



## TOWN OF AHOSKIE

201 WEST MAIN ST. ♦ P.O. BOX 767 ♦ AHOSKIE, NC 27910-0767 ♦ PHONE (252) 332-5146 ♦ FAX (252) 332-1643

June 1, 2020

Mayor and Council  
201 Main St. W.  
Ahoskie, NC 27910

Re: Budget Message 2020-2021

Dear Mayor and Council,

Attached is the proposed 2020-2021 Budget for the Town of Ahoskie. Because of the uncertainty with the coronavirus this was a challenging budget to write. This is a solid responsible budget that is restrained but not panicking.

### REVENUE:

Because of the uncertainty of the economy the proposed budget is written with no increase in any revenue line item. The budget proposes no change in the \$0.81 per \$100 of evaluation tax rate. All fees including water, sewer, garbage, planning, zoning and inspection are recommended to stay the same. The budget is balanced without appropriating funds from fund balance. Normally there is a 3% to 5% increase in sales tax. Sales tax is the second largest revenue sources in the General Fund. There are projections of sales tax being neutral to down 25%. If sales tax goes down by 25%, this would be over \$300,000 decrease to the General Fund. There is about a 3 months delay between when a sale takes place and when the NC Department of Revenue reports the amounts to the Counties and Municipalities.

### EXPENDITURES:

**STAFF:** The MAPS Groups completed a salary study in September 2019. The town implemented one-third of the results of the study in October 2019. The budget includes the second one-third of the results of the salary study to start July of 2020, with the final one-third planned for July of 2021. The COLA(cost of living adjustment) for the calendar year of 2019 was 2.3%. Therefore, there is a 2.3% increase in salary line items to all employees. However, because of the uncertainty of the economy the 2.3% increase will not be implemented until we have a chance to see what the economy is going to do. The cost of health insurance is increasing from \$881.21 per employee per month, to \$950. This increase is still taking place even though the deductible is increase and the maximum out of pocket is increasing from \$2,500 to \$4,000. Because of this increase the budget includes \$50 per month additional to go into the HSA (Health Savings Account) to match each employee contribution up to \$50 per month. This is in addition to the \$50 the town is already putting into the HSA. The budget provides for no change

in the number of full-time employees. However, we have open positions frozen at this time, two police officers and one water and sewer. The total number of employees will stay at 53 full-time employees.

COUNCIL PRIORITIES:

EXPENDITURES IN THE BUDGET: The following have been included in the 2020-2021 budget:

Police SUVs with loan/grant from USDA	Loan
Condemnation and code enforcement Cost	\$ 25,000
July 4 <sup>th</sup> Event This is TDA funds	\$ 17,000
Repayment of Library design	\$ 40,000
Downtown Building Reuse	\$ 5,000
Ahoskie Chamber Event Planning	\$ 10,000
Backhoe water and sewer	\$ 95,000
Truck replacement water and sewer	\$115,000

Respectfully submitted,



Kerry M. McDuffie  
Town Manager