



RECOMMENDED ANNUAL BUDGET

FISCAL YEAR 2027

Presented by City Manager, Elton Daniels, ICMA-CM
May 11, 2026



ROCKY MOUNT, NC
THE CENTER OF IT ALL

The following budget was prepared in accordance
with the North Carolina Local Government
Budget & Fiscal Control Act

NCGS, Sec. 159-8

“Each local government and public authority shall operate under an annual balanced budget ordinance adopted and administered in accordance with this Article. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.”

FOCUS AREAS

The Fiscal Year 2027 Recommended Annual Budget was developed based on the following guiding principles:

1. Excellence in Public Safety
2. Fiscal Stewardship
3. Employee Development
4. Economic Opportunity & Neighborhood Redevelopment
5. Maintain & Improve Infrastructure



CHALLENGES & RECOVERY STRATEGIES

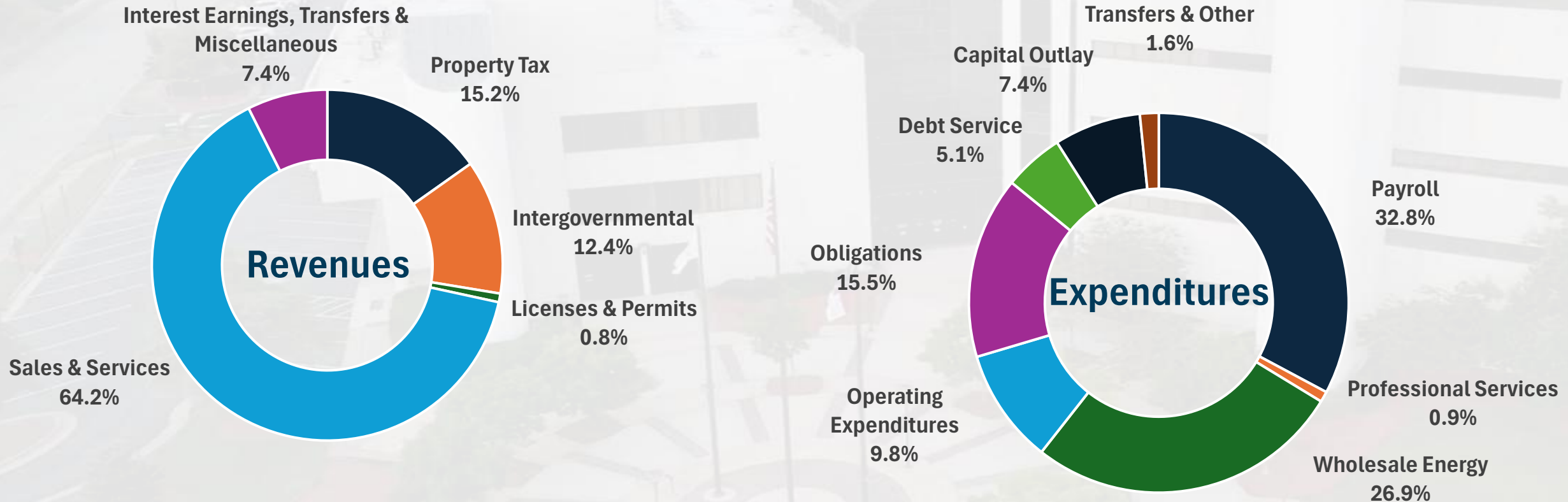
RECOVERY OBJECTIVE: MAXIMIZE CITIZEN IMPACT PER DOLLAR

CHALLENGE	RESPONSE
Public Skepticism	<ul style="list-style-type: none">• Focus on Transparency & Financial Accountability
Cash Balance Pressure	<ul style="list-style-type: none">• Align Recurring Expenditures with Sustainable Revenues• Spending Reduction & Fund Reserve Building• Alignment of Fees with Service Costs
Staffing & Service Pressures	<ul style="list-style-type: none">• Prioritization of Core Service, State Mandates, and Legal Obligations• Evaluate Vacancies Based on Strategic Service Needs
Structural Expenditure Growth	<ul style="list-style-type: none">• Realign Workforce with Strategic Service Needs
Infrastructure Constraints	<ul style="list-style-type: none">• Prioritize Capital Investments with the Highest Operational and Community Impact

ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Total FY 2027 Proposed Budget

\$269,680,496



*Aligns with NC Local Budget and Fiscal Control Act

TRANSPARENCY FOCUS

Comparative FY 2027 Proposed Annual Budget Presentations

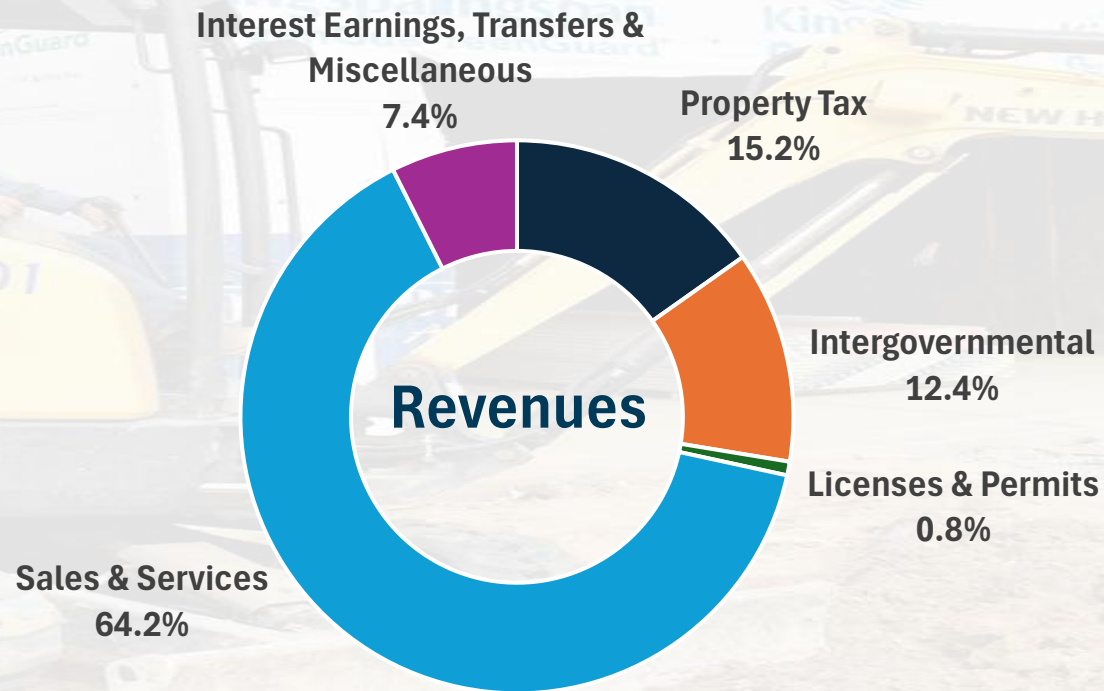
FY 2027 Proposed Budget as presented in FY 2026 and Prior Years	
General Fund	87,101,000
Powell Bill Fund	2,015,000
E-911 Fund	164,500
Electric Fund	89,373,300
Gas Fund	29,003,800
Water Fund	15,411,300
Sewer Fund	17,998,600
Stormwater Fund	4,904,880
Total Annual Operating Budget	245,972,380
Trust (Canteen) Fund (in Ordinance)	53,600
Self-Insurance Fund (in Ordinance)	15,000,000
Communications Fund (in Ordinance)	1,888,300
Transit Fund (Project Ordinances)	6,766,216
Total Appropriated Funds	269,680,496

FY 2027 Proposed Budget presented "All-In"	
General Fund	87,101,000
Powell Bill Fund	2,015,000
E-911 Fund	164,500
Transit Fund (New Annual Fund)	6,766,216
Electric Fund	89,373,300
Gas Fund	29,003,800
Water Fund	15,411,300
Sewer Fund	17,998,600
Stormwater Fund	4,904,880
Trust (Canteen) Fund	53,600
Self-Insurance Fund	15,000,000
Communications Fund	1,888,300
Total Annual Operating Budget	269,680,496

FINANCIAL ACCOUNTABILITY FOCUS

FY 2027 Proposed Revenues

\$269,680,496



Property Tax Ad Valorem paid on real (homes, buildings, land) & personal (vehicles, business assets) property	Licenses & Permits Annual Vehicle Permit Fee, Fire Permits, Planning Fees, Construction Permits
Intergovernmental Sales Tax, State-Shared Revenues, Powell Bill, State & Federal Grants	Sales & Services Utility Services, Solid Waste, Event Center, Parks & Recreation Fees
Interest Earnings, Transfers & Miscellaneous Earnings from Investment Accounts, Transfers from Other Funds, Sale of Assets	

ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Sales Tax Forecast



TOTAL TO CITY FY 2027
\$19,000,000

ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Proposed Revenue Changes



7¢ Property Tax Rate Increase

Proposed FY 2027 Rate

69¢ per \$100 (Assessed Value)

\$116/Year Increase for Median Home Value of \$165,700



= \$571,894

Increase Annual Vehicle Permit Fee from \$25 to \$30 for Street Resurfacing

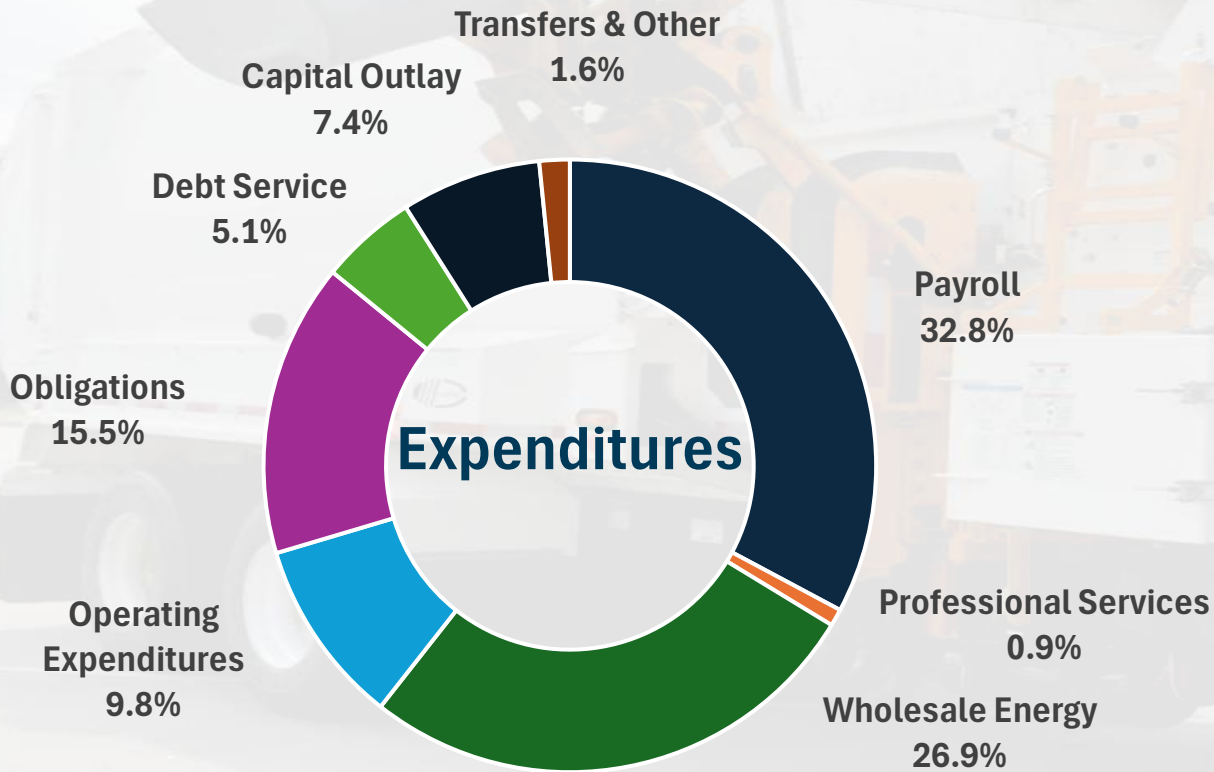
Increase Fees for Planning, Permits, and Inspections to Recover Operating Costs

Approximate 30% Gas Rate Increase to Address Wholesale Energy Prices, Operating Costs, and Capital Improvements (~\$8/Month for Residential Customers)

FINANCIAL ACCOUNTABILITY FOCUS

FY 2027 Proposed Expenditures

\$269,680,496

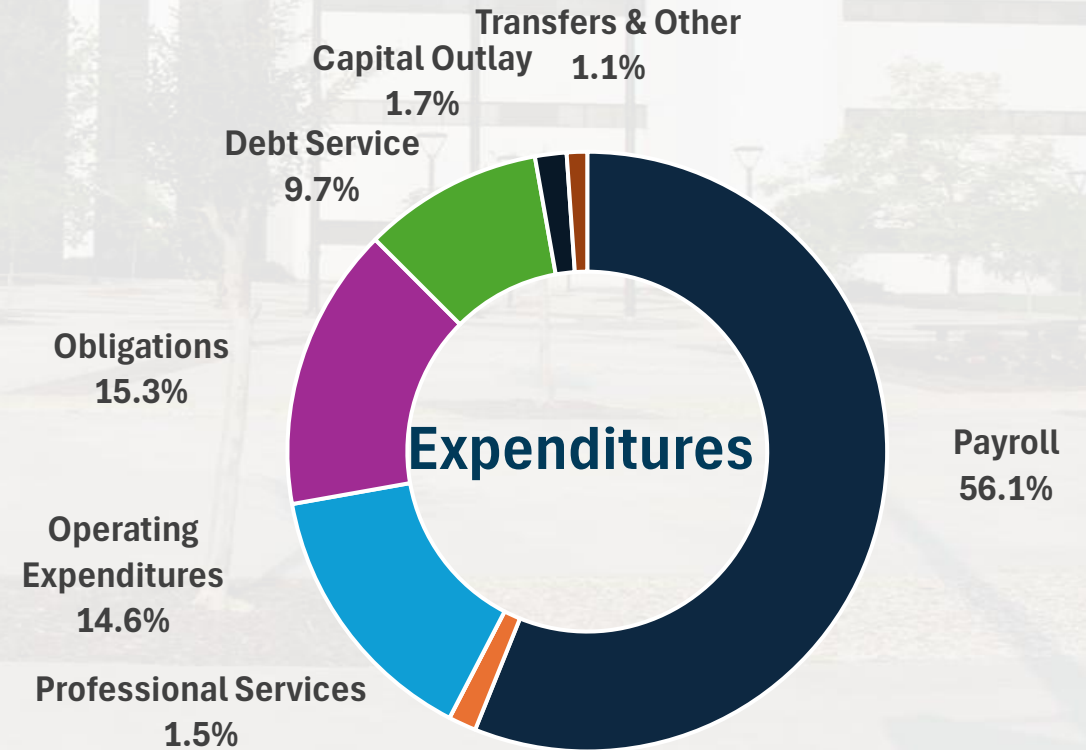
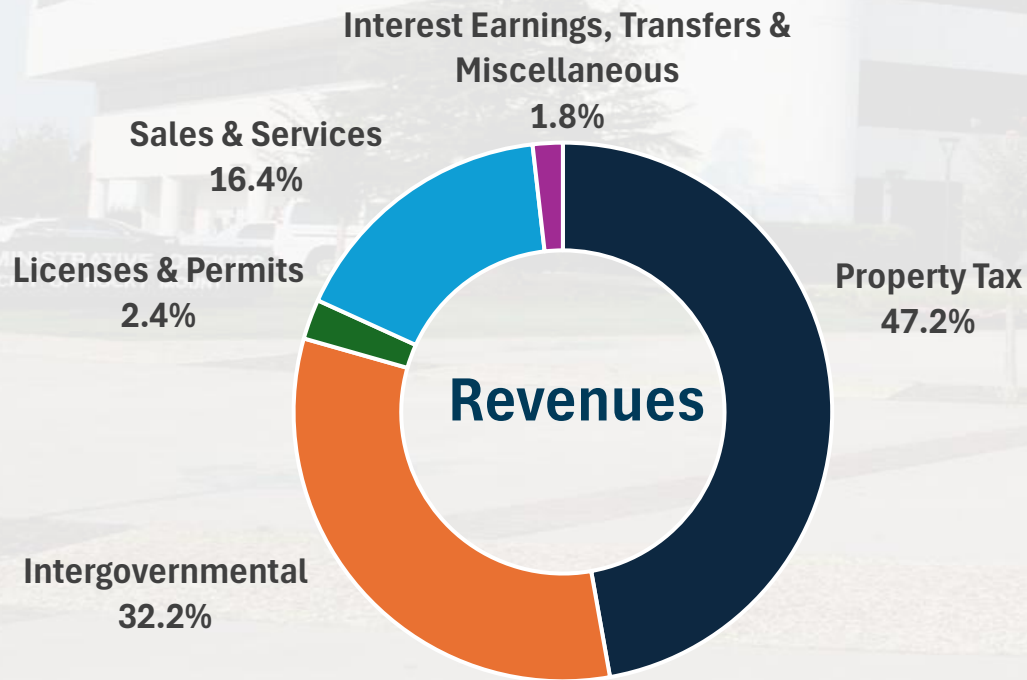


Payroll	Obligations
Employee Wages and Benefits	Maintenance & Service Contracts
Professional Services	Debt Service
City Attorney, Auditor, Outside Engineering	Principal & Interest on Bonds & Installments
Wholesale Energy	Capital Outlay
Electricity & Natural Gas for Sale to Customers	Equipment, Facilities, and Infrastructure
Operating Expenditures	Transfers & Other
Supplies, Fuel, Inventory	Transfers to Other Funds, Bad Debt Expense

ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Total FY 2027 Proposed General Fund Budget

\$87,101,100

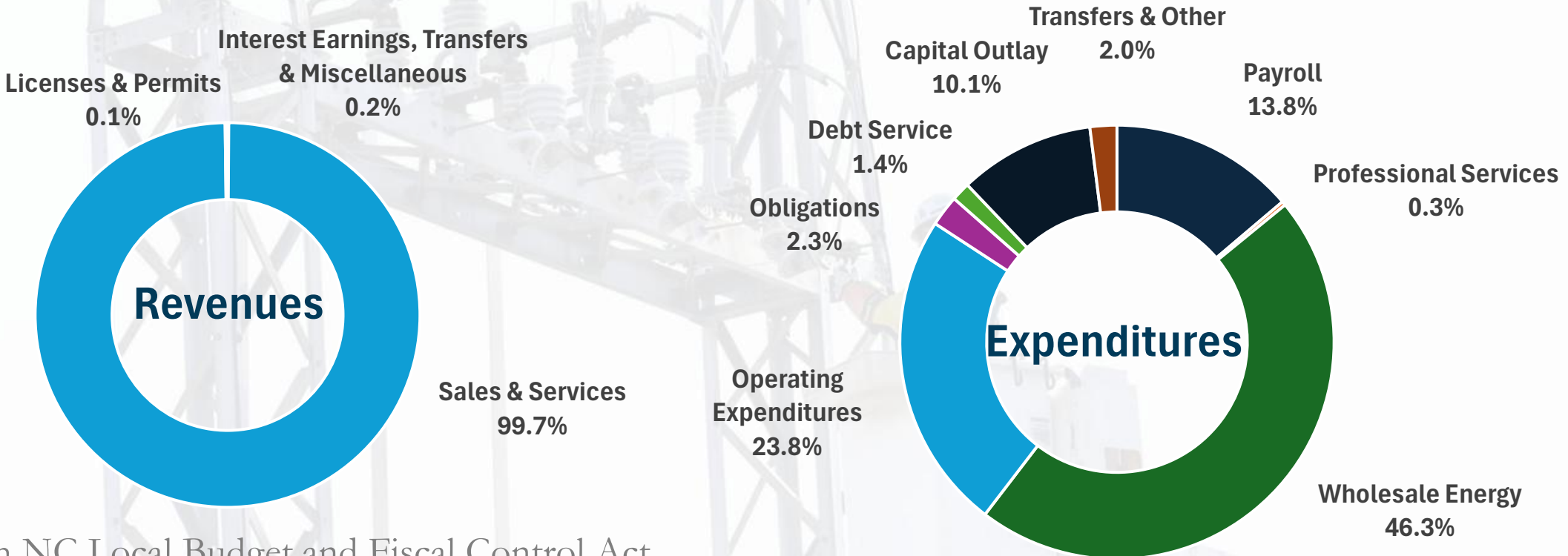


*Aligns with NC Local Budget and Fiscal Control Act

ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Total FY 2027 Proposed Utility Fund Budgets

\$156,691,880

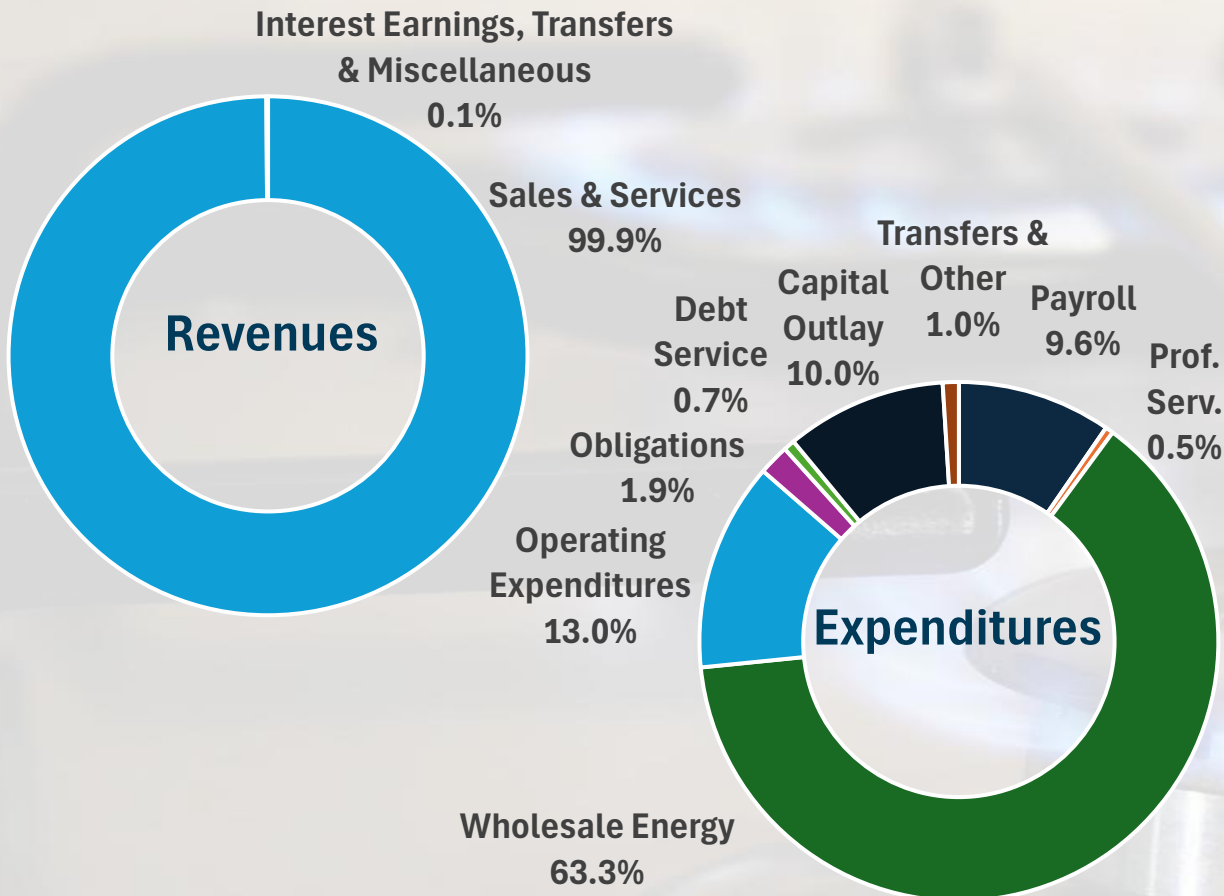


*Aligns with NC Local Budget and Fiscal Control Act

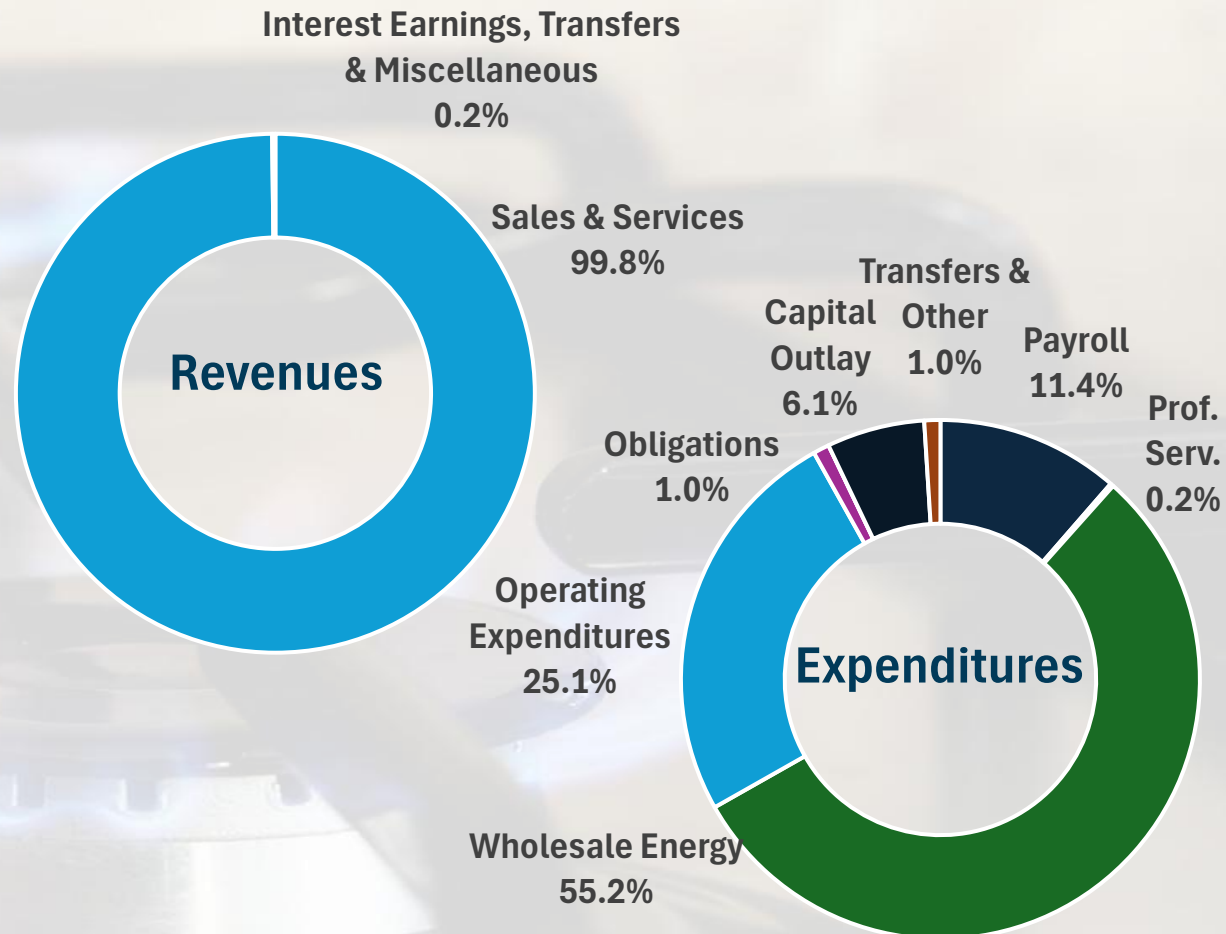
ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Total FY 2027 Proposed Electric & Gas Fund Budgets

Electric Fund \$89,373,300



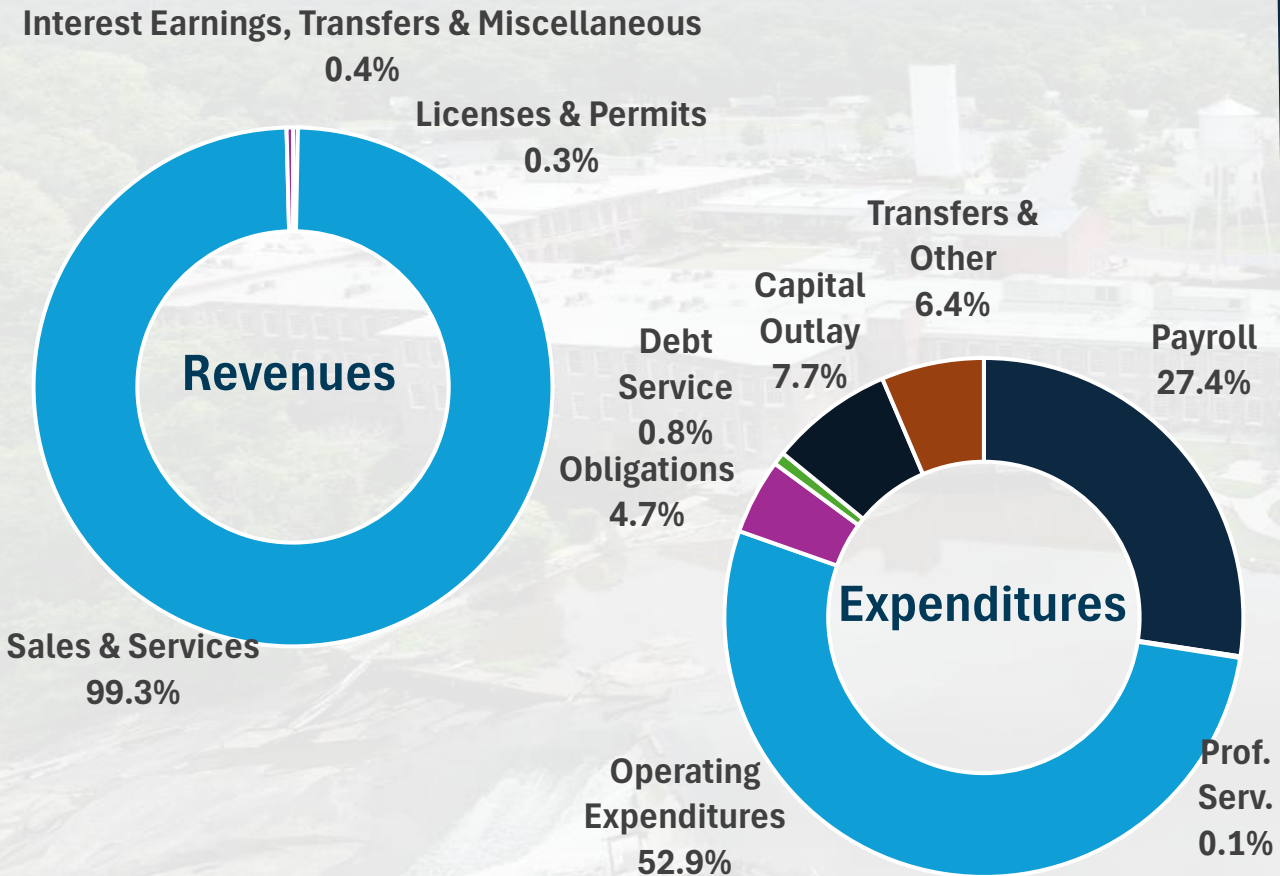
Gas Fund \$29,003,800



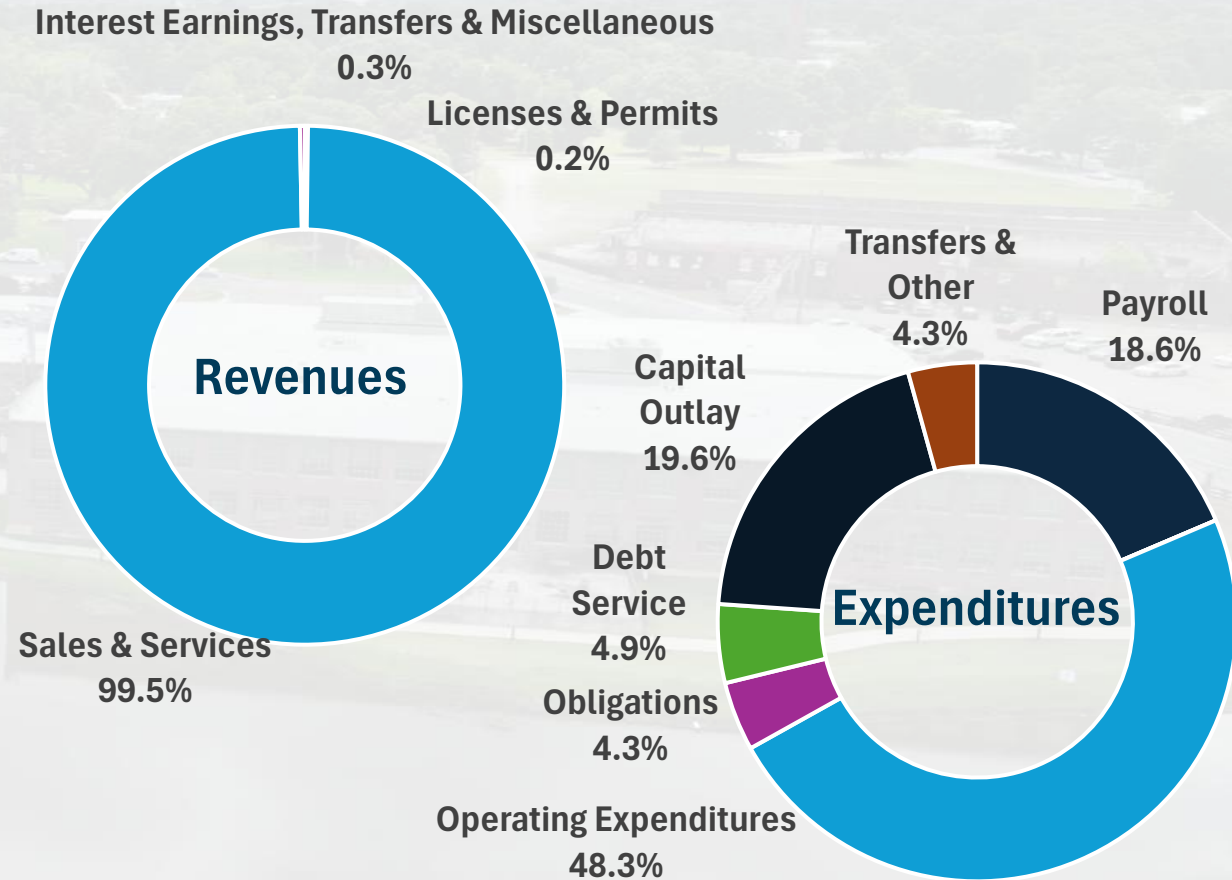
ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Total FY 2027 Proposed Water & Sewer Fund Budgets

Water Fund \$15,411,300



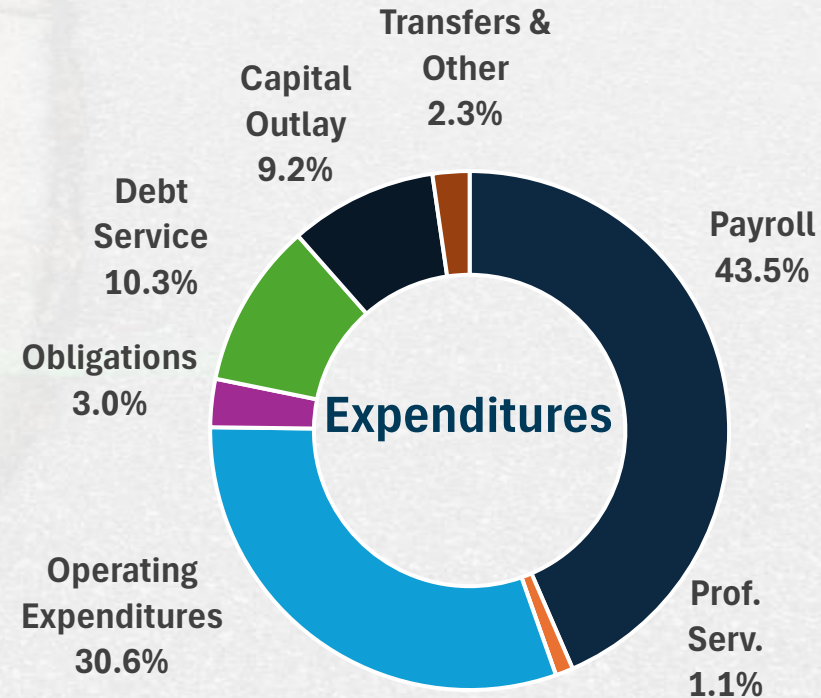
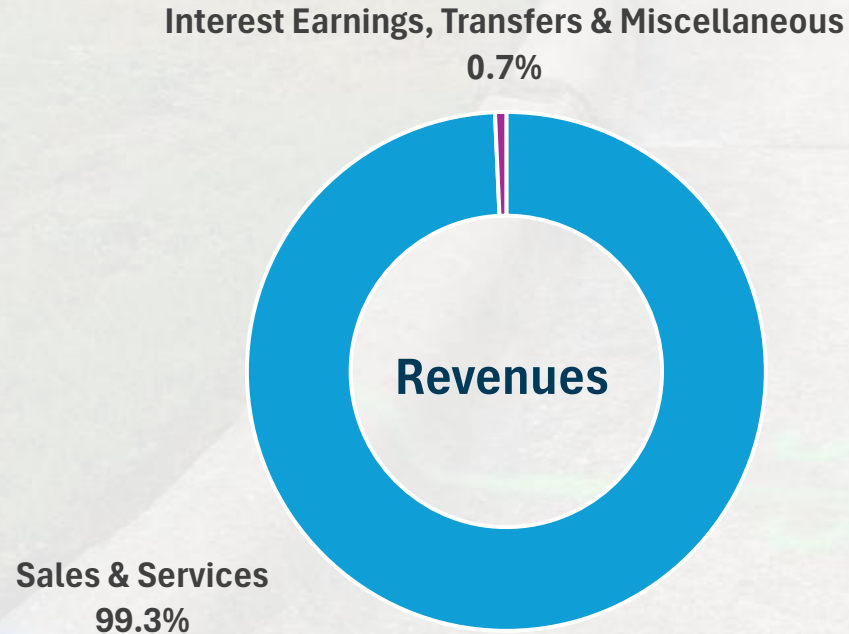
Sewer Fund \$17,998,600



ALIGN RECURRING EXPENDITURES WITH SUSTAINABLE REVENUES

Total FY 2027 Proposed Stormwater Fund Budgets

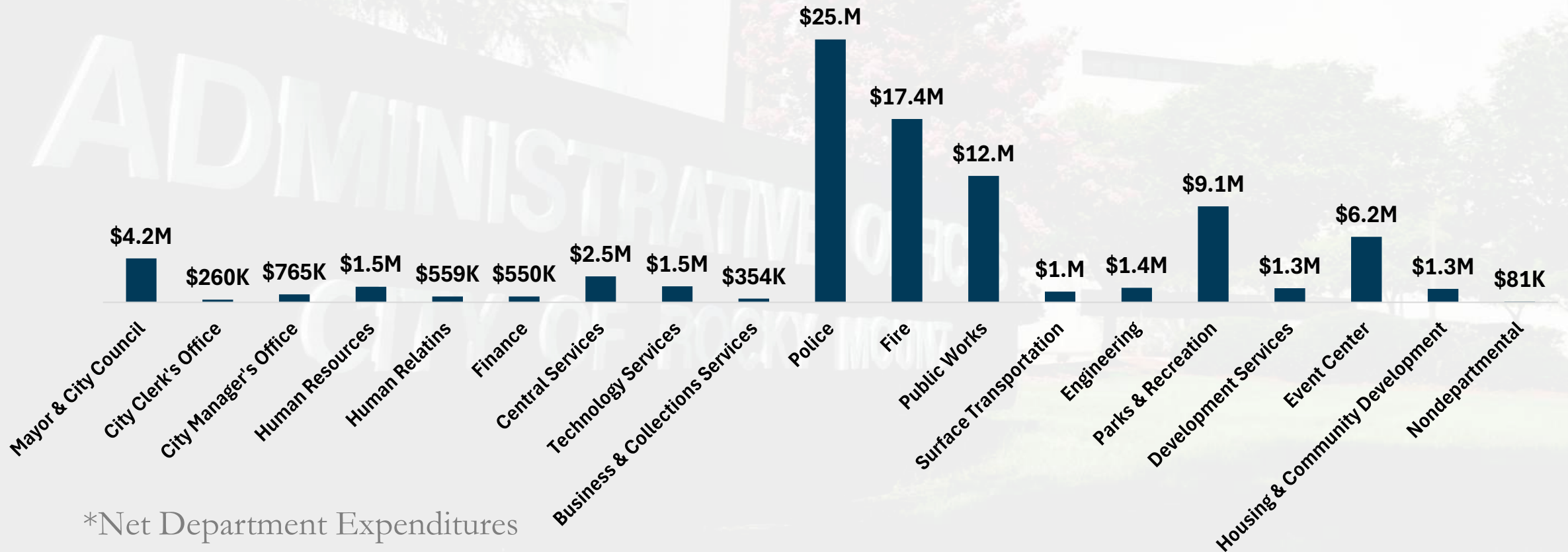
Stormwater Fund \$4,904,880



TRANSPARENCY FOCUS

General Fund FY 2027 Proposed

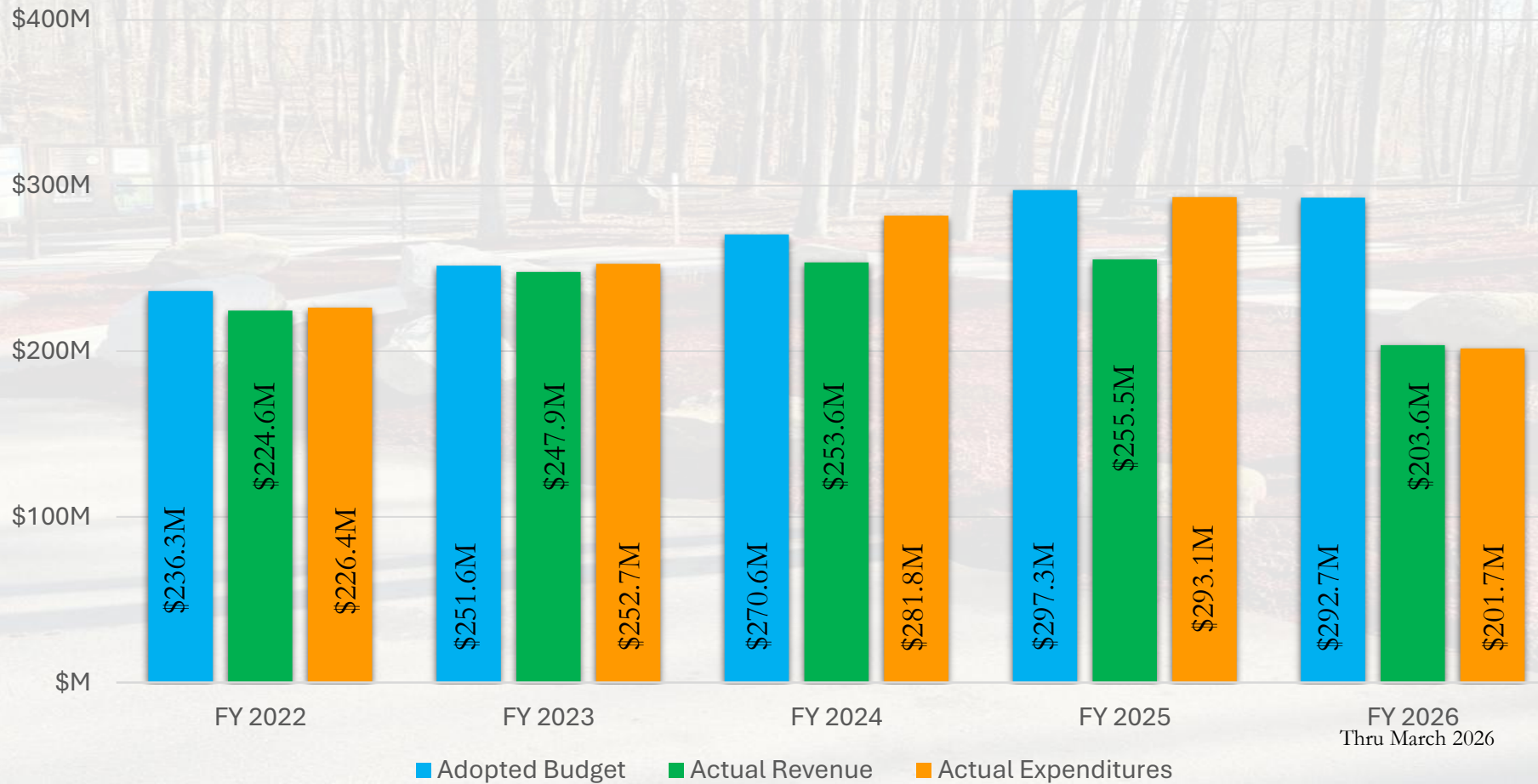
\$87,101,100



*Net Department Expenditures

FINANCIAL ACCOUNTABILITY FOCUS

5-Year Budget Trend



These numbers include funds appropriated in the prior Annual Budget Ordinances:

- General Fund
- Powell Bill Fund
- E-911 Fund
- Utility Funds
- Trust (Canteen) Fund
- Self-Insurance Fund
- Communications Fund

TRANSPARENCY FOCUS

FY26 & FY27 Fund Comparison



General Fund: \$4.5M



Utility Funds: \$15M



Total Operating Budget: \$16.1M

*Does not include Community Development Fund, which manages annual appropriations from Federal CDBG and HOME Grants

	FY 2026 Currently Revised	FY 2027 Proposed	Difference
General Fund	91,649,161	87,101,000	(4,548,161)
Powell Bill Fund	2,030,578	2,015,000	(15,578)
E-911 Fund	166,500	164,500	(2,000)
Transit Fund	6,863,595	6,766,216	(97,379)
Electric Fund	95,358,730	89,373,300	(5,985,430)
Gas Fund	28,989,750	29,003,800	14,050
Water Fund	16,078,038	15,411,300	(666,738)
Sewer Fund	25,011,166	17,998,600	(7,012,566)
Stormwater Fund	6,313,131	4,904,880	(1,408,251)
Trust (Canteen) Fund	224,340	53,600	(170,740)
Self-Insurance Fund	11,250,000	15,000,000	3,750,000
Communications Fund	1,882,058	1,888,300	6,242
Total Operating Budget	285,817,047	269,680,496	(16,136,551)

TRANSPARENCY FOCUS

STATE MANDATES, OBLIGATIONS & NECESSARY INCREASES

State Mandates & Obligations	
Debt Service	\$13,733,600
Current Commitments & Operational Service Contracts	\$41,771,400
Retirement Contributions	\$9,043,300
LEO Separation Allowance	\$600,000
401(k) for Sworn Officers	\$663,800
Inspection Services	\$1,075,700
Total	\$66,887,800

Necessary Budget Increases	
50% Fuel Increase	\$1,479,830
Retirement Contribution Rate Increase	\$188,930
Net Debt Service Increase	\$472,616
Employee Health Plan	\$3,750,000
Cost Allocation Reduction	\$2,888,723
Total	\$8,780,099

SPENDING REDUCTIONS

Annual Budgetary Impact

Deleting & Freezing Vacant Positions	\$6,160,000
Suspend 401(k) for Non-Sworn Officers	\$1,300,000
No COLA (2% for Active, Full-Time Employees)	\$1,286,000
No Longevity Pay	\$500,000
Suspend Funding for Most Outside Organizations	\$1,028,750
Suspend Downtown Grants	\$500,000
Suspend City Funding for Housing Grants	\$205,000
Staff Travel Reductions	\$268,440
Suspend Community Events	\$295,000

SPENDING REDUCTIONS

Outside Agency Funding

Prior funding suspended, except for the following:

\$500,000 for Braswell Memorial Library

\$325,000 for Carolinas Gateway Partnership

\$95,800 for Rocky Mount-Wilson Airport

PRIORITIZE CAPITAL OUTLAY WITH THE HIGHEST OPERATIONAL AND COMMUNITY IMPACT

Major Initiatives and Capital Equipment

General Government

Critical Facility Repairs (as needed)	\$225,000
Improvements to MUNIS & Other Enterprise Applications	\$250,000
Critical Computer Replacements	\$225,000
Modernize Deposit Processing	\$50,000
Critical Police Equipment Replacement	\$70,000
Fire Operations & Apparatus Equipment	\$77,500
Event Center Capital Maintenance	\$100,000
Street Resurfacing	\$2,315,000
Transit Capital Maintenance	\$1,473,270



PRIORITIZE CAPITAL OUTLAY WITH THE HIGHEST OPERATIONAL AND COMMUNITY IMPACT

CRITICAL UTILITY & INFRASTRUCTURE IMPROVEMENTS

Utilities	
Complete Improvements to Electric Point of Delivery Stations	\$3,000,000
Start Multi-Year Replacement of Gas Meters	\$570,500
Water Improvements incorporated into NCDOT Projects	\$500,000
Expand Sewer Capacity served by Old Mill Road Pump Station	\$3,000,000



WORK
AHEAD

BUDGET HIGHLIGHTS



RECOMMENDED ANNUAL BUDGET
FISCAL YEAR 2027

Presented by City Manager, Elton Daniels, ICMA-CM
May 11, 2026



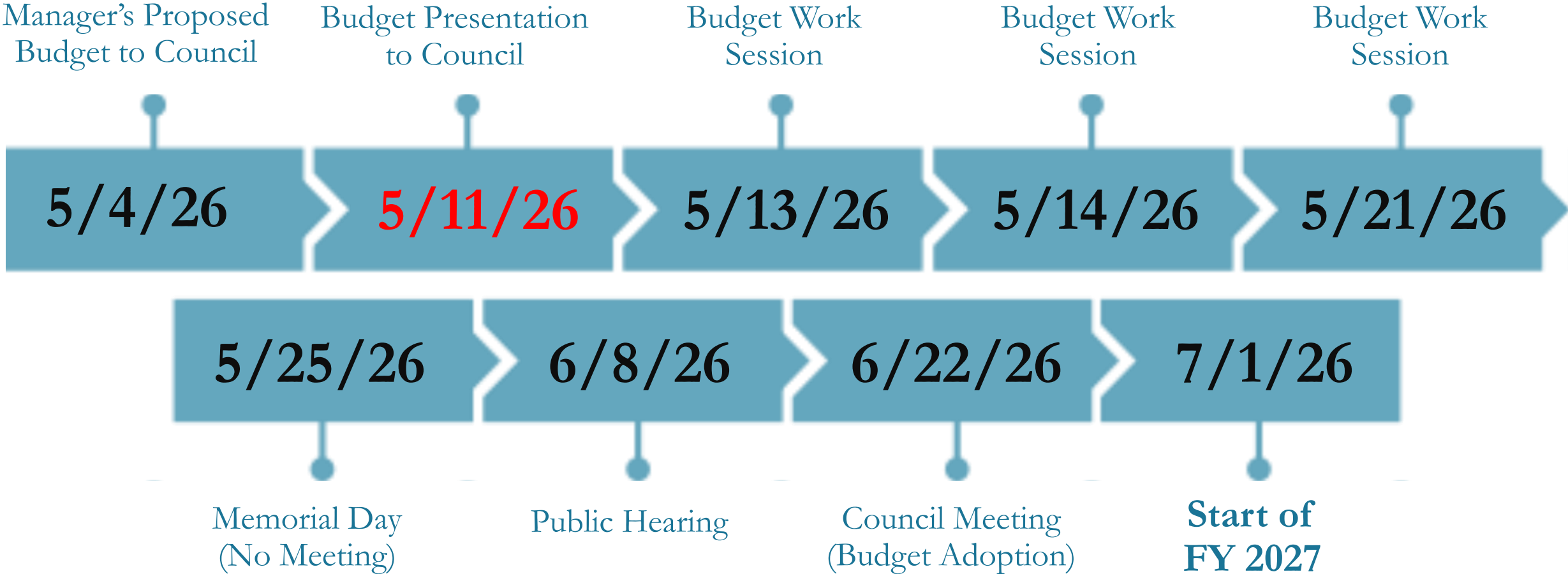
Fiscal Year 2027 Budget was developed based on the following guiding principles:

1. Excellence in Public Safety
2. Fiscal Stewardship
3. Employee Development
4. Economic Opportunity & Neighborhood Redevelopment
5. Maintain & Improve Infrastructure

- Balanced per NC General Statutes
- No Appropriation of Fund Balance
- Total Fiscal Year 2027 Proposed Budget: \$269,680,496
- Proposed Fiscal Year 2027 Rate: 69¢ per \$100 (Assessed Value)
- \$16.1M less than Fiscal Year 2026 Currently Revised

TRANSPARENCY FOCUS

Budget Timeline



Respectfully submitted for
your review, consideration,
and questions.



ROCKY MOUNT, NC
THE CENTER OF IT ALL

Elton Daniels, ICMA-CM
City Manager