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FOR IMMEDIATE RELEASE  
June 27, 2017

## **Council adopts FY 2018 budget with new tax rate & electric rate decrease**

**Rocky Mount, N.C.**-On June 26, 2017, the Rocky Mount City Council adopted the operating budget for Fiscal Year 2018 at \$200,962,710, a 2.2 percent decrease from Fiscal Year 2017. The adopted budget includes a new tax rate of \$.66 cents per \$100 assessed value and a decrease by 2 percent for residential electric usage.

Revenue neutral means a city will generate the same amount of revenue from property taxes as was collected the previous year. Based on the results of a calculation method prescribed by the North Carolina Local Government Commission, the city's revenue neutral tax rate is \$.64 cents per \$100 assessed value.

"The additional two cents in the adopted tax rate is required to fund the increase in debt service for the completion of the Rocky Mount Event Center," said Interim City Manager Steve Raper.

According to Budget/Evaluation Manager Kenneth Hunter, the rate will have a different effect on homeowners, depending upon revaluation results for each property.

"According to an analysis of actual changes in property value, approximately 63 percent of properties inside the city will not experience any increase in actual taxes paid at the proposed \$.66 cents tax rate," states Hunter. "Only 27 percent of properties will see a tax increase of 5 percent or more. An analysis of tax records also shows that only 16 percent of properties inside the city either saw no change or an increase in assessed value as a result of the revaluation. These properties will see a tax increase of 9.1 percent or more, depending on their individual respective change in value."

The new tax rate will go into effect July 1, as well as the adopted decrease in electric rates.

The North Carolina Eastern Municipal Power Agency (NCEMPA) reduced Rocky Mount's wholesale power costs by 4.4 percent. This was due to the current and projected lower cost of natural gas, which is used to generate one third of NCEMPA's wholesale power supply. As a result of the lower wholesale costs, a cost of service study was performed for Rocky Mount's electric distribution system. The study indicated Rocky Mount's retail rate revenues could be reduced overall by 5 percent across all rate schedules.

Beginning July 1, the energy charge for residential electric usage will decrease by 2 percent, from \$0.09975 per kilowatt-hour (kWh) to \$0.097077 per kWh. This means the cost difference for the average residential monthly usage of 1,000 kWh will decrease from \$125.75 to \$123.08. All rate schedules, including the changes to the commercial rates, will be available on the Rates & Fees page at [www.rockymountnc.gov/utilities](http://www.rockymountnc.gov/utilities) beginning July 1.