



Town of Caswell Beach

1100 Caswell Beach Road • Caswell Beach, NC 28465
(910) 278-5471 • Fax: 1-866-271-3641 • Website: www.caswellbeach.org

Fiscal Year 2022-2023 Town Manager's Budget Message

June 14, 2022

Honorable Mayor and Members of the Board of Commissioners:

In accordance with North Carolina General Statutes §159-11, I am pleased to submit the proposed Fiscal Year 2022-23 Annual Budget Ordinance for the Town of Caswell Beach. The proposed budget increases the annual tax rate of \$0.27 cents per \$100 of valuation to \$0.28 cents per \$100 of valuation and based on current valuations, .01 cent generates approximately \$33,061.

Highlights of the FY 2022-23 budget include the following:

- A \$0.01 ad valorem tax increase proposed
- A 5% cost of living allowance (COLA) increase for town employees
- A \$9,189 merit pool for full-time permanent employees
- Transition of the Finance Officer position from part-time to full-time
- No fund balance appropriation is required to address funding obligations for FY 2022-23
- Increase in health insurance cost from FY 2021-22

GENERAL FUND REVENUES

Estimated revenues for FY 2022-23 were based on conservative estimates despite signs of growth in ad valorem and sales tax revenues.

The tax rate of \$.01 per \$100 valuation is recommended to improve the fund balance, which will help the Town to deal with unexpected situations. Our ad valorem revenues are based on a tax valuation of \$330,612,953 calculated at an approximate collection rate of 99.52% to yield approximately \$873,596. Staff has estimated a collection of \$880,559 in total based on past collection trends and new construction. Please note that this collection rate exceeds the statewide average and is attributable in large part to the support of the Caswell Beach property owners.

The local option sales tax is projected at \$166,000.

GENERAL FUND EXPENDITURES

There is 3% merit incentive and a 5% cost of living adjustment (COLA) increase proposed in this year's Budget for employee salaries. These figures are consistent with the findings from the Cape Fear Council of Government's survey results of regional municipalities anticipated COLA and Merit increases. Health insurance costs are expected to increase by nearly \$500 per employee per year for the next fiscal year.

There is a genuine need to transition the Finance Officer position from part-time to full-time. Justification for this request includes recording and reporting the financial activities of the Town, verification of compliance with the annual budget ordinance, North Carolina General Statutes, generally accepted accounting principles, regulatory agency pronouncements and policies adopted by the Town. A finance officer must maintain detailed accounting records for all county departments, pay vendors, process employee payroll, monitor grant revenues and expenditures, oversee the collection, deposit, and investment of cash, prepare certain state and federal financial reports, monitor and manage long-term debt, and assist the Town Manager with preparation of the annual budget.

CAPITAL IMPROVEMENT

For FY 2022-23 the following capital purchases were prioritized and budgeted for:

| <u>Capital Item</u> | <u>Estimated Cost</u> |
|--------------------------|-----------------------|
| Police Radio Replacement | \$44,000 |
| Pump (3 horsepower) | \$7,052 |
| Pump (5 horsepower) | \$9,570 |
| Pump (7.5 horsepower) | \$9,762 |

The police radios are a necessity as the current radios that are carried will be unserviceable in the next couple of years. This purchase is eligible with the ARP Funding.

Each of the pumps will be purchased using State Capital and Infrastructure Fund (SCIF) grant funding awarded to the Town in FY2021-22.

SUMMARY

The proposed FY 2022-23 budget better positions the Town of Caswell Beach to retain and sustain the high level of services the residents have come to expect of the Town of Caswell Beach. Although the future economic environment is unpredictable and may

present challenges in meeting these expectations, it also provides us with an opportunity to refocus our priorities to those services that are truly essential of a local government entity.

Over the last several years the Town has undertaken several proactive cost-cutting measures that have enhanced the sound financial standing the Town has commonly been known to possess. These efforts will continue to provide the Town with greater responsiveness, efficiency, and utilization of its taxing authority.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph R. Pierce". The signature is fluid and cursive, with the first name "Joseph" written in a larger, more prominent script than the last name "Pierce".

Joseph R. Pierce, ICMA-CM
Town Manager



**TOWN OF CASWELL BEACH
BUDGET ORDINANCE
FISCAL YEAR 2021-2022**

Be it ordained by the Board of Commissioners of the Town of Caswell Beach, North Carolina that the following anticipated revenues, departmental expenditures, and inter-fund transfers are approved and appropriated for operations of the Town of Caswell Beach for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

Budget FY2022-23

General Fund

| | |
|--------------------------------------|---------------------|
| Ad Valorem Tax (and Prior Year) | 881,610 |
| Motor Vehicle Tax | 19,000 |
| Recycling Fees | 61,870 |
| Other Taxes, Licenses & Fees | 240,350 |
| Restricted Gov. Rev., Mosquito Grant | 500 |
| Building Inspections | 31,000 |
| Investment Earnings | 500 |
| Miscellaneous | 2,000 |
| Fund Transfers | 240,322 |
| Grant Funding | 297,358 |
| Total Revenue | \$ 1,774,510 |
| | |
| Governing Body | 17,030 |
| Admin | 622,994 |
| Public Works | 240,340 |
| Police Department | 474,089 |
| Communications | 30,522 |
| Training / Travel | 2,000 |
| Environmental Protection | 44,870 |
| Stormwater | 187,660 |

| | |
|---------------------------|---------------------|
| Parks and Recreation | 5,000 |
| Beaches | 5,450 |
| Development Services | 51,040 |
| Manager Contingency | 10,000 |
| Transfer to fund Balance | 83,515 |
| Total Expenditures | \$ 1,774,510 |

| Powell Bill Fund | |
|--|-----------------|
| Revenue from State and Interest Earned | 8,957 |
| Total Revenue | \$ 8,957 |
| Transfer to General Fund | 8,957 |
| Transfer to Powell Bill Fund Balance | - |
| Total Expenditures | \$ 8,957 |

| Accommodations Fund | |
|-------------------------------------|-------------------|
| Accommodations 3% Tax | 231,365 |
| Accommodations 1% Tax | 76,852 |
| Total Revenue | \$ 308,217 |
| Transfer to General Fund | 231,365 |
| Brunswick County Accommodations Tax | 76,852 |
| Total Expenditures | \$ 308,217 |

| Beach Trust Fund | |
|----------------------------------|-------------------|
| Accommodations 2% Tax | 154,514 |
| Interest Earned | 425 |
| Total Revenue | \$ 154,939 |
| Move to beach Trust Fund Balance | 154,939 |
| Total Expenditures | \$ 154,939 |

| Capital Reserve Fund | |
|--------------------------------------|------------------|
| Transfer from General Fund | 13,500 |
| Total Revenue | \$ 13,500 |
| Move to Capital Reserve Fund Balance | 13,500 |
| Total Expenditures | \$ 13,500 |

Ad Valorem Taxes

The tax rate of \$.01 per \$100 valuation is recommended to improve the fund balance, which will help the Town to deal with unexpected situations. Our ad valorem revenues are based on a tax valuation of \$330,612,953 calculated at an approximate collection rate of 99.52% to yield approximately \$873,596. Staff has estimated a collection of \$880,559 in total based on past collection trends and new construction. Please note that this collection rate exceeds the statewide average and is attributable in large part to the support of the Caswell Beach property owners.

Documentation

Copies of this ordinance will be kept on file at Town Hall and shall be furnished to the Town Clerk, Budget Officer, and Finance Officer to provide direction in the collection of revenues and the distribution of Town funds.

Budget Officer Authorization

The Budget Officer may transfer amounts between objects of expenditures within a department without limitation. This transfer shall be recorded as a Budget Adjustment.

The Budget Officer may transfer amounts up to ten thousand dollars between departments within the same fund. This transfer shall be recorded as a Budget Adjustment and shall be reported to the Board of Commissioners at the next regularly scheduled meeting following such Budget Adjustment.


The Budget Officer may amend the line items within any department budget by adding new line-item amounts so long as the department total does not increase or decrease.

The Budget Officer may not transfer any amounts between funds, except as approved by the Town Board by a Budget Ordinance Amendment.

Adopted this the 21st day of June 2022.


Deborah G. Ahlers, Mayor

ATTEST:


Joseph Pierce, Town Clerk

