



TOWN OF CAMERON

2020-21 Budget

Message

GOVERNING BOARD

Mayor Cristina Moore

**Mayor Pro Tempore David Seiberling
Commissioner Ginger Bauerband
Commissioner Diane Calhoun
Commissioner Lisa Chapman
Commissioner Jim Leiby**

Staff

**Finance Officer, Gail Brown
Town Clerk, Gail Brown
Interim Police Chief, Joseph Majors, Jr.
Public Works Director, Davis Reynolds
Maintenance, Christopher Parris
Town Attorney, T.C. Morphis**

2020 – 2021 PROPOSED BUDGET CALENDAR 2020-2021

Saturday, May 9th *Special Meeting* - Kickoff - Budget Workshop
Departmental Requests Submitted

Tuesday, May 26th..... *Regular Scheduled Meeting* – Proposed Budget Submitted to Board of Commissioners.

Wednesday, June 4th Budget Message and Copy of Budget Available to Public with Public Hearing advertised in *The Pilot* newspaper, Town Hall, website and Post Office.

Tuesday, June 16th *Special Called Meeting* – Cypress Pointe Fire and Rescue Public Hearing for 2020-21 Budget at 7:00 p.m.

Tuesday, June 23rd *Regular Scheduled Meeting* – Town Hall – 7:00 p.m.
Approve FY 2020-21 Budget Ordinance after a 24-hours public comment period following the meeting.

Thursday, June 25th-----*Board of Commissioners Special Meeting to vote on 2020-2021 Budget*
At Town Hall at 7:00 p.m.

Town of Cameron's Budget Message Fiscal Year 2020-2021

Introduction

Never in recent memory has such economic uncertainty existed. The global pandemic and Stay-at-home orders have disrupted every aspect of our society, economy, and workplaces. We have been forced to adjust our budget projections and expectations as the situation has worsened and expert opinions have become more varied with COVID-19.

Sales and use tax revenues, water, and solid waste collections, and even property tax collection rates that occurred between July 2019 and December 2019 cannot be relied on to accurately project revenues for next year. Therefore, we have proposed a budget with very conservative revenue projections and balanced it with absolute minimal expenditure increases.

With so much uncertainty, the best strategy is to revisit this budget when more data – Federal Government Relief Package, Business Reopening, Consumer spending, etc. -- becomes available. We advise to view this as a base budget throughout the 2020-2021 as we will have actual tax revenue data and a clearer picture of economic conditions. Then, revenues and expenditures may be adjusted accordingly.

Outlined below are some highlights for planned revenues and expenditures:

Revenues	Expenditures
No ad valorem tax increase proposed. \$0.575/\$100	No salary increases.
To review water rates throughout the 2020-2021 fiscal year	Water Interconnection with Moore County as an emergency back-up water provider \$35,000
Property tax at 97% Collection Rate	Decrease due to foreclosures and COVID-19
Sales Tax 20% decrease from 2019 actual during first eight months of the 20-21 budget	This will be reviewed throughout the 2020 year and amend accordingly.
Powell Bill Funds are determined based on population 2020 Census is underway. Those revenues will be determined by Census results.	\$15,000.00 repair of the McNeill Street bridge Determined by N.C. annual 2019-2020 Bridge inspection
	\$3,150.00 purchase a trailer to be expensed over the required departments to transport equipment

As required by State Law, the budget is **balanced at \$368,874.00**

General Fund Revenues

The 2020-21 Ad Valorem Tax rate is proposed to remain at \$0.575 per \$100 valuation. The total real estate tax base (excludes personal and motor vehicles) is \$15,920,280 with a decrease of 1% from 2019-2020 due to lack of growth in Cameron. Registered Motor Vehicle and Utility Values are \$1,850,950 and \$667,000 respectfully. Personal property valuations for the 2020-2021 are \$567,090

Tax rates produce a projected property tax levy of \$97,796.00 and registered motor vehicles taxes projections of \$10,642.00. Due to such uncertainty surrounding all levels of property taxpayers we expect collections to decrease and have estimated a collection rate of 95%.

Similarly, instead of significant increase of Sales Tax revenue we now expect a decline through the next fiscal year. We have conservatively anticipated a 20% decrease for the first 8 months followed by a rebound and normal growth the final 4 months. The unprecedented unemployment rate has been factored into the projected decrease of sales tax revenues.

Other projected revenues expected to decrease in the 2020-2021 Budget are 3.3% decrease in Electricity Sales Tax, Solid Waste 3.6%, and Alcohol Beverage Tax 1.1%.

The semi-annual Antiques Fair revenues are collected for vendor permits and by State Statute are required to be revenue neutral against expenses.

The sale of surplus property is for the sale of current police Crown Victoria car which is in poor condition and will be advertised on GovWeb for sale as per book value.

General Fund Expenditures

Police Dept. Capital Expenditures.

The Town of Cameron replaced the police car and maintenance expenses were decreased for the 2020-2021 budget. Compliance expenditures are budgeted to update the building and to adhere to the guidelines established under State's requirements.

Street Dept. Capital Expenditures

The Street Department has budgeted for an expenditure of \$15,000.00 from the Powell Bills Funds to repair the bridge on McNeill Street as required by the annual NC State Bridge Inspection.

Planning & Zoning

The Planning Board is updating the Town of Cameron's Ordinances focusing on growth, Economic Development, and enforcement of current ordinances and to update older Ordinances. This requires increased expenditure for enforcement and economic development.

Cultural and Recreation

The major expense in this department is maintaining the Phillips Memorial Park. Although it is a nature park, personnel to maintain the property, equipment expenses and insurances accounts for 59% of this department's expenditures. The two Antiques Fair expenses are \$10,800: the current goal is to reach neutrality against projected revenues.

General Fund revenues and expenditures are **balanced at \$243,500.00.**

Water Fund

Rates

The Enterprise Fund has lost money over the last three years and NC State Department of Treasury Statutes require that a deficiency cannot occur. The Town has not financially budgeted for depreciation of equipment and the needs for future recovery. The fund is required to be self-sufficient and to meet the State Statute a water increase is being considered. The Board of Commissioners is reviewing every analysis to determine the best proposed rate increase that will meet the needs of the Town without severely placing a financial burden on its customers. A balance of \$9,379.00 has been re-appropriated from General Fund to cover the deficiency in the Water Fund.

Water System Capital Expenditures

The Town of Cameron is approved for an Interconnection Water system with Moore County to serve as an emergency back-up water supply in case of an emergency, as experienced during Hurricane Florence. The 2020-2021 Budget reflects a re-appropriation of money from the General Fund in the amount of \$35,000.00 to fund the capital project.

The water fund revenues and expenditures are **balanced at \$125,374.00**

Summary

This proposed budget for the 2020-21 Fiscal Year is balanced in accordance with State statutes. The budget achieves some of council's top priorities of continuing code enforcement and planned maintenance on our water system. It gets our departments the minimal amount needed to maintain expected levels of service.

This 'base' budget does not address any cost of living or merit salary increases. This is a top goal of the staff and must be revisited as soon as the Board feels comfortable enough to do so. Our front-line employees have continued operation during the COVID-19 pandemic. Another item to revisit is an increase in the funds for enforcement and depreciated equipment for the Water Fund.

This is a challenging time and it is now especially difficult to predict the future. Instead of being too cautious or too optimist, it will be easier now to pass this 'base' budget and review during the year. We can then rely on actual sales and water revenue data, health recommendations, and economic conditions at the time to determine if our goals are possible or if further cuts and sacrifices may be necessary.

I would like to express my appreciation to all Town staff and Committee Chairpersons for their work on the budget and making every effort to reduce expenditures. I presented this budget for Fiscal Year 2020-2021 to the Mayor and Town Council. We are prepared to work with the Mayor and Council to make any necessary amendments between now and the date of adoption.

Respectfully Submitted,
Gail N. Brown, Finance Officer