

**TOWN OF FOUR OAKS**  
**PUBLIC HEARING BUDGET MEETING**  
**June 10, 2024**  
**AGENDA**

**1) Call to Order**

**2) Invocation and Pledge of Allegiance**

**3) Public Comments**

**4) Public Hearing**

**a) Budget Session – FY 2024-2025 Budget Ordinance & Adoption of the  
FY 2024-2025 Budget**

**5) Adjournment**

**TOWN OF FOUR OAKS**  
**BUDGET MEETING**  
**June 10, 2024**  
**MINUTES**

**Call to Order**

Mayor Medlin called the June 10, 2024 special called the Town Council budget meeting to order at 6:00 p.m. Those present included Commissioners Michael Bradley, Carles Surles, Mike Hines, and Kim Robertson. Also present was Town Clerk Rhonda Lee recording minutes, Public Works Director Barry Stanley, Finance Director Hollie Blackwell, Police Chief Stephen Anderson, and Mike Dart from FO Benson News in Review. Not present and excused Commissioner Tony Capps.

**Invocation and Pledge of Allegiance**

Commissioner Surles gave the opening Invocation with Chief Anderson leading the Pledge of Allegiance.

**Public Comments - None**

**Public Hearing 2024-2025 Budget Ordinance and Adoption of the 2024-2025 Budget**

Mayor Medlin called the meeting into Public Hearing. Motion to enter in a public hearing was made by Commissioner Hines, seconded by Commissioner Surles, voting unanimous.

Mayor Medlin turned the meeting over to Commissioner Hines to present the 2024-2025 Proposed Budget. Commissioner Hines presented the FY 2024-2025 Budget that was approved on May 29, 2024. Commissioner Hines noted that there were no additional changes made to the approved budget since the May 29<sup>th</sup> meeting. He commented that the Council members had an opportunity to review the final budget and asked for any questions. There were none.

The significant FY 2024 – 2025 budget line item are noted below:

**1) General Fund**

a) Revenues – Total Revenues \$3,369,050

- Current Taxes – increased approximately \$138,300 primarily due to the growth in the town of \$35.3K and an increase in the tax rate of \$103K. Overall tax rate is proposed to increase from 47.5 cents per \$100 tax value to 51.5 cents per \$100 tax value due to the fire department tax rate increase of 2.5 cents and the town tax rate increase of 1.5 cents per \$100 tax valuation beginning in July

2024. The fire department rate is projected to increase from 10.5 cents per \$100 tax value to 13.0 cents per \$100 tax value based on the countywide fire tax rate projection. The Town's tax rate is projected to increase from 37 cents per \$100 tax value to 38.5 cents per \$100 tax value. The combined tax rate represents a 4.0 cents per \$100 tax value increase.

- SRO Reimbursements line – increased \$14K to \$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 based on the monies we have received from the State to be applied towards street repairs.
- Sales & Use Tax Distribution line – increased approximately \$36K based on sales taxes we have been collecting.
- Building Permits – increased \$140K due to permit fees for known growth and upcoming construction in the upcoming year.
- Open Space Fees – increased \$100K due to projected fees for known growth in the upcoming year.
- Fund Balance – increased \$50K due to projected shortfall of revenues compared to budgeted expenditures. 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 \$180K for a garbage truck and a bucket truck.
- Garbage Fees – increased \$10K due to estimated growth based on the actual fee revenue.

b) Expenses – Total Expenses \$3,369,050

- 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 \$17.5K, a decrease of \$1,500 over prior year and the allocation will be: \$15K to the Chamber of Commerce; \$2,500 to South Johnston High School athletics programs.
- Admin. Board department maintenance & repair of building line – included is \$30K for Town Hall upgrades.
- Contributions to Fund Balance line – this amount goes into the reserve at year end. This amount will net with the projected \$50,000 amount drawn down from the fund balance. The town needs to continue 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.
- General Government professional services line – decreased \$20K and used to cover anticipated town attorney fees, BRL Engineering fees, auditor fees, & other miscellaneous fees.
- Tax Collection – Budgeted \$25K for the to pay the county for tax collection service.

- Fire department increased due to full-time & part-time salaries and alignment with the fire department budget from taxes. The fire department's total budget amount will be approximately \$363K. Fire department receives a portion of the ad valorem taxes from the county equivalent to 13.0 cents of the towns 50.0 cents.
- Building Inspections – broke out costs into its own department in current year.
- 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 police officer
- Police Department vehicles – includes new police car with equipment and equipment for an additional car purchased in the current fiscal year.
- Police Department capital outlay – includes cost for radio replacements.
- Sanitation department capital outlay – fixed asset – includes cost for used garbage truck.
- Sanitation department equipment – includes cost for vehicle mechanic lifts to assist with vehicle maintenance and repair.
- Parks & Rec department professional services line– decreased to \$10,000 because PY included expenses for the development of a Town Parks & Rec Master Plan.
- Parks & Rec department capital layout – fixed assets – \$15,000 includes lawn mower replacement.
- Streets department utilities – increased \$21,000 for growth and additional street lights.
- Streets department maintenance & repairs line – increased approximately \$20K for general maintenance.
- Streets department capital outlay – fixed assets – includes a used bucket truck.

## 2) Water and Sewer Fund

### a) Revenues – Total Revenues \$2,052,000

- The NC Rural Water Association (“NCRWA”) updated the 5-year water and sewer rate study plan for the town. This will be year 4 of 5. 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 6% & 5% 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 13% & 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 \$2,052,000
- 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 department capital outlay – fixed asset – includes town shop repairs.
  - Water Capacity Purchase – based on fee revenue
  - Water department maintenance & repairs line – 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 costs to the town by 6%.
  - Sewer department capital outlay – fixed asset – includes repairs needed as a result of running the camera in the system.
  - Sewer transmission/treatment line - increased as a result of Johnston County increasing their costs to the town by 5%.
  - Sewer Capacity Purchase – based on fee revenue.

The budget totals were: (a) General Fund \$3,369,050; (b) PT George Fund \$1,426; and (c) Water & Sewer Fund \$2,052,000.

### **Public Comments**

Sam Austin, resident 203 E. Lewis Street addressed the board. Mr. Austin noted that he understood the fire tax rate increase, but inquired to ensure that the county wouldn't also be taxing the town citizens a fire tax. Mayor Medlin responded that the Town matches the county fire tax rate and is responsible for taxing the in-town residents and the county is responsible for taxing the out-of-town residents; therefore, citizens should only see one fire tax amount on their tax bill. The Mayor went on to explain the countywide fire tax rate and its purpose.

With no additional public comments, Mayor Medlin closed the public hearing.

There were no public comments received since the May 29, 2024, special budget meeting.

Motion to approve the FY 2024-2025 Budget Ordinance and Budget as presented was made by Commissioner Hines, seconded by Commissioner Surles, voting unanimous.

## **Adjournment**

With no further business brought before the Town Council, motion to adjourn at 6:06 p.m. was made by Commissioner Hines, seconded by Commissioner Hardy, voting unanimous.

ATTEST:

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Vic Medlin, Mayor

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Rhonda Lee  
Town Clerk