

*The
Village
of Walnut Creek*

P.O. Box 10911 • Goldsboro, NC 27532 • (919) 778-9687



May 22, 2019

Dear Members of the Walnut Creek Village Council:

As Budget Officer it is my responsibility to present the Village of Walnut Creek's FY2019-2020 Budget Estimate for approval. This estimate was derived using the existing historical revenues and expenditures along with estimates according to the annual report furnished by the North Carolina League of Municipalities.

Each of you has been afforded the opportunity to further provide input toward existing and new projects within the Village. We have solicited and received input from the Village Audit Committee, Planning Board, Lake Committee and our Auditor. Updated information has been obtained from our various contractors and service providers. In addition, we have continued to strive to achieve the vision of our Village as well as comply with the complex requirements of federal and state mandated programs.

The FY2019-2020 Budget Estimate for all funds is \$1,897,100.00, an increase of \$365,586.00 from last year. The effective tax rate for the Village of Walnut Creek will remain at \$.42 per \$100 of value. This rate does include \$.0625 per \$100 of value being payable to Elroy VFD.

This year's Budget of FY 2019-2020 is organized same as last year by Departments as follows:

The General Fund is made up of the following departments:

General Government (\$673,275.00)

Administration Budget of \$416,475.00

Building and Grounds Budget of \$256,800.00.

Public Safety (\$350,000.00)

Police Department Budget of \$194,000.00

Elroy Fire District Budget of \$106,000.00

Disaster Response Reserve Budget of \$50,000.

Environmental Protection (\$197,000.00)

Sanitation Department Budget of \$122,000.00

Lake Maintenance Budget of \$75,000.

Economic Development (\$15,000.00)
Planning and Zoning Budget of \$15,000.00.

Capital Outlay of \$15,000.00

Contingency of \$237,625.00 **

Utility budget of \$409,200.00

Total Budget (all Accounts) of \$1,897,100.00.

General Fund

The *General Government Area* of the General Fund is the one of the larger areas of our Budget and generally has the most activity. This amount funds the day-to-day operation of the Village including payroll, insurance, attorney fees, postage, telephone, etc. Increases in projected expenditures are forecasted in the areas of Administration. The addition last budget year mid-term of a full-time Police Officer is reflected for a full budget year cycle this coming budget year and is a notable addition to the overall increase in the *Public Safety Area* of the budget.

The figures reflected in the *General Government/Administrative Area, Building and Grounds area and Public Safety Area* include a modest cost-of-living-allowance increase for our employees this year.

Disaster Response Reserve was introduced last year in the amount of \$50,000. This year the budget area of *Public Safety* has another \$50,000 budgeted which will be added to the reserves for the coming FY2019-2020 to address our response to storms.

In the *Environmental Protection area Lakes*, particularly Lake Wackena, remains in good condition due to the continued treatments and aggressive approach to lake maintenance. We will maintain the current treatment program in the new fiscal year with the same budgeted amounts.

Economic Development has been increased by \$5,000 for additional engineering needed in the Village.

The *General Contingency* is established at \$237,625.00 for FY2019-20. **This includes \$237,000 reimbursement from FEMA that will be placed back into fund balance to replace funds spent during a previous accounting period. These funds were to cover expenses from prior storm response. Our auditor, in concert with the Local Government Commission, has advised us our Fund Balance is sufficient to designate a portion of it as Restricted Funds to satisfy financial requirements in the event of revenue shortages and another portion of the Fund Balance as Unrestricted, meaning we can expend these funds on various infrastructure projects.

The amount set aside as Restricted in this year's budget is \$625,450.00 an amount equal to 50% of the projected budget expenditures.

Finally, the addition of a *Capital Asset Replacement Plan (CARP)* five years ago allows the Council to make annual installments and earmark the funds for capital asset replacements such as vehicles and other large equipment items. This year's installment is \$15,000. This rounds out the Area of the General Fund.

Powell Bill

Powell Bill revenues are expected to be approximately \$35,200 for FY2019-2020.

Utility (Enterprise) - Water and Sewer

The Utility Fund is composed of Water and Sewer services. While we have seen a slight increase in water/sewer revenue due to new construction over the past few years and keeping in line with Wayne Water's Fee Schedule, the Utility Fund has been suffering from decreased revenue versus increased expenditures for quite some time. Additionally, as our infrastructure continues to age, we must look for ways to make sound, viable decisions in our utility operation for the good of the Village. We have worked out a rate structure that will satisfy our expenses while putting adequate money aside to invest in our needed infrastructure improvements.

The rate for water will remain to be a graduated or tiered rate meaning heavy consumers will be charged more than light consumers of water. The rate structure is as follows:

The rates are exactly the same as Wayne Water District rates, except the Village bills on a quarterly basis instead of monthly basis. The rate schedule for the upcoming year will be as follows:

Quarterly Minimum	\$ 62.61 (includes 6000 gallons)
6,001 - 18,000 gallons	\$ 6.14 per 1000 gallons
18,001 - 30,000 gallons	\$ 6.51 per 1000 gallons
30,001 - 60,000 gallons	\$ 9.79 per 1000 gallons
60,001 gallons - and up	\$ 11.40 per 1000 gallons

For those customers using less than 6,000 gallons of water per quarter, there will be no additional charge for usage.

The sewage rate will continue to be a flat rate of \$2,000 per quarter for commercial customers and a graduated rate based on water consumption for residential customers. That residential rate of \$15.00 per 1,000 gallons of water used with a minimum charge of \$150.00 per quarter per residence will also be maintained. The numbers used in the

previous years' rate analysis have continued to be accurate and no change in our sewage rate structure is anticipated.

Summary

The FY2019-2020 Budget Estimate for the Village of Walnut Creek is efficient and streamlined. I am comfortable with these budget estimates, although they are based on conservative estimates. A major storm event or other catastrophe could send us scrambling for revenue sources to fund emergency repairs, the addition of the Disaster Response Reserve line item will help in planning for such an event. The Council has been diligent in setting money aside annually for such an event and will continue to do so. However, we must plan on maintaining the Village in its present state, improve when and where necessary, while remaining prepared for the unknown.

We have further trimmed excess from areas that were already limited and sought out opportunities to trim even more. As the Village continues to expand and take on additional responsibilities of Police coverage, Water Distribution and Sewage Collection, maintenance of additional areas within the Village infrastructure and at the same time produce a quality product, we must continually look at ways to pay for such services in the future.

A Public Hearing will be conducted May 22, 2019 at 7:30 PM, to hear any comments and concerns from the residents and to allow you an opportunity to deliberate these matters before approving the FY2019-2020 budget during the regular June Council Meeting.

My staff and I stand ready to address any areas of concern in the attached Budget Estimate and look forward to serving the needs of the Village of Walnut Creek for many years.



Robert Parchman, Administrator
Budget Officer

**Village of Walnut Creek
Proposed Budget Ordinance
For the Fiscal Year Ending June 30, 2020**

General Fund

Revenues

3100 Ad-Valorem Property Tax	\$ 775,000
3300 Unrestricted Intergovernmental Revenues	
Local Option Sales Tax	365,000
Utility Franchise Tax	55,000
Beer and Wine Tax	3,800
3310 Restricted Intergovernmental Revenues	
Solid Waste Disposal Tax	600
Powell Bill Funds	35,200
3340 Permits and Fees	9,000
3400 FEMA Reimbursable Income	237,000
3650 Investment Earnings	6,800
3630 Miscellaneous Income	500
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Total Revenues - General Fund	\$ 1,487,900

Expenditures

General Government	
4100 Administration	\$ 416,475
4200 Buildings and Grounds	256,800
4300 Public Safety	
Police Department	194,000
Elroy Fire Department	106,000
Disaster Response Reserve	50,000
4700 Environmental Protection	
Sanitation Department	122,000
5000 Economic Development	
Planning and Zoning	15,000
6000 Cultural & Recreational	75,000
Lake Maintenance & Improvements	
Capital Outlay	15,000
Contingency	237,625
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Total Expenditures - General Fund	\$ 1,487,900

**Village of Walnut Creek
Proposed Budget Ordinance
For the Fiscal Year Ending June 30, 2020**

Water and Sewer Fund

Revenues

3710 Water Charges	\$	199,700
3713 Sewer Charges		175,500
900 Non-Operating Revenues		
Investment Earnings		7,500
Impact Fees		26,000
Miscellaneous Income		500
Total Revenues - Water & Sewer Fund	\$	<u>409,200</u>

Expenditures

7100 Water Expenditures	92,750
7300 Sewer Expenditures	224,450
8800 Debt Service	92,000
Total Expenditures - Water & Sewer Fund	\$ <u>409,200</u>

Water Rates are hereby established as follows for this fiscal year

Water	Minimum (includes 6,000 gallons per quarter)	-	6,000	\$	62.61
	Usage - Per 1000 gallons	6,001	18,000	\$	6.14
	Usage - Per 1000 gallons	18,001	30,000	\$	6.51
	Usage - Per 1000 gallons	30,001	60,000	\$	9.79
	Usage - Per 1000 gallons	60,001	and up	\$	11.40

Proposed 3% water rate increase for FY 2019

Sewer	Commercial - Flat fee		\$	2,000.00
	Residential Minimum (includes 15,000 gal per quarter)	-	15,000	\$ 150.00
	Residential Usage per 1000 gallons	15,001	and up	\$ 15.00

**Village of Walnut Creek
Proposed Budget Ordinance
For the Fiscal Year Ending June 30, 2020**

There is hereby levied the following rate of tax on each \$100 of
assessed property valuation as listed for taxes as of January 1, 2018 \$ 0.42

Estimated total assessed property valuation	\$ 183,212,266
Estimated tax collection percentage	99.00%