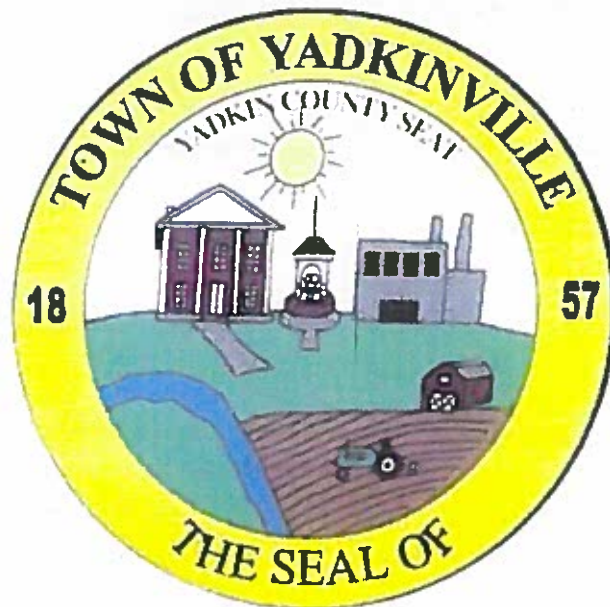


Town of Yadkinville

FY 2022-2023

APPROVED BUDGET
FISCAL YEAR 2022-2023

June 30, 2022



"A Town in Progress"



TOWN OF YADKINVILLE

"A TOWN IN PROGRESS"

Office of the Town Manager

June 30, 2022

The Honorable Thomas E. Norman, Jr., Mayor
Members of the Board of Commissioners
Yadkinville, North Carolina

Mayor Norman and Members of the Board of Commissioners:

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present the Manager's Recommended Budget for FY 2022-2023 for your review and consideration.

This Recommended Budget provides a financial plan for the ensuing fiscal year and has been developed in accordance with sound fiscal policies. The key components of these directives from the Board of Commissioners and the budgetary principles on which this document is based are:

- Basic town services are continued with funding at adequate levels.
- Sound budgetary principles have been followed in developing this budget.
- Revenue projections are estimated at realistic, conservative levels.
- Expenditure projections are estimated at realistic levels.

The FY 2022-2023 Recommended Budget totals \$5,676,873 for all Town operations, capital improvements, and debt service requirements. This represents an overall increase of approximately \$342,697 or 6% above the FY 2020-2021 Adopted Budget of \$5,334,176.

This Budget recommends no increase to the current property tax rate and no increase in the current water and sewer rates.

HIGHLIGHTS OF THE RECOMMENDED BUDGET

- No tax increase recommended, tax rate to remain at \$0.42
- No increase in water/sewer rates
- 4% of salaries Budgeted for Merit Increases
- Capital expenditures and investment in equipment to maintain services
- Special Appropriations for Funding of Community Organizations

FUNDS OF THE RECOMMENDED BUDGET

General Fund

The General Fund contains all governmental services that do not generate sufficient revenue to support their activities, including the Police Department, Administration, Planning and Zoning, Sanitation, Streets and Highways, Garage, etc.

The FY 2022-2023 Recommended Budget for the General Fund totals \$3,098,096, which represents an approximate increase of 8% or \$224,373 over the FY 2021-2022 Adopted Budget of \$2,873,723.

This Recommended Budget proposes drawing \$29,867 from the General Fund, Fund Balance to balance the budget. This equates to a withdrawal of less than 1% from the total fund balance compared to an increase of over 25% that has been experienced over the past three years.

Property Tax

The property tax base is estimated to be \$271,521,496 which represents an increase of approximately 2.02% over FY 2021-2022 and is realistically based on information from the Yadkin County Tax Administrator.

This increase will provide approximately \$1,143,444 in property tax revenues based on an assumed collection rate of 98%. A penny on the tax rate is projected to generate approximately \$27,100 in revenue.

This budget proposes to maintain the current tax rate of \$0.42.

Solid Waste

This budget proposes to maintain the current solid waste fee at \$10 per month.

Water and Sewer Fund

The Water and Sewer Fund contains all water production, water distribution, wastewater collection and wastewater treatment activities of the Town. The Water and Sewer Fund also will maintain operations of County owned water and sewer lines on US Hwy 601 and Hoots Road.

The FY 2022-2023 Recommended Budget for the Water and Sewer Fund totals to \$2,578,777. This represents a decrease of approximately 3% or \$88,630 from the FY 2021-2022 Adopted Budget of \$2,667,407.

Hinshaw Gardens Fund

The Hinshaw Gardens Fund manages interest earned from a \$100,000 donation from Lucy Crater in 1980. The interest earned from the donation is used for maintenance of Hinshaw Gardens on West Main Street. These funds are transferred to the General Fund and appropriated to the Hinshaw Gardens Department budget.

Interest rates have remained very low this past year and as a result, \$5,825 of the Garden's fund balance is necessary to ensure there is funding to pay for maintenance costs. The FY 2022-2023 Recommended Budget for the Hinshaw Gardens Fund totals \$5,935 which includes \$10 estimated from investment earnings; \$100 estimated from rental fees and \$5,825 from Fund Balance Appropriated.

SOURCES OF REVENUE

Ad Valorem Tax (Property Tax)

Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the property tax is levied on property itself, not the owner. The second is that the tax is measured by the value of the property as a marketable item, not by the owner's ability to pay. Thus, it is often called an "ad valorem" tax, from the Latin phrase meaning "according to value".

In North Carolina, property tax rates are customarily expressed in dollars per \$100 of assessed valuation. The maximum property tax rate allowed in North Carolina is \$1.50 per \$100 of assessed value. This year's proposed property tax rate for Yadkinville is \$0.42 per \$100 of valuation. This means that for every \$100 in value of property, \$0.42 is due. On a \$150,000 home the total annual Town of Yadkinville property taxes due would be \$630. Total Ad Valorem tax revenues (including prior year collections) are projected to be \$1,113,347 in FY 2022-2023. In North Carolina, this is the only significant source of revenue that the State allows local governments to control. This is strictly General Fund revenue.

The Manager's Recommended Budget proposes to maintain the current tax rate at \$0.42 per \$100 valuation.

Vehicle Tax

Vehicle tax is one type of personal property which is subject to the same levy rate as real property, which is proposed at \$0.42 per \$100 of valuation. The projected vehicle tax revenue for FY 2022-2023 is \$110,100.

Motor Vehicle License Tax

In North Carolina, Municipalities may levy a general motor vehicle tax of up to \$30.00 per year on any vehicle resident in the municipality. The Municipality may use up to \$5.00 per vehicle for ANY lawful purpose. It must use the remaining \$25.00 per vehicle for construction, improvements, and repairs to municipal streets. This proposed budget will include a vehicle tax levied at \$5.00 per vehicle per year. The estimated revenue from motor vehicle license tax is to be approximately \$10,000.

Sales Taxes

Two cents of the 6.75% sales tax imposed on qualifying purchases in North Carolina goes to cities and counties. The State of North Carolina collects the sales taxes and distributes them to the local units. Sales tax revenues are projected to be \$700,000 in FY 2022-2023, which is a 25% increase from FY 2020-2021 budgeted amount. This is a conservative estimate based on North Carolina League of Municipalities projected increase for FY 2022-2023. This is strictly General Fund revenue.

Sales and Services

One of the Town's major sources of revenue is from the sale of water and sewer to residents, businesses and to Yadkin County water and sewer line customers. This will provide approximately \$2,400,000 in revenue. This, along with interest earned on investments, sales tax refunds, fees, and other minor revenue sources pays for all water and sewer operations. This makes the Water and Sewer Fund completely self-supporting.

Fund Balance Appropriated

The proposed FY 2022-2023 Budget proposes drawing \$29,868 from the General Fund, Fund Balance to balance the budget. This equates to a withdrawal of slightly less than 1% from the total fund balance compared to an increase of over 25% that has been experienced over the past three years.

Loans

The General Fund proposes to loan the Capital Projects Fund: Yadkinville Refuse Dump Assessment up to \$200,000. These funds will be fully reimbursed by the State of North Carolina after the completion of each phase and will not result in any expense appropriated from the General Fund.

Beer and Wine Tax and ABC Store Revenue

Revenues from the sale of beer and wine are distributed by the State of North Carolina and are based on the estimated population of the Town. This year's revenue from the beer and wine tax is estimated to be \$12,500.

Revenues generated from Yadkinville's ABC Store are based on the profit generated at that store, which is expected to be approximately \$160,000 for FY 2022-2023.

State-Collected Local Taxes

These include: Electricity Franchise Tax, Piped Natural Gas Excise Tax, Telecommunications Sales Tax, Video Production, and Solid Waste Disposal Fees.

The General Assembly, in 1998, replaced the utility franchise tax on piped natural gas with an excise tax on piped natural gas. In 2001 the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications.

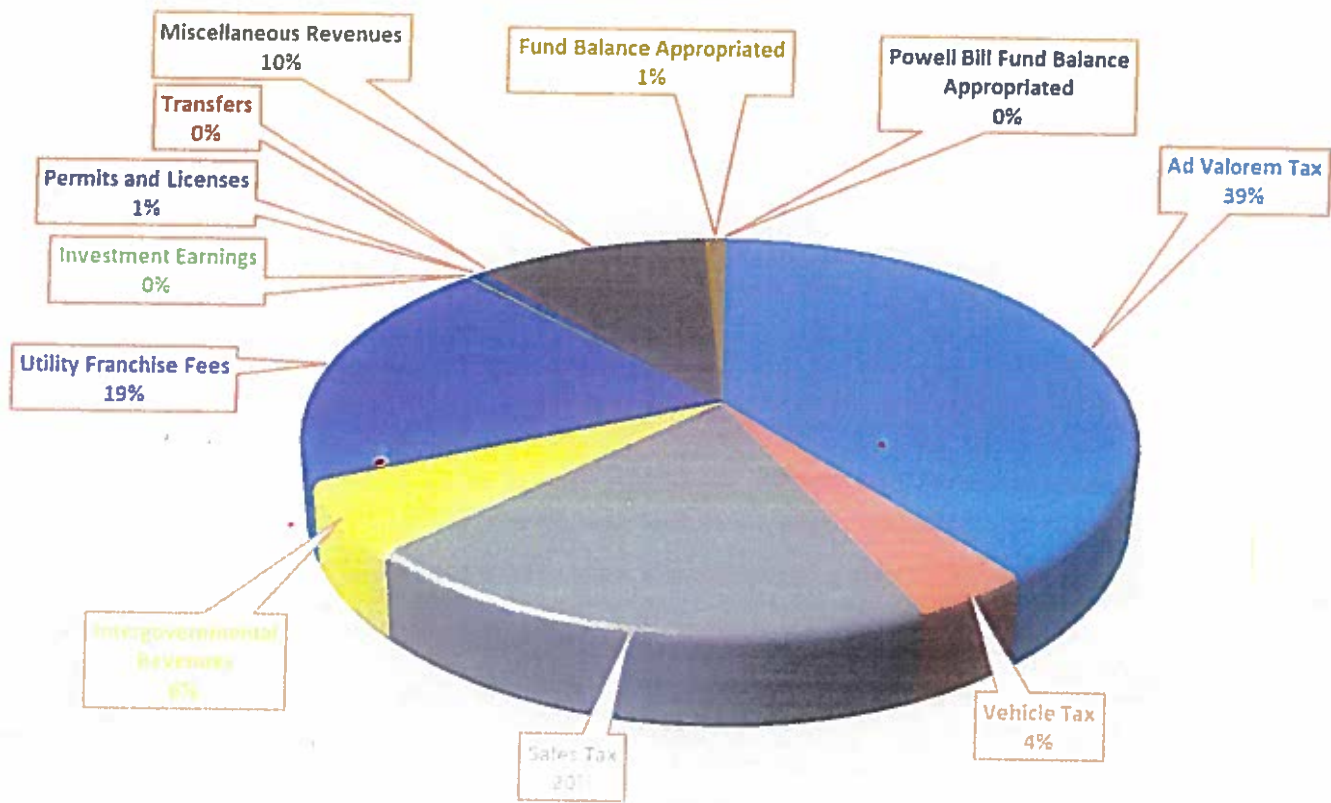
These funds are collected by the State and are distributed to the City based on the actual receipts from the providers of these services and commodities within the City limits. This revenue source is expected to be approximately \$646,500 for FY 2022-2023. These are strictly General Fund revenues.

Solid Waste Fee

This Budget maintains a \$10.00 per month solid waste fee with an estimated revenue of \$121,000 for Solid Waste services to maintain providing weekly household garbage collection and bi-weekly collection for recycling services to Town residents.

Powell Bill Street Allocation

The use of these funds is restricted to maintaining, repairing, constructing, reconstructing or widening any public street or thoroughfare within the City limits that is not State maintained. Bridges, drainage, curb and gutter, sidewalks and other necessary appurtenances are also approved uses of these funds. The determination of the amount of the allocation comes from a formula containing a municipality's local street miles and population. To receive funds, each municipality must file an annual certified map and an annual expenditure report. This revenue is estimated to be \$86,000 for FY 2022-2023. This is strictly General Fund revenue and restricted for Powell Bill related expenditures.



REVENUE SOURCES

EXPENDITURES IN PERSONNEL AND RELATED COSTS

Several challenges have presented themselves in the current budget year. The COVID-19 pandemic continued to have a significant impact on productivity and efficiency. On a positive note, the Town is anticipating an decrease increase 0.7% in healthcare insurance for FY2022-2023. The Town is allowing 4% of salaries for a Merit based increase for full-time employees.

EXPENDITURES BY FUNCTION

General Government

This function accounts for \$677,864 or 22% of the total budget. Major expenditures include:

- Administration and Management
- Group health insurance costs
- Salaries and benefits
- Professional Services
- Contracted Services
- Town Garage & Municipal Buildings

Public Safety

This function accounts for \$1,381,063 or 45.0% of the total budget. Major expenditures include:

- Salaries and benefits
- Health insurance costs
- Ammunition costs
- Building exterior cleaning and painting
- Equipment: Three Bullet Proof Vests, Two Laptops, Two Watchguard Camera, and Two Tasers, One Desktop computer
- LEO Special Separation Allowance for Retiring Officers

Transportation

This function accounts for \$326,798 or 11% of the total budget. Major expenditures include:

- \$63,000 for continued resurfacing of Town streets
- Replace street signs to meet state reflectivity requirements

Environmental Protection

This function accounts for \$241,608 or 8% of the total budget. Major expenditures include:

- Residential waste collection and recycling
- Town facilities waste collection

Economic and Community Development

This function accounts for \$130,297 or 4% of the total budget. Major expenditures include:

- Continued funding of facade grant program at \$5,000
- Funding New Business Grant to attract or help improve downtown area business \$10,000

Culture and Recreation

This function accounts for \$77,515 or 3% of the total budget. Major expenditures include:

- Continued funding for the maintenance of Hinshaw Gardens
- Continued funding for the maintenance and programming at the Yadkinville Community Park and park events
- Funding for Improvements for the New Pocket Park on Willow St & Virginia Dr and Rose Property
- Creek erosion repair

Miscellaneous

This function accounts for \$138,320 or 4.0% of the total budget. Major expenditures include:

- Funding for property and general liability insurance and bonds
- Tourism Development Authority
- Retiree Benefits

Special Appropriations

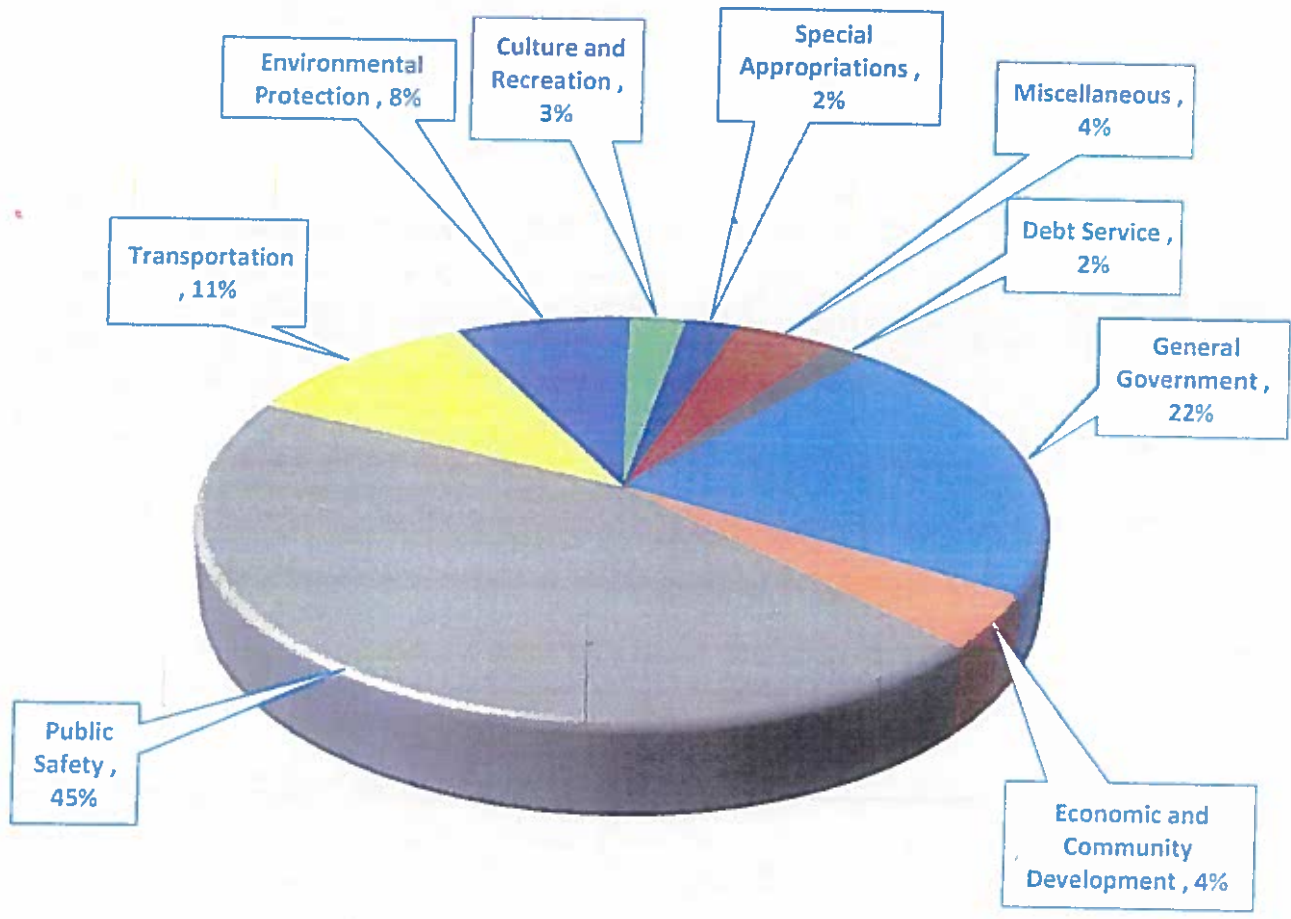
This function accounts for \$73,100 or 2% of the total budget. Major expenditures include:

- Funding for outside agencies: Arts Council, Library, Hands of Hope, YVEDDI Senior Center and YMCA expansion

- Funding for debt service on the Yadkinville Community Park
- Fireworks

The following chart illustrates expenditures as assigned by function.

EXPENDITURES BY FUNCTION



APPROVED BUDGET

This approved budget is balanced in accordance with State statutes and attempts to address the goals and priorities that have been set by the Town Board for the Town's future. The budget is fiscally sound, and although it does not fund all the requests made by departments, it does address the top priority needs of the Town and is set at a level to maintain service levels to citizens.

I would like to extend my appreciation to Finance Officer Hunter Gooden, Assistant Town Manager Shelia Weathers, and Purchasing and Safety Officer Lee Cook for their assistance and hard work.

This budget for FY 2022-2023 has been approved as of the date of this letter by the Town Board of Commissioners.

Sincerely,

Michael R Koser

Michael R. Koser
Town Manager

BUDGET ORDINANCE

BE IT ORDAINED by the Governing Board of the Town of Yadkinville, North Carolina:

SECTION 1: It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2021, and ending June 30, 2022:

Ad Valorem Tax	\$ 1,156,444
Vehicle Tax	\$ 110,100
Sales Tax	\$ 700,000
Intergovernmental Revenues	\$ 36,500
Utility Franchise Fees	\$ 610,000
Investment Earnings	\$ 1,500
Permits and Licenses	\$ 17,000
Transfers	\$ 5,935
Miscellaneous Revenues	\$ 430,750
Fund Balance Appropriated	\$ 29,867
Powell Bill Fund Balance Appropriated	\$ 0
	<u>\$ 3,098,096</u>

SECTION 2: The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2021, and ending June 30, 2022:

Governing Body	\$ 63,741
Elections	\$ 0
Administration	\$ 558,572
Planning and Zoning	\$ 130,297
Municipal Buildings	\$ 34,750
Police Department	\$ 1,378,963
Public Safety	\$ 2,100
Garage	\$ 20,800
Streets and Highways	\$ 249,848
Powell Bill	\$ 76,950
Sanitation	\$ 241,608
Recreation	\$ 71,581
Hinshaw Gardens	\$ 5,935
Non-Departmental	\$ 138,320
Special Appropriations	\$ 124,631
	<u>\$ 3,098,096</u>

SECTION 3: It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2021, and ending June 30, 2022:

Sales and Services	\$ 2,512,554
Investment Earnings	\$ 1,000
Miscellaneous	\$ 65,000

W/S Fund Balance

\$ 223
\$ 2,578,777

SECTION 4: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2021, and ending June 30, 2022:

Administration	\$	231,123
Water Plant	\$	649,039
Sewer Plant	\$	424,204
Lab and Pretreatment	\$	141,484
Water and Sewer Operations	\$	990,922
County Water/Sewer Line Operation	\$	54,016
Non-Departmental	\$	87,989
Special Appropriations	\$	<u>0</u>
	\$	2,578,777

SECTION 5: It is estimated that the following revenue will be available in the Hinshaw Gardens Fund for the Fiscal Year beginning July 1, 2021, and ending June 30, 2022:

Investment Earnings	\$	10
Rents and Concessions	\$	100
Fund Balance Appropriated	\$	<u>5,825</u>
	\$	5,935

SECTION 6: The following amounts are appropriated in the Hinshaw Gardens Fund for the Fiscal Year beginning July 1, 2022, and ending June 30, 2023:

Transfer to the General Fund	\$	<u>5,935</u>
	\$	5,935

SECTION 7: There is hereby levied a tax at the rate of forty-two cents (\$0.42) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2022, for the purpose of raising the revenue listed as "Ad Valorem Taxes" in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$271,521,496 and an estimated rate of collection of 98%. This estimated rate of collection is based on the Fiscal Year 2020-21 audited collection rate of 98.07%.

SECTION 8: General Fund Fees and Charges for Service

- A. Weekly residential solid waste collection and disposal
1. Base Rate. \$10.00 per month per household on utility bill
 2. Additional Garbage Cans \$10.00 per month
- B. Bulk item pickup over 5 items. \$ 7.00 per item over the 5th item
1. TV – pre-paid before pickup \$10.00
 2. Computer Screen – pre-paid before pickup \$ 6.00
- C. Zoning fees
1. Conditional Use Permits (BOA) \$ 500.00
 2. Variance Applications (BOA) \$ 400.00
 3. Administrative Appeal (BOA) \$ 300.00
 4. Certificate of Non-Conformity Adj. (BOA) \$ 300.00
 5. Alternative Design Proposal (Planning) \$ 250.00
 6. Zoning Map Amendment (Planning & BOA) \$ 500.00
 7. Conditional Zoning District (Planning & BOA) \$ 500.00
 8. Zoning Text Amendment (Planning & BOA) \$ 500.00
 9. Voluntary Annexation Petition Requests (BOC) \$ 300.00 plus Cost of Advertisement
 10. Re-advertising fee Cost of Advertisement
 11. Single or Two-Family Residential Zoning Permit \$ 75.00
 12. Multi-Family, Non-Residential Zoning Permit \$ 250.00
 13. Residential Zoning Permit (Additions, Remodels) \$ 50.00
 14. Non-Residential Zoning Permit (Additions, etc.) \$ 50.00
 15. Temporary Sign Permit/Banner \$ 20.00
 16. Permanent Sign Permit (mounted and freestanding) \$ 50.00
 17. Change of Panel or Sign Face \$ 20.00
 18. Zoning/Water & Sewer/ABC Verification Letter \$ 50.00
 19. Temporary Use Permit/Temporary Retail Sales \$ 50.00
- D. Site plan review fees
1. Site Plan Review \$ 250.00
 2. Group Development or Multiple Lot Development \$400.00
 3. Exempt/Recombination Plat (zoning review only) \$ 50.00
 4. Minor Subdivision Plat Review \$ 75.00
 5. Major Subdivision Preliminary Plat Review \$ 250.00
 6. Major Subdivision Final Plat Review \$ 100.00
 7. Conservation Development Site Plan Review \$ 300.00
 8. Recording Fee Yadkin County
- E. Lot Cleaning (less equipment fees)
1. Administrative Fee \$ 100.00
 2. Labor Charge per Worker (per Hour) \$ 25.00
 3. Charge per Ton of Debris Landfill Fee
- F. Lot Mowing (less equipment fees)
1. Administrative Fee \$ 100.00
 2. Labor Charge per Worker (per Hour) \$ 25.00

G. Equipment Fees (Per Hour) Exclusive of Labor Fees

1. Jackhammer	\$ 30.00
2. Bucket Truck	\$ 75.00
3. Moto grader	\$ 75.00
4. CAT Backhoe	\$ 75.00
5. JCB Backhoe	\$ 75.00
6. Skidsteer-Bobcat	\$ 50.00
7. Vac-Tron	\$ 50.00
8. Portable Welder	\$ 25.00
9. Tractor with Bushhog	\$ 50.00
10. Radius Mower	\$ 25.00
11. Service Trucks	\$ 25.00
12. Ditch Witch	\$ 50.00
13. International Dump Truck	\$ 50.00
14. Chevrolet Dump Truck	\$ 65.00
15. Jetter	\$ 50.00
16. Tapping Machine	\$ 30.00
17. Garbage Truck	\$ 50.00
18. Chipper with Truck	\$ 50.00
19. Mapping Equipment	\$ 25.00
20. Push Camera	\$ 30.00
21. Camera Trailer Equipment	\$ 50.00
22. Camera Equipment	\$ 50.00

H. Hinshaw Gardens Rental \$ 100.00

I. Yadkinville Town Community Park Rentals

1. Town Sponsored Event	no fee
2. Cleaning Fee (Refundable)	\$ 100.00

J. Parking Citations

1. Fire Lane	\$ 25.00
2. 1-10 Days Past Receipt	\$ 5.00
3. 11-30 Days Past Receipt	\$ 10.00
4. 31+ Days Past Receipt	\$ 20.00

K. Precious Metal

1. Annual Permit	set by State (currently \$180.00)
2. Permit (per employee) 1 st Time	\$ 10.00
3. Permit (per employee) after 1 st Time	\$ 3.00

L. Finger Printing & Criminal History Through SBI (currently \$38.00)

M. Special Event Permit

1. Application Fee	\$ 25.00
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N. Property Tax Rate

1. Late Fee.	\$0.42/\$100 assessed value 2% after January 6 ¹
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¹ ¼% each additional month

2. Tax Advertising Fee	\$ 10.00
O. General Motor Vehicle Tax	\$ 5.00 per vehicle
P. Administrative service fees	
1. Copying Fee	\$ 0.15 per page
2. Credit Card Surcharge (in-house/person)	\$ 2.00 per transaction
3. Returned Check Fee	\$ 25.00

SECTION 9: Enterprise Fees and Rates

A. Testing	
1. Colisure	\$ 25.00
B. Public Utilities	
1. Administrative Fee	50% of labor and materials
2. Credit Card Surcharge (per transaction)	\$ 2.00
3. Residential Water Deposit (Renters)	\$ 150.00
4. Commercial Water Deposit (Renters)	\$ 200.00
5. Late Charge	\$ 5.00
6. Reconnect Fee	\$ 50.00
7. 3/4" Water Tap Inside	\$ 1,000.00
8. 3/4" Water Tap Outside	\$ 2,000.00
9. 1" Water Tap Inside	\$ 1,100.00
10. 1" Water Tap Outside	\$ 2,200.00
11. 1 1/2" Water Tap Inside	\$ 2,600.00
12. 1 1/2" Water Tap Outside	\$ 3,300.00
13. 2" Water Tap Inside	\$ 3,850.00
14. 2" Water Tap Outside	\$ 4,500.00
15. 4" Sewer Tap Inside ²	\$ 800.00
16. 4" Sewer Tap Outside ³	\$ 1,600.00
17. Road Boring Fee (4" sewer)	\$ 22.50 (per foot)
18. Minimum Monthly Inside Water Rate ⁴	\$ 12.46
19. Next 7,000 Gallons Inside (per each 1,000 gallons)	\$ 3.70
20. Next 10,000 Gallons Inside (per each 1,000 gallons)	\$ 3.50
21. Next 30,000 Gallons Inside (per each 1,000 gallons)	\$ 3.33
22. Next 50,000 Gallons Inside (per each 1,000 gallons)	\$ 3.14
23. Minimum Monthly Outside Water Rate ⁵	\$ 24.94
24. Next 7,000 Gallons Outside (per each 1,000 gallons)	\$ 7.41
25. Next 10,000 Gallons Outside (per each 1,000 gallons)	\$ 7.02
26. Next 30,000 Gallons Outside (per each 1,000 gallons)	\$ 6.65
27. Next 50,000 Gallons Outside (per each 1,000 gallons)	\$ 6.28
28. Sewer Charge.	Additional 105% of water usage charge
29. Yadkin Co. Water/Sewer Line Utility Fee	Monthly Percentage of Revenues

² Plus vendor cost for meter, if no water meter on site

³ Plus vendor cost for meter, if no water meter on site

⁴ Up to 3,000 gallons per month

⁵ Up to 3,000 gallons per month

C. Bulk Water Rates by Gallon

1. 0-1,000	\$ 11.55
2. 1,001 to 5,000	\$ 28.90
3. 5,001 to 10,000	\$ 57.75
4. 10,001 to 15,000	\$ 86.62
5. 15,001 to 20,000	\$ 115.50
6. 20,001 to 25,000	\$ 144.38
7. 25,001 to 30,000	\$ 173.25
8. 30,001 to 35,000	\$ 202.13
9. 35,001 to 40,000	\$ 242.55
10. 40,001 to 45,000	\$ 260.00
11. 45,001 to 50,000	\$ 288.75
12. 50,001 to 55,000	\$ 317.63
13. 55,001 to 60,000	\$ 346.50
14. 60,001 to 65,000	\$ 375.38
15. 65,001 to 70,000	\$ 404.25
16. 70,001 to 75,000	\$ 433.13
17. 75,001 to 80,000	\$ 462.00
18. 80,001 to 85,000	\$ 490.87
19. 85,001 to 90,000	\$ 519.75
20. 90,001 to 95,000	\$ 548.62
21. > 95,000	\$ 577.50

SECTION 10: The Town Manager (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- A. He may transfer amounts between objects of expenditure within a department without limitations and without a report being required.
- B. He may transfer amounts up to \$5,000 between departments of same fund with an official report of such transfers being given at the next regular meeting of the Board of Commissioners.
- C. He may not transfer any amounts between funds or from any contingency appropriation within any fund.

SECTION 11: Copies of this Budget Ordinance shall be furnished to the Finance Officer and to the Budget Officer of this Town to keep on file by them for their direction in the disbursement of funds.

Adopted this 30th day of June, 2022



Thomas E. Norman, Jr.
Mayor

Attest:



Alex Potts
Clerk to the Board