
EXECUTIVE BUDGET SUMMARY SECTION

Revenues

- ❑ **Ad Valorem Property Tax:** The General Fund budget is based on a property tax rate of \$0.403 cents per one-hundred dollar (\$100.00) valuation. The estimate is recommended to increase from \$2,309,400 to \$3,364,600 or an increase of \$1,055,200 or just under forty-six (46%) 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 \$3,364,600, which includes real, personal, and public utility property, represent 55% 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 16% of the Town's general fund budget. The estimate of \$975,000 is a 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% of the general fund budget. The estimate of \$295,000 is an 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 10.4% of the Town's general fund budget. The estimate of \$634,400 is an increase of \$67,900 or 12% over the estimate used in the current year budget.
- ❑ **Fund Balance:** The 2018-2019 budget will require a \$95,600.00 appropriation from Lake Lure's fund balance. The proposed budget also utilizes \$255,000 from the capital reserve fund, accumulated from three cents of the tax rate earmarked for capital improvements.
- ❑ **State Shared Revenues:** In 2018-2019 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 \$5,500.00. 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for the authority to levy a third one-half cent local option sales tax, the 2002 session of the General assembly repealed the remaining state reimbursements including the inventory tax, intangibles tax, sales tax on food stamp purchases, and the homestead exemption.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 2018-2019 budget recommends an across the board cost of living adjustment of two and a half percent (2.5%) and longevity bonuses for all employees. No performance bonuses are recommended in this year's budget. Other benefits, including health insurance and retirement benefits have a significant impact on the budget.
- **Staffing** – Three new full-time positions in the Administration Department (Engineer/Project Manager), Public Works Department (Utility Maintenance), and the Parks and Recreation Department (Parks and Recreation Director) and one new part-time position in the Community Development Department (Clerk) are 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 and fire employees and law enforcement personnel.

Commission:

2017-2018 – \$29,300 2018-2019 – \$29,400 Percent Change: 0.3%

- Under Salaries and Wages, \$14,300 has been budgeted for Board salaries.
- Allocates funding for the administrative work of Town Council.

Administration Department:

2017-2018 - \$646,700 2018-2019 - \$758,600 Percent Change: 17.3%

- Allocates funding for the proposed Engineer/Project Manager position in the amount of \$87,200.
- Allocates funding for the tax collection fee of \$14,500 charged by Rutherford County and professional services including legal, auditing and accounting in the amount of \$71,000.

Central Services:

2017-2018 – \$102,200 2018-2019 - \$101,200 Percent Change: (0.7%)

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

☐ Police Department:

2017-2018 - \$697,600 2018-2019 - \$751,100 Percent Change: 7.7%

- Personnel costs in the amount of \$671,100 and Operating expenses in the amount of \$80,000 are allocated to fund the police department.

☐ Fire Department:

2017-2018 - \$751,700 2018-2019 - \$769,000 Percent Change: 2.3%

- Continues funding the Volunteer Fire Departments at \$170,000.

☐ Public Works Department:

2017-2018 – \$382,400 2018-2019 - \$457,600 Percent Change: 19.7%

- Allocates funding for a new Utilities Maintenance Technician for \$54,000.

☐ Sanitation Department:

2017-2018 - \$227,600 2018-2019 - \$227,800 Percent Change: 0.1%

- Provides contract services for the annual operation of sanitation and recycling services. Service contract increases and tipping fee increases are budgeted.

☐ Economic Development Department:

2017-2018 - \$70,200 2018-2019 - \$70,200 Percent Change: 0.0%

- Continues \$10,000 allocation to fund the new Economic Development Association.
- Continues \$10,000 allocation for the Chamber of Commerce.

☐ Community Development Department:

2017-2018 - \$260,900 2018-2019 - \$351,200 Percent Change: 34.6%

- Allocates funding for the new part-time Permitting Clerk position for \$15,600.
- Relocates the Environmental Management Officer to Community Development.
- Funds implementation of a new initiatives identified in the Comprehensive Plan Update Calendar and Town Center Plan for \$35,000.

☐ Parks and Recreation Department:

2017-2018 - \$190,700 2018-2019 - \$293,100 Percent Change: 53.7%

- Allocates funding for the proposed Parks and Recreation Director position for \$79,900.
- Increases allocations in Grounds Maintenance and Contractual Services.
- Funds the request of \$10,000 from the Flowering Bridge Committee and the Parks and Recreation Board.

☐ Beach and Marina Department:

2017-2018 – \$13,500 2018-2019 - \$12,000 Percent Change: (11.1%)

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

☐ Golf:

2017-2018 – \$86,000 2018-2019 - \$86,000 Percent Change: 0.0%

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

☐ Lake Department:

2017-2018 – \$547,200 2018-2019 - \$558,300 Percent Change: 2.0%

- Allocates \$400,000 in funding for Silt Removal. This allocation has historically been treated as a capital cost and is now being treated as an operational cost.

☐ Capital Projects:

2017-2018 – \$482,900 2018-2019 - \$696,000 Percent Change: 44.1%

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

☐ Debt Service:

2017-2018 – \$261,500 2018-2019 - \$267,300 Percent Change: 2.2%

- Allocates funding for the Town's debt service payments for vehicles, equipment and buildings. New debt is proposed for the land on Boys Camp Road.

❑ Non-Governmental:

2017-2018 – \$129,000 2018-2019 - \$134,500 Percent Change: 4.3%

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

❑ Water and Sewer Fund

2017-2018 - \$1,218,700 2018-2019 - \$13,722,500 Percent Change: 1,026%

- 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 five projects in the amount of \$12,557,000 in Capital Outlay, including the sewer system replacement project for \$12,500,000.
- Allocates \$130,500 in existing debt service payments and \$415,000 in debt service for the Sewer System Replacement Project.

❑ Electric Fund:

2017-2018 – \$336,200 2018-2019 - \$5,709,900 Percent Change: 1,598%

- Allocates \$48,000 in funding for the Repair and Maintenance of the Hydroelectric Dam.
- Allocates \$75,000 in Contract Services.
- Allocates \$368,000 in debt service payments for the hydroelectric dam repair project.
- Funds six projects in the amount of \$5,130,000 in Capital Outlay, including the repairs to the hydroelectric dam in the amount of \$5,000,000.