

The Town of Broadway

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Donald F. Andrews, Mayor
Renee' Saville, Clerk

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To: Mayor and Commissioners

John M. Godfrey
From: John M. Godfrey, Town Manager

Date: May 15, 2026

Re: Fiscal Year 2026-2027 Budget Message

The presentation of the recommended FY 26-27 Budget has posed challenges in ensuring the Town of Broadway continues to have the means to provide quality services to its citizens, including public safety, maintenance of equipment and vehicles, upkeep of our facilities, and public utilities. Costs for goods and services continue to rise across the board, at a faster pace than the town's revenue. We have had to make several decisions to delay projects to minimize the impact on the budget. All funds within the proposed budget for the General Fund and Enterprise Funds are balanced.

General Fund

To cover basic needs, I recommend a 3-cent increase in the property tax rate. If approved, the new rate would be 49 cents per \$100 of value. A home valued at \$250,000 could expect about a \$75 increase in property tax. This increase is needed to maintain our current level of services as costs continue to escalate across the board. There is an expected increase in health insurance costs for our employees. We are recommending a 3% cost-of-living increase for all employees. The town is seeking a grant writer to help us identify and apply for better grant opportunities. There is also a new federal requirement to update our website to be ADA-compliant by 2027. This will require the services of a professional municipal software company. Regarding our maintenance department, we plan to repair the

town hall parking lot by filling and sealing cracks. We will also replace one of the aging public works trucks. We are responsible for maintaining our Wastewater Treatment Plant daily, and during inclement weather, there are challenges in getting to the plant.

We continue to face external challenges in attracting and retaining police officers. We had hoped to add another officer. Currently, staffing levels place an additional burden when an officer is on vacation, ill, in training, or in court. Another officer would allow the department to operate more efficiently. Unfortunately, adding another officer without growth would require a significant increase in the tax rate. After much discussion with the commissioners, we concluded that adding another police officer was not feasible at this time. The police department's fleet includes several patrol units that need to be replaced. In Fiscal 2026/2027, we will replace one of those vehicles. We also need a new vehicle to maintain our fleet. The department's body camera software required updates, which also incurred higher costs.

The cost of electric utilities continues to increase. The budget accounts for higher electric utility costs for our buildings and streetlights. The costs for IT support, Code enforcement, and legal support continue to rise, and those costs are reflected in the budget.

The purchase of the replacement public works vehicle and the police patrol vehicle are capital purchases. The purchases will be made using fund balance reserves.

Water and Sewer Fund

The town operates an Enterprise Fund that manages the water and wastewater infrastructure. The town recently completed an Asset and Inventory Analysis of its wastewater infrastructure. The report included a Capital Investment Plan and recommended rates to maintain the current system and fund upgrades. To fund capital investments and keep pace with the costs of operating the water and wastewater systems, we recommend a 10% increase in water and sewer rates, along with a \$2 increase in user fees.

Conclusion

We continue to face challenges each year. I believe we have thoughtfully and methodically created the budget necessary to provide the services our town requires and expects amid these challenges. Our employees are committed to providing excellent service to our town. We take pride in serving the citizens of Broadway and will do our best to continue doing so.

This is a proposed budget. At this time, it is neither final nor indicative of what the Town Board will approve. The Board will review the proposal and determine what it considers best for the Town of Broadway in 2026-2027.

**TOWN OF BROADWAY
FY 2026/2027 Proposed Annual Budget**

<u>SUMMARY</u>	<u>REVENUES</u>	<u>APPROPRIATIONS</u>
General Fund	\$ 1,528,159.00	\$ 1,528,159.00
Enterprise Fund	\$ 643,931.00	\$ 643,931.00
TOTAL BUDGET	<u>\$ 2,172,090.00</u>	<u>\$ 2,172,090.00</u>

GENERAL FUND

EXPENDITURE

Governing Body	\$ 13,626.00
Administration	\$ 172,271.00
Finance	\$ 214,862.00
Maintenance	\$ 196,547.00
Police	\$ 543,355.00
Special Appropriations	\$ 361,553.00
Debt Service	\$ 25,945.00

TOTAL GENERAL FUND	<u>\$ 1,528,159.00</u>
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ENTERPISE FUND

EXPENDITURES

Water & Sewer	\$ 643,931.00
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TOTAL UTILITY FUND	\$ 643,931.00
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TOTAL ALL FUNDS	\$ 2,172,090.00
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GENERAL FUND

REVENUES

Ad Valorem Tax - Lee County	\$ 664,063.00
Ad Valorem Tax - Harnett County	\$ 7,475.00
NCVTS Motor Vehicle Tax	\$ 92,169.00
Local Option Sales & Use Tax	\$ 222,392.00
Solid Waste Disposal Tax	\$ 1,262.00
Powell Bill	\$ 51,800.00
Beverage Tax	\$ 5,948.00
Utility Franchise Tax	\$ 64,000.00

Police Fees	\$ 250.00
Sanitation Fees	\$ 143,300.00
Cemetery Lot Sales	\$ 12,500.00
Interest Income	\$ 25,000.00
Community Building Rent	\$ 7,500.00
Miscellaneous	\$ 500.00
Reimbursement Water/Sewer	\$ 10,000.00
Festival	\$ 25,000.00
Interlocal Agreement	\$ 90,000.00
Unallocated Fund Balance	\$ 105,000.00

TOTAL GENERAL FUND \$ 1,528,159.00

ENTERPRISE FUND

REVENUES

Water & Sewer Revenue	\$ 616,581.00
Water Taps	\$ 2,500.00
Sewer Taps	\$ 2,500.00
Reconnect Fees	\$ 15,000.00
Credit Card Fees	\$ 7,000.00
Miscellaneous	\$ 350.00

TOTAL ENTERPRISE FUND \$ 643,931.00

TOTAL ALL FUNDS \$ 2,172,090.00

TOTAL RATE PER \$100 VALUATION **\$0.49**