Budget Message

June 1, 2021

Presented herein, is the Town of Pinetops Proposed Budget for Fiscal Year 2021-2022. This budget is balanced in its entirety as is required by the North Carolina General Statutes. This budget is a plan for the Town activities for the coming year. This budget continues our services at the same level as the current year.

The current tax rate for the Town of Pinetops is $.46 per hundred dollars of assessed valuation. The town began a contract with Edgecombe County to collect its taxes beginning with tax season 2020. This contract will help ensure the town remains aggressive with its collection.

The Town of Pinetops offers recycle and garbage collection for its citizens. The collective cost for these services is currently $21 per month per customer. The town started collecting recycles bi-weekly instead of weekly beginning in May 2021 to help offset the cost of collection.

The budget does not contain any proposed increase in the electric rates at this time but may have to be revisited in the future. The electric rates have not been increased since 2015.

The proposed budget does contain a 25% rate increase in both the water and sewer department. The water and sewer rates had not been increased since 2017. Moving forward the board may also need to look at implementing smaller increases at specified times to help offset the expenses associated with ongoing infrastructure issues. The town recently was classified as a distressed unit meaning it needs to look at ways to develop a short-term and long-term plan for infrastructure repair, maintenance, and management. The town will need to implement long-term financial management to ensure the public water system and wastewater system will generate enough revenue to adequately fund management, operations, personnel, and appropriate levels of maintenance.

In the proposed budget for FY 2021-2022 the town will renew its current group medical plan with BCBS. The renewal comes with a 21% rate hike. The budget does include a 2.5% COLA for employees. The board will also contribute an additional 1% to the general employees 401-k plan which will increase it from 2.5% to 3.5%. Due to state mandates the police department employees already receive contributions from the town in the amount of 5%. The Christmas Bonus will change to full-time employees receiving $500 and part-time employees receiving $250.

The town staff is proposed to increase this year with the addition of another full-time police officer. This decision was made to help provide the citizens the best protection possible. The cost of providing this type of service comes directly from tax revenue, garbage & recycling collection, as well as state shared disbursements.

The proposed budget does contain several debt payments. Debt payments in the general fund consist of the purchase of a garbage/recycle truck as well as a portion of two police vehicle grants. The annual cost of the USDA grant/loan is $24,654. Debt payments in the electric fund consist of the other portion of the two police vehicle grants. The annual cost of the USDA grant/loan is $12,428. The water & sewer department carries the biggest annual debt payment load for the town. The annual cost of the NCDEQ loan is $110,576. This debt is comprised of a new water tank and well. Debt in the water & sewer fund is expected to keep increasing in the upcoming years due to the age of the system.

The town will continue to face tough decisions in the upcoming years to help control the increasing expenditures and infrastructure problems facing small towns without jeopardizing the services it currently offers at an affordable price. Moving forward the town should strive to present a balanced budget within each fund without any interfund transfers being needed to offset the operational costs.

The Town Board and staff will continue to provide services to the citizens of Pinetops by the most effective means possible.

Respectfully submitted,

Tammy Keesler

Finance Officer