

**Budget Work Session
May 31, 2022**

The Town Board of Commissioners met in a Budget Work Session on May 31, 2022 in the Commissioners Room. A full board was present.

Mayor Eddie Reynolds called the meeting to order.

Town Manager Holland presented the following proposed budget to the Board:

Honorable Mayor Reynolds, Town Commissioners and Citizens of Biscoe
Town of Biscoe, North Carolina

Introduction

The proposed Fiscal Year 2022-2023 Budget for the Town of Biscoe, North Carolina has been prepared in accordance with the NC Local Government Budget and Fiscal Control Act and NC General Statute 159-11 and is now submitted for your consideration. The Budget identifies revenue and expenditure *estimates* for Fiscal Year 2022-2023 and attempts to maintain a continuum of quality services to the citizens of Biscoe. This budget is inclusive of all financial obligations while all municipal services and positions remain funded. Revenues are projected conservatively, and expenditures are projected realistically.

The Total Budget is about \$376,000 greater than the 2021-2022 Budget because of several special projects and improvements that need to be made. Additionally, a salary study was just completed by the Piedmont Triad Regional Council (PTRC), and their recommendations are reflected in the balanced budget. The Water/Sewer Fund is about \$78,880 more than the previous year. Powell Bill will remain the same at \$70,011.

While both major funds have grown respectively, it's important to budget these revenue estimates conservatively and expenses realistically to increase Fund Balance growth. The highlights of the proposed budget are as follows:

General Fund Revenues

The final draft of the fiscal year 2021-2023 Budget proposes a remaining property tax rate of \$0.56 per \$100 valuation. In fiscal year ending 2020 the real property and vehicle valuation for the Town of Biscoe was \$182,688,036, with a combined collection rate of 96%. In fiscal year 2022-2023 we can estimate to collect around \$898,000 in total property tax revenues. Forecasts show that Biscoe can expect a slight increase on sales tax revenue, no change in beer and wine taxes or in solid waste disposal tax. Powell Bill revenue will remain the same. \$192,971 of Fund Balance is appropriated to balance the General Fund.

General Fund Expenditures

There are no notable items in the Administration budget. The contract with State Code Enforcement will continue, and there may be orders for demolition during the first quarter if the Board wishes. Three dilapidated homes were demolished during FY 20-21. A budget amendment will be recommended once quotes are received for FY22-23.

The Police Department's budget is prepared including, new uniforms, rotation of and replacement of several radios both handheld and in-car. The department will also purchase two used patrol vehicles.

The General Fund's only debt is reflected in the Fire Department's budget, \$21,400 annually for the Ladder Truck. The Town will continue the supplemental retirement contribution (\$10,000). Additionally, members that meet certain criteria will be reimbursed \$5 per call, the cost is estimated not to exceed \$13,500.

Between the Streets Department and Powell Bill budget, the Town spent over \$70,000 on paving last year. The budget has been prepared with more than double the amount of paving at \$167,000 total. A third party contractor will complete a priority list and provide options.

The park will be a major focus in FY22-23. A grant from the State will help replace the lights at the little league ballfield (\$50,000). There will be full operations of the pool, summer tennis program, and search recreation program director during 2022. The County will continue providing funding to the Town's for recreation this year, and Biscoe will receive a little more than \$20,000. The Senior Program remains fully funded, so does Halloween in the Park, and National Night Out. An additional event has been planned for the fall, and the park will also become a winter destination with the Town's tree lighting event, and holiday décor. Additionally, there will be a planned event in partnership with the Police Department for fundraising.

Enterprise Fund

The Water & Sewer Fund proposes no changes in rates. The Budget is proposed with minor increases. \$35,000 is being allocated for slip-lining, and \$34,000 toward 2 major valve replacements, and several meter upgrades. As always with the water/sewer fund, it operates like a business and as water usage increases, so will treatment chemicals and the water purchases line item. We will also be looking at way to decrease depreciation as reported in the annual audit.

The Town was awarded \$1,865,000 of State CDBG-Infrastructure funds for the Bruton Street infrastructure improvements. Construction is currently almost complete. A separate Project Fund has been added to reflect this project. Final closing and monitoring will happen during the beginning of FY22-23.

Employees

The budget has been prepared the Pay recommendations of the salary study done by PTRC. Minimum adjustments were 5% across the board while some positions have seen additional movement to reflect the study recommendations. There will be no merit increases. The CPI increase for 2022 is estimated at 8.5%, this is the largest national increase since 2008 (5.4%). There is no increase in health insurance.

PUBLIC HEARING

In accordance with N.C.G.S. § 159-12(b) there will be a public hearing on June 13, 2022 at 7:00 pm, at the Biscoe Town Hall, 110 West Main Street Biscoe NC, any person wishing to make comments may do so at that time.

Respectfully Submitted,
Brandon Holland ICMA-CM, Town Manager