



Work Session - Minutes Monday, May 17, 2021

COUNCIL PRESENT:

Mayor Mulhollem
Mayor Pro Tem Castleberry
Council Member Bruton (Remotely)
Council Member Jackson
Council Member Purvis
Council Member Wilson

STAFF PRESENT:

Mike Gordon, Town Administrator
Marcus Burrell, Town Attorney
Julie Maybee, Town Planner
Kim P. Batten, Finance Officer/Town Clerk

COUNCIL ABSENT:

MEDIA PRESENT:

None

1 WELCOME/CALL TO ORDER:

- a) **Mayor Mulhollem called the meeting to order at 6:30 p.m. in the Jeffrey D. Barnes Council Chambers located at 14094 Buffalo Road, Archer Lodge, NC and declared a quorum present.**

2 NEW BUSINESS:

- a) **Interim Financial Reports for April 2021**

Ms. Batten shared that the fiscal year is 83% complete ending April 30, 2021. General Fund revenues were approximately 90% collected and expenditures were less at 82%. She further noted that just for April, revenues were less than expenditures; however, the actual year to date figures from July 1, 2020 through April 30, 2021, revenues exceeded expenditures by approximately \$113,000 in the General Fund. With regards to the Capital Reserve Fund, Park Reserve Fund and Public Safety Reserve Fund, the monthly investment earnings averaged around \$117 and the three cents tax transfer from the General Fund to the Park Reserve Fund was \$1,782.

In comparing April 2020 with April 2021, revenues were higher in 2021 by approximately \$46,264 and expenditures were lower in 2021 by \$34,579. Therefore, Ms. Batten noted that April 2021 displays a net increase of roughly \$80,843. No further comments or discussion followed.

3 PRESENTATION:

- a) **Proposed Annual Budget Ordinance Presentation for Fiscal Year Ending June 30, 2022 ~**
Mike Gordon, Budget Officer/Town Administrator
Kim Batten, Finance Officer/Town Clerk

Ms. Batten presented everyone with a copy of the Proposed Annual Budget books for Fiscal Year Ending June 30, 2022. Mr. Gordon began his presentation by reading the Annual Budget Message for the Proposed 2021-2022 Fiscal Year Budget which appears as follows:



TOWN OF ARCHER LODGE
14094 Buffalo Road
Archer Lodge, NC 27527
Main: 919-359-9727
Fax: 919-359-3333

Mayor:
Matthew B. Mulhollem

Council Members:
Clyde B. Castleberry
Mayor Pro Tem
Teresa M. Bruton
J. Mark Jackson
James L. (Jim) Purvis, III
Mark B. Wilson

Annual Budget Message
2021-2022 Fiscal Year Budget

To: Honorable Mayor and Members of the Archer Lodge Town Council
Archer Lodge, North Carolina

From: Mike Gordon, Budget Officer/Town Administrator

Date: May 17, 2021

Following this budget message for your review and consideration, you will find the proposed Annual Budget for fiscal year 2021-2022 for the Town of Archer Lodge in the amount of \$1,917,495. This amount includes considerations from the following funds:
1) General Fund, 2) Capital Reserve Fund, 3) Park Reserve Fund, and 4) Public Safety Reserve Fund.

After the Budget Planning Retreat held back on 15 February 2021, which was an awesome budget workshop, Ms. Batten, Finance Officer, examined all comments and notations by each group when beginning the budgeting process. Following several drafts, meetings, and conversations, I feel certain that the proposed budget best represents the current needs for the citizens of the Town of Archer Lodge and keeps the current tax rate of \$0.22/\$100.

In last year’s Budget Message, tables were provided which I believe better depicts an overview of projected revenues and anticipated expenditures for the four funds mentioned above; therefore, I chose to utilize them in this Budget Message for FY2022 and provide quick points for each fund.

The following tables below represent the General Fund:

General Fund 10 Revenue Sources:	Prior Year (FY 2019-2020) Actual Revenues	Current Year (FY 2020-2021) Revenues as Amended	Proposed Projected Revenues (FY 2021-2022)
Ad Valorem Taxes	\$ 839,507.00	\$ 861,900.00	\$ 862,000.00
Unrestricted Intergovernmental	\$ 434,053.00	\$ 370,710.00	\$ 454,300.00
Restricted Intergovernmental	\$ 54,705.00	\$ 53,000.00	\$ 52,250.00
Permits and Fees	\$ 25,310.00	\$ 35,140.00	\$ 21,100.00
Investment Earnings	\$ 13,436.00	\$ 3,000.00	\$ 4,000.00
Miscellaneous	\$ 5,562.00	\$ 500.00	\$ -
Transfer From Other Funds	\$ 67,919.00	\$ 65,100.00	\$ 183,750.00
Fund Balance Appropriated			\$ 82,145.00
Total Revenues / Estimated Resources	\$ 1,440,492.00	\$ 1,389,350.00	\$ 1,659,545.00

General Fund 10 Expenditures:	Prior Year (FY 2019-2020) Actual Expenditures	Current Year (FY 2020-2021) Expenditures as Amended	Proposed Anticipated Expenditures (FY 2021-2022)
General Government	\$ 412,368.00	\$ 461,714.00	\$ 487,565.00
Public Safety	\$ 335,684.00	\$ 345,500.00	\$ 380,250.00
Transportation	\$ 43,010.00	\$ 50,000.00	\$ 47,600.00
Economic & Physical Development	\$ 138,994.00	\$ 158,067.00	\$ 181,445.00
Cultural and Recreation	\$ 40,150.00	\$ 59,000.00	\$ 71,700.00
Debt Service	\$ 145,244.00	\$ 145,069.00	\$ 140,985.00
Capital Outlay	\$ -		\$ 165,000.00
Transfer To Other Funds	\$ 181,484.00	\$ 170,000.00	\$ 185,000.00
Total Estimated/Appropriated	\$ 1,296,934.00	\$ 1,389,350.00	\$ 1,659,545.00

QUICK POINTS OF THE GENERAL FUND:

- Archer Lodge Town Park – Parking Lot must be paved per Ordinance
- Potentially beginning in Jan 2022 – Full-Time Town Administrator
- Potentially beginning in Jan 2022 – Part-Time Parks & Recreation Director
- Jeep – Lease Buyout (August 2021)
- Ford F250 – Purchase for Parks & Recreation (Spring 2022)
- Public Safety Consideration
- Tax Rate – Remains at \$0.22

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The following table below represents the Capital Reserve Fund:

Capital Reserve Fund 30:	Proposed Estimated Revenues (FY 2021-2022)	Proposed Estimated Expenditures (FY 2021-2022)
Investment Earnings	\$ 1,800.00	\$ -
Transfer from General Fund 10	\$ 25,000.00	\$ -
Fund Balance Appropriated	\$ 68,200.00	\$ -
Transfer to General Fund 10	\$ -	\$ 95,000.00
Revenue Totals = Expenditure Totals	\$ 95,000.00	\$ 95,000.00

QUICK POINTS OF THE CAPITAL RESERVE FUND:

- Resume the Annual Transfer from the General Fund to Capital Reserve Fund of \$25,000
- Utilize Capital Reserve Funds for Paving the Parking Lot at the Archer Lodge Town Park by Transferring Funds to the General Fund - \$95,000

The following table below represents the Park Reserve Fund:

Park Reserve Fund 31:	Proposed Estimated Revenues (FY 2021-2022)	Proposed Estimated Expenditures (FY 2021-2022)
Investment Earnings	\$ 1,200.00	\$ -
Transfer from General Fund 10	\$ 135,000.00	\$ -
Transfer to General Fund 10	\$ -	\$ 62,000.00
Transfer to Archer Lodge Town Prk Fnd 41	\$ -	\$ 74,200.00
Revenue Totals = Expenditure Totals	\$ 136,200.00	\$ 136,200.00

QUICK POINTS OF THE PARK RESERVE FUND:

- Transfer from General Fund consists of:
Fee in Lieu of Rec – 10 Lots @ \$1,500 = \$15,000
Three Cents Property Taxes Estimate = \$120,000
- Transfer to General Fund – Loan Payment on Park Land \$62,000
Transfer to Archer Lodge Town Park – Town's Portion on PARTF Grant
(figure to balance fund)

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The following table below represents the Public Safety Reserve Fund:

Public Safety Reserve Fund 32:	Proposed Estimated Revenues (FY 2021-2022)	Proposed Estimated Expenditures (FY 2021-2022)
Investment Earnings	\$ 1,300.00	\$ -
Transfer from General Fund 10	\$ 25,000.00	\$ -
Fund Balance Appropriated	\$ 450.00	\$ -
Transfer to General Fund 10	\$ -	\$ 26,750.00
Revenue Totals = Expenditure Totals	\$ 26,750.00	\$ 26,750.00

QUICK POINTS OF THE PUBLIC SAFETY RESERVE FUND:

- Continue Annual Transfer of \$25,000
- Public Safety Consideration/Idea

The following table below summarizes the Proposed Annual Budget for Fiscal Year Ending June 30, 2022:

Total Proposed Annual Budget for All Funds (FY 2021-2022)	Total Proposed Estimated Revenues for All Funds	Total Proposed Estimated Expenditures for All Funds
Revenue Totals = Expenditure Totals	\$ 1,917,495.00	\$ 1,917,495.00

Also, allow me to share the following table that represents the Ad Valorem Tax Revenues projected in the budget which further demonstrates the need for sewer and some commercial growth in Archer Lodge.

Date	Type	Net Assessed Value	Provided By	Levy \$0.22 / \$100
12/31/2020	Motor Vehicles	\$ 49,681,706	Jo Co Tax Office	\$ 109,300
09/09/2020	Public Service Companies	\$ 2,217,332	NC Dept of Rev	\$ 4,878
03/29/2021	Real and Personal Property	\$ 347,476,020	Jo Co Tax Office	\$ 764,447
07/01/2021	TOTAL	\$ 391,375,058		\$ 878,625
PROPOSED	AD VALOREM	TAXES	CONSERVATIVE	\$ 860,000

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The final table that must be shared is the Town's Debt Service:

LOAN	LENDER	BALANCE BEFORE PAYMENT	PAYMENT DUE	FY 2021- 2022	BALANCE AFTER PAYMENT
Town Hall	BB&T Gov't	\$ 200,000	03/22/22	\$ 40,153	\$ 166,667
Park Loan	M/M G. Smith	\$ 300,000	08/20/21	\$ 62,000	\$ 250,000
Town Hall Expansion	KS Bank	\$ 351,000	09/10/21	\$ 38,829	\$ 324,000
TOTAL		\$ 851,000		\$140,982	\$ 740,667

In closing, the proposed budget for fiscal year ending June 30, 2022 shows an increase of roughly 22.8% over the current year's amended budget of \$1,561,850; however, please note the following:

1. Current year budget (FY20-21) when adopted last July 2020 – Very Conservative due to COVID-19
2. Current year budget (FY20-21) – Ms. Batten mentioned that she will present a budget amendment in June as the final “clean up” which will have increased, unexpected revenues
3. Proposed budget (FY21-22) – Purchases of Capital Assets totaling \$165,000
4. Proposed budget (FY21-22) – Half-Year, Full-Time Town Administrator, Salary/Benefits
5. Proposed budget (FY21-22) – Half-Year, Part-Time Parks & Recreation Director, Salary
6. Appropriations of Fund Balance being utilized in all funds

Having endured many important titles with the Town of Archer Lodge since our incorporation in November 2009, my new role as Budget Officer has reminded me of how well we continue to manage our citizens tax dollars to make Archer Lodge better. Many thanks to our Finance Officer and staff for their dedication and service. Lastly, thanks to the Mayor and Town Council for stepping up to represent this town and supporting the citizens and our wonderful staff.

Respectfully submitted,



Mike Gordon
Budget Officer
Town Administrator

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Mr. Gordon mentioned the following items:

- Additional expenses in the General Fund
- Potential full-time position in Administration
- Potential part-time position in Recreation
- Recreation expenses increasing next year
- Purchase vehicle that is being leased
- Future purchase of heavy-duty truck for Recreation
- Additional reserve funds for Public Safety
- Tax rate will remain at \$0.22.

The Proposed Annual Budget Ordinance for Fiscal Year July 1, 2021 to June 30, 2022 appears as follows:

Town of Archer Lodge, North Carolina	
PROPOSED ANNUAL BUDGET ORDINANCE	
Fiscal Year July 1, 2021 to June 30, 2022	
BE IT ORDAINED by the Town Council of the Town of Archer Lodge, Johnston County, North Carolina, pursuant to §159-7 thru §159-17, that: (1) the sum of estimated net revenues and appropriated fund balance in each fund shall be equal to expenditures in each fund for Fiscal Year 2021~2022; and (2) departmental expenditures for the fiscal year shall not exceed the estimated departmental totals as depicted below and on the following pages: General Fund 10 = \$1,659,545; Capital Reserve Fund 30 = \$95,000; Park Reserve Fund 31= \$136,200; and Public Safety Reserve Fund 32 = \$26,750; all funds totaling a Budget Ordinance of \$1,917,495 ; and (3) Revenues from the Ad Valorem Property Tax shall be levied in the amount of \$0.22 per \$100 evaluation consisting of \$0.09 Archer Lodge Fire District Tax (appropriated in Public Safety for the Archer Lodge Fire Department), \$0.03 Park Reserve Fund 31 Designation and General Fund 10 receiving the balance of \$0.10.	
General Fund 10	
General Fund 10 Revenues:	Amount
Ad-Valorem Property Taxes	\$ 862,000
State Sales Tax Distributions	255,800
Unrestricted Intergovernmental Revenues	198,500
Restricted Intergovernmental Revenues	52,250
Permits and Fees	6,100
Fee in Lieu of Recreation	15,000
Investment Earnings	4,000
Transfers in from Capital Reserve, Park Reserve & Public Safety Reserve Funds	183,750
General fund Balance Appropriated	82,145
Total Revenues	\$ 1,659,545
General Fund 10 Expenditures:	
General Government	\$ 652,565
Public Safety	380,250
Transportation/Streets - Public Works	47,600
Planning and Zoning	181,445
Parks and Recreation	71,700
Debt Service	140,985
Interfund Transfers to Cap Res Fund, Park Res Fund & Public Safety Res Fund	185,000
Total Expenditures	\$ 1,659,545
Revenues Over (Under) Expenditures	-

Town of Archer Lodge, North Carolina
PROPOSED ANNUAL BUDGET ORDINANCE
Fiscal Year July 1, 2021 to June 30, 2022

Capital Reserve Fund 30		Amount
Capital Reserve Fund 30 Revenues:		
Investment Earnings		1,800
Total Revenues		\$ 1,800
Capital Reserve Fund 30 Expenditures:		
N/A		
Total Expenditures		\$ -
Revenues Over (Under) Expenditures		\$ 1,800
Interfund Transfers:		
Capital Reserve Fund Balance Appropriation		\$ 68,200
Transfer from General Fund 10		\$ 25,000
Transfer to General Fund 10		\$ (95,000)
Total Other Financing Sources (Uses):		\$ (1,800)
Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		\$ -

Town of Archer Lodge, North Carolina
PROPOSED ANNUAL BUDGET ORDINANCE
Fiscal Year July 1, 2021 to June 30, 2022

Park Reserve Fund 31		Amount
Park Reserve Fund 31 Revenues:		
Investment Earnings		1,200
Total Revenues		\$ 1,200
Park Reserve Fund 31 Expenditures:		
Recreation Development		-
Total Expenditures		\$ -
Revenues Over (Under) Expenditures		\$ 1,200
Interfund Transfers:		
Transfer from General Fund 10	\$0.03 Tax/Fees-in-Lieu	\$ 135,000
Transfer to General Fund 10	Loan Payment	\$ (62,000)
Transfer to Archer Lodge Town Park Fund 41		\$ (74,200)
Total Other Financing Sources (Uses):		\$ (1,200)
Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		\$ -

Town of Archer Lodge, North Carolina
PROPOSED ANNUAL BUDGET ORDINANCE
Fiscal Year July 1, 2021 to June 30, 2022

Public Safety Reserve Fund 32	
	Amount
Public Safety Reserve Fund 32 Revenues:	
Investment Earnings	\$ 1,300
Total Revenues	\$ 1,300
Public Safety Reserve Fund 32 Expenditures:	
Public Safety Development	\$ -
Total Expenditures	\$ -
Revenues Over (Under) Expenditures	\$ 1,300
Interfund Transfers:	
Public Safety Reserve Fund Balance Appropriation	\$ 450
Transfer from General Fund 10	\$ 25,000
Transfer to General Fund 10	\$ (26,750)
Total Other Financing Sources (Uses):	\$ (1,300)
Total Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -

DULY ADOPTED THIS ____ DAY OF JUNE 2021

TOWN OF ARCHER LODGE

Matthew B. Mulhollem, Mayor

ATTEST:

Michael A. Gordon, Budget Officer

Kim P. Batten, Town Clerk

Mr. Gordon asked for Council to review the proposed budget for all funds, to refer any questions to Staff and to consult with fellow Council Members regarding changes that might need to be discussed at the Monday, June 7, 2021 Regular Town Council Meeting/Public Hearing. He further thanked Ms. Batten for her management of the budget and Council thanked Mr. Gordon and Ms. Batten for all their efforts managing and presenting the Budget.

Mayor Mulhollem thanked Staff for their thoughtfulness and details included in the Budget Presentation. He shared that he was excited to see some of the new items in the FY22 Budget especially Park related, a goal that the Town has had for a long period of time. He asked if there were any questions and also reiterated that Council Members contact Staff with questions and consult with each other prior to the next Town Council meeting.

4 ADJOURNMENT:

- a) **Having no further business, Mayor Mulhollem adjourned the meeting at 7:06 p.m.**

Matthew B. Mulhollem, Mayor

Kim P. Batten, Town Clerk

