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May 26, 2020

To: Mayor and Board of Commissioners, Town of Weldon  
From: Mike Williams, Town Administrator  
Subject: 2020-2021 Budget Message

This memorandum constitutes the 2020-2021 Budget Message I am required to submit to the Board of Commissioners of the Town of Weldon prior to June 1, 2020 (G.S. 159.11(b)). This message and the accompanying documents put forth a plan for the financial operation of the Town of Weldon for fiscal year 2020-2021. The Town does not operate an intragovernmental service fund nor does the Town's projected fiscal operation include a capital project or a grant project in 2020-2021.

The process of developing this budget included input provided by each of the Town's department heads prior to April 30 as required by G.S. 159-10. The overall goal of the 2020-2021 budget is to continue to provide the citizens of the Town of Weldon the same level and quality of services as were provided in the preceding 2019-2020 fiscal year. There are no significant changes in activities anticipated in the budget in terms of program goals, programs, or appropriation levels.

In Halifax County 2020 is a year of revaluation of taxable real and personal property. As explained in Note 2 in the document following Projected Revenues, the Town of Weldon tax rate for real and personal property in 2019-2020 was \$.77 per \$100 valuation. The "revenue-neutral" tax rate for 2020-2021 as projected by County officials is \$.7186 per \$100 valuation. The proposed budget for 2020-2021 utilizes a tax rate of \$.72 for the General Fund. With regard to the Fire District Fund, as explained in Note 16 in the document explaining revenues, the Fire District tax rate for real and personal property in 2019-2020 was \$.0894 per \$100 valuation. The "revenue-neutral" tax rate for 2020-2021 as projected by County officials is \$.0859 per \$100 valuation. The proposed budget for 2020-2021 utilizes a tax rate of \$.09 for the Fire District Fund. This information regarding "revenue-neutral" tax rates is provided in the Budget Message in compliance with G.S.159-11(c).

The 2020-2021 proposed budget utilizes an appropriation in the General Fund from Fund Balance in the amount of \$314,522. This represents a decrease of \$14,233 compared to the Fund Balance appropriated in the 2019-2020 budget. The 2020-2021 budget does not appropriate any funds from the Fund Balances of the Water and Sewer, Fire District, Cemetery, and Library Funds. The Water and Sewer Fund budget utilizes no rate increases for 2020-2021 as compared to the rates in effect for 2019-2020.

With regard to expenditures, the 2020-2021 budget projects a decrease of \$72,804 in the General Fund, a decrease of \$67,911 in the Water and Sewer Fund, an increase of \$5,747 in the Fire District Fund, an increase of \$4,250 in the Cemetery Fund, and an increase of \$509 in the Library Fund. Overall the 2020-2021 budget contains a total decrease of \$130,209 when compared to the 2019-2020 budget. With regard to employee salaries, a 1.13% increase (one step on the salary schedule) is provided for employees, both fulltime and part-time, who worked a full year for the Town from July 1, 2019, until June 30, 2020.

As required by G.S. 159-11(a) the proposed budget you are receiving is balanced with both revenues and expenditures totaling \$3,787,106. This is a decrease of \$130,209 as compared to the 2019-2020 budget.

Input from department heads revealed needs that have not been included in the proposed 2020-2021 budget. These needs are detailed in a document following the expenditure section of the proposed budget and total \$3,728,813. The vast majority of these needs, 90%, are related to the water treatment plant and the water distribution system.

This proposed budget and the accompanying documents have been placed on file with the Town Clerk where it is available for public inspection until the Budget Ordinance is adopted. The Town Clerk will proceed to make a copy of the budget available to all news media in the County and shall publish a statement that the budget has been submitted to the Board of Commissioners and the Mayor and is available for public inspection in the office of the Town Clerk. The statement shall also give notice of the time and place of the budget hearing.

With regard to next steps, I recommend that the Board of Commissioners set the date and time of June 8, 2020, at 6:00 p.m. for the public hearing on the budget. In light of the restrictions on public gatherings contained in the Governor's Executive Orders regarding the Coronavirus crisis, I recommend that the Board specify that persons wishing to provide input to the Board regarding the proposed 2020-2021 budget do so in writing and that their input be provided to the Town Clerk no later than 12:00 noon on June 8, 2020, so input received in this manner can be read into the record at the public hearing.

It is anticipated that I will present to the Board of Commissioners a Budget Ordinance for adoption at our scheduled meeting on June 22, 2020.

MFW:mw

Enclosures: Projected Revenues 2020-2021  
Notes to Projected Revenues  
Water and Sewer Rates 2019-2020  
Projected Expenditures 2020-2021  
Possible Expansion Items 2020-2021