



TOWN *of* EASTOVER

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Eastover, North Carolina, 28312

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BUDGET ORDINANCE

for

FISCAL YEAR 2014 -2015

Introduction

The Town of Eastover is entering its eighth year of incorporation, and remains in excellent financial shape. The tax rate is \$0.205 per \$100.00 valuation, and has remained at this level since the first date of operations. The Town Council continues to exhibit excellent financial management, and no tax increase is planned for the coming fiscal year.

In the Proposed 2014-2015 Budget, the Town will continue to provide the five basic services of fire and police protection, parks and recreation services, street lights, and zoning. These services will remain at the current level of delivery.

Priorities

Safety: From our tax rate of \$0.205, the Eastover and Vander Volunteer Fire Departments share \$0.10 (based on property values within their respective fire districts) for fire protection. An addition half cent goes to the Cumberland County Fire Chief's Fund.

Police service is provided through contract with the Cumberland County Sheriff's Office with a designated deputy from 8:00AM – 5:00PM, Monday through Friday. Coverage for remaining hours is provided by the deputies on routine patrol for this part of the county. Funds have been budgeted to hire additional deputies for the Town limits as needed, and dual coverage is provided during the month of December.

Parks & Recreation: Open spaces, healthy lifestyles, and people to people relationships are valued in the Town of Eastover. Talley Woodland Park provides a setting for friends and family to come together and enjoy the natural environment and wildlife of this tiny corner of our Town, or just to relax. This budget provides for the maintenance and improvement of the park.

The Town's continuing contribution to the expansion of the Eastover Ball Park complex provides opportunities for exercise on the ball diamonds, or jogging/walking on the quarter mile track around the soccer field. Funds have been allocated for the possible purchase of land to expand the current facility.

The 2014-15 Budget is also postured to support the Town's construction of a new town hall facility across from the community center location.

Budget Policy

The Fiscal Year 2014-2015 Budget Process was approached with consideration for the goals and values of the Eastover Town Council, and statutory requirements from the State of North Carolina regarding municipal budgets:

- In accordance with North Carolina State Law, the Budget presented to you is balanced between revenues and expenditures.
- The Town of Eastover will receive 22.89% of all Ad Valorem Taxes collected for the coming year. The remainder will be distributed as follows: 48.78% to the Eastover and Vander Volunteer Fire Depts., 2.44% to the County Special Fire Chief's Fund, 24.39% to Fayetteville/Cumberland Parks & Recreation, and 1.50% to Cumberland County for billing and collection of property taxes.
- Funds have been budgeted toward the Town's reserves (Fund Balance).

Budget Highlights

Revenues:

- Taxes Current Year (10-301-00) is based on a 98% collection ratio of the \$296,350,495 value of Personal, Real, and Public Service properties within the Town limits.
- Local Option Sales Tax (10-345-00) will provide the major revenue for Town operations, along with the N.C. Franchise Tax (10-337-00).

Expenditures:

- Salaries/Administration (10-420-02) includes a proposed 2.5% Cost of Living Adjustment (COLA) for the Clerk and three part-time employees.
- Professional Services (10-420-04) includes estimated cost for the engineer's Storm Water Runoff Study for the entire corporate limits, and funding for an architect for initial work on design of a new town hall.
- Future Land & Buildings (10-420-74) includes funding for possible purchase of additional land for the expansion of the Eastover Ballpark facility
- Interest Due (10-420-82) is budgeted for construction loan interest for the new town hall.

- Police Department (10-530-00) contains additional funding for 89 days of extra deputy coverage, with mileage, if warranted.

Concerns and Issues

The 2014-2015 Budget represents a financially responsible plan for the Town of Eastover to provide existing services for the coming year, and prepare the Town for construction of a new town hall facility. Assumptions were made in some categories, and mid-year adjustments may be required. Any significant changes will be reported to the Council throughout the year as quickly as they are identified.

The following are issues that could affect the Budget in the upcoming year:

- Collection of Ad Valorem Taxes in Eastover has historically been very good. However, changing economic conditions greatly impact these funds.
- The North Carolina General Assembly has openly talked of overhauling the North Carolina Tax System which could reduce, or eliminate, funding from Powell Bill monies, N.C. Franchise Taxes, and N.C. Beer & Wine Taxes.

Summary

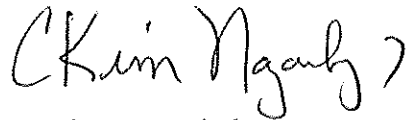
The 2014-2015 General Fund Budget is balanced in the amount of \$1,465,675, which is \$5,725 or 0.39% greater than last year's Budget. Total Property Tax Valuation is \$296,350,495, and Current Year Taxes (10-301-00) are based on a 98% collection rate of \$0.205 per \$100.00 of value.

Capital Reserve Fund

At the June 4, 2013 regular meeting the Eastover Town Council, by Resolution 2013-03, established a Capital Reserve Account for the specific purpose of construction of a new town hall. The Account is to be active for a maximum of five years (July 1, 2013 – June 30, 2018) if needed, and would have a maximum balance of \$900,000. The minimum annual transfer was set at \$85,000, and Council agreed to wait until the completion of the annual audit to determine actual transfer amount. At the December 3, 2013 meeting, the Council voted to transfer \$200,000 in the Capital Reserve Fund, and it was notated on the Balance Sheet.

Planning for the new town hall has progressed well, and for year 2014-15 the Capital Reserve Account will become a Capital Reserve Fund with its own budget. At present, the balance is \$200,000, and additional transfers will be made near calendar year end. This change was done so expenses incurred within this fiscal year for the new town hall could be paid from this fund, and costs involved with construction could be more easily monitored. The Capital Reserve Fund Budget is attached.

Respectfully submitted,

A handwritten signature in black ink that reads "C. Kim Nazarchyk". The signature is written in a cursive, flowing style.

C. Kim Nazarchyk
Town Manager

BE IT ORDAINED by the Town Council of the Town of Eastover, North Carolina:

Section 1. The total valuation of the Town of Eastover is estimated to be \$296,350,495. It is therefore estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2014 and ending June 30, 2015:

Taxes, Current Year	\$ 595,400
Taxes, 1 st Prior Year	14,000
Taxes, 2 nd Prior Year	1,500
Taxes All Prior Years	1,200
Tax Penalties & Interest	3,500
Interest on Investments	1,525
Miscellaneous Income	1,000
N.C Utility Franchise Tax	140,000
Local Option Sales Taxes	605,000
N.C. Beer & Wine Tax	18,000
Powell Bill Funding (Restricted)	76,000
Recreation/Open Space Tax	500
Civic Building Rental	7,400
Rental Deposit Income	150
Talley Woodland Park	<u>500</u>
	\$1,465,675

Section 2. The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the fiscal year beginning July 1, 2014 and ending June 30, 2015, in accordance with the chart of accounts heretofore established by this Town:

Administration	\$ 803,440
Zoning & Planning	13,500
Police	88,000
Fire	315,985
Street	85,500
Parks & Recreation	<u>159,250</u>
	\$1,465,675

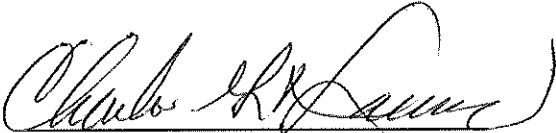
Section 3. There is hereby levied a tax rate of twenty & one-half cents (\$0.205) per one hundred dollars (\$100.00) valuation of property as listed for taxes as of January 1, 2014, for purpose of raising the revenue listed as "Taxes, Current Year" in the General Fund in Section 1 of this Ordinance.

Section 4. The Budget Officer is hereby authorized to transfer appropriations as noted in the following:

- a. May transfer amounts between line item expenditures within a department without limitation. Transfers of \$2,000.00 and greater must be reported to the Town Council.
- b. May transfer amounts up to \$2,000.00 between departments, including contingency appropriations, within the same fund. Such transfer must be reported to the Town Council at its next regular meeting.
- c. May make cash advances between funds for periods not to exceed 60 days without approval by the Town Council. All advances that will be outstanding at the end of the fiscal year must be approved by the Town Council.

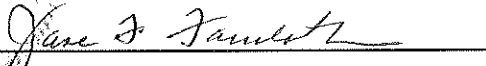
Section 5. Copies of the Budget Ordinance shall be furnished to the Town Clerk/Finance Officer, and to the Town Council to be kept on file for direction in the disbursement of funds.

Adopted this 3th day of June, 2014.



Charles G. McLaurin, Mayor

ATTEST:


Jane F. Faircloth, Town Clerk

CAPITAL RESERVE FUND
2014-15 BUDGET

30-310-99	Capital Reserve Revenues	\$200,000
30-420-99	Capital Reserve Expenditures	\$200,000
	Revenues over Expenses	0