

TOWN OF FRANKLIN



Post Office Box 1479
Franklin, North Carolina 28744
(828) 524-2516

Town Manager's Budget Message Fiscal Year 2013-2014

The Town of Franklin remains in a sound financial condition with a stable fund balance and a current ad-valorem tax rate of \$0.25 per \$100. The overall slow recovery of the economy has essentially resulted in very slow growth in our revenue sources, especially sales tax and interest on investments. Although there are many issues for consideration by the North Carolina legislature that may have profound effects on municipalities and possibly our funding sources, this budget was developed based on current conditions. Any significant changes that develop at a later date concerning municipalities will require further consideration and subsequent action.

Debt Service

All debt payments are fully budgeted as required by law. The Town is completing the sewer plant renovation which will be complete by mid-summer and the additional debt service for this project is included within this budget.

Personnel

This budget calls for a 2% cost of living adjustment for all positions. One salaried management position in the fire department budget will be divided into two entry level staff positions. In lieu of replacing a full-time employee in the Streets Department, funds are allocated to hire a part-time employee to assist with mowing and general maintenance during the Spring and Summer months. Employee benefits will remain unchanged.

Operating Capital Outlay

The police department will be replacing two patrol vehicles with over 100,000 miles. Public works will replace one ½ ton pickup that was delayed from being purchased in 2012/2013, and a new leaf collection vacuum will be purchased to coincide with a leaf collection box purchased for an existing truck.

Special Projects

Funds are budgeted for upgrades to the gazebo area at Town Square and to initiate planning for possible uses of the Whitmire property.

By Department

Water/Sewer: Funds are budgeted for four small water and sewer replacement projects. Funds are budgeted for refurbishment of the belt press at the sewer plant. Funds are also budgeted for a flow study of the Cartoogechaye Creek in anticipation of planning for the water plant upgrade/expansion in the next five years.

Police Department: Bulletproof vests that are nearing expiration will be replaced. Funds were increased for fuel costs and increased vehicle maintenance.

Fire Department: Replacement of uniforms and protective gear per the 10 year strategic plan continues.

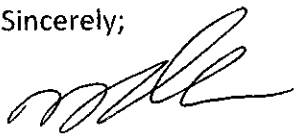
Water/Sewer Rates

The Board of Aldermen initiated a water and sewer rate increase last fiscal year to be completed over a two year period. This budget anticipates completing that rate increase process this year resulting in an increase for residential water services inside the city limits from \$1.90 to \$2.50 per 1000 gallons of usage and an increase for residential sewer services inside the city limits from \$0.27 per 100 gallons usage to \$0.35 per 100 gallons usage. The increases are necessary to fund debt service on the new sewer plant renovation and provide funding for future water treatment facility renovations. The disposal fee for septic waste accepted at the sewer treatment plant should also be changed from \$50 per load to \$0.05 per gallon to fairly distribute expenses based on truck capacities.

Conclusion

This budget for FY 2013/2014 is balanced in accordance with the North Carolina Local Government Budget and Fiscal Control Act and continues to provide existing services while meeting the governing board's priorities and policies. No property tax increase is requested or recommended and the ad valorem tax rate should remain at twenty-five cents (\$0.25) per one hundred dollars (\$100) of valuation.

Sincerely;



Warren J. Cabe
Town Manager

Attachments

TOWN OF FRANKLIN, NORTH CAROLINA

Budget Ordinance

For the Fiscal Year Ending June 30, 2014

BE IT ORDAINED, The Board of Aldermen of the Town of Franklin, Macon County, North Carolina that the accompanying budget is adopted in accordance with the applicable general statutes of the State of North Carolina for the fiscal year ending June 30, 2014.

BE IT FURTHER ORDAINED, that there hereby be levied the following rate of tax on each one hundred dollars (\$100) valuation of taxable property, as listed for taxes in January 1, 2013, for the purpose of raising the revenue from current year property tax as set forth in ad valorem tax revenue, and in order to assist, along with other anticipated revenues, in financing the appropriations per the accompanying budget.

General Fund (for general expenses incident to the proper government of the Town) 0.25

Total rate per \$100.00 valuation of taxable property 0.25

SECTION 1. The Town Manager and/or Finance Officer are hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- a) The Finance Officer may transfer amounts between objects of expenditure within a department.
- b) The Town Manager may transfer amounts between departments, as defined above, with a subsequent report to the Board of Aldermen, recorded in the minutes.
- c) The funding for approved reclassifications may be transferred from the budgeted reserve with the approval of the Town Manager.
- d) No revenues may be increased, no funds may be transferred from the Contingency account in the General Fund or Capital Projects Funds, and no transfers may be made between funds unless formal action is taken by the Board of Aldermen.

SECTION 2. The Town Manager is hereby authorized to accept grant funding which has been previously approved for application by the Board of Aldermen, including any local match involved. The Town Manager is authorized to execute any resulting grant documents. Also, the Town Manager is authorized to enter into contracts for purchases of apparatus, supplies, materials, or equipment as described in G.S. 143, Section 8 up to the limits stated therein for informal bidding which are within budgeted appropriations. The Town Manager is authorized to enter into routine service contracts in the normal course of town operation within budgeted appropriations. Change Orders for capital

project contracts previously approved by the Board of Aldermen may be approved by the Town Manager up to the informal bidding limits referred to above, provided that sufficient funding is available. All contracts authorized by this ordinance are approved for signature by the Mayor of the Board of Aldermen, Town Manager, and/or the Clerk to the Board of Aldermen as appropriate.

SECTION 3. Copies of this Budget Ordinance shall be furnished to the Clerk of the Board of Aldermen and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this _____ day of June, 2013.

Mayor, Town of Franklin, NC

Attested:

Clerk, Town of Franklin, NC

TOWN OF FRANKLIN, NORTH CAROLINA

Budget for the Year ending June 30, 2014

EXHIBIT A

	General Fund	Fire Dept Fund	Enterprise Fund	Total
Revenues:				
Ad Valorem Taxes	1,596,000			1,596,000
Other Taxes	620,000	500,000		1,120,000
Unrestricted Intergovernmental	422,000			422,000
Restricted Intergovernmental	220,000			220,000
Licenses and Permits	4,500			4,500
Sales and Services			3,699,000	3,699,000
Other Revenues	390,500		6,000	396,500
Total Anticipated Revenue	3,253,000	500,000	3,705,000	7,458,000
Fund Balance Appropriated **	727,000	185,500		912,500
Retained Earnings Appropriated			191,000	191,000
Total Budget	3,980,000	685,500	3,896,000	8,561,500
Appropriations:				
General Government	1,462,500			1,462,500
Public Safety	1,401,000	685,500		2,086,500
Public Works	921,500			921,500
Debt Service	165,000		935,000	1,100,000
Operating Expenses Other Than Depreciation			2,556,000	2,556,000
Supplemental Budget Expenditures			405,000	405,000
Contingency	30,000			30,000
Total Appropriations	3,980,000	685,500	3,896,000	8,561,500
** Fund Balance Appropriated:				
General Fund	177,000			
Powell Bill	550,000			

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Revenues

SCHEDULE 1
PAGE 1

Source:

Ad Valorem Taxes:

	2013-2014	2012-2013
Current Year	1,575,000	1,570,000
1st Prior Year	4,500	4,500
2nd Prior Year	4,500	4,500
3rd Prior Year	2,000	2,000
4th & Earlier Prior Years	4,000	4,000
Penalties & Interest	6,000	6,000
	<hr/>	<hr/>
	1,596,000	1,591,000

Other Taxes:

Local Option Sales Tax	520,000	520,000
Privilege Licenses	100,000	100,000
	<hr/>	<hr/>
	620,000	620,000

Unrestricted Intergovernmental Revenues:

Franchise Tax	200,000	200,000
Telecommunications Sales Tax	180,000	180,000
Excise Tax - Piped Gas	10,000	10,000
Sales Tax Refund - Video	32,000	32,000
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	422,000	422,000

Restricted Intergovernmental Revenue:

Powell Bill	120,000	120,000
Tourism Development Authority	100,000	100,000
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	220,000	220,000

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Revenues

SCHEDULE 1
PAGE 2

	2013-2014	2012-2013
Licenses & Permits:		
Cable Television Franchise	2,000	2,000
Zoning Permits	2,500	3,500
	<u>4,500</u>	<u>5,500</u>
 Other Sources:		
Investment Earnings	500	500
Vehicle Tax	60,000	60,000
Macon County	0	0
Rents	5,000	0
ABC Store Profit	70,000	70,000
NC Step Grant	0	50,000
Sale of Property/Miscellaneous	5,000	5,000
Administration Reimbursement	250,000	285,000
Capital Fund Closeout	0	0
	<u>390,500</u>	<u>470,500</u>
 Total Anticipated Revenue	3,253,000	3,329,000
 Fund Balance Appropriated	177,000	119,500
Fund Balance Appropriated - Powell Bill	550,000	450,000
 Total Budget	3,980,000	3,898,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 1

General Government

Governing Body:

	2013-2014	2012-2013
Mayor & Aldermen Fees	30,000	30,000
FICA	2,500	2,500
Professional Services	31,500	31,500
Annexation	0	0
Other Professional Services	12,000	7,000
Supplies	7,000	6,500
Travel	6,000	7,000
Advertising	3,000	7,000
Training	500	500
Insurance & Bonds	0	6,000
Dues & Subscriptions	11,000	10,000
Non Profit Organizations	40,000	40,000
Economic Development	7,000	0
	<hr/>	<hr/>
	150,500	148,000

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 2

General Government

Administration:	2013-2014	2012-2013
Salaries & Wages	185,500	165,500
FICA	14,500	13,000
Retirement	13,000	6,000
401(k)	9,500	14,500
Group Insurance	23,000	13,500
Unemployment Insurance	1,000	0
Other Professional Services	2,500	2,500
Supplies	7,000	7,000
Travel	7,000	7,000
Training	5,000	4,000
Vehicle Maintenance	1,000	1,000
Other Services	500	500
Dues & Subscriptions	1,000	3,500
Miscellaneous	1,000	500
Pay Plan Implementation	5,000	20,000
Capital Outlay - Equipment	0	5,000
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	276,500	263,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 3

General Government

Finance:	2013-2014	2012-2013
Salaries & Wages	76,000	72,500
401(k)	4,000	4,000
FICA	6,000	6,000
Retirement	5,500	5,500
Group Insurance	7,000	7,000
Unemployment Insurance	500	0
Benefits	2,500	2,500
Other Professional Services	1,000	1,000
Supplies	4,000	5,500
Travel	1,000	500
Training	7,000	5,500
Other Services	500	500
Dues & Subscriptions	1,500	1,000
Miscellaneous	500	500
	<hr/>	<hr/>
	117,000	112,000

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 4

General Government

Billing & Collections:	2013-2014	2012-2013
Salaries & Wages	68,000	70,000
FICA	5,500	5,500
Retirement	5,000	3,000
401(k)	3,500	2,000
Group Insurance	13,500	7,000
Unemployment Insurance	500	0
Other Professional Services	0	2,000
Supplies	5,000	6,000
Travel	500	500
Training	3,500	3,500
Other Services	0	1,000
Dues & Subscriptions	500	1,000
Miscellaneous	1,000	1,000
	<hr/> 106,500	<hr/> 102,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
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General Government

Legal & Elections:

	2013-2014	2012-2013
Professional Services	53,000	43,000
Macon County	5,000	0
Advertising	7,500	7,500
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	65,500	50,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
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General Government

Facilities:	2013-2014	2012-2013
Salaries & Wages	28,500	28,000
FICA	2,500	2,500
Retirement	2,000	2,000
401(k)	1,500	1,500
Group Insurance	7,000	7,000
Unemployment Insurance	500	0
Other Professional Services	0	17,000
Uniforms	500	1,000
Supplies	8,000	8,000
Telephone	11,500	7,500
Postage	23,000	21,000
Other Communications	0	1,000
Utilities	13,500	10,000
Building Maintenance	1,500	1,500
Equipment Maintenance	25,000	22,000
Vehicle Maintenance	1,000	1,000
Other Services	18,000	15,000
Insurance & Bonds	110,000	110,000
Miscellaneous	1,000	2,500
	<hr/> 255,000	<hr/> 258,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 7

General Government

IT:	2013-2014	2012-2013
Salaries & Wages	50,000	48,500
FICA	4,000	4,000
Retirement	3,500	3,500
401(k)	2,500	2,500
Group Insurance	7,000	7,000
Unemployment Insurance	500	0
Supplies	8,000	4,000
Travel	500	500
Training	500	500
Other Services	31,000	30,000
	<hr/>	<hr/>
	107,500	100,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
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General Government

Planning & Economic Development:

	2013-2014	2012-2013
Salaries & Wages	51,000	47,500
FICA	4,000	4,000
Retirement	3,500	3,000
401(k)	2,500	2,500
Group Insurance	7,000	7,000
Unemployment Insurance	500	0
Supplies	1,000	1,500
Travel	500	500
Training	2,000	4,000
Advertising	0	0
Equipment Maintenance	500	500
Vehicle Maintenance	1,000	2,000
Dues & Subscriptions	500	1,000
Tourism Development Authority	100,000	100,000
NC Step Grant	0	50,000
Franklin Area Chamber of Commerce	4,000	4,000
Picking on the Square	28,500	28,500
	<hr/>	<hr/>
	206,500	256,000

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 9

General Government

Main Street	2013-2014	2012-2013
Salaries & Wages	38,500	37,500
FICA	3,000	3,000
Retirement	3,000	3,000
401(k)	2,000	2,000
Group Insurance	7,000	7,000
Unemployment Insurance	500	0
Supplies	10,000	13,000
Travel	500	500
Advertising	2,000	0
Training	1,000	1,000
Professional Services	1,000	1,000
Other Communications	500	500
Vehicle Maintenance	500	500
Other Services	1,500	0
Dues & Subscriptions	500	500
Donations - Festivals	19,000	19,000
	<hr/>	<hr/>
	90,500	88,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
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General Government

Traffic & Event Services

2013-2014

2012-2013

Salaries & Wages

14,000

19,500

FICA

1,500

1,500

Supplies

1,000

1,000

Vehicle Maintenance

2,000

2,000

18,500

24,000

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 11

General Government

Non-Departmental

	2013-2014	2012-2013
Separation Pay	45,000	45,000
FICA	3,500	3,500
Group Insurance	20,000	19,000
	<hr/>	<hr/>
	68,500	67,500

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 12

Public Safety

Police:	2013-2014	2012-2013
Salaries & Wages	834,500	811,000
FICA	64,000	62,000
Retirement	61,000	57,500
401(k)	42,000	40,500
Group Insurance	148,000	140,000
Unemployment Insurance	4,500	0
Uniforms	17,000	17,000
Supplies	27,000	30,000
Travel	1,000	1,000
Telephone	12,000	24,000
Postage	0	0
Other Communications	7,500	4,000
Utilities	10,000	10,000
Equipment Maintenance	17,000	15,000
Vehicle Maintenance	70,000	50,000
Training	7,500	12,000
Other Services	3,500	3,000
Law Enforcement	500	500
Dues & Subscriptions	2,000	3,500
Miscellaneous	1,000	1,000
Capital Outlay - Equipment	71,000	70,000
	1,401,000	1,352,000

TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures

SCHEDULE 2
PAGE 13

Public Works

Streets & Maintenance:	2013-2014	2012-2013
Salaries & Wages	83,000	119,500
FICA	6,500	9,500
Retirement	5,500	8,500
401(k)	4,000	6,000
Group Insurance	20,500	27,000
Unemployment Insurance	500	0
Uniforms	1,500	4,000
Supplies	9,000	10,000
Utilities	110,000	100,000
Equipment Maintenance	4,000	5,000
Vehicle Maintenance	16,000	15,000
Other Repairs & Maintenance	2,000	2,000
Other Services	27,500	32,000
Miscellaneous	500	500
Capital Outlay - Equipment	20,000	20,000
Capital Outlay - Improvements	50,000	22,000
Capital Outlay - Lease Purchase	0	0
Beautification	6,000	10,000
Memorial Park	5,000	5,000
	<hr/>	<hr/>
	371,500	396,000

**TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures**

**SCHEDULE 2
PAGE 14**

Public Works

Powell Bill:	2013-2014	2012-2013
Supplies	25,000	25,000
Other Repairs & Maintenance	150,000	150,000
Other Services	5,000	5,000
Capital Outlay - Improvements	370,000	270,000
	<hr/>	<hr/>
	550,000	450,000

**TOWN OF FRANKLIN, NORTH CAROLINA
General Fund
Detail Budget of Expenditures**

**SCHEDULE 2
PAGE 15**

	2013-2014	2012-2013
Debt Service:		
Lease Purchase Principal	130,000	135,000
Lease Purchase Interest	35,000	64,000
	<hr/>	<hr/>
	165,000	199,000
 Total Debt Service	 165,000	 199,000
 Contingency	 30,000	 30,000
 Total Appropriations	 3,980,000	 3,898,000

**TOWN OF FRANKLIN, NORTH CAROLINA
Fire Department Fund
Detail Budget**

**SCHEDULE 3
PAGE 1**

Revenues:	2013-2014	2012-2013
Fire Tax	500,000	516,000
Fund Balance	185,500	179,500
Total Revenues	<u>685,500</u>	<u>695,500</u>

**TOWN OF FRANKLIN, NORTH CAROLINA
Fire Department Fund
Detail Budget**

**SCHEDULE 3
PAGE 2**

2013-2014

2012-2013

Expenditures:

Salaries & Wages	139,000	147,500
FICA	11,000	11,500
Retirement	10,000	10,500
401(k)	7,000	7,500
Unemployment Insurance	1,000	0
Group Insurance	30,000	25,000
Firemen's Fees	77,000	87,000
Uniforms	18,500	18,000
Supplies	30,000	21,500
Travel	1,000	1,000
Telephone	2,000	2,500
Other Communications	1,000	6,500
Utilities	7,500	7,000
Building Maintenance	12,000	3,000
Equipment Maintenance	10,000	6,000
Vehicle Maintenance	27,500	25,500
Training	4,500	9,000
Other Sevices	186,000	186,000
Insurance & Bonds	26,000	26,000
Due & Subscriptions	2,000	2,000
Miscellaneous	2,000	2,000
Retirement Fund	14,000	14,500
Capital Outlay - Equipment	26,500	26,000
Admininstration Reimbursement	40,000	50,000

Total Expenditures:

685,500

695,500

TOWN OF FRANKLIN, NORTH CAROLINA
Water & Sewer Enterprise
Detail Budget

SCHEDULE 4
PAGE 1

2013-2014

2012-2013

Sources:

Utility Fees	2,639,000	2,639,000
Taps & Connections	50,000	40,000
Reconnections	15,000	10,000
Sale of Materials & Supplies	15,000	5,000
Availability Fees	20,000	20,000
Dumping Fees	25,000	25,000
Interest Earnings	1,000	1,000
Miscellaneous	5,000	5,000
Retained Earnings	191,000	239,500

Total Sources

2,961,000

2,984,500

Expenditures:

Salaries & Wages	837,500	852,500
FICA	64,000	65,500
Retirement	59,500	60,000
401(k)	42,000	43,000
Group Insurance	164,000	150,000
Unemployment Insurance	5,500	0
Professional Services	75,000	35,000
Uniforms	13,500	12,000
Supplies	300,000	365,000
Travel	1,500	1,500
Telephone	7,000	8,000
Other Communications	1,000	1,000
Utilities	194,000	190,000
Building Maintenance	10,000	10,000
Equipment Maintenance	227,000	150,000
Vehicle Maintenance	45,000	40,000
Water Tank Maintenance	80,000	55,000
Training	8,000	8,000
Other Services	61,500	65,000
Insurance & Bonds	85,000	60,000
Miscellaneous	11,000	12,000
Macon County	48,000	48,000
Capital Outlay - Equipment	35,000	36,000
Capital Outlay - Improvements	30,000	0
Capital Outlay - Distribution Lines	340,000	460,000
Administration Reimbursement	210,000	235,000
Pay Plan Implementation	6,000	22,000

Total Expenditures

2,961,000

2,984,500

TOWN OF FRANKLIN, NORTH CAROLINA
Water & Sewer Enterprise
Debt Service

SCHEDULE 4
PAGE 2

	2013-2014	2012-2013
Sources:		
Utility Fees	935,000	915,500
Total Sources	<u>935,000</u>	<u>915,500</u>
Expenditures:		
Lease Purchase - Principal	646,000	331,000
Lease Purchase - Interest	289,000	234,500
Debt Service - Reserve	0	350,000
Total Expenditures	<u>935,000</u>	<u>915,500</u>

Water/Sewer Rate Comparison

(Changes underlined)

	2011	2012	Proposed 2013
Water			
Residential, Inside(per 1000)	\$1.90	\$1.90	<u>\$2.50</u>
Residential, Outside(per 1000)	\$4.00	\$5.00	\$5.00
Commercial, Inside(per 1000)	\$1.90	\$3.00	\$3.00
Commercial, Outside(per 1000)	\$5.39	\$6.00	\$6.00

*No changes in base rate structure

Sewer

Residential, Inside(per 100)	\$0.20	\$0.27	<u>\$0.35</u>
Residential, Outside(per 100)	\$0.37	\$0.54	\$0.54
Commercial, inside(per 100)	\$0.20	\$0.35	\$0.35
Commercial, Outside(per 100)	\$0.46	\$0.70	\$0.70

Average Customer of 5000 gallon usage per month:

\$2.40 increase in monthly water bill

\$4.00 increase in monthly sewer bill

Estimated increase in water/sewer funds: \$75,000

1877 inside residential water customers; 1600 inside residential sewer customers

Sewage Hauler Dump Rates

Currently \$50 per load

Proposed \$0.05 per gallon

(Rate would apply to septic waste, mixed waste, or grease water. Porta-john only waste would remain at \$0.03 per gallon)

Examples:

Truck Capacity	Present Rate	Proposed Rate
1000 gallon	\$50	\$50
2000 gallon	\$50	\$100
2500 gallon	\$50	\$125