

Town of Murphy

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Commissioners
Charlene Smith
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To: Mayor Tim Radford and the Murphy Town Council

Date: May 12, 2023

From: Chad Simons, Town Manager

Topic: 2023-2024 Fiscal Year Budget Ordinance Proposal and Message

The attached budget proposal recommends a four percent cost of living increase for all full-time, non-contract Town of Murphy employees – the first COLA recommended since 2016-2017. The budget also recommends a \$302,600 water/sewer enterprise fund transfer to ensure the downtown waterline rehabilitation project ordinance is fully funded.

Other items to note:

- \$9,220 for PPE dryer for Fire Department.
- \$4,500 for website revamp.
- \$60,000 for support/tow vehicle for Fire Department (\$45,000 of cost offset by grant monies).
- \$50,000 for Utility Maintenance Pick-up Truck. Costs are offset by disposal of 1992 dump truck and 2006 Ford F-150 in 2022-2023 fiscal year.
- \$30,000 to upgrade telemetry system at water plant and distribution system.
- \$20,000 for conveyer belt at Sewer Plant headworks.
- \$100,000 for two new police vehicles.

Administration and Personnel

A cost of living increase of four percent is recommended for 2023-2024. The four percent COLA recommendation will keep our pay plan relevant as inflation remains at its highest rate in decades. Health insurance premiums will increase by four percent to \$229,000 annually. The cost of living adjustment will increase General Fund expenditures by \$52,700 and Enterprise Fund expenditures by \$22,500.

Tax Rate

The tax rate will remain the same at \$.42 cents per \$100.00 of valuation.

Capital Outlay – Water and Sewer

Downtown Waterline Rehabilitation

A transfer of \$302,600 into the Downtown Waterline Rehabilitation Project Ordinance was approved by Town Council in May. The project will replace approximately 3,000 linear feet of cast-iron water lines that are over 100 years old, and coincide with the NCDOT resurfacing work and the town streetscape grant project. The design and permitting expenses in preparation for the project were incurred in the 2022-2023 fiscal year after the Council approved the design contract in March 2022.

Distribution System Telemetry

\$30,000 to upgrade our telemetry system at Water Plant and distribution system. Currently, the plant uses 56k modems and landlines.

Sewer Plant

\$20,000 is budgeted to construct a conveyer belt at the headworks of sewer plant, ensuring bar screen debris is disposed of safely and cleanly.

Capital Outlay – Police

Management is recommending the purchase of two Fort Utility interceptors for police department, which will cost \$50,000 each.

Capital Outlay – Recreation

Recreation is budgeted at \$90,000, with \$50,000 to design and permit improvements along the primitive Riverwalk Loop.

Powell Bill

The Powell Bill fund is budgeted at \$56,000. The Town's state allocation is based upon street mileage and population. The funds can be used to help the Town replace more sidewalk sections in downtown as construction for waterline project gets underway later this year.

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 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 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.

Debt Service for the Downtown Waterline Rehabilitation Project will not begin until fall 2024.

Water and Sewer Rates

Rates will increase in accordance with the Town's Capital Improvements Plan, adopted in July 2021. The schedule increases base rates for inside users by six (6) percent and volumetric charges for all users by six (6) percent. The base volume charge for all users will decrease from 2500 gallons to 2250 gallons. 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.

A complete copy of the Town of Murphy's rate/fee schedule is attached.

Capital Project Ordinances

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. To date, \$35,789 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 Design Project

The project is fully supported by Rural Transformation Grant monies, and will remake the town's pocket parks into a viable town square. The project is budgeted at \$665,000 and no expenditures to date. The project will likely kickoff in the spring/summer of 2024.

Valley River Apartments Community Development Block Grant Project

The Town received \$750,000 to help get water and sewer to the project site. The project will support the construction of 56 workforce housing units our community desperately needs. No expenditures to report for this project to date. Project construction is set to kick off this fall.

Konehete Veterans Park/Warner Park Performance Stage Design

The Town received a \$70,000 direct appropriation from the State to design and permit a performance stage at one of two locations; Konehete Veterans Park or Warner Park. To date, \$28,000 has been expended for the project.

Conclusion

The proposed budget seeks to support the Town's downtown waterline rehabilitation project, and funds needed capital investments for public safety while keeping the town pay plan relevant with inflation.

Respectfully



Chad B. Simons,
Town Manager

2023 2024 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, 2023 and ending June 30, 2024 according to the following summary and schedules.

Summary-All Accounts	Estimated Revenues	Total Appropriation
General Fund	\$2,875,000	\$2,875,000
Firemen's Relief	\$14,000	\$14,000
Powell Bill Fund	\$56,000	\$56,000
Rural Fire District	\$476,000	\$476,000
Utility Fund	\$2,261,000	\$2,261,000
TOTAL	\$5,682,000	\$5,682,000

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

Code	Department	Appropriation
10-410	Governing Board	\$100,000
10-420	Administration	\$391,000
10-510	Police	\$1,291,000
10-530	Fire	\$336,000
10-560	Streets	\$163,000
10-580	Sanitation	\$195,000
10-620	Recreation	\$80,000
10-630	Library	\$190,000
10-640	Cemetery	\$29,000
10-399	USDA Debt Service	100,000
	TOTAL	2,875,000
14-000	Firemen's Relief	\$14,000
	TOTAL	\$14,000

15-570	Powell Bill Fund	\$56,000
	TOTAL	\$56,000

20-530	Murphy Rural Fire District	476,00
	TOTAL	\$476,000

III. It is estimated that the following General Fund revenues will be available during the fiscal year beginning July 1, 2023 ending June 30, 2024 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	\$50,000
10-302-18	2018 Taxes	\$1,000
10-302-19	2019 Taxes	\$1,000
10-302-20	2020 Taxes	\$1,000
10-302-21	2021 Taxes	\$2,000
10-302-22	2022 Taxes	\$20,000
10-302-23	2023 Taxes	\$1,070,000
10-317-00	Tax Penalty Interest	\$10,000
10-331-00	Depot Rental	\$2,000
10-331-01	Police Grant	\$2,000
10-335-00	Miscellaneous Revenue	\$10,000
10-337-00	Utility Franchise Tax	\$60,000
10-345-00	Local Option Sales Tax	\$650,000
10-346-00	Solid Waste Disposal	\$500
10-347-00	Beverage Tax Distribution	\$275,000
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	\$13,000
10-399-03	Fund Balance App	\$252,000
10-399-04	Power Board Rent	\$25,000
10-399-10	Garbage Fees	\$8,000
10-399-80	Murphy Rural Transfer	\$100,000
	TOTAL	\$2,875,000
14-000	Firemen's Insurance Fund	\$6,000
14-399-03	Firemen's Fund Balance	\$8,000
	TOTAL	\$14,000
15-570	Powell Bill Fund	\$56,000
	TOTAL	\$56,000
20-301-12	Fire District Tax	\$390,000
20-399-03	Rural Fund Balance	\$86,000
	TOTAL	\$476,000

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	\$550,000
30-810 Utility Maintenance	Utility Maintenance	\$1,134,000
30-811 Wastewater Plant	Wastewater Plant	\$577,000
	TOTAL	\$2,261,000

V. It is estimated that the following Utility Fund revenues will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024 to meet the foregoing Utility appropriations:

Code	Department	Amount
30-335-00	Miscell Revenue	\$10,000
30-371-00	Water Receipts	\$1,130,000
30-371-01	Sewer Receipts	\$650,000
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	\$100,000
30-399-03	Retained Earnings	\$346,000
	TOTAL	\$2,261,000

VI. There is hereby levied for the fiscal year ending June 30, 2024 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 2023 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 by 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, 2023

Commissioners:

Charlene Smith _____

Frank E. Dickey _____

Barry McClure _____

Gail W. Stansell _____

Keisha Dockery _____

Barbara Hughes _____

Rate & Fee Schedule

RATES EFFECTIVE JULY 2023

TOWN OF MURPHY
2023-2024

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

INSIDE CITY RATES

RESIDENTIAL- INSIDE

COMMERCIAL- INSIDE

MINIMUM BILL 2251 gallons

\$24.60

MINIMUM BILL 2251gallons

\$40.35

2,251 -9999999 UNITS @

\$4.50 PER \ UNIT

2251-10,000 UNITS @

\$5.55 PER \ UNIT

10,001 & ABOVE @

\$2.60 PER \ UNIT

Minimum sewer -2251 gallons

\$14.40

SEWER PER 1000 OVER 2251

\$3.05 PER UNIT

Minimum sewer -2251 gallons

\$14.40

SEWER PER 1000 over 2251

\$3.05 PER UNIT

OUTSIDE CITY RATES

RESIDENTIAL- OUTSIDE

COMMERCIAL - OUTSIDE

MINIMUM BILL 2251 gallons

\$43.70

MINIMUM BILL 2251 gallons

\$71.70

2501-9999999 UNITS @

\$8.60 PER \ UNIT

2,251-10,000 UNITS @

\$11.05 PER \ UNIT

10,001 & ABOVE @

\$5.20 PER \ UNIT

Minimum sewer -2251 gallons

\$25.45

SEWER PER 1000 over 2251 gallons

\$6.00 PER UNIT

Minimum sewer -2251 gallons

\$25.45

SEWER PER 1000 over 2251 gallons

\$6.00 PER UNIT

POOR HOUSE MOUNTAIN DISTRICT

MINIMUM BILL

\$47.90

2251-9999999 UNITS @

\$8.60

DEPOSIT FEE

Minimum Bill for Two Months

Restaurants - \$350.00

2" Meter - \$350.00

Grease Trap

\$0.75 per 1000 gallons up to 25,000 gallons

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

\$0.75 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

WATER & SEWER CONNECTION CHARGES

WATER ONLY	INSIDE CITY PAVED		OUTSIDE CITY PAVED	
¾ in	\$775		\$1,000	
1 in	\$925		\$1,500	
2 in	\$2,075		\$2,500	

SEWER CONNECTION CHARGES

SEWER ONLY	INSIDE CITY PAVED		OUTSIDE CITY PAVED	
4 in to 6 in	\$1350		\$1,550	
8 in and above	Quote	will be made	upon	request

DEPTH SURCHARGES

Applied to each tap

0-3 feet	0
4-6 feet	\$100
7-9 feet	\$500
10-12 feet	\$500
13-Above	P.O.R.

1. Push under road or driveway – all cost to be borne by customer.
2. All meters & materials used to make connection remain property of City.
3. Cost of replacing old water & sewer service to be borne by property owner.
4. **Any connection charges not listed above will be quoted at time of request.**
5. Payment for connection charges to be paid in **ADVANCE**.
6. Water deposit to be paid prior to service.
7. **When placing water & sewer service, if costs exceed the amount above, the costs shall be charged to the customer.**
8. Sewer can be placed only if the customer has water service.
9. Water & sewer service requires check valves and back-flow prevention at customer's expense.

In addition to the above tap fees, the cost recovery fee is as follows:

COST RECOVERY FEES

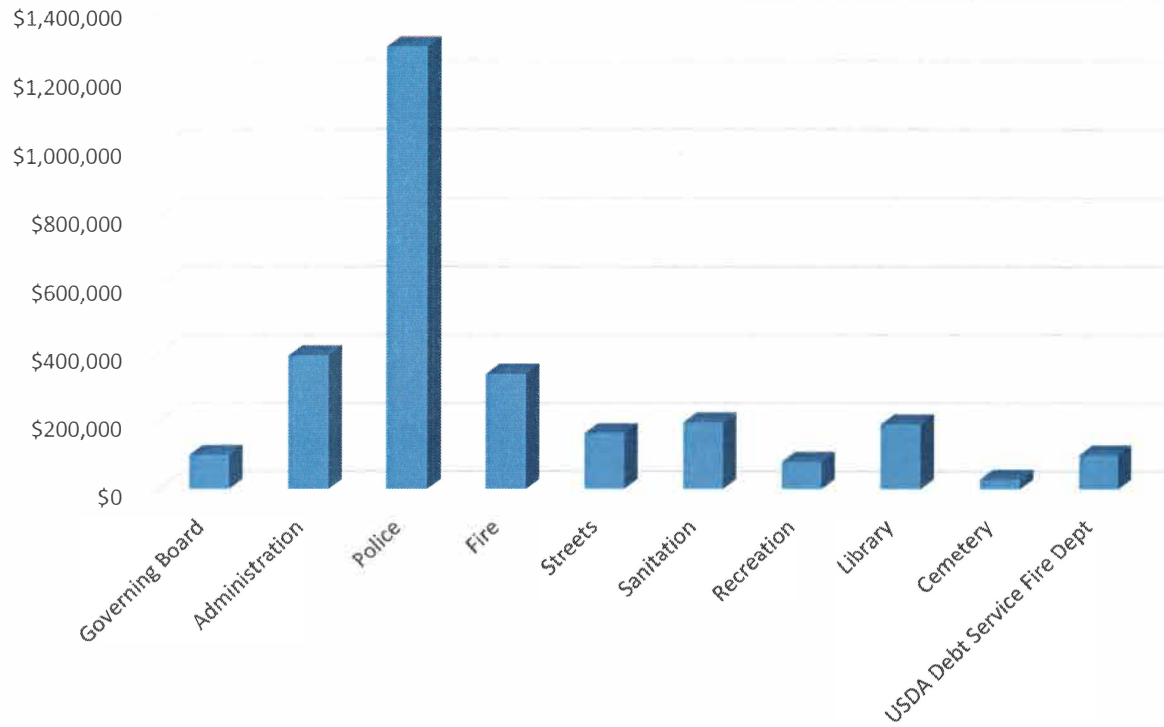
Connection size (inches)	Max flow gpm	Water inside	Water outside	Sewer inside	Sewer outside
3/4	30	\$500	\$1,000	\$1,600	\$3,200
1	50	\$770	\$1,540	\$2,600	\$5,200
1.5	100	\$1,540	\$3,080	\$5,300	\$10,600
2	160	\$2,470	\$4,940	\$8,400	\$16,800
3	320	\$4,940	\$9,880	\$16,800	\$33,600
4	500	\$7,720	\$15,440	\$26,300	\$52,600
6	1000	\$15,430	\$30,860	\$52,600	\$105,200
8	1600	\$24,690	\$49,380	\$84,100	\$168,200
10	2300	\$35,500	\$71,000	\$120,900	\$241,800
12	3100	\$47,840	\$95,680	\$163,000	\$326,000

Adopted by the Town Council of the Town of Murphy on _____

Clerk: Chad B. Simons

Mayor: Tim Radford

2023-2024 Proposed Spending for General Fund



2023-2024 General Fund Revenue by Source

