

May 17, 2011

Mayor Elic Senter  
Board of Commissioners  
Town of Franklinton  
7 West Mason Street  
Franklinton, NC 27525

Dear Mayor Senter and Board of Commissioners:

The Proposed Budget for FY 2011/12 has been prepared in accordance with the Local Government Budget and Fiscal Control Act.

This budget ordinance provides for General Fund Revenues and Expenditures in the amounts of \$1,148,118; Powell Bill Fund Revenues and Expenditures in the amounts of \$70,090; Utility Fund Revenues and Expenditures in the amounts of \$1,345,074; and Sanitation Fund Revenues and Expenditures in the amounts of \$178,560. **The consolidated budget this year is \$2,741,842. This is a decrease of \$625,733 over last year's consolidated budget of \$3,367,575.** This proposed budget is balanced and is impacted by the following changes:

- 1) a recommended tax increase of \$0.02 on the tax rate from \$0.68 to \$0.70,
- 2) a recommended change in health care from a 85/15 to a 80/20 plan coverage which yields a decrease in health care cost from \$677 to \$651 per person per month,
- 3) no water sales to Franklin County,
- 4) a recommended Furlough plan for all employees; 5 days furlough for all employees paid by General Fund monies and 12 days furlough for all employees paid by Utility Fund monies,
- 5) a recommended 50% reduction in engineering fees,
- 6) a recommended change in sanitation service from backyard service to curbside service which provides for a \$1 decrease in rates per household per month,
- 7) a recommended transfer of half of the Utility Billing Clerk's salary into the General Fund,
- 8) a recommended change in the customer billing and collection policy to add an additional late fee of \$50 for all unpaid accounts on the 15<sup>th</sup> of every month.

This budget is characterized as a “maintenance” budget. It anticipates no unexpected expenses for the next fiscal year and allows for a minimal contingency in the General Fund.

The budget outlines an aggressive approach for a dedicated effort in funding the Utility Fund through a \$4.59 overall increase in utility rates per 1,000 gallons of water and sewer to all Town customers and eliminates water sales to Franklin County. Expenditures for both funds have been reduced in an effort to minimize the impact on both citizens and customers of the Town.

The Town strives to be in a position to extend water and sewer service to support future commercial and industrial development, whereby further decreasing the cost of utilities to customers and expanding our customer base.

Respectfully submitted,

Tammy M. Ray  
Interim Town Manager