

## Budget Message 2025-2026

Presented herein is the Town of Pinetops Proposed Budget for Fiscal Year 2025-2026. The budget is balanced in its entirety as is required by the North Carolina General Statutes. The budget is a plan for the Town activities for the upcoming year. The budget continues our services at the same level as the current year.

The Town of Pinetops proposes no raise to the current tax rate of \$.58 per hundred dollars of assessed valuation. The rate is based on a total valuation of property for the purposes of taxation of \$50,473,103 and an estimated rate of collection of 94.50%. Back in 2020 the town contracted with Edgecombe County to collect its taxes to ensure the town remains aggressive with its collection.

The Town of Pinetops charges its customers a sanitation fee which covers the cost of collecting and disposing of garbage, recycling, bulk items, and yard debris. The sanitation fee replaces the previous garbage/recycle fee. The collective cost for this service will remain the same at \$25 per month per customer. The town will need to review rates yearly to see if any adjustment needs to be made.

The Town of Pinetops does propose an 8.5% electricity rate increase. The electricity rates have not increased since 2015. The City of Wilson increased its electricity rate to the town which means the town was forced to increase our rates. Residential Customers will pay a base charge of \$14.82 a month. The cost per KWH will be \$0.14756. Commercial Customers will pay a base charge of \$18.93 a month. Commercial customers who use 0-1400 KWH pay \$0.21570/KWH. Customers who use over 1400KWH pay \$0.13985/KWH.

Currently the budget doesn't propose any water increases but does propose a rate increase of 7.25% in the sewer. This increase applies to both inside and outside sewer customers. The 7.25% increase will be applied to both the Basic Charge and cost/1000gals. on each tier. The last sewer increase was in 2024. Moving forward the Board may have to look at implementing additional increases at specified times to help offset the expenses associated with ongoing infrastructure issues. The town has been classified as a distressed unit meaning it needs to look at ways to develop a short-term and long-term plan for infrastructure repair, maintenance, and management. The town will need to implement long-term financial management to ensure the public water system and wastewater system will generate enough revenue to adequately fund management, operations, personnel, and appropriate levels of maintenance.

The budget does contain a Storm Water Fee of \$2.00 per customer per month for water customers within the town limits. This fee was implemented on July 1, 2022, to help deal with storm water issues throughout town such as drainage.

This fiscal year, employees will receive their dental, vision, Life, and STD benefits through another company since at the end of June 30, 2025, the NCLM will no longer offer health benefit coverage to municipalities which will result in a higher insurance cost to the town. In the proposed budget for FY 2025-26 the cost of medical insurance increased by approximately 6.5%.

The proposed budget does include a 2.5% COLA and a 3.5 to 4.25% market adjustment for employees based on the salary study compiled by the League of Municipalities. The town is not proposing to add any full-time positions during the upcoming fiscal year.

The proposed budget does contain several debt payments. Debt payments in the general fund consist of the garbage/recycle truck as well as a portion of two police vehicle grants. The annual general fund cost of the USDA grant/loan is \$23,440. Debt payments in the electric fund consist of the remaining portion of the two police vehicle/public works grants. The annual electric fund cost of the USDA grant/loan is \$10,751. The water & sewer department carries the biggest annual debt payment load for the town. The annual cost of the NCDEQ loan is \$100,710. This debt is comprised of rehab on the Pinetops 200,000 gallons and Crisps 100,000 gallons elevated water tanks as well as the replacement of Crisps Well #4 & installation of approximately 1,050 Antenna for conversion to a drive-by meter read system. Debt in the water & sewer fund could see an increase in the upcoming years due to the age of the system. In the upcoming fiscal year, a new Knuckle Boom Truck debt payment of \$16,741 will be added to the general fund. The town is looking at options for acquiring an additional 1 or 2 police vehicles. As well as equipment, the town is looking into qualifying for a \$4,000,000 grant/loan from DEQ for WWTP Rehabilitation Project. This project would require pre-approval from the Local Government Commission since the amount is over \$1,000,000.

The total 2025-2026 proposed budget is \$ 5,254,377 which is an increase of \$202,667. The proposed inter-fund transfer for FY 2025-2026 is \$357,748 which is an increase of \$43,638 over last year. The amount transferred from the electric fund to general fund remains high, which is one of the main reasons a town gets on the Local Government Commission (UAL) Unit Assistance List.

The town needs to focus more on the upcoming fiscal year and beyond on ways to help control the increasing expenditure in the general fund. The town's main objective should be to create a balanced budget within each fund without any inter-fund transfers being needed or having to rely on the appropriated fund balance. The town should not rely on transfers as a revenue source to balance the budget each year. By continuing this practice, the town is not only jeopardizing the net position of the enterprise funds but also depleting the Appropriated Fund Balance in the General Fund. At the end of the day the town is a business and must operate itself as such.

There is no doubt the town will continue to face tough decisions in the upcoming years, not only trying to control the increasing expenses and infrastructure problems facing small towns but doing this without jeopardizing the services it currently provides its citizens.

As always, the Town Board and staff will continue to strive to provide services to the citizens of Pinetops by the most effective means possible. Even though we are facing uncertain times and having to make some tough decisions we can and will make it through, together.

Respectfully submitted,

Tammy Keesler, Finance Officer

## Fiscal Year 2025-2026 Town of Pinetops Budget Ordinance

WHEREAS, the Town Finance Officer prepared and presented a proposed Fiscal Year 2025-2026 Town of Pinetops budget at the June 3rd ,2025 Board of Commissioners meeting, and

WHEREAS, the Town properly advertised and held a public hearing on the proposed budget on June 26, 2025 at 5:00 p.m. in the Board of Commissioners meeting room, and

WHEREAS, the proposed budget has been available for public inspection in Town Hall for all citizens to review.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF PINETOPS THAT:

1. That for the purpose of financing the Town of Pinetops, North Carolina for the Fiscal Year 2025-2026 that the following appropriations of expenses are hereby made:

### GENERAL FUND

<u>DEPARTMENTS</u>	<u>DEPARTMENT TOTALS</u>
Administration	163,177
Governing Body	18,909
Fire	49,999
Police	763,536
Safety Telecommunicators	118,159
Streets	59,592
Sanitation	175,460
Debt Payments	40,181
<b>TOTAL GENERAL FUND</b>	<b>\$1,389,013</b>

### ELECTRIC FUND

Electric Expenses	2,471,308
Safety Telecommunicators	118,159
Debt Payments	10,751
Transfer to General Fund	357,748
<b>TOTAL ELECTRIC FUND</b>	<b>\$2,957,966</b>

<b>WATER &amp; SEWER FUND</b>	
Water Expenses	336,201
Sewer Expenses	405,987
Storm Water Management Costs	14,500
Debt Payments	100,710
<b>TOTAL WATER &amp; SEWER FUND</b>	<b>\$857,398</b>

**POWELL BILL FUND ALLOCATION** **\$ 50,000**

**TOTAL ALL FUNDS EXPENDITURES** **\$5,254,377**

2. For the purpose of raising revenue to defray expenses for the above services the Board of Commissioners hereby levies a tax of fifty-eight cents (\$0.58) on each one hundred dollars (\$100.00) of the assessed valuation of real and personal property within the corporate limits of the Town of Pinetops. These taxes hereby levied shall be due and collectible on September 1, 2025.
3. There is hereby levied an annual municipal vehicle tax at the rate of \$2 per registered vehicle with an address in Pinetops City Limits; for the purpose of raising the revenue for any lawful purpose by the municipality as authorized by NCGS 20-97.
4. The following revenues are hereby appropriated:

<b>GENERAL FUND</b>	<u><b>REVENUES</b></u>
Property Taxes	408,865
Local Option Sales Tax	375,000
State-Shared Disbursements	16,850
Sales Tax Refund	16,000
Garbage & Recycling	168,200
Other General Revenue	46,350
Electric Transfer to General	357,748
<b>TOTAL GENERAL FUND</b>	<b>\$1,389,013</b>

<b>ELECTRIC FUND</b>	
Electricity Sales	2,756,416
Electric Sales Tax	114,550
Electric Utility Franchise Tax	12,500
Other Electric Revenue	74,500
<b>TOTAL ELECTRIC FUND</b>	<b>\$2,957,966</b>

<b>WATER &amp; SEWER FUND</b>	
Water & Sewer Sales	831,423
Storm Water Fees	14,500

Other Water & Sewer Revenue  
**TOTAL WATER & SEWER FUND**

11,475  
**\$857,398**

**POWELL BILLS FUND ALLOCATION**  
**TOTAL ALL FUNDS REVENUE**

**\$ 50,000**  
**\$5,254,377**

5. The Finance Officer is hereby authorized to make transfers of appropriated funds between items listed above. Allocations between funds must be reported to the Board of Commissioners.
6. Adopted this the \_\_\_\_ th day of June, 2025.

ATTEST:

\_\_\_\_\_  
Tammy Keesler, Finance Officer

\_\_\_\_\_  
Brenda Harrell, Mayor

Date: \_\_\_\_\_