

## **Budget Workshop – February 22, 2022**

The Fairmont Board of Commissioners held a budget workshop on Tuesday, February 22, 2022, at 6:00 p.m. in the Fairmont-South Robeson Heritage Center with Mayor Charles Kemp presiding. Commissioners present were J.J. McCree, Terry Evans, Jan Tedder-Rogers, Melvin Ellison and Clarence McNeill, Jr. Commissioner Heather Seibles was absent. Staff present were Town Manager Hank Raper, Town Clerk Jenny Larson, Deputy Town Clerk Donna Jacobs, Police Chief Jon Edwards, and Public Works Director Ronnie Seals.

### **Call to Order and Invocation**

Mayor Charles Kemp called the meeting to order and gave the invocation.

### **Powell Bill**

Town Manager Hank Raper explained that Powell Bill is a state issued revenue that is distributed twice a year. Powell Bill revenue for 2022 was \$85,457 and has been steadily declining for the past few years.

### **ABC Revenue**

Mr. Raper stated that ABC revenue comes from the net profits of alcohol sales and is elusive to forecast. ABC revenue has increased the last couple of years. Commissioners Ellison and Tedder-Rogers, who both manage ABC stores, stated that revenue is likely to decline in the coming year.

### **Sales Tax**

Mr. Raper said Sales Tax revenue has risen every year for the past decade. North Carolina started collecting sales tax from online retailers like Amazon two years ago. Increased online shopping during the pandemic likely accounts for the boost in sales tax revenue.

### **Fire Department**

Mr. Raper asked the board to consider the possibility of allowing the fire department to separate from the town and become completely volunteer. This would allow the department to be eligible for more grant funding. Volunteer fire departments charge a fire district tax between 5 and 15 cents. If this were to happen, the town could reduce its property tax rate to reduce the burden on property owners.

### **Pay Study**

Mr. Raper recommended going with option one of the pay study for salary raises. He also advised giving a cost of living raise every year and reviewing the pay study every 5 years. Personnel costs account for 85% of the town's budget. Option one of the pay study will increase personnel costs by \$159,867.

Water/Sewer/Sanitation rates

Mr. Raper advised the operating costs of water, sewer and sanitation are rapidly increasing and the town has no choice but to raise utility rates. He proposed increasing water by \$3.00, sewer by \$7.00 and sanitation by \$5.06 to bring the minimum bill to \$83.00. He recommended reducing the minimum from 2,000 gallons to 1,000 gallons. The town has roughly 1,003 customers, of which 50% use 2,000 gallons or less. 26% of customers use 1,000 gallons or less. The proposed rate changes would bring in an additional \$60,902 to the General Fund and \$179,716 to the Water Fund.

**Adjournment**

There being no further discussion, the meeting adjourned at 8:00 p.m.

---

Jennifer H. Larson, NCCMC  
Town Clerk