

Stokesdale, North Carolina

Budget Officer's Fiscal Year 2009-2010

Budget Message

The Honorable Randle L. Jones, Mayor
Stokesdale Town Council Members
P. O. Box 465
Stokesdale, North Carolina 27357

Mayor and Council Members:

The Town of Stokesdale will celebrate its 20th year of incorporation on November 9, 2009. The Town has grown and prospered during this time and now finds itself with assets of just over \$5 million. The Town provides law enforcement for its citizens, street lights for the downtown area, and a water system that provides potable drinking water in addition to providing a source of water for fire protection. The Town is preparing to break ground for a Town Park that will provide recreational opportunities for all citizens. The Town of Stokesdale has provided revenues for these services and others without the levying of an ad valorem tax.

The upcoming year does present its challenges due to the downturn in the economy that is unprecedented in recent history for Guilford County, the State of North Carolina and the Nation. As budgets for each of these governments are being scrutinized and income is not sufficient to cover the expenditures that are needed, decisions are being made that financially impact the Town and each and every citizen in the Town. Guilford County has notified the Town of their need for funding so that Animal Control and Animal Shelter services can be provided for the Town. The State may eliminate the share of beer and wine taxes that municipalities have received in the past. Other changes in North Carolina's tax structure are being considered as well as legislation to transfer responsibility for items such as the state roads to local governments. If these unfunded mandates are approved, there will be dire consequences for municipalities such as Stokesdale who lack the capacity and the funds to assume such responsibilities.

The budget has been prepared by the Budget Committee for the Town of Stokesdale in accordance with the North Carolina Local Budget and Fiscal Control Act. The Town continues to maintain a strong financial position with reserves significantly above those that are required by state statute. The proposed budget for the fiscal year 2009-2010 is presented for your review and consideration.

GENERAL FUND: The proposed budget for the 2009-2010 Fiscal Year reflects a 14% decrease over the current fiscal year budget for the General Fund. General Fund Revenues for Fiscal Year (FY) 2009-2010 are estimated at \$320,500.00. The largest source of income is the Utilities Franchise Tax, estimated at \$205,000 provides 64% of estimated revenues. Investment earnings are estimated at \$93,000 which is 29% of the total revenues. A portion of the Town's Certificates has been invested at rate between 3.5 to 4% interest for three to four year terms. Interest rates being paid on other short term Certificates of Deposit continue to decline. The total amount of funds now invested in General Fund Certificates of Deposit totals \$3,338,747.01. The transfer of funds to the Town Park Capital Project for the construction of the Town Park will total over \$500,000.

Planning Fee Revenues have not met expectation for FY 2008-09 and are expected to remain low (\$6,000) until there are improvements in the economy. The anticipated revenues from the Cable Franchise Agreement with Time Warner Cable are estimated at \$5,500.

Due to the financial problems that face the State of North Carolina, income from the Beer and Wine Excise Tax was not included in the 09-10 Budget. ABC Profit Share (\$6,000) and Planning Fees (\$6,000) provide than 4% of the revenue stream.

General Fund Expenditures for the FY 2009-2010 are estimated to be \$320,500. Administrative expenditures are estimated to be \$111,800 or about 35% of the proposed budget. These appropriations include expenditures such as office rent (\$10,000), insurance (\$5,000), postage (\$2,500), professional services (\$20,500), salaries and stipends (\$51,400) and general office expenses (\$16,700). Funding is included for upgrading the Internet Service from dial-up to DSL Light. An expenditure for Travel Reimbursement of \$100 has been included for a representative of the NC Department of Commerce to meet with the Ordinance Review Committee. Membership dues (\$5,700) include the School of Government, Piedmont Triad Council of Governments, American Society of Composers and the NC League of Municipalities. Since the anticipated Revenues are slightly greater than anticipated Expenditures, \$2,550 has been allocated as Undesignated Fund Balance.

Capital Outlays include \$5,000 for fees for architectural services for the bidding and negotiations process or other expenses relating to the construction of a new Town Hall and Park facility that has been planned for the Town property on Angel Pardue Road. Funds in the amount of \$20,000 have been proposed for retirement of the debt service. Since the Town's inception, Councils have been setting aside funds for the construction of a Town Hall for the citizens of the Town to have without implementing an ad valorem tax. The Reserves for a Town Hall total \$935,000.

Cultural and Recreational Expenditures include the parade expenses (\$3,000). Maintenance is needed on the banner mounting brackets and can be completed at a sum not to exceed \$490 which is included as a parade expense item. The lighting of the Veterans Monument should cost approximately \$900 for the year. The new Town Park should be completed by December 2009. Expenditures of \$13,000 has been allocated for the Park for mowing, building maintenance, equipment, referees and marking of the fields. Some adjustment may be necessary since there is no prior history for these expenditures. The Stokesdale Youth Football Association will receive \$2,500 for additional equipment to allow the growth of the Association to better serve the youth of the Stokesdale Community.

Public Safety expenditures total \$121,500 for the next fiscal year. This includes funding to maintain the Emergency Generator (\$2,000), Fire Inspections (\$5,000), and Law Enforcement Augmentation at a cost of \$82,000. A new patrol car for the deputy was purchased in the FY 2008-09 which depleted the reserves previously set aside for the purchase. The Reserve Fund for the purchase of the next patrol car shows \$6,500. Guilford County will be charging the Town for Animal Control and Animal Shelter services in FY 2009-10 at a cost of \$25,000. A donation of \$1,000 for the Crime Stoppers Program has been included as this program provides information from citizens to help make arrests and solve crimes and make our community a safer place.

Economic & Physical Development expenses total \$37,250 and includes expenditures relating to the Planning and Zoning Department for advertising of rezoning cases (\$5,000), legal fees and

administration (\$7,250) and fees to be paid to Guilford County for planning services (\$25,000).

Funds in the amount of \$3,000 have been allocated to continue providing streetlights in the business district.

Construction projects are not a part of the proposed budget at this time. Any building projects would require the adoption of a capital project ordinance for such a project.

WATER ENTERPRISE FUND: The proposed budget for the water enterprise fund shows revenues of \$175,500.00. Expenditures include Administrative Expenses (\$44,200) cover Insurance, Contract Operation of the water system, offices expenses and professional services. Maintenance of the water system is estimated at \$28,300 for the upcoming year. This would include flushing of the waterlines, repairs, new water taps and meters. An expenditure of \$1,500 for the purchase of a hydrant meter has been included in the budget. The purchase of water from City/County Utilities (\$100,000) would account for 57% of the expenditures for the water system. The proposed budget allocates \$3,000 for capital reserve for the system.

Generally, the water rates paid for the purchase of water from Winston Salem City/County Utilities increase each year. The Budget Committee does not recommend an increase in water rates for Stokesdale citizens.

WATER-SEWER FUND: The water-sewer fund reflects a decrease in investment earnings during the year due to the decline in interest rates. Estimated Investment earnings are \$13,000. The unappropriated fund balance should continue to earn interest until such time that funds may be needed for longer-term maintenance and upkeep on the tank and water system.

The Proposed Budget for 2009-2010 is presented for the review and the input of the Town Council as well as the citizens of the Town. It is hoped that the Proposed Budget will provide a sound financial position with revenues being utilized in beneficial ways for all of the citizens of the Town of Stokesdale.

Respectfully submitted the 21th day of May, 2009,

Carolyn L. Joyner
Budget Officer

Mayor Randle L. Jones, Mayor Pro Tem Mickie Halbrook, Councilman James Attaway, Budget Committee