

Town of Carthage FY 2023-24 Budget

June 19, 2023

Presented by Emily D. Yopp, Town Manager





FY 2023-24 Budget

- This budget year is a little different due to a Moore County tax revaluation that has increased the property tax burden to some residents by up to 50%.
- The Board requested a variety of tax rate scenarios to consider in an effort to make an informed decision regarding this year's budget.
- The Board has received **two (2) balanced budgets** to consider this year; one with our current tax rate of 50.5 cents/\$100 property value and one with a tax rate reduction to 48 cents/\$100 property value.



FY 2023-24 Budget

Both balanced budgets prioritizes the following goals:

- An increase in Cost-of-Living Allowance (COLA) to all Town employees.
- Funding as many departmental requests as is reasonable and in the best interests of the public.
- Upgrading outdated technology in the Town Hall to modern standards to ensure staff are able to work efficiently.
- Preparing the Town of Carthage for continued growth and development.



FY 2023-24 Budget

One of the biggest concerns has been how much of a financial burden this year's revaluation will place on Carthage citizens. To help guide the Board and public to this answer, we should consider the examples on the following pages.

Please note that property values will vary widely for Carthage citizens and that these numbers are for comparison and consideration purposes only.

Property owners should refer to their tax revaluation letters or speak to the Moore County Tax Department for specific questions regarding their assessed property values.



FY 2023-24 Budget

Per the 2021 Census. Assuming this median value increased 50% we can anticipate a new median value of **\$244,050**. *10% margin of error

Value

\$162,700

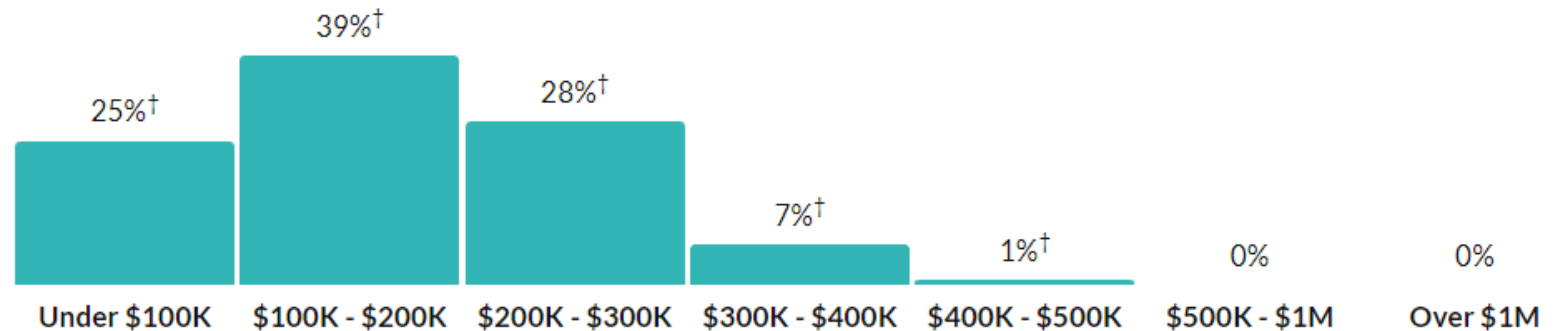
Median value of owner-occupied housing units

about two-thirds of the amount in the Pinehurst-Southern Pines, NC Micro Area: \$247,000

about 80 percent of the amount in North Carolina: \$197,500

***Does not include unimproved land.**

Value of owner-occupied housing units





FY 2023-24 Budget

Before the revaluation, assume a property was valued at \$162,700.

With the current County General, ALS, Rural Fire Protection Service, the current tax rate would be
.63 cents/\$100

Add in Carthage rate of 50.5/\$100 and the full total of tax for County + Carthage is

\$1.14/\$100 valuation

$\$162,700 / 100 \times 1.14 = \$154.57/\text{mo or } \$1,854.78/\text{yr}$

Now assume the same property increased 50% during the revaluation...

$\$244,050 / 100 \times 1.14 = \$231.85/\text{mo or } \$2,782.17/\text{yr}$

That's an increase of \$77.28/mo or \$927.39/yr



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The County is proposing the following tax rates for FY 2023-24 to help alleviate the increase in property values for some property owners

Proposed County Property Tax Rate =	.33 cents/\$100 of valuation (currently 48.5 cents/\$100)
Proposed Advanced Life Support Rate =	.0375/\$100 of valuation (currently 0.04 cents/\$100)
Proposed Rural Fire Protection Service Rate =	.0875/\$100 of valuation (currently 0.105 cents/\$100)
TOTAL PROPOSED COUNTY TAX RATE =	<u>45.5 cents/\$100</u>

If adopted, this will mean a 17.5 cent or 28% decrease for property owners.

**Moore County Budget Hearing is set to occur on June 20th. Proposed rates are not final until after budget adoption.*



FY 2023-24 Budget

Let's look at what Carthage property owners could anticipate for their tax payments in FY 2023-24 using the County's proposed tax reductions and Carthage's proposed 50.5 and 48 cent tax rates.

This will help to bring clarity and understanding to the impacts these numbers will have on Carthage property owners and the future financial capabilities of our community as a whole.



FY 2023-24 Budget

Assume a new property value = \$175,000

If Carthage keeps a tax rate of **50.5** cents/\$100 that's a full total of **.96 cents/\$100 value**

$$\$175,000 / 100 \times 0.96 = \$140/\text{mo or } \$1,680/\text{yr}$$

If Carthage reduces the tax rate to **48** cents/\$100 that a full total of **93.5 cents/\$100 value**

$$\$175,000 / 100 \times 0.935 = \$136.35/\text{mo or } \$1,636.25/\text{yr}$$

Property owner tax savings if Carthage tax rate is reduced to .48 cents/\$100



\$3.65/ month

\$43.75/year



FY 2023-24 Budget

Assume a new property value = \$280,000

If Carthage keeps a tax rate of **50.5** cents/\$100 that's a full total of **.96 cents/\$100 value**

$$\$280,000 / 100 \times 0.96 = \$224/\text{mo or } \$2,688/\text{yr}$$

If Carthage reduces the tax rate to **48** cents/\$100 that a full total of **93.5 cents/\$100 value**

$$\$280,000 / 100 \times 0.935 = \$218.17/\text{mo or } \$2,618/\text{yr}$$

Property owner tax savings if Carthage tax rate is set to .48 cents/\$100



\$5.83/ month

\$70/year



FY 2023-24 Budget

Assume a new property value = \$350,000

If Carthage keeps a tax rate of **50.5** cents/\$100 that's a full total of **.96 cents/\$100 value**

$$\$350,000 / 100 \times 0.96 = \$280/\text{mo or } \$3,360/\text{yr}$$

If Carthage reduces the tax rate to **48** cents/\$100 that a full total of **93.5 cents/\$100 value**

$$\$280,000 / 100 \times 0.935 = \$272.71/\text{mo or } \$3,272.50/\text{yr}$$

Property owner tax savings if Carthage tax rate is set to .48 cents/\$100



\$7.29/ month

\$87.50/year



FY 2023-24 Budget

Assume a new property value = \$500,000

If Carthage keeps a tax rate of **50.5** cents/\$100 that's a full total of **.96 cents/\$100 value**

$$\$500,000 / 100 \times 0.96 = \$400/\text{mo or } \$4,800/\text{yr}$$

If Carthage reduces the tax rate to **48** cents/\$100 that a full total of **93.5 cents/\$100 value**

$$\$500,000 / 100 \times 0.935 = \$389.58/\text{mo or } \$4,675/\text{yr}$$

Property owner tax savings if Carthage tax rate is set to .48 cents/\$100



\$10.42/ month

\$125/year



FY 2023-24 Budget

Assume a new property value = \$1,000,000

If Carthage keeps a tax rate of **50.5** cents/\$100 that's a full total of **.96 cents/\$100 value**

$$\$1,000,000 / 100 \times 0.96 = \$800/\text{mo or } \$9,600/\text{yr}$$

If Carthage reduces the tax rate to **48** cents/\$100 that a full total of **93.5 cents/\$100 value**

$$\$1,000,000 / 100 \times 0.935 = \$779.17/\text{mo or } \$9,350/\text{yr}$$

Property owner tax savings if Carthage tax rate is set to .48 cents/\$100



\$20.83/ month

\$250/year



FY 2023-24 Budget

With the new revaluations, the Town of Carthage can anticipate approximately

\$38,000 per penny*

**this number will fluctuate in the future depending on the tax rate, new construction homes coming on the tax rolls, etc.*

Prior to the revaluations Carthage made approximately

\$25,000 per penny





FY 2023-24 Budget

Remember our graph from slide #6...this is an altered projection using the potential 50% increase, same # of homeowners, and showing **monthly** savings between Carthage two proposed tax rates.

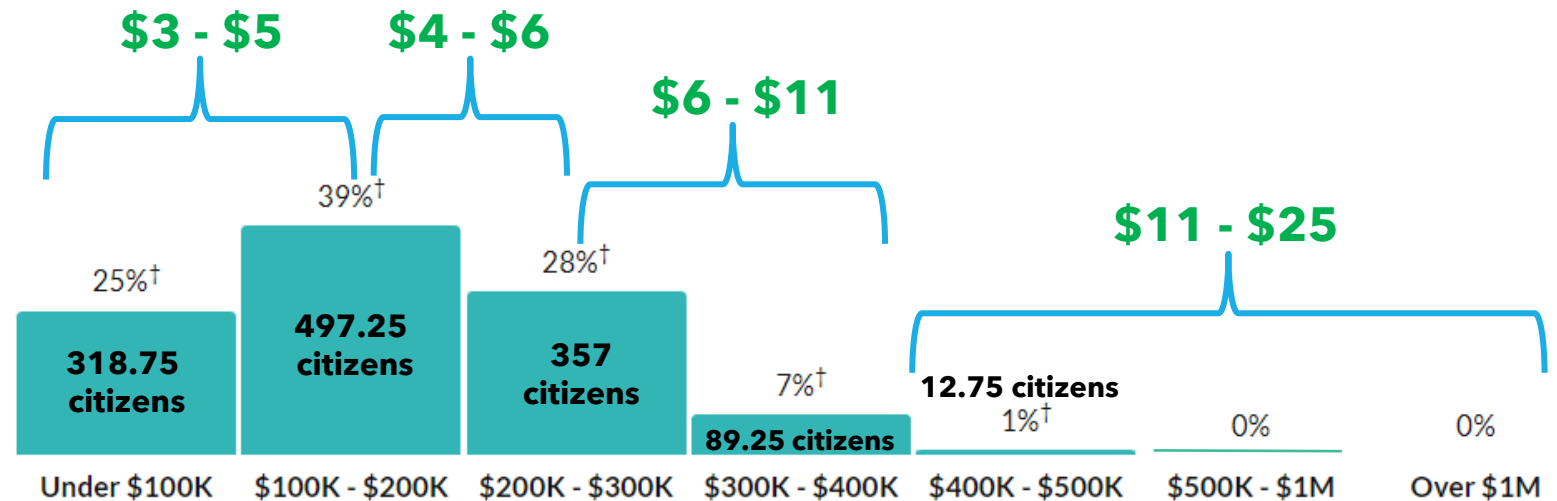
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FY 2023-24 Budget



FY 2023-24 Budget

County <small>↑↓</small>	Population as of July 1, 2010 <small>↑↓</small>	Population as of July 1, 2015 <small>↑↓</small>	Population as of July 1, 2020 <small>↑↓</small>	Population as of July 1, 2025 <small>↑↓</small>	Population as of July 1, 2030 <small>↑↓</small>
Moore	88,517	92,545	100,024	111,848	123,613

Here are the population projections for Moore County per the State Demographer's Office.

As of July 1, 2022, Moore County population is 105,531.



FY 2023-24 Budget

What can Carthage anticipate for growth in the near future?

The 2021 Census collected the following data for Carthage:

Units & Occupancy

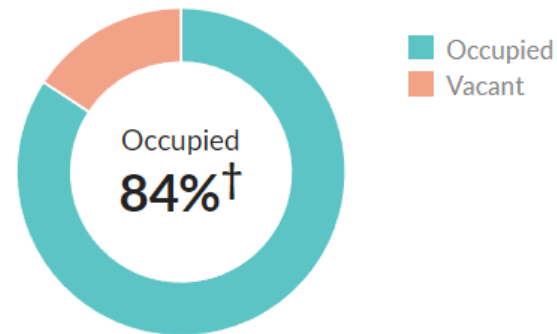
1,275

Number of housing units

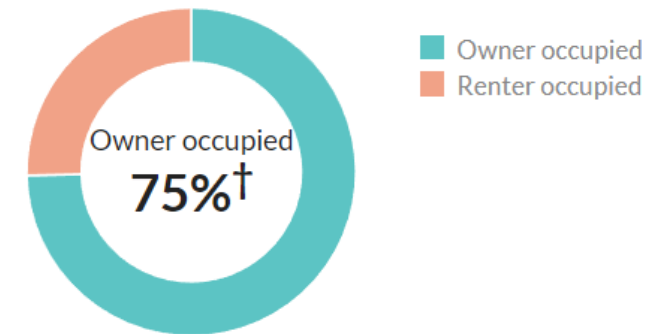
the Pinehurst-Southern Pines, NC Micro Area:
47,876

North Carolina: 4,673,933

Occupied vs. Vacant



Ownership of occupied units





FY 2023-24 Budget

APPROVED RESIDENTIAL DEVELOPMENTS*		
<u>Name</u>	<u>Location</u>	<u># of Units</u>
Riddle Ridge	Niagara-Carthage Rd.	37
Tyson's Trail	S. McNeill St.	46
Southbury (Phases 1-4)	Savannah Garden Dr. To Cagle Ln/Pinehurst Ave.	120
Forest Ridge (Phase 3)	US 15-501/Timberwood Dr.	63
Carriage Hill	Pinehurst Ave	43
Carriage Place Townhomes	Savannah Garden Dr	120
Magnolia Hill Apartments	Hwy. 22	240
McNeill Ridge Duplexes	Rockingham/S. McNeill St.	66 (30 duplexes)
*Fully approved, build by right, or under construction as of this writing.	TOTAL	705 UNITS



FY 2023-24 Budget

Within the next 2-5 years...

Carthage should anticipate a total of $1,275 + 705 = \mathbf{1,980}$ residential units

Population as of 2021 Census = **2,672** (2.4 persons per household)

Therefore...

705 new units x 2.4 new persons = **1,692** new persons
added to our current population for a total projected population of **4,364 by 2025-2028**

This means our population would increase by 37% within 2-5 years.

*These totals do not include any projects that come up after this writing



FY 2023-24 Budget

What is the impact to the Town of Carthage if we reduce the tax rate to .48 cents/\$100?

If the tax rate is reduced, the Town will save Carthage property owners an approximate total of \$96,000 for this fiscal year.

Put another way, that is \$96,000 that will not be available to the Town for expenditures.

Items that will be postponed to balance the .48 cent budget:

Updated Unified Development Ordinance (\$80,000 over 2 years)
Time to complete = 18 months

With the growth projected in Carthage, is the Board and public comfortable delaying the UDO until 2025-2026?

FY 2023-24 Budget

Recommended near-future goals for the Board to consider:

Continued Downtown/Town-wide improvements

Improvements at Nancy Kiser Park

Pave streets and repair/install new sidewalks

Secure additional water resource

New Town Hall to reduce crowded offices/departments

Necessary upgrades to Town-owned buildings and replacements of aging equipment/vehicles

Fund an Employee Performance Pay Program to reward staff for continued excellence and training



FY 2023-24 Budget

Thank you to the Board of Commissioners and our members of the public for the opportunity to present to you this year's balanced budget options.

Respectfully,

Emily D. Yopp

Emily D. Yopp
Town Manager