

Honorable Mayor and Councilmembers,

The adoption of the budget is one of the most important activities undertaken by local government officials each year. Submitted herein, in accordance with the Local Government Budget and Fiscal Control Act, is the Recommended Annual Operating Budget for Fiscal Year (FY) 2023-2024 for the Town of Selma, North Carolina. This spending plan reflects thoughtful consideration and tough choices with a goal of best supporting our community in the year ahead.

The overall budget is \$23,789,039 across all funds, which is a 4% reduction from the FY2023 budget, as amended. The recommended General Fund budget for FY2024 is \$7,534,307, a 19.4% decrease over the FY2023 budget, as amended. The year over year decrease reflects reduction in dependence on fund balance, reduction in grant revenues, and relocation of refuse revenues to the newly created Sanitation Enterprise Fund. This undertaking of direct sanitation services reflects the emphasis on our customer service goals as well as our interest in maintaining a community that is consistently clean in appearance.

This budget supports the many core services our community relies upon such as clean drinking water, wastewater and electric services, public safety, parks, library and more, while recognizing that challenges remain to maintaining service levels and meeting our community's expectations. There is no change recommended to the property tax rate. An increase of one penny is recommended in the rural fire tax. There is a 3.5% increase proposed for water and sewer rates which represents year four of a five-year plan to adjust the rates annually. There is no change recommended in the electric rates.

There is nothing more fundamental to the ability of a municipal organization to provide basic services than the town employees doing the work. It is imperative that we continue to invest in the town's most important asset – the public servants who work day in and day out to ensure the delivery of town services to the community. This budget adds a net .12 FTE's to the workforce which includes two added School Resource Officer positions as well as an Assistant Fire Chief position. This brings the total FTE count to 91.33. Included in this budget is a 2.5%

cost of living adjustment for all full-time employees as well as adjustments for part-time hourly rates to allow the organization to be more competitive in the local market.

This budget was developed through a process that began with each department head making requests for their departmental needs. The overall budget was evaluated and those department heads were given the opportunity to recommend reductions. The Recommended FY2024 Budget is the product of these recommendations coupled with the further adjustments needed to get to a balanced budget. I would like to thank the staff for their support and assistance in developing this budget.

Recommendations about how to allocate funding must always demonstrate fiscal responsibility. The best recommendations also reflect shared values and qualities of life. While the budget adoption occurs annually, the budget process is continuous as we monitor performance, spending, and review priorities. Thank you for this opportunity to recommend the FY2024 budget. Please share any follow-up questions that you may have.

Rhonda Graham Sommer, CPA  
Interim Town Manager

April 18, 2023