



**NOTICE OF PUBLIC HEARING BEFORE THE
BERMUDA RUN TOWN COUNCIL
TO CONSIDER THE
PROPOSED FY 2023-2024 BUDGET**

NOTICE IS HEREBY GIVEN that on Tuesday, June 13, 2023, at 6:00pm the Bermuda Run Town Council will hold a Public Hearing to receive public comment regarding the proposed Fiscal Year 2023-2024 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	\$2,321,850
Expenditures	\$2,321,850

Gate Operations Fund:

Revenues	\$693,000
Expenditures	\$693,000

Utilities Fund:

Revenues	\$791,700
Expenditures	\$791,700

Additional information is available at the Bermuda Run Town Hall weekdays from 8:30 am – 4:30pm or by telephone at 336.998.0906



Budget Message 2023-2024 Fiscal Year

May 23, 2023

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, 2023, and ending June 30, 2024, 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, 2023. I recommend a public hearing to consider the proposed budget be set for Tuesday, June 13, 2023, 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 **\$2,321,850**. 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 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022
\$844,211	\$846,251	\$877,291	\$966,906

- **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 41% of total projected revenues.**

Sales & Use Tax Revenues History:

FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022
\$544,616	\$486,533	\$415,766	\$429,253

- **Sales and Use Tax Revenues are budgeted at \$440,000.** 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 continued increased interest rates.

- **The Sales and Use Tax represents 19% of total projected revenues.**

Unrestricted Intergovernmental Revenue History:

FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022
\$241,109	\$221,372	\$209,732	\$216,109

- **Unrestricted Intergovernmental Revenues are budgeted at \$212,000.** This projection is consistent with the current year-end estimate. These allocated state 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 at 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 9% of total projected revenues.**

General Fund Expenditure Highlights

- **Street Repairs and Maintenance:** \$550,000 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.
 - It is proposed that \$100,000 be allocated from the Powell Bill fund balance.
- **Residential Trash & Recycle Pickup:** \$307,650 has been designated for trash and recycling pickup for Town residents. This represents a 4.9% increase from the current fiscal year.
- **Town Streetlights:** \$98,100 has been designated to pay for streetlights. This represents 11% of projected property tax revenues.
- **Community Officer:** \$98,800 has been designated for the Community Officer Program five-year agreement to reimburse Davie County Sheriff Department for services rendered. The current agreement ends in November 2027.
- **Salaries and Employee Benefits:** \$303,480 has been designated for a total of three full-time employees at Town Hall. This includes a 5% cost of living increase for the Town Hall Staff. This expense represents 14.5% of the total budget. For many smaller municipalities, this area represents close to 50% of budgeted expenditures. The practice of contracting out-of-town services has been fiscally helpful over the years.
- **Blue Heron Trail Access and Interconnections:** \$150,000 has been allocated from the Fund Balance and designated for construction of access points and interconnections to the Blue Heron Trail.

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 **\$693,000**. This proposed budget will need to increase due to inflationary pressures of operations and management (ex. Utilities, cleaning, general maintenance of gate houses). The per parcel gate fee is to increase to \$566.76. The current per parcel gate fee is \$551.34.

Gate Operation Fund Revenue Highlights

- **Property Owner Gate Fees** are recommended at \$608,700. This represents an annual fee of \$566.76 per parcel.
- **BRCC Entrance Fee** are recommended at \$69,300. 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 67% of budgeted expenditures.

The Utilities Fund:

The third fund the Town administers is the **Utilities Fund**. The Utilities Fund is proposed to balance at **\$791,700**. The fund operates and maintains a wastewater collection system of pump stations and sewer 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

- This is the first fiscal year that the Town has not operated its own Wastewater treatment facility. The current plant was decommissioned in late 2022, sending all wastewater to the Eastern Davie Sewer System for treatment.
- **Sewer Service Revenues** are projected at \$791,700. 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

- Sewer charges from Davie County Public Utilities are projected at \$525,200.
- **Asset Inventory Assessment.**
The Town is receiving funding for an Asset Inventory Assessment of the wastewater 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. With the results of this assessment a Capital Improvement plan will need to be developed to address any identified deficiencies. The Town Council in its wisdom has set aside funds over the years for these types of improvements and will need to continue this practice.

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

Yours in Public Service,

Andrew Meadwell, Town Manager

Town of Bermuda Run, North Carolina
General Fund

REVENUES

	2023-2024 Budget	Quickbooks Account #	Account Title	2022-2023 Budget	2023-2024 Proposed Budget
Revenues:					
Current levies		1040012	Taxes	870,000.00	870,000.00
		1040027	Vehicle	75,000.00	75,000.00
Prior levies		1040015	Prior	2,860.00	2,860.00
Penalties and interest		1040011	Interest	800.00	800.00
		1040014	Interest	200.00	200.00
Local option sales tax		1040022	Sale/Use tax - hold harmless		0.00
		1040024	Sales tax	400,000.00	440,000.00
Utilities franchise tax		1040021	Franchise tax solid waste	195,000.00	195,000.00
Cable franchise		1040050	Time Warner franchise	6,000.00	6,000.00
Beer and wine tax		1040019	Beer and wine tax	11,000.00	11,000.00
Powell Bill allocation		1040007	Powell Bill	61,000.00	81,000.00
ABC revenues		1040018	ABC revenue	213,000.00	230,000.00
Investment earnings		1040003	Interest income	8,000.00	8,000.00
Other income		1040005	Misc	20,000.00	20,000.00
		1040006	Zoning		
		1040101	Rent for elections	1,000.00	900.00
		1040025	Fund Balance Appropriation		150,000.00
			Powell Bill	200,000.00	100,000.00
Reimbursement for administrative charges		1040008	Overhead charges	130,000.00	131,090.00
				2,193,860.00	2,321,850.00

Town of Bermuda Run, North Carolina

General Fund

EXPENDITURES

PROPOSED 2023-2024 Budget	Quickbooks Account #	Account Title	2022-2023 APPROVED 6/14/2022	2022-2023 APPROVED	Proposed 2023-2024	Proposed 2023-2024
Expenditures:						
Governing Body	1050060					
	1050061	Council	9,000.00	11,400.00	9,000.00	11,400.00
	1050062	Mayor	2,400.00		2,400.00	
Salaries and Employee Benefits	1050034	Retirement	29,000.00	289,000.00	30,480.00	303,480.00
	1050035	401K				
	1050036	Payroll tax	18,000.00		18,900.00	
	1050037	FICA				
	1050038	Medicare				
	1050105	Payroll - staff	242,000.00		254,100.00	
Operating Expenses	1050001	General fund expense				
	1050005	Advertisement	2,000.00	129,357.00	10,000.00	123,400.00
	1050010	Dues and subs	6,000.00		7,000.00	
	1050013	Staff Insurance	60,000.00		58,000.00	
	1050014	Liability	9,000.00		10,500.00	
	1050015	Workers comp	800.00		1,000.00	
	1050017	Office supplies	2,500.00		4,500.00	
	1050018	Postage	5,000.00		1,000.00	
	1050021	Newsletters	18,000.00		-	
	1050022	Meeting expenses	3,000.00		2,500.00	
	1050026	Telephone	3,000.00		3,000.00	
	1050152	Maint and repairs				
	1050153	Computers	6,000.00		7,000.00	
	1050151	Lease	6,000.00		6,000.00	
	1050030	Payroll services	1,500.00		1,500.00	
	1050168	Payroll services	857.00		900.00	
	1050039	Travel	1,500.00		2,500.00	
	1050041	mileage	1,200.00		1,500.00	
	1050092	training	1,500.00		5,000.00	
	1050091	meetings	500.00		500.00	
	1050169	Payroll tax Council	1,000.00		1,000.00	
Professional Services	1050006	Audit	10,000.00	95,000.00	12,500.00	87,500.00
	1050128	Accounting software ma	10,000.00		10,000.00	
	1050029	Legal	20,000.00		50,000.00	
	1050009	Contracted Services	55,000.00		15,000.00	
Tax collection fees	1050031	Davie Co tax collection	43,000.00	43,000.00	43,000.00	43,000.00
Town Hall expenses	1050124	Town Hall Utilities	5,500.00	27,500.00	5,500.00	77,500.00

PROPOSED 2023-2024 Budget	Quickbooks Account #	Account Title	2022-2023 APPROVED 6/14/2022	2022-2023 APPROVED	Proposed 2023-2024	Proposed 2023-2024
Expenditures:						
	1050125	Town Hall Maint and rep.	5,000.00		55,000.00	
	1050126	condo dues	12,000.00		12,000.00	
	1050127	Town Hall cleaning	5,000.00		5,000.00	
Capital Outlay	1050003	Capital outlay				
Election costs	1050004	Election costs	4,500.00	4,500.00	4,500.00	4,500.00
Planning and zoning	1050901	P & Z contracted	49,500.00	59,500.00	50,908.00	60,908.00
	1050047	Code Enforcement	10,000.00		10,000.00	
Ground / general maintenance	1050080	Kinderton Village Utility	4,000.00	79,000.00	4,500.00	79,500.00
	1050050	KV/BR Landscaping	45,000.00		45,000.00	
	1055501	Street ROW maint	30,000.00		30,000.00	
Leaf removal	1055505	annual leaf removal	50,000.00	50,000.00	50,000.00	50,000.00
Waste removal	1050082	Waste removal	293,000.00	293,000.00	307,650.00	307,650.00
Town projects	1050211	Website	5,000.00	114,772.00	5,000.00	124,532.00
	1050212	Fall spring clean-up	10,000.00		10,000.00	
	1050213	Other town projects	44,000.00		50,000.00	
	10500215	Economic Development	45,772.00		47,532.00	
		Ignite Davie Pledge	10,000.00		10,000.00	
Post office	1050051	Post office	2,000.00	2,000.00	2,000.00	
Other	1050059	Community events	40,000.00	61,931.00	62,000.00	84,000.00
	1050053	Contract labor	15,000.00		15,000.00	
	1050054	Electricity	2,000.00		2,000.00	
	1050052	Cleaning	3,881.00		4,000.00	
	1050056	Repairs	1,050.00		1,000.00	
	1050055	Monitoring			-	
Safety - community police program	1050088	Community Police progr	96,000.00	96,000.00	98,880.00	98,880.00
Engineering	1050067	Engineering	20,000.00	20,000.00	45,000.00	45,000.00
Repairs	1050068	Repairs	400,000.00	420,000.00	400,000.00	420,000.00
	1050069	Snow removal	15,000.00		15,000.00	
	1050175	Brine spray	5,000.00		5,000.00	

PROPOSED 2023-2024 Budget	Quickbooks Account #	Account Title	2022-2023 APPROVED 6/14/2022	2022-2023 APPROVED	Proposed 2023-2024	Proposed 2023-2024
Expenditures:						
Other	1050087	Street signs	10,000.00	100,000.00	10,000.00	110,000.00
	1055502	Irrigation of town comm	15,000.00		15,000.00	
	1055504	Other ground maint	75,000.00		85,000.00	
Street lights	1050078	Highlands	400.00	97,900.00	600.00	98,100.00
	1050079	James Way	2,500.00		2,500.00	
	1050075	Consolidated street light	95,000.00		95,000.00	
BHT Maintenance		BHT Maintenance			15,000.00	42,500.00
BHT Lighting		BHT Lighting			3,500.00	
BHT Landscaping		BHT Landscaping			13,000.00	
		BHT Amenities			11,000.00	
Powell Bill			200,000	200,000		
Project		Project			150,000.00	150,000.00
			2,193,860.00	2,193,860.00	2,321,850.00	2,321,850.00

Town of Bermuda Run, North Carolina

Gate Operations Fund

PROPOSED 2023-2024 Budget

	Financ	Quickbooks	Account	2022-2023	2023-2024
	Actu	Account #	Title	APPROVED 6/14/2022	Proposed
Operating revenues:					
Gate fees		2040005	RFID Sticker fees	15,000.00	15,000.00
		2040007	BRCC entrance	67,460.00	69,300.00
		2040008	Property owner fees	592,140.00	608,700.00
		2040011	Fund Balance Appropriation		
				674,600.00	693,000.00
Operating expenditures:					
Administrative		2050025	Overhead	65,000.00	66,200.00
Gate operations expense		2050002	RFID Stickers	12,500.00	15,000.00
		2050005	158 Gate repairs	1,000.00	1,000.00
		2050006	Cleaning	2,200.00	4,000.00
		2050007	Electricity	1,500.00	1,500.00
		2050008	Repairs	1,000.00	1,000.00
		2050009	Telephone	2,000.00	2,000.00
		2050011	801 Gate repairs	1000.00	1,000.00
		2050012	Cleaning	2,200.00	4,000.00
		2050013	Electricity	1,800.00	1,800.00
		2050014	Repairs	1,000.00	1,000.00
		2050016	Telephone	2,000.00	2,000.00
		2050018	BR West Gate repairs	1000.00	1,000.00
		2050019	Cleaning	2,200.00	4,000.00
		2050020	Electricity	2,200.00	2,200.00
		2050021	Repairs	1,000.00	1,000.00
		2050022	Telephone	2,000.00	2,000.00
		2050029	Ground maint	75,000.00	44,000.00
		2050032	Water/Sewer	1000.00	1,000.00
		2050027	Gate mgt system	12,000.00	12,000.00
		2050024	Gate Attendants Services	465,000.00	465,000.00
		2050031	Contingency/Gate House Enhance	20,000.00	60,300.00
				674,600.00	693,000.00

Town of Bermuda Run, North Carolina

Utilities Fund

PROPOSED 2023-2024 Budget

	Quickbooks Account #	Account Title	2022-2023 APPROVED 6/14/2022	2023-2024 Proposed
Operating revenues:				
Sewer charges	3040003	Sewer service	530,000.00	790,000.00
Tap fees	3040010	sewer tap fees	850	1,700.00
			<u>530,850.00</u>	<u>791,700.00</u>
Operating expenditures:				
Licenses	3050003	Licenses	1,200.00	1,200.00
Charges from general fund	3050008	Admin charges OVERHEAD	65,000.00	65,000.00
Line repairs	3050022	Line repairs	30,000.00	20,000.00
Engineering	3050002	Engineering	60,000.00	46,300.00
Plant operations	3050001	Utility fund expense		
	3050012	Pump Station	25,000.00	12,500.00
	3050130	Sampling	7,000.00	3,000.00
	3050010	Dumpster	3,000.00	
	3050013	Sludge	20,000.00	10,000.00
	305000017	Plant Chemicals	2,500.00	
Repairs -plant	3050014	Repairs	10,000.00	10,000.00
	3050300	Emergency repairs		-
Repairs - lines	3050017	Inspection	13,000.00	15,000.00
	3050018	Repairs	10,000.00	10,000.00
	3050004	Lift Station Utilities	0	-
Utilities	3050006	Main station - Juniper Circle	20,000.00	20,000.00
	3050007	River Hill lift station	2,500.00	2,500.00
	3050032	Hollybrooke	3,000.00	3,000.00
	3050033	Bing Crosby		
	3050035	801 lift	400.00	400.00
	3050040	Ivy Circle	3,000.00	3,000.00
	3050042	Boxwood Circle station	3,000.00	3,000.00
	3050045	Utilities 801	600.00	600.00
	3050015	Water	500.0	1,000.00
Contingency	3050200	Contingency	20,000.00	20,000.00
WWTP Project			214,550.00	
WWT Charges		Davie County Public Utilities		520,000.00
Other	3050038	Weekly inspection	11,400.00	20,000.00
	3050021	Sewer billing	5,200.00	5,200.00
			<u>530,850.00</u>	<u>791,700.00</u>