

# **Town of Mineral Springs**

# **PROPOSED BUDGET 2023-2024**

Prepared for:

The Mineral Springs Town Council

By:

Frederick Becker III  
Budget Officer

**May 11, 2023**

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**FY2023-24 PROPOSED BUDGET**  
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**TOWN OF MINERAL SPRINGS  
2023-2024 BUDGET**

**MESSAGE FROM THE BUDGET OFFICER**

I hereby present this recommended budget for the 2023-2024 fiscal year to the Mineral Springs town council.

The FY2023-24 budget reflects anticipated revenues and expenditures of \$419,190.00 including capital expenditures, which represents a \$49,885.00 increase over last year's final budget. General government expenditures total \$351,478.00, an increase of \$13,498.00, while the capital budget has increased by \$36,387.00 to \$67,712.00.

The largest departmental increase, \$14,488.00, is in "Community", primarily because the Festival has been reinstated for 2023 at a budget of \$8,000.00 and also due to new social media funding. In the "Office" department, we are proposing a \$9,041.00 increase, mostly due to a proposed increase for salaried employees. There is no change to the salaries of the town council and mayor. "Employee Overhead" will increase by \$2,900.00 over the FY2022-23 appropriation. There will be a municipal election in 2023, so an "Elections" appropriation of \$3,600.00 has been included. Several underutilized appropriations have been reduced. 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 \$390.7 million, an increase of approximately \$6.5 million over the FY2022-23 tax base. Vehicle property taxes are expected to increase slightly according to Union County estimates. General sales and use tax revenues increased more than estimated in FY2022-23, and we expect FY2023-24 revenues to remain close to last year's. The estimate of the town's overall state-shared sales-tax revenue stream has been increased from \$276,300.00 to \$281,480.00.


The largest single estimated revenue increase is in "Interest" due to ongoing Federal Reserve funds-rate policy. Based on current interest rate trends, we anticipate \$39,000.00 in interest and dividend revenues, up from last year's estimated figure of \$600.00. These interest rates remain unpredictable and we are budgeting this revenue stream conservatively.

The town's \$270,618.75 in federal State and Local Fiscal Recovery Fund (SLFRF) revenues under the American Rescue Plan Act of 2021 (ARPA) were approved last year for expenditure in the "Revenue Replacement" category using the standard allowance authorized by the US Treasury's Final Rule. \$230,669.86 of those revenues was transferred to the General Fund in FY2022-23, leaving \$39,948.89 to be transferred in FY2023-24.

Council is cautioned to view both sales tax revenues and interest revenues as being somewhat unstable, because they are based on economic conditions 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 2023-24 fiscal year is 2.1 cents per \$100.00.**

  
Frederick Becker III, Budget Officer

  
Date

# TOWN OF MINERAL SPRINGS 2023-2024 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, *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.

### Project Funds

*Project Funds* are used to budget and account for larger 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. A 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.

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 an open Project Ordinance authorizing and funding a Social-Emotional Readiness after-school program.

## **Special Revenue Funds**

*Special Revenue Funds* are established for specific classes: voter-approved property taxes, service districts, and *Grant Project Ordinances*. Mineral Springs is 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 and adopted Grant Project Ordinance O-2022-01 on October 13, 2022 to utilize those SLFRF revenues for salary reimbursements in the “Revenue Replacement” category. 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-2022-01 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 2023-2024 budget preparation and enactment process:

**April 13, 2023:** 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 11, 2023:** 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 Proposed Budget contains information on prior-year budgets, a detailed departmental revenue and expenditure breakdown, an analysis of those figures, a *draft FY2023-24 budget ordinance*, and a *budget message* that provides a brief overview of the proposed budget. The FY2023-24 proposed budget document also contains information on the SLFRF revenues, the Grant Project Ordinance that will govern the use of those revenues, and the Social-Emotional Readiness Project Ordinance. The draft budget ordinance includes a recommended property tax rate. The budget officer must file a copy of the proposed budget with the town clerk on the day it is submitted to Council.

Council may make additional changes to the proposed 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 8, 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 \$171,612, 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 \$171,612.*

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 2023-2024  
O-2022-xx**

**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 7/1/2023 and ending 6/30/2024, in accordance with a Chart of Accounts to be established for the Town:

<b>ADMINISTRATIVE &amp; GENERAL GOVERNMENT:</b>	<b>\$351,478.00</b>
Advertising	\$1,200.00
Attorney	\$7,200.00
Audit	\$5,230.00
Charities and Agencies	\$11,080.00
Community Projects	\$36,988.00
Contingency	\$3,000.00
Elections	\$3,600.00
Employee Overhead	\$40,300.00
Fire Protection	\$12,000.00
Office and Administrative	\$171,612.00
Planning and Zoning	\$49,468.00
Street Lighting	\$1,600.00
Tax Collection	\$1,600.00
Training	\$3,000.00
Travel	\$3,600.00
<b>CAPITAL:</b>	<b>\$67,712.00</b>
Capital outlay	\$67,712.00
<b>TOTAL APPROPRIATIONS:</b>	<b>\$419,190.00</b>

**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	\$82,435.00
Interest	\$39,000.00
Other income	\$3,600.00
Sales taxes	\$281,480.00
Vehicle taxes	\$8,175.00
Zoning fees	\$4,500.00
<b>TOTAL ESTIMATED REVENUES:</b>	<b>\$419,190.00</b>



**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, 2023.

ADOPTED this 8th day of June 2023. Witness my hand and official seal:

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Frederick Becker III, Mayor

Attest:

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Vicky A. Brooks, Clerk

<b>REVENUES</b>				<b>\$ 419,190</b>
<i>TOTAL INCOME</i>				<b>\$ 419,190</b>
Property Taxes			\$ 82,435	
Current Year	\$ 81,835			
Prior Years	\$ 600			
Interest			\$ 39,000	
Other Income			\$ 3,600	
Festival	\$ 3,000			
Miscellaneous	\$ 600			
Sales Tax			\$ 281,480	
Alcoholic Beverage	\$ 12,780			
Electricity	\$ 208,000			
General Sales & Use	\$ 38,400			
Natural Gas Excise	\$ 1,700			
Telecommunications	\$ 2,100			
Video Programming	\$ 18,500			
Vehicle Taxes			\$ 8,175	
Zoning Fees			\$ 4,500	

<b>EXPENDITURES</b>				<b>\$ 419,190</b>
<i>ADMINISTRATIVE &amp; GENERAL GOVERNMENT</i>				<b>\$ 351,478</b>
Advertising			\$ 1,200	
Attorney			\$ 7,200	
Audit			\$ 5,230	
Charities & Agencies			\$ 11,080	
Community			\$ 36,988	
Beautification, Maintenance	\$ 6,800			
Special events	\$ 14,000			
Festival	\$ 8,000			
AMG	\$ 4,000			
Misc	\$ 2,000			
Communication			\$ 9,188	
Newsletter	\$ 3,000			
Soc. Media	\$ 4,188			
Other	\$ 2,000			
Park & Greenway Maint	\$ 7,000			
Contingency			\$ 3,000	
Elections			\$ 3,600	
Employee Overhead (FICA, work comp, bonds)			\$ 40,300	
Fire Protection			\$ 12,000	

Office				\$	171,612
Salary: Clerk		\$	45,660		
Salary: Deputy Clerk/Assistant		\$	14,400		
Salary: Finance Officer		\$	42,180		
Salary: Mayor		\$	6,000		
Salary: Council		\$	14,400		
Dues		\$	7,600		
Insurance		\$	4,800		
Records Management		\$	5,672		
Equipment & durable items		\$	2,400		
Supplies		\$	4,000		
Postage (General)		\$	1,000		
Telephone, Internet		\$	6,800		
Reserve/Misc		\$	1,000		
Town Hall Maintenance		\$	11,200		
Supplies	\$	1,200			
Services	\$	10,000			
Utilities		\$	4,500		
Planning				\$	49,468
Zoning Ord. & Planning		\$	3,000		
Zoning Administration		\$	41,468		
Salary	\$	39,468			
Contract	\$	2,000			
Land Use Planning		\$	3,000		
Reserve/Misc		\$	2,000		
Street Lighting				\$	1,600
Tax Collection				\$	1,600
Contract (Union County)		\$	1,600		
Misc.		\$	-		
Training				\$	3,000
Boards		\$	1,000		
Officials		\$	1,000		
Staff (Clerk, TC, FO)		\$	1,000		
Travel Expenses				\$	3,600
<b>CAPITAL</b>				\$	<b>67,712</b>
Capital Outlay				\$	67,712

Town of Mineral Springs

2023-2024 BUDGET ANALYSIS

I. Appropriations

*Administrative & General Government*

**Advertising** **\$1,200.00**

Included are required notifications of public hearings and special meetings involving the town council, planning board, and board of adjustment, and advertising in the 2024 Queen's Cup Race Program. This appropriation has historically been underutilized and is down \$600 from last year.

**Attorney** **\$7,200.00**

This appropriation includes \$3,600.00 for retainer and general expense and is down \$2,400 from last year's appropriation.

**Audit** **\$5,230.00**

Kendra Gangal, CPA ago has proposed an annual charge for audit services "not to exceed" \$5,230.00 after keeping the charge at \$4,730 for four years.

**Charities & Agencies** **\$11,080.00**

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:  $0.03 \times \$369,305.00 = \$11,079.15$ , rounded to \$11,080.00.

**Community** **\$36,988.00**

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 \$14,488.00 over last year's appropriation primarily due to the Fall Festival being scheduled for 2023 with a budget of \$8,000.00. A new subcategory of "Communication: has been added and includes the newsletter and social-media expenses. 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 any programs proposed by the guild.

**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**

**\$3,600.00.00**

The municipal election on November 7, 2023 will be conducted by the Union County Board of Elections at an estimated cost of \$3,600.00.

**Employee Overhead**

**\$40,300.00**

Includes Scheduled bonds for Deputy Clerk at \$100.00, Clerk/Zoning Administrator at \$100.00, Finance Officer at \$450.00, workers compensation at \$2,900.00, FICA at \$10,850, 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 \$22,350.00. Overall, this is a \$2,900.00 increase over last year, reflecting the increased FICA expenditures resulting from the staff salary increases, an NCLGERS increase from 16.80% to 17.55%, and corresponding increases in rates for workers compensation.

**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.

**Office & Administration**

**\$172,112.00**

We are proposing increasing the clerk’s base salary to \$45,660.00 and the finance officer’s base salary to \$42,180.00. At Council’s request, we conducted a deeper analysis of both cost-of-living allowances (COLA) and comparisons with municipalities similar in size to Mineral Springs. The North Carolina League of Municipalities (NCLM) conducts annual salary surveys, and Mineral Springs falls into the “Population of 2,500 – 4,000” category. Based on COLA alone, our 3% salary increases over the past two years have failed to keep up with much larger actual cost of living increases. In addition to considering a 3% increase for FY2023-24, we have gone back to FY2020-21 and recalculated theoretical increases based on actual COLA numbers, with factors of 1.059 (5.9%) for 2021-22 and 1.087 (8.7%) for 2022-23. This analysis yields proposed salaries of \$45,660 for the clerk, \$42,180 for the Finance Officer, and \$39,468 for the Planning Director.

The NCLM salary survey is not an “apples-to-apples” comparison, because the League only uses salaries for *full-time* positions, and Mineral Springs positions are half-time. Also, the role of the Clerk in Mineral Springs is closer to that of an Assistant Manager (in a small town) based on the Mineral Springs job description and duties which include supervision of another employee, management of service contracts such as janitorial and landscaping, website and social-media responsibilities, and special event administration and oversight. Following is a summary of salary comparisons taken from the November 2022 NCLM survey plus actual Mineral Springs data. The full-time salaries in the NCLM survey were simply halved to correspond to our situation.

Position	Minimum	Maximum	Peer Avg	Avg 1/2	MS 2022	Avg +3%	MS Prop.
Finance Officer	\$55,703	\$126,145	\$82,761	\$41,380	\$37,728	\$42,621	\$42,180
Planning Director	\$51,104	\$114,418	\$78,306	\$39,159	\$35,304	\$40,334	\$39,468
City Clerk	\$42,944	\$98,838	\$62,276	\$31,138	\$40,836	\$32,072	\$45,660
Asst. City Mgr.	\$73,020	\$104,367	\$88,705	\$44,353	n/a	\$45,683	n/a

The proposed Mineral Springs FY2023-24 salaries based on the COLA calculations come very close to (all slightly under) likely NCLM peer-group average salaries for FY2023-24 based on an estimated 3% average increase. Being so close to the statewide peer benchmarks indicates that the Mineral Springs staff salaries proposed for FY2023-24 are justified and reasonable.

Council has re-authorized the part-time position of deputy clerk/office assistant for at least 12 hours per week, and the current wage for that position is \$18.00/hr. Any changes to the hourly rate will be based on performance evaluations conducted by the Clerk as the position's supervisor. This position has been budgeted at \$14,400 allowing for flexibility in the number of hours worked. Council salaries will remain \$200.00 per month for FY2023-24, 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**

**\$49,468.00**

Council has recommended increasing the planning director/zoning administrator's salary to \$39,468.00 as discussed above. 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 \$1,717.63 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. Other expenditures are proposed to be similar to last year's.

**Street Lighting**

**\$1,600.00**

This appropriation covers the cost of providing roadway lighting in the downtown area. This amount is \$100 higher than last year's amended appropriation.

**Tax Collection**

**\$1,600.00**

Mineral Springs will continue operating under contract with Union County for property tax collection at a cost of 1.25% of the gross collections (reduced by the Board of County Commissioners from 1.5%), which has worked very well for the town. Total commissions to Union County for FY2023-24 are estimated at \$1,600.00 which includes both current year and prior year collections.

**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**

**\$3,600.00**

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 has been reduced by \$600.00 last year's; the appropriation was increased to \$4,200.00 in 2014 after we

experienced expenditures for an unusually-large number of out-of-town conferences and workshops and in the ten years since then we have never again come close to spending that amount.

### *Capital*

#### **Capital Outlay \$67,912f.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 \$39,000.00**

Interest rates have increased sharply in response to Federal Reserve policy. The federal funds rate is currently 5.00%; most analysts expect this rate to be increased to 5.25% within the next few months and then to remain fairly stable until the Federal Reserve begins to reduce it in mid-2024. In April 2022 when our FY2022-23 budget was being prepared, the federal funds rate was 0.50% and interest earned on the town's bank deposits was virtually zero and we estimated total FY2022-23 interest revenue at \$600.00. Due to the Federal reserve's rapid funds rate increase, our actual interest revenue for FY2023-24 will be approximately \$20,100.00 Most of the town's idle fund balance has been moved to the North Carolina Capital Management Trust (NCCMT), an investment fund that is approved by the North Carolina State Treasurer for safekeeping local government assets. The town currently has just over \$900,000.00 in the NCCMT earning approximately 4.6% (variable on a daily basis), and even if the town spends several hundred thousand dollars on capital and major maintenance projects during FY2023-24 it is reasonable to estimate that we will earn \$\$36,000.00 in dividends with an average balance of \$800,000.00 at 4.5%. An additional \$400,000.00 on deposit at First National Bank at 0.65% should earn at least \$2,600, and it may be practical to move some of those funds to the NCCMT for even greater revenues. While the Federal Reserve policy may remain favorable for interest rates throughout FY2023-24, we should remain cautious when estimating future interest rates on our fund balance deposits.

#### **Other \$3,600.00**

This category covers various small-scale sources of revenue not accounted for in the other major categories. Festival income is estimated at \$3,000.00. 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**

**\$81,835.00**

The estimated tax base has increased by \$6.5 million due primarily to new construction. Union County’s estimate for real property is \$369,667,158 and for personal property is \$13,068,967. We estimate that our Public Service Property tax base will be \$7,932,849 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 FY2021-22 as of June 30, 2022, which was 99.75% according to the Union County tax administrator’s reports. The revenue estimate was arrived at as follows:

Real Property	\$369,667,158
Personal Property	\$13,068,967
Public Service Property (est.)	\$7,932,849
<b>Est. Real and Personal Tax Base</b>	<b>\$390,668,974</b>

Tax rate: \$0.021/\$100 assessed valuation  
 Total levy: \$82,040.49  
 Estimated collection rate: 99.75% → \$81,835.38

**Property Taxes, prior years**

**\$600.00**

We will receive some 2014 through 2022 delinquent tax payments from Union County. The total outstanding property taxes for that period will be approximately \$1,200.00, and we should expect Union County to collect approximately half of that. There will be no more collections of delinquent taxes from 2013 or earlier.

**Sales Taxes**

**\$281,480.00**

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

Alcoholic Beverage tax	\$12,780.00
Electricity sales tax	\$208,000.00
General sales and use tax	\$38,400.00
Natural Gas excise tax	\$1,700.00
Telecommunications sales tax	\$2,100.00
Video Programming sales tax	\$18,500.00
<b>Total</b>	<b>\$281,480.00</b>

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 2021-22, municipalities where beer and wine sales were allowed received approximately \$3.959 per capita. This resulted in a total distribution to Mineral Springs of \$12,558.84 which was below the budget estimate of \$13,000.00. The FY2023-24 estimate of \$12,780.00 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 and these revenues are now averaging approximately \$3,200.00/month. We believe that these collections will remain steady



next fiscal year. The budget reflects an estimated \$5,400.00 Sales and Use Tax increase from FY2022-23. 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 \$1,000.00 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 to remain very close to last year's. Overall, we are anticipating an increase of \$5,180.00 in sales tax revenue for FY2023-24.

**Vehicle Taxes**

**\$8,175.00**

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 \$39,740,148. 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.

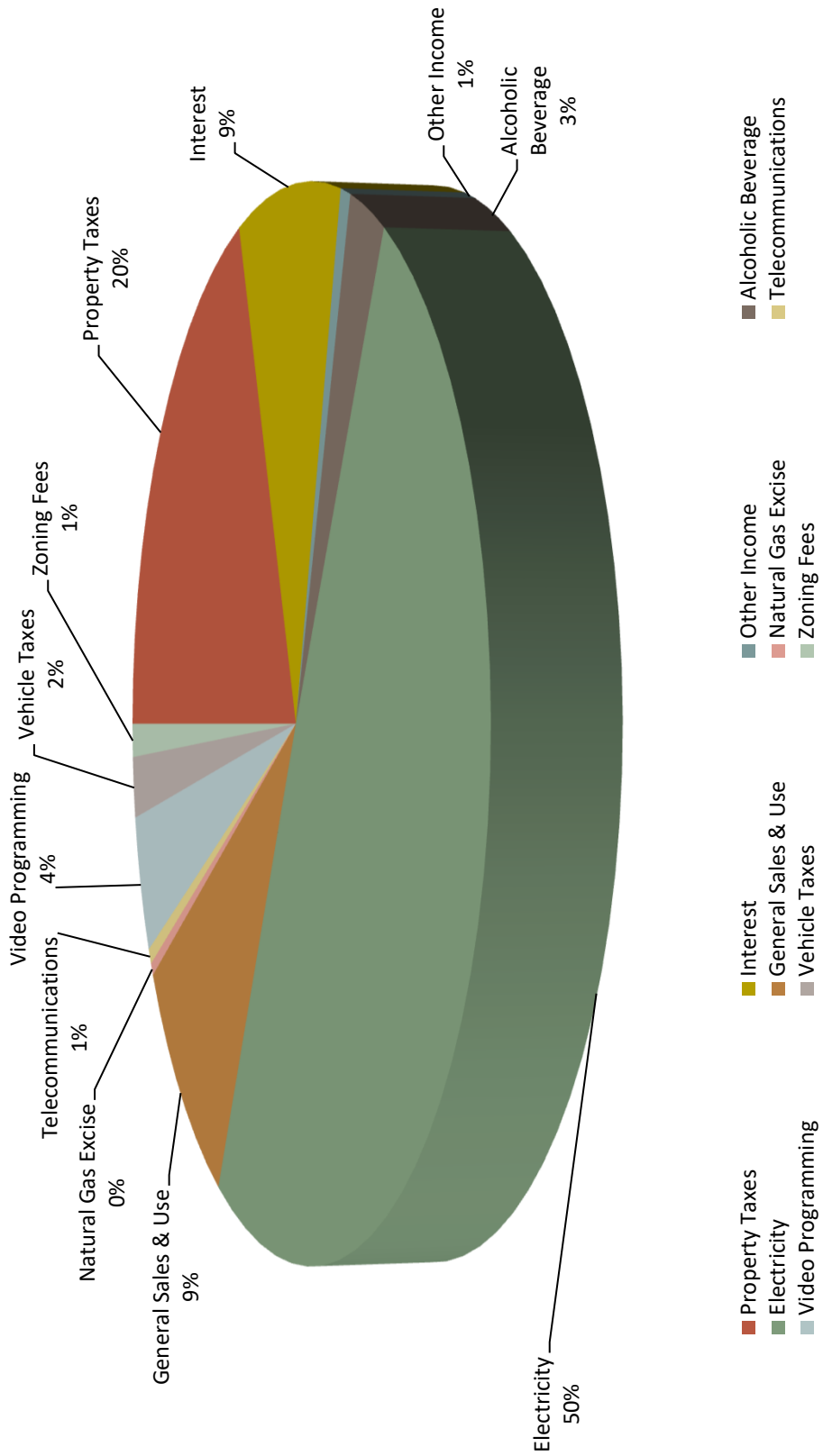
**Zoning Fees**

**\$4,500.00**

This estimate is based on the current rate of new construction both individually and in subdivisions, plus additional zoning permits for accessory structures, garages, signs, and fences as well as miscellaneous applications for amendments, special use permits, and variances. Zoning activity remains surprisingly high in spite of most major subdivisions being close to "built out". Overall, zoning activity is expected to be slightly lower than that of FY2022-23, which is expected to exceed the \$3,500.00 budgeted amount by \$2,000.00.

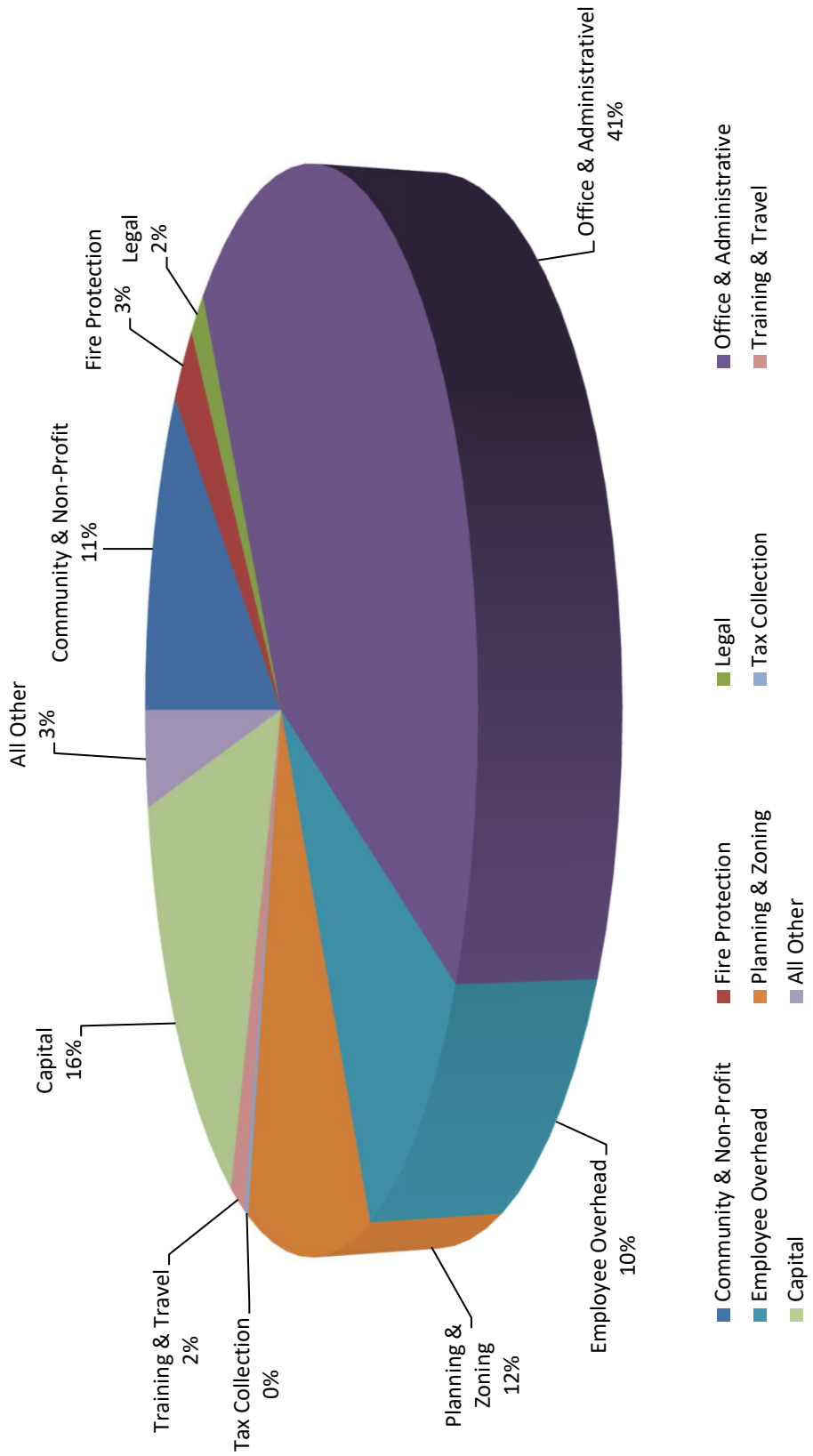
# Mineral Springs Proposed Revenues 2023-2024

## \$419,190



# Mineral Springs Proposed Expenditures 2023-2024

## \$419,190



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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.

**O-2022-01:** The Mineral Springs Town Council adopted Grant Project Ordinance O-2022-01 on October 13, 2022. The purpose of this ordinance was to amend O-2021-02 which authorized appropriation and expenditure of State and Local Fiscal Recovery Fund (SLFRF) revenues which had been awarded to the Town by the United States Treasury as part of the American Rescue Plan Act of 2021 (ARPA). The amended Project Ordinance authorized the actual expenditure of \$230,669.86 of the \$270,618.75 in ARPA revenues by transferring them to the general fund as reimbursement for prior salaries and benefits paid between March 3, 2021 and September 30, 2022. This is a FY2022-23 expenditure. An unassigned balance of \$39,948.89 remains in the project fund, the expenditure of which will be authorized by another Project Ordinance to be adopted in FY 2023-24.

**O-2022-05:** The Mineral Springs Town Council adopted Project Ordinance O-2022-05 on November 10, 2022 authorizing a grant of \$56,194.00 to the D. Coffey Foundation for Athletics and Education for a Social-Emotional Readiness after-school program to run from February 2023 through December 2023. As of April 30, 2022 \$33,967.00 has been expended in FY 2022-23, with the balance of \$22,227.00 to be expended in FY2023-24.

**Other Projects:** The Mineral Springs Town Council has also begun studying both capital needs and major facility maintenance needs and expects to identify some projects to undertake during FY2023-24. These projects will be funded either by budget amendments or additional project ordinances to be adopted as needed during the fiscal year.

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STATE OF NORTH CAROLINA  
TOWN OF MINERAL SPRINGS

**AN ORDINANCE AMENDING O-2021-02: TO APPROPRIATE AND SPEND  
FEDERAL CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUND  
(CSLFRF) REVENUES UNDER H.R. 1319, THE AMERICAN RESCUE PLAN  
ACT OF 2021 (ARPA)  
O-2022-01**

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, amending Grant Project Ordinance O-2021-02, adopted on August 12, 2021:

**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 (CSLFRF) revenues of H.R. 1319 American Rescue Plan Act of 2021 (ARPA). The Town of Mineral Springs has received the full allocation CSLFRF revenues in the amount of \$270,618.75. 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 town has elected to take the standard allowance, as authorized by CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF revenues for the provision of government services. Specifically, this ordinance authorizes reimbursement for salaries and benefits paid from March 3, 2021 through September 30, 2022. The Finance Officer has determined that the salaries of the Clerk, Deputy Clerk, Finance Officer, Planning





**ADOPTED** this 13th day of October, 2022.

---

Frederick Becker III, Mayor

Attest:

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Vicky A. Brooks, CMC, Clerk

**PROJECT ORDINANCE AUTHORIZING A GRANT TO THE D. COFFEY  
FOUNDATION FOR ATHLETICS AND EDUCATION FOR A SOCIAL-  
EMOTIONAL READINESS PROGRAM**

**O-2022-05**

Pursuant to section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted:

**Section 1:** The project involves implementation of a program called “Social-Emotional Readiness” by the D. Coffey Foundation for Athletics and Education, to be funded by a grant from the Town of Mineral Springs in an amount not to exceed fifty-six thousand one hundred ninety-four dollars (\$56,194.00).

The project consists of an after-school program combining social-emotional learning, mental health, and academic tutoring for Mineral Springs children in Kindergarten through Fifth Grade. The program will run from February 2023 through December 2023 in two semesters of twelve weeks each with a targeted enrollment of fifty students per semester. A grant agreement for this program was approved by the Mineral Springs Town Council on November 10, 2022.

**Section 2:** It is estimated that the following revenues will be available to complete those projects described in section 3:

General Fund Balance	\$56,194.00
<b>Total</b>	<b>\$56,194.00</b>

**Section 3:** The following amounts are appropriated for the Social-Emotional Readiness Project fund:

Project implementation	\$56,194.00
<b>Total</b>	<b>\$56,194.00</b>

**Section 4:** The Finance Officer is authorized to make periodic payments to the D. Coffey Foundation for Athletics and Education for implementation of the program based on the reporting and payment schedule set forth in the agreement between the town and the foundation.

**Section 5:** The Finance Officer is hereby directed to maintain within the Social-Emotional Readiness Project Fund sufficient detailed accounting records for the project authorized.

**Section 6:** The Finance Officer is directed to report the financial activity of the Social-Emotional Readiness Project Fund as a part of each regular monthly Mineral Springs Finance Report in any month that such activity takes place.

**Section 7:** The Finance Officer is authorized to transfer funds as required, not to exceed the total amount authorized by this ordinance, from the General Fund balance into the Social-Emotional Readiness Project Fund.

**Section 8:** Copies of this Social-Emotional Readiness Project Ordinance shall be filed with the Town Clerk and the Finance Officer.

**ADOPTED** this the 10th day of November, 2022.

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Frederick Becker III, Mayor

Attest:

---

Vicky A. Brooks, Clerk

# PRIOR YEAR (AS AMENDED)

<b>REVENUES</b>				<b>\$ 369,305</b>
<i>TOTAL INCOME</i>				<b>\$ 369,305</b>
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	

<b>EXPENDITURES</b>				<b>\$ 369,305</b>
<i>ADMINISTRATIVE &amp; GENERAL GOVERNMENT</i>				<b>\$ 337,980</b>
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			\$ 2,900	
Elections			\$ -	
Employee Overhead (FICA, work comp, bonds)			\$ 37,400	
Fire Protection			\$ 12,000	
Intergovernmental			\$ -	
Studies and Planning	\$ -			
Construction Match	\$ -			

Office				\$	177,571	
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		\$	29,000			
Supplies	\$	2,000				
Services	\$	27,000				
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				\$	1,500	
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	
<b>CAPITAL</b>						\$ 31,325
Capital Outlay				\$	31,325	

     Pending Amendment

# PRIOR YEAR

2022 FINAL BUDGET AMOUNTS				ACTUAL (5/23 & 6/23 PROJECTED)		VARIANCE	
<b>REVENUES</b>				<b>\$ 369,305</b>		<b>\$ 391,782.00</b>	<b>\$ 22,477</b>
Interest			\$ 600			\$ 12,645.00	\$ 12,045
Property Taxes			\$ 80,905			\$ 80,906.00	\$ 1
Sales Tax			\$ 276,300			\$ 282,295.00	\$ 5,995
Vehicle Taxes			\$ 7,400			\$ 8,358.00	\$ 958
Zoning Fees			\$ 3,500			\$ 5,953.00	\$ 2,453
Other			\$ 600			\$ 1,625.00	\$ 1,025
<b>EXPENDITURES</b>				<b>\$ 369,305</b>		<b>\$ 306,836.00</b>	<b>\$ (62,469)</b>
<b>ADMINISTRATIVE &amp; GENERAL GOVERNMENT</b>				<b>\$ 337,980</b>		<b>\$ 305,484.00</b>	<b>\$ (32,496)</b>
Advertising			\$ 1,800			\$ 700.00	\$ (1,100)
Attorney			\$ 9,600			\$ 4,900.00	\$ (4,700)
Audit			\$ 4,730			\$ 4,730.00	\$ -
Charities			\$ 11,675			\$ 9,000.00	\$ (2,675)
Community Projects			\$ 22,500			\$ 18,918.00	\$ (3,582)
Beaut., Maint.		\$ 6,500			\$ 6,552		
Communication		\$ 3,000			\$ 4,365		
Newsletter	\$ 3,000			\$ 1,000			
Soc. Media	\$ -			\$ 2,870			
Other	\$ -			\$ 495			
Special Events		\$ 6,000			\$ 300		
Festival	\$ -			\$ -			
AMG	\$ 4,000			\$ -			
Misc.	\$ 2,000			\$ 300			
Park & Greenway		\$ 7,000			\$ 7,701		
Contingency			\$ 2,900			\$ -	\$ (2,900)
Elections			\$ -			\$ -	\$ -
Employee overhead			\$ 37,400			\$ 36,510.00	\$ (890)
Fire Department grant			\$ 12,000			\$ 12,000.00	\$ -
Intergovernmental			\$ -			\$ -	\$ -
Office			\$ 177,571			\$ 173,708.00	\$ (3,863)
Sal.: Clerk		\$ 40,836			\$ 40,836		
Sal: Deputy		\$ 12,900			\$ 12,305		
Sal.: Fin. Officer		\$ 37,728			\$ 37,728		
Sal: Mayor		\$ 6,000			\$ 6,000		
Sal: Council		\$ 14,400			\$ 14,400		
Dues		\$ 7,500			\$ 7,390		
Insurance		\$ 4,000			\$ 4,213		
Records Management		\$ 5,507			\$ 5,402		
Equip. & dur.		\$ 2,400			\$ 1,600		
Supplies		\$ 4,000			\$ 4,034		
Postage		\$ 1,000			\$ 500		
Tel., Internet		\$ 6,800			\$ 6,852		
Reserve		\$ 1,000			\$ 400		
Town Hall Maint		\$ 29,000			\$ 27,277		
Supplies	\$ 2,000			\$ 1,017			
Services	\$ 27,000			\$ 26,260			
Utilities		\$ 4,500			\$ 4,771		
Planning			\$ 47,304			\$ 38,883.00	\$ (8,421)
Zoning Ord.		\$ 5,000			\$ 950		
Zoning Admin		\$ 37,304			\$ 36,750		
Salary	\$ 35,304			\$ 35,304			
Contract	\$ 2,000			\$ 1,446			
Land Use Plan		\$ 2,000			\$ -		
Reserve/Misc		\$ 3,000			\$ 1,183		
Street Lighting			\$ 1,500			\$ 1,434.00	\$ (66)
Tax Collection			\$ 1,800			\$ 1,294.00	\$ (506)
Salary		\$ -			\$ -		
Contract (Union County)		\$ 1,800			\$ 1,294		
Training			\$ 3,000			\$ 810.00	\$ (2,190)
Officials		\$ 1,000			\$ 60		
Planning Org.		\$ 1,000			\$ 300		
Staff		\$ 1,000			\$ 450		
Travel Expenses			\$ 4,200			\$ 2,597.00	\$ (1,603)
<b>CAPITAL</b>				<b>\$ 31,325</b>		<b>\$ 1,352.00</b>	<b>\$ (29,973)</b>
Capital Outlay			\$ 31,325			\$ 1,352.00	\$ (29,973)
<b>EXCESS (SHORTAGE) OF INCOME OVER EXPENDITURES - Applied to Fund Balance</b>						<b>\$ 84,946.00</b>	
Pending Amendment							