also the most expensive option and not feasible given our current budget parameters. As a result, this budget recommends a less expensive option in converting an existing planning internship position into a full-time reception/planning technician position at an annual cost increase of \$56,300.⁴ This would allow our current accounting technician to dedicate much more time to finance/accounting.⁵

At the same time, the position may offset the bulk of its cost in the long run by allowing our existing planning staff to bring long-term planning efforts (a new comprehensive land use plan and Unified Development Ordinance), currently estimated at \$250,000 over the next five (5) years, in-house. While this \$250,000 cost would likely not be eliminated, it would reduce the vast majority.

In conclusion, this position conversion would not be the panacea for addressing our financial redundancy challenges when compared to creating a full-time position. However, given the Council’s budget directives, management believes this conversion is cost-effective in that it is projected to greatly reduce our long-term planning costs over the next five(5) years, is helpful in making our finance operations more resilient, and is helpful for our planning department.

Future Police Staffing: Previously, the Town Council commissioned a police staffing analysis which was completed in 2024 and recommended adding six (6) officers over the next three (3) fiscal years. Management recommends starting to phase in this beginning in FY 25-26.

Revenue Review

This recommended budget includes \$11,243,300 in total General Fund revenue. The Town’s largest reoccurring revenue sources, making up nearly 79%, are the Ad-Valorem Tax, the Sales and Use Tax, and the Franchise and Utility Sales Tax. In addition, the Town will be using all remaining funds received from the Federal American Rescue Plan Act (ARPA) grant.

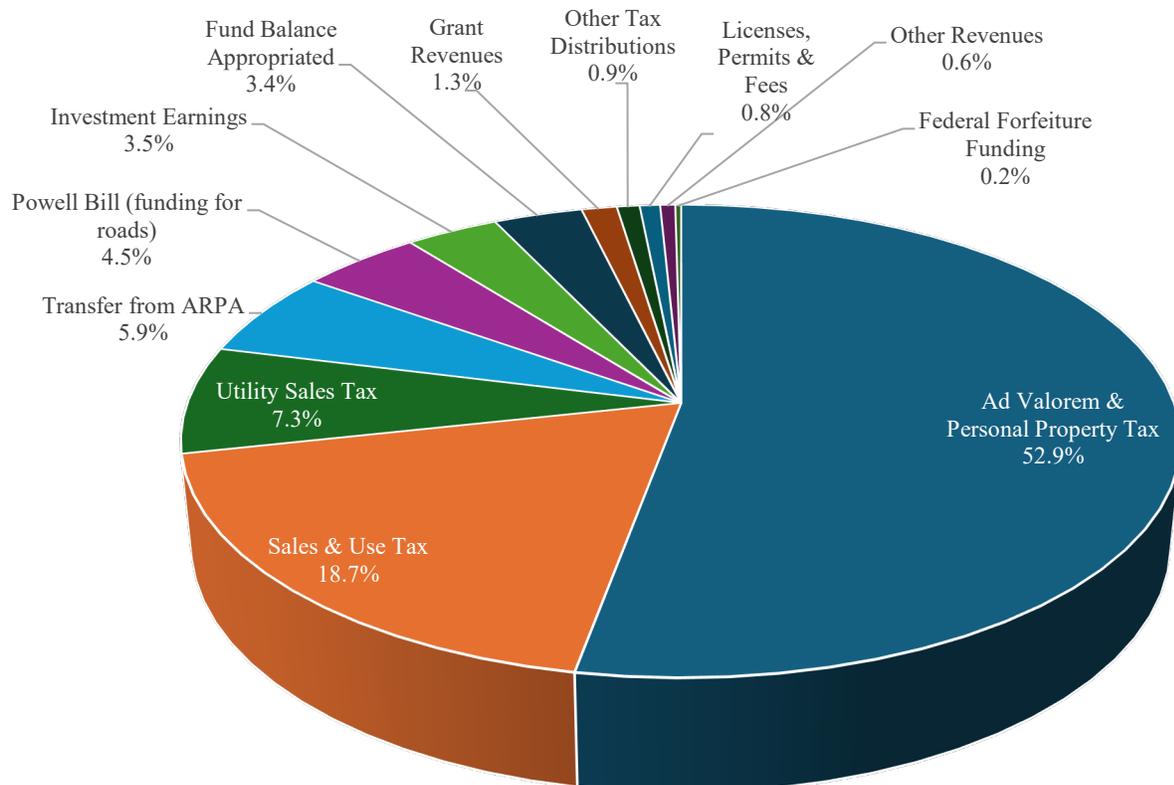
Revenue Source	Amount
Ad Valorem Tax	\$ 5,948,200
Sales & Use Tax	\$ 2,100,000
Utility Sales Tax	\$ 825,000
Transfer from ARPA	\$ 665,000
Powell Bill (funding for roads)	\$ 500,000
Investment Earnings	\$ 395,000
Fund Balance Appropriated	\$ 388,200
Grant Revenues	\$ 149,800
Other Tax Distributions	\$ 96,500
Licenses, Permits & Fees	\$ 86,600
Other Revenues	\$ 64,000
Federal Forfeiture Funding	\$ 25,000
Total	\$ 11,243,300

⁴ Total position cost (including benefits) net of total cost minus existing internship cost.

⁵ Our new Finance Officer just started. Management has tasked her with evaluating and confirm that this is the best move for the Town.

Of the \$11,243,300, the Ad-Valorem or Property Tax represents approximately 53% of total revenue. For the purposes of this budget, a conservative collection rate of 98.5% for this fiscal year is assumed, which is \$5.948M. Union and Mecklenburg Counties collect this tax, which includes real, personal and registered motor vehicle property, on behalf of the Town. Despite the pandemic and current economic conditions, the property tax collection rate has remained above 99% year over year.

Graph 3. Revenue – Where the Money Comes From



Tax Base & Rate

Per Council’s directive, the FY25 recommended budget is balanced using a 3-cent tax increase. The current tax rate is \$0.186 per one hundred dollars (\$100) of assessed valuation for taxable property. As a result, the new recommended tax rate is budgeted at \$0.216. Assessed value for property in Mecklenburg and Union counties is \$2,528,312,111, which is an increase of \$73,690,802 or three percent (3%) from the prior year. One cent on the tax rate is projected to yield \$252,831.

American Rescue Plan Act (ARPA) Funds

ARPA funds represent 5.9% of total revenue in the General Fund. The Town uses this money as salary replacement dollars for the Police Department personnel costs. For the purposes of this

proposed budget, a projected \$665,000 will be transferred into the General Fund, which will allow equivalent General Fund dollars to pay for other Council priorities such as street maintenance and repairs and necessary updates/repairs to the Stallings Park equipment and infrastructure. It is important to note that ARPA funds are a finite revenue source, and the funding must be expended by December 2026. However, the Town is projected to expend ARPA funds well before that deadline.

Recent ARPA fund projections for FY25 were based on the budgeted FY24 ARPA Fund transfers to the General Fund. Only one quarterly transfer had been made at that time. Since then, two additional quarterly transfers have been calculated and a fourth is projected, leaving the estimated balance for use in FY25 to be approximately \$665,000 instead of the \$1,325,000 originally used in the projections. This is bad news in the short-term but good news in the long-term. The bad news in the short-term is that we have significantly less ARPA funds to help bridge the deficit in FY25. The good news in the long-term is that we are less reliant on ARPA funds than originally projected moving forward and will have less of a fiscal cliff (meaning the budget deficit will be less when ARPA funds are fully spent) in FY 25-26 and into the future.

Sales & Use Tax, Franchise & Utility Tax

The Sales and Use Tax represents 18.7% of total General Fund Revenue for FY25. This State resource is driven by individual spending habits, the national economy, and the local economy. As of December 2023, the Consumer Price Index was 3.4%. Despite this result, it is important to monitor the Federal Reserve's activities and the nationwide economy generally. At the statewide level, we use official guidance from the N.C. League of Municipalities' annual revenue projections. At the local level, it is critical to monitor Union County's sewer capacity. Future commercial and residential development could be stymied due to the lack of capacity and developers may decide to not locate in Stallings and Union County, which will negatively impact the Sales and Use tax receipts to the Town. These factors and prior year trend data suggest an increase of 2.2% in growth for sales and use tax in FY25 over projected sales tax revenues in FY24. Finally, the Franchise & Utility Tax represents \$825,000 of the total income for the General Fund. The YOY trend for this tax remains relatively flat.

Overall, total revenue is projected to decrease by about 4.8% from the prior year if ARPA and fund balance appropriations are included. However, if ARPA and fund balance appropriations are removed the remaining revenues are projected to increase by 15.4%. While this projected growth is helpful, the Town's long-term budget situation will remain challenging due to (as previously discussed) rising costs combined with the Town's reliance on finite ARPA funds to sustain current service levels. To reiterate, the *Five-Year Financial Forecast* shows a trend where projected operational expenditures will likely exceed revenues over the next five (5) years. Furthermore, there will not be an excess of new revenue received to cover core operational expenses or to expand program/service delivery. ARPA funds will likely be used up next fiscal year. Our current strategy of using these funds to pay for one-time expenses is short-term, and an additional future tax rate increase will be needed in order to maintain current service delivery to our residents (adding police officers per the staffing analysis), to preserve the fiscal health of the organization, and to accomplish Council's goals.

Fund Balance and Net Position

It is important to note that the FY25 proposed budget is balanced using an unrestricted General Fund Balance appropriation of \$388,200 for various capital expenditures. As of April 2024, the total Fund Balance in the General Fund is \$18,824,127. Of this total, unrestricted General Fund Balance is \$11,394,421. Typically, unrestricted Fund Balance is best used for one-time, nonrecurring and/or unexpected expenditures.

The following table shows the categories of General Fund Balance, the Changes in Fund Balance during the current fiscal year and the total balance(s) as of April.

Governmental Fund	6/30/2023 Balance	Change	4/17/2024 Balance
General Fund			
Unrestricted:	\$ 9,289,355	\$ 2,105,066	\$ 11,394,421
Restricted:			
Stabilization by State Statute	1,279,525	-	1,279,525
Powell Bill	476,076	62,115	538,191
Drug Forfeiture	101,303	-	101,303
American Recovery Protection Act (ARPA)	3,219,007	(1,227,185)	1,991,822
Committed:			
Capital Project Fund - Potter/Pleasant Plain	1,157,900	-	1,157,900
Fees in Lieu of Park Land	-	-	-
Assigned:			
Subsequent year expenditures	-	-	-
20 Percent Reserve	2,149,720	211,245	2,360,965
Total fund balance(s):	\$ 17,672,886	\$ 1,151,241	\$ 18,824,127

* 20% reserve has been recalculated on current FY 2024 amended budget of \$11,804,823

Net Position shows the amount of reserves in the Stormwater Fund, which is an enterprise fund type, as of April 2024. The total is \$2,452,451. Of the total, \$1,670,487 is the unrestricted balance.

Enterprise Fund Type: Stormwater	6/30/2023 Balance	Change	4/17/2024 Balance
Stormwater Fund			
Unrestricted	\$ 1,181,026	\$ 489,461	\$ 1,670,487
Net investment in capital assets	781,964	-	\$ 781,964
Total net position:	\$ 1,962,990	\$ 489,461	\$ 2,452,451

Storm Water Fund

During the previous two (2) budget development processes, Council expressed an immediate concern regarding whether stormwater revenues would be sufficient to meet stormwater needs into the future. Previously, there was a stormwater fee increase approved for FY 23-24, and that increase has stabilized the stormwater fund thus far as the Town has been able to maintain its stormwater fund reserve balance goal of \$1.2M while being able to address community stormwater needs.

Also in FY 23-24, the Town has sought to decrease the cost of stormwater repairs by doing more work in-house as a pilot program. Thus far, the results have been promising, as the cost for certain common projects has decreased. While certain larger projects are not within our capability, at least not yet, the Town continues to dedicate more resources towards doing more work in-house as long as it continues to be cost effective.

On the revenue side, the stormwater fund budgets for \$808,200 in revenues with the vast majority (\$798,100) being from stormwater fees.

On the expenditure side, the Town is budgeting \$400,000 for stormwater repair projects including \$250,000 reserved for the Twin Pines stormwater project which is in the design phase. Additionally, the Town budget includes \$70,000 for stormwater annual maintenance (catch basin cleaning, etc.), \$50,000 for MS4 permit compliance, and \$20,000 for annual street sweeping.

Fee Schedule

All departments assessed their respective fee structure(s) and compared the current fees to similar jurisdictions in the area. As a result of this comparison, the Planning Department is suggesting that various permitting and design review fees be increased to better cover costs. The adjustments are consistent with surrounding jurisdictions and will mostly affect developers. Also, the Police Department is requesting we increase fingerprinting fees, solicitation fees, and amplified sound permit fees to better cover costs. Attached is the revised *2024-2025 Fee Schedule*.

Five-Year Capital Improvement Plan (CIP) and FY25 Capital Budget

Finally, the five-year Capital Improvement Plan supports rolling stock, equipment replacements and capital projects. During the FY25 budget development process, departments reviewed their respective CIP projects and recommended projects for inclusion in this year's capital budget. Enclosed is the Town's Capital Improvement Plan (CIP) which is technically known as the Capital Maintenance and Infrastructure Improvement Plan.

5-Year Forecast

GENERAL FUND - Scenario 4 - Tax Increase 3 cents in FY24-25

	FY24-25	FY25-26	FY26-27	FY27-28
GF Revenue Forecast	\$ 9,431,606	\$ 10,368,099	\$ 10,728,430	\$ 11,101,530
Tax increase	\$ 758,494	\$ 758,494	\$ 758,494	\$ 758,494
ARPA	665,000			
Total GF Revenues	\$ 10,855,100	\$ 11,126,592	\$ 11,486,923	\$ 11,860,024
GF Forecasted Expenditures including Debt	\$ (9,005,544)	\$ (9,562,737)	\$ (10,153,911)	\$ (10,786,276)
CIP Routine Services	(2,187,756)	(1,830,827)	(1,675,515)	(1,708,857)
Total Expenditures	\$ (11,193,300)	\$ (11,393,564)	\$ (11,829,426)	\$ (12,495,133)
Net w/CIP Routine Services	\$ (338,200)	\$ (266,972)	\$ (342,502)	\$ (635,109)
Enhanced CIP Items	-	(675,125)	(562,428)	(2,503,007)
Net with ALL CIP	\$ (338,200)	\$ (942,097)	\$ (904,930)	\$ (3,138,116)

Assumes: FY24-25 the deficit will be taken out of fund balance
 Constant Tax Base of \$2,528,312,111
 Natural revenue Growth across all revenue lines of 3.54%

Current tax rate 18.60
 Increase in tax rate 3.00
 Increased tax revenue \$ 758,494

\$ (1,582,783) Total Deficit for the 4 years w/ Routine CIP Services

\$ (5,323,343) Total Deficit for the 4 years w/ All CIP Items

In closing, I am pleased to present you with your FY25 proposed balanced budget. This budget is designed to be transparent, fiscally responsible, and support the goals and priorities of Council. Thank you for your continued commitment to the residents of Stallings. Despite the challenging budget development process, I appreciate Council and Staff's hard work ethic and this team's collaborative approach to decision-making.

Please do not hesitate to contact Finance Officer Jessie Williams (jwilliams@stallingsnc.org), Assistant Town Manager/Town Clerk Erinn Nichols (enichols@stallingsnc.org) or me, if you need additional information or have questions.

Respectfully submitted this is the 19th day of April 2024.

Sincerely,

M. Alexander Sewell, Esq., ICMA-CM
 Town Manager