



May 2, 2011

**To the Honorable Mayor Swain and Board of Commissioners  
and Citizens:**

On behalf of our staff, I am pleased to submit the Proposed FY 2011-12 Budget for the Town of Huntersville. The operating budget provides the resources through which the Town can maintain our municipal services and play an important role in providing the quality of life currently enjoyed in our community.

This budget reflects changes to staff levels and operating capital to fund capital projects and existing commitments at a \$0.285 tax rate. This budget builds on the difficult decisions over the past two years that resulted in service level reductions and reduced workforce.

The budget is consistent with the priorities expressed by the Mayor and Town Board at our annual planning retreat. It funds transportation enhancements and provides funds to operate the existing services and facilities.

The County revaluation has been completed this year for the first time in eight years. The information by the County provides our estimate of the revenue for the real estate tax. While a revenue neutral tax rate of \$0.275 cents is not recommended in order to help establish the debt service reserve and address budgetary needs, the \$10 per household difference (\$200,000 assessed value) will help plan for those needs.

With the direction of the Town Board to provide a bond referendum in November 2011, we have provided a stable method of funding the Police Station that would not artificially lower the tax rate and then unnecessarily cause the increase needed to pay the debt on the station to be larger.

This model has been used by Huntersville previously in the funding of the Emergency Services Capital Reserve, which helped achieve a well planned and adequately constructed fire station for the east side of town.

The Census has demonstrated what we knew, that our community continues to be an attractive home for those moving to the Charlotte region. We must continue to fund our basic services and respond to the needs of our community as it grows. As we reviewed last year and again this year, our community enjoys the lowest tax rate of the largest 25 cities in the state, while also employing the fewest employees both per

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thousand residents and net employees. This budget does begin to refund some items that have been placed on hold over the last year such as police car purchases. We simply must have operational capital to maintain our fleet.

We have made great strides in the last year addressing many of the Board of Commissioner's goals in Transportation, Public Safety, Planning, Public Works and Transit. This recommended budget builds on that work and keeps providing quality services to Huntersville. Therefore, the budget reflects a reduction in the tax rate from \$0.29 to \$0.285.

This budget also continues the planning and implementation of Capital Improvement Projects, all of which relate to transportation in the coming year.

*The Executive Summary of the budget is as follows:*

- Reduces the current tax rate to \$0.285 per \$100 of assessed valuation of real and personal property.
- A flat sales tax, along with hotel/motel tax, a decrease in interest income and an increase in prepared food tax.
- Two newly funded positions in the Public Works department to address an increase in work-related activities.
- Debt Service Reserve Funds set aside for the anticipated \$18M new Police Station.
- Provides for only limited operating capital.
- Maintains the current solid waste fee of \$54 annually.
- No general fund dollars budgeted to fund the Huntersville Family Fitness and Aquatics Center and reflects a 3.4% reduction in transfer from Hotel/Prepared food tax fund.
- 3% market salary adjustments.
- Small CIP Transportation projects are funded through the Transportation Reserve fund.

#### **Department Highlights.**

The Governing Body budget reflects a new Commissioner per the Charter change and slightly lower funding to the Lake Norman Transportation Commission expenses shared by Cornelius, Davidson, Mooresville and Huntersville. The budget reflects a 10% reduction of the LNTC by request of the LNTC Board.

Finance and Administration continue to maintain level staffing at this time.

Parks and Recreation budget includes some capital enhancements to ballfields and maintaining current staffing levels.

The Public Works/Engineering budget reflects the Solid Waste/Recycling and Yard Waste contractual costs that began July 1, 2010, with minimum increases per the house count over the budget cycle. In addition, two new laborer positions are funded.

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The Planning Department budget reflects an increase in Contract Services regarding demolition of two structures and maintaining current staffing levels.

The Police Department budget includes ten (10) replacement of police cruisers (marked/unmarked). The Police Department budget also contains a deduction of 2.0% in portions of the salary and benefits lines for a reduction, due to projected vacancy as positions turn over in the largest department. Additionally, no new police officers are being requested at this time. However, a half-time Victim Advocate position is being requested and funded.

Fire and Rescue organizations reflect an increase in funding over the current year budget, with new operational costs associated with staffing the Huntersville Fire Station 3.

The Huntersville Family Fitness and Aquatics budget is funded with no general fund appropriation.

Special Appropriations:

- Flat funding to the Lake Norman Economic Development Corporation, based on the proposed budget for that organization and the interlocal agreement.
- ASC North has been added as a returning request and increased funding for ADA Jenkins Center.

Hotel/Motel/Prepared Food Tax Fund

- The Visit Lake Norman appropriation is based on 28% of Hotel/Motel and 25% of Prepared Food Tax receipts over the past year.

The proposed budget is as follows for FY 2011-12:

**EXPENDITURES**

GOVERNING BODY	\$	185,099
COMMERCE STATION PROJECT		390,767
LAKE NORMAN REG ECONOMIC DEV CORP		239,610
LEGAL		146,497
FINANCE AND ADMINISTRATION		1,548,594
TOWN CENTER/PARKING DECK		60,200
TRANSPORTATION PLANNING		201,575
PLANNING		909,143
POLICE		8,559,011
ENGINEERING/PUBLIC WORKS		4,221,695
PARKS AND RECREATION		2,360,055
FIRE AND SAFETY		2,141,192
SPECIAL APPROPRIATIONS		167,400
POWELL BILL		1,233,000
STORM WATER		700,000
HOTEL/MOTEL/PREPARED FOOD TAX FUND		1,385,497
DEBT SERVICE/CAPITAL PROJECTS FUND		1,793,331
SPECIAL REVENUE		906,180
ELECTRIC FUND		12,605,750
HFFA		3,261,649
TOTAL EXPENDITURES	\$	<u><u>43,016,245</u></u>

REVENUE

AD VALOREM TAXES	
CURRENT TAXES	\$ 14,661,500
PRIOR TAXES	100,000
VEHICLE TAX	952,600
RENTAL VEHICLE TAX	26,000
PENALTIES & INTEREST	50,000
LOCAL OPTION SALES TAX	2,800,000
UTILITIES FRANCHISE TAX	1,500,000
TELE/SATELLITE SALES TAX	400,000
BEER & WINE TAX	145,000
ABC REVENUE	50,000
SOLID WASTE FEE	836,928
WASTE DISPOSAL FEE	25,000
SCHOOL RESOURCE OFFICER	246,000
FALSE ALARM FEES	9,000
POLICE REVENUE	37,160
SAFETY TOWN	9,000
RECREATION FEE	402,900
RENT FROM ELECTRICITIES	69,564
ELECTRIC ADMIN FUND	50,000
PLANNING & ZONING	37,000
MOWING REIMBURSEMENT	3,000
INVESTMENT EARNINGS	40,000
FEDERAL PLANNING FUNDS	23,000
TRANSIT DISTRIBUTION	15,000
TOWN CENTER PARKING DECK	30,001
MISC. REVENUE	9,600
HOTEL/MOTEL	350,000
PREPARED FOOD TAX	684,000
REIMBURSEMENT INTERGOVERNMENTAL	85,000
POWELL BILL	1,000,000

STORM WATER	700,000
REIMBURSEMENT LNREDC	239,610
REIMBURSEMENT COMMERCE STATION	156,306
BUILD AMERICA BONDS - REBATE	86,968
REIMBURSEMENT - VERHOEFF BRIDGE	42,288
POWELL BILL RESERVE	233,000
TRANSPORTATION RESERVE	126,924
DEBT SERVICE - HOTEL/MOTEL	266,497
SPECIAL REVENUE	650,000
ELECTRIC FUND	12,650,750
HFFA	3,261,649
TOTAL REVENUE	<u>\$ 43,061,245</u>

I would like to thank the department heads for their work in budget preparation and Janet Stoner, Pattie Ellis and Gerry Vincent, for their hard work in preparing the Fiscal Year 2011-2012 Budget.

Sincerely,



Greg Ferguson  
Town Manager

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