



Date: June 1, 2021

To: The Honorable Mayor and Members of Town Council

Subject: Fiscal Year 2021-2022 Budget Message

In accordance with N.C.G.S. 159-11(b), the proposed Annual Budget for fiscal year 2021-2022 is attached to this memo and submitted for your consideration. It reflects expected revenues of \$3,020,600 at a tax rate of \$0.37 cents per \$100 valuation. This is a decrease in the tax rate from last year's \$0.39 cents.

Cleveland County underwent a property revaluation this past year. This is a process they would typically undergo every 8 years. However, in accordance with N.C.G.S. 105-286(a)(2) the timeline was advanced due to the sales assessment ratio dropping below 85%. N.C.G.S. 159-11(e) requires the preparation of a revenue neutral tax rate in each year in which a revaluation is conducted for comparison purposes. With an increase in property values, the revenue-neutral for Boiling Springs would be \$0.35 cents. The recommended difference of \$0.02 allows the town staff to continue to provide the high-quality of service that the residents have come to expect, while also preparing the Town for future growth, improving of our existing infrastructure, and expanding our current assets. Additions and changes to the budget will be outlined in the following pages.

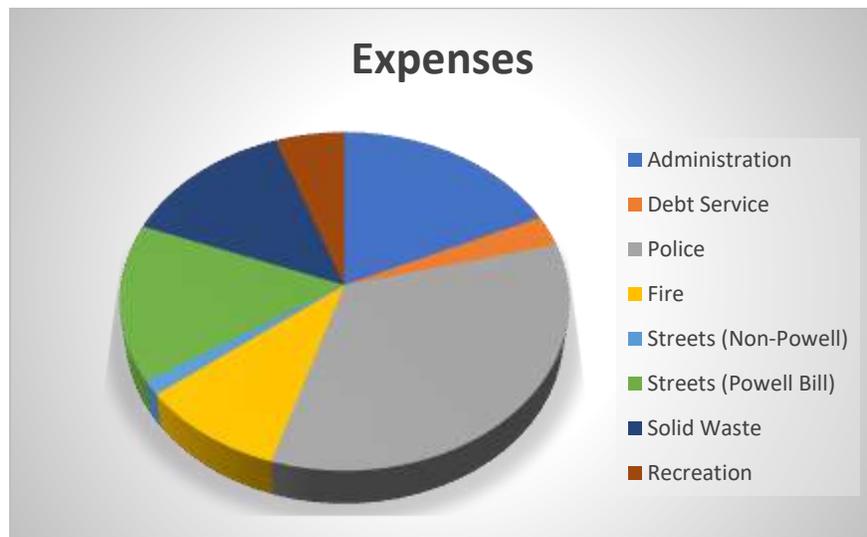
A revaluation and pandemic have brought forward a couple of changes and increases to the budget this year. We are seeing a 4% increase in water rates from the City of Shelby this year. Staff is recommending an increase of our volumetric water and sewer rate *only* in the rate that applies to usage over 15,000 gallons. The rate would increase \$0.50 per thousand gallons for both the inside and outside rates for water and sewer. This change is reflected in Section III of the budget ordinance. Increasing this rate only will cause an increase for larger users, but will allow us to keep the rate the same for our residential customers. Additionally, the contracted rate that we pay to Boiling Springs Fire and Rescue is increasing. The tax rate is staying the same. Being that the revaluation caused in increase in property values, their fee is increasing as it is tied to this number. This is a \$36,988 increase.

The last year has been one of the most trying for the staff at Town Hall, businesses of Boiling Springs, and the community as a whole. Covid-19 shut down many of the great things in our town that are, thankfully, back open today. Staff saw increased safety measured and a reduced working crew, Gardner-Webb saw a period of time without students, and businesses were forced to closed or greatly reduce the amount of service they were able to provide. I am extremely optimistic about the current state of the town and hope to see sporting events return to Gardner-Webb, park usage increase, and maybe even Webbstock happen this year.

Budget Overview

Fund	FY 21-22	FY 20-21 (Adopted)
General Fund:	\$3,020,600	\$2,926,956
Water/Sewer Fund:	\$1,871,000	\$1,848,500
Total:	\$4,891,600	\$4,775,456

General Fund



Administration

In the Administration section of the general fund, we have added funds for Rebranding (412-40030-40037: \$8,000) to continue our efforts of promoting the new logo and image of the Town. These funds will help us to continue this through the replacement of the former logo and the addition of the new logo to amenities and signage.

We have also budgeted funds for a more robust asset management software (412-40040-40044: \$1,900 increase) that will allow us to track the maintenance, repair, and life cycle of various assets and have additional capabilities when handling missed garbage pickup, water meter testing, and even code enforcement issues.

Not long before Covid-19 brought everything to a screeching halt, we began work on revising our Code of Ordinances. The consulting firm, Benchmark Planning, out of Charlotte has been working on this and we expect changes to be completed in the coming months. Funds have been budgeted for the completion of this project in this year's budget (412-40040-40044: \$18,000).

Finally, we have added funds and a new line item (412-40030-40038: \$18,700) for Downtown Enhancements. These funds will be used to implement parts of the Downtown Master Plan which was adopted in November of last year. These funds will hopefully be used in conjunction with grant funding that staff is currently applying to receive.

Police

The Police Department has requested one vehicle for this budget year (431-40050-40050: \$38,000). Several vehicles are coming close to aging out so purchasing a new vehicle will keep all of the officers in reliable and safe transportation. We plan to purchase another Tahoe as these vehicles have a longer life expectancy which results in lower maintenance costs and allows us to sell them for more on the back end and recoup more of our costs.

We have also budgeted for a full-time Code Enforcement Officer position. This position will continue our current code enforcement work of making sure that ordinances are enforced and the standards we have set in place are complied with. This added position will allow us to take a more proactive approach in handling matters versus the complaint-driven approach that has been used previously. The enhanced work order system (coupled with the asset management software) will streamline the handling of complaints and identified issues. This position will also start to handle some of the basic permitting (fences, signs, etc.) that is currently handled by the Isothermal Planning Consultant. As far as succession planning is concerned, the person in this role would ideally end up working with our current Detective Sergeant to transition into that role as individuals retire and/or change positions.

Streets

The Public Works Department continues to utilize our Capital Improvement Plan. Part of this plan includes the repaving of certain streets (identified through a study Odom Engineering completed in 2018). For FY 2021-2022 we have budgeted the repaving of several roads in the Homestead neighborhood and Hillcrest St. (451-40040-40044: \$428,500). These funds will be appropriated from our Powell Bill account (039-39900-39920) which are funds we receive from the state specifically for street maintenance and repair.

Solid Waste

The Solid Waste department has requested a new F550 dump truck to replace one of their aging trucks they currently use (471-40050-40050: \$67,000). The presently utilized truck is a 1999 International model that is becoming increasingly hard to find parts for and maintain. This new F550 would be a 4x4 model and would be able to handle more of a work load. The International would be sold at surplus auction after receiving the new one. The funds for this truck would be appropriated from the Town's fund balance.

Recreation

Our Park has seen great improvements in the last couple of years. We are currently planning a ribbon cutting ceremony that was postponed due to Covid-19. To continue to improve our park, we have budgeted for new lighting (612-40050-40050) under the picnic shelter. Town residents also continue to receive the benefit of a discounted membership fee at the Ruby C. Hunt YMCA and the Town will continue to partner with the YMCA organization on the scheduling and administration of sporting events in the park (612-40040-40243: \$40,000).

Water/Sewer Fund



Water Operations

Our Capital Improvement Plan guides and prioritizes updates and repairs to our water/sewer infrastructure. We have a healthy fund balance (unrestricted is around \$500,000) in the water/sewer fund and we are recommending that monies from this account be utilized for the replacement of aging water meters (600-673-40020-40026) and the replacement of a water line on Bethel Avenue (600-673-40050-40359). We expect to receive funds from the American Recovery Plan that could be utilized for additional improvements. Once those funds are received and we know how much we can put toward certain projects, we expect to bring those to your attention for consideration as a budget amendment.

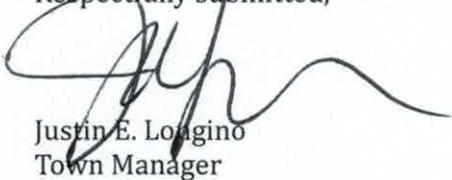
Sewer Operations

The Sewer Operations department has requested a Ford F350 (600-674-40050-40050) to replace a 2011 truck with 230,000 miles. This new truck would have a small crane mounted to the back of it to pull pumps at pump stations. Not every pump station has a lift. Accessibility and a portable, manual lift currently make pump maintenance difficult. This truck would replace an aging vehicle and allow for safer and more efficient pump station maintenance. We have also budgeted funds for pole barn improvements at the wastewater treatment plant (600-674-40020-40024).

Conclusion

Overall, it is an exciting time to be in Boiling Springs. I am grateful to the Council for having chosen me to serve as their new Town Manager and appreciative of the staff who have helped make this proposed budget a hopeful reality. Moreover, I am indebted to the community for their kindness and welcoming words. I mention all of that to be able to say that what we have planned for the future of our town cannot be accomplished by these separate groups alone, but as one unit. As our new Town motto states: One Town. One University. One Community. I am looking forward to using this budget as a vessel to accomplish these goals and steer us on course into the future.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Justin E. Longino', with a long, sweeping flourish extending to the right.

Justin E. Longino
Town Manager