

TOWN OF FOUR OAKS BUDGET MEETING

**May 27, 2025
MINUTES**

Call to Order

Mayor Medlin called the May 27, 2025, Special Called Town Council budget meeting to order at 5:30 p.m. Those present included Commissioners Michael Bradley, Mike Hines, Tony Capps and Kim Robertson. Also present was Town Clerk Rhonda Lee recording minutes, Public Works Director Barry Stanley, Finance Officer Rachel Raynor, Police Chief Stephen Anderson, and consultant Andy Hardy.

Invocation and Pledge of Allegiance

Commissioner Capps gave the opening Invocation with Barry Stanley leading the Pledge of Allegiance.

Public Comments - None

Budget Session

Mayor Medlin turned the meeting over to Consultant Hardy to present the 2025-2026 Proposed Budget. Hardy highlighted the significant budget line-item changes:

1) General Fund

a) Revenues – Total Revenues \$3,983,262

- Current Taxes – increased approximately \$509,232 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 decrease by 12 cents per \$100 tax value, from 51.5 cents per \$100 tax value to 39.5 cents per \$100 tax value. The fire department tax rate is projected to decrease from 13 cents per \$100 tax value to 12 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 27 cents per \$100 tax value.
- SRO Reimbursements line – remains at \$110K 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 \$15K to \$95K based on the monies we have received from the State to be applied towards street repairs.
- Sales & Use Tax Distribution line – increased approximately \$124K to \$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 \$65K 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.
- KS Bank Installment Purchase – anticipate having to do a loan of \$175K for a garbage truck.
- Garbage Fees – increased \$30K to \$425K due to estimated growth based on the actual fee revenue.

b) Expenses – Total Expenses \$3,983,262

- Salary lines – employee salary increases will be in line with market rates and evaluated to get salaries comparable to other towns.
- Economic Development Grants – total of \$20,000, a new line item to reserve funds to offer economic development grants to businesses who provide a service that the town is lacking and in need of.
- Admin. Board department community involvement line – total of \$12.5K, a decrease of \$5,000 over prior year and the allocation will be: \$12.5K to the Chamber of Commerce
- Admin. Board department maintenance & repair of building line – included is \$10K for Town Hall upgrades.
- Contributions to Fund Balance line – total of \$115,500, 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 Salaries – included funding to hire a part-time Town Administrator due to the Town's growth and additional administrative and management needs.
- General Government professional services line –increased to \$75K and used to cover anticipated town attorney fees, BRL Engineering fees, auditor fees, & other miscellaneous fees.
- Tax Collection – Budgeted \$40K 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 \$590K. The fire department receives a portion of the ad valorem taxes from the Town that is equivalent to 12.0 cents per \$100 valuation of the Town's 39.5 cents per \$100 valuation to provide fire protection services within the town limits. The 12.0 cents per \$100 valuation is based on the proposed countywide fire tax rate of 12.0 cents per \$100 valuation.
- Building Inspections – broke out costs into its own department in current year. The budget includes a new part-time building inspector.

- 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 – includes new SRO officer.
- Police Department capital outlay – includes cost for radio replacements.
- Sanitation department capital outlay – fixed asset – includes cost for new garbage truck.
- Parks & Rec salaries – includes new Librarian and new PT employee
- Parks & Rec department maintenance and repair – \$90,000 includes Superior landscaping and field maintenance
- Streets department utilities – budgeted \$105,000 for growth and additional streetlights.
- Streets department maintenance & repairs line – budgeted approximately \$80K for general maintenance.
- Streets department capital outlay – includes heating upgrades and repairs in town shop

2) Water and Sewer Fund

a) Revenues – Total Revenues \$2,429,850

- 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 4% for FY 25 - 29; operations and maintenance inflationary rate increases of 4% 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. Hardy 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 9% & sewer rates will increase approximately 25%.
 - 5% of the sewer rate adjustment is due to the rate study projection while 20% of the increase is due to a metering issue with the county
- 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 estimate for growth.

b) Expenses – Total Expenses \$2,429,850

- 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.

- Water Capacity Purchase – based on fee revenue
- Water department maintenance & repairs line – \$80K, 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 9.7%.
- 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 \$150K.
- 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.

Mr. Hardy noted we would be reviewing the Town's fee schedule to align with Johnston County and would be presenting any proposed changes to the Board for approval in July to be effective August 1, 2025.

The Commissioners agreed to increase all Town employee salaries by 2% with the added new benefit of fully covering an employee's spouse or children on the employees' health insurance plan.


The next budget meeting is scheduled for June 16, 2025, at 5:00 pm for the public hearing and final approval.

Adjournment

With no further business brought before the Town Council, the motion to adjourn at 6:40 p.m. was made by Commissioner Bradley, seconded by Commissioner Robertson, voting unanimous.



Vic Medlin, Mayor

ATTEST:


Rhonda Lee
Town Clerk