



## BUDGET MESSAGE

### 2022-23 Town Manager's Budget Message

Honorable Mayor and Mount Olive Commissioners,

I am pleased to present a recommended budget that represents a renewed commitment to providing quality municipal services and accountable fiscal management for the citizens of the Town of Mount Olive. This budget is prepared in accordance with Local Government Budget and Fiscal Control Act and N.C. General Statute 159-11. The proposed Annual Budget for the Fiscal Year beginning July 1, 2022 and ending June 30, 2023 is balanced and hereby submitted for your consideration.

Last year at this time the Town of Mount Olive faced continuing uncertainties brought on by the COVID 19 pandemic that continue to affect the state and local economies. We are fortunately seeing improvements unemployment rates and increased business activity, leading to increased sales tax revenues.

The Town of Mount Olive Commissioners have been laser focused on addressing projected growth and development by continuing to develop strategies to remove the Town out of the sewer moratorium. This moratorium was due to years of neglecting our sewer treatment system. A new focus on keeping our sewer system up to date with grant funding, annual upkeep and maintenance will help the Town move forward from the moratorium.

An ambitious group of commissioners, town employees and residents has been assembled to find new grant opportunities that will help make improvements to the Town's water and sewer systems as well as other community projects to better the Town of Mount Olive. The following projects are in the works to help the Town with these goals:

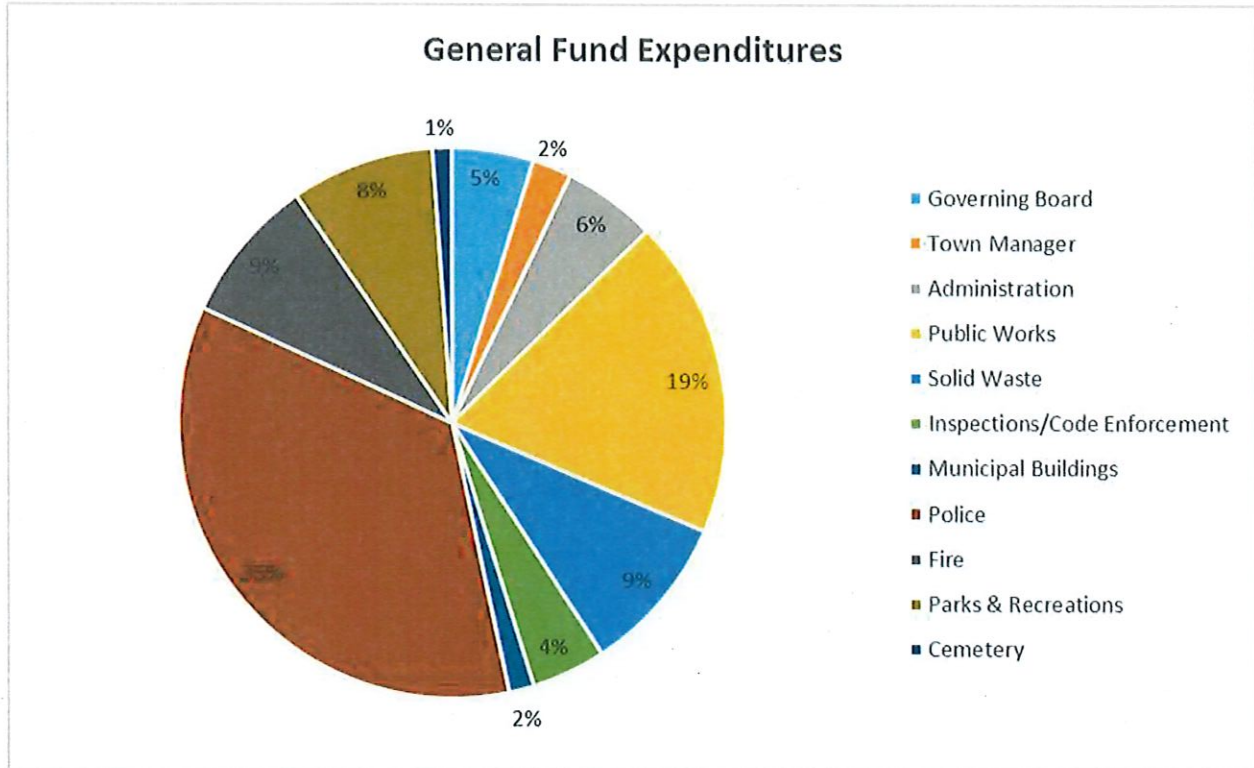
- We are nearing completion of phase I of a \$5.5 million conversion of our sewer drip fields what did not properly work to a new spray field system to allow more flow of treated wastewater from our plant. The first phase of this project will be completed by June 30, 2022 and the second phase will begin in June of 2022. This project will allow our Town to move one step closer to removing ourselves from the moratorium.
- The Town will receive funding from the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds (ARP/CSLFRF) of \$1,458,996.90. The Town has allocated \$1,198,996.90 of these funds to make additional needed improvements to our wastewater

treatment plant and reduce sewer inflow and infiltration to bring the town out of the moratorium. In addition, these funds will be used to reduce sewer inflow and infiltration into our sewer system. The remaining \$260,000 of these funds will be used to reimburse the General fund for COVID 19 pandemic wages.

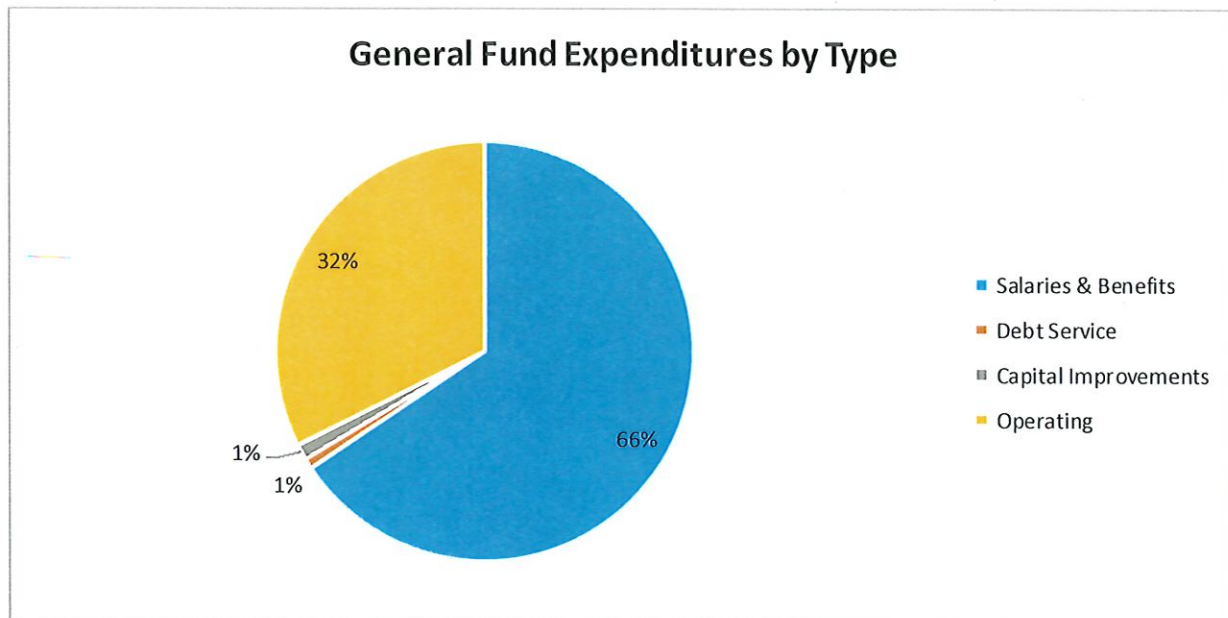
- The Town has worked with Mr. David Honeycutt of McGill & Associates to apply for a \$15 million American Rescue Plan funded grant with the NC Department of Environmental Quality. This grant will help fund additional projects to improve our wastewater treatment plant and reduce sewer system inflow and infiltration. Improvements to our wastewater treatment plan will move us closer to ending the moratorium.
- With the help of Mr. David Harris, the Town was awarded a Community Development Neighborhood Revitalization Block grant for \$750,000 from the NC Department of Commerce office of Rural Economic Development. This grant will help replace 4 low income family homes and make improvements to one additional low income family home in our community. Work has already started on this project.
- Construction will start soon on a \$2 million Community Development Sewer Infrastructure Grant from the Division of Water Infrastructure. This project will replace deteriorating sewer lines and manholes in our lower income neighborhoods.
- A grant application was submitted to the Department of Public Safety and Emergency Management for \$1,000,000 to help with flood mitigation at Maple and Center St. This grant would fund installation of a culvert under the railroad and drainage to move the water out of town. This area has flooded during storms for many years causing problems for residents and businesses in the area.
- Various other grant applications were submitted to the NC Office of State Fire Management, AARP and Kubota for other needs in the Town.

## General Fund Budget Summary

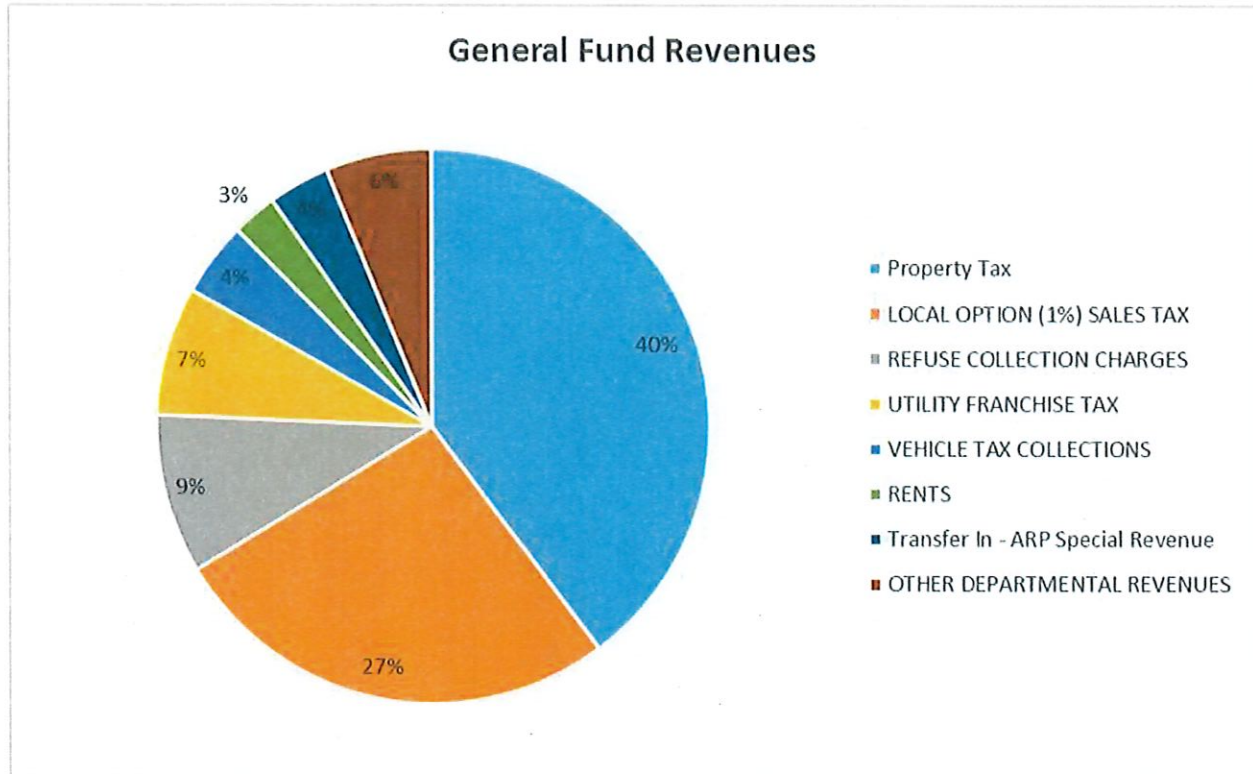
The total recommended General Fund Budget for the fiscal year ending June 30, 2023 is balanced at \$4,409,100. We feel that it is prudent to take a conservative approach with General Fund revenues and expenditures even in the light of rising inflation. The chart below is a breakdown of the General Fund expenditures budgeted for the fiscal year by department.



As you can see from the chart below, our employees are our greatest asset making up 66% of our General Fund expenditures. This budget shows a focus on retention of Town employees by ensuring that salaries remain competitive within our area, and continuing to invest in training and education opportunities to maintain an effective and efficient workforce.



For the 2022-2023 fiscal year, there is included a 3 cent increase in the property tax rate. Our current rate is 64 cents per \$100 valuation. The rate will go to 67 cents per \$100 valuation. This is in comparison to 68 cents for Goldsboro, 68 cents for Fremont and 69 cents for Pikeville. The Town of Mount Olive has done a very good job at keeping expenditures low to avoid any tax rate hikes. This trend will not continue in the future with the increase in inflation and competitive wage rates. Below is a breakdown of the budgeted revenue sources for the General Fund:



### Powell Aid Fund Budget Summary

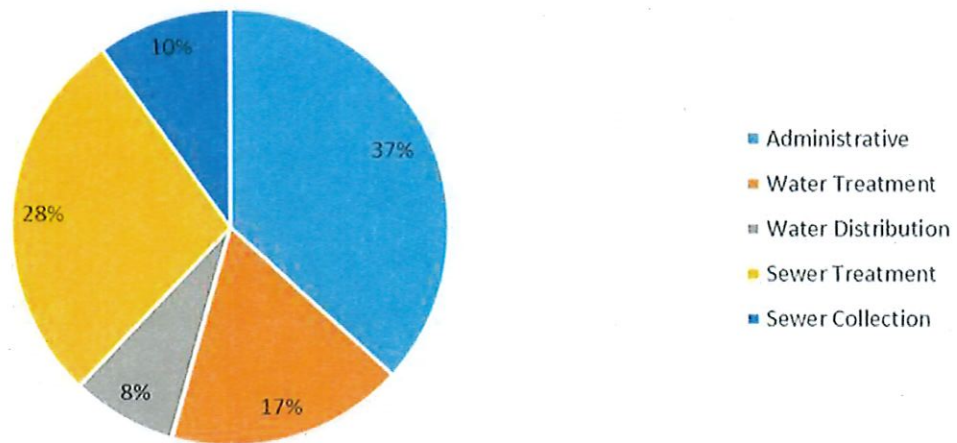
Powell Aid funding is expected to remain flat this year at around \$140,000. Due to increasing costs of street paving, we continue to prioritize projects and make improvements as funds become available.

### Water & Sewer Fund Budget Summary

The total recommended Water & Sewer Fund Budget for the fiscal year ending June 30, 2023 is balanced at \$3,684,800. There are no Water & Sewer rate increases in the proposed budget.

The Town is currently under a water and sewer moratorium. Due to the moratorium, we have increased our efforts to locate inflow and infiltration into our sewer system as well as budget to allow routine maintenance our water and sewer systems. These ideals were on the backburner in prior years; they are now at the forefront. If we do not maintain these systems, the Town of Mount Olive will never grow in residential and industrial areas.

### Water & Sewer Expenditures by Department

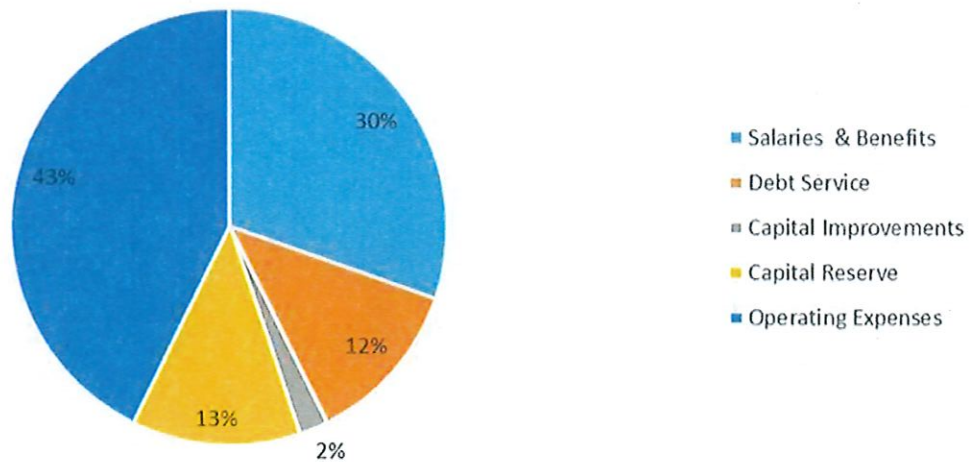


This years Water & Sewer budget includes increased expenditures for our new wastewater spray fields which should come online in June of 2022. We have also made a concerted effort to properly budget for annual maintenance on our water and sewer systems. These annual maintenance costs will allow our systems to run more effective and efficient. Allocation of funding to our sewer collections department will allow for more smoke testing of our pipes, which will allow us to fix sewer inflow and infiltration problems using our ARP funding. We will also continue to budget improvements to our sewer treatment facility in order to move the Town closer to eliminating the moratorium.

Again, you can see that our employees are a vital part of our Water and Sewer departments. We have budgeted an increased investment in our employees in order to retain competent, qualified and educated workers in today's competitive market.

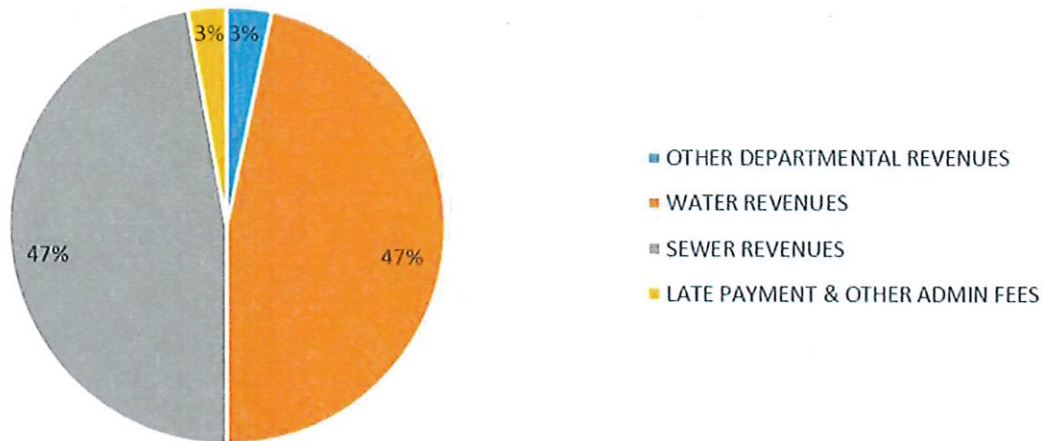


### Water & Sewer Expenditures by Type



The fiscal year 2022-2023 budget does not contain any increase in water and sewer rates. We believe that our water and sewer revenues will remain steady through the June 30, 2023 fiscal year.

### Water & Sewer Revenues



### Conclusion

The Town Commissioners continue to show a laser focused dedication to bringing the Town of Mount Olive off the moratorium. I believe this budget also shows a continued effort to maintain our water and sewer systems that were neglected in the past. There is also an increased effort to fund our sewer collections department to find inflow and infiltration problems with the sewage system.

The Finance Director and I took a conservative approach to budget predictions making balancing budgets across all funds very challenging this year. That being said, we believe that this budget continues to move the Town of Mount Olive forward and addresses the needs of the community.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Jammie Royall', with a long horizontal flourish extending to the right.

Jammie Royall  
Town Manager