

ADOPTED
BOILING
SPRING
LAKES
BUDGET

FY
2024

Adopted
financial plan
for July 1,
2023 to June
30, 2024



City of Boiling Spring Lakes

Boiling Spring Lakes, NC 28461

Honorable Mayor Winecoff and Board of Commissioners
City of Boiling Spring Lakes, N.C.

Re: FY 2024 Proposed Budget

Dear Mayor Winecoff and Members of the Board:

In accordance with Section 159-11 of the NC General Statutes, I am pleased to present the FY 2024 Proposed Budget for the City of Boiling Spring Lakes.

FY 2024 Budget

The budget is a sound financial plan and has been prepared with consideration given to the Board's goals and objectives as established at the April 2023 workshop. The five (5) top priorities are:

1. Dams reconstruction
2. Stormwater drainage projects
3. Street paving and repaving
4. Public Works facilities and equipment
5. Parks

All sections of the budget are in conformance with the Local Government Budget and Fiscal Control Act as amended. A balanced budget for the next fiscal year, or an interim budget, must be adopted by June 30, 2023.

Pursuant to N.C.G.S. 159-12, a public hearing on the proposed budget will be held on Tuesday, May 2, 2023 at 6:30 pm in the City Hall Council Chambers. This date was advertised with a public notice and copies of the budget will be made available to local news media, in the lobby of City Hall and on the City's website beginning on Tuesday, April 25, 2023.

BUDGET OVERVIEW

The FY 2024 City of Boiling Spring Lakes budget is balanced and totals \$5,593,620 for the General Fund. Highlights in the proposed budget are:

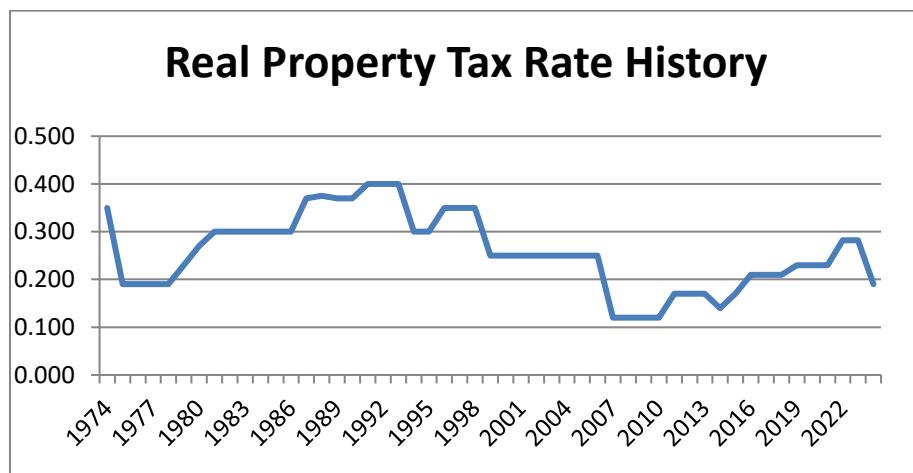
- 8% Cost of Living Increase
- No tax increase

REVENUES

Sales & Use Tax Revenue - The City's largest single source of revenue continues to be generated from *sales and use taxes* and usually represents approximately 45% of general fund revenues. The FY 2022 actual revenues exceeded projected revenues by 6%, the FY 2023 revenues are currently 7% higher than last year, which is the amount of increase that was budgeted. The FY 2024 budget anticipates a 6% increase which equals an additional \$151,000 in revenue.

Property Tax Revenue - The next highest revenue source is real property taxes and represents approximately 30% of general fund revenues. This budget, as proposed, lowers the tax rate from \$0.282 to \$0.19 per \$100 of valuation, this is referred to as a revenue neutral tax rate. A revenue neutral rate produces the same amount of income for a municipality after a property tax revaluation.

A number of factors influence the tax rate with the most significant being the assessable base (valuation) of the City. As the assessable base increases, two things may occur; additional revenues are generated or the tax rate is reduced. The inverse can occur when the mandatory revaluation by the County takes place. State law requires it to be done at least once every eight (8) years but Brunswick County has elected to perform a reevaluation every four (4) years. The revaluation completed in 2023 resulting in an overall increase in valuation of approximately 60%.



EXPENDITURES

Expenditure estimates were compiled and formulated by the Budget Officer (City Manager) based upon written requests and justification submitted by the various department heads. Each department's requests were given consideration based on current and prior year expenditures, proposed work program, inflationary trends and a review of each departmental operation.

All revenue estimates in the budget are partially based upon recommendations provided by the NC League of Municipalities, current contracts, and figures provided by department heads that have revenue collection responsibility and actual revenues received during the current fiscal year.

Because of the continuing economic conditions, expenditures are being budgeted very conservatively in an attempt to ensure that they do not exceed anticipated revenues.

The budget does include an eight percent (8%) Cost of Living Adjustment (COLA)/Salary Adjustment due to inflation rates of 8.1% in 2022 and an additional 5.3% in 2023. The budget also continues the annual longevity bonus provided by the City in November of each year that was established by the Board in FY 2018. The City completed a salary study by the MAPS Group which was implemented in the FY 2022 budget which included increases to a number of positions to make them competitive with area governments.

Workers Compensation, Property & Liability and health insurance was transitioned to the NC League of Municipalities which saved the City almost \$28,000 in 2022. The current budget is using minimal increases in insurance costs. State retirement rates increased to 12.90% for general employees and 14.04% for law enforcement employees.

SUMMARY

FY 2024 Budget Summary			
Revenues			
Property Taxes		1,718,000	
Local Sales Taxes		2,672,000	
Franchise Fees		250,000	
Powell Bill		430,000	
Fees and Permits		394,000	
Sales and Services		149,850	
Other Revenue		<u>684,770</u>	
Total Revenue		6,298,620	
Expenditures			
Governing Body		151,250	
Administration		1,137,000	
Animal Control		11,000	
Building & Grounds		427,000	
Public Safety		1,597,470	
Code Enforcement		113,600	
Building Inspections		297,900	
Planning & Zoning		285,150	
Street Repair & Construction		872,000	
Dams / Lakes / Stormwater		25,500	
Public Health Mosquito Control		6,000	
Planning Board		500	
Community Appearance Committee		1,000	
Special Events		8,000	
Parks & Recreation		732,250	
Library Committee		3,000	
Interfund Transfers		200,000	
Powell Bill		<u>430,000</u>	
Total Expenditures		6,298,620	

I believe the adopted FY 2024 Boiling Spring Lakes budget reflects the Board's service priorities for the citizens, meets the Board's stated goals and objectives, and is responsive to City-wide needs while reflecting a conservative approach to municipal revenues and expenditures.

On behalf of the City, I am pleased to present this budget of the City of Boiling Spring Lakes for the next fiscal year to the Mayor and Board of Commissioners.

We look forward to working with the Board in the delivery of City services to our citizens in the most professional, businesslike, economical and environmentally sensible manner possible.

Respectfully submitted,

Gordon Hargrove, City Manager