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# Fuquay-Varina Board of Commissioners

June 5, 2023

AN ORDINANCE ADOPTED BY THE BOARD OF COMMISSIONERS  
OF THE TOWN OF FUQUAY-VARINA, NC  
ESTABLISHING THE FISCAL YEAR 2023-2024  
OPERATING BUDGET

NOW, THEREFORE BE IT ORDAINED, by the Board of Commissioners of the Town of Fuquay-Varina, North Carolina, the following revenues, and departmental expenses (Sections I - VII), tax rate (Section VIII), fee schedules (Sections IX - XII), and budget and financial policies (Section XIII and XV) are adopted.

**SECTION I: GENERAL FUND - FUND 10**

**Anticipated Revenues:**

|                                       |           |                          |
|---------------------------------------|-----------|--------------------------|
| Ad Valorem Taxes (Current Year)       | \$        | 25,990,378               |
| Ad Valorem Taxes (Prior Years)        |           | 50,000                   |
| DMV Property Taxes (Current Year)     |           | 2,498,994                |
| Tax Penalties and Interest            |           | 30,000                   |
| Rental Vehicle Taxes                  |           | 60,000                   |
| Auto Licenses                         |           | 1,001,564                |
| Local Option Sales Tax                |           | 11,634,177               |
| Beer and Wine Tax                     |           | 115,000                  |
| Utilities Sales Tax                   |           | 1,512,393                |
| Cable TV Sales Tax                    |           | 324,588                  |
| ABC Net Revenues                      |           | 200,000                  |
| Powell Bill Revenues                  |           | 1,050,302                |
| Wake County Fire Tax                  |           | 2,694,718                |
| Licenses, Permits, and Fees           |           | 3,256,969                |
| Refuse Collection Fees                |           | 4,033,753                |
| Arts Center Fees                      |           | 336,000                  |
| Parks and Recreation Fees             |           | 943,600                  |
| Interest on Investments               |           | 800,000                  |
| Other Revenues                        |           | 681,428                  |
| Transfer From Capital Reserve Fund    |           | 0                        |
| Powell Bill Fund Balance Appropriated |           | 182,198                  |
| General Fund Balance Appropriated     |           | <u>0</u>                 |
| <br>Total Revenues                    | <b>\$</b> | <b><u>57,396,062</u></b> |

### Expenses Authorized by Department

|  |           |                          |
|--|-----------|--------------------------|
| Governing Body                               | \$        | 544,977                  |
| Administration                               |           | 1,043,466                |
| Communications                               |           | 517,745                  |
| Finance                                      |           | 1,022,058                |
| Engineering                                  |           | 1,680,136                |
| Public Buildings                             |           | 730,725                  |
| Central Services                             |           | 3,113,785                |
| Information Technology                       |           | 1,796,686                |
| Human Resources                              |           | 796,480                  |
| Police                                       |           | 10,635,789               |
| Fire   |           | 8,912,827                |
| Inspections                                  |           | 2,547,954                |
| Streets                                      |           | 2,788,159                |
| Powell Bill                                  |           | 1,232,500                |
| Debris Collection                            |           | 997,301                  |
| Sanitation                                   |           | 3,516,178                |
| Planning                                     |           | 1,517,830                |
| Economic Development                         |           | 337,186                  |
| Downtown Development                         |           | 414,250                  |
| Parks, Rec, and CR                           |           | 5,715,143                |
| Arts Center                                  |           | 1,063,846                |
| Transfers to Capital Reserve                 |           | 0                        |
| Transfers to Capital Projects                |           | 220,000                  |
| Transfers To Debt Service                    |           | 4,856,540                |
| Appropriation to Fund Balance - Inspections  |           | 0                        |
| Appropriation to Fund Balance - General Fund |           | 1,394,501                |
| <b>Total Expenses</b>                        | <b>\$</b> | <b><u>57,396,062</u></b> |

### SECTION II: DEBT SERVICE FUND - FUND 15

#### Anticipated Revenues

|                                |           |                         |
|--------------------------------|-----------|-------------------------|
| Transfer from General Fund     | \$        | 4,856,540               |
| Transfer from Enterprise Fund  |           | 231,200                 |
| Transfer from Capital Reserves |           | <u>448,771</u>          |
| <b>TOTAL REVENUES</b>          | <b>\$</b> | <b><u>5,536,511</u></b> |

#### Expenditures Authorized

|                             |           |                         |
|-----------------------------|-----------|-------------------------|
| Principal                   | \$        | 3,008,000               |
| Interest                    |           | 2,233,511               |
| Designated for Fund Balance |           | <u>295,000</u>          |
| <b>TOTAL EXPENDITURES</b>   | <b>\$</b> | <b><u>5,536,511</u></b> |

**SECTION III: CAPITAL RESERVE FUND – FUND 21 (GENERAL FUND ACTIVITIES)**

**Anticipated Revenues**

|  |           |                         |
|--|-----------|-------------------------|
| Recreation Unit Fees - Northwest District                      | \$        | 350,042                 |
| Recreation Unit Fees - Northeast District                      |           | 360,023                 |
| Recreation Unit Fees - South District                          |           | 661,621                 |
| Appropriated Fund Balance - Recreation Unit Fees - Prior Years |           | 460,000                 |
| Appropriated Fund Balance - Recreation Unit Fees - Northwest   |           | 521,853                 |
| Appropriated Fund Balance - Recreation Unit Fees - South       |           | <u>262,150</u>          |
| <b>TOTAL REVENUES</b>  | <b>\$</b> | <b><u>2,615,689</u></b> |

**Expenses Authorized**

|  |           |                         |
|--|-----------|-------------------------|
| Transfer to Capital Projects - South District      | \$        | 935,000                 |
| Transfer to Capital Projects - Northwest District  |           | 871,895                 |
| Transfer to Debt Service - Rec Debt (South)        |           | 448,771                 |
| Appropriation to Fund Balance - Northeast District |           | <u>360,023</u>          |
| <b>TOTAL EXPENDITURES</b>                          | <b>\$</b> | <b><u>2,615,689</u></b> |

**SECTION IV: CAPITAL PROJECTS FUND – FUND 40**

**Anticipated Revenues**

|                                |           |                          |
|--------------------------------|-----------|--------------------------|
| Loan Proceeds                  | \$        | 13,978,000               |
| Transfer from General Fund     |           | 220,000                  |
| Transfer from Capital Reserves |           | <u>1,806,895</u>         |
| <b>TOTAL REVENUES</b>          | <b>\$</b> | <b><u>16,004,895</u></b> |

**Anticipated Project Costs**

|   |           |                          |
|---|-----------|--------------------------|
| <u>Capital Projects – Public Buildings</u>                    |           |                          |
| Community Center HVAC Replacement                             | \$        | 45,000                   |
| Town Hall Window Replacement                                  |           | 175,000                  |
| <u>Capital Projects – Fire (Loan)</u>                         |           |                          |
| Fire Engine (4) Replacement                                   |           | 3,528,000                |
| <u>Capital Projects – Engineering / Transportation (Bond)</u> |           |                          |
| SE Judd / Angier Road Improvements                            |           | 2,250,000                |
| Old Honeycutt / Kennebec Road Improvements                    |           | 1,350,000                |
| Hwy 55 / James Slaughter Road Improvements                    |           | 2,250,000                |
| Purfoy / Holland Road Improvements                            |           | 4,600,000                |
| <u>Capital Projects – Parks &amp; Recreation (Rec Fees)</u>   |           |                          |
| Willow Lakes Park Field Lights (South)                        |           | 475,000                  |
| Willow Lakes Park Parking Lot (South)                         |           | 135,000                  |
| Falcon Park Field Lights (South)                              |           | 175,000                  |
| Honeycutt Playground Replacement (South)                      |           | 150,000                  |
| Alston Ridge Greenway Trail Construction (Northwest)          |           | <u>871,895</u>           |
| <b>TOTAL EXPENDITURES</b>                                     | <b>\$</b> | <b><u>16,004,895</u></b> |

**SECTION V: WATER AND SEWER ENTERPRISE FUND - FUND 61**

**Anticipated Revenues**

|   |           |                          |
|---|-----------|--------------------------|
| Water Sales and Tap Fees                    | \$        | 11,055,557               |
| Sewer Service and Tap Fees                  |           | 11,154,605               |
| Interest Earnings, Penalties, and Leases    |           | 691,800                  |
| Transfer from Water and Sewer Fund Reserves |           | <u>0</u>                 |
| <b>TOTAL REVENUES</b>                       | <b>\$</b> | <b><u>22,901,962</u></b> |

**Expenditures Authorized by Department**

|  |           |                          |
|--|-----------|--------------------------|
| W/S Billing and Collections                            | \$        | 740,754                  |
| Water Operations                                       |           | 7,447,796                |
| Sewer Operations                                       |           | 5,885,146                |
| Debt Service   |           | 1,595,440                |
| Transfer to Enterprise Capital Projects                |           | 1,403,063                |
| Appropriation to Fund Balance - Future Debt & Projects |           | <u>5,829,763</u>         |
| <b>TOTAL EXPENDITURES</b>                              | <b>\$</b> | <b><u>22,901,962</u></b> |

**SECTION VI: ENTERPRISE CAPITAL PROJECTS FUND - FUND 59**

**Anticipated Revenues**

|                            |           |                           |
|----------------------------|-----------|---------------------------|
| Bond / Grant Revenue       | \$        | 271,201,495               |
| Transfer from W/S Reserves |           | <u>2,069,130</u>          |
| <b>TOTAL REVENUES</b>      | <b>\$</b> | <b><u>273,270,625</u></b> |

**Anticipated Project Costs**

|   |           |                           |
|---|-----------|---------------------------|
| Donny Brook Road Waterline (Lake Wheeler Road to Hwy 401) | \$        | 816,900                   |
| Burt Road Waterline (Fleming Road to Starchase Lane)      |           | 766,080                   |
| Wagstaff Road Waterline (Howard Road to Whetstone Drive)  |           | 486,150                   |
| Sanford Water Conveyance (Easements & Construction)       |           | 69,321,365                |
| Sanford Water Plant Expansion (Design & Construction)     |           | 62,235,000                |
| Elevated Water Tank                                       |           | 7,000,000                 |
| Terrible Creek WWTP Expansion (Construction)              |           | 68,535,130                |
| Northern Harnett WWTP Expansion (Construction)            |           | 52,200,000                |
| Southern Oaks Sewer Pump Station                          |           | <u>11,910,000</u>         |
| <b>TOTAL EXPENDITURES</b>                                 | <b>\$</b> | <b><u>273,270,625</u></b> |

SECTION VII: WATER AND SEWER CAPITAL PROJECT FUND - FUND 60

Anticipated Revenues

|                                   |                     |
|-----------------------------------|---------------------|
| Transfer from W/S Enterprise Fund | \$ 1,403,063        |
| <b>TOTAL REVENUES</b>             | <b>\$ 1,403,063</b> |

Anticipated Project Costs

|                               |                     |
|-------------------------------|---------------------|
| Water Line Replacements       | \$ 525,000          |
| Water Line Oversizing         | 52,500              |
| Water Line Valve Replacements | 52,500              |
| Miscellaneous Water Projects  | 236,250             |
| I & I Rehabilitation          | 236,250             |
| Sewer Line Oversizing         | 52,500              |
| Miscellaneous Sewer Projects  | <u>248,063</u>      |
| <b>TOTAL EXPENDITURES</b>     | <b>\$ 1,403,063</b> |

SECTION VIII: WATER AND SEWER DEBT SERVICE FUND - FUND 65

Anticipated Revenues

|                                   |                     |
|-----------------------------------|---------------------|
| Transfer From W/S Enterprise Fund | \$ 1,364,240        |
| Transfer From W/S Reserve         | <u>4,521,654</u>    |
| <b>TOTAL REVENUES</b>             | <b>\$ 5,885,894</b> |

Expenditures Authorized

|                           |                     |
|---------------------------|---------------------|
| Principal - Bonds (Water) | \$ 567,520          |
| Principal - Bonds (Sewer) | 1,580,480           |
| Interest - Bonds (Water)  | 1,698,073           |
| Interest - Bonds (Sewer)  | <u>2,039,821</u>    |
| <b>TOTAL EXPENDITURES</b> | <b>\$ 5,885,894</b> |

**SECTION IX: WATER AND SEWER CAPITAL RESERVE FUND - FUND 71**

**Anticipated Revenues**

|                              |                            |
|------------------------------|----------------------------|
| Water Unit Capacity Fees     | \$ 4,616,400               |
| Sewer Unit Capacity Fees     | 4,669,200                  |
| Interest Earnings            | 200,000                    |
| Water Reserves Appropriation | 0                          |
| Sewer Reserves Appropriation | <u>0</u>                   |
| <b>TOTAL REVENUES</b>        | <b><u>\$ 9,485,600</u></b> |

**Expenditures Authorized**

|                                       |                            |
|---------------------------------------|----------------------------|
| Transfer to Debt Service Fund         | \$ 4,521,654               |
| Transfer to W/S Capital Projects      | 2,069,130                  |
| Appropriation to Fund Balance (Water) | 1,014,377                  |
| Appropriation to Fund Balance (Sewer) | <u>1,880,439</u>           |
| <b>TOTAL EXPENDITURES</b>             | <b><u>\$ 9,485,600</u></b> |

**SECTION X: TAX RATE ESTABLISHED**

An ad valorem tax rate of \$0.455 per \$100 at full valuation is hereby established as the official tax rate for the Town of Fuquay-Varina for the fiscal year 2023-2024. The projected current year revenue from property and vehicle taxes of \$28,489,372 is based on a total projected valuation of \$6,316,6174,647 and a projected collection rate of 99.82%.

**SECTION XI: WATER AND SEWER RATES ESTABLISHED**

The following monthly rate schedules for water and sewer service shall be in effect.

Base Rates

| <u>Meter Size</u> | <u>Water Base Rate</u> | <u>Sewer Base Rate</u> |
|-------------------|------------------------|------------------------|
| 3/4"meter         | 13.49                  | 18.73                  |
| 1" meter          | 22.52                  | 31.28                  |
| 1.5 " meter       | 44.92                  | 62.38                  |
| 2" meter          | 71.89                  | 99.84                  |
| 3" meter          | 134.88                 | 187.32                 |
| 4" meter          | 224.84                 | 312.26                 |
| 6" meter          | 449.56                 | 624.34                 |
| 8" meter          | 719.12                 | 998.87                 |

Water Consumption Rate

In-Town \$6.82/1,000 gallons  
Out-of-Town \$13.64/1,000 gallons

Sewer Consumption Rate

*(Except For Irrigation Meters)*

In-Town \$8.02/1,000 gallons  
Out-of-Town \$16.04/1,000 gallons

All rates for service provided to customers that are not located within the corporate limits of the Town of Fuquay-Varina shall be double the rates listed above for In-Town rates. No new Out-of-Town services may be provided prior to the approval of the Town of Fuquay-Varina Governing Board.

**SECTION XII: FEE SCHEDULE FOR FY 2023-2024**

The fee schedule (with attachments) is incorporated into this budget ordinance by reference.

**SECTION XIII: PAY INCREASES FOR EMPLOYEES**

Beginning on July 3, 2023 all regular, full-time employees, shall receive a Cost-of-Living Adjustment (COLA) of 4.0%. All regular, full-time employees that are not under probation and have completed 12 months of employment shall be eligible for a merit salary increase of up to 3% at a time determined by management, consistent with the FY 2023-2024 budget ordinance.

**SECTION XIV: SPECIAL AUTHORIZATION - BUDGET OFFICER**

- A. The Budget Officer shall be authorized to reallocate departmental appropriations among the various objects of expenditures as deemed necessary.
- B. The Budget Officer shall be authorized to effect interdepartmental transfers, in the same fund, not to exceed 10% of the appropriated funds for the department whose allocation is reduced. A notation of such a transfer shall be reported to the Town Board at the next earliest convenient Board meeting.
- C. Interfund transfers, established in the Budget Officer's Recommended Budget to the Town Board (the entire document of which is a part of this Budget Ordinance by reference) may be accomplished without a separate report to the Town Board.
- D. The purchase of all capital equipment (equipment having a value of over \$5,000) listed in the Budget Officer's Recommended Budget to the Town Board (the entire document of which is a part of the Budget Ordinance by reference) is authorized.
- E. Operating funds encumbered on the financial records as of June 30, 2023, are hereby reappropriated to this budget as necessary to fulfill all obligations outstanding on June 30, 2023.

**SECTION XV: RESTRICTIONS - BUDGET OFFICER**

- A. No interfund transfers, except as noted in SECTION XIV (C) are authorized without prior approval of the Town Board.
- B. No contingency appropriation may be utilized without prior approval of the Town Board.
- C. No single expenditure over \$500 is authorized without a pre-audit certification from the Finance Director or authorized designee (purchase order minimum limit).

SECTION XVI: UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This Budget Ordinance and reference budget documents shall be the basis of a financial work plan for the Town of Fuquay-Varina for the fiscal year of 2023-2024. The Budget Officer shall administer the budget, and the Budget Officer shall ensure that the department heads are provided guidance to implement the work elements described in the budget documents. The Finance Officer shall establish such records that are in consonance with this Budget Ordinance, the reference budget documents, and appropriate General Statutes of the State of North Carolina.

BE IT FURTHER ORDAINED, by the Board of Commissioners of the Town of Fuquay-Varina that this ordinance shall take effect immediately upon its adoption.

This Ordinance of the Town of Fuquay-Varina Board of Commissioners is hereby adopted this 5th day of June in the year 2023 in Fuquay-Varina, North Carolina.

FUQUAY-VARINA, NORTH CAROLINA

  
J. Blake Massengill, Mayor

ATTEST

(TOWN SEAL)

  
Rose H. Rich, Town Clerk





CERTIFICATION BY RECORDING OFFICER

The undersigned duly qualified and acting Town Clerk of the Town of Fuquay-Varina does hereby certify:  
That the above/attached ordinance is a true and correct copy of the ordinance authorizing the FY 2022-2023 Budget, as regularly adopted at a legally convened meeting of the Town Board of Commissioners duly held on the 6<sup>th</sup> day of June, 2022; and, further, that such ordinance has been fully recorded in the journal of proceedings and records in my office. IN WITNESS WHEREOF, I have hereunto set my hand this 5<sup>th</sup> day of June, 2023.

Rose A. Rich  
\_\_\_\_\_  
(Signature of Recording Officer)

Town Clerk  
\_\_\_\_\_  
(Title of Recording Officer)

