



# TOWN OF EAST SPENCER

*"HOME OF HERITAGE & PROMISE"*

## **Budget Message Fiscal Year Beginning July 1, 2023**

### **To the East Spencer Town Board and Citizens:**

The Town of East Spencer's proposed budget ordinance is attached and is a part of this message. The budget proposed slightly changes the focus of the Town services, placing more emphasis on employee retainment and expanding personnel. The proposed operating budget combines many line items that are similar in nature to reduce the number of individual lines.

With the increase in the ad valorem taxes, due to the revaluation that took place in Rowan County, the Town will see an increase of nearly \$280,000 in ad valorem taxes this year. Additionally, the Town has seen a larger increase in sales tax revenue over the past two years, and as such, we have budgeted for a slight increase in sales tax revenue.

The increase in each department's salary is provided by the increase in ad valorem property tax. The raises will help the Town remain competitive with other municipalities as we continue to grow.

The recreation budget has nearly doubled from last year due to the increase in personnel and additional expenses in the splash pad.

The cost of garbage collection will not change this year.

We have allocated \$55,000 from General Fund balance to purchase property at the park and clear the area of timber. This will serve as a new parking area for patrons as we continue to improve the features of the park. These are new funds, the funds were allocated in the previous year, but due to the land not being sold in time, we are moving this into a new fiscal year.

The Water and Sewer Fund is challenging given the debt obligation and ongoing customer service fee from the provider. There will be no increase in the water/sewer rate this fiscal year. The City of Salisbury did not increase their rates, so in turn the Town does not have to increase theirs.

# TOWN OF EAST SPENCER

## *"HOME OF HERITAGE & PROMISE"*

In addition, the Town will levy a graduated fee schedule for water meter maintenance based on the size of the account. These rates are consistent with the City of Salisbury schedule of fees and maintain the rate structure for Town minimum for the smallest meters from the FY 2023-24 Town Budget.

The following is a computation of the rates below billed per month:

- 1) Town Minimum Water - \$5.28 less than 1"  
\$6.51 - 1"  
\$14.25 - 2"  
\$47.35 - 4"  
\$101.56 - 6"
  
- 2) Town Minimum Sewer - \$5.61 less than 1"  
\$7.18 - 1"  
\$16.07 - 2"  
\$53.90 - 4"  
\$115.86 - 6"

The budget as proposed is not as tight as in previous years. Every employee position within the Town has been given a cost-of-living increase and we are adding funds to the fund balance. Full-time employees continue to receive a competitive benefit package of health, dental and vision insurance as well as 401k contribution and matching funds for the local government retirement system and associated payroll taxes.

Should you have any questions please feel free to contact me at your convenience to discuss any of these items.

Respectfully submitted,

Michael Douglas  
Town Manager  
Town of East Spencer