

2018-2019 Budget Ordinance

Budget Message

June 4th, 2018

RE: FY 2018-2019 Budget Message

Honorable Mayor Setzer and Members of the Town Council
Cajah's Mountain, North Carolina

Presented for your consideration is the attached proposed Budget Ordinance for the fiscal year beginning July 1, 2018 and ending June 30, 2019. The budget is balanced in its entirety as required by the North Carolina Local Government Budget and Fiscal Control Act.

The Town of Cajah's Mountain overall budget for FY 2018-2019 totals \$848,865.

The proposed budget contains General Fund revenues largely up from last year's projections and expenses in line with last year's projections. The Sewer Fund, with an increase in the rate of 3%, expects revenues in line with last year's operations and expenses in line with last year's operations.

General Fund:

The General Fund anticipates total revenues of \$690,275. This is made up from expected Investment Earnings of \$100, Local Option Sales Tax revenues of \$565,000 Solid Waste Disposal tax of \$1,600 and Utilities Franchise Tax revenues of \$80,000, and PARTF Grant Funds of 43,575. The budget does not include an allocation of funds from the Fund Balance.

The following show line-items that make up the totals for the General Fund:

Governing Body & Administration includes: Insurance & Bonds, Dues & Subscriptions, Auditing and Accounting, Election Expense, Travel, Legal, Contracted Services, Donations, Bank Charges, Advertising, Meetings and Conventions, Capital Outlay, Copier Lease, Office Supplies, Salaries, Retirement Expense, Payroll Taxes and Miscellaneous.

Public Building includes: Utilities, Supplies, Contracted Services, Capital Outlay and Maintenance.

Public Works includes: Street Repairs, Street Signs, Waste Pick-Up, Supplies, Capital Outlay and Recycling.

The operational expenses in the General Fund are in line with last year's projections. However, there are two expenses worth noting in the new budget year. This budget includes the General Fund's largest expense, the contribution to the Caldwell County Sales Tax Reinvestment Fund. The Town is allocating \$155,000 to the Fund. This amount is down from \$224,000 from the prior four year agreement. The Town also has a

contract with the City of Lenoir for Stormwater Management at an annual cost of \$6,656.00.

The General Fund revenues and expenditures are balanced at \$690,275.

Sewer Fund:

Last year's budget projected expenses and revenues at \$160,050. This year we project revenues and expenses to be balanced at \$158,590. These projections are based on expenses incurred this year and the same Waste Water Treatment Fees from the City of Lenoir and billing expenses from Baton Water Corporation.

The Town receives two forms of revenue from the Sewer Fund: Monthly Sewer Charges and Tap Fees to connect to the sewer system.

Expenses from the Sewer Fund include: Waste Treatment Fees, Billing/Collection Fees, ORC Fees, Other Operating Costs, Utilities, Engineering, Capital Outlay and Equipment & Maintenance Fees.

Because the Sewer Fund's revenue did not meet last year's projections, I recommend raising the Town's Sewer Rate 3% to cover the increased sewer costs, and this increase is reflected in the Budget Ordinance.

The Town's current Sewer Rate is \$23.86 for the first 3,000 gallons and \$7.95 for each additional 1,000 gallons. The 3% increase raises the base rate to \$24.58 and \$8.19 for each additional 1,000 gallons.

Conclusion:

I am proud to present the proposed budget for FY 2018-2019, and I am prepared to make adjustments as the Mayor and Town Council deem appropriate.

The following schedule is for the proposed budget:

May 7, 2018 - Presentation of the FY 2017-2018 Budget Ordinance

June 4, 2018 - Public Hearing

June 4, 2018 - Adoption of Budget

Respectfully Submitted,

Logan Shook, MA
Town Manager