



8 June 2023

TO: Mayor Cameron Dockery and Robbins Board of Commissioners

FROM: Clint E. Mack, Town Manager

SUBJECT: FY 2023-24 Budget Message

Summary

I am pleased to submit the balanced FY 2023-24 budget proposal pursuant to North Carolina Statutes 159-11. Our town staff and department chiefs worked extremely hard to propose sensible and effective budgets that warden the public's money while continuing to provide the highest quality of services. Every department expertly submitted their budgets with common sense priorities in accordance with my issued *FY23 Budget Guidance*¹ that outlines an annual theme of operational and fiscal consistency and predictability. Combined with the board of commissioner's participation in the annual budget process and offering relevant input, this budget proposal accounts for another consecutive year of tax reductions of \$.02 cents per \$100 of property value; setting the annual town real property tax rate to \$.71 cents per \$100. I am pleased to achieve the proposed tax cut despite continued national economic turmoil resulting in inflationary costs of goods and services of over \$127,000 next year.

The elected board has clearly conveyed their commitment to continuing a downward trend of tax rates for the citizens of Robbins. In my professional estimation, lowering the tax burden on the families of Robbins is achievable with continued population growth and consistent sales tax revenues outperforming conservative projections.

¹ Organizational *memo FY23 Initial Budget Planning Guidance* dated 9 January 2023

Fiscal Year 2021-22 Review

Finance

Our finance staff continues to work diligently with our auditing firm *Strickland, and Hardee* to finish the FY 2021-22 annual audit by June 30th with the goal of starting the FY 2022-23 audit for submission. Once complete, I am confident Robbins will be removed from the state's Unit Assistance List (UAL) and all fiscal limitations of the UAL will be resolved. When achieved, our staff will have completed three annual audits in less than two years while continuing a fourth. This is a huge feat that our dedicated staff has continued to complete in concert with all other daily duties.

Our sensible and conservative budgeting has resulted in revenues exceeding projections by over 5%². Our General Fund Balance continues to grow at a healthy consistent rate and is currently at \$1,194,069.00³. This growth is attributed to each department annually finishing the fiscal year under budget.

Moore County Tax Reevaluation

As a result of the county tax re-valuation, the Robbins area saw a median *Real Property* tax increase of 20.4%, while other areas of the county evaluated as high as 50%. The current rate reflects a *cost approach* appraisal theory evaluation which uses the widest range of construction appraisals to figure a total cost of property "reproduction" minus depreciation. The reevaluation rate equates to a current revenue neutral rate (RNR) of \$.61⁴ cents per \$100 of value not adjusted for growth or other variable factors.

Department Notes

² Normal revenue streams exceeding projections by \$75,000.

³ Unrestricted balance available at \$1,072,446.00

⁴ Statutory requirement to disclose RNR during a reevaluation period.

Each department chief expertly managed their operational budget throughout the year and is on pace to again end the year under budget by 1-10%, which is a testament to their fiscal discipline and devotion to not over-request the taxpayer's money.

The Robbins Fire Department (RFD) exercised initiative by seeking 50% outside funding for the procurement of a new fire truck. RFD also partnered with Moore County Public Safety and flexed their existing budget to increase their life saving capability by adding a water rescue team to the department. The team is now equipped with several motorized water rescue zodiacs and high-risk rescue equipment. RFD also received multiple grants and used existing capital funds to purchase additional turn-out gear for our current firefighters.

The Robbins Police Department (RPD) equally resourced funding for body armor and equipment throughout the year and has submitted equipment grants to finish the radio communication upgrades needed for compliance. Additionally, RPD leased several new patrol cars and has recently auctioned an older vehicle to help pay on the new vehicles.

Public Works has seen improvements last year by procuring a new HQ building, personal safety equipment, and a dump truck. Despite these additions, I still feel the department can use more upgrades such as another daily truck and a UTV for sewer outfall line maintenance and accessing meters in more rural areas. Public Works has done a great job helping find revenue by stockpiling scrap metal for recycling fees and auctioning unneeded equipment that secured over \$10,000 last year.

I'm very proud of each department's fiscal accomplishments over the year and look forward to supporting their mission throughout this upcoming fiscal year.

Infrastructure/Capital Projects

FEMA

All FEMA related projects are in "closing" status and are currently in compliance. Change orders on several projects were approved for final payment bringing the total projects cost to \$2.7 million. We are awaiting final reimbursements to repay the SRL of \$1.6 million this year. We also qualified and submitted \$97,000 in Management Costs to be paid directly to the town.

Sewer AIA

Sewer AIA is physically complete and now in the administrative phase of analyzing and producing final deliverables. \$79,000 of the \$150,000 has been dispersed to our contractors. We are expecting the AIA results to drive funding packets for future improvement projects.

Water System Improvements

We have been proactive in the grant management and procurement process thus far and expect to begin bidding process to subcontractors in the fall for the \$4.3 million project.

Water and Sewer Fund

Our enterprise account is currently performing as budgeted. The technical upgrades and adjustments made have proven to be effective. We are monitoring the accountability of water usage and sales monthly to address anomalies that arise as quickly as possible. We have also begun using our older but higher capacity chemical storage tank to limit rising chemical shipping fees. Even with increased storage, the decrease in expenses for debt service we paid off this year was directly reallocated to chemical budget for next year. I am confident we can continue to smartly manage our utility system and account, therefore; I recommend **no** change to the Town's water and sewer rates.

Goals and Moving Forward in FY 2023-24

Recreation

Recreation has proven to be an amenity demanded by our citizens. The slight increase in funding will help improve both public parks and upgrade our outdated tennis court to a refurbished pickleball court and improve Milliken Field. The Bear Creek Trail system will continue to be supported and we will fund any needed improvements throughout the year.

Personnel Retention

The proposed budget reflects a 5% cost of living adjustment for all full-time employees which is competitive to the current area market. We will continue to close the pay gap through performance raises and recognition for our outstanding public servants. Keeping our current team is a top priority and losing an employee in a key position would be detrimental to the long-term vision we are trying to accomplish.

Operational Sustainability and Predictability

For years, we have been fiscally reactive to capital costs and needs, often forgetting about the long-term capital improvement plan, replacement schedules and depreciation costs. My goal is for departments to establish sustainable annual operating costs that can consistently react to outside economic factors without constant or drastic tax rate changes. Once we achieve this, we can devise a realistic schedule of capital replacement/improvement plans by priority of need and financial feasibility.

Conclusion

I greatly appreciate the hard work of all our public servants. Every town employee had a hand in some capacity throughout the budget process to produce this balanced proposal. I appreciate the board of commissioners' support and confidence throughout the budget process and believe this reflects their guidance and priorities. I firmly believe that we are on the right path to being even more fiscally prosperous and are using our citizens' tax dollars as effectively as possible to offer a better quality of life for all of Robbins' citizens.

Clint E. Mack
Robbins Town Manager

