



June 7th, 2017

Town of Boonville
PO Box 326
110 N. Carolina Avenue
Boonville, North Carolina 27011

To: The Honorable Mayor Hunter and Town Board of Commissioners of the Town of Boonville

In accordance with the North Carolina General Statute 159-11, the Town of Boonville's proposed budget for the Fiscal Year beginning July 1, 2016 and ending June 30, 2017 is hereby submitted for your consideration. This budget represents the Town's commitment to the identified goals and priorities set forth by the Board of Commissioners.

The Town of Boonville is committed to striving for the highest level of public service while preserving, protecting, and enhancing the quality of life in the community. In order to accomplish these goals, we must maintain strong financial health. The priorities that are reflected in the budget include economic development, façade improvement grants, water and sewer infrastructure improvement, and a partnership with a local property owner to build a park in Downtown Boonville.

As a result of these priorities, the proposed budget does include a minimal increase in water and sewer rates. The proposed 2016-2017 fiscal year budget is presented without a tax increase, leaving the rate at \$0.46 (per one hundred dollars valuation of property). The budget being presented for your consideration is balanced in accordance with the North Carolina Local Government Budget and Fiscal Control Act. The total operating budgets for the two funds are:

Summary:	Estimated Revenues	Estimated Expenditures	Fund Balance
General Revenue	\$713,500	\$893,970	\$180,470
Enterprise Fund	\$481,400	\$651,325	\$169,925
Total:	\$1,194,900	\$1,545,295	\$350,395

Overview of the Budget

The Town's fiscal year begins on July 1 and ends on June 30. The budget is divided into separate funds in order to account for revenue collected and services provided. The following is a list of the funds accounted for in this budget:

- General Fund – this fund is the “typical” government fund, where all the taxes and some user fees are used to provide basic governmental services, such as administration, police, planning, zoning, and street maintenance. Also in the fund is the billing and collecting of sanitation fees.
- Enterprise Funds – these funds are separate “self-sustaining” funds, commonly including all utility services where taxes are not generally used in its operations. Boonville's enterprise funds include:
 - Water Fund
 - Sewer Fund



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- Grant Funds – grant funds are restricted in their use and are typically used for ongoing projects. These projects are usually funded by grants from outside agencies and are for short-term operating expenditures.

Review of FY 2015-2016

In Fiscal Year 2015-2016, the Town of Boonville continued its dedication to enhancing the quality of life in the community. Public safety remained, as always, a high priority and funders were allocated to purchase a new police vehicle. Another priority was water and sewer infrastructure improvement which has consisted of several improvements to the sewer system by upgrading the Howard Street Lift Station. This project was 70% complete in FY 2013-2014, with the remaining 30% being completed in FY 2014-2015. The town had a pump replacement on the Williams Street well. The cost of the project was \$10,913. Also in the last year, the Town has made Economic Development a priority for the Town through the establishment of an Interim Town Administrator position. It is through this position the Board hopes to see growth, revitalization, and prosperity in Boonville.

General Fund

The recommended General Fund budget for FY 2016-2017 is \$893,970. This is \$154,205 or 17.25% higher than the FY 2015-2016 amended budget. When compared to the original starting FY 2015-2016 budget, the FY 2016-2017 recommended budget is \$73,814 or 12.55% higher.

Revenues

- The proposed tax rate of \$.46 per \$100 valuation remains unchanged from the last fiscal year. Our ad valorem revenues are based on a tax valuation of \$69,334,149.00 calculated at an approximate collection rate of 98%. Please note that this collection rate is in accordance with same sized towns across the State of North Carolina per the Town's auditor.
- The local option sales tax is projected at \$140,000. This is an increase of 2.7%.
- Powell Bill funding has not been published for FY 2016-2017. Until the funds are confirmed, we will leave the appropriated amount \$0. At that time, we will do a budget amendment to show the total funding received and Board approved projects.
- Tipping fees (trash) are being charged at the Town's actual cost to Waste Management. Costs not being supported by revenues are the trash services for the Town operated facilities, the Boonville Community Public Library, and the Boonville Volunteer Fire Department.
- Sales tax revenues were recorded at actual per the Town's receivable accounts.



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- All other revenue accounts were booked close to the amounts from FY 2015-2016. We are not anticipating any major increases or decreases in revenue this fiscal year.

Expenditures

- Salaries will be increased in this year's budget and range from 2.5% depending on the employee's job performance. Group Insurance cost increase by 2.6%.
- The Police Department's Capital Improvement Plan includes budgeting \$10,000 for the next three fiscal years towards the purchase of a new police car. This will be year 1 of 3.
- Non-Powell sidewalk repair to be done in FY 2016-2017 will include replacement of sidewalk from Hwy 601 to Dollar General. The estimated repair cost is \$20,000.
- For Powell Bill, the town is planning to repair a bridge at the end of Holly Street. This project is estimated at \$10,000.
- The Town continues to maintain a Capital Improve Plan (CIP) for the purpose of purchasing new equipment. In the CIP, this will be year 4 of 4 towards the purchase of a backhoe at the amount of \$18,000. Updated CIPs are being attached to the budget package.
- In the Non-Departmental budget, the cost of a Strategic Plan for Economic Development has been allotted as part of the \$8,000 in the Economic Development line item. In addition to this line item, Façade Improvement Grant money has been allocated as a part of this line item.
- Park maintenance has been budgeted for in the Non-Departmental budget for upcoming expenses for a future park in Downtown Boonville.
- A new line item of Beautification has been added to the Non-Departmental budget of \$500.
- A donation to the Yadkin County Hospice home has been added as a line item to the Non-Departmental Budget of \$500. This will be year 1 of 5.

Enterprise Fund

The combined Enterprise Fund budgets for FY 2016-2017 are \$651,325. This is \$11,900 or 1.86% more than FY 2015-2016 amended budget. When compared to the original starting FY 2015-2016 budget, the FY 2015-2016 recommended budget is \$15,400 or 2.42% higher than FY 2015-2016.



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Revenues

Minimal increases of water and sewer rates have been proposed to improve water and sewer infrastructure. The anticipated rates will slowly increase for this fiscal year so the debt service of the loan does not impact residents all at one time. Projected rate increases are as follows:

	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>
Water Inside Base	\$18.40	\$20.00	\$20.40
Water Outside Base	\$31.92	\$34.70	\$35.39
Sewer Inside Base	\$18.40	\$20.00	\$20.40
Sewer Outside Base	\$31.92	\$34.70	\$35.39
Inside Water Cost/1000	\$ 2.80	\$ 3.00	\$3.06
Outside Water Cost/1000	\$ 5.60	\$ 6.00	\$6.12
Inside Sewer Cost/1000	\$ 7.85	\$ 8.00	\$8.16
Outside Sewer Cost/1000	\$15.70	\$16.00	\$16.32

Once these rates are set at the FY 2017-2018 levels, it is recommended that the rates be adjusted annually based on the annual cost-of-living (COL) index.

Expenditures

- Salaries will be increased in this year's budget at 2.5% based on employee appraisal job performance. Group Insurance cost went up by 2.6%.
- Panel upgrades at the Sewer Plant have been budgeted for in the Sewer Budget. The estimated cost of the project is \$60,000.
- The Town continues to maintain a CIP for the purpose of purchasing new equipment. For backhoe savings, the budget includes year four of four of savings in Powell and Water, and year four of four in Sewer. Updated CIPs are attached to the budget package.

Conclusion

The Town of Boonville is committed to striving for the highest level of public service while preserving, protecting, and enhancing the quality of life in the community. In order to accomplish these goals, we must maintain strong financial health. The priorities that are reflected in the budget include economic development, façade improvement grant, water and sewer infrastructure improvement, and a partnership with a local property owner to build a park in Downtown Boonville.

I want to extend my appreciation to all staff members, Mayor Hunter and the Board of Commissioners who have worked in preparation of this budget document. The preparation of this document would not have been possible without the dedication and commitment of the Town staff members and the Town Board. The document before you is the work of a cooperative team

Ph: 336.367.7941

Fax: 336.367.4205

boonvillenc.com

Mayor: Rusty Hunter; Commissioners: William Paul Baity, Devin Carter, Bonnie Lasky, Tony Reece



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planning effort for a high level of service to our community while preserving, protecting, and enhancing the quality of life.

I appreciate the consideration of the Town Board of Commissioners in reviewing the budget and providing us with the tools to provide quality services to the citizens of the Town of Boonville.

Respectfully submitted,

Sarah E. Harris
Interim Town Administrator