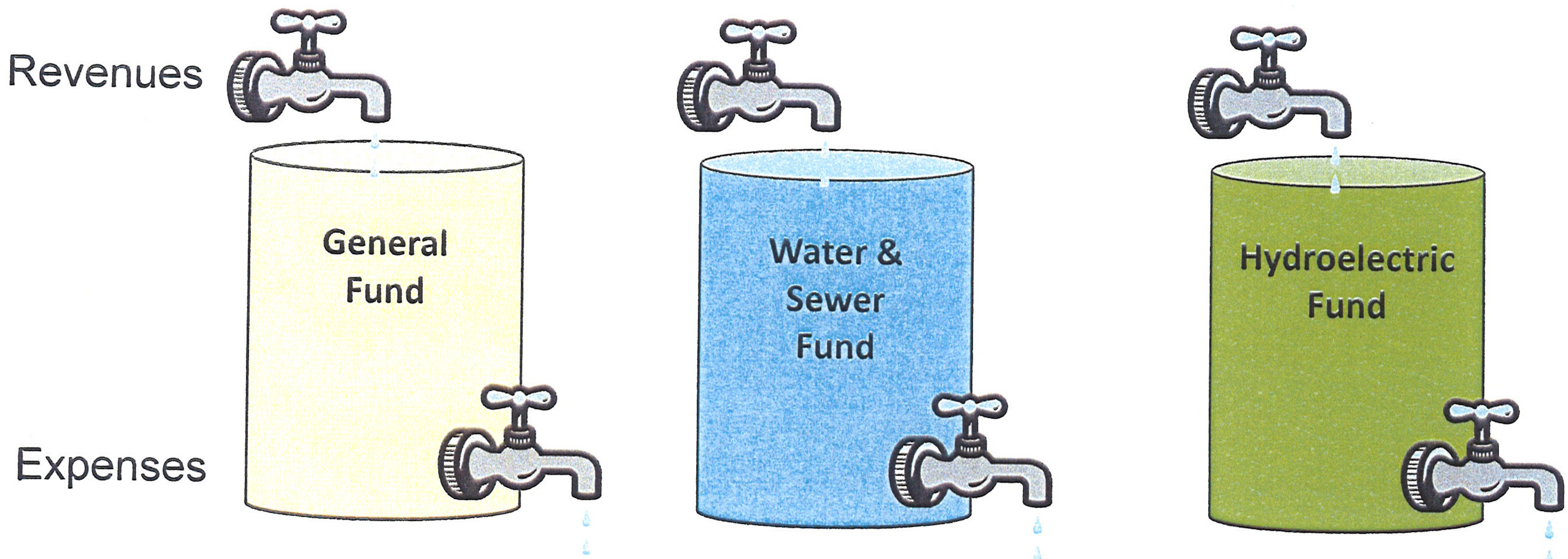
FY 2011-2012 Budget Overview

What services are provided?
What resources are needed to provide them?
How do we fund these services?
What are the outcomes for the citizens?

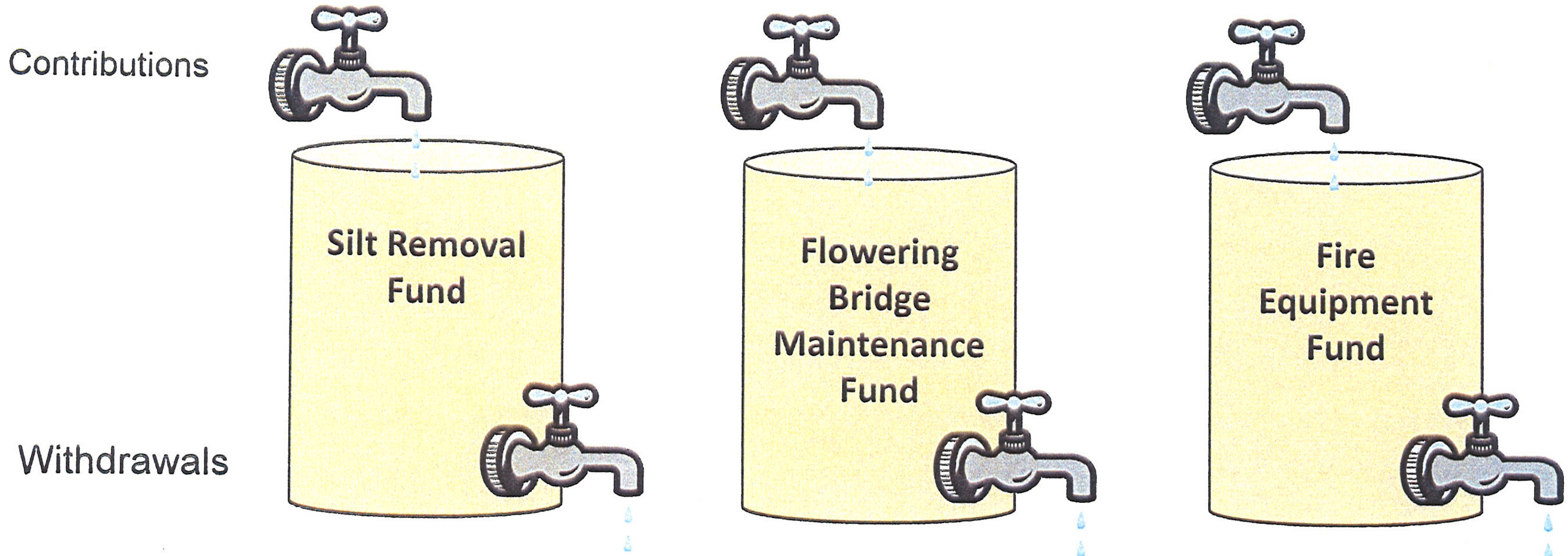
Municipal Fund Accounting



Town revenues and expenses are segregated in three funds. While there can be transfers between funds, for the most part these stand alone. Revenues should be sufficient to cover expenses in each fund.

Any operating surplus will remain in each fund as a *fund balance*

Capital Reserve Funds



Additionally, the town maintains capital reserve funds for special purposes. These are essentially savings accounts for future needs. Each year, the town may contribute to or withdraw from them.

Town of Lake Lure
FY 2011-2012 Budget
(as amended through January 31, 2012)

	General Fund	Water-Sewer Fund	Hydroelectric Fund	TOTAL	
Revenues	$3,975,140	$669,150	$276,356	$4,920,646	100%
Expenditures					
Operations	$3,417,499	$492,569	$166,356	$4,076,424	83%
Capital Outlay	$379,025	$101,286	$110,000	$590,311	12%
Debt Service	$178,616	$75,295	$0	$253,911	5%
	$3,975,140	$669,150	$276,356	$4,920,646	100%

Overview of Town Staffing, Benefits & Salaries

Employees

36	Full-time
5	Part-time *(plus 1 temporary golf course superintendent)*
2	Reserve *(paid, plus 5 unpaid)*
1	Police Retiree Severance *($15,401/year through March 2017)*

Employee Benefit	Costs
Health Insurance Plan (employee)	Town pays premiums of $5,190.72/year.*
Health Insurance Plan (retiree)	Town contributes 5% of salary. Employees are vested after 5, 10 or 20 years.
Dental and Vision Plan (employee)	Town pays premiums of $42.50/year.* ($35.50 dental, $7.00 vision)
Vacation	Employees accrue at 10 to 20 days per year (depending on position and longevity)
Sick Days	Employees accrue 12 per year (unused can be counted for service credits at retirement
Retirement Savings *State pension plan*	The employee contributes 6% of salary and the Town contributes 6.88% for general and fire employees and 7.35% for law enforcement officers (rates set by the state)
Retirement Savings - 401(k)	The Town contributes 5% of salary and pays for the administration of the plan. Employee contribution is voluntary.
Christmas Luncheon and Bonus	$100 for full-time employees and $50 for full-time employees employed less than six months.
Training Certification Bonus	Employees receive a bonus of 5% of their salary for achieving significant, job-related certifications. Depending on the job, there are 0, 1 or a couple opportunities.

*** Employee pays for spouse/family coverage.**

Overview of Town Staffing, Benefits & Salaries

Employee Salaries

Salaries are set according to job classifications, each with a range of pay that is established using market data and salary studies of other municipalities. The table below shows the recent history of cost-of-living increases (C.O.L.A.) or merit increases. Salaries by position are public record and available on the Town website.

Year	Salary Increases: C.O.L.A.	Salary Increases: Merit Awards	Notes	Social Security C.O.L.A (for comparison)
FY 07/08	3.3%	$13,581	Merit increases based on individual job performance (subjective)	3.3%
FY 08/09	2.3%	$17,888	Merit increases based on job performance (subjective)	2.3%
FY 09/10	0%	$0	Merit increase program discontinued with intent to implement performance-based annual bonus. Salary increases will come with promotions, C.O.L.A. or certifications.	5.8%
FY 10/11	3%	$0	Initially, 0% C.O.L.A. budgeted. The 3% was paid using surplus from the FY 09/10 budget.	0%
FY 11/12	0%	$0	$15,000 budgeted for the creation of a Performance Management system (with performance measures, reports, targets and goals tied to bonus payouts.) This will not likely be spent in FY2012 due to the difficulty of finding a qualified consultant.	0% (2012: 3.6%)