

Town of Sylva



Annual Budget FY 2011-2012

Mayor
Maurice Moody

Board of Commissioners

Danny Allen
Harold Hensley
Stacy Knotts
Ray Lewis
Chris Matheson

Town Manager
Adrienne Isenhower

Town of Sylva



Annual Budget - FY 2010-2011

Table of Contents

- 1) Budget Message**
- 2) Fee Schedule**
- 3) Current Debt Schedule**
- 4) Capital Improvement Plan**
- 5) Organizational Chart**
- 6) Budget Ordinance**
- 7) Budget Document**

Budget Message

FY 2011-2012

Revenue Outlook

A transition from a flat fee system for calculating many privilege licenses to a system based on gross receipts will be an additional revenue for the Town. The gross receipts fee schedule is proven to be a more fair and equitable way of taxing businesses located within town limits. An important change to the privilege license tax system that should be noted is the billing cycle. The new cycle will run from August 1st to July 31st instead of the current calendar that runs with the fiscal year, July 1st to June 30th. Any business with sales under \$3,000,000 will pay a flat fee of \$50.00. Businesses with gross receipts over \$3,000,000 will still owe the \$50.00 flat fee for sales under the threshold. Gross receipts above the \$3,000,000 threshold will be taxed at a rate of .35 per \$1,000. The privilege license tax will be broken down into three schedules: "Schedule A" will include the gross receipts system, "Schedule B" will include classifications of business activities governed within the North Carolina Revenue Laws, and "Schedule C" will include business categories that are specifically taxed. An example of a business category in "Schedule C" is computer gaming establishments, a revenue that was introduced in fiscal year 2010-2011. The estimated revenue generated from the gross receipts privilege license tax is \$77,500, an increase of \$50,000 from the previous fiscal year.

Ad Valorem taxes make up around 50% of the general fund revenues. The remaining revenue for the general fund is collected through various fees and fines, interest on investments, and other miscellaneous sources. The 2011-2012 ad valorem tax revenue is estimated to increase approximately \$5,500 which is contributed to slight growth during the previous fiscal year. Each .01 cent of the levy generates approximately \$41,000. The estimated ad valorem tax revenue is based on a collection rate of 97.95% and is estimated to generate approximately \$1,216,000. This estimate is based on no change in the tax rate of \$0.30 per \$100..

Unrestricted governmental revenue is not expected to increase or decrease from the previous fiscal year with the exception of sales tax, which is expected to increase. This is notable since the previous fiscal year projected a decrease in sales tax due to the elimination of Article 44 local option sales tax. The remaining local option sales tax revenues, articles 40, 42, 39, and Hold Harmless collectively are projected to increase approximately \$19,500 based on trends of the last twelve months.

Grants are a notable source of revenue in 2011-2012 with the Town being awarded grants for two separate projects through the Main Street Solutions Grant and the Main Street Energy Grant. The total revenue coming from these three funding opportunities is \$85,382. The Main Street Energy grant was received at the start of the 2011 calendar year. The purpose of these funds is for energy efficiency upgrades for downtown buildings. There are currently five businesses participating in projects including HVAC replacement, window replacement, and light replacement. The property owners participating are providing an equal match to the grant funding. The Main Street Solutions grant was received in Spring 2011. The main street solutions fund is "intended to strengthen the local economy and its role as a regional growth and employment hub. This is accomplished by leveraging the state's resources for small business development, spurring private investment, and providing economic development planning assistance and coordinated grant support". The Town of Sylva is committed to using this funding for property upgrades to the exterior of buildings on Mill Street to continue in the community effort of

revamping this section of downtown. The business owners participating with this funding opportunity will provide a two to one match for their respective projects.

The revenue generated from sales from the local ABC store is estimated to decrease by \$13,200 based on an unanticipated decrease in distribution. There are three legally mandated and earmarked categories for ABC revenue: general fund, education and rehabilitation, and law enforcement. General Fund receives 50%, of which 10% is contributed to recreation, Education/Rehabilitation receives 7%, and Law Enforcement receives 5%. The total estimated ABC revenue for all categories for fiscal year 2011-2012 is \$107,328.

Finally, several capital equipment purchases are needed for the police and street departments so a transfer of \$42,600 is included from fund balance and capital reserve: \$21,300 from each. This additional revenue will cover part of the cost for a new snow plow and a new pickup truck for the street department. Additional funding will still be required for the remainder of the capital equipment items that will be funded by the additional revenue received from the gross receipts system in an effort to start a rotation system for these purchases.

Below is a table of the revenues for the last two years to outline the estimated notable increase in revenue sources.

Revenue Source	FY 2010-2011	FY 2011-2012
Taxes	1,210,500	1,216,000
Sales Tax Article 40	82,000	87,500
Sales Tax Article 42	77,500	83,000
Sales Tax Article 39	168,000	173,500
Hold Harmless	76,000	76,000
Privilege License	27,500	77,500
ABC General Fund	90,000	77,800
ABC Rehab/Education	17,000	16,000
ABC Law Enforcement	12,000	13,528
Main Street Solutions Grant		47,382
Main Street Energy Grant		38,000
Fund Balance		21,300
Capital Reserve		21,300

Expenditures

Personnel

An salary increase of \$1028.28 is included for those employees with salaries below \$50,000. This increase totals approximately \$21,400 and is applied to each employees base salary. The local government employees' retirement system (LGERS) rates continue to increase, as they will for the next several years due to loss in investments from 2008. This increase this year is .53% for general employees and .63% for police which amounts to \$6,800. Employee health insurance has decreased \$9 per person this year due to a transition from Cigna to Medcost.

Administration

An increase of approximately 21,000 is projected for this budget due to the salary increase and the addition of a downtown director. The goal of this position is for the Town to partner with the DSA board to accomplish goals and objectives for Sylva. The new position will be part time and will earn a salary of \$15/hour for 20 hours/week.

Non-Departmental

The non-department budget has considerably increased from the 2010-2011 budget mainly due to the Main Street Energy grant and the Main Street Solutions. This increase totals \$218,146 in order to account for the grant amount and the match amount. Contingency has increased as well due to the transfer from fund balance and capital reserve for the capital equipment items in the street department budget. The total increase for non-department is \$228,922.

Planning/Code Enforcement

An increase in the inter-local agreement line item was requested from Jackson County Planning Department. However, hazard abatement was decreased slightly resulting in an overall decrease in this budget.

Police

The police department budget is projected to increase approximately \$36,000. A part time officer for downtown patrol is included at a salary of \$12/hour for 20 hours per week. With the uncertainty of fuel prices, this budget is estimated to increase roughly \$8,000. Additionally, North Carolina has mandated that all police departments purchase new equipment to be compatible with a new digital communication system by 2013 so a new repeater as well as 14 portable radios are included. Training has increased \$4,600 to provide more officers ability to attend training sessions to have better trained and qualified officers. Finally, the cost for a four wheel drive vehicle is included to replace one vehicle with extensive mileage.

Powell Bill

The Powell Bill allocation is estimated to be \$64,500. The total budget is for FY 2011-2012 totals \$108,300 to represent a transfer from Powell Bill reserve for partial payment on capital equipment for the street department.

Professional

This budget is expected to decrease \$35,500. A request for proposals was sent out this winter for the annual audit contract which has generated a decrease of \$17,500 in that line item. The remainder of the savings is attributed to the close out of the NCDOT pedestrian planning grant that was budgeted last fiscal year.

Public Works

Two capital equipment items are the main sources of the increase projected for the street department. A new snow plow and a new pickup truck are included in the capital outlay budget. As with the police department, the fuel budget is expected to increase in the street department as well as sanitation. The remainder of the increase from both budgets is attributed to the increase in salaries. The total increase for both departments is \$58,144.

Additional Funds

Fund 13-Recreation

This fund accounts for the operation of the pool and town parks. The majority of the revenue for this fund is generated from general fund contributions and ABC Recreation revenue. This estimated revenue for FY 2011-2012 is \$55,589. The expenses include salaries for three part time park employees as well as maintenance and operations of the parks.

Fund 14 – Post-employment

This fund accounts for the Law Enforcement Separation Allowance. The revenue source for this fund is a contribution from the general fund and the expenses are separation allowance pay for three police officers. The total budget is \$23,500.

Fund 19 – Fire Department

This fund accounts for operation of the Sylva Fire Department. The major revenue sources generate from a contribution from Jackson County (\$86,433) and the Town of Sylva (\$122,426). There is an agreement with Webster and Dillsboro to receive fire service from the Sylva Fire Department and they contribute amounts based on ad valorem values and the rate of contribution may be changed each re-evaluation year. Since this is not a re-evaluation year, the current rate of 3 cents per \$100 valuation will not change. Therefore, Dillsboro's contribution is \$12,932 and Webster's contribution is \$16,668.

The most notable change in the fire department budget is the purchase of an aerial truck, for a total of \$534,640, which has already been bid and awarded. A down payment of \$150,000 will be paid from the fire department reserve and the remainder of the cost will be financed closer to completion of construction of the truck.

Fund 24-Fisher Creek

Bridge installation at Pinnacle Park will be included in the Fisher Creek budget as a rollover and should be completed within the first quarter of the new fiscal year. The budget estimate based on interest investment estimates is \$21,000.

Fund 25-Retiree Insurance

This fund accounts for the cost of medical insurance for town retirees and is also referred to as Other Post Employment Benefits (OPEB).

A special thanks to Brandi King, Lynn Bryant, Davis Woodard, and Dan Schaeffer in their efforts and assistance in the completion of this budget.

A note of gratitude to Mayor Maurice Moody and Town Commissioners Chris Matheson, Danny Allen, Harold Hensley, Ray Lewis, and Stacy Knotts for their support of Town staff in the development of this budget.

Respectfully,

Adrienne Isenhower
Town Manager

Town of Sylva

NC

1889

FEE SCHEDULE

Parking Fines and Fees

Parking in a restricted area	\$15.00
Double Parking	\$15.00
Parking in Handicapped Space	\$150.00
Parking in Prohibited Area	\$15.00
Parking too Close to Intersection	\$15.00
Parking in Wrong Direction	\$15.00
Parking in Alley Way	\$15.00
Improper Parking	\$15.00
Parking in Loading Zone	\$25.00
Parking in No Parking Zone	\$15.00
Parking in Fire Lane	\$50.00
Parking Too Close to Fire Hydrant	\$15.00
Parking Too Close to Stop Sign	\$15.00
Parking Across Lines	\$15.00
Parking in Crosswalk	\$25.00
Parking in Roadway (Posted)	\$25.00
Downtown Employee (B-1)	\$50.00

Planning and Code Enforcement Permits and Fees

Development/Use Permits

Category	Use	Fee
1. Residential	Single Family	\$20
	Multi-Family Units	
	2 units	\$40
	3-7 units	\$125
	8 units or more	\$250
	Manufactured Homes	\$25
	Accessory Building	\$25
2. Commercial, Business, Mixed Use, Industrial	Heavy Commercial (20,000 sq ft)	\$250

	or more) and/or Industrial Medium Commercial (5,001 sq ft -19,999 sq ft)	\$200
	Light Commercial (up to 5,000 sq ft)	\$125
	Retail Office	\$50
	Additional Renovations <500 sq ft	\$20
	Churches	\$50
3. Hillside Development	Residential hillside areas with an average slope of 15 percent or greater and is at or above 2000 feet mean sea level (MSL)	\$100
4. Overlay Districts	Planned Unit Development (PUD) Mobile Home Parks	
	Class I (2-11 units)	\$75
	Class II (12-24 units)	\$125
	Class III (25+ units)	\$250
5. Subdivision Plat	Minor Subdivision (Family subdivisions exempt from per lot fee)	\$125plus \$115 per lot/structure
	Major Subdivision	\$250plus \$250 per lot/structure
6. Demolition Permit	Residential	\$50
	Non-Residential	\$100
7. Sign Permit	Single Face	\$40
	Double Face	\$60
	Illuminated	\$120
	Temporary Signs	\$50
8. ABC Permit Inspections	On-Premise	\$50
	Off-Premise	
9. Sexually Oriented Business Permit	Establishment Permit	\$1,000
	Entertainer Permit	\$100
10. Street/Sidewalk Cut Permit	Streets	
	Sidewalks	\$25
11. Hazardous Material Special Use Permit	All Hazardous Materials located on or within 10 feet of any street, alley or sidewalk	\$10 for first 2 containers \$25 per add. container Annual Renewal Required
12. Driveway Access Permit	Residential	\$0
	Non-Residential	\$50

13. Flood Plain Permit	Residential	\$50
	Non-Residential	\$50
14. Privilege License Zoning Approval		\$20
15. Flood Damage Prevention Variance	Residential	\$50
	Non-Residential	\$100
16. Zoning Ordinance Variance	Residential	\$250
	Non-Residential	\$250
17. Conditional Use Permit	Residential	\$50
	Non-Residential	\$100
18. Zoning Ordinance Amendment	Text Amendment	
	Map Amendment	\$100
19. Appeal Hearing	All	\$250
20. Zoning Vested Rights Approval	All	\$100
21. Hazard Abatement	All	\$150

Public Works Cost Basis for Equipment and Manpower

Vehicle, Equipment and Manpower Charges:

Labor Charge (per hour)

1. During normal work hours.....\$25.00 per person
2. After normal work hours.....\$37.50 per person

Equipment Charge (per hour)

1. Backhoe.....\$45.00
2. Bucket Truck.....\$60.00
3. Dump Truck.....\$40.00
4. Knuckleboom Truck.....\$60.00
5. Trackhoe.....\$50.00
6. Water Truck.....\$40.00 + Water Charge
7. Ton Truck.....\$40.00
8. Weedeater or Leaf Blower.....\$15.00
9. Mower.....\$40.00

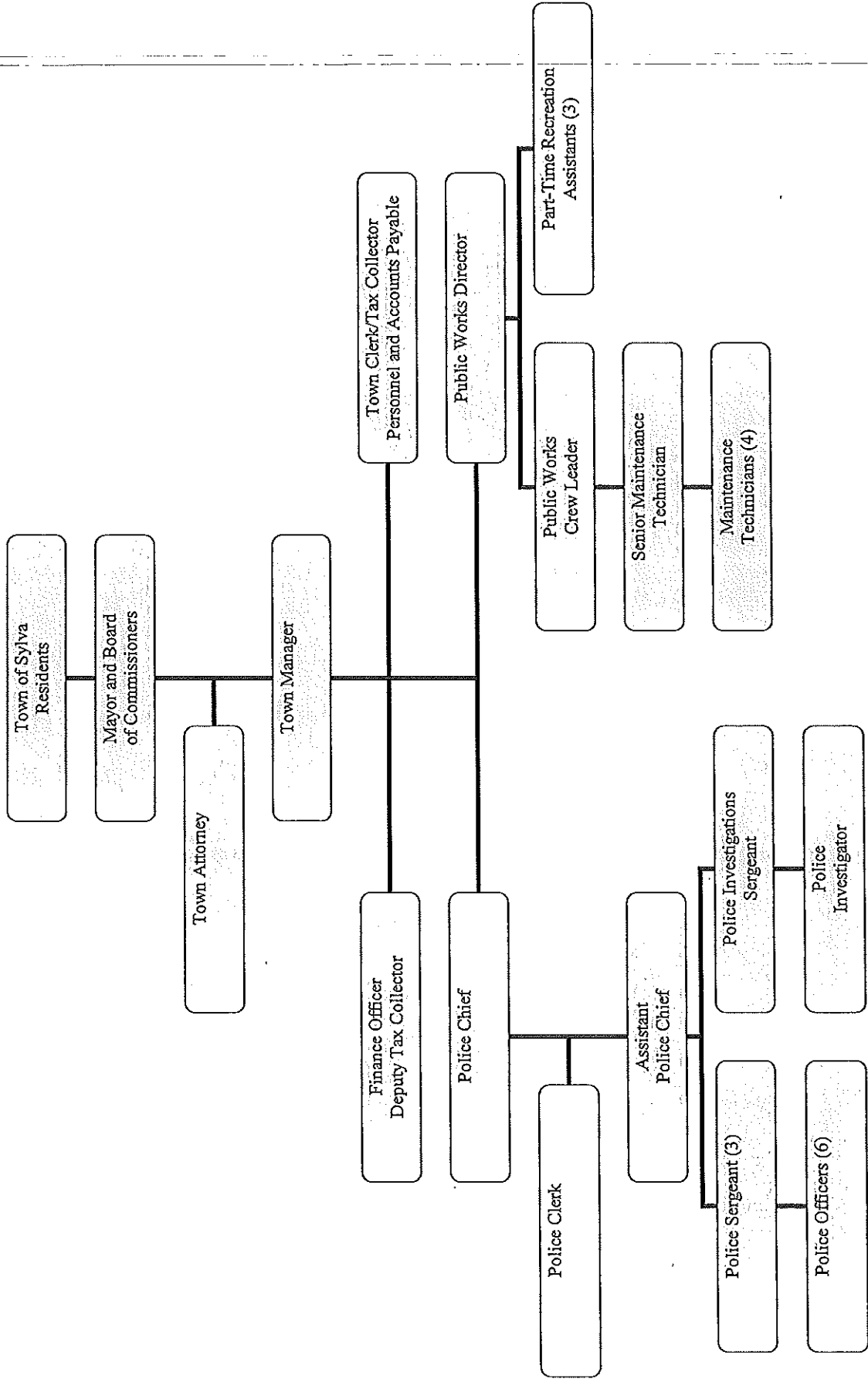
Recreation Fees

- Poteet Park and Bryson Park Pavilion Rental.....\$20.00 per 2 hour reservation block
 Bridge Park Pavilion Rental.....\$20 for 2 hours, \$50 for half day and \$100 for whole day

Budget Breakdown

Principal and Interest Breakdown on Debt						
FY JUNE 30, 2012						
Police Department:						
		Principal		Interest		
		10-510-74		10-510-48		
		\$24,412.45		\$1,684.42	Lease Purchase on 3 Police Cars	
Fire Department:						
		Principal		Interest		
		19-530-68		19-530-69		
		\$142,074.20		\$70,465.25	FD Building Renovations	
Note: Will receive from Jackson County \$212,539.45						

Town of Sylva
 Organizational Chart
 FY 2011-2012



THE TOWN OF SYLVA
FY 2011-2012
BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of the Town of Sylva, North Carolina:

Section 1. The following amounts are hereby appropriated in the General Operating Budget for the operation of the town government and its activities for the fiscal year beginning July 1, 2011 and ending June 30, 2012 in accordance with the chart of accounts heretofore established for this town.

Mayor/Board	\$30,750
Community Contributions	\$15,750
Administration	\$272,107
Highway Patrol Electric	\$1,000
Professional Services	\$34,900
Police Department	\$985,723
Street Department	\$359,304
Powell Bill Department	\$108,300
Street Lights	\$93,150
Planning/Codes Department	\$11,700
Sanitation Department	\$119,745
Facilities Maintenance	\$32,937
Cemetery Department	\$9,400
Non-Departmental	\$328,922
<u>Miscellaneous Appropriations</u>	<u>\$245,926</u>
Total Appropriation	\$2,649,614

Section 2. It is estimated that the following revenues will be available in the General Operating Budget for the fiscal year beginning July 1, 2011 and ending June 30, 2012.

Current Year's Property Tax	\$1,216,000
Prior Year's Property Tax	\$8,000
Interest on Taxes	\$6,500
Tax Advertising Penalties	\$400
Scrap Metal	\$500
Privilege License and Interest	\$78,500
Vehicle Taxes	\$52,000
ABC License	\$900
Interest on Investments	\$3,000
Sale of Recycling Bins	\$550
Street Sweeping	\$1,200
Chamber Bldg. Rent	\$7,800
Sales of Telecommunication	\$77,000
Excise Tax on Natural Gas	\$7,500
Local Video Programming	\$17,300
Franchise Tax on Power	\$193,350
Sales Tax Art 40	\$87,500
Sales Tax Article 42	\$83,000
Sales Tax Article 39	\$173,500
Solid Waste Disposal	\$1,800
Hold Harmless	\$79,000
Wine and Beer	\$11,500
Powell Bill	\$64,500
ABC Revenue	\$107,328

Police Department Fines and Fees	\$6,500
Rebate on Repeater	\$1,500
Zoning Permits	\$1,500
Sales Tax Refund	\$5,000
Parking Lot Rental	\$5,640
Grants	\$218,146
Sale of Fixed Assets	\$12,000
Miscellaneous Revenue	\$1,000
Substance Tax Distribution	\$3,500
Fund Balance Appropriation	\$51,100
Capital Reserve Appropriation	\$21,300
<u>PB Special Funds Appropriation</u>	<u>\$43,800</u>
Total Revenues	\$2,649,614

Section 3. The following amounts are hereby appropriated in the Recreation Fund 13 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Personnel Expense	\$24,245
Operating Expenses	\$14,144
<u>Pool Expense</u>	<u>\$17,200</u>
Total Expenses	\$55,589

Section 4: It is estimated that the following revenues will be available in Recreation Fund 13 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Park Rental	\$4,500
Investment Interest	\$89
ABC Revenue	\$25,000
<u>Transfer from General Fund</u>	<u>\$26,000</u>
Total Revenue	\$55,589

Section 5. The following amounts are hereby appropriated in the Post Employment Trust Fund 14 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Payroll – Separation Allowance	\$17,775
FICA – Separation Allowance	\$1,360
<u>Fund Balance Contribution</u>	<u>\$4,365</u>
Total Expenses	\$23,500

Section 6. It is estimated that the following revenues will be available in Post Employment Trust Fund 14 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

<u>Transfer from General Fund</u>	<u>\$23,500</u>
Total Revenues	\$23,500

Section 7, The following amounts are hereby appropriated in the Revolving Loan Fund 15 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

USDA Rural Business Grant	\$25,000
<u>RLF Expenses</u>	<u>\$5,000</u>
Total Expenses	\$30,000

Section 8. It is estimated that the following revenues will be available in the Revolving Loan Fund 15 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

USDA Rural Business Grant	\$25,000
<u>Fund Balance Contribution</u>	<u>\$5,000</u>
Total Revenues	\$30,000

Section 9. The following amounts are hereby appropriated in the Fire Department Fund 19 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Operating Expense	\$200,874
Building Debt	\$212,541
Debt – Other	\$544,640
Contingency	\$25,784
<u>Capital</u>	<u>\$5,000</u>
Total Expenses	\$988,839

Section 10. It is estimated that the following revenues will be available in the Fire Department Fund 19 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Sylva Contribution	\$124,426
Dillsboro Contribution	\$12,932
Webster Contribution	\$16,668
Jackson County Contribution	\$86,433
Building Loan	\$212,540
Installment Purchase	\$379,840
Transfer In	\$150,000
<u>Miscellaneous Revenue</u>	<u>\$6,000</u>
Total Revenues	\$988,839

Section 11. The following amounts are hereby appropriated in the Fire Department Capital Reserve Fund 20 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

<u>Transfer to Fire Dept</u>	<u>\$150,000</u>
Total Expenses	\$150,000

Section 12. It is estimated that the following revenues will be available in the Fire Department Capital Reserve Fund 20 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

<u>Transfer from Reserve</u>	<u>\$150,000</u>
Total Revenues	\$150,000

Section 13. The following amounts are hereby appropriated in the Capital Reserve Fund 21 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

<u>Transfer to General Fund</u>	<u>\$21,300</u>
Total Expenses	\$21,300

Section 14. It is estimated that the following revenues will be available in the Capital Reserve Fund 21 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

<u>Transfer from Reserve</u>	<u>\$21,300</u>
Total Revenues	\$21,300

Section 15. The following amounts are hereby appropriated in the Fisher Creek Department Fund 24 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Fisher Creek Bridges	\$16,600
<u>Fund Balance Contribution</u>	<u>\$4,400</u>
Total Expenses	\$21,000

Section 16. It is estimated that the following revenues will be available in Fisher Creek Fund 24 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

<u>Fisher Creek Interest</u>	<u>\$18,000</u>
Total Revenues	\$21,000

Section 17. The following amounts are hereby appropriated in the Retirement Department Fund 25 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

Retiree Insurance	28,163.46
<u>Fund Balance Contribution</u>	<u>\$43,836.54</u>
Total Revenues	\$72,000

Section 18. It is estimated that the following revenues will be available in Retirement Department Fund 25 for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012.

<u>Revenue from General Fund</u>	<u>\$72,000</u>
Total Revenues	\$72,000

Section 19. There is hereby levied a tax at the rate of thirty cents (.30) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2011 for the purpose of raising the revenue listed as "Current Year's Property Taxes" in the General Fund in Section 2 of this Ordinance. This is based on a total estimated valuation of property for the purposes of taxation of \$ 413,826,288 and an estimated rate of collection of 97.95%. Also for the purpose of raising the revenue listed as "Current Year's Motor Vehicle Taxes" in the General Fund in Section 2 of this Ordinance total estimated valuation of property for the purpose of taxation of \$ 16,666,667 and an estimated rate of collection of 83%.

Section 18. The capitalization threshold for 2010-2011 is \$5,000 for all capital asset classes.

Section 19. The Town Manager is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a. Amounts between objects of expenditures within a department may be transferred without limitations and without report being given.
- b. Amounts up to \$2,000.00 dollars may be transferred between departments with an official report on such transfers on the next consent agenda.

Section 20. The Town Manager is hereby directed to invest all idle funds only in the North Carolina Capital Management Trust and fully insured FDIC demand deposit accounts in the bank of record for the Town of Sylva. Obligations of the U.S. Government, such as Treasury Bill, Bonds, and Notes, time deposits with any financially sound bank or savings institution whose principal office is in North Carolina; A-1, P-1, domestic commercial paper may be utilized only with approval of the Town Board.

ADOPTED THIS THE 27th DAY OF JUNE 2011.

Maurice Moody, Mayor

ATTEST: _____
Brandi King, Clerk