



Village of Marvin, North Carolina

Recommended Budget Fiscal Year 23-24

VILLAGE COUNCIL

Joe Pollino, Mayor
Kim Vandenberg, Mayor Pro-Tem
Jamie Lein, Councilmember
Bob Marcolese, Councilmember
Andy Wortman, Councilmember
Wayne Deatherage, Councilmember

VILLAGE MANAGER

Christina L. Amos

FINANCE DIRECTOR

Jill Carilli

VILLAGE CLERK

Austin W. Yow

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BUDGET MESSAGE FOR FY23

To: Mayor and Village Council

Date: May 5, 2023

From: Christina Amos, Village Manager

Attached is the recommended FY24 budget for the Village of Marvin. In accordance with § 159-26(b), the operating budget breaks out relevant departments or municipal services and reflects the fund accounting structure as required by the N.C. Local Government Budget Fiscal Control Act.

The recommended budget is \$2,987,600 which represents a \$662,688 increase from the current year's adopted budget with the majority of this increase being attributable fund balance appropriations for one-time expenditures such as the Marvin Road/New Town Road Roundabout, Pavement Preservation, and the creation of a Unified Development Ordinance. The recommended budget is balanced, with *no proposed tax rate increase*. Since 2010, the Village's population has experienced exponential growth. While population increased, the Village's tax rate remained stable until FY21, when a one cent tax rate increase was adopted by Village Council.

The proposed balanced budget maintains current service levels while also adding an additional department (Public Works) to oversee Streets, Facility Maintenance, and Solid Waste. Public Works. While the Village has exponentially grown over the years in milage of Village owned streets, greenways and trails, and facility space, the creation of this department has become increasingly important to promote efficient and effective operations. Additionally, a full-time Recreation Activities Coordinator is proposed within the FY 24 budget; the role of this position will be to assist in creation of recreational programs for Village residents which includes event planning, passive recreation activities, and coordinate and facilitate facility rentals/functions.

Revenue

The Ad Valorem tax (e.g., real property, personal property, and vehicle taxes) is a major source of the Village's revenue, representing 33% of total revenue. There was a slight increase in ad valorem as the total valuation increased due to new residential and commercial developments and voluntarily annexed properties; this number will slowly continue to rise with construction of recently approved residential and commercial developments and the continual promotion of voluntary annexation. Revenues from unrestricted intergovernmental revenues (e.g., beer and wine tax, utility sales tax, and local option sales tax) represent 24% of total revenue and are projected to remain flat with exception of Sales and Use Tax where a slight increase is anticipated. Powell Bill dollars are expected to be slightly higher than last year based on an increase in road acceptance. It is important to note that as additional roads are accepted from NCDOT and private developers, this revenue will increase slightly; however, the majority of Powell Bill funding is based off municipal population which remains relatively stable for Marvin. Investment revenues are projected to increase substantially by changing investments into higher interest yield accounts within the North Carolina Capital Management Trust. The FY 24 budget also displays a new revenue for Vehicle Tag Fee to reflect the \$25 fee per vehicle that will be earmarked for purposes to fund road improvement which could include some greenways or multimodal transportation trails. There is an increase in revenues for the Solid Waste Department as Consumer Price Index increases have driven higher cost of services and fuel surcharges.

Fund Balance: Unlike in years past, there is a Fund Balance appropriation recommended for one-time expenditures on this year's budget for a total of \$96,000 in Unassigned Fund Balance and \$250,000 in Fund Balance: Restricted for Streets. It is important to note that it is not unusual to see Fund Balance appropriations for street improvements as Council has enacted a policy that promotes the usage of Powell Bill revenues (which are solely restricted for road improvement expenditures) on a biennial cycle; therefore, during the years of non or limited expenditure, those revenues titled "Fund Balance: Restricted for Streets" are banked and carried over

to use in subsequent years. Additionally, it is not uncommon for local governments to use Unassigned Fund Balance to pay for one-time expenditures. Conservative budgeting and fiscally prudent spending over the last few years have yielded growth in Marvin's reserves. Council has taken stance to spend down some of its coffers before considering any increases in tax rates and therefore staff is recommending appropriation of Unassigned Fund Balance of \$96,000 to fund a Marketing Specialist for preparation of the General Obligation Bond Referendum, to fund all park projects within the Capital Improvement Plan for FY 23-24, and the creation of the Unified Development Ordinance.

Vision and Strategy

Per Council's strategic direction, the priorities, goals and objectives that drove the decision-making process for the development of the FY24 operating budget are as follows:

Goals/Objectives:

- Continued facility maintenance and commitment to a 15-year amortization schedule of the new Village Hall facility.
- Creation of Full Time Public Works Director and Recreation Activities Coordinator.
- Continued professional communications consultant for message consistency and optimal Village communications.
- Implementation of Vehicle Tag fee to be earmarked for road improvements.
- Continued operation of solid waste services.
- Continue priority of public safety with law enforcement coverage during peak times 7 days/week with a 3.5% increase.
- Slight increase in Solid Waste fees due to raising inflation costs (new fee proposed at \$250).
- Continue commitment to build-out New Town/Marvin Road roundabout.
- Fund 100 percent of the General Fund Capital Improvement Plan.
- Continued service of third-party Certified Public Accountant to assure professional standards of fiscally sound operations and GAAP procedures are met.
- Observe contingency of \$30,000 for overall budget for unexpected projects throughout the year.
- Continue road preservation strategy by implementing Fog Seal applications as recommended by Village Engineer and pavement assessments.
- Maintain competitive employee benefits with a 3 percent merit for high performing employees and a 7 percent Cost of Living Allowance.
- Absorb the 3.5% increase in health insurance to minimize the effect on employees and maintain a competitive benefits package to include enactment of Employee Assistance Program.
- Continue focusing on quality of life for Village residents with an increase in event planning AND an appropriation to start a Maintenance and Equipment Capital Reserve.
- Appropriate and transfer \$75,000 to Greenway and Loop Expansion Capital Project.
- Continued commitment to fund National Wildlife Federation Community (MARSH).

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Budget Overview by Revenue Source and Functional Area

The following is a summary of the balanced FY24 Recommended Budget for the Village of Marvin’s General Fund.

Revenues by Type	Budgeted FY 23-24
Ad Valorem Taxes	\$975,500
Unrestricted Intergovernmental	\$717,000
Restricted Intergovernmental	\$167,600
Permits and Fees	\$103,250
Sales and Services	\$93,250
Investment Earnings	\$75,000
Fund Balance: Unassigned	\$96,000
Fund Balance: Restricted for Streets	\$250,000
Solid Waste	\$505,000
Miscellaneous	\$5,000
Total Revenue	\$2,987,600

Expenditures by Type	Budgeted FY 23-24
General Government	\$964,063
Planning & Zoning	\$200,966
Public Safety	\$232,500
Transportation	\$415,500
Culture and Recreation	\$400,811
Solid Waste Services	\$488,500
Public Works	\$255,260
Contingency	\$30,000
Total Expenditures	\$2,987,600

The Village of Marvin also has several capital projects, which are authorized by project ordinance, with appropriations made by Council to the following capital project funds:

Project Name	Project Authorization	Balance Available
Village Hall	\$2,144,425	\$22,000
Farmer’s Market	\$ 25,000	\$25,000
Greenway Trails	\$ 56,450	\$30,299
Greenway and Loop	\$138,500	\$58,012
Special Project Grant: ARPA	\$1,076,933	\$351,945
Special Project: Parks	\$500,000	\$395,600
Special Projects: Infrastructure	\$150,000	\$150,000

¹ Capital Project Fund Balance as of May 2023.

A public hearing to receive resident input on the recommended FY24 General Fund Budget is set for 6:00 pm at Marvin Village Hall, located at 10006 Marvin School Road, Marvin, NC 28173 on May 25, 2023. A copy of the FY24 Recommended Budget will be available for inspection with the Village Clerk at Village Hall and on the Village's website at www.marvinnc.gov.

I wish to express my thanks to the Mayor and Village Council for their support, leadership, and recognition of all Village employees who have accomplished so much this past year. It is our goal as staff to promote optimal quality of life for Marvin residents and we graciously appreciate the opportunity to serve. Please let me know if I can be of any further assistance as you review this proposal.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Amos', written over a circular stamp or seal.

Christina L. Amos
Village Manager

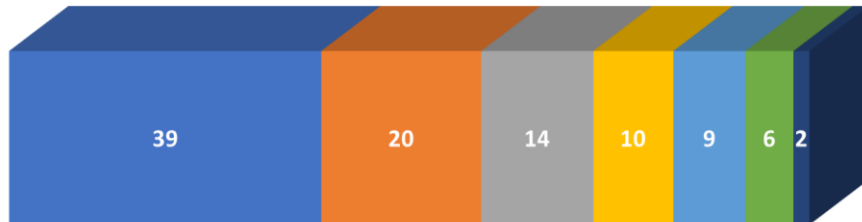
How a Dollar is Divided by Functional Area

PERCENTAGE OF A DOLLAR



CENTS PER DOLLAR

- General Government ■ Solid Waste Services ■ Culture and Recreation
- Public Safety ■ Planning & Zoning ■ Transportation
- Contingency



ABOUT MARVIN

The Village of Marvin, in Union County, North Carolina was incorporated under the North Carolina General Statutes on July 1, 1994. Per the U.S. Census and as of 2020, the Village of Marvin's population was approximately 6,358.

The Village of Marvin is a Council-Manager form of government and is governed by an elected Mayor and five-member council, with an anticipated new council seat in the 2023 election. The most updated Village Council meeting schedule can be found online at MarvinNC.gov. Regular and special meetings are open to the public.

PROPERTY TAX RATES

Fiscal Year	Approved Tax Rate
1994 - 2001	2.5 cents
2002 - 2005	5.17 cents
2006 – 2019	5.00 cents
2020 – Present	6.00 cents

How are your Property Taxes Calculated? An Example:

Market Value	\$500,000
Divided by \$100 increment	\$ 5,000
Multiplied by the Real Property tax rate	<u>.0600</u>
Village property taxes due	<u>\$ 300.00</u>

Union County assesses real property at 100 percent of estimated market value. In accordance with NCGS § 159-11, a revaluation of real property is required at least every eight years. Union County's most recent revaluation was conducted on January 1, 2021.

The Union County Tax Department is responsible for real and personal property assessments for the Village each year. Once the tax base is certified by the Union County Board of Commissioners, the bills are printed, mailed and the collection process begins. The Village of Marvin's tax collection function was transferred to Union County on July 1, 2021. Therefore, Union County will collect all taxes on behalf of Marvin and remit collections to the Village monthly.

