



TOWN OF EAST SPENCER

"HOME OF HERITAGE & PROMISE"

Budget Message Fiscal Year Beginning July 1, 2019

To the East Spencer Town Board and Citizens:

The Town of East Spencer proposed budget ordinance is attached and is a part of this message. The budget as proposed changes the focus of the Town services, placing more emphasis on public safety and maintenance of capital equipment. The Town staff presented a Capital Improvement Program for the first time this fiscal year and it was used as part of the budgeting process. The proposed operating budget rearranges some of the line items to more accurately reflect the reality of expenses and obligations of the Town. The public safety increases are mainly in the areas of increased resources and manpower to the police department and additional equipment in the fire department. The largest piece of equipment recently purchased in the fire department is the new fire truck, which will be paid out with financing over the next fourteen (14) years. The Town increased the tax rate by three cents (.03) tax to cover the payment for this truck in FY 2018-2019 and carried into the current fiscal year. The proposed budget includes a police car as a replacement for the aging fleet in this department.

The recreation budget envisions that the Splash Pad will be open in the summer of 2019. The cost of garbage collection is increasing by 1.9 percent consistent with the contract with the service provider. Increases were not passed along to residents in the previous fiscal year. In addition, the Town updated its schedule of fees for the first time since 2008 and was approved by the Town Board at the June 3, 2019 meeting and is included with this budget.

The Water and Sewer Fund is challenging given the debt obligation and ongoing customer service fee from the provider. The City of Salisbury will have a 1.6 percent increase in their rates to the Town plus an additional average of \$3,500 per month in sewer credits that are no longer available to the Town. Based on the increase from Salisbury as well as the ongoing reduction in sewer credits this budget is requesting a 1.4 percent increase to the Town customers. The Town has asked Salisbury-Rowan Utilities to study the benefits of a merger into their system and the study is on-going with their consultant.

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In addition, the Town will levy a graduated fee schedule for water meter maintenance based on the size of the account. These rates are consistent with the City of Salisbury schedule of fees and maintain the rate structure for Town minimum for the smallest meters from the FY 2018-19 Town Budget. The following is a computation of the rates below billed per month:

- 1) Town Minimum Water - \$4.99 less than 1"
\$6.15 - 1"
\$13.46 - 2"
\$44.72 - 4"
\$95.92 - 6"

- 2) Town Minimum Sewer - \$5.45 less than 1"
\$6.82 - 1"
\$15.18 - 2"
\$50.90 - 4"
\$109.42 - 6"

The budget as proposed remains very tight for the future and the Town employees are one of it's greatest assets. The budget contains the cost of living adjustment at 2.34 percent as a reward for all of the hard work from the employee work force in the past fiscal year. Full-time employees continue to receive a competitive benefit package of health, dental and vision insurance as well as 401k contribution and matching funds for the local government retirement system and associated payroll taxes.

Should you have any questions please feel free to contact me at your convenience to discuss any of these items.

Respectfully submitted,

Phil Conrad.
Interim Town Administrator
Town of East Spencer