

**TOWN OF WINGATE  
NORTH CAROLINA**



**FY 2007 – 2008**

**Submitted June 1, 2007**

# Budget Message

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Dear Mayor Maye and the Wingate Board of Commissioners:

It is with pleasure that I present to you the Town of Wingate's Annual Budget for Fiscal Year 2007-2008, totaling \$2,377,468. The budget was prepared in accordance with NCGS 159.7, the North Carolina Local Government Budget and Fiscal Control Act, and notice of submission of this budget to the Board of Commissioners will be published in accordance with all the requirements of NCGS 159-12. All revenues and expenses are identified for the Fiscal Year 2007-2008 and reflect a balanced budget. A copy of this budget has been placed on file with the Town Clerk and is available for public inspection at Town Hall.

Wingate has two Funds that it uses to operate the Town; General Fund and Water and Sewer Enterprise Fund. The General Fund is the basic operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another Fund. The primary revenue sources are ad valorem taxes and state-shared revenues—Sales and Use Tax, Utility Franchise Tax, and Alcoholic Beverage Tax. The primary expenditures are for the police department, general administration, parks and recreation, and the street department.

The Water and Sewer Enterprise Fund is used to operate the water and sewer utility system. These funds are not commingled with the General Fund; no property taxes are used to operate the utility system. The Water and Sewer Enterprise Fund is self-supporting, and is operated similar to a private business. The users pay for this service.

## **General Fund**

The development of an operating budget requires the establishment of priorities, and this budget represents our attempt to address key areas essential to the operation of the Town. Every attempt has been made to keep all expenditures as low as possible while still providing a high level of service. This is an arduous task given Wingate's limited ability to raise revenues that are comparable to other municipalities its size.

Since its incorporation, Wingate has struggled to maintain adequate services while keeping its tax rate competitive. This challenge is not different from what all municipalities face. However, Wingate is especially challenged because more than 40% of the property in Wingate is tax-exempt. To further compound this problem, Union County chooses to distribute local-option sales tax revenues using the ad valorem basis. Under this formula, the County and municipalities get a pro rata share of the local option

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sales tax funds that are based on the amount of ad valorem taxes that are levied by each entity. The large amount of tax-exempt property in Wingate causes Wingate to receive a disproportionately smaller share of these revenues than other municipalities in Union County.

With these points being made, the budget for the 2007 – 2008 fiscal year for the Town of Wingate does not include a tax increase. However, I do not want anyone to become complacent to the idea that Wingate needs to increase its tax rate in the coming years or develop new sources of operating revenues. The proposed budget taps into the General Fund’s Fund Balance, which is similar to the Town’s savings, to offset \$3,368 in

<b>PROJECTED REVENUE FY 2007-2008</b>	
<b>Ad Valorem Taxes</b>	<b>\$ 418,500</b>
<b>Privilege Licenses</b>	<b>\$ 1,000</b>
<b>Interest Income</b>	<b>\$ 17,350</b>
<b>Miscellaneous Income</b>	<b>\$ 25,700</b>
<b>Park Facility Rental &amp; Concession Sales</b>	<b>\$ 5,750</b>
<b>Solid Waste Collection</b>	<b>\$ 138,550</b>
<b>Intergovernmental Revenues</b>	<b>\$ 169,250</b>
<b>Grant Funds</b>	<b>\$ 9,000</b>
<b>Court Fees</b>	<b>\$ 1,750</b>
<b>Sales Tax Reimbursement</b>	<b>\$ 10,000</b>
<b>Franchise Fees &amp; Taxes</b>	<b>\$ 109,000</b>
<b>Fund Balance</b>	<b>\$ 19,918</b>
<b>Zoning Fees</b>	<b>\$ 500</b>
<b>Wingate University</b>	<b>\$ 59,000</b>
<b>Powell Bill</b>	<b><u>\$ 287,450</u></b>
	<b>\$1,272,718</b>

operating revenues. The remaining amount that is budgeted from the General Fund Fund Balance is to be used for replacement of the computer network at the Police Department and reallocation of drug funds that have been received from seizures and taxes from narcotics arrests. Unless there is a rapid increase in business and industrial development in Wingate, I do not foresee any change in General Fund revenues that will allow Wingate to maintain its ad valorem tax rate at the current rate of \$0.38 while still providing the same level of service. This year’s budget was especially difficult to fund with no tax increase. I believe a tax rate increase is unavoidable if Wingate is to keep providing its same level of services in the coming years. I anticipate that next year ad valorem tax revenues will increase because Union County will be conducting a

reevaluation. The revaluation should provide a much-needed increase in revenues due to property value increases, assuming that the tax rate is not lowered to offset the increase.

A fee increase has been proposed for the solid waste service. The current rate for weekly, curbside garbage collection and recycling is \$13.75. The Board of Commissioners made the decision two years ago to raise the solid waste fees to a level where this service totally supported itself with user fees. Before this time, the service was subsidized with

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General Fund funds. The proposed fee increase is 2.6%, from \$13.75 to \$14.11 per month per garbage can and recycling bin; the same increase that is being charged by our service provider, Allied Waste. This increase is derived from the Consumer Price Index for the previous twelve months, and is regarded as representing inflation. This new rate is still very competitive. Solid waste service outside of Wingate costs approximately \$25.00 per month and does not include recycling, bulk waste pickup, yard waste pickup, or white goods pickup. All of these services are included in the Wingate rate.

It is not all “doom and gloom.” Wingate is now providing more quality services to its citizens than at any time during its history. Wingate currently provides its citizens with a full-time police department, street lights, street maintenance and repair, land use planning and zoning enforcement, nuisance abatement and code enforcement, contracted fire service from the Wingate Volunteer Fire Department, parks and recreation, operation and maintenance of the Town cemetery, and general administration. Wingate continues to provide a higher level of service at a lower cost than other municipalities our size.

## Police Department

The Wingate Police Department is staffed with a total of seven officers, including the Chief of Police. During this year’s budget process, the Chief of Police requested funding for an additional police officer. However, not enough funds were available to fund the requested position. I strongly encourage the Board of Commissioners to consider this request during next year’s budget. The Town of Wingate has fewer officers per capita than nearly all municipalities in North Carolina that are our size (2,500 – 5,000 people).

From an operational standpoint, the Wingate Police Department will continue to operate with seven officers (one of which is funded by Wingate University). The Department will also operate twenty-four hours per day, seven days a week. It has been proposed that the department be reorganized so that the corporal position is eliminated and replaced with a position that has the lieutenant rank.

### **PROJECTED GENERAL FUND EXPENDITURES FY 2007-2008**

<b>Elected Officials</b>	<b>\$ 14,425</b>
<b>Administration</b>	<b>\$ 126,065</b>
<b>Planning</b>	<b>\$ 6,400</b>
<b>Narcotics Eradication</b>	<b>\$ 10,550</b>
<b>Code Enforcement</b>	<b>\$ 30,800</b>
<b>Professional Services</b>	<b>\$ 11,450</b>
<b>Cemetery Operation</b>	<b>\$ 5,500</b>
<b>Street Lights, Liability Insurance, &amp; Bonds</b>	<b>\$ 57,000</b>
<b>Solid Waste</b>	<b>\$ 138,550</b>
<b>Police Department</b>	<b>\$ 457,478</b>
<b>Community Enrichment</b>	<b>\$ 11,800</b>
<b>Fire Department</b>	<b>\$ 37,025</b>
<b>Parks &amp; Recreation</b>	<b>\$ 84,425</b>
<b>Streets</b>	<b><u>\$ 281,250</u></b>
	<b>\$1,272,718</b>

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I am proud that because of aggressively seeking grants, the Police Department will be upgrading its in-car video camera equipment during the FY 2007 – 2008 budget year.

## **Nuisance Abatement and Code Enforcement**

Two years ago the Town was able to add a new full-time position that deals with code enforcement, nuisance abatement, and minimum housing issues. To minimize costs, this full-time position is also charged with operation of the Town's parks and recreation services. The code enforcement program has been extremely successful. During the past two years, more than two hundred junk and nuisance vehicles were either brought into compliance or removed. Properties throughout Wingate are better maintained on a regular basis. As an incentive to maintain properties (beyond the enforcement process), the Town will continue to reward the best property owners with a Yard of the Month award. The program started in April, 2006 and has been well received.

During the coming year, the Town will continue to support and fund the code enforcement program. Funding has been appropriated so that the code enforcement officer can attend certification classes to become a licensed building inspector. During the FY 2006-2007 budget year, our Code Enforcement Officer successfully completed some of the educational requirements that will allow him to be licensed as a North Carolina Building Inspector. This education will continue so that he become licensed. This will greatly enhance his ability to enforce the Minimum Housing Ordinance. Enforcement of the Minimum Housing Code is best left to licensed and trained inspectors so that testimony and enforcement actions can withstand appeals. This program will continue to be a tool that the Town uses to maintain a community with a high quality of life.

## **Parks and Recreation**

The addition of Wingate Community Park has received many praises from the Wingate community. This seventeen-acre park is equipped with two baseball fields, a multi-use field, a walking track, a picnic shelter, two concession stands, and bathroom facilities. To date, nearly \$750,000 has been spent to build the park. Of this amount, nearly half of this amount has come from donations, grants from the Union County Parks and Recreation Committee, and the North Carolina Parks and Recreation Trust Fund (PARTF). The Town had a busy year constructing the new picnic shelter and concession stand with bathrooms.

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During the spring of 2007, construction started on a new 2,600 square-foot community center, and expected to open in September, 2007. Half of the funds for the construction are from a PARTF grant (\$140,000). The new community center will house a multipurpose meeting room, a kitchen, bathrooms, storage, and an office for the park director. This facility will be used to provide new recreation programs and will also be available for rent. The addition of this facility will complete the third and final phase of Wingate Community Park.

## **Administration**

The Administration Department is comprised of the Town Administrator, Town Clerk/Finance Officer, Tax Collector, and Grant Writer/Administrator. This staff is housed at town hall and works to coordinate all of the operations of the town. No new staff is recommended for the Administration Department. Although not specific to the Administration Department, a total of 4% has been included for cost-of-living adjustments and merit bonuses for all employees. The amount that each employee will receive is based on their individual performance evaluation.

## **Water and Sewer Enterprise Fund**

As was discussed earlier, the Water and Sewer Enterprise Fund is solely used to operate the water and sewer utility systems of Wingate. No funds from the Water and Sewer Enterprise Fund and the General Fund are commingled. The water and sewer utility systems are totally funded by the users.

Operation of the Town's water and wastewater system is expected to continue to operate as it has in year's past. There is a thirty-five percent increase proposed for the water rates, and no increase proposed for sewer rates. The water rate increase is being recommended because the Town's supplier, Union County, has provided notice that there will be a thirty-five percent increase in the wholesale water rates charged to the Town. Wingate purchases its water and sewer capacity from Union County, thus it is only logical that the Town has to pass any wholesale rate increases through to the user.

<b>PROJECTED ENTERPRISE FUND REVENUES FY 2007-2008</b>	
<b>Water Sales &amp; Services</b>	<b>\$495,700</b>
<b>Wastewater Sales &amp; Services</b>	<b><u>\$609,050</u></b>
	<b>\$1,104,750</b>

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## Water and Wastewater Enterprise Fund Expenditures

Like the expenditures of the General Fund, the Enterprise Fund is proposed for continuation of existing services with no planned expansion. The proposed budget again calls for the Town's old public works property, located on Highway 74, to be sold. I say again because this sale has been pending ever since the Town relocated public works to

<b>PROJECTED ENTERPRISE FUND EXPENDITURES FY 2007-2008</b>	
<b>Water Operations</b>	<b>\$424,500</b>
<b>Wastewater Operations</b>	<b>\$555,250</b>
<b>Unappropriated Expenditures</b>	<b><u>\$125,000</u></b>
	<b>\$1,104,750</b>

its new site on Edgewood Road. Sale of the property was delayed last year because of soil contamination that was from the hydraulic lift that used to be in the old building. When the building was razed, a small amount of staining in the soil was found near the hydraulic fluid supply line. This contamination was reported to North Carolina Department of Environment and Natural Resources (NCDENR) and the site was remediated and

retested. All contamination has been removed and reports from the North Carolina Department of Environment and Natural Resources show that the property is free from contamination. The sale should happen this year, assuming a buyer can be found.

The revenues have been offset with a line item appropriation entitled "Unappropriated Expenditures." It is anticipated that these funds will be put back in the Enterprise Fund's fund balance to replace the funds that were used to purchase the public works facility on Edgewood Drive in February, 2004.

Although appropriations are not made in this proposed budget, the Board must soon address the issue of the failing wastewater system. Based on several sanitary sewer evaluation studies that have been completed over the past six years, the Town must address the extensive repairs that need to be made. I am pleased to report that since last year, the Town Commissioners have agreed to fund nearly \$750,000 to match a grant that has been submitted to the North Carolina Clean Water Management Trust Fund to rehabilitate about one-third of the Town's wastewater collection system. A small planning grant of \$100,000 was received by the Town during the 2006-2007 fiscal year to prepare the plans and specifications for the sewer rehabilitation project discussed above.

During heavy rain events, there is a great deal of inflow and infiltration (I&I) that enters the system. Inflow is defined as water that directly enters the wastewater system. An example would be a storm drain pipe that is tied directly into the wastewater system. Inflow begins and ends at nearly the same time as the rain that causes it. Infiltration is

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characterized by flow that enters the wastewater system as groundwater. After a rain event, the rain seeps into the ground and raises the water table. The high groundwater then leaks through any crack or hole that is in the wastewater system. Infiltration can last for days after a rain event and is extremely expensive because all of the water must be treated at a wastewater treatment plant and is not directly billed to any particular customer.

## **Conclusion**

Please take a moment to review the appendixes that follow the Budget Ordinance. The information contained in the appendixes provides further explanations for the discussion that has taken place in this budget message. The Town of Wingate faces some serious financial challenges in the coming years. However, the Wingate staff will continue to strive to provide quality services at the lowest, equitable cost possible. I firmly believe that even with these challenges, the Town of Wingate is poised to become one of the premier small towns in both Union County and all of North Carolina. I would like to take this opportunity to thank Mayor Maye and all of the Commissioners for the support that you continue to give me and all the Wingate staff. Our success is directly attributable to your leadership style and confidence that you all have in us.

Respectfully submitted,

Dryw Blanchard  
Town Administrator

# Budget Ordinance



**BE IT ORDAINED** by the Governing Board of the Town of Wingate, North Carolina:

**SECTION 1:** It is estimated that the following revenues will be available in the General Fund for the Fiscal Year beginning July 1, 2007, and ending June 30, 2008:

Ad Valorem Taxes	\$ 416,000
Ad Valorem Taxes, Penalties & Interest	\$ 2,500
Privilege Licenses	\$ 1,000
Interest Income, Cemetery	\$ 350
Miscellaneous Income	\$ 25,700
Park Facility Rental and Concession Sales	\$ 5,750
Solid Waste Collection	\$ 138,550
Intergovernmental Revenues	\$ 169,250
Grant Funds	\$ 9,000
Court Fees	\$ 1,750
Sales Tax Reimbursement	\$ 10,000
Franchise Fees & Taxes	\$ 109,000
Interest Income, General Fund	\$ 17,000
Fund Balance	\$ 19,918
Zoning Fees	\$ 500
Wingate University	\$ 59,000
Powell Bill	<u>\$ 287,450</u>
	<b>\$1,272,718</b>

**SECTION 2:** The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the Fiscal Year beginning July 1, 2007, and ending June 30, 2008:

Elected Officials	\$ 14,425
Administration	\$ 126,065
Planning	\$ 6,400
Narcotics Eradication	\$ 10,550
Code Enforcement	\$ 30,800
Professional Services	\$ 11,450
Cemetery Operation	\$ 5,500
Street Lights, Liability Insurance, & Bonds	\$ 57,000
Solid Waste	\$ 138,550
Police Department	\$ 457,478
Community Enrichment	\$ 11,800
Fire Department	\$ 37,025
Parks & Recreation	\$ 84,425
Streets	<u>\$ 281,250</u>
	<b>\$1,272,718</b>

**SECTION 3:** It is estimated that the following revenues will be available in the Water and Sewer Fund for the Fiscal Year beginning July 1, 2007 and ending June 30, 2008:

Water Sales & Services	\$ 495,700
Wastewater Sales & Services	<u>\$ 609,050</u>
	<b>\$1,104,750</b>

**SECTION 4:** The following amounts are hereby appropriated in the Water and Sewer Fund for the operation of the water and sewer utilities for the Fiscal Year beginning July 1, 2007 and ending June 30, 2008:



# Budget Ordinance

Water Operations	\$ 424,500
Wastewater Operations	\$ 555,250
Unappropriated Expenditures	\$ 125,000
	<b>\$1,104,750</b>

**SECTION 5:** There is hereby levied a tax at the rate of thirty-nine cents (\$.39) per one hundred dollars (\$100) valuation of property as listed for taxes as of January 1, 2007, for the purpose of raising the revenue listed as “Ad Valorem Taxes” in the General Fund in Section 1 of this ordinance. This rate is based on a total estimated valuation of property for the purposes of taxation of \$113,659,494 and an estimated rate of collection of 94.41%.

**SECTION 6:** The Town Administrator (Budget Officer) is hereby authorized to transfer appropriations as contained herein under the following conditions:

- A. He may transfer amounts between objects of expenditure within a department without limitations. If the transfer exceeds \$3000, then the Town Administrator shall report the transfer to the Board of Commissioners at the first regular meeting that occurs after the transfer takes place.
- B. He may transfer amounts up to \$1,000 between departments of the same fund with an official report of such transfers being given at the first regular meeting of the Board of Commissioners that occurs after the transfer takes place.
- C. He may not transfer any amounts between funds or from any contingency or unappropriated expenditures appropriations within any fund.
- D. All expenditures from the “Narcotics Eradication” line item must first be approved by the Board of Commissioners.

**SECTION 7:** The Town of Wingate Schedule of Fees as shown on Attachment A is hereby adopted in conjunction with the 2007 – 2008 Fiscal Year Budget. The Town of Wingate Schedule of Fees shall remain in effect until amended or repealed by the Board of Commissioners. The Board of Commissioners may amend the Town of Wingate Schedule of Fees from time to time as it sees fit.

**SECTION 8:** Copies of this Budget Ordinance shall be furnished to the Finance Officer and to the Budget Officer of this Town to keep on file by them for their direction in the disbursement of funds.

Adopted this 19<sup>th</sup> day of June, 2007

\_\_\_\_\_  
Tony E. Maye, Mayor

Attest:

\_\_\_\_\_  
Karen Wingo, Town Clerk

## TOWN OF WINGATE SCHEDULE OF FEES

### WATER

	<u>Inside</u>	<u>Outside</u>	
Base Monthly Charge			
¾" Meter	\$11.81	\$23.62	Includes 1 <sup>st</sup> 2,000 gallons
1" Meter	\$17.01	\$34.02	Includes 1 <sup>st</sup> 2,000 gallons
1 ½" Meter	\$33.82	\$67.64	Includes 1 <sup>st</sup> 2,000 gallons
2" Meter	\$54.07	\$108.14	Includes 1 <sup>st</sup> 2,000 gallons
3" Meter	\$152.15	\$304.29	Includes 1 <sup>st</sup> 2,000 gallons
4" Meter	\$338.11	\$676.22	Includes 1 <sup>st</sup> 2,000 gallons
6" Meter	\$473.31	\$946.62	Includes 1 <sup>st</sup> 2,000 gallons
Fire Protection	\$11.81	\$23.62	Includes 1 <sup>st</sup> 2,000 gallons
All Meter Sizes			
Usage Fee	\$2.51	\$5.02	Per 1,000 gallons; 2,001 – 19,999
	\$2.94	\$5.88	Per 1,000 gallons; over 20,000
Water Tap Fee			
¾" Meter	\$400.00	N/A	
1" Meter	\$525.00	N/A	
1 ½" Meter	\$2,600.00	N/A	
2" or Larger	Material Cost plus 10%		
Water Capacity Fee			
¾" Meter	\$500.00	N/A	
1" Meter	\$1,250.00	N/A	
1 ½" Meter	\$2,500.00	N/A	
2" Meter	\$4,000.00	N/A	
3" Meter	\$11,250.00	N/A	
4" Meter	\$25,050.00	N/A	
6" Meter	\$35,050.00	N/A	

### SEWER

Base Monthly Charge (based on the size of the water meter and the nature of the service that is provided)

¾" Meter	\$19.12	\$38.24	
1" Meter	\$23.31	\$46.62	
1 ½" Meter	\$46.34	\$92.68	
2" Meter	\$74.09	\$148.18	
3" Meter	\$208.50	\$417.00	
4" Meter	\$463.33	\$926.66	
6" Meter	\$648.61	\$1297.22	
All Meter Sizes			
Usage Fee	\$2.37	\$4.74	Per 1,000 gallons
Sewer Tap Fee			
4" Service Connection	\$630.00		
Larger than 4"	Material Cost plus 10%		
Sewer Capacity Fee			
¾" Meter	\$2,650.00	N/A	
1" Meter	\$6,675.00	N/A	
1 ½" Meter	\$13,275.00	N/A	
2" Meter	\$21,225.00	N/A	
3" Meter	\$59,725.00	N/A	
4" Meter	\$132,725.00	N/A	
6" Meter	\$185,825.00	N/A	

**MISCELLANEOUS UTILITY FEES**

Late Payment Fee	\$10.00
Reconnection Fee for Non-Payment	\$30.00
Rental Deposit	\$100.00
Meter Tampering Fee	\$100.00

**PARK RENTAL**

Park reserved in 4-hour increments and can not be consecutive periods

	<u>In-Town Residents</u>	<u>Out-of Town Residents</u>
Deposit	\$50.00	\$ 50.00
Playing Field	\$25.00	\$100.00
Picnic Shelter	\$40.00	\$115.00
Picnic Area	\$25.00	\$50.00
Restroom Deposit	\$25.00	\$25.00

The town will refund the deposit if facilities require no cleanup. Fees and deposits apply per use. One advance registration allowed per facility. All revenues received will be used for park operations and maintenance.

**CONCESSIONS**

Concession prices shall be set by the Recreation Director and approved by the Town Administrator. However the Board of Commissioners reserves the right to adjust prices at their discretion.

	<u>In-Town Residents</u>	<u>Out-of Town Residents</u>
<b>Garbage &amp; Recycling</b>	\$14.11/month	\$28.22/month
<b>Bulk Garbage Pickup</b>	\$35.00 Plus landfill fee	N/A

**ZONING FEES**

Zoning Permit Application	\$35.00
Rezoning Application	\$250.00
Conditional Use Permit Application	\$75.00
Variance Application	\$75.00
Zoning Appeal	\$50.00 (refunded if appeal is upheld)
Major Development Permit Application	\$250.00
Minor Subdivision Permit Application	\$50.00
Major Subdivision Permit Application	\$50.00
Sign Permit Application	\$50.00
Starting Work Without Permit	Double the Permit Fee
Engineer Review & Inspection Fee	Actual cost incurred for review of plans and on-site inspection of construction
Construction Inspection Testing Fee	\$20.00 per lot with minimum charge of \$500.00

**MOWING**

Mow or weed eat: property owner request	\$75.00 per hour Minimum of 1 hour
Bush hog: property owner request	\$125.00 per hour Minimum of 1 hour
Mow and/or weed eat: code enforcement	\$100.00 administrative fee Plus \$75.00 per hour; minimum of 1 hour
Bush hog: code enforcement	\$100.00 administrative fee Plus \$125.00 per hour; minimum of 1 hour

**MISCELLANEOUS FEES**

Returned Check Charge	\$25.00
Copy Charge	\$0.25 per page
Notary Charge	Free for in-town residents \$3.00 for out-of-town residents
Fax Charge	\$1.00 per page outgoing; \$0.25 per page incoming
Accident Report	\$2.00

**CEMETERY**

Plots – sold in pairs

\$600 for in-town residents

\$1,200 for out-of-town residents

Grave Marking Fee

\$100 during business hours

\$200 after business hours