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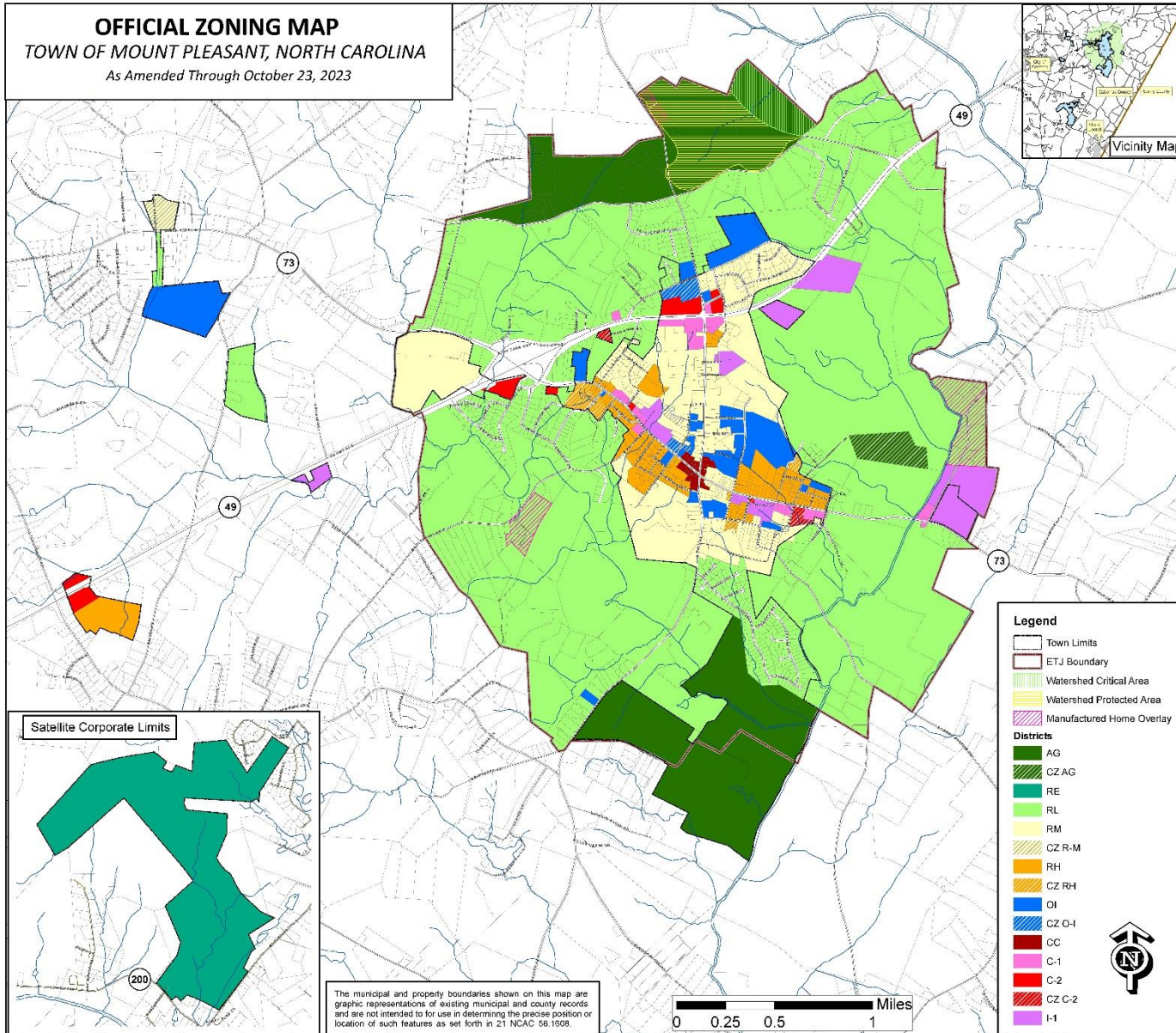
EST. 1859

NORTH CAROLINA

Budget Workshop FY 2024/2025

March 16, 2024

Map of Municipal Jurisdiction



Town Statistics

Area: Approx. 3.6 square miles

Population: 1,742 (2022 NC Certified Estimate)

FY2023-24 Tax Base: \$197,476,703

Fiscal Year	Personal Property Tax Value	Vehicle Tax Value	Total Tax Value	% Difference	Personal Property Tax Revenue	Vehicle Tax Revenue	Total Tax Revenue	% Difference
2018-19	\$ 134,204,338	\$ 12,999,950	\$ 147,204,288	n/a	\$ 688,450	\$ 69,358	\$ 757,808	n/a
2019-20	\$ 137,992,000	\$ 14,912,900	\$ 152,904,900	3.87	\$ 698,932	\$ 74,288	\$ 773,220	2.03
2020-21	\$ 165,705,816	\$ 13,169,000	\$ 178,874,816	16.98	\$ 844,911	\$ 83,112	\$ 928,023	20.02
2021-22	\$ 165,635,684	\$ 16,061,000	\$ 181,696,684	1.58	\$ 851,152	\$ 79,486	\$ 930,638	0.28
2022-23	\$ 173,400,782	\$ 18,331,000	\$ 191,731,782	5.52	\$ 875,674	\$ 92,571	\$ 968,245	4.04
2023-24	\$ 176,476,703	\$ 21,000,000	\$ 197,476,703	3.00	\$ 891,207	\$ 106,050	\$ 997,257	3.00
2024-25*	\$ 277,006,840	\$ 19,884,000	\$ 296,890,840	50.34	\$ 1,080,327	\$ 77,548	\$ 1,157,874	16.11
						avg. annual % difference		7.58
Revaluations completed for FY20-21 and FY24-25								
*Projected (assuming 0.39 tax rate)								

State of the Town

Proposed tax rate of **\$.39** cents per \$100 tax value =Est. Revenue \$1,128,274 (FY 24/25)
Revenue Neutral is \$.36 cents per \$100 tax value (98% collection rate)

Current FY Property Tax Revenue \$ -977,312 (FY 23/24)

(\$42,378 normal growth / infill revenue, \$81,438 from \$.03 cents increase) **\$ 123,816** (increase)

Estimated Sales Tax Revenue Increase from NC \$ +22,000 (FY24/25)

Total Estimated Additional Revenue \$ 145,816

***One penny on Town tax rate equals \$27,146**

Fire Department

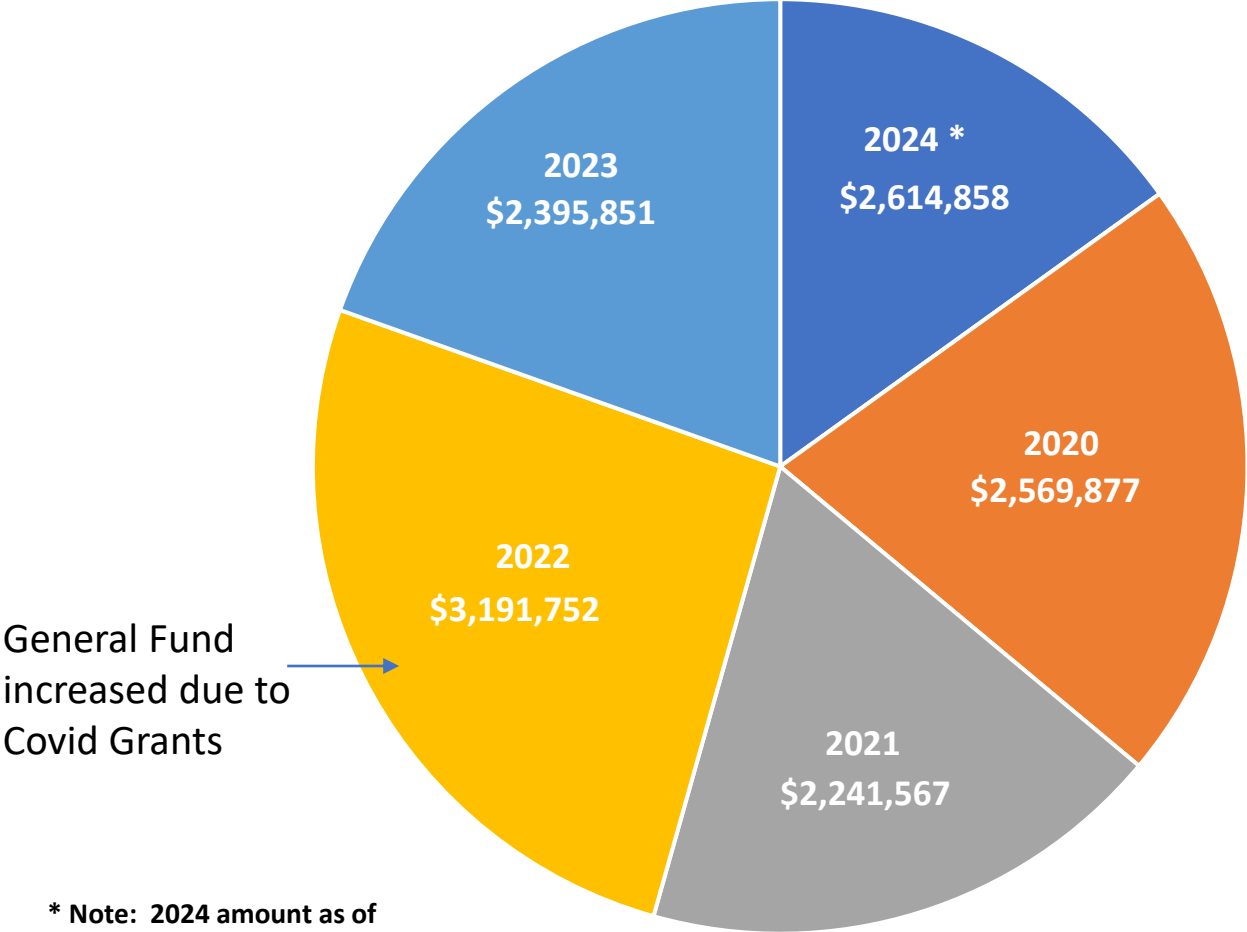
Rural District:

- Revenue Neutral is \$.08 cents per \$100 tax value
- Recommending an increase of \$.03 cents to \$.11 cents per \$100 tax value
 - One penny on Rural Tax Rate is \$81,000
 - This would result in \$243,000 estimate additional revenue

Various Fund Balances as of 02/29/2024

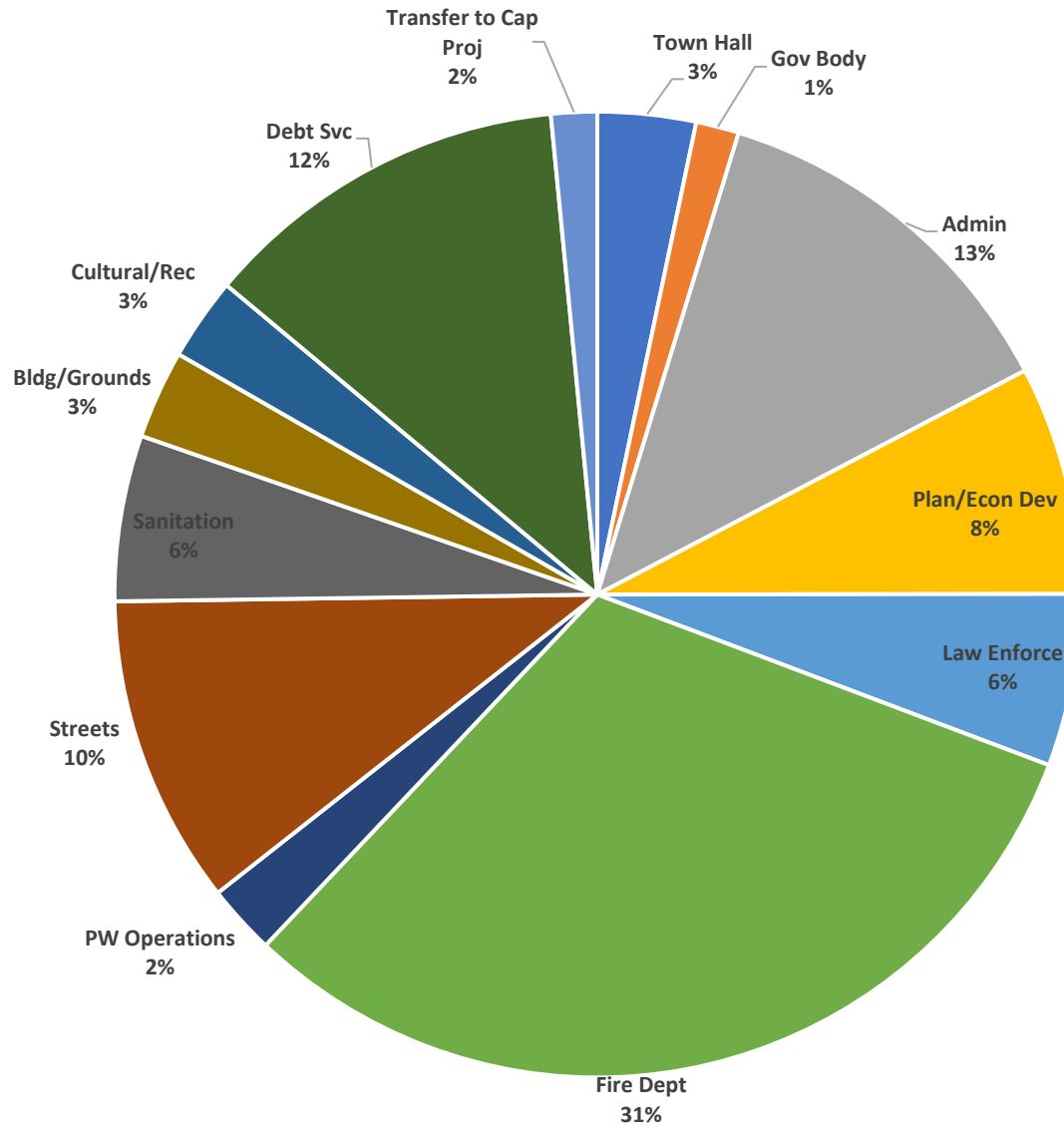
•Restricted Fund Balance by Policy (42%)	\$1,033,837
•Stabilization by State Statute (10% included in the 42% above)	\$ 222,444
• Estimated Unreserved General Fund Balance Available	\$1,831,120
•General Fund Checking	\$ 91,085
•Powell Bill Fund	\$ 35,747
•Streets & Infrastructure Capital Reserve	\$ 14,960
•Escrow (Sidewalks)	\$ 6,306
•Park Development	\$ 1,108
•Fire Capital Reserve –Vehicles	\$ 1,786
•Fire Capital Project-Station (<i>\$50,000 obligated to Liles Construction, rest lockers</i>)	\$ 54,543
•Capital Reserve Equipment/Law Enforcement Vehicle	\$ 56,680
•Water & Sewer MM (Loans to USDA \$260,000. State Funded W/S Projects \$319,000)	\$ 902,908
•Water & Sewer Checking	\$ 142,053
•Future Retiree Insurance Fund	\$ 27,573
•USDA Payment Reserve	\$ 251,891

Total General Fund Budget 5 Year Comparison

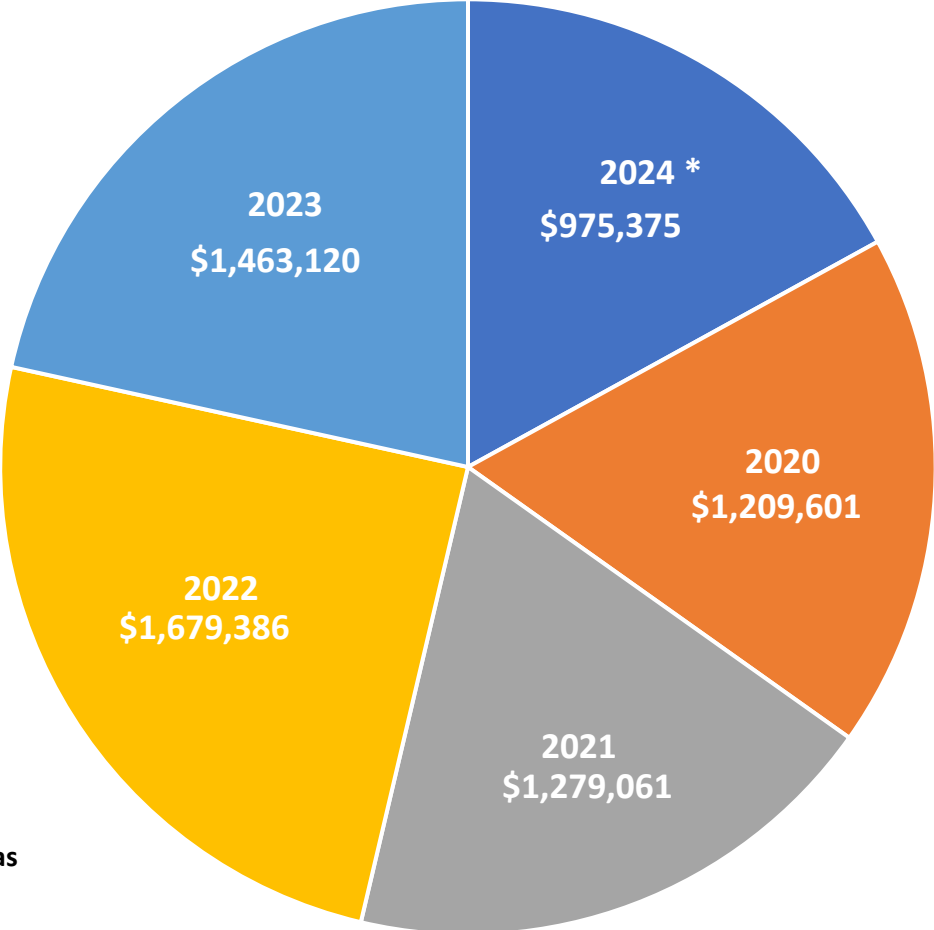


* Note: 2024 amount as of February 29, 2024

Current General Fund Expenditures by Department FY 2023/2024: Total Budget \$2,826,062

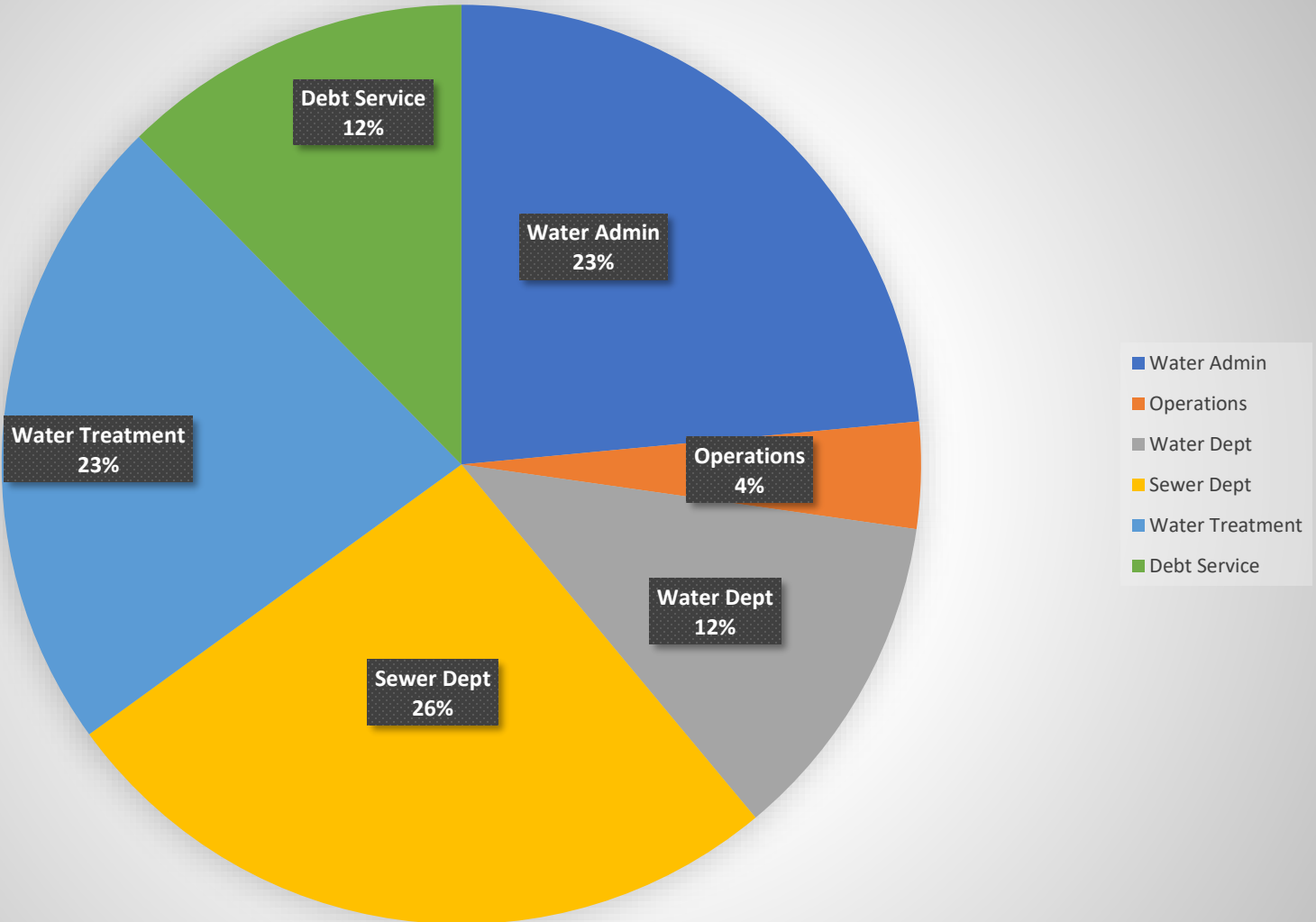


Water/Sewer Budget 5 Year Comparison



* Note: 2024 amount as of February 29, 2024

Water & Sewer Expenditures By Department FY 2023/2024 – Total Budget \$1,534,530



Requests for Fiscal Year 2024/2025



Budget Requests

FY 2024/2025 General Fund Requests **\$169,014**

Pay Study Implementation \$40,000
Utilities (Duke Power 23.8% increase) \$18,827
Sanitation Services (Waste Pro) - \$6,812
Cabarrus County Sheriff's Department - \$21,459
Audit (includes \$1000/project) - \$3,000
Worker's Comp Insurance (3%) - \$4,000
General Insurance (bldgs., vehicles, assets) - \$6,600
Contribution to NC State Retirement System (increasing to 13.6%) - \$4,116
Janitorial for Concession Stand Cleaning (twice a week) \$7,200
Additional support for the Fire Department - \$27,000
Transportation Fund - \$20,000
Miscellaneous - \$10,000

FY 2024/2025 Water/Sewer Fund Requests **\$128,593**

Pay study implementation - \$40,000
Utilities (Duke Power 23.8% increase) - \$12,079
Contribution to NC State Retirement System (increasing to 13.6%) - \$3,477
WSACC - \$61,037 (*Pass through to sewer customers*)
Outsourcing Class A Certifications for Water & ORC - \$12,000
Water Treatment Plant Misc. Equipment (they absolutely must have!) - \$28,600 Fund Balance

General Fund

2024/2025 Requests:

Admin

- Implementation of Pay Study
- The Town's contribution to NC State Retirement will be **13.6%**. (Current FY rate is 12.85%)
- Update on health insurance: We are not aware of any increases at this time.

Fire Department

- Propose \$1 per hour raise for Fire Department base pay (\$16 to \$17 per hour) and rank differential (Captains \$18, Assistant Chiefs \$20, Deputy Chief \$25, and Fire Chief \$30 per hour) **both starting mid-October 2024 payroll.**
- Capital Reserve: **\$50,000**
- Adding 4th position 24/7 and pay increase starting in October. **\$208,260**
- 3 cents increase in Rural District Tax Rate will generate an estimated **\$240,000**

Streets

- Cutterhead (**\$20,000** of \$40,000-split ½ General Fund Balance & ½ Water/Sewer Fund Balance)

Building & Grounds

- 16' mower Trailer with toolbox: **\$7,000** General Fund Balance)

Planning

- Completion of Comprehensive Plan (remainder of **\$68,500-** General Fund Balance not paid out during FY23/24)

Water/Sewer Fund

2024/2025 Requests:

Admin

- Implementation of Pay Study: **\$40,000**

Water

- Cutterhead (**\$10,000** of \$40,000 cost split ½ General Fund Balance & ½ Water/Sewer Fund Balance)

Sewer

- Cutterhead (**\$10,000** of \$40,000 cost-split ½ General Fund Balance & ½ Water/Sewer Fund Balance)

Water Treatment Plant

- Miscellaneous Equipment (**\$28,600**-Water/Sewer Fund Balance)

Pay Study

The Board approved a Pay Study in FY 23/24. The Pay Study was presented at the January 2024 board meeting.

The impact of that study is as follows:

- Estimated \$80,000 total
 - Estimated \$25,000 impact with the Assistant Manager's Position

Staff recommendation for implementation is as follows:

- The pay increases would become effective with the first full payroll in October 2024
- Staff recommends the Board consider using some Fund Balance from both the General Fund and the Water Sewer funds to bridge, for a period of time, until new revenues start from the new sub-divisions currently under construction.

For example: \$40,000 from General Fund Balance

\$40,000 from Water Sewer Fund Balance

Project Updates

Fire Dept Renovation

- Project is complete waiting on final closeout with Liles Construction.

Municipal Complex & Park Project

- MC&PI Project complete. Working with plumber to address issues in concession stand.

Park Drive Waterline Project

- Park Drive Waterline plans have been submitted to the State. Staff will coordinate the bidding and construction of that line to insure it will not impact events.
- Waterline will be paid for by the \$100,000 State Grant for Capital Projects.

Project Updates

USDA Project (\$6,048,000)

- Empire Dr Pump Station project has started and should be finished by mid to late fall
- A,B,C St Sewer Rehab and Manhole Project should start late fall and finish summer of 2025

Waterline Projects that include Main St, Franklin St, Cook St, and Hwy 49 (\$7,336,000)

- The plans and specifications are currently being reviewed by the State and hope to go to bid in May and construction start in July. (Estimate to be 18-24 month project.)

Lower Adams Creek Sewer Line Project (\$5,475,000)

- The specifications and design are currently being completed by LKC Engineering and Town Engineer.
- We are intentionally slowing this project from going out to bid to insure we have adequate funding for the waterline project which is a much higher priority.
- If we have to use funding from this project to fund the waterline project, we will have to reduce the scope of this project significantly.

Project Updates

Water Treatment Plant **Necessary Upgrades**

- Garver Engineering is currently preparing a fee and scope of work proposal for the Board to consider at a future meeting for the carbon filter system.
- We are now anticipating the projected cost is in the \$2-\$3 million range.
- We have identified \$1 million that could be redirected from the S. Skyland waterline project with approval from State Legislators.
- We may have to consider using funding from the Adams Creek Sewer Project to help fund this project.

Comprehensive Plan Implementation



Comprehensive Plan Implementation

- All projects currently underway implement strategies from the 2017 Comprehensive Plan.
- Priority projects implement strategies of the plan and/or catch up on the maintenance or improvement of infrastructure that was neglected for decades prior to 2015.
- Infrastructure and Services Goal Strategy #1 was to develop a Capital Improvements List/Plan dedicating funds annually to priority infrastructure projects.

Comprehensive Plan Implementation

Downtown Catalyst Projects

5 catalyst projects complete

ID	Building Improvements	Strategy Details
✓ 1	Hosiery Mill/Mercantile Renovation	CC4
✓ 2	Fire Station Expansion	DT6
✓ 3	Lentz Building Renovation	CC5
4	Theater Renovation	DT3
5	Infill Building	DT4
6	Infill Residential	LU3

ID	Infrastructure Improvements	Strategy Details
✓ A	Municipal Parking Lot	DT1
B	Additional Parking Improvements	DT1
✓ C	Town Hall Property & Recreation Improvements	DT6
D	Franklin Street Improvements	DT6
E	Main Street Improvements	DT2
F	Washington Street Improvements	DT2

6 catalyst projects currently being worked on



Plan Implementation Projects FY2024-25

Downtown Utility Duct Bank Installation & Stormwater Improvements

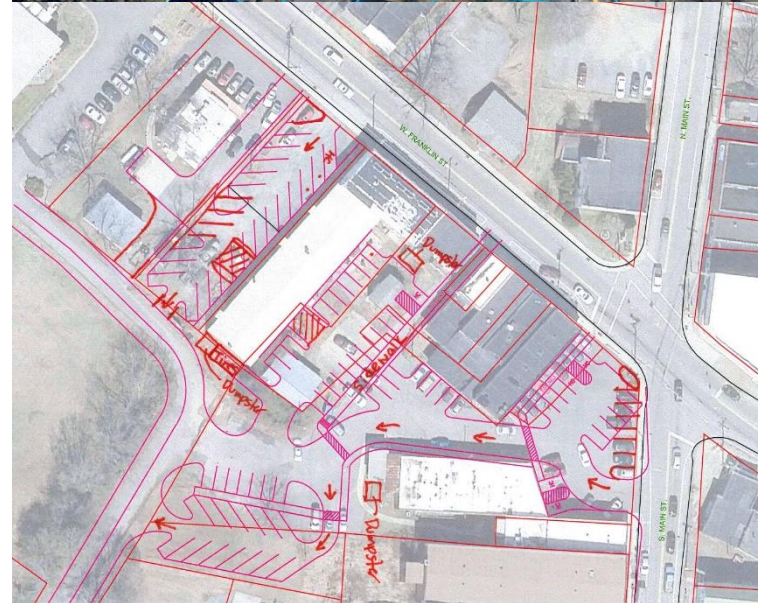
- Implements Downtown Goal Strategy #2 & Downtown Stormwater Plan
- BRIC grant provides \$4,022,275 in funding
- Town will need to fund \$794,500 (includes 12% match and balance of stormwater improvements)



Plan Implementation Projects FY2024-25

Downtown Parking Improvements

- Land swap pending
- Goal to complete engineering in FY23-24
- Will also implement stormwater recommendations
- Will need to work with Town Square Properties, Uwharrie Bank, Old Barringer Motors property owner
- Estimated Cost approximately \$750,000
- Exploring grant options



Plan Implementation Projects FY2024-25

Downtown Theater

- Currently owned by Town Square Properties
- \$2.5 million estimated to restore
- Consider donation of theater by Town Square properties to Town –facilitates grants
- Cabarrus Arts Council support
- Potential non-profit organization arrangement for maintenance and operation

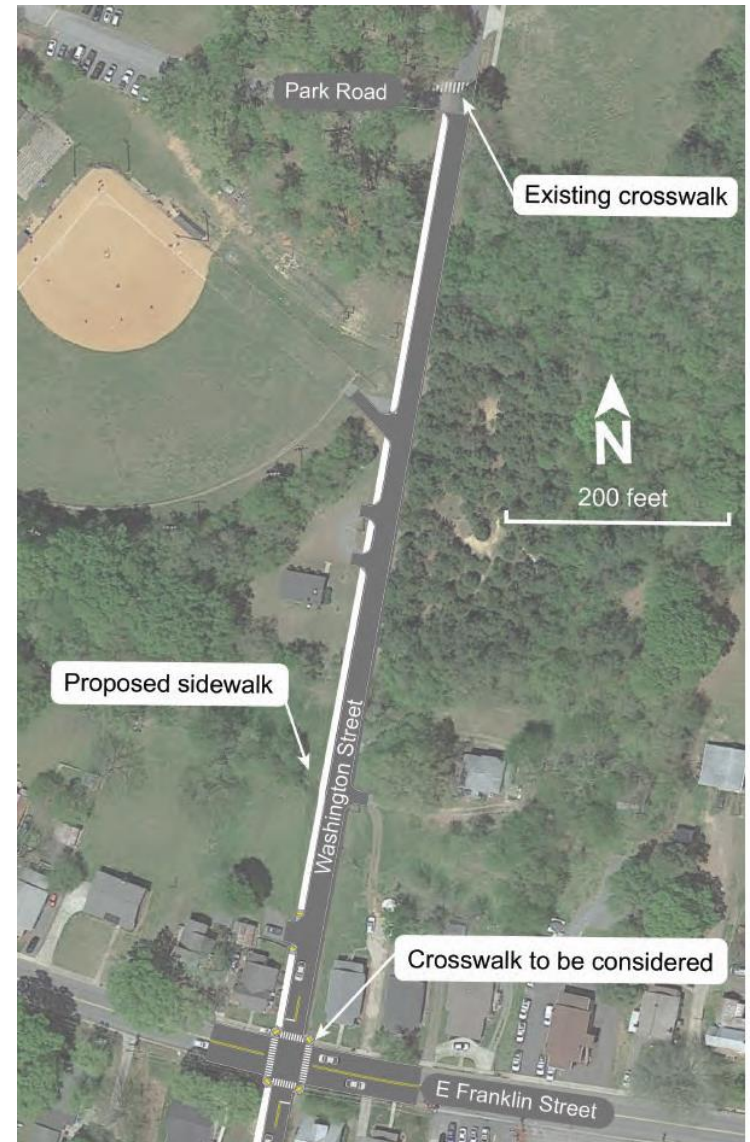


Plan Implementation Projects FY2024-25

Sidewalks

- N. Washington Street
- W. Franklin Street
- E. Franklin Street

\$2.7 million allocated in state budget. Applying for CMAQ grants on state roads to stretch funding further. State budget allocation would serve as 20% match.



Plan Implementation Projects FY2024-25

Street Paving

- Able to pave 7 streets in FY2023-24 from accrued Powell Bill and Transportation funds
- Need to continue paving priority streets each year in accordance with Pavement Condition Rating
- Powell Bill provides \$50,000 annually
- Increase in population and town street segments increasing Powell Bill revenue
- Consider committing **\$50,000** to transportation fund for paving (total of \$100,000-50% Powell, 50% extra)
- Could pave 3-4 streets annually



Capital Improvements List

2022-2028

Water & Sewer Capital Improvements

- Total of **\$54,952,720** in identified needs
- Funding expended or secured for **\$18,614,250** through loans, state budget allocations, and grants
- Developer participation anticipated in approximately **\$2,097,000** of projects (Green Acres & Walker Road)
- Need additional **\$34,241,470**.
- Biggest ticket items remaining are raw water intake/treatment and sewer treatment options.

Capital Improvements List

2022-2028

General Fund Capital Improvements

- Total of **\$23,773,000** in identified needs
- Funding expended or secured for **\$7,175,000** through loans, state budget allocations, and grants
- Potential outside funding sources identified for approximately **\$14 million**
- Need additional **\$2.6 million**, Powell Bill funds, (and successful grant applications)

Capital Improvements List

2022-2028

Potential Revenue from New & Proposed Development

Development	Status	Estimated Tax Base	Estimated Annual Ad Valorem Tax Revenue
Brighton Park	Under Construction	\$124,600,000	\$485,940
Green Acres	Under Construction	\$16,650,000	\$64,935
Adams Creek	Under Review	\$27,000,000	\$105,300
	Total	\$168,250,000	\$656,175

Estimated \$292,116 in water and sewer revenue.

Each of these developments facilitates the installation of infrastructure that serves more than just the individual development.

Capital Improvements Funding

How to Obtain Funding for Capital Improvements Projects

1. Keep updated Comprehensive Plan and Capital Improvements List
2. Complete feasibility studies and conceptual plans for large projects.
3. Obtain Preliminary Engineering Estimates for each project and update estimates annually to account for inflation and other factors.
4. Apply for grants as they become available and meet regularly with relevant agencies and legislative delegation to make them aware of infrastructure needs and opportunities for collaboration.



Town of Mount Pleasant Comprehensive Plan Update

Proposed Schedule & Tasks

1-23-2024

Task	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024
Phase 1: Update Background Information												
Update background information & maps												
Present background information and discuss public input survey with Steering Committee			Mar 25									
Phase 2: Public Input												
Prepare and distribute public input surveys												
Community input workshop					May TBD							
Analyze survey results												
Discuss public input results with Steering Committee						Jun 24						
Phase 3: Economic Development Analysis												
Stakeholder interviews												
Analyze three tracts for industrial feasibility												
Produce conceptual layouts for feasible sites												
Phase 4: Draft Comprehensive Plan												
Prepare draft vision, goals, and strategies												
Review draft vision, goals, and strategies with Steering Committee								Aug 26				
Prepare final draft												
Phase 5: Adoption Process												
Post draft plan on website												
Drop-in public presentation of draft plan										Oct TBD		
Planning Board recommendation											Nov 25	
Board of Commissioners public hearing & consideration												Dec 9
Final Deliverables												

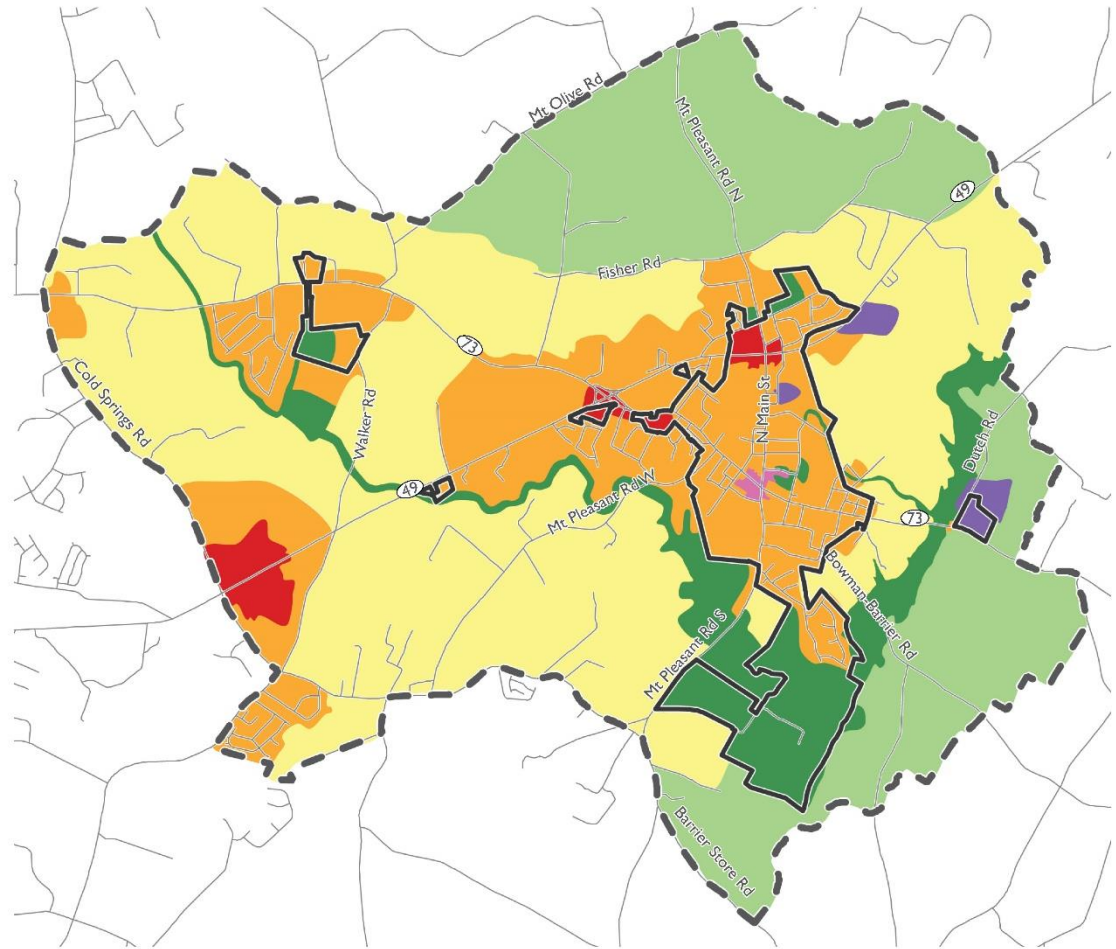
Tasks that do not involve Steering Committee or Board participation

Steering Committee and Board meeting dates

Comprehensive Plan Update

Current Planning Area Boundary

- Does not show full annexation agreement area with Concord
- Does not show annexation agreement boundary with Midland
- Does not show 600-acre “Mount Pleasant South” tract at Highway 200 that has been in Town limits for more than 15 years
- Does not show Town’s reservoir
- Does not follow drainage basins



	ACRES	% OF TOTAL
Open Space / Recreation	1,141.6	9.2%
Rural	3,105.2	25.0%
Low Intensity	5,512.0	44.5%
Medium Intensity	2,354.9	19.0%
High Intensity	165.7	1.3%
Downtown Core	18.3	0.1%
Employment Center	106.7	0.9%
TOTAL	12,404.4*	100.0%

- Recreational / Open Space
- Rural
- Low Intensity
- Medium Intensity
- High Intensity
- Downtown Core
- Employment Center

- Planning Area Boundary
- Town Limits
- Roads



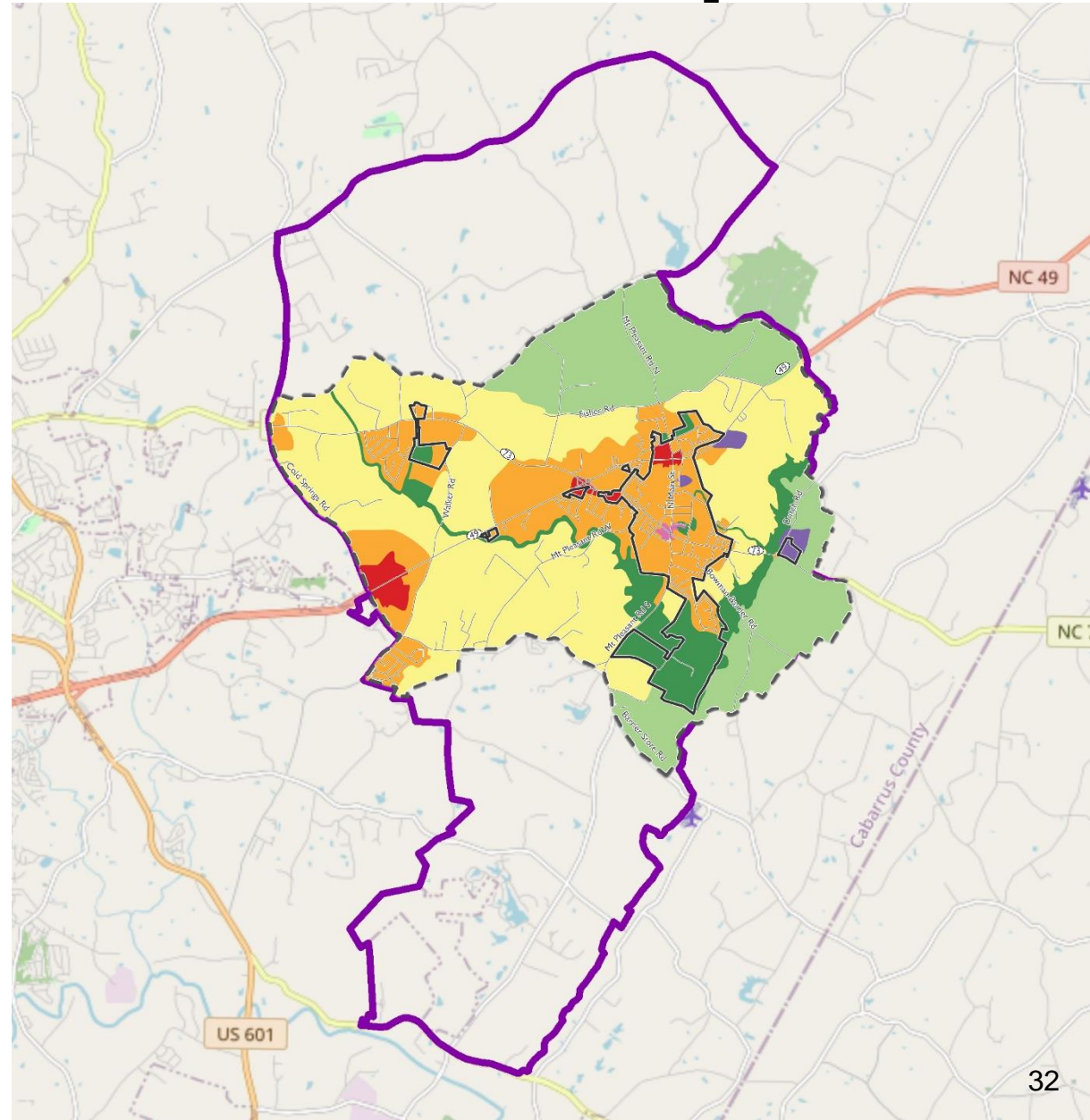
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* does not include R-O-W acreage

Comprehensive Plan Update

Draft Planning Area Boundary

- Includes annexation boundaries with Concord and Midland
- Includes “Mount Pleasant South” tract at Highway 200
- Includes Town’s reservoir
- Takes drainage basins into account
- Sphere of Influence
- Does not mean there will be annexations and developments in this area
- Remain primarily rural in this expanded area



Studies Update

System Development Fee Study: LKC is currently under contract. Currently on hold.

Asset Inventory and Assessment (AIA): These projects would map the Town's water, sewer, and stormwater system and analyze the current condition of the Town's systems. These projects would produce digital maps of the Town's entire water, sewer, and stormwater systems for future use. It will also identify a capital improvement plan list for future water, sewer, and stormwater projects in priority order. The Town's match for the grant, if any, could be in-kind services provided by the Public Works staff.

- **Water System Study:** \$150,000 State grant: Application submitted by LKC awaiting State approval before putting out RFQ
- **Sewer System Study:** \$150,000 State grant: Application submitted by LKC awaiting State approval before putting out RFQ
- **Stormwater Study for entire Town:** \$350,000 State grant: Awarded on February 24, 2023. Application has not been submitted to the State by LKC at this time.

***Postponed these projects with LKC until waterline & sewer projects are out to bid. It will take approximately 18 months to complete.**

Studies Update

National Register District Study

Nearing Completion. Draft survey and district update under review by State Historic Preservation Office.

Downtown Stormwater Study

Completed. CIP portion adopted. Working on implementation.

Water Treatment Study

Garver engineering preparing scope of work and fee proposal to prepare study.

Raw Water Intake Site Study

Garver engineering preparing scope of work and fee proposal to prepare study.

Sewer Treatment Feasibility Study

Need to work with WSACC board and consultant to include in County-wide study.

Recommend Increases to Customer Fees

General Fund:

- Recycle Fees – from \$3.00/month to \$3.25/month (Waste Pro increase of 5.2%)

Water/Sewer:

- Anticipate Estimated WSACC Increase: \$5.35 to sewer base rate (consider tiered rate system to lower amount to sewer base rate)
- Water Base Rate increase of \$.50 and \$.25 on **each** level of the tiered rate chart
- Increase Water/Sewer deposit from \$100 to \$125.
 - If customer provides Social Security number, deposit remains \$125.
 - If no Social Security number provided, \$250 deposit required.

General Fund Balance and Tax Rate Requests

Staff requests the following:

<u>GENERAL FUND</u>	Estimated Cost		
Administrative	\$169,014	Pay Study Implementation & Assistant Town Manager \$25,000 (doesn't include Fire Dept.)	Tax Rate-\$0.39
Planning	\$68,500	Comprehensive Plan Update (5 year)-What funds not expended FY23/24	Fund Balance
Public Works	\$27,000	Cutterhead \$20,000, 16' Trailer with toolboxes for lawncare \$7,000	Fund Balance

TOTAL: \$264, 514

Water & Sewer Fund Balance and Rate Requests

Staff requests the following:

<u>WATER/SEWER FUND</u>	Estimated Cost		
Administrative	\$88,593	Utilities, Retirement Contribution, WSACC Pass-through, Outsourcing ORC	Rate Adjustment
Administrative	\$40,000	Pay Study Implementation	Fund Balance
Public Works	\$20,000	Cutterhead \$20,000	Fund Balance
Water Plant	\$28,600	Necessary small equipment/instruments replaced	Fund Balance

TOTAL: \$177,193

General Fund

Undesignated Fund Balances

As of 2/29/2024			
General Fund Balance		\$ 1,831,120	
Sale of 625 Jackson St (old Public Works) - estimated	+	\$ 125,000	
Sale of 8563 E Franklin St - estimated	+	\$ 200,000	
Comprehensive Plan not paid in FY23/24	-	\$ 68,500	
Administrative-Pay Study Implementation	-	\$ 40,000	
Public Works-Cutterhead, Trailer	-	<u>\$ 27,000</u>	
Remaining Fund Balance		\$ 2,020,620	not including 42% required Fund Balance

Water & Sewer Fund Undesignated Fund Balances

As of 2/29/2024			
Water/Sewer Fund Balance			\$ 902,908
Loans to Projects		+	\$ 579,000
Administrative-Pay Study Implementation		-	\$ 40,000
Public Works-Cutterhead		-	\$ 20,000
Water Treatment Plant-equipment		-	<u>\$ 28,600</u>
Remaining Fund Balance			\$ 1,393,308

Annual Debt Payments



Debt	Fund	Balance (as of June 30, 2024)	Annual Debt Payment	Debt Retired
CURRENT DEBT				
Town Hall SUV	General	\$ 44,919.60	\$ 8,983.92	4/13/2029
Chevy Truck w/Crane	Water/Sewer	\$ 122,749.62	\$ 17,504.80	12/8/2032
SMEAL Fire Truck	General	\$ 389,368.13	\$ 36,812.50	7/28/2033
Fire Dept. Renovation	General	\$ 2,281,250.00	\$ 189,775.90	9/8/2042
Municipal Complex/Park	General	\$ 1,095,000.00	\$ 93,492.44	9/8/2042
FUTURE DEBT				
USDA Loan	Water/Sewer	\$ 6,048,000.00	Estimated \$227,622	5/1/2065

Summary of Requests

General Fund

- Implementation of the Pay Study - **\$40,000**
- Fire Department hour raise on base pay (increase to \$17 per hour) and add fourth position - **\$208,650**
- Fire Department Capital/Personnel Reserve - **\$50,000**
- Comprehensive Plan 5-year update - **\$68,500** – remaining balance (Fund Balance)

Water & Sewer Fund

- Cutterhead-**\$40,000** $\frac{1}{2}$ **General Fund Balance** & $\frac{1}{2}$ **W/S Fund Balance**
- 16' Mower Trailer with Toolbox-**\$7,000** **General Fund Balance**
- Water Treatment Plant equipment - **\$28,600** **W/S Fund Balance**

New Event?

Spring Festival 2025

The Merchant's Association has requested the Town to consider hosting a Spring Festival (same concept as the Fall Festival)

2023 Fall Festival expenses were \$13,955.

Estimate Spring Festival expenses to be around the same amount.

Would be an additional half cent on the tax rate.

Staff recommends providing cost for Deputy services and portable restrooms (\$4,000).

This new event is currently not included in the requests.

2023 Fall Festival Cost

Permits	\$50
Deputy Svcs	\$2,100
Misc Expenses	\$1,670
Golf Cart Rental	\$1,245
Amazin' Firetruck (kids)	\$3,900
Portable Restrooms	\$1,590
Staff Time (at overtime rate)	\$3,400
	\$13,955

Budget Line-Item Discussion & Timeline

- Budget line items discussion/questions
- Staff will formulate a draft budget as a result of today's discussions
- Board will review what's proposed
- April- budget drafting by staff & **quick budget workshop at April meeting**
- May- revisions as need and presentation at May Board Meeting.
- June- budget hearing and adoption

Have a Pleasant Weekend!