



# Fuquay-Varina Board of Commissioners

June 6, 2022

AN ORDINANCE ADOPTED BY THE BOARD OF COMMISSIONERS  
OF THE TOWN OF FUQUAY-VARINA, NC  
ESTABLISHING THE FISCAL YEAR 2022-2023  
OPERATING BUDGET

NOW, THEREFORE BE IT ORDAINED, by the Board of Commissioners of the Town of Fuquay-Varina, North Carolina, the following revenues, and departmental expenses (Sections I - VII), tax rate (Section VIII), fee schedules (Sections IX - XII), and budget and financial policies (Section XIII and XV) are adopted.

**SECTION I: GENERAL FUND - FUND 10**

**Anticipated Revenues:**

Ad Valorem Taxes (Current Year)	\$	22,210,784
Ad Valorem Taxes (Prior Years)		50,000
DMV Property Taxes (Current Year)		1,929,110
Tax Penalties and Interest		30,000
Rental Vehicle Taxes		58,289
Auto Licenses		870,000
Local Option Sales Tax		10,216,164
Beer and Wine Tax		113,959
Utilities Franchise Tax		1,389,992
Cable TV		276,513
ABC Net Revenues		258,152
Powell Bill Revenues		913,482
Wake County Fire Tax		2,604,313
Licenses, Permits, and Fees		4,887,188
Refuse Collection Fees		3,593,136
Arts Center Fees		196,936
Parks and Recreation Fees		750,893
Interest on Investments		15,000
Other Revenues		249,251
Transfer From Capital Reserve Fund		403,688
Powell Bill Fund Balance Appropriated		342,418
General Fund Balance Appropriated		<u>0</u>
 Total Revenues	<b>\$</b>	<b><u>51,359,268</u></b>

Expenses Authorized by Department

Governing Body	\$	358,263
Administration		905,133
Communications		473,242
Finance		902,012
Engineering		1,295,954
Public Buildings		633,655
Central Services		3,102,132
Information Technology		1,632,850
Human Resources		742,886
Police		8,603,466
Fire		7,761,326
Inspections		2,393,180
Streets		2,622,272
Powell Bill		1,255,900
Debris Collection		906,619
Sanitation		3,107,772
Planning		1,636,322
Economic Development		320,582
Downtown Development		291,912
Parks, Rec, and CR		4,816,115
Arts Center		770,044
Transfers to Capital Reserve		0
Transfers to Capital Projects		904,500
Transfers To Debt Service		4,024,631
Appropriation to Fund Balance - Inspections		1,614,667
Appropriation to Fund Balance - General Fund		283,833
<b>Total Expenses</b>	<b>\$</b>	<b><u>51,359,268</u></b>

SECTION II: DEBT SERVICE FUND - FUND 15

Anticipated Revenues

Transfer from General Fund	\$	4,024,631
Transfer from Enterprise Fund		223,108
Transfer from Capital Reserves		<u>459,094</u>
<b>TOTAL REVENUES</b>	<b>\$</b>	<b><u>4,706,833</u></b>

Expenditures Authorized

Principal	\$	2,886,000
Interest		1,525,833
Designated for Fund Balance		<u>295,000</u>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b><u>4,706,833</u></b>

**SECTION III: CAPITAL RESERVE FUND – FUND 21 (GENERAL FUND ACTIVITIES)**

**Anticipated Revenues**

Recreation Unit Fees - Northwest District	\$	640,000
Recreation Unit Fees - Northeast District		378,000
Recreation Unit Fees - South District		597,000
Appropriated Fund Balance - Sanitation Trucks		403,688
Appropriated Fund Balance - Recreation Unit Fees - South		<u>27,804</u>
<b>TOTAL REVENUES</b>	<b>\$</b>	<b><u>2,046,492</u></b>

**Expenses Authorized**

Transfer to Capital Projects - South District	\$	165,710
Transfer to Debt Service - Rec Debt (South)		459,094
Transfer to General Fund		403,688
Appropriation to Fund Balance - Northwest District		640,000
Appropriation to Fund Balance - Northeast District		<u>378,000</u>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b><u>2,046,492</u></b>

**SECTION IV: CAPITAL PROJECTS FUND – FUND 40**

**Anticipated Revenues**

Loan Proceeds	\$	28,500,000
Transfer from General Fund		904,500
Transfer from Capital Reserves		<u>165,710</u>
<b>TOTAL REVENUES</b>	<b>\$</b>	<b><u>29,570,210</u></b>

**Expenditures Authorized**

<u>Capital Projects – Public Buildings</u>		
Community Center Roof Replacement	\$	43,500
Town Hall Window Replacement		175,000
<u>Capital Projects – Police</u>		
Pave Parking Lot		141,000
Storage Building		100,000
<u>Capital Projects – Downtown</u>		
Downtown Generational Plan		300,000
North Ennis Street Landscaping		50,000
<u>Capital Projects – Engineering</u>		
Stormwater CIP / Infrastructure Inventory		95,000
<u>Capital Projects – Parks &amp; Recreation (Rec Fees)</u>		
South Park Track Resurfacing (South)		50,710
Falcon Park Dugout / Score Tower (South)		115,000
Capital Projects – Parks & Recreation (Bond)		18,500,000
Capital Projects – Streets (Bond)		<u>10,000,000</u>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b><u>29,570,210</u></b>

**SECTION V: WATER AND SEWER ENTERPRISE FUND - FUND 61**

**Anticipated Revenues**

Water Sales and Tap Fees	\$	8,831,160
Sewer Service and Tap Fees		8,556,226
Interest Earnings, Penalties, and Leases		306,800
Transfer from Water and Sewer Fund Reserves		<u>0</u>
<b>TOTAL REVENUES</b>	<b>\$</b>	<b><u>17,694,186</u></b>

**Expenditures Authorized by Department**

W/S Billing and Collections	\$	589,574
Water Operations		6,740,673
Sewer Operations		5,223,704
Major Maintenance Projects (Moved to Capital Projects)		0
Debt Service		223,108
Transfer to Enterprise Capital Projects		4,755,842
Appropriation to Fund Balance		<u>161,285</u>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b><u>17,694,186</u></b>

**SECTION VI: ENTERPRISE CAPITAL PROJECTS FUND - FUND 59**

**Anticipated Revenues**

Transfer from W/S Enterprise Fund	\$	2,445,842
Transfer from W/S Reserves		<u>3,006,741</u>
<b>TOTAL REVENUES</b>	<b>\$</b>	<b><u>5,452,583</u></b>

**Expenditures Authorized**

Kennebec Road Waterline (Willow Spring HS to Tram Road)	\$	2,082,754
NC 55 - Abundant Self Storage to Hidden Valley		1,430,000
SW Judd Parkway Loop - Academy St. to Infinite Storage		647,000
Sanford Water Conveyance (Design)		363,088
Terrible Creek WWTP Expansion (Design)		464,870
Northern Harnett WWTP Expansion (Design)		<u>464,871</u>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b><u>5,452,583</u></b>

SECTION VII: WATER AND SEWER CAPITAL PROJECT FUND - FUND 60

Anticipated Revenues

Transfer from W/S Enterprise Fund	\$ <u>2,310,000</u>
<b>TOTAL REVENUES</b>	<b>\$ <u>2,310,000</u></b>

Expenditures Authorized

Water Line Replacements	\$ 500,000
AMI-Phase 3	540,000
Water Line Oversizing	50,000
Water Line Valve Replacements	50,000
Hydrant Insertion Valves	110,000
Lead and Copper Rule Compliance	20,000
Water Modeling	20,000
I & I Rehabilitation	225,000
Collections System Master Plan	485,000
Sewer Line Inspection & Cleaning	110,000
Sewer Line Oversizing	50,000
Migrate Pump Station SCADA	75,000
Miscellaneous Sewer Projects	<u>75,000</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>2,310,000</u></b>

SECTION VIII: WATER AND SEWER DEBT SERVICE FUND - FUND 65

Anticipated Revenues

Transfer From W/S Reserve	\$ <u>3,516,366</u>
<b>TOTAL REVENUES</b>	<b>\$ <u>3,516,366</u></b>

Expenditures Authorized

Principal - Bonds (Water)	\$ 440,000
Principal - Bonds (Sewer)	1,864,000
Interest - Bonds (Water)	273,996
Interest - Bonds (Sewer)	<u>938,370</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ <u>3,516,366</u></b>

**SECTION IX: WATER AND SEWER CAPITAL RESERVE FUND – FUND 71**

**Anticipated Revenues**

Water Unit Capacity Fees	\$	3,636,000
Sewer Unit Capacity Fees		3,900,000
Water Reserves Appropriation		0
Sewer Reserves Appropriation		<u>0</u>
<b>TOTAL REVENUES</b>	<b>\$</b>	<b><u>7,536,000</u></b>

**Expenditures Authorized**

Transfer to Debt Service Fund	\$	3,516,366
Transfer to W/S Capital Projects		3,006,741
Appropriation to Fund Balance (Water)		845,004
Appropriation to Fund Balance (Sewer)		<u>167,889</u>
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b><u>7,536,000</u></b>

**SECTION X: TAX RATE ESTABLISHED**

An ad valorem tax rate of \$0.425 per \$100 at full valuation is hereby established as the official tax rate for the Town of Fuquay-Varina for the fiscal year 2022-2023. The projected current year revenue from property and vehicle taxes of \$24,139,894 is based on a total projected valuation of \$5,694,264,706 and a projected collection rate of 99.76%.

**SECTION XI: WATER AND SEWER RATES ESTABLISHED**

The following monthly rate schedules for water and sewer service shall be in effect.

Base Rates

<u>Meter Size</u>	<u>Water Base Rate</u>	<u>Sewer Base Rate</u>
3/4" meter	11.24	15.61
1" meter	18.77	26.07
1.5 " meter	37.43	51.98
2" meter	59.91	83.20
3" meter	112.40	156.10
4" meter	187.37	260.22
6" meter	374.63	520.28

Water Consumption Rate

In-Town \$5.68/1,000 gallons  
 Out-of-Town \$11.36/1,000 gallons

Sewer Consumption Rate  
*(Except For Irrigation Meters)*

In-Town \$6.68/1,000 gallons  
 Out-of-Town \$13.36/1,000 gallons

All rates for service provided to customers that are not located within the corporate limits of the Town of Fuquay-Varina shall be double the rates listed above for In-Town rates. No new Out-of-Town services may be provided prior to the approval of the Town of Fuquay-Varina Governing Board.

#### **SECTION XII: PAY INCREASES FOR EMPLOYEES**

Beginning on July 4, 2022, all regular, full-time employees, shall receive a Cost-of-Living Adjustment (COLA) of 4.0%. All regular, full-time employees that are not under probation, shall be eligible for a merit salary increase of up to 3% at a time determined by management, consistent with the FY 2022-2023 budget ordinance.

#### **SECTION XIII: FEE SCHEDULE FOR FY 2022-2023**

The fee schedule (with attachments) is incorporated into this budget ordinance by reference.

#### **SECTION XIV: SPECIAL AUTHORIZATION - BUDGET OFFICER**

- A. The Budget Officer shall be authorized to reallocate departmental appropriations among the various objects of expenditures as deemed necessary.
- B. The Budget Officer shall be authorized to effect interdepartmental transfers, in the same fund, not to exceed 10% of the appropriated funds for the department whose allocation is reduced. A notation of such a transfer shall be reported to the Town Board at the next earliest convenient Board meeting.
- C. Interfund transfers, established in the Budget Officer's Recommended Budget to the Town Board (the entire document of which is a part of this Budget Ordinance by reference) may be accomplished without a separate report to the Town Board.
- D. The purchase of all capital equipment (equipment having a value of over \$5,000) listed in the Budget Officer's Recommended Budget to the Town Board (the entire document of which is a part of the Budget Ordinance by reference) is authorized.
- E. Operating funds encumbered on the financial records as of June 30, 2022, are hereby reappropriated to this budget as necessary to fulfill all obligations outstanding on June 30, 2022.

#### **SECTION XV: RESTRICTIONS - BUDGET OFFICER**

- A. No interfund transfers, except as noted in SECTION XIII (C) are authorized without prior approval of the Town Board.
- B. No contingency appropriation may be utilized without prior approval of the Town Board.
- C. No single expenditure over \$500 is authorized without a pre-audit certification from the Finance Director or authorized designee (purchase order minimum limit).

SECTION XVI: UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This Budget Ordinance and reference budget documents shall be the basis of a financial work plan for the Town of Fuquay-Varina for the fiscal year of 2022-2023. The Budget Officer shall administer the budget, and the Budget Officer shall ensure that the department heads are provided guidance to implement the work elements described in the budget documents. The Finance Officer shall establish such records that are in consonance with this Budget Ordinance, the reference budget documents, and appropriate General Statutes of the State of North Carolina.

BE IT FURTHER ORDAINED, by the Board of Commissioners of the Town of Fuquay-Varina that this ordinance shall take effect immediately upon its adoption.

This Ordinance of the Town of Fuquay-Varina Board of Commissioners is hereby adopted this 6th day of June in the year 2022 in Fuquay-Varina, North Carolina.

FUQUAY-VARINA, NORTH CAROLINA

  
J. Blake Massengill, Mayor

ATTEST

(TOWN SEAL)

  
Rose H. Rich, Town Clerk

