

**TOWN OF CALABASH
BUDGET MESSAGE
Fiscal Year 2011-2012**

May 27, 2011

Honorable Mayor Clemmons and Board of Commissioners:

I am pleased to submit the Calabash, North Carolina FY 2011-2012 Annual Budget. The budget was prepared in accordance with the North Carolina Local Government and Budget Fiscal Control Act. This document represents the Board of Commissioner's recommended budget as discussed during the four Budget Workshops. As the proposed budget is transmitted from staff to the Board it becomes the governing body's budget. The Town Administrator, Town Clerk and staff will provide whatever assistance the Board may request as you review the proposed FY 2011-2012 budget. Although the Board has held several workshops, after the public hearing on June 14th, you may decide to make additional changes to the proposed budget to ensure it is congruent with the Town's goals and objectives.

This budget message provides an overview of the budget and a complete summary, as well as detailed information. The Budget Ordinance has been prepared as a line-item budget in order to provide as much detail as possible to the Board, staff, and public alike.

Proposed Property Tax Rate for FY 2011-12

The proposed budget recommends a tax rate of \$0.0875 per \$100 of assessed value. This represents a "revenue neutral" tax rate plus \$0.002; to last year's rate of 7 cents. 2011 was a re-evaluation year in Brunswick County. The Town of Calabash has experienced a drop of 17 percent in property values according to the latest figures provided by Brunswick County on May 16th. Last year our total taxable value was \$348,044,506 vs. the May 16th projection of \$290,533,941. In order to bill the same amount as last year (roughly \$248,000), the Board of Commissioners has elected to set a revenue neutral tax rate. Further, given the current state of the economy and the fact that property values have dropped, the Board has elected to simply go revenue neutral rather than adding to the revenue neutral rate, which would essentially raise taxes. Although, \$0.0875 is minutely more than exactly revenue neutral; the Board felt this would offer a little cushion should the total value drop again (we have received at least half a dozen projections from the County since April and each time there has been a decrease.

General Fund Overview

The overall fiscal health of the General fund is currently in good standing, which is historically true for the Town of Calabash. As of May 1st 2011, the Town had \$1,447,284.47 in all accounts. North Carolina has advised municipalities that they can expect a 20%-30% decrease in state shared revenues. This budget reflects a 25% decrease in state shared revenues. Again, given the current state of the national economy, the 17% decrease in property values, and the \$5,256 sewer assessment (about half of our property owners are subject to) the Board of Commissioners has

decided to not raise taxes this year but rather go with a revenue neutral tax rate. Additionally, based upon the above, they have decided to appropriate a larger amount of the fund balance in order to balance the budget without placing an additional burden on Calabash property owners. The Board and staff did due diligence by “trimming the fat” without sacrificing services. This year’s General Fund is 14% lower than last year. This is admirable considering the budget includes funds for an additional full time Town Services employee and a transfer of \$15,000 to a new Capital Reserve Fund (fund 73) for streets and sidewalks. Further, the budget includes a 5% increase for salaries (merit and/or COLA), which may not come to fruition but the money is there should the Board feel an increase is warranted.

Powell Bill Funds

The Powell Bill Funds allocated to cities and towns shall be expended by municipalities for the purpose of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality or for meeting the municipality’s proportionate share of assessments levied for such purposes, or for the planning, construction and maintenance of bikeways located within the right-of-ways of public streets and highways, or for the planning, construction, and maintenance of sidewalks along public streets and highways. Since the funds are based on maintained mileage and population the town’s funds are not exorbitant. This is another state revenue expected that funding is expected to decrease from what was received last year. The Board of Commissioners has recognized the need to implement a plan to repair/maintain town streets. During the 2010-2011 FY the Board implemented a 25-year based upon a road condition survey prepared for the Town in 2009. A large job totaling \$61,000 was completed in the 2010-2011 budget year. The Long Range Planning Committee has recommended several other road resurfacing/repairs for the 2011-2012 fiscal year. Based upon that recommendation, the Board of Commissioners has requested the Powell Bill Fund Balance be fully appropriated into the 2011-2012 Powell Bill Budget (fund 11). It is projected that there will be \$60,000 of Powell Bill Fund Balance to be included in the budget. It is further anticipated that we will receive \$44,000 from the Powell Bill (distributed in October each year) and \$100 in interest. The total Powell Bill budget is \$104,100.

Capital Project Ordinance

A Capital Project ordinance is a budget ordinance covering the revenues and expenditures related to a particular project without regard to time. This type of ordinance, which takes the place of an annual budget ordinance for the activities in question, are best suited for large, complex projects that will take more than one fiscal year to complete or are not part of the unit’s recurring operations and expenditures. The Town currently has a Capital Project Ordinance for the Calabash Community Park. The Town was awarded the NC Parks and Recreational Trust Fund (PARTF) Grant in July 2010. This is a matching funds grant for \$56,700 (the total budget for the park is \$113,400). The Town has until July 31, 2013 to complete the park. Originally, the amounts were included in the General Fund of the 2010-2011 FY Budget; as the outcome of the grant application was unknown when the budget was prepared. Once the Town was notified of the grant award, Fund 61 was established with a working budget, which has carried over to the 2011-2012 Fiscal Year Budget.

Capital Improvements Plan

In 2004 the town developed a Capital Improvements Plan (CIP). Once the CIP is initially developed, it becomes a flexible planning tool. Each year the entire CIP should be evaluated and new projects added, and projects that are determined to be less critical or unnecessary are postponed or deleted, as all capital needs cannot be accurately forecast. Currently, there are no projects in the CIP. The only capital improvement fund still active is Fund 71 for Stormwater repairs. The Board has determined it a critical need for the stormwater runoff problems on Riverview Road and a particular section of River Road to be addressed. During the 2010-2011 FY the Board contracted with Norris and Tunstall Engineering (NTE) to identify the problems and propose a plan. As of this writing, NTE has provided a preliminary report/plan to the Town. They estimate that the total project will cost \$185,000. The Board of Commissioners has requested a phased plan and allocated \$65,000 in fund 71 from its total reserve of \$116,144 in hope of completing at least one phase during the 2011-2012 budget.

Capital Reserve Funds

Capital Reserve funds are used to accumulate resources for ongoing or future capital projects. At the present time, the town has two capital reserve funds. These include Fund 73 for Streets and Sidewalks and Fund 75 for Future Police Department. Fund 75 was established several years ago and no money is being allocated to it at the start of the 2011-2012 budget. Fund 73 has just been established by the Board as of May 10, 2011. It was during the budget process that they recognized the need to Town funds set aside for streets and sidewalks in addition to Powell Bill funds. There will be \$15,000 of fund balance appropriated and transferred to fund 73 upon adoption of the 2011-2012 budget.

In closing, I hope that the board finds all the information necessary to thoroughly review and analyze the proposed budget. This year's format is more detailed than the format used last year. I hope this will make the document a little more user friendly. Please do not hesitate to contact any member of staff if you need additional information.

Sincerely,

Kelley Southward
Interim Town Administrator/Town Clerk

**BUDGET SUMMARY
GENERAL FUND
(FUND 10)**

REVENUES:

10-301-04 through 10-301-10 **2004-2010 back taxes** – The amounts to be collected for back taxes has been estimated by the Finance Officer and the Tax Collector. They have estimated that no revenues will be collected for years 2004-2008. It is estimated that **\$500** will be collected for 2009 and **\$1,500** will be collected for 2010.

10-301-11 **2011 taxes** –The 2011-2012 Budget estimates that the Town will collect **\$215,000** in property taxes. Two factors have played a role in this figure; (1) the amount of 2010 taxes collected and (2) the proposed tax rate. For 2010 the Town billed \$248,406 in taxes. As of this writing \$233,727 has been collected, which yields 94.1% collection rate. NC G.S 159-13(b)(6) states that the estimated percentage of property tax collections shall not exceed the percentage of the levy collect in cash as of June 30 during the preceding year. The budgeted amount of \$215,000 represents 92% of what has actually been collected ($215,000/233,727=91.98$). This year was a re-evaluation year in Brunswick County. Overall, the County has estimated that the Town's real property values have decreased 17% from 2010. Last year, the Town's property values were \$348,044,506. As of this writing the County has provided the figure that the Town's total taxable value is \$290,533,941. The Board of Commissioners chose to use a revenue neutral tax rate (respectfully) to last year's \$0.07 per \$100 of assessed value, which is \$0.0875 per \$100 of valuation.

10-314-00 **Animal Control (Dog Tags) \$25** – Revenues are based on collection of fees for tags (annual charge) and violation fees. You can see there is not much revenue generated in this department.

10-317-00 **Interest/Penalties \$600** – Based on our best estimate for outstanding taxes, which has been hovering around \$700 for the past two years; slightly decreased.

10-319-00 **Motor Vehicle Tax \$6,300** – Estimate based on 2010 collections. Also, given the current state of the national economy, Brunswick County has predicted that fewer new cars will be purchased, driving down taxable amounts. This is a monthly distribution.

10-325-00 **Privilege License \$10,000** –Half of this amount is based on the number of business licensed issued excluding those business involved in sweepstakes. The other half is for sweepstakes alone. This is a very conservative estimate. Currently the Town charges \$200 per machine. This is yet again a hot topic in the State Legislature this year. Technically, the Town is billing for approximately

\$34,000 for sweepstake machines. The School of Government has warned that there is a small chance that the state might mandate municipalities to refund privilege license fees. We will not know the fate of until after this year's session of General Assembly retires at the end of summer. Privilege licenses are an annual collection with payment renewals due by June 30th of each year; bills are mailed in May.

- 10-327-00 **Privilege License Interest/Penalties** –No amount has been budgeted for this revenue account; the Town has never levied interest or penalties for late privilege license renewals although the State allows this to be done.
- 10-329-01 **Interest/General Fund \$700**–The interest rate has dropped to an all time low of 0.12%.
- 10-329-02 **Interest/CD 0342** –No revenues have been allocated for this account.
- 10-329-03 **Interest/CD 0326** –No revenues have been allocated for this account.
- 10-329-04 **Interest/CD 0048** –No revenues have been allocated for this account.
- 10-329-05 **Interest/CD 9495 \$4,000** –based upon interest received during 2010-2011.
- 10-329-08 **Interest/Business Account \$100** –Interest for the money market account based upon interest received during 2010-2011.
- 10-335-00 **Miscellaneous Income \$1,200** –This account yields revenues received that do not have specified accounts to route money to. Over the past two years we have collected just over \$1,200 in the account each year.
- 10-337-00 **Utility Franchise \$65,000** –This revenue is distributed by the State quarterly and in part, is based on population. NCLM has recommended municipalities reduce their State revenues by 20%-30%. We have projected that we will receive a total of 85,000 for the 2010-2011 FY. The budgeted amount of \$65,000 represents a decrease of about 24%.
- 10-338-00 **Sales Telecommunications \$13,000** –Much like utility franchise, this revenue is distributed by the State quarterly and is based on population. The budgeted amount is again reflects a 25% decrease from what we project will actually be received in 2010-2011.
- 10-339-00 **Video Tax \$5,000** –The budgeted amount is the same as last year. As of this writing we have only received 2 out of 4 payments from the State for this account and already exceed \$5,000. It seems conservative to budget \$5,000 and we estimate this will be at least a 30% decrease from what actually will be collected in 2010-2011.

- 10-341-00 **Beer & Wine \$3,500** –This revenue is distributed annually by the State within 60 days of March 31st. As of this writing, we have yet to receive the 2010-2011 payment; \$5,000 was budgeted. \$3,500 reflects a 30% from what was budgeted in 2010-2011.
- 10-345-00 **Local Option Sales Tax \$261,505** –This is the Town’s single largest revenue source. NCLM predicts the State will have to decrease these municipal disbursements, which is based upon population, by 20%-30%. Unlike other State revenues, this is a monthly distribution. The Town estimates that we will receive a total \$350,000 from Local Option for the 2010-2011 FY budget. The amount included in the 2011-2012 budget represents a 25% decrease.
- 10-347-00 **ABC Board (local) \$90,000** –This is a regular quarterly distribution. In previous years, the ABC Board had an audit every six months, which generated two special distributions during the Fiscal Year after the ABC Board’s six-month audits were completed. This year, in an effort to save money, the ABC has elected to only have the mandatory end of year (fiscal year) audit. This will reduce the special disbursement to one and that amount will be unknown until at least July. It is estimated that the Town will meet the \$115,000 that was budgeted in 2010-2011. \$90,000 represents a decrease of approximately 22%.
- 10-348-00 **Grant/State; CAMA** –No revenues have been allocated for this fund, which exists for a route for grants received and CAMA reimbursements.
- 10-355-00 **Building Permits \$33,000** –As everyone knows, the housing market has taken a beating during this national recession. However, it is expected that the last four buildings at Calabash Town Center Apartments will be issued in the 2011-2012 fiscal year. After much debate, the Board has compromised estimated revenues for this account. Keep in mind that this account is for base permit costs (construction of heated and unheated floor area) and does not include revenues for electrical, mechanical, plumbing, or certificate of occupancy.
- 10-355-01 **Miscellaneous Permits \$2,000** –This account includes revenues from sign permits, fire inspections, and a couple other rarely applied building inspection fees.
- 10-357-01 **Mechanical & Gas \$5,000** –Trade permit based on last FY and best estimate for anticipated projects.
- 10-357-02 **Electrical Inspections \$5,000** –Trade permit based on last FY and best estimate for anticipated projects.
- 10-357-03 **Plumbing & Sewer \$2,000** –Trade permit based on last FY and best estimate for anticipated projects.
- 10-357-04 **Reinspections \$200** –This estimate is based on last FY.

- 10-357-05 **Certificate of Occupancy \$1,000**—This estimate is based on last FY.
- 10-357-06 **Penalties/Violations \$500** –Revenues from this account are generated from building & zoning permit violations.
- 10-357-07 **Zoning Administration \$1,200** –This includes zoning permits and map review revenues.
- 10-399-00 **Fund Balance Appropriated \$205,755** –with the exception of \$15,000 that will be transferred to Fund 73, a new Capital Reserve for streets and sidewalks, this money is being used to balance the budget for normal operations of the Town. This is not a good practice. However, the Board felt it very important to not [essentially] raise taxes this year for several reasons. First, it is because of the current state of the national (and perhaps world) economy. Unemployment in North Carolina and Brunswick County is still very high. Second, citizens are already going to feel as if there was an increase because their property values have dropped but the amount of taxes they will pay should be the same. Finally, approximately half of Calabash property owners received a sewer assessment in May 2011 for \$5,256. Although it is a large appropriation, revenue estimates are conservative. Historically, Calabash does budget revenues conservatively and has not had to dip into appropriated fund balances.

EXPENDITURES:

Governing Body:

- 10-410-01 **Board Fees \$7,800** –Mayor and Commissioner salaries will remain the same as last year; \$100 per month for Commissioners and \$150 per month for the Mayor.
- 10-410-05 **FICA/Medicare \$700** –FICA and Medicare are mandated to be withheld from Board member pay.
- 10-410-10 **Training \$1,000** –This amount was increased from last year; with the election in November there is a possibility that there may be some new commissioners who might want to take the Essentials Course offered by the School of Government. \$1,000 should be sufficient to cover costs for this course.
- 10-410-14 **Travel \$1,000** –This amount is the same as last year; most of the time a Town vehicle is available to Board members for traveling and most classes and meetings do not require the Board to go out of Town. However, if any member of the Board should have out of town business to conduct, this allocation would cover accommodation costs.

- 10-410-57 **Miscellaneous \$2,000** –This allocation will cover miscellaneous expenditures made by the Board of Commissioners. Over the past couple of years a portion of the Town Christmas Party has come out of this account.
- 10-410-58 **Service & Hospitality \$1,000** –This account may also be referred to as the Mayor’s fund. Mayor Clemmons uses this money to take special guests to lunch, to by lunch every couple months for staff, and other “hospitality” purchases the Mayor feels are necessary. He requested the amount be reduced by \$500 this year.
- 10-410-93 **Donations \$1,000** –During Budget Workshops a couple of years ago, the Board of Commissioners decided that they would allocate this small amount of money for donations. Every year we receive several requests from Brunswick County non-profit agencies requesting donations. The Board felt this money would be dispersed on a first come, first serve basis; and when it is gone, its gone.

Administration:

- 10-420-02 **Salaries \$180,000** –This account includes the salaries for the Town Administrator, the Town Clerk, the Tax Collector, and 60% of the Office Assistant’s salary. New this year, the amount also includes 40% of Mr. McCartney’s salary as his duties for emergency management, stormwater, and general zoning code enforcement are best suited for the administration department. Also, 5% has been included, which represents up to 2.5% for COLA increases and an average 2.5% for merit increases. A COLA might be considered by the Board after the July Southern Consumer Price Index Report becomes available.
- 10-420-04 **Professional Services \$70,000** –This includes attorney fees, auditor, engineering services, surveying, planning, and etc. This allocation is the same as last year.
- 10-420-05 **FICA/Medicare \$16,350** –This amount is based upon 9.1% of total salaries in the Administration Department.
- 10-420-06 **Group Insurance \$32,000** –NCLM has changed insurance carriers from Cigna to Medcost. Last year there was an 18% increase to group insurance. This year with the change the increase is about 8%. Also keep in mind that 40% of Mr. McCartney’s coverage is now coming out of this department.
- 10-420-07 **Retirement Expense \$25,000** –This is based on wages and a factor of 14.28%; last year was 13.7%--the State sent notice of the increase in April.
- 10-420-08 **Town Administrator’s Expense Account \$500** –This allocation is much like the Mayor’s Service & Hospitality Account. This will allow the Town Administrator

to take state/county officials to lunch and to purchase special items such as small gifts of appreciation.

- 10-420-09 **Other Fringe Benefits \$7,200** –This allocation includes Christmas bonuses for all employees; one week’s pay has been the Christmas bonus for the past several years. Likewise a portion of the Town Christmas Party comes from this fund.

- 10-420-10 **Employee Training \$3,000** –This amount is the same as last year; again the Clerk has classes she would like to take but over the past few years she has been called upon to serve as Interim Administrator, which has kept her from being able to attend courses and conferences that would be beneficial.

- 10-420-11 **Telephone/Postage \$7,000** –This allocation has been estimated on what is projected to be spent in total in the 2010-2011 FY; reduced slightly from what was budgeted in that year.

- 10-420-12 **Printing \$2,200** –This amount is mainly for the Town Newsletter, which prints two editions each fiscal year.

- 10-420-14 **Travel \$3,000** –Expenditures for travel & lodging; reduced by 33% from last year.

- 10-420-16 **Maintenance/Repair of Equipment \$2,000**–This allocation includes software agreements, copy machine agreement, anti-virus protection for computers, and etc.

- 10-420-17 **Maintenance/Repair of Auto \$400** –This includes any maintenance or repairs necessary for the Ford Fusion.

- 10-420-26 **Legal Advertising \$5,000** –Covers print ads for all legal advertisements; reduced by 25% from last year.

- 10-420-31 **Gas, Oil, Tires \$1,365** –For the Ford Fusion.

- 10-420-32 **Office Supplies \$4,000** –For replenishable supplies such as paper, paper clips, pens, staples—supplies that get “used up”. This allocation has been reduced by 12%.

- 10-420-33 **Department Materials and Supplies \$5,500** –For supplies that do not need to be replenished such as office chairs, staplers, calculators, and software. This allocation includes money for Citipak Software updates, which is estimated to be about \$4,000.

- 10-420-35 **Service Charges** –No allocation was made for this account, which is set up to pay bank fee service charges. For several years, BB&T had been waiving the service charge to the Town. Unfortunately, they are unable to waive fees any longer.

However, they have provided an option that will earn more interest allowing for charges to be paid automatically through the added interest—no allocation is needed for this line.

- 10-420-45 **Contracted Services MV fees \$150** –This is the service fee paid to Brunswick County for billing motor vehicle taxes in the Town.
- 10-420-53 **Dues and Subscriptions \$5,200** –This allocation covers multiple dues/subscriptions for the Town including the Chamber of Commerce, NCLM, UNC SOG, Council of Governments etc.
- 10-420-54 **Insurance Bond/Workers Comp \$25,000** –This amount covers the bond that the Finance Officer and the Tax Collector must hold as well as the blanket bond that everyone else is covered by. This also covers worker’s compensation and liability insurance.
- 10-420-57 **Miscellaneous \$500** –To cover miscellaneous expenses; this allocation remained the same as last year.
- 10-420-74 **Capital Outlay/Equipment \$1,000** –This account is for large purchases (recommended over \$5,000) of equipment/materials that depreciate in value.

Elections:

- 10-430-04 **Brunswick County \$1,400** –Covers the advertising, preparation of voting equipment, election day poll workers, absentee voting (preparation and mailing of ballots), rent for polling place, clerical and election day supplies, etc. The Board of Election does not anticipate there will be much (if any) of an increase from the election two years ago, which was about \$1,150.

Public Safety:

- 10-450-11 **Safety/Internet & Phone \$950** –This account covers the card for the laptop that will allow the laptop to connect to the internet anywhere. It also covers a portion of cell phone charges, as they are vital during emergency events.
- 10-450-33 **Emergency Supplies \$2,000** –Supplies necessary in preparation of a hurricane or other emergency; same as last year.
- 10-450-57 **Miscellaneous/Fire Fees \$500** –Fire fees for town property; increased due to the purchase of the new property.
- 10-450-74 **Capital Outlay/Equipment \$2,000** –For the purchase of equipment and supplies that would be used during emergency events.

- 10-450-91 **Calabash Fire Department \$0**–Donation to the Fire Department; the CFD receives funding from the Town via the ABC Board. The Board of Commissioners has elected to not allocate any additional donation to the CFD this year.
- 10-450-92 **Calabash EMS \$2,000** –We are obligated by contract to pay this amount each year until 2013.

Planning & Zoning:

- 10-490-01 **Board Fees \$4,000** –This covers pay for the Planning & Zoning Board and the Board of Adjustment; the chairmans receive \$60 per meeting and all other members receive \$50 per meeting.
- 10-490-04 **Professional Services \$1,500** –this would include costs incurred for planning and engineering (and other professional) consultants that the P/Z Board may need to utilize during the year; the amount remained the same as last year.
- 10-490-05 **FICA/Medicare \$250** –The Town must issue W-2 forms to the PZ Board and Board of Adjustment; FICA and Medicare are withheld from their pay.
- 10-190-10 **Training** –No money was allocated to this account this year. We have been unable to find any training that Planning & Zoning Board members can attend. There are however consultants, like the Council of Government (COG), who will come to Town to offer some “training” to the PZB; these fees could be charged to Professional or Contracted Services.
- 10-490-14 **Travel** –No money was allocated for this account; the same as last year. It is possible that COG would come to the PZB for guidance/training.
- 10-490-33 **Department Materials/Supplies \$100** –Normally these funds are expended on books or other useful literature that is helpful to the P/Z Board.
- 10-490-45** **Contracted Services \$0**–No anticipated contracted services needed in the coming year.

Public Buildings:

- 10-500-13 **Utilities \$10,000** –This amount remained the same as last year and covers the cost for all utility payments for all Town buildings and properties.
- 10-500-15 **Maintenance & Repair of Buildings & Grounds \$7,500** –The name of this account is self-explanatory; the allocated amount is the same as last year.

- 10-500-33 **Department Materials and Supplies \$2,200** –No specific purchases were approved during budget workshops.
- 10-500-45 **Contracted Services \$6,000** –The Board discussed an expansion/improvement to Town Hall and felt the costs could be included in this account and Capital/Outlay/Buildings (below). The proposed project would be to make office space upstairs for the Building Inspector(s).
- 10-500-72 **Capital Outlay/Buildings \$12,000** –In addition to the aforementioned (above line item) there has been discussion of a new generator system for Town Hall; at a minimum for Sanborn Hall.

Inspections Department:

- 10-540-02 **Salaries \$75,800** –This allocation includes the full-time Building Inspector, 40% of the Office Assistant, and 40% of the part-time Building Inspector. Also included is 5% for increases (2.5% COLA and 2.5% merit). Also included is an estimated amount of overtime for each employee based upon their current salaries.
- 10-540-05 **FICA/Medicare \$7,450** –see explanation of 10-420-05.
- 10-540-06 **Group Insurance \$14,215** –see explanation of 10-420-06.
- 10-540-07 **Retirement Expense \$11,050** –see explanation of 10-420-07.
- 10-540-10 **Employee Training \$1,000** –This allocation was doubled from last year as the inspector(s) are required to receive updated training this year.
- 10-540-11 **Telephone/Postage \$1,600** –This account covers the landline phone for 579-0500 (the Inspections department line), the Building Inspector’s cell phone, a portion of the part-time Building Inspector’s cell phone and postage used by the department.
- 10-540-14 **Travel \$1,500** –For travel associated with training courses.
- 10-540-16 **Maintenance/Repair Equipment \$200** –self-explanatory.
- 10-540-17 **Maintenance/Repair Auto \$300** –Maintenance/repairs to the Trail Blazer.
- 10-540-31 **Auto Supplies-Gas, Oil, Tires \$1,000** –self-explanatory.
- 10-540-32 **Office Supplies \$1,200** –For office supplies that need replenished (paper, pens, paper clips etc.)

- 10-540-33 **Department Materials & Supplies \$1,000** –For supplies that do not need to be replenished rapidly—uniforms, tools, software etc.
- 10-540-45 **Contracted Services \$2,500** –It may be that we will continue to need some assistance from Brunswick County with inspections while the 18 apartment buildings are under construction.
- 10-540-53 **Dues & Subscriptions \$800** –This covers dues and subscriptions for building and fire publications/memberships, which include NFPA, ICC, NCBIA, & NCAZO.
- 10-540-57 **Miscellaneous \$400** – self explanatory.
- 10-540-74 **Capital Outlay/Equipment \$4,000** –This allocation will include the cost of new building permit software.

Town Services:

- 10-560-02 **Salaries \$116,450** –This allocation includes 80% of salary fees for the following: three 40-hour full time existing positions, one 32-hour full time existing position, 20% of Mr. McCartney’s salary (previously mentioned that the other 80% is split equally between administration and inspections), and one new full time position. The other 20% of salaries for these employees is included in Powell Bill (fund 11) salaries. Further included in this figure is a certain amount of overtime (which for employees of this department would normally only be applicable if there is an emergency event such as a hurricane). Likewise to other salaries an extra 5% for COLA and merit (average 2.5% for each) has been included.
- 10-560-05 **FICA/Medicare \$6,610** –see explanation of 10-420-05.
- 10-560-06 **Group Insurance \$33,170** –see explanation of 10-420-06.
- 10-560-07 **Retirement Expense \$14,000** –see explanation of 10-420-07.
- 10-560-10 **Employee Training \$700** –Employees receive training in hazardous chemical spills; there may be other applicable courses available during the year that would benefit the employees and the Town.
- 10-560-11 **Phone/Postage \$3,200** –This allocation covers the phone and cable at the maintenance building as well as four cell phones; one cell phone may be added if another employee is hired during the year.
- 10-560-14 **Travel \$400** –mainly to cover food/lodging when attending out-of town training.
- 10-560-16 **Equipment Maintenance \$4,000** –The Town Services department has a lot of equipment. For safety reasons as well as functionality and efficiency all

equipment should be maintained properly. Most of the maintenance can be done in-house with the proper tools; some maintenance must be contracted out.

- 10-560-17 **Maintenance/Repair Autos \$1,000** –The Town Services department currently has two Ford trucks; a 2005 and a 2006-the oldest two vehicles owned by the Town. The department also has a dump truck.
- 10-560-31 **Gas, Oil, Tires \$7,000** –Mainly this allocation is due to the high price of gasoline; it is possible that one of the trucks may need tires. The 2006 truck had tires replaced during the 2010-2011 FY. Likewise, the dump truck had the front two tires replaced during the 2010-2011 FY.
- 10-560-32 **Office Supplies \$150--** supplies like paper towels, water and Gatorade are purchased from this account; the department rarely needs “normal” office supplies such as pens, paper, paper clips etc.
- 10-560-33 **Street Supplies \$6,000** –This allocation, coupled with Powell Bill funds, is for supplies necessary to repair and maintain town streets.
- 10-560-34 **Department Materials & Supplies \$2,500** –This is all the money the Board allocated for other requests made by the department, which includes but is not limited to the following: 5-ton floor jack w/stand, 115-piece drill fit set, drill doctor to sharpen bits, cutter for boom mower, tool kit for trucks, weed eater, 12 cutter blades for weed eater, mower blades, chains for chain saws, edger blades, special wrenches for tractor, pitch forks, rakes, shovels, bush hog blades, street signs, class II safety t-shirts, uniform allowance, hard hats, flags & poles, and Christmas decorations. The department also requested a new computer and printer but it was decided during budget workshops that they would get the 2008 DELL from the Town Administrator’s office and the Town would purchase the new Town Administrator a new computer.
- 10-560-45 **Contracted Services \$2,500** –This allocation is for any projects that may need to be contracted out in the year. Normally, this money along with Powell Bill money goes towards larger street repairs that the Town Services department is unable to do.
- 10-560-46 **Community Services \$3,000** –The Community Services Committee (CSC) has been re-instated. The money allocated to this account is for events they will host. This year CSC may host Town Hall Day, Memorial Day, 2nd grader’s visit to Town Hall, gift bags for kids at Christmas Tree Lighting and Parade, portion of the Town Christmas Party, and/or some other event or festival.
- 10-560-74 **Capital Outlay/Equipment \$8,000** –this allocation has been included for a new mower for the department. Hopefully the four mowers already owned by the Town will make it through the spring/summer of 2011. One of the four mowers is in fairly poor condition and is only used as a back-up if one of the other three

breaks down. One of the other three may not make it through the season. The department needs to have three mowers operational every week through the summer to keep up with the mowing. It is anticipated that a new mower will have to be purchased in the spring of 2012.

Street Lights & Billboard:

- 10-565-13 **Utilities for the Billboard \$550** –This is to pay for electricity for the light at the Town sign at the state line on Beach Drive.
- 10-565-33 **Utilities for Street Lights \$55,000** –This allocation is to pay the monthly electricity bills for all the town streetlights.
- 10-565-45 **New Street Lights \$5,000** – to have new streetlights installed.

Sanitation:

- 10-580-45 **Contracted Services \$20,000**–Includes fees to Waste Industries for recycling and yard debris containers (the Town may want to explore other options for yard debris). This also includes possible charges incurred from hurricane debris clean up.
- 10-580-74 **Capital Outlay/Equipment** –No funds have been spent from this account in at least the past two years; no money was allocated this year.

Environmental Protection:

- 10-585-04 **Professional Services \$8,000** –This is for stormwater engineering costs. There are several areas in Town that may require an engineer including Hidden Valley and Riverview Drive.
- 10-585-44 **Drainage Ditches/Stormwater \$15,000** –There are multiple areas of concern in the Town where this money together with Powell Bill money and Fund 71 could solve stormwater problems including but not limited to: Riverview Drive, River Road, the corner of Thomasboro Road and Carter Drive, Saltaire Village ponds, Hidden Valley, Pine and Bur Acres. During the 2010-2011 FY the Town contracted with an engineer to design a solution for Riverview Drive and River Road. The total cost of that project is about \$185,000 and could be phased. The Board has expressed a desire to complete at least one phase in the 2011-2012 year—a budget has been included in the Stormwater Capital Project Fund 71 but funds from this account could be used as well.
- 10-585-57 **Miscellaneous/Travel/Phone \$75** –Money allocated for stormwater management training and travel.

Non-Departmental:

10-660-94 **Transfer to Capital Reserve \$15,000**—Fund 73 Streets and Sidewalks is a new Capital Reserve approved by the Board of Commissioners on May 10, 2011. This will be town funds that can supplement Powell Bill funds for street and sidewalk construction and repair.

Contingency:

10-999-00 **Contingency \$20,000**—NC recommends that local governments set aside a contingency fund for the unforeseen (in addition to retaining at least 8% of the fund balance). However, the contingency cannot exceed 5% of the total budget; \$20,000 is 2.1% of the budget.

**POWELL BILL
(FUND 11)**

REVENUES:

- 11-343-00 **Powell Bill \$44,000** –This revenue is based on population and mileage within the Town. Based on NCLM recommendations this amount has been reduced by approximately 20% from what we received last year.
- 11-329-02 **Interest/Powell Bill \$100** –This is a “best guess” based on interest rates that continue to drop and what was received during 2010-2011 FY.
- 11-399-02 **Fund Balance/Powell Bill \$60,000** –This is an appropriation from the Powell Bill fund balance. This is the mass majority of the PB fund balance. The Board of Commissioners requested all the fund balance be budgeted so that we can see exactly how much there is and we can get as many street repairs possible done in the 2011-2012 Fiscal Year.

EXPENDITURES:

- 11-570-02 **Salaries \$23,000** –a portion of Town Service employee’s salaries are eligible to be paid from this account; approximately 20%.
- 11-570-04 **Professional Services \$7,500** –This is to assist with incurred professional service fees associated with streets, ditches, and sidewalks; for instance engineering costs.

- 11-570-05 **FICA/Medicare \$1,285** –This is proportionate to the salaries expenditures estimated from the department.
- 11-570-07 **Retirement Expense \$2,660** –This is also based on salaries for the department.
- 11-570-16 **Maintenance/Repair Equipment \$800** –self-explanatory.
- 11-570-33 **Street Supplies \$3,000** –includes patch and fill materials and tools necessary to repair streets.
- 11-570-42 **Street Repairs \$20,000** –to repair Town streets.
- 11-570-45 **Contracted Service \$45,795** –This would include costs incurred for bigger jobs where it would be necessary to have out side contractors make repairs and improvements to streets and ditches; paving of municipal roads and right-of-way maintenance.

**CAPITAL PROJECT (FUND 61)
CALABASH COMMUNITY PARK
PARTF GRANT**

REVENUE:

- 61-100-00 **Capital Projects \$49,168**—Town’s matching half of the grant less what has been spent year to date on the park, which was approximately \$7,000 for burying the electrical lines along Traders Lane.
- 61-336-00 **Donations \$1,000**—during the year we hope to collect at least \$1,000 in donations to help with the Town’s matching portion of the grant. During the 2010-2011 FY we received approximately \$1,100 in donation from brick sales.
- 61-348-00 **Fed/State Grant \$56,700**—the NC Parks and Recreation Trust Fund (PARTF) portion of the project.

EXPENDITURES:

- 61-571-04 **Professional Services \$15,300**—for utilities, management, planning, design, and contingency.
- 61-571-33 **Supplies \$25,200**—for bike rack, playground equipment, picnic tables, grills, benches, fencing, and other recreational equipment.
- 61-571-45 **Contracted Services \$66,368**—for site preparation, parking lot, structure, lighting, and landscaping.

**CAPITAL PROJECT (FUND 64)
MAINTENANCE BUILDING**

REVENUE:

64-500-00 No revenue transfer included for the 2011-2012 Fiscal Year for this fund. Fund still exists but has been inactive for several years.

**CAPITAL PROJECT (FUND 65)
WASTEWATER EXPANSION**

REVENUE:

65-820-00 No revenue transfer included for the 2011-2012 Fiscal Year. The Town met its obligation of \$500,000 to the County during the 2010-2011 FY.

**CAPITAL IMPROVEMENTS (FUND 71)
STORMWATER**

REVENUE:

71-397-10 No transfer from the General Fund at this time.

71-100-00 Capital Project-Stormwater \$65,000—as of this writing there is currently \$116,144.82 in Fund 71. \$65,000 of that is being budgeted so that stormwater repairs to Riverview Drive and River Road can begin in the 2011-2012 FY.

EXPENDITURES:

71-571-04 Professional Services \$1,000—for engineering costs, appraisal costs, or utility department fees.

71-571-33 Materials \$10,000—some portion of the repairs can probably be made by Town Services this would cover materials needed to complete the work. Likewise, material portions of contractor prices could come from this line.

71-571-45 Contracted Services \$54,000—self explanatory.

**CAPITAL RESERVE (FUND 73)
STREETS/SIDEWALKS**

REVENUE:

73-397-10 Transfer from General Fund \$15,000

EXPENDITURES:

73-571-45 Contracted Services \$15,000

**CAPITAL RESERVE (FUND 75)
POLICE STATION**

REVENUE:

75-397-10 No revenue transfer included for the 2011-2012 Fiscal Year for this fund. As of this writing there is currently \$66,944.59 in this reserve.