# TOWN OF FOUR OAKS
# BUDGET MEETING
# JUNE 15, 2026
# MINUTES

## Call to Order

Mayor Mike Hines called the June 15, 2026, special-called Town Council budget meeting to order at 6:00 p.m. Those present included Mayor Pro-Tem Tony Capps, Commissioners Carles Surles, Linwood Parker, Sauyer Roberts, and Kim Robertson. Also present were Town Clerk Rhonda Lee, recording minutes, Town Administrator Barry Stanley, Finance Director Rachel Raynor, Police Chief Stephen Anderson, and Mike Dart from FO Benson News in Review.

## Invocation and Pledge of Allegiance

Commissioner Surles gave the opening invocation, with Paul Papke leading the Pledge of Allegiance.

## Public Hearing 2026-2027 Budget Ordinance and Adoption of the 2026-2027 Budget

Mayor Hines called the meeting to a public hearing. A motion to enter a public hearing was made by Commissioner Roberts, seconded by Commissioner Surles. Motion carried unanimously.

Mayor Hines turned the meeting over to Town Administrator Barry Stanley to present the 2026-2027 Proposed Budget. Mr. Stanley presented the budget, along with a few changes made since the May 28, 2026, budget meeting. He noted that all commissioners had an opportunity to review the final budget and asked for any questions. There were none.

The significant FY 2026 – 2027 budget line items are noted below:

1) General Fund
   a) Revenues – Total Revenues $3,949,427
      - Current Taxes – increased approximately $33,35 due to the revaluation, growth in the town and an increase in projected Sales and Use tax collection. The overall tax rate is proposed to increase by 1.2 cents per $100 tax value, from 39.5 cents per $100 tax value to 40.7 cents per $100 tax value. The fire department tax rate is projected to increase from 11.5 cents per $100 tax value to 12.7 cents per $100 tax value based on the countywide tax rate projection. After adjusting for the fire tax rate, the Town's share of the tax rate will be 28 cents per $100 tax value.
      - SRO Reimbursements line – increases to $113K due to providing SRO officers in the Four Oaks Middle and Four Oaks Elementary schools. The officer salary and benefits are reimbursed from Johnston County Schools for providing SRO

officers in schools. The Town proudly provides a SRO in both Four Oaks schools.

- Powell Bill – increased $95K to $100K based on the monies we have received from the State to be applied towards street repairs.
- Sales & Use Tax Distribution line –remains at $700K based on sales taxes we have been collecting.
- Building Permits – remains at $200K due to permit fees for known growth and upcoming construction in the upcoming year.
- Open Space Fees – decreased $25K due to projected fees for known growth in the upcoming year.
- Fund Balance – projected to transfer $0 from reserve account to fund the projected budget. The draw down of the fund balance is necessary to balance the proposed budget.
- Garbage Fees – remains at $425K due to estimated growth based on the actual fee revenue.

b) Expenses – Total Expenses $3,949,427

- Salary lines – employee salary increases will be in line with market rates and evaluated to get salaries comparable to other towns.
- Admin. Board department community involvement line – total of $12.5K, the allocation will be: $12.5K to the Chamber of Commerce
- One change from the May 28, 2026, meeting consists of putting in $20,000 for Economic Development Grants for small businesses
- Another change from the May 28, 2026, meeting consisted of decreasing the telephone and the gas accounts throughout every department. A gas card that will save .12 cent on the gallon will be opened. Additionally, the telephone bill has been audited and a significant number of lines were cut that were not being used.
- Contributions to Fund Balance line – total of $66,822, this amount will be applied towards the reserve fund balance at year end. The town needs to continue to work to increase reserves to improve fund balances required by the State
- Contingency Fund line – This line based on recommendation by the LGC to treat as the 5% contingency per general statute.
- General Government professional services line –increased to $103K and used to cover anticipated town attorney fees, BRL Engineering fees, auditor fees, & other miscellaneous fees.
- Tax Collection – Budgeted $41K for the to pay the county for tax collection service.
- Fire Department - The Town's portion of the fire department's budget will be approximately $625K. The fire department receives a portion of the ad valorem taxes from the Town that is equivalent to 12.7 cents per $100 valuation of the Town's 40.7 cents per $100 valuation to provide fire protection services within the town limits.

- Building Inspections – broke out costs into its own department in prior year. The budget includes two new part-time building inspectors.
- Building Inspections capital outlay – includes cost for new software for permit and inspections tracking. The software will be compatible with the county software platform.
- Police department salaries –remains consistent with prior year.
- One change from the May 28, 2026, meeting consisted of adding back in $15,000 of maintenance and repair costs that were originally cut when cutting the upfit for a new police vehicle.
- Sanitation department – Town landfill fee increasing by $2 per ton
- Parks & Rec salaries – includes Librarian and PT employee
- Parks & Rec department maintenance and repair – $70,000 includes Superior landscaping and field maintenance, new building on Civitan Road
- Streets department utilities – budgeted $115,000 for growth and additional streetlights.
- Streets department maintenance & repairs line – budgeted approximately $80K for general maintenance.

2) Water and Sewer Fund
   a) Revenues – Total Revenues $2,606,500
      - The NC Rural Water Association ("NCRWA") updated the 5-year water and sewer rate study plan for the town. The updated study reflects administrative inflationary rate increases of 5% for FY 25 - 29; operations and maintenance inflationary rate increases of 5% for FY 25 - 29; water & sewer purchase inflationary increases of 10% & 10% due to Johnston County rate increases; & zero for capital projects. The rate study will help the town improve rates where they need to be in a 5-year period to recover costs. The rate study is reevaluated annually to help accomplish the 5-year plan. Mr. Stanley noted the study would be updated annually even after the 5-year rate plan and recommended we continue to follow the direction laid out in the rate study going forward.
      - Based on the rate study: water rates will increase an average of approximately 6% & sewer rates will increase approximately 5%.
      - Water & Sewer System Replacement lines – increased for growth but rates remain the same based on the rate study plan.
      - Other revenues such as tap & capacity fees are estimated for growth.

   b) Expenses – Total Expenses $2,606,500
      - Salary lines – employee salary increases will be in line with market rates and evaluated to get salaries comparable to other towns.
      - Contributions to Fund Balance line – this amount goes into the reserve at year end. The town needs to work to increase reserves to improve fund balances required by the State
      - Contingency Fund line – added this line based on recommendation by the LGC to treat as the 5% contingency per general statute.

- One change from the May 28, 2026, meeting consisted of cutting out the IAMGIS software system. Ultimately, this software was not used enough to be deemed necessary to renew.
- Water Capacity Purchase – based on fee revenue
- Water department maintenance & repairs line – $100K, consistent with prior year.
- Water department meters line – consistent with prior year to purchase more meters.
- Water Purchases line – increased as a result of Johnston County increasing their wholesale water rates by 10%.
- Sewer department capital outlay – fixed asset – includes repairs needed as a result of camera inspections in the system. The total amount budgeted for maintenance and repairs of the sewer system is $100K.
- Sewer transmission/treatment line - increased as a result of Johnston County increasing their wholesale sewer treatment rates by 10%, plus projected an increase due to the metering issue with the County.
- Sewer Capacity Purchase – based on fee revenue.

The budget totals were: (a) General Fund $3,949,427; (b) PT George Fund $1,426; and (c) Water & Sewer Fund $2,606,500.

There were no public comments received since the May 28, 2026, special budget meeting.

Motion to approve the FY 2026-2027 Budget Ordinance and Budget as presented was made by Mayor Pro-Tem Tony Capps, seconded by Commissioner Linwood Parker. Vote was 4 in favor and Commissioner Kim Robertson opposing.

## Adjournment

With no further business brought before the Board of Commissioners, a motion to adjourn at 6:17 p.m. was made by Commissioner Carles Surles, seconded by Commissioner Sauyer Roberts. Motion carried unanimously.

Mike Hines, Mayor

ATTEST:

Rhonda S Lee

Rhonda Lee
Town Clerk