

Town of

Green Level

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Carissa Graves, MAYOR PRO TEM
Michael Trollinger, COUNCIL MEMBER
Theodore Howard, COUNCIL MEMBER
Richard Woods, COUNCIL MEMBER



OFFICE OF THE TOWN ADMINISTRATOR
Michael Douglas TOWN ADMINISTRATOR
Sandra McCollum, TOWN CLERK
Marissa West, TOWN ATTORNEY

TOWN ADMINISTRATOR'S BUDGET MESSAGE

MAY 19, 2017

To the Honorable Mayor and Town Council of Green Level

In accordance with the General Statutes of North Carolina, I respectfully submit for your review and consideration the proposed budget for the Town of Green Level for Fiscal Year 2017-18. A copy of this budget is available for public inspection at Town Hall. The budget is composed of two funds, the General Fund and Enterprise Fund (Water and Sewer).

The total budget for the two funds is \$1,947,740.00, which represents a .08 percent increase (or \$166,200) over the original 2016-17 Fiscal Year Budget. This increase is due in part to additional water and sewer connections in the Bedford Hills Subdivision and an increase in our tax collection rate.

The proposed budget figures are broken down into the following allocations:

General Fund	\$ 944,200
Water and Sewer Fund	\$ <u>1,003,540</u>
Total All Funds	\$ 1,947,740

In this budget, the staff and I have attempted to meet the budgetary goals that the Town Council has had in place for many years. These goals are:

- Continue to provide quality and cost effective services to the citizens to the citizens of Green Level
- Seek to have no property tax rate increase
- Minimize the impact of increases to water and sewer connection fees while ensuring the financial stability of the Enterprise Fund
- Stress improvements to Town Infrastructure, particularly water, sewer, and streets
- Continue to stress Town appearance, long range planning and economic development
- Continue to keep the Town's fund balance adequate for future needs
- Continue to build the General Fund and Enterprise Fund Capital Reserves for future capital projects

Several components of the budget deserve more detailed attention, and are addressed as follows:

REVENUES:

This budget proposal recommends that the Town tax rate remain at a rate of \$.36 per \$100 valuation. The .36 tax rate is projected to generate approximately \$283,460 in revenues for real, and personal property based on a tax collection percentage of 91 percent, which is two percentage points higher than the Town's tax collection rate for 2015-16.

Sales tax revenues are expected to increase by \$45,000 in 2017-18, due to sales tax revenues exceeding the 2016-17 budgeted amount and an expected increase across the State.

Power Bill revenues are projected to remain the same. This will increase once the Town accepts full responsibility for the Bedford Hills Subdivision.

The City of Graham and the City of Burlington have agreed not to increase the water or sewer rate for the Town of Green Level. This means that our residents will continue to pay the same water rate they are currently paying.

In the proposed budget, there is no budgeted transfer from the General Fund to the Enterprise Fund. This means that the Enterprise Fund will continue to be self-sustaining, which was a goal the Town Council has had for many years.

The General Fund will require a Fund Balance appropriation of \$30,000 for outlays that were not originally budgeted in the 2016 -17 budget. While the Enterprise Fund reserves have been rebuilt to an acceptable level in recent years, the amount of Enterprise Fund Balance appropriations will have to be closely monitored, to make sure that the Enterprise Fund Balance remains adequate to cover operating expenses and debt service.

EXPENDITURES:

This budget contains recommended funding for day-to-day operating expenses. Major operating and capital related expenditures are as follows:

CAPITAL OUTLAY/PROJECTS:

- New Town Hall, \$47,000
- Code Enforcement expenses for dilapidated housing demolition, \$10,000
- Maintenance/Repair of Town Hall, \$25,000

PERSONNEL/ADMINISTRATION:

- Merit increases for employees, \$4,000
- Deputy Clerk/Finance Officer, \$32,000
- Increases in dental insurance, \$3,500
- 2,000 hours of temporary labor for Public Works Department to use for fill-in work, \$30,000

DEBT SERVICE:

- Payments on Water Tower, \$48,000
- Payments on Sewer Improvements, \$96,120
- Payments on new trucks for Public Works, \$15,503

CONTRACTED SERVICES/OPERATIONS EXPENSES:

- Contracted services for water/sewer, \$30,000
- Legal Services, \$20,000
- Accounting Services, \$43,460
- Audit Services, \$9,000

As noted above, the proposed 2017-18 budget includes a merit increase for Town employees. One additional position will be created and that is due to the Town Clerk retiring at the end of the year.

CONCLUSION:

The preparation of this budget has been with the knowledge of an improving Statewide and local economy, as evidenced by increasing property tax and sales revenues. However, the continuation of the recent growth trends remains uncertain, as does the future of many local revenues due to potential action by the North Carolina General Assembly. The budget is designed to continue Town operations at the current level, while serving growth occurring in the Town. The budget also seeks to make necessary expenditure cuts without affecting core municipal services as much as possible, in order to achieve a balanced budget. An attempt has been made to budget for revenues and expenditures very conservatively, while allowing for unexpected change in the payment of revenues or for unexpected expenditures. Town staff understands that budgeted funds will only be spent on needs. Any items that are not deemed to be necessary will not be pursued this fiscal year and expenditures, particularly involving capital outlay purchase's, can be cut during the Fiscal Year if revenues are not collected as projected.

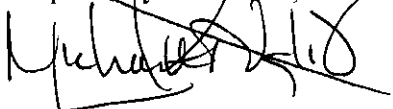
I wish to express my appreciation to the department heads for their support and assistance in the preparation of this budget. We are prepared to make adjustments as the Mayor and Town Council deem appropriate.

The following schedule is proposed for your consideration of the proposed budget.

Tuesday, May 11, 2017
Tuesday, May 31, 2017
Tuesday, June 08, 2017

Public Hearing on Budget Submittal (Complete)
Budget Workshop
Budget Adoption

Respectfully Submitted,



Michael Douglas
Town Administrator