

Town of Mineral Springs

PROPOSED BUDGET 2022-2023

Prepared for:

The Mineral Springs Town Council

By:

Frederick Becker III
Budget Officer

May 12, 2022

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FY2022-23 PROPOSED BUDGET
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**TOWN OF MINERAL SPRINGS
2022-2023 BUDGET**

MESSAGE FROM THE BUDGET OFFICER

I hereby present this recommended budget for the 2022-2023 fiscal year to the Mineral Springs town council.

The FY2022-23 budget reflects anticipated revenues and expenditures of \$369,305.00 including capital expenditures, which represents a \$19,910.00 decrease over last year's final budget. General government expenditures total \$337,980.00, a decrease of \$25,386.00, while the capital budget has increased by \$5,476.00 to \$31,325.00.

The largest departmental decrease is in "Planning", because the new Comprehensive Plan – a \$33,000 expenditure - will have been completed by the end of the current fiscal year. In the "Community" department, we are proposing a \$3,500.00 decrease, due once again to the cancellation of the Fall Festival and further reduction in "Special Events" funding. There is a proposed 3% increase for employees, both salaried and hourly, but there is no change to the salaries of the town council and mayor. "Employee Overhead" will increase by \$2,000.00 over the FY2021-22 appropriation. There will be no municipal election on in 2022, so the "Elections" appropriation of \$3,300.00 has been eliminated. Most other proposed operating expenditures are very close to their previous year's level.

The revenue side of the budget reflects a property tax base of approximately \$384.2 million, an increase of approximately \$11.4 million over the FY2021-22 tax base. Vehicle property taxes are expected to increase slightly according to Union County estimates. General sales and use tax revenues increased in FY2021-22, and we expect them to remain close to last year's. Other sales taxes should remain close to last year's. The estimate of the town's overall state-shared sales-tax revenue stream has been increased from \$271,925.00 to \$276,300.00.

Mineral Springs is the beneficiary of \$270,618.75 in federal State and Local Fiscal Recovery Fund (SLFRF) revenues under the American Rescue Plan Act of 2021 (ARPA). The United States Treasury Department recently broadened its approved uses for these revenues, and local governments will now be able to use them for a wide range of government expenditures. These revenues are accounted for in a separate Grant Project Fund and described separately in this budget document. Council will be evaluating possible uses for our SLFRF revenues.

As always, Council is cautioned to view all sales taxes as being somewhat unstable, because they are based on economic conditions and they are under state control rather than ours. As a revenue source that represents 71% of the overall revenue stream for Mineral Springs, it should always be considered vulnerable to circumstances beyond the town's control.

I am pleased to recommend no change in the property tax rate. The proposed *ad valorem* tax rate for the 2022-23 fiscal year is 2.1 cents per \$100.00.



Frederick Becker III, Budget Officer



Date

TOWN OF MINERAL SPRINGS 2022-2023 BUDGET

BUDGET INTRODUCTION

FUND ACCOUNTING

The accounts of the Town of Mineral Springs are organized and operated on the basis of *funds*. A fund is a grouping of related accounts that have been segregated for specific activities or objectives.

Funds used by local governments can be grouped into two types: *governmental funds* and *proprietary funds*. Governmental funds are simply used to account for most governmental-type activities and are primarily financed by tax revenues. Proprietary funds are used for activities that operate more like businesses, such as water or sewer operations, where expenses are primarily financed by revenues derived from user charges rather than tax dollars. Mineral Springs currently uses only governmental funds, primarily a single *General Fund* and, when needed, *Capital Project Funds* and *Special Revenue Funds*.

General Fund

The General Fund encompasses most of the town's day-to-day operations. Property taxes are one component of General Fund revenue. Other important General Fund revenue sources are various sales taxes and excise taxes that are distributed to the town by the North Carolina Department of Revenue. Finally, specific user charges such as permit fees are accounted for as General Fund revenues.

All general operating expenditures are budgeted and accounted for in the General Fund. In addition, capital expenditures (purchases of real and personal property assets that have multi-year service lives) are likewise budgeted and accounted for in the General Fund. Mineral Springs considers expenditures for fixed assets with a value greater than five hundred

dollars (\$500.00) to be capital expenditures.

Capital Project Funds

Capital Project Funds are used to budget and account for larger capital expenditures that may take place over more than one fiscal year. A large or multi-year capital project is authorized by a *Capital Project Ordinance* adopted by the town council, and the project is financed through a related Capital Project Fund. The Capital Project Fund may receive transfers from the General Fund, or it may receive funds from other revenue sources such as grants or bond proceeds.

In recent years, the Town of Mineral Springs has established Capital Project Funds to construct the town hall, to purchase real property for conservation and recreation utilizing a North Carolina Clean Water Management Trust Fund grant, to purchase and undertake initial repairs on the historic Mineral Springs School agriculture building, to construct a parking area and trailhead for the Mineral Springs Greenway, and to construct a small park adjacent to the town hall.

Capital Project Fund expenditures are not included in the General Fund budget, but NC G.S. §159-13.2(f) states that “[e]ach year the budget officer shall include in the budget information in such detail as he or the governing board may require concerning each grant project or capital project (i) expected to be authorized by project ordinance during the budget year and (ii) authorized by previously adopted project ordinances which will have appropriations available for expenditure during the budget year.” The Town of Mineral Springs currently has no open Capital Project Ordinances.

Special Revenue Funds

Special Revenue Funds are established for specific classes: voter-approved property taxes, service districts, and *Grant Project Ordinances*. This year, Mineral Springs will be utilizing a Special Revenue Fund to account for State and Local Fiscal Recovery Fund (“SLFRF”) revenues received from the US Treasury Department under the American Rescue Plan Act (“ARPA”). The town adopted Grant Project Ordinance O-2021-02 on August 12, 2021 representing SLFRF revenues of \$270,618.75. The town council has not yet allocated any of these revenues to specific projects or operating expenditures, but during FY2022-23 Council will be evaluating needs and identifying uses for these revenues that meet the criteria established by the US Treasury Department and will amend O-2021-02 as necessary to authorize these uses. All these SLFRF revenues and expenditures will be accounted for in a Special Revenue Fund. An important consideration of the ARPA is that all SLFRF revenues *must* be spent on or before December 31, 2026. O-2021-02 is included in a later section of this budget document.

BUDGET PREPARATION

The town of Mineral Springs operates on a *fiscal year* that runs from July 1 through June 30. The annual budget process begins with the budget officer working with departmental staff to estimate operating expenditures for the next fiscal year. These estimates usually begin in March. The following schedule has been established for the Mineral Springs fiscal year 2022-2023 budget preparation and enactment process:

April 14, 2022: Suggested departmental appropriations are presented to the town council at its regular meeting. No revenue estimates are presented at this time. Council is asked to review the budget officer’s draft appropriations worksheet and advise him of any changes.

May 12, 2022: Prior to the town council’s regular May meeting, the budget officer completes his estimates of anticipated revenues for the upcoming fiscal year and incorporates these estimates plus Council’s recommended departmental expenditures into the *Recommended (or Proposed) Budget*. The Recommended Budget contains information on prior-year budgets, a detailed departmental revenue and expenditure breakdown, an analysis of those figures, a *draft FY2022-23 budget ordinance*, and a *budget message* that provides a brief overview of the proposed budget. The FY2022-23 budget document also contains information on the SLFRF revenues and the Grant Project Ordinance that will govern the use of those revenues. The draft budget ordinance includes a recommended property tax rate. The budget officer must file a copy of the recommended budget with the town clerk on the day it is submitted to Council.

Council may make additional changes to the recommended budget, and then by motion will call for a public hearing on the budget. The town clerk will then advertise the time and place of that hearing, as well as stating in that advertisement that the budget is available for public inspection at the clerk’s office. In Mineral Springs, the public hearing is generally conducted at the regular June town council meeting, and the budget ordinance (subject to any additional changes) is then adopted by vote of the town council.

June 9, 2022: Council conducts the budget hearing and adopts a budget ordinance. North Carolina general statute also requires that copies of the adopted budget ordinance be filed in the offices of the town clerk, the budget officer, and the finance officer.

THE ROLE OF THE ANNUAL BUDGET ORDINANCE

Under the North Carolina Local Government Budget and Fiscal Control Act, no expenditure may be made by the

finance officer or any departmental personnel if that expenditure is not authorized in the adopted budget ordinance. It should be noted that the governing document is the *ordinance*, and not the more detailed departmental expenditure breakdown. For example, if the “Office” appropriation in the budget ordinance is \$162,571, and the detailed breakdown lists expenditures of \$2,400 for “equipment” and \$4,500 for “utilities”, it would be perfectly legal for the finance officer to make “equipment” expenditures of \$3,000 and “utility” expenditures of \$5,800 during the fiscal year, *provided the total of all expenditures in the “Office” category does not exceed \$162,571.*

Some local governments allow the finance officer to make transfers between departmental appropriations in the budget ordinance as necessary. The Mineral Springs town council does not grant the finance officer this authority. If the finance officer finds that upcoming expenditures would exceed an appropriation in the budget ordinance, he *must* prepare a *budget amendment* and present it to Council for approval. This process serves as another layer of internal control, ensuring that the ultimate responsibility for compliance with the adopted budget ordinance rests solely with the town council.

STATE OF NORTH CAROLINA
TOWN OF MINERAL SPRINGS

**AN ORDINANCE TO ESTABLISH A BUDGET
FOR FISCAL YEAR 2022-2023
O-2021-06**

BE IT ORDAINED by the Council of the Town of Mineral Springs, North Carolina, the following:

Section I. Appropriations. The following amounts are hereby approved in the General Fund for the operation of the Town government and its activities for the fiscal year beginning 7/1/2022 and ending 6/30/2023, in accordance with a Chart of Accounts to be established for the Town:

ADMINISTRATIVE & GENERAL GOVERNMENT:	\$337,980.00
Advertising	\$1,800.00
Attorney	\$9,600.00
Audit	\$4,730.00
Charities and Agencies	\$11,675.00
Community Projects	\$22,500.00
Contingency	\$3,000.00
Employee Overhead	\$37,400.00
Fire Protection	\$12,000.00
Intergovernmental	\$15,000.00
Office and Administrative	\$162,571.00
Planning and Zoning	\$47,304.00
Street Lighting	\$1,400.00
Tax Collection	\$1,800.00
Training	\$3,000.00
Travel	\$4,200.00
CAPITAL:	\$31,325.00
Capital outlay	\$31,325.00
TOTAL APPROPRIATIONS:	\$369,305.00

Section II. Estimated Revenues. It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning 7/1/2022 and ending 6/30/2023:

Property taxes	\$80,905.00
Interest	\$600.00
Other income	\$600.00
Sales taxes	\$276,300.00
Vehicle taxes	\$7,400.00
Zoning fees	\$3,500.00
TOTAL ESTIMATED REVENUES:	\$369,305.00

Section III. Property Tax Levy. A tax in the amount of \$0.021 per \$100.00 of assessed valuation is hereby levied on property within the Town of Mineral Springs which was listed for property taxes in Union County, North Carolina as of January 1, 2022.

ADOPTED this 9th day of June 2022. Witness my hand and official seal:

Frederick Becker III, Mayor

Attest:

Vicky A. Brooks, Clerk

REVENUES				\$ 369,305
<i>TOTAL INCOME</i>				<i>\$ 369,305</i>
Property Taxes			\$ 80,905	
Current Year	\$ 80,305			
Prior Years	\$ 600			
Interest			\$ 600	
Other Income			\$ 600	
Festival	\$ -			
Miscellaneous	\$ 600			
Sales Tax			\$ 276,300	
Alcoholic Beverage	\$ 13,000			
Electricity	\$ 208,000			
General Sales & Use	\$ 33,000			
Natural Gas Excise	\$ 1,300			
Telecommunications	\$ 2,500			
Video Programming	\$ 18,500			
Vehicle Taxes			\$ 7,400	
Zoning Fees			\$ 3,500	

EXPENDITURES				\$ 369,305
<i>ADMINISTRATIVE & GENERAL GOVERNMENT</i>				<i>\$ 337,980</i>
Advertising			\$ 1,800	
Attorney			\$ 9,600	
Audit			\$ 4,730	
Charities & Agencies			\$ 11,675	
Community			\$ 22,500	
Beautification, Maintenance	\$ 6,500			
Newsletter	\$ 3,000			
Special events	\$ 6,000			
Festival	\$ -			
AMG	\$ 4,000			
Misc	\$ 2,000			
Park & Greenway Maint	\$ 7,000			
Contingency			\$ 3,000	
Elections			\$ -	
Employee Overhead (FICA, work comp, bonds)			\$ 37,400	
Fire Protection			\$ 12,000	
Intergovernmental			\$ 15,000	
Studies and Planning	\$ 5,000			
Construction Match	\$ 10,000			

Office				\$	162,571
Salary: Clerk	\$	40,836			
Salary: Deputy Clerk/Assistant	\$	12,900			
Salary: Finance Officer	\$	37,728			
Salary: Mayor	\$	6,000			
Salary: Council	\$	14,400			
Dues	\$	7,500			
Insurance	\$	4,000			
Records Management	\$	5,507			
Equipment & durable items	\$	2,400			
Supplies	\$	4,000			
Postage (General)	\$	1,000			
Telephone, Internet	\$	6,800			
Reserve/Misc	\$	1,000			
Town Hall Maintenance	\$	14,000			
Supplies	\$	2,000			
Services	\$	12,000			
Utilities	\$	4,500			
Planning				\$	47,304
Zoning Ord. & Planning	\$	5,000			
Zoning Administration	\$	37,304			
Salary	\$	35,304			
Contract	\$	2,000			
Land Use Planning	\$	2,000			
Reserve/Misc	\$	3,000			
Street Lighting				\$	1,400
Tax Collection				\$	1,800
Salary	\$	-			
Contract (Union County)	\$	1,800			
Postage	\$	-			
Billing	\$	-			
Training				\$	3,000
Boards	\$	1,000			
Officials	\$	1,000			
Staff (Clerk, TC, FO)	\$	1,000			
Travel Expenses				\$	4,200
<i>CAPITAL</i>				\$	<i>31,325</i>
Capital Outlay				\$	31,325

Town of Mineral Springs
2022-2023 BUDGET ANALYSIS

I. Appropriations

Administrative & General Government

Advertising **\$1,800.00**
Included are required notifications of public hearings and special meetings involving the town council, planning board, and board of adjustment, and advertising in the 2023 Queen’s Cup Race Program. This appropriation is unchanged from last year.

Attorney **\$9,600.00**
This appropriation includes \$3,600.00 for retainer and general expense, and remains the same as last year’s appropriation.

Audit **\$4,730.00**
Kendra Gangal, CPA two years ago proposed an annual charge for audit services of \$4,730.00 over the following three years.

Charities & Agencies **\$11,675.00**
Council has approved this separate appropriation in the budget ordinance in order to bring more control and greater transparency to the town’s contribution to various local non-profits. The amount is calculated as 3% of the previous year’s total budget: $0.03 \times \$389,215.00 = \$11,676.45$, rounded to \$11,675.00.

Community **\$22,500.00**
This appropriation is to be used for projects and services intended to benefit the quality of life in Mineral Springs, including maintenance and beautification. Downtown pole banners and Christmas lights are included in this appropriation. The Community appropriation has been decreased by \$3,500.00 over last year’s appropriation due to the 2022 Fall Festival being canceled and elimination of the \$5,000.00 appropriation that had been left in the “Festival” line item for other possible events, with “Miscellaneous” being increased from \$1,000.00 to \$2,000.00. The service partnership with Artists Music Guild for music licensing and other event programming remains \$4,000.00 and the actual expenditure will be determined based on the Guild’s 2022-23 proposed projects.

Contingency **\$3,000.00**
This appropriation is intended to cover small unforeseen expenses in miscellaneous categories which might arise during the fiscal year. Access to Contingency funds is generally accomplished through the budget amendment process. The contingency appropriation will not necessarily be expended.

Elections

\$0.00.00

There will be no municipal election in 2022.

Employee Overhead

\$37,400.00

Includes Scheduled bonds for Deputy Clerk at \$100.00, Clerk/Zoning Administrator at \$100.00, Finance Officer at \$450.00, workers compensation at \$2,800.00, FICA at \$11,000.00, NCLM benefits at \$1,800.00, and payroll processing at \$1,750.00. In addition, our required contribution to the NC Local Governmental Employees' Retirement System (NCLGERS) is estimated at \$18,650.00. This is a \$2,000.00 increase over last year, reflecting the increased FICA expenditures resulting from the 3% salary increases, an NCLGERS increase from 16.05% to 16.80%, and corresponding increases in rates for workers compensation. There is an additional \$750.00 included to cover unexpected charges.

Fire Protection

\$12,000.00

Our regular annual payment to the Mineral Springs Volunteer Fire and Rescue Department remains \$10,000.00, and our Fire Suppression Agreement with the Waxhaw Volunteer Fire Department includes an annual payment of \$2,000.00.

Intergovernmental

\$15,000.00

The town has been working on cooperative transportation programs with Union County. An appropriation of \$5,000.00 has been included for the past few years for cooperative planning projects and studies such as the Union County critical Intersection Study. Another \$10,000.00 was proposed as an appropriation that could be used as a local match to NCDOT to expedite construction of one or more projects in the town. We are proposing the same levels for next year. These expenditures may not necessarily all be made during the upcoming fiscal year.

Office & Administration

\$162,571.00

We are proposing increasing the clerk's base salary to \$40,836.00 and the finance officer's base salary to \$37,728.00, representing a 3% cost-of-living and longevity increase. Council has re-authorized the part-time position of deputy clerk/office assistant for at least 12 hours per week, and Council has authorized increasing the hourly rate for that position to \$19.57/hr. This position has been budgeted at \$12,900 allowing for flexibility in the number of hours worked. While the 3% annual increases have been slightly more than the actual increases in cost of living, 3% this year will fall somewhat behind the actual projected cost-of-living increase. Council salaries will remain \$200.00 per month for FY2022-23, and the mayor's salary will remain \$500.00 per month. Proposed expenditures for most routine office expenses and town hall overhead remain similar to last year's.

Planning

\$47,304.00

Council has recommended increasing the planning director/zoning administrator's salary by 3% to \$35,304.00. The proposed \$2,000.00 appropriation for contract services associated with providing assistance with administration from third parties remains the same as last year's. Included in that appropriation is an amount of \$1,445.58 to cover an interlocal agreement with Union County for joint funding of the Urban Forester position

and the cost of contract enforcement by N-Focus of the town's abandoned swimming pool ordinance. The new Unified Development Ordinance has been completed and the additional revisions are required for bringing the document into compliance with the state's new Chapter 160D legislation were completed in FY2021-22. \$5,000.00 is proposed to cover the costs of additional UDO revisions should the need arise. There is a \$2,000.00 allowance for any additional land use plan corrections that may be necessary after the completion and adoption of the Comprehensive Plan. The \$3,000.00 allowance for miscellaneous expenditures, including clerical and mapping services, are the same as last year's.

Street Lighting

\$1,400.00

This appropriation covers the cost of providing roadway lighting in the downtown area. This amount has been increased by \$200.00 from last year's because we had to adopt a \$100.00 budget amendment during FY2021-22 to cover some rate fluctuations by Duke Power.

Tax Collection

\$1,800.00

Mineral Springs will continue operating under contract with Union County for property tax collection at a cost of 1.5% of the gross collections (with the possibility of lowering the rate to 1.25%), which has worked very well for the town. Total commissions to Union County for FY2022-23 are estimated at \$1,800.00 which includes both current year and prior year collections. The current deputy clerk position no longer includes delinquent tax collection.

Training

\$3,000.00

Ongoing training sessions for the governing board, citizen boards, and staff are offered throughout the year by the Institute of Government, the NC League of Municipalities, and other professional organizations.

Travel Expenses

\$4,200.00

Included are expenses for travel to off-site training sessions, and any necessary meals and overnight accommodations. Also included are reimbursements for expenses incurred by council and staff in the course of ordinary business. This appropriation is the same as last year's; it is expected that there will be attendance at several clerk, planner, and elected official classes and conventions this fiscal year that will incur travel and lodging expenditures.

Capital

Capital Outlay

\$31,325.00

These funds are designated for capital needs such as major equipment purchases, furniture and fixtures, and improvements to or purchases of real property.

II. Estimated Revenues

Interest Earned

\$600.00

Short-term interest rates have continued to drop in response to Federal Reserve policy. Our Money Market account is currently earning only 0.10%; this has fallen from 0.69% a year ago. We rolled over our 13-month CD and added another \$100,000 to it for a total deposit of \$300,000, but the new CD rate is 0.75% (down from 1.65%) and fell to 0.10% at maturity so we closed out the CD and moved the funds back into the Money Market account. Although fund balance has continued to increase, we anticipate total interest earned during FY2021-22 will fall short of budget by nearly \$1,300. While the Federal Reserve has recently begun raising the federal funds rate, we should remain cautious when estimating future interest rates on our Money Market deposits.

Other

\$600.00

This category covers various small-scale sources of revenue not accounted for in the other major categories. We anticipate refunds of North Carolina sales and use taxes paid by the town on purchases, and a few miscellaneous payments and fees such as copy charges. Zoning fees continue to be budgeted as a separate line item.

2022 Property Tax Receipts

\$80,305.00

The estimated tax base has increased substantially due to Union County's property revaluation. Union County's estimate for real property is \$361,718,445 and for personal property is \$15,093,517. We estimate that our Public Service Property tax base will be \$7,399,440 based on last year's figure.

We are proposing an *ad valorem* tax rate of \$0.021/\$100.

Gross estimated tax levy must be reduced based on the collection rate for FY2020-21 as of June 30, 2021, which was 99.53% according to the Union County tax administrator's reports. The revenue estimate was arrived at as follows:

Real Property	\$361,718,445
Personal Property	\$15,093,517
Public Service Property (est.)	\$7,399,440
Est. Real and Personal Tax Base	\$384,211,402

Tax rate: \$0.021/\$100 assessed valuation

Total levy: \$80,684.39

Estimated collection rate: 99.53% → \$80,305.17

Property Taxes, prior years

\$600.00

We will receive some 2013 through 2021 delinquent tax payments from Union County. The total outstanding property taxes for that period will be approximately \$1,000, and we should expect Union County to collect over half of that. There will be no more collections of delinquent taxes from 2012 or earlier.

Sales Taxes**\$276,300.00**

Based on current fiscal year performance and accounting for anticipated economic conditions, the estimated breakdown is as follows:

Alcoholic Beverage tax	\$13,000.00
Electricity sales tax	\$208,000.00
General sales and use tax	\$33,000.00
Natural Gas excise tax	\$1,300.00
Telecommunications sales tax	\$2,500.00
Video Programming sales tax	\$18,500.00
Total	\$276,300.00

The amount of Alcoholic Beverage tax distributed to municipalities is *not* based on actual sales within the municipalities but instead is based solely on population. For 2020-21, municipalities where beer and wine sales were allowed received approximately \$4.17 per capita. This resulted in a total distribution to Mineral Springs of \$12,885.10 which was below the budget estimate of \$13,145. The FY2022-23 estimate of \$13,000.00 is arrived at by simply using an amount between those two numbers since there is no better data available. Monthly General Sales and Use Tax revenues have actually continued to increase during the current fiscal year in spite of COVID-19-related closures, and these revenues are now averaging approximately \$2,800/month. We believe that these collections will remain steady next fiscal year. The budget reflects an estimated \$3,570.00 increase from this FY2021-22. As for the Electricity Sales Tax, the town’s largest revenue source, the amount has leveled off or even decreased slightly over the past few years. When North Carolina changed this tax from a franchise tax to a sales tax beginning in FY2014-15, the general assembly established FY2013-14 as the “baseline year” for this distribution. Sales tax on additional electricity consumption above this “baseline” amount is calculated by the same formula that General Sales and Use tax distributions are calculated: a formula that allocates the distribution based on the town’s percentage of the total property tax levy in the county. Because Mineral Springs has such a low tax base and tax rate, our levy is a very small percentage of the countywide levy and as a result incremental increases in Electricity Sales Tax distributions are very small and Electricity Sales Tax distributions haven’t varied by more than \$1,000 for the past seven years. This year we are budgeting no increase in the anticipated Electricity Sales Tax distribution. Telecommunications and Video Programming sales tax distributions have been treated this way for many years and have remained very flat over time, but we expect these revenue streams – particularly telecommunications – to decrease from last year. Overall, we are anticipating an increase of \$4,375.00 in sales tax revenue for FY2022-23.

Vehicle Taxes**\$7,400.00**

Current-year vehicle taxes will all be collected by Union County via the state Vehicle Tax System in which property taxes are collected directly at the time of registration renewal. This amount reflects a collection rate of 98%, based on Union County’s estimate

of the Mineral Springs vehicle tax base of \$35,965,160. In reality, the state-collected system yields a theoretical 100% collection rate for accounting purposes, since the way the system works the tax levy doesn't exist until it is collected. Even so, some vehicles don't get renewed, and some collections end up being refunded. Using a 98% collection rate is just an estimate reflecting these vehicles leaving the tax rolls.

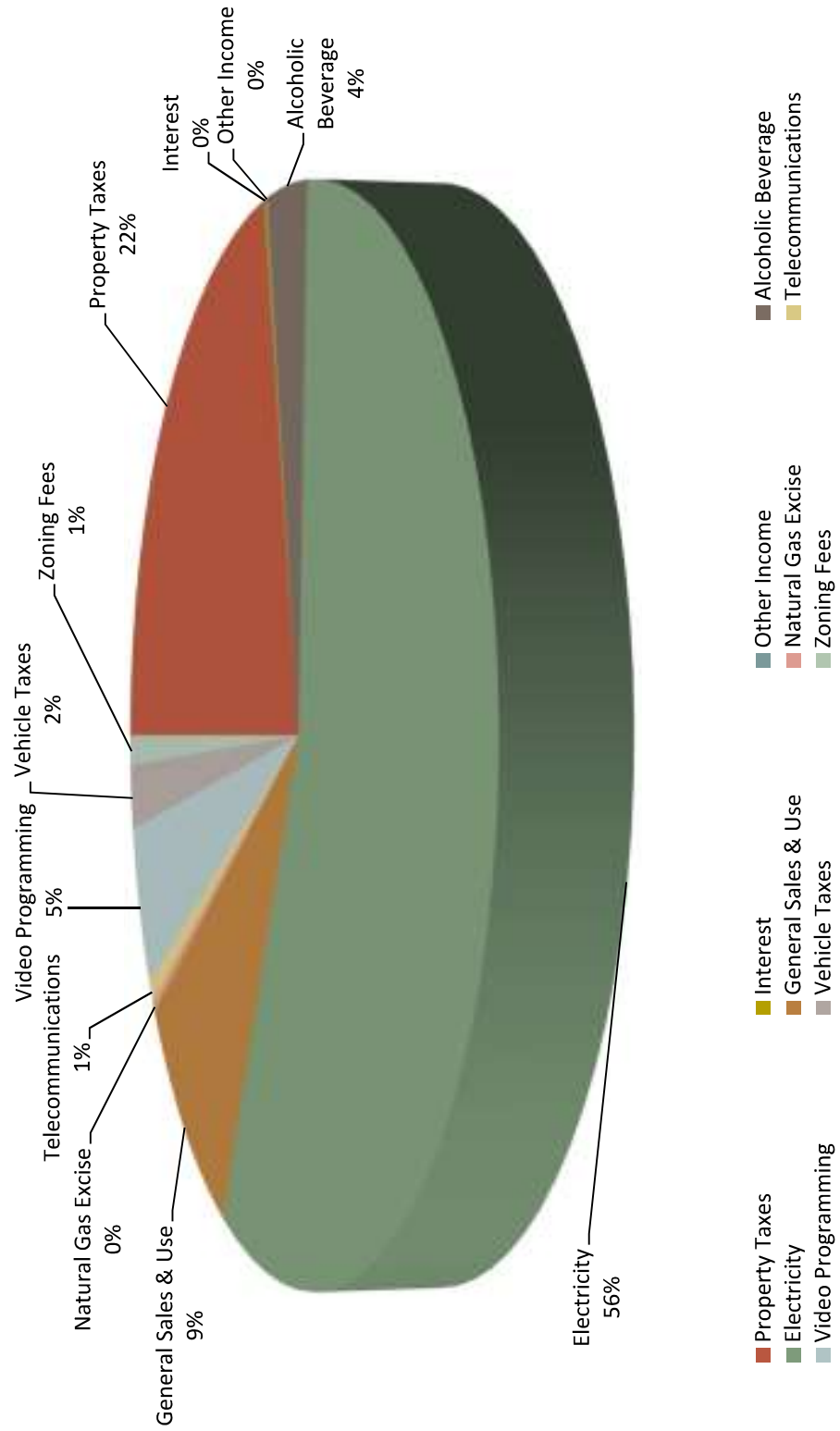
Zoning fees

\$3,500.00

This estimate is based on the current rate of new construction both individually and in subdivisions (with only the Harrington Hall and McNeely Farms subdivisions actively building), plus additional zoning permits for accessory structures, garages, signs, and fences as well as miscellaneous applications for amendments, special use permits, and variances. Overall, zoning activity is expected to be similar to that of FY2021-22, which is expected to slightly exceed the \$3,500 budgeted amount.

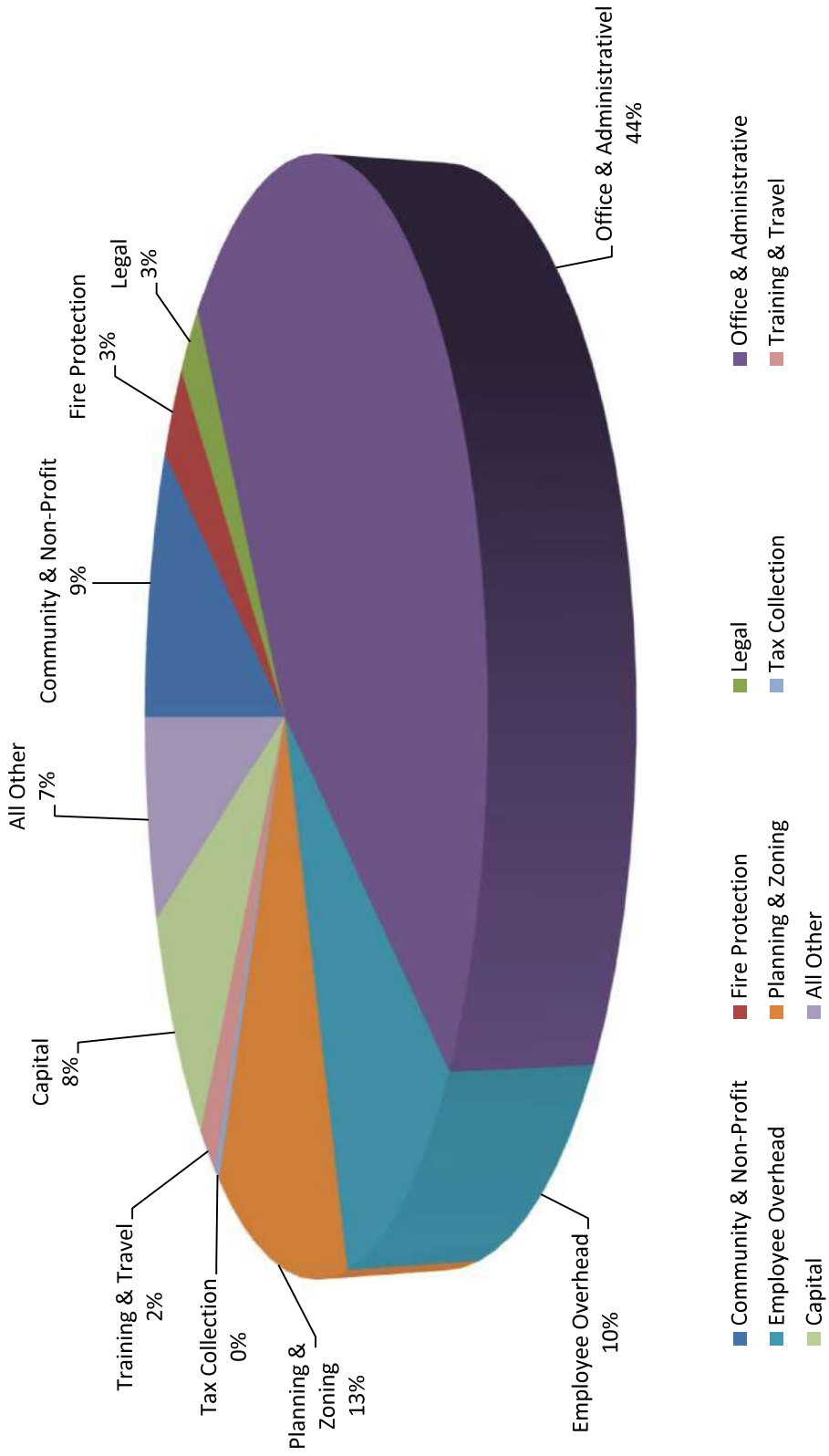
Mineral Springs Proposed Revenues 2022-2023

\$369,305



Mineral Springs Proposed Expenditures 2022-2023

\$369,305



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Inclusion of Information Related to Project Ordinances Compliance With NC G.S. § 159-13.2 (f)

North Carolina General Statutes section § 159-13.2 (f) requires the following:

Inclusion of Project Information in Budget. – Each year the budget officer shall include in the budget information in such detail as he or the governing board may require concerning each grant project or capital project (i) expected to be authorized by project ordinance during the budget year and (ii) authorized by previously adopted project ordinances which will have appropriations available for expenditure during the budget year.

The Mineral Springs town council adopted Grant Project Ordinance O-2021-02 on August 12, 2021. The purpose of this ordinance was to authorize appropriation and expenditure of State and Local Fiscal Recovery Fund (SLFRF) revenues which have been awarded to the Town by the United States Treasury as part of the American Rescue Plan Act of 2021 (ARPA).

O-2021-02 was adopted as a “placeholder” ordinance to authorize initial appropriation of the SLFRF revenues and is intended to be amended and/or replaced by subsequent ordinances as the town council evaluates potential projects and expenditures that would meet the requirements of the ARPA for use of these revenues. The total amount of SLFRF revenues available to Mineral Springs will be \$270,618.75, with \$135,309.38 already deposited to the town’s bank account in 2021. Use of revenues under ARPA was initially quite restricted under the Treasury Department’s Interim Final Rule, and there was the possibility that the town would be unable to utilize all the SLFRF revenues. However, in an effort to broaden the applicability of the ARPA and make it easier for small units of government to fully utilize the SLFRF revenues, the Final Rule – issued on January 6, 2022 with an effective date of April 1, 2022 – expanded the category of “Revenue Replacement” and established a “Standard Allowance” of up to \$10,000,000 that units of local government could designate for the revenue replacement category and utilize for virtually any “Government Services”. The Mineral Springs town council made this standard allowance designation on April 14, 2022 and this election has been reported to the US Treasury as part of the first annual report filed on April 30, 2022. Therefore, Mineral Springs will have the opportunity to utilize the entire grant of \$270,618.75 for general government services.

Under the ARPA, all SLFRF revenues must be committed by December 31, 2024 and expended by December 31, 2026. The Mineral Springs town council will be adopting more specific project ordinances over the next few fiscal years in order to authorize expenditure of these revenues.

STATE OF NORTH CAROLINA
TOWN OF MINERAL SPRINGS

**AN ORDINANCE TO APPROPRIATE AND SPEND FEDERAL CORONAVIRUS
STATE AND LOCAL FISCAL RECOVERY FUND (CSLRF) REVENUES
UNDER H.R. 1319, THE AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)
O-2021-02**

BE IT ORDAINED by the town council of the Town of Mineral Springs, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted:

Section 1: This ordinance is to establish a budget for a project or projects to be funded by the Coronavirus State and Local Fiscal Recovery Fund (CSLRF) revenues of H.R. 1319 American Rescue Plan Act of 2021 (ARPA). The Town of Mineral Springs has received the first tranche of CSLRF revenues in the amount of \$135,309.38. The total allocation is \$270,618.75, with the remainder to be distributed to the town no sooner than twelve months after the first tranche. These funds may be used for the following categories of expenditures, to the extent authorized by state law.

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Section 2: The following amount is appropriated for the project(s) and authorized for expenditure:

CSLRF Project(s)	\$270,618.75
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This amount is the *maximum* amount available to Mineral Springs under the ARPA, and the Mineral Springs Town Council will amend this ordinance as necessary as it identifies specific projects and expenditures that are permissible uses of CSLRF revenues under the ARPA.

Section 3: The following revenues are anticipated to be available to complete the project:

CSLRF Revenues	\$270,618.75
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Section 4: The Finance Officer shall account for all CSLRF revenues and expenditures in a separate and dedicated Special Revenue Fund.

Section 5: The Finance Officer is hereby directed to maintain sufficient specific detailed accounting records to satisfy the requirements of the grantor agency and the grant agreements.

Section 6: The Finance Officer is hereby directed to report the financial status of the project to the governing board on a monthly basis.

Section 7: Copies of this grant project ordinance shall be furnished to the Budget Officer, the Finance Officer and the Municipal Clerk.

Section 8: This grant project ordinance expires on December 31, 2026, or when all the CSLRF funds have been obligated and expended by the town, whichever occurs sooner.

Adopted this 12th day of August, 2021.

Frederick Becker III, Mayor

Attest:

Vicky A. Brooks, Clerk

PRIOR YEAR (AS AMENDED)

REVENUES

\$ 389,215
TOTAL INCOME
\$ 389,215

Property Taxes		\$ 78,365	
Current Year	\$ 77,765		
Prior Years	\$ 600		
Fund Balance Appropriated		\$ 25,000	
Interest		\$ 2,500	
Other Income		\$ 1,200	
Festival	\$ -		
Miscellaneous	\$ 1,200		
Sales Tax		\$ 271,925	
Alcoholic Beverage	\$ 13,145		
Electricity	\$ 208,000		
General Sales & Use	\$ 29,430		
Natural Gas Excise	\$ 950		
Telecommunications	\$ 2,400		
Video Programming	\$ 18,000		
Vehicle Taxes		\$ 6,725	
Zoning Fees		\$ 3,500	

EXPENDITURES

\$ 389,215
ADMINISTRATIVE & GENERAL GOVERNMENT
\$ 363,366

Advertising		\$ 1,800	
Attorney		\$ 9,600	
Audit		\$ 4,730	
Charities & Agencies		\$ 10,545	
Community		\$ 26,000	
Beautification, Maintenance	\$ 6,300		
Newsletter	\$ 2,700		
Special events	\$ 10,000		
Festival	\$ 5,000		
AMG	\$ 4,000		
Misc	\$ 1,000		
Park & Greenway Maint	\$ 7,000		
Contingency		\$ 2,900	
Elections		\$ 3,300	
Employee Overhead (FICA, work comp, bonds)		\$ 35,400	
Fire Protection		\$ 12,000	
Intergovernmental		\$ 15,000	
Intersection Study	\$ 5,000		
Construction Match	\$ 10,000		

Office				\$	157,719
Salary: Clerk	\$	39,648			
Salary: Deputy Clerk/Assistant	\$	12,300			
Salary: Finance Officer	\$	36,624			
Salary: Mayor	\$	6,000			
Salary: Council	\$	14,400			
Dues	\$	7,300			
Insurance	\$	4,000			
Records Management	\$	5,347			
Equipment & durable items	\$	2,400			
Supplies	\$	4,000			
Postage (General)	\$	1,000			
Telephone, Internet	\$	7,200			
Reserve/Misc	\$	1,000			
Town Hall Maintenance	\$	12,000			
Supplies	\$	2,000			
Services	\$	10,000			
Utilities	\$	4,500			
Planning				\$	74,272
Zoning Ord. & Planning	\$	5,000			
Zoning Administration	\$	36,272			
Salary	\$	34,272			
Contract	\$	2,000			
Land Use Planning	\$	30,000			
Reserve/Misc	\$	3,000			
Street Lighting				\$	1,300
Tax Collection				\$	1,600
Salary	\$	-			
Contract (Union County)	\$	1,600			
Postage	\$	-			
Billing	\$	-			
Training				\$	3,000
Boards	\$	1,000			
Officials	\$	1,000			
Staff (Clerk, TC, FO)	\$	1,000			
Travel Expenses				\$	4,200
<i>CAPITAL</i>				\$	25,849
Capital Outlay				\$	25,849

PRIOR YEAR

2021 FINAL BUDGET AMOUNTS				ACTUAL (5/22 & 6/22 PROJECTED)				VARIANCE	
REVENUES				\$ 364,215				\$ 371,809.00	\$ 7,594
Interest			\$ 2,500				\$ 1,224.00	\$ (1,276)	
Property Taxes			\$ 78,365				\$ 80,300.00	\$ 1,935	
Sales Tax			\$ 271,925				\$ 277,342.00	\$ 5,417	
Vehicle Taxes			\$ 6,725				\$ 8,168.00	\$ 1,443	
Zoning Fees			\$ 3,500				\$ 3,800.00	\$ 300	
Other			\$ 1,200				\$ 975.00	\$ (225)	
OTHER FUNDING SOURCES				\$ 25,000				\$ 25,000.00	\$ -
Fund Balance Appropriated			\$ 25,000				\$ 25,000.00		
TOTAL NET RESOURCES				\$ 389,215				\$ 396,809.00	\$ 7,594
EXPENDITURES				\$ 389,215				\$ 329,928.00	\$ (59,287)
<i>ADMINISTRATIVE & GENERAL GOVERNMENT</i>				<i>\$ 363,366</i>				<i>\$ 319,325.00</i>	<i>\$ (44,041)</i>
Advertising			\$ 1,800				\$ 614.00	\$ (1,186)	
Attorney			\$ 9,600				\$ 5,609.00	\$ (3,991)	
Audit			\$ 4,730				\$ 4,730.00	\$ -	
Charities			\$ 10,545				\$ 10,500.00	\$ (45)	
Community Projects			\$ 26,000				\$ 18,529.00	\$ (7,471)	
Beaut., Maint.		\$ 6,300			\$ 6,490				
Special Events		\$ 10,000			\$ 5,000				
Newsletter		\$ 2,700			\$ 1,500				
Park & Greenway		\$ 7,000			\$ 5,539				
Contingency			\$ 2,900				\$ -	\$ (2,900)	
Elections			\$ 3,300				\$ 3,045.00	\$ (255)	
Employee overhead			\$ 35,400				\$ 34,587.00	\$ (813)	
Fire Department grant			\$ 12,000				\$ 12,000.00	\$ -	
Intergovernmental			\$ 15,000				\$ -	\$ (15,000)	
Office			\$ 157,719				\$ 155,321.00	\$ (2,398)	
Sal.: Clerk		\$ 39,648			\$ 39,648				
Sal: Deputy		\$ 12,300			\$ 11,670				
Sal.: Fin. Officer		\$ 36,624			\$ 36,624				
Sal: Mayor		\$ 6,000			\$ 6,000				
Sal: Council		\$ 14,400			\$ 13,400				
Dues		\$ 7,300			\$ 7,081				
Insurance		\$ 4,000			\$ 3,762				
Records Management		\$ 5,347			\$ 5,245				
Equip. & dur.		\$ 2,400			\$ 2,177				
Supplies		\$ 4,000			\$ 2,806				
Postage		\$ 1,000			\$ 1,369				
Tel., Internet		\$ 7,200			\$ 6,442				
Reserve		\$ 1,000			\$ 250				
Town Hall Maint		\$ 12,000			\$ 11,942				
Supplies	\$ 2,000				\$ 1,163				
Services	\$ 10,000				\$ 10,779				
Utilities		\$ 4,500			\$ 6,905				
Planning			\$ 74,272				\$ 70,209.00	\$ (4,063)	
Zoning Ord.		\$ 5,000			\$ -				
Zoning Admin		\$ 36,272			\$ 35,526				
Salary	\$ 34,272				\$ 34,272				
Contract	\$ 2,000				\$ 1,254				
Land Use Plan		\$ 30,000			\$ 33,000				
Reserve/Misc		\$ 3,000			\$ 1,683				
Street Lighting			\$ 1,300				\$ 1,230.00	\$ (70)	
Tax Collection			\$ 1,600				\$ 1,438.00	\$ (162)	
Salary		\$ -			\$ -				
Contract (Union County)		\$ 1,600			\$ 1,438				
Training			\$ 3,000				\$ 650.00	\$ (2,350)	
Officials		\$ 1,000			\$ 250				
Planning Org.		\$ 1,000			\$ -				
Staff		\$ 1,000			\$ 400				
Travel Expenses			\$ 4,200				\$ 863.00	\$ (3,337)	
CAPITAL			\$ 25,849				\$ 10,603.00	\$ (15,246)	
Capital Outlay			\$ 25,849				\$ 10,603.00	\$ (15,246)	
EXCESS (SHORTAGE) OF INCOME OVER EXPENDITURES - Applied to Fund Balance							\$ 41,881.00		