



Town of Pleasant Garden
4920 Alliance Church Road / PO Box 307
Pleasant Garden, NC 27313

Fiscal Year 2022 - 2023 Budget Message **June 7, 2022**

GENERAL FUND

The 2022-2023 General Fund budget for the Town of Pleasant Garden as presented on the following pages is based on an ad valorem tax rate of \$.08/100. It proposes a total of \$788,825 in revenue and expenses of \$870,675 and includes a fund balance allocation of \$81,850 to balance the budget. There is a 14.732% increase in operating expenses over the 2021-22 budget.

REVENUES: The ad valorem tax rate will not increase for the 2022-23 fiscal year. Sales tax and ABC/beer/wine tax revenues are projected to increase or remain steady. Overall income is estimated to increase due to sales tax, ad valorem collection and sports registration.

Revenue projections are based on the following assumptions:

- That the high collection rate for ad valorem taxes by the Guilford County Tax Department and the North Carolina Vehicle Tax System will be maintained. With reevaluations completed in 2022, 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. This is defined under G.S. 159-11(e).
- Sale Tax Revenue has exceeded 15% growth over the last two years. NCLM is projecting 2022-2023 sales tax growth of 3.75% over 2021-2022 levels.
- That the growth in Alcoholic Beverages tax revenues will grow by 1.75%.
- That interest earnings on investments will have increased during 2021-2022 and should remain steady in 2022-2023.

Due to prudent financial management practices, the town maintains a significant undesignated fund balance, 140% stated in the June 30, 2021 audited financial statements. This large operating fund balance provides the ability to adequately meet the town's financial obligations and absorb unanticipated expenses as well as fund projects and programs the Town Council determines will benefit the town and its citizens without endangering the town's excellent financial position.

EXPENSES: Overall expenses are estimated to increase approximately \$111,798 above the current fiscal year.

- Costs for routine business operations and upkeep of Town facilities are increasing with rise costs due to supply demands and rising inflation.
- Overall expenses for maintenance of the Town Hall grounds, Volunteer Park athletic fields, and the Pleasant Garden Community Center are increasing with rise costs due to supply demands and rising inflation.
- The proposed budget provides for the employment of five full-time staff members, 1 part-time year round worker, and 2 seasonal part-time workers. Merit increases were given to the three current full-time employees and year round part-time employee. Total personnel costs will increase by 19.65%.
- No increases for Guilford County contracted services are known at this time.
- Allocations for community outreach services include quarterly publication of the town newsletter, the monthly Senior Luncheons, the telephone notification system, and Board Appreciation dinner.
- Popular recreation events such as the Independence Day celebration, Christmas Parade and Smores with Santa, Pet Day, Veterans' Appreciation Day, and the youth soccer and baseball/softball programs are funded at slightly increased levels.
- The transfer of state-shared revenues to the Capital Reserve Fund remains at the 10% level for this fiscal year.

GENERAL FUND RESERVE

State statutes require that all monies collected by the town have a specific designated use. The attached General Fund Reserve Ordinance specifies that this fund will be used in accordance with the adopted 2022-23 General Fund Budget to provide reserve funds for additional expenses and to maintain sufficient cash flow capability,

CAPITAL RESERVE FUND

State statutes require that all monies collected by the town have a specific designated use. The attached Capital Reserve Fund Ordinance specifies how the funds in this account might be used in the future. This ordinance is not an actual allocation of funds and a capital projects budget must be adopted to authorize any actual expenditure of these monies for a specific project.

CAPITAL PROJECTS

The town currently has one active capital project budget.

- The implementation of the 2018PARTF grant to Land acquisition of 22+/- acres and development including a playground, picnic shelter, picnic area, batting cage, volleyball court, sidewalk, as well as renovation of a ballfield and other facilities.



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PARTF Amount \$ 352,000 with the addition of the Economic Development Grant of \$50,000. Total project costs of \$ 402,000. The project must be completed and closed out by October 31, 2022.

These budget ordinances have already been adopted and the approved funding authorized for the duration of the projects. There is no need for the Town Council to vote on these capital project budgets again until such time there is a need to amend the authorized spending amounts or to close out the projects.

Respectfully submitted,
Bobbie Hatley, Budget Officer
June 7, 2022

ORDINANCE NUMBER 2023

**ORDINANCE ADOPTING THE BUDGET OF
THE TOWN OF PLEASANT GARDEN FOR
FISCAL YEAR 2022-2023**

**BE IT ORDAINED BY THE TOWN COUNCIL OF
THE TOWN OF PLEASANT GARDEN:**

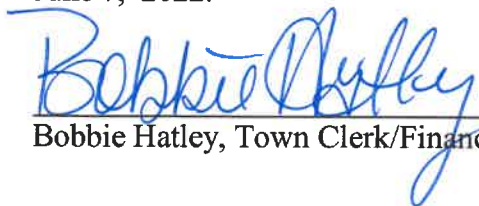
Section 1. The attached General Fund Projected Revenues and Expenditures and Budget Message is hereby adopted and appropriated for the operation of the Town government and its activities for the fiscal year commencing July 1, 2022 and ending June 30, 2023.

Section 2. The ad valorem tax rate shall be 8-cents per \$100 valuation.

Section 3. The Finance Officer is hereby authorized to disburse funds adopted under this ordinance under the following conditions: He may not transfer any amounts between boards or line items except as approved by the Town Council in an amendment to the Budget Ordinance.

Section 4. Copies of this Budget Ordinance shall be kept on file by the Town Finance Officer for his direction in the disbursement of funds, as required by state law. The Clerk shall also post a copy of the budget on the Town's public bulletin board as soon as is practical.

The foregoing ordinance was adopted by the Town Council of the Town of Pleasant Garden on June 7, 2022.


Bobbie Hatley, Town Clerk/Finance Officer


Dean Maddox, Mayor

2022-2023 GENERAL FUND RESERVE BUDGET ORDINANCE

BE IT ORDAINED by the governing Board of the Town of Pleasant Garden, North Carolina, the General Fund Reserve is hereby established for fiscal year 2022-2023.

Section 1. The General Fund Reserve is established for the purpose of providing reserve funds and sufficient cash flow for the 2022-2023 General Fund Budget adopted on June 7, 2022.

Section 2. All revenues received by the Town shall be initially deposited in the General Fund accounts. The Finance Officer shall be responsible for carrying out the transfer of funds to the Capital Reserve Fund per the Financial Policy and moving monies within the operating reserves to allow for the best safety, liquidity, yield, method of expenditure, and method of receipt.

Section 3. The funds currently contained in the following accounts shall be designated as the General Fund Reserve:

Fidelity Bank Business Checking...3087
Fidelity Bank Money Market Investment...0906

Section 4. The funds may be expended as provided in the adopted 2022-2023 budget.

Section 5. The following revenues are currently available in the General Fund Reserve as of June 7, 2022:

Fidelity Bank Business Checking...3087	33,866.44
Fidelity Bank Money Market Investment...0906	<u>1,215,275.66</u>
TOTAL	\$ 1,249,142.10

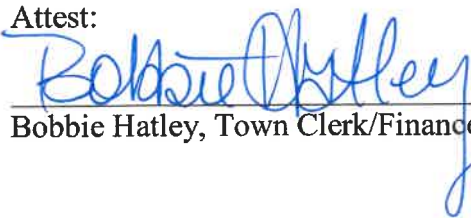
Section 6. The Finance Officer is hereby directed to maintain within the General Fund Reserve sufficient specific detailed accounting records to satisfy the requirements of federal regulation.

Section 7. The Budget Officer is directed to include a detailed report on the General Fund Reserve at every budget submission made to this Board.

Adopted this 7th day of June 2022.


Dean Maddox, Mayor

Attest:


Bobbie Hatley, Town Clerk/Finance Officer

2022-2023 CAPITAL RESERVE FUND BUDGET ORDINANCE

BE IT ORDAINED by the governing Board of the Town of Pleasant Garden, North Carolina, that pursuant to Chapter 159-18 of the General Statutes of North Carolina, the budget for the Capital Reserve Fund is hereby established for fiscal year 2022-2023.

Section 1. The Capital Reserve Fund is established for the purpose of providing seed capital for substantial improvements in Town infrastructure as provided in the adopted Financial Policy last revised on December 7, 2021.

Section 2. Ten percent (10%) of all shared revenues received from the state and county government shall be deposited promptly into the Capital Reserve Fund. Additional funds may be added to the Capital Reserve Fund at the discretion of the Town Council.

Section 3. These funds and the accrued interest on them shall remain in the Capital Reserve Fund and may only be disbursed for capital improvements through transfers to a Capital Project Fund for a specific infrastructure improvement approved by the Town Council.

Section 4. The funds currently contained in the following accounts shall be designated as the Capital Reserve Fund:

- Fidelity Bank Money Market Investment...0885
- Community One CD...7439
- Community One CD...7536

Section 5. The infrastructure improvements currently under consideration by the Town Council include the following:

Authorized capital projects unspent allocation as of June 7, 2022

2018 PARTF grant implementation	\$ 15,000
Other Possible Projects:	
Jordan Lake Rules implementation	250,000.00
Municipal Complex and/or Pleasant Garden	
Community Center Improvements	615,000.00
TOTAL	

Section 6. The following revenues are available in the Capital Reserve Fund Balance as of June 1, 2021 to fund these projects:

Fidelity Bank Money Market Investment...0885	260,840.94
Capital Bank CD...0571	585,460.82
Capital Bank CD...7536	<u>347,771.28</u>
TOTAL	\$ 1,194,073.04

Section 7. The Finance Officer is hereby directed to maintain within the Capital Reserve Fund sufficient specific detailed accounting records to satisfy the requirements of federal regulation.


Section 8. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 9. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element.

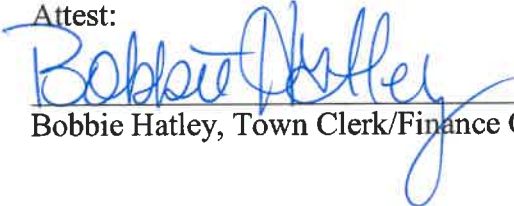
Section 10. The Budget Officer is directed to include a detailed report on the Capital Reserve Fund at every budget submission made to this Board.

Section 11. Copies of this capital reserve ordinance shall be furnished to the Clerk, to the Governing Board, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Amended and adopted this 7th day of June 2022.



Dean Maddox, Mayor

Attest:


Bobbie Hatley, Town Clerk/Finance Officer