

# Memorandum



**To:** Mayor and Town Council

**From:** Ryan Spitzer

**Date:** 5/6/2021

**Re:** Budget Public Hearing

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## **Overview:**

For the upcoming Fiscal Year staff worked hard to look at the Strategic Priorities that Council set during the Strategic Visioning Retreat and budget towards those goals. The total budget is \$31,232,526. This equates to less than a 1% increase over last year's budget when taking out major one-time expenses. The major factors for this increase are due to increase public safety spending and capital improvement needs.

Revenues are expected to increase slightly from last year due to our recovery from COVID-19. Sales taxes are expected to come in well above the town's budgeted numbers for FY21 and we believe this will carry forward to the upcoming fiscal budget. Town staff also anticipates lodging taxes to begin to increase slowly from what we are seeing this year. The FY22 Budget keeps the tax rate at \$0.33 and all other General Fund, CLEC, and ILEC fees the same. The Electric Fund will have a slight fee increase on renewable energy rates that we pass along to the customer. These fees are spelled out in our agreement with NCMAPA1, the agency that we are a part of to buy wholesale power. These increases are reflected in the REPS Schedule on page 24 of the document.

Expenses have stayed relatively flat from last for most departments. As part of this budget there is an increased emphasis on public safety. There are investments in salaries for both police officers and telecommunicators that equate to an increase of about \$220,000. There is also an increase in general operating spending to improve the efficiencies of the department and to hit on a few of the priorities of the new Police Chief.

The FY22 Budget continues to make investments in capital projects that have been pushed aside in years past. To guide this spending, we are relying on the planning documents that were completed in FY21 to include the PARC Masterplan and the Mobility study. The budget has \$350,000 towards park capital spending for recreational purposes and over \$200,000 towards sidewalk and other mobility projects to help connect neighborhoods to downtown.

During the Public Hearing Council will have a chance to listen to citizen comments on the budget. After the Public Hearing Council can discuss the budget and make any necessary

changes they see as long as taxes, fees, and rates do not increase. I will present the Manager's Budget Statement as part of the June Meeting when all of the details are finalized with the FY21-22 Budget.

**Attachments:**

Budget Ordinance  
Proposed Fees – General Fund, Electric, Telephone, Internet