

# **RESOLUTION OF UNDERSTANDINGS ACCOMPANYING THE BUDGET ADOPTION FOR FISCAL YEAR 2024-2025**

**WHEREAS**, the City Council of the City of Reidsville has adopted an annual operating budget for Fiscal Year 2024-2025, which raises revenues and authorizes expenditures for the operation of the City; and,

**WHEREAS**, during deliberations on said budget, certain understandings were reached concerning the operation of the City, and it is the intention of the Mayor and City Council to outline those understandings;

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of Reidsville that the following understandings are hereby defined:

**Unfunded Needs** – It is recognized that this budget, while responsible and appropriate, may not be adequate to fund all the needs of the fiscal year. Several variables could result in the need to request the use of fund balance during the year. Any large, unexpected maintenance and repair issues would likewise cause the need to use fund balance or reserves in the utility funds.

**City Employment** – City employment is established at a level of 200 full-time positions.

**Employee Benefits** – Benefits currently existing for full-time employees and retirees will remain unchanged. Group health and dental insurance has been secured through the Municipal Insurance Trust administered by the NC League of Municipalities. Premiums will increase by 9% for both employees/retirees and dependents.

**Cost of Living Adjustment** – The City’s budget for 2024-2025 will provide a 4% per employee increase in full-time employee salaries. Performance appraisals will be tied to performance pay. A 3% Merit is included in this budget for performance pay. This budget also includes one (1) floating holiday for all full-time employees.

**Pay and Classification Study** – The pay plan study for the Police Department was done last year, has been implemented and incorporated into the 2024-2025 fiscal year budget. The second year of the study will be completed to assess the pay and compression of the “Public Works” employees.

**Fee Schedule** – There are proposed changes to the fee schedule presented with the budget.

**Capital** – The 2024-2025 budget does include capital purchases; expenditure budgetary savings in the 2023-2024 fiscal year will also be used to make some capital purchases.

**Debt Service/Lease Purchase** – There are no new debt issuances included in the 2024-2025 budget.

This the 11<sup>th</sup> day of June, 2024.



Donald L. Gorham, Mayor

ATTEST:



Angela G. Stadler, CMC/NCCMC, City Clerk

