

PUBLIC NOTICE

FY 2022-2023 BUDGET PUBLIC HEARING

The Proposed Fiscal Year 2022-2023 Budget for the Town of Pinetops was presented to the Pinetops Board of Commissioners on June 7, 2022. A copy has been filed in the clerk's office and is available for public inspection. The public is encouraged to view the proposed budget on our website at www.townofpinetopsnc.com

A public hearing on the proposed budget will be held Tuesday, June 28, 2022 at 5:00 p.m. at the Town Hall located at 101 E Hamlet Street
In order to receive public comment.

Tammy Keesler
Pinetops Finance Officer

Budget Message 2022-2023

Presented herein, is the Town of Pinetops Proposed Budget for Fiscal Year 2022-2023. This budget is balanced in its entirety as is required by the North Carolina General Statutes. This budget is a plan for the Town activities for the coming year. This budget continues our services at the same level as the current year.

The current tax rate for the Town of Pinetops is \$.46 per hundred dollars of assessed valuation. The town began a contract with Edgecombe County to collect its taxes beginning with tax season 2020. This contract will help ensure the town remains aggressive with its collection. The tax value increased from \$47,546,749 to \$48,660,423.

The Town of Pinetops offers recycle and garbage collection for its citizens. The collective cost for these services is currently \$21 per month per customer. The town started collecting recycles bi-monthly instead of weekly beginning in May 2021 to help offset the cost of collection. There is no increase proposed for this year.

The budget does not contain any proposed increase in the electric rates at this time but may have to revisit this in the future. The electric rates have not been increased since 2015.

The budget currently does not propose any increase in water and sewer rates. The last water & sewer increase was in March 2022. However, moving forward the Board may have to look at implementing smaller increases at specified times to help offset the expenses associated with ongoing infrastructure issues. The town recently was classified as a distressed unit meaning it needs to look at ways to develop a short-term and long-term plan for infrastructure repair, maintenance, and management. The town will need to implement long-term financial management to ensure the public water system and wastewater system will generate enough revenue to adequately fund management, operations, personnel, and appropriate levels of maintenance.

The budget does propose a new Storm Water Fee beginning July 1, 2022. This will be a flat fee of \$2.00 per customer per month for water customers inside town. The new fee will be used to help deal with storm water issues throughout town.

In the proposed budget for FY 2022-23 the town will renew its current group medical plan with BCBS. The renewal comes with a 2.13 % rate hike. The budget does include a 5% COLA for employees at a cost to the town of \$70,134. The 5% COLA is a direct result of the highest inflation rate for the US in over 40 years. The current inflation rate for the March 2022 is 8.5%.

The proposed budget does contain several debt payments. Debt payments in the general fund consist of the purchase of a garbage/recycle truck as well as a portion of three police vehicle grants. The annual cost of the USDA grant/loan is \$29,307. Debt payments in the electric fund consist of the other portion of the three police vehicle/public works grants. The annual cost of the USDA grant/loan is \$18,854. The water & sewer department carries the biggest annual debt payment load for the town. The annual cost

of the NCDEQ loan is \$104,866. This debt is comprised of a new water tank and well. Debt in the water & sewer fund is expected to keep increasing in the upcoming years due to the age of the system.

The town will need to focus in the upcoming fiscal year and beyond on ways to help control the increasing expenditures in the general fund. Within the budget the town will be appropriating \$247,345 from the Fund Balance. The town's main objective should be to create a balanced budget within each fund without any inter-fund transfers being needed or having to use the appropriated fund balance. The town should not rely on the transfers as a revenue source to balance the budget each year.

Due to the uncertainty of the implications of a record high inflation rate as to how it will impact the expenditures of the town in this budget; management urges council to be conservative of any increases and consider cutting any expenditures where they may see fit to help offset the expected impact.

The town will continue to face tough decisions in the upcoming years to help control the increasing expenditures and infrastructure problems facing small towns without jeopardizing the services it currently offers at an affordable price. Moving forward the town should strive to present a balanced budget within each fund without any interfund transfers being needed to offset the operational costs.

The proposed budget does contain a Special Revenue Account that was created as a result of the ARPA funds the town was allocated. The allocations were scheduled to be distributed evenly over the 2021-2022 and 2022-2023 fiscal years. The town received its first allocation of \$196,795.67 in fiscal year 2021-2022 and should receive the same allocation in fiscal year 2022-2023. The total amount allocated to the Town of Pinetops was \$393,591.34. The Town Board chose to take the standard allowance and therefore is proposing to obligate the total allocation as a reimbursement of government services-police salaries.

The Town Board and staff will continue to provide services to the citizens of Pinetops by the most effective means possible.

Respectfully submitted,

Tammy Keesler

Finance Officer

Fiscal Year 2022-2023 Town of Pinetops Budget Ordinance

WHEREAS, the Town Finance Officer prepared and presented a proposed Fiscal Year 2022-2023 Town of Pinetops budget at the June 7, 2022 Board of Commissioners meeting, and

WHEREAS, the Town properly advertised and held a public hearing on the proposed budget on June 28, 2022 at 6:00 p.m. in the Board of Commissioners meeting room, and

WHEREAS, the proposed budget has been available for public inspection in Town Hall for all citizens to review.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF PINETOPS THAT:

1. That for the purpose of financing the Town of Pinetops, North Carolina for the Fiscal Year 2022-2023 that the following appropriations of expenses are hereby made:

GENERAL FUND

<u>DEPARTMENTS</u>	<u>DEPARTMENT TOTALS</u>
Administration	189,919
Governing Body	64,756
Utilities	5,800
Fire	49,850
Police	776,607
Streets	131,238
Sanitation	185,494
Debt Payments	29,307
TOTAL GENERAL FUND	1,432,971

ELECTRIC FUND

Electric Expenses	2,740,146
Debt Payments	18,854
TOTAL ELECTRIC FUND	2,759,000

WATER & SEWER FUND	
Water Expenses	298,973
Sewer Expenses	353,411
Debt Payments	104,866
TOTAL WATER & SEWER FUND	757,250
POWELL BILL FUND ALLOCATION	38,000
TOTAL ALL FUNDS EXPENDITURES	4,987,221

2. For the purpose of raising revenue to defray expenses for the above services the Board of Commissioners hereby levies a tax of forty-six cents (\$0.46) on each one hundred dollars (\$100.00) of the assessed valuation of real and personal property within the corporate limits of the Town of Pinetops. These taxes hereby levied shall be due and collectible on September 1, 2022. The following revenues are hereby appropriated:

GENERAL FUND	REVENUES
Property Taxes	237,500
Local Option Sales Tax	325,500
State-Shared Disbursements	19,200
Sales Tax Refund	18,500
Garbage & Recycling	144,000
Other General Revenue	47,335
Transfer from Electric	00
Appropriated Fund Balance	247,345
ARP/CSLFRF General Revenue	393,591
TOTAL GENERAL FUND	1,432,971
ELECTRIC FUND	
Electricity Sales	2,625,000
Electric Sales Tax	110,000
Electric Utility Franchise Tax	9,000
Other Electric Revenue	15,000
TOTAL ELECTRIC FUND	2,759,000
WATER & SEWER FUND	
Water & Sewer Sales	743,000
Storm Water Fees	14,000
Other Water & Sewer Revenue	250
TOTAL WATER & SEWER FUND	757,250
POWELL BILLS FUND ALLOCATION	38,000

TOTAL ALL FUNDS REVENUE

4,987,221

3. The Finance Officer is hereby authorized to make transfers of appropriated funds between items listed above. Allocations between funds must be reported to the Board of Commissioners.
4. Adopted this the 28th day of June, 2022.

ATTEST:

Tammy Keesler, Finance Officer

Brenda Harrell, Mayor

Date: _____