

PROPOSED
2019 Municipal Budget
City of Lowell, NC

Presented May 14, 2018

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City of Lowell

May 14, 2018

CITY MANAGER'S BUDGET MESSAGE

Mayor Railey and City Council:

I am pleased to submit for your review and consideration the City of Lowell's FY2018-2019 Proposed Annual Budget. I want to thank all our employees for their hard work and dedication in preparing this Budget. The Annual Budget is our financial plan that will guide the City through the coming fiscal year. This document provides for the recurring service needs of our community within a strict operating budget and finances the costs of providing these services with conservative but dependable revenue estimates. The objective of the proposed budget is to hold operating expenses to a minimum while providing essential municipal services to our citizens. The City continues to provide an extensive base of services to citizens while keeping the rate of taxation as low as possible.

In January 2018 the City Council conducted a planning retreat and reestablished the City's goals over the next five years. The Budget addresses, within the scope of available revenues, the goals and objectives identified by the City Council.

Goals:

- Improve & Expand Water & Sewer Infrastructure
- Improve & Expand City Streets and Sidewalks
- Develop Public Facilities
- Enhance Parks & Recreation Activities
- Develop Land Use Master Plans for Undeveloped Properties

Financial Overview

The City of Lowell's **General Fund** has historically been in good financial standing with the North Carolina Local Government Commission. The City must maintain an adequate level of fund reserve in order to react to any unforeseen conditions such as natural disasters and maintain the ability to expend large sums of funds for capital projects while awaiting grant project reimbursements from the State and Federal Governments. The current unassigned General Fund Reserve is \$535,998 (savings account) which represents 26% of the total general fund expenditures for the last fiscal year. The City Council has a self-imposed fund balance requirement of 16% so we are above our self-imposed restriction. The available fund balance state average for cities under 25,000 is 33% so we are approaching the average which is positive.

The **Water and Sewer Enterprise Fund** last saw a loss in 2016 when expenditures exceeded revenues by \$65,126. With rising costs and additional debt service a rate increase occurred. The City Commissioned a Rate Study in 2017. The study provided a Capital Improvement Plan to prepare for future Capital Expenditures and a ten (10) year Financial Plan that is updated annually to ensure good stewardship of the infrastructure. The current Fund Balance (Savings Account) is \$309,293. The North Carolina Local Government Commission and League of Municipalities recommends a fund balance which is 50% of your previous years expenditures.

Although the City of Lowell has not experienced population growth and tax value, the City has recurring costs to account for and also future capital expenditures to plan for, some in the form of state and federal mandates. The City must maintain sound financial reserves at a level that will be acceptable for the State Treasurer's Office and the Local Government Commission. This financial plan for the 2017-2018 fiscal year reflects that need, while attempting to keep service costs at an acceptable level.

Department Review and Personnel

The City of Lowell has been extremely fortunate in the last year to have such an enthusiastic workforce. The City has 22 full time employees and also utilizes part time employment for parks and recreation services.

ADMINISTRATION

The staff at City Hall has done a commendable job providing essential accounts payable, accounts receivable, finance, and clerk responsibilities that all involve personal citizen interaction. The employees in City Hall are the "front line" for the

Lowell government and they are prepared to meet the expanding demands of our population. The billing and collections department has made tremendous strides toward organization and efficiency and I am amazed at the quantity and quality of work performed on a day to day basis with only a three (3) member team. The new utility billing policy that was implemented has improved cash flow and drastically improved collections. The number of delinquent payments each month has continued to drop and now averages only 29 per month out of 1700 accounts. The department expanded its offerings of payment options by installing online and telephone payment options and will be instituting an automatic draft option this year. A proposed capital expenditure to be expanded on further in this report is the purchase of radio read water meters throughout the city. This will benefit the department by providing accurate monthly readings without human error, which will reduce the amount of time needed in reviewing each bill. The system will alert us of any readings that are flagged for a re-read.

As we strive to better communicate with our citizens and make information easier to access we have included funding in this budget to develop a new website that will provide the avenue to enhance our communication abilities. The website will also be able to provide a digital version of a newsletter that can also be printed and made available at city hall for those without access to the internet. Currently the newsletter costs \$16,000 per year including postage and printing. If the digital version is used in lieu of the mailed version the department can see reduced expenses in this department.

The Volunteer Fire Department is included in the Administration Department Budget. The City continues to support our Volunteer Department financially from the City's General Fund, as opposed to the Department being funded by a Special Tax District. The Department request allocated was \$209,700 (same as FY 2018).

POLICE DEPARTMENT

The City of Lowell's Police Department has also done an exceptional job meeting the demands of Lowell's citizens. The Police Department is staffed with nine (9) full time positions including the Police Chief, Captain, two Sergeants, and Patrol Officers. The Police Department is also responsible for Code Enforcement within the City Limits; however, we would like to work towards hiring a Zoning and Code Enforcement Officer to assume this work and free up the Police Department. Chief Scott Bates continues to provide high quality public safety with a concentration on community policing. The Department has done an outstanding job maintaining a low crime rate while providing public service in our community that is responsive, courteous, and effective. One of our goals has been to improve the automobile fleet in that department because it is important to provide an officer a reliable and more importantly, a safe vehicle with current safety equipment. In the previous budget year, we purchased two (2) vehicles to replace vehicles over 10 years old. This budget includes three (3) new vehicles. The City Council and Staff has shown a commitment to provide our officers the resources they

need to provide a high level of service. As the City prepares to see new residential growth there will be a need for additional staff. It is anticipated that a new officer will be needed the following budget year, 2020.

PARKS AND RECREATION

The City's Parks and Recreation Department has continued to operate with a single part time employee, Yvette Broussard. We also continue to utilize Interns from local colleges to assist in daily activities as they become available. The department has performed an admirable job in providing recreational activities. The department provides a diversified offering of programs ranging from various ages of basketball, soccer, and baseball leagues, while maintaining and improving offerings to our valued seniors. One of our City Council adopted goals is to enhance and expand Parks and Recreation activities to all citizens. Parks and Recreation is a tangible reflection of the quality of life in a community. They provide identity for citizens and are a major factor in the perception of quality of life in a given community. Parks and recreation services are often cited as one of the most important factors in surveys of how livable communities are. The Department provides value to Lowell that transcends the amount of dollars invested or the revenues gained from fees. Parks provide a sense of public pride and cohesion in our City. It is important to invest in something if you expect results, which is why this budget includes an additional part-time employee up to 30 hours per week. By providing this additional staff, the department will be able to improve the level of service for current offerings while being able to provide additional services for all age groups that were voiced during the parks and recreation survey completed in 2015.

PUBLIC WORKS DEPARTMENT

The Public Works Department is responsible for providing the "backbone" of essential services to the citizens of the City. This department is responsible for street maintenance, sign maintenance, stormwater infrastructure maintenance, and other seasonal jobs, such as installing banners, flags, planting trees, and preparing for special events. The Public Works Department does an outstanding job providing the physical labor for the City of Lowell. The major changes from the previous budget are: 1) Reallocating some of the department salaries to other departments to better reflect where each employee spends their work hours, thus reducing the salaries allocated to this department. 2) Increase to Maintenance and Repair of Equipment as a large repair is planned for the leaf machine, 3) Elimination of one position that has remained unfilled from the prior year, 4) Lastly, there is \$70,000 included to complete downtown pedestrian improvements which will be reimbursed through grant funds.

SANITATION

The Sanitation Department provides for the collection of solid waste, yard waste, bulk items, and recycling. The sanitation budget has increased to better reflect the actual dollars spent to provide this service. The driver's salary used to be included in public works and because the position is actually split between two departments the salary has now been split, adding additional salaries to sanitation. The Maintenance and repair line item as well as the Supplies line item have been increased to reflect increased costs that have occurred each of the last two years. The City has one payment remaining on the newest trash truck and the City will need to purchase a new truck in the 2019-2020 budget to replace the oldest truck that has been incurring costly repairs due to high usage and age. The City will be bringing back two Recycling Centers to provide a recycling option to the public. Recycling is not a free service as the city incurs a cost to provide this. The cost to provide the recycling bins is estimated to range between \$25,000 to \$30,000, whereas curbside recycling would have cost approximately \$50,700.

To absorb the additional cost of Sanitation and Recycling and keep the same level of service this budget recommends an increase to the Sanitation Fee. The average Sanitation Fee in Gaston County Municipalities is \$11.33 per month. Our current Fee of \$5.70 is proposed to be increased to \$7.70 which is below the average and would remain the lowest fee in Gaston County for such service. The increase will provide an additional \$38,000 in revenue. Based on the proposed user fee this service will be supported by 50% tax dollars and 50% user fees.

WATER / SEWER AND WASTEWATER TREATMENT PLANT

This department has the enormous responsibility of providing for the collection and treatment of our wastewater and the distribution of our water. The Public Utilities Department features four (4) employees plus the director, Thomas Shrewsbury. The two million gallons per day treatment plant is run by Dan Daugherty on a contract basis and supported by the Water and Sewer Department. They conduct required tests to effluent, perform routine water and wastewater repairs, perform utility locations, maintains all major lift stations throughout the City, replace, repair, and read meters, install irrigation meters, and respond to emergencies.

The budget proposes one Capital Expenditure, which is replacing the water meters with radio read meters which will provide tremendous benefits. The City would use a USDA loan to fund this item. The USDA provides long term/low interest loans to government for such expenditures.

Some of the benefits are:

- Lowers the cost of meter reading
- Will reduce water loss (water we buy that is never billed due to slow or non-running meters)
- Provides real-time billing information, reducing estimated readings and re-billing costs
- Reduces billing errors and disputes
- Enables flexible reading schedules
- Reduces customer complaint calls and increases customer satisfaction
- Monitors tampering and theft
- Promotes energy conservation and customer savings with time-of-use consumption
- Reduces billing errors
- Increases confidence in services

The City purchases water from Two Rivers Utilities in Gastonia and we will be receiving a 2.5% increase in the cost of our water purchases. The proposed budget for water and sewer combined is \$1,224,769 and all of this is operational expenses other than \$71,000 (debt service payment and \$15,750 payment for water meters). The proposed budget includes a 6% rate increase which equates to a \$1.15 increase on the average bill. The average 1,500 gallon water and sewer bill in all 26 municipalities within 25 miles is \$38.10 and Lowell's current average is \$18.40. The proposed budget also appropriates \$18,009 of fund balance to keep the rate increase as low as possible.

PERSONNEL

This proposed budget continues with the implementation of the adopted position classification study, pay scale, personnel policy, and job descriptions. This proposed budget includes funding to provide a 2.5% Cost of Living Increase (COLA) and implementing a Longevity Payment at Christmas time that correlates to years of service to the City. The COLA and Longevity Payment will cost the City \$20,430. In order to improve the City's ability to retain our personnel, this proposed budget continues the established 401K program for all employees. Currently, the City contributes 5% to all full time employees.

The City of Lowell will see an increase of \$17,129 in health insurance costs which is a \$13,000 higher than last year. The City will continue insurance through the State of NC Health Plan. The City's health insurance plan will continue to provide a high level of benefits. Employees who utilize dependent care insurance will still be eligible to receive a 50% subsidy from the City, but the employee will be responsible for paying the difference. The City will continue to provide short-term disability, life/accident insurance, and dental insurance.

General Fund

I am recommending no increases to the property tax rate and that it be maintained at \$0.43 per \$100.00 of value. The total ad valorem tax revenue including the motor vehicle tax is estimated to be \$1,171,517. The total revenue projected is \$2,384,940 which includes \$188,000 in Grant Funding and the appropriation of \$56,335 of general fund balance.

The City can expect population totals to slowly increase through new home construction and continued infill development. This continued growth and its financial impact on the City of Lowell could be viewed several ways. Growth in the City's tax base inevitability means growth in ad valorem revenue. The growing population of the City also means demands for equal services and in some cases improved services. The City remains dedicated to improving services such as parks and recreation, garbage, yard waste, bulk item collection, landscaping, street maintenance and lighting, public safety, and planning and zoning. It is the City's goal to continually improve the quality of services in the City, attract more commercial and industrial growth, welcome well-planned residential development, while maintaining and assisting our current population.

General Fund Highlights and Changes Include:

- \$36,000 in Grant Funding for a Bicycle and Pedestrian Plan
- \$152,000 in Grant Funding for Downtown Pedestrian Improvements and Community Center Repairs
- Money allocated to each department for the purchase of Security Cameras and DVR recorders.
- 2.5% Cost of Living Increase to Employees plus an annual Longevity Payment (Christmas Bonus)
- Planned purchase of three (3) Police vehicles
- Elimination of Vacant Public Works Position
- ADA ramps at First Street and Main Street repaired with Powell Bill Funds
- Addition of Two Recycling Centers
- \$2.00 Increase proposed for Sanitation Fee
- Funding Available for Zoning and Code Enforcement Officer for ½ of the year

- Additional Part Time position in Parks and Recreation

Public Utilities – Water and Sewer Enterprise Fund

The Water and Sewer Enterprise Fund is a separate entity from the General Fund which is supported by Tax Dollars and User Fees. The Water and Sewer Fund must be a self-supported department funded solely by user fees. General Fund Tax Dollars should not be used to balance the Water and Sewer Budget. Water and Sewer Rates must be set to pay 100% of operational and capital needs while maintaining a responsible fund balance for emergencies and the ability to obtain debt service.

The City has faced tremendous increases in operation, regulatory, and capital needs over the last few years. Multiplied with the lack of incremental fee increases even to adjust for inflation, and the City was forced to react. Several increases were implemented over a short period to try an offset the growing needs. The City must apply the cost of general operations and maintenance and debt service of the wastewater treatment plant upgrade project across a customer base of approximately 1,700 customers. Due to such a small economy of scale, utility rates must provide adequate funding to operate the utilities system while making sure that the City is in full compliance with the North Carolina Department of Environment and Natural Resources and the United States Environmental Protection Agency.

The City of Lowell completed an upgrade of the wastewater treatment plant in 2015 in the amount of \$200,000. The annual debt service payment for the current year will be \$55,247. The City Council adopted a Capital Improvements Plan for the Water and Sewer Department and it is vital to fund the plan in order to be able to continue to provide these services to our citizens. The proposed budget provides funding for a capital expenditure to replace the water meters with radio read meters.

Water and Sewer Highlights and Changes Include:

- Increase for Sludge Removal
- \$55,247 Debt Service Payment
- \$15,750 Payment for Radio Read Meters
- \$18,009 Appropriated Fund Balance
- Contract Maintenance line item Increased due to reallocating money from Maintenance / Repair line item

Capital Projects

Purchase and Installation of Radio Read Water Meters throughout city.

Conclusion

The recommendations contained in the FY 2018-2019 Proposed Budget reflect the goals of the City Council to continue improving the quality of life of Lowell's citizens while holding expenditures at a conservative level. The City also must meet strict fiscal standards established by the State of North Carolina and its own Council adopted Fiscal Control Policy. There must also be enough revenue raised to operate the water and wastewater systems at the level mandated by State and Federal guidelines.

The City must continue to hold expenditures to a minimum while keeping cost of services to the Citizens at a minimum. This is truly an exciting time in Lowell's history, and our future is bright with the potential of new residential construction, increased commercial development, a wastewater treatment plant with adequate capacity for growth, and a wonderful group of citizens that volunteer their time and spirit for the improvement of our City.

I recommend this budget to you without reservation and believe it adequately provides for the necessary level of services while remaining fiscally conservative in order to maintain an appropriate financial standing by the NC Local Government Commission. I entrust this document to you for careful review and, as always, stand ready to make any changes your collective body deems appropriate.

Budget Ordinance-Fiscal Year 2018-2019
City of Lowell

BE IT ORDAINED by the City Council of the City of Lowell, North Carolina:

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, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore established for this City:

<u>Purpose</u>	<u>Amount</u>
Administration	\$ 739,377
Police	680,895
Public Works	317,489
Powell	151,828
Sanitation	238,808
Parks and Recreation	218,828
Debt Service	<u>41,882</u>
Total appropriations	<u>\$2,389,107</u>

Section 2: It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2018, and ending June 30, 2019:

Current year's property taxes	\$1,171,517
Prior years' property taxes	10,000
Tax Penalties and Interest	5,000
Powell Bill funds	93,740
Fund Balance-Appropriated (GF)	56,335
Fund Balance-Appropriated (PB)	62,800
Other revenues	<u>989,715</u>
Total estimated revenues	<u>\$2,389,107</u>

Section 3: The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the fiscal year beginning July 1, 2018 and ending June 30, 2019, in accordance with the chart of accounts heretofore approved for the City:

Water/Sewer operations department	\$ 954,713
Wastewater operations department	212,704
Debt Service	<u>57,352</u>
Total appropriations	<u>\$1,224,769</u>

Section 4: It is estimated that the following revenues will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2018 and ending June 30, 2019:

Water usage charges	\$ 637,060
Sewer usage charges	530,000
Fund Balance-Appropriated	18,009
Other Revenue	<u>39,700</u>
Total estimated revenues	<u>\$1,224,769</u>

Section 5: There is hereby levied a tax at the rate of forty-three cents (\$0.43) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2018, for the purpose of raising the revenue listed "Current Year's Property Taxes" in the General Fund in Section 2 of this ordinance.

This rate is based on estimated total valuation of taxable real and personal property in the city limits of \$249,500,285 and an estimated rate of collection of 98.2%, and the estimated taxable value of motor vehicles listed in the corporate limits of \$27,724,795 at an estimated collections rate of 99.0%.

Section 6: The City Manager or a designee is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. Transfers between line item expenditures within a department without limitation and without a report being required. These changes must not result in increases in recurring obligations such as salaries.

- b. Transfers between departments within the same fund, including contingency appropriations, not to exceed 10% of the appropriated monies for the department whose allocation is reduced. Notice of all such transfers shall be made to the Board at the next regular meeting of the Board.
- c. The budget officer is hereby authorized to carry over appropriations in the fiscal year any previously approved purchase orders and accompanying budget authority from the prior fiscal year.

Section 7: The City Manager or a designee may make cash advances between funds for periods not to exceed 60 days without reporting to the Governing Board. Any advances that extend beyond 60 days must be approved by the Board. All advances that will be outstanding at the end of the fiscal year must be approved by the Board.

Section 8: Copies of this Budget Ordinance shall be furnished to the Clerk to the Board and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Section 9: The attached document entitled, "Rates, Fees and Charges FY 2018-2019" is hereby incorporated and adopted as part of this ordinance.

Adopted this _____ day of June, 2018.

Mayor Sandy Railey _____

Councilmember Phil Bonham _____

Councilmember Thomas S. Gillespie _____

Councilmember Candace Funderburk _____

Councilmember Kenneth Ervin _____

Councilmember DeWayne Chitwood _____

Attest:

Beverly Harris, City Clerk

General Fund Revenue				
Object	FY 2017 Budget	FY 2018 Budget	FY 2019 Proposed	Explanations/Comments
Ad Valorem Taxes Prior Years	\$ 24,500	\$ 10,000	\$ 10,000	Prior year delinquent tax payments
600 Gross Rcpts. Rev. Tax	\$ 26,000	\$ 15,000	\$ 20,000	Rental Car Tax (conservative number as we wait for effect from Enterprise)
Ad Valorem Tax Current Year	\$ 1,132,000	\$ 1,135,000	\$ 1,171,517	Real & Personal Property and Motor Vehicle Tax (98%)
Tax Penalties and Interest	\$ 6,800	\$ 6,000	\$ 5,000	For Delinquent Tax Payers
Interest	\$ 1,300	\$ 2,000	\$ 3,500	BB&T Interest Earnings
Asset Forfeiture Revenue	\$ 500	\$ 600	\$ 500	From Police Seizures. Unpredictable
Beer & Wine Tax	\$ 17,000	\$ 17,000	\$ 16,600	From State on Per Capita Basis
Miscellaneous Revenue	\$ 500	\$ 2,000	\$ 2,000	Funds not classified i.e. Insurance Claims
Utilities Franchise Tax	\$ 207,000	\$ 205,000	\$ 199,500	Reduced slightly from FY18 budget
Solid Waste Disposal	\$ 2,300	\$ 1,700	\$ 2,400	From State on Per Capita Basis
Powell Bill (Streets)	\$ 94,525	\$ 93,750	\$ 93,740	Revenue from State dedicated to Streets and Sidewalks
Local Gov Sales Tax	\$ 388,896	\$ 388,896	\$ 388,896	Amount based on agreement in place with Gaston County
Court Costs & Fees	\$ 800	\$ 800	\$ 500	From Police Cases
Zoning Permits	\$ 5,000	\$ 2,000	\$ 3,000	Zoning Permit Fees
Code Enforcement	\$ 6,000	\$ 500	\$ 100	Have not been receiving revenue
Sanitation Fees	\$ 105,000	\$ 105,000	\$ 143,219	Sanitation Service Revenue (Includes \$2.00 increase to residential customers)
Other Landfill Fees	\$ 2,000	\$ 1,500	\$ 1,500	Rental truck landfill fee reimbursement
Recreation Revenue	\$ 24,500	\$ 12,500	\$ 11,000	Athletic RegistratoIn Fees & Other Misc Recreation Revenue
Community Center Revenue	\$ 5,000	\$ 7,000	\$ 7,000	Rental Revenue from Community Center
Festivals and Events		\$ 13,500		No revenue to count on. Freedom Fest revenue will go here.
Sale of Fixed Assets	\$ 3,500	\$ 2,000	\$ 2,000	Sale of Surplus Property
Grant Funds	\$ 40,000		\$ 36,000	NCDOT Bike / Pedestrian Grant
NCLM Grant Police Vests		\$ 2,250		Grant Reimbursment for Bullet Proof Vests
Township Grant	\$ 137,750		\$ 152,000	This is Where Township Grant Money Will be Allocated
Lease Proceeds	\$ 56,110		\$ -	2017 Budget was for Lease Purchase of Police Vehicles
Fund Balance Appropriated	\$ -		\$ 56,335	Security System and New Website Development / \$10960 to balance general fund
Fund Balance Appropriated-PB	\$ -		\$ 62,800	Downtown Improvements / Wheelchair Ramps, Sidewalk / Engineering / Surveying
Totals	\$ 2,286,981	\$ 2,023,996	\$ 2,389,107	

Administration

	FY 2017	FY 2018	FY 2019	
Object	Budget	Budget	Proposed	Explanations/Comments
Council Members Salaries	\$ 15,600	\$ 15,600	\$ 15,600	Salaries for Six Elected Officials / Travel and Training for Council
Administrative Salaries	\$ 158,945	\$ 139,265	\$ 162,432	2.5% COLA; 25% of Clerk's salary, 17,600 included for Zoning/Code Enforcement (1/2 year)
FICA Expenses	\$ 12,159	\$ 10,654	\$ 12,426	7.65% of salaries is FICA expense
Health Insurance	\$ 21,230	\$ 24,265	\$ 26,443	Health and dental insurance
Retirement Expenses	\$ 11,524	\$ 10,445	\$ 12,588	7.75% of salaries is retirement.
401(K) Retirement Expenses	\$ 7,947	\$ 6,963	\$ 8,122	5.0% 401K match
Unemployment Benefits	\$ 750	\$ 750	\$ 750	No change from FY17
Professional Services	\$ 57,000	\$ 55,350	\$ 61,000	Legal (Jim Windham) - \$25,000, Audit (Collis & Assoc) - \$25,000, NCLM - \$4800, Misc estimated - \$2000, \$550 for State Archive project (minutes), \$3039 for Southern Software Annual Support Agreement
Telephone & Postage	\$ 10,750	\$ 11,000	\$ 9,350	Includes postage for meeting minutes to NC Archives
Electric Utilities Expenses	\$ 6,000	\$ 6,000	\$ 6,000	Utilities for City Hall
Travel & Training	\$ 5,500	\$ 7,000	\$ 9,000	Clerk Certification conferences (2); Managers Conference, Finance Officer Training, Other training course
Main. & Repairs - Bldg	\$ 3,000	\$ 2,300	\$ 11,000	Maintenance of City Facility / Interior Painting
Main. & Repairs - Equip	\$ 5,400	\$ 5,000	\$ 5,000	General maintenance (HVAC, etc.)
Election Expenses	\$ -	\$ 3,760		No election 2019
Checking Acct Exp	\$ 3,500	\$ 5,700	\$ 5,400	BB&T Fees
Advertising	\$ 3,600	\$ 3,600	\$ 3,500	Gaston Gazette Legal Fees
Departmental Supplies	\$ 7,500	\$ 8,000	\$ 7,000	Office supplies
Lowell Boys Club	\$ 6,000	\$ 6,000		Payment for use of Gym and Support of Club
Beautification	\$ 4,500	\$ 5,000	\$ 11,000	Projects
Fire Protection	\$ 204,200	\$ 209,700	\$ 209,700	Requested amount from VFD
Zoning Board	\$ 800	\$ 500	\$ 500	Payment to Board Members for Attendance
Code Enforcement	\$ 200	\$ 500	\$ 1,100	Inspection Fees / Title Searches
Rental Expense	\$ 2,400	\$ 2,400	\$ 2,400	To Richard Trado for Lease on Parking Area Downtown
Contracted Services	\$ 33,250	\$ 65,201	\$ 77,206	Engineering services \$15,000, IT Service Contract \$12,000, Blackboard \$4600, Cleaning services \$5088, Wageworks (COBRA admin) \$500, Create Website hosting/maintenance \$17000, Gaston County Fire Inspection \$7450, S&A Landscaping \$6100 for cemetery and general landscaping for City Hall, \$4260 to Sturgis Web Services for debit/credit card
Tax Collection Fees	\$ 8,000	\$ 7,900	\$ 7,900	Cost for Gaston County to Collect Taxes
Dues & Subscriptions	\$ 6,600	\$ 7,000	\$ 7,000	City Council NCLM Dues, Centralina COG \$900, Montcross Chamber \$550, UNC SOG \$500, \$650 ICMA, \$800 for Dell Server 2-year extended warranty, \$200 for Clerks Certification, \$100 for NC Assoc of Municipal Clerks, \$961 MPO Dues.
Insurance & Bonds	\$ 5,500	\$ 6,255	\$ 7,070	Estimated workers comp & prop/liability
Miscellaneous Expenses	\$ 1,500	\$ 4,270	\$ 5,000	Sta 1 5 nthly birthday events, Volunteer dinner, Employee Christmas luncheon, Other Misc
Master Planning Committee	\$ 19,500	\$ 5,000		Moved to Beautification / This will be reserved for approved projects

Administration				
	FY 2017	FY 2018	FY 2019	
Object	Budget	Budget	Proposed	Explanations/Comments
Transportation Plan	\$ 50,000		\$ 40,000	Bike Ped Plan (\$36,000 of this paid by NCDOT Grant)
Capital Outlay - Equip	\$ 7,400		\$ 4,890	Security System
Capital Outlay-Building	\$ -			
Principal Maturities	\$ 3,641	\$ 3,721	\$ 3,700	
Interest on Debt	\$ 161	\$ 82	\$ 82	Bank Interest
General Fund Contingency	\$ 10,502		\$ 10,000	
Totals	\$ 694,559	\$ 639,181	\$ 743,159	

Police

Object	2017 Budget	FY 2018 Budget	FY 2019 Proposed	Explanations/Comments
Police Salaries	\$ 355,000	392,918	\$ 397,882	Increase includes Mark Buchanan special LEO allowance \$15,242; 2.5% COLA included
FICA Expenses	\$ 27,158	30,058	\$ 30,438	7.65% of salaries is FICA expense
Other FICA Expenses	\$ -	100	\$ 100	
Health Insurance	\$ 59,426	67,929	\$ 77,264	Health and dental insurance
Retirement Expenses	\$ 28,400	32,416	\$ 33,820	8.5% of salaries is retirement for LEO
401(K) Retirement Expense	\$ 17,750	19,646	\$ 19,894	5.0% 401K match
Telephone & Postage	\$ 13,457	9,500	\$ 9,300	9 Cellphones, 9 Wireless aircards, Office Phones
Electric Utilities Expense	\$ 4,850	5,000	\$ 5,000	Utilities for Office
Travel & Training	\$ 500	500	\$ 1,000	Training and meal reimbursement / Most training is local
Main & Repairs - Bldg	\$ 1,000	1,000	\$ 1,000	Maintenance for Building
Main & Repairs - Equip	\$ 1,200	2,200	\$ 2,000	Copier Contract, Hand Held & In Car Radios, Radars
Main & Repairs - Autos	\$ 10,000	13,000	\$ 11,000	Vehicle Maintenance
Automotive Supplies / Fuel	\$ 19,000	22,000	\$ 27,000	Wex contract for 9 officers
Departmental Supplies	\$ 9,615	12,250	\$ 10,000	Basic Office Supplies
Police Uniforms	\$ 4,100	10,250	\$ 4,100	Uniforms, Boots, Duty Gear
Equipment Rental	\$ 900			Ending Contract for Night Vision Goggles, Not Needed
Contracted Services	\$ 6,500	7,000	\$ 6,500	Cleaning Contract (\$212/month x 12 = \$2544), Landscaping, Southern Software (RMS Annual Support = \$2754)
Dues & Subscriptions	\$ 465	465	\$ 465	DCI Fee, Gaston County Law Enforcement Assoc
Insurance & Bonds	\$ 13,912	16,020	\$ 16,800	Estimated workers comp & prop/liability
Miscellaneous Expenses	\$ 200	200	\$ 500	Miscellaneous expenses
Asset Forfeiture Exp-PD	\$ -			
Capital Outlay - Equip.	\$ 56,110		\$ 26,832	\$20,842 Lease of 3 new vehicles, \$5,990 Security System
Principal Maturities	\$ 9,075	13,405	\$ 13,500	Payment for Two Vehicles Purchased Last Budget
Interest on Debt	\$ 630	1,321	\$ 1,600	Interest
Totals	\$ 639,247	657,178	\$ 695,995	

Public Works				
	FY 2017	FY 2018	FY 2019	
Object	Budget	Budget	Proposed	Explanations/Comments
Public Works Salaries	\$ 104,907	\$ 83,338	\$ 51,557	Two employees plus 30% of Public Works Director Salary
FICA Expenses	\$ 8,025	\$ 6,375	\$ 3,944	7.65% of salaries is FICA expense
Health Insurance	\$ 22,630	\$ 23,427	\$ 14,719	Health and dental insurance
Retirement Expenses	\$ 7,606	\$ 6,250	\$ 3,996	7.75% of salaries is retirement
401(K) Retirement Expense	\$ 5,245	\$ 4,167	\$ 2,578	5.0% 401K match
Other Benefits	\$ -		\$ -	
Professional Services	\$ 2,000	\$ 2,000	\$ 2,000	Engineering Fees
Utilities (Power & Gas)	\$ 57,500	\$ 58,000	\$ 58,000	Utilities for building
Travel & Training	\$ -	\$ 250	\$ 250	Certifications
Main & Repairs - Bldg	\$ 750	\$ 500	\$ 500	General Building Maintenance
Main & Repairs - Equip	\$ 6,000	\$ 7,000	\$ 12,000	In-House or outsource repairs of chipper, leaf machine, Backhoe, mowers, saws, etc. / Large repairs planned for leaf
Main & Repairs - Trucks	\$ 9,000	\$ 12,000	\$ 15,000	In-house and outsource repairs, inspections and service work to trucks assigned to Water & Sewer Department. Dump trucks and pickups
Other Supplies and Equipment	\$ -			
Automotive Fuel	\$ 6,600	\$ 7,200	\$ 7,200	Wex Contract
Departmental Supplies	\$ 12,000	\$ 13,000	\$ 16,000	Street Signs, Power Tools, Salt and Slag, Hand Tools etc
Public Works Uniforms	\$ 3,900	\$ 3,200	\$ 3,000	Uniform Contract with Sunshine
Contracted Services	\$ 40,000	\$ 41,200	\$ 40,000	Street Patching, curb and gutter repairs, storm drain main, sidewalk repairs
Insurance & Bonds	\$ 7,073	\$ 11,500	\$ 11,856	Estimated workers comp & prop/liability
Miscellaneous Expenses	\$ 300	\$ 1,000	\$ 2,000	
Cap. Outlay - Equipment	\$ -		\$ 2,890	Security System
Cap. Outlay - City Signs	\$ -			
Township Grant (Partial)	\$ 137,750		\$ 70,000	Pedestrian Improvements Downtown
Sub Totals	\$ 431,286	\$ 280,407	\$ 317,489	

Powell Bill

	FY 2017	FY 2018	FY 2019	
Object	Budget	Budget	Proposed	Explanations/Comments
Professional Services	\$ 5,000	\$ 5,000	\$ 10,000	Engineering and Surveying
Departmental Supplies	\$ 5,000		\$ 3,000	Signs, cones, lights, caution tape
Main. & Repairs - Sidewalks	\$ 2,695	\$ 5,000	\$ 5,000	Sidewalk Repair
Contracted Maintenance	\$ 25,000	\$ 55,000	\$ 63,028	Street Repairs not water and sewer related
Miscellaneous Expenses	\$ 1,000			
Speed Humps	\$ -		\$ 5,000	
Cap. Outlay - Other Imp.	\$ 52,830	\$ 25,000	\$ 62,800	Downtown Improvements
Cap. Outlay - Equipment	\$ -			
Cap. Outlay - City Signs	\$ 3,000	\$ 3,000	\$ 3,000	Signs
Transfer Out to FB	0			
Totals	\$ 94,525	\$ 93,000	\$ 151,828	

Sanitation				
	FY 2017	FY 2018	FY 2019	
Object	Budget	Approved	Proposed	Explanations/Comments
Sanitation Salaries	\$ 78,067	\$ 91,539	\$ 93,766	Three Employees plus 20% of Public Works Director Salary
FICA Expenses	\$ 5,972	\$ 7,003	\$ 7,173	7.65% of salaries is FICA expense
Health Insurance	\$ 18,745	\$ 19,344	\$ 23,993	Health and dental insurance
Retirement Expenses	\$ 5,660	\$ 6,865	\$ 7,267	7.75% of salaries is retirement
401(K) Retirement Expense	\$ 3,903	\$ 4,577	\$ 4,688	5.0% 401K match
Main. & Repairs - Trucks	\$ 4,000	\$ 5,350	\$ 10,000	Maintenance to Trash Truck, Tires twice per year
Fuel	\$ 6,500	\$ 6,500	\$ 6,500	Fuel for Trash Truck
Departmental Supplies	\$ 3,800	\$ 3,500	\$ 6,250	General Supplies / Can purchases to restock supply
Contracted Services Recycling	\$ 21,250		\$ 30,000	Recycling Centers
Landfill Tipping Fees	\$ 40,425	\$ 41,000	\$ 39,000	Cost of Landfill Disposal
Insurance & Bonds	\$ 5,411	\$ 5,575	\$ 5,870	Estimated workers comp & prop/liability
Miscellaneous Expenses	\$ 500	\$ 500	\$ 3,000	Gates / Signage for Recycling Center
Capital Outlay - Equip.	\$ -		\$ 1,300	Security System
Principal Maturities	\$ 40,721	\$ 41,527	\$ 21,000	Payment on Trash Truck
Interest on Debt	\$ 1,836	\$ 1,030	\$ 2,000	Interest
Totals	\$ 236,790	\$ 234,310	\$ 261,808	

Parks & Recreation

	FY 2017	FY 2018	FY 2019	
Object	Budget	Budget	Proposed	Explanations/Comments
Administrative Salaries	\$ 53,598	\$ 29,000	\$ 56,160	Two part-time positions / 30 hrs per week x 2 employees
FICA Expenses	\$ 4,100	\$ 2,219	\$ 4,296	7.65% of salaries is FICA expense
Health Insurance	\$ 8,453			
Retirement Expenses	\$ 3,886		\$ 4,352	
401(K) Retirement Expenses	\$ 2,680			
Telephone	\$ 1,000	\$ 360	\$ 1,200	\$1,200 Two Cell Phones / \$300 Land Line
Telephone Comm Ctr	\$ 1,440	\$ 360	\$ 725	\$360 Verizon Land line
Utilities Expenses	\$ 6,500	\$ 6,500	\$ 6,600	Utilities at Recreation Facilities
Utilities Expenses-Comm Ctr	\$ 2,500	\$ 4,000	\$ 3,500	Utilities at Community Center
Travel & Training	\$ 800	\$ 800	\$ 1,000	CPR, First Aid, Athletic Maintenance Course
Main. & Repairs - Bldg&Grnds	\$ 2,500	\$ 5,000	\$ 4,000	Picnic Shelter Repair, Baseball Field Surface, Concession Stands, Fire Ants, Chainlink Fence Repair, Dug Out Repair
Main. & Repairs - Bldg&Grnds Comm Ctr	\$ 1,000	\$ 1,000	\$ 2,000	Needed Repairs, Small Items
Main. & Repairs - Equip	\$ 1,500	\$ 1,500	\$ 1,500	
Vehicle Repairs	\$ 1,000			Personal Vehicle Used
Automotive Fuel	\$ 1,100	\$ 1,000	\$ 500	Reimbursement money to Staff
Departmental Supplies	\$ 5,500	\$ 6,200	\$ 6,200	Field Chalk, Gym Floor Conditioner, Basic Office Supplies and Cleaners
Departmental Supplies-Comm Ctr	\$ 300	\$ 500	\$ 500	Tissue, Trash Bags, Cleaning Supplies, Etc
Recreation-Athletics	\$ 10,000	\$ 10,000	\$ 14,000	Pay Pal and League Line Up Fees, Uniforms for 3 sports, League Fees, Umpire Fees
Parks and Rec Contracted Services	\$ -			
Special Events	\$ 35,500	\$ 34,781	\$ 12,000	Freedom Festival and other community events
Contracted Services-Comm Ctr	\$ 3,450	\$ 9,500	\$ 9,500	Painting Interior, Cleaning Contract, Floor Repairs
Insurance & Bonds	\$ 2,194	\$ 2,050	\$ 2,314	Estimated workers comp & prop/liability
Capital Outlay - Improvements			\$ 82,000	Township Grant toward Community Center Repairs
Capital Outlay - Equipment	\$ -		\$ 6,480	Security System
Totals	\$ 149,001	\$ 114,770	\$ 218,828	

Utility Fund Revenues			
	FY 2017	FY 2018	FY 2019
Object	Budget	Budget	Proposed
Interest	\$ 200		\$ -
Loan Proceeds	\$ -		\$ -
Insurance Proceeds	\$ -		\$ -
Miscellaneous Income	\$ 450	\$ 450	
Water Revenue	\$ 646,237	\$ 652,000	\$ 637,060
Sewer Revenue	\$ 469,576	\$ 491,000	\$ 530,000
Water Tap Fees	\$ 2,000	\$ 2,000	\$ 2,400
Sewer Tap Fees	\$ 2,000	\$ 2,000	\$ 3,000
Access Fee-Water	\$ 3,000		\$ 7,300
Access Fee-Sewer	\$ 6,000		\$ 11,000
Recon. Fees & Late Chg	\$ 40,500	\$ 35,000	\$ 15,000
Water & Sewer Activation Fee			\$ 1,000
Sale of Capital Assets	\$ -		\$ -
Transfer fm Capital Reserve	\$ -		\$ -
Fund Balance Appropriated	\$ -	\$ 87,007	\$ 18,009
Loan Proceeds	\$ -		\$ -
Totals	\$ 1,169,963	\$ 1,269,457	\$ 1,224,769

Water and Sewer Expenses

	FY 2017	FY 2018	FY 2019	
Object	Budget	Budget	Proposed	Explanations/Comments
Water & Sewer Salaries	\$ 194,765	\$ 195,703	\$ 207,087	6 Employees, 50% of PW Director, 75% Beverly, 2.5% COLA
FICA Expenses	\$ 14,900	\$ 14,971	\$ 15,842	7.65% of salaries is FICA expense
Health Insurance	\$ 34,683	\$ 42,376	\$ 51,751	Health and dental insurance
Retirement Expenses	\$ 14,120	\$ 14,678	\$ 16,049	7.75% of salaries is retirement
401(K) Retirement Expense	\$ 9,738	\$ 9,785	\$ 10,354	5.0% 401K match
Professional Services	\$ 17,000	\$ 5,000	\$ 10,000	Electrical Repairs – Lift stations, generators. Engineering. Pump Repair; pump control and maintenance
Telephone & Postage	\$ 15,500	\$ 7,000	\$ 10,800	Postage Water Bills & Cell Phones and Desk Phones
Electric Utilities Expense	\$ 16,500	\$ 16,000	\$ 16,000	For all facilities i.e. lift stations
Travel & Training	\$ 2,500	\$ 2,000	\$ 1,000	Water and Sewer Certification classes and testing
Main. & Repairs - Equip.	\$ 20,000	\$ 20,000	\$ 20,000	In-House and outsource repairs, maintenance, service, inspections, tires, etc. for equipment within the Water and Sewer Department. Backhoe tractors, jet vac, pumps, tamps, saws, compressors. Generators, locators, detectors, power tools, tapping tools.
Main. & Repairs - Trucks	\$ 5,000	\$ 9,000	\$ 5,000	In-House and outsource repairs, inspections and service work to trucks assigned to Water & Sewer Department.
Checking Acct Expense	\$ -	\$ 1,200	\$ 1,200	BB&T Fees
Advertising	\$ 600	\$ 600	\$ 600	Gazette (typically for job ads)
Automotive Suuplies (Fuel)	\$ 6,750	\$ 7,000	\$ 8,500	Wex fuel Contract
Departmental Supplies	\$ 25,000	\$ 25,000	\$ 30,000	Repair parts, supplies and tools – Water & Sewer related. Couplings and fittings, hydrants, valves, pipe, water meters & boxes, manholes covers ,pipe, setters, risers, clamps, cones, signage, lights, barricades. Hand tools, shovels, rakes, blades, power tools, sewer cleaning tools, manhole tools, brick etc.
Water & Sewer Uniforms	\$ 2,500	\$ 3,200	\$ 3,200	
Contracted Services - Water	\$ 18,500	\$ 19,000	\$ 15,000	Street/Sidewalk Repair that's water/sewer related
System Maintenance	\$ 15,000	\$ 15,000	\$ 15,000	Waste Pumping at Lift Stations
Water Purchase for Resale	\$ 393,000	\$ 397,000	\$ 405,000	Two Rivers Water Purchase (includes 2.5% increase from Gastonia)
Sewer Treatment TRU	\$ 73,300	\$ 70,000	\$ 70,000	Fair Street Lift Station
Permits, Dues & Subscriptions	\$ 1,510	\$ 3,200	\$ 3,000	
Insurance & Bonds	\$ 11,104	\$ 10,610	\$ 11,682	Estimated workers comp & prop/liability
Miscellaneous Expense	\$ 500	\$ 1,000		
Cap. Outlay - Equipment	\$ -		\$ 990	Security System
Cap. Outlay - System	\$ -		\$ 231,000	Payment for Water Meters \$15,750 / Lift Station \$3,500
Prin. Maturities - Bonds	\$ 6,237	\$ 6,513		
Interest on Bonds	\$ 419	\$ 143	\$ 550	

Water and Sewer Expenses

Transfer to Cap Project W/S	\$	-				
Utility Contingency	\$	13,160	\$	32,260	\$	5,108
Totals	\$	912,286	\$	928,239	\$	954,713

Wastewater Treatment

Object	FY 2016-2017 Budget	FY 2018 Budget	FY 2019 Proposed	Explanations/Comments
Professional Services	\$ 500		\$ 1,500	
Telephone and Postage	\$ 1,800	\$ 650	\$ 700	Land Line, Fax, Internet
Electric Utilities	\$ 30,000	\$ 31,000	\$ 31,000	Cost for Plant
Maintenance and Repairs Buildings	\$ -	\$ 200	\$ 1,000	
Maintenance and Repairs Equipment	\$ 15,000	\$ 15,000	\$ -	Moved this line item to combine with Contract Maintenance
Advertising	\$ -			
Chemical Supplies	\$ 31,000	\$ 39,000	\$ 40,000	Atco, Jones Chemical, Univar, Maryland Biochemical, Bio Chem Resources
Departmental Supplies	\$ 5,750	\$ 6,000	\$ 6,000	Bluebook Purchases
Rent	\$ -			
Contract Services Operations	\$ 38,500	\$ 43,700	\$ 45,000	Dan Daugherty, Plant Operator
Sampling and Analysis	\$ 29,750	\$ 30,000	\$ 29,000	Required Sampling
Sludge Disposal	\$ 16,000	\$ 20,000	\$ 26,000	EMA Pump and Haul plus Republic Services Dumpsters
Contract Maintenance	\$ 4,000	\$ 8,000	\$ 27,000	Kemp Inc, Snyder Tech, Piedmont Chlorinator, KNC, LB Electric
Dues and Subscriptions	\$ 1,335	\$ 1,335	\$ 1,335	Required Dues to State
Miscellaneous	\$ 800		\$ 500	Misc
Insurance & Bonds	\$ 1,777	\$ 1,975	\$ 2,279	Estimated workers comp & prop/liability
Capital Outlay Equipment	\$ -		\$ 1,390	Security System
Capital Outlay Plant Improvements	\$ -			Lift Station Backup Pumps, Included in Water/Sewer Department
Principal on Debt	\$ 71,405	\$ 53,974	\$ 55,247	Payment for Work Done at Plant - Bar Screen, etc. (Last debt payment)
Interest on Debt	\$ 10,060	\$ 3,378	\$ 2,105	Interest
Totals	\$ 257,677	\$ 254,211	\$ 270,056	