



Town Manager's Budget Message Fiscal Year 2012-2013

This budget continues to reflect the effects of the most disordered economic conditions in memory. Attempts at predicting events at this point are little better than guessing. Add in the mix conflicting, sometimes incoherent, actions at the federal and increasingly North Carolina State government levels and the stage is set for continued weak recovery of the overall economy.

Budget issues:

General conditions: economic factors indicate a continued slow recovery of key revenue sources; especially sales tax and interest on investments. Property tax collections are up slightly due to better collections effort and expanded tax base.

This budget continues to allow for small increases in base salary, operating capital is funded at reduced rates; employee benefits are static and all other combined operating costs reduced by a minimum of five percent. The overall goal is to improve fund balance and reserves. General fund reduced by \$342,000 and water/sewer fund by \$245,500.

Personnel:

This budget calls for a one step increase in the pay plan for all employees. One step is equivalent to two percent (.02%) in effect raising the entry level salary for all positions which in turn helps keep the Town salary schedule competitive in the local/regional job market. Funds are budgeted for salary adjustments for pay plan; comparability and training.

Debt Service:

All debt payments are fully budgeted as required by law. As capital projects funded by debt are closed out any funds remaining are appropriated to the debt service fund to apply toward pay off of debt. The Town has only one project remaining which is the sewer plant renovations using state revolving loan funds. This project is underway with a completion date of mid-summer 2013.

Operating Capital Outlay:

Police department; replacing two patrol vehicles each over 100,000 miles and public works; one ½ ton replacement truck in water and a new leaf box to be mounted (quick mount) on an existing truck.

By Department:

Admin/collections; one clerk position vacant by retirement is abolished, duties transferred to other positions.

Police Department; one officer position vacant by retirement will not be filled; some duties will be filled by part-time. The Chief and Human Resource Officer are evaluating change to position description for patrol officers to eliminate holiday pay for patrol to be replaced with increase in base pay rate. If workable, will result in substantial reduction in overtime and ease timesheet and scheduling. Not yet budgeted.

Public Works; streets crew will be reduced by attrition by 1 ½ positions, one crewmen will be shifted to cover maintenance of planting areas. Purchase of a leaf box will allow for more leaf and yard waste material removal. Sidewalk reconstruction cost sharing is to be considered on Depot Street and downtown Main Street.

Water and Sewer; two small sewer replacement projects are budgeted. The cost of the water/water capacity study is fully budgeted. The study should be complete by December of 2012. Rates are proposed to increase in various areas primarily in sewer due to having to pay for three separate loans. The Town share of debt on the county sewer project out to the industrial park, Crawford branch sewer replacement and the S.R. F. loan for the sewer plant renovation.

Fire Department; both new fire trucks are in place. The budget reflects estimated operating expenses. The increase in lease costs for the trucks is included. The cost of firemen fees is increased as part of an effort to encourage recruitment and response to calls. The trial run this fiscal year is showing encouraging results.

Conclusion:

This budget for LFY 2012-2013 is balanced as required by law; continues to provide existing services plus meeting the governing boards priorities and polices. The budget is set to operate at the current ad valorem tax rate of twenty five cents (\$.25) per one hundred dollars (\$100.00) of valuation.

Sincerely,

Sam Greenwood
Town Manager

Attachments

