

ADOPTED
BOILING
SPRING
LAKES
BUDGET

FY 2025

Adopted financial
plan for July 1, 2024
to June 30, 2025



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 2025 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 2025 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 2024 workshop. The five (5) top priorities are:

1. Property Development (Old PD bldg.)
2. Fiscally responsible
3. Stormwater
4. Strategic planning
5. Sewer Committee / project

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, 2024.

Pursuant to N.C.G.S. 159-12, a public hearing on the proposed budget will be held on Tuesday, June 4, 2024 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 Thursday, May 2, 2024.

BUDGET OVERVIEW

The FY 2025 City of Boiling Spring Lakes budget is balanced and totals \$6,251,500 for the General Fund. Highlights in the proposed budget are:

- 5% Cost of Living Increase
- No tax increase

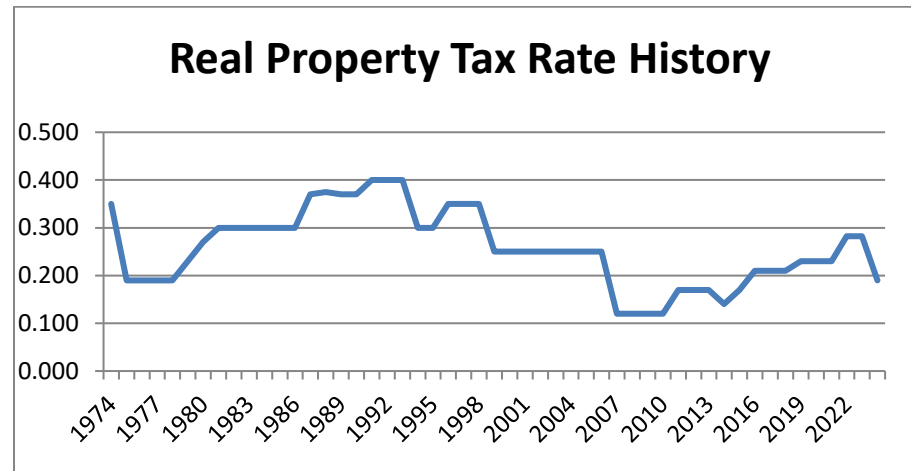
REVENUES

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 43 - 45% of general fund revenues. The FY 2022 actual revenues exceeded projected revenues by 6%, the FY 2023 revenues exceeded projected revenue by 5% and FY 2024 are currently 5% higher than last year, which is less than the 6% increase that was budgeted. The FY 2025 budget anticipates a 4% increase which equals an additional \$103,000 in revenue.

Property Tax Revenue - The next highest revenue source is real property taxes and represents approximately 27 - 30% of general fund revenues. Last year's budget reduced 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

reevaluation 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 reevaluation 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 five percent (5%) Cost of Living Adjustment (COLA)/Salary Adjustment due to recent inflation rates. 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 seeing increases in general insurance costs, but has increased only slightly above the rate in 2021. Workers Compensation rates dropped 13% for FY 2025. State retirement rates increased to 13.6% for general employees and 15.1% for law enforcement employees.

SUMMARY

FY 2025 Budget Summary			
		Revenues	
	Property Taxes		1,840,500
	Local Sales Taxes		2,775,000
	Franchise Fees		265,000
	Powell Bill		330,000
	Fees and Permits		462,300
	Sales and Services		137,500
	Other Revenue		771,200
	Total Revenue		6,581,500

FY 2025 Budget Summary			
	Expenditures		
Governing Body		156,750	
Administration		1,229,450	
Animal Control		11,000	
Building & Grounds		372,000	
Public Safety		1,931,250	
Code Enforcement		135,250	
Building Inspections		312,550	
Planning & Zoning		190,800	
Street Repair & Construction		773,700	
Dams / Lakes / Stormwater		26,000	
Public Health Mosquito Control		6,000	
Planning Board		500	
Communtiy Appearance Committee		1,000	
Special Events		5,400	
Parks & Recreation		959,550	
Grants Committee		3,000	
Library Committee		3,300	
Interfund Transfers		47,000	
Contingency		87,000	
Powell Bill		330,000	
Total Expenditures		6,581,500	

I believe the adopted FY 2025 Boiling Spring Lakes budget reflects the Board's service priorities for the citizens, meets the Board's stated goals and objectives, while reflecting a conservative approach to municipal revenues and expenditures. However, due to budget constraints several areas of need will continue to rely on grant funding to accomplish desired outcomes.

On behalf of the City, I am pleased to present this projected 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