

## **Budget Workshop – June 6, 2023**

The Fairmont Board of Commissioners held a budget workshop meeting on Tuesday, June 6, 2023, at 6:00 p.m. in the Fairmont-South Robeson Heritage Center with Mayor Charles Kemp presiding. Commissioners present were J.J. McCree, Terry Evans, Melvin Ellison, and Clarence McNeill, Jr. Commissioners Heather Seibles and Jan Tedder-Rogers were absent. Staff present included Town Manager Jerome Chestnut, Town Clerk Jenny Larson, Public Works Director Ronnie Seals, Deputy Clerk Donna Jacobs, and Police Chief Jonathan Edwards.

### **Call to Order and Invocation**

Mayor Charles Kemp called the meeting to order and gave the invocation.

### **Fiscal Year 2023-2024 Budget Message**

Town Manager Jerome Chestnut presented the following budget message:

The following information is details on the upcoming 2023-2024 Fiscal Year Budget and comprises the budget message for our Governing Body and Citizens of the Town of Fairmont. The total budget is in the amount of \$4,067,959.00. Here, we discuss the town's annual operating budget which is composed of three permanent funds: General Fund, Powell Bill Fund, and the Water and Sewer Fund.

#### **General Fund**

The total budget for the General Fund is \$2,393,048.00. The tax rate remains the same at \$0.73 per hundred-dollar valuation. The current valuation for properties located within our town limits is \$106,254,503.00 and the tax revenue of \$729,119.00 is based on a 94% collection rate. Our sanitation rates are being increased by \$1.21 from \$24.29 to \$25.50 per customer. This rate increase allows us to continue to provide consistent services while also combating fluctuations in the Consumer Price Index (CPI) and increasing supply chain challenges.

Expenses for the General Fund include a proposed 2.5% pay raise for employees. This proposed pay raise is below the current CPI index of 5.8%. I have estimated other expenses to the best of our ability due to the unknown impact of inflation and market conditions.

#### **Powell Bill**

The total budget for Powell Bill is \$111,730.00. We estimate receiving \$84,798.00 from our annual state allocation and using \$26,932 in fund balance. One part-time employee will be paid out of this fund. \$40,000 is budgeted for street maintenance which will focus on repairs, as no new street paving projects are funded at this time.

#### **Water/Sewer Fund**

The total budget for the Water/Sewer Fund is \$1,540,011.00. The minimum usage for water customers is 1,000 gallons, since 50% of our 1,180 customers use 2,000 gallons of water or less each month. I am recommending raising the water/sewer rates based on our ability to remain competitive for grants and to cover the rising cost of operating and maintaining our water

distribution and sewer collection systems. The water minimum is increasing \$1.31 from \$26.28 to \$27.59. The sewer minimum is increasing \$1.72 from \$34.43 to \$36.15. The town is on the state's Unit Assistance and Distressed Utility List and the Local Government Commission is closely monitoring our finances.

Expenses for the Water/Sewer Fund include pay raises for our employees to retain our employees who maintain an aging water/sewer infrastructure. We have used liberal analysis to estimate expenses for the water/sewer fund using current known, but unaddressed issues, and unforeseen repairs.

### **Other Considerations**

It is of my view that the town is in a favorable financial position. While risks have been minimized, we cannot prevent what we cannot predict. The staff and I are committed to running an effective and efficient government while at the same time, reducing costs without reducing the level of service that our board of commissioners and citizens expect of us.

Over the last year, the town has seen unprecedented interest and growth in the form of business creation, residential and commercial development – and that will serve the town well as we grow into the future.

This budget has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act as required by NC GS 159-7. As required, all funds with the budget are balanced along with all revenue and expenditure estimates being identified for FY 2023-2024.

### **Adjournment**

The board members present had no issues with the budget as presented. Commissioner McCree made a motion to adjourn the meeting at 6:43 p.m. Commissioner McNeill seconded the motion and it passed unanimously.

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Jennifer H. Larson  
Town Clerk