

*Fiscal Year 2007-2008 Budget
Introduction*

This workbook is meant to be an intermediate step on the way to finalizing the budget for FY 07-08. At this point, the budget is not balanced and is not intended for adoption.

General Fund

According to staff projections, the overall General Fund will have revenues that exceed expenditures. The two main revenue sources, property taxes and sales taxes, are expected to increase in the range of 3%. The majority of other significant revenues are conservatively projected to remain flat for this fiscal year. There are a couple of items I would like to address in the meeting about the fee schedule at the end of this workbook.

On the expenditure side, health insurance premiums are projected to drop by about 6%. This will help keep overall personnel costs down. Salaries have been budgeted for a 2.0% cost-of-living increase and a maximum of a 3.0% merit increase. There will be an increase in Administration salaries since we are planning to budget 25% of the Public Works Director's salary in that department. Oil prices are still of great concern, but budgeted amounts have been kept at last year's levels for the moment. This is also the first year that we will fund our ten-year, \$500,000 agreement with the YMCA.

The drop in expenditures for the Administration department is due for the most part to the finalizing of grants that will not continue into this fiscal year.

Water/Sewer Fund

The Water/Sewer Fund is projected to practically break even. Revenue projections have been increased by just under 3% from the current year's budget. The additional revenue is projected to come from an increase in water rates of 3% and in sewer rates of 5%. I have enclosed some basic data about the rates we currently charge our water customers and the rates we are charged by the City of Shelby. I have also enclosed data about our current sewer rates and the monetary impact of an increase. You may note that we are projecting less revenue from new service connections. This revenue source is somewhat unpredictable. I am asking for you to consider some fee increases that may help bring in more revenue from connections.

Expenditures are being driven by debt service and continued spending on ongoing capital projects (radio-read meters, sewer line replacement, etc.). The City of Shelby is projected to increase our water rate by 5%. The Sewer Department budget includes an additional \$80,000 in debt service to cover Beaverdam Lift Station costs. Salaries have been budgeted with a 2.0% cost-of-living increase and a 3.0% merit increase.

You may note that we have separated Lattimore from the rest of the sewer department. We want to better track the expenditures going toward the maintenance of the system there. It would appear from the expenditures that we have placed in that department at the moment that we are making money off of that system, however, since we are just starting this process we do not have anything close to a true accounting yet of the time we spend on that system.

Annual Budget Ordinance FY 2007-2008

BE IT ORDAINED BY THE MAYOR AND BOARD OF COMMISSIONERS

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2007 and ending June 30, 2008 in accordance with the chart of accounts heretofore established for this municipality:

1-4120	Administration	\$ 453,260
1-4310	Police	\$ 453,509
1-4340	Fire Protection	\$ 66,780
1-4500	Streets	\$ 39,500
1-4510	Powell Bill	\$ 140,425
1-4710	Solid Waste	\$ 204,999
1-6120	Recreation	\$ 123,723
	Total	\$1,482,196

Section 2. It is estimated that the following revenue will be available in the General Fund for the fiscal year beginning July 1, 2007 and ending June 30, 2008:

Property Taxes	\$ 701,260
State Collected Taxes	\$ 347,785
Grants	\$ 33,000
Local Fees and Revenues	\$ 259,726
Powell Bill Revenues	\$ 140,425
Total	\$1,482,196

Section 3. The following amounts are hereby appropriated in the Water and Sewer Fund for the operation and administration of the Town-owned water and sewer systems for the fiscal year beginning July 1, 2007 and ending June 30, 2008 in accordance with the chart of accounts heretofore established for this municipality:

6-7110	Administration	\$ 181,990
6-7130	Water Operations	\$ 533,965
6-7140	Sewer Operations	\$ 528,439
6-7150	Lattimore Sewer	\$19,800
	Total	\$1,264,194

Section 4. It is estimated that the following revenue will be available in the Water and Sewer Fund for the fiscal year beginning July 1, 2007 and ending June 30, 2008:

Customer Charges	\$1,222,744
Other Revenues	\$ 41,450
Total	\$1,264,194

Section 5. There is hereby levied a tax at the rate of thirty cents (\$0.30) per one hundred dollars (\$100.00) valuation of property listed for taxes as of January 1, 2007 for the purpose of raising the revenue listed as "Current Year's Property Tax" in the General Fund in Section 2 of this ordinance. This tax rate is based on an estimated total valuation of property, for the purpose of taxation of \$ 236,000,000 and an estimated collection rate of 97% by June 30, 2008. The estimated rate of collection is based on collection rates at June 30, for the five (5) previous fiscal years.

Section 6. The Budget Officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- A. He/she may transfer amounts between line items within a department without limitation with a report being required at the next regular meeting of the Board of Commissioners.
- B. He/she may transfer amounts up to \$1,000 between departments of the same fund with an official report on any such transfers at the next regular meeting of the Board of Commissioners.
- C. He/she may not transfer any amounts between funds nor from any contingency appropriation within any fund.

Section 7. Copies of this budget ordinance shall be furnished to the Clerk to the Board, the Budget Officer and Finance Officer for direction in the carrying out of their duties.

Adopted this the 25th day of June 2007.

*Kim Greene**

Kim Greene Clerk

*Max Hamrick**

Max J. Hamrick Mayor

*Signatures on file in Town Clerk's Office

Projected Revenues

Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed	% Change
Property Taxes - Prior Years	\$ 19,184.19	\$ 16,500	\$ 14,700	\$ 15,000	-9.1%
Property Taxes - Current Year	\$ 675,718.70	\$ 662,400	\$ 663,000	\$ 686,760	3.7%
Property Tax Discounts	\$ (2,225.07)	\$ (2,200)	\$ (2,400)	\$ (2,500)	13.6%
Property Taxes - Penalties/Interest	\$ 4,943.48	\$ 2,000	\$ 2,800	\$ 2,000	0.0%
Local Option Sales and Use Taxes	\$ 232,655.99	\$ 226,000	\$ 266,000	\$ 232,780	3.0%
Utilities Franchise Tax	\$ 118,594.51	\$ 112,200	\$ 129,000	\$ 115,005	2.5%
Cleveland County Recreation Grant	\$ 57,254.08	\$ 58,600	\$ 59,700	\$ 64,806	10.6%
Investment Income - General Fund	\$ 22,995.57	\$ 30,000	\$ 49,000	\$ 18,000	-40.0%
Solid Waste Charges	\$ 128,013.71	\$ 119,400	\$ 126,500	\$ 126,000	5.5%
Miscellaneous Revenue	\$ 16,301.50	\$ 12,000	\$ 24,000	\$ 12,620	5.2%
Cable TV Franchise Tax	\$ 21,044.00	\$ 26,000	\$ 26,000	\$ 26,500	1.9%
Court Costs, Fee and Charges	\$ 13,664.81	\$ 6,500	\$ 10,700	\$ 6,500	0.0%
Privilege Licenses	\$ 1,670.64	\$ 1,800	\$ 1,800	\$ 1,800	0.0%
Zoning Charges	\$ 3,295.00	\$ 3,500	\$ 4,000	\$ 3,500	0.0%
Investment Income - Powell Bill	\$ 17,180.05	\$ 8,000	\$ 18,500	\$ 8,000	0.0%
Powell Bill Allocation	\$ 130,085.45	\$ 129,906	\$ 127,500	\$ 132,425	1.9%
DOI Fire Grant	\$ 4,792.75	\$ 16,800	\$ 17,700	\$ -	
E-NC LEG-UP Grant	\$ 8,580.00	\$ -	\$ -	\$ -	
NCDOT Pedestrian Planning Grant		\$ 16,000	\$ 15,723	\$ -	
Governor's Highways Safety Grant	\$ 7,315.37	\$ 60,871	\$ 25,000	\$ 33,000	-45.8%
Reserve Appropriation		\$ 275,000	\$275,000	\$ -	
Total	\$1,481,064.75	\$1,781,277	\$ 1,854,223	\$ 1,482,196	-16.8%

Projected Expenditures

Department	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed	% Change
Administration	\$ 310,192.64	\$ 735,598	\$ 619,900	\$ 453,260	-38.4%
Police	\$ 364,632.00	\$ 456,829	\$ 400,900	\$ 453,509	-0.7%
Fire	\$ 64,828.94	\$ 111,580	\$ 103,080	\$ 66,780	-40.2%
Street Lighting	\$ 38,092.74	\$ 37,800	\$ 32,000	\$ 39,500	4.5%
Powell Bill	\$ 107,665.78	\$ 129,906	\$ 4,900	\$ 140,425	10.1%
Solid Waste	\$ 148,845.20	\$ 187,702	\$ 164,930	\$ 204,999	9.2%
Recreation	\$ 101,341.41	\$ 121,862	\$ 108,500	\$ 123,723	1.5%
Total	\$1,135,598.71	\$ 1,781,277	\$ 1,484,210	\$ 1,482,196	-16.8%

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed
Various	Property Taxes - Prior Years	\$ 19,184.19	\$ 16,500	\$ 14,700	\$ 15,000
1-3104-12	Property Taxes - Current Year	\$ 675,718.70	\$ 662,400	\$ 663,000	\$ 686,760
1-3100-19	Property Tax Discounts	\$ (2,225.07)	\$ (2,200)	\$ (2,400)	\$ (2,500)
1-3100-18	Property Taxes - Penalties/Interest	\$ 4,943.48	\$ 2,000	\$ 2,800	\$ 2,000
1-3232-33	Local Option Sales and Use Taxes	\$ 232,655.99	\$ 226,000	\$ 266,000	\$ 232,780
1-3324-31	Utilities Franchise Tax	\$ 118,594.51	\$ 112,200	\$ 129,000	\$ 115,005
1-3839-31	Cleveland County Recreation Grant	\$ 57,254.08	\$ 58,600	\$ 59,700	\$ 64,806
1-3831-40	Investment Income - General Fund	\$ 22,995.57	\$ 30,000	\$ 49,000	\$ 18,000
1-3839-87	Solid Waste Charges	\$ 128,013.71	\$ 119,400	\$ 126,500	\$ 126,000
1-3839-89	Miscellaneous Revenue	\$ 16,301.50	\$ 12,000	\$ 24,000	\$ 12,620
1-3261-00	Cable TV Franchise Tax	\$ 21,044.00	\$ 26,000	\$ 26,000	\$ 26,500
1-3839-86	Court Costs, Fee and Charges	\$ 13,664.81	\$ 6,500	\$ 10,700	\$ 6,500
1-3260-00	Privilege Licenses	\$ 1,670.64	\$ 1,800	\$ 1,800	\$ 1,800
1-3839-88	Zoning Charges	\$ 3,295.00	\$ 3,500	\$ 4,000	\$ 3,500
1-3831-41	Investment Income - Powell Bill	\$ 17,180.05	\$ 8,000	\$ 18,500	\$ 8,000
1-3316-33	Powell Bill Allocation	\$ 130,085.45	\$ 129,906	\$ 127,500	\$ 132,425
1-3839-34	DOI Fire Grant	\$ 4,792.75	\$ 16,800	\$ 17,700	\$ -
1-3839-36	E-NC LEG-UP Grant	\$ 8,580.00	\$ -	\$ -	\$ -
1-3451-33	NCDOT Pedestrian Planning Grant		\$ 16,000	\$ 15,723	\$ -
1-3839-34	Governor's Highway Safety Grant	\$ 7,315.37	\$ 60,871	\$ 25,000	\$ 33,000
1-3991-99	Reserve Appropriation		\$ 275,000	\$ 275,000	\$ -
	Total	\$1,481,064.73	\$1,781,277	\$ 1,854,223	\$1,482,196

Various Accounts

Property Taxes - Prior Years

This line item accounts for uncollected property taxes for prior years. Penalties and interest are included in account number 1-3100-18.

Budgeted Amount \$15,000

1-3104-12

Property Taxes - Current Year

The Town levies a tax rate of \$0.30 per \$100 valuation of real and personal property. For example, a property owner would owe \$300 on property with a value of \$100,000. The recommended revenue amount is based on a collection percentage of 97% of the property tax levy. According to this year's figures, one cent (\$.01) of tax levy will generate revenue of \$22,898.

	FY 06-07	FY 07-08
Real Property Valuation	187,000,000	195,000,000
Personal Property Valuation	40,630,000	6,100,000
Total Valuation	227,630,000	236,000,000
Tax Rate per \$ 100 Valuation	0.00300	0.00300
Property Tax Levy	682,890	708,000
Historical Collection % @ July 1	0.97	0.97
Estimated Tax Levy Collection @ July 1	662,400	686,760

Budgeted Amount \$686,760

**1-3100-19
Property Tax Discounts**

Discounts are available when payment is made prior to September 1 of each tax year.

Budgeted Amount \$(2,500)

**1-3100-18
Penalties/Interest - Property Taxes**

Penalties and interest are applicable each year for property taxes paid after January 5th.

Budgeted Amount \$2,000

**1-3232-33
Local Option Sales and Use Taxes**

Sales taxes have increasingly been used to make up for the inability of property taxes to adequately fund government services. The General Assembly has authorized counties to levy up to 2 ½% of sales taxes on top of the 4 ½% levied by the State of North Carolina. These taxes have come in the form of an initial 1% tax and three subsequent ½% taxes, the last one in 2002. These sales taxes are collected by the State and distributed to counties and municipalities according to various per capita and point of sale formulations. Counties are given the authority to choose the basis upon which the sales tax proceeds will be distributed among themselves and their municipalities. The two bases are per capita or ad valorem. Cleveland County uses the ad valorem basis and tax proceeds are thus divided between the County and municipalities in proportion to the total amount of ad valorem taxes levied by each.

Budgeted Amount \$232,780

1-3324-31

State Collected Local Taxes

These taxes are comprised of:

- A piped natural gas excise tax that is based on therm volumes received by end-users, with each municipality receiving one-half (1/2) of the amount of the new tax attributable to customers within that municipality's boundaries. This excise tax is not tied to the price of natural gas.
- A 3.22 percent franchise tax on the total gross receipts of all electricity providers. A municipality receives an amount equal to 3.09 percent of the total gross receipts of electricity service derived from the sale within that municipality.
- A 6 percent telecommunications sales tax on gross receipts of telephone companies. The amount distributed to an individual municipality depends on the amount it received under the repealed utility franchise tax on telephone companies.

Budgeted Amount \$115,005

1-3839-31

Cleveland County Recreation Grant

This grant is provided in two parts by the county and is restricted for specific purposes related to recreation.

- The first part of the grant began in 1992 and is based on a weighted per capita formula favoring the small municipalities. This grant amount has not changed since initial implementation and is distributed quarterly.
- The second part of the grant is provided through an interlocal agreement to provide a supervisory presence at the Broad River Greenway through the employment of a Park Ranger. This part of the grant basically covers the salary and benefits for this position and is distributed annually.

Budgeted Amount \$64,806

1-3831-40

Investment Income - General

This revenue is generated through the investment of general fund balance and idle funds received throughout the fiscal year. This item does not include investment income generated from investment of Powell Bill fund balance reserves or other funds set aside for a specific purpose by the Board. It does account for interest from checking and money market accounts.

Budgeted Amount \$18,000

1-3839-87

Solid Waste Charges

Solid waste charges help to cover a portion of salaries, debt service, and tipping fees needed for collection and disposal. Residents are charged a flat fee of \$7 for each can. Businesses are charged a \$10 minimum monthly charge or \$8.50 per cart per pick up if they choose to have more than one can and have them picked up more than once per week.

Budgeted Amount \$126,000

1-3839-89

Miscellaneous Revenue

Revenues considered in the category of miscellaneous are the payments made for lease of the old Beason Building at 109 South Main Street and fees for rental of the meeting space in Town Hall. Also included is a \$5,000 per year contribution from Gardner-Webb to assist in purchasing fire equipment. Gardner-Webb began contributing this amount in 2002 and will continue through 2008 (seven payments).

Budgeted Amount \$12,620

1-3261-00

Cable TV Franchise Tax

An annual 5 percent franchise tax is levied on the gross receipts of the local cable provider for revenues derived from the sale of services within the municipality. The franchise fee is being phased out in favor of a state-granted franchise that established a sales tax on cable services, however, the Town will continue to receive an equivalent amount of revenue from the sales tax.

Budgeted Amount \$26,500

1-3839-86

Court Costs, Fees, and Charges

These revenues are derived from reimbursements received from the County Clerk of Court for court costs and also include charges for civil citations related to parking, noise, etc.

Budgeted Amount \$6,500

1-3260-00

Privilege Licenses

Municipalities are authorized by statute to charge a fee to various businesses that operate inside its boundaries. The amount of tax varies depending on the type and scope of business.

Budgeted Amount \$1,800

1-3839-88

Zoning Charges

These are charged for zoning compliance permits, variance applications, rezoning applications, subdivision review, and other miscellaneous items related to land use regulation.

Budgeted Amount \$3,500

1-3831-41

Investment Income – Powell Bill

This revenue is generated by the investment of Powell Bill fund balance and idle funds received throughout the year.

Budgeted Amount \$8,000

1-3316-33

Powell Bill Allocation

The State of North Carolina allocates funds to municipalities for use in construction or maintenance of local streets and sidewalks. Municipalities receive funding on a per capita basis according to the latest state certified population estimate and on a per mile basis of local street mileage as certified by a qualified engineer or surveyor.

Budgeted Amount \$132,425

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed
1-4120-00	Salary and Wages	\$125,496.57	\$ 133,467	\$ 130,400	\$ 152,057
1-4120-09	FICA & Medicare	\$ 9,177.51	\$ 10,210	\$ 10,000	\$ 11,632
1-4120-11	Group Insurance	\$ 12,794.32	\$ 14,900	\$ 14,400	\$ 13,620
1-4120-10	Retirement	\$ 6,200.51	\$ 6,700	\$ 6,500	\$ 7,633
1-4120-07	401k	\$ 6,177.00	\$ 6,673	\$ 6,600	\$ 7,603
1-4120-02	Governing Body Salaries	\$ 3,800.00	\$ 8,400	\$ 8,400	\$ 8,400
1-4120-18	Professional Services	\$ 15,767.00	\$ 40,000	\$ 32,400	\$ 22,000
1-4120-30	Training	\$ 2,555.76	\$ 9,000	\$ 6,700	\$ 6,000
1-4120-32	Telephone	\$ 3,003.63	\$ 2,700	\$ 2,700	\$ 2,700
1-4120-34	Postage	\$ 809.08	\$ 2,000	\$ 1,500	\$ 2,000
1-4120-36	Gasoline		\$ 600	\$ 300	\$ 500
1-4120-33	Utilities	\$ 8,910.53	\$ 8,000	\$ 7,400	\$ 8,000
1-4120-37	Advertising	\$ 1,794.44	\$ 3,000	\$ 2,000	\$ 3,000
1-4120-45	Insurance and Bonds	\$ 47,520.00	\$ 50,000	\$ 50,000	\$ 50,000
1-4120-31	Travel	\$ 123.48	\$ 1,000	\$ 100	\$ 300
1-4120-24	Maintenance - Building and Grounds	\$ 4,112.64	\$ 12,000	\$ 4,800	\$ 5,000
1-4120-35	Maintenance - Equipment	\$ 1,238.26	\$ 1,400	\$ 1,400	\$ 1,400
1-4120-25	Maintenance - Vehicles	\$ 465.41	\$ 200	\$ 600	\$ 600
1-4120-26	Supplies and Materials	\$ 4,766.47	\$ 4,000	\$ 4,000	\$ 4,000
1-4120-43	Property Tax Collection	\$ 12,761.32	\$ 13,300	\$ 13,400	\$ 14,200
1-4120-44	Contracted Services	\$ 14,510.79	\$ 20,000	\$ 12,200	\$ 33,000
1-4120-39	Dues and Subscriptions	\$ 9,733.20	\$ 12,700	\$ 12,800	\$ 12,800
1-4120-46	Depreciation				
1-4120-49	Miscellaneous	\$ 7,114.29	\$ 11,000	\$ 10,300	\$ 22,000
1-4120-48	Contingency		\$ 8,000		\$ 20,000
1-4120-50	Capital Outlay	\$ 11,060.43	\$ 281,000	\$ 281,000	\$ 5,300
	Capital Reserve		\$ 75,348		\$ 37,380
	Total	\$310,192.64	\$ 735,598	\$ 619,900	\$ 453,260

1-4120-00

Salaries and Wages

The Cost-of-Living-Adjustment for this fiscal year is set at 2.0% as well as performance-based merit pay of up to 3%.

Position	Hire Date	FY 06-07 Wages	2.0% COLA	FY 07-08 Wages	Longevity Pay
Manager	1/17/05	\$ 55,427	\$ 1,109	\$ 56,536	\$ 200
Town Clerk	1/17/90	\$ 33,658	\$ 673	\$ 34,331	\$ 800
Finance Officer	7/26/04	\$ 43,144	\$ 863	\$ 44,007	\$ 200
PW Director (25%)	6/19/06	-	-	\$ 11,589	-
Totals		\$ 132,229	\$ 2,645	\$ 146,463	\$ 1,200

Budgeted Amount: \$152,057

**1-4120-09
FICA/Medicare**

The Federal Insurance Contributions Act requires taxes to support the federal Social Security and Medicare programs. The total taxes levied on salaries is 7.65%, of which 6.20% goes toward the old age, survivor, and disability (Social Security) portion of the tax and 1.45% toward the hospital insurance (Medicare) portion.

Budgeted Amount \$11,632

**1-4120-11
Group Insurance**

The Town provides health insurance for full-time employees. The coverage does not include dependents. This figure also includes a small premium for a life insurance policy.

Budgeted Amount \$14,755

**1-4120-10
Retirement**

The Town contributes to the Local Government Employees Retirement System (LGERS) for eligible employees. Employees must occupy a permanent position with the Town and work more than 1000 hours per year to be eligible for membership in the LGERS. The Town contributes 5.02% of an employee's salary toward this benefit.

Budgeted Amount \$7,633

**1-4120-07
401(K) Contributions**

The Town contributes 5% of an employee's salary to a 401(K) retirement account. This is not a matching amount and the Town does not require an employee to contribute to such an account.

Budgeted Amount \$7,603

**1-4120-02
Governing Body**

The Town Board is comprised of six (6) members and each receives a stipend for meetings and other duties required throughout the year.

Budgeted Amount \$8,400

1-4120-18

Professional Services

Professional services are those that generally require a licensed professional. The following professional services are included this fiscal year:

- Town Attorney (monthly retainer of \$500)
- Auditor (annual audit share of \$7500)
- Employee Assistance Program (\$600)

Budgeted Amount \$22,000

1-4120-30

Training

This line item covers the cost of continuing education and training for the Town Manager, Finance Director, and Town Clerk. This amount also includes allowances for meals and travel to and from events.

Budgeted Amount \$6,000

1-4120-32

Telephone

This line item covers the cost of providing telephone service to Town Hall and mobile phone service to Town Hall administrative staff. Internet service is also charged to this line item.

Budgeted Amount \$2,700

1-4120-34

Postage

This line item covers the costs of postage for all general fund departments. The lease for the postage meter is also included here.

Budgeted Amount \$2,000

**1-4120-36
Gasoline**

This line item covers the cost of gasoline for the Crown Victoria transferred from the Police Department to Administration.

Budgeted Amount \$500

**1-4120-33
Utilities**

This line item covers the cost of providing electric and natural gas service to Town Hall.

Budgeted Amount \$8,000

**1-4120-37
Advertising**

This line item covers the cost of advertising for all general fund departments including public hearings, job advertisements, and the like.

Budgeted Amount \$3,000

**1-4120-45
Insurance and Bonds**

This line item covers the cost of insurance and bonds for general fund employees and equipment. Automobile, Worker's Compensation, property, and general liability insurance are all covered here. Also included are additional Law Enforcement and D & O liability insurance.

Budgeted Amount \$50,000

**1-4120-31
Travel**

This item covers the cost of travel using personal vehicles to and from necessary meetings by Town staff or officials. The recommended mileage rate is \$0.445 per mile.

Budgeted Amount \$300

1-4120-24

Maintenance – Buildings and Grounds

This line item covers the costs of scheduled and general maintenance for Town Hall. Scheduled maintenance includes annual fire extinguisher service and annual HVAC maintenance. Also included here is the cost of upkeep at the Town's five gateway signs.

Budgeted Amount \$6,000

1-4120-35

Maintenance – Equipment

This line item covers the cost of maintaining Town Hall computer equipment, telephones, copier, and fax machine.

Budgeted Amount \$1,400

1-4120-25

Maintenance – Vehicle

This line item covers the cost of maintaining the Crown Victoria transferred from the Police Department to Administration.

Budgeted Amount \$600

1-4120-26

Supplies and Materials

This line item covers the cost of general office supplies and printed materials used by administrative staff during general operation.

Budgeted Amount \$4,000

1-4120-43

Property Tax Collection

Cleveland County collects taxes for the Town each year for a fee. The fee charged is 2% of real property receipts and 1.5% of personal property receipts. Historically, this line item has been included with other contracted services, but is set apart in order to better account for other contracted services.

Budgeted Amount \$14,200

**1-4120-44
Contracted Services**

This line item covers the cost of providing services performed by an outside agency and which cannot be performed by Town personnel because of cost efficiency or lack of expertise. Included among these are cleaning services, code enforcement, services from the Board of Elections, and support services from HMS, our financial software vendor. An additional expenditure this fiscal year is an update of the Land Use Plan.

Budgeted Amount \$33,000

**1-4120-39
Dues and Subscriptions**

This line item covers membership dues to organizations that provide support and educational opportunities to the Town. These include:

- Institute of Government
- NC League of Municipalities
- NC City/County Management Association
- Isothermal Planning & Development Commission
- Municipal Clerks Association
- Govt. Finance Officers Association
- American Institute of CPAs
- Cleveland County Chamber
- Economic Development Commission

Budgeted Amount \$12,800

**1-4120-49
Miscellaneous**

This item generally covers expenditures that do not relate directly to another departmental item. Includes categories such as employee and volunteer appreciation and items budgeted for the Appearance Commission. An anticipated expenditure this year is the installation of electrical service to add holiday decorations to the Town thoroughfares.

Budgeted Amount \$22,000

**1-4120-48
Contingency**

This line item contains contingency funds for use at the discretion of the Town Board.

Budgeted Amount \$20,000

1-4120-50

Capital Outlay

This line item covers all capital purchases of equipment, vehicles, or land having an initial value in excess of \$250.

Budgeted Amount \$5,300

Capital Reserve

This line item is established to set aside funds for future capital projects such as a new municipal building.

Budgeted Amount \$37,380

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed
1-4310-01	Salaries and Wages	\$197,658.96	\$ 229,789	\$ 213,700	\$ 239,016
1-4310-02	Part-time/Reserve Wages	\$ 3,292.20	\$ 18,000	\$ 9,600	\$ 18,000
1-4310-09	FICA & Medicare	\$ 16,193.53	\$ 20,131	\$ 18,300	\$ 20,837
1-4310-11	Group Insurance	\$ 29,829.23	\$ 39,212	\$ 34,300	\$ 36,320
1-4310-04	Separation allowance	\$ 11,541.15	\$ 15,360	\$ 15,400	\$ 15,360
1-4310-06	Retirement	\$ 9,406.39	\$ 10,983	\$ 10,200	\$ 11,425
1-4310-07	401k	\$ 9,840.00	\$ 11,489	\$ 10,700	\$ 11,951
1-4310-30	Training	\$ 2,153.38	\$ 6,185	\$ 4,600	\$ 4,600
1-4310-32	Telephone	\$ 4,356.66	\$ 4,600	\$ 4,000	\$ 5,000
1-4310-33	Utilities	\$ 6,528.91	\$ 7,000	\$ 5,500	\$ 6,600
1-4310-31	Travel	\$ 55.98	\$ 300	\$ 300	\$ 200
1-4310-24	Maintenance - Building & Grounds	\$ 106.23	\$ 2,000	\$ 600	\$ 2,000
1-4310-35	Maintenance - Equipment	\$ 260.00	\$ 1,200	\$ 1,000	\$ 1,200
1-4310-25	Maintenance - Vehicle	\$ 7,849.41	\$ 9,500	\$ 5,100	\$ 9,500
1-4310-36	Gasoline	\$ 17,126.89	\$ 20,000	\$ 15,500	\$ 20,000
1-4310-26	Supplies and Materials	\$ 3,315.69	\$ 3,200	\$ 3,200	\$ 4,500
1-4310-21	Uniforms	\$ 1,241.94	\$ 6,410	\$ 4,700	\$ 4,000
1-4310-44	Contracted Services	\$ 16,200.00	\$ 18,500	\$ 13,900	\$ 17,000
1-4310-49	Miscellaneous	\$ 1,250.00	\$ 1,000	\$ 300	\$ 1,000
1-4310-50	Capital Outlay	\$ 26,425.45	\$ 31,970	\$ 30,000	\$ 25,000
	Total	\$365,171.54	\$ 456,829	\$ 400,900	\$ 453,509

**1-4310-01
Salaries and Wages**

The Cost-of-Living-Adjustment for this fiscal year is set at 2.0%, along with performance-based merit pay of 3%.

Job Class	Hire Date	FY 06-07 Wages	2.0% COLA	FY 07-08 Wages	Longevity Pay
Chief	1/27/06	\$ 39,000	\$ 780	\$ 39,780	\$ 200
Lt.	12/05/88	\$ 34,288	\$ 686	\$ 34,974	\$ 800
Officer	05/03/99	\$ 28,370	\$ 567	\$ 28,938	\$ 400
Officer	10/09/03	\$ 26,252	\$ 525	\$ 26,777	\$ 200
Officer	7/1/04	\$ 26,798	\$ 536	\$ 27,334	\$ 200
Officer	10/13/04	\$ 24,963	\$ 499	\$ 25,462	\$ 200
Officer	Vacant	\$ 23,740	\$ 594	\$ 24,334	\$ -
Officer	2/26/07	\$ 22,000	\$ 440	\$ 22,440	\$ -
Total		\$ 225,411	\$ 4,508	\$ 229,919	\$ 2,000

Budgeted Amount \$239,016

1-4130-02

Part-Time/Reserve Wages

This line item covers the cost of providing wages for reserve officers who provide service during times when full time permanent officers are not on duty (vacation, sick, comp time, etc.). Additional funds are provided for a part-time position to provide routine enforcement of the parking and traffic ordinances as it relates to on-street parking in the uptown area. There are currently four (4) reserve officer positions approved.

- Part-Time Parking Enforcement (\$7/hr. @ 900 authorized hours)
- Reserve Officers (\$ 10.30/hr. @ 1,100 authorized hours)

Budgeted Amount \$18,000

1-4130-09

FICA/Medicare

The Federal Insurance Contributions Act requires taxes to be levied to support the federal Social Security and Medicare programs. The total taxes levied on salaries is 7.65%, of which 6.20% goes toward the old age, survivor, and disability (Social Security) portion of the tax and 1.45% toward the hospital insurance (Medicare) portion.

Budgeted Amount \$20,837

1-4130-11

Group Insurance

The Town provides group health insurance for full-time employees. The coverage does not include dependents.

Budgeted Amount \$36,320

1-4310-04

Separation Allowance

The NC General Statutes require the Town to pay certain retired law enforcement officers a separation allowance. To be eligible, officers must have accrued 30 years of creditable service, or be age 55 with at least 5 years of creditable service. The annual amount due to eligible parties is 0.85% of the annual base rate of the most recently applicable compensation multiplied by the total creditable service. The allowance ceases when parties reach age 62.

Budgeted Amount \$15,360

1-4310-10
LEO Retirement

The Town contributes to the Local Government Employees Retirement System (LGERS) for eligible employees. Employees must occupy a permanent position with the Town and work more than 1000 hours per year to be eligible for membership in the LGERS. For law enforcement officers, the Town contributes 4.78% of an officer's salary towards this benefit.

Budgeted Amount \$11,425

1-4310-07
401(K) Contributions

The Town contributes 5% of an employee's salary to a 401(K) retirement account. This is not a matching amount and the Town does not require an employee to contribute to such an account.

Budgeted Amount \$11,951

1-4310-30
Training

This line item covers the cost of providing continuing education and training to all Police Department personnel.

Budgeted Amount \$4,600

1-4310-32
Telephone

This line item covers the cost of providing telephone service to the Police Department and mobile phone service to officers. Internet service is also charged to this line item.

Budgeted Amount \$5,000

1-4310-33
Utilities

This line item accounts for utilities (electricity, natural gas) used by the Police Department.

Budgeted Amount \$6,600

**1-4310-31
Travel**

This item covers the cost of travel to and from necessary and official meetings by Police Department personnel.

Budgeted Amount \$200

**1-4310-24
Maintenance - Buildings & Grounds**

This line item covers the cost of maintenance and repair to Police Department facilities.

Budgeted Amount \$2,000

**1-4310-35
Maintenance - Equipment**

This line item covers the cost of maintaining Police Department computer equipment, telephones, copier, and fax machine.

Budgeted Amount \$1,200

**1-4310-25
Maintenance - Vehicles**

This line item covers the cost of maintaining the patrol vehicles now operated by the Police Department.

Budgeted Amount \$9,500

**1-4310-36
Gasoline**

This line item covers fuel costs for the patrol vehicles now in use by the Police Department.

Budgeted Amount \$20,000

**1-4310-26
Supplies and Materials**

This line item covers the cost of office supplies and materials used for administrative purposes including office supplies, printed materials, as well as other miscellaneous supplies. Additional materials purchased under this line item include citation books, rubber gloves, and radio batteries.

Budgeted Amount \$4,500

**1-4310-21
Uniforms**

This line item covers the cost of providing uniforms and accessories to Police Department personnel. An allotment is made for annual uniform replacement, safety shoe replacement, and bullet proof vests.

Budgeted Amount \$4,000

**1-4310-44
Contracted Services**

The majority of the funds in this line item cover the cost of providing animal control services. These services are provided through an inter-local agreement with Cleveland County Health Department. Animal Control is charged with enforcing the County Animal Control Ordinance and the Town Leash Ordinance. The other portion of these funds is for a software contract for the Police Department.

Budgeted Amount \$17,000

**1-4310-49
Miscellaneous**

This line item covers the cost of community educational programs regarding safety as well as any unanticipated costs which cannot be related to any other departmental item.

Budgeted Amount \$1,000

**1-4310-50
Capital Outlay**

This line item covers all capital purchases of equipment, vehicles or land having an initial value in excess of \$250 but less than \$ 10,000; except that patrol vehicles are included in this item. Expected purchases are a digital camera for crime scene use, installation of an emergency phone at the Police Dept., and installation of a handicap ramp at the Department.

Budgeted Amount \$25,000

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed
1-4340-06	Retirement	\$ 550.00	\$ 1,080	\$ 1,080	\$ 1,080
1-4340-30	Training	\$ 316.91	\$ 1,200	\$ 400	\$ 800
1-4340-32	Telephone	\$ 636.31	\$ 800	\$ 600	\$ 800
1-4340-33	Utilities	\$ 2,691.74	\$ 3,300	\$ 2,500	\$ 3,000
1-4340-31	Travel		\$ 200		\$ 200
1-4340-24	Maintenance - Building and Grounds	\$ 611.50	\$ 1,000	\$ 600	\$ 1,000
1-4340-35	Maintenance - Equipment	\$ 443.00	\$ 2,200	\$ 1,200	\$ 1,200
1-4340-25	Maintenance - Vehicle	\$ 4,395.79	\$ 6,000	\$ 5,100	\$ 4,500
1-4340-36	Gasoline	\$ 1,898.42	\$ 2,400	\$ 1,400	\$ 2,400
1-4340-26	Supplies and Materials	\$ 1,928.98	\$ 3,500	\$ 1,500	\$ 3,500
1-4340-39	Dues and Subscriptions	\$ 453.00	\$ 500	\$ 700	\$ 700
1-4340-49	Miscellaneous	\$ 900.00	\$ 2,000	\$ 800	\$ 2,000
1-4340-70	Debt Service - Principal and Interest	\$39,166.75	\$ 39,200	\$ 39,200	\$ 39,200
1-4340-50	Capital Outlay	\$10,836.54	\$ 48,200	\$ 48,000	\$ 6,400
	Total	\$64,828.94	\$ 111,580	\$ 103,080	\$ 66,780

**1-4340-06
Firemen's Pension Fund**

The Town contributes thirty dollars (\$30) per month toward the Firemen's Pension Fund for eligible members.

Budgeted Amount \$1,080

**1-4340-30
Training**

This line item covers the cost of providing continuing education and training to all Fire Department volunteers. Training is normally sponsored by the County Firefighters Association, the Community College System, local fire departments or as in house training.

Budgeted Amount \$1,200

**1-4340-32
Telephone**

This line item covers fire department telephone, cell phone, and pager service.

Budgeted Amount \$800

1-4340-33
Utilities

This line item covers utility service (electricity, natural gas) used at the fire department facilities.

Budgeted Amount \$3,300

1-4340-31
Travel

This line item covers the costs for firefighters to attend necessary meetings.

Budgeted Amount \$200

1-4340-24
Maintenance - Buildings & Grounds

This line item covers the cost of maintenance and repair to Fire Department building.

Budgeted Amount \$1,000

1-4340-35
Maintenance - Equipment

This line item covers the cost of maintaining Fire Department computer equipment, software, telephone, and fax machine.

Budgeted Amount \$1,200

1-4340-25
Maintenance - Vehicles

This line item covers the cost of maintaining vehicles operated by the Fire Department.

Budgeted Amount \$3,000

**1-4340-36
Gasoline**

This line item covers fuel costs for fire service vehicles now in use by the Fire Department.

Budgeted Amount \$2,400

**1-4340-26
Supplies and Materials**

This line item covers the cost of office supplies and materials used for administrative purposes including office supplies, printed materials, as well as other miscellaneous supplies. Additional materials purchased under this line item include rubber gloves, first-responder supplies, and radio batteries.

Budgeted Amount \$3,500

**1-4340-39
Dues and Subscriptions**

This line item covers the cost of dues for the annual certification for the NC Firemen's Association and other such necessary items.

Budgeted Amount \$500

**1-4340-49
Miscellaneous**

This line item covers the cost of unanticipated costs which cannot be related to any other departmental item.

Budgeted Amount \$2,000

**1-4340-70
Debt Service**

This line item covers the annual debt service payment for the Pierce Fire Truck purchased in October 2002 for \$242,080. The debt for the truck will be retired in October 2008. The truck was financed as an installment purchase at an interest rate of 4.24%

Budgeted Amount \$39,200



1-4340-50

Capital Outlay

This line item covers all capital purchases of equipment, vehicles or land having an initial value in excess of \$250 but less than \$ 10,000. Two sets of turnout gear and an antenna for the new 800 mhz radios are budgeted for this year.

Budgeted Amount \$6,400

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (approved)	FY 06-07 Budget (amended)	FY 07-08 Proposed
1-4500-33	Street Lighting	\$37,671.29	\$ 35,800	\$ 31,200	\$ 38,000
1-4500-26	Supplies and Materials	\$ -	\$ 500	\$ -	\$ 500
1-4500-38	Street Signs	\$ 421.45	\$ 1,500	\$ 800	\$ 1,000
	Total	\$38,092.74	\$ 37,800	\$ 32,000	\$ 39,500

**1-4500-33
Street Lighting**

This line item covers the cost of contracting for the provision of street lighting with Duke Power Company. Street lighting is installed according to standards set by the governing body. The general standard for residential lighting is one street light per three residences. Exceptions are made for traffic safety issues. Lighting for commercial sections of town are provided as needed and requested.

Budgeted Amount \$38,000

**1-4500-26
Supplies and Materials**

This line item covers the cost of minor supplies and materials used for the erection of street name signs including post drivers, posts and hardware for securing each sign.

Budgeted Amount \$500

**1-4500-38
Street Signs**

This line item covers the cost of purchasing street name signs only for both new and existing streets. This cost is not Powell Bill eligible. The Town currently has over 100 intersections which must be marked to provide residents, postal carriers, EMS, fire and police with accurate signage.

Budgeted Amount \$1,000

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (approved)	FY 06-07 Budget (projected)	FY 07-08 Proposed
1-4510-02	Part-time Wages	\$ -	\$ 7,500	\$ -	\$ 6,000
1-4510-09	Part-time Benefits (FICA)	\$ -	\$ 765	\$ -	\$ 575
1-4510-18	Professional Services	\$ 612.50	\$ 5,000	\$ 1,800	\$ 5,000
1-4510-35	Maintenance to Equipment	\$ -	\$ 2,000	\$ -	\$ 2,000
1-4510-25	Maintenance/Repair Vehicle	\$ -	\$ 2,000	\$ -	\$ 1,000
1-4510-36	Gasoline	\$ 774.22	\$ 1,000	\$ 600	\$ 1,000
1-4510-26	Supplies and Materials	\$ 660.06	\$ 4,500	\$ 700	\$ 4,500
1-4510-44	Contracted Services	\$104,587.00	\$ 103,731	\$ 700	\$ 119,250
1-4510-45	Insurance and Bonds	\$ 1,032.00	\$ 1,100	\$ 1,100	\$ 1,100
1-4510-50	Capital Outlay	\$ -	\$ -	\$ -	\$ -
	Total	\$107,665.78	\$ 127,596	\$ 4,000	\$ 140,425

**1-4510-02
Part-Time Wages**

This line item covers the cost of part-time labor used specifically for street maintenance purposes.

Budgeted Amount \$6,000

**1-4510-09
FICA**

This line item covers the cost of part-time labor used specifically for street maintenance purposes.

Budgeted Amount \$575

**1-4510-18
Professional Services**

This line item covers the cost of services that require the work of a licensed professional such as a civil engineer, surveyor, or attorney. Typical expenditures include preparation of specifications and bid documents for street resurfacing or preparation of plans relating to street drainage or other maintenance.

Budgeted Amount \$5,000

1-4510-35

Maintenance/Repair - Equipment

This line item covers the cost of maintaining and repairing equipment used specifically for street maintenance purposes.

Budgeted Amount \$2,000

1-4510-25

Maintenance/Repair - Vehicles

This line item covers the cost of maintaining vehicles operated for street purposes.

Vehicle	Mileage
2005 Dodge Ram 2500	11,532

Budgeted Amount \$1,000

1-4510-36

Gasoline

This line item covers fuel costs for vehicles in use for Powell Bill purposes.

Budgeted Amount \$1,000

1-4510-26

Supplies and Materials

This line item covers the cost of supplies and materials used for street maintenance including cold patch asphalt, gravel, rip-rap stone, and weed killer. Additional materials purchased under this line item include regulatory signs, safety equipment, and work zone warning devices.

Budgeted Amount \$4,500

1-4510-44

Contracted Services

This line item covers the cost of services that cannot be performed by Town personnel, but are necessary street maintenance functions. These include striping, resurfacing, sidewalk construction and repair, and street construction and repair. Costs this year will be based on the following estimates: asphalt at \$6.50 per square yard and sidewalks at \$15 per linear foot.

Budgeted Amount \$119,250

1-4510-45

Insurance and Bonds

This line item covers the cost of providing applicable insurance coverage directly related to the performance of street maintenance.

Budgeted Amount \$1,100

1-4340-50

Capital Outlay

This line item covers all capital purchases of equipment, vehicles or land having an initial value in excess of \$250 but less than \$ 10,000.

Budgeted Amount \$0

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed
1-4710-01	Salaries and Wages	\$ 42,328.28	\$ 63,399	\$ 53,500	\$ 67,768
1-4710-02	Part-time Wages	\$ -	\$ 1,000	\$ -	\$ 1,000
1-4710-09	FICA & Medicare	\$ 3,066.56	\$ 4,850	\$ 4,100	\$ 5,261
1-4710-11	Group Insurance	\$ 6,228.91	\$ 14,900	\$ 9,600	\$ 9,080
1-4710-10	Retirement	\$ 2,122.31	\$ 3,183	\$ 2,700	\$ 3,402
1-4710-07	401k	\$ 2,191.00	\$ 3,170	\$ 2,700	\$ 3,388
1-4710-32	Telephone	\$ 572.01	\$ 750	\$ 400	\$ 750
1-4710-33	Utilities	\$ 471.49	\$ 600	\$ 500	\$ 500
1-4710-35	Maintenance to Equipment	\$ 713.10	\$ 1,000	\$ 1,600	\$ 1,800
1-4710-25	Maintenance/Repair Vehicle	\$ 6,690.74	\$ 10,000	\$ 9,900	\$ 10,000
1-4710-36	Gasoline	\$ 11,212.58	\$ 13,200	\$ 12,500	\$ 13,200
1-4710-26	Supplies and Materials	\$ 1,885.25	\$ 1,500	\$ 1,500	\$ 7,500
1-4710-21	Uniforms	\$ 1,399.78	\$ 1,000	\$ 1,700	\$ 1,800
1-4710-44	Contracted Services - Landfill	\$ 39,432.88	\$ 38,600	\$ 33,700	\$ 40,000
1-4710-50	Capital Outlay	\$ -	\$ -	\$ -	\$ 9,000
1-4710-70	Debt Service - Principal and Interest	\$ 30,530.31	\$ 30,550	\$ 30,530	\$ 30,550
	Total	\$148,845.20	\$ 187,702	\$ 164,930	\$ 204,999

**1-4710-01
Salaries and Wages**

The Cost-of-Living-Adjustment for this fiscal year is set at 2.0% along with performance-based merit pay of 3%.

Job Class	Hire Date	FY 06-07 Wages	2.0% COLA	FY 07-08 Wages	Longevity Pay
Truck Driver	01/24/02	\$ 25,834	\$ 517	\$ 26,350	\$ 200
SW Worker		\$ 19,760	\$ 395	\$ 20,155	\$ -
SW Worker	Vacant	\$ 18,720	\$ 374	\$ 19,094	\$ -
Totals		\$ 64,314	\$ 1,286	\$ 65,600	\$ 200

Budgeted Amount: \$67,768

**1-4710-02
Part-Time Wages**

This line item covers the cost of providing wages for part time employees during times when full time permanent personnel are not on duty. (vacation, sick, comp time, etc.)

Budgeted Amount \$1,000

**1-4710-09
FICA/Medicare**

The Federal Insurance Contributions Act requires taxes to be levied to support the federal Social Security and Medicare programs. The total taxes levied on salaries is 7.65%, of which 6.20% goes toward the old age, survivor, and disability (Social Security) portion of the tax and 1.45% toward the hospital insurance (Medicare) portion.

Budgeted Amount \$5,261

**1-4710-11
Group Insurance**

The Town provides group health insurance for full-time employees. The coverage does not include dependents.

Budgeted Amount \$9,080

**1-4710-10
Retirement**

The Town contributes to the Local Government Employees Retirement System (LGERS) for eligible employees. Employees must occupy a permanent position with the Town and work more than 1000 hours per year to be eligible for membership in the LGERS. The Town contributes 5.02% of an employee's salary towards this benefit.

Budgeted Amount \$3,402

**1-4710-07
401(K) Contributions**

The Town contributes 5% of an employee's salary to a 401(K) retirement account. This is not a matching amount and the Town does not require an employee to contribute to such an account.

Budgeted Amount \$3,388

**1-4710-32
Telephone**

This line item covers the cost of mobile and other phone service as it relates to the solid waste function.

Budgeted Amount \$750

1-4710-33

Utilities

This line item covers the portion of utilities used in support of the solid waste function.

Budgeted Amount \$500



1-4710-35

Maintenance - Equipment

This line item covers the cost of maintaining equipment used for solid waste collection. Included among this equipment are brush chipper, leaf vacuum, backhoe, tractor, chain saws, and other power tools.

Budgeted Amount \$1,800



1-4710-25

Maintenance - Vehicle

This line item covers the cost of maintaining the vehicles now operated by the Solid Waste Department.

Vehicle	Mileage
2003 Lodal	30,239
1992 Pak-Mor	107,540
1999 International Dump Truck	19,033
Ford F-350	112,099

Budgeted Amount \$10,000



1-4710-36

Gasoline

This line item covers fuel costs for the vehicles now in use by the Solid Waste Department.

Budgeted Amount \$13,200



1-4710-26

Supplies and Materials

This line item covers the cost of supplies and materials used for solid waste collection purposes including safety equipment, small tool replacement, chemicals, and other applicable supplies.

Budgeted Amount \$7,500

1-4710-21

Uniforms

This line item covers the cost of providing uniforms and accessories to Solid Waste Department personnel. Uniform services are provided to each full time permanent employee as well as annual safety boot replacement.

Budgeted Amount \$1,800

1-4710-44

Contracted Services

This line item covers the cost of solid waste disposal at the Cleveland County Landfill. The current rate for solid waste disposal at the landfill is \$28 per ton and it is estimated that an average of approximately 110 tons per month will be dumped. Other services needed to support the solid waste function are also budgeted here.

Budgeted Amount \$40,000

1-4710-50

Capital Outlay

This line item covers all capital purchases of equipment, vehicles, or land having an initial value in excess of \$250. Expenditures this year include tractor attachments to assist in leaf/limb collection.

Budgeted Amount \$9,000

1-4710-70

Debt Service

This line item accounts for the debt service on the LODAL collection truck. This vehicle was purchased in February 2004 and the debt will be retired in July 2007. The truck was financed as an installment purchase at an interest rate of 2.60%.

Budgeted Amount \$30,550

Account #	Description	FY 06-06 Actual	FY 06-07 Budget (approved)	FY 06-07 Budget (projected)	FY 07-08 Proposed
1-6120-01	Salary and Wages	\$ 47,655.98	\$ 50,575	\$ 50,200	\$ 52,078
1-6120-02	Part-time Wages	\$ -	\$ 2,000	\$ -	\$ 2,000
1-6120-09	FICA & Medicare	\$ 3,626.69	\$ 3,869	\$ 3,900	\$ 4,137
1-6120-11	Group Insurance	\$ 4,981.08	\$ 9,900	\$ 4,800	\$ 4,540
1-6120-10	Retirement	\$ 1,585.29	\$ 2,539	\$ 2,500	\$ 2,614
1-6120-07	401k	\$ 1,729.00	\$ 2,529	\$ 2,600	\$ 2,604
1-6120-32	Telephone	\$ 891.98	\$ 900	\$ 1,000	\$ 700
1-6120-33	Utilities	\$ 648.80	\$ 850	\$ 400	\$ 400
1-6120-24	Maintenance - Buildings and Grounds	\$ 873.63	\$ 2,600	\$ 1,600	\$ 1,600
1-6120-35	Maintenance - Equipment	\$ 2,120.06	\$ 1,500	\$ 600	\$ 1,000
1-6120-25	Maintenance - Vehicle	\$ 1,138.09	\$ 800	\$ 500	\$ 800
1-6120-36	Gasoline	\$ 150.41	\$ 1,000	\$ 1,700	\$ 2,000
1-6120-26	Supplies and Materials	\$ 702.48	\$ 2,000	\$ 600	\$ 800
1-6120-21	Uniforms	\$ 770.04	\$ 800	\$ 800	\$ 800
1-6120-44	Contracted Services	\$ 3,000.00	\$ 5,000	\$ 3,500	\$ 5,000
1-6120-43	Contracted Services - YMCA	\$ 29,580.00	\$ 24,000	\$ 24,000	\$ 39,800
1-6120-42	Greenway Request	\$ 387.88	\$ 2,000	\$ 600	\$ 2,000
1-6120-50	Capital Outlay	\$ 1,500.00	\$ 9,000	\$ 9,200	\$ -
Total		\$101,341.41	\$ 121,862	\$ 108,500	\$ 122,873

**1-6120-01
Salaries and Wages**

The Cost-of-Living-Adjustment for this fiscal year is set at 2.0% along with performance-based merit pay of 3%.

Job Class	Hire Date	FY 06-07 Wages	2.0 % COLA	FY 07-08 Wages	Longevity Pay
Park Ranger	08/02/01	\$ 31,699	\$ 634	\$ 32,333	\$ 200
Maint. Worker	Vacant	\$ 17,680	\$ 354	\$ 18,034	\$ -
Totals		\$ 49,379	\$ 988	\$ 50,367	\$ 200

Budgeted Amount: \$52,078

**1-6120-02
Part-Time Wages**

This line item covers the cost of providing wages for part time employees during times when full time permanent personnel are not on duty. (vacation, sick, comp time, etc.)

Budgeted Amount \$2,000

**1-6120-09
FICA/Medicare**

The Federal Insurance Contributions Act requires taxes to be levied to support the federal Social Security and Medicare programs. The total taxes levied on salaries is 7.65%, of which 6.20% goes toward the old age, survivor, and disability (Social Security) portion of the tax and 1.45% toward the hospital insurance (Medicare) portion.

Budgeted Amount \$4,137

**1-6120-11
Group Insurance**

The Town provides group health insurance for full-time employees. The coverage does not include dependents.

Budgeted Amount \$4,540

**1-6120-10
Retirement**

The Town contributes to the Local Government Employees Retirement System (LGERS) for eligible employees. Employees must occupy a permanent position with the Town and work more than 1000 hours per year to be eligible for membership in the LGERS. The Town contributes 5.02% of an employee's salary towards this benefit.

Budgeted Amount \$2,614

**1-6120-07
401(K) Contributions**

The Town contributes 5% of an employee's salary to a 401(K) retirement account. This is not a matching amount and the Town does not require an employee to contribute to such an account.

Budgeted Amount \$2,604

**1-6120-32
Telephone**

This line item covers the cost of mobile and other phone service as it relates to the recreation function.

Budgeted Amount \$700

**1-6120-33
Utilities**

This line item covers the portion of utilities used in support of the recreation function.

Budgeted Amount \$850

**1-6120-24
Maintenance - Buildings and Grounds**

This line item covers the cost of maintenance and repair to town recreational facilities including the gymnasium and baseball fields used by the YMCA, Town Hall Park, and Springmore Park.

Budgeted Amount \$2,000

**1-6120-35
Maintenance - Equipment**

This line item covers the cost of maintaining equipment used for recreational facility maintenance purposes. This includes the following: lawnmowers, trimmers, chain saws, and other applicable power tools.

Budgeted Amount \$1,000

**1-6120-25
Maintenance - Vehicle**

This line item covers the cost of maintaining the vehicles now operated by the Recreation Department.

Vehicle	Mileage
'98 F-150	129,250
Chevrolet	92,770

Budgeted Amount \$800

**1-6120-36
Gasoline**

This line item covers fuel costs for the vehicles now in use by the Recreation Department.

Budgeted Amount \$2,000

**1-6120-26
Supplies and Materials**

This line item covers the cost of supplies and materials used for recreation purposes including safety equipment, small tool replacement, chemicals, and other applicable supplies. A portion of this line item will be expended to purchase tools and materials for use by the Park Ranger at the Broad River Greenway

Budgeted Amount \$800

**1-6120-21
Uniforms**

This line item covers the cost of providing uniforms and accessories to Recreation Department personnel. Uniform services are provided to each full time permanent employee as well as annual safety boot replacement.

Budgeted Amount \$800

**1-6120-44
Contracted Services**

This line item covers the cost of services such as holiday parade float leasing and activities for Town festivals and events.

Budgeted Amount \$5,000

**1-6120-43
YMCA**

The Town has contracted with the YMCA to operate its recreation programs. Funding is provided on a per capita basis. The amount provided will increase by 5% each year of a ten-year contract that begins July 1, 2007. The YMCA uses Town facilities to host some of these programs and funding for upkeep and maintenance of these facilities are handled in the appropriate line items.

Budgeted Amount \$39,800

**1-6120-42
Broad River Greenway**

The Town provides funding to the Greenway to support some of its administrative and operational needs.

Budgeted Amount \$2,000

**1-6120-50
Capital Outlay**

This line item covers all capital purchases of equipment, vehicles or land having an initial value in excess of \$250 but less than \$ 10,000.

Budgeted Amount \$0

FY 2007-2008 General Fund Schedule of Taxes, Fees and Charges	
Ad Valorem Tax Rate	30 cents per \$ 100 of property valuation
Returned Check Fee	\$ 25.00 per check per occurrence
Document Copying Fee	25 cents for 1 st page and 10 cents for each additional page
Admin Record Charge	An administrative record charge covering public record preparation, copying, distribution applies if request must involve the more than 1 hour (per request) of staff time. This charge consists of actual employee time at current wage rate, actual material costs and copying fee.
Rezoning Application Fee	\$ 250.00 application fee due at the time of filing.
Zoning Compliance Permit	\$ 20.00 for each required permit
Board of Adjustment Review (Includes code interpretation, variances, CU permits, site plan review, all other zoning appeals)	\$ 250.00 application fee submitted at filing.
Final subdivision plat review	\$ 50.00 fee plus \$ 5.00 for each lot over 25. Must be paid prior to final plat being approved.
Voluntary Annexation Petition	\$ 200.00 application fee submitted at the time of filing.
Street Closing Petition	\$ 500.00 application fee due at the time of filing.
Police Report Copy Fee	\$ 3.00 per copy
Fingerprinting Fee	\$ 3.00 each time
Civil Citations - Parking	\$ 15.00 civil penalty per violation plus \$50.00 late fee for each and every 30 calendar days beyond the initial 30 day grace period
Civil Citations - Fire Lane	\$ 50.00 civil penalty per violation.
Garbage Charges (per month)	Residential: \$ 7.00 per household Commercial: \$ 8.50 per cart per pick up (minimum of \$ 10.00 per month)
Animal Control Citation	Varies depending upon frequency of violation
Business Privilege License Fee	As set forth in Chapter 110 and Schedule B of Town Code.
Board Room Rental Fee	\$15.00 per hour

*Note: All other penalties are specifically provided for in the applicable section of the Town Code of Ordinances.

Projected Revenues

Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed	% Change
Investment Income	\$ 4,895.05	\$ 4,000	\$ 12,300	\$ 8,000	100.0%
Miscellaneous Revenue	\$ 37,095.75	\$ 33,450	\$ 36,200	\$ 33,450	0.0%
Water Charges	\$ 691,386.21	\$ 714,932	\$ 752,200	\$ 736,379	3.0%
Wastewater Charges	\$ 375,708.08	\$ 417,110	\$ 418,400	\$ 437,965	5.0%
New Connection Fees	\$ 23,825.00	\$ 20,000	\$ 10,800	\$ 10,000	-50.0%
Late and Reconnect Fees	\$ 16,843.82	\$ 18,000	\$ 16,700	\$ 16,000	-11.1%
Lattimore Charges	\$ 24,590.06	\$ 22,400	\$ 22,700	\$ 22,400	0.0%
Total	\$1,218,734.89	\$1,229,892	\$1,269,300	\$1,264,194	2.8%

Projected Expenditures

Department	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed	% Change
Administration	\$ 182,808.31	\$ 206,357	\$ 173,300	\$ 181,990	-11.8%
H2O Operations	\$ 513,951.94	\$ 540,768	\$ 539,800	\$ 533,965	-1.3%
Sewer Operations	\$ 435,709.14	\$ 482,767	\$ 484,600	\$ 528,439	10.3%
Lattimore Sewer	-	-	-	\$ 19,800	-
Total	\$1,132,469.39	\$1,229,892	\$1,197,700	\$1,264,194	2.8%

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed
6-3831-40	Investment Income	\$ 4,895.05	\$ 4,000	\$ 12,300	\$ 8,000
6-3839-89	Miscellaneous Revenue	\$ 37,095.75	\$ 33,450	\$ 36,200	\$ 33,450
6-3713-51	Water Charges	\$ 691,386.21	\$ 714,932	\$ 752,200	\$ 736,379
6-3714-51	Sewer Charges	\$ 375,708.08	\$ 417,110	\$ 418,400	\$ 437,965
6-3710-53	Taps and Connection Fees	\$ 23,825.00	\$ 20,000	\$ 10,800	\$ 10,000
6-3710-52	Late and Reconnect Fees	\$ 16,843.82	\$ 18,000	\$ 16,700	\$ 16,000
6-3715-51	Lattimore Charges	\$ 24,590.06	\$ 22,400	\$ 22,700	\$ 22,400
	Total	\$1,218,734.89	\$1,229,892	\$1,269,300	\$1,264,194

**6-3831-40
Investment Income**

This line item accounts for income received from the investment of water and sewer reserve funds.

Budgeted Amount \$8,000

**6-3839-89
Miscellaneous Revenue**

This line item accounts almost exclusively for revenue from antennae lease on our water tank. Verizon Wireless (lessee since September 2000) and AT&T Wireless (now SunCom, lessee since April 2003) each pay fifteen thousand dollars (\$15,000) per year. Each five (5) years, the lease amount increases fifteen percent (15%) from the preceding five year term. Other sources of revenue in this item may be meter testing fees, civil penalties, or others not directly attributable to another source.

Budgeted Amount \$33,450

**6-3713-51
Water Charges**

A rate increase of three percent (3%) is included to compensate for a five percent (5%) increase from the City of Shelby, the Town's water supplier. Rates are found in a fee schedule adopted by the Town Board.

Budgeted Amount \$736,379

**6-3714-51
Sewer Charges**

A 5% rate increase is recommended this year to make funds available to continue implementation of the Capital Improvement Plan (CIP) and to fund new debt service for the Beaverdam Basin Lift Station Project. The new debt service is projected to be approximately \$80,000 this year.

Budgeted Amount \$437,965

**6-3710-53
Taps and Connection Fees**

Projections for tap and connection fee revenue are based on current growth patterns.

Budgeted Amount \$10,000

**6-3710-52
Late and Reconnect Fees**

Customers are charged a fee for late payment and have their water disconnected if payment is not received by a certain date during the month. For water service to be reestablished, customers must pay a fee as set in the fee schedule adopted by the Town Board.

Budgeted Amount \$16,000

**6-3715-51
Lattimore Sewer Charges**

In 2001, the Town completed an agreement with the Town of Lattimore to accept sewer from a collection system owned by Lattimore at our wastewater treatment plant. The system has been operating since mid-2002.

Budgeted Amount \$22,400

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (amended)	FY 06-07 Budget (projected)	FY 07-08 Proposed
6-7110-01	Salary and Wages	\$ 59,856.47	\$ 73,328	\$ 69,400	\$ 64,885
6-7110-09	FICA & Medicare	\$ 4,384.70	\$ 5,610	\$ 5,400	\$ 4,964
6-7110-11	Group Insurance	\$ 7,479.37	\$ 9,900	\$ 8,800	\$ 9,080
6-7110-10	Retirement	\$ 2,657.38	\$ 3,681	\$ 3,500	\$ 3,225
6-7110-07	401k	\$ 2,817.00	\$ 3,666	\$ 3,500	\$ 3,244
6-7110-18	Professional Services	\$ 12,171.93	\$ 24,000	\$ 23,200	\$ 14,000
6-7110-30	Training	\$ 99.06	\$ 1,300	\$ 100	\$ 500
6-7110-32	Telephone	\$ 1,630.18	\$ 1,500	\$ 1,300	\$ 1,500
6-7110-34	Postage	\$ 7,122.80	\$ 9,500	\$ 7,000	\$ 9,100
6-7110-33	Utilities	\$ 6,934.11	\$ 6,000	\$ 5,500	\$ 6,000
6-7110-24	Maintenance - Buildings and Grounds	\$ 47.50	\$ 500	\$ 100	\$ 500
6-7110-35	Maintenance - Equipment	\$ 1,474.80	\$ 1,600	\$ 1,600	\$ 1,600
6-7110-37	Advertising	\$ 195.50	\$ 1,000	\$ -	\$ 1,000
6-7110-26	Supplies and Materials	\$ 3,704.82	\$ 3,500	\$ 2,800	\$ 3,500
6-7110-44	Contracted Services	\$ 49,058.00	\$ 15,300	\$ 15,200	\$ 8,000
6-7110-39	Dues and Subscriptions	\$ 3,541.69	\$ 3,300	\$ 3,700	\$ 3,600
6-7110-45	Insurance and Bonds	\$ 19,633.00	\$ 20,000	\$ 20,800	\$ 20,000
6-7110-48	Contingency		\$ 20,000	\$ 20,000	\$ 20,000
6-7110-49	Miscellaneous		\$ -	\$ -	\$ -
6-7110-50	Capital Outlay		\$ -	\$ -	\$ -
	Capital Reserve		\$ 2,672	\$ -	\$ 7,292
	Total	\$182,808.31	\$ 206,357	\$ 191,900	\$ 181,990

6-7110-01 Salaries and Wages

The Cost-of-Living-Adjustment for this fiscal year is set at 2.0% along with performance-based merit pay of up to 3%.

Position	Hire Date	FY 06-07 Wages	2.0% COLA	FY 07-08 Wages	Longevity Pay
Billing Clerk	4/30/01	\$ 27,102	\$ 542	\$ 27,644	\$ 400
PW Director (75%)	6/19/06	\$ 45,449	\$ 909	\$ 34,768	\$ 200
Total		\$ 72,551	\$ 1,451	\$ 62,413	\$ 600

Budgeted Amount: \$64,885

6-7110-09**FICA/Medicare**

The Federal Insurance Contributions Act requires taxes to be levied to support the federal Social Security and Medicare programs. The total taxes levied on salaries is 7.65%, of which 6.20% goes toward the old age, survivor, and disability (Social Security) portion of the tax and 1.45% toward the hospital insurance (Medicare) portion.

Budgeted Amount \$4,964

6-7110-11**Group Insurance**

The Town provides group health insurance for full-time employees. The coverage does not include dependents.

Budgeted Amount \$9,080

6-7110-10**Retirement**

The Town contributes to the Local Government Employees Retirement System (LGERS) for eligible employees. Employees must occupy a permanent position with the Town and work more than 1000 hours per year to be eligible for membership in the LGERS. The Town contributes 5.02% of an employee's salary towards this benefit.

Budgeted Amount \$3,225

6-7110-07**401(K) Contributions**

The Town contributes 5% of an employee's salary to a 401(K) retirement account. This is not a matching amount and the Town does not require an employee to contribute to such an account.

Budgeted Amount \$3,244

6-7110-18**Professional Services**

Professional services are those that generally require a licensed professional. The following professional services are needed during the year:

- Engineering Services - This item covers only routine engineering consultation throughout the year. Engineering relating to a specific project is budgeted in the project ordinance. This line item includes engineering assistance with operational and technical water and sewer issues. For FY-05-06, funds have been provided for sampling study being required by DENR.
- Legal Services - This item also covers routine legal services throughout the year including ordinance review, water and sewer easement preparation, contract review and preparation etc.

- Financial Auditing - This item covers a portion the cost of providing for an independent audit of the Town financial statements annually after the close of the fiscal year.

Budgeted Amount \$14,000

**6-7110-30
Training**

This line item covers the cost of continuing education and training for the Public Works Director and Billing and Collections Clerk. This amount also includes allowances for meals and travel to and from events.

Budgeted Amount \$500

**6-7110-32
Telephone**

This line item covers the cost of providing telephone service for staff, including mobile phones. A portion of internet service is also charged to this line item.

Budgeted Amount \$1,500

**6-7110-34
Postage**

This line item covers the costs of postage for all water/sewer fund departments. A portion of the lease for the postage meter is also included.

Budgeted Amount \$9,100

**6-7110-33
Utilities**

This line item covers the cost of providing electric and natural gas service that support the billings and collection function.

Budgeted Amount \$6,000

6-7110-24

Maintenance – Buildings and Grounds

This line item covers a portion of the costs of scheduled and general maintenance for facilities used for water/sewer administration. Scheduled maintenance includes annual fire extinguisher service and annual HVAC maintenance.

Budgeted Amount \$500

6-7110-35

Maintenance – Equipment

This line item covers the cost of maintaining Town Hall computer equipment, software, telephones, copier, and fax machine.

Budgeted Amount \$1,600

6-7110-37

Advertising

This line item covers the cost of advertising that relates to the water and sewer systems, e.g, water quality reports, permit approvals, etc.

Budgeted Amount: \$1,000

6-7110-26

Supplies and Materials

This line item covers the cost of general office supplies and printed materials used by water/sewer administrative staff.

Budgeted Amount \$3,500

6-7110-44

Contracted Services

This line item covers the cost of providing services performed by an outside agency and which cannot be performed by Town personnel because of cost efficiency or lack of expertise.

Budgeted Amount \$8,000

6-7110-39

Dues and Subscriptions

This line item covers membership dues to organizations that provide support and educational opportunities to the Town. These include:

- NC Rural Water Association
- NC Water Distribution Facility Operator Certification Renewal
- NC Water Pollution Control System Operator Certification Renewal
- NC Wastewater Collection System Operator Certification Renewal
- Annual Admin/Compliance Monitoring Fee
- Annual Community Water System Permit Fee
- Annual Sludge Permit Fee

Budgeted Amount \$3,600

6-7110-45

Insurance and Bonds

This line item covers the cost of insurance and bonds for water/sewer fund employees and equipment. Automobile, Worker's Compensation, property, and general liability insurance are all covered here.

Budgeted Amount \$20,000

6-7110-48

Contingency

This line item contains contingency funds for use at the discretion of the Town Board:

Budgeted Amount \$20,000

6-7110-49

Miscellaneous

This item covers the cost of the following programs and may also be used for small, unanticipated expenditures that do not relate directly to another departmental item.

Budgeted Amount \$0

**6-7110-50
Capital Outlay**

This line item covers all capital purchases of equipment, vehicles, or land having an initial value in excess of \$250.

Budgeted Amount \$0

Capital Reserve

This account is set up to set aside funds for capital projects such as implementing the Capital Improvements Plan.

Budgeted Amount \$7,292

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (approved)	FY 06-07 Budget (projected)	FY 07-08 Proposed
6-7130-01	Salary and Wages	\$ 48,962.14	\$ 50,077	\$ 49,300	\$ 52,153
6-7130-09	FICA & Medicare	\$ 3,718.85	\$ 3,831	\$ 3,800	\$ 3,990
6-7130-11	Group Insurance	\$ 8,558.48	\$ 9,900	\$ 9,600	\$ 9,080
6-7130-10	Retirement	\$ 2,458.88	\$ 2,514	\$ 2,500	\$ 2,592
6-7130-07	401k	\$ 2,280.00	\$ 2,504	\$ 2,500	\$ 2,608
6-7130-30	Training	\$ 1,138.14	\$ 2,000	\$ 100	\$ 500
6-7130-32	Telephone	\$ 1,257.27	\$ 1,300	\$ 1,200	\$ 1,300
6-7130-33	Utilities	\$ 1,468.77	\$ 1,800	\$ 2,200	\$ 2,200
6-7130-24	Maintenance - Building and Grounds	\$ 119.25	\$ 500	\$ 300	\$ 500
6-7130-35	Maintenance - Equipment	\$ 3,111.54	\$ 1,500	\$ 3,300	\$ 4,200
6-7130-25	Maintenance - Vehicle	\$ 3,478.14	\$ 3,500	\$ 2,100	\$ 1,500
6-7130-59	Capital Outlay - Lines	\$ 56,948.43	\$ 54,000	\$ 48,000	\$ 54,000
6-7130-36	Gasoline	\$ 6,217.94	\$ 8,000	\$ 3,600	\$ 6,000
6-7130-26	Supplies and Materials	\$ 15,385.36	\$ 20,000	\$ 13,800	\$ 15,000
6-7130-21	Uniforms	\$ 2,177.61	\$ 2,000	\$ 2,200	\$ 1,800
6-7130-44	Contracted Services	\$ 13,647.00	\$ 8,000	\$ 17,800	\$ 12,000
6-7130-27	Water Purchases - City of Shelby	\$ 247,668.85	\$ 260,800	\$ 260,000	\$ 275,000
6-7130-70	Water Debt Service (Principal and Interest)	\$ 88,541.82	\$ 88,542	\$ 88,600	\$ 88,542
6-7130-50	Capital Outlay - Equipment	\$ 6,813.47	\$ 20,000	\$ 19,000	\$ 1,000
Total		\$ 513,951.94	\$ 540,768	\$ 529,900	\$ 533,965

**6-7130-01
Salaries and Wages**

The Cost-of-Living-Adjustment for this fiscal year is set at 2.0% along with performance-based merit pay of up to 3%.

Job Class	Hire Date	FY 06-07 Wages	2.0% COLA	FY 07-08 Wages	Longevity Pay
Utilities Maint Worker	08/05/92	\$ 24,482	\$ 490	\$ 24,971	\$ 600
Utilities Maint Worker	11/29/04	\$ 24,398	\$ 488	\$ 24,886	\$ 200
Total		\$ 48,880	\$ 978	\$ 49,858	\$ 800

Budgeted Amount: \$52,153

**6-7130-09
FICA/Medicare**

The Federal Insurance Contributions Act requires taxes to be levied to support the federal Social Security and Medicare programs. The total taxes levied on salaries is 7.65%, of which 6.20% goes toward the old age, survivor, and disability (Social Security) portion of the tax and 1.45% toward the hospital insurance (Medicare) portion.

Budgeted Amount \$3,990

**6-7130-11
Group Insurance**

The Town provides group health insurance for full-time employees. The coverage does not include dependents.

Budgeted Amount \$9,080

**6-7130-10
Retirement**

The Town contributes to the Local Government Employees Retirement System (LGERS) for eligible employees. Employees must occupy a permanent position with the Town and work more than 1000 hours per year to be eligible for membership in the LGERS. The Town contributes 5.02% of an employee's salary towards this benefit.

Budgeted Amount \$2,592

**6-7130-07
401(K) Contributions**

The Town contributes 5% of an employee's salary to a 401(K) retirement account. This is not a matching amount and the Town does not require an employee to contribute to such an account.

Budgeted Amount \$2,608

**6-7130-30
Training**

This line item covers the cost of continuing education and training for water operations personnel. This amount also includes allowances for meals and travel to and from events. Typical training courses include those on water distribution and safety.

Budgeted Amount \$500

**6-7130-32
Telephone**

This line item covers the cost of providing telephone service for the water operations, including mobile service.

Budgeted Amount \$1,300

**6-7130-33
Utilities**

This line item covers the cost of providing electric and natural gas service that supports water operations.

Budgeted Amount \$2,200

**6-7130-24
Maintenance – Buildings and Grounds**

This line item covers a portion of the costs of scheduled and general maintenance for water operations facilities, e.g., pump station buildings and water filter house.

Budgeted Amount \$500

**6-7130-35
Maintenance – Equipment**

General maintenance and repairs to water facilities including electronic water monitoring system connection between City of Shelby and Town. Also, maintenance to equipment housed at airport pump station building, backhoe, pumps, and other small equipment.

Budgeted Amount \$4,200

**6-7130-25
Maintenance – Vehicles**

Covers scheduled and unscheduled maintenance to vehicles.

Vehicle	Mileage
'07 F-150	385
'96 Crown Victoria	116,000

Budgeted Amount \$1,500

6-7130-59

Capital Outlay – Lines

These funds are used to continue the meter replacement program that involves replacing manually read meters with ones that utilize radio-read technology. The program is scheduled to take five (5) years with 20% being replaced per year. The program began in 2004.

Budgeted Amount \$54,000

6-7130-36

Gasoline

Gasoline/fuel for department vehicles and equipment.

Budgeted Amount \$6,000

6-7130-26

Supplies and Materials

Includes expenditures for items such as waterline appurtenances and supplies, safety equipment, tool replacement, materials inventory replacement, and fire hydrant replacement.

Budgeted Amount \$15,000

6-7130-21

Uniforms

Provides for uniform replacement for the two (2) water operations employees and for protective footwear replacement.

Budgeted Amount \$1,800

6-7130-44

Contracted Services

Provides funds for services such as fire hydrant maintenance/construction, water system sampling, and other services that cannot be performed in-house.

Budgeted Amount \$12,000

6-7130-27

Water Purchases – City of Shelby

This line item accounts for water purchased from the City of Shelby and distributed by the Town. The water purchase agreement was entered into in 1994 and extends for a term of forty (40) years. The contractual rate for the Town is the lowest rate charged by Shelby to any customers outside of its municipal limits. These purchases have historically been budgeted as a contracted service, but are being separated in order to better track the expenditures. This year's figure includes a 5% rate increase by the City of Shelby.

Budgeted Amount \$275,000

6-7130-70

Debt Service

This line item covers the annual debt service payment for financing to construct the water line and pump station that delivers water from the City of Shelby. This debt was originally incurred in 1995 and was refinanced in December 2003 to a lower interest rate. The new financing was done as an installment purchase and has an interest rate of 4.10%. The financed amount is \$1,200,500 and the debt will be retired in November 2023.

Budgeted Amount \$88,542

6-7130-50

Capital Outlay - Equipment

This line item covers all capital purchases of equipment, vehicles, or land having an initial value in excess of \$250. Funds for the purchase of a trailer to tow a tamping machine have been included for this year.

Budgeted Amount \$1,000

Account #	Description	FY 05-06 Actual	FY 06-07 Budget (approved)	FY 06-07 Budget (projected)	FY 07-08 Proposed
6-7140-01	Salary and Wages	\$110,484.15	\$ 121,124	\$ 122,100	\$ 128,191
6-7140-09	FICA & Medicare	\$ 8,388.76	\$ 9,266	\$ 9,400	\$ 9,807
6-7140-11	Group Insurance	\$ 14,829.68	\$ 19,800	\$ 19,100	\$ 18,160
6-7140-10	Retirement	\$ 4,928.82	\$ 6,080	\$ 6,100	\$ 6,371
6-7140-07	401k	\$ 4,959.00	\$ 6,056	\$ 6,200	\$ 6,410
6-7140-30	Training	\$ 156.69	\$ 2,000	\$ 500	\$ 2,000
6-7140-32	Telephone	\$ 8,149.44	\$ 7,500	\$ 8,600	\$ 4,500
6-7140-33	Utilities	\$ 48,235.30	\$ 46,000	\$ 42,200	\$ 40,000
6-7140-28	Maintenance - Sewer System	\$ 1,179.71	\$ 5,000	\$ 900	\$ 10,000
6-7140-24	Maintenance - Buildings and Grounds	\$ 185.30	\$ 300	\$ 3,200	\$ 400
6-7140-35	Maintenance - Equipment	\$ 13,777.85	\$ 8,000	\$ 13,300	\$ 11,000
6-7140-25	Maintenance - Vehicle	\$ 2,463.77	\$ 3,000	\$ 3,000	\$ 3,000
6-7140-59	Capital Outlay - Sewer	\$ 37,014.28	\$ 40,000	\$ 40,000	\$ 40,000
6-7140-36	Gasoline	\$ 6,017.69	\$ 8,000	\$ 6,100	\$ 8,000
6-7140-26	Supplies and Materials	\$ 14,447.14	\$ 15,000	\$ 14,700	\$ 14,000
6-7140-21	Uniforms	\$ 2,314.79	\$ 2,600	\$ 2,600	\$ 2,600
6-7140-44	Contracted Services	\$ 34,909.62	\$ 30,000	\$ 30,700	\$ 30,000
6-7140-70	Sewer Debt Service (Principal and Interest)	\$116,727.50	\$ 152,041	\$ 112,100	\$ 192,000
6-7140-50	Capital Outlay - Equipment	\$ 6,539.65	\$ 1,000	\$ 37,200	\$ 2,000
Total		\$453,709.14	\$ 482,767	\$ 478,000	\$ 528,439

**6-7140-01
Salaries and Wages**

The Cost-of-Living-Adjustment for this fiscal year is set at 2.0% along with performance-based merit pay up to 3%.

Job Class	Hire Date	FY 06-07 Wages	2.0% COLA	FY 07-08 Wages	Longevity Pay
System Supervisor	3/07/98	\$ 37,856	\$ 757	\$ 38,613	\$ 400
System Operator	8/10/87	\$ 32,822	\$ 656	\$ 33,479	\$ 800
System Operator	2/20/03	\$ 25,584	\$ 512	\$ 26,096	\$ 200
System Operator	1/3/06	\$ 24,232	\$ 485	\$ 24,717	\$ 200
Totals		\$ 120,494	\$ 2,410	\$ 122,904	\$ 1,400

Budgeted Amount: \$128,191

**6-7140-09
FICA/Medicare**

The Federal Insurance Contributions Act requires taxes to be levied to support the federal Social Security and Medicare programs. The total taxes levied on salaries is 7.65%, of which 6.20% goes toward the old age, survivor, and disability (Social Security) portion of the tax and 1.45% toward the hospital insurance (Medicare) portion.

Budgeted Amount \$9,807

**6-7140-11
Group Insurance**

The Town provides group health insurance for full-time employees. The coverage does not include dependents.

Budgeted Amount \$18,160

**6-7140-10
Retirement**

The Town contributes to the Local Government Employees Retirement System (LGERS) for eligible employees. Employees must occupy a permanent position with the Town and work more than 1000 hours per year to be eligible for membership in the LGERS. The Town contributes 5.02% of an employee's salary towards this benefit.

Budgeted Amount \$6,371

**6-7140-07
401(K) Contributions**

The Town contributes 5% of an employee's salary to a 401(K) retirement account. This is not a matching amount and the Town does not require an employee to contribute to such an account.

Budgeted Amount \$6,410

**6-7140-30
Training**

This line item covers the cost of continuing education and training for wastewater operations personnel. This amount also includes allowances for meals and travel to and from events. Typical training courses include those on wastewater collection and safety.

Budgeted Amount \$2,000

6-7140-32

Telephone

This line item covers the cost of providing telephone service for wastewater operations, including mobile service. Telephones located at pump stations that call out in emergencies are budgeted here.

Budgeted Amount \$4,500

6-7140-33

Utilities

This line item covers the cost of providing electric and natural gas service that support wastewater operations at the wastewater treatment plant and the pump stations.

Budgeted Amount \$40,000

6-7140-28

Maintenance - Sewer System

This line item funds general maintenance to the sewer system. This includes repairs to manholes, raising manholes, clearing line blockages, etc. These operations are done on an as-needed basis and are not a part of the CIP.

Budgeted Amount \$10,000

6-7140-24

Maintenance - Buildings and Grounds

This line item covers a portion of the costs of scheduled and general maintenance and repairs to WWTP buildings, grounds and facilities.

Budgeted Amount \$400

6-7140-35

Maintenance - Equipment

Includes the following, along with other incidental maintenance:

- flow meter calibration (required 2x year)
- diffuser repair materials
- lab equipment calibration
- blower maintenance
- lift station repairs electrical and mechanical
- Diffuser replacement
- General maintenance and repair small equipment

Budgeted Amount \$11,000

6-7140-25

Maintenance – Vehicles

Includes scheduled and unscheduled maintenance to vehicles used by wastewater staff.

Vehicle	Mileage
'01 Ford Ranger	109,834
'00 Dodge 1500	98,674

Budgeted Amount \$3,000

6-7140-59

Capital Outlay – Sewer

These funds are used to continue implementation of the CIP.

Budgeted Amount \$40,000

6-7140-36

Gasoline

Gasoline/fuel for department vehicles and equipment such as pumps and generators.

Budgeted Amount \$8,000

6-7140-26

Supplies and Materials

Includes expenditures for items such as wastewater appurtenances and supplies, safety equipment, tool replacement, and materials inventory replacement.

Budgeted Amount \$14,000

6-7140-21

Uniforms

Provides for uniform replacement for the four (4) sewer operations employees and for protective footwear replacement.

Budgeted Amount \$2,600

6-7140-44

Contracted Services

Provides funds for services such as sludge monitoring that includes quarterly digester sludge analysis, annual TCLP analysis, and annual report preparation and contingency. Also covers sludge hauling and pumping from lift stations, and disposal of biosolids from the wastewater treatment plant through land application or at the City of Shelby treatment plant.

Budgeted Amount \$30,000

6-7140-70

Debt Service

This item covers the annual debt service payment for a wastewater treatment plant expansion (\$1,233,000), repair of the Lyman Street outfall line (\$151,706), and construction of the Beaverdam basin lift station project. The wastewater treatment plant expansion loan was incurred in March 1999, has an interest rate of 2.91%, and will be retired in May 2014. The Lyman Street outfall project loan was incurred in May 2003, has an interest rate of 2.57%, and will be retired in May 2022. Payment on the Beaverdam lift station project will begin in November 2007 and will be retired in May 2027. The interest rate is 2.305%

Budgeted Amount \$192,000

6-7140-50

Capital Outlay - Equipment

This line item covers all capital purchases of equipment, vehicles, or land having an initial value in excess of \$250. This year includes the purchase of a smoke-machine for testing sewer lines.

Budgeted Amount \$2,000

FY 2007-2008 WATER AND SEWER FEE SCHEDULE	
Description	Amount of Fee or Charge
Water Deposit	Inside - \$ 60.00 Outside - \$ 75.00
Water and Sewer Deposit	Inside - \$ 100.00 Outside - \$ 125.00
Water Tap Fees:	
¾"	Inside - \$ 680.00 Outside - \$ 880.00
1"	Inside - \$ 880.00 Outside - \$ 1080.00
1.5"	Inside - \$ 1180.00 Outside - \$ 1380.00
2", 3", 4", 6"	Cost of Construction + Tap Inspection Fee
Water/Sewer Tap Inspection Fee	Inside - \$ 330.00 Outside - \$ 490.00
Meter Installation Fee:	
¾"	Inside - \$ 370.00 Outside - \$ 470.00
1"	Inside - \$ 490.00 Outside - \$ 590.00
Water/Sewer/Garbage Late Fee	\$ 6.00 per occurrence
Water Reconnection Fee	\$ 20.00 per occurrence, \$50 after 4 p.m., weekends, holidays
Meter Testing Fee	\$ 100.00 per occurrence
Meter Tampering Fee	\$ 200.00 per occurrence
Inside Water Rates	Minimum charge \$ 15.89 per month for 0 - 2,000 gallons Cost per thousand gallons above minimum: \$ 4.54 2,000 - 15,000 gallons \$ 5.41 > 15,000 gallons
Outside Water Rates	Minimum charge \$ 19.47 per month for 0 - 2,000 gallons Cost per thousand gallons above minimum: \$ 5.68 2,000 - 15,000 gallons \$ 6.81 > 15,000 gallons
Inside Sewer Rates	Minimum charge \$ 14.44 per month for 0 - 2,000 gallons Cost per thousand gallons above minimum: \$ 4.62 2,000 - 15,000 gallons \$ 5.49 > 15,000 gallons
Outside Sewer Rates	Minimum charge \$ 21.37 per month for 0 - 2,000 gallons Cost per thousand gallons above minimum: \$ 5.78 2,000 - 15,000 gallons \$ 6.93 > 15,000 gallons
Outside Sewer Rates (non water customer)	Minimum charge \$ 23.90 per month for 0 - 2,000 gallons Cost per thousand gallons above minimum: \$ 6.93 2,000 - 15,000 gallons \$ 8.08 > 15,000 gallons