



TOWN OF
WADESBORO

ANNUAL BUDGET

Fiscal Year 2016 – 2017 Town of Wadesboro, North Carolina

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FY 2016-2017 Budget Message

May 24, 2016

Honorable Mayor and Members of Council
Town of Wadesboro, North Carolina:

Pursuant to the Local Government Budget and Fiscal Control Act and N.C. General Statute 159-11, the Annual Budget for Fiscal Year 2016-17 is submitted for your consideration:

General Fund	\$5,751,333
Water/Sewer Fund	\$2,773,896
Total Operating Budget	\$8,525,229

In comparison to the FY 2015-16 Budget, the FY 2016-17 General Fund proposed budget increases approximately 2.5% (\$138,288). This increase is due largely to the budgeted use of loan proceeds for fire station construction. The Water and Sewer Fund decreases by about 1.4% (\$39,889).

This budget represents the commitment of the Town Council to the strategic priorities and goals approved at the 2015 Annual Retreat¹ as listed by combined categories² below:

1. Fiscal Responsibility - 61 points
2. New Police & Fire Building - 52 points
3. Water & Sewer - 27 points
4. New Ladder Truck - 26 points
5. Water: Keep Current Facility or Go With County - 24 points
6. Employee Satisfaction, Retention, Rewarding Employees - 21 points
7. Economic Development - 17 points
8. Health Insurance Cost for Employees & Retirees - 17 points

Alternatively, these same goals are shown below by individual priority:

² Many goals shared overlap and thus are combined for simplicity. See enclosed document on page 80.

1. New Police & Fire Building – 52 points
2. Water & Sewer – 27 points
3. New Ladder Truck – 26 points
4. Balanced Budget – 24 points
5. Water: Keep Current Facility or Go With County – 24 points
6. Economic Development – 17 points
7. Affordability of Healthcare for Employees/Retirees – 17 points
8. Employee Satisfaction, Retention, & Pool for Future Employees – 15 points
9. Revenue Sources – 13 points
10. Fiscal Responsibility – 12 points
11. Affordability of healthcare for employees/retirees – 10 points
12. Payment of health insurance premiums for retired and active employees – 7 points
13. Don't Forget to Reward Our Employees for the Work They Do – 6 points

These goals provide the foundation upon which the budget is built. Over the course of four budget workshop sessions, following numerous hours of staff research and development, this budget was explained in detail and considered relative to the long-term goals of the community.

The annual budget process is influenced by external factors including the condition of the national, state, and local economies, the emergent and pre-emergent needs identified in our community by the elected body, staff, and advisory boards, and the goals noted above. All these factors are considered in this budget, and armed with the knowledge that this document represents a significant amount of careful consideration and study; this budget should allow the Town to meet its obligations, start fulfilling its goals, and remain fiscally strong.

General Fund: Introduction

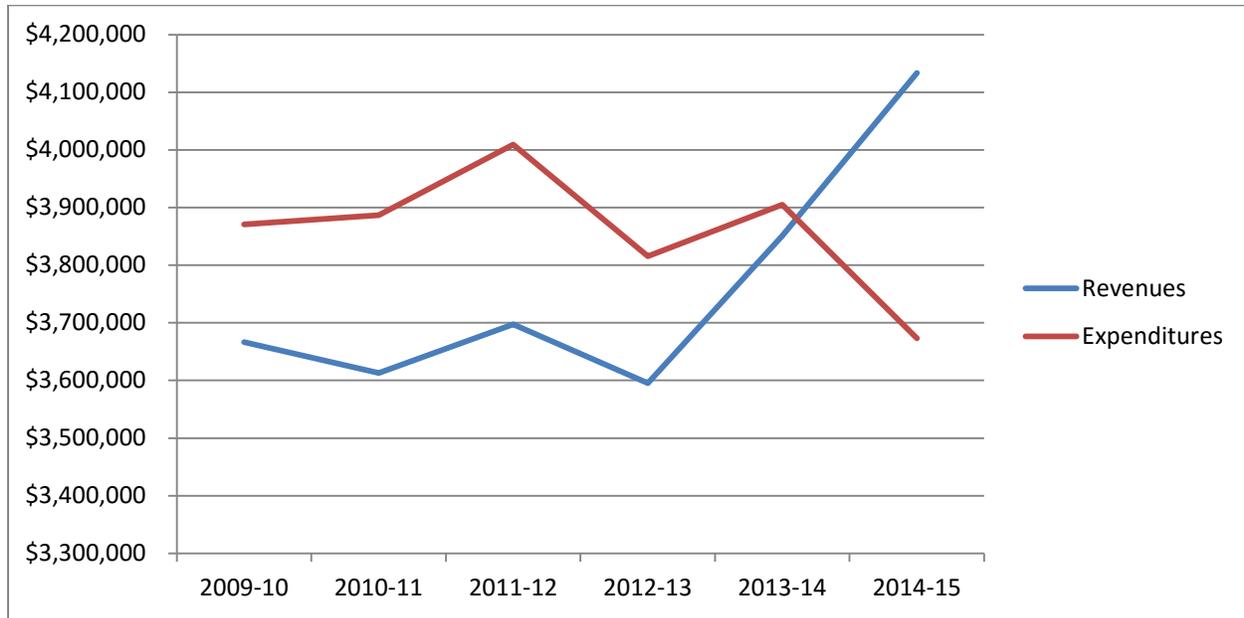
The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life. Expenditures are divided into functional departments in order to present a clearer understanding of the costs of providing certain services. Personnel assigned to a department are largely paid from that department. In the future, a more detailed evaluation of labor allocations among the two major funds should be performed. This evaluation should more accurately reflect the work being done by each staff member for each fund.

General Fund: Long-Term Outlook

Despite the obvious challenges, the General Fund continues to trend toward financial sustainability. Prior to FY 2014-15, the Town was faced with increasing budget deficits over the course of approximately seven fiscal years. To maintain the same level of services, the Town opted to cover these increasing budget deficits by increasingly spending fund balance reserves. While being able to weather economic downturns without cutting services is one of the many reasons to maintain a healthy fund balance, using reserves to cover budget deficits is not financially sustainable in the long-term.

Observing its rapidly decreasing reserve funds, the Town Council started making tough designed to increase revenue and decrease expenditures. At the same time, the statewide economy began to show improvement. As a result, revenues exceeded expenditures in FY 2014-15 for the first time in approximately seven fiscal years.

Fiscal Year End	Revenues	Expenditures
2009-10	\$3,666,228	\$3,870,955
2010-11	\$3,612,842	\$3,886,531
2011-12	\$3,697,488	\$4,009,130
2012-13	\$3,595,140	\$3,815,638
2013-14	\$3,850,731	\$3,904,821
2014-15	\$4,133,567	\$3,672,889



Despite this progress, there are reasons to be concerned about the long-term financial sustainability of the Town of Wadesboro. As articulated in the FY 2015-16 Budget Message, there are 3 principal reasons for this concern.

First, the Town’s recent population declines and projected future population declines mean that future revenues are not likely to keep pace with the future growth of expenditures. Indeed, local government revenues depend heavily on local economies. While Wadesboro has seen revenue increases, these increases have largely *not* been the result of local economic growth. For example, projected increases in sales tax revenues are due to the General Assembly expanding statewide sales tax and sending the bulk of these new funds to generally more economically depressed communities.

The second reason is that, in order to maintain the same service levels, the Town must start making long-delayed purchases of needed capital items. Delaying large capital purchases is a short-term solution but not a long-term one. For example, it is not feasible to continue to not resurface Town streets in perpetuity, or to never replace a limb pickup machine that has exceeded its useful life, or for our fire department to continue to adequately operate out of a facility built in 1920/1930 that last underwent a major renovation in 1963. To maintain the same service levels, the Town must making certain capital expenditures at some point.

Third, health insurance costs are increasing, especially for retirees. Since 2010, the actuary study reports retiree health insurance obligations have increased 558% to over \$1.2 million. Like many local governments, the Town has not set aside funding to pay for future retiree health insurance costs. Now, the actuary report indicates the annual required contribution is reported as \$312,032, while the Town has budgeted for approximately \$140,000 for FY 2016-17. With much of the “Baby Boomer” generation approaching traditional retirement age, the Town will likely see sharp increases in actual retiree health insurance bills. As a result, the Town will be likely faced with a choice in the near future over whether to increase taxes and/or reduce services in order to continue to fund the same level of retiree health insurance benefits.

Since FY 2013-14, each budget message has more or less reiterated the same message: to avoid future operating deficits, the Town will likely need to raise revenues and/or reduce expenditures. For a municipality projected to decline in population and thus have insufficient revenue to keep pace with expenditures, this likely means additional large tax expenditures in the future combined with reducing expenditures through service reductions. However, it is not typically not sustainable to have repeated and large tax increases combined with large service reductions in a community with declining population. This is evidenced by the histories of certain “rust-belt” cities in the Northern United States.

Given this reality, the recommendation is to focus on a long-term strategy where the Town increases its revenues by growing our economic tax base, and not through repeated large tax increases in the future. Other communities have successfully employed a number of strategies including the creation of a business/industrial park site and making downtown areas more attractive. Notably, the Town’s proposed business/industrial park, while still in its beginning stages, is a step toward trying to stimulate economic growth.

General Fund: Revenues

Due to the uncertain economic times the Town is experiencing, this budget is conservative in revenue projections. Overall revenue projections are mixed. Ad valorem property taxes, the Town’s largest revenue source, are not projected to increase for FY 2016-17 without a tax increase. Notably, property tax revenues did increase in FY 2014-15 due largely to the new motor vehicle tax collection system and a rate increase.

In comparison, sales tax revenue is predicted to increase by \$90,000 (9.7%)³ due the General Assembly expanding statewide sales tax and sending the bulk of these new funds to generally more rural and economically depressed communities. Also, loan proceeds are predicted to increase approximately \$855,000 compared to FYE 2016 projections to \$1,214,704 due to proposed installment financing of a fire station and finishing equipment purchases for automated trash pickup.

Franchise (electricity) sales tax is predicted to increase by approximately \$6,000 (6.6%) compared to FYE 2016 projections. However, this increase is effectively negated by projected decreases for Trash fee and Powell Bill revenues.

General Fund: Expenditures

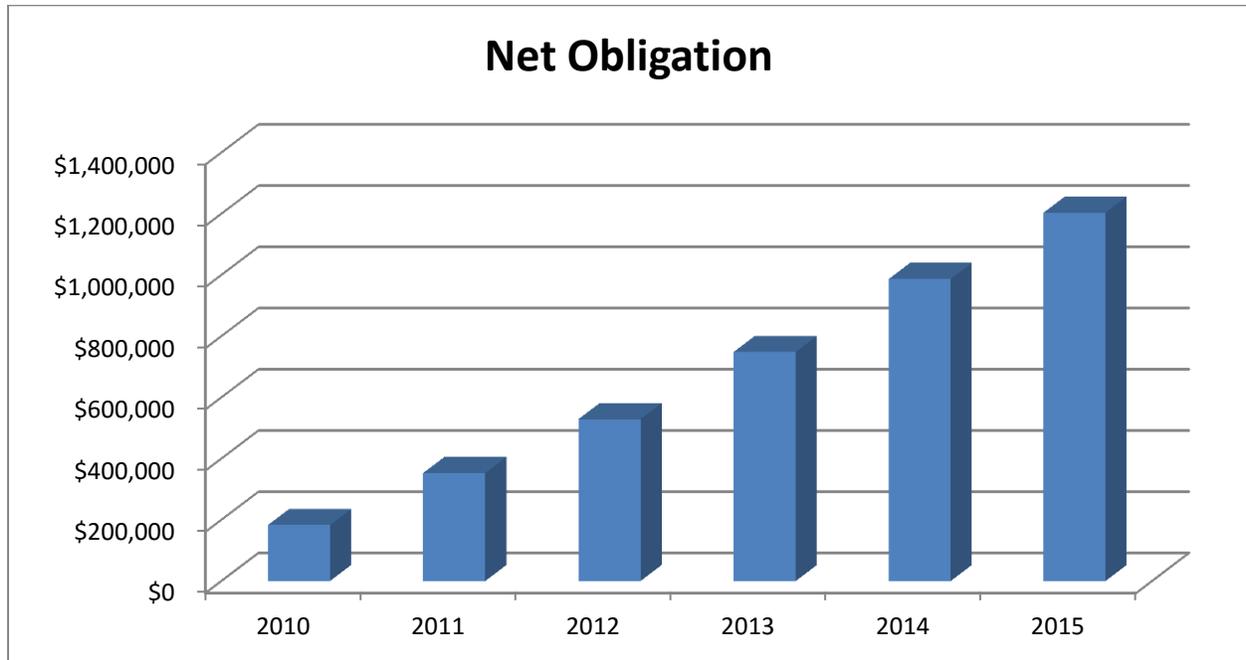
While not attempting to cover specifics for all Town departments within the General Fund, what follows are some highlights of the more significant expenditures and programs being proposed.

Overall Personnel & Administration: Personnel costs represent 49.59% of the total General Fund budget. Active employee health insurance costs are increasing by \$23,782 (7.5%) to \$340,630 while retiree health insurance actual costs are budgeted to increase by approximately \$20,100 to a total of approximately \$140,000.⁴ As discussed above, the actual annual cost for retirees is much higher: the most recent actuarial estimate is \$312,032 per year. The significant difference between the two numbers is due to the Town opting for the “pay-as-you-go” strategy instead of setting aside funds each year for future payments. Retiree health insurance actuary information is shown in the below chart and graph:

	2010	2011	2012	2013	2014	2015
Net Obligation	\$182,931	\$352,897	\$528,710	\$748,391	\$986,808	\$1,203,664
Annual Cost	\$234,199	\$234,526	\$250,945	\$294,477	\$303,676	\$312,032

³ When compared to FY 2015-16 year-end projections of \$930,000.

⁴ Notably, new vision insurance is included at \$1 per month per employee at a total cost of \$552 for the General Fund.



Also, this budget allocates approximately \$48,681 for market-based pay increases for employees. Previously, overall salaries were not increased due to increasing budget deficits. However, the Town recently completed a pay and classification study which found that certain employee salaries are significantly below market-rate. Attracting and retaining qualified employees is essential to maximizing efficient and effective service delivery to our customers. This budget increases base pay for sworn police officers to \$31,500 and increases employee compensation as follows:

% Below Comparable Avg.	Salary % Increase
Under 5%	1%
5 - 9.9% Above	2%
10% - 14.9% Above	3%
15% & Above	4%

While these increases do not entirely close the pay gap, it is the first step in that direction. These market-based increases are recommended over an equal/across-the-board increases because it puts resources where it is most needed from a compensation standpoint. However, every employee will receive at least a 1% pay increase.

During the Budget workshops, the Town Council discussed the possibility of funding part of phase I of the wayfinding plan. To help reduce the tax rate increase needed for a new fire station, this budget relies on grant funding to start this project. This grant application has been submitted and we expect to receive word within the next 90 days. Other notable expenditures include a \$5,624 donation to the Anson County Animal Shelter and \$9,000 shared between the General and Water & Sewer Funds for securing the front area of Town Hall.

Police: This proposal budgets \$111,000 from fund balance reserves for renovations for the property the Town is in the process of acquiring. The estimated cost of renovations is \$100,000 - \$125,000. Another notable expenditure is to use a grant to purchase computers that will allow patrol officers to do reports in their vehicles while out in public. This will help increase community police presence and reduce overtime costs. The Town share is \$3,750 for computers plus an annual reoccurring software charge of \$1,900.

Fire: Perhaps the most discussed expenditure in the entire budget is \$1,100,000 for fire station construction plus \$40,000 for various associated costs such including architectural, environmental, engineering, and financing costs. This total cost of \$1,140,000 would accomplish the Town Council's top single priority .

New Fire Station: A Brief History of the Decision-Making Process

The Wadesboro Police & Fire Departments currently operate out of space built in 1920 and 1930. In FY 2013-14, the Town contracted with Solutions for Local Government, Inc. to conduct an existing space assessment and develop program requirements for police and fire facilities.

This assessment determined that,

“Clearly, in regards to each department, the adequate type of space, hampers day-to-day efficiency. As well, mechanical and electrical system issues are evident as are several structural concerns; ...in fact issues with regards to the quality and type of space are as significant as the need for *more* space.”⁵

Taking these findings, the Town Council set finding new functional facilities for the police and fire departments as the highest non-combined priority at the 2014 and 2015 Annual Retreats. During these years, the Town invested significant time into evaluating renovation of current facilities, as well as property owned by others. While the Town found a cost-efficient renovation property to serve as a police station, this process led to the conclusion that constructing a new fire station is the most cost-efficient option for the long-term.

At the 2016 Annual Retreat, the Council noted that a new fire station was still a top priority and engaged in a detailed action planning session in how to fund a new fire station. The Council adopted the following timeline for a decision on how to fund a new fire station:

- 3/21/16 – Town Manager communicates with contractor to expedite preliminary estimates.
- 4/19/16 – Town Manager presents preliminary cost estimates to Council.
- 4/19/16 – 5/2/16 – Staff educate the public on the need including hosting an open house for the public.
- 5/2/16 – Date for Council decision on funding.
- 5/3/16 – Presentation to County Commissioners on need and requesting fire district tax increase.
- 5/15/16 – Optional meeting for Council.
- 5/24/16 – Town Manager presents budget to Council.
- 6/7/16 – “Drop dead” date for Council decision.

A preliminary cost estimate was presented of approximately \$1,100,000 for construction. The Town also sought to educate the public on the fire station need including hosting a public open house whereby citizens could tour the current facility. At the 5/2/16 Town Council Meeting, the Council listened to public input on the station and opted to view cost estimates for a combination Town Hall/Fire Facility prior to making a funding decision. The next evening, the Town requested a 2 cent fire district tax increase from the County Commissioners.

⁵ (Pg. 4), “Space Needs Assessment & Facility Programming for New Town Hall, Police, and Fire Facilities.” Prepared by Solutions for Local Government, Inc. (April 2014).

Please note that this total of \$1,140,000 for a fire station is an estimate, meaning that this cost could go up or down depending on a variety of factors including building timeline, financing costs, rising construction costs, and unforeseen expenses such as currently unknown environmental obstacles in site preparation. If there are funds remaining towards the end of the project, remaining funds are proposed to be spent on demolishing the Tollison Building (est. cost \$70,000).

Shop: The main expenditure highlight includes a \$5,000 allocation for a transmission jack. It is estimated that purchasing this transmission jack would be cheaper over the course of 2 to 3 years compared to contracting this service out.

Street: Expenditure highlights include using reserve funds to allocate \$26,500 for a pickup truck at state contract pricing. This pickup replaces one with well over 200,000 miles and transmission concerns. Also, this budget uses reserve funds to convert the Town's old street sweeper into a dump truck. The Town's street sweeper is in relatively good condition with low miles but was decommissioned about two years ago due to rust in the hopper. Converting this street sweeper would allow the Town to insert a newer dump truck into our fleet for significantly less than the cost of a new one. Staff will examine the budget status around January 2017 to assess if doing this is feasible.

Powell: Expenditure highlights including the allocation of \$70,000 toward paving the next street on the Street Paving Priority Plan. Also, there is \$25,000 allocated for bridge repair work on several Town bridges including Burns Street, Park Road, and Old Lilesville Road. The Town is still assessing the total cost of this work. Any remaining funds from these bridge projects will be put toward street resurfacing and vice versa.

Sanitation: The main expenditure highlights is the carryover from the FY 2015-16 Budget of \$114,204 for 2,496 trash cans. This is not adding cost to the automated trash pickup conversion process, it is simply just a fiscal year timing issue.

General Fund: Recommendation

The Town's declining population and lack of projected revenue growth puts the Town in a precarious situation. If economic growth does not occur, the Town will be continually faced with the same challenge: to avoid using fund balance reserves to offset budget deficits, the Town will need to increase taxes and/or reduce expenditures (most likely through service reductions).

Still, the Town's financial challenges did not evolve overnight and they will not be solved overnight. Taking this into consideration, this budget proposal seeks to be conservative with both revenue projections and expenditures while still progressing toward meeting the Town Council's priorities.

This proposal provides funding to accomplish the #1 priority of the Town Council: new facilities for the police and fire departments. To avoid increasing taxes or reducing services to pay for police department renovations, this proposal uses \$111,000⁶ in fund balance reserves for police department renovations.

The decision on securing funding for a new fire station is more difficult because the higher price tag of approximately \$1,140,000 eliminates using reserve funds for the entire amount, and likely means installment financing is the most feasible option. In turning to the option of expenditure reductions, any expenditure reduction, in order to make a substantial change, would likely need to come from the areas in which our expenses are highest; personnel costs, capital costs, and infrastructure maintenance. Reducing any of which comes with its own set of consequences that need to be evaluated as they are considered.

⁶ Please note that renovation estimates are between \$100,000 - \$125,000. If costs exceed \$111,000, Council will need to give authorization to exceed this allocation.

Reducing services would likely mean eliminating a popular service such as limb pickup or reducing public safety service levels, which is not recommended. However, it is not out of the realm of possibility that the upcoming automated trash pickup process increases efficiency even more than anticipated. If this happens in the future, then the Town could potentially eliminate a Sanitation position by attrition⁷ while still maintaining a similar service level assuming full staffing. However, this possibility is still unknown until implementation and assessment of the new process.

If the above options are not tenable, then a 1 penny city tax increase must be part of the funding package to pay the debt service on a new fire station. This budget secures funding through the following actions:

<u>Annual Revenue</u>	<u>Action</u>
\$30,000	1 Penny Tax Increase
\$42,000	2 Penny Fire District Tax Increase
\$8,400	Attempt to Get Grant for Wayfinding Signage
\$3,000	Firemen's Relief Fund Monies to Fire Insurance Costs, Use Remaining Funds to Debt Service
\$4,200	Current Lease Ending
\$1,000	Set Travel/Training Reimbursement Budget: \$400 per Councilor, \$700 Mayor P.T., \$900 for Mayor
\$88,600	TOTAL

This total should be sufficient to cover the annual installment financing payment of the \$1,100,000 design-build costs. Again, the remaining \$40,000 is proposed to be spent out of fund balance reserves. It should be noted that this plan relies on a number of variables. For example, the ultimate authority is with the County Commissioners and not the Town Council. If any of these variables do not go as predicted, the Town will need to reexamine its strategy and find new funding.

Even with these actions, expenditures still exceed revenues by \$329,171. Using the Council's feedback at budget workshops, this budget uses fund balance reserves to fund the following items:

- \$111,000 – Police Renovations
- \$40,000 – New Fire Station Related Expenses
- \$26,500 – Street Pickup Truck
- \$25,000 – Convert Street Sweeper into Dump Truck
- \$6,400 – HWY 74 E Streetlights – reoccurring (assess in January 2017).
- \$45,271 – General Operations
- \$75,000 – Contingency Funds

While using \$329,171 in fund balance reserves is concerning, recent history shows that, barring the unexpected, the Town is not likely to actually expend this total amount of fund balance for three reasons. First, the Town has not actually expended the total amount of budgeted expenditures in recent years. During the course of the fiscal year, the Town seeks to be prudent with money budgeted. Second, the Town's conservative revenue predictions have brought in more funds than expected in recent years. Hopefully, this trend will continue. Three, the statewide economy has improved which has increased several major revenue streams including sales tax. S

Still, while it is likely that the Town will not actually expend the total amount of fund balance reserves budgeted, it is possible that these funds could be spent. As a result, the Town will continue to be cautious in both monitoring

⁷ This would not lay any employee off but rather cut a position when there was employee turnover.

revenues and being fiscally conservative with expenditures through FY 2016-17. While difficult to predict, this proposed budgeted is predicted to use about between \$200,000 to \$300,000 in fund balance reserves.

Recommendation: Expenditures exceed revenues creating a budget deficit of approximately \$401,171. As a result, this budget proposes three ways to close this budget deficit. First, \$329,171 using fund balance. Second, \$42,000 by increasing the Fire District property tax by 2 pennies contingent on County Commissioner authorization. Third, \$30,000 by increasing the Town ad valorem tax rate by 1 penny. Notably, the Town has historically set rezoning costs at approximately one-half the cost of running the necessary legal ads in the newspaper. To account for increased zoning

Enterprise Fund: Introduction

In addition to the General Fund which covers all typical government operations, the Town of Wadesboro operates an enterprise fund regarding water and sewer service. The Town is charged with operating this enterprise fund similar to a private business where the cost of the service is recovered primarily through user charges.

Enterprise Fund: Long-Term Outlook

In FY 2014-15, Water & Sewer Enterprise Fund did not incur an operating loss for the first time in recent history. This history dating back to FY 2008-09 is displayed below:

Fiscal Year	Operating Position	Revenues	Expenses
2008-09	(\$179,304)	\$2,055,082	(\$2,234,386)
2009-10	(\$194,578)	\$2,146,145	(\$2,340,723)
2010-11	(\$150,526)	\$2,183,022	(\$2,333,548)
2011-12	(\$144,159)	\$2,178,170	(\$2,322,329)
2012-13	(\$100,295)	\$2,267,758	(\$2,368,053)
2013-14	(\$54,304)	\$2,636,941	(\$2,691,245)
2014-15	\$145,168	\$2,611,456	(\$2,466,288)

In the current 2015-16 Fiscal Year, expenses are below and revenues are above the Town’s position at the same time in FY 2014-15. Although it is predicted to be close because the Town still needs to pay for a service truck and wastewater treatment costs have been unusually high due to weather, the Town is predicted to not have an operating loss for FY 2015-16. However, please note this is a low-confidence prediction.

In examining the Fund’s financial position, several important financial indicator ratios are shown below:

	<u>Current Ratio</u>	<u>Days Cash on Hand</u>	<u>Operating Ratio</u>	<u>Debt Coverage = 2</u>
FYE 2015	4.56	218	1.06	\$242,441
FYE 2014	2.27	165	0.98	\$131,635
FYE 2013	1.96	184	0.96	\$102,423
FYE 2012	4.81	189	0.94	86,618
FYE 2011	4.59	164	0.94	70,731
FYE 2010	1.56	166	0.92	53,238
FYE 2009	1.36	194	0.92	56,427

Please note that the operating ratio being above 1 for FYE 2015 indicates there was not an operating loss. Also, the debt service coverage ratio indicates the Town does potentially have some debt service capacity.⁸

⁸This is a snapshot at June 30, 2015. There is certainly no guarantee that this level of positive cash flow can be maintained, especially with an older system. Indeed, increased costs and/or decreased revenues may mean that this debt service coverage ratio may change significantly from FYE 2015. Still, this information is valuable because it comes from the Town’s most recent audit.

While having operating income is a first step in the right direction, the Town's rates did not cover the true cost of the service for a sustained period of time due largely to the estimated cost of depreciation and ultimate replacement of system assets. Indeed, it is often popular to ignore depreciation costs in favor of keeping rates lower, but eventually system assets start needing replacement. By not increasing rates to recover depreciation costs, the Town was not avoiding these costs. Rather, these depreciation costs have been passed to future customers like an ever-increasing debt. Now, our engineering infrastructure study indicates that there will be about \$17,000,000 in needed infrastructure projects over the next 20 years.⁹ Yet, because of these repeated operating losses caused by rates not covering the true cost of service, the Town has not set aside adequate funding to cover replacement of many long-neglected system assets.

The problem of mounting depreciation costs is compounded by Wadesboro's economic struggles beginning with the decline of the textile industry. Over the past 20 years, the Town has lost all but one major industrial customer. The loss of these industrial customers is significant because high consumption industrial customers commonly serve as the foundation of a financially sustainable utility system. The loss of these customers is significant because high consumption industrial customers commonly serve as the foundation of financially sustainable utility systems. Indeed, the Town's lone remaining industrial user accounts for approximately 22.1% of all consumption. Further, the Town's recent population declines may mean non-industrial customer consumption will also decrease.

These operating losses combined with local economic realities put the Town in a precarious situation: the Town's decreased customer base means that a smaller group of customers must necessarily cover an increased share of the true cost of water and sewer service. As a result, rates become increasingly unaffordable¹⁰ for remaining customers but revenues from these rates are still insufficient to recover the costs of an aging system. Because of these environmental realities, a smaller group of residential and business customers must cover an increased share of costs from this decline while also ultimately paying for past unpaid depreciation costs.

As the Town strives to be responsible managers of our utility system, many of the same long-term economic concerns expressed in the General Fund portion of the Budget Message can also be generally applied to the Water & Sewer Fund. Indeed, revenues are flat and our customer base is declining. Given this reality, the long-term recommendation is to focus on a long-term strategy where the Town seeks to attract large industrial users using tools like the creation of a business/industrial park.

Water & Sewer Fund: Revenues

With conservative revenue projections, Water & Sewer Fund revenues are largely projected to remain the same overall. Water revenues are projected to be the same as budgeted for FY 2015-16. Similarly, sewer revenues are also projected to be flat. In contrast, late fee charges are projected to increase \$3,000 (4.6%) and tap and connection fees are projected to increase \$1,000 (6.3%).

Water & Sewer Fund: Expenditures

Overall & Personnel: Personnel costs account for 19.4% of the total Water & Sewer Fund budget proposal for FY 2016-17. Active employee health insurance costs are increasing by \$5,687 (7.5%) to \$81,455. Also, this budget proposes approximately \$10,089 for market-based pay increases for employees. Previously, overall salaries were not increased due to consistent operating losses. However, the Town recently completed a pay and classification study

⁹ LKC Engineering partnered with Town staff to craft Wadesboro's "Water System Asset Management/Capital Improvement Plan (not to be confused with the Town's internal CIP). While the study identified about \$17,000,000 in needs, Town staff predicts the \$3,386,000 estimate for the South Wadesboro sewer expansion will prove to be too low an estimate.

¹⁰ Per the UNC School of Government's Utility Rate Dashboard.

which found that certain employee salaries are significantly below market-rate. Attracting and retaining qualified employees is essential to maximizing efficient and effective service delivery to our customers. This budget increases employee compensation as follows:

% Below Comparable Avg.	Salary % Increase
Under 5%	1%
5 - 9.9% Above	2%
10% - 14.9% Above	3%
15% & Above	4%

While these increases do not entirely close the pay gap, it is the first step in that direction. These market-based increases are recommended over an equal/across-the-board increases because it puts resources where it is most needed from a compensation standpoint. However, every employee will receive at least a 1% pay increase.

Water: Notable expenditures within the water department include first a \$455,000 allocation for purchasing water solely from Anson County. If the Town Council were to authorize the reopening of the water treatment plant, some of these funds could be converted back to plant operation costs. Second, there is \$45,000 for a service truck to replace a 14-year old service truck that has gone well beyond its useful life and incurs heavy maintenance costs. Third, there is \$9,000 (\$3,000 in the General Fund, \$3,000 in water, \$3,000) in sewer budgeted to make the front area of Town Hall more secure.

As discussed above, the Town is working to start addressing a number of long-neglected infrastructure needs. First, there is \$50,000 split evenly between water and sewer allocated for preliminary engineering work and other grant application costs to start addressing system needs. As discussed above, the goal is to supplement potentially available debt service capacity with grant funds. Second, per the Town’s water system asset management/capital improvement plan,¹¹ \$25,000 is included for distribution valve replacements and general system improvements. Third, there is \$25,000 to continue to replace old water meters with radio meters.

Sewer: Perhaps the most discussed line-item in the Water & Sewer Fund, there is \$1,000,000 budgeted to pay for Anson County to treat our wastewater in FY 2016-17; this allocation amounts for a 2.5% increase from the FY 2015-16 budgeted amount. This amount represents 77.3% of the entire sewer budget. Hopefully, the unusually high amount of rainfall in FY 2015-16 will not continue into FY 2016-17. Also and as mentioned above, there is \$50,000 split evenly between water and sewer allocated for preliminary engineering work and other grant application costs to start addressing system needs. While there are many system needs, addressing sewer overflow issues is likely a top priority. The Town has received numerous notice of violations for sewer overflows in certain areas. Another notable expenditure is \$5,000 to contract for a herbicide application for sewer lines to prevent root intrusion. Other municipalities who have used the same or similar methodology report very good results. Staff will try it on a small number of lines and, if it performance satisfactorily, look into increasing its application in the future.

Water & Sewer Fund: Recommendation

While working toward long-term economic sustainability strategies like a business/industrial park, the Town is prioritizing projects and plans to aggressively pursue grants to combine with potential debt service capacity in order to start replacing long-neglected system assets. In FY 2015-16, the Town selected LKC Engineering to assist in

¹¹ The Town had LKC Engineering commission a Water System Asset Management/Capital Improvement Plan that was completed in May 2014.

prioritizing projects and grant applications. The Town is currently working with LKC on preliminary engineering reports necessary for certain grant application.

Recommendation: Budgeted expenditures exceed revenues by \$188,896 not accounting for depreciation costs. During budget workshops, the Council indicated a concern about the affordability of current rates, especially for lower-income customers. As a result, this budget proposal uses \$188,896 in reserve funds to close this budget deficit.

TOWN OF WADESBORO
 BUDGET ORDINANCE
 FISCAL YEAR 2016-2017

BE IT ORDAINED by the Council of the Town of Wadesboro, North Carolina, that:

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the City Government and its activities for the fiscal year beginning July 1, 2016 and ending June 30, 2017 in accordance with the Chart of Accounts established by the Town:

Administration	\$742,310
Incentive Grants	\$0
Police	\$ 2,068,418
Fire	\$1,616,620
Garage	\$92,933
Street	\$421,943
Powell Bill	\$175,000
Sanitation	\$531,518
Park	\$27,591
Contingency	<u>\$75,000</u>
Total	\$5,751,333

Section 2. It is estimated that the following revenues will be available in the General Fund for the fiscal year 2016 – 2017.

Ad Valorem Taxes	\$1,770,000
Contribution from Other Funds	\$0
Other Revenue	<u>\$3,981,333</u>
Total	\$5,751,333

Section 3. The following amounts are hereby appropriated in the Enterprise Fund for the operation of the water and sewer utilities for Fiscal Year 2016 – 2017.

Water	\$1,419,930
Incentive Grants	\$0
Sewer	\$1,293,966
Contingency	<u>\$60,000</u>
Total	\$2,773,896

Section 4. It is established the following monies will be available in the Water & Sewer Enterprise Fund for the Fiscal Year 2016 – 2017.

Water	\$1,110,000
Sewer	\$1,390,000
Other	<u>\$273,896</u>
Total	\$2,773,896

Section 5

- (a.) There is hereby levied a tax at the rate of 55.6 cents per one hundred dollars valuation of property effective July 1, 2016.
- (b.) The Town of Wadesboro water rate structure for FY 2016 - 2017 will remain unchanged from FY 2015-2016.
- (c.) The Town of Wadesboro sewer rate structure for FY 2016 - 2017 will remain unchanged from FY 2015-2016.
- (d.) Several fees related to the attached sheet for taps fees, deposits & reconnections, & miscellaneous fees will change according to the attached schedule effective July 1, 2016.
- (e.) The Town of Wadesboro water rate structure will be adjusted to match any increase in Anson County's municipal water rate charges for Fiscal Year 2016-2017.
- (f.) The Town of Wadesboro sewer rate structure will be adjusted to match any increase in Anson County's sewage treatment charges for Fiscal Year 2016-2017.
- (g.) The Town of Wadesboro monthly garbage rate for FY 2016-17 will remain unchanged from FY 2015-16 with the exception of the Town charging \$31.50 for optional non-residential accounts effective July 1, 2016.
- (h.) There is hereby levied a tax at the rate of 9.6 cents per one hundred dollars valuation in the Wadesboro Fire District outside of the Town of Wadesboro contingent on Anson County Commissioner approval effective July 1, 2016. If the Anson County Commissioners do not approve a rate of 9.6 cents, then the rate will be 7.6 cents per one hundred dollars valuation in the Wadesboro Fire District outside of the Town of Wadesboro effective July 1, 2016.

Section 6. The Budget Officer is hereby authorized to transfer appropriations within a fund as contained under the following conditions:

- (a.) He may transfer amounts between objects of expenditures within a department without limitations and without a report being required.
- (b.) He may transfer amounts between departments and make expenditures or transfers from the contingency fund with an official report on such transfer at the next regular meeting of the Council.

Section 7. Copies of this budget ordinance shall be furnished to the Finance Officer and the Budget Officer to be kept on file by them for their discretion in the disbursement of funds.

A motion was made by, seconded by that the above ordinance be approved.

The vote was as follows:

For:

Against:

Passed.

This 7th day of June, 2016.

MAYOR

ATTEST:

TOWN CLERK

(Seal)

INSIDE WATER RATES

2016-2017

RESIDENTIAL AND COMMERCIAL WATER RATES FOR CUSTOMERS RESIDING INSIDE THE MUNICIPAL LIMITS:

	<u>2015-16</u>	<u>2016-17</u>
2,000 GALLONS AND UNDER	\$ 17.00	\$ 17.00
THENCE BY TABLE @ RATE OF \$5.78 PER 1,000 GALLONS, UNTIL 10,000 GALLONS COST	\$ 57.80	\$ 57.80
THENCE BY TABLE @ RATE OF \$5.78 PER 1,000 GALLONS, UNTIL 90,000 GALLONS COST	\$ 520.20	\$ 520.20
THENCE BY TABLE @ RATE OF \$5.78 PER 1,000 GALLONS, UNTIL 900,000 GALLONS COST	\$ 5,202.00	\$ 5,202.00
ALL ADDITIONAL WATER AT INDUSTRIAL RATE @ \$3.70 PER 1,000 GALLONS	3.75/1000 GAL	3.75/1000 GAL

OUTSIDE WATER RATES

2015-16

	<u>2015-16</u>	<u>2016-17</u>
2,000 GALLONS AND UNDER	\$ 23.05	\$ 23.05
THENCE BY TABLE @ RATE OF \$7.25 PER 1,000 GALLONS, UNTIL 10,000 GALLONS COST	\$ 72.50	\$ 72.50
THENCE BY TABLE @ RATE OF \$7.25 PER 1,000 GALLONS, UNTIL 50,000 COST	\$ 362.50	\$ 362.50
ALL ADDITIONAL WATER AT INDUSTRIAL RATE OF \$3.81 PER 1,000 GALLONS	3.81/1000 GAL	3.81/1000 GAL

**SEWER RATES
 2016-2017**

MONTHLY CUSTOMER CHARGE	<u>CURRENT</u> 12.41 SAME MIN
VOLUME CHARGE - \$6.00 PER 1,000 GALLONS - OVER MINIMUM	<u>CURRENT</u> 6.00 / 1000

MINIMUM CHARGE BASED ON METER SIZE

<u>METER SIZE</u>	<u>GALLONS</u>	<u>INSIDE</u>	<u>W / \$12.41</u>	<u>GALLONS</u>	<u>OUTSIDE</u>	<u>W / \$12.41</u>
		<u>CURRENT</u>			<u>CURRENT</u>	
3/4"	3,000	\$18.00	= \$30.41	4,000	\$24.00	= \$36.41
1"	6,000	\$36.00	= \$48.41	8,000	\$48.00	= \$60.41
1 1/2"	30,000	\$180.00	= \$192.41	40,000	\$240.00	= \$252.41
2"	60,000	\$360.00	= \$372.41	95,000	\$570.00	= \$582.41

	<u>GALLONS</u>	<u>CURRENT</u>	<u>W / \$12.41</u>
HOUSING AUTHORITY AND 3"	209,000	\$1,254.00	= \$1,266.41
WADE MANUFACTURING	4,800,000	\$28,800.00	= \$28,812.41

6.00 / 1000 AFTER 3,000 GALLON MINIMUM

WATER AND SEWER DEPARTMENTS
TAP FEES, DEPOSITS AND RECONNECTS

WATER TAPS

	<u>INSIDE CITY LIMITS</u>		<u>INSIDE CITY LIMITS</u>		<u>OUTSIDE CITY LIMITS</u>		<u>OUTSIDE CITY LIMITS</u>	
<u>SIZE</u>	<u>CURRENT</u>		<u>PROPOSED</u>		<u>CURRENT</u>		<u>PROPOSED</u>	
3/4"	\$	950.00	\$	950.00	\$	1,000.00	\$	1,000.00
1"	\$	1,000.00	\$	1,000.00	\$	1,100.00	\$	1,100.00
1 1/2"		\$850.00 + cost		\$850.00 + cost		\$950.00 + cost		\$950.00 + cost
Over 2"		By Contract Only + \$2,500 Service Charge		By Contract Only + \$2,500.00 Service Charge		By Contract Only + \$2,500 Service Charge		By Contract Only + \$2,500.00 Service Charge

SEWER TAPS

	<u>INSIDE CITY LIMITS</u>		<u>INSIDE CITY LIMITS</u>		<u>OUTSIDE CITY LIMITS</u>		<u>OUTSIDE CITY LIMITS</u>	
<u>SIZE</u>	<u>CURRENT</u>		<u>PROPOSED</u>		<u>CURRENT</u>		<u>PROPOSED</u>	
4"		\$900.00 + cost of materials		\$900.00 + cost of materials		\$950.00 + cost of materials		\$950.00 + cost of materials
6"		\$1,100.00 + cost of materials		\$1,100.00 + cost of materials		\$1,150.00 + cost of materials		\$1,150.00 + cost of materials
Over 6"		By Contract Only + \$2,500 Service Charge		By Contract Only + \$2,500.00 Service Charge		By Contract Only + \$2,500 Service Charge		By Contract Only + \$2,500.00 Service Charge

Lots from Days Inn to McLaurin Street \$1,500.00

REZONING REQUEST

ZONING PERMITS

RETURNED CHECKS

<u>CURRENT</u>	<u>PROPOSED</u>	<u>CURRENT</u>	<u>PROPOSED</u>	
\$175.00	\$ 250.00	\$ 50.00	\$ 50.00	\$25.00
<u>DEPOSIT FEES</u>	<u>RECONNECT FEES</u>		<u>CREDIT CARD FEE</u>	<u>LATE FEE</u>
\$100.00	\$ 50.00		\$2.00	
\$50.00 - trash only			\$ 10.00	\$ 10.00

\$200.00 - cutoff 2 or more times in previous 2 years OR previous outstanding balance more than 45 days old from final account closeout

Can only accept charge cards, money orders or checks for deposits

Miscellaneous Fees

Golf Cart Permit - \$20

Park Shelter Rental Fee

- Resident - \$25 rental fee plus \$25 deposit
- Non-Resident - \$50 rental fee plus \$50 deposit.

Dump Trailer Fee - \$25 per load plus anything above \$25 charged by landfill.

Trash Fee

- \$15.75/month
- \$31.50/month – optional non-residential fee
- \$2,296.82/month – Housing Authority
- \$110.25 – Al. Lyon GA 7 HOUSES

Peddlers Fee - \$10 per day

Itinerant Merchant - \$100 per year

Notable/Capital Expenditures Summary

General Fund					
Red text = item unfunded Black text = item funded Purple text – funding added per Council direction					
Department	Item	Expense	FY 15-16: Net Expense	Reoccurring Annually?	Comments
Overall	Market-based Employee Increases	\$48,681	\$48,681	Yes	
Overall	Employee Health Insurance Increases	\$29,469	\$23,782	Yes	7.5% increase totaling \$29,469. \$5,687 W/S.
Overall	Retiree Health Insurance Increase	\$20,103	\$20,103	Yes	Total retiree budgeted cost \$140,688.
Overall	Employee Vision Insurance	\$684	\$552	Yes	\$1 per month per employee. \$132 out of Water & Sewer Fund
Administration	Personnel Evaluation System	\$16,000	\$11,000	No	\$16,000 total; \$11,000 General Fund, \$4,000 Water, \$1,000 Sewer
Administration	Secure Front Desk Area	\$9,000	\$3,000	No	\$9,000 total; \$3,000 Admin, \$6,000 split between Water & Sewer
Administration	TDA Wayfinding Plan	\$8,400	\$0	Yes/No	Applied for grant. Total cost of Phase I is \$24,600.
Administration	Animal Shelter Donation	\$5,624	\$5,624	Yes	Est. \$5,624 based on State pop. est.
Administration	FLSA Overtime Changes - Salary Increase	\$3,584	(\$10,755)	Yes	With upcoming FLSA law changes, net savings by increasing salary vs. paying overtime.
Administration	Chamber Christmas Parade Donation	\$2,500	\$2,500	Yes	
Administration	Paperless Agenda Software Capabilities	\$3,600	\$3,600	Yes	
Administration	Pull-down Screen & projector - Council Room	\$2,000	\$2,000	No	
Police	Department Renovations	\$111,000	\$111,000	No	Renovation est. between \$100,000 - \$125,000.
Police	In-Car Reports: Computers & Ongoing Data	\$9,400	\$5,650	Yes/No	Computers are \$7,500 before 50% grant. \$1,900 annual reoccurring software charges .
Police	6 Tasers	\$7,050	\$7,050	No	
Police	Detective Interview Equipment	\$10,000	\$0	No	100% grant. Will only spend if awarded.
Police	4 bullet-proof vests	\$2,800	\$1,400	No	50% grant. Est. 4 vests.
Police	Police Car	\$31,000	\$31,000	No	Put toward building renovations.
Police	Two-way Radios	\$15,425	\$15,425	No	Try to purchase limited number each year out of operating budget.
Police	Handguns	\$4,499	\$4,499	No	Try to purchase limited number each year out of operating budget.
Fire	New Fire Station	\$1,140,000	\$1,140,000	Yes/No	Reoccurring debt service \$1.1M, \$40,000 out of reserves.
Fire	Various Equipment (95% FEMA Grant)	\$23,000	\$1,150	No	FEMA Grant, 5% local commitment.
Fire	Turn-out Gear	\$15,000	\$15,000	No	Turnout gear for firefighters.
Fire	Future Community Grant (100% grant)	\$10,000	\$0	No	Only if awarded.
Fire	New Ladder Truck	\$700,000	\$51,000	No	Use contingency/reserves if awarded FEMA grant.
Street	Pickup	\$26,500	\$26,500	No	Use fund balance reserves.
Street	Convert Street Sweeper to Dump Truck	\$25,000	\$25,000	No	Use fund balance reserves.
Street	23 Street Lights - HWY 74 E	\$6,400	\$6,400	Yes	Assess financial feasibility in January 2017.

Community Profile

Brief Historic Overview¹²

The Town of Wadesboro currently serves as the county seat of Anson County, North Carolina. Wadesboro was founded in 1783 by two well-known American Revolutionary War veterans: Capt. Patrick Boggan and Col. Thomas Wade. While a settlement had grown along the banks of the Pee Dee River, a more centralized location was needed for a county seat. The new site was identified and Capt. Boggan purchased seventy acres of land. The town was first called New Town, later changed to Wadesborough and then Wadesboro. The land on which New Town was established comprises the main business section (“Uptown”) today.

Through the mid 1900’s, Wadesboro was a hub for county citizens and was a bustling town with crowds of people walking the downtown streets. Traveling into town from the surrounding countryside, Ansonians would take in a double feature at the Ansonia Theatre, get a haircut, have lunch at the tea room, have a milkshake at the Parson’s Drug soda fountain, and patronize the dry goods and hardware stores of local merchants. Visitors today can still see echoes of Wadesboro’s past in the buildings and architecture of the Uptown business district and surrounding residential streets.

Wadesboro was a thriving textile town until about the early 1990’s when it felt the effects of the decline in the US textile industry as did other textile towns in North Carolina. The textile mills remaining today in Wadesboro and Anson County have found unique and innovative ways to remain viable in the fiber and textile industry.¹³

Readers can discover more about the history of Wadesboro through:

Anson County Historical Society
206 East Wade St.
Wadesboro, NC 28170
Hours: Tuesday – Friday, 9:00 a.m. - 1 p.m.
Phone: 704-694-6694
Fax: 704-694-3763
Email: ansonhistorical@windstream.net

Land Use

According to the U.S. Census Bureau¹⁴, the Town has a total area of 6.1 square miles and 921.4 persons per square mile. The Town’s Zoning Ordinances provide various rules regarding land use with zoning classifications ranging from residential uses to heavy industrial uses. The Town also has zoning authority within its extraterritorial jurisdiction (ETJ).

Population

The Town of Wadesboro’s estimated 2014 population was 5,624 per the North Carolina Office of State Budget & Management (OSBM).¹⁵ This is a -3.25% drop from OSBM’s April 2010 estimate. In comparison, Anson County saw a similar population decline as shown below:

¹² <http://www.townofwadesboro.org/history-of-wadesboro.html>

¹³ Source: Anson County Historical Society

¹⁴ 2010 United States Census.

¹⁵ <http://www.osbm.nc.gov/demog/municipal-estimates>

	Apr-10	Jul-14	Growth	Growth %
Wadesboro	5,813	5,624	-189	-3.25%
Anson County	26,948	26,468	-480	-2.77%

In comparison to OBSM’s estimate, the U.S. Census Bureau’s 2014 population estimate for Wadesboro was 5,620 (just 4 less than OBSM’s 2014 estimate). The 2000 U.S. Census lists Wadesboro’s total population as 3,552. Notably, this 2,068 increase from 2000 to 2010 is likely due to a large annexation in the 2000s rather than an increased population density. This assumption is evidenced by the 1990 U.S. Census which lists Wadesboro’s population at 3,645, meaning there was a population decline from 1990 to 2000.

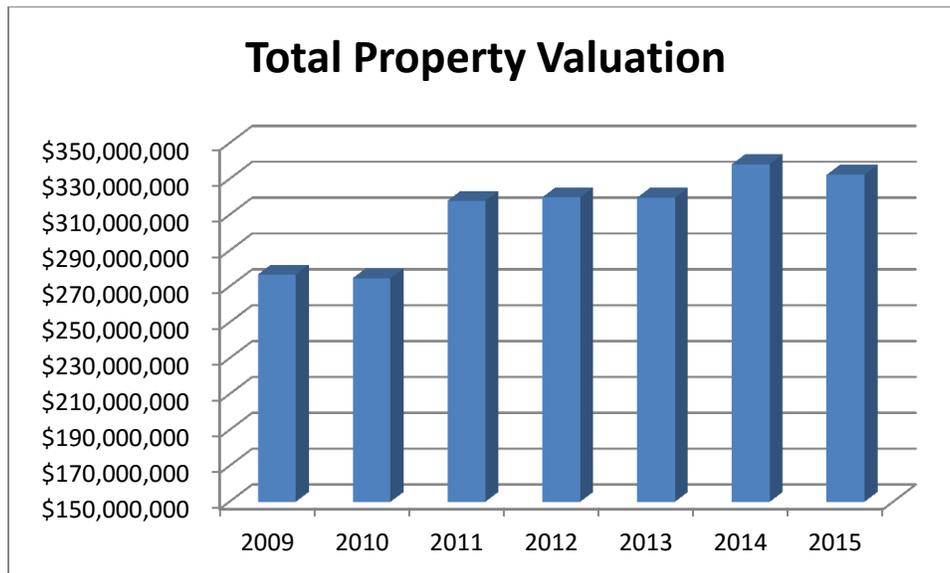
Demographics

According to the U.S. Census Bureau, the 2014 estimated median age in Wadesboro was 38.7 years old. The Town’s population is predominantly either African-American (60.7%) or White (35.6%).

Housing

According to the U.S. Census Bureau, the 2014 estimated occupancy rate of Wadesboro’s housing units was 85.0% compared to the national rate of 87.5%.

Total property values in Wadesboro have increased approximately 20% from FYE 2009 to 2015 including the 2011 reappraisal. This equates to an additional \$55.6 million in approximate value. However, this rise in value from FYE 2010 to FYE 2011 is largely due to a property reevaluation. The chart below shows the changes from FYE 2009 to 2015.



Economy & Education

The U.S. Census Bureau estimates that, in 2014, the highest number of Wadesboro workers were employed in the educational, healthcare, and social assistance industries (27.4%), manufacturing (18.7%), and retail trade (18.4%).

According to the Anson County Chamber of Commerce,¹⁶ the largest employers in Anson County are Anson County Schools, Hornwood, Inc., Anson County Government, Wal-Mart, J.J. Haines Flooring, Columbus McKinnon, South Piedmont Community College, Carolina By-Products, Wade Manufacturing, Medical Specialties, Triangle Brick, Bonsal American, & Ambassador Health & Rehab of Wadesboro, LLC.

According to the U.S. Census Bureau, the 2014 estimated median household income in Wadesboro is \$29,316.¹⁷ In comparison, the State median household income of \$46,693 and the national median household income is \$53,482. 33.8% of Wadesboro residents live in poverty, compared to a state poverty level of 17.6% and a national poverty level of 15.6%.

For residents 25 years of age or older, 36.3% have a high school degree or equivalent, 9.7% have a bachelor's degree, and 6.2% have a graduate or professional degree.

Town Government

The Town of Wadesboro operates under the Council-Manager form of government. All six members of the Town Council including the Mayor are popularly elected to serve four-year terms. Terms of office are staggered so an election for at least a portion of the Council is held every two years.

The Mayor is elected directly by the voters to serve a four-year term and serves as the ceremonial head of the Town at official functions. The Mayor presides at all meetings of the Town Council but does not vote unless there is a tie. The Town Council chooses amongst themselves a member to serve as Mayor Pro Tempore, who serves as the Mayor in the actual Mayor's absence or disability.

The Council appoints a Town Manager to handle the administrative affairs of the Town. The Manager supervises personnel, serves as Finance Officer, and, by law, is the Town's Budget Officer. The Manager provides the Council with regular reports regarding the operational and financial condition of the Town and works with the Council to establish and implement long-range plans.

The Council appoints four boards to serve in varied capacities including advisory, planning, quasi-judicial, and final decision-making.

ABC Board

This Board has the authority and duty to run the local ABC store and operates as a local independent political subdivision of the State. The Board retains the authority to set policy and adopt rules in conformity with ABC Laws and State ABC Commission Rules. There are three Board members including a Chairman. The Town Council appoints two members and the Anson County Commissioners appoint one. The Town and Anson County receives a portion of sale proceeds.

Wadesboro Housing Authority Board

This Board exists to oversee and run local housing authority in conformance with applicable laws. The Town Council appoints all 5 members.

Board of Planning and Adjustment

This Board exists to carry out the powers and duties of the Planning Agency and Board of Adjustment as provided for in NCGS 160A-361, NCGS160A-388, and related Town ordinances and policies. This Board makes recommendations

¹⁶ <http://www.ansoncounty.org/majoremployers.html>

¹⁷ <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

to the Town Council and/or final decisions on various issues such as appeals on administrative reviews, variances, conditional use permits, and generally studies and advises the Town Council on various planning and zoning issues. Five Wadesboro residents are appointed by the Town Council and Five residents of the Wadesboro extraterritorial jurisdiction (ETJ) are appointed by the Anson County Board of Commissioners on recommendation by the Town Council.

Wadesboro Park Planning Committee

This Board was established to advise the Town Council & Town Manager on the development of the City Park on Gatewood Street. This Board has been largely inactive recently although several members have recently helped with the development of a Veterans Memorial at the City Park.

Introduction to the Budget

Basis of Accounting

This budget is prepared using the modified accrual method of accounting for all funds (with limited exceptions including using the accrual method for trash and utility fees), the same method used for our accounting practices. This approach to accounting recognizes revenues when they become measureable and expenditures at the time the liability is incurred. All revenues and expenditures must be included in the annual budget ordinance, or the appropriate capital and/or grant project ordinances. Any operational appropriations not expended or encumbered at the end of the fiscal year shall lapse.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The Town of Wadesboro maintains two annual funds: the General Fund and the Water & Sewer Fund. Capital expenditures are accounted for in the respective relevant fund.

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund is established at the inception of a government and exists throughout the government's life.

The Water & Sewer Enterprise Fund is meant to be financed and operated in manner similar to private businesses where the intent of the governing body is that costs (including depreciation) of providing goods and services to the general public are recovered primarily through user charges.

North Carolina Local Government Budget and Fiscal Control Act

North Carolina General Statute 159-7(c) states, "[I]t is the intent of the General Assembly...to prescribe for local governments and authorities a uniform system of budget adoption and administration and fiscal control." This Act mandates many of the actions the Town takes to prepare, adopt, and administer the annual budget.

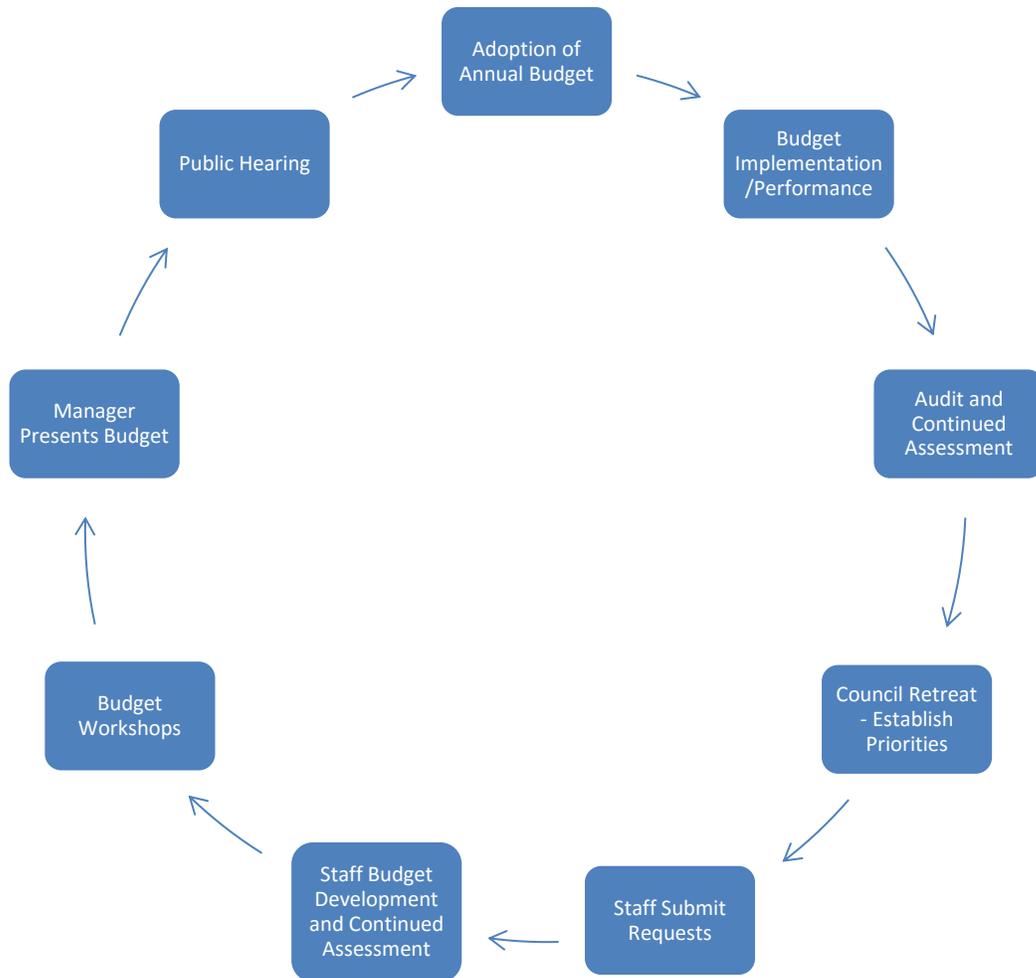
Section 159-8 of the Act requires that the Town adopt an ordinance containing a balanced budget for each of the funds managed by the Town and sets the fiscal year as beginning July 1 and ending June 30. According to the Act, a budget is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. The budgets for each of our funds, the General Fund, the Water Fund, and the Sewer Fund are balanced in accordance with this law. The budget ordinance also includes, as required by the Act, the property and levy and rate.

Section 159-9 of the Act dictates that, in towns operating under a Council-Manager form of government, like Wadesboro, the Manager is to be the Budget Officer. The Budget Officer is mandated to receive budget expense and revenue requests from the Town departments by April 30, and to recommend an annual budget to the governing body no later than June 1. The governing body then must adopt the annual budget by June 30.

Once the recommended budget is presented to the Council, several legal provisions apply to Council review and adoption of the budget. These include the timing of public hearings, a requirement to make the budget available to the public and press, and the requirement for a hearing at which any person may comment upon the budget. Notably, our budget process exceeds the requirement of the Act and gives our residents more opportunities for input.

Our Budget Process

While it may seem that the budget process would end with adoption, the budget process is, in fact, a cycle of events with no defined end. The graphic below illustrates the cyclical nature of our budget process, one marked by continued assessment and commitment to fiscal responsibility. The budget process used in Wadesboro continues to evolve as we strive to make the budget process more transparent by allowing for significant participation from elected officials, staff, and the public.



Despite the cyclical nature of the budget process, perhaps the most formal beginning point for budget development is the Town Council Annual Retreat which is typically held in January.¹⁸ The retreat’s ultimate goal is for the Council to establish priorities. An outside facilitator is brought in to help facilitate discussion and consensus. The Town Manager makes a presentation highlighting key trends and other relevant information.

From the time period between the annual retreat and budget adoption, Town staff are constantly working behind the scenes to develop a recommended budget that ultimately is presented to the Town Council by the Town Manager.

After this 2016 annual retreat, the Town Council, for the first time, scheduled a series of budget workshops on various topics listed below:

¹⁸ The 2016 Annual Retreat was pushed back to March due to inclement weather and scheduling conflicts.

- ❖ April 5, 2016 – Administration, Streets, Sanitation, & Parks
- ❖ April 12, 2016 – Water & Sewer
- ❖ April 19, 2016 – Police & Fire
- ❖ April 26, 2016 – Overall/Big Picture

At these workshops, Town staff provided various details of each topic and recommended items for discussion. These workshops allowed for staff to get consensus of the elected body on details contained in the budget. Further, it allows the Council to be able to hear from residents who attend these sessions in a naturally more informal setting than a regular meeting. Unfortunately, no residents came to discuss concerns. The Town will strive to further engage members of the public and hope the public will attend future budget workshops.

Following the last of these budget workshops, the Town Manager and staff prepare the recommended Budget and Budget Message as a way to provide detailed information to all interested citizens. Subsequently, the Town Manager presents the recommended budget to the Town Council by June 1st.

The next step in our process is to advertise and conduct a public hearing to receive comments from interested parties relative to the budget under consideration. The Council may desire to schedule additional meetings to discuss the recommended budget and, if Council so desires, to make changes in the recommended budget. The final step is for the Council to adopt the budget prior to July 1st.

As discussed above, the budget process does not end with adoption. Each month following adoption of the budget, the Mayor and Council review expenses and revenue relative to the budget as adopted. The Manager provides analysis and addresses any concerns. The financial performance of each of the two annual funds is analyzed in order to ensure the programs and projects funded are being carried out in a manner consistent with the intent of the elected body.

Occasionally, we find that estimates for the costs of certain goods and services increased from the time the budget was prepared to the time they are procured. When a major difference occurs, the professional staff typically informs the Council of the difference and the Council makes the decision whether to amend the budget ordinance or forego a certain project. Also, the Budget Officer (i.e. Town Manager) may transfer amounts between objects within a department. The Budget Officer may also transfer amounts between departments and make expenditures or transfers from the contingency fund with an official report on such transfer at the next regular Council meeting.

During the fall, the Town has an audit conducted for the previous fiscal year ending June 30th. These results are presented to the Council typically around December/January. Shortly thereafter, the Council has its Annual Planning Retreat and the budget process starts over again.

The Town is constantly striving to improve its budget process and welcomes any feedback.

Town of Wadesboro Budget Calendar & Roadmap – 2016-17

January 15th – Department Requested Budget Worksheets Distributed (Cindi, Dept. Heads)

- Town Clerk will distribute budget worksheets to Dept. Heads.

January 23rd – Town Council Retreat (Council, Alex, Dept. Heads)

- Town Council establishes “big-picture” strategic priorities.

January 27th – CIP Requests Due Electronically (Dept. Heads, Alex)

- Dept. Heads submit to Town Manager CIP Forms & sign-up for CIP conferences timeslots from Feb 1st – 5th.

February 1st – Pre-Budget Public Hearing (Council, Public)

- Opportunity for public to provide input on upcoming FY 2016-17 Budget.

February 1st – 5th – CIP Dept. Conferences (Alex, Dept. Heads)

- Dept. Heads educate Town Manager on CIP requests.

March 9th - Requested Budget Worksheets Due (Dept. Heads, Alex)

- Dept. Heads submit completed requested budget worksheets to Town Manager.

March 11th – 17th – Department Budget Conference (Alex, Dept. Heads)

- Dept. Heads will secure meeting date with Town Manager to discuss requested budget.

March 28th – 31st – Preliminary Revenue Projections (Alex, Dept. Heads)

- Town Manager will establish revenue projections with assistance of colleagues.

April 5th, 12th, 19th, 26th – Town Council Budget Workshops (Council, Alex, Dept. Heads)

- Town Council will provide input on Budget issues.

May 3rd – 9th – Final Dept. Budget Conference (Alex, Dept. Heads)

- Dept. Heads will secure meeting date with Town Manager to finalize department budgets.

May 24th – Budget & CIP Presented to Town Council (Council, Alex)

- Town Manager presents recommended budget to Town Council.

June 6th – Public Hearing on Proposed Budget & CIP (Council, Alex)

- Public Hearing & Council can discuss recommended budget.

June 14th, 21st, & 28th – Budget Discussion, Changes & Ultimate Approval (Council, Alex)

General Fund

General Fund: Revenues: Introduction

The Town receives revenue from a variety of different sources including local revenues, grants, and State-shared revenues. In predicting revenues for the upcoming fiscal year, the Town uses a variety of formulas, information sources, and tools. For example, the North Carolina League of Municipalities (NCLM) produces a well-researched report to provide municipalities guidance in making budget predictions regarding State revenue.¹⁹ This report is commonly relied on by North Carolina municipalities.

Because local government revenues are largely tied to local and state economies, making future revenue predictions is a bit like making future predictions on the economy. Because it is impossible to predict what the economy will do, it is important to note that revenue predictions are an inexact science. Because of this reality, this budget proposal takes a conservative approach to revenue projections.

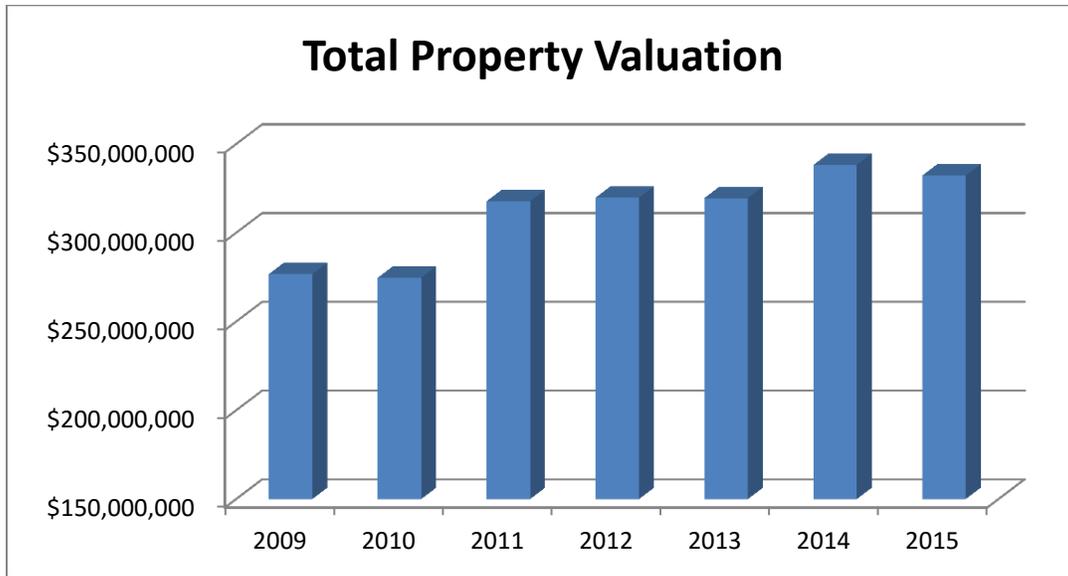
This section outlines the basis for the budget numbers used in the General Fund Revenue budget. Each major revenue source is explained below to give some background on the revenue source, and to give the reader an indication of the stability of the sources. Staff then propose an estimate of the growth or reduction for each of the revenues based upon the NCLM report and/or our history with a given revenue (among other factors). These estimates are then reflected on the Revenue budget worksheet.

General Fund: Revenue Sources

Property Tax

Amongst the Town's revenue sources, the largest is Ad Valorem property taxes. Ad Valorem, from the Latin phrase meaning "according to value," is levied upon the property, and measured by the value of the property, not the owner's ability to pay. This tax is levied against real and personal property and motor vehicle tax bases. The tax base consists of real property (land, buildings, and other improvements to land); personal property (boats, business equipment, etc.); property of public service companies (electric, telephone, railroads, etc.); and motor vehicles. State law requires that the tax rate be uniform unless the legislature grants the locality permission to establish a special service district.

State law mandates that property values be reevaluated at least every eight years. The next reevaluation is scheduled for 2018. The Town's tax base value is determined by assessments performed by the Anson County Tax Assessor's office. Given Anson County's declining population and economic struggles, it is certainly within the realm of possibility that this upcoming reevaluation could cause overall values to remain the same or even decrease. This below chart shows the Town's property valuations with the growth from FYE 2010 to FYE 2011 being largely attributed to the 2010 reevaluation:



State law limits the tax rate a locality may charge to \$1.50 per \$100 of valuation. For FY 2015-16, the Town tax rate is \$0.546. The Town’s tax rate history as compared to overall property valuation is shown below:

<i>Fiscal Year Ending</i>	2010	2011²⁰	2012	2013	2014	2015
Total Property Valuation	\$274,681,108	\$317,810,599	\$319,793,468	\$319,586,275	\$338,205,335	\$332,380,357
Tax Rate	\$0.580	\$0.496	\$0.496	\$0.496	\$0.546	\$0.546

The substantial growth shown in property valuation from FYE 2010 to FYE 2011 is mostly due to a higher property reevaluation that took effect FYE 2011. As shown in the graph below, the higher property values did not result in increased revenues because the Town lowered its tax rate from \$0.58 to \$0.496 intending the new rate to bring in the same amount of revenue (“revenue neutral”²¹).

	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11
Current Year Collected	\$1,723,507	\$1,555,455	\$1,459,885	\$1,454,216	\$1,465,761
Amount Per Penny of Rate	\$31,566	\$31,360	\$29,433	\$29,520	\$29,552

While this new \$0.496 tax rate was intended to be revenue-neutral for FY 2011-12, the FY 2011-12 Budget Message notes this new rate brought in less revenue than before the reevaluation. Therefore, property values increased but revenues were projected to decrease. As such, the recommended FY 2010-11 Budget Message proposed a 1 cent rate increase which was rejected. For FY 2014-15, the tax rate was increased 5 cents to \$0.546.

²⁰ This increase in property tax value is likely to be mostly due to the property reevaluation.

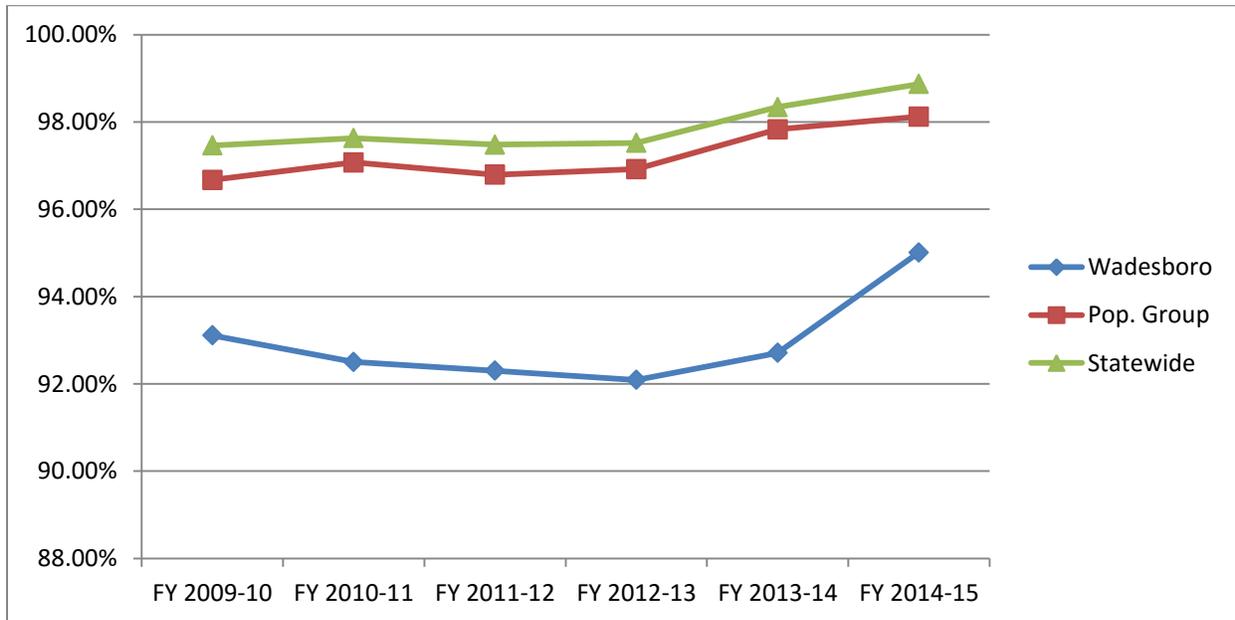
²¹ G.S. 159-11(e) defines the revenue-neutral rate as the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no revaluation had occurred.

Anson County currently collects Town property taxes on most real and personal property in exchange for a 4% fee. Previously, Anson County collected Town motor vehicle taxes. However, in September of 2013, motor vehicle tax collections transitioned to being collected by the State on behalf of counties and municipalities using the “Tag and Tax Together” program. This program requires taxpayers to pay their motor vehicle taxes at the same time they pay their vehicle registration fees. This new program significantly increases both collection percentage and revenues.

As shown in the below charts, the Town’s overall property collection rate is significantly below the rates of both the population and statewide groups.²² For FY 2014-15, the Town has the fourth lowest overall collection percentage in the State for any municipality with a population between 5,000 to 9,999 without an electrical system.²³

Total Property Tax Collection %

	Wadesboro	Pop. Group	Statewide
FY 2009-10	93.11%	96.67%	97.46%
FY 2010-11	92.50%	97.07%	97.63%
FY 2011-12	92.30%	96.79%	97.48%
FY 2012-13	92.09%	96.92%	97.52%
FY 2013-14	92.71%	97.83%	98.34%
FY 2014-15	95.01%	98.12%	98.87%



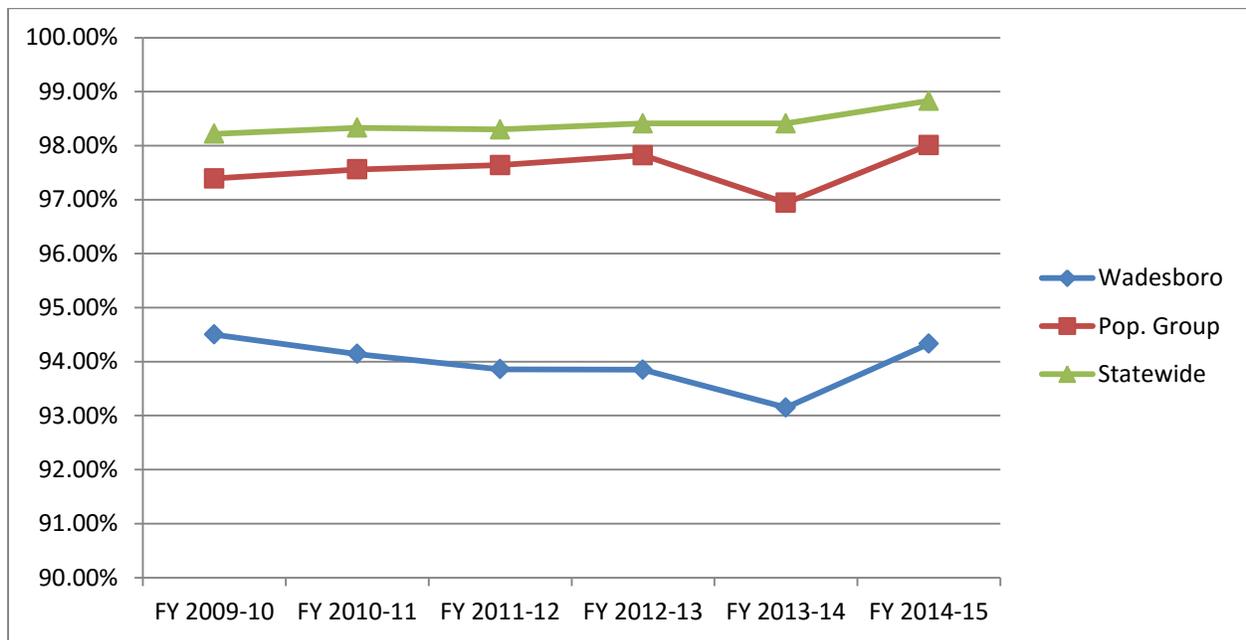
The following charts shown property tax collection percentage excluding motor vehicles:

²² Memorandum #2016-17: Management of Cash and Taxes and Fund Balance Available – Municipalities for Fiscal Year ended June 30, 2015; NC State and Local Government Finance Division and the Local Government Commission. Sharon Edmundson, Director, Fiscal Management Section (May 5, 2016) (compared to units without electrical systems that have populations 2,500 to 9,999).

²³ Memorandum #2016-17: Management of Cash and Taxes and Fund Balance Available – Municipalities for Fiscal Year ended June 30, 2015; NC State and Local Government Finance Division and the Local Government Commission. Sharon Edmundson, Director, Fiscal Management Section (May 5, 2016) (compared to units without electrical systems that have populations 5,000 to 9,999).

Property Tax Collection % Excluding Motor Vehicles

	Wadesboro	Pop. Group	Statewide
FY 2009-10	94.50%	97.39%	98.22%
FY 2010-11	94.14%	97.56%	98.33%
FY 2011-12	93.86%	97.64%	98.30%
FY 2012-13	93.85%	97.82%	98.41%
FY 2013-14	93.15%	96.94%	98.41%
FY 2014-15	94.33%	98.01%	98.83%



As mentioned above, the new “Tax and Tag Together” program has significantly increased motor vehicle tax collection percentage. This is shown in the chart below:

Motor Vehicle Tax Collection %

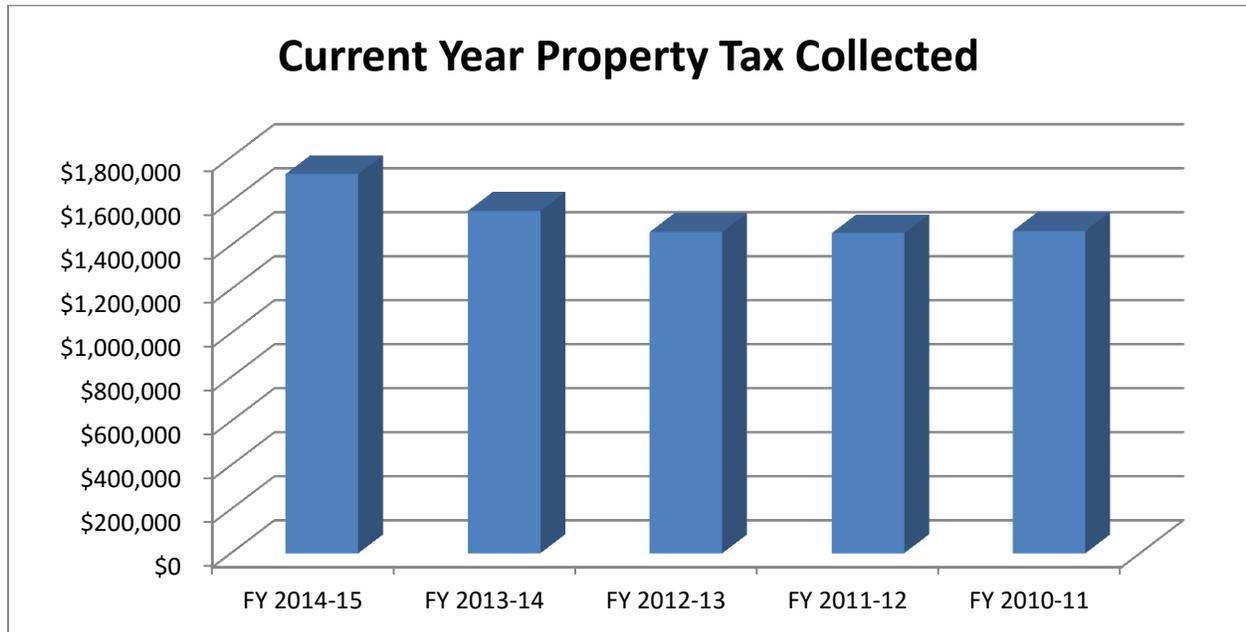
	Wadesboro	Pop. Group	Statewide
FY 2009-10	79.14%	85.43%	86.35%
FY 2010-11	74.07%	92.35%	87.77%
FY 2011-12	74.02%	83.92%	85.76%
FY 2012-13	72.60%	83.92%	85.49%
FY 2013-14	89.82%	83.92%	85.49%
FY 2014-15	99.99%	99.63%	99.52%

Property valuation, tax rate, and tax collection percentage all affect the amount of revenues the Town receives. The Town's recent property tax revenues are shown below:

Town Property Tax Revenues

	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11
Current Year Collected	\$1,723,507	\$1,555,455	\$1,459,885	\$1,454,216	\$1,465,761
Amount Per Penny of Rate	\$31,566	\$31,360	\$29,433	\$29,520	\$29,552
Cur. Yr. Uncollected @ 6/30	(\$90,484)	(\$122,259)	(\$125,930)	(\$122,075)	(\$118,777)
Previous Years Collected	\$81,937	\$97,084	\$102,241	\$125,424	\$96,128
Property Excl. Vehicle	\$1,504,884	\$1,359,283	\$1,364,789	\$1,371,990	\$1,370,260
Motor Vehicles	\$218,651	\$196,172	\$95,097	\$92,226	\$95,501

In 2014-15, tax revenues increased which is to be expected because of the 5 cent tax rate increase. However, the amount per penny actually collected. This increase can be largely attributed to the effectiveness of the motor vehicle "Tax and Tag" tax collection system discussed above. This graph shows only property tax revenues collected for the current fiscal year:



If the tax rate were to remain the same for FY 2016-17 at 54.6 cents, we would project \$1,680,000 in revenues which is a \$95,000 (6%) increase from the current FY 2015-16 Budget prediction. However, this \$1,680,000 is still a conservative estimate because FY 2014-15 revenues finished at \$1,723,507, and current FY 2016-17 revenues show approximately \$1,683,000 at 5/20/16 (which are actually ahead of FY 2014-15 revenues at the same time).

However, to help fund construction of a new fire station, the proposed tax rate in FY 2016-17 is increased 1 penny to \$0.556. One cent of the rate is projected to yield about \$30,000 and is budgeted to help fund the estimated debt service on a new fire station. As a result, current year tax revenue is projected at \$1,710,000 which represents a 7.9% increase in projected current fiscal year growth from initial FY 2015-16 projections. In comparison, this \$1,710,000 amounts represents a 1.7% increase in projected current fiscal year growth from actual FY 2015-16 revenues to date.²⁴ To maintain a conservative posture, the Town is not including remaining properties taxes that have not yet come in in FY 2015-16 in the budget estimate for FY 2016-17.²⁵

The statewide average for FY 2014-15 was \$0.446 compared to Wadesboro's current FY 2015-16 rate of \$0.546 from the same fiscal year.²⁶ However, this is not an "apples to apples" comparison because property values can differ greatly across the State. Notably, the Town is increasing the property tax rate to help fund a new fire station.

Fire District Tax

The Wadesboro Town Fire Department provides fire protection service to the Wadesboro Rural Fire District. This Rural Fire District extends beyond the Wadesboro Town limits and encompasses approximately 10,000 people. A fire district ad valorem tax of 7.6 cents per \$100 of valuation is assessed on property outside of the Wadesboro Town limits but inside the Rural Fire District. This property is assessed and collected in the same manner as other Ad Valorem taxes as described above. Notably, the Town has requested the Anson County Commissioners increase the property tax 2 cents to 9.6 cents to help fund a new fire station.

Loan Proceeds

The Town has the following amounts budgeted for loan proceeds.

- \$114,714 – In relation to automated trash pickup efforts, this is for the purchase of 2,496 trash cans as part of the Pee Dee Electric loan via the USDA REDLG Program. Cans will be delivered in 4 batches in July, August, September, and October with equal payments in each.
- \$1,100,000 – Loan proceeds toward the estimated cost of a fire station. Please note that the North Carolina Local Government Commission (LGC) must approve any financing. Also, please note that this cost is a preliminary estimate and it could go either down or up depending on a variety of factors.

Sales Tax

The next largest source of revenue comes from the sales tax we all pay. There are essentially two tax types, the sales tax on the retail sale or lease of tangible personal property and on rental of hotel and motel rooms,, and the Use Tax, an excise tax on the right to use or consume property in North Carolina or elsewhere.

All local sales taxes are pooled by the State and shared, in accordance with statutory formulas, by all 100 counties. Each county, in turn, shares their portion of the sales tax proceeds with the incorporated cities and towns in the county.

²⁴ May 18, 2016 at approximately \$1,682,000.

²⁵ As these revenue projections are conservative, this is less than actual predicted collections at FYE 2016.

²⁶ Memorandum #2016-17: Management of Cash and Taxes and Fund Balance Available – Municipalities for Fiscal Year ended June 30, 2015; NC State and Local Government Finance Division and the Local Government Commission. Sharon Edmundson, Director, Fiscal Management Section (May 5, 2016) (compared to units without electrical systems that have populations 2,500 to 9,999); Memorandum #2015-11: Management of Cash and Taxes and Fund Balance Available – Municipalities for Fiscal Year ended June 30, 2014; NC State and Local Government Finance Division and the Local Government Commission. Sharon Edmundson, Director, Fiscal Management Section (March 31, 2015) (compared to units without electrical systems that have populations between 2,500 to 9,999).

These two types of Sales Tax are currently collected in the form of four separate taxes referenced here by the enabling portion of the State Tax code:

Article 39: 1% tax – returned directly to the County in which the goods were delivered.

Article 40: 1/2% tax – placed in a statewide pool and allocated among the Counties on a per capita basis, this tax, effective in October of 2008, is now distributed on a point of delivery basis in a manner similar to Article 39.

Article 42: ½% tax – originally placed in a statewide pool and allocated among the counties on a per capita basis, this tax, effective in October of 2008, is now distributed on a point of delivery basis in a manner similar to Article 39.

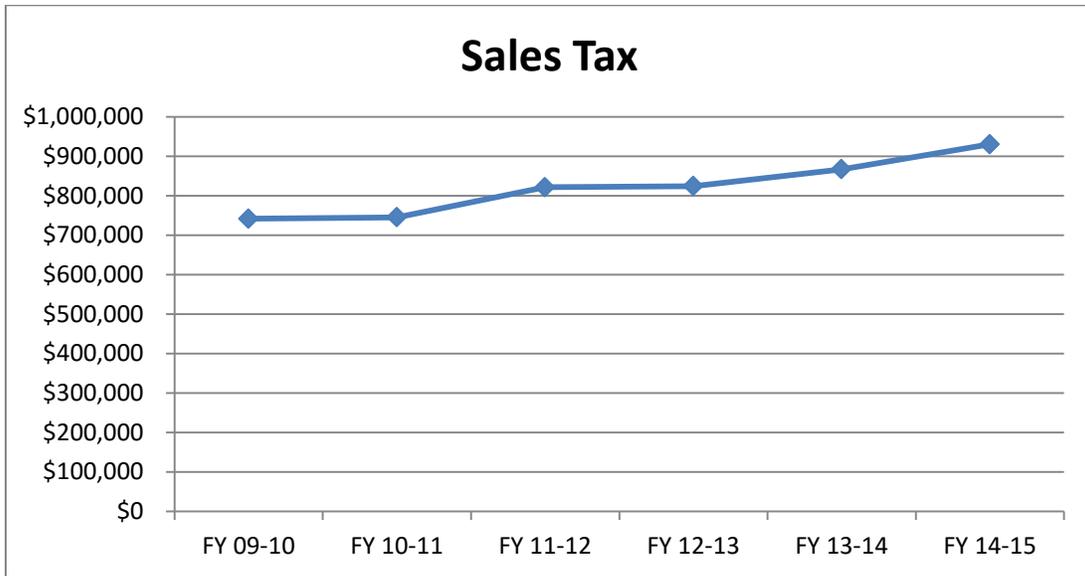
Article 44 – As of October 1, 2008, this was reduced to a ¼% tax with the proceeds all being returned to the County of origin. The Town no longer receives proceeds under this tax. However, the counties are required to hold cities harmless for these changes.

Session Law 2015-241 - The 2015 state budget, Session Law 2015-241, established a “distribution of additional sales tax revenue for economic development, public education, and community colleges” in Article 44 under G.S. 105-524. As of April 1, 2016, the distribution was scheduled to work as follows: Annually, a total of \$84.8 million would be deducted proportionally from sales tax revenues derived from Articles 39, 40, and 42, in 12 equal installments over the fiscal year. This \$84.8 million would be distributed to counties based on percentages specified in G.S. 105-524(c). An additional \$17.6 million of state funds would be added to local sales taxes annually. Each month, one-twelfth of that amount would be distributed to counties with 50 percent of the funds being distributed under Article 39, 25 percent under Article 40, and 25 percent under Article 42. G.S. 105-524(c) specifies that a “county must use the revenue it receives under this section for economic development, public education, and community college purposes,” although it does not specifically reference cities. The \$84.8 million reallocated under this article is scheduled to increase annually by the same amount as total local sales tax collections increased, beginning in July 1, 2017. Unless otherwise legislatively changed, the state’s \$17.6 million contribution remains constant.

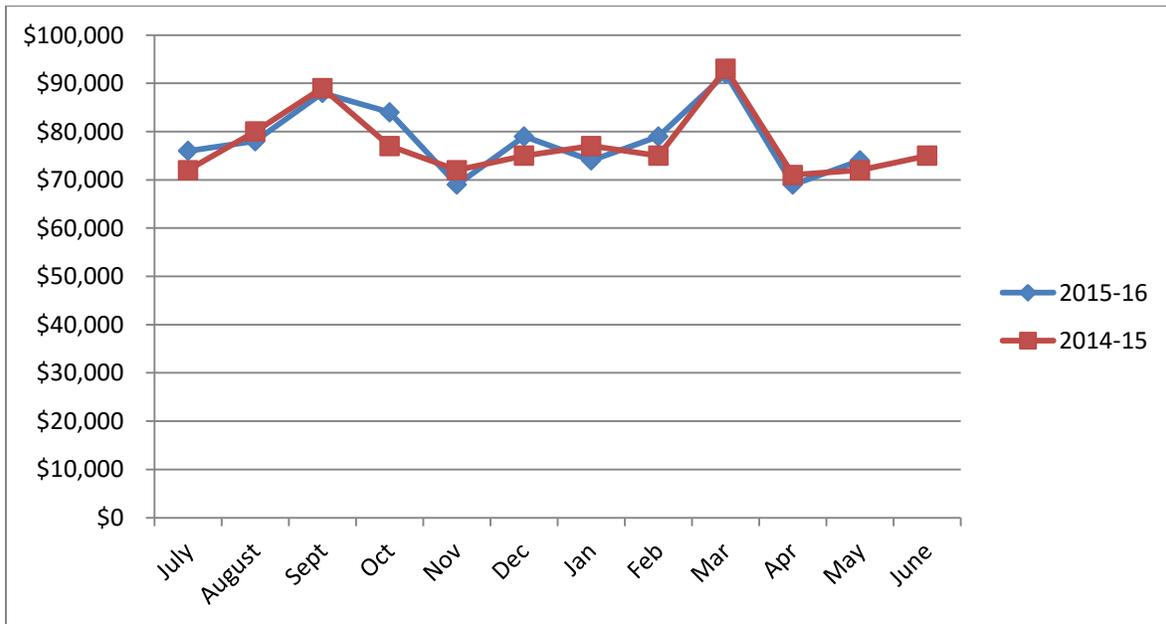
Once a local County receives these proceeds, it distributes them to the localities within that County by one of two methods: per capita or ad valorem. The method is determined by the County Commissioners. Anson County uses the population method. The County, at its discretion, may change the distribution method during the month of April each year.

The Town tracks these components and attempt to be alert to significant trends as they occur. We also attend economic briefings that allow us to maintain a state and national perspective on the factors that might impact our local economy, and thus our revenue.

As shown in the chart below, Town sales tax revenues have increased over the past several fiscal years.



However, FY 2015-16 sales tax revenues, while this is being written in May 2016, are predicted to be about the same as actually collected in FY 2014-15 (around \$930,000) but still finish above budgeted predictions (\$890,000) for FY 2015-16. The following chart compares FY 2014-15 and FY 2015-16 sales tax revenues by month:



The Town's FY 2016-17 sales tax revenues are projected to increase \$130,000 to \$1,020,000 in comparison to initial FY 2015-16 budget projections (\$890,000). Much of this predicted increase is attributed to the above described Session Law 2015-241. To maintain our conservative posture, FY 2016-17 revenues are projected equal to conservative FY 2015-16 amounts plus a conservative \$90,000 projection due to Session Law 2015-241 increases.

Refuse Collection Revenue

The Town charges a monthly fee for household trash collection. Only businesses making alternative arrangements for a dumpster are allowed to opt out of this fee. Residential customers cannot opt out of the fee.

FYE 2016 revenue is projected to finish at \$369,100. To maintain our conservative posture, the total revenue estimated is \$368,000. Please keep in mind these revenues are accounted for using the accrual method (along with water and sewer revenues) so this is not money actually collected. Declining population trends are concerning for long-term garbage revenues. Increased funds from potential business accounts for automated trash pickup could increase revenues modestly.

Utilities Electrical Franchise Tax

This revenue is distributed quarterly. Effective July 1, 2014, the general sales tax rate is applied to the sale of electricity. From the proceeds of that tax, 44 percent is allocated to be distributed to cities and towns. Each city receives a franchise tax share and an ad valorem share of these proceeds. The franchise tax share is equivalent to the electricity franchise tax distribution that each city received as its quarterly distribution in FY 2013-14. If there is insufficient revenue to provide each municipality with the same distribution that it received in FY2013-14, then every municipality's distribution will be reduced proportionally. If there is excess sales tax revenue after distributing every municipality's franchise tax share, then each municipality will receive an ad valorem share. The excess sales tax revenue will be distributed based on each city's ad valorem taxes levied as a percentage of all cities' ad valorem taxes levied. [G.S. 105164.44K].

Using the N.C. League's memorandum/formula as a guideline, the predictive number is approximately \$293,261. However, to maintain a conservative posture, this budget includes a \$275,000 budget prediction.

Powell Bill

Powell Bill revenues are State-shared revenues restricted for road maintenance. Prior to last year, the overall amount of Powell Bill distributions had been tied to the state's motor fuels tax, with cities receiving a specific portion of revenues derived from that tax.²⁷ That changed in last year's state budget, Session Law 2015-241. Now, G.S. 136-41.1(a) states that Powell Bill revenues will be determined by an appropriation of funds by the General Assembly. There is no set formula that determines the total amount of Powell Bill funds available each year. Of the funds available each year, 25 percent is distributed to cities and towns based on local street miles, and 75 percent based on population. New language in last year's budget also specifies that cities must spend their Powell Bill funds "primarily for the resurfacing of streets" (G.S. 136-41.3).

To receive funds, a municipality must maintain public streets within its jurisdiction that are not part of the State highway system. There are additional eligibility requirements including that the municipality must have conducted an election within the preceding four years, that there is an ad valorem tax or other funds for operating expenses, and that the municipality comply with certification requirements.

The Town received approximately \$180,000 in annual Powell Bill revenues in FY 2015-16. Using the League's suggested formula, the resulting prediction for FY 2016-17 is approximately \$178,000 which is a decrease from FY 2015-16. However, to maintain a conservative posture, this budget estimates \$175,000 in Powell Bill revenues. The Town receives these funds in two equal payments in October and January.

School Resource Police Officer Reimbursement

The Town contracts with Anson County School System to provide two full-time officers to Wadesboro public schools. Anson County provides payment for the equivalent of 10 out of 12 months of the total cost of each officer. Notably, the remaining 2 months (summer vacation) are paid for by the Town. These reimbursement funds are typically paid in in December.

The Town received \$91,401 for FY 2015-16. While projected personnel costs indicate that this amount will likely be higher in FY 2016-17, the budgeted amount remains the same because of the Town's conservative posture toward revenues.

Telecommunications Tax

The Telecommunications tax revenue comes from a pool created by a percentage of the telecommunications sales tax imposed by all 100 counties (after a set amount is deducted) and is also shared by municipalities.

Legislation passed during the 2001 session repealed the utility franchise tax on telephone companies and replaced it with a sales tax on telecommunications of 6 percent (now 8.0 percent) of gross receipts.²⁸ Included in gross receipts are receipts from local, intrastate, interstate, toll, private, and mobile telecommunications services; charges for directory assistance, call forwarding, call waiting, and similar services; customer access line charges billed to subscribers for access to the intrastate or interstate inter-exchange network; and charges billed to a pay telephone provider who uses the telecommunications service to provide pay telephone service [G.S. 105-164.3, -164.4, -164.4B, -164.16, -164.20, -164.27A, -164.44F].

The amount of the tax the Secretary of Revenue must distribute quarterly to municipalities is currently 18.7 percent of the net proceeds of the tax, minus \$2,620,948. (This deduction is 1/4 of the annual amount by which the distribution to cities of the franchise tax on telephone companies was required to be reduced beginning in FY 1995-96 as a result of the "freeze deduction.")²⁹ Cities incorporated before January 1, 2001, receive a proportionate share of the amount to be distributed to all cities incorporated before that date. The quarterly share is based on the amount of telephone gross receipts franchise taxes attributed to the city under G.S. 105-116.1 for the same quarter that was the last quarter in which taxes were imposed on telephone companies under repealed G.S. 105-120 (franchise or privilege tax on telephone companies).

The Town's share of the pool is determined by the proportion our old franchise fee contributed to the pool when it was created in 2001. Therefore, the Town's share of the pool remains constant, but the pool can fluctuate based upon taxes collected.

The League predicts that annual statewide telecommunications revenues for FY 2015-16 will decrease by about 12%.³⁰ While there was a refund request processed by the Department of Revenue decreased a recent quarterly distribution by approximately 35 percent, much of the non-refund related decrease has been attributed to more customers going with solely a mobile phone and canceling landline service. There does not seem to be any indication that this trend is slowing down. The League predicts a further decline of 2% from FY 2015-16 to FY 2016-17. Using the League's numbers, the prediction would be approximately \$41,000. However, this proposal includes a \$40,000 prediction to maintain our conservative approach.

Video Programming Tax

To replace the local cable franchise fee revenues that were lost when the State took over the franchising of video programming, G.S. 105-164.44I requires the NC Department of Revenue to distribute part of the state sales tax collected on video programming and telecommunications services to counties and cities on a quarterly basis.³¹ Local governments receive 23.6 percent of the sales tax collections from video programming service, an additional 7.7 percent of the existing telecommunications sales tax, and 37.1 percent of sales tax collections on satellite television service.

²⁸ <https://www.nclm.org/SiteCollectionDocuments/Legislative/2016%20Revenue%20Projections/TAXBASIS%202016.pdf>

²⁹ <https://www.nclm.org/SiteCollectionDocuments/Legislative/2016%20Revenue%20Projections/TAXBASIS%202016.pdf>

³⁰ League Memo

³¹ <https://www.nclm.org/SiteCollectionDocuments/Legislative/2016%20Revenue%20Projections/TAXBASIS%202016.pdf>

Each city's proportionate share of these new revenues is the base amount for that city compared to the base amount for all other cities and counties. The base amount of a city or county that imposed a cable franchise tax before July 1, 2006 is the amount of cable franchise tax and Public, Educational, and Governmental (PEG) channel subscriber fee revenue the unit certified in 2007 to DOR that it had imposed during the first six months of the 2006-07 fiscal year.³² The base amount for a city or county that did not impose a cable franchise tax before July 1, 2006, is \$2 multiplied by the most recent annual population estimate for that unit.

For subsequent fiscal years, the Secretary must multiply the amount of a city's or county's share for the preceding year by the percentage change in its population for that fiscal year and add the result to the city or county's share for the preceding fiscal year to obtain the county's or city's adjusted amount. Each city or county's proportionate share for that year is its adjusted amount compared to the sum of the adjusted amounts for all counties and cities. These funds may be used for general public purposes, with one exception. A city or county that imposed subscriber fees in fiscal year 200607 for the operation and support of PEG channels must use the video programming funds distributed to it for support of PEG channels in the same proportion as the subscriber fees were of total franchise and tax and subscriber revenue during the first six months of the 2006-07 fiscal year.

The League reports that, for the first time in four years, video programming revenues increased above the previous year.³³ The Town should not expect this increase to continue because the trend in the cable industry has been away from set-top TV providers to more reliance on streaming services.³⁴ Further, League predicts Video programming revenues will decrease by 5.5% from FY 2014-15 to FY 2015-16. Further, the League predicts revenues will decrease another 2% in Fiscal Year 2015-16. Using this formula, the resulting number is approximately \$34,000. However, while this distribution is not based directly on population, population change is a factor in the annual formula.³⁵ As a result, the Town's conservative prediction is reduced to \$32,000 given our declining population

ABC Revenue/Beer and Wine Tax

The State levies license and excise taxes on liquor and also excise taxes on beer and wine. G.S. 105-113.82 provides for the distribution of 20.47 percent of state beer tax collections to local governmental units in which beer is legally sold. It further provides for the distribution of 49.44 percent of the state tax collections for taxes on unfortified wine and 18 percent of collections for taxes on fortified wine to local governmental units in which wine is legally sold. Funds are distributed among local governments on a per capita basis. These distributions use incorporated municipal populations and the unincorporated population of counties to determine their respective per capita shares. To maintain our conservative posture, this proposal is predicting only slight increases to both ABC Revenue and a beer and wine tax (listed under 10-341-00). Both revenues have recent exceeded even increased budgeted projections for FY 2016-17 so these numbers are conservative.

Fire Department FEMA Grant

The Fire Department reports a good chance of being awarded a FEMA grant for a variety of fire equipment. This revenue would be 95% (approximately \$21,850) of the total budgeted \$23,000.

Police Personnel Grant

³² <https://www.nclm.org/SiteCollectionDocuments/Legislative/2016%20Revenue%20Projections/TAXBASIS%202016.pdf>

³³ League Memo

³⁴ League Memo

³⁵ League Memo

The Police Department reports a good chance of being awarded a federal COPS grant to cover personnel costs of 75% of a position for each of the next 3 years. This budget includes \$20,000 which would likely be much less than an amount awarded. However, this proposal strives to take conservative posture to revenues.

Fund Balance Reserves

Fund balance can be basically described as the Town’s savings account (see page ___ for a more detailed breakdown). During budget workshops, the Town Council supported budgeting the following in fund balance reserves for the following:

- \$26,500 – purchase a street department pickup.
- \$25,000 – convert an old street sweeper into a dump truck.
- \$111,000 – renovation costs for police department (renovation estimate is between \$1000,000 - \$125,000; if this number is exceeded come back to Town Council for guidance).
- \$40,000 – architectural, professional, secondary, loan closing costs, and other related costs associated with a fire station.
- \$6,400 – annual reoccurring appropriation for approximately 23 new street lights on HWY 74 East. Council will assess feasibility/affordability in January.
- \$52,089 budgeted for operations.
- \$100,000 – contingency funds.

This amount totals \$329,171. It is somewhat concerning to be spending this amount of fund balance/reserves but much of this is for designated uses. The most concerning amount is the approximately \$45,271 for general operations. Still, it is possible that these funds will not be spent as the Town’s revenue projections are conservative and recent history shows every dollar budgeted during a fiscal year is not necessarily spent.

General Fund: Revenues Overview Discussion

General Fund revenues are budgeted at \$5,783,151 which is a 3.5% (\$170,106) increase from the current FY 2015-16 budget of \$5,613,045.³⁶ As the below chart indicates, much of the increase can be attributed to loan proceeds for fire station construction.

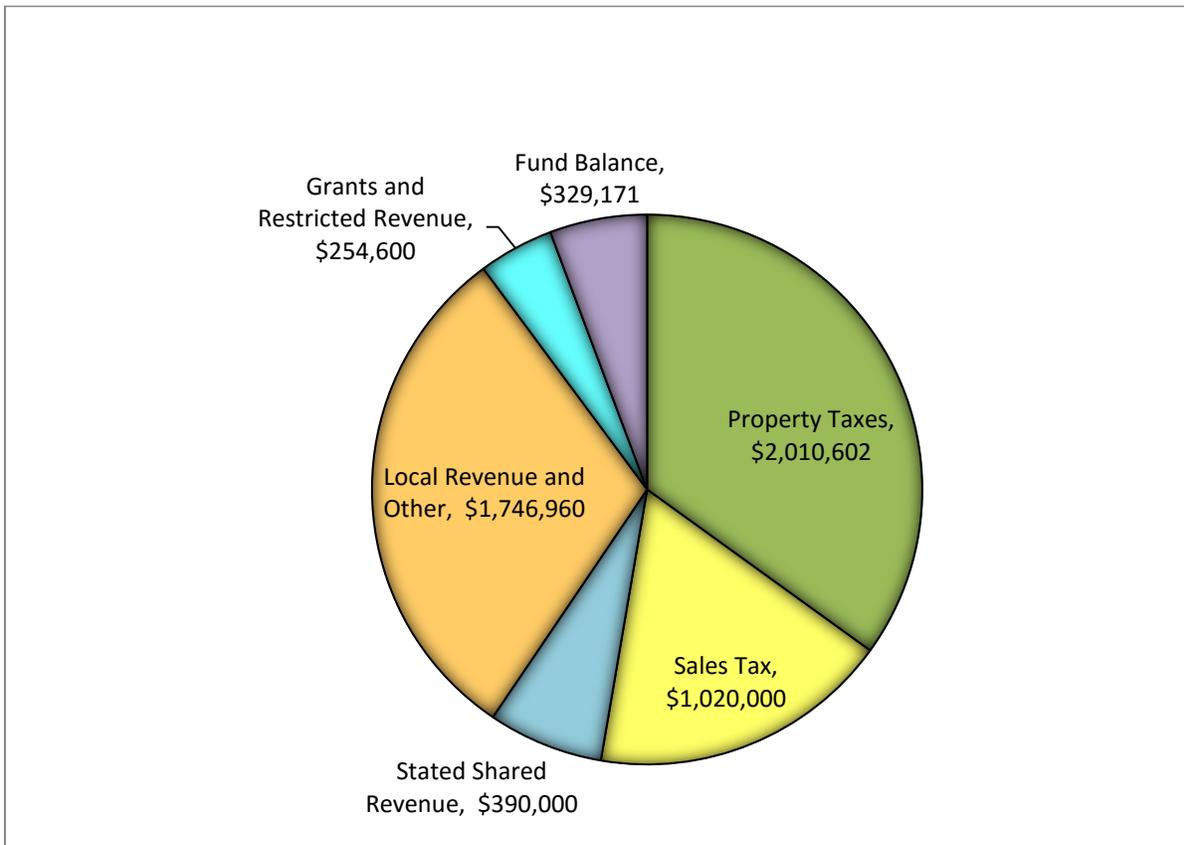
	FY 15-16	FY 16-17	Amount Diff.	% Diff.
Total	5,613,045	\$5,783,151	\$170,106	3.03%
W/O Loan Proceeds	\$5,253,045	\$4,568,447	(\$684,598)	-13.03%
W/O Fund Balance	\$4,631,712	\$5,442,162	\$810,450	17.50%
W/O Loan Proceeds, Fund Balance	\$4,271,712	\$4,207,458	(\$64,254)	-1.50%

Using the Town Council input from budget workshops, this proposal includes uses \$360,989 in unrestricted Fund Balance to balance the FY 2016-17 General Fund Budget with approximately \$250,000 - \$360,000 projected to be spent. In comparison, \$981,333 is currently³⁷ being used to balance the FY 2015-16 General Fund budget.

Below is a snapshot of General Fund revenues:

³⁶ \$5,613,045 is budgeted for General Fund FY 2015-16 as of May 15, 2016.
³⁷ As of 5/15/16.

REVENUE	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Recommended Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10 Fund	\$ 4,209,385	\$ 3,850,738	\$ 4,748,209	\$ 4,198,419	\$ 5,613,045	\$ 3,638,660	\$ 5,751,333



While there are mixed indicators, North Carolina’s economy as a whole has improved and seems to be faring somewhat better than that of the nation as a whole.³⁸ On one hand, some economists have lowered expectations for the coming year due to a weak start to 2016. Further, data on the construction industry, which is typically a good barometer of the overall economy, is mixed.³⁹ On the other hand, population and employment continue to rise as Wells Fargo recently reported North Carolina added over 108,700 job and that Charlotte in particular “[i]s on a roll.”⁴⁰

Still, while the statewide economic appears to be improving as a whole, there is an increasing economic gap between the urban metropolitan areas and the smaller rural areas. While counties like Mecklenburg have rapid population growth, counties like Anson show a population decline. This conflict is evidenced by a recent legislative debate which can be generally described as being over whether to change the sales distribution method to benefit less prosperous areas at the expense of more prosperous areas. Ultimately, the General Assembly came to compromise via

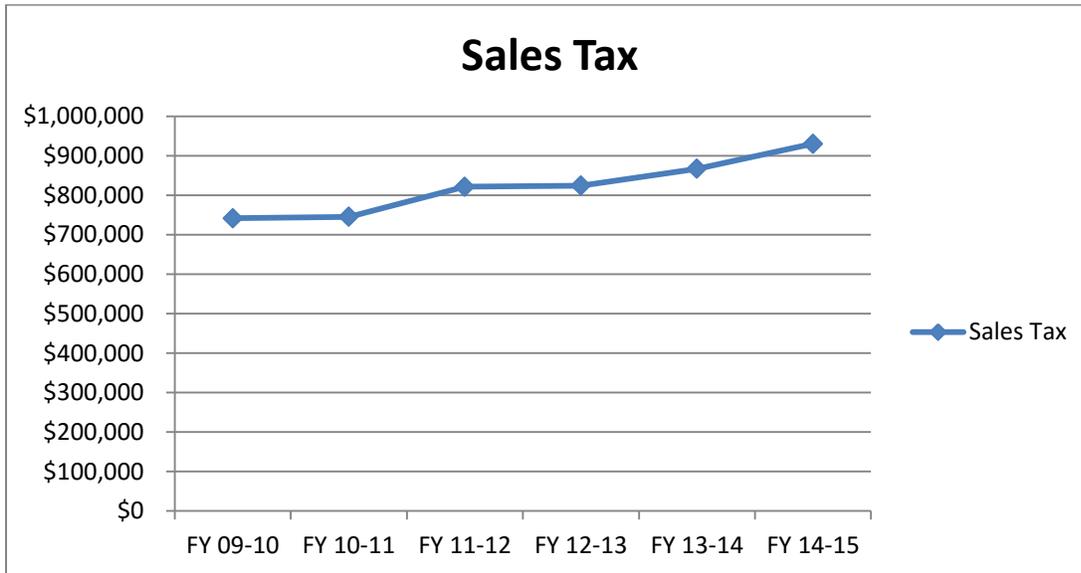
³⁸ “FY 15-16 Revenue Projections[,]”, North Carolina League of Municipalities, Chris Nida, Director of Research & Policy Analysis; “FY 16-17 Revenue Projections”, North Carolina League of Municipalities, Chris Nida, Director of Research & Policy Analysis.
³⁹ “FY 16-17 Revenue Projections”, North Carolina League of Municipalities, Chris Nida, Director of Research & Policy Analysis.
⁴⁰ <https://www08.wellsfargomedia.com/assets/pdf/commercial/insights/economics/regional-reports/nc-employment-20160415.pdf>
<https://www08.wellsfargomedia.com/assets/pdf/commercial/insights/economics/regional-reports/nc-economy-20160421.pdf>

an expansion of additional repair, installation, and maintenance services which would be statutorily distributed to certain (less prosperous) areas, but not take funds away from other communities.⁴¹

While there are some encouraging signs including an improving statewide economy, increasing sales tax revenue, and the start of Monroe Bypass construction⁴², it is still unclear that Wadesboro will see economic growth (and as a result revenue growth). Indeed, Wadesboro is the county seat of Anson County which the State designates as a “Tier-1” economically distressed county.⁴³ One sign of this economic distress may be evidenced by Wadesboro’s declining population:⁴⁴

	Apr-10	Jul-14	Growth	Growth %
Wadesboro	5,813	5,624	-189	-3.25%

While economic growth could change this trend, current projections could mean that there may not be significant tax base growth in the near future. To break this trend, the Town will likely need new business/industry to grow its tax revenues without increasing the tax rate.



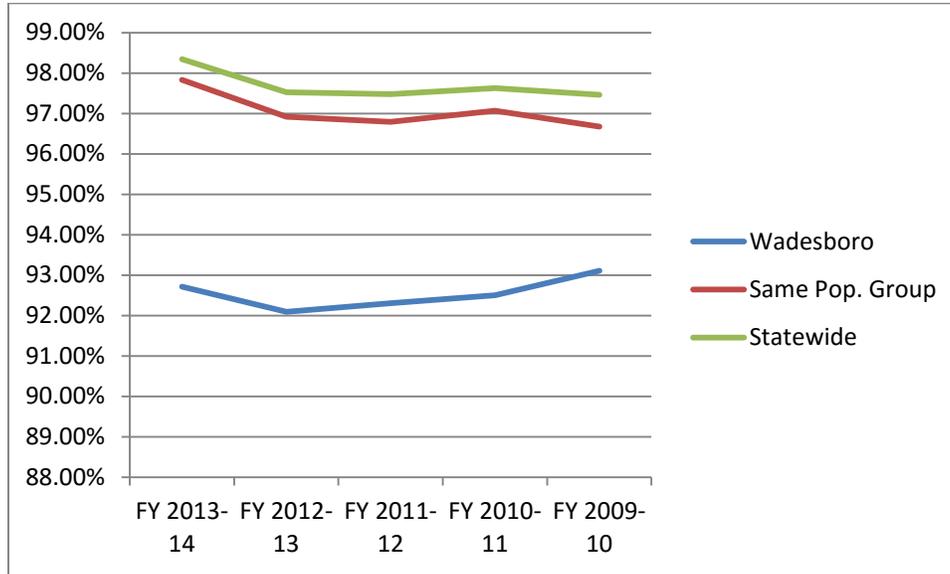
Further, Monroe Bypass construction continues although it is debatable how much economic impact the bypass will actually bring to Wadesboro.

Despite these encouraging signs, it is still unclear whether Wadesboro will see significant economic growth. Further, the recent privilege license tax elimination demonstrates the State legislature’s willingness to alter local government revenues sources despite strong municipal opposition. Due to these warning signs,⁴⁵ this budget proposal takes a conservative approach to revenue projections.

⁴¹ “FY 16-17 Revenue Projections”, North Carolina League of Municipalities, Chris Nida, Director of Research & Policy Analysis.
⁴² <http://www.charlotteobserver.com/news/local/community/south-charlotte/article31539566.html>.

⁴³ <https://www.nccommerce.com/Portals/0/Incentives/CountyTier/2015%20Development%20Tier%20Rankings.pdf>

⁴⁴ http://www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/municipal_estimates.shtm
⁴⁵ “FY 15-16 Revenue Projections[.]”, North Carolina League of Municipalities, Chris Nida, Director of Research & Policy Analysis.



In addition to sales tax revenue, the Town also receives revenue from the State reflecting our statutory portion of tax revenues from telecommunication services, video programming, beer and wine sales, and motor fuel sales. Most State revenues can be used for any legitimate government function with the exception of funding received from the motor fuel tax under the Powell Bill. These Powell Bill funds are restricted by law for uses related to street maintenance. In total, these State revenues are projected to remain about the same or decrease slightly.

The Town is constantly seeking grant funding to supplement local revenues. For example, grants are covering 80% of the remaining \$550,000 in estimated cost for the E. Wade Street Bridge replacement.⁴⁶ The remaining 20% local commitment will be mostly covered by previously unspent Powell Bill funds held in reserve. Also, a USDA program⁴⁷ may allow the Town to obtain a no-interest loan from Pee-Dee Electric to cover 80% of the cost to purchase automated trash pickup equipment. Also, the Police Department is working to secure a renewal of the COPS personnel grant along with grants regarding bullet-proof vests and body cameras. Additionally, the Fire Department is pursuing grants including two FEMA grants for equipment and a ladder truck. Unfortunately, the Fire Department was not awarded the Office of State Fire Marshal (OSFM) grant this year, which was unexpected.

⁴⁶ Of this \$550,000 total cost for the E. Wade Street Bridge replacement, \$510,000 is included in the General Fund while \$40,000 is included in the water & sewer fund for related utility line work.

⁴⁷ <http://www.rd.usda.gov/programs-services/rural-economic-development-loan-grant-program>

General Fund: Complete Revenues

REVENUE	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Revenue	Year End Budget	Actual Revenue	Year End Budget	As of 03/31/2016	
10-290-00 INTEREST ON MM NC CASH MGT	\$ -	\$ -			\$ -	\$ 315	\$ 300
10-301-04 Taxes Budget Year 2004	\$ -	\$ 37	\$ -		\$ -	\$ -	
10-301-05 TAXES BUDGET YEAR 2005	\$ -	\$ 42	\$ -	\$ 398	\$ -	\$ -	
10-301-06 TAXES CURRENT YEAR 2006	\$ -	\$ 298	\$ -	\$ 794	\$ -	\$ 127	
10-301-07 Taxes Current Year 2007	\$ -	\$ 758	\$ -	\$ 794	\$ -	\$ 109	
10-301-08 Taxes Budget Year 08	\$ -	\$ 1,391	\$ -	\$ 1,565	\$ -	\$ 369	
10-301-09 Tax Budget Yr 2009	\$ -	\$ 3,366	\$ -	\$ 1,768	\$ -	\$ 2,896	
10-301-10 TAXES BUDGET YR 2010	\$ -	\$ 8,379	\$ -	\$ 2,924	\$ -	\$ 2,152	
10-301-11 TAXES BUDGET YR 2011	\$ -	\$ 14,498	\$ -	\$ 7,347	\$ -	\$ 3,434	
10-301-12 TAXES BUDGET YEAR 2012	\$ -	\$ 59,707	\$ -	\$ 10,564	\$ -	\$ 7,690	
10-301-13 TAXES BUDGET YEAR 2013	\$ 1,450,000	\$ 1,555,456		\$ 45,062	\$ -	\$ 12,361	
10-301-14 TAXES BUDGET YEAR 2014	\$ -	\$ -	\$ 1,585,000	\$ 1,723,507	\$ 1,585,000	\$ 34,783	
10-301-15 TAXES BUDGET YEAR 2015						\$ 1,620,437	\$ 1,710,000
10-301-20 REFUNDS	\$ -	\$ (232)	\$ -		\$ -	\$ (1,606)	
10-301-30 INTEREST ON TAXES	\$ 15,000	\$ 24,843	\$ 15,000	\$ 21,562	\$ 15,000	\$ 13,886	\$ 15,000
10-301-90 TAXES OTHER PRIOR YEAR	\$ 76,000	\$ -	\$ 76,000		\$ 65,000	\$ -	\$ 60,000
10-301-99 TAXES BUDGET YEAR 99	\$ -	\$ -	\$ -		\$ -	\$ -	
10-304-00 FEE/RETURNED CHECK 10	\$ -	\$ -	\$ -	\$ 100	\$ -	\$ -	
10-306-00 GOLF CART PERMIT	\$ -	\$ 180	\$ 40	\$ 80	\$ 40	\$ 40	\$ 40
10-309-00 PAYMENT IN LIEU OF TAX	\$ 6,325	\$ 11,434	\$ -	\$ 8,562	\$ 11,400	\$ 8,562	\$ 8,562
10-310-00 MISC REV POLICE	\$ 50	\$ 4,866	\$ 500	\$ 1,695	\$ 17,160	\$ 12,815	\$ 5,650
10-311-00 MISC REV FIRE	\$ 50	\$ 14,760	\$ -	\$ 20,656	\$ -	\$ 1,168	\$ 3,100
10-320-00 SOLID WASTE DIS TAX	\$ 3,500	\$ 3,493	\$ 2,800	\$ 3,673	\$ 3,100	\$ 2,695	\$ 3,200
10-325-00 PRIVILEGE LICENSE	\$ 9,000	\$ 23,795	\$ 9,000	\$ 2,110	\$ -	\$ 125	
10-328-00 FRANCHISE TAX CABLEVIS	\$ 6,700	\$ 6,574	\$ 7,000	\$ 5,121	\$ 4,000	\$ 5,920	\$ 3,680
10-328-50 LOAN PROCEEDS	\$ -	\$ -	\$ -		\$ 360,000	\$ -	\$ 1,214,704
10-329-00 INTEREST ON INVESTMENT	\$ 500	\$ 2,770	\$ 200	\$ 1,679	\$ 200	\$ 1,784	
10-330-00 FIRE INSPECTION FEE	\$ 3,500	\$ 5,115	\$ 4,500	\$ 4,050	\$ 4,000	\$ 2,640	\$ 4,000
10-331-00 RENT REC'D PROPERTY	\$ -	\$ -	\$ -		\$ -	\$ -	
10-334-00 EMPLOYEE SERVICE CHARG	\$ 650	\$ 192	\$ 160	\$ 132	\$ 100	\$ 26	\$ 50
10-335-00 MISC. REVENUE	\$ 16,000	\$ 10,051	\$ 12,390	\$ 9,245	\$ 8,000	\$ 3,182	\$ 14,400
10-337-00 FRANCHISE TAX	\$ 200,000	\$ 199,484	\$ 185,000	\$ 259,949	\$ 195,000	\$ 209,032	\$ 275,000
10-337-02 EXCISE TAX NATURAL GAS	\$ -	\$ 21,549	\$ 15,000	\$ 19,339	\$ 8,000	\$ 16,982	\$ 18,000
10-338-00 TELCOMMUNICATIONS TAX	\$ 36,000	\$ 49,738	\$ 44,000	\$ 47,677	\$ 44,000	\$ 29,728	\$ 40,000
10-340-00 TRANS HOLD HARM REV	\$ -	\$ 17,944	\$ -		\$ -	\$ -	\$ -
10-341-00 BEVERAGE TAX DISTRIBUT	\$ 26,492	\$ 25,008	\$ 24,000	\$ 27,147	\$ 24,000	\$ -	\$ 25,000
10-342-00 Fireman-Onbehalf Pymts	\$ 12,400	\$ 7,155	\$ 12,400	\$ 6,576	\$ 12,400	\$ -	\$ 12,400
10-343-00 POWELL BILL	\$ 198,500	\$ 189,943	\$ 563,000	\$ 189,575	\$ 588,000	\$ 259,117	\$ 175,000
10-344-00 VIDEO PROGRAM DIST	\$ 36,800	\$ 36,534	\$ 35,000	\$ 36,866	\$ 35,000	\$ 25,938	\$ 32,000

(CONT'D FROM PREVIOUS PAGE)	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Revenue	Year End Budget	Actual Revenue	Year End Budget	As of 03/31/2016	
REVENUE							
10-345-00 LOCAL OPTION SALES TAX	\$ 830,000	\$ 241,717	\$ 850,000	\$ 248,708	\$ 890,000	\$ 184,773	\$ 1,020,000
10-345-01 LOCAL OP. SALES TAX 1/	\$ -	\$ 364,154	\$ -	\$ 389,951	\$ -	\$ 300,996	
10-345-02 ART.44,LOCAL OPT TAX	\$ -	\$ 261,224	\$ -	\$ 291,540	\$ -	\$ 233,369	
10-347-00 ABC REVENUE	\$ 28,000	\$ 24,000	\$ 18,700	\$ 24,500	\$ 20,000	\$ 13,000	\$ 21,000
10-351-00 ARREST FEES	\$ 1,000	\$ 2,038	\$ 1,500	\$ 2,160	\$ 1,500	\$ 1,323	\$ 1,500
10-352-00 PARKING VIOLATIONS	\$ 250	\$ 250	\$ 250	\$ 200	\$ 150	\$ 75	\$ 150
10-353-00 CODE & ORDIN VIOLA	\$ 100	\$ 150	\$ 150	\$ 100	\$ 150	\$ 50	\$ 100
10-354-00 ANIMAL CONTROL FINE	\$ -	\$ 25	\$ 25		\$ 25	\$ -	\$ 25
10-359-00 REFUSE COLLECTION REVE	\$ 365,000	\$ 361,142	\$ 355,000	\$ 356,888	\$ 372,000	\$ 277,280	\$ 368,000
10-369-01 REZONING & VARIANCE FE	\$ 1,500	\$ 2,800	\$ 2,500	\$ 2,075	\$ 2,500	\$ 1,875	\$ 2,500
10-369-02 FALSE BURGLAR ALARMS	\$ -	\$ -	\$ -		\$ -	\$ -	
10-369-03 FALL FESTIVAL REVENUES	\$ -	\$ -	\$ 10,000	\$ 13,923	\$ 13,000	\$ 8,079	\$ 8,000
10-383-00 SALE OF FIXED ASSETS	\$ -	\$ 2,707	\$ 500		\$ 100	\$ -	\$ 50
10-386-00 PEDESTRIAN PLAN GRANT	\$ -	\$ 4,518	\$ 23,000	\$ 20,483	\$ -	\$ -	
10-397-00 Community Grants-Polic	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 10,000
10-397-02 Community Grants-Fire	\$ -	\$ 6,300	\$ 15,200	\$ 21,050	\$ 10,000	\$ 4,130	\$ 17,500
10-397-03 FIRE DISTRICT TAX	\$ 125,000	\$ 135,394	\$ 125,000	\$ 182,137	\$ 170,000	\$ 171,491	\$ 217,000
10-397-07 CONTROL SUB. TAX DISTB	\$ 3,000	\$ 2,582	\$ 3,000	\$ 1,111	\$ 1,000	\$ 2,804	\$ 1,500
10-397-10 RESOURCE OFFICER REIMB	\$ 87,000	\$ 90,315	\$ 86,600	\$ 95,134	\$ 90,000	\$ 91,400	\$ 91,401
10-397-11 FEMA GRANT-FIRE	\$ 53,940	\$ -	\$ -		\$ 49,400	\$ 48,151	\$ 21,850
10-397-12 PROPOSED CITY PARK REV	\$ -	\$ -	\$ -		\$ -	\$ -	
10-397-15 OSFM-FIRE GRANT	\$ 9,741	\$ 14,470	\$ 20,435	\$ 18,932	\$ -	\$ -	
10-397-19 BULLET PROOF VEST PART	\$ -	\$ -	\$ -		\$ -	\$ 500	
10-397-22 COPS PERSONNEL GRANT	\$ 28,000	\$ 15,776	\$ 22,893	\$ 48,592	\$ 24,037	\$ 16,518	\$ 20,000
10-397-23 FIREFIGHTERS BURN CHILD	\$ 1,940	\$ 1,000	\$ 1,000	\$ 975	\$ -	\$ -	
10-397-26 BULLEX FIRE GRANT	\$ 2,600	\$ 2,600	\$ -		\$ -	\$ -	
10-397-27 UNC FIRE PREVENTION		\$ 2,750	\$ -		\$ -	\$ -	
10-397-28 NC FORESTRY GRANT-FIRE				\$ 358		\$ -	
10-399-00 FUND BALANCE APPROIATI	\$ 566,727	\$ -	\$ 608,296		\$ 981,333	\$ -	\$ 329,171
10-399-10 SALE OF SURPLUS PROPER	\$ 8,000	\$ 15,233	\$ 13,000	\$ 18,324	\$ 8,150	\$ 5,319	\$ 1,000
10-399-30 TRAILER FEE REVENUE	\$ 100	\$ 375	\$ 150	\$ 635	\$ 250	\$ 725	\$ 450
10-399-40 CLERK OF COURT RESTITU	\$ 20	\$ 90	\$ 20	\$ 126	\$ 50	\$ 95	\$ 50
TOTALS	\$4,209,385	\$3,850,738	\$4,748,209	\$4,198,419	\$5,613,045	\$3,638,660	\$ 5,751,333

Property Taxes	\$2,010,602	34.96%
Sales Tax	\$1,020,000	17.74%
Stated Shared Revenue	\$ 390,000	6.78%
Local Revenue and Other	\$1,746,960	30.37%
Grants and Restricted Revenue	\$ 254,600	4.43%
Fund Balance	\$ 329,171	5.72%

General Fund: Expenditures

For FY 2016-17, the General Fund budgeted expenditures are proposed at \$5,751,333 which is a 2.5% (\$138,288) increase from the current FY 2015-16 budget. As noted in the Budget Message, this increase is due largely to the budgeted use of loan proceeds for fire station construction. An expenditure snapshot is provided below:

REVENUE	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Recommended Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
Administration	\$ 760,084	\$ 723,467	\$ 643,973	\$ 690,905	\$ 697,485	\$ 479,274	\$ 742,310
Incentive Grants	\$ 46,000	\$ 20,098	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Police	\$ 1,859,483	\$ 1,811,117	\$ 1,915,555	\$ 1,795,071	\$ 2,318,836	\$ 1,363,034	\$ 2,068,418
Fire	\$ 383,458	\$ 356,261	\$ 390,417	\$ 342,161	\$ 450,366	\$ 301,685	\$ 1,616,620
Garage	\$ 77,821	\$ 71,950	\$ 103,716	\$ 94,092	\$ 86,784	\$ 57,889	\$ 92,933
Street	\$ 291,490	\$ 233,598	\$ 382,593	\$ 327,583	\$ 422,535	\$ 286,346	\$ 421,943
Powell Bill	\$ 223,500	\$ 163,972	\$ 621,000	\$ 86,937	\$ 713,000	\$ 306,656	\$ 175,000
Sanitation	\$ 501,809	\$ 477,516	\$ 403,122	\$ 362,196	\$ 812,911	\$ 297,044	\$ 531,518
Park	\$ 26,740	\$ 28,265	\$ 30,483	\$ 20,419	\$ 25,081	\$ 13,371	\$ 27,591
Contingency	\$ 39,000	\$ -	\$ 167,350	\$ -	\$ 86,048	\$ -	\$ 75,000
Total	\$ 4,209,385	\$ 3,886,244	\$ 4,748,209	\$ 3,719,364	\$ 5,613,046	\$ 3,105,299	\$ 5,751,333

Expenditure Highlights by Department

While not attempting to cover specifics for all of the 9 budgetary departments within the General Fund, the following information are some highlights of the more significant expenditures and programs being proposed. These projects, including certain expenditures that are departures from past practices, are summarized in the following pages.

Administration

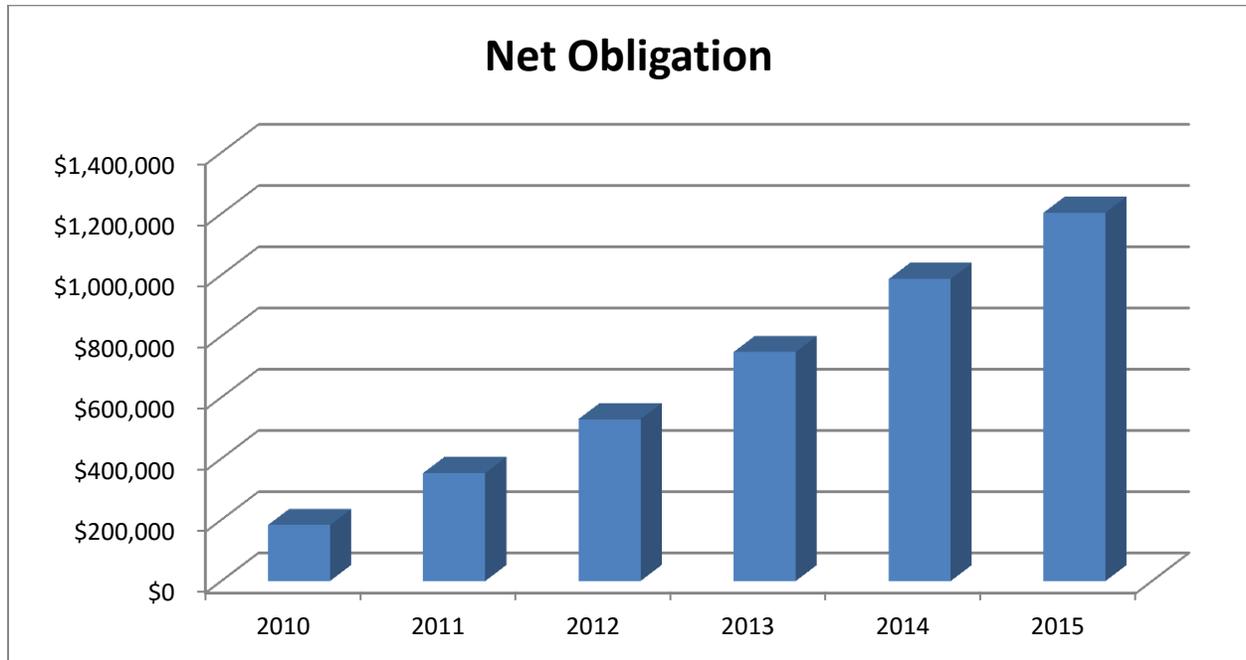
Function: The Administration Department’s main function is the support, oversight, and management of Town operations and providing support to the Town Council.

Staffing: This department consists of 4 full-time employees (Town Manager, Town Clerk, Office Manager/Accountant, and Accounting Clerk) and 1 part-time employee (Uptown Director). Legal services are provided on a contractual basis with Mr. Jeff Carpenter of Carpenter & Flake, PLLC in Wadesboro. Notably, the compensation and expenses for the Mayor and Town Council are budgeted in the Administration Department.

FY 2016-17 Budget: The Administration budget increases by approximately \$46,000 for several reasons. First, health insurance budgeted costs increase by approximately \$22,200. The bulk of this increase (\$20,103) is budgeted for retiree health insurance cost increases to bring budgeted retiree costs to approximately \$140,000.⁴⁸ While this significant increase in retiree health insurance hurts, the actual annual cost for retirees is much higher: the most recent actuarial estimate is \$312,032 per year. The significant difference between the two numbers is due to the Town opting the “pay-as-you-go” strategy instead of setting aside funds each year for future payments. Further, Retiree health insurance net obligations have increased by approximately 558% from FYE 2010 to FYE 2015.

	2010	2011	2012	2013	2014	2015
Net Obligation	\$182,931	\$352,897	\$528,710	\$748,391	\$986,808	\$1,203,664
Annual Cost	\$234,199	\$234,526	\$250,945	\$294,477	\$303,676	\$312,032

⁴⁸ Notably, new vision insurance is included at \$1 per month per employee at a cost of \$48



Second, the administration budget includes \$11,000 of the \$16,000 cost for a consultant to develop and implement a performance evaluation system. Third, there is approximately \$13,000 in the total cost of market salary increases. Fourth, there is approximately \$3,600 for new FLSA overtime law requirements anticipated in FY 2016-17 by moving the Town Clerk position to 40 hours and requiring the position to handle Peoplefest planning duties. However, this will be a net savings of approximately \$10,800 compared to not doing anything. Fifth, there is \$8,400 budgeted for partial implementation of Stage I of the wayfinding plan. This will need to be funded through a grant that has been submitted but not yet secured. Sixth, there is a \$2,500 donation to the Chamber of Commerce for the Christmas Parade.

Police

Function: The Police Department’s main function is to protect life and property 24 hours a day/365 days per year. Other responsibilities include criminal activity investigation, answering a wide range of service calls, accident investigation, business/safety escorts, school security, and serving criminal processes and subpoenas.

Staffing: To handle these responsibilities, the Police Department has 29 full-time positions (24 sworn officers, 4 dispatchers, 1 records clerk). In comparison, in 2002 the Police Department maintained 18 positions with 30 total positions authorized due to the annexation. In 2005, the police department was recruiting to fill 4 of the 22 authorized positions.

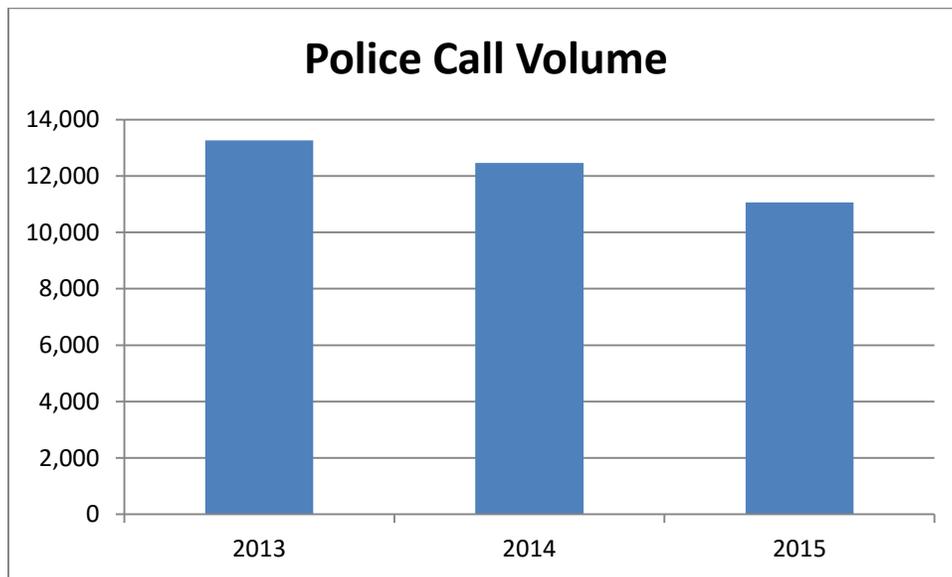
FY 2016-17 Budget: The Police Department’s proposed budget for FY 2016-17 decreases \$248,418 due largely a \$225,000 in purchase of a building for use as a new police station in the FY 2015-16 Budget. The budget proposal includes \$111,000 in renovation costs for the building that is being purchased for use a new police station. The total estimated renovation cost is between \$100,000 - \$125,000. There is \$111,000 included in the FY 2015-16 budget but more than \$111,000 will not be spent on renovations without Town Council permission. Notably, this \$111,000 amount includes \$31,000 that had previously been designated for a police car purchase. Chief Spencer has indicated that renovations are a higher priority than a police car at this time.

While I agree with Chief Spencer that renovations are a higher priority than a police car right now, it should be noted that the Town decided to provide a separate vehicle for each individual patrol officer by purchasing 19 vehicles from 2009-2011. Of these 19 total vehicles, 14 were purchased using what is likely a one-time revenue source (“drug money”). These purchases are now problematic because, as these vehicles start to reach the end of their useful life (est. 5 years), the same funding is unavailable to replace these vehicles. As a result, the Town cannot sustain the current number of police vehicles. Therefore, the police fleet has been downsized so that patrol officers are now mostly sharing vehicles. Still, the Town needs to start purchasing vehicles to avoid having to purchase a large number in a relatively short time period.

The below graph shows total police call volume from calendar year 2013 - 2015⁴⁹; please note that going back to 2012 would show a sharp increase in calls due to the coding policy of the previous Police Chief. Unfortunately, this only gives us a three year sample size. However, because viewing pre-2013 numbers would not be comparing “apples to apples”, the numbers shown only go back to 2013. Regardless, police call volume has decreased from the period of 2013 – 2015.

Police Call Volume Data

Year	Calls
2013	13,268
2014	12,463
2015	11,064

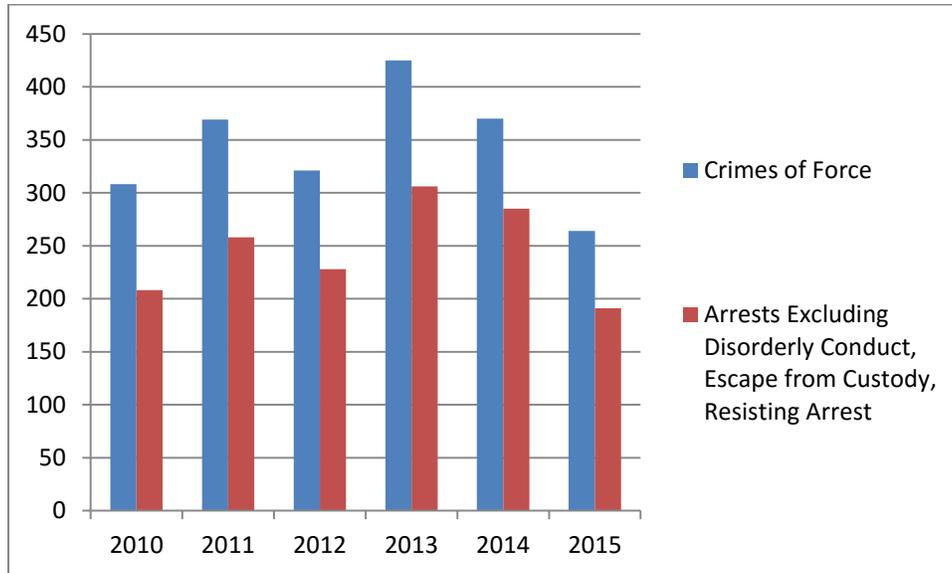


The graph displayed below illustrates total arrests for crimes typically involving force.⁵⁰ The below graph also compares these same crimes minus “Escape from Custody or Resisting Arrest” and “Disorderly Conduct” because

⁴⁹ Total volume as reported in dispatching software.

⁵⁰ Crimes arrests included in these statistics are Homicide, Murder/Non-Negligent Manslaughter, Rape, Robbery, Aggravated Assault, Aggravated Assault of an Officer, Aggravated Assault with Sexual Motives, Burglary – Forcible Entry, Larceny – Purse Snatching, Simple Physical Assault, Simple Physical Assault upon an Officer, Simple Physical Assault with Sexual Motive, Arson, Possessing/Concealing Weapons, Using Weapons (Illegal Discharge), Child Molestation, Sex Offenses, Disorderly Conduct, Fighting (Affray), Escape from Custody or Resisting Arrest, Kidnapping, Sodomy (Crime Against Nature).

these two categories are significantly higher than other categories and can skew the perception of other crime categories.



Other notable expenditures include market increases which will bring the base pay of all sworn officers up to \$31,500 and provide a 1 to 4% increase based on comparable market pay averages. The cost of these increases is approximately \$26,000. Also, health insurance increases are up 7.5% which means health insurance costs in Police are budgeted for about a \$15,000 increase.

This budget proposal includes \$9,400 to allow Police Officers to do reports in their patrol vehicle in public. This includes \$3,750 in grant funds for \$7,500 in computer purchases plus a \$1,900 annual software fee. While Police patrol officers can look up state database information in a vehicle, Police Officers must return to the police station to complete and submit reports. Officers often are too busy answering calls and unable to complete reports until after their shift is over. When this occurs, officers are paid overtime and they are not visible in the community. Giving officers the ability to do reports in vehicles can make police more visible in the community which can deter crime and reduce overtime costs. This proposal also includes \$7,050 for 6 tasers and \$2,800 for bullet-proof vests. These vests will be funded with 50% grant making the Town’s cost \$1,400. There is budgeted a \$10,000 expenditure for detectives interview equipment that will not be funded unless a grant is awarded.

Fire

Function: The Fire Department’s main functions include providing fire protection, inspections, and prevention education to the Town of Wadesboro and surrounding rural fire district. The Town’s fire insurance rating is being upgraded to a 5 and the rural fire district is being upgraded to a 5/9E starting June 1, 2016. The Fire Department has been working to lower this rating would decrease insurance payments for most businesses and homeowners in the city limits, and also those in the rural fire district within 1000 feet of a fire hydrant. The biggest setback to improving the rating further is the water distribution system in Town which is an expensive fix.

Staffing: The Fire Department has two full-time positions including a fire chief and firefighter along with about 29 dedicated volunteer firefighters. There is also funding for a part-time dispatcher. Due to workload, a full-time Fire Chief was first hired in 1985. Also, the full-time firefighter’s duties include fire safety education, vehicle/equipment maintenance, and fire inspections. His job also requires him to dispatch at least one shift a week to cut down on

overtime expenses; however, he often dispatcher more due to turnover and dispatcher being out on leave. Volunteers make an extensive time commitment and are the heart of the fire department. Just imagine if the Town had to provide full-time employees for fire response. Despite nationwide trends, WFD has been able to maintain a health number of volunteers.

FY 2016-17 Budget: The Fire Department's expenditure highlights include first an allocation of \$1,140,000 for construction of a new fire department. Of this \$1,140,000, \$1,100,000 is estimated to be covered with debt service while the remaining \$40,000 will come from fund balance reserves. Please keep in mind that this is an estimate and this price can go down or up. Second, the Town has been approved for an approximately \$23,000 FEMA equipment grant with the Town's portion being 5%. Unfortunately, we were not awarded the State OSFM grant for the second year in a row. Third, \$15,000 is included for firefighter gear as part of our CIP. Fourth, there is a \$1,034 employee health insurance increase. Fourth, the Fire Department typically gets various grants throughout the year. As such, there is \$10,000 included for a community grant but will not be spent unless awarded to the Town.

Garage

Function: The Garage expenditure department's function is to provide maintenance and repair of Town vehicles and equipment.

Staffing: There is one Fleet Maintenance Manager position allocated for this department. While there is one mechanic, public works staff (including the public services director) all pitch in as needed. Notably, some work is contracted out when current staff do not have the knowledge and/or tools to complete the job, or when it is cost-efficient to do so.

FY 2016-17 Budget: Expenditure highlights include first \$5,000 allocated for a transmission jack. Due to the high cost of contracting this service out, it is predicted to be cheaper to purchase a jack as compared to contracting this service out within the next 2 years. Second, there is

Street/Powell Bill

Note: Street maintenance related expenditures are separated into two expenditure departments within the General Fund: "Street" and "Powell Bill" to properly account for State-shared revenues.

Function: The primary functions of these two departments are to provide general street and right-of-way maintenance services for approximately 40 miles of Town streets including street repair, regulatory sign installations, pavement markings, mowing, litter control, and sidewalk maintenance; to provide inclement weather street maintenance, i.e. ice and snow removal, hurricane and other types of storm clean-up; and to contract for street resurfacing and marking in accordance with the Street Paving Priority Plan.

Each year the length of roadway we pave varies as does the cost of the work. Therefore, the overall expenditures in these departments each year is driven largely by the cost of the work needed under our plan, the cost to contract for the work, and where the current projects fit within the plan. Any funding from the State, under the Powell Bill, not used in a given year is can be used in subsequent years but remains restricted for only valid Powell Bill purposes.

Staffing: To carry out these functions, the Town allocates funding for 4 full-time positions.

FY 2016-17 Budget: In recent budgets, the Town has unfortunately not been able to allocate funding toward needed repaving projects. However, in FY 2015-16, the Town is starting to repave its roads by planning on spending approximately \$85,000 to pave the next three eligible streets on the Street Paving Priority List: Ballard Street, Prescott Street, and Gamble Street.⁵¹

FY 2016-17 Street Department proposed expenditures decrease by \$592 (0.1%) from FY 2015-16. The first expenditure highlight is \$26,500 from fund balance reserves to purchase a new pickup truck at state contract pricing. The pickup being replaced has well over 200,000 miles and its transmission is a major concern. Second, there is \$25,000 allocated also from fund balance reserves to convert the Town's street sweeper into a dump truck. The Town has several heavy-duty dump trucks from the 1980s and one from the 1990s.⁵² Given the age of the Town's fleet, we will need to purchase a new dump truck in the relatively near future. However, our public works department reports the cost of a new heavy-duty dump truck is between \$90,000 - \$120,000. The Town's street sweeper is in relatively good condition with low miles but was decommissioned about two years ago due to rust in the hopper. Converting this street sweeper would allow the Town to insert a newer dump truck into our fleet for much less than the cost of a new one. Third, market-based salary increases are included at a cost of \$2,540. Fourth, \$2,068 is included for 7.5% health insurance increases. Fifth, \$6,400 is included for Duke Energy to install 23 lights on HWY 74 E. This would be an annual reoccurring expenditure. The Council has opted to not authorize this expenditure until after it assesses the Town's financial condition in January 2017.

In the Powell Bill department, proposed expenditures decrease by \$538,000 (76%) from FY 2015-16 due largely to the E. Wade Bridge projects planned completion in FY 2015-16. Expenditure highlights include first approximately \$70,000 to repave and stripe Highland Drive per the Town's Street Paving Priority Plan. Any leftover funds will first be put to the bridge repair work listed next and, if there are subsequent remaining funds, toward further repaving projects as funding allows. Second, there is \$25,000 allocated for bridge repair work on several bridges in Town including Burns Street, Park Road, and Old Lilesville Road. The Town is assessing the total cost of this work. Any remaining funds after these projects are completed will be put toward repair work. Third, there is \$50,000 for street maintenance. If bridge work costs exceed \$25,000, these funds can be used toward bridge repair. Fourth, the Town is allocating less salary funds (\$24,000) for street positions in the Powell Bill than in the previous several years. For example, FY 2015-16 currently has \$35,000 allocated while FY 2014-15 had \$45,000 and FY 2013-14 had \$93,000.

Sanitation

Function: The Sanitation Department's main functions include curbside trash and yard debris pickup. The Town offers once weekly trash pickup and can dispose of this trash and yard debris for free at the County Landfill. Other functions include furniture pickup, household appliance pickup, dump-type trailer drop-off/pickup, snow mitigation, maintaining a new recycling drop-off center, and helping other departments as needed. Notably, the lack of funding for a functional street sweeper has reduced this service, but the Town still contracts out this service prior to Peoplefest and other times.

Staffing: This budget proposal continues funding for 6 full-time positions. Prior to FY 2014-15, the Town maintained 8 full-time positions and 1 part-time position. However, the Town previously cut trash service from twice per week to once weekly and is incorporating automated trash pickup. While this initial upfront-cost is significant, it is predicted to be cheaper in the long-run, more efficient, increase staff safety, reduce unsightly trash piles on trash day, and increase manpower to other services by about 13 hours per week.

FY 2016-17 Budget: Expenditure highlights include first \$114,704 to purchase 2,496 trash cans for automated trash service for customers. This is largely paid for using a no-interest loan from Pee-Dee Electric under the USDA REDLG

⁵¹

⁵² Excluding the leaf machine which can have a dump body.

Program. Second, there an increased allocation of \$4,049 for market-based salary increases. Third, there is \$3,102 in increased funding for healthcare insurance due to a 7.5% increase.

Parks & Recreation

Function: The Town operates two parks: the “new” City Park and the City Pond Park which is the City’s drinking water reservoir. The “new” City Park is open year-around while the City Pond is open on the weekends from the last week of March to the third week in October.

Staffing: Parks have one part-time employee in the City Pond Caretaker. Mowing is contracted out at City Park. Otherwise, public works employees maintain the parks in addition to regular duties. Given recent personnel reductions, keeping these parks up can be a struggle at times.

FY 2016-17 Budget: Notably, there is \$2,000 included for utility work for the Veterans Memorial. If these funds are not used, they can be allocated toward a sprayer for fire ant pesticide.

Contingency

Function: Contingency can be used to address any unforeseen events or to take advantage of any opportunities, such as a local commitment for a potential FEMA grant from a fire ladder truck.

Staffing: None.

FY 2016-17 Budget: Contingency is budgeted at \$75,000 which is a \$11,048 (13%) decrease from FY 2015-16.

General Fund: Fund Balance

Fund Balance is simply explained as the amount of assets in excess of liabilities in a given fund. The North Carolina Local Government Commission (LGC) monitors the level of fund balance each locality maintains as a sign of their relative financial strength. One significant benchmark the LGC uses is 8% of total expenditures, below which they express concern to the locality and direct action to increase the balance.

The benefits of having a healthy fund balance include enabling the Town to meet our financial obligations without interruptions due to cash flow, improving our credit rating, generating investment income, eliminating the need for short-term borrowing, and providing a reserve of funds to respond to emergencies or opportunities.

Wadesboro, at the end of FY 2014-15, has an available Fund Balance of the General Fund of \$2,130,055⁵³ while the total fund balance was \$2,568,841. This available fund balance was 58.7% of total General Fund expenditures, while the median percentage for comparable municipalities⁵⁴ was 70.06% for FYE 2015. For the first time in approximately seven fiscal years, the Town did not spend any fund balance reserves in FY 2014-15.

The FY 2015-16 Budget Message predicted that “future tax increases combined with service reductions will be likely be necessary to offset future operating deficits and maintain critical service levels.” The three major reasons for this prediction were decreasing population trends, long-delayed capital purchases, and rising healthcare insurance costs especially for retirees. The FY 2015-16 budget also predicted approximately \$250,000 would be used that year from fund balance. While revenues have been largely higher and expenditure lower than expected as of 5/24/16, the Town opted to use fund balance reserves to make a mid-fiscal year purchase of a property to turn into a police station. Purchase cost of \$225,000 plus \$2,500 in legal fees will likely be in FY 2015-16 while the bulk of the estimated renovation costs will likely occur in FY 2016-17 (\$100,000 - \$125,000 estimated cost with \$111,000 budgeted). This will help accomplish one of the Town Council’s #1 priority of new facilities for police and fire departments. Due to this purchase, it is predicted the Town will use approximately \$250,000 in fund balance reserves in FY 2015-16.

Per Council input at budget workshops, this budget proposes using fund balance to balance the FY 2016-17 as noted below:

- \$111,000 – Police Renovations
- \$40,000 – Fire Station Expenses
- \$26,500 – Street Pickup Truck
- \$25,000 – Convert Street Sweeper into Dump Truck
- \$6,400 – HWY 74 E Streetlights – reoccurring
- \$45,271 – General Operations
- \$75,000 – Contingency Funds

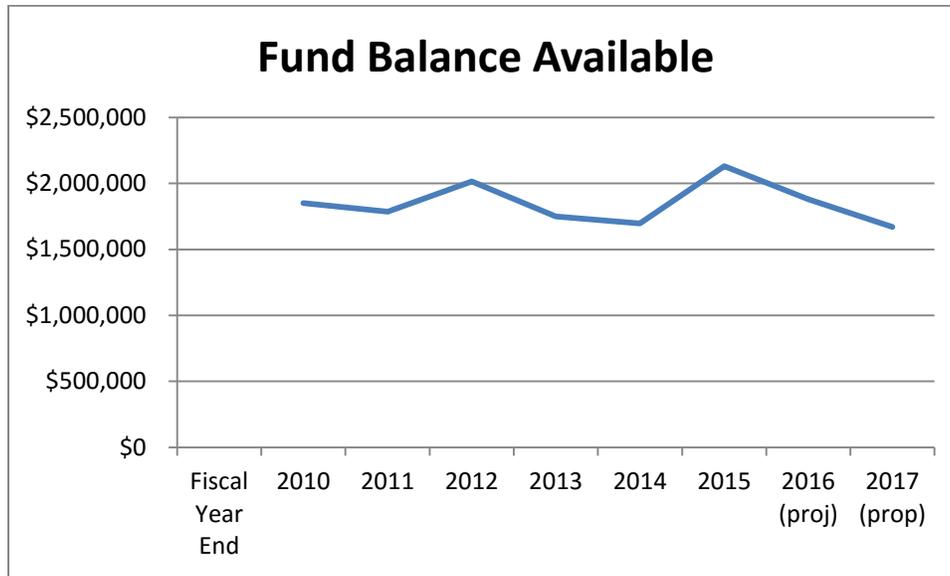
⁵³ These available fund balance numbers exclude nonspendable portions and the amount required for stabilization by statute.

⁵⁴ Population 2,500 to 9,999 without electrical systems LGC MEMO

The Town has balanced the budget using \$329,171 in fund balance reserves, which is concerning. However, recent history has demonstrated that, barring the unexpected, the Town is not likely to actually expend this total amount of fund balance for three reasons. First, the Town has not actually expended the total amount of budgeted expenditures in recent years. During the course of the fiscal year, the Town seeks to be prudent with money budgeted. Second, the Town’s conservative revenue predictions have brought in more funds than expected in recent years. The Town hopes this trend will continue. Three, the statewide economy has improved which has increased several major revenue streams including sales tax. While it is likely that the Town will not actually expend the total amount of fund balance reserves budgeted, it is possible that these funds could be spent. As a result, the Town will continue to be cautious both monitoring revenues and being fiscally conservative with expenditures through FY 2016-17. Due to the number of both local and broader variables involved, predicting fund balance is difficult. However, this proposed budgeted is predicted to use about \$208,900 in fund balance reserves.

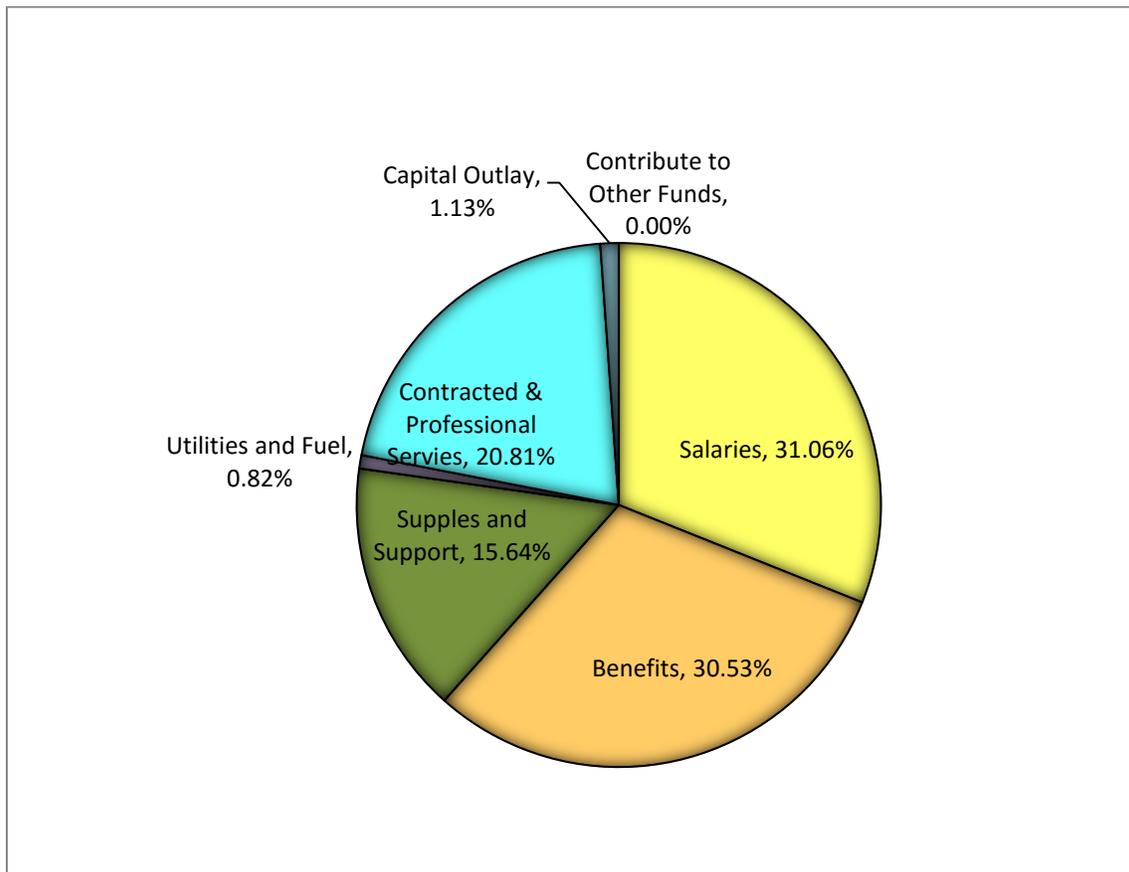
A chart showing fund balance changes and projections is shown below:⁵⁵

<i>Fiscal Year End</i>	2010	2011	2012	2013	2014	2015	2016 (proj)	2017 (prop)
Fund Balance Available	\$1,850,280	\$1,785,065	\$2,014,569	\$1,748,525	\$1,695,571	\$2,130,055	\$1,880,055	\$1,671,155
FBA % of Expenditures	47.80%	45.90%	50.20%	45.80%	45.00%	58.69%	42.64%	30.12%
Total Fund Balance	\$2,668,397	\$2,560,708	\$2,412,123	\$2,143,850	\$2,089,760	\$2,568,841	\$2,318,841	\$2,109,941
Net Change FB from Prior FY	(\$195,952)	(\$107,689)	(\$148,585)	(\$268,273)	(\$54,090)	\$479,081	(\$250,000)	(\$208,900)



⁵⁵ For illustrative purposes, projected FYE 2016 takes 5/24/16 expenses \$3,809,000 and adds \$600,000 in anticipated costs until FYE 2016 = \$4,409,000. For FYE 2017 expenditure projections, used \$4,409,000 + \$1,140,000 for fire station = \$5,549,000

General Fund: Administration Department Expenditures



**420 - ADMINISTRATION
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-420-01 FEES PAID-ELEC. OFFICA	\$ 27,372	\$ 27,327	\$ 27,644	\$ 27,644	\$ 27,644	\$ 23,036	\$ 27,920
10-420-02 SALARIES AND WAGES	\$ 181,170	\$ 178,348	\$ 188,990	\$ 185,256	\$ 181,151	\$ 137,681	\$ 202,673
10-420-04 PROFESSIONAL SERVICES	\$ 59,400	\$ 52,315	\$ 47,681	\$ 38,279	\$ 50,000	\$ 41,779	\$ 54,300
10-420-05 FICA EXPENSE	\$ 16,264	\$ 15,339	\$ 16,120	\$ 15,656	\$ 16,204	\$ 11,871	\$ 17,641
10-420-06 GROUP INSURANCE	\$ 87,892	\$ 87,873	\$ 105,900	\$ 103,776	\$ 148,137	\$ 90,640	\$ 170,356
10-420-07 RETIREMENT	\$ 21,456	\$ 20,302	\$ 21,851	\$ 21,096	\$ 20,121	\$ 15,308	\$ 21,004
10-420-08 UNEMPLOYMENT INSURANCE	\$ 10,300	\$ 10,278	\$ 11,000	\$ 10,671	\$ 13,220	\$ -	\$ 17,000
10-420-09 LIFE INSURANCE	\$ 757	\$ 708	\$ 935	\$ 735	\$ 810	\$ 504	\$ 650
10-420-10 UNEMPLOYMENT RESERVES PMT	\$ 14,200	\$ 13,602	\$ 62	\$ -	\$ 3,330	\$ 3,330	\$ -
10-420-11 TELEPHONE & POSTAGE	\$ 8,000	\$ 7,191	\$ 8,200	\$ 7,722	\$ 8,200	\$ 5,566	\$ 8,600
10-420-12 WEBSITE EXPENSE	\$ 2,000	\$ 600	\$ 2,500	\$ 2,123	\$ 250	\$ 28	\$ 250
10-420-13 UTILITIES	\$ 5,000	\$ 4,470	\$ 5,000	\$ 4,494	\$ 6,100	\$ 3,150	\$ 6,100

10-420-14 TRAVEL AND TRAINING	\$ 17,000	\$ 12,352	\$ 13,750	\$ 12,840	\$ 18,000	\$ 15,346	\$ 16,500
10-420-15 MAINT. & REPAIR BUILDI	\$ 1,300	\$ 552	\$ 1,000	\$ 271	\$ 13,000	\$ 616	\$ 2,000
10-420-16 MAINT. & REPAIR EQUIPM	\$ 1,500	\$ 2,292	\$ 1,500	\$ 1,298	\$ 2,347	\$ 344	\$ 2,500
10-420-20 WORKPLACE SAFETY COMPLIANCE	\$ -	\$ -	\$ 1,000	\$ 232	\$ 1,000	\$ 646	\$ 1,000
10-420-21 EQUIPMENTAL RENTAL	\$ 2,652	\$ 1,452	\$ 3,100	\$ 1,712	\$ 3,300	\$ 2,298	\$ 3,600
10-420-26 ADVERTISING	\$ 4,900	\$ 4,821	\$ 4,300	\$ 2,857	\$ 4,300	\$ 2,160	\$ 4,300
10-420-28 ELECTION EXPENSE	\$ 12,200	\$ 12,183	\$ -	\$ -	\$ 8,250	\$ 6,326	\$ -
10-420-33 SUPPLIES AND MATERIALS	\$ 14,000	\$ 12,366	\$ 14,500	\$ 13,856	\$ 14,000	\$ 10,590	\$ 14,000
10-420-34 CELEBRATION EXPENSE	\$ 8,300	\$ 4,513	\$ 20,750	\$ 18,220	\$ 18,234	\$ 9,127	\$ 21,000
10-420-36 CONTRACTED SERVICES	\$ 84,000	\$ 79,665	\$ 92,750	\$ 79,997	\$ 84,000	\$ 75,246	\$ 100,200
10-420-48 DUES AND SUBSCRIPTIONS	\$ 11,200	\$ 11,153	\$ 11,525	\$ 11,436	\$ 13,845	\$ 11,880	\$ 14,192
10-420-50 SETTLEMENT EXPENSE	\$ 146,250	\$ 146,250	\$ -	\$ -	\$ -	\$ -	\$ -
10-420-53 MISC. EXPENSE	\$ 1,480	\$ 545	\$ 2,315	\$ 1,798	\$ 7,692	\$ 516	\$ 6,124
10-420-54 INSURANCE AND BONDS	\$ 16,991	\$ 16,970	\$ 16,600	\$ 13,936	\$ 20,600	\$ 7,565	\$ 22,000
10-420-71 CAPITAL OUTLAY-LAND	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
10-420-73 CAP/OUT COMM DEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,400
10-420-74 CAPITAL OUTLAY-EQUIPME	\$ 4,500	\$ -	\$ -	\$ -	\$ 3,750	\$ 3,721	\$ -
10-420-93 CONT. TO MAIN STREET	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -
10-420-95 Transfer To Cap Proj	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ -
TOTALS	\$ 760,084	\$ 723,467	\$ 643,973	\$ 690,905	\$ 697,485	\$ 479,274	\$ 742,310

Salaries	\$ 230,593
Benefits	\$ 226,651
Supples and Support	\$ 116,066
Utilities and Fuel	\$ 6,100
Contracted & Professional Servies	\$ 154,500
Capital Outlay	\$ 8,400
Contribute to Other Funds	\$ -

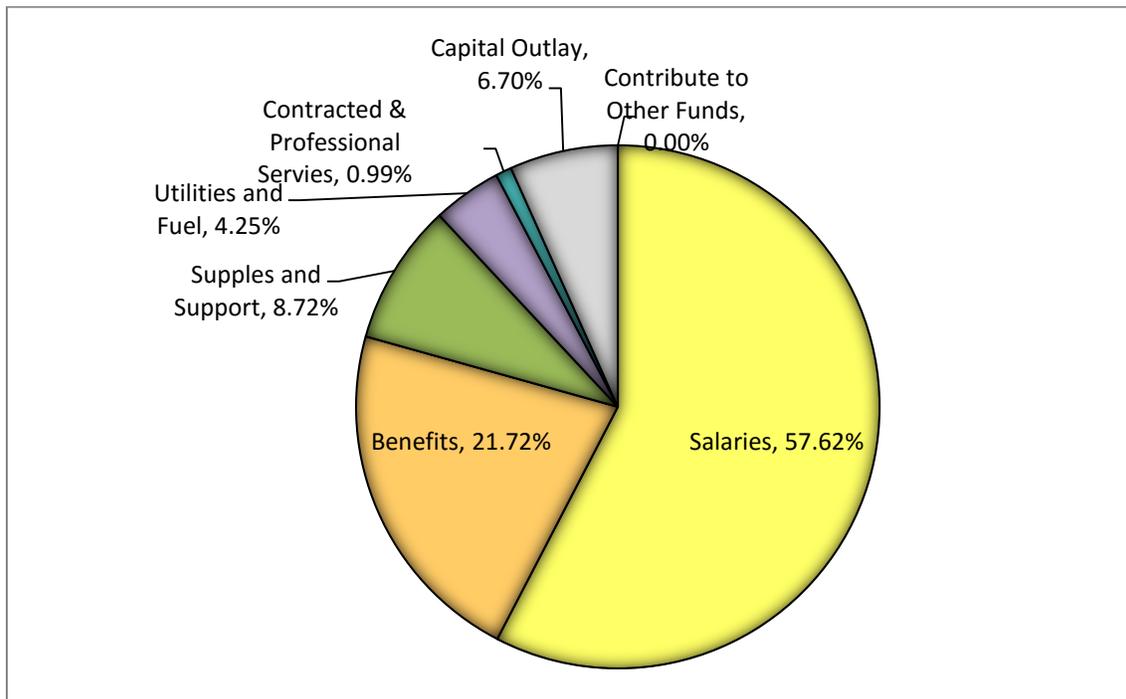
Market-Based Salary Difference	
increase	\$ 268,291
no increase	\$ 255,844
difference	\$ 12,447

**490 - INCENTIVE GRANT(S)
 FISCAL YEAR 2015-16**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-490-60 INCENTIVE GRANT(S)	\$ 46,000	\$ 20,098	\$ 90,000	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 46,000	\$ 20,098	\$ 90,000	\$ -	\$ -	\$ -	\$ -

Salaries
Benefits
Supplies and Support
Utilities and Fuel
Contracted & Professional Services
Capital Outlay
Contribute to Other Funds

General Fund: Police Department Expenditures



**510 - POLICE
 FISCAL YEAR 2016-17**

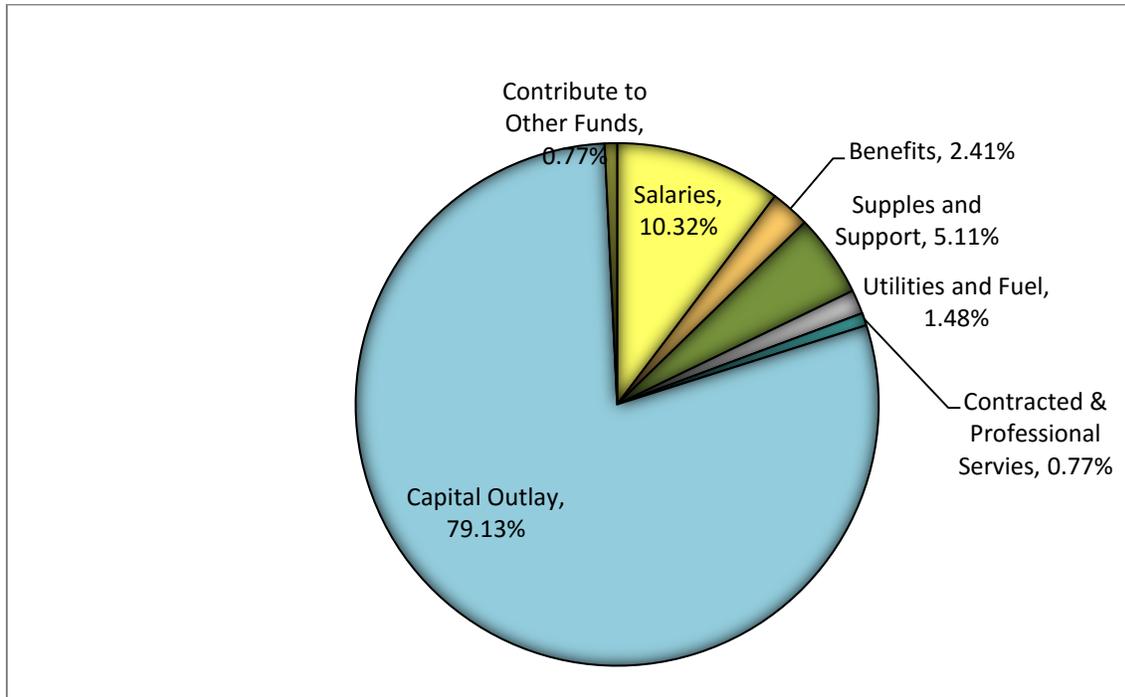
EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-510-02 SALARIES AND WAGES	\$ 1,194,260	\$ 1,174,292	\$ 1,176,322	\$ 1,133,854	\$ 1,199,637	\$ 856,103	\$ 1,191,814
10-510-05 FICA EXPENSE	\$ 91,836	\$ 84,870	\$ 91,519	\$ 81,402	\$ 91,775	\$ 63,745	\$ 91,174
10-510-06 GROUP INSURANCE	\$ 153,172	\$ 149,929	\$ 196,292	\$ 179,730	\$ 200,709	\$ 113,594	\$ 215,093
10-510-07 RETIREMENT	\$ 140,753	\$ 137,119	\$ 142,269	\$ 133,871	\$ 139,741	\$ 97,915	\$ 139,321
10-510-09 LIFE INSURANCE	\$ 4,118	\$ 3,486	\$ 4,118	\$ 3,474	\$ 3,582	\$ 2,056	\$ 3,690
10-510-11 TELEPHONE AND POSTAGE	\$ 17,000	\$ 17,064	\$ 22,000	\$ 20,858	\$ 19,000	\$ 19,133	\$ 21,000
10-510-13 UTILITIES	\$ 6,000	\$ 5,026	\$ 6,000	\$ 4,687	\$ 7,152	\$ 4,101	\$ 8,000
10-510-14 TRAVEL AND TRAINING	\$ 6,000	\$ 4,751	\$ 7,000	\$ 5,262	\$ 8,000	\$ 6,075	\$ 8,000
10-510-15 MAINT. & REPAIR BLDGS.	\$ 2,000	\$ 844	\$ 2,000	\$ 1,540	\$ 3,500	\$ 2,837	\$ 2,000
10-510-16 MAINT. & REPAIR EQUIP.	\$ 19,000	\$ 16,529	\$ 16,800	\$ 16,852	\$ 20,000	\$ 18,278	\$ 15,575
10-510-17 MAINT. & REPAIR VEHICL	\$ 11,000	\$ 10,378	\$ 9,500	\$ 9,368	\$ 11,000	\$ 7,944	\$ 12,000
10-510-20 WORKPLACE SAFETY COMPLIANCE	\$ -	\$ -	\$ 1,000	\$ 970	\$ 1,000	\$ -	\$ 2,000
10-510-30 GASOLINE & OIL	\$ 80,000	\$ 78,331	\$ 75,000	\$ 49,565	\$ 70,786	\$ 25,012	\$ 80,000
10-510-31 TIRES	\$ 5,600	\$ 5,528	\$ 6,000	\$ 5,807	\$ 6,000	\$ 4,521	\$ 6,000
10-510-32 SUPPLIES-FEDERAL ASSET	\$ -	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -

10-510-33 SUPPLIES AND MATERIALS	\$ 19,400	\$ 19,810	\$ 20,800	\$ 20,689	\$ 19,500	\$ 13,971	\$ 21,000
10-510-36 UNIFORMS	\$ 6,000	\$ 5,393	\$ 6,000	\$ 5,876	\$ 7,000	\$ 4,803	\$ 8,000
10-510-45 CONTRACTED SERVICES	\$ 1,000	\$ 782	\$ 1,010	\$ 926	\$ 5,245	\$ 4,505	\$ 10,601
10-510-49 LEASES	\$ 2,700	\$ 2,626	\$ 2,758	\$ 2,758	\$ 10,425	\$ 5,375	\$ 9,850
10-510-53 DUES AND SUBSCRIPTIONS	\$ 1,200	\$ 489	\$ 800	\$ 645	\$ 800	\$ 770	\$ 800
10-510-54 INSURANCE & BONDS	\$ 72,293	\$ 72,218	\$ 71,000	\$ 62,769	\$ 75,000	\$ 47,123	\$ 82,000
10-510-55 LOAN PAYMENT SUNTRUST	\$ 11,001	\$ 10,501	\$ 10,501	\$ 10,497	\$ 10,500	\$ 10,497	\$ -
10-510-57 MISC. EXPENSE	\$ 4,000	\$ 4,011	\$ 1,400	\$ 940	\$ 3,000	\$ 1,992	\$ 2,000
10-510-73 CAPITAL OUTLAY-FEDERAL ASSET	\$ 8,550	\$ 4,696	\$ 3,000	\$ 2,895		\$ -	\$ -
10-510-74 CAPITAL OUTLAY-EQUIPTM	\$ 2,100	\$ 2,084	\$ 36,260	\$ 34,130	\$ 405,134	\$ 52,584	\$ 138,500
10-510-75 INSURANCE REIMBURSEMEN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-510-76 K-9 UNIT SUPPLIES	\$ 100	\$ 96	\$ 5,706	\$ 5,706		\$ -	\$ -
10-510-78 EQUIPMENT-COPS GRANT	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100	\$ -
10-510-79 K-9 CONTRIBUTION TO SHERIFF	\$ 400	\$ 250	\$ 500	\$ -	\$ 250	\$ -	\$ -
TOTALS	\$1,859,483	\$1,811,117	\$1,915,555	\$1,795,071	\$2,318,836	\$1,363,034	\$ 2,068,418

Salaries	\$ 1,191,814
Benefits	\$ 449,278
Supples and Support	\$ 180,375
Utilities and Fuel	\$ 88,000
Contracted & Professional Servies	\$ 20,451
Capital Outlay	\$ 138,500
Contribute to Other Funds	\$ -

Market-Based Salary Difference	
increase	\$ 1,422,309
no increase	1396327
difference	\$ 25,982

General Fund: Fire Department Expenditures



**530 - FIRE
 Fiscal Year 2016-17**

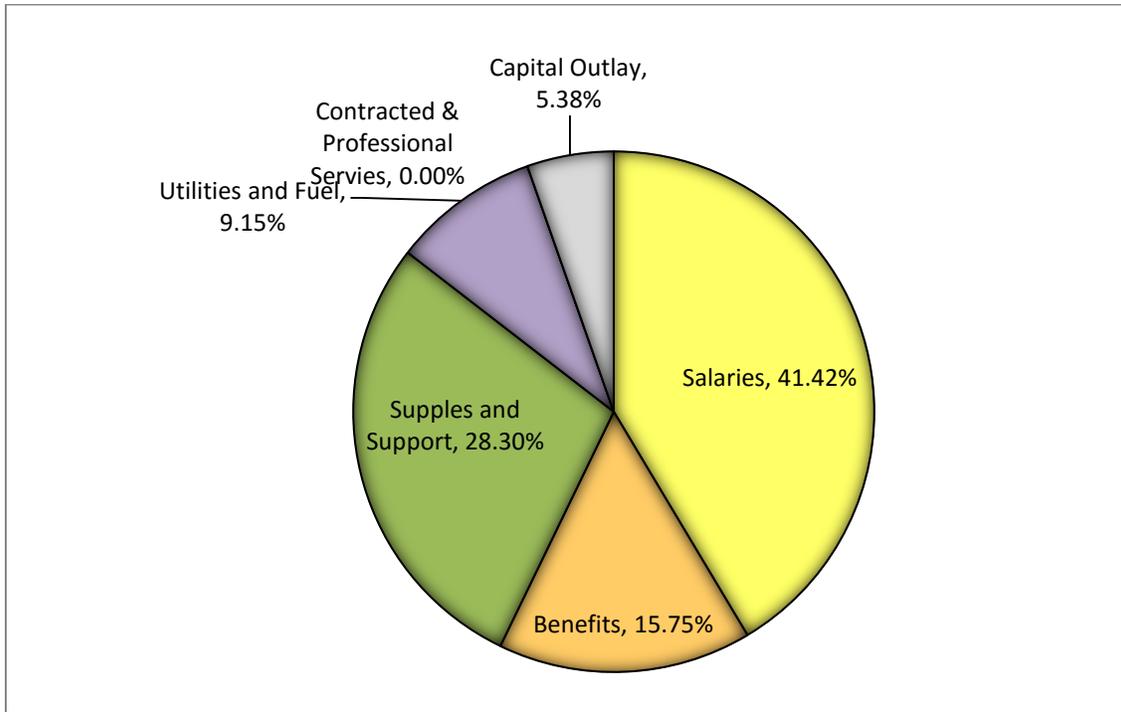
EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-530-02 SALARIES	\$ 160,651	\$ 150,382	\$ 155,328	\$ 129,661	\$ 162,638	\$ 95,061	\$ 166,852
10-530-05 FICA EXPENSE	\$ 12,741	\$ 11,164	\$ 11,975	\$ 9,717	\$ 12,442	\$ 7,034	\$ 12,765
10-530-06 GROUP INSURANCE	\$ 10,926	\$ 10,594	\$ 13,200	\$ 12,768	\$ 13,842	\$ 9,184	\$ 14,835
10-530-07 RETIREMENT	\$ 11,352	\$ 10,673	\$ 10,241	\$ 6,474	\$ 10,781	\$ 5,429	\$ 11,103
10-530-09 LIFE INSURANCE	\$ 320	\$ 267	\$ 320	\$ 269	\$ 302	\$ 188	\$ 296
10-530-11 TELEPHONE AND POSTAGE	\$ 2,950	\$ 2,803	\$ 3,500	\$ 2,717	\$ 4,000	\$ 2,634	\$ 5,000
10-530-13 UTILITIES	\$ 10,600	\$ 10,160	\$ 10,600	\$ 8,915	\$ 12,908	\$ 8,025	\$ 16,000
10-530-14 TRAVEL AND TRAINING	\$ 3,000	\$ 2,527	\$ 2,500	\$ 2,226	\$ 3,750	\$ 3,457	\$ 5,000
10-530-15 MAINT. REPAIR BUILDIN	\$ 2,000	\$ 1,354	\$ 2,750	\$ 2,252	\$ 3,700	\$ 507	\$ 2,500
10-530-16 MAINT. AND REPAIR-EQUI	\$ 8,000	\$ 6,902	\$ 7,500	\$ 6,599	\$ 9,000	\$ 5,223	\$ 9,000
10-530-17 MAINT. & REPAIR VEHICL	\$ 15,666	\$ 14,792	\$ 16,000	\$ 15,479	\$ 9,000	\$ 5,998	\$ 12,000
10-530-18 MAIN-SUPPLIES-GRANT	\$ 23,180	\$ 22,953	\$ 53,800	\$ 14,370	\$ 16,500	\$ 16,218	\$ -
10-530-19 BULLEX EQUIP-GRANT	\$ 2,600	\$ 2,247	\$ 353	\$ 64	\$ -	\$ -	\$ -

10-530-20 WORKPLACE SAFETY COMPLIANCE	\$ -	\$ -	\$ 1,000	\$ 995	\$ 3,500	\$ 440	\$ 3,500
10-530-30 GASOLINE OIL	\$ 12,000	\$ 8,270	\$ 6,300	\$ 5,688	\$ 6,820	\$ 3,217	\$ 8,000
10-530-31 TIRES	\$ 950	\$ 249	\$ 3,500	\$ 3,140	\$ 3,400	\$ 1,710	\$ 2,500
10-530-33 SUPPLIES AND MATERIALS	\$ 12,982	\$ 12,286	\$ 13,950	\$ 13,758	\$ 16,325	\$ 12,103	\$ 16,575
10-530-35 UNIFORMS	\$ 2,000	\$ 1,976	\$ 1,700	\$ 1,615	\$ 2,000	\$ 1,057	\$ 2,000
10-530-36 CONTRACTED SERVICES	\$ 8,900	\$ 9,063	\$ 13,350	\$ 12,841	\$ 12,150	\$ 10,271	\$ 12,500
10-530-37 Onbehalf Pymts-Fireman	\$ 12,400	\$ 7,155	\$ 12,400	\$ 6,576	\$ 12,400	\$ -	\$ 12,400
10-530-48 DUES & SUBSCRIPTIONS	\$ 2,350	\$ 2,331	\$ 2,200	\$ 1,275	\$ 2,500	\$ 1,681	\$ 2,500
10-530-49 DEBT PRINCIPAL DUE	\$ 32,535	\$ 32,348	\$ 6,400	\$ 6,388	\$ 36,193	\$ 36,193	\$ 55,000
10-530-50 DEBT INTEREST DUE	\$ 2,928	\$ 3,050	\$ 1,788	\$ 1,782	\$ 1,485	\$ 1,206	\$ 28,144
10-530-53 MISC. EXPENSE	\$ 400	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -
10-530-54 INSURANCE AND BONDS	\$ 16,608	\$ 16,561	\$ 18,540	\$ 16,572	\$ 19,540	\$ 8,753	\$ 22,000
10-530-55 LOAN PAYMENT SUNTRUST	\$ 11,401	\$ 11,401	\$ 11,410	\$ 11,406	\$ 11,410	\$ 11,405	\$ -
10-530-72 CAPITAL OUTLAY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,140,000
10-530-74 CAPITAL OUTLAY-EQUIPME	\$ 4,018	\$ 4,503	\$ 9,812	\$ 48,614	\$ 63,780	\$ 54,691	\$ 56,150.00
10-530-91 CONT. TO FIRE DEPT. FU	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTALS	\$ 383,458	\$ 356,261	\$ 390,417	\$ 342,161	\$ 450,366	\$ 301,685	\$ 1,616,620

Salaries	\$ 166,852
Benefits	\$ 38,999
Supples and Support	\$ 82,575
Utilities and Fuel	\$ 24,000
Contracted & Professional Servies	\$ 12,500
Capital Outlay	\$ 1,279,294
Contribute to Other Funds	\$ 12,400

Market Based Salary Difference	
Increase	\$ 190,718
No Increase	\$ 187,514
Difference	\$ 3,204

General Fund: Garage/Shop Department Expenditures



555 - SHOP
FISCAL YEAR 2016-17

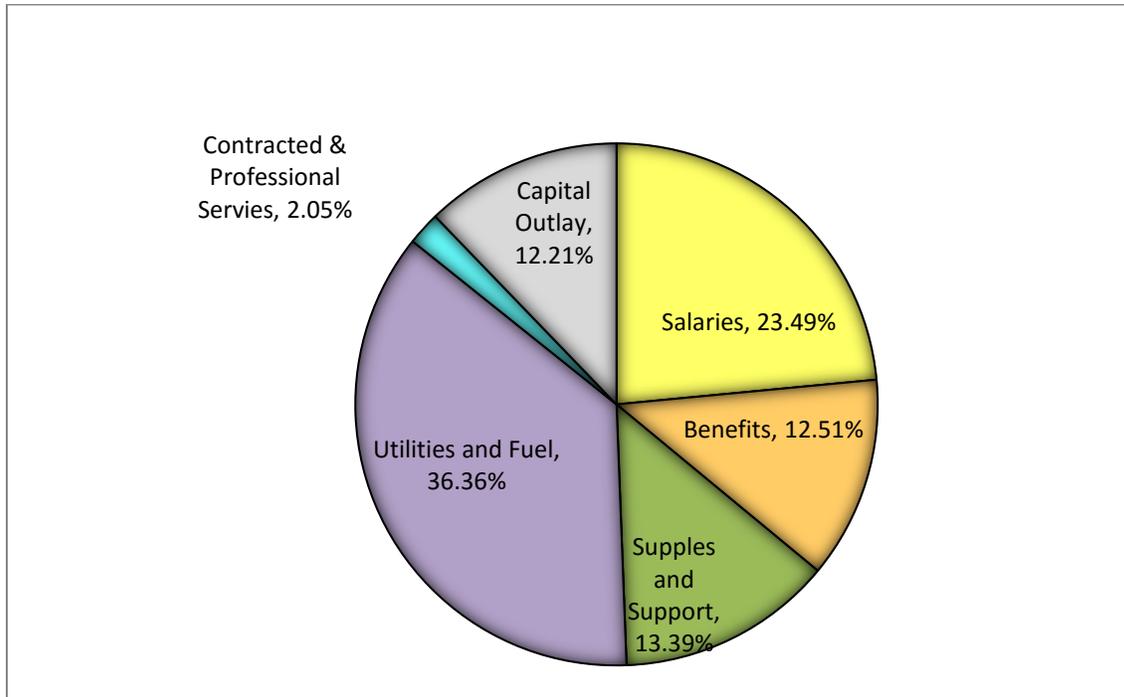
EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-555-02 SALARIES AND WAGES	\$ 31,074	\$ 34,717	\$ 38,157	\$ 35,946	\$ 38,757	\$ 28,616	\$ 38,495
10-555-05 FICA EXPENSE	\$ 2,852	\$ 2,518	\$ 2,919	\$ 2,667	\$ 2,965	\$ 2,172	\$ 2,945
10-555-06 GROUP INSURANCE	\$ 5,463	\$ 5,725	\$ 6,600	\$ 6,384	\$ 7,370	\$ 4,592	\$ 7,417
10-555-07 RETIREMENT	\$ 4,127	\$ 3,711	\$ 4,224	\$ 3,954	\$ 4,224	\$ 3,056	\$ 4,158
10-555-09 LIFE INSURANCE	\$ 150	\$ 114	\$ 150	\$ 114	\$ 115	\$ 76	\$ 118
10-555-11 TELEPHONE AND POSTAGE	\$ 2,100	\$ 1,543	\$ 2,000	\$ 1,961	\$ 2,000	\$ 1,468	\$ 2,000
10-555-13 UTILITIES	\$ 7,100	\$ 5,757	\$ 7,500	\$ 5,937	\$ 7,300	\$ 3,953	\$ 7,500
10-555-15 MAINT. & REPAIR BUILDI	\$ 1,100	\$ 58	\$ 2,000	\$ 1,091	\$ 1,600	\$ 1,478	\$ 2,000
10-555-16 MAIN&REP EQUIP	\$ 500	\$ -	\$ 500	\$ 478	\$ 750	\$ 247	\$ 750
10-555-17 MAINT. & REPAIR-VEHICL	\$ 750	\$ 105	\$ 750	\$ 503	\$ 750	\$ 480	\$ 750
10-555-20 WORKPLACE SAFETY	\$ -	\$ -	\$ 1,000	\$ 540	\$ 1,500	\$ 72	\$ 1,500
10-555-30 GASOLINE AND OIL	\$ 1,000	\$ 1,221	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ 1,000
10-555-31 TIRES	\$ 500	\$ -	\$ 500	\$ -	\$ 800	\$ 371	\$ 800
10-555-35 CONTRACTED SERVICES	\$ 1,608	\$ 9,136	\$ 1,608	\$ -	\$ 1,608	\$ 324	\$ 1,200
10-555-33 SUPPLIES AND MATERIALS	\$ 10,000	\$ -	\$ 7,450	\$ 9,900	\$ 7,500	\$ 7,019	\$ 8,500
10-555-36 UNIFORMS	\$ 2,800	\$ 3,818	\$ 2,800	\$ 1,072	\$ 2,800	\$ 708	\$ 2,800

10-555-54 INSURANCE AND BONDS	\$ 4,497	\$ 3,527	\$ 4,900	\$ 3,895	\$ 5,145	\$ 2,710	\$ 6,000
10-555-74 CAPITAL OUTLAY-EQUIPME	\$ 2,200	\$ -	\$ 19,658	\$ 19,650	\$ 600	\$ 547	\$ 5,000
TOTALS	\$ 77,821	\$ 71,950	\$ 103,716	\$ 94,092	\$ 86,784	\$ 57,889	\$ 92,933

Salaries	\$ 38,495
Benefits	\$ 14,638
Supples and Support	\$ 26,300
Utilities and Fuel	\$ 8,500
Contracted & Professional Servies	\$ -
Capital Outlay	\$ 5,000
Contribute to Other Funds	\$ -

Market-Based Salary Increase	
increase	\$ 45,597
no increase	\$ 45,197
difference	\$ 400

General Fund: Street Department Expenditures



**560 - STREET
 Fiscal Year 2016-17**

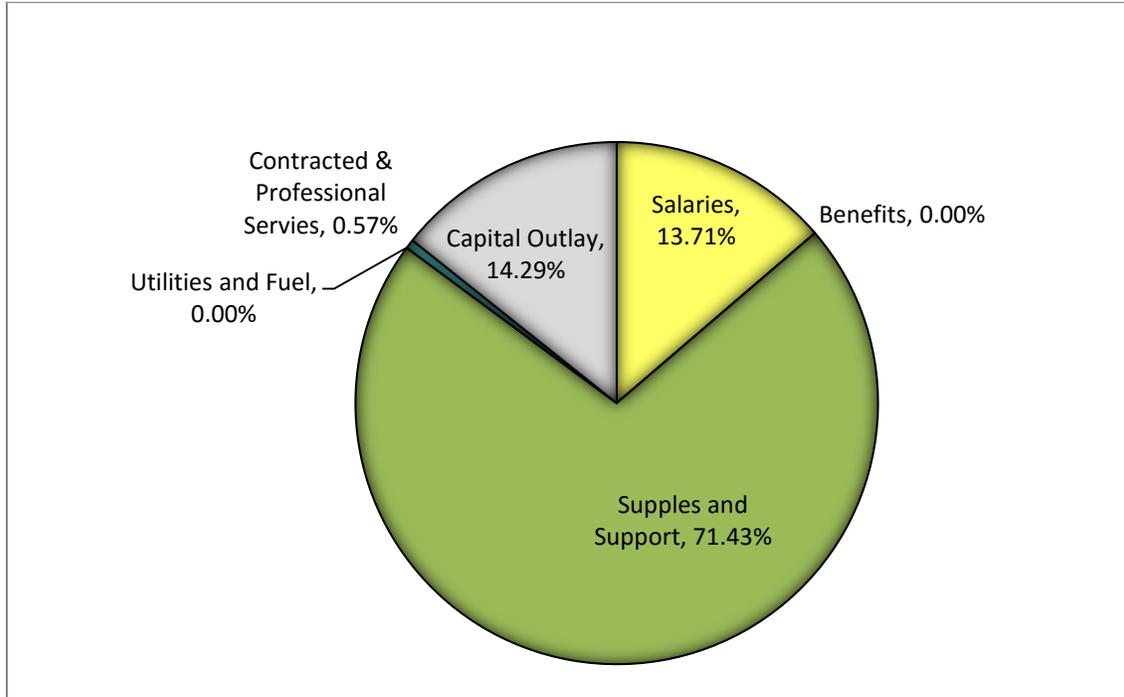
EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Proposed Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-560-02 SALARIES AND WAGES	\$ 21,263	\$ 7,784	\$ 82,065	\$ 74,332	\$ 98,542	\$ 92,008	\$ 99,107
10-560-04 PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-560-05 FICA EXPENSE	\$ 9,433	\$ 7,610	\$ 9,721	\$ 9,497	\$ 10,171	\$ 7,579	\$ 9,418
10-560-06 GROUP INSURANCE	\$ 21,851	\$ 17,546	\$ 26,400	\$ 25,004	\$27,684	\$ 17,220	\$29,668
10-560-07 RETIREMENT	\$ 13,651	\$ 11,284	\$ 14,067	\$ 12,731	\$ 14,451	\$ 9,442	\$ 13,296
10-560-09 LIFE INSURANCE	\$ 460	\$ 345	\$ 460	\$ 402	\$ 407	\$ 246	\$ 404
10-560-11 TELEPHONE & POSTAGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
10-560-13 UTILITIES	\$ 148,000	\$ 131,196	\$ 148,000	\$ 131,386	\$ 140,000	\$ 93,139	\$ 141,400
10-560-14 TRAVEL AND TRAINING	\$ 200	\$ 109	\$ 200	\$ -	\$ 500	\$ 384	\$ 500
10-560-15 MAINT. & REPAIR SIDEWA	\$ 7,000	\$ 203	\$ 3,400	\$ -	\$ 6,400	\$ 898	\$ 6,000
10-560-16 MAINT. & REPAIR EQUIPM	\$ 5,000	\$ 4,481	\$ 6,500	\$ 6,052	\$ 8,000	\$ 5,373	\$ 6,500
10-560-17 MAINT. & REPAIR-VEHICL	\$ 9,500	\$ 8,477	\$ 5,000	\$ 1,781	\$ 6,000	\$ 871	\$ 6,000
10-560-20 WORKPLACE SAFETY COMPLIANCE	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ 2,000
10-560-30 GASOLINE AND OIL	\$ 11,000	\$ 11,359	\$ 11,000	\$ 7,037	\$ 9,852	\$ 4,195	\$ 12,000
10-560-31 TIRES	\$ 3,000	\$ 1,597	\$ 3,000	\$ 1,568	\$ 3,000	\$ 2,618	\$ 3,000
10-560-33 SUPPLIES AND MATERIALS	\$ 12,000	\$ 10,708	\$ 12,700	\$ 7,120	\$ 14,000	\$ 8,062	\$ 14,000

10-560-36 UNIFORMS	\$ 2,500	\$ 1,861	\$ 3,500	\$ 3,500	\$ 3,000	\$ 2,621	\$ 3,000
10-560-45 CONTRACTED SERVICES	\$ 150	\$ 180	\$ 3,900	\$ 2,762	\$ 12,000	\$ 10,999	\$ 6,000
10-560-52 RIGHT-OF-WAY COST	\$ 2,000	\$ 1,924	\$ 2,000	\$ 1,924	\$ 2,600	\$ 2,585	\$ 2,650
10-560-53 PEDESTRIAN PLAN GRANT	\$ 10,000	\$ 4,518	\$ 23,000	\$ 20,483	\$ -	\$ -	\$ -
10-560-54 INSURANCE AND BONDS	\$ 11,482	\$ 11,458	\$ 11,680	\$ 10,427	\$ 11,980	\$ 4,318	\$ 14,500
10-560-57 MISC. EXPENSE	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-560-73 CAPITAL OUTLAY-OTHER I	\$ -	\$ -	\$ -	\$ -	\$ 24,000	\$ -	\$ -
10-560-74 CAPITAL OUTLAY-EQUIPME	\$ 1,000	\$ 958	\$ -	\$ -	\$ 24,948	\$ 23,400	\$ 51,500
10-560-81 DEBT SER PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-560-82 811 LOCATE	\$ -	\$ -	\$ 1,000	\$ 476	\$ 1,000	\$ 388	\$ -
10-560-83 TASTE OF PEE DEE LIGHTING	\$ -	\$ -	\$ 15,000	\$ 11,101	\$ -	\$ -	\$ -
TOTALS	\$ 291,490	\$ 233,598	\$ 382,593	\$ 327,583	\$ 422,535	\$ 286,346	\$ 421,943

Salaries	\$ 99,107
Benefits	\$ 52,786
Supplies and Support	\$ 56,500
Utilities and Fuel	\$ 153,400
Contracted & Professional Servies	\$ 8,650
Capital Outlay	\$ 51,500
Contribute to Other Funds	\$ -

Market-Based Salary Difference	
increase	\$ 145,820
no increase	143280
difference	\$ 2,540

General Fund: Powell Bill Expenditures



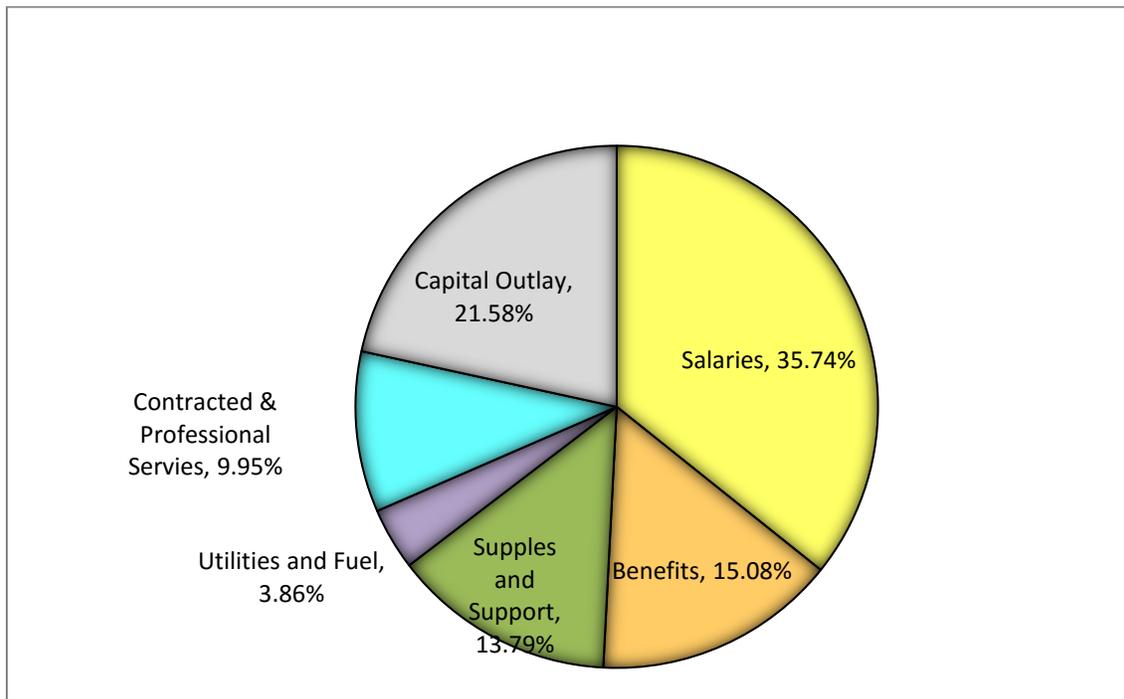
**570 - POWELL
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-570-02 SALARIES AND WAGES	\$ 95,000	\$ 93,000	\$ 45,000	\$ 45,000	\$ 35,000	\$ -	\$ 24,000
10-570-04 MAP PREPARATION	\$ 1,500	\$ 595	\$ 1,000	\$ 262	\$ 1,000	\$ 300	\$ 1,000
10-570-15 MAINT. & REPAIR STREET	\$ 94,000	\$ 40,571	\$ 70,000	\$ 16,634	\$ 29,000	\$ 6,187	\$ 50,000
10-570-42 MAINT. & REPAIR SIDEWA	\$ 8,000	\$ 10,120	\$ 5,000	\$ 2,994	\$ 13,000	\$ 1,787	\$ 5,000
10-570-91 CONTRIBUTION TO BRIDGE	\$ 25,000	\$ 19,686	\$ 475,000	\$ 3,848	\$ 510,000	\$ 287,992	\$ 25,000
10-570-74 CAPITAL OUTLAY	\$ -	\$ -	\$ 25,000	\$ 18,199	\$ 31,000	\$ 10,390	
10-570-75 STREET RESURFACING	\$ -	\$ -	\$ -	\$ -	\$ 94,000	\$ -	\$ 70,000
							\$ -
TOTALS	\$ 223,500	\$ 163,972	\$ 621,000	\$ 86,937	\$ 713,000	\$ 306,656	\$ 175,000

Salaries	\$ 24,000
Benefits	\$ -
Supplies and Support	\$ 125,000
Utilities and Fuel	\$ -
Contracted & Professional Services	\$ 1,000

Capital Outlay	\$ 25,000
Contribute to Other Funds	

General Fund: Sanitation Department Expenditures



**580 - SANITATION
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-580-02 SALARIES AND WAGES	\$ 261,790	\$ 260,594	\$ 207,486	\$ 191,400	\$ 188,879	\$ 137,629	\$ 189,976
10-580-05 FICA EXPENSE	\$ 20,211	\$ 18,787	\$ 15,873	\$ 14,010	\$ 14,449	\$ 10,253	\$ 14,534
10-580-06 GROUP INSURANCE	\$ 42,652	\$ 41,562	\$ 39,600	\$ 36,176	\$ 41,526	\$ 26,404	\$ 44,502
10-580-07 RETIREMENT	\$ 27,772	\$ 27,137	\$ 21,494	\$ 20,386	\$ 20,511	\$ 14,554	\$ 20,518
10-580-09 LIFE INSURANCE	\$ 800	\$ 782	\$ 800	\$ 572	\$ 605	\$ 382	\$ 609
10-580-11 TELEPHONE & POSTAGE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000
10-580-14 TRAVEL AND TRAINING	\$ 150	\$ 134	\$ 100	\$ 93	\$ 150	\$ 99	\$ 300
10-580-16 MAIN&REP EQUIP	\$ 2,500	\$ 1,547	\$ 3,500	\$ 3,572	\$ 4,900	\$ 3,909	\$ 5,000
10-580-17 MAINT. & REPAIR VEHICL	\$ 15,500	\$ 15,021	\$ 16,000	\$ 16,359	\$ 14,500	\$ 4,759	\$ 19,000
10-580-30 GASOLINE AND OIL	\$ 36,800	\$ 26,700	\$ 17,000	\$ 20,335	\$ 17,625	\$ 7,798	\$ 20,500
10-580-31 TIRES	\$ 6,000	\$ 2,676	\$ 6,000	\$ 4,891	\$ 7,000	\$ 2,635	\$ 7,000
10-580-33 SUPPLIES AND MATERIALS	\$ 5,500	\$ 3,114	\$ 5,500	\$ 7,110	\$ 5,500	\$ 4,827	\$ 5,500
10-580-34 CHEMICALS	\$ 500	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -
10-580-36 UNIFORMS	\$ 5,000	\$ 4,914	\$ 4,000	\$ 3,505	\$ 6,000	\$ 5,130	\$ 6,500
10-580-45 CONTRACTED SERVICES-WA	\$ 500	\$ 391	\$ 500	\$ 3,271	\$ 750	\$ 445	\$ 750

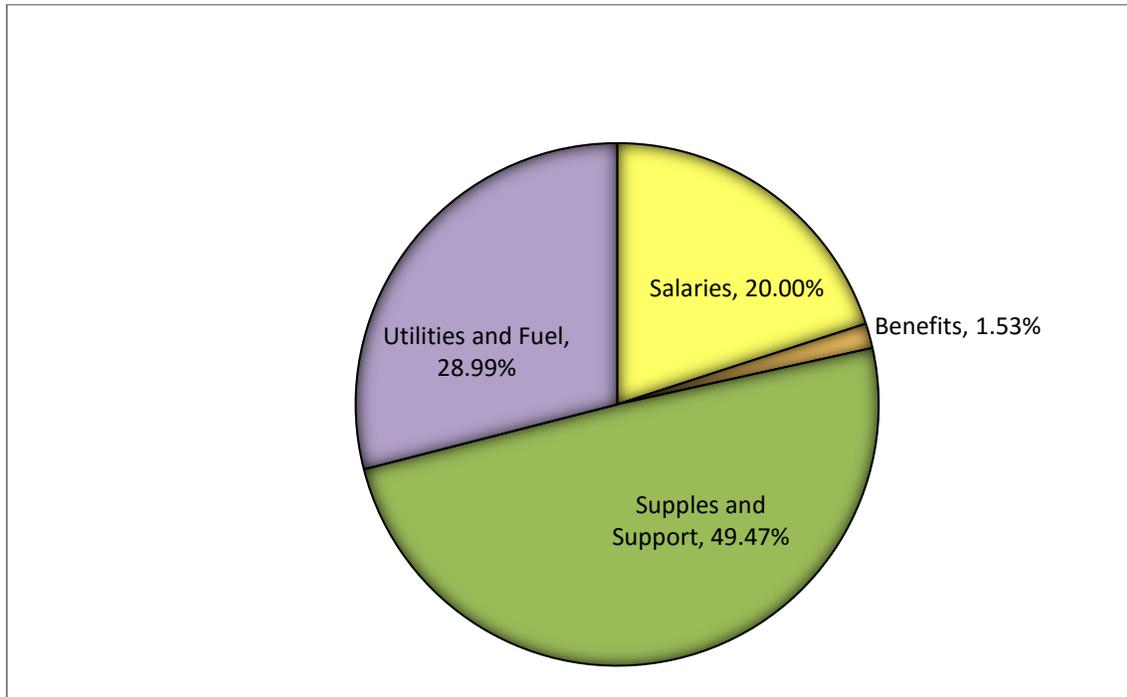
Town of Wadesboro, North Carolina
FY 2016-2017 Annual Budget

10-580-49 LEASE PYMT/GARBAGE TRU	\$ 11,548	\$ 11,373	\$ 11,547	\$ 11,546	\$ 61,800	\$ 11,725	\$ 45,675
10-580-50 LEASE PYMT-INTEREST	\$ 1,487	\$ 1,463	\$ 1,289	\$ 1,290	\$ 1,200	\$ 1,110	\$ 950
10-580-54 INSURANCE AND BONDS	\$ 22,898	\$ 22,887	\$ 26,340	\$ 20,975	\$ 26,340	\$ 19,221	\$ 29,000
10-580-55 LOAN PAYMENT SUNTRUST	\$ 2,701	\$ 2,700	\$ 2,701	\$ 2,700	\$ 2,701	\$ 2,700	\$ -
10-580-60 HOUSE DEMOLITION GRANT	\$ 30,000	\$ 30,000	\$ 17,892	\$ -	\$ -	\$ -	\$ -
10-580-74 CAPITAL OUTLAY-EQUIP.	\$ 1,000	\$ 958	\$ -	\$ -	\$ 390,475	\$ 39,735	\$ 114,704
10-580-91 PAYMENT-COUNTY LANDFIL	\$ 6,500	\$ 4,626	\$ 5,500	\$ 4,005	\$ 8,000	\$ 3,729	\$ 5,500
TOTALS	\$ 501,809	\$ 477,516	\$ 403,122	\$ 362,196	\$ 812,911	\$ 297,044	\$ 531,518

Salaries	\$ 189,976
Benefits	\$ 80,163
Supples and Support	\$ 73,300
Utilities and Fuel	\$ 20,500
Contracted & Professional Servies	\$ 52,875
Capital Outlay	\$ 114,704
Contribute to Other Funds	0

Market-Based Increase Difference	
increase	\$ 226,142
no increase	\$ 222,093
difference	\$ 4,049

General Fund: Parks & Recreation Expenditures



**620 - PARKS
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-620-02 SALARIES AND WAGES	\$ 5,300	\$ 12,164	\$ 5,325	\$ 5,003	\$ 5,463	\$ 2,733	\$ 5,518
10-620-05 FICA EXPENSE	\$ 540	\$ 921	\$ 408	\$ 383	\$ 418	\$ 222	\$ 423
10-620-06 GROUP INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-620-07 RETIREMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-620-09 LIFE INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10-620-11 TELEPHONE AND POSTAGE	\$ 500	\$ 532	\$ 600	\$ 741	\$ 700	\$ 636	\$ 850
10-620-13 UTILITIES	\$ 6,500	\$ 6,051	\$ 7,200	\$ 6,521	\$ 8,000	\$ 5,416	\$ 8,000
10-620-15 MAINT. & REPAIR BUILDI	\$ 1,000	\$ 702	\$ 1,000	\$ 40	\$ 1,000	\$ 173	\$ 1,000
10-620-16 MAINT. & REPAIR EQUIPM	\$ 1,000	\$ 210	\$ 1,000	\$ 68	\$ 1,000	\$ 1,382	\$ 1,000
10-620-20 WORKPLACE SAFETY COMP.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300
10-620-33 SUPPLIES	\$ 2,000	\$ 3,626	\$ 6,000	\$ 3,739	\$ 2,750	\$ 315	\$ 4,750
10-620-36 CONTRACTED SERVICES	\$ 9,200	\$ 3,440	\$ 8,200	\$ 3,225	\$ 5,000	\$ 2,375	\$ 5,000
10-620-54 INSURANCE AND BONDS	\$ 700	\$ 619	\$ 750	\$ 699	\$ 750	\$ 119	\$ 750
TOTAL	\$ 26,740	\$ 28,265	\$ 30,483	\$ 20,419	\$ 25,081	\$ 13,371	\$ 27,591

Salaries	\$ 5,518
Benefits	\$ 423
Supples and Support	\$ 13,650
Utilities and Fuel	\$ 8,000
Contracted & Professional Servies	\$ -
Capital Outlay	\$ -
Contribute to Other Funds	\$ -

Market-Based Salary Difference			
	increase	\$	5,940
	no		
	increase		5881
	difference	\$	59

General Fund: Contingency

FISCAL YEAR 2016-17

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
10-999-00	\$ 39,000	\$ -	\$ 167,350	\$ -	\$ 86,048	\$ -	\$ 75,000

Salaries	
Benefits	
Supplies and Support	
Utilities and Fuel	
Contracted & Professional Services	
Capital Outlay	
Contribute to Other Funds	

Enterprise Fund (Water & Sewer)

Enterprise Fund Revenues: Introduction

The Town receives revenue from a variety of different sources including local revenues, grants, and State-shared revenues. In predicting revenues for the upcoming fiscal year, the Town uses a variety of formulas, information sources, and tools. For example, the UNC School of Government uses a water and sewer rate dashboard which is helpful.⁵⁶ This report is commonly relied on by many North Carolina municipalities in benchmarking rates.

While water and sewer revenues have been historically more predictable than General Fund revenues, there is still the possibility of a major industry closing along with natural variation in customer usage. As a result, it is important to note that revenue predictions are an inexact science. Because of this reality, this budget proposal takes a conservative approach to revenue projections.

This section outlines the basis for the budget numbers used in the Water & Sewer Revenue budget. Each major revenue source is explained below to give some background on the revenue source, and to give the reader an indication of the stability of the sources. Staff then propose an estimate for each of the revenues based upon a variety of factors including our history with a given revenue (among other factors). These estimates are then reflected on the Revenue budget worksheet.

Enterprise Funds are budgeted at \$2,773,896 which is a \$39,889 (1.4%) decrease from the current FY 2015-16 budget. This proposal uses \$188,896 in fund balance to balance the FY 2016=17 Water & Sewer Fund. In comparison, this is a \$9,864 (5%) decrease from FY 2015-16.

Below is a snapshot of Enterprise Fund Revenues.

REVENUE	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Recommended Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
30 Fund	\$ 2,776,762	\$ 3,090,290	\$ 2,825,300	\$ 4,466,247	\$ 2,813,785	\$ 2,021,355	\$ 2,773,896

⁵⁶ <http://www.efc.sog.unc.edu/reslib/item/north-carolina-water-and-wastewater-rates-dashboard>

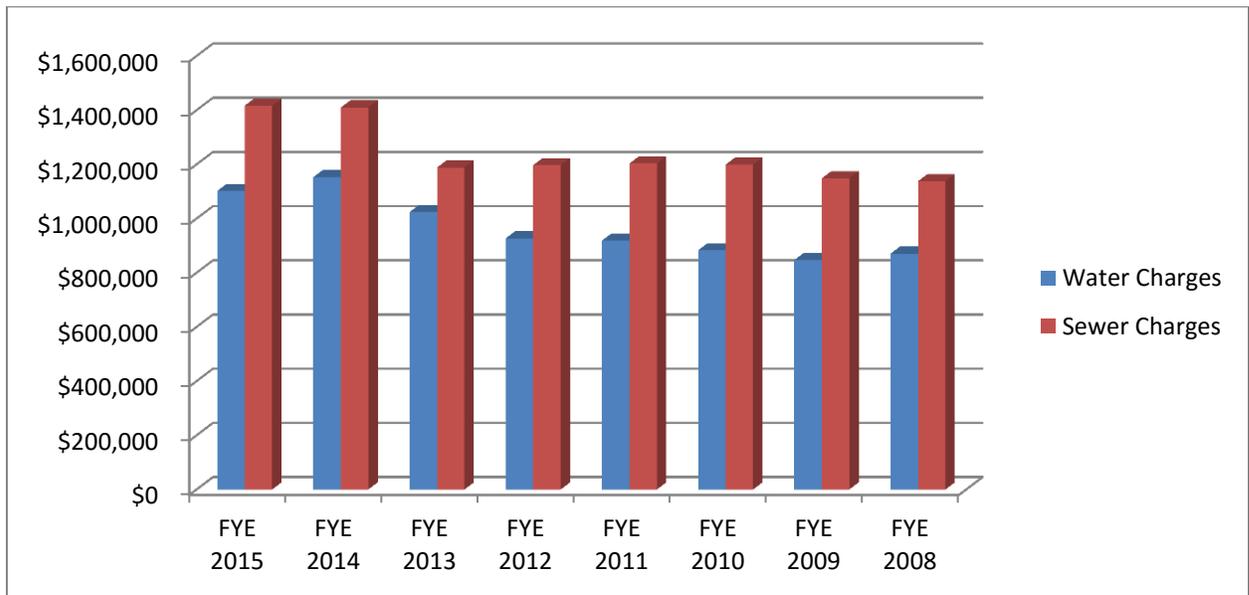
Enterprise Fund: Revenue Sources

Water & Sewer Revenues

Amongst the Enterprise Fund’s revenues, the largest are water and sewer charges for service. There is a base rate for a minimum service up to a certain usage amount. After that there is a flat rate based on usage. Previously, there was a declining rate structure which was essentially a bulk discount where the more gallons used meant the cheaper the rate. However, the Town moved from a declining rate structure to a flat rate structure as a condition of accepting a previous grant. The Town currently has an industrial rate but just one user that qualifies for this rate based on consumption.

The below graph shows recent performance of these revenues:

	Water Charges	Sewer Charges
FYE 2015	\$1,101,808	\$1,416,590
FYE 2014	\$1,153,004	\$1,409,801
FYE 2013	\$1,023,889	\$1,188,503
FYE 2012	\$927,125	\$1,197,197
FYE 2011	\$918,741	\$1,203,378
FYE 2010	\$882,915	\$1,199,193
FYE 2009	\$846,892	\$1,148,405
FYE 2008	\$870,354	\$1,137,728



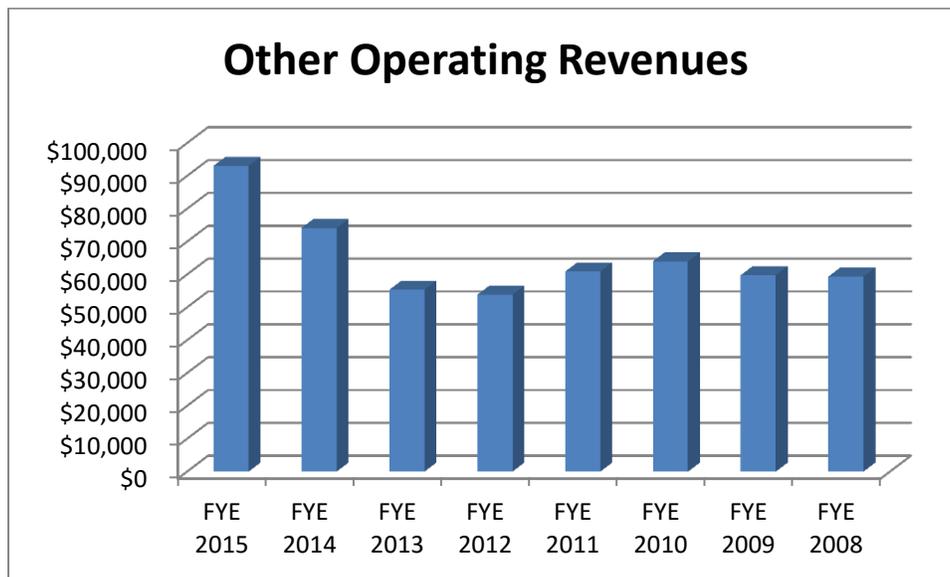
For FYE 2015, the Town’s total water and sewer rate charges were approximately \$2,518,398. The Town relies heavily on its lone industrial user for revenue which accounts for \$556,657 (22.1%) of all charges. If this user were to reduce consumption or close down then revenue would likely decrease significantly. This is another reason why attracting more business/industry to Wadesboro is so important. Notably, FYE 2014 increases shown are largely due to significant rate increases.

In FY 2015-16, water rates were increased to help fund for application costs for grants. Sewer rates remained the same. At 5/20/16, both water and sewer revenues are ahead of last year's pace and on pace to exceed budgeted projections. However, to maintain our conservative posture toward revenues, water and sewer revenue projections do not increase for FY 2016-17.

Other Operating Revenues: Late Fees, Reconnections/ Tap Fees

The Town charges a \$10 fee for late payment on a bill, water/sewer tap fees, and reconnection charges. IN FY 2013-14, the Town raised several of these fees including raising the late fee from \$5 to \$10. These increases led to significant increases in these revenues as indicated in the chart and graph below:

Other Operating Revenues	
FYE 2015	\$93,058
FYE 2014	\$74,136
FYE 2013	\$55,366
FYE 2012	\$53,848
FYE 2011	\$60,903
FYE 2010	\$64,037
FYE 2009	\$59,785
FYE 2008	\$59,380



Regarding late fees, Town software shows there was \$73,730 in late fees in FY 2014-15. In comparison, there are approximately \$67,000 in FY 2015-16 at 5/20/16. At 5/20/15, the late fees were also about \$67,000. To maintain a conservative approach to revenues, this budget estimates approximately \$68,000 in late fees.

Regarding Tap & Connection fees, the two most recent completed fiscal years (FY 2013-14 & FY 2014-15) both show this revenue exceeding \$19,000. At 5/20/16, the FY 2015-16 budget shows approximately \$18,500. To maintain our conservative posture, this budget projects a \$1,000 increase to \$17,000 for FY 2016-17.

Enterprise Fund: Complete Revenues

**WATER-SEWER FUND REVENUE
 FISCAL YEAR 2016-17**

REVENUE	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Recommended Budget
	Year End Budget	Actual Revenue	Year End Budget	Actual Revenue	Year End Budget	As of 03/31/2016	
30-290-00 INTEREST ON INVESTMENT	\$ 50	\$ (7,871)	\$ -	\$ (8,020)	\$ -	\$ (2,740)	
30-302-00 CREDIT CARD FEE	\$ -	\$ 628	\$ 1,000	\$ 20	\$ 25	\$ -	
30-328-00 LOAN PROCEED	\$ 45,000		\$ -	\$ -	\$ -	\$ -	
30-333-00 Alumsludge State Grant	\$ -		\$ -	\$ 84	\$ -	\$ -	
30-334-00 CASH DRAWER Overage	\$ -	\$ 78	\$ -	\$ 1,616	\$ -	\$ 45	
30-335-00 Misc Revenue	\$ 2,000	\$ 2,580	\$ 2,000	\$ -	\$ 34,000	\$ 333	
30-336-00 INTERGOV'T TRANSFER OF ASSETS				\$ 1,058,416		\$ -	
30-337-00 WMD MM INTEREST INCOME	\$ -	\$ 7	\$ -	\$ 5	\$ -	\$ 2	
30-348-00 RURAL CENTER GRANT	\$ 38,638	\$ 18,638	\$ -	\$ -	\$ -	\$ -	
30-371-01 WATER REVENUE	\$ 1,180,000	\$ 1,133,604	\$ 1,080,000	\$ 1,106,358	\$ 1,110,000	\$ 884,713	\$ 1,110,000
30-371-02 SEWER REVENUE	\$ 1,350,000	\$ 1,409,802	\$ 1,350,000	\$ 1,416,591	\$ 1,390,000	\$ 1,063,196	\$ 1,390,000
30-372-00 W/S LATE PENALTY	\$ 40,000	\$ 53,955	\$ 55,000	\$ 73,730	\$ 65,000	\$ 55,445	\$ 68,000
30-373-00 TAPS & CONNECTION FEES	\$ 16,000	\$ 19,475	\$ 16,000	\$ 19,225	\$ 16,000	\$ 16,150	\$ 17,000
30-374-00 NCSTATE CONTRACT-CURVE	\$ -		\$ -	\$ -	\$ -	\$ -	
30-383-00 GAIN ON SALE OF EQUIP.	\$ -		\$ -	\$ -	\$ -	\$ -	
30-384-00 TSFR TO WATER PLANT FU			\$ -	\$ 95,128		\$ -	
30-399-00 FUND BALANCE APPROPRIA	\$ 104,074		\$ 295,000		\$ 198,760	\$ -	\$ 188,896
30-399-10 SALE OF SURPLUS PROPER	\$ 1,000		\$ -	\$ 232	\$ -	\$ 4,211	
30-600-00 CAPITAL CONTRIBUTIONS	\$ -	\$ 459,394	\$ -	\$ 702,862	\$ -	\$ -	
30-690-93 CONT. TO CAPITAL PROJE	\$ -		\$ -	\$ -	\$ -	\$ -	
Total Revenues	\$ 2,776,762	\$ 3,090,290	\$ 2,825,300	\$ 4,466,247	\$ 2,813,785	\$ 2,021,355	\$ 2,773,896

Enterprise Fund: Expenditure Highlights by Department

While not attempting to cover specifics for all of the 4 budgetary departments within the Water & Sewer Fund, the following information are some highlights of the more significant expenditures and programs being proposed. These projects, including some in minor expenditures that are departures from past practices, are summarized in the tables shown on the following pages.

Water

Function: The Water Department's main function is to provide water service to approximately 2,100 customers.⁵⁷

Staffing: The water department currently funds 8 positions (1 public services director, 2 billing clerks, 1 water quality specialist, and 4 full-time and 1 part-time distribution system employees). The Town is currently conducting an alternatives analysis to determine whether the Town continues to operate our 1 MGD water plant that treats raw water coming from the City Pond reservoir, or purchase water solely from Anson County which is currently used as a supplemental supply. If the analysis indicates that the Town should reopen its water treatment plant, and the Council agrees, then there would likely need to be about 4 more operator positions added. This analysis should be completed by late Summer 2016.

FY 2016-17 Budget: There are several notable expenditures in the water department. First, \$455,000 is included to purchase water solely from Anson County. This could convert these funds back into water plant operational costs if the alternatives analysis concludes the Town should continue operating our water plant. Second, there is \$45,000 for a service truck for the water department. This will replace a 14-year old service truck that has already gone well beyond its useful life and incurs heavy maintenance costs.

The Town is working to start addressing a number of long-neglected infrastructure needs. First, there is \$50,000 split evenly between water and sewer allocated for preliminary engineering work and other grant application costs to start addressing system needs. Second, per the Town's water system asset management/capital improvement plan,⁵⁸ \$25,000 is included for distribution valve replacements and general system improvements. Third, there is \$25,000 to continue to replace old water meters with radio meters.

Other budgeted expenditures include \$8,841 market-based pay increases, \$5,000 to complete the alternatives analysis, \$4,136 in health insurance increase costs, \$3,000 in funding toward securing the front desk area in Town Hall,⁵⁹ \$3,000 in funding toward performance evaluation,⁶⁰ and \$1,500 toward a telephone notification system reminding customers they have not yet paid their bill.⁶¹

Sewer

Function: The Sewer Department's main function is providing sewer service to approximately 2,000 customers. The Town maintains its collection system and pays for sewage to be treated at the Anson County Wastewater Facility.

⁵⁷ This is an approximation, it may vary. Also, the Town maintains approximately 45 miles of water lines and 250 fire hydrants.

⁵⁸ The Town had LKC Engineering commission a Water System Asset Management/Capital Improvement Plan that was completed in May 2014.

⁵⁹ \$9,000 total cost: \$3,000 from General Fund, \$3,000 in Water, \$3,000 in Sewer.

⁶⁰ \$16,000 total: \$11,000 from General Fund, \$4,000 from Water, \$1,000 from Sewer.

⁶¹ \$3,000 total: \$1,500 from Water, \$1,500 from Sewer.

Staffing: This budget continues funding 3 positions for FY 2016-17.

FY 2016-17 Budget: There are several notable expenditures within the sewer department. First, \$1,000,000 is budgeted to pay for Anson County to treat our wastewater. This amount represents 77.3% of the entire sewer budget. Second, there is \$50,000 split evenly between water and sewer allocated for preliminary engineering work and other grant application costs to start addressing system needs. Third, there is \$5,000 for a root control contractor. Other municipalities report positive results in helping prevent roots from getting into sewer lines.

Other budgeted expenditures include \$3,000 in funding toward securing the front desk area in Town Hall,⁶² \$1,551 in health insurance cost increases, \$1,248 in market-based pay increases, \$1,000 in funding toward performance evaluation,⁶³ and \$1,500 toward a telephone notification system reminding customers they have not yet paid their bill.⁶⁴

⁶² \$9,000 total cost: \$3,000 from General Fund, \$3,000 in Water, \$3,000 in Sewer.

⁶³ \$16,000 total: \$11,000 from General Fund, \$4,000 from Water, \$1,000 from Sewer.

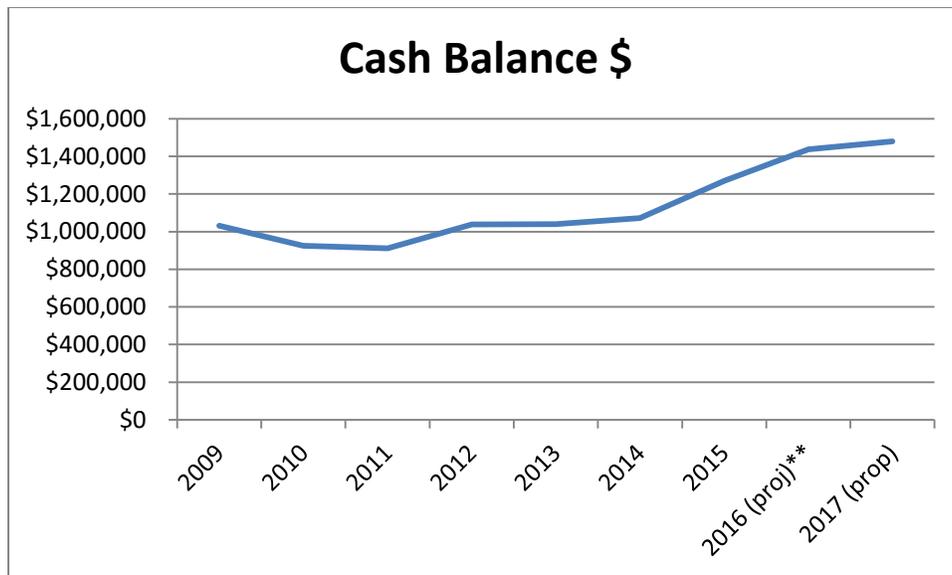
⁶⁴ \$3,000 total: \$1,500 from Water, \$1,500 from Sewer.

Enterprise Fund: Cash Balance

Similar to the Fund Balance maintained by the General Fund, the amount of cash balance maintained by the Water & Sewer Enterprise Fund is an important measure of financial health. The chart and table below show the cash balance for the Water & Sewer Enterprise Fund.⁶⁵

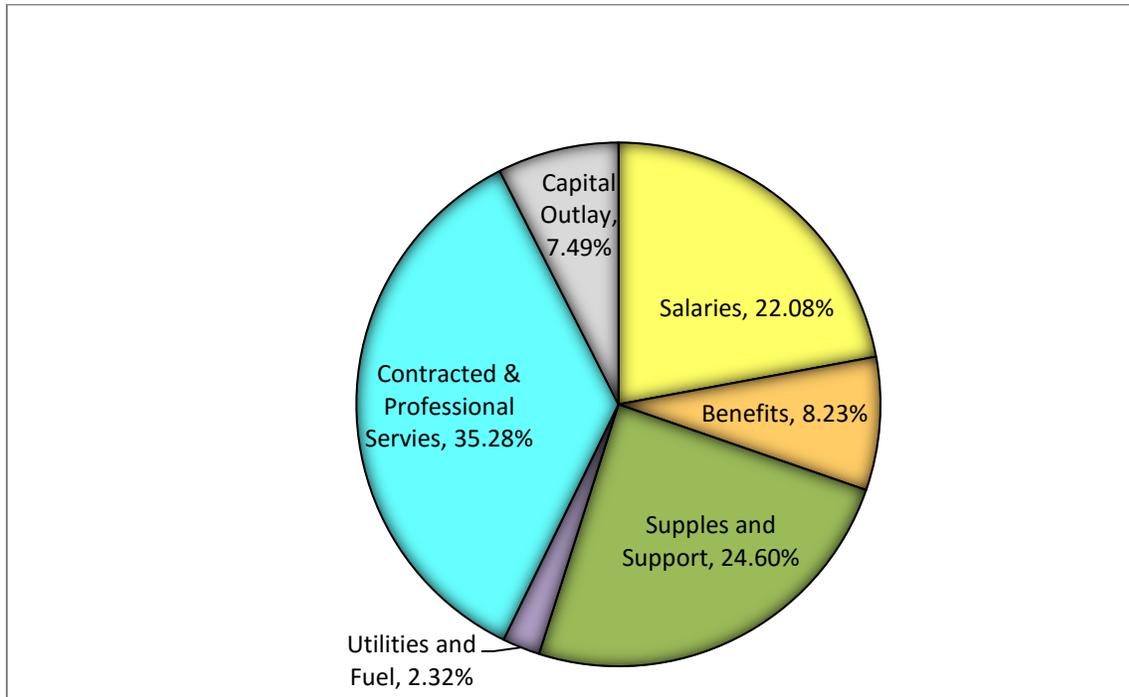
Fiscal Year Ending	2009	2010	2011	2012	2013	2014	2015	2016 (proj)**	2017 (prop)
Cash Balance \$	\$1,030,701	\$924,923	\$911,433	\$1,037,513	\$1,039,304	\$1,072,136	\$1,270,457	\$1,436,352	\$1,479,969
Cash Balance %/Expend.	46.10%	39.50%	39.00%	44.70%	43.90%	39.80%	51.50%	58.70%	57.60%

The Town is increasing in cash balance in the Water & Sewer Fund. Given the long-term and sustained operating losses incurred, building a cash balance will be part of being able to setting aside sufficient funds to cover the depreciation and ultimate replacement of system assets.



⁶⁵ For illustrative purposes, the projected FYE 2016 w/s cash balance % assumes 15% increase in expenditures from FYE 2015 (\$2,445,561.25) with revenues remaining the same as FYE 2016 which leads to an increase of \$165,894.75. Also, the projected FYE 2017 w/s cash balance % assumes 5% increase in expenditures from FYE 2016 (\$2,567,839.31) and revenues are the same as FYE 2015 which leads to an increase of \$43,616.69.

Enterprise Fund: Water Department Expenditures



**810 - WATER
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
30-810-02 SALARIES AND WAGES	\$ 407,067	\$ 398,534	\$ 354,943	\$ 321,481	\$ 309,638	\$ 226,789	\$ 313,483
30-810-04 PROFESSIONAL SERVICES	\$ 4,999	\$ 4,083	\$ 23,000	\$ 5,800	\$ 35,000	\$ 530	\$ 30,000
30-810-05 FICA EXPENSE	\$ 30,570	\$ 29,918	\$ 30,443	\$ 24,588	\$ 23,688	\$ 16,472	\$ 23,982
30-810-06 GROUP INSURANCE	\$ 57,090	\$ 58,322	\$ 62,600	\$ 56,160	\$ 55,368	\$ 36,729	\$ 59,348
30-810-07 RETIREMENT	\$ 47,162	\$ 46,209	\$ 42,702	\$ 37,666	\$ 32,362	\$ 24,339	\$ 32,526
30-810-09 LIFE INSURANCE	\$ 1,500	\$ 1,261	\$ 1,500	\$ 1,016	\$ 914	\$ 605	\$ 961
30-810-11 TELEPHONE AND POSTAGE	\$ 12,000	\$ 11,777	\$ 11,500	\$ 10,757	\$ 12,832	\$ 9,007	\$ 16,000
30-810-13 UTILITIES	\$ 45,000	\$ 35,046	\$ 40,000	\$ 22,316	\$ 26,000	\$ 7,253	\$ 14,000
30-810-14 TRAVEL AND TRAINING	\$ 2,500	\$ 1,650	\$ 3,000	\$ 2,191	\$ 5,000	\$ 3,055	\$ 5,000
30-810-15 MAINT. & REPAIR BUILDI	\$ 2,500	\$ 282	\$ 6,600	\$ 1,647	\$ 7,400	\$ 2,249	\$ 8,000
30-810-16 MAINT. & REPAIR EQUIPM	\$ 34,500	\$ 31,348	\$ 42,000	\$ 22,017	\$ 40,000	\$ 20,357	\$ 30,000
30-810-17 MAINT. & REPAIR-VEHICL	\$ 4,000	\$ 2,315	\$ 5,000	\$ 4,113	\$ 4,000	\$ 1,443	\$ 4,000
30-810-20 WORPLACE SAFETY COMPLIANCE	\$ -	\$ -	\$ 1,000	\$ 315	\$ 2,000	\$ 323	\$ 2,000
30-810-26 ADVERTISING	\$ 1,500	\$ 159	\$ 1,500	\$ 726	\$ 1,500	\$ -	\$ 1,500

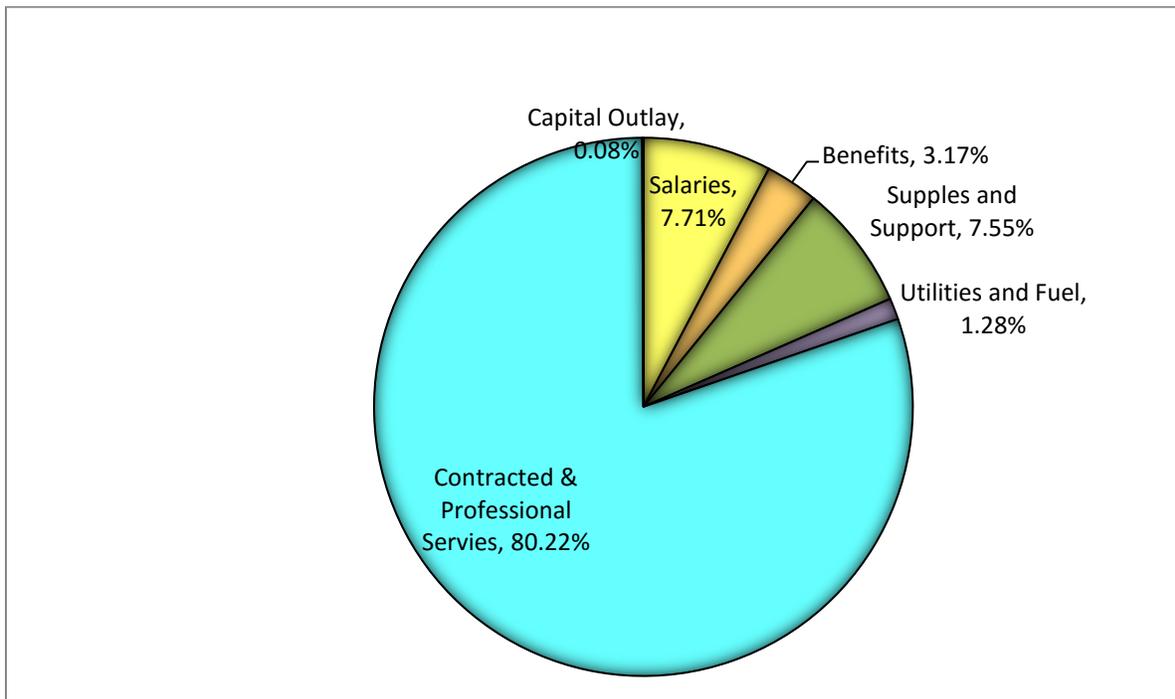
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30-810-30 GASOLINE AND OIL	\$ 21,000	\$ 16,880	\$ 18,000	\$ 12,386	\$ 15,719	\$ 8,849	\$ 19,000
30-810-31 TIRES	\$ 2,500	\$ 1,197	\$ 2,500	\$ 711	\$ 3,000	\$ 1,357	\$ 3,000
30-810-32 OFFICE SUPPLIES	\$ 5,000	\$ 4,989	\$ 6,500	\$ 5,296	\$ 6,500	\$ 3,558	\$ 6,500
30-810-33 SUPPLIES AND MATERIALS	\$ 43,500	\$ 40,931	\$ 48,200	\$ 1,891	\$ 44,725	\$ 36,011	\$ 48,000
30-810-34 CHEMICALS	\$ 146,125	\$ 143,614	\$ 51,000	\$ 40,982	\$ 10,200	\$ 4,587	\$ 5,000
30-810-36 UNIFORMS	\$ 5,500	\$ 5,240	\$ 7,500	\$ 6,706	\$ 4,500	\$ 2,997	\$ 10,000
30-810-45 CONTRACTED SERVICES	\$ 6,000	\$ 5,610	\$ 8,000	\$ 6,407	\$ 10,000	\$ 7,115	\$ 16,000
30-810-46 GROW GREEN COMMITMENT	\$ 30,000	\$ 30,000		\$ -	\$ -	\$ -	\$ -
30-810-48 WATER PURCHASES	\$ 258,000	\$ 238,961	\$ 395,000	\$ 373,468	\$ 455,000	\$ 247,400	\$ 455,000
30-810-49 METER BOXES	\$ 14,960	\$ -	\$ 23,800	\$ -	\$ 25,000	\$ 8,036	\$ 25,000
30-810-52 DEBT PRINCIPAL-UPTOWN WATER LINES	\$ 92,599	\$ -	\$ 92,600	\$ -	\$ 92,600	\$ 92,598	\$ 92,600
30-810-53 DEBT INTEREST-UPTOWN WATER LINES	\$ 20,280	\$ 19,196	\$ 18,255	\$ 17,168	\$ 16,225	\$ 16,223	\$ 14,200
30-810-54 INSURANCE AND BONDS	\$ 22,960	\$ 22,807	\$ 26,125	\$ 20,541	\$ 26,155	\$ 13,502	\$ 28,000
30-810-55 LOAN PAYMENT SUNTRUST	\$ 5,410	\$ 300	\$ 5,401	\$ 201	\$ 5,401	\$ 5,400	\$ 28,000
30-810-56 PLANNING GRANT EXPENSE	\$ 21,038	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ -
30-810-57 MISC.	\$ -	\$ 1	\$ 100	\$ -	\$ -	\$ -	\$ -
30-810-59 DEPRECIATION-WATER	\$ -	\$ 127,677	\$ 15,000	\$ 125,094	\$ 5,000	\$ -	\$ 5,000
30-810-62 WATER PLANT PROJECT	\$ 24,058	\$ 24,058		\$ -	\$ -	\$ -	\$ 10,000
30-810-74 CAPITAL OUTLAY-EQUIPME	\$ 2,000	\$ -	\$ 11,500	\$ -	\$ 24,956	\$ 8,001	\$ 46,500
30-810-75 Waterline Ext. Improve	\$ -	\$ -		\$ -	\$ 25,000	\$ 15,920	\$ 25,000
30-810-76 Water Line Relocation	\$ -	\$ -		\$ -	\$ 10,000	\$ -	\$ -
30-810-77 Debt Principal-Water P	\$ 30,140	\$ -	\$ 31,422	\$ -	\$ 31,227	\$ 24,194	\$ 31,380
30-810-78 Debt Interest-Water PI	\$ 5,709	\$ 5,552	\$ 4,600	\$ 4,566	\$ 4,598	\$ 2,670	\$ 3,450
30-810-91 CONT. TO CDBG PROJECT	\$ 500	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
30-810-93 FEES FOR CHECK MACHINE	\$ 4,600	\$ 8,920	\$ 7,900	\$ 7,256	\$ 7,200	\$ 5,580	\$ 7,500
30-810-97 TRANSFER TO UPTOWN WATER LINES	\$ -	\$ -		\$ -	\$ 70	\$ 68	\$ -
TOTALS	\$1,412,267	\$1,333,837	\$ 1,424,191	\$ 1,158,466	\$ 1,378,778	\$ 853,217	\$ 1,419,930

Salaries	\$ 313,483
Benefits	\$ 116,817
Supplies and Support	\$ 349,300
Utilities and Fuel	\$ 33,000
Contracted & Professional Servies	\$ 501,000
Capital Outlay	\$ 106,330
Contribute to Other Funds	\$ -

Market-Based Difference	
increase	\$ 369,989
no increase	\$ 361,148
difference	\$ 8,841

Enterprise Fund: Sewer Department Expenditures



**811-SEWER
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
30-811-02 SALARIES AND WAGES	\$ 86,663	\$ 75,430	\$ 99,079	\$ 91,166	\$ 100,879	\$ 70,003	\$ 99,795
30-811-04 PROFESSIONAL SERVICES	\$ 5,969	\$ -	\$ 4,000	\$ -	\$ 10,000	\$ -	\$ 30,000
30-811-05 FICA EXPENSE	\$ 7,777	\$ 5,669	\$ 7,580	\$ 6,549	\$ 7,718	\$ 5,106	\$ 7,671
30-811-06 GROUP INSURANCE	\$ 16,388	\$ 12,466	\$ 19,800	\$ 19,255	\$ 20,763	\$ 13,776	\$ 22,215
30-811-07 RETIREMENT	\$ 11,254	\$ 8,597	\$ 10,969	\$ 10,068	\$ 10,969	\$ 7,475	\$ 10,778
30-811-09 LIFE INSURANCE	\$ 375	\$ 218	\$ 375	\$ 306	\$ 306	\$ 204	\$ 307
30-811-11 TELEPHONE AND POSTAGE	\$ 1,800	\$ 483	\$ 1,800	\$ 1,251	\$ 1,800	\$ 378	\$ 3,800
30-811-13 UTILITIES	\$ 14,000	\$ 11,554	\$ 14,500	\$ 12,291	\$ 15,000	\$ 10,628	\$ 16,500
30-811-14 TRAVEL AND TRAINING	\$ 600	\$ 379	\$ 1,100	\$ 1,036	\$ 2,600	\$ 1,972	\$ 1,500
30-811-15 MAIN. & REPAIR BLDG	\$ 3,500	\$ -	\$ 1,900	\$ 288	\$ 2,900	\$ 735	\$ 3,000
30-811-16 MAIN. & REPAIR EQUIP.	\$ 19,000	\$ 18,156	\$ 38,650	\$ 36,218	\$ 20,000	\$ 18,439	\$ 21,000
30-811-17 MAIN. & REPAIR VEHICLE	\$ 2,300	\$ 2,075	\$ 2,300	\$ 1,095	\$ 3,300	\$ 1,689	\$ 3,300
30-811-20 WORKPLACE SAFETY COMP.	\$ -	\$ -	\$ 1,000	\$ 315	\$ 2,500	\$ 323	\$ 2,000
30-811-26 ADVERTISING	\$ 600	\$ 493	\$ 400	\$ 352	\$ 800	\$ -	\$ 800
30-811-30 GASOLINE & OIL	\$ 10,000	\$ 7,094	\$ 8,500	\$ 6,360	\$ 8,767	\$ 4,668	\$ 10,500
30-811-31 TIRES	\$ 1,200	\$ 1,108	\$ 4,600	\$ 4,488	\$ 1,500	\$ -	\$ 2,000
30-811-33 SUPPLIES & MATERIALS	\$ 13,000	\$ 12,317	\$ 18,000	\$ 15,989	\$ 17,000	\$ 14,147	\$ 17,000

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30-811-34 CHEMICALS	\$ 6,000	\$ 5,231	\$ 1,000	\$ -	\$ 2,100	\$ -	\$ 3,000
30-811-36 UNIFORMS	\$ 2,300	\$ 2,257	\$ 2,300	\$ 2,300	\$ 2,300	\$ 1,468	\$ 2,300
30-811-42 CONTRACTED SERVICES	\$ 1,033,000	\$ 1,007,294	\$ 954,000	\$ 907,346	\$ 975,000	\$ 681,421	\$ 1,008,000
30-811-44 MCDONALDS/CREEK SEWER				\$ -	\$ 25,000	\$ 25,000	
30-811-51 BAD DEBT EXPENSE	\$ -	\$ (19,400)	\$ -	\$ 4,550	\$ 15,000	\$ -	\$ 7,500
30-811-54 INSURANCE & BONDS	\$ 17,200	\$ 17,469	\$ 17,700	\$ 15,804	\$ 19,700	\$ 7,676	\$ 20,000
30-811-56 PLANNING GRANT EXPENSE	\$ 13,238	\$ 11,276		\$ -	\$ -	\$ -	\$ -
30-811-59 DEPRECIATION-SEWER	\$ -	\$ 189,899	\$ -	\$ 214,620	\$ 5,000	\$ -	\$ -
30-811-74 CAPITAL OUTLAY-EQUIP.	\$ 45,000	\$ -	\$ 21,150	\$ -	\$ 60,233	\$ 3,615	\$ 1,000
30-811-75 CIVITAN PARK SEWER LINE	\$ -	\$ -	\$ 23,300	\$ -	\$ -	\$ -	\$ -
30-811-81 DEBT SERVICE DUE	\$ 3,682	\$ -	\$ 41,070	\$ -		\$ -	\$ -
30-811-82 DEBT INTEREST DUE	\$ 150	\$ 148	\$ 880	\$ 459	\$ -	\$ -	\$ -
30-811-91 CONT. TO CDGB PROJECT	\$ 48,500	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
30-811-92 SEWER LINE ADJ E WADE BR	\$ 1,000	\$ -	\$ -	\$ -	\$ 44,400	\$ -	\$ -
TOTALS	\$1,364,496	\$1,370,213	\$1,320,953	\$1,377,106	\$1,375,535	\$ 868,723	\$ 1,293,966

Salaries	\$ 99,795
Benefits	\$ 40,971
Supplies and Support	\$ 97,700
Utilities and Fuel	\$ 16,500
Contracted & Professional Services	\$ 1,038,000
Capital Outlay	\$ 1,000
Contribute to Other Funds	\$ -

Market-Based Increase Difference	
increase	\$ 119,216
no increase	\$ 117,968
difference	\$ 1,248

Enterprise Fund: Incentive Grant Expenditures

**TOWN OF WADESBORO
 890 - INCENTIVE GRANT(S)
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
30-890-60 INCENTIVE GRANT(S)	-	-	\$30,000	\$0	\$0	\$0	\$0
TOTALS	-	-	\$30,000	\$0	\$0	\$0	\$0

Salaries
Benefits
Supplies and Support
Utilities and Fuel
Contracted & Professional Services
Capital Outlay
Contribute to Other Funds

Enterprise Fund: Contingency

**CONTINGENCY FUND - GENERAL FUND
 FISCAL YEAR 2016-17**

EXPENDITURES	FY 13/14 BUDGET		FY 14/15 BUDGET		FY 15/16 BUDGET		FY 16/17 Adopted Budget
	Year End Budget	Actual Expenditure	Year End Budget	Actual Expenditure	Year End Budget	As of 03/31/2016	
30-999-00	\$ -	\$ -	\$ 100,156	\$ -	\$ 66,900	\$ -	\$ 60,000

Salaries
Benefits
Supplies and Support
Utilities and Fuel
Contracted & Professional Services
Capital Outlay
Contribute to Other Funds

Consolidated Fund Balance Summary

For simplicity, fund balance can basically be explained as the amount of assets in excess of liabilities in a given fund. The benefits of having a healthy fund balance include enabling the Town to meet our financial obligations without interruptions due to cash flow, improving our credit rating, generating investment income, eliminating the need for short-term borrowing, and providing a reserve of funds to respond to emergencies or opportunities.

The North Carolina Local Government Commission (LGC) monitors the level of available fund balance each locality maintains as a sign of their relative financial strength. The LGC uses the benchmark of 8% of expenditures. If fund balance is less than 8% of expenditures, the LGC typically expresses concern to the locality and directs action to increase the fund balance. Notably, the Town of Wadesboro does not have an established goal to maintain a certain level of General Fund Balance compared to total expenditures. Comparable municipalities⁶⁶ had an average available fund balance of 74.45% to total expenditures at FYE 2014.

Please find below a chart summarizing the fund or cash balances of each of the two major funds.⁶⁷ Additionally, the projected balance at the end of FYE 2016 when compared to the level projected for the end of FYE 2017.

Fiscal Year Ending		2010	2011	2012	2013	2014	2015	2016 (proj)*	2017 (prop)**	Change vs. 2016
General Fund										
	Fund Balance \$	\$1,850,280	\$1,785,065	\$2,014,569	\$1,748,525	\$1,695,571	\$2,130,055	\$1,880,055	\$1,671,155	(\$208,900)
	Fund Balance %/Expend.	47.80%	45.90%	50.20%	45.80%	45%	58.69%	42.64%	30.12%	-10.18%
Enterprise Fund										
	Cash Balance \$	\$924,923	\$911,433	\$1,037,513	\$1,039,304	\$1,072,136	\$1,270,457	\$1,436,352	\$1,479,969	\$43,617
	Cash Balance %/Expend.	39.50%	39.00%	44.70%	43.90%	39.80%	51.50%	58.70%	57.60%	3.04%
Total	Fund/Cash Balance \$	\$2,775,203	\$2,696,498	\$3,052,082	\$2,787,829	\$2,769,721	\$3,400,512	\$3,316,407	\$2,517,707	

⁶⁶ Municipalities without electric systems with populations between 2,500 and 9,999 at the end of fiscal year 2014. (Local Government Commission – North Carolina Department of State Treasurer).

⁶⁷ For illustrative purposes, the General Fund includes projected FYE 2016 takes 5/24/16 expenses \$3,809,000 and adds \$600,000 in anticipated costs until FYE 2016 = \$4,409,000. For FYE 2017 expenditure projections, used \$4,409,000 + \$1,140,000 for fire station = \$5,549,000. For W/S, the projected FYE 2016 w/s cash balance % assumes 15% increase in expenditures from FYE 2015 (\$2,445,561.25) with revenues remaining the same as FYE 2016 which leads to an increase of \$165,894.75. Also, the projected FYE 2017 w/s cash balance % assumes 5% increase in expenditures from FYE 2016 (\$2,567,839.31) and revenues are the same as FYE 2015 which leads to an increase of \$43,616.69.

Consolidated Debt Summary

North Carolina General Statutes limit the amount of debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. At June 30, 2014, the legal debt margin for the Town of Wadesboro was \$26,579,154. At this same time, the Town of Wadesboro had \$989,037 in obligations for capital leases and installment purchases.⁶⁸ This includes \$134,525 in the General Fund and \$176,142 in the Water & Sewer Enterprise Fund. Notably, the Town paid off the remaining debt for on the USDA loan for the fire brush truck and air packs.

Below is a table showing the Town’s debt service current and projected obligations beginning July 1, 2016:

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
BB&T (Uptown Waterline)	\$ 106,793.73	\$ 104,765.83	\$ 102,737.92	\$ 100,710.02	\$ 98,682.11	\$ 96,654.21	\$ 94,626.30	\$ -
Anson Bank (Sanitation Leaf Truck)	\$ 12,834.92	\$ 12,834.92	\$ 12,834.92	\$ 12,834.92	\$ 12,834.89	\$ -	\$ -	\$ -
PNC (Water Plant)	\$ 35,818.56	\$ 35,818.56	\$ 8,954.64	\$ -	\$ -	\$ -	\$ -	\$ -
USDA/PD Elec. (Auto. Trash Equip.)	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00
*Fire Station	\$ -	\$ 87,343.06	\$ 86,725.90	\$ 84,108.75	\$ 82,566.92	\$ 80,874.45	\$ 79,257.29	\$ 77,640.14
	\$ 192,947.21	\$ 278,262.37	\$ 248,753.38	\$ 235,153.69	\$ 231,583.92	\$ 215,028.66	\$ 211,383.59	\$ 115,140.14

	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
Fire Station (Proposed)	\$ 76,080.58	\$ 74,405.83	\$ 72,788.68	\$ 71,171.53	\$ 69,594.25	\$ 67,937.22	\$ 66,320.07	\$ 64,702.92
	\$ 76,080.58	\$ 74,405.83	\$ 72,788.68	\$ 71,171.53	\$ 69,594.25	\$ 67,937.22	\$ 66,320.07	\$ 64,702.92

	2032-2033	2033-2034	2034-2035	2035-2036	2037-2038
Fire Station (Proposed)	\$ 63,107.92	\$ 61,468.61	\$ 59,851.46	\$ 58,234.31	\$ 56,621.58
	\$ 63,107.92	\$ 61,468.61	\$ 59,851.46	\$ 58,234.31	\$ 56,621.58

The below chart breaks down the debt service between the next five years of debt interest and principal and indicates whether this debt is included in the General Fund (“GF”) and the Water/Sewer Fund (“WSF”):

⁶⁸ This number does not include compensated absences, net pension obligations, and net OPEB obligations. If these long-term liabilities are concerned, the total amount is \$2,552,110 between the two funds.

Town of Wadesboro, North Carolina
FY 2016-2017 Annual Budget

Loan	2016-2017			2017-2018			2018-2019			2019-2020			2020-2021		
	Interest	Principal	Total Payment	Interest	Principal	Total Payment	Interest	Principal	Total Payment	Interest	Principal	Total Payment	Interest	Principal	Total Payment
BB&T (Uptown Waterline) (GF)	\$ 14,195.3 3	\$ 92,598.40	\$ 106,793.73	\$ 12,167.4 3	\$ 92,598.40	\$ 104,765.83	\$ 10,139.52	0	\$ 102,737.92	\$ 8,111.62	0	\$ 100,710.02	\$ 6,083.71	0	\$ 98,682.11
Uwharrie Bank (San. Leaf Truck) (GF)	\$ 935.50	\$ 11,899.42	\$ 12,834.92	\$ 751.98	\$ 12,082.94	\$ 12,834.92	\$ 568.21	1	\$ 12,834.92	\$ 381.66	6	\$ 12,834.92	\$ 192.79	0	\$ 12,834.89
PNC (Water Plant) (WSF)	\$ 3,445.20	\$ 32,373.36	\$ 35,818.56	\$ 2,250.29	\$ 33,568.27	\$ 35,818.56	\$ 53.91	8,900.73	\$ 8,954.64			\$ -			\$ -
USDA/PDE (Auto. Trash Equip.) (GF)	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	0	\$ 37,500.00	\$ 29,108.7	55,000.0	\$ 84,108.75	\$ 27,566.9	55,000.0	\$ 82,566.92
Fire Station* (GF)			\$ 32,343.0 6	\$ 55,000.00	\$ 87,343.06	\$ 30,725.90	0	\$ 86,725.90	\$ 5	0	\$ 84,108.75	\$ 2	0	\$ 82,566.92	
		\$ 192,947.21		\$ 278,262.37		\$ 248,753.38		\$ 235,153.69			\$ 231,583.92				

Capital Improvement Plan

The Town has established a Capital Improvement Plan (CIP) which is the planning mechanism by which the Town Council allocates limited financial resources to implement long term goals as defined in established Town Council priorities and other planning documents such as the Comprehensive pedestrian plan. The purpose of the Capital Improvement Plan (CIP) is to plan for major capital needs over a five-year period. Capital planning is an important management tool that strengthens the linkage between community infrastructure needs and the financial capacity of the Town.

CAPITAL ITEM DESCRIPTION	FY 2016-17	FY 2017-18	FY2018-19	FY 2019-20	FY 2020-21	Total
<u>GENERAL FUND</u>						
Administration						
Secure Front Desk Area	\$ 3,000					\$ 3,000
IT (computers out of supplies/materials)				\$ 8,000		\$ 8,000
Replace Town Hall Carpet		\$ 6,150				\$ 6,150
TDA Branding & Wayfinding	\$ 8,400	\$ 8,400	\$ 8,400			\$ 25,200
New Roof - Town Hall		\$ 20,000				
Performance Evaluation System	\$ 11,000					\$ 11,000
Existing Capital Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Administration	\$ 19,400	\$ 34,550	\$ 8,400	\$ 8,000	\$ -	\$ 53,350
Police Department						
Police Station Facility	\$ 111,000					\$ 111,000
Police Vehicle(s)		\$ 65,140	\$ 33,385	\$ 34,220	\$ 70,150	\$ 202,895
Bullet-proof vests	\$ 2,800	\$ 2,870	\$ 2,942	\$ 3,016	\$ 3,091	\$ 14,719
Computers for Patrol Car (50% grant)	\$ 7,500					\$ 7,500
Guns, Radios, Tasers	\$ 7,050	\$ 5,000	\$ 5,000	\$ 6,000	\$ 6,000	\$ 29,050
						\$ -
Existing Capital Debt Service		\$ -	\$ -			\$ -
Total - Police Department	\$ 128,350	\$ 73,010	\$ 41,327	\$ 43,236	\$ 79,241	\$ 365,164
Fire Department						
Fire Station	\$ 1,140,000					\$ 1,140,000
Fire Ladder Truck		\$ 700,000				\$ 700,000
FEMA Equipment Grant	\$ 23,000					
Rescue Pumper		\$ 400,000				\$ 400,000
Pickup Truck		\$ 37,000				\$ 37,000
SCBA		\$ 28,000	\$ 29,400	\$ 30,850		\$ 400,000
Turn-out Gear/PPE	\$ 15,000	\$ 17,000		\$ 22,940	\$ 22,940	\$ 77,880
Existing Capital Debt Service		\$ 87,344	\$ 87,726	\$ 84,109		\$ 259,179
Fire	\$ 1,178,000	\$ 1,269,344	\$ 117,126	\$ 137,899	\$ 22,940	\$ 3,014,059

Street Dept. (Powell Bill Funding)						
Bridge Repair	\$ 25,000					\$ 25,000
Lift						\$ -
Pickup	\$ 26,500					\$ 26,500
Dump Truck Conversion	\$ 25,000					\$ 25,000
Zero Turn Mower			\$ 16,000			\$ 16,000
Street Repaving	\$ 95,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 495,000
LED Light Conversion						\$ -
Backhoe					\$ 88,305	\$ 88,305
Existing Capital Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Street/Powell Bill	\$ 171,500	\$ 100,000	\$ 116,000	\$ 100,000	\$ 188,305	\$ 675,805
Shop						
New Facility					\$ 282,853	\$ 282,853
Transmission Jack	\$ 5,000					
Total - Shop	\$ 5,000	\$ -	\$ -	\$ -	\$ 282,853	\$ 287,853
						\$ -
Sanitation						
Trash Cans	\$ 114,704	\$ 5,000		\$ 10,000		\$ 129,704
Limb Truck (\$120,000)			\$ 126,075			\$ 126,075
Leaf Machine						\$ -
Pickup		\$ 28,000				\$ 28,000
Existing Capital Debt Service	\$ 50,335	\$ 50,335	\$ 50,335	\$ 50,335	\$ 50,335	\$ 251,675
Total - Sanitation	\$ 165,039	\$ 83,335	\$ 176,410	\$ 60,335	\$ 50,335	\$ 535,454
Parks						\$ -
Total - General Fund	\$ 1,667,289	\$ 1,560,239	\$ 459,263	\$ 349,470	\$ 623,674	\$ 4,659,935
<u>WATER/SEWER FUND</u>						
Water - System Projects						
Preliminary Engineering - Grants	\$ 25,000					\$ 25,000
Bundled System Improvements		\$ 1,000,000				\$ 1,000,000
Radio Meter Boxes	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000
Performance Evaluation System	\$ 4,000					
Secure Front Desk Area	\$ 3,000					\$ 3,000
Distribution System Insertion Valves	\$ 25,000	\$ 25,000	\$ 19,000	\$ 20,000	\$ 21,000	\$ 110,000
Water - Equipment						\$ -
Service Truck	\$ 45,000	\$ -				\$ 45,000
Pickup		\$ 32,000		\$ 26,000		\$ 58,000
Existing Capital Debt Service	\$ 142,613	\$ 240,585	\$ 211,693	\$ 200,711	\$ 108,683	\$ 904,285

Total - Water System Proj. & Equip.	\$ 269,613	\$ 1,322,585	\$ 255,693	\$ 271,711	\$ 154,683	\$ 2,274,285
Sewer - System Projects						
Preliminary Engineering - Grants	\$ 25,000					\$ 25,000
Secure Front Desk Area	\$ 3,000					
Performance Evaluation	\$ 1,000					
Bundled System Improvements		\$ 1,500,000				\$ 1,500,000
Sewer - Equipment						\$ -
Sewer Camera		\$ 41,000				\$ 41,000
Sewer Jet Truck					\$ 180,000	\$ 180,000
Pickup						
Existing Capital Debt Service	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Total - Sewer System Proj. & Equip.	\$ 29,000	\$ 1,591,000	\$ 50,000	\$ 50,000	\$ 230,000	\$ 1,950,000
Total - Water & Sewer Fund	\$ 298,613	\$ 2,913,585	\$ 305,693	\$ 321,711	\$ 384,683	\$ 4,224,285

Personnel

The total of personnel expenses salary and benefits is budgeted at \$3,395,886 including \$2,857,652 in the General Fund and \$538,234 in the Water & Sewer Fund. This total number represents 39.83% of the total combined budget with personnel costs representing 49.59% of the General Fund and 19.4% of the Water & Sewer Fund.

In comparison, this is an increase of \$112,955 (3.4%) over the FY 2015-16 initial budgeted number of \$3,282,931 which represented a 41.3% of the total combined operating budget at the start of FY 2015-16.

For FY 2016-17, the combined budgets include funding for 57 full-time and 3 part-time⁶⁹ positions with decreases indicated in red text and increases indicated in green text:

	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Administration	4	4	4	5	5
Police	31	30	29	29	29
Fire	3	3	3	3	3
Garage	1	1	1	1	1
Street	4	4	4	4	4
Sanitation	9	9	7	6	6
Parks	1	1	1	1	1
Water	12	12	12	9	9
Sewer	3	3	3	3	3
TOTAL	68	67	64	61	61

The below tables offer more detailed breakdowns from FYE 2014 to FYE 2017.

⁶⁹ Please note that while there is funding for one part-time position in Fire, there are multiple actual workers that whose work equates to one part-time position. For simplicity, this is shown as one part-time position.

FYE 2016	Total	# Full-time	# Part-time	FYE 2017	Total	# Full-time	# Part-time
Administration	4	4	1	Administration	4	4	1
Police	29	29	0	Police	29	29	0
Fire	3	2	1	Fire	3	2	1
Garage	1	1	0	Garage	1	1	0
Street	4	4	0	Street	4	4	0
Sanitation	6	6	0	Sanitation	6	6	0
Parks	1	0	1	Parks	1	0	1
Water	9	8	1	Water	9	8	1
Sewer	3	3	0	Sewer	3	3	0
TOTAL	60	57	3	TOTAL	60	57	3

FYE 2014	Total	# Full-time	# Part-time	FYE 2015	Total	# Full-time	# Part-time
Administration	4	4	0	Administration	4	4	0
Police	30	30	0	Police	29	29	0
Fire	3	2	1	Fire	3	2	1
Garage	1	1	0	Garage	1	1	0
Street	4	4	0	Street	4	4	0
Sanitation	9	8	1	Sanitation	7	6	1
Parks	1	0	1	Parks	1	0	1
Water	12	11	1	Water	12	11	1
Sewer	3	3	0	Sewer	3	3	0
TOTAL	67	63	4	TOTAL	64	60	4

**TOWN OF WADESBORO FY 2016-17
 ALLOCATION OF POSITIONS TO SALARY GRADES**

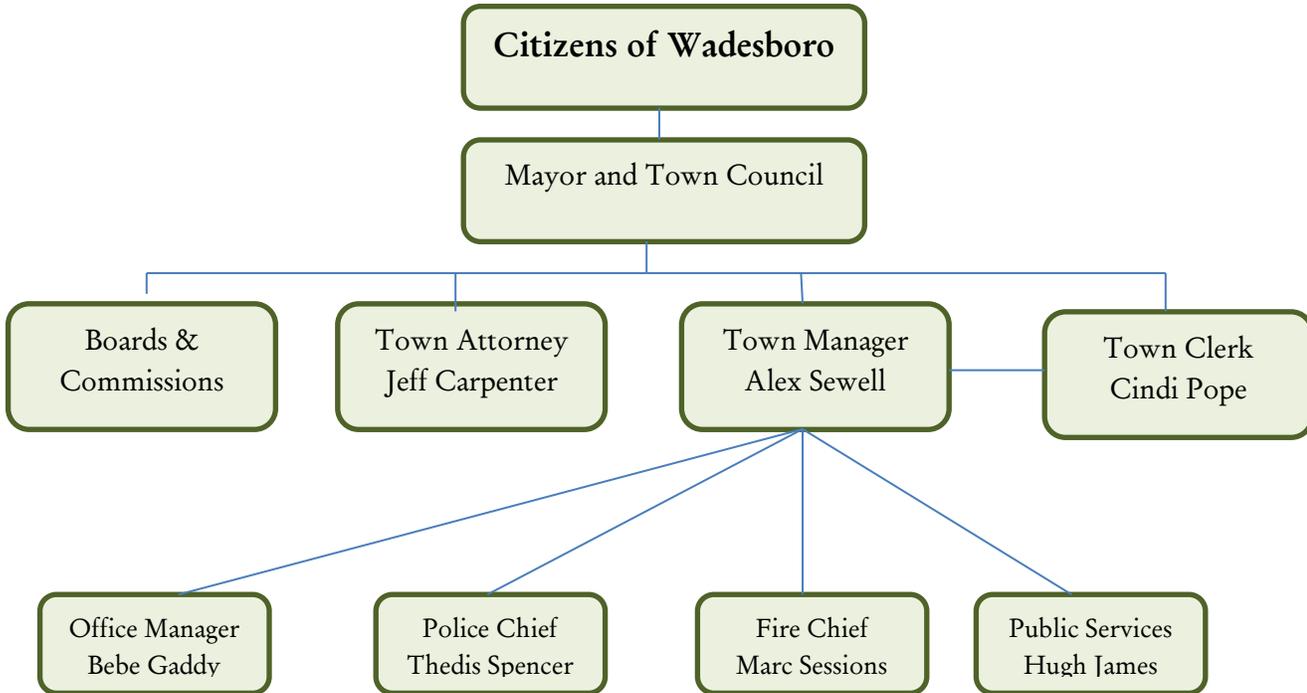
<u>SALARY GRADE</u>	<u>SALARY RANGE</u>	<u>CLASSIFICATION TITLE</u>
HOURLY - 1	7.25/hr-10.50/HR.	Park Custodian
HOURLY - 2	13.46-17.31/HR	Uptown Director
1	\$21,462-\$31,121	Maintenance Worker I - Sanitation*
2	\$22, 529-\$32,678	Maintenance Worker II - Sanitation*
3	\$23,665-\$34,313	Maintenance Worker I - Street
4	\$24,848-\$36,030	Customer Service Specialist I Equipment Operator I Maintenance Worker II - Street Utility Maintenance Worker I
5	\$26,093-\$36,030	Accountants Payable Clerk Equipment Operator II Utility Maintenance Worker II Customer Service Specialist II
6	\$27,397-\$39,726	Public Records Clerk
7	\$28,767-\$41,712	Office/Accounting Manager Police Officer I Utilities Maintenance Worker III Telecommunicator/Firefighter I
8	\$30,024-\$45,197	Sanitation Supervisor Street Supervisor Water Quality Technician* Police Officer II Telecommunicator/Firefighter II
9	\$31,716-\$45,988	Telecommunications/Firefighter Sup. Sewer Distribution Supervisor* Water Distribution Supervisor* Firefighter/Fire Inspector
10	\$33,302-\$48,287	Fleet Maintenance Manager Police Officer III

11	\$34,966-\$50,700	Police Officer IV
12	\$36,717-\$53,239	Police Sergeant
13	\$40,481-\$58,696	Police Lieutenant*
14	\$41,481-\$59,696	Police Captain
15	\$42,506-\$62,900	Fire Chief/Safety Coordinator*
16	\$44,632-\$64,714	Town Clerk/Asst. to Town Mgr.*
17	\$46,862-\$67,950	Police Chief*
18	\$44,632-\$64,714	
19	\$48,862-\$67,950	
20	\$49,295-\$71,347	Public Services Director**
21	\$51,667-\$74,915	
22	\$54,250-\$78,662	
23	\$56,963-\$82,596	
24	\$59,811-\$86,715	
25	\$62,801-\$91,062	
26	\$665,943-\$95,616	
27	\$69,237-\$100,396	
28	\$72,699-\$105,416	Town Manager**
29	\$76,336-\$110,686	

** FLSA Exempt

* FLSA Exemption Depends on Salary

Town “Big Picture” Organizational Chart June 1, 2016



TOWN COUNCIL

June

2016

TOWN OF WADESBORO

TOWN COUNCIL

Mayor Bill
Thacker

Term expires
12/31/2016

Councilman
Bobby Usrey

Term expires
12/31/2017

Councilman
Fred Davis

Term expires
12/31/2017

Mayor Pro Tem
James David Lee

Term expires
12/31/2017

Councilman
Jeremy Burr

Term expires
12/31/2019

Councilman
John Ballard

Term expires
12/31/2019



2015 Annual Retreat - Top Priorities

Combined Categories

- 1.) Fiscal Responsibility⁷⁰ - 61 points
- 2.) New Police & Fire Building - 52 points
- 3.) Water & Sewer - 27 points
- 4.) New Ladder Truck - 26 points
- 5.) Water: Keep Current Facility or Go With County - 24 points
- 6.) Employee Satisfaction, Retention, Rewarding Employees - 21 points⁷¹
- 7.) Economic Development - 17 points
- 8.) Health Insurance Cost for Employees & Retirees⁷² - 17 points

Single Priority List

- 1.) New Police & Fire Building - 52 points
- 2.) Water & Sewer - 27 points
- 3.) New Ladder Truck - 26 points
- 4.) Balanced Budget - 24 points
- 5.) Water: Keep Current Facility or Go With County - 24 points
- 6.) Economic Development - 17 points
- 7.) Affordability of Healthcare for Employees/Retirees - 17 points
- 8.) Employee Satisfaction, Retention, & Pool for Future Employees - 15 points
- 9.) Revenue Sources - 13 points
- 10.) Fiscal Responsibility - 12 points
- 11.) Affordability of healthcare for employees/retirees - 10 points
- 12.) Payment of health insurance premiums for retired and active employees - 7 points
- 13.) Don't Forget to Reward Our Employees for the Work They Do - 6 points

⁷⁰ (24) Balanced Budget, (13) Revenue Sources, (12) Fiscal Responsibility, (12) Figure out how not to spend fund balance on operational needs.

⁷¹ (15) Employee satisfaction, retention, and pool for future employees; (6) Don't Forget to Reward Our Employees for the Work They Do

⁷² (10) Affordability of health care for employees/retirees; (7) Payment of health insurance premiums for retired and active employees (double)



Street Paving Priority Plan

1. Rutherford St.*
2. Highland Drive
3. Graham Street
4. Church Street
5. Cherry Street
6. Cloud Ave.
7. Anson Apparel Shirt Rd.
8. Sikes Avenue*
9. Maple Lane*
10. Reddington Street
11. Hargrave Street
12. City Pond Entrance

*NOTE: Rutherford, Sikes, Maple – all need major waterline improvements which could require digging up street in the next 3 – 10 years. Hold off on repaving these streets until then.

Approved April 6, 2016 by the consensus of the Wadesboro Town Council.

TOWN BOARDS AND APPOINTMENTS

ABC BOARD:

3 year appointment --- one out-of-town member which is appointed by County Commissioners

EXPIRES

Jerry Johnson, Chairman	4-1-2016
Jimmy Dennis	6-1-2017
Frank Richardson	3-1-2018

WADESBORO HOUSING AUTHORITY:

5 year appointment--appointed by Town Council

Charlene McCormick - Chairman	5-1-2019
Scott Rivers	4-1-2020
Brandon Chewning	4-1-2017
Chuck Kiser	5-1-2019
Hannah Spencer	6-1-2017

WADESBORO PLANNING AND ADJUSTMENT:

10 Members - 5 Members In-Town

5 Members Out-of-Town (ETJ) Appointed by County

Appointed as follows: 2 members appointed for one year

2 members appointed for two years

1 member appointed for 3 years

Thereafter, such members appointed for 3 years

IN-TOWN:

Andy Maner	5-1-2017
Eric Forbes	5-1-2016
Ken Caulder	6-1-2018
Libby Cameron	6-1-2018
Glenn Bundy	12-1-2016

ETJ:

Dolly Harrington	5-1-2017
Lee Caple	5-1-2017
Joyce Little	6-1-2017
Cynthia Little	6-1-2017
Bonnie M. Huntley	5-1-2017

WADESBORO PARK PLANNING COMMITTEE:

Don Altieri-Co-Chairman

Jim Strayhorn-Co-Chairman

Monica Currie

Vacant

Donna McCormick

John Liles

Shirlene Davis

Cynthia Little