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General Fund – \$5,653,000

The **General Fund** for Fiscal Year 2025–2026 totals **\$5,653,000**, supporting essential services and operations in the Town of Mount Olive, such as public safety, parks and recreation, public works, and other town services. This budget reflects the Town's ongoing commitment to providing high-quality services while positioning itself for long-term financial sustainability.

Tax Rate & Revenue Neutral Status

The **Town of Mount Olive** will maintain a **flat property tax rate of 7.5 cents per \$100 of assessed valuation** for FY 2025–2026, even following the **revaluation of properties**. While this means the tax rate remains the same, property owners may see a difference in their tax bills based on changes in the assessed values of their properties.

The Town has **decided not to move forward with a "revenue neutral" tax rate**. Instead of adjusting the rate to match the new property values and maintaining the same overall revenue as before, the Town has chosen to keep the rate at the existing level of **7.5 cents**. This decision will result in an increase in revenue, which will help support the Town's financial position while not unduly burdening taxpayers.

Increase in Revenue & General Fund Balance

The increase in revenue from property taxes, coupled with stable revenues from other sources such as **sales and use taxes** and **ABC revenue**, will provide the Town with an opportunity to make meaningful strides in building its **General Fund balance**. Currently at **17%**, the Town is aiming to increase its fund balance to a level more comparable to its peers, which maintains a fund balance of around **34%**.

Increasing the General Fund balance is a key priority for the Town as it provides a financial cushion to support **emergency situations, capital improvements**, and the continued **growth and development** of the Town. A stronger fund balance will also help to secure the Town's financial health and provide the flexibility needed for long-term planning.

Improving Infrastructure and Meeting Taxpayer Demands

The additional revenue from the property tax increase will also allow the Town to respond to the **infrastructure needs** that have been consistently identified by residents. Taxpayers have been vocal about the importance of improving **town streets, sidewalks, street signs, lighting**, and other infrastructure projects that enhance the overall quality of life in Mount Olive. This budget includes dedicated funding to address these needs:

- **Streets:** Funds will be directed toward **street repair** and **paving** to improve road conditions and enhance safety.
- **Lighting:** Increased funding for **street lighting** to ensure that all areas of the Town are well-lit and safe, particularly in residential and commercial districts.
- **Sidewalk Repair:** Continued efforts to repair and expand the Town's **sidewalk network**, improving walkability and accessibility for all residents.
- **Signs & Other Infrastructure:** Upgrading **Street Signs** and making other improvements to enhance the aesthetic appeal and functionality of the Town's infrastructure.

These projects will not only improve the daily experience for residents but also contribute to the overall long-term **economic development** of Mount Olive by making the town a more attractive place for businesses and visitors.

General Fund Expenditures

The General Fund will continue to support the essential services that Mount Olive residents depend on, including:

- **Public Safety:** Full funding of the **Police Department (PD)** to ensure continued law enforcement services, and investment in **fire protection** through the **Waylin Fire Fund**.
 - **Parks & Recreation:** Continued investment in **recreational programs** and services for children, adults, and seniors, including increased funds for **referee fees** at sports events.
 - **Public Works:** Ongoing support for the maintenance and improvement of the **Town's infrastructure**, including streets, sidewalks, and public properties.
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Building Towards a Sustainable Future

The increase in revenue from taxes, along with the Town's decision to keep the tax rate flat, will enable Mount Olive to continue improving its financial standing while making critical investments in infrastructure. Building the **General Fund balance** to **34%** and addressing **taxpayer priorities** like streets, lighting, and sidewalks will ensure that the Town is well-positioned to meet the demands of its residents for years to come.

The Town is committed to improving the quality of life for all residents, investing in the future, and responsibly managing its financial resources.

Revenue Highlights

- **Sales and Use Tax** remains **flat at \$1,370,000**, aligning with performance trends from the previous year.
 - **ABC revenue** is expected to increase by **2%**, following projections from the North Carolina League of Municipalities (NCLM).
 - A **slight decrease in Rental Vehicle Tax** is projected due to the **closure of the local U-Haul rental agency**.
 - A **\$91,195 fund balance appropriation** is included to help address one-time needs and stabilize financial resources, while supporting the Town's ongoing effort to **remove itself from the LGC's Unit Assistance List**.
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Expenditure Highlights

The budget includes key investments to continue supporting the community's growth and maintain high levels of service:

- **Utilities and Fuel** – Adjustments to account for **rising energy costs** and a **Duke Energy rate increase**.
- **Mount Olive Municipal Airport** – A **\$75,000 in-kind match** continues to support grant projects at the airport.
- **GWTA Contribution** – **\$26,000** maintains the Town's annual support for regional public transit.
- **Employee Benefits** –

- The Town will continue to cover the cost of medical, life, dental and vision insurance premiums for all full-time employees. An extended waiting period for that coverage will go into effect with this budget; increasing the waiting period from 30 to 90 days.
- **Retirement contributions** will increase by 1% in accordance with state guidelines.
- **Fleet Management** – The **Enterprise vehicle lease program** has been reviewed and adjusted, with departmental costs carefully tracked. This debt remains **monitored by the Local Government Commission (LGC)**.
- **Sanitation** –
 - **Landfill fees** have increased, as dictated by **Wayne County Solid Waste**, from 40 to 45 per ton.
 - **Monthly sanitation fees** will remain **\$22 per can per month**, ensuring that the cost of the service remains stable for residents while meeting the needs of the growing town.
 - The decision was made to contract out these services for the FY 25/26 budget.
- **Infrastructure Improvements** – Significant investments have been allocated for the following projects:
 - **Street Signs** – New and replacement street signs will be funded to enhance visibility and improve public safety.
 - **Sidewalk Repair** – A portion of the budget is dedicated to repairing and upgrading existing sidewalks to improve pedestrian safety and accessibility.
 - **Increased Lighting** – The budget also includes funding to enhance street lighting in key areas of the Town, increasing safety for residents and visitors.
 - **Paving of Streets** – Funding is allocated for the **paving of streets** in need of resurfacing, ensuring the continued maintenance and improvement of the Town's road network.
- **Public Safety Commitment** – The Town of Mount Olive is committed to ensuring the safety and well-being of its residents. As such, the **Police Department's budget** ensures the department has the necessary resources to maintain public safety, meet operational needs, and enhance community policing efforts.
- **Waylin Fire Fund** – A contribution from the Town will add to the revenue expected for this Fund. The Town appreciates the Waylin Fire Fund and all its staff; volunteer and paid.
- **Parks and Recreation** – The **Parks and Recreation Department** remains a central priority, with continued funding to provide **recreational opportunities for children, adults, and seniors**. This includes the operation of parks, organizing sports leagues, and ensuring community engagement through various activities.
 - **Increased funding** has been allocated for **contract services**, specifically for **referee fees** in all sports, as the costs for officiating games have risen.

The **General Fund** will also contribute **\$375,000** to the **Waylin Fire Fund** to cover **salaries and fire truck payments** through USDA financing, ensuring the fire department's continued operational effectiveness and fulfillment of its financial obligations.

Community Contributions

In line with its commitment to community engagement, the Town Board has allocated funding for several local organizations and events:

- **\$1,500** – W.I.S.H. (Women Inspiring Success & Hope)
- **\$1,000** – Black History Parade
- **\$2,500** – Mount Olive Historical Society
- **\$ 500** - Juneteenth Celebration
- **\$2,500** - MO Chamber
- **\$10,000 (proposed)** – Sponsorship of the **North Carolina Pickle Festival**, with the Town being a **named sponsor** of this key regional event.

Powell Aid Fund – \$192,100

The **Powell Aid Fund** for Fiscal Year 2025–2026 is **\$192,100**, with these receipts allocated to essential infrastructure projects and equipment to improve the Town’s streets and public works capabilities. The Powell Aid Fund is critical for maintaining and upgrading the Town's transportation infrastructure, ensuring safe and efficient roadways for all residents.

Revenue Allocation

- **Contracted Services for Street Paving and Coating** – Funds will be allocated to cover **street paving and coating** projects throughout the Town. This includes resurfacing existing roads to maintain the quality of the Town’s transportation infrastructure.
- **Street Drainage Improvements** – **Street drainage improvements** to reduce flooding and improve stormwater management throughout the community, ensuring safer roadways and preventing water damage to streets.

Water & Sewer Fund – \$4,078,996

The **Water & Sewer Fund** for Fiscal Year 2025–2026 totals **\$4,078,996**, supporting the operation, maintenance, and improvement of the Town’s water and sewer systems. These funds are crucial for maintaining the high quality of services to residents while ensuring that the infrastructure can meet the growing needs of the community.

Revenue Highlights

- **Water Rate Increase:** A **proposed 8% increase in water rates** for customers is expected to generate an additional **\$141,725** in water revenue for the year.
 - **Sewer Rate Increase:** The **8% increase in sewer rates** will bring in an additional **\$137,608** in sewer revenue. These increases are essential to help cover the growing operational costs and fund necessary infrastructure upgrades.
 - **Total Water & Sewer Revenue:** The total revenue budget for the Water & Sewer Fund is **\$4,078,996**, including the rate increase.
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Expenditure Highlights

The additional revenue generated by the rate increases will support the continued operation of the water and sewer systems while funding improvements in critical areas:

- **Water System Improvements:** Funds will be allocated for the upgrade of the **water system**, including improvements to **filters** and the installation of **new water meters**, enhancing service delivery and system efficiency.
- **Sewer System Improvements:** Sewer revenue will be used for **capital expenditures**, repairs, and necessary equipment to modernize the sewer system, improve service quality, and maintain system functionality.

Sewer Collection Salaries are now included with Water Distribution.

These combined positions are part of the Town’s efforts to meet the requirements of the **Special Order of Consent (SOC)** and the **Infiltration and Inflow (I&I) improvements**, both of which are mandated by the state to ensure the proper functioning of the sewer system. These employees will use specialized camera equipment to view and document the conditions of the sewer pipes, identifying areas where water infiltration or inflow might occur, which can lead to system overflows, leaks, and other significant issues.

Investment in these positions is a crucial step in addressing the aging infrastructure and complying with the **Special Order of Consent**. By employing dedicated staff to carry out this essential work, the Town will be able to proactively manage sewer system health, make necessary repairs, and avoid more costly emergency fixes in the future.

Capital Reserve – Utility Fund

In addition to these operational changes, the Town is allocating **\$616,208** to the **capital reserve** to support **unforeseen improvements** and critical infrastructure repairs for both water and sewer. A portion of this will fund efforts related to the **Infiltration and Inflow (I&I) plan** for sewer pipes, as mandated by the SOC. This reserve ensures that the Town has the flexibility to address urgent repairs and upgrades throughout the year.

Financial Standing & Distressed System Status

Despite previous rate increases, the Town's **cost recovery** remains below the **1.5 ratio** recommended by the state guidelines, placing Mount Olive in the **distressed water system** category. The combination of rate increases, additional staffing, and the capital reserve is part of the long-term strategy to improve system performance, bring costs in line with actual needs, and lift the Town from its current distressed status.

The funding for these critical staffing additions and infrastructure improvements is vital to ensuring that Mount Olive remains compliant with state mandates, can effectively maintain its sewer system, and is prepared for future growth.

Mount Olive Municipal Airport Fund

The **Mount Olive Municipal Airport Fund** for Fiscal Year 2025–2026 is projected to generate a total of **\$407,742** in revenue, derived from a variety of sources that sustain the airport's operations and contribute to its continued development as a vital asset for both the Town and surrounding areas.

Revenue Breakdown

- **Hangar Rent:** The airport generates **\$37,300** in revenue from **hangar rentals**, providing consistent income as aviation businesses and private pilots lease space for their aircraft.
- **Lease of AV Helipad:** The lease of the **AV helipad** brings in **\$14,400** annually, adding another revenue stream to support the airport's operations.
- **Sales of Jet and AV Fuel:** The sales of **Jet Fuel** and **AV Gas** contribute significantly to the airport's revenue, with total sales expected to bring in **\$214,200** for the fiscal year. These fuels are crucial for supporting both general aviation and commercial aviation needs.
- **Wayne County Contribution: 33,300** The airport also receives a contribution from **Wayne County** to help support its ongoing operations, further bolstering the revenue stream.

BIL Grant Match

In FY 2025–2026, the **Town of Mount Olive** expects to move forward with a **\$75,000 match** for the **BIL Grant (Bipartisan Infrastructure Law)**. These grant funds are **nearing expiration**, and the Town plans to ensure they are utilized for airport infrastructure improvements. The matching funds will allow the Town to continue pursuing federal

grant opportunities for airport enhancements, including runway repairs, safety upgrades, and other critical infrastructure projects.

MOWING CONTRACT A contribution from the Town of **32,742** will be allocated to cover the cost of a mowing contract at the Municipal Airport.

Use of Revenue

The total revenue generated from these sources will be allocated to:

- **Operating Expenses:** Covering the ongoing costs of running the airport, including staffing, maintenance, utilities, and equipment needs.
- **Capital Improvements:** Funding necessary infrastructure upgrades, including improvements to runways, lighting systems, and facilities. The **BIL Grant match** will play a critical role in these efforts.

Expenses of 407,742 is equal to the revenue generated.

The **Mount Olive Municipal Airport** remains an integral part of the Town’s infrastructure, and these funds will ensure its continued success as a vital transportation hub. The Town is committed to leveraging all available resources, including the BIL Grant, to improve the airport and provide a reliable facility for both local and regional aviation needs.

WAYLIN FIRE FUND

Revenue: Projections for FY 25/26 are a total of **689,412**.

These revenue sources are from the following:

Duplin County:	36,440
Duplin County:	12,300
Duplin County:	30,103
Town Contribution:	375,000
Wayne County:	<u>220,569</u>
	689,412

Expenses are equal to the revenue generated for this department.