

TOWN OF WOODFIN
NORTH CAROLINA

ANNUAL BUDGET FISCAL YEAR 2016-2017



Board of Aldermen

M. Jerry VeHaun, Mayor

Debbie Giezentanner, Mayor Pro-tem

Jim Angel, Alderman

Jackie Pope Bryson, Alderman

Donald Hensley, Alderman

Donald Honeycutt, Alderman

Ronnie Lunsford, Alderman

Town Administrator

JASON YOUNG

INTRODUCTION & ORGANIZATIONAL INFORMATION

BUDGET MESSAGE

June 21, 2016

To: Town of Woodfin Mayor and Board of Aldermen

From: Jason Young, Town Administrator

Submitted for your approval is the Town of Woodfin Budget for the 2016-2017 fiscal year in the amount of \$2,977,455. The budget process that was conducted this year began with formal and informal discussions with Board Members, Department Heads, and Town Employees. From these discussions, recommended goals and objectives were developed, and funding priorities established.

OVERVIEW

The total recommended budget for fiscal year 2016-2017 is **\$2,977,455** the tax rate necessary to fund this budget is **30.5** cents. The budget is balanced and is prepared in accordance with the Local Government Budget and Fiscal Control Act and in accordance with Local Government Commission guidelines. I believe that the data as presented is accurate in all material aspects and that it is in a manner designed to set forth fairly the financial position and results of the operations of the Town as measured by the financial activity of its various funds. I also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the Town's financial affairs have been included.

This report is divided into four sections: Introduction, Policy Document, Financial Plan, and Operations Guide. The Introduction contains the Budget Message and information about the Town's organization and principal officials. The Policy Document provides a coherent statement of the organization-wide financial and programmatic policies and goals that address long-term concerns and issues. The Financial Plan describes all the funds that are subject to appropriation as well as a summary of revenue sources and expenditures. The Operation Guide describes the activities, services and functions carried out by each department of the Town.

Every effort has been made to balance the need for service delivery with a fiscally conservative approach to revenue and expenditure estimates. It has been deemed necessary

to increase some taxes in order to meet basic service needs to reflect the loss of property values that have hit the Town.

The Town of Woodfin experienced income reduction as a result of the elimination of the Privilege License tax and a continued reduced share of Sales Tax due to Buncombe County's regressive policy of redistributing Sales Tax revenue on the ad Valorem basis rather than on a population based basis. This policy continues to have a negative impact on the people of Woodfin, nonetheless, careful budgeting and proactive efforts to identify and realign available revenue streams by the Board of Aldermen over the last several budget cycles have left the Town in a solid financial position.

The TIF District improvements fund the remaining balance on the bonds used to develop the infrastructure on the site. This project was undertaken in 2006 and has not performed as well as envisioned due to the collapse of the housing bubble and the resulting recession. That problem was - *in the opinion of municipal management* -magnified by the gross mismanagement of the Wells Fargo portion of the project managed by Land Tech a South Carolina based property management company which repeatedly failed to lure development to the site despite numerous market opportunities.

Over the course of the last three years as Land Tech has played a less sizable role in the project opportunities for development have increased. At present 3 major projects are either under construction or nearing completion. Confidence remains high that the TIF District will begin to meet its revenue expectations for the Town in the near future.

Despite the above noted difficulties, however, the property has significantly increased in value over the intervening years and has become a commercial and residential anchor for the Town of Woodfin. While we anticipate additional future development on a larger commercial scale the project has so far created a center for high paying jobs, quality residential development and much needed commercial development for the people of Woodfin and North Buncombe County. While impossible to predict with any level of precision the TIF District seems likely to continue to be net revenue neutral to the Town of Woodfin for several future budget cycles. It should be noted, however, that once core development goals are reached the project will provide a significant "windfall" boost to the Town's coffers and will continue to produce revenue well above what was funded. Also worthy of note is the fact that the development of the Town center attracts additional business to the Town that often may emerge at the periphery of the TIF District. Such development is not subject to the strictures of the TIF agreement and as such makes a real time impact on municipal revenues. One recently approved project, Newbridge Apartments, appears to be – at least in part- a byproduct of the amenities created by the TIF District. Other residential and commercial projects that are currently under development and negotiation are also similarly linked to the development incubator that is the TIF District.

Inflation will increasingly impact budget matters as the economic recovery continues to solidify, as a result the budget must account for a series of rising costs in several categories including: insurance, and similar fees. Additionally, the Town must continue the replacement of vehicles in the coming year in order to maintain departmental capabilities. It is also important to note that inflation causes a natural reduction in the purchasing power of the

Town as well as employees. This budget attempts to address some of this inflationary pressure by increasing employee's compensation by 3.5% in order to maintain compensation levels stability over time.

In government the budget is an integral part of the Town's accounting system and daily operations. An annual budget creates a legal limit on spending authorizations. In accordance with North Carolina State Law, the Town's budget is prepared on the modified accrual basis, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are measurable and available. Expenditures are recorded when a liability is incurred, except for interest on a long-term debt and accrued vacation benefits. The Town of Woodfin has the following types of Governmental Funds:

Governmental Funds

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are Ad Valorem taxes, sales tax, grants and state-shared revenues. The primary expenditures are for administration, public safety, streets and sanitation, parks and recreation, the community outreach program, and other general government services. General Fund revenues budgeted for fiscal year 2016-2017 total **\$2,977,455**.

To ensure the Town's fiscal stability, it is necessary to maintain a healthy operating fund balance. The fund balance allows the Town to maintain adequate cash flow levels, provides steady investment income, helps absorb revenue shortfalls, and occasionally aids in making recurring purchases. Each year during annual budget preparation, the Board of Aldermen reevaluate the fund balance level needed for the upcoming year. The Aldermen take into account the needs of the community, as well as the fiscal strength of the governmental unit, in making its decision on setting the appropriate fund balance level. The Town will retain a fund balance level of at least eight (8%) percent, in line with what is recommended by the North Carolina Local Government Commission. Given Woodfin's relatively small size it is important to maintain a healthy fund balance. It has been determined that the Board of Aldermen have set aside a sufficient reserve amount in the fund balance to fund the Town for approximately 1 year. This appears to be a very healthy fund balance and efforts to increase it should not be undertaken to the detriment of tackling infrastructure projects and improvements.

Powell Bill Fund – The Powell Bill Fund is the fund used to account for the North Carolina gasoline tax. This revenue from the State is distributed among cities on a per capita basis and according to the number of miles of non-state streets in each city. The gasoline tax revenue may only be used for maintaining, repairing, and constructing streets or thoroughfares, including bridges, drainage, curb and gutter and other necessary appurtenances to streets. Street maintenance includes street cleaning and snow removal. The Town presently estimates the 2016-2017 Powell Bill allocation to be \$187,500. This figure is in line with the presently available formulas received from the North Carolina League of

Municipalities. This formula employs a mixture of revenue based on population as well as street mileage.

Tax Rate – The proposed tax rate for the Town of Woodfin is 30.5 cents per \$100 value. This tax rate holds constant the present tax rate of the Town of Woodfin.

Emerging Issues – As noted in the last two year’s budgets, actions by the General Assembly to entirely eliminate all municipal revenue derived from the Privilege License tax in budget year 2015-2016 had a significant impact on municipal revenues. Despite assurances from various legislators that some portion of this funding would be restored no such restoration has occurred as of the preparation of this budget. The Board of Aldermen will need to investigate from time to time other revenue streams in order to offset this loss and ensure that newly identified revenue sources are stable and predictable over the long term. It is also important to note that the General Assembly has in recent years undertaken several measures that have negatively impacted municipal revenue and that such actions can occur with little advance notice. Closely monitoring the actions of the General Assembly and fostering close relations with the local legislative delegation will remain critical tasks for the foreseeable future.

Conclusion

I feel that this recommendation is a responsible budget with priorities receiving funding based upon your input and direction. The budget fulfills obligations that either this Board has made or legal obligations imposed by other levels of government.

The 2016-2017 recommended budget is hereby respectfully submitted for your review and consideration.

Jason Young

Town Administrator

Executive Budget Summary Section

Revenues

Ad Valorem Property Tax: The primary revenue is based on the current year property tax estimate. The estimate for collections is \$1,728,874 based upon a last year's valid collection rate of 99%. It is believed that this estimate provides a conservative basis for estimating the ad Valorem tax receipts for fiscal year 2016-2017.

Local Government Sales Tax: The estimate of \$700,000 is in line with projections provided by the North Carolina League of Municipalities (NCLM) for approximately 3.75% growth in this sector and takes into account past performance and local conditions. Due to modifications to the distribution structure of Sales Tax revenue by the General Assembly it will be necessary to closely monitor this revenue source for unanticipated impacts.

Utilities Franchise Tax: The estimate of \$250,000 is being held constant from last year's revenue based upon projections by the NCLM for little to no growth in this sector. This revenue stream contains a fair amount of unpredictability due to variations in weather. In the event that there is an especially hot summer or an especially cold winter this revenue stream would be expected to exceed these projections. Likewise a mild summer and winter might result in a slight drop in this figure.

Fund Balance: The proposed budget for fiscal year 2016-2017 appropriates \$0 from the fund balance. The Town of Woodfin currently maintains a fund balance of 90.20% compared to last year's 91.04%. The North Carolina Local Government Commission requires a fund balance of 8% to be maintained by municipalities.

Beer and Wine Tax: The Town is estimated to receive \$30,175 from the Beer and Wine Tax. This estimate is based upon past performance and estimates for little growth in this sector. This funding is available within 60 days of March 31, 2015.

Grant Revenue: The Town is anticipating significant grant revenue for the 2016-17 Fiscal Year. Grants are anticipated to be received to help offset the cost of purchasing new equipment for the police department. Given the variable nature of these revenue streams and the uncertainty on the timetable for payout they are not included as part of this budget but will be included as budget amendments once these funds are realized.

Community Center Revenues: The Town of Woodfin began managing operations of the Woodfin Community Center in January of 2007. These operations have resulted in significant investment by the Town in the operations and physical infrastructure of the Community Center. Some, but not all, of these expenses are defrayed by rental fees at the Community Center. These rents are variable but are expected to be about \$15,000. This figure is in line with this year's performance for rentals. Despite this growth in rentals the facility is still anticipated to continue operations at a net loss. At this point it does not seem likely that the Community Center will operate on a profitable basis for some time.

Statewide Tipping Tax: This is still a relatively new revenue stream that the State of North Carolina instituted on July 1, 2008. It is \$2 per-ton statewide “tipping tax” for municipal solid waste and construction/demolition debris. On a per capita basis 18.75% of this revenue will be distributed back to municipalities. Last year we realized \$3,249 in income from this revenue stream we have budgeted \$4,136 for this line item based upon an estimated increase in disposal rates due to population growth.

Woodfin Alcoholic Beverage Control Commission Distribution: In May of 2005 the voters of Woodfin approved the establishment of an ABC System for the Town of Woodfin. The Woodfin ABC System began operating its first store on July 19, 2007. The operation has been negatively impacted by the establishment of several new ABC systems to our North, but has rebounded significantly in the last three years. The development of more ABC systems in the wake of Woodfin’s successful entry into this market has in turn negatively affected Weaverville, Woodfin and Asheville’s systems. This additional competition has however been largely offset by increased sales due to a growing population and a general rise in the overall economy. The Town generally receives two types of revenue from the ABC System: Law Enforcement, and Distribution. These amounts are anticipated as follows:

Law Enforcement: Woodfin ABC contracts with the Town of Woodfin for Law Enforcement services as outlined in North Carolina General Statute 18B-805. Based upon the economic environment in which the ABC System operates the Town of Woodfin is budgeting \$2000 from this revenue stream.

Distribution: By law the profits of the ABC System must be distributed back to the Town of Woodfin, excepting monies reserved for capital improvements and operations of the system. While operating in the black the ABC System needs to retain certain funds to ensure sufficient operating capital. The Woodfin ABC System has been able to restore some benefits to its fulltime employees over the last year and increase volume of sales through creative in store marketing and product placement. The Woodfin ABC System anticipates that it will be in a position to distribute \$25,000 to the Town of Woodfin in the upcoming year.

Expenses

The following is a summary of the budget request of each department. For more detailed review, please refer to each department in the Operational Guide Section of this document.

Personnel: –A 3.5% Cost of Living Adjustment (COLA) is proposed as part of this budget.

Equipment- This budget provides funding for the purchase of a new garbage truck, a new dump truck, and three new police cars under a loan package similar to the one presently in place on the most recently purchased police cars. The garbage truck would allow us to retire one of our two current packers. Further the larger payload of the newly purchased truck would allow us to reduce the number of trips taken to the landfill saving labor costs and fuel costs over time. The new dump truck proposed for purchase would act as a snow plow as well as a year round vehicle for public works to move items such as dirt, gravel, asphalt and similar items replacing an existing vehicle that is aging out of practical use. While in no means would the cost of purchasing the new public works equipment be offset by the anticipated savings, it is worth noting that a reduction in repair and maintenance costs for these vehicles would be significant.

The replacement of three police cars would allow the Town to continue its policy of replacing high use vehicles within 5 years of deployment. It is inevitable that the purchases described above will need to take place in the near term and staff believes it would be best to undertake these actions while funding levels permit.

Physical Plant: - This budget anticipates that the Town will continue to maintain its present physical plant consisting of several parks, the Community Center, the Town Hall, the Public Works facility as well as 37 miles of roads. No major improvements or renovations are contemplated to existing infrastructure at this time, however staff is developing a proposal to design, fund and construct a new recreational facility along the French Broad River. Further details on this proposal will be presented as a standalone item and are not contained within the framework of this budget as plans have not been finalized.

Departments: *Proposed Changes at a Glance*

Administration

2013-14 \$427,921 2014-15 \$486,850 2015-16 \$565,707 2016-17 \$523,055

Community Outreach

2013-14 \$40,000 2014-15 \$34,120 2015-16 \$24,000 2016-17 \$24,000

Police

2013-14 \$1,306,639 2014-15 \$1,359,240 2015-16 \$1,392,553 2016-17 \$1,445,187

Street

2013-14 \$228,027 2014-15 \$265,402 2015-16 \$256,578 2016-17 \$227,306

Environmental Services

2013-14 \$467,990 2014-15 \$621,220 2015-16 \$619,371 2016-17 \$625,907

Parks & Recreation

2013-14 \$43,577 2014-15 \$49,500 2015-16 \$58,000 2016-17 \$41,000

Powell Bill

2013-14 \$236,733 2014-15 \$319,733 2015-16 \$336,733 2016-17 \$224,801

Tax Collection

2013-14 \$30,000 2014-15 \$34,958 2015-16 \$35,000 2016-17 \$91,000

Departments: *Year Over Year Changes in Detail*

Administration

Past Fiscal Year	Upcoming Fiscal Year	Dollar Change	Percent Change
2015-16 \$565,707	2016-17 \$523,055	(\$42,652)	- 7.53%

Community Outreach

2015-16 \$24,000	2016-17 \$24,000	\$0	+0.00%
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Police

2015-16 \$1,392,553	2016-17 \$1,445,187	\$52,634	+3.77%
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Street

2015-16 \$256,578	2016-17 \$227,306	(\$29,272)	-11.04%
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Environmental Services

2015-16 \$619,371	2016-17 \$625,907	\$6,536	+0.95%
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Parks & Recreation

2015-16 \$58,000	2016-17 \$41,000	(\$17,000)	-29.31%
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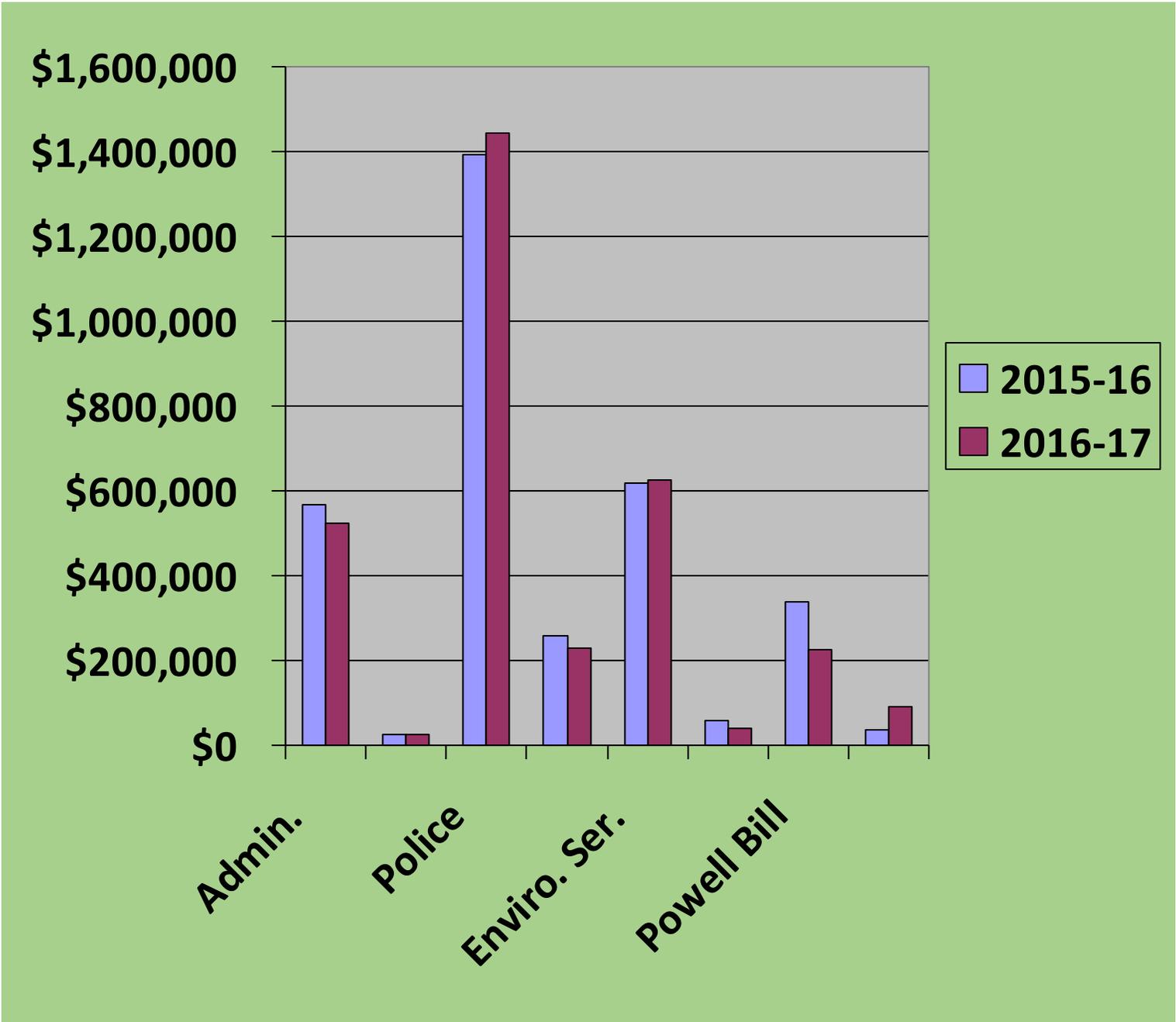
Powell Bill

2015-16 \$336,733	2016-17 \$224,801	(111,932)	-33.24%
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Tax Collection

2015-16 \$35,000	2016-17 \$91,000	\$56,000	+260.00%
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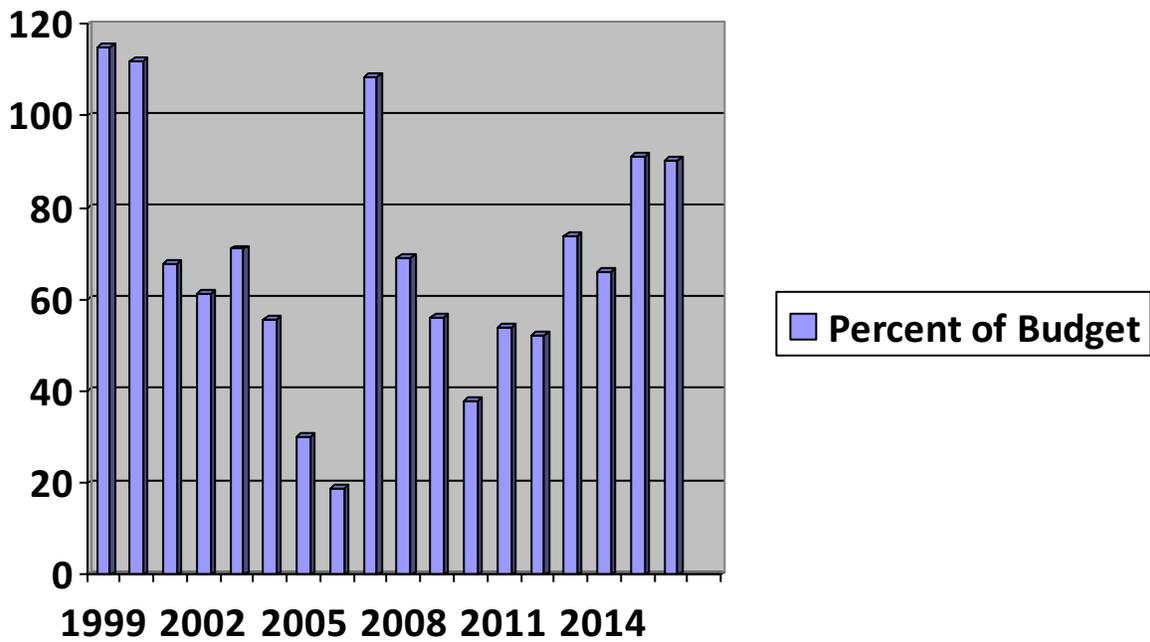
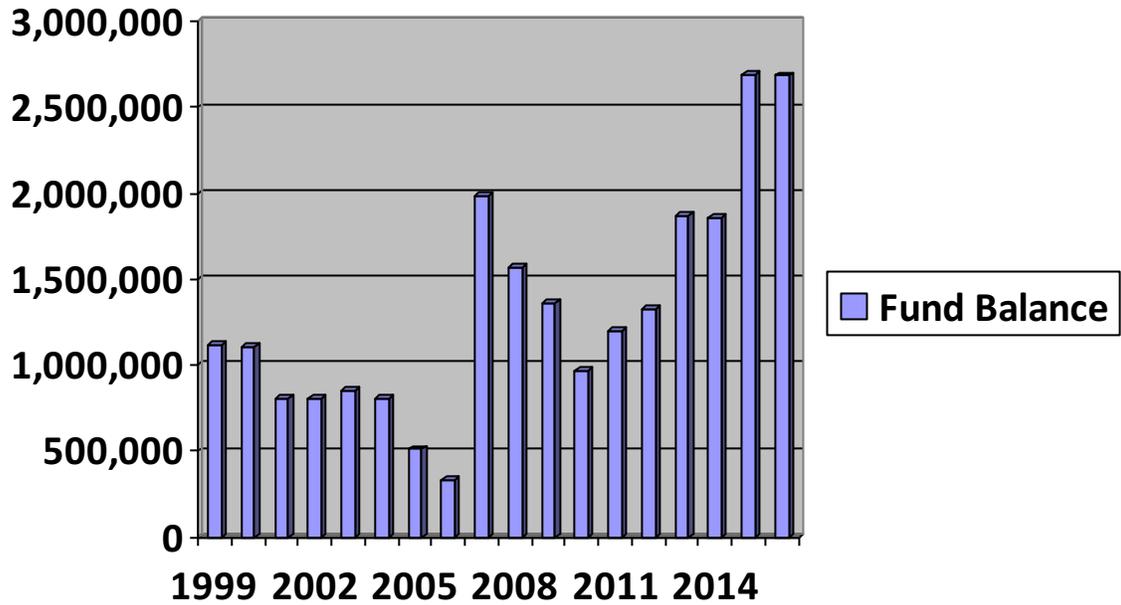
Year Over Year Changes in Detail



Fund Balance Summary 1999-2016

Year	Fund Balance	Percent
1999	1,120,559	115%
2000	1,103,456	112%
2001	803,614	67.8%
2002	803,614	61.3%
2003	856,325	71.05%
2004	805,886	55.81%
2005	511,659	30%
2006	330,325	19%
2007	1,987,158	108.4%
2008	1,569,613	69%
2009	1,365,364	56.21%
2010	967,074	38%
2011	1,202,474	54%
2012	1,330,722	52.26%
2013	1,870,696	74%
2014	1,859,208	66%
2015	2,686,895	91.04%
2016	2,685,827	90.20%

FUND BALANCE OVER TIME

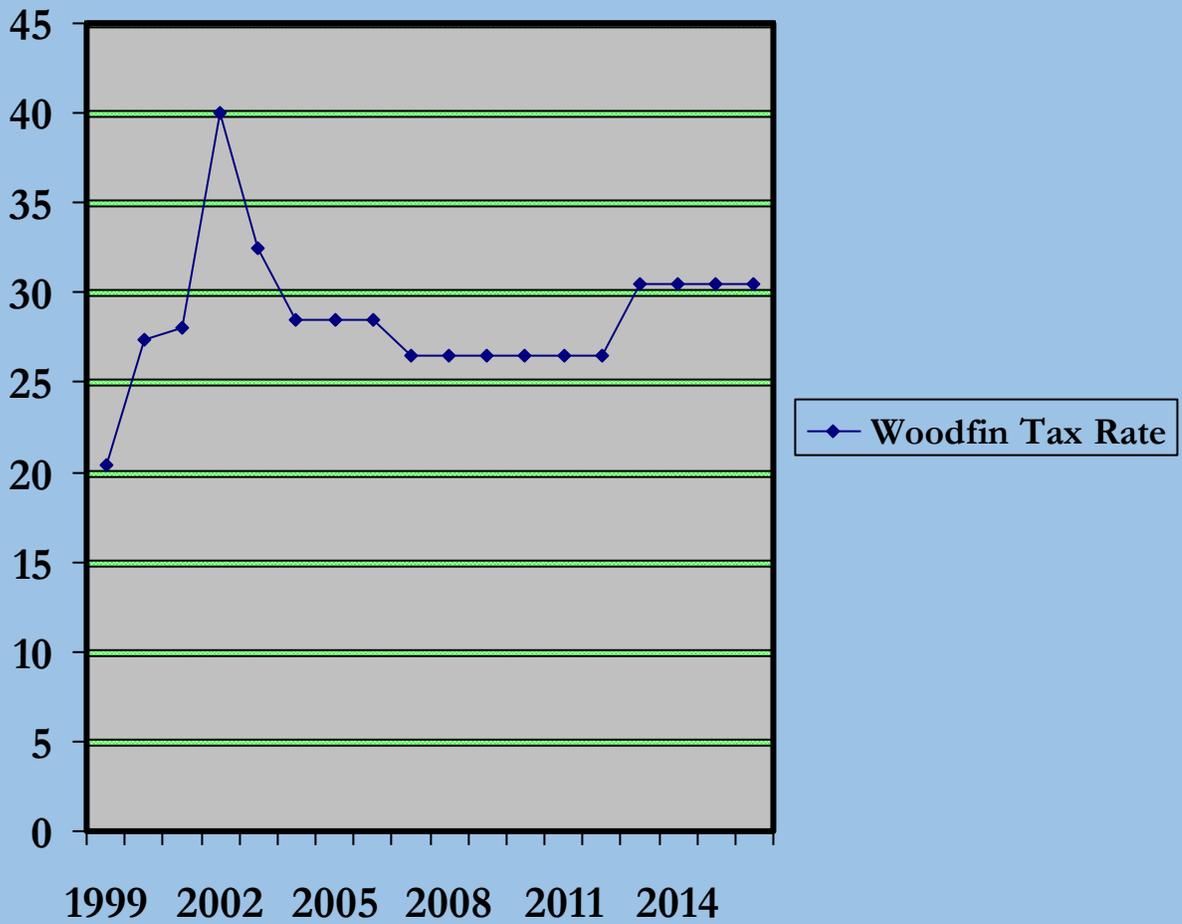


Woodfin Tax Rate 1999-2016

Year	Rate
1999	28.0
2000	28.0
2001	28.0
2002	40.0
2003	32.5
2004	28.5
2005	28.5
2006	28.5
2007	26.5
2008	26.5
2009	26.5
2010	26.5
2011	26.5
2012	26.5
2013	30.5
2014	30.5
2015	30.5
2016	30.5

Woodfin Tax Rate

1999-2016



Policy Document

The Board of Aldermen of the Town of Woodfin has identified a number of long-range goals to maximize the potential for improving the Town and the level of services provided to the public. Below are brief outlines for some of the projects identified by the Board at their retreat and in regular meetings, which this budget is designed to facilitate.

Tax Stability

The Board intends to maintain the present tax rate of 30.5 cents per \$100. Despite the loss of privilege tax revenue as well as modifications to the Tax Increment Finance District by Buncombe County the Board of Aldermen have been able to maintain service provision levels without raising the ad Valorem tax rate by finding and developing alternate revenue streams.

Economic Development

The Board has identified its intention of strategically developing Woodfin in order to increase the ad Valorem tax base within the present confines of the Town. Ad Valorem tax revenue has fallen significantly as a result of the Great Recession but the present economic recovery has pointed out a number of ways in which the Town can continue the economic development strategy which it outlined three years ago and which remains contained in this document in the following two paragraphs:

The Town continues to identify novel and innovative approaches in order to maintain its footing as a regional economic engine. The primary tool of this strategy is focusing efforts on luring large, medium and small scale commercial and medium scale industrial development to our community. In addition to these measures the Town will continue to focus its primary efforts on cementing its place as one of the preferred bedroom communities in the region, combining low crime rates, lower taxes and a more relaxed life style with easy access to urban amenities.

Effective Pursuit of Grants

As part of the effort to improve service to the community while keeping taxes as low as possible the Town will continue to explore all available grant opportunities in order to strategically leverage available funds. It is anticipated that the Town will gain significant revenue from grant sources this year; however, as these issues are far from certain as a result this budget does not propose to consider grant revenue as a source of income for the upcoming fiscal year. Instead it is recommended that the Board consider budget amendments to accommodate such revenues if and when they become available.

Financial Plan

North Carolina General Statutes require that the Budget Officer is responsible for preparation and submission of the annual budget and capital program to the Board of Aldermen.

Budget Preparation Calendar

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|-------------------|---|
| Prior to April 30 | Work plan for the budget process developed. Information necessary to develop the budget should be made available to department heads and the budget officer. This data includes: actual revenues and expenditures through February 28 or later if available, of the current year; the estimated revenues and expenditures for the entire current year; and the current year salaries and wages for each employee. |
| By April 30 | Requests from departments for budget year are due. |
| By May 1 | Estimated revenues and appropriations reviewed and adjusted. Decision made whether to request appropriated fund balance and/or reduce appropriations to balance the budget. The budget may not balance at this point. |
| By May 15 | Estimated revenues, fund balance, and appropriations requests for the coming year should be reviewed and adjusted. The budget should be in balance at this point. |
| By June 21 | Budget document, along with the budget message, printed and presented to the Board for its consideration. The public hearing on the budget should be scheduled at this time. A copy of the budget must be filed with the Board's clerk at the time it is presented to the Board. The clerk shall make a copy of the budget available to all news media in the county. |
| By July 1 | The budget ordinance should be approved by the Board. The public budget hearing should be held prior to the adoption of the budget ordinance. The Board should make any necessary changes to the budget as presented. This hearing cannot be held earlier than 10 days after the budget is presented to the Board. |

In the event that the Board cannot approve a final budget prior to July 1, then the Board shall make provision for an

interim budget as outlined under G.S. 159-16. See statute below:

Budget Amendments

G. S. 159-15 authorizes the governing board to amend the budget ordinance at any time after the ordinance is adopted, so long as the amended ordinance continues to meet the requirements of G. S. 159-8 and 159-13. Budget amendments may not increase or decrease the tax levy or alter a taxpayer's liability unless the Board is ordered to do so by the courts or an authorized State agency. Budget amendments may not increase the amount of tax revenue from the current levy to an amount that exceeds the percentage of taxes collected in the previous year, even if the revenue has actually been received.

Budget amendments must be made prior to obligating funds in excess of budgeted appropriations at the level at which the budget has been adopted. G. S. 159-13 (a) states that the budget ordinance may be in any form that the Board considers most efficient in enabling it to make fiscal policy decisions embodied therein, but it should make appropriations by department, function or project and show revenues by major source. The staff of the Local Government Commission recommends that local governments do not adopt line item budget ordinances, as the budget must then be amended at that level of detail. If revenues are less than estimated amounts, an amendment should be adopted to make these adjustments as well. Revenues should be budgeted only for amounts the unit can realistically expect to receive. Each fund in the budget must remain balanced; therefore, when there is a change in an estimated revenue or appropriation, there must be an offsetting adjustment to some other revenue or appropriation account(s) in order to keep the fund balanced.

An amendment should contain certain information, depending on its purpose. If the amendment is increasing an appropriation based on an increased revenue, the amendment should specify the appropriation and its increase, as well as the revenue and its increase. Likewise, if the amendment is reducing one appropriation and increasing another, with no new revenue source, each appropriation should be listed along with the amount of increase or decrease. Each amendment should balance. Total increases in appropriations should equal total decreases if no new revenues are involved. Total increases in appropriations should equal total increases in revenues if new revenues are involved. In all situations, a brief description of the circumstances surrounding the amendment should be on the face of the amendment or in the minutes where the amendment was approved. Board approval or review should be indicated on each amendment, either by signature of the clerk to the Board attesting to Board approval or by including the actual amendment itself in the Board meeting minutes.

The amendments include the account numbers to which the changes are to be posted on the amendment form for ease regarding the changes. As discussed below, the Board has the option of allowing the budget officer to make minor changes to

the budget without obtaining prior Board approval by formal budget amendments. Such changes must be within a fund and not between two or more funds.

The Town of Woodfin Budget Ordinance states the following:

The Budget and Finance Officer are hereby authorized to distribute department funds upon the line item budget and make expenditures therefrom, in accordance with the Local Government Budget and Fiscal Control Act.

The Budget Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. He/she may transfer amounts between line items, expenditures and revenues within a department without limitation and without a report being required.
- b. He/she may transfer amounts up to \$2,500 between departments within any one division, including contingency appropriations, within the same fund during any month. For the purpose of this ordinance, the Town of Woodfin has the following divisions: Public Works (Streets and Sanitation), Police, and Administration. The Budget Officer must make an official report on such transfers at the next regular meeting of the Governing Board. Transfers between divisions would require action of the Governing Board.
- c. He/she may not transfer any amounts between funds, except as approved by the Governing Board in the Budget Ordinance as amended.

The most important thing to remember about budget amendments affecting expenditure accounts is that they are to be made prior to funds being obligated. The finance officer, or person acting in that capacity, can be held personally liable for any obligations made that are not in accordance with the budget ordinance as it stands at the time the obligation is incurred. Therefore, if an obligation is made in excess of the budgeted appropriation, a violation of G. S. 159-181 (a) has occurred, even if the ordinance is later amended to authorize the obligation and the resulting expenditure.

Budget amendments may be made after June 30 to the budget ordinance for the previous year to cover obligations or expenditures that the unit legally must pay in excess of appropriations. However, such items are still a statutory violation, and the budget must be presented in the audited financial statements as it stood on June 30. If these amounts are material, a note disclosure in the audited financial statements may be needed to indicate statutory noncompliance.

Town of Woodfin

2016-2017 Budget Ordinance

BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF WOODFIN, NORTH CAROLINA:

Section 1. The following amounts are hereby appropriated in the General Fund for the operation of the Town Government and its activities for the fiscal year beginning July 1, 2016 and ending June 30, 2017 in accordance with the chart of accounts heretofore established for this Town:

Administration	\$ 523,055
Community Outreach	\$ 24,000
Parks & Recreation	\$ 41,000
Police	\$ 1,445,187
Environmental Services	\$ 625,907
Street	\$ 227,306
Tax Collection Fee	\$ 91,000
Total Expenditures	\$ 2,977,455

Section 2. It is estimated that the following revenues will be available to the General Fund for the fiscal year beginning July 1, 2016 and ending June 30, 2017:

Ad Valorem Taxes-Current Year	\$ 1,728,874
Prior Years	\$0
Tax Penalties & Interest	\$0
Privilege License	\$0*
Interest on Investments	\$1,000
Picnic Shelter Reservations	\$6,000
Miscellaneous Income	\$15,000
Utilities Franchise Tax	\$250,000
Beer & Wine Tax	\$30,175
Statewide Tipping Tax	\$4,136
Local Government Sales Tax	\$700,000
Court Costs & Fees	\$6,000
Administrative Impound Fee	\$1,200
Zoning Permits	\$41,000
State Sales Tax Refund	\$11,000
County Sales Tax Refund	\$5,000
Federal Gas Tax Refund	\$2,388
Community Outreach Donations	\$18,000
Sale of Recyclables	\$300
Sale of Fixed Assets	\$14,113
Transfer from Powell Bill	\$101,069
Transfer from Fund Balance	\$0
Unauthorized Substances Tax	\$200
Rental Income – Com. Ctr.	\$15,000
ABC Disbursement	\$25,000
ABC Officer Contract	\$2,000
Total Revenues	\$2,977,455

Section 3. The following amounts are hereby appropriated in the Powell Bill Fund for the fiscal year beginning July 1, 2016, and ending June 30, 2017, in accordance with the chart of accounts heretofore approved for the Town:

Powell Bill	\$ 187,500
Total Expenditures	\$ 187,500

Section 4. It is estimated that the following reserves will be available in the Powell Bill Fund for the fiscal year beginning July 1, 2016, and ending June 30, 2017:

NC State Highway Commission	\$ 187,500
Interest on Investments	\$ 500
Powell Bill Reserve Allocation	\$ 36,801
Total Revenue	\$ 224,801

Section 5. The Budget Officer/Finance Officer is hereby authorized to distribute department funds upon the line item budget and make expenditures therefrom, in accordance with the Local Government Budget and Fiscal Control Act.

Section 6. The Budget Officer/Finance Officer is hereby authorized to transfer appropriations as contained herein under the following conditions:

- A. He/she may transfer amounts between line items, expenditures and revenues within a department without limitation and without a report being required.
- B. He/she may transfer amounts up to \$2,500 between departments within any one division, including contingency appropriations, within the same fund during any month. For the purpose of this ordinance, the Town of Woodfin has the following divisions: Public Works (Streets and Sanitation), Police, and Administration. The Budget Officer must make an official report on such transfers at the next regular meeting of the Governing Board. Transfers between divisions would require action of the Governing Board.
- C. He/she may not transfer any amounts between funds, except as approved by the Governing Board in the Budget Ordinance as amended.

Section 7. There is hereby levied a tax at the rate thirty and one half cent (.305) per one hundred dollars (\$100) calculation of property as listed for taxes as of January 1, 2016 for the

purpose of raising the revenue listed as “Taxes ad Valorem-Current Year” in the General Fund in Section 2 of this Ordinance. This rate is based upon an estimated valuation of \$581,801,697 and an estimated rate of collection of 99%.

Section 8. Copies of the Budget Ordinance shall be furnished to the Mayor, to the Board of Aldermen, and to the Clerk of the Town to be kept on file for their direction in the disbursement of funds.

- * The North Carolina General Assembly eliminated this revenue stream effective July 1, 2015.

ADOPTED AND APPROVED THIS, THE 19th DAY OF JULY, 2016.

M. JERRY VEHAUN
MAYOR
TOWN OF WOODFIN

ATTEST:

AMANDA PLYLER
TOWN CLERK
TOWN OF WOODFIN

Town of Woodfin

Budget Summary By Department:

Department: Administration

Department Head: Jason Young

Function/Intent: The purpose of this department is to provide a support role to the Board of Aldermen as well as to manage the day-to-day activities of the Town government, Planning and Zoning, Economic Development, Code Enforcement, Permitting, Storm Water Management, Personnel Records Management and other tasks.

Overview of the 2016-2017 Budget Request:

This budget includes a 3.5% Cost Of Living Allowance (COLA). The proposed budget includes funding for the administrative staff.

Long –Term Goals/Plans:

The long-term goals of the department include:

1. Maintaining the Town's economic health by careful stewardship of resources.
2. Maintaining core services and improving quality of life within the Community.
3. Achieving a better return on revenue streams.
4. Fostering a climate that is attractive to economic development.
5. Continue to improve code and housing enforcement.
6. Ensuring that the Town is well represented at the Federal, State and County level when important legislation is being considered.
7. Identifying areas for partnership with private developers and other governments.

**Administration Department
2016-2017 Budget Estimates**

104200.

Account	2012-13	2013-14	2014-15	2015-16	2016-17
Salaries	200,218	200,218	227,500	280,316	220,455
Professional Services	35,000	44,500	44,500	45,000	50,000
FICA	15,317	15,317	17,063	17,380	16,865
Unemployment Ins.	----	----	----	----	781
Health Insurance	36,000	24,520	24,311	37,639	41,000
Retirement-Local Gvt.	9,610	9,610	18,559	19,818	14,704
Workers Comp.	5,398	2,838	----	5,664	4,500
401K Contribution	12,013	12,013	15,317	16,819	13,227
Telephone	5,128	7,464	10,500	12,000	21,000
Postage	2,500	2,800	2,200	2,900	3,000
Printing	3,000	3,000	2,000	3,000	3,000
Utilities	10,000	10,100	10,200	10,000	10,000
Travel	----	1,000	1,000	----	1,000
Maint. /Repair Bldg.	6,000	5,000	5,500	6,000	4,000
Maint. /Repair Equip.	3,000	500	500	500	250
Maint. /Repair Vehic.	500	500	500	1,000	500
Advertising	4,000	3,000	4,500	6,000	6,000
Vehicle Supplies	8,000	8,500	9,200	12,000	11,000
Dept. Supplies	20,000	21,000	21,000	22,000	25,000
Janitorial Service	----	----	----	----	4,128
Dues & Subscriptions	12,500	13,200	10,000	7,900	9,000
Insurance & Bonds	14,511	9,841	21,500	27,508	32,000
Capital Outlay	----	----	10,000	----	----
Election Expense	8,000	8,000	8,000	9,263	9,645
Miscellaneous	7,000	7,000	5,000	5,000	4,000
Aldermen Comp.	18,000	18,000	18,000	18,000	18,000
Totals	435,695,	427,921	486,850	565,707	523,055

Community Outreach

Department: Community Outreach

Department Head: Mayor Jerry VeHaun

Function/Intent: The Community Outreach Program strives to assist Woodfin families in need of assistance related to food, fuel, medical, transportation, housing and other needs.

Long Term Goals/ Plans:

The long-term goals of the Community Outreach Department include:

1. Operating the Christmas Program for families in need.
2. The distribution of heating and electrical assistance to certain persons.
3. Raising funds towards the operation of the program from private and non-profit sources.
4. The distribution of intermittent food assistance to families in need.
5. The distribution of intermittent special needs assistance to certain persons.
6. Communicating with and assisting certain persons in need in finding outside assistance and care.

**Community Outreach Department
2016-2017 Budget Estimates**

Account	2012-13	2013-14	2014-15	2015-16	2016-17
Salaries	19,000	19,000	10,000	----	----
Reimbursable Expenses	----	----	----	1,000	1,000
Heating Assistance	----	----	5,000	5,000	----
Christmas Program	----	----	19,120	18,000	18,000
Community Program	21,000	21,000	----	----	5,000
Total	40,000	40,000	34,120	24,000	24,000

Police Department

Department: Police

Department Head: Chief John Brett Holloman

Function/Intent: The Woodfin Police Department endeavors to provide competent, efficient, diligent and personalized law enforcement services to residents and visitors of the Town of Woodfin.

Overview of the 2016-2017 Budget Request:

The most significant request is for the replacement of major equipment in the form of three new patrol cars to replace 2 of the last 2007 and 1 of the 2009 model chargers currently on the road. This budget also includes a 3.5% Cost Of Living Allowance (COLA).

Long Term Goals/ Plans:

The long-term goals of the Police Department include:

1. Enhanced training of officers to improve the quality of service available to Woodfin.
2. Maximizing the use of emerging technologies in a way that enhances safety and efficiency.
3. Continuing to ensure the safety of Woodfin resident and visitors.
4. Helping to foster a climate that is conducive to strong economic development by creating an atmosphere that is welcoming to non-residents.
5. Networking within the community to reduce the potential for criminal activity.
6. Fostering a positive relationship with local media.

Police Department

2016-2017 Budget Estimates

104200.

Account	2012-13	2013-14	2014-15	2015-16	2016-17
Salaries	785,397	785,397	818,959	818,000	872,029
FICA	56,399	56,399	58,091	50,842	66,710
Health Insurance	97,366	114,429	113,456	131,736	90,000
Retirement-Local Govt.	50,779	50,779	52,302	60,792	58,162
Workers Comp.	25,191	49,190	----	19,824	19,824
Telephone	12,000	10,000	13,200	12,000	18,500
Postage	100	100	125	125	----
Printing	1,000	500	500	500	500
Travel	4,000	4,000	5,000	5,000	5,000
Maint. /Repair Equip.	1,500	1,500	3,000	2,000	1,000
Maint. /Repair Vehic.	54,300	30,000	30,000	23,000	17,000
Vehicle Supplies	57,000	50,000	45,000	45,000	30,000
Dept. Supplies	15,000	10,000	22,000	25,000	30,000
Uniforms	6,000	10,000	10,000	10,000	11,000
Dues & Subscriptions	43,500	47,200	47,200	47,200	47,000
Insurance & Bonds	20,315	12,900	45,325	41,000	21,000
Personnel Testing	1,000	500	500	1,500	1,000
401 K	47,328	47,328	48,748	49,200	52,320
Miscellaneous	1,000	1,000	1,000	1,000	1,500
Invst. /Crime Prevent	3,800	3,000	2,000	2,000	2,000
Capital Outlay	----	----	----	2,000	----
Debt Service	22,417	22,417	44,834	44,834	100,642
Totals	1,305,392	1,306,639	1,359,240	1,392,553	1,445,187

Public Works:

The Woodfin Public Works Department is divided into two entities for the purposes of accounting and planning: Environmental Services and the Street Department.

Environmental Services Department: The Environmental Services Department is responsible for collecting household garbage from residents as well as many businesses. In addition this department is tasked with maintaining the Woodfin Park System, enforcing the Animal Ordinances of the Town of Woodfin, and overseeing the Woodfin Recycling Program.

Street Department: The Woodfin Street Department is tasked with maintaining the municipality's 37 miles of roads as well as overseeing street lighting and the Town's Stormwater System. The Street Department receives some of its funding from the Powell Bill Program and duties related to this program are strictly segregated from other expenditures in order to comply with state statute governing these activities.

Overview of the 2016-2017 Budget Request:

The most significant request is for the replacement of major equipment in the form of a new garbage truck and a new dump truck. These items are projected to cost approximately \$260,000 but the items are inevitably going to have been replaced and have exceeded their expected life span. This budget also includes a 3.5% Cost Of Living Allowance (COLA).

Environmental Services Department

Department: Environmental Services

Department Head: Superintendent Johnny Brooks

Function/Intent: The purpose of this department is to provide sanitation services to the residents of Woodfin. The Environmental Services Department –formerly known as Sanitation - is responsible for providing safe and sanitary refuse collection to residents, businesses and industries.

Long-term Goals/ Plans:

1. To continue to provide exceptional trash removal services to our growing population.
2. To find ways to better re-coup costs to the Town for extra or special services provided by the Environmental Services Department.
3. To continue the phased replacement of outdated equipment within the department.

Environmental Services Department

2016-2017 Budget Estimates

105450.

Account	2012-13	2013-14	2014-15	2015-16	2016-17
Salaries	167,239	167,239	179,220	153,251	186,300
FICA	12,794	9,465	12,360	9,502	14,252
Health Insurance	32,108	40,867	56,728	56,458	32,000
Retirement-Local Gvt.	11,272	7,780	11,845	10,835	12,426
Workers Comp.	10,796	11,428	----	8,496	9,600
401K Contribution	10,034	10,034	10,753	9,195	11,178
Telephone	1,500	2,000	2,000	2,000	1,400
Utilities	2,500	2,500	3,500	4,500	6,200
Maint. /Repair Bldg.	1,000	1,000	5,000	5,000	5,000
Maint. /Repair Equip.	500	500	500	1,200	500
Maint. /Repair Vehic.	21,000	21,000	35,000	35,000	25,000
Vehicle Supplies	25,564	21,000	25,000	25,000	19,000
Dept. Supplies	2,000	2,000	4,000	8,000	8,000
Uniforms	2,000	2,000	2,500	6,100	6,100
Insurance & Bonds	9,529	6,106	16,400	13,500	7,000
Miscellaneous	500	500	500	500	500
Landfill Tipping Fee	72,000	72,000	70,000	80,000	80,000
Debt Service	13,957	16,365	107,914	107,914	----
Debt Service – Bldg.	----	----	----	----	29,572
Debt Service-Vehic.	----	----	----	----	94,879
Animal Control	4,000	4,000	4,000	4,000	4,000
Spay/Neuter Prog.	----	----	----	----	3,000
Recycling	65,136	70,206	74,000	80,000	70,000
Totals	465,429	467,990	621,220	619,371	625,907

Street Department

Department: Public Works

Department Head: Johnny Brooks

Function/Intent: The purpose of this department is to provide for the proper upkeep of the Town's transportation routes. The Street Department is responsible for Stormwater management, road repair and resurfacing, snow removal, mowing and right-of-way maintenance.

Long-term Goals/Plans:

1. To investigate the possibility of widening certain streets within the Town to ensure that all roads maintained by the Town of Woodfin meet or exceed the NC DOT standard width of 16 feet or more.
2. To assist in the implementation of the Town's Stormwater Ordinance and action plan.
3. To look for opportunities to improve the appearance and livability of Woodfin within the general purview of the Town's street system.
4. To ensure the prompt removal of snow and ice to maintain the safety of the motoring public of the Town and to promote commerce within the Town.

Street Department

2016-2017 Budget Estimates

105400.

Account	2012-13	2013-14	2014-15	2015-16	2016-17
Salaries	83,656	83,656	86,166	81,760	86,940
FICA	6,400	6,400	6,600	5,069	6,651
Health Insurance	9,648	16,347	16,208	18,819	12,000
Retirement	5,638	5,638	5,807	5,781	5,799
Workers Comp.	3,599	4,363	----	2,832	5,200
401K	5,019	5,019	5,170	4,906	5,216
Telephone	539	539	540	----	----
Utilities	2,500	1,000	----	----	2,000
Maint. Building	500	500	500	500	----
Maint. Equip.	2,200	5,000	10,000	8,000	5,000
Maint. Vehic.	2,500	2,500	5,000	5,000	5,000
Vehicle Supplies	10,000	14,000	24,000	18,000	15,000
Dept. Supplies	2,000	4,000	7,000	5,000	6,000
Uniforms	500	500	500	1,000	2,000
Street Lighting	51,684	55,000	55,000	60,000	65,000
Insurance/Bonds	9,529	6,200	12,000	9,000	5,000
Miscellaneous	500	1,000	500	500	500
Debt Service	13,957	16,365	30,411	30,411	----
Totals	210,369	228,027	265,402	256,578	227,306

Parks and Recreation Department

Department: Parks and Recreation Department

Department Head: Jason Young, Town Administrator

Function/Intent: The purpose of this department is to provide for the upkeep and maintenance of the Town's park system as well as identify ways to provide cost effective ways to build a sense of community within the Town. This department is responsible for orchestrating annual events such as the popular Labor Day Picnic.

Long-term Goals/Plans

1. Identify opportunities to expand the Woodfin Park System
2. Identify ways to enhance pedestrian and bicycle pathways throughout the community in order to improve access to recreational facilities and improve the health and wellness of the citizens of Woodfin.
3. Identify ways to beautify Woodfin and enhance its park system.
4. Operate and manage the Woodfin Community Center.
5. Identify partnerships that can enhance the appearance and use of community parks.
6. Identify methods and strategies to make the park system more cost effective.

Parks & Recreation Department

2016-2017 Budget Estimates

106200.

Account	2012-13	2013-14	2014-15	2015-16	2016-17
Operational	4,000	5,500	8,000	14,000	7,000
Repairs	1,000	----	----	1,000	1,000
Elem. School Allo.	----	----	----	----	2,000
Labor Day Picnic	6,500	8,000	6,500	8,000	8,000
Golden Age Club	6,000	6,000	6,000	6,000	6,000
Youth League	4,000	4,000	4,000	4,000	4,000
Comm. Ctr. Oper.	8,312	8,349	15,000	15,000	10,000
Comm. Ctr. Bldg.	4,750	11,728	10,000	10,000	3,000
Total	34,562	43,577	49,500	58,000	41,000

Powell Bill Fund Expenditures

Powell Bill Fund Expenditures represent the explanation of how the Town will spend money it receives from the state for road maintenance. These expenditures do not constitute a separate department, and should be considered, in many ways, an addendum to the Street department budget.

2016-2017 Budget Estimates

104300.

Account	2012-13	2013-14	2014-15	2015-16	2016-17
Street Labor Transf.	82,733	82,733	82,733	82,733	101,069
Snow Removal	12,000	12,000	25,000	25,000	20,000
Patching & Resurf.	3,000	130,000	200,000	200,000	84,232
Culverts	5,000	5,000	5,000	12,000	12,000
Road Maint.	1,500	5,000	5,000	12,000	2,500
Engineering Serv.	2,000	2,000	2,000	5,000	5,000
Total	206,233	236,733	319,733	336,733	224,801

Tax Collection

2016-2017 Budget Estimates

Tax Collection Expenditures represent an explanation of the funds the Town will money it to Buncombe County for the collection of the Town's taxes and tax related fund transfers related to the Town's Tax Increment Finance District. These expenditures do not constitute a separate department, and should be considered, in many ways, an addendum to the Administration budget.

Account	2016-17
Tax Collection Fees	35,000
TIF District Payment	56,000
Total	91,000

How Your Money Is Spent:

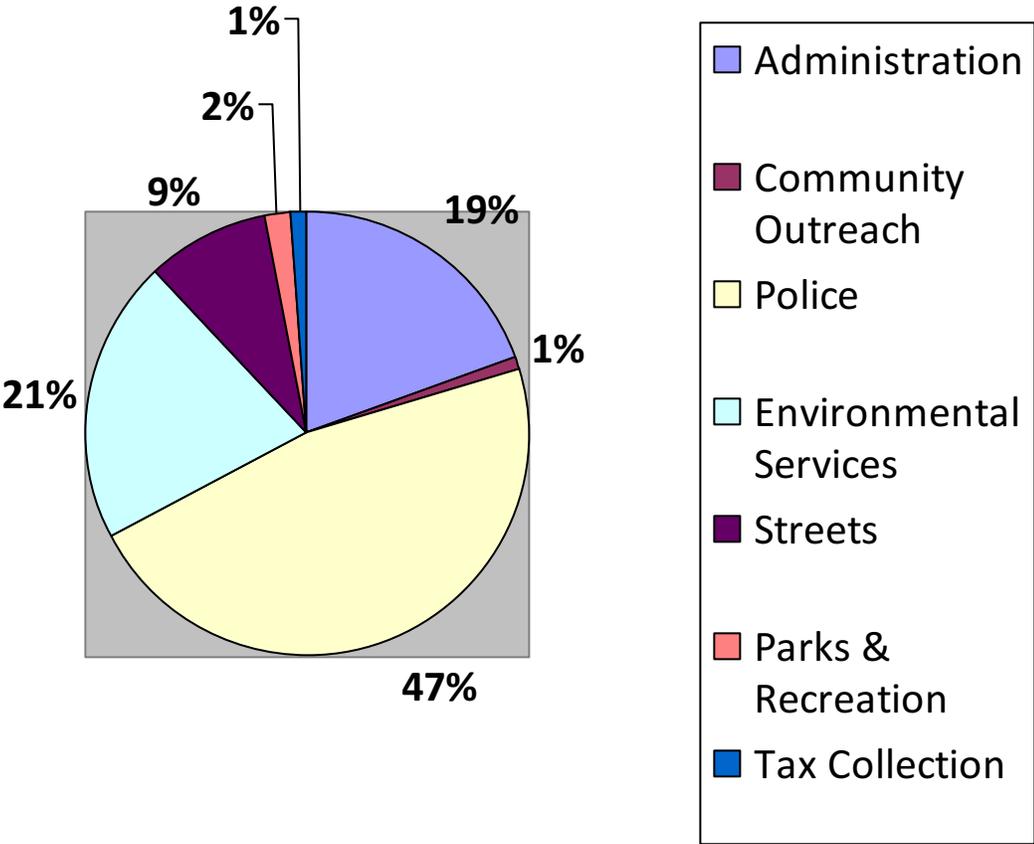
The exercise below indicates what portion of each tax dollar goes to which Town service or obligation.

Of each dollar spent this budget allocates funding as follows:

Administration	17.56 cents
Community Outreach	00.80 cents
Parks & Recreation	01.37 cents
Police	48.53 cents
Environmental Services	21.02 cents
Streets	07.63 cents
Tax Collection	03.05 cents



How Your Money Is Spent



Where Tax Dollars Come From:

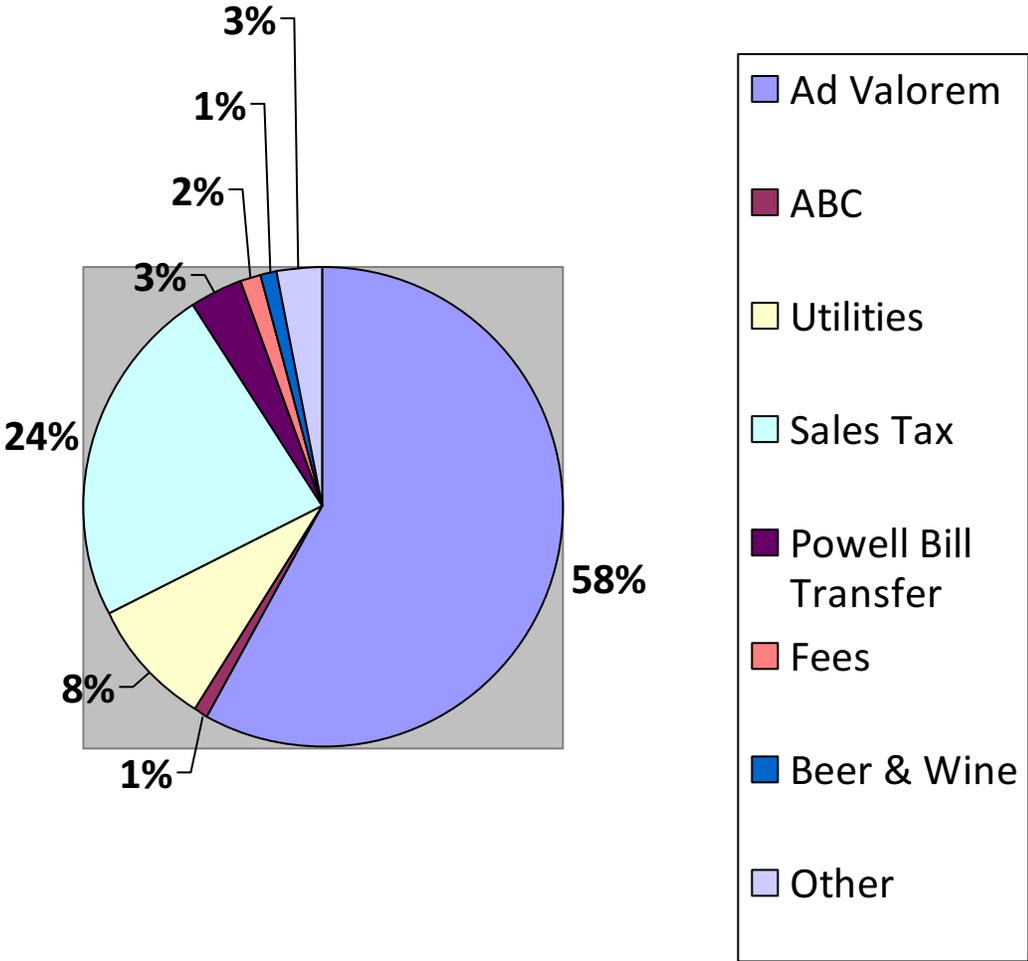
The exercise below indicates the source of revenue from which each portion of a tax dollar is derived. While it is common to think of property taxes as the sole source of municipal revenue the chart below demonstrates that a “tax dollar” is actually composed of money from a variety of sources.

Of each dollar spent this budget derives funding as follows:

Ad Valorem (Property Taxes)	58.06 cents
Alcoholic Beverage Control	00.90 cents
Utilities Franchise Tax	08.39 cents
Sales Tax	23.51 cents
Transfer from Powell Bill	03.39 cents
Fees	01.61 cents
Beer & Wine Tax	01.01 cents
Other	03.03 cents



Where Your Tax Dollars Come From



A Closer Look At The Ad Valorem Tax:

As noted above, ad Valorem Taxes are commonly referred to as Property Taxes. These taxes are levied on real estate, automobiles, machinery, and a variety of items. These taxes constitute the single largest source of funding for our municipal government accounting for 58% of all dollars the Town spends.

Ad Valorem taxes are particularly important to the operations of the Town of Woodfin in large part due to the fact that the Town does not bill separately for government functions (ex: garbage pickup, recycling, etc.) as is common in many cities.

Ad Valorem taxes are based upon the total taxable value of the Town of Woodfin. By law these values are assigned by the Buncombe County Tax Department which periodically reviews the value of all properties within the County. Every few years the County is required to revalue properties so they remain in line with changes in the real estate market. This process is mandated by the State of North Carolina and the Town of Woodfin has no role in establishing the relative value of a property.

The Town of Woodfin contracts with Buncombe County to collect taxes on our behalf. For this service the Town pays 2% of all collections on real estate and 1.5% on vehicles. These funds are transferred to the Town on a monthly basis.

The ad Valorem tax rate is established by the Board of Aldermen. The Town's current tax rate is 30.5 cents. This means that for each \$100 of value a property is worth the owner must pay 30.5 cents to the Town of Woodfin. For example, a \$100,000 home would pay \$305 a year for municipal services including Police Protection, Garbage and Recycling Collection, Street Maintenance, Snow Plowing, Parks and Recreation Facilities and similar services. For each penny of the ad Valorem tax rate the Town receives \$56,684.39.



**EVERY PENNY ON THE TAX RATE TRANSLATES TO
\$56,684.39.**



Schedule of Fees 2016-2017

Administrative Department/ Police Department

Copies	.03 per page
Police Report Copies	\$5
Vehicle Release	\$35
Research or Document Search	\$18 an hour

Parks and Recreation

Reservation of Picnic Shelters	\$30 per 3 hour block
Reservation of Community Center	\$200 a day, \$200 Security Deposit Required
Reservation of Community Center With Alcohol	\$300 a day, \$200 Security Deposit Required

Public Works Department

Extra/Special Pick-Ups	\$225, plus Tipping Fee
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Planning & Zoning Department

Copies	.03 per page
Driveway Permits	\$100
Zoning Compliance Permits – Storage Building/Utility Shed	\$50
Single Family Dwelling	\$150
Residential Multi-Family	\$200 + 50 per unit
Single Wide Mobile Home	\$300
Commercial/Industrial Facility	\$500
Hotel/Motel/Inn	\$100 + 25 per unit
Fence/ Retaining Wall Permit	\$50
Zoning Verification Letter	\$25
Appeal of Zoning Enforcement	\$150
Application for Variance	\$300
Application for Conditional Use	\$500

Application for Noxious Use	\$10,000 or 5% of Construction Cost (Whichever is Greater)
Application for Rezoning	\$500, plus \$50 for every acre or portion thereof over 5 acres
Subdivision Review	
Minor	\$50 per plat
Major	\$500, plus \$50 per lot or dwelling in the subdivision
Application for Flood Plain Permit	\$100
Copies of Zoning Map	\$5
Copies of Zoning Ordinance & Subdivision Regulations	\$25
Sign Permits	
\$1-\$100	\$50
\$101-\$200	\$75
\$201-\$300	\$150
\$301-\$400	\$200
\$401-\$500	\$300
\$501-\$700	\$400
\$701-\$999	\$500
\$1000-\$1500	\$600
\$1501-\$2000	\$800
\$2001-\$5000	\$1000
\$5001-\$10,000	\$1500
\$10,001 +	\$2,000
Street Review for Municipal Takeover	\$300 + 25 per linear foot unless waived by Board of Aldermen
Telecommunications Tower Permit	\$10,000