

Date: May 4<sup>th</sup>, 2021

To: The Honorable Mayor Foster and Town Councilmembers of Yanceyville North Carolina

Re: Fiscal Year 2021-2022 Budget Message

Dear Mayor Foster, Town Council, and Citizens:

As Budget Officer, I am pleased to submit to you this proposed balanced annual operating budget for the Town of Yanceyville, fiscal year beginning July 1<sup>st</sup>, 2021 and ending June 30<sup>th</sup>, 2022 for your review and consideration. This budget has been prepared in accordance with the provisions of General Statute 159.17, the **North Carolina Local Government Budget, and Fiscal Control Act**. All funds within the proposed budgets are balanced, and all revenues and expenditures are identified. This document reflects the efforts Town Council, Town Staff, and me. I express my appreciation to those who have been involved in the process.

Upon submission of the annual budget document, the governing body must schedule a public hearing, detailing that a budget has been submitted and copies of the proposed budget and budget message will be placed on file with the Town Clerk, and on the Town of Yanceyville's website to be available for public inspection (G.S. 159-12(b)). The notice will provide the time, date, and place of the budget hearing. The Town of Yanceyville strives to provide ample time between notice and the hearing date to provide the public an opportunity to attend the hearing. The budget is enacted upon official adoption of the Budget Ordinance, no later than July 1<sup>st</sup>, 2021.

As we are all aware, our lives have been changed by the COVID-19 pandemic. How and when we can do business has been put on hold as health officials try to manage this pandemic. As part of this message, I want to say Thank you to our front-line workers who have been diligent and have worked tirelessly to keep everyone safe. Our community has worked as one united team, and for that I am grateful. We want to continue to always protect the quality of life of our citizens. To accomplish this, we want to strengthen community, sustain our local economy, maintain quality services, continue strong partnerships, and promote our quality water.

The budget is presented with no changes in the current ad valorem tax rate, water rate, or sewer rate. A conservative approach was used in preparing projections for all six statewide revenue sources: Beer & Wine Tax, Utility Franchise Tax on Electric Service, Sales Tax on Telecommunications, Piped Natural Gas Excise Tax, Local Option Sales Tax, and Powell Bill revenues, while recognizing the economic uncertainties that linger because of the COVID-19 pandemic.

The Town has developed an extremely conservative budget that seeks to maintain current service levels, while also addressing infrastructure needs to maintain our current assets to allow for prolonged use and efficiency.

The proposed budget for the General Fund is approximately 6.9 % higher than the 2020-2021 fiscal year (\$841,700 in 2020-2021 to 899,500 in 2021-2022). Some of the significant changes include increased expenditures in Planning and Zoning Administration, Yanceyville Municipal Airport, a decrease in estimated interest income, and an increase in recovery of NC sales tax.

The proposed budget for the Enterprise Fund is approximately 1.8 % lower than the respective budget for the 2020-2021 fiscal year (\$1,748,310 in 2020-2021 to \$1,717,160 in 2021-2022). This decrease is primarily due to a projected decrease in water & sewer revenues.

The Town will allocate 3% of all water revenues to the repayment of the USDA loan that allowed the Town to install an emergency water line connection/pump station with the City of Danville, Virginia. The Town anticipates the revenues collected from the 3% of water revenues to allow the Town to pay off the debt taken on by the project.

The Special Revenue Fund will be used to track all monies awarded from Powell Bill funds, which are allocated from the State annually and are restricted for use on pedestrian and side-walk projects only, and to track all monies used to help maintain the Yanceyville Municipal Cemetery. The Special Revenue Fund will be tracked as a stand-alone fund and will be shown on the financial statements separate from the General Fund. The Special Revenue Fund's budget is \$40,000 for fiscal year 2021-2022

The total budget amount for all funds in 2021-2022 is \$2,616,600 compared to \$2,590,010 in 2020-2021 (an increase of 4.6 %).

There will be no proposed use of un-appropriated fund balance to balance the budget this year. The Town has made strong efforts to increase the un-appropriated fund balance of the Town and has done so over the past eight budget cycles.

The Town does intend to continue working with third-party contractors for "full service" operation of our Water Treatment and Wastewater Treatment Plants, Planning and Zoning Service's needs, Legal needs, Engineering fees, and extensive water/sewer repair needs.

Some of the major items in this year's budget are outlined below:

- Completion of the re-codification of the Town Code
- Unified Development Ordinance: Land Use Plan
- Full-service operation of Water & Wastewater Plants
- Planning and Zoning Administration
- Town Hall Updates and Maintenance
- Water Tank Maintenance
- Yanceyville Municipal Airport
- Continued repair/replacement of aging water/sewer infrastructure
- Capital Improvements

**Grant Projects:**

The Town will continue to be dedicated to increasing our services to the public. We will insistently target grant funding for projects in the areas of water and sewer infrastructure, parks, recreation and memorials, and economic development initiatives. The Town is preparing to submit a grant application in this fiscal year to the North Carolina Department of Environmental Quality Division of Water Infrastructure: Community Development Block Grant -Infrastructure to aid the in the improvements and operations of our Public Water and Sewer Infrastructure.

**Budget Format:**

This year's budget format presents the revenues and expenditures in a line-item format. The budget is designed to function as a work plan in guiding departmental operations, to accomplish all the goals and objectives outlined by Town Council. The operating budget is divided into the General Fund, Enterprise Fund, and Special Revenue Fund. A description of these funds is included with the proposed budgets.

**Manager's Message:**

The proposed 2021-2022 budget balances revenues with expenditures in accordance with the North Carolina General Statutes. I believe this budget recommendation makes significant advancements in the pursuit of the Yanceyville Town Council's strategic priorities and responds to key community needs. This budget reflects strong, plans for future community needs, continued investment in our employees, and adequately funds public services. It also reflects the efforts that we have made in these challenging conditions to continue the level of service that we have provided in the past and puts us in a good position to meet the challenges in our future and exceed our current level of service moving forward.

The Town of Yanceyville currently has a dedicated Staff with a great deal of talent and devotion to its citizens. Although funding may be less than desired this fiscal year, our financial needs can be met with a clear and consistent growth plan moving forward.

I am grateful to the Yanceyville Town Council for your engagement, guidance, and direction in preparing this budget. Our public service passion and the core values among Town Staff are reflected throughout this entire budget.

The Town of Yanceyville is in a good financial condition overall. Our fund balance will continue to be healthy. I look forward to working with you all as you review and consider the recommended budget further to ensure it meets the expectations and priorities of the governing body and the citizens of Yanceyville.

Respectfully Submitted,

*Kamara Barnett*

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Interim Town Manager/Clerk