

Stokesdale, North Carolina

Budget Officer's Fiscal Year 2010-2011

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 proposed 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 2010-2011 is presented for your review and consideration.

The proposed budget is a balanced budget with expenditures limited to the anticipated income for the fiscal year. In other words, the Town will not spend dollars from the fund balance (funds not spent in prior years) to cover the daily operation of the Town. The budget proposal does not recommend an ad valorem tax for its citizens. The Town will continue to provide additional law enforcement, streetlights for the downtown area, and a water system that provides potable drinking water and water for a fire protection system.

During the 2010-2011 Fiscal Year, the Town offices should be relocated to the new Town Hall that is currently under construction on the Angel Pardue Road site. Within the next fiscal year, the Town will begin the operation of a new Town Park with recreational opportunities for all citizens.

GENERAL FUND: The proposed budget for the 2010-2011 Fiscal Year reflects a very small decrease over the current fiscal year budget for the General Fund.

REVENUES: General Fund Revenues for Fiscal Year (FY) 2010-2011 are estimated at \$319,500.00. The largest source of income, the Utilities Franchise Tax is estimated at \$225,000 and provides 70% of estimated revenues. Investment earnings are estimated at \$60,000 which is 19% of the total revenues. A portion of the Town's Certificates has been invested at rates 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.

Planning Fee Revenues are low are expected to remain low (\$4,000) until the construction industry begins to show some improvement. The anticipated revenues from the Cable Franchise Agreement with Time Warner Cable are estimated at \$5,500. Revenues from Parade Fess are estimated at \$1,000 and the Hold Harmless payment is also estimated to be \$1,000.

The Beer and Wine Excise Tax Distribution is included as a source of revenue for Fiscal Year 2010-2011. This should provide \$17,000 in revenues, about 5% of the revenue stream. ABC Profit Share (\$6,000) is anticipated to remain the same as the previous year.

EXPENDITURES: General Fund Expenditures for the FY 2010-2011 are estimated to be \$319,500.

Administrative Services: Administrative expenditures are estimated to be \$109,750 or about 34% of the proposed budget. These appropriations include expenditures such as office rent (\$5,000), insurance (\$6,000), postage (\$2,000), professional services (\$21,500), salaries and stipends (\$52,800) and general office expenses (\$17,350). Membership dues (\$5,100) 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, \$800 has been allocated as Undesignated Fund Balance.

Cultural and Recreational: Cultural and Recreational Expenditures total \$56,000 for 2010-2011. These expenditures include the parade expenses (\$3,500) and lighting of the Veterans Monument (\$800). Expenditures totaling \$51,700 has been allocated expenses relating to the new Park such as lawn and field upkeep and maintenance, building maintenance. Some adjustment may be necessary since there is no prior history for these expenditures.

Public Safety: Public Safety expenditures total \$117,000 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 \$79,500. The Reserve Fund for the purchase of the next patrol car shows \$6,500. The Town will pay Guilford County \$24,000 for Animal Control and Animal Shelter services in FY 2010-2011.

Economic & Physical Development: Economic & Physical Development expenses total \$33,750 and includes expenditures relating to the Planning and Zoning Department for advertising of rezoning cases (\$2,000), legal fees and administration (\$6,750) and fees to be paid to Guilford County for planning services (\$25,000).

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

WATER ENTERPRISE FUND: The proposed budget for the water enterprise fund totals \$185,500.00.

REVENUES: Water Sales (\$165,000) make up 89% of the revenue stream for the Water Enterprise Fund. The remaining revenues are comprised of Tap & Connection Fees (\$8,000), Investment Income (\$3,200) and Miscellaneous Income (9,500).

EXPENDITURES: Expenditures include Administrative Expenses (\$43,700) cover Insurance, Contract Operation of the water system, offices expenses and professional services. Maintenance of the water system is estimated at \$24,800 for the upcoming year. This would include flushing of the waterlines, repairs, new water taps and meters. The purchase of water from City/County Utilities (\$107,000) would account for 58% of the expenditures for the water system. The proposed budget allocates \$10,200 for capital reserve for the system.

The Budget Committee does not recommend an increase in water rates for Stokesdale citizens although Winston Salem City/County Utilities generally increase the water rates it charges the Town each year for the purchase of water.

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 \$2,900. 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 2010-2011 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 20th day of May, 2010,

Carolyn L. Joyner
Budget Officer

Mayor Randle L. Jones, Councilman Bobby H. Richardson, Budget Committee