

**TOWN OF YANCEYVILLE**INCORPORATED
1986

June 8, 2023

Honorable Mayor Foster and Town Councilmembers

I present you with the Fiscal Year 2024 operating budget for the Town of Yanceyville beginning July 1st, 2023, and ending June 30th, 2024, 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 of the Town Council, Town Staff, and me. I express my appreciation to those who have been involved in the process. Since the pandemic will continue to have an impact on the finances of the Town, this budget represents a conservative approach.

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 with an opportunity to attend the hearing. The budget is enacted upon official adoption of the Budget Ordinance, no later than July 1st, 2023.

We want to continue to always protect the quality of life of our citizens. To accomplish this, we want to strengthen our 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. It is my goal to utilize a water/sewer rate model to implement a water /sewer rate increase by July 1st, 2023. 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 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 equivalent to the fiscal year 2022-2023 (\$943,515).

The proposed budget for the Enterprise Fund is approximately 5% less than the respective budget for the fiscal year 2022-2023 (\$1,845,502 in 2022-2023 to \$1,754,407 in 2023-2024). Primarily, the overall budget has been reduced by anticipated expenditures in the amount of \$169,865 being moved against the ARPA grant in FY 2023-24. This recommendation is due to LGC recommending that the overall appropriation from fund balance should not be over 5% of the total enterprise budget. The Enterprise Fund has incurred a significant loss in customer base and revenue over the past 5 years. Consequently, the budget assumes a 25% increase in the rates starting July 1, 2023. It is important to recognize that this is only the beginning of rate increases whereas a special work session will be forthcoming outlining all needs and future rate increases. Nevertheless, significant changes include increased expenditures in the cost-of-living adjustment for staff, special projects, and full-service operation of Water & Wastewater Plants.

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 \$44,000 for the fiscal year 2023-2024.

The total budget amount for all funds in fiscal year 2023-2024 is \$2,741,921.

Within my proposal, the General Fund does not utilize any funds from un-appropriated fund balance to balance the budget this year. Within the Enterprise Fund, a total of \$87,720 will be utilized from an inappropriate fund balance to balance the budget this year.

The Town does intend to continue collaborating with third-party contractors for full-service operations of our Water and Wastewater Treatment Plants, Planning and Zoning needs, legal needs, engineering fees, financial needs, and extensive water/sewer repair needs.

Grant Projects:

We will continue to target grant funding for projects to aid in the improvements and operations of our Public Water and Sewer Infrastructure, parks/recreation, and economic development initiatives.

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 the Town Council. The operating budget is divided into the General Fund, Enterprise Fund, and Special Revenue Fund.

Manager's Message:

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 adequate funds for 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 resolute 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.

I look forward to collaborating 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
Town Manager/Clerk