



# Town Commission Ordinance

JUNE 3, 2019

**ORDINANCE NO. N-19-32**

**AN ORDINANCE ADOPTED BY THE BOARD OF COMMISSIONERS  
OF THE TOWN OF FUQUAY-VARINA, NC  
ESTABLISHING THE FISCAL YEAR 2019-2020  
OPERATING BUDGET**

BE IT ORDAINED, by the Board of Commissioners of the Town of Fuquay-Varina, North Carolina, meeting in regular session on the 3<sup>rd</sup> day of June, 2019, that the following revenues and departmental expenditures (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

<b>Taxes (Current Year)</b>	\$	14,368,544.00
<b>Taxes (Prior Years)</b>	\$	14,000.00
<b>Tax Penalties and Interest</b>	\$	25,000.00
<b>Rental Vehicle Taxes</b>	\$	50,000.00
<b>DMV Property Taxes</b>	\$	1,375,000.00
<b>Interest on Investments</b>	\$	300,000.00
<b>Auto Licenses</b>	\$	640,000.00
<b>Licenses, Permits, and Fees</b>	\$	1,510,000.00
<b>Cable TV State Reimbursement</b>	\$	240,000.00
<b>Utilities Franchise Tax</b>	\$	1,210,000.00
<b>Beer and Wine Tax</b>	\$	112,000.00
<b>Local Option Sales Tax</b>	\$	6,000,000.00
<b>ABC Net Revenues</b>	\$	120,000.00
<b>Refuse Collection Fees</b>	\$	1,937,000.00
<b>Parks and Recreation Fees</b>	\$	598,000.00
<b>Arts Center Fees</b>	\$	452,000.00
<b>Wake County Fire Tax</b>	\$	2,119,652.00
<b>Other Revenues</b>	\$	69,825.00
<b>Powell Bill Revenues</b>	\$	630,000.00
<b>Transfer From Capital Reserve Fund</b>	\$	421,884.00
<b>Grants</b>	\$	146,664.00
<b>Powell Bill Fund Balance Appropriated</b>	\$	235,000.00
<b>General Fund Balance Appropriated</b>	\$	954,271.00
<b>Total Revenues</b>	<b>\$</b>	<b>33,528,840.00</b>

Expenditures Authorized By Department

<b>Governing Body</b>	\$	292,279.00
<b>Administration</b>	\$	665,973.00
<b>Communications</b>	\$	271,930.00
<b>Finance</b>	\$	464,833.00
<b>Engineering</b>	\$	770,343.00
<b>Public Buildings</b>	\$	395,267.00
<b>Central Services</b>	\$	1,114,855.00
<b>Information Technology</b>	\$	1,037,558.00
<b>Human Resources</b>	\$	324,086.00
<b>Police</b>	\$	5,403,695.00
<b>Fire</b>	\$	5,548,185.00
<b>Inspections</b>	\$	1,331,866.00
<b>Streets</b>	\$	1,453,251.00
<b>Powell Bill</b>	\$	865,000.00
<b>Debris Collection</b>	\$	667,721.00
<b>Sanitation</b>	\$	1,743,531.00
<b>Planning and Zoning</b>	\$	1,082,631.00
<b>Parks, Rec, and CR</b>	\$	3,776,045.00
<b>Arts Center</b>	\$	754,568.00
<b>Economic Development</b>	\$	489,758.00
<b>Downtown Development</b>	\$	190,590.00
<b>Other Organizations</b>	\$	59,500.00
<b>Transfers</b>		
<b>To Debt Service</b>	\$	3,685,375.00
<b>To Capital Projects</b>	\$	1,140,000.00
<b>Total Expenditures</b>	<b>\$</b>	<b>33,528,840.00</b>

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

Anticipated Revenues

Recreation Unit Fees	\$	811,647.00
Fund Balance - Youth Initiative	\$	13,500.00
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>825,147.00</b>

Expenditures Authorized

Transfer to General Fund	\$	421,884.00
Transfer to Debt Service	\$	403,263.00
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>825,147.00</b>

**SECTION III: DEBT SERVICE FUND – FUND 15**

Anticipated Revenues

Transfer from General Fund	\$	3,390,375.00
Transfer from Enterprise Fund	\$	268,160.00
Transfer to Capital Reserves	\$	403,263.00
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>4,061,798.00</b>

Expenditures Authorized

Principal	\$	2,435,000.00
Interest	\$	1,626,798.00
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>4,061,798.00</b>

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

Anticipated Revenues

Transfer from General Fund	\$	1,140,000.00
Interest	\$	60,000.00
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>1,200,000.00</b>

Expenditures Authorized

Fire Station No. 4	\$	600,000.00
Downtown Mixed-Use Development	\$	600,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>1,200,000.00</b>

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

Anticipated Revenues

Water Sales and Tap Fees	\$	6,199,871.00
Sewer Service and Tap Fees	\$	6,361,541.00
Interest Earnings, Penalties, and Leases	\$	342,815.00
Transfer from Water and Sewer Fund Reserves	\$	4,340,718.00
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>17,244,945.00</b>

Expenditures Authorized By Department

W/S Billing and Collections	\$	396,625.00
Water Operations	\$	3,976,699.00
Sewer Operations	\$	3,420,756.00
Debt Service/Major Maintenance Projects	\$	5,040,147.00
Transfer to Enterprise Capital Projects	\$	4,410,718.00
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>17,244,945.00</b>

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

Anticipated Revenues

Transfer from W/S Enterprise Fund	\$	3,160,718.00
Transfer from W/S Reserves	\$	384,282.00
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>3,545,000.00</b>

Expenditures Authorized

Hilltop Needmore Rd. Water Line	\$	800,000.00
Hilltop Road Water Line	\$	400,000.00
John Adam Water Line	\$	780,000.00
Kenebec Water Line	\$	340,000.00
Water Booster PS-Ten Ten Road	\$	200,000.00
Walter Myatt PS	\$	75,000.00
Holly Ridge PS Improvements	\$	250,000.00
Middle Creek PS	\$	100,000.00
Mills Branch PS	\$	100,000.00
Water Tank	\$	500,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>3,545,000.00</b>

**SECTION VII: WATER AND SEWER CAPITAL PROJECT FUND – FUND 60**

Anticipated Revenues

Transfer from W/S Enterprise Fund	\$	1,250,000.00
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>1,250,000.00</b>

Expenditures Authorized

Water Line Oversizing	\$	50,000.00
Misc. Capital Project (AMI)	\$	350,000.00
Sewer Line Oversizing	\$	50,000.00
Water Line Replacements	\$	500,000.00
Water Supply/Capacity Study	\$	300,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>1,250,000.00</b>

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

Anticipated Revenues

Water Unit Capacity Fees	\$	1,800,000.00
Sewer Unit Capacity Fees	\$	2,925,000.00
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>4,725,000.00</b>

Expenditures Authorized

Transfer to W/S Enterprise Fund	\$	4,340,718.00
Transfer to W/S Capital Projects	\$	384,282.00
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>4,725,000.00</b>

**SECTION IX: TAX RATE ESTABLISHED**

An ad valorem tax rate of \$0.4325 per \$100 at full valuation is hereby established as the official tax rate for the Town of Fuquay-Varina for the fiscal year 2019-2020. The projected current year revenue from property and vehicle taxes of \$15,743,544 is based on a total projected valuation of \$3,656,719,653 and a projected collection rate of 99.8%.

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

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

Water Base Rate

In-Town	\$10.23
Out-of-Town	\$20.46

Water Consumption Rate

In-Town	\$ 5.17 /1,000 gallons
Out-of-Town	\$10.34 /1,000 gallons

Sewer Base Rate

In-Town	\$14.20
Out-of-Town	\$28.40

Sewer Consumption Rate

In-Town	\$ 6.08 /1,000 gallons
Out-of-Town	\$12.16 /1,000 gallons

(Except For Irrigation Meters)

**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 XI: PAY INCREASES FOR EMPLOYEES**

Beginning on July 1, 2019, all regular, full-time employees hired prior to July 1, 2018, shall receive an annual pay increase of 2.0%. All regular, full-time employees hired between July 1, 2018 and June 30, 2019 shall receive an annual pay increase of 2.0% beginning on their anniversary of employment (must have passed probation period). All employees hired prior to July 1, 2018 and that are not under probation, shall be eligible for a merit salary increase of up to 3% at a time determined by management. Employees hired between July 1, 2018 and June 30, 2019, shall be eligible for a merit salary increase of up to 3% beginning on their anniversary of employment if having passed probation.

**SECTION XII: FEE SCHEDULE FOR FY 2019-2020**

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

**SECTION XIII: 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.

**SECTION XIV: 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)

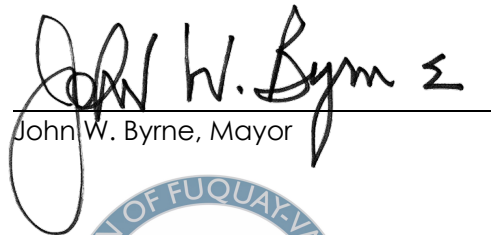
**SECTION XV: UTILIZATION OF BUDGET AND BUDGET ORDINANCE**

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 2019-2020. 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.

Adopted this the 3<sup>rd</sup> day of June 2019 in Fuquay-Varina, North Carolina.

FUQUAY-VARINA, NORTH CAROLINA

  
\_\_\_\_\_  
John W. Byrne, Mayor

ATTEST:

(TOWN SEAL)

  
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Rose H. Rich, Town Clerk

