



# Budget Message

## 2025-2026 Fiscal Year

May 13, 2025

The Honorable Mike Brannon, 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, 2025, and ending June 30, 2026, 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, 2025. I recommend a public hearing to consider the proposed budget be set for Tuesday, June 10, 2025, 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 **\$3,003,900**. The Town Charter has capped the maximum allowed property tax rate at fifteen cents per one-hundred dollars of valuation. As a result of the County's 2025 revaluation process, the assessed tax base for the Town of Bermuda Run has increased. The anticipated revenue neutral rate equates to thirteen and one-half (0.1350) 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 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$877,291	\$966,906	\$990,546	\$974,791

- **Ad Valorem Tax Revenues are budgeted at \$1,300,000.** This estimate is based on property tax revenues of \$1,200,000 and motor vehicle taxes of \$100,000.
- **Ad Valorem Tax Revenues 43% of total projected revenues.**

### Sales & Use Tax Revenues History:

FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$486,533	\$465,766	\$452,956	\$448,790

- **Sales and Use Tax Revenues are budgeted at \$460,000.** The current allocation formula Davie County uses to distribute sales tax allocation to town is the ad valorem distribution formula. Town staff and I will closely monitor projected revenue streams throughout the budget year due to continued market volatility, rising interest rates, the ongoing economic recovery, and inflationary concerns.
- **The Sales and Use Tax represents 15% of total projected revenues.**

### Unrestricted Intergovernmental Revenue History:

FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024
\$221,372	\$209,732	\$235,616	\$230,319

- **Unrestricted Intergovernmental Revenues are budgeted at \$233,900.** 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 the Utilities Franchise Tax, Cable Franchise Tax, and Beer & Wine Tax, all allocated by the State. The General Assembly has looked at the elimination or 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 8% of total projected revenues.**

### General Fund Expenditure Highlights

- **Street Repairs and Maintenance:** \$515,500 has been designated for on-going street paving maintenance projects, street right-of-way maintenance and snow removal. This investment represents 43% of property tax revenues, which shows the Town Council's commitment toward focused services.
- **Residential Trash & Recycle Pickup:** \$400,000 has been designated for trash and recycling pickup for Town residents. This represents a 11% increase from the current fiscal year and accounts for additional townhomes which are expected to be occupied during this fiscal year.
- **Town Streetlights:** \$120,000 has been designated to pay for street lights. This represents 10% of projected property tax revenues.
- **Community Officer:** \$140,000 has been designated for the Community Officer Program five-year agreement to reimburse Davie County Sheriff Department for services rendered. This increase includes an annual 3% increase and additional funds for cameras. The current agreement ends in November 2027.
- **Salaries and Employee Benefits:** \$455,078 has been designated for a total of four full-time employees at Town Hall. This includes salaries and benefits for staff members, as well as merit and COLA raises. For many smaller municipalities, this area represents close to 50% of budgeted expenditures. The practice of contracting 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 **\$1,077,100**. This proposed budget will need to increase due to increases in staffing costs. In late FY 2024-25, the Town conducted an RFP process to price these services on the open market and ensure the Town is receiving a competitive rate. The per parcel gate fee will increase to \$856.59.

### **Gate Operation Fund Revenue Highlights**

- **Parcel Owner Gate Fees** are recommended at \$947,390. This represents an annual fee of \$856.59 per parcel.
- **BRCC Entrance Fee** is recommended at \$107,710. This represents 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 Services** are projected at \$725,000. This provides for three shifts of twenty-four hours a day, seven days a week manned gate staffing. 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 **\$794,950**. 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**

- **Sewer Service Revenues** are projected at \$793,250. This projection is based on mirroring the rates Davie County Public Utilities set for East Davie sewer customers. Therefore, all Town residents pay the same rates for water and sewer.

### **Utilities Fund Expenditure Highlights**

- **Asset Inventory Assessment:** The Town has received funding for an Asset Inventory Assessment of the wastewater collection system to provide proactive management for ongoing 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 has set aside funds over the years for these types of improvements and will need to continue this practice.

This is my third 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

**General Fund  
Revenues**

**General Fund  
Expenditures**

**Gate Fund  
Revenues & Expenditures**

	2025-2026		2025-2026		2025-2026
	Proposed		Proposed		Proposed
<b>Revenues:</b>		<b>General Government Expenditures</b>		<b>Gate Fund Revenues</b>	
Ad Valorem Taxes	\$ 1,203,500.00				
		Governing Body	\$ 18,400.00	RFID Sticker Fees	\$ 22,000.00
Sales Taxes	\$ 460,000.00				
		Salaries and Employee Benefits	\$ 455,078.00	BRCC Contribution	\$ 107,710.00
ABC Revenue	\$ 271,000.00				
		Operating Expenses	\$ 173,000.00	Bermuda Run Parcel Owner Fees	\$ 947,390.00
Powell Bill	\$ 100,000.00				
		Professional Services	\$ 109,000.00	<b>Gate Fund Revenues Total</b>	<b>\$ 1,077,100.00</b>
Vehicle Tax	\$ 100,000.00				
		Tax collection fees	\$ 45,000.00		2025-2026
Intergovernmental	\$ 565,000.00				Proposed
		Town Hall expenses	\$ 58,000.00	<b>Gate Fund Expenditures</b>	
Miscellaneous	\$ 304,400.00				
		Administrative Contingency	\$ 5,000.00	Gate House Staffing	\$ 725,000.00
<b>General Fund Revenues Total</b>	<b>\$ 3,003,900.00</b>				
		<b>General Government Total</b>	<b>\$ 863,478.00</b>	Gate House Maintenance	\$ 104,100.00
		<b>Community Services Expenditures</b>		Gate House Administration	\$ 248,000.00
		Governing Body Community Events	\$ 45,000.00	<b>Gate Fund Expenditures Total</b>	<b>\$ 1,077,100.00</b>
		Planning and zoning	\$ 42,000.00		
		Ground / general maintenance	\$ 81,000.00		
		Leaf removal	\$ 150,000.00		
		Waste removal	\$ 400,000.00		
		Town projects	\$ 114,922.00		
		Package Room	\$ 1,000.00	Sewer Service	\$ 793,250.00
		Other	\$ 23,500.00	Sewer Tap Fees	\$ 1,700.00
		Community Officer	\$ 140,000.00	<b>Gate Fund Revenues Total</b>	<b>\$ 794,950.00</b>
		Blue Heron Trail	\$ 170,000.00		2025-2026
					Proposed
		<b>Community Services Total</b>	<b>\$ 1,167,422.00</b>	<b>Utility Fund Expenditures</b>	
		<b>Transportation Expenditures</b>		Davie County Sewer Charges	\$ 585,000.00
		Engineering (General Services)	\$ 50,000.00	Utilities Maintenance	\$ 98,000.00
		Street Maintenance	\$ 295,500.00	Utilities Administration	\$ 111,950.00
		Other Transportation Projects	\$ 204,000.00	<b>Gate Fund Expenditures Total</b>	<b>\$ 794,950.00</b>
		Street lights	\$ 123,500.00		
		Powell Bill	\$ 300,000.00		
		<b>Transportation Total</b>	<b>\$ 973,000.00</b>		
		<b>General Fund Expenditures Total</b>	<b>\$ 3,003,900.00</b>		

**Utility Fund  
Revenues & Expenditures**