

*The
Village
of Walnut Creek*

P.O. Box 10911 • Goldsboro, NC 27532 • (919) 778-9587



June 24th, 2020

Dear Members of the Walnut Creek Village Council:

As Budget Officer it is my responsibility to present the Village of Walnut Creek's FY-2021 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 FY-2021 Budget Estimate for all funds is \$1,691,450.00. 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-2021 is organized by Departments as follows:

The General Fund is made up of the following departments:

General Government (\$694,575.00)

Administration Budget of \$435,375.00

Building and Grounds Budget of \$259,200.00

Public Safety (\$351,320.00)

Police Department Budget of \$187,920.00

Elroy Fire District Budget of \$113,400.00

Disaster Response Reserve Budget of \$50,000.00

Transportation (\$5,000)

Powell Bill \$5,000.00

Environmental Protection (\$121,000.00)
Sanitation Department Budget of \$121,000.00

Cultural & Recreational (\$70,000.00)
Lake Maintenance Budget of \$70,000.00

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

Capital Outlay of \$25,000.00

Contingency of \$8,605.00

Utility Budget of \$400,950.00

Total Budget (all Accounts) of \$1,691,450.00.

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 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 FY-2021 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.

The *General Contingency* is established at \$8,605.00 for FY-2021. 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 \$645,250.00 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 \$25,000. This rounds out the Area of the General Fund.

Powell Bill

Powell Bill revenues are expected to be approximately \$34,000 for FY2021.

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 developed 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:

Monthly Minimum	\$ 35.00 (includes 2000 gallons)
2,001 - 6,000 gallons	\$ 6.14 per 1000 gallons
6,001 - 10,000 gallons	\$ 6.51 per 1000 gallons
10,001 - 20,000 gallons	\$ 9.97 per 1000 gallons
20,001 gallons - and up	\$ 11.40 per 1000 gallons

For those customers using less than 2,000 gallons of water per month, there will be no additional charge for usage.

The sewage rate will continue to be a flat rate of \$667.00 per month for commercial customers and a graduated rate based on water consumption for residential customers. That residential sewage rate schedule for the upcoming fiscal year will be \$60.00 per month for 5,000 gallons of sewage. Residential sewer over 5001 gallons will be \$15.00 per 1000 gallons of sewage.

Summary

The FY-2021 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. We have minimal contingency in this operating budget. 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 June 24th , 2020 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 FY-2021 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