



Budget Message 2022-2023 Fiscal Year

May 10, 2022

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, 2022 and ending June 30, 2023 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, June 14, 2022 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 **\$1,934,000**. 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 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
\$822,354	\$844,211	\$846,251	\$877,291

- **Ad Valorem Tax Revenues are budgeted at \$945,000.** This estimate is based on property tax revenues of \$870,000 and motor vehicle taxes of \$75,000.
- **Ad Valorem Tax Revenues represent 49% of total projected revenues.**

Sales & Use Tax Revenues History:

FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
\$567,143	\$544,616	\$486,533	\$465,766

- **Sales and Use Tax Revenues are budgeted at \$400,000.** The five-year hold harmless agreement with Davie County that provided sales tax revenues via “per capita” reimbursement formula expired June 30, 2021. The current allocation formula Davie County uses to distribute sales tax allocation to town is the ad valorem distribution formula. The proposed sales tax budget will need to be evaluated more closely, due to reduced government stimulus monies to households and the potential for anticipated recession within the next two years.
- **Sales and Use Tax represents 21% of total projected revenues.**

Unrestricted Intergovernmental Revenue History:

FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021
\$228,940	\$241,109	\$221,371	\$209,732

- **Unrestricted Intergovernmental Revenues are budgeted at \$212,000.** This 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. The General Assembly has looked at most the elimination of or the reduction of the Franchise Tax. This will need to be closely monitored in conjunction with membership in the North Carolina League of Municipalities.
- **Unrestricted Intergovernmental Revenue represents 11% of total projected revenues.**

General Fund Expenditure Highlights

- **Street Repairs and Maintenance:** \$520,000 has been designated for on-going street paving maintenance projects, street right-of-way maintenance and snow removal. This investment represents 58% of property tax revenues, which shows the Town Council’s commitment toward focused services.
- **Residential Trash & Recycle Pickup:** \$293,000 has been designated for trash and recycling pickup for Town residents. This represents a 3.5% increase from the current fiscal year.
- **Town Streetlights:** \$95,900 has been designated to pay for streetlights. This represents 11% of projected property tax revenues.
- **Community Officer:** \$96,000 has been designated for the fifth year of the Community Officer Program five-year agreement to reimburse Davie County Sheriff Department for services rendered. The current agreement ends in October, 2022.
- **Salaries and Employee Benefits:** \$284,140 has been designated for a total of three full-time employees at Town Hall. The Town Council concurred in budget discussions to appoint the accounting administrator as the Finance Director, with a revised pay grade and to provide a 10% cost of living increase to the Town Clerk. This expense represents 15% 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 **\$674,600**. Due to current year capital project, such as the removal of Leyland Cyprus Trees from the US 158 / Ivy Circle Fence line and inflationary pressures for paying contracted gate house operations, the proposed budget will need to increase the per parcel gate fee to \$551.34. The current per parcel gate fee is \$462.

Gate Operation Fund Revenue Highlights

- **Property Owner Gate Fees** are recommended at \$592,140. This represents an annual fee of \$551.34 per parcel.
- **BRCC Entrance Fee** is recommended at \$67,460. 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 \$465,000. This provides for three shifts at twenty-four hours a day, seven days a week. This represents 69% 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

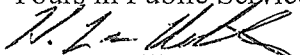
- **Sewer Service Revenues** are projected at \$530,850. This projection is based on mirroring the rates Davie County Public Utilities has set for East Davie sewer customers. Therefore, all Town residents pay the same rates for water and sewer.

Utilities Fund Expenditure Highlights

- **Renovation of the existing Juniper Pump Station and the decommissioning and removal of the wastewater treatment plant.** The Town Council in its wisdom has set aside funds over the past twelve years toward decommissioning the wastewater treatment plant and connecting sewer service to the new Eastern Davie Sewer District service. I am pleased to communicate enough cash reserves have been accumulated to fund this capitol project, with no debt and no customer assessments. The Town has also applied for an Asset Inventory Assessment of the sewer line collection system to provide proactive management for on-going lines maintenance and the desire to eventually deed the system over to Davie County Public Utilities.

This is my thirteenth budget message to the Mayor and Town Council. It remains 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 2022-2023 Budget

	Quickbooks Account #	Account Title	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Proposed Budget
Revenues:							
Current levies	1040012	Taxes	(772,024.26)	777,888.77	801,454.96	825,000.00	870,000.00
	1040027	Vehicle	(64,677.00)	65,977.98	73,737.46	65,000.00	75,000.00
Prior levies	1040015	Prior	(4,989.85)	993.28	1,974.71	1,000.00	1,000.00
Penalties and interest	1040011	Interest	(1,837.53)	1,195.73	57.50	800.00	800.00
	1040014	Interest	(682.11)	195.17	66.45	200.00	200.00
Local option sales tax	1040022	Sale/Use tax - hold harmless	(250,847.41)	185,538.95	118,137.74	0.00	0.00
	1040024	Sales tax	(293,768.57)	300,993.62	347,628.29	340,000.00	400,000.00
Utilities franchise tax	1040021	Franchise tax solid waste	(193,231.18) (1,877.33)	203,404.36	197,992.21	198,000.00	195,000.00
Cable franchise	1040050	Time Warner franchise	(7,334.11)	6,505.11	0.00	6,000.00	6,000.00
Beer and wine tax	1040019	Beer and wine tax	(11,666.22)	11,462.33	11,740.28	10,000.00	11,000.00
Powell Bill allocation	1040007	Powell Bill	(63,190.96)	61,896.21	61,968.66	61,000.00	61,000.00
ABC revenues	1040018	ABC revenue	(154,616.00)	166,000.00	193,790.00	165,000.00	165,000.00
Investment earnings	1040003	Interest income	(20,873.70)	33,392.11	8,560.45	20,000.00	8,000.00
Other income	1040005	Misc	(30,108.52)	35,105.08	25,203.37	10,000.00	10,000.00
	1040006	Zoning	(6,045.00)	195.00	50		
	1040101	Rent for elections	-	750.00			1000.00
	1040025	Fund Balance Appropriation	-				
Reimbursement for administrative charges	1040008	Overhead charges	(100,000.00)	100,000.00	100,000.00	100,000.00	130,000.00
			<u>(1,977,769.75)</u>	<u>1,951,493.70</u>	<u>1,942,362.08</u>	<u>1,800,000.00</u>	<u>1,934,000.00</u>

Town of Bermuda Run, North Carolina
General Fund

EXPENDITURES

PROPOSED 2022-2023 Budget

	Quickbooks Account #	Account Title	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Proposed	2022-2023 Proposed
Expenditures:								
Governing Body	1050060		-					
	1050061	Council	9,000.00	8,850.00	8,850.00	9,000.00	9,000.00	11,400.00
	1050062	Mayor	2,400.00	2,000.00	2,400.00	2,400.00	2,400.00	
Salaries and Employee Benefits	1050034	Retirement	20,269.29	21,586.69	21,641.63	23,000.00	28,000.00	284,140.00
	add by auditor	401K	-					
	1050036	Payroll tax	14,428.84	14,866.07	14,100.09	16,000.00	20,140.00	
	1050037	FICA	-					
	1050038	Medicare	-					
	1050105	Payroll - staff	199,698.44	206,314.43	212,226.30	218,000.00	236,000.00	
Operating Expenses	1050001	General fund expense	-					
	1050005	Advertisement	2,191.07	2,772.61	2,235.77	2,000.00	2,000.00	129,357.00
	1050010	Dues and subs	5,422.20	5,832.75	5,868.87	6,000.00	6,000.00	
	1050013	Staff Insurance	43,776.45	55,377.29	46,883.42	60,000.00	60,000.00	
	1050014	Liability	7,407.53	7,704.94	8,129.05	9,000.00	9,000.00	
	1050015	Workers comp	623.47	600.00	600.00	800.00	800.00	
	1050017	Office supplies	2,411.05	2,768.39	2,114.72	2,500.00	2,500.00	
	1050018	Postage	1,665.82	2,190.85	1,584.77	5,000.00	5,000.00	
	1050021	Newsletters	8,695.00	4,593.05	20,150.00	10,000.00	18,000.00	
	1050022	Meeting expenses	154.06	3,901.13	348.14	3,000.00	3,000.00	
	1050026	Telephone	2,325.72	2,322.37	2,294.10	3,000.00	3,000.00	
	1050152	Maint and repairs	-					
	1050153	Computers	5,622.35	6,254.70	5,059.90	6,000.00	6,000.00	
	1050151	Lease	5,101.05	5,456.24	5,224.43	6,000.00	6,000.00	
	1050030	Payroll services	1,217.26	1,366.38	1,370.43	1,500.00	1,500.00	
	1050168	Payroll services	551.14	611.67	642.79	857.00	857.00	
	1050039	Travel	1,767.59	682.60	0.00	1,500.00	1,500.00	
	1050041	mileage	1,235.98	661.80	85.32	1,200.00	1,200.00	
	1050092	training	1,000.00	250.00	1,692.28	1,500.00	1,500.00	
	1050091	meetings	308.00	25.00	1,075.00	500.00	500.00	
	1050169	Payroll tax Council	872.07	872.07	1,090.98	1,000.00	1,000.00	
Professional Services	1050006	Audit	6,500.00	6,500.00	6,500.00	10,000.00	10,000.00	40,000.00
	1050128	Accounting software maint	8,674.63	9,108.37	9,609.32	10,000.00	10,000.00	
	1050029	Legal	11,840.00	16,236.00	23,300.00	20,000.00	20,000.00	
Tax collection fees	1050031	Davie Co tax collection	17,738.57	27,441.13	41,288.48	28,000.00	43,000.00	43,000.00
Town Hall expenses	1050124	Town Hall Utilittes	5,341.74	6,101.64	4,658.92	5,500.00	5,500.00	27,500.00
	1050125	Town Hall Maint and repairs	1,278.98	2,727.04	1,037.50	5,000.00	5,000.00	
	1050126	condo dues	10,998.04	10,293.78	9,703.26	12,000.00	12,000.00	
	1050127	Town Hall cleaning	4,302.22	4,972.99	4,550.80	5,000.00	5,000.00	
Capital Outlay	1050003	Capital outlay	7,329.00					
Election costs	1050004	Election costs	-	4,171.00		4,500.00	4,500.00	4,500.00

PROPOSED 2022-2023 Budget		Quickbooks Account #	Account Title	2018-2019 Actual	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Proposed	2022-2023 Proposed
Planning and zoning	1050901	P & Z contracted		62,374.25	52,854.72	48,760.32	48,000.00	49,500.00	59,500.00
	1050047	Code Enforcement		-		125.00	10,000.00	10,000.00	
Ground / general maintenance	1050080	Kinderton Village Utility		3,646.00	3,617.54	4,051.31	4,000.00	4,000.00	79,000.00
	1050050	KV/BR Landscaping		45,747.78	42,465.58	42,548.12	45,000.00	45,000.00	
	1055501	Street ROW maint		30,657.25	17,850.48	29,116.42	30,000.00	30,000.00	
Leaf removal	1055505	annual leaf removal		24,750.00	35,325.00	43,335.00	50,000.00	50,000.00	50,000.00
Waste removal	1050082	Waste removal		190,895.04	200,924.34	207,396.48	279,543.00	293,000.00	293,000.00
Town projects	1050211	Website		3,428.20	3,363.79	771.76	5,000.00	5,000.00	114,772.00
	1050212	Fall spring clean-up		4,720.00	8,051.30	6,475.47	10,000.00	10,000.00	
	1050213	Other town projects		67,444.00	17,125.00	35,068.90	20,000.00	44,000.00	
		Economic Development				43,512.00	45,000.00	45,772.00	
		Ignite Davie Pledge						10,000.00	
Post office	1050051	Post office		1,068.78	706.94	5,378.87	2,000.00	2,000.00	2,000.00
Other	1050059	Community events		55,290.26	25,486.12	6,679.69	30,000.00	40,000.00	61,931.00
	1050053	Contract labor		12,041.92	11,489.30	15,594.27	15,000.00	15,000.00	
	1050054	Electricity		1,771.80	1,684.74	1,559.35	2,000.00	2,000.00	
	1050052	Cleaning		2,848.19	3,146.57	2,347.77	3,000.00	3,881.00	
	1050056	Repairs		2,262.90	1,258.83	0	800	1,050.00	
	1050055	Monitoring		-					
Safety - community police program	1050088	Community Police program		89,573.00	87,740.00	79,553.00	93,000.00	96,000.00	96,000.00
Engineering	1050067	Engineering		29,822.50	15,929.27	9,000.00	20,000.00	20,000.00	20,000.00
Repairs	1050068	Repairs		423,087.60	326,950.59	410,920.00	400,000.00	400,000.00	420,000.00
	1050069	Snow removal		14,950.00	0.00	0.00	15,000.00	15,000.00	
	1050175	Brine spray		5,600.00	0.00	0.00	5,000.00	5,000.00	
Other	1050087	Street signs		12,043.94	12,640.67	9,517.50	10,000.00	10,000.00	100,000.00
	1055502	Irrigation of town commons		13,876.71	11,164.52	10,885.22	15,000.00	15,000.00	
	1055504	Other ground maint		90,118.74	85,249.18	93,419.07	75,000.00	75,000.00	
Street lights	1050078	Highlands		362.22	277.53	311.61	400.00	400.00	97,900.00
	1050079	James Way		2,019.57	1,993.20	3,357.72	2,500.00	2,500.00	
	1050075	Consolidated street lights		71,099.41	78,300.60	92,672.40	75,000.00	95,000.00	
Other capital projects	1050066								
	1059100								
	1059200								
	1059220	sidewalks			205,903.05				
	1059230	Powell Bill Repairs&Maintenance			7,843.97				
	add by auditor	capital outlay streets		25,772.50					
	1050112	Blue Heron P/D		92,446.25	60,224.80	122,043.55			
				1,797,439.51	1,761,616.82	1,790,717.07	1,800,000.00	1,934,000.00	1,934,000.00

Town of Bermuda Run, North Carolina
 Gate Operations Fund
 PROPOSED 2022-2023 Budget

	Quickbooks Account #	Account Title	2018-2019 Actual Amount	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Proposed
Operating revenues:							
Gate fees	2040005	RFID Sticker fees	(15,035.00)	11,775.00	20,105.00	15,000.00	15,000.00
	2040007	BRCC entrance	-	51,300	54,829.00	54,829.00	67,460.00
	2040008	Property owner fees	(505,046.91)	449,576.76	493,647.00	496,188.00	592,140.00
	2040011	Fund Balance Appropriation	-	15,567.58	-	\$462.00 gate fee	\$551.34 gate fee
			<u>(520,081.91)</u>	<u>528,219.34</u>	<u>568,581.00</u>	<u>566,017.00</u>	<u>674,600.00</u>
Operating expenditures:							
Administrative	2050025	Overhead	50,000.00	50,000.00	50,000.00	50,000.00	65,000.00
Gate operations expense	2050002	RFID Stickers	12,412.99	12,534.98	12,534.98	12,500.00	12,500.00
	2050005	158 Gate repairs	330.12	776.00	13,864.80	1,000.00	1,000.00
	2050006	Cleaning	1,486.95	1,880.83	2,027.84	1,664.00	2,200.00
	2050007	Electricity	2,113.43	1,253.08	1,202.17	2,500.00	1,500.00
	2050008	Repairs	586.83	2,195.86	190.34	1,000.00	1,000.00
	2050009	Telephone	1,691.79	1,707.89	2,116.04	2,000.00	2,000.00
	2050011	801 Gate repairs	636.00	40.00	1,155.56	1000.00	1000.00
	2050012	Cleaning	1,486.94	1,880.83	2,027.82	1,664.00	2,200.00
	2050013	Electricity	1,499.37	1,364.87	1,657.28	2,000.00	1,800.00
	2050014	Repairs	839.25	2,591.04	516.00	1,000.00	1,000.00
	2050016	Telephone	1,673.21	1,680.98	1,801.09	2,000.00	2,000.00
	2050018	BR West Gate repairs	270.00	519.00	7,787.18	1000.00	1000.00
	2050019	Cleaning	1,486.94	1,850.83	2,027.78	1,664.00	2,200.00
	2050020	Electricity	2,464.60	2,432.43	1,946.30	2,800.00	2,200.00
	2050021	Repairs	821.95	4,415.85	273.00	1,000.00	1,000.00
	2050022	Telephone	1,836.73	1,813.67	1,876.92	2,000.00	2,000.00
	2050029	Ground maint	66,897.14	78,495.34	45,418.92	62,000.00	75,000.00
	2050032	Water/Sewer	365.70	373.86	1,165.31	500.00	1000.00
	2050027	Gate mgt system	8,511.25	10,705.17	9,285.00	12,000.00	12,000.00
	2050024	Gate Attendants Services	353,511.03	349,356.83	391,869.67	387,000.00	465,000.00
	2050031	Contingency	3,642.07	350.00	8,295.00	17,725.00	20,000.00
			<u>514,564.29</u>	<u>528,219.34</u>	<u>559,039.00</u>	<u>566,017.00</u>	<u>674,600.00</u>

Town of Bermuda Run, North Carolina
 Utilities Fund
 PROPOSED 2022-2023 Budget

	Quickbooks Account #	Account Title	2018-2019 Actual Amount	2019-2020 Actual	2020-2021 Actual	2021-2022 Budget	2022-2023 Proposed
Operating revenues:							
Sewer charges	3040003	Sewer service	(546,696.61)	527,122.00	525,341.00	530,000.00	530,000.00
Tap fees	3040010	sewer tap fees	(2,550.00)	850.00	850	850	850
			<u>(549,246.61)</u>	<u>527,972.00</u>	<u>526,191.00</u>	<u>530,850.00</u>	<u>530,850.00</u>
Operating expenditures:							
Licenses	3050003	Licenses	960.00	1,010.00	1,010.00	1,200.00	1,200.00
Charges from general fund	3050008	Admin charges OVERHEAD	50,000.00	50,000.00	50,000.00	50,000.00	65,000.00
Line repairs	3050022	Line repairs	19,123.00		30,000.00	30,000.00	30,000.00
Engineering	3050002	Engineering	-		0.00	60,000.00	60,000.00
Plant operations	3050001	Utility fund expense	-				
	3050012	Plant operations	20,336.37	20,000.04	20,000.04	25,000.00	25,000.00
	3050130	sampling	6,672.00	7,063.00	7,006.00	7,000.00	7,000.00
	3050010	Dumpster	2,497.35	2,743.10	2,901.19	3,000.00	3,000.00
	3050013	Sludge	16,652.00	17,150.00	20,200.00	20,000.00	20,000.00
	3051017	plant chemicals	2,174.09	2,895.94	2892.45	2500.00	2500.00
Maintenance	3050036	Maintenance	833.00	1,991.49		0	0
Repairs -plant	3050014	Repairs	13,523.60	7,954.56	31,121.28	10,000.00	10,000.00
	3050300	Emergency repairs	-				
Repairs - lines	3050017	Inspection	12,720.00	12,720.00	12,893.00	13,000.00	13,000.00
	3050018	Repairs	8,041.80	42,635.00	16,281.40	10,000.00	10,000.00
Utilities	3050006	Main station - Juniper Circle	18,663.67	22,894.90	19,142.88	20,000.00	20,000.00
	3050007	River Hill lift station	2,161.57	1,310.57	2,618.44	2,500.00	2,500.00
	3050032	Hollybrooke	577.16	490.77	519.59	3,000.00	3,000.00
	3050033	Bing Crosby	275.60				
	3050035	801 lift	22.10	278.00	308.56	400.00	400.00
	3050040	Ivy Circle	(1,287.46)	2,445.08	3,827.94	3,000.00	3,000.00
	3050042	Boxwood Circle station	2,417.20	3,239.88	2,449.65	3,000.00	3,000.00
	3050045	Utilities 801	514.16	490.77	519.59	600.00	600.00
	3050015	Water	365.70	420.95	3,450.77	500.0	500.0
Capital outlay	3050200	stormwater project	3,850.00		58,898.00	20,000.00	20,000.00
	3050300	wwtp project	-		0.00	229,550.00	214,550.00
Other	3050005	Fescue	-		0	0	0
	3050038	Weekly inspection	11,400.00	11,400.00	11,400.00	11,400.00	11,400.00
	3050021	Sewer billing	4,765.00	4,626.00	4,767.78	5,200.00	5,200.00
	3050103	Fees sewer debt collection	-				
			<u>197,257.91</u>	<u>213,760.05</u>	<u>302,208.56</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 2022-2023 BUDGET**

NOTICE IS HEREBY GIVEN that on Tuesday, June 14, 2022 at 6:00pm the Bermuda Run Town Council will hold a Public Hearing to receive public comment regarding the proposed Fiscal Year 2022-2023 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	\$1,934,000
Expenditures	\$1,934,000

Gate Operations Fund:

Revenues	\$674,600
Expenditures	\$674,600

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