

# TOWN OF MAYSVILLE

NORTH CAROLINA



**Naturally Welcoming!**

**FISCAL YEAR 2020-2021**

**Proposed Budget**

PREPARED BY: SCHUMATA BROWN  
TOWN MANAGER

**May 7, 2020**

# 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	Vacant
Town Attorney	Beth Faleris
Town Planner	Andy Thomas
Building Inspector	Timothy Witting
Fire Inspector	Micheal Jordan

# 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 2020-21, this detailed Budget Document is organized into the following sections:

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**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.

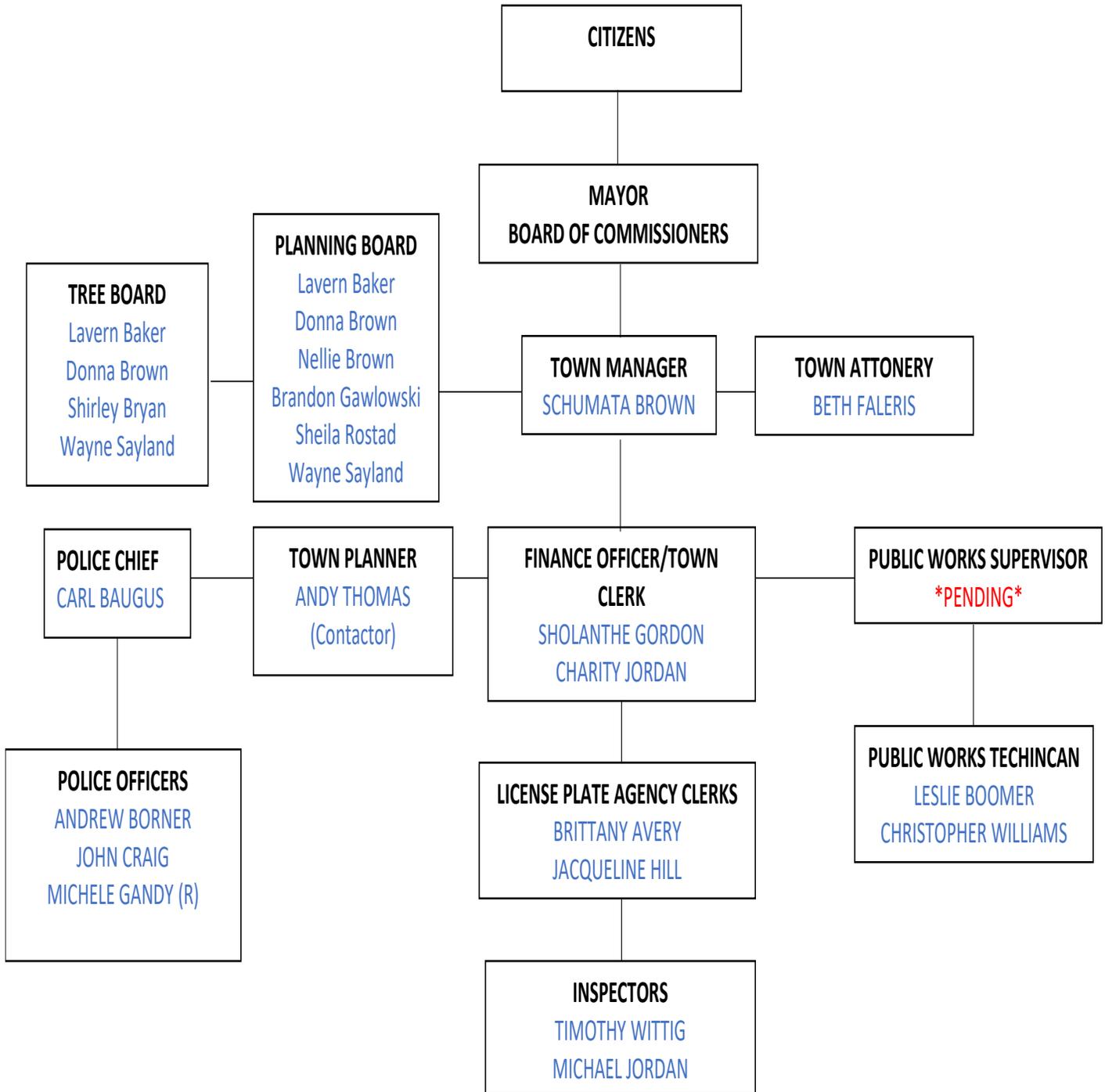
**Budget Overview:** Fund and functional area highlights are outlined as well as personnel, operational and capital summary totals.

**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



## **Board Priorities**

### **FY 2020-21 Priorities:**

#### **Mayor Edward Waltz**

1. Improve Financial State

#### **Commissioner Lisa Moore**

1. Tear down dilapidated buildings
2. Finish/improve the roads/streets
3. Water Plant
4. Programs for youth
5. Improve Financial State

#### **Commissioner Myra Fryar**

1. Have people clean up their yard
2. Remove old Vehicles
3. Repair streets

#### **Commissioner Daniel Ryan**

1. Improve the Town's financial state
2. Fund clean well + Filtration system
3. Get flags for meeting room

#### **Commissioner Janet Baker**

1. Tear down dilapidated buildings
2. Lights at the park
3. Town workers a raise
4. Jones Building

#### **Commissioner Cara Dunn**

1. Festivals/Community Engagement
2. All street beautification
3. Less paper used for board meetings (electronics)



**Town Manager's  
Budget Message  
FY 2020-2021**

May 7, 2020

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 FY2020-2021 for your review and consideration. The total Proposed Budget across all funds is **\$1,785,381**; a \$1,114,696, or 39% decrease from the FY 19-20 originally adopted budget.

During the past year, the Town of Maysville has continued to reach many of its established goals. The 2019-20 Annual Audit was a positive indicator on this path as unassigned fund balance grew to **\$776,576 or 68.61%** of the total General Fund expenditures. This contribution to the fund balance was due to three main factors; conservative fiscal management and increased revenue sources, particularly from an increase in Green Recycling franchise fees, FEMA grants and various other grants. The Water and Sewer Fund, for the first time in five years, made a profit.

There are no planned increases in the Ad Valorem tax rate of \$.51/100 for Fiscal Year 2020-2021.

Each cent on the tax rate represents approximately **\$5,117**. The estimated assessed tax valuation for the Town of Maysville as of January 1, 2019, is **\$49,854,062**, and an estimated collection rate of **87.74%** 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 **\$228,231**.

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 two years.
- While we made a profit last year the cost to provide water and sewer to customers continues to increase, recurring increases are expected in the following years.

Positive development affecting the Town budget include:

- Upgrade to the WWTP and a force-main out to Green Recycling.
- A extended force-main to Green Recycling.
- A NCORR Grant of \$500,000 for debt relief, payroll and vehicle. (not in the budget will have to make a budget amendment.)

To maintain the new infrastructure, to continue upgrading and expand the water treatment plant, and to continue for the Water and Sewer fund to be self-sufficient, a modest water and sewer rate increase is recommended. A four (4) percent rate increase is recommended for inside water and sewer customers and a five (5) percent for outside water and sewer customers. The proposed rate increases only affect the accessibility fee.

The proposed budget also includes a \$.50 an increase in the solid waste fee due to the rise by Waste Industries fees.

In the past three years, we have experienced two hurricanes and today COVID-19, each of those events has and will affect the budget in some way. Also, the Governors vetoed state budget will have an adverse result on Maysville financial state.

In this unprecedented time, we must remain, good stewards of the public's money, as we are facing the challenges (and opportunities) of making sound investments that improve our economic wellbeing, providing core services that will enhance the quality of life for the citizens we serve and maintaining our facilities and properties.

The FY2020-2021 budget was created around Maysville's vision and mission statement.

I am thankful for all the Town department heads and elected officials who worked diligently on this budget. Town employees remain focused on bringing cost-effective services and excellent customer service to the citizens, property owners and guests of Maysville. I wish to particularly thank Finance Officer Sholanthe Gordon, as well as Chief Baugus, for their invaluable insights and contributions to the creation of this proposed budget. The development of the FY2020-2021 was made more difficult due to the current pandemic.

In the end, the recommendations contained herein are those of the Town Manager. I appreciate the opportunity to serve the Board of Commissioners and the citizens of Maysville. I look forward to working with the Board to review these recommendations and adopt a budget ordinance for FY2020-21.

Respectfully submitted,

Schumata Brown



## Summary of 2020-2021 Budget

### **BUDGET OVERVIEW**

The following documents are a detailed summary of the 2020-2021 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 **\$1,281,381**. The projected real and personal tax revenue is \$219,000. This is a \$25,414 increase from FY 19-20 adopted budget.

Staff is anticipating a **decrease** in both property tax collection and sales tax. The anticipated decline is due to COVID-19. To maintain fiscally conservative budget numbers, only modest gains are being projected in this budget.

**EXPENSES**

After careful consideration, the following budget recommendations represent Board goals, Departmental input, and Community needs within the current tax rate of **\$0.51** per \$100 valuation. The total recommended budget is **\$787,599**.

<b>EXPENSES</b>	
Administration (410)	\$ 787,599
Police (510)	\$ 191,822
Parks & Recreation / Fire-Rescue (530)	\$ 105,560
Streets (560)	\$ 132,262
LPA (710)	\$ 64,138
<b>EXPENSE TOTAL</b>	<b>\$ 1,281,381</b>

The budget recommendation includes a 2.5% COLA for all employees.

**Departmental Highlights**

**Administration:** The proposed budget for Administration is **\$787,599**. This recommendation includes funding (15k) to purchase the property behind the town hall. There is also a 500K NCORR grant contributing to the increase in the fund.

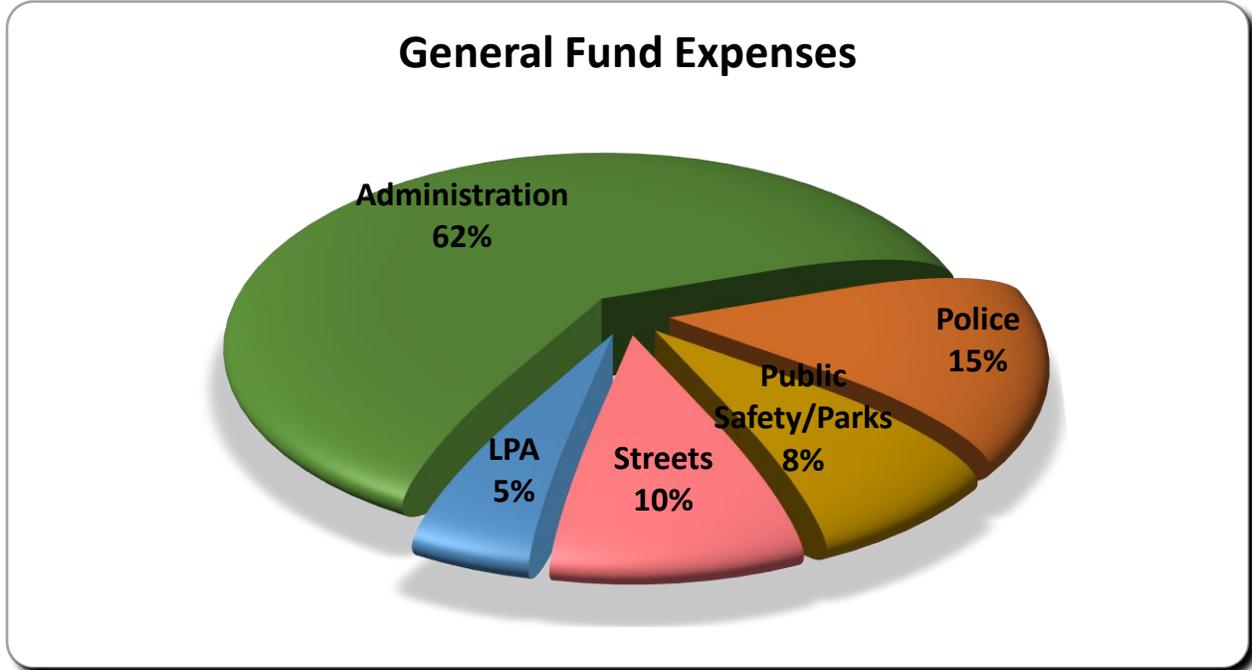
**Police:** The proposed budget for the Police Department is **\$191,822**. Highlights in this proposed budget include a decrease in expenditures. We also budgeted to hire a part-time officer. There are funds budgeted to purchase flooring for the new police department.

**Parks & Recreation/Fire- Rescue:** The Parks & Recreation/Fire-Rescue is **\$105,560**. The recommendation includes \$15,000 to partner with Jones County to form a recreation department. An increase in Frost Park Special Events for the 4<sup>th</sup> of July celebration. There is funding to repair sidewalks and to start phase one for a permanent stage at Frost Park.

**Streets:** The proposed budget for Streets is **\$132,262**. The proposed budget includes **\$21,000** for street paving and edging—funding to purchase a side mower. The proposed budget also provides funding for erosion repair for Maple St ditch and to replace street signs (this will be funded by FEMA reimbursement).

**LPA:** The proposed budget for the LPA is **\$64,136**. This is mainly to fund salaries.

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. We are currently purchasing water from Jones County.

The total projected revenue from the sale of water and treatment of wastewater is **\$504,000**. This includes \$490,000 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.

Staff is proposing a **4%** increase for in-town citizens and a **5%** increase for out-of-town citizens to the accessibility fee in the proposed budget. This represents an increase of \$1.43 for in-town citizens and \$2.06 for out of town citizens.

The following table illustrates the proposed rate recommendations:

<b>Monthly Base Charge</b>		
<b>Inside City Limit Rates</b>	<b>Current</b>	<b>Proposed</b>
<b>Water</b>	<b>\$11.75</b>	<b>\$12.22</b>
<b>Sewer</b>	<b>\$23.92</b>	<b>\$24.88</b>
	<b>Water/Sewer</b>	<b>Water/Sewer</b>
<b>10,000</b>	<b>\$7.13/\$10.50</b>	<b>\$7.13/\$10.50</b>
<b>10,001-25,000</b>	<b>\$7.88/\$11.00</b>	<b>\$7.88/\$11.00</b>
<b>25,001-50,000</b>	<b>\$8.63/\$11.50</b>	<b>\$8.63/\$11.50</b>
<b>50,001 and beyond</b>	<b>\$9.38/\$12.00</b>	<b>\$9.38/\$12.00</b>
<b>Accessibility Fee (0 gallons)</b>	<b>\$35.67</b>	<b>\$37.10</b>
<b>Monthly Average Bill (3500 gallons)</b>	<b>\$97.37</b>	<b>\$98.88</b>

<b>Monthly Base Charge</b>		
<b>Outside City Limit Rates</b>	<b>Current</b>	<b>Proposed</b>
<b>Water</b>	<b>\$14.82</b>	<b>\$15.56</b>
<b>Sewer</b>	<b>\$26.34</b>	<b>\$27.66</b>
	<b>Water/Sewer</b>	<b>Water/Sewer</b>
<b>10,000</b>	<b>\$8.13/\$12.60</b>	<b>\$8.13/\$12.60</b>
<b>10,001-25,000</b>	<b>\$8.88/\$13.20</b>	<b>\$8.88/\$13.20</b>
<b>25,001-50,000</b>	<b>\$9.63/\$13.80</b>	<b>\$9.63/\$13.80</b>
<b>50,001 and beyond</b>	<b>\$10.38/\$14.40</b>	<b>\$10.38/\$14.40</b>
<b>Accessibility Fee (0 gallons)</b>	<b>\$41.16</b>	<b>\$43.22</b>
<b>Monthly Average Bill (3500gallons)</b>	<b>\$113.71</b>	<b>\$115.77</b>

The proposed budget recommends the following rate structure and rate increases (4%) for commercial rates:

<b>Proposed Commercial Rates</b>		
<b>Water-Sewer User</b>	<b>Water</b>	<b>Sewer</b>
<b>Accessibility Fee</b>	<b>\$17.32</b>	<b>\$27.39</b>
<b>10,000 gallons</b>	<b>\$10.08</b>	<b>\$13.60</b>
<b>10,001-25,000</b>	<b>\$10.88</b>	<b>\$14.20</b>
<b>25,001-50,000</b>	<b>\$11.68</b>	<b>\$14.80</b>
<b>50,001 and beyond</b>	<b>\$12.48</b>	<b>\$15.40</b>

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

<b>Industrial Sewer Rates</b>	
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.

<b>EXPENSES</b>	
Administration	\$215,057
Water and Sewer	\$269,500
Governing Board	\$7,300
Debt	\$12,143
<b>EXPENSE TOTAL</b>	<b>\$504,000</b>

### **Departmental Highlights**

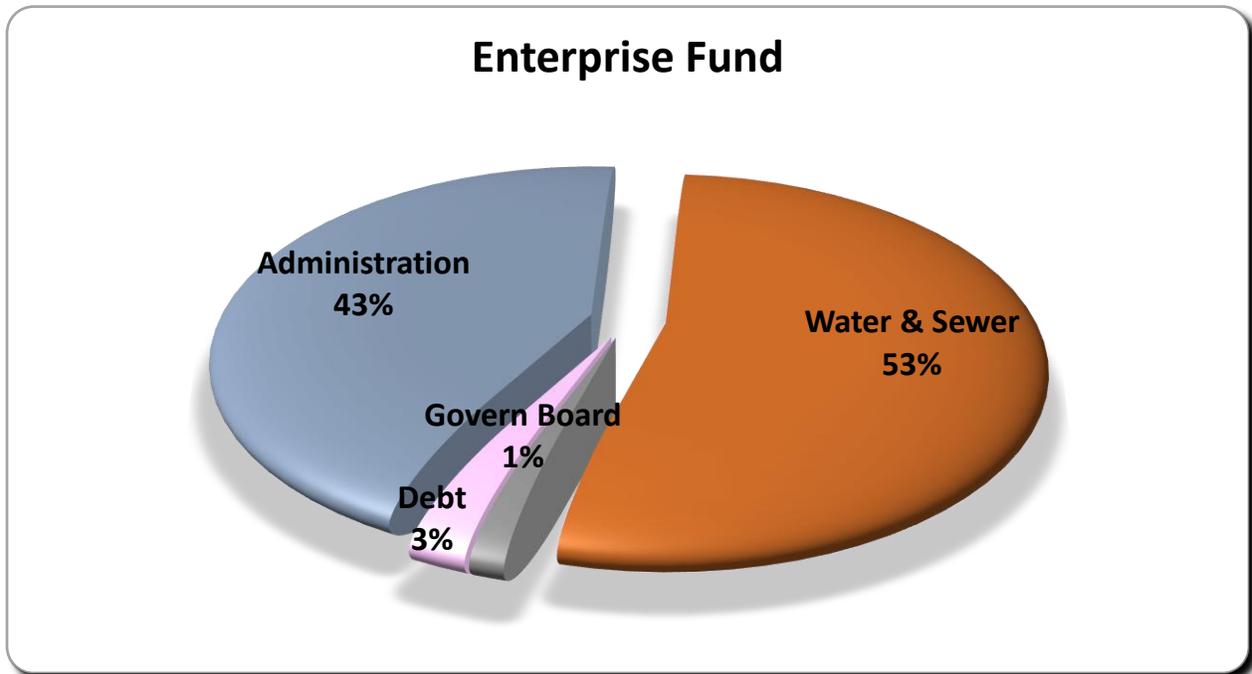
**Administration:** The proposed budget for Enterprise Administration \$215,057. This includes salaries, insurance, and office supplies.

**Water & Sewer Operations:** The proposed budget for Water & Sewer Operations is \$269,500. This includes all maintenance, contracted services, and vehicle repairs. It includes \$88,000 to purchase water from Jones County.

**Governing Body:** The proposed budget for Governing Body is \$7,300. 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.

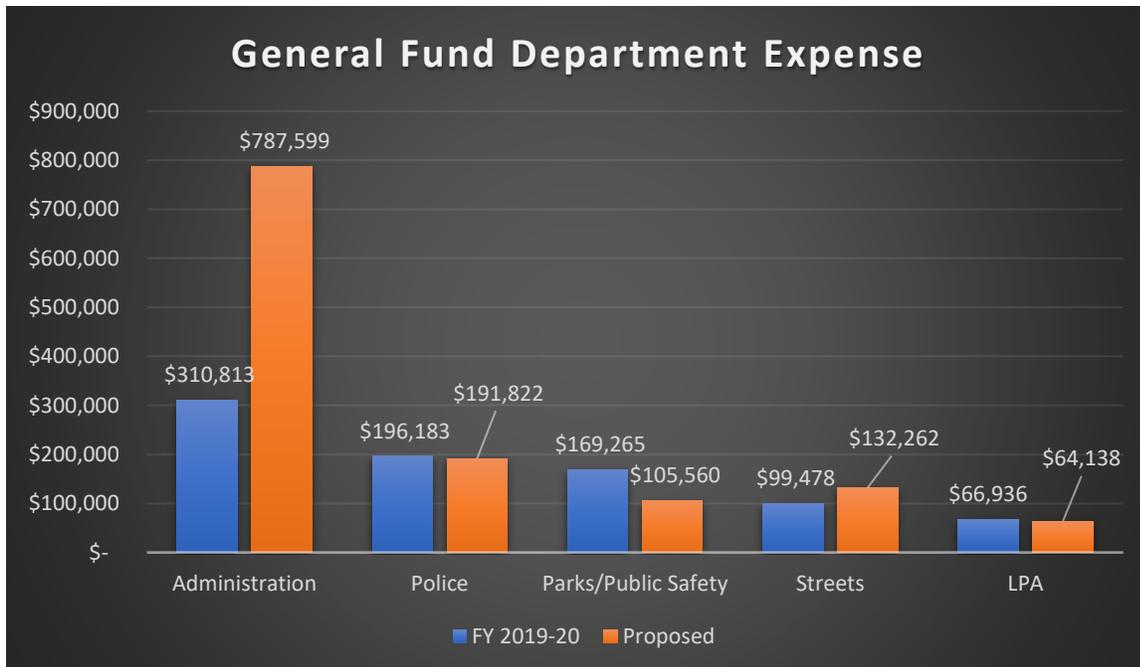
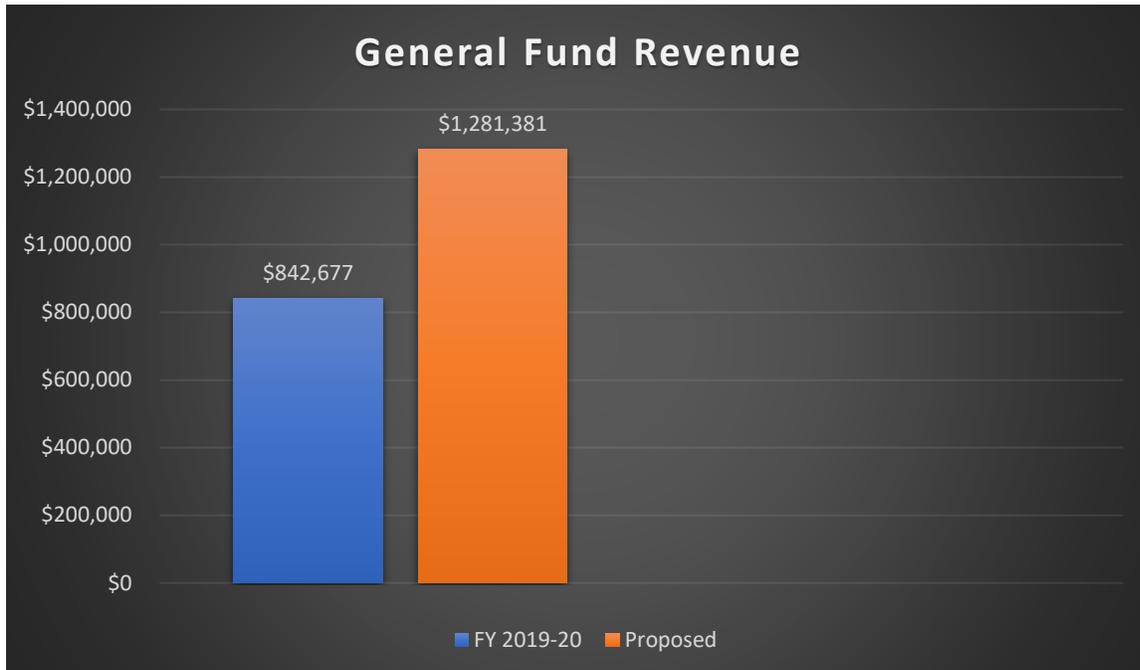
The following graph depicts the funding break down of expenses:

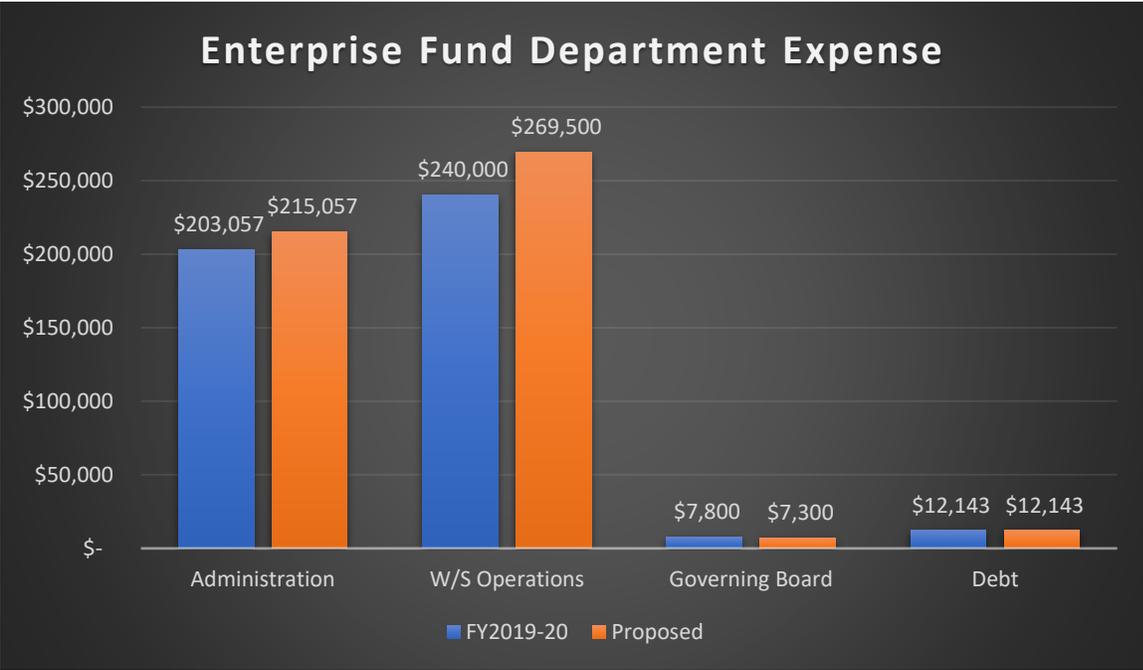
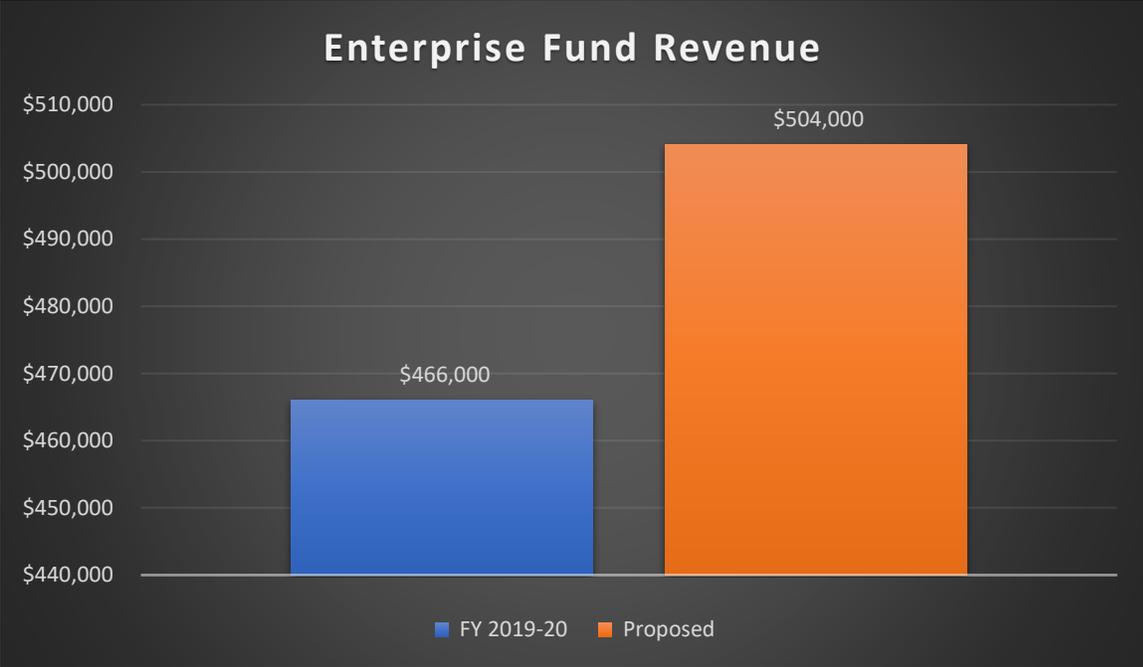


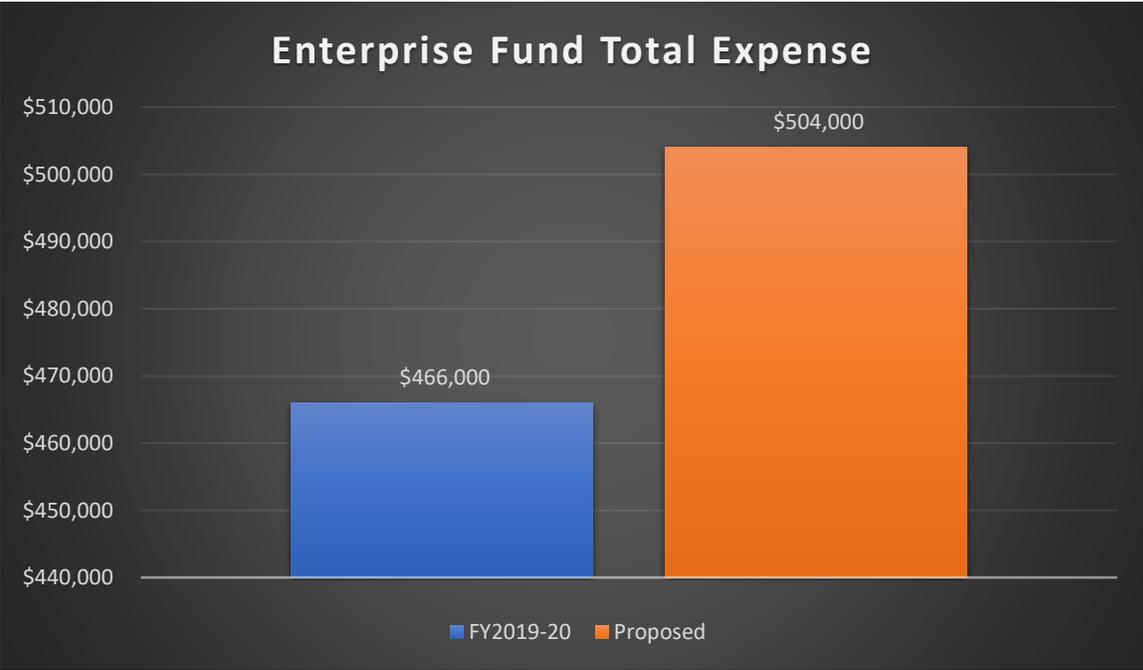
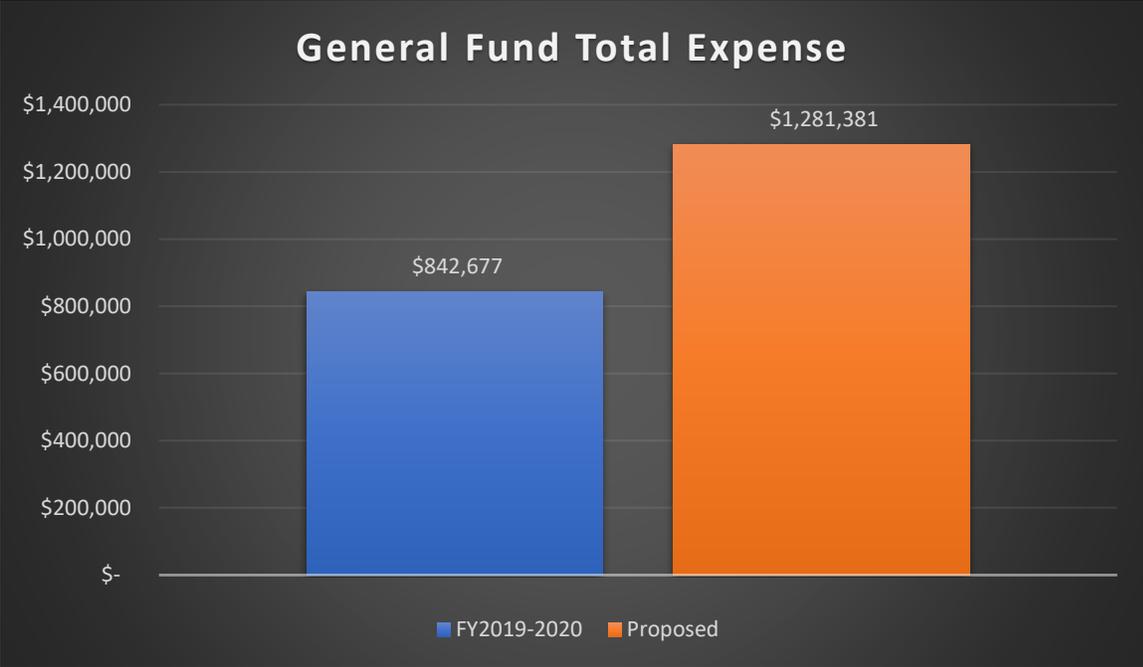
**Proposed Budget (DRAFT)**

The recommended proposed budget (Draft Version) includes comparisons from the fiscal year 2019-2020 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 FY2019-2020 and FY2020-2021:







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 21, 2020. I am recommending the Board hold a Public Hearing on Thursday, June 4, 2020, regular meeting.