



TOWN OF COATS

2023-24 Adopted Budget

GOVERNING BOARD

Mayor Chris Coats

Mayor Pro Tem Jerry Beasley
Commissioner Shirley Allen
Commissioner Kelvin Gilbert
Commissioner Allen Mosby
Commissioner Marc Powell

MANAGEMENT

Town Manager, Nick Holcomb
Town Attorney, Alton Bain
Finance Director, Connie Lassiter
Police Chief, Ken Storicks
Public Works Director, Rodney Pleasant
Parks & Recreation Director, Mike Collins

Budget Message

Fiscal Year 2023-2024

May 11, 2023

Town of Coats Board of Commissioners:

Introduction

High inflation combined with sustained increases in consumer spending have contributed to rapidly rising wages, exceptional sales tax collections, and rising interest rates. This annual budget is focused on addressing these external economic forces, with a top priority on increasing employee salaries.

In addition, ARP grant funding and additional State funding has allowed for the creation of three capital projects which are in various stages of planning. These capital projects are not a part of the operating budget, however, will contribute to the town's positive development over the next year. The projects include: 1) Waterline replacement project on Railroad St. and Ida St. 2) Upgrading to Sensus AMI watermeters to piggyback off Harnett Regional Water, 3) Creating a multi-purpose hard court surface at the park.

Outlined below are some highlights for planned revenues and expenditures:

| Revenues | Expenditures |
|---------------------------------------------------------|--------------------------------------------------------------------------------------|
| Ad valorem tax remains at \$0.49/\$100 | Police officer starting salary to \$40,000; existing employees adjusted accordingly. |
| No water or solid waste fee increases | 5% COL increases, non-law enforcement. |
| No solid waste fee increases | |
| No unappropriated surplus to balance budget | |
| \$42,000 earned interest revenue; serving as a "bridge" | |

As required by State law, the entire budget is balanced at **\$2,271,732**

General Fund Revenues

After last year's re-evaluation the Town of Coats was able to decrease the tax *rate* from \$0.59 to \$0.49 per \$100 valuation. The total taxable real and personal property has increased by roughly \$1M from \$155.37M to \$156.32M. Using an estimated 99% collection rate the property tax at \$0.49 should result in \$758,000 of revenue. This figure is just over \$10,000 higher than last year's budgeted amount.

Sales tax revenues continue to grow due to Harnett's increased population and businesses, online purchasing, and higher consumer prices. The four major sales tax articles together have resulted in a \$32,000 increase from last year's budgeted amount. This amounts to a 7% increase from current year budgeted, however, is only a 4% increase from actual revenue received FY-22.

Historically, the interest earned line item has had minimal impact. This year is an outlier in that larger than average gains are expected. In a best case scenario, \$60,000 in interest revenue is achievable. This depends on the Fed rate holding around 5% and maximum investment from the Town available funds. A more cautionary \$42,000 has been budgeted, to account for potential 2024 Q1 & Q2 drops to the Fed rate. This drastically increased revenue should be viewed only as a “bridge.” It is necessary to balance the budget for this fiscal year, but should not be viewed as a long term revenue source. Expected decreases in this revenue line for FY24-25 will be largely offset by \$36,000 decrease no longer required for the Library payment.

The **General Fund** revenues and expenditures are **balanced at \$1,494,076, with no General Fund balance appropriated.**

General Fund Expenditures

Police Dept. Expenditures.

One additional officer is requested to allow for a safer, better trained, and more proactive department. Increased personnel would allow for additional coverage to improve community safety and officer safety, in addition to working toward a department structure that can grow to keep pace with residential, commercial, and traffic increases throughout Town. The current budget does not allow for both salary raises and an additional officer salary. In order to add an extra Police position, the Board must consider a substantial cut to other general fund department salaries or increasing the tax rate from \$0.49 to \$0.525 per \$100 of valuation.

The Town of Coats Police Department is requesting \$52,500 for a new Dodge Durango outfitted with equipment. One 2013 Charger would be sold at surplus.

Street Dept. Capital Expenditures

The Street Department is \$20,000 less than last year’s budgeted amount. A new \$5,000 Appearance/Beautification line item is added that would be used to pay for landscaping, electrical work, flags, etc. within the Main St.

Planning & Zoning Condemnation/Demolition

\$23,400 in Outside Contracts would continue a contract with N-Focus for assistance on Minimum Housing, Condemnation, and Demolition program. The budget includes \$15,000 for the demolition of hazardous structures and \$8,000 in outside contractors which is used for engineering review of construction documents of major subdivisions.

Parks & Recreation

Last year the Council elected to hire the first full time employee in the Parks Dept. Staff have requested funds for a tractor, basketball court, and cutting trees. These requests have been reduced to include \$2,000 for an aerator in vehicles/equipment and \$3,000 for concession kitchen upgrades in parks improvement project.

Reductions are largely due to the fact that Council has selected the Town Park to be the beneficiary of a \$50,000 grant for capital improvement. This will go toward the improvement of dilapidated tennis

courts into a new multipurpose hardcourt surface, including basketball. This is another capital project over the upcoming budget year, but not reflected in the bottom line number in the parks department.

The **General Fund** revenues and expenditures are **balanced at \$1,494,076**.

Water Fund

Rates

Harnett Regional Water has recommended increasing bulk water rates from \$2.60/1,000gal to \$3.00/1,000 gal. Despite this increase being passed on to Coats, the budget is balanced without passing *rate* increases on to customers. Keeping rates flat, is especially important because there will likely be increased total payments due to the fact that the new AMI meters will be more accurate at capturing the customers true water usage. These types of meter projects commonly yield a 10% water revenue increase. The flat water rate for Coats customers will remain steady at \$14.75 for In-Town Customers and \$29.50 for Out-of-Town Customers.

In the fee schedule, taps are proposed to increase to \$2,000 for ¾” meter taps to offset rising prices of materials.

Water System Capital Expenditures

An \$82,000 Trailer Vacuum Pump was requested by water staff. This would serve multiple uses:

- Pumping out muddy water from leaks unable to be isolated
- Jetter used to cut through mud to better detect leaking line
- Jetter and vac used to “pothole” and find a valve or line size.
- Jetter used for washing out culverts.

This major piece of equipment can not fit within a balanced water fund. Any desire to move forward with the equipment purchase would require Water Fund Balance appropriated to cover the full amount.

Also, budgeted is year 4 repaying the exterior blast and containment of the Carrie St. Water Tank. This is a price of \$100,000 that has been spread over 5 years (\$20,000/year). This is a large portion of the Service Maintenance line item.

Last year’s CIP update outlined several viable waterline replacement projects. Survey and design for the \$1M waterline replacement project along Railroad St. and one block gap on S. Ida St. is underway. The Town is still on track to be the last route completed on Harnett Regional Waters’ AMI smart meter replacement. Both of these projects will be accounted for in a capital project fund and are not part of this budget.

The **Water Fund** revenues and expenditures are **balanced at \$466,500; with no water fund balance appropriated**.

Remaining Funds

The **Solid Waste Fund** is **balanced at \$237,056**. After the first year of switching collection vendor the solid waste fund is in a position to be balanced without any fee increases. Garbage rates are recommended to remain at \$21/can/month for in town residents. This price includes garbage, bi-weekly recycling, bulk, and brush pick-up. This fund requires no capital expenditures in the short term.

The **Powell Bill Fund** is **balanced at \$72,000**. The estimated \$72,000 state shared revenue is allocated to street resurfacing projects. Suggested streets for resurfacing over the next few years include Poole/Odum St., N Ida St., Remington Dr., Park Ln., Winchester Ave., and Marlin Ln. The Board will be asked to select preferred streets for resurfacing work in early Fall 2023.

The **Cemetery Fund** is **balanced at \$2,100**. Maintenance of the cemetery will be performed with in-house labor. After remaining lots are sold it is recommended that the cemetery would no longer operate as a separate fund and instead roll expenses into the appearance/beautification line.

Summary

This proposed budget for the 2023-24 Fiscal Year is balanced in accordance with State statutes. The budget allows for the continued level of service, while drastically working toward improving salaries.

I would like to express my appreciation to all Town staff for their work on the budget and making every effort to reduce expenditures. I present this proposed budget for Fiscal Year 2023-2024 to the Mayor and Town Council. It is expected that we will meet on the scheduled May 25th worksession to discuss in greater detail salaries and department equipment requests. We are prepared to work with the Mayor and Council to make any necessary amendments between now and the date of adoption.

Respectfully Submitted,

Nick Holcomb, Town Manager

SECTION II. (20) POWELL BILL FUND

The following Powell Bill revenues totaling **\$72,000** are hereby raised through fees, charges, and other means and are hereby approved from the following sources:

| | |
|-----------------------------------------|-----------------|
| State Street Aid | \$72,000 |
| Total Powell Bill Fund Revenues: | \$72,000 |

A total of **\$72,000** is hereby authorized to be expended from account of the Powell Bill Fund as follows:

| | |
|-----------------------------------------|-----------------|
| Contracted Services | \$72,000 |
| Total Powell Bill Fund Expenses: | \$72,000 |

SECTION III. (31) SOLID WASTE FUND

The following new Solid Waste Fund revenues totaling **\$237,056** are hereby raised through fees, charges, and other means and are hereby approved from the following sources:

| | |
|----------------------------------------|------------------|
| Furniture/Yard Waste Revenue | \$43,056 |
| Garbage Revenue | \$194,000 |
| Total Solid Waste Fund Revenue: | \$237,056 |

A total of **\$237,056** is hereby authorized to be expended from account of the Solid Waste Fund as follows:

| | |
|-----------------------------------------|------------------|
| Salaries/Benefit/FICA | \$49,228 |
| Tipping Fees | \$14,600 |
| Contracted Services | \$173,228 |
| Total Solid Waste Fund Expenses: | \$237,056 |

SECTION IV. (60) WATER FUND

The following Water Fund revenues totaling **\$466,500** are hereby raised through fees, charges, and other means and are hereby approved from the following sources:

| | |
|----------------------------------|------------------|
| Interest Earned | \$2,000 |
| Basic Service Charges | \$403,000 |
| Tap fees | \$16,000 |
| Late & Reconnect fees | \$45,000 |
| Miscellaneous | \$500 |
| Total Water Fund Revenue: | \$466,500 |

A total of **\$466,500** is hereby authorized to be expended from account of the Water Fund as follows:

| | |
|-----------------------------------|------------------|
| Salaries/Wages/FICA | \$154,623 |
| Operation & Maintenance | \$311,877 |
| Capital Improvement | \$0 |
| Total Water Fund Expenses: | \$466,500 |

SECTION V. (72) CEMETERY FUND

The following Cemetery Fund revenues totaling **\$2,100** are hereby raised through fees, charges, and other means and are hereby approved from the following sources:

| | |
|-------------------------------------|----------------|
| Cemetery Sales | \$1,000 |
| Cemetery Permits | \$500 |
| Interest | \$600 |
| Total Cemetery Fund Revenue: | \$2,100 |

A total of **\$2,100** is hereby authorized to be expended from account of the Cemetery Fund as follows:

| | |
|--------------------------------------|----------------|
| Cemetery Caregiver | \$800 |
| Electricity | \$400 |
| Repairs/Maintenance | \$900 |
| Total Cemetery Fund Expenses: | \$2,100 |

SECTION VI. SPECIAL AUTHORIZATIONS

The Town Manager, as Budget Officer, under the NC Budget and Fiscal Control Act, is authorized to:

- A. The Budget Officer shall be authorized to reallocate appropriations within departments and among various line accounts, as deemed necessary.
- B. The Budget Officer shall be authorized to execute interdepartmental transfers, within the same fund, not to exceed thirty percent (30%) of the appropriated moneys for the department whose allocation is reduced. Notification of all such transfers shall be made to the Town Board of Commissioners at its next meeting following the date of transfer.
- C. The Budget Officer shall be authorized to make interfund loans for a period of not more than ninety (90) days; notification of such loan shall be given to the Town Board of Commissioners at its next meeting following the date of the loan.

SECTION VII. SPECIAL RESTRICTIONS

Interfund and interdepartmental transfers of money except noted in paragraphs A, B and C above shall be accomplished by the Town Board of Commissioners only.

SECTION VIII. POSITION CLASSIFICATION PLAN

The Position Classification Plan and the Authorized Employee list, as amended, are presented and included for reference (Appendix A and B).

SECTION IX. RATE AND FEE SCHEDULE

The Town of Coats Rate and Fee Schedule, as amended, is hereby adopted by the Board and becomes effective July 1, 2023 until rescinded or modified (See Appendix C).

SECTION X. AD VALOREM TAXES

An Ad Valorem tax rate for the Town of Coats is hereby set at \$0.49 per \$100 valuation of taxable property, as listed for taxes as of July 1, 2023 is hereby levied and established as the official tax rate for the Town of Coats for the Fiscal Year 2023-2024. The rate is based on a total projected valuation of \$156,320,000 and an estimated collection rate of 99%. The purpose of the Ad Valorem tax levy is to raise sufficient revenue to finance the necessary municipal government operations in the Town of Coats.

SECTION XI. DISBURSEMENT OF FUNDS

Copies of this Budget Ordinance shall be furnished to the Town Manager, Finance Officer and Clerk of the Governing Body to be kept by them for their direction in the disbursement of funds.

Adopted by the Coats Board of Commissioners this 8th day of June 2023:

ATTEST:

TOWN OF COATS

Connie Lassiter, Town Clerk

Chris Coats, Mayor

APPENDIX "A"
TOWN OF COATS – July 1, 2023
Recommended Pay Grades and Classification

| Grade | Classification | Min | Mid | Max |
|--------------|--------------------------------------|------------|------------|------------|
| C-05 | | 30,915 | 42,508 | 54,101 |
| C-06 | Public Works Tech (3) | 32,460 | 44,633 | 56,806 |
| C-07 | Customer Service Representative (1) | 34,084 | 46,865 | 59,646 |
| C-08 | Water Maintenance Supervisor | 35,788 | 49,208 | 62,628 |
| | Parks and Grounds Superintendent (1) | | | |
| C-9 | Town Clerk | 37,577 | 51,668 | 65,760 |
| C-10 | Police Officer (5) | 39,456 | 54,252 | 69,048 |
| C-11 | | 41,429 | 56,964 | 72,500 |
| C-12 | Asst. Public Utilities Director | 43,500 | 59,813 | 76,125 |
| | Police Mid-Shift Sergeant (2) | | | |
| C-13 | | 45,675 | 62,803 | 79,932 |
| C-14 | | 47,959 | 65,944 | 83,928 |
| C-15 | Parks and Rec Director | 50,357 | 69,241 | 88,125 |
| C-16 | Public Works Director* (1) | 52,875 | 72,703 | 92,531 |
| C-17 | Finance Director* (1) | 55,518 | 76,338 | 97,157 |
| | Planning Director | | | |
| C-18 | Police Chief* (1) | 58,294 | 80,155 | 102,015 |
| C-19 | | 61,209 | 84,162 | 107,116 |

*exempt status

Appendix “B”
TOWN OF COATS
AUTHORIZED EMPLOYEE POSITIONS
JULY 1, 2023

| <u>DEPARTMENT</u> | <u>GRADE</u> |
|---------------------------------------------|--------------|
| Administration | |
| Town Manager (1) | NG |
| Town Clerk/Finance Director (1) | 17 |
| Customer Service Rep (1) | 07 |
| Water | |
| Director of Public Works (1) | 16 |
| Water Maintenance Supervisor (0) | 08 |
| Public Works | |
| Public Works Tech 1 (3) | 06 |
| Police | |
| Police Chief (1) | 18 |
| Police Mid-Shift Sergeant (2) | 12 |
| Police Officer (4) | 10 |
| School Resource Officer (1) | 10 |
| Part-time (4) | NG |
| Recreation | |
| Parks & Grounds Superintendent (1) | 08 |
| Parks & Recreation Director (Part-time) (1) | NG |
| Part-time Seasonal (1) | NG |

Attachment "C"



TOWN OF COATS
SCHEDULE OF FEES
EFFECTIVE JULY 1, 2023

PERSONAL PROPERTY TAX

Tax Rate:.....\$0.49 per \$100 of assessed valuation

WATER RATES

RESIDENTIAL RATES:

In Town: First 2,000 gallons of water (FLAT RATE).....\$14.75
Each 1,000 gallons THEREAFTER.....\$ 6.00

Out of Town: First 2,000 gallons of water (FLAT RATE).....\$29.50
Each 1,000 gallons THEREAFTER.....\$12.00

COMMERCIAL RATES:

In Town: First 2,000 gallons of water (FLAT RATE)..... \$14.75
Each 1,000 gallons THEREAFTER..... \$6.00

Out of Town: First 2,000 gallons of water (FLAT RATE)..... \$29.50
Each 1,000 gallons THEREAFTER.....\$12.00

WATER TAP FEES:

3/4"..... \$2,000
1" \$2,200
2" +..... \$2,000 + Material cost

UTILITY FEES

| | |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Water Deposit (Owner): | \$25.00-50.00 |
| Water Deposit (Renter):..... | \$50.00-100.00 |
| Connection Fee:..... | \$30.00 |
| Transfer Fee:..... | \$30.00 |
| Cleaning Rental Units: | \$25.00 |
| Late fee: | \$20.00 |
| <i>(Applied to payments received after 5:00pm on 17th of any month)</i> | |
| Reconnection fee:..... | \$50.00 |
| Bulk Meter Service..... | \$25.00 plus water rates |
| Charges for illegal cut-on of water:..... | <i>A \$50.00 fee will be assessed to customers who illegally cut on their water.</i> |

Sewer Rates:.....(deposit and rates set by Harnett Regional Water)

NEW SERVICE DEPOSITS:

*All Water/Sewer Deposits are based upon your credit. Valid ID & SS # are required.
Water, Sewer and Connection Fee must be paid in full before water is turned on.
New accounts or delinquent accounts must be paid in full by 3:00 pm in order for water service to be cut back on.*

PARKS & RECREATION FEES

PARK RENTAL:

| | |
|----------------------------------|-----------------------|
| Picnic Shelter..... | \$50 deposit |
| Ball Fields..... | \$20.00/hr |
| Ball Fields w/ Lights | additional \$20.00/hr |
| Ball Fields and Concession | \$200/day |

RECREATION PROGRAMS:

Youth Participants:

| | |
|-----------------------|---------|
| Residence Fee..... | \$0.00 |
| Non-Resident Fee..... | \$35.00 |

Adult League Softball..... \$550.00/team

MCKINLEY POINT RENTAL:

| | |
|----------------------------------------------------------------|------------|
| Farm Vendor | \$100/year |
| Private Rental | \$100/day |
| Non-Profit Rental (includes 2 weeks of sign advertising) | \$50/day |

ALCOHOL PRIVILEGE LICENSE

| | |
|-------------------------|---------|
| Beer "On-premise"..... | \$15.00 |
| Beer "Off-premise"..... | \$5.00 |
| Wine "On-premise"..... | \$15.00 |
| Wine "Off-premise"..... | \$10.00 |

MISCELLANEOUS RATES & FEES

| | |
|----------------------------------------------------------------------|------------------------------------------|
| Copying..... | \$0.25/ Page |
| Driveway Piping..... | Cost of Materials |
| Lot Mowing..... | (one hour minimum)\$100 per/hr. |
| Cemetery Plots..... | \$500.00 |
| Burial Permits..... | \$50.00 |
| Returned Check Fee..... | \$25.00 |
| <i>(After 2nd return check, no personal checks will be accepted)</i> | |
| Notary Public Fees..... | \$5.00 per document |
| Police Reports..... | \$5.00 each |
| Police Fingerprint Cards..... | In Town, No Charge \$5.00 Out of Town |
| Golf Cart Registration | \$40.00 |
| Golf Cart Re-Inspection..... | \$25.00 |
| Online Payment Convenience Fee..... | 3% of total bill |

SOLID WASTE FEES

| | | |
|--------------------------------------|-----------------------------|-----------------------|
| Residential & Business (In Town) | Garbage Weekly..... | \$11.00 |
| | Recycle Bi-Weekly..... | \$5.00 |
| | Bulk & Brush Bi-Weekly..... | \$5.00 |
| | | (\$21.00 Total/Month) |
| Residential & Business (Out of Town) | Garbage Weekly..... | \$24.00 Month |
| | Recycle Bi-Weekly..... | \$8.00 Month |

PLANNING / ZONING

Zoning Application Permits:

Residential:

| | |
|------------------------|----------|
| Detached Dwelling..... | \$50.00 |
| Attached Dwelling..... | \$100.00 |
| Fence Permit..... | \$0.00 |

Non-Residential/Commercial:

Structure..... \$200.00 + zoning site plan review fee

Building Permit Fees.....Set by Harnett County

Planning Fees (Board Approval Required):

| | |
|------------------------------------------------------------------|----------|
| Special Use Permit Application..... | \$500.00 |
| Variance Request..... | \$400.00 |
| Re-Zoning Application..... | \$400.00 |
| Ordinance Text Amendment..... | \$400.00 |
| Road Renaming Petition (Buying New Signs & E911 Addressing)..... | \$400.00 |

Planning Service Fees:

| | |
|-------------------------------------------------|------------------------|
| Exempt or Recombination Subdivision Review..... | \$25.00 |
| Minor Subdivision Filing Fee: | \$250.00 + \$20.00/lot |
| Major Subdivision Preliminary Plat..... | \$500.00 + \$20.00/lot |
| Construction Drawings Review Fee..... | \$500.00 |
| Storm Drainage/Erosion Control Fee..... | \$500.00 |
| Major Subdivision Final Plat..... | \$350.00 |

Zoning Site Plan Review:

| | |
|-------------------------|----------------------|
| Site Plan Review..... | \$300 + \$25.00/acre |
| Sketch Plat Review..... | \$200.00 |

Sign Permits:

| | |
|------------------------------------------|---------|
| Business Sign Permit..... | \$50.00 |
| Temporary (Limited to 30 days/year)..... | \$35.00 |

MANAGEMENT REIMBURSABLES

| | |
|-----------------------------|------------------|
| Mileage Reimbursements..... | \$0.625 per mile |
|-----------------------------|------------------|