

ANNUAL BUDGET FISCAL YEAR 2009-2010

BUDGET MESSAGE

TO: Mayor Cooper and Members of the Town Council
FROM: Pete Allen, Town Manager
RE: Recommended Budget for Fiscal Year 2009-2010
Date: April 27, 2009

In accordance with the North Carolina Budget and Fiscal Control Act, the Town of Atlantic Beach, North Carolina's proposed budget for the fiscal year beginning July 1, 2009 and ending June 30, 2010 is presented for your review and consideration.

The North Carolina General Statutes specify that the budget ordinance and tax rate be adopted by July 1, 2009. Also, General Statute 159-12 (b) requires that the Town's governing body hold a public hearing on the budget prior to adoption. This Public Hearing is requested to be scheduled at 6:00 PM on May 13, 2009, in the Atlantic Beach Town Board Room and will be properly advertised in the Carteret News-Times. A copy of the proposed budget document will also be made available for public inspection at Town Hall during normal business hours for ten days prior to the public hearing.

The proposed budget for 2009-2010 totals \$7,010,160. This figure includes all funds and as required by North Carolina General Statutes, the budget is balanced by a like amount of revenues and expenditures.

REVENUES

The Town's largest single sources of revenue continues to be generated from property taxes. This figure is \$2,794,048 and amounts to some 49.84% of general fund revenues anticipated for the 2009-2010 fiscal year.

At the time this proposed budget is being prepared and based on the uncertainty of tax base numbers which will not become final until after budget adoption, the Town is using a tax base figure of \$2,269,277,456. This figure is multiplied times a tax rate of \$ 12.5 cents per \$100.00 valuation, times a tax collection rate of 98.5% generating some \$2,794,048 in property tax revenues. One penny of property tax generates some \$223,524 in revenues.

The second largest source of general fund revenue is derived from sales taxes and anticipated to be \$ 876,000 in 2009-2010 and the third being solid waste user fees of \$500,000. Water and stormwater fees collected in the Town's Utility Fund generate some \$1,295,932 in utility fund revenues.

REVENUES - CONTINUED

Because of the continuing downturn in the National, State and Local economies, caused by the mortgage crisis, level of debt, recessionary and inflationary trends and slow growth on Bogue Banks, sources of revenue have been difficult to project for the upcoming 2009-2010 fiscal year. Increases in the Town's tax base are projected to be flat, with little growth anticipated for the fiscal year. That trend is expected to continue for the next year or two.

Other revenue sources such as sales taxes, interest income and a variety of State Collected Local Revenues and local permits and fees are projected to be stagnant for the foreseeable future.

As a result of these factors and others, revenues will again be of concern in budgeting efforts for the upcoming fiscal year.

EXPENDITURES

Expenditure estimates were compiled and formulated by the Budget Officer and Town Manager based upon written requests and justification submitted by the various department heads. These requests were made available for Council review and included in the Budget Workbook. Each department's request was given consideration based on current year expenditures, proposed work program needs, inflationary trends and a review of each departmental operation. All revenue estimates in the budget are based upon recommendations provided by the North Carolina League of Municipalities, current contracts, figures provided by department heads who have revenue collection responsibility and actual revenues received during the 2008-2009 fiscal year.

As a result of the continuing revenue shortfall, expenditures are being reduced from previous levels and budgeted very conservatively in an attempt to insure that they do not exceed, to any great extent, anticipated revenues.

The proposed budget does not include a Cost of Living (COLA) Adjustment Increase for Town employees. Medical insurance rates are increasing by 5.5%. Workers Compensation, Property & Liability, and Flood insurance rates are estimated to increase by some 15%. Budgeted expenditures for Capital Improvements are very limited and practically non-existent for the 2009-2010 fiscal year because of revenue shortfalls, economic conditions and the Town's attempt to conservatively balance the budget.

Mileage allowances for employee use of personal vehicles, unless other vehicle allowance arrangements have been specified, are based on current rates allowed by the IRS. Pier Diem meal allowances are capped at \$35.00 per day unless higher amounts are authorized by the Town Manager.

GENERAL FUND BALANCE

The estimated town's General Fund Balance for the year ending June 30, 2010 is projected to be \$3,774,369 and should amount to 67.32% of General Fund expenditures. The State requires that municipalities maintain a minimum General Fund Balance of 8.0%.

It is the intended goal of the employees of the Town of Atlantic Beach to accomplish objectives established by the Mayor and Town Council to provide the highest level of service to our constituency at the lowest possible cost and to meet the challenges of serving as local government employees.

The proposed budget is a financial plan that strives to meet those objectives. The support of the Mayor and Town Council is most appreciated. We and the Staff look forward to working with you in achieving these goals.

Respectfully submitted,

Pete Allen
Town Manager

Sabrina Simpson
Budget Officer

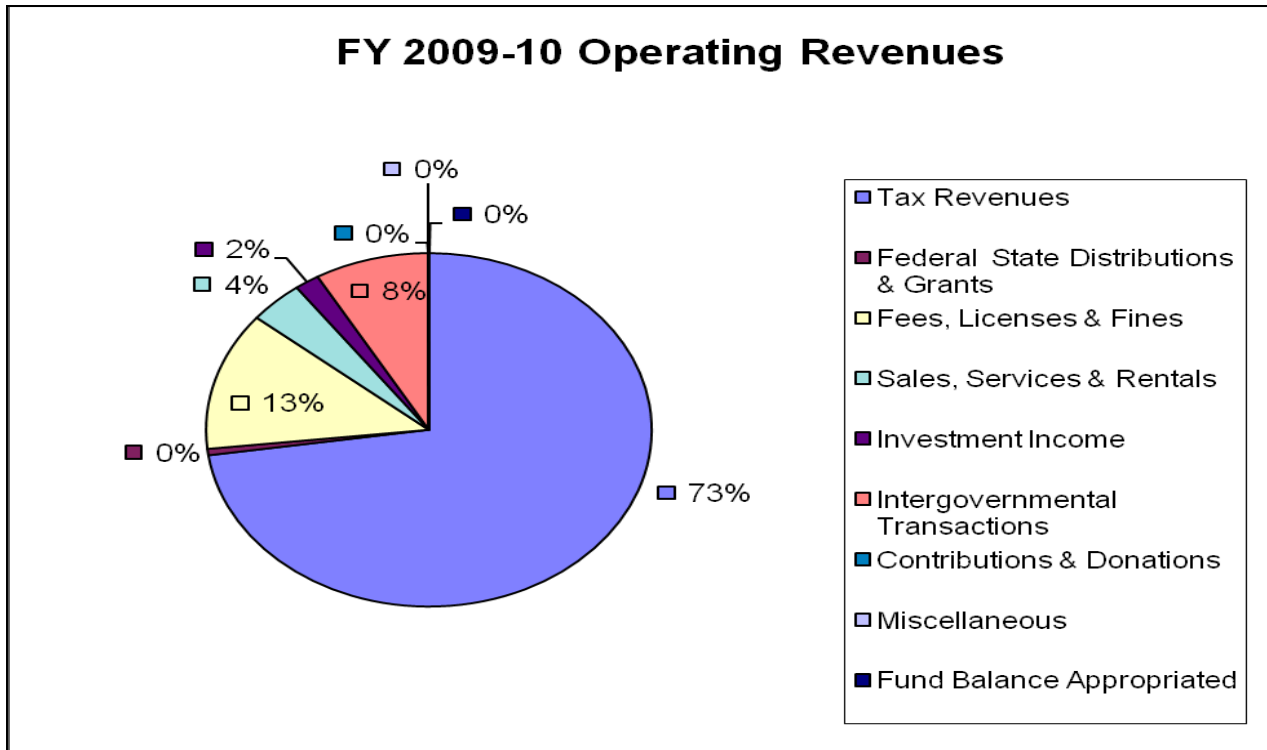
**AN ORDINANCE MAKING APPROPRIATIONS
FOR THE FY 2009-2010 ANNUAL BUDGET**

BE IT ORDAINED by the Town Council, the governing authority of the Town of Atlantic Beach, North Carolina, that:

SECTION 1: GENERAL FUND

It is estimated that the following revenues will be available during the fiscal year beginning July 01, 2009 and ending June 30, 2010 to provide for General Fund appropriations:

◆ Tax Revenues	\$ 4,075,598
◆ Federal & State Distributions & Grants	32,750
◆ Fees, Licenses & Fines	709,900
◆ Sales, Services & Rentals	221,443
◆ Investment Income	100,000
◆ Intergovernmental Transactions	463,737
◆ Contributions & Donations	0
◆ Miscellaneous	2,800
◆ Fund Balance Appropriated	0

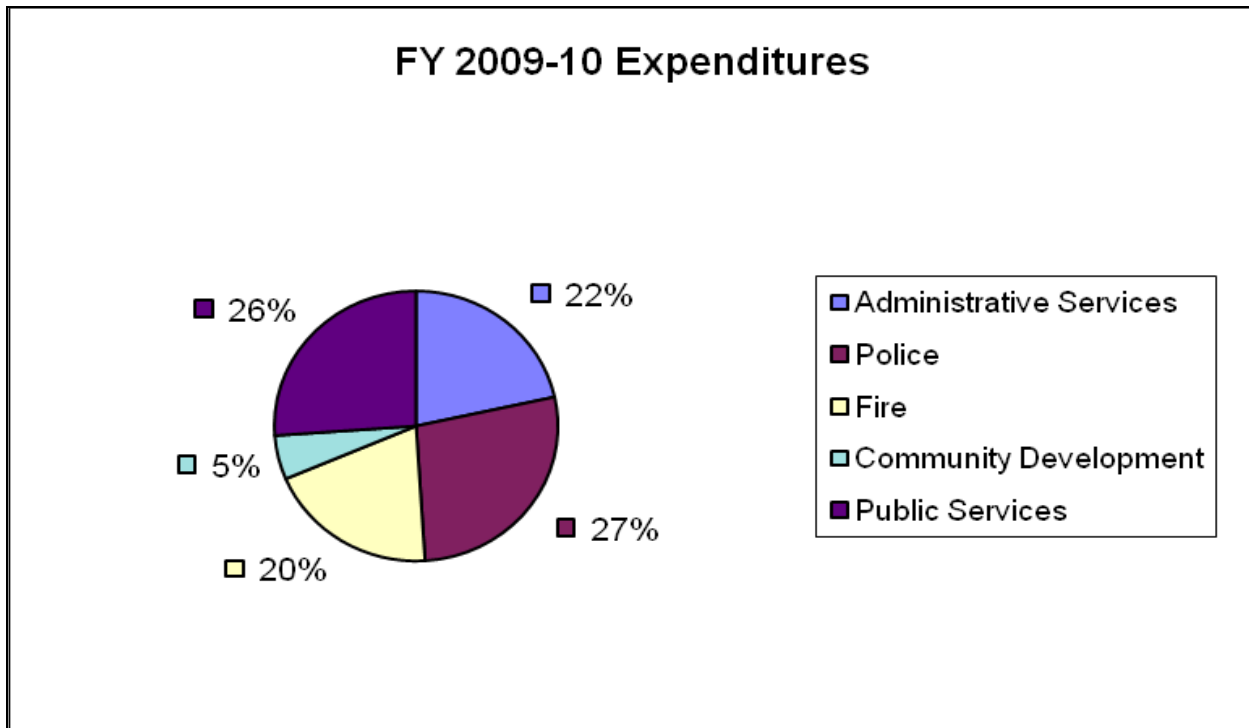


TOTAL GENERAL FUND REVENUE

\$ 5,606,228

The following amounts are hereby appropriated from the General Fund for the operations of the Town government and its activities, for fiscal year beginning July 01, 2009 and ending June 30, 2010:

◆ Administrative Services	\$ 1,208,055
◆ Police	1,539,316
◆ Fire	1,098,730
◆ Community Development	295,772
◆ Public Services	1,464,355



TOTAL GENERAL FUND APPROPRIATIONS **\$ 5,606,228**

SECTION 2: BEACH NOURISHMENT RESERVE FUND

It is estimated that the following revenues will be available during the fiscal year beginning July 01, 2009 and ending June 30, 2010 to provide for Beach Nourishment Reserve Fund appropriations:

◆ Investment Income	6,000
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TOTAL BEACH NOURISHMENT RESERVE FUND REVENUE **\$ 6,000**

No expenditure amounts are appropriated from the Beach Nourishment Reserve Fund for fiscal year beginning July 01, 2009 and ending June 30, 2010:

TOTAL BEACH NOURISHMENT RESERVE FUND APPROPRIATION **\$ 0**

FUND BALANCE INCREASE (EXCESS OF REV. OVER APPROP.) **\$ 6,000**

SECTION 3: POWELL BILL RESERVE FUND

It is estimated that the following revenues will be available during the fiscal year beginning July 01, 2009 and ending June 30, 2010 to provide for Powell Bill Reserve Fund appropriations:

◆ Federal & State Dist & Grants	\$ 65,000
◆ Investment Income	3,600

TOTAL POWELL BILL RESERVE FUND REVENUE **\$ 68,600**

The following amounts, permissible by the N.C. General Statutes to be funded by this revenue source, are hereby appropriated from the Powell Bill Reserve Fund for the activities of the Town, for fiscal year beginning July 01, 2009 and ending June 30, 2010:

◆ Intergovernmental Transactions	\$ 108,000
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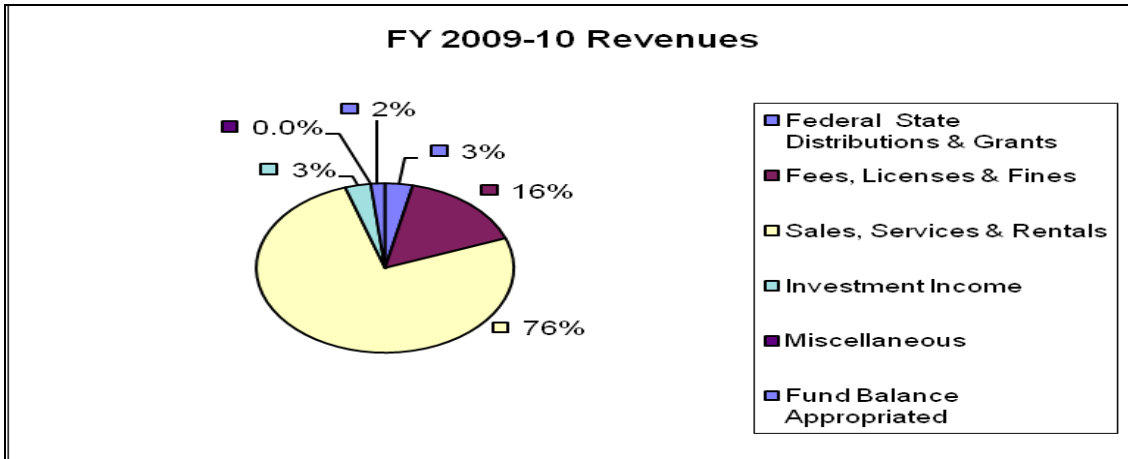
TOTAL POWELL BILL RESERVE FUND APPROPRIATIONS **\$ 108,000**

FUND BALANCE DECREASE (EXCESS OF APPR. OVER REV.) **\$ 39,400**

SECTION 4: PUBLIC UTILITIES FUND

It is estimated that the following revenues will be available during the fiscal year beginning July 01, 2009 and ending June 30, 2010 to provide for Public Utilities Fund appropriations:

◆ Federal & State Dist & Grants	\$ 45,000
◆ Fees, Licenses & Fines	204,938
◆ Sales, Services & Rentals	981,000
◆ Investment Income	42,000
◆ Miscellaneous	0
◆ Fund Balance Appropriated	22,994

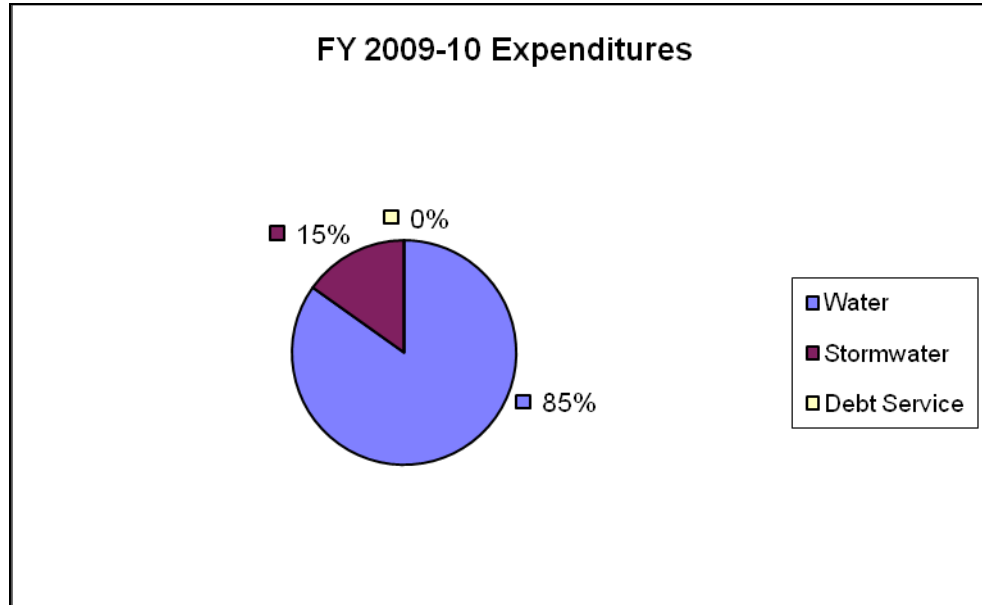


TOTAL PUBLIC UTILITIES FUND REVENUE

\$ 1,295,932

The following amounts are hereby appropriated from the Public Utilities Fund for the operations of the Town public enterprise activities, for fiscal year beginning July 01, 2009 and ending June 30, 2010:

◆ Water	\$ 1,099,402
◆ Stormwater	196,530
◆ Debt Service	0



TOTAL PUBLIC UTILITIES FUND APPROPRIATIONS **\$ 1,295,932**

SECTION 5: CWMTF GRANT PROJECT ORDINANCE

The Public Utilities Fund includes the remaining \$45,000 of an existing \$50,000 grant, project number 2007-807, from the Clean Water Management Trust Fund (CWMTF) for Stormwater Planning. The \$50,000 matching funds are appropriated. Total project cost is \$105,000 for project administration (\$5,000), supplies (\$10,000), and outside consulting services (\$90,000), during FY08-09 and FY09-10.

SECTION 6: PROPERTY TAX LEVIED

There is hereby levied for the fiscal year ending June 30, 2010, the following rate on each \$100 of assessed valuation of taxable property as listed as of January 1, 2009 for the purpose of raising revenue from current year's property tax as set forth in the foregoing estimate of revenue, and in order to finance a portion of the foregoing appropriations:

Ad Valorem Tax Rate: \$0.125

Such rates based on an estimated assessment valuation of property for the purposes of taxation of \$2,269,277,456 with an estimated rate of collection of 98.5%.

SECTION 7: SOLID WASTE FEE

For Fiscal Year 2009-10 the fee shall be \$14.60 per month per cart.

SECTION 8: FEE SCHEDULE

Appendixes A, B, C, D, E, F and G of the ordinance set forth the fee schedule for the Administrative Services Department, Inspections Department, Planning Department, Police Department, Fire and EMS Department, Public Services Department along with the solid waste user fees for garbage collection and disposal during the upcoming fiscal year, and Public Utilities.

SECTION 9: REIMBURSEMENTS

Authorized trips in which employees, officials and Town authorized personnel use a personal vehicle are to be reimbursed at the then current Internal Revenue Service approved per mile rate. Meal reimbursements are not to exceed thirty-five dollars (\$35.00) per day unless approved by the Town Manager.

SECTION 10: ORDINANCE ON FILE

Copies of this ordinance shall be filed with the Finance Officer, the Budget Officer and Town Clerk, to be kept on file by them for their direction in the disbursement of Town Funds.

SECTION 11: BUDGET ADMINISTRATION

The Town Manager shall have the authority per G.S. 159-15 to transfer appropriations from one line item to another line item within a departmental budget so long as the total departmental appropriations, including capital outlay, shall not be increased. He is further authorized to transfer funds from one appropriation to another in a different department within the same fund provided that such transfer shall be reported to the Town Council at its next regular meeting and shall be entered in the minutes. No additional appropriation from one fund to another shall be made without Town Council approval.

Adopted on motion of Ann Batt, seconded by Trish Ide, and approved on a vote of five (5) in favor and zero (0) against.

This the 27th day of May, 2009.

TOWN OF ATLANTIC BEACH

A.B. Cooper, III, Mayor

ATTEST:

Kelly Cyrus, Town Clerk

Atlantic Beach FY09-10 Final Budget Proposal

GENERAL FUND	FY07-08 ACTUAL	FY07-08 BUDGET	FY08-09 BUDGET	FY08-09 (FEB) YTD ACTUAL	FY08-09 ESTIMATE	FY09-10 REQUESTED	FY09-10 MANAGER
GENERAL FUND REV	6,726,548.57	5,302,749.53	5,846,162.00	4,359,104.34	5,649,914.00	5,606,228.00	5,606,228.00
GENERAL FUND EXP							
ADMIN SERVICES	1,223,440.98	1,104,993.00	1,071,547.00	433,605.94	1,063,802.00	1,186,040.00	1,208,055.00
POLICE	1,522,951.79	1,630,711.66	1,601,937.00	988,353.04	1,540,671.00	1,560,336.00	1,539,316.00
FIRE	1,418,553.02	1,470,276.18	1,098,302.00	690,419.76	1,087,316.00	1,115,230.00	1,098,730.00
INSPECTIONS	173,014.02	200,759.00	190,079.00	123,422.06	188,444.00	202,849.00	200,642.00
PLANNING	150,388.25	182,016.00	149,548.00	79,229.83	149,548.00	99,430.00	95,130.00
PUBLIC SERVICES	1,207,902.56	1,813,505.55	1,734,749.00	922,895.09	1,602,211.00	1,439,650.00	1,464,355.00
GF TOTAL EXPENSES	5,696,250.62	6,402,261.39	5,846,162.00	3,237,925.72	5,631,992.00	5,603,535.00	5,606,228.00

Difference: **17,922.00** **2,693.00** **0.00**
EXP - % CHANGE 08-09 BUDGET TO 09-10 REQUEST: **-4.150%** **-4.104%**

GF NOTES:

Property taxes and motor vehicle taxes estimated as of 03/19/09 County tax values for AB

Originally proposed showing: No COLA, 18% health insurance increase, 15% increase in WC, liability, and flood insurances, and \$0.125 tax rate.

4/3/09 Proposed and incorporated changes: Increased Cell Tower lease by \$20,000 for expected new addition, Decrease Lifeguard donation by \$15,000 due to lack of County funding ability, Increase Community Promotions by \$2,700 (\$2,500 additional for Christmas event, and \$200 additional for Mayor's Committee on Disabilities), and Increase GF Contingency by \$2,300)

4/24/09 Proposed and incorporated changes: Health Insurance from 18% to 5.5% and Tax Revenue (based on 4/21/09 County data) decreased from \$2,798,810 to \$2,794,048. Net changes used to increase contingency to \$28,285 with a balanced budget.

BEACH NOURISHMENT	FY07-08 ACTUAL	FY07-08 BUDGET	FY08-09 BUDGET	FY08-09 (FEB) YTD ACTUAL	FY08-09 ESTIMATE	FY09-10 REQUESTED	FY09-10 MANAGER
BEACH NOUR REV	14,701.17	0.00	46,000.00	5,205.71	27,042.00	0.00	0.00
BEACH NOUR EXP	0.00	0.00	46,000.00	0.00	27,042.00	0.00	0.00

POWELL BILL	FY07-08 ACTUAL	FY07-08 BUDGET	FY08-09 BUDGET	FY08-09 (FEB) YTD ACTUAL	FY08-09 ESTIMATE	FY09-10 REQUESTED	FY09-10 MANAGER
P. BILL REVENUES	90,486.86	200,000.00	142,500.00	74,043.53	109,500.00	108,000.00	108,000.00
P. BILL EXPENSES	49,739.60	200,000.00	142,500.00	0.00	109,500.00	110,500.00	108,000.00

UTILITY FUND	FY07-08 ACTUAL	FY07-08 BUDGET	FY08-09 BUDGET	FY08-09 (FEB) YTD ACTUAL	FY08-09 ESTIMATE	FY09-10 REQUESTED	FY09-10 MANAGER
UTILITY FUND REV							
WATER	1,012,865.40	1,446,933.00	1,337,941.00	647,027.05	925,654.00	1,095,932.00	1,095,932.00
STORMWATER	50,945.73	250,000.00	165,000.00	120,315.47	181,600.00	200,000.00	200,000.00
UF TOTAL REVENUES	1,063,811.13	1,696,933.00	1,502,941.00	767,342.52	1,107,254.00	1,295,932.00	1,295,932.00
UTILITY FUND EXP							
WATER	1,130,309.07	1,278,933.00	1,213,396.00	440,039.84	1,056,396.00	1,121,622.00	1,099,402.00
STORMWATER	33,826.89	170,000.00	120,000.00	20,846.48	57,000.00	197,530.00	196,530.00
DEBT SERVICE	8,415.62	248,000.00	169,545.00	1,477.50	169,545.00	0.00	0.00
UF TOTAL EXPENSES	1,172,551.58	1,696,933.00	1,502,941.00	462,363.82	1,282,941.00	1,319,152.00	1,295,932.00

DIFFERENCE: **-175,687.00** **-23,220.00** **0.00**
EXP - % CHANGE 08-09 BUDGET TO 09-10 ESTIMATE: **-12.229%** **-13.774%**

UF NOTES:

Stormwater expenses include a transfer to GF to reimburse for 1/3 of Coral Bay loan pmt

Debt Service for 07-08 and 08-09 included 1/3 loan pmt for Coral Bay. 09-10 budget shows transfer from Stormwater to GF for pmt

Budget as proposed shows **\$2.00 fee increases on base rates and appropriates \$22,994 of water fund balance** to balance the budget.

ALL FUNDS	FY07-08 ACTUAL	FY07-08 BUDGET	FY08-09 BUDGET	FY08-09 (FEB) YTD ACTUAL	FY08-09 ESTIMATE	FY09-10 REQUESTED	FY09-10 MANAGER
Total Budget Rev:	7,895,547.73	7,199,682.53	7,537,603.00	5,205,696.10	6,893,710.00	7,010,160.00	7,010,160.00
Total Budget Exp:	6,918,541.80	8,299,194.39	7,537,603.00	3,700,289.54	7,051,475.00	7,033,187.00	7,010,160.00

DIFFERENCE: **-157,765.00** **-23,027.00** **0.00**
EXP - % CHANGE 08-09 BUDGET TO 09-10 ESTIMATE: **-6.692%** **-6.997%**