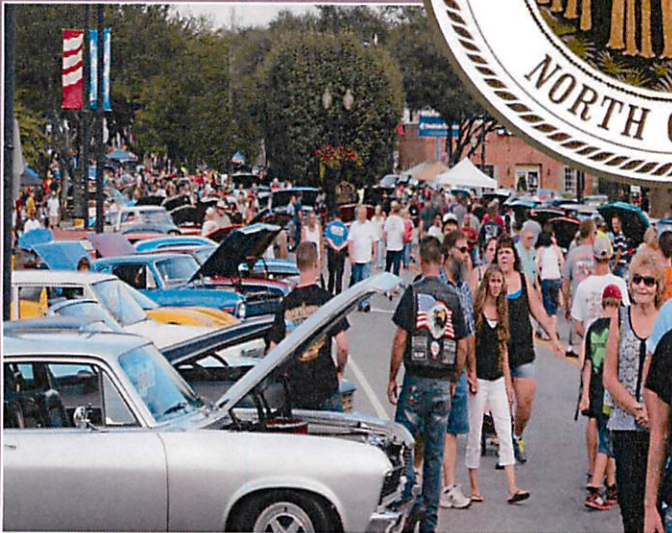


Christmas Lights



Future Park Site



Hot Nights-Cool Rides



Burnt Chimney

ANNUAL BUDGET FISCAL YEAR 2017-2018

TOWN OF FOREST CITY, NC

**ANNUAL BUDGET
FISCAL YEAR 2017-2018**

City Council

Steve Holland, Mayor

Commissioners

Dee Dee Bright

Justin Conner

David Eaker

Chris Lee

Shawn Moore

City Manager

John Condrey

Finance Director

Roxanne Stiles

City Clerk

Emily Sain

TOWN OF FOREST CITY
NORTH CAROLINA
2017-2018 Budget Ordinance

SECTION 1: The following amounts are hereby appropriated for the operation of town government and its activities for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

GENERAL FUND EXPENDITURES

GOVERNING BODY	\$ 62,184
ADMINISTRATION	\$ 2,949,934
FINANCE	\$ 262,360
LEGAL	\$ 46,503
WAREHOUSE AND GARAGE	\$ 81,792
PUBLIC WORKS BUILDING	\$ 58,206
POLICE	\$ 3,037,077
FIRE	\$ 1,386,230
CODE ENFORCEMENT, PLANNING, DOWNTOWN AND COMMUNITY DEV	\$ 654,048
POWELL BILL	\$ 230,474
STREETS	\$ 1,030,453
CEMETERY	\$ 10,350
SANITATION	\$ 1,180,185
DEBT SERVICE	\$ 45,907
CONTINGENCY (401k, COLA)	\$ 78,208
TOTAL GENERAL FUND	\$ 11,113,911

FLORENCE MILL **\$ 25,000**

PARKS AND RECREATION EXPENDITURES

LIBRARY	\$ 154,139
CALLISON RECREATION CENTER	\$ 303,636
COOL SPRINGS GYM	\$ 45,336
PARKS AND PLAYGROUNDS	\$ 1,118,002
McNAIR MUNICIPAL PARK	\$ 88,172
PARK AT THE MILL	\$ 3,707,223
POOL	\$ 91,596
ATHLETIC PROGRAM	\$ 107,248
GOLF COURSE	\$ 462,361
FOREST CITY CLUB HOUSE	\$ 29,229
DEBT SERVICE	\$ 199,141
CONTINGENCY (401k, COLA)	\$ 13,312
TOTAL PARKS AND RECREATION	\$ 6,319,395

WATER AND SEWER EXPENDITURES

ADMINISTRATION AND BILLING	\$ 571,647
WATER OPERATION AND CONSTRUCTION	\$ 749,870
WATER PLANT	\$ 827,129
SEWER OPERATION AND CONSTRUCTION	\$ 379,000
WASTEWATER TREATMENT PLANT	\$ 1,055,323
WASTEWATER TREATMENT - RIVERSTONE	\$ 136,230
WATER / SEWER PUMP MAINTENANCE	\$ 794,221

WATER METER SERVICE	\$ 99,118
DEBT SERVICE	\$ 109,433
TRANSFERS TO OTHER FUNDS	\$ 3,488,781
CONTINGENCY (401k, COLA)	\$ 32,606
TOTAL WATER AND SEWER EXPENDITURES	\$ 8,243,358

ELECTRIC FUND EXPENDITURES

ADMINISTRATION AND BILLING	\$ 678,240
OPERATIONS AND CONSTRUCTION	\$ 8,998,808
ELECTRIC METER SERVICE	\$ 110,368
DEBT SERVICE	\$ 34,949
TRANSFERS TO OTHER FUNDS	\$ 5,256,749
CONTINGENCY (401k, COLA)	\$ 11,511
TOTAL ELECTRIC FUND EXPENDITURES	\$ 15,090,625

SUBTOTAL OF ALL FUNDS	\$ 40,792,289
LESS INTERFUND TRANSFERS	\$ (8,745,530)
TOTAL BUDGET FUNDS	\$ 32,046,759

SECTION 2: It is estimated that the following revenues will be available during the fiscal year beginning on July 1, 2017 and ending June 30, 2018 to meet the above appropriations.

GENERAL FUND REVENUES

TAX INTEREST AND COST	\$ 12,000
AD VALOREM TAXES PRIOR YEARS	\$ 30,000
AUTO TAXES PRIOR YEARS-COLLECTIONS FROM COUNTY	\$ -
AD VALOREM TAXES F/Y 2016-2017	\$ 3,647,970
AUTO TAXES-COLLECTIONS FROM STATE	\$ 92,800
VEHICLE RENT TAXES F/Y 2016-2017	\$ 17,000
DOWNTOWN ACTIVITIES	\$ 12,000
LOCAL SALES TAX	\$ 1,091,000
UTILITY FRANCHISE TAX	\$ 912,000
ABC PROFIT REVENUE	\$ 255,000
ABC LOAN REPAYMENT	\$ 3,344
ABC LOAN INTEREST	\$ 14
BUILDING PERMITS	\$ 50,000
CODE ENFORCEMENT REVENUE	\$ 10,000
CODE ENFORCEMENT FACEBOOK OVERTIME	\$ -
SOLID WASTE DISPOSAL TAX DISTRIBUTION	\$ 5,400
COURT FEES AND CHARGES	\$ 3,000
FIRE PROTECTION CHARGES	\$ 5,000
STATE FIRE FUND REVENUE	\$ 6,000
FIRE DISTRICT TAX	\$ 7,178
GOV CRIME COMMISSION GRANT-POLICE	\$ 24,500

POWELL BILL STREET ALLOCATION	\$	245,000
BOSTIC GENERAL WORK	\$	1,000
MULCH SALES	\$	1,000
SANITATION	\$	1,168,170
INTEREST EARNED ON GENERAL FUND	\$	7,000
INTEREST EARNED ON POWELL BILL	\$	-
BEER/WINE EXCISE TAX	\$	33,000
HOLD HARMLESS REVENUES FROM STATE-SALES TAX	\$	343,000
RETURNED CHECK FEE	\$	3,000
PAYMENT IN LIEU OF TAX LOCAL	\$	13,000
FCHA-SALARY SUPPORT	\$	10,000
POLICE SECURITY SUPP-FCHA	\$	10,000
POLICE SECURITY SUPP-FC OWLS	\$	10,000
POLICE SECURITY SUPP-FC CLUBHOUSE	\$	2,000
POLICE TAKE HOME CAR REVENUE	\$	1,300
ON BEHALF FIRE PENSIONS	\$	10,000
STREET PAVING AND DEVELOPERS COST	\$	3,000
SALE OF CEMETERY LOTS	\$	5,000
SALE OF FIXED ASSETS	\$	-
PROCEEDS OF LEASE PURCHASE	\$	-
TRANSFER FROM ELECTRIC FUND	\$	3,064,235
FUND BALANCE APPROPRIATED	\$	-
TOTAL GENERAL FUND REVENUES	\$	11,113,911

FLORENCE MILL FUND REVENUES

TRANSFER FROM ELECTRIC FUND	\$	25,000
FUND BALANCE APPROPRIATED	\$	-
TOTAL FLORENCE MILL FUND REVENUES	\$	25,000

PARKS AND RECREATION FUND REVENUE

PENALTY - LATE BOOK RETURN	\$	1,400
CONCESSIONS AT CALLISON CENTER	\$	1,200
ORGANIZED PROGRAM RECEIPTS	\$	20,000
McNAIR FIELD LEASE	\$	15,000
McNAIR FIELD RENTAL	\$	10,000
McNAIR FIELD RESERVED PARKING	\$	-
RENTS - CALLISON CENTER	\$	2,000
RENTS - TOWN PARK	\$	9,000
POOL ADMISSION	\$	11,000
SEASON TICKETS	\$	5,000
SWIMMING LESSONS	\$	2,000
POOL PARTY LIFEGUARD SECURITY	\$	3,000
GOLF COURSE GREEN FEES	\$	35,000
GOLF COURSE MEMBERSHIP FEES	\$	55,000
RENTS - GOLF CARTS	\$	110,000
CONCESSIONS - GOLF COURSE	\$	8,000
CONCESSIONS - TOWN PARK	\$	1,000
RENTS - FOREST CITY CLUB HOUSE	\$	20,000

MISCELLANEOUS	\$ 3,000
INTEREST EARNED - RECREATION FUND	\$ 1,500
PARTF GRANT THERMAL BELT RAIL TRAIL	\$ 350,000
FIXED ASSETS SOLD	\$ -
PROCEEDS OF LEASE PURCHASE	\$ -
TRANSFER FROM WATER / SEWER	\$ 3,488,781
TRANSFER FROM ELECTRIC FUND	\$ 2,167,514
FUND BALANCE APPROPRIATED	\$ -
TOTAL PARKS AND RECREATION FUND REVENUES	\$ 6,319,395

WATER AND SEWER FUND REVENUES

TAPS AND CONNECTION FEES	\$ 35,000
CHARGES FOR UTILITIES / WATER	\$ 3,405,000
CHARGES FOR UTILITIES / SEWER	\$ 1,532,000
ELLENBORO SEWER CHARGES	\$ 75,000
INTEREST EARNED WATER / SEWER FUND	\$ 10,000
CUSTOMER SERVICE / MISCELLANEOUS	\$ 5,000
SERVICE INCOME - BOSTIC, CONCORD, ELLENBORO	\$ 35,000
SEPTAGE USER FEES	\$ 3,500
HORSEHEAD ID LOAN REPAYMENT	\$ 142,858
PROCEEDS OF LEASE PURCHASE	\$ -
FUND BALANCE APPROPRIATED	\$ 3,000,000
TOTAL WATER AND SEWER FUND REVENUES	\$ 8,243,358

ELECTRIC FUND REVENUES

ELECTRIC UTILITY CHARGES	\$ 12,000,000
SALES TAX COLLECTED	\$ -
RENEWABLE ENERGY RIDER	\$ 45,000
TAPS AND CONNECTIONS FEES	\$ 1,500
PENALTY FOR LATE PAYMENT	\$ 150,000
TRANSFER FEES	\$ 5,000
DELINQUENT ADMIN FEE	\$ 95,000
INTEREST EARNED ELECTRIC FUND	\$ 7,000
POLE RENTAL	\$ 13,280
SERVICE INCOME - BOSTIC	\$ 20,000
FUND BALANCE APPROPRIATED	\$ 2,753,845
TOTAL ELECTRIC FUND REVENUE	\$ 15,090,625

SUBTOTAL ALL REVENUE	\$ 40,792,289
LESS INTERFUND TRANSFERS	\$ (8,745,530)
TOTAL REVENUES BUDGETED	\$ 32,046,759

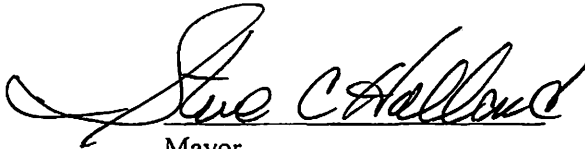
SECTION 3: There is hereby levied the following rates of tax on each one hundred dollars (\$100.00) valuation of taxable property as listed for taxes as of January 2017 for the purpose of raising the revenue from current years property tax as set forth in the foregoing estimates of revenue and in order to finance the foregoing appropriations.

The General Fund for the general expenses incident to the proper government of the Town of Forest City is \$.29 per \$100.00 valuation. This tax rate is based on an estimated total assessed valuation property for purposes of taxation of \$1,310,894,651.

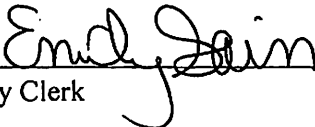
SECTION 4: Copies of this ordinance shall be furnished to the clerk to be kept on file and to the finance director for direction in distribution of town funds.

SECTION 5: This ordinance adopted this 19TH day of June 2017.

SECTION 6: This ordinance shall take effect July 1, 2017.


Mayor

ATTEST:



City Clerk

*****The following two pages summarize the changes made to the recommended budget for FY 2017-2018. These changes were made after the budget message was written.*****

Summary of Approved Changes FY 2017-2018

Expenditures

	Recommended	Adjustments	Adjusted Total
General Fund	\$ 12,050,239		
Governing Body EDC contribution		\$ (20,000)	
Code Enforcement truck		\$ (35,000)	
Code Enforcement Gateway Signs		\$ (63,300)	
Street Dept truck		\$ (40,000)	
Street Dept mower		\$ (11,000)	
Contingency COLA 3% to 1.5%		\$ (67,028)	
Contingency Future Projects to Park at Mill		\$ (700,000)	
General Fund			\$ 11,113,911
 Florence Mill Fund	 \$ 25,000		 \$ 25,000
 Parks & Rec Fund	 \$ 5,592,528		
Parks Dept truck		\$ (27,000)	
Park at Mill construction & parking lot lights		\$ (2,852,024)	
Park at Mill construction		\$ 3,434,698	
Park at Mill contingency		\$ 50,000	
Park at Mill construction administration		\$ 45,000	
Park at Mill electric dept lighting		\$ 148,125	
Golf Course fairway mower		\$ (62,000)	
Contingency COLA 3% to 1.5%		\$ (9,932)	
Parks & Rec Fund			\$ 6,319,395
 Water & Sewer Fund	 \$ 8,543,358		
Water Operations dump truck		\$ (80,000)	
Water Treatment Plant fluoride tank		\$ (35,000)	
Pump Maintenance truck		\$ (40,000)	
Transfers to Parks & Rec Fund		\$ (120,453)	
Contingency COLA 3% to 1.5%		\$ (24,547)	
Water & Sewer Fund			\$ 8,243,358
 Electric Fund	 \$ 15,336,780		
Park at Mill parking lot lights		\$ 52,024	
Utility pole replacement reduction		\$ (200,000)	
Transfers to General Fund		\$ (936,328)	
Transfers to Parks & Rec Fund		\$ 847,320	
Contingency COLA 3% to 1.5%		\$ (9,171)	
Electric Fund			\$ 15,090,625
	<u>\$ 41,547,905</u>	<u>\$ (755,616)</u>	<u>\$ 40,792,289</u>

Revenues

	Recommended	Adjustments	Adjusted Total
General Fund	\$ 12,050,239		
Transfers from Electric Fund		\$ (936,328)	
General Fund			\$ 11,113,911
Florence Mill Fund	\$ 25,000		\$ 25,000
Parks & Rec Fund	\$ 5,592,528		
Transfers from Water & Sewer Fund		\$ (120,453)	
Transfers from Electric Fund		\$ 847,320	
Parks & Rec Fund			\$ 6,319,395
Water & Sewer Fund	\$ 8,543,358		
Fund Balance Appropriated		\$ (300,000)	
Water & Sewer Fund			\$ 8,243,358
Electric Fund	\$ 15,336,780		
Fund Balance Appropriated		\$ (246,155)	
Electric Fund			\$ 15,090,625
	<u>\$ 41,547,905</u>	<u>\$ (755,616)</u>	<u>\$ 40,792,289</u>



TOWN OF FOREST CITY, NORTH CAROLINA FY 2017-2018 BUDGET MESSAGE

To the Honorable Mayor and Council Members

The proposed budget for fiscal year 2017-2018 is presented for your consideration. This recommended budget is balanced based on a tax rate of \$0.29 cents per \$100 valuation. The net value of one cent of property tax (after applying the collection rate) is \$128,992. The budget message is divided into the following sections:

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I. INTRODUCTION

The FY 2017-2018 budget is presented to the Mayor and Town Council for your consideration. The purpose of this budget message is to share the major features of the Town’s operations as it relates to the budget.

The chart below, “Town of Forest City FY 2016-2017 Amended and FY 2017-2018 Recommended Budgets,” shows the five major funds which make up the Town budget.

**Chart 1: TOWN OF FOREST CITY FY 2016-2017 AMENDED
AND FY 2017-2018 RECOMMENDED BUDGETS**

	Amended <u>FY 2016-17</u>	Recommended <u>FY 2017-18</u>
General Fund	\$10,436,777	\$12,050,239
Florence Mill Fund	\$ 127,960	\$ 25,000
Parks & Recreation Fund	\$ 1,852,656	\$ 5,592,528
Water & Sewer Fund	\$ 5,444,459	\$ 8,543,358
Electric Fund	<u>\$12,713,840</u>	<u>\$15,336,780</u>
TOTAL	\$30,575,692	\$41,547,905

The following information provides a more detailed breakdown of Chart 1.

GENERAL FUND BREAKDOWN BY DEPARTMENT

	Amended <u>FY 2016-17</u>	Recommended <u>FY 2017-18</u>
Governing Body	\$ 41,318	\$ 82,184
Administrative	\$2,298,195	\$2,949,934
Finance	\$ 176,236	\$ 262,360
Legal	\$ 34,864	\$ 46,503
Warehouse	\$ 62,355	\$ 81,792
Public Works Bldg.	\$ 125,338	\$ 58,206
Police	\$3,116,161	\$3,037,077
Fire	\$1,275,309	\$1,345,230
Volunteer Fire	\$ 40,892	\$ 41,000
Code Enforcement	\$ 726,058	\$ 752,348
Street	\$1,065,072	\$1,081,453
Powell Bill	\$ 245,432	\$ 230,474
Cemetery	\$ 9,350	\$ 10,350
Sanitation	\$1,135,000	\$1,180,185
Debt Service	\$ 85,197	\$ 45,907
Contingency (401k/COLA/ Future Projects)	<u>\$ 0</u>	<u>\$ 845,236</u>
	\$10,436,777	\$12,050,239

There are two reasons for this increase; 1) the property tax levy for Facebook increased an additional \$452,362. This obligates the Town to also increase Facebook's grant by the same amount. 2) The Contingency section includes \$700,000 transferred from the Enterprise Funds for future projects. It is anticipated that this will remain unspent in the FY 2017-18 budget. In order for any of the \$700,000 to be spent on future projects, it would need to be approved by the Board.

PARKS AND RECREATION BREAKDOWN

	Amended <u>FY 2016-17</u>	Recommended <u>FY 2017-2018</u>
Library	\$153,781	\$ 154,139
Callison	\$305,639	\$ 303,636
Cool Springs	\$ 42,936	\$ 45,336
Parks & Playgrounds	\$383,131	\$1,145,002
McNair Field	\$ 87,526	\$ 88,172
Park at Florence Mill	\$ 0	\$2,881,424
Clay Street Pool	\$ 88,474	\$ 91,596

Athletic Programs	\$ 101,342	\$ 107,248
Golf Course	\$ 424,804	\$ 524,361
Forest City Golf Course	\$ 27,353	\$ 29,229
Debt Service	\$ 237,672	\$ 199,141
Contingency (401K/COLA)	<u>\$ 0</u>	<u>\$ 23,244</u>
	\$1,852,658	\$5,592,528

Two major projects account for the increase in the Parks and Recreation budget. First, \$750,000 is included for the Thermal Belt Rail Trail. Of this amount, \$350,000 is budgeted in the event the Town is successful in receiving the PARTF grant and \$400,000 is for the local match. Also \$2,852,024 is budgeted for the Park at Florence Mill. Of that total \$2,800,000 is for the park and \$52,024 is for the completion of the parking lot lights at the park.

An important point needs to be mentioned about these two expenses: \$400,000 Town PARTF grant local match and \$2,852,024 Park at Florence Mill. This total expense added in the Parks and Recreation budget creates an identical expense in the Electrical/Water and Sewer Fund. As we transfer money out of these two funds to add to the Parks and Recreation budget it creates a total budgetary increase of \$6,504,048. More information regarding Interfund Transfers can be found in Section XII.

WATER AND SEWER BREAKDOWN

	Amended FY 2016-17	Recommended FY 2016-17
Debt Service	\$ 85,230	\$ 85,230
Administration & Billing	\$ 590,317	\$ 571,647
Water Operations & Cons	\$ 873,306	\$ 829,870
Water Plant	\$ 795,986	\$ 862,129
Sewer Operations & Cons	\$ 482,300	\$ 379,000
Waste Treatment Plant	\$1,110,449	\$1,055,323
WWTP Riverstone	\$ 175,977	\$ 136,230
Pump Maintenance/Storage	\$ 650,398	\$ 834,221
Water Meter Services	\$ 96,608	\$ 99,118
Debt Payment	\$ 24,203	\$ 24,203
Transfer to Parks & Rec	\$ 559,685	\$3,609,234
Contingency (401K/COLA)	<u>\$ 0</u>	<u>\$ 57,153</u>
	\$5,444,459	\$8,543,358

The amended FY 2016-2017 water and sewer budget excluding transfers is \$4,884,774. The recommended FY 2017-2018 water and sewer budget excluding transfers is \$4,934,124. Excluding transfers, the increase from FY 16-17 to FY 17-18 is \$49,350.

ELECTRIC FUND BREAKDOWN

	<u>Amended</u> <u>FY 2016-17</u>	<u>Recommended</u> <u>FY 2016-17</u>
Debt Service	\$ 34,949	\$ 34,949
Administration & Billing	\$ 969,104	\$ 678,240
Electric Operations & Cons	\$8,564,016	\$9,146,784
Electric Meter Services	\$ 106,796	\$ 110,368
Transfer	\$3,038,973	\$5,345,757
Contingency (401K/COLA)	<u>\$ 0</u>	<u>\$ 20,682</u>
	\$12,713,838	\$15, 336,780

The amended FY 2016-2017 electric fund budget less transfers is \$9,674,865. The recommended FY 2017-2018 electric fund budget less transfers is \$9,991,023. Excluding transfers, the increase in the electric fund budget is \$316,158.

The major goal of the FY 2017-2018 budget is to maintain services without increasing property tax rates or user fees. Ad valorem property taxes, net of the Facebook levy, have increased by \$58,076 since the revaluation in 2012. When compared to General Fund expenditures, this represents less than a 0.5% increase of the total General Fund budget over the past four years. Water rates have remained unchanged since July 1, 2008. Sewer rates were increased by \$0.75 per month on the minimum charge for 3,000 gallons in 2015-2016 with a goal of making sewer rates close the gap between sewer charges and sewer expense. An Electric Rate Study was conducted in 2016 to review residential, commercial, and industrial rates. The only change implemented as a result of the study was a reduction in the General Service Commercial rate. Electric rate increases approved in the past few years have been implemented to pass on the increases in Duke Energy’s wholesale rates to the Town. The last electric rate increase was 4.5% effective January 1, 2014 to match the Duke Energy rate increase to the Town. The Board did not pass along the 2015 Duke Energy rate increase which was projected to be less than 1%. Increases in electric rates have not occurred in relation to the other ongoing operational expenses of the Electric Fund.

On April 17, 2017 the Town did amend its power supply contract with Duke Energy, which was a result of the coal ash expenses. The contract amendment allows Duke to begin billing the Town for coal ash cost recovery effective July 1, 2017. It is anticipated that once

Duke shares this increased expense, the Town would find it necessary to pass that increase to its electric customers. The Town has estimated the coal ash cost to represent a cost increase of roughly 3% to 10% of its billing from Duke.

This budget will significantly change the financial pattern of the last five years. In FY 2012-2013 the total General Fund Balance Available for Appropriation/Water and Sewer Fund Cash Balance/Electric Fund Cash Balance stood at \$11,588,896. The estimate for June 30, 2017 is \$19,046,543. However, we expect the expenditures budgeted during the FY 2017-2018 to decrease that fund balance/cash balance by approximately \$3.5 million. The Park at Florence Mill is budgeted at \$2,852,024 and the PARTF grant match for the Thermal Belt Rail Trail is budgeted at \$400,000. Furthermore, an aerobic sludge digester system which has previously been budgeted at \$260,200 is being carried forward with previously borrowed lease purchase funds and thus this project will also decrease the reserves. It was not anticipated that the fund balance/cash balance would have increased regardless of these three projects because this budget addresses some other capital needs, particularly in the electric system. Restated, our goal with this budget is a zero net increase in the reserves less the \$3,512,224 as discussed above.

II. PROPERTY TAX, WATER AND SEWER, AND ELECTRIC RATE COMPARISONS

Although this budget does not propose increases in property tax, water and sewer and electric rates, staff felt it was important to provide Council with comparisons of the Town's rates with our peers.

Appendix A provides a comparison of the Town's property tax rates in comparison with the four municipalities right above and below the Town in population for towns with electric operations. This is the group the Town is compared to in analyses prepared by the Local Government Commission. As the chart shows, the Town of Forest City has the lowest property tax rate at \$.29 which was previously shared with Edenton. However, after a tax rate increase for Edenton in 2014, the Town now has the lowest rate in this comparison. The highest rate is Ayden at \$.54.

Appendix B provides a comparison of the Town's water and sewer residential rates with all other providers in the State of North Carolina. The information provided is from the Environmental Finance Center at the UNC School of Government and the North Carolina League of Municipalities. When comparing water rates at 3,000 gallons of usage (which is the usage that the minimum rate for Forest City is based on), the Town ranks 34 out of approximately 437 providers when comparing rates from the lowest to the highest. When comparing sewer rates at 3,000 gallons of usage (which is the usage that the minimum rate

for Forest City is based on), the Town ranks 19 out of approximately 355 providers when comparing rates from the lowest to the highest.

Appendix C provides a comparison of the Town’s Electric Residential Rates for 2015 from the EIA-861 and EIA-861S forms. 2015 is the latest year available. The Town ranks 25 out of 67 providers when comparing rates from the lowest to the highest. In summary, the Town has relatively low and very competitive rates when comparing property tax, water and sewer, and electric rates.

III. GENERAL FUND

Revenues:

Four revenue sources comprise approximately 64% of the General Fund recommended revenues. These sources are ad valorem taxes, sales taxes, electric utility franchise taxes and waste collection charges. Chart 2 gives a four year history of these revenues:

**CHART 2: FIVE YEAR HISTORY OF MAJOR TOWN OF FOREST CITY
GENERAL FUND REVENUES**

	FY 13-14 Actual	FY 14-15 Actual	FY 15-16 Actual	FY 16-17 Estimated	FY 17-18 Recommended
Ad valorem taxes	\$ 3,082,320	\$ 3,385,995	\$ 3,414,975	\$ 3,382,332	\$ 3,787,770*
Sales taxes	\$ 787,157	\$ 1,166,844	\$ 1,311,522	\$ 1,380,856	\$ 1,434,000
Electric Utility Franchise Taxes	\$ 567,849	\$ 885,806	\$ 893,646	\$ 894,000	\$ 913,000
Waste Collection Charges	\$ 994,274	\$ 1,032,702	\$ 1,044,080	\$ 1,125,000	\$ 1,168,170
Subtotal	\$ 5,431,600	\$ 6,471,347	\$ 6,664,223	\$ 6,782,188	\$ 7,302,940

*Facebook accounts for \$2.2 million of the total ad valorem levy but is also reflected on the expenditure side as an incentive grant. Therefore, while ad valorem tax revenues have increased \$2.2 million due to Facebook, expenditures have increased by an equal amount.

Ad Valorem Taxes

Ad valorem taxes include current year taxes, prior year taxes and penalties and interest. The County Tax Office estimates that the Town’s ad valorem tax base for FY 2017-18 will be approximately \$1,310,894,651. See Chart 4, “2017 Real and Personal Property Value Estimates” on page 25. At the FY 2015-16 property tax collection rate of 98.36% for all property excluding DMV and the FY 2015-2016 collection rate of 100% for

DMV, this equates to a net collectible current year levy of \$3,740,770 (net value of one cent = \$128,992). Approximately \$2.2 million of this \$3,740,770 is Facebook levy of which 100% is returned as an incentive grant to Facebook. See Section X. 2017 Property Values and Facebook Impact for further discussion.

Sales Taxes

The four articles of sales tax are estimated to increase from a budget of \$445,000, \$306,000, \$217,000 and \$315,000 in 2016-17 to \$505,000, \$338,000, \$248,000 and \$343,000 in 2017-18, respectively. This increase is largely attributable to the positive impact of Facebook's property value (based on the County use of ad valorem levy for sales tax distribution) and the statewide projected sales tax.

Electric Utility Franchise Taxes

The state-collected Utility Franchise Taxes are expected to have a slight increase with \$913,000 budgeted for FY 2017-18. Revenue projection reports from the NC League of Municipalities estimate increases of 2% for electricity sales tax and 8.5% for sales tax on piped natural gas. Projections estimate a decrease of 7% for telecommunications sales tax and 1% for local video programming revenues.

Waste Collection Charges

The Town is in the third year of the contract with Republic Services, which calls for an annual CPI increase. The estimated increase is 3.4% and is based on the CPI for All Urban Consumers in the Water and Sewer and Trash Collection Services category. Rutherford County's waste collection fees increased during FY 2015-2016 for the disposal of CRT monitors, TVs, and other electronic devices. For FY 2017-18, county landfill tipping fees are being proposed to increase by \$5 per ton (\$57 per ton to \$62 to per ton). The County Manager sent the memo included in Appendix D that outlines the county's plans for future increases. The Town is budgeting for an increase in annual expenses of only 3.4% and will increase the Solid Waste fees to offset the annual expense between Republic Services and County landfill costs. This 3.4% increase is proposed to make the fee support the service. There could be additional increases discussed at a later date if county landfill tipping fees are increased. The average customer rate for curbside carts would increase from \$18.56 to \$19.19 per month.

The current contract with GDS/Republic Services ends on June 30, 2018. It requires a 180 day notification to end the contract or it renews for three years. The Board may wish to discuss future solid waste issues during the budget work sessions.

Expenditures:

This section is a brief narrative of changes in individual departments' expenditures that staff felt needed to be discussed in this report.

Governing Body

The **Governing Body** budget includes one item that requires a brief explanation. In order to continue to more accurately allocate the cost of administration of the Water and Sewer Fund and Electric Funds to those funds, two line items (Water and Sewer Fund Reimbursement and Electric Fund Reimbursement) are included in a number of departments. This transfer began in FY 2014-2015 and continues in 2017-2018. **As the State legislature continues to discuss transfers from Enterprise Funds to the General Fund and the Town is still not sure which position the State will eventually take, this budget allocates enterprise fund costs that have been charged to the General Fund in the past to those Enterprise Funds. A summary of these costs are below:**

	Expenses previously charged to General now charged to		
	<u>Water/Sewer Fund</u>	<u>Electric Fund</u>	<u>Total</u>
Governing Body	\$ 25,766	\$ 12,787	\$ 38,553
Administrative	\$ 79,151	\$ 39,280	\$ 118,431
Finance	\$ 29,778	\$ 14,778	\$ 44,556
Legal	\$ 25,253	\$ 12,532	\$ 37,785
Warehouse/Garage	\$ 46,671	\$ 46,671	\$ 93,342
Public Works Buildings	\$ 46,213	\$ 46,213	\$ 92,426
Totals	\$ 252,832	\$ 172,261	\$ 425,093

The Town did receive a request for \$30,000 from the Rutherford County EDC which is included in contributions. Rutherford County EDC is transforming from a county department to a 501c-3 private nonprofit. This structure is being adopted in numerous locations. Their goal is to raise \$1.3 million in cash, five-year pledges and limited in-kind services by October 2017. Additional information is in Appendix E. This information covers the following: Purpose of Transforming Tomorrow Together, Evaluation Task Force, and financial information.

Administrative

The **Administrative** budget requires several items of explanation. The line item Facebook Grant will increase from \$1,758,285 to \$2,210,647 which is a reflection of the increased value of the Facebook facility from \$606,305,290 in FY 2016-17 to \$762,291,971 in FY 2017-18. This is discussed in further detail on page 24. The Building and Grounds Repairs,

and Maintenance will remain at \$50,000 in order to continue to improve the building both from a physical appearance standpoint and continue to repair structural issues. In the last few years the brick mortar joints have been replaced/repared, the drop ceiling has been replaced, the basement and foundation moisture issues have been corrected, the bathrooms and kitchen have been renovated, and the collections area had new counters and flooring installed. Two capital items are recommended. A large format printer is recommended at a cost of \$10,500. This printer will be shared by IT, Building Inspections, Public Works and all other Town Departments. The need for all poster size printing has increased with all the large projects underway in Town. Furthermore, the current generator at the IT building is 30 years old. Its maximum capacity will only power a small portion of the IT building. An estimated load of 400 amps to power the building is needed and the generator provides 60 amps. The IT department and garage are crucial facilities in the event of short and long term emergencies. The Garage needs to be able to maintain equipment and make necessary repairs or changes to emergency vehicles during weather events. Without power we also lose the Police repeater, Public Works repeater, phones, servers, internet, email and fuel pumps. In the event of power outages, public work employees relocate staff to the IT office to answer outage calls and dispatch utilities workers. The estimate to upgrade the generator and provide all the electrical upgrades necessary is \$105,000.

Finance

The **Finance** budget continues to reflect a more accurate distribution of salaries and benefits of the finance staff between the General, Water & Sewer and Electric Funds as well as the indirect costs as discussed under the Governing Body section. The need for an additional staff member for HR/Payroll/Accounting duties has been discussed and in lieu of adding a new full-time position in this budget, it is recommended that Finance increase the hours of utilizing Code Enforcement's Administrative Assistant for payroll processing along with other duties. It is foreseen that this will need to be a full-time position recommended in the following budget year.

Warehouse and Garage

The **Warehouse and Garage budget** recommends the addition of a full-time mechanic assistant at a suggested pay grade 8, which has a starting salary of \$26,816. This position will handle minor repairs and maintenance of equipment, as well as other daily duties, which will allow the Town Mechanic to be more efficient with the work load. There are also many times that a repair project requires two people. Less repairs will need to be outsourced. There are no capital needs for this budget year.

Public Works Buildings

The **Public Works Buildings** does not have any significant project requested in the FY 2017-2018 budget. In the previous budget, new LED lighting was added to the warehouse area

and a bathroom with a shower. The meter department also relocated to the public works building.

Police

The **Police Department** budget includes a capital request for seven replacement police vehicles. There were six vehicles replaced in the previous budget year, therefore due to cost, only five of the seven are recommended in this budget. The Town garage has advised that these vehicles need replacing in the next year at a cost of \$182,500. In addition, funds were requested for Taser body-worn cameras and contracted video storage at a Town cost of \$15,000 and a possible grant of \$24,500. Council voted to apply for the grant and if awarded, the police department will proceed with this project. In non-depreciable assets, there are five items budgeted. One, replace non-operable Tasers (\$5,800); two, purchase a modular battery powered radar sign (\$3,090); three, purchase 15 lights for handguns (\$1,530); four, purchase 15 holsters for handguns (\$1,800); five, purchase target system for firearms range (\$2,800). During the budget process, a discussion about providing cell phones for all officers was recommended and is included in telephone expense at a cost of \$10,200. It is a possibility that the phones would be free under our current contract, therefore, no cost has been included. Several of the items mentioned above can be postponed to cover the cost if phones are purchased.

Fire/Volunteer Fire

The **Fire Department** Quick Response Vehicle arrived in March 2016 and has been highly used. Several capital items are recommended in FY 2017-2018. First, \$4,000 to replace hose damaged at fires that no longer pass service test (\$4,000); firefighter boots, (\$1,200); replacement of four sets of firefighter turnout gear (\$12,500); replacement of SCBA bottles that have reached 10 year service life, (\$7,500); rescue equipment, (\$2,500); and 10 firefighter hoods, (\$400). These items total \$26,900. Also, a Holmotro Rescue Tool at a cost of \$25,100 is recommended. This rescue tool is used at accident scenes when people are cut out of vehicles. The current rescue tool in service was purchased in 1999. The current cutter is rated with a cutting force of 100,800 lbs. of force. The current manufacturing of vehicles uses micro alloys, boron steel and other high strength materials. The new cutters provide 317,430 lbs. of cutting force. Several times the department has responded to vehicle accidents and been unable to cut the materials. Time is critical in serious accidents.

In addition, the recommended budget includes continuing the Fire Special District property tax at a rate of \$0.08 cents per \$100 valuation.

It is recommended in this budget to increase the hours for the fire department secretary to full-time. Currently, the position is part-time at 25 hours per week through Personnel

Services Unlimited. This would increase department salary expenditures an estimated \$10,800 plus fringe benefits.

Code Enforcement & Planning/Zoning

The FY 2017-18 budget includes one truck recommended at an estimated cost of \$35,000. This would replace the small 2004 truck with a full size 4x4 due to the increase in construction and the large job sites. It is also recommended that the 2004 truck be transferred to another department that can utilize it. In addition, Code Enforcement/Building Inspection and Downtown and Community Development are requesting a shared position. This position would focus on the many interoffice duties of zoning, interpreting and explaining UDO questions and working with Planning Board preparation. In Downtown and Community Development this position would assist with Christmas events and would be very involved with all new events at the Park at Florence Mill. This position is budgeted at a suggested pay grade 16, which has a starting salary of \$39,620.

Another item in **Code Enforcement & Planning/Zoning** needs to be noted. The Town staff has been working on a Town wide review on signage needs. This includes placement and design of Welcome to Forest City signs, Wayfaring Signs and other signage needs that would make the Town more attractive and inform the public. The first phase of this project was placement of Welcome Signs at nine entrances. It is recommended in FY 2017-2018 that the Town put a new Welcome sign and state championship sign at the west entrance to Town on Hwy 74 Business/221A. The Town would use the design in Appendix F. Sign builders would be requested to follow this design but also have the ability to make sign material change recommendations. The estimated cost of these two signs is \$63,300.

Furthermore, the Town has worked with NC DOT concerning enhancing the appearance of the Highway 74A corridor. NC DOT is developing a landscape plan that could include the Hwy. 74A/221A interchange. As a result of the rail trail DOT extended their project design along Hwy. 74A to include the area under the four lane future trail bridge. Estimates range in the amount of \$250,000 for this landscape plan. NC DOT would be responsible for the implementation and will maintain the area for one year and the Town would assume responsibility after that point.

The Main Street Committee held its first meeting on April 4, 2016. This budget recommends the same as the FY 2016-2017 budget including \$25,000 for the Façade grant project.

Downtown Improvements/Streetscape Improvement for the Town of Forest City

The Streetscape Plan, with an estimated cost range from \$1,224,870 to \$1,269,970 was discussed by the Town Council in February 2016. One project is recommended in the FY

2017-2018 budget. Lighting for parking lots between Blanton Alley and bordering on Trade Street are included in the Electric Department budget at a cost of \$60,000.

The Town Council decided to implement the Blanton Alley redesign during FY 2015-2016. The Board may wish to discuss other projects during budget deliberations. The potential for TDA funds for capital projects is a possibility. The Town Board may wish to prioritize their top five projects. This budget does recommend \$15,000 to improve/paint crosswalks in the Central Business District.

All of the signage plans, landscape plans, streetscape plans, website update, and other beautification strategies are an attempt to help move the Town and its businesses forward and be in a better position to take advantage of marketing opportunities.

Streets

Two capital items are recommended in the budget. First, a 1997 Ford F-350 with over 130,000 miles is recommended to be replaced by both the Street Department and the Garage due to mechanical issues it is experiencing. The replacement vehicle is recommended at \$40,000. Second, it is recommended to replace a John Deere 797Z mower which has over 1314 hours. The mower is experiencing mechanical issues and the demands during grass growing season are growing. The estimated cost of the mower is \$11,000.

Powell Bill

The **Powell Bill** budget/revenues for FY 2017-2018 are \$245,000. Currently, \$25,000 is estimated for sidewalk, curb, gutter repair; \$21,000 for vacuuming and sweeping the downtown; \$173,000 for re-paving three streets; \$16,000 for shaving sidewalks and \$39,600 for patching Town Streets. The current Powell Bill reserve is estimated to be \$224,000 as of June 30, 2017.

Cemetery

It is recommended that a budget of \$3,500 be reserved for miscellaneous capital projects for the cemetery.

Debt Service

Recommended **Debt Service** for the General Fund includes 12 months of payments of the items purchased through lease purchase financing in FY 2014-2015 and FY 2015-2016. See further discussion under Section IX. Capital Requests/Lease Purchase.

Contingency

Other items that will impact the General Fund are Contingency – Cost of Living Adjustment and Contingency- 401k. These **Contingencies** are discussed further in Section XIV. Cost of Living Adjustment (COLA)/401k/Certifications/Vacation.

The above is a brief explanation of some noted changes in the General Fund. The overall General Fund Expense has increased from \$10,436,777 to \$12,050,239 for a total increase of \$1,613,462.

The line item General Fund revenue and expenditure budget is in Appendix G.

IV. FLORENCE MILL FUND

The Town has been contacted by numerous developers concerning the main Florence Mill Building, but as of this time, no agreements have been approved nor under serious consideration. As has been the case for many years, it is recommended that the Town budget \$25,000 for repair issues on the site.

David Odom and Associates is working with the Town on the site design for the Park at Florence Mill. Based on bids that will be approved by the Town Council, funds will be included in the Parks & Recreation Fund for construction of the Park at Florence Mill. The park is scheduled for completion by the end of 2017. An operational park budget is included in the Parks and Recreation Budget.

The line item Florence Mill Fund revenue and expenditure budget is in Appendix H.

V. RAILS TO TRAILS

The Town worked to coordinate a Rails to Trails grant for all the parties (Rutherford County, Rutherfordton, Ruth, and Spindale) along the 13.5 mile Forrest Hunt School to Gilkey trail. The Town received a \$149,000 RHI Legacy Grant to complete a topographical survey and engineer design for the entire 13.5 miles trail. In addition, the Town received \$20,000 for master planning and trailhead design work along the trail corridor. A preliminary grant report is due on April 20 and the final grant document is scheduled for completion in July 2017.

It is anticipated that the trail parties will apply for a construction grant in June, 2017 to RHI Legacy Foundation.

VI. PARKS AND RECREATION FUND

The total Parks and Recreation budget will see an increase from \$1,852,656 in FY 2016-2017 to a recommended \$5,592,528 in FY 2017-2018. There are two capital projects included in FY 2017-2018. The Park and Florence Mill construction project is budgeted at \$2.8 million with an additional \$52,024 for parking lot lighting around the new park. The match for the PARTF grant for the Thermal Belt Rail Trail of \$400,000 is also included in this budget. In addition, a 2006 F-150 is recommended to be replaced based on discussions with the Parks and Recreation and Garage in the amount of \$30,000.

The information on the park construction will be provided at the May 15th Council meeting or as soon as it becomes available.

Three items are not recommended but will need to be addressed soon.

Replace 1980's playground set at Crowe Park	\$150,000
Replace 1990's basketball goals at Cool Springs	\$ 35,000
Replace textured track at Summey Park	\$ unknown at this time

In FY 2016-17, \$40,000 was budgeted to add 22 parking spaces closer to the ball fields at Summey Park. Two estimates were received at a much higher amount. Therefore, the project may need to be reconsidered.

The contingencies discussed under the General Fund section above are also included in the Parks and Recreation Fund and are discussed further in Section XIV. Cost of Living Adjustment (COLA)/401k/ Certifications/Vacation.

The line item Parks and Recreation revenue and expenditure budget is in Appendix I.

VII. WATER AND SEWER FUND

Revenues:

Water

Horsehead filed bankruptcy in 2016. The Town lost approximately \$191,840 per year in water revenues as a result. Horsehead officials have indicated they have a goal to be back in production in a year to 18 months from when they ceased operation. In addition, the Horsehead loan in the amount of \$950,000 is current and will have an estimated balance of \$450,000 as of June 30, 2017. The loan payments for FY 2017-2018 in the amount of

\$142,858 are included in the budgeted revenues but no revenues for water other than for basic plant operation is included.

Everest Textiles announced in early 2017 their decision to locate in Forest City at the former National Textiles/Carpenter Design Building. The company has indicated their projected daily consumption of 1.5 MGD. In order to be fiscally conservative, this budget includes daily water consumption of 250,000 GPD beginning in January 2018.

Sewer

The following is reprinted from the FY 2015-2016 Budget Message:

“In May 2014 WK Dickson issued the Rutherford County/Municipalities Joint Sewer Study. Some Board members attended the presentation on the study’s results. One comment made by the WK Dickson staff on the fact that the Town wastewater rates did not support the operation of the system began a discussion among some Board members. The City Manager sent a very preliminary email to Board members dated July 24, 2014 with information on this issue.” Although this is old data, the issue is the same and is provided as information.

The Board raised the sewer rate by \$0.75 per month on the minimum charge for 3,000 gallons, effective July 1, 2015. The Board may wish to discuss this further. In addition, because of Horsehead, the Town experienced a loss of sewer revenue in the amount of approximately \$120,900.

Expenditures:

Water Operations and Construction

There are no significant changes in the water operations budget. A capital reserve for improvement projects continues to be recommended in the amount of \$100,000. In addition, \$80,000 is recommended to replace a 1988 dump truck. It has 40,623 road miles with an idle time of over 100,000 miles. Because of age and condition the Town garage is recommending it be replaced. Maintaining the vehicle on the road is becoming very difficult to the point that parts are no longer available.

One project completed from the prior year’s budget was the water line project on Harrill Dairy Road using Town staff. This project was approved by the Board on March 7, 2016. The engineering and necessary approval process was completed in the spring of 2017. The Town expects to have 13 new customers as a result of this line.

Water Plant

One large capital item is included in this recommended budget which is the replacement of the fluoride tank at a cost of \$77,280. The existing tank is leaking and we are unable to

feed fluoride until the tank is replaced. Fluoride is a very acidic chemical and is eroding the cement and the drain floor due to the leak. Fluoride addition at the facility began in the 1960's; however, it is not a state mandated chemical. The Board would need to approve stopping the use of fluoride. Stopping the use of fluoride would also save in annual chemical expense.

Sewer Operations and Construction

There is one significant change in the sewer operations budget. A capital reserve for catastrophic events continues to be recommended in the amount of \$200,000 in each budget year. The Town has made it a practice to budget this amount annually. However, this year it has been reduced to \$50,000 due to a necessary project in Pump Maintenance of a 1,200 feet of sewer force main at the Erwin Pump Station at an estimated cost of \$165,000. Additional information is in the Pump Maintenance section below.

Waste Treatment Plant

The following is repeated from the FY 2015-2016 Budget Message.

“The Biosolids Disposal Alternative Study (Sludge Study) was completed in 2015. The primary recommendation of the study was to plan the best method of how to discontinue the sludge drying operation that has been in place since the early 1990s. The Town’s sludge volume has reduced over the last five years as the Town’s wastewater volumes have decreased and thus the need to continue the current expensive drying operation has diminished.” It was recommended in the FY 2015-2016 budget that the Town move toward land applying dewatered biosolids. The current process would remove some of the liquid using the current dry press system, and land applying the sludge. The Town currently contracts for the removal and land application of sludge. As stated in last year’s budget message, the reduction in cost of running the sludge dryer operation is now offset by the land application.

As Everest Textiles ramps up operation, one major project will need to be implemented at the Waste Treatment Plant. A diffused air aeration and mixing system in the Town’s existing aerobic sludge digesters would also be needed as wastewater volumes increase. The cost of this system is \$260,200. This money has previously been budgeted but due to unforeseen project delays the plans are still under development.

Waste Treatment Plant – Riverstone

Prior to Horsehead beginning operation, the Town pumped and hauled the wastewater from Arvin Meritor to the main plant. With the addition of the Horsehead wastewater more than doubling the daily wastewater flow, the 50,000 gallon per day package plant was placed into operation. Prior issues with Horsehead have resulted in several Notice of Violations (NOV) for the Town. The Town and NCDENR have visited Horsehead and worked on those issues. The discharge includes zinc and other metals which are inconsistent with

domestic waste. Options such as Horsehead pre-treatment have been discussed. With the bankruptcy at Horsehead the Town is continuing to monitor the situation. In addition, a new company, Bonita Pioneer, opened in 2015 in the former Riverstone shell building. There are no unusual budget issues planned for FY 2017-2018.

Pump Maintenance

In the FY 2016-2017 budget an equalization tank was recommended for the Dogwood Pump Station. This tank should prevent sewer overflows at this station by increasing capacity and controlling the flow coming into the station. The estimated cost of the equalization tank was \$51,000. There are certain line repairs related to reducing water infiltration that the Town completed prior to the equalization tank. With the work the Town has done to eliminate water infiltration into older sewer lines in addition to the equalization tank and following with the force main project, the Town believes it will help extend the life of the Dogwood and Erwin Pump Stations. These two stations experience spills during hard rain events. The cost to replace both pump stations is approximately \$1,250,000. However, construction of the equalization tank and the force main should delay replacement of these pump stations in the immediate future.

There are three capital costs recommended in pump maintenance. The water system at The Ridge was built in 2007 and it does not meet current State or Town standards. Repairs estimated at a cost of \$31,000 need to be completed. In addition, a replacement for the current 2004 Ford with 165,000 miles is recommended by the department and the Town garage. Upgrading to a Ford F-350 will allow the department to tow the portable generator more safely during power outages at pump stations and tow the jetter for unstopping sewer lines. Finally, 1,200 feet of sewer force main at the Erwin Pump Station at an estimated cost of \$165,000. Due to the discharge at the current man hole, we can only operate one pump at a time. If two pumps operate at the same time, such as a rain event, the increase flow causes a spill. To allow normal operation for two pumps to operate at the same time this force main needs to be rerouted to the Haynes gravity line. This will prevent over flows at the pump station and should potentially eliminate reporting to the State of spills at this location.

Debt Payments

The FY 2017-2018 recommended budget includes the fourth annual payment on the NCDENR loan related to the Central Business District Sewer Rehabilitation Project. A payment of \$24,203 on the 20 year 0% interest loan is budgeted. In addition, recommended **Debt Service** includes 12 months of payments of the items purchased through lease purchase financing in FY 2015-2016. The loan balance as of June 30, 2017 is \$411,455.

The Transfer of utility dollars to Parks and Recreation Fund will be discussed in Section XII. Interfund Transfers.

Contingency

As discussed previously in the General Fund section, other items that will impact the Water and Sewer Fund are Contingency – Cost of Living Adjustment and Contingency- 401k. These **Contingencies** are discussed further in Section XIV. Cost of Living Adjustment (COLA)/401k/Certifications/Vacation.

The line item Water and Sewer Fund revenue and expenditure budget is in Appendix J.

VIII. ELECTRIC FUND

Revenues

Electric rate increases approved in the past few years have been implemented to pass on the increases in Duke Energy's wholesale rates to the Town. The last electric rate increase was 4.5% effective January 1, 2014 to match the Duke Energy rate increase to the Town. The Board did not pass along the 2015 Duke Energy rate increase which was projected to be less than 1%. Increases in electric rates have not occurred in relation to the other ongoing operational expenses of the Electric Fund. As discussed during the Budget Message introduction, coal ash expense costs are expected to be received by the Town during July, 2017. This coal ash cost and other rate hikes from Duke could trigger a recommended increase to the Town Council during FY 2017-2018. Electric sales in FY 2017-2018 are estimated to be \$12,000,000 and remain the same at \$12,000,000 in FY 2017-2018.

Expenditures:

Electric Operations

There are three items that need brief explanation. First, the Town needs to complete the project started in the FY 2016-2017 budget including \$150,597 for an outside professional company to do utility pole inspections. It was anticipated that certain poles would be rejected because of unknown hazards that could impact Town customers. Currently, Osmose is working on the Beaver Street Substation lines and has finished inspecting 2738 poles out of 3700. Of those 2738 poles, 460 were rejected with 30 of those being priority poles. Of those 30 priority poles, the Electric Department has replaced 13 so far. Quotes were requested for an outside company to assist in pole replacement and it is anticipated that all priority poles, along with most of the rejected poles, will be replaced by the end of FY 2016-2017. The FY 2017-2018 recommends \$350,000 to complete the pole inspection on the Lawing Road Substation and outside assistance to replace rejected poles. Based on

the current percentage of rejected poles found, it is also anticipated that additional funds could be needed in the FY 2018-2019 to complete the replacement of all rejected poles on both substations. Second, it is recommended to replace the 2003 line truck at a cost of \$225,000. This piece of equipment is involved in setting of poles and replacing transformers. The current line truck is too large and heavy and cannot be used in all the operations for which it is needed. These issues also create some safety concerns. An analysis of Forest City's electric utility pole inspection can be found in Appendix K.

The Transfer of utility dollars to the General Fund, Florence Mill, and Parks and Recreation Fund will be discussed in Section XII. Interfund Transfers.

Debt Payments

Recommended **Debt Service** for the Electric Fund includes 12 months of payments of the items purchased through lease purchase financing in FY 2014-2015 and FY 2015-2016.

Contingency

As discussed previously in the General Fund section, other items that will impact the Electric Fund are Contingency – Cost of Living Adjustment and Contingency- 401k. These **Contingencies** are discussed further in Section XIII. Cost of Living Adjustment (COLA)/401k.

The line item Electric Fund revenue and expenditure budget is in Appendix L.

IX. CAPITAL REQUESTS/LEASE PURCHASE

Chart 3, "Capital Requests FY 2017-2018" on the following four pages, shows all the capital requests made by fund. The "Request" column lists all requests made with a total amount of \$7,589,186 in capital requests for all funds. The "Recommended" column shows those recommended requests for a total of \$4,873,404 for all funds. No items have been included for Lease Purchase. However, capital items could be financed for 36 months at an interest rate of approximately 3% based on today's market.

**CHART 3: CAPITAL REQUESTS
FISCAL YEAR 2017-2018**

	Request	Recommended
GENERAL FUND		
10-4120 Admin/IT		
Large format printer-shared	10,500	10,500
Replace Generator for Town Services	80,000	80,000
Update Electrical for Generator	25,000	25,000
Admin/IT Total	\$ 115,500	\$ 115,500
10-4310 Police		
7 vehicles	\$ 255,000	\$ 182,500
Replace: 1-2006 Ford CV, 2-2008 Chev Impalas, 3-2010 Chev Impalas, and 1 CID vehicle-2003 Escalade		
Body Camera System	15,000	15,000
Council approved application for Governor's Crime Commission Grant \$24,500 with Town match of \$15,000 that was due by January 31, 2017.		
Police Total	\$ 270,000	\$ 197,500
10-4340 Fire		
Holmotro Rescue Tool	\$ 25,100	\$ 25,100
Fire Total	\$ 25,100	\$ 25,100
10-4350 Code Enforcement		
2017 Extended Cab Truck 4x4; replace 1998 small truck	\$ 35,000	\$ 35,000
Gateway Signs	\$ 144,700	\$ 63,300
Code Enforcement Total	\$ 179,700	\$ 98,300
10-4510 Streets		
3/4 Ton Service Truck w/service bed; replace 1997 Ford F-350	\$ 40,000	\$ 40,000
Mower	\$ 11,000	\$ 11,000
Leaf Vacuum Truck; requested in FY16-17	\$ 140,000	\$ -
Streets Total	\$ 191,000	\$ 51,000

10-4540 Cemetery		
Miscellaneous projects	\$ 10,000	\$ 3,500
Cemetery Total	\$ 10,000	\$ 3,500
TOTAL 2017-2018 GENERAL FD	\$ 791,300	\$ 490,900

	Request	Recommended
PARKS AND RECREATION FUND		
15-6125 Cool Springs Gym		
2 Basketball goals	\$ 35,000	\$ -
Cool Springs Gym Total	\$ 35,000	\$ -
15-6130 Parks and Playgrounds		
New Truck; replacing 2006 F-150	\$ 30,000	\$ 30,000
Play System at Crowe Park	\$ 150,000	\$ -
Parks and Playgrounds Total	\$ 180,000	\$ 30,000
15-6145 Park at the Mill		
Construction of new park	\$ 2,800,000	\$ 2,800,000
Parking lot lighting in lots near park	\$ 52,024	\$ 52,024
Park at the Mill Total	\$ 2,852,024	\$ 2,852,024
15-6170 Golf Course		
Fairway Mower; replaces 1998 Fairway Mower	\$ 62,000	\$ 62,000
Golf Course Total	\$ 62,000	\$ 62,000
TOTAL 2017-2018 PARKS AND RECREATION FUND	\$ 3,129,024	\$ 2,944,024

	Request	Recommended
WATER AND SEWER FUND		
61-7120 Water Operations		
Freightliner Dump Truck; replacing 1988 dump truck	\$ 80,000	\$ 80,000
Reserve for Catastrophic Events	200,000	100,000

Water Ops Total	\$ 280,000	\$ 180,000
61-7121 Water Plant		
Fluoride Bulk Tank; replaces existing tank which is cracked/leaking	\$ 77,280	\$ 77,280
Cleaning/Removal of sludge from #1 Sludge Basin	74,113	-
Water Plant Total	\$ 151,393	\$ 77,280
61-7130 Sewer Operations		
Tate Street Sewer Replacement at a cost of \$166,000 to be included in the Priority Rehab Project Budget of \$200,000	\$ 200,000	\$ 50,000
3/4 Ton Service Truck; replacing 2003 service truck	35,000	-
Portable Inspection Camera w/Enclosed Trailer	\$ 107,240	\$ -
Sewer Ops Total	\$ 342,240	\$ 50,000
61-7131 Waste Treatment Plant		
Upgrade Disinfection System from Chlorine Gas to Hypochlorite Bleach	\$ 140,000	\$ -
Diffusion Air Aeration Mixing System	\$ 260,200	\$ 260,200
Waste Treatment Plant Total	\$ 140,000	\$ 260,200
61-7135 Pump Maintenance/Storage		
3/4 Ton Service Truck w/ Service Bed; replace 2004 Ford	\$ 40,000	\$ 40,000
The Ridge water system upgrades	\$ 85,000	\$ 31,000
5-Aquax units for alarms at pump stations	\$ 13,500	\$ -
Reroute Erwin Pump Station Force Main	\$ 165,000	\$ 165,000
New Dogwood Pump Station	\$ 620,000	\$ -
New Pump for Wilson Pump Station	\$ 7,500	\$ -
Upgrade Downtown Fountain	\$ 15,000	\$ -
Pump Maintenance Total	\$ 946,000	\$ 236,000
61-7140 Water Meter Services		
New Truck; replaces #6 Ford Ranger	\$ 35,000	\$ -
Meter Services Total	\$ 35,000	\$ -
TOTAL 2017-2018 WATER AND SEWER FUND	\$ 1,894,633	\$ 803,480

	Request	Recommended

ELECTRIC FUND		
63-7220 Electric Operations		
Pole Inspections Beaver St/Lawing Rd	\$ 774,000	\$ 350,000
Replace Line Truck	225,000	225,000
Kubota	51,205	-
Oak Street DOT Project	65,000	-
Pole Painting/Traffic Lights	25,000	-
LED Lighting Downtown	22,000	-
Parking Lot Lights - Blanton Alley lot	112,024	60,000
Sub Station Controls	300,000	-
Tie Line between Lowes/Hardin Rd	200,000	-
TOTAL 2017-2018 ELECTRIC FUND	\$ 1,774,229	\$ 635,000
TOTAL 2017-2018 ALL FUNDS	\$ 7,589,186	\$ 4,873,404

X. 2017 PROPERTY VALUES AND FACEBOOK IMPACT

Chart 4, "2017 Real and Personal Property Value Estimates," shows property values in Forest City from FY 2011-2012 to the estimate for FY 2017-2018. The value of the Town has increased from \$639,196,330 in FY 2012-2013 (the last time revaluation occurred) to an estimated \$1,310,894,651 in FY 2017-2018. This represents an increased value of \$671,698,321 or 105.1%.

CHART 4: 2017 REAL AND PERSONAL PROPERTY VALUE ESTIMATES

C04 - Town of Forest City	2012-13	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	ESTIMATED	Percentage
	Actual	Actual	Actual	Actual	Actual	ESTIMATE	GAIN/(LOSS)	Gain/(Loss)
Real Property	458,878,430	520,567,250	548,677,653	564,927,100	566,203,714	563,493,051		
Less Homestead & DV Exclusions	(6,657,680)	(7,325,500)	(7,228,820)	(7,605,120)	(7,532,370)	(7,773,176)		
Less Exempt	(3,089,580)	(3,089,580)	(3,115,780)	(3,115,780)	(3,113,340)	(3,322,568)		
Less Present Use Value (deferred)	(582,960)	(766,970)	(848,968)	(848,968)	(931,268)	(931,268)		
Subtotal Real Taxable Value	448,548,210	509,385,200	537,484,085	553,357,232	554,626,736	551,466,039	(3,160,697)	-0.5731%
Business Personal Property	135,797,720	488,405,330	568,066,886	548,424,703	539,664,888	693,166,564		
Public Utility Values	23,728,360	23,895,590	25,402,099	31,077,279	34,262,048	34,262,048		
DMV Value	31,122,040	34,564,464	35,135,631	29,967,043	32,682,522	32,000,000		
Subtotal Personal Taxable Value	190,648,120	546,865,384	628,604,616	609,469,025	606,609,458	759,428,612	152,819,154	20.1229%
Total Net Taxable Value	639,196,330	1,056,250,584	1,166,088,701	1,162,826,257	1,161,236,194	1,310,894,651	149,658,457	11.4165%
	12.7520%	39.4844%	9.4194%	-0.2806%	-0.1369%	11.4165%		

Andale (Facebook)	Personal	Real
2017	608,519,971	153,772,000
2016	452,533,290	153,772,000
Difference	155,986,681	- 155,986,681

Source: Rutherford County Revenue Department

However, upon a review of Chart 5 below, "Facebook Property Value Comparisons," the total property value increase in Facebook from FY 2012-2013 to FY 2017-2018 was \$651,672,261. Therefore, without Facebook the Town's value would have increased \$20,026,060.

Chart 5: FACEBOOK PROPERTY VALUE COMPARISONS

	FY 12-13	FY 16-17	Increase FY 12-13 to FY 17-18
Real Property Value	\$ 48,505,000	\$153,772,000	\$105,267,000
Business Personal Value	\$ 62,114,710	\$608,519,971	\$546,405,261
Total Value	<u>\$110,619,710</u>	<u>\$762,291,971</u>	<u>\$651,672,261</u>
Levy @ \$.29/100	\$ 320,797	\$ 2,210,647	\$ 1,889,850

This increase of \$20,026,060 is best shown below in Chart 6, "2017 Property Values excluding Facebook." The overall value of the Town (excluding Facebook) in FY 2012-2013 was \$528,576,620 increasing to \$548,602,680 in FY 2017-2018.

Chart 6: 2017 PROPERTY VALUES EXCLUDING FACEBOOK

	<u>FY 12-13</u>	<u>FY 17-18</u>	Increase (Decrease) FY 12-13 to <u>FY 17-18</u>
Real Property Value	\$410,373,430	\$409,721,051	\$ (652,379)
Less Homestead & DV Exclusions	\$ (6,657,680)	\$ (7,773,176)	\$ (1,115,496)
Less Exempt	\$ (3,089,580)	\$ (3,322,568)	\$ (232,988)
Less Present Use Value (deferred)	<u>\$ (582,960)</u>	<u>\$ (931,268)</u>	<u>\$ (348,308)</u>
Subtotal Real Taxable Value	\$400,043,210	\$397,694,039	\$ (2,349,171)
Personal Property	\$ 73,683,010	\$ 84,646,593	\$ 10,963,583
Public Utility Values	\$ 23,728,360	\$ 34,262,048	\$ 10,533,688
DMV Value	<u>\$ 31,122,040</u>	<u>\$ 32,000,000</u>	<u>\$ 877,960</u>
Subtotal Personal Taxable Value	\$128,533,410	\$150,908,641	\$ 22,375,231
Increase in Total Net Taxable Value Excluding Facebook	\$528,576,620	\$548,602,680	\$ 20,026,060

XI. FUND BALANCE

Historically, the Town of Forest City has kept healthy fund balances in the General Fund (all references to the General Fund for the purpose of this section includes the Parks and Recreation Fund as the annually audited financial statements roll these two funds together) and the Enterprise Funds (Water and Sewer; Electric). This is a brief analysis of the state of those funds.

Chart 7, "General Fund Balance Available for Appropriations Calculations," is a six year history of the General Fund fund balance available for appropriation. The current estimate is that the General Fund fund balance available would decrease by \$377,144 for the fiscal year ending June 30, 2017. This is provided as a conservative estimate. The balance available for appropriation is estimated to remain at 45.84% as of June 30, 2017 compared to a similar 45.26% on June 30, 2016.

CHART 7: GENERAL FUND BALANCE AVAILABLE FOR APPROPRIATION CALCULATIONS
FISCAL YEARS 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 Actuals (Estimate 2016-17)

	FY 2011-12 ACTUAL	FY 2012-13 ACTUAL	FY 2013-14 ACTUAL	FY 2014-15 ACTUAL	FY 2015-16 ACTUAL	FY 2016-17 ESTIMATE
Fund Balance Available for Appropriation:						
Cash and Investments	\$ 3,999,568	\$ 4,409,806	\$ 5,756,172	\$ 6,057,824	\$ 5,679,575	\$ 5,628,262
Accounts Payable	(457,685)	(475,239)	(471,309)	(397,652)	(345,204)	(345,204)
Prepaid Taxes	(23,289)	(1,308)	(655)	(13)	(43)	(43)
Fund Balance Available for Appropriation	\$ 3,518,594	\$ 3,933,259	\$ 5,284,208	\$ 5,660,159	\$ 5,334,328	\$ 5,283,015
Annual Increase (Decrease) in Fund Balance Available	\$ 201,759	\$ 414,665	\$ 1,350,949	\$ 375,951	\$ (325,831)	\$ (377,144)
Total Expenditures	\$ 9,679,678	\$ 9,861,845	\$ 10,648,960	\$ 11,047,087	\$ 11,883,729	\$ 11,525,807
Total Transfers to Other Funds	11,500	33,000	-	-	-	-
Lease Purchase Proceeds	-	0	(413,517)	(115,000)	(99,000)	-
Expenditures to Use for Calculation	\$ 9,691,178	\$ 9,894,845	\$ 10,235,443	\$ 10,932,087	\$ 11,784,729	\$ 11,525,807
% of Fund Balance Available	36.31%	39.75%	51.63%	51.78%	45.26%	45.84%

LGC 8% Minimum - One month Operating	\$ 807,598	\$ 824,570	\$ 852,954	\$ 911,007	\$ 982,061
Over Minimum	\$ 2,710,996	\$ 3,108,689	\$ 4,431,254	\$ 4,749,152	\$ 4,352,267
Months Operating Expense in Reserve	4.36	4.77	6.20	6.21	5.43
Group Weighted Average Muni w/Electric % FBA	49.18%	51.49%	53.69%	54.14%	52.07%
Average Fd Bal % for All Electric Towns	38.53%	38.76%	39.96%	43.28%	43.04%

As this chart shows, the Town's fund balance available for appropriation as a percentage of expenditures as of June 30, 2016 is well above the LGC minimum of 8% (one month of operating expense) at 45.26%. This equates to 5.43 months of operating reserve. This chart also provides some comparison of Forest City to other towns of the approximate same size (average fund balance % of 52.07%) and electric city towns (average fund balance % of 43.04%).

Chart 8, Enterprise Fund Cash Balances shows the six year history of the Town's Enterprise Funds. As the chart shows, the estimate is that the Water and Sewer Fund will decrease in the current fiscal year from \$7,220,321 to \$7,163,386 or (\$56,935). The Electric Fund is estimated to increase from \$5,855,899 to \$6,600,142 or \$744,243.

CHART 8: ENTERPRISE FUNDS CASH BALANCES
FISCAL YEARS 2011-2012, 2012-2013, 2013-2014, 2014-2015 and
2015-2016 ACTUALS (Estimate FY 2016-17)

	FY 2011- 2012 ACTUAL	FY 2012- 2013 ACTUAL	FY 2013- 2014 ACTUAL	FY 2014- 2015 ACTUAL	FY 2015- 2016 ACTUAL	FY 2016- 2017 ESTIMATE
Water & Sewer Fund Cash & Cash Equivalents	\$4,924,906	\$5,046,470	\$5,766,411	\$6,179,749	\$7,220,321	\$7,163,386
Electric Fund Cash & Cash Equivalents	\$2,959,059	\$2,609,167	\$2,940,728	\$4,408,278	\$5,855,899	\$6,600,142

While cash balances as of June 30, 2017 for the Water and Sewer Fund and the Electric Fund are expected to be approximately \$7,163,386 and \$6,600,142, respectively, the budgets for these funds excluding transfers are recommended to be \$4,934,124 and \$9,991,023, respectively, for FY 2017-2018.

The recommended budget does include the appropriation of fund balance in the enterprise funds. Below is a discussion of these appropriations by fund.

General Fund - Fund Balance Appropriated

The General Fund does not include a recommended budget appropriation of fund balance in this budget. It is estimated that based on a zero net increase in the reserves for the General Fund, budgeted expenditures would be spent. This budget does, however, include a contingency amount of \$700,000 that would remain unspent due to the use of relatively conservative revenue estimates and the fact that, historically, all appropriations for Town functions are not totally exhausted by year end.

Florence Mill Fund – Fund Balance Appropriated

This budget does not include any fund balance appropriated for the Florence Mill Fund. However, it is the estimated that \$25,000 of expenditures will remain unspent.

Water and Sewer Fund - Fund Balance Appropriated

The Water and Sewer Fund recommended budget appropriates \$3,300,000 of fund balance. It is estimated that \$3,100,000 of fund balance will be spent due to transfers to the General Fund. It is estimated that \$200,000 would not actually be spent based on conservative revenue estimates and appropriations that have historically not been spent.

Electric Fund - Fund Balance Appropriated

The Electric Fund recommended budget appropriates \$3,000,000 of fund balance. It is estimated that \$2,500,000 will be spent due to transfers to the General Fund. It is estimated that \$500,000 will not be spent based on conservative revenue estimates and appropriations that have historically not been spent.

XII. INTERFUND TRANSFERS

Chart 9 on the following page, Interfund Transfers FY 2012-2013 Projected through FY 2017-2018, shows a brief window of the historical perspective of transferring among funds by the Town. During this six year period the low transfer is expected to be in FY 2016-2017 with \$3,598,658 being transferred from utilities to the General Fund (including Florence Mill and Parks and Recreation). Previously, FY 2012-2013 represented the high year with \$4,827,413 being transferred until the projected FY 2017-2018 budget with \$8,854,991

being transferred to cover capital projects. An ongoing concern is that discussions have taken place by the legislature that could limit or eliminate the amount the Town transfers from utility funds to the General operating fund. Recently with the introduction of House Bill 503, this is again a concern. If this became a reality, the Town would by necessity have to drastically reduce General Fund spending and services or significantly increase property taxes or a combination of the two. The State legislature has already enacted legislation which does not allow municipalities to receive grants or loans from DENR if transfers occur from water and sewer to the General Fund. As discussed previously under the Governing Body section in the General Fund, Town staff continues to make a concerted effort in the FY 2017-2018 recommended budget to more accurately allocate the cost of administration of the Water and Sewer Fund and Electric Funds to those funds. Appendix M includes a letter from the Department of the State Treasurer and Mayor Holland's response.

Chart 9: INTERFUND TRANSFERS FY 2012-2013 PROJECTED THROUGH FY 2017-2018

	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Parks & Rec from Water/Sewer	\$ 1,072,175	\$ 850,000	\$ 1,086,179	\$ 670,067	\$ 559,685	\$ 3,609,234
Parks & Rec from Electric	\$ 755,238	\$ 515,345	\$ 439,906	\$ 861,819	\$ 894,559	\$ 1,320,194
Florence Mill from Water/Sewer		\$ 263,888				
Florence Mill from Electric			\$ 163,536		\$ 84,939	\$ 25,000
General from Electric	\$ 3,000,000	\$ 3,000,000	\$ 2,223,431	\$ 2,144,475	\$ 2,059,475	\$ 4,000,563
General from Water/Sewer		\$ 57,268				
	<u>\$ 4,827,413</u>	<u>\$ 4,686,501</u>	<u>\$ 3,913,052</u>	<u>\$ 3,676,361</u>	<u>\$ 3,598,658</u>	<u>\$ 8,954,991</u>

XIII. FUTURE STRATEGIC PLANNING/LONG TERM CAPITAL PLAN

Electric System: The pole inspection/pole replacement project underway that began in FY 2016-2017 is scheduled to be complete in FY 2018-2019. At the end of this project approximately 880 or 16% of the 5,500 town utility poles will have been replaced. This large capital project had not been undertaken in over 20 years and should provide long term security that the Town has put the backbone of the electric system in good repair. This was discussed in more detail under VIII. Electric Fund.

Water and Sewer System: A similar comprehensive effort is recommended in the water and sewer systems owned by the Town. With this budget the Town is applying for a grant that would do the following: water and sewer system mapping and inventory, asset

management operation system and capital improvement plan. If successful in securing this grant the Town would have a comprehensive look at our water and sewer system and have a long term capital plan that would allow the Town to prioritize problem areas. It would also provide the Town a multiyear budget for replacement of equipment and infrastructure in the water, sewer and waste treatment areas. The grant would require a 5% match and if the Town is successful in securing a grant, a budget amendment would be requested. Additional information on this grant is provided in Appendix N.

Parks and Recreation System: Two large projects are underway that directly impact the Town's park system: the Park at Florence Mill and the Thermal Belt Rail Trail. These two projects will significantly enhance the Town's park system. Although the Town applied for a PARTF grant for trail amenities, it is anticipated that additional trail features will be added in the future. Three additional park items were mentioned in the budget message that need to be addressed in the near future.

Replace 1980's playground set at Crowe Park	\$150,000
Replace 1990's basketball goals at Cool Springs	\$ 35,000
Replace textured track at Summey Park	unknown

Fire Department: Fire engine truck 2210 is a 1988 model and the fire department plans to request a replacement as early as 2018. With the addition of a four story Hampton Inn and Suites and Facebook the Town will need to explore a 100 foot aerial device. This is a component to maintain our ISO rating of 4 which is tied to fire insurance for Town residents.

Streetscape: The Town received the Streetscape Plan in 2014. The Blanton Alley arch lighting has been completed. The large parking lot behind Blanton Alley is recommended in FY 2017-2018. The Board may wish to discuss future projects. The County TDA has requested to receive the Town's priority list in the event some funding becomes available through that organization.

Town Hall: Discussions of a new Town Hall have taken place over the last few years. The last information provided to the Board is in Appendix O.

The Town is in a very healthy financial position. The increased economic conditions in Town should bode well for our utility system. Along with the new restaurants and shops the completion of the Park at Florence Mill and the Thermal Belt Rail Trail should further increase the economic vitality of the downtown. The completion of the Hampton Inn and Suites and the renovation at the new Days Inn and Quality Inn should spur significant new tourism dollars. Everest Textiles particularly with the water and wastewater usage should provide additional revenue.

With the changing financial environment and the investments the Town is making, FY 2017-2018 is a very critical year as we plan forward.

XIV. COST OF LIVING ADJUSTMENT (COLA)/401k/CERTIFICATIONS/VACATION

The number of full time authorized positions by department is included in Appendix P.

This budget recommends a 3% COLA effective July 1, 2017. The cost of the 3% increase for all Town employees is \$221,354. It is recommended that the pay scale only be adjusted by 0.3% based on CPI.

There are three new employees recommended in this budget: Administrative Assistant at the Fire Department, Garage Assistant and Assistant Downtown Development Coordinator and Planner.

Additionally, the Town has historically and continues to cover 100% of the cost of health insurance. The employee insurance cost rose from \$15.04 to \$50 per month.

During FY 2014-2015 the Town implemented programs to recognize Senior Police Officers, Fire Fighter Specialists and Water and Sewer distribution and collection certifications. The Town had previously recognized certification increases in Building Inspections, the Water Plant, and the Wastewater Plant. The chart in Appendix Q represents the employees that have achieved higher job levels through a combination of training and experience as well as those that are anticipated to receive additional training that will allow them to reach a higher position/recognition in FY 2017-2018.

The FY 2014-2015 budget implemented a matching 401k program for non-law enforcement employees. *The Town is currently required by North Carolina General Statutes to contribute 5% of law enforcement officers' salaries to a 401k plan.* This does not require any match by the law enforcement officer. The FY 2014-2015 budget began a contribution plan for non-law enforcement employees of \$10 per pay period *if* the employee contributes at least \$10 per pay period. In the FY 2015-2016 budget that contribution was increased to \$20 per pay period if the employee contributes at least \$20 per pay period and in FY 2016-2017 it was increased to \$30 per pay period. Seventy-three of the 96 non-law enforcement employees participate in this plan. It is recommended that this 401K program increase to \$40.00 as the final installment in a program that will result in a contribution of approximately \$1,000 per year to those employees who wish to participate in the plan.

In FY 2015-2016, a program was implemented to recognize senior employees and continues in FY 2017-2018. In order for this program to impact an employee he/she must meet the following requirements:

1. Minimum ten years with the Town; and
2. At age 60 with 20 years in the retirement system; or
3. At any age with 25 years in the retirement system;
4. Employee's salary will be no less than the midpoint of the salary range;
5. Must be in current position at least two years.

The goal of this program is to reward long term employees in the latter years of their career so that they will be compensated at no less than the mid-point of their salary grade in the last years of working with the Town. The highest four years of salary are also important in determining retirement compensation. One employee will meet this criteria in FY 2017-2018 at a cost of \$2,863.

In addition, with the implementation of this budget, the following change on vacation leave is recommended to become effective in July 1, 2017.

Vacation Leave

The Town changed vacation leave accrual for Town employees in 2014. One class of employee did not receive any increased leave---those employees with over 20 years' service. Those employees have requested a review of their current leave. In addition, the Employee Opinion Survey identified Holiday Pay as an issue with certain classes of Town employees, most specifically in the Police Department. In the Pay Study enacted in 2014 some employees had their holiday leave decreased. The Town had been awarding holiday pay in excess of hours earned based on calculations from the Fair Labor Standards Act. In order to recognize those employees with long service to the Town and compensate those employees who had previously been awarded greater holiday hours earned than required, the following new Vacation Leave table is recommended as part of the budget and would become effective July 1, 2017 with the budget's adoption.

Years of Service	Current Vacation Accrual	New Vacation Accrual
0 – 2	10	12
2 – 5	12	14
5 – 15	15	17
15 – 20	18	20
20 years plus	20	22

The total annual cost of the program implementation is in Chart 10 below.

**Chart 10: Employee Salary FY 2017-2018
COLA, 401k, Salary Adjustment Senior Employee, and Certifications**

Cost of Living Increase	\$221,354
401k	\$ 24,960
Salary Adjustment Senior Employee	\$ 2,863
Journeyman	\$ 1,198
Police	\$ 4,006
Inspections	\$ 5,688
Water & Sewer Operations, Pump Maintenance	\$ 4,243
Water Treatment Plant	\$ 1,552
WWTP	<u>\$ 1,897</u>
Total	\$267,761

XV. CONCLUSION

As stated in the introduction, the major goal of this budget is to maintain services without increasing property tax rates or user fees. This budget as recommended accomplishes that goal. Garbage collections fees were increased by 3.4% to cover cost increase.

The recommended capital requests set the stage for allowing the Town to continue to progress forward. As stated earlier in the budget message, all of the signage plans, landscape plans, streetscape plans, website update, and other beautification strategies are an attempt to help move the Town and its businesses forward and be in a better position to take advantage of marketing opportunities.

This budget also continues to make an investment in the employees who are the major service providers to the Town. This budget contains a 3% COLA, a \$10 per pay period increase in the matching contribution to 401k for non-law enforcement employees, and the continuance of the previously approved Career Development Plans in multiple departments which should position the Town well in the future. As mentioned earlier in the budget, the Career Development plans include Police, Fire, Public Works, Water Plant, Sewer Plant, Building Inspection, and Electric. Two significant programs are discussed in this budget message---Rails to Trails and Florence Mill site development. A plan to achieve the survey and design are discussed in the budget message. In addition, funds for the professional service work at Florence Mill are recommended so the Town could make plans for construction as a next step.

As was discussed in the Budget Message Introduction, this budget expects to use fund balance/cash balance reserves for the Park at Florence Mill and Thermal Belt Rail Trail. In order to budget conservatively it is also recommended that the following project(s) not commence until the second half of the budget year. This would allow the FY 2016-2017 audit to be finalized, the Town's six month financial statement to be complete and a status update on Everest Textiles water and sewer usage.

The chart below shows that the overall recommended budget of the Town would increase from \$30,575,692 in FY 2016-2017 to \$41,547,905 in FY 2017-2018 which is an increase of \$10,972,213.

**TOWN OF FOREST CITY FY 2016-2017 AMENDED
AND FY 2017-2018 RECOMMENDED BUDGETS**

	Amended <u>FY 2016-17</u>	Recommended <u>FY 2017-18</u>
General Fund	\$10,436,777	\$12,050,239
Florence Mill Fund	\$ 127,960	\$ 25,000
Parks & Recreation Fund	\$ 1,852,656	\$ 5,592,528
Water & Sewer Fund	\$ 5,444,459	\$ 8,543,358
Electric Fund	<u>\$12,713,840</u>	<u>\$15,336,780</u>
TOTAL	\$30,575,692	\$41,547,905

I would like to thank all the Town Department Heads for their efforts during the budget preparation process and their assessment of what was needed to accomplish their respective tasks.

Respectfully Submitted,



John Condrey
City Manager

*****Appendixes are not included in the printed budget book. They are available upon request.*****

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM REVENUE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10 GENERAL FUND	
10-3121-170 TAX INTEREST AND COST	12,000.00
10-3213-202 PROP TAXES AUTO - STATE COLLECTE	92,800.00
10-3216-110 TAXES AD VALOREM-2016	30,000.00
10-3217-110 TAXES AD VALOREM-2017	3,647,970.00
10-3217-201 VEHICLE RENT TAX-2017	17,000.00
10-3231-120 SALES TAX-1%-ART#39	505,000.00
10-3232-120 SALES TAX-1/2%-ART#40	338,000.00
10-3233-120 SALES TAX-1/2%-ART#42	248,000.00
10-3310-312 ABC-PROFIT REVENUE	255,000.00
10-3324-300 SALES TAX-TELECOM	116,000.00
10-3324-310 FRANCHISE TAX-ELEC	735,000.00
10-3324-320 EXCISE TAX-NAT GAS	20,000.00
10-3324-325 EXCISE TAX-VIDEO	41,000.00
10-3326-001 SOLID WASTE DISP TAX DISTRIBUTION	5,400.00
10-3328-003 HOLD HARMLESS REVENUES	343,000.00
10-3331-310 PAYMENT IN LIEU OF TAX-LOCAL	13,000.00
10-3331-315 FCHA - SALARY SUPPORT	10,000.00
10-3331-316 POL SECURITY SUPP-FCHA	10,000.00
10-3331-317 POL SECURITY SUPP-FC OWLS	10,000.00
10-3331-318 POL SECURITY SUPP-FC CLUBHOUSE	2,000.00
10-3343-410 BUILDING PERMITS	50,000.00
10-3345-415 CODE ENFORCEMENT REVENUE	10,000.00
10-3411-332 GOV CRIME COMMISSION GRANT	24,500.00
10-3411-430 BEER/WINE EXCISE TAXES	33,000.00
10-3411-440 ABC LOAN REPAYMENT	3,344.00
10-3411-441 ABC LOAN INTEREST	14.00
10-3413-581 RETURNED CHECK FEE	3,000.00
10-3414-862 DOWNTOWN ACTIVITIES REVENUE	12,000.00
10-3416-310 COURT FEES AND CHARGES	3,000.00
10-3431-252 POL TAKE HOME CAR REVENUE	1,300.00
10-3431-410 FIRE PROTECTION CHARGES	5,000.00
10-3431-411 STATE FIRE FUND REVENUE	6,000.00
10-3431-412 FIRE DISTRICT TAX	7,178.00
10-3451-330 POWELL BILL STREET ALLOCATION	245,000.00
10-3451-335 ON-BEHALF FIRE PENSIONS	10,000.00
10-3451-410 STREET PAVING AND DEVLPRS COST	3,000.00
10-3451-516 BOSTIC GENERAL WORK	1,000.00

FY 2017-2018

TOWN OF FOREST CITY
GENERAL FUND LINE ITEM REVENUE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10-3451-710 SALE OF MULCH	1,000.00
10-3471-410 WASTE COLLECTION CHARGES	1,168,170.00
10-3831-491 INTEREST EARNED GENERAL FUND	7,000.00
10-3839-865 COOL SPRINGS CEMETERY LOTS	5,000.00
10-3987-980 TRANSFERRED FROM ELECTRIC FUND	<u>3,064,235.00</u>
10 GENERAL FUND	<u>11,113,911.00</u>
	<u>11,113,911.00</u>

FY 2017-2018

TOWN OF FOREST CITY
GENERAL FUND EXPENDITURE BUDGET SUMMARY

	AMENDED BUDGET
4110 GOVERNING BODY	62,184.00
4120 ADMINISTRATIVE	2,949,934.00
4130 FINANCE	262,360.00
4150 LEGAL	46,503.00
4240 WAREHOUSE AND GARAGE	81,792.00
4260 PUBLIC WORKS BUILDINGS	58,206.00
4310 POLICE	3,037,077.00
4340 FIRE	1,345,230.00
4341 VOLUNTEER FIRE	41,000.00
4350 CODE ENFORCEMENT	654,048.00
4510 STREETS	1,030,453.00
4520 POWELL BILL	230,474.00
4540 CEMETERY	10,350.00
4710 SANITATION	1,180,185.00
6801 DEBT SERVICE	45,907.00
9910 CONTINGENCY	78,208.00
10 GENERAL FUND	11,113,911.00
	11,113,911.00

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10 GENERAL FUND	
4110 GOVERNING BODY	
10-4110-131 BOARD MEMBER SERVICES	49,181.00
10-4110-180 FRINGE BENEFITS	6,166.00
10-4110-299 DEPT MATERIALS AND SUPPLIES	3,500.00
10-4110-311 TRAVEL AND TRAINING EXPENSE	2,000.00
10-4110-325 POSTAGE	250.00
10-4110-351 CEP BUILDING REP/MAINT/UTIL	500.00
10-4110-352 EQUIP MAINT AND REPAIR	1,000.00
10-4110-450 INSURANCE AND BONDS	9,000.00
10-4110-491 DUES AND SUBSCRIPTIONS	750.00
10-4110-525 NON-DEPR C O EQUIP	1,000.00
10-4110-620 APPRECIATION	2,900.00
10-4110-630 CONTRIBUTIONS	20,000.00
10-4110-890 ELECTION EXPENSE	4,500.00
10-4110-998 WATER & SEWER FD REIMBURSEMENT	-25,776.00
10-4110-999 ELECTRIC FD REIMBURSEMENT	-12,787.00
4110 GOVERNING BODY	<u>62,184.00</u>
4120 ADMINISTRATIVE	
10-4120-121 SALARIES	278,623.00
10-4120-129 OVERTIME-SALARIES	2,000.00
10-4120-180 FRINGE BENEFITS	109,540.00
10-4120-193 PRO. SER.-DRUG TESTING	5,000.00
10-4120-194 PROF SVC-GRANT CONSULTING	10,000.00
10-4120-198 PROF SVC-WEBSITE MAINTENANCE	7,000.00
10-4120-212 UNIFORMS	600.00
10-4120-251 AUTO SUPPLIES	1,500.00
10-4120-298 BEAUTIFICATION COMMITTEE EXPEN	65,000.00
10-4120-299 DEPT MATERIALS & SUPPLIES	11,500.00
10-4120-311 TRAVEL AND TRAINING EXPENSE	2,800.00
10-4120-321 TELEPHONE	7,000.00
10-4120-325 POSTAGE	1,250.00
10-4120-331 ELECTRIC UTILITIES	6,205.00
10-4120-333 NATURAL GAS UTILITIES	700.00
10-4120-351 BUILDING AND GRDS REPAIRS AND	50,000.00
10-4120-352 EQUIP MAINT AND REPAIR	2,500.00
10-4120-353 VEHICLE SERVICE AND REPAIR	1,000.00
10-4120-397 CONTRACTED SERVICES	40,000.00

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10-4120-450 INSURANCE AND BONDS	24,500.00
10-4120-454 FACEBOOK GRANT	2,210,647.00
10-4120-491 DUES AND SUBSCRIPTIONS	35,000.00
10-4120-498 ANNEXATION EXPENSE	600.00
10-4120-499 MISCELLANEOUS	1,000.00
10-4120-701 IT DEPT MATERIALS/SUPPLIES	12,000.00
10-4120-702 IT DEPT TRAVEL/TRAINING	3,500.00
10-4120-703 IT DEPT BLDG/GROUNDS MAINT/REPAIR	35,000.00
10-4120-704 IT DEPT EQUIP MAINT/REPAIR	5,000.00
10-4120-705 IT DEPT VEHICLE MAINT/REPAIR	2,500.00
10-4120-707 IT DEPT NON-DEPR EQUIP	20,900.00
10-4120-708 IT DEPT C.O. EQUIP	115,500.00
10-4120-998 WATER & SEWER FD REIMBURSEMENT	-79,151.00
10-4120-999 ELECTRIC FUND REIMBURSEMENT	-39,280.00
4120 ADMINISTRATIVE	<u>2,949,934.00</u>
 4130 FINANCE	
10-4130-121 SALARIES AND WAGES	124,560.00
10-4130-129 OVERTIME-SALARIES	3,000.00
10-4130-180 FRINGE BENEFITS	56,456.00
10-4130-191 ACCOUNTING SERVICES	29,800.00
10-4130-192 PROFESSIONAL SERVICES-HR	2,000.00
10-4130-295 BANK SERVICE CHARGES	10,000.00
10-4130-299 DEPT MATERIALS & SUPPLIES	10,000.00
10-4130-311 TRAVEL & TRAINING EXPENSE	5,100.00
10-4130-321 TELEPHONE	4,000.00
10-4130-325 POSTAGE	2,500.00
10-4130-331 ELECTRIC UTILITIES	3,500.00
10-4130-352 EQUIP MAINT AND REPAIR	1,500.00
10-4130-397 CONTRACTED SERVICES	40,500.00
10-4130-450 INSURANCE AND BONDS	5,900.00
10-4130-491 DUES AND SUBSCRIPTIONS	3,100.00
10-4130-525 NON-DEPR C O EQUIP	5,000.00
10-4130-998 WATER & SEWER FD REIMBURSEMENT	-29,778.00
10-4130-999 ELECTRIC FUND REIMBURSEMENT	-14,778.00
4130 FINANCE	<u>262,360.00</u>
 4150 LEGAL	
10-4150-180 FRINGE BENEFITS	7,663.00

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10-4150-192 LEGAL SERVICES	76,625.00
10-4150-998 WATER & SEWER FD REIMBURSEMENT	-25,253.00
10-4150-999 ELECTRIC FD REIMBURSEMENT	-12,532.00
4150 LEGAL	<u>46,503.00</u>
4240 WAREHOUSE AND GARAGE	
10-4240-121 SALARIES & WAGES - REGULAR	96,885.00
10-4240-129 OVERTIME-SALARIES	200.00
10-4240-180 FRINGE BENEFITS	40,579.00
10-4240-212 UNIFORMS	1,100.00
10-4240-251 AUTOMOTIVE SUPPLIES	3,000.00
10-4240-299 DEPT MATERIALS & SUPPLIES	8,000.00
10-4240-311 TRAVEL AND TRAINING EXPENSE	500.00
10-4240-321 TELEPHONE	1,500.00
10-4240-331 ELECTRIC UTILITIES	4,000.00
10-4240-333 UTILITIES-NATURAL GAS	700.00
10-4240-351 BUILDINGS & GRDS REPAIR & MAIN	10,000.00
10-4240-352 EQUIPMENT SERVICE AND REPAIRS	2,200.00
10-4240-353 VEHICLE SERVICE & REPAIR	500.00
10-4240-397 CONTRACTED SERVICES	300.00
10-4240-450 INSURANCE AND BONDS	2,500.00
10-4240-491 DUES AND SUBSCRIPTIONS	170.00
10-4240-525 NON-DEPR C O EQUIP	2,000.00
10-4240-707 IT EQUIP-NON-DEPRECIABLE	1,000.00
10-4240-998 WATER & SEWER FD REIMBURSEMENT	-46,671.00
10-4240-999 ELECTRIC FD REIMBURSEMENT	-46,671.00
4240 WAREHOUSE AND GARAGE	<u>81,792.00</u>
4260 PUBLIC WORKS BUILDINGS	
10-4260-121 SALARIES & WAGES - REGULAR	56,574.00
10-4260-129 OVERTIME-SALARIES	300.00
10-4260-180 FRINGE BENEFITS	30,858.00
10-4260-212 UNIFORMS	1,000.00
10-4260-251 AUTOMOTIVE SUPPLIES	900.00
10-4260-299 DEPT MATERIALS & SUPPLIES	11,000.00
10-4260-311 TRAVEL AND TRAINING EXPENSE	2,000.00
10-4260-321 TELEPHONE	3,500.00
10-4260-331 ELECTRIC UTILITIES	5,000.00
10-4260-333 UTILITIES-NATURAL GAS	5,000.00

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10-4260-351 BUILDINGS & GRDS REPAIR & MAIN	10,000.00
10-4260-352 EQUIPMENT SERVICE AND REPAIRS	4,500.00
10-4260-353 VEHICLE SERVICE & REPAIR	3,000.00
10-4260-397 CONTRACTED SERVICES	7,500.00
10-4260-450 INSURANCE AND BONDS	3,250.00
10-4260-491 DUES AND SUBSCRIPTIONS	350.00
10-4260-525 NON-DEPR C O EQUIP	1,500.00
10-4260-707 IT EQUIPMENT-NON DEPRECIABLE	4,400.00
10-4260-998 WATER & SEWER FD REIMBURSEMENT	-46,213.00
10-4260-999 ELECTRIC FD REIMBURSEMENT	-46,213.00
4260 PUBLIC WORKS BUILDINGS	<u>58,206.00</u>
4310 POLICE	
10-4310-121 SALARIES AND WAGES	1,646,728.00
10-4310-123 SPECIAL SEPARATION ALLOWANCE	13,912.00
10-4310-129 OVERTIME-SALARIES	9,000.00
10-4310-180 FRINGE BENEFITS	756,287.00
10-4310-193 PROFESSIONAL SERVICES-MEDICAL	3,500.00
10-4310-212 UNIFORMS	26,000.00
10-4310-251 AUTOMOTIVE SUPPLIES	50,000.00
10-4310-299 DEPT MATERIALS & SUPPLIES	30,000.00
10-4310-304 FCHA SECURITY-SALARIES	10,000.00
10-4310-305 FC OWLS SECURITY-SALARIES	10,000.00
10-4310-306 FC CLUBHOUSE SECURITY SALARIES	2,000.00
10-4310-311 TRAVEL AND TRAINING EXPENSE	17,000.00
10-4310-321 TELEPHONE	40,200.00
10-4310-325 POSTAGE	1,000.00
10-4310-331 ELECTRIC UTILITIES	10,000.00
10-4310-333 GAS UTILITIES	850.00
10-4310-351 BUILDINGS & GRDS REPAIR & MAIN	25,000.00
10-4310-352 EQUIPMENT SERVICE & REPAIRS	10,000.00
10-4310-353 VEHICLE SERVICE & REPAIRS	25,000.00
10-4310-397 CONTRACTED SERVICES	38,500.00
10-4310-450 INSURANCE AND BONDS	45,000.00
10-4310-491 DUES AND SUBSCRIPTIONS	8,000.00
10-4310-499 MISCELLANEOUS	5,000.00
10-4310-525 NON-DEPR C O EQUIP	15,200.00
10-4310-533 GOV CRIME COMMISSION GRANT	39,500.00

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10-4310-550 C O EQUIPMENT	182,500.00
10-4310-631 SPECIAL INVESTIGATIONS	4,000.00
10-4310-707 IT EQUIP-NON-DEPRECIABLE	3,900.00
10-4310-708 IT EQUIPMENT-DEPRECIABLE	9,000.00
4310 POLICE	<u>3,037,077.00</u>
 4340 FIRE	
10-4340-121 SALARIES AND WAGES	735,462.00
10-4340-129 OVERTIME-SALARIES	22,500.00
10-4340-180 FRINGE BENEFITS	322,631.00
10-4340-185 ON-BEHALF FRINGE BENEFITS	10,000.00
10-4340-193 PROFESSIONAL SERVICES-MEDICAL	6,860.00
10-4340-212 UNIFORMS	8,500.00
10-4340-251 AUTOMOTIVE SUPPLIES	18,000.00
10-4340-299 DEPT MATERIALS & SUPPLIES	14,000.00
10-4340-300 FIRST RESPONDERS SUPPLIES	4,000.00
10-4340-311 TRAVEL & TRAINING EXPENSE	13,500.00
10-4340-321 TELEPHONE	10,000.00
10-4340-325 POSTAGE	220.00
10-4340-331 ELECTRIC UTILITIES	8,000.00
10-4340-333 NATURAL GAS UTILITIES	3,000.00
10-4340-351 BUILDINGS & GRDS REPAIR & MAIN	15,000.00
10-4340-352 EQUIPMENT REPAIRS	5,000.00
10-4340-353 VEHICLE SERVICE & REPAIR	21,000.00
10-4340-395 EMPLOYEE TRAINING	2,400.00
10-4340-397 CONTRACTED SERVICES	12,707.00
10-4340-450 INSURANCE AND BONDS	43,000.00
10-4340-491 DUES AND SUBSCRIPTIONS	13,750.00
10-4340-525 NON-DEPR C O EQUIP	26,900.00
10-4340-550 C O EQUIPMENT	25,100.00
10-4340-707 IT EQUIP-NON DEPRECIABLE	3,700.00
4340 FIRE	<u>1,345,230.00</u>
 4341 VOLUNTEER FIRE	
10-4341-128 NON-PERMANENT SALARIES	36,000.00
10-4341-180 FRINGE BENEFITS	5,000.00
4341 VOLUNTEER FIRE	<u>41,000.00</u>
 4350 CODE ENFORCEMENT	
10-4350-121 SALARIES AND WAGES	277,686.00

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10-4350-129 OVERTIME-SALARIES	1,000.00
10-4350-180 FRINGE BENEFITS	119,097.00
10-4350-199 PROFESSIONAL SERVICES-PLANNING	22,500.00
10-4350-212 UNIFORMS	1,500.00
10-4350-251 AUTOMOTIVE SUPPLIES	2,000.00
10-4350-299 DEPT MATERIALS AND SUPPLIES	8,000.00
10-4350-304 OVERTIME SAL-FACEBOOK	1,000.00
10-4350-311 TRAVEL & TRAINING EXPENSE	7,665.00
10-4350-321 TELEPHONE	6,500.00
10-4350-325 POSTAGE	300.00
10-4350-352 EQUIPMENT SERVICE & REPAIR	1,000.00
10-4350-353 VEHICLE SERVICE & REPAIR	3,000.00
10-4350-397 CONTRACTED SERVICES	15,500.00
10-4350-401 REVITAL-ADM/PLAN	4,500.00
10-4350-402 REVITAL-DUES/SUBSCRIPTIONS	1,000.00
10-4350-403 REVITAL-TRAVEL/TRAINING	7,000.00
10-4350-404 REVITAL-PROF SERVICES	18,000.00
10-4350-405 REVITAL-EVENTS/PROMOTIONS	23,000.00
10-4350-407 IMAGE BUILDING-BROCHURES/INFO	7,000.00
10-4350-408 DOWNTOWN/COMMUNITY ACTIVITIES EXF	39,000.00
10-4350-410 MARKETING	30,000.00
10-4350-414 108 E MAIN ST BLDG MAINTENANCE	1,500.00
10-4350-415 MAIN STREET COMMITTEE	5,000.00
10-4350-416 DOWNTOWN FACADE GRANT	25,000.00
10-4350-450 INSURANCE AND BONDS	5,600.00
10-4350-491 DUES AND SUBSCRIPTIONS	3,300.00
10-4350-590 CO IMPROVEMENTS-STREETScape	15,000.00
10-4350-707 IT EQUIP-NON-DEPRECIABLE	2,400.00
4350 CODE ENFORCEMENT	<u>654,048.00</u>

4510 STREETS

10-4510-121 SALARIES AND WAGES	494,658.00
10-4510-129 OVERTIME-SALARIES	8,500.00
10-4510-180 FRINGE BENEFITS	233,995.00
10-4510-194 ENGINEERING SERVICES	2,000.00
10-4510-212 UNIFORMS	7,300.00
10-4510-251 AUTOMOTIVE SUPPLIES	42,000.00
10-4510-299 DEPT MATERIALS & SUPPLIES	30,000.00

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10-4510-311 TRAVEL & TRAINING EXPENSE	500.00
10-4510-321 TELEPHONE	1,300.00
10-4510-331 ELECTRIC UTILITIES	100,000.00
10-4510-352 EQUIPMENT SERVICE & REPAIR	23,000.00
10-4510-353 VEHICLE SERVICE & REPAIR	13,000.00
10-4510-397 CONTRACTED SERVICES	50,000.00
10-4510-450 INSURANCE AND BONDS	20,000.00
10-4510-525 NON-DEPR C O EQUIP	3,000.00
10-4510-707 IT EQUIP-NON-DEPRECIABLE	1,200.00
4510 STREETS	<u>1,030,453.00</u>
4520 POWELL BILL	
10-4520-121 SALARIES AND WAGES	17,440.00
10-4520-180 FRINGE BENEFITS	4,634.00
10-4520-194 ENGINEERING SERVICES	3,000.00
10-4520-299 DEPT MATERIALS & SUPPLIES	5,400.00
10-4520-396 POWELL BILL CONTRACTS	200,000.00
4520 POWELL BILL	<u>230,474.00</u>
4540 CEMETERY	
10-4540-251 AUTOMOTIVE SUPPLIES	2,500.00
10-4540-299 DEPT MATERIALS & SUPPLIES	2,850.00
10-4540-352 EQUIPMENT SERVICE & REPAIR	500.00
10-4540-353 VEHICLE MAINTENANCE & REPAIR	500.00
10-4540-450 INSURANCE	500.00
10-4540-590 C O OTHER IMPROVEMENTS	3,500.00
4540 CEMETERY	<u>10,350.00</u>
4710 SANITATION	
10-4710-325 DEPT POSTAGE	10,000.00
10-4710-397 CONTRACTED SERVICES	1,155,185.00
10-4710-398 COUNTY LANDFILL FEE	15,000.00
4710 SANITATION	<u>1,180,185.00</u>
6801 DEBT SERVICE	
10-6801-801 DEBT PAYMENTS	45,907.00
6801 DEBT SERVICE	<u>45,907.00</u>
9910 CONTINGENCY	
10-9910-992 CONTINGENCY-COST OF LIVING ADJ	67,028.00
10-9910-993 CONTINGENCY 401K	11,180.00
9910 CONTINGENCY	<u>78,208.00</u>

TOWN OF FOREST CITY

FY 2017-2018

GENERAL FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
10 GENERAL FUND	11,113,911.00
	<u>11,113,911.00</u>

TOWN OF FOREST CITY

FY 2017-2018

FLORENCE MILL LINE ITEM REVENUE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
11 FLORENCE MILL PROJECT	
11-3987-980 TRANS FROM ELEC FUND	25,000.00
11 FLORENCE MILL PROJECT	<u>25,000.00</u>
	<u>25,000.00</u>

TOWN OF FOREST CITY

FY 2017-2018

FLORENCE MILL LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
11 FLORENCE MILL PROJECT	
4111 FLORENCE MILL PROJECT	
11-4111-351 BLDGS & GRDS/REPAIR & MAINT	25,000.00
4111 FLORENCE MILL PROJECT	25,000.00
11 FLORENCE MILL PROJECT	25,000.00
	25,000.00

TOWN OF FOREST CITY

FY 2017-2018

PARKS & RECREATION LINE ITEM REVENUE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
15 PARKS AND RECREATION	
15-3610-860 FC CLUBHOUSE RENT	20,000.00
15-3611-581 PENALTY-LATE LIB BK RETURN	1,400.00
15-3612-480 CONCESSIONS CALLISON REC CENTE	1,200.00
15-3612-488 ORGANIZED PROGRAM RECEIPTS	20,000.00
15-3612-860 RENTS CALLISON REC CENTER	2,000.00
15-3613-480 CONCESSIONS-TOWN PARK	1,000.00
15-3613-860 RENTS-TOWN PARK	9,000.00
15-3613-862 MCNAIR FIELD RENTAL	10,000.00
15-3615-481 CLAY ST POOL ADMISSIONS	11,000.00
15-3615-482 SWIMMING LESSONS	2,000.00
15-3615-483 SEASON TICKETS	5,000.00
15-3615-484 POOL PARTY LIFEGUARD SECURITY	3,000.00
15-3616-160 TRAIL GRANT REVENUE (PARTF)	350,000.00
15-3617-484 GOLF COURSE-GREEN FEES	35,000.00
15-3617-485 GOLF COURSE-MEMBERSHIP FEES	55,000.00
15-3617-487 CONCESSIONS SOLD-GLF CRS	8,000.00
15-3617-860 RENT- GOLF CARTS	110,000.00
15-3831-493 INTEREST EARNED PARKS/REC FUND	1,500.00
15-3833-860 MCNAIR FIELD LEASE	15,000.00
15-3839-890 MISCELLANEOUS	3,000.00
15-3986-980 TRANSFERS FROM WATER & SEWER F	3,488,781.00
15-3987-980 TRANSFERS FROM ELECTRIC FUND	2,167,514.00
15 PARKS AND RECREATION	<u>6,319,395.00</u>
	<u><u>6,319,395.00</u></u>

TOWN OF FOREST CITY

FY 2017-2018

PARKS & RECREATION EXPENDITURE BUDGET SUMMARY

	AMENDED BUDGET
6110 LIBRARY	154,139.00
6120 CALLISON REC CENTER	303,636.00
6125 COOL SPRINGS GYM	45,336.00
6130 PARKS AND PLAYGROUNDS	1,118,002.00
6135 MCNAIR FIELD	88,172.00
6145 PARK AT THE MILL	3,707,223.00
6150 CLAY STREET POOL	91,596.00
6160 ATHLETIC PROGRAMS	107,248.00
6170 GOLF COURSE	462,361.00
6180 FOREST CITY CLUB HOUSE	29,229.00
6801 DEBT SERVICE	199,141.00
9910 CONTINGENCY	13,312.00
15 PARKS AND RECREATION	6,319,395.00
	6,319,395.00

TOWN OF FOREST CITY

FY 2017-2018 PARKS & RECREATION LINE ITEM EXPENDITURE BUDGET

	<u>AMENDED</u>
<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>BUDGET</u>
15 PARKS AND RECREATION	
6110 LIBRARY	
15-6110-121 SALARIES AND WAGES-REGULAR	63,943.00
15-6110-128 NON PERMANENT SALARIES	9,860.00
15-6110-129 OVERTIME-SALARIES	450.00
15-6110-180 FRINGE BENEFITS	34,199.00
15-6110-289 SPECIAL EVENTS	1,300.00
15-6110-290 BOOKS	13,350.00
15-6110-293 AUDIO/VISUAL MEDIA	3,850.00
15-6110-299 DEPT MATERIALS AND SUPPLIES	4,000.00
15-6110-311 TRAVEL AND TRAINING EXPENSE	500.00
15-6110-321 TELEPHONE	700.00
15-6110-331 ELECTRIC UTILITIES	3,750.00
15-6110-351 BLDG & GRDS REPAIR AND MAINT	6,000.00
15-6110-352 EQUIPMENT SERVICE & REPAIR	1,100.00
15-6110-397 CONTRACTED SERVICES	2,379.00
15-6110-450 INSURANCE	2,150.00
15-6110-491 DUES AND SUBSCRIPTIONS	2,208.00
15-6110-525 NON-DEPR C O EQUIP	1,000.00
15-6110-707 IT EQUIP-NON DEPRECIABLE	3,400.00
6110 LIBRARY	<u>154,139.00</u>
6120 CALLISON REC CENTER	
15-6120-121 SALARIES AND WAGES-REGULAR	146,581.00
15-6120-128 NON PERMANENT SALARIES	17,676.00
15-6120-129 OVERTIME-SALARIES	2,200.00
15-6120-180 FRINGE BENEFITS	64,155.00
15-6120-212 UNIFORMS	1,000.00
15-6120-251 AUTOMOTIVE SUPPLIES	1,500.00
15-6120-289 SPECIAL EVENTS	500.00
15-6120-299 DEPT MATERIALS AND SUPPLIES	8,000.00
15-6120-311 TRAVEL AND TRAINING EXPENSE	3,000.00
15-6120-321 TELEPHONE	5,000.00
15-6120-325 POSTAGE	400.00
15-6120-331 ELECTRIC UTILITIES	8,600.00
15-6120-333 NATURAL GAS UTILITIES	2,500.00
15-6120-351 BLDGS & GRDS REPAIR AND MAINT	25,000.00
15-6120-352 EQUIPMENT SERVICE AND REPAIR	3,000.00
15-6120-353 VEHICLE SERVICE AND REPAIR	1,000.00

TOWN OF FOREST CITY

FY 2017-2018

PARKS & RECREATION LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
15-6120-397 CONTRACTED SERVICES/REC CENTER	1,774.00
15-6120-450 INSURANCE	6,000.00
15-6120-491 DUES AND SUBSCRIPTIONS	1,000.00
15-6120-525 NON-DEPR C O EQUIP	1,000.00
15-6120-707 IT EQUIP-NON DEPRECIABLE	3,750.00
6120 CALLISON REC CENTER	<u>303,636.00</u>
6125 COOL SPRINGS GYM	
15-6125-299 DEPT MATERIALS AND SUPPLIES	2,300.00
15-6125-321 TELEPHONE	1,000.00
15-6125-331 ELECTRIC UTILITIES	17,000.00
15-6125-351 BLDG & GRDS REPAIR & MAINT	15,000.00
15-6125-352 EQUIPMENT SERVICE & REPAIR	1,000.00
15-6125-397 CONTRACTED SERVICES	990.00
15-6125-450 INSURANCE	4,600.00
15-6125-491 DUES AND SUBSCRIPTIONS	146.00
15-6125-525 NON-DEPR C O EQUIP	1,000.00
15-6125-707 IT EQUIP-NON-DEPRECIABLE	2,300.00
6125 COOL SPRINGS GYM	<u>45,336.00</u>
6130 PARKS AND PLAYGROUNDS	
15-6130-121 SALARIES AND WAGES-REGULAR	131,961.00
15-6130-126 SALARIES-TEMP/PART TIME	29,664.00
15-6130-129 OVERTIME-SALARIES	18,000.00
15-6130-180 FRINGE BENEFITS	73,657.00
15-6130-212 UNIFORMS	1,000.00
15-6130-251 AUTOMOTIVE SUPPLIES	6,000.00
15-6130-299 DEPT MATERIAL AND SUPPLIES	18,000.00
15-6130-311 TRAVEL AND TRAINING EXPENSE	1,000.00
15-6130-331 ELECTRIC UTILITIES-TOWN PARK	14,500.00
15-6130-351 BLDGS & GRDS REPAIR AND MAINT	50,000.00
15-6130-352 EQUIPMENT SERVICE AND REPAIR	5,000.00
15-6130-353 VEHICLE SERV AND REPAIR	4,000.00
15-6130-397 CONTRACTED SERVICES	1,800.00
15-6130-450 INSURANCE	3,300.00
15-6130-491 DUES AND SUBSCRIPTIONS	120.00
15-6130-525 NON-DEPR C O EQUIP	4,000.00
15-6130-591 C O TRAIL GRANT (PARTF)	750,000.00
15-6130-707 IT EQUIP-NON DEPRECIABLE	6,000.00

TOWN OF FOREST CITY

FY 2017-2018

PARKS & RECREATION LINE ITEM EXPENDITURE BUDGET

AMENDED
BUDGET

ACCOUNT NUMBER/DESCRIPTION

6130 PARKS AND PLAYGROUNDS

1,118,002.00

6135 MCNAIR FIELD

15-6135-126	SALARIES-TEMP/PART TIME	9,072.00
15-6135-129	OVERTIME-SALARIES	17,000.00
15-6135-180	FRINGE BENEFITS	5,000.00
15-6135-299	DEPT MATERIAL AND SUPPLIES	9,500.00
15-6135-331	ELECTRIC UTILITIES-TOWN PARK	20,000.00
15-6135-351	BLDGS & GRDS REPAIR AND MAINT	17,000.00
15-6135-352	EQUIPMENT SERVICE AND REPAIR	2,000.00
15-6135-397	CONTRACTED SERVICES	400.00
15-6135-450	INSURANCE	2,700.00
15-6135-525	NON-DEPR C O EQUIP	2,000.00
15-6135-707	IT EQUIP-NON-DEPRECIABLE	3,500.00

6135 MCNAIR FIELD

88,172.00

6145 PARK AT THE MILL

15-6145-299	DEPT MATERIAL AND SUPPLIES	3,000.00
15-6145-331	ELECTRIC UTILITIES	5,000.00
15-6145-333	NATURAL GAS UTILITIES	1,200.00
15-6145-351	BLDGS & GRDS REPAIR AND MAINT	5,000.00
15-6145-397	CONTRACTED SERVICES	100.00
15-6145-450	INSURANCE	2,500.00
15-6145-525	NON-DEPR C O EQUIP	2,000.00
15-6145-590	C O OTHER IMPROVEMENTS	3,434,698.00
15-6145-591	PARK PROJECT CONT	50,000.00
15-6145-592	PARK CONSTRUCTION/ADMIN	45,000.00
15-6145-593	PARK ELEC LIGHTING	148,125.00
15-6145-708	IT EQUIPMENT-DEPRECIABLE	10,600.00

6145 PARK AT THE MILL

3,707,223.00

6150 CLAY STREET POOL

15-6150-126	SALARIES AND WAGES-TEMP/PART T	59,946.00
15-6150-127	POOL PARTY-SALARIES	4,100.00
15-6150-180	FRINGE BENEFITS	6,500.00
15-6150-299	DEPT MATERIALS AND SUPPLIES	6,000.00
15-6150-331	ELECTRIC UTILITIES	5,500.00
15-6150-351	BLDGS AND GRDS REPAIR AND MAIN	4,000.00
15-6150-352	EQUIPMENT SERVICE AND REPAIR	1,000.00
15-6150-450	INSURANCE	1,750.00

TOWN OF FOREST CITY

FY 2017-2018

PARKS & RECREATION LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
15-6150-525 NON-DEPR C O EQUIP	2,000.00
15-6150-707 IT EQUIP-NON DEPRECIABLE	800.00
6150 CLAY STREET POOL	<u>91,596.00</u>
6160 ATHLETIC PROGRAMS	
15-6160-128 NON PERMANENT SALARIES	21,596.00
15-6160-180 FRINGE BENEFITS	2,252.00
15-6160-289 SPECIAL EVENTS	2,800.00
15-6160-299 DEPT MATERIALS AND SUPPLIES	8,500.00
15-6160-450 INSURANCE	1,100.00
15-6160-525 NON-DEPR C O EQUIP	2,000.00
15-6160-692 LEGION CONTRIBUTION	2,000.00
15-6160-694 CONTRIBUTION--SENIOR CITIZENS	11,000.00
15-6160-696 MIDGET FOOTBALL	13,000.00
15-6160-697 LITTLE LEAGUE-BOYS AND GIRLS	16,000.00
15-6160-698 AAU BOYS BASKETBALL	17,000.00
15-6160-699 CONTRIBUTION TO SWIM TEAM	10,000.00
6160 ATHLETIC PROGRAMS	<u>107,248.00</u>
6170 GOLF COURSE	
15-6170-121 SALARIES AND WAGES-REGULAR	164,149.00
15-6170-128 NON-PERMANENT SALARIES	54,594.00
15-6170-180 FRINGE BENEFITS	79,978.00
15-6170-212 UNIFORMS	1,200.00
15-6170-220 CONCESSIONS-GLF COURSE	4,000.00
15-6170-251 AUTOMOTIVE SUPPLIES	10,000.00
15-6170-295 BANK CREDIT CARD SERV CHARGES	2,000.00
15-6170-299 DEPT MATERIALS AND SUPPLIES	70,000.00
15-6170-311 TRAVEL AND TRAINING	1,000.00
15-6170-321 TELEPHONE	600.00
15-6170-325 POSTAGE	100.00
15-6170-331 ELECTIC UTILITIES	6,000.00
15-6170-333 NATURAL GAS UTILITIES	1,200.00
15-6170-351 BLDGS & GRDS REPAIR AND MAINT	10,000.00
15-6170-352 EQUIPMENT SERVICE AND REPAIR	44,000.00
15-6170-353 VEHICLE MAINTENANCE AND REPAIR	1,000.00
15-6170-397 CONTRACTED SERVICES	2,940.00
15-6170-450 INSURANCE	4,600.00
15-6170-491 DUES AND SUBSCRIPTIONS	1,000.00

TOWN OF FOREST CITY

FY 2017-2018

PARKS & RECREATION LINE ITEM EXPENDITURE BUDGET

AMENDED
BUDGET

ACCOUNT NUMBER/DESCRIPTION

15-6170-525	NON-DEPR C O EQUIP	2,000.00
15-6170-707	IT EQUIP-NON-DEPRECIABLE	<u>2,000.00</u>
6170	GOLF COURSE	<u>462,361.00</u>
6180 FOREST CITY CLUB HOUSE		
15-6180-128	NON PERMANENT SALARIES	2,340.00
15-6180-180	FRINGE BENEFITS	279.00
15-6180-299	DEPT MATERIALS AND SUPPLIES	3,000.00
15-6180-331	ELECTRIC UTILITIES	2,500.00
15-6180-333	NATURAL GAS UTILITIES	1,000.00
15-6180-351	BLDGS & GRDS REPAIR AND MAINT	10,000.00
15-6180-352	EQUIPMENT SERVICE AND REPAIR	1,000.00
15-6180-397	CONTRACTED SERVICES	3,910.00
15-6180-450	INSURANCE	1,400.00
15-6180-525	NON-DEPR C O EQUIP	1,000.00
15-6180-707	IT EQUIP-NON DEPRECIABLE	<u>2,800.00</u>
6180	FOREST CITY CLUB HOUSE	<u>29,229.00</u>
6801 DEBT SERVICE		
15-6801-801	LOAN PRINCIPAL	166,667.00
15-6801-802	LOAN INTEREST	21,094.00
15-6801-804	LEASE PURCHASE DEBT SERVICE	<u>11,380.00</u>
6801	DEBT SERVICE	<u>199,141.00</u>
9910 CONTINGENCY		
15-9910-992	CONTINGENCY-COST OF LIVING ADJ	9,932.00
15-9910-993	CONTINGENCY 401K	<u>3,380.00</u>
9910	CONTINGENCY	<u>13,312.00</u>
15	PARKS AND RECREATION	<u>6,319,395.00</u>
		<u>6,319,395.00</u>

TOWN OF FOREST CITY

FY 2017-2018

WATER & SEWER LINE ITEM REVENUE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
61 WATER AND SEWER	
61-3710-520 TAPS AND CONNECTION FEES	35,000.00
61-3712-510 CHARGES FOR UTILITIES/WATER	3,405,000.00
61-3712-516 BOSTIC WATER SERVICES	10,000.00
61-3712-517 CONCORD WATER SERVICES	25,000.00
61-3713-510 CHARGES FOR UTILITIES/SEWER	1,532,000.00
61-3713-513 SEPTAGE USER FEES	3,500.00
61-3713-516 ELLENBORO SEWER CHARGES	75,000.00
61-3831-497 INTEREST EARNED WA/SE FUND	10,000.00
61-3839-892 HORSEHEAD ID LOAN REPAYMENT	142,858.00
61-3840-891 CUSTOMER SERVICES	5,000.00
61-3991-995 FUND BALANCE APPROPRIATED	<u>3,000,000.00</u>
61 WATER AND SEWER	<u>8,243,358.00</u>
	<u>8,243,358.00</u>

FY 2017-2018

TOWN OF FOREST CITY
WATER & SEWER EXPENDITURE BUDGET SUMMARY

	AMENDED BUDGET
6801 DEBT SERVICE	85,230.00
7110 ADMINISTRATION AND BILLIN	571,647.00
7120 WATER OPERATIONS AND CONS	749,870.00
7121 WATER PLANT	827,129.00
7130 SEWER OPERATIONS AND CONS	379,000.00
7131 WASTE TREATMENT PLANT	1,055,323.00
7132 WWTP-RIVERSTONE	136,230.00
7135 PUMP MAINTENANCE/STORAGE	794,221.00
7140 WATER METER SERVICES	99,118.00
7145 DEBT PAYMENTS	24,203.00
9800 TRANSFERS TO OTHER FUNDS	3,488,781.00
9910 CONTINGENCY	32,606.00
61 WATER AND SEWER	8,243,358.00
	8,243,358.00

TOWN OF FOREST CITY

FY 2017-2018

WATER & SEWER LINE ITEM EXPENDITURE BUDGET

	<u>AMENDED</u> <u>BUDGET</u>
<u>ACCOUNT NUMBER/DESCRIPTION</u>	
61 WATER AND SEWER	
6801 DEBT SERVICE	
61-6801-804 LEASE PURCHASE DEBT SERVICE	85,230.00
6801 DEBT SERVICE	<u>85,230.00</u>
7110 ADMINISTRATION AND BILLIN	
61-7110-121 SALARIES & WAGES-REGULAR	141,917.00
61-7110-129 OVERTIME-SALARIES	5,000.00
61-7110-180 FRINGE BENEFITS	64,998.00
61-7110-299 DEPT MATERIALS AND SUPPLIES	17,000.00
61-7110-321 TELEPHONE	500.00
61-7110-325 POSTAGE	30,000.00
61-7110-350 BAD DEBTS	30,000.00
61-7110-351 BUILDING AND GRDS REPAIRS AND	10,000.00
61-7110-352 MAINT TO EQUIPMENT	1,000.00
61-7110-397 CONTRACTED SERVICES	10,250.00
61-7110-450 INSURANCE AND BONDS	1,850.00
61-7110-525 NON DEPRECIABLE EQUIP	4,000.00
61-7110-707 IT EQUIP-NON DEPRECIABLE	2,300.00
61-7110-998 GENERAL FD ADMIN REIMBURSE	<u>252,832.00</u>
7110 ADMINISTRATION AND BILLIN	<u>571,647.00</u>
7120 WATER OPERATIONS AND CONS	
61-7120-121 SALARIES & WAGES-REGULAR	260,632.00
61-7120-129 OVERTIME-SALARIES	12,000.00
61-7120-180 FRINGE BENEFITS	116,588.00
61-7120-195 PROFESSIONAL SERVICES-ENGINEER	20,000.00
61-7120-212 UNIFORMS	3,700.00
61-7120-251 AUTOMOTIVE SUPPLIES	22,000.00
61-7120-299 DEPT MATERIALS AND SUPPLIES	140,000.00
61-7120-311 TRAVEL AND TRAINING EXPENSE	6,000.00
61-7120-321 TELEPHONE	3,200.00
61-7120-352 MAINT & REPAIR OF EQUIPMENT	12,000.00
61-7120-353 MAINT & REPAIR AUTOS & TRUCKS	5,000.00
61-7120-397 CONTRACTED SERVICES	28,000.00
61-7120-450 INSURANCE	13,500.00
61-7120-491 DUES AND SUBSCRIPTIONS	650.00
61-7120-492 811 MEMBERSHIP AND FEES	800.00
61-7120-525 NON-DEPR C O EQUIP	2,500.00
61-7120-590 C O OTHER IMPROVEMENTS	100,000.00

TOWN OF FOREST CITY

FY 2017-2018

WATER & SEWER LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
61-7120-707 IT NON-DEP EQUIPMENT	3,300.00
7120 WATER OPERATIONS AND CONS	<u>749,870.00</u>
7121 WATER PLANT	
61-7121-121 SALARIES AND WAGES-REGULAR	280,983.00
61-7121-129 OVERTIME-SALARIES	5,400.00
61-7121-180 FRINGE BENEFITS	128,966.00
61-7121-195 ENGINEERING SERVICES	5,000.00
61-7121-212 UNIFORMS	3,500.00
61-7121-251 AUTOMOTIVE SUPPLIES	1,500.00
61-7121-299 DEPT MATERIALS AND SUPPLIES	160,000.00
61-7121-311 TRAVEL AND TRAINING EXPENSE	1,000.00
61-7121-321 TELEPHONE	3,000.00
61-7121-325 POSTAGE	2,000.00
61-7121-331 ELECTRIC UTILITIES	90,000.00
61-7121-351 BLDGS AND GRDS-REPAIR AND MAIN	11,000.00
61-7121-352 EQUIPMENT SERVICE AND REPAIR	20,000.00
61-7121-353 VEHICLE SERVICE AND REPAIR	900.00
61-7121-397 CONTRACTED SERVICES	32,000.00
61-7121-450 INSURANCE AND BONDS	26,500.00
61-7121-491 DUES AND SUBSCRIPTIONS	8,100.00
61-7121-525 NON-DEPR C O EQUIP	2,000.00
61-7121-550 C O EQUIPMENT	42,280.00
61-7121-707 IT EQUIP-NON DEPRECIABLE	3,000.00
7121 WATER PLANT	<u>827,129.00</u>
7130 SEWER OPERATIONS AND CONS	
61-7130-121 SALARY AND WAGES-REGULAR	134,331.00
61-7130-129 OVERTIME-SALARIES	2,000.00
61-7130-180 FRINGE BENEFITS	66,969.00
61-7130-195 PROFESSIONAL SERVICES-ENGINEER	4,000.00
61-7130-212 UNIFORMS	1,800.00
61-7130-251 AUTOMOTIVE SUPPLIES	12,000.00
61-7130-299 DEPT MATERIALS AND SUPPLIES	11,000.00
61-7130-311 TRAVEL AND TRAINING EXPENSE	2,000.00
61-7130-321 TELEPHONE	500.00
61-7130-352 MAINT AND REPAIR-EQUIPMENT	2,000.00
61-7130-353 MAINT AND REPAIR-AUTOS AND TRU	3,000.00
61-7130-397 CONTRACTED SERVICES	80,000.00

TOWN OF FOREST CITY

FY 2017-2018

WATER & SEWER LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
61-7130-450 INSURANCE AND BONDS	6,000.00
61-7130-490 PERMITS	1,500.00
61-7130-491 DUES AND SUBSCRIPTIONS	500.00
61-7130-492 811 MEMBERSHIP AND FEES	600.00
61-7130-590 C O OTHER IMPROVEMENTS	50,000.00
61-7130-707 IT EQUIP-NON DEPRECIABLE	800.00
7130 SEWER OPERATIONS AND CONS	<u>379,000.00</u>
7131 WASTE TREATMENT PLANT	
61-7131-121 SALARIES AND WAGES-REGULAR	245,926.00
61-7131-129 OVERTIME-SALARIES	9,000.00
61-7131-180 FRINGE BENEFITS	105,597.00
61-7131-195 PROFESSIONAL SERVICES-ENGINEER	2,500.00
61-7131-212 UNIFORMS	2,500.00
61-7131-251 AUTOMOTIVE SUPPLIES	4,000.00
61-7131-299 DEPT MATERIALS AND SUPPLIES	90,000.00
61-7131-311 TRAVEL AND TRAINING EXPENSE	1,000.00
61-7131-321 TELEPHONE	2,500.00
61-7131-325 POSTAGE	700.00
61-7131-331 ELECTRIC UTILITIES	120,000.00
61-7131-332 UTILITIES-FUEL OIL	2,000.00
61-7131-333 UTILITIES-PROPANE GAS	1,000.00
61-7131-351 BLDGS AND GRDS-REPAIR AND MAIN	25,000.00
61-7131-352 EQUIPMENT SERVICE AND REPAIR	15,000.00
61-7131-353 VEHICLE SERVICE & REPAIR	1,500.00
61-7131-397 CONTRACTED SERVICES	118,150.00
61-7131-398 CONT SERV/SPECIAL EPA FEES/IND	2,000.00
61-7131-450 INSURANCE AND BONDS	30,000.00
61-7131-490 PERMITS	7,000.00
61-7131-491 DUES AND SUBSCRIPTIONS	1,500.00
61-7131-525 NON-DEPR C O EQUIP	5,000.00
61-7131-590 OTHER IMPROVEMENTS	260,200.00
61-7131-707 IT EQUIP-NON-DEPRECIABLE	3,250.00
7131 WASTE TREATMENT PLANT	<u>1,055,323.00</u>
7132 WWTP-RIVERSTONE	
61-7132-121 SALARIES	39,608.00
61-7132-129 OVERTIME-SALARIES	2,000.00
61-7132-180 FRINGE BENEFITS	19,072.00

TOWN OF FOREST CITY

FY 2017-2018

WATER & SEWER LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
61-7132-212 UNIFORMS	500.00
61-7132-251 AUTOMOTIVE SUPPLIES	1,000.00
61-7132-299 DEPT MATERIALS AND SUPPLIES	10,000.00
61-7132-311 TRAVEL AND TRAINING	600.00
61-7132-321 TELEPHONE	1,500.00
61-7132-331 ELECTRIC UTILITIES	15,000.00
61-7132-332 UTILITIES - FUEL OIL	1,000.00
61-7132-351 BLDGS AND GRDS-REPAIR AND MAIN	3,000.00
61-7132-352 EQUIPMENT SERVICE AND REPAIR	10,000.00
61-7132-353 VEHICLE SERVICE AND REPAIR	500.00
61-7132-397 CONTRACTED SERVICES	15,250.00
61-7132-398 CONT SERV/SPEC EPA FEE/IND	10,000.00
61-7132-450 INSURANCE AND BONDS	2,100.00
61-7132-490 PERMITS	1,000.00
61-7132-491 DUES AND SUBSCRIPTIONS	100.00
61-7132-525 NON-DEPR C O EQUIP	2,500.00
61-7132-707 IT EQUIP-NON DEPRECIABLE	1,500.00
7132 WWTP-RIVERSTONE	<u>136,230.00</u>
 7135 PUMP MAINTENANCE/STORAGE	
61-7135-121 SALARIES AND WAGES-REGULAR	159,537.00
61-7135-129 OVERTIME-SALARIES	5,500.00
61-7135-180 FRINGE BENEFITS	65,984.00
61-7135-195 PROFESSIONAL SERVICES-ENGINEER	5,000.00
61-7135-212 UNIFORMS	1,500.00
61-7135-251 AUTOMOTIVE SUPPLIES	8,000.00
61-7135-299 DEPT MATERIALS AND SUPPLIES	15,000.00
61-7135-311 TRAVEL AND TRAINING EXPENSE	1,200.00
61-7135-321 TELEPHONE	3,000.00
61-7135-331 ELECTRIC UTILITIES	100,000.00
61-7135-332 DIESEL FOR GENERATORS	3,500.00
61-7135-333 NATURAL GAS UTILITIES	1,500.00
61-7135-351 BLDGS & GRDS-REPAIR & MAINT	8,000.00
61-7135-352 EQUIPMENT SERVICE AND REPAIR	50,000.00
61-7135-353 VEHICLE SERVICE AND REPAIR	5,000.00
61-7135-397 CONTRACTED SERVICES	150,000.00
61-7135-450 INSURANCE	13,000.00
61-7135-491 DUES AND SUBSCRIPTIONS	600.00

TOWN OF FOREST CITY

FY 2017-2018

WATER & SEWER LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
61-7135-590 C O OTHER IMPROVEMENTS	196,000.00
61-7135-707 IT EQUIP-NON-DEPRECIABLE	<u>1,900.00</u>
7135 PUMP MAINTENANCE/STORAGE	<u><u>794,221.00</u></u>
 7140 WATER METER SERVICES	
61-7140-121 SALARIES AND WAGES-REGULAR	53,034.00
61-7140-129 OVERTIME-SALARIES	1,500.00
61-7140-180 FRINGE BENEFITS	25,984.00
61-7140-212 UNIFORMS	1,700.00
61-7140-251 AUTOMOTIVE SUPPLIES	3,500.00
61-7140-299 DEPT MATERIALS AND SUPPLIES	1,500.00
61-7140-311 TRAVEL AND TRAINING	500.00
61-7140-321 TELEPHONE	1,400.00
61-7140-352 EQUIPMENT SERVICE & REPAIR	3,000.00
61-7140-353 VEHICLE SERVICE & REPAIR	2,000.00
61-7140-397 CONTRACTED SERVICES	500.00
61-7140-450 INSURANCE AND BONDS	2,400.00
61-7140-491 DUES AND SUBSCRIPTIONS	550.00
61-7140-525 NON-DEPRECIABLE CO EQUIP	1,000.00
61-7140-707 IT EQUIP-NON-DEPRECIABLE	<u>550.00</u>
7140 WATER METER SERVICES	<u><u>99,118.00</u></u>
 7145 DEBT PAYMENTS	
61-7145-801 LOAN PRINCIPAL-CBD DENR	<u>24,203.00</u>
7145 DEBT PAYMENTS	<u><u>24,203.00</u></u>
 9800 TRANSFERS TO OTHER FUNDS	
61-9800-982 TRANSFERS TO PARKS AND REC FUN	<u>3,488,781.00</u>
9800 TRANSFERS TO OTHER FUNDS	<u><u>3,488,781.00</u></u>
 9910 CONTINGENCY	
61-9910-992 CONTINGENCY-COST OF LIVING ADJ	24,546.00
61-9910-993 CONTINGENCY 401K	<u>8,060.00</u>
9910 CONTINGENCY	<u><u>32,606.00</u></u>
 61 WATER AND SEWER	<u><u>8,243,358.00</u></u>
	<u><u><u>8,243,358.00</u></u></u>

TOWN OF FOREST CITY

FY 2017-2018

ELECTRIC FUND LINE ITEM REVENUE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
63 ELECTRIC FUND	
63-3722-510 ELECTRIC UTILITY CHARGES	12,000,000.00
63-3722-513 RENEWABLE ENERGY RIDER	45,000.00
63-3722-516 BOSTIC ELEC WORK	20,000.00
63-3722-520 TAPS AND CONNECTION FEES	1,500.00
63-3722-531 TRANSFER FEES	5,000.00
63-3722-581 PENALTY FOR LATE PAYMENT	150,000.00
63-3722-583 DELINQUENT ADMIN FEE	95,000.00
63-3831-498 INTEREST EARNED ON INVESTMENTS	7,000.00
63-3834-860 POLE RENTALS	13,280.00
63-3991-995 FUND BALANCE APPROPRIATED	2,753,845.00
63 ELECTRIC FUND	<u>15,090,625.00</u>
	<u>15,090,625.00</u>

FY 2017-2018

TOWN OF FOREST CITY
ELECTRIC FUND EXPENDITURE BUDGET SUMMARY

	<u>AMENDED BUDGET</u>
6801 DEBT SERVICE	<u>34,949.00</u>
7210 ADMINISTRATION AND BILLIN	<u>678,240.00</u>
7220 ELECTRIC OPERATIONS AND C	<u>8,998,808.00</u>
7240 ELECTRIC METER SERVICES	<u>110,368.00</u>
9800 TRANSFERS TO OTHER FUNDS	<u>5,256,749.00</u>
9910 CONTINGENCY	<u>11,511.00</u>
63 ELECTRIC FUND	<u>15,090,625.00</u>
	<u>15,090,625.00</u>

TOWN OF FOREST CITY

FY 2017-2018

ELECTRIC FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
63 ELECTRIC FUND	
6801 DEBT SERVICE	
63-6801-801 DEBT PAYMENTS	34,949.00
6801 DEBT SERVICE	<u>34,949.00</u>
7210 ADMINISTRATION AND BILLIN	
63-7210-121 SALARIES AND WAGES-REGULAR	122,538.00
63-7210-129 OVERTIME-SALARIES	3,000.00
63-7210-180 FRINGE BENEFITS	51,091.00
63-7210-295 BANK CREDIT CARD SERV CHARGES	87,000.00
63-7210-299 MATERIALS AND SUPPLIES	8,500.00
63-7210-311 TRAVEL & TRAINING EXPENSE	1,000.00
63-7210-321 TELEPHONE	300.00
63-7210-325 POSTAGE	9,000.00
63-7210-350 BAD DEBTS	200,000.00
63-7210-351 BUILDING AND GRDS REPAIRS AND	5,000.00
63-7210-352 MAINT TO EQUIPMENT	1,000.00
63-7210-397 CONTRACTED SERVICES	10,250.00
63-7210-450 INSURANCE AND BONDS	1,000.00
63-7210-525 NON DEPRECIABLE EQUIPMENT	4,000.00
63-7210-707 IT EQUIPMENT-NON DEPRECIABLE	2,300.00
63-7210-999 GENERAL FD ADMIN REIMBURSEMENT	172,261.00
7210 ADMINISTRATION AND BILLIN	<u>678,240.00</u>
7220 ELECTRIC OPERATIONS AND C	
63-7220-121 SALARIES AND WAGES-REGULAR	278,534.00
63-7220-129 OVERTIME-SALARIES	45,000.00
63-7220-180 FRINGE BENEFITS	123,281.00
63-7220-195 PROFESSIONAL SERVICES	20,000.00
63-7220-212 UNIFORMS	7,000.00
63-7220-251 AUTOMOTIVE SUPPLIES	18,000.00
63-7220-270 PURCHASES FOR RESALE	7,100,000.00
63-7220-299 DEPT SUPPLIES AND MATERIALS	150,000.00
63-7220-311 TRAVEL AND TRAINING EXPENSE	8,269.00
63-7220-321 TELEPHONE	4,000.00
63-7220-331 ELECTRIC UTILITIES	19,000.00
63-7220-332 DIESEL FOR GENERATORS	160,000.00
63-7220-352 EQUIPMENT SERVICE AND REPAIRS	130,000.00
63-7220-353 VEHICLE SERVICE AND REPAIRS	8,000.00
63-7220-397 CONTRACTED SERVICES	291,000.00

TOWN OF FOREST CITY

FY 2017-2018

ELECTRIC FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
63-7220-438 CHRISTMAS DECORATIONS	80,000.00
63-7220-439 RENTAL OF EQUIPMENT	2,000.00
63-7220-450 INSURANCE AND BONDS	20,000.00
63-7220-490 PERMITS	1,000.00
63-7220-491 DUES AND SUBSCRIPTIONS	800.00
63-7220-492 811 MEMBERSHIP AND FEES	700.00
63-7220-525 NON-DEPR C O EQUIP	30,000.00
63-7220-550 C O EQUIPMENT	225,000.00
63-7220-590 C O OTHER IMPROVEMENTS	262,024.00
63-7220-707 IT EQUIP-NON DEPRECIABLE	15,200.00
7220 ELECTRIC OPERATIONS AND C	<u>8,998,808.00</u>
 7240 ELECTRIC METER SERVICES	
63-7240-121 SALARIES AND WAGES-REGULAR	53,034.00
63-7240-129 OVERTIME-SALARIES	1,500.00
63-7240-180 FRINGE BENEFITS	25,984.00
63-7240-212 UNIFORMS	1,700.00
63-7240-251 AUTOMOTIVE SUPPLIES	3,500.00
63-7240-299 DEPT MATERIALS AND SUPPLIES	8,000.00
63-7240-311 TRAVEL AND TRAINING	2,000.00
63-7240-321 TELEPHONE	1,400.00
63-7240-352 EQUIPMENT SERVICE AND REPAIR	3,000.00
63-7240-353 VEHICLE SERVICE & REPAIR	2,000.00
63-7240-397 CONTRACTED SERVICES	4,000.00
63-7240-450 INSURANCE AND BONDS	2,500.00
63-7240-491 DUES AND SUBSCRIPTIONS	200.00
63-7240-525 NON-DEPR C O EQUIP	1,000.00
63-7240-707 IT EQUIP-NON-DEPRECIABLE	550.00
7240 ELECTRIC METER SERVICES	<u>110,368.00</u>
 9800 TRANSFERS TO OTHER FUNDS	
63-9800-981 TRANSFERS TO GENERAL FUND	3,064,235.00
63-9800-982 TRANSFERS TO PARKS & RECREATIO	2,167,514.00
63-9800-986 TRANSFERS TO FLORENCE MILL PRO	25,000.00
9800 TRANSFERS TO OTHER FUNDS	<u>5,256,749.00</u>
 9910 CONTINGENCY	
63-9910-992 CONTINGENCY-COST OF LIVING ADJ	9,171.00
63-9910-993 CONTINGENCY 401K	2,340.00
9910 CONTINGENCY	<u>11,511.00</u>

TOWN OF FOREST CITY

FY 2017-2018

ELECTRIC FUND LINE ITEM EXPENDITURE BUDGET

<u>ACCOUNT NUMBER/DESCRIPTION</u>	<u>AMENDED BUDGET</u>
63 ELECTRIC FUND	15,090,625.00
	<u>15,090,625.00</u>