

Town of Maggie Valley
FY 2018-2019
Proposed Budget

Nathan Clark, Town Manager

Tuesday, May 15, 2018



Outline

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 - Sewer

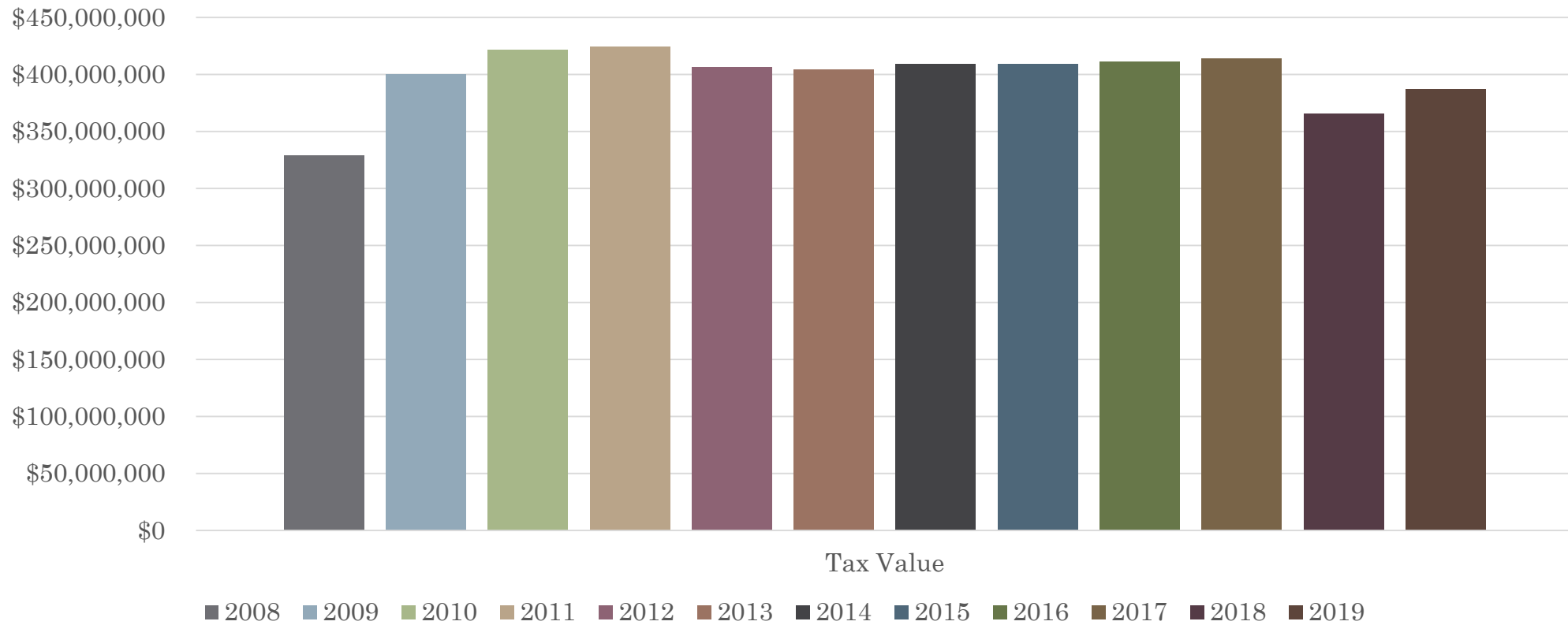


Budget Summary: Quick Facts

- The proposed FY18-19 Budget is balanced with respect to revenues and expenditures
- Meets all requirements of the North Carolina Local Government Budget & Fiscal Control Act
- Maggie Valley's FY 18-19 estimated total tax value: \$387,038, 276
 - FY 17-18 Tax Value: \$365,643,253
 - A net gain in value of \$21,395,023
- Town of Maggie Valley Proposed Budget Tax Rate = \$0.43
 - FY18-19 Estimated Tax Revenue = \$1,581,130



Tax Value: FY 08-FY19

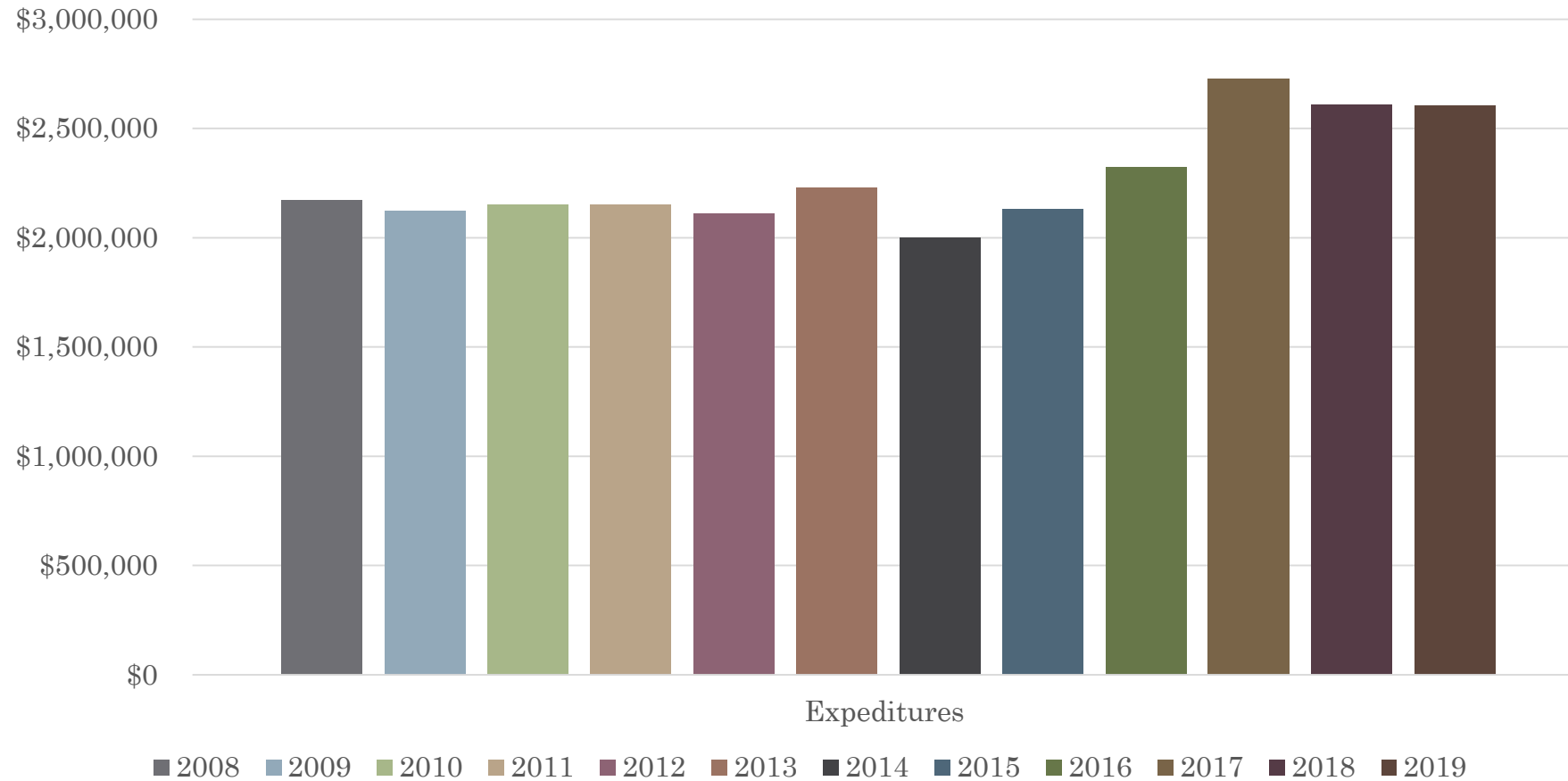


Quick View: Fund Totals

- General Fund - \$2,603,630
 - < 1% Decrease from FY17-18
- Sewer Fund – \$851,795
 - < 1 % Decrease from FY17-18
- All Funds - \$3,455,425
 - <1% Decrease from FY17-18



General Fund Expenditures FY08-FY19



Fund Balance

- “Fund balance available” is the statutory concept that describes the amount of funds local governments legally have available to be appropriated in the coming fiscal year.
- The Local Government Commission requires all municipalities to keep at least 8% in unappropriated fund balance their recommended levels for small towns is much higher.
 - In 2003 the Town of Maggie Valley received a warning letter from the LGC when our fund balance was at 26.77%
- **FY17-18 Fund Balance (\$381,397) was used to balance the budget and help create a more sustainable tax rate which dropped the Town’s FB Rate to 97.7%**
- **Estimated FY18-19 Fund Balance will be \$2,664,547 (~102%)**
 - Conservative spending throughout the year has helped produced this rate.
 - Would like to use 1% (\$29,166) of this balance to help purchase equipment and implement projects in June 2018 in a series of budget amendments

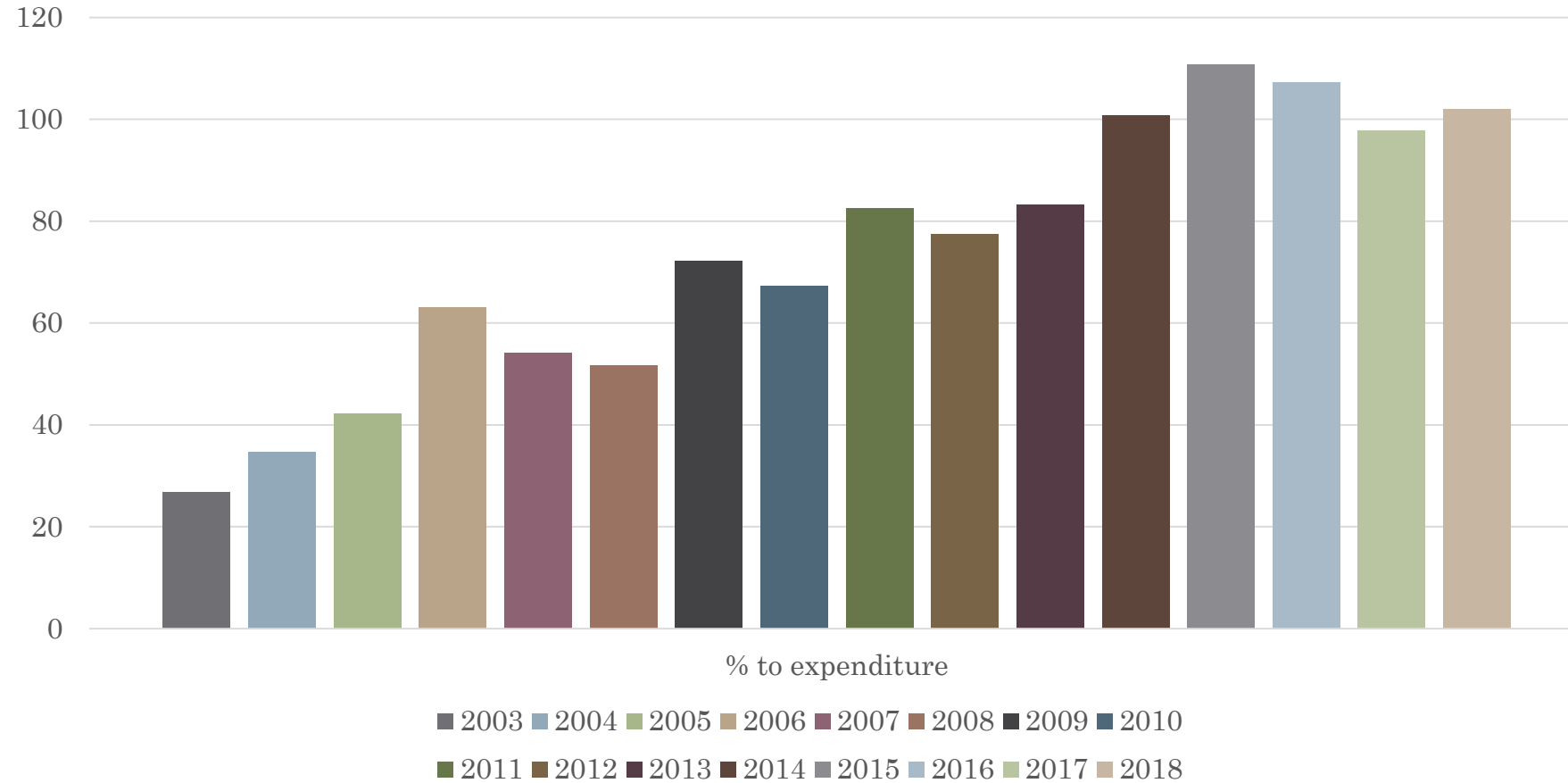


Fund Balance Snap Shot

FY Ending	Total	Undesignated	% to Expenditure
2007	\$1,081,263	973,637	96.23
2008	\$1,209,324	\$1,065,999	51.57
2009	\$1,451,541	\$1,277,847	72.17
2010	\$1,678,207	\$1,604,867	67.24
2011	\$1,906,268	\$1,726,406	82.49
2012	\$1,916,848	\$1,728,287	77.44
2013	\$1,998,384	\$1,802,205	83.16
2014	\$2,121,853	\$1,916,914	100.72
2015	\$2,367,202	\$2,111,097	110.72
2016	\$2,554,639	\$2,406,189	107.22
2017	\$2,520,466	\$2,199,864	97.77%
2018***estimated	\$2,664,547	TBD	102%



FY03-18: Percentage to Expenditures



Taxes & Fees

Property Tax

- **The proposed FY17-18 Budget is based upon a property tax rate of \$0.43 per \$100 assessed value**
 - Property Tax is the largest source of revenue for the Town and is based upon real property assessments performed by Haywood County
 - Lowest Tax Rate of Haywood County Municipalities (T-Clyde)
- **Town's Total Tax Value is \$387,038,276**
 - 2% increase from Town's Total Tax Value in FY17-18
- **Fundamentally each \$0.01 of the tax rate equals \$37,736**
 - That is an increase of \$624 in "penny value" over FY17-18
- **Based upon a 95% collection rate, property tax revenue is expected to be \$1,581,130**



Sales Tax

- Sales tax is the second largest revenue source for the Town's General Fund.
 - Sales Tax distribution can occur using the Ad Valorem or Population method.
 - It is each county's prerogative to establish how sales tax is distributed
 - Haywood County has chosen the population formula.
- **Based upon Haywood County Sales Tax Projections the Town should receive 1.75% of total collected sales taxes = \$395,221**
 - 4% growth from FY17-18.



Fees

- Sewer Capacity Capital Charge
 - Unchanged at \$6.75/gpd (\$810 Per Bedroom)
 - Replacement cost \$16.00/gpd (\$1920 Per Bedroom)
- Sewer User Fees
 - User Minimums are unchanged
 - Over the minimum rate increase \$0.50 for both in town and out of town customers
- Planning & Zoning Fees
 - Unchanged
- Solid Waste Fees
 - Unchanged (\$5 monthly)
- Reference Appendix I & Appendix II in Proposed Budget for Rate Sheet Details



Personnel

Salary & Wages

- Proposed FY 18-19 Budget recommends:
 - No COLA increase
- Dedicated 3% salary increase equaling \$36,173
 - Will be distributed **using pay class modifications**, merit increases and Career Path Bonuses.
 - Not all employees will receive same amount
 - FY19-20 Pay Study Recommended



Health Insurance

- On April 1, 2016 the Town of Maggie Valley joined the North Carolina State Health Plan for Teachers and State Employees (SHP).
- SHP runs consistent with a calendar year (January 1-December 31) not fiscal year (July 1-June 30)
 - The Town, as per the State's recommendation, has budgeted for a 5% premium increase.
- **Total budgeted amount for employee health insurance coverage is \$255,565**
- Recommended coverage amounts remain 100% employee, 80% dependent for vested employees. All other employees follow 2017 dependent coverage policy.



Work Force Composition

- Four Departments
 - Administration (5)
 - Police (11)
 - Public Works (4)
 - Sewer (3)
- 23 Total Full Time Employees



Major Projects

Fire & Security System, Park Enhancements & Temporary Ice Skating Rink

Fire & Security System: Town Hall

- Town Board Identified Priority from March Retreat
- Town Hall features “pull alarm system”
 - Alarm only sounds when alarm is pulled, does not automatically call FD.
- New System Completely automated, Sounds Alarm, Dials 9-1-1 24/356
- Cost \$36,000



Park Enhancements

- **Wi-Fi**
 - Parham Park & Mary Rathbone Rich Park
 - \$5,510
- **Signage**
 - Parham Park & McCracken Corner Park
 - \$6,000



Temporary Ice Skating Rink

- TDA Anticipated Funding \$35,000
- Temporary Ice Skating Rink or other Winter Attractions for FY18-19 Winter Season
- Would complement FG improvements made in FY17-18



Beyond the Horizon

Pedestrian Safety Action Plan

- Town of Maggie Valley Pedestrian Safety Action Plan was adopted by the Board of Aldermen on November 14, 2016
- The Adopted Plan is a result of the Town Center Master Plan process that Began in FY15-16
- The Total Project Cost is estimated to be \$2,370,000
- The STPBGP is an 80% (FHWA) : 20% (Town) reimbursable grant
 - \$35,000 Engineering Costs (PAID March 2018) / \$360,000 Construction Costs
- Funding for project will be provided by expiring Police Department Building Loan (\$113,440)
- Should establish goal to complete project as soon as construction plans are approved



Energy Costs

Street Lighting

- Current budget allocation for street lighting is \$60,000
- New proposed rate hikes; even incremental hikes cascade down and potentially create budgeting hardship
- Example
 - 260 Street Lights
 - \$1 per month rate increase
 - 12 Months =
 - \$3,120 annual operation budget increase

Fuel

- Our solid waste contract with CWS calls for a fuel surcharge of 10.5% to go into effect if diesel fuel exceeds \$3.05
- Adds approximately \$12,000 to the cost of solid waste collection; not to mention cost of yard debris collection
 - CWS surcharge factored into FY18-19 budget
- Past budgets have had the benefit of “cheap” post recovery fuel prices, this trend may be ending



Department Review

General Fund Department Review

General Fund Summary FY18-19

Department	Budget
Administration	\$448,164
Public Works	\$621,360
Police	\$1,055,721
Festival	\$154,943
Board of Aldermen	\$59,439
Parks	\$22,610
Debt Service	\$203,585
Powell Bill	\$37,808
Contingency	\$0.00
Total	\$2,603,630
Revenues	\$2,603,630



Administration

UDO/Codification: \$13,000

- Town of Maggie Valley is nearing the completion of its Zoning Code Revision; transitioning from a traditional Zoning Ordinance to a Unified Development Ordinance.
- This allows the new UDO to be digitized for improved transparency and ease of user use.

NC Commerce: Certified Retirement Community: \$10,000

- Allows Maggie Valley to “tell her story”
- Helps attract new residents
- No true mountain towns have received certification-geographic advantage



Public Works

- No new vehicle requests
- TDA Wayfinding Signs
 - \$15,000
- Maggie Valley Welcome Sign
 - Eastern Gateway
 - \$15,000
- Beautification Program
 - \$6,000
- Non Powell Bill Street Maintenance \$12,000
 - Rocky Top Road
 - Hemlock Loop



Police

- 2 New Vehicle Purchases
 - (1) 2019 Dodge Charge AWD Sedan- \$26,000
 - (1) 2019 Ford Interceptor AWD SUV- \$30,000
 - Total Vehicle Request = \$56,000
- Only one (1) car purchase each of past new budget years; two (2) vehicles this year helps protect effectiveness of rotation system.



Festival Grounds

- Cosmetic Improvements
 - Painting, Decking, Railing etc
 - \$14,000
- Temporary Ice Skating Rink
 - Winter 18-19
 - \$35,000 TDA Funding



Board of Aldermen

- The proposed total for Town Attorney fees for FY18-19 is \$20,000.
 - Unchanged for two consecutive years
- \$1,500 Board Room Enhancements



Parks

Wi-Fi for Parham & MRR: \$5,510



New Signage for Parham and McCracken: \$6,000



Debt Service

- No new debt proposed for FY 18-19
 - Last Police Department Building Payment of \$113,440 will be made in February 2019
- **Remaining Annual Debt Payments - \$92,788**
 - Haywood County-Jonathan Creek Venture
 - \$32,798
 - Riddle Cove- Creekside Special Assessment
 - \$59,991



Powell Bill

- No new equipment purchase
- Town Street System Remains at 6.67mi
- Town pavement resurfacing maintenance allowance is \$19,793



Contingency

- This department consists of funds that are set aside for unanticipated expenses or as a place to hold funds to be used at a later date for a specific purpose.
- In this year's budget it is recommended that \$0 (total amount within contingency) be directed into the Town's Contingency Fund.



Sewer Fund

Sewer Fund Summary FY18-19

Department	Budget
Administration	\$423,468
Operations	\$231,114
Debt Service	\$197,183
Contingency	\$0.00
Total	\$851,795
Revenues	\$851,795



Sewer Fund

- Sewer Capacity Capital Charge
 - No proposed increase
- Sewer User Fees
 - \$0.50 over the minimum rate increase for both in town and out of town users.
- Complete Sewer Fee Rate Sheet is located within Budget Amendment- Appendix I



Stormwater & Leachate

- In FY17-18 Town of Maggie Valley Sewer Fund has collected \$39,600 in revenue as a result of leachate treatment agreements
 - Funds have been used to purchase a new camera system and pay for an engineering study
- This revenue is volatile and extremely unpredictable and is not projected as budget revenue in the FY18-19 budget
- If unbudgeted leachate revenue continues to be collected at current levels in FY18-19 the sewer fund may consider using this unbudgeted revenue to purchase new equipment such as a new jet machine or “Bobcat” within fiscal year



Sewer Fund

- Debt Service

- Wastewater Treatment Plant total annual loan payment for is \$197,183.
- The Town will issue its final payment on the Wastewater Treatment Plant in 2028.



Questions – Comments

- Board of Aldermen
- Department Heads
- Media / Public



FY 18-19 Budget Calendar

- TBD: Work Session I
- **June 12- 6:30PM: Public Hearing on Budget**
 - Earliest Board could adopt Budget
- TBD: Work Session II
- **July 1: Budget Adoption Deadline**



Fund Balance: Bonus Slides

Fund Balance FY17-18

- 102 % v/s 101%
 - Estimated difference = \$29,166
 - Fund balance would increase from 97.77% to 101% in single budget year
- Possible Purchases with Approved June 12 Budget Amendments
 - Consolidated Credit Services (window + online)
 - PIN Pad Door Lock for Development Suite
 - Tire Changer
 - Advanced Vehicle Diagnostic Machine
 - Barrel Planters
 - Evidence Inventory Scanner + Software
 - Digital Speed + Radar Signs
- Allows Town to benefit from surpluses generated by budget anomalies during FY17-18 that do not carry over to FY 18-19



Fund Balance FY17-18

- Powell Bill Fund has \$30,870 remaining in all line items
- Of the entire Powell Bill Fund “Paving” line item has \$20,246 (66% of fund)
- Public Works examined several different road improvement strategies for both FY17-18 and FY18-19
- Identified road improvement needs on Brannon Forest Drive and Turn-About Court within Brannon Forest
 - Can afford one project but not both; save on mobilization when combined
- Total Project Cost \$29, 270
- Although money is present will need a June budget amendment to tidy up accounting



Thank you