

# **TOWN OF POLLOCKSVILLE**

**FISCAL YEAR 2024-2025**

## **PROPOSED BUDGET**

Prepared and Submitted by  
Toni W. Floyd, Finance Officer and  
James V. Bender, Jr., Mayor

May 14, 2024

## Finance Officer's and Mayor's Budget Message FY 2024-2025

Board of Commissioners  
Town of Pollocksville  
PO Box 97  
314 Main Street  
Pollocksville, NC 28573

The Honorable Mayor Bender, Members of the Board of Commissioners, and Citizens of Pollocksville:

The FY 2024-2025 Proposed Budget is attached for your review and consideration. All budgets for small towns face challenges as increased regulations, supply chain disruptions, and inflationary pressures continue to create uncertainty. The proposed budget for FY 2024-2025 INCLUDES ONLY the "normal" revenues and expenses for the General Fund and the Utility Enterprise Fund. Revenues and Expenses for the various projects – such as the FEMA-BRIC elevation project, the street paving project, the CRP Sidewalk project, the multiple water and sewer improvements and other current or anticipated projects are not included in these figures, since each project has its own budget already approved and carries over from one fiscal year to another.

The total Proposed Budget – General Government and Utility Enterprise – is **\$587,735** – an increase of **\$7,082** -- or just over 1.2%. The General Fund Budget is **\$245,035** -- approximately \$8,370 higher than the previous year -- primarily resulting from higher anticipated property tax revenues and vehicle taxes. State-shared revenues are slightly lower than projected in the current budget but anticipating a 2% increase over what we have collected this year. The amount of Fund Balance appropriated -- the Town's Savings Account -- is \$26,222 -- the amount needed to balance the budget without increasing the tax rate.

This budget is balanced by **\$0.34** tax rate per hundred-dollar valuation, which is a continuation of the previous year's rate. Each cent on the tax rate represents approximately **\$2,135**. The estimated assessed tax valuation for the Town of Pollocksville as of January 1, 2024 (provided by the Jones County Tax Office) is **\$21,359,207** -- an increase in real and personal property of approximately 5% -- \$901,448. The arrangement by which Jones County collects our taxes has been successful and through 4/30/2024, we have collected almost 99% of the taxes due. This budget has been prepared using a 97% collection rate. The tax yield at this rate is estimated at **\$70,442** -- an increase of approximately \$5,059. Vehicle tax collections are anticipated to be \$1200 higher. You will also note that the Town collected approximately \$3600 in taxes from previous years, but such income is not budgeted.

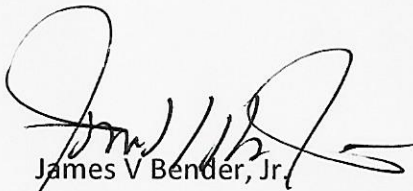
Additional revenues come from Sales Taxes and other state Franchise fees, notary and law enforcement fees, and reimbursements from NC Wildlife for the portable toilet at the Town Park/Boat Ramp. We also have appropriated Fund Balances from Powell Bill – restricted for streets – and the Beautification Fund. As previously mentioned, the budget anticipates just over \$26,000 from the Town’s Fund Balance to balance the budget without increasing taxes more than proposed.

The Utility Fund Budget is **\$342,700** and is approximately \$23,000 MORE than the previous year. Insurance on the town’s assets as well as increased O/M (operation and maintenance) costs continue to increase. In addition, new policies at the Local Government Commission and other state agencies have resulted in the Town being placed on the “distressed utility” list. While the Town is seeing more utility customers as it recovers from Hurricane Florence, water/sewer usage remains low. In order to operate the utility system on a positive cash-flow basis and put money aside for emergencies and upgrades, utility rates must increase. The rate increase is approximately 3 ½%.

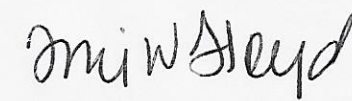
In both General and Utility Enterprise budgets, efforts have been made to streamline operational expenses and maintain service levels at the best cost. There are many grant opportunities available, including the American Rescue Plan, but the Town must work to provide services within its means and not rely on grant funds. We are, however, confident that the FY 24-25 Proposed Budget adequately reflects the Board’s budget priorities. We encourage the Board to carefully review the Proposed Budget and the accompanying materials and adjust it in any way that more clearly reflects the Board’s priorities and vision for the Town.

We **recommend** scheduling a Public Hearing at the **June 11, 2024** regularly scheduled meeting of the Board of Commissioners meeting. The Board of Commissioners may vote to approve the budget at any point following the Public Hearing. The Budget must be adopted no later than **June 30, 2024**.

Respectfully submitted,



James V. Bender, Jr.  
Mayor



Toni W. Floyd  
Finance Officer

SUMMARY AND EXPLANATORY NOTES

## 2024-2025 PROPOSED BUDGET

### **Budget Overview**

The following information, as well as the “Notes” portion of the Budget pages, provides more detail on the 2024-2025 Proposed Budget. The Town of Pollocksville utilizes a departmental budget. Expenditures are approved by department. Funds or expenditures are allocated to departments within two different funds. The General Fund serves as the primary fund for all governmental operations and expenditures. The Utility Enterprise Fund is utilized for the business operations of the water and wastewater system. The Enterprise Fund is designed to function as a business which generates profit to pay for all expenses, including current and future capital improvements.

### **GENERAL FUND (10 FUND)**

The General Fund comprises all the revenues from property, sales, franchise, and any other governmental fee collections. It also includes a portion of the wages paid for the Town Clerk/Finance Officer and the Public Works Director. The General Fund includes all operational expenses for the following departments: Governing Body; Legal; Finance/Clerk; Professional Services; Planning/Zoning; Law Enforcement; Fire/Rescue; Public Works; Powell Bill (Streets); Economic Development; and Parks/Recreation.

### **REVENUE**

This budget provides for a **property tax rate** of **\$.34** per \$100 valuation. State-shared revenues – Sales Tax, Franchise Tax, Beer/Wine Tax, Powell Bill, and other items are projected to show a NET DECREASE of approximately \$1200. These net decreases in state-shared revenues are a “guess” since we have received less money in some areas than we anticipated with the 2023-2024 budget, and we are using projections from the NC League of Municipalities to arrive at our figures. The amount of Fund Balance used to balance the budget remains consistent with previous years. The entire Beautification Fund balance is appropriated and is slightly higher because we have committed \$20,000 to match the FEMA-BRIC project as well as appropriated money for maintenance of the riverfront and Main Street plantings. Powell Bill Reserve Funds are also appropriated, and are restricted for street use. Thus, the total revenue projection for the General Fund is **\$245,035** and does NOT include the ongoing collection of delinquent property taxes, anticipated FEMA reimbursements, or additional grant funds.

### **EXPENSES**

The notes on the accompanying budget sheets should answer any questions. But the following provides additional detail and rationale:

- 1- Payroll Adjustments: All payroll is posted to the appropriate accounts in the General and Utility Funds without the need of a “wage transfer.” The proposal for this year is a COLA of 3.0%.
  - A- Town Clerk/Finance Officer is currently at \$18.54/hr plus \$275.00 per pay period for additional finance work – proposed will be \$19.10/hr plus \$275.00 per pay period. 27 hours per week average. 20% paid from General Fund/80% from Utility Fund
  - B- Public Works Director is currently \$16.12/hr – proposed will be \$16.60/hr 30 hours per week. 20% from General Fund/80% from Utility Fund
  - C- Utility System Operations – ORC – Since we are no longer doing wage transfers, the ORC (JJ Chadwick) will be paid \$2549.66 per month, split equally between water and sewer. His current compensation is \$2475.40 per month.
  - D- Local Government Retirement System contribution by the Town has increased to 13.6% from 12.85%. Only Robbie is on this plan.
- 2- Elections: Due to the change in our election cycle to even-years and a decision by Jones County to absorb all municipal elections costs this year, we have budgeted a minimum amount for elections.
- 3- Legal, Audit, and Professional Expenses: The audit contract for the coming year is anticipated to be the same or possibly slightly lower than the current and will be split with the Utility Enterprise Fund. We have increased legal expenses which may be related to our many projects, and some of this will be reimbursed by project budgets.
- 4- Town Hall Expenses: These expenses include utilities, cleaning, phone and internet, cleaning supplies, miscellaneous supplies, and a reserve for unanticipated expenses.
- 5- Law Enforcement: The contract with the Jones County Sheriff’s Office will be renewed at the same level as the current year, plus the expenses you see.
- 6- Fire/Rescue: The Fire Department asked for additional funding, but the Rescue Squad made no request. Accordingly, the appropriation for the Fire Department is increased to \$9000 and the Rescue Squad to \$2500.
- 7- Public Works and Parks: Increases occur in mowing and rental of the Park port-a-john.
- 8- Powell Bill: These funds are restricted to streets and related expenses, including mowing.

- 9- Economic Development/Beautification: We devote \$0.05 of the tax rate to Beautification. The increased property values yielded more for this year. We have tentatively approved \$20,000 of the reserve to match grant applications, as well as setting aside funds to maintain the newly planted areas at the river and along Main Street.
- 10- Insurance: Insurance – property/liability/workers compensation – is projected to increase slightly. We do not have the final quote on the property/liability portion, but there was a very slight increase in the workers compensation portion. We have a much higher premium for the Finance Officer’s bond due to new requirements.

### **ENTERPRISE FUND (30 FUND)**

The Town operates the water and waste-water system through an enterprise fund. These operations are treated as a business. To continue to provide these services, the Town must make a “profit” on operations or obtain grants to replace aging infrastructure. Unfortunately, the Town cannot charge the rates necessary to cover the depreciation on its assets, thus building up a large amount of cash to pay for expensive repairs/replacements.

### **REVENUE**

Revenue in the Enterprise Fund is derived directly from consumer fees and rates, along with penalties, interest, reconnect fees, and other miscellaneous revenues. The proposed budget projects revenues at **\$342,700** - about \$23,000 more than the previous year. This budget anticipates a rate increase of approximately 3 ½% depending on usage and location, and is part of the Town’s plan to make the utility enterprise more profitable and to remove the Town from the “distressed utility list.”

### **EXPENSES**

Current expenses have been projected in such a way to show approximately \$42,000 excess of revenues over expenses for the coming year, which will remain for emergencies and increasing fund balance. Since the Town is on the “distressed utility list”, we must take action to increase revenues and reduce expenses to ensure that the utility system operates at a profit and also retains funds for capital improvements and emergencies.

- 1- Combined Water/Sewer Department expenses are approximately \$30,450 less than last year. We have proposed line items for capital improvements in both the water and sewer systems totaling \$6500.
- 2- Regarding wages, the Town Clerk/Finance Officer is 20% General Fund; 40% Water Fund; and 40% Sewer; the Public Works Officer is 20% General Fund; 40% Water; and 40% Sewer; and the Utility Operator is 50% Water/50% Sewer.
- 3- Several expense items have been adjusted up or down based on current expenses. These areas include electricity, the Utility Fund’s share of the audit expenses, chemicals, and fuel for the trucks.

- 4- Both Water and Sewer O/M line items remain large since even a minor repair can be expensive.
- 5- Insurance premiums have increased, primarily due to the requirement to carry flood insurance on the elevated wastewater infrastructure. We have been penalized on our FEMA reimbursements by \$171,000 for our failure to have flood insurance on those assets.
- 6- The Town's debt payments for this year include the USDA loan for the Sewer system, the payment for the meters; and the water tank maintenance contract, with the renewal for the water tank contract increasing over previous years.