

**TOWN OF FOUR OAKS**  
**BUDGET MEETING**  
**May 31<sup>st</sup>, 2022**  
**AGENDA**

- 1) Call to Order**
- 2) Invocation and Pledge of Allegiance**
- 3) Public Comments**
- 4) Budget Session – FY 2022-23 Proposed Budget & Preliminary Budget Ordinance**
- 5) Adjournment**

# **TOWN OF FOUR OAKS**

## **BUDGET MEETING**

### **May 31<sup>st</sup>, 2022**

#### **MINUTES**

#### **Call to Order**

Mayor Medlin called the May 31<sup>st</sup>, 2022 special called the Town Council budget meeting to order at 5:07 p.m. Those present included Commissioners Andy Hardy, John Hatch, Mike Hines, Kim Robertson, and Charles Surlis. Also present were Public Works Director Barry Stanley and Town Clerk Martha Garris recording minutes.

#### **Invocation and Pledge of Allegiance**

Commissioner Hatch gave the opening Invocation with Jeremy Johnson leading the Pledge of Allegiance.

#### **Public Comments - None**

#### **Budget Session**

Commissioner Hardy presented the 2022-2023 Proposed Budget. He highlighted the significant budget line item changes:

##### **1) General Fund**

##### **a) Revenues – Total Revenues \$2,714,715**

- Current Taxes line – increased approximately \$68K primarily due to the growth in the town. Tax rate will remain at 45 cents per \$100 tax value.
- Motor Vehicle Taxes line – increased approximately \$15,000 due to growth.
- Sales & Use Tax Distribution line – increased approximately \$25,000 over prior year.
- SRO Reimbursements line – Officer salary and benefit reimbursement from Johnston County Schools for providing SRO in schools – NOTE: the town had to pull the SRO position in February for the remainder of the current school year due to staffing shortage in the police department and unsure if will be able to place back into the schools next school year. The town will add back if the department can hire additional officers.
- Fire Department Reimbursement line of \$45K – in the past, the town has paid the fire department for property taxes collected, net of salaries, benefits, and other expense paid by the town during the fiscal year. Going forward due to additional salaries, the fire department will need to reimburse the town for excess expenses.
- Open Space Fees – reduced \$60,000 due to developers paying as they obtain permits instead of all upfront when building a subdivision which is \$800 per lot.

These fees will be put in a separate account for parks & recreation use later as needed.

- Garbage Fees – increased \$22,500 due to increasing garbage bill rates by \$1 due to increasing tipping fees, county rates, and dumping fees.
- CARES ACT Grant – second tranche of ARP money of \$359,000.

b) Expenses – Total Expenses \$2,714,715

- Salary lines – employee salary increase of 10%; 14%, & 3% agreed upon by board following much discussion.
- Community Involvement line – total of \$17,500 remained the same as prior year however the allocation will be: \$12,000 to the Chamber of Commerce; \$1,000 each to the Four Oaks Elementary School, Four Oaks Middle School, and South Johnston High School; and \$2,500 for movie nights in the park. The town board agreed to increase its contribution and assist the Chamber for the next 2-3 years because the Chamber is in need and does a lot for the town.
- Maintenance & Repair of Building line – increased \$30K for Town Hall upgrades.
- I-95/I-40 Crossroads of America Economic Development Alliance line – \$55K same as prior year based on the Towns 3-year commitment to the Alliance
- Contributions to Fund Balance line – this amount goes into the reserve at year end. The town needs to work to increase reserves to improve fund balances required by the State
- Contingency Fund line – added this line based on recommendation by the LGC to treat as the no more than 5% contingency per general statute.
- Fire department increased due to full-time & part-time salaries and alignment with the fire departments budget from taxes. The fire department's net budget amount will be \$209K due to the offsetting \$40K revenue budgeted from the fire department. Fire department receives a portion of the ad valorem taxes from the county equivalent to 8 cents of the towns 45 cents and it has proposed a 2.5 cent increase for to additional staffing.
- Police department vehicles line – will replace one vehicle for the year.
- Sanitation department vehicles line – reduced \$35K but does include various needs such as a truck, roof replacement at the town shop, & a lawn mower.
- Contract Landfill Fee line – increased \$30K due to increase dumping fees by the county.
- Parks & Rec Professional Services line of \$50K – added for the development of a Town Parks & Rec Master Plan.
- Streets department maintenance & repairs line – increased approximately \$45K to include paving the Forest Hills subdivision due to 2 bids received. The board may look into borrowing the money to pave Forest Hills to help improve fund balances.

2) Water and Sewer Fund

a) Revenues – Total Revenues \$1,677,000

- The NC Rural Water Association (“NCRWA”) updated last year's 5-year water and sewer rate study plan for the town. The updated study reflects: inflationary



rate increases of 8% for FY 23 & 24; 6% for FY 25 & 26; & 4% for FY 27; water & sewer purchase increases of 6% & 5% due to Johnston County rate increases; & zero for capital projects. The rate study will help the town get rates where they need to be in 5 years to recover costs and project outside rates to double the inside rates by year 5. The rate study will be reevaluated annually to help accomplish our 5-year plan. Commissioner Hardy recommended we continue to follow the direction laid out in the rate study going forward.

- Water & Sewer System Replacement lines – increased based on the rate study for the 5-year plan.

**b) Expenses – Total Expenses \$1,677,000**

- Salary lines – employee salary increase of 10%; 14%, & 3% agreed upon by board following much discussion.
- Water Purchases line – increase as a result of Johnston County increasing their costs to the town by 6%.
- Contributions to Fund Balance line – this amount goes into the reserve at year end. The town needs to work to increase reserves to improve fund balances required by the State
- Contingency Fund line – added this line based on recommendation by the LGC to treat as the no more than 5% contingency per general statute.
- Sewer Equipment line of \$15K – includes cost of purchasing a sewer camera.
- Sewer transmission/treatment line - increase as a result of Johnston County increasing their costs to the town by 5%.

Commissioner Hardy discussed the rate schedule updates. Significant increases were: water meter costs and tap fees and sewer tap fees. Other changes to the permit & miscellaneous fees were recommended clean up to the fee schedule per discussions with Mike Cook. The board would like to keep the fee schedule relatively consistent with Johnston County but they haven't released an update yet. Proposed bulk capacity fees from the county are: for water \$7.00 / gpd and for sewer \$11 / gpd. Once the county releases its FY 2022-23 fee schedule, there could be a few other updates.

Commissioner Hardy added that Dylan Capps will be starting to train under Mike Cook in July. Mike will train Dylan to begin doing minor changeout inspection, such as HVAC, which will begin to reduce Mike's inspection load. Dylan will begin working toward his Inspector 1 certifications. Mike will continue to do the commercial type inspections.

There was an extensive discussion about salaries. Commissioner Hardy had done some comparisons to other local towns and the town falls in the median. Increases ranged from 3% to 14%. Commissioner Robertson suggested we look at compressing some of the salaries based on years of service and not having beginners making the same as someone who has been employed for years.

Motion to accept the proposed budget as presented was made by Commissioner Hatch, seconded by Commissioner Surles, voting unanimous.

The next budget meeting is scheduled for June 13, 2021 at 5:00 pm for the public hearing and final approval.

Mayor Medlin thanked Commissioner Hardy for his hard work on the budget and finances.


### **Adjournment**

With no further business brought before the Town Council, motion to adjourn at 6:20 p.m. was made by Commissioner Hatch, seconded by Commissioner Surles, voting unanimous.

ATTEST:

---

Vic Medlin, Mayor



---

Martha L. Garriss, Town Clerk