

Mayor
Robert Williams
Mayor Pro-Tem
Becky Humphrey



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

Commissioners

Randall Collie
Mary Jackson
David Pride
Beverly Davis

BUDGET MESSAGE

OVERVIEW

Submitted for your consideration herein is your Administration's proposed budget for Fiscal Year 2020, encompassing the period July 1, 2019 to and through June 30, 2020. This budget, prepared in accordance with the North Carolina Local Government Budget and Fiscal Control Act, is balanced without the need for utilization of Fund Balance in three of our Operating Funds, but will use \$58,095 in Powell Bill Fund Balance to cover the capital purchases we have made and non-paving operations costs.

In my budget instructions to department heads, I asked that they attempt to keep their budget line item requests at, close to, or if possible, even below current budget; I am pleased to report that, as you can discern from the attached, they outdid themselves in complying with that request.

Following the budget message is a full Summary of Revenues and Expenditures for the General Fund, Powell Bill, Electric, and Water & Sewer Funds that reflect combined budgets are up by \$159,013, or 3.0%, from the FY 2018-2019 budget.

PERSONNEL

Additional Personnel: There has been a need for an additional person in the public works department for some time. In lieu of utilizing a temporary employment agency this year, there has been an additional position budgeted for. Their salary will be disbursed equally between General, Water & Sewer and Electric Funds. This position was created to be trained as a back up meter reader and to also assist with Streets and Sanitation duties.

COLA & Merit Salary Increases: The rate of inflation has increased this year, however due to budget constraints, the budget before you once again, has no provision for a Cost-of-Living Adjustment. Included in Personnel Costs for all Departments are monies for average Merit Raises of 3.0%, with a maximum of 5.0%.

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OPERATING BUDGETS

General Fund

Property Tax revenues are expected to remain virtually unchanged this coming Fiscal Year; the tax rate will remain at \$0.55 per \$100.00.

Based on State projections, we anticipate the Local Option Sales Tax receipts to remain the same as the 18/19 budget year. The Operating Transfer from the Electric Fund has increased \$105,000 to \$300,000. There is also an appropriation of \$45,000 of undesignated fund balance to cover operating expenses. All other sources of revenue are at or close to FY 2019 numbers. The increased fees billed to the Town for recycling collection will not be passed on to citizens at this time. For several years in a row, no fees or charges will be increased.

Governing Body expenditures are up 0.1%. The Administration budget is up 0.5%. The Police Department has 9 full-time positions budgeted, unlike the previous year, which results in a 1.6% departmental increase. The Parks & Recreation budget is decreased by 0.8%. Finally, the Public Works Department will also see a minor increase of 2.2%.

A reallocation of salaries, personnel-associated expenditures and other costs to the General Fund and Utility Funds has resulted in an overall increase in the General Fund of \$182,536, or 1.14%, to \$1,475,436, up from the current budget of \$1,292,900.

Powell Bill Fund

This Fund was created in October, 2017 to account for all costs of Powell Bill expenses. For FY 2018-2019, these expenses were \$122,545. For FY 2019-2020, they are reduced to \$113,095: Revenues will be \$55,000 from State Allocations and \$58,095 from Powell Bill Fund Balance; Expenditures will consist of \$55,000 in paving, \$33,500 in operating costs, and \$24,595 in Capital equipment lease payments.

Electric Fund

The North Carolina Utility Commission (NCUC) authorized Duke Energy Progress (DEP) to begin billing its customers as of the July, 2017 readings for DEP's negligent coal ash spill; the Town will have paid \$158,820 in coal ash recovery costs as of June 2019. July 2019 will complete the Town's Coal Ash recovery costs.

Your Town Elected Officials successfully concluded negotiations to transfer electricity purchases from DEP to NTE, of Kings Mountain, NC, effective January 1, 2018. The transfer to NTE has resulted, thus far in a 9% decrease in electric rates that was passed on to our customers and reduced power costs, both of which are reflected in the proposed budget.

With the aforementioned coal ash charges being paid in full and an increase of \$105,000 in Operating Transfers, coupled with the anticipated lower wholesale utility rates, there are no other anomalies in the Electric Fund. The total budget will decrease \$111,238, or 4.0%, from \$2,473,025 to \$2,361,787.

Water & Sewer Fund

Operations within the Water & Sewer Fund are not expected to change. Consequently, there are no rate changes for either water or sewer services. Although a significant portion of salary-related expenses were transferred from the General Fund to the Water & Sewer Fund in FY 2018, and remain so in this budget, frugal operating expenses have resulted in a total budget increase of only 0.6%, from \$1,648,150 to \$1,745,315.

CAPITAL BUDGET

Your Elected Officials approved a long-term Capital Improvement Plan prior to the start of Fiscal Year 2017-18, to become effective that year; this third CIP year proposes a reduced program, as noted below.

There is no new rolling stock budgeted – merely payments of \$92,015 from various Operating Budgets on previously-purchased vehicles, as illustrated in Exhibit 2 below – and only one Capital Projects:

1. In the Powell Bill, \$55,000 is budgeted for repairing and resurfacing streets, which is a decreased amount from the Capital Improvement Plan. There are storm drain issues that need attention throughout town. \$12,000 has been allocated to correct a few of these issues. This should remain a normal practice moving forward.

SUMMARY

Ladies and gentlemen, your Administration has presented you a hold-the-line budget that also meets all the needs of not only our citizens, but our operating departments as well. We trust you approve of the financial and operational direction that this fiscal plan provides for the upcoming year. As always, your Administration stands ready to assist you in any way.

Respectfully submitted,

Tracy H. Sullivan

Tracy H. Sullivan, CMC/NCCMC
Town Clerk/Interim Town Administrator & Budget Officer

TOWN OF SHARPSBURG
BUDGET ORDINANCE O-2019-08
FISCAL YEAR 2019-2020

NOW THEREFORE, BE IT ORDAINED by the Board of Commissioners of the Town of Sharpsburg, North Carolina, meeting in regular session this, the 11th day of June, 2019, that the following Fund revenues and Department expenditures and expenses, together with certain restrictions and authorizations, are adopted:

SECTION 1: FY 2019-2020 BUDGET SUMMARY

The following amounts are hereby appropriated in the General Fund for the operation of the Town Government and its activities for the Fiscal Year beginning July 1, 2019, and ending June 30, 2020:

GENERAL FUND

REVENUES BY SOURCE	AMOUNT
Ad Valorem Taxes	\$348,200
Other Taxes	148,616
Unrestricted Intergovernmental Revenues	320,000
Restricted Intergovernmental Revenues	0
Permits & Fees	2,800
Service Charges - Sanitation	272,500
Investment Earnings	10,400
Miscellaneous Revenues	27,920
Transfer from Powell Bill Fund Balance	0
Appropriated Fund Balance	45,000
Transfer from Electric Fund	300,000
Transfer from Water & Sewer Fund	0
TOTAL GENERAL FUND REVENUES	\$1,475,436

EXPENDITURES BY DEPARTMENT

Governing Board	\$138,650
Administration	144,070
Police Department	790,116
Parks & Recreation	27,500
Public Works	375,100
TOTAL GENERAL FUND EXPENDITURES	\$1,475,436

The following amounts are hereby appropriated in the Powell Bill Fund for the operation of Powell Bill activities for the Fiscal Year beginning July 1, 2019, and ending June 30, 2020:

POWELL BILL FUND

REVENUES BY SOURCE	AMOUNT
Restricted Intergovernmental Revenues	\$ 55,000
Transfer from Powell Bill Fund Balance	58,095
TOTAL POWELL BILL FUND REVENUES	\$ 113,095

DEPARTMENT EXPENDITURES

Resurfacing Program	\$ 55,000
Other Street Repairs	14,300
Street Sweeping Contract	19,200
Capital Leases	24,595
TOTAL POWELL BILL FUND EXPENDITURES	\$ 113,095

The following amounts are hereby appropriated in the Electric Fund for the operation of the electric utility for the Fiscal Year beginning July 1, 2019, and ending June 30, 2020:

ELECTRIC FUND

REVENUES BY SOURCE	AMOUNT
Investment Earnings	\$ 3,500
Miscellaneous Revenue	775
Electric Charges	2,204,012
Electric Sales Tax	116,000
Connection Fees	2,500
Penalty Fees	35,000
Duke Coal Ash Cost Recovery	0
TOTAL ELECTRIC FUND REVENUES	\$2,361,787

DEPARTMENT EXPENSES

Electric Operations	\$2,026,062
Budgeted Transfer to the General Fund	300,000
Debt Service	35,725
Duke Coal Ash Cost Recovery	0
TOTAL ELECTRIC FUND EXPENSES	\$2,361,787

WATER & SEWER FUND

The following amounts are hereby appropriated in the Water & Sewer Fund for the operation of the water and sewer utility for the Fiscal Year beginning July 1, 2019, and ending June 30, 2020:

REVENUES BY SOURCE	AMOUNT
Water/Sewer Charges	\$1,625,010
Investment Earnings	4,000
Miscellaneous Revenue	6,500
Penalty Fees	35,000
Appropriation from Fund Balance	74,805
TOTAL WATER/SEWER FUND REVENUES	\$1,745,315

DEPARTMENT EXPENSES

Water & Sewer Operations	\$1,604,305
Budgeted Transfer to the General Fund	0
Debt Service	141,010
Contingency	0
TOTAL WATER/SEWER FUND EXPENSES	\$1,745,315

TOTAL BUDGETED REVENUES	\$5,695,633
TOTAL BUDGETED EXPENDITURES & EXPENSES	\$5,695,633

SECTION 2: MUNICIPAL TAX RATE ESTABLISHED

An Ad Valorem Tax Rate of \$0.55 per \$100.00 full valuation is hereby established as the Official Tax Rate for the Town of Sharpsburg for the Fiscal Year 2019-2020.

SECTION 3: SPECIAL AUTHORIZATION – BUDGET OFFICER

1. The Budget Officer shall be authorized to transfer line item expenditures within a department without 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 amendments 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 ten percent (10%) of the appropriated moneys of the department whose budgeted 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 sixty (60) days. The Board of Commissioners shall be informed of such inter-fund loans at their next regularly scheduled meeting. The Board of Commissioners shall also be informed when such loan is repaid.
4. Inter-fund Transfers established in the budget document may be accomplished without recourse to the Board of Commissioners.

SECTION 4: RESTRICTIONS – BUDGET OFFICER

1. The inter-fund transfer of monies, except as noted in paragraph 3 above, shall be accomplished only by authorization of the Board of Commissioners.
2. No salary increase or bonus may be paid without prior authorization of 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 herein contained shall be the basis of the Fiscal Year 2019-2020 budget. The Budget Officer shall administer this budget and shall ensure that department heads are provided guidance in sufficient detail to implement their appropriate portion of the budget. The Finance Department shall establish records which are in agreement with this budget and this ordinance, and with 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, the 11th day of June, 2019.

TOWN OF SHARPSBURG

By: _____
Robert Williams, Mayor

ATTEST:

Tracy Sullivan, Town Clerk