

Village of Flat Rock
Budget for Fiscal Year 2023-2024
Budget Message

Income

Ad valorem property taxes @ \$0.119 / \$100	\$1,591,591.00
General fund sales tax	\$650,000.00
Utilities sales tax	\$223,000.00
Interest	\$100,000.00
Vehicle tax	\$72,000.00
Foundation transfer- in	\$60,000.00
Special Revenue transfer-in	\$23,935.00
Alcohol tax	\$13,000.00
Permits and fees	\$8,500.00
 Total Revenue	 \$2,742,026.00

Expenses

Fire Protection	\$1,585,106.00
Administration	\$539,588.00
Park Operating & Maintenance	\$363,358.00
Contingencies	\$34,034.00
Foundation support	\$83,440.00
Governing Body	\$28,000.00
Community Development	\$30,700.00
Audit Services	\$18,400.00
Kudzu & Hemlock Control	\$13,000.00
Legal & Tax Services & Elections	\$10,600.00
Planning	\$35,800.00
 Total Expenses	 \$2,742,026.00

Overview

The fiscal year 2023-2024 budget is presented for consideration by the Village Council on May 11th 2023. This budget has been developed utilizing a recently completed revaluation of all Henderson County property. This exercise has increased Flat Rock Real Property value by 36.40% resulting in a Village valuation of \$1,337,471,904. This increased valuation results in a revenue neutral tax rate of \$0.095 per \$100 of assessed property value. However, due to an increase in Fire Protection of 29.8% versus last year, the Village will utilize a tax rate of \$0.119 for budget year 2023-2024, \$0.011 below last year's tax rate of \$0.13.

As mandated by North Carolina Statute 159-823, General Fund Revenue and Expenses are in balance, at \$2,742,026. Net the effects of the American Rescue Plan, the 2023-2024 General Fund Revenue and Expense budgets are up \$436,591 (19%) versus last year.

General Fund Revenues

As noted, the 2023-2024 revenue budget of \$2,742,026 is up \$436,591 (19%) compared with the 2022/2023 budget, net the effects of the American Rescue Plan (ARP). The increase in revenue is largely driven by increased Ad valorem tax receipts \$285,106 (67%) coupled with increases in interest income \$99,000, general sales tax revenue \$50,000 and vehicle tax revenue \$2,000 which offset decreases in alcohol tax -\$2,000 and utilities tax -\$3,500.

In forecasting revenue for the next fiscal year, the Village relies on two sources of information. First, the Henderson County Assessor provides periodic estimates of values for real and personal property as well as vehicles. The latest estimates are used in this budget. Second, the North Carolina League of Municipalities (NCLM) provides their estimated changes for general sales tax utility sales taxes and liquor taxes which are used in the budget process.

General Fund Expenses

The expense budget of \$2,742,026 also reflects an increase of \$436,591 (19%), net of ARP.

By far, the largest expense item is payment of fire protection services from the three fire departments with whom we contract. Two of the departments (Valley Hill Fire and Green River Volunteer Fire have decreased their tax rate from 10 to 9 cents per \$100. Blue Ridge Fire and Rescue has maintained their rate at 13 cents. Total fire protection cost is \$1,585,106, an increase of \$363,638 (29.8%) versus last year's budget.

The second largest expense is Village administration. Administration and associated contracted services and general government cost is projected at \$539,588 an increase of \$35,782 (7%) versus the previous year. The increase is primarily driven by cost-of-living salary and benefit adjustments, as well as inflation related increases in various service contracts.

The cost to operate and maintain the Park at Flat Rock is expected to slightly increase. Total projected park cost is \$363,358, an increase of \$53,210 (17%). This increase is also driven by cost-of-living salary and benefit adjustments, service contract increases and additional maintenance requirements.

The Dye Creek remediation project, which will address stormwater, water quality and invasive species issues associated with the Dye Creek will be funded through a separate capital project fund.

Special Revenue Fund

Associated with the American Rescue Plan, the Village received \$539,076.73 in late 2021 and an additional \$539,076.72 in mid-2022 for a total grant of \$1,078,153.45 which was allocated to a Special Revenue Fund. As of April 1, 2023 the Village has awarded \$815,109 to our local emergency service providers, non-profits and a local business and an additional \$215,000 has been transferred to the Dye Creek Capital Project Fund. The remaining \$44,048 has been earmarked for a Premium Pay program, \$23,935 of which will be distributed in 2023 and the remainder in 2024.