

**TOWN OF
MINERAL
BUDGET WORK SESSION
FY 2023 - 2024**

May 24, 2023

First The Bad News

The Cost Of Debt

- **52% of your Real Property Tax (10.31 cents) is dedicated for the next 21 years to pay your W&S debt.**
- **17% of your Real Property Tax (3.34 cents) is dedicated for the next 28 years to your general facilities debt.**
- **Only 32% of your Real Property Tax (6.35 cents) is available for other purposes.**

Background Continued

A Troubled Enterprise

Your Water & Sewer Enterprise is Running an Annual Deficit

	FY 22	FY 23
Water & Sewer Debt Service	\$54,108	\$54,108
Repairs & Maintenance -Water & Sewer	\$425,000	\$90,000
County Wastewater Treatment	\$125,000	\$90,000
County Water Purchased	\$120,000	\$60,000
Water Testing/monitoring	\$13,000	\$13,000
Water Salaries	\$13,000	\$13,000
Total Expenses	\$750,108	\$320,108
Total Revenues	\$250,000	\$250,000
Water & Sewer Budget Deficit	\$500,108	\$70,108

Background Continued

A Broken Administrative Systems

- ❖ **Dysfunctional accounting system.**
- ❖ **Dysfunctional records management (minutes, resolutions, ordinances).**
- ❖ **Out of date Town Code.**
- ❖ **Computer failures.**
- ❖ **No recent audit (an obstacle to secure federal grants).**
- ❖ **An outdated website.**
- ❖ **Staff vacancies.**

All Is Not Bad

- ❖ **The Town has a healthy unassigned fund balance.**
- ❖ **A new IT person is on board.**
- ❖ **New servers and workstations are being installed presently.**
- ❖ **Accounting services are being secured.**
- ❖ **New accounting, website and agenda management systems have been secured.**
- ❖ **Records are being organized.**

FY 2023 – 2024 Budget Highlights

- ▶ Sets the equalized Real Estate tax rate at 20 cents/\$100 (a decrease of two cents).
- ▶ Includes a 1% increase in the meals tax.
- ▶ Reflects an increase in revenues of \$74,000 (excluding any changes in the Water & Sewer rates) and a drawdown of \$122,000 of the unassigned fund balance.
- ▶ Increases spending by \$95,000.
- ▶ Includes a five percent cost of living raise for staff.

Decisions Needed

- ▶ Proposed real property tax rate.
- ▶ Proposed meals tax rate.
- ▶ Proposed water and sewer rates.
- ▶ Other – contingency line item, recodification.



Next Steps

- Continue work session if necessary.
- Publish proposed budgets – June 1, 2023
- Budget Hearings – June 12, 2023
- Adopt FY 2024 Budget – June 19, 2023
- Adopt Rates and Appropriate FY 2024 Spending – June 20, 2023