

MEMO

Date: May 9, 2022

To: The Mayodan Town Council

From: Kathleen Patterson, Town Manager

Re: FY 2022-2023 Manager's Recommended Budget

As you know, this past year has seen extraordinary increases in the costs of every aspect of life and the Town of Mayodan has not been exempt from these increases. The cost of fuel, utilities, equipment repair, supplies (pipes, fittings, paper, etc.) have had a significant impact on the cost to run the Town. In April, we had to increase the budgets of Police, Fire, Public Works, and Parks by a total of \$22,810 to cover overtures in the purchase of fuel and to ensure they are funded in this line item through June. At the Water Plant, the chemical budget has been exceeded by \$12,615 as of the end of April. We have also received letters from our suppliers regarding the extremely short supply of the chemicals, which will increase the cost of the available supply. As you are aware, we are currently negotiating with our trash and recycling contractor under the force majeure clause of their contract due to the dramatic increase in diesel fuel prices, which has led to an increase in costs. It is under these trying circumstances that I make this request. For the fiscal year 2022-2023, I am recommending that the Council increase the property tax rate by three- and one-half cents to sixty-six (66) and 1/2 cents from the current rate of sixty-three cents. It is with understanding that this is an incredibly hard choice to make but I ask that you please consider it so we can continue to provide excellent service to the residents.

Within the budget you will find that the remaining ARP funds have been allocated to the Water & Sewer fund to cover the cost of infrastructure needs including the replacement of the remaining lead and asbestos water pipes, a VFD for the Water Plant to help control our utility costs, and sewer projects. There is a total of \$677,750 remaining of the ARP allocation.

I have increased the pay for the Fire Chief to \$10,000 a year and eliminated the secretary position. The cost for part-time employees remains at \$30,000 and \$50,000 for drills & calls. Additionally, I am requesting the use of \$18,000 for the replacement of four heat exchangers in the Fire Department building and for safety sensors and garage door openers on the garage door openers.

I am also requesting to use \$19,000 from the remaining UDAG grant funds to have a new website for the Town created. This funding was dedicated to economic development and marketing is an acceptable use of the funds.

The Town's trash and recycling provider has requested an amendment to their contract and within the budget is reflected the increased cost if this amendment is accepted. The increase is 3% per can and a monthly fuel surcharge fee. These costs would be recovered in the trash collection fee paid by the residents. The monthly surcharge fee per resident would be \$2.11 or \$4.21 for two months.

At the council's request, all gas & oil line items were doubled to meet costs. This total for gas in the General fund accounts is \$65,000. In the Water & Sewer fund accounts, the total is \$17,000.

As we have dedicated, well trained, and committed staff at the Town and to help offset the inflation that is occurring throughout the nation, I am requesting a 3% cost of living increase for all employees. This increase is reflected in the salaries shown in the requested budget.

Additionally, the State of North Carolina has mandated the retirement percentage for the Town of Mayodan to increase to 12.22% for non-law enforcement employees and to 13.1% for law enforcement employees. This is also reflected in the retirement line items of the departments.

Thank you for your consideration of this recommended budget.