



May 26, 2022

The Honorable Mayor Luther D. Starling, Jr.
Members of City Council
Clinton, North Carolina

CITY MANAGER'S ANNUAL BUDGET MESSAGE: FY22-23

INTRODUCTION

In accordance with the North Carolina Budget and Fiscal Control Act (N.C.G.S. 159-11), the recommended annual budget for Fiscal Year 2022-2023 (FY22-23) beginning July 1, 2022, and ending June 30, 2023, is submitted for your consideration. The budget is inclusive of all financial obligations and all municipal services remain funded. The budget identifies revenue and expenditure estimates for FY22-23 and attempts to build upon the City of Clinton's tradition of high-quality services and provides a financially sound plan for the upcoming fiscal year.

The recommended budget for FY22-23 totals \$16,706,100. This budget represents an increase of 2% when compared to the current year's amended budget. Development of the annual budget substantively began in January with a Capital Improvement Plan Workshop and then two operating budget workshops. During these sessions, City Council and staff had discussions centered on the Clinton Strategic Work Plan, the Clinton CIP, revenue projections, and the proposed expenditures of each city department.

The annual budget process is influenced by City Council's adopted Focus Areas and Strategic Work Plan. Also, factors including economic trends, service expectations, and emerging community needs identified by City Council, staff, and advisory boards. This year additional emphasis was placed on factors such as growing inflation, flat tax base, sales tax revenue, and a decreasing city population. The budget represents significant consideration and study of these factors and, accordingly, I am confident the recommended budget will serve the community well.

STRATEGIC PLANNING

A strategic plan provides direction on major initiatives an organization plans to pursue and demonstrates the connection of those initiatives to the organization's mission and purpose. The Clinton City Council's adopted mission statement is as the following:

HIGHLIGHTS:

- Maintains the general fund ad valorem tax rate of .40¢
- Raises Police Officer salaries to address vacancy rate
- Raises minimum hourly city pay to \$15/hour
- Transitions city recycling program to three drop-off convenience center sites
- Accounts for a 75% increase in motor fuel costs
- Increases commercial trash pick-up/tipping fee 5%
- Increases water and sewer base and consumption rates 5%
- Includes employee COLA & Merit funding
- Provides a one-time employee \$500 (full-time) and \$250 (part-time) pay utilizing Miscellaneous ARP funds
- Eliminates 2.50 FTE positions

“To be a City rich in tradition and beauty with clean, safe neighborhoods, sound infrastructure, and opportunities for future generations.”

Along with the mission statement, City Council has adopted six strategic focus areas:

Quality Job Growth

- Maintain business-friendly processes and policies to support existing business and attract a variety of new businesses.

Financial Sustainability

- Support fiscal policies and controls that ensure the long-term financial health of the City and enable it to respond to unforeseen challenges and opportunities.
- Promote responsible management and use of public resources to ensure efficient and effective delivery of quality services.

Welcoming Neighborhoods & Public Spaces

- Ensure public safety and city cleanliness through community-focused public safety, code enforcement, planning policies, and quality maintenance of public spaces and facilities.

Affordable & Varied Housing Opportunities

- Encourage housing of diverse types, densities, sizes, costs, and locations that meet the needs and preferences of an economically and socially diverse community.
- Preserve existing housing supply and assure its continued quality and safety.

Sound and Sustainable Infrastructure

- Construct and maintain efficient and accessible roadway, sidewalk, and greenway systems to extend internal and regional connectivity.
- Provide high quality water and wastewater services while protecting natural resources and ensuring capacity for sustainable growth.

Enhanced Quality of Life

- Advance the beauty, diversity, and well-being of Clinton by supporting the community's ability to provide an array of educational, recreational, and cultural activities, events, and programs for residents and visitors of all ages, abilities, and interests.

City Council's initial mission statement and strategic focus areas developed into the Clinton Strategic Workplan. This is a comprehensive Strategic Plan featuring detailed missions and objectives for all the City's departments as well as objectives and indicators. The Clinton Strategic Workplan has a tangible influence in the City's budget process.

BUDGET OVERVIEW

The total operating budget for the City's primary funds are:

General Fund Expenditures	\$10,665,300
Water & Sewer Fund Expenditures	\$5,904,300
Non-major Fund Expenditures	\$136,500
<i>Total Operating Budget</i>	<i>\$16,706,100</i>

Maintains the citywide tax rate of 0.40 cents per \$100 valuation and 0.18 cents in the Downtown Special District.

The budget recommends a 5% increase to the City's Water & Sewer base and consumption rates.

Water Fees:		Sewer Fees:	
Water Base Current	13.84	Sewer Base Current	14.43
Water Base Proposed	14.53	Sewer Base Proposed	15.15
Water Consumption Current	2.12	Sewer Consumption Current	2.06
Water Consumption Proposed	2.23	Sewer Consumption Proposed	2.16

The budget recommends a 5% increase to commercial trash pickup/tipping fee.

Personnel

The budget includes a 3% cost of living adjustment (COLA) and a merit program which allows employees an average of 0.5% merit compensation. This budget continues the non-sworn employee 401k plan with a 0.5% contribution. Sworn law enforcement are provided a 5% 401k contribution.

Miscellaneous American Rescue Plan Act funds have been appropriated to give all full-time City employees a one-time payment of \$500 and permanent part-time of \$250.

Within the City's General Fund, 2.5 FTE positions are recommended to be eliminated. One FTE is in Public Works due to the transitioning of the City's recycling program. The remaining 1.5 FTEs will be eliminated in the Recreation Department maintenance staff due to shifting Fisher Drive and Newkirk Parks maintenance to the Public Works Department.

Within the Police Department, a major emphasis is to raise the hiring rate of pay for a Police Officer to \$40,049. This budget accomplishes this along with addressing salary compression among higher level positions within the department.

This budget, also, includes increasing the base hourly rate of pay to \$15/hour. Compression among remaining positions is not addressed in this proposed budget.

Employee health insurance premiums have been contained to a modest 2% increase with no cost to the workforce. There are no plan changes for the new fiscal year. Healthcare costs continue to remain a significant factor in the creation of the budget. Containment or reduction of these costs is imperative for the future.

An organization wide Pay and Compensation Study is planned utilizing miscellaneous American Rescue Plan funds. An outside firm will perform this study.

Fuel Cost

Increased fuel costs FY22-23 is one of the several budget drivers identified for this budget. At the time of budget development (Spring 2022), fuels costs across the organization increased 75%. With continued rising inflation and fuel costs in the current state of the economy, this may not be enough to cover actual costs incurred.

Fund Balance

The budget includes \$275,000 from fund balance (General Fund) to purchase two police cars, additional road paving above the estimated Powell Bill allocation, additional street maintenance, and cemetery road paving. The budget, also, includes \$150,000 from fund balance (Water & Sewer) for infrastructure improvements/repairs.

GENERAL FUND

The General Fund is used to account for functions traditionally associated with government which are not required to be accounted for in another fund. Typically, the General Fund includes services that cannot be operated as business enterprise and rely on tax dollars as their primary source of revenue. Expenditures are divided into functional departments.

Revenues

The proposed budget maintains the \$0.40 ad valorem tax rate. The tax rate is applied to a total estimated tax base of \$864,500,000. This is a 0.3% increase from the previous year. This year, one penny of the tax rate is projected to generate approximately \$86,000.

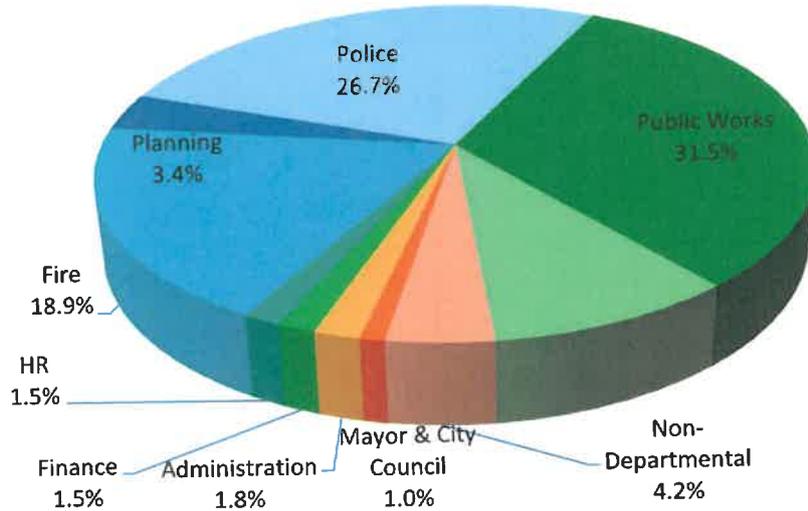
Statewide, the local option sales tax revenue is projected to increase approximately 3%.

Residential curbside solid waste fees remain unchanged from the previous fiscal year at \$15.50 per month. The commercial cubic yard rate is proposed to increase 5% to \$5.25. Also, it is proposed curbside recycling be discontinued citywide and transition to three recycling convenience sites. This transition is due to the monthly average recyclable contamination rate of 74% drop off.

Expenditures

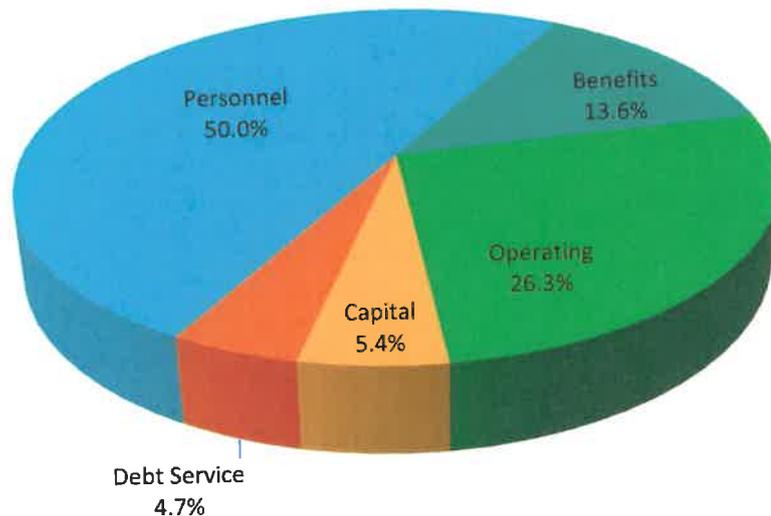
The FY22-23 recommended budget for the General Fund totals \$10,665,300. This represents a 2% increase from the FY21-22 amended budget as of May 3, 2022.

GF Expenditures by Department FY22-23



General Fund expenditures by type are below. Notably, debt service comprises 4.7% of general fund expenditures for FY22-23.

General Fund Expenditures by Type FY22-23



WATER & SEWER FUND

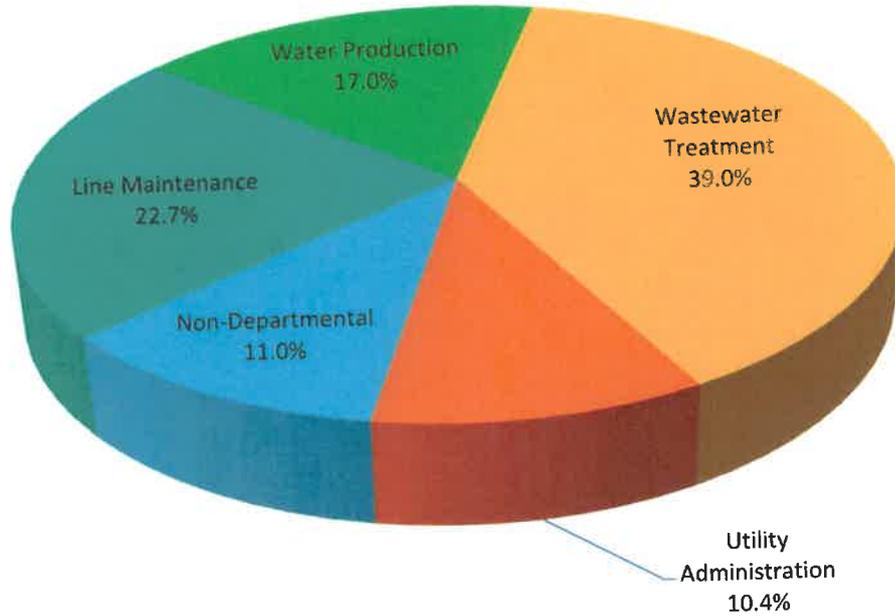
Revenues

The City historically embraced financially responsible incremental increases to utility rates based on the Consumer Price Index. This year's budget includes a 5% increase to the City's base and consumption water and sewer rates.

Expenditures

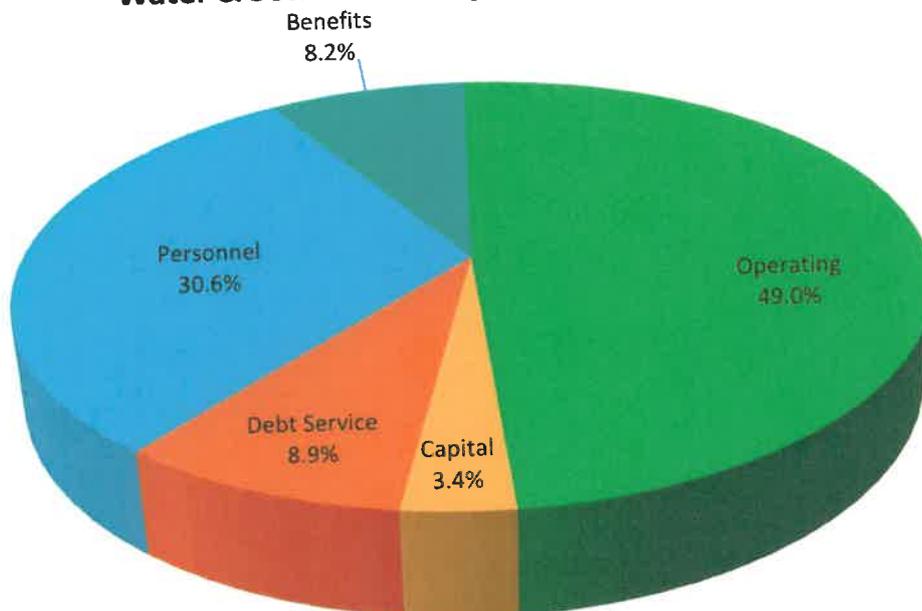
The FY22-23 recommended budget for the Water and Sewer Fund totals \$5,904,300. This is a 5% increase from the FY21-22 amended budget as of May 3, 2022.

W&S Expenditures by Department FY22-23



Water and Sewer Fund expenditures by type is below. Debt service comprises 8.9% of the Water and Sewer fund expenditures for FY22-23.

Water & Sewer Fund Expenditures by Type FY22-23



CAPITAL IMPROVEMENT PLAN (CIP)

An updated five-year Capital Improvement Plan (CIP) is presented each year as part of the budget process. At the Council's January 18, 2022, CIP Workshop, the City completed a review of future capital needs. The recommended CIP totals \$3.9 million in the General Fund and \$1.5 million in the Water and Sewer Fund over the next five years. The workshop, also, yielded a plan on how to utilize the American Rescue Plan Act funds in the amount of \$2,694,200. Most of these funds were allocated to capital needs.

Vehicles and Equipment

The recommended budget includes the following vehicles and equipment that are mostly part of a rotation program to replace aging vehicles and equipment. City staff prudently evaluates every vehicle purchase to ensure the City purchases the appropriate vehicles for each department. Where appropriate, the City attempts to downsize or consolidate vehicles to increase cost-effectiveness.

SCBA Equipment (Fire)
Police Cars (2) (Police)
Passenger Truck (Recreation)

Major Filter #5 (Wastewater)
Primary Clarifier (Wastewater)
WTP Driveway Paving (Water)

Street Resurfacing

In FY21-22 most of the Powell Bill funds were spent on storm drainage work in comparison to street paving. The FY22-23 budget includes \$315,000 for street resurfacing. A Pavement Condition Inventory Study will be completed by a consultant in FY22-23. Staff will also utilize citizen feedback and staff observations to identify streets across the City in need of resurfacing.

SPECIAL FUNDS AND PROJECTS

Downtown Special Tax District Fund

In 1978, the City of Clinton established the special tax district in Downtown Clinton. Revenues generated from the special tax district are used to fund special projects in Downtown. The current special tax rate remains unchanged at \$0.18 per \$100 valuation. The Downtown Fund Budget for FY22-23 is \$70,000.

Community Development Fund

The Community Development Fund accounts for payments received under the former Community Development Revolving Loan Program and other funds allocated by City Council for community development activities. The loan program no longer exist, and the City uses the remaining funds for various activities such as, downtown projects, neighborhood improvement, and affordable housing efforts. For FY22-23, the Community Development Fund is proposed to be used to fund the Downtown Phase 4 Improvement Project Design.

Cemetery Fund

The Cemetery Fund accounts for payments received for the purchase of cemetery plots in the Sandhill and Springvale Cemeteries. Cemetery fees are proposed to increase from \$600 to \$750. Cemetery plot fees were last adjusted in 2014. Both City cemeteries are nearing capacity and will need additional land purchased soon. The Cemetery Advisory Board, through the direction of City Council, is exploring cemetery expansion options.

Fire Department Special Fund

The Fire Department Special Fund accounts for funds donated to the Clinton Fire Department. The local Fireman's Relief Fund uses these funds to assist in the purchase of equipment and supplies not funded in the department's operating budget. The FY22-23 Budget allocated \$500 to the Fire Department Special Fund.

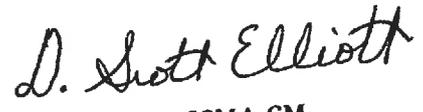
CONCLUSION

The City's stewardship of public funds is among the most important responsibilities entrusted to us as public servants. This budget reflects commitment to our strategic goals and strong emphasis on maintaining existing service levels, taking care of our infrastructure, and responding to emerging community needs and desires.

Serving with the professional workforce that makes up the entire City organization, we strive to serve the citizens of Clinton with needed services. I appreciate the commitment of our staff to the citizens and the City's business. I would like to acknowledge the assistance from all the City's Department Directors in preparation of their departmental budgets to identify operational needs. Special thanks to Kristin Stafford, Finance Director, for her dedication in managing, developing, balancing, and compiling the budget documents and presentations.

Accordingly, the FY22-23 Annual Budget is submitted for your consideration and approval.

Respectfully submitted,



D. Scott Elliott, ICMA-CM
Interim City Manager

City of Clinton Fee & Rates Schedule
Fiscal Year 2022-2023

All fees are subject to change by City Council
Changes from prior year indicated in blue

Utilities, Garbage & Recycling

Water & Wastewater Rates*

Water	Inside City Limits	Outside City Limits
Base Rate (0-300 cu. ft.)	\$14.53	\$29.06
Consumption Rate	\$2.23 per 100 cu. ft.	\$4.46 per 100 cu. ft.
Wastewater		
Base Rate	\$15.15	\$30.30
Consumption Rate	\$2.16 per 100 cu. ft.	\$4.32 per 100 cu. ft.
Flat Rate Sewer	\$25.12	\$50.24

*Water and wastewater use is metered in cubic feet: 1 cubic foot = 7.48 gallons.
A customer utility deposit of \$125 is required on all rental accounts. A 10% late fee will be applied to bills paid after due date (12th) and a \$30 penalty will be applied to all accounts as a result of non-payment (22nd). A \$25 fee will be assessed on all returned checks.

Fireline Rates (Monthly Fee)

Size	Inside City Limits	Outside City Limits
2" Fireline	\$11.90	\$23.80
4" Fireline	\$35.70	\$71.40
6" Fireline	\$60.00	\$120.00
8" Fireline	\$77.35	\$154.70
10" Fireline	\$109.15	\$218.30
12" Fireline	\$151.75	\$303.50

Tap Fees (per Connection)†

Size	Inside City Limits	Outside City Limits
¾" Tap & Set	\$795	\$1,590
¾" Meter Set	\$133	\$266
1" Tap & Set	\$975	\$1,950
1" Meter Set	\$225	\$450
2" Tap & Set	\$3,315	\$6,630
2" Meter Set	\$1,643	\$3,286
4" Sewer Tap	\$720	\$1,440
6" Sewer Tap	\$1,120	\$2,240

†Larger connections will be billed at actual cost of materials, labor, and equipment. Deposits are required with the balance upon completion. Deposits are 50% of tap cost as proposed by the Public Works & Utilities Department.

Miscellaneous Utility Fees

	Inside City Limits	Outside City Limits
Hydrant Meter Deposit	\$900	\$1,800
Hydrant Meter Deposit (¾"-1")	\$250	\$500
Hydrant Flow Test	\$150	\$300
Meter Tampering Fee	\$100	\$200

Garbage & Recycling Collection Rates & Tipping Fees

Service	Rate	Notes
Residential Garbage	\$15.50 per month	Weekly collection
Commercial Garbage	\$5.25 per cubic yard	Fee based on pickup frequency
Special Payload Collections	\$40 per item	As called
Container	Fee	Notes
Rollout Garbage Containers	\$82 each	Residential purchase
Cardboard Container	\$30 per month	

Wastewater Industrial User Surcharges

Pollutant	Surcharge (per pound)
Ammonia (NH ₃ N)	\$0.701/lb. when concentration > 25 mg/L
Biochemical Oxygen Demand (BOD)	\$0.193/lb. when concentration > 250 mg/L
Total Suspended Solids (TSS)	\$0.198/lb. when concentration > 250 mg/L

Wastewater Industrial User Monitoring Cost Recovery*

Pollutant / Item	Fee
Sampler Setup	\$10.00/day of sampling
BOD Analysis	\$25.00/sample
TSS Analysis	\$15.00/sample
NH ₃ N Analysis	\$15.00/sample
pH Analysis	\$15.00/sample
Temperature	\$15.00/sample
Metals Analysis	\$15.00/parameter tested
Chloride Analysis	\$15.00/sample
COD Analysis	\$25.00/sample
Total Phosphorous	\$20.00/sample
Oil and Grease Analysis	\$50.00/sample

**Current monitoring fees are listed above. Frequency of fee application is dictated by individual permit. Per Article V. Sewers, Chapter 2, Division 3, 22-114, fee schedules for monitoring are established based on the reimbursement of costs incurred in operating and administering the required local pretreatment program in conjunction with 40 CFR 403. Monitoring fees are subject to change based on contract laboratory fee schedules.*

Additional fees for Significant Industrial Users include monetary penalties for specific permit violations. For a schedule of monetary penalties, refer to the City of Clinton Enforcement Response Plan.

Administrative

Service	Fee
Auditorium Rental	Up to 5 hours: \$50 More than 5 hours: \$100 \$100 refundable deposit required
Copies	\$.25 per page
Document Certification	\$3.00
Filing Fees	Mayoral: \$10 Council: \$5
Notary	\$5.00 per signature
Sunshine List	\$10 per year
First Time Taxi/ Taxi Renewal	\$60/\$20

Cemeteries

Springvale & Sandhill Cemeteries Rates & Fees

Service	Rate/Fee
Grave Plot	\$750
Mausoleum	\$805
Columbarium	\$450
Recording of Deed	\$50
Corner Marker	\$45

Finance

Service	Fee
False Alarm Response (per year)	First 3: no charge Second 3: \$50 each \$100 per additional incident
Leased Parking	\$15 per month
Off-street Parking	\$120 per year
Returned Check Fee	\$25

Fire Department

Fire Inspection Fees

Initial Inspection**		Fee
0-5,000 sq. ft.		\$50
5,001-15,000 sq. ft.		\$75
15,001-50,000 sq. ft.		\$125
50,001-100,000 sq. ft.		\$175
>100,000 sq. ft.		\$250
Service		Fee
Follow-Up		No charge
1 st Re-Inspection		\$45
2 nd Re-Inspection		\$65
3 rd Re-Inspection		\$85
Continual Noncompliance		\$100/day

***Initial inspection fees are based on the square footage of the building. The type of use determines the frequency of inspections at 1-, 2-, or 3-year intervals. For more information regarding the required fire inspection frequency, please contact the Clinton Fire Department at 910-299-4902.*

Operating Permit Fees

Operation Type	Fee
Amusement Buildings	\$30
Carnivals & Fairs	\$50
Combustible Dust Operations	\$30
Covered Mall Buildings	\$30
Exhibits & Trade Shows	\$50
Explosives	\$250
Fumigation	\$50
Liquid/ Gas Fueled Vehicles Assembly	\$50
Pyrotechnic/Special Effects	\$250
Spraying or Dipping	\$30
Temporary Membrane Structures	\$0
Tents	\$50

Special Construction Permits

Construction Type	Fee
Automatic Fire Extinguishment System	\$100
Battery System	\$50
Compressed Gas	\$50
Cryogenic Fluids	\$50
Fire Alarm & Detection Systems	\$100
Fire Pumps & Related Equipment	\$200
Flammable & Combustible Liquids	\$50
Hazardous Materials	\$100
Industrial Ovens	\$50
Private Fire Hydrants	\$50
Spraying or Dipping	\$50
Standpipe System	\$50
Temporary Structures Seating >299	\$25

Plan Reviews

Construction Type	Fee
New Commercial Construction	\$.02/sq. ft. (\$25 min)
Change of Use/Addition/Renovation	\$.01/sq. ft. (\$25 min)

Motor Vehicle & Haz-Mat Response

Service Response	Fee (per incident)
Motor Vehicle Accident- Level 1	\$475
Motor Vehicle Accident- Level 2	\$605
Motor Vehicle Accident- Level 3	\$1,800
Haz-Mat Response	\$700

Level 1 incidents require assessment of hazardous materials and scene stabilization and may include use of sorbents.

Level 2 incidents involve vehicle fires and require scene safety, fire suppression, breathing apparatuses, multiple tools, and structure protection.

Level 3 incidents include Level 1 & 2 services as well as extrications that involve the use of heavy rescue tools.

Haz-mat services include engine response, first responder assignment, perimeter establishment, evacuations, set-up, and command.

Planning & Development

Zoning Fees

Permit	Fee
New Residential Permit	\$50
New Commercial Permit	\$75
Addition, Accessory Building, Deck, etc. Permit	\$25
Moving Mobile Home onto Mobile Home Park Lot	\$30
Zoning Map	\$50
Rezoning Application	\$200

Conditional Use & Other Fees

Service	Fee
Board of Adjustment Filing Fee	\$200
Conditional Use Permit Application	\$200
Lot Mowing (each additional hour)	\$150 minimum (\$50)
Ordinance Copies	\$10
Sign Permit	\$1.00 per square foot
Subdivision Application	\$5.00 per lot or \$75 min. (whichever is greater)

City Market Rates

Service	Fee
Non-profit Organizations	\$100 min. (4 hrs.), \$25 each additional hour \$75 security deposit required
Individuals/Private Groups	\$150 min. (4 hrs.), \$25 each additional hour \$100 security deposit required
Facility Guard Fee	\$11 per hour

Police Department

Service	Fee
Reports	\$.25 per page (walk-in) \$2.00 per page (mailed)
Fingerprints	\$10
Filing False Report	\$154

Recreation & Parks

Youth Athletics Fees (Ages 17 & Under)†

Activity	City Resident	Non-Resident
Baseball, Basketball, Soccer, Softball, & Volleyball	\$10 for first child per sport \$5 each additional child/sport	\$20 for first child per sport \$10 each additional child/sport
Football	\$10 per child	\$20 per child

Adult Athletics Fees (Ages 18 & Over)†

Activity	League Fee
Soccer & Softball	\$400
Basketball	\$400
Volleyball	\$125

†Athletics refunds must be requested before the first game has been played and a receipt must be presented for a refund check to be issued. Once play has begun, we will issue credit toward another sport. That credit is good for one year from the date of issuance. Reduced additional child fees apply only for registrations for the same sport, during the same season for children residing in the same household. Further fee reduction or waivers are available to qualified families. Contact the Clinton Recreation Department at 910-299-4906 for more information.



Royal Lane Pool Fees

Activity	Children (17 & Under) & Seniors (55 & Over)	Adults (18 & Over)
Daily Admission	\$1.00	\$2.00
Group Rates (15 or more)	\$0.50 per person	

Non-Swimmers supervising children in the pool may have entry fee waived at staff discretion.

Swimming Instruction and Class Fees

Activity	City Resident	Non-Resident	Notes
Aquatic Programming	Set Administratively		



Facility Rental Fees

Facility	City Resident	Non-Resident	Notes
Activity Room	\$50 per hour	\$75 per hour	Deposit is 1/2 total rental fee
Picnic Shelter	\$15 per hour	\$20 per hour	
Bellamy & Sampson Center Gyms	\$50 per hour	\$75 per hour	Deposit is 1/2 total rental fee. Rental is up to 8 hours.
Royal Lane Pool	\$100	\$150	2 hours 6pm-8pm Includes 2 lifeguards

Field Rental Fees

Field	City Resident	Non-resident
Baseball/Softball Fields	\$15 per hour	\$30 per hour
Multi-purpose Field	\$25 per hour	\$50 per hour
Field Marking	\$25 per field	
Park Open Space	\$10 per hour or \$100 per day	\$20 per hour or \$200 per day

Tournament & Long-term Rental Fees

Facility	Tournament	Long-term Rental
Baseball/Softball Fields	\$150 per field per day	\$50 per field per week
Multipurpose Field	\$200 per field per day	\$75 per field per week
Soccer Fields #1 & #2	\$60 per field per day	\$30 per field per week
Activity Room	N/A	\$35 per week
Gym	\$200 per weekend	\$75 per week
Royal Lane Track	N/A	\$50 per week
Tennis Courts (2 courts)	\$60 per day	\$30 per week