



## Town of Archer Lodge

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Mayor:  
Mike Gordon

Town Council:  
Carlton Vinson  
Mayor Pro-Tem  
Jeff Barnes  
Clyde Castleberry  
Matt Mulhollem  
John Perry

### Budget Letter

June 14, 2010

To: Archer Lodge Town Council and Mayor

From: Matt Mulhollem, Budget Officer

Subject: 2010-2011 Fiscal Year Budget

The Town of Archer Lodge has been incorporated for seven months. During this time the Interim Town Council has put forth considerable effort in gathering information, seeking professional guidance, and making the best decisions we can with the information we have to benefit all citizens of our town. During our incorporation process we shared a vision of not attempting to recreate ourselves to mirror other towns, but to stay Archer Lodge. A core principle of the Incorporation Committee and this Interim Town Council has been to operate in as fiscally conservative a manner as possible. The proposed budget for the coming Fiscal Year has been prepared with these goals in mind. I am pleased to present the FY 2010-2011 Budget for your review and consideration.

As with any municipal budget, it is important to understand that this is a dynamic document, with underlying assumptions that may require adjustments throughout the year. Budget numbers are based upon figures provided by numerous sources. It goes without saying that changes in any of these figures can affect both revenues and expenditures positively or negatively.

The Town's assessed valuation is \$198,164,215.00 for real and personal property and \$4,768,580.00 for motor vehicles. Assuming a 95% collection rate and reflecting a tax rate of \$0.15 / \$100 valuation, this will yield ad valorem revenues of \$282,384.00 and \$6,795.00, respectively, for a total of \$289,179.00.

It is the goal of the Interim Town Council to get our four services in place in the upcoming fiscal year so that we may qualify for state-shared revenues from sales and use tax, utility franchise fees, video programming fees, beer and wine tax, and telecommunications fees. The four services that the Town has or will put into place are: planning and zoning, fire protection, police protection, and street lighting. Once these four services are in place, it is the understanding of the Council that the Town of Archer Lodge will begin to receive at least some of the state-shared funds due to the Town. These funds could substantially and positively affect the Town's revenue totals, but for the purpose of fiscal responsibility and because exact totals cannot be determined at this time, those funds are not represented in this budget.

Planning and zoning services are currently being contracted with the County. This contract expires at the end of 2010, but the Town may seek an extension if our planning board is not ready. Currently the Town is working with the N.C. Department of Community Assistance to develop a Land Use Plan and Vision Statement.

As a result of our incorporation, the Archer Lodge Fire District Tax will not be levied by the County of Johnston after June 30, 2010 within the corporate limits of Archer Lodge. In order to ensure that the ALFD continues to receive adequate funding, the Town is adding \$0.07 to its original \$0.08 ad valorem tax rate. At the same time, to ensure that the Town continues to receive fire protection, the Town has signed a service provider contract with the ALFD. Please note this does not represent a net tax increase to the citizens of Archer Lodge because, as noted above, the County will no longer bill the \$0.07 Fire District Tax within the corporate limits.

Once the Town begins to collect state shared sales tax revenues, these revenues will be significantly increased as a result of the increased ad valorem rate. At current values and assuming the current tax rate, this increase would be approximately \$40,000 for a complete fiscal year, representing significant and vital additional revenues in a budget such as ours.

Police protection will be contracted with the Johnston County Sheriff's Department. This service contract will be at zero cost to the citizens of Archer Lodge for Fiscal Year 2010-2011.

Street lighting is a qualified service that the town is discussing with Progress Energy. The town is evaluating a plan to lease a total of 17 street lights to be installed starting at the community center and running to the intersection of Buffalo and Covered Bridge Roads and continuing up Covered Bridge to the Fire Department. The estimated lease is \$241.00 per month or almost \$3,000 annually.

Other budget highlights are the establishment of a Town Hall and the search for a part time Town Clerk. The members of the Archer Lodge Community Center have voted to allow the Town to lease a portion of the community center building to be used as a Town Hall. Once the terms of the contract are agreed upon the Town has budgeted \$25,000 to up-fit what is now the bay area into office space. The Town is requesting resumes from qualified individuals to serve as a part time Town Clerk. Volunteers have served in this capacity to date.

The proposed budget for the coming Fiscal year is balanced between revenues and expenditures in accordance with North Carolina law. Almost 11% of expenditures are dedicated to reserves, representing a sum 3% greater than the amount recommended by the Local Government Commission. It is my pleasure to present this budget to the Council and I look forward to a productive year.

Respectfully Submitted,

Matt Mulhollem

Interim Town Councilman and Budget Officer

# TOWN OF ARCHER LODGE BUDGET ORDINANCE FISCAL YEAR 2010-2011

Be it ordained by the Council of the Town of Archer Lodge, North Carolina, meeting on this 24th day of June, 2010, that the fund revenues; departmental expenditures with certain restrictions and authorizations; rate schedules; positions classifications and salary schedules are hereby adopted.

## SECTION I. GENERAL FUND (FUND 10)

### A. Revenues Anticipated: \*

Property Tax (Real Estate & Personal)	\$	282,384.00
Property Tax (Motor Vehicles)	\$	6,795.00
Past Year Collections (based on 25% of 90K)	\$	22,500.00
Tax Collection Fee	\$	(7,161.00)
Appropriated Fund Balance	\$	27,501.00

**Total Revenues** **\$ 332,019.00**

\*assumes a 95% collection rate

### B. Expenditures Authorized by Department:

Fire Protection	\$	131,609.00
Police Protection	\$	0.00
Planning	\$	10,100.00
Street Lighting	\$	5,000.00
Administration	\$	149,580.00
Reserves <i>(includes 8% LGC minimum requirement)</i>	\$	35,730.00

**Total Expenses** **\$ 332,019.00**

## SECTION II. TAX RATE ESTABLISHED

An Ad Valorem Tax Rate in the amount of \$0.15 per \$100 at full evaluation is hereby established as the official tax rate for the Town of Archer Lodge during the fiscal year 2010-2011. The taxable valuation is approximately \$198,164,215 for real & personal property, \$4,768,580.00 for motor vehicles. All taxes will be collected by the Johnston County Tax Office for the 2010-2011 Fiscal Year.

## SECTION III. TAX LIABILITY DATES ESTABLISHED

The period of liability for taxes shall be determined to be begin July 1, 2010 and end June 30, 2011.

**SECTION IV. UTILIZATION OF BUDGET AND BUDGET ORDINANCE**

This Ordinance and Budget Document shall be the basis of the Financial Plan for the Town of Archer Lodge Municipal Government during the fiscal year 2010-2011. The Budget Officer shall administer the Budget and shall insure that the operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget. The Accounting Section shall establish records, which are in consonance with the Budget and this Ordinance and appropriate statutes of the State of North Carolina.

**SECTION V.** The mileage rate for employees traveling on official Town business and for training purposes will be the IRS reimbursement rate per mile.

**SECTION VI.** All laws and clauses in conflict with this Ordinance are hereby repealed.

**SECTION VII.** This Ordinance shall be effective July 1, 2010.

Duly Adopted this the 24th day of June, 2010.

\_\_\_\_\_ Mike Gordon, Mayor

ATTEST: \_\_\_\_\_ Susan Harrison, Acting Town Clerk