



Fiscal Year 2021-2022
Annual Operating Budget
Adopted on June 10, 2021





Annual Operating Budget
Fiscal Year 2021-2022
City of Locust, North Carolina

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Introduction

History of Locust

The City of Locust was established in western Stanly county in the late 1860s by German, Scotch Irish, and English immigrants. The community was known as the “Crossroads”. Many travelers came through on the way to Cabarrus, Anson, and Mecklenburg counties.

A central well was dug close to the locust tree to serve the citizens of the community as well as travelers and their livestock as they were traveling through. As many as 25 families would do their washing there in a single day since it was the only source of water.

In 1869 population in the “Crossroads” community had increased enough to warrant an application for the establishment of a post office. There was a meeting held to decide on a new name and a young girl in the community, Miss Maggie Howell, was present at a meeting to decide a proper name. Maggie happened to look out at a wooded plot where a large locust tree was in full bloom. Beyond the locust tree, plowed fields laid flat and the reddish clay dirt of the Charlotte Road stretched out level. Miss Howell suggested the name “Locust Level”. And it was called Locust Level until May 29, 1894. The Level was dropped, and it was simply called Locust.

Locust still serves as the crossroads to Charlotte, Albemarle, Concord, and Monroe. It is a thriving community and represents opportunity for growth and expansion of businesses.

Community Profile

**Locust is the 2nd largest municipality in Stanly County
and the 298th largest municipality in North Carolina**



Stanly County, North Carolina

Population: 3,417

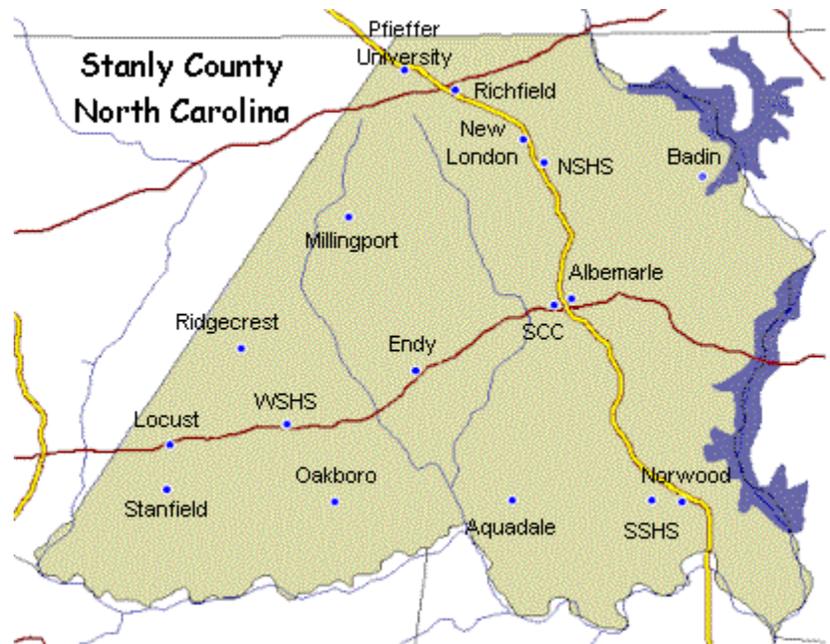
Land area: 8.13 sq mi

Median Housing Value: \$164,700

Median Household Income: \$55,348

Total Housing Units: 1403

[Source: Census Data ACS 2019 5-year](#)



Government

The City of Locust operates under the Mayor-Council form of government with a Mayor and seven-member City Council. Elections for the office of Council are held at two-year intervals in November. Elections are non-partisan and all members are elected for four-year terms. The Mayor is elected for a two-year term at the same time elections for City Council are held. All municipal elections are conducted by the Stanly County Board of Elections in accordance with general laws of North Carolina. No primary elections are held.

The City Council sets City policies, enacts ordinances and appoints the City Administrator, Chief of Police, City Clerk, and City Attorney.

The City Administrator acts as the Chief Administrative Officer and administers the daily operations and programs of the municipal government through the department heads, other staff members and employees.

Quality of Life

Located in Stanly and Cabarrus Counties, the City of Locust is situated in a prime location for residential and commercial growth. Our close proximity to I-485, Hwy 24/27, Hwy 601 and Hwy 200 allows Locust residents easy and convenient access to the Charlotte Douglas International, Stanly County, and Concord Regional Airports, the Charlotte Speedway, the Concord Mills Mall, and much more within a short drive!

Locust offers a wide range of public services including public safety, parks & recreation, solid waste & recycling, and sewer utility. Our residents also enjoy many amenities such as our athletic complex, town center, Locust library and more. Visit Locust today to discover what makes our community a wonderful place to live, work and play.

City Council



Locust City Council Members (from left to right): Roger Hypes, JC Burris, Michael Haigler, Mayor Stephen Huber, Harry Fletcher, Mayor Pro-Tem Larry Baucom, Rusty Efird, and Mandy Watson.

The City Council acts as the legislative body of the City, and they provide guidance and direction to City staff to meet the goals of the City. As such, the City Council adopts the annual operating budget, which by law is always balanced and which includes a tax rate levied against real property, wastewater rates, and other fees; expenditures on municipal projects and programs, including such capital projects as street improvements, buildings and facilities maintenance and construction; and funds for departmental operations, such as police protection, planning, recreation, and wastewater collection. The City Council is the final authority in adopting laws and rules that govern the City of Locust and provides for the safety and welfare of its citizens and visitors.

Boards and Committees

Advisory committees and boards offer citizens the opportunity to be involved in the City's decision-making processes, by directly advising the City Council.

Planning & Zoning Board

The Planning and Zoning Board reviews and makes recommendations to the City Council on all proposals for rezoning, various land development-related requests, and amendments and additions to the City's Land Development Ordinance and Land Use Plan. The Planning & Zoning Board has no judicial or final decision authority but provides guidance to the City Council on those requests. The Planning & Zoning Board also serves as the Board of Adjustment.

Board of Adjustment

The Board of Adjustment conducts public hearings (of quasi-judicial nature) and renders rulings on variances from the City's land development regulations and appeals to zoning decisions made by the Planning & Zoning staff.

City Administration

Cesar R. Correa
City Administrator

Connie Josey
City Attorney

Amy Meachum
City Clerk

Department Directors

Stephania Morton
Finance Director

Scott Efird
Planning & Zoning Director

Jeff Shew
Chief of Police

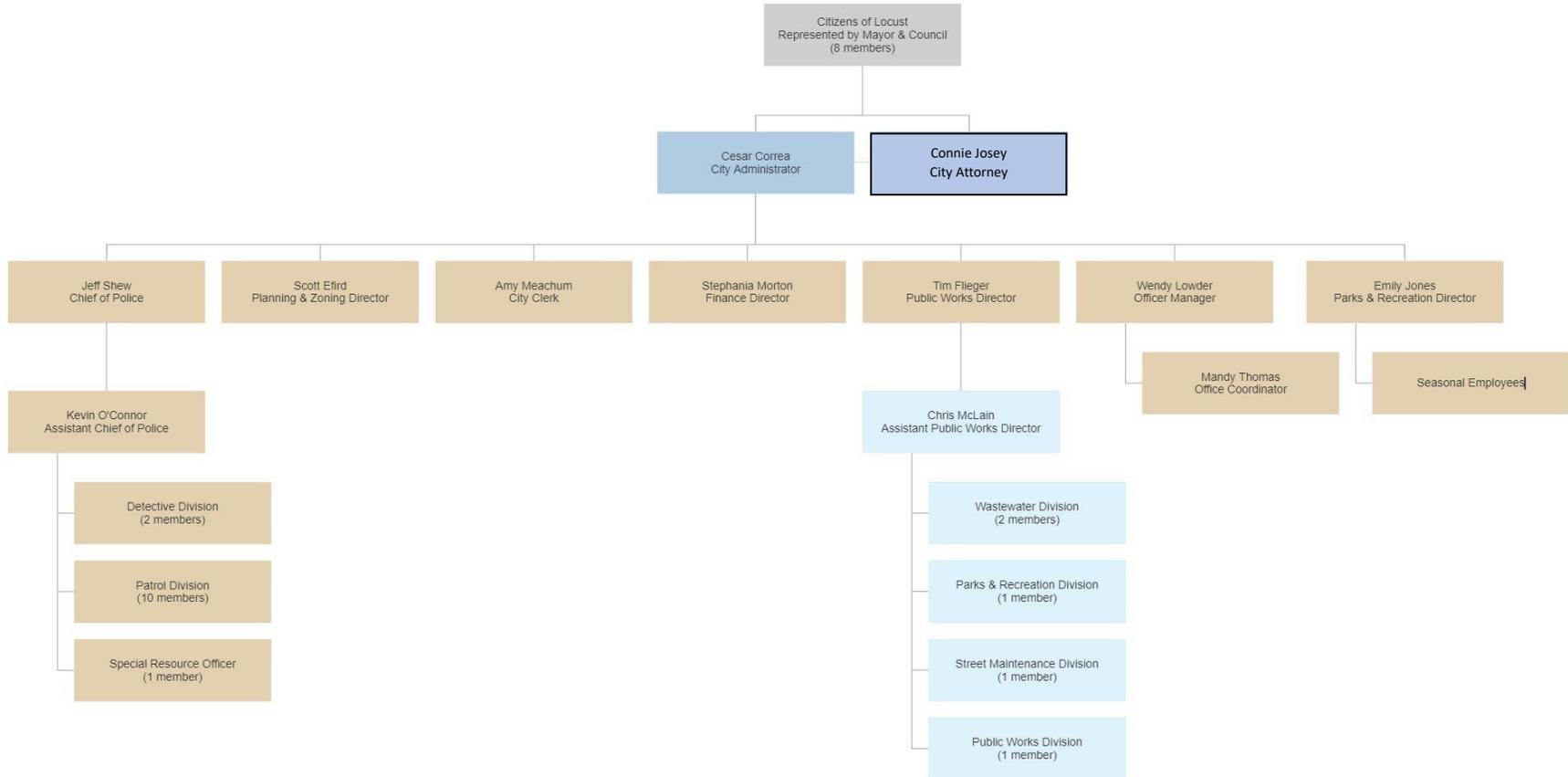
Tim Flieger
Public Works Director

Wendy Lowder
Office Manager

Emily Jones
Parks & Recreation Director



Annual Operating Budget
Fiscal Year 2021-2022
City of Locust, North Carolina
Organization Chart
Full-Time Positions FY 2021-2022





Annual Operating Budget
Fiscal Year 2021-2022
City of Locust, North Carolina

Budget Process

Overview

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and Enterprise Funds. Project ordinances are adopted for Capital Project funds and proprietary capital improvements. All budgets are prepared using the modified accrual basis of accounting.

The City Administrator acts as the City's Budget Officer.

Budgetary control is executed at the department level or by project. The City Administrator, upon City Council approval, is authorized to transfer appropriations between functional areas within a fund without limitation. During the fiscal year, several amendments to the original budget are necessary.

Procedures

All departments receive their operating budget materials and instructions in January. Department Directors meet individually with the City Administrator and Finance Director to present recommendation and/or adjustment to their respective operating expenses. In addition, Department Directors submit capital project requests and personnel requests.

Department Directors are responsible for estimating departmental expenditures. The City Administrator and Finance Director make the determination of the revenue projections based on prior fiscal year realized revenues, economic trends, and recommendations by the North Carolina League of Municipalities. The budget reflects the service priorities of the Council and the Citizens of the City of Locust. The service needs of the community are determined by public hearings and feedback through the Mayor and City Council. After final service priorities have been established and agreed upon, a balanced funding plan is formulated. Through careful assessment of funding requirements and financing methods (if needed), a proposed budget document is organized into final format and submitted to Council for their consideration and adoption.

The City Council reviews the recommended budget with the City Administrator and staff during the Annual Budget Retreat. A copy of the proposed budget with recommended changes is also filed with the City Clerk for public review as well as on the City's website. A public hearing is scheduled prior to the formal adoption of the budget. Adoption of the budget by the City Council establishes legal authority to incur expenditures in the ensuing fiscal year. All annual appropriations lapse at fiscal year-end, on June 30th.

Budget Calendar

A budget calendar is included in the North Carolina General Statutes which prescribes the last day on which certain steps of that budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

January

1. City Administrator transmits budget kick-off memorandum to Department Directors.

2. Budget packets distributed to Department Directors.

February

1. Completed expenditures requests submitted to City Administrator.
2. Finalized Fee Schedule is submitted.
3. City Administrator and Finance Director meet with individual Department Directors to review budget requests.
4. Budget packet submitted to City Council members.

March

1. Department Directors complete performance evaluations and present merit increase recommendations.
2. City Council receives copy of the proposed budget (1st draft)
3. City Council participates in the annual budget retreat to review budget requests.
4. City Administrator begins to amend proposed budget based on Council's direction following the annual budget retreat.

April

1. City Administrator presents revised budget version during April Council meeting.
2. City Council schedules public hearing for May and June Council meetings.

May

1. City Administrator presents recommended budget for introduction.
2. City Council provides additional feedback and direction based on public comment.

June

1. Public Hearing on budget proposal.
2. Budget Ordinance is adopted by the City Council.

Public Input

The City Council of the City of Locust takes pride in an open and transparent budget process. The City Administrator begins by informing the public that budget planning has begun during the January Council meeting. At this time, the budget calendar is explained to the public; and the public is informed of their right to participate in the planning process. Notice is given during the February Council meeting as to when the budget retreat will take place. In addition to the Council meeting, the City of Locust also uses social media platforms, and our local newspaper, to advertise the budget retreat.

Members of the public are welcomed and encouraged to participate during budget retreat. In addition, City Council sets a special public comment session during the budget introduction, typically in May. Finally, the public is able to participate one last time during the public hearing period during the June meeting, when the budget is adopted.

CIP (Capital Improvements Plan)

The City develops a five-year plan for capital improvements and reviews and updates the plan annually.

Financial Policies

The City of Locust budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations.

Basis of Budgeting

The accounts of the City of Locust are organized on the basis of funds and account groups. A fund is an independent fiscal and accounting entity, with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The account groups are not funds but are a reporting device used to account for certain assets and liabilities of the governmental funds that are not recorded directly in those funds.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made, regardless of the measurement focus applied. In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting. The governmental fund types are presented in the financial statements using the same basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Budget Transfers & Amendments

Full implementation of the budget begins immediately on July 1. Pursuant to North Carolina General Statute 159-15, the budget may be amended by submission of proposed changes to the City Council. Upon City Council approval, the City Administrator is then authorized to transfer funds from one appropriation to another within the same fund. All budget amendments and transfers must adhere to balanced budget requirements.

Encumbrances

As required by North Carolina General Statutes, the City maintains encumbrance accounts, which are considered “budgetary accounts” under which purchase orders, contracts and other commitments for expenditures of funds are recorded in order to reserve that portion of applicable appropriation.

Debt

The City shall not knowingly enter into any contracts creating significant unfunded liabilities. If utilized, general obligation debt of the City will not exceed eight percent (8%) of the assessed valuation of the taxable property of the City.

Fund Balance Reserve

The Local Government Budget and Fiscal Control Act states: "Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts at the end of the fiscal year next preceding the budget year."

The City will maintain as a minimum a general fund balance, less *restricted funds, to be used for unanticipated emergencies of twenty-five percent (25%) of the General Fund. These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate need for short-term borrowing, and assist in maintaining an investment grade bond rating.

The City's Annual Budget Report will include a section which shows the City's ending Fund Balance, and also show this Fund Balance as a percentage of expenditures.

In the event the City's targeted minimum Fund balance drops below twenty-five percent (25%), each annual budget ordinance shall address, at a minimum, actions to be taken by Council to increase the fund balance back to twenty-five percent (25%).

Basis of Budgetary Accounting

Budgetary accounting is used for management control of all funds of the City.

Governmental Funds

These funds are used to account for governmental functions. Governmental funds include the following fund types:

- **General Fund:**

The General Fund is the general operating fund of the City. It is used to account for expenditures and all financial resources for services to the public, except for those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, grants and various other taxes and licenses. The primary expenditures are for public safety, public works, recreation, and general governmental functions.

- **Powell Fund:**

The Powell Fund is used for the construction, maintenance and repair of all public streets, sidewalks, bridges, and other ways of public passage within corporate limits. North Carolina levies motor fuel taxes pursuant to a formula that increases taxes when the wholesale price of motor fuels increases. North Carolina General Statute 136-41.1 appropriates a certain percentage of this revenue, plus an additional percentage of the net proceeds of the North Carolina Highway Trust Fund, to eligible municipalities across the state.

Proprietary Funds

These are used to account for business-type activities.

- **Enterprise Fund (Wastewater):**

The Enterprise Fund accounts for operations that are a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Budget Message

June 10, 2021

The Honorable Steve Huber, Mayor
Members of the Locust City Council
City of Locust, North Carolina

Dear Mayor Huber and Members of the City Council:

Pursuant to Section 159-11 of the North Carolina General Statutes, attached is the recommended FY 2021-2022 budget for your review and consideration. I want to thank the Mayor and City Council for providing staff with specific direction during our budget retreat on March 13, 2021. Your comments and directions were used as guidelines for budget recommendations. I also want to thank department directors and their respective staff for their assistance in preparing this proposal.

The 2021-2022 FY City-wide budget totals \$4,767,857 for both General Fund and Enterprise Wastewater Fund.

The general reappraisal of real property for Cabarrus and Stanly Counties occurs once every 4 years. Stanly County conducted a revaluation in 2021. State law requires that units of local government, including public authorities, publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide citizens with comparative information.

The FY 2021-2022 operating budget follows the general reappraisal of real property for the City of Locust. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is *the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred*. The rate is then adjusted by a growth rate equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.

The reappraisal produced a tax base of \$605,204,380 for the City of Locust. The tax levy for the current fiscal year is \$1,849,847, and the growth rate since the last general reappraisal is 6.28 percent. Using the formula mandated by state law, the revenue-neutral tax rate for the City of Locust is .32 cents. **The proposed property tax rate for FY 2021-2022 is .36 cents, which remains the same for the 24th consecutive year.**

This recommendation assumes the North Carolina General Assembly will not make changes to local government revenues distribution that would impact the City of Locust.

Per Council's direction, the focus of this budget aims to uphold the City's mission statement to "plan and prioritize for the citizens' well-being through equitable and quality services, focusing on cost-effective government." The City Council is to be commended for continuing to be conservative in projecting

revenues, in holding down expenditures, and in maintaining a healthy fund balance reserve. These practices have enabled the City of Locust to remain in a healthy financial position.

To ensure the health of the City's financial position for years to come the City adopted a fiscal policy to maintain, a minimum of twenty-five percent (25%), of General Fund balance reserve to be used for unanticipated emergencies. These funds may also be used to avoid cash-flow interruptions, generate interest income, and eliminate the need for short-term borrowing. As per the 2019-2020 FY audit, the City's General Fund balance reserve is approximately 96% of total General Fund expenditures for the 2019-2020 FY.

The principal challenge we focused when developing the FY 21-22 budget is how the City can continue to offer high quality services, even when faced with the ongoing COVID-19 pandemic. The presented budget reflects a second year of conservative revenue forecasting that we believe meets the needs of our operations. At the same time, we continue to look forward to addressing capital and infrastructure needs that our community faces as our population continues to grow.

Priorities have not changed from FY 20-21. We continue to provide quality services to our community, while maintaining a flat tax rate for the 24th consecutive year. At this time, we do not anticipate any policy, regulatory, or legislative challenges facing the City of Locust in FY 2021-2022.

Notice of this submission will be given to the news media and the public, and a public hearing will be scheduled at the Council's meeting on June 10, 2021 at 7:00pm. A copy of this proposed budget will be placed on file with the City Clerk and will be available for public inspection during normal business hours within 10 days prior to the June 10th public hearing.

Budget Highlights

The General Fund Operating Budget

Revenues for the General Fund increased by 4.25% or approximately \$144,000 This is mainly a result from increased property values, new home construction experienced in 2020, and the 2021 Stanly County revaluation estimates.

The revenues for the General Operating Budget consist of locally collected property taxes, state collected taxes, and city income sources such as fees, fines, and interests on investments. The revenues are estimated by several means: North Carolina League of Municipalities (NCLM) estimates, past and current revenue activity, and an analysis of current economic conditions and forecasts. State collected revenues were estimated using the NCLM recommendations with a conservative approach.

We believe that our growth will continue to be quite modest for the next fiscal year. Each one cent on the tax rate generates approximately \$60,520 in revenues. Property and vehicle taxes comprise about 50% or \$1,702,000 of the revenues for the general operating budget. The City's property tax base increased by 18% from FY 2020-2021.

Personnel wages and benefits comprise over one half of most municipal budgets, and Locust is no exception. The City locked rates for vision and dental premiums, and a 4% decrease in health benefits for City employees. In addition, merit increases for all employees were determined based on their performance evaluation review for 2020.

Wastewater Enterprise Fund

Pursuant to House Bill 436 “An Act To Provide For Uniform Authority To Implement System Development Fees For Public Water and Sewer Systems in North Carolina.” The City of Locust contracted Raftelis Financial Consultants to complete a System Development Fee Study in 2018. This study is valid for 5 years, at which point the City will have to perform a new study to determine the appropriate System Development Fee. For FY 2021-2022, I am recommending our wastewater system development fees to remain at \$2,500 per connection.

In addition, I am recommending for user and availability fees to remain flat despite an anticipated increase in wastewater treatment cost from Stanly County Utilities. It is important to note that Stanly County is currently working towards improving the West Stanly Treatment Plant in order to achieve a treatment capacity of 2.5 MGD (million gallons per day.) The costs associated with this capital improvement are projected between \$15M to \$20M. Stanly County has indicated some form of “cost sharing” should be expected.

In 2021-2022 FY, the City will make a \$100,000 transfer to the Capital Reserve Fund in anticipation of the upcoming North Sewer Basin improvements. The project is engineered and will be completed in stages over the next 3 to 5 years. The Wastewater Enterprise Fund remains debt-free while also maintaining a healthy fund balance reserve.

FY 21-22 includes a new wastewater user fee class for the Stanly County River Stone Business Park. Stanly County will be the sole customer to the City of Locust and will pay a bulk rate of \$6.19/1,000 gallons.

Powell Fund

In order to provide appropriate street and sidewalk infrastructure for future generations, FY 21-22 includes a recommendation to allocate the entire Powell Fund disbursement for street paving and repairs purposes. While this will require additional resources to be allocated from the General Fund to fund employee salaries and wages, it will allow the City of Locust to complete an appropriate resurfacing cycle based on our 2019 pavement condition study. The plan will be reviewed annually by staff, and every 5 years by professional engineers to determine a priority-based schedule.

Capital Improvement Program

The recommended Capital Improvement Program for FY 2021-2022 includes, at Council’s request:

- Purchase of 2 (two) new Dodge Charger vehicles for the Locust Police Department.
- Purchase of a new Ford F150 vehicle for Public Works.
- City beautification for Main Street consisting of tree planting.

- Purchase of a new Turf Mower.
- Purchase of a new Utility Tractor and Zero Turn Mower for Public Works.
- Various wastewater improvements to isolation valves and the installation of telemetry systems at various lift stations.
- Replacement of vacuum pumps at Meadow Creek Vacuum Station.
- Purchase of Locust Police Department K-9 Officer.

In conclusion, the City of Locust is fortunate and proud of the hard-working elected officials and staff, and for their dedication to this community. I would like to acknowledge the Mayor and City Council for their continuous support and leadership.

While this budget is proposed by the City Administrator, the Mayor and City Council will review these recommendations to arrive at what they consider the proper expenditure of the available revenues for the upcoming year.

Respectfully,

Cesar Correa
City Administrator

Budget Ordinance

City of Locust
2021-2022 FY Budget Ordinance

BE ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOCUST, NORTH CAROLINA:

Section 1. Appropriations:

The following amounts are hereby appropriated for the operation of the City government and its activities for the fiscal year beginning July 1, 2021 and ending June 30, 2022 according to the following schedule:

Schedule A. General Fund:

General Government:

Administration Compensation	\$451,225
Legal	\$3,000
Audit	\$18,000
Misc. Supplies	\$1,500
Office Supplies	\$5,000
Motor Vehicle Expense	\$3,000
Dues	\$14,000
Office Expenses	\$10,000
IT Expense	\$23,000
Travel	\$4,000
Continuing Education	\$7,000
Telephone	\$4,000
Postage	\$1,000
Advertising	\$1,000
Insurance-Property/Liability	\$7,470
Property Tax Collections	\$30,000
Total General Government	\$583,195

Central Services:

Government Center	\$70,000
Veterans Memorial	\$2,500
Senior Center	\$6,750
Total Central Services	\$79,250

Public Safety:

Police Compensation	\$1,143,600
PD Legal	\$1,000
Office Supplies	\$5,500
Uniforms	\$12,500
Motor Vehicle Expense	\$50,000
Equipment	\$8,000
Investigations	\$3,000
Weapon Supplies	\$4,500
IT Expense	\$17,510
K9 Expense	\$30,000
Training	\$6,000
Postage	\$500
Police Communications	\$20,000
Liability Insurance	\$28,575
Capital Outlay	\$75,000
Total Public Safety	\$1,405,685

Public Works:

Public Works Compensation	\$145,389
Software Maintenance	\$1,850
Supplies	\$3,000
Office Supplies	\$1,000
Street Blade Signs	\$8,500
Uniforms	\$1,800
Motor Vehicle Expense	\$9,500
Office Expense	\$1,500
Equipment	\$1,000
Equipment Expense	\$3,500
Continuing Education	\$1,000
IT Expense	\$500
Telephone	\$6,500
Utilities	\$5,800
Streetlights	\$84,000
Streetscapes	\$31,000
Insurance	\$5,145
Building Expense	\$2,000
Capital Outlay	\$70,000
Total Public Works	\$382,984

Streets – Transportation (Powell Bill):

Powell Compensation	\$57,095
Software Maintenance	\$1,850
Mapping/Engineering/Legal	\$2,000
Supplies	\$4,000
Uniforms	\$900
Motor Vehicle Expense	\$7,000
Equipment	\$5,000
Equipment Expense	\$3,000
Continuing Education	\$2,000
Street Maintenance	\$6,000
Paving and Repairs	\$99,100
Property Liability Insurance	\$4,575
Total Powell Fund	\$192,520

Environmental Protection:

Solid Waste Sanitation	\$250,000
Total Environmental Protection	\$250,000

Economic Development:

Economic Development	\$1,000
Total Economic Development	\$1,000

Parks & Recreation:

Parks & Recreation Compensation	\$175,070
Supplies	\$4,000
Office Supplies	\$3,500
Uniforms	\$1,400
Motor Vehicle Expense	\$3,500
Office Expense	\$500
Equipment	\$4,100
Senior and Program Services	\$20,000
Equipment Expense	\$3,500
IT Expense	\$480
Turf Grass Maintenance	\$10,000
Youth and Adult Services	\$45,000
Concession Supplies	\$2,000
Continuing Education	\$1,300
Utilities	\$25,000

Utilities/Community Building	\$3,500
Utilities/Park Office	\$2,500
Facility Maintenance	\$9,000
Property and Liability Insurance	\$4,001
Capital Outlay	\$55,000
Grounds Maintenance	\$6,500
Advertising	\$1,500
Total Parks & Recreation	\$381,351

Debt Service:

Interest	\$65,870
Debt Service	\$32,822
Total Debt Service	\$98,692

TOTAL GENERAL FUND EXPENSES: \$3,374,677

Schedule B. Wastewater:

Wastewater Compensation	\$241,250
Software Maintenance	\$9,400
Legal	\$5,000
Office Supplies	\$1,800
Uniforms	\$2,700
Continuing Education	\$2,000
Water Conservation Education	\$1,000
Telephone	\$4,000
Postage	\$13,500
Property and Liability Insurance	\$7,430
Bank Service Charge	\$2,000
Engineering Fees	\$10,000
Professional Services	\$10,000
Wastewater Treatment	\$550,000
Supplies	\$30,000
Motor Vehicle Expense	\$1,200
Equipment Expense	\$2,600
Electric – PS1 Browns Hill Rd.	\$18,500
Electric – PS2 Meadow Creek Rd.	\$37,000
Electric – PS3 Creekview	\$3,500
Electric – PS4 Hwy 200N	\$4,500
Electric – PS5 Redah	\$6,000
Electric – PS6 Elm Street	\$8,000
Electric – PS10 Town Center	\$1,500
Electric – Water Stanly County	\$2,000
Electric – PS8 Bluffton Lane	\$1,300
Electric – PS9 Walmart	\$2,500
Electric – PS7 Locust Valley	\$1,800
Electric – PS11 Town Center North	\$2,000
Electric – Morgan Meadows	\$700
Other Maintenance	\$30,000
Capital Outlay	\$280,000
Total Wastewater	\$1,293,180

Debt Service:

Transfer to Wastewater Capital Reserve Fund	\$100,000
Total Debt Service	\$100,000

TOTAL WASTEWATER: \$1,393,180

Section 2. Estimated Revenues:

It is expected that the following revenues will be available during the fiscal year beginning July 1, 2021 and ending June 30, 2022, to meet the foregoing appropriations according to the following schedule:

Schedule A. General Fund:**Ad Valorem Taxes:**

Property Taxes @ \$0.36	\$1,665,000
Interest on Property Taxes	\$2,000
Vehicle Tax @ \$10/car	\$35,000
Total Ad Valorem Taxes	\$1,702,000

Other Taxes and Licenses:

Sales Tax	\$800,000
License/Permits	\$10,000
Cable Vision Franchise Tax	\$17,500
Total Other Taxes and Licenses	\$827,500

Intergovernmental Revenues:

Utility Franchise Tax	\$185,000
Court Fees/Police Reports	\$5,000
Total Intergovernmental Revenues	\$190,000

Beer and Wine Tax:

Beer and Wine Tax	\$13,500
Total Beer and Wine Tax	\$13,500

Solid Waste Tax:

Solid Waste Tax	\$215,000
Total Solid Waste Tax	\$215,000

Streets - Powell Fund:

Powell Revenue	\$105,000
Powell Interest	\$100
Total Powell Fund	\$105,100

Capital:

Police Donations	\$2,500
Vehicle Sale	\$10,000
LPD Special Separation Allowance	\$18,594
Total Capital	\$31,094

Miscellaneous Revenues:

Interest General Fund	\$6,000
Park Fees	\$60,000
Misc. Income	\$1,000
Building Rentals	\$5,000
Concession Revenue	\$2,000
Veterans Memorial	\$500
ABC Income	\$85,000
Library Utilities	\$2,000
Total Miscellaneous Revenues	\$161,500

Fund Balance Reserve:

Transfer from General Fund Balance Reserve	\$128,983
Total Solid Waste Tax	\$128,983

TOTAL GENERAL FUND REVENUE: INSERT \$3,374,677

Schedule B. Wastewater:

Misc. Income	\$600
Interest	\$1,000
Sewer Tap Fees	\$100,000
Availability Fees	\$115,000
User Fees	\$1,000,000
System Development Fees	\$100,000
Fund Balance Reserves	\$76,580
Total Wastewater Revenue	\$1,393,180

TOTAL WASTEWATER REVENUE: INSERT \$1,393,180

Section 3. Taxes Levied:

There is hereby levied the rate of tax on each one-hundred dollar valuation of tangible property both real and personal as listed for taxes as of January 1, 2021, for the purpose of raising revenues for current year's property tax as set forth in the foregoing estimates of revenue, in order to finance the foregoing appropriations: **\$0.36 cents** per hundred dollar valuation:

General Fund: For the general expense incident to proper government of the City of Locust, valuation of \$605,204,380 and a tax levy of \$2,178,735

Section 4. Distribution:

Copies of this ordinance will be furnished to the finance officer of the City of Locust, to be kept on file for the direction of disbursement of funds.

ADOPTED THIS JUNE 10, 2021

Motion Made/Seconded by:

For: _____

Against: _____

Stephen Huber, Mayor

Amy Meachum, City Clerk
Seal

Budget Summary:

Strategic Plan

In 2020, The City of Locust marked a milestone with the adoption of the City's first-ever Strategic Plan. The Strategic plan establishes a vision and key strategic priorities that reflect the City Council's direction for sustainable growth.

What is a Strategic Plan?

A Strategic Plan is a document that guides the City as it grows and responds to the evolving needs of residents. This 3-year plan provides direction for maintaining and improving the quality of life that makes the City of Locust, A City With A Soul.

The Strategic Plan was drafted by the City Administrator based on feedback from residents, City Council members and staff. It follows best practices from the UNC School of Government and peer communities to build a plan that reflects the values and needs of our community. Upon discussion and consideration, the City Council adopted the first ever Strategic Plan in 2020.

What is the purpose of a Strategic Plan?

The purpose of the City of Locust Strategic Plan is to uphold the City of Locust's Vision, Mission and Core Values.

VISION

Locust is the preferred community where people fulfill their dreams of home, leisure, and work.

MISSION

Our mission is to plan and prioritize for the citizens' well-being Through equitable and quality services, focusing on cost-efficient government.

CORE VALUES

Preserve our community history

Encourage family values

Maintain quality of life

Stewardship of public resources

Strategic Priority Areas:

- General Government
- Public Safety
- Parks & Recreation
- Transportation
- Planning & Zoning
- Public Works & Wastewater

General Government:

The City Council of the City of Locust is a leader in responsible government with a high-performing organization that meets the public service needs of its residents. The goals and objectives of the City Council and City Administration include:

- To uphold public's trust in City elected officials and City staff. City Council takes pride in leading a local government that fosters accountability, participation, and inclusion for all residents.
- To follow financial management policies that maintain the City's financial strength and integrity.
- To promote government transparency.
- To foster relationships at the local, State and Federal levels.
- To continue to invest in City staff to ensure appropriate levels of recruitment and retention.
- To pursue Certificate of Achievement of Excellence in Financial Reporting (CAFR) by the Government Finance Officers Association.

Public Safety:

The City of Locust is one of the safest communities in North Carolina with highly trained law enforcement officers. The goals and objectives of the Locust Police Department include:

- Invest in equipment that maximizes the safety and efficiency of our law enforcement officers.
- Advance the professional development and training of our law enforcement officers.
- To support, and fund, the Special Resource Officer program in Locust Elementary School in partnership with Stanly County Schools.
- Foster programs that encourage dialogue between Locust Police Department and citizens, representatives of the community, and interested groups. For example: National Night Out, Shop With A Cop, and Coats by Cops.
- Enhance internal and external communication to ensure clear and consistent communication within the Department and throughout the community.

Parks & Recreation:

The City of Locust provides several programs and activities that promote a healthy, fulfilling and rewarding lifestyle. The goals and objectives of the Parks & Recreation Department include:

- To increase the use of the Locust Athletic Complex for Youth Recreational Sports while still profiting from the use of private tournaments.
- Continue to provide events and activities for residents of all ages to enjoy.
- Explore options to acquire property around the Locust Athletic Complex to increase passive and active recreation opportunities.
- Expand on Locust's End of Summer Festival through a combination of resources and business sponsorships.

- Update signage around the Athletic Complex, including bulletin boards, park map, and walking markers.

Transportation (Powell Fund):

The City of Locust will continue to plan for future infrastructure and support the quality of existing public streets and sidewalks. The goals and objectives of the Streets Division include:

- To continue to pursue NCDOT funding through the Rocky River Rural Planning Organization for highway and pedestrian projects.
- Maintaining and repairing roadways in accordance with the City’s pavement condition report.
- Complete City beautification projects such as: Welcome sign, way finder sign program, and street planting.
- Preserve the aesthetic integrity of the Hwy 24/27 corridor to make it inviting for residents and visitors alike.
- Update and maintain the Powell Fund map as required by NCDOT.
- Pursue road connection from Market Street to the USPS building.

Public Works & Wastewater Utility:

The Public Works Department is responsible for the maintenance of all public facilities and spaces. They maintain the City of Locust’s welcoming spirit and inviting atmosphere. The goals and objectives of the Public Works Department include:

- Support the projected Public Works & Wastewater Utility facility expansion, equipment, and personnel needs to meet service demands.
- Maintain Wastewater Enterprise Fund financial stability.
- Plan and budget for future capital improvement plans to the sewer wastewater collection system.
- Preserve and enhance City infrastructure for an accessible, safe, and inclusive community experience.
- Explore asset management tools to streamline equipment and infrastructure maintenance.

Planning & Zoning:

The Planning and Zoning Department will continue to plan for future growth and development that will support a quality balanced mix of land uses, while preserving our small-town charm, characteristics, and history. The goals and objectives of the Planning and Zoning Department include:

- Adopt policy changes as required per NCGS Chapter 160-D.
- Conduct a comprehensive Planning & Zoning retreat to recommend changes to the City of Locust Land Development Ordinance.
- To update the 2014 City of Locust Land Use Plan.
- Provide resources and assistance to Locust residents to complete the 2020 Census population count.

Budget Overview

Major Revenue Sources

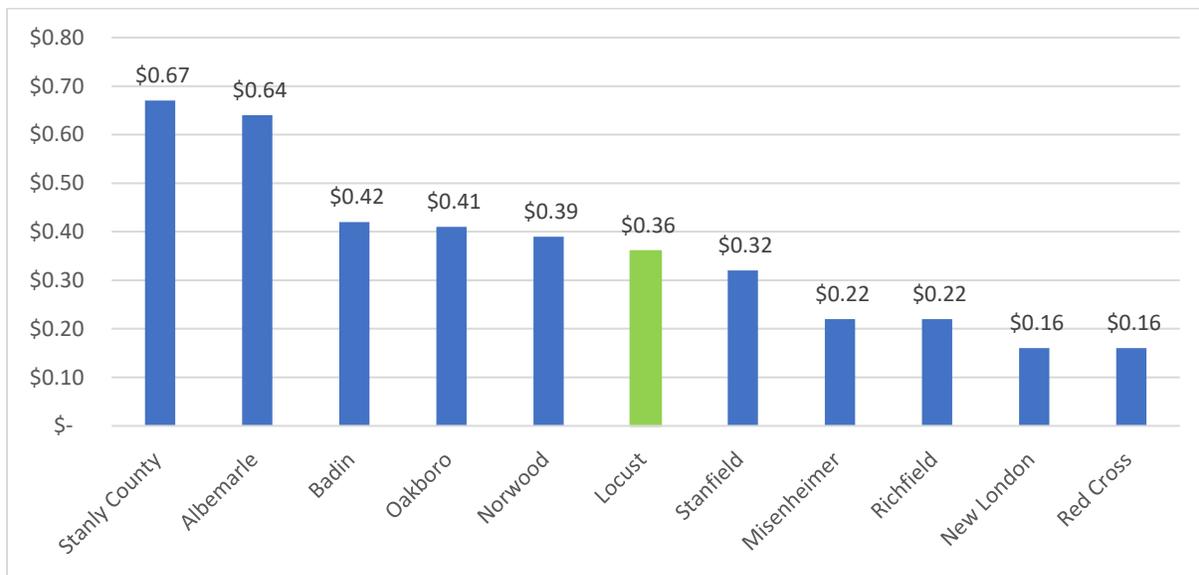
The following information defines the major sources of revenue for the City of Locust for FY 21-22. The City's anticipated revenues have been determined using historical financial trends, property tax values/estimates from Stanly and Cabarrus Counties, and projections provided by the North Carolina League of Municipalities (NCLM).

General Fund Summary

The current General Fund Operating Budget and Debt Service for FY 21-22 totals \$3,374,677 compared to the adopted budget of \$3,230,441 for FY 20-21.

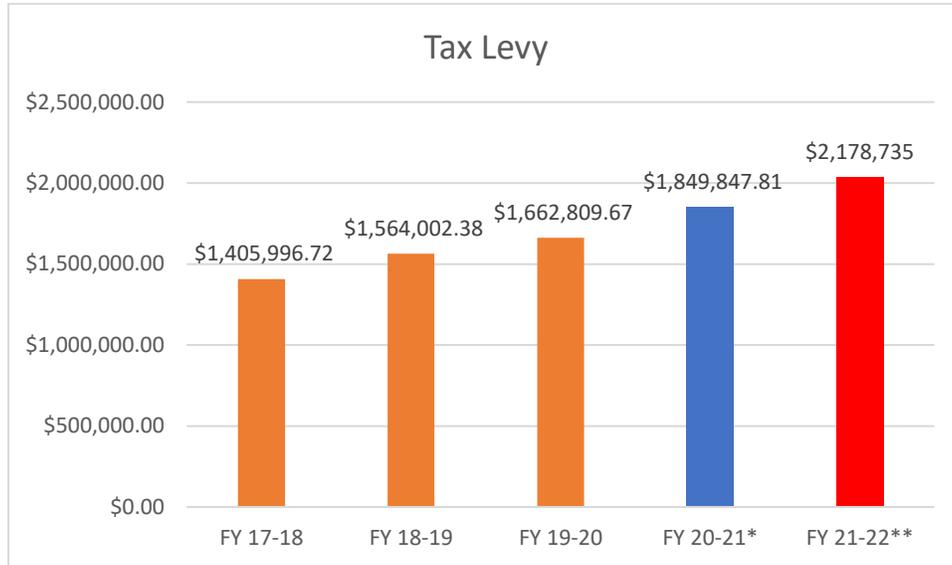
The change in revenues for the City's General Fund budget is a result of new construction in 2020 and the increased property valuations as estimated in the 2021 Stanly County revaluation. The City Administrator is recommending for the tax rate of 36¢ per \$100 to remain flat, thus marking FY 21-22 as the 24th consecutive year that Locust residents will not experience a tax rate increase. The additional revenues will be used to plan and budget upcoming projects in the City's Capital Improvement Plans. FY 21-22 budget includes an increase in expected revenue from state sales tax of approximately 12%, despite the Covid-19 pandemic. This estimate is conservative using information provided by the North Carolina League of Municipalities, historical and statistical trends. This budget was prepared under the assumption that the City of Locust will receive all state shared revenues for FY 21-22.

Comparison of Stanly County Municipalities Tax Rates



Ad Valorem Taxes: The budget is balanced with a property tax rate of 36¢ per \$100 valuation. Ad valorem represents 50% of General Fund Operating and Debt Service revenues. This will yield \$1,702,000 in total current and prior year ad valorem tax revenue based on an average real and personal property collection rate of 98%. The tax base used in this budget preparation represents an 18% increase in property values for a total valuation of \$605,204,380 resulting from the 2021 Stanly County revaluation. One cent on the City’s property tax rate produces approximately \$60,520 in revenue.

Ad Valorem Taxes



FY 20-21* expected tax levy based on 2020 TR-2 report.

FY 21-22** based on estimated property valuations following 2021 revaluation in Stanly County.

Sales Taxes: Sales taxes levied by Cabarrus and Stanly Counties are distributed on a per capita basis. Local option sales taxes represent 25% of General Fund revenues for FY 21-22. FY 21-22 budget includes an increase in expected revenue from state sales tax of approximately 12%, despite the Covid-19 pandemic. This estimate is conservative using information provided by the North Carolina League of Municipalities, historical and statistical trends.

Franchise Taxes: The State levies a tax on utility companies (electricity and natural gas) based on either gross receipts or usage. The state shares a portion of these taxes with local governments based on usage within their jurisdiction. The State also levies a tax on telecommunications gross receipts and then distributes a portion of these taxes per capita to each municipality.

Powell Bill Street Allocation: Since 2015, the amount of this distribution no longer represents a portion of the motor fuel taxes collected. The current law states that Powell Bill revenues will be determined by an appropriation of funds by the General Assembly. There is no set formula that determines the total amount of Powell Bill funds received each year. Of the funds available each year, 25% is distributed to cities based on local street miles, and 75% based on population. The use of these funds is restricted to maintaining, repairing, constructing, reconstructing or widening any public street or thoroughfare within

the City limits. Bridges, drainage, curb and gutter and other necessary appurtenances are also approved uses of these funds, but legislation passed in 2015 specifies that the funds should be primarily used for resurfacing streets. These funds are expected to provide approximately \$105,100.00 for FY 21-22, which represents no growth when compared to current year estimates. This revenue source continues to remain flat.

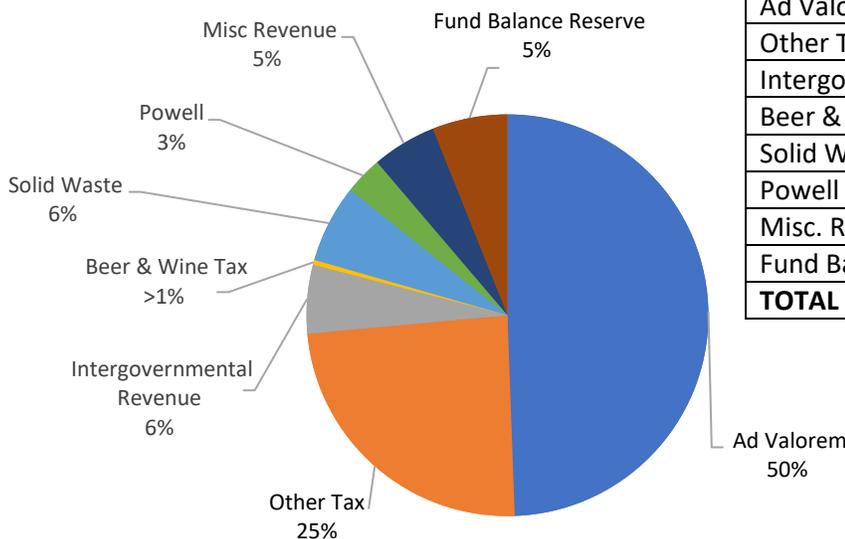
Permits and Fees: The City charges fees for providing construction permits and plan reviews to applicants in accordance with North Carolina General Statute 160A-414. In addition, the City charges other permits and fees associated with development.

Parks and Recreation Fees: These revenues are fees collected from participants in City of Locust Parks & Recreation activities such as classes, camps, athletics, workshops, and event programs.

Environmental Fees: The City collects a monthly fee associated with solid waste collection, recycling, and bulk pick up per user. In the FY 20-21 budget, the fee per user was \$10 per month.

Fund Balance: In 2017 the City Council adopted a new fiscal policy with a targeted unassigned fund balance minimum of 25% of General Fund expenditures. As per the financial audit for year ending June 30, 2020 the City’s unassigned fund balance is 96% of FY 19-20 General Fund expenditures. Our ability to maintain a healthy fund balance is attributable to the steady growth present in the City, and increases in available cash for investments, collection percentage of property taxes, and conservative estimates on revenues. The proposed budget for FY 21-22 includes an appropriation of \$144,983 from fund balance.

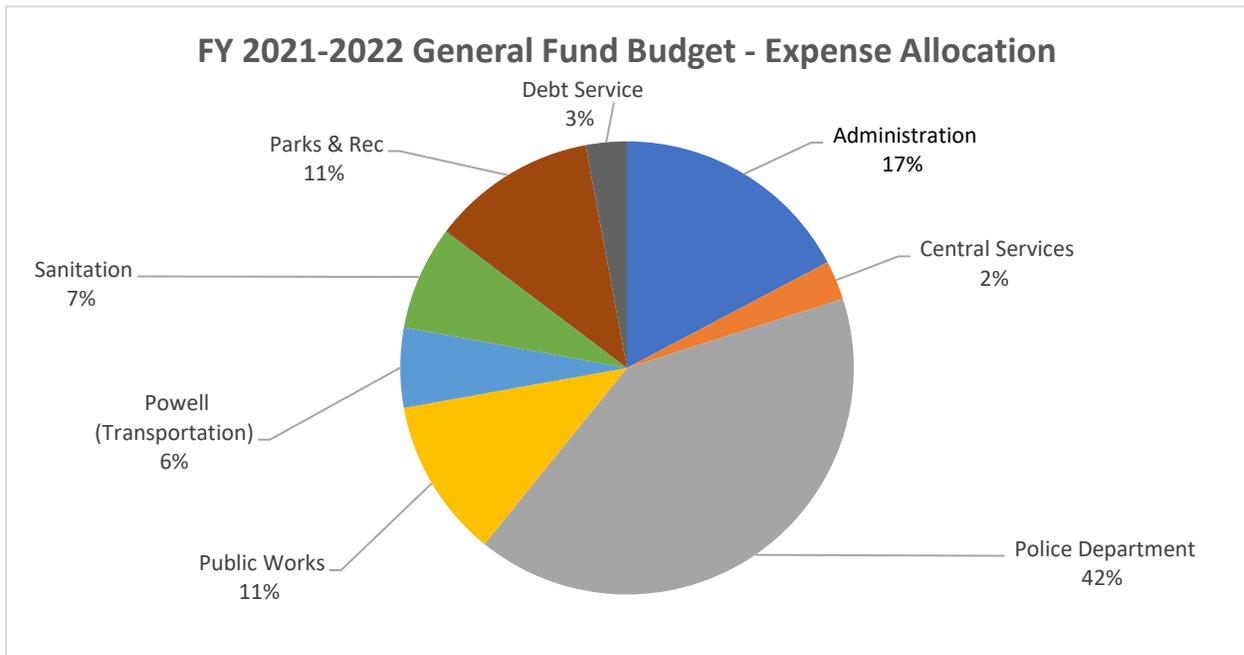
Approved Budgeted Revenues



REVENUES	%	FY 21-22
Ad Valorem	50%	\$1,702,000
Other Tax & Licenses	25%	\$827,500
Intergovernmental Revenues	6%	\$190,000
Beer & Wine Tax	>1%	\$13,500
Solid Waste Fees	6%	\$215,000
Powell (Transportation)	3%	\$105,100
Misc. Revenues	5%	\$192,594
Fund Balance Reserve	5%	\$128,983
TOTAL REVENUES	100%	\$3,374,677

Approved Budgeted Expenditures

EXPENDITURES	%	FY 21-22
Administration	17%	\$583,195
Central Services	2%	\$79,250
Public Safety	42%	\$1,405,685
Public Works	11%	\$382,984
Powell (Transportation)	6%	\$192,520
Sanitation	7%	\$250,000
Economic Development	>1%	\$1,000
Parks & Recreation	11%	\$381,351
Debt Service	3%	\$98,692
TOTAL EXPENDITURES	100%	\$3,374,677



Fund Balance

Amounts shown as fund balance for Governmental Funds represent a running total of monies over the years that remain unspent after all budgeted expenditures have been made. For many years, the North Carolina Local Government Commission has recommended that units retain an amount of available fund balance in the general fund to at least 8% of the appropriations of the fund. As of June 30, 2020, audit, the City of Locust Fund Balance reserve is approximately 96% of FY19-20 operations. The City has the following Reserve Policies:

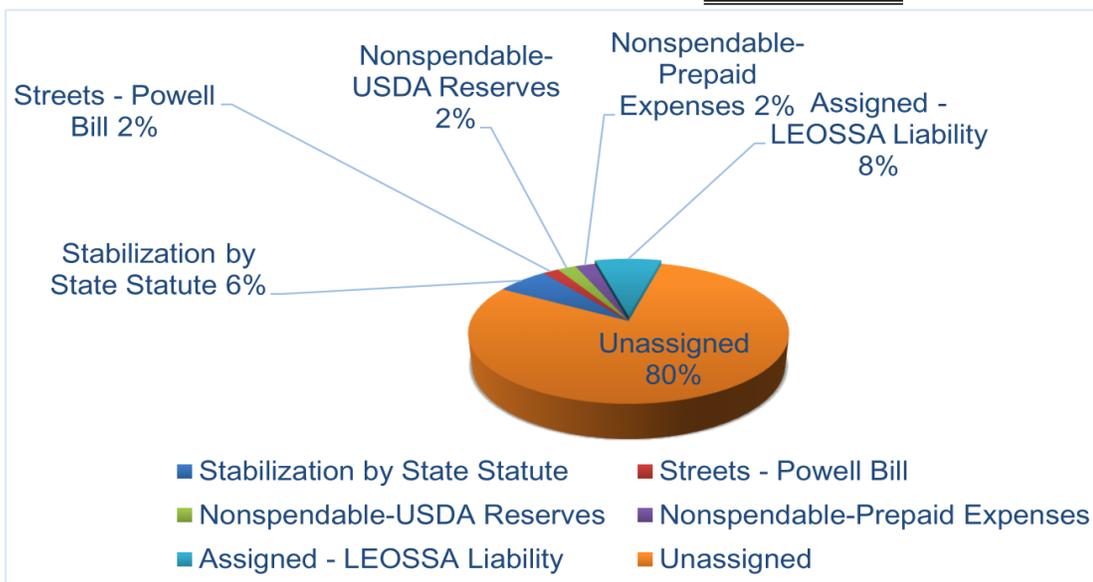
Unassigned Fund Balances will mean funds that remain available for appropriation by the City Council after all commitments for future expenditures, required reserves defined by State statutes, and previous Council designations have been calculated. The City will define these remaining amounts as “unassigned”

Available fund balances at the close of each fiscal year should be targeted to a minimum of 25% of General Fund expenditures.

The City Council may, from time-to-time, appropriate available fund balances for the purposes of a declared fiscal emergency or other such goal purpose as to protect the long-term fiscal security of the City of Locust. In such circumstances, the Council will adopt a plan to restore the available fund balances to the policy level.

GENERAL FUND INVESTMENT POSITIONS

Total Fund Balance	6/30/2020
Stabilization by State Statute	\$ 218,006
Streets - Powell Bill	\$ 67,380
Nonspendable-USDA Reserves	\$ 78,135
Nonspendable-Prepaid Expenses	\$ 82,021
Assigned - LEOSSA Liability	\$ 281,454
Unassigned	\$ 2,801,595
Subtotal	\$ 3,528,591



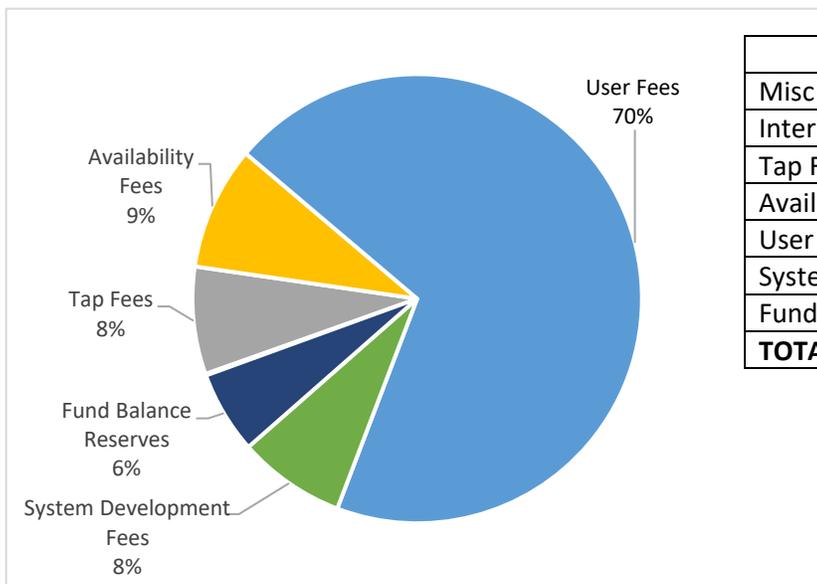
Wastewater Enterprise Fund Summary

The City of Locust Wastewater Enterprise Fund rates and operating charges will generate \$1,293,180 in revenues.

The City Administrator recommends all fees to remain flat in FY 21-22 for the 5th year in a row, despite an anticipated increase in wastewater treatment costs by Stanly County Utilities. The Wastewater Enterprise Fund remains debt free entering FY 21-22. However, capital improvements associated with the North Sewer Basin are due. The planning and engineering for these improvements was completed in 2019, but the project was delayed until Stanly County Utilities proceeds with a 2.5MGD expansion to the West Stanly Treatment Plan.

Stanly County Utilities anticipates a capital improvement cost of \$15M to \$20M for the West Stanly Treatment Plant 2.5MGD expansion. Although the City of Locust has not paid capacity fees to access treatment, it is anticipated that we will incur a System Development Fee in the near future for treatment capacity.

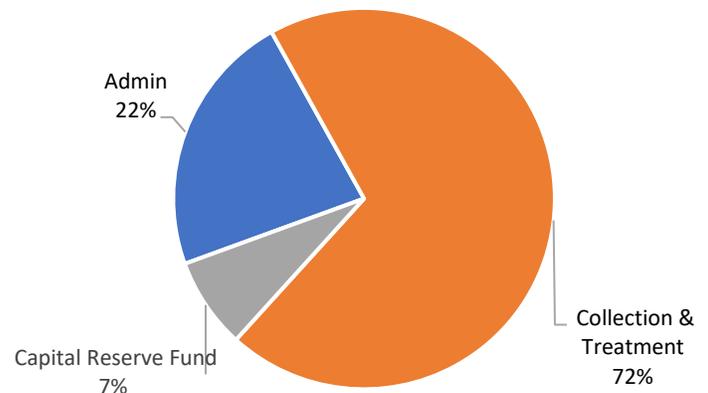
Approved Budgeted Revenues



REVENUES	%	FY 21-22
Misc Revenues	>1%	\$600
Interest Income	>1%	\$1,000
Tap Fees	7%	\$100,000
Availability Fees	8%	\$115,000
User Fees	72%	\$1,000,000
System Development Fees	8%	\$100,000
Fund Balance Reserve	6%	\$76,580
TOTAL REVENUES	100%	\$1,393,180

Approved Budgeted Expenditures

EXPEDITURES	%	FY 21-22
Administration	21%	\$290,080
Collection & Treatment	72%	\$1,003,100
Capital Reserve Fund	7%	\$100,000
TOTAL EXPEDITURES	100%	\$1,393,180



Capital Improvement Process

Capital project planning is an ongoing process. The need or idea for capital improvements can originate from the Mayor, City Council, Residents, or City staff. Through the annual City Council budget retreat and budget planning meetings, the City focuses on prioritizing capital improvements.

Capital Improvement Budget Policies

1. The City will prioritize all capital improvements in accordance with a capital improvement program.
2. The City will develop a five-year plan for capital improvements and review and update the plan annually.
3. The City will coordinate development of the capital improvement program with development of the operating budget.
4. The City will maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.
5. The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval.
6. The City will attempt to determine the least costly and most flexible financing method for all new projects.

Vehicle Replacement

In addition to other capital improvement projects, there are other major types of vehicles and equipment which are a substantial financial investment and need to be handled in the most economic manner. Therefore, the City chooses to incorporate these items into capital planning. Vehicles and/or equipment are evaluated primarily based on age, mileage operation, and maintenance cost. There are, however, several additional factors which must be considered in determining these replacements such as: fuel costs, condition, safety, life of equipment, etc.

Potential Impact on Operations

An important factor to consider when developing a capital improvements plan is the financial impact that the proposed projects will have on the City's operating budget. While some projects will have little to no staffing or operating impact, others may bear significant additional annual costs. These costs include but are not limited to debt service (principal and interest), additional staffing, fuel, maintenance and repair, utility services, contract/service agreements and supplies. It is, however, important to keep in mind that while some projects add to the cost of operations, there are projects which will provide a cost savings benefit to the City (for example: energy efficient). In developing these projections City staff have taken both into consideration.



Annual Operating Budget
Fiscal Year 2021-2022
City of Locust, North Carolina

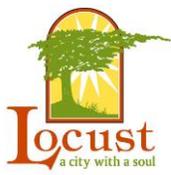
5 Year Capital Improvement Plan

General Fund

Project	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
Parks & Recreation					
Irrigation System Upgrade	-	\$80,000	-	-	-
Turf Mower	\$55,000				
Turfgrass Maintenance Improvement	\$16,000	\$20,000			
Parks & Recreation Master Plan	-	-	\$50,000	-	-
Utility Vehicle	-	-	\$10,000	-	-
Equipment Maintenance & Replacement	-	-	-	\$25,000	\$25,000
Planning & Zoning					
Land Use Plan Update	-	-	-	\$50,000	-
Public Safety					
Vehicle Fleet Replacement	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
K9 Officer	-	\$5,000	\$5,000	\$5,000	\$5,000
Public Works					
Ford F150 Vehicle	\$33,500	-	\$33,500	-	-
Utility Tractor	\$25,000	-	-	-	-
Zero Turn Mower	\$11,000	-	\$11,000	-	-
Streets – Main St. Beautification	\$28,500	-	-	-	-
Streets – Ardsley Dr. Extension*	-	\$100,000	\$100,000	\$100,000	\$100,000
Storage (for material and equipment)		\$25,000			
Signage & Banners	-	\$5,000	\$5,000	-	-

Wastewater Enterprise Fund

Project	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
Wastewater					
Vacuum System Improvements	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
North Basin Improvements*		-	\$225,000	\$225,000	\$225,000
Meadowcreek Vacuum pumps	\$300,000	-	-	-	-
Sewer Jet/Vac Truck	-	\$285,000			
<i>Sewer Treatment Capacity</i>	-	-	\$100,000	\$100,000	\$100,000



Annual Operating Budget
Fiscal Year 2021-2022
City of Locust, North Carolina

Debt Management

The City strategically manages its long-term financing needs through Installment Purchase Agreements. Debt service expenditures include principal and interest payments.

Summary of Outstanding Debt Issuance

- **General Fund – As of June 30, 2020**
USDA Loan for Locust City Hall - \$1,746,152
- **Wastewater Enterprise Fund – As of June 30, 2020**
Wastewater Enterprise Fund is **debt free**

Legal Debt Limit

The City is subject to the Local Government Bond Act. This act limits the net bonded debt that the City may have outstanding to eight (8%) percent of the assessed value of property subject to taxation.

Position Summary

Authorized Full-Time Positions by Department

Department	FY 2020-2021	FY 2021-2022
Administration	5	5
Parks & Recreation	2	2
Public Safety	14	15
Public Works	2	2
Streets	1	1
Wastewater Utility	4	4
Total:	28	29

Fee Schedule

Parks and Recreation Fees	
Description	Fee FY2020-2021
Youth Athletics (per individual fee)	
Basketball (winter)	\$90
Baseball Teeball (spring)	\$65
Baseball Coach Pitch (spring)	\$85
Baseball Minors (spring)	\$90
Baseball Ozone (spring)	\$95
Baseball Teeball (fall)	\$55
Baseball Coach Pitch, Minors, Ozone (fall)	\$90
Softball Sweetees (spring)	\$80
Softball Darlings (spring)	\$85
Softball Angels (spring)	\$85
Softball Ponytails (spring)	\$90
Soccer U8-U15 (spring and fall)	\$75
Soccer U6 (spring and fall)	\$50
Volleyball (fall)	\$65
Park Facilities	
Athletic Fields, per field, per hour (+\$10/hour with lights)	\$10
Tennis Courts commercial use and/or with lights (free for public/no lights)	\$10
Community Building, per hour (+\$100 key deposit)	\$12
Park Shelters, per 5-hour period	\$15
Tournament Use, per weekend, all fields	\$1,200
Tournament Use, per one day, all fields	\$900
Tournament field change, per field	\$25
Field drying agent, per bag (for athletic field events)	\$20
Events	
Breakfast with Santa, per individual	\$12
Vendor Fee (5% of food vendor sales)	\$20
Non-profit vendor (must have proof of 501(c)(3) & be located within the community)	\$0
Sponsorships (events specify what is included for each sponsorship tier)	
Baseball/Softball Field Signs, per 4x8 sign, per year	\$400
Baseball/Softball Field Signs, per 4x4 sign, per year	\$300
End-of-Summer Concert- Kid Zone Sponsor	\$1,500
End-of-Summer Concert- Celebration Sponsor	\$150
End-of-Summer Concert- Concert Sponsor	\$500
End-of-Summer Concert- Event Sponsor	\$1,000
End-of-Summer Concert- Featured Sponsor	\$2,000
Family Movie Night Sponsor (movie choice reflects fee)	\$350-\$550
Farmers Market vendor, yearly fee	\$20
Hands on Locust Event Sponsorship	\$200
Locust City Cinema Party Sponsor, per business	\$50

Planning & Zoning Fees	
Description	Approved Fee FY 2021-2022
Residential	
Single Family	\$300.00
Multi Family	\$600.00 per structure
Accessory or Addition	
< \$30,000.00	\$100.00
> \$30,000.00	\$200.00
Non-Residential	
Non-residential	\$1,000.00
Zoning Compliance Permit (New Construction)	
Single Family	\$300.00
Multi Family	\$600.00 per structure
Non-Residential	\$1,000.00
Zoning Compliance Permit (Remodeling/Repair)	
< \$30,000.00	\$100.00
> \$30,000.00	\$200.00
Other	
Mobile Home Placement	\$500.00
Subdivision – Preliminary Review	\$2000.00 plus \$15.00 per lot
Subdivision – Final Plat	\$1,000.00
Plat Approval	\$1,000.00
Variance	\$500.00
Re-zoning & Conditional Zoning Request	\$500.00
Land Development Ordinance Changes	\$500.00
Street Access Permit (Driveways)	\$100.00
Sign Permit	\$100.00

Utilities Fees	
Description	Approved Fee FY 2021-2022
Sewer Rates - Residential	
Inside City Limits – Metered	
0-3,000 Gallons	\$45.68
Per 1,000 Gallons over 3,000	\$7.38
Inside City Limits – Non-metered	
Non-metered	\$57.75
Availability Fee	\$30.00
Outside City Limits – Metered	
0-3,000 Gallons	\$73.50
Per 1,000 Gallons over 3,000	\$9.79
Outside City Limits – Non-Metered	
Non-metered	\$110.78
Sewer Rates – Non-residential	
Inside City Limits – Metered	
0 – 3,000 Gallons	\$94.50
Per 1,000 Gallons over 3,000	\$14.75
Inside City Limits – Non-metered	
Monthly fee	\$84.26
Charge per person on premises	\$2.15
Childcare	Fee based on licensed number of children & staff.
Availability	\$50
Outside City Limits	
Sewer not available	
Stanly County – River Stone Business Park	
Per 1,000 Gallons	\$6.19
Wastewater Facilities Service	
Single Family Residential Tap Fee	\$2,500.00
Multi-Family Residential Tap Fee	\$2,500.00
System Development Fees	
3/4"	\$2,500.00
1"	\$4,530.00
2"	\$14,515.00
4"	\$45,365.00

Glossary

Ad Valorem Tax.

A property tax levied according to assessed value.

Annual Budget.

A budget covering a single fiscal year (July 1 – June 30).

Appropriation.

The amount budgeted on a yearly basis to cover projected expenditures which have been legally authorized by the City Council.

Assessed Valuation.

The value real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

Assessment.

The process for determining values of real and personal property for taxation purposes.

Budget.

A plan covering a fiscal year which projects expenditures for providing services and revenues to finance them. The City's adopted budget is the official expenditure policy of the City Council and an effective tool for managing City operations. The budget is the legal instrument by which City funds are appropriated for specific purposes and by which City government positions are authorized. N.C. General Statutes require the budget to be balanced.

Budget Amendment.

A legal procedure used by City staff and Council to revise a budget appropriation.

Budget Document.

A formal document presented to the City Council containing the City's financial plan for a fiscal year. The budget document is presented in two phases, proposed and final, the latter of which

reflects the budget as adopted and approved by the City Council.

Budget Message.

A written overview of the proposed budget from the City Administrator to the Mayor and City Council which discusses the major budget items and the City's present and future financial condition.

Budgetary Control.

The control or management of a government in accordance with approved budget to keep expenditures within the limitations of available appropriations and revenues.

Capital Outlay.

Expenditure resulting in the acquisition of or addition to the City's general fixed assets costing more than \$5,000 and having a useful life of greater than five years.

Capital Improvement Plan.

A long-range plan of proposed capital improvement projects, which includes estimated project costs and funding sources that the City expects to carry out over a five-year period. The program is updated annually to reassess capital needs and for the preparation of the capital budget.

Deficit.

An excess of expenditures over revenues or expense over income.

Encumbrances.

A financial commitment for services, contracts, or goods which have not, as of yet, been delivered or performed.

Enterprise Fund.

A fund which accounts for the operations that are financed from user charges and whose operation resembles a business.

Expenditure.

Outflows of net financial resources. They include current operating expenses requiring the present or future use of net current assets, debt service and capital outlays, and intergovernmental grants, entitlements, and shared revenues.

Fiscal Year.

A twelve-month period (July 1 through June 30) to which the annual operating budget applies and at the end of which an assessment is made of the City's financial condition and performance of its operations.

Franchise Tax.

A tax levied on the gross sales of Public Utilities. Such taxes were assessed by the state as a function of permitting the respective utilities to do business in the state of North Carolina. Such taxes are shared between the state and its municipalities according to the respective ratio of gross sales within those jurisdictions.

Fund.

An accounting entity created to record the financial activity for a selected financial grouping. A fund is set up to carry out a special function or attain certain objectives in accordance with set laws and regulations (i.e. General Fund).

Fund Balance.

The difference between fund assets and fund liabilities of the governmental unit.

General Fund.

A fund which provides for the accounting of all financial resources except those designated to other funds. Most of the basic government

services, such as police, sanitation, parks and recreation, or street maintenance are accounted for in this fund.

Grants.

A contribution or gift in cash or other assets from another government to be used for a specific purpose.

Intergovernmental Revenues.

Revenues from other governments (state, federal, local) which can be in the form of grants, shared revenues, or entitlements.

Levy.

The amount of tax, service charges, and assessments imposed by a government.

Non-operating Expenses.

Expenses which are not directly related to the provision of services such as debt service.

Non-operating Revenues.

Revenues which are generated from other sources (i.e. interest income) and are not directly related to service activities.

Operating.

Those costs, other than personnel and capital outlay, which are necessary to support the day-to-day operations of the City. Includes items such as telephone charges, utilities, office supplies, advertising, travel, and printing.

Personnel.

Expenditures for salaries and fringe benefits including merit increases, social security, retirement, health insurance, life insurance, 401(k), and other employee benefits.

Policy.

A definite course or method of action in light of given conditions to guide and determine present and future decisions.

Powell Bill Funds.

Funding from state-shared gasoline tax which is restricted for use on maintenance of local streets and roads.

Property Taxes.

Taxes levied on both real and personal property according to the property's valuation and tax rate.

Reserve.

An account designed for a portion of the fund balance which is to be used for a specific purpose.

Revenue.

Inflows of financial resources that increase the fund balance account. Expenditure refunds, interfund transfers, and debt proceeds are not considered revenues.

Surplus.

The amount by which revenues exceed expenditures.

Tax Rate.

The amount of tax stated in terms of a unit of the tax base.