



**Memo**

TO: Mayor and Board of Commissioners  
FROM: Hazen Blodgett, Town Manager  
DATE: May 13, 2013  
SUBJECT: Budget Message and Manager's Budget for FY 2013-14

Attached is the proposed budget for the Town of Matthews Fiscal Year (FY) 2013-14. The economy continues to struggle as is evidenced by the reduction in sales tax and other revenues. The proposed budget reflects our current economic state, the continuing struggles with the County's property revaluation process, and new firefighting personnel. The proposed budget shows a 2 penny increase in property taxes because these factors are impacting our bottom line.

The proposed tax rate will increase to \$0.3225 per \$100 of property evaluation. We are also proposing a \$15 increase to the annual car tag fee. Bringing the total annual fee to \$30. The owner of a \$200,000 house will see a tax increase of \$55 per year, or \$4.60 per month. This year's General Fund budget totals \$19,335,165 and represents a 0.002% increase (\$40,000 increase) over the FY 2012-13 budget. The budget includes a 2.5% salary increase pool based on performance for employees.

This budget will allow us to continue to deliver the quality and quantity of services we offer citizens in Matthews.

**Strategic Framework**

Below is a recap of the statements upon which this year's budget is developed:

**Town Vision:** "To be the premier place for people of all ages to live, work, play, or grow a business through a responsive government with excellent employees."

**Town Purpose:** "To provide leadership and excellent government services that respond to the needs of our citizens."

**Values:** "Leadership, Integrity, Teamwork, Excellence."

**Town Mission:** "To provide enterprising leadership and services with integrity, teamwork, and excellence that makes Matthews the premier place to be."

**Town Goals:**

- 1. Quality of Life:** "To maintain our small town identity by providing a vibrant downtown, pedestrian friendly community, extensive greenspace system, and recreational and cultural activities."
- 2. Communications Goal:** "To create an informed citizenry by providing relevant information about the Town and enhancing two way communications using traditional

- techniques and new technologies.”
3. **Transportation Goal:** “To identify, plan, design, fund, and build transportation facilities that efficiently and effectively serve the community in a cost effective and environmentally sensitive manner.”
  4. **Public Safety Goal:** “To provide the necessary trained personnel, equipment, and procedures to ensure the safety of Matthews’ citizens and enhance the Town’s reputation for safety.”
  5. **Economic Development/Land Use Planning Goal:** “To enhance the quality of life of the citizens by aggressively pursuing a balanced tax base by targeting businesses that will contribute sustainable, environmentally sensitive development and by planning for orderly growth and development.”
  6. **Operational Performance Goal:** “To plan, allocate resources, and operate all departments effectively and efficiently in order to meet the citizens’ needs for local government services.”
  7. **Financial Performance Goal:** “To manage financial resources in a prudent and responsible manner through traditional and alternative sources of revenue, effective budgeting, and cost control with a focus on maintaining a healthy fund balance.”

### **Budget Highlights**

- Due to County revaluation issues- property tax revenues are estimated to decrease \$238,000;
- Sales tax revenue down \$136,000;
- Other revenue losses: \$85,000 (ABC, telecommunications, cable)
- Three new firefighters/EMTs and one administrative assistant
- Proposed two penny increase on property tax;
- One penny on the tax rate raises \$336,000;
- Proposed \$15 increase to car tag fee- all proceeds to go to street paving and maintenance;
- 2.5% average employee performance salary increase;
- Code Enforcement remains a part-time position;
- Health Insurance remains the same as last year;
- Capital Equipment Plan continues to be funded at \$300,000;
- Contingency line-item funded at \$30,000;
- Fund Balance appropriation \$232,286;
- \$5,000 for Levine Senior Center;
- \$10,000 Arts and Science Council
- Idlewild VFD funded at \$190,000 (same as last year);
- \$60,000 for State unemployment fund;
- \$36,000 increase on utilities (electricity, gas, water and sewer).

This budget is the result of a great deal of hard work from a number of people, particularly Assistant Manager Jamie Justice, Finance Director Christine Surratt, Assistant to the Manager Annette Privette-Keller and all the Town department heads.