



City of Eden



May 21, 2024

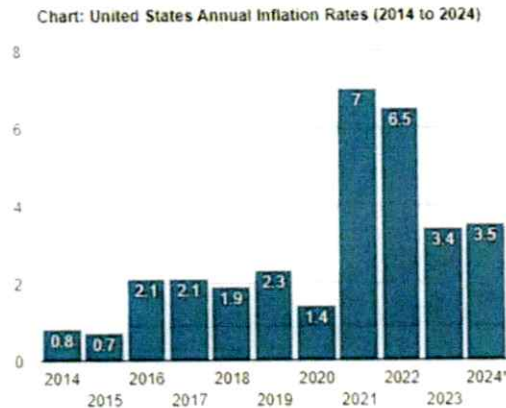
Dear Governing Board Members:

I present for your review and consideration the proposed budget for the Fiscal Year beginning July 1, 2024. I am able to report to you that the City will discharge all of its financial obligations for the current budget year in the proper manner. Last fiscal year as the City came out of a very high inflationary environment (global inflation at a 40-year high), the concerns over on-going inflation were noted and persist even now as evidenced by interest rates, the costs of certain goods/services, and ongoing labor scarcity. The downside risk to the overall economy and to the municipal budget cannot be downplayed. The threat of a serious economic recession continues to grow as evidenced by yield curves and upticks in unemployment claims. Based on the very real risk of recession continuing, provision has been made for the on-going potential of downside risk so that the City and its critical services to the public are protected and maintained in the face of and despite the current operating environment.

Additionally, special provision has been made, as required by law, to address the revaluation of real property throughout Rockingham County that became effective January 1, 2024. This provision deals with the impacts of an increase in real property values as outlined below and the corresponding need to adjust the tax rate in such a manner as to attenuate this increase in real property values. This means several things:

- Based on the increase in combined (real, personal, and public utility) values, the revenue neutral tax rate could potentially be \$0.45 based on a total reassessed valuation of \$1,289,272,656.00.
- The tax base has grown organically and through economic development efforts a total of \$514,184,691.00 or 57.06% in the last 5 years. Accordingly, approximately 24.1% of this increase in valuation is due to inflation while 32.96% is due to improved economic conditions in the local economy.
- From 2011 to 2019 the total combined valuation for the City of Eden decreased from \$910,328,571.00 to \$901,071,375.00 representing over a period of 8 years a decrease of 1.02%, the overall economy however as measured by CPI increased approximately 13%, during this period City property owners effectively saw an actual loss of value of 14%.
- The City of Eden, working proactively and in partnership with other units of government, has sought to improve local economic conditions and is now blessed with a 32.96% betterment of property values, an unemployment rate at 4% which is the lowest in nearly 30 years, and a proposed property tax rate at the lowest level in 50 years.

- An accompanying exhibit showing the 10 lowest taxed full-service cities, and a comparison of rates intra-county, as well as historic rates from 1975-2024 accompanies this message as Exhibit I.
- Based on the foregoing it is recommended that a general rate decrease occur, the recommended rate being reduced from \$0.609 to \$0.52, a rate cut of \$0.089.
 - This results in a 15% decrease in the tax rate for real and personal property from the current rate and a commensurate increase of 15% above the revenue neutral rate. It is important to note that inflation since the last revaluation in 2019 has increased 24.1% as depicted in the following graph.



- The recommended rate will result in raised revenue that will:
 1. Balance the reduction of personal property (motor vehicle) revenue received by decreasing the property tax rate.
 2. Provide on-going, prudent fiscal management that seeks to forefund against both inflation and the potential for recession that ongoing inflation may cause.
 3. Provide for expense increases in electric utility costs caused by green energy initiatives.
 4. Provide for the potential of market-based adjustments should labor costs and surrounding labor markets continue to see inflationary pressures.

This budget as presented is a spending plan for the fiscal year beginning July 1, 2024, and ending June 30, 2025. Pursuant to NCGS 159-8, the budget presented is balanced as required by law. In this budget the operating expenditures of the city reflect the ongoing impact of inflation (energy costs up 23.8% in 1 year); however, careful and precise expenditures are being provided for in order to enhance the public safety, improve the general welfare, and to continue to guard the public health. It should be noted that no new financing is a part of this budget, rather all the new items are being paid for on a PAYGO basis meaning "paid for as you go" rather than financed, this is the third year in which the City has enjoyed the benefits of PAYGO. The expenditures of note for this budget are enumerated below:

Public Safety

- 4 new police cars – to maintain the vehicle replacement plan for law enforcement
- Hurst tool and positive pressure fans – tools for fire/rescue

General Welfare

- Resurfacing streets: sections of Green, Jones, Shedd, Riverview, Turner and Monroe Streets; Short Morgan, Von Ruck and Peter Hill Roads; N. Hundley and Clarkway Drives, and Carolina Avenue
- Funding the employee pay program for the fiscal year and funds set aside for market based adjustments should conditions warrant

Public Health

- Additional solid waste transportation trailer for the transport of solid waste from the transfer station to the landfill for disposal
- Repair of additional sludge scraper at the water treatment plant sedimentation basins
- Upgrade of variable frequency drives for pumps at the water treatment plant, this is spanning two fiscal years due to lead times
- Conversion from gaseous chlorine to sodium hypochlorite at the water treatment plant and the wastewater treatment plant, this is spanning two fiscal years due to lead times
- Rehabilitating a clarifier at the wastewater treatment plant
- Replacement of waterlines in the vicinity of and related to the bridge replacement at Meadow Road and NC 14; to improve the drinking water supply system for residents
- All sanitary sewer collection system work related to the Environmental Protection Agency Administrative Order of Consent is being provided for as part of grant funds, a separate project budget accounts for these improvements apart from the annual budget

This budget proposal includes that there be a property tax rate decrease to \$0.52. A rate escalator of \$0.95 on all water-sewer fees is proposed this fiscal year in order to maintain the provision of clean drinking water and the proper treatment of wastewater due to rising cost associated with inflation, primarily energy and chemical costs, and to prepare to pay substantial debt service associated with the Environmental Protection Agency Administrative Order of Consent. In the last two years inflation has increased in the water/sewer/trash consumer price index by 10.68%, the rate escalator proposed is equivalent to a 10.99% adjustment from the 2022 rates, this can be broken down into a 10.68% inflation increase and a 0.31% revenue increase.

A pass-thru fee increase is proposed of \$2.00 in the solid waste fee from \$21.75 to \$23.75 in order to pass-thru the cost of landfill disposal that was increased \$2.00 by Rockingham County Government. In the last two years inflation has increased in the water/sewer/trash consumer price index of 10.68%.

The proposed general fund budget is \$20,243,400 with the ad valorem tax rate of \$0.52 per \$100 of valuation.

The proposed water and sewer fund budget is \$13,138,300.

The proposed self-insurance fund budget is \$3,356,900.

I commend and applaud each resident, volunteer, elected official, and employee for their hard work, sense of community, and togetherness during this past year and encourage their continued hard work as we begin the next fiscal year. I especially thank Mrs. Tammie McMichael, Mrs. Amy Winn, and Mrs. Michelle Wyatt for their assistance in the preparation of this budget.

Copies of the proposed budget are being made available to the news media and copies for the public to view will be available at City Hall in the Office of the City Clerk. As provided by law, above and herein the budget is thus submitted this the 21st day of May 2024 in the County of Rockingham, City of Eden.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Jon M. Mendenhall". The signature is fluid and cursive, with a large initial "J" and "M".

Jon M. Mendenhall
City Manager

Exhibit I

Rockingham County 2024 New Rates

Unit	Current	Rev Neu	New	Delta Old-New	% Change	Current Eden	Current Rate Delta	New Eden	New Rate Delta	Spread Current v New
County	0.695	0.51	0.5801	0.1149	-0.165324	0.609	-0.086	0.52	-0.0601	0.0259
Eden	0.609	0.45	0.52	0.089	-0.146141	0.609	0	0.52	0	0
Madison	0.73	0.59	0.7	0.03	-0.041096	0.609	-0.121	0.52	-0.18	-0.059
Mayodan	0.695	0.5551	0.61	0.085	-0.122302	0.609	-0.086	0.52	-0.09	-0.004
Reidsville	0.73	0.58	0.64	0.09	-0.123288	0.609	-0.121	0.52	-0.12	0.001
Stoneville	0.69	0.59	0.69	0	0	0.609	-0.081	0.52	-0.17	-0.089

Lowest 10 Full Service Municipalities in PTRC Region

Unit	Rate	Growth Factors
Graham	\$ 0.2899	I-40
Elon	\$ 0.3500	University
Mebane	\$ 0.3700	I-40
Yadkinville	\$ 0.4200	
Haw River	\$ 0.4400	I-40
King	\$ 0.4700	I-74, suburb
Burlington	\$ 0.4836	I-40
Troy	\$ 0.4800	
Gibsonville	\$ 0.4900	I-40
Eden	\$ 0.5200	

Eden Historic Tax Rates

Year	Rate
1975	\$ 0.69
1980	\$ 0.77
1985	\$ 0.77
1990	\$ 0.66
1995	\$ 0.59
2000	\$ 0.57
2005	\$ 0.57
2010	\$ 0.62
2015	\$ 0.609
2020	\$ 0.609
2024*	\$ 0.52
*proposed	

**CITY OF EDEN, NORTH CAROLINA
2024-2025 BUDGET ORDINANCE**

BE IT ORDAINED by the City Council of the City of Eden, North Carolina in regular session assembled:

Section 1: The following amounts are hereby appropriated for the operation of the City of Eden government and its activities for the fiscal year beginning July 1, 2024, and ending June 30, 2025, according to the following summary and schedules.

Summary (Funds)	Estimated Revenues	Total Budget Appropriation
General	\$20,243,400	\$20,243,400
Self Insured Insurance	\$3,356,900	\$3,356,900
Water and Sewer	\$13,138,300	\$13,138,300
Runabout Travel	\$20,000	\$20,000
Municipal Service Tax District	\$13,600	\$13,600
 (Less inter-fund transfers)	 <u>\$2,693,400</u>	 <u>\$2,693,400</u>
 (Less Appropriated Fund Balances)	 <u>\$1,219,300</u>	 <u>\$1,219,300</u>
 (Less Pass Thru Funds – Ex. Runabout Travel)	 <u>\$849,500</u>	 <u>\$849,500</u>
 TOTAL	 <u>\$32,010,000</u>	 <u>\$32,010,000</u>

Section 2: That for said fiscal year there is hereby appropriated out of the General Fund the following:

<u>Code</u>	<u>Department</u>	<u>Appropriation</u>
10-4110	City Council	\$40,800
10-4120	Administrative & Legal Services	\$489,100
10-4130	Finance/Human Resources	\$371,700
10-4135	Marketing & Customer Service	\$435,000
10-4145	Information Technology	\$575,300
10-4190	Facilities & Grounds	\$727,400
10-4310	Police	\$6,596,000
10-4340	Fire	\$2,713,800
10-4350	Division of Design & Construction	\$41,000
10-4510	Streets	\$1,844,500
10-4515	Powell Bill	\$561,000
10-4710	Solid Waste	\$2,048,200
10-4910	Planning & Community Development	\$641,900
10-6120	Recreation	\$1,058,500
10-6920	Fleet Maintenance	\$548,300
10-9100	Special Appropriations	\$1,050,900
10-9990	Contingency	\$500,000
 TOTAL		 <u>\$20,243,400</u>

Section 3:

It is estimated that the following General Fund Revenues will be available during the fiscal year beginning July 1, 2024, to meet the foregoing General Appropriations:

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3189-11092	Ad Valorem: Prior Years – Rock Co.	\$96,700
3189-18000	Interest on Delinquent	\$17,400
3190-11000	Ad Valorem: Current Year	\$6,593,600
3190-12092	DMV-Vehicle Tax – Current Year	\$697,700
3190-12093	DMV-Vehicle Tax – Prior Year	\$200
3190-12094	Short Term Rental Vehicle Tax	\$1,400
3190-12095	Municipal Vehicle Tax	\$190,200
3190-15000	Dog License	\$700
3190-18000	Interest on Current Taxes	\$17,500
3190-18100	Interest on Current Taxes – DMV	\$8,000
3190-19097	Payment in Lieu of Annexation	\$215,700
3190-19098	DMV Collection Fees	(\$30,300)
3190-19100	Occupancy Tax	\$109,800

Tax Revenue Total

\$7,918,600

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3260-11000	Privilege License	\$700
3270-12000	Franchise Fees/State	\$95,900
3343-41000	Building Permits	\$43,700
3343-41100	Plumbing Permits	\$8,900
3343-41300	Mechanical Permits	\$17,000
3343-41400	Sign Permits	\$300
3343-41500	Electrical Permits	\$26,000
3434-48000	Fire Department Permits	\$2,000
3491-41100	Planning Zoning Permits	\$500

Licenses & Permits Total

\$195,000

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3350-00200	Donations & Fees – Pottery Festival	\$6,100
3350-02100	Riverfest	\$48,000
3350-02200	Oink & Ale Festival	\$17,600
3350-02300	Shaggin' on Fieldcrest	\$10,400
3350-02400	Touch-A-Truck	\$2,500
3350-02500	Grown & Gathered	\$11,000
3350-02700	Winterfest	\$4,000
3350-02800	Youth Native American Pow Wow	\$2,500
3412-43000	Vending Machine Proceeds	\$2,000
3412-43100	Vending Machine Proceeds-PW	\$6,300
3434-49000	Fire on Behalf Payments	\$19,000
3434-51000	Fire Dept Rental – Draper Rural	\$200
3612-48000	Freedom Park Concessions	\$17,800
3612-48100	Bridge Street Center Concessions	\$100
3612-48200	East Eden Center Concessions	\$600
3612-48300	East Eden Pool Concessions	\$11,000
3612-48700	Splash Pad Concessions	\$23,700
3612-48800	Splash Pad Admissions	\$46,200
3612-86000	Pool Admissions	\$33,500
3612-86100	Building Use	\$45,500
3612-86200	Field Use & Lights	\$4,500
3831-49000	Interest: Checking	\$14,400
3831-49500	Interest: NC Cash Mgt. Trust	\$458,000
3831-49700	Interest: Powell Bill Funds	\$28,000
3831-49900	Eden PD/Forfeiture Interest	\$500
3839-89000	Miscellaneous Revenue	\$15,000
3984-90000	Transfer from ARPA Fund	\$369,700
3991-99100	Fund Balance Appropriated	\$719,300

Use of Money & Property Total

\$1,917,400

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3231-31000	Local Option Sales Taxes	\$1,644,200
3232-31000	½ Cent Sales Taxes	\$1,150,300
3233-31000	½ Cent Sales Taxes	\$783,100
3234-31000	½ Cent Sales Taxes	\$315,700
3234-31001	State Hold Harmless Payment	\$1,247,500
3234-31002	Solid Waste Disposal Tax Distribution	\$12,200
3270-13000	Peg Channel Grant	\$26,000
3322-31000	Wine & Beer Taxes	\$69,700
3324-31000	Utilities Franchise Taxes	\$912,100
3325-33000	Powell Bill: State Street Aid	\$561,000
3335-32000	County Grants: Fire Department	\$2,400
3336-33000	Police School Resource Officers	\$347,900
3412-42100	SLCGP Grant	\$60,000
3431-73000	Project Safe Rockingham County	\$20,100
3434-52000	Draper Rural Fire Tax	\$85,300
3612-48400	Recreation Grant-Sr. Center	\$10,000
3612-48410	HCCBG Grant-Sr. Center	\$33,500
3612-48420	Senior Center General Purpose Grant	\$7,400
3837-89000	ABC Revenues	\$232,400
3837-89100	ABC Revenues: Law Enforcement	<u>\$8,100</u>
Other Agencies Revenues Total		<u>\$7,528,900</u>

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3350-00100	Historic Preservation Book Sales	\$600
3412-41000	Other Administrative Revenues	\$900
3431-41000	Police Revenue: Dog Fines	\$3,000
3431-41100	Police Security Charges	\$40,000
3431-41200	Police Security Fringe Benefit Charges	\$10,400
3431-41300	Court Costs	\$5,000
3431-41400	Parking Violations	\$100
3431-41500	Police Fingerprinting Supplies	\$400
3431-41700	Police Revenue	\$5,300
3431-41800	Police Controlled Sub State Excise Tax	\$17,200
3431-84000	Police Department Restitution	\$4,300
3434-41000	Outside Fire Protection Charges	\$6,300
3451-41100	Street Dept. Revenue: Driveways	\$3,200
3451-81000	Street Mowing	\$10,100
3491-40000	Planning Dept. Nuisance Fees	\$49,700
3491-41000	Planning Department Applications	\$1,400
3491-41600	Planning: Code Compliance Ins.	\$100
3491-81000	Planning Department Sale of Materials	\$200
3612-41000	County User's Fees	\$200
3612-41100	League Entrance Fees	\$1,400
3612-41200	Recreation Dept. Revenue: Lesson	\$400
3612-41300	Dixie Youth Tournament	\$13,100
3612-41400	Prowler Sports	\$25,400
3612-86400	Recreation Dept. Miscellaneous	\$16,900
3612-87000	Fuel Purchases – County Agencies	<u>\$10,800</u>
Charges for Current Services		<u>\$226,400</u>

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3471-41100	Residential Fees – Solid Waste	\$1,785,200
3471-41101	Commercial Fees – Solid Waste	\$657,800
3471-81000	Sale of Materials/Scrap	\$12,200
3471-81100	Recycling Income – Solid Waste	\$600
3471-81200	Sale of Compost/Mulch–Solid Waste	\$500
3471-81400	Demolition – Abatement	<u>\$800</u>
Total Solid Waste Revenue		<u>\$2,457,100</u>
General Fund Revenue Total		<u>\$20,243,400</u>

Section 4: That for said fiscal year there is hereby appropriated out of the Self-Insured Insurance Fund the following:

<u>Code</u>	<u>Department</u>	<u>Appropriation</u>
4140-18300	Group Insurance Fixed Cost	\$1,385,800
4140-29900	Group Insurance Additional Charges	\$38,500
4140-30000	Claims	<u>\$1,932,600</u>
Self Insured Insurance Fund Total		<u>\$3,356,900</u>

Section 5: It is estimated that the following Self-Insured Insurance Fund Revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025, to meet the foregoing Self-Insured Insurance Fund Appropriations:

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3351-01000	Charges to Other Funds/GF	\$2,489,000
3351-03000	Charges to Other Funds/W/S	\$620,000
3831-49000	Interest – Checking	\$40,000
3839-83000	Refunds	<u>\$207,900</u>
Self Insured Insurance Fund Total		<u>\$3,356,900</u>

Sections 4 and 5 of this Budget Ordinance hereby authorize City payment of individual premiums in excess of that set forth in City Code § 10-6.3 for said fiscal year only. This authorization in no way creates any benefit or right in property whatsoever of any individual employee or retiree to City payment of premiums for any future year above that prescribed in City Code § 10-6.3.

Section 6: That for said fiscal year there is hereby appropriated out of the Water & Sewer Fund the following:

<u>Code</u>	<u>Department</u>	<u>Appropriation</u>
7110	Water Resources	\$820,100
7115	Billing & Collections	\$508,500
7120	Water Filtration	\$2,658,900
7125	Collection & Distribution	\$2,217,900
7130	Wastewater Treatment	\$1,764,000
8120	Water Construction	\$227,000
8130	Sewer Construction	\$201,000
9920	Special Appropriations	\$4,240,900
9990	Contingency	<u>\$500,000</u>
Water & Sewer Fund Total		<u>\$13,138,300</u>

Section 7: It is estimated that the following Water & Sewer Fund Revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025 to meet the foregoing Water & Sewer Fund Appropriations:

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3362-51200	Sale of Water	\$5,408,000
3363-51300	Sewer Service Charges	\$5,593,300
3711-58000	Miscellaneous Returned Checks	\$2,700
3713-53000	Pre-Treatment Charges	\$50,800
3714-42000	Water Service Application Fees	\$17,000
3714-51000	W/S Meter Tampering Fees	\$100
3714-52000	Reconnection Charges	\$303,500
3714-52200	Water Taps	\$18,500
3714-52300	Sewer Taps	\$4,000
3831-49000	Interest: Checking	\$16,000
3831-49500	Interest: NCCMT	\$77,000
3834-86000	Rent of Equipment	\$51,200
3835-81000	Sale of Materials	\$1,100
3839-89000	Miscellaneous Revenues	\$10,600
3984-90000	Transfer from ARPA Fund	\$1,084,500
3991-99100	Fund Balance Appropriated	\$500,000
Water & Sewer Fund Total		<u>\$13,138,300</u>

Section 8: That for said fiscal year there is hereby appropriated out of the Runabout Travel Fund the following:

<u>Code</u>	<u>Department</u>	<u>Appropriation</u>
9100-31200	Runabout Travel Expense	\$20,000
Runabout Travel Fund Total		<u>\$20,000</u>

Section 9: It is estimated that the following Runabout Travel Fund Revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025 to meet the foregoing appropriations:

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3612-84000	Runabout Travel Fees	\$20,000
Runabout Travel Fund Total		<u>\$20,000</u>

Section 10: That for said fiscal year there is hereby appropriated out of the Municipal Services Tax District Fund the following:

<u>Code</u>	<u>Department</u>	<u>Appropriation</u>
4150-29900	MSD Tax – Leaksville	\$10,300
4150-29901	MSD Tax – Draper	\$2,200
4150-29902	MSD Tax – Boulevard	\$1,100
Municipal Service Tax District Fund Total		<u>\$13,600</u>

Section 11: It is estimated that the following Municipal Services Tax District Fund Revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025 to meet the foregoing appropriations:

<u>Code</u>	<u>Revenue Source</u>	<u>Appropriation</u>
3190-19100	MSD Tax – Boulevard	\$1,000
3190-19200	MSD Tax – Leaksville	\$9,200
3190-19300	MSD Tax – Draper	\$1,900
3831-49000	Interest Checking Account	\$300
3831-49500	Interest NCCMT Account	\$1,200
Municipal Service Tax District Fund Total		<u>\$13,600</u>

Section 12: There is hereby levied for the fiscal year ending June 30, 2025 the following rate of taxes on each one hundred dollars (\$100) assessed valuation of taxable property as listed as of January 2024 for the purpose of revenue, and in order to finance foregoing appropriations:

A General Fund (for the general expense incident to the proper government of City of Eden, North Carolina) tax rate of \$0.52 per hundred dollars (\$100) of assessed valuation. Such rates are based on an estimated total appraised value of property for the purpose of taxation of approximately \$1,289,272,656 with an assessment ratio of 100% of appraised value; estimated collection rate of 98.35%.

A Municipal Service District tax rate of \$0.100 per hundred dollars (\$100) of assessed valuation for the Leaksville, Draper, and Boulevard municipal service tax districts.


Section 13: The Tax and Service Rates section of the FY 2024-2025 budget sets forth the applicable fees for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

Section 14: The Personnel section of the FY 2024-2025 budget sets forth the grade and positions classification plan for the fiscal year beginning July 1, 2024 and ending June 30, 2025.

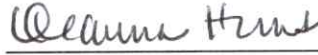
Section 15: Copies of this Budget Ordinance shall be furnished to the Director of Finance & Personnel and City Manager of the City of Eden, to be kept on file by them for their direction in the collection of revenues and expenditures of amounts appropriated.

Section 16: The City Manager, by authority of this ordinance, may transfer/reallocate between & within departments up to a maximum of ten percent (10%) of the moneys appropriated within any of the above stated funds, including any transfers/reallocations between funds.

Adopted this the 18th day of June, 2024.


 Neville Hall
 Mayor

ATTEST:


 Deanna Hunt
 City Clerk

