



# TOWN OF WILKESBORO

*"Where the Mountains Begin"*

P.O. Box 1056 • 203 West Main Street  
Wilkesboro, North Carolina 28697  
[www.wilkesboronorthcarolina.com](http://www.wilkesboronorthcarolina.com)

Phone (336) 838 – 3951 • Fax (336) 838 - 7616

## BUDGET MESSAGE

May 5, 2008

To the Town of Wilkesboro Mayor, Council and Citizens:

I am pleased to present the recommended budget for the fiscal year 2008-2009. The budget was prepared in accordance with NCGS 159.7, The North Carolina Local Government Budget and Fiscal Control Act. All funds within the proposed budget for the General and Utility Funds are balanced and all revenues and expenditures are identified for fiscal year 2008-2009.

The recommended budget for fiscal year 2008-2009 totals \$9,092,751 for all Town operations, capital improvements and debt service. This represents a 1.3% increase over the current year budget. That increase can be attributed to rising inflation particularly in fuel and utility pipe costs.

In the proposed General Fund budget, I recommend a tax rate of forty cents (.40) per \$100 of valuation, which is the same rate as in the current years budget. A property owner who has real property of \$150,000 will receive a tax bill of \$600. The ad valorem taxes will yield \$2,446,750 based on property tax collection rate of 97.96%. I would caution Council to not lower the tax rate because of the need to increase fund balance as a percentage of the overall General Fund budget. Our current unreserved fund balance represents 29.5% of total General Fund expenditures.

In the Utility Fund I have proposed a 7.5% rate increase to all rate classes to balance the proposed budget. This rate increase is based on a detailed rate study commissioned by Council to help determine revenue requirements based on anticipated capital spending projects.

Water and sewer fees and charges will generate \$4,187,858 or 46% of the total budget. The proposed budget and rate increase will help the Town grow its Utility Fund cash balance. In the previously mentioned rate study we set a goal of reaching and then maintaining a cash balance \$1,000,000. These excess funds would be available for emergency situations or unforeseen projects. Residential customers using an average of 6000 gallons a month will receive a combined water and sewer bill of \$18.42 for one months usage which is a \$1.29 increase. Water rates, sewer rates and charges for all out of Town customers excluding the Water Associations will have a multiplier of 2.0 added to the bill.

## OTHER REVENUES

**Local Option Sales Tax:** Retail sales in North Carolina have stayed steady this last year. However, with the continuing uncertainty of the economy a no growth estimate should be budgeted for fiscal year 2008-2009. The Town receives four (4) sales tax allocations:

MIKE INSCORE  
Mayor

KENNETH D NOLAND  
Town Manager  
[info@wilkesboronorthcarolina.com](mailto:info@wilkesboronorthcarolina.com)

JOSEPHINE CASS  
Town Clerk /  
Finance Officer

JAMES S HARTLEY  
JIMMY HAYES  
GARY JOHNSON  
Councilman

SAM STROUD  
Councilman /  
Mayor Pro Tem

(1) Article 39 one-cent tax, which is the original local government sales and use tax dating from 1971, (2) Article 40 (1983 one-half cent) tax, and (3) Article 42 (1986 one-half cent) tax. A 4<sup>th</sup> one-cent tax was put in place to replace local reimbursements. The Town's sales tax revenues are distributed on a per capita basis. It is estimated that the Town will receive \$780,000 in fiscal year 2008-2009. We will also receive approximately \$15,000 in hold harmless revenue.

**Other Taxes and Licenses:** A business is liable for a privilege license tax as a revenue measure, not as an attempt to regulate activity. Under N.C.G.S. 160A-211, a town is free to levy privilege license taxes, except as specifically restricted or prohibited by law. Estimated receipts for issuance of these licenses in fiscal year 2007-2008 are \$18,000.

**Unrestricted Intergovernmental:** Utility Franchise Tax - each town's share of the utility franchise tax is based on the actual receipts from electric, telephone, and natural gas service within the municipal boundaries during fiscal year 2008-2009. The utility franchise tax is estimated to yield \$415,000.

**Restricted Intergovernmental:** Powell Bill Allocation - These funds, unlike other State-shared taxes, are limited in their use. N.C.G.S. 136-413 directs that the money be spent "only for the purpose of maintaining, repairing, constructing, reconstructing, or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of a municipality or for meeting the municipality's proportionate share of assessment levied for such purposes." Three-quarters of the proceeds are distributed on a per capita basis, while the remaining quarter is distributed on the basis of the number of miles of non-state streets in the town. Estimated receipts from the Powell Bill Allocation in fiscal year 2008-2009 are \$132,000.

**Fund Balance:** The proposed budget includes a general fund balance appropriation of \$260,343 in order to get a balanced budget as required by statute. If spent this will leave the Town approximately \$1,276,440 or 27% of the proposed General Fund budget in unappropriated fund balance. The Local Government Commission recommends that municipalities maintain at least 8% in fund balance reserves.

## EXPENDITURES BY CATEGORY

**Personnel:** This category of expenditures accounts for \$4,320,441 or 47.5% of the total budget. These expenditures include salaries and wages, FICA, retirement, group insurance, merit pay, and other miscellaneous benefits for 73 full-time employees, 7 part-time employees, and 5 elected officials. This includes one new position in utility meter reading.

The budget contains \$900,000 for group health and dental insurance for 73 employees, 4 elected officials, and 4 retirees. As Health Insurance costs continues to rise faster than general inflation the Town will have to look at charging for dependent coverage as well as reducing benefit levels

The budget contains provisions to allow for a cost of living raise of 2.5% in July. There is also a provision of up to a 2.5% merit increase based on performance evaluations throughout the year.

Approximately \$45,000 has been budgeted for training/travel this year. This funding will be used to improve job skills, gain knowledge of the latest equipment and technology, and to remain up to date on a variety of issues that impact the Town. Internal training will focus on safety and the use of technology.

**Operating Expenditures:** This category of expenditures accounts for 44.7 percent or \$4,064,210 of the total budget. These expenditures include costs other than personnel and capital outlay that are required for the operations of the Town. Debt service requirements, inflationary trends, increased service demands, and enforcement of government regulations directly affect operational expenditures.

**Capital Outlay:** This category of expenditures accounts for 7.8 percent or \$708,100 of the total budget. These expenditures are for the purchase of machinery, equipment, and other items that are too permanent in nature to be considered expendable at the time of purchase and have a value greater than \$5000. Some of the items included in the General Fund: One vehicle for Town Hall, computer software

package, Town Hall improvements and Park Facility improvements. In the Utility Fund items include: 2-commercial mowers, one ton truck, new generator and various equipment for Water/Sewer Construction.

**BALANCED BUDGET**

The fiscal year 2008-2009 budget summary of revenues and expenditures for all funds is:

<b>FUND</b>	<b>REVENUES</b>	<b>EXPENDITURES</b>
General	\$4,771,893	\$4,771,893
Water & Sewer	<u>4,380,858</u>	<u>4,380,858</u>
<b>TOTAL</b>	<b>\$ 9,092,751</b>	<b>\$ 9,092,751</b>

**CONCLUSION**

As we continue planning for our future this is an exciting time for Wilkesboro. We continue to be financially strong, we are an affordable community to live in, and we provide a high quality of life to our citizenry. As we look to the future, our desire is to provide a safe, healthy, and prosperous community in which to live.

This budget is proposed by the Town Manager. At this time, it is neither final nor is it necessarily a reflection of what will be approved by the Town Council. The Town Council will undertake a thorough study of this proposal to arrive at what it considers the proper program of revenues and expenditures for the Town government for the coming year.

Respectfully submitted,

*Kenneth D. Holand*

Town Manager

**REVENUES**

**FUND 10 GENERAL FUND**

DESCRIPTION	ACTUAL BUDGET 2004-2005	ACTUAL BUDGET 2005-2006	ACTUAL BUDGET 2006-2007	ORIGINAL BUDGET 2007-2008	CURRENT BUDGET 2007-2008	MANAGER'S RECOMMENDED 2008-2009	BOARD APPROVED 2008-2009
AD VALOREM TAXES	\$ 1,946,000	\$ 1,854,250	\$ 2,320,964	\$ 2,541,158	\$ 2,541,158	\$ 2,611,750	\$ 2,611,750
LOCAL OPTION SALES TAXES	630,000	760,000	765,000	780,000	780,000	780,000	780,000
OTHER TAXES AND LICENSES	14,000	15,000	15,000	15,000	15,000	18,000	18,000
UNRESTRICTED INTERGOVERNMENTAL	489,000	479,000	469,000	474,000	474,000	535,500	535,500
RESTRICTED INTERGOVERNMENTAL	254,000	877,194	253,500	283,800	283,800	296,500	296,500
PERMITS AND FEES	37,300	37,300	40,000	40,000	40,000	10,000	10,000
SALES AND SERVICES	47,490	46,890	41,900	44,900	44,900	43,000	43,000
INVESTMENT EARNINGS	10,000	10,000	25,000	25,000	25,000	10,000	10,000
MISCELLANEOUS	62,800	103,300	72,800	90,000	210,309	62,800	62,800
OTHER FINANCING SOURCES	75,000	312,000	90,000	95,000	95,000	95,000	95,000
FUND BALANCE	320,137	330,741	192,994	193,470	193,470	249,343	249,343
<b>TOTAL</b>	<b>\$ 3,885,727</b>	<b>\$ 4,825,675</b>	<b>\$ 4,286,158</b>	<b>\$ 4,582,328</b>	<b>\$ 4,702,637</b>	<b>\$ 4,711,893</b>	<b>\$ 4,711,893</b>

**EXPENSES**

**FUND 10 GENERAL FUND**

DEPARTMENT NAME	DEPT. NUMBER	ACTUAL BUDGET 2004-2005	ACTUAL BUDGET 2005-2006	ACTUAL BUDGET 2006-2007	ORIGINAL BUDGET 2007-2008	CURRENT BUDGET 2007-2008	MANAGER'S RECOMMENDED 2008-2009	BOARD APPROVED 2008-2009
GOVERNING BODY	4110	347,550	271,900	291,400	331,500	331,500	352,500	352,500
ADMINISTRATION	4200	666,150	456,250	502,725	513,450	549,450	488,100	488,100
GENERAL FUND INSURANCES	4205		595,700	658,450	703,000	703,000	666,000	666,000
PUBLIC BUILDINGS	4210	208,400	193,050	261,225	291,870	291,870	343,500	343,500
POLICE DEPARTMENT	5100	1,144,491	1,030,955	1,071,454	1,121,100	1,202,409	1,137,800	1,137,800
POLICE DEPARTMENT - INTERDICTION GRANT	5120	42,829	-	-	-	-	-	-
FIRE DEPARTMENT	5300	293,684	280,276	215,632	235,663	235,663	263,573	263,573
PLANNING AND INSPECTION DEPARTMENT-INSPECTION DIVISION	5400	129,800	135,300	141,400	172,072	172,072	182,820	182,820
PUBLIC WORKS DEPARTMENT-STREET DIVISION	5600	428,200	473,855	520,300	535,900	538,500	582,425	582,425
PUBLIC WORKS-SANITATION AND RECYCLING DIVISION	5800	202,400	185,839	219,600	245,000	245,000	238,670	238,670
PARKS AND RECREATION DEPARTMENT	6200	233,920	176,125	216,300	216,300	216,300	216,300	216,300
PARKS AND RECREATION DEPARTMENT	6200	233,920	176,125	187,500	216,300	216,300	260,700	260,700
DEBT SERVICE	8000	188,303	176,731	216,472	216,473	216,473	195,805	195,805
<b>TOTAL</b>		<b>\$ 3,885,727</b>	<b>\$ 3,975,981</b>	<b>\$ 4,286,158</b>	<b>\$ 4,582,328</b>	<b>\$ 4,702,237</b>	<b>\$ 4,711,893</b>	<b>\$ 4,711,893</b>

**REVENUES**

**FUND 30 WATER AND SEWER FUND**

DESCRIPTION	ACTUAL BUDGET 2004-2005	ACTUAL BUDGET 2005-2006	ACTUAL BUDGET 2006-2007	ORIGINAL BUDGET 2007-2008	CURRENT BUDGET 2007-2008	MANAGER'S RECOMMENDED 2008-2009	BOARD APPROVED 2008-2009
INVESTMENT EARNINGS	\$ 10,000	15,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 10,000	\$ 10,000
MISCELLANEOUS	45,000	30,000	40,000	40,000	49,000	40,000	40,000
APPALACHAIN REG COMM GRANT	-	-	-	-	-	-	-
RURAL CENTER GRANT	40,000	-	-	-	-	-	-
OWNER CONTRIBUTION	-	-	-	-	-	-	-
WATER CHARGES	1,500,000	1,450,000	1,588,850	1,725,000	1,725,000	1,950,000	1,950,000
SEWER CHARGES	1,800,000	1,790,000	1,924,250	2,450,000	2,450,000	2,237,858	2,237,858
WATER ASSOCIATION DEBT PAYMENT	60,000	60,000	60,000	60,000	60,000	60,000	60,000
ELECTRIC REIMBURSEMENT (MC)	-	-	8,000	8,000	8,000	8,000	8,000
SEWER - SURCHARGE	10,000	15,000	15,000	15,000	15,000	15,000	15,000
WATER/SEWER TAPS	25,000	25,000	25,000	15,000	15,000	20,000	20,000
RECONNECTION FEE	-	-	-	-	-	-	-
WASTEWATER BULK DISPOSAL	20,000	25,000	15,000	15,000	15,000	15,000	15,000
FUND BALANCE	11,268	336,868	30,035	29,903	29,903	-	-
DOT RELOCATION	-	-	-	-	-	-	-
421 SEWER TAP	50,000	60,000	40,000	40,000	40,000	25,000	25,000
ARMY CORPS	219,000	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 3,790,268</b>	<b>\$ 3,806,868</b>	<b>\$ 3,771,135</b>	<b>\$ 4,422,903</b>	<b>\$ 4,431,903</b>	<b>\$ 4,380,858</b>	<b>\$ 4,380,858</b>

Revenues are based on a 7.5 % increase to all account classes

**EXPENSES**

**FUND 30 WATER AND SEWER FUND**

**ENVIRONMENTAL PROTECTION**

DEPARTMENT NAME	DEPT. NUMBER	ACTUAL BUDGET 2004-2005		ACTUAL BUDGET 2005-2006		ACTUAL BUDGET 2006-2007		ORIGINAL BUDGET 2007-2008		CURRENT BUDGET 2007-2008		MANAGER'S RECOMMENDED 2008-2009		BOARD APPROVED 2008-2009	
UTILITY FUND ADMINISTRATION	4200	\$ -	\$ 81,400	\$ 82,600	\$ 128,700	\$ 128,700	\$ 128,700	\$ 128,700	\$ 128,700	\$ 128,700	\$ 128,700	\$ 157,000	\$ 157,000	\$ 157,000	\$ 157,000
UTILITY FUND INSURANCES			\$ 257,000	\$ 297,800	\$ 314,500	\$ 314,500	\$ 314,500	\$ 314,500	\$ 314,500	\$ 409,500	\$ 409,500	\$ 480,000	\$ 480,000	\$ 480,000	\$ 480,000
SPECIAL APPROPRIATIONS	6900	\$ 75,000	132,000	\$ 90,000	\$ 95,000	\$ 95,000	-	-	-	-	-	95,000	95,000	95,000	95,000
WATER TREATMENT PLANT METER READING DIVISION	8010	99,229	89,950	\$ 80,600	\$ 89,300	\$ 89,300	\$ 89,300	\$ 89,300	\$ 89,300	\$ 89,300	\$ 89,300	\$ 116,900	\$ 116,900	\$ 116,900	\$ 116,900
WATER TREATMENT PLANT	8100	1,207,000	855,300	\$ 812,176	\$ 1,076,993	\$ 1,076,993	\$ 1,076,993	\$ 1,076,993	\$ 1,076,993	\$ 1,076,993	\$ 1,076,993	\$ 883,500	\$ 883,500	\$ 883,500	\$ 883,500
WASTEWATER TREATMENT PLANT	8220	1,069,283	1,016,220	\$ 975,404	\$ 1,041,376	\$ 1,041,376	\$ 1,041,376	\$ 1,041,376	\$ 1,041,376	\$ 1,041,376	\$ 1,041,376	\$ 1,097,248	\$ 1,097,248	\$ 1,097,248	\$ 1,097,248
WATER AND SEWER CONSTRUCTION	8310	974,850	963,840	\$ 1,010,500	\$ 1,254,980	\$ 1,254,980	\$ 1,254,980	\$ 1,254,980	\$ 1,254,980	\$ 1,263,980	\$ 1,263,980	\$ 1,138,700	\$ 1,138,700	\$ 1,138,700	\$ 1,138,700
DEBT SERVICE	8000	364,906	411,158	\$ 422,055	\$ 422,054	\$ 422,054	\$ 422,054	\$ 422,054	\$ 422,054	\$ 422,054	\$ 422,054	\$ 412,510	\$ 412,510	\$ 412,510	\$ 412,510
<b>TOTAL</b>		<b>\$ 3,790,268</b>	<b>\$ 3,806,868</b>	<b>\$ 3,771,135</b>	<b>\$ 4,422,903</b>	<b>\$ 4,422,903</b>	<b>\$ 4,431,903</b>	<b>\$ 4,431,903</b>	<b>\$ 4,431,903</b>	<b>\$ 4,431,903</b>	<b>\$ 4,431,903</b>	<b>\$ 4,380,858</b>	<b>\$ 4,380,858</b>	<b>\$ 4,380,858</b>	<b>\$ 4,380,858</b>

**NONPROFIT CONTRIBUTIONS 2008-2009**

<b>ACCOUNT NUMBER: 104200.9100</b>	<b>Current Year</b>	<b>Requested</b>	<b>Proposed</b>	<b>Approved</b>
EDC	20,000	30,000	25,000	20,000
OLD WILKES OPERATING	10,000	30,000	25,000	20,000
FIREWORKS	1,000	1,000	1,000	1,000
GREENWAY	4,500	5,000	4,500	4,500
ART GALLERY	1,000	1,000	1,000	1,000
ARTS COUNCIL	1,000	1,000	1,000	1,000
COMMUNITY IN SCHOOLS	250	250	250	250
DOWNTOWN MERCHANTS	500	--	500	500
CRIMESTOPPERS	500	500	500	500
TIFFANY'S PLACE	1,000	2,000	1,000	1,000
WILKES DEV. DAY SCHOOL	1,000	2,500	1,000	1,000
COMMUNITY COLLEGE CAPITAL	10,000	10,000	10,000	10,000
CHAMBER - VISION	--	5,000	1,000	1,000
<b>TOTALS</b>	<b>\$40,750</b>	<b>\$93,250</b>	<b>\$71,750</b>	<b>\$61,750</b>