



Town of Archer Lodge

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Budget Letter

May 9, 2011

To: Archer Lodge Town Council and Mayor

From: Matt Mulhollem, Budget Officer

Subject: 2011-2012 Fiscal Year Budget

Nineteen months into our incorporation, the Town of Archer Lodge prepares for its second full fiscal year. The interim Town Council continues to perform its duty of building the foundation and basic structure of our Town. The Council keeps a focus on making choices that will bring the greatest overall value for the most reasonable cost at the forefront of discussions concerning upcoming expenses. The proposed budget for this year has been prepared with this goal in mind. I am pleased to present the FY 2011-2012 Budget for your review and consideration.

The Town's assessed valuation is \$223,135,848 for real and personal property and approximately \$22,500,000 for motor vehicles. Assuming a 97% collection rate and reflecting a tax rate of \$0.15 / \$100 valuation, this will yield ad valorem revenues of \$326,871 and \$31,977, respectively, for a total of \$358,848.

A significant portion of our revenue comes from sources other than our property tax receipts. State shared revenues from sales and use tax, utility franchise fees, video programming fees, beer and wine tax, and telecommunications fees make up 40% of our total projected revenue. The Town qualifies for these revenues by providing four State qualified services. Our four services are: planning and zoning, fire protection, police protection, and street lighting.

Planning and zoning services are still being contracted with the County. This contract has been extended through the end of the calendar year 2011 to give our Planning Board adequate time to develop our Town Ordinances and to become well-trained to properly handle their planning and zoning duties.

Fire protection continues to be provided by the Archer Lodge Fire Department under a service provider contract with the Town. The amount of \$166,754 within our budget is dedicated for the ALFD. This is equal to 7/15 of our total ad valorem tax revenues.

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 2011-2012. During the coming fiscal year we will be working closely with the Johnston County Sheriff's Department to determine our future needs.

The Town has been working with Progress Energy to provide street lighting. The Town will initially lease a total of 23 street lights to be installed along Buffalo Road between the Community Center and the newly purchased Town property, running to the intersection of Buffalo and Covered Bridge Roads and continuing up Covered Bridge to the Fire Department. The estimated lease is \$6,180 per year with a onetime pole charge of \$3,010 .

A budget highlight for the upcoming fiscal year will be the construction of a new Town Hall. The Town Council has been sensitive to planning a building that will provide the highest overall value to the town. While our initial plan was to lease space from the Community Center, the final purchase price of the 4.25 acre property, the depressed state of the construction industry, and what will likely be the lowest interest rates in decades provided the Council with an historic opportunity to build our own Town Hall years before we anticipated and at an incredible value to the citizens of Archer Lodge.

The proposed budget for the coming Fiscal year is balanced between revenues and expenditures in accordance with North Carolina law. Almost 17% of expenditures are dedicated to fund balance reserves. It is my pleasure to present this budget to the Council and I look forward to a productive year.

Respectively Submitted,

Matt Mulhollem
Interim Town Councilman and Budget Officer