

VILLAGE OF MISENHEIMER
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June 2013

FY 2013/2014 BUDGET MEMORANDUM

PROPOSED BUDGETED REVENUE RECAP:

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|---|------------------|
| Ad Valorem Taxes | 25,500 |
| Unrestricted Intergovernmental Revenues | 121,138 |
| Restricted Intergovernmental Revenues | 10,000 |
| Sales and Services | 220,000 |
| Investment Earnings | 500 |
| Appropriation of Fund Balance | 0 |
| Miscellaneous | 2,000 |
| GRAND TOTAL | \$379,138 |

PROPOSED BUDGETED EXPENDITURES RECAP:

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|-------------------------------|------------------|
| General Government | 97,803 |
| Public Safety/Law Enforcement | 253,885 |
| Zoning | 2,571 |
| Solid Waste & Recycling | 19,379 |
| Cultural & Recreational | 5,500 |
| Fund Balance Appropriation(s) | 0 |
| GRAND TOTAL | \$379,138 |

2013 Stanly County Property Revaluation-Revenue-Neutral Tax Rate:

The general reappraisal of real property for the Village of Misenheimer and Stanly County was performed in 2013. State law requires that units of local government, including public authorities, publish a revenue-neutral tax rate in the budget immediately following the completion of the general reappraisal of real property. The purpose of the revenue-neutral tax rate is to provide citizens with comparative information. The FY 13/14 operating budget follows the general reappraisal of real property for the Village of Misenheimer. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the current year if no reappraisal had occurred. The rate is adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general appraisal performed in 2005. The reappraisal produced a tax base of \$11,998,000 for the Village of Misenheimer. The tax levy for the current fiscal year is \$11,705,945, and the growth factor since the last general reappraisal is 2.47 percent. Using the formula mandated by state law, the revenue-neutral tax rate for the Village of Misenheimer is 22 cents. The proposed property tax rate for FY 13/14 is 22 cents, which represents no change from the property tax rate for FY 12/13.

The following Revenue related items are included in the FY 13/14 Budget:

- The property tax rate will remain at .22 per \$100 of real and personal property value for FY 13/14.
- The rate to apportion to the Richfield-Misenheimer Fire Department for fire and rescue will remain at .07 of the total .22 property tax rate proposed for FY 13/14.
- The Village will be eligible to receive NCDOT Powell Bill funds during FY 13/14 as the .15 mile of Colony Apartment Road was acquired by the Village from NCDOT's maintenance responsibilities during FY 11/12.
- Pfeiffer University has agreed to renew the contract for Police services for FY 13/14 for \$220,000.00 per year which is the same as the amount received for FY 12/13.

The following Personnel related items were included in the FY 13/14 Budget:

- A 1% COLA is included for all members of the Police Department.
- The proposed FY 13/14 Budget is incorporating known/proposed/estimated employer rate increases or salary ceiling amount increases for payroll related taxes (FUTA/SUTA/SUTA 1% Reserve/Social Security/Medicare).
- The 401(k) plan employer contribution will remain at 5% for employees eligible to participate in the 401(k) plan.
- The Village will initiate a 457(b) Plan for Police Officers through Prudential Insurance. The Village will make no contributions to this plan. Police officers will have the option to make employee deferrals to this plan.

- Health, Dental, Life, & Accidental Death & Dismemberment (AD&D) insurance renews March 1, 2014. The FY 13/14 Budget assumes a 20% increase in health insurance renewal premiums and a 10% increase in dental insurance renewal premiums. However, these estimates may not address unknown changes based upon the Affordable Care Act that goes in to effect January 1, 2014.
- The dependent care employee responsibility for dependent health and/or dental insurance was raised to 40% from 35% effective with the 3/1/13 renewals. As of 5/31/13, only one employee is utilizing this benefit for spouse dental insurance coverage only.
- The NC Local Government Employee Retirement System (LGERS) employer contributions are estimated to be 7.07% for LOGS (Administrative) and 7.28% for LOCL (Law Enforcement) starting July 1, 2013.
- The Police Department will maintain their staff level at five (5) full time officers which includes the Chief. Part time officer usage and overtime are planned to be minimal.
- The Village Administrator/Clerk will maintain her full time status (thirty (30) hours per week). Pro-rated accruals for holiday, vacation, and sick benefits will continue to be provided.
- The Police Chief will maintain his Zoning and Flood Plain Officer responsibilities. A \$1,000.00 stipend will be added to his compensation for FY 13/14.

The following Capital Purchases and Improvements were included in the FY 13/14 Budget:

- Twelve (12) vehicle payments toward a sixty (60) month loan are included in the FY 13/14 Budget. The loan is for the 2012 Dodge Charger Police vehicle purchased 7/1/12. The other Police vehicles include a 2008 Ford Crown Victoria and a 2004 Ford Explorer.
- A new commercial grade door and electrical improvements are budgeted for the Community Building on Lions Club Road totaling \$6,000.
- The Police Department plans to purchase three (3) shot guns and five (5) Tasers totaling \$6,880.
- Two (2) signs are included to be installed at the entrances of the Village limits on US Highway 52 at an estimated cost of \$4,000.
- Repairs and additions to street signs are included in the FY 13/14 Budget at an estimated cost of \$3,000.

The following Expenditures of note were included in the FY 13/14 Budget:

- The Police Department Budget for FY 13/14 includes funding of \$33,885 from the Village. The entire Budget for the Police Department totals \$253,885 (Pfeiffer University will provide \$220,000 for Police services performed and the remaining budgeted amount will be the responsibility of the Village).
- The General Government Budget for FY 13/14 includes receiving the estimated Powell Bill revenues of \$10,000. Currently, there are no Powell Bill projects budgeted for FY 13/14 and therefore these funds will remain restricted.
- The Solid Waste Budget for FY 13/14 includes an estimated increase in solid waste and recycling pick up rates by 2.1% which is based upon the estimated Consumer Price Index (CPI) at July 1, 2013 (contract renewal date).
- The Village is planning to host a ten (10) year Anniversary Celebration to commemorate the incorporation of the Village in June 2003 at an estimated cost of \$5,000.