



TOWN OF ARCHER LODGE
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Annual Budget Message 2019-2020 Fiscal Year Budget

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

From: Teresa M. Bruton, Budget Officer

Date: May 20, 2019

Presented herein for your review and consideration is the proposed budget for fiscal year 2019-2020. This budget is based on the goals discussed during our annual budget retreat, with thoughtful consideration of the Town's ability to fund these goals with limited revenues.

Please be advised that North Carolina counties are required to conduct a revaluation of real property every eight years. The revaluation is based on current property values and ensures that the overall tax burden is distributed fairly and equitably throughout the county. Since Johnston County's last revaluation was in 2011, the County partnered with Pearson Appraisal Service to perform the state mandated 2019 Revaluation of all real property in the County. Ms. Jocelyn Andrews, Tax Administrator for Johnston County, anticipated a county-wide increase of 24.07%, as well as a town-wide increase for Archer Lodge of 26.67%.

Additionally, when the County conducts a general revaluation of real property, that year's budget must include a statement of the **revenue-neutral property tax rate** for comparison purposes. Please note that the revenue-neutral property tax rate is the rate that is estimated to produce revenue for the next fiscal year that is equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no revaluation had occurred. With an average adjusted growth rate of 2.58% for the Town of Archer Lodge, the revenue-

neutral property tax rate would be \$0.1831 / \$100 value. However, due to the uncertainty of the actual revenue increase, the proposed fiscal year 2019-2020 budget reflects the Town's current tax rate of \$0.22 / \$100 value.

Please also note a few of the more significant revenues and expenditures included in this year's budget below:

REVENUES

- Sales tax revenues are projected to increase by 4.5%
- Electric franchise sales tax revenues are projected to increase 1.5%, but other franchise taxes, such as video programming and telecommunications, are projected to decrease by as much as 3.9%
- Due to several new subdivisions, it is anticipated that approximately \$45,000 for "fee-in-lieu of recreation" funds will be collected and designated to the park reserve fund
- As detailed in the table below, it is anticipated that next year's Ad Valorem and Motor Vehicle Taxes collection rate will be between 97% and 98%:

Date	Type	Net Assessed Value	Provided By	Levy \$0.22 / \$100
12/31/2018	Motor Vehicles	\$ 44,942,553	Jo Co Tax Office	\$ 98,874
08/30/2018	Public Service Companies	\$ 1,655,636	NC Dept of Rev	\$ 3,643
05/02/2019	Real and Personal Property	\$ 330,169,746	Jo Co Tax Office	\$ 726,373
07/01/2019	TOTAL	\$ 376,767,935		\$ 828,890
PROPOSED	AD VALOREM	TAXES	CONSERVATIVE	\$ 811,000

EXPENDITURES

- Due to the anticipated \$811,000 in revenues noted above, the Fire District Tax portion of the Archer Lodge Tax Rate (\$0.09 / \$0.22) will result in the Archer Lodge Fire Department receiving approximately \$325,000
- Salary increases for the Mayor, Mayor Pro Tem and Town Council Members
- Salary increases for both the Planning Board and the Board of Adjustment members for meetings attended during the fiscal year
- Cost of living increases that become effective July 1, 2019, as well as potential performance-based merit increases that become effective January 1, 2020 for Archer Lodge employees
- Town's 10th Year Anniversary Celebration

- Due to the ever-changing GASB, NC Department of State Treasurer: State and Local Government Division and Office of State Auditor requirements, Professional auditing fee increase of approximately 56%
- The Town's 20% cost share with NCDOT for curb and gutter and sidewalk along Buffalo Road
- Public safety enhancements that may include decorative street lights on Buffalo Road and a mobile solar powered radar sign for traffic calming
- Continuation of recreational support with ALCC, N-Focus, the Capital Reserve Transfer and the Park Reserve Transfer of three-cents (\$0.03) of ad valorem
- A new Public Safety Reserve Fund with an annual transfer of funds instead of a designation of funds
- Due to the recent Town Hall Expansion and purchase of park land, the Town's debt increase of \$98,669 as detailed in the table below:

Loan	Lender	FY 2018-2019	FY 2019-2020	FY 2020-2021
Town Hall	BB&T Gov't	\$ 43,565	\$ 42,428	\$ 41,291
Park Loan	M/M G. Smith		\$ 66,000	\$ 64,000
Town Hall Expansion	KS Bank		\$ 33,806	\$ 39,774
TOTAL		\$ 43,565	\$142,234	\$145,065

As noted above, the proposed 2019-2020 budget maintains the Town's current tax rate of \$0.22 / \$100 valuation. Additionally, the budget was prepared in accordance with NC General Statute 159-11 and is balanced. I would like to thank Ms. Kim Batten, Ms. Joyce Lawhorn, Mr. CL Gobble, Mr. Mike Gordon and Mayor Matt Mulhollem for their assistance and guidance in developing this budget. It is my pleasure to present the Town of Archer Lodge 2019-2020 Annual Budget and I look forward to another successful and productive year.

Respectfully submitted,



Teresa M. Bruton
Budget Officer