

Town of Sharpsburg, North Carolina



Budget Ordinance

Fiscal Year 2016-2017

Mayor

Randy Weaver

Mayor Pro-Tem

Becky Humphrey

Commissoner
Randall Collie

Commissioner
Beverly Davis

Commissioner
Mary Jackson

Commissioner
David Pride



Administration and Department Heads

- Michelle Cobb, Town Manager
- Tracy Sullivan, Town Clerk/Assistant Town Manager
- Margaret Wiecek, Finance Officer
- Brian Sullivan, Public Works Director
- John Hunt, Chief of Police

Mayor
Randy Weaver
Mayor Pro-Tem
Becky Humphrey
Town Manager
Michelle Cobb



Town of
Sharpsburg, NC
TRI-COUNTY HOSPITALITY EST. 1883

Commissioners
Randall Collie
Beverly Davis
Mary Jackson
David Pride

Annual Budget Message

Date: June 9, 2016
To: Mayor and Commissioners
From: Michelle Cobb, Town Manager/Budget Officer
Cc: Citizens of Sharpsburg
Re: Proposed 2016-17 Annual Budget

Submitted for your consideration is the proposed budget for the fiscal year beginning July 1, 2016 through June 30, 2017. The budget is balanced and identifies all revenue and expenditure estimates for Fiscal Year (FY) 2016-2017. The budget has been prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act. As stated in past years as well as this year, this budget places heavy emphasis on the Town Vision and Mission:

Vision- "The Town of Sharpsburg will be strategic and progressive while maintaining its affordability and rich history. We believe in empowering our citizens by involving them in the Town's growth and future prosperity."

Mission- "The Town of Sharpsburg is a safe progressive community that promotes transparency, diversity, and focuses on the needs of its Tri-county citizenship."

Again this year, developing a balanced budget that still allows us to provide the services our citizens have grown to expect was not easy. While staying within Federal and State mandates, there were many forces that impacted this year's budget such as the rising cost of health insurance along with inflation and departmental needs that continues to provide special challenges to our annual budget. Within the budget there is a 2.5% Cost of Living Adjustment (COLA). The Town of Sharpsburg demonstrated strong fiscal responsibility during FY 2015-2016 as directed by the elected officials as a primary goal of the previous fiscal year. The adoption of the budget occurs annually, and throughout the year both staff and elected officials continue to monitor spending and revenues to make sure they align and stay within budget constraints.

The purpose of creating a budget is to estimate the potential revenue and expenditures for a set period of time. This year, the Town made the budget very transparent and had input from outside consultants, citizens, business owners, professional staff, and our elected officials. The Town held several public budget workshops. The budget process allowed the public, staff, and board members to get involved in the process and have a voice in the complete process. The budget process provided great opportunity for our local government officials to adhere to our Vision and Mission that is set forth.

The FY 2016-17 proposed total municipal budget is balanced at \$5,940,304. This is a \$308,133 increase from \$5,632,171 compared to FY 2016-2017. The budget is comprised of the General Fund, Electric Fund, and the

110 W Railroad Street, Post Office Box 1759 Sharpsburg, North Carolina 27878
Office (252)446-9441
Fax (252) 977-7488
www.sharpsburgnc.com

Water/Sewer Fund. The proposed FY 2016-2017 General Fund is \$1,626,937. This is a \$84,260 increase or 9.5 percent over FY 2015-2016 approved General Fund Budget of \$1,617,422. The proposed FY 2016-2017 Electric Fund Budget is \$2,593,450. This is a \$149,576 increase or 9.6 percent over the FY 2015-2016 Electric Fund Budget of \$2,443,874. The proposed Water/Sewer Fund Budget is for FY 2016-2017 is \$1,719,917. This is a \$74,297 increase or 9.5 percent over the approved FY 2015-2016 Water/Sewer Fund Budget of \$1,645,620. Additionally, it is forecasted that the Powell Bill Fund will generate approximately \$58,000.

The Governing Board has a strong belief that in order for the town to run adequately the proper resources are needed. In order to accomplish the goals of the town, listed below are the most significant items included in the budget:

- Additional funding that will be used to put together a Sharpsburg Economic Enhancement and Development Strategy (SEEDS)
- Enhance technology for Public Safety through the purchase of radio equipment that will connect the Police Department with a larger scale of agencies throughout the tri-counties.
- Update connectivity of the servers throughout the town to help further protect employee and citizen's information that flows through the computers.
- Improve the town telephone system infrastructure so that communication is not lost to the town (according to our telephone provider, the town administration offices is on its last port and if that goes out telephone services will be lost in administration)

As a result of the aforementioned, the proposed FY 2016-17 budget does not include an increase in Ad Valorem taxes. The proposed Ad Valorem tax remains at \$0.65 per \$100 full valuation. The stated budget amount for wholesale electricity (\$1,658,326) was forecasted by the Town energy consultant and it is estimated based on wholesale costs for FY 2015-16. Our customers will see a 6 percent increase in their electricity rates for the FY 2016-17 beginning July 1st.

As previously mentioned above, within the budget there is a 2.5 percent Cost of Living (COLA) increase for all employees. We are pleased and thankful that we have been able to afford our employees a COLA again this year.

Conclusion

Each year it gets even more challenging to develop a budget that is balanced and meets the needs of the community. The Town is on a continued road at making progress. This year's budget just like the prior years

is based on priorities needed to keep the Town running effortless and efficiently. Funding is appropriated based budgeting policies and funding of operating services with the input of the community and the direction of the town board and staff. The budget drives the Mission and Vision into reality for the Town.

Staff continues to work hard to provide services to the community while seeking cost savings. Preparation of the annual budget requires a team effort. The Town Staff have spent many hours and days compiling information, making forecasts, and having numerous meetings. Our main goal was to reduce operating expenses, but this year we have included much needed operating expenses in the budget. The budget is upheld as the financial resource to accomplish the goals of the Board of Commissioners in service to the citizens of Sharpsburg. I appreciate all efforts and contributions of Staff, citizens, businesses, and elected officials to create such a dynamic budget.

I am extremely confident that the Town of Sharpsburg is going to uphold their commitment to meeting the needs of our citizens and we are also welcoming economic growth and community development upon this upcoming fiscal year.

Special thanks are extended to the Mayor and Board of Commissioners for allowing me to serve as the Town Manager/Budget Officer. I would also like to personally thank Chief John Hunt, Tracy Sullivan, Town Clerk/Assistant Town Manager, and Brian Sullivan, Public Works Director for their expertise and collaboration in the preparation of the budget.

Pursuant to The Local Government Budget and Fiscal Control Act, I respectfully present the recommended Fiscal Year 2016-2017 Proposed Budget to the Board of Commissioners for your review and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Michelle Cobb".

Michelle Cobb, MBA

Town Manager



TOWN OF SHARPSBURG
FISCAL YEAR 2016-2017
BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of the Town of Sharpsburg, North Carolina meeting in regular meeting 9th day of June, 2016, that the following fund revenues and department expenditures together with certain restrictions and authorizations are adopted.

SECTION 1: FY 2016-2017 BUDGET SUMMARY

The following amount are hereby appropriated in the General Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

GENERAL FUNDS

REVENUES:	FY 2016-17 Budget
Ad Valorem	469,000
Other Taxes	7400
Unrestricted Governmental	353,900
Restricted Intergovernmental	58,000
Permits & Fees	286,970
Investment Earnings	1,000
Miscellaneous	8,000
Appropriated Fund Balance	177,150
Transfer from Electric Fund	100,000
Transfer from Water/Sewer Fund	165,517
TOTAL GENERAL FUND REVENUES	<u>1,626,937</u>
EXPENDITURES:	
Governing Board	114,450
Administration	215,525
Police	685,457
Fire Protection	66,603
Parks and Recreation	30,000
Streets and Sanitation	514,902
TOTAL GENERAL FUND EXPENDITURES	<u>1,626,937</u>

The following amounts are hereby appropriated in the Electric Fund for the operation of the electric utility for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

ELECTRIC FUND

REVENUES:	FY 2016-17 Budget
Investment Earnings	1,700
Electrical Charges	2,548,900
Temporary Service Fees	350
Connection Fees	2,500
Penalty Fees	40,000
TOTAL ELECTRIC FUND REVENUES	<u>2,593,450</u>
EXPENDITURES:	
Electric Operations	2,471,950
Budgeted Transfer to General Fund	100,000
Debt Service	15,000
Contingency	6,500
TOTAL ELECTRIC FUND EXPENDITURES	<u>2,593,450</u>

The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the fiscal year beginning July 1, 2016 and ending June 30, 2017.

WATER/SEWER FUND

REVENUES:	FY 2016-17 Budget
Investment Earnings	1,550
Charges for Water/Sewer	1,671,867
Miscellaneous Revenue	1,500
Penalty Fees	45,000
TOTAL WATER/SEWER FUND REVENUES	<u>1,719,917</u>
EXPENDITURES:	
Water/Sewer Operations	1,394,400
Budgeted Transfer to General Fund	165,517
Debt Service	150,000
Contingency	10,000
TOTAL WATER/SEWER FUND EXPENDITURES	<u>1,719,917</u>

TOTAL BUDGETED REVENUES FOR FY 2016-2017 **\$5,940,304**

TOTAL BUDGETED EXPENDITURES FOR FY 2016-2017 **\$5,940,304**

SECTION 2: MUNICIPAL TAX RATE ESTABLISHED

An Advalorem Tax Rate of \$.65 per \$100 full valuation is hereby established as the Official Tax Rate for the Town of Sharpsburg for the fiscal year 2016-2017.

Section 3: SPECIAL AUTHORIZATION - BUDGET OFFICER

- 1 The Budget Officer shall be authorized to transfer line item expenditures within a department with out limitation and without a report being required. These changes should not result in increasing recurring obligations such as salaries. The Budget Officer shall make budget amendment as deemed appropriate no less than once per fiscal year.
- 2 The Budget Officer shall be authorized to execute inter-departmental transfers in the General Fund, not to exceed 10% of the appropriated monies for the department whose allocation is reduced. An official report on such transfers shall be given at the next regular meeting of the Board of Commissioners.
- 3 The Budget Officer may make inter-fund loans for a period of not more than 60 days. The Board of Commissioners shall be informed of such inter-fund loans at their next regularly scheduled meeting. The Board of Commissioners will also be notified when such loan is repaid.
- 4 Inter-fund transfers, established in the budget document, may be accomplished without recourse to the Board.

Section 4: RESTRICTION - BUDGET OFFICER

- 1 The inter-fund transfer of monies, except as noted in paragraph 2 above shall be accomplished by Board authorization only.
- 2 No salary increase or bonus may be paid without prior authorization for the Board of Commissioners.
- 3 No contributions to any agencies shall be made without approval of the Board of Commissioners.

Section 5: UTILIZATION OF THE BUDGET ORDINANCE

This Ordinance and the budget information contained herein shall be the basis of the 2016-2017 Fiscal Year. The Budget Officer shall administer the Budget and shall insure that department heads are provided guidance and sufficient details to implement their appropriate portion of the budget. The Finance Department shall establish records which are in agreement with the Budget and this Ordinance and the appropriate statutes of the State of North Carolina.

This Budget Ordinance and accompanying schedules are hereby adopted by the Town of Sharpsburg Board of Commissioners this 9th day of June, 2016.

Randy Weaver, Mayor

ATTEST:

Tracy Sullivan, Town Clerk