



Budget Message 2021-2022 Fiscal Year

April 13, 2021

The Honorable Rick Cross, Mayor
Members of the Town Council
Bermuda Run, North Carolina

Pursuant to Section 159-11 of the North Carolina General Statutes, I am pleased to present the recommended budget for the fiscal year beginning July 1, 2021 and ending June 30, 2022 for your review and consideration. A public hearing is required to allow town residents an opportunity to provide public comment on the proposed budget, before final adoption by the Town Council no later than June 30, 2021. I recommend a public hearing to consider the proposed budget be set for Tuesday, May 11, 2021 at 6:00PM at Town Hall.

The Town of Bermuda Run operates three funds: The General Fund, the Gate Operations Fund and the Utilities Fund.

The **General Fund**, which is the basic operating fund for Town services, is proposed to be balanced at **\$1,800,000**. The Davie County Tax Administrator has projected a 6% to 8% increase in the assessed valuation of property as of January 1, 2021 due to Davie County revaluation. As of this communication, the appeal process for revaluation is in place. The last revaluation was in 2017. Based on the current valuation, the **Revenue Neutral Tax Rate, to be included in the budget ordinance, adjusted for growth, is 0.1401 cents per one-hundred dollars of valuation**. The Town Charter has capped the maximum property tax rate allowed at fifteen cents per one-hundred dollars of valuation. I am proposing the tax rate to remain unchanged at the historic level of fifteen (0.1500) cents per one-hundred dollars of valuation. Any increase in the tax rate beyond fifteen cents would require a vote of the town residents through a referendum.

General Fund Revenue Highlights

Ad Valorem Taxes Collected History: (Percent collected average is 99%)

FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
\$811,935	\$822,354	\$844,211	\$846,251

- **Ad Valorem Tax Revenues are budgeted at \$890,000.** This estimate is based on property tax revenues of \$825,000, and motor vehicle taxes of \$65,000.
- **Ad Valorem Tax Revenues represent 49% of total projected revenues.**

Sales & Use Tax Revenues History:

FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
\$588,810	\$567,143	\$544,616	\$486,533

- **Sales and Use Tax Revenues are budgeted at \$340,000.** The hold harmless agreement with Davie County that provided 20% of sales tax revenues via “per capita” reimbursement formula for the 2020-2021 budget expires June 30, 2021. Therefore, the future distribution of sales tax to municipalities in Davie County for 2021-2022 will be allocated using the ad valorem distribution formula.
- **Sales and Use Tax represents 19% of total projected revenues.**

Unrestricted Intergovernmental Revenue History:

FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020
\$239,684	\$228,940	\$214,109	\$221,371

- **Unrestricted Intergovernmental Revenues are budgeted at \$212,000.** This conservative projection is consistent with the current year end estimate. These state allocated funds are distributed on a quarterly or annual basis.
- **Unrestricted Intergovernmental Revenues** consist of State allocated: Utilities Franchise Tax, Cable Franchise Tax, and Beer & Wine Tax.
- **Unrestricted Intergovernmental Revenue represents 12% of total projected revenues.**

General Fund Expenditure Highlights

- **Street Repairs and Maintenance:** \$540,000 has been designated for on-going street paving maintenance projects, street right-of-way maintenance and snow removal. This investment represents 61% of property tax revenues, which shows the Town Council’s commitment toward focused services.
- **Residential Trash & Recycle Pickup:** \$279,543 has been designated for trash and recycling pickup for Town residents. In 2020, Davie County informed that it was one of only three counties in the state that provided recycling as a county service. In consultation with the Town of Cooleemee, the Town of Mocksville and the Town of Bermuda Run, an agreement was reached with Republic Services for recycling to continue within the three municipalities as a “bundled package” with trash pick-up.
- **Town Streetlights:** \$87,900 has been designated to pay for streetlights. This represents 10% of projected property tax revenues.
- **Community Officer:** \$93,000 has been designated for the fourth year of the Community Officer Program five year agreement to reimburse Davie County Sheriff Department for services rendered.
- **Salaries and Employee Benefits:** \$317,000 has been designated for a total of three full-time employees at Town Hall. A proposed 2% cost of living increase for the Town Clerk and Accounting Administrator is included in the proposed budget. This expense represents 18% of the total budget. For many smaller municipalities, this area represents close to 50% of budgeted expenditures. The practice of contracting out town services has been fiscally helpful over the years.

The Gate Operations Fund:

The Town also administers a **Gate Operations Fund**, as approved by the North Carolina General Assembly. This fund receives revenues from “gate fees” assessed only to parcels of property that lie behind the gated portions of the Town. The Gate Operations Fund is proposed to balance at **\$566,017**. This maintains the current parcel owners and Bermuda Run Country Club assessments, which is located as a line item on the Davie County property tax bill.

Gate Operation Fund Revenue Highlights

- **Property Owner Gate Fees** are projected at \$496,188. This represents an annual fee of \$462.00 per parcel. This fee remains consistent from the current 2020-2021 fiscal year.
- **BRCC Entrance Fees** are projected at \$54,829. This represents approximately ten percent (10%) of the total estimated expenses, as agreed upon when the fence assets and operations were deeded over to the Town.

Gate Operation Fund Expenditure Highlights

- **Gate Attendant Services** are projected at \$387,000. This provides for three shifts at twenty-four hours a day, seven days a week. This represents 68% of budgeted expenditures.

The Utilities Fund:

The third fund the Town administers is the **Utilities Fund**. The Utilities Fund is proposed to balance at **\$530,850**. The fund operates and maintains a wastewater treatment plant and sewer collection lines. This system serves residents in the original section of the Bermuda Run Country Club area, as well as residential subdivisions along Bing Crosby Boulevard.

Utilities Fund Revenue Highlights


- **Sewer Service Revenues** are projected at \$530,850. This projection is based on mirroring the rates Davie County Public Utilities has set for East Davie sewer customers. Therefore, all Town residents pay the same rates for water and sewer.

Utilities Fund Expenditure Highlights

- **Projected Expenditures** for wastewater plant operations and sewer lines maintenance are \$301,300. In previous budgeting, the Town Council in its wisdom has set aside funds each year toward decommissioning the wastewater treatment plant and connecting sewer service to the new Eastern Davie Sewer District service. I anticipate presenting a Capitol Project Ordinance to the Town Council in the near future for this conversion.

This is my twelfth budget message to the Mayor and Town Council. It continues to be my honor and privilege to assist the Council in ongoing implementation of its plan for the Town's future success.

Yours in Public Service,


H. Lee Rollins
Town Manager

Town of Bermuda Run, North Carolina

General Fund

REVENUES

PROPOSED 2021-2022 Budget

	Account Title	2018-2019 Actual	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	2022-2023 Forecast
Revenues:						
Current levies	Taxes	(772,024.26)	777,888.77	770,000.00	825,000.00	833,000.00
	Vehicle	(64,677.00)	65,977.98	50,000.00	65,000.00	65,000.00
Prior levies	Prior	(4,989.85)	993.28	1,000.00	1,000.00	1,000.00
Penalties and interest	Interest	(1,837.53)	1,195.73	800.00	800.00	800.00
	Interest	(682.11)	195.17	200.00	200.00	200.00
Local option sales tax	Sale/Use tax - hold harmless	(250,847.41)	185,538.95	100,000.00	0.00	0.00
	Sales tax	(293,768.57)	300,993.62	250,000.00	340,000.00	340,000.00
Utilities franchise tax	Franchise tax	(193,231.18)	203,404.36	165,000.00	196,000.00	195,000.00
	solid waste	(1,877.33)				
Cable franchise	Time Warner franchise	(7,334.11)	6,505.11	6,000.00	6,000.00	6,000.00
Beer and wine tax	Beer and wine tax	(11,666.22)	11,462.33	7,000.00	10,000.00	10,000.00
Powell Bill allocation	Powell Bill	(63,190.96)	61,896.21	61,000.00	61,000.00	61,000.00
ABC revenues	ABC revenue	(154,616.00)	166,000.00	150,000.00	165,000.00	165,000.00
Investment earnings	Interest income	(20,873.70)	33,392.11	20,000.00	20,000.00	20,000.00
Other income	Misc	(30,108.52)	35,105.08	10,000.00	10,000.00	10,000.00
	Zoning	(6,045.00)	195.00			
	Rent for elections	-	750.00	300.00		
	Fund Balance Appropriation					
Insurance proceeds		-				
Reimbursement for administrative charges	Overhead charges	(100,000.00)	100,000.00	100,000.00	100,000.00	100,000.00
		(1,977,769.75)	1,951,493.70	1,691,300.00	1,800,000.00	1,807,000.00

Town of Bermuda Run, North Carolina

General Fund

EXPENDITURES

PROPOSED 2021-2022 Budget

	Account Title	2018-2019 Actual	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	2022-2023 Forecast
Expenditures:						
Governing Body		-				
	Council	9,000.00	8,850.00	9,000.00	9,000.00	9,000.00
	Mayor	2,400.00	2,000.00	2,400.00	2,400.00	2,400.00
Salaries and Employee Benefits						
	Retirement	20,269.29	21,586.69	22,000.00	23,000.00	23,000.00
	401K	-				
	Payroll tax	14,428.84	14,866.07	15,500.00	16,000.00	16,000.00
	FICA	-				
	Medicare	-				
	Payroll - staff	199,698.44	206,314.43	215,000.00	218,000.00	218,000.00
Operating Expenses						
	General fund expense	-				
	Advertisement	2,191.07	2,772.61	2,000.00	2,000.00	2,000.00
	Dues and subs	5,422.20	5,832.75	6,000.00	6,000.00	6,000.00
	Staff Insurance	43,776.45	55,377.29	60,000.00	60,000.00	60,000.00
	Liability	7,407.53	7,704.94	9,000.00	9,000.00	9,000.00
	Workers comp	623.47	600.00	800.00	800.00	800.00
	Office supplies	2,411.05	2,768.39	2,500.00	2,500.00	2,500.00
	Postage	1,665.82	2,190.85	3,000.00	5,000.00	5,000.00
	Newsletters	8,695.00	4,593.05	10,000.00	10,000.00	10,000.00
	Meeting expenses	154.06	3,901.13	1,500.00	3,000.00	3,000.00
	Telephone	2,325.72	2,322.37	3,000.00	3,000.00	3,000.00
	Maint and repairs	-				
	Computers	5,622.35	6,254.70	6,000.00	6,000.00	6,000.00
	Lease	5,101.05	5,456.24	6,000.00	6,000.00	6,000.00
	Payroll services	1,217.26	1,366.38	1,500.00	1,500.00	1,500.00
	Payroll services	551.14	611.67	600.00	857.00	857.00
	Travel	1,767.59	682.60	1,500.00	1,500.00	1,500.00
	mileage	1,235.98	661.80	1,200.00	1,200.00	1,200.00
	training	1,000.00	250.00	1,500.00	1,500.00	1,500.00
	meetings	308.00	25.00	1,500.00	500.00	500.00
	Payroll tax Council	872.07	872.07	1,000.00	1,000.00	1,000.00
Professional Services						
	Audit	6,500.00	6,500.00	10,000.00	10,000.00	10,000.00
	Accounting software maint	8,674.63	9,108.37	10,000.00	10,000.00	10,000.00
	Legal	11,840.00	16,236.00	20,000.00	20,000.00	20,000.00
Tax collection fees						
	Davie Co tax collection	17,738.57	27,441.13	28,000.00	28,000.00	28,000.00
Town Hall expenses						
	Town Hall Utilities	5,341.74	6,101.64	5,500.00	5,500.00	5,500.00
	Town Hall Maint and repairs	1,278.98	2,727.04	5,000.00	5,000.00	5,000.00
	condo dues	10,998.04	10,293.78	12,000.00	12,000.00	12,000.00
	Town Hall cleaning	4,302.22	4,972.99	5,000.00	5,000.00	5,000.00
Capital Outlay						
	Capital outlay	7,329.00				
Election costs						
	Election costs	-	4,171.00		4,500.00	4,500.00

PROPOSED 2021-2022 Budget	Account Title	2018-2019 Actual	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed	2022-2023 Forecast
Planning and zoning	P & Z contracted	62,374.25	52,854.72	46,100.00	48,000.00	49,500.00
	Code Enforcement	-		5,000.00	10,000.00	10,000.00
Ground / general maintenance	Kinderton Village Utility	3,646.00	3,617.54	4,000.00	4,000.00	4,000.00
	KV/BR Landscaping	45,747.78	42,465.58	42,809.00	45,000.00	45,000.00
	Street ROW maint	30,657.25	17,850.48	30,000.00	30,000.00	30,000.00
Leaf removal	annual leaf removal	24,750.00	35,325.00	40,000.00	50,000.00	50,000.00
Waste removal	Waste removal	190,895.04	200,924.34	205,000.00	279,543.00	293,520.00
Town projects	Website	3,428.20	3,363.79	5,000.00	5,000.00	5,000.00
	Fall spring clean-up	4,720.00	8,051.30	10,000.00	10,000.00	10,000.00
	Other town projects	67,444.00	17,125.00	20,000.00	20,000.00	20,000.00
	Economic Development			45,000.00	45,000.00	45,000.00
Post office	Post office	1,068.78	706.94	2,000.00	2,000.00	2,000.00
Other	Community events	55,290.26	25,486.12	30,000.00	30,000.00	30,000.00
	Contract labor	12,041.92	11,489.30	15,000.00	15,000.00	15,000.00
	Electricity	1,771.80	1,684.74	2,000.00	2,000.00	2,000.00
	Cleaning	2,848.19	3,146.57	3,000.00	3,000.00	3,000.00
	Repairs	2,262.90	1,258.83	491	800	800
	Monitoring	-				
Safety - community police program	Community Police program	89,573.00	87,740.00	90,000.00	93,000.00	96,000.00
Engineering	Engineering	29,822.50	15,929.27	20,000.00	20,000.00	20,000.00
Repairs	Repairs	423,087.60	326,950.59	400,000.00	400,000.00	400,000.00
	Snow removal	14,950.00	0.00	15,000.00	15,000.00	15,000.00
	Brine spray	5,600.00	0.00	5,000.00	5,000.00	5,000.00
Other	Street signs	12,043.94	12,640.67	10,000.00	10,000.00	10,000.00
	Irrigation of town commons	13,876.71	11,164.52	15,000.00	15,000.00	15,000.00
	Other ground maint	90,118.74	85,249.18	65,000.00	75,000.00	65,000.00
Street lights	Highlands	362.22	277.53	400.00	400.00	400.00
	James Way	2,019.57	1,993.20	2,500.00	2,500.00	2,500.00
	Consolidated street lights	71,099.41	78,300.60	85,000.00	75,000.00	85,000.00
Other capital projects	sidewalks		205,903.05			
	Powell Bill Repairs&Maintenance		7,843.97			
	capital outlay streets	25,772.50				
	Blue Heron P/D	92,446.25	60,224.80			
		<u>1,797,439.51</u>	<u>1,761,616.82</u>	<u>1,691,300.00</u>	<u>1,800,000.00</u>	<u>1,818,477.00</u>

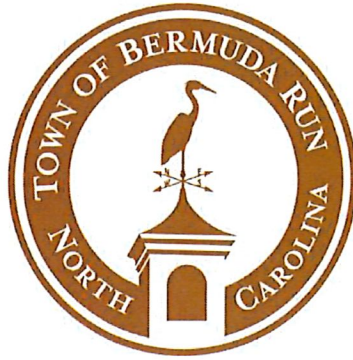
Town of Bermuda Run, North Carolina
Special Revenue Fund - Gated Security

PROPOSED 2021-2022 Budget

	Account Title	2018-2019 Actual Amount	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed Budget
Operating revenues:					
Gate fees	RFID Sticker fees	(15,035.00)	11,775.00	15,000.00	15,000.00
	BRCC entrance	-	51,300	54,829.00	54,829.00
	Property owner fees	(505,046.91)	449,576.76	496,188.00	496,188.00
	Fund Balance Appropriation	-	15,567.58		
		<u>(520,081.91)</u>	<u>528,219.34</u>	<u>566,017.00</u>	<u>566,017.00</u>
Operating expenditures:					
Administrative	Overhead	50,000.00	50,000.00	50,000.00	50,000.00
Gate operations expense	RFID Stickers	12,412.99	12,534.98	12,500.00	12,500.00
	158 Gate repairs	330.12	776.00	1,000.00	1,000.00
	Cleaning	1,486.95	1,880.83	1,664.00	1,664.00
	Electricity	2,113.43	1,253.08	2,500.00	2,500.00
	Repairs	586.83	2,195.86	1,000.00	1,000.00
	Telephone	1,691.79	1,707.89	2,000.00	2,000.00
	801 Gate repairs	636.00	40.00	1000.00	1000.00
	Cleaning	1,486.94	1,880.83	1,664.00	1,664.00
	Electricity	1,499.37	1,364.87	2,000.00	2,000.00
	Repairs	839.25	2,591.04	1,000.00	1,000.00
	Telephone	1,673.21	1,680.98	2,000.00	2,000.00
	BR West Gate repairs	270.00	519.00	1000.00	1000.00
	Cleaning	1,486.94	1,850.83	1,664.00	1,664.00
	Electricity	2,464.60	2,432.43	2,800.00	2,800.00
	Repairs	821.95	4,415.85	1,000.00	1,000.00
	Telephone	1,836.73	1,813.67	2,000.00	2,000.00
	Ground maint	66,897.14	78,495.34	62,000.00	62,000.00
	Water/Sewer	365.70	373.86	500.00	500.00
	Gate mgt system	8,511.25	10,705.17	12,000.00	12,000.00
	Guard services	353,511.03	349,356.83	387,000.00	387,000.00
	Contingency	3,642.07	350.00	17,725.00	17,725.00
		<u>514,564.29</u>	<u>528,219.34</u>	<u>566,017.00</u>	<u>566,017.00</u>

Town of Bermuda Run, North Carolina
Water and Sewer Fund
PROPOSED 2021-2022 Budget

	Account Title	2018-2019 Actual Amount	2019-2020 Actual	2020-2021 Budget	2021-2022 Proposed
Operating revenues:					
Sewer charges	Sewer service	(546,696.61)	527,122.00	530,000.00	530,000.00
Tap fees	sewer tap fees	(2,550.00)	850.00	850	850
		<u>(549,246.61)</u>	<u>527,972.00</u>	<u>530,850.00</u>	<u>530,850.00</u>
Operating expenditures:					
Licenses	Licenses	960.00	1,010.00	1,200.00	1,200.00
Charges from general fund	Admin charges OVERHEAD	50,000.00	50,000.00	50,000.00	50,000.00
Line repairs	Line repairs	19,123.00		30,000.00	30,000.00
Engineering	Engineering	-		60,000.00	60,000.00
Plant operations	Utility fund expense	-			
	Plant operations	20,336.37	20,000.04	25,000.00	25,000.00
	sampling	6,672.00	7,063.00	7,000.00	7,000.00
	Dumpster	2,497.35	2,743.10	3,000.00	3,000.00
	Sludge	16,652.00	17,150.00	20,000.00	20,000.00
	plant chemicals	2,174.09	2,895.94	2500.00	2500.00
Maintenance	Maintenance	833.00	1,991.49	0	0
Repairs -plant	Repairs	13,523.60	7,954.56	10,000.00	10,000.00
	Emergency repairs	-			
Repairs - lines	Inspection	12,720.00	12,720.00	13,000.00	13,000.00
	Repairs	8,041.80	42,635.00	10,000.00	10,000.00
Utilities	Main station - Juniper Circle	18,663.67	22,894.90	20,000.00	20,000.00
	River Hill lift station	2,161.57	1,310.57	2,500.00	2,500.00
	Hollybrooke	577.16	490.77	3,000.00	3,000.00
	Bing Crosby	275.60			
	801 lift	22.10	278.00	400.00	400.00
	Ivy Circle	(1,287.46)	2,445.08	3,000.00	3,000.00
	Boxwood Circle station	2,417.20	3,239.88	3,000.00	3,000.00
	Utilities 801	514.16	490.77	600.00	600.00
	Water	365.70	420.95	500.0	500.0
Capital outlay	stormwater project	3,850.00		20,000.00	20,000.00
	wwtp project	-		229,550.00	229,550.00
Other	Fescue	-		0	0
	Weekly inspection	11,400.00	11,400.00	11,400.00	11,400.00
	Sewer billing	4,765.00	4,626.00	5,200.00	5,200.00
	Fees sewer debt collection	-			
		<u>197,257.91</u>	<u>213,760.05</u>	<u>530,850.00</u>	<u>530,850.00</u>



**NOTICE OF PUBLIC HEARING BEFORE THE
BERMUDA RUN TOWN COUNCIL
TO CONSIDER THE
PROPOSED FY 2021-2022 BUDGET**

NOTICE IS HEREBY GIVEN that on Tuesday, May 11, 2021 at 6:00pm the Bermuda Run Town Council will hold a Public Hearing to receive public comment regarding the proposed Fiscal Year 2020-2021 Budget. The public hearing will be held at the Bermuda Run Town Hall, 120 Kinderton Boulevard, Suite 100, Bermuda Run, North Carolina 27006

The proposed budget is available for public review at www.townofbr.com . A copy of the budget is also available for public review at the Bermuda Run Town Hall.

Proposed Budget Summary

General Fund:

Revenues	\$1,800,000
Expenditures	\$1,800,000

Gate Operations Fund:

Revenues	\$566,017
Expenditures	\$566,017

Utilities Fund:

Revenues	\$530,850
Expenditures	\$530,850

Additional information is available at the Bermuda Run Town Hall weekdays from 9:00am – 5:00pm or by telephone at 336.998.0906