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## EXECUTIVE BUDGET SUMMARY SECTION

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### Revenues

- ❑ **Ad Valorem Property Tax:** Following the direction of the Lake Lure Board of Commissioners, the General Fund budget is based on a property tax rate of \$0.276 cents per one-hundred dollar (\$100.00) valuation. The estimate is recommended to decrease from \$2,330,000 to \$2,309,400 or a decrease of \$20,600.00 or just over a half percent. A collection rate of 98.00% is utilized and this percentage may not exceed the 98.00% collection rate that was realized last year. Total property taxes of \$2,377,500, which includes real, personal, and public utility property, represent 48.3% of the general fund budget. I am confident that we will achieve the 98.00% collection rate but want to strongly point out that it leaves little room for error or flexibility.
- ❑ **Local Government Sales Tax:** The Local Government Sales Tax represents 19.6% of the Town's general fund budget. The estimate of \$964,400 is a 4.1% increase over the estimate used in the current year budget ordinance. Staff feels that strong sales on the local, state and national level, along with higher distributions and existing receipts make this figure realistic.
- ❑ **Utilities Franchise and Video Franchise Tax:** The Utilities Franchise and Video Franchise Tax revenue represents 5.3% of the general fund budget. The estimate of \$261,000 is a slight increase over the estimate used in the current year budget. I believe this estimate to be reasonable due to the current receipts and the revenue estimates provided by the N.C. League of Municipalities.
- ❑ **Lake Revenue:** The revenue generated from the Lake represents 11.5% of the Town's general fund budget. The estimate of \$566,500 is an increase of \$61,700 over the estimate used in the current year budget.
- ❑ **Fund Balance:** The 2017-2018 budget will require a \$150,000.00 appropriation from Lake Lure's fund balance. The proposed budget also utilizes \$250,000 from the capital reserve fund, accumulated from three cents of the tax rate earmarked for capital improvements.
- ❑ **State Shared Revenues:** In 2017-2018 there will be only two returning statewide revenues whose estimates depend on economic forces: the beer and wine and utilities franchise taxes. The Beer and Wine Tax totals \$5,700.00. In exchange for the authority to levy a third one-half cent local option sales tax, the 2002 session of the General assembly repealed the remaining state reimbursements including the inventory tax, intangibles tax, sales tax on food stamp purchases, and the homestead exemption. Each year, budget decisions in Raleigh should be closely monitored and amendments made to the operating budget to reflect changes made at the State level.

**Expenses**

The following is a summary of the budget request of each department. For a more detailed review, please refer to each department in the Operational Guide Section of this document.

**☐ Personnel:**

- **Compensation** - The 2017-2018 budget recommends an across the board cost of living adjustment of one and a half percent (1.5%) for all employees except the Town Manager. No performance or longevity bonuses are recommended in this year's budget. Other benefits, including health and dental insurance have a significant impact on the budget.
- **Staffing** – One new full-time position in the Fire Department and one part-time position in Communications is being recommended in this year's budget.
- **Retirement** - The North Carolina Retirement System Division increased the amounts local governments are required to pay into the system on behalf of its employees. Rates increased for general employees and law enforcement personnel.

**☐ Commission:**

2016-2017 – \$29,210      2017-2018 – \$29,300      Percent Change: 0.3%

- Under Salaries and Wages, \$14,210 has been budgeted for Board salaries.
- Allocates funding for the administrative work of Town Council.

**☐ Administration Department:**

2016-2017 - \$670,781      2017-2018 - \$639,500      Percent Change: (4.7%)

- Allocates funding for the tax collection fee of \$14,000 charged by Rutherford County.
- Funds professional services including legal, auditing and accounting in the amount of \$64,500.

**☐ Central Services:**

2016-2017 – \$99,050      2017-2018 - \$102,200      Percent Change: 3.2%

- The Central Services Department supports the Town's technology and telecommunication functions.

**☐ Police Department:**

2016-2017 - \$724,219      2017-2018 - \$692,600      Percent Change: (4.4%)

- Personnel costs in the amount of \$610,000 and Operating expenses in the amount of \$82,500 are allocated to fund the police department.

**☐ Fire Department:**

2016-2017 - \$702,311      2017-2018 - \$744,800      Percent Change: 6%

- Proposes the hiring of one additional full-time employee.
- Continues funding the Volunteer Fire Departments at \$168,600, the amount allocated in the current fiscal year.

**☐ Public Works Department:**

2016-2017 - \$358,642      2017-2018 - \$378,900      Percent Change: 5.6%

- Allocates funding for a roll-door (\$4,600) for the public works building, a dump bed (\$5,000) and a snow plow (\$6,000).

**☐ Sanitation Department:**

2016-2017 - \$216,720      2017-2018 - \$227,600      Percent Change: 5%

- Provides contract services for the annual operation of sanitation and recycling services. Service contract increases and tipping fee increases are budgeted.
- Allocates \$2,000 towards a Rutherford County Sanitation Fee Study in cooperation with other municipalities.

**☐ Economic Development Department:**

2016-2017 - \$49,500      2017-2018 - \$70,200      Percent Change: 41.8%

- Proposes new part-time employee to replace Contract Services in the amount of \$37,700.
- Proposes a \$10,000 allocation to fund the new Economic Development Association.
- Continues \$10,000 allocation for the Chamber of Commerce.

**☐ Community Development Department:**

2016-2017 - \$320,256      2017-2018 - \$258,700      Percent Change: (19.2%)

- Funds implementation of three new initiatives identified in the Comprehensive Plan Update Calendar for \$25,000.

**☐ Parks and Recreation Department:**

2016-2017 - \$140,867      2017-2018 - \$181,200      Percent Change: 28.6%

- Increases allocations in Grounds Maintenance and Contractual Services for the World Equestrian Games.
- Funds the request of \$10,000 from the Flowering Bridge Committee.

**☐ Beach and Marina Department:**

2016-2017 – \$12,720      2017-2018 - \$13,500      Percent Change: 6.1%

- Funds the maintenance and repair of the beach and marina.

**☐ Golf:**

2016-2017 – \$81,000      2017-2018 - \$81,000      Percent Change: 0%

- Provides contract services for the annual operation of the municipal golf course.

**☐ Lake Department:**

2016-2017 – \$218,523      2017-2018 - \$570,500      Percent Change: 161.1%

- Allocates \$350,000 in funding for Silt Removal. This allocation has historically been treated as a capital cost and is now being treated as an operational cost.
- Requests \$3,000 for the purchase of a drone which will be used by the Police, Fire, Lake and Community Development Departments.

**☐ Capital Projects:**

2016-2017 – \$802,942      2017-2018 - \$264,400      Percent Change: (67.1%)

- Allocates funding for ten projects found in the Town's Capital Improvement Plan.

**☐ Debt Service:**

2016-2017 – \$266,521    2017-2018 - \$278,300    Percent Change: 4.4%

- Allocates funding for the Town's debt service payments for vehicles, equipment and buildings. New debt is proposed for the construction of the Morse Park Restrooms.

**☐ Non-Governmental:**

2016-2017 – \$129,000    2017-2018 - \$129,000    Percent Change: 0%

- Supports the Town's insurance, bonding, unemployment and administrative fees.

**☐ Water and Sewer Fund**

2016-2017 - \$1,173,050    2017-2018 - \$1,218,700    Percent Change: 3.9%

- The Water and Sewer Fund will reimburse the General Fund \$15,000 for shared expenses.
- Allocates \$113,500 for Contract Services to operate the Wastewater Treatment Plant.
- Funds four projects in the amount of \$82,200 in Capital Outlay.
- Allocates \$119,945 in existing debt service payments and \$390,000 in debt service for the Greenline Project.

**☐ Electric Fund:**

2016-2017 – \$785,151    2017-2018 - \$351,000    Percent Change: (39%)

- Allocates \$50,000 in funding for the Repair and Maintenance of the Hydroelectric Dam.
- The Electric Fund will transfer \$39,800 to the Department's Fund Balance to continue building a reserve.
- Funds five projects in the amount of \$101,000 in Capital Outlay.