



2017-2018 PROPOSED BUDGET FOR THE CITY OF RANDLEMAN

Board of Aldermen:

Mayor

Clarence "Bucky" Jernigan

Mayor Pro-Tempore

Gary B. Betts

Aldermen

Melissa Blalock

T. Renee Bryant

Keith D. Fogleman

Nancy Henderson

City Manager:

Nicholas Holcomb

Department Heads:

Zachary Hewett, Finance Director

Melody Hancock, City Clerk

Don Peeler, Public Works Director

Martin Leonard, Fire Chief

G. Michael Glass, Wastewater Director

Steven Leonard, Police Chief

Donna Toomes, Library Director

Robin Hughes, Parks and Recreation Director

Greg Patton, City Planner

Table of Contents

	<u>Page #</u>
Table of Contents	i
CITY OF RANDLEMAN OVERVIEW	1
A. History of the City of Randleman	1
B. Living in the City of Randleman	2
i. Location.....	2
ii. Education	4
iii. Economy	4
iv. Recreation.....	5
v. Utilities.....	6
C. Demographics and Statistics	7
i. Population	7
ii. Education	7
iii. Housing	8
iv. Employment.....	9
D. Government Overview	10
i. Organizational Chart.....	11
ii. Administration	12
iii. City Services	12
BUDGET OVERVIEW	15
A. Annual Budget Ordinance	15
B. Budget Description.....	16
C. Budget Process	18
D. Financial Policy and Budgeting Policies and Practices	19
E. Budget Calendar.....	20
BUDGET MESSAGE.....	21
I. INTRODUCTION.....	21
II. PROPERTY TAX, WATER AND SEWER RATE COMPARISONS	24
III. GENERAL FUND.....	26
A. GENERAL FUND HIGHLIGHTS	26
B. REVENUES	29
i. Ad Valorem Taxes	29
ii. Local Sales and Use Taxes	30
iii. State Franchise Taxes	31
iv. Sanitation Charges	33
v. Fire District Taxes.....	33
C. EXPENDITURES.....	35
i. Council.....	36
ii. Administration	36
iii. Police.....	37
iv. Fire/SAFER Grant.....	38

v. Public Works	40
vi. Economic Development.....	42
vii. Planning.....	42
viii. Library.....	42
ix. Parks and Recreation	43
x. Debt Service	44
D. GENERAL FUND BALANCE	48
i. Types of Fund Balances.....	48
ii. Powell Bill Fund Balance.....	50
iii. Fund Balance Appropriated	51
E. UNFUNDED GENERAL FUND INTERESTS AND LIABILITIES	53
F. GENERAL FUND OVERALL	54
IV. WATER/SEWER FUND.....	55
A. WATER/SEWER FUND HIGHLIGHTS	55
B. REVENUES	58
C. EXPENDITURES.....	62
i. Water Department.....	64
ii. Water and Wastewater Maintenance	65
iii. Wastewater Treatment Plant.....	66
iv. Debt Service/Transfers.....	67
v. Expenditures Summary	75
D. WATER AND SEWER FUND BALANCE	76
V. PROPOSED BUDGET ORDINANCE.....	77
VI. CONCLUSION	78
APPENDICES	79
Appendix A: Tax Rate Comparison by Population	80
Appendix B: Water and Sewer Rates Comparison	81
Appendix C: Recommended General Fund Revenues FY 2017-2018.....	82
Appendix D: Recommended General Fund Expenditures FY 2017-2018.....	84
Appendix E: Recommended Water and Sewer Fund Revenues FY 2017-2018 ...	95
Appendix F: Recommended Water/Sewer Fund Expenditures FY 2017-2018	96
Appendix G: Proposed Budget Ordinance	100
Appendix H: Pay and Classification Schedule	110
Appendix I: Personnel Summary	111
Appendix J: OPEB Calculations.....	112
Appendix K: Financial Policy for the City of Randleman	113
Appendix L: Glossary of Terms.....	129

CITY OF RANDLEMAN OVERVIEW

A. History of the City of Randleman

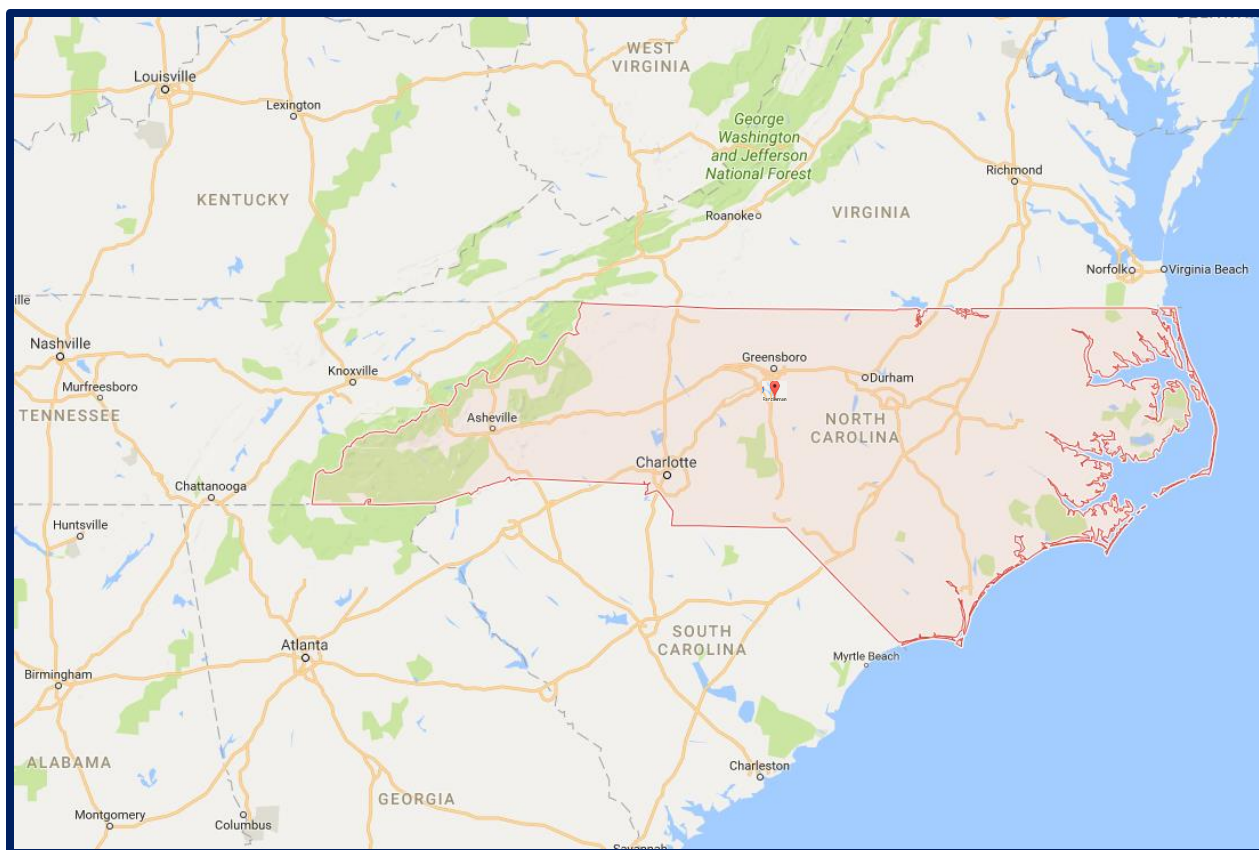
Many American Folk Music enthusiasts will recognize the City of Randleman as the location for the story behind the famous murder ballad, "Omie Wise." Legend has it that Naomi Wise, a poor but beautiful orphan girl, was courted by Jonathan Lewis, the son of a wealthy farmer. Naomi and John soon became lovers and shortly after she became pregnant. It is said that in April of 1808, Naomi went missing and her body was later found in the Deep River. According to history, it was never determined who killed Naomi Wise. Folklore insists that upon finding out that Wise was pregnant with his child, John Lewis persuaded her to run away with him and get married; however, Lewis instead lured her to the Deep River where he pushed Naomi in and drowned her. Over 200 years later, the story of Naomi Wise still lives on through song and story and plays a part in the history of the now, City of Randleman.

The factual history of the City of Randleman begins in the early 1800s when the Dicks Grist Mill was founded in the area that later became the City of Randleman. The area was named after Rick Dicks who owned the mill and is said to have laid the foundation for the city as it is known today. By the late 1840s, the population had grown significantly due to more mills being built. The largest of these mills, Union Factory, was built in 1848 and as such, the name of the community was changed to Union. Later on, John H. Ferree and John B. Randleman purchased the Union Factory and changed it's name to the Randleman Manufacturing Company. In 1880, the North Carolina General Assembly granted paper of incorporation to the Town, then known as Randleman Mills. Further facilitating growth, the High Point, Randleman, Asheboro and Southern Railroad was completed in July of 1889 and by 1890, the Town of Randleman Mills was the largest municipality in Randolph County. Sometime later, the name of the municipality was changed to the City of Randleman and in 1979, the City adopted the Council-Manager form of government. Today, the City of Randleman is best known as the home of Richard Petty, better known as the "King of NASCAR", and other members of the Petty Family including his brother Maurice Petty, as well as Dale Inman; all of whom are NASCAR Hall of Fame inductees.

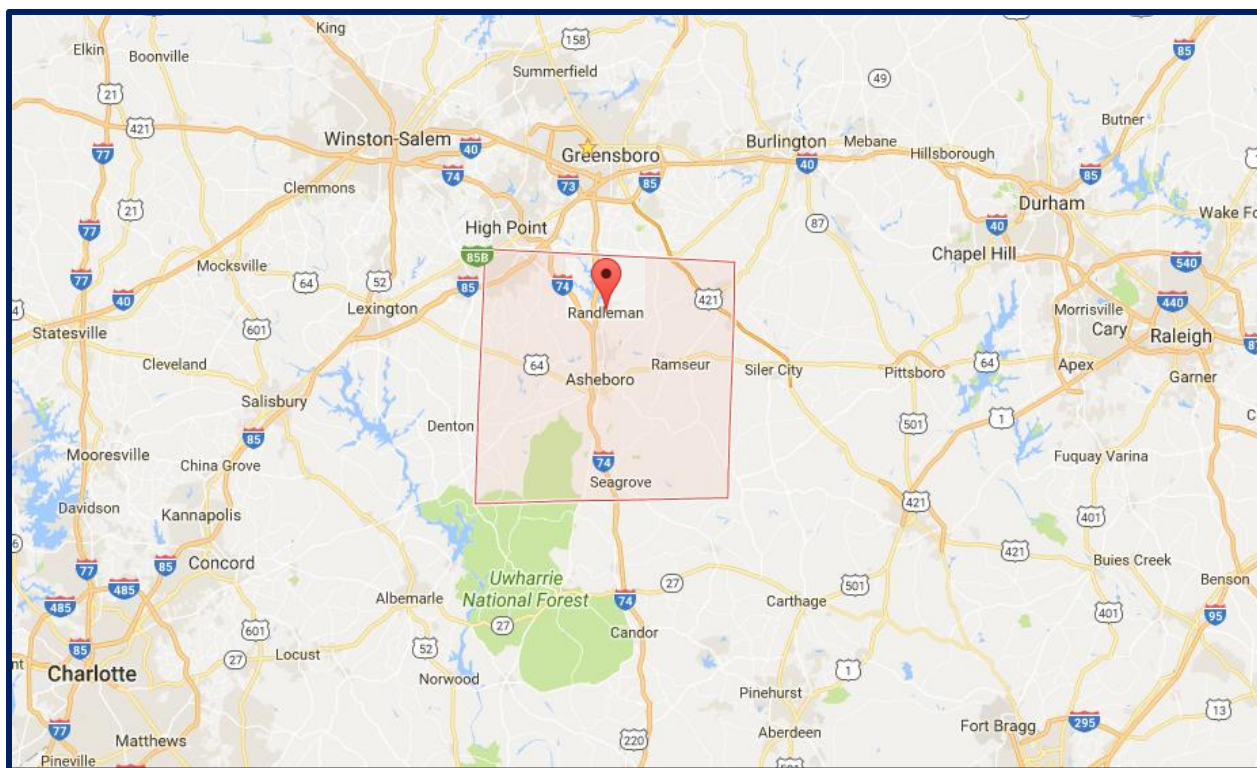
B. Living in the City of Randleman

i. Location

With a land area of approximately 3.6 square miles, the City of Randleman is located in the heart of North Carolina in Randolph County. With access to two major interstates (I-73 and I-74) and two major highways (U.S. 311 and U.S. 220), traveling to and from the City of Randleman is now easier and more convenient than ever. Five of North Carolina's largest cities can be traveled to in approximately 75 minutes or less including Charlotte (~75 minutes), Winston-Salem (~45 minutes), Greensboro (~20 minutes), High Point (~15 minutes), and Raleigh (~65 minutes). The City of Randleman is also located a short drive from Piedmont Triad International Airport.



Map of North Carolina



Randolph County, North Carolina



City of Randleman, North Carolina

ii. Education

The City of Randleman offers multiple educational opportunities for learners of all ages. The City is home to Randleman Elementary, Middle and High Schools, and just outside of the City's limits are Level Cross Elementary and New Market School. Randolph Community College has a satellite campus within the City. Also, numerous other colleges and universities are only a short drive from the City of Randleman including the University of North Carolina at Greensboro, High Point University, Greensboro College, Guilford College, and North Carolina Agricultural and Technology State University.



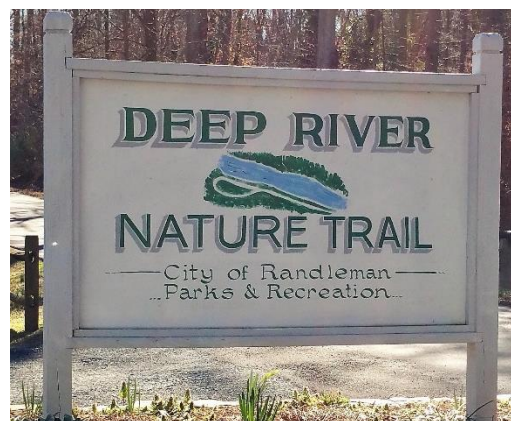
iii. Economy

The early economy of the City of Randleman relied heavily on the established textile mills located in the City. Now, the City of Randleman is home to over 270 different companies including many large industries such as furniture manufacturers, industrial manufacturers, and numerous other businesses. The five largest employers of the City are: Hughes Furniture Industries, Dart Container, Timken, United Brass Works, and Deep River Dyeing.



iv. Recreation

The City of Randleman recognizes the important role that recreational opportunities play in the overall quality of life of its citizens. The City positions itself to be able to provide plentiful and diverse opportunities for our children, families, citizens, and visitors to enjoy themselves and all that the City has to offer. The City of Randleman's Parks and Recreation Department has committed itself towards meeting the recreational needs of its service groups through the City's Community Center, Deep River Greenway Trail, and the City of Randleman Park located on Stout Street. The City also funds a Senior Center as well as various Youth Sports Leagues to provide activities for multiple generations of our citizens. The City of Randleman is also home to the annual NASCAR Day Festival, Market and Music concert series, and the North Carolina Food Truck State Championship. Other recreational opportunities near the City of Randleman include the Randleman Lake just north of the City, the North Carolina Zoo located in Asheboro, and the Greensboro Science Center.



v. Utilities

The City of Randleman purchases water through contractual agreements with two providers, the Piedmont Triad Regional Water Authority and the City of Asheboro. Between these two providers, the City receives approximately 1,125,000 gallons of water each day. The City of Randleman, in turn, provides water and sewer services to its citizens and a few areas outside of the city's limits. In addition to water and sewer, the City also provides solid waste services to citizens including weekly garbage, bulk and brush pick-ups, as well as storm water services.

Other utility providers in the City of Randleman include Duke Energy, Spectrum Communications, North State Communications, Piedmont Natural Gas and more.

C. Demographics and Statistics

i. Population

According to the 2010 United States Census, the Population of the City of Randleman was 4,113. Of this, there were 1,984 males and 2,129 females. The Census Bureau also reports that the median age for the City of Randleman was 36.4 years. The following table shows the amounts of the population by age groups:

Age Groups	Male	Female
19 and Under	613	564
20 through 34	382	433
35 through 49	447	465
50 through 64	328	380
65 through 79	171	216
80 and Older	43	71
Totals	1,984	2,129

ii. Education

The 2011-2015 American Community Survey 5-Year Estimates states that approximately 72.8% of the residents of the City of Randleman are high school graduates or higher. The estimated enrollment in the schools located in the City of Randleman is shown below by grade.

School Grade	Enrollment
Kindergarten	150
1 to 4	281
5 to 8	133
9 to 12	230
Totals	794

The following statistics of the City of Randleman in terms of educational levels for adults 18 and older:

Age Groups	Did Not Grad. High School	High School Graduate	Some College	Bachelor's Degree	Graduate or Prof. Degree
18 to 24 years	84	107	102	0	0
25 and Older	771	1065	774	176	50

A derivative of the above information, the following table displays the amount of the City of Randleman's population that have either graduated high school or have obtained a Bachelor's Degree or higher.

Age Groups	High School Diploma or Higher	Bachelor's Degree or Higher
25 through 34	291	0
35 through 44	501	84
45 through 64	860	142
65 and Older	413	0
Totals	2,065	216

iii. Housing

The 2011-2015 American Community Survey 5-Year Estimates states that there are approximately 2,012 housing units within the City of Randleman. The following table details the type of housing units that are located within the City.

Housing Unit Type	Number of Units
1-unit, detached	1,366
1-unit, attached	18
2 units	92
3 or 4 units	154
5 to 9 units	159
10 to 19 units	0
20 or more units	133
Mobile Home	90
Boat, RV, van, etc.	0
Totals	2,012

The Survey also states that the median home value is \$119,600. The following table exhibits the housing values of owner occupied units within the City of Randleman.

Housing Unit Type	Number of Units
Less than \$50,000	30
\$50,000 to \$99,999	311
\$100,000 to \$149,999	411
\$150,000 to \$199,999	111
\$200,000 to \$249,999	43
\$300,000 or more	0
Total	906

iv. Employment

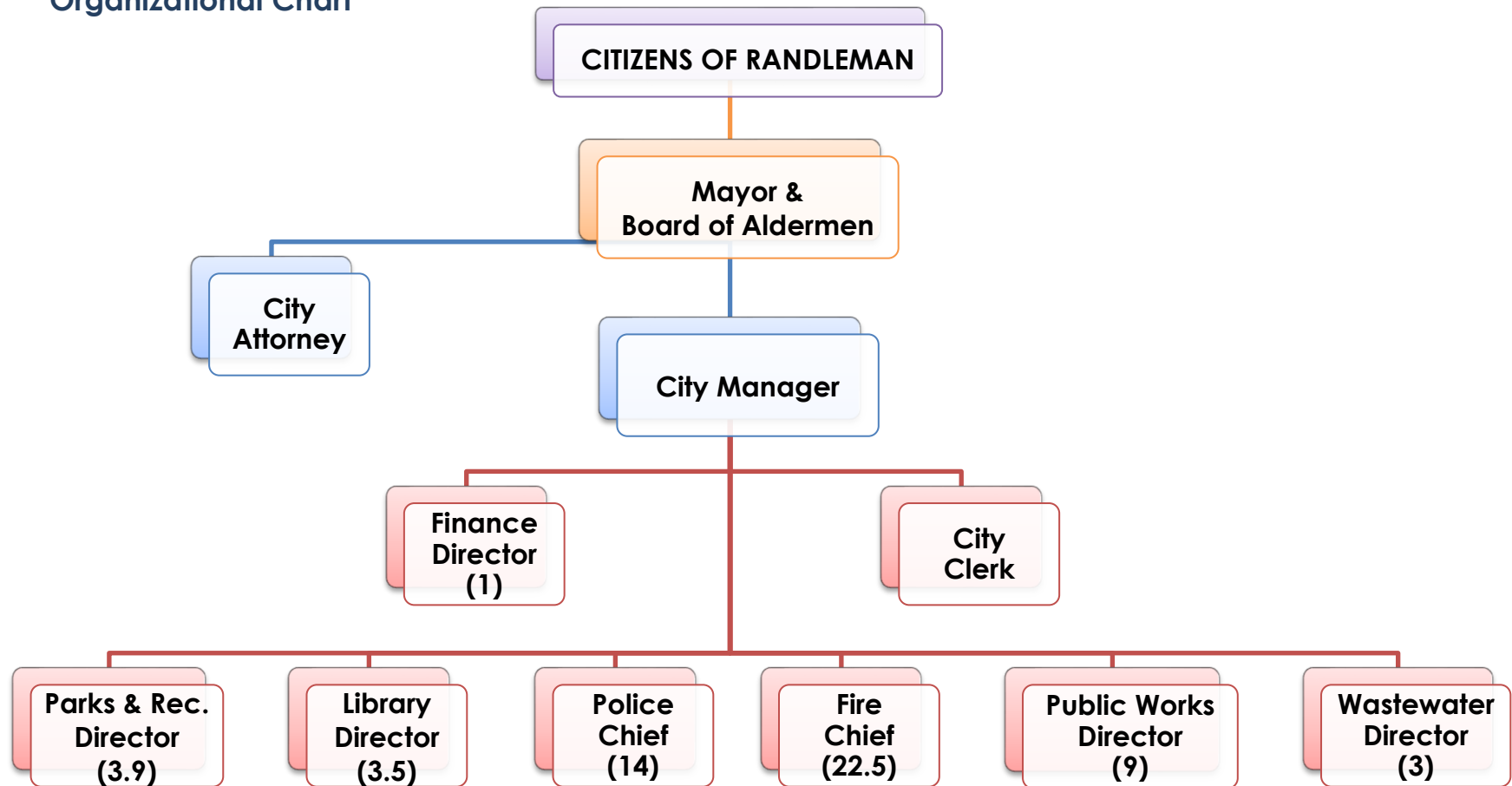
According to the 2011-2015 American Community Survey 5-Year Estimates, the City of Randleman's 2015 Median Household Income was approximately \$33,512. As of July 1, 2016, the Per Capita Income for the City of Randleman was \$19,334.

Because of the City of Randleman's population size is under 5,000 there are no factually based reports on the City's unemployment rate. Thus, the unemployment rate for the county is presented as a guide. The Bureau of Labor Statistics sites that Randolph County's unemployment rate for 2016 was 4.9%.

D. Government Overview

The City of Randleman operates under a Council -Manager form of government, which combines the leadership of elected officials with the professional experience of an appointed City Manager. The City of Randleman's "Council" is called a Board of Aldermen. The Board of Aldermen consists of one Mayor and five Aldermen. All members are elected to four-year terms that are staggered with cycles. The Board of Aldermen provides overall policy guidance for all municipal operations through the consideration and adoption of local ordinances and resolutions. The Board determines the level of service that the City of Randleman is to provide to its citizens and makes appointments to various boards to advise the Board on certain issues. The Board of Aldermen are also responsible for appointing the City Manager and City Attorney. A visual organizational chart for the City of Randleman is located in the following subsection.

i. **Organizational Chart**



[Numbers in parenthesis are indicative of the number of additional full-time equivalent employees in the respective department.]

ii. Administration

The City Manager is a professional public administrator that serves as the City of Randleman's Chief Executive Officer. The Manager is responsible for the day-to-day planning, organizing and directing of all city employees and operations. The City Manager is also responsible for the appointment of the City's department heads. The Finance Director and City Clerk report directly to the City Manager and these three positions comprise the Administration department of the City. The City Clerk is responsible for the maintenance of city records, organizing and documenting meetings of elected officials, the handling of requests for information, public relations, advising the City Manager and Board of Aldermen on key issues and serves as the Deputy Finance Director overseeing Accounts Payable. The Finance Director serves as the City's Chief Financial Officer and provides assistance to the Board of Aldermen and City Manager in maintaining the City's overall financial stability through comprehensive financial planning, and oversees the management, collection and disbursement of funds, the City's property and liability insurance programs, benefits and personnel related tasks, as well as other financial matters.

iii. City Services

The City of Randleman provides numerous services through its departments. They include the Police, Fire, Public Works, Parks and Recreation, Wastewater Treatment, and Library Departments.

a. Police Department

The Police Department is responsible for the wellbeing of the City of Randleman's citizens, their property, and visitors of the City. The Police Chief serves as the chief law enforcement officer and director of operations and employees. The department is comprised of four rotating patrol shifts with each shift having a Sergeant and two officers. The department has one criminal investigator and one patrol officer/administrative assistant. The department is responsible for answering calls for service, investigating traffic accidents, conducting criminal investigations, and enforcing traffic laws.

b. Fire Department

The City of Randleman's Fire Department's service area was combined with the Sophia Fire Department in 2014. This conglomeration of the two departments grew the population of the Randleman Fire District to approximately 11,000

people. The Fire Department is comprised of the Fire Chief, one Assistant Fire Chief, three shift Captains, five Fire Engineers, and eleven Firefighters. These full-time positions are aided by approximately 20 part-time firefighters. The Fire Department is responsible for fire suppression, emergency medical response, hazardous material response, heavy rescue, fire prevention through public education, fire inspections, hydrant maintenance, pre-fire surveys, and fire investigations.

c. Public Works

The Public Works Director supervises nine employees that carry out the daily activities of the department. These activities include maintenance of the City's vehicles, equipment and buildings, solid waste services, street maintenance, and water and sewer maintenance services.

d. Library

The City of Randleman's Library is responsible for providing the residents of the City of Randleman and the surrounding area with opportunities to expand their knowledge on numerous subjects, access to computers, 36,000 books and movies and learning events that they would otherwise not be able to access. The Library is managed by the Library Director who oversees the daily operations of the Library, two Library Associates, and three part-time Library Assistants.

e. Wastewater Treatment

The Wastewater Treatment Department facilitates the collection and treatment of the City's wastewater and runoff through the use of the Wastewater Treatment Plant and multiple pump stations located throughout the City's service area. The Wastewater Treatment Plant is an extended air, tertiary treatment plant with a capacity of approximately 1,750,000 gallons per day. The Wastewater Director is responsible for the overall operation of the Wastewater Treatment Plant and its subsidiaries, and oversees three Wastewater Plant Operators.

f. Parks and Recreation

The Parks and Recreation Department of the City of Randleman provides the residents of the City of Randleman and surrounding areas with numerous leisure events and physical enrichment options. The Parks and Rec. Director is responsible for the management of the City's Community Center, Youth Sports Leagues, community events, and the City's Parks and Trails. The Parks and Recreation Director supervises the Assistant Parks and Recreation Director and multiple part-time Community Center Attendants.

g. Planning and Zoning

The City of Randleman's City Planner is responsible for the review and issuing of zoning permits, as well as code enforcement, and assisting citizens and others in determining zoning, water and sewer availability, floodplain and watershed determination, and addressing within the City. The City Planner acts as a liaison between permit applicants and the Planning and Zoning Board. The 12-member Planning and Zoning Board is made up of appointed citizens who reside within the City and its Extra Territorial Jurisdiction. The Board's duties involve reviewing all cases presented to them and making decisions to approve or deny those cases. The City Planner also reports to the Board of Adjustment which hears Variance, Special and Conditional Use requests.

BUDGET OVERVIEW

A. Annual Budget Ordinance

North Carolina General Statute (NCGS) 159-8 states that “each local government and public authority shall operate under an annual balanced budget ordinance...” As defined by the same statute, a balanced budget ordinance is a document that facilitates a unit's financial operations for each fiscal year that runs from July 1 through June 30. The budget ordinance is considered balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. Every local government must appoint a Budget Officer to facilitate the budget development process, as well as the implementation and management of said budget. In municipalities that have the Council-Manager form of government, such as the City of Randleman, the City Manager is required to be the Budget Officer. Department heads are required to submit their budget requests and revenue estimates for the budget year to the Budget Officer by April 30 of each fiscal year. Simultaneously, the Finance Director of each governmental entity must present the Budget Officer with statements of certain financial information as prescribed in NCGS 159-10. Upon receipt of the items from department heads and the Finance Director, the Budget Officer must develop a proposed budget and present said budget to the governing board no later than June 1 of the fiscal year. Prior to adopting a budget ordinance, the governing board must hold a public hearing to allow anyone who wants to be heard on the budget may speak. The governing board must adopt a budget ordinance no earlier than 10 days after it has been presented to them and no later than July 1 of each fiscal year. The adopted budget must make appropriations and levy taxes for the budget year “...in such sums as the board may consider sufficient and proper, whether greater or less than the sums recommended in the budget” that was presented.

B. Budget Description

The City of Randleman's current annual budget consists of two major funds that are appropriated each year within the budget ordinance. They are:

1. General Fund – The City of Randleman's General Fund serves as a catch-all for services provided by the City that are not accounted for within an enterprise fund. This includes the following departmental services: administration, police, fire, cultural and recreation services, planning, economic development, sanitation, streets, and building and fleet maintenance. Revenues for this fund are generated through a combination of tax collections, city fees, and other miscellaneous sources of income such as grants and donations.
2. Water and Sewer Fund – Currently, the City of Randleman only operates one enterprise fund. This fund is used to account for revenues and expenses associated with the City's water and sewer systems. Revenues for this fund are generated through the implementation of set user fees for services provided.

The basis of budgeting for each of these funds is modified accrual. This is also the same basis of accounting found within the City's audited financial statements.

The following table illustrates which departments and/or divisions are located within each fund:

Department/Division	General Fund	Water/Sewer Fund
Governing Board	YES	NO
Administration	YES	NO
Police	YES	NO
Fire	YES	NO
Fleet Maintenance	YES	NO
Streets	YES	NO
Sanitation	YES	NO
Economic Development	YES	NO
Planning	YES	NO
Library	YES	NO
Parks and Recreation	YES	NO
Water	NO	YES
Water/Wastewater Maintenance	NO	YES
Wastewater Treatment Plant	NO	YES
Debt Service	YES	YES

The City of Randleman does utilize Capital Project Funds occasionally. However, these types of funds are not included in the budgeting process because once the projects are completed, the respective funds are then closed. Also, this type of fund can stay open across multiple fiscal years because some capital projects cannot be completed within a fiscal year's time constraint of July 1 through June 30.

C. Budget Process

The City of Randleman's budget process begins with the first Board of Aldermen meeting in January of each year. It is at this meeting in which the Board adopts a meeting schedule for the entire year and in this schedule, dates are reserved for various budget workshops and a budget retreat. At these budget meetings, the Board of Aldermen, the City Manager (Budget Officer) and Department Heads discuss their requests, goals and priorities that they would like to see fulfilled in the budget ordinance. After these meetings are held, Department Heads and the Finance Director have until April 30 to submit these items to the Budget Director. It is from these submittals that the Budget Director constructs the budget ordinance to be presented to the Board of Aldermen. The Board of Aldermen must hold a public hearing before the budget can be adopted and the budget ordinance must be adopted prior to July 1 but no less than 10 days after it has been presented to the Board of Aldermen.

After adoption of the annual Budget Ordinance, the Budget Officer is authorized certain permissions pertaining to the Budget Document. In the proposed 2017-2018 Budget Ordinance, the Budget Officer will be authorized to transfer appropriations between line items of a department with no limit and transfer appropriations up to \$2,000 between departments within the same fund. All other budget revisions or amendments must be approved by the Board of Aldermen.

D. Financial Policy and Budgeting Policies and Practices

The City of Randleman has adopted a financial policy that states both guidelines and goals that together guide and impact the City's financial management practices. It is the expectation of the Board of Aldermen that this financial policy is adhered to and regularly reviewed such that it provides a framework for comprehensive financial management. The City of Randleman's Financial Policy is presented as adopted in [Appendix K](#).

The City of Randleman has adopted the following policies for budget preparation, presentation, and implementation as found within the City's Financial Policy:

1. The City will adhere to all budgetary statutes and guidelines as set forth in the Local Government Budget and Fiscal Control Act (NC G.S § 159-7 through § 159-42.1)
2. City administration will develop a proposed budget calendar to establish a timeline for budgeting activities as to remain on schedule in accordance with N.C.G.S 159-7.
3. The City's proposed budget will be prepared in accordance with all Generally Accepted Accounting Principles.
4. The City's basis of budgeting for all funds will be modified accrual, the same basis of accounting found within the City's audited financial statements.
5. The City's proposed budget will be balanced such that proposed expenditures will not surpass proposed revenues.
6. Budgeted revenues will only be spent for those expenditures for which they are intended (i.e., County Fire Tax within the Fire Department, etc.).
7. Department budgets are reviewed by Department Heads, the Finance Director, and the City Manager prior to the presentation of the proposed budget to the Board of Aldermen. The Board of Aldermen will review the proposed budget prior to its adoption.
8. Staff authorization for budget adjustments, as well as an outline for budget adjustments and amendments will be made within the annual budget ordinance.
9. Debt service payments will be budgeted for following the guidelines presented when the loan was issued or in the respective fund that is responsible for the repayment of the debt.
10. In accordance with N.C.G.S 160A-17, funds are to be appropriated to suffice obligations for ongoing contracts.
11. The City's financial policy will be adhered to in development, implementation and management of the annual fiscal year budget.

E. Budget Calendar

The City of Randleman has adopted the following budget calendar for the Fiscal Year 2017-2018 budget:

Budget Retreat -----	March 22, 2017
Department Heads' Budgets Due to City Manager-----	April 30, 2017
Budget Presented to Board/Available to Public-----	May 26, 2017
Budget Workshop/Pre-Agenda Meeting -----	May 30, 2017
Public Hearing on Budget/Regularly Scheduled Board Meeting-----	June 6, 2017
Budget Workshop/Special Meeting -----	June 26, 2017
FY 2017-2018 Budget Ordinance Approved-----	TBD, 2017

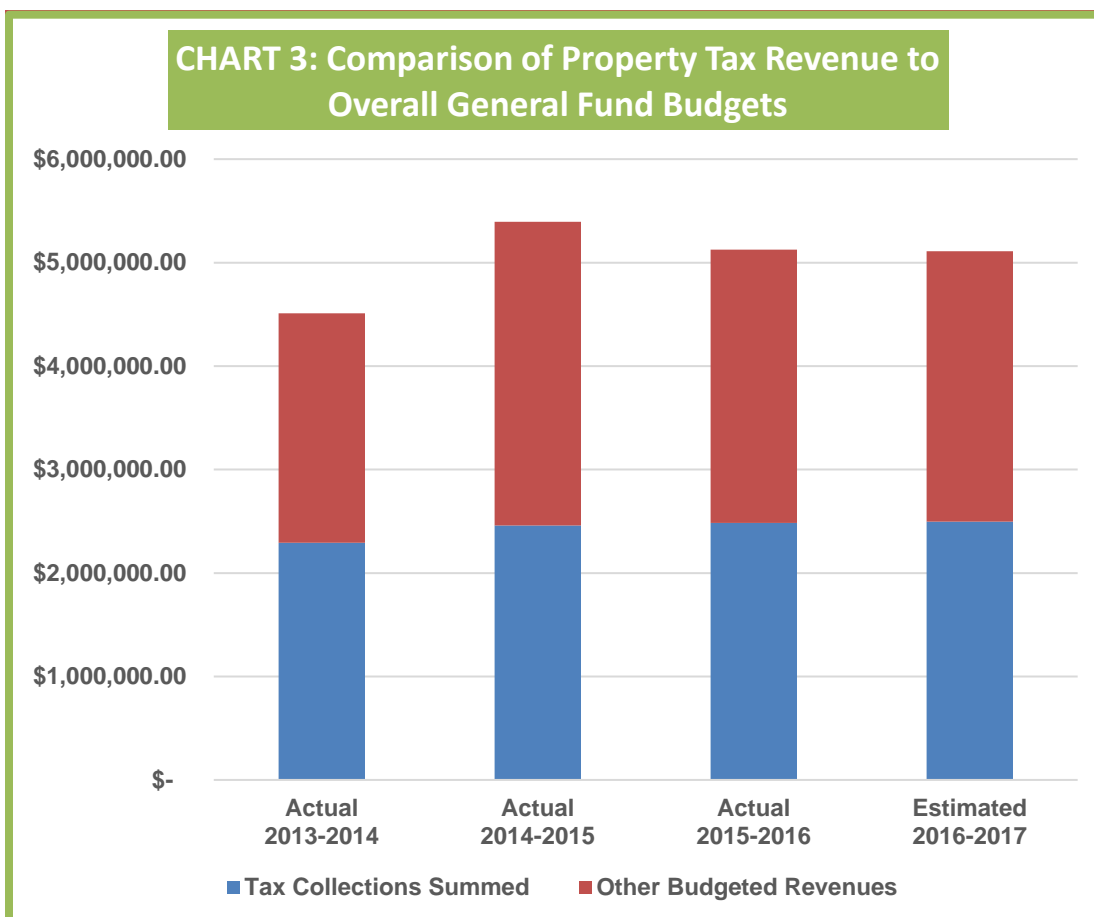
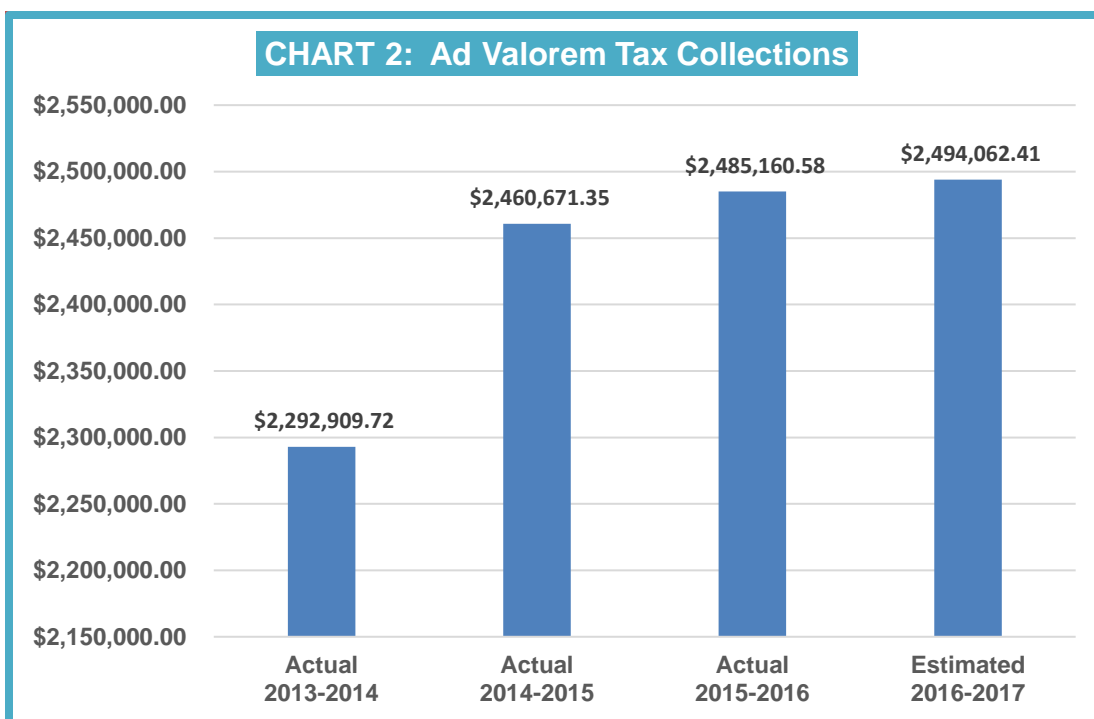
BUDGET MESSAGE

I. INTRODUCTION

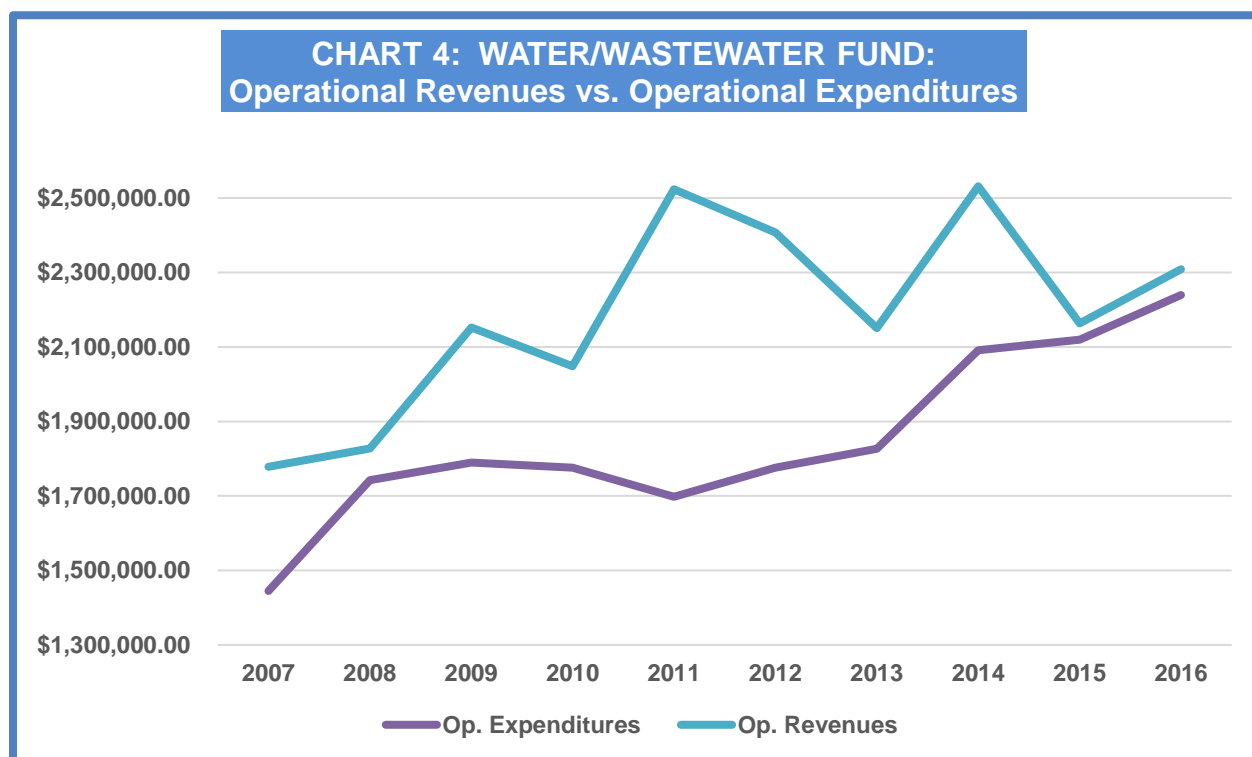
The Requested FY 2017-2018 Budget is hereby presented to the Mayor and Board of Aldermen for your consideration. The purpose of this budget message is to share the foremost features of the City's operations as it relates to the budget. The chart below, "Chart 1: City of Randleman FY 2016-2017 Amended and FY 2017-2018 Recommended Budgets," outlines the two major funds that make up the City's overall budget.

CHART 1: CITY OF RANDLEMAN FY 2016-2017 CURRENT AND FY 2017-2018 RECOMMENDED BUDGETS		
	Amended (as of May 1, 2017) FY 2016-2017	Recommended FY 2017-2018
General Fund	\$ 5,355,200	\$ 5,113,500
Water/Sewer Fund	\$ 2,384,000	\$ 2,421,200
TOTAL	\$ 7,739,200	\$ 7,534,700

The major goal of the administration for the FY 2017-2018 budget is to maintain services without increasing property tax rates. Ad valorem property tax revenues have increased by *an average of approximately* \$67,500 annually since the revaluation in tax year 2014 and the property tax increase to \$0.63 per \$100 valuation in FY 2014-2015. When compared to General Fund expenditures for the respective years, this amount represents *an average of approximately* 1.30% of the total General Fund budget over the past three fiscal years for the City of Randleman. Chart 2 depicts the summation of tax collections for the respective fiscal years; and, Chart 3 displays the amounts of Ad Valorem taxes collected in regards to the total of General Fund Revenues for the respective fiscal years.



As for the City of Randleman's Water and Sewer Fund, prior to the current Fiscal Year 2016-2017, residential water and sewer rates were unchanged since 2008. Subsequently, multiple increases in pricing from our major water supplier, Piedmont Triad Regional Water Authority (PTRWA), were not passed along to the City of Randleman's utility customers. With the current Fiscal Year's budget, the Board of Aldermen adjusted the City's utility rates to keep up with the increases witnessed in operational expenditures. The rate adjustments have allowed the City to accomplish necessary system improvements and stay ahead of operational costs as shown in the chart below, "Chart 4: Water & Wastewater Fund – Operating Revenues vs. Operating Expenditures." However, the City will further need to explore continuing to raise utility rates in future years such that sufficient funds are available to cover the City's annual debt service payments related to the Water and Wastewater Fund, further improve and maintain the City's infrastructure, as well as maintain and improve the City's service levels to its citizens and customers.



II. PROPERTY TAX, WATER AND SEWER RATE COMPARISONS

Although this budget does not propose an increase in the City's property tax rate, staff felt it was important to provide the Board with comparisons of the City's tax rates with our peers. [Appendix A](#) provides a comparison of the City's property tax rate with 5 municipalities directly above and below the City in certified population size throughout the State of North Carolina as of 2013. This comparison does **not** take in to account that some of these municipalities may or may not have electric operations which could have an impact on the tax rate they levy; **nor**, does the provided listing compare the corresponding property values of those municipalities, as these are key determinants in a municipality's property tax rate. As the chart shows, the City of Randleman has neither the highest nor lowest tax rate amongst the City's population peers, as those respects belong to Tabor City (\$0.67) and Trent Woods (\$0.17). Of special note, none of the municipalities listed changed their tax rates between Fiscal Year 2015-2016 and Fiscal Year 2016-2017.

[Appendix B](#) provides a comparison of the City's Fiscal Year 2016-2017 water and sewer residential rates to other providers in the State of North Carolina serving a similar number of population as the City of Randleman (approximately 6,400 people served). [Appendix B](#) shows the City of Randleman's Water and Sewer rates compared on a monthly basis to 5 cities directly above and below the City in population served for both inside and outside residential rates (if applicable). The information provided is based on survey responses from municipalities all over the State of North Carolina compiled by the Environmental Finance Center at the University of North Carolina's School of Government as well as the North Carolina League of Municipalities. It should be noted that the City of Randleman, when compared on a monthly basis to the other listed utility providers, has the second lowest residential water rate and the second lowest residential sewer rate overall. However, it should be noted that the City of Randleman has the Lowest rates of the municipalities shown that have a positive operating ratio (Operating Revenues divided by Operating Expenses) for the previous Fiscal Year 2015-2016. This is indicative of the City's desire to maintain low utility rates as well as a healthy operating ratio. However, this operating ratio does not take into account the amount of debt service levels that are owed by any of the entities listed, and as such, the entities listed could have deficits in their overall cash flows. In comparing the other water providers as whole, the following was ascertained:

- In regards to the size of population served by the utility providers, the City of Randleman ranks 258 out of 447 water providers and 224 out of 369 sewer providers, when ranked from lowest to highest, with the smallest population ranked first and the largest population ranked last.
- In regards to the minimum water rates charged by the utility providers, the City of Randleman ranks 46 out of 427 providers, when comparing rates from lowest to highest, with the lowest rate ranked first and the highest rate ranked last. This means that the City of Randleman's minimum water bill rate is in the lowest 10.3% in the state of North Carolina.
- In regards to the minimum sewer rates charged by the utility providers, the City ranks 48 out of 376 providers, when comparing rates from lowest to highest, with the lowest rate ranked first and the highest rate ranked last. This means that the City of Randleman's minimum sewer bill rate is in the lowest 12.8% in the state of North Carolina.

Categories	Water	Sewer
Population Served (lowest to highest)	258 out of 447	224 out of 369
Minimum Rates (lowest to highest)	46 out of 448	48 out of 376

More will be discussed regarding the City of Randleman's water and sewer rates in the Water and Sewer Fund portion of this budget message.

III. GENERAL FUND

A. GENERAL FUND HIGHLIGHTS

The City of Randleman's Fiscal Year 2017-2018 Recommended General Fund Budget is presented at an *approximate* \$242,000 decrease from the current Fiscal Year 2016-2017 budget. This reduction is attributed to a \$130,000 decrease in street repaving from the Current Fiscal Year 2016-2017, a \$50,000 Budget amendment for the City's Summer Festivals that isn't appropriated for FY 2017-2018, a \$15,000 lessening in budgeted expenditures for Tipping Fees, an approximate reduction of \$13,000 in Debt Service Payments and a reduction of \$101,000 in Transfers to Capital Project Funds. Offset by these reductions are increases in personnel costs (Health insurance, salary increases, retirement cost increases, and payroll taxes), capital outlay costs, and overall service costs' increases.

Of particular note in the FY 2017-2018 Recommended General Fund Budget are the following items:

- **Property Tax** – The 2017-2018 Ad Valorem Tax rate is proposed to stay at \$0.63 per \$100 valuation.
- **Sanitation Charges** – the Board of Aldermen has embraced a philosophy that sanitation fees should balance expenses in hopes to one day transition the sanitation department into an enterprise fund. The fee for the upcoming 2017-2018 fiscal year was approved unanimously to increase from the current charge of \$10 per month to \$12 per month.
- **Employee Benefits** – Total employee insurance coverage (Health, Dental, Vision and Life) are expected to increase by *almost* \$33 per employee per month. This is a drastic reduction from the City's original estimation of an increase of *approximately* \$82 per employee per month. This is a recognized annual cost savings of *roughly* \$30,000 in the General Fund.
- **Fund Balance Appropriated** – \$10,000 of the City's Fund Balance is recommended to be appropriated in the FY 2017-2018. It should be noted that this fund balance is considered to be "Assigned" and is attributed to the City's July and August Market and Music Concert series' expenses. Otherwise, the amount of Appropriated Fund Balance in the FY 2017-2018 budget would be **ZERO**.

- **Capital Expenditures** – The City of Randleman defines Capital Expenditures as budgeted expenditures for tangible items of \$3,000 in value or more and that have a useful life of at least one year. The total of budgeted capital outlay expenditures for the General Fund 2017-2018 Fiscal Year is \$266,000. The following items highlight the Capital Expenditures for the upcoming Fiscal Year 2017-2018 within the General Fund:
 - **Fire Department Pick-up Truck** – The Fire Department is requesting a new Pick-up Truck that will cost *approximately* \$40,000 (turn-key) to enable the Asst. Fire Chief/Fire Marshall to provide inspections and respond to emergency calls. This expenditure is budgeted within the Fire Department's Capital Outlay line item and is considered a non-recurring capital expenditure.
 - **Police Department Vehicles** – The Police Department is requesting to continue their practice of purchasing two new police vehicles each fiscal year in order to rotate out vehicles that have reached the end of their useful lives according to the City of Randleman's standards. The old vehicles are to be sold at auction. The two new police vehicles are budgeted at \$82,000 (turn-key) in the Police Capital Outlay line item.
 - **Street Repaving** – \$120,000 has been recommended to be allocated in the FY 2017-2018 Budget to repave Sunset Drive and Hinshaw Streets. This recommended appropriation is to be funded with Powell Bill Funds ("Chargeable Powell Bill") and is considered to be a non-recurring capital expenditure.
 - **Stout Street Park Improvements** – It is recommended to appropriate *approximately* \$12,000 to finalize improvements that have taken place at Stout Street Park including repairs to the old concession stand, security cameras, picnic tables, and bleachers for the soccer field. These improvements are considered to be non-recurring capital expenditures.
- **Pay and Classification Plan** – [Appendix H](#) contains the City's recommended Pay and Classification Schedule. [Appendix I](#) contains the City's Personnel Summary from FY 15-16, FY 16-17, and recommend for FY 17-18; along with each position's recommended pay grades. The City's Pay and Classification Schedule continues to put the City in a better position to compete with other employers in order to retain our key employees by enabling the City of Randleman to keep up with the current market rates

of positions. There are no new additional personnel requests for the Fiscal Year 2017-2018 budget year.

- **OPEB Outlay (Other Post-Employment Benefits)** – Administration is requesting a new approach to accounting for Retiree Insurance benefits. The new suggested approach will do away with line items for “Retiree Insurance” and redistribute the cost of this benefit between all departments of the fund. The formula to calculate this redistribution takes into account what fund the employee was paid out of when they retired. It then calculates the percentage needed to allocate to each department by dividing the total needed to fund the total amount of the retirees’ insurance for the year for the respective funds by the total amount needed for current employee salaries within each fund. The reason for calculating the OPEB payments this way is to allow for equal multiple department allocation of the benefit for those employees who are paid across departments or across funds. [Appendix J](#) exhibits the breakdown of how the OPEB contributions for each department is calculated within the General and Water/Sewer Funds.

B. REVENUES

The Fiscal Year 2017-2018 General Fund Revenues are recommended to be budgeted at a total of \$5,113,500. Of the total revenues included with the recommended Fiscal Year 2017-2018 budget, *approximately* 86.18% of the General Fund's total revenue is comprised of only five different revenue sources. They are: Ad Valorem Taxes, Local Sales and Use Tax, Fire District Tax, State Utility Franchise Tax, and Sanitation Collection Fees. Chart 5 (below) gives a three-year history of these revenues and is followed by descriptions and summaries of the revenues, as well.

CHART 5: Three Year FY History/Estimated Revenues for Top 5 Revenue Sources				
	FY 14-15 ACTUAL	FY 15-16 ACTUAL	FY 16-17 ESTIMATED	FY 17-18 RECOMM.
Ad Valorem Taxes	\$ 2,446,878.45	\$ 2,477,411.97	\$ 2,494,000.00	\$ 2,441,000.00
Local Sales and Use Tax	\$ 761,590.99	\$ 737,348.39	\$ 820,000.00	\$ 830,000.00
State Franchise Tax	\$ 475,977.03	\$ 385,900.47	\$ 498,000.00	\$ 450,000.00
Sanitation Charges	\$ 118,919.17	\$ 154,857.58	\$ 192,000.00	\$ 231,000.00
Fire District Tax	\$ 442,486.30	\$ 452,753.96	\$ 450,000.00	\$ 455,000.00
SUBTOTAL	\$ 4,245,851.94	\$ 4,208,272.37	\$ 4,454,000.00	\$ 4,407,000.00

i. Ad Valorem Taxes

An Ad Valorem Tax is a type of tax whose amount is based on the value of a transaction or property. For the City of Randleman, Ad Valorem taxes are associated with current year taxes, prior year taxes, and penalties and interest accrued. Chart 6 gives more detail on the City of Randleman's FY 2017-2018 Real and Personal Property Value Estimates. The Randolph County Tax Office has *estimated* that the City's Ad Valorem tax base for FY 2017-2018 will be *approximately* \$391,026,815. Based on a tax rate of \$0.63 per \$100 of property valuation, this equals \$2,463,468.94 in potential Ad Valorem tax revenue. It is *estimated* that *approximately* 99.1% of the total property tax value will be collected this fiscal year, which equates to \$2,441,297.78 (recommended budgeted amount of \$2,441,000) in gross collectable current year levy. However,

this amount could vary for the City's betterment due to the new tax and tag program that the state has implemented for vehicles. The remainder of the recommended budgeted amount is made up of \$35,000 to account for prior year tax collections and \$5,000 in penalties and interest.

CHART 6: REAL AND PERSONAL PROPERTY VALUE ESTIMATES¹	
RANDLEMAN CO6	PROJECTED 2017
DESCRIPTION	4/17/2017
LAND VALUE	\$ 73,704,174.00
BUILDING VALUE	\$ 236,846,391.00
DEFERRED VALUE	\$ (211,302.00)
EXCLUSIONS	\$ (2,800,237.00)
EXEMPTIONS	\$ (24,651,383.00)
PERSONAL PROPERTY	\$ 1,669,404.00
MISC. PROPERTY	\$ 11,585.00
BUSINESS PROPERTY	\$ 72,260,453.00
RMV	\$ 27,506,481.00
PUBLIC UTILITIES	\$ 5,884,713.00
SECOND BILLING	\$ 806,536.00
(DISCOVERIES)	\$ -
HISTORICAL/BUILDERS	\$ -
TOTAL	\$ 391,026,815.00

1 - (Breakdown of Value per property type. Chart provided directly by Randolph County, April 17, 2017)

ii. Local Sales and Use Taxes

The City receives monthly payments from the State of North Carolina, who oversees the collection of local sales taxes from retailers and, in turn, redistributes the collections to counties and cities based on a formula approved by state legislators. The levied local sales and use tax is imposed solely by the Randolph County Board of County Commissioners by resolution. The tax is levied within the county as a whole and most, but not all, of the levied taxes are shared with cities within the county's borders. New legislation facing sales tax distribution could positively influence the amount that the City of Randleman receives. Recent calculations by the North Carolina League of Municipalities (NCLM) estimate that the FY 2017-2018 amount received will be *approximately 4.25%* higher than the current year. Based on current year estimates, this would equal *approximately*

\$854,850. However, this revenue is extremely difficult to pinpoint due to the revenue's volatile nature in reference to consumer spending. Thus, it is hard to predict just how much consumers are going to spend at a given time. It is recommended that the budgeted amount should be less than the estimated amount by the NCLM to account for this difficulty in accuracy of projection. The recommended amount for FY 2017-2018 is *approximately* \$25,000 less than the NCLM projection at \$830,000, which is an increase of *roughly* \$92,651 over the previous Fiscal Year 2015-2016's actual amount.

iii. State Franchise Taxes

A franchise tax is a government levy charged by some states to certain business organizations such as corporations and partnerships with a nexus in the state. The City of Randleman receives quarterly payments from the State of North Carolina for gross receipts of the utility franchise tax. The Utility Franchise Tax is a combination of different taxes levied by the State on the total gross receipts of all businesses within the State that furnish certain types of utilities. These utilities include electricity, piped natural gas, telecommunications, and local video programming. The distribution formulas for each type of utility are described below.

Effective with the start of the 2015 Fiscal Year, the general sales tax rate is applied to the sale of Electricity. 44% of the total proceeds of state-wide tax collections will be returned to municipalities using FY 2013-2014 as a baseline. Each City receives a franchise tax share and an Ad Valorem share of these proceeds. The intent was that 44% would be sufficient to hold municipalities harmless from fluctuations from the amount they received during that particular fiscal year in utility franchise tax distributions. If 44% of the franchise tax on electricity is not sufficient to provide every municipality with at least the same distribution that they received during the current fiscal year, then every municipality's distribution of the tax will be reduced proportionally. If excess funds remain from the 44% of the franchise tax after every municipality has received the same distribution it receives during the current fiscal year, then the excess revenues will be distributed statewide on an ad valorem basis. For the upcoming Fiscal Year 2017-2018, the City of Randleman's share of this tax is expected to increase by 2% over estimated revenues for the current Fiscal Year 2016-2017.

Also, effective with the 2015 Fiscal Year was the change in how Piped Natural Gas Sales Tax (PNGST) is now distributed. Like the Electricity Sales Tax, the PNGST is made up of sales taxes collected on the application of the general sales tax rate applied to the sale of piped natural gas. 20% of the proceeds of that tax is appropriated to be distributed to municipalities. Each municipality receives an excise tax share and an Ad Valorem share of these proceeds. The excise tax share is equal to the distribution of this tax received in FY 2013-2014. If there are insufficient funds to provide each municipality with the same distributions that were received in FY 2013-2014, then statewide municipal distributions will be reduced proportionally. Likewise, if a surplus of this tax revenue is present after distributing all excise shares to all municipalities, the excess sales tax revenue will, again, be distributed based on an Ad Valorem basis. This tax is effected more than the others by weather and price. Current Fiscal Year reports indicated that distributions of the PNGST will decrease by 17.5% under the previous Fiscal Year 2015-2016's revenues. Even more, for the upcoming 2017-2018 Fiscal Year, this tax is expected to drop an additional 8.5%.

Legislation passed in 2001 setup a sales tax on Telecommunications that is now 8% of gross receipts on this service and repealed the utility franchise tax that was in place. The amount distributed amongst municipalities is 18.7% of the net proceeds of the tax minus *approximately* \$2.62 million. The City of Randleman receives its share of this tax based on the last quarter of taxes that were received under the old utility franchise tax distribution method. Essentially, as revenues change for this tax, the percentage of the net proceeds that the distributions for municipalities is based on also changes. This allows for the municipal share of this revenue to remain neutral. The League of Municipalities expects for the Telecommunications revenues to decrease by 1% in the current Fiscal Year and decrease by an additional 7% in the upcoming 2017-2018 Fiscal Year.

The last portion of the redeveloped State Franchise Taxes is the Local Video Programming Revenues. Services taxed under this revenue type are video programming, telecommunications, and satellite television service. Split amongst municipalities are 23.6% of the sales tax collection on video programming, an additional 7.7% of telecommunications sales tax, and 37.1 % of sales tax collected on the sale of satellite television services. The proportionate share of this type of tax is based on the amount that the respective city received if it implemented a cable franchise tax prior to the start of Fiscal Year 2007. If not, then the amount to be received is \$2 multiplied by the most recent annual population estimate for

the municipality. The League of Municipalities estimates that revenues of this type will increase by 2.5% in the current Fiscal Year 2016-2017 and decrease by 1% in the 2017-2018 Fiscal Year.

Overall, it is estimated that State Franchise Tax revenue source will decrease by 10% in the upcoming Fiscal Year, which is equal to *approximately* \$50,000. The *estimated* revenue for the City of Randleman for the FY 2017-2018 budget is \$450,000.

iv. Sanitation Charges

The City currently charges \$10 per month per garbage can to all customers who reside within the city limits for garbage pick-up. The \$10 per month fee was increased from the prior fiscal year to accommodate for the possibility of creating a self-sustaining Sanitation Fund and an anticipated increase in the County's Tipping Fees. The Board of Aldermen has shown a commitment to seeing the implementation of creating this new enterprise fund by voting to increase the garbage fee an additional \$2 per month in the 2017-2018 Fiscal Year. The reason increases are being done in gradual \$2 increments is for the benefit of the citizens of Randleman as to not overburden them financially with a large increase at once. The increase in the upcoming Fiscal Year 2017-2018 is equivalent to an overall annual revenue increase of \$38,400 based on the number of *approximately* 1,600 garbage cans that are picked up weekly. The new rate of \$12 per can per month is the equivalent of *roughly* \$2.77 per week. The total amount recommended for budgeting (\$231,000) is over the total amount that is *estimated* to be collected (\$230,400) to allow for differentiations in *estimates*.

v. Fire District Taxes

The City of Randleman's Fire Department acquired the Sophia service district in FY 2014-2015. The Randolph County Board of County Commissioners levies a Fire District Tax on behalf of the Randleman Fire Department to cover expenditures associated with running fire calls in the Randleman-Sophia service district. Properties located in the district but outside of the City of Randleman are levied this tax. Chart 7 shows the impact this acquisition had on the City's Fire District Taxes collections.

CHART 7:
FIRE DISTRICT TAX COLLECTIONS ACTUAL: FY13-14, FY14-15, FY15-16,
ESTIMATED FY16-17 AND RECOMMENDED FY17-18

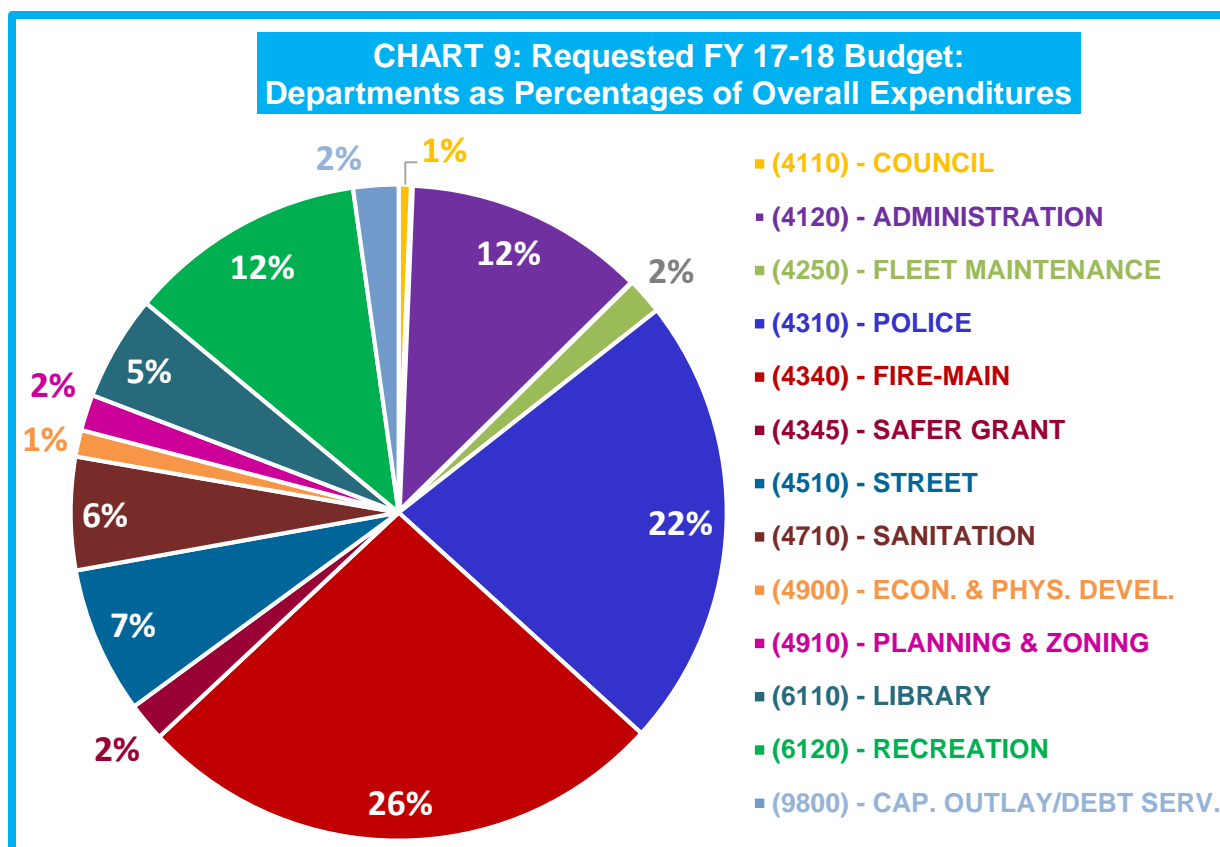
	ACTUAL FY 13-14	ACTUAL FY 14-15	ACTUAL FY 15-16	ESTIM. FY 16-17	RECOMM. FY 17-18
Fire District Tax	\$255,536.60	\$442,486.30	\$452,753.96	\$455,017.73	\$455,000.00

The requested tax rate for FY 2017-2018 is \$0.12 per \$100 of property valuation. The Randolph County Tax Office has *estimated* that the District's Ad Valorem tax base for Fiscal Year 2017-2018 is *roughly* \$391,222,796 which is an *estimated* increase of 3.5% over the previous year's values; this, in turn, equals \$469,072.17 for total possible collections. It is recommended that the total amount budgeted for the FY 2017-2018 is \$455,000, which equals a collection rate of *approximately* 97%.

C. EXPENDITURES

The Expenditure section is a brief narrative of individual departments' expenditures that staff felt needed to be discussed in this report. A summarization by department of the expenditures found within the General Fund's budget, as presented in the proposed budget ordinance ([Appendix G](#)), is shown in Chart 8. Chart 9 reflects these expenditures visually in the form of a pie chart.

CHART 8: FY 2017-2018 REQUESTED BUDGET GENERAL FUND EXPENDITURES BY DEPARTMENT	
BOARD OF ALDERMEN	33,000
ADMINISTRATION	612,400
DEBT SERVICE/CAPITAL OUTLAY	114,000
POLICE	1,141,500
FIRE	1,343,600
FIRE – SAFER GRANT	98,000
FLEET MAINTENANCE	92,000
STREETS	370,000
SANITATION	284,600
ECONOMIC DEVELOPMENT	67,100
PLANNING	90,800
LIBRARY	265,600
PARKS AND RECREATION	600,900
TOTALS FOR GENERAL FUND	5,113,500



i. Council

Expenditures for the Board of Aldermen are proposed to remain relatively the same less a \$3,000 increase for the Travel/Orientation line item. The recommended total for this department is \$33,000.

ii. Administration

Through reallocation of funds within the department, as well as a different approach to budgeting for retiree insurance, the Administration department is anticipated to only increase by 0.009% of the current Fiscal Year 2016-2017's departmental expenditures, which is equivalent to \$5,500 in the upcoming Fiscal Year 2017-2018. The largest overall increases of expenditures are associated with personnel expenses. To offset these increases, the line items for Cobra Insurance and Retiree Insurance were reduced to zero from their 2016-2017 budgeted

amounts. The Accountant/Auditor line item is recommended to be reduced by \$3,600, which was the amount increased in the current Fiscal Year 2016-2017 for a required audit of the City's retirement contributions by the Office of the State Treasurer. Also, the Telecommunications line item was able to be reduced by \$3,000 from current appropriations due to renegotiating the City's contract with its service provider. The line item entitled "Community Outreach" has allowed the City to provide community oriented events, literature, and outreach supplies to better connect to our citizens. The largest line item in the Administration Budget is the "Insurance and Bonds" expenditure at a recommended amount of \$154,000. This line item includes the amount of money needed to pay for the City's property, liability, and workman's compensation insurance and any potential deductibles that may arise throughout the fiscal year. The recommended amount will account for *approximately* 25.15% of the upcoming fiscal year's total department operating budget. The Contracted Services line item is requested to be increased by \$5,000. This increase is to allow for a projected increase in Informational Technologies (IT) expenses. The line item currently funds IT services, copier services, and services provided by Randolph County on behalf of the City of Randleman. The Administration Department is requesting \$4,000 in order to purchase new computers in the "Capital Outlay" line item since this line item was cut in half during the budget process last year. The current computers would be repurposed elsewhere within the City as needed, or could be sold as surplus equipment. City Hall will also need to begin to research implementation of new software programs for accounting, as well as new Microsoft Office 365 licenses in the near future to work more efficiently. Staff will begin preparation to research such programs this year.

iii. Police

The FY 2017-2018 budget for the Police Department is presented at \$1,141,500. In comparison to the year-to-date amended current fiscal year budget, this is an overall increase of \$26,500. This is due to an increase in personnel related expenses as a whole as the operating expenses for the department are actually recommended to decrease by \$11,000 due to the Police Department's Fundraising Expenditures line item. This line item is only budgeted for as expenses arise and is paid with funding from outside contributors and donations. Outside of personnel expenses, the largest expenditure line item is that of "Capital Outlay", which is, again, recommended at \$82,000. This line item will allow for the

continued practice of purchasing two new police vehicles each fiscal year. In the Current Fiscal Year's budget, the Police Department was allowed to purchase 12 new patrol car carbine rifles from the "Equipment" expenditure line item. This line item is recommended to stay the same as the Current Fiscal Year budget at an amount of \$24,000 to allow the department to purchase ammunition, leather gear for officers, and replacement of miscellaneous worn equipment. Another line item that should be mentioned is that of "Computer Records/Reports." This respective line item is recommended to stay at \$24,000. This line item allows for the associated cost of maintaining the recorded files and videos taken from the police officer's body cameras that were purchased in Fiscal Year 2016, as well as other necessary record retention costs.

iv. Fire/SAFER Grant

The Fire Department's budget is requested to be budgeted at \$1,343,600, which is an overall decrease of \$6,500 from the Current Fiscal Year department budget amount of \$1,350,100. This is a very significant amount because the Fire Department's Recommended Budget comprises approximately 26.28% of the overall Fiscal Year 2017-2018 General Fund Budget. However, this amount is somewhat misleading because for the FY 2016-2017, the department was combined by joining the two department budgets for the Sophia Fire Station and the Randleman Fire Station. The combined Fire Department budget allows the City to fund 19 Full-Time Positions and enough Part-Time Employees that are equivalent to *approximately* two and a half Full-Time Equivalents. For the FY 2016-2017, the Fire Department's budget, was faced with the major underlying issue of the expiration of the FEMA staffing grant that funded six firefighter positions and benefits from April 2014 until April 2016. The FEMA grant was valued at *approximately* \$272,000 for the FY 2014-2015 and *roughly* \$209,000 for the FY 2015-2016. The reason for the differences between the two fiscal years' amounts is due to the number of months funded by the grant in each year (12 months vs. 9 months, respectively), as well as the difference in employee pay and benefits between the two fiscal years. The City committed to fund the 6 positions from April 1, 2016 through the end of the Fiscal Year 2015-2016 at a cost of *approximately* \$70,000. For the FY 2016-2017 budget, the funding of the same six positions was valued at *approximately* \$280,900. However, the Fire Department had multiple positions turnover during the previous fiscal year and the City was able to fund four of the original six positions previously funded by the FEMA grant

at an *estimated* cost of \$188,600. Doing so, reduced the number of positions in the department from the previous total of 21 to 19 for the Current Fiscal Year 2016-2017. At the beginning of the Current Fiscal Year 2016-2017, the Fire Department was awarded another FEMA SAFER grant to fund the two other positions to return the total number of positions to 21. The expenditures associated with these two positions are accounted for in the SAFER Grant Department's Recommended Fiscal Year 2017-2018 Budget. If they had not been awarded the grant, the department would have had to readjust scheduling and services provided to operate normally.

One major change from the Current Fiscal Year 2016-2017 budget to the Recommended Fiscal Year 2017-2018 budget is that of a Capital Outlay line item request for a new Pick-Up Truck for the Assistant Fire Chief/Fire Marshall that will be used for inspections and emergency calls. The Truck will cost *approximately* \$40,000 total and includes the price of the Truck as well as any associated costs to make the Truck road ready, such as sirens, lights, etc. The Fire Department has asked that its previous budget requests for other Capital Outlay items, such as a Gator UTV and a Gator UTV Skid Unit, made at the Budget Retreat be removed from the Recommended Fiscal Year 2017-2018. These items may be needed in upcoming Fiscal Years whenever the Deep River Greenway Trail is completed.

From an overall view, taking into consideration that part of the Fire Department's budget will be funded through revenue from the Fire District Tax and the SAFER Grant Positions will be funded through a reimbursable grant from FEMA, the amount of money needed to fund the total requested budget for the FY 2017-2018 on the City's behalf is *estimated* to be \$888,600. This amount would have been higher except the department continues to see some turnover within some of its positions allowing for reallocation of resources that help to keep personnel costs down. Chart 10 depicts the revenue sources of the Fire Department since FY 2014-2015 through the requested budget of FY 2017-2018 when compared to the department's expenditures and shows the total annual amounts of funds provided by the City to fund the department.

**CHART 10:
FIRE DEPT. EXPENDITURES AND ASSOCIATED REVENUE SOURCES**

	ACTUAL FY 14-15	ACTUAL FY 15-16	ESTIMATED FY 2016-2017	REQUESTED FY 2017-2018
RANDLEMAN EXPENDITURES	\$993,643.91	\$944,884.22	\$1,350,100.00	\$1,343,600.00
SOPHIA/SAFER EXPEND.	301,227.79	\$309,106.05	\$100,000.00	\$98,000.00
- COUNTY CONTRIBUTIONS	\$442,486.30	\$452,753.96	\$450,000.00	\$455,000.00
- GRANTS/OTHER SOURCES	\$314,957.13	\$224,727.16	\$157,500.00	\$98,000.00
CITY CONTRIBUTIONS	\$537,428.27	\$576,509.15	\$842,600.00	\$888,600.00

v. Public Works

The Public Works Department budget is divided into sub-department budgets split between the General Fund and the Water and Sewer Fund. This section will detail the Fleet Maintenance, Street and Sanitation portions of the General Fund budget.

a. Fleet Maintenance

The Fleet Maintenance division is responsible for the upkeep and maintenance of all city vehicles and machinery. There is one employee who oversees the preservation of a variety of automobiles, construction equipment, and more and works under the supervision of the Public Works Director. Through responsible budgeting decisions, the overall division budget is recommended to stay *relatively* the same at \$92,000 for FY 2017-2018, which is an increase of \$2,700 over the Current Fiscal Year 2016-2017's budget. This increase can be attributed to an increase in overall personnel expenses.

b. Street

The City's Street division of the Public Works Department is responsible for maintaining the City's existing streets, sidewalks and infrastructure related to the streets and sidewalks. In addition, the development of new infrastructure associated with the streets and sidewalks and other duties throughout the City fall upon this division. The recommended division budget for the upcoming FY 2017-2018 budget is totaled at \$370,000, representing a decrease of \$123,400 from the Current Fiscal Year 2016-2017 budget. However, much of this decrease is associated with a \$130,000 reduction in the "Chargeable Powell Bill" line item that reduces this line item to \$120,000, which is equal to the revenue appropriation that funds this line item. This means that no excess funds will be put into nor taken

out of Powell Bill Fund Balance. It should be noted that this line item makes up 32.4% of the division's overall budget. With this recommended appropriation, the City plans to resurface Sunset Drive and Hinshaw Street, as well as allocate half the cost of the purchase of a new mower to be used to mow right-of-way's, round-a-bout's and other landscaping along the City's roads and streets. Powell Bill will be discussed in further detail in the Fund Balance section of this budget message. Another item of significance is the "Street Light" line item, which is recommended to be budgeted at \$108,000, which is the same as the Current Fiscal Year 2016-2017 budget. This line item is for expenditures associated with all street lighting throughout the City.

c. Sanitation

The Sanitation division of the Public Works Department is responsible for the pick-up of the City of Randleman's citizens' garbage, as well as bulk and brush pick-ups that citizens request. The recommended division budget for the upcoming FY 2017-2018 is \$284,600. As mentioned previously, the City of Randleman's Board of Aldermen have exhibited interest in making the Sanitation Division a standalone enterprise fund in the near future. Doing so, would require the Sanitation Division to be self-sustaining in order to reduce the amount of monies needed to subsidize the cost for the Division. Thus, further justifying the need for the upcoming increase to the sanitation fee of \$12 per month, as discussed earlier in this document. Chart 11 depicts the Sanitation division's expenditures and revenue sources since FY 2014-2015 through the requested budget of FY 2017-2018.

CHART 11: SANITATION DIVISION'S EXPENDITURES AND REVENUE SOURCES				
	ACTUAL FY 14-15	ACTUAL FY 15-16	ESTIMATED FY 16-17	REQUESTED FY 17-18
SANITATION EXPEND.	\$244,803.66	\$217,497.41	\$291,500.00	\$284,600.00
- TIPPING FEES (REV.)	\$(118,919.17)	\$(154,857.58)	\$(195,000.00)	\$(231,000.00)
CITY SUBSIDIES	\$125,884.49	\$62,639.83	\$96,500.00	\$53,600.00

vi. Economic Development

The Economic Development portion of the General Fund Budget contains expenditure line items that are believed to aid the City's plans for economic development. The recommended budget for this department of \$67,100 for Fiscal Year 2017-2018 is a \$4,100 increase from the Current Fiscal Year 2016-2017 budget. This includes an appropriation of \$5,000 for a newly created line item of "City Buildings Maintenance and Repair", which will account for the cost of maintaining certain City owned properties. The Randolph County Senior Adults Association has requested a recommended increase of \$600 for the upcoming Fiscal Year to help fund the Randleman Senior Center. The Board of Aldermen has taken an objective view that funding outside organizations with taxpayer dollars must produce a positive return for citizens. As such, outside organizations' requests have been analyzed and there is a recommended \$2,500 decrease in this department from what was originally requested.

vii. Planning

The Planning Department's recommended budget for the FY 2017-2018 is \$90,800. This is an \$6,600 increase from the Current Fiscal Year budget of \$84,200. This rise can mainly be attributed to the creation of a "Contracted Services" line item appropriated at \$7,500 that will allow the City to better account for expenses associated with the condemnation of properties, as well as code enforcement. The department has also reduced their "Miscellaneous" line item from \$500 to the recommended amount of \$0.

viii. Library

The recommended budget for the upcoming fiscal year for the Randleman Public Library of \$265,600 is an increase of only \$1,600 from the Current Fiscal Year Budget of \$264,000. This increase can be ascribed to an increase in personnel related expenditures, namely retirement contributions and employee insurance. The Recommended Fiscal Year 2017-2018 Budget would allow Library staff to maintain current service levels, as well as provide support to continue programs that are hosted for the benefit of the citizens of Randleman and surrounding areas.

ix. Parks and Recreation

The Recommended Fiscal Year 2017-2018 Parks and Recreation department budget is \$600,900. This is an overall decrease of \$46,400 from the Current 2016-2017 Fiscal Year Budget. However, this amount is a bit ambiguous because it includes the absence of the \$50,000 from the "Festival Contingency" line item (the board has the option to amend the budget to continue the events next year). The true difference between the Current Fiscal Year Budget and the Recommended Fiscal Year Budget is an increase of \$3,600. This minimal increase can be attributed to increases in personnel costs, a budgeted \$7,500 reduction in the interest amount owed on the Community Center loan ("Debt Service – Interest"), a decrease of \$3,000 in the "Capital Outlay" line item, and other line item redistribution of appropriations. One item to note is an \$8,000 increase to "Maintenance and Repair-Building", which will allow for new servicing agreements for the Community Center, and miscellaneous repairs within the Community Center.

Taking into consideration the estimated revenues that are anticipated to be received by the City from the Parks and Recreation Department's activities, the City's actual cost of the Parks and Recreation Department for the Recommended Fiscal Year 2017-2018 Budget is *approximately* \$405,900, as shown in Chart 12 below. Of this amount, *approximately* \$191,000 is appropriated for the Community Center's debt service payment, which includes both principal and interest. More information regarding this loan, and the City's other Debt Service Obligations for the General Fund can be found in the next section.

CHART 12: Parks and Recreation Expenditures Vs. Revenues for FY 2017-2018	
	REQUESTED FY 2017-2018
RECREATION EXPENDITURES	\$600,900.00
- RECREATION REVENUES	\$(195,000.00)
CITY SUBSIDIES	\$405,900.00

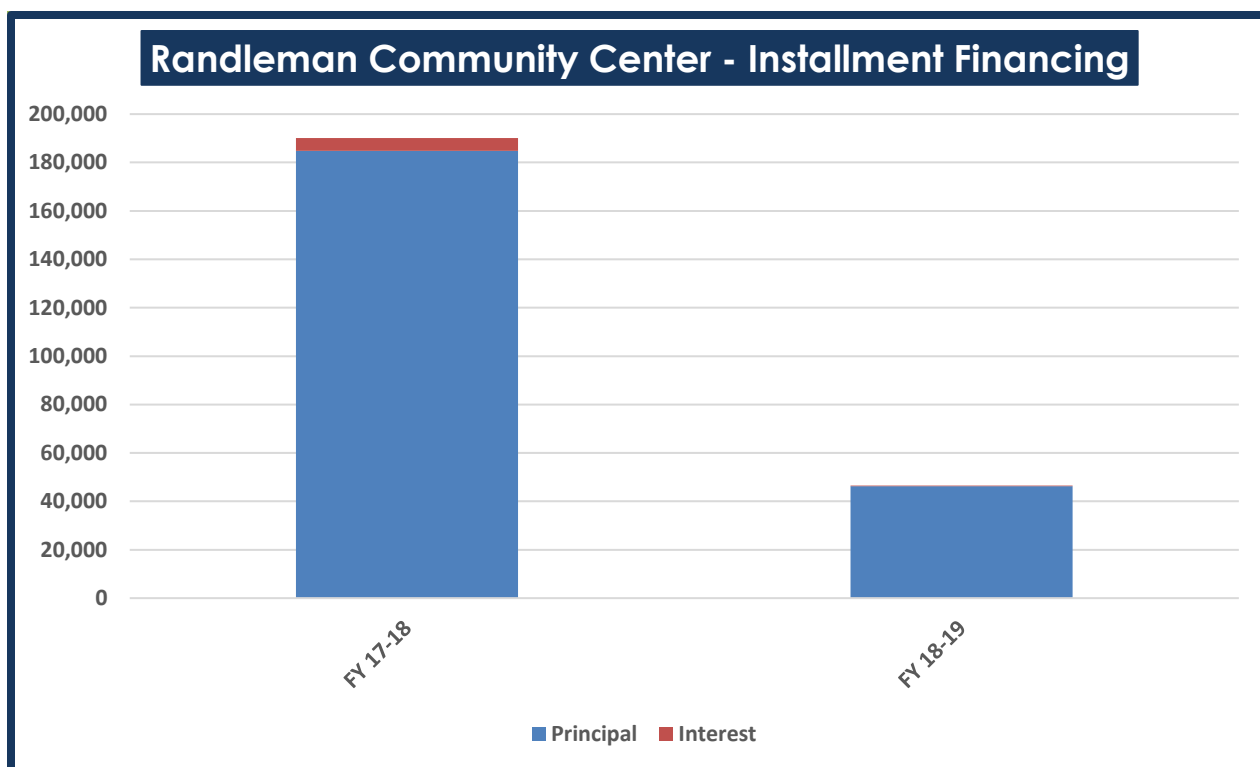
x. Debt Service

North Carolina General Statute 159-55 limits local government debt to a maximum of eight (8) percent of the unit's taxable assessed valuation, which, as of 2017 is projected to be \$31,282,146 (total property valuation is *estimated* at \$391,026,815) for the City of Randleman. The City of Randleman's present total debt service for all funds is *approximately* 11% of this limit. Currently, within the General Fund, the City has two outstanding debt service obligations. They are described herein.

a. Randleman Community Center – Installment Financing

In 2003, the City entered into an installment financing agreement of \$2,772,026 to refinance a prior note and to finance costs of construction, renovation, and improvements to the Randleman Community Center. This respective financing agreement requires monthly principal payments of \$15,400 plus interest at a rate of 3.67%. As mentioned previously, this expenditure is budgeted within the Parks and Recreation Department. For the FY 2017-2018, it is recommended that \$185,000 be budgeted for the principal payments ("DEBT SERVICE-PRIN (2019)") and \$7,500 for interest payments ("DEBT SERVIC-INTEREST") for this obligation. After the upcoming Fiscal Year, the City will have paid *approximately* \$2,587,200 in principal payments for this loan and will only owe about \$46,200 of principal remaining in the following Fiscal Year 2018-2019. The annual debt service requirements for this loan and remaining summarized amortization (or repayment) schedule are as follows:

<u>Randleman Community Center – Installment Financing</u>				
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2017-2018	184,800	5,370	190,170	46,200
2018-2019	46,200	283	46,483	0
TOTALS	231,000	5,653	236,653	

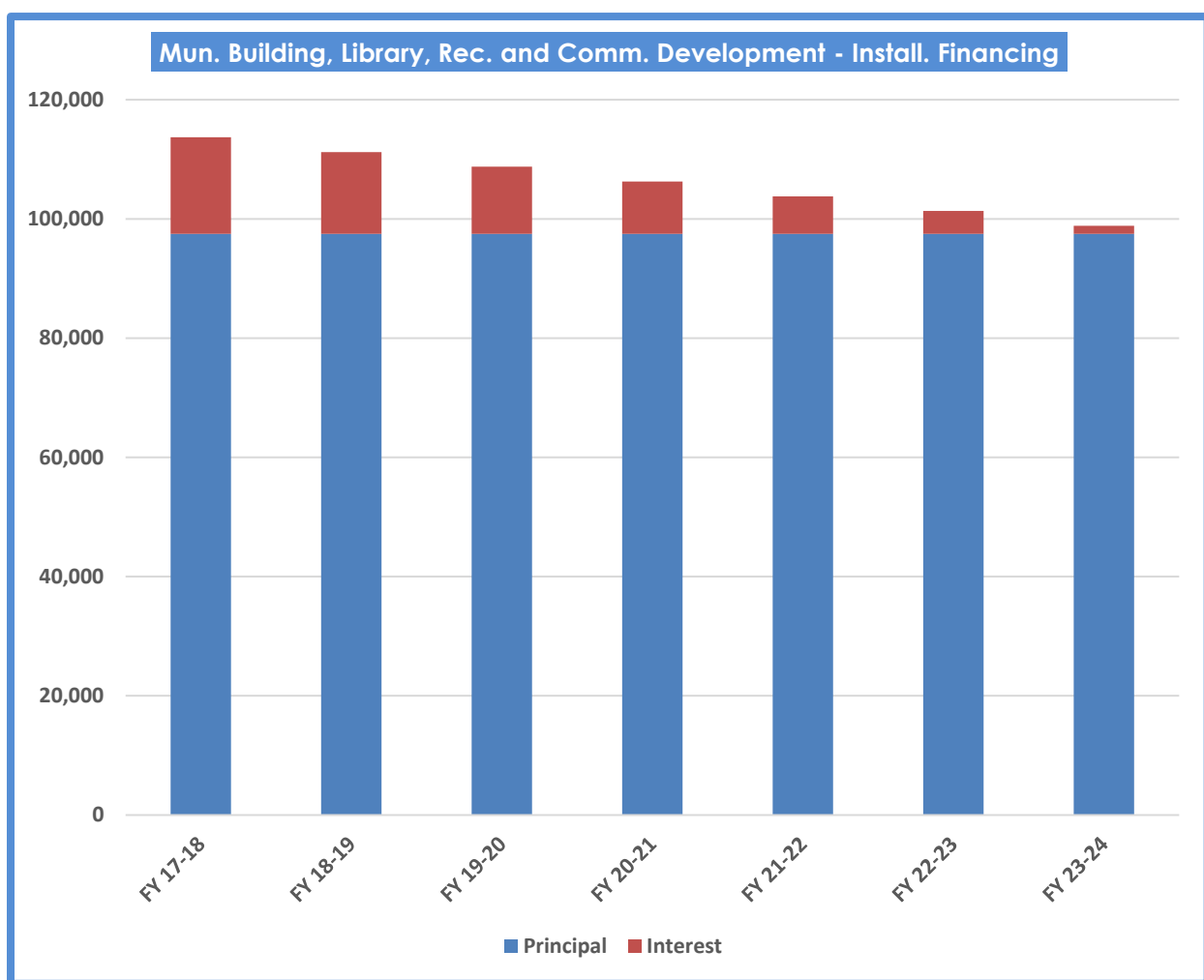


b. Municipal Building, Library, Recreation and Community Development – Installment Financing

In 2014, the City entered into financing agreement to finance several capital projects including the Downtown Improvements, Library Renovation, and more. The total principal amount of the ten-year loan was for \$975,000. The financing agreement requires monthly principal payments of \$8,125 with a 2.54% interest rate. The total amount recommended for budgeting purposes in the FY 2017-2018 is \$114,000, including the principal (BB&T – Principal [2025]) at \$97,500 and interest payments (BB&T PHASE II -INTEREST) of *approximately* \$16,500 for the entire fiscal year. The annual debt service requirements for this loan and remaining summarized amortization schedule are as follows:

**Municipal Building, Library, Recreation and Community Development –
Installment Financing**

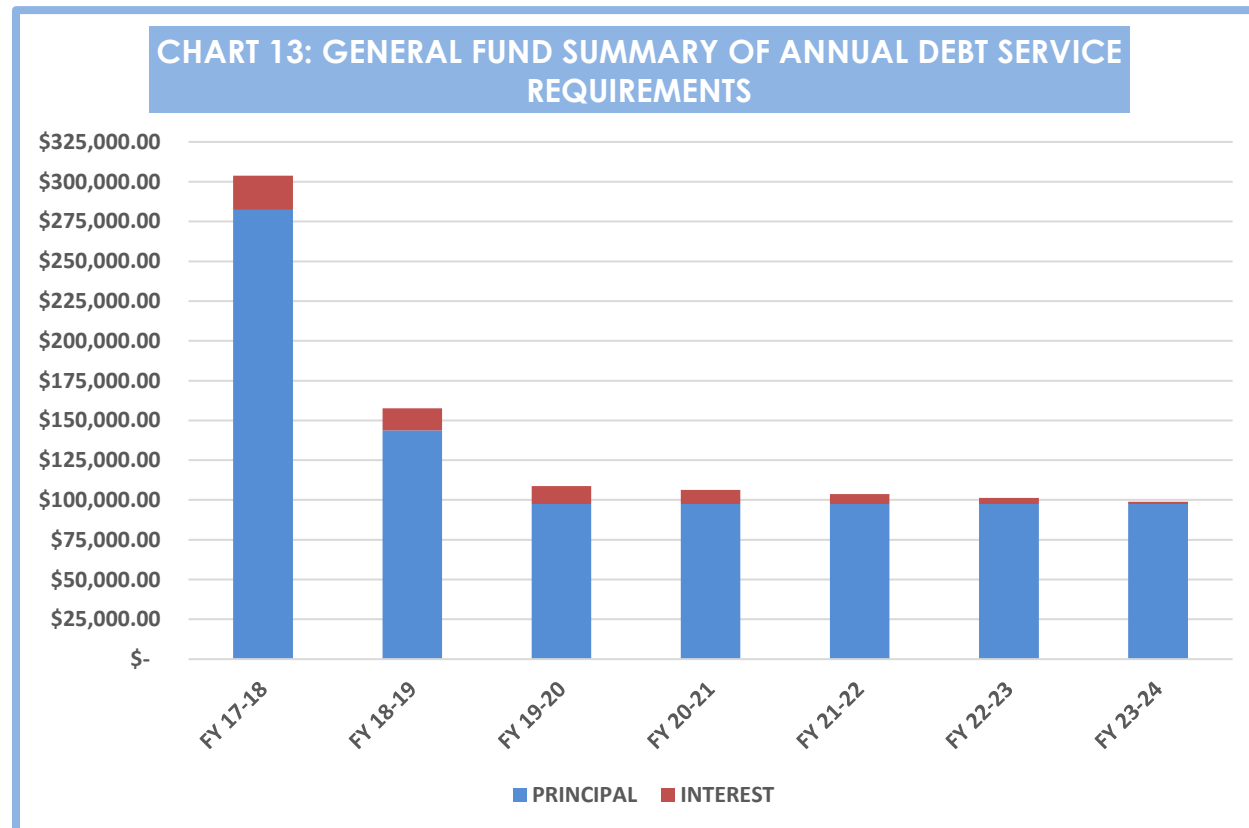
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2017-2018	97,500	16,200	113,700	585,000
2018-2019	97,500	13,724	111,224	487,500
2019-2020	97,500	11,247	108,747	390,000
2020-2021	97,500	8,771	106,271	292,500
2021-2022	97,500	6,294	103,794	195,000
2022-2023	97,500	3,818	101,318	97,500
2023-2024	97,500	1,341	98,841	0
TOTALS	682,500	61,395	743,895	



c. Debt Service Summary

The following is a summarization of the General Fund's annual debt service requirements and remaining summarized amortization schedule. Chart 13 is a visual representation of this data. The purpose of including this is to display the City of Randleman's General Fund debt service obligations over the lifetimes of the loans and how the associated fiscal years will be effected.

<u>Summary of Current Annual Debt Service Requirements for the City of Randleman's General Fund</u>				
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2017-2018	282,300	21,570	303,870	631,200
2018-2019	143,700	14,007	157,707	487,500
2019-2020	97,500	11,247	108,747	390,000
2020-2021	97,500	8,771	106,271	292,500
2021-2022	97,500	6,294	103,794	195,000
2022-2023	97,500	3,818	101,318	97,500
2023-2024	97,500	1,341	98,841	0
TOTALS	913,500	67,050	980,550	



D. GENERAL FUND BALANCE

i. Types of Fund Balances

Before the General Fund Balance Appropriated amount for the FY 2017-2018 is discussed, the administrative staff thought that it may be helpful to define what General Fund Balance is and what it comprises. Government entities report the difference between their assets and liabilities as “Fund Balance.” However, even though this total difference between assets and liabilities is classified as Fund Balance, the total Fund Balance is a conglomerate of different types of Fund Balances. There are three major types of Fund Balances and they are as follows: Reserved or “Non-spendable”, Restricted, and Unreserved. Reserved Fund Balance isolates the portion of fund balances that is not available for appropriation in the next budget cycle, such as the principle amount of trust funds that the entity may control. Restricted Fund Balance is the portion of fund balance that has limitations associated with the appropriations that it may be used for such as Powell Bill funds (discussed in the next section) and the amount required to be held for stabilization by state statute (§ 159-8(a)) as described within the North Carolina Local Government Budget and Fiscal Control Act. The final piece of the Fund Balance puzzle is that pertaining to Unreserved Fund Balance. This is the amount of Fund Balance that is neither Restricted nor Reserved and can be classified into one of two categories: Assigned Fund Balance and Unassigned Fund Balance. Assigned Fund Balance represents the portion of fund balance that has been appropriated for an intended purpose such as a capital project or in the subsequent fiscal year’s budget. Unassigned Fund Balance is the portion of fund balance that is fully available to the entity for appropriation.

Chart 14-A shows the actual, projected and budgeted beginning and ending fund balances for fiscal years 2015-2016, 2016-2017, and 2017-2018, respectfully. Chart 14-B depicts the *estimated* amount of Fund Balance on June 30, 2017 broken down by the above described classifications. This year’s *estimated* Unassigned Fund Balance is believed to increase by an *approximated* 5.9% or \$154,300. This increase is projected to be attributed to an increase in ABC Sales Revenue received, and the sale of surplus property owned by the City of Randleman.

**CHART 14-A:
BEGINNING AND ENDING FUND BALANCES AMOUNTS**

	FY 2016 ACTUAL	FY 2017 PROJECTED	FY 2018 BUDGETED
REVENUES			
AD VALOREM TAXES	\$2,489,582.00	\$2,494,000.00	\$2,481,000.00
OTHER TAXES AND LICENSES	\$283.00	\$250.00	\$400.00
INTERGOVERNMENTAL REVENUES:			
UNRESTRICTED	\$1,699,509.00	\$1,849,300.00	\$1,855,100.00
RESTRICTED	\$137,928.00	\$133,000.00	\$135,000.00
SALES AND SERVICES	\$473,149.00	\$413,100.00	\$483,000.00
INVESTMENT EARNINGS	\$10,341.00	\$23,600.00	\$15,000.00
MISCELLANEOUS REVENUE	\$280,695.00	\$282,750.00	\$144,000.00
TOTAL REVENUES	\$5,091,487.00	\$5,196,000.00	\$5,113,500.00
EXPENDITURES			
GENERAL GOVERNMENT	\$608,812.00	\$622,700.00	\$736,200.00
PUBLIC SAFETY	\$2,287,942.00	\$2,449,300.00	\$2,583,100.00
PUBLIC WORKS	\$494,595.00	\$874,200.00	\$746,600.00
CULTURAL AND RECREATIONAL	\$693,043.00	\$723,400.00	\$676,000.00
ECONOMIC & PHYS. DEVEL.	\$121,060.00	\$56,000.00	\$67,100.00
DEBT PAYMENTS	\$348,953.00	\$417,100.00	\$304,500.00
TOTAL EXPENDITURES	\$4,554,405.00	\$5,142,700.00	\$5,113,500.00
TRANSFERS TO OTHER FUNDS	\$(295,503.00)	\$(101,000.00)	\$0.00
NET CHANGE IN FUND BALANCE	\$241,579.00	\$154,300.00	\$0.00
FUND BALANCE, BEGINNING	\$3,318,152.00	\$3,559,731.00	\$3,714,031.00
FUND BALANCE, ENDING	\$3,559,731.00	\$3,714,031.00	\$3,714,031.00

CHART 14-B:
Estimated Fund Balance Amounts for End of Fiscal Year 2016-2017

	General Fund	Non-Major Fund	Total Gov't
Non-Spendable:			
Library Trust Fund	\$0.00	\$50,000.00	\$50,000.00
Restricted:			
Stabilization by Statute	\$352,833.00	-	\$296,402.00
Streets (Powell Bill)	\$594,448.00	-	\$594,448.00
Assigned:			
Capital Projects	-	\$157,337.00	\$157,337.00
Subsequent Year's Expenditures	\$10,000.00	-	\$10,000.00
Unassigned	\$2,756,750.00	-	\$2,376,028.00
Total Fund Balances	\$3,714,031.00	\$207,337.00	\$3,484,215.00

ii. Powell Bill Fund Balance

Powell Bill is a state allocated revenue source that is disbursed semiannually to municipalities to provide financial assistance for maintaining municipally owned streets. The disbursement of Powell Bill funds to each individual municipal government is based on a weighted allocation formula in which the municipality's population and municipality owned street's mileage are taken into consideration. The State of North Carolina's total amount of allocation for Powell Bill has remained annually consistent and in 2017 was *approximately* \$147.5 million. The state set per capita amount was \$20.15 and the mileage amount was \$1,624.41. Based on these amounts, the allocation of Powell Bill funds for the City of Randleman in FY 2016-2017 was \$120,901.63. This amount is expected to remain *relatively* consistent in upcoming fiscal years. In Fiscal Year 2017-2018, the per capita amount is projected to be \$19.74 per person and the mileage amount is expected to be \$1,612.69 per street mile.

Municipalities, similar to the City of Randleman, that have not expended all of their Powell Bill appropriations in the respective years that they are received, build up surplus funds that are recorded in their General Fund's Fund Balance amounts. The Powell Bill Fund Balance, labeled "Streets" in the financial statements, is classified as a Restricted Fund Balance in the General Fund because these funds have restrictions that were placed upon them when they were received as to how they could be spent. It is *estimated* that the Powell Bill Fund Balance for the

City of Randleman on June 30, 2017 will be \$594,448. This amount is lower than the previous fiscal year end's balance by *approximately* \$128,000 (~17.72%) primarily due to the increase in additional street repaving and sidewalk repair over the Powell Bill revenue allocation for the year.

iii. Fund Balance Appropriated

In Chart 14-B above, the line entitled, "Subsequent Year's Expenditures" reflects the amount of Appropriated Fund Balance in the FY 2017-2018's budget. This amount of Appropriated Fund Balance includes revenue funding for expenditures that will "carryover" from the current fiscal year into the next. These types of expenditures include those in which revenue was collected in the current or prior fiscal years to fund the expenditure; but, the expenditure will not actually be expended out until the next fiscal year. Chart 15-A depicts a five-year history of the General Fund balance available for appropriation. Chart 15-B shows the *estimated* amount of fund balance available for appropriation in the upcoming fiscal year. Until FY 2017, The City of Randleman had a minimum fund balance policy for the General Fund which instructed management to conduct business of the City in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures but can still be appropriated if emergency situations arise. This policy was updated in FY 2017 to raise the amount to 25%. The balance available for appropriation for FY 2017-2018 is *estimated* to be \$1,478,375. This amount is *roughly* 28.9% of the City's requested General Fund budgeted expenditures for the upcoming fiscal year, while the total amount of General Fund Balance is *estimated* to be *approximately* 72.6%. The amount of requested General Fund Balance appropriated for use in the FY 2017-2018 budget is \$10,000. This amount is associated with the City's Market and Music Summer Concert Series because funds for some of these events were collected in the Current Fiscal Year 2016-2017 and will not be expended out until during the upcoming 2017-2018 Fiscal Year.

CHART 15-A:
General Fund Balance Available for Appropriation
(Five Year History)

	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Unass. Fund Bal. Amt.	\$3,639,612	\$1,997,538	\$2,114,127	\$1,922,977	\$2,225,787
- 10% of Budgeted Expenditures	\$407,635	\$438,860	\$415,620	\$486,545	\$527,850
Fund Bal. Available for Approp.	\$3,231,977	\$1,558,678	\$1,698,507	\$1,436,432	\$1,697,937

*The City of Randleman has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business of the City in such a manner that available fund balance is at least equal to or greater than 10% of budgeted expenditures.

CHART 15-B:
General Fund Balance Available for Appropriation
(Estimated FYE 2017)

	FYE 2017 (Estimated)
Unass. Fund Bal. Amt.	\$2,756,750
- 25% of Budgeted Expenditures	\$1,278,375
Fund Bal. Available for Approp.	\$1,478,375

*The City of Randleman has updated their adopted minimum fund balance policy for the General Fund which now instructs management to conduct business of the City in such a manner that available fund balance is at least equal to or greater than 25% of budgeted expenditures.

E. UNFUNDED GENERAL FUND INTERESTS AND LIABILITIES

Not included with the Proposed General Fund 2017-2018 Budget are a few items that should be discussed. These items are distinguished as being unfunded interests and unfunded liabilities. The Board of Aldermen has shown interest in a number of projects that are not funded with this proposed budget – a wish list, per se. A list of these interests is included to recognize that upon creation of the proposed budget, potential items that the board can decide to accomplish in the near future still remain. General Fund Interests that remain unfunded and their *estimated* costs are:

- Further paving and beautification of downtown area behind the City of Randleman's Farmers' Market (~\$175,000)
- Lights for the new Soccer Field at Stout Street Park (~\$80,000)
- ATV for Fire Department to be used in instances where off-road rescues are required, such as the Deep River Greenway Trail. (~\$25,000)
- Resurfacing of the Walking Track at the City of Randleman's Community Center. (~\$31,000)
- New sidewalk construction along Academy Street connecting downtown to Randleman Middle School and Randleman High School (Amount To Be Determined)

While most of the City's service levels are proposed to remain unchanged in the upcoming Fiscal Year 2017-2018, this greatly impacts the ability of the City to pursue the Board of Aldermen's items of interest. With changes in budgeting strategies and projected increases in the General Fund's Revenues, the City of Randleman should be able to accomplish many of the Board of Aldermen's goals and interests in upcoming fiscal years.

Also remaining unfunded is the City's liability of potential retiree insurance payments, which includes funding for current employees who are eligible to receive the City's OPEB insurance coverage if they were to retire. It is estimated that over the next five fiscal years this unfunded liability will total *approximately* \$167,400. This approximation is based on current upward trend of insurance rates, the eligibility of the City's respective employees to use this benefit, and the retirees who currently use this benefit. It is recommended that in future fiscal years, the City creates a separate OPEB Outlay fund that will allow for monies to be allocated to fund this liability.

F. GENERAL FUND OVERALL

The General Fund is requested to be budgeted for the FY 2017-2018 at a total amount of \$5,113,500. This amount is a decrease of \$241,700 from the Current Fiscal Year 2016-2017 budget. This reduction in expenditures can be mainly attributed to the nonexistence of certain expenditures that were budgeted for within the Current Fiscal Year 2016-2017 budget including the approximate allocation of \$50,000 for the City's Market and Music Summer Concert Series and Festivals; a one-time transfer of \$101,000 of funds that were transferred into the Deep River Greenway Trail Capital Project; a reduction in the amount of Powell Bill funds that are to be expended by \$130,000; and, city-wide increases in personnel costs. While this decrease seems like a large reduction in overall expenditures, the operational funds required on the City's behalf to fulfill the Recommended Fiscal Year 2017-2018 General Fund budget have actually increased. The Current Fiscal Year 2016-2017 budget amount of \$4,206,300, which excludes all non-traditional revenue sources, will rise by *roughly* \$92,000 to the requested amount of \$4,297,900 for the FY 2017-2018. This increase of needed funds will impact the amount of General Fund Balance available for the City, whether the Board's goal is to contribute an amount back into fund balance at the end of the fiscal year or to have cushion in the FY 2017-2018 budget. The overall City contributions to the General Fund Budget for the current fiscal year and the requested FY 2017-2018 are shown in Chart 16 below. The Recommended 2017-2018 Fiscal Year Line Item General Fund Revenue and Expenditures Budgets are exhibited in [Appendix C](#) and [Appendix D](#), respectively.

CHART 16: CITY GENERAL FUND CONTRIBUTIONS PER FY		
	FY 2015-2016	FY 2016-2017
Total Budgeted Revenue Amounts	\$ 5,355,200	\$ 5,113,500
- Budgeted Nontraditional Revenues	\$ (1,148,900)	\$ (815,600)
City Contributions	\$ 4,206,300	\$ 4,297,900
	Difference	\$91,600

IV. WATER/SEWER FUND

The City of Randleman provides water and sewer services for *roughly* 2,500 customer accounts located within the City's service area, equating to *approximately* 6,400 people served. Administration decided that it would be beneficial to highlight aspects of the upcoming Fiscal Year 2017-2018 Recommended Budget, explain what the major revenues and expenditures to provide services for the City of Randleman's citizens and customers consist of, how they are accounted for, and potential needs for changes within the fund.

A. WATER/SEWER FUND HIGHLIGHTS

The City of Randleman's Fiscal Year 2017-2018 Recommended Water/Sewer Fund Budget is presented at an *approximate* \$37,000 increase from the current Fiscal Year 2016-2017 budget. This increase can be attributed to a combination of both increases and decreases in numerous expenditure line items that will be discussed later within the expenditure section. Outlined below are highlights of both revenue and expenditure portions of the FY 2017-2018 Recommended Water/Sewer Fund Budget:

- **Utility Rates** – The 2017-2018 Water and Sewer minimum usage and consumption utility rates for the City of Randleman were approved by the Board of Aldermen to be increased by 10%. This is equivalent to an approximate \$1.65 per month increase on a minimum bill (0-3,000 gallons) and an approximate \$0.62 increase for every 1,000 gallons used after the minimum bill's allotment. This is the second year of modest increases after there were no increases on utility rates during the previous eight years.
- **Waterline Replacements** – Waterlines along Hinshaw Street and Sunset Drive are to be replaced at a cost of \$212,000 and will be funded by current year revenues in the Water and Sewer Fund. The line replacements will be accounted for in a separate capital project fund that will be opened at a later date and are shown in the Water and Sewer Fund as a "Transfer to Other Funds." This is considered to be a Capital Expenditure.
- **Air Supply Piping and Diffuser System Loan**– There is a new loan payment allocation for a 0% interest State Revolving Fund Loan (SRF) and the first annual payment is due this upcoming Fiscal Year. The loan covers expenses incurred for the new air diffusers installed in tanks two and three at the Wastewater Treatment Plant this current Fiscal Year.

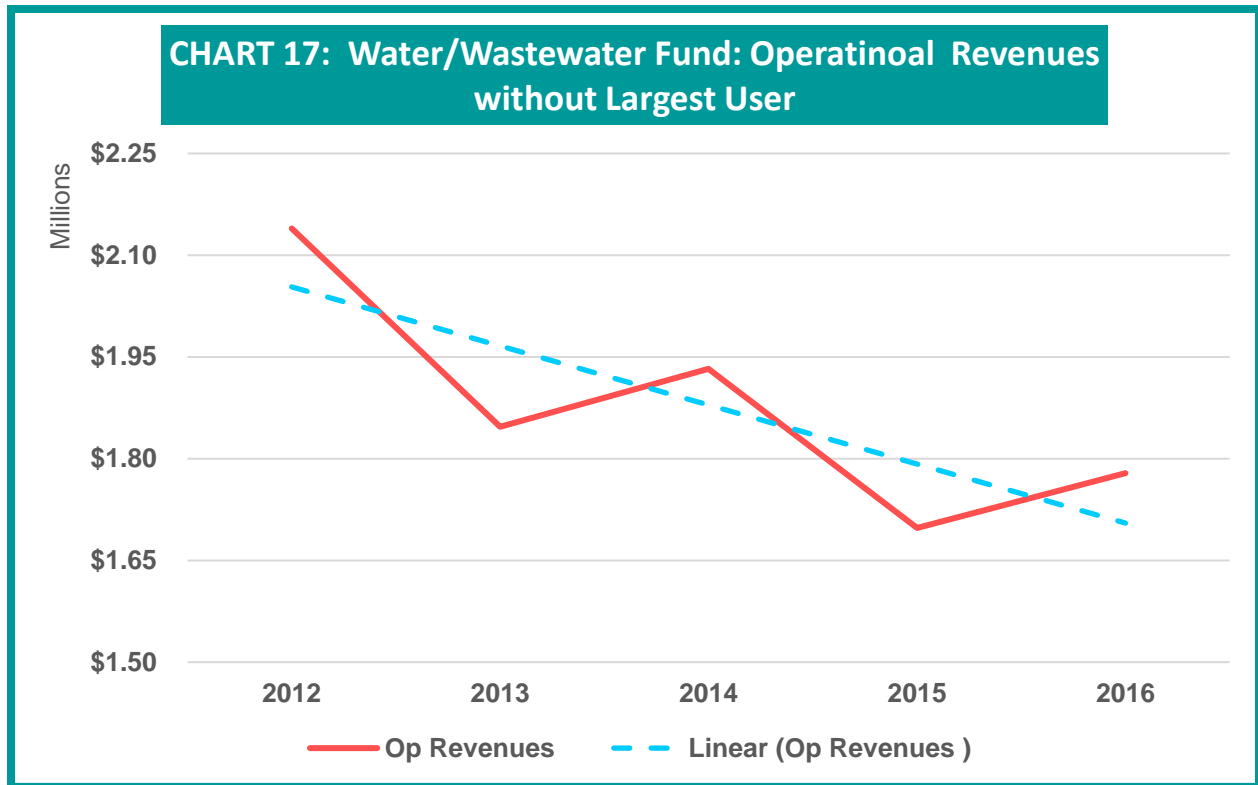
- **Engineering Study** – To better position the City of Randleman in accommodating industrial users along U.S. Highway 311, \$40,000 is being recommended to fund an engineering study to address infiltration and inflow (I&I), as well as capacity issues along main sewer fallout lines.
- **Radio-read Water Meters/Vacant Position** – It is recommended that *approximately* \$81,000 be appropriated for debt service payments for a proposed Radio-read Water Meter Capital Project that will provide a much-needed benefit to the City of Randleman's utility customers. Informal rate quotes are being obtained now for a 15-year loan term. If the board wishes, the term of the loan may be extended to reduce the annual payments of the proposed loan. If the board decides against implementing the proposed project, the Public Works Director will need to fill the vacant position currently within the Water/Wastewater Maintenance Department to relieve the workload that is placed on the Public Works Department due to the necessity of having to manually read water meters each month.
- **Employee Benefits** – As discussed in the General Fund Highlights section, Total employee insurance coverages (Health, Dental, Vision and Life) are expected to increase by *almost* \$33 per employee per month. This is a drastic reduction from the City's original estimation of an increase of *approximately* \$82 per employee per month. This is a recognized annual cost savings of *roughly* \$6,000 in the Water/Sewer Fund.
- **Pay and Classification Plan** – [Appendix H](#) contains the City's recommended Pay and Classification Schedule. [Appendix I](#) contains the City's Personnel Summary from FY 15-16, FY 16-17, and recommend for FY 17-18; along each positions' recommended pay grades. The City's Pay and Classification Schedule continues to put the City in a better position to compete with other employers in order to retain our key employees by enabling the City of Randleman to keep up with the current market rates of positions. There are no new additional personnel requests for the Fiscal Year 2017-2018 budget year.
- **OPEB Outlay** – Again, as discussed previously, Administration is requesting a new approach to accounting for Retiree Insurance benefits. The newly suggested approach will do away with line items for retiree insurance and redistribute the cost of this benefit between all departments of the fund. The formula to calculate this redistribution takes into account what fund the employee was paid out of when they retired. It then calculates the percentage needed to allocate to each department by dividing the total needed to fund the amount of the retirees' insurance annually for each

respective fund by the total amount needed for current employee salaries within the respective funds. The reason for calculating the OPEB payments this way is to allow for equal multiple department allocation of the benefit for those employees who are paid across departments or across funds. In the Water/Sewer Fund, departments will see higher overall expenditures due to the smaller size of their salary expenditures when compared to the General Fund. The calculations and amounts that will be appropriated to each department are exhibited in [Appendix J](#).

B. REVENUES

The City of Randleman's Water and Sewer fund is classified as an Enterprise Fund, which is also known as a Proprietary Fund. This type of fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, as well as producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City of Randleman's enterprise funds are charges to customers for sales and services. The City also recognizes the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system as operating revenue.

A respectable amount of the City's Water and Sewer Fund's revenue is provided by one large industrial customer. This customer uses *approximately* 8,000,000 gallons of water per month and has a take-or-pay utility rate structure with the City of Randleman. After constructive conversation with the industry, an agreement was reached and the Board of Aldermen unanimously voted in April of 2016 to increase the industry user's monthly rate from \$35,000 to \$45,000. This increase enabled the City of Randleman to generate an additional \$120,000 in revenue per year for the Water and Sewer Fund. However, as mentioned previously, residential water and sewer rates remained unchanged since 2008 and subsequently, multiple increases in pricing from our major water supplier, PTRWA, (*approximately* 3.5% increase per year), had not been passed along to the City's customers during that time frame (more discussion on this topic is presented below). A derivative of "Chart 2: Water & Wastewater Fund – Operating Revenue vs. Operating Expenditures" is shown in Chart 17 as a reflection of Operating Revenue without the revenue received from the large industrial user since FY 2010-2011.



To get a better understanding of the overall pattern occurring with the operating revenues, a trend line (blue, dashed) has been added. The overall trend visualized is that revenues in the Water and Sewer Fund are on a general downward slope. This can *potentially* be attributed to water use awareness and active conservation efforts by the City's customers through the installation of newer, energy efficient devices in their homes that consume less water than their previous counterparts from years ago. To account for this portion of the decrease in revenues, Water and Sewer rates were increased by 7% in the Current Fiscal Year 2016-2017. This increase is expected to generate *approximately* \$112,000 in water and sewer revenue City-wide in the Current Fiscal Year. The Board of Aldermen wished to curtail the downward sloping revenue trend even further and in April of 2017, unanimously voted to increase Water and Sewer rates by 10% for the upcoming 2017-2018 Fiscal Year. This increase is *estimated* to generate an additional \$117,000 in water and sewer revenue City-wide. This rate increase will keep a minimum inside residential bill's total around \$1.00 per day (*roughly* \$1.03, including increased water, sewer, and garbage rates and storm water fees based on a 60-day billing cycle). While most rate increases tend to be frowned upon and usually receive negative criticism, a positive outlook on increasing the City's

water and sewer rates is that: in addition to the extra revenue generated by the increase, it will also allow for the potential option of the City up to being available to receive zero to low interest loans (half of market API) from the State's Revolving Fund to fund potential capital projects for repairs to critical infrastructure, such as the needed repairs to the wastewater treatment plant that has an *estimated* cost of \$1.8 million. Qualifying for these types of loans can *potentially* save the City hundreds of thousands of dollars in interest payments over the life of the loans.

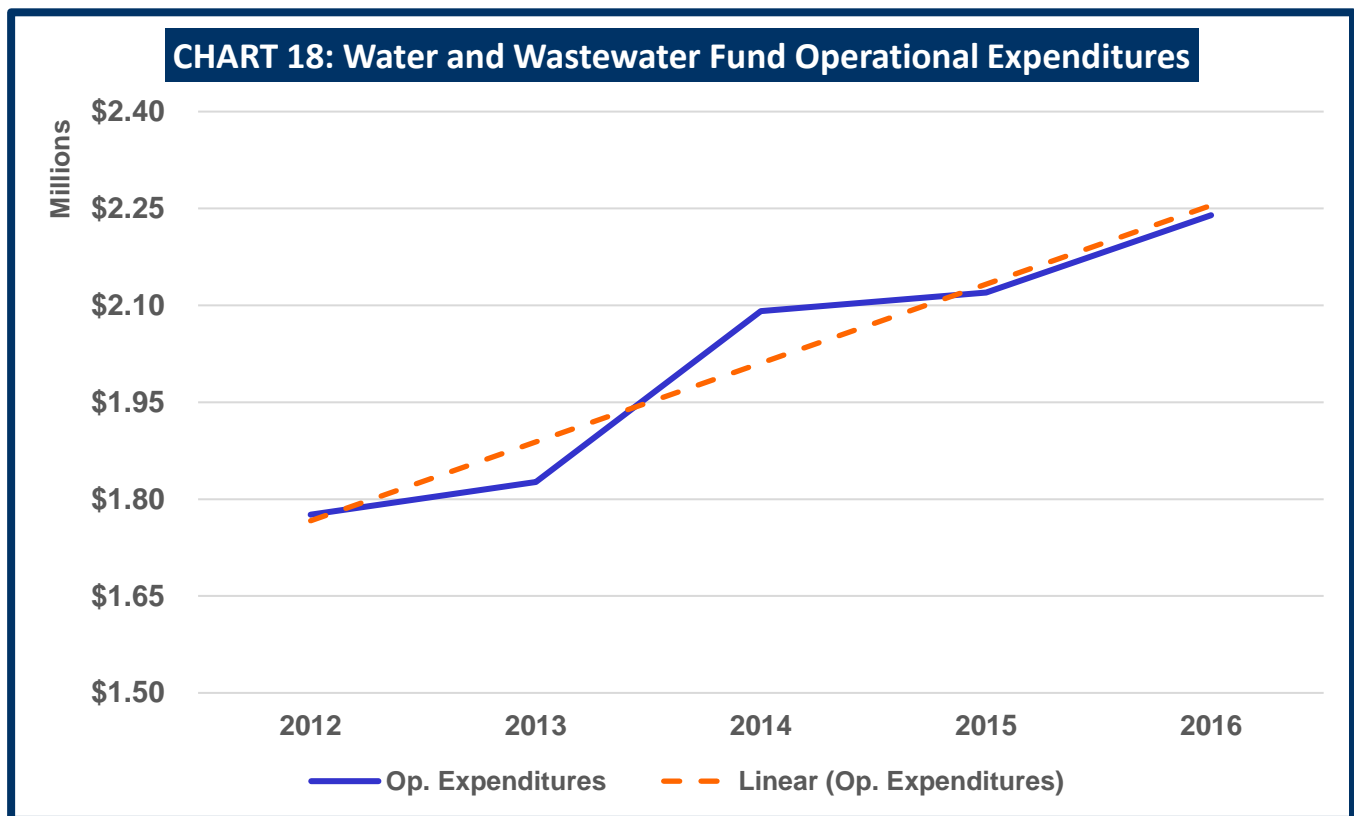
Another potential reason for the decline of revenue over time could be associated with the aging infrastructure of water meters throughout the City. Over time, as water meters age, they slowly lose the ability to read accurately, which in turn allows more water to go through the aged meters than is actually billed to the customers. This causes a two-fold problem for the City. First, there is a loss of revenue that is not accounted for due to the inaccuracy of the meters' readings. Secondly, there is a loss of water that is unaccounted for; but, is paid for by the City. In other words, water goes through these aged meters and is not picked up by the meter; thus, the customers who use the water are not billed for their true usage and the City still has to pay for this water loss even though it cannot account for it. The City of Randleman has actively searched for cost-saving measures to allow for accounting of these losses in revenue and water usage and believes to have found a solution in Automated Meter Infrastructure (AMI). This is a viable solution that could allow potential cost savings, as well as provide a greater accountability for loss of water and revenues. Based on the new utility rates in the upcoming Fiscal Year 2017-2018, it has been estimated that by implementing AMI technology, the City could see a reclamation of *roughly* 5% of lost revenues or around \$126,500. It is projected that implementation of AMI would cost *approximately* \$950,000 total. Should the Board of Aldermen wish to proceed with this project, it is projected that the recognized payback of this project will occur in seven to eight years. Thus, since the meters have a useful life of 20 years, this means that collected revenues will balance the estimated total cost of the project within the first 35 to 40% of that time. It should be noted that current indications from the Federal Reserve show that interest rates will be rising in the near future. Thus, to achieve the lowest interest rate possible, staff have begun to collect informal loan quotes to conceptualize the annual budgeted repayment amounts needed for this project. It is calculated that with a loan for the project, the recommended budgeted amounts needed for debt service obligations are *approximately* \$81,000 for 15 years.

The *estimated* amount of revenue to be collected within the upcoming Fiscal Year 2017-2018 for the City of Randleman's Water and Sewer Fund is *approximately* \$2,538,505. Of this, the portion of the City of Randleman's Water and Sewer Fund budget including the revised rates is *estimated* to total \$2,421,200. with \$1,190,000 of that amount budgeted for water use and \$1,183,000 accounting for sewer use, with the rest being comprised of various sources including but not limited to late fees, tap fees and other miscellaneous forms of revenue. Even though the City's utility rates are split evenly among water and sewer rates (that is, the water rate is the same as the sewer rate), the major difference in the overall budgeted total is attributed to the way the revenue that the City's largest customer pays is accounted for. *Approximately* 75% of the largest customer's total monthly payment goes toward the City's wastewater charges and the other 25% goes toward the City's water charges. Also, there are some customers in town who have water service but are not on the City's sewer system.

It should be noted that there is no appropriation of Net Assets in the Recommended Fiscal Year 2017-2018 Budget. The Recommended 2017-2018 Fiscal Year Budget for the City of Randleman's Water and Sewer Fund's Revenues can be found in [Appendix E](#).

C. EXPENDITURES

Expenditures in the Water and Sewer Fund are divided into three departments: Water, Water and Wastewater Maintenance, and the Wastewater Treatment Plant. Expenditures as a whole in the Water and Sewer Fund have steadily increased since Fiscal Year 2012, as previously exhibited by “Chart 2: Water & Wastewater Fund – Operating Revenue vs. Operating Expenditures”. Another derivative from Chart 2, is shown below in Chart 18 as an exhibit of Operating Expenditures since FY 2011-2012.

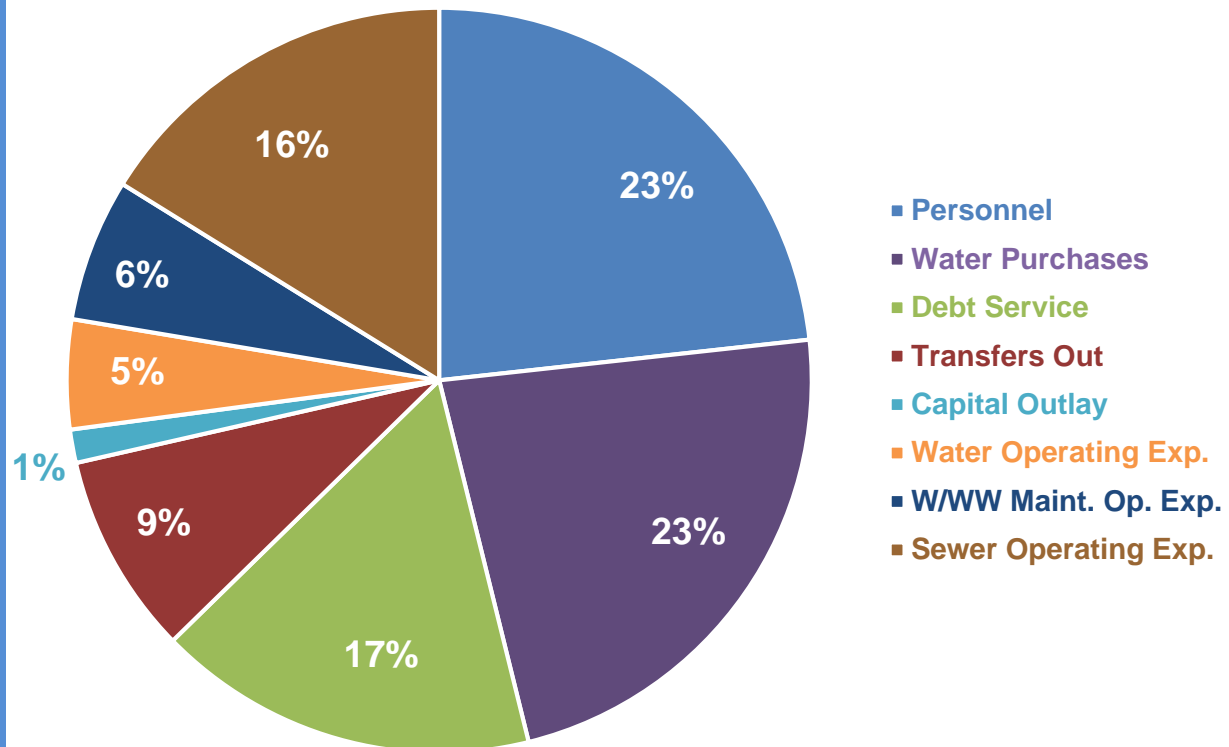


As with the derivative for Revenues in Chart 16, a trend line (orange, dashed) has been added to better provide a visual understanding of the upward slope, over time, in costs for the Water and Sewer Fund and to highlight the increase in expenditures that the respective fund faces. Key changes to contracted negotiations with neighboring cities, personnel reclassifications, and other cost saving measures implemented by the City will hopefully allow for the rising trend in expenditures to lull. However, the City of Randleman will face new capital

needs pertaining to the Water and Sewer Fund in the near future that will need to be funded somehow. The approved increase in water and sewer rates will allow for a coverage of the increase in expenditures, as well as a potential for contributing back into the Water and Sewer Fund's Net Assets (Fund Balance for Proprietary Funds). These foreseen capital expenses are discussed in their respective departments' sections below. Chart 19, below, exhibits a summarization of the expenditures by department found within the Water and Sewer Fund's Recommended budget, as presented in the proposed budget ordinance. Chart 20 reflects these expenditures as functions within the Water and Sewer Fund in the form of a pie chart.

CHART 19: FY 2017-2018 REQUESTED WATER AND SEWER FUND BUDGET EXPENDITURES BY DEPARTMENT	
WATER	886,100
WATER/WASTEWATER MAIN.	267,700
WASTEWATER TREATMENT PLANT	654,800
DEBT SERVICE/TRANSFERS	612,600
TOTALS FOR WATER/SEWER FUND	2,421,200

CHART 20:
Water and Sewer Fund Recommended Fiscal Year 2017-2018
Budgeted Expenditures by Function



i. Water Department

The Water Department accounts for those expenditures associated with the purchase and resale of water. The majority of these expenditures are comprised of the City's wholesale water agreements with the City's two major water suppliers, Piedmont Triad Regional Water Authority (PTRWA) and the City of Asheboro. The City of Randleman entered into a new contractual agreement with the City of Asheboro in January of 2016 to renegotiate the price of water being purchased from the City of Asheboro for use on the south end of the City of Randleman. The negotiated price was set at *nearly* 68% of the City of Asheboro's inside residential rate at a minimum take or pay charge of 125,000 gallons per day. This amounts to *approximately* \$114,000 annually. For the FY 2017-2018, to account for possible increases in the respective rate, this line item is recommended to be budgeted at \$120,000. The budgeted expenditure for the City's other water supplier, PTRWA, is *estimated* to be \$392,000. This amount accounts for the projected 3.5% increase in charges from PTRWA from the current fiscal year. One line item of note is that of Credit Card Fees, which is

recommended to be budgeted at \$10,000 for the FY 2017-2018. Since implementing the option for customers to be able to pay online using a credit card in early 2015, the City has collected *approximately* 15% of its annual revenues through this form of payment and passes along a convenience fee of \$2.25 per transaction. For the upcoming fiscal year, the Board of Aldermen voted to increase the corresponding credit card processing fee to \$2.50 per transaction to recoup the cost of this payment option. Overall, the Water Department is recommended to be budgeted at an increase of \$13,200 over the Current Fiscal Year 2016-2017 Budget in the total amount of \$886,100 for the FY 2017-2018 budget.

ii. Water and Wastewater Maintenance

The Water and Wastewater Maintenance Department is responsible for the maintenance of the City's water and wastewater lines, facilities, grounds, and other related city structures. The Water and Wastewater Maintenance Department's Recommended Fiscal Year 2017-2018 Budget is *approximately* \$20,000 less than the Current Fiscal Year Budget. This is due to the freezing of a position within the department, which reduces the overall budgeted amount of personnel appropriations by *roughly* \$60,000. It is recommended that the funds appropriated for this position be reallocated into debt service payments for the requested Radio-read Meters Capital Project which will benefit the City as a whole by allowing department staff to realign job duties to better serve the citizens. The remainder of the overall decrease is offset by an increase of \$35,000 in the department's "Contracted Services" line item and increases of Gas and Automotive Supplies totaling \$5,000. The "Contracted Services" line item increase is to allow the department to continue to find and fix infiltration and inflow (I&I) issues along the main fallout line, as well as to fund an engineering study on sewer capacity along potential growth areas. Other large line items include those of "Water/Sewer Construction/Replacement", which is the budgeted expenditure for replacement and new construction of water and sewer lines within the City's service area, as well as the "Maintenance and Materials" line item. These line items have been recommended to be budgeted for \$30,000 and \$35,000, respectively. The Maintenance and Materials line item accounts for all items and services required to repair broken water and sewer lines. The Water and Wastewater Maintenance Department is also requesting \$212,000 to be budgeted for a Waterline replacement Capital Project. This appropriation is

accounted for as a "Transfer to Other Funds" included in the Debt Service/Transfers section of the Water and Sewer Fund budget. The total amount of money recommended to fund the FY 2017-2018 Water and Wastewater Maintenance budget is \$267,700.

iii. Wastewater Treatment Plant

The Wastewater Treatment Plant (WWTP) facilitates the collection and treatment of the City's wastewater and runoff through the use of the WWTP itself, as well as multiple area pump stations located throughout the City's service area. The Recommended Fiscal Year 2017-2018 WWTP Department Budget is requested to be increased by \$10,300 over the Current Fiscal Year. This increase can be attributed mainly to a requested \$10,000 increase in the "Sludge Removal" expenditure line item. Expenditure line items of note within the FY 2016-2017 Budget include the cost of utilities to run the plant, the cost of equipment to maintain the plant, and the break-even expenditure portion of the sewer from the southern end of the City that is sent to Asheboro for treatment. The cost of utilities to run the WWTP is budgeted at \$135,000 for the upcoming fiscal year. The cost of equipment to maintain the plant is appropriated in Capital Outlay at \$35,000. This appropriation has been reallocated from a portion of the "Maintenance and Repair of Equipment" line item. This is because, previously, the department budgeted for new equipment purchases in the M&R line item itself; but, a new budgeting strategy implemented by Administration calls for the reallocation of these appropriations into the Capital Outlay line item.

The department has appropriated \$50,000 for the treatment of wastewater by the City of Asheboro from the south side of the City of Randleman. According to the contractual agreement between Randleman and the City of Asheboro, as mentioned previously, this amount would be classified as a pass through. This is because the City of Randleman bills customers that are connected to Asheboro sewer lines that are located in the south end of Randleman for their sewer use according to the City of Randleman's fee schedule. Then, this amount is forwarded to Asheboro. With the number of new developments in the vicinity of the Asheboro sewer line that are actually customers of the City of Randleman, this number is expected to grow over the years, with no gain or loss for the City of Randleman. The total requested amount for the WWTP department's budget for FY 2017-2018 is \$654,800.

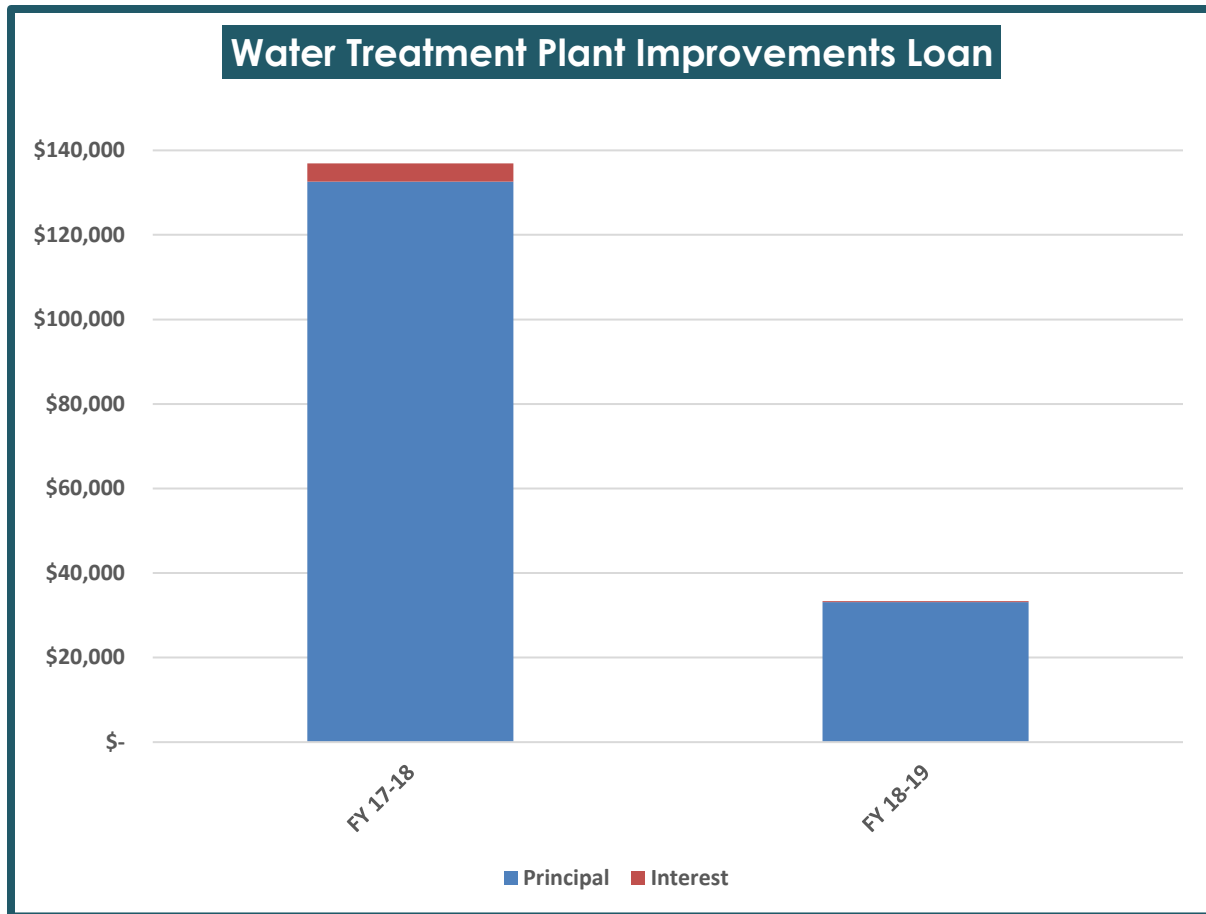
iv. Debt Service/Transfers

The City of Randleman's Water and Sewer Fund contains a separate section set aside to account for the Debt Service and Transfers of the fund. Currently, the City of Randleman has four outstanding loans that are accounted for in the Water and Sewer Fund and total *approximately* \$2.6 million. Each of the loans will be discussed, as well as their Debt Service amortization schedules. For the purpose of simplification, each loan is exhibited with the payment total amounts for both interest and principal by year. That is, if there is more than one payment made each year, the total for each fiscal year of those payments is shown, rather than each individual payment's amount. There is also a section dedicated to Transfers from the Water and Sewer Fund to Other Funds.

a. Water Treatment Plant Improvements

In September 2003, the City of Randleman entered into an installment financing agreement of \$1,989,306 to finance water treatment plant improvements. The financing agreement requires monthly principal payments of *approximately* \$11,052 with an interest rate of 4.09%. In the City of Randleman's Water and Sewer Fund's line item budget, expenditures associated with this loan are attributed to "PTRWA #1/PRIN (2019)" and "PTRWA #1-INTEREST." The Fiscal Year 2017-2018 Budget is the last year that the full appropriation of payments for this loan will need to be made. In the following Fiscal Year 2018-2019, there will be *approximately* \$100,000 that can be reallocated within the Water and Sewer Fund. The annual debt service requirements for this loan and remaining summarized amortization schedule are below and are followed by a visual representation of the data.

<u>Water Treatment Plant Improvements Loan</u>				
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2017-2018	132,620	4,294	136,914	33,157
2018-2019	33,157	226	33,383	0
TOTALS	165,777	4,520	170,297	



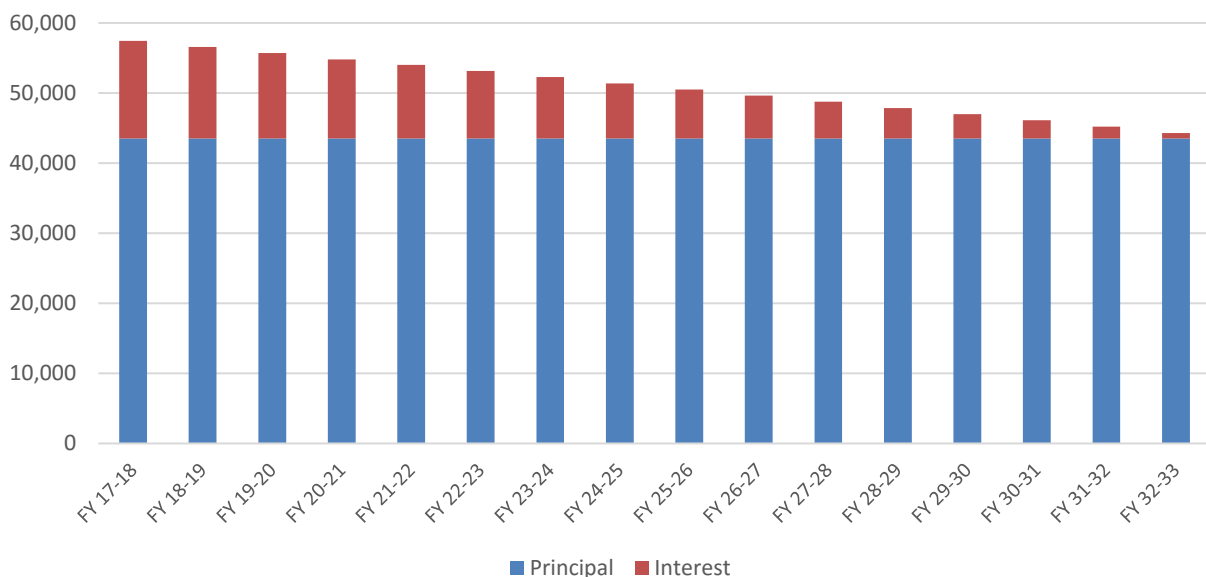
b. North Carolina Clean Water Revolving Loan – 2

In June of 2013, the City of Randleman executed a note with the State of North Carolina to borrow up to \$870,555 in accordance with the North Carolina Education, Clean Water and Parks Revolving Bond Act of 1993. Annual principal payments of *approximately* \$43,528 are required through May 1, 2033. Interest of 2.00% is payable on November 1 and May 1 of each year until the loan is repaid. In the City of Randleman's Water and Sewer Fund's line item budget, expenditures associated with this loan are attributed to "SRF LOAN-PRIN (2033)" and "SRF LOAN-INTEREST." The annual debt service requirements for this loan and remaining summarized amortization schedule are below and are followed by a visual representation of the data.

North Carolina Clean Water Revolving Loan - 2

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2017-2018	43,528	13,929	57,457	652,920
2018-2019	43,528	13,058	56,586	609,392
2019-2020	43,528	12,188	55,716	565,864
2020-2021	43,528	11,288	54,816	522,336
2021-2022	43,528	10,500	54,028	478,808
2022-2023	43,528	9,620	53,148	435,280
2023-2024	43,528	8,740	52,268	391,752
2024-2025	43,528	7,860	51,388	348,224
2025-2026	43,528	6,980	50,508	304,696
2026-2027	43,528	6,100	49,628	261,168
2027-2028	43,528	5,220	48,748	217,640
2028-2029	43,528	4,340	47,868	174,112
2029-2030	43,528	3,460	46,988	130,584
2030-2031	43,528	2,580	46,108	87,056
2031-2032	43,528	1,700	45,228	43,528
2032-2033	43,528	783	44,311	0
TOTALS	696,448	118,346	814,794	

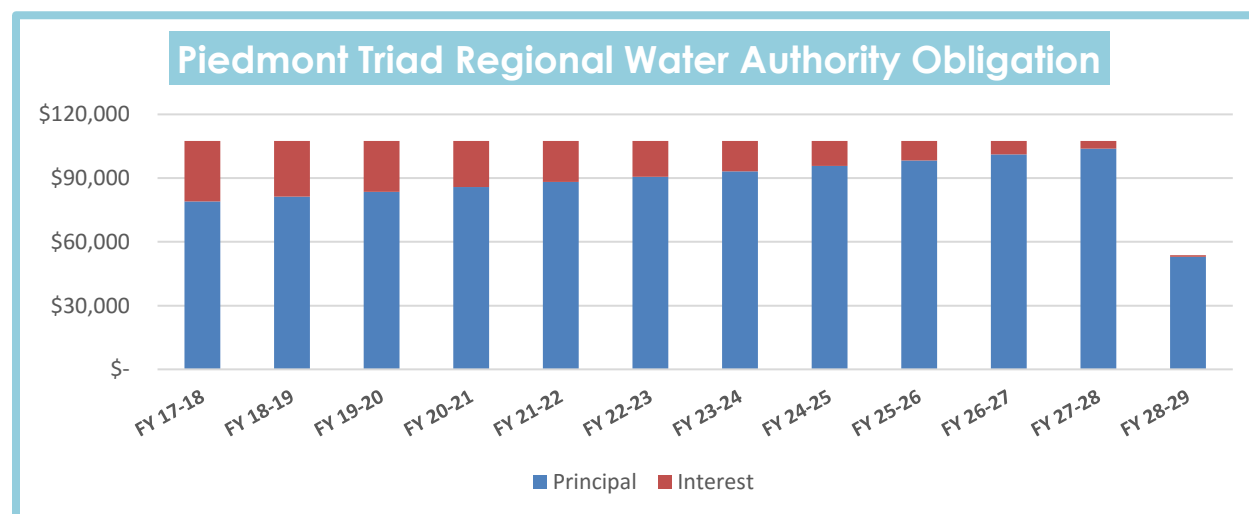
North Carolina Clean Water Revolving Loan - 2



c. **Piedmont Triad Regional Water Authority (PTRWA) Obligation**

The City of Randleman guaranteed \$1,429,389 of debt of the PTRWA, and the City is required to make semiannual payments to the authority of *approximately* \$53,754 through FY 2028-2029. These payments include interest at 2.75%. In the City of Randleman's Water and Sewer Fund's line item budget, expenditures associated with this loan are attributed to "PTRWA #2/PRIN (2028)" and "PTRWA #2-INTEREST." Annual debt service requirements of the PTRWA Obligation and remaining summarized amortization schedule are below and are followed by a visual representation of the data.

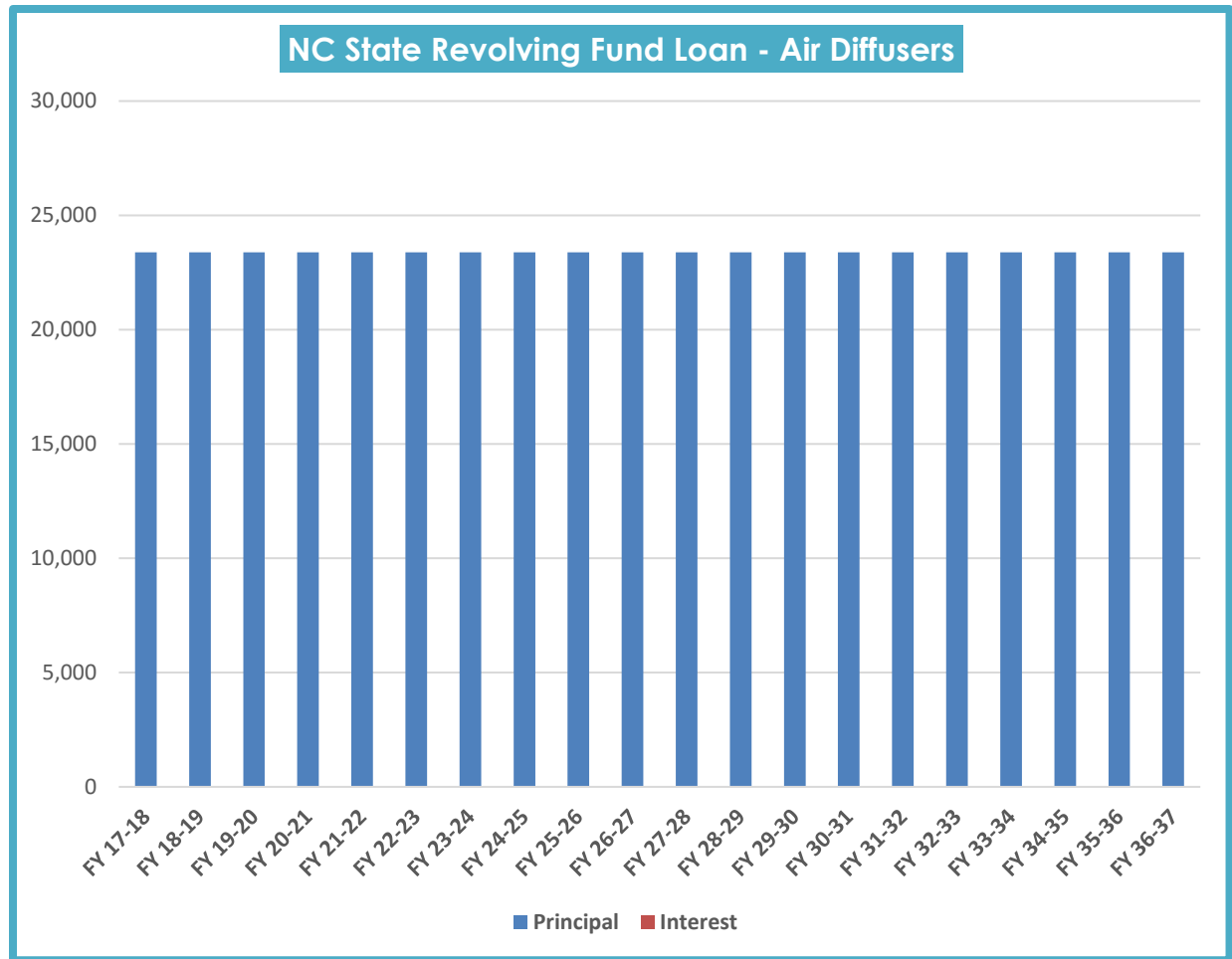
Piedmont Triad Regional Water Authority Obligation				
Fiscal Year	Principal	Interest	Total	Balance
2017-2018	79,069	28,439	107,508	974,710
2018-2019	81,259	26,250	107,508	893,452
2019-2020	83,509	24,000	107,508	809,943
2020-2021	85,821	21,687	107,508	724,122
2021-2022	88,197	19,311	107,508	635,925
2022-2023	90,639	16,869	107,508	545,286
2023-2024	93,149	14,359	107,508	452,137
2024-2025	95,728	11,780	107,508	356,409
2025-2026	98,379	9,130	107,508	258,030
2026-2027	101,103	6,405	107,508	156,927
2027-2028	103,902	3,606	107,508	53,025
2028-2029	53,025	729	53,754	0
TOTALS	1,053,780	182,565	1,236,342	



d. Air Supply Piping and Diffuser System

In 2016, the City of Randleman executed a note with the State of North Carolina to borrow \$467,580.00 in accordance with the North Carolina Education, Clean Water and Parks Revolving Bond Act of 1993. This loan was required in order to fund the purchase and installation of new air supply piping and diffuser system in tanks two and three at the Wastewater Treatment Plant. Annual principal payments of *approximately* \$23,379 are required through May 1, 2037. The loan is a 0% interest loan. In the City of Randleman's Water and Sewer Fund's line item budget, expenditures associated with this loan are attributed to "SRF LOAN – Air Diffusers – PRIN. (2037)". The annual debt service requirements for this loan and remaining summarized amortization schedule are as follows:

<u>North Carolina State Revolving Fund Loan - (Air Diffusers)</u>				
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2017-2018	23,379	0	23,379	444,201
2018-2019	23,379	0	23,379	420,822
2019-2020	23,379	0	23,379	397,443
2020-2021	23,379	0	23,379	374,064
2021-2022	23,379	0	23,379	350,685
2022-2023	23,379	0	23,379	327,306
2023-2024	23,379	0	23,379	303,927
2024-2025	23,379	0	23,379	280,548
2025-2026	23,379	0	23,379	257,169
2026-2027	23,379	0	23,379	233,790
2027-2028	23,379	0	23,379	210,411
2028-2029	23,379	0	23,379	187,032
2029-2030	23,379	0	23,379	163,653
2030-2031	23,379	0	23,379	140,274
2031-2032	23,379	0	23,379	116,895
2032-2033	23,379	0	23,379	93,516
2033-2034	23,379	0	23,379	70,137
2034-2035	23,379	0	23,379	46,758
2035-2036	23,379	0	23,379	23,379
2036-2037	23,379	0	23,379	0
TOTALS	467,580	0	467,580	



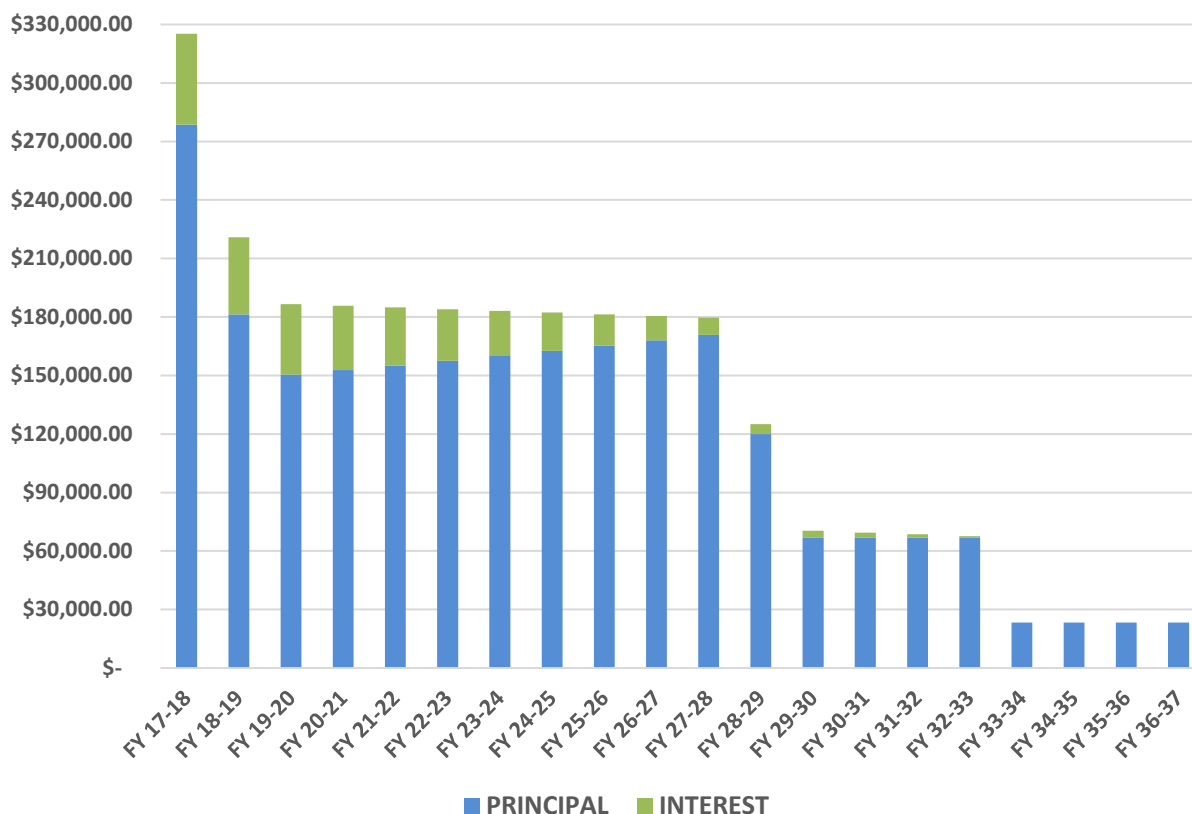
e. Water and Sewer Debt Service Summary

A summary of annual debt service requirements of the City of Randleman's Water and Sewer Fund and annual amortization schedules is presented below. A visualization of this data is displayed in Chart 21. The total outstanding debt service requirements of \$2,196,841 is well below the City of Randleman's legal debt margin of \$31,261,676 (as of June 30, 2015). The total recommended appropriation in the FY 2016-2017 for debt service requirements is \$339,000.

**Summary of Annual Debt Service Requirements for the City of Randleman's
Water and Sewer Fund**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Balance</u>
2017-2018	278,596	46,662	325,258	2,104,988
2018-2019	181,323	39,534	220,856	1,923,666
2019-2020	150,416	36,188	186,603	1,773,250
2020-2021	152,728	32,975	185,703	1,620,522
2021-2022	155,104	29,811	184,915	1,465,418
2022-2023	157,546	26,489	184,035	1,307,872
2023-2024	160,056	23,099	183,155	1,147,816
2024-2025	162,635	19,640	182,275	985,181
2025-2026	165,286	16,110	181,395	819,895
2026-2027	168,010	12,505	180,515	651,885
2027-2028	170,809	8,826	179,635	481,076
2028-2029	119,932	5,069	125,001	361,144
2029-2030	66,907	3,460	70,367	294,237
2030-2031	66,907	2,580	69,487	227,330
2031-2032	66,907	1,700	68,607	160,423
2032-2033	66,907	783	67,690	93,516
2033-2034	23,379	0	23,379	70,137
2034-2035	23,379	0	23,379	46,758
2035-2036	23,379	0	23,379	23,379
2036-2037	23,379	0	23,379	0
TOTALS	2,383,585	305,431	2,595,497	

CHART 21: WATER & SEWER FUND SUMMARY OF ANNUAL DEBT SERVICE REQUIREMENTS



f. Potential Loan – Radio Read Meter Capital Project

Included with the Fiscal Year 2017-2018 Water/Sewer Fund Budget are appropriations for a potential loan that could come to fruition within the fiscal year. As discussed earlier, the City of Randleman has researched the possibility of a capital project that will allow for the implementation of Radio-read Water Meters throughout the City's service area. If the Board of Aldermen commit to this Capital Project, it will need to be funded through the issuance of debt. With this loan, it is projected that the City will recognize the payback of implementing AMI technology within seven to eight years. Depending on how the Board of Aldermen wishes to approach the debt service for this project, the term of the debt may be adjusted and will either increase or decrease the amount of annual appropriations required to pay off the loan. Staff recommends that the City approach the repayment of this potential loan by choosing the best repayment option that both minimizes the amount of interest that will be paid on the loan

and lessens the amount of strain, if any, that additional debt service puts on the City's budget for upcoming years. As such, it is recommended that the annual debt service for this potential loan be projected at approximately \$81,000 per year for 15 years, which would allow for approximately 2.75% in interest payments for the life of the loan.

g. Water and Sewer Fund Transfers

In FY 2017-2018, it is anticipated that approximately \$212,000 will be needed to fund a Capital Project to replace miscellaneous waterlines throughout the City. By approving the FY 2017-2018 budget, the Board of Aldermen would be approving the allocation of funds (from what will be Current Year Revenues) for this capital project. However, the Board of Aldermen would still need to approve the actual capital project itself with a capital project ordinance. This amount brings the total amount recommended to fund the Water and Sewer Fund's debt service obligations and transfers to \$612,600.

v. Expenditures Summary

The total amount recommended for the City of Randleman's FY 2017-2018 Water and Sewer Fund Budget is \$2,421,200. A line item expenditure budget is presented in [Appendix F](#).

D. WATER AND SEWER FUND BALANCE

The Unrestricted portion of the Net Position in the Water and Sewer Fund is comparable to the General Fund's Unrestricted Fund Balance. Chart 22 is a summary of the Water and Sewer Fund's Actual, Projected, and Budgeted changes in Fund Balance.

CHART 22: WATER AND SEWER FUND'S ACTUAL, PROJECTED, AND BUDGETED CHANGES IN FUND BALANCE			
	FY 2016 ACTUAL	FY 2017 PROJECTED	FY 2018 REQUESTED
<u>OPERATING REVENUE</u>			
WATER CHARGES	\$1,272,883.00	\$1,201,802.00	\$1,190,000.00
SEWER CHARGES	\$1,000,783.00	\$1,213,821.00	\$1,183,000.00
LATE FEES	\$26,935.00	\$33,915.00	\$30,000.00
TAP FEES	\$5,500.00	\$5,100.00	\$7,000.00
MISC.	\$3,078.00	\$7,980.00	\$10,200.00
APPROPRIATED NET ASSETS	\$-	\$-	\$-
TOTAL OPERATING REVENUE	\$2,309,179.00	\$2,462,618.00	\$2,420,200.00
<u>OPERATIONAL EXPENDITURES</u>			
WATER DIVISION	\$895,745.00	\$849,823.00	\$886,100.00
WATER AND SEWER MAINTENANCE DIV.	\$400,973.00	\$233,925.00	\$349,300.00
WASTEWATER TREATMENT PLANT DIV.	\$616,555.00	\$643,044.00	\$654,800.00
OTHER OPERATING EXPENDITURES	\$326,283.00	\$327,914.42	\$329,553.99
TOTAL OPERATING EXPENDITURES	\$2,239,556.00	\$2,054,706.42	\$2,219,753.99
<u>TRANSFERS TO CAPITAL PROJECTS</u>	\$-	\$249,322.54	\$212,000.00
OPER. INCOME [TOTAL REV. OVER (UNDER) EXPEND.]	\$69,623.00	\$158,589.05	\$(11,553.99)
	FY 2016 ACTUAL	FY 2017 PROJECTED	FY 2018 REQUESTED
BEGINNING UNRESTRICTED FUND BALANCE	\$1,177,744.00	\$1,247,367.00	\$1,405,956.05
NET CHANGE IN UTILITY UNRES. FUND BAL.	\$69,623.00	\$158,589.05	\$(11,553.99)
NET CHANGE IN OVERALL FUND BALANCE	\$69,623.00	\$158,589.05	\$(11,553.99)
UNRESTRICTED CASH	\$1,247,367.00	\$1,405,956.05	\$1,394,402.06
TOTAL CASH [FUND BALANCE]	\$1,247,367.00	\$1,405,956.05	\$1,394,402.06

The increase in projected fund balance in the 2017 FY is due partially to the underspending by the department heads in their respective budgets as well as the increase in projected income due to the increase in utility rates.

V. PROPOSED BUDGET ORDINANCE

The 2017-2018 Fiscal Year Proposed Budget Ordinance for the City of Randleman is shown in Appendix G. This proposed budget ordinance is balanced with the Ad Valorem tax rate of \$0.63 per \$100 of valuation for General Fund. There is also a city-wide fee schedule attached to the ordinance.

VI.CONCLUSION

This proposed budget is balanced in accordance with State statutes and attempts to address council priorities, departmental requests, and citizen concerns for the 2017-2018 Fiscal Year. This budget offers no property tax increases and will allow departments to maintain current levels of service for citizens and customers. Modest increases are placed on water and sewer customers, which will allow the City of Randleman to grow Net Position in the water and sewer fund. This will better prepare the City to make necessary improvements and expansions in the future.

I would like to express my appreciation to all department heads and staff for working diligently on this year's budget. I would like to especially thank Finance Director, Zachary Hewett, for his dedication and commitment to preparing this budget document.

I recommend this proposed budget for Fiscal Year 2017-2018 to the Mayor and Board of Aldermen. We anticipate receiving input from the public at the June 6th meeting and are prepared to work with the Mayor and Council to make any necessary adjustments.

Respectfully Submitted,

S / *Nick Holcomb*

Nicholas Holcomb, MRCP
City Manager

APPENDICES

Appendix A: Tax Rate Comparison by Population

Municipality	Primary County	2013 Certified Pop.	FY 2014-2015	FY 2015-2016	FY 2016-2017
Pittsboro	Chatham	3,962	\$0.4333	\$0.4333	\$0.4333
Tabor City	Columbus	3,965	\$0.6700	\$0.6700	\$0.6700
Wallace	Duplin	4,010	\$0.5600	\$0.5900	\$0.5900
Elkin	Surry	4,016	\$0.5500	\$0.5500	\$0.5500
Canton	Haywood	4,144	\$0.5800	\$0.5800	\$0.5800
Randleman	Randolph	4,155	\$0.6300	\$0.6300	\$0.6300
China Grove	Rutherford	4,170	\$0.5600	\$0.5800	\$0.5800
Beaufort	Carteret	4,184	\$0.3300	\$0.3475	\$0.3475
Trent Woods	Craven	4,215	\$0.1700	\$0.1700	\$0.1700
Rutherfordton	Rutherford	4,222	\$0.5670	\$0.5670	\$0.5670
Creedmoor	Granville	4,326	\$0.7000	\$0.6650	\$0.6650

Appendix B: Water and Sewer Rates Comparison

Residential Water										
Utility / Rate Structure	Service Pop.	Oper. Rev/ Oper. Exp. (FY16 LGC Data)	Zero Gallons (In)	Zero Gallons (Out)	3,000 Gallons (In)	3,000 Gallons (Out)	4,000 Gallons (In)	4,000 Gallons (Out)	5,000 Gallons (In)	5,000 Gallons (Out)
Scotland County – Dist. II	5,990	1.26	\$31.20		\$34.83		\$38.46		\$42.09	
Tuckaseegee W&S Auth.	6,262	1	\$17.04		\$19.71		\$23.52		\$27.33	
First Craven Sanit. Dist.	6,325	1.37	\$15.00		\$25.50		\$29.00		\$32.50	
Selma	6,350	0.94	\$5.00	\$9.00	\$12.25	\$21.70	\$16.00	\$28.26	\$19.75	\$34.81
Atlantic Beach	6,380	1.13	\$11.75		\$15.50		\$19.25		\$23.00	
Randleman	6,385	1.03	\$8.23	\$16.46	\$17.47	\$34.94	\$23.63	\$47.26	\$29.79	\$59.58
Jamestown	6,388	1.26	N/A	N/A	\$11.43	\$22.86	\$15.24	\$30.48	\$19.05	\$38.10
Washington County	6,413	1.72	\$24.00		\$37.00		\$50.00		\$63.00	
Wadesboro	6,500	1.06	\$17.00	\$23.05	\$22.78	\$30.30	\$28.56	\$37.55	\$34.34	\$44.80
Highlands	6,510	0.87	\$32.00	\$52.00	\$34.50	\$54.50	\$39.50	\$59.50	\$44.50	\$64.50
Southport	6,617	Not Available	\$23.95	\$38.95	\$23.95	\$38.95	\$29.45	\$44.45	\$34.95	\$49.95

Residential Wastewater										
Utility / Rate Structure	Service Pop.	Oper. Rev/ Oper. Exp. (FY16 LGC Data)	Zero Gallons (In)	Zero Gallons (Out)	3,000 Gallons (In)	3,000 Gallons (Out)	4,000 Gallons (In)	4,000 Gallons (Out)	5,000 Gallons (In)	5,000 Gallons (Out)
Cherryville	5,800	1.03	\$16.00	\$32.00	\$20.84	\$41.68	\$25.68	\$51.36	\$30.52	\$61.04
Wallace	5,825	0.92	\$21.00	\$33.00	\$34.50	\$50.91	\$39.00	\$56.88	\$43.50	\$62.85
Gibsonville	5,987	Not Available	\$13.87	\$27.74	\$27.75	\$55.49	\$37.00	\$73.99	\$46.25	\$92.49
Tuckaseegee W&S Auth.	6,282	1.00	\$17.04		\$19.71		\$23.52		\$27.33	
Selma	6,350	0.94	\$7.98	\$15.97	\$24.12	\$47.78	\$32.66	\$64.61	\$46.35	\$91.74
Randleman	6,385	1.03	\$8.23	\$16.46	\$17.47	\$35.84	\$23.63	\$48.76	\$29.79	\$61.68
Jamestown	6,388	1.26	N/A	N/A	\$13.64	\$27.27	\$18.18	\$36.36	\$22.73	\$45.45
Wadesboro	6,500	1.06	\$30.41	\$36.41	\$30.41	\$36.41	\$36.41	\$36.41	\$42.41	\$42.41
Highlands	6,510	0.87	\$32.00	\$52.00	\$34.50	\$54.50	\$39.50	\$59.50	\$44.50	\$64.50
Southport	6,617		\$28.50	\$42.75	\$45.93	\$61.92	\$51.74	\$68.31	\$57.55	\$74.70
Trinity	6,618	0.34	\$44.21		\$77.39		\$88.45		\$99.51	

Appendix C: Recommended General Fund Revenues FY 2017-2018

Account Number	Account Description	FYE 2016 ACTUAL	FYE 2017 BUDGET	Transaction YTD (As of 4/30/17)	FY 2018 Manager Rec.
10-00-3110-2100	AD VALOREM TAXES-PRIOR YEARS	\$2,376.55	\$5,000.00	\$4,263.38	\$5,000.00
10-00-3110-2114	2014 AD VALOREM TAXES	\$5,115.96	\$5,000.00	\$-	\$-
10-00-3110-2115	2015 AD VALOREM TAXES	\$2,477,411.97	\$40,000.00	\$37,867.37	\$5,000.00
10-00-3110-2116	2016 AD VALOREM TAXES	\$256.10	\$2,325,000.00	\$2,336,991.50	\$25,000.00
10-00-3110-2117	2017 AD VALOREM TAXES	\$-	\$2,000.00	\$1,141.29	\$2,441,000.00
10-00-3110-2800	PENALTIES & INTEREST	\$4,420.95	\$5,000.00	\$3,283.46	\$5,000.00
10-00-3230-0100	LOCAL SALES & USE TAX	\$737,348.39	\$750,000.00	\$615,217.99	\$830,000.00
10-00-3232-0300	SOLID WASTE DISPOSAL TAX	\$3,320.61	\$3,000.00	\$1,467.15	\$3,000.00
10-00-3260-0100	PRIVILEGE LICENSES	\$255.00	\$1,000.00	\$210.00	\$350.00
10-00-3280-0100	VEHICLE TAG FEE	\$28.16	\$200.00	\$11.32	\$50.00
10-00-3311-0200	P.I.L.O.T.-HOUSING AUTHORITY	\$-	\$8,000.00	\$7,804.72	\$8,000.00
10-00-3322-0200	STATE - BEER & WINE	\$18,352.48	\$20,000.00	\$-	\$20,000.00
10-00-3324-0200	STATE FRANCHISE TAXES	\$385,900.47	\$435,000.00	\$248,930.88	\$450,000.00
10-00-3330-0200	FIRE DISTRICT TAX REVENUE	\$452,753.96	\$450,000.00	\$437,303.68	\$455,000.00
10-00-3831-0801	INTEREST ON INVESTMENTS	\$10,340.72	\$16,000.00	\$17,995.92	\$15,000.00
10-00-3833-0801	FUNDRAISING - ADMIN	\$2,175.00	\$3,000.00	\$2,860.00	\$-
10-00-3834-0800	BUILDING RENTS	\$6,700.00	\$10,000.00	\$9,050.00	\$10,000.00
10-00-3837-0200	ABC REVENUE GENERAL FUND	\$94,340.60	\$90,000.00	\$90,000.00	\$90,000.00
10-00-3837-0210	ABC REVENUE LAW ENFORCEMENT	\$5,809.00	\$2,000.00	\$1,000.00	\$5,000.00
10-00-3837-0240	ABC REVENUE RECREATION	\$4,965.00	\$4,000.00	\$1,000.00	\$5,000.00
10-00-3839-0800	MISC SOURCES	\$14,951.67	\$4,000.00	\$4,468.28	\$5,000.00
10-00-3890-0700	RECYCLE CEN. REIMBURSEMENT	\$-	\$7,500.00	\$-	\$-
10-00-3920-0900	SALE OF REAL PROPERTY/ASSET	\$15,000.00	\$15,000.00	\$99,025.00	\$15,000.00
10-00-3980-6910	TRANSFER FROM OTHER FUNDS	\$32,496.37	\$1,300.00	\$1,279.50	\$-
10-00-3990-0900	APPROPRIATED FUND BALANCE	\$-	\$212,300.00	\$-	\$10,000.00
10-00-3990-0920	APP POWELL BILL FUND BALANCE	\$-	\$130,000.00	\$-	\$-
10-10-3431-0301	UNAUTHORIZED SUBSTANCE TAX	\$391.53	\$1,500.00	\$917.45	\$1,000.00
10-10-3431-0400	ARREST FEES & MILEAGE	\$3,713.85	\$4,000.00	\$3,134.38	\$4,000.00

Account Number	Account Description	FYE 2016 ACTUAL	FYE 2017 BUDGET	Transaction YTD (As of 4/30/17)	FY 2018 Manager Rec.
10-10-3434-0800	FIRE PREVENTION-PERMITS	\$40.00	\$300.00	\$60.00	\$100.00
10-10-3490-0200	FEMA FIRE GRANT	\$224,687.16	\$157,000.00	\$66,778.50	\$98,000.00
10-10-3613-0800	PRIVATE/CORP DONATIONS	\$816.95	\$-	\$2,000.00	\$-
10-10-3833-0801	FUNDRAISING-POLICE	\$6,400.00	\$6,000.00	\$4,890.00	\$-
10-10-3833-0802	FUNDRAISING-FIRE	\$-	\$100.00	\$100.00	\$-
10-20-3316-0300	POWELL BILL	\$122,607.15	\$125,000.00	\$120,901.63	\$120,000.00
10-20-3471-0400	TIPPING FEES - SANITATION	\$154,857.58	\$195,000.00	\$152,938.36	\$231,000.00
10-20-3473-0400	STORMWATER FEES	\$43,980.41	\$40,000.00	\$34,306.21	\$35,000.00
10-30-3491-0401	ZONING PERMIT FOR BLDG PE	\$1,620.00	\$1,500.00	\$1,230.00	\$1,500.00
10-30-3491-0402	SPEC USE PERMITS/ZONING	\$450.00	\$1,500.00	\$750.00	\$1,500.00
10-30-3834-0800	FACILITY RENT REVENUE	\$-	\$4,000.00	\$-	\$-
10-40-3330-0300	LIBRARY RANDOLPH COUNTY	\$12,000.00	\$12,000.00	\$12,000.00	\$12,000.00
10-40-3492-0200	REC/CULTURAL GRANTS	\$2,000.00	\$1,500.00	\$1,500.00	\$-
10-40-3611-0400	LIBRARY FEES & FINES	\$6,312.69	\$6,000.00	\$5,011.80	\$6,000.00
10-40-3611-0803	LIBRARY GIFTS & MEMORIALS	\$1,039.94	\$1,000.00	\$835.44	\$2,000.00
10-40-3611-0804	LIBRARY MISC REV	\$4,190.15	\$4,000.00	\$2,792.00	\$4,000.00
10-40-3612-0400	REC MEMBERSHIPS & PROGRAMS	\$161,920.10	\$160,000.00	\$122,274.50	\$152,000.00
10-40-3613-0800	REC DONATIONS & SPONSORS	\$3,610.00	\$5,000.00	\$4,403.21	\$6,000.00
10-40-3613-0802	REC GATE ADMISSIONS	\$5,962.00	\$8,000.00	\$7,145.00	\$10,000.00
10-40-3613-0803	REC CONCESSIONS & VENDING	\$9,961.00	\$12,000.00	\$11,668.00	\$12,000.00
10-40-3613-0805	REC FACILITY RENTALS	\$3,130.00	\$9,000.00	\$8,095.00	\$10,000.00
10-40-3613-0806	REC MISCELLANEOUS	\$2,504.46	\$5,000.00	\$-	\$5,000.00
10-40-3613-0807	FESTIVAL & EVENTS SPONSORSHIPS	\$68,980.00	\$50,000.00	\$28,409.10	\$-
10-40-3833-0801	FUNDRAISING-LIBRARY	\$697.23	\$1,500.00	\$995.80	\$-
10-40-3833-0802	FUNDRAISING-RECREATION	\$7,792.00	\$-	\$-	\$-
FUND TOTAL	(10) - GENERAL FUND	\$5,123,983.16	\$5,355,200.00	\$4,514,307.82	\$5,113,500.00

Appendix D: Recommended General Fund Expenditures FY 2017-2018

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-00-4110-5100	SALARIES-MAYOR/BOARD	\$26,250.00	\$27,600.00	\$25,025.00	\$27,600.00	\$27,600.00
10-00-4110-5102	FICA-COUNCIL	\$2,008.38	\$2,400.00	\$1,914.66	\$2,400.00	\$2,400.00
10-00-4110-7302	TRAVEL/ORIEN. FOR ELECT. OFF.	\$-	\$-	\$-	\$3,000.00	\$3,000.00
DEPT TOTAL	(4110) - COUNCIL	\$31,062.53	\$30,000.00	\$26,939.66	\$33,000.00	\$33,000.00
10-00-4120-5100	SALARIES - ADMIN	\$99,130.89	\$125,000.00	\$92,935.19	\$131,000.00	\$131,000.00
10-00-4120-5101	401K - ADMIN	\$4,137.48	\$6,000.00	\$4,522.64	\$6,600.00	\$6,600.00
10-00-4120-5102	FICA - ADMIN	\$6,613.88	\$9,000.00	\$7,465.79	\$10,100.00	\$10,100.00
10-00-4120-5103	STATE RETIREMENT - ADMIN	\$5,715.38	\$9,400.00	\$6,763.10	\$10,000.00	\$10,000.00
10-00-4120-5104	GROUP INSURANCE - ADMIN	\$7,848.85	\$12,000.00	\$8,183.44	\$13,000.00	\$11,400.00
10-00-4120-5105	COBRA INSURANCE	\$2,893.63	\$5,000.00	\$3,697.35	\$-	\$-
10-00-4120-5106	RETIREE INSURANCE	\$744.32	\$5,500.00	\$1,815.65	\$-	\$-
10-00-4120-5109	UNEMPLOYMENT TAX	\$1,468.94	\$15,000.00	\$1,191.04	\$15,000.00	\$15,000.00
10-00-4120-5111	OPEB OUTLAY - ADMIN	\$-	\$900.00	\$-	\$1,400.00	\$800.00
10-00-4120-6200	ACCOUNTANT/AUDITOR	\$21,000.00	\$25,600.00	\$23,815.00	\$22,000.00	\$22,000.00
10-00-4120-6201	LEGAL SERVICES	\$12,031.92	\$15,000.00	\$12,178.44	\$15,000.00	\$15,000.00
10-00-4120-6203	TELEPHONE	\$20,195.95	\$19,000.00	\$14,200.66	\$16,000.00	\$16,000.00
10-00-4120-6204	UTILITIES	\$16,829.06	\$8,000.00	\$7,226.46	\$10,000.00	\$10,000.00
10-00-4120-6205	M & R BUILDING	\$9,120.54	\$9,000.00	\$8,823.36	\$10,000.00	\$10,000.00
10-00-4120-6206	M & R EQUIPMENT	\$9,474.67	\$8,000.00	\$1,783.48	\$8,000.00	\$8,000.00
10-00-4120-6207	ADVERTISING	\$1,275.73	\$1,500.00	\$1,132.80	\$1,500.00	\$1,500.00
10-00-4120-6208	SOFTWARE SUBSCRIPTION	\$11,517.66	\$21,000.00	\$10,226.66	\$21,000.00	\$21,000.00
10-00-4120-6209	INSURANCE & BONDS	\$137,668.96	\$154,000.00	\$129,006.37	\$154,000.00	\$154,000.00
10-00-4120-6210	COUNTY BOARD OF ELECTIONS	\$2,020.49	\$-	\$-	\$3,000.00	\$3,000.00
10-00-4120-6211	HANGING CHRISTMAS LIGHTS	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
10-00-4120-6213	REFUND PRIOR YR TAXES	\$16,314.39				
10-00-4120-6214	TMA COLLECTION FEES/TAXES	\$35,664.32	\$35,500.00	\$33,764.95	\$38,000.00	\$38,000.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-00-4120-7300	DEPARTMENT SUPPLIES	\$4,865.08	\$8,500.00	\$3,316.85	\$8,500.00	\$8,500.00
10-00-4120-7301	MISCELLANEOUS	\$9,806.81	\$1,000.00	\$994.74	\$4,000.00	\$4,000.00
10-00-4120-7302	TRAVEL/MEETINGS/SCHOOL	\$7,845.17	\$12,000.00	\$8,204.84	\$10,000.00	\$10,000.00
10-00-4120-7303	POSTAGE	\$500.58	\$1,500.00	\$1,124.30	\$2,500.00	\$2,500.00
10-00-4120-7304	PRINTING	\$1,280.43	\$2,500.00	\$388.09	\$2,500.00	\$2,500.00
10-00-4120-7305	OSHA & WELLNESS	\$17,001.92	\$18,000.00	\$12,301.35	\$18,000.00	\$18,000.00
10-00-4120-7306	CONTRACTED SERVICES	\$20,828.14	\$55,000.00	\$27,396.67	\$60,000.00	\$60,000.00
10-00-4120-7308	FROM FUNDRAISING	\$1,431.01	\$1,500.00	\$1,440.72	\$-	\$-
10-00-4120-7313	DUES & SUBSCRIPTIONS	\$8,832.47	\$11,000.00	\$9,339.80	\$12,000.00	\$12,000.00
10-00-4120-7322	COMMUNITY OUTREACH	\$-	\$5,000.00	\$4,201.26	\$5,000.00	\$5,000.00
10-00-4120-9800	CAPITAL OUTLAY	\$-	\$4,000.00	\$-	\$4,000.00	\$4,000.00
DEPT TOTAL	(4120) - ADMINISTRATION	\$496,558.67	\$606,900.00	\$439,941.00	\$614,600.00	\$612,400.00
10-20-4250-5100	SALARIES - FLEET MAINT	\$44,480.29	\$45,100.00	\$36,524.17	\$46,800.00	\$46,800.00
10-20-4250-5101	401K - FLEET	\$2,256.91	\$2,300.00	\$1,782.06	\$2,500.00	\$2,500.00
10-20-4250-5102	FICA - FLEET	\$3,494.94	\$3,500.00	\$2,770.66	\$3,600.00	\$3,600.00
10-20-4250-5103	STATE RETIREMENT - FLEET	\$3,114.27	\$3,300.00	\$2,680.92	\$3,600.00	\$3,600.00
10-20-4250-5104	GROUP INSURANCE - FLEET	\$5,047.27	\$5,100.00	\$4,140.36	\$6,500.00	\$5,700.00
10-20-4250-5111	OPEB OUTLAY - FLEET	\$-	\$500.00	\$-	\$500.00	\$300.00
10-20-4250-6203	TELEPHONE	\$1,715.44	\$1,500.00	\$923.92	\$1,500.00	\$1,500.00
10-20-4250-6204	UTILITIES	\$5,761.84	\$9,500.00	\$7,078.05	\$9,500.00	\$9,500.00
10-20-4250-7301	MISCELLANEOUS	\$1,190.80	\$2,000.00	\$476.13	\$2,000.00	\$2,000.00
10-20-4250-7309	UNIFORMS	\$1,273.95	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00
10-20-4250-7311	PARTS ALL DEPTS	\$4,351.82	\$4,000.00	\$3,524.32	\$4,000.00	\$4,000.00
10-20-4250-7319	GAS & FUEL	\$2,694.08	\$3,500.00	\$1,326.72	\$2,500.00	\$2,500.00
10-20-4250-7320	AUTOMOTIVE	\$5,809.41	\$8,000.00	\$1,198.34	\$8,000.00	\$8,000.00
DEPT TOTAL	(4250) - FLEET MAINTENANCE	\$81,191.02	\$89,300.00	\$63,425.65	\$93,000.00	\$92,000.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS.YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-10-4310-5100	SALARIES - POLICE	\$578,301.27	\$625,000.00	\$506,950.05	\$650,000.00	\$650,000.00
10-10-4310-5101	401K LEO - POLICE	\$30,241.94	\$32,000.00	\$25,010.99	\$33,000.00	\$33,000.00
10-10-4310-5102	FICA - POLICE	\$46,649.33	\$48,500.00	\$38,562.01	\$50,000.00	\$50,000.00
10-10-4310-5103	STATE RETIREMENT - POLICE	\$44,025.80	\$51,000.00	\$40,996.50	\$54,000.00	\$54,000.00
10-10-4310-5104	GROUP INSURANCE - POLICE	\$72,530.56	\$77,000.00	\$62,105.40	\$97,500.00	\$85,500.00
10-10-4310-5108	OVERTIME - POLICE	\$11,475.00	\$14,000.00	\$5,725.00	\$15,000.00	\$15,000.00
10-10-4310-5111	OPEB OUTLAY - POLICE	\$-	\$6,500.00	\$-	\$6,500.00	\$4,000.00
10-10-4310-6203	TELEPHONE	\$22,151.57	\$23,000.00	\$17,423.01	\$23,000.00	\$23,000.00
10-10-4310-6204	UTILITIES	\$9,853.72	\$10,400.00	\$7,417.71	\$10,400.00	\$10,400.00
10-10-4310-6205	M & R BUILDING	\$2,620.22	\$4,000.00	\$1,550.34	\$4,000.00	\$4,000.00
10-10-4310-6216	COUNTY DISPATCHER	\$3,068.00	\$3,100.00	\$3,068.00	\$3,100.00	\$3,100.00
10-10-4310-6218	PHYSICALS & IMMUNIZATIONS	\$-	\$500.00	\$-	\$500.00	\$500.00
10-10-4310-6220	PRE-EMP/SAFETY REQUIR	535.00	\$1,000.00	\$-	\$1,000.00	\$1,000.00
10-10-4310-7300	DEPARTMENT SUPPLIES	\$3,964.64	\$5,000.00	\$4,245.36	\$5,000.00	\$5,000.00
10-10-4310-7301	MISCELLANEOUS	\$1,796.89	\$2,000.00	\$1,264.63	\$2,000.00	\$2,000.00
10-10-4310-7302	TRAVEL/MEETINGS/SCHOOLS	\$1,011.17	\$2,000.00	\$786.50	\$2,000.00	\$2,000.00
10-10-4310-7303	POSTAGE	\$363.57	\$500.00	\$304.70	\$500.00	\$500.00
10-10-4310-7308	FROM FUNDRAISING	\$5,187.00	\$11,000.00	\$9,031.27	\$-	\$-
10-10-4310-7309	UNIFORMS & ACCESS	\$8,535.22	\$8,500.00	\$4,184.17	\$8,500.00	\$8,500.00
10-10-4310-7311	INVESTIGATIVE SUPPLIES	\$3,189.30	\$4,000.00	\$2,786.46	\$4,000.00	\$4,000.00
10-10-4310-7312	VICE & NARCOTICS	\$4,553.93	\$4,000.00	\$1,760.52	\$4,000.00	\$4,000.00
10-10-4310-7313	EQUIPMENT	\$29,851.76	\$24,000.00	\$22,217.15	\$24,000.00	\$24,000.00
10-10-4310-7314	COMPUTER RECORDS/REPORTS	\$11,778.50	\$24,000.00	\$16,938.29	\$24,000.00	\$24,000.00
10-10-4310-7319	GAS & FUEL	\$27,303.62	\$28,000.00	\$21,653.16	\$28,000.00	\$28,000.00
10-10-4310-7320	AUTOMOTIVE SUPPLIES	\$20,311.58	\$24,000.00	\$15,801.26	\$24,000.00	\$24,000.00
10-10-4310-9800	CAPITAL OUTLAY	\$91,651.90	\$82,000.00	\$80,839.66	\$82,000.00	\$82,000.00
DEPT TOTAL	(4310) - POLICE	\$1,033,951.49	\$1,115,000.00	\$890,622.14	\$1,156,000.00	\$1,141,500.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-10-4340-5100	SALARIES - FIRE	\$582,367.17	\$753,000.00	\$612,770.10	\$762,000.00	\$764,000.00
10-10-4340-5101	401K - FIRE	\$28,928.33	\$38,000.00	\$29,394.37	\$39,000.00	\$39,000.00
10-10-4340-5102	FICA - FIRE	\$50,490.90	\$64,000.00	\$50,715.23	\$64,000.00	\$65,000.00
10-10-4340-5103	STATE RETIREMENT - FIRE	\$39,997.01	\$55,000.00	\$44,230.41	\$55,000.00	\$58,000.00
10-10-4340-5104	GROUP INSURANCE - FIRE	\$71,034.80	\$92,000.00	\$77,552.32	\$92,000.00	\$108,300.00
10-10-4340-5108	FIRE CALLS	\$56,270.92	\$82,000.00	\$55,775.21	\$82,000.00	\$80,000.00
10-10-4340-5111	OPEB OUTLAY - FIRE DEPT	\$-	\$7,500.00	\$-	\$7,600.00	\$5,100.00
10-10-4340-6203	TELEPHONE	\$10,497.73	\$10,000.00	\$9,921.92	\$10,000.00	\$10,000.00
10-10-4340-6204	UTILITIES	\$13,016.65	\$20,000.00	\$13,049.10	\$20,000.00	\$20,000.00
10-10-4340-6205	M & R BUILDING	\$4,396.66	\$11,900.00	\$10,351.46	\$6,000.00	\$6,000.00
10-10-4340-6218	PHYSICALS/IMMUNIZATIONS	\$-	\$2,500.00	\$135.00	\$12,000.00	\$12,000.00
10-10-4340-6250	NON-CAPITAL EXPENDITURES	\$4,053.51	\$11,000.00	\$8,165.91	\$8,000.00	\$8,000.00
10-10-4340-7300	DEPARTMENT SUPPLIES	\$2,145.26	\$4,500.00	\$3,427.70	\$4,500.00	\$4,500.00
10-10-4340-7302	TRAVEL/MEETINGS/SCHOOLS	\$291.99	\$4,500.00	\$114.00	\$4,500.00	\$4,500.00
10-10-4340-7303	POSTAGE	\$79.83	\$400.00	\$122.03	\$400.00	\$400.00
10-10-4340-7306	CONTRACTED SERVICES	\$2,055.75	\$8,600.00	\$7,610.32	\$7,000.00	\$7,000.00
10-10-4340-7308	FROM FUNDRAISING FUNDS	\$210.78	\$200.00	\$108.23	\$-	\$-
10-10-4340-7309	UNIFORMS	1,844.02	\$7,000.00	\$6,677.67	\$7,000.00	\$7,000.00
10-10-4340-7310	PEDIDICALS & TRAINING	\$242.00	\$1,000.00	\$94.04	\$1,000.00	\$1,000.00
10-10-4340-7311	NON/VEHICLE MED/RAD/FIRE	\$10,399.39	\$18,000.00	\$16,069.20	\$18,000.00	\$18,000.00
10-10-4340-7312	DUES & MEMBERSHIPS	\$1,040.00	\$2,000.00	\$1,441.00	\$2,000.00	\$2,000.00
10-10-4340-7313	FIRE PROGRAMS	\$3,901.02	\$10,000.00	\$7,471.56	\$8,000.00	\$8,000.00
10-10-4340-7319	GAS & FUEL	\$13,154.53	\$32,000.00	\$15,149.39	\$32,000.00	\$32,000.00
10-10-4340-7320	AUTOMOTIVE SUPPLIES	\$48,465.87	\$42,000.00	\$26,386.16	\$42,000.00	\$42,000.00
10-10-4340-7322	COMMUNITY OUTREACH - FIRE	\$-	\$1,000.00	\$999.40	\$1,000.00	\$1,800.00
10-10-4340-9800	CAPITAL OUTLAY	\$-	\$72,000.00	\$71,495.75	\$64,600.00	\$40,000.00
DEPT TOTAL	(4340) - FIRE-MAIN	\$944,884.22	\$1,350,100.00	\$1,069,227.48	\$1,349,600.00	\$1,343,600.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-10-4345-5100	SALARIES-SAFER GRANT	\$205,955.56	\$70,000.00	\$27,398.31	\$68,000.00	\$70,000.00
10-10-4345-5101	401K	\$10,464.60	\$3,500.00	\$1,365.32	\$3,400.00	\$3,500.00
10-10-4345-5102	FICA/MEDICARE	\$16,360.94	\$5,500.00	\$2,095.43	\$5,200.00	\$5,400.00
10-10-4345-5103	STATE RETIREMENT	\$14,546.18	\$5,500.00	\$2,004.20	\$4,600.00	\$5,300.00
10-10-4345-5104	GROUP INSURANCE	\$30,096.65	\$10,000.00	\$4,339.94	\$9,800.00	\$11,400.00
10-10-4345-5108	FIRE CALLS	\$1,701.51	\$5,500.00	\$351.26	\$5,500.00	\$2,400.00
10-10-4345-6203	TELEPHONE	\$1,153.59	\$-	\$-	\$-	\$-
10-10-4345-6204	UTILITIES	\$5,207.94	\$-	\$-	\$-	\$-
10-10-4345-6205	M&R BUILDING	\$1,816.91	\$-	\$-	\$-	\$-
10-10-4345-6250	NON-CAPITAL EXPENDITURES	\$4,000.00	\$-	\$-	\$-	\$-
10-10-4345-7300	DEPARTMENT SUPPLIES	\$611.72	\$-	\$-	\$-	\$-
10-10-4345-7302	TRAVEL/MEETINGS/SCHOOL	\$-	\$-	\$-	\$-	\$-
10-10-4345-7303	POSTAGE	\$-	\$-	\$-	\$-	\$-
10-10-4345-7306	CONTRACTED SERVICES	\$-	\$-	\$-	\$-	\$-
10-10-4345-7309	UNIFORMS	\$1,684.97	\$-	\$-	\$-	\$-
10-10-4345-7310	PERIODICALS/TRAINING	\$-	\$-	\$-	\$-	\$-
10-10-4345-7311	NON/VEHICLE MED/RADIO	\$1,651.47	\$-	\$-	\$-	\$-
10-10-4345-7312	DUES/MEMBERSHIP	\$370.00	\$-	\$-	\$-	\$-
10-10-4345-7313	FIRE PROGRAMS	\$1,228.50	\$-	\$-	\$-	\$-
10-10-4345-7319	GAS & FUEL	\$4,990.29	\$-	\$-	\$-	\$-
10-10-4345-7320	AUTOMOTIVE SUPPLIES	\$7,265.22	\$-	\$-	\$-	\$-
DEPT TOTAL	(4345) - SAFER GRANT	\$309,106.05	\$100,000.00	\$37,554.46	\$96,500.00	\$98,000.00

The department coded 4345 was known as the Sophia Fire Department in FY 2016.
These expenditures are now included within the Fire Department (4340) for FY 2017 and hereafter.

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-20-4510-5100	SALARIES - STREET	\$63,629.66	\$67,000.00	\$57,130.10	\$70,000.00	\$70,000.00
10-20-4510-5101	401K - STREET	\$3,109.70	\$3,400.00	\$2,673.51	\$3,800.00	\$3,800.00
10-20-4510-5102	FICA - STREET	\$5,519.73	\$6,200.00	\$4,779.71	\$6,500.00	\$6,500.00
10-20-4510-5103	STATE RETIREMENT - STREET	\$4,455.02	\$4,900.00	\$4,193.40	\$5,700.00	\$5,700.00
10-20-4510-5104	GROUP INSURANCE - STREET	\$10,094.54	\$11,000.00	\$8,280.72	\$13,000.00	\$11,400.00
10-20-4510-5110	PART-TIME SALARIES	\$6,210.00	,, \$11,000.00	\$5,675.00	\$11,000.00	\$11,000.00
10-20-4510-5111	OPEB OUTLAY - STREET	\$-	\$700.00	\$-	\$700.00	\$500.00
10-20-4510-6203	TELEPHONE	\$708.26	\$700.00	\$425.28	\$700.00	\$700.00
10-20-4510-6208	STREET LIGHTS	\$108,331.62	\$108,000.00	\$82,226.78	\$108,000.00	\$108,000.00
10-20-4510-6211	ENGINEERING	\$2,830.90	\$5,000.00	\$-	\$5,000.00	\$5,000.00
10-20-4510-6212	CHARGEABLE POWELL BILL	\$85,045.30	\$250,000.00	\$248,287.90	\$100,000.00	\$120,000.00
10-20-4510-7300	DEPARTMENT SUPPLIES	\$3,573.79	\$7,200.00	\$3,798.85	\$7,200.00	\$7,200.00
10-20-4510-7308	FUNDRAISING EXPENDITURES	\$865.86	\$-	\$59.95	\$-	\$-
10-20-4510-7309	UNIFORMS	\$1537.96	\$900.00	\$900.00	\$1,500.00	\$1,500.00
10-20-4510-7310	M & R STREETS	\$3,087.17	\$4,600.00	\$630.16	\$4,600.00	\$4,600.00
10-20-4510-7313	BAD DEBT-STORM WATER FEES	\$-	\$-	\$-	\$-	\$100.00
10-20-4510-7319	FUEL & GAS & FUEL	\$3,098.38	\$2,800.00	\$2,082.45	\$4,000.00	\$4,000.00
10-20-4510-7320	AUTOMOTIVE SUPPLIES	\$1,563.67	\$10,000.00	\$5,860.48	\$10,000.00	\$10,000.00
DEPT TOTAL	(4510) - STREET	\$303,661.56	\$493,400.00	\$427,004.29	\$351,700.00	\$370,000.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-20-4710-5100	SALARIES - SANITATION	\$43,201.08	\$102,000.00	\$82,725.03	\$105,000.00	\$105,000.00
10-20-4710-5101	401K - SANITATION	\$2,192.70	\$5,100.00	\$4,036.41	\$5,300.00	\$5,300.00
10-20-4710-5102	FICA - SANITATION	\$3,365.79	\$8,000.00	\$6,259.29	\$8,100.00	\$8,100.00
10-20-4710-5103	RETIREMENT - SANITATION	\$3,026.44	\$7,500.00	\$6,072.00	\$8,000.00	\$8,000.00
10-20-4710-5104	GROUP INSURANCE - SANIT.	\$5,047.27	\$16,000.00	\$12,421.08	\$19,500.00	\$17,100.00
10-20-4710-5111	OPEB OUTLAY - SANITATION	\$-	\$1,000.00	\$-	\$1,100.00	\$700.00
10-20-4710-6203	TELEPHONE	\$211.18	\$900.00	\$433.96	\$900.00	\$900.00
10-20-4710-6213	TIPPING FEES/COUNTY CHARGE	\$92,105.04	\$105,000.00	\$85,896.46	\$90,000.00	\$90,000.00
10-20-4710-7300	DEPARTMENT SUPPLIES	\$6,355.47	\$6,400.00	\$370.92	\$6,500.00	\$6,500.00
10-20-4710-7309	UNIFORMS	\$951.8	\$1,600.00	\$1,558.80	\$2,000.00	\$2,000.00
10-20-4710-7319	GAS & FUEL	\$8,486.23	\$12,000.00	\$6,728.41	\$15,000.00	\$15,000.00
10-20-4710-7320	AUTOMOTIVE SUPPLIES	\$25,990.43	\$26,000.00	\$14,561.68	\$26,000.00	\$26,000.00
10-20-4710-9500	TRASH TRUCK-PRIN (2016)	\$26,563.98	\$-	\$-	\$-	\$-
DEPT TOTAL	(4710) - SANITATION	\$217,497.41	\$291,500.00	\$221,064.04	\$287,400.00	\$284,600.00
10-30-4900-6204	DOWNTOWN UTILITIES	\$-	\$15,000.00	\$11,936.78	\$16,000.00	\$16,000.00
10-30-4900-6205	DOWNTOWN IMPROVEMENTS	\$-	\$5,000.00	\$459.00	\$5,000.00	\$5,000.00
10-30-4900-6206	CITY BUILDINGS M&R	\$-	\$-	\$-	\$5,000.00	\$5,000.00
10-30-4900-6250	INDUSTRIAL DEVELOPMENT	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00
10-30-4900-6251	SENIOR CITIZENS	\$21,000.00	\$21,000.00	\$21,000.00	\$21,600.00	\$21,600.00
10-30-4900-6256	CHAMBER OF COMMERCE	\$10,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$2,500.00
10-30-4900-6257	RANDLEMAN HISTORIC SOCIETY	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
10-30-4900-6258	BEAUTIFICATION	\$1,021.99	\$6,000.00	\$-	\$6,000.00	\$6,000.00
DEPT TOTAL	(4900) - ECON. & PHYS. DEVELOP.	\$43,221.89	\$63,000.00	\$49,395.78	\$69,600.00	\$67,100.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-30-4910-5100	SALARIES - PLANNING	\$52,512.78	\$53,000.00	\$42,612.18	\$53,000.00	\$53,000.00
10-30-4910-5101	401K - PLANNING	\$2,670.41	\$2,700.00	\$2,079.21	\$2,700.00	\$2,700.00
10-30-4910-5102	FICA - PLANNING	\$4,133.67	\$4,100.00	\$3,170.92	\$4,100.00	\$4,100.00
10-30-4910-5103	STATE RETIREMENT - PLANNING	\$3,685.90	\$3,900.00	\$3,127.71	\$4,100.00	\$4,100.00
10-30-4910-5104	GROUP INSURANCE - PLANNING	\$5,047.27	\$5,100.00	\$4,140.36	\$6,500.00	\$5,700.00
10-30-4910-5105	PLANNING BOARD	\$-	\$500.00	\$-	\$500.00	\$500.00
10-30-4910-5111	OPEB OUTLAY - PLANNING	\$-	\$600.00	\$-	\$600.00	\$400.00
10-30-4910-6203	TELEPHONE	\$675.37	\$2,500.00	\$664.06	\$2,500.00	\$2,500.00
10-30-4910-6207	ADVERTISING	\$306.60	\$500.00	\$500.00	\$500.00	\$500.00
10-30-4910-6208	STORMWATER PTWQ PARTNER	\$5,915.01	\$6,000.00	\$5,705.99	\$5,000.00	\$5,000.00
10-30-4910-7300	DEPARTMENT SUPPLIES	\$143.47	\$500.00	\$64.40	\$500.00	\$500.00
10-30-4910-7301	MISCELLANEOUS	\$258.65	\$500.00	\$103.99	\$-	\$-
10-30-4910-7302	TRAVEL/MEETINGS/SCHOOLS	\$961.54	\$1,000.00	\$60.00	\$1,000.00	\$1,000.00
10-30-4910-7303	POSTAGE	\$179.36	\$500.00	\$143.35	\$500.00	\$500.00
10-30-4910-7304	PRINTING	\$-	\$100.00	\$100.00	\$100.00	\$100.00
10-30-4910-7306	CONTRACTED SERVICES	\$545.34	\$-	\$-	\$10,000.00	\$7,500.00
10-30-4910-7319	GAS & FUEL	\$803.13	\$700.00	\$526.46	\$700.00	\$700.00
10-30-4910-7320	AUTOMOTIVE SUPPLIES	\$2,891.49	\$2,000.00	\$601.68	\$2,000.00	\$2,000.00
DEPT TOTAL	(4910) - PLANNING & ZONING	\$77,838.50	\$84,200.00	\$63,600.31	\$94,300.00	\$90,800.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-40-6110-5100	SALARIES - LIBRARY	\$131,822.37	\$150,000.00	\$116,184.51	\$150,000.00	\$150,000.00
10-40-6110-5101	401K - LIBRARY	\$6,202.23	\$5,600.00	\$4,767.11	\$5,600.00	\$5,600.00
10-40-6110-5102	FICA - LIBRARY	\$10,448.32	\$12,000.00	\$8,401.60	\$12,000.00	\$12,000.00
10-40-6110-5103	STATE RETIREMENT - LIBRARY	\$8,558.31	\$8,100.00	\$7,181.26	\$10,000.00	\$10,000.00
10-40-6110-5104	GROUP INSURANCE - LIBRARY	\$15,592.98	\$16,000.00	\$9,149.14	\$19,500.00	\$17,100.00
10-40-6110-5111	OPEB OUTLAY - LIBRARY	\$-	\$1,500.00	\$-	\$1,000.00	\$1,000.00
10-40-6110-6203	TELEPHONE	\$1,750.10	\$2,400.00	\$1,457.08	\$2,400.00	\$2,400.00
10-40-6110-6204	UTILITIES	\$11,704.71	\$16,000.00	\$7,600.27	\$16,000.00	\$16,000.00
10-40-6110-6205	M & R BUILDING	\$59,601.33	\$18,500.00	\$14,228.30	\$18,500.00	\$18,500.00
10-40-6110-6206	M & R EQUIPMENT	\$1,849.63	\$4,500.00	\$2,423.78	\$4,500.00	\$4,500.00
10-40-6110-7300	DEPARTMENT SUPPLIES	\$1,477.80	\$1,500.00	\$636.45	\$1,500.00	\$1,500.00
10-40-6110-7301	MISCELLANEOUS	\$496.25	\$1,000.00	\$163.95	\$1,000.00	\$1,000.00
10-40-6110-7307	GRANT EXPENDITURES	\$2,000.00	\$-	\$1,320.52	\$-	\$-
10-40-6110-7308	FROM FUNDRAISING FUNDS	\$1,464.09	\$900.00	\$436.24	\$-	\$-
10-40-6110-7311	VIDEOS & DVDS	\$4,968.08	\$5,000.00	\$3,393.27	\$5,000.00	\$5,000.00
10-40-6110-7312	BOOKS & REBINDING	\$12,000.00	\$12,000.00	\$8,696.47	\$12,000.00	\$12,000.00
10-40-6110-7313	MEMORIALS & DONATIONS	\$1,134.78	\$2,000.00	\$641.42	\$2,000.00	\$2,000.00
10-40-6110-7314	PROGRAMS	\$6,517.35	\$7,000.00	\$6,314.07	\$7,000.00	\$7,000.00
DEPT TOTAL	(6110) - LIBRARY	\$277,588.33	\$264,000.00	\$192,995.44	\$268,000.00	\$265,600.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-40-6120-5100	SALARIES - RECREATION	\$91,248.48	\$88,000.00	\$71,303.05	\$91,000.00	\$91,000.00
10-40-6120-5101	401K - RECREATION	\$4,348.69	\$4,400.00	\$3,479.23	\$4,500.00	\$4,500.00
10-40-6120-5102	FICA - RECREATION	\$11,558.94	\$13,000.00	\$9,066.42	\$14,000.00	\$14,000.00
10-40-6120-5103	STATE RETIRE. - RECREATION	\$5,999.91	\$6,400.00	\$5,233.74	\$7,000.00	\$7,000.00
10-40-6120-5104	GROUP INSURANCE - RECREAT.	\$10,094.54	\$10,500.00	\$8,280.72	\$13,000.00	\$11,400.00
10-40-6120-5110	PART-TIME HELP	\$60,923.51	\$76,000.00	\$52,243.44	\$76,000.00	\$76,000.00
10-40-6120-5111	OFFICIALS/GAMES	\$21,278.50	\$23,000.00	\$21,192.25	\$21,500.00	\$21,500.00
10-40-6120-5112	OPEB OUTLAY - RECREATION	\$-	\$900.00	\$-	\$900.00	\$600.00
10-40-6120-6203	TELEPHONE	\$9,278.22	\$8,600.00	\$6,798.54	\$8,600.00	\$8,600.00
10-40-6120-6204	UTILITIES	\$33,971.21	\$35,000.00	\$25,092.64	\$35,000.00	\$35,000.00
10-40-6120-6205	M & R BUILDING	\$10,083.37	\$16,000.00	\$15,357.24	\$24,000.00	\$24,000.00
10-40-6120-6208	PURCHASE FOR RESALE	\$9,601.00	\$10,000.00	\$8,234.69	\$8,000.00	\$8,000.00
10-40-6120-6209	INS FOR BASEBALL	\$1,050.00	\$1,100.00	\$1,100.00	\$1,800.00	\$1,800.00
10-40-6120-6250	NON-CAPITAL EXPENDITURES	\$1,035.00	\$1,000.00	\$-	\$2,800.00	\$2,800.00
10-40-6120-7300	DEPARTMENT SUPPLIES	\$15,209.01	\$16,000.00	\$15,369.47	\$16,000.00	\$16,000.00
10-40-6120-7301	MISCELLANEOUS	\$4,145.27	\$10,000.00	\$8,943.18	\$4,500.00	\$4,500.00
10-40-6120-7302	TRAVEL, MEETING, SCHOOLS	\$703.83	\$1,000.00	\$545.52	\$2,000.00	\$2,000.00
10-40-6120-7303	POSTAGE	\$49.00	\$200.00	\$-	\$200.00	\$200.00
10-40-6120-7304	PRINTING	\$1,965.14	\$1,300.00	\$86.94	\$1,000.00	\$1,000.00
10-40-6120-7308	FROM FUNDRAISING FUND	\$6,604.68	\$-	\$2,532.00	\$-	\$-
10-40-6120-7309	UNIFORMS	\$22,143.59	\$27,000.00	\$19,705.92	\$29,600.00	\$29,600.00
10-40-6120-7311	AWARDS	\$485.23	\$700.00	\$374.80	\$700.00	\$700.00
10-40-6120-7312	OFFICE SUPPLIES	\$-	\$500.00	\$-	\$500.00	\$500.00
10-40-6120-7313	DUES & SUBSCRIPTIONS	\$65.00	\$200.00	\$130.00	\$200.00	\$200.00
10-40-6120-7314	SPECIAL EVENTS	\$8,737.45	\$13,500.00	\$7,754.19	\$13,500.00	\$13,500.00
10-40-6120-7315	FESTIVAL/M&M EXPENDITURES	\$43,708.12	\$45,300.00	\$18,325.00	\$10,000.00	\$10,000.00
10-40-6120-7319	GAS & FUEL	\$1,635.76	\$2,000.00	\$857.43	\$2,000.00	\$2,000.00
10-40-6120-7320	AUTOMOTIVE SUPPLIES	\$1,027.06	\$2,000.00	\$1,069.58	\$4,000.00	\$4,000.00
10-40-6120-7321	FESTIVAL CONTINGENCY	\$-	\$12,700.00	\$-	\$-	\$-
10-40-6120-9500	DEBT SERVICE-PRIN (2019)	\$184,801.68	\$185,000.00	\$154,001.40	\$185,000.00	\$185,000.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUESTED	MANAGER RECOMMENDED
10-40-6120-9501	DEBT SERVICE-INTEREST	\$18,933.72	\$13,000.00	\$10,597.23	\$5,500.00	\$5,500.00
10-40-6120-9800	CAPITAL OUTLAY	\$38,503.97	\$23,000.00	\$19,070.25	\$51,000.00	\$20,000.00
DEPT TOTAL	(6120) - RECREATION	\$619,189.88	\$647,300.00	\$486,744.87	\$633,800.00	\$600,900.00
10-00-9800-9200	TRANSFER TO OTHER FUNDS	\$328,000.00	\$101,000.00	\$101,000.00	\$-	\$-
10-00-9800-9500	BB&T-PRINCIPAL (2025)	\$97,500.00	\$97,500.00	\$89,385.12	\$97,500.00	\$97,500.00
10-00-9800-9502	BB&T PHASE II-INTEREST	\$21,153.45	\$22,000.00	\$17,215.11	\$16,500.00	\$16,500.00
DEPT TOTAL	(9800) - CAP. OUTLAY/DEBT SERV.	\$446,653.45	\$220,500.00	\$207,600.23	\$114,000.00	\$114,000.00
FUND TOTAL	(10) - GENERAL FUND	\$4,882,405.00	\$5,355,200.00	\$4,176,115.35	\$5,161,500.00	\$5,113,500.00

Appendix E: Recommended Water and Sewer Fund Revenues FY 2017-2018

Account Number	Account Description	FYE 2016 ACTUAL	FY 2017 Budget	YTD Trans. (As of 4/30/17)	Manager Recommended
60-60-3713-0500	WATER CHARGES	\$1,272,883.00	\$1,078,000.00	\$842,694.69	\$1,190,000.00
60-60-3713-0501	WATERLINE CONNECTIONS	\$3,500.00	\$5,000.00	\$2,500.00	\$4,000.00
60-60-3714-0500	WASTEWATER CHARGES	\$1,000,782.72	\$1,188,000.00	\$853,148.44	\$1,183,000.00
60-60-3714-0501	WASTEWATER CONNECTIONS	\$2,000.00	\$5,000.00	\$2,000.00	\$3,000.00
60-60-3714-0503	INDUSTRIAL MONITORING	\$-	\$1,000.00	\$-	\$-
60-60-3831-0800	INTEREST ON INVESTMENT	\$-	\$1,000.00	\$-	\$1,000.00
60-60-3839-0000	MISC SOURCES	\$-	\$1,000.00	\$829.61	\$1,200.00
60-60-3839-0001	LATE FEES	\$26,935.00	\$36,000.00	\$24,685.00	\$30,000.00
60-60-3839-0002	RETURNED CHECK CHARGE	\$250.00	\$1,000.00	\$325.00	\$1,000.00
60-60-3839-0004	CREDIT CARD FEES	\$4,546.00	\$6,000.00	\$5,202.25	\$8,000.00
60-60-3990-0900	APPROPRIATED NET ASSETS	\$-	\$62,000.00	\$-	\$-
TOTALS	(60) - WATER FUND	\$2,310,896.72	\$2,384,000.00	\$1,731,384.99	\$2,421,200.00

Appendix F: Recommended Water and Sewer Fund Expenditures FY 2017-2018

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPT. HEAD REQUEST	MANAGER RECOMMENDED
60-60-7110-5100	SALARIES-WATER DEPT	\$172,645.64	\$154,000.00	\$123,837.12	\$162,000.00	\$162,000.00
60-60-7110-5101	401 K WATER DEPT	\$8,670.70	\$8,000.00	\$6,122.96	\$8,100.00	\$8,100.00
60-60-7110-5102	FICA WATER DEPT	\$13,263.86	\$12,000.00	\$9,301.03	\$12,500.00	\$12,500.00
60-60-7110-5103	STATE RETIREMENT-WATER DEPT	\$11,799.14	\$12,000.00	\$9,089.59	\$12,300.00	\$12,300.00
60-60-7110-5104	GROUP INSURANCE-WATER DEPT	\$17,385.29	\$16,000.00	\$12,518.76	\$19,500.00	\$17,100.00
60-60-7110-5106	RETIREE INSURANCE - WATER	\$7,847.84	\$11,000.00	\$7,001.00	\$12,000.00	\$-
60-60-7110-5112	OPEB OUTLAY - WATER	\$-	\$1,900.00	\$-	\$1,700.00	\$5,100.00
60-60-7110-6203	TELEPHONE	\$8,132.12	\$8,000.00	\$8,534.69	\$10,000.00	\$10,000.00
60-60-7110-6204	UTILITIES	\$3,953.60	\$4,000.00	\$1,137.39	\$4,000.00	\$4,000.00
60-60-7110-6206	M & R EQUIPMENT	\$5,160.84	\$12,000.00	\$1,279.50	\$10,000.00	\$10,000.00
60-60-7110-6220	DUES & CERTIFICATION	\$-	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00
60-60-7110-6230	WATER TESTING LAB/SUPPLIES	\$5,198.26	\$6,000.00	\$2,615.45	\$5,000.00	\$5,000.00
60-60-7110-7303	POSTAGE	\$4,343.10	\$5,000.00	\$2,622.02	\$5,000.00	\$5,000.00
60-60-7110-7304	PRINTING	\$3,000.00	\$10,000.00	\$436.50	\$10,000.00	\$10,000.00
60-60-7110-7305	UTILITY SERVICES	\$45,797.80	\$46,000.00	\$46,956.95	\$49,000.00	\$49,000.00
60-60-7110-7306	CONTRACTED SERVICES	\$75,998.21	\$25,000.00	\$20,000.00	\$10,000.00	\$10,000.00
60-60-7110-7307	PTRWA ADMIN OPERATING FEES	\$34,590.00	\$36,000.00	\$35,181.00	\$37,000.00	\$37,000.00
60-60-7110-7316	WATER PURCHASE - ASHEBORO	\$163,656.57	\$120,000.00	\$76,726.79	\$125,000.00	\$125,000.00
60-60-7110-7317	WATER PURCHASE-PTRWA	\$356,850.00	\$377,000.00	\$276,740.00	\$392,000.00	\$392,000.00
60-60-7110-7322	CREDIT CARD FEES	\$-	\$8,000.00	\$6,710.87	\$10,000.00	\$10,000.00
DEPT TOTAL	(7110) - WATER	\$938,292.97	\$872,900.00	\$647,811.62	\$897,100.00	\$886,100.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPARTMENT HEAD REQUEST	MANAGER RECOMMENDED
60-60-7120-5100	SALARIES - W/WW MAINT	\$185,767.72	\$131,000.00	\$94,417.32	\$86,000.00	\$86,000.00
60-60-7120-5101	401K - W/WW MAINT	\$9,496.10	\$9,000.00	\$4,593.51	\$4,500.00	\$4,500.00
60-60-7120-5102	FICA - W/WW MAINT	\$14,750.93	\$10,500.00	\$7,076.14	\$6,600.00	\$6,600.00
60-60-7120-5103	STATE RETIREMENT - W/WW MAINT	\$13,156.00	\$10,000.00	\$6,930.27	\$6,500.00	\$6,500.00
60-60-7120-5104	GROUP INSURANCE - W/WW MAINT	\$24,489.39	\$16,000.00	\$11,434.73	\$13,000.00	\$11,400.00
60-60-7120-5112	OPEB OUTLAY - W/WW MAINT	\$-	\$1,100.00	\$-	\$900.00	\$2,700.00
60-60-7120-6203	TELEPHONE	\$4,750.76	\$3,000.00	\$2,447.08	\$3,000.00	\$3,000.00
60-60-7120-7301	MISCELLANEOUS	\$775.43	\$3,000.00	\$496.58	\$3,000.00	\$3,000.00
60-60-7120-7302	TRAVEL/MEETINGS/SCHOOL	\$1,090.00	\$4,000.00	\$750.00	\$4,000.00	\$4,000.00
60-60-7120-7306	CONTRACTED SERVICES	\$5,585.20	\$10,000.00	\$1,290.77	\$45,000.00	\$45,000.00
60-60-7120-7309	UNIFORMS	\$4,171.96	\$3,000.00	\$2,203.21	\$3,000.00	\$3,000.00
60-60-7120-7311	MAINTENANCE MATERIALS	\$3,652.08	\$35,000.00	\$24,231.13	\$35,000.00	\$35,000.00
60-60-7120-7312	WATER/SEWER CONST/REPLACE	\$90,464.37	\$30,000.00	\$20,030.59	\$30,000.00	\$30,000.00
60-60-7120-7313	BAD DEBT EXPENSE	\$431.84	\$1,000.00	\$32.92	\$1,000.00	\$1,000.00
60-60-7120-7319	GAS & FUEL	\$9,338.13	\$10,000.00	\$6,470.36	\$13,000.00	\$13,000.00
60-60-7120-7320	AUTOMOTIVE SUPPLIES	\$3,518.64	\$11,000.00	\$6,829.00	\$13,000.00	\$13,000.00
60-60-7120-7322	CREDIT CARD FEES	\$6,405.38	\$-	\$-	\$-	\$-
DEPT TOTAL	(7120) - MAINTENANCE W & WW	\$400,972.93	\$287,600.00	\$189,233.61	\$267,500.00	\$267,700.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPARTMENT HEAD REQUEST	MANAGER RECOMMENDED
60-60-7130-5100	SALARIES - WWTP	\$165,304.31	\$160,000.00	\$129,174.26	\$166,000.00	\$166,000.00
60-60-7130-5101	401K - WWTP	\$8,377.21	\$8,000.00	\$6,302.67	\$8,300.00	\$8,300.00
60-60-7130-5102	FICA - WWTP	\$13,012.60	\$13,000.00	\$9,732.34	\$13,000.00	\$13,000.00
60-60-7130-5103	STATE RETIREMENT - WWTP	\$11,564.15	\$12,000.00	\$9,481.39	\$13,000.00	\$13,000.00
60-60-7130-5104	GROUP INSURANCE - WWTP	\$20,563.02	\$21,000.00	\$16,561.44	\$26,000.00	\$22,800.00
60-60-7130-5112	OPEB OUTLAY - WWTP	\$-	\$1,500.00	\$-	\$1,700.00	\$5,200.00
60-60-7130-6203	TELEPHONE	\$13,688.54	\$14,000.00	\$6,904.72	\$14,000.00	\$14,000.00
60-60-7130-6204	UTILITIES	\$155,867.15	\$135,000.00	\$121,981.63	\$135,000.00	\$135,000.00
60-60-7130-6205	M & R BLDG	\$512.66	\$12,000.00	\$1,218.30	\$12,000.00	\$12,000.00
60-60-7130-6206	M & R EQUIPMENT	\$67,819.23	\$21,000.00	\$20,832.32	\$71,000.00	\$41,000.00
60-60-7130-6209	SLUDGE REMOVAL	\$33,704.46	\$47,000.00	\$34,071.48	\$45,000.00	\$55,000.00
60-60-7130-6220	DUES/FEES FOR CERTIFICATION	\$5,913.05	\$9,000.00	\$6,505.00	\$9,000.00	\$9,000.00
60-60-7130-6230	PRETREATMENT & LAB	\$32,000.00	\$29,000.00	\$19,347.10	\$31,000.00	\$31,000.00
60-60-7130-6231	FINES & PENALTIES	\$1,403.19	\$3,000.00	\$-	\$3,000.00	\$3,000.00
60-60-7130-7300	DEPARTMENT SUPPLIES	\$1,986.49	\$2,500.00	\$1,633.59	\$2,500.00	\$2,500.00
60-60-7130-7301	MISCELLANEOUS EXPENSE	\$593.45	\$1,000.00	\$368.04	\$1,000.00	\$1,000.00
60-60-7130-7302	TRAVEL/MEETINGS/SCHOOL	\$1,495.67	\$3,000.00	\$899.02	\$3,000.00	\$3,000.00
60-60-7130-7303	POSTAGE	\$3,265.20	\$3,500.00	\$2,500.97	\$3,500.00	\$5,000.00
60-60-7130-7309	UNIFORMS	\$3,074.22	\$3,500.00	\$2,485.27	\$3,500.00	\$3,500.00
60-60-7130-7311	SUPPLIES & CHEMICALS	\$1,588.36	\$19,000.00	\$11,384.85	\$19,000.00	\$19,000.00
60-60-7130-7316	WASTEWATER TREAT - ASHEBORO	\$32,812.70	\$60,000.00	\$22,485.78	\$50,000.00	\$50,000.00
60-60-7130-7319	GAS & FUEL	\$3,919.52	\$5,000.00	\$3,964.36	\$5,000.00	\$5,000.00
60-60-7130-7320	AUTOMOTIVE SUPPLIES	\$1,799.49	\$2,500.00	\$2,195.13	\$2,500.00	\$2,500.00
60-60-7130-9800	CAPITAL OUTLAY	\$36,290.06	\$59,000.00	\$58,622.31	\$-	\$35,000.00
DEPT TOTAL	(7130) - WASTEWATER	\$616,554.73	\$644,500.00	\$488,651.97	\$638,000.00	\$654,800.00

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FYE 2016 ACTUAL	FY 2017 BUDGET	TRANS. YTD (AS OF 4/30/17)	DEPARTMENT HEAD REQUEST	MANAGER RECOMMENDED
60-60-9800-9200	TRANSFER TO OTHER FUNDS	\$-	\$240,000.00	\$239,012.54	\$212,000.00	\$212,000.00
60-60-9800-9500	SRF LOAN-PRIN (2033)	\$43,527.75	\$44,000.00	\$43,527.75	\$43,600.00	\$43,600.00
60-60-9800-9501	SRF LOAN-INTEREST	\$15,670.00	\$15,000.00	\$14,799.44	\$7,000.00	\$7,000.00
60-60-9800-9504	PTRWA #1/PRIN (2019)	\$132,620.40	\$133,000.00	\$100,912.98	\$133,000.00	\$133,000.00
60-60-9800-9505	PTRWA #1-INTEREST	\$15,142.49	\$10,000.00	\$8,475.27	\$4,300.00	\$4,300.00
60-60-9800-9506	PTRWA #2-PRIN (2028)	\$74,865.97	\$77,000.00	\$76,938.88	\$79,100.00	\$79,100.00
60-60-9800-9507	PTRWA #2-INTEREST	\$32,642.37	\$31,000.00	\$30,569.41	\$28,600.00	\$28,600.00
60-60-9800-9510	DENR LOANS-PRIN (2017)	\$42,518.10	\$28,000.00	\$27,750.00	\$-	\$-
60-60-9800-9511	DENR LOANS INTEREST	\$2,139.76	\$1,000.00	\$951.82	\$-	\$-
60-60-9800-9513	SRF LOAN - Air Diffusers - PRIN. (2037)	\$-	\$-	\$-	\$23,400.00	\$23,400.00
60-60-9800-9514	PRINC - Meters - (2037)	\$-	\$-	\$-	\$54,700.00	\$54,700.00
60-60-9800-9515	INT - Meters - (2037)	\$-	\$-	\$-	\$26,900.00	\$26,900.00
DEPT TOTAL	(9800) - CAP. OUTLAY/DEBT SERVICE	\$359,126.84	\$579,000.00	\$542,938.09	\$612,600.00	\$612,600.00
FUND TOTAL	(60) - WATER AND SEWER FUND	\$2,314,947.47	\$2,384,000.00	\$1,868,635.29	\$2,415,200.00	\$2,421,200.00

Appendix G: Proposed Budget Ordinance

BUDGET ORDINANCE FISCAL YEAR 2017 - 2018

BE IT ORDAINED by the Board of Alderman of the City of Randleman, North Carolina in session assembled:

SECTION 1: The following amounts are hereby appropriated in the General Fund for the operation of the city government and its' activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

ACCOUNT	DEPARTMENT OR FUNCTION	APPROPRIATION (\$)
10-00-4110-XXXX	(4110) - COUNCIL	33,000
10-00-4120-XXXX	(4120) - ADMINISTRATION	612,400
10-00-9800-XXXX	(9800) -DEBT SERVICE/CAPITAL OUTLAY	114,000
10-20-4250-XXXX	(4250) - FLEET MAINTENANCE	92,000
10-10-4310-XXXX	(4310) - POLICE	1,141,500
10-10-4340-XXXX	(4340) - FIRE	1,343,600
10-10-4345-XXXX	(4345) – FIRE – SAFER GRANT	98,000
10-20-4510-XXXX	(4510) - STREET	370,000
10-20-4710-XXXX	(4710) - SANITATION	284,600
10-30-4900-XXXX	(4900) - ECON & PHYS DEV	67,100
10-30-4910-XXXX	(4910) - PLANNING & ZONING	90,800
10-40-6110-XXXX	(6110) - LIBRARY	265,600
10-40-6120-XXXX	(6120) - RECREATION	600,900
TOTAL APPROPRIATIONS		5,113,500

SECTION 2: It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

ACCOUNT	ACCOUNT DESCRIPTION	AMOUNT (\$)
10-00-3110-2100	AD VALOREM TAXES-PRIOR YEARS	5,000
10-00-3110-2115	2015 AD VALOREM TAXES	5,000
10-00-3110-2116	2016 AD VALOREM TAXES	25,000
10-00-3110-2117	2017 AD VALORM TAXES – CURRENT YEAR'S TAXES	2,441,000
10-00-3110-2800	PENALTIES & INTEREST	5,000
10-00-3230-0100	LOCAL SALES & USE TAX	830,000
10-00-3232-0300	SOLID WASTE DISPOSAL TAX	3,000
10-00-3260-0100	PRIVILEGE LICENSES	350
10-00-3280-0100	VEHICLE TAG FEE	50
10-00-3311-0200	P.I.L.O.T.-HOUSING AUTHORITY	8,000
10-00-3322-0200	STATE - BEER & WINE	20,000
10-00-3324-0200	STATE FRANCHISE TAXES	450,000
10-00-3330-0200	FIRE DISTRICT TAX REVENUE	455,000
10-00-3831-0801	INTEREST ON INVESTMENTS	15,000
10-00-3834-0800	BUILDING RENTS	10,000
10-00-3837-XXXX	ABC REVENUE	100,000
10-00-3839-0800	MISC. SOURCES	5,000
10-00-3920-0900	SALE OF REAL PROPERTY/ASSET	15,000
10-00-3990-0900	APPROPRIATED FUND BALANCE	10,000
10-10-3431-0301	UNAUTHORIZED SUBSTANCE TAX	1,000
10-10-3431-0400	ARREST FEES & MILEAGE	4,000
10-10-3434-0800	FIRE PREVENTION – PERMITS	100
10-10-3490-0200	FEMA FIRE GRANT	98,000
10-20-3316-0300	POWELL BILL	120,000
10-20-3471-0400	TIPPING FEES - SANITATION	231,000
10-20-3473-0400	STORMWATER FEES	35,000
10-30-3491-0401	ZONING PERMIT FOR BLDG PE	1,500
10-30-3491-0402	SPEC USE PERMITS/ZONING	1,500
10-40-3330-0300	LIBRARY RANDOLPH COUNTY	12,000
10-40-3611-XXXX	LIBRARY REVENUES	12,000
10-40-3612-XXXX	PARKS & REC REVENUES	195,000
TOTAL ESTIMATED REVENUE		5,113,500

SECTION 3: There is hereby levied a tax at the rate of sixty-three cents (\$0.63) per one hundred (\$100) valuation of property as listed for taxes as of January 1, 2017 for the purpose of raising the revenue listed as " Current Year's Taxes" in the General Fund in Section 2 of this ordinance.

This rate is based on a total valuation of property for the purposes of taxation of \$391,026,815 and the budgeted amount is based on an estimated rate of collection of 99.1%.

SECTION 4: The following General Fund Fees are hereby adopted for provision of services by the City for the fiscal year beginning July 1, 2017.

Department	Fee Description	Fee Amount	Unit	Add'l Information
Administration	8.5 X 11 Copy	\$0.15	per page	Black & white
Administration	Miscellaneous Returned Check Fee	\$25.00	per occurrence	
Administration	Privilege License Fee (Alcohol Sales)	15.00	per license	
Library	Copies	\$0.20	each page	Black/white or color
Library	Library Card Replacement Fee - First Replacement Card	\$1.00	per card	
Library	Library Card Replacement Fee - All Subsequent Cards	\$5.00	per card	
Library	Library Card Replacement Fee - Upgrade from Old RCPL Card	\$0.50	per card	
Library	Late Item Fee ¹	\$0.10	each item per day	
Library	Late DVD/Blu-Ray Disc Fee	\$1.00	each item per day	Max: \$5.00
Library	Lost Item or Item Damaged beyond Use ²	RC*	each item	
Library	Locking DVD Case Unusable	\$2.00	each case	
Library	Locking DVD Case Missing (With Cover & Barcode)	\$3.00	each case	
Library	AV Case (audiobook, cd) Missing or Damaged ³	\$1.00	each case	
Library	AV Jacket (DVD, Audiobook, CD) missing with Barcode or damaged	\$2.00	each jacket	
Library	Barcode missing	\$1.00	each barcode	
Library	Book jacket torn or missing	\$1.00	each jacket	
Library	Book damage – crayon/pen/highlights on few pages	\$0.25	per page	
Library	Book damage – crayon/pen/highlights on few pages throughout book	RC*	each book	
Library	Book damage – page torn	\$0.25	each page	
Library	Book damage – multiple pages torn	RC*	each book	
Library	Book damage – spine damaged	RC*	each book	
Library	Book damage (spine not affected) – water damage (slight)	\$0.25	each page	
Library	Book damage (spine not affected) – damage throughout	RC*	each book	
Library	Damaged DVD, Audiobook, or CD ³	RC*	each item	
Library	Magazine Damaged	RC*	each item	
Library	Miscellaneous Programming Fees	City Manager's Discretion		each program

¹ All items except for DVDs; Max: \$5.00

² If portion of a set is damaged, the cost of the entire set will be assessed.

³ Assessed in addition to jacket & barcode fees.

Department	Fee Description	Fee Amount	Unit	Add'l Information
Parks & Rec	Community Center Room Rentals - Senior Room - Applies to All	\$50.00	First 2 hours	
Parks & Rec	Community Center Room Rentals - Senior Room - Applies to All	\$20.00	Each Add'l hour	after first 2 hours
Parks & Rec	Community Center Room Rentals - Basketball Courts - Applies to All	\$50.00	First 2 hours	
Parks & Rec	Community Center Room Rentals - Basketball Courts - Applies to All	\$20.00	Each Add'l hour	after first 2 hours
Parks & Rec	Community Center Room Rentals - Rock Wall Room - Applies to All	\$50.00	First 2 hours	
Parks & Rec	Community Center Room Rentals - Rock Wall Room - Applies to All	\$20.00	Each Add'l hour	after first 2 hours
Parks & Rec	Community Center Room Rentals - Aerobic Room - Applies to All	\$50.00	First 2 hours	
Parks & Rec	Community Center Room Rentals - Aerobic Room - Applies to All	\$20.00	Each Add'l hour	after first 2 hours
Parks & Rec	Community Center Membership Fees - Adults - Residents	\$15.00	per month	
Parks & Rec	Community Center Membership Fees - Adults - Non-Residents	\$25.00	per month	
Parks & Rec	Community Center Membership Fees - Seniors - Residents	\$10.00	per month	Ages 65+
Parks & Rec	Community Center Membership Fees - Seniors - Non-Residents	\$20.00	per month	Ages 65+
Parks & Rec	Community Center Membership Fees - Couples – Residents ⁴	\$25.00	per month	
Parks & Rec	Community Center Membership Fees - Couples - Non-Residents ⁵	\$35.00	per month	
Parks & Rec	Community Center Membership Fees - Family – Residents ⁶	\$35.00	per month	
Parks & Rec	Community Center Membership Fees - Family – Non-Residents ⁶	\$45.00	per month	
Parks & Rec	Community Center Membership Fees - Single Entry Rate - Residents	\$5.00	per day	
Parks & Rec	Community Center Membership Fees - Single Entry Rate - Non-Residents	\$5.00	per day	
Parks & Rec	Community Center Membership Fees - Specials (All Rates) ⁷	City Manager's Discretion		
Parks & Rec	Soccer Field Rentals - Residents	\$50.00	hour	
Parks & Rec	Soccer Field Rentals - Non-residents	\$75.00	hour	
Parks & Rec	Soccer Field Rentals - Tournaments - Residents	\$250.00	day	
Parks & Rec	Soccer Field Rentals - Tournaments - Non-Residents	\$300.00	day	
Parks & Rec	Baseball Field Rentals - Residents	\$15.00	hour	Lights not included
Parks & Rec	Baseball Field Rentals - Non-Residents	\$20.00	hour	Lights not included
Parks & Rec	Baseball Field Rentals - Residents	\$30.00	hour	lights included
Parks & Rec	Baseball Field Rentals - Non-Residents	\$40.00	hour	lights included

⁴2 memberships; each member must be resident

⁵2 memberships; price if either member is non-resident

⁶4 memberships per household

⁷Usually done twice; in January and May to promote fitness

Department	Fee Description	Fee Amount	Unit	Add'l Information
Parks & Rec	Baseball Field Rentals - Tournaments – Residents – 1 field	\$90.00	per day	Lights not included
Parks & Rec	Baseball Field Rentals - Tournaments - Non-Residents – 1 field	\$100.00	per day	Lights not included
Parks & Rec	Baseball Field Rentals - Tournaments – Residents -2 fields	\$160.00	per day	Lights not included
Parks & Rec	Baseball Field Rentals - Tournaments - Non-Residents – 2 fields	\$180.00	per day	Lights not included
Parks & Rec	Baseball Field Rentals - Tournaments – Residents -1 field	\$110.00	per day	lights included
Parks & Rec	Baseball Field Rentals - Tournaments - Non-Residents – 1 field	\$125.00	per day	lights included
Parks & Rec	Baseball Field Rentals - Tournaments – Residents – 2 fields	\$180.00	per day	lights included
Parks & Rec	Baseball Field Rentals - Tournaments - Non-Residents – 2 fields	\$205.00	per day	lights included
Parks & Rec	Baseball Field Rentals - Tournaments - Concession Stands - Residents	\$75.00	per day	
Parks & Rec	Baseball Field Rentals - Tournaments - Concession Stands - Non-Residents	\$90.00	per day	
Parks & Rec	Commerce Square Facility Rentals - Firestone Building: Main Room - Residents	\$75.00	per day	
Parks & Rec	Commerce Square Facility Rentals - Firestone Building: Main Room - Non-Residents	\$150.00	per day	
Parks & Rec	Commerce Square Facility Rentals - Firestone Building: Stage View Room - Residents	\$50.00	per day	
Parks & Rec	Commerce Square Facility Rentals - Firestone Building: Stage View Room - Non-Residents	\$100.00	per day	
Parks & Rec	Commerce Square Facility Rentals - Firestone Building: Whole Building - Residents	\$125.00	per day	
Parks & Rec	Commerce Square Facility Rentals - Firestone Building: Whole Building - Non-Residents	\$250.00	per day	
Parks & Rec	Commerce Square Facility Rentals – Randleman Civic Center – Hughes Room - Residents	\$200.00	per day	
Parks & Rec	Commerce Square Fac. Rentals – Randleman Civic Center – Hughes Room - Non-Residents	\$300.00	per day	
Parks & Rec	Commerce Square Fac. Rentals – Randleman Civic Center – Ferguson Room - Residents	\$100.00	per day	
Parks & Rec	Commerce Square Fac. Rentals – Randleman Civ. Cen, – Ferguson Room - Non-Residents	\$200.00	per day	
Parks & Rec	Commerce Square Facility Rentals - Band Stand - Residents	\$100.00	per day	Elec. not included
Parks & Rec	Commerce Square Facility Rentals - Band Stand - Non-Residents	\$150.00	per day	Elec. not included
Parks & Rec	Commerce Square Facility Rentals - Band Stand - Residents	\$125.00	per day	electricity included
Parks & Rec	Commerce Square Facility Rentals - Band Stand - Non-Residents	\$175.00	per day	electricity included
Parks & Rec	Commerce Square Facility Rentals - Farmer's Market - Applies to All ⁸	\$0.00	1 space/day	
Parks & Rec	Commerce Square Facility Rentals – All Buildings - Non-Profit Organizations	½ of listed resident price per day		
Parks & Rec	Youth Sports Fees - Basketball (All Ages) - Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Basketball (All Ages) - Non-Residents	\$50.00	per person	
Parks & Rec	Youth Sports Fees - Soccer (All Ages) - Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Soccer (All Ages) - Non-Residents	\$50.00	per person	
Parks & Rec	Youth Sports Fees - Football (All Ages) - Residents	\$30.00	per person	

⁸ Vendors must register to sell products prior to setting up

Department	Fee Description	Fee Amount	Unit	Add'l Information
Parks & Rec	Youth Sports Fees - Football (All Ages) - Non-Residents	\$50.00	per person	
Parks & Rec	Youth Sports Fees - Cheerleading (All Ages) – Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Cheerleading (All Ages) - Non-Residents	\$50.00	per person	
Parks & Rec	Youth Sports Fees - Volleyball (All Ages) – Residents	\$20.00	per person	
Parks & Rec	Youth Sports Fees - Volleyball (All Ages) - Non-Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall T-Ball (Ages 3-4) - Residents	\$20.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall T-Ball (Ages 3-4) - Non-Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Tot-Ball (Ages 5-6) - Residents	\$20.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Tot-Ball (Ages 5-6) - Non-Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall C-Ball (Ages 7-8) - Residents	\$20.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall C-Ball (Ages 7-8) - Non-Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Baseball (Ages 9-10) - Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Baseball (Ages 9-10) - Non-Residents	\$50.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Baseball (Ages 11-12) - Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Baseball (Ages 11-12) - Non-Residents	\$50.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Softball (Ages 8 & Under) - Residents	\$20.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Softball (Ages 8 & Under) - Non-Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Softball (Ages 10 & Under) - Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Softball (Ages 10 & Under) - Non-Residents	\$50.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Softball (Ages 12 & Under) - Residents	\$30.00	per person	
Parks & Rec	Youth Sports Fees - Spring/Fall Softball (Ages 12 & Under) - Non-Residents	\$50.00	per person	
Parks & Rec	Miscellaneous Community Programs (Comm. events, Fitness Programs, etc.)	City Manager's Discretion		
Miscellaneous	Residential Stormwater Fee	\$1.00	per month	
Miscellaneous	Business Stormwater Fee	\$10.00	per bill	
Planning/Zoning	Zoning Permit Fee	\$40.00	per permit	
Planning/Zoning	Rezoning Application Fee	\$175.00	per application	
Planning/Zoning	Variance/Specialty Use Permit Fee	\$175.00	per permit	
Police	Fingerprinting Fee	\$10.00	per service	
Public Works	Sanitation Fee	\$12.00	per can per month	
Public Works	Extra Garbage Can	\$75.00	per can	

*RC = Replacement Cost

SECTION 5: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the city government and its' activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018, in accordance with the chart of accounts heretofore established for this City:

ACCOUNT	DEPARTMENT OR FUNCTION	APPROPRIATION (\$)
60-60-7110-XXXX	(7110) - WATER	886,100
60-60-7120-XXXX	(7120) - MAINTENANCE W & WW	267,700
60-60-7130-XXXX	(7130) - WASTEWATER	654,800
60-60-9800-XXXX	(9800) - CAPITAL OUTLAY/DEBT SERVICE	612,600
TOTAL APPROPRIATIONS		2,421,200

SECTION 6: It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2017 and ending June 30, 2018:

DESCRIPTION	AMOUNT (\$)
WATER CHARGES	1,190,000
WATERLINE CONNECTIONS	4,000
WASTEWATER CHARGES	1,183,000
WASTEWATER CONNECTIONS	3,000
INTEREST ON INVESTMENT	1,000
MISC SOURCES	1,200
LATE FEES	30,000
CREDIT CARD FEES	8,000
RETURNED CHECK CHARGE	1,000
TOTAL ESTIMATED REVENUES	2,421,200

SECTION 7: The following Water and Sewer Fund Fees are hereby adopted for provision of services by the City for the fiscal year beginning July 1, 2017:

Dept.	Fee Description	Fee Amount	Unit	Add'l Information
Water	Utility Charges - Water - Base Fee - Inside City Limits ¹	\$18.11	0 - 3,000 gals	Billed every 2 months
Water	Utility Charges - Water - Consumption Fee - Inside City Limits ¹	\$6.78	per 1,000 gals over first 3,000 gals	Billed every 2 months
Water	Utility Charges - Water - Base Fee - Outside City Limits ¹	\$36.22	0 - 3,000 gals	Billed every 2 months
Water	Utility Charges - Water - Consumption Fee - Outside City Limits ¹	\$13.56	per 1,000 gals over first 3,000 gals	Billed every 2 months
Water	Utility Charges - Water - Industrial Rate (6,000,000+ gals avg. per month)	\$10,000.00	per month	Billed every month
Water	Water Tap Fee - 3/4" - City Installed - Inside City Limits	\$900.00	per tap	
Water	Water Tap Fee - 3/4" - City Installed - Outside City Limits	\$1,600.00	per tap	
Water	Water Tap Fee - 3/4" - Developer Installed (Subdivisions) - Inside City Limits	\$200.00	per tap	
Water	Water Tap Fee - 3/4" - Developer Installed (Subdivisions) - Outside City Limits	\$600.00	per tap	
Water	Meter Tampering Fee - First Occurrence (All locations)	\$50.00	per meter	
Water	Meter Tampering Fee - Each Additional Occurrence (All locations)	\$100.00	per meter	
Water	Meter Replacement Fee ²	Cost + \$25.00	per meter	
Water	Late Fee - (All locations) - after 5 pm on due date ³	\$5.00	per account	
Water	Second Late Fee - (All locations) - after 5 pm on cut-off date ⁴	\$25.00	per account	
Water	Returned Check/Draft Fee	\$25.00	per occurrence	
Water	Services not listed	City Manager's Discretion: minimum: at Cost		
Misc.	Utility Service Deposit - Rental Property - Inside City Limits	\$100.00	per account	Due before acct is open
Misc.	Utility Service Deposit - Rental Property - Outside City Limits	\$150.00	per account	Due before acct is open
Misc.	Utility Service Deposit - Rental Property - Inside City Limits and no Social Security Number given	\$300.00	per account	Due before acct is open
Misc.	Utility Service Deposit - Rental Property - Outside City Limits and no Social Security Number given	\$400.00	per account	Due before acct is open
Misc.	Credit Card Fee	\$2.50	per transaction	
Wastewater	Utility Charges - Sewer - Base Fee - Inside City Limits ¹	\$18.11	0 - 3,000 gals	Billed every 2 months
Wastewater	Utility Charges - Sewer - Consumption Fee - Inside City Limits ¹	\$6.78	per 1,000 gals over first 3,000 gals	Billed every 2 months
Wastewater	Utility Charges - Sewer - Base Fee - Outside City Limits ¹	\$36.22	0 - 3,000 gals	Billed every 2 months
Wastewater	Utility Charges - Sewer - Consumption Fee - Outside City Limits ¹	\$13.56	per 1,000 gals over first 3,000 gals	Billed every 2 months
Wastewater	Utility Charges - Sewer - Industrial Rate (6,000,000+ gals avg. per month)	\$35,000.00	per month	Billed every month
Wastewater	Tap Fee - 4" - City Installed - Inside City Limits	\$600.00	per tap	
Wastewater	Tap Fee - 4" - City Installed - Outside City Limits	\$1,100.00	per tap	
Wastewater	Tap Fee - 4" - Developer Installed (Subdivisions) - Inside City Limits	\$200.00	per tap	
Wastewater	Tap Fee - 4" - Developer Installed (Subdivisions) - Outside City Limits	\$400.00	per tap	
Wastewater	Services not listed	City Manager's Discretion: minimum: at Cost		

¹ Billed every 2 months per Utility Billing Schedule.

² In addition to Meter Tampering Fee, added to customer's bills

³ Late fee added after 5 PM on due date; usually occurs on 15th of utility bill's due month; could vary dependent on how the dates fall.

⁴ Second late fee added after 5 PM on cut-off date; usually occurs on 25th of utility bill's due month; could vary dependent on how the dates fall.

SECTION 8: The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a) He/she may transfer between line item expenditures within a department without limitation and without a report to the Governing Board being required.
- b) He/she may transfer amounts between departments, within the same fund. He/she must make an official report on such transfers in excess of \$2,000 at the next regular meeting of the Governing Board.
- c) He/she may not transfer any amounts between funds, except as approved by the Governing Board in the Budget Ordinance, as amended.

SECTION 9: Copies of this Budget Ordinance shall be furnished to the City Clerk, to the Governing Board and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds. A copy will also be available at the City of Randleman website: www.cityofrandleman.com

TOTAL GROSS BUDGET

\$7,534,700

Adopted this, the ____ day of June, 2017.

Clarence R. Jernigan, Mayor

ATTEST:

Melody R. Hancock, CMC, NC-CMC, City Clerk

Appendix H: Pay and Classification Schedule

City of Randleman's Pay and Classification Schedule



Pay Grade	Minimum	Midpoint	Maximum	Annual Dev. Increase¹
10	\$20,800.00	\$26,000.00	\$31,200.00	\$866.67
11	\$21,840.00	\$27,300.00	\$32,760.00	\$910.00
12	\$22,932.00	\$28,665.50	\$34,399.04	\$955.58
13	\$24,078.08	\$30,097.58	\$36,117.12	\$1,003.25
14	\$25,282.40	\$31,603.50	\$37,924.64	\$1,053.52
15	\$26,547.04	\$33,184.32	\$39,821.60	\$1,106.21
16	\$27,874.08	\$34,843.12	\$41,812.16	\$1,161.51
17	\$29,267.68	\$36,585.12	\$43,902.56	\$1,219.57
18	\$30,732.00	\$38,415.50	\$46,099.04	\$1,280.58
19	\$32,269.12	\$40,336.40	\$48,403.68	\$1,344.55
20	\$33,883.20	\$42,354.00	\$50,824.80	\$1,411.80
21	\$35,578.40	\$44,473.50	\$53,368.64	\$1,482.52
22	\$37,356.80	\$46,696.00	\$56,035.20	\$1,556.53
23	\$39,224.64	\$49,030.79	\$58,836.96	\$1,634.36
24	\$41,186.08	\$51,483.12	\$61,780.16	\$1,716.17
25	\$43,245.28	\$54,057.12	\$64,868.96	\$1,801.97
26	\$45,408.48	\$56,761.12	\$68,113.76	\$1,892.11
27	\$47,679.84	\$59,600.32	\$71,520.80	\$1,986.75
28	\$50,063.52	\$62,579.92	\$75,096.32	\$2,086.07
29	\$52,565.76	\$65,707.20	\$78,848.64	\$2,190.24
30	\$55,194.88	\$68,993.58	\$82,792.32	\$2,299.78
31	\$57,955.04	\$72,444.32	\$86,933.60	\$2,414.88
32	\$60,852.48	\$76,065.58	\$91,278.72	\$2,535.52
33	\$63,895.52	\$79,869.92	\$95,844.32	\$2,662.40
34	\$67,090.40	\$83,863.50	\$100,636.64	\$2,795.52

¹Annual Deviation Increase is based on employees reaching the Midpoint of their respective Pay Grades in 6 years.

Thus, the increase is what the employee would receive as a raise each year.

Appendix I: Personnel Summary

City of Randleman's Personnel Summary for FY 15-16, FY 16-17, and FY 17-18

Job Class	Pay Grade	Actual FTE FY 15-16	Budgeted FTE FY 16-17	Recomm. FTE FY 17-18
Assistant Fire Chief	27	0	1	1
Assistant Superintendent Parks & Rec	21	1	0	0
Chief of Police	30	1	1	1
City Clerk	24	1	1	1
City Planner	24	1	1	1
Deputy City Clerk/Purchasing	20	1	0	0
Detective (Lieutenant)	24	1	1	1
Finance Director	29	1	1	1
Fire Chief	30	1	1	1
Fire Engineer	20	5	5	5
Fire Marshall	24	1	0	0
Fire Shift Captain	22	3	3	3
Firefighter - FT	19	9	11	11
Firefighter - PT ¹	19	1.74	2.54	2.48
Library Assistant – PT ¹	11	0.38	0.38	0.38
Library Associate I	12	1.15	1.15	1.15
Library Associate II	14	2	2	2
Library Director	25	1	1	1
Mechanic II (supervisor)	23	1	1	1
Parks and Rec Assistant Director	22	0	1	1
Parks and Rec Director	25	0	1	1
Patrol Officer	20	8	8	8
Patrol Officer/Administrative	20	1	1	1
Police Sergeant	22	4	4	4
Project Mgr./Special Projects	24	1	1	0
Public Works Director	28	1	1	1
Public Works Sup. Dist. & Coll.	23	1	1	1
Public Works Technician I	12	1	1	1
Public Works Technician II	16	3	3	3
Recreation Center Supervisor - PT ¹	21	0.72	1.07	1.07
Recreation Center Attendant - PT ¹	10	2.05	1.83	1.83
Sanitation Supervisor	20	1	1	1
Superintendent Parks and Rec. Dept.	24	1	0	0
W/W Plant Operator I	16	1	1	1
W/W Plant Operator II	19	1	1	1
W/W Plant Operator III	22	1	1	1
Waste Water Director	28	1	1	1
Water Billing and Collection Specialist	18	1	1	1
City Manager	N/A	1	1	1
TOTAL FTE's		64.04	65.97	64.91

¹ Positions are Part Time and as such are shown as Full Time Equivalents.

Appendix J: OPEB Calculations

General Fund			
City Contributions	# of Retirees	Cost of Insurance	Amount Paid By City
100%	1.5	\$8,550.00	\$8,550.00
85%	0	\$-	\$-
75%	1	\$5,700.00	\$4,275.00
Total			\$12,825.00
Total Fund Salaries			\$1,990,800.00
% of Total Fund Salaries			0.64%

Water/Sewer Fund			
City Contributions	# of Retirees	Cost of Insurance	Amount Paid By City
100%	1.5	\$8,550.00	\$8,550.00
85%	0	\$-	\$-
75%	1	\$5,700.00	\$4,275.00
Total			\$12,825.00
Total Fund Salaries			\$414,000.00
% of Total Fund Salaries			3.10%

The City of Randleman has 5 retirees currently receiving OPEB. The benefits for retirees are calculated to be paid out of the respective funds from which the retiree was paid from when they retired. It is only coincidental that the number of retirees is equal for each contribution category of each fund.

Appendix K: Financial Policy for the City of Randleman



City of Randleman **Financial Policy**

I. Objectives

This fiscal policy is a statement of the guidelines and goals that will influence and guide the financial management practice of the City of Randleman, North Carolina. A fiscal policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management. The main objectives of this policy are:

- To enable the City to protect itself from financial disaster.
- To establish clear and consistent guidelines that promote long-term financial stability.
- To promote the understanding of linking long-term financial planning with day to day operations.
- To direct consideration to the total financial outlook rather than single issue areas.
- To improve short term and long term financial credit ability by enabling the City to attempt to achieve the highest credit and bond ratings possible.
- To afford the City of Randleman's citizens, Board of Aldermen, and staff an outline for measuring the financial impact of government services.

II. Budgeting Policies and Practices

The City of Randleman has adopted the following policies for budget preparation, presentation, and implementation:

1. The City will adhere to all budgetary statutes and guidelines as set forth in the Local Government Budget and Fiscal Control Act (NC G.S §159-7 through § 159-42.1)
2. The City's proposed budget will be prepared in accordance with all Generally Accepted Accounting Principles.
3. The City's basis of budgeting for all funds will be modified accrual, the same basis of accounting found within the City's audited financial statements.
4. The City's proposed budget will be balanced such that proposed expenditures will not surpass proposed revenues.
5. Budgeted revenues will only be spent for those expenditures for which they are intended (i.e., County Fire Tax within the Fire Department, etc.).
6. Department budgets are reviewed by Department Heads, the Finance Director, and the City Manager prior to the presentation of the proposed budget to the Board of Aldermen. The Board of Aldermen will review the proposed budget prior to its adoption.
7. Staff authorization for budget adjustments, as well as an outline for budget adjustments and amendments will be made within the annual budget ordinance.
8. Debt service payments will be budgeted for following the guidelines presented when the loan was issued or in the respective fund that is responsible for the repayment of the debt and as documented within the City's Debt Policy.
9. In accordance with N.C.G.S 160A-17, funds are to be appropriated to suffice obligations for ongoing contracts.
10. The City's financial policy will be adhered to in development, implementation and management of the annual fiscal year budget.

III. Revenue

A. Revenue Forecasting

Good revenue management involves the ongoing process of reviewing and evaluating all revenue sources to ensure that incomes from each source are optimal. The Board of Aldermen expect that every attempt will be made to project revenues for the annual budget within at least 5% of actual recognized revenues at the end of each fiscal year. These projections should be based on patterns in growth, the underlying economy, and historical trends in collections.

B. Ad Valorem Taxes

As prescribed by North Carolina General Statute 159 (also known as the Local Government Budget and Fiscal Control Act), the Finance Director for the City of Randleman shall estimate revenue from the Ad Valorem Tax levy for the annual budget as follows:

- Total assessed valuation will be estimated based on historical trends, growth patterns, and anticipated new constructions.
- In accordance with state law, the estimated percentage of collections is not to exceed the percentage of levy that was actually collected in the previous fiscal year.
- The Ad Valorem tax rate will be set each year based on the cost of providing general government services, paying debt service requirements as scheduled, and the supplementation of other budgeted revenues in regards to the overall budget. Future revenue requirements will also be given consideration in regards to maintaining service levels as the board sees fit.

C. User Fees

The Board of Aldermen for the City of Randleman sets fees for certain services provided by the City that can be individually identified and in which the costs of these services are directly related to the level of services provided. This allows for the possibility of growth within the City to pay for itself and helps to alleviate burdens placed on current residents to fund said growth. By placing emphasis on user fees over Ad Valorem Taxes, the Board of Aldermen have enabled the following benefits:

- User fees allow for avoidance of subsidization in instances where the service that is provided to citizens are not necessarily provided to the general public.
- User fees allow for the regulating of the facility of certain services.
- User fees are paid by all users for their respective services, including those that are exempt from paying property taxes.
- User fees for certain services can be justified on the basis of equity and efficiency, by producing information on the demand level for services and by helping to make the connection between the amount paid and the service received.
- User fees, at a minimum, should cover at least 50% of the service they are being charged to provide.

D. Donations

Donations will be spent only toward the intent for which they were given.

E. One-Time Revenues

One-time or other special revenues will not be used to finance continuing City operations but will instead be used for the purpose they were received for or for funding special projects, when permitted.

F. Utility Fees

The City reviews and updates its fee schedule as needed from time to time. Water and Sewer rates will be set at the appropriate levels to enable the Water and Sewer Fund to be self-supporting.

G. Grant Funding

The City of Randleman will adhere to its adopted Grant Policies and Procedures in reference to applying for grants, funding received from grants, and the expending of those funds. Highlights of that policy are set forth:

The City of Randleman may use grant funding for a variety of purposes that include but are not limited to:

- Funding current City operations (services, positions, etc.)
- Departmental long-range plans
- Capital Projects
- Other projects or activities that address the mission and goals of the City

City staff will pursue opportunities for grant funding as they arise. Application will be made after the grant is determined by the City Manager to be compatible with the City's programs, objectives, and goals. If the City Manager deems the potential grants to be compatible, the respective grant will be presented to the City of Randleman's Board of Aldermen for consideration prior to formal application being made. If funds are awarded for approved grants, they will be accepted after Board review and action, including the creation of the appropriate line items, as well as the approval of any associated budget amendments to account for the collection and expending of said funds.

IV. Debt

A. Uses of Debt

Debt will be used to finance capital projects or for purchase of equipment that provide value to current and future citizens. The City of Randleman will not use debt proceeds for operational needs.

B. Terms and Structure of Debt

When debt is deemed necessary, it is the expectation of the City of Randleman to put as little strain on operations, while maintaining low interest payments, as possible. The following are to serve as a guideline to how debt is to be termed and structured:

- Capital projects shall only be financed for a period not to exceed the estimated useful life of the project.
- Non-utility debt will normally have a term of 20 years or less.
- Utility debt will normally have a term of 30 years or less.
- The City will seek the best financing type, debt structure and timeframe for each financing need based on the flexibility to meet the project needs, timing, tax or rate payer equity and lowest interest cost.
- Case financing (pay-as-you-go) is a component of the capital program that contributes to the financial integrity of the City.

C. Debt Capacity

The City of Randleman's debt capacity for general obligation debt is defined by North Carolina General Statute 159-55 as limited to eight percent of the City's assessed property values. The Board of Aldermen for the City of Randleman have directed that the City's total debt including interest for the General Fund is not to exceed 3% of assessed property values. The ratio of budgeted Debt Service Expenditures as a percent of budgeted Total Governmental Fund Expenditures should not exceed 15%.

The City will set utility rates and fees for the enterprise fund as to achieve a debt service coverage ratio of at least 1.10 times or greater. The debt service coverage ratio is calculated by dividing net revenue by debt service principal and interest. Net Revenue is calculated by subtracting operating expenses

(minus depreciation) from operating revenues. These equations are exhibited below:

- $\text{Operating Revenues} - \text{Operating Expenses without Depreciation} = \text{Net Revenue}$
- $\frac{\text{Net Revenue}}{\text{Debt Service Principal and Interest}} = \text{Debt Service Coverage Ratio}$

V. Fund Balance

A. Overview and Purpose

The purpose of having a well-established Fund Balance policy is to provide guidelines to set a reasonable Fund Balance level that is to be maintained for the City of Randleman's major funds, describe the circumstances under which the City can decrease the balances below the reasonable Fund Balance levels, and describe the procedures to be followed on restoring the fund balance levels to their reasonable levels. The Fund Balance levels that the City refers to in the policy are the Unreserved or Undesignated Fund Balance. This type of Fund Balance refers to the funds that remain available for appropriation by the City of Randleman's Board of Aldermen after all commitments for future expenditures, required reserves (as defined by State Statutes), and previous Board of Aldermen designations have been calculated. The City will define these remaining amounts as "Available Fund Balance."

B. General Fund

At the close of each fiscal year, the City of Randleman's General Fund Available Fund Balance is not to be less than 25% of actual General Fund net expenditures without formal consent from the Board of Aldermen. 25% was chosen because it is over three times the bare minimum amount (8%) recommended by the Local Government Commission to be retained by local governments

The Board of Aldermen may, from time-to-time, utilize the Available Fund Balance that may make it fall below the 25% policy for the following: declared fiscal emergencies such as a drastic unanticipated revenue shortfall, dealing with a natural disaster or other similar event that threatens the health, safety and wellbeing of the City's residents, financial opportunities to enhance the City of Randleman, or other such universal purpose as to protect the long-term fiscal security of the City of Randleman. In such circumstances, after the level of Available Fund Balance has been calculated as part of the closing-out process for the fiscal year (usually done with the annual audit process), the Board of Aldermen will adopt a plan as part of the following year's budget process to restore the Unassigned Fund Balance to the policy level within 24 months from the date of the budget adoption. If restoration cannot be accomplished within such time period without severe hardship to the City, then the Board of Aldermen may establish a different but appropriate time period, as it sees fit.

After the level of Available Fund Balance has been calculated as part of the closing-out process for the fiscal year, any monies that are available above 25% Available Fund balance may be allocated for appropriation by the Board of Aldermen, as they see fit.

VI. Financial Operations and Reporting

A. Accounting and Fiscal Reporting

The City of Randleman will establish and maintain its accounting systems according to North Carolina General Statute 159 also known as the “Local Government Budget and Fiscal Control Act.” While following N.C.G.S 159 and all of its subchapters, the City will also hold its records and reporting to be in accordance with all Generally Accepted Accounting Principles (GAAP) and with all Governmental Accounting Standards Board (GASB) statements.

Financial systems will be maintained and reviewed to monitor expenditures and revenues. The City of Randleman places emphasis on maintenance of an accounting system which provides strong internal budgetary and accounting controls. These controls are to be designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, such as the annual budget ordinance and the Comprehensive Annual Financial Report (CAFR), as well as maintenance of accountability of assets.

Per N.C.G.S. 159-34, an annual audit will be performed by an independent certified public accounting firm which will issue an opinion on the annual financial statements, with a management letter detailing areas that need improvement if required. The Finance Director is instructed to evaluate and select auditing services through a competitive bidding process at a minimum of every three years. Full disclosure is to be provided in all regulatory reports, financial statements, and bond representations.

The City will maintain the number of funds and accounts necessary for proper and accurate records, as determined by the Finance Director, for proper accounting and management purposes. The City may maintain the types of funds as outlined in N.C.G.S. 159-26, as deemed appropriate for the City by the Finance Director.

B. Operational Cash Management

i. Pre-audits

Per N.C.G.S. 159-28 (a), “no obligation may be incurred...unless the budget ordinance includes an appropriation authorizing the obligation *and* an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction...” To abide by this statute, for each obligation presented to the City, the Finance Director (or Deputy Finance Director) must check to see if there is an appropriation in the budget ordinance, check to see if sufficient funds remain in the appropriation to cover the amount of the obligation, and affix a signed pre-audit certificate (found in N.C.G.S. 159-28(a)) to any purchase orders as assigned per the City’s Purchasing Policy or contracts associated with the obligation. Exempted from this policy are obligations approved by the Local Government Commission, Payroll expenditures (including associated benefits for employees), and Electronic transactions (such as obligations paid for by credit card or electronic check (e-checks)).

ii. Cash Disbursements

The City will make disbursements in accordance with N.C.G.S. 159-28 and the City’s adopted Purchasing Policy. Disbursements will be made shortly in advance of or on the agreed-upon contractual date of payment unless earlier payment provides a greater economic benefit in favor of the City of Randleman. All invoices must be approved by the Finance Director or his or her designee prior to payment. Proper documentation will be required prior to the disbursement of funds. This documentation will be maintained to meet all GAAP, GASB, auditing standards, and town policies. The Finance Director or his or her designee has the right to request additional information and or documentation from departments, as needed to determine whether or not an invoice is to be paid. Disbursements are to be made using the method(s) considered most efficient at the discretion of the Finance Officer or his or her designee, as approved by the Board of Aldermen.

Per N.C.G.S. 159-25(b), checks are to be dually-signed through a combination of two signatures by the Finance Director or appointed Deputy Finance Director, and countersigned by another official of the local government designated by the governing board. The City of Randleman’s Board of Aldermen has designated the Mayor for this role. Payroll disbursements are to be in accordance with all federal and state regulations, rules and laws and by the City’s Personnel Policy.

With regards to escheats, the City will follow all rules and regulations as directed by North Carolina General Statutes.

iii. Receipts

The City of Randleman will be collected and deposited as expediently as reasonably possible, as determined by the Finance Director, to provide secure handling of incoming monies and to move these funds into interest earning accounts and investments. All incoming funds will be deposited daily, per N.C.G.S. 159-32, and are allowed to be received in the most efficient means possible.

iv. Banking Relations

The City of Randleman through the discretion of the Finance Director will evaluate banking service providers on a regular basis to ensure the City is receiving the services deemed necessary to operate at a competitive rate. The City will maintain the number of bank accounts as deemed necessary by the Finance Director to facilitate the movement and investment of funds. Deposits may be pooled in accordance with North Carolina General Statutes. The State Treasurer of North Carolina is responsible for enforcing standards of minimum capitalization for all pooling method financial institutions. North Carolina local governments, in turn, rely on the State Treasurer to monitor those financial institutions. The City will analyze the financial soundness of all financial institutions that it uses. When designating official depositories and the verification of properly secured deposits, the City of Randleman will comply with the North Carolina General Statutes.

v. Collections

The City of Randleman will follow through with the collection on delinquent customer accounts using any manner readily available and as allowed by North Carolina General Statutes. These manners include the North Carolina Debt Set-off Program and the use of a third-party collection agency. After all collection efforts are exhausted and after considering legal time limits for all collection methods, delinquent balances may be written off at the discretion of the Finance Director. Fees for collection delinquency are reviewed annually and are included with the City of Randleman's Fee Schedule. City Staff has the authority to suspend all utility services in connection with an unpaid customer account. Service may be resumed once the outstanding balance is paid in full.

vi. Internal Control and Compliance

The City intends to maintain a system of internal controls, as developed by the Finance Director, that ensures complete, accurate and timely financial records as well as creates a business system that properly captures and reports financial related information. The Finance Director will provide clarification from time-to-time on City financial-related policies and procedures and other regulatory and statutory requirements. Per the Personnel Policy, positions deemed as critical for financial purposes will be subject to background checks.

VII. Investments

It is the policy of the City of Randleman to retain capital and invest publicly held funds in a manner which provides the highest investment return with the highest level of security while maintaining the daily cash flows requirements of the City and conforming to all State statutes that govern the investment of public funds. This investment policy applies to all financial assets in the City's investment portfolio, including debt proceeds.

The Finance Director will oversee the investment of all funds held by the City of Randleman according to the following:

1. Primary significance will be given to the preservation of capital with secondary significance given to the generation of income and capital gains.
2. Staff, in acting in accordance with written procedures, state statutes, and through the exercise of due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes. This provision is provided that any deviations are reported to the governing board immediately and action is taken to control adverse developments.
3. The City will make every effort to maintain a diversified investment portfolio according to security type and institution.
4. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating needs and requirements which may be reasonably anticipated through the use of structured maturities and marketable securities. Essentially, the City will not invest funds in long term that inhibit operations without reasonably structuring the investments to maintain a sufficient level of readily available funds.
5. The Finance Director will maintain a list of financial institutions authorized to provide investment services to the City of Randleman. Such institutions include banks maintaining an office in the State of North Carolina and securities brokers and/or dealers classified by the New York Federal Reserve as primary dealers. Preference will be given to banks that hold office within the city limits of the City of Randleman.
6. The Finance Director is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse.
7. Officials and employees involved with the investment process will refrain from personal business activity that could conflict with proper execution of

the investment program, or which could impair their ability to make impartial investment decisions.

8. Investment officials will disclose to the Finance Director any material financial interests in financial institutions that conduct business within the City of Randleman, and they will further disclose any large personal financial and/or investment positions that could be related to the performance of the City's investment portfolio.

VIII. Capital Improvement Planning

The City of Randleman shall develop a five-year Capital Improvement Plan and review and update the plan annually during its budget process. The Plan shall adhere to the following guidelines:

1. Capital Projects that are included in the Capital Improvement Plan will specifically advance one or more of the Board of Aldermen's Strategic Priorities, as adopted from time-to-time.
2. The Capital Improvement Plan will generally address those capital assets with a value of \$15,000 or more and a use life of a minimum of 3 years.
3. The City will identify both the projected costs and the potential sources of funding for each capital project within the plan.
4. The Capital Improvement Plan shall incorporate existing needs as well as projections for future capital expenditures necessitated by changes in population, development, or in the economic base of the City of Randleman.
5. The Capital Improvement Plan will be incorporated into the development of the annual operating budget.
6. Future operating and maintenance costs associated with new capital improvements will be projected and included in operating budget forecasts. This is to be in addition to any debt obligations that are estimated to be incurred.
7. The City's assets are to be maintained at a level adequate to protect the City's capital investment, to preserve the asset's ability to perform its intended purpose, and to minimize future maintenance and replacement costs.
8. Each year, the City will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. With this projection, a maintenance and repair schedule will be developed and adhered to and related expenditures should be justified according to the budget document.
9. The City will attempt to determine the least costly and most flexible financing method for all new projects.

Appendix L: Glossary of Terms

- **Adopted Budget** – the official expenditure plan adopted by the Board of Aldermen for a fiscal year.
- **Ad Valorem Taxes** – usually referred to as Property Taxes; for many governments, it is the single largest revenue source. Taxes are levied at the stated tax rate for both real and personal property according to the valuation.
- **Amortization** – the process of paying off a debt (often from a loan or mortgage) over time through regular payments.
- **Amortization Schedule** - a table detailing each periodic payment on an amortizing loan.
- **Appropriated Fund Balance** – revenue appropriated from existing fund balance to help expenditures in a given year.
- **Appropriation** – an authorization by the governing board to make expenditures and incur obligations for specific purposes.
- **Assessed Valuation** – the total value established for real property and used as the basis for levying property taxes.
- **Balanced Budget** – when the sum of estimated net revenues and appropriated fund balance in each fund is equal to appropriations in that fund. The State of North Carolina requires municipalities to pass a balanced budget annually.
- **Budget** – a comprehensive financial plan of operation for a specified period of time containing an estimate of proposed expenditures and the means of financing them. In the State of North Carolina, it is required by law that a balanced budget be produced.

- **Budget Calendar** – the schedule for completion of the various tasks involved in the preparation, submission, and adoption of the fiscal year annual operating budget for the City.
- **Budget Message** – a written transmittal contained in the proposed budget document prepared by the City Manager and addressed to the governing board which contains the City Manager's views and recommendations on the City's operation for the coming fiscal year.
- **Budget Ordinance** – the legal document approved by the governing board that establishes the spending authority for the City.
- **Capital Asset** – tangible items that have a significant value of \$3,000 or greater and a useful life of one year or more.
- **Capital Improvement Plan (CIP)** – a short-range plan, usually five to ten years, which identifies capital projects and equipment purchases, provides a planning schedule and identifies options for financing the plan.
- **Capital Outlay** – budgeted expenditures of \$3,000 for tangible items with a useful life of at least one year.
- **Capital Project** – projects dealing with major construction and acquisitions that are not anticipated to be completed within a fiscal year and help to maintain or improve a city asset.
- **Capital Project Fund** – a fund used to account for expenditures for major construction and acquisition projects that are not accounted for in other funds and are not anticipated to be completed in one year.
- **Debt Service** – moneys required for payment of principal and interest and other associated expenses on outstanding debt.
- **Department** – a major operating budget area of the City, which includes overall management for a respective activity or group of related activities.

- **Encumbrance** – an obligation in the form of a purchase order or a contract, which is chargeable to an appropriation and for which a part of the appropriation is reserved. An encumbrance becomes an expenditure when paid.
- **Enterprise (Proprietary) Fund** – a fund established to account for the operation of facilities and services that are entirely or predominantly financed through user charges.
- **Expenditure** – the amount paid for goods delivered and services rendered.
- **Fiscal Year (FY)** – a twelve-month period of time to which the annual budget applies. North Carolina law dictates that local government's fiscal years are from July 1 through June 30.
- **Fixed Asset** – tangible property owned by the City that has a monetary value of \$3,000 or greater and has a useful life of one year or more.
- **Fund** – an independent accounting entity with a self-balancing set of accounts.
- **Fund Balance** – the excess of a fund's assets and revenues over its liabilities, reserves and expenditures at the close of a fiscal year.
- **GAAP (Generally Accepted Accounting Principles)** – Accounting principles that are commonly used in preparing financial statements and generally accepted by the readers of those statements. The source of GAAP for state and local governments is the Governmental Accounting Standards Board.
- **GASB (Government Accounting Standards Board)** – the source of GAAP (Generally Accepted Accounting Principles), use by state and local governments in the United States.
- **General Fund** – used to account for the ordinary operations of the City, which are financed through taxes, other general revenues, contributions, transfers, and reimbursements from other funds. Unless legally obligated to be accounted for elsewhere, all activities are accounted for in the General Fund.

- **Governmental Fund** – segregations of financial resources. Expendable assets are assigned to the various governmental funds and current liabilities are assigned to the fund from which they are to be paid. The difference between governmental fund assets and liabilities, the fund equity, is referred to as Fund Balance.
- **Installment Agreement Financing** – a type of financing agreement or loan that is repaid over time with a set number of scheduled payments; the term of the loan may vary.
- **Inter-fund Transfer** – transfers of money between accounting funds as authorized by the Governing Board.
- **Intergovernmental Revenue** – revenue received by the City from federal, state, and/or county agencies.
- **LGBFCA (Local Government Budget and Fiscal Control Act)** – North Carolina General Statute 159, Article 3; controls how local governments budget and spend money.
- **Line Item** – a unit of budgeted expense used to classify expenditures by item or category.
- **Local Government Commission (LGC)** - The Local Government Commission was established by legislation to provide assistance to local governments and public authorities in North Carolina. It is staffed by the Department of State Treasurer and approves the issuance of debt for all units of local government and assists those units with fiscal management.
- **Modified Accrual Accounting** – Method of accounting under which revenues are recognized in the period that they become available and measurable, and expenditures are recognized in the period the associated liability is incurred. Most government accounting follows this method. It is also referred to as modified cash basis accounting.

- **NC DENR (NC Department of Environment and Natural Resources)** – State of North Carolina department that handles the management of environmental and natural resources including water quality, air quality, coastal management, fisheries, energy resources, water infrastructure and more. The Department is now referred to as the North Carolina Department of Environmental Quality (NC DEQ).
- **NCGS (North Carolina General Statutes)** – laws that govern the State of North Carolina.
- **NCLM (North Carolina League of Municipalities)** – a nonpartisan association of municipalities in North Carolina whose mission is to promote good government by offering non-partisan advocacy and other services for over 540 municipalities in North Carolina.
- **Operating Budget** – the City's financial plan for its operation for the fiscal year that outlines the proposed expenditures and revenue estimates to finance the expenditures.
- **Operating Expenses** – funds, not including capital outlay, allocated for the day-to-day operations of the City's services.
- **Operating Revenues** – revenues associated with the business activities of an organization. The City of Randleman's operating revenues are comprised of collections of water and sewer charges.
- **Ordinance** – a legislative enactment by the Governing Board. It has the full force of law within the City if it is not in conflict with any higher law.
- **PTRWA (Piedmont Triad Regional Water Authority)** – the major water supplier to the City of Randleman.
- **Property Tax** – an annual tax levied by the Governing Board on the value of real property to fund General Fund expenditures. The amount of revenue budgeted for in the annual budget ordinance is calculated by taking the tax value of the real property, dividing it by 100, multiplying it times the tax rate and then times the collection percent.

- **Proprietary Fund** – funds that are used to account for a government's on-going activities which are found in private businesses or the private sector. These funds have their own set of revenue and expense accounts.
- **Revaluation** – occurs when county tax collectors update the values of taxable real property periodically. Revaluation must occur at a minimum of every 8 years in the State of North Carolina.
- **Revenue** – income received by the City from various sources used to finance its operations.
- **Revenue Neutral Property Tax Rate** – defined by NCGS as the rate that is estimated to produce revenue for the next fiscal year to the revenue that would have been produced for the next fiscal year by the current property tax rate if no reappraisal had occurred.
- **SRF (State Revolving Fund)** – a fund operated by the State of North Carolina's Department of Environmental Quality that provides money to water and wastewater providers and enables them to receive loans for water and wastewater projects at low or no interest.
- **Tax Base** – the total assessed valuation of real property within the city limits.
- **Tax Levy** – the total amount of revenue to be raised from the property tax levied by the governing board in the annual budget ordinance.
- **Tax Rate** – the amount of tax per \$100 of assessed valuation levied by the governing board.
- **User Charges** – the payment of a fee for receipt of a service provided by the City.
- **Valuation** – the tax value of real property as determined by the county tax assessors.