

BUDGET MESSAGE
TOWN OF NORTH WILKESBORO
FY 2019 – 2020

June 4, 2019

Honorable Mayor and Board of Commissioners
Town of North Wilkesboro
P.O. Box 218
North Wilkesboro, NC 28659

To the Honorable Mayor and Town Board of Commissioners:

I am pleased and honored to present to you and our citizens this proposed budget for the fiscal year July 1, 2019 through June 30, 2020 (FY 2019-20). This is a very straight forward, primarily operations budget with little capital outlay with the exception of police cars and a dumpster truck purchase.

Some highlights of the budget are:

- 2.5% COLA salary increase for our dedicated and talented employees; we must stay competitive to retain and recruit the best in all departments
- Purchase and replacement of our 2006 dumpster truck for \$216,000 and using current full-time service 2012 truck as a backup (allows disposing of the 2006) by Installment Purchase Loan
- Purchase of four police cars by Installment Purchase Loan at \$140,000
- Proposal for the town to begin paying the Fireman's Pension Plan for fire personnel at a cost of \$10 per month per volunteer and budgeting \$1,440 for the year.
- Continuing with contract services for Code Enforcement
- Capital Outlay for cars and dumpster truck that are financed
- \$50,000.00 for dredging
- New this year is a "Contingencies" Line Item allocating \$289,157 for unexpected issues

The budget proposal maintains the tax rate at \$.52 per \$100.00 of property tax value and there are no other tax increases in the proposal. Wilkes County properties have just gone through a tax revaluation that will be effective for this upcoming fiscal year. The revaluation adds \$22,000,000 to the tax base. The Revenue Neutral Tax Rate is a calculation that would generate the same amount of tax revenue for FY 2019-20 as it the rate did for FY 2018-19. The Revenue Neutral tax rate for FY 2019-20 is \$.495 (rounded), a reduction of \$.025 per \$100 valuation. I have not recommended a tax cut to the Commissioners in the proposed budget as our budget proposal is, as stated above, basically an operations budget. The Fee Schedule remains the same with a couple of exceptions including a recommended increase in the bond required for a Demolition Permit and in Water and Sewer Deposits in the Enterprise Fund, and Water and Sewer tap fee increases recommended for both "Inside City Limits" and "Outside City Limits."

The budget, as proposed, would not utilize any fund balance, as expressed as a priority in the Retreat.

As proposed, the General Fund budget totals \$6,807,938.00 and the utility fund totals some \$2,870,786, which is down some (\$237,489.00) from last year in the General Fund and a (\$273,664) reduction in the Water & Sewer budget.

The total Fund Balance per June 30, 2018 audit was \$4,260,619.00. The Town's lease of the hospital to Wake Forest Baptist has generated a significant influx of cash from the lease of the hospital. While this transaction was widely publicized, less well known is that the money is only available in allocations yearly over the thirty (30) year lease period. It will be incumbent upon staff and elected officials to educate the public about the transactional stipulations of this lease, making everyone aware that this was not a windfall that can be spent any way we want or as fast as we might want to spend it. While there are many great projects and needs to be met, we must abide by the rules of the Local Government Commission for spending.

I wish to thank our employees, citizens, Mayor and Town Board for all the hard work, dedication and support I have received as the Interim Town Manager. I especially want to thank Finance Officer Connie Bauguess for her hard work and helping to bring me up to speed on this year's budget. I am honored to serve such a great town and community and to be surrounded by such great employees, citizens, and elected officials. Keep moving forward in Historic North Wilkesboro, North Carolina, our place to live, work, shop and play, where tradition lives!

May God continue to bless our town.

Sincerely,

Ed Evans
Town Manager