

TOWN OF EAST SPENCER

"HOME OF HERITAGE & PROMISE"

Budget Message Fiscal Year Beginning July 1, 2024

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 establishing a full-time fire department.

The introduction of a .20 increase in the tax rate will allow the Town to properly plan and facilitate the additional personnel and equipment required to establish a full-time fire department. A fire apparatus was ordered in FY 2023 and is scheduled to be delivered in 2027. The Town is making plans to build a municipal complex or a separate fire station that would be completed by FY 2027.

The Town continues to see larger increases in sales tax revenue distributions. In FY23, the Town budgeted \$425,000 but received nearly \$575,000. For FY 24-25, I have forecast \$500K in sales tax revenue.

There are slight increases within each department, with the largest increase in the fire department. The salaries for the new positions within the fire department are competitive with other municipalities within the county.

The cost of garbage collection will not change this year.

The Water and Sewer Fund is challenging given the debt obligation and ongoing customer service fee from the provider. We have seen over the past months an increase in our deposits from the Salisbury-Rowan Utilities. This could be due to the work that has been completed with the grant dollars from the State Legislature. More leaks have been identified and repaired and we have seen a significant increase in our deposits.

In addition, the Town will levy a graduated fee schedule for water meter maintenance based on the size of the account. These rates are not consistent with the City of Salisbury schedule of fees but maintain the rate structure for the Town minimum for the smallest meters from the FY 2024-25 Town

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Budget. Salisbury-Rowan Utilities has recommended a 3.5% increase in their water sales, but the Town of East Spencer should NOT increase its rates for FY 24-25.

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"

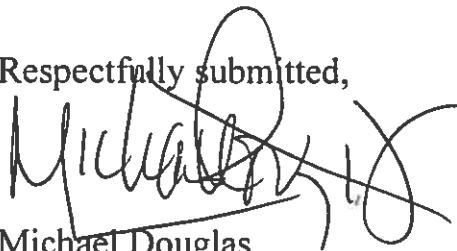
- 2) Town Minimum Sewer - \$5.61 less than 1"
\$7.18 - 1"
\$16.07 - 2"
\$53.90 - 4"
\$115.86 - 6"

The budget as proposed is very robust due to the increase in the Town's tax rate. This .20 increase is a temporary measure to facilitate the funding of a full-time fire department. With the additional developments that are scheduled within the Town, this increase should only be for five years.

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