

TOWN OF MAYSVILLE

NORTH CAROLINA



Naturally Welcoming!

FISCAL YEAR 2019-2020

Proposed Budget

PREPARED BY: SCHUMATA BROWN
TOWN MANAGER

May 2, 2019

Maysville Board of Commissioners



Mayor – Edward Waltz

Town of Maysville
Proposed Budget



Mayor Pro-Tem- Lisa Moore



Commissioner – Janet Baker



Commissioner – Myra Fryar



Commissioner – Dan Ryan



Commissioner – Cara Dunn



Mission: To create a strong Maysville through community growth and business development, while keeping the small-town atmosphere and creating a safe and healthy place for all residents and visitors.

Vision: Maysville is a friendly town that places importance on raising families in a safe environment. In our small-town setting, you can participate in a wide range of recreational, cultural and educational experiences. We offer all types of business opportunities that make it possible for economic growth and development.

Town Administration

Town Manager

Schumata Brown

Finance Officer

Sholanthè Gordon

Police Chief

Carl Baugus

Public Works Supervisor

Robert Boomer

Town Attorney

Beth Faleris

Introduction



From the Board of Commissioners and staff of the Town of Maysville, welcome! The pages in this document represent our plans to utilize the Town’s resources to continue to provide a quality of life that is safe, clean, prosperous, and enjoyable. Maysville is our home, and we take pride in having the opportunity to improve the Town through our professional lives every day. We are pleased that by reading through this document, you share our desire to enhance one of the most vibrant towns in Jones County. We hope readers at all levels of budget experience will find this document to be an informative presentation of the challenges and opportunities that face the Town of Maysville.



Municipal budgets can be complicated and confusing. Discussions often present the same information from more than one perspective. This document attempts to define and clarify any confusion. Should it fail to do so, please contact the Town Manager’s Office at (910)743-4441. Please note, however, that the Town of Maysville’s budget document emphasizes functional areas of the Town responsibilities (e.g., Administration Public Safety, Streets, Water & Sewer).

Introduction



To present a complete picture of the Town finances and spending plans for FY 2019-20, this detailed Budget Document is organized into the following sections:

Town Manager's Message: The Town Manager discusses the issues that affect Town operations. The Town Manager defines the cost of the problems facing the Town (expenditures) and proposes the resources (revenues) to apply to each issue.

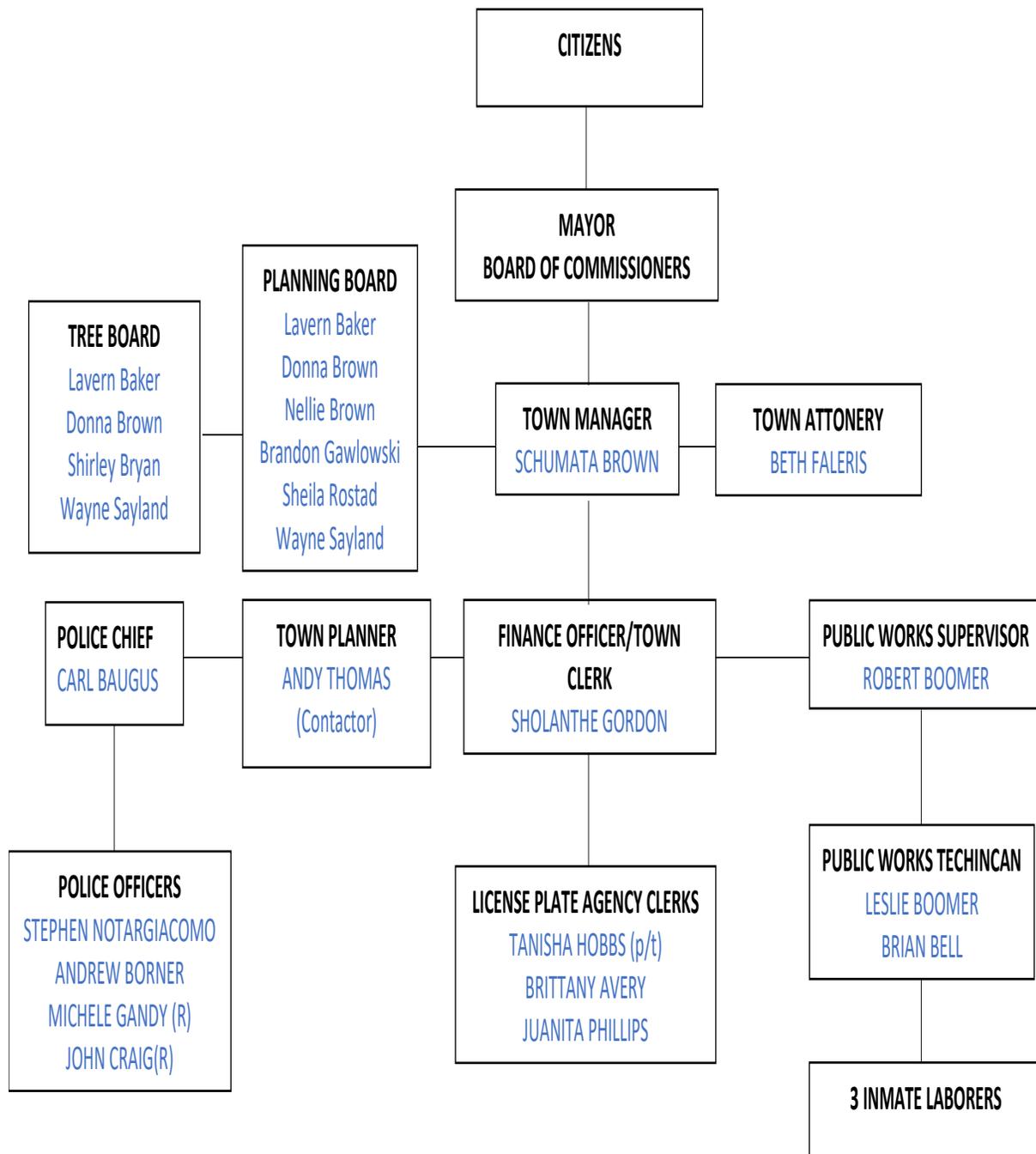
Budget Overview: Fund and functional area highlights are outlined as well as personnel, operational and capital summary totals.

Budget Ordinance: The actual legally binding ordinance that establishes the new annual budget.

Debt Service: The Town's debt position is discussed with projections for future debt needs.

Town of Maysville

Department Organizational Chart





**Town Manager's
Budget Message
FY 2019-2020**

May 2, 2019

Mayor Edward Waltz
Board of Commissioners
Town of Maysville
PO BOX 265
404 Main St.
Maysville, NC 28555

The Honorable Mayor Waltz, Board of Commissioners and Citizens of Maysville:

According to Section 159-11 of the North Carolina General Statutes, I am pleased to present the Town of Maysville's Proposed Budget for FY2019-2020 for your review and consideration. The total Proposed Budget across all funds is **\$2,295,077**; a \$73,576, or 3.1% decrease from the FY 18-19 originally adopted budget.

During the past year, the Town of Maysville has continued to reach many of its established goals. The 2017-18 Annual Audit was a positive indicator on this path as unassigned fund balance grew to \$81,164 or 9.64% of the total General Fund expenditures. This contribution to the fund balance was due to two main factors; conservative fiscal management and increased revenue sources, particularly from sales taxes and the sale of assets. The Water and Sewer Fund continues to improve, but we must continue to make that a self-sufficient fund.

In the past year, grant awards totaling approximately \$714,441 were received for wastewater AIA, police equipment, storm relief, new backhoe, purchase of a new building, all of which are underway at the time of this budget presentation. Minor reductions in spending were achieved in areas where grant funding offset Town expenditures.

There are no planned increases in the Ad Valorem tax rate of \$.51/100 for Fiscal Year 2019-2020.

Each cent on the tax rate represents approximately **\$5,117**. The estimated assessed tax valuation for the Town of Maysville as of January 1, 2018, is **\$51,179,415**, and an estimated collection rate of **92.24%** was used for real and personal taxes. The town utilized a conservative formula to project real and personal taxes at a level under the allowable tax rate by state law. The tax yield at the current collection rate is **\$237,313**.

Costs of running the Town are increasing across the board with few options for reducing expenses. Although the current year's budget is meeting expectations, serious challenges remain:

- New revenue sources must be identified as growth in expenses will exceed revenue growth at a point in the future.
- Increasing cost for Local Government Employees Retirement System for the next three years.
- While the cost to provide water and sewer to customers continues to increase, recurring increases are expected in the following years.
- Towns similar in size to Maysville maintain an average of 80.6% of general fund expenditures within their funds. (Maysville's general fund reserve is currently 9.64%, reflecting a significant improvement over the prior year.)

Positive development affecting the Town budget include:

- A USDA grant/loan is allowing the town to upgrade the WWTP.
- A Goldenleaf Grant for \$200,000 to extend a sewer line to Green Recycling.
- A \$35,000 Duke Energy Grant to provide the customer with water conservations kits.
- The NCORR Grant Of \$450,000 for debt relief and radio read meters. (not in the budget will have to make a budget amendment.)

To maintain the existing infrastructure, to upgrade/expand the wastewater plant and to continue for the Water and Sewer fund to be self-sufficient fund, a modest water and sewer rate increase is recommended. A four (4) percent rate increase is recommended for water and sewer. The proposed rate increases only affect the accessibility fee.

The proposed budget does not include an increase in the solid waste fee.

Our community is unified in its focus and support for growth, revitalization, and tax base growth. Your efforts in these areas are showing a positive result with more to come. While the Town has been bypassed and we must transition into a drive to town community. The appeal of Maysville's quality of life will have to be as strong as it has ever been.

In closing, I want to express my sincere thanks to the Town's board, staff and citizens for their hard work to make Maysville Naturally Welcoming and all your input for FY2019-2020 budget.

Respectfully submitted,

Schumata Brown



Summary of 2019-2020 Budget

BUDGET OVERVIEW

The following documents are a detailed summary of the 2019-2020 Budget. The Town of Maysville 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 second is the Enterprise Fund, and this fund is utilized for the business operations of water and wastewater system. The Enterprise Fund is designed to function as a business generating profit to pay for all expenses including current and future capital improvements.

GENERAL FUND (10 FUND)

The General Fund or 10 Fund comprises all the revenues from property, sales, and other taxes and governmental fee collections (excluding water and sewer operations). The General Fund includes all operational expenses for the following departments: Administration, Police, Fire, Streets, Parks and Recreation, Powell Bill, and Governing Body.

REVENUE

This budget includes **no property tax increase** with the rate to remain at **\$0.51** per \$100 valuation. Sales tax numbers are expected to increase for the Town; however, we did calculate a slight increase at this time to take a conservative approach.

The total revenue projection is **\$742,677**. The projected real and personal tax revenue is \$235,000. This is a \$10,000 increase from FY 18-19 adopted budget.

Staff is anticipating increases in both property tax collection and sales tax. To maintain fiscally conservative budget numbers, only modest gains are being projected in this budget.

EXPENSES

After careful consideration, the following budget recommendations represents Board goals, Departmental input, and Community needs within the current tax rate of **\$0.51** per \$100 valuation. The total recommended budget is **\$742,677**.

EXPENSES	
Administration (410)	\$ 290,813
Police (510)	\$ 196,183
Parks & Recreation / Fire-Rescue (530)	\$ 89,265
Streets (560)	\$ 99,478
LPA (710)	\$ 66,936
EXPENSE TOTAL	\$ 742,677

The budget recommendation includes a possible salary increase based on the pay and classification study. Increases will be made at the determination of the Town Manager and Department Heads based on performance and town policy. Increases will also be determined by revenue projections.

Departmental Highlights

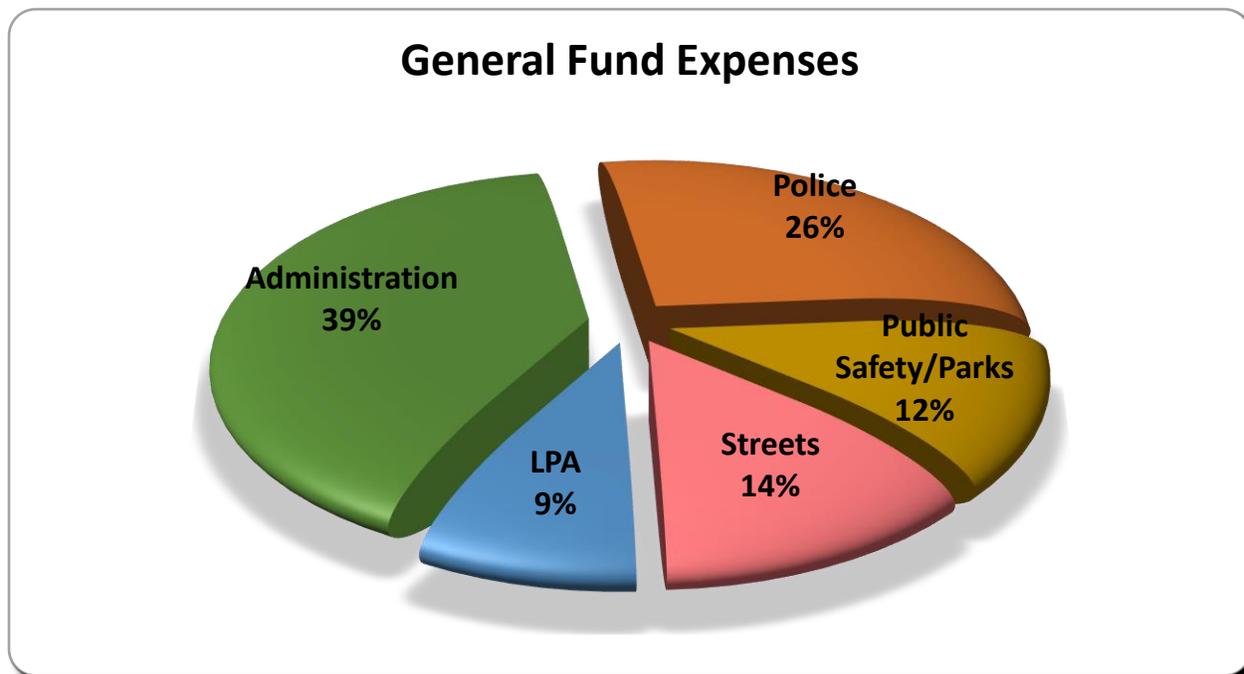
Administration: The proposed budget for Administration is **\$290,813**. This recommendation includes funding to fill the vacant town clerk position. We budgeted **\$10,000** to contract out for code enforcement.

Police: The proposed budget for the Police Department is **\$196,183**. Highlights in this proposed budget include a decrease in expenditures. We also budgeted to hire a full-time officer. There are funds budgeted to purchase new body cameras.

Parks & Recreation/Fire- Rescue: The Parks & Recreation/Fire-Rescue is **\$89,265**. The recommendation includes **\$15,000** to partner with Jones County to form a recreation department. An increase in Frost Park Special Events for the 4th of July celebration.

Streets: The proposed budget for Streets is **\$99,478**. The proposed budget includes \$20,368 for street paving. There is an increase in tree maintenance to remove some dead trees.

The following graph depicts the funding break down by department:



Fund Balance

The Town maintains a fund balance, or savings account, to ensure it can continue operations in the event of an emergency or unexpected delay in revenue. The available fund balance is also used to hold excess funds from previous budgets and utilized to make purchases of necessary capital items. The Town strives to maintain a healthy fund balance well above the state required 8% of the operating budget.

ENTERPRISE FUND (30 Fund)

The Town operates the water and wastewater system through an enterprise fund. These operations are treated like a business. To continue to provide these services, the Town must make a profit or obtain grants to replace aging infrastructure.

REVENUE

Revenue in the Enterprise Fund is derived directly from consumer fees or rates. The Town of Maysville pumps water from the Castle Hayne Aquifer. The Town maintains its water tower and sewer plant. This process involves the entire infrastructure necessary to deliver the water and to collect the wastewater from the consumer, the infrastructure required to treat the waste, and the staffing to service the infrastructure and collect payments.

The total projected revenue from the sale of water and treatment of wastewater is **\$426,000**. This includes \$410,00 from the sale of water, treatment of wastewater, and service charges.

Staff is proposing a rate increase to address revenue deficits.

The town charges higher rates for customers living outside town limits, which accounts for fewer than 20 customers.

As shown above, under these current rates, Maysville will not be generating enough revenues to meet current operations, maintenance costs and debt service, let alone the projected increases to these costs and future capital costs.

Staff is proposing a 4% increase to the accessibility fee in the proposed budget. This represents an increase of \$1.42 for in-town citizens and \$1.58 for out of town citizens.

The following table illustrates the proposed rate recommendations:

Monthly Base Charge		
Inside City Limit Rates	Current	Proposed
Water	\$11.25	\$11.75
Sewer	\$23.00	\$23.92
	Water/Sewer	Water/Sewer
10,000	\$7.13/\$10.50	\$7.13/\$10.50
10,001-25,000	\$7.88/\$11.00	\$7.88/\$11.00
25,001-50,000	\$8.63/\$11.50	\$8.63/\$11.50
50,001 and beyond	\$9.38/\$12.00	\$9.38/\$12.00
Accessibility Fee (0 gallons)	\$34.25	\$35.67
Monthly Average Bill (3500 gallons)	\$95.95	\$97.37

Monthly Base Charge		
Outside City Limit Rates	Current	Proposed
Water	\$14.25	\$14.82
Sewer	\$25.33	\$26.34
	Water/Sewer	Water/Sewer
10,000	\$8.13/\$12.60	\$8.13/\$12.60
10,001-25,000	\$8.88/\$13.20	\$8.88/\$13.20
25,001-50,000	\$9.63/\$13.80	\$9.63/\$13.80
50,001 and beyond	\$10.38/\$14.40	\$10.38/\$14.40
Accessibility Fee (0 gallons)	\$39.58	\$41.16
Monthly Average Bill (3500gallons)	\$112.13	\$113.71

The proposed budget recommends the following rate structure and rate increases for commercial rates:

Proposed Commercial Rates		
Water-Sewer User	Water	Sewer
Accessibility Fee	\$16.65	26.34
10,000 gallons	\$10.08	\$13.60
10,001-25,000	\$10.88	\$14.20
25,001-50,000	\$11.68	\$14.80
50,001 and beyond	\$12.48	\$15.40

The proposed budget recommends the following rate structure and rate increases for industrial rates:

Industrial Sewer Rates	
Accessibility Fee	\$48.36
10,000 gallons	\$14.60
10,001-25,000	\$15.20
25,001-50,000	\$15.80
50,001 and beyond	\$16.40

EXPENSES

The expenses for the Enterprise Fund are established by department and include Administration, Water, Collections (Sewer), Waste Water Treatment Plant, Governing Body, and Debt Service.

All of the expenses in this fund are associated with the business operations of the water and wastewater department.

EXPENSES	
Administration	\$206,057
Water and Sewer	\$200,000
Governing Board	\$7,800
Debt	\$12,143
EXPENSE TOTAL	\$426,000

Departmental Highlights

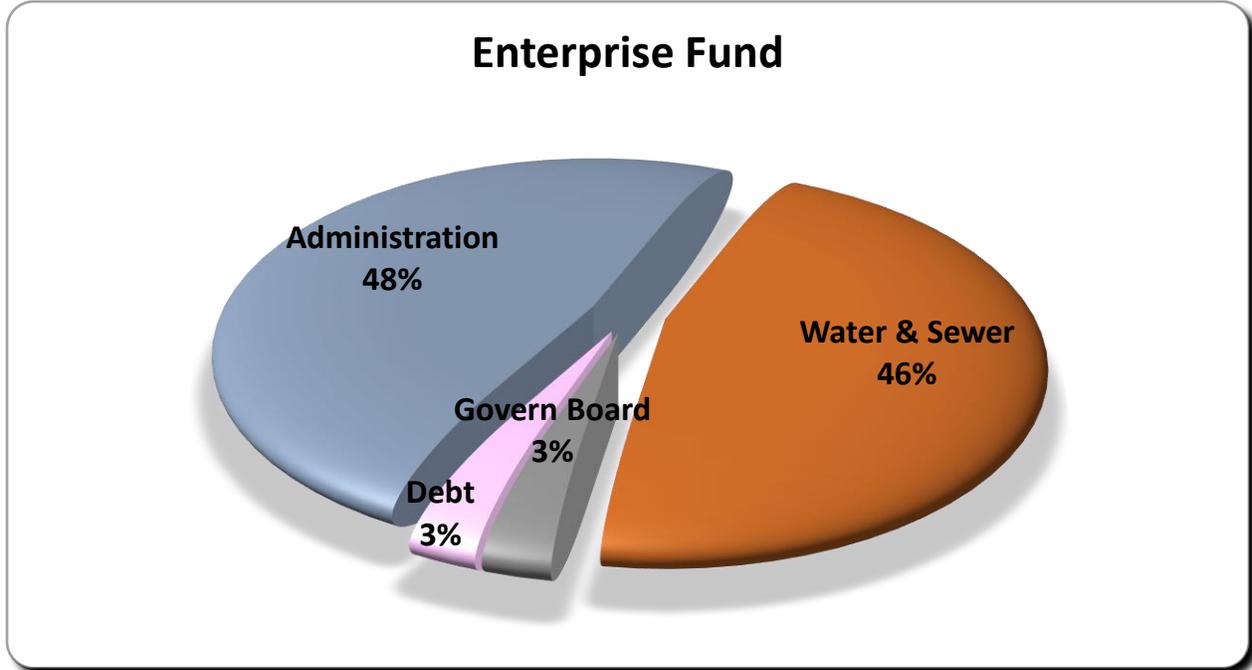
Administration: The proposed budget for Enterprise Administration \$206,057. This includes salaries, insurance, and office supplies.

Water & Sewer Operations: The proposed budget for Water & Sewer Operations is \$200,000. This includes all maintenance, contracted services, and vehicle repairs.

Governing Body: The proposed budget for Governing Body is \$7,800. This consists of salaries for the Mayor and Board of Commissioners' and training.

Debt Service: The proposed budget for debt service is \$12,143. This includes debt service from the Water Treatment Plant and truck payment.

The following graph depicts the funding break down of expenses:



Capital Fund (63 FUND)

The Town has received funding in the form of a grant and loan. These funds were awarded by USDA and Golden Leaf. The funds will be used for Waste Water Treatment Plant Improvements. This fund is created as a capital improvement project to be funded over multiple years.

REVENUE

The total revenue for the capital fund is **\$1,226,400**. This includes a RUS loan of \$567,000, a RUS grant of \$357,000, a grant from Golden LEAF of \$200,000 and a \$2400 contribution for the Town.

EXPENSES

The expenses for the Capital Fund is based on the following estimated project expenditures and includes construction, engineering fees, interest, land, permit, and legal fees.

All of the expenses in this fund are associated with the cost to fund construction of the Waste Water Treatment Plant Improvements.

Expenses	
Construction	\$807,000
Contingency	\$80,700
Engineering Fees	\$191,199
Interest	\$26,001
Land & Rights	\$4000
Permit Fees	\$3500
Legal Fees- Local Attorney	\$4000
Legal Fees- Bond Counsel	\$10,000
Expense Total	\$1,126,400

Fund Highlights

Construction: The proposed budget for this project consists of WWTP upgrades including construction of two 50,000-gallon equalization tanks, relocation, and rehabilitation of the existing bar screen and grit removal, installation of equalization blowers and aeration system, improvement of the existing influent pump, effluent pump, sand filters, air pumps, and UV disinfection system. The proposed project also includes an extension of the sewer collection system by constructing a new sewer pump station approximately 4,800 linear feet of new 4” sewer force main to serve Green Recycling Solutions and provide sewer service capability to several existing residents currently without sewer service.

Engineering Fees: The proposed budget for engineering fees is \$191,199. This includes \$15,000 for Preliminary Engineering Report, \$10,000 for Environmental Report, \$69,079 for Design, \$77,120 for RPF-Inspection, \$14,000 for Land Survey and \$6,000 for Geotechnical.

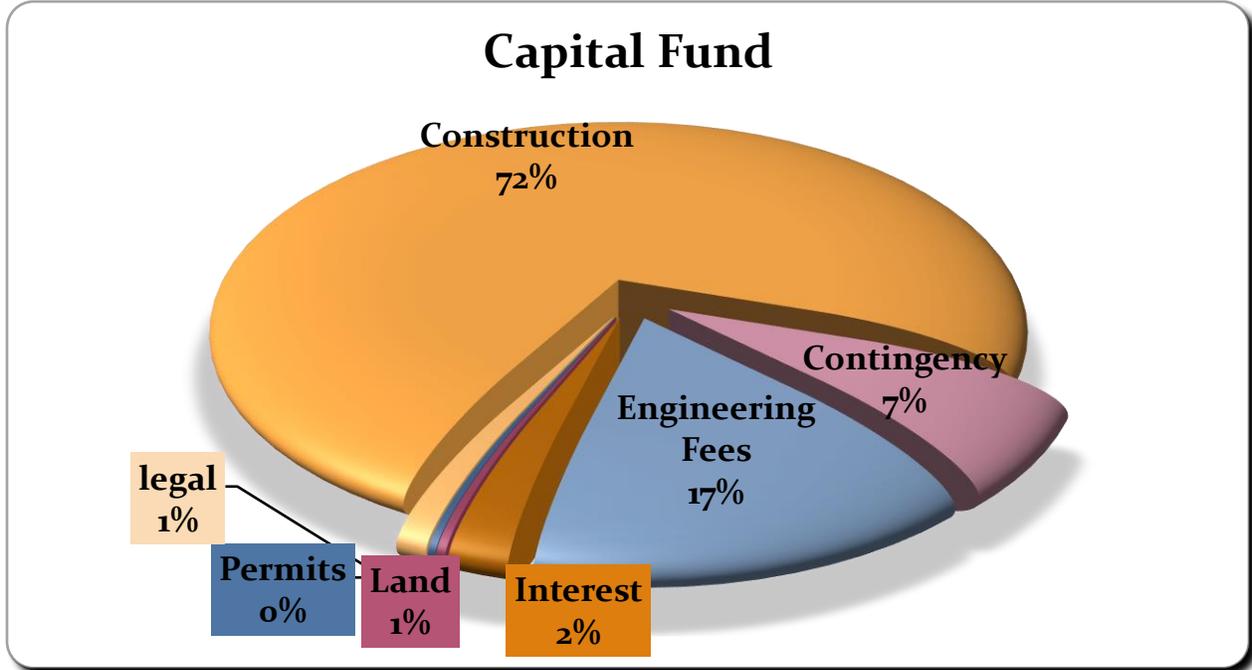
Interest: The proposed budget includes \$26,001 in expenditures for interest for interim financing.

Land & Rights: The proposed budget includes \$4,000 for the purchase of an acre of land.

Permit Fees: The proposed budget includes \$3,500 for permits to begin construction.

Legal Fees: The proposed budget includes \$14,000 for legal fees associated with the Waste Water Treatment Plant Improvements.

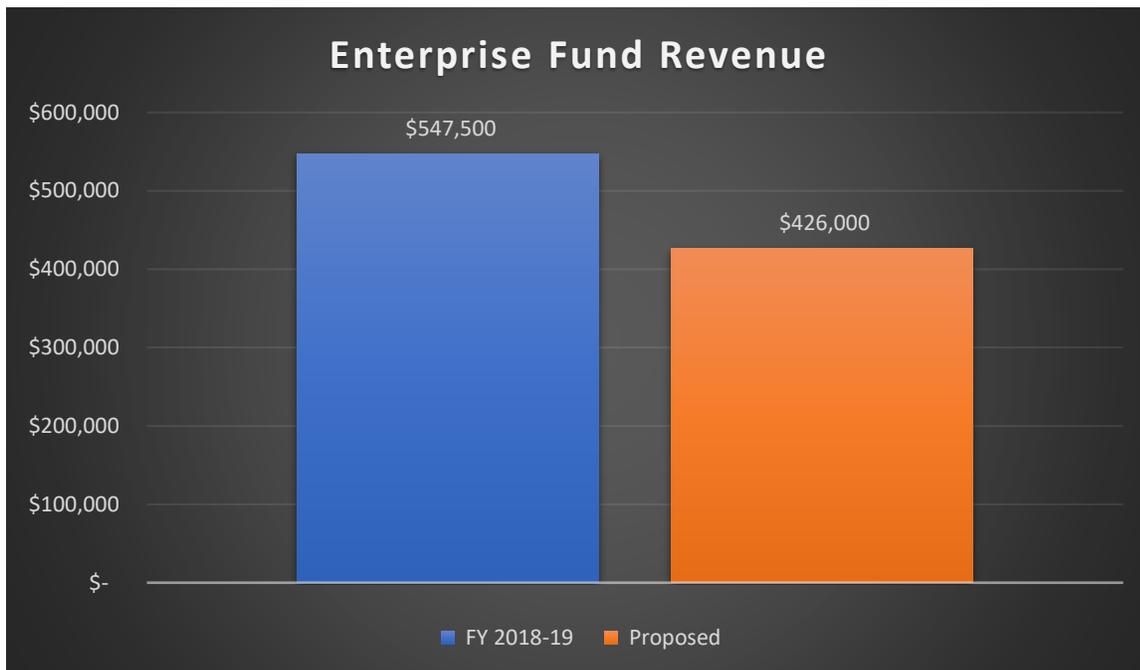
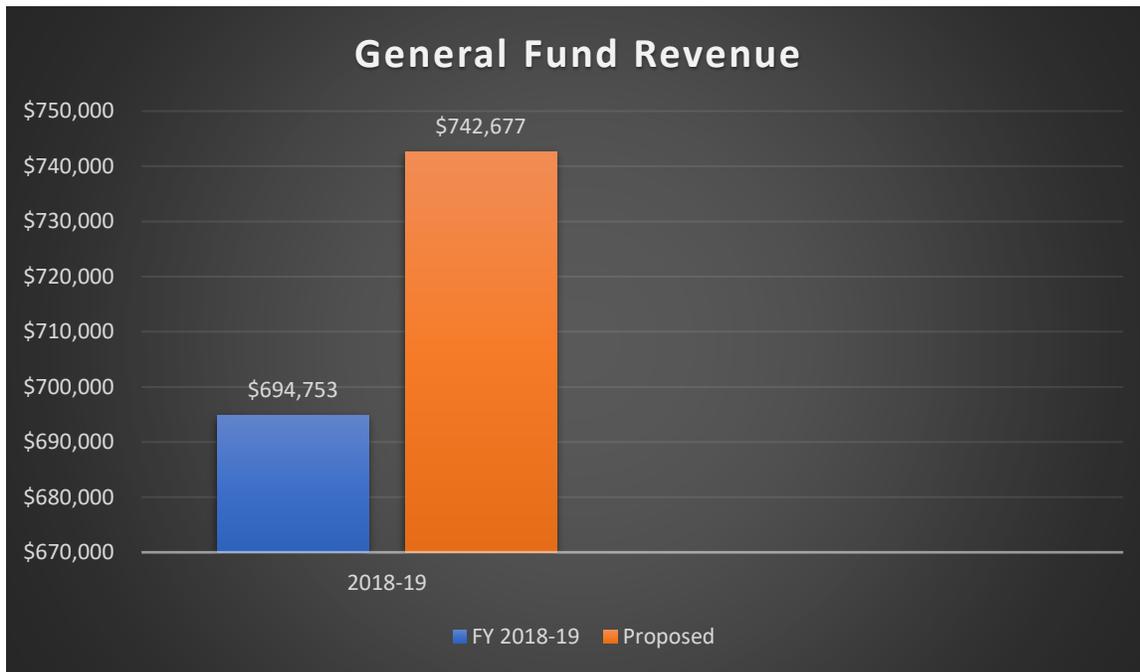
The following graph depicts the funding break down of expenses:

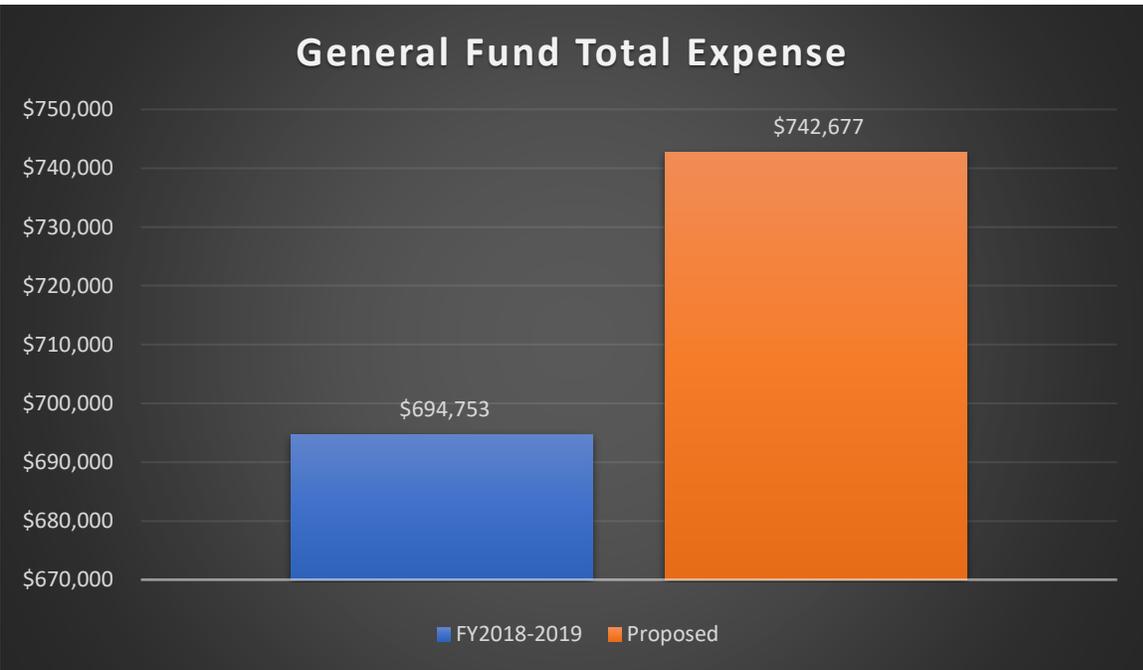
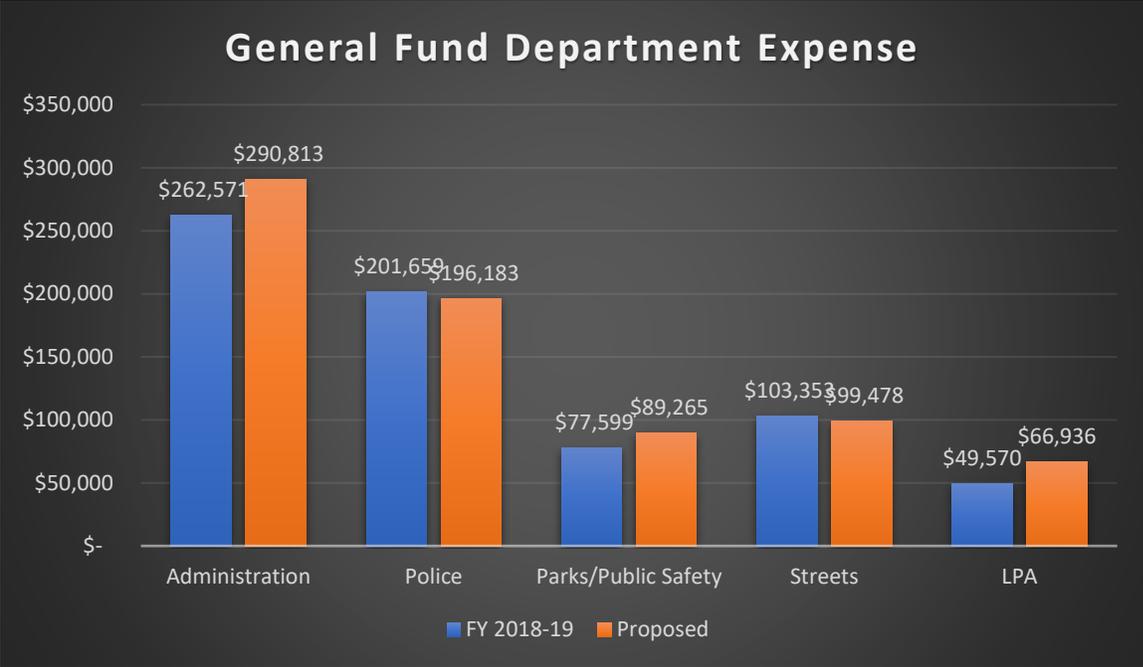


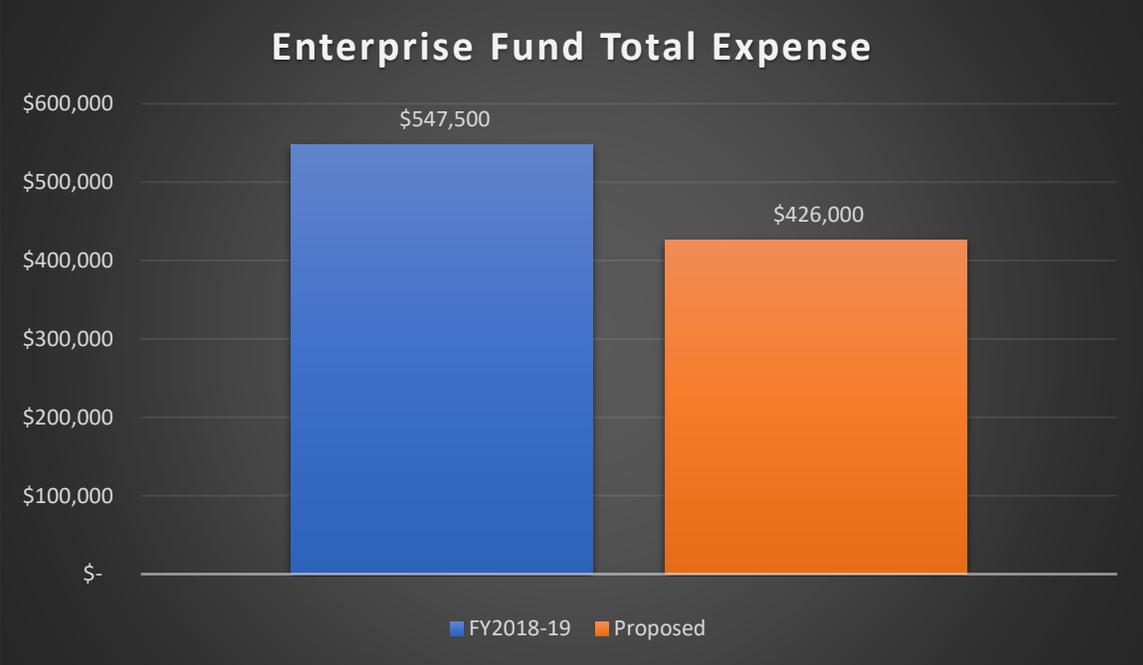
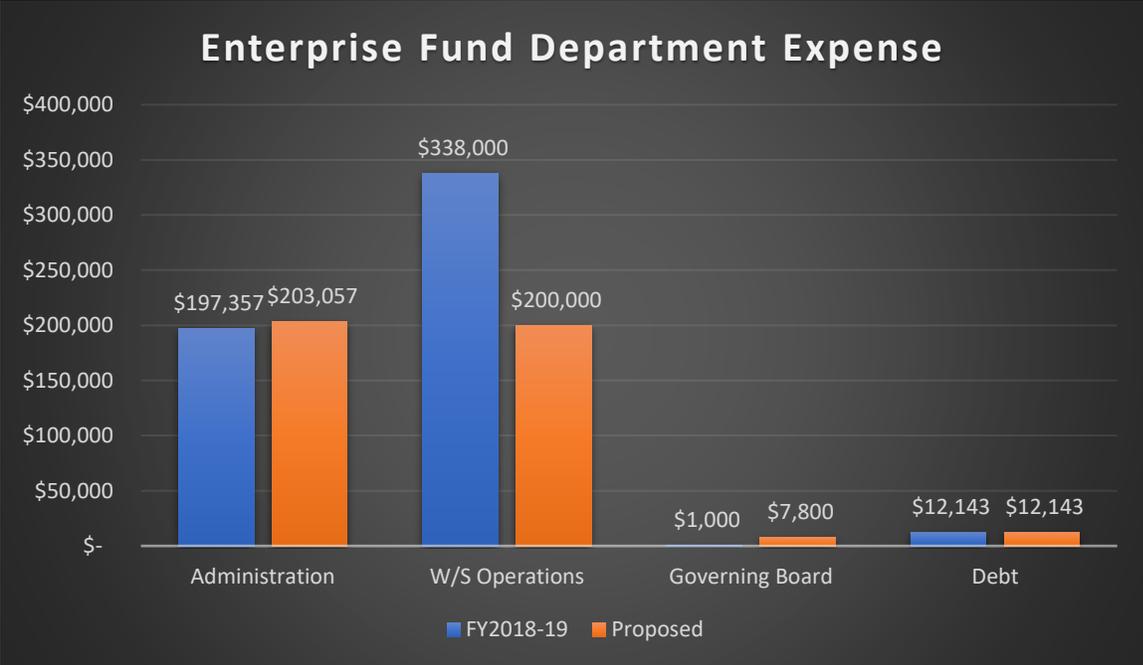
Proposed Budget (DRAFT)

The recommended proposed budget (Draft Version) includes comparisons from the fiscal year 2018-2019 budget. Information from budget actuals from the previous three years was used as a comparison for developing this proposal.

The following graphs indicate changes from FY2018-2019 and FY2019-2020:







A draft budget is attached. If you have any questions regarding the draft, please let me know, and we can work to answer or make corrections before the Budget Session on Thursday, May 16, 2019. I am recommending the Board hold a Public Hearing on Thursday, June 6, 2019, regular meeting.