



TOWN OF ARCHER LODGE

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Mayor:

Matthew B. Mulhollem

Council Members:

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Mayor Pro Tem

Teresa M. Bruton

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Mark B. Wilson

Annual Budget Message 2024-2025 Fiscal Year Budget

To: Honorable Mayor and Members of the Archer Lodge Town Council
Archer Lodge, North Carolina

From: Bryan R. Chadwick, Budget Officer/Town Administrator

Date: June 3, 2024

Over the past few years, the Town has experienced rapid growth tripling in size in its “short” fifteen-year history (with that population set to double in the next two decades). This has challenged the Town Council in meeting the needs of the Town and incorporating the direction in which the citizens want to go.

The Town Council has been meeting the challenges head on by expanding services to meet the increasing needs of the people. This has not been without “growing pains.” You have hired new staff, you have partnered with many entities in new ways (ALCC, JCLL, JCPS, N*Focus, ACE, CodeWright Planners, The Brough Law Firm, etc.) and you have opened new facilities all for the citizens, property owners and visitors of Archer Lodge.

These achievements have included hundreds of participants in Parks & Recreation programs this year, hundreds of visitors weekly to the new park, and daily contacts with individuals wanting to update or develop properties.

This budget continues in that tradition and the successes of meeting the needs of those

who call Archer Lodge home, want to call Archer Lodge home, or want to participate in the excitement in Archer Lodge.

Following this budget message for your review and consideration, you will find the proposed Annual Budget for fiscal year 2024-2025 for the Town of Archer Lodge in the amount of **\$3,308,000**. This amount includes considerations for the following funds:

- 1) General Fund,
- 2) Capital Reserve Fund,
- 3) Park Reserve Fund, and
- 4) Public Safety Reserve Fund.

Following several Budget Planning Sessions and discussions held back on 19 February 2024, 18 March 2024, 15 April 2024, and 20 May 2024, Ms. Batten, Assistant Town Administrator/Finance Officer, along with myself, examined comments and notations mentioned during this budgeting process. The approach for our budget workshops over the past few years has assisted the Town Council and staff in understanding the process, the budget worksheets, and delving into the computations of budgeting. It also has provided many discussions for each department regarding changes and other considerations. Following one, two, three, four, five and finally six budget drafts, meetings, and conversations, I feel certain that the proposed budget best represents the suggestions and plans expressed by the Town Council and the essentials for the citizens of the Town of Archer Lodge. Staff anticipates a fire district tax increase of \$0.02 and strongly recommends an increase in the current Town tax of \$.08, which collectively will increase the Town tax rate to **\$0.40/\$100**.

The tables below represent an overview of projected revenues and anticipated expenditures for the four funds for fiscal year ending June 30, 2025.

The following tables below represent the **General Fund 10**:

General Fund 10 Expenditures:	Proposed Anticipated Expenditures (FY 2024-2025)
General Government	\$ 802,650.00
Public Safety	\$ 852,000.00
Transportation	\$ 30,000.00
Economic & Physical Development (P/Z)	\$ 239,475.00
Cultural and Recreation	\$ 587,750.00
Debt Service	\$ 140,125.00
Capital Outlay	\$ 53,000.00
Transfer To Other Funds	\$ 188,000.00
Total Estimated/Appropriated	\$ 2,893,000.00

General Fund 10 Revenue Sources:	Proposed Projected Revenues (FY 2024-2025)
Ad Valorem Taxes	\$ 1,658,000.00
Unrestricted Intergovernmental	\$ 601,000.00
Restricted Intergovernmental	\$ 60,000.00
Permits and Fees	\$ 59,500.00
Parks & Recreation Fees/Rentals	\$ 90,000.00
Investment Earnings	\$ 60,000.00
Miscellaneous	\$ 5,500.00
Transfer From Other Funds	\$ 306,000.00
Fund Balance Appropriated	\$ 53,000.00
Total Revenues / Estimated Resources	\$ 2,893,000.00

QUICK POINTS OF THE GENERAL FUND:

- Reinstatement Annual Transfer of \$25,000 to Capital Reserve Fund and Public Safety Reserve Fund
- Property/Liability Insurance and Workers Comp Insurance increases based on property additions
- Recent Hires: Town Planner (Budgeted full year)
 Parks Maintenance Specialist (Budgeted Full Year)
- Current Staff: 4% COLA
 Up to 2% Merit Increase in Jan '25 based on Annual Performance Evaluation
- Law Enforcement Consideration = 7 days a week / 12 daylight hours a day
- Contracted Services and Utilities in Public Buildings increased for Town Park Facilities and ALCC Facilities being managed
- Professional Fees – Design/Engineering Services, Auditing, & Legal
- Parks & Rec Department Capital – Ford F-150 Truck, 6 x 14 Trailer
- Extraterritorial Jurisdiction Contract work by CodeWright Planners
- Removal of Planning/Code Enforcement Contract with ACE

The following table below represents the **Capital Reserve Fund 30:**

Capital Reserve Fund 30:	Proposed Estimates (FY 2024-2025)
Investment Earnings	\$ 1,000.00
Transfer from General Fund 10	\$ 25,000.00
Transfer to Fund Balance	\$ (26,000.00)
Revenue Totals = Expenditure Totals	\$ -

QUICK POINTS OF THE CAPITAL RESERVE FUND:

- Reinstatement Annual Transfer of \$25,000
- Investment earnings received will be transferred to fund balance

The following table below represents the **Park Reserve Fund 31:**

Park Reserve Fund 31:	Proposed Estimates (FY 2024-2025)
Investment Earnings	\$ 1,000.00
Transfer from General Fund 10	\$ 138,000.00
Transfer to General Fund 10	\$ (56,000.00)
Recreation Development	\$ (83,000.00)
Revenue Totals = Expenditure Totals	\$ -

QUICK POINTS OF THE PARK RESERVE FUND:

- Transfer from General Fund consists of:
 - Two Cents Property Taxes Estimate = \$84,000
 - Fee in Lieu of Rec – 36 Lots @ \$1,500 = \$ 54,000
- Transfer to General Fund – Loan Payment on Park Land \$56,000

The following table below represents the **Public Safety Reserve Fund 32:**

Public Safety Reserve Fund 32:	Proposed Estimates (FY 2024-2025)
Investment Earnings	\$ 1,000.00
Transfer from General Fund 10	\$ 25,000.00
Fund Balance Appropriated	\$ 224,000.00
Transfer to General Fund 10	\$ (250,000.00)
Revenue Totals = Expenditure Totals	\$ -

QUICK POINTS OF THE PUBLIC SAFETY RESERVE FUND:

- Reinstate Annual Transfer of \$25,000
- Utilize Public Safety Reserve Funds for the General Fund Public Safety / Law Enforcement Consideration = 7 days a week / 12 daylight hours a day

The following table below summarizes the **Proposed Annual Budget for Fiscal Year Ending June 30, 2025:**

Total Proposed Annual Budget for All Funds (FY 2024-2025)	Total Proposed Estimated Revenues for All Funds	Total Proposed Estimated Expenditures for All Funds
Revenue Totals = Expenditure Totals	\$ 3,308,000.00	\$ 3,308,000.00

Below you'll find a table that represents the Ad Valorem Tax Revenues projected in the budget, however with a conservative figure.

Date	Type	Net Assessed Value	Provided By	Levy \$0.40 / \$100
12/31/2023	Motor Vehicles	\$ 61,498,211	Jo Co Tax Office	\$ 245,993
08/28/2023	Public Service Companies	\$ 5,088,719	NC Dept of Rev	\$ 20,355
05/15/2024	Real and Personal Property	\$ 370,761,450	Jo Co Tax Office	\$ 1,483,046
07/01/2024	TOTAL	\$ 437,348,380		\$ 1,749,394
PROPOSED	AD VALOREM	TAXES	CONSERVATIVE	\$ 1,655,000

The final table is the Town's **Debt Service:**

LOAN	LENDER	BALANCE BEFORE PAYMENT	PAYMENT DUE	FY 24-25	BALANCE AFTER PAYMENT
Town Hall	BB&T Gov't	\$ 100,000	03/22/25	\$ 36,744	\$ 66,667
Park Loan	M/M G. Smith	\$ 150,000	08/20/24	\$ 56,000	\$ 100,000
Town Hall Expansion	KS Bank	\$ 270,000	09/10/24	\$ 36,124	\$ 243,000
TOTAL		\$ 520,000		\$ 128,868	\$ 409,667

In closing, the proposed budget in the **General Fund** for fiscal year ending June 30, 2025, shows a **decrease** of **< 2,547,500 >** over the current year's amended budget of \$5,855,500 as pictured below:

Current Year (FY 2023-2024) Revenues as Amended \$ 5,855,500.00	Proposed Projected Revenues (FY 2024-2025) \$ 3,308,000.00
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You must remember the above number includes the latest grant funding received for specific upcoming projects and not “recurring costs” associated with day-to-day operations.

This budget is not a “wish list” but a “vital list.” Items were removed to reduce the overall budget and those remaining help continue to meet the essentials of the citizens yet demonstrate fiscal constraint. Even with the reduced list, there are new recurring costs that are being funded and will continue in the future.

Last year, fund balance was utilized to meet some of these growing needs. The items funded were needed to complete the mission with most being recurring costs, not one-time costs. If you recall during those discussions, I relayed that this would not be sustainable, and at least a five cents tax increase would be necessary.

This budget utilizes fund balance to fund the two capital items mentioned earlier. Again, tough decisions are required to meet the needs of the citizens and staff.

Many thanks to our Assistant Town Administrator/Finance Officer for her extensive work on this budget. I also want to thank the staff for their dedication to this budget process. Every member of staff continues to be dedicated to the Town of Archer Lodge and committed to completing the work the citizens and Town Council have set forth.

I especially want to thank the Town Council for your participation in this process. Your input and guidance were used to develop the budget document.

It is a thrilling time to be in Archer Lodge. In the coming years, the Town is poised to do many great things for the community and will continue to make its mark in Johnston County and the surrounding area.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "B. Chadwick". The signature is fluid and cursive, with a large initial "B" and a stylized "C".

Bryan Chadwick
Budget Officer/Town Administrator