



TOWN OF COATS

Proposed Budget
Fiscal Year
2025-2026

GOVERNING BOARD

Mayor Chris Coats
Mayor Pro Tem Marc Powell
Commissioner Shirley Allen
Commissioner Jerry Beasley
Commissioner Kelvin Gilbert
Commissioner Monique Warren-Clegg
Commissioner Marc Powell

ADMINISTRATION

Barbara Hollerand, Town Manager
Connie Lassiter, Finance Director

Budget Message

Fiscal Year 2025-2026

May 22, 2025

Town of Coats Board of Commissioners:

The annual budget is the most important document the Board adopts each year. Our challenges are to understand the priorities of our residents, define acceptable levels of service, and establish and apply funding sources appropriately. The FY 2025-2026 budget represents the Town's financial plan to meet those challenges.

The overall FY2025-2026 budget totals **\$2,437,594**, which is \$44,433 (1.83%) more than the current year's adopted budget. The budget is balanced as required by the North Carolina Local Government Budget and Fiscal Control Act.

Highlights include:

Revenues

- No change to ad valorem tax rate – remains at \$0.49/\$100 valuation for 4th consecutive year
- Increase of \$1 to the water flat rate (now \$15.75 for first 2,000 gallons in town and \$30.50 out of town)
- No change to solid waste fees
- New fees including recreation fee of \$500 per lot for new residential construction (General Fund) and a \$1 monthly equipment fee for water customers (Water Fund)
- \$20,705 unappropriated surplus used to balance budget

Expenditures

- New part-time position (accounting technician/administrative coordinator in Finance Department)
- Pay adjustments/bonus program replacing COLAs this year with introduction of merit-based compensation beginning in January 2026
- New capital outlay of \$77,000 for a John Deere compact excavator/trailer for Public Works
- Reallocation of a portion of staff compensation from General Fund to Water Fund

General Fund

The General Fund budget totals \$1,848,194, which is \$267,325 (14.46%) more than the current year's adopted budget. The increase in the General Fund is primarily due to transitioning the Solid Waste Fund revenue (\$265,784) to the General Fund. There is a small increase in ad valorem tax revenue (\$27,289) as well as a reduction in interest revenue as funds held in investment accounts are drawn down with the completion of capital projects. There is a slight increase in sales tax revenue (2.8%) based on N.C. League of Municipalities projections, and DMV taxes and fees have been adjusted

based on anticipated collections. Fuel sales to the Fire Department have been eliminated as the department has moved to another source.

Pay adjustments are budgeted at the department-director level and as well as for Police Department employees. One-time bonuses are budgeted for line staff. A merit-based compensation program will initiate in January 2026 and a pay study for all staff is also planned for FY2025-2026. The new part-time Finance Department position is funded 50/50 through the General Fund and Water Fund with an \$8,500 cost to each fund. In the Parks and Recreation Department, a full-time director position is budgeted again this year along with \$5,000 for part-time seasonal positions. A \$5,000 increase in compensation for the Student Resource Officer (SRO) is budgeted based on renegotiation of the contract with the Harnett County Sheriff's Office. Budgeted audit fees of \$18,250 are higher this year due to the requirement for a single audit. Property and liability insurance rates are expected to increase about 6.7%.

A compact excavator/trailer for the Public Works Department valued at \$77,000 is the only new capital outlay item contained in the FY 2025-2026 budget.

Powell Bill Fund

The Town plans to continue its program of street maintenance including resurfacing, minor sidewalk repairs and ADA upgrades. A pavement conditions study is planned for FY2025-2026.

Powell Bill Fund revenues and expenditures are balanced at \$80,000.

Water Fund

With the completion of the \$1 million Railroad Street/Ida Street water line replacement project in the FY2024-2025 budget, no new capital improvements projects are programmed in the new budget.

The North Carolina Rural Water Association will be working with the Town in FY2025-2026 to evaluate the current rates and recommend changes. A \$1 increase to the flat rate and a new \$1 equipment fee are anticipated to generate \$24,000 in new revenue to help offset an increase in meters and tap materials as well as the reallocation of a portion of staff compensation from the General Fund.

Water Fund revenues and expenditures are balanced at \$509,400.

Solid Waste Department

The Solid Waste Fund is proposed to be dissolved in FY 2025-2026 with the creation of a Solid Waste Department within the General Fund. The budget for the department reflects a 2.5% increase based on the allowable cap negotiated with Carolina Trash.

The Town is committed to improve the quality of life for Coats residents through sound stewardship of its funds. This annual operating budget for FY2025-2026 positions the Town for additional growth while continuing to prioritize competitive pay for attracting and retaining employees. It includes new

initiatives such as developing an economic development strategic plan through the NC Main Street & Rural Planning Center to grow the local economy and improve the tax base.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Barbara Hollerand".

Barbara Hollerand
Town Manager

**BUDGET ORDINANCE FOR THE
TOWN OF COATS, NORTH CAROLINA
FISCAL YEAR 2025-2026**

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF COATS, NORTH CAROLINA, that the following ordinance establishing revenues, setting expense appropriations and Project Funds is hereby adopted and effective July 1, 2025 through June 30, 2026.

SECTION I. (10) GENERAL FUND

The following General Fund revenues totaling **\$1,848,194** are hereby raised through fees, charges, and other means and are hereby approved from the following sources:

Ad Valorem Taxes (Current and Prior)	\$817,289
NC Article 39, 40, 42, 44	\$483,000
Other State Shared Revenues	\$123,500
Miscellaneous Revenues	\$403,700
Unappropriated Surplus	\$20,705
Total General Fund Revenue:	\$1,848,194

A total of **\$1,848,194** is hereby authorized to be expended from departmental accounts of the General Fund as follows:

Governing Board	\$70,582
General Management	\$302,873
Police/Public Safety	\$675,295
School Resource Officer	\$76,220
Streets	\$231,544
Appearance/General	\$6,950
Solid Waste	\$265,784
Planning/Zoning	\$89,150
Parks and Recreation	\$129,796
Total General Fund Expenses:	\$1,848,194

SECTION II. (20) POWELL BILL FUND

The following Powell Bill revenues totaling **\$80,000** are hereby raised through fees, charges, and other means and are hereby approved from the following sources:

State Street Aid	\$80,000
Total Powell Bill Fund Revenues:	\$80,000

A total of **\$80,000** is hereby authorized to be expended from account of the Powell Bill Fund as follows:

Contracted Services	\$80,000
Total Powell Bill Fund Expenses:	\$80,000

SECTION III. (60) WATER FUND

The following Water Fund revenues totaling **\$509,400** are hereby raised through fees, charges, and other means and are hereby approved from the following sources:

Interest Earned	\$8,000
Basic Service Charges	\$418,000
Tap fees	\$18,000
Late & Reconnect fees	\$65,000
Miscellaneous	\$400
Total Water Fund Revenue:	\$509,400

A total of **\$509,400** is hereby authorized to be expended from account of the Water Fund as follows:

Salaries/Benefits/FICA	\$205,409
Operation & Maintenance	\$303,991
Capital Improvement	\$0
Total Water Fund Expenses:	\$509,400

SECTION IV. SPECIAL AUTHORIZATIONS

The Town Manager, as Budget Officer, under the North Carolina Budget and Fiscal Control Act, is authorized to:

- A. The Budget Officer shall be authorized to reallocate appropriations within departments and among various line accounts, as deemed necessary.
- B. The Budget Officer shall be authorized to execute interdepartmental transfers, within the same fund, not to exceed thirty percent (30%) of the appropriated moneys for the department whose allocation is reduced. Notification of all such transfers shall be made to the Town Board of Commissioners at its next meeting following the date of transfer.
- C. The Budget Officer shall be authorized to make interfund loans for a period of not more than ninety (90) days; notification of such loan shall be given to the Town Board of Commissioners at its next meeting following the date of the loan.

SECTION V. SPECIAL RESTRICTIONS

Interfund and interdepartmental transfers of money except noted in paragraphs A, B and C above shall be authorized by the Town Board of Commissioners only.

SECTION VI. POSITION CLASSIFICATION PLAN

The Authorized Employee Position list, as amended, is hereby adopted by the Board and becomes effective July 1, 2025 until rescinded or modified (see Appendix A).

SECTION VII. RATE AND FEE SCHEDULE

The Town of Coats Rate and Fee Schedule, as amended, is hereby adopted by the Board and becomes effective July 1, 2025 until rescinded or modified (see Appendix B).

SECTION VIII. AD VALOREM TAXES

An Ad Valorem tax rate for the Town of Coats is hereby set at \$0.49 per \$100 valuation of taxable property, as listed for taxes as of July 1, 2025 is hereby levied and established as the official tax rate for the Town of Coats for the Fiscal Year 2025-2026. The rate is based on a total projected valuation of \$167,654,084 and an estimated collection rate of 99%. The purpose of the Ad Valorem tax levy is to raise sufficient revenue to finance the necessary municipal government operations in the Town of Coats.

SECTION IX. DISBURSEMENT OF FUNDS

Copies of this Budget Ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted by the Coats Board of Commissioners this 12th day of June, 2025.

TOWN OF COATS

Chris Coats
Mayor

ATTEST:

Connie Lassiter
Finance Director/Town Clerk

TOWN OF COATS
AUTHORIZED EMPLOYEE POSITIONS
JULY 1, 2025

DEPARTMENT & POSITION	NUMBER OF POSITIONS
<u>General Administration</u>	
Town Manager	1 FT
Finance Director/Town Clerk	1 FT
Customer Service Representative	1 FT
Accounting Technician/Admin Assistant	1 PT
<u>Public Works Department</u>	
Public Works Director	1 FT
Public Works Technician	3 PT
<u>Police Department</u>	
Police Chief	1 FT
Police Mid-Shift	2 FT
Police Officer	4 FT
School Resource Officer	1 FT
Part-time Police Officers	
<u>Parks and Recreation Department</u>	
Parks and Recreation Director	1 FT
Part-time Seasonal Workers	



TOWN OF COATS

Effective July 1, 2025

(NOTE: All fees are subject to change without notice. Please contact the appropriate department to confirm current fees.)

TAXES

Property Tax Rate:.....\$0.49 per \$100 of assessed valuation
Municipal Vehicle Tax:.....\$5.00 per vehicle

WATER RATES

RESIDENTIAL RATES:

In Town: First 2,000 gallons of water (FLAT RATE).....**\$15.75**
Each 1,000 gallons THEREAFTER.....\$ 6.00

Out of Town: First 2,000 gallons of water (FLAT RATE).....**\$30.50**
Each 1,000 gallons THEREAFTER.....\$12.00

COMMERCIAL RATES:

In Town: First 2,000 gallons of water (FLAT RATE).....**\$15.75**
Each 1,000 gallons THEREAFTER.....\$6.00

Out of Town: First 2,000 gallons of water (FLAT RATE)..... **\$30.50**
Each 1,000 gallons THEREAFTER.....\$12.00

EQUIPMENT FEE:.....\$1.00/month

WATER TAP & METER RETROFIT FEES:

3/4".....\$2,500.00
1"\$3,000.00
2"\$6,000.00
3/4" AMI Meter & MXU only.....\$325.00
1" AMI Meter & MXU only.....\$450.00
2" AMI Meter & MXU only**\$2550.00**
MXU Transmitter Disc & wire only..... \$70.00

UTILITY FEES

Water Deposit (Owner):	\$0.00-\$50.00
Water Deposit (Renter):.....	\$50.00-\$100.00
Connection Fee:.....	\$30.00
Transfer Fee:.....	\$30.00
Cleaning Rental Units:.....	\$25.00
Late fee:	\$20.00
(Applied to payments received after 4:30pm on 17th of any month)	
Non-payment fee:.....	\$50.00
Scheduled Service Call	\$30.00
Charges for illegal cut-on of water:.....	\$50.00
(Assessed to customers who illegally cut on their water)	

Sewer Rates: Deposit and Rates set by Harnett Regional Water

NEW SERVICE DEPOSITS:

All Water/Sewer Deposits are based upon your credit. Valid ID & SS # are required.
 Water, Sewer and Connection Fee must be paid in full before water is turned on.
 New accounts or delinquent accounts must be paid in full by 3:00 pm in order for water service to be cut back on.

PARKS & RECREATION FEES

PARK RENTAL:

Picnic Shelter (rented in 3-hour increments).....	\$50.00
Ball Fields (hourly rate without lights)	\$20.00
Ball Fields (hourly rate with lights).....	\$40.00
Ball Fields and Concession (per day).....	\$200.00

RECREATION PROGRAMS:

Youth Participants:

Resident Fee.....	\$25.00
Non-Resident Fee	\$45.00

Adult League Softball (per team).....	\$550.00
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MCKINLEY POINT RENTAL:

Farm Vendor (per year)	\$100.00
Private Event (per day).....	\$100.00
Non-Profit Event (per day).....	\$50.00
Non-Profit Signage only (per week).....	\$25.00

ALCOHOL PRIVILEGE LICENSE

Beer "On-premise"	\$15.00
Beer "Off-premise"	\$5.00
Wine "On-premise"	\$15.00
Wine "Off-premise"	\$10.00

MISCELLANEOUS RATES & FEES

Copying	\$0.30/page
Driveway Piping	Cost of Materials
Lot Mowing (hourly, with one hour minimum)	\$100.00
Cemetery Plots	\$500.00
Burial Permit	\$100.00
Returned Check Fee	\$25.00
(After 2nd return check, no personal checks will be accepted)	
Police Reports	\$5.00 each
Police Fingerprint Cards (In Town, No Charge)	Out of Town \$5.00
Golf Cart Registration	\$40.00
Golf Cart Re-Inspection	\$25.00
Online Convenience Fee	3% of total bill

SOLID WASTE FEES

RESIDENTIAL & BUSINESS

In Town:	Garbage (Weekly Pickup)	\$11.00/Month
	Recycling (Bi-Weekly Pickup)	\$5.00/Month
	Bulk & Brush (Bi-Weekly Pickup)	\$6.00/Month

Total In Town per Month = \$22.00

Out of Town:	Garbage (Weekly Pickup)	\$24.00/Month
	Recycle (Bi-Weekly Pickup)	\$8.00/Month

PLANNING / ZONING

ZONING APPLICATION PERMITS

Residential:

Detached Dwelling.....	\$50.00
Attached Dwelling.....	\$100.00
Fence Permit.....	\$0.00
Watershed High Density Application.....	\$250.00

Non-Residential/Commercial:

Structure.....	\$200.00 + zoning site plan review fee
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Building Permit Fees.....Set by Harnett County

Planning Fees (Board Approval Required):

Special Use Permit Application.....	\$500.00
Variance Request.....	\$400.00
Re-Zoning Application.....	\$400.00
Ordinance Text Amendment.....	\$400.00
Road Renaming Petition (Buying New Signs & E911 Addressing).....	\$400.00

Planning Service Fees:

Zoning Certification Letter.....	\$30.00
Exempt or Recombination Subdivision Review.....	\$25.00
Minor Subdivision Filing Fee:.....	\$250.00 + \$20.00/lot
Major Subdivision Preliminary Plat.....	\$500.00 + \$20.00/lot
Construction Drawings Review Fee.....	\$500.00
Storm Drainage/Erosion Control Fee.....	\$500.00
Major Subdivision Final Plat Review	\$350.00 + \$20.00/lot
Recreation Fee – New Residential Construction (due at zoning permit)...	\$500.00

Sign Permits:

Business Sign Permit.....	\$50.00
Temporary (Limited to 30 days/year).....	\$35.00

MANAGEMENT REIMBURSEMENT

Mileage Reimbursements.....IRS Rate