

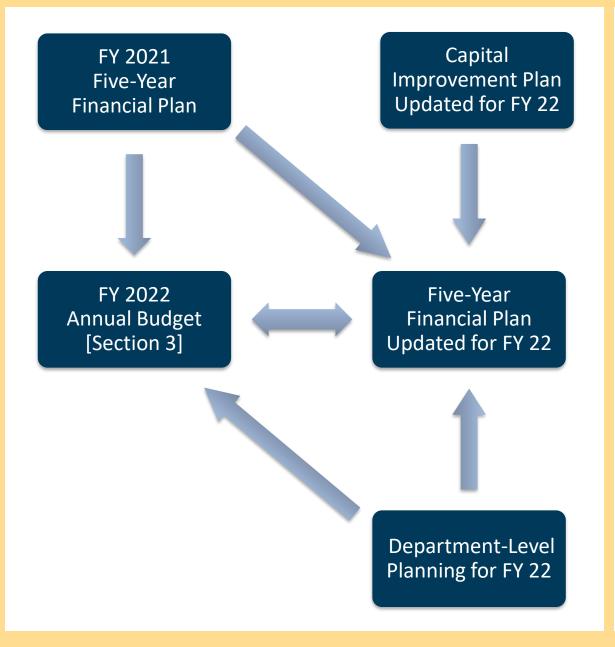
FY 2022 BUDGET WORK SESSION 1

May 17, 2021

The Local Government Budget and Fiscal Control Act NC General Statutes - Chapter 159 Article 3

- "The budget officer (manager) shall prepare a budget for consideration by the governing board"
- Submitted to governing board by June 1
- Must be balanced
- "Estimated revenues shall include only those revenues reasonably expected to be realized"
- Must be adopted by June 30

Budgeting on a Five-Year Horizon



- Town organization has shifted to a five-year horizon for financial planning
- Tax and utility rates are unchanged in FY 2022, as called for in prior Five Year Financial Plan
- Gaps identified in FY
 2021 Five Year
 Financial Plan as
 originally presented
 were eliminated by
 retaining 46 cent tax
 rate last year

Five-Year Financial Plan

The FY 2022 budget is balanced, and using its revenues and expenditures as a baseline, the Five-Year Financial Plan is also balanced, or generates some excess revenue which strengthens fund balance. Throughout the period there are no tax or utility rate changes, and the General Fund unassigned fund balance remains above the minimum requirements, while the Utility Fund dips slightly below beginning in FY 2025. (Utility Fund subject to change – Critical Issue 3)

FIVE YEAR FINANCIAL PLAN

FY 2022

GENERAL FUND	FY 2022		FY 2023		FY 2024		FY 2025	FY 2026
Revenues	\$ 11,448,232	\$	10,652,063	\$	11,512,011	\$	11,435,038	\$ 11,576,792
Expenditures	11,448,232		10,652,063		11,504,080		11,435,038	11,564,269
Net Gain (Loss)	-		-		7,931		-	12,523
Unassigned Fund Balance	3,384,915		3,384,915		3,384,915		3,384,915	3,384,915
Unassigned as % of Expenditures	30.53%	31.78% 31.1		31.11%	29.60%		29.27%	
UTILITY FUND								
Revenues	\$ 4,639,657	\$	4,654,850	\$	4,772,573	\$	4,892,061	\$ 4,963,342
Expenditures	4,639,657		4,644,459		4,746,855		4,866,188	4,894,637
Net Gain (Loss)	-		10,392		25,718		25,873	68,705
Unassigned Fund Balance	2,381,284		2,381,284		2,381,284		2,381,284	2,381,284
Unassigned as % of Expenditures	51.32%		51.27%		50.17%		48.94%	48.65%

PAGE 200

Critical Issue 3

Potentially Insufficient Fund Balance for Utility Fund in the Future

- Town policy has goal of Utility Fund maintaining a fund balance equal to 50% or more of annual budget
- Fund balance has been below 50% for years
- Fund balance increased to 51% for FY22 due to \$500,000 from sale of property
- May need that money for purchase of property for new water plant, returning fund balance to previous levels below 50%



FY 2021 Five Year Financial Plan



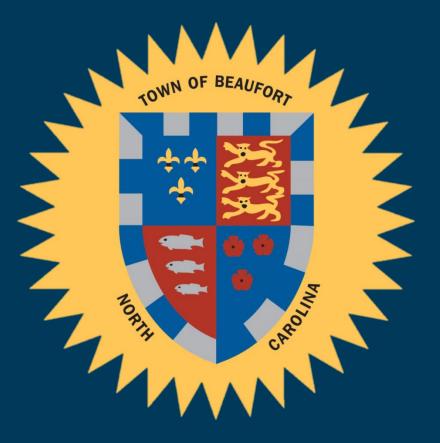
Focus on Changes

Changes in Personnel and Operations in Five-Year Financial Plans: FY 2021 to FY 2022

Police Ammo	Fire Station 2 New Positions and Gear Police Ammo	Non-Dept. Tech Replacements		Non-Dept. Tech Replacements	Last Year's Five-Year Financial Plan
2021	2022	2023	2024	2025	2026
This Year's Five-Year Financial Plan	Non-Dept. Tech Replacements PW Sidewalk Hazard Repairs PW Courts & Fence Repairs PW Seasonal Decorations	Fire Station 2 New Positions and Gear	Sewer – New Position Water - New Position		Non-Dept. Tech Replacements PD -Ballistic Vest Replacements PD-Crime Scene Evid. Supplies PW-Sidewalk Hazard Repairs
KEY Move Up Postpone New or Expand	PW Depot Repairs PW Vehicle GPS PW – Wayfinding Signage Sewer – HIRB Permit) (5		PW-Zero Turn Mower

Changes in Capital Improvements in Five-Year Financial Plans: FY 2021 to FY 2022

Public Works FEMA Generators	Street Debt Service	Fire Station 2 Pumper Debt Service Storm Water Debt Service Street Debt Service Utility Lines Debt Service	Street Debt Service Utility Lines Debt Service	General Fund Capital Reserve Contribution or Debt Service	Last Year's Five-Year Financial Plan
2021	2022	2023	2024	2025	2026
This Year's Five-Year Financial Plan	Campen Road Water Line Fire SCBA Fill Station/ Sta. 2 Pumper Debt Ser Front St Culvert Relocation	Front St. Culvert Relocation Public Works Sweeper Truck Sewer Pump Sta. 7 Replacement		Fire Dept. Watercraft Storm Water Debt Service Street Debt Service	Sewer Pump Sta. 1 Replacement
KEY Move Up Postpone New or Expand	PD Com. Upgrade Public Works FEMA Generators Sewer Pump Sta. 7 Replacement Water Treatment Plant	Water Treatment Plant		Sewer Pump Sta. 1 Replacement Sewer Vehicle Replacement Utility Lines Debt Service	



QUESTIONS?



BUDGET WORK SESSION 2 THURSDAY, MAY 20 – 4 PM