Town of Beaufort FY 2022 Budget

as Adopted June 14, 2021 2.0-20210722



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May 10, 2021

Honorable Mayor and Commissioners,

The Town of Beaufort is engaged in an unprecedented level of activity and accomplishment, executing plans and addressing long neglected needs identified through the last four budgets.

In FY 2021 alone, the Town:

- completed and opened Randolph Johnson Park Beaufort's first park with a spashpad, state of the art playground, picnic shelter, and restrooms
- resurfaced (and in some cases rebuilt) over 3 miles of Town streets
- competed an extensive program of constructing accessible crosswalks
- began construction of 3.4 miles of new sidewalks to provide safe, pedestrian connectivity throughout the Town
- completed streetscape improvements to the 100 block of Turner Street, significantly improving appearance and pedestrian safety
- renovated Topsail Park, incorporating stormwater best management practices such as permeable pavers and rain gardens
- replaced collapsing stormwater lines and deteriorating and leaking utility lines, and rebuilt the street surface on the 100 block of Orange Street, incorporating permeable concrete for the parking surface
- starting with public engagement, began developing a comprehensive land use plan to guide the Town's future development, with a focus on environmental protection and resiliency measures and an acknowledgement of the importance of diversity, equity, and inclusion
- as one of very few local governments in North Carolina that regulates and protects its waters, began the effort to develop a comprehensive Beaufort Harbor & Waterways Master Plan to effectively address the many issues coming to bear on the Town's waters over the next few years in a coordinated fashion that supports a positive outcome for Beaufort's residents and visitors
- applied for and received a financing package consisting of \$5.5 million in grants and over \$18 million in low interest, long term loans from the USDA to replace and renovate failing utility and stormwater lines this construction will be immediately followed by a \$7.2 million street resurfacing project on all the affected streets
- replaced deteriorating water and sewer lines in Cedar Street in preparation for additional improvements to be made by NC DOT, including replacement of stormwater lines, the construction of vegetated bump-outs incorporating stormwater devices, and street resurfacing





- constructed a new entrance to Town Hall and renovated the customer service area to address accessibility and safety issues for visitors and employees
- Put into service the Fire Department's first modern ladder truck
- Transitioned to cloud-based financial applications and expanded them to include entirely in-house payroll administration and employee mobile device-based time keeping
- Transitioned to an organization-wide Voice-Over-Internet-Protocol phone system incorporating mobile devices to improve organizational communication and customer service

And all this is in addition to regular organizational operations, taking place in the midst of the first pandemic in over 100 years, while experiencing record levels of visitors and development.

Operating at this heightened level of performance requires support – the absence of which invites the potential for failure.

Which leads to *the most critical issue facing the organization – the need for a fulltime, professional Human Resources (HR) Officer* – a position the Town has never had, and it shows.

First, there has been a lack of basics:

- no position classification plan (job descriptions)
- no formal training program (e.g., safety, customer service, unlawful harassment, professional and organizational development, etc.)
- antiquated open enrollment and benefits management procedures and oversight
- no formal process for administering the Family and Medical Leave Act
- no reviews of compensation competitiveness
- no formal recruitment program
- no employee orientation program
- antiquated employee on-boarding process
- no succession planning
- no employee handbook
- limited to no support to supervisors for developing employee performance improvement plans or developing appropriate disciplinary processes

Aside from these basic functions, there are also high level activities that are needed:

• identification of existing organizational competencies and the key competencies needed to implement best practices to meet the demands facing the Town, and to formulate and implement an action plan to close the competency gaps

- building a foundation for organizational change and improving organizational performance by aligning strategic and tactical planning, performance management, selection, human resource development, and succession planning
- building an organizational culture of high performance, employee support, diversity, equity, and inclusion
- integrating human resource processes into a framework that is easily understood and viewed as fair by employees

To continue limping along without a Human Resources Officer, ignoring these glaring shortcomings, hoping for the best while four employees try to fit time into their schedules to pick up the most basic of human resources functions, is inviting disaster. This position is critical to the success of the organization and should be filled as previously planned.

THE NUMBERS

The Town is in a very strong financial positon, and The FY 2022 recommended budget, which includes funding for a Human Resources Officer as approved in the FY 2021 Five Year Financial Plan, is \$15,463,889 (less interfund operating budget transfers). It is divided as follows:

General Fund	\$ 11,448,232
Utility Fund	4,639,657
Less Interfund Transfers	(624,000)
Total	\$ 15,463,889

The General Fund is balanced using a 46-cent property tax rate, as approved by the Town Board in the FY 2021 Five Year Financial Plan.

The Utility Fund is balanced using current water and sewer rates.

This budget document provides a funding plan for both operations and capital improvements for the next five years. A thorough explanation of strategic budget items, influencing factors, and critical budget issues and decisions is found in *Section 1: Introduction to the Budget*.

I wish to thank the Mayor and Commissioners for the support and resources they provide, enabling the tremendous progress that has been made in the last four years.

I also wish to thank all the Town employees for the important services they provide to residents and visitors to the Town every day, as well as the key staff members for ensuring these services are delivered effectively and efficiently.

I especially want to thank Finance Director Christi Wood for her untiring dedication to all things fiscal, including preparation of this budget, and Town Clerk/Assistant to the Manager Allen Coleman, who jumped in with both feet to assist in preparing this document.

Respectfully submitted,

John Day Town Manager

BUDGET ADDENDUM

The FY 2022 budget for the Town of Beaufort was adopted by the Board of Commissioners on June 14, 2021 after three work sessions. Several changes were made from the budget previously recommended on May 10, 2020. These changes include the following items:

General Fund

- The Human Resources Officer position was moved from salary grade 25 to salary grade 22. It was also reduced to a half time position, provided it is possible to fill it after two months of recruiting. If recruitment is unsuccessful, then the position automatically converts to full time.
- The Noble Lab at the UNC Institute for Marine Science will perform storm water contamination analysis at the Town Creek outfall at a cost \$36,000, and at the Orange Street outfall for \$6,200. Funding for these items was added to the Public Works budget.
- Solid waste revenues (found in General Fund Permits and Fees) and expenses (found in the Public Works budget) were each increased by \$10,000.
- The Public Works Division will be provided \$60,000 from American Recovery Plan Act revenues for miscellaneous storm water system improvements (this work will not begin until ARP funds are received and appropriated.
- Sales tax revenue was increased by \$122,200.
- Fire district tax revenue was decreased by \$250,600.
- The Fire Department budget was reduced by \$170,600, which was funding for three new firefighters and associated gear, and maintenance for Station 2 these expenses will not be realized until FY 2023.

Capital Improvement Plan

- Fire Station 2 living quarters funding moved from FY 2023 to FY 2022 (the annual budget correctly included funding for living quarters in FY 2022).
- Fire Station 2 pumper truck debt service added for FY 2022 (funding for debt service was included in the FY 2022 annual budget).
- Sewer Pump Station #7 will be funded by revenues from the American Rescue Plan Act, rather than through capital reserves.
- Water Treatment Plant activities for FY 2022 and FY 2023 were changed to only include the evaluation and purchase of the site for the new plant and obtaining purchase options on two well sites, all in FY 2022. The plant site evaluation and purchase will be funded by revenue from the American Recovery Plan Act. The purchase options will be funded through the Utility Fund capital reserve.

Five Year Financial Plan - General Fund

- Add \$17,000 per year beginning in FY 2023 for Police Department body cameras.
- Funding for Fire Station 2 maintenance and three firefighter positions and associated gear moves from FY 2022 to FY 2023.
- Residential solid waste revenues and expenses increase by \$10,000 beginning in FY 2022 and annually thereafter.

Five Year Financial Plan - Utility Fund

• Add \$50,000 in FY 2026 for replacement of filter media in the waste water treatment plant deodorizer.

Introduction to the Budget

This section explains the overall structure of the budget document and its purpose. More importantly, it explains underlying assumptions and critical issues discovered during this year's budgeting process.

In this section you will find:

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Introduction to the Budget

North Carolina law says a town's governing board must approve a balanced budget for the next fiscal year by June 30.

Budgeting is one of the most important elements of sound government. It isn't just about numbers; it's about how we create, nurture, and sustain the community in which we live and work.

Each year, the budget process brings local officials together to review upcoming activities. Such focus helps ensure these services and projects line up with the Town's strategic aims.

Uses of the Budget

This document, referred to as "the budget," is a collection of plans and policies which guide us as we collect and spend money in the coming fiscal year.

The budget document serves four main purposes.

- As a *policy document*, it tells what the Town will provide next fiscal year, per our financial goals and guiding policies.
- As a *financial plan*, it shows the cost of Town services and suggests how to fund them, both now and in the future.
- As an *operations guide*, it outlines how services will be delivered to the community. Goals and targets are a way to hold each department accountable.
- As a *communications device*, it shares the Town's challenges, priorities, and what it aims to do.

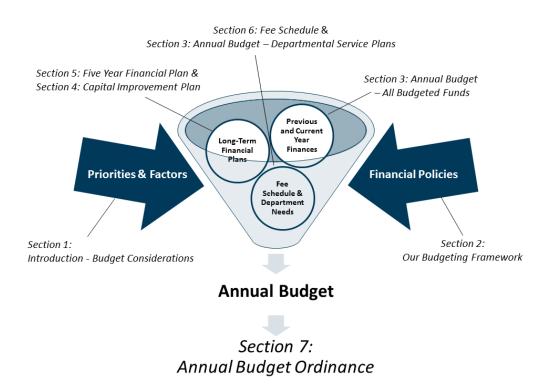
Sections of the Budget Document

The budget document contains the following sections:

- Section 1: Introduction to the Budget Strategic priorities, as well as current conditions, inform budgetary choices regarding services provided, projects initiated, and the financial health of the Town.
- Section 2: Our Budgeting Framework Financial policies set the rules that the budget must follow.

- Section 3: Annual Budget & Departmental Service Plans Revenue and expenditure analyses support budget numbers. Departmental service plans outline service delivery in the budget year. Debt summaries explain how the Town's current liabilities affect its ability to fund projects.
- Section 4: Capital Improvement Plan & Section 5: Five-Year Financial Plan
 Anticipate future needs and funding sources over multiple budget cycles, plus provide stability by projecting future tax and fee rates.
- Section 6: Fee Schedule Sets cost of fees and permits for services in the budget year.
- Section 7: Budget Ordinance Provides legal means to enact the budget, making it law.
- Section 8: Financial Policy The policies set by Town Board which govern the budget.
- Section 9: Glossary & Appendices

The following diagram shows the document's inter-related parts:



Budget Considerations

Budgets are about more than numbers. Where we choose to spend money as a Town reflects what's most important to us-and what factors influence our decisions.

Ideally, a town government bases its financial plans and budgets on a strategic plan, which is based on a shared community vision.



The Town of Beaufort does not currently have a shared vision or strategic plan. So what guides our decisions in this budget?

► Guiding Themes

In FY 2018, the Mayor and Town Board, along with key staff members, identified five themes to guide us as we move toward developing a shared vision and strategic plan.



The icon to the left of each theme symbolizes the theme. Throughout the budget document these icons show which themes are supported by projects, initiatives, accomplishments, and goals.

Leadership

The Town Board and key staff engage and collaborate with each other and with the community to identify goals and successfully achieve them through the formulation and execution of action plans.

These plans will respect Beaufort's rich history and sense of place, improve the quality of life and safety of its residents and visitors, support families, and celebrate the diverse cultures of our population.



Infrastructure

The Town Board will help secure the Town's future through making the investments necessary to maintain the Town's facilities, utilities, roads, streetscapes, stormwater systems, sidewalks, bicycle paths, parks, boardwalk, and harbors.



Economic Development

Beaufort will enjoy prosperity and economic vitality by supporting its thriving visitor economy, expanding the marine science sector, encouraging emerging technologies and entrepreneurs, and supporting the traditional marine-based sectors of seafood and boat building.



Culture

Beaufort will be vibrant and inspirational, a town where families thrive and prosper, where children have excellent educational opportunities, and where people care about each other and enjoy life at the coast.



Environment

Beaufort will protect and enhance its beautiful coastal environment and be prepared to cope with natural disasters and the effects of climate change.

Shared Vision and Strategic Plan

We continue to work towards broad community involvement in problem solving and developing an overall vision for the Town. A strategic plan will follow, to support the community's vision. Once a strategic plan is in place, future financial plans and budgets will look to it for guidance and direction.

The guiding themes provided above serve as a placeholder until a formal vision and strategic plan can be developed.

Strategic Budget Items

Using the guiding themes, the following items have been prioritized in the coming budget year. They are listed in alphabetical order. Icons to the left show which guiding theme the project most closely addresses.

le placement Beaufort Harbor & Waterways Master Plan, Boardwalk/Bulkhead Replacement

At the Town Board 2020 annual retreat, waterfront issues were discussed:

- an aging boardwalk and deteriorating bulkhead
- interest in establishing a mooring field for transient vessels across from the Beaufort Docks
- the 2024 expiration of the Beaufort Docks lease of waterfront from the Town
- the 2024 expiration of the National Park Service lease from the Town of ferry docks and information center space
- marine debris, abandoned and derelict vessels, and environmental quality

There was consensus that a Beaufort Harbor & Waterways Master Plan should be prepared in order to adequately address these and other related issues. In late FY 2021 an advisory committee was appointed by the Town Board to engage the public and work with the Town's staff and consultant to advise the Town Board during the formation of the Master Plan, which is expected to be completed in FY 2022.

Refer to Boardwalk / Bulkhead Improvements in Section 4: Capital Improvement Plan for more information.



🌇 🌈 Cedar Street Park

This project consists of design and construction of a passive park at the site of former Gallant's Channel drawbridge landing area.

An updated concept plan for the park was completed in FY 2020. Construction documents will be completed in early FY 2022, and after the property is secured from NC DOT in early FY 2022 construction will follow.

Refer to Cedar Street Park in Section 4: Capital Improvement Plan for more information.



Street and Pedestrian Improvements

This project provides for the resurfacing of those Town streets in need of repair for which the underlying utilities are in good condition, and for the paving of two unpaved streets on Town rights-of-way, totaling 3.2 centerline miles.

This project also includes a number of pedestrian improvements to promote safety and accessibility, including 3.4 miles of new sidewalk construction to enhance safe, pedestrian access to Randolph Johnson Park, and to many of the residences and businesses located along Live Oak Street.

Construction began in late FY 2020, and street resurfacing was completed by the end of FY 2021. The sidewalk construction portion of this project is expected to begin in late FY 2021 and will be completed in early FY 2022.

Refer to Street and Pedestrian Improvements in Section 4: Capital Improvement Plan for more information.



Le 🥂 Utility, Stormwater, & Street Improvements

Using a nearly \$23.6-million funding package from the USDA, this project will begin addressing the tremendous backlog of needed repairs to and replacement of Beaufort's failing utility and stormwater infrastructure, as identified by various investigative studies over the years.

Design, permitting, and bidding of this project will be a focus of FY 2022, with construction expected to begin in FY 2023. A \$7.2-million resurfacing project for all the affected street segments will follow.

► Refer to Utility, Stormwater, and Street Improvements in Section 4: Capital Improvement Plan for more information.



🜈 Water Treatment Plant

A new water treatment plant to replace the two existing, decades old plants, was added to the Capital Improvement Plan in FY 2022 as an "out year" project. At its 2021 retreat the Town Board suggested that the preliminary work on the plant should begin in FY 2022 (it should be noted that some engineering work on this project took place from 2007 to 2009).

Accordingly, it is recommended that funding received from the American Rescue Plan Act of 2021 in June 2021 be used to perform the following preliminary activities:

- Assess the feasibility of using property located behind the Glenda Street Water Plant as the site for the replacement plant, and purchase the site if appropriate. There are significant cost advantages to this site due to its location and the water line infrastructure already in place there.
- Perform preliminary design, to include preparation of demand and capacity projections, the number of production wells required, preliminary pipe sizes, etc.
- Analyze the water at two test wells relatively close to the Glenda Street Water Plant to determine if they are still suitable for production wells. These wells were tested in 2009 and were determined to be suitable then. If these wells remain suitable, then the sites will be purchased.
- Perform pilot plant testing of raw water from a town production well and perform the necessary Engineering Alternatives Analysis to secure a discharge (NPDES) permit.
- Prepare the required environmental assessment.

Once these activities are completed, actual design of the plant can begin.

Refer to Water Treatment Plant in Section 4: Capital Improvement Plan for more information.

► Influencing Factors

The following factors influenced the development of this budget. They are listed in alphabetical order.

Dedicated Funding for Utilities, Stormwater, & Streets

Property tax increases in FY 2018 and FY 2019 were made to provide sufficient funds to service debt on \$6 million in street improvements.

Financing was secured in FY 2020 for a \$3.8-million Street and Pedestrian Improvements project. The balance was intended to be set aside in the Streets Capital Reserve Fund until needed to service a \$2.2-million loan for resurfacing associated with the Utilities, Stormwater, & Street Improvements project.

Because the Town Board maintained the then current property tax rate of 46 cents in FY 2021 with the advent of the countywide property revaluation, sufficient funding is now available to instead secure a \$7.2-million loan for resurfacing all of the street segments receiving utility line replacements.

 Refer to Street and Pedestrian Improvements and Utilities, Stormwater, & Street Improvements projects in Section 4: Capital Improvement Plan for more information.

Similarly, after a rate adjustment in FY 2019, utility fees raised sufficient revenue to begin funding contributions to a Capital Reserve Fund. Funds raised here made it possible to pay the design and permitting costs associated with the Utilities, Stormwater, & Street Improvements project. These funds will later be available to service the debt associated with that project.

Refer to Utilities, Stormwater, & Street Improvements project in Section 4: Capital Improvement Plan for more information.

Funding Availability in the General Fund

Since the Town Board maintained the 46-cents property tax rate in FY 2021, a year of property revaluation, sufficient revenues are now available to address what had been identified as critical issues in the FY 2021budget, including:

- eliminating the need for fund balance appropriations,
- supporting the addition of needed positions,
- funding additional street resurfacing in the Utilities, Stormwater, & Street Improvements Project (as described above in *Dedicated Funding for Utilities, Stormwater, & Streets*), and
- adequately funding the Town's Vehicle Replacement Plan.

This funding has also provided additional opportunities for projects such as the long-delayed installation of wayfinding signage, as proposed in a 2012 wayfinding plan.

Budget Issues and Decisions

The objectives of this budget are to:

- comply with Town policies and state statutes,
- ensure service levels are able to match demand,
- use Town Board-dedicated funding to address critical infrastructure improvements identified in inventories and assessments, and
- continue preparing for the Town's long-range plans.

While developing this budget, we encountered the following issues in trying to meet these objectives.

Critical Issue 1–Human Resources (HR) Officer

Previously, the Town Clerk performed both clerk and human resource functions while also serving the Town Manager in a limited administrative capacity. The organization has grown in its complexity and level of service in recent years, as well as:

- the number of Town Board meetings,
- the number of major initiatives undertaken, and
- the needs of employees trying to keep pace with organizational demands.

Having one position shoulder the clerk and human resources responsibilities in this environment creates an insurmountable overburdening, resulting in inadequate resources to meet the organization's needs.

Accordingly, the FY 2021 Five-Year Financial Plan included funding for a fulltime Human Resources Officer position beginning in FY 2022. The incumbent Town Clerk/HR Officer left employment in late 2020, so recruitment to refill this position did not include a search for HR skills given that a new, fulltime HR Officer position was already approved for FY 2022.

Also in late 2020 the Town Board was asked to allow the Human Resources Officer position to be filled early, however, that request was denied. Consequently, four employees try to fit time into their schedules to pick up the most basic of human resources functions, along with extensive use of the Town Attorney. This is not a good interim solution, and certainly not a reasonable long-term solution.

Additional justification for the Human Resources Officer is found in the Budget Message. This position is critical to the success of the organization and should be filled as previously planned.

Decision

The Human Resources Officer position was moved from salary grade 25 to salary grade 22. It was also reduced to a half time position, provided it is possible to fill it after two months of recruiting. If recruitment is unsuccessful, then the position automatically converts to full time.

Critical Issue 2– Understanding the Reasons for Utility Fund Revenue Growth

The unavoidable utility rate increase instituted in FY 2019 returned the Utility Fund to solvency and provided needed funding for the capital reserve account. This in turn will provide most of the funding required to pay the debt service on \$15.1 million associated with the Utilities, Stormwater, & Street Improvements project.

In FY 2020 we experienced what had been considered normal or moderate growth in revenues from water and sewer use charges, with both coming in 5% higher than the previous year.

For FY 2021 we budgeted conservatively because of the uncertainty around the impacts of COVID-19: water and sewer were budgeted at a slight decrease from FY 2020.

Our actual experience, however, has been a surprising amount of growth over FY 2020 actuals: water is projected to come in with a 10% increase (or \$120,200), and sewer is expected to come in with a 9% increase (or \$265,841). That's a total of \$386,041 more than budgeted.

What could explain this unexpected increase?

In FY 2020 certificates of occupancy were issued for 62 residential units and 2 commercial units, and in FY 2021 certificates of occupancy were issued for 58 residential units and 0 commercial units. Through our analysis we estimate that for water revenue, from 24% to 33% of the increase is from new development; and for sewer revenue, 33% to 44% of the increase is from new development.

So, what accounts for the rest? An increase in utilization.

We found an increase in the average amount of water used for each account. We attribute this to the unexpected impacts of COVID-19. We know from the increase in sales tax and occupancy tax revenues that the county experienced record increases in visitors and spending, and we know anecdotally that many of Beaufort's second home owners came to Beaufort to live full time, or nearly full time, during the pandemic.

The question is, "Does this utilization increase remain, or does it decline, along with restrictions and concerns about COVID-19?"

Since we can't definitively answer that question, we have conservatively budgeted revenue from utility charges at 94.5% of expected FY 2021 receipts.

With COVID-19 concerns mitigated (hopefully) next year, we should be in a better position to understand the utility revenue picture. If those revenues remain stronger than expected, coupled with the addition of large utility users such as the Compass Hotel and the Pruitt Healthcare facility in 2023 or 2024, then it may be possible to lower the sewer rate and still have sufficient funding available to contribute to the capital reserve.

Decision

Following the above critical issue from the recommended budget, a billing error was discovered related to the cooling tower at the Courthouse. Resolving this error substantially reduced the growth. Instead of a 10% (\$120,200) projected increase in water, we now expect a 4.5% increase in water revenues. Instead of a 9% (\$265,841) projected increase in sewer, we now expect a 1.5% increase in sewer revenues.

Given that the usage rates are now expected to remain relatively close to current use, utility rates remain unchanged in this budget.

Critical Issue 3–Potentially Insufficient Fund Balance for Utility Fund in the Future

As required by the Town's financial policy, the Utility Fund will seek to maintain an amount of unrestricted fund balance equal to 50% or more of annual net expenditures.

Insufficient revenue from water and sewer use fees and reliance on fund balance over the years to meet spending requirements reduced the amount of unrestricted fund balance well below the 50% goal.

Proceeds from the sale of Town property off of Live Oak Street, once intended for a new water plant, has pushed the fund balance up above 51%. Those funds, however, may be needed to purchase a new site for the future water plant, returning the fund balance to a level below the target. No action is required on this issue now, but we must continue to monitor it.

Decision

Revenue from the American Recovery Plan Act will be used to purchase the site for the new water treatment plant, so the fund balance is expected to remain at the appropriate level.

Critical Issue 4–Sales Tax Revenue Growth Strong, but in Jeopardy

As mentioned in Critical Issue 2, one of the unexpected impacts of COVID-19 was record growth in revenues from county sales and occupancy taxes. The Town realized 15.5% growth in its portion of sales taxes from FY 2019 to FY 2020, and similar growth is expected from FY 2020 to FY 2021, apparently driven by travel pattern changes resulting from COVID-19.

Just as with utility revenues, we can't know if the post-pandemic return to "normalcy" will also result in travel patterns and the rates of increases also returning to normal. Therefore, sales tax revenues for FY 2022 are budgeted very conservatively, at about 98% of FY 2020 receipts.

Sales tax revenues are the second highest source of funding (behind property taxes) for Town operations, accounting for just over 14% of total revenues. This is in jeopardy, however - the Board of County Commissioners is considering changing the formula that is used to determine how sales tax revenue is distributed to the municipalities. The current formula, known as the "ad valorem distribution method", is based on the proportional share each local governments' property tax levy represents of the countywide total. This is a fair method of distribution, recognizing that property tax revenue should be a local government's major source of income. This distribution method results in each local government receiving sales tax revenue equivalent to about 42% of its property tax levy.

The alternative formula permitted by state law is known as the "per capita distribution method", which is based on the proportional share of each local governments' population. This method results in gross inequities, with Carteret County local governments receiving sales tax revenues in amounts ranging from about 3.5% to about 584% of their property tax levies. Under this method, Beaufort stands to suffer a 25% loss in sales tax revenue, the equivalent of about 5 cents on the property tax rate.

The Board of County Commissioners has appointed a study committee to make a recommendation on which sales tax distribution method will be used. The recommendation is expected sometime in FY 2022. There has been discussion of developing a hybrid method, which would require approval by the North Carolina General Assembly. Any change will result in a loss of revenue to Beaufort, which makes this a very critical issue.

Decision

This issue was discussed and the Town awaits the opportunity for involvement in the County Board of Commissioners' decision making process.

Our Budgeting Framework

Before we dive into the budget numbers, it's helpful to explore our financial structure, policy, and process. A town approach to budgeting differs from the approach a business or non-profit organization might take. And not all towns set up their finances the same way. The following section outlines the Town of Beaufort's budgeting context.

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Our Budgeted Funds

To effectively serve the public, towns need organization.

The Town of Beaufort organizes its money into "buckets" for legal and management purposes. We call these "buckets" *funds*.

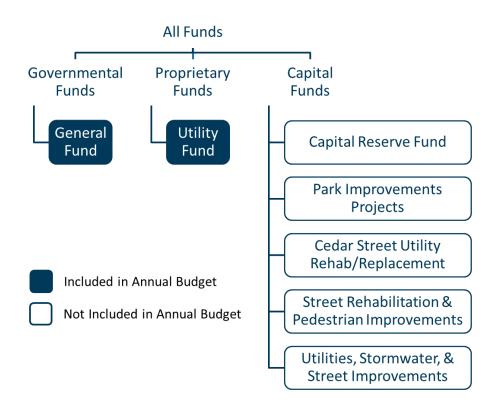
The Town of Beaufort organizes its employees based on their functions. These groups of employees are called *departments*. Some departments then group their employees into *divisions*.

Our Fund Structure

The *General Fund* is our main fund and includes all Town departments and divisions except Sewer and Water. All money received or spent goes into the General Fund unless there is a legal or management need for it to go elsewhere.

For example, state law requires us to track money collected and spent by a utility in its own fund. Therefore, we have a *Utility Fund* in which only the water and sewer monies live.

The General Fund and the Utility Fund are included in the *annual operating budget*.



In addition to the annual budget funds, we also use funds to save for or manage large projects. The *Capital Reserve Fund* was created in FY 2019 as a place to hold money earmarked for infrastructure projects such as the boardwalk, streets, and utility lines. Money appropriated for future capital projects in the General and Utility Funds goes into the Capital Reserve Fund until it is needed.

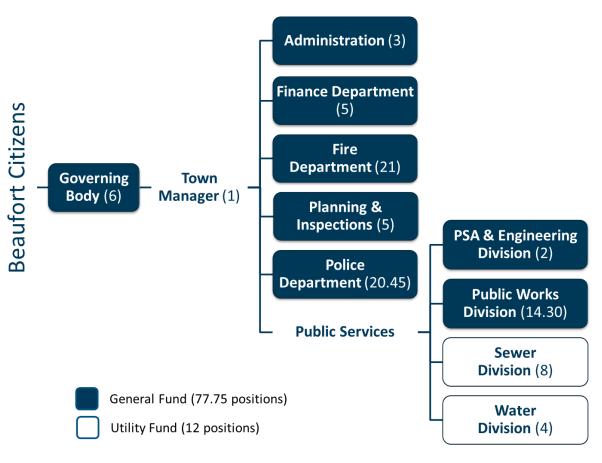
When it is needed, the capital reserves are moved into either the General Fund or Utility Fund (for projects lasting less than a year) or into a separate *capital project fund* (for projects spanning multiple years).

The annual operating budget does not include capital project funds because they span multiple fiscal years. The Town Board approves budgets for capital project funds as they are created. When the project ends, we close its fund.

In October 2020, the *Community Improvement* capital project fund was renamed for clarification to *Park Improvements Projects*.

► How Departments Relate to Funds

The following diagram shows which departments reside in which funds, as well as the organizational structure and number of positions in each department.



Distinct department-level budgets are maintained for each of the boxes.

Sewer and Water Division budgets live in the Utility Fund. All other departmental budgets live in the General Fund.

In FY 2021 the Town's Parking Management program was incorporated into the Police Department, so it no longer appears in the organization chart nor in the Department Service Plans.

Rules Guiding the Budget

North Carolina laws govern how towns budget and spend money.

Search online for the Local Government Budget and Fiscal Control Act (LGBFCA), Article 3, Part 1.

The budget also follows policies set by Beaufort's Town Board.

► Refer to Section 8: Town of Beaufort Financial Policy.

► General Budget Rules

State and local rules require the Town's budget to:

- Cover a fiscal year beginning July 1 and ending June 30;
- Include all moneys received or spent; and
- Be balanced by fund. No shortfalls or surpluses are allowed.

► Revenue Rules

Per state and local rules, the Town must:

- Set the tax rate by June 30 based on the cost of providing general government services and paying debt service;
- Keep water and sewer rates at the proper level to allow the Utility Fund to be self-supporting;
- Pursue opportunities for grants to fund Town operations or other projects that address the Town's goals; and
- Use one-time or other special money to pay for special projects and one-time expenses, not on-going operations.

► Spending Rules

Per state and local rules, the Town must:

- ensure all spending has been budgeted, and that current spending does not exceed budgeted amounts;
- pay debt service and continuing contracts;
- only spend money for public purposes;
- follow any restrictions made on the money when received (i.e. donations, grants, Powell Bill funds, etc.);
- not use debt for operational needs or for equipment or construction projects when Town's revenues or cash reserves are sufficient to avoid costs of debt; and
- keep cash reserves in the General and Utility Funds for unforeseen fiscal emergencies.

► Our Budgeting Practices

Every organization makes choices about how it budgets. The Town of Beaufort follows these budgeting practices:

• Line-Item Budgeting

Makes accounting for public money traansparent and fosters frugality in using public funds

• Incremental Budgeting

Starts with what we need to keep the Town operating at existing service levels

• Budgetary Accounting

Allows us to check whether our expected money raised covers our expected spending, and that our spending is within approved limits

• Basis of Budgeting

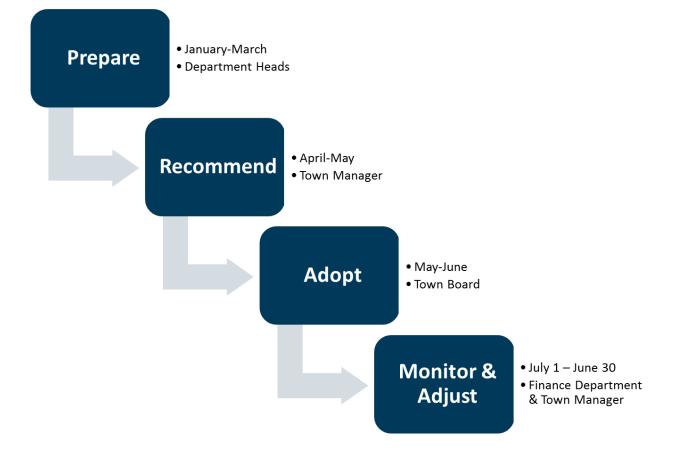
Follows our *basis of accounting: modified accrual*, where monies and assets are recorded once they are available to be spent

The Budget Process

The Town of Beaufort prepares, recommends, adopts, monitors, and adjusts its budget in accordance with state and local law.

- Search online for the Local Government Budget and Fiscal Control Act (LGBFCA), Article 3, Part 1.
- ► Refer to Section 8: Town of Beaufort Financial Policy.

The Town's budgeting process consists of four stages, as shown in the following diagram.



Preparing the Recommended Budget

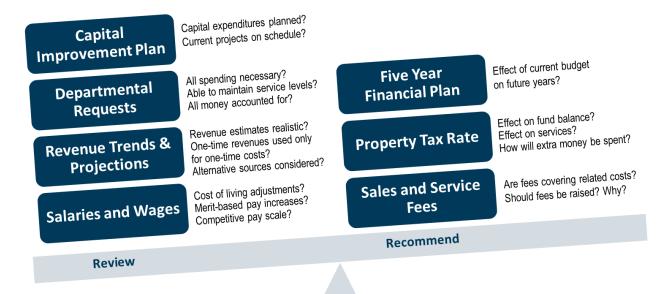
The annual budget process begins in January when Town staff gathers information for the Town Manager.

Each department head makes budget requests and revenue estimates for the budget year.

The Finance Director gives a complete statement of prior and current revenues and spending.

The Town Manager, assisted by the Finance Director, prepares a recommended budget by considering many factors.

The following diagram shows how factors weigh on budget recommendations.



► Submitting the Recommended Budget

The Town Manager drafts a budget message which introduces and summarizes the recommended budget.

The Town Board receives this recommended budget and message at their April work session or their regular board meeting in May.

On the day the Town Board receives the recommended budget, the Town Clerk invites the public to review and comment.

A print copy is made available for public review at Town Hall by contacting the Town Clerk.

A digital copy is posted on the Town website.

A public hearing is announced, typically scheduled for the next work session or regular board meeting.

A notification is sent to all news media outlets in the county.

Adopting the Budget

During special work sessions, the Town Board reviews the recommended budget. The Town Manager and Finance Director brief the Town Board on each part of the budget at these sessions.

Citizens are invited to comment on the entire budget at a public hearing before the Town Board adopts the budget.

Changes to the recommended budget are included in the ordinance, which the Town Board adopts at its regular June meeting.

This budget ordinance approves all financial transactions for the Town. It must include:

- revenue estimates,
- appropriations for expenditure, and
- the property tax levy.

Monitoring & Adjusting the Adopted Budget

The Town Manager and the Finance Director keep an eye on money received and spent during the year. They give monthly reports to the Town Board on how actual receipts and spending compare to the adopted budget.

Because budgets are based on estimates, changes are made during the year to ensure the budget remains balanced.

These changes include:

• Moving money within a department

The ordinance sets spending limits by department. Money can be moved within a department, as long as the total spending for the department does not exceed the amount allowed by the budget ordinance. However, the Town Manager can also move money between departments in the same fund without limitation, changing departmental totals if needed.

• Amending the budget ordinance

With a *budget amendment*, the Town Board can change the budget ordinance at any time to limit spending or allow use of more cash reserves. However, the property tax rate can't be changed once adopted in June.

The Budget Calendar

► Schedule

Budget Document Presented

Town Board Regular Meeting May 10–6 PM via Zoom

Budget Work Sessions

May 17, 2021–4 PM via Zoom May 20, 2021–4 PM via Zoom May 26, 2021–4 PM via Zoom

Public Comment

Town Board Work Session May 24, 2021–4 PM via Zoom

FY 2021 Budget Adoption

Town Board Meeting June 14, 2021–6 PM via Zoom

DID YOU KNOW?

The Town's website receives the most visits from users in Raleigh.

The Annual Budget

This section provides a detailed explanation of the money the Town expects to receive in FY 2022 and how it expects to spend it. It summarizes debt obligations and includes a service plan for each department showing previous accomplishments and upcoming goals.

In this section you will find:

 Annual Budget Guide 	40
 Sources, Uses, and Fund Balance 	42
 All Budgeted Funds 	49
 General Fund Budget 	65
 Utility Fund Budget 	83
 Department Service Plans 	97
Governing Body	98
Administration	102
Finance Department	108
Fire Department	110
Planning & Inspections	114
Police Department	118
Public Services Administration & Engineering	122
Public Works Division	126
Sewer Division	130
Water Division	134
Non-Departmental	138

Annual Budget Guide

The annual budget is a proposed financial plan for raising and spending money during the fiscal year. The Town Manager creates the annual budget based on input from the Finance Director and department heads.

The Town Manager looks at various types of information when creating the annual budget, such as:

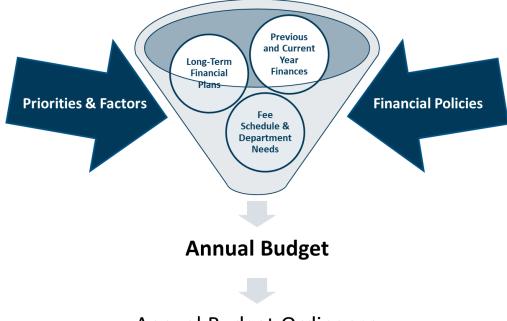
- Money raised and spent in prior years
- Fees departments expect to collect and spending requests
- Planned expenses from long-term financial plans

The Town Manager reviews the numbers, taking into account:

- The Town's strategic priorities (e.g. guiding themes)
- Influencing factors (i.e. changes in economy or policy)

The annual budget explains and provides context for the numbers used in the annual budget ordinance (which enacts the budget as law).

The following diagram shows the types of information that go into creating the annual budget, which then informs the budget ordinance.



Annual Budget Ordinance

► Parts of the Annual Budget

The annual budget is comprised of several sections.

Sources, Uses, and Fund Balance

Describes the major types of revenue and expenditure. Defines fund balance and limitations on its use.

All Budgeted Funds

Provides an overview of revenue, expenditure, and fund balance across all budgeted funds.

Fund Budgets

Provides an overview of revenue, expenditure, and fund balance for each of the two annually budgeted funds: General and Utility.

Department Service Plans

Provides an overview of services and activities each department will undertake in the upcoming budget year.

Sources, Uses, and Fund Balance

Each budgeted fund provides a way to monitor:

- *revenue* (money coming in),
- expenditure (money going out), and
- *fund balance* (money saved in previous years).

Revenue Sources

The Town defines its major sources of revenue as follows.

Property Taxes

Property tax revenue comes from taxes assessed on real and personal property, as well as motor vehicles. This category includes collection of prior taxes, including penalties and interest.

The amount of property tax revenue is based on: the value of property within the Town, the tax rate set by the annual budget ordinance, and the estimated collection rate.

The value of property within the Town is calculated by Carteret County.

The North Carolina Local Government Budget and Fiscal Control Act does not allow the Town to budget a higher property tax collection rate than the actual collection rate for the current year. This requires some estimating, as the current collection cycle is not complete at the time the budget is crafted.

SAMPLE CALCULATION - NOT ACTUAL NUMBERS

Value of Property in Town		\$^	1,000,000
Multiply by Tax Rate	\$0.004600		4,600
Multiply by Collection rate	97.49%		4,485
County Collection Fee Expense	2%		(90)
	Town Nets	\$	4,395

Carteret County collects property taxes for the Town and charges a collection fee based on the amount of property tax collected. This fee shows up in operational expenditures.

Intergovernmental Revenues–Unrestricted

Unrestricted intergovernmental revenues come to the Town from other government sources, without specific conditions regarding how the Town spends the money. The following table lists key sources of unrestricted intergovernmental revenue.

Name	Gov't Source	Description
Local Option Sales Tax	State of North Carolina	Portion of 2% Sales Tax allocated by Carteret County for Beaufort
Utility Tax	State of North Carolina	Essentially a property tax from utility companies (such as electricity providers)
Beer and Wine Profit Distribution	State of North Carolina	Annual distribution of the State Beer and Wine Excise Tax
ABC Profit Sharing	ABC Commission	Distribution of a portion of the liquor revenue generated in Carteret County

Intergovernmental Revenues-Restricted

Restricted intergovernmental revenues come to the Town from other government sources, along with specific conditions regarding how the Town spends the money. The following table lists key sources of restricted intergovernmental revenue.

Name	Gov't Source	Description
Fire Tax	Carteret County	County assessed tax paid to Beaufort in exchange for providing fire and first responder services in the Harlowe and Beaufort Rural fire districts. Restricted to use in the Fire Department.
Powell Bill	State of North Carolina	Supplements local budgets to fund street maintenance based on road miles. These funds are restricted to street maintenance. They can be spent in the year received or saved up to fund a larger future project.
Various Grants	State, Federal, or County	Examples might include: Carteret County granting money to help dredge Bulkhead Channel, NC DEQ granting money for a water asset inventory, or NOAA granting money to help clean up Taylor's Creek.

Permits and Fees

Permits and fees revenues include Town-assessed fees such as solid waste user fees, building permits, stormwater fees, parking fees, fees for installing water meters and sewer connections, and late fees.

► Refer to Section 6: Fee Schedule for more information.

Sales and Service Revenues

Sales and service revenues are received by the Town in exchange for goods or services it provides. Examples include:

- Sales of water and sewer treatment services
- Leasing several Town-owned properties to private entities (e.g. Beaufort Docks)
- Leasing space on water towers and other Town-owned land for utility antennas
- Sales of plots in Oceanview Cemetery
- Sales of surplus property

Other Revenues

Other revenues include investment earnings, donations, insurance reimbursements, and miscellaneous receipts that don't fit into any other category.

Loan Proceeds

Revenue from loan proceeds is money lent to the Town, which it must repay with interest. Loans are used for capital purchases and improvements, such as:

- Vehicles (work trucks, police cars, etc.)
- Land
- Building construction or improvements, such as road resurfacing

Loan proceeds are offset by a corresponding, equal capital outlay expense in the year the loan is made. Loan payments (to repay principal and interest) appear as debt service expenses for the term of the loan. The debt service may or may not begin in the year the loan is made, and extends into future budget years.

Transfers In

Transfers in accounts for money moved between funds. The fund receiving the money records it as revenue in this category. The fund sending the money records it as an expense in the transfers out category.

Fund Balance Appropriation

Fund balance appropriation accounts for money the Town takes out of its saved reserves.

► Expenditure Categories

The Town categorizes its budgeted expenses as follows.

Personnel

Personnel expenditures cover all aspects of paying employees:

- Salaries and hourly wages, overtime, merit pay, etc.
- Benefits, such as contributions to Social Security, health insurance, unemployment insurance, retirement benefits, worker's compensation, etc.
- Each departmental budget contains personnel expenditures based on existing conditions.
- Funding for merit-based pay adjustments resides in the non-departmental account.

Operations

Operations expenditures include all supplies, materials, and small equipment needed to conduct operations in the budget year. Things such as fuel, uniforms, etc. fall into this category.

Operations expenditures also include payments made to outside organizations to perform services under a contract. For example, the Town contracts with Waste Industries/GFL to collect trash and recycling for the Town.

Inflation must be taken into account when calculating these costs– the same services or materials purchased this year may cost more next year.

Capital Outlay

Capital outlay expenditures relate to capital assets or improvements (items held or used for more than one year that are of significant value). The Town considers the following expenses as capital outlay.

- Items originating in departmental requests which are valued between \$25,000 and \$100,000. Examples include furniture, equipment, vehicles, major plans, etc.
- Items originating in the capital improvement plan which are valued above \$100,000. Examples include land, buildings, street resurfacing, etc.

Debt Service

Debt service expenditures include repayment of various sorts of loans. By state law, an annual budget must include debt service expenditures if the Town has any loan payments due in the budget year.

Transfers Out

Transfer expenditures reflect money moved between funds. The fund sending the money records it as an expense in this category. The fund receiving the money records it as revenue in the form of a transfer in.

For example, water and sewer operations in a Utility Fund usually rely on departments in a General Fund to: process billing and collections, pay bills, process payroll, and maintain vehicles and facilities. To pay for those services, the Utility Fund transfers money (an expense) to the General Fund, where it is recorded as revenue.

► Fund Balance

The budget is amended throughout the year to keep spending in line with actual revenue. Only after the fiscal year is over do we know how much money was actually collected and spent.

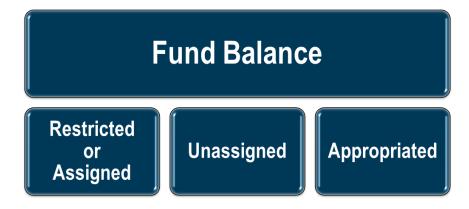
The fund balance (often referred to as reserves) is the difference between actual revenue and actual expenditure that accumulates over time. If actual revenues are more than actual expenditures, the fund balance goes up. If actual revenues are less than actual expenditures, the fund balance goes down.

Fund balance can be used as a source of revenue, provided enough is held back to:

- comply with limits set in the Town's financial policies,
- pay vendors and payroll in a timely manner (often referred to as cash flow),
- address emergency or unforeseen needs, and
- take advantage of unexpected opportunities which require money.

The fund balance is categorized by spending constraints attached to the funds.

Some types of fund balance can never be spent, according to North Carolina statute. These non-spendable funds are not relevant to the budget, and are omitted from this discussion. The following diagram shows the categories of fund balance which the Town includes in its budgeting process.



The following list defines types of fund balance used in budgeting.

- *Restricted fund balance* can only be used under certain conditions associated with the original underlying revenue. For example, NC gives the Town money through the Powell Bill with a restriction that the money only be used for road maintenance. If extra Powell Bill money is left at the end of the year, it becomes part of the General Fund restricted fund balance.
- Assigned fund balance can only be used as approved by the Town Board. For example, in FY 2018 the Town Board designated 2 cents of property taxes for use in street repairs. If some of this money were left over at the end of the year, it would be considered assigned fund balance. Designations can be removed or added by the Town Board as needed.
- Unassigned fund balance amounts are available for any purpose. Town financial policy requires the General Fund to keep unassigned funds equal to 20% of its anticipated expenses for the fiscal year. The Utility Fund is required to set aside 50% of its anticipated operating expenses. Any amount above these "rainy day" funds is called available unassigned fund balance, and can be used as revenue in the annual budget.
- *Appropriated fund balance* is the amount of restricted, assigned, or available unassigned funds that are approved by the Town Board for spending in a given year.

All Budgeted Funds

The Town budgets its money in two funds: the General Fund and the Utility Fund. This section shows what money the Town expects to receive and spend in the coming budget year across both of these funds.

All Budgeted Funds At-a-Glance for FY 2022

The following table lists FY 2022 revenues and expenditures for the Town's two annually budgeted funds: General Fund and Utility Fund.

The table has five groupings of rows.

The first grouping, REVENUES, lists major funding sources for each fund in FY 2022. Major funding sources include:

- Property taxes,
- Intergovernmental,
- Permits and fees,
- Sales and service,
- Other revenues,
- Loan proceeds,
- Transfers in, and
- Appropriated fund balance.

The second grouping, EXPENDITURES–by Category, lists major types of spending for each fund in FY 2022. Categories include:

- Personnel,
- Operations,
- Capital outlay,
- Debt service, and
- Transfers out to other funds.

The third grouping, EXPENDITURES-by Department, provides another way to look at spending. It shows how money is distributed across departments for each fund in FY 2022.

The fourth grouping, FUND BALANCE–RESTRICTED or ASSIGNED, shows changes in the restricted or assigned fund balance resulting from setting aside or using restricted reserves.

The fifth and final grouping, FUND BALANCE–UNASSIGNED, shows impact of using unrestricted reserve funds. Town policy requires minimum reserves equal to 20% of expenditures for General Fund and 50% for the Utility Fund. Loan Proceeds are not included in this calculation.

The Annual Budget

OVERVIEW of ALL BUDGETED FUNDS			
FY 2022	FY 2022	FY 2022	
	General Fund	Utility Fund	
REVENUES			
Property Taxes	\$ 5,121,580	NA	
Intergovernmental	3,764,842	-	
Permits and Fees	1,144,820	140,000	
Sales and Service	301,890	4,390,000	
Other Revenues	12,700	-	
Loan Proceeds	360,000	-	
Transfers In	624,000	90,000	
Fund Balance Appropriation		19,657	
Total Revenues	\$11,329,832	\$ 4,639,657	
EXPENDITURES - by Category			
Personnel	\$ 5,775,283	\$ 1,004,305	
Operations	2,977,824	1,147,336	
Capital Outlay	1,352,950	180,000	
Debt Service	938,775	1,334,016	
Transfers Out	285,000	974,000	
Total Expenditures - by Category	\$11,329,832	\$ 4,639,657	
EXPENDITURES - by Department			
Governing Body	\$ 97,726	NA	
Administration	629,071	NA	
Finance	544,852	NA	
Fire	2,989,641	NA	
Planning & Inspections	475,737	NA	
Police	2,248,079	NA	
PSA & Engineering	303,142	NA	
Public Works	2,745,165	NA	
Sewer	NA	2,650,380	
Water	NA	999,277	
Non-Departmental	1,296,419	990,000	
Total Expenditures - by Department	\$11,329,832	\$ 4,639,657	
FUND BALANCE - RESTRICTED or ASSIGNED			
Beginning Restricted/Assigned	\$ 20,440	\$ 367,598	
(Appropriated) or Contributed Restricted/Assigned	φ 20,440	φ 007,000 -	
Ending Restricted/Assigned	\$ 20,440	\$ 367,598	
	φ 20,440	φ 007,000	
FUND BALANCE - UNASSIGNED	* • • • • • • • • •	* • • • • • • • • •	
Beginning Unassigned	\$ 3,384,915	\$ 2,400,941	
(Appropriated) Unassigned	-	-	
Ending Unassigned	\$ 3,384,915	\$ 2,400,941	
Unassigned as % of Expenditures	30.86%	51.75%	

Revenues by Source for All Budgeted Funds

The following table breaks out FY 2022 revenues by major source across all budgeted funds. The first row labels each of four columns.

The first column, REVENUE SOURCE, identifies each major revenue source:

- Property taxes,
- Intergovernmental,
- Permits and fees,
- Sales and service,
- Other revenues,
- Loan proceeds,
- Appropriated fund balance, and
- Contribution from other funds.

The second column, REVENUE DESCRIPTION, describes each major funding source.

The third and fourth columns show the anticipated total for each funding source in FY 2022 for all budgeted funds combined—as both a dollar amount and a proportion of total Town revenues.

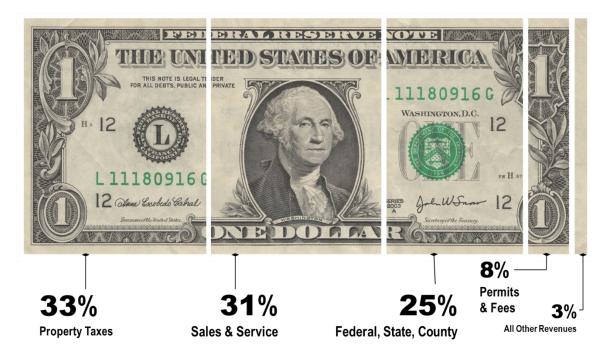
To avoid double-counting revenues, contributions from other funds are presented separately from all other revenue sources.

REVENUES by SOURCE for ALL FUNDS

FY 2022

REVENUE SOURCE	UE SOURCE REVENUE DESCRIPTION		
Property Taxes	Levy of taxes on real and personal property, and on motor vehicles	\$ 5,121,580	33.4%
Intergovernmental	From other governments (grants, sales tax, ABC store profits, etc.)	3,764,842	24.5%
Permits and Fees	Town fees (trash collection, water & sewer, building permits, etc.)	1,284,820	8.4%
Sales and Service	Water sales, sewer services, property leases, cemetery lots, etc.	4,691,890	30.6%
Other Revenues	Investments, insurance reimbursements, and other misc. sources	12,700	0.1%
Loan Proceeds	Loans for construction projects and large equipment purchases	360,000	2.3%
Transfers In	From capital reserves or other funds	90,000	0.6%
Appropriated Fund Balance	Accumulated reserves within budgeted funds	19,657	0.1%
SUBTOTAL REVENUES		\$ 15,345,489	100%
	Contribution from UF to GF	624,000	
TOTAL REVENUES (Including transfers)		\$ 15,969,489	

The following chart provides a graphic view of the preceding table.



Revenues by Source over Time

The following table displays revenues by source, over time, for each fund and for both funds combined. The first row labels each of five columns:

- FY 2020 Actual,
- FY 2021 Budget,
- FY 2022 Budget,
- Amt Change from FY 2021, and
- % Change.

The table has three groupings of rows.

The first grouping shows GENERAL FUND REVENUES by major source. Each General Fund revenue source is listed on a separate row; the last line in this grouping provides a subtotal of all General Fund revenues.

The second grouping shows UTILITY FUND REVENUES by major source. Each Utility Fund revenue source is listed on a separate row; the last line in this grouping provides a subtotal of all Utility Fund revenues.

The third and final grouping shows ALL FUND REVENUES by major source. Each row displays a major revenue source, adding together General Fund and Utility Fund revenues for that source. To avoid double-counting revenues, contributions from other funds are subtracted. The last line in this grouping provides a total of all revenues for the General Fund and Utility Fund combined.

REVENUES by SOURCE OVER TIME							
FY 2022	FY 2022 Amt Change						
	FY 2020 Actual	FY 2021 Budget	021 Budget FY 2022 Budget f		Change		
GENERAL FUND REVENUES							
Property Taxes	\$ 4,018,199	\$ 4,962,917	\$ 5,121,580	\$ 158,663	3%		
Intergovernmental	3,668,820	2,661,030	3,764,842	1,103,812	41%		
Permits and Fees	992,553	1,116,750	1,144,820	28,070	3%		
Sales and Service	288,911	281,801	301,890	20,089	7%		
Other Revenues	163,554	57,817	12,700	(45,117)	-78%		
Loan Proceeds	1,001,687	-	360,000	360,000	NA		
Transfers In	511,000	600,000	624,000	24,000	4%		
Fund Balance Appropriation		121,786	-	(121,786)	-100%		
Subtotal General Fund Revenues	10,644,724	9,802,101	11,329,832	1,527,731	16%		
UTILITY FUND REVENUES							
Intergovernmental	67,153	150,000	-	(150,000)	-100%		
Permits and Fees	129,926	104,000	140,000	36,000	35%		
Sales and Service	4,181,298	4,266,598	4,390,000	123,402	3%		
Other Revenues	135,206	-	-	-	NA		
Loan Proceeds	-	90,000	-	(90,000)	-100%		
Transfers In	-	194,000	90,000	(104,000)	-54%		
Fund Balance Appropriation	-	107,100	19,657	(87,443)	-82%		
Subtotal Utility Fund Revenues	4,513,583	4,911,698	4,639,657	(272,041)	-6%		
ALL REVENUES							
Total Property Taxes	4,018,199	4,962,917	5,121,580	158,663	3%		
Total Intergovernmental	3,735,972	2,811,030	3,764,842	953,812	34%		
Total Permits and Fees	1,122,479	1,220,750	1,284,820	64,070	5%		
Total Sales and Service	4,470,209	4,548,399	4,691,890	143,491	3%		
Total Other Revenues	298,760	57,817	12,700	(45,117)	-78%		
Total Loan Proceeds	1,001,687	90,000	360,000	270,000	300%		
Total Transfers In	511,000	794,000	714,000	(80,000)	-10%		
Fund Balance Appropriation	-	228,886	19,657	(209,229)	-91%		
Less Contribution from UF to GF	(511,000)	(600,000)	(624,000)	(24,000)	4%		
Total All Revenues	\$14,647,307	\$14,113,799	\$15,345,489	\$ 1,231,690	9%		

Spending by Category for All Budgeted Funds

The following table breaks out FY 2022 expenditures by major category across all budgeted funds. The first row labels each of four columns.

The first column, EXPENDITURE CATEGORY, identifies each major spending category:

- Personnel,
- Operations,
- Capital outlay,
- Debt service, and
- Transfers.

The second column, EXPENDITURE DESCRIPTION, describes each major spending category.

The third and fourth columns show the anticipated total for each major spending category in FY 2022 for all budgeted funds combined—as both a dollar amount and a proportion of total Town expenditures.

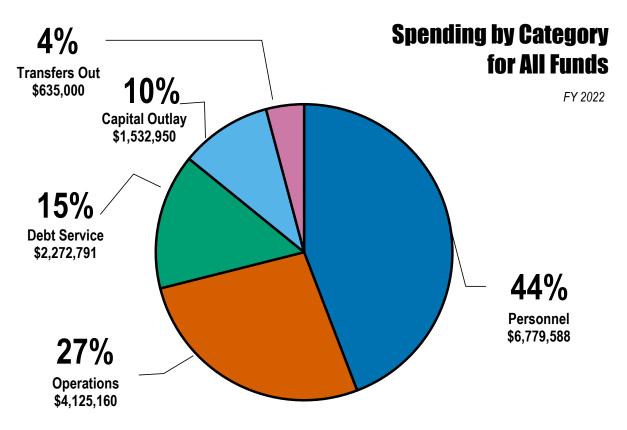
To avoid double-counting expenditures, transfers between budgeted funds are presented separately from all other expenditure categories.

EXPENDITURES by CATEGORY for ALL FUNDS

FY 2022

EXPENDITURE CATEGORY	EXPENDITURE DESCRIPTION	FY 2022	
Personnel	Employee salaries wages, payroll taxes, health insurance, etc.	\$ 6,779,588	44.2%
Operations	Day-to-day purchases, including utilities, fuel, repairs, etc.	4,125,160	26.9%
Capital Outlay	Durable equipment, construction projects, capital reserves	1,532,950	10.0%
Debt Service	Loan payments	2,272,791	14.8%
Transfers Out	Transfers to other funds	635,000	4.1%
SUBTOTAL EXPENDITURES		\$ 15,345,489	100%
	Contribution from UF to GF	624,000	
TOTAL EXPENDITURES		\$ 15,969,489	
(Including transfers)			

The following chart provides a graphic view of the preceding table.



Expenditures by Category over Time

The following table displays expenditures by category, over time, for each fund and for both funds combined. The first row labels each of five columns:

- FY 2020 Actual,
- FY 2021 Budget,
- FY 2022 Budget,
- Amt Change from FY 2021, and
- % Change.

The table has three groupings of rows.

The first grouping shows GENERAL FUND EXPENDITURES by category. Each General Fund spending category is listed on a separate row; the last line in this grouping provides a subtotal of all General Fund expenditures.

The second grouping shows UTILITY FUND EXPENDITURES by category. Each Utility Fund spending category is listed on a separate row; the last line in this grouping provides a subtotal of all Utility Fund expenditures.

The third and final grouping shows ALL FUND EXPENDITURES by category. Each spending category is listed on a separate row; the last line in this grouping provides a total of all expenditures for the General Fund and Utility Fund combined.

EXPENDITURES by CATEGORY OVER TIME						
FY 2022				Amt Change	%	
	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	from FY 2021	Change	
GENERAL FUND EXPENDITURES						
Personnel	\$ 5,105,778	\$ 5,362,842	\$ 5,775,283	\$ 412,441	8%	
Operations	2,749,640	2,731,169	2,977,824	246,655	9%	
Capital Outlay	1,258,575	760,663	1,352,950	592,287	78%	
Debt Service	1,486,241	857,195	938,775	81,580	10%	
Transfers Out	573,999	185,000	285,000	100,000	54%	
Subtotal General Fund Expenditures	11,174,232	9,896,869	11,329,832	1,432,963	14%	
UTILITY FUND EXPENDITURES						
Personnel	1,027,534	988,467	1,004,305	15,838	2%	
Operations	973,534	1,231,402	1,147,336	(84,066)	-7%	
Capital Outlay	986,922	273,600	180,000	(93,600)	-34%	
Debt Service	1,473,098	1,378,228	1,334,016	(44,212)	-3%	
Transfers Out	844,930	950,000	974,000	24,000	3%	
Subtotal Utility Fund Expenditures	5,306,018	4,821,698	4,639,657	(182,041)	-4%	
ALL EXPENDITURES						
Total Personnel	6,133,312	6,351,310	6,779,588	428,279	7%	
Total Operations	3,723,174	3,962,571	4,125,160	162,588	4%	
Total Capital Outlay	2,245,496	1,034,263	1,532,950	498,687	48%	
Total Debt Service	2,959,339	2,235,423	2,272,791	37,368	2%	
Transfers Out	1,418,929	1,135,000	1,259,000	124,000	11%	
Less Contribution from UF to GF	(511,000)	(600,000)	(624,000)	(24,000)	4%	
Total All Fund Expenditures	\$15,969,250	\$14,118,567	\$15,345,489	\$ 1,226,922	9%	

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Spending by Department for All Budgeted Funds

The following table breaks out FY 2022 expenditures by department across both budgeted funds. The first row labels each of four columns.

The first column, EXPENDITURE DEPARTMENT, identifies the department. Costs distributed across departments appear in the non-departmental line.

The second column, EXPENDITURE DESCRIPTION, describes the department in terms of its services.

The third and fourth columns show the department's anticipated spending in FY 2022 for all budgeted funds combined—as both a dollar amount and a proportion of total Town expenditures.

Non-departmental percentage is excluded from this column as this spending is distributed across departments.

To avoid double-counting expenditures, transfers between budgeted funds are presented separately from all other expenditure categories.

EXPENDITURES by DEPARTMENT for ALL FUNDS

FY 2022

EXPENDITURE DEPARTMENT	EXPENDITURE DESCRIPTION	FY 2022	2
Governing Body	Mayor and board of commissioners, maintain code of ordinances	\$ 97,726	0.7%
Administration	Town manager, human resources, clerk, and public information	629,071	4.6%
Finance	Accounting, billing, purchasing, payroll, etc.	544,852	4.0%
Fire	Fire prevention and suppression; first responder services	2,989,641	21.8%
Planning & Inspections	Planning and regulating of construction and development	475,737	3.5%
Police	Police patrol, investigation, and school resources officer programs	2,248,079	16.4%
PSA & Engineering	Town engineering and oversight for Public Works and Utilities	303,142	2.2%
Public Works	Maintain Town streets, buildings, vehicles, and storm water facilities	2,745,165	20.1%
Sewer	Sewer collection system, waste water treatment plant	2,650,380	19.4%
Water	Water distribution system, wells, water treatment plants	999,277	7.3%
Non-Departmental	Costs not associated with any single department	1,662,419	NA
Subtotal All Departments		\$ 15,345,489	100%
	Contribution from UF to GF	624,000	_
		\$ 15,969,489	-

(Including transfers)

The following chart provides a graphic view of the table above.



Expenditures by Department over Time

The following table displays expenditures by department, over time, for each fund and for both funds combined. The first row labels each of five columns:

- FY 2020 Actual,
- FY 2021 Budget,
- FY 2022 Budget,
- Amt Change from FY 2021, and
- % Change.

The table has three groupings of rows.

The first grouping shows GENERAL FUND EXPENDITURES by department. Each row contains a department housed within the General Fund. General Fund expenses spanning more than one department appear in the non-departmental line. The last line in this grouping provides a subtotal of all General Fund expenditures.

The second grouping shows UTILITY FUND EXPENDITURES by department. Each row contains a department housed within the Utility Fund. Utility Fund expenses spanning more than one department appear in the non-departmental line. The last line in this grouping provides a subtotal of all Utility Fund expenditures.

The third and final grouping is a single line, ALL FUND EXPENDITURES, which totals all expenditures for the General Fund and Utility Fund combined.

EXPENDITURES by DEPARTMENT OVER TIME					
FY 2022	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	Amt Change from FY 2021	% Change
GENERAL FUND EXPENDITURES					
Governing Body	\$ 84,849	\$ 87,196	\$ 97,726	\$ 10,530	12%
Administration	746,679	477,917	629,071	151,154	32%
Finance	490,509	524,619	544,852	20,233	4%
Fire	3,030,576	2,053,293	2,989,641	936,348	46%
Planning & Inspections	469,080	654,153	475,737	(178,417)	-27%
Police	1,937,300	2,140,948	2,248,079	107,131	5%
PSA & Engineering	-	288,215	303,142	14,927	5%
Public Works	2,474,204	2,748,130	2,745,165	(2,965)	0%
Non-Departmental	1,941,036	922,398	1,296,419	374,021	41%
Subtotal General Fund Expenditures	11,174,232	9,896,869	11,329,832	1,432,963	14%
UTILITY FUND EXPENDITURES					
Sewer	3,757,978	3,022,877	2,650,380	(372,497)	-12%
Water	703,110	832,821	999,277	166,456	20%
Non-Departmental	844,930	966,000	990,000	24,000	2%
Subtotal Utility Fund Expenditures	5,306,018	4,821,698	4,639,657	(182,041)	-4%
ALL EXPENDITURES					
Less Contribution from UF to GF	(511,000)	(600,000)	(624,000)	(24,000)	4%
Total All Expenditures	\$15,969,250	\$ 14,118,567	\$ 15,345,489	\$ 1,226,922	9%

Fund Balance Changes for All Budgeted Funds

Fund balances for each fund change as follows.

► General Fund Fund Balance

The following table shows how the FY 2022 budget will change the fund balances in the General Fund.

CHANGE IN FUND BALANCE - GENERAL FUND

FY 2022	(Appropriated)					
	Anticipated June 30, 2021			ntributed (2022		ticipated e 30, 2022
Restricted / Assigned Fund Balance	\$	20,440	\$	-	\$	20,440
Unassigned Fund Balance	3	,384,915		-	3	,384,915
Unassigned as % of Expenditures		37.27%		NA		30.86%

Refer to Fund Balance Changes for General Fund in FY 2022 later in this section for more information.

► Utility Fund Fund Balance

The following table shows how the FY 2022 budget will change the fund balances in the Utility Fund.

CHANGE IN FUND BALANCE - UTILITY FUND

FY 2022	(Appropriated)						
		Anticipated June 30, 2021		or Contributed FY 2022		Anticipated June 30, 2022	
Restricted / Assigned Fund Balance	\$	367,598	\$	-	\$	367,598	
Unassigned Fund Balance		2,400,941		-		2,400,941	
Unassigned as % of Expenditures		55.55%		NA		51.75%	

Refer to Fund Balance Changes for Utility Fund in FY 2022 later in this section for more information.

General Fund Budget

The General Fund is one of two budgeted funds. It houses all Town government functions with the exception of its enterprise (utility) operations, which are housed in the Utility Fund.

General Fund At-a-Glance for FY 2022

The General Fund houses all Town government functions except for enterprise (utility) operations, housed in the Utility Fund.

The following table shows revenues and expenditures for the General Fund over time. The first row labels each of five columns:

- FY 2020 Actual,
- FY 2021 Budget,
- FY 2022 Budget,
- Amt Change from FY 2021, and
- % Change.

The table displays information in five groupings of rows.

The first grouping, REVENUES, lists major funding sources for the General Fund in FY 2022. Each revenue source is listed on a separate row; the last line in this grouping provides a total of General Fund revenues.

The second grouping, EXPENDITURES–by Category, lists major types of spending for the General Fund in FY 2022. Each spending category is listed on a separate row; the last line in this grouping provides a total of General Fund expenditures.

The third grouping, EXPENDITURES–by Department, provides another way to look at spending. It shows how money is distributed across departments within the General Fund in FY 2022.

The fourth grouping, FUND BALANCE–RESTRICTED or ASSIGNED, shows changes in the restricted or assigned fund balance resulting from setting aside or using restricted reserves.

The fifth and final grouping, FUND BALANCE–UNASSIGNED, shows impact of using unrestricted reserve funds. Town policy requires minimum reserves equal to 20% of expenditures for General Fund.

GENERAL FUND - REVENUES and EXPENDITURES

GENERAL FUND - REVENUES and E FY 2022	XPENDITURES			Amt Change	%
	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	from FY 2021	Change
REVENUES					
Property Taxes	\$ 4,018,199	\$ 4,962,917	\$ 5,121,580	\$ 158,663	3%
Intergovernmental	3,668,820	2,661,030	3,764,842	1,103,812	41%
Permits and Fees	992,553	1,116,750	1,144,820	28,070	3%
Sales and Service	288,911	281,801	301,890	20,089	7%
Other Revenues	163,554	57,817	12,700	(45,117)	-78%
Loan Proceeds	1,001,687	-	360,000	360,000	NA
Transfers In	511,000	600,000	624,000	24,000	4%
Fund Balance Appropriation		121,786	-	(121,786)	-100%
Total Revenues	\$10,644,724	\$ 9,802,101	\$ 11,329,832	\$ 1,527,731	16%
EXPENDITURES - by Category					
Personnel	\$ 5,105,778	\$ 5,362,842	\$ 5,775,283	\$ 412,441	8%
Operations	2,749,640	2,731,169	2,977,824	246,655	9%
Capital Outlay	1,258,575	760,663	1,352,950	592,287	78%
Debt Service	1,486,241	857,195	938,775	81,580	10%
Transfers Out	573,999	185,000	285,000	100,000	54%
Total Expenditures - by Category	\$11,174,232	\$ 9,896,869	\$ 11,329,832	\$ 1,432,963	14%
EXPENDITURES - by Department					
Governing Body	\$ 84,849	\$ 87,196	\$ 97,726	\$ 10,530	12%
Administration	746,679	477,917	629,071	151,154	32%
Finance	490,509	524,619	544,852	20,233	4%
Fire	3,030,576	2,053,293	2,989,641	936,348	46%
Planning & Inspections	469,080	654,153	475,737	(178,417)	-27%
Police	1,937,300	2,140,948	2,248,079	107,131	5%
PSA & Engineering	-	288,215	303,142	14,927	5%
Public Works	2,474,204	2,748,130	2,745,165	(2,965)	0%
Non-Departmental	1,941,036	922,398	1,296,419	374,021	41%
Total Expenditures - by Department	\$11,174,232	\$ 9,896,869	\$ 11,329,832	\$ 1,432,963	14%
FUND BALANCE - RESTRICTED or A	ASSIGNED				
Beginning Restricted/Assigned			\$ 20,440		
(Appropriated) or Contributed Restricted/Assigned			-		
Ending Restricted/Assigned			\$ 20,440		
FUND BALANCE - UNASSIGNED					
Beginning Unassigned		\$ 3,384,915			
	(Appropriated) Unassigned		-		
	Ending Unassigned				
Unassigned as % of Expenditures			30.86%		

The following sections provide detail for General Fund revenues, expenditures, and fund balance.

General Fund Revenues for FY 2022

The following table breaks out FY 2022 revenues by major source for the General Fund. The first row labels each of four columns.

The first column, REVENUE SOURCE, identifies each major revenue source:

- Property taxes,
- Intergovernmental,
- Permits and fees,
- Sales and service,
- Other revenues,
- Loan proceeds,
- Transfers in,
- Appropriated fund balance, and
- Contribution from Utility Fund.

The second column, REVENUE DESCRIPTION, describes each major funding source.

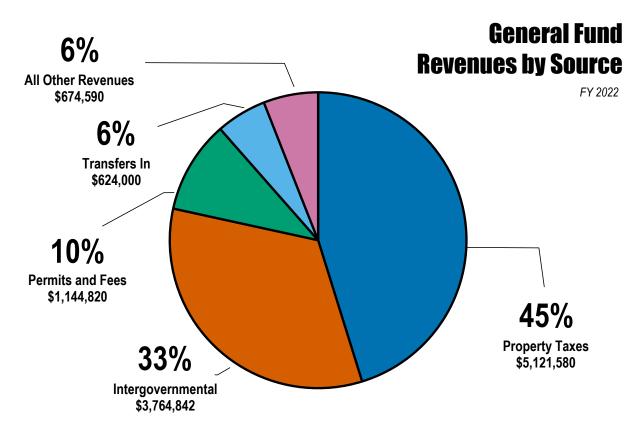
The third column and fourth columns show the anticipated General Fund total for each funding source in FY 2022 as both a dollar amount and a proportion of total General Fund revenues.

REVENUES by SOURCE for GENERAL FUND

FY 2022

REVENUE SOURCE	REVENUE DESCRIPTION			
Property Taxes	Levy of taxes on real and personal property, and motor vehicles	\$	5,121,580	45.2%
Intergovernmental	From other governments (grants, sales tax, ABC store profits, etc.)		3,764,842	33.2%
Permits and Fees	Town fees (trash collection, building permits, etc.)		1,144,820	10.1%
Sales and Service	Property leases, cemetery lots, etc.		301,890	2.7%
Other Revenues	Investments, insurance reimbursements, and other misc. sources		12,700	0.1%
Loan Proceeds	Loans for construction projects and large equipment purchases		360,000	3.2%
Transfers In	From capital reserve fund or other funds		624,000	5.5%
Appropriated Fund Balance	Accumulated reserves		-	0.0%
TOTAL REVENUES		\$	11,329,832	100%

The following chart provides a graphic view of the preceding table.



General Fund Revenues–Property Taxes

Property tax revenue consists of the levy of taxes on real and personal property, and on motor vehicles.

Real and personal property taxes are collected by the Carteret County Tax Office. Revenue is projected based on tax base values provided by the County Tax Office, the tax rate, and the prior year's tax collection rate, and in accordance with state law.

Real and personal property taxes are calculated by multiplying tax base by tax rate by collection rate and adding penalties and interest from past due collections.

Motor vehicle taxes are collected by the state at the time vehicle registration fees are paid. Projected revenues are based on historical trends in tax rate collections.

Other property taxes include payment in lieu of taxes (PILOT) situations. This is a means of collecting taxes on properties leased from the Town (which would otherwise be tax-exempt as they are Town-owned).

GENERAL FUND REVENUE DETAIL - PROPERTY TAXES

FY 2020	FY 2021	FY 2022	Amt Change	%
Actual	Budget	Budget	from FY 2021	Change
\$ 3,802,340	\$ 4,762,759	\$ 4,915,580	\$ 152,821	3%
800,264,000	1,045,058,001	1,078,277,721	33,219,720	3%
0.4135	0.4600	0.4600	-	0%
95.54%	97.41%	97.49%	0.08%	0%
74,000	80,000	80,000		
190,805	168,158	200,000	31,842	19%
39,630,179	39,630,179	43,478,260	3,848,081	10%
0.4135	0.4600	0.4600	-	0%
99.58%	99.58%	100.00%	0.42%	0%
25,054	32,000	6,000	(26,000)	-81%
\$ 4,018,199	\$ 4,962,917	\$ 5,121,580	\$ 158,663	3%
	\$ 3,802,340 800,264,000 0.4135 95.54% 74,000 190,805 39,630,179 0.4135 99.58% 25,054	Actual Budget \$ 3,802,340 \$ 4,762,759 \$800,264,000 1,045,058,001 0.4135 0.4600 95.54% 97.41% 74,000 80,000 190,805 168,158 39,630,179 39,630,179 0.4135 0.4600 99.58% 99.58% 25,054 32,000	ActualBudgetBudget\$ 3,802,340\$ 4,762,759\$ 4,915,580\$ 800,264,0001,045,058,0011,078,277,7210.41350.46000.460095.54%97.41%97.49%74,00080,00080,000190,805168,158200,00039,630,17939,630,17943,478,2600.41350.46000.460099.58%99.58%100.00%25,05432,0006,000	ActualBudgetBudgetfrom FY 2021\$ 3,802,340\$ 4,762,759\$ 4,915,580\$ 152,821\$ 800,264,0001,045,058,0011,078,277,72133,219,7200.41350.46000.4600-95.54%97.41%97.49%0.08%74,00080,00080,00031,84239,630,17939,630,17943,478,2603,848,0810.41350.46000.4600-99.58%99.58%100.00%0.42%25,05432,0006,000(26,000)

The increase in FY 2022 Real and Personal Property Tax revenue over FY 2021 is from new development and because the actual property valuation resulting from the county revaluation process was higher than estimated.

The decrease in Other Property Tax is from the payment in lieu of taxes from the Beaufort Housing Authority not being budgeted.

EV 2022

► General Fund Revenues-Intergovernmental

This is money provided by other governments in the form of sales taxes, grants, county ABC (alcoholic beverage control) store profits, etc. Some types are unrestricted, and others are restricted in their use.

Sales tax revenue is estimated primarily on projections made by the NC League of Municipalities. Most other categories are based on historical data or expected grant awards.

GENERAL FUND REVENUE DETAIL - INTERGOVERNMENTAL

F Y 2022	FY 2020	FY 2021	FY 2022	Amt Change	%
INTERGOVERNMENTAL - Unrestricted	Actual	Budget	Budget	from FY 2021	Change
Local Option Sales Tax	\$ 1,655,967	\$ 1,250,300	\$ 1,742,200	\$ 491,900	39%
Utilities Franchise Tax	379,278	385,000	380,000	(5,000)	-1%
Beer and Wine Tax	18,155	18,872	18,200	(672)	-4%
County ABC Profit Distribution	165,277	170,000	171,700	1,700	1%
Other Intergovernmental	24,909		-	-	NA
Subtotal Intergovernmental - Unrest	\$ 2,243,585	\$ 1,824,172	\$ 2,312,100	\$ 487,928	27%
INTERGOVERNMENTAL - Restricted					
Powell Bill	\$ 118,908	\$ 120,000	\$ 120,000	\$-	0%
Fire District Tax	517,409	527,210	1,018,092	490,882	93%
County Dredging Contribution	-	-	-	-	NA
FEMA Grant	-	-	-	-	NA
Other Grants	788,917	189,648	314,650	125,002	66%
Subtotal Intergovernmental - Restricted	\$ 1,425,235	\$ 836,858	\$ 1,452,742	\$ 615,884	74%
TOTAL INTERGOVERNMENTAL	\$ 3,668,820	\$ 2,661,030	\$ 3,764,842	\$ 1,103,812	41%

The Local Option Sales Tax is conservatively estimated. This revenue increased at a record pace in the first year of COVID, likely the result of changes in travel patterns. If travel returns to pre-COVID patterns, then this revenue is expected to return to normal growth levels.

The County ABC Profit Distribution remains fairly flat.

The Fire District Tax includes one-time payments for the living quarters at Station 2 and down payment on the Fire Station 2 Pumper Truck, as well as the debt service payment for the truck.

In FY 2022, Other Grants includes funding for the School Resource Officer and Communications Upgrade in the Police Department, Federal Emergency Management Agency (FEMA) Hazard Mitigation, and funding for an air tank filling station for the Fire Department.

► General Fund Revenues–Permits and Fees

This is money from Town-assessed fees, such as trash collection, building permit fees, etc. Estimates are based on historical data and fee rates.

GENERAL FUND REVENUE DETAIL - PERMITS and FEES

FY 2022 FY 2020 FY 2021 FY 2022 Amt Change % **PERMITS and FEES** Actual Budget Budget from FY 2021 Change 589,257 603,500 625,570 22,070 4% Solid Waste Fees \$ \$ \$ \$ 143,654 175,000 180,000 5,000 **Building Permits** 3% Stormwater Fees 137,465 136,000 136,000 0% Parking Fees 121,454 200,000 200,000 0% _ Other Permits and Fees 723 2,250 3,250 1,000 44% Total Permits and Fees Revenues \$ 992,553 \$ 1,116,750 \$ 1,144,820 \$ 3% 28,070

Solid Waste Fees revenue budgeted for FY 2022 is based on actual FY 2021 monthly averages, and includes a 1.4% CPI adjustment.

Actual Building Permits revenue in FY 2021 will exceed the amount budgeted due to an active building market. FY 2022 anticipates permitting of a nursing home, but is conservatively budgeted in case market activity decreases.

Although Parking Fees were budgeted for FY 2021, the parking season in 2020 was suspended due to concerns related to COVID.

Other Permits and Fees increase based on actual receipts from FY 2021.

FY 2022

► General Fund Revenues–Sales and Service Revenues

This money comes primarily from leases on Town-owned property and the sale of cemetery lots and surplus property. Estimates are based on historical data and existing leases.

GENERAL FUND REVENUE DETAIL - SALES and SERVICE

SALES and SERVICE	FY 2020 Actual		FY 2021 Budget		FY 2022 Budget		Amt Change from FY 2021		% Change
Property Leases	\$	218,051	\$	224,301	\$	228,490	\$	4,189	2%
Antenna Contract		68,584		54,000		69,900		15,900	29%
Cemetery Lot Sales		2,277		3,500		3,500		-	0%
Sale of Fixed Assets		-		-		-		-	NA
Other Sales and Service		-		-		-		-	NA
Total Sales and Service Revenues	\$	288,911	\$	281,801	\$	301,890	\$	20,089	7%

Property Leases revenue is based on existing lease payment schedules, with a 2% CPI increase.

► General Fund Revenues-Other Revenues

This money comes from investments, insurance reimbursements for losses, and other miscellaneous sources. Estimates are based on historical data.

GENERAL FUND REVENUE DETAIL - OTHER REVENUES

OTHER REVENUES	FY 2020 Actual		FY 2021 Budget		FY 2022 Budget		Amt Change from FY 2021		% Change
Donations	\$	15,000	\$	-	\$	-	\$	-	NA
Investment Earnings		83,936		35,000		10,000		(25,000)	-71%
Insurance Reimbursements		20,982		2,817		-		(2,817)	-100%
Other Miscellaneous Revenue		43,637		20,000		2,700		(17,300)	-87%
Total Other Revenues	\$	163,554	\$	57,817	\$	12,700	\$	(45,117)	-78%

Investment Earnings are expected to decrease due to current interest rates.

► General Fund Revenues–Loan Proceeds

This is money received from loans for construction projects and large equipment purchases. Estimates are based on planned loan financings.

GENERAL FUND REVENUE DETAIL - LOAN PROCEEDS FY 2022

FY 2020 FY 2021 FY 2022 Amt Change % LOAN PROCEEDS from FY 2021 Actual Budget Budget Change \$ 360,000 360,000 Loan Proceeds 1,001,687 Total Loan Proceed Revenues \$ 1,001,687 \$ _ \$ 360,000 \$ 360,000

Loan Proceeds in the General Fund for FY 2022 are for a pumper truck at Fire Station 2.

► General Fund Revenues–Fund Balance Appropriation

Money from this source comes from accumulated reserves.

GENERAL FUND REVENUE DETAIL - FUND BALANCE APPROPRIATION

FY 2022

	F	Y 2020	I	FY 2021	F	Y 2022	An	nt Change	%
FUND BALANCE APPROPRIATION		Actual		Budget	В	Budget	fro	m FY 2021	Change
Restricted or Assigned Fund Balance	\$	-	\$	-	\$	-	\$	-	NA
Unassigned Fund Balance		-		121,786		-		(121,786)	-100%
Total Fund Balance Appropriation	\$	-	\$	121,786	\$	-	\$	(121,786)	-100%

FY 2021 Unassigned Fund Balance appropriations are for projects that were rolled forward from FY 2020 that were not completed and for a contribution to the Beaufort Development Associaton (BDA) Marketing plan. The projects include completion of the upgrades to the Police Annex, replacing the lintels and the ADA (Americans with Disabilities Act) ramp at Town Hall.

No fund balance appropriations are anticipated in the General Fund for FY 2022.

► General Fund Revenues-Transfers In

This is money transferred from one fund to another.

GENERAL FUND REVENUE DETAIL - TRANSFERS IN

FY 2022

	F	Y 2020	I	FY 2021		FY 2022	Am	t Change	%
TRANSFERS IN		Actual		Budget		Budget	fron	n FY 2021	Change
From Capital Reserve Fund		NA		NA		NA		NA	NA
From Utility Fund for Admin Expense		511,000		600,000		624,000		24,000	4%
Total Transfers In	\$	511,000	\$	600,000	\$	624,000	\$	24,000	4%

The Utility Fund pays the General Fund for administrative support. This includes all water- and sewer-related tasks performed by the Finance Department. Other overhead expenses to the Utility Fund include a portion of the costs of the Governing Body, Administration, Public Services Administration and Engineering, and Public Works departments.

The FY 2022 contribution from the Utility Fund increased by 4% as previously budgeted in the FY 2021 Five-Year Financial Plan.

While the General Fund records these contributions as revenue, the Utility Fund lists these as an expenditure.

General Fund Expenditures for FY 2022

The following table breaks out General Fund expenditures in FY 2022 by major category. The first row labels each of the four columns.

The first column, EXPENDITURE CATEGORY, identifies each major spending category. The second column, EXPENDITURE DESCRIPTION, describes each major spending category.

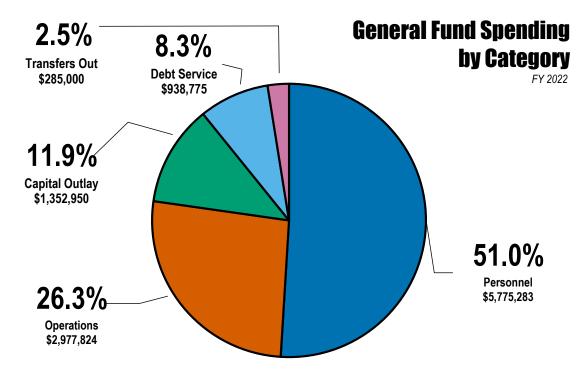
The third and fourth columns show the anticipated General Fund total for each major spending category in FY 2022 as both a dollar amount and a proportion of total General Fund expenditures.

EXPENDITURES by CATEGORY for GENERAL FUND

FY 2022

EXPENDITURE CATEGORY	EXPENDITURE DESCRIPTION		FY 2022		
Personnel	Employee salaries wages, payroll taxes, health insurance, etc.	\$	5,775,283	51.0%	
Operations	Day-to-day purchases, including utilities, fuel, repairs, etc.		2,977,824	26.3%	
Capital Outlay	Durable equipment, construction projects, major plans		1,352,950	11.9%	
Debt Service	Loan payments		938,775	8.3%	
Transfers Out	Money moved from one fund to another		285,000	2.5%	
TOTAL EXPENDITURES		\$	11,329,832	100%	

The following chart provides a graphic view of the preceding table.



► General Fund Expenditures-Personnel

Cost of employee salaries and wages, payroll taxes, health insurance, and other benefits.

The following table shows the personnel costs for each department, along with the number of positions the money covers.

GENERAL FUND EXPENDITURE DETAIL - PERSONNEL

FY 2022

PERSONNEL	FY 2020	FY 2021 Budget	FY 2022 Budget	Amt Change from FY 2021	% Changa
	Actual	Budget	Budget		Change
Governing Body	\$ 49,991	\$ 51,146	\$ 52,176	\$ 1,030	2%
Positions	6	6	6	-	0%
Administration	570,960	352,656	484,705	132,049	37%
Positions	5	3	4	1	33%
Finance	360,066	368,575	380,619	12,044	3%
Positions	5	5	5	-	0%
Fire	1,426,294	1,433,626	1,483,225	49,599	3%
Positions	18	18	18	-	0%
Planning & Inspections	423,033	428,630	452,514	23,884	6%
Positions	5	5	5	-	0%
Police	1,524,375	1,614,967	1,697,739	82,772	5%
Positions	18	19	20.45	1.45	8%
PSA & Engineering	-	261,605	272,987	11,382	4%
Positions	-	2	2	-	0%
Public Works	751,058	796,637	890,981	94,344	12%
Positions	13.30	13.30	14.30	1	8%
Non-Departmental	-	55,000	60,337	5,337	10%
Positions	-		-		NA
Total Personnel Expenditures	\$5,105,778	\$5,362,842	\$5,775,283	\$ 412,441	8%
Total Positions	70	72.75	74.75	2.00	3%

Generally, personnel costs increase over FY 2022 due to cost of living and merit pay adjustments. Additionally, a portion comes from an increase in retirement system employer contribution requirements.

Non-departmental personnel funds are for merit pay increases.

Refer to Department Service Plans later in this section for more information.

► General Fund Expenditures-Operations

Cost of day-to-day activities and purchases, including utilities, fuel, maintenance and repair, etc.

GENERAL FUND EXPENDITURE DETAIL - OPERATIONS

FY 2022

	FY 2020	Y 2020 FY 2021 FY 2022		Amt Change	%
OPERATIONS	Actual	Budget	Budget	from FY 2021	Change
Governing Body	\$ 34,858	\$ 36,050	\$ 45,550	\$ 9,500	26%
Administration	158,413	125,261	144,366	19,105	15%
Finance	130,442	156,044	164,233	8,189	5%
Fire	254,631	267,030	281,281	14,251	5%
Planning & Inspections	19,419	40,500	18,200	(22,300)	-55%
Police	327,650	340,958	344,316	3,358	1%
PSA & Engineering	-	26,610	30,155	3,545	13%
Public Works	1,586,323	1,307,140	1,373,079	65,939	5%
Non-Departmental	237,902	431,576	576,644	145,068	34%
Total Operations Expenditures	\$2,749,640	\$2,731,169	\$2,977,824	\$ 246,655	9%

Refer to *Department Service Plans* later in this section for more information.

► General Fund Expenditures-Capital Outlay

Cost of durable equipment and construction projects.

GENERAL FUND EXPENDITURE DETAIL - CAPITAL OUTLAY

FY 2022

CAPITAL OUTLAY	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	Amt Change from FY 2021	% Change
Governing Body	\$ -	\$ -	\$-	\$ -	NA
Administration	17,306	-	-	-	NA
Finance	-	-	-	-	NA
Fire	1,058,625	1,410	802,000	800,590	56779%
Planning & Inspections	21,604	180,000	-	(180,000)	-100%
Police	56,966	158,963	180,000	21,037	13%
PSA & Engineering	NA	NA	NA	NA	NA
Public Works	97,359	288,954	112,950	(176,004)	-61%
Non-Departmental	6,715	131,336	258,000	126,664	96%
Total Capital Outlay Expenditures	\$1,258,575	\$ 760,663	\$1,352,950	\$ 592,287	78%

Refer to *Department Service Plans* later in this section for more information.

► General Fund Expenditures-Debt Service

Cost of repaying loans, both principal and interest.

GENERAL FUND EXPENDITURE DETAIL - DEBT SERVICE

FY 2022

DEBT SERVICE	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	Amt Change from FY 2021	% Change
Governing Body	\$-	\$-	\$-	-	NA
Administration	-	-	-	-	NA
Finance	NA	NA		NA	NA
Fire	291,026	351,227	423,135	71,908	20%
Planning & Inspections	5,023	5,023	5,023	(0)	0%
Police	28,308	26,060	26,024	(36)	0%
PSA & Engineering	NA	NA		NA	NA
Public Works	39,464	355,399	368,156	12,757	4%
Non-Departmental	1,122,420	119,486	116,438	(3,048)	-3%
Total Debt Service Expenditures	\$1,486,241	\$ 857,195	\$ 938,775	\$ 81,580	10%

- Refer to Department Service Plans later in this section for more information.
- Refer to Debt Summary Five-Year Forecast in Section 5: Five Year Financial Plan for more information.

► General Fund Expenditures-Transfers Out

Money moved from one fund to another, where it will then be spent on goods or services.

GENERAL FUND EXPENDITURE DETAIL - TRANSFERS OUT

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
TRANSFERS OUT	Actual	Budget	Budget	from FY 2021	Change
Transfers to Capital Funds	\$ 573,999	\$ 185,000	\$ 285,000	\$ 100,000	54%
Total Transfers Expenditures	\$ 573,999	\$ 185,000	\$ 285,000	\$ 100,000	54%

Refer to Overall Five-Year Budget Forecast and Capital Reserve Fund Five-Year Forecast in Section 5: Five Year Financial Plan for more information.

Fund Balance Changes for General Fund in FY 2022

The following table shows how the FY 2022 budget will change the fund balances in the General Fund.

CHANGE IN FUND BALANCE - GENERAL FUND

FY 2022	(Appropriated)							
	Anticipatedor ContributedJune 30, 2021FY 2022		Anticipated June 30, 2022					
Restricted / Assigned Fund Balance	\$	20,440	\$	-	\$	20,440		
Unassigned Fund Balance	3	,384,915		-	3	,384,915		
Unassigned as % of Expenditures		37.27%		NA		30.86%		

► Available Fund Balance–General Fund

Town policy requires the General Fund to retain an unassigned fund balance equal to 20% of net expenditures. The following calculation shows this "rainy day" amount for FY 2022.

\$11,329,832 * 20% =	\$2,265,966
FY 2022 GF	FY 2022 GF
Expenditures	Unassigned Unavailable

The following calculation shows how much unassigned fund balance remains in the General Fund after the "rainy day" amounts are withheld. The result is the amount of unassigned fund balance that can still be appropriated.

\$3,384,915	- \$2,265,966 =	\$1,118,949
FY 2022 GF	FY 2022 GF	FY 2022 GF Unassigned
Total Unassigned	Unassigned Unavailable	Available to Appropriate

Refer to Overall Fund Balance Forecast in Section 5: Five Year Financial Plan for more information.

Utility Fund Budget

The Utility Fund is one of two budgeted funds. It houses the Town's enterprise operations—the Water and Sewer Divisions of the Public Services Department.

Utility Fund At-a-Glance for FY 2022

The Utility Fund houses the Town's enterprise operations-the Water and Sewer Divisions of the Utility Department.

Utility Fund Overview

The following table shows revenues and expenditures for the Utility Fund over time. The first row labels each of five columns:

- FY 2020 Actual,
- FY 2021 Budget,
- FY 2022 Budget,
- Amt Change from FY 2021, and
- % Change.

The table displays information in five groupings of rows.

The first grouping, REVENUES, lists major funding sources for the Utility Fund in FY 2022. Each revenue source is listed on a separate row; the last line in this grouping provides a total of Utility Fund revenues.

The second grouping, EXPENDITURES–by Category, lists major types of spending for the Utility Fund in FY 2022. Each spending category is listed on a separate row; the last line in this grouping provides a total of Utility Fund expenditures.

The third grouping, EXPENDITURES–by Division, provides another way to look at spending. It shows how money is distributed across departments within the Utility Fund in FY 2022.

The fourth grouping, FUND BALANCE–RESTRICTED or ASSIGNED, shows changes in the restricted or assigned fund balance resulting from setting aside or using restricted reserves.

The fifth and final grouping, FUND BALANCE–UNASSIGNED, shows impact of using unrestricted reserve funds. Town policy requires minimum reserves equal to 50% of expenditures for Utility Fund.

UTILITY FUND - REVENUES and EXPENDITURES

FY 2022

F Y 2022					
	FY 2020	FY 2021	FY 2022	Amt Change	%
	Actual	Budget	Budget	from FY 2021	Change
REVENUES					
Intergovernmental	\$ 67,153	\$ 150,000	\$ -	\$ (150,000)	-100%
Permits and Fees	129,926	104,000	140,000	36,000	35%
Sales and Service	4,181,298	4,266,598	4,390,000	123,402	3%
Other Revenues	135,206	-	-	-	NA
Loan Proceeds	-	90,000	-	(90,000)	-100%
Transfers In	-	194,000	90,000	(104,000)	-54%
Fund Balance Appropriation	-	107,100	19,657	(87,443)	-82%
Total Revenues	\$4,513,583	\$4,911,698	\$4,639,657	\$ (272,041)	-6%
EXPENDITURES - by Category					
Personnel	1,027,534	988,467	1,004,305	15,838	2%
Operations	973,534	1,231,402	1,147,336	(84,066)	-7%
Capital Outlay	986,922	273,600	180,000	(93,600)	-34%
Debt Service	1,473,098	1,378,228	1,334,016	(44,212)	-3%
Transfers Out	844,930	950,000	974,000	24,000	3%
Total Expenditures - by Category	\$5,306,018	\$4,821,698	\$4,639,657	\$ (182,041)	-4%
EXPENDITURES - by Division					
Sewer	3,757,978	3,022,877	2,650,380	(372,497)	-12%
Water	703,110	832,821	999,277	166,456	20%
Non-Departmental	844,930	966,000	990,000	24,000	2%
Total Expenditures - by Divison	\$5,306,018	\$4,821,698	\$4,639,657	\$ (182,041)	-4%
FUND BALANCE - RESTRICTED or A					
TOND BALANCE - RESTRICTED OF		stricted/Assigned	\$ 367,598		
(Appropriated) o	r Contributed Res	•	φ 307,390		
(Appropriated) o		stricted/Assigned	\$ 367,598		
FUND BALANCE - UNASSIGNED	Ending Hot	a loto a // looigiloa	φ 001,000		
	Beginn	ning Unassigned	\$2,400,941		
	•	ated Unassigned	-		
		ling Unassigned	\$2,400,941		
		• •			
	Unassigned as %		51.75%		

The following sections provide detail for Utility Fund revenues, expenditures, and fund balance.

Utility Fund Revenues for FY 2022

The following table breaks out FY 2022 revenues by major source for the Utility Fund. The first row labels each of four columns.

The first column, REVENUE SOURCE, identifies each major revenue source.

The second column, REVENUE DESCRIPTION, describes each major funding source.

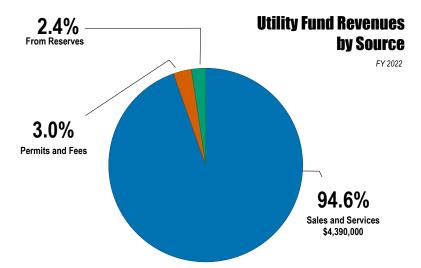
The third column and fourth columns show the anticipated Utility Fund total for each funding source in FY 2022 as both a dollar amount and a proportion of total Utility Fund revenues.

REVENUES by SOURCE for UTILITY FUND

FY 2022

REVENUE SOURCE	REVENUE DESCRIPTION	FY 2022	
Intergovernmental Revenues	From other governments (grants, sales tax, ABC store profits, etc.)	\$ -	0.0%
Permits and Fees	Town fees (water & sewer taps, etc.)	140,000	3.0%
Sales and Services	Water sales and sewer treatment services	4,390,000	94.6%
Other Revenues	Investments, insurance reimbursements, and other misc. sources	-	0.0%
Loan Proceeds	Loans for construction projects and large equipment purchases	-	0.0%
Transfers In	From capital reserve fund or other funds	90,000	1.9%
Appropriated Fund Balance	Accumulated reserves	19,657	0.4%
TOTAL REVENUES		\$ 4,639,657	100%

The following chart provides a graphic view of the preceding table.



► Utility Fund Revenues–Intergovernmental Revenue

This is money from other governments, most often from grants.

UTILITY FUND REVENUE DETAIL - INTERGOVERNMENTAL

FY 2022

INTERGOVERNMENTAL - Restricted	F	Y 2020 Actual	FY 2021 Budget	-	Y 2022 Budget	mt Change om FY 2021	% Change
Other Intergovernmental	\$	67,153	\$ 150,000	\$	-	\$ (150,000)	-100%
Total Intergovernmental - Restricted	\$	67,153	\$ 150,000	\$	-	\$ (150,000)	-100%

There are no one-time funding revenues in FY 2022.

► Utility Fund Revenues–Permits and Fees

This is money from Town-assessed fees for installation of water and sewer taps and late payment fees. Estimates are based on historical data and rates.

UTILITY FUND REVENUE DETAIL - PERMITS and FEES

FY 2022

PERMITS and FEES	F	FY 2020 Actual	-	FY 2021 Budget	FY 2022 Budget		it Change n FY 2021	% Change
Sewer Permits and Fees	\$	27,000	\$	15,000	\$ 41,250	\$	26,250	175%
Water Permits and Fees		83,038		75,000	84,750		9,750	13%
Other Permits and Fees		19,888		14,000	14,000		-	0%
Total Permits and Fees Revenues	\$	129,926	\$	104,000	\$ 140,000	\$	36,000	35%

► Utility Fund Revenues–Sales and Service Revenues

This is money collected for monthly water and sewer usage. Estimates are based on historical data and rates.

UTILITY FUND REVENUE DETAIL - SALES and SERVICE

FY 2022

SALES and SERVICE	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	nt Change m FY 2021	% Change
Sewer Sales and Service	\$3,074,739	\$3,072,274	\$3,150,000	\$ 77,726	3%
Water Sales and Service	1,231,142	1,194,324	1,240,000	45,676	4%
Sale of Fixed Assets	(124,582)	-	-	-	NA
Other Sales and Service	NA	NA	NA	NA	NA
Total Sales and Service Revenues	\$4,181,298	\$4,266,598	\$4,390,000	\$ 123,402	3%

Estimated revenue in FY 2022 increases based on growth and development trends.

Refer to Critical Issue 2 in Section 1: Introduction to the Budget for additional information.

► Utility Fund Revenues-Other Revenues

This is money from donations, investments, insurance reimbursements, and other miscellaneous sources.

UTILITY FUND REVENUE DETAIL - OTHER REVENUES

FY 2022

OTHER REVENUES	FY 2020 Actual	-	Y 2021 Budget	 ' 2022 udget	Change FY 2021	% Change
Donations	\$ -	\$	-	\$ -	\$ -	NA
Investment Earnings	22,456		-	-	-	NA
Insurance Reimbursements	111,748		-	-	-	NA
Other Miscellaneous Revenue	1,002		-	-	 -	NA
Total Other Revenues	\$ 135,206	\$	-	\$ -	\$ -	NA

In FY 2020 one-time insurance reimbursements were received for a vehicle damaged during Hurricane Florence. There is no anticipated revenue in this category for FY 2022.

► Utility Fund Revenues–Loan Proceeds

This is money received from loans for construction projects and large equipment purchases. Estimates are based on planned loan financings.

UTILITY FUND REVENUE DETAIL - LOAN PROCEEDS

FY 2022

LOAN PROCEEDS	 7 2020 Actual	-	Y 2021 Budget	' 2022 udaet	t Change n FY 2021	% Change
Loan Proceeds	 -		90,000	 -	 (90,000)	-100%
Total Loan Proceed Revenues	\$ -	\$	90,000	\$ -	\$ (90,000)	-100%

There are no Loan Proceeds budgeted for FY 2022.

► Utility Fund Revenues-Transfers In

This is money from other funds.

UTILITY FUND REVENUE DETAIL - TRANSFERS IN

FY 2022

TRANSFERS IN	FY 2020 Actual	FY 2021 Budget	FY 2022 Budget	Amt Change from FY 2021	% Change
From Capital Reserve Fund	-	194,000	90,000	(104,000)	-54%
Total Loan Proceed Revenues	\$-	\$ 194,000	\$ 90,000	\$ (104,000)	-54%

The transfer From Capital Reserve Fund in FY 2022 is for the Campen Road Waterline Extension.

► Utility Fund Revenues-Fund Balance Appropriation

This is money from accumulated reserves and capacity fee payments.

UTILITY FUND REVENUE DETAIL - FUND BALANCE APPROPRIATION

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
FUND BALANCE APPROPRIATION	Actual	Budget	Budget	from FY 2021	Change
Restricted or Assigned Fund Balance	-	-	-	-	NA
Unassigned Fund Balance	-	107,100	19,657	(87,443)	-82%
Total Fund Balance Appropriation	\$-	\$ 107,100	\$ 19,657	\$ (87,443)	-82%

Unassigned Fund Balance in FY 2022 is used to balance the budget.

Utility Fund Expenditures for FY 2022

The following table breaks out Utility Fund expenditures in FY 2022 by major category. The first row labels each of the four columns.

The first column, EXPENDITURE CATEGORY, identifies each major spending category. The second column, EXPENDITURE DESCRIPTION, describes each major spending category.

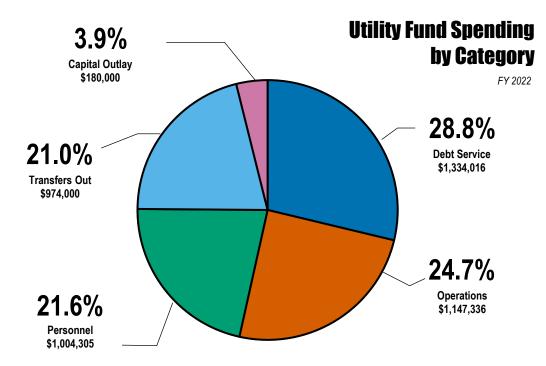
The third column and fourth columns show the anticipated Utility Fund total for each major spending category in FY 2022 as both a dollar amount and a proportion of total Utility Fund expenditures.

EXPENDITURES by CATEGORY for UTILITY FUND

FY 2022

EXPENDITURE CATEGORY	EXPENDITURE DESCRIPTION	FY 2022	
Personnel	Employee salaries wages, payroll taxes, health insurance, etc.	\$ 1,004,305	21.6%
Operations	Day-to-day purchases, including utilities, fuel, repairs, etc.	1,147,336	24.7%
Capital Outlay	Durable equipment, construction projects, capital reserves	180,000	3.9%
Debt Service	Loan payments	1,334,016	28.8%
Transfers Out	Money moved from one fund to another	974,000	21.0%
TOTAL EXPENDITURES		\$ 4,639,657	100%

The following chart provides a graphic view of the preceding table.



► Utility Fund Expenditures-Personnel

Cost of employee salaries, payroll taxes, health insurance, and other benefits.

UTILITY FUND EXPENDITURE DETAIL - PERSONNEL

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
PERSONNEL	Actual	Budget	Budget	from FY 2021	Change
Sewer	\$ 723,677	\$ 667,610	\$ 675,308	\$ 7,698	1%
Positions	9	8	8	-	0%
Water	303,857	304,857	312,997	8,140	3%
Positions	4	4	4	-	0%
Non-Departmental	-	16,000	16,000	-	0%
Positions	-		-	-	NA
Total Personnel Expenditures	\$1,027,534	\$ 988,467	\$1,004,305	\$ 15,838	2%
Total Positions	13	12	12	-	0%

Generally, personnel costs increase over FY 2022 due to cost of living and merit pay adjustments. Also, a portion comes from changes in retirement system employer contribution policy.

Non-departmental personnel funds are for merit pay increases.

► Utility Fund Expenditures-Operations

Cost of day-to-day activities and purchases, including utility expenses, fuel, maintenance and repair, etc.

UTILITY FUND EXPENDITURE DETAIL - OPERATIONS

FY 2022

	FY 2020		FY 2021		FY 2022		Amt Change		%
OPERATIONS	Actual		Budget		Budget		from FY 2021		Change
Sewer	\$ 58	83,533	\$	846,993	\$	742,208	\$ ((104,785)	-12%
Water	39	90,001		384,410		405,128		20,718	5%
Non-Departmental		NA		NA		NA		NA	NA
Total Operations Expenditures	\$ 97	73,534	\$1	,231,402	\$1	,147,336	\$	(84,066)	-7%

Refer to Department Service Plans later in this section for more information.

► Utility Fund Expenditures-Capital Outlay

Cost of durable equipment and construction projects.

UTILITY FUND EXPENDITURE DETAIL - CAPITAL OUTLAY

FY 2022

FY 2020	FY 2021	FY 2022	Amt Change	%
Actual Budget		Budget	from FY 2021	Change
1,113,625	\$ 263,600	\$ 30,000	\$ (233,600)	-89%
(126,704)	10,000	150,000	140,000	1400%
NA	NA	NA	NA	NA
986,922	\$ 273,600	\$ 180,000	\$ (93,600)	-34%
	Actual 1,113,625 (126,704) NA	Actual Budget 1,113,625 \$ 263,600 (126,704) 10,000 NA NA	Actual Budget Budget I,113,625 \$ 263,600 \$ 30,000 (126,704) 10,000 150,000 NA NA MA	Actual Budget Budget from FY 2021 I,113,625 \$ 263,600 \$ 30,000 \$ (233,600) (126,704) 10,000 150,000 140,000 NA NA NA NA

Refer to Department Service Plans later in this section for more information.

► Utility Fund Expenditures-Debt Service

Cost of repaying loans, including principal and interest.

UTILITY FUND EXPENDITURE DETAIL - DEBT SERVICE

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
DEBT SERVICE	Actual	Budget	Budget	from FY 2021	Change
Sewer	\$1,337,143	\$1,244,674	\$1,202,863	\$ (41,811)	-3%
Water	135,955	133,554	131,152	(2,402)	-2%
Non-Departmental	NA	NA	NA	NA	NA
Total Debt Service Expenditures	\$1,473,098	\$1,378,228	\$1,334,016	\$ (44,212)	-3%

- Refer to Department Service Plans later in this section for more information.
- Refer to Debt Summary Five-Year Forecast in Section 5: Five Year Financial Plan for more information.

► Utility Fund Expenditures-Transfers Out

Money moved from one fund to another, where it will be spent on goods or services.

UTILITY FUND EXPENDITURE DETAIL - TRANSFERS OUT

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
TRANSFERS OUT	Actual	Budget	Budget	from FY 2021	Change
Contribution from UF to GF	\$ 511,000	\$ 600,000	\$ 624,000	\$ 24,000	4%
Transfers to Capital Funds	333,930	350,000	350,000		0%
Total Transfers Expenditures	\$ 844,930	\$ 950,000	\$ 974,000	\$ 24,000	3%

The Utility Fund pays the General Fund for administrative support. This includes all water and sewer-related tasks performed by the Finance Department. Other overhead expenses to the Utility Fund include a portion of the costs of the Governing Body, Administration, and Public Works departments.

While the General Fund records these as revenue, the Utility Fund lists these as an expenditure.

Refer to Overall Five-Year Budget Forecast and Capital Reserve Fund Five-Year Forecast in Section 5: Five Year Financial Plan for more information.

Fund Balance Changes for Utility Fund in FY 2022

The following table shows how the FY 2022 budget will change the fund balances in the Utility Fund.

CHANGE IN FUND BALANCE - UTILITY FUND

FY 2022	(Appropriated)								
	Anticipated June 30, 2021		or Contributed FY 2022			nticipated ne 30, 2022			
Restricted / Assigned Fund Balance	\$	367,598	\$	-	\$	367,598			
Unassigned Fund Balance	2,400,941			-		2,400,941			
Unassigned as % of Expenditures		55.55%		NA		51.75%			

Restricted fund balance comes from anticipated FY 2021 system development fees and system development fees at the end of FY 2020.

Refer to Capital Reserve Fund Five Year Forecast in Section 5: Five Year Financial Plan.

Available Fund Balance–Utility Fund

Town policy requires the Utility Fund to retain an unassigned fund balance equal to 50% of operating expenditures. The following calculation shows this "rainy day" amount for FY 2022.

\$4,639,657	* 50% =	\$2,319,829
FY 2022 UF		FY 2022 UF
Expenditures		Unassigned Unavailable

The following calculation shows how much unassigned fund balance remains in the Utility Fund after rainy day amounts are withheld.

\$2,400,941	- \$2,319,829 =	\$81,113
FY 2022 UF	FY 2022 UF	FY 2022 UF Unassigned
Total Unassigned	Unassigned Unavailable	Available to Appropriate

As shown, the Utility Fund unassigned fund balance is within the required threshold.

Refer to Overall Fund Balance Forecast in Section 5: Five-Year Financial Plan for more information.



Department Service Plans

Whereas fund summaries portray an overall financial plan, department summaries translate the budget into an operations guide for the budget year. This section provides a summary for each functional unit in the Town organization.

In this section you will find summaries for:

 Governing Body 	98
 Administration 	102
 Finance Department 	108
 Fire Department 	110
 Planning & Inspections 	114
 Police Department 	118
 Public Services Administration & Engineering 	g 122
 Public Works Division 	126
Sewer Division	130
 Water Division 	134
 Non-Departmental 	138

Governing Body



The governing body consists of a mayor and five commissioners, all elected at-large. The mayor, who serves a two-year term and only votes in the case of a tie, is the presiding officer at meetings of the Town Board. The commissioners serve four-year staggered terms. The Town operates under the council-manager form of government, where the Town Board serves as the legislative body and the Town manager serves as the chief executive officer, responsible for administering the Town government.

The Town Board is responsible for deciding which services the Town provides and at what level, approves ordinances (local laws), adopts a budget, sets the property tax rate, establishes fees, enters into contracts, awards bids for construction or purchases, and buys and sells property.

► FY 2021 Goal Updates–Governing Body

boardwalk.

Appropriate USDA Funding For Infrastructure Improvements Continue addressing critical infrastructure repairs across the Town.

Complete Beaufort Harbor and Waterways Master Plan Select committee members and begin planning to address water quality, harbor management, the expiration of the current Beaufort Docks and National Park Service leases in 2024, the possible development of a mooring field(s), and how these items impact the timing of the replacement of the Front Street bulkhead and

Continue Incremental Progress on Cedar Street Park As state right-of-way issues are resolved, finalize planning for Cedar Street Park and begin construction.

Finalize Land Use Plan and Unified Development Ordinance Complete planning (to include ensuring consistency with the new requirements of 160D dictated by the State Legislature) and finalize these documents that provide the foundation for Beaufort's future.

► FY 2022 Goals-Governing Body

Attend to Infrastructure

Continue to take active measures to repair our crumbling infrastructure and improve our parks capacity beyond existing initiatives, such as improvements to Highway 101 in anticipation of increased traffic resulting from completion of Interstate 42.

COVID-19 Response

Continue monitoring COVID-19 positive cases in and around Carteret County, new virus strains and, when necessary, take active measures to protect our community.

Improve Water Quality of Beaufort Waterways

Use the North Carolina Marine Debris Action Plan to guide efforts to reduce consumer debris in our waterways; work with local scientists to better understand the magnitude and source of toxins in our waterways; and use derived data to mitigate sources of toxins (e.g., fixing collapsed stormwater systems).

Increase Overall Community Resilience

Work with governmental and non-governmental organizations to analyze and understand the expanding socio-economic divide in Beaufort and surrounding areas, and take active measures to reverse negative trends, in particular, drug abuse, job distribution, property values, storm resilience, hunger, arrests and recidivism, and school data.

Prepare for Effects of Climate Change

Analyze historical flooding areas in Town and, where feasible, take active measures to mitigate flooding; using lessons learned from previous storms, ensure citizens, businesses, and Town staff are provided essential information to prepare for storms; and ensure Town staff has preliminary FEMA training and solid waste contracts in place in advance of storms.

Reduce Drug Abuse and Addiction

Track Carteret County overdoses and solicit expert analysis of data and work with medical and law enforcement authorities to decrease impact on our community and surrounding area.

► Budget–Governing Body

GOVERNING BODY BUDGET

FY 2022

	FY 2020		FY 2021		FY 2022		Amt Change		%
GOVERNING BODY EXPENDITURES		Actual	Budget		Budget		from FY 202		Change
Personnel	\$	49,991	\$	51,146	\$	52,176	\$	1,030	2%
Positions		6		6		6		-	0%
Operations		34,858		36,050		45,550		9,500	26%
Capital Outlay		-		-		-		-	NA
Debt Service		-		-		-		-	NA
Total Governing Body Expenditures	\$	84,849	\$	87,196	\$	97,726	\$	10,530	12%

Personnel costs increase due to a 2% cost of living adjustment. Operations increase due to elections in 2021.



Administration



The Administration department provides oversight of all Town departments and activities through the Town Manager, who serves as the Town's chief executive officer. The Town Manager develops the strategic direction for the Town through the annual budget and five-year financial and capital improvement plans, and is responsible for implementing policies and enforcing ordinances enacted by the Town Board of Commissioners.

The Town Clerk/Assistant to the Manager maintains official records, including agendas and minutes of Town Board meetings, and assists the Town Manager with various projects and activities.

The Human Resources (HR) Officer directs, plans, organizes, and administers human resources programs and services including recruitment and selection, employee relations, benefits administration, grievance administration, classification and compensation, policy administration, employee training and development and staff performance appraisals,

The Parks and Events Coordinator/Public Information Officer administers parks and events policies and procedures, and disseminates information to the public through social media, the Town website, media releases, and a monthly newsletter.

The Human Resources Officer is a new position. Previously, HR duties were performed by the Town Clerk as time permitted. The new HR position is required to implement an effective and comprehensive HR program.

► FY 2021 Work Summary to Date–Administration

In the first three quarters of FY 2021 we:

- Filled the vacant Town Clerk/Assistant to the Manager position
- Successfully shepherded the USDA \$23.5-million loan/grant infrastructure financing package to fruition
- Planned and held annual retreat for the Mayor and Town Board to review the Capital Improvements Program and Five-Year Financial Plan

- Received a grant from NC DHHS for bicycle fixation stations and bicycle racks
- Became a NC Watch 4 Me community for the third year in a row
- Received a grant for 100 bicycle helmets
- Provided communications to residents through the pandemic
- Assisted the Planning Department with the Comprehensive Plan public engagement initiative
- Provided residents with up-to-date information regarding issues impacting them
- Edited and produced videos on Black History Month, Chat with the Chief and a variety of other informational topics
- Hosted White Cane Awareness Day for the second year in a row
- Made updates to the website to continue to increase usability
- Navigated COVID-19 procedures with the business community and event organizers to ensure safety

► FY 2021 Goal Updates-Administration

Design and Implement a Community-Based Visioning Process As a partner in an Eastern Carteret collaboration effort, the Town continues to build capacity for sustained community engagement, both internally and with neighboring communities, to address complex issues facing our region (e.g., opioid crisis, sea level rise, economic development, affordable housing, etc.).



Initiate a Beaufort Harbor & Waterways Master Planning Effort

Design and initiate an inclusive process to develop a master plan for the Beaufort Harbor, addressing the future disposition of the Beaufort Docks, the rebuilding of the Front Street bulkhead and boardwalk, the feasibility of a mooring field, marine debris, environmental quality, policing, National Park Service, and other related issues.

In late FY 2021, the Town Board appointed an advisory committee that will engage the public and work with the Town's staff and consultant to advise the Town Board of Commissioners during the formation of a Beaufort Harbor & Waterways Master Plan.

Leverage Information Technology Organization-wide

The Technology Committee will conduct an internal technology assessment to identify information pain points within and across departments. A subsequent IT strategy will lay out a plan for addressing these through policies, training, and by making better use of existing technology. The project was paused due to COVID and other work demands. It will be revisited in the future.

► FY 2022 Goals-Administration

Continuing Education and Collaboration

The Town of Beaufort takes pride in their dedicated and talented workforce and supports continuing education and collaboration efforts. During fiscal year 2021, the Town Clerk started twocertification programs. The first designation is for becoming a North Carolina Certified Municipal Clerk (NCCMC) via the North Carolina Association for Municipal Clerks (NCAMC) and the second is becoming a Certified Municipal Clerks (NCAMC) via the International Institute of Municipal Clerks (IIMC). On a local level, the Town Clerk's Office has started building Clerk partnerships across Carteret County in an effort to increase collaboration efforts.

Efficiently Administer Boards, Commissions, and Committees

The Town of Beaufort currently has five active Boards, Commissions, and Committees. The Town Clerk's Office is responsible for the advertisement, recruitment, and maintenance of the appointment process of the various positions. Our goal is to have appointments/re-appointment recommendations prior to term expirations.

Increase Community Engagement and Transparency

One-way residents can receive information regarding the Town's upcoming events and approved Board actions outside of the website and the monthly newsletter is to subscribe to the Town's Sunshine List. The sunshine list is utilized by the Public Affairs Office and the Town Clerk's Office. In fiscal year 2022 the Town Clerk's Office will implement and launch a new way to subscribe and manage the sunshine list.

Maintain Permanent History of Government Actions

The FY 2022 Recommended Budget includes funding for a document management software system. This database will assist the Town Clerk's Office in effectively managing the Town's permanent records and enhance public access to government records. This database will archive and organize all Town Records not limited to: Agendas (all Boards), Minutes (all Boards), Resolutions, Contracts/Agreements, Ordinances, and Proclamations. If approved, the database will launch during the first quarter of fiscal year 2022 with a scheduled completion date of mid-fiscal year. Our goal is to certify and process documents within 3 days of approval.



Support the Beaufort Harbor & Waterways Master Planning Effort

The Beaufort Harbor & Waterways Master Plan Advisory Committee will begin meeting with the Town's staff and consultant by July 2021 to begin addressing the future disposition of the Beaufort Docks, the rebuilding of the Front Street bulkhead and boardwalk, the feasibility of a mooring field, marine debris, environmental quality, policing, National Park Service, and other related issues. The Master Plan is expected to be complete by the end of FY 2022.

► Budget-Administration

ADMINISTRATION BUDGET

FY 2022

	FY 2020		FY 2021		FY 2022		Amt Change		%
ADMINISTRATION EXPENDITURES		Actual	Budget		Budget		from FY 202		Change
Personnel	\$	570,960	\$	352,656	\$	484,705	\$	132,049	37%
Positions		5		3		4		1	33%
Operations		158,413		125,261		144,366		19,105	15%
Capital Outlay		17,306		-		-		-	NA
Debt Service		-		-		-		-	NA
Total Administration Expenditures	\$	746,679	\$	477,917	\$	629,071	\$	151,154	32%

Overall expenditure in this department increase primarily due to the addition of a fulltime Human Resources (HR) Officer.

Personnel expenditures for staff also increase due to cost of living and merit pay adjustments, as well as a substantial increase in mandatory contributions to the retirement system. This is the third of three anticipated annual increases of this type.

Operations increases are related to the new VOIP phone system, equipment for the new HR Officer, plus professional development for both the HR Officer and the Town Clerk.

There are no Capital Outlay expenses for this year.

Finance Department



The Finance Department is responsible for maintaining the Town's accounting and reporting system in accordance with generally accepted accounting principles (GAAP). The department also records receipts and disbursements of Town funds as prescribed by North Carolina General Statue 159.

Department activities include accounts receivable, accounts payable, payroll, property and liability insurance, purchasing, debt administration, budgeting, and oversight of the Town's parking program.

► FY 2021 Work Summary to Date-Finance Department

In the first three quarters of FY 2021 we:

- Maintained 3380 utility accounts
- Issued 1,250 accounts payable checks
- Delivered 9 monthly financial reports to the board
- Received an unqualified audit with no findings
- Worked with FEMA Public Assistance to submit more than \$100,000 of reimbursable expenditures for COVID-19
- Implemented payroll and personnel module in our current financial software program
- Implemented automated time tracking software that uploads to the payroll system for a more efficient process
- Transitioned the financial software to a cloud-based system

► FY 2021 Goal Updates-Finance Department

Expand Use of Technology

Added payroll and personnel module to current software program. Began using an automated time tracking software.

► FY 2022 Goals–Finance Department

Expand Use of Technology

Expand use of modules available in the current enterprise resource planning (ERP) software program and automate additional accounts payable transactions through electronic funds transfer (EFT) / automated clearinghouse (ACH) processes.

► Budget-Finance Department

FINANCE BUDGET

FY 2022

	FY 2020		FY 2021		FY 2022		Amt Change		%
FINANCE EXPENDITURES		Actual	Budget		Budget		from FY 2021		Change
Personnel	\$	360,066	\$	368,575	\$	380,619	\$	12,044	3%
Positions		5		5		5		-	0%
Operations		130,442		156,044		164,233		8,189	5%
Capital Outlay		-		-		-		-	NA
Debt Service		NA		NA				NA	NA
Total Finance Expenditures	\$	490,509	\$	524,619	\$	544,852	\$	20,233	4%

Personnel expenditures increase due to cost of living and merit pay adjustments, as well as an increase in mandatory contribution to the retirement system. This is the third of three anticipated annual increases of this type. There are no new positions.

The Operation expenditures increase is primarily due to additional software fees and the cost associated with the County collecting taxes..

There are no capital outlay expenses for this year.

Fire Department



The Beaufort Fire Department is a combination career/volunteer emergency service that provides 24-hour, 7 days a week fire protection and rescue. Our dedicated members provide public safety services to our citizens that maintain quality of life and peace of mind for our community.

As a team, department members strive to minimize losses and suffering through emergency service delivery, public education, public information, along with community service activities.

Staff provide service and treat those served in a manner that is honest, fair, and unbiased. We honor our heritage, actively participate in our community, and serve with integrity. We support the individual development, pride, and honor of all members and endeavor to uphold the unique camaraderie and trust that is the Fire Service.

► FY 2021 Work Summary to Date–Fire Department

In the first three quarters of FY 2021 we:

- Responded to ~ 512 incidents (substantial decrease due to COVID-19 Response Policies)
- Completed ~ 313 fire inspections and pre-plans of businesses
- Completed training hours totaling ~ 4,491 for career and volunteer staff

► FY 2021 Goal Updates-Fire Department

Expand Outreach and Education Programs

Due to Covid-19 we were limited this year in expanding our Fire and Life-Safety, Prevention and Education programs. However, we participated in the modified Statewide Fire Alarm Canvassing Day this past year.

We continue to collaborate with neighboring Eastern Carteret communities to advance regional all hazards preparedness.

Replacement of 1984 Tanker/Pumper

Carteret County placed an additional .75 per \$100 in a County Capital Reserve Fund during FY 2021. We expect at the end of FY 2021, we will have approximately \$200,000 as a down payment, allowing us to order and receive the replacement truck early in FY 2022.

Surface Water Rescue Training

Repairs have been made to the Highwater Rescue Vehicle in preparation for major weather events.

Update & Implement Emergency Preparation/Response Plan

During the past year, members attended Emergency Operations training and classes. We continue to update and revise the emergency response plan, and will continue to collaborate with neighboring Eastern Carteret communities to incorporate plans for regional preparedness and response.

► FY 2022 Goals-Fire Department

Expand Outreach and Education Programs

Continue to increase our Fire and Life-Safety, Prevention and Education programs for both adults and children beyond Fire Prevention Week, in addition to a Community Risk Reduction program. We expect to again participate in the Statewide Fire Alarm Canvassing Day. We will also seek training and NC certification for Fire and Live-Safety Educators.

Additionally, we will collaborate with neighboring Eastern Carteret communities to advance regional all hazards preparedness.

Replacement of 1984 Tanker/Pumper

Upon Carteret County approval, we will place the order for the replacement vehicle early in FY 2022. Specifications for a replacement tanker/pumper at Station 2 are complete. We anticipate County capital reserve funding of approximately \$200,000 for the down payment in FY 2022. NFPA Guidelines for first-line apparatus recommend that apparatus over 25 years should be replaced.

Surface Water Rescue Training

Continue training with the Highwater Rescue Vehicle and our watercraft for use during major weather events.

Update & Implement Emergency Preparation/Response Plan Staff will continue to attend specialized training for emergency operations and response. We will continue to update and revise the plan, and will collaborate with neighboring Eastern Carteret communities to incorporate plans for regional preparedness and response.

Upfit and Staffing of Station 2, Highway 101

Our FY 2022 Carteret County budget included a request for funds to add living quarters to Station 2, together with funds for dedicated personnel to service the district with 24/7 permanent staffing. Carteret County only funded the living quarters. The dedicated personnel was not funded and are not included in the budget.

► Budget-Fire Department

FIRE BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change		%
FIRE EXPENDITURES	Actual	Budget	Budget	fro	m FY 2021	Change
Personnel	\$1,426,294	\$1,433,626	\$1,483,225	\$	49,599	3%
Positions	18	18	18		-	0%
Operations	254,631	267,030	281,281		14,251	5%
Capital Outlay	1,058,625	1,410	802,000		800,590	56779%
Debt Service	291,026	351,227	423, 135		71,908	20%
Total Fire Expenditures	\$3,030,576	\$2,053,293	\$2,989,641	\$	936,348	46%

Increases in Personnel expenditures are mostly from the addition of three full time fire fighters at Station 2. These positions are funded through the county fire district tax. Other increases are the result of cost of living and merit pay adjustments, as well as an increase in the mandatory contribution to the retirement system. This is the third of three anticipated annual increases of this type.

Operations expenditures in FY 2022 increase due to the purchase of nozzle replacements, annual physicals, and new uniforms.

Capital Outlay expenses for FY 2022 include the construction of living quarters at Station 2 and the replacement of a pumper truck there, all funded through county fire district tax revenues. The final item in this category is an air tank filling station, which will be purchased with grant proceeds, provided the grant is awarded.

Debt Service includes principal and interest payments for the FY 2016 Fire Station loan, FY 2020 Ladder Truck loan, and FY 2022 Fire Station 2 Pumper Truck.

Planning & Inspections



The Planning & Inspections department protects and promotes Beaufort's aesthetics, health, safety, welfare, and property values by providing professional planning, building inspections, and code compliance services.

We provide professional services to the public which include land use and development information, coordinated review of development proposals, issuance of building permits, and performing subsequent inspections.

We are responsible for code enforcement, flood map information, transportation planning, special projects management, and grant writing. We also provide staff support to the Historic Preservation Commission, Planning Board, Board of Adjustment, and participate in local advisory groups such as the Rural Transportation Organization (RTO) and Carteret County Transportation Committee.

► FY 2021 Work Summary to Date–Planning & Inspections

In the first three quarters of FY 2021 we:

- Building Permits 478 Issued
- Inspections Performed 1419
- Certificate of Appropriateness 34 Issued
- Preliminary Plats 2
- Final Plats 1
- Rezonings 7
- Special Use Permits 2
- Board of Adjustment Cases 2
- Nuisance Code Violations Abated 21
- Substandard Structures Demolished 11

► FY 2021 Goal Updates-Planning & Inspections



Apply for Grant to Replace Boardwalk and Bulkhead

The development of the Harbor & Waterways Master Plan was delayed and is expected to begin in early FY 2022. After plan completion, submission of an application to the US Fish & Wildlife Service is expected. The grant request may include such things as funding for replacement of the existing seawall and boardwalk, installation of a mooring field, and new transient docking facilities.



Apply for Grant to Update Historic District Guidelines

A \$15,000 grant was awarded to the Town through the State Historic Preservation Office to match the Town's \$15,000 for the development of new historic guidelines that will include a section dedicated to resiliency and storm related matters. The existing Historic Design Guidelines were last updated in 2008 and did not address damage to structures caused by storms and mitigation options. The new guidelines are to be completed in early FY 2022.



Integrate Watershed Restoration Plan into Projects

The Town has continued to make progress in improving the watershed. The Town has completed a project where the parking spaces are pervious concrete rather than asphalt and will continue to apply this technique in other areas of the community. This work is also in conjunction with the work that has begun on Cedar Street that will incorporate thirteen stormwater basins/chambers improving the water quality and flooding potential.

► FY 2022 Goals-Planning & Inspections

Completion of a Beaufort Harbor & Waterways Master Plan

The Beaufort Harbor & Waterways Master Plan Advisory Committee will begin meeting with the Town's staff and consultant by July 2021 to begin addressing the future disposition of the Beaufort Docks, the rebuilding of the Front Street bulkhead and boardwalk, the feasibility of a mooring field, marine debris, environmental quality, policing, National Park Service, and other related issues. The master plan is expected to be complete by the end of FY 2022.

Update Existing CAMA (Coastal Area Management Act) Land Use Plan & Unified Development Ordinance

This goal is significant in that these documents are the tools that assist in shaping and directing Beaufort's future development. These plans cover various topics from land use to developing policies and recommendation to protect the coastal environment. The update of these plans will be completed in a phased approach that will apply some overlap to ensure continuity between the two plans. These plans are expected to be completed by the end of FY 2022.

► Budget-Planning & Inspections

PLANNING & INSPECTIONS BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
PLANNING EXPENDITURES	Actual	Budget	Budget	from FY 2021	Change
Personnel	\$ 423,033	\$ 428,630	\$ 452,514	\$ 23,884	6%
Positions	5	5	5	-	0%
Operations	19,419	40,500	18,200	(22,300)	-55%
Capital Outlay	21,604	180,000	-	(180,000)	-100%
Debt Service	5,023	5,023	5,023	(0)	0%
Total Planning Expenditures	\$ 469,080	\$ 654,153	\$ 475,737	\$ (178,417)	-27%

Personnel expenditures increase due to cost of living and merit pay adjustments, as well as a substantial increase in mandatory contribution to the retirement system. This is the third of three anticipated annual increases of this type. There are no new positions.

Operations expenditures decrease in FY 2021 due to one-time FY 2021 costs to update Historic Commission Design Guidelines.

There is no Capital Outlay in FY 2022.

Debt Service includes principal and interest payments for a FY 2017 Planning & Inspections truck loan.

Police Department



The Beaufort Police Department is a full-service public safety agency charged with protecting the lives and property of residents and visitors while reducing the incidence and fear of crime. This charge is carried out with honor, integrity, and pride at all times while maintaining the highest ethical standards to safeguard the public's trust and confidence.

The Police Department provides various services with both uniformed and plain-clothed officers by way of the Patrol and Criminal Investigations Divisions. The Patrol Division is made up of four patrol squads working 12-hour shifts, 6:00am-6:00pm each day and night. Each shift is staffed by one Patrol Sergeant and two Police Officers. The Criminal Investigations Division is staffed by one Detective Lieutenant and one Detective. The Administration Division oversees the school resource officer, waterway patrol, and paid parking programs.

► FY 2021 Work Summary to Date–Police Department

In the first three quarters of FY 2021 we:

- Responded to over 5,100 calls for service, investigating over 650 traffic complaints, crashes, and vehicle stops.
- Attended over 1,500 hours of advanced law enforcement training.
- Successfully applied for and was awarded over \$23,000.00 in grant funds which will enhance our access to live data at the Carteret Emergency Communications Center.
- Assumed management of the Town's paid parking program in late FY 2021 after it was suspended for the 2020 season in response to economic concerns resulting from COVID-19. The paid parking program resumed operation in May 2021.

► FY 2021 Goal Updates–Police Department

Enhance Employee Health and Safety

We successfully deployed the external ballistic vest carriers to all staff. This reduces the amount and weight of the equipment currently worn on the duty belt. We were awarded \$23,000.00 in grant funds to begin the data interface project with the Carteret Emergency Communications Center that will provide real-time information to officers responding to emergency calls for service. This will be completed in FY 2022.



Law Enforcement Presence In Our Waterways

We maintained both proactive and reactive patrols in Taylors Creek, Town Creek, and the Rachel Carson Reserve. Unfortunately, our partnership with the Reserve's new "Pony Patrol" was delayed due to COVID-19. This will be an educational and enforcement campaign to protect our horses.

Law Enforcement Risk Review Process

We successfully completed our N.C. League of Municipalities review of our policies and practices, certifying our agency is operating according to industry standards and best practices.

Professional Development

We continue to develop professional skills with a focus on organizational leadership and supervisor accountability. Many classes were cancelled as a result of COVID-19, but we were able to substitute much of the in-person learning with virtual courses to maintain the necessary skillsets.

► FY 2022 Goals–Police Department

Enhance the Capabilities of the Property and Evidence Section

Explore newer inventory technologies that account for all items held in police custody more easily and efficiently.

Expand Community Engagement

As restrictions from COVID-19 begin to ease, we will safely reengage the community with events that nurture our relationship. We expect to resume Coffee with a Cop, National Night Out, and other future community-centered events.

We will coordinate with our schools and community to establish a mentoring program for our children.

We will continue to conduct marine operations and outreach efforts within the Town's waterways to welcome visitors and monitor compliance with the Navigable Waters Ordinance.

Prioritize Professional Development

Maintain our continued focus on the professional development of our officers and staff. Leadership, organizational accountability, de-escalation techniques, and implicit bias training will continue to be a priority.

Budget–Police Department

POLICE BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change		%
POLICE EXPENDITURES	Actual	Budget	Budget	fro	m FY 2021	Change
Personnel	\$1,524,375	\$1,614,967	\$1,697,739	\$	82,772	5%
Positions	18	19	20.45		1.45	8%
Operations	327,650	340,958	344,316		3,358	1%
Capital Outlay	56,966	158,963	180,000		21,037	13%
Debt Service	28,308	26,060	26,024		(36)	0%
Total Police Expenditures	\$1,937,300	\$2,140,948	\$2,248,079	\$	107,131	5%

Personnel expenditures increase due to cost of living and merit pay adjustments, as well as an increase in mandatory contribution to the retirement system. This is the third of three anticipated annual increases of this type. Increases also come from the transfer of 1.45 positions for the parking program.

Operations expenditures expand remain flat.

Capital Outlay expense is for a major communications upgrade funded through a federal grant with a 25% local match.

Debt Service includes principal and interest payments for FY 2017 Police Cars loan.



Public Services Administration & Engineering



The Public Services Administration & Engineering division, within the Public Services Department provides leadership, fiscal responsibility, and strategic planning for other Public Services divisions: Public Works, Public Utilities-Sewer, and Public Utilities-Water.

The engineering component of this division provides technical knowledge and leadership necessary to ensure successful completion of Town-funded infrastructure projects.

► FY 2021 Work Summary to Date–Public Services Admin & Engineering

Several projects either designed or managed by the Town's engineering staff were completed or nearing completion at the end of FY 2021 to include:

- Randolph Johnson Park Renovation
- Cedar Street Utility Rehabilitation and Replacement
- Professional Park Sewer Repair
- FY 2020 Street Rehabilitation and Construction
- Turner Street 100 Block Pedestrian Improvements

► FY 2021 Goal Updates–Public Services Admin & Engineering

Adopt Standard Uniforms for Field Staff in Public Services

The task of establishing consistency between uniforms worn by Public Works, Sewer, and Water divisions so that all staff members can easily be recognized as Town employees was not achieved in FY 2021. Several logos that are easily reproduced on clothing were however, developed during the period for consideration.



Begin Street and Pedestrian Improvements

The resurfacing portion of the CIP project titled Street and Pedestrian Improvements was completed by the end of FY 2021. The construction of several segments of sidewalks and accessibility improvements will continue into FY 2022.



Begin Utility, Stormwater & Street Improvements Program The Town was successful during FY 2021 in acquiring approximately \$23-million in grant and loan funding from the U.S. Department of Agriculture (USDA) to rehabilitate, repair, and replace water, sewer, and stormwater lines. Design of the project is anticipated to begin as FY 2021 comes to a close. The design effort is expected to take about a year.

C Develop Sewer Allocation Policy for Town Board Approval Public Services staff developed a Wastewater Allocation Policy that was adopted by the Beaufort Board of Commissioners on January 5, 2021.

💪 🌈 Develop Stormwater Improvements Program

The addition of a separate stormwater fee for commercial entities was examined during FY 2021. The examination indicated that such a fee would yield insignificant additional revenue. Additionally, Public Services Engineering and Public Works staff identified and undertook several significant maintenance projects. Among them was maintenance of the network of pipes and ditches downstream of Meeting Street and maintenance of the ditches and pipes along and downstream of Charles Street. Staff will complete inventorying of the areas in need of drainage maintenance and thereafter, prioritize the list. Budgeting for the work will also be undertaken.

Establish List of On-Call Engineering and Architectural Firms

The plan to conduct a request for qualifications (RFQs) and the ensuing selection process for on-call engineering and architectural services will be carried over into FY 2022.



Prepare for Cedar Street Utility Line Improvements

The replacement and rehabilitation of Town sanitary sewer lines and water distribution mains was completed during April 2021. This work was performed in advance of the planned stormwater improvements and pavement resurfacing of Cedar Street by the NC Department of Transportation.

Replace Street, Water, and Wastewater Design Manual

The effort to replace the Town's "Manual for Design and Construction of Streets, Water, and Wastewater Systems" with one that includes more detailed specifications and new, drawing details was not completed during FY 2021. Several new specifications and drawing details were however, developed during the period for projects designed by Town Engineering staff. These will be incorporated into the improved guidance manual.

FY 2022 Goals–Public Services Administration & Engineering

Adopt Standard Uniforms for Field Staff in Public Services Continue the effort of establishing consistency between uniforms worn by Public Works, Sewer, and Water divisions so that all staff members can easily be recognized as Town employees

Bid and Construct the Campen Road Waterline Extension

Prepare the contract documents and specifications to support the completed drawings for a 6-inch waterline along Campen Road that is to replace an existing 2-inch line between Carroway Drive and the Eastport Apartments. Thereafter, obtain bids, award a construction contract, and administer the contract during construction.

Establish List of On-Call Engineering and Architectural Firms

Conduct a request for qualifications (RFQs) and selection process for on-call engineering and architectural services. Thereafter, execute Town-developed on-call agreements with those firms selected.

Provide Guidance and Support for the USDA-funded Utilities Improvements Project

Provide guidance and support to the engineering consultant that will be designing the USDA-funded project to rehabilitate, repair, and replace water, sewer, and stormwater lines. Provide also, administration of the engineering agreement during the year-long design process.

Replace Street, Water, and Wastewater Design Manual

Complete the work to replace the Town's "Manual for Design and Construction of Streets, Water, and Wastewater Systems" with one that includes more detailed specifications organized according to the 2016 Construction Specifications and 2016 MasterFormat guidance document.

Budget–Public Services Administration & Engineering

PSA & ENGINEERING BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
PSA & ENGINEERING EXPENDITURES	Actual	Budget	Budget	from FY 2021	Change
Personnel	\$-	\$ 261,605	\$ 272,987	\$ 11,382	4%
Positions	-	-	2	2	NA
Operations	-	26,610	30,155	3,545	13%
Capital Outlay	NA	NA		NA	NA
Debt Service	NA	NA		NA	NA
otal PSA & Engineering Expenditures	\$-	\$ 288,215	\$ 303,142	\$ 14,927	5%

Personnel expenditures increase due to cost of living and merit pay adjustments, as well as an increase in mandatory contribution to the retirement system. This is the third of three anticipated annual increases of this type. There are no new positions.

Operations increases due to professional services expenses related to hydraulic modeling of a sewer force main.

Public Works Division



The Public Works division, within the Public Services Department, strives to make everyday life as safe and convenient as possible for Beaufort residents and visitors while providing outstanding customer service.

Specifically, Public Works maintains public rights of way, streets, signage, bike and pedestrian paths, sidewalks, stormwater management, parks, and the boardwalk. Staff performs routine repairs, monitors roads and rights-of-ways for cleanliness and safety hazards, and maintains landscaping on all Town-owned property.

The division also maintains and repairs Town-owned vehicles and equipment, as well as Town-owned buildings and grounds.

Public Works also collects yard debris and bulky waste, and oversees the trash and recycling collection contract with GFL. Staff also provides oversight and works closely with contractors on public projects.

► FY 2021 Work Summary to Date–Public Works Division

In the first three quarters of FY 2021 we:

- Police Annex Renovation Completed the Police annex project that yielded more office space for the department along with a kitchen, a processing room, bathrooms with showers, a lock-up room, an interrogation room, and a training room.
- Turner Street 100 Block Pedestrian Improvements Coordinated the award and construction of those elements of the overall improvements contract that were not part of the original construction contract to include and an elevated cross walk, some curb and gutter construction, and pavement markings.
- Topsail Park Constructed some of the ancillary elements of the park which make it more user friendly.
- Town Hall Lobby Renovation Remodeled the interior lobby of Town Hall to make it ADA compliant while also enlarging and reconfiguring the administrative office space adjacent to the lobby. The features incorporated into the lobby remodeling also resulted in more secure office space.

- Town Hall ADA Accessibility Renovated the exterior west facing side of Town Hall to include an ADA accessible ramp and new sidewalk entering Town Hall.
- COVID-19 Support Services– With the advent of COVID-19, Public Works assisted with health and safety initiatives. One such initiative involved planning vehicular checkpoints with the Police and Fire Departments during the early stages of COVID-19. Thereafter, Public Services procured and positioned the barricades, electronic message boards, and temporary personnel shelter needed for the checkpoints.
- Meeting Street Stormwater Cleared and mulched drainage outfall ditches leading from the Meeting Street -Professional Park Drive area. This work was part of the overall 4.5 miles of drainage ditches and swales cleaned/cleared by Public Works staff during the first 9 months of FY 2022.

► FY 2021 Goals Update–Public Works Division



Cedar Street Park

Assist in construction oversight when construction begins.

Construction of this project did not begin in FY 2021, but is expected to begin in FY 2022.

Refer to Cedar Street Park in Section 4: Capital Improvement Plan for more information.

Employee Development

Conduct employee safety training and specialized certifications. Public Works staff was encouraged to enroll in HVAC technology classes offered by Carteret Community College. Tuition reimbursement was provided to those who ultimately enrolled. Several members of Town staff to include the Public Works Director also obtained certifications as a pool operator. This certification is needed for operation of the newly constructed splash pad at the Randolph Johnson Park. Lastly, several Public Works staff members obtained North Carolina DOT Approved Flagger Certifications.

Police Station Annex Renovation

Completed renovation of former police station (annex) to add training, evidence, interview, and storage rooms. This project was

completed mostly with in-house labor, and some subcontractor supervision.



Randolph Johnson Park Renovation

Ensure completion and opening to include the splash pad, playground, bathroom and shelter facility, covered seating areas, and connecting sidewalks between activities. Design and integrate routine park and bathroom maintenance into existing workflows.

The park renovation project was completed December 2020 and is scheduled to open in May 2021. Public Works assisted the Town's engineering section and the contractors as they worked to complete the successful construction of the playground, splashpad, and shelter area.

Refer to Randolph Johnson Park in Section 4: Capital Improvement Plan for more information.

FY 2022 Goals–Public Works Division



Cedar Street Park

Provide periodic observation and support of the contractor's work to assure proper construction of the Cedar Street Park.

Refer to Cedar Street Park in Section 4: Capital Improvement Plan for more information.



Pedestrian Improvements

Award and provide administration of a contract to mitigate trip, slip and fall hazards associated with the Town's existing sidewalks.

Stormwater Maintenance

Inventory and prioritize known stormwater drainage issues. Thereafter, institute a program of maintenance/improvements that is based upon the prioritization of the drainage issues.

Tennis and Basketball Court Improvements

Award and provide administration of contracts to repair fencing and resurface courts.

► Budget–Public Works Division

PUBLIC WORKS BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
PUBLIC WORKS EXPENDITURES	Actual	Budget	Budget	from FY 2021	Change
Personnel	\$ 751,058	\$ 796,637	\$ 890,981	\$ 94,344	12%
Positions	13.30	13.30	14.30	1	8%
Operations	1,586,323	1,307,140	1,373,079	65,939	5%
Capital Outlay	97,359	288,954	112,950	(176,004)	-61%
Debt Service	39,464	355,399	368,156	12,757	4%
Total Public Works Expenditures	\$2,474,204	\$2,748,130	\$2,745,165	\$ (2,965)	0%

Personnel expenditures increase due to cost of living and merit pay adjustments, an increase in the mandatory contribution to the retirement system (the third of three anticipated annual increases of this type) and the addition of one position to mitigate the additional workload resulting from new parks.

Operations costs increase to include increased sanitation cost and the stormwater analysis for Town Creek and Orange Street.

Capital Outlay is for FEMA hazard mitigation grant-funded generators.

Debt Service includes principal and interest payments for FY 2017 loan toward a one-ton truck and a grapple truck, and payments on the Street and Pedestrian Improvements loan originated in FY 2020.

Sewer Division



The Sewer division, within the Public Services Department, is responsible for the maintenance of the sewer collection system as well as the operation and maintenance of the Wastewater Treatment Facility.

The sewer collection system is comprised of approximately 25 miles of gravity lines, 28 miles of force mains, 23 pump stations, and approximately 3,300 sewer service connections.

The Wastewater Treatment Plant (WWTP) is a permitted 1.5 million gallon per day facility that treats the collected sewage of the Town and discharges the treated effluent into the eastern end of Taylor's Creek in accordance with state and federal regulations.

► FY 2021 Work Summary to Date-Sewer Division

In the first three quarters of FY 2021 we:

- Responded to 60 sewer calls
- Cleaned 18,000 feet of sewer mains
- Installed 7 vacuum pods in Beaufort Club
- Collected and treated over 126 million gallons of wastewater
- Removed annual residual solids haul as scheduled
- Accepted the Deerfield community sewer along with their new lift station into the Town's system

► FY 2021 Goal Updates-Sewer Division

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Cedar Street Utility Line Improvements

Assisted the Town engineering staff in assuring proper construction of the Cedar Street utility line and replacement project through periodic observation of the contractor's work.

Refer to Cedar Street Utility Line Improvements in Section 4: Capital Improvement Plan for more information.

Clean 10% Gravity of Sewer Lines

The Sewer Division cleaned over 18,000 feet of sewer mains as part of a North Carolina Department of Environmental Quality (NC DEQ) requirement to clean at least 10% of the system's linear footage of pipe.

Clean and Maintain 23 Lift Stations

All sewer lift stations were cleaned and inspected during the past year.

► FY 2022 Goals-Sewer Division

Clean 10% Gravity of Sewer Lines

Continue the successful year-after-year task of cleaning at least 10% of all gravity sewer lines during FY 2022.

Develop and Begin a Force Main Valve Exercise Program

Force mains are pipes under pressure through which wastewater pump stations are discharged. These mains usually are outfitted with valves so that segments of the main can be isolated in the case of a rupture. According, the Sewer Division intends to develop a program whereby valves along the various force mains are operated through a full cycle and returned to their normal positions on a schedule that is designed to prevent a buildup of tuberculation or other deposits that could render the valves inoperable or prevent tight shutoffs. The program shall also involve recording of the operation dates and the results along with a procedure for ensuring that defective valves are repaired or replaced.

Develop and Begin an Air Release Valve Flushing Program

Air release valves are placed along force mains to exhaust air and sewer gases from the mains. Without these valves, air and the gases can accumulate and in doing so, greatly restrict flow though the lines. One step in ensuring that these valves operate properly is to periodically flush them with water. Accordingly, the Sewer Division intends to flush all air release valves at least once during each year to help maintain their proper operation.

Maintain Compliance

Maintain compliance with the NC statutory and NC DEQ regulatory requirements for wastewater collection, treatment and disposal systems through testing and the related.

Maintain Operation of 25 Lift Stations through Preventive and Required Maintenance

Lift stations are responsible for pumping sewer to the Wastewater Treatment Plant. These stations require frequent cleaning and maintenance to operate properly. As such, Sewer Division staff will continue the goal of rendering uninterrupted pumping of these stations to the extent possible via regularly scheduled cleaning and routine maintenance.

► Budget-Sewer

SEWER BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
SEWER EXPENDITURES	Actual	Budget	Budget	from FY 2021	Change
Personnel	\$ 723,677	\$ 667,610	\$ 675,308	\$ 7,698	1%
Positions	9	8	8	-	0%
Operations	583,533	846,993	742,208	(104,785)	-12%
Capital Outlay	1,113,625	263,600	30,000	(233,600)	-89%
Debt Service	1,337,143	1,244,674	1,202,863	(41,811)	-3%
Total Sewer Expenditures	\$3,757,978	\$3,022,877	\$2,650,380	\$ (372,497)	-12%

Personnel expenditures increase due to cost of living and merit pay adjustments, as well as a substantial increase in mandatory contribution to the retirement system. This is the third of three anticipated annual increases of this type. There are no new positions.

Operations decrease as a result of completion of a maintenance project at the sludge handling facility and contract engineering services used for the asset inventory assessment (AIA) grant.

Capital Outlay in FY 2022 is for a replacement pickup truck.

Debt Service includes principal and interest payments for the FY 2006, FY 2008, FY 2009 Sewer loans, the FY 2010 Sewer Plant loan, and an FY 2017 WWTP pickup truck loan.

🕂 DID YOU KNOW?

The Town of Beaufort has over 47 miles of underground main water lines.

Water Division



The Water division, within the Public Services Department, is responsible for the treatment and distribution of potable water to all the Town's utility customers.

The Water division operates two water treatment plants (one on Hedrick Street and one on Glenda Drive) and has a designed permitted flow rate of 1.2 million gallons per day.

The Water division is also responsible for over 3,500 service connections throughout its distribution system.

► FY 2021 Work Summary to Date–Water Division

In the first three quarters of FY 2021 we:

- Installed over 63 new meters
- Changed out 58 old meters to new meters
- Repaired over 31 major water main leaks
- Completed an average of 4 work orders per day
- Completed an average of 35 water utility locates per week
- Pumped an average of nearly 500,000 gallons per day to the distribution system
- Maintained compliance through daily, weekly, monthly, quarterly, and yearly testing as required by NC Department of Environmental Quality

► FY 2021 Goal Updates–Water Division



Cedar Street Utility Line Improvements

Assisted the Town engineering staff in assuring proper construction of the Cedar Street utility line and replacement project through periodic observation of the contractor's work.

Refer to Cedar Street Utility Line Improvements in Section 4: Capital Improvement Plan for more information.

Outfit New F-250 with Necessary Tools & Equipment

Purchased tools and equipment for the truck to be prepared to respond to water service needs.

Repaint Fire Hydrants

Painted many fire hydrants throughout the water system. This will continue to be an ongoing process to protect and ensure the longevity of system hydrants.

Replace Water Service for the Ferry Docks

The water service for the ferry docks was completely replaced from the water main to the water meter.

FY 2022 Goals–Water Division

Maintain Compliance

Continue to maintain compliance with the NC statutory and NC Department of Environmental Quality regulatory requirements for public water production, treatment and distribution systems through daily, weekly, monthly, quarterly, and yearly testing as well as, the related reporting.

Repair/Replace High Service Piping

Repair/Replace the high service piping for the Pine Street water plant.

Repaint Fire Hydrants (Continued)

Many of the Town's fire hydrants are in need of new paint, which not only enhances the appearance, but also helps extend the life of the hydrants.

Clean & Paint Exterior of High Service Building

Clean and paint the exterior of the high service building at the Pine Street water plant.

Develop and Begin a Water Valve Exercise Program

Develop a program whereby every distribution system water valve is operated through a full cycle and returned to its normal position on a schedule that is designed to prevent a buildup of tuberculation or other deposits that could render the valve inoperable or prevent a tight shutoff. The program shall also involve recording of the operation dates and the results along with a procedure for ensuring that defective valves are repaired or replaced

► Budget-Water

WATER BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
WATER EXPENDITURES	Actual	Budget	Budget	from FY 2021	Change
Personnel	\$ 303,857	\$ 304,857	\$ 312,997	\$ 8,140	3%
Positions	4	4	4	-	0%
Operations	390,001	384,410	405,128	20,718	5%
Capital Outlay	(126,704)	10,000	60,000	50,000	500%
Debt Service	135,955	133,554	131,152	(2,402)	-2%
Total Water Expenditures	\$ 703,110	\$ 832,821	\$ 909,277	\$ 76,456	9%

Personnel expenditures increase due to cost of living and merit pay adjustments, as well as an increase in mandatory contributions to the retirement system. This is the third of three anticipated annual increases of this type. There are no new positions.

Operations has a minor increase due to the need for additional materials for repairs.

Capital Outlay in FY 2022 is for a replacement utility vehicle and equipment.

Debt Service includes principal and interest payments for the FY 2013 Glenda and Sycamore water treatment plant loans and an FY 2017 pickup truck loan.



Non-Departmental

Items in this program span multiple departments within a fund.

► Budget–Non-Departmental General Fund

NON-DEPARTMENTAL - GF BUDGET

FY 2022

	FY 2020	FY 2021	FY 2022	Amt Change	%
NON-DEPT GF EXPENDITURES	Actual	Budget	Budget	from FY 2021	Change
Personnel	\$-	\$ 55,000	\$ 60,337	\$ 5,337	10%
Positions	-	-	-	-	NA
Operations	237,902	431,576	576,644	145,068	34%
Capital Outlay	6,715	131,336	258,000	126,664	96%
Debt Service	1,122,420	119,486	116,438	(3,048)	-3%
Transfers to Capital Funds	573,999	185,000	285,000	100,000	54%
Total Non-Dept GF Expenditures	\$1,941,036	\$ 922,398	\$1,296,419	\$ 374,021	41%

Personnel includes about 2% of salaries for merit-based raises.

Operations includes:

- Legal services
- Annual Audit
- Contingency
- Human resources services such as drug screenings, background checks, and the Employee Assistance Program.
- Employee engagement efforts, including employee recognition, a wellness fair, an awards program, and training programs offered by the UNC School of Government. A new training program to enhance employees' use of technology is also included this year.

In FY 2022, Capital Outlay includes funding for a vehicle replacement program.

Debt Service includes principal and interest payments for the Town Hall loan.

Transfers to Capital Funds includes a portion of the future debt service for the street portion of the Utility, Stormwater, and Street Improvements project in FY 2025 and \$100,000 for the 1410 Front Street Stormwater Culvert Relocation project.

Refer to 1410 Front St Stormwater Culvert Relocation and Utilities, Stormwater, & Street Improvements in Section 4: Capital Improvement Plan for more information.

Budget–Non-Departmental Utility Fund

FY 2022

	FY 2020	I	FY 2021	F	Y 2022	Am	t Change	%
NON-DEPT UF EXPENDITURES	Actual	Budget		Budget		from FY 2021		Change
Personnel	\$ -	\$	16,000	\$	16,000	\$	-	0%
Positions	-		-		-		-	NA
Operations	NA		NA				NA	NA
Capital Outlay	NA		NA				NA	NA
Debt Service	NA		NA				NA	NA
Transfers to Capital Funds	333,930		350,000		350,000		-	0%
Contribution from UF to GF	511,000		600,000		624,000		24,000	4%
Total Non-Dept UF Expenditures	\$ 844,930	\$	966,000	\$	990,000	\$	24,000	2%

Personnel includes 2% of salaries for merit-based raises.

Transfers to Capital Funds will transition to debt service payments for the utility portion of the Utility, Stormwater, and Street Improvements project beginning in FY 2025.

Contribution from UF to GF is money contributed from the Utility Fund to the General Fund for administrative and engineering services, based on estimates projected for FY 2022 in the FY 2021 Five-Year Financial Plan.

Refer to Utilities, Stormwater, & Street Improvements in Section 4: Capital Improvement Plan for more information.



In the early 1960s, the Fire Department's first ladder truck was a homemade Dodge Ladder truck with a 50' hand-cranked ladder.

Capital Improvement Plan

The following plan shows how the Town can pay for largescale improvements such as parks, roads, buildings, and other facilities. It includes a schedule of when the projects might begin and a detailed profile for each project.

In this section you will find:

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Capital Improvement Plan Guide

The Town of Beaufort defines capital improvements as:

- Physical assets built or bought,
- Having a useful life of ten (10) years or more, and
- Costing \$100,000 or more.

Capital improvements do not typically include items defined as "capital outlay." Capital outlay includes smaller-scale items, such as furniture, equipment, and vehicles.

The following diagram shows types and examples of capital improvement projects.

Build New or Replace or Rebuild Hire Professional Purchase Major **Expanded Facilities Existing Facilities** Studies & Services **Equipment or Land** New Fire Station • Repair Water & • Stormwater • Fire Trucks Sewer Lines Assessment Park land New Police Station • Repave Streets Street Design • Expand Randolph Easements Johnson Park Repair Bulkhead Small Area Plans • Build Cedar St Park • Replace Boardwalk

The Town of Beaufort's capital improvement plan (CIP) describes capital improvements slated for funding in the next five years. It also includes any expected projects beyond five years.

The CIP allows the Town to:

- Build and maintain facilities needed for the Town's public services
- Address physical development goals from approved Town plans
- Improve financial planning: compare needs with funds, estimate future debt, and see effects on tax rate and fees
- Prioritize projects to best use limited funds
- Align timing of construction and major equipment purchases with public needs
- Pre-plan projects to seize chances for partnerships and grants

The

► Project Criteria for Inclusion in CIP

The Town reviews and updates its CIP as part of the annual budget process. It can, and does, change in future years. As a rolling document, older projects drop off and new ones are added yearly.

Items in the CIP must advance one or more of the Town's strategic priorities. Often, they come from infrastructure or long-term strategic plans that the Town has developed. The following diagram shows additional factors considered when items get added to the CIP.

Preserve or Enhance Town Assets

- Will the project maintain or improve an existing facility?
- · What is its anticipated useful life?
- Does it replace a piece of equipment needed to provide public services? Is the current asset beyond its reasonable life?
- Is the expense part of a scheduled plan to keep facilities or equipment operational and preclude major repair costs?

Increase Efficiency and Effectiveness

- Does the project reduce operating costs (e.g., eliminate costly repairs) or increase effectiveness?
- Does it reduce potential legal liability (e.g., repair a broken sidewalk) or threats to service continuity (e.g., replace an old water truck before it breaks down completely)?
- Does it improve customer service or provide a new, needed service?

Be a Good Steward of Public Resources

- Does the project increase revenues?
- Are grant funds available to cover a portion or all of the cost?

Consider Impacts on the Operating Budget

- · What types of ongoing savings might be realized from the project?
- Does it increase operating costs?

► CIP as a Financial Planning Tool

As a financial planning tool, the CIP provides the following information for each capital improvement.

- Costs to complete the project or to purchase and put equipment into service
- Subsequent operating and maintenance costs after the project is complete or the item is in service
- Potential funding sources for initial and subsequent costs

The Town Manager determines the least costly and most flexible way to pay for each improvement. Funding sources include: federal and state grants, dedicated taxes and fees, and monies from fund balances. In addition, the Town actively seeks donations of funds, property, services, and materials to offset the cost of capital improvements.

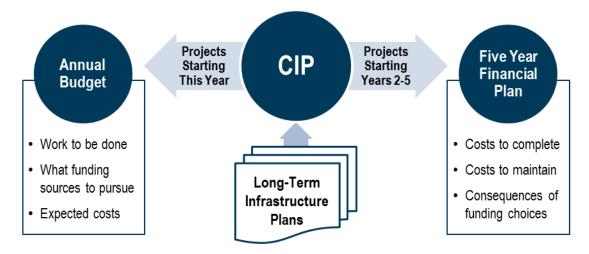
Relationship to Budget Document

The CIP provides the critical link between long-term infrastructure plans and financial planning and budgeting needed to implement them.

For example, the Infiltration and Inflow Study (a long-term infrastructure plan) recommends sewer line improvements to better transport and treat wastewater. A project is added to the CIP for Utility Line Improvements, with a start date in the future.

The five-year financial plan includes funding amounts in the start date indicated by the CIP. When the start year arrives, the funding sources and amounts in the CIP inform the annual budget.

The following diagram shows how the CIP feeds information from long-range infrastructure plans to both the annual budget and the five-year financial plan.



The CIP is adopted by the Town Board along with the annual budget. Only expenses and funding sources outlined in the first year of the CIP are considered part of the adopted annual budget.

Improvement costs and funding sources outlined for subsequent years are not authorized until the annual budget for those years or a capital project budget is legally adopted. The out years serve as a guide for future planning and are subject to further review and modification.

Parts of the Capital Improvement Plan

The capital improvement plan contains a brief summary of all improvements, followed by a detailed profile for each.

CIP Summary

Presents improvement cost and anticipated timeline for recently completed, current, and future capital improvements.

Capital Improvement Profiles

Provides an overview of each upcoming or future capital improvement. Each profile is defined as follows:

- Description of the improvement
- Background and justification

As more information is known over time, the following sections of the profile are updated.

- Status and updates
- Costs to plan, design, implement, or equip
- Anticipated timing and funding for costs, as well as how the funds will be tracked (such as a capital project fund)
- Subsequent budget impacts once improvement is in place
- Financial implications of capital improvements sometimes extend beyond implementation. For example, some projects will be funded through loans. Future budgets will then need to cover the loan payments (debt service).
- In some cases, specific revenue sources can offset expenditures. For example, Carteret County Fire District Tax might cover debt service payments for fire trucks and stations, while Powell Bill funds can help cover debt service payments for road works.

CIP Summary

Beaufort's five-year capital improvement program is approximately \$39 million, the bulk of which (76%) is directed towards street resurfacing and underlying utility line and stormwater improvements.

The following table shows likely costs and scheduling for each improvement for the next five years and beyond. One improvement is listed per row, with six columns, one for each period. The final row totals the cost of all capital improvements for each column.

The first column, FY 2022 Budget, shows amounts included in the FY 2022 annual budget or a capital project fund for each project. Subsequent columns show amounts for planning purposes for the periods FY 2023, FY 2024, FY 2025, FY 2026, and Beyond.

Updated for FY 2022	FY 2022 Budget	FY 2023 Projected	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	Projected Beyond
1410 Front Street Storm water Culvert	\$ 28,000	\$ 181,000	\$-	\$-	\$-	\$-
Boardwalk/Bulkhead Improvements	-	35,000	1,222,000	-	-	-
Cedar Street Park	542,000	-	-	-	-	-
Cedar Street Utility Line Improvements	-	-	-	-	-	-
Fire Station 1 - Pumper Truck	-	-	622,000	-	-	-
Fire Station 2 - Living Quarters & Staffing	180,000	-	-	-	-	-
Fire Station 2 - Pumper Truck	560,000	-	-	-	-	-
Fire Watercraft	-	-	-	200,000	-	-
Police Department Building	-	-	-	-	-	4,050,000
Police Department Communications Upgrade	180,000	-	-	-	-	-
Public Works Facility	-	-	-	-	-	2,077,000
Public Works Sweeper Truck	-	200,000	-	-	-	-
Randolph Johnson Park	-	-	-	-	-	3,005,000
Sewer Pump Station 1 Replacement	-	-	-	120,000	915,000	-
Sewer Pump Station 7 Replacement	90,000	650,000	-	-	-	-
Street and Pedestrian Improvements	-	-	-	-	-	-
Utility Line, Stormwater, & Street Improvements	1,602,070	11,034,390	11,228,590	6,782,800	-	-
Vehicle Replacement Program	385,348	200,000	350,000	200,000	60,000	-
Water Treatment Plant	530,000			-		26,895,000
Total Capital Improvements	\$4,097,418	\$ 12,300,390	\$ 13,422,590	\$ 7,302,800	\$ 975,000	\$36,027,000

CAPITAL IMPROVEMENTS PLAN SUMMARY

Items which concluded in the last year do not have future project costs. Their profiles remain in the CIP this year to show their completion.

Capital Project Profiles

This section provides an overview of each existing, upcoming, or future capital improvements. Currently, the Capital Improvement Plan includes these items:

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1410 Front St Stormwater Culvert Relocation



TYPE	Capital Project
CATEGORY	General Services
STATUS	New
IDENTIFIED	FY 2022
PROJECT COST	\$209,000
LIFE	50+ Years
	Greg Meshaw PSA & Engineering

The abandonment of the stormwater culvert located directly beneath the house located at 1410 Front Street is proposed by filling it with a flowable type fill. Abandonment of this culvert will be accompanied by its replacement with the construction of a new culvert along a different route to Taylors Creek.

Background and Justification

The culvert beneath 1410 Front Street conveys stormwater runoff from the 100 block of Belle Air Street. It outlets to the rear of the house at Taylors Creek. During 2020, staff learned that there were significant accumulations of water in the crawl space of the house from time-to-time. Staff's investigation revealed the stormwater culvert to have multiple obstructions that could have potentially contributed to the accumulation of water. The line was ultimately cleared by Public Works thereby allowing for proper drainage. Through this effort staff also discovered an intersecting line that extended eastward onto 1500 Front Street. This line was subsequently cleared when it was discovered to be obstructed.

Public Works staff was again contacted in 2021 by the property owner who has indicated that water continues to accumulate in the crawl space. The owner has further indicated his belief that the culvert under the house is the source of this water. Additionally, it is worth noting that the 1500 Front Street parcel was vacant upon discovery of the aforementioned line. A new residential structure has since been constructed thereby placing at least part of the line under the house.

Existence of a stormwater culvert beneath a structure makes for a less than ideal situation that should be corrected. The crawl space issue perceived as being attributable to the culvert, whether true or not, makes the need for corrective measures even more evident.

► Status and Updates

This is a newly proposed project.

► Schedule, Cost, and Funding Estimates

The estimate to design, permit and construct the replacement stormwater lines and to abandon the existing culvert beneath 1410 Front Street is as follows. Design will occur in the first year, followed by construction in the second year.

1410 FRONT STREET STORMWATER CULVERT

Updated for FY 2022	CO	ST ESTIMATES
Design, Permit & Bid	\$	28,000
Land & Right-of-Way		30,000
Construction		140,000
Oversight		11,000
Total Project Cost	\$	209,000

The following schedule of expenditures is proposed. It is accompanied by the method of funding currently envisioned.

1410 FRONT STREET STORMWATER CULVERT - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Design, Permit & Bid	-	28,000	-	-	-	-	-
[CPF] Land & Right-of-way	-	-	30,000	-	-	-	-
[CPF] Construction	-	-	140,000	-	-	-	-
[CPF] Oversight	-	-	11,000	-	-	-	-
Total Project Cost	\$-	\$28,000	\$181,000	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING							
[CRF] Streets	-	28,000	181,000	-	-	-	-
Total Project Funding	\$ -	\$28,000	\$181,000	\$ -	\$ -	\$ -	\$ -

Project funding comes through revenue from stormwater fees, which are transferred into a capital project fund over a two-year period.

► Subsequent Impacts

No significant ongoing operational costs is expected over that normally anticipated for maintenance of stormwater infrastructure.

Boardwalk / Bulkhead Improvements





TYPE	Capital Project
CATEGORY	Culture & Recreation
STATUS	Deferred
IDENTIFIED	FY 2019
PROJECT COST	\$1,257,000
LIFE	30+ Years
	Greg Meshaw PSA & Engineering

This project includes extensive repairs to the concrete bulkhead along Front Street between Turner and Queen Streets, as well as removal of the existing boardwalk and construction of a new one.

Background and Justification

The boardwalk is one of Beaufort's most important assets, and lies atop a bulkhead constructed in 1975. Structural engineers assessed the bulkhead's condition in 2018 and found it to be failing. The boardwalk, which is in need of replacement, must be removed to repair the bulkhead.

Status and Updates

In FY 2019, staff applied for a US Fish and Wildlife Service Boating Infrastructure Grant (BIG) which would have paid for about 50% of the project original project; it was not awarded.

As discussed at the February 2020 Town Board retreat, a comprehensive harbor and waterways master plan is needed to address water quality, harbor management, the expiration of the current Beaufort Docks and National Park Service leases in 2024, the possible development of a mooring field, and how such items impact the timing of the replacement of the Front Street bulkhead and boardwalk.

At the March 2021 Board retreat it was decided that an advisory committee should be appointed to assist in the effort. This committee will engage the public and work with the Town's staff and consultant to advise the Town Board of Commissioners during the formation of the Beaufort Harbor & Waterways Master Plan. The committee is expected to have its first meeting Summer 2021.

► Schedule, Cost, and Funding Estimates

The FY 2022 Harbor & Waterways Master Plan will affect the timing and design of this project, which could also have funding implications. The following cost estimates were developed in FY 2019, based on cost an estimate provided by a consulting engineer who was preparing the structural design for the project.

BOARDWALK/BULKHEAD IMPROVEMENTS

Updated for FY 2022	cos	ST ESTIMATES
Design, Permit & Bid	\$	35,000
Construction		1,222,000
Total Project Cost	\$	1,257,000

The following schedule is one option, which shows construction coinciding with the expiration of the Beaufort Docks lease in 2024.

BOARDWALK/BULKHEAD IMPROVEMENTS - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Design, Permit & Bid	-	-	35,000	-	-	-	-
[CPF] Construction	-	-	-	1,222,000	-	-	-
Total Project Cost	\$-	\$ -	\$ 35,000	\$ 1,222,000	\$-	\$ -	\$ -
PROJECT FUNDING							
[CRF] Boardwalk	-	-	35,000	565,000	-	-	-
[CRF] Intergovernmental	-	-	-	600,000	-	-	-
[GF] Property Taxes	-	-	-	57,000	-	-	-
Total Project Funding	\$ -	\$ -	\$ 35,000	\$ 1,222,000	\$-	\$ -	\$ -

Once this project is activated, a Boardwalk/Bulkhead Improvements capital project fund will be created to track all money associated with the project.

Money coming into the capital project fund includes:

- Transfer from Capital Reserve, contributed from General Fund in FY 2018 and FY 2019,
- Possible US Fish and Wildlife Service Boating Infrastructure Grant, and
- Property taxes and other General Fund revenues.

If the grant is not awarded, remaining funding may be provided through loan proceeds.

Subsequent Impacts

There are no additional operating costs anticipated for this project once it is completed, aside from those already budgeted on an annual basis.

Cedar Street Park



TYPE	Capital Project
CATEGORY	Culture & Recreation
STATUS	In Process
IDENTIFIED	FY 2018
PROJECT COST	\$1,355,000
LIFE	50+ Years
CONTACT	Rachel Johnson
	Administration
	1 ionimication

► Status and Updates



This project includes design and construction of a passive park at the site of the former Gallant's Channel drawbridge landing area.

Background and Justification

A popular fishing spot where accommodations can be made for additional passive recreational activities, this is a highly visible piece of property from the high-rise bridge and anchors the end of one of the Town's more prominent streets.

Prior to 2017, NC DOT agreed to provide the Town use of this property. NC DOT also agreed to resurface the road before turning the right-of-way over to the Town. This resurfaced road will serve as the entrance and parking area.

In FY 2017, a preliminary concept plan for the park was completed that relied on extensive public input.

In FY 2020:

- A more refined concept plan was completed with construction drawings to follow;
- NC DOT suspended a number of projects indefinitely until financial shortfalls were overcome, which delayed resurfacing of the road prior to transfer of right-of-way; and

An adjacent property owner asked to receive ownership of the right-of-way in front of his property in exchange for him contributing restroom facilities at the park.

In FY 2021:

- Construction drawings are expected to be completed;
- NC DOT is expected to have turned the right-of-way over to the Town, and provide the Town with funding equivalent to the estimated cost of resurfacing the segment of Cedar Street from Moore Street to the western terminus, rather than actually performing the resurfacing work; and
- The Town agreed to abandon a portion of the right-of-way not needed for the park to an adjacent property owner, who has agreed to donate \$125,000 to the Town for the construction of a restroom/kiosk at the park.

In FY 2022, construction is expected to begin.

► Schedule, Cost, and Funding Estimates

Cost estimates shown below were developed in FY 2021.

CEDAR STREET PARK

Updated for FY 2022	cos	ST ESTIMATES
Design, Permit & Bid	\$	95,000
Construction		1,260,000
Total Project Cost	\$	1,355,000

Sufficient funding to complete all elements of the Cedar Street Park plan are not currently available, so initial construction will be limited to currently available funds.

CEDAR STREET PARK - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Design, Permit & Bid	70,500	-	-	-	-	-	-
[CPF] Construction	-	542,000	-	-	-	-	-
Total Project Cost	\$ 70,500	\$ 542,000	\$ -	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING							
Capital Project Fund	70,500	362,000	-	-	-	-	-
[GF] Intergovernmental	-	55,000	-	-	-	-	-
[GF] Other Revenues		125,000	-		-	-	-
Total Project Funding	\$ 70,500	\$ 542,000	\$ -	\$ -	\$ -	\$ -	\$ -

Design and construction of Cedar Street Park (as well as Randolph Johnson Park, Phase 1) is funded through a capital project fund established by a \$2-million grant from a private foundation. Additional funding comes from another private donation and a contribution from NC DOT described in Status and Updates.

Town staff will apply for additional grants to supplement existing funding for construction of additional park elements.

► Subsequent Impacts

Once the park is open, the Town will incur on-going maintenance costs which will impact the Public Works budget.

CEDAR STREET PARK - SUBSEQUENT BUDGET IMPACTS

Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Personnel	-	10,800	11,016	11,236	11,461	+CPI / year
[GF] Operations	-	3,000	3,060	3,121	3,184	+CPI / year
Total Subsequent Expenditures	\$ -	\$ 13,800	\$ 14,076	\$14,358	\$14,645	
SUBSEQUENT FUNDING						
[GF] Property Taxes	-	13,800	14,076	14,358	14,645	+CPI / year
Total Subsequent Funding	\$ -	\$ 13,800	\$ 14,076	\$14,358	\$14,645	

Recurring maintenance costs will increase over time to account for inflation.



Cedar Street Utility Line Improvements





TYPE	Capital Project
CATEGORY	Utilities
STATUS	Complete
IDENTIFIED	FY 2020
PROJECT COST	\$1,287,800
LIFE	30+ Years
CONTACT	Greg Meshaw
	e
DEPARTMENT	PSA & Engineering

This project will:

- Replace older 6-inch cast iron pipe with new 6-inch ductile iron pipe from Pollock Street to Moore Street before planned repaying of Cedar Street by NC DOT;
- Repair or replace at least eight sanitary sewer manholes; and
- Examine at least four runs of previously lined runs of sanitary sewer and correct any deficiencies found.

Background and Justification

NC DOT plans to replace stormwater lines under Cedar Street, and then install stormwater devices in planted bump-outs to filter out impurities and provide for limited stormwater retention, before resurfacing the entire street.

The 6-inch cast iron pipe water lines beneath Cedar Street have exceeded their service life and are routinely in need of repairs. These repairs typically require removal of pavement followed by placement of a pavement patch. Replacement of these lines by the Town is planned prior to the repaying of Cedar Street by NC DOT.

Repair of sanitary sewer manholes that are known to leak is also planned ahead of the paving so that this new pavement will not have to be removed and then patched to facilitate repair of the manholes.

Investigation of approximately 1,600 linear feet of suspect segments of sanitary sewer is proposed so that any deficiencies can be identified and corrected ahead of the NC DOT paving.

Status and Updates

In FY 2019 utility design began and was completed in FY 2020.

In early FY 2020, NC DOT suspended a number of projects indefinitely until financial shortfalls are overcome, including their portion of this project.

In FY 2021, the Town completed utility line replacements and repairs. NC DOT funding for the stormwater line replacement portion of the project is anticipated in late 2021. The installation of the stormwater devices and bump-outs is not expected until 2022 or 2023 (depending upon NC DOT funding availability), which will immediately be followed by resurfacing.

► Schedule, Cost, and Funding Estimates

Cost estimates were revised in FY 2020 based upon an updated opinion of cost from the design engineer subsequent to final design.

CEDAR STREET UTILITY LINE IMPROVEMENTS

Updated for FY 2022	CO	ST ESTIMATES
Design, Permit & Bid	\$	75,800
Construction		1,200,000
Contingency		12,000
Total Project Cost	\$	1,287,800

The following schedule assumes NC DOT picks this project back up sometime in FY 2021.

CEDAR STREET UTILITY LINE IMPROVEMENTS - PROJECT BUDGET

Updated for FY 2022							
PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[UF] Capital Outlay	72,000	-	-	-	-	-	-
[CPF] Construction	1,215,800	-		-	-	-	-
Total Project Cost	\$1,287,800	\$-	\$ -	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING							
[UF] Fund Balance	72,000	-	-	-	-	-	-
[CRF] Contribution	1,215,800	-	-	-	-	-	-
Total Project Funding	\$1,287,800	\$-	\$ -	\$ -	\$ -	\$ -	\$ -

Initial project work was tracked through the Utility Fund, with funding coming out of fund balance.

The Cedar Street Utility Line Capital Project Fund was created in late FY 2020 to track all money associated with this project from that point forward. Funding came from contributions to the Capital Reserve Fund, which originated as revenues in the Utility Fund.

Subsequent Impacts

There are no additional operating costs anticipated for this project.

Fire Station 1 Pumper Truck



TYPEEquipment PurchaseCATEGORYPublic ProtectionSTATUSDeferredIDENTIFIEDFY 2020PROJECT COST\$622,000LIFE20+ YearsCONTACTTony RayDEPARTMENTFire Department

Purchase of a new fire pumper truck to replace the 1994 pumper truck located at Fire Station 1 on Live Oak Street.

Background and Justification

National Fire Protection Association guidelines for first-line apparatus recommend that apparatus over 25 years old should be replaced. This truck reached that age in 2019.

Status and Updates

This project has not yet been activated. There are no updates.

Schedule, Cost, and Funding Estimates

The following cost estimates were developed in FY 2020 based on current pricing, adjusted to account for inflation through FY 2024. The cost includes not only the vehicle but also the additional gear needed (hose, appliances, fans, rescue equipment, nozzles, etc.) to properly outfit it.

FIRE STATION 1 - PUMPER TRUCK

Updated for FY 2022

Y 2022	COS	T ESTIMATES
Apparatus (Vehicle)	\$	550,000
Equipment		72,000
Total Project Cost	\$	622,000

The existing truck will be 30 years old at the time of replacement.

FIRE STATION 1 - PUMPER TRUCK - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Year	5 FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Capital Outlay	-	-	-	622,000		-	-
Total Project Cost	\$-	\$ -	\$ -	\$622,000	\$-	\$ -	\$ -
PROJECT FUNDING [GF] Loan Proceeds	_	_		622,000			
Total Project Funding	\$-	\$ -	\$ -	\$622,000	\$-	<u> </u>	\$ -

This purchase will be funded by a loan. The initial capital outlay will impact the Fire Department budget.

► Subsequent Impacts

Debt service costs will impact the Fire Department budget. Funding comes from property tax revenues in the General Fund.

This truck will not have new maintenance impacts as it replaces an existing truck which is already in the maintenance budget.

FIRE STATION 1 - PUMPER TRUCK - SUBSEQUENT BUDGET IMPACTS

Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Debt Service	-	-		76,687	76,687	545,216
Total Subsequent Expenditures	\$ -	\$ -	\$ -	\$76,687	\$76,687	\$ 545,216
SUBSEQUENT FUNDING						
[GF] Property Taxes	-	-		76,687	76,687	545,216
Total Subsequent Funding	\$ -	\$ -	\$ -	\$76,687	\$76,687	\$ 545,216

Debt service payments assume a 10-year loan at 4%. These figures assume the truck will be purchased late in FY 2024, so debt service will take effect in FY 2025.

Fire Station 2 Living Quarters and Staffing





TYPE	Capital Project
CATEGORY	Public Protection
STATUS	In Process
IDENTIFIED	FY 2018
PROJECT COST	\$180,000
LIFE	30+ Years
CONTACT DEPARTMENT	Tony Ray Fire Department

This project adds living quarters to Fire Station 2 on NC 101, along with subsequent dedicated 24/7 staffing at the same location.

Background and Justification

This substation serves areas outside of the Town limits, but does not have 24/7 permanent staffing due to insufficient personnel funding from the fire tax district and the absence of living quarters. Response times would improve considerably if this substation were staffed 24/7.

The cost of fire services in this area are partially supported through a fire district property tax levied by Carteret County. Currently, the fire tax proceeds are insufficient to support permanent staffing at the substation.

However, even without dedicated staff at the substation there are occasions, such as during disaster recovery, when availability of the living quarters would be valuable for housing rescue workers.

The living quarters upfit is funded by revenues from an increase in the fire district tax rate. This additional revenue will be used to fund three new firefighters beginning in FY 2023.

Status and Updates

The Carteret County Board of Commissioners approved funding for this project by increasing the fire district tax rate beginning in FY 2023.

► Schedule, Cost, and Funding Estimates

The following cost estimates were updated in FY 2021, and included design, construction (including a sprinkler system), furnishings, and contingency. However, changes to the project scope have resulted in reduced overall project cost.

FIRE STATION 2 - LIVING QUARTERS & STAFFING

Updated for FY 2022		cos	ST ESTIMATES
Constructio	on 🗌	\$	180,000
Total Project Co	st 🗌	\$	180,000

The following schedule reflects the County's commitment to fund the project with a one-time contribution in FY 2022.

FIRE STATION 2 - LIVING QUARTERS & STAFFING - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Yea	irs	FY 2022	F١	2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Capital Outlay	-		180,000		-	-	-	-	-
Total Project Cost	\$-		\$180,000	\$	-	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING [GF] Intergovernmental	-		180,000		-	-	-		_
Total Project Funding	\$ -		\$180,000	\$	-	\$ -	\$ -	\$ -	\$ -

The initial capital outlay will impact the Fire Department budget. Funding comes from Carteret County as Intergovernmental Revenues in the General Fund.

► Subsequent Impacts

Once the living quarters are complete, operation costs to maintain the space will be added to the Fire Department budget.

It is anticipated that Carteret County will fund dedicated 24/7 staffing at this substation beginning in FY 2023. These personnel costs will be added to the Fire Department budget.

Funding for these budget impacts comes via an increase in Carteret County Fire District Tax Intergovernmental Revenues in the General Fund.

FIRE STATION 2 - LIVING QUARTERS & STAFFING - SUBSEQUENT BUDGET IMPACTS

Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Personnel	-	201,428	205,456	209,565	213,757	+CPI/YR
[GF] Operations	-	36,200	7,344	7,491	7,641	+CPI / YR
Total Subsequent Expenditures	\$ -	\$237,628	\$212,800	\$217,056	\$221,397	
SUBSEQUENT FUNDING						
[GF] Intergovernmental	-	237,628	212,800	217,056	221,397	+CPI/YR
Total Subsequent Funding	\$ -	\$237,628	\$212,800	\$217,056	\$221,397	

The figures in the table above assume renovations are complete by the end of FY 2022. Maintenance and staffing costs begin early FY 2023 and will increase over time to account for inflation.

Personnel costs assume three fulltime firefighters. The figures used include base pay, holiday and training hours, FICA, retirement, health insurance, and gear for initial upfit.



In the early 1960s, the Fire Department's first ladder truck was a homemade Dodge Ladder truck with a 50' hand-cranked ladder.

Fire Station 2 Pumper Truck



TYPE	Equipment Purchase
CATEGORY	Public Protection
STATUS	In Process
IDENTIFIED	FY 2018
PROJECT COST	\$560,000
LIFE	20+ Years
CONTACT DEPARTMENT	Tony Ray Fire Department

Status and Updates

This item includes the purchase of a new fire pumper truck and associated equipment to replace the 1985 pumper located at the fire substation on NC 101 in a rural fire district outside Town limits.

Background and Justification

The National Fire Protection Association guidelines for first-line apparatus recommend that apparatus over 25 years should be replaced. This truck reached that age in 2010.

The pumper is in poor condition and requires frequent maintenance. In order to maintain departmental capabilities to fight structure fires in the county fire districts, dependable replacement apparatus is needed.

This purchase will only be made if the Carteret County Board of Commissioners contributes the necessary funding for both the purchase and on-going maintenance of the pumper truck.

In FY 2020, this purchase was presented to the Carteret County Board of Commissioners to ask for 1.5-cent increase. A 0.75-cent increase was granted and directed into a County capital reserve fund for the truck along with an initial \$100K contribution.

In FY 2021, the Town requested and was granted an additional 0.75-cent increase which was also directed into the County capital reserve fund.

In FY 2022, the purchase will be presented to the Carteret County Board of Commissioners for final purchase approval. The 1.5 cents will be used for debt service in FY 2022 and beyond.

► Schedule, Cost, and Funding Estimates

The following cost estimates were updated in FY 2021 and include the additional gear needed (hose, appliances, fans, rescue equipment, nozzles, etc.) to properly outfit the truck.

FIRE STATION 2 - PUMPER TRUCK

Updated for FY 2022

	COS	T ESTIMATES
Apparatus (Vehicle)	\$	500,000
Equipment		60,000
Total Project Cost	\$	560,000

The existing truck will be 38 years old at the time of replacement.

FIRE STATION 2 - PUMPER TRUCK - PROJECT BUDGET

Updated for FY 2022

Prior	Years	FY 2022	FY	2023	FY 2024	FY 2025	FY 2026	Beyond
	-	560,000		-	-	-	-	-
\$	-	\$560,000	\$	-	\$ -	\$ -	\$ -	\$ -
	-	200,000		-	-	-	-	-
	-	360,000		-	-	-	-	-
\$	-	\$560,000	\$	-	\$ -	\$ -	\$ -	\$ -
	\$	\$ - - -	- 560,000 \$ - \$560,000 - 200,000 - 360,000	- 560,000 \$ - \$560,000 \$ - 200,000 - 360,000	- 560,000 - \$ - \$560,000 \$ - \$ - \$200,000 \$ - - 200,000 - - 360,000 -	- 560,000 \$ - \$560,000 \$ - \$ - - \$200,000 - 360,000	- <u>560,000</u> \$ - \$560,000 \$ - \$ - - <u>200,000</u> - <u>360,000</u>	- 560,000 - - - - \$\$ - \$\$560,000 \$\$ - \$\$ - \$\$ - \$\$ - \$\$560,000 \$\$ - \$\$ - \$\$ - - \$200,000 - - - - - - - 360,000 - - - - -

The initial capital outlay will impact the Fire Department budget. Funding comes a loan, with a down-payment provided by Carteret County from a capital reserve fund set aside for this truck.

Subsequent Impacts

Debt service costs will impact the Fire Department budget each year. Funding comes from Carteret County Fire District Tax, in Intergovernmental Revenues in the General Fund.

This truck will not have new maintenance impacts as it replaces an existing truck which is already in the maintenance budget.

FIRE STATION 2 - PUMPER TRUCK - SUBSEQUENT BUDGET IMPACTS

Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Bey	yond
[GF] Debt Service	79,560	79,560	79,560	79,560	79,560		-
Total Subsequent Expenditures	\$79,560	\$ 79,560	\$79,560	\$79,560	\$79,560	\$	-
SUBSEQUENT FUNDING							
[GF] Intergovernmental	79,560	79,560	79,560	79,560	79,560		-
Total Subsequent Funding	\$79,560	\$ 79,560	\$79,560	\$79,560	\$79,560	\$	-

Debt service payments assume purchase in FY 2022, using a 5-year loan of \$360,000 at 3.5% after a \$200,000 down payment, with debt service taking effect in late FY 2022.

Fire Watercraft



TYPE	Equipment Purchase
CATEGORY	Public Protection
STATUS	New
IDENTIFIED	FY 2022
PROJECT COST	\$200,000
LIFE	25+ Years
CONTACT DEPARTMENT	Tony Ray Fire Department

Purchase of a new fire boat to replace the current 2016, converted recreational watercraft.

Background and Justification

The new watercraft will replace our 2016 fire boat, which will have exhausted its useful life.

In order to maintain and improve departmental capabilities to adequately meet marine firefighting, water rescue, and recovery demands, a dependable, purpose-built watercraft is required

Status and Updates

This project has not yet been activated.

Schedule, Cost and Funding Estimates

The cost estimates were developed in FY 2021 based upon current pricing, adjusted to account for inflation through FY 2025.

FIRE WATERCRAFT

Updated for FY 2022

	COS	T ESTIMATES
Apparatus (Vehicle)	\$	190,000
Equipment		10,000
Total Project Cost	\$	200,000

The cost includes not only the vessel but also the additional gear needed (hose, nozzles, rescue gear etc.) to properly outfit it.

FIRE WATERCRAFT - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Capital Outlay	-	-	-	-	200,000	-	-
Total Project Cost	\$-	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -
PROJECT FUNDING							
[GF] Property Taxes		-	-	-	200,000	-	-
Total Project Funding	\$-	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -

Property Taxes will be used to purchase this watercraft with cash.

► Subsequent Impacts

This watercraft will not have any significant new maintenance impacts as it will replace an existing watercraft which is already in the maintenance budget.

Police Department Building



TYPE	Capital Project
CATEGORY	Public Protection
STATUS	Deferred
IDENTIFIED	FY 2018
PROJECT COST	\$4,050,000
LIFE	30+ Years
	D 1D 1 4
CONTACT	Paul Burdette
DEPARTMENT	Police Department

This project includes land, design, and construction of a building to house the Police Department at a new location to be determined.

C

Background and Justification

The current building housing the Police Department is inadequate in size and function. A 2016 space needs analysis estimated space requirements for the Police Department at 6,500 square feet, based on a staff of 20.

The 2016 analysis indicated no further expansion would be possible to accommodate growth at the existing site. A future site would need to accommodate an 8,000-square foot building.

Status and Updates

To accommodate current staff size and operational needs, the current and former Police Department buildings were reconfigured and renovated to improve departmental function in FY 2020. This renovation was not a substitute for this project, but a stop-gap measure until this project is activated.

► Schedule, Cost, and Funding Estimates

The following estimates for land and construction were updated by staff in FY 2021.

POLICE DEPARTMENT BUILDING

Updated for FY 2022	cos	ST ESTIMATES
Land & Right-of-way	\$	600,000
Design, Permit & Bid		360,000
Construction		2,400,000
Contingency		240,000
Furnishings		250,000
Oversight		200,000
Total Project Cost	\$	4,050,000

As of FY 2022, this project is not on the five-year schedule.

Once this project is activated, a Police Department Building capital project fund will be created to track all money associated with this project, including proceeds from a 20-year loan to be taken out for this project.

► Subsequent Impacts

Once the project is complete, the Police Department budget will incur costs of debt service, offset with funding from property tax revenues in the General Fund.

POLICE DEPARTMENT BUILDING - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Land & Right-of-way	-	-	-	-	-	-	600,000
[CPF] Design, Permit & Bid	-	-	-	-	-	-	360,000
[CPF] Construction	-	-	-	-	-	-	2,400,000
[CPF] Contingency	-	-	-	-	-	-	240,000
[CPF] Furnishings	-	-	-	-	-	-	250,000
[CPF] Oversight	-	-	-	-	-	-	200,000
Total Project Cost	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$4,050,000
PROJECT FUNDING							
[GF] Loan Proceeds	-	-	-	-	-	-	4,050,000
Total Project Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$4,050,000

Debt service payments assume a 20-year loan at 4%.

Police Department Communications Upgrade



TYPE	Equipment Purchase
CATEGORY	Public Protection
STATUS	New
IDENTIFIED	FY 2021
PROJECT COST	\$180,000
LIFE	20+ Years
	Paul Burdette Police Department

This project will take advantage of the FEMA Port Security Grant designed to enhance multi-agency interoperability. This will prepare us for any future upgrade to the Carteret Emergency Communications Center (CEC). This grant requires a 25% cost match by the municipality if awarded.

Background and Justification

There are currently two distinct radio communications methods in Carteret County, traditional VHF and 700/800 MHZ. These two systems can only communicate with each other via a patch supported by the CEC. Any failure initiating this patch could place agencies in a position to be unable to coordinate emergency efforts.

This upgrade will replace all traditional VHF portable and mobile radios with both mobile and portable systems that will support both 700/800 MHz as well as traditional/digital VHF frequencies.

Status and Updates

This project is in the grant application phase. Awards should be announced in the fall of FY 2022.

► Schedule, Cost, and Funding Estimates

The estimated funding requirements represent the purchase and installation of the equipment required to accomplish the goal of the project. These estimates are derived from quotes issued from the preferred vendor in the region, refreshed in March 2021.

POLICE DEPARTMENT COMMUNICATIONS UPGRADE

Updated for FY 2022	cos	T ESTIMATES
Equipment	\$	180,000
Total Project Cost	\$	180,000

If awarded, planning and implementation could begin in the spring of 2022. Length of project is approximately 3 months, dependent on inventory and installation schedules. Training will commence at the conclusion of installation with full implementation projected to take place in the summer of 2022. The scope of the project is limited to the purchase and installation of the upgraded radio equipment. Training and deployment will be immediate upon installation.

POLICE DEPARTMENT COMMUNICATIONS UPGRADE - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Bey	ond
[GF] Capital Outlay	-	180,000	-	-	-	-		-
Total Project Cost	\$-	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$	-
PROJECT FUNDING								
[GF] Property Taxes		45,000	-	-	-	-		-
[GF] Intergovernmental	-	135,000	-	-		-		-
Total Project Funding	\$-	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$	-

Once activated, a capital project fund will be created to track all money associated with the Communications Interoperability Upgrade.

► Operational Impacts

There are no operational impacts other than service installation which will be accomplished on dates the units are not in service. Future maintenance is accounted for in the Police Department's operating budget.

Public Works Facility



TYPE	Capital Project
CATEGORY	General Services
STATUS	Deferred
IDENTIFIED	FY 2018
PROJECT COST	\$2,077,000
LIFE	25+ Years
	Greg Meshaw PSA & Engineering

This project includes land, design, and construction of a building to house the Public Works Department at a location to be determined.

C

Background and Justification

The garage and shop buildings at Public Works are antiquated and inadequate for the purposes in which they are used. Additionally, the Randolph Johnson Park master plan calls for two buildings at the current Public Works facility to be repurposed and renovated and all the land to be used to expand the adjacent park facilities.

Status and Updates

This project has not yet been activated. There are no updates.

Schedule, Cost, and Funding Estimates

The following cost estimates were updated by staff in FY 2021.

PUBLIC WORKS FACILITY

Updated for FY 2022

	COS	ST ESTIMATES
Land & Right-of-way	\$	300,000
Design, Permit & Bid		156,000
Construction		1,300,000
Contingency		130,000
Oversight		91,000
Furnishings		100,000
Total Project Cost	\$	2,077,000

As of FY 2022, this project is not on the five-year schedule.

PUBLIC WORKS FACILITY - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Land & Right-of-way	-	-	-	-	-	-	300,000
[CPF] Design, Permit & Bid	-	-	-	-	-	-	156,000
[CPF] Construction	-	-	-	-	-	-	1,300,000
[CPF] Contingency	-	-	-	-	-	-	130,000
[CPF] Oversight	-	-	-	-	-	-	91,000
[CPF] Furnishings	-	-		-	-	-	100,000
Total Project Cost	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,077,000
PROJECT FUNDING							
[GF] Loan Proceeds		-		_	_		2,077,000
Total Project Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,077,000

Once this project is activated, a Public Works Facility capital project fund will be created to track all money associated with this project, including proceeds from a loan taken out for this project.

► Subsequent Impacts

Once the project is complete, the Public Works budget will incur costs of debt service, with funding from property tax revenues in the General Fund.

PUBLIC WORKS FACILITY - SUBSEQUENT BUDGET IMPACTS

Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Debt Service	-	-	-	-	-	3,056,586
Total Subsequent Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,056,586
SUBSEQUENT FUNDING						
[GF] Property Taxes	-	-	_	_	-	3,056,586
Total Subsequent Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,056,586

Debt service payments assume a 20-year loan at 4%.

Public Works Sweeper Truck



TYPE	Equipment Purchase
CATEGORY	General Services
STATUS	New
IDENTIFIED	FY 2022
PROJECT COST	\$200,000
LIFE	10+ Years
CONTACT	Mark Eakes
DEPARTMENT	Public Works

The purchase of a new sweeper truck is proposed to replace the sweeper truck that Public Works currently uses to sweep and vacuum Town streets and Town-owned/maintained parking lots.

Background and Justification

A replacement sweeper truck is proposed because the existing one is 15 years old and in poor condition – it was out of service for a number of weeks last year and required significant repairs The American Public Works Association places the useful life of street sweepers at 10 years and recommends that evaluations of the sweepers should begin in the seventh year.

Status and Updates

This is a newly proposed asset.

► Schedule, Cost, and Funding Estimates

The estimated cost is based on manufacturer pricing in FY 2021.

PUBLIC WORKS SWEEPER TRUCK

Updated for FY 2022

2022	COST ESTIMATES				
Equipment	\$	200,000			
Total Project Cost	\$	200,000			

PUBLIC WORKS SWEEPER TRUCK - PROJECT B	UDGET
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Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Capital Outlay	-	-	200,000	-	-	-	-
Total Project Cost	\$-	\$ -	\$200,000	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING							
[GF] Property Taxes	-	-	200,000	-	-	-	-
Total Project Funding	\$-	\$ -	\$200,000	\$ -	\$ -	\$ -	\$ -

► Subsequent Impacts

There will be no additional cost impacts as this is a replacement.

Randolph Johnson Park



TYPE	Capital Project
CATEGORY	Culture & Recreation
STATUS	Deferred
IDENTIFIED	FY 2018
PROJECT COST	\$3,005,000
LIFE	50+ Years
	Rachel Johnson Administration

This project includes the redesign and construction of Randolph Johnson Park in two phases.

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Phase 1 includes: closing part of Pine Street to expand the park area; relocating fencing; redeveloping the park to include a splash pad, playground; a restroom/shelter building; and a sidewalk to connect existing tennis and basketball courts.

Phase 2 includes: conversion of the existing Public Works facility to expand the park, connecting with existing tennis courts.

Background and Justification

This is a long-standing project endorsed by the Parks and Recreation Advisory Board and the Town Board. It provides a more appropriate use of Town property in a residential area, while improving stormwater management in an area prone to flooding.

Status and Updates

In FY 2018, the Town Board adopted a master plan for this park. In FY 2019, Phase 1 planning and site preparation occurred. In FY 2020, Phase 1 construction began and was completed FY 2021.

Phase 2 cannot begin until a new Public Works facility is built elsewhere.

Refer to *Public Works Facility* earlier in this section for more information.

► Schedule, Cost, and Funding Estimates

The following cost estimates were provided by the consultants who prepared the park master plan, and apply to Phase 2 only.

RANDOLPH JOHNSON PARK

Update

ed for FY 2022	co	ST ESTIMATES
Design, Permit & Bid	\$	257,000
Construction		2,316,000
Contingency		232,000
Furnishings		200,000
Total Project Cost	\$	3,005,000



RANDOLPH JOHNSON PARK - PROJECT BUDGET

Updated for FY 2022	

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Design, Permit & Bid			-	-	-	-	257,000
[CPF] Construction			-	-	-	-	2,316,000
[CPF] Contingency	-	-	-	-	-	-	232,000
[CPF] Furnishings	-	-	-	-	-	-	200,000
Total Project Cost	\$-	\$-	\$ -	\$ -	\$ -	\$ -	\$ 3,005,000
PROJECT FUNDING							
[GF] Loan Proceeds		-	-	-	-	-	3,005,000
Total Project Funding	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,005,000

Funding for design and construction of Randolph Johnson Park-Phase 2 is anticipated to come from General Fund revenues. Grant funding will also be sought to support this project.

► Subsequent Impacts

Once the project is complete, the Town will incur debt service, which will be offset with revenue from property tax revenues in the General Fund.

RANDOLPH JOHNSON PARK - SUBSEQUENT BUDGET IMPACTS

Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY	2022	FY	2023	FY	2024	FY	2025	FY 2026		Beyond
[GF] Debt Service		-		-		-		-		-	4,422,263
Total Subsequent Expenditures	\$	-	\$	-	\$	-	\$	-	\$	-	\$4,422,263
SUBSEQUENT FUNDING											
[GF] Property Taxes		-		-		-		-		-	4,422,263
Total Subsequent Funding	\$	-	\$	-	\$	-	\$	-	\$	-	\$4,422,263

Sewer Pump Station #1 Replacement



Capital Project
Utilities
New
FY 2022
\$1,035,000
30+ Years
Greg Meshaw PSA & Engineering

Full replacement of sewer pump station #1 is proposed to include a submersible sewage lift station with all equipment and piping, controls, electrical service upgrades, diesel generator, site improvements and the demolition/abandonment of the existing below ground, wet pit/dry pit style lift station. The replacement station may be of a higher pumping capacity. The need for such an upgrade will be examined during the design process.

Background and Justification

Sewer pump station #1 was constructed during the 1960's and is operating in excess of the life normally expected for this type of station. In addition, the dry pit portion of this station holds the potential for life and safety issues for maintenance personnel. The dry pit is a deep metal vertical cylinder that houses both the electrical controls and pumps that serve the lift station.

Maintenance of the station requires physical entry into a confined space, requiring entry with a tripod and metal cable, by maintenance personnel. Entry is made near electrical equipment surrounded by metal.

When stations flood unexpectedly from leaks or during storm events the maintenance of equipment with the combined hazards of sewage gases and electricity pose a safety hazard to life and limb from electrocution, and/or possibly explosion.

Status and Updates

This project has not yet been activated.

► Schedule, Cost, and Funding Estimates

The preliminary cost estimate to design, permit and construct the project was prepared by staff in FY 2021.

SEWER PUMP STATION 1 REPLACEMENT

Updated for FY 2022	cos	ST ESTIMATES
Design, Permit & Bid	\$	120,000
Construction		850,000
Oversight		65,000
Total Project Cost	\$	1,035,000

In FY 2025 design, permit, and bidding is anticipated, with construction to follow the next fiscal year. All costs will be paid for with monies that have been set aside in the Capital Reserve Fund.

SEWER PUMP STATION 1 REPLACEMENT - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Design, Permit & Bid	-	-	-	-	120,000	-	-
[CPF] Construction	-	-	-	-	-	850,000	-
[CPF] Oversight	-	-	-	-	-	65,000	-
Total Project Cost	\$-	\$ -	\$ -	\$ -	\$120,000	\$915,000	\$ -
PROJECT FUNDING Transfer from Capital Reserve		_	_		120.000	915,000	
Total Project Funding	\$-	\$ -	\$ -	\$ -	\$ 120,000	\$915,000	\$ -

This project will be tracked through a capital project fund, paid for with revenue from capital reserves.

Operational Impacts

There will be ongoing energy costs associated with the new pumping station just as there is with the exiting station. There will also be maintenance related expenditures for consumables and replacement parts; however, they are expected to be less than current day expenditures for the existing pump station.

Sewer Pump Station #7 Replacement



TYPE	Capital Project
CATEGORY	Utilities
STATUS	New
IDENTIFIED	FY 2022
PROJECT COST	\$740,000
LIFE	30+ Years
	Greg Meshaw PSA & Engineering

Full replacement of sewer pump station #7 is proposed to include a submersible sewage lift station with all equipment and piping, controls, electrical service upgrades, diesel generator, site improvements and the demolition/abandonment of the existing below ground wet pit/dry pit style lift station. The replacement station may be of a higher pumping capacity. The need for such an upgrade will be examined during the design process.

Background and Justification

Sewer pump station #7 was constructed about 1969 and is operating in excess of the life normally expected for this type of station. In addition, the dry pit portion of this station holds the potential for life and safety issues for maintenance personnel. The dry pit is a deep metal vertical cylinder that houses both the electrical controls and pumps that serve the lift station.

Maintenance of the station requires physical entry into a confined space, requiring entry with a tripod and metal cable, by maintenance personnel. Entry is made near electrical equipment surrounded by metal.

When stations flood unexpectedly from leaks or during storm events the maintenance of equipment with the combined hazards of sewage gases and electricity pose a safety hazard to life and limb from electrocution, and/or possibly explosion.

Status and Updates

This project has not yet been activated.

► Schedule, Cost, and Funding Estimates

The preliminary cost estimate to design, permit and construct the project was prepared by staff in FY 2021.

SEWER PUMP STATION 7 REPLACEMENT

Updated for FY 2022	CO	ST ESTIMATES
Design, Permit & Bid	\$	90,000
Construction		600,000
Oversight		50,000
Total Project Cost	\$	740,000

In FY 2022 design, permit, and bidding is anticipated, with construction to follow the next fiscal year. All costs will be paid for with monies that have been set aside in the Capital Reserve Fund.

SEWER PUMP STATION 7 REPLACEMENT - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Design, Permit & Bid	-	90,000	-	-	-	-	-
[CPF] Construction	-	-	600,000	-	-	-	-
[CPF] Oversight	-	-	50,000	-	-	-	-
Total Project Cost	\$-	\$ 90,000	\$650,000	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING							
[UF] Intergovernmental	-	90,000	650,000	-	-	-	-
Total Project Funding	\$-	\$ 90,000	\$650,000	\$ -	\$ -	\$ -	\$ -

This project will be tracked through a capital project fund, paid for with revenue from American Recovery Plan Act.

► Subsequent Impacts

There will be ongoing energy costs associated with the new pumping station just as there is with the exiting station. There will also be maintenance related expenditures for consumables and replacement parts; however, they are expected to be less than the expenditures for the current pump station.

Street and Pedestrian Improvements





TYPE	Capital Project
CATEGORY	Transportation
STATUS	In Process
IDENTIFIED	FY 2019
PROJECT COST	\$3,802,156
LIFE	15+ Years
CONTACT	Greg Meshaw
DEPARTMENT	PSA & Engineering

This project incorporates elements from two previous CIP projects, redefined to include:

- 3.4 miles of new sidewalk construction to enhance pedestrian safety in various locations throughout Town
- Resurfacing a number of street segments and paving of two unpaved Town roads totaling 3.2-centerline miles in length

Background and Justification

Many Town streets are in poor condition and continue to deteriorate, and many areas are unsafe for pedestrians and bicyclists. Implementation of this plan will improve road conditions and safety for vehicles, pedestrians, and cyclists.

The 2018 Bike/Pedestrian Plan called for identified pedestrian improvements to promote safety and accessibility throughout Town.

A 2018 assessment of street conditions, conducted by an engineering firm using ground-penetrating radar, resulted in a report recommended work programs to rehabilitate and preserve Town streets based upon the findings.

The report found many street segments to be in fair to poor condition, and some were found to be failing. Improving conditions on many of these street segments is complicated by the presence of deteriorating utility and stormwater lines beneath them. The ground disturbance associated with resurfacing streets often leads to breaks in deteriorating utility lines below.

Therefore, this project provides for the resurfacing of only those streets in need of repair for which the underlying utilities are in good condition, and the paving of two unpaved streets on Town rights-of-way, totaling 3.2 centerline miles of street surfaces.

Streets with underlying utilities in need of repair or replacement will be addressed in under a separate CIP item: Utilities, Stormwater, & Street Improvements.

Refer to Utilities, Stormwater, & Street Improvements later in this section for more information.

Status and Updates

In FY 2018, the Town Board dedicated the revenue from 2 cents of the property tax levy toward road resurfacing.

In FY 2019, the Town Board committed additional property tax revenues to service the debt on \$6 million in loans for street improvements. Also in FY 2019, engineering work for street resurfacing was completed.

In FY 2020, a 15-year loan was procured to fund \$3.8 million in Street and Pedestrian improvements, contracts were awarded, and work began.

In FY 2021, street portion of the project was completed. The pedestrian improvements will be completed in early FY 2022.

► Schedule, Cost, and Funding Estimates

The following reflects actual contract costs for this project.

STREET AND PEDESTRIAN IMPROVEMENTS

Updated for FY 2022	co	ST ESTIMATES
Design, Permit & Bid	\$	142,156
Legal, Fiscal & Admin	\$	106,446
Contingency		276,277
Construction		3,277,277
Total Project Cost	\$	3,802,156

The funding put in place in prior years will cover the competion costs in FY 2022.

STREET AND PEDESTRIAN IMPROVEMENTS - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Operations	\$ 142,156	-	-	-	-	-	-
[CPF] Legal, Fiscal & Admin	106,446	-	-	-	-	-	-
[CPF] Contingency	276,277	-	-	-	-	-	-
[CPF] Construction	3,277,277	-	-	-	-	-	-
Total Project Cost	\$3,802,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PROJECT FUNDING							
[GF] Property Taxes	142,156	-	-	-	-	-	-
Capital Project Fund	3,660,000	-	-	-	-	-	-
Total Project Funding	\$3,802,156	\$-	\$ -	\$ -	\$ -	\$-	\$ -

The Street Rehabilitation & Pedestrian Improvements capital project fund is used to track all money associated with this project. Proceeds from a \$3.675-million, 15-year loan at 2.44% funds this project.

► Subsequent Impacts

The Town will incur on-going debt service costs which will impact the Public Works budget. Funding comes from previously earmarked property tax revenues in the General Fund as well as Powell Bill funds.

STREET AND PEDESTRIAN IMPROVEMENTS - SUBSEQUENT BUDGET IMPACTS

Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Debt Service	328,962	322,714	316,736	310,758	304,780	2,474,010
Total Subsequent Expenditures	\$328,962	\$322,714	\$316,736	\$310,758	\$304,780	\$2,474,010
SUBSEQUENT FUNDING						
[GF] Property Taxes	208,962	202,714	196,736	190,758	184,780	1,274,010
[GF] Intergovernmental	120,000	120,000	120,000	120,000	120,000	1,200,000
Total Subsequent Funding	\$328,962	\$322,714	\$316,736	\$310,758	\$304,780	\$2,474,010

Debt service payments are calculated on a 2.44% 15-year loan for \$3.675 million.



Utilities, Stormwater, & Street Improvements





TYPE	Capital Project
CATEGORY	Infrastructure
STATUS	In Process
IDENTIFIED	FY 2019
PROJECT COST	\$30,779,851
LIFE	15+ / 50+ years
	Greg Meshaw PSA & Engineering

Based upon assessments of road and utility and stormwater line conditions, this program provides for the replacement of water and sewer utility lines, stormwater lines, and road rehabilitation and resurfacing to streets affected streets.

Background and Justification

In FY 2019, a Water Asset and Inventory Analysis identified over \$19 million in needed water line replacements. A 2010 sewer inflow and infiltration analysis revealed extensive work needed to repair and replace sewer lines, estimated by staff to equal a similar amount.

The lines in the worst conditions are in the oldest parts of Beaufort. The roads in this area, generally, have also been identified as being in poor to failed condition.

Status and Updates

In the latter part of FY 2020, staff, supported by consulting engineers, submitted preliminary engineering reports, environmental assessments, and applications to secure a combination of grants and loans from USDA Rural Development.

In March 2021, USDA/RD offered the Town a financing package consisting of \$5.5 million in grants and \$18 million in low-interest, long term loans for the utility and stormwater portion of this project. The Town will now move to the design, permitting, and bidding phase, which will likely take a little more than a year.

Design for street rehabilitation and resurfacing of those road segments where utility work is to be performed will begin in FY 2024, followed by construction in FY 2025.

► Schedule, Cost, and Funding Estimates

The following estimates were developed by the consultant who prepared the Preliminary Engineering Reports for the application for USDA funding and by staff.

2022			
2022		CO	ST ESTIMATES
	Planning	\$	132,000
	Design, Permit & Bid		2,019,270
	Oversight		1,152,800
	Legal, Fiscal & Admin		271,000
	Contingency		2,289,605
	Construction		23,310,367
	Interim Financing		1,604,809
	Total Project Cost	\$	30,779,851

UTILITY LINE, STORMWATER, & STREET IMPROVEMENTS

Updated for FY

The costs assume project design and permitting starts late-FY 2021, culminating with construction contract bidding and award by the end of FY 2022. Construction will follow in FY 2023, to be completed by FY 2025.

Funding for this project is complicated. In FY 2021 and FY 2022, utility and stormwater design costs will be funded through capital reserve funds, and later reimbursed through proceeds from the USDA loans. In FY 2023, an interim loan (known as bond anticipation notes) for the project will be obtained as bridge funding, as the USDA financing proceeds are not available until after construction is completed. Debt service on the interim loan will be limited to interest only and will be capitalized, then the entire principal on the interim loan will be paid by proceeds from the USDA loan and grants.

A conventional loan will be used for the street resurfacing portion of this project. Debt service is anticipated to begin in FY 2025 to cover that part of the project.

Updated for FY 2022							
PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	6 Beyond
[CPF] Planning	\$132,000	-	-	-	-	-	-
[CPF] Design, Permit & Bid	-	1,602,070	-	417,200	-	-	-
[CPF] Oversight	-	-	487,000	487,000	178,800	-	-
[CPF] Legal, Fiscal & Admin	-	-	223,000	-	48,000	-	-
[CPF] Contingency	-	-	846,803	846,803	596,000	-	-
[CPF] Construction	-	-	8,675,183	8,675,183	5,960,000	-	-
[CPF] Interim Financing	-	-	802,404	802,404	-	-	-
Total Project Cost	\$132,000	\$1,602,070	\$ 11,034,390	\$11,228,590	\$6,782,800	\$ -	\$ -
PROJECT FUNDING							
[GF] Property Taxes	45,000		-	-	-	-	-
[UF] Fund Balance	87,000	-	-	-	-	-	-
[CPF] USSI Stormwater Streets	-	254,000	-	417,200	-	-	
[CPF] USSI Utilities	-	1,348,070	-		-	-	
[CPF] Interim Loan	-	-	11,034,390	10,811,390	-	-	
[CPF] Loan Proceeds	-	-	-		6,782,800	-	-
Total Project Funding	\$132,000	\$1,602,070	\$ 11,034,390	\$11,228,590	\$6,782,800	\$-	\$ -

UTILITY LINE, STORMWATER, & STREET IMPROVEMENTS - PROJECT BUDGET

In prior years, planning costs were funded through both the General Fund and Utility Fund. In late FY 2020, a Utilities, Stormwater, & Street Improvements Capital Project fund was created to track all expenditures and funding moving forward.

In late FY 2021 two capital project funds were established to track this project: one for the stormwater and street portions of the project (debt service for these will be paid from the General Fund), and the other for the water and sewer portion of the project (debt service for these will be paid from the Utility Fund).

Subsequent Impacts

Debt service will impact the General Fund for the street and stormwater portions of the project. Utility line debt service will impact the Utility Fund.

UTILITY LINE, STORMWATER, & STREET IMPROVEMENTS - SUBSEQUENT BUDGET IMPACTS Updated for FY 2022

SUBSEQUENT EXPENDITURES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[GF] Debt Service	-	-		338,507	677,014	11,540,039
[UF] Debt Service	-	-		240,555	481,110	18,522,735
Total Subsequent Expenditures	\$ -	\$ -	\$ -	\$579,062	\$1,158,124	\$ 30,062,774
SUBSEQUENT FUNDING						
[GF] Property Taxes	-			290,500	581,000	7,843,500
[GF] Permits and Fees	-	-		48,007	96,014	3,696,539
[UF] Sales and Service	-	-	-	240,555	481,110	18,522,735
Total Subsequent Funding	\$ -	\$ -	\$ -	\$579,062	\$1,158,124	\$ 30,062,774

Debt service calculations assume:

- FY 2023 USSI interim financing loan Bond Anticipation Notes, 2-year, 2% interest on \$23.58 million with first payment mid-FY 2023
- FY 2025 USSI Streets loan conventional, 15-year, 2.5% interest loan on \$7.2 million with first payment mid-FY 2025
- FY 2025 USSI Stormwater loan USDA, 40-year, 1.25% interest loan on \$3 million with first payment in FY 2025
- FY 2025 USSI Utilities loan USDA, 40-year, 1.25% interest loan on \$15.1 million with first payment in FY 2025

Funding to offset debt service comes from:

- General Fund Property Taxes to cover the FY 2025 USSI Streets loan payments, with 2 cents earmarked by the Town Board in FY 2018 and expanded in FY 2019 and subsequent years to service debt for road improvements
- General Fund Stormwater Fees to cover the FY 2025 USSI Stormwater loan; no fee increases are anticipated
- Utility Fund Sales and Service to cover FY 2025 USSI Utilities loan payments; no fee increases are anticipated

Vehicle Replacement Plan



TYPE	Equipment Purchase
CATEGORY	General Services
STATUS	In Process
IDENTIFIED	FY 2021
PROJECT COST	\$1,195,348
LIFE	10+ Years
CONTACT	John Day
DEPARTMENT	Administration

This plan includes the scheduled replacement of all vehicles and heavy equipment in the General Fund (except fire trucks) based on years of service, mileage/hours, and condition.

Background and Justification

Prior to FY 2021 there had not been a vehicle replacement policy in place, nor adequate funding for timely vehicle replacement. This has led to costly repairs and diminished productivity due to unreliable vehicles and equipment.

Status and Updates

FY 2021 was the first year of this program, which is funded in each year of the five-year planning period and meets the requirements of the vehicle replacement policy.

► Schedule, Cost, and Funding Estimates

Cost estimates for the replacement of all vehicles and heavy equipment over time were developed in FY 2021, based on the vehicle replacement policy, which was created in FY 2020.

VEHICLE REPLACEMENT PROGRAM

Updated for FY 2022

1 2022	COS	ST ESTIMATES
Equipment	\$	1,531,920
Total Project Cost	\$	1,531,920

The deferred replacement of many Town vehicles has resulted in a backlog of replacement costs, which is cost-prohibitive to fund at one time. The following plan brings the fleet up-to-standards over a six-year period.

VEHICLE REPLACEMENT PROGRAM - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
[GF] Capital Outlay	336,572	385,348	200,000	350,000	200,000	60,000
Total Project Cost	\$336,572	\$385,348	\$200,000	\$350,000	\$200,000	\$60,000
PROJECT FUNDING [GF] Property Taxes	336.572	385.348	200.000	350.000	200,000	60,000
Total Project Funding	\$336,572	\$385,348	\$200,000	\$350,000	\$200,000	\$60,000

► Subsequent Impacts

As vehicles and heavy equipment are replaced, maintenance costs will decline - to what extent is not known.

Water Treatment Plant



TYPECapital ProjectCATEGORYUtilitiesSTATUSNewIDENTIFIEDFY 2022PROJECT COST\$27,425,000LIFE50+ YearsCONTACTGreg MeshawDEPARTMENTUtilities

The construction of a new water treatment plant is proposed. The aging Pine Street Water Treatment Plant will be decommissioned upon the completion of the new plant. Accordingly, the new plant will be sized to replace the treatment capacity that will be lost by the decommissioning of the Pine Street Water Plant plus that necessary to accommodate future growth in water demands.

Background and Justification

The Town of Beaufort operates two water treatment plants: the Pine Street Treatment Plant and the Glenda Drive Treatment Plant. The main building of the Pine Street facility includes areas for storage, softeners, and an operation center/laboratory. This building is over 100 years old, built with brick and construction techniques of that age.

In 2017 a Preliminary Structural Assessment was conducted of the main building, plus the adjacent well building and the High Service Pump/Chemical Feed Building. The assessment highlighted several deficiencies at all three buildings.

While the Town did implement a degree remedy for these deficiencies, the buildings are old and have exceeded their useful service life. Likewise, most of the water treatment plant equipment is operating beyond its useful service life.

The Town's other facility, the Glenda Drive Water Treatment Plant, was built in 1986 and is now 35 years old. The facility includes two small concrete block buildings; one houses two softeners and the other houses Well No. 3 with its vertical turbine pump and associated valves, meter and piping for conveyance of raw water to the treatment process equipment.

Under the same roof is electrical gear, a basic laboratory and two chemical feed rooms, plus a covered area for the auxiliary generator. In addition to these buildings the facility includes a 200,000 gallon elevated water storage tank, plus a 300,000 gallon above grade clear well/ground storage tank.

The Glenda Drive WTP site is limited by its small size and adjacent residential property. The extent and arrangement of the existing facility does not easily lend itself to on-site expansion.

Status and Updates

In FY 2022 the following activities are planned to take place:

- Assess the feasibility of using property located behind the Glenda Street Water Plant as the site for the replacement plant, and purchase the site if appropriate. There are significant cost advantages to this site due to its location and the water line infrastructure already in place there.
- Obtain purchase options for the two test wells relatively close to the Glenda Street Water Plant. These wells were tested in 2009 and were determined to be suitable then.

► Schedule, Cost, and Funding Estimates

The project will include new groundwater supply wells, raw water mains, nanofiltration water treatment plant, ground storage tank, finished water transmission mains, waste concentrate force main, and effluent diffuser.

The preliminary cost estimate to acquire the land needed for the new plant, as well as to design, permit, construct, and commission the water treatment facilities, follows.

WATER TREATMENT PLANT

Updated for FY 2022

	CO	ST ESTIMATES
Planning	\$	1,575,000
Design, Permit & Bid		1,750,000
Land & Right-of-way		1,600,000
Construction		21,500,000
Oversight		1,000,000
Total Project Cost	\$	27,425,000
	_	

Most of the expenditures are listed in the "Beyond" column since the project was not expected to begin in earnest until FY 2030, after the debt has been retired on the wastewater treatment plant. These future expenditures include continued identification and purchase of land for wells and rights-of-way for transmission mains.

However, with the availability of initial funding from the American Recovery Plan Act of 2021 and the potential for federal legislation providing major infrastructure funding for local governments, initial activity on this project will begin in FY 2022.

WATER TREATMENT PLANT - PROJECT BUDGET

Updated for FY 2022

PROJECT EXPENDITURES	Prior Years	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Beyond
[CPF] Planning	-	53,000	-	-	-	-	1,522,000
[CPF] Design, Permit & Bid	-	-	-	-	-	-	1,750,000
[CPF] Land & Right-of-way	-	477,000	-	-	-	-	1,123,000
[CPF] Construction	-	-	-	-	-	-	21,500,000
[CPF] Oversight	-	-	-	-	-	-	1,000,000
Total Project Cost	\$-	\$ 530,000	\$-	\$ -	\$ -	\$ -	\$26,895,000
PROJECT FUNDING							
[UF] Loan Proceeds	-	-	-	-	-	-	26,895,000
[UF] Intergovernmental	-	500,000	-	-	-	-	-
[CRF] Contribution	-	30,000			-		-
Total Project Funding	\$ -	\$ 530,000	\$-	\$ -	\$ -	\$ -	\$26,895,000

Intergovermental funds in FY 2022 come from the American Recovery Plan Act of 2021.

► Subsequent Impacts

There will be ongoing energy and chemical costs associated with the new water treatment plants just as there is with the existing ones. There will also be maintenance related expenditures for consumables and replacement parts. An annual projection of costs will be provided once construction of the proposed facility falls within the 5-year planning window.

There will also be ongoing debt service. An annual projection of the annual debt service payments will be provided once construction of the proposed facility falls within the 5-year planning window.

Five-Year Financial Plan

This section serves as a planning tool, showing how budgeted funds might change in future years.

In this section you will find:

Five Year Financial Plan Guide	196
Overall Five-Year Plan	199
General Fund Five-Year Plan	211
Utility Fund Five-Year Plan	225

Five Year Financial Plan Guide

The five-year financial plan is a forecast of revenues and expenditures for each budgeted fund over a five-year period.

By using a five-year planning window, the Town ensures that commitments, obligations, and anticipated needs are met in a fiscally sound manner.

As shown in the following diagram, the five-year financial plan pulls from many sources.



Sources include:

- FY 2022 annual budget, which serves as the starting point for all subsequent years
- Capital improvement plan
- Department requests for personnel, one-time operating expenditures, or capital outlay in future years
- Debt repayment schedules
- Internal knowledge of upcoming projects that might affect property tax revenue
- External estimates, such as the consumer price index

In future years, the five-year financial plan becomes the starting point for developing the annual budget.

Parts of the Five-Year Financial Plan

The five-year financial plan is comprised of several sections.

Overall Five-Year Forecast

Provides a high-level view of the five-year budget forecast for General and Utility Funds and the impact on fund balances. Also includes Capital Reserve Fund five-year forecast and Debt Summaries.

General Fund Five Year Forecast

Shows how General Fund revenues (money coming in) and expenditures (money going out) are expected to change over the next five years. Includes underlying assumptions for each major revenue source and spending category.

Utility Fund Five-Year Forecast

Shows how Utility Fund revenues (money coming in) and expenditures (money going out) are expected to change over the next five years. Includes underlying assumptions for each major revenue source and spending category.

Overall Five-Year Plan

The five-year financial plan forecasts the fund balance and budget for each fund over five years. It starts with numbers from the annual budget and projects how they will change over time. It includes balances for capital reserve funds, as well as summaries of debt.

The five-year financial plan shows how Beaufort can budget for its personnel, operations, capital, and infrastructure needs, while ensuring fund balances at healthy levels. **FIVE YEAR FINANCIAL PLAN**

Overall Five-Year Budget Forecast

The following table displays the five-year forecast of General Fund revenues and expenditures.

The table has two groupings of rows.

The first grouping shows the overall GENERAL FUND forecast. It contains three rows: revenues, expenditures, and the net gain or (loss) of revenues over expenditures.

The second grouping, UTILITY FUND, follows the same pattern.

FY 2022					
GENERAL FUND	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Revenues	\$ 11,329,832	2 \$ 10,702,748	\$ 11,564,930	\$ 11,490,275	\$ 11,634,430
Expenditures	11,329,832	2 10,702,748	11,526,407	11,458,027	11,587,940
Net Gain (Loss)	-	-	38,524	32,248	46,490
Unassigned Fund Balance	3,384,915	5 3,384,915	3,384,915	3,384,915	3,384,915
Unassigned as % of Expenditures	30.86%	% 31.63%	31.04%	29.54%	29.21%
UTILITY FUND					
Revenues	\$ 4,639,657	7 \$ 4,654,850	\$ 4,772,573	\$ 4,892,061	\$ 4,963,342
Expenditures	4,639,657	4,644,459	4,746,855	4,866,188	4,944,637
Net Gain (Loss)	-	10,392	25,718	25,873	18,705
Unassigned Fund Balance	2,381,284	2,381,284	2,381,284	2,381,284	2,381,284
Unassigned as % of Expenditures	51.32%	% 51.27%	50.17%	48.94%	48.16%

As shown above, the General Fund budget is balanced throughout the five-year period except for FY 2024 and FY 2026 in which small net gains are used to bolster the unassigned fund balance. In FY 2023 Utility Fund revenues begin to exceed expenditures. These net gains are used to rebuild unassigned fund balance to levels consistent with adopted financial policies.

Overall Fund Balance Forecast

The following table shows how the projected budgets affect fund balance for the next five years.

The table has two groupings of rows.

The first grouping shows the GENERAL FUND forecast for its fund balance at the end of each year. It contains three rows:

- Restricted/assigned fund balance,
- Unassigned fund balance, and
- Unassigned fund balance as a % of expenditures.

The second grouping, UTILITY FUND, follows the same pattern.

FIVE YEAR FUND BALANCES at END of each year

FY 2022					
GENERAL FUND	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Restricted / Assigned Fund Balance	\$ 20,440	\$ 20,440	\$ 20,440	\$ 20,440	\$ 20,440
Unassigned Fund Balance	3,384,915	3,384,915	3,384,915	3,384,915	3,384,915
Unassigned as % of Expenditures	30.86%	31.63%	31.04%	29.54%	29.21%
UTILITY FUND					
Restricted / Assigned Fund Balance	367,598	367,598	367,598	367,598	367,598
Unassigned Fund Balance	2,381,284	2,381,284	2,381,284	2,381,284	2,381,284
Unassigned as % of Expenditures	51.32%	51.27%	50.17%	48.94%	48.16%

Town financial policy requires the General Fund to keep unassigned funds equal to 20% of its anticipated expenses for the fiscal year. The Utility Fund is required to set aside 50% of its anticipated expenses.

Percentages are calculated by dividing the fund balance by fund expenditures for the given year (excluding expenditures paid for with loan proceeds).

As shown in the table above, the five-year forecast shows the fund balance in the General Fund exceeding the required minimum each year. Fund balance in the Utility Fund hovers around the required minimal each year but begins to fall below FY 2024.

There are many assumptions that lie beneath these numbers. The General Fund five-year plan and Utility Fund five-year plan dig into these numbers and how they might change over time.

Capital Reserve Fund Five-Year Forecast

The Capital Reserve Fund was created in FY 2019 as a place to hold money earmarked for infrastructure projects such as the boardwalk, streets, and utility lines. This fund is not budgeted annually, and acts more like a savings account.

Money appropriated for capital projects in the General and Utility Funds goes into the Capital Reserve Fund until it is needed. The five-year plan lists these as Transfers Out expenditures.

When it is needed, the capital reserves are moved into the fund incurring the expense. The five-year plan lists these transactions as Transfers In revenue.

The following table shows how the balance of the capital reserve fund changes over time. Five columns appear, one for each period. The first column, FY 2022 Budget, shows amounts included in the FY 2022 annual budget for each project or funding source. Subsequent columns show amounts for planning purposes for the periods FY 2023, FY 2024, FY 2025, and FY 2026.

The table has three groups of rows. Each group represents an intended capital purpose. Each group has four rows relating to the capital use: its balance at the beginning of a fiscal year, revenues added during that year, expenditures made during that year, and the resulting balance at the end of that fiscal year.

FY 2022	FY 2022 Budget		FY 2023 Planning		FY 2024 Planning		FY 2025 Planning		FY 2026 Planning	
BOARDWALK										
Beginning Balance	\$	600,000	\$	600,000	\$	565,000	\$	-	\$	-
Revenues		-		-		57,000		-		-
Expenditures		-		35,000		622,000		-		-
Ending Balance	\$	600,000	\$	565,000	\$	-	\$	-	\$	-
STREETS										
Beginning Balance	\$	409,407	\$	666,407	\$	779,407	\$	547,207	\$	961,697
Revenues		285,000		294,000		185,000		414,490		-
Expenditures		28,000		181,000		417,200		-		-
Ending Balance	\$	666,407	\$	779,407	\$	547,207	\$	961,697	\$	961,697
UTILITIES										
Beginning Balance	\$	99,630	\$	329,630	\$	796,926	\$1	1,296,926	\$2	2,724,996
Revenues		350,000		467,296		500,000	1	1,548,070		-
Expenditures		120,000		-		-		120,000		915,000
Ending Balance	\$	329,630	\$	796,926	\$1	,296,926	\$2	2,724,996	\$,809,996

CAPITAL RESERVE FUND OVER TIME



Capital Reserve Fund–Boardwalk

The Boardwalk beginning balance reflects money originally earmarked in the General Fund during FY 2018 and FY 2019 for this purpose. Project completion in FY 2024 will empty this reserve.

Refer to Boardwalk/Bulkhead Improvements profile in Section 4: Capital Improvement Plan for more information.



Capital Reserve Fund–Streets

The Streets initial balance reflected General Fund prior net revenues assigned for street work: Powell Bill funds, 2-cent property tax dedicated in FY 2018 by the Town Board, and additional money dedicated in FY 2019 to fund upcoming debt service.

In FY 2025 a loan will be secured for street improvements as part of the Utility Line, Stormwater, and Street Improvement (USSI) Project. The debt service requirements in the General Fund on this new loan eliminate contributions from the General Fund into the Streets Capital Reserve Fund beginning in FY 2025.

In FY 2021 funds were allocated for USSI project stormwater design; these will be replenished in FY 2025 when project costs are rolled into a USDA loan for stormwater.

▶ Refer to Utilities, Stormwater, & Street Improvements profile in Section 4: Capital Improvement Plan for more information.



Capital Reserve Fund–Utilities

The Utilities beginning balance reflects money originally earmarked in the Utility Fund for capital improvements. Annual appropriations are budgeted as transfers out of the Utility Fund. In addition, restricted funds collected as system development fees may be transferred to capital reserve at the end of each fiscal year. As these amounts are unknown, they are not shown in the budget.

Throughout the five-year period, revenues from this fund provide for various utility projects. Beginning in FY 2025, the annual Utility Fund capital reserve appropriation is redirected to pay debt service for the utility portion the USSI Project.

Refer to Sewer Pump Station #7 Replacement, Sewer Pump Station #1 Replacement, and Utilities, Stormwater, & Street Improvements profiles in Section 4: Capital Improvement Plan for more information.

Debt Summary Five-Year Forecast

Some lower cost infrastructure may be funded through appropriated fund balance, capital reserves, or other annual revenues. We call this pay-as-you-go funding. More expensive infrastructure investment requires financing over multiple years, or acquiring debt.

When the Town acquires more debt, it has less revenue available to pay for services. How much the Town owes, combined with its ability to repay the debt, affects the interest rate the Town must pay.

The Town adheres to the following internally adopted policies with respect to taking on debt.

- Debt is used for capital projects or equipment purchases and not for operational needs.
- Debt repayment periods are less than the expected useful life of the item. General Fund terms are 20 years or less; Utility Fund terms are 40 years or less.
- Refer to Section 8: Town of Beaufort Financial Policy for more information.

Current Debts by Fund

The following table lists all Town debts anticipated at the end of FY 2022. The first row labels each of four columns:

- Amount of the loan,
- Date the loan was Issued,
- Loan interest Rate, and
- The date the loan Matures.

The table is grouped into two sets of rows.

The first grouping shows GENERAL FUND DEBTS; each loan is listed on a separate row.

The second grouping shows UTILITY FUND DEBTS; each loan is listed on a separate row.

OVERVIEW of DEBTS

FY 2022

	Amount	Issued	Rate	Matures
GENERAL FUND DEBTS				
FY 2012 Town Hall	\$1,500,000	02/2012	2.950%	08/2026
FY 2016 Fire Station	3,000,000	12/2015	3.350%	06/2031
FY 2017 Planning Truck	23,800	09/2017	1.870%	09/2021
FY 2017 Police Cars	81,600	09/2017	1.870%	09/2021
FY 2017 Public Works 1-Ton Truck	40,800	09/2017	1.870%	09/2021
FY 2017 Public Works Grapple Truck	146,200	09/2017	1.870%	09/2021
FY 2018 Parking Pay Stations	39,568	06/2018	3.610%	06/2023
FY 2020 Fire Ladder Truck	1,001,687	04/2020	2.190%	04/2035
FY 2020 Street/Pedestrian Improvements	3,675,000	06/2020	2.440%	04/2035
FY 2022 Fire Station 2 Pumper Truck	360,000	10/2021	3.000%	10/2026
UTILITY FUND DEBTS				
FY 2006 Sewer	\$ 602,293	12/2005	2.205%	05/2026
FY 2008 Sewer	592,554	07/2007	2.265%	05/2028
FY 2009 Sewer	5,557,814	07/2008	2.265%	05/2028
FY 2010 Sewer Plant	14,023,600	04/2010	2.100%	05/2029
FY 2013 Water - Glenda	1,011,208	11/2012	2.480%	05/2033
FY 2013 Water - Sycamore	935,000	04/2013	2.455%	05/2033
FY 2017 Water Pickup Truck	23,800	09/2017	1.870%	09/2021
FY 2017 WWTP Pickup Truck	23,800	09/2017	1.870%	09/2021

► Current Debt Service by Fund

The following table shows outstanding debt service for all Town debts anticipated at the end of FY 2022. Four columns make up the table:

- The period for the debt service calculation,
- The principal due,
- The interest due, and
- Total Pmts (Principal + Interest).

The table is grouped into three sets of rows.

The first grouping shows GENERAL FUND DEBT SERVICE. Each row shows debt service calculations for a specific period:

- FY 2022,
- FY 2023,
- FY 2024,
- FY 2025,
- FY 2026,
- The Next Five Years (FY 2027–FY 2031), and
- To Maturity (FY 2032–latest maturity date).

The last line in this grouping provides a subtotal of all General Fund debt service.

The second grouping displays the same information as the first grouping, but for UTILITY FUND DEBT SERVICE instead of General Fund.

The third and final grouping adds together the first and second grouping, providing ALL DEBT SERVICE.

DEBT SERVICE TO MATURITY by FUND

FY 2022

GENERAL FUND DEBT SERVICE		Principal	 Interest	 Total Pmts
FY 2022	\$	740,054	\$ 198,721	\$ 938,775
FY 2023		683,095	178,305	861,400
FY 2024		678,006	158,921	836,927
FY 2025		681,502	139,781	821,283
FY 2026		685,091	120,498	805,589
Next Five Years		2,665,436	358,209	3,023,645
To Maturity		1,280,326	 76,064	 1,356,390
Subtotal General Fund Debt Service	\$	7,413,510	\$ 1,230,499	\$ 8,644,009
UTILITY FUND DEBT SERVICE		Principal	 Interest	 Total Pmts
FY 2022	\$	1,136,696	\$ 197,320	\$ 1,334,016
FY 2023		1,126,835	172,575	1,299,410
FY 2024		1,126,835	148,015	1,274,850
FY 2025		1,126,835	123,454	1,250,289
FY 2026		1,126,835	98,894	1,225,729
Next Five Years		3,177,389	168,122	3,345,511
To Maturity		194,621	 7,205	 201,826
Subtotal Utility Fund Debt Service	\$	9,016,046	\$ 915,585	\$ 9,931,631
ALL DEBT SERVICE		Principal	 Interest	 Total Pmts
FY 2022	\$	1,876,750	\$ 396,041	\$ 2,272,791
FY 2023		1,809,930	350,880	2,160,810
FY 2024		1,804,841	306,936	2,111,777
FY 2025		1,808,337	263,235	2,071,572
FY 2026		1,811,926	219,392	2,031,318
Next Five Years		5,842,825	526,331	6,369,156
To Maturity		1,474,947	 83,269	 1,558,216
GRAND TOTAL ALL DEBT SERVICE	\$ '	16,429,556	\$ 2,146,084	\$ 18,575,640

The Town's current debts do not use variable rates, balloon payments, or any other financing structures that could significantly alter debt levels in the future.

► Debt Limits–General Fund

Town policy limits General Fund debt service costs to 15% of total expenditures. The following calculation shows the debt service limit for FY 2022.

\$11,329,832 * 15% = \$1,699,475 FY22 GF expenditures GF debt service limit

The following calculation shows how General Fund debt service changes in FY 2022, and that it remains within set limits.

\$860,167 + \$78,608 = \$938,775 existing GF debt svc new GF debt svc FY22 GF debt svc \$938,775 < \$1,699,475 = **OK** FY22 GF debt svc GF debt service limit GF debt svc is within limit

In addition to limiting the amount of debt service, Town policy limits total debt for the General Fund to 2.5% of assessed property values. (State law sets the limit at 8% of the assessed valuation.)

The General Fund debt limit is calculated as follows.

\$1,078,277,721 * 2.5% = \$26,956,943 FY22 valuation estimate GF debt limit

The following calculation shows how General Fund debt changes in FY 2022, and that it remains within set limits.

\$8,250, current GF	\$393,03 new GF de	\$8,644,009 FY22 GF debt
\$8,644 FY22 GF	\$26,956 , GF debt li	OK GF debt is within limit

► Debt Limits–Utility Fund

Town policy requires Utility Fund rates and fees to cover debt service costs at a ratio of 1.2 to 1. The following calculations show the debt service coverage ratio for the Utility Fund, based on the audit for the year ending June 30, 2020.

\$4,437,735 - Prior FY UF operating revenues	\$3,473,718 Prior FY UF operating expenses	+ \$986,922 Prior FY UF depreciation	= \$1,950,939 UF net revenue available for debt service
\$1,950,939 UF net revenue available for debt service	/ \$1,473 Prior UF debt s	FY Prior	Year service
1.32 Prior Year UF debt servic coverage ratio		•	

As shown, rates and fees are providing the 1.2 coverage ratio required by Town policy.

Anticipated New Debts by Fund

The five-year plan anticipates future new debts in the General Fund:

- FY 2023 USSI interim financing loan Bond Anticipation Notes, 2-year, 2% interest on \$3 million with first payment mid-FY 2023
- FY 2025 USSI Streets loan conventional, 15-year, 2.5% interest loan on \$7.2 million with first payment mid-FY 2025
- FY 2025 USSI Stormwater loan USDA, 40-year, 1.25% interest loan on \$3 million with first payment in FY 2025
- FY 2024 Fire Station 1 Pumper Truck conventional, 10-year, 4% interest loan on \$622,000 with first payment in FY 2025

The five-year plan anticipates future new debts in the Utility Fund:

- FY 2023 USSI interim financing loan Bond Anticipation Notes, 2-year, 2% interest on \$15.1 million with first payment mid-FY 2023
- FY 2025 USSI Utilities loan USDA, 40-year, 1.25% interest loan on \$15.1 million with first payment in FY 2025

General Fund Five-Year Plan

The five-year financial plan forecasts the fund balance and budget for the General Fund over five years. It starts with numbers from the annual budget and projects how they will change over time.

The General Fund houses all Town government functions with the exception of its enterprise (utility) operations, which are housed in the Utility Fund.

General Fund Five-Year Budget Forecast

The following table displays the five-year forecast of General Fund revenues and expenditures. The first row labels each of five columns:

- FY 2022,
- FY 2023,
- FY 2024,
- FY 2025, and
- FY 2026.

The table has three groupings of rows.

The first grouping shows REVENUES by major source. Each General Fund revenue source is listed on a separate row:

- Property taxes,
- Intergovernmental,
- Permits and fees,
- Sales and service,
- Other revenues,
- Loan proceeds,
- Transfers in, and
- Appropriated fund balance.

The last line in this grouping provides a total of revenues.

The second grouping shows EXPENDITURES by major category. Each expenditure category appears on a separate row:

- Personnel,
- Operations,
- Capital outlay,
- Debt service, and
- Transfers out.

The last line in this grouping totals all General Fund expenditures.

The third and final grouping, Net Gain or (Loss), is a single row showing the difference between General Fund revenues and expenditures in each year.

GENERAL FUND - 5 YEAR PLAN

FY 2022

REVENUES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Property Taxes	\$ 5,121,580	\$ 5,184,363	\$ 5,305,446	\$ 5,724,940	\$ 5,742,878
Intergovernmental	3,764,842	3,389,981	3,462,403	3,542,123	3,618,705
Permits and Fees	1,144,820	1,160,581	1,176,943	1,193,632	1,210,655
Sales and Service	301,890	306,163	310,521	314,966	319,500
Other Revenues	12,700	12,700	12,700	12,700	12,700
Loan Proceeds	360,000	-	622,000	-	-
Transfers In	624,000	648,960	674,918	701,915	729,992
Appropriated Fund Balance	-	-		-	
Total Revenues	\$ 11,329,832	\$10,702,748	\$11,564,930	\$11,490,275	\$11,634,430
EXPENDITURES					
Personnel	5,775,283	6,238,700	6,436,483	6,645,523	6,866,774
Operations	2,977,824	2,858,404	3,033,875	3,015,538	3,101,876
Capital Outlay	1,352,950	445,000	972,000	400,000	60,000
Debt Service	938,775	866,643	842,049	1,236,477	1,559,290
Transfers Out	285,000	294,000	242,000	160,490	
Total Expenditures	\$ 11,329,832	\$10,702,748	\$11,526,407	\$11,458,027	\$11,587,940
Net Gain (Loss)	\$-	\$0	\$ 38,524	\$ 32,248	\$ 46,490
Unassigned Fund Balance	3,384,915	3,384,915	3,384,915	3,384,915	3,384,915
Unassigned as % of Expenditures	30.86%	31.63%	31.04%	29.54%	29.21%

The following pages describe the underlying assumptions in detail.

General Fund Five-Year Revenue Forecast

Detailed revenue forecasts for each major revenue category are as follows.

► General Fund Revenue Forecast-Property Taxes

The following table provides underlying detail for the forecasted General Fund property tax revenue.

GENERAL FUND 5 YEAR REVENUE DETAIL - PROPERTY TAX

FY 2022

PROPERTY TAXES	FY 2022	FY 2023	FY 2024	 FY 2025	FY 2026
Real and Personal Property Tax	\$ 4,915,580	\$ 4,978,363	\$ 5,099,446	\$ 5,518,940	\$ 5,536,878
Tax Base Valuation	1,078,277,721	1,092,277,721	1,119,277,721	1,212,819,939	1,216,819,939
Tax Rate per \$100 Valuation	0.46	0.46	0.46	0.46	0.46
Collection Rate	97.49%	97.49%	97.49%	97.49%	97.49%
Prior Year, Penalties and Interest	80,000	80,000	80,000	80,000	80,000
Motor Vehicle Tax	200,000	200,000	200,000	200,000	200,000
Other Property Tax	6,000	6,000	6,000	6,000	6,000
TOTAL PROPERTY TAXES	\$ 5,121,580	\$ 5,184,363	\$ 5,305,446	\$ 5,724,940	\$ 5,742,878

Real and Personal Property Tax revenues go up each year due to changes in tax base valuation. This increase assumes that the tax base:

- Increases each year by \$4 million from new construction
- Increases 8.00% in FY 2025 due to revaluation
- Increases in FY 2023 and FY 2024 with hotel opening
- Increases in FY 2023 and FY 2024 with the completion of an anticipated healthcare facility

Beginning in FY 2022 Other Property Tax revenues assumes a payment in lieu of taxes reduction for the Beaufort Housing Authority.

► General Fund Revenue Forecast–Intergovernmental

The following table provides underlying detail for the forecasted General Fund intergovernmental revenues.

GENERAL FUND 5 YEAR REVENUE DETAIL - INTERGOVERNMENTAL

INTERGOVERNMENTAL	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026		
Recurring Revenues				 			
Local Option Sales Tax	\$ 1,742,200	\$ 1,811,270	\$ 1,865,608	\$ 1,926,901	\$ 1,984,708		
Utilities Franchise Tax	380,000	380,000	380,000	380,000	380,000		
Beer and Wine Tax	18,200	18,382	18,566	18,751	18,939		
County ABC Profit Distribution	171,700	173,417	175,151	176,903	178,672		
Powell Bill	120,000	120,000	120,000	120,000	120,000		
Fire District Tax	638,092	886,912	903,078	 919,567	936,386		
Subtotal Recurring Revenues	\$ 3,070,192	\$ 3,389,981	\$ 3,462,403	\$ 3,542,123	\$ 3,618,705		
One-Time Revenues							
FEMA Hazard Mitigation Grant	84,650	-	-	-	-		
Fire Tax -Station 2 Pumper Truck	200,000	-	-	-	-		
Fire Tax -Station 2 Living Quarters	180,000	-	-	-	-		
SCBA Grant	62,000						
Police Communication Upgrade Grant	135,000						
School Resource Officer Grant	33,000			 -			
Subtotal One-Time Revenues	694,650	-	-	 -	-		
TOTAL INTERGOVERNMENTAL	\$ 3,764,842	\$ 3,389,981	\$ 3,462,403	\$ 3,542,123	\$ 3,618,705		

Local Option Sales Tax assumes a 3-4% increase each year based on historical state revenue projections.

Beer and Wine Tax and County ABC Profit Distribution assume a 1% increase each year.

Fire District Tax assumes Carteret County begins paying for Station 2 staffing and ongoing maintenance in FY 2023.

FY 2022 includes a grant for the School Resource Officer position in the Police Department which is not guaranteed in future years.

► General Fund Revenue Forecast–Permits and Fees

The following table provides underlying detail for the forecasted General Fund permits and fees revenue.

GENERAL FUND 5 YEAR REVENUE DETAIL - PERMITS & FEES

PERMITS & FEES	FY 2022	FY 2023	FY 2024	FY 2025		FY 2026	
Recurring Revenues							
Solid Waste Fees	\$ 625,570	\$ 638,081	\$ 650,843	\$	663,860	\$	677,137
Building Permits	130,000	180,000	183,600		187,272		191,017
Storm water Fees	136,000	136,000	136,000		136,000		136,000
Parking Fees	200,000	200,000	200,000		200,000		200,000
Other Permits and Fees	3,250	6,500	6,500		6,500		6,500
Subtotal Recurring Revenues	\$ 1,094,820	\$ 1,160,581	\$ 1,176,943	\$	1,193,632	\$	1,210,655
One-Time Revenues							
Nursing Home Building Fees	50,000	-	-		-		-
Subtotal Recurring Revenues	50,000	-			-		-
TOTAL PERMITS & FEES	\$ 1,144,820	\$ 1,160,581	\$ 1,176,943	\$	1,193,632	\$	1,210,655

Solid Waste Fees and Building Permits follow the Consumer Price Index and assume 2% increase each year.

Building Permits increase in FY 2022 with the anticipated construction of a healthcare facility. Other anticipated projects are not included in the forecast due to uncertainty of their timing and/or projected impact.

Other Permits and Fees assumes economic recovery from COVID-19 in FY 2023.

► General Fund Revenue Forecast–Sales and Service Revenues

The following table provides underlying detail for forecasted General Fund sales and service revenues.

GENERAL FUND 5 YEAR REVENUE DETAIL - SALES & SERVICE

SALES & SERVICE	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026
Recurring Revenues									
Property Leases	\$	228,490	\$	232,763	\$	237,121	\$	241,566	\$ 246,100
Antenna Contract		69,900		69,900		69,900		69,900	69,900
Cemetery Lot Sales		3,500		3,500		3,500		3,500	3,500
Other Sales and Service		-		-		-		-	-
Subtotal Recurring Revenues	\$	301,890		306,163		310,521		314,966	 319,500
One-Time Revenues									
Sale of Fixed Assets		-		-		-		-	-
Subtotal Recurring Revenues		-		-		-		-	 -
TOTAL SALES & SERVICE	\$	301,890	\$	306,163	\$	310,521	\$	314,966	\$ 319,500

Property leases with CPI increase clauses go up 2% each year.

► General Fund Revenue Forecast–Other Revenues

The following table provides underlying detail for forecasted General Fund other revenues.

GENERAL FUND 5 YEAR REVENUE DETAIL - OTHER REVENUE

OTHER REVENUE	FY 2022		FY 2023		FY 2024		FY 2025	FY 2026	
Recurring Revenues									
Investment Earnings	\$	10,000	\$	10,000	\$	10,000	\$ 10,000	\$	10,000
Insurance Reimbursements		-		-		-	-		-
Other Miscellaneous Revenues		2,700		2,700		2,700	 2,700		2,700
Subtotal Recurring Revenues	\$	12,700		12,700		12,700	12,700		12,700
One-Time Revenues									
Donations		-		-		-	-		-
Subtotal Recurring Revenues		-		-		-	 -		-
TOTAL OTHER REVENUE	\$	12,700	\$	12,700	\$	12,700	\$ 12,700	\$	12,700

These revenues are conservatively forecasted as remaining flat.

► General Fund Revenue Forecast–Loan Proceeds

The following table provides underlying detail for forecasted General Fund revenue from loan proceeds.

GENERAL FUND 5 YEAR REVENUE DETAIL - LOAN PROCEEDS FY 2022

LOAN PROCEEDS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Loan Proceeds	360,000		622,000		_
TOTAL LOAN PROCEEDS	\$ 360,000	\$-	\$ 622,000	\$-	\$-

The loan in FY 2022 covers the balance of purchase and equipping a replacement fire pumper truck for Station 2, provided Carteret County agrees to cover the down payment and debt service for the loan. The loan in FY 2024 will replace the Station 1 fire pumper truck.

► General Fund Revenue Forecast-Transfers In

The following table provides underlying detail for the forecasted General Fund revenue from other funds.

GENERAL FUND 5 YEAR REVENUE DETAIL - TRANSFERS IN

FY 2022

TRANSFERS IN	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
From Capital Reserve Fund	-	-	-	-	-
From Utility Fund for Admin Expense	624,000	648,960	674,918	701,915	729,992
TOTAL TRANSFERS IN	\$ 624,000	\$ 648,960	\$ 674,918	\$ 701,915	\$ 729,992

No revenues are anticipated from the Capital Reserve Fund.

Annual transfers from the Utility Fund cover administrative expenses incurred in the General Fund for the Utilities enterprise.

Refer to the Utility Fund Spending Forecast–Transfers Out later in this section for more information.

► General Fund Revenue Forecast–Appropriated Fund Balance

The following table provides underlying detail for the forecasted use of General Fund fund balance.

GENERAL FUND 5 YEAR REVENUE DETAIL - FUND BALANCE APPROPRIATION FY 2022

FUND BALANCE APPROPRIATION	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Restricted or Assigned Fund Balance	-	-	-	-	-
Unassigned Fund Balance	-		-		
TOTAL APPROPRIATION	\$-	\$-	\$-	\$-	\$-

No fund balance appropriations are anticipated.

General Fund Spending Forecast

Detailed spending forecasts for each major expenditure category are as follows.

Items in **BLUE** have associated offsetting revenues.

► General Fund Spending Forecast–Personnel

The following table provides underlying detail for forecasted personnel spending in the General Fund.

GENERAL FUND 5 YEAR EXPENDITURE DETAIL - PERSONNEL

FY 2022

PERSONNEL	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Recurring Costs					
Salary	\$ 4,112,380	\$ 4,366,464	\$ 4,719,946	\$ 4,870,197	\$ 5,029,038
Benefits	1,438,280	1,524,324	1,643,528	1,695,016	1,749,395
Merit Pay Raises	60,338	66,372	73,009	80,310	88,341
Future New Positions - Administration	110,285	-	-	-	-
Future New Positions - Fire	-	201,430	-	-	-
Future New Positions - Fire	-	80,110	-	-	-
Future New Positions - Public Works	54,000				
Subtotal Recurring Costs	5,775,283	6,238,700	6,436,483	6,645,523	6,866,774
One-Time Costs					
No One-Time Costs	N/A				
Subtotal One-Time Costs	-				
TOTAL PERSONNEL	\$ 5,775,283	\$ 6,238,700	\$ 6,436,483	\$ 6,645,523	\$ 6,866,774

Personnel costs increase 2% each year for cost of living.

In FY 2023, new positions include the cost for three new Station 2 firefighter positions as well as a Deputy Fire Chief.

► General Fund Spending Forecast–Operations

The following table provides underlying detail for forecasted operations spending in the General Fund.

GENERAL FUND 5 YEAR EXPENDITURE DETAIL - OPERATIONS

FY 2022

OPERATIONS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Recurring Costs					
Budget Year Recurring Costs	\$ 2,704,042	\$ 2,643,187	\$ 2,741,744	\$ 2,936,266	\$ 2,974,907
Police Body Camera Service	-	17,500	-	-	-
Police Info/Communication Services	8,000	-	-	-	-
Fire Station 2 Living Qtrs Maintenance	-	7,200			
Fire Fighter Health and Wellness Exams	7,000				
Public Works Cedar St Park Maintenace	-	3,000	-	-	-
Public Works Storm water	(100,000)	(9,000)	109,000	(48,007)	(48,007)
Public Works Crack Sealing	8,000	-	-	-	-
Public Works Vehicle GPS Units	2,400				
Subtotal Recurring Costs	\$ 2,629,442	2,661,887	2,850,744	2,888,259	2,926,900
One-Time Costs					
Governing Body Elections	\$ 7,057	\$-	\$ 7,342	\$-	\$ 7,639
Finance Tax Collection Fees	107,725	109,567	111,989	120,379	120,738
Fire Deputy Chief Gear	-	7,400	-	-	-
Fire Eng 1 Appl & Nozzle Replacement	12,000	-	-	-	-
Fire Gear from 3 Firefighters at Station 2	-	29,000			
Fire Dress Uniforms	5,600	-	-	-	-
Fire Keiser Sled & Acessories	3,500	-	-	-	-
Police Ammunition	-	-	12,000	-	12,000
Police Bullet Proof Vest Replacement	800	2,400	7,200	3,200	1,600
Police Crime Sceen Evidence Supplies	-	2,000	-	2,000	-
Police Human Performance Evaluations	-	-	8,000	-	-
Police MDT (x15)	-	27,750	-	-	-
Police Mobile Sign Trailer	-	15,000	-	-	-
Police Rifle Optics	7,000	-	-	-	-
Police Taser Replacement Program	15,500	3,400	13,600	1,700	-
Pubic Works Train Depot Improvements	25,000	-	-	-	-
Pubic Works Sidewalk Hazard Repairs	15,000	-	15,000	-	15,000
Public Works Courts & Fence Repairs	26,000	-	-	-	-
Public Works Zero Turn Mower	-	-	-	-	10,000
Public Works Seasonal Decorations	8,500	-	-	-	-
Public Works Stormwater Outfall Analysis	42,200				
Public Works Vehicle GPS Units	4,500				
Public Works Wayfinding Signage	60,000				
Non-Departmental Tech Replacements	8,000	-	8,000	-	8,000
Subtotal One-Time Costs	348,382	196,517	183,131	127,279	174,976
TOTAL OPERATIONS	\$ 2,977,824	\$ 2,858,404	\$ 3,033,875	\$ 3,015,538	\$ 3,101,876

The forecast assumes recurring operating costs from FY 2022 increase by 3% each year, corresponding with inflation, based on CPI, as well as demand-based costs beyond Town control.

One-time costs are based on department-level planning.

In FY 2022 and FY 2023, stormwater funds usually housed in operations are reallocated to capital reserves to fund 1410 Front Street Culvert project. Beginning in FY 2025, stormwater funds are also redirected from operations into debt service as part of the USSI project.

► General Fund Spending Forecast–Capital Outlay

The following table provides underlying detail for forecasted capital outlay in the General Fund.

GENERAL FUND 5 YEAR EXPENDITURE DETAIL - CAPITAL OUTLAY

FY 2022

CAPITAL OUTLAY	FY 2022	FY 2023	FY 2024	FY 2025	FY	2026
Fire Station 2 Living Quarters	180,000	-	-	-		-
Fire SCBA Fill Station	62,000	-	-	-		-
Fire Station 2 Pumper Truck	560,000	-	-	-		-
Fire Station 1 Pumper Truck	-	-	622,000	-		-
Fire Deputy Chief Vehicle	-	45,000	-	-		-
Fire Boat Replacement of Watercraft 1	-	-	-	200,000		-
Police Communication Upgrade	180,000					
Public Works Sweeper Truck		200,000				
Public Works FEMA generators	112,950	-	-	-		-
Non-Departmental Vehicle Replacements	258,000	200,000	350,000	200,000		60,000
TOTAL CAPITAL OUTLAY	\$ 1,352,950	\$ 445,000	\$ 972,000	\$ 400,000	\$	60,000

Refer to Fire Station 1 Pumper Truck, Fire Watercraft, Public Works Sweeper Truck, and Vehicle Replacement Plan profiles in Section 4: Capital Improvement Plan for more information.

All other requests are based on department-level planning.

► General Fund Spending Forecast–Debt Service

The following table provides underlying detail for forecasted debt service in the General Fund.

GENERAL FUND 5 YEAR EXPENDITURE DETAIL - DEBT SERVICE

FY 2022

DEBT SERVICE	FY 2022		FY 2023	FY 2024		FY 2025	FY 2026	
Existing Debt Service								
FY 2012 Town Hall	\$ 116,438	\$	113,447	\$ 110,456	\$	107,490	\$	104,474
FY 2016 Fire Station	265,325		258,625	251,925		245,225		238,525
FY 2017 Planning Truck	5,023		-	-		-		-
FY 2017 Police Cars	17,220		-	-		-		-
FY 2017 Public Works 1-Ton Truck	8,610		-	-		-		-
FY 2017 Public Works Grapple Truck	30,853		-	-		-		-
FY 2018 Parking Pay Stations	8,803		8,803	-		-		-
FY 2020 Street Management	328,692		327,958	321,858		310,758		304,780
FY 2020 Ladder Truck	79,202	_	79,202	 79,202		79,202		79,202
Subtotal Existing Debt Service	\$ 860,167	\$	788,035	\$ 763,441	\$	742,675	\$	726,981
New Debt Service								
FY 2022 Fire Station 2 Pumper Truck	78,608		78,608	78,608		78,608		78,608
FY 2025 USSI Streets	-		-	-		290,500		581,000
FY 2025 USSI Storm water-USDA	-		-	-		48,007		96,014
FY 2024 Fire Station 1 Pumper Truck	-		-	 -		76,687		76,687
Subtotal New Debt Service	78,608		78,608	 78,608		493,802		832,309
TOTAL DEBT SERVICE	\$ 938,775	\$	866,643	\$ 842,049	\$ `	1,236,477	\$	1,559,290

Existing debt service numbers come from actual payment schedules. New debt service numbers are estimates for planning purposes.

- Refer to Debt Summary Five-Year Forecast earlier in this section for more information.
- Refer to Fire Station 2 Pumper Truck and Fire Station 1 Pumper Truck profiles in Section 4: Capital Improvement Plan for more information.

FY 2025 USSI Streets and FY 2025 USSI Stormwater loans fund the USSI project. FY 2025 assumes partial payment with full payment beginning in FY 2026.

Refer to Utilities, Stormwater, & Street Improvements profile in Section 4: Capital Improvement Plan for more information.

Beginning in FY 2025, stormwater funds are redirected from operations into debt service as part of the USSI project.

► General Fund Spending Forecast-Transfers Out

The following table provides underlying detail for forecasted transfers from the General Fund.

GENERAL FUND 5 YEAR EXPENDITURE DETAIL - TRANSFERS OUT FY 2022

TRANSFERS OUT	FY 2022		FY 2023		FY 2024		FY 2025		FY 2026	
Transfers to Capital Funds	28	5,000		294,000		242,000		160,490		-
TOTAL TRANSFERS OUT	\$ 28	5,000	\$	294,000	\$	242,000	\$	160,490	\$	-

In FY 2022 and FY 2023, stormwater funds usually housed in operations are reallocated to capital reserves to fund 1410 Front Street Culvert project.

In FY 2024, contributions are set aside for the Boardwalk project.

In FY 2025, contributions set aside in the capital reserve fund for street improvements stop, in order to pay street improvement debt service.

In FY 2025, contributions are set aside for a future capital project, such as the Police Department Building or Public Works Facility.

 Refer to 1410 Front Street Stormwater Culvert Relocation, Boardwalk / Bulkhead Improvements, Police Department Building, and Public Works Facility profiles in Section 4: Capital Improvement Plan for more information.

Utility Fund Five-Year Plan

The Utility Fund houses the Town's enterprise operations-the Water and Sewer Divisions of the Utility Department.

Utility Fund Five-Year Budget Forecast

The following table displays the five-year forecast of Utility Fund revenues and expenditures. The first-row labels each of five columns:

- FY 2022,
- FY 2023,
- FY 2024,
- FY 2025, and
- FY 2026.

The table has three groupings of rows.

The first grouping shows REVENUES by major source. Each Utility Fund revenue source is listed on a separate row:

- Intergovernmental,
- Permits and fees,
- Sales and service,
- Other revenues,
- Loan proceeds,
- Transfers in, and
- Appropriated fund balance.

The last line in this grouping provides a total of revenues.

The second grouping shows EXPENDITURES by major category. Each expenditure category appears on a separate row:

- Personnel,
- Operations,
- Capital outlay,
- Debt service, and
- Transfers out.

The last line in this grouping totals all Utility Fund expenditures.

The third and final grouping, Net Gain or (Loss), is a single row showing the difference between Utility Fund revenue and expenditure in each year.

UTILITY FUND - 5 YEAR PLAN

FY 2022

REVENUES	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	
Intergovernmental	\$ -	\$-	\$ -	\$-	\$ -	
Permits and Fees	140,000	140,000	140,000	140,000	140,000	
Sales and Service	4,390,000	4,514,850	4,632,573	4,752,061	4,823,342	
Other Revenues	-	-	-	-	-	
Loan Proceeds	-	-	-	-	-	
Transfers In	90,000	-	-	-	-	
Appropriated Fund Balance	19,657	-				
Total Revenues	\$ 4,639,657	\$ 4,654,850	\$ 4,772,573	\$ 4,892,061	\$ 4,963,342	
EXPENDITURES						
Personnel	1,004,305	1,041,991	1,186,232	1,231,252	1,279,303	
Operations	1,147,336	1,087,177	1,110,852	1,162,178	1,228,503	
Capital Outlay	180,000	129,118	-	80,000	-	
Debt Service	1,334,016	1,269,916	1,274,853	1,490,843	1,706,839	
Transfers Out	974,000	1,116,256	1,174,918	901,915	729,992	
Total Expenditures	\$ 4,639,657	\$ 4,644,459	\$ 4,746,855	\$ 4,866,188	\$ 4,944,637	
Net Gain (Loss)	\$-	\$ 10,392	\$ 25,718	\$ 25,873	\$ 18,705	
Unassigned Fund Balance	2,381,284	2,381,284	2,381,284	2,381,284	2,381,284	
Unassigned as % of Expenditures	51.32%	51.27%	50.17%	48.94%	48.16%	

Barring unforeseen capital outlay and one-time operation needs, the net gain beginning in FY 2023 will be used to replenish Utility Fund fund balances up to healthy levels, as required by the adopted financial policies.

The following pages describe the underlying assumptions in detail.

Utility Fund Revenue Forecast

Detailed revenue forecasts for each major revenue category are as follows.

► Utility Fund Revenue Forecast–Intergovernmental

The following table provides underlying detail for the forecasted Utility Fund intergovernmental revenues.

UTILITY FUND 5 YEAR REVENUE DETAIL - INTERGOVERNMENTAL FY 2022

INTERGOVERNMENTAL	FY 2022	FY 2023		FY 2024		FY 2025		FY 2026	
One-Time Intergovernmental	-		-		-		-		
TOTAL INTERGOVERNMENTAL	\$-	\$	-	\$	_	\$	-	\$	-

The five-year forecast has no anticipated intergovernmental revenues.

► Utility Fund Revenue Forecast–Permits and Fees

The following table provides underlying detail for the forecasted Utility Fund permits and fees revenue.

UTILITY FUND 5 YEAR REVENUE DETAIL - PERMITS & FEES FY 2022

PERMITS & FEES		FY 2022		FY 2023		FY 2024		FY 2025		FY 2026	
Sewer Permits and Fees	\$	41,250	\$	41,250	\$	41,250	\$	41,250	\$	41,250	
Water Permits and Fees		84,750		84,750		84,750		84,750		84,750	
Other Permits and Fees		14,000		14,000		14,000		14,000		14,000	
TOTAL PERMITS & FEES	\$	140,000	\$	140,000	\$	140,000	\$	140,000	\$	140,000	

This conservative forecast shows no anticipated change in sewer and water permits and fees.

Utility Fund Revenue Forecast–Sales and Service Revenues

The following table provides underlying detail for forecasted Utility Fund sales and service revenues.

UTILITY FUND 5 YEAR REVENUE DETAIL - SALES & SERVICE FY 2022

SALES & SERVICE	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Sewer Sales and Service	\$ 3,150,000	\$ 3,242,250	\$ 3,328,884	\$ 3,416,817	\$ 3,468,069
Water Sales and Service	1,240,000	1,272,600	1,303,689	1,335,244	1,355,273
Sale of Fixed Assets	-	-	-	-	-
Other Sales and Service	-		_	-	
TOTAL SALES & SERVICE	\$ 4,390,000	\$ 4,514,850	\$ 4,632,573	\$ 4,752,061	\$ 4,823,342

Water and sewer sales and service revenue show a 1.5% increase each year.

FY 2023 includes increases tied to new hotel. FY 2024 and FY 2025 include increases tied to healthcare facility.

► Utility Fund Revenue Forecast–Other Revenues

The following table provides underlying detail for forecasted Utility Fund other revenues.

UTILITY FUND 5 YEAR REVENUE DETAIL - OTHER REVENUE FY 2022

OTHER REVENUE	FY	2022	FY	2023	FY	2024	FY	2025	FY	2026
Recurring Revenues										
Investment Earnings	\$	-	\$	-	\$	-	\$	-	\$	-
Insurance Reimbursements		-		-		-		-		-
Other Miscellaneous Revenues		-		-		-		-		-
Subtotal Recurring Revenues	\$	-		-		-		-		-
One-Time Revenues										
Donations		-		-		-		-		-
Subtotal One-Time Revenues		-		-		-		-		-
TOTAL OTHER REVENUE	\$	-	\$	-	\$	-	\$	-	\$	-

The forecast assumes no other revenue for the Utility Fund.

► Utility Fund Revenue Forecast–Loan Proceeds

The following table provides underlying detail for the forecasted Utility Fund revenue from loan proceeds.

UTILITY FUND 5 YEAR REVENUE DETAIL - LOAN PROCEEDS FY 2022

LOAN PROCEEDS	FY 2022	FY 2023		FY 2024		FY 2025		FY 2026	
Loan Proceeds	-		-		-		-		-
TOTAL LOAN PROCEEDS	\$-	\$	-	\$	-	\$	-	\$	-

No Utility Fund loan proceeds are anticipated in future years.

► Utility Fund Revenue Forecast-Transfers In

The following table provides underlying detail for money transferred in from other funds.

UTILITY FUND 5 YEAR REVENUE DETAIL - TRANSFERS IN FY 2022

TRANSFERS IN	F	Y 2022	F١	2023	FY	2024	FY	2025	FY	2026	
From Capital Reserve Fund		90,000						-			
TOTAL TRANSFERS IN	\$	90,000	\$	-	\$	-	\$	-	\$	-	

Transfers In in FY 2022 are used for the Campen Road Waterline Extension.

Utility Fund Revenue Forecast–Appropriated Fund Balance

The following table provides underlying detail for the forecasted use of Utility Fund fund balance.

UTILITY FUND 5 YEAR REVENUE DETAIL - FUND BALANCE APPROPRIATION FY 2022

FUND BALANCE APPROPRIATION	FY 2022	FY	2023	FY 2024		FY 2025		FY	2026
Restricted or Assigned Fund Balance	-		-		-		-	_	-
Unassigned Fund Balance	19,657		-			-		-	
TOTAL APPROPRIATION	\$ 19,657	\$	-	\$	-	\$	-	\$	-

Fund balance in FY 2022 is used to make up the difference between revenues and expenditures.

Utility Fund Spending Forecast

Detailed spending forecasts for each major expenditure category are as follows.

► Utility Fund Spending Forecast-Personnel

The following table provides underlying detail for forecasted personnel spending in the Utility Fund.

UTILITY FUND 5 YEAR EXPENDITURE DETAIL - PERSONNEL FY 2022

PERSONNEL	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Recurring Costs					
Salary	\$ 727,984	\$ 754,784	\$ 783,344	\$ 893,412	\$ 927,572
Benefits	260,321	269,607	279,488	316,544	328,305
Merit Pay Raises	16,000	17,600	19,360	21,296	23,426
Future New Positions - Sewer		-	52,020	-	-
Future New Positions - Water	N/A		52,020		
Subtotal Recurring Costs	1,004,305	1,041,991	1,186,232	1,231,252	1,279,303
One-Time Costs					
No One-Time Costs	-	-	-	-	-
Subtotal One-Time Costs	-		-	-	-
TOTAL PERSONNEL	\$ 1,004,305	\$ 1,041,991	\$ 1,186,232	\$ 1,231,252	\$ 1,279,303

Personnel costs increase 2% each year for cost of living.

FY 2024 includes an equipment operator in Sewer and a meter tech in Water to account for anticipated growth.

► Utility Fund Spending Forecast–Operations

The following table provides underlying detail for forecasted operations spending in the Utility Fund.

UTILITY FUND 5 YEAR EXPENDITURE DETAIL - OPERATIONS FY 2022

OPERATIONS	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Recurring Costs					
Budget Year Recurring Costs	\$ 1,038,036	1,069,177	1,101,252	1,144,178	1,178,503
SCADA Pump Station- Cell/Cloud Service	N/A		9,600	-	-
Subtotal Recurring Costs	\$ 1,038,036	1,069,177	1,110,852	1,144,178	1,178,503
One-Time Costs					
HRIB Permit	\$ 100,000	-	-	-	-
Maint - WWTP Filter Media Replacement	-	-	-	-	50,000
Maint - Water Softeners	-	18,000	-	18,000	-
Equip - Sewer Gorman Rupp Controller	2,300	-	-	-	-
Equip - Sewer Lift Station Pumps	7,000		-	-	-
Subtotal One-Time Costs	109,300	18,000	-	18,000	50,000
TOTAL OPERATIONS	\$ 1,147,336	\$ 1,087,177	\$ 1,110,852	\$ 1,162,178	\$ 1,228,503

The forecast assumes recurring operating costs from FY 2022 increase by 3% each year, corresponding with the consumer price index as well as demand-based costs beyond Town control.

New recurring costs and One-time costs are based on departmentlevel planning.

► Utility Fund Spending Forecast-Capital Outlay

The following table provides underlying detail for forecasted capital outlay in the Utility Fund.

UTILITY FUND 5 YEAR EXPENDITURE DETAIL - CAPITAL OUTLAY FY 2022

CAPITAL OUTLAY	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Sewer - Replacement Vehicle	30,000	49,118	-	40,000	-
Sewer - SCADA Pump Station Upgrade	-	80,000	-	-	-
Water - Campen Road Project	90,000	-	-	-	-
Water - Replacement Vehicle	60,000		-	40,000	
TOTAL CAPITAL OUTLAY	\$ 180,000	\$ 129,118	\$-	\$ 80,000	\$ -

Requests are based on department-level planning.

► Utility Fund Spending Forecast–Debt Service

The following table provides underlying detail for forecasted debt service in the Utility Fund.

UTILITY FUND 5 YEAR EXPENDITURE DETAIL - DEBT SERVICE

FY 2022

DEBT SERVICE	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Existing Debt Service					
FY 2006 Sewer	\$ 33,435	\$ 3,277	\$ 32,107	\$ 31,443	\$ 30,779
FY 2008 Sewer	34,325	33,654	32,986	32,312	31,641
FY 2009 Sewer	321,805	315,514	309,223	302,931	296,640
FY 2010 Sewer Plant	808,275	793,743	779,211	764,678	750,145
FY 2013 Water - Glenda	65,607	64,353	63,099	61,845	60,592
FY 2013 Water - Sycamore	60,523	59,375	58,227	57,079	55,932
FY 2017 Water Pickup Truck	5,023	-	-	-	-
FY 2017 WWTP Pickup Truck	5,023		-	-	
Subtotal Existing Debt Service	\$ 1,334,016	\$ 1,269,916	\$ 1,274,853	\$ 1,250,288	\$ 1,225,729
New Debt Service					
FY 2025 USSI Sewer-USDA	-	-	-	112,330	224,660
FY 2025 USSI Water- USDA	-	-	-	128,225	256,450
Subtotal New Debt Service	-	-	-	240,555	481,110
TOTAL DEBT SERVICE	\$ 1,334,016	\$ 1,269,916	\$ 1,274,853	\$ 1,490,843	\$ 1,706,839

Existing debt service numbers come from actual payment schedules. New debt service numbers are estimates for planning purposes.

Refer to Debt Summary Five-Year Forecast earlier in this section for more information.

New debt service includes a 40-year loan in FY 2025 to pay for the utilities portion of the Utility, Stormwater, & Street Improvements project.

Refer to Utility, Stormwater, & Street Improvements profile in Section 4: Capital Improvement Plan for more information.

► Utility Fund Spending Forecast-Transfers Out

The following table provides underlying detail for forecasted transfers from the Utility Fund to other funds.

UTILITY FUND 5 YEAR EXPENDITURE DETAIL - TRANSFERS OUT FY 2022

TRANSFERS OUT		FY 2022		FY 2023		FY 2024		FY 2025		FY 2026
Contribution from UF to GF	\$	624,000	\$	648,960	\$	674,918	\$	701,915	\$	729,992
Transfers to Capital Funds		350,000		467,296		500,000	200,000			-
TOTAL TRANSFERS OUT	\$	974,000	\$	1,116,256	\$	1,174,918	\$	901,915	\$	729,992

The Utility Fund contributes to the General Fund for administrative, engineering, and maintenance services. The actual amount is calculated each year based on use. For planning purposes, the estimated contribution increases by 4% each year.

Through FY 2024, contributions are set aside in the capital reserve fund for utility line maintenance and repairs. Starting in FY 2025, these contributions are reduced and then reallocated to pay utility line improvement debt service.

Refer to Utility, Stormwater, & Street Improvements in Section
 4: Capital Improvement Plan for more information.

Fee Schedule

EFFECTIVE DATE: July 1, 2021

	Events & Rentals	236
	Fire Safety Fees	238
	Planning & Inspections Fees	240
	Solid Waste Collection Fees	246
►	Water & Sewer Rates & Fees	247
►	Stormwater Fees	250
►	Parking & Vehicle Fees	251
►	Other Fees	252

Events & Rentals

SPECIAL EVENT FEES

Special Event Application Fee	\$ 25.00	
Tent Permit/Inspection	50.00	
Fireworks Display Permit	50.00	
Amplified Sound Permit	25.00	
RESERVING SEASONAL PARKING SPACES		
East & West Front Street Lots	18.00	/space/day
All Other Town Parking Spaces	9.00	/space/day
TOWN-PROVIDED SERVICES & SUPPLIES		
Electrician Fees	subject to	amount billed by contractor
Electricity per Event	50.00	
Off Duty Public Safety	35.00	/hr
Public Works Service Fee (includes 2 employees)	68.00	/hr
Solid Waste or Recycling Cart	10.00	/cart
Additional Town-Provided Supplies As Required	actual cos	st
Fire Boat or Police Boat	62.55	/hr

TRAIN DEPOT RENTAL FEES

Security Deposit	\$ 50	
Labor Fee	15	
HALF-DAY RENTAL		
Resident	65	labor fee & security deposit
Non-Resident	75	plus security deposit
FULL-DAY RENTAL		
Resident	65	labor fee & security deposit
Non-Resident	150	plus security deposit

KAYAK RACK RENTAL

Kayak Rack Fee \$ 75

REMOVAL / STORAGE FEE

- 1st Offense 50
- 2nd Offense 75
- 3rd Offense 100

Fire Safety Fees

► Fire Inspection Fines & Fees

FIRE INSPECTION FINES & FEES

1st Inspection (initial) No charge

,	•
2nd Inspection	No charge; Afterward, a request for extension and waiver of
(after 30 days)	fees can be submitted
3rd Inspection	\$25 base fee, plus \$25 fine per violation per day until
4th Inspection and beyond	Base fee increases incrementally by \$25 for each inspection plus \$25 fine per violation per day until corrected

► Life Safety Violations Fines and Fees

Life safety violations may result in fines and fees. Types of violations include:

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-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 it will be closed.

LIFE SAFETY VIOLATION FINES & 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 + \$20 per violation; warning letter sent within 72 hours
3rd Offense in 6 months	Business is closed for 24 hours; \$250 + \$40 per violation

► General Fire Safety Violation Fees

GENERAL FIRE SAFETY VIOLATION FINES & FEES

Parking in a fire lane or in front of a fire hydrant	\$ 100 / violation
Assault on a Fire Code Official	100 / violation
NUISANCE FIRE ALARMS	
4th nuisance alarm in a calendar year	100
Subsequent nuisance alarm in a calendar year	200
Fire Detection & Suppression System work and/or modification without plan submittal and approval	150

If a business owner/occupant provides documentation the system has been serviced by an Alarm 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.

Planning & Inspections Fees

Building permits are required for all work that meets any of the following criteria.

- Work performed to structures costing \$15,000 or more
- Work involving changes to load-bearing features
- Additions, repairs, replacements, changes, or redesign of plumbing, heating, air conditioning and electrical systems
- Any new structure larger than 12' in length, height, or width
- Work performed to commercial structures. This includes any residential structure with more than 2 dwelling units. It also includes any residential structure housing a commercial operation.

Other Structures include porches, decks, sheds, piers, bulkheads, retaining walls, etc.

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

A permit expires in 6 months if no activity has taken place or an inspection hasn't been scheduled.

► Residential Construction Fees

RESIDENTIAL CONSTRUCTION FEES						
NEW BUILDINGS & ADDITIONS						
Building & Insulation Permit	\$	50	heated & unheated space			
			+ \$0.20 / sq ft, 0 - 1000 ft			
			+ \$0.10 / sq ft, >1000 ft			
Electrical Permit		50	+ 0.10 / sq ft, heated & unheated space			
Mechanical Permit		50	+ 0.10 / sq ft, heated space			
Plumbing Permit		50	+ 0.10 / sq ft, heated space			
Homeowner's Recover Fee		10	/ structure			

NEW OTHER STRUCTURES

Building & Insulation Permit	\$ 50	+ \$0.10 / sq ft
Electrical Permit	50	+ 0.10 / sq ft
Mechanical Permit	50	+ 0.10 / sq ft
Plumbing Permit	50	+ 0.10 / sq ft
Homeowner's Recover Fee	10	/ structure

CHANGING EXISTING STRUCTURES

Renovation & Repair Permit Electrical Permit	_	+ \$10 / \$1,000 value, over \$5,000 / system
Mechanical Permit	50	/ unit
Plumbing Permit	50	

For projects valued over \$5,000,

the renovation & repair fee includes electrical, mechanical, and plumbing

The Homeowner's Recovery Fee is only assessed for contractors with a current NC General Contracting License. Proceeds are sent quarterly to the General Contracting Board.

RESIDENTIAL CONSTRUCTION FEES

MISCELLANEOUS PERMITTING

Demolition	\$	50	
Blasting		50	
Structure Moving		300	
Single-Wide Manufactured Home		100	
Double-Wide Manufactured Home		200	
Modular Home		400	
Construction Trailer		100	
Gas pumps/Storage tanks		50	+ \$20.00 / unit
Signs		50	+ \$1.75 /sq ft
Fire Sprinkler / Alarm Systems		50	+ \$0.10 / sq ft
Restore Power		50	
Solar Panels		75	+ \$3.00 per panel
Swimming Pools		50	+ Fees for pool house
Hot Tubs		50	
Change in Contractor		50	
Re-Inspection - 3rd Attempt		50	
Re-Inspection - 4th Attempt and Beyond		100	
After Hours / Emergency Inspection		250	
Re-Activate Expired Permit	Fu	II cost	t of the permit
Working Without a Permit	Do	ouble	permit fee

► Commercial Construction Fees

COMMERCIAL CONSTRUCTION FEES

NEW BUILDINGS & ADDITIONS

Building & Insulation Permit	\$ 50	heated & unheated space + \$0.25 / sq ft, 0 - 1000 ft + \$0.15 / sq ft, >1000 ft
Electrical Permit	50	+ 0.12 / sq ft, heated and unheated space
Mechanical Permit	50	+ 0.12 / sq ft, heated space
Plumbing Permit	50	+ 0.12 / sq ft, heated space

NEW OTHER STRUCTURES

Building & Insulation Permit	\$ 50	+ \$0.15 / sq ft
Electrical Permit	50	+ 0.10 / sq ft
Mechanical Permit	50	+ 0.10 / sq ft
Plumbing Permit	50	+ 0.10 / sq ft

CHANGING EXISTING STRUCTURES

Renovation & Repair Permit	\$ 50	+ \$10 / \$1,000 value, over \$5,000
Electrical Permit	50	/ system
Mechanical Permit	50	/ unit
Plumbing Permit	50	

For projects valued over \$5,000, the renovation & repair fee includes electrical, mechanical, and plumbing

COMMERCIAL OUTBUILDINGS

Building & Insulation Permit	\$ 50	+ \$0.15 / sq ft
Electrical Permit	50	+ 0.10 / sq ft
Mechanical Permit	50	+ 0.10 / sq ft
Plumbing Permit	50	+ 0.10 / sq ft

COMMERCIAL CONSTRUCTION FEES

MISCELLANEOUS PERMITTING

Demolition	<u></u>	50	<u> </u>
Demolition	Ф	50	
Blasting		50	
Structure Moving	Sam	ie as	s new construction
Construction Trailer	1	00	
Gas pumps/Storage tanks		50	+ \$50.00 / unit
Signs		50	+ \$1.75 /sq ft
New Business Inspection		50	
Hood Suppression	1	50	
Fire Sprinkler / Alarm Systems		50	+ \$0.10 / sq ft
Restore Power		50	
Solar Panels		75	+ \$5.00 per panel
Swimming Pools	2	250	+ Fees for pool house
Hot Tubs		75	
Change in Contractor		50	
Re-Inspection - 3rd Attempt		50	
Re-Inspection - 4th Attempt and Beyond	1	00	
After Hours / Emergency Inspection	2	250	
Re-Activate Expired Permit			t of the permit
			•
Working Without a Permit	Dou	nig	permit lee

► Planning-Related Application Fees

PLANNING APPLICATION FEES

Certificate of Appropriateness	\$ 50	/ application
Historic District		

Rezoning Request with no Land Use Plan change	300	/ application
Rezoning Request with Land Use Plan change	400	/ application
Variance Request	300	/ application
Preliminary Plat Approval	250	/ application
Final Plat/Subdivision Approval	250	/ application
Special Use Permission	400	/ application
Site Plan Review (includes 2 Technical Review		
Meetings)	300	/ application
Each additional Technical Review Meeting	100	/ meeting
Elevation Certificate Review	25	/ certificate

Solid Waste Collection Fees

► Residential Solid Waste Collection

SOLID WASTE MONTHLY FEES RESIDENTIAL

Solid Waste User Fee	\$ 19.44	
Additional Solid Waste Cart	10.72	
Additional Recycle Cart	4.31	
Violations - 3rd and	150.00	/ violation
subsequent		

► Commercial Solid Waste Collection

The twice-weekly WBD recycling program runs May-September. Rates assume 30 carts participate. If fewer, collection fees will be distributed among the number of carts participating.

SOLID WASTE MONTHLY FEES COMMERCIAL (Waterfront Business District)

SERVICE TYPE	USAGE	MONT	HLY FEE	
Compactor Solid Waste User	High Volume	\$	160.57	
	Medium		69.67	
	Low Volume		21.44	
Solid Waste Roll-Out – 96 Gallon	Once / Week		24.66	
Recycling Roll-Out – 96 Gallon	Once / Week		17.15	
Additional Container			15.01	
Recycling Roll-Out – 96 Gallon	Twice / Week		35.74	
Additional Container			42.03	
Cardboard Recycling User Fee			10.58	
Violations - 3rd and subsequent			150.00	/ violation

Water & Sewer Rates & Fees

All water and sewer taps made outside Town limits are double intown rates shown below. Water or sewer system development fees outside Town limits are negotiable but will not exceed 2X rates shown below.

Upgrades in service, i.e., changing from a 3/4" meter to a 1" meter, are subject to a difference in the water tap, water system development, and sewer system development fees.

All taps larger than 2" shall be installed at developer's cost in accordance with Town of Beaufort standards and developers shall pay a tap-on fee as shown below.

► Tap & System Development Fees

	TAP FE	ES	SYSTEM	DEVELOP	MENT FEES
<u>SIZE</u>	<u>WATER</u>	<u>SEWER</u>	<u>SIZE</u>	<u>WATER</u>	<u>SEWER</u>
3/4"	\$ 700	\$ 750	3/"	\$ 476	\$ 5,524
1"	800	750	1"	793	6,207
1 1⁄2"	1,075	750	1 1⁄2"	1,585	7,015
2"	1,375	750	2"	2,536	8,064
3"	575	750	3"	4,755	10,445
4"	625	750	4"	7,925	15,875
6"	850	750	6"	15,850	22,550
8"	1,175	750	8"	25,360	26,240

► Water & Sewer Usage Rates

TYPE	<u>SIZE</u>	<u>11</u>	N TOWN	OUTSIDE
BASE	3/"	\$	10.37	\$ 20.74
	1"		17.32	37.33
	1 1⁄2"		34.53	82.96
	2"		55.27	147.25
	3"		110.65	333.91
	4"		172.87	NA
	6"		345.63	1,327.36
VARIABLE	1000 gal		5.07	7.61

WATER USAGE RATES

SEWER USAGE RATES

TYPE	<u>SIZE</u>	<u>11</u>	N TOWN	OUTSIDE
BASE	3/"	\$	21.17	\$ 42.34
	1"		35.85	70.01
	1 1⁄2"		70.50	140.99
	2"		112.20	225.67
	3"		225.88	451.77
	4"		352.90	705.81
	6"		705.60	1,411.19
VARIABLE	1000 gal		16.80	33.60

► Water & Sewer Service Charges

New Account Service Fee	\$20 Waived with bank draft
Application Fee	5
SECURITY DEPOSITS	
3/4" meter	\$75-225, based on credit score
1" meter	100
1 1/2" meter	140
2" meter	275
Transfer Account	25
Returned Check Fee	25
Late Fees	10% added to late portion
Reconnect Fee - Business Hours	25
Reconnect Fee - After Hours	75
After Hours Service Calls	75
Temporary Connection	25 available for a 2-week period,
(for cleaning, renovation inspection,	plus water and sewer usage charges
Fire Hydrant Meters	75 mobilization, on site-employee, and 5,000 gal of water; additional \$.01/gal
Irrigation/Dock Meter	700 tap fee
Meter-Only Install	400 no new tap fee
Meter-Only without Install	250
Meter Testing	30
Meter Tampering	100
Wastewater Allocation Request Review	50
Fire Protection Sprinkler Sy	vstem Annual Fee
2" riser	75
4" riser	125
6" riser	150

WATER & SEWER SERVICE CHARGES

8 " riser

200

Stormwater Fees

Stormwater fees for residential and commercial are \$4.00 / Month per Residential Unit or Equivalent Residential Unit.

1Equivalent Residential Unit (ERU) = 1708 sq ft Effective Impervious Area (EIA),

where

EIA = 100% of Impervious Area (sq ft) + 15% of Pervious Area (sq ft)

Parking & Vehicle Fees

PARKING & VEHICLE FEES

Golf Cart Registration	\$ 75	
PARKING TICKETS		
Regular Space	20	
Handicap Space	100	
Late Fee	30	on day 30
PARKING PASSES		
Weekly	25	
Monthly	100	
Seasonal	200	
WBD Resident Premium Seasonal	800	

Other Fees

MISCELLANEOUS FEES

PUBLIC RECORDS REQUESTS		
- paper copies	\$0.15	/page
- meeting recording	5.00	/ 5GB USB
NUISANCE SECURITY ALARMS		
4th nuisance alarm in a calendar year	100.00	
Subsequent nuisance alarm in a calendar year	200.00	
Cemetery Internment Permit Fee	25.00	
Cemetery Plot Fee- Resident	500.00	
Cemetery Plot Fee- Non Resident	700.00	
Business Registration Fee	25.00	- any new business started in Town limits
Taxi Permitting Fee	68.00	
Off Duty Officer Request	35.00	/hour
Voluntary Annexation Request	100.00	

Annual Budget Ordinance

EFFECTIVE DATE: July 1, 2021

In this section you will find a concise summary of the FY 2022 Annual Budget. Once adopted by the Town Board, this ordinance becomes the legal budget for the year, and must be followed by law.

TOWN OF BEAUFORT FY 2022 BUDGET ORDINANCE **BE IT ORDAINED** by the Town Board of Commissioners of the Town of Beaufort, North Carolina:



SECTION 1: 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, 2021, and ending June 30, 2022:

GENERAL FUND REVENUES	
Property Taxes	\$ 5,121,580
Intergovernmental	3,764,842
Permits and Fees	1,144,820
Sales and Service	301,890
Other Revenues	12,700
Loan Proceeds	360,000
Transfers In	624,000
Fund Balance Appropriation	-
TOTAL	\$11,329,832

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, 2021, and ending June 30, 2022:

GENERAL FUND EXPENDITURES					
\$	97,726				
	629,071				
	544,852				
	2,989,641				
	475,737				
	2,248,079				
	303,142				
	2,745,165				
	1,296,419				
\$	11,329,832				
	\$				

SECTION 2: UTILITY FUND

A. Revenues

It is estimated that the following revenues will be available in the Utility Fund for the fiscal year beginning July 1, 2021, and ending June 30, 2022:

UTILITY FUND REVENUES

Intergovernmental	\$-
Permits and Fees	140,000
Sales and Service	4,390,000
Other Revenues	-
Loan Proceeds	-
Transfers In	90,000
Fund Balance Appropriation	19,657
TOTAL	\$ 4,639,657

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, 2021, and ending June 30, 2022:

UTILITY FUND EXPENDITURES	
Sewer	\$ 2,650,380
Water	999,277
Non-Departmental	990,000
TOTAL	\$ 4,639,657

SECTION 3: AD VALOREM TAX

There is hereby levied a tax as calculated below in the General Fund in Section I of this ordinance.

	F	Real & Personal	Mot	or Vehicles	Total Revenue
Valuation of property as listed January 1, 2021	\$	1,078,277,721	\$4	3,478,260	
Rate \$0.4600 per \$100 value		4,960,078		200,000	
Rate of collection		97.49%		100.00%	
	\$	4,835,580	\$	200,000	

\$ 5,035,580

In accordance with NC General Statute 159-13, the estimated rate of collection for property and motor vehicle taxes for the 2021 fiscal year beginning July 1, 2022 is as shown in the calculation above.

The proceeds from two cents (\$0.02) of the aforementioned tax rate shall be used only for resurfacing streets.

SECTION 4: AMENDMENTS AND CONTRACTS

Pursuant to NC General Statute 159-15, this budget may be amended by submission of proposed changes to the Town Board of Commissioners.

Notwithstanding the above subsection (a) above, the Town Manager is authorized to transfer funds from one appropriation to another within the same fund without limitation.

Funds may not be transferred between funds without prior approval from the Town Board of Commissioners.

The Town Manager may enter into and execute change orders or amendments to construction contracts in amounts less than \$50,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.

The Town Manager may execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.

Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the Town Manager may adjust budgets to match, including grants that require a match for which funds are available.

SECTION 5: DISTRIBUTION

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

Adopted this 14th day of June, 2021

ATTEST:

Aughleman

Allen Coleman Town Clerk

Everette S. Newton Mayor

Town of Beaufort Financial Policy

EFFECTIVE DATE: July 1, 2021

In this section you will find the financial policy as adopted for FY 2022.

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:

- Contributes significantly to the Town's ability to insulate itself from fiscal crisis
- Enhances short term and long term financial credit ability by helping to achieve the highest credit and bond ratings possible
- Promotes long-term financial stability by establishing clear and consistent guidelines
- Directs attention to the total financial picture of the Town rather than single issue areas
- Promotes the view of linking long-term financial planning with day to day operations
- Provides the Town 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 (CIP) and review and update the plan annually during its budget process.

Capital projects included in the CIP will specifically advance one or more of the Town Board of Commissioners' adopted Strategic Priorities.

The CIP will generally address those capital assets with a value of more than \$100,000 and a useful life of over ten years.

The Town will identify the estimated costs and potential funding sources for each capital project.

This CIP 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.

The Town will use the CIP as the foundation for capital expenditures identified in the annual operating budget.

In addition to debt obligations, future operating and maintenance costs associated with new capital improvements will be projected and included in operating budget forecasts.

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.

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.

The Town will 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:

Assessed valuation will be estimated based on historical trends, growth patterns, and anticipated construction.

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. 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 utilize 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 may not benefit directly from the service. Emphasis of user charges over Ad Valorem Taxes results in the following benefits:

User charges are paid by all users, including those exempt from property taxes.

User charges avoid subsidization in instances where the service is not being provided to the general public.

User charges for certain services will 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, departmental long-range plans, capital projects 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.

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 and sewer rates will be established at the appropriate level to enable the Utility Fund to be self-supporting.

BUDGETING & EXPENDITURES

The annual budget process begins in January when department heads begin working on their budget requests. Starting in February, budget work sessions are scheduled between the Town Manager and department heads. The proposed annual budget is prepared by the Town Manager and Finance Director and is presented to the Town Board at the regular meeting in May. It is reviewed in subsequent budget work sessions by the Town Board and a public hearing is held during the regular Board meeting in June. The budget, including any modifications from the review sessions, is adopted by the Town Board before June 30, the last day of the fiscal year.

The Town's annual operating budget will be prepared in accordance with Article 3 of the Local Government Budget and Fiscal Control Act.

Current expenditures will not exceed current revenues.

The annual budget document will serve as a policy document, an operations guide, a financial plan, and a communications tool.

Department budgets are reviewed by staff, the Town Manager, and Board of Commissioners prior to adoption and are continually monitored throughout the budget year.

Budgeted funds will only be spent for categorical purposes for which they were intended.

The annual operating budget ordinance defines staff authorization for operating budget adjustments.

No appropriations of the proceeds of a debt instrument will be made except for the purpose for which such debt instrument was issued.

For continuing contracts, funds will be appropriated in the annual budget ordinance to meet current year obligations arising under the contract, in accordance with NC General Statute 160A-17.

	Town staff will make regular monthly reports to the Town 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:			
	• Enhances the quality of decisions by imposing order and discipline			
	• Promotes consistency and continuity in decision making			
	Rationalizes the decision making process			
	 Identifies objectives for staff to implement Demonstration account to low formation 			
	 Demonstrates a commitment to long-term planning objectives 			
	• Is regarded positively by the rating agencies in reviewing credit quality			
Uses of Debt				
	Debt will be used to finance capital projects or for purchases of equipment that provide value to current and future citizens.			
	Debt will not be used for operational needs.			
Terms and Structure				
	Capital projects will be financed for a period not to exceed the expected useful life of the project.			
	Non-utility debt will normally have a term of 20 years or less.			
	Utility debt will normally have a term of 30 years or less.			
	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.			
	Cash financing (pay-as-you-go) is a component of the capital program that contributes to the financial integrity of the Town.			
Debt Capacity				
- •	The Town will strive to maintain its annual tax-supported debt service costs at a level no greater than fifteen percent (15%) of total expenditures.			

Net debt for the General Fund shall not exceed 2.5% of assessed property valuation. General obligation debt as defined in NC General Statute 159-55 is limited to 8% of the assessed valuation.

The Town will set rates and charges for the Utility Fund with the intent to achieve a debt service coverage ratio of 1.20 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:

Operating Revenues–Expenses (less depreciation) = Net Revenue Available for Debt Service

Net Revenue/Debt Service (P+I) = Debt Service Coverage Ratio

These ratios will be monitored and reported annually in the Comprehensive Annual Financial Report.

RESERVES

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.

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 purpose as to protect the longterm 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 Town 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 without severe hardship to the Town, then the Town Board will establish a different but appropriate period.

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. The Utility Fund will seek to maintain an amount of Unrestricted Cash equal to 50% or more of annual net expenditures.

System Development Fees: The Town will collect System Development Fees from new water and sewer customers. The System Development Fee recoups from new customers an equitable share for the contemporaneous use of the Town's previous capital investments in the water and sewer system, and helps enable the Town to provide for the proper maintenance and operation of its water and sewer systems. Revenue from this fee may not be used for utility system expansions, but rather must be used only to maintain, repair, replace, or pay debt on the existing system.

FINANCIAL OPERATIONS AND REPORTING

Accounting/Financial Reporting

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.

All records and reporting will be in accordance with Generally Accepted Accounting Principles and Governmental Accounting Standards Board (GASB) pronouncements.

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.

A comprehensive annual financial review (CAFR) 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.

Full disclosure will be provided in all regulatory reports, financial statements, and bond representations.

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

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.

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

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.

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.

All checks require two signatures. Checks will be signed by the Finance Officer or his/her designee, as well as the Mayor, a Town Commissioner, or the Town Manager.

Disbursements will be made using the method(s) deemed most efficient at the discretion of the Finance Officer or designee.

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.

The Town will follow escheat rules and regulations as directed by NC General Statutes.

Banking Relations

Banking service providers will be evaluated on a regular basis to ensure the Town is receiving the best services at a competitive rate.

The Town will maintain a minimum number of bank accounts to facilitate the movement and investment of funds.

Collateralization for deposits will be in accordance with the North Carolina Administrative Code.

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

The Town will pursue collection on delinquent customer accounts using any prudent manner available, including the North Carolina Debt Setoff 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 Finance Officer.

Delinquent fees are established annually through the budget process.

Town staff has the authority 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

The Town will 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.

Finance staff, in coordination with the Town's technology services provider, 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.

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. 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 provides 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.

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.

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.

The Town will make every effort to maintain a diversified investment portfolio according to security type and institution.

The Town's investments will remain sufficiently liquid to enable the Town to meet all operating requirements which might be reasonably anticipated using structured maturities and marketable securities.

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. 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.

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.

Glossary & Appendices

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Glossary

ABC

Alcoholic Beverage Commission, responsible for regulating sales of alcohol in North Carolina.

accrual

revenues earned or expenses incurred which impact the organization's net income.

ADA

Americans with Disabilities Act

amendment

see budget amendment.

annual operating budget

proposed financial plan for raising and spending money during the fiscal year, created by the Town Manager with input from department heads. also annual budget

appropriated fund balance

any fund balance (restricted, assigned, or available unassigned) approved by the Town Board for spending in a given fiscal year. also fund balance

appropriation

money allowed to be spent, as authorized in the budget ordinance or an amendment thereof.

assigned fund balance

reserves which can only be used as approved by the Town Board. e.g., setting aside money for future utility line improvements, etc. also fund balance

audit

an official inspection of an organization's accounts, typically by an independent body.

available unassigned fund balance see unassigned fund balance.

balanced budget

Occurs when planned expenditures anticipate revenues. In North Carolina, it is required that the budget submitted to the Town Board of Commissioners be balanced.

balloon payment

a large payment due at the end of a loan.

basis of budgeting

rule governing the time at which various financial transactions are recorded (i.e. when a bill is received or when it is paid).

benefits

in addition to salaries and wages, personnel expenditures include benefits such as contributions to Social Security, health insurance, worker's compensation, etc.

Board of Commissioners

see Town Board.

budget

see annual operating budget.

budget amendment

changes to an adopted budget ordinance, passed by the Town Board.

budget message

executive summary of the recommended budget prepared by the Town Manager, found at the beginning of the budget document.

budget ordinance

law approving all financial transactions for the Town in the upcoming financial period, including: revenue estimates, appropriations for spending, and the property tax levy.

budgetary accounting

presentation of finances comparing anticipated (budgeted) revenue and expenditure with actual revenues and expenditures.

CAMA

see NC CAMA.

capital expenditure

see capital outlay.

capital improvement

physical asset built or bought, with a useful life of ten or more years, costing \$100,000 or more, e.g., police station, Cedar St park, repaving streets, small area plans, easements, fire truck, etc.

capital improvement plan

shows how Town can pay for large-scale projects such as parks, roads, buildings, and other facilities. It includes a schedule of when the projects might begin and a detailed profile for each project.

capital outlay

spending related to capital assets or improvements, i.e., departmental requests valued between \$25,000 and \$100,000 expected to last at least 5 years (e.g. furniture, equipment, vehicles, etc.) or capital improvements valued above \$100,000 expected to last at least 10 years (e.g. land, buildings, etc.).

capital project

see capital improvement.

capital project fund

special fund, not annually-budgeted, set up to house money received and spent for a large project spanning more than one fiscal year and closed at the end of the project.

capital project profile

outlines assumptions for each upcoming and future capital improvement, including: description, rationale, potential start, possible cost, and funding options.

capital reserve fund

created in FY 2019 as a place to hold money earmarked for infrastructure projects such as the boardwalk, streets, and utility lines. Money appropriated for capital projects in the General and Utility Funds goes into the Capital Reserve Fund until it is needed.

capital reserves

see capital reserve fund.

cash flow

money moving in and out within the course of a month.

cash reserves

see fund balance.

centerline miles

total length of a given road from its starting point to its end point.

CIP

see capital improvement plan.

collection rate

see estimated collection rate.

contributions from other funds

money moved between Town funds, recorded as revenue in the receiving fund. also transfers

cost of living adjustments (COLA)

salary and wage changes for employees to reflect changes in the cost of living.

CPI

consumer price index, which measures changes in the average price of goods and services.

debt

money owed by the Town to outside sources, usually in the form of a loan, used to pay for capital projects or equipment purchases.

debt limits

financial policies restricting the amount of debt the Town can incur, so that it fosters financial stability.

debt service

payments to repay loan principal and interest.

department

group of employees based on a shared functione.g., finance, planning, police, etc. also division

department head

manager, director, or chief of a department or division responsible for making budget requests and revenue estimates for their department.

department service plans

overview of services and activities each department will undertake in the upcoming budget year.

division

group of employees based on a shared function, e.g., water, sewer also department.

estimated collection rate

percentage of property taxes levied which are actually collected in a given year, used to calculate how much money to expect in the form of property tax revenue in the budget fiscal year.

expenditure

money spent by the Town, e.g., personnel, debt service, capital outlay, etc.

fee schedule

list of authorized amounts charged by the Town for various services, e.g., building permits, water rates, trash collection, parking, etc.

FEMA

Federal Emergency Management Agency

Finance Director

head of the Finance Department, responsible for overseeing Town finances and assisting Town Manager with budget development.

financial policy

locally-adopted laws governing and guiding how the Town budgets and spends money.

fiscal year

twelve months used for calculating and assessing financial activity; Town of Beaufort runs from July 1-June 30.

Fire Fund

annually-budgeted fund containing money collected and spent for Fire Department, which was rolled into the General Fund and eliminated as of FY 2019.

five year financial plan

long-range plan showing how annual budget and capital improvement plan might affect Town finances over a five year horizon.

fund

a "bucket" into which money is organized for legal and management purposes.

fund balance

difference between actual revenue and actual expenditure that accumulates over time. If actual revenues are more than actual expenditures, the fund balance goes up. If actual revenues are less than actual expenditures, the fund balance goes down. Fund balance can be appropriated or set aside for specific purpose by the Town Board, provided minimum balances remain. also restricted fund balance, assigned fund balance, unassigned fund balance, appropriated fund balance

fund balance appropriation

money budgeted from Town reserves to pay for one-time or capital expenditures.

GCC

Governor's Crime Commission

General Fund

main annually-budgeted fund which includes all Town departments except the Utility Department. All money received or spent by the Town goes into the General Fund unless there is a legal or management need for it to go elsewhere.

government fund

a fund grouping used in accounting for tax supported activities completed by the federal government.

governing body

see Town Board.

grant

money awarded to the Town through a competitive process, usually with specific conditions for its use.

incremental budgeting

preparing new budget based on previous budget or actual performance, with incremental amounts added for the new period.

inflation

a sustained increase in the price of goods and services over a period of time.

intergovernmental revenues

money coming to the Town from other government sources with or without specific conditions for its use. also unrestricted intergovernmental revenues and restricted governmental revenues

lane miles

the total length and lane count of a given street, calculated by multiplying the centerline mileage of a street by the number of lanes it has.

levy

see property tax levy.

LGBFCA

Local Government Budget and Fiscal Control Act, North Carolina state law governing how towns budget and spend money.

LGERS

North Carolina Local Government Employees Retirement System

line item budgeting

presentation of budget expenses by department, basing future budget on previous needs.

loan proceeds

money lent to the Town, typically for capital purchases or improvements, which it must repay with interest. also debt service

long-term financial plans

tools used for projecting and planning for future financial situations, e.g., capital improvement plan and the five year financial plan.

merit-based pay

increase in salary or wages based on an individual employee's performance.

modified accrual

basis of accounting and budgeting where money and assets are recorded once they are available to be spent.

motor vehicles

cars, trucks, motorcycles, boat trailers, travel trailers, RVs, etc., which are taxable by the Town.

NC CAMA

Coastal Area Management Act, part of NC DEQ.

NC DEQ

North Carolina Department of Environmental Quality, responsible for preserving air and water quality.

NC DHHS

North Carolina Department of Health & Human Services.

NC DOT

North Carolina Department of Transportation.

NOAA

National Oceanic and Atmospheric Administration, agency within US Department of Commerce focused on conditions of oceans, major waterways, and the atmosphere.

non-departmental

account which houses money used across departments, not any single department.

operations

spending on all supplies, materials, and small equipment needed to conduct day-to-day activities, e.g., fuel, uniforms, contracted services, etc.

operating impact

how the completion of a capital project may affect ongoing expenses afterward, e.g., creation of a new park results in future maintenance costs, or adding staff quarters at a fire substation results in hiring additional firefighters.

other revenues

money received by the Town from investment earnings, donations, reimbursements, etc.

pay-as-you-go funding

using appropriated fund balance or other annual revenue to pay for lower cost infrastructure, rather than taking out a loan.

permits and fees

money collected by the Town for building permits, stormwater fees, parking fees, etc. .

personnel

spending which covers all aspects of paying employees, e.g., salaries and wages, health insurance, workers compensation, etc.

PILOT

payment-in-lieu-of-taxes, money collected on properties leased from the Town, which would otherwise be considered tax-exempt.

Powell Bill funds

money from state of North Carolina for use by the Town for maintaining roads and related structures.

property taxes

revenue from taxes on real and personal property, as well as motor vehicles.

property tax levy

amount of money imposed as a tax on property (real, personal, and motor vehicles), which is collected by the County on behalf of the Town.

revaluation

the updating of property values for purposes of taxation to reflect actual market values.

revenue neutral property tax rate

the tax rate, accounting for normal growth, that produces the same amount of revenue in a revaluation year that the tax rate from the previous year produced.

real and personal property

land, houses, boats, airplanes, etc., which are taxable by the Town.

recommended budget

initial budget prepared by the Town Manager and Finance Director, presented to the Town Board for review and the general public for comment.

reserves

see fund balance.

restricted fund balance

reserves which can only be used under certain conditions associated with the original underlying revenue. e.g., unspent Powell Bill funds are fund balance restricted to road maintenance. also fund balance

restricted intergovernmental revenues

revenue coming to the Town from other government sources, with specific conditions regarding how the money is spent. e.g., fire tax, Powell Bill, etc.

revenue

money received by the Town, e.g., property taxes, sales and service fees, grants, etc.

sales and service revenues

money collected by the Town for things it sells (e.g. surplus property, cemetery plots, etc.) or services it provides (e.g. water, sewer, etc.).

service plan

see department service plans.

tax levy

see property tax levy.

tax rate

amount charged by the Town for real and personal property and motor vehicles described in cents per \$100 of value, set via the budget ordinance in June for the upcoming fiscal year.

Town Board

governing body for the Town, comprised of elected officials (five commissioners plus the mayor), responsible for making local laws and oversight of the Town Manager. The mayor does not have an official vote, except in case of tie. also Board of Commissioners, Town Board of Commissioners

Town Manager

public administrator, essentially the chief executive officer for the Town, hired by the Town Board, responsible for developing the annual budget and directing and overseeing the business of the Town.

transfers

Money moved from one Town fund to another, where it will then be spent on goods or services, recorded as expenditure in the originating fund. also contributions from other funds

unassigned fund balance

reserves which are available for any purpose, provided General Fund retains a minimum 20% of its anticipated expenses for the year and the Utility Fund retains 50% of its anticipated expenses. The amount above these thresholds is considered available. also fund balance.

UNC SOG

University of North Carolina School of Government

unrestricted intergovernmental revenues

money coming to the Town from other government sources without specific conditions on how it is spent. e.g., sales tax, beer and wine profits, etc.

Utility Fund

annually-budgeted fund housing all money collected and spent by the water and sewer divisions.

variable rate

a loan where the interest rate fluctuates over time.

WWTP

wastewater treatment plant

Beaufort by the Numbers

Established in 1709, Beaufort, North Carolina, 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 4,400 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.

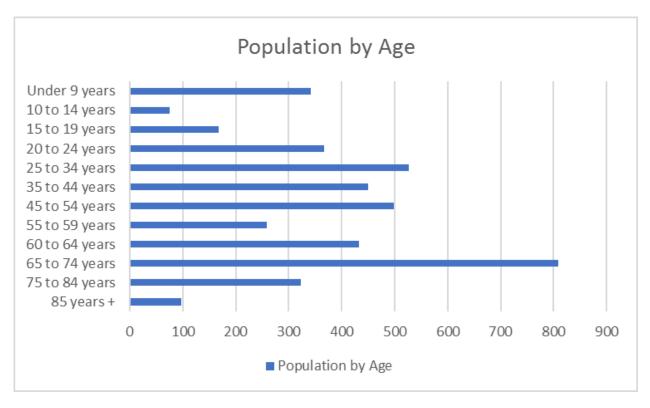
Demographics

Beaufort has a total area of approximately 7.78 square miles; 5.13 square miles of land (66%) and 2.65 square miles (34%) of water (Land area calculated using GIS).

The total population for Beaufort, according to the 2019 American Community Survey, is 4,343 with 41.4% male and 58.6% female.

Age Group	Estimate
85 years +	97
75 to 84 years	323
65 to 74 years	808
60 to 64 years	432
55 to 59 years	259
45 to 54 years	498
35 to 44 years	450
25 to 34 years	526
20 to 24 years	366
15 to 19 years	167
10 to 14 years	76
Under 9 years	341

Population by Age:



According to the most recent American Community Survey, of the estimated 4,343 residents, 81.3% are White, 12.3% are Black or African-American, 0.8% are American Indians and Alaska Native, and 0.4% are Asian.

The median household income for Beaufort is \$40,926 according to the 2019 ACS, and the average household size is 1.9.

There are 2,926 housing units in Beaufort, with 2,156 units occupied. Of the occupied housing units, 44% owner-occupied and 56% renter-occupied. The median value of the owner-occupied units is \$229,900.

Beaufort's population (25 and older), according to the 2019 ACS, includes 9.5 percent with Graduate or Professional degrees, 18.2 percent with bachelor's degrees, 41.9 percent with some college or an associates degree, and high school graduates at 21.8 percent.

Economy

Tourism is a major component of the county's economy creating more than 3,400 jobs with an annual payroll of \$65 million in 2017. 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 \$9.9 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 and the National Oceanic and Atmospheric Administration (NOAA) Center for Coastal Fisheries and Habitat Research, both located in Beaufort, and the UNC Institute of Marine Sciences and the NC State University Center for Marine Science and Technology (CMAST) located in Morehead City anchor the marine science cluster in Carteret County. The four institutions have 162,645 square feet of marine research facilities and 40 individual laboratories.

According to the Carteret County Marine Science Economic Impact Study (2018, Carteret County ED), Marine science directly employs 542 residents with a collective annual budget of \$54 million. The total economic impact of marine science in the county includes \$83 million in economic activity, \$64 million in salary and investment income, and supports the employment of over 1,000 county residents.

The unemployment rate for Carteret County is 4.6 percent, according to the NC Department of Commerce.

Cost of Living

Beaufort's cost of living index ranks within the range of small coastal North Carolina communities of Bath, Elizabeth City, Morehead City, Southport, and Swansboro and lower than the national average (100 equals national average). (http://www.bestplaces.net/cost-of-living/ accessed 04/12/2021)

	Composite	Grocery	Housing	Utilities	Transport	Health	Misc
Bath	100.3	98.4	115.2	100.2	74.2	115.8	96.5
Beaufort	93.6	100.6	94.3	93.4	70.4	115.1	100.6
Edenton	82.2	95.4	60.5	99	72.5	112.7	95.2
Morehead	92	100.4	95.8	95	58.1	115.1	101.8
Southport	100.4	102.5	100.4	99.9	89	120.6	100.5
Swansboro	95.6	101.2	91	95.6	78.6	122.8	102.6

Table 1: Cost of Living Index Comparis	on
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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 111 physicians, or 15.7 per 10,000 population, 4.4 dentists per 10,000 population, and or 87.1 registered nurses 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.

