

# **Fee Schedule**

EFFECTIVE DATE: July 1, 2022



## 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                          | 50.00                                  | /hr 2 hr minimum                                       |
| 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 cost                            |  |
| Fire Boat or Police Boat Launch                 | 62.55                                  | plus off-duty public safety fee for operational period |

### **KAYAK RACK RENTAL**

Kayak Rack Fee   \$   100

#### ***REMOVAL / STORAGE FEE***

1st Offense           50

2nd Offense          75

3rd Offense         100

### **TRAIN DEPOT RENTAL FEES**

Refundable Security Deposit   \$   50

Recurring Monthly Meetings   15

#### ***HALF-DAY RENTAL (plus security deposit)***

Resident           25

Non-Resident       75

#### ***FULL-DAY RENTAL (plus security deposit)***

Resident           50

Non-Resident       150

# 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    |
| <i>NUISANCE FIRE ALARMS</i>  |                    |
| 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<br>+ \$0.20 / sq ft, 0 - 1000 ft<br>+ \$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 | \$ 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

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  |  |
| Above Ground Swimming Pools            | 50                      | + Fees for pool house                                       |  |
| Above Ground Hot Tubs                  | 50                      |   |  |
| Inground Swimming Pools & Hot Tubs     | 50                      | + \$10 per \$1,000 over \$5,000 const. cost+pool house fees |  |
| 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             | Full cost of the permit |   |  |
| Working Without a Permit               | Double permit fee       |   |  |

## ► Commercial Construction Fees

### **COMMERCIAL CONSTRUCTION FEES**

#### **NEW BUILDINGS & ADDITIONS**

|                              |       |  |
|------------------------------|-------|--|
| Building & Insulation Permit | \$ 50 | heated & unheated space<br>+ \$0.25 / sq ft, 0 - 1000 ft<br>+ \$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                             | \$                      | 50  |  |
| Blasting                               |                         | 50  |  |
| Structure Moving                       |                         | Same as new construction                                    |  |
| Construction Trailer                   |                         | 100   |  |
| Gas pumps/Storage tanks                | 50                      | + \$50.00 / unit  |  |
| Signs                                  | 50                      | + \$1.75 /sq ft   |  |
| New Business Inspection                | 50                      |   |  |
| Hood Suppression                       | 150                     |   |  |
| Fire Sprinkler / Alarm Systems         | 50                      | + \$0.10 / sq ft  |  |
| Restore Power                          | 50                      |   |  |
| Solar Panels                           | 75                      | + \$5.00 per panel  |  |
| Above Ground Swimming Pools            | 50                      | + Fees for pool house                                       |  |
| Above Ground Hot Tubs                  | 50                      |   |  |
| Inground Swimming Pools & Hot Tubs     | 50                      | + \$10 per \$1,000 over \$5,000 const. cost+pool house fees |  |
| 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             | Full cost of the permit |   |  |
| Working Without a Permit               | Double permit fee       |   |  |

## ► Planning-Related Application Fees

### PLANNING APPLICATION FEES

|   |       |               |
|---|-------|---------------|
| Certificate of Appropriateness Historic District        | \$250 | / application |
| 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 |
| Minor Works   | 50    | / application |

# Solid Waste Collection Fees

## ► Residential Solid Waste Collection

### **SOLID WASTE MONTHLY FEES**

#### **RESIDENTIAL**

|                                 |    |                    |
|---------------------------------|----|--------------------|
| Solid Waste User Fee            | \$ | 20.88              |
| Additional Solid Waste Cart     |    | 11.51              |
| Additional Recycle Cart         |    | 4.63               |
| Violations - 3rd and subsequent |    | 150.00 / violation |

## ► 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)**

| <u>SERVICE TYPE</u>              | <u>USAGE</u> | <u>MONTHLY FEE</u> |
|----------------------------------|--------------|--------------------|
| Compactor Solid Waste User       | High Volume  | \$ 173.09          |
|                                  | Medium       | 75.10              |
|                                  | Low Volume   | 23.11              |
| Solid Waste Roll-Out – 96 Gallon | Once / Week  | 26.58              |
| Recycling Roll-Out – 96 Gallon   | Once / Week  | 18.49              |
| Recycling Roll-Out – 96 Gallon   | Twice / Week | 75.00              |
| Cardboard Recycling User Fee     |              | 11.41              |
| Violations - 3rd and subsequent  |              | 150.00 / violation |

## Water & Sewer Rates & Fees

All water and sewer taps made outside Town limits are double in-town 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 FEES    |              |              | SYSTEM DEVELOPMENT FEES |              |              |
|-------------|--------------|--------------|-------------------------|--------------|--------------|
| <u>SIZE</u> | <u>WATER</u> | <u>SEWER</u> | <u>SIZE</u>             | <u>WATER</u> | <u>SEWER</u> |
| ¾"          | \$ 700       | \$ 750       | ¾"                      | \$ 476       | \$ 5,524     |
| 1"          | 800          | 750          | 1"                      | 793          | 6,207        |
| 1 ½"        | 1,075        | 750          | 1 ½"                    | 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**

**WATER USAGE RATES**

| <u>TYPE</u>     | <u>SIZE</u> | <u>IN TOWN</u> | <u>OUTSIDE</u> |
|-----------------|-------------|----------------|----------------|
| <i>BASE</i>     | ¾"          | \$ 10.37       | \$ 20.74       |
|                 | 1"          | 17.32          | 37.33          |
|                 | 1 ½"        | 34.53          | 82.96          |
|                 | 2"          | 55.27          | 147.25         |
|                 | 3"          | 110.65         | 333.91         |
|                 | 4"          | 172.87         | NA             |
|                 | 6"          | 345.63         | 1,327.36       |
| <i>VARIABLE</i> | 1000 gal    | 5.07           | 7.61           |

**SEWER USAGE RATES**

| <u>TYPE</u>     | <u>SIZE</u> | <u>IN TOWN</u> | <u>OUTSIDE</u> |
|-----------------|-------------|----------------|----------------|
| <i>BASE</i>     | ¾"          | \$ 21.17       | \$ 42.34       |
|                 | 1"          | 35.85          | 70.01          |
|                 | 1 ½"        | 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       |
| <i>VARIABLE</i> | 1000 gal    | 16.80          | 33.60          |

## ► **Water & Sewer Service Charges**

### **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<br>(for cleaning, renovation inspection, | 25                              | available for a 2-week period,<br>plus water and sewer usage charges            |
| Fire Hydrant Meters   | 75                              | mobilization, on site-employee, and<br>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 System Monthly Fee*

|           |       |
|-----------|-------|
| 2" riser  | 6.25  |
| 4" riser  | 10.42 |
| 6" riser  | 12.5  |
| 8 " riser | 16.67 |





## Stormwater Fees

Stormwater fees for residential and commercial are \$4.00 / Month per Residential Unit or Equivalent Residential Unit.

1 Equivalent Residential Unit (ERU) = 1708 sq ft Effective Impervious Area (EIA),

where

$$EIA = 100\% \text{ of Impervious Area (sq ft)} + 15\% \text{ of Pervious Area (sq ft)}$$

# Parking & Vehicle Fees

## PARKING & VEHICLE FEES

Annual Golf Cart Registration   \$   75

### *PARKING TICKETS*

Regular Space                   50

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 | 10 / 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 Public Safety Request               | 50.00 /hour                                     |
| Voluntary Annexation Request                 | 350.00  |
| Tour Permit                                  | \$50  |

# **Annual Budget Ordinance**

EFFECTIVE DATE: July 1, 2022

In this section you will find a concise summary of the FY 2023 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 2023 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, 2022, and ending June 30, 2023:

| <b>GENERAL FUND REVENUES</b> |                      |
|------------------------------|----------------------|
| Property Taxes               | \$ 5,352,069         |
| Intergovernmental            | 4,230,085            |
| Permits and Fees             | 1,266,956            |
| Sales and Service            | 306,163              |
| Other Revenues               | 4,700                |
| Loan Proceeds                | -                    |
| Transfers In                 | 400,000              |
| Fund Balance Appropriation   | 60,000               |
| <b>TOTAL</b>                 | <b>\$ 11,619,973</b> |

**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, 2022, and ending June 30, 2023:

| <b>GENERAL FUND EXPENDITURES</b> |                      |
|----------------------------------|----------------------|
| Governing Body                   | \$ 101,756           |
| Administration                   | 645,594              |
| Finance                          | 590,232              |
| Fire                             | 2,617,370            |
| Planning & Inspections           | 601,872              |
| Police                           | 2,347,129            |
| PSA & Engineering                | 326,431              |
| Public Works                     | 2,766,212            |
| Non-Departmental                 | 1,623,376            |
| <b>TOTAL</b>                     | <b>\$ 11,619,973</b> |

## 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, 2022, and ending June 30, 2023:

| UTILITY FUND REVENUES      |                     |
|----------------------------|---------------------|
| Intergovernmental          | \$ -                |
| Permits and Fees           | 171,000             |
| Sales and Service          | 4,441,625           |
| Other Revenues             | -                   |
| Loan Proceeds              | -                   |
| Transfers In               | -                   |
| Fund Balance Appropriation | -                   |
| <b>TOTAL</b>               | <b>\$ 4,612,625</b> |

### 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, 2022, and ending June 30, 2023:

| UTILITY FUND EXPENDITURES |                     |
|---------------------------|---------------------|
| Sewer                     | \$ 2,838,680        |
| Water                     | 915,479             |
| Non-Departmental          | 858,466             |
| <b>TOTAL</b>              | <b>\$ 4,612,625</b> |

## SECTION 3: AD VALOREM TAX

There is hereby levied a tax as calculated below in the General Fund in Section I of this ordinance.

|   | Real & Personal     | Motor Vehicles    | Total Revenue              |
|---|---------------------|-------------------|----------------------------|
| Valuation of property as listed January 1, 2022 | \$ 1,102,542,284    | \$ 59,394,177     |                            |
| Rate \$0.4600 per \$100 value                   | 5,071,695           | 273,213           |                            |
| Rate of collection                              | 98.12%              | 100.00%           |                            |
|   | <u>\$ 4,976,347</u> | <u>\$ 273,213</u> |                            |
|   |                     |                   | <u><u>\$ 5,249,560</u></u> |

In accordance with NC General Statute 159-13, the estimated rate of collection for property and motor vehicle taxes for the 2023 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 13th day of June, 2022

ATTEST:

Elizabeth Lewis

Town Clerk

Sharon Harker

Mayor

# **Town of Beaufort Financial Policy**

EFFECTIVE DATE: July 1, 2022

In this section you will find the financial policy as adopted for FY 2023.



## **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
- 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 long-term fiscal security of the Town of Beaufort.

In such circumstances, after unassigned fund balance has been calculated as part of closing-out a fiscal year, the 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**

# 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 function—e.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