

Town of Spruce Pine



ANNUAL BUDGET 2022-2023

Prepared for:

The Spruce Pine Town Council

By:

Crystal Young
Finance Officer

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TOWN OF SPRUCE PINE

2022-2023 BUDGET

BUDGET MESSAGE

I hereby present this recommended budget for the 2022-2023 fiscal year to the Town of Spruce Pine Town Council.

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 2022-2023. Due to the Property Tax Revaluation in Mitchell County, the budget is presented with a five cent decrease in the property tax rates.

For 2022-2023, a conservative approach was used in preparing projections for all statewide revenue sources: Beer and Wine Tax, Utility Franchise Tax, and Sales & Use Tax. 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. Sales taxes revenues state wide are projected at a 3.75% growth over FY 21-22 levels.

The proposed budget for the General Fund is comparable to the budget for 2021- 2022 fiscal year. The FY 2022-2023 budget reflects anticipated revenues and expenditures in the General Fund of \$2,592,977.00. The revenue side of the General Fund budget reflects a tax base of approximately 298 million. I am pleased to recommend a decrease in the property tax rate of five cents. The proposed ad valorem tax rate for the 2022-2023 fiscal year is \$0.46 cents per \$100 valuation (2 cents over the revenue neutral rate).

The Enterprise Fund is approximately 8% more than the respective budget for 2021- 2022 fiscal year. This increase is primarily due to the increases in water and sewer rates to keep up with rising costs of maintaining our water and sewer system. This budget reflects increases on minimum flat rates and overage rates over the minimum usage to both inside and outside rates. The FY 2022-2023 budget reflects anticipated revenues and expenditures in the Enterprise fund of \$2,661,750.

New Capital Items/Programs have been kept at an affordable level for the coming FY 2022-2023.

The Capital Items/New Items for the 2022-2023 budget for the General Fund include: Electric Car Chargers, Cameras in Town, Pine Line Funding, Land-Use Plan, Paving, Roof at Public Works Building, Tools and Hammer for Backhoe, New Pay Grade for Police Chief Position, Taser, Lockers, Laptop, and Printers for Police Department, New Truck for Parks & Rec, Swings and See-Saw for Riverside, and Pool Diving Board and Tile Replacement.

The Capital Items/New Items for the 2022-2023 budget for the Enterprise Fund include: New Water Meters and Sensors, Water Valve Insertion, Tools for Water Taps, 2 Turbidimeters, 1 Controller, Summit Water Pump & Motor, Paving for Water Leaks, Sewer Line Cleaning, Beaver Creek and Lower Prison Lift Station Pumps, SO2 Scales, BOD Probe, PH Meter & Stirrer, and a Return Meter.

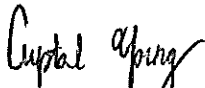
The budget includes contributions to outside agencies currently funded. Including a 6.4% increase in the funding for Library Operations. All other agencies including TRAC, Mitchell County Chamber of Commerce, and Mitchell County Animal Rescue are funded at the level of the 2021-2022 contributions.

Pay adjustments are included in this year's budget. Employee pay is adjusted by a 3% COLA. This adjustment is based on the CPI-W (3rd quarter current to prior) with half of that amount being funded in the budget. Other adjustments include increases in State Retirement costs for the employer. Health Insurance costs have remained steady over the 2021-2022 budget levels. This budget also takes into consideration rising costs of fuel, chemicals, and other necessary supplies.

The General Fund budget is balanced with no fund balance appropriation, and \$45,411.00 set aside in a contingency account. The Enterprise Fund is budgeted with no fund balance appropriation, and \$128,089 set aside in a contingency account to be placed back into fund balance.

The Town will continue to move forward addressing the needs and desires of citizens in the most efficient and effective manner possible. I am optimistic about the coming year and look forward to the benefits that our citizens will realize through the improvements the Town will make in FY 2022-2023.

Respectfully Submitted,


Crystal Young

Finance Officer

TOWN OF SPRUCE PINE 2022-2023 BUDGET

BUDGET INTRODUCTION

FUND ACCOUNTING

The accounts of the Town of Spruce Pine are organized and operated on the basis of funds. A fund is a grouping of related accounts that have been segregated for specific activities or objectives.

Funds used by local governments can be grouped into two types: governmental funds and proprietary funds. Governmental funds are simply used to account for most governmental-type activities and are primarily financed by tax revenues. Proprietary funds are used for activities that operate more like businesses, such as water or sewer operations, where expenses are primarily financed by revenues derived from user charges rather than tax dollars. The Town of Spruce Pine currently uses governmental and proprietary funds primarily, and when needed, Capital Project and Special Revenue Funds.

General Fund

The General Fund encompasses most of the town's day-to-day operations. Property taxes are one component of General Fund revenue. Other important General Fund revenue sources are various sales taxes and excise taxes that are distributed to the town by the North Carolina Department of Revenue. Finally, specific user charges such as cemetery fees and privilege license fees are accounted for as General Fund revenues.

All general operating expenditures are budgeted and accounted for in the General Fund. In addition, capital expenditures (purchases of real and personal property assets that have multi-year service lives) are likewise budgeted and accounted for in the General Fund.

The Town of Spruce Pine considers expenditures for fixed assets with a value greater than five thousand dollars (\$5000.00) to be capital expenditures.

Enterprise Fund

The Enterprise Fund is the Town's Water & Sewer Fund. GAAP requires state and local governments to use the Enterprise Fund type to account for "business-type activities" – activities similar to those found in the private sector. Business type activities include services primarily funded through user charges. User Charges in the Enterprise Fund include: water and sewer fees, tap fees, reconnect fees, etc.

Capital Project Funds

Capital Project Funds are used to budget and account for larger capital expenditures that may take place over more than one fiscal year. A large or multi-year capital project is authorized by a *Capital Project Ordinance* adopted by the town council, and the project is financed through a related Capital Project Fund. The Capital Project Fund may receive transfers from the General or Enterprise Fund, or it may receive funds from other revenue sources such as grants or bond proceeds. Currently the Town has four active capital project fund ordinances. Golden Leaf Grant for Hwy 226 Water Line, SCIF Grant – Brad Ragan, SCIF Grant – Riverside, and PARFT Grant for Brad Ragan.

In recent years, the Town of Spruce Pine has established Capital Project Funds to renovate the new town hall, construct the new police department, PRC Industries utility improvements, the ARC bar screen project, and the SRF Loan to fund the sewer line rehabilitation project.

TOWN OF SPRUCE PINE

2022-2023 BUDGET

Special Revenue Fund

The Town of Spruce operates a Special Revenue Fund to account for American Rescue Plan Act (ARPA) Funds. A special revenue fund is an account established by a government to collect money that must be used for a specific project. Special revenue funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purposes.

BUDGET PREPARATION

The Town of Spruce Pine operates on a fiscal year that runs from July 1st – June 30th. The annual budget process begins with the finance officer working with departmental staff to estimate operating expenditures for the next fiscal year. These estimates usually begin in April.

THE BUDGET ORDINANCE

Under the North Carolina Local Government Budget and Fiscal Control Act, no expenditure may be made by the finance officer or any departmental personnel if that expenditure is not authorized.

The Town of Spruce Pine allows the finance officer to make transfers between objects of expenditure within a department without limitation. Amounts of up to \$1000 may be transferred between departments of the same fund with an official presentation on such transfers at the next regular meeting of the Town Council. Funds may not be transferred between funds or from any contingency appropriation within a fund.

**STATE OF NORTH CAROLINA
TOWN OF SPRUCE PINE**

**AN ORDINANCE TO ESTABLISH A BUDGET
FOR FISCAL YEAR 2022-2023**

BE IT ORDAINED by the Council of the Town of Spruce Pine, North Carolina, the following:

Section I.

Appropriations. The following amounts are hereby approved in the General Fund for the operation of the Town government and its activities for the fiscal year beginning 7/1/2022 and ending 6/30/2023, in accordance with a Chart of Accounts to be established for the Town:

General Government	\$ 286,202.00	
Public Safety	\$1,136,773.00	
Transportation	\$ 402,285.00	
Environmental Protection	\$ 83,909.00	
Cultural and Recreational	\$ 459,819.00	
Cemetery	\$ 19,850.00	
Economic Development	\$ 158,728.00	
Revolving Loan	\$ 0	
Contingency	\$ 45,411.00	
Total Expenditures		<u>\$2,592,977.00</u>

Revenues. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning 7/1/2022 and ending 6/30/2023:

Ad-Valorem Taxes	\$ 1,307,500.00	
Other Taxes	\$ 1,056,600.00	
Unrestricted Intergovernmental Rev.	\$ 17,000.00	
Restricted Intergovernmental Rev.	\$ 80,000.00	
Licenses and Permits	\$ 325.00	
Sales and Services	\$ 30,000.00	
Investment Earnings	\$ 1,000.00	
Other Revenues	\$ 69,090.00	
Revolving Loan	\$ 7,500.00	
Police Department Grant	\$ 23,962.00	
Fund Balance Appropriated	\$ 0.00	
Total Estimated Revenues		<u>\$2,592,977.00</u>

Section II.

Appropriations. The following amounts are hereby approved in the Enterprise Fund for the operation of the Town water and sewer services for the fiscal year beginning 7/1/2022 and ending 6/30/2023, in accordance with a Chart of Accounts to be established for the Town:

Administration & Plant Operation	\$1,264,918.00
Debt Service	\$ 94,383.00
Water Operations	\$ 641,983.00
Sewer Operations	\$ 532,377.00
Contingency	\$ 128,089.00

Total Expenditures **\$2,661,750.00**

Revenues. It is estimated that the following revenues will be available in the Enterprise Fund for the fiscal year beginning 7/1/2022 and ending 6/30/2023:

Water Charges	\$ 1,584,000.00
Sewer Charges	\$ 1,044,000.00
Tap Fees	\$ 3,000.00
Penalties & Service Charges	\$ 26,000.00
Miscellaneous Revenues	\$ 4,500.00
Investment Earnings	\$ 250.00

Total Estimated Revenues **\$2,661,750.00**

Section III.

Appropriations. The following amounts are hereby approved in the ARPA Fund for the operation of the Town for the fiscal year beginning 7/1/2022 and ending 6/30/2023, in accordance with a Chart of Accounts established for the Town:

Standard Allow. (PW Salaries-W/S) \$ 341,484.00

Total Expenditures **\$ 341,484.00**

Revenues. It is estimated that the following revenues will be available in the ARPA Fund for the fiscal year beginning 7/1/2022 and ending 6/30/2023:

ARPA Funds \$ 341,484.00

Total Estimated Revenues **\$ 341,484.00**

Section IV. Property Tax Levy. A tax in the amount of \$0.46 per \$100.00 of assessed valuation is hereby levied on property within the Town of Spruce Pine which was listed for property taxes in Mitchell County as of January 1, 2022. This rate of tax is based on an estimated total valuation \$281,795,936 and the estimated collection rate of 97.4%

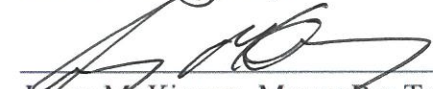
Section V. Transfers. The Finance Officer is authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a). Amounts may be transferred between objects of expenditure within a department without limitation.
- b). Amounts up to \$1000 may be transferred between departments of the same fund with an official presentation on such transfers at the next regular meeting of the Town Council.
- c). Funds may not be transferred between funds or from any contingency appropriation within a fund.

ADOPTED this 27th day of June 2022. Witness my hand and official seal:



Darla Harding, Mayor



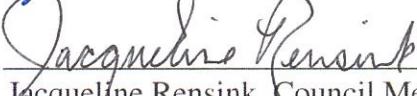
Larry McKinney, Mayor Pro Tem



James Acuff, Council Member



Rocky Buchanan, Council Member



Jacqueline Rensink, Council Member

Attest:



Shelley Buchanan, Clerk



Town of Spruce Pine

General Fund Adopted Budget

2022-2023

*Adopted Budget includes a 3% COLA

<u>General Fund Revenue</u>		<u>21/22</u> <u>Budget</u>	<u>Increase/Decrease</u>	<u>Proposed</u> <u>22/23 Budget</u>
2015-Taxes	10-301-15	\$500	(500.00)	\$0
2016-Taxes	10-301-16	\$1,000	(500.00)	\$500
2017-Taxes	10-301-17	\$1,000	0.00	\$1,000
2018-Taxes	10-301-18	\$2,000	(1,000.00)	\$1,000
2019-Taxes	10-301-19	\$3,000	(1,000.00)	\$2,000
2020-Taxes	10-301-20	\$5,000	(2,000.00)	\$3,000
2021-Taxes	10-301-21	\$1,295,000	(1,290,000.00)	\$5,000
2022-Taxes	10-301-22	\$0	1,295,000.00	\$1,295,000
Payments in Lieu of Taxes	10-303-00	\$17,000	0.00	\$17,000
Vehicle Taxes	10-304-00	\$85,000	5,000.00	\$90,000
Tax Penalties	10-317-00	\$5,000	0.00	\$5,000
Privilege License	10-325-00	\$325	0.00	\$325
Interest on Investment	10-329-00	\$1,000	0.00	\$1,000
Misc Revenue	10-335-00	\$5,000	0.00	\$5,000
Utilities Franchise Tax	10-337-00	\$281,000	4,000.00	\$285,000
Powell Bill Allocation	10-343-40	\$75,000	5,000.00	\$80,000
Local Sales Tax	10-345-00	\$615,699	54,301.00	\$670,000
Alcohol/beverage tax	10-345-01	\$10,000	0.00	\$10,000
Solid Waste Disposal	10-346-00	\$1,600	0.00	\$1,600
Officers Fee	10-351-00	\$350	0.00	\$350
Police Department Grant	10-351-01	\$24,110	(148.00)	\$23,962
Federal Drug Forfeiture	10-351-02	\$0	0.00	\$0
Parking/Other Violations	10-352-00	\$500	0.00	\$500
Cemetery Plots	10-361-00	\$4,000	0.00	\$4,000
Office Rental	10-362-02	\$3,240	0.00	\$3,240
Recreation Park Revenue	10-365-00	\$26,000	0.00	\$26,000
Revenue ABC Distribution	10-366-00	\$45,000	0.00	\$45,000
Revenue SP Police Dis	10-366-01	\$5,000	0.00	\$5,000
Sale of Fixed Assets	10-383-00	\$4,500	500.00	\$5,000
Revolving Loan Repayments	15-320-00	\$39,122	(31,622.00)	\$7,500
Fund Balance Appropriated	10-399-00	\$67,214	(67,214.00)	\$0
Total General Fund Revenue		\$ 2,623,160.00		\$ 2,592,977.00

General Fund Expenditures

Governing Body

Salaries	10-410-02	\$16,350	488.00	\$16,838
FICA	10-410-05	\$1,260	29.00	\$1,289
Worker's Comp	10-410-09	\$55	0.00	\$55
Travel	10-410-14	\$2,000	0.00	\$2,000
Miscellaneous	10-410-57	\$2,500	0.00	\$2,500

Total Governing Body

	<u>\$</u>	<u>22,165.00</u>		<u>\$</u>	<u>22,682.00</u>
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Administration & Finance

Salaries	10-420-02	\$250,000	6,941.00	\$256,941
Professional Services	10-420-04	\$48,000	12,000.00	\$60,000
FICA	10-420-05	\$18,975	681.00	\$19,656
Group Insurance	10-420-06	\$35,477	(1,259.00)	\$34,218
Retirement	10-420-07	\$28,430	2,943.00	\$31,373
Unemployment Ins	10-420-08	\$1,000	0.00	\$1,000
Workers Comp	10-420-09	\$2,236	0.00	\$2,236
W/S Admin Fees	10-420-10	-\$227,980	(41,091.00)	-\$269,071
Telephone & Postage	10-420-11	\$7,500	2,000.00	\$9,500
Utilities	10-420-13	\$6,000	0.00	\$6,000
Travel	10-420-14	\$2,500	(500.00)	\$2,000
Building Grounds & Maintenance	10-420-15	\$5,000	2,500.00	\$7,500
Equipment Maintenance	10-420-16	\$250	750.00	\$1,000
Auto Maintenance	10-420-17	\$1,500	0.00	\$1,500
Copier Lease	10-420-21	\$2,425	0.00	\$2,425
Advertising	10-420-26	\$3,500	0.00	\$3,500
Auto Supplies	10-420-31	\$1,250	0.00	\$1,250
Supplies & Materials	10-420-33	\$13,000	1,000.00	\$14,000
Contracted Services	10-420-45	\$4,800	2,000.00	\$6,800
Dues & Subscription	10-420-53	\$5,800	0.00	\$5,800
Insurance	10-420-54	\$19,012	3,105.00	\$22,117
Miscellaneous	10-420-57	\$2,910	90.00	\$3,000
Capital Outlay	10-420-74		34,775.00	\$34,775
Service Charges	10-420-88	\$1,000	0.00	\$1,000

Total Administration & Finance

	<u>\$</u>	<u>232,585.00</u>		<u>\$</u>	<u>258,520.00</u>
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Elections

Elections	10-430-45	\$2,500	(2,500.00)	\$0
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Total Elections

	<u>\$</u>	<u>2,500</u>		<u>\$</u>	<u>-</u>
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Vehicle Tax Collection Fees

Tax Collection Fees	10-480-45	\$4,600	400.00	\$5,000
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Total Tax Collection Fees

	<u>\$</u>	<u>4,600</u>		<u>\$</u>	<u>5,000.00</u>
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Economics

Salaries	10-496-02	\$61,705	1,687.00	\$63,392
FICA	10-496-05	\$4,721	129.00	\$4,850
Group Insurance	10-496-06	\$8,679	(180.00)	\$8,499
Retirement	10-496-07	\$5,673	552.00	\$6,225
Worker's Compensation	10-496-09	\$637	0.00	\$637
Supplies	10-496-33	\$500	0.00	\$500
Main Street	10-496-51	\$36,125	(6,100.00)	\$30,025
Façade/DEAP Grants	10-496-52	\$9,000	6,000.00	\$15,000
Miscellaneous	10-496-57	\$7,500	(500.00)	\$7,000
Skate Rink	10-496-58	\$7,600	0.00	\$7,600
Miscellaneous Economic Request	10-496-59	\$0	15,000.00	\$15,000
Total Economics		\$ 142,140.00		\$ 158,728.00

Public Buildings & Facilities

Utilities	10-500-13	\$72,000	(30,000.00)	\$42,000
Building/Grd Maintenance	10-500-15	\$19,000	0.00	\$19,000
Equipment Maintenance	10-500-16	\$500	0.00	\$500
Supplies & Materials	10-500-33	\$2,000	1,000.00	\$3,000
Contracted Services	10-500-45	\$15,130	0.00	\$15,130
Capital Outlay	10-500-74	\$100,879	(100,879.00)	\$0
Total Public Buildings & Facilities		\$ 209,509.00		\$ 79,630.00

Police Department

Salaries	10-510-02	\$528,866	23,200.00	\$552,066
Separation Allowance	10-510-03	\$14,101	(2,898.00)	\$11,203
FICA	10-510-05	\$40,459	1,775.00	\$42,234
Group Insurance	10-510-06	\$95,279	(1,980.00)	\$93,299
Retirement	10-510-07	\$63,676	8,314.00	\$71,990
Supplement Retirement	10-510-08	\$26,444	1,160.00	\$27,604
Workers Comp	10-510-09	\$10,900	0.00	\$10,900
Telephone & Postage	10-510-11	\$8,162	2,000.00	\$10,162
Utilities	10-510-13	\$9,500	500.00	\$10,000
Travel	10-510-14	\$600	0.00	\$600
Building grounds Maintenance	10-510-15	\$8,000	0.00	\$8,000
Equipment Maintenance	10-510-16	\$500	0.00	\$500
Auto Maintenance	10-510-17	\$11,445	5,000.00	\$16,445
Auto Supplies	10-510-31	\$24,000	8,000.00	\$32,000
Training	10-510-32	\$1,000	0.00	\$1,000
Supplies & Materials	10-510-33	\$10,300	2,200.00	\$12,500
Uniforms	10-510-36	\$4,000	0.00	\$4,000
Canine Program	10-510-38	\$2,500	0.00	\$2,500
Contracted Services	10-510-45	\$9,600	0.00	\$9,600
Dues & Subscription	10-510-53	\$350	0.00	\$350
Insurance	10-510-54	\$13,200	0.00	\$13,200
Miscellaneous	10-510-57	\$11,854	(9,354.00)	\$2,500
Capital Outlay	10-510-74	\$16,250	(7,364.00)	\$8,886
Equipment Lease	10-510-80	\$350	0.00	\$350
Gov Crime Comm Grant	10-510-81	\$24,110	(148.00)	\$23,962
Drug Fund Expenditures	10-510-82		0.00	\$0
Loan Payment - Patrol Vehicles	10-510-99	\$21,922	0.00	\$21,922
Total Police Department		\$ 957,368.00		\$ 987,773.00

Fire Department

Supplies & Materials	10-530-33	\$6,000		\$6,000
SPVFD Contract	10-530-45	\$143,000	0.00	\$143,000
Total Fire Department		\$ 149,000.00		\$ 149,000.00

Building Inspections

Mitchell County Inspections	10-540-45	\$26,611	1,889.00	\$28,500
Total Building Inspections		\$26,611		\$ 28,500.00

Public Works

Salaries	10-560-02	\$353,789	1,117.00	\$354,906
Professional Services	10-560-04	\$775	0.00	\$775
FICA	10-560-05	\$27,065	86.00	\$27,151
Group Insurance	10-560-06	\$69,320	(1,461.00)	\$67,859
Retirement	10-560-07	\$40,545	2,789.00	\$43,334
Workers com	10-560-09	\$12,015	0.00	\$12,015
Labor Allocation Credit (streets)	10-560-10	-\$12,045	0.00	-\$12,045
Labor Allocation Credit (water)		-\$323,236	(10,280.00)	-\$312,956
Labor Allocation Credit (Sewer)		-\$141,416	15,062.00	-\$156,478
Telephone & Postage	10-560-11	\$3,999	501.00	\$4,500
Utilities	10-560-13	\$9,057	943.00	\$10,000
Travel	10-560-14	\$750	0.00	\$750
Building/Grnd Maintenance	10-560-15	\$4,500	0.00	\$4,500
Equipment Maintenance	10-560-16	\$6,000	0.00	\$6,000
Auto Maintenance	10-560-17	\$10,000	0.00	\$10,000
Auto Supplies	10-560-31	\$17,000	4,000.00	\$21,000
Supplies & Materials	10-560-33	\$9,500	500.00	\$10,000
Uniform Rental	10-560-35	\$11,000	0.00	\$11,000
Dues & Subscription	10-560-53	\$100	0.00	\$100
Miscellaneous	10-560-57	\$4,766	(2,266.00)	\$2,500
Interest - UCB	10-560-58	\$2,950	(2,450.00)	\$500
Capital Outlay	10-560-74	\$71,000	(27,551.00)	\$43,449
Debt Payment Street Sweeper	10-560-99	\$50,000	0.00	\$50,000
Total Public Works		\$ 227,434.00		\$ 198,860.00

Powell Bill

Right of Way	10-570-03	\$2,000	0.00	\$2,000
Engineering Services	10-570-04		0.00	\$0
Labor Allocation	10-570-10	\$10,045	0.00	\$10,045
Paving & Resurfacing	10-570-15	\$92,380	(42,380.00)	\$50,000
Equip Maintenance	10-570-16	\$2,650	2,350.00	\$5,000
Snow & Ice Removal	10-570-18	\$6,900	3,100.00	\$10,000
Drainage & Storm Sewer	10-570-19	\$17,000	(2,000.00)	\$15,000
Curb & Guttering	10-570-20	\$2,100	(1,600.00)	\$500
Traffic Control	10-570-22	\$2,000	0.00	\$2,000
Sidewalks	10-570-25		0.00	\$0
Supplies & Materials	10-570-33	\$750	0.00	\$750
Capital Outlay	10-570-74	\$5,000	(5,000.00)	\$0
Total Powell Bill		\$ 140,825.00		\$ 95,295.00

Sanitation

Contracted Services	10-580-45	\$79,913	3,996.00	\$83,909
Total Sanitation		\$79,913		\$ 83,909.00

Parks & Recreation

Salaries	10-620-02	\$99,527	2,238.00	\$101,765
FICA	10-620-05	\$7,614	172.00	\$7,786
Group Insurance	10-620-06	\$8,663	(164.00)	\$8,499
Retirement	10-620-07	\$4,956	482.00	\$5,438
Workers Comp	10-620-09	\$2,250	0.00	\$2,250
Telephone & Postage	10-620-11	\$4,322	0.00	\$4,322
Utilities	10-620-13	\$18,500	3,000.00	\$21,500
Travel/Education	10-620-14	\$700	0.00	\$700
Building/Grnd Maintenance	10-620-15	\$14,000	500.00	\$14,500
Equipment Maintenance	10-620-16	\$6,200	(1,200.00)	\$5,000
Auto Maintenance	10-620-17	\$3,500	0.00	\$3,500
Auto Supplies	10-620-31	\$2,500	700.00	\$3,200
Supplies & Materials	10-620-33	\$12,000	2,000.00	\$14,000
Contracted Services	10-620-45	\$3,000	500.00	\$3,500
Purchases For Resale	10-620-48	\$4,600	1,400.00	\$6,000
Dues & Subscription	10-620-53	\$575	0.00	\$575
Miscellaneous	10-620-57	\$2,636	(1,136.00)	\$1,500
Capital Outlay	10-620-74	\$3,850	35,357.00	\$39,207
Brad Ragan PARTF Grant	10-620-76	\$100,000	0.00	\$100,000
Total Parks & Recreation		\$ 299,393.00		\$ 343,242.00

Library

Building/Grnd Maintenance	10-630-15	\$10,000	0.00	\$10,000
Operations	10-630-45	\$93,707	6,000.00	\$99,707
Insurance	10-630-54	\$1,870	0.00	\$1,870
Capital Outlay	10-630-74			
Total Library		\$ 105,577.00		\$ 111,577.00

TRAC Grant

TRAC Grant 10-635-45 \$5,000 0.00 \$5,000

Total TRAC Grant \$5,000 \$ 5,000.00

Cemetery

Grounds Maintenance 10-640-15 \$18,190 1,310.00 \$19,500

Dues & Subscriptions 10-640-53 \$350 \$350

Total Cemetery \$18,540 \$ 19,850.00

Contingency 10-650-99 \$ - \$ 45,411.00

Loan Disbursements

Loan Disbursements 15-496-00 \$0 0.00 \$0

Total Loan Disbursements \$ - \$ -

Total General Fund Expenditures \$ 2,623,160.00 \$ 2,592,977.00



Town of Spruce Pine

Enterprise Fund Adopted Budget

2022-2023

		<u>21/22</u>	<u>Increase/Decrease</u>	<u>Proposed</u>
		<u>Budget</u>		<u>22/23 Budget</u>
<u>Water & Sewer Revenue</u>				
Water & Sewer Interest	30-329-00	\$250	0.00	\$250
Miscellaneous Revenues	30-335-00	\$2,500	0.00	\$2,500
Charges for Water	30-371-01	\$1,421,096	162,904.00	\$1,584,000
Charges for Sewer	30-371-02	\$998,771	45,229.00	\$1,044,000
Water Taps	30-373-01	\$2,000	0.00	\$2,000
Sewer Taps	30-373-02	\$1,000	0.00	\$1,000
Penalties	30-374-00	\$18,000	0.00	\$18,000
Reconnect Fees	30-375-00	\$8,000	0.00	\$8,000
Misc W&S Sales	30-376-00	\$2,000	0.00	\$2,000
Sale of Fixed Assets	30-383-00	\$0	0.00	\$0
Retained Earnings Appropriated	30-399-00		0.00	
Total Water & Sewer Revenues		<u>\$2,453,617</u>		<u>\$2,661,750</u>
<u>Enterprise Fund Expenditures</u>				
<u>Water & Sewer Debt</u>				
Federal Revolving Loan	30-660-83	\$24,260	0.00	\$24,260
SRF Loan Principal	30-660-84	\$31,663	31,662.00	\$63,325
SRF Loan Interest	30-660-85	\$5,097	1,700.94	\$6,798
Gen Fund Loan Principal	30-660-86		0.00	\$0
Gen Fund Loan Interest	30-660-87		0.00	\$0
Total Water & Sewer Debt		<u>\$61,020</u>		<u>\$94,383</u>

Water & Sewer Administration

Professional Services	30-720-04	\$5,600	0.00	\$5,600
Admin Costs	30-720-10	\$227,980	41,091.00	\$269,071
Postage	30-720-11	\$9,500	0.00	\$9,500
Travel/Training	30-720-14	\$500	0.00	\$500
Equipment Maint	30-720-16	\$1,000	0.00	\$1,000
Supplies & Materials	30-720-33	\$2,250	0.00	\$2,250
Plant Operations Contract	30-720-45	\$855,000	39,000.00	\$894,000
Software Support	30-720-46	\$2,500	0.00	\$2,500
Insurance	30-720-54	\$31,000	1,000.00	\$32,000
Misc	30-720-57	\$1,500	0.00	\$1,500
Capital Outlay	30-720-74	\$15,000	25,497.00	\$40,497
Bad Debt	30-720-87	\$2,000	0.00	\$2,000
Service Charge	30-720-88	\$4,500	0.00	\$4,500

Total Water & Sewer Administration

\$1,158,330 **\$1,264,918**

Water Expense

Professional Services	30-811-04	\$5,100	0.00	\$5,100
Telephone Telemetry	30-811-11	\$10,500	2,500.00	\$13,000
Utilities	30-811-13	\$95,000	5,000.00	\$100,000
Facilities Maintenance	30-811-15	\$6,500	0.00	\$6,500
Dist System Maint	30-811-18	\$75,000	10,000.00	\$85,000
Labor Allocation	30-811-19	\$323,236	(10,280.00)	\$312,956
Water Chemical Supplies	30-811-33	\$52,500	14,500.00	\$67,000
Dues/Subscriptions	30-811-53	\$5,600	0.00	\$5,600
Miscellaneous	30-811-57	\$1,500	0.00	\$1,500
Capital Outlay	30-811-74	\$14,957	20,975.00	\$35,932
Debt Payment - Water Truck	30-811-99	\$9,395	0.00	\$9,395

Total Water Expense

\$599,288 **\$641,983**

Sewer Expense

Telephone Telemetry	30-812-11	\$15,500	2,000.00	\$17,500
Utilities	30-812-13	\$95,680	3,000.00	\$98,680
Facilities Maintenance	30-812-15	\$3,000	0.00	\$3,000
Coll System Maint	30-812-18	\$100,000	0.00	\$100,000
Labor Allocation	30-812-19	\$141,416	15,062.00	\$156,478
Sewer Chemical Supplies	30-812-33	\$22,500	2,500.00	\$25,000
Contracted Services	30-812-45	\$42,500	17,500.00	\$60,000
Dues & Subscriptions	30-812-53	\$8,000	0.00	\$8,000
Miscellaneous	30-811-57	\$1,000	0.00	\$1,000
Capital Outlay	30-812-74	\$59,500	3,218.81	\$62,719
Debt Payment - Maintenance Truck	30-812-99	\$0	0.00	
Total Sewer Expense		<u>\$489,096</u>		<u>\$532,377</u>
Contingency	30-900-99	<u>\$145,883</u>		<u>\$128,089</u>
Total Enterprise Fund Expenditures		<u>\$2,453,617</u>		<u>\$2,661,750</u>

**Capital Outlay by Department
2022-2023**

Administration & Finance

Electric Car Chargers	\$	5,000.00
Cameras in Town Parking Lot	\$	2,775.00
Pine Line	\$	15,000.00
Land Use Plan	\$	12,000.00
Total	\$	34,775.00

Main Street/Economics

Operating	\$	30,025.00
Skate Rink	\$	7,600.00
DEAP/Façade Grant	\$	15,000.00
Streetscape Planning & Design	\$	15,000.00

****Miscellaneous***

Chamber	\$	5,000.00
Mitchell County Animal Rescue	\$	1,000.00
Big Brothers, Big Sisters	\$	1,000.00
Total	\$	74,625.00

Public Buildings/Facilities

Pedestrian Bridge Project	\$ 100,879.00	\$ -
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Public Works

Roof at Shop	\$	34,000.00
Tools for Shop (Complete Set)	\$	3,450.00
Hammer for Backhoe	\$	5,998.99
Total	\$	43,448.99

Police

1 Taser, 10 Batteries, 10 Cartridges	\$	2,425.40
Drug Money	\$	2,000.00
Evidence Building (Lockers)	\$	1,000.00
Laptop	\$	1,000.00
Printers (3)	\$	1,650.00
Inverters for Vehicle (3)	\$	810.00
Total	\$	8,885.40

* Verizon Mifi Cost for 2 additional vehicles \$ 1,000.00

* Billy's Salary Increase (Total Cost) \$ 3,995.00

Powell Bill

Paving	\$	50,000.00
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Total \$ 50,000.00

Parks & Recreation

4x4 Chevy Crew Cab	\$	27,000.00
Swings for Riverside	\$	270.00
Duo See Saw	\$	3,525.00
Pool Diving Board	\$	6,700.00
Pool Tile Replacement	\$	1,712.00
Total	\$	39,207.00

Library

Operations	\$	6,000.00
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Water & Sewer Administration

New Water Meters & Sensors	\$	40,497.00
Total	\$	40,497.00

Water Department

Water Valve Insertion	\$	5,000.00
Tools for Water Taps	\$	3,885.79
2 - TV 5300 turbidimeters	\$	2,056.90
1 - SC4500 Controller	\$	990.50
Summit Water Pump & Motor	\$	3,998.60
Paving from Leaks	\$	20,000.00
Total	\$	35,931.79

Sewer Department

KRG Utilities - Sewer Line Cleaning	\$	20,000.00
Beaver Creek Lift Station Pump	\$	15,285.20
Lower Prison Lift Station Pump	\$	13,990.00
SO2 Scales	\$	1,945.80
BOD Probe	\$	794.01
PH Meter & Stirrer	\$	723.80
Return Meter	\$	9,980.00

Total	\$	62,718.81
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Other Items (For Future Grants)

Henredon Lift Station	\$	74,900.00
WWTP Clarifier Rehab/Maintenance	\$	28,200.00
McHone Pump Station Rehabilitation Project	\$	85,900.00
Carter's Ridge Lift Station	\$	43,200.00

Total	\$	232,200.00
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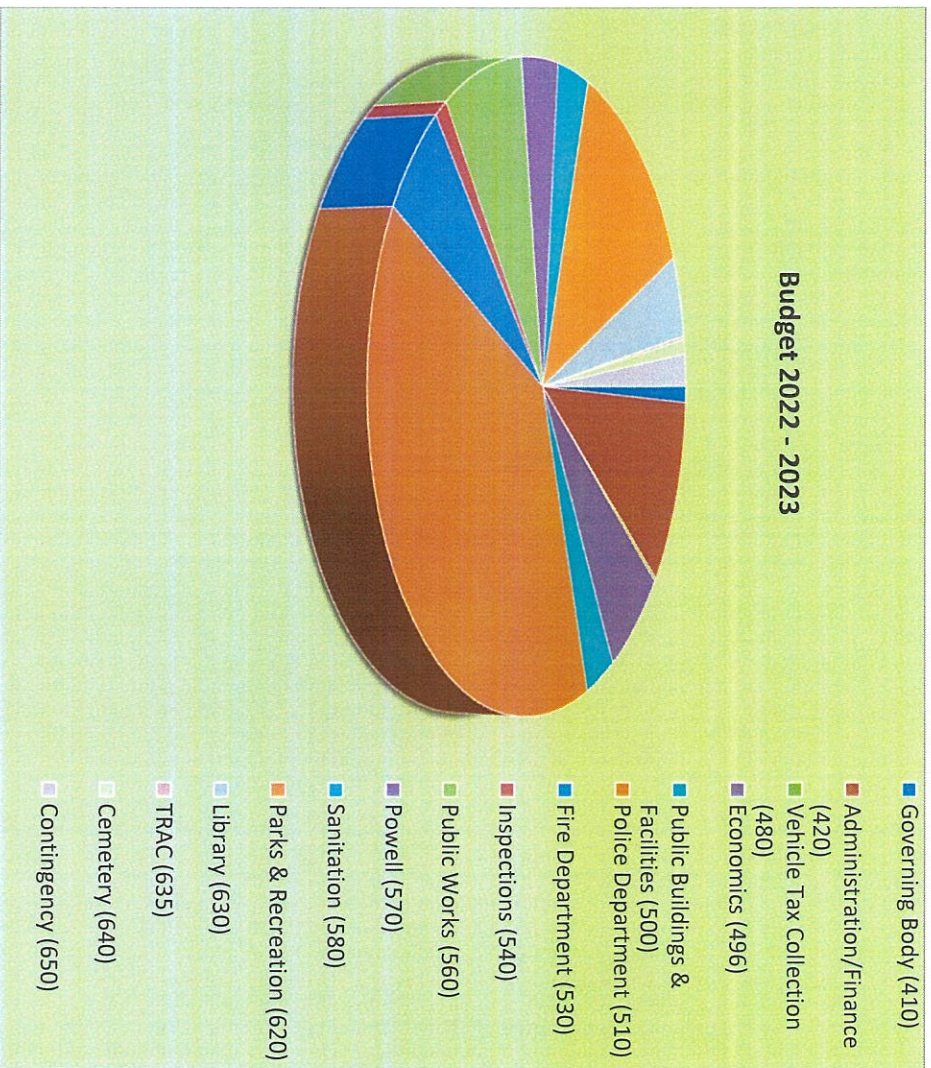


Town of Spruce Pine

Department Name (Dept. #) Budget 2022 - 2023

Governing Body (410)	\$	22,682.00
Administration/Finance (420)	\$	258,520.00
Vehicle Tax Collection (480)	\$	5,000.00
Economics (496)	\$	158,728.00
Public Buildings & Facilities (500)	\$	79,630.00
Police Department (510)	\$	987,773.00
Fire Department (530)	\$	149,000.00
Inspections (540)	\$	28,500.00
Public Works (560)	\$	198,860.00
Powell (570)	\$	95,295.00
Sanitation (580)	\$	83,909.00
Parks & Recreation (620)	\$	343,242.00
Library (630)	\$	111,577.00
TRAC (635)	\$	5,000.00
Cemetery (640)	\$	19,850.00
Contingency (650)	\$	45,411.00

General Fund Expenditures 2022/2023



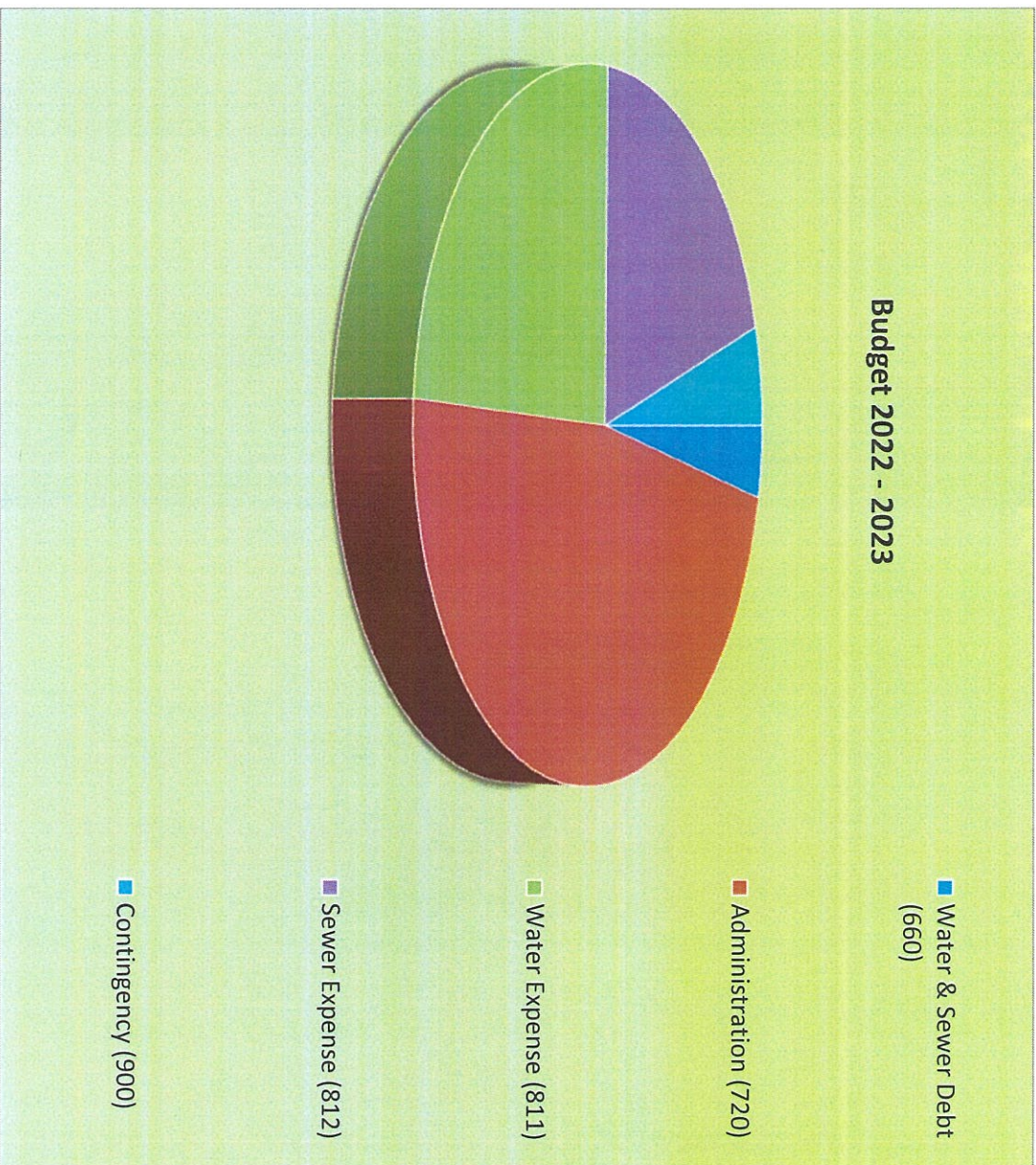


Town of Spruce Pine

Department Name (Dept. #) Budget 2022 - 2023

Water & Sewer Debt (660)	\$	94,383.00
Administration (720)	\$	1,264,918.00
Water Expense (811)	\$	641,983.00
Sewer Expense (812)	\$	532,377.00
Contingency (900)	\$	128,089.00

Enterprise Fund Expenditures 2022/2023





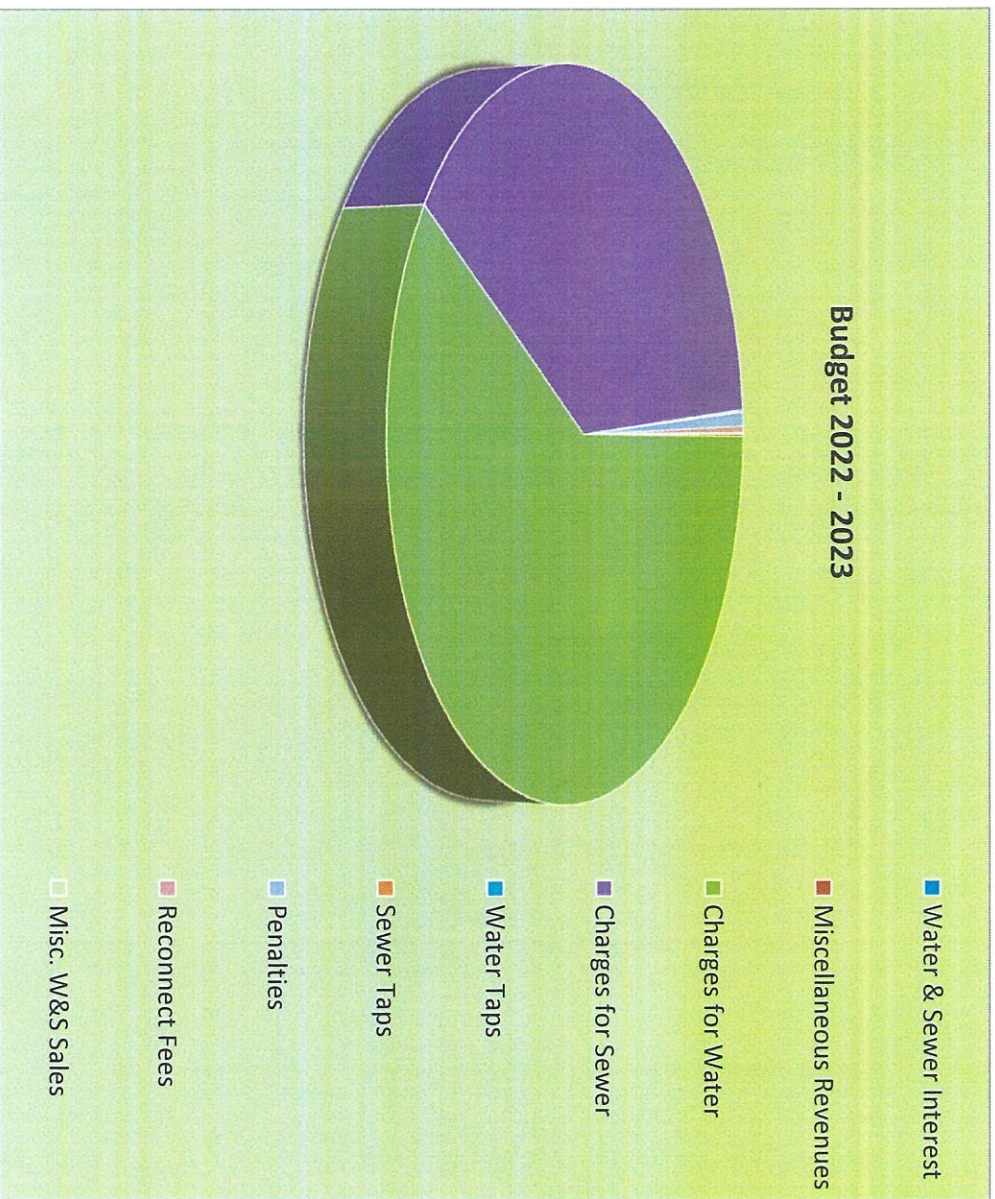
Town of Spruce Pine

Account Name

Budget 2022-2023

Water & Sewer Interest	\$	250.00
Miscellaneous Revenues	\$	2,500.00
Charges for Water	\$	1,584,000.00
Charges for Sewer	\$	1,044,000.00
Water Taps	\$	2,000.00
Sewer Taps	\$	1,000.00
Penalties	\$	18,000.00
Reconnect Fees	\$	8,000.00
Misc. W&S Sales	\$	2,000.00

Enterprise Fund Revenues 2022/2023

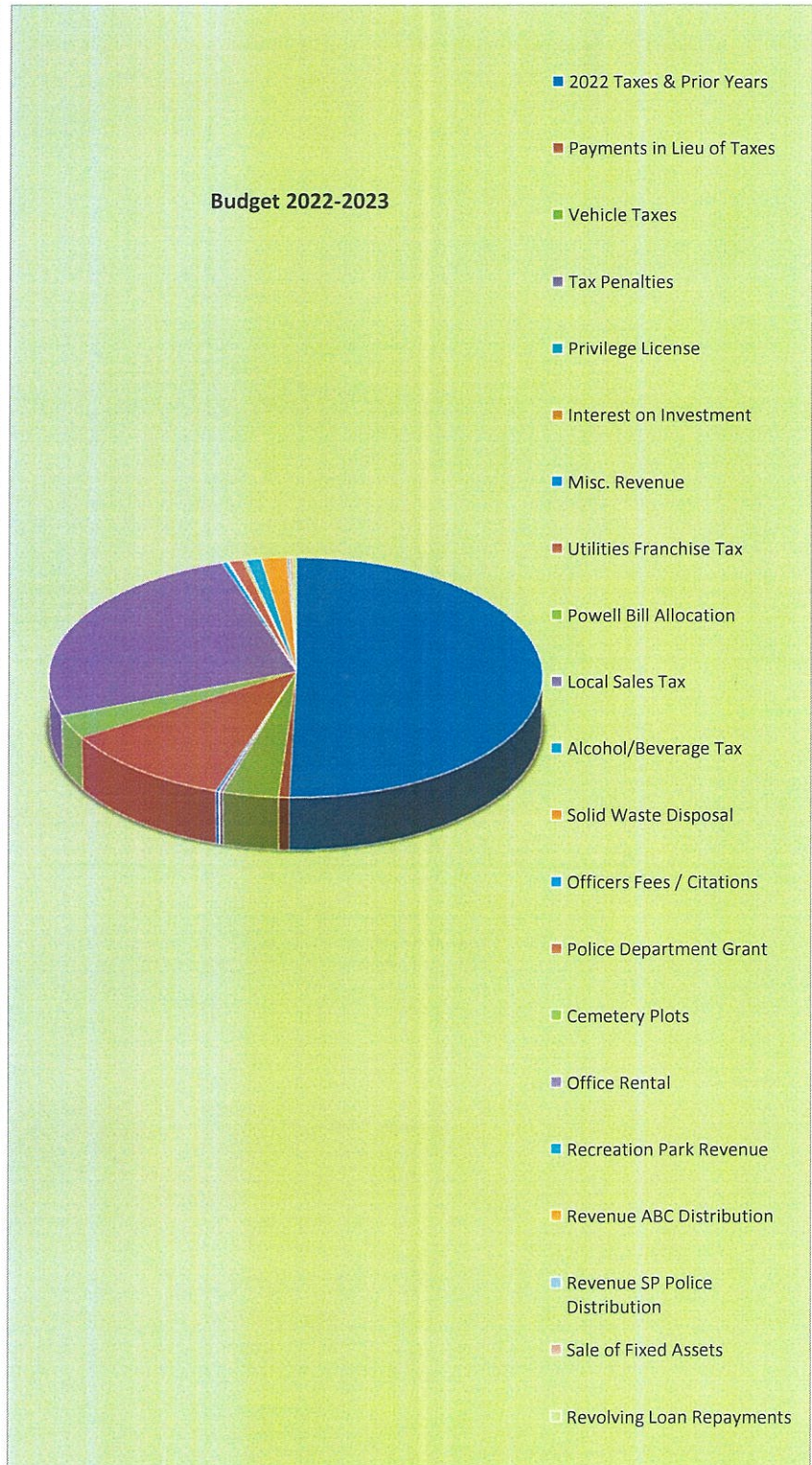




Town of Spruce Pine

General Fund Revenues 2022/2023

Account Name	Budget 2022-2023
2022 Taxes & Prior Years	\$ 1,307,500.00
Payments in Lieu of Taxes	\$ 17,000.00
Vehicle Taxes	\$ 90,000.00
Tax Penalties	\$ 5,000.00
Privilege License	\$ 325.00
Interest on Investment	\$ 1,000.00
Misc. Revenue	\$ 5,000.00
Utilities Franchise Tax	\$ 285,000.00
Powell Bill Allocation	\$ 80,000.00
Local Sales Tax	\$ 670,000.00
Alcohol/Beverage Tax	\$ 10,000.00
Solid Waste Disposal	\$ 1,600.00
Officers Fees / Citations	\$ 850.00
Police Department Grant	\$ 23,962.00
Cemetery Plots	\$ 4,000.00
Office Rental	\$ 3,240.00
Recreation Park Revenue	\$ 26,000.00
Revenue ABC Distribution	\$ 45,000.00
Revenue SP Police Distribution	\$ 5,000.00
Sale of Fixed Assets	\$ 5,000.00
Revolving Loan Repayments	\$ 7,500.00





FY 2022-2023 TOWN OF SPRUCE REVENUE-NEUTRAL TAX RATE CALCULATION

In a property revaluation year, the North Carolina General Statute 159-11(e) requires local governments to calculate the revenue-neutral property tax rate for comparative purposes.

Steps in Determining the Revenue-Neutral Rate

- Step 1:** Determine a rate that would produce revenues equal to those produced for the current fiscal year (tax levy).
- Step 2:** Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.
- Step 3:** Adjust the rate to account for any annexation, de-annexation, merger, or similar event.

NCGS 159-11(e) - In each year in which a general reappraisal of real property has been conducted, the budget officer shall include in the budget, for comparison purposes, a statement of revenue-neutral property tax rate for the budget. The revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no appraisal had occurred. To calculate the revenue-neutral tax rate, the budget officer shall first determine a rate that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor that would produce revenues equal to those produced for the current fiscal year and then increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to the improvements since the last general appraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year. The budget officer shall further adjust the rate to account for any annexation, de-annexation, merger, or similar event.

Step 1: Determine a rate that would produce revenues equal to those produced for the current fiscal year.

FY 2021 Total Valuation before Revaluation	\$229,129,600
FY 2021 Tax Rate	\$0.51
Tax Levy at FY 2021 before Revaluation = (\$229,129,600/100) x 0.51	\$1,168,561
FY 2022 Projected Total Valuation	\$281,795,936
Tax Rate That Would Produce Revenue Equal to FY 2020 = \$1,168,561/(\$281,795,936/100)	\$0.41468

Step 2: Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general appraisal.

FY	Assessed Value	Percent Change
2018	\$221,388,751	
2019	\$224,240,796	1.29
2020	\$228,749,883	2.01
2021	\$229,129,600	0.17
Average Growth		1.15%

FY 2021 Revenue Neutral Rate (1.15% Growth Factor Applied) = 0.41468 * 1.0115	\$0.41944
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Step 3: Not Applicable to Spruce Pine. *Note see attached sheet when looking a revenue neutral rate for prior year = 0.44¢.

Town of Spruce Pine
Revaluation Figures 2022

	<u>Total</u>	<u>Revenue</u>	<u>Difference in Value</u>
2021	229,129,600.00	\$ 1,168,560.96	52,666,336.00
2022	282,416,766.00	\$ 1,440,325.51	<u>Difference in Revenue</u> 268,598.31
2022 (After E&R)	281,795,936.00	\$ 1,437,159.27	

2021 Revenue	\$ 1,168,560.96
2020 Revenue	\$ 1,229,978.02
2019 Revenue	\$ 1,143,993.00
2018 Revenue	\$ 1,014,606.00
Average of Last (2) Years	\$ 1,199,269.49

2022 Revenue

0.51	1,437,159.27	
0.50	1,408,979.68	
0.49	1,380,800.09	
0.48	1,352,620.49	
0.47	1,324,440.90	
<u>0.46</u>	<u>1,296,261.31</u>	*Proposed Rate for 2022
0.45	1,268,081.71	
<u>0.44</u>	<u>1,239,902.12</u>	*Revenue Neutral Rate 2020 Revenue
0.43	1,211,722.52	
0.42	1,183,542.93	
0.41	1,155,363.34	

Mitchell County Tax Rate Information

Proposed Tax Rate for 2022 \$ 0.56

*This is 10 cents over their revenue neutral rate, and a 0.02 cent decrease over their current rate of \$0.58

Mitchell County Budgeted Figures (Ad Valorem) \$ 13,222,942.00

Total Ad Valorem \$ 14,780,968.00

Sales Tax Percentages (Current)

Mitchell 88.3965

Bakersville 1.05723

Spruce Pine 10.54627

If We Stayed Revenue Neutral

Mitchell 89.4592%

Bakersville 0.9604%

Spruce Pine 9.5804%

Spruce Pine \$ 1,416,069.00

Bakersville \$ 141,957.00

Total Sales Tax Distributions (County-Wide) \$ 4,386,070.74

*This would drop our Sales Tax Percentage around 1% which would amount to around \$43,860.71.

*If we stayed in line at the current percentage difference between our rate and the County that would put us at 0.49 cents. I don't think we should go that high because our General Fund does very well and we add to fund balance every year. My recommendation would be 0.46 and we would be 0.02 over our revenue neutral rate. That would put us a 10 cents under the County rate.

Town of Spruce Pine
Rates Effective 7/1/2021

INSIDE USER RATES		
CONSUMPTION (GALLONS)	WATER RATES	SEWER RATES
0-2000	\$12.00	\$12.00
2,001-20,000	\$3.90/1000 gallons	\$4.30/1000 gallons
20,001-100,000	\$4.10/1000 gallons	\$4.55/1000 gallons
100,001-500,000	\$4.30/1000 gallons	\$4.80/1000 gallons
500,000-1,000,000	\$4.50/1000 gallons	\$5.05/1000 gallons
>1,000,000	\$4.70/1000 gallons	\$5.30/1000 gallons
OUTSIDE USER RATES		
CONSUMPTION (GALLONS)	WATER RATES	SEWER RATES
0-2000	\$29.55	\$29.55
2,001-20,000	\$5.55/1000 gallons	\$6.25/1000 gallons
20,001-100,000	\$5.95/1000 gallons	\$6.75/1000 gallons
100,000-500,000	\$6.35/1000 gallons	\$7.25/1000 gallons
500,000-1,000,000	\$6.75/1000 gallons	\$7.75/1000 gallons
>1,000,000	\$7.15/1000 gallons	\$8.25/1000 gallons

Town of Spruce Pine
Rates Effective 7/1/2022

INSIDE USER RATES		
CONSUMPTION (GALLONS)	WATER RATES	SEWER RATES
0-2000	\$14.00	\$14.00
2,001-20,000	\$4.00/1000 gallons	\$5.00/1000 gallons
20,001-100,000	\$5.00/1000 gallons	\$6.00/1000 gallons
100,001-500,000	\$7.00/1000 gallons	\$8.00/1000 gallons
500,000-1,000,000	\$8.00/1000 gallons	\$9.00/1000 gallons
>1,000,000	\$9.00/1000 gallons	\$10.00/1000 gallons
OUTSIDE USER RATES		
CONSUMPTION (GALLONS)	WATER RATES	SEWER RATES
0-2000	\$33.00	\$33.00
2,001-20,000	\$6.00/1000 gallons	\$7.00/1000 gallons
20,001-100,000	\$7.00/1000 gallons	\$8.00/1000 gallons
100,000-500,000	\$9.00/1000 gallons	\$10.00/1000 gallons
500,000-1,000,000	\$10.00/1000 gallons	\$11.00/1000 gallons
>1,000,000	\$11.00/1000 gallons	\$12.00/1000 gallons

Deposits	
Inside	\$100
Outside	
Water	\$150
Water & Sewer	\$200
Reconnect Fee	\$50
Meter Tampering Fee	\$100
*Plus actual costs of damages.	
Hydrant Fee	\$50
*Plus current volume charge at outside rate. (*Charged Monthly)	