

BUDGET MESSAGE

2020-2021

May 26th, 2020

To The Town of Yanceyville Mayor, Council and Citizens:

I am pleased to present the recommended budget for the fiscal year 2020-2021. The budget was prepared in accordance with G.S. 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 for the fiscal year 2020-2021.

The budget is presented with no changes in the current ad valorem tax rate, water rate, or sewer rate. For 2020-2021, a conservative approach was used in preparing projections for all six statewide revenue sources: Beer and 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. The Town has developed a 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 0.3 % higher than the 2019-2020 fiscal year (up from \$838,800 in 2019-2020 to \$841,700 in 2020-2021). Some of the significant changes include increased expenditures going towards an interlocal agreement with the County Sheriff's Department, a decrease in estimated interest income and an increase in recovery of NC sales tax.

The Enterprise Fund is approximately 4.8 % higher than the respective budget for the 2019-2020 fiscal year (up from \$1,667,810 in 2019-2020 to \$1,748,310 in 2020-2021). This increase is primarily due to a projected increase 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, Va. 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 Town's new 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 FY 2020-2021.

The total budget amount for all funds in 2020-2021 is \$2,590,010 compared to \$2,506,610 in 2019-2020 (an increase of 3.32 %)

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 seven budget cycles.

The Town does intend to continue working with third-party contractors for "full service" operation of our Water and Wastewater plants, Code Enforcement 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
- Museum Artwork Rehabilitation
- Full service operation of Water & Sewer Plants
- Zoning Code Enforcement services
- Wi-Fi Network Expansion
- Town Hall Updates and Maintenance
- Water Tank Maintenance
- Security/surveillance systems for town owned buildings
- Continued repair/replacement of aging water/sewer infrastructure
- Capital Improvements
- Sheriff's Department Contract

Grant Projects:

The Town was awarded \$2 million in CDBG grant money from the NC Division of Water Infrastructure to improve and enhance the operations of our wastewater treatment facility. This project should end before the beginning of this fiscal year. The Town plans on submitting an application in this fiscal year for CDBG funds to go toward further needs concerning our water and sewer infrastructure. The Town also received a grant from “Small Town Soul” to help aid our web presence to enhance the Town’s website and what we provide. The Town plans on re-submitting a grant application to the NC Parks and Recreation Trust Fund to help aid the construction of the proposed downtown park.

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, in an attempt 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 2020-2021 budget balances revenues with expenditures in accordance with state statutes. The proposed budget substantially address’ the goals and objectives established by the Town Council. The recommended budget provides the financial resources necessary to continue improving the current level of Town services.

On behalf of all our outstanding Town employees, I want to express our gratitude to the Mayor and Town Council for their strong leadership and dedication to the community. And to the dedicated Town employees, thank you for the continued devotion to providing outstanding service to the Town and the Citizens of our Community.

Sincerely,

Brian Collie
Town Manager