BEAUFORT

NORTH CAROLINA · BE HERE

FY17 BUDGET

JULY 1, 2016

CHARLES W. BURGESS, TOWN MANAGER

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The following document is the FY17 Budget for the Town of Beaufort. This document was developed by staff with the guidance of the Mayor and the Board of Commissioners, and in accordance with the Town's Mission, Strategic Priorities, and Core Values as outlined below.

COMMUNITY OVERVIEW

Established in 1709, Beaufort, N.C., is located on Beaufort Inlet, a channel leading south to the Atlantic Ocean. The third oldest town in the state and seat of Carteret County, Beaufort has a residential population of about 4,000 with a high influx of visitor traffic during the warmer months. The Plan of Beaufort Towne, laid out in 1713, survives in a 12-block area, and is listed on the National Register of Historic Places.

The early economy of Beaufort relied on the use of the area's natural resources; fishing, whaling, the production of lumber and naval stores, shipbuilding, and farming were the chief economic activities. Though Beaufort had the safest and most navigable harbor of any of the ports of North Carolina, extensive commercial activities failed to develop, owing to the fact that the town was almost completely isolated from the interior. Now, Beaufort's economy depends heavily on tourism, supplemented by a regional boat-building industry. Marine science research also figures prominently.

DEMOGRAPHICS

According to the United States Census Bureau, Beaufort has a total area of 5.6 square miles (14.5 km^2), of which 4.6 square miles (12.0 km^2) is land and 1.0 square mile (2.6 km^2), or 17.75 percent, is water.

The total population for Beaufort, according to the 2010 Census, was 4,039 with males making up 1,916 of that count and females totaling 2,123. Ages of the population are the following: under 18 totaled at 651; 20 to 24 counted for 235; 25 to 34 equaled 536; 35 to 49 totaled 715; 50 to 64 was 996; and 65 and over equaled 836. Of the 4,039, 3,191 identify as "white alone," 687 identify as Black or African-American alone, 29 as Asian alone, 10 American Indians and Alaska Native alone, two Native Hawaiian and other Pacific native alone, 23 some other race alone and 97 who identified as two or more. The population by Hispanic or Latino Origin of any race is 105 of the 4,039.

The average household income for Carteret County is $46,534, according to the 2011 American Community Survey 1-Year Estimates. The per capita income is $27,566.

Carteret County's population includes 7.7 percent with Graduate or Professional degrees, 16.1 percent with bachelor's degrees, 26.6 percent with some college but no degree, associate's degree at 9.7 percent and high school graduates at 28.2 percent.

ECONOMY

Tourism is a major component of the county's economy creating more than 3,060 jobs with an annual payroll of $52.93 million in 2013. Fleet Readiness Center East and Marine Corps Air Station Cherry Point are the leading employers of Carteret County residents with 1,257 civilian employees and 479 active duty military employees. The boatbuilding industry alone has an annual payroll of over $5.5 million in the county, with more than 27 boat builders and manufacturers plus 80 marinas and docks. (Source- Carteret County Economic Development Council)

The Duke University Marine Lab, UNC Institute of Marine Sciences, NC State University Center for Marine Science and Technology (CMAST) and the National Oceanic and Atmospheric Administration (NOAA) Center for Coastal Fisheries and Habitat Research, anchors the marine science cluster in Carteret County. The four institutions have

162,645 square feet of marine research facilities and 40 individual laboratories. Marine science in Carteret County accounts for over $58 million in revenue and over 500 employees.

The unemployment rate for Carteret County is 5.2 percent, according to the county Economic Development Council.

Carteret County's cost of living index ranks within the range of the surrounding Eastern North Carolina communities of Jacksonville, Greenville and Kinston and lower than the national average (100 equals national average) (http://www.carteretedc.com/cost-of-living/)

Location	Composite	Grocery	Housing	Utilities	Transportation	Health	Misc
Jacksonville	92	104.8	73	108.2	97.2	99.7	100
Greenville	86.9	107.7	55.4	96.7	96.4	113.6	98.9
Kinston	85.5	98.9	54.7	101	101.1	104.3	98.6
Morehead City	104.1	104.3	111.2	95.8	98.5	99.6	101.5

GOVERNMENT

The Town of Beaufort operates under a council/manager form of government. The Town Board consists of five commissioners and the mayor. The mayor is elected for a two-year term, and only casts a vote in the event of a tie. The commissioners are elected for alternating four-year terms.

HEALTHCARE

The breakdown of healthcare providers includes 120 physicians, or 1.64 per 10,000 population, 47 dentists or 6.1 per 10,000 population and 542 RN Nurses or 80.7 per 10,000 population. There are 37 Physical Therapists, 135 General Hospital Beds and 424 Nursing Facility Beds.

UTILITIES

Duke Energy supplies electric power to Carteret County, including the Town of Beaufort. Several companies provide a range of telecommunications related business services in Carteret County including computer, voice, wireless, networking, cloud, hosting, and security applications. The Town of Beaufort provides water and sewer to its residents, as well as several customers in the surrounding area.

ORGANIZATIONAL OVERVIEW

MISSION STATEMENT

The mission of the Town of Beaufort is to foster a scenic and welcoming coastal community that enhances the well-being and prosperity of our citizens, celebrates our diverse culture and heritage, and preserves our natural and historic resources.

STRATEGIC PRIORITIES

INFRASTRUCTURE

- Provide for the essential service needs of our community by funding and maintaining resilient water, sewer, waste disposal, streets, and storm water systems.
- Continuously evaluate and plan for future infrastructure needs.

PUBLIC SAFETY AND WELFARE

- Maximize the responsiveness capabilities of our police and fire departments by ensuring they have the necessary personnel, training, and equipment to fulfill their missions.
- Enhance the safety of our neighborhoods through consistent community outreach focusing on education and prevention.
- Monitor our roads, pedestrian areas, and public lands and assume a proactive approach to improving walkability, bike-ability, community connectivity, and public safety.

CITIZEN ENGAGEMENT

- Through a citizen-centered approach to communications and recruitment, empower our diverse citizenry to participate in local government activities and decision making.
- Foster a productive and civil discourse between citizens and the Town.
- Maximize the functionality of committees, advisory boards, and other citizen-comprised groups through focused capacity building and dedicated staff support.

PARKS/RECREATION/OUTDOORS

- Continue to champion outdoor recreation and scenic beauty as essential components of Beaufort's healthy lifestyle and tourism economy by preserving and increasing peoples' ability to connect with and enjoy our natural environment.
- Encourage and promote environmental stewardship and preservation.
- Increase the amount of recreational offerings and opportunities in our public spaces.

ECONOMIC DEVELOPMENT

- Increase our tax revenue base and improve citizen employment opportunities by encouraging private enterprise through retention, support of expansion, and recruitment.
- Continue to embrace tourism as our primary economic driver and work to increase visitation by promoting Beaufort as a destination and working to maximize the visitor experience.

SENSE OF PLACE

- Cultivate and protect our,"Beaufort-ness", the central element of Beaufort's lifestyle and visitor appeal.

- Uphold and improve Beaufort's appearance and character through careful land-use planning and streetscaping that honors our historic and natural surroundings and preserves our small-town ambiance.
- Foster community stewardship and pride by supporting continued and new neighborhood development, preservation, and/or revitalization efforts.
- Nurture our community's cultural fabric by advancing the appreciation of our diverse histories, new and old traditions, and the arts.

CORE VALUES

LEADERSHIP AT ALL LEVELS

We are an organization that encourages initiative and innovation, and strives for continuous improvement. We are committed to open and transparent communications, both internally and externally. We confront each decision with a solutions-driven approach based on thorough information gathering and openness to diverse ideas and opinions. We believe in leading by example.

EXEMPLARY SERVICE

As public service professionals, we believe it is our duty to provide responsive, friendly, and efficient service to our citizens and visitors. We are dedicated to resolving conflicts, overcoming obstacles, and removing barriers.

EMPLOYEE ENGAGEMENT

We believe in advancing an organizational culture rooted in mutual respect that values our employees' well-being, growth, and development, and encourages their success. We view our employees as essential partners in pursuit of our organizational mission.

FISCAL RESPONSIBILITY

As the financial stewards of the Town, we make well-informed, cost-effective, and responsible financial decisions. When deliberating any expense or project, we identify and secure adequate funding resources, contemplate potential cost-saving measures, and consider the possible impact on future financial stability.

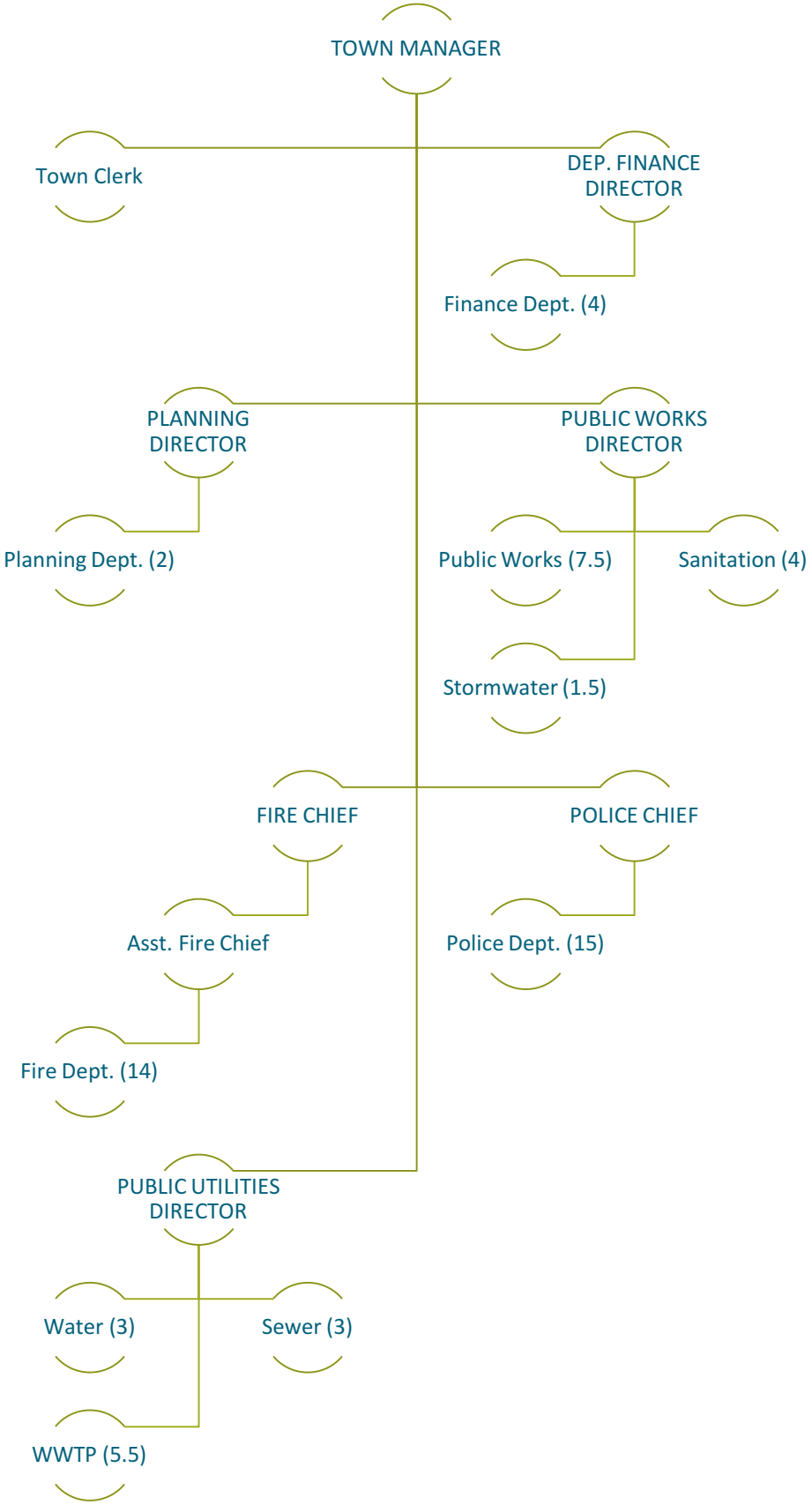
STRONG PARTNERSHIPS

We value our relationships with surrounding government entities--especially the Town of Morehead City and Carteret County--and believe in being a strong collaborative partner. We are committed to communicating openly and often, contributing to joint undertakings, and actively seeking out mutually beneficial opportunities. We also believe in entering into public, institutional, and non-profit partnerships that positively impact our community.

THE VALUE OF DIVERSITY

We regard diversity as an invaluable attribute of our community and our organization. We embrace diversity, as differences in experience, opinion, and background are vital to our decision-making process.

TOWN STAFF ORGANIZATIONAL CHART



BUDGET OVERVIEW

The Town's annual budget consists of three (3) funds, all of which are annually appropriated:

1) General Fund: The General Fund houses the majority of the Town's operations to include all administrative services, planning, sanitation, streets, stormwater management, facilities, and the police department. It is funded primarily through a combination of tax revenue (property and sales) and funds generated through Town-assessed fees.
2) Utility Fund: The Town maintains its own water treatment and distribution service, and its own wastewater treatment system. Expenses associated with the operation of these systems are paid out of the Utility Fund. Revenue for the fund is generated through usage fees for services.
3) Fire Fund: The Beaufort Fire Department provides fire protection for the Town of Beaufort, as well as for a county fire district that extends beyond the town's limits. The department is funded through a separate fund to better account for receipt of funds from the county to fund the out-of-town operations.

Each fund has an associated "fund balance," an amount of money that remains available for appropriation. Year-end balances for the prior fiscal year and the current fiscal year are provided for each of the three funds.

The basis of budgeting for all funds is modified accrual, the same basis of accounting used in the Town's audited financial statements.

In addition to the annually appropriated funds, the Town often uses Capital Project Funds. These funds are also appropriated but are not included in the annual budget process and are closed upon completion of the project.

PROCESS

The annual budget process begins in January with the Board of Commissioners' adoption of the budget calendar. Starting in February, budget work sessions are scheduled between the Board, the Town Manager, and department heads. A public hearing is held during the month of June each year, at a regularly scheduled Board of Commissioners meeting to present the draft budget and to receive feedback from the public. A budget is adopted by the Board on or before June 30 of each year.

Throughout the year, situations may arise when it is necessary to amend the budget. Actual revenues may exceed or fall short of projections. New projects may emerge that require funding beyond initial appropriations. Or, emergency projects may be necessary. Any amendments to the budget will occur during regular meetings of the Board of Commissioners. Citizens are invited and encouraged to attend all public meetings.

Additionally, the following policies are in place:

1) The Town's annual operating budget will be prepared in accordance with Generally Accepted Accounting Principles.
2) The budget will be balanced, meaning current operating expenditures will not exceed current operating revenues.
3) The annual budget document will serve as a policy document, an operations guide, a financial plan, and a communications tool.

4) Department budgets are reviewed by staff, the Town Manager, and Board of Commissioners prior to adoption and are continually monitored throughout the budget year.
5) Budgeted funds will only be spent for categorical purposes for which they were intended.
6) The annual operating budget ordinance defines staff authorization for operating budget adjustments.
7) No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued.
8) For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.
9) Town staff will make regular monthly reports to the Board of Commissioners on the status of actual revenues and expenditures as compared to the adopted budget.
10) The basis of budgeting for all funds is modified accrual, which provides the reader with a short-term overview of the Town's financial position. This is the same basis of accounting used in the Town's audited financial statements.

January 11 6 pm Train Depot	Board of Commissioners Regular Meeting Approve Budget Calendar
January 20 8:30 am North River Club	Board of Commissioners Annual Retreat Discussion on capital funding priorities
February 8 6 pm Train Depot	Board of Commissioners Regular Meeting Budget 101 - Presentation by staff
February 24 8 am Train Depot	Board of Commissioners Work Session Staff presents draft of Capital Improvement Plan
March 14 6 pm Train Depot	Board of Commissioners Regular Meeting Approval of Capital Improvement Plan Discussion of primary budget goals
March 15-18 as scheduled Town Hall	Staff Meetings Management holds individual meetings with Department Heads
April 1	Department budget requests due to management
April 11 6 pm Train Depot	Board of Commissioners Regular Meeting Rough draft of Proposed Budget presented by staff to board for input
April 27 8 am Train Depot	Board of Commissioners Work Session 2nd draft presented by staff based on input received; discussion and additional revision
May 9 6 pm Train Depot	Board of Commissioners Regular Meeting Public Hearing on Proposed Budget
May 25 8 am Train Depot	Board of Commissioners Work Session Additional discussion and revision (if needed)
June 13 6 pm Train Depot	Board of Commissioners Regular Meeting Approval of Proposed Budget

BUDGET MESSAGE

Dear Mayor and Board of Commissioners:

The following is a brief summary of the Fiscal Year 2017 Budget.

The document is composed of three (3) separate Funds: General Fund, Fire Fund and Utility Fund. Each will be addressed separately. Each of the three Fund presented is a "balanced" budget (revenues equal expenditures) and contains itemization of revenue sources and expenses. In addition, debt service information is provided by Fund.

Through this budget, we are undertaking several important priorities the Board has expressed throughout the past year. We are revamping the way we approach sanitation collection services, and we continue to look at ways to improve our roads, both from a maintenance vantage point, as well as with respect to pedestrian safety. Several initiatives in the planning department will move forward to include implementation of improved way-finding necessitated by the pending completion of the new bridge. We will work to advance two (2) park projects, Water Tower Park and Cedar Street Park, and we hope to begin renovation of the existing wall surrounding the Old Burying Ground. Stormwater management is a continuing struggle for our community and we are ramping up our efforts to find solutions.

We continue to emphasize sound fiscal management and organizational transparency. Reporting and community outreach remain priorities, as does our commitment to customer service.

GENERAL FUND

The General Fund for Fiscal Year 2017 is proposed at $5,768,050. This amount includes a $762,300 transfer to the Fire Fund, resulting in an operational budget for the General Fund in the amount of $5,005,750. Based on the projected expenditures of the Fiscal Year 2016, the Fiscal Year 2017 proposes an increase of approximately $315,000. The majority of the increase is attributable to the $300,000 debt service on the new fire station.

GENERAL FUND REVENUE

PROPERTY TAXES

The budget for Fiscal Year 2017 maintains the existing ad valorem tax rate of $.3475 per $100 valuation. Initially, discussions included a $.025 increase in the Town's ad valorem rate with these funds set aside for road and sidewalk improvements. However, ultimately the Board of Commissioners decided to more closely consider a bond referendum as an alternative to address Beaufort's deteriorating roads.

INTERGOVERNMENTAL SOURCES

Local Option Sales Tax collections for FY16 are exceeding projections year to date by a higher margin than the statewide average. The League of Municipalities forecasts that modest sales tax growth will continue into FY17, albeit at a slightly lower rate than FY16. Because the full impact of the state's changes to the tax statutes is not yet known, the Town's FY17 budget reflects a conservative sales tax growth rate of 1.5% over FY16 projections.

The General Assembly's revamping of the taxing system for North Carolina's utilities – namely the transition from a franchise tax to a sales tax - took effect in FY15. This change yielded a significant 30% statewide increase in distributions to municipalities, to include Beaufort. Because the timing of these changes happened prior to last year's budget cycle, a conservative number was used for FY16 and this line item is on track to exceed the initial budget number by at least 5%. Distributions in FY17 over FY16, however, are projected to grow only slightly at a rate of 3.5% bringing this number to $385,000 in FY17.

With respect to restricted intergovernmental funds, each year, the state distributes $123,000 (Powell Bill funds) to Beaufort that must be used solely for street maintenance. If Powell Bill funds are not spent annually, they are held in reserve as part of the General Fund balance. The FY17 budget proposes combining the full annual appropriation with the remaining balance of Powell Bill reserves to fund $220,000 in paving for the current year.

PERMITS & FEES

One of the most significant parts of the proposed FY17 Budget is an increase in fees for solid waste collection. For the past several years, the costs of solid waste collection have been paid for by a combination of the monthly $11.00 per household fee and one-and-a-half cents of ad valorem. The proposed FY17 Budget raises the household fee from $11.00 per month to $17.00 per month, or a $72.00 annual household impact, to cover the full cost of solid waste collection. The $17.00 fee covers costs associated with the collection and disposal of household refuse, recyclable materials, construction debris, and yard waste.

The Stormwater Fee is currently assessed to all developed properties within the Town limits with the revenues used solely to fund the personnel/operational costs of the stormwater management. The residential fee is $4.00 per household per month and with no substantial anticipated growth forecast for this fiscal year, revenue projections equal FY16, approximately $128,000. The commercial fee will be based on impervious surface using an Equivalent Residential Unit (ERU) of 1,708 sq. ft. with a $4.00/ERU fee. (The ERU is the average square footage of impervious surface per residential unit in Beaufort.) We have delayed implementation of the commercial fee program due to a shortage of staff resources to fully develop a viable incentive program. It is estimated that the commercial fee will take effect January 1, 2017.

Building permit revenue is expected to rise substantially with the groundbreaking on the Preston Development projects, BeauCoast and Beaufort East Village. In order to meet the increased demand on the Planning Department, the projected $45,000 increase over FY16 is allocated for a new inspector position. In the event the projects are delayed, that position will remain unfilled.

The Pay-to-Park on Front Street downtown parking initiative will continue for its third year with no substantive changes in revenue over FY16.

OTHER

While no material sources of “other” revenue are included in the budget, we anticipate again asking Carteret County for financial assistance in the dredging of Bulkhead Channel. This will likely remain an annual request until a more permanent dedicated funding stream, such as a new countywide sales tax, is established. Revenue generated by leases of Town-owned properties will see only a modest increase due to annual CPI adjustments.

USE OF FUND BALANCE

At the close of FY15, the Town had $1,843,133 in its unrestricted fund balance. An appropriation of $376,000 was made in FY16 to fund the construction of the new fire station, however year-end projections show a surplus of approximately $98,000 in the General Fund. Thus, the projected fund balance as of June 30, 2016 is $1,941,1133. The proposed FY17 Budget does not contain any appropriation of unrestricted fund balance monies.

GENERAL FUND EXPENDITURES

Corresponding with the largely flat revenue projections, departmental operations budgets also remain flat over FY16. There are, however, several exceptions.

- This is the first year for the debt service on the new Fire Station. The $210,000 generated by the $.03 of ad valorem tax is combined with other revenue sources to meet this obligation. The loan on the fire station has a 15-year term. This debt is combined with the debt for Town Hall to comprise the majority of the General Fund's debt service obligations.

- There are several salary adjustments in the General Fund. The Police and Public Works Department hourly wages were adjusted upwards 5-10%, depending on position. The FY17 budget also includes a 2% cost of living adjustment for all other employees effective January 2017.

- Sanitation (solid waste collection) and Stormwater have been separated from the Public Works budget and have their own budget appropriation. This is largely to facilitate proper accounting, but it also increases financial transparency and assists with sound decision-making. A grapple truck ($140,000) to assist with yard debris is included in the Sanitation budget. In addition, there is a new 1-ton truck slated for purchase in the Public Works Department. If the decision is made to retain household solid waste collection as a Town-provided service, it will require the purchase of two (2) additional trash trucks. The debt service for these vehicles in included in the proposed plan, but the loan and subsequent capital outlay will require Board approval.

- The Planning & Inspections Department contains $35,000 in the Salary line item to fund the aforementioned inspector position hinging on new construction. There is also funding in the Professional Services line item to begin the design and installation of the entry corridor beautification and wayfinding as identified in the Town's Capital Improvements Plan, and funds for a new vehicle.

- The Vehicle Maintenance Plan for the Police Department is fully funded in the proposed FY17 Budget, with two new vehicles being financed in the upcoming year. Additionally, there is $16,500 for new radar systems.

FIRE FUND

The proposed Fiscal Year 2017 Budget for the Fire Fund totals $1,256,215. The Town transfer to the Fire Fund of $762,300 combines with Carteret County provided revenue sources, Beaufort Fire District Ad Valorem Tax ($317,625), Fire District Sales Tax ($95,000) and Harlowe District Sales Tax ($79,490). In Fiscal Year 2015 and 2016, the Town also provided fire protection for the North River Fire District. It is unclear at this time if this activity will be continued in Fiscal Year 2017, but it appears that the County has signed a new contract with the North River Fire Department and Beaufort will return to servicing North River via mutual aid agreements.

The Fire Department will maintain their staffing level at 17. This includes two (2) forty (40) hour per week positions to provide staffing at Fire Station #2 (fire substation). These two (2) positions in conjunction with the use of part time firefighter employees provides for active fire coverage capability from Fire Station #2, Monday-Friday, 8am to 5pm. The proposed FY17 Budget contains a recommended 5% increase for all positions sans the Chief, Assistant Chief, and Administrative Specialist who will receive the 2% COLA (Cost of Living Adjustment) in January.

The Fire Fund was able to retire two (2) debts ahead of schedule in FY16. It has fully repaid the General Fund for the funds advanced to build Station #2, as well as the loan on the Chief's truck purchased in FY15. There remains outstanding debt on the fire boat as well as the Pierce Saber truck.

UTILITY FUND

FY16 saw big changes to the Utility Fund. In addition to purchasing a new vacuum truck and a new flush truck for the Sewer Department, there was a town-wide conversion to digital read water meters. It is unclear whether the new meter technology will have an impact on revenue, but no fluctuation in revenue is included in the FY17 budget. These new meters, however, do carry a higher cost so there was a slight increase in the tap fee included in the FY17 Fee Schedule.

Beaufort continues to be plagued by relatively high sewer rates due to the large amount of debt required to pay for the state-mandated construction of a new Wastewater Treatment Plant in 2008. Debt obligations do decline slightly every year after spiking in 2014, and as of FY16, the Fund no longer needed to use fund balance money to pay for operations. There are no usage rate changes in the Utility Fund included in the FY17 budget and revenues are projected to be flat with any new growth offset by increases in water efficiency.

At the close of FY15, the Town had $2,152,659 in impact fees reserves that are restricted solely for utility infrastructure purposes; FY16 is projected to add upwards of $100,000 and there are several development projects that may yield significant impact fee revenue in FY17. Several relatively minor water line projects were identified in the CIP with one – a 2" replacement line on Campen Road - making it into the budget. As the year progresses, staff may request additional appropriations of impact fee funds to make these improvements.

Similar to the Police Department, the Water, Sewer, and Wastewater Treatment Plant Departments are implementing a vehicle replacement program. There are funds for two new maintenance trucks for the Sewer Department included in the proposed FY17 Budget.

There are also several salary adjustments, particularly for ground-level employees, proposed in the FY17 Budget. The amounts vary across departments, but the adjustments should bring salary levels more in line with neighboring communities. As with the other funds, all employees in the Utility Fund will receive a minimum of a 2% COLA in January.

Lastly, the Utility Fund budget again includes an appropriation for the purchase of a generator for one of our sewer lift stations. We are working through outfitting all lift stations with generators at a rate of one per year. These are vital components of our wastewater treatment system; having back-up power sources is critical.

IN CLOSING

As the 2016 Fiscal Year winds down, it is apparent the local economy continues to recover from the economic downturn. There is good news coming from County Tourism and the summer 2016 tourist season appears to be off to a good start. The new Gallants Channel Bridge should open late in the fiscal year, so FY18 should see new projects and opportunities, particularly with respect to the Cedar Street/Live Oak corridor. Additionally, we are anxiously awaiting construction to begin in earnest on the three large development projects previously stymied by the recession. All have seen new infused energy and seem to be advancing forward. Much of FY17 will be spent planning for these big changes.

Respectfully submitted,

Charles W. Burgess, Jr.
Town Manager
June 1, 2016

GENERAL FUND

GENERAL FUND – BUDGET AT A GLANCE

	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
REVENUE			
PROPERTY TAXES	2,693,978	2,687,500	2,620,500
INTERGOVERNMENTAL	1,564,045	1,807,750	1,721,000
PERMITS & FEES	522,014	657,900	833,850
SALES & RENT	282,138	298,835	270,500
WATER & SEWER ADMIN	30,000	40,800	30,000
LOAN PROCEEDS	98,800	105,000	285,000
OTHER	124,277	74,133	7,400
DONATIONS	0	2,000,000	0
TRANSFER FROM FIRE FUND	120,000	27,811	0
TOTAL REVENUE	**5,435,252**	**7,699,729**	**5,768,250**
EXPENDITURES			
GOVERNING BODY	231,440	248,485	547,700
ADMINISTRATION	575,361	496,775	479,350
FINANCE	312,803	318,362	357,550
POLICE DEPARTMENT	1,290,324	1,274,289	1,346,750
PLANNING & INSPECTIONS	215,201	254,933	346,450
PUBLIC WORKS	1,669,223	1,699,313	1,030,981
SANITATION*	0	0	608,850
STORMWATER*	0	0	132,000
FACILITIES & PARKS**	254,890	137,908	156,319
TOTAL EXPENDITURES	**4,549,242**	**4,430,065**	**5,005,950**
TRANSFERS			
TO FIRE DEPARTMENT	775,550	795,169	762,300
TO FIRE SUBSTATION PROJECT	0	376,000	0
TO COMMUNITY IMPROVEMENT PROJECTS FUND	0	2,000,000	0
NET CHANGE IN FUND BALANCE	**110,460**	**98,495**	**0**
FUND BALANCE BEGINNING* **	**2,834,529**	**2,944,990**	**3,043,485**
YEAR-END FUND BALANCE* **	**2,944,990**	**3,043,485**	**3,043,485**

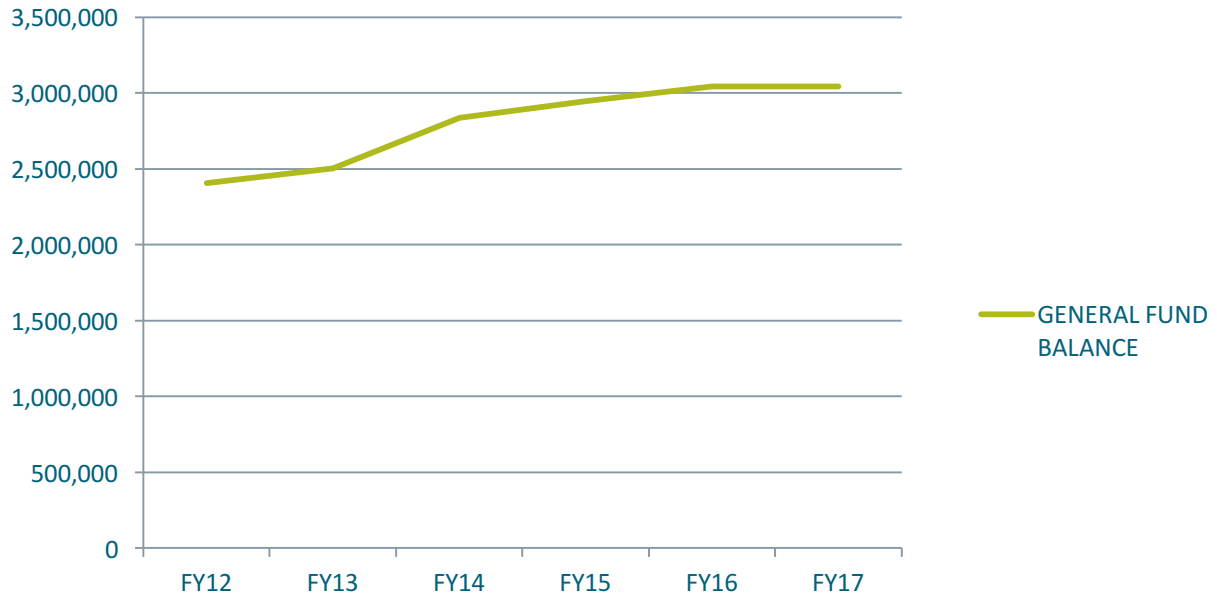
*Prior to FY17, Sanitation and Stormwater expenditures were included as part of the Public Works Department's appropriation.

**In FY16, Facilities personnel became part of the Public Works, accounting for the reduction of appropriations from FY15 to FY16.

***These numbers are Total Fund Balance, to include unrestricted funds available for appropriation, restricted funds, stabilization funds required by state statute, and prepaid items.

GENERAL FUND – FUND BALANCE

At the close of FY15, the Town had $2,944,990 in total fund balance with $2,115,852 in unrestricted fund balance available for appropriation. An appropriation of $376,000 was made in FY16 to fund the construction of the new fire station, however year-end projections show a surplus of approximately $98,000 in the General Fund. Thus, the projected unrestricted fund balance as of June 30, 2016 is estimated at $2,214,347. The proposed FY17 Budget does not contain any appropriation of unrestricted fund balance monies, so the projected FY17 year-end fund balance will remain the same.



GENERAL FUND – REVENUE

OVERVIEW OF SOURCES

PROPERTY TAXES

Beaufort's ad valorem tax rate for FY17 is $.3475 per $100 of valuation. The total estimated taxable property, to include real property and personal property but excluding motor vehicles, is $739,943,734. A 97% collection rate yields approximately $2,458,000 in revenue. Additional revenue for this category includes approximately $95,000 in motor vehicle taxes and the collection of prior year taxes, including penalties and interest.

GOVERNMENTAL – UNRESTRICTED & RESTRICTED

The Town receives unrestricted funds from several government sources. Local Option Sales Tax is a 2% sales tax on purchases of goods and services. The funds are collected by the State of North Carolina then distributed quarterly to counties and municipalities. The distribution formula is calculated on either a per capita or an ad valorem basis, as determined by the county. This year's revenue from Local Option Sales Tax is estimated to be $1,003,000. Other unrestricted sources include proceeds from the State's Utility Tax program and the county's beer and wine profit distribution.

Restricted Funds are comprised mainly of Powell Bill funding, the State of North Carolina's means of supplementing municipal budgets to fund street maintenance. The Town receives an annual appropriation based on road miles; these funds can either be spent in the year received or allowed to accumulate – though not indefinitely – in order to fund a larger future project. Other funds in this category may include state, federal, or county grant programs.

PERMITS & FEES

Revenue in this category is derived from Town-assessed fees, descriptions of which are located in Appendix 1 in this document. The largest portion is from the Town's stormwater management program. Currently, each property in the town limits is assessed a $4.00 per month, or $48.00 annually, stormwater fee. Funds received through the issuance of building permits are included in this category, as is the revenue generated from the Town's seasonal Pay-to-Park-on-Front parking program.

SALES & RENT

The Town own several properties it leases out to private entities. Similarly, utility companies lease space on water towers and other town-owned land for their antennas. The largest source in this category is the lease arrangement for the Beaufort Town Docks which generates approximately $178,000 annually. Sales of plots in Oceanview Cemetery are also included here.

UTILITY FUND ADMINISTRATION

The Utility Fund pays the General Fund for administrative support as tasks such as monthly billing, accounts payable, and payroll are performed by personnel housed in the Finance Department.

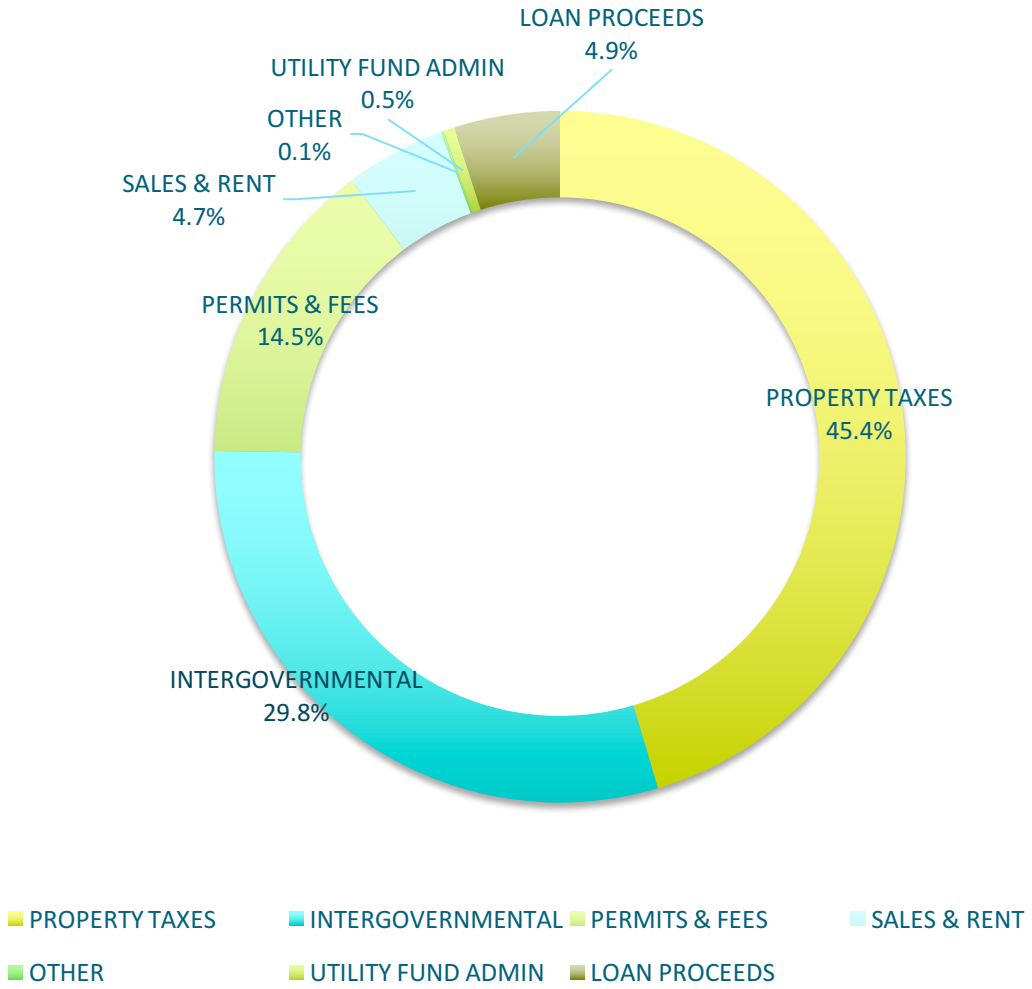
TRANSFER FROM THE FIRE FUND

In 2012, the Board of Commissioners approved the construction of a second fire station, funded by the county and paid for out of the General Fund, to primarily serve areas of the fire district outside town limits. As this station was funded by the county via a distribution to the Fire Fund, the transfer was enacted to reimburse the General Fund for the expense of the station.

GENERAL FUND REVENUE	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
PROPERTY TAXES			
AD VALOREM TAX – CURRENT YEAR	2,450,778	2,494,000	2,458,000
AD VALOREM TAX – PRIOR YEARS	96,715	51,000	50,000
PENALTIES AND INTEREST	22,623	15,500	7,500
MOTOR VEHICLE AD VALOREM TAX	103,462	109,000	85,000
HOUSING AUTHORITY (IN LIEU OF TAX)	20,400	18,000	20,000
SUBTOTAL	**2,693,978**	**2,687,500**	**2,620,500**
UNRESTRICTED INTERGOVERNMENTAL			
COUNTY ABC PROFIT DISTRIBUTION	97,717	119,000	95,000
UTILITIES FRANCHISE TAX	0	360,000	385,000
UTILITIES SALES TAX	356,172	0	0
BEER AND WINE TAX	19,802	18,000	17,000
LOCAL OPTION SALES TAX	917,113	985,000	1,003,000
SUBTOTAL	**1,390,804**	**1,482,000**	**1,500,000**
RESTRICTED GOVERNMENTAL			
POWELL BILL	123,394	122,250	122,000
POWELL BILL RESERVES	0	200,000	98,000
CAMA WATER ACCESS GRANT	17,735	0	0
OJP- BODY ARMOR GRANT	5,172	0	0
REIMBURSEMENT FROM FEMA	25,440	0	0
MOSQUITO CONTROL GRANT	1,500	3,500	1,000
SUBTOTAL	**173,241**	**325,750**	**221,000**
PERMITS & FEES			
PRIVILEGE LICENSES	8,920	0	0
COURT COSTS, FEES, CHARGES	1,185	1,400	1,000
PARKING METER FEES	100,631	95,000	90,000
PARKING VIOLATIONS/PENALTIES	2,755	1,000	2,000
BUILDING PERMITS	109,176	115,000	140,000
STORMWATER FEES (RES. + COMM.)	0	133,500	132,000
SOLID WASTE USER FEE (RES.)	287,757	302,000	468,850
SOLID WASTE USER FEE (COMM.)	11,590	10,000	0
SUBTOTAL	**522,014**	**657,900**	**833,850**

SALES & RENT			
SALES OF FIXED ASSETS	6,275	610	0
CEMETERY LOT SALES	1,175	5,225	3,500
ANTENNA CONTRACTS	59,528	59,000	54,000
PROPERTY LEASES	215,160	234,000	213,000
SUBTOTAL	**282,138**	**298,835**	**270,500**
LOAN PROCEEDS	**98,800**	**105,000**	**285,000**
OTHER			
INVESTMENT EARNINGS	1,260	11,500	7,400
DREDGING FUNDS	95,575	52,333	0
DONATION FOR FISHERMEN'S PARK	5,000	0	0
INSURANCE REIMBURSEMENT	241	5,400	0
ROAD RACE REGISTRATIONS	2,290	0	0
COMMUNITY DONATION	0	2,000,000	0
MISCELLANEOUS REVENUE	19,911	4,900	0
SUBTOTAL	**124,277**	**2,074,133**	**7,400**
TRANSFER FROM FIRE FUND	**120,000**	**27,811**	**0**
TRANSFER FROM THE UTILITY FUND	**30,000**	**40,800**	**30,000**
TOTAL GENERAL FUND REVENUE	**5,435,252**	**7,699,729**	**5,768,250**

FY17 REVENUE BY SOURCE



REVENUE HIGHLIGHTS AND KEY ASSUMPTIONS

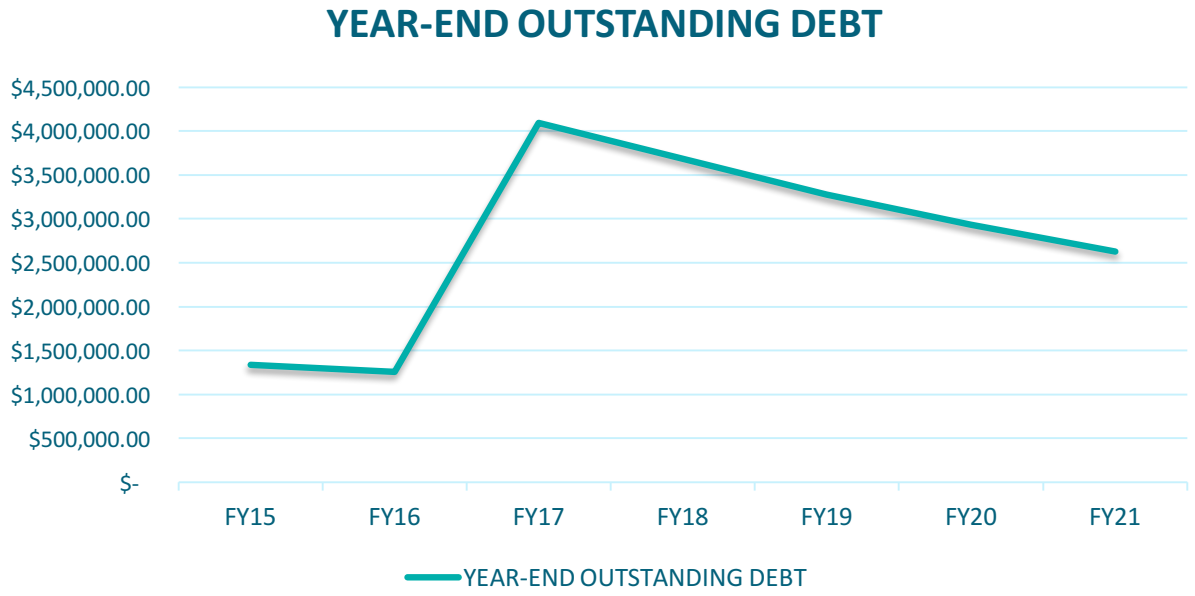
- These figures show a $6/mth per household increase in solid waste collection fees.
- The use of Powell Bill reserves will decrease by 50% over FY16 due to the depletion of funds.
- State-collected revenue estimates are derived from input from the NC League of Municipalities, combined with local trends as they relate to State and League historic predictions
- FY17 Loan Proceeds will fund the acquisition of a new grapple truck for Public Works , two new police cars, and a pick-up truck for the Planning Department.
- The increase in building permit fees reflects the expected construction of new homes in the Beaufort East Village, BeauCoast, and North River Club development projects.
- While not reflected in the FY17 budget, it is expected that the Town will again solicit additional funding for dredging from external sources.

GENERAL FUND – DEBT

The Town adheres to the following internally adopted policies with respect to the assumption of debt.

1. The Town will strive to maintain its annual tax-supported (General Fund and Fire Fund) debt service costs at a level no greater than fifteen percent (15%) of total expenditures.
2. Net debt for the General Fund shall not exceed 2.5% of assessed property valuation. General obligation debt as defined in G.S. 159-55 is statutorily limited to eight percent of the assessed valuation.

In FY17, debt service as a percentage of total expenditures is 10.8% and total net debt is approximately 0.5% of assessed property valuation.



ASSET	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED	FY18 PROJECTED	FY19 PROJECTED	FY20 PROJECTED	FY21 PROJECTED
TOWN HALL	1,200,000	1,100,000	**1,000,000**	900,000	800,000	700,000	600,000
1-TON TRUCK	0	0	**26,000**	12,000	0	0	0
PARKING METERS	86,475	65,200	**43,883**	21,010	0	0	0
TRASH TRUCK	51,388	0	**0**	0	0	0	0
GRAPPLE TRUCK	0	0	**105,600**	79,200	52,800	26,400	0
POLICE VEHICLES	0	90,000	**104,000**	60,000	20,000	10,000	30,000
PLANNING VEHICLE	0	0	**15,000**	10,000	5,000	0	0
FIRE STATION	0	0	**2,800,000**	2,600,000	2,400,000	2,200,000	2,000,000
GENERAL FUND TOTAL	**1,337,863**	**1,255,200**	**4,094,483**	**3,682,210**	**3,277,800**	**2,936,400**	**2,630,000**

ANNUAL DEBT SERVICE

ASSET	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED	FY18 PROJECTED	FY19 PROJECTED	FY20 PROJECTED	FY21 PROJECTED
TOWN HALL							
Principal	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Interest	36,875	34,384	31,483	28,402	25,411	22,420	19,486
TOTAL	**136,875**	**134,384**	**131,483**	**128,402**	**125,411**	**122,420**	**119,486**
1-TON TRUCK							
Principal	0	0	14,000	14,000	12,000	0	0
Interest	0	0	1,000	600	200	0	0
TOTAL	**0**	**0**	**15,000**	**14,600**	**12,200**	**0**	**0**
PARKING METERS							
Principal	19,125	18,389	19,671	21,035	20,574	0	0
Interest	5,521	4,820	3,539	2,167	701	0	0
TOTAL	**24,646**	**23,209**	**23,210**	**23,202**	**21,275**	**0**	**0**
TRASH TRUCK							
Principal	28,327	51,631	0	0	0	0	0
Interest	1,182	626	0	0	0	0	0
TOTAL	**29,509**	**52,257**	0	0	0	0	0
GRAPPLE TRUCK							
Principal	0	0	26,400	26,400	26,400	26,400	26,400
Interest	0	0	3,600	3,000	2,200	1,500	900
TOTAL	**0**	**0**	**30,000**	**29,400**	**28,600**	**27,900**	**27,300**
POLICE VEHICLES							
Principal	0	26,265	43,775	43,775	43,775	43,775	43,775
Interest	0	851	2,398	1,532	766	766	766
TOTAL	**0**	**27,116**	**46,173**	**45,307**	**44,541**	**44,541**	**44,541**
PLANNING VEHICLE							
Principal	0	0	5,000	5,000	5,000	5,000	5,000
Interest	0	0	1,000	1,000	1,000	1,000	1,000
TOTAL	**0**	**0**	**6,000**	**6,000**	**6,000**	**6,000**	**6,000**
FIRE STATION							
Principal	0	0	200,000	200,000	200,000	200,000	200,000
Interest	0	0	104,967	92,125	85,425	78,725	72,025
TOTAL	**0**	**0**	**304,967**	**292,125**	**285,425**	**278,725**	**272,025**
GENERAL FUND TOTAL	**$191,660**	**$236,966**	**$541,832**	**$524,436**	**$511,252**	**$479,020**	**$469,351**

GENERAL FUND – CAPITAL OUTLAY

There are several capital expenditures included in the FY17 Budget. For the Town's purposes, capital expenditures are defined as purchases exceeding $25,000. (Because Beaufort's budget is relatively modest, vehicles are treated as capital purchases.) The non-recurring capital purchases in the General Fund for FY17 are as follows:

Planning Department: One (1) general use pick-up truck ($25,000)

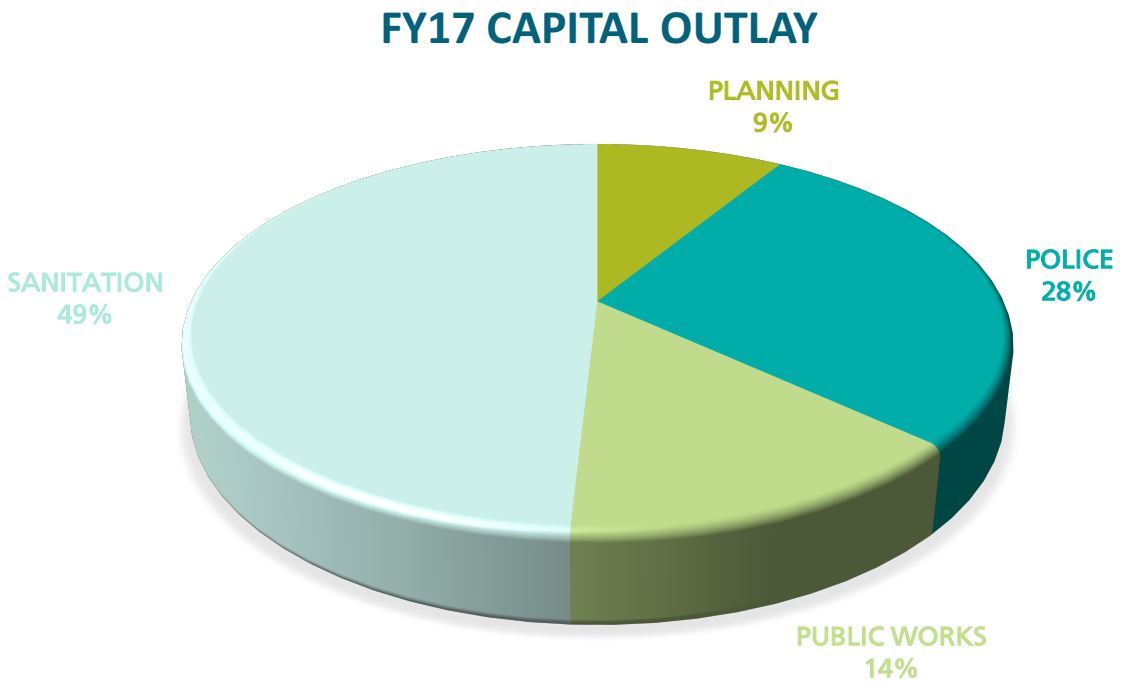
Police Department: Two (2) replacement police cars ($40,000/vehicle)

Public Works Department: One (1) replacement 1-ton pick-up truck ($40,000)

Sanitation Department: One (1) grapple truck for yard debris collection ($140,000)

FY17 TOTAL: $285,000

All of the purchases will be financed and will thus have a commensurate impact on the overall operating budget. As a result, additional debt service is included in each department's budget. Other additional operations budget impacts will come via minor savings in maintenance and fuel costs.



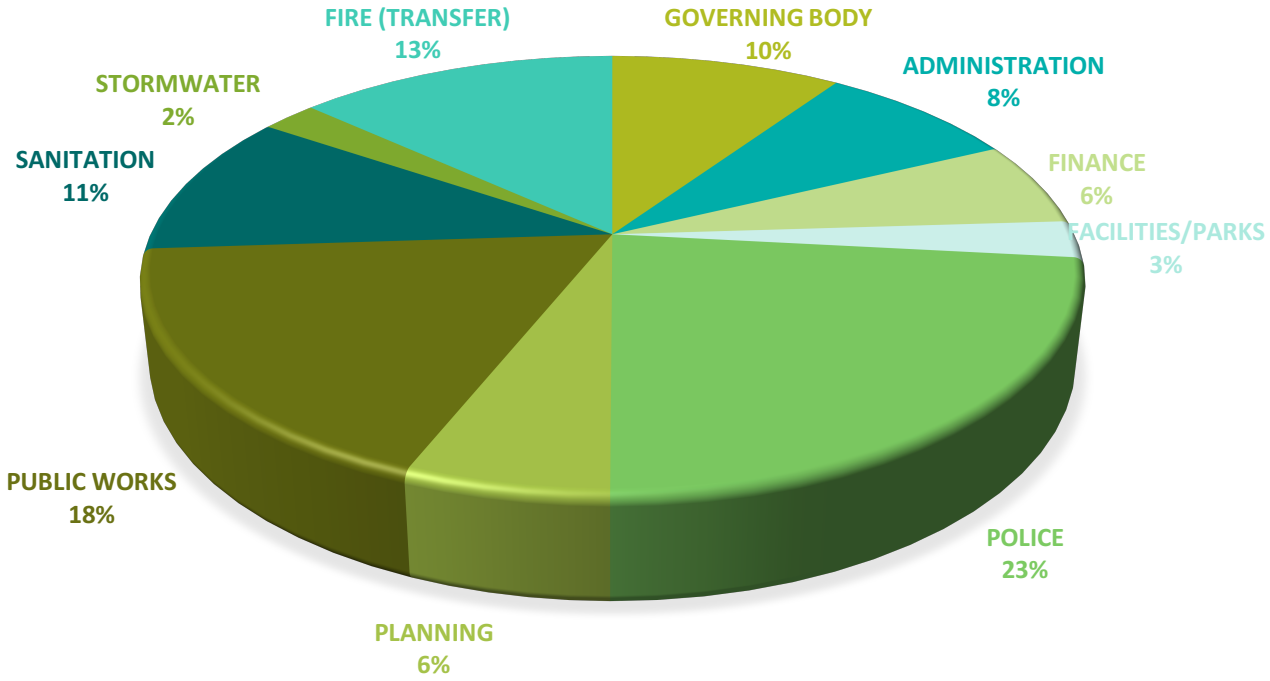
GENERAL FUND – EXPENDITURES BY DEPARTMENT

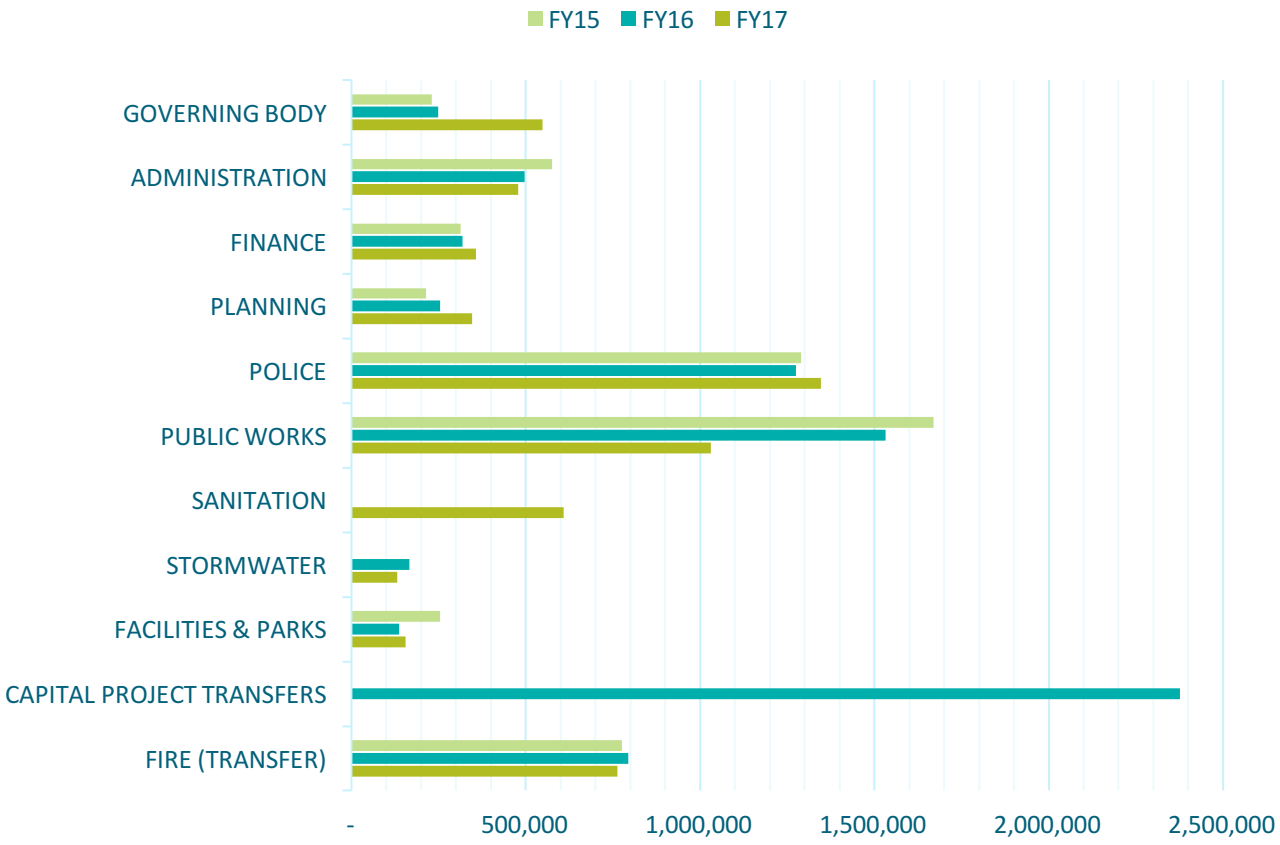
As illustrated below, the FY17 Budget has two noteworthy changes in how expenditures previously housed within the Public Works Department are handled. Stormwater and Sanitation each have their own appropriations and expenditures related to these activities will be more clearly evident in reports to the Board of Commissioners and to the general public. The North Carolina General Statutes mandate that fees collected for these activities are spent only on the activities for which they were collected. While these calculations in prior fiscal years were performed as part of year-end and auditing activities, this change in budgeting and reporting policies increases financial transparency and is more consistent with the intent of the statute.

	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
GOVERNING BODY			
Personnel	16,793	16,800	16,950
Operations	77,272	97,285	94,300
Capital Outlay	0	0	0
Debt Service	137,375	134,400	436,450
SUBTOTAL	**231,440**	**248,485**	**547,700**
ADMINISTRATION			
Personnel	382,560	357,890	316,200
Operations	126,793	138,885	163,150
Capital Outlay	66,008	0	0
Debt Service	0	0	0
SUBTOTAL	**575,361**	**496,775**	**479,350**
FINANCE			
Personnel	209,717	229,312	238,000
Operations	103,086	89,050	119,550
Capital Outlay	0	0	0
Debt Service	0	0	0
SUBTOTAL	**312,803**	**318,362**	**357,550**
PLANNING & INSPECTIONS			
Personnel	200,595	202,900	239,200
Operations	14,606	52,033	76,250
Capital Outlay	0	0	25,000
Debt Service	0	0	6,000
SUBTOTAL	**215,201**	**254,933**	**346,450**
POLICE DEPARTMENT			
Personnel	933,727	955,600	1,033,000
Operations	181,485	188,235	186,650
Capital Outlay	175,112	102,289	80,000
Debt Service	0	28,165	47,100
SUBTOTAL	**1,290,324**	**1,274,289**	**1,346,750**
PUBLIC WORKS			
Personnel	412,423	498,950	388,675
Operations	1,078,716	958,195	560,306
Capital Outlay	124,736	0	40,000
Debt Service	53,348	75,568	42,000
SUBTOTAL	**1,669,223**	**1,532,713**	**1,030,981**

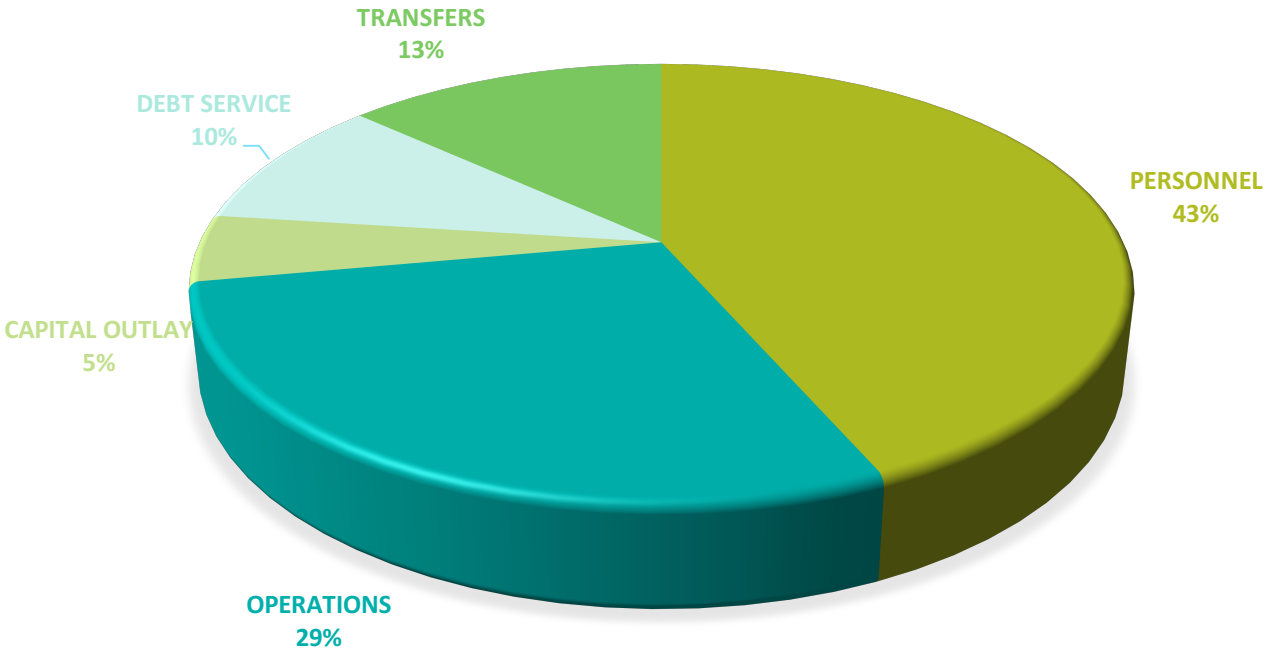
SANITATION			
Personnel	n/a	n/a	206,850
Operations	n/a	n/a	156,400
Capital Outlay	n/a	n/a	140,000
Debt Service	n/a	n/a	105,600
SUBTOTAL	**n/a**	**n/a**	**608,850**
STORMWATER			
Personnel	n/a	0	67,600
Operations	n/a	0	64,400
Capital Outlay	n/a	166,600	0
Debt Service	n/a	0	0
SUBTOTAL	**n/a**	**166,600**	**132,000**
FACILITIES & PARKS			
Personnel	64,475	0	0
Operations	136,018	137,908	156,319
Capital Outlay	54,397	0	0
Debt Service	0	0	0
SUBTOTAL	**254,890**	**137,908**	**156,319**
GENERAL FUND TRANSFERS			
TO FIRE FUND	775,550	795,169	762,300
CAPITAL PROJECTS	0	2,376,000	0
SUBTOTAL	**775,550**	**3,171,169**	**762,300**
GENERAL FUND TOTALS			
Personnel	**2,220,290**	**2,261,452**	**2,506,475**
Operations	**1,717,976**	**1,661,591**	**1,652,925**
Capital Outlay	**420,253**	**268,889**	**285,000**
Debt Service	**190,723**	**238,133**	**561,550**
Transfers	**775,550**	**3,171,169**	**762,300**
TOTAL GENERAL FUND EXPENDITURES	**5,324,792**	**7,601,234**	**5,768,250**

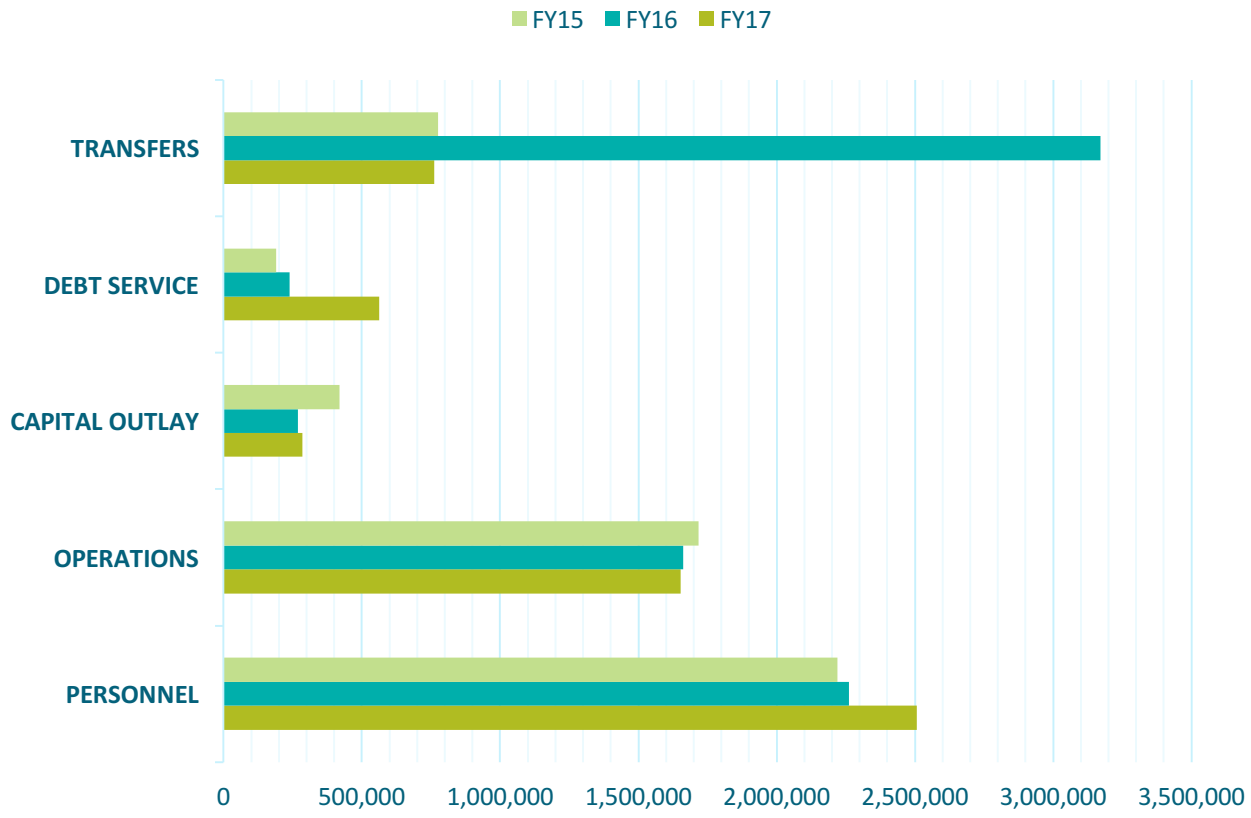
FY17 EXPENDITURES BY DEPARTMENT





FY17 EXPENDITURES BY CATEGORY

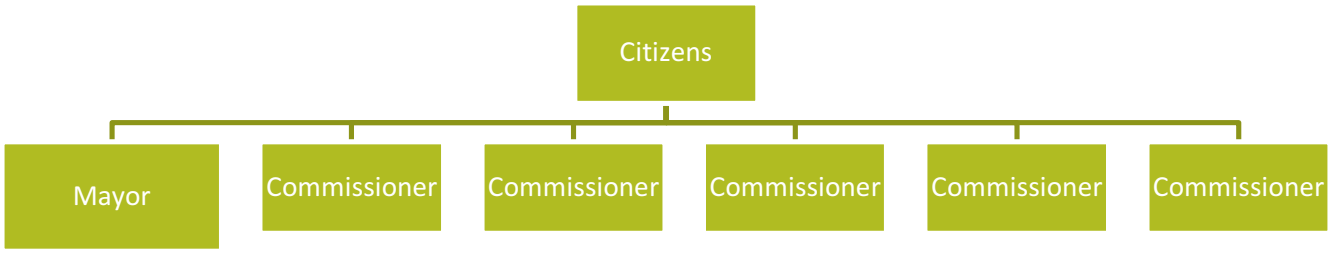




GOVERNING BODY

DESCRIPTION

The Town's governing body is comprised of a Mayor (2-year term) and five (5) Commissioners (4-year term). They are responsible for the adoption of ordinances, resolutions, and policies. They provide guidance and direction to the Town Manager.



FY16 NOTABLE ACCOMPLISHMENTS

- Received a clean audit for Fiscal Year 2015
- Conducted twelve (12) Board of Commissioner regular meetings, two (2) special meetings, nine (9) work sessions, and one (1) retreat.
- Passed resolutions (9) resolutions and nine (9) proclamations
- Obtained designation as an official Tree City USA for a fourth year
- Established a new Stormwater Advisory Committee
- Was the first municipality in Carteret County to formally oppose offshore oil drilling and seismic testing
- Began construction on new Fire Station

FY17 GOALS

- Develop and adopt appropriate ordinances, resolutions, and local code changes to address the Strategic Priorities of the organization and the goals of the community
- Ensure county, state, and federal legislators are kept abreast of legislative initiatives and their associated impact on the Town of Beaufort
- Provide continued direction and guidance to the Town Manager regarding the effectiveness of the overall operations of the organization and its service delivery
- Continue to Increase opportunities for active citizen participation, engagement, and input through meetings, social media, print communications, and other outreach technologies
- Provide oversight to the financial management of the organization by monitoring revenues and expenditures via monthly reporting to ensure budget compliance

PERFORMANCE MEASURES

- Compliance with North Carolina Government Statutes
- Numbers of resolutions passed
- Numbers of meetings, public attendance/participation

- Citizen feedback

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Mayor	1	1	1	1
Commissioner	5	5	5	5
TOTAL	**6**	**6**	**6**	**6**

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	16,794	16,793	16,800	16,950
Operations	104,872	77,272	97,285	94,300
Capital Outlay	558,545	0	0	0
Debt Service	140,677	137,375	134,400	436,450
TOTAL	**820,888**	**231,440**	**248,485**	**547,700**

NOTABLE BUDGET ITEMS

OPERATIONS

- Legal Services: $30,000 (Fees were raised over FY16 rates0
- Audit: $33,000

DEBT SERVICE

- Town Hall: $131,483
- New Fire Station: $304,967

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	15,600	15,600
FICA	1,200	1,200
WORKERS COMPENSATION	0	150
PUBLIC NOTICES/ADVERTISING	1,350	2,000
NEWSLETTER	4,140	4,000
OFFICE SUPPLIES	400	700
OFFICE EQUIPMENT (NON-CAPITAL)	1,000	0
DUES & SUBSCRIPTIONS	9,735	9,300
TRAINING – REGISTRATION & CLASS MAT.	1,660	2,200
TRAVEL MILEAGE	300	750
MEALS	1,650	1,050
LODGING	600	1,000
DEPARTMENT SUPPLIES & MATERIALS	0	2,000
PROFESSIONAL SERVICES	30,550	33,000
CODIFICATION	2,800	2,800
LEGAL SERVICES	24,750	30,000
INSURANCE & BONDS	10,250	5,500
CIVIC CONTRIBUTIONS	2,500	0
ELECTIONS	5,600	0
DEBT SERVICE – PRINCIPAL	100,000	300,000
DEBT SERVICE – INTEREST	34,400	136,450
GOVERNING BODY SUBTOTAL	**248,485**	**547,700**

ADMINISTRATION DEPARTMENT

DESCRIPTION

Under the direction of the Town Manager, the Administration Department is responsible for synthesizing the overall operations of the Town of Beaufort. It is comprised of the Town Manager, Assistant Town Manager, Town Clerk, and Town Hall Office Manager, and includes several specific functions including economic development, financial analysis, parks and recreation, communications, information/document management, marketing, and strategic planning. Through the Town Manager, the Administration Department supervises all of the primary functions of the Town, provides leadership and direction to Department Heads, and ensures the organization is addressing the Town's Strategic Priorities and adhering to its Core Values.

FY16 NOTABLE ACCOMPLISHMENTS

- Provided staff support to the Board of Commissioners, Parks & Recreation Advisory Board, Stormwater Advisory Committee, and Tree Advisory Board
- Continued to hone the Town's comprehensive communications strategy and increased activity via social media (Facebook & Twitter).
- Monitored and managed organization-wide spending to ensure adherence to the FY16 budget appropriation
- Launched a new tourism website, www.beinbeaufort.com
- Revamped the Town's Tourism Ambassador Program
- Provided service and direction to all Departments to improve organizational functioning
- Increased organizational outreach and partnering capacity by providing a liaison for the community
- Completed first design phase for Cedar Street Waterfront Park
- With Public Works staff and volunteers, organized the planting of fifty-five (55) trees on public property
- Partnered with NCSU's Coastal Dynamics Lab on Resiliency in Beaufort initiative
- Applied for a grant through the NC Attorney General's Environmental Enhancement Grant Program
- Converted all in-town neighborhood streetlights to LED

FY17 GOALS

- Complete the new fire station and transfer operations; market existing building
- Initiate way-finding measures aimed a new bridge/bypass; completion in Spring 2017
- Implement 70 Corridor Study
- Complete schematic/design phase of Cedar Street Park
- Prepare NC PARTF (Parks and Recreation Trust Fund) grant for Water Tower Park
- Strive to provide responsive, professional, timely, and friendly customer service to the community
- Adoption of comprehensive multi-modal plan for future development

PERFORMANCE MEASURES

- Timely project completion
- Program/Project effectiveness based on established goals to include citizen feedback, employee turnover and productivity, and cost savings.
- Grant funds received
- Timeliness, content, and appearance of minutes, agendas, newsletters and other communication and documentation tools.

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Town Manager	1	1	1	1
Assistant Town Manager	1	1	1	0
Town Clerk/Public Info Officer	1	1	1	1
Office Manager	1	1	1	1
TOTAL	**4**	**4**	**4**	**3**

The Assistant Town Manager position was eliminated for FY17.

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	310,774	382,560	357,890	316,200
Operations	146,342	126,793	138,885	163,150
Capital Outlay	0	66,008	0	0
Debt Service	0	0	0	0
TOTAL	**457,116**	**575,361**	**496,775**	**479,350**

NOTABLE BUDGET ITEMS

OPERATIONS

- Office Contract Services includes IT and website hosting contracts
- Insurance line has flood insurance for Town Hall

EXPENDITURES	FY 16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	276,000	265,000
OVERTIME	512	2,000
OTHER SALARIES – PART TIME	9,208	8,500
FICA	21,800	21,500
GROUP INSURANCE EXPENSE	20,300	19,200
RETIREMENT EXPENSE	30,000	31,200
WORKERS COMPENSATION	70	1,000
TELEPHONE	2,000	2,000
INTERNET/CABLE	3,000	3,200
POSTAGE	3,260	3,000
MARKETING	2,900	5,000
OFFICE SUPPLIES	9,920	10,000
OFFICE EQUIPMENT (NON-CAPITAL)	1,800	1,500
OFFICE EQUIPMENT LEASES	4,100	7,100
OFFICE CONTRACT SERVICES	56,180	54,000
DUES & SUBSCRIPTIONS	125	2,000
MISC. ADMIN EXPENSE	11,100	0
ELECTRIC	10,750	11,000
WATER/SEWER/SOLID WASTE	1,200	2,000
OSHA/SAFETY COMPLIANCE	0	100
SAFETY SUPPLIES & MATERIALS	200	200
TRAINING – REGISTRATION & CLASS MAT.	250	250
TRAVEL MILEAGE	0	300
MEALS	150	350
LODGING	500	500
EQUIPMENT MAINTENANCE & REPAIRS	0	100
AUTO FUEL	250	550
VEHICLE MAINTENANCE & REPAIRS	900	1,200
CONTRACT SERVICES	17,000	5,000
INSURANCE & BONDS	13,300	21,600
CAPITAL OUTLAY	0	0
ADMINISTRATION SUBTOTAL	**496,775**	**479,350**

FINANCE DEPARTMENT

DESCRIPTION

The Finance Department provides for the collection fees from the property owners and businesses in town and houses the Town's human resource functions. The Department provides support to the Utility Fund for the billing and collection of water and sewer fees. Department staff also process the Town's payroll and payables, submits required reports, and manages the bank reconciliation and general ledger.

FY16 NOTABLE ACCOMPLISHMENTS

Budget Management

- Implemented the distribution of monthly YTD expense reports to the Manager and Board of Commissioners

Financial Accounting

- Achieved timely monthly balancing and bank reconciliation
- Consistently mailed water and sewer bills in a timely fashion
- Completed the annual audit on time with no material weaknesses or significant deficiencies
- Completed employee cross training to improve department functionality
- Implemented MCSJ financial software
- Established Financial Operations Policy
- Successful transition to SHP for medical insurance and realized a significant cost savings for the Town

FY17 GOALS

Budget Management

- Continue to develop independent departmental management of budget

Financial Accounting

- Launch new citizen portal for the digital read water meter system
- Continue advancement towards NC Government Finance Officers Certification
- Smoothly transition to AMR meter reading

Human Resources

- Improve the Town's Human Resource functionality
- Develop an employee performance evaluation schedule
- Continue to develop and implement a functioning employee engagement program to improve productivity, morale, and job satisfaction
- Develop an employee recognition program
- Improve and promote departmental safety procedures

PERFORMANCE MEASURES

- To maintain timely financial reporting to the Town Manager and Board of Commissioners
- To establish departmental goals of collection rates, time-framing of utility customer dispute resolution, and accuracy of posted financial transactions
- Minimal use of overtime to accomplish routine tasks
- Adherence to the NC General Statutes and financial reporting requirements

PERSONNEL

In FY15, a Human Resource Officer position was added to the Finance Department. Additionally, with the transfer of tax collection to the County, the Tax Collector position was eliminated.

POSITION TITLE	FY14	FY15	FY16	FY17
Finance Director	0	0	0	0
Deputy Finance Director	1	1	1	1
Human Resource Officer	0	.5	1	1
Revenue Supervisor & Tax Collector	1	0	0	0
Tax Collector	0	.5	0	0
Billing Specialist	1	1	1	1
Customer Service Representative	1	1	1	1
TOTAL	5	4	4	4

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	197,801	209,717	229,312	238,000
Operations	47,188	103,086	89,050	119,550
Capital Outlay	0	0	0	0
Debt Service	0	0	0	0
TOTAL	**244,989**	**312,803**	**318,362**	**357,550**

NOTABLE BUDGET ITEMS

OPERATIONS

- Office Contracted Services
  - Accounting software: $14,000
- Professional Services
  - Consulting assistance: $15,000
- Tax Collection Admin Expenses payable to Carteret County

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	169,570	176,000
OVERTIME	42	0
FICA	12,800	13,800
GROUP INSURANCE EXPENSE	27,100	25,600
RETIREMENT EXPENSE	19,800	22,000
WORKERS COMPENSATION	0	600
POSTAGE	50	0
OFFICE CONTRACT SERVICES	3,400	14,000
DUES & SUBSCRIPTIONS	300	500
TAX REFUND	1,800	2,500
HUMAN RESOURCES	6,700	4,000
TRAINING – REGISTRATION & CLASS MAT.	700	2,000
TRAVEL MILEAGE	50	750
MEALS	50	300
LODGING	300	1,000
EMPLOYEE ENGAGEMENT	4,200	4,000
EQUIPMENT MAINTENANCE & REPAIRS	0	500
PROFESSIONAL SERVICES	10,500	15,000
PARKING METER PROCESSING FEES*	n/a	15,000
TAX COLLECTION ADMIN EXPENSE - PROPERTY	54,600	55,000
TAX COLLECTION ADMIN EXPENSE – M/V	6,400	5,000
FINANCE SUBTOTAL	**318,362**	**357,550**

*These fees were transferred in FY17 from Public Works to the Finance budget

PLANNING & INSPECTIONS DEPARTMENT

DESCRIPTION

Under the direction of the Town Planner, the department provides land use and development information to the public, reviews development plans, issues building permits, and performs building inspections. The Planning Department is also responsible for code enforcement, and provides staff support to the Historic Preservation Commission, Planning Board, and Board of Adjustment. The activities of the Planning Department directly further several of the Town's Strategic Priorities, specifically Parks/Recreation/Outdoors, Economic Development, and Sense of Place.

FY16 NOTABLE ACCOMPLISHMENTS

- Processed & Presented – 39 Certificates of Appropriateness for the Historic Preservation Commission.
- Retention of Certified Local Government (CLG) status for Historic Preservation
- Bulkhead Channel Dredging Grant recipient of up to 66% of cost.
- Presented one (1) Preliminary Subdivision Plan
- Presented six (6) request for changes to the official zoning map.
- Presented four (4) zoning/subdivision text amendments
- Processed and presented one (1) major site plans and three (3) Board of Adjustment case
- Received a Clean Audit from the NC Department of Public Safety Community Assistance Visit (CAV) as part of National Flood Insurance Program.
- Draft Update/Revision to Historic Preservation Guidelines
- Host of State Historic Preservation Regional Workshop

FY17 GOALS

- Completion of updated Subdivision Ordinance
- Continue to pursue funding for projects within community.
- Improve the enforcement of Town Codes & ordinance by use of new software and technology.
- Retain or improve Community Rating System (CRS) with FEMA Audit
- Seek training opportunities for the Planning Board, Historic Preservation Commission & Board of Adjustment
- Historic Preservation Certified Local Government (CLG) Retention
- Completion and implementation of Form Based Code within the new Hwy. 101/US 70 Zoning District
- Continuation of RS-5 Zoning for non-conforming properties within Old Town neighborhood
- Adoption of Update/Revision to Historic Preservation Guidelines
- Implementation of Wayfinding Signage
- Rehabilitation of Old Burying Ground Fence and Wall
- Update CAMA Land Use Plan to match LDO
- Implementation of Entry Corridor Improvement

PERFORMANCE MEASURES

- Numbers of Inspections performed
- Ability to retain FEMA Community Rating Service status
- Number of development proposals processed (Building Permits, Site Plans, Subdivisions, COA's etc.)
- Project completion measures: timeliness, report quality, cost efficiency
- Citizen feedback regarding helpfulness, knowledge, responsiveness & professionalism

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Planning Director	1	1	1	1
Building Inspector	1	1	1	2
Administrative Assistant	1	1	1	1
TOTAL	**3**	**3**	**3**	**4**

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	195,544	200,595	202,900	239,200
Operations	15,816	14,606	52,033	76,250
Capital Outlay	0	0	0	25,000
Debt Service	0	0	0	6,000
TOTAL	**223,372**	**215,201**	**254,933**	**346,450**

NOTABLE BUDGET ITEMS

CAPITAL OUTLAY – VEHICLES/DEBT SERVICE

- Finance purchase of a new utility pick-up truck for building inspections

PERSONNEL

- Funds included to fund an additional building inspector position effective January 1; hiring contingent on construction commencement in Preston Development projects.

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	151,200	177,000
OVERTIME	2,000	1,800
FICA	11,500	14,400
GROUP INSURANCE EXPENSE	20,300	22,400
RETIREMENT EXPENSE	17,900	21,500
WORKERS COMPENSATION	0	2,100
TELEPHONE – CELLULAR	910	650
POSTAGE	25	0
DUES & SUBSCRIPTIONS	645	700
OSHA/SAFETY COMPLIANCE	184	200
TRAINING – REGISTRATION & CLASS MAT.	1307	1,300
TRAVEL MILEAGE	535	500
MEALS	408	400
LODGING	1041	1,200
NON-CAPITAL EQUIPMENT PURCHASE	0	800
AUTO FUEL	1,164	1,100
VEHICLE MAINTENANCE & REPAIRS	1,560	500
PERMITS & FEES RECURRING	890	1,250
HISTORIC COMMISSION – EXPENSES	100	100
HISTORIC COMMISSION – TRAVEL	1,764	1,750
PROFESSIONAL SERVICES	41,500	65,800
CAPITAL OUTLAY – VEHICLES	0	25,000
DEBT SERVICE – PRINCIPAL	0	5,000
DEBT SERVICE - INTEREST	0	1,000
PLANNING & INSPECTIONS SUBTOTAL	**254,933**	**346,450**

POLICE DEPARTMENT

DESCRIPTION

Under the direction of the Police Chief, the Police Department is responsible for the safety of our citizens and visitors through 24-hour emergency and non-emergency response and the enforcement of local, state and federal laws. The Department conducts public outreach programs to assist the residents in safety programs such as the establishment of community (neighborhood) watch programs, public information sessions on identity theft and how to make your home safe. The Department strives to be responsive to the law enforcement needs of our community and to provide this service in a professional, timely and efficient manner.

FY16 NOTABLE ACCOMPLISHMENTS

- Stabilized staffing levels with selection of new Chief of Police
- Maintained low crime rate
- Reinforced relationship with the Beaufort Boys & Girls Club
- Continued the Coffee With A Cop Program
- Implemented Vehicle Replacement Plan, adding three new vehicles to the fleet
- Successful security oversight of the various Town and charitable events
- Participated in county-wide Active Shooter training, fostering agency interoperability

FY17 GOALS

- Enhance community relations by implementing "Chat with the Chief", a quarterly community briefing session, and continuing Coffee With A Cop
- Upgrade Department IT platforms, mobile terminals, and agency interoperability
- Provide relevant training, including N.C. Justice Academy's Management Development Program
- Maintain low crime rate
- Increase minority sensitivity training for all officers

PERFORMANCE MEASURES

- Statistical data compilation as to response times, change in types of offenses and percent of crimes solved.
- Staff's ability to seek and obtain grant funding for needed departmental supplies, equipment and/or new programs.
- Timely and professionally administered training programs for all staff so as to maintain a well trained staff that is current in law enforcement techniques and programs.
- Citizen feedback regarding helpfulness, responsiveness, professionalism, and friendliness

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Police Chief	1	1	1	1
Major	1	1	1	1
Shift Supervisor	4	4	4	4
Patrol Officers	12	12	8	8
Investigator	1	2	1	1
Administrative Assistant	1	1	1	1
TOTAL	**21**	**21**	**16**	**16**

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	931,267	933,727	955,600	1,033,000
Operations	199,909	181,485	188,235	186,650
Capital Outlay	0	175,112	102,289	80,000
Debt Service	0	0	28,165	47,100
TOTAL	**$1,131,176**	**1,290,324**	**1,274,289**	**1,346,750**

NOTABLE BUDGET ITEMS

CAPITAL OUTLAY/DEBT SERVICE

- Finances the purchase of two (2) replacement police vehicles as prescribed in the Department's Vehicle Replacement Plan

UNIFORMS

- Funds for transitioning to traditional higher visibility "dress-down" hybrid uniform.

TRAINING

- Enhancing management-leadership training for supervisory staff to include the Management Development Program through the N.C. Justice Academy, among others

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	674,000	727,000
OVERTIME	18,000	16,000
OTHER COMPENSATION	900	0
SEPARATION PAY	14,200	15,000
OTHER SALARIES – PART TIME	9,000	10,000
FICA	53,500	56,000
GROUP INSURANCE EXPENSE	103,000	96,000
RETIREMENT EXPENSE	83,000	87,000
WORKERS COMPENSATION	0	26,000
TELEPHONE	1,820	1,700
TELEPHONE – CELLULAR	11,500	12,000
INTERNET/CABLE	1,400	1,700
POSTAGE	900	1,000
OFFICE SUPPLIES	2,400	2,200
OFFICE EQUIPMENT (NON-CAPITAL)	1,000	2,450
OFFICE EQUIPMENT LEASES	3,000	3,400
OFFICE CONTRACT SERVICES	12,700	16,500
DUES AND SUBSCRIPTIONS	350	2,000
MISC. ADMIN EXPENSE	450	650
ELECTRIC	5,600	6,000
WATER/SEWER/SOLID WASTE	2,440	2,200
OSHA/SAFETY	150	250
SAFETY SUPPLIES & MATERIALS	700	600
TRAINING – REGISTRATION & CLASS MAT.	1,250	7,000
TRAVEL MILEAGE	50	500
MEALS	2,500	3,000
LODGING	600	1,500
UNIFORMS	9,325	15,000
EMPLOYEE WELLNESS	3,240	3,500
NON-CAPITAL EQUIPMENT PURCHASE	29,500	33,000
EQUIPMENT MAINTENANCE & REPAIRS	1,100	3,000
AUTO FUEL	29,000	25,000
VEHICLE MAINTENANCE & REPAIRS	22,200	15,000
DEPARMENTAL SUPPLIES & MATERIALS	4,950	7,000
INSURANCE & BONDS	38,000	19,000
CRIME PREVENTION	2,110	1,500
CAPITAL OUTLAY – VEHICLES	102,289	80,000
DEBT SERVICE – PRINCIPAL	26,265	44,000
DEBT SERVICE - INTEREST	1,900	3,100
POLICE DEPARTMENT SUBTOTAL	**1,274,289**	**1,346,750**

PUBLIC WORKS/SANTITATION/STORMWATER

DESCRIPTION

Under the direction of the Public Works Director, the department is responsible for the maintenance of public rights of way and sidewalks, stormwater management, collection of household refuse, recyclables and yard debris, and the minor repair of public owned vehicles. The activities of the Public Works Department advance several of the Town's Strategic Priorities, specifically Infrastructure, Public Safety, and Sense of Place.

FY16 NOTABLE ACCOMPLISHMENTS

- Refuse collection for approximately 2,200 residential and business customers totally approximately 1,500 tons
- Recycling collection for approximately 2,200 residential and business customers totally approximately 250 tons
- Yard waste collection of 250 tons for the year
- Implemented Phase III of the Pay-to-Park funded downtown streetscaping program to include six (6) ADA compliant sidewalk access ramps and crosswalk rehabilitation.
- Completed repaving of Front Street within budget and on time.
- Performed numerous special requests for various businesses, institutions and residents of the town
- Coordinated two (2) community clean-up events
- Continue in-house systematic road patching
- Cleaned numerous drainage ditches, most notably in Professional Park

FY17 GOALS

- Complete department restructuring and re-classification of existing employees; absorb personnel previously classified as Facilities and Parks.
- To transition to once a week, Town-wide pick up of all trash, recycling, and yard debris.
- The establishment of uniform trash and recycling receptacles and protocols for Beaufort businesses
- To provide courteous, efficient cost saving service to the community
- To institute a road repaving/improvement program to address the condition of public streets and rights of way
- To evaluate the community collection systems (household refuse, extra trash, recycling) to establish a more efficient, energy conserving, effective means to conduct these activities.
- To address drainage concerns and develop a systematic maintenance program for Town drainage infrastructure.

PERFORMANCE MEASURES

- Statistical data will be collected and analyzed to provide for cost effectiveness of activities such as cost per ton, employee cost per function, etc.
- Reduction of drainage complaints through the use of a systematic drainage maintenance program.
- Improved pavement surfaces in Town
- Continued household pick up of refuse, debris and recyclables on a weekly cycle

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Public Works Director	0	0	1	1
Public Works Supervisor	1	1	1	1
CDL Truck Driver	2	2	2	2
Extra Trash Truck Driver	2	2	0	0
Trash Truck Riders	0	0	0	2
Mechanic	2	2	1	1
Heavy Equipment Operator	1	1	1	1
Skilled Craft Laborer	0	0	1	2
General Laborer	0	0	1	2
Stormwater Crew Chief	0	0	1	1
Stormwater Laborer	0	0	1	0
Administrative Specialist	0.5	0.5	0.5	0.5
TOTAL	**8.5**	**8.5**	**10.5**	**13.5**

Personnel levels shown reflect retaining residential trash collection as an in-house service. If collection is outsourced to a private contractor, the two (2) Trash Truck Rider positions and the two (2) Trash Truck Driver positions will be eliminated.

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
PUBLIC WORKS				
Personnel	393,931	412,423	498,950	388,675
Operations	520,008	1,078,716	958,195	560,306
Capital Outlay	0	124,736	0	40,000
Debt Service	30,140	53,348	75,568	42,000
SANITATION	n/a	n/a	n/a	608,850
STORMWATER	n/a	n/a	166,600	132,000
TOTAL	**1,054,890**	**1,669,223**	**1,699,313**	**1,771,831**

NOTABLE BUDGET ITEMS

GENERAL

As referenced above, beginning in FY17, the stormwater and sanitation functions of Public Works were given their own appropriations. These functions are performed by a combination of dedicated personnel and personnel shared between these and other Public Works functions. Likewise, these functions have both their own sets of equipment as well as utilize equipment housed within the overall Public Works Department.

SANITATION – CAPITAL OUTLAY VEHICLES

- Funds to finance the purchase of a new grapple truck for yard debris collection

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	354,400	270,000
OVERTIME	14,400	8,000
FICA	26,800	21,675
GROUP INSURANCE EXPENSE	60,750	46,000
RETIREMENT EXPENSE	42,600	33,000
WORKERS COMPENSATION	0	10,000
TELEPHONE	1,500	1,750
TELEPHONE – CELLULAR	4,600	4,200
INTERNET/CABLE	1,700	2,500
POSTAGE	4,810	4,500
OFFICE SUPPLIES	2,060	2,000
OFFICE EQUIPMENT LEASES	1,200	3,100
OFFICE CONTRACT SERVICES	1,700	2,000
DUES AND SUBSCRIPTIONS	160	150
ELECTRIC	5,800	6,000
LP GAS	1,575	2,500
WATER/SEWER/SOLID WASTE	900	750
OSHA/SAFETY	800	1,500
SAFETY SUPPLIES & MATERIALS	900	1,000
TRAINING – REGISTRATION & CLASS MAT.	0	1,856
MEALS	550	500
UNIFORMS	6,470	7,000
NON-CAPITAL EQUIPMENT PURCHASE	20,000	10,000
EQUIPMENT MAINTENANCE & REPAIRS	6,600	6,000
AUTO FUEL	33,000	20,000
VEHICLE MAINTENANCE & REPAIRS	33,550	10,000
PERMITS & FEES – ONE TIME	600	500
DEPARMENTAL SUPPLIES & MATERIALS	12,000	10,000
SIDEWALKS & MULTI-MODAL	0	12,000
STREET CONTRACTED SERVICES	308,500	198,000
STREET SUPPLIES & MATERIALS	23,800	10,000
PARKING METERS	26,340	10,000
STREETSCAPING MATERIALS	28,330	35,000
STREETLIGHTS	112,500	115,000
CONTRACT SERVICES	7,650	6,000
INMATE CONTRACTED SERVICES	1,900	2,000
MOSQUITO CONTROL	0	2,500
DREDGING EXPENSE	137,800	60,000
INSURANCE & BONDS	25,800	12,000
CAPITAL OUTLAY – VEHICLE	0	40,000
DEBT SERVICE – PRINCIPAL	67,700	34,500
DEBT SERVICE – INTEREST	7,868	7,500
PUBLIC WORKS SUBTOTAL	**1,387,613**	**1,030,981**

LINE ITEM DETAIL - SANITATION

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	n/a	130,250
OVERTIME	n/a	13,000
FICA	n/a	10,500
GROUP INSURANCE EXPENSE	n/a	25,600
RETIREMENT EXPENSE	n/a	16,000
WORKERS COMPENSATION	n/a	11,500
AUTO FUEL	n/a	20,000
VEHICLE MAINTENANCE	n/a	5,000
EQUIPMENT MAINTENANCE	n/a	5,000
DEBT SERVICES – PRINCIPAL	n/a	66,000
DEBT SERVICES - INTEREST	n/a	9,600
SUBTOTAL FOR SOLID WASTE/RECYCLING COLLECTION	**n/a**	**312,450**
RECYCLING DISPOSAL FEES	49,400	40,000
SOLID WASTE DISPOSAL FEES	95,700	60,000
YARD DEBRIS DISPOSAL FEES	0	30,000
CAPITAL OUTLAY - VEHICLES	0	140,000
DEBT SERVICES – PRINCIPAL	0	22,800
DEBT SERVICES – INTEREST	0	3,600
SUBTOTAL FOR OTHER SANITATION EXPENSES	**145,100**	**296,400**
SANITATION SUBTOTAL	**145,100**	**608,850**

The Town continues to analyze the outsourcing of solid waste and recycling collection services. The above accounting separates what costs may be outsourced and what costs will remain regardless of any decision regarding contracting for collection.

LINE ITEM DETAIL - STORMWATER

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	n/a	45,000
OVERTIME	n/a	2,000
FICA	n/a	3,600
GROUP INSURANCE EXPENSE	n/a	8,600
RETIREMENT EXPENSE	n/a	5,400
WORKERS COMPENSATION	n/a	3,000
AUTO FUEL	n/a	5,000
DEPARTMENT SUPPLIES & MATERIALS	n/a	16,400
NON-CAPITAL EQUIPMENT PURCHASES	n/a	18,000
CAPITAL OUTLAY – EQUIPMENT	166,600	0
CONTRACT SERVICES	n/a	25,000
STORMWATER SUBTOTAL	**166,600**	**132,000**

.

FACILITIES MAINTENANCE

DESCRIPTION

The Facilities Maintenance Department is responsible for maintaining proper functionality of Town buildings and grounds. Staff performs routine repairs, supervises construction projects, monitors neighborhoods for cleanliness and safety, and maintains landscaping on all Town property to include parks, streets, and green spaces. The activities of the Facilities Maintenance Department directly further several of the Town's Strategic Priorities, specifically Public Safety, Parks/Recreation/Outdoors, and Sense of Place.

FY16 NOTABLE ACCOMPLISHMENTS

- Built new storage racks and ADA compliant docks at Fishermen's Park
- Installed boardwalk and kiosk at Grayden Paul Park
- Installed ADA compliant access ramp at Grayden Paul Park
- Coordinated and performed the maintenance and upkeep of Randolph Johnson Park, tennis and basketball courts, boardwalk, public right-of-ways, and Oceanview Cemetery
- Continued a strong working relationship with the Beaufort Garden Club
- Worked with private citizens to improve walkability in Highland Park neighborhood.
- Continued beautification of downtown using proceeds from the Pay-to-Park program
- Planted fifty-five (55) trees on public property

FY17 GOALS

- Complete exterior renovations to the Train Depot
- Conduct interior renovations to old police station building
- Continue to work with the Beaufort Garden Club, the Downtown Beaufort Business Association, and other community groups to maintain and improve Beaufort streetscapes and wayfinding
- Improve Town water access capabilities through improvements to terminus of Marsh Street

PERFORMANCE MEASURES

- Citizen feedback with respect to responsiveness, courteousness, and professionalism
- Functional and aesthetic quality of work
- Overall condition of Town-owned properties and facilities

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Supervisor	1	1	0	0
Maintenance Worker	2	1	0	0
TOTAL	**3**	**2**	**0**	**0**

**In FY16, personnel combined with Public Works Department

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	87,443	64,475	0	0
Operations	98,204	136,018	137,908	156,319
Capital Outlay	102,588	54,397	0	0
Debt Service	0	0	0	0
TOTAL	**298,200**	**254,890**	**137,908**	**156,319**

NOTABLE BUDGET ITEMS

PARKS CONTRACTED SERVICES

- Continued planning for Cedar Street Park

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
TELEPHONE - CELLULAR	1,600	1,300
OFFICE SUPPLIES	0	0
ELECTRIC	1,000	1,000
UNIFORMS	0	0
TOWN HALL BLDG MAINT.	2,400	2,000
TOWN HALL GROUND MAINT.	100	1,000
TOWN HALL JANITORIAL SUPPLIES	1,200	1,500
TOWN HALL CONTRACTED SERVICES	16,425	11,000
TRAIN DEPOT BLDG MAINT.	2,625	500
TRAIN DEPOT JANITORIAL SUPPLIES	200	500
TRAIN DEPOT CONTRACTED SERVICES	5,000	9,500
POLICE DEPT BLDG MAINT	1,500	3,000
POLICE DEPT JANITORIAL SUPPLIES	300	1,500
POLICE DEPT CONTRACTED SERVICES	8,200	20,000
PUBLIC WORKS BLDG MAINT.	1,350	1,500
PUBLIC WORKS GROUNDS MAINT.	0	250
PUBLIC WORKS JANITORIAL SUPPLIES	80	500
CEMETERY MAINTENANCE	9,400	9,000
PUBLIC RESTROOM BLDG MAINTENANCE	4,800	5,500
PUBLIC RESTROOM JANITORIAL SUPPLIES	5,000	7,500
PARKS MAINTENANCE	9,390	8,500
PARKS CONTRACTED SERVICES	22,100	26,000
DOCK AND BOARDWALK MAINTENANCE	2,200	3,000
PUBLIC R.O.W. MAINTENANCE	8,072	10,000
TREES	12,350	7,000
NON-CAPITAL EQUIPMENT PURCHASE	2,650	3,000
EQUIPMENT MAINTENANCE & REPAIRS	2,080	1,200
PROPERTY LEASES	7,200	8,100
DEPARTMENTAL SUPPLIES & MATERIALS	3,100	4,000
CONTRACTED SERVICES	2,200	5,000
SPECIAL EVENTS	5,386	3,469
FACILITIES/PARKS SUBTOTAL	**137,908**	**156,319**

UTILITY FUND

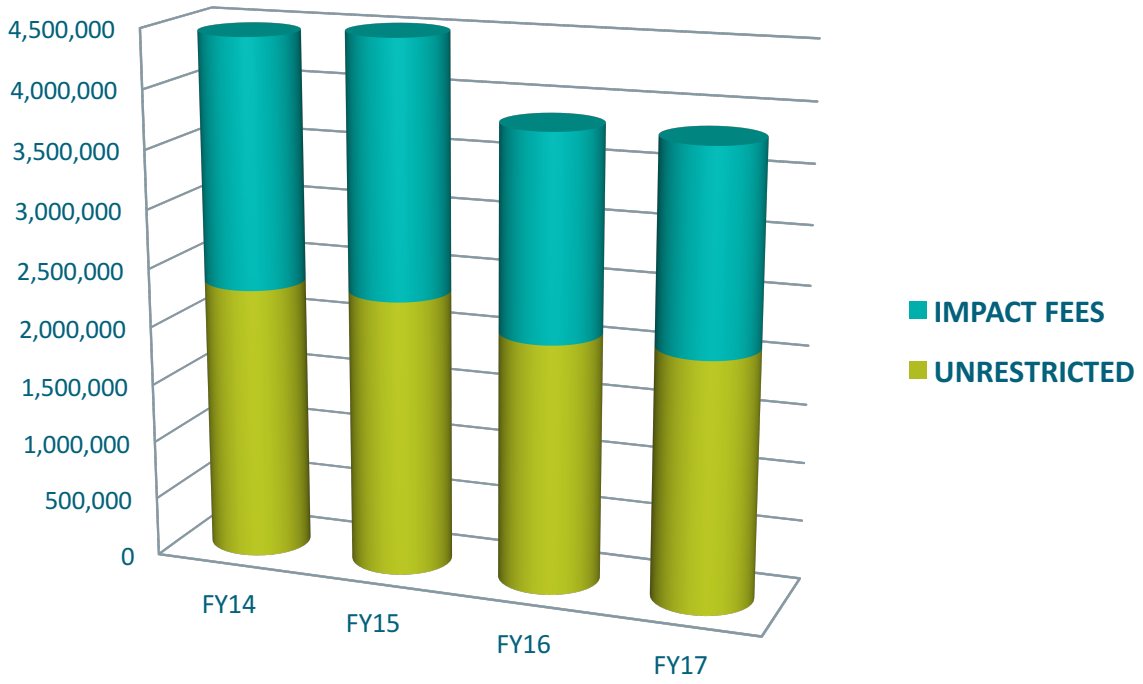
The Utility Fund is a proprietary fund used to account for the Town's water and sewer operations.

UTILITY FUND - BUDGET AT A GLANCE

	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
REVENUE			
REGULAR WATER SERVICE	872,997	844,200	842,000
REGULAR SEWER SERVICE	2,128,379	2,182,500	2,180,000
LATE FEES	0	33,480	18,000
SERVICE CHARGES	3,478	3,930	4,600
TAP & CONNECTION FEES	30,525	39,855	37,000
MISCELLANEOUS	57,344	25,594	40,000
LOAN PROCEEDS	0	431,000	50,000
TRANSFER FROM RESTRICTED FUND BALANCE (IMPACT FEES)	0	560,000	33,000
TRANSFER FROM UNRESTRICTED FUND BALANCE	0	237,107	0
TOTAL REVENUE	**3,093,836**	**4,357,666**	**3,204,600**
OPERATIONAL EXPENDITURES			
SEWER DIVISION	764,002	1,303,141	941,730
WASTEWATER TREATMENT DIVISION	1,640,637	1,579,970	1,592,213
WATER DIVISION	691,886	597,555	670,657
SUBTOTAL OPERATIONS	**3,096,525**	**3,480,666**	**3,204,600**
TRANSFER TO CAPITAL PROJECTS	**0**	**877,000**	**0**
TOTAL REVENUE OVER (UNDER) EXPENDITURES	**(2,689)**	**0**	**0**
IMPACT FEES			**(not adopted as part of budget)**
WATER	49,500	65,100	0
SEWER	55,500	41,000	0
ACCRUED	0	24,000	0
INVESTMENT INCOME	1,112	0	0
SUBTOTAL	**106,112**	**130,100**	**0**
NET CHANGE IN UTILITY UNRESTRICTED FUND BALANCE	**(2,689)**	**(237,107)**	**0**
NET CHANGE IN UTILITY RESTRICTED FUND BALANCE (IMPACT FEES)	**106,112**	**(429,900)**	**(33,000)**
NET CHANGE IN OVERALL FUND BALANCE	**103,423**	**(667,007)**	**(33,000)**

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
UNRESTRICTED CASH	2,320,097	2,338,890	2,101,783	2,101,783
RESTRICTED CASH (IMPACT FEES)	2,111,548	2,152,659	1,722,759	1,698,759
TOTAL CASH (FUND BALANCE)	**4,431,645**	**4,491,549**	**3,824,542**	**3,800,542**

UTILITY FUND CASH BALANCE

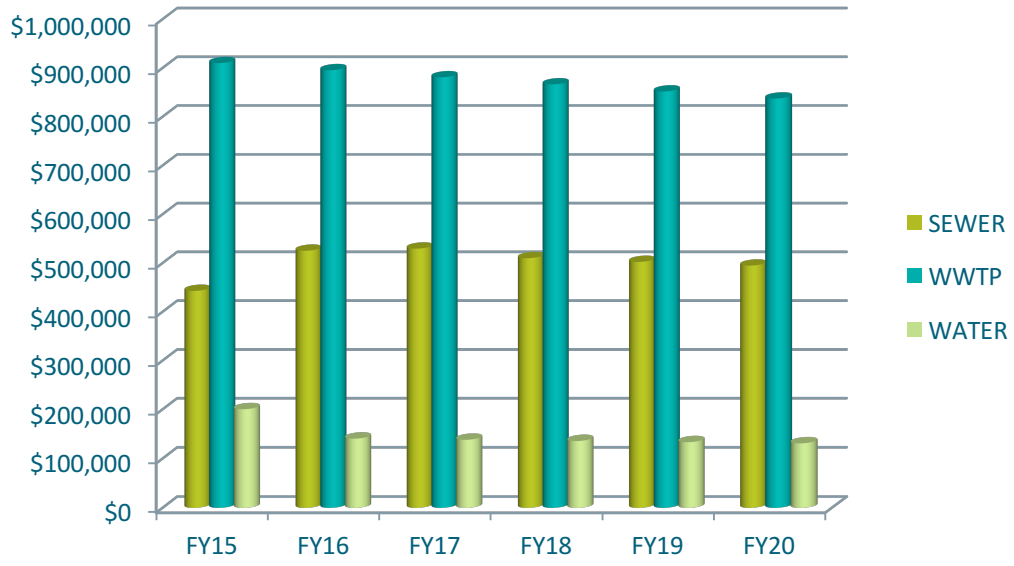


UTILITY FUND – DEBT

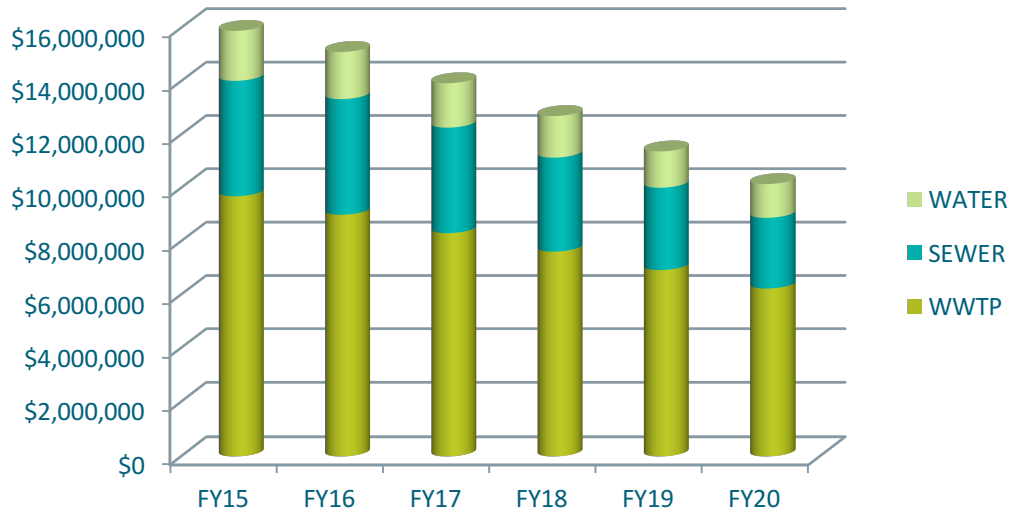
Recent improvements to the Town's infrastructure include the rehabilitation of part of the sewer collection system and the construction of a new wastewater treatment facility, which replaced the original wastewater treatment plant. In addition to the improvements to the sewer and wastewater processes, other improvements include the construction of g two new wells and raw water mains. These projects were all financed. They combine with the FY16 purchase of a new vacuum truck and a new flush truck to constitute the debt service obligations of the Utility Fund.

DEBT SERVICE PER FISCAL YEAR

	FY15	FY16	FY17	FY18	FY19	FY20
SEWER	442,951	525,286	**529,660**	510,033	502,407	494,777
WWTP	910,002	895,470	**880,937**	866,405	851,873	837,340
WATER	200,379	140,539	**138,138**	135,736	133,334	130,933
TOTAL	**1,553,332**	**1,561,295**	**1,548,735**	**1,512,174**	**1,487,614**	**1,463,050**



ASSET	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED	FY18 PROJECTED	FY19 PROJECTED	FY20 PROJECTED
Sycamore Well	841,500	794,750	**748,000**	701,250	654,500	607,750
Glenda Drive Well	1,030,500	973,250	**916,000**	858,750	707,846	657,285
Wastewater Treatment Plant	9,688,233	8,996,217	**8,304,200**	7,612,183	6,920,166	6,228,150
Pick-up Trucks	0	0	**44,000**	33,000	22,000	11,000
Vac/Flush Trucks	0	344,472	**260,607**	175,258	88,397	0
Sewer Project #1	3,610,953	3,333,188	**3,055,422**	2,777,656	2,499,891	2,222,125
Sewer Project #2	331,261	301,146	**271,031**	240,917	210,805	180,688
Sewer Project #3	385,160	355,532	**325,905**	296,277	266,649	237,021
UTILITY FUND TOTAL	**15,887,607**	**15,098,555**	**13,925,165**	**12,695,291**	**11,370,254**	**10,144,019**



UTILITY FUND – REVENUE

The principal operating revenues of the Utility Fund are charges to customers for sales and services. The Town also includes tap fees intended to cover the cost of connecting new customers to the water and sewer system. Proceeds for any loans used to finance capital purchases, and any appropriations from fund balance make up the remaining revenue sources for the annual budget.

In addition to the budgeted revenue, impact fees are collected for new customers. This revenue is held as part of fund balance with its use restricted to specific infrastructure improvements. When improvements are approved by the Board of Commissioners, funds generated by impact fees are specifically appropriated, as seen in the above table.

UTILITY FUND – EXPENDITURES

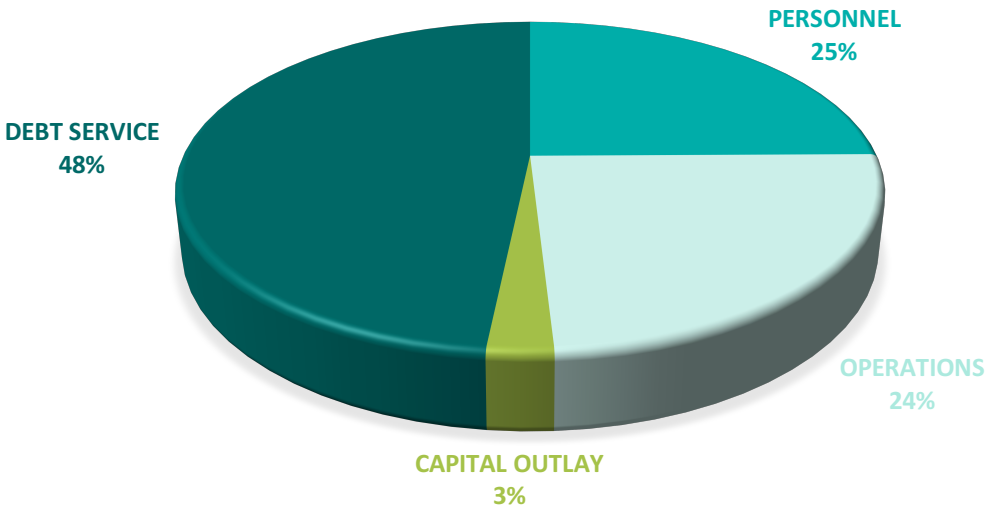
	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
SEWER			
PERSONNEL	167,119	180,796	186,700
OPERATIONS	123,350	143,345	142,270
CAPITAL OUTLAY	30,582	453,710	83,000
DEBT SERVICE	442,951	525,290	529,760
SUBTOTAL SEWER	**764,002**	**1,303,141**	**941,730**
WWTP			
PERSONNEL	346,237	350,440	383,200
OPERATIONS	357,524	334,055	328,075
CAPITAL OUTLAY	27,612	0	0
DEBT SERVICE	909,264	895,475	880,938
SUBTOTAL WWTP	**1,640,637**	**1,579,970**	**1,592,213**
WATER			
PERSONNEL	205,999	184,395	226,000
OPERATIONS	254,113	272,620	306,518
CAPITAL OUTLAY	32,137	0	0
DEBT SERVICE	199,637	140,540	138,139
SUBTOTAL WATER	**691,886**	**597,555**	**670,657**
TRANSFER TO CAPITAL PROJECTS	**0**	**877,000**	**0**
TOTAL	**3,096,525**	**4,357,666**	**3,204,600**

CAPITAL OUTLAY

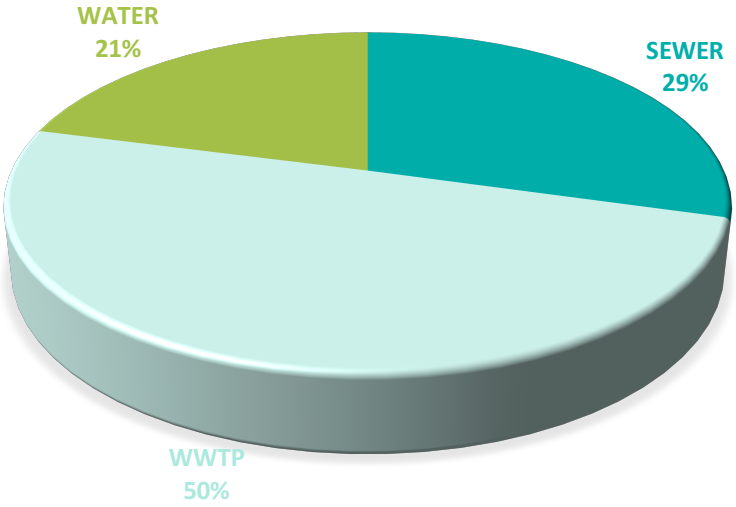
Many capital projects in the Utility Fund, because of their size, are handled by individual capital project funds. In FY16, for example, the Town replaced its manual read water meters with digital read meters. An appropriation was made for a transfer of funds from the Utility Fund ($877,000) into a capital project fund for that project.

In FY17, there are three (3) smaller capital purchases included in the budget. The first is for a generator ($33,000) for one of the sewer lift stations. The others are two general purpose pick-up trucks for the sewer department ($25,000/truck). These purchases will not have a material effect on the operating budget apart from the debt service obligations.

FY17 EXPENDITURES BY CATEGORY



FY17 EXPENDITURES BY DIVISION



WATER DIVISION

DESCRIPTION

The Water Division is responsible for the collection, treatment, and delivery of potable water to all residences and businesses with the Town. The Water Division operates with two (2) water treatment facilities (Pine Street and Glenda Drive) and has a designated potable water flow rate of 1.2 million gallons per day. The activities of the Water Division directly further the Town's expressed Strategic Priority of maintaining and improving its infrastructure.

FY16 NOTABLE ACCOMPLISHMENTS

- Accepted the water infrastructure for Eastport Apartments
- Coordinated the townwide installation of new ¾" and 1" radio read water meters
- Completed repairs in a timely manner
- Made water taps as needed

FY16 GOALS

- Maintain compliance with NCDENR
- Begin full use of radio read meters
- Prepare and recoat piping inside well house at Pine St.
- Continue to make repairs in a timely manner
- Install taps as needed

PERFORMANCE MEASURES

- Maintain an efficient water delivery system which calculates water produced versus water delivered for consumption
- Meet Division goals for service interruption response time
- Provide accurate meter reading to minimize customer concerns as to billing discrepancies
- Timely reporting on required testing and sample taking of produced water
- Maintain and enhance staff certifications and capabilities though training attendance and satisfactory completion

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
System Supervisor	1	1	1	1
Water System Operator	1	1	1	1
Senior Line Mechanic	1	1	1	1
Utility Field Service Specialist	2	2	1	1
TOTAL	5	5	4	4

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	200,420	205,999	184,395	226,000
Operations	268,627	254,113	272,620	306,518
Capital Outlay	24,949	32,137	0	0
Debt Service	262,644	199,637	140,540	138,139
Transfer to Capital Project	31,247	0	0	n/a
TOTAL	**787,887**	**691,886**	**597,555**	**670,657**

NOTABLE BUDGET ITEMS

DEBT SERVICE

- Glenda Drive and Sycamore well projects

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	123,665	155,000
OVERTIME	13,760	7,500
FICA	10,230	12,500
GROUP INSURANCE EXPENSE	20,780	26,000
RETIREMENT EXPENSE	15,960	19,000
WORKERS COMP	0	6,000
TELEPHONE	570	2,000
TELEPHONE - CELLULAR	1,075	1,500
POSTAGE	4,780	4,500
OFFICE SUPPLIES	1,020	1,500
OFFICE CONTRACT SERVICES	3,780	3,000
ADMINISTRATIVE EXPENSE ALLOCATION	25,800	15,000
DUES AND SUBSCRIPTIONS	1,010	1,000
ELECTRIC	36,190	34,000
LP GAS	490	1,500
WATER/SEWER/SOLID WASTE	680	750
HUMAN RESOURCES	0	500
OSHA/SAFETY	1,330	1,000
TRAINING – REGISTRATION & CLASS MAT.	615	1,500
TRAVEL MILEAGE	0	100
MEALS	30	400
EMPLOYEE DEVELOPMENT	0	3,000
UNIFORMS	2,220	2,568
BUILDING MAINTENANCE	1,140	1,000
JANITORIAL SUPPLIES	190	500
NON-CAPITAL EQUIPMENT PURCHASE	4,320	5,000
EQUIPMENT MAINTENANCE & REPAIRS	9505	20,000
AUTO FUEL	8,280	9,000
VEHICLE MAINTENANCE & REPAIRS	3,650	2,500
PERMITS & FEES - RECURRING	3,665	5,000
COMPLIANCE TESTING	12,180	14,000
DEPARMENTAL SUPPLIES & MATERIALS	92,715	75,000
CONTRACT SERVICES	27,230	58,000
COUNTY WATER PURCHASE	29,860	30,000
INSURANCE & BONDS	295	12,700
DEBT SERVICE – PRINCIPAL	97,310	97,311
DEBT SERVICE – INTEREST	43,230	40,828
WATER DIVISION SUBTOTAL	**597,555**	**670,657**

SEWER DIVISION

DESCRIPTION

The Sewer Division is responsible for the maintenance of the sewer transmission system for the Town. There are approximately 25 miles of gravity sewer line, 28 miles of force main lines, and 20 pump stations comprising the Town sewer collection system. The activities of the Sewer Division directly further the Town's expressed Strategic Priority of maintaining and improving its infrastructure.

FY16 NOTABLE ACCOMPLISHMENTS

- Received and installed a new generator for lift station #16
- Performed a camera study on the Cedar St. stormwater line
- Purchased a new vacuum truck and a new flush truck
- Used the vacuum and flush trucks to clean and maintain the Town's sewer lines and 20 lift stations
- Made sewer taps as needed
- Remained in compliance with NCDENR throughout the year
- Cleaned storm lines as needed

FY17 GOALS

- Maintain compliance with NCDENR
- Purchase and install a generator for lift station #2
- Clean 10-15% of sewer lines
- Maintain 20 lift stations
- Inspect and ultimately accept the new infrastructure for Deerfield subdivision
- Install taps as needed

PERFORMANCE MEASURES

- Provide responsive service/repair to the community sewer system
- To maintain, clean, and rehabilitate sewer transmission lines in a systematic program
- To daily inspect and repair as needed the mechanical equipment contained in the sewer pump stations
- To respond in a timely manner to any customer repair needs or any other emergency scenarios involving the sewer collection system
- To provide routine maintenance of the stormwater infrastructure to maximize the drainage of public and personal property during storm events
- Maintain and enhance staff certifications and capabilities through training attendance and satisfactory completion

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
System Supervisor	1	1	1	1
Senior Line Mechanic	1	1	1	1
Line Maintenance Mechanic	1	1	1	1
TOTAL	3	3	3	3

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	167,552	167,119	180,796	186,700
Operations	141,472	123,350	143,345	142,270
Capital Outlay	12,001	30,582	453,710	83,000
Debt Service	449,306	442,951	525,290	529,760
TOTAL	**770,331**	**764,002**	**1,303,141**	**941,730**

NOTABLE BUDGET ITEMS

CAPITAL OUTLAY

- Generator for lift station #2
- Two (2) replacement general use pick-up trucks

DEBT SERVICE

- Sewer line rehabilitation projects
- Vacuum and flush trucks

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	120,234	125,000
OVERTIME	14,700	12,000
FICA	9,905	10,000
GROUP INSURANCE EXPENSE	20,275	20,000
RETIREMENT EXPENSE	15,682	15,000
WORKERS COMPENSATION	0	4,700
TELEPHONE	6,640	5,000
TELEPHONE – CELLULAR	1,230	2,500
POSTAGE	4,765	4,100
OFFICE SUPPLIES	845	250
OFFICE CONTRACT SERVICES	1,555	2,000
DUES AND SUBSCRIPTIONS	580	400
ELECTRIC	41,160	34,000
HUMAN RESOURCES	35	500
OSHA/SAFETY	725	1,000
SAFETY SUPPLIES & MATERIALS	140	1,000
TRAINING – REGISTRATION & CLASS MAT.	630	1,000
MEALS	0	500
LODGING	10	500
EMPLOYEE DEVELOPMENT	0	2,500
UNIFORMS	2,495	3,200
BUILDING MAINTENANCE	590	1,000
JANITORIAL SUPPLIES	250	500
EQUIPMENT LEASE	12,000	11,000
EQUIPMENT MAINTENANCE & REPAIRS	15,455	15,000
AUTO FUEL	13,740	16,000
VEHICLE MAINTENANCE & REPAIRS	6,090	5,000
PERMITS & FEES	1,310	2,620
DEPARMENTAL SUPPLIES & MATERIALS	9,110	10,000
CONTRACT SERVICES	13,310	17,000
INSURANCE & BONDS	10,680	5,700
CAPITAL OUTLAY – EQUIPMENT	25,805	33,000
CAPITAL OUTLAY – VEHICLES	427,905	50,000
DEBT SERVICE – PRINCIPAL	423,980	432,373
DEBT SERVICE – INTEREST	101,310	97,387
SEWER DIVISION SUBTOTAL	**1,303,141**	**941,730**

WASTEWATER TREATMENT PLANT DIVISION

DESCRIPTION

The Wastewater Treatment Plant Division operates a permitted 1.5 million gallons per day facility that treats the collected sewage of the Town. The operation discharge enters into the eastern end of Taylors Creek in compliance with state and federal guidelines. The activities of the WWTP Division directly further the Town's expressed Strategic Priority of maintaining and improving its infrastructure.

FY16 NOTABLE ACCOMPLISHMENTS

- Maintained the plant through routine maintenance
- Treated over 315,000,000 gallons of wastewater
- The belt press facility processed over 50 dry tons of residual solids
- Remained in compliance with NCDENR throughout the year

FY17 GOALS

- Maintain compliance with NCDENR
- Perform maintenance on floating aerator motors
- Perform routine maintenance

PERFORMANCE MEASURES

- Operational compliance with all state and federal requirements, guidelines, and permits
- To develop operation changes to reduce utility (electricity) usage
- To develop, implement, and follow routine maintenance schedule for plant operation
- To conduct and submit all reporting, sample taking, and system data collection in accordance with all state and federal guidelines and requirements
- Maintain and enhance staff certifications and capabilities through training attendance and satisfactory completion

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Public Utilities Director	0	0	1	1
Supervisor	1	1	0	0
Senior Plant Mechanic	1	1	1	1
Lab Technician	1	1	1	1
Plant Maintenance Mechanic	2	2	2	2
TOTAL	**5**	**5**	**5**	**5**

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	358,518	346,237	350,440	383,200
Operations	365,852	357,524	334,055	328,075
Capital Outlay	0	27,612	0	0
Debt Service	922,112	909,264	895,475	880,938
TOTAL	**1,646,482**	**1,640,637**	**1,579,970**	**1,592,213**

NOTABLE BUDGET ITEMS

DEBT SERVICE

- New treatment plant that began operations in 2008

INSURANCE & BONDS

- Change from FY16 to FY17 reflects a more accurate distribution of this expense across the Utilities' Divisions

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	239,015	260,000
OVERTIME	26,480	28,000
FICA	19,955	21,000
GROUP INSURANCE EXPENSE	33,790	35,000
RETIREMENT EXPENSE	31,200	32,000
WORKERS COMPENSATION	0	7,200
TELEPHONE	1,460	1,000
TELEPHONE - CELLULAR	1,325	1,500
INTERNET/CABLE	1,200	2,900
POSTAGE	315	500
OFFICE SUPPLIES	1,530	1,700
ADMINISTRATIVE EXPENSE ALLOCATION	15,000	15,000
DUES AND SUBSCRIPTIONS	775	750
ELECTRIC	129,920	128,000
WATER/SEWER/SOLID WASTE	290	750
HUMAN RESOURCES	35	250
OSHA/SAFETY	950	1,000
TRAINING – REGISTRATION & CLASS MAT.	1,495	2,000
TRAVEL MILEAGE	0	200
MEALS	150	200
LODGING	0	500
EMPLOYEE DEVELOPMENT	0	3,000
UNIFORMS	2,525	3,125
BUILDING MAINTENANCE	1,595	8,000
JANITORIAL SUPPLIES	135	500
NON-CAPITAL EQUIPMENT PURCHASE	4,990	2,500
EQUIPMENT MAINTENANCE & REPAIRS	20,375	20,000
AUTO FUEL	6,685	10,000
VEHICLE MAINTENANCE & REPAIRS	2,920	4,000
PERMITS & FEES - RECURRING	7,010	6,000
COMPLIANCE TESTING	6,740	12,000
DEPARMENTAL SUPPLIES & MATERIALS	40,425	38,000
PROFESSIONAL SERVICES	600	2,000
CONTRACT SERVICES	27,290	25,000
INSURANCE & BONDS	58,320	37,700
DEBT SERVICE – PRINCIPAL	692,020	692,017
DEBT SERVICE – INTEREST	203,455	188,921
WWTP DIVISION SUBTOTAL	**1,579,970**	**1,592,213**

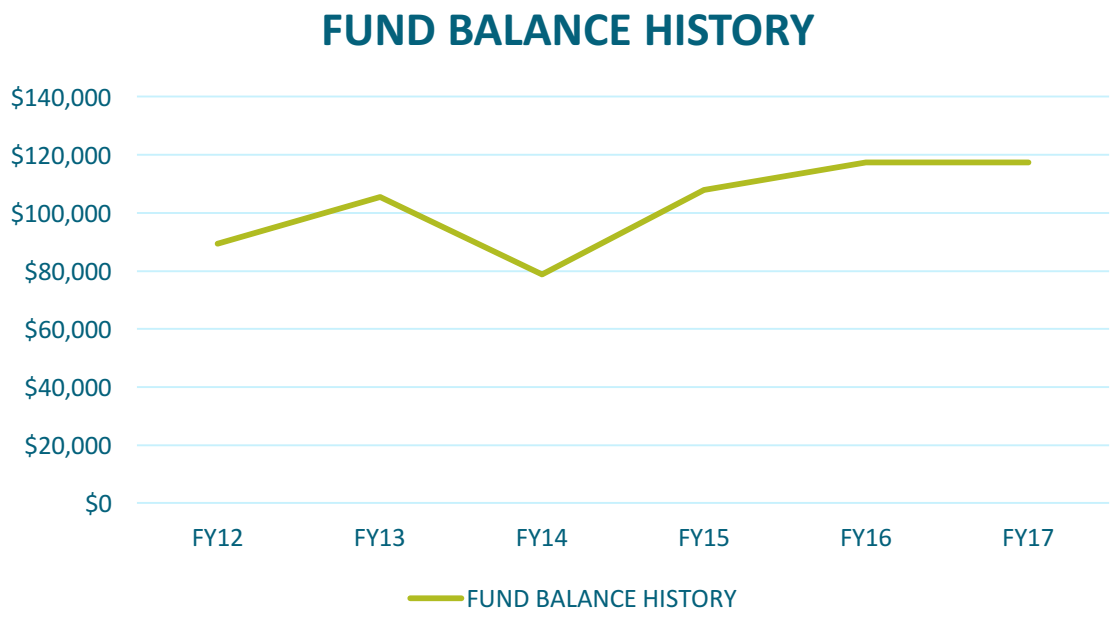
FIRE FUND

The Fire Fund accounts for the Beaufort Fire Department, which provides fire protection for the Town of Beaufort, as well as for a county fire district that extends beyond the town's limits. The department is funded through a separate fund (rather than as part of the General Fund) to better account for receipt and expenditure of funds from the county.

FIRE FUND - BUDGET AT A GLANCE

	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
REVENUE			
GENERAL FUND ALLOCATION	775,550	795,169	762,300
FIRE DISTRICT AD VALOREM TAX	320,485	316,470	317,625
FIRE DISTRICT SALES TAX	90,000	95,000	95,000
HARLOWE DISTRICT TAX	89,293	77,905	79,490
NORTH RIVER DIST. TAX	58,352	67,378	0
INSURANCE REIMBURSEMENT	3,316	1,233	0
MISCELLANEOUS	10,157	2,879	1,800
LOAN PROCEEDS	83,571	0	0
TOTAL REVENUE	**1,430,724**	**1,356,034**	**1,256,215**
EXPENSES			
PERSONNEL	882,906	958,546	1,029,297
OPERATIONS	231,775	165,975	136,600
CAPITAL OUTLAY	87,323	0	0
DEBT SERVICE	79,443	114,220	90,318
TOTAL EXPENDITURES	**1,281,447**	**1,238,741**	**1,256,215**
TOTAL REVENUE OVER (UNDER) EXPENDITURES	**149,277**	**117,293**	**0**
TRANSFERS			
TO GENERAL FUND (FIRE SUBSTATION)	120,000	27,811	0
TO CAPITAL PROJECTS	**0**	80,000	
NET INCREASE (DECREASE) IN FUND BALANCE	**29,277**	**9,482**	**0**
YEAR-END FUND BALANCE	**108,005**	**117,487**	**117,487**

FIRE FUND – FUND BALANCE



FIRE FUND – DEBT

Current debt service in the Fire Fund has two components:

1) Fire Boat: In FY15, a fire boat was purchased and financed to improve service delivery when on-water operations are required. The annual debt service for this purchase is $12,301. The remaining year-end balance for FY17 will be $32,917, with an expected payoff in FY19.
2) Pierce Saber Truck: FY17 is the final year for payment on a truck purchased in FY14. The FY17 debt service is $77,447.

FIRE FUND – REVENUE

While the majority of the Fire Fund is funded via annual appropriation from the General Fund, there are two additional revenue sources.

1) Fire District Ad Valorem Tax: The current County Tax Rate for the Central Carteret Fire District is 5.5¢ for an estimated $317,625, and the Harlowe Fire District rate of 7.5¢ for an estimated $61,860.
2) Fire District Sales Tax: The County Fire District Sales Tax is for the areas located outside the town limits of Beaufort. The Central Carteret Fire District generates an estimate of $95,000, with another $17,628 from the Harlowe Fire District

CAPITAL OUTLAY

Capital outlay for the Fire Fund is typically used to finance large pieces of equipment and/or vehicles. There are no capital purchases included for the Fire Fund in the FY17 budget.

FIRE DEPARTMENT

DESCRIPTION

Under the direction of the Fire Chief, the Fire Department is responsible for providing the best quality fire protection for the citizens of Beaufort and the Central Carteret Fire Districts in the most efficient, cost effective and professional manner. In addition to the town limits of Beaufort, the department services adjacent areas, to include providing service to the neighboring Harlowe District. The department also facilitates and hosts community outreach and educational training. The department performs systematic inspections of business operations to assist the locations in minimizing their risk for fire. Working in conjunction with Beaufort Emergency Medical Service as a first responder, the department also enhances the community's medical response capabilities.

FY16 NOTABLE ACCOMPLISHMENTS

- The department responded to a total of 1,075 incidents in 2015.
- Provided educational and fire prevention programs to schools and daycare centers reaching approximately 500 children, together with providing educational services to NOAA, Duke Marine Lab, day-care centers, and other community organizations and businesses.
- Completed 141 commercial fire inspections and 24 tent inspections in 2015.
- Began Knox-Box Rapid Entry System program to reduce response time and property damage.
- Continued to establish and monitor draft sites in areas beyond 1,000 feet of a fire hydrant; certified eighteen (18) sites in 2015.
- Total training hours in 2015 for all types of training for both volunteer and career staff was 4,617 hours.
- Sponsored EMT Recertification Class through Carteret Community College.
- Our Highway 101 substation is now manned Monday through Friday, 8:00 to 5:00 with two (2) full-time personnel.

FY17 GOALS

- Completion of the new Main Fire Station.
- Continue the expansion of staffing at Station 2.
- Continue to prepare for the NC OSFM Rating Inspection requested in November 2015 for our rural district.
- Increase efforts to recruit and retain more volunteers and career personnel.
- Increase and promote more quality educational and training opportunities for all fire department personnel.
- Continue expanding our current fire life safety education/prevention and Community Outreach Programs.
- Upgrade and maintain all fire department equipment in proper working order by continuing a program of replacing out-of-date turn out gear and our SCBA's.
- Continue to research, identify and pursue possible grant opportunities through various agencies.

PERFORMANCE MEASURES

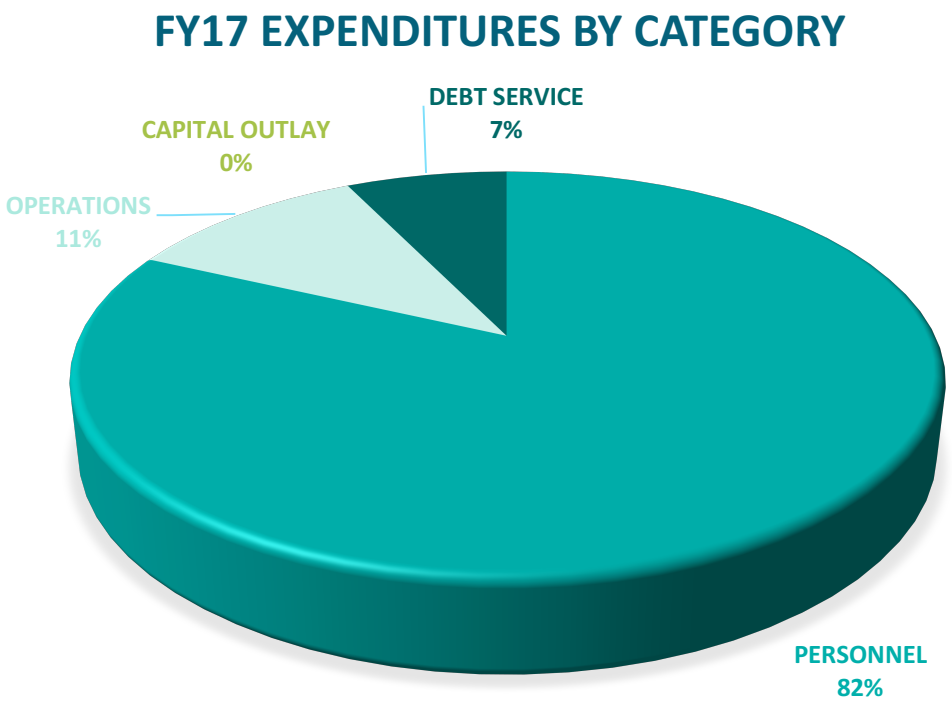
- To continue to assist Beaufort Emergency Medical Services as a first responder.
- To maintain regularly scheduled maintenance of all equipment and apparatus.
- To evaluate cost savings measures for service delivery while reducing departmental costs when possible.
- Maintenance of staff certifications and capabilities through training attendance and satisfactory completion.

PERSONNEL

POSITION TITLE	FY14	FY15	FY16	FY17
Fire Chief	1	1	1	1
Assistant Chief	1	1	1	1
40-hour Firefighter	1	1	1	1
40-hour Engineer	0	1	1	1
Captain	3	3	3	3
Lieutenant	2	2	3	3
Engineer	4	4	3	3
Firefighter	3	3	3	3
Administrative Specialist	1	1	1	1
TOTAL	16	17	17	17

BUDGET

	FY14 ACTUAL	FY15 ACTUAL	FY16 PROJECTED	FY17 APPROVED
Personnel	831,710	882,906	958,546	1,029,297
Operations	196,992	231,775	165,975	136,600
Capital Outlay	0	87,323	0	0
Debt Service	110,529	79,443	114,220	90,318
Transfers	0	120,000	107,811	0
TOTAL	**1,139,231**	**1,401,447**	**1,346,552**	**1,256,215**



NOTABLE BUDGET ITEMS

NON-CAPITAL EQUIPMENT ($13,000)

- Continuing yearly program that replaces old, obsolete Self-Contained Breath Apparatus equipment that has reached the end of its lifespan with new equipment.

EXPENDITURES	FY16 PROJECTED	FY17 APPROVED
SALARIES AND WAGES	651,562	673,715
OVERTIME	16,784	25,000
SALARIES – PARTIME/PRN	48,500	50,000
FICA	53,000	57,277
GROUP INSURANCE EXPENSE	110,540	113,610
RETIREMENT EXPENSE	78,160	84,330
WORKERS COMPENSATION	0	25,365
FIREMEN'S PENSION FUND	1,560	1,600
TELEPHONE	2,475	2,650
TELEPHONE - CELLULAR	2,270	2,550
INTERNET/CABLE	1,560	1,700
POSTAGE	80	200
OFFICE SUPPLIES	640	1,000
OFFICE EQUIPMENT (NON-CAPITAL)	1,240	1,000
OFFICE EQUIPMENT LEASES	1,110	1,250
OFFICE CONTRACT SERVICES	1,350	1,800
DUES AND SUBSCRIPTIONS	1,060	1,200
MISCELLANEOUS ADMIN. EXPENSES	0	250
ELECTRIC	10,060	12,000
LP GAS	670	2,000
WATER/SEWER/SOLID WASTE	2,545	2,500
HUMAN RESOURCES	830	1,000
OSHA/SAFETY	2,460	3,700
SAFETY EQUIPMENT	22,780	17,000
SAFETY SUPPLIES & MATERIALS	330	1,250
TRAINING – REGISTRATION & CLASS MAT.	750	1,000
TRAVEL MILEAGE	0	0
MEALS	285	600
LODGING	200	500
UNIFORMS	6,380	6,500
BUILDING MAINTENANCE	1,660	2,000
GROUND MAINTENANCE	30	200
JANITORIAL SUPPLIES	1,205	1,000
FIRE DEPT. CONTRACTED SERVICES	400	400
NON-CAPITAL EQUIPMENT PURCHASE	18,540	10,000
EQUIPMENT MAINTENANCE & REPAIRS	4,735	3,750
AUTO FUEL	15,380	20,000
VEHICLE MAINTENANCE & REPAIRS	22,280	15,000
DEPARMENTAL SUPPLIES & MATERIALS	2,540	3,000
INSURANCE & BONDS	38,570	18,000
DISTRICT EXPANSION CONTINGENCIES	0	0
DEBT SERVICE – PRINCIPAL	106,880	85,382
DEBT SERVICE – INTEREST	7,340	4,936
TRANSFER TO GENERAL FUND (SUBSTATION)	27,811	0
TRANSFER TO CAPITAL PROJECT	80,000	0
FIRE DEPARTMENT SUBTOTAL	**1,346,552**	**1,256,215**

APPENDICIES: CAPITAL IMPROVEMENT PLAN – FY17 FEE SCHEDULE – FINANCIAL POLICIES – ADOPTED BUDGET ORDINANCE

(See Attached)

PROJECT TITLE (BY DEPARTMENT)	FUNDING SOURCE	FY17	FY18	FY19	FY20	FY21	BEYOND FY21	TOTAL COST
FACILITIES & GROUNDS								
Water Tower Park	GF/CF/GR		$ 40,000	$ 200,000	$ 200,000	$ 200,000		$ 640,000
Cedar Street Park	CIF		$ 250,000					$ 250,000
Old Burying Ground Fence Restoration	GF/GR	$ 40,000	$ 45,000	$ 45,000				$ 130,000
Relocation of Public Works Facility	GF		$ 500,000					$ 500,000
Boardwalk Repair/Reconstruction			$ 80,000					$ 80,000
Evidence/Investigations Building	GF	$ 90,000						$ 90,000
PLANNING DEPARTMENT								
Entry Corridor Improvements Program	GF/SF	$ 50,000	$ 200,000	$ 250,000	$ 250,000	$ 250,000	$ 500,000	$ 1,500,000
Comprehensive Wayfinding & Signage Program	GF	$ 100,000	$ 20,000	$ 20,000				$ 140,000
POLICE DEPARTMENT								
Mobile Radio Communications	GR	$ 61,000						$ 61,000
Mobile Data Communications	GR	$ 94,800						$ 94,800
PUBLIC WORKS								
Cedar Street Retrofit & Repair	GF/GR/SF		$ 2,100,000					$ 2,100,000
Bucket (Grapple) Truck	GF	$ 141,000						$ 141,000
1-ton Diesel Truck	GF	$ 37,000						$ 37,000
Street Repaving Program	GF/SF	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 300,000	$ 1,800,000
GENERAL FUND TOTAL		**$ 913,800**	**$ 3,535,000**	**$ 815,000**	**$ 750,000**	**$ 750,000**	**$ 800,000**	**$ 7,563,800**
SEWER								
Sewer Pump Station Generators	IF	$ 33,000	$ 33,000	$ 33,000	$ 33,000	$ 33,000		$ 165,000
I & I Study	UF		$ 180,000					$ 180,000
Sewer Line Rehabilitation	UF			$ 1,000,000				$ 1,000,000
WATER								
2" Water Line Replacement - Ann St.	IF		$ 63,000					$ 63,000
2" Water Line Replacement - Campen	IF	$ 43,000						$ 43,000
2" Water Line Replacement - Crescent	IF			$ 60,000				$ 60,000
East Front Street Loop	IF	$ 20,000						$ 20,000
Water Plant	IF						$ 15,000,000	$ 15,000,000
UTILITY FUND TOTAL		**$ 96,000**	**$ 276,000**	**$ 1,093,000**	**$ 33,000**	**$ 33,000**	**$ 15,000,000**	**$16,531,000**
FIRE DEPARTMENT								
Substation Phase II	FF/CF			$ 200,000				$ 200,000
Fire Truck Pumper	FF		$ 375,000					$ 375,000
Aerial Platform	FF				$ 750,000			$ 750,000
FIRE FUND TOTAL		**$ -**	**$ 375,000**	**$ 200,000**	**$ 750,000**	**$ -**	**$ -**	**$ 1,325,000**
TOTALS		$ 1,009,800	$ 4,186,000	$ 2,108,000	$ 1,533,000	$ 783,000	$ 15,800,000	$ 25,419,800

GF - General Fund
SF - State Funds
CF - County Funds
GR - Grant Funds
UF - Utility Fund
FF - Fire Fund
IF - Impact Fees
CIF - Community Improvements Fund

APPENDIX 2 –FY17 FEE SCHEDULE

EFFECTIVE DATE: July 1, 2016

PLANNING & INSPECTIONS – PERMITTING FEES

RESIDENTIAL

Residential permits are required for all work involving the following:

- Work performed to residential and/or farm structures costing $15,000 or less
- Work involving changes to load-bearing features
- Additions, repairs, replacements, changes, and/or redesign of plumbing, heating, air conditioning and electrical systems
- Any new structure larger than 12' in length, height, or width

NEW STRUCTURES & ADDITIONS

Building & Insulation (heated/unheated space)	$.15/sq. ft. for first 1,000 sq. ft. then $.08/sq. ft. thereafter + $50.00 base fee
Electrical (heated/unheated space)	$.08/sq. ft. + $50.00 base fee
Mechanical (heated space only)	$.08/sq. ft. + $50.00 base fee
Plumbing (heated space only)	$.08/sq. ft. + $50.00 base fee
Homeowner's Recovery Fee*	$10.00/structure

NEW PORCHES, DECKS, SHEDS, DOCKS, PIERS, BULKHEADS, RETAINING WALLS, ETC.

Building & Insulation	$.10/sq. ft. + $50.00 base fee
Electrical	$.08/sq. ft. + $50.00 base fee
Mechanical	$.08/sq. ft. + $50.00 base fee
Plumbing	$.08/sq. ft. + $50.00 base fee
Homeowner's Recovery Fee*	$10.00/structure

*100% of the Homeowner's Recovery Fee is sent quarterly to the General Contracting Board; fee is only assessed to contractors with a current NC General Contracting License.

RENOVATIONS AND ALTERATIONS TO EXISTING STRUCTURES

Renovations & Repairs (For projects valued in excess of $5,000, the fee assessed for Renovations & Repairs is inclusive of all other fees listed below.)	$10.00 per $1,000.00 construction value
Electrical additions/changes	$50.00/system

HVAC additions/changes	$50.00/unit
Plumbing additions/changes	$50.00

MISCELLANEOUS

Re-inspection fee (applies to third attempt and beyond)	$50.00/visit
Minimum permit fee	$50.00
Structure moving	Same as new construction
Demolition	$50.00/structure
Gas pumps/Storage tanks	$20.00/unit + $50.00
Signs (one side only)	$1.75/sq. ft. + $50.00
Fire sprinkler/Alarm systems	$.08/sq. ft. + $50.00
Re-Activate Expired Permit	$50.00
Swimming Pools	$250.00 + Fees for pool house
Working without a permit	Double the permit fee unless waived by Inspector

COMMERCIAL

COMMERCIAL STRUCTURES & ADDITIONS

Building & Insulation (heated/unheated space)	$0.25/sq. ft. for first 1,000 sq. ft. then $.15/sq. ft. thereafter + $50.00 base fee
Electrical (heated/unheated space)	$0.10/sq. ft. + $50.00 base fee
Mechanical (heated space only)	$0.10/sq. ft. + $50.00 base fee
Plumbing (heated space only)	$0.10/sq. ft. + $50.00 base fee

COMMERCIAL PIERS, BULKHEADS, JETTIES, DOCKS, RETAINING WALLS, DECKS, ETC.

Building & Insulation	$0.15/sq. ft. + $50.00
Electrical	$0.10/sq. ft. + $50.00
Mechanical	$0.10/sq. ft. + $50.00
Plumbing	$0.10/sq. ft. + $50.00

COMMERCIAL OUTBUILDINGS

Commercial Outbuildings includes airport storage structures (except hangars), and warehouse buildings, but does not include shell buildings or multiple storage structures.

Building & Insulation	$0.15/sq. ft. + $50.00
Electrical	$0.08/sq. ft. + $50.00
Mechanical	$0.08/sq. ft. + $50.00
Plumbing	$0.08/sq. ft. + $50.00

RENOVATIONS AND ALTERATIONS TO EXISTING STRUCTURES

Renovations & Repairs	$10.00 per $1,000.00 construction value
Electrical additions/changes	$50.00/system
HVAC additions/changes	$50.00/unit
Plumbing additions/changes	$50.00

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Re-Activate Expires Permit	$50.00
Swimming Pools	$250.00 + Fees for pool house
Working without a permit	Double the permit fee unless waived by Inspector

OTHER APPLICATION FEES

Certificate of Appropriateness (HPC)	$50.00/application
Rezoning Request	$200.00/application
Variance Request	$200.00/application
Preliminary Plat Approval	$200.00/application
Final Plat/Subdivision Approval	$200.00/application
Special Use Permission	$200.00/application
Site Plan Review	$200.00/application

BUSINESS REGISTRATION FEE

A registration fee of $25.00 for all new businesses beginning operation within the Town limits.

FIRE SAFETY

INSPECTION PROGRAM

1st Inspection (initial)	No charge
2nd Inspection (after 30 days)	No charge
3rd Inspection	$25.00 + $25.00 fine per violation per day until corrected
4th Inspection	$50.00 + $25.00 fine per violation per day until corrected

- After 4th inspection, the inspection fee increases incrementally by $25 for each inspection with a fine of $25 per violation per day until corrected.
- After the 2nd inspection, a request for an extension and waiver of fees can be submitted for approval.

LIFE SAFETY VIOLATIONS FINES AND FEES

1st Offense	Must be corrected immediately; verbal warning with a written letter sent within 72 hours
2nd Offense in 6 months	Must be corrected immediately; $150.00+ $20.00 per violation; warning letter sent within 72 hours
3rd Offense in 6 months	Business is closed for 24 hours; $250.00 + $40.00 per violation

DEFINITIONS

- *Over Occupant Limit/Overcrowding:* A condition that exists when either there are more people in a building, structure or portion thereof than have been authorized or posted by the fire code official, or when the fire code official determines that a threat exists to the safety of the occupants due to persons sitting and/ or standing in locations that may obstruct or impede the use of aisles, passages, corridors, stairways, exits or other components of the means of egress. **Each person over occupancy is considered a violation.**

- *Locked/Blocked/Impeded Means of Egress:* Any obstruction in the required width of a means of egress. ("Means of Egress" is the continuous and unobstructed path of vertical and horizontal egress travel from any point in a building or structure to a public way, consisting of three separate and distinct parts: the exit access, the exit, and the exit discharge.)

- *Impairment of Fire Detection, Extinguishment and Related Equipment:* Failure to have required testing and maintenance conducted of fire alarm system(s), fire sprinkler systems and/or alternative automatic fire extinguishing systems (includes commercial hood and duct systems, wet –chemical, dry-chemical, foam, carbon dioxide systems, halon systems and clean agent systems) and to have required documentation of test(s).
- Assemblies with Impaired Fire Detection/Extinguishment Equipment must provide a Fire Watch person while the building is occupied or will be closed.

GENERAL VIOLATION FEES

Parking in a fire lane or in front of a fire hydrant	$100.00 per violation
Assault on a Fire Code Official	$100.00 per violation
Nuisance Fire Alarms	
After 4th nuisance alarm in a single calendar year	$100.00
After 5th nuisance alarm in a single calendar year	$200.00
*If a business owner/occupant can show documentation that the system has been serviced by a Fire System Technician since the 3rd nuisance alarm, then the fee will be waived. The alarm count will start new for the calendar year after the system has been serviced.	
Fire Detection & Suppression System work and/or modification without plan submittal and approval:	$150.00

WATER, SEWER & SOLID WASTE COLLECTION

SERVICE CHARGES

New Water Account Service Fee (waived if set up on Bank Draft)	$25.00
New Account Service Deposit (3/4" meter)	$75.00
New Account Service Deposit (1" meter)	$100.00
New Account Service Deposit (1 1/2" meter)	$140.00
New Account Service Deposit (2" meter)	$275.00
Transfer Account	$25.00
Cleaning/Renovation/Inspection (available for a 2 week period plus water and sewer usage)	$25.00
Fire Hydrant Meters (includes mobilization, on site employee and 5,000 gallons of water, additional gallons $.01 each)	$75.00
Reconnect Fee	$25.00
After Hours Reconnect Fee	$75.00
Week End Call Out	$75.00
Meter Only Install (no new tap)	$400.00
Meter Tampering	$100.00
Meter Testing	$30.00
Irrigation/Dock Meter- Tap Fee	$500.00
Returned Check Fee	$25.00
Solid Waste User Fee- Residential	$17.00
Late Fees - added to late portion	10%

IMPACT & TAP FEES

Meter Size	Water Tap Fee	Sewer Tap Fee	Water Impact Fee	Sewer Impact Fee
3/4"	$700.00	$750.00	$3,000.00	$3,000.00
1"	$800.00	$750.00	$3,500.00	$3,500.00
1 1/2"	$1,075.00	$750.00	$4,300.00	$4,300.00
2"	$1,375.00	$750.00	$5,300.00	$5,300.00
3"	*$575.00	$750.00	$7,600.00	$7,600.00
4"	*$625.00	$750.00	$11,900.00	$11,900.00
6"	*$850.00	$750.00	$19,200.00	$19,200.00
8"	*$1175.00	$750.00	$25,800.00	$25,800.00

* All taps larger than 2" shall be installed at the developers cost in accordance with the Town of Beaufort standards and developers shall pay a tap-on fee applicable to the above schedule.
*All water and sewer taps made outside the Town limits will be double the in-town rates shown above. Water or Sewer impact fees outside Town limits are negotiable but will not exceed 2X rates shown above.
*Upgrades in service, i.e. changing from a ¾” meter to a 1” meter, will be subject to a difference in the water tap, water impact, and sewer impact fees.

USAGE RATES

WATER	In-Town Monthly Rate	Out- of Town Monthly Rate
	Fixed rate for all Users	Fixed rate for all Users
3/4"	$11.00	$22.00
1"	$18.20	$36.40
1 1/2"	$38.00	$76.00
2"	$65.90	$131.80
3"	$146.90	$293.80
4"	$259.40	$518.80
6"	$578.00	$1,156.00
Variable Charge per 1000/gallons	$2.80	$4.20

SEWER	In-Town Monthly Rate	Out- of Town Monthly Rate
	Fixed Rate for all Users	Fixed rate for all Users
3/4"	$19.00	$38.00
1"	$29.80	$59.60
1 1/2"	$59.50	$119.00
2"	$101.35	$202.70
3"	$222.85	$445.70
4"	$391.60	$783.20
6"	$869.50	$1,739.00
Variable Charge per 1000/gallons	$11.85	$17.78 (ETJ)
Variable Charge per 1000/gallons		$20.74 (NGB)
Variable Charge per 1000/gallons		$23.70 (beyond NGB)

STORMWATER FEES

RESIDENTIAL

Residential Unit $4.00/month

COMMERCIAL

Equivalent Residential Unit (ERU) $4.00/month

ERU = 1708 (sq.ft.) of Effective Impervious Area (EIA)
EIA= Impervious Area (sq.ft.) + 15% Pervious Area (sq.ft.)

MISCELLANEOUS FEES

Tent Permit\Inspection	$50.00
Public Records Request (paper copies)	$.15/page
Public Records Request (recording of meeting))	$1.00/CD
Off Duty Officer Request	$32.50/hr.
Parking Ticket	$20.00
Parking Ticket in Handicap Space	$100.00
Golf Cart Registration	$75.00
Cemetery Administration Fee	$25.00
Special Event Parking	$10/day or $25/event
Fire Works Display	$50.00

APPENDIX 3 – ADOPTED FINANCIAL POLICY

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OBJECTIVES

This financial policy is a statement of the guidelines and goals that will influence and guide the financial management practice of the Town of Beaufort, North Carolina. A financial policy that is adopted, adhered to, and regularly reviewed is recognized as the cornerstone of sound financial management.

Effective fiscal policy:

1. Contributes significantly to the Town's ability to insulate itself from fiscal crisis,
2. Enhances short term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible,
3. Promotes long-term financial stability by establishing clear and consistent guidelines,
4. Directs attention to the total financial picture of the Town rather than single issue areas,
5. Promotes the view of linking long-run financial planning with day to day operations, and
6. Provides the Board of Commissioners, citizens and the Town's professional management a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines.

To these ends, the following financial policies are presented.

CAPITAL IMPROVEMENT PLANNING

The Town will develop a five-year Capital Improvement Plan and review and update the plan annually during its budget process.

1. Capital projects included in the Capital Improvement Plan will specifically advance one or more of the Board of Commissioners' adopted Strategic Priorities.
2. The Capital Improvement Budget and Plan will generally address those capital assets with a value of more than $25,000 and a useful life of over three (3) years.
3. The Town will identify the estimated costs and potential funding sources for each capital project.
4. This plan will incorporate existing needs as well as projections for future capital expenditures necessitated by changes in population, changes in real estate development, or changes in economic base.
5. The Town will incorporate the capital improvement budget into the development of the annual operating budget.
6. In addition to debt obligations, future operating and maintenance costs associated with new capital improvements will be projected and included in operating budget forecasts.
7. The Town will maintain all its assets at a level adequate to protect the Town's capital investment, to preserve the asset's ability to perform its intended purpose, and to minimize future maintenance and replacement costs.
8. The Town will project its equipment replacement and maintenance needs for the next several years and will update this projection each year. From this projection, a maintenance and replacement schedule will be developed and followed.
9. The Town will attempt to determine the least costly and most flexible financing method for all new projects.

REVENUE

REVENUE PROJECTIONS

Revenue management includes within its focus, an ongoing process for reviewing and analyzing each revenue source to ensure that proceeds from each source are at an optimum level. Every attempt will be made to project revenues within 5% of final actual results, and the projections will be based on historical trends, growth patterns, and the economy.

AD VALOREM TAX

As provided by the North Carolina Local Budget and Fiscal Control Act, estimated revenue from the Ad Valorem Tax levy will be budgeted as follows:

1. Assessed valuation will be estimated based on historical trends, growth patterns, and anticipated construction.
2. The estimated percentage of collection will not exceed the percentage of the levy actually realized in cash as of June 30 during the preceding fiscal year, in accordance with state law.
3. The tax rate will be set each year based on the cost of providing general governmental services and paying debt service. Consideration will be given to future net revenue requirements for capital improvement project operational expenditure impacts and programmed debt service.

USER FEES

The Town sets fees that will maximize user charges in lieu of Ad Valorem Taxes for services that can be individually identified and where the costs are directly related to the level of service. This objective is in keeping with the Commissioner's goal that growth should pay for itself, and not place a burden on current residents who do not use the service. Emphasis of user charges over Ad Valorem Taxes results in the following benefits:

1. User charges are paid by all users, including those exempt from property taxes.
2. User charges avoid subsidization in instances where the service is not being provided to the general public.
3. User charges are a means of rationing the provision of certain services.
4. User charges for certain services can be justified on the basis of equity and efficiency, by producing information on the demand level for services and by helping to make the connection between the amount paid and the service received.

GRANT FUNDING

Grant funding may be used for a variety of purposes to include funding current Town operations, a departmental long-range plan, a capital project identified in the Capital Improvement Plan, or other projects or activities that address the mission and goals of the Town. Staff will pursue opportunities for grant funding. Application will be made after a grant is evaluated for consistency with Board of Commissioner goals and compatibility with Town programs and objectives. All grants pursued by the staff of the Town of Beaufort will be presented to the Board of Commissioners for consideration before formal application is made. Any awarded funds will be accepted only after Board review and action.

DONATIONS

Donations will be spent only toward the intent for which they were given.

ONE-TIME REVENUES

One-time or other special revenues will not be used to finance continuing Town operations but instead will be used for funding special projects.

UTILITY FEES

Water, sewer and electric rates will be established at the appropriate level to enable the related funds to be self-supporting.

BUDGETING & EXPENDITURES

The annual budget process begins in January with the Board of Commissioners' adoption of the budget calendar. Starting in February, budget work sessions are scheduled between the Board, the Town Manager, and department heads. A public hearing is held during the month of June each year, at a regularly scheduled Board of Commissioners meeting. A budget is adopted by the Board on or before June 30 of each year. Citizens are invited to attend all public meetings.

1) The Town's annual operating budget will be prepared in accordance with Generally Accepted Accounting Principles.
2) The budget will be balanced, meaning current operating expenditures will not exceed current operating revenues.
3) The annual budget document will serve as a policy document, an operations guide, a financial plan, and a communications tool.
4) Department budgets are reviewed by staff, the Town Manager, and Board of Commissioners prior to adoption and are continually monitored throughout the budget year.
5) Budgeted funds will only be spent for categorical purposes for which they were intended.
6) The annual operating budget ordinance defines staff authorization for operating budget adjustments.
7) No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued.
8) For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with G.S. 160A-17.
9) Town staff will make regular monthly reports to the Board of Commissioners on the status of actual revenues and expenditures as compared to the adopted budget.

DEBT

The Town of Beaufort recognizes the foundation of any well-managed debt program is a comprehensive debt policy. Advantages of a debt policy are as follows:

1. Enhances the quality of decisions by imposing order and discipline
2. Promotes consistency and continuity in decision making,
3. Rationalizes the decision making process,
4. Identifies objectives for staff to implement,

5. Demonstrates a commitment to long-term planning objectives, and
6. Is regarded positively by the rating agencies in reviewing credit quality.

USES OF DEBT

1. Debt will be used to finance capital projects or for purchases of equipment that provide value to current and future citizens.
2. Debt will not be used for operational needs.

TERMS AND STRUCTURE

1. Capital projects will be financed for a period not to exceed the expected useful life of the project.
2. Non-utility debt will normally have a term of 20 years or less.
3. Utility debt will normally have a term of 30 years or less.
4. The Town will seek the best financing type, debt structure and timeframe for each financing need based on the flexibility to meet the project needs, timing, tax or rate payer equity and lowest interest cost.
5. Cash financing (pay-as-you-go) is a component of the capital program that contributes to the financial integrity of the Town.

DEBT CAPACITY

1. The Town will strive to maintain its annual tax-supported (General Fund and Fire Fund) debt service costs at a level no greater than fifteen percent (15%) of total expenditures.
2. Net debt for the General Fund shall not exceed 2.5% of assessed property valuation. General obligation debt as defined in G.S. 159-55 is statutorily limited to eight percent of the assessed valuation.
3. The Town will set rates and charges for the Utility Fund so as to achieve a debt service coverage ratio of **1.25** times or greater for all indebtedness. All indebtedness includes both parity and subordinate debt obligations of each fund. In the absence of a specific debt ratio calculation required by a debt covenant, the debt coverage ratio will be calculated in accordance with the following example:
    A. Operating Revenues – Expenses (less depreciation) = Net Revenue Available for Debt Service
    B. Net Revenue/Debt Service P+I) = Debt Service Coverage Ratio
4. These ratios will be monitored and reported annually in the Comprehensive Annual Financial Report.

RESERVES

1. General Fund Unassigned Fund Balance at the close of each fiscal year shall not be less than 20% of actual General Fund net expenditures without prior Board of Commissioners' authorization.
2. The Town Board of Commissioners' may, from time-to-time, utilize fund balances that will reduce the unassigned fund balance below the 20% policy for the purposes of a declared fiscal emergency, financial opportunity to enhance the wellbeing of the Town of Beaufort, or other such global purpose as to protect the long-term fiscal security of the Town of Beaufort. In such circumstances, after unassigned fund balance has been calculated as part of closing-out a fiscal year, the Board of Commissioners will adopt a plan as part of the following year's budget process to restore the assigned fund balance to the policy level within 36 months from the date of the budget

adoption. If restoration cannot be accomplished within such time period without severe hardship to the Town, then the Board will establish a different but appropriate time period.

3. Monies in excess of a 20% unassigned fund balance will be available for Appropriation, as deemed necessary and approved by the Town Board of Commissioners.
4. The Utility Fund will maintain a minimum of 50% of Unrestricted Cash as a percentage of Operating Expenditures.
5. Impact Fees: The Town will collect Impact Fees for new water and sewer customers. These fees will be held in reserves with their use restricted to Utility Fund capital improvement projects.

FINANCIAL OPERATIONS AND REPORTING

ACCOUNTING/FINANCIAL REPORTING

1. The Town will establish and maintain its accounting systems according to the North Carolina Local Budget and Fiscal Control Act. Financial systems will be maintained to monitor expenditures and revenues.
2. All records and reporting will be in accordance with Generally Accepted Accounting Principles and Governmental Accounting Standards Board (GASB) pronouncements.
3. The Town will place emphasis on maintenance of an accounting system which provides strong internal budgetary and accounting controls designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and reports, such as the budget and the Comprehensive Annual Financial Report (CAFR), as well as maintenance of accountability of assets.
4. An annual audit will be performed by an independent certified public accounting firm which will issue an opinion on the annual financial statements, with a management letter detailing areas that need improvement if required. Auditing services will be evaluated and selected through a competitive proposal process every five years at a minimum.
5. Full disclosure will be provided in all regulatory reports, financial statements, and bond representations.
6. The Town will maintain the least number of funds and accounts necessary for proper and accurate records. The Town may maintain sub-funds, in addition to legally mandated funds, for accounting and management purposes.

OPERATIONAL CASH MANAGEMENT

RECEIPTS

1. Cash receipts will be collected and deposited as expediently as reasonably possible to provide secure handling of incoming cash and to move these moneys into interest earning accounts and investments.
2. All incoming funds will be deposited daily as required by law and are allowed to be received in the most efficient means possible.

CASH DISBURSEMENTS

1. Disbursements will be made shortly in advance of or on the agreed-upon contractual date of payment unless earlier payment provides a greater economic benefit to the Town.
2. Payroll disbursements will be in accordance with the requirements of all state and federal regulatory laws, rules and regulations. Overtime and benefit payments will be made in accordance with the Town's Personnel Policy.

3. Checks will be signed by the Finance Officer. If the Finance Officer is unavailable, the Town Manager, the Assistant Town Manager, the Controller, Deputy Treasurer or the Accounting Operations Manager may sign the check.
4. Disbursements will be made using the method(s) deemed most efficient at the discretion of the Finance Officer or designee.
5. Proper documentation will be maintained to meet all audit, general governmental accounting standards and Town policies. Accounting and purchasing has the right to request additional documentation from departments as needed.
6. The Town will follow escheat rules and regulations as directed by NC General Statutes.

BANKING RELATIONS

1. Banking service providers will be evaluated on a regular basis to ensure the Town is receiving the best services at a competitive rate.
2. The Town will maintain a minimum number of bank accounts to facilitate the movement and investment of funds.
3. Collateralization for deposits will be in accordance with the North Carolina Administrative Code.
4. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The Town relies on the State Treasurer to monitor those financial institutions. The Town analyzes the financial soundness of any other financial institution used by the Town. The Town complies with the provisions of North Carolina General Statutes when designating official depositories and verifying that deposits are properly secured.

COLLECTIONS

1. The Town will pursue collection on delinquent customer accounts using any prudent manner available, including the North Carolina Debt Set-off Program and the use of a third-party collection agency. After exhausting collection efforts and after considering legal time limits for all collection methods, delinquent balances may be written off at the discretion of the Accounting Operations Manager.
2. Delinquent fees are established annually through the budget process.
3. Town staff has the right to suspend related services in connection with the unpaid customer account. Service may be resumed once the outstanding balance is paid in full. With the approval of the Finance Officer, additional unrelated Town services may be suspended for the past due customer.

INTERNAL CONTROL AND COMPLIANCE

1. The Town intends to maintain a system of internal controls that ensures complete, accurate and timely financial records by working with Departments to create business systems that properly capture and report financial related information.
2. Finance, in coordination with Technology Services, will establish Town-wide standard procedures and policies for the security, handling and maintenance of sensitive information, which departments will be responsible for reviewing and incorporating into their daily activities.
3. Finance staff will provide training periodically in order to provide system information to users, as well as provide clarification on Town financial-related policies and procedures and other regulatory and statutory requirements.
4. Background checks, which may include criminal and credit checks, will be conducted on positions deemed as critical for financial purposes according to procedures established by the Finance Department in conjunction with Human Resources.

INVESTMENTS

It is the policy of the Town to preserve capital and invest public funds in a manner which provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Town and conforming to all state statutes governing the investment of public funds. This investment policy applies to all financial assets in the Town's investment portfolio, including debt proceeds.

1. The standard of prudence to be used by staff will be the "prudent person" rule. The "prudent person" concept discourages speculative transactions. It attaches primary significance to the preservation of capital and secondary importance to the generation of income and capital gains. Authorized staff, if acting in accordance with written procedures and state statutes and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that these deviations are reported immediately and action is taken to control adverse developments.
2. Safety of principal is the foremost objective of the investment program. Investments of the Town will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
3. The Town will make every effort to maintain a diversified investment portfolio according to security type and institution.
4. The Town's investment portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements which might be reasonably anticipated through the use of structured maturities and marketable securities.
5. The Finance Officer will maintain a list of financial institutions authorized to provide investment services. Authorized financial institutions include banks maintaining an office in the State of North Carolina and securities brokers/dealers classified by the New York Federal Reserve as primary dealers.
6. The Finance Officer is responsible for establishing and maintaining a system of internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse.
7. Officers and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials will disclose to the Finance Officer any material financial interests in financial institutions that conduct business within this jurisdiction, and they will further disclose any large personal financial/investment positions that could be related to the performance of the Town's portfolio.

APPENDIX 4 - FY17 ADOPTED BUDGET ORDINANCE

TOWN OF BEAUFORT
FY 2017 BUDGET ORDINANCE

BE IT ORDAINED by the Board of Commissioners of the Town of Beaufort, North Carolina:

SECTION I: GENERAL FUND

A. REVENUES

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

AD VALOREM TAXES	$2,620,500
INTERGOVERNMENTAL	1,721,000
PERMITS & FEES	833,850
SALES & RENTALS	270,500
WATER/SEWER ADMIN	30,000
OTHER	7,400
LOAN PROCEEDS	285,000
TOTAL	**$5,768,250**

B. EXPENDITURES AUTHORIZED BY DEPARTMENT

The following amounts are hereby appropriated to each department 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:

GOVERNING BODY	$547,700
ADMINISTRATION	479,350
FINANCE	357,550
POLICE	1,346,750
PLANNING & INSPECTIONS	346,450
PUBLIC WORKS	1,030,981
SANITATION	608,850
STORMWATER	132,000
FACILITIES & PARKS	156,319
TRANSFER TO THE FIRE FUND	762,300
TOTAL	**$5,768,250**

SECTION II: FIRE FUND

A. REVENUE

It is estimated that the following revenues will be available in the Fire Fund for the fiscal year beginning July 1, 2016, and ending June 30, 2017

GENERAL FUND ALLOCATION	$762,300
FIRE DISTRICT PROPERTY TAX	317,625
FIRE DISTRICT SALES TAX	95,000
HARLOWE DISTRICT TAX	79,490
OTHER	1,800
TOTAL	**$1,256,215**

B. EXPENDITURES AUTHORIZED BY DEPARTMENT

The following amounts are hereby appropriated in the Fire Fund for the operation of the Town of Beaufort's Fire Department for the fiscal year beginning July 1, 2016, and ending June 30, 2017:

TOTAL	**$1,256,215**

SECTION III: UTILITY FUND

A. REVENUE

It is estimated that the following revenues will be available in the Utility Fund for the fiscal year beginning July 1, 2016, and ending June 30, 2017

REGULAR REVENUE WATER	842,000
REGULAR REVENUE SEWER	2,180,000
LOAN PROCEEDS	50,000
OTHER	99,600
RESTRICTED FUND BALANCE	33,000
TOTAL	**$3,204,600**

B. EXPENDITURES AUTHORIZED BY DEPARTMENT

The following amounts are hereby appropriated to each department or division in the Utility Fund for the operation of the Town government and its activities for the fiscal year beginning July 1, 2016, and ending June 30, 2017:

WATER DIVISION	670,657
SEWER DIVISION	941,730
WASTEWATER TREATMENT DIVISION	1,592,213
TOTAL	**$3,204,600**

SECTION IV: AD VALOREM TAX

There is hereby levied a tax at a the rate of thirty-four-and-three-quarter cents ($0.3475) per one hundred dollars ($100) valuation of property as listed for taxes as of January 1, 2016, in the General Fund in Section I of this ordinance. This rate is applied to an estimated total valuation of real and personal property (excluding motor vehicles) for the purpose of taxation of $733,066,584. In accordance with the NC General Statutes 159-13, the estimated rate of collection for property taxes for the FY17 fiscal year beginning July 1, 2016 is 97.16%, based on the collection rates of the fiscal year ending June 30, 2015.

SECTION V: AMENDMENTS

a. Pursuant to General Statutes 159-15, this budget may be amended by submission of proposed changes to the Board of Commissioners
b. Notwithstanding the above subsection (a) above, the Town Manager is authorized to transfer funds from one appropriation to another within the same fund in an amount not to exceed $25,000. Any such transfers must be reported to the Board of Commissioners at its regular meeting.
c. Funds may not be transferred between funds without prior approval from the Board of Commissioners.

SECTION VI: DISTRIBUTION

Copies of this ordinance shall be furnished to the Town Manager/Finance Officer, Assistant Town Manager, and the Deputy Finance Director to be kept on file by them for their direction in the disbursement of funds.

Adopted this 13th day of June, 2016

ATTEST:

Jennifer Allen
Town Clerk

Richard Stanley
Mayor

SEAL OF TOWN OF BEAUFORT · NORTH CAROLINA
TOWN OF BEAUFORT
17 22
NORTH CAROLINA
INC. 1722