

Town of Murphy

Tim Radford, Mayor

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Chad Simons, Town Manager

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📍 5 Wofford St, Murphy, NC 28906

To: Mayor Tim Radford and the Murphy Town Council

Date: May 7, 2024

From: Chad Simons, Town Manager

Topic: 2024-2025 Fiscal Year Budget Ordinance Proposal and Message

I am pleased to present the proposed budget for fiscal year 2024-2025. This budget is designed to address key capital needs, improve our delivery of essential services, and support our workforce with a cost of living adjustment (COLA).

The budget allocates \$195,000 in water/sewer capital outlay and \$155,000 in capital outlay in the General and Rural Fire funds.

Capital items to note:

- \$55,000 for a Fire Department vehicle to replace a 2009 suburban with over 150,000 miles.
- \$43,000 for new police patrol vehicle.
- \$55,000 for a Utility Maintenance Pick-up truck, recommended last fiscal year but delayed due to Downtown Waterline Rehabilitation Project.
- \$30,000 to upgrade raw water turbidity meters for water plant.
- \$70,000 for skid steer loader for Sewer Plant.

Sanitation

The Town provides weekly residential garbage pick-up to each residence without charging sanitation fees to offset the costs. Due to the town's aging sanitation fleet, action is recommended for the acquisition of a new sanitation truck, an 8 yard rear loader with a lift attachment, before the 2024-2025 fiscal year. The 2024-2025 budget funds 1,000 96 gallon trash receptacles for each household, further improving our sanitation program. The investments in a new truck and receptacles will make the Town's sanitation service more safe and efficient for employees. The cost for the receptacles is \$65,000.

Commissioners:

Cindy Chastain, Frank Dickey, Keisha Dockery,
Barry McClure, Charlene Smith, Gail Walker Stansell

Administration

Health insurance premiums will increase by six percent, totaling \$255,000 annually. Workers' compensation premiums will decrease by forty percent to \$32,850. The Town's experience mod is .94. The budget funds a three percent COLA for all non-contract employees.

Implementing the COLA will increase General Fund salary expenditures by \$35,000 and Utility Fund salary expenditures by \$15,000. Management is recommending further action to retain quality employees, with a long term commitment to move employees to the midpoint of their respective classification ranges in the Town pay plan by their 15th year of service.

Tax Rate

The tax rate will remain the same at 42 cents per \$100 of valuation.

Powell Bill

The Powell Bill fund is budgeted at \$56,000. The Town's state allocation is based on street mileage and population.

Recreation

The budget allocates funding to complete a master recreation plan. The Town boasts valuable recreational assets, including the Murphy River Walk, Piney Knob trails, and Konehete Veterans Park. Current efforts are focused on transforming the Wiggles Building into a recreational asset, expanding the Murphy Riverwalk to the future Valley River Apartment complex, and constructing a splash pad and performance stage in Warner Park. A comprehensive master plan will enable the Town Council to prioritize projects, assess operations, and responsibly evaluate funding options for each project. This plan will also strengthen future grant applications. The selection of consultants through a Request of Qualifications (RFQ) process will clarify options; however, cost assessments will only be possible after completing the RFQ.

Debt Service

All debt payments are budgeted as required by law.

General Fund:

The Town in 2008 entered into a lease agreement with Murphy Power Board for exterior streetlights. This contract was amended in 2020-2021 to lease for the construction of sidewalk and exterior streetlights on Hiwassee Street. Payments will remain at \$16,000.

In 2007 the town borrowed \$1,900,000 from USDA to pay for a new fire station. The investment requires forty (40) annual payments of \$99,600. The loan will be paid off in 2047.

Water and Sewer Fund

The Town approved a ten year, \$900,000 loan in 2023 to fund the Downtown Waterline Rehabilitation Project. Debt service on the loan will begin in 2024-2025, with \$64,000 in principal and \$53,000 in interest payments.

The Town accepted two loans in 2009 to pay for pump station improvements at Cherokee Hills and what is now Erlanger Hospital. Annual payments total \$32,920. Both zero interest loans will be paid off in 2032.

The Town concluded the Hiwassee River Sewer Repair project in 2020. Debt service payments total \$45,000 for the next fiscal year. The debt service associated with the project will expire in 2041.

Water and Sewer Rates Schedule and Fund Amendment

To fund needed capital improvements, rates will increase in accordance with the Town's capital improvements plan. The base volume charge for all users will decrease from 2250 gallons to 2000 gallons. A complete copy of the proposed Town of Murphy's rate/fee schedule is attached.

Management recommends dividing the Utility Maintenance Fund to create separate distribution and collection funds. The change will allow management and the Town Council to better see the true cost of service associated with water and sewer operations.

Sewer dumping charges will remain fixed at their current rate of \$.12 cents per gallon for inside users, and \$.14 cents per gallon for outside users. Note that this service for septic haulers is a privilege offered to them by our sewer plant and is not required by law.

Capital Project Ordinances

Downtown Waterline Rehabilitation

The Town replaced over 2800 linear feet of 100+ year old water lines in downtown, and the \$1.2 million construction project will conclude with sidewalk repairs this month. The Town received \$388,000 in a direct state appropriation, which will help offset financing charges associated with the \$900,000 project loan. To date, \$803,250 has been expended for this project.

Ice Plant Lift Station Project

The \$1,494,900 project will upgrade a key component of our collection system, and ensure the town's sewer system can accommodate growth in the Peachtree community and the US 64 West Corridor. The project is expected to go to construction in fall 2024. To date, \$150,000 has been expended for the project. The project is supported by \$264,000 of American Rescue Act Funds, a \$360,000 direct state appropriation, and \$500,000 from Golden LEAF funds.

Downtown Streetscape Project

The project is supported by a \$665,000 Rural Transformation grant and a \$250,000 Rural Downtown Economic Development grant. The purpose of the project is to remake the town's pocket parks into a viable town square, coinciding with NCDOT scheduled road improvements. The project is expected to go to construction this summer or early fall, and \$64,607 has been expended to date for planning and construction design services.

Valley River Apartments Community Development Block Grant Project

The Town received an additional \$1.74 million, on top of \$750,000 previously awarded, in Community Development Block Grant monies to help get water and sewer to the new apartment complex site. The project will support the construction of 56 workforce housing units our community desperately needs. So far, \$1.68 million has been expended on the project, which is expected to conclude in early 2025.

Conclusion

The proposed budget aims to enhance the Town's sanitation program, make needed capital investments for public safety and water/sewer, and support town workers with a cost of living adjustment.

Respectfully,



Chad B. Simons,
Town Manager

2024-2025 Proposed Budget Ordinance

BE IT ORDAINED by the Town Commissioners of the Town of Murphy, North Carolina in a special session assembled:

I. That the following amounts are hereby appropriated for the operation of Town of Murphy government and its activities for the fiscal year beginning July 1, 2024 and ending June 30, 2025 according to the following summary and schedules.

Summary-All Accounts	Estimated Revenues	Total Appropriation
General Fund	\$2,835,000	\$2,835,000
Firemen's Relief	\$16,000	\$16,000
Powell Bill Fund	\$56,000	\$56,000
Rural Fire District	\$547,000	\$547,000
Utility Fund	\$2,263,000	\$2,263,000
TOTAL	\$5,717,000	\$5,717,000

II. That for the said year there is hereby appropriated out of the General Fund the following:

Code	Department	Appropriation
10-410	Governing Board	\$110,000
10-420	Administration	\$400,000
10-510	Police	\$1,188,000
10-530	Fire	\$340,000
10-560	Streets	\$152,000
10-580	Sanitation	\$270,000
10-620	Recreation	\$80,000
10-630	Library	\$165,000
10-640	Cemetery	\$30,000
10-399	USDA Debt Service	100,000
	TOTAL	2,835,000
14-000	Firemen's Relief	\$16,000
	TOTAL	\$16,000
15-570	Powell Bill Fund	\$56,000
	TOTAL	\$56,000
20-530	Murphy Rural Fire District	\$547,000
	TOTAL	\$547,000

III. It is estimated that the following General Fund revenues will be available during the fiscal year beginning July 1, 2024 ending June 30, 2025 to meet the following General Fund appropriations:

Code	Revenue source	Amount
10-301-04	Library copier/fin	\$2,000
10-301-11	Vehicle Tax Cherokee	\$40,000
10-302-19	2019 Taxes	\$1,000
10-302-20	2020 Taxes	\$1,000
10-302-21	2020 Taxes	\$1,000
10-302-22	2021 Taxes	\$2,000
10-302-23	2023 Taxes	\$10,000
10-302-24	2024 Taxes	\$1,100,000
10-317-00	Tax Penalty Interest	\$10,000
10-331-00	Depot Rental	\$2,000
10-331-01	Police Grant	\$1,000
10-335-00	Miscellaneous Revenue	\$10,000
10-337-00	Utility Franchise Tax	\$60,000
10-345-00	Local Option Sales Tax	\$700,000
10-346-00	Solid Waste Disposal	\$500
10-347-00	Beverage Tax Distribution	\$300,000
10-347-02	ABC Law Enforcement	\$5,000
10-354-00	EBCI Fire Protection Fee	\$120,000
10-335-00	Zoning Permit	\$500
10-399-00	TVA lieu of tax	\$65,000
10-399-01	Murphy Power lieu	\$130,000
10-399-02	Murphy Housing in lieu	\$16,000
10-399-03	Fund Balance App	\$125,000
10-399-04	Power Board Rent	\$25,000
10-399-10	Garbage Fees	\$8,000
10-399-80	Murphy Rural Transfer	\$100,000
	TOTAL	\$2,835,000

14-000	Firemen's Insurance Fund	\$7,000
14-399-03	Firemen's Fund Balance	\$9,000
	TOTAL	\$16,000

15-570	Powell Bill Fund	\$56,000
	TOTAL	\$56,000
20-301-12	Fire District Tax	\$400,000
20-399-03	Rural Fund Balance	\$147,000
	TOTAL	\$547,000

IV. That for said fiscal year there is hereby appropriated out of the Utility Fund the following expense in the Water Department:

Code	Department	Amount
30-809 Water Filter Plant	Water Filter Plant	\$562,000
30-810 Utility Distribution	Utility Maintenance Water	\$593,000
30-811 Utility Collection	Utility Maintenance Sewer	\$576,000
30-812 Wastewater Plant	Sewer Plant	\$532,000
	TOTAL	\$2,263,000

V. It is estimated that the following Utility Fund revenues will be available during the fiscal year beginning July 1, 2024 and ending June 30, 2025 to meet the foregoing Utility appropriations:

Code	Department	Amount
30-335-00	Miscell Revenue	\$10,000
30-371-00	Water Receipts	\$1,300,000
30-371-01	Sewer Receipts	\$700,000
30-374-00	Reconnect Fees	\$5,000
30-375-00	Water Tap fees	\$5,000
30-375-01	Water Recovery Fee	\$5,000
30-375-02	Sewer Tap fees	\$5,000
30-375-03	Sewer Cost Recovery	\$5,000
30-375-00	Dumping Fees	\$150,000
30-399-03	Retained Earnings	\$78,000
	TOTAL	\$2,263,000

VI. There is hereby levied for the fiscal year ending June 30, 2025 a tax rate of \$ 0.42 on each \$100 assessed valuation of taxable property, as listed inside the town limits of Murphy as of January 2024 for the purpose of raising the revenue from current years property tax as set forth in the foregoing estimates of revenue, and in order to finance the foregoing appropriations:

General Fund

For the general expense incident to the proper government in Murphy	\$ 0.42
Tax rate per one hundred (\$100) assessed valuation	\$ 0.42

Estimated collection rate of 94% was used to project ad-valorem revenues.

VII. Copies of the budget ordinance shall be furnished to the Finance Officer and Town Manager of the Town of Murphy, North Carolina to be kept on file for them for their direction in the collection of revenues and expenditures of amounts appropriated.

VIII. Special Authorization Budget Officer

The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- A. She/He may transfer amounts between line item expenditures within a department without limitation and without a report being required. These changes should not result in increases in recurring obligations such as salaries.
- B. She/He may transfer amounts up to one thousand (\$1,000) dollars between departments, including contingency appropriations within the same fund.
- C. She/He must make an official report on such transfers at the next regular meeting of the Board of Commissioners. She may not transfer any amounts between funds, except as approved by the Board of Commissioners in the Budget Ordinance as amended.

IX. The Budget Officer may make cash advances between funds for periods not to exceed 60 days without reporting to the Board of Commissioners. Any advances that extend beyond 60 days must be approved by the Board. All advances that will be outstanding at the end of the fiscal year must be approved by the Board.

X. Copies of this Budget Ordinance shall be furnished to the Clerk to the Board of Commissioners and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this _____ day of June, 2024

Commissioners:

Charlene Smith

Frank E. Dickey

Barry McClure

Gail W. Stansell

Keisha Dockery

Cindy Chastain

Rate & Fee Schedule

RATES EFFECTIVE JULY 2024

TOWN OF MURPHY
2024-2025

***UNITS = GALLONS (1 Unit = 1,000 gallons)

INSIDE CITY RATES

RESIDENTIAL- INSIDE

MINIMUM BILL 2251 gallons

\$26.10

COMMERCIAL- INSIDE

MINIMUM BILL 2251gallons

\$42.80

2,001 -9999999 UNITS @

\$4.80 PER \ UNIT

2001-10,000 UNITS @
10,001 & ABOVE @

\$5.90 PER \ UNIT
\$2.80 PER \ UNIT

Minimum sewer -2000 gallons
SEWER PER 1000 OVER 2251

\$15.30
\$3.25

Minimum sewer -2000 gallons
SEWER PER 1000 over 2251

\$15.30
\$3.25

OUTSIDE CITY RATES

RESIDENTIAL- OUTSIDE

MINIMUM BILL 2001 gallons

\$45.70

COMMERCIAL - OUTSIDE

MINIMUM BILL 2001 gallons

\$74.90

2001-9999999 UNITS @ \$9.15 PER \ UNIT

2,001-10,000 UNITS @ \$11.75 PER \ UNIT
10,001 & ABOVE @ \$5.55 PER \ UNIT

Minimum sewer 2000 gallons
SEWER PER 1000 over 2001 gallons

\$30.60
\$6.50

Minimum sewer 2000 gallons
SEWER PER 1000 over 2001 gallons

\$30.60
\$6.50

POOR HOUSE MOUNTAIN DISTRICT

MINIMUM BILL

\$50.00

2001-999999 UNITS @

\$9.15

DEPOSIT FEE

Minimum Bill for Two Months

Restaurants - \$350.00

2" Meter - \$350.00

Grease Trap

\$.75 per 1000 gallons up to 25,000 gallons

\$10.75 for next 1,000 gallons above 25,000

\$.75 per 1000 gallons after 26,000 gallons

SMALL BUSINESS GARBAGE

\$8.00 per month

RECONNECT FEE

Inside - \$50.00

Outside - \$75.00

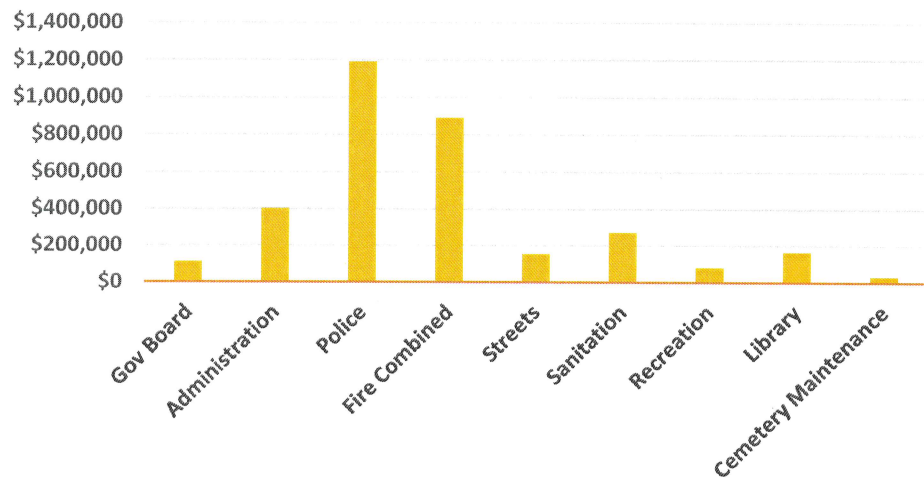
After 5 p.m. - \$50.00 additional fee

DUMPING FEES

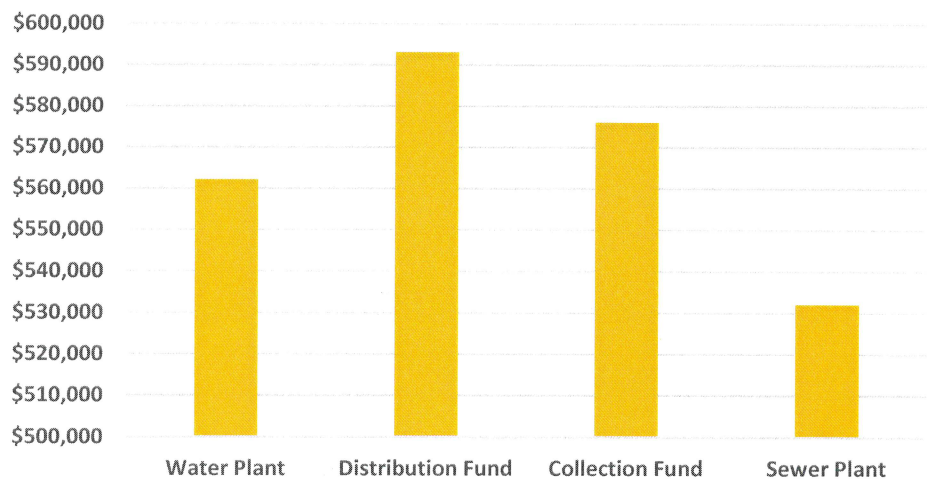
\$0.12 cents per gallon inside

\$0.14 cents per gallon outside

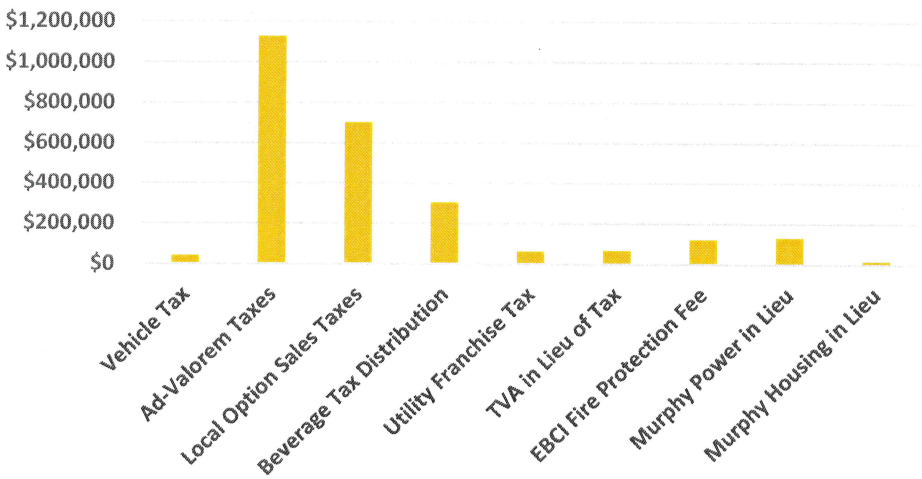
Proposed Funding: General Fund and Rural Fire



Proposed Funding: Utility Fund



Primary Revenue by Source: General Fund



Primary Revenue by Source: Utility Fund

