



**TOWN OF MILLS RIVER
NORTH CAROLINA
2016-17 BUDGET**

Councilmembers

Mayor Larry Freeman

Mayor Pro-Tem Shanon Gonce

Wayne Carland

Roger Snyder

Billy Johnston

Prepared by: Jeffrey D. Wells, Town Manager



June 1, 2016

TO: Mills River Town Council

FROM: Jeffrey D. Wells, Town Manager

SUBJECT: 2016-2017 Fiscal Year Budget

Dear Mayor and members of Town Council,

I am pleased to submit the proposed Fiscal Year 2016-17 Annual Operating Budget for your review and consideration. As presented, this document meets all requirements of the North Carolina Budget and Fiscal Control Act.

The recommended budget is \$2,469,980.00.

This proposed budget is balanced as required by North Carolina General Statutes using a property tax rate of \$0.18 per \$100 of assessed valuation. A \$0.09 per \$100 of assessed valuation property tax rate is for town operations. In addition, the town also collects taxes for Mills River Fire and Rescue at an additional \$0.09 per \$100 of assessed valuation.

The Town of Mills River is committed to continuing the four core services of planning and zoning, fire protection, police protection, and street lighting. The town is increasing the level of service for its planning and zoning and police protection functions to help meet current demands. The Town also owns and operates a park on 50 acres surrounding town hall for the enjoyment and recreation of the community. In addition, the Town is continuing to provide a facility for the Mills River Branch Library, provide support to the Henderson County Partnership for Economic Development and for Agribusiness Henderson County.

The Town will continue to pursue meeting the demands for services by the citizens while maintaining the fiscal integrity of the Town. The Town has been and continues to place a priority on investing budget funds in economic development while maintaining an enticing tax rate to industry in order to attract jobs and local economic growth.

The Town has been advised by the Henderson County Tax Department that the taxable property in Mills River is \$1,012,150,000.00. This represents a 2% increase of assessed value of property in Mills River.

I am recommending the Town operate with a tax rate of \$0.09 per \$100 valuation. Coupled with the \$0.09 per \$100 valuation for Mills River Fire and Rescue, the total tax rate is \$0.18

per \$100 valuation. I am pleased to present the Fiscal Year 2016-2017 Budget for your review and consideration.

Projects

The town utilizes a Capital Improvements Plan (CIP) to help plan for future large scale expenditures. A CIP is a short-range plan, usually four to ten years, which identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan if need be. The plan provides a link between the town's long range planning and the annual budget.

The town continues to prioritize its parks and recreation facilities. A canoe/kayak launch was completed in the summer of 2015. A small, gravel parking area for easier access to the launch and fishing pier was also completed in the summer of 2015. In addition, a new paved parking area was completed in spring of 2016. This parking area added 137 parking spaces to park property. The new parking area alleviates the occasional parking capacity issues recently experienced while also setting ourselves up for future facilities in the back of the park. All of these projects were completed using a portion of the town's fund balance.

The town is in the process of conducting a park needs survey. The survey will gauge our citizenry on how well we are doing with our current park facilities and what type of facilities are desired in the future. This information will be vital to us as we continue to plan for new amenities.

Revenues

Town Council continues to sustain their original incorporation policy goals of maintaining a low tax rate while providing quality municipal services to the citizens. Revenues collected support the services provided by the town. The largest source of revenue is property tax. As stated before, the town has been advised by Henderson County that the taxable property in the town is \$1,012,150,000.00, a 2% increase in assessed property value. This includes both property and motor vehicle tax with a total of \$1,732,500.00 in estimated revenues. The Town collects a number of revenues from the state, including: sales tax, ABC sales tax and franchise taxes from telecommunications, cable television, electric, and piped natural gas. Based on actual yearly numbers and advice from the North Carolina League of Municipalities, some of these revenues had increases while other had decreases. Overall, the total estimated revenues from the state are \$724,300.00. Additional revenues include planning and zoning fees, park shelter fees, and land leases for agricultural purposes. These revenues are estimated at \$13,180.00.

Expenditures

Notable highlights to this year's budget include:

- Total of \$63,100.00 for debt service to the USDA for the loan acquired for construction of town hall and the library. The amount is paid in monthly installments of \$5,251.25. The town anticipates the loan to be paid off in approximately 15 years. The town has no other debt.

- Expenditures for public safety services provided by Mills River Fire and Rescue at \$865,000.00.
- Plan review and fire safety inspections totaling \$4,000.00.
- Lighting at selected street intersections and on town property, totaling \$13,000.00.
- Total of \$646,300.00 allocated for contracted law enforcement services with the Henderson County Sheriff's Department.
- Total of \$5,460.00 allocated to continued support of the Mills River Library. This accounts for utilities and garbage removal.
- Contributing financially to the Henderson County Partnership for Economic Development and Agribusiness Henderson County (\$15,000.00 and \$10,000.00 respectively) to continue economic development and job recruitment efforts.
- Allows for a 1% cost of living adjustment and up to 2% merit.
- Upgrades part-time position in Planning/Zoning Department to full-time to meet current development demand.
- Adds a part-time Parks and Recreation Ranger position to help meet current park use demands.

The town's expenditures by department are described below:

Governing Body – Budget for Council and associated expenditures while on town business.

2015-16 Budget: \$20,800.00
 2016-17 Proposed Budget: \$19,900.00

Administration – Budget for general administration and day-to-day operation of town and continued maintenance of buildings and grounds.

2015-16 Budget: \$450,638.00
 2016-17 Proposed Budget: \$535,120.00

Collection – Budget for administrative costs for collection of taxes.

2015-16 Budget: \$4,300.00
 2016-17 Proposed Budget: \$2,000.00

Police – Budget reflects the expense incurred by the town for dedicated officers from the Henderson County Sheriff's office.

2015-16 Budget: \$109,137.00
 2016-17 Proposed Budget: \$646,300.00

Fire – Budget is for public safety services provided by Mills River Fire and Rescue, annual fire inspections program, and fire safety inspections.

2015-16 Budget: \$848,000.00
 2016-17 Proposed Budget: 869,000.00

Streets and Highways – Budget for street light cost and maintenance along public streets and on town property.

2015-16 Budget: \$12,500.00
2016-17 Proposed Budget: \$13,000.00

Planning and Zoning – Budget for operational expenses associated with planning, zoning, and subdivision administration. Includes personnel solely dedicated to planning/zoning function as well as processing and administration of land use policy decisions. Current staff position is proposed to be upgraded from part-time to full-time to better serve current development demands.

2015-16 Budget: \$29,375.00
2016-17 Proposed Budget: \$65,800.00

Economic Development – Budget for contributions to Henderson County Partnership for Economic Development and Agribusiness Henderson County. It includes continued annual incentive payments to Sierra Nevada as part of their development agreement. In addition, this is the first year of incentive payments to Raumedic as part of their development agreement.

2015-16 Budget: \$34,400.00
2016-17 Proposed Budget: \$43,500.00

Library – Budget includes utilities for Henderson County Library branch located in Town Hall building.

2015-16 Budget: \$5,360.00
2016-17 Proposed Budget: \$5,460.00

Parks – Budget for operation and maintenance of Mills River Park. Includes personnel associated with Park functions and adds a Part Time Parks Ranger to keep up with increasing demand and use of park facilities and grounds. Budget also includes lawn maintenance for entire property as well as typical equipment needed for park upkeep and maintenance.

2015-16 Budget: \$184,500.00
2016-17 Proposed Budget: \$201,400.00

Debt Service – Budget for loan acquired from USDA to build Town Hall complex. Loan was originally 40 years. A re-organization of loan last fiscal year has anticipated loan payoff in approximately 15 years.

2015-16 Budget: \$63,100.00
2016-17 Proposed Budget: \$63,100.00

Reserves – Required maintenance reserve fund for USDA loan to build Town Hall complex.

2015-16 Budget: \$5,400.00
2016-17 Proposed Budget: \$5,400.00

Contingency and Fund Balance

The town has historically designated a contingency line item to fund unexpected expenses that occur throughout the year. This fiscal year, Council has requested that approximately \$0.01 of the property tax rate be designated for unexpected expenditures and to replenish the town's fund balance. The contingency is recommended in the amount of \$101,200.00.

The audited, unassigned fund balance at the end of last fiscal year was \$2,474,476.85.00 or 130% of the previous year's total budgeted expenditures. Fund balance is typically used on capital project expenses, matching funds for grant applications, and other extraneous or emergency situations. The town utilized fund balance in fiscal year 2015-16 to pay for the new parking lot, the canoe/kayak launch, and the canoe/kayak launch parking lot.

Debt Service

The town has a loan agreement in place with the United States Department of Agriculture (USDA). The funds received from the loan were used for construction of the Town Hall and Library building on town property. \$63,100.00 is included in this year's budget to fund the loan payments to USDA. The town has no other debt.

Summary

Town Council is required to hold a public hearing on the fiscal year 2016-17 operating budget and it is recommended that Thursday June 23, 2016 be set as the date for the public hearing.

A copy of the budget will be available at the Town Clerk's office and at the Mills River Library and can be viewed at any time during normal office hours.

The budget is balanced in the amount of \$2,469,980.00. The property tax rate is \$0.18 per \$100 valuation with \$0.09 per \$100 valuation funding Mills River Fire and Rescue and \$0.09 funding Town of Mills River operations.

I want to thank Town Council, the Finance Committee, and Town staff for their numerous hours dedicated to the preparation of 2016-17 fiscal year budget. The preparation of the budget is a team effort and their assistance in preparing the budget is greatly appreciated.



Jeffrey D. Wells AICP, CZO
Town Manager

TOWN OF MILLS RIVER BUDGET

2016-17

REVENUE:

10-3100-016 TAXES-AD VALOREM 2016	1,607,000.00
10-3112-016 TAXES-MOTOR VEHICLES 2016	123,000.00
10-3116-000 AMOUNTS REFUNDED	
10-3117-000 PENALTIES	2,500.00
10-3261-000 CABLE TELEVISION FRANCHISE TAX	22,800.00
10-3262-000 TELECOMMUNICATIONS SRV FRANCH TAX	60,000.00
10-3263-000 ELECTRIC POWER FRANCHISE TAX	266,000.00
10-3264-000 PIPED NATURAL GAS FRANCHISE TAX	17,500.00
10-3315-000 STATE SHARED REVENUES	330,000.00
10-3322-000 ABC SALES TAX	28,000.00
10-3340-000 PERMITS AND FEES	4,400.00
10-3411-000 INTEREST ON INVESTMENTS	3,500.00
10-3613-000 PICNIC SHELTER RENTAL FEES	3,400.00
10-3613-040 PARK - RENTAL FEES	250.00
10-3830-000 MISCELLANEOUS REVENUE	100.00
10-3830-001 MISCELLANEOUS REVENUE-TAX	-
10-3833-010 CONTRIBUTIONS-DESIGNATED	-
10-3834-000 LEASE AGREEMENT-HOOPER PROPERTY	1,170.00
10-3834-001 LEASE AGREEMENT-WRIGHT PROPERTY	260.00
10-3835-000 SALES-MATERIALS AND FIXED	-
10-3839-000 NEWSLETTER REVENUE	100.00
TOTAL REVENUE	2,469,980.00

4110 GOVERNING BODY- COUNCIL

EXPENDITURE:

10-4110-121 SALARIES AND WAGES - COUNCIL	15,700.00
10-4110-181 SOCIAL SECURITY CONTRIBUTION-COUNCL	1,300.00
10-4110-220 FOOD AND PROVISIONS	1,000.00
10-4110-299 MISC. EXPENSE	1,000.00
10-4110-311 TRAVEL-MILEAGE/COUNCIL	500.00
10-4110-312 TRAVEL SUBSISTENCE	200.00
10-4110-395 TRAINING	200.00
TOTAL EXPENDITURE	19,900.00

4120 ADMINISTRATION

EXPENDITURE:

10-4120-121 SALARIES AND WAGES-REGULAR	206,000.00
10-4120-180 FRINGE BENEFITS-INSURANCE, ETC.	49,000.00
10-4120-181 SOCIAL SECURITY CONTRIBUTION	16,000.00
10-4120-182 RETIREMENT-LCGERS	20,100.00
10-4120-183 UNEMPLOYMENT CONTRIBUTION	-
10-4120-191 ACCOUNTING	13,600.00
10-4120-192 LEGAL	9,000.00
10-4120-193 CIVIL ENGINEERING	-
10-4120-194 CODIFICATION / INDEXING	4,000.00
10-4120-199 OTHER-PROFESSIONAL SERVICES	600.00
10-4120-210 HOUSEHOLD AND CLEANING SUPPLIES	100.00

10-4120-220	FOOD AND PROVISIONS	2,000.00
10-4120-222	COMMUNITY RELATIONS	700.00
10-4120-230	EDUCATIONAL, MEDICAL, & AG SUPPLIES	100.00
10-4120-251	VEHICLES - MOTOR FUELS & LUBRICANTS	1,500.00
10-4120-254	VEHICLES - TIRES, PARTS, SERVICE/LABOR	1,000.00
10-4120-259	VEHICLES - OTHER SUPPLIES	100.00
10-4120-260	OFFICE SUPPLIES AND MATERIALS	5,000.00
10-4120-299	MISCELLANEOUS SUPPLIES	720.00
10-4120-311	TRAVEL - MILEAGE	3,000.00
10-4120-312	TRAVEL-SUBSISTENCE	2,000.00
10-4120-321	TELEPHONE SERVICE	4,500.00
10-4120-325	POSTAGE	1,200.00
10-4120-326	INTERNET ACCESS	1,200.00
10-4120-327	NEWSLETTER EXPENDITURES	3,000.00
10-4120-331	ELECTRICITY	7,500.00
10-4120-333	NATURAL GAS	2,000.00
10-4120-334	WATER	600.00
10-4120-335	SEWER	1,200.00
10-4120-341	PRINTING	200.00
10-4120-351	BUILDINGS/GROUNDS-IMPROVES & MTNCE	10,000.00
10-4120-370	ADVERTISING	1,500.00
10-4120-394	CONTRACTED SERVICES	5,500.00
10-4120-395	TRAINING-EMPL EDUCATIONAL EXP	4,000.00
10-4120-400	FIXED CHARGES & OTHER EXPENSES	500.00
10-4120-440	SERVICE AND MAINTENANCE-EQUIPMENT	6,000.00
10-4120-450	INSURANCE AND BONDING	15,000.00
10-4120-491	DUES AND SUBSCRIPTIONS	10,500.00
10-4120-510	OFFICE EQPT, FURN, SOFTWARE	6,000.00
10-4120-604	H CO CONTRACTS-Signs, Etc.	3,000.00
10-4120-605	MAINTENANCE CONTRACTS-SOFTWARE, COPIER, & EMAI	16,000.00
10-4120-991	CONTINGENCY	101,200.00
	TOTAL EXPENDITURE	535,120.00

4140 COLLECTION EXPENSE

EXPENDITURE:

10-4140-600	TAX COLLECTIONS	2,000.00
	TOTAL EXPENDITURE	2,000.00

4310 POLICE

EXPENDITURE:

10-4310-510	POLICE/SHERIFF- EQUIPMENT	
10-4310-600	POLICE/SHERIFF	646,300.00
	TOTAL EXPENDITURE	646,300.00

4340 FIRE

EXPENDITURE:

10-4340-121	SALARIES AND WAGES - REGULAR	3,000.00
10-4340-181	SOCIAL SECURITY CONTRIBUTION	300.00
10-4340-311	MILEAGE	700.00
10-4340-600	MILLS RIVER FIRE - PROPERTY TAX	865,000.00
	TOTAL EXPENDITURE	869,000.00

4510 STREETS & HIGHWAYS

EXPENDITURE:

10-4510-199 STREETS & HWYS-PROF SRVC	0.00
10-4510-600 STREETS AND HIGHWAYS-LIGHTING	13,000.00
TOTAL EXPENDITURE	13,000.00

4910 PLANNING & ZONING

EXPENDITURE:

10-4910-121 SALARIES AND WAGES-REGULAR	42,000.00
10-4910-180 FRINGE BENEFITS-INSURANCE, ETC.	12,000.00
10-4910-181 SOCIAL SECURITY CONTRIBUTION	3,300.00
10-4910-182 RETIREMENT-LCGERS	4,000.00
10-4910-192 PLANNING - LEGAL	500.00
10-4910-193 BOA - LEGAL	500.00
10-4910-260 PLANNING - OFC SUPP & MATERIALS	500.00
10-4910-312 TRAVEL SUBSISTENCE	600.00
10-4910-325 PLANNING -POSTAGE	100.00
10-4910-341 PLANNING - PRINTING	100.00
10-4910-391 PLANNING- LEGAL ADVERTISING	500.00
10-4910-392 BOA -LEGAL ADVERTISING	500.00
10-4910-395 TRAINING-EMPL EDUCATIONAL EXP	800.00
10-4910-491 DUES AND SUBSCRIPTIONS	100.00
10-4910-510 PLANNING-OFCEQPT, FURN, SOFTWARE	300.00
TOTAL EXPENDITURE	65,800.00

4920 ECONOMIC DEVELOPMENT

EXPENDITURE:

10-4920-195 ECON DEVEL - AGRICULTURE	10,000.00
10-4920-199 ECON DEVEL-PROF SRVC OTHER	15,000.00
10-4920-499 ECON DEVEL-MISC, INCENTIVES, ETC	18,500.00
TOTAL EXPENDITURE	43,500.00

6110 LIBRARY

EXPENDITURE:

10-6110-330 LIBRARY - UTILITIES	5,000.00
10-6110-394 CONTRACTED SERVICES	460.00
TOTAL EXPENDITURE	5,460.00

6130 PARKS

EXPENDITURE:

10-6130-121 SALARIES AND WAGES-REGULAR	100,200.00
10-6130-180 FRINGE BENEFITS-INSURANCE, ETC.	25,000.00
10-6130-181 SOCIAL SECURITY CONTRIBUTION	8,000.00
10-6130-182 RETIREMENT-LCGERS	7,000.00
10-6130-192 LEGAL	-
10-6130-199 PARKS-OTHER PROFESSIONAL SRV	-
10-6130-251 MTR FUELS & LUBRICANTS	1,000.00
10-6130-352 EQUIPMENT-SAFETY, ETC.	800.00
10-6130-254 VEHICLES-TIRES, PARTS, SERVICE/LABOR	3,100.00
10-6130-292 PARKS - SUPPLIES	4,000.00

10-6130-293 PARKS - EQUIPMENT	5,000.00
10-6130-299 PARKS-MISC. EXPENSE	500.00
10-6130-312 TRAVEL SUBSISTENCE	1,700.00
10-6130-330 PARKS- UTILITIES	7,000.00
10-6130-351 PARK FACILITIES-IMPROVES & MTNCE	11,000.00
10-6130-394 PARKS - CONTRACTED SERVICES	26,000.00
10-6130-395 TRAINING-EMPL EDUCATIONAL EXP	600.00
10-6130-491 DUES AND SUBSCRIPTIONS	500.00
TOTAL EXPENDITURE	201,400.00

9100 DEBT SERVICE

EXPENDITURE:

10-9100-702 DEBT SERVICE - USDA	63,100.00
TOTAL EXPENDITURE	63,100.00

9210 RESERVES

EXPENDITURE:

10-9210-901 BUILDING MTNCE FUND - USDA	5,400.00
TOTAL EXPENDITURE	5,400.00

TOTAL REVENUE	2,469,980.00
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GOVERNING BODY	19,900.00
ADMINISTRATION	535,120.00
TAX COLLECTION	2,000.00
POLICE	646,300.00
FIRE	869,000.00
STREETS & HIGHWAYS	13,000.00
PLANNING & ZONING	65,800.00
ECONOMIC DEVELOPMENT	43,500.00
LIBRARY	5,460.00
PARKS	201,400.00
DEBT SERVICE	63,100.00
RESERVES	5,400.00
TOTAL EXPENDITURE	2,469,980.00