

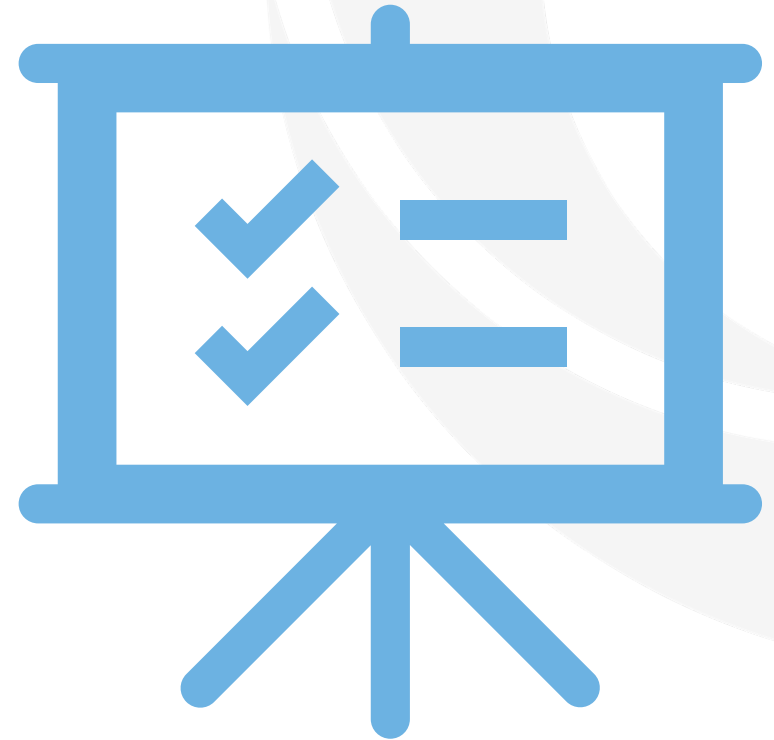


Preliminary FY27 Budget

Council Retreat
February 19, 2026

Agenda

- I. Economic Trends and Indicators
 - A. Economic Updates
- II. FY 27 Budget
 - A. FY26 Recap
 - B. Budget Process Overview
 - C. Revenue Projections
 - D. FY27 Working Budget
- III. Council Discussion and Direction
- IV. Multi-Year Model
- V. Capital Improvement Plan (CIP)



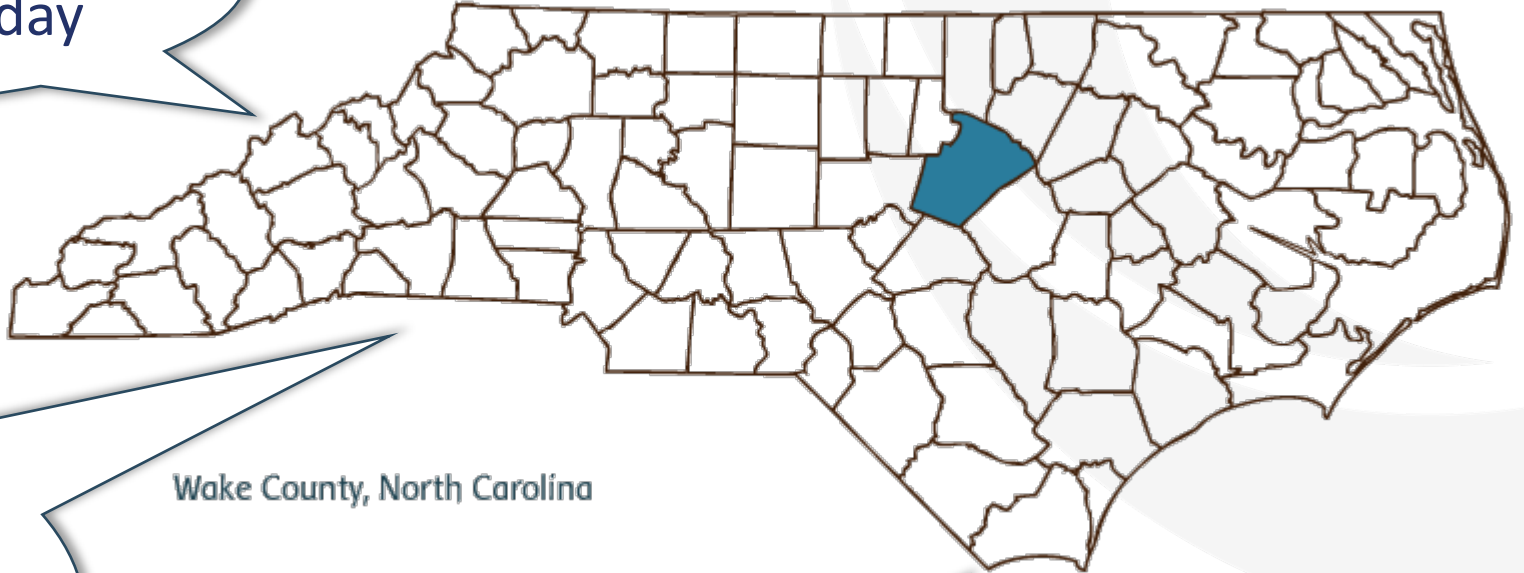


Economic Trends & Indicators

Economic Snapshot: Wake County



Wake County (+) 66
new residents per day



Wake County, North Carolina

Wake County is the 3rd
fastest growing county in
the US
-Wake GPS Summit

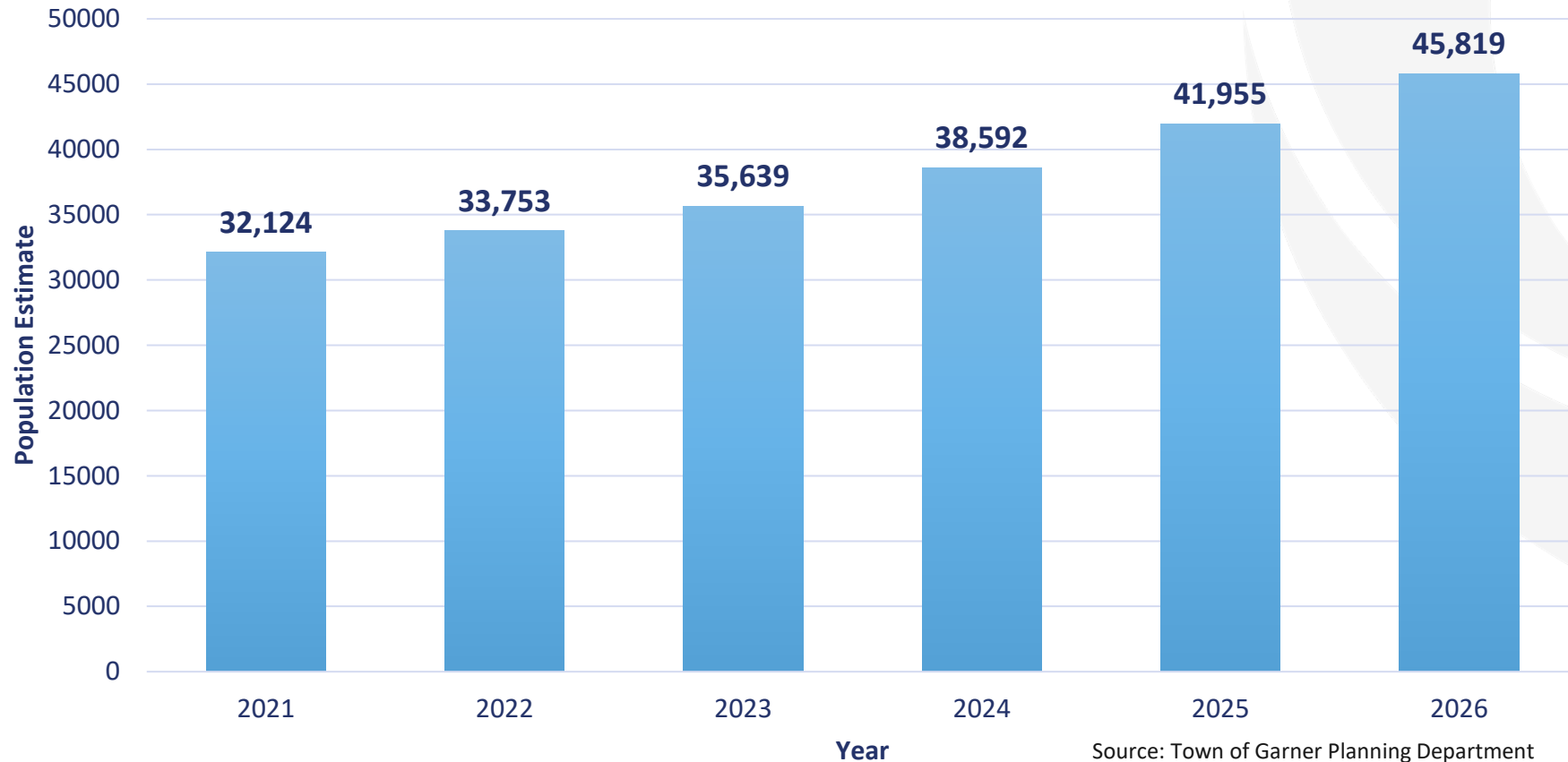
3.1% unemployment
rate



Economic Snapshot: Garner



Garner Population Growth



- Estimated population stands at 45,819 residents
- Garner population 9.2% increase, from February 2025 to February 2026



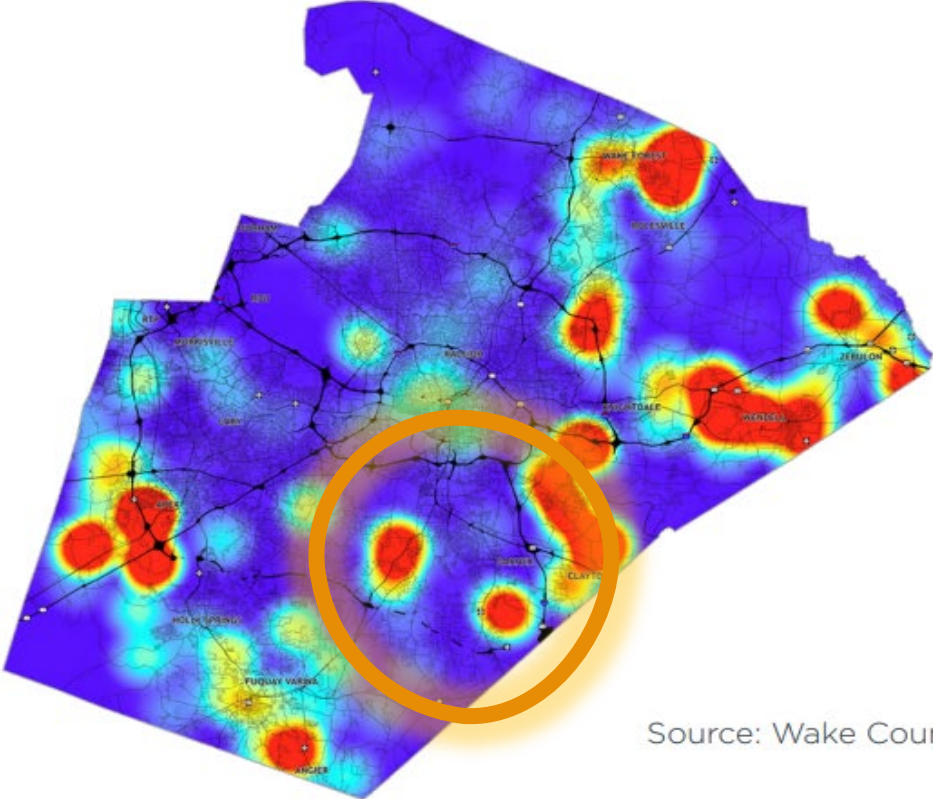
Wake County Permit Growth

Residential & Commercial Permit Concentrations

Wake County: 2024

Legend

Permit Density

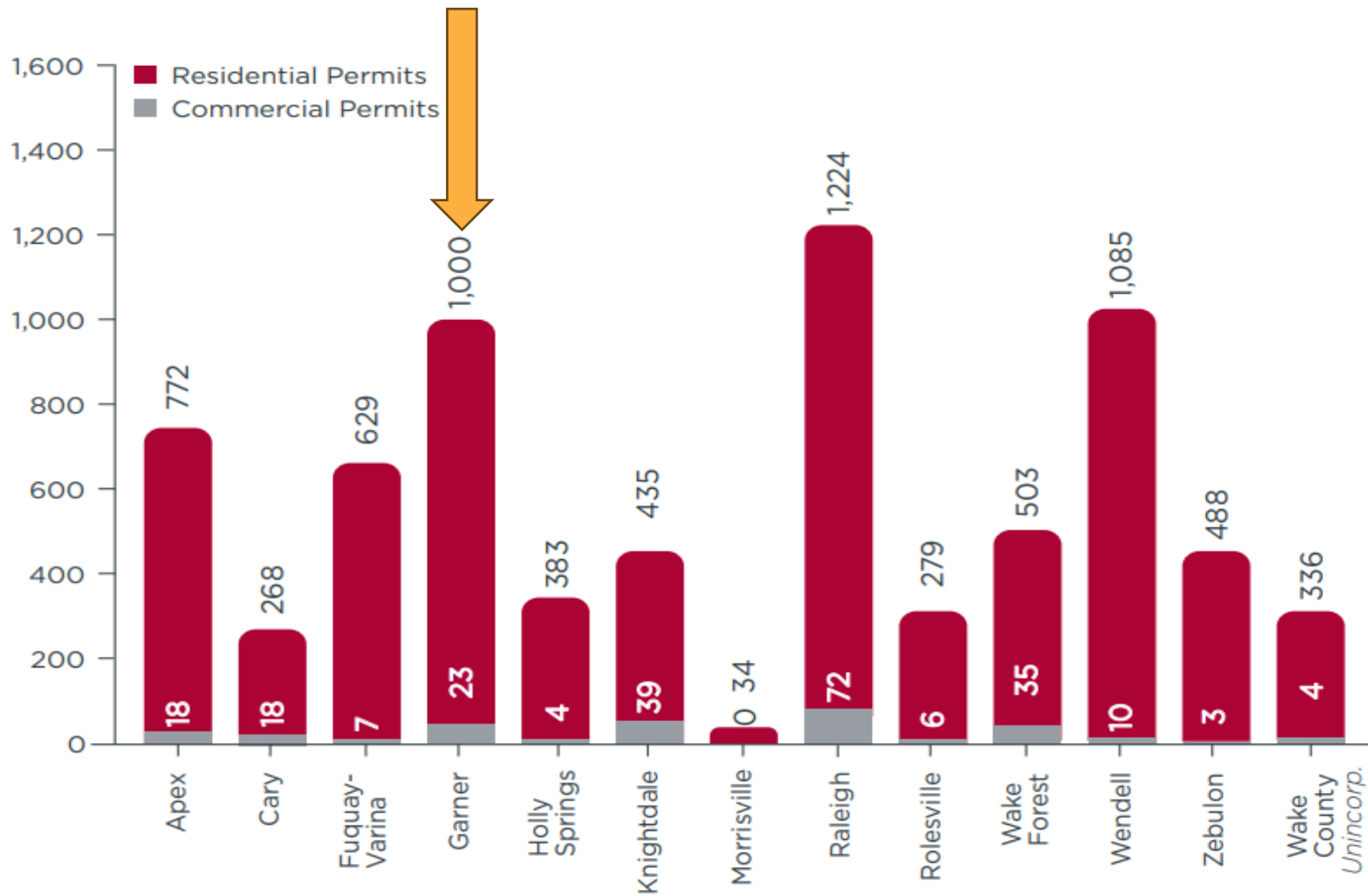


Source: Wake County Planning Department



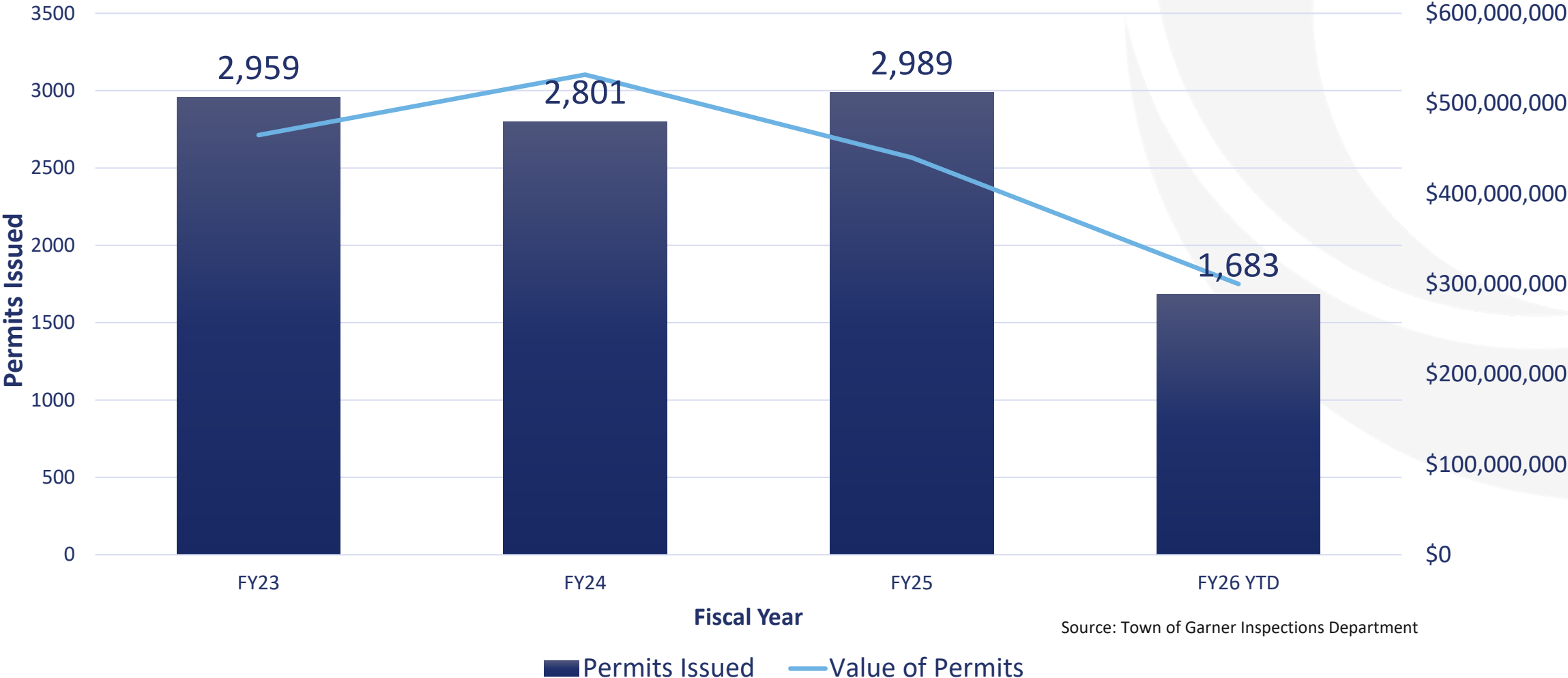
Wake County Permit Growth

New Residential & Commercial Permits by Municipality





Town of Garner Permit Growth





Budget Process



FY 2026 Guiding Principles

Foundations for a Vibrant Community

Continue strategic incremental steps to meet growing demands

- Maintain a safe and prosperous community
- Investment in a vibrant community
- Ensure competitive employee compensation and benefits
- Capacity building for internal and external infrastructure
- Preparing for future needs and opportunities



FY26 Recap - A Vibrant Future



- 1¢ = \$978,357
- 365 FTEs
 - Yeargan Operating Impacts- 12 FTEs
 - Assistant Attorney
 - Affordable Housing Position
 - Public Safety
 - Garner Fire-Rescue Merger- 9 FTEs
 - Garner Police- 3 FTEs
 - Continued Investments in Town Employees
 - 4% Merit Increases
 - 3% Market Adjustment





FY26 Recap - A Vibrant Future



- Maintaining our Assets
 - Continued funding for VERT & PFRM
- PRCR- 2 FTEs
 - Recreation Management Software
 - Penny for Parks
- Public Art- \$50k annually
- Preserving Homes- \$100k annually
- Technology Advancements
- Traffic Calming & Street Resurfacing \$644,272



Budget Process

Base Budget Development begins in September

December – February

- Department heads can submit expansion requests starting in early December until mid-January
- BMS analyzes expansion requests and makes recommendations to the Manager's Office for inclusion in the Manager's recommended budget
- Council holds a retreat in February to discuss the upcoming budget and offer guidance and direction





Budget Process

March – June

- Budget team works on creating the new fiscal year's budget book
- Budget portal opens in March for residents to submit comments related to the budget
- Manager's Proposed Budget submitted in early May
- Public Hearing is held for residents to weigh in on the Manager's Proposed Budget
- Work session held in mid-May for Council to discuss the Manager's Proposed Budget
- Council approves budget ordinance in June

Base Budget Equation



TARGET BASE DEVELOPMENT	
Starting Point	Prior Year Adopted Budget
Less	Prior Year One-Time Expenses
<i>Adjustments To Target Base</i>	
Plus	Personnel/Benefit Rate Adjustments outside a department's control (examples: Local Government Employees Retirement System rates, health insurance rate increases, etc.)
Equals	BASE BUDGET



Recommended Budget Equation

RECOMMENDED BUDGET DEVELOPMENT	
Starting Point	<i>Working Budget</i> The Base Budget once created, transitions to Working Budget as balancing and expansion requests are finalized.
Plus	<ul style="list-style-type: none">• Prior Approved Expansion Request• FY27 Approved Expansion Requests• Organization Increases (merit, market adjustments, etc.)• Council Requests, Guidance and Priorities (from retreat)
	<i>Adjustments To Working Budget</i>
Equals	RECOMMENDED BUDGET





FY27 Budget

"Our Town, Our People"



FY 2027 Guiding Principles

Our Town, Our People

Strengthening the foundation of our community by investing in the people, infrastructure and services that allow Garner to thrive.

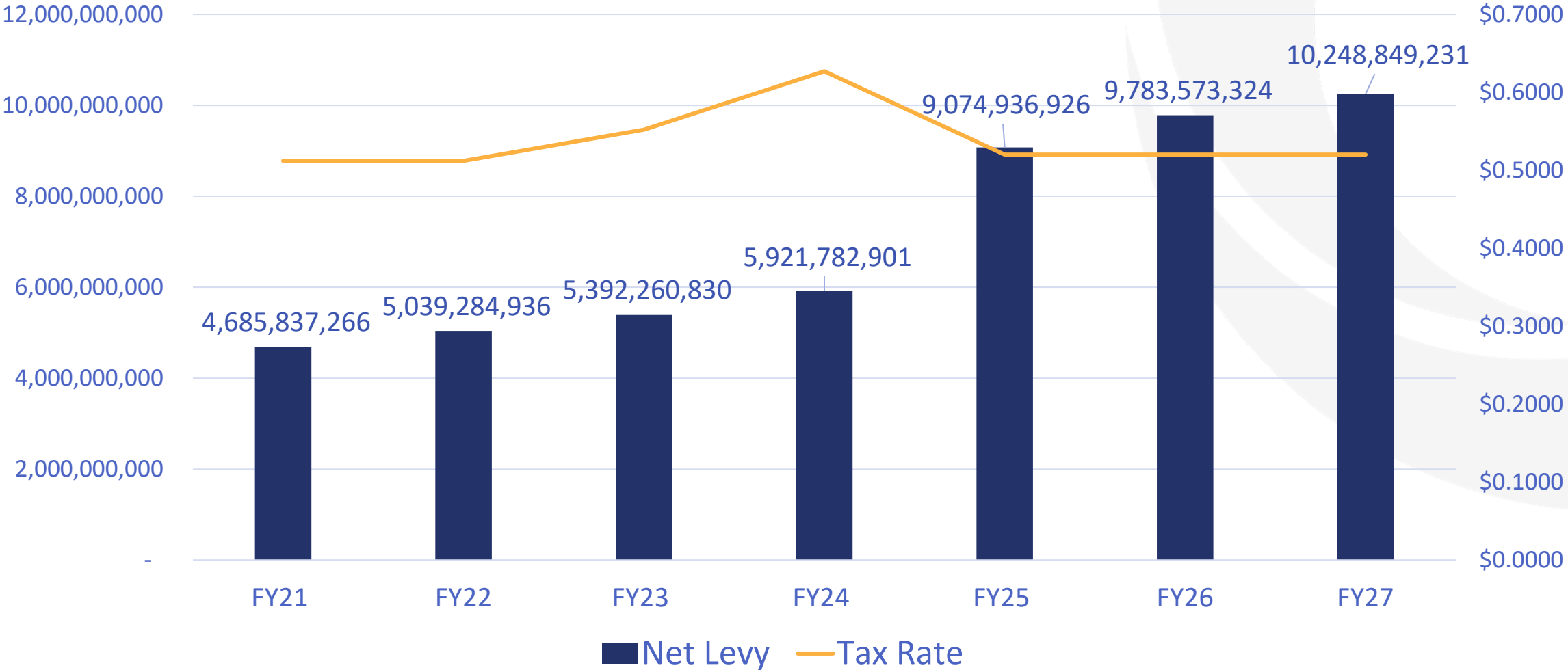
- Maintain a safe and resilient community
- Invest in inclusive and high-quality services where all residents benefit
- Support and retain a talented workforce
- Strengthen operational and community infrastructure
- Plan responsibly for future needs and challenges



Town of Garner Historical Growth



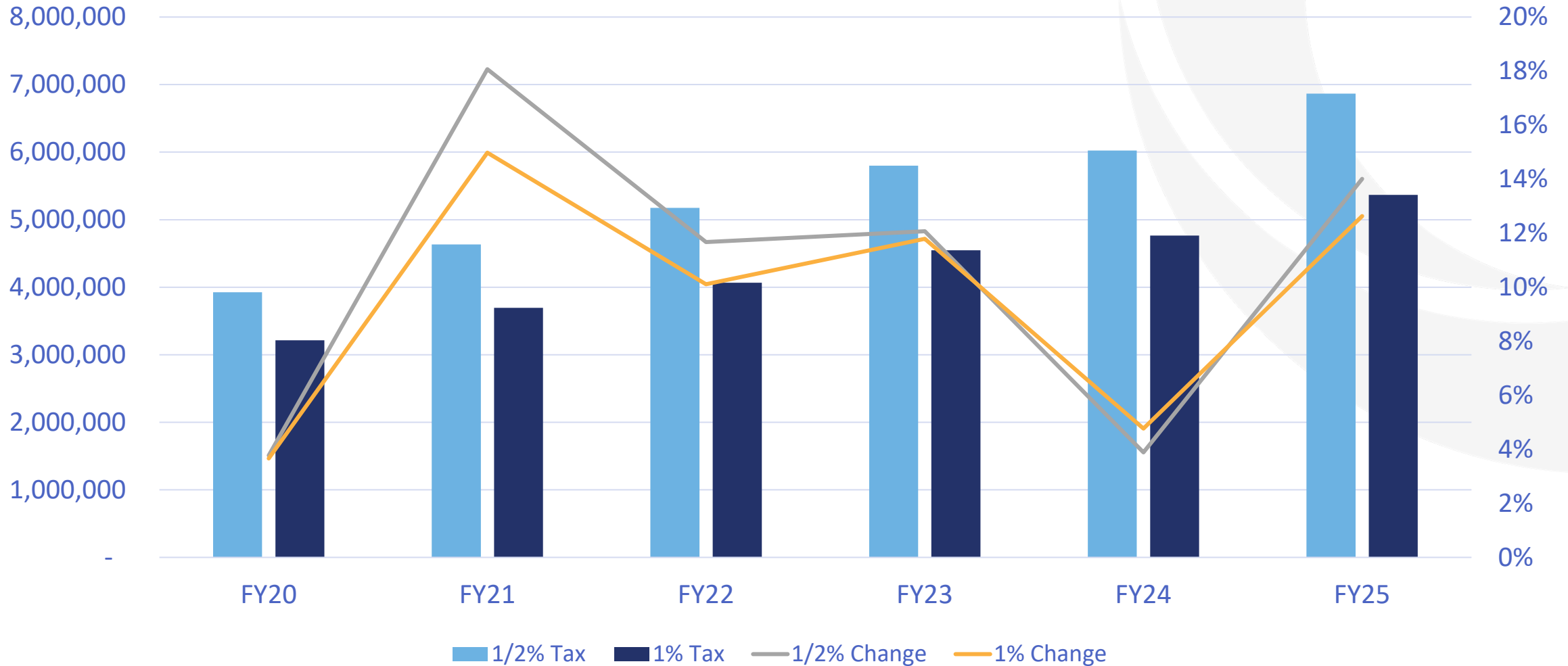
Net Levy Assessed Value Historical Growth





Sales Tax YoY Change: Town of Garner

Sales Tax Distributions and YoY Changes

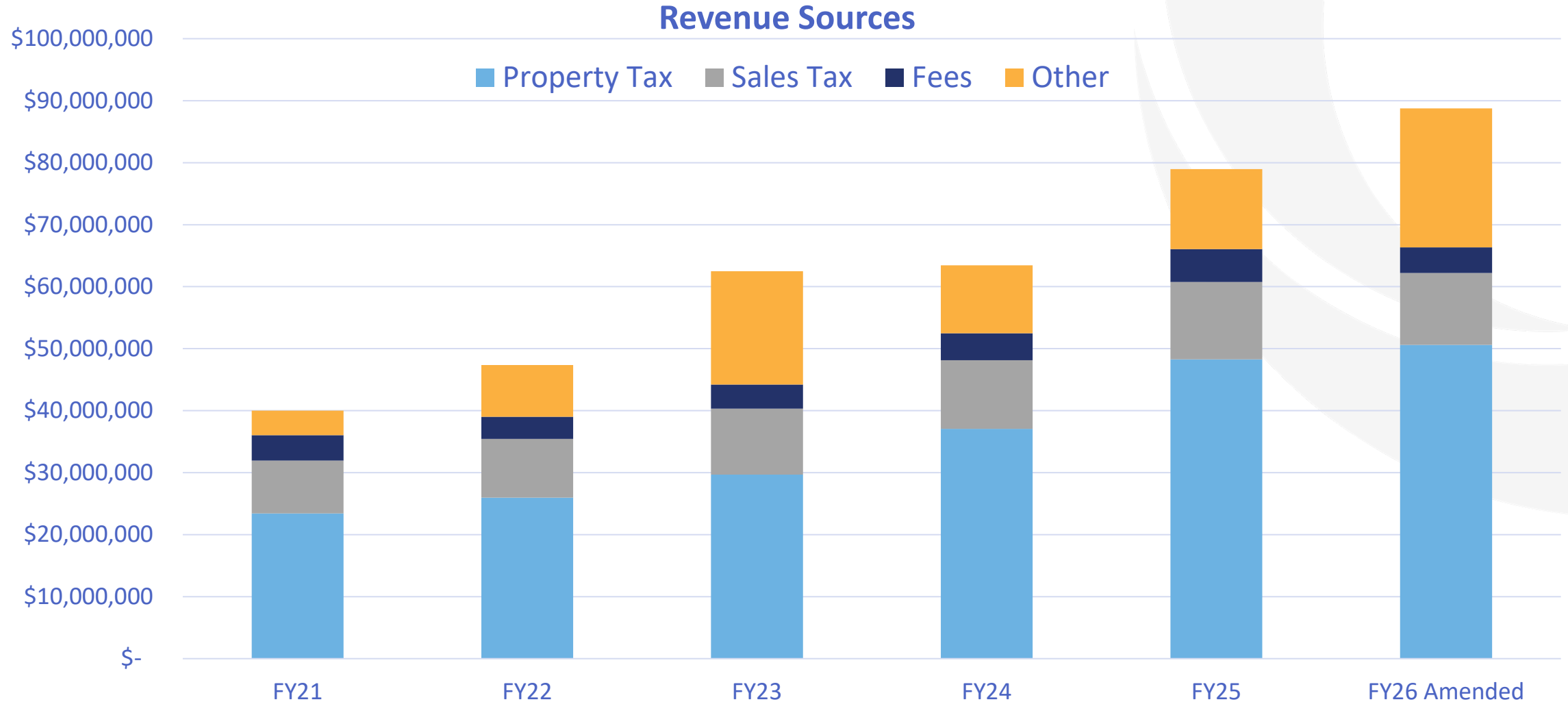




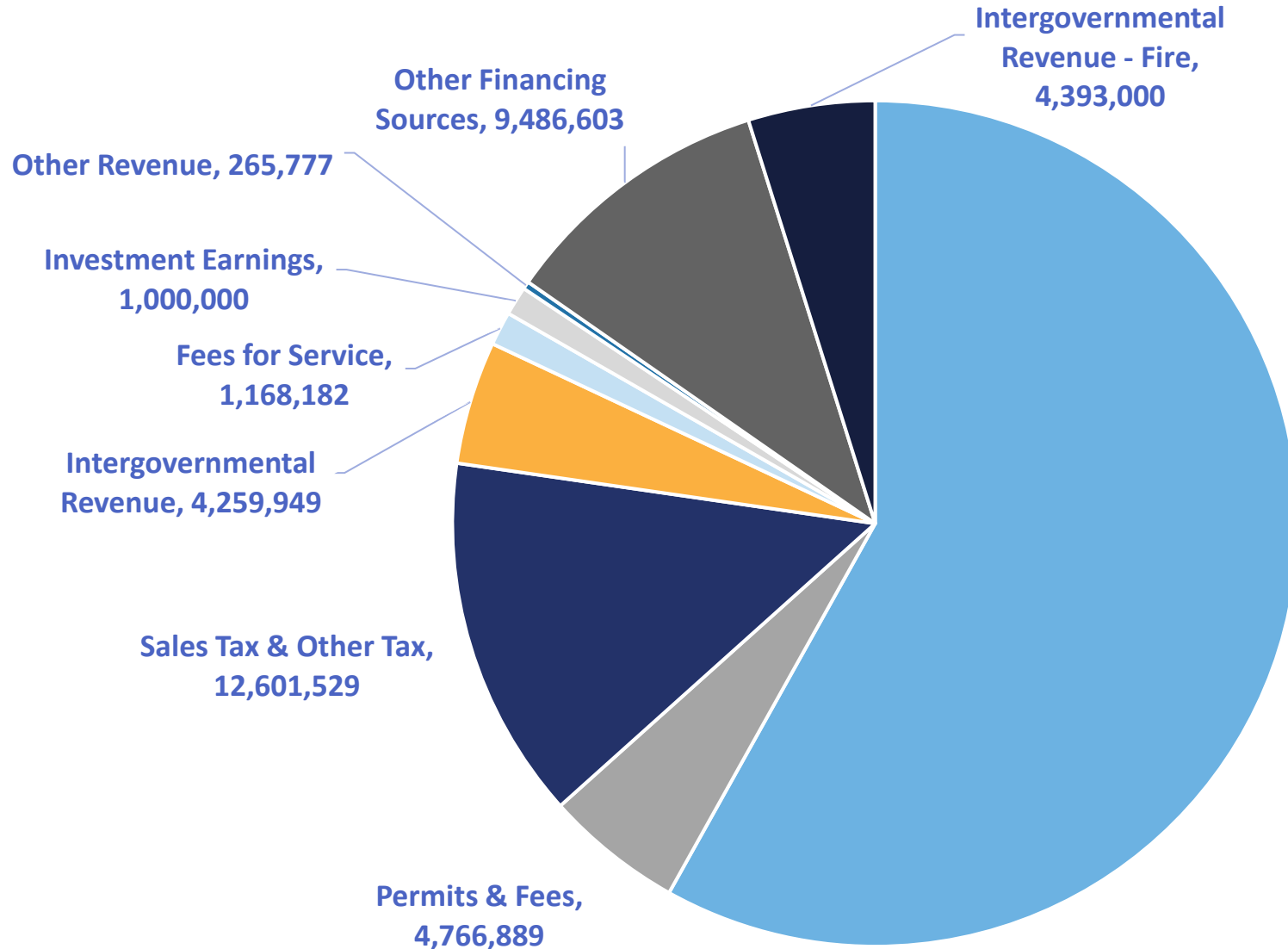
Sales Tax Changes

- Wake County distributes municipal sales tax on a per capita basis
- The per capital distribution resets each year in August
 - In 2025 Garner's per capital share decreased from 1.74% to 1.69% of total county collections
 - Year-over-year sales tax growth is still positive, but rate has slowed
 - *Ex. August 2024 increase over 2023 = 10.94%*
August 2025 increase over 2024 = 4.31%

Historical Revenue Trends by Fiscal Year



FY27 Working Revenues - \$90.6m



1¢ = \$1,024,885





FY27 Working Budget

FY27 Working Budget

1¢ = \$1,024,885



	FY25 Actual	FY26 Amended	FY27 Working Budget
Revenues	78,949,401	88,750,123	90,567,835
Expenditures	66,449,812	88,750,123	90,594,625
(Over)/Under	12,499,589	-	(26,790)
FY27 Obligations			
	Health Insurance		227,000
	Additional Pay Period		1,509,000
	<i>Pay & Class Update*</i>		<i>1,500,000</i>
	Total		3,236,000
	<i>(Over)/Under</i>		<i>(3,262,790)</i>

* Work is currently underway for the pay and class update, and preliminary numbers are not available.

FY27 Working Budget

1¢ = \$1,024,885



- *FY27 Expectations: items where funding is strongly recommended due to prior commitments*

FY27 Expectations	FTEs	Cost
Merit and Market Adjustments		1,415,000
Yeargan Homestead		1,000,000
Additional Operating Impacts for Yeargan		415,998
FY26 Multi Year Approved Positions	3.0	383,000
Fire Equipment and Upgrades (County Cost-Share)		344,000
Peacock Dam Remediation		155,000
White Deer Splash Pad Operating Impacts		98,362
Total	3.0	3,811,360

FY27 Working Budget

1¢ = \$1,024,885



- Budget Requests submitted January 19
- Budget & Management Services is currently reviewing all requests
 - Demonstrated Needs:
 - 18.0 FTEs
 - \$2.1 million
 - Service Enhancements:
 - 4.0 FTEs
 - \$1.8 million
- Departments will meet with the Manager's Office in mid-March to discuss demonstrated needs and service enhancements

FY27 Working Budget

1¢ = \$1,024,885



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Revenues	78,949,401	88,750,123	90,567,835
Expenditures	66,449,812	88,750,123	90,594,625
(Over)/Under	12,499,589	-	(26,790)
		FTEs	
	FY27 Obligations	-	3,236,000
	FY27 Expectations	3	3,811,360
	FY27 Demonstrated Needs	18	2,106,546
	FY27 Service Enhancements	4	1,811,226
	Total	25	10,965,132
	<i>(Over)/Under</i>		<i>(10,991,922)</i>

Questions



Council Discussion





Multi-Year Model

- A multi-year budget allows both staff and Town Council to match available resources to future requirements and to adjust as necessary.
- Was introduced in FY20 to help understand anticipated growth and fiscal position
- Has continued to help Council identify long-term priorities
- In FY25, new software was introduced which allowed the Town to better plan and forecast multi-year needs



Multi-Year Model

- Staff has worked with the software vendor to create an interactive dashboard:
 - Pulls data from the budget system
 - Allows for variables such as growth factors, tax rates, and assessed value
 - Allows for in-the-moment estimations for Council priorities
- Staff is continuing to work with the software vendor to refine the dashboard
- <https://garner.lomali.io/>

The screenshot shows a financial dashboard with the following sections:

- Forecasted Revenue:** Property Tax, Fees, Other Taxes, Other Revenues, Transfer from Debt Service, Total Revenue.
- Forecasted Expenditures:** Salaries & Benefits, Operating, Capital, Debt, Debt Service, Cost of Living Adj., Employee Reserve, Total Expense.
- Departmental Needs:** Police Administration, Community Engineering, Fire Services, Total Requests, Total FTE.
- Tax Rate Analysis:** Growth %, Assessed Property Value, Property Tax Increase, Tax Rate, Tax Rate Increase, Change in Tax Rate Needed, Adjusted Tax Rate.

	FY2027	FY2028
Forecasted Revenue		
Property Tax	50,596,715	54,168,881
Fees	5,932,394	6,148,854
Other Taxes	11,606,892	11,780,995
Other Revenues	10,257,736	9,491,731
Transfer from Debt Service	8,933,795	8,704,480
Total Revenue	\$87,327,532	\$90,294,942
Forecasted Expenditures		
Salaries & Benefits	43,884,440	49,954,450
Operating	20,604,276	20,899,590
Capital	5,588,986	5,651,874
Debt	8,933,795	8,704,480
Debt Service	8,316,035	8,731,837
Cost of Living Adj.	4%	3%
	1,755,378	1,498,634
Employee Reserve	500000	500000
Total Expense	\$89,582,910	\$95,940,864
Gap / Surplus	-\$2,255,378	-\$5,645,922
Departmental Needs		
Police Administration	0	428,704
Community Engineering	0	89,672
Fire Services	0	0
Total Requests	0	518,376
Total FTE	8	9
Gap / Surplus	-\$2,255,378	-\$6,164,298
Tax Rate Analysis		
Growth %	5	5
Assessed Property Value	10,423,303,238	10,944,468,400
Property Tax Increase	1,042,330,324	1,094,446,840
Tax Rate	52	51.978
Tax Rate Increase	0	0
Change in Tax Rate Needed	-0.022	-0.066
Adjusted Tax Rate	51.978	51.913