



June 8, 2022

To: Honorable Mayor and Town Council  
Ryan Spitzer, Town Manager  
Lisa Snyder, Town Clerk

From: Christopher Tucker, Finance Director *CMT*

RE: Council Information – Finance Report and Notifications through May22

For Council's information at the June 14, 2022, please find attached the Finance Report through May 2022.

Additionally, as required by statute, Staff is providing a Contribution-Based Benefit Cap notification from the NC Retirement System. Staff is available to clarify if this has not occurred before.

**Town of Pineville**  
**Revenue Report (Budget vs. Actual) - General Fund**  
**For the Month Ending May 2022**

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
<b>Revenues</b>			
Property Tax	\$ 8,487,502	\$ 8,191,370	96.51%
Prepared Food Tax	650,000	731,617	112.56%
Room Occupancy	250,000	315,762	126.30%
Franchise Tax	1,000,000	794,314	79.43%
Sales Tax	1,516,000	2,142,063	141.30%
Storm Water	450,000	336,796	74.84%
Powell Bill	200,000	268,563	134.28%
Other	1,378,544	1,210,498	87.81%
Appropriated F/B - Restricted Police	320,000	-	0.00%
Appropriated F/B Powell Bill	100,000	-	0.00%
Total	\$ 14,352,046	\$ 13,990,984	97.48%
<b>Expenditures</b>			
Governing Board	\$ 183,619	\$ 125,103	68.13%
Administration	1,589,517	1,566,127	98.53%
Human Resources	224,130	133,823	59.71%
Zoning	512,530	297,674	58.08%
Police	5,930,887	5,764,155	97.19%
Fire	1,155,874	859,830	74.39%
Public Works	1,085,518	978,239	90.12%
Storm Water	642,257	211,183	32.88%
Powell Bill	282,500	238,853	84.55%
Cemetery	4,000	410	10.24%
Sanitation	672,000	503,998	75.00%
Recreation	576,727	542,619	94.09%
Cultural/Tourism	1,392,487	1,015,550	72.93%
Contingency	100,000	-	0.00%
Total	\$ 14,352,046	\$ 12,237,563	85.27%

**Town of Pineville**  
**Revenue Report (Budget vs. Actual) - Electric Fund**  
**For the Month Ending May 2022**

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Revenues			
Electric	13,526,373	10,474,415	77.44%
Expenditures			
Administration & Billing Support	512,740	426,281	83.14%
Purchased electricity	8,745,000	7,239,655	82.79%
Operations and Maintenance	4,268,633	2,836,910	66.46%
Total	<u>13,526,373</u>	<u>10,502,846</u>	77.65%

**Town of Pineville**  
**Revenue Report (Budget vs. Actual) - ILEC Fund**  
**For the Month Ending May 2022**

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
<b>Revenues</b>			
Operating Revenues	1,246,680	1,077,708	86.45%
Fund Balance Appropriated	746,070	-	0.00%
Total Revenue	<u>1,992,750</u>	<u>1,077,708</u>	54.08%
<b>Expenditures</b>			
Operating Transfer Out	384,550	384,550	100.00%
Operating Expenses	1,153,500	451,038	39.10%
Plant under Construction	454,700	293,437	64.53%
Total	<u>1,992,750</u>	<u>1,129,026</u>	56.66%

**Town of Pineville**  
**Revenue Report (Budget vs. Actual) - CLEC Fund**  
**For the Month Ending May 2022**

	<u>Budget</u>	<u>Actual</u>	<u>% of Budget</u>
Revenues			
Operating Revenues	821,750	881,995	107.33%
Transfer from ILEC	384,500	384,500	100.00%
Total Revenue	<u>1,206,250</u>	<u>1,266,495</u>	104.99%
Expenditures			
Operating Expenses	920,250	741,018	77.25%
Plant under Construction	286,000	73,591	25.73%
Total	<u>1,206,250</u>	<u>814,609</u>	67.53%



**North Carolina**  
Total Retirement Plans



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

5/25/2022

96021 - TOWN OF PINEVILLE  
ATTN: CHIEF FINANCIAL OFFICER OR BUDGET ADMINISTRATOR  
PO BOX 249  
PINEVILLE, NC 28134

Dear 96021 - TOWN OF PINEVILLE:

During the 2014 General Assembly session, contribution-based benefit cap legislation was enacted effective January 1, 2015. This legislation was created to control the practice of "pension spiking," in which a member's compensation substantially increases, resulting in a monthly retirement benefit that is significantly greater than the member and employer contributions would fund. The Contribution-Based Benefit Cap (CBBC) approach was created to protect each system for current and future retirees and to prevent all employers in the Retirement Systems from absorbing the additional liabilities caused by compensation decisions made by other employers. This legislation applies to members who retire on and after January 1, 2015, with an average final compensation of \$100,000 or higher (adjusted annually for inflation), and will directly impact only a small number of those individuals. It requires the member's last employer to pay the additional contribution required to fund the member's benefit in excess of the cap. [G.S. 135-5(a3); 135-4(j); 128-27(a3); and 128-26(y)]

In order to assist employing agencies with planning and budgeting to comply with the CBBC provisions, we are required to report monthly to each employer a list of those members for whom the employer made a contribution to the Retirement System in the preceding month that are most likely to require an additional employer contribution should they elect to retire in the following 12 months. This letter and the attached report serve as our required monthly notification to your agency under this provision. [G.S. 135-8(f)(2)(f) and G.S. 128-30(g)(2)(b)]

The chief financial officer of your agency is required to provide a copy of the attached report to the chief executive of your agency, as well as to the governing body, including any board which exercises financial oversight. Additionally, the chief financial officer of a public school system is required to provide a copy of the report to the local board of education and notify the board of county commissioners of the county in which the local administrative unit is located that the report was received and how many employees were listed in the report. [G.S. 115C-436(c); 135-8(j); and 128-30(j)]

For the purpose of determining the employees of your agency that are likely to require an additional employer contribution should they elect to retire in the following 12 months, the Retirement System modified the criteria used in the CBBC calculation. This allows for a broad list of potential employees, including those whose compensation average may approach the threshold and attempts to provide your agency with prior notification of a potential cost. The attached report

lists employees of your agency who may be eligible to retire in the next 13 months (at either a reduced or unreduced benefit), whose salary is \$95,000 or greater, and whose estimated monthly retirement benefit exceeds the CBBC based on information in the employee's most recent annual benefits statement. In addition, a lower CBBC Factor (i.e., TSERS is 4.2 and LGERS is 4.4) is applied.

This list is not exhaustive, and members included on this list may or may not exceed the CBBC upon retirement, depending on a number of factors such as the member's average final compensation, the member's age at retirement, and membership service. This is merely a notification of a potential cost that your agency may be required to pay, in the form of a lump-sum payment, due after the member retires.

For those employees hired on or after January 1, 2015, the employer is not required to pay the additional contribution to fund the member's benefit in excess of the Contribution-Based Benefit Cap. The employer has the option to pay all or part of the contribution required in excess of the CBBC; the employee also has the option to pay all or part of the contribution. However, should neither of you choose to pay this additional contribution, the employee's retirement benefit will be capped.

You can calculate the likelihood of whether the retirement benefit of a member listed on the attached report will exceed the CBBC with information available on our website at <https://www.myncretirement.com/employers/employer-training/pension-spiking>.

If you have any questions or need assistance in calculating the likelihood of a potential CBBC liability, please contact us at the address or telephone number listed below.

Sincerely,

Retirement Systems Division  
N.C. Department of State Treasurer

623\_PENSPK



**North Carolina**  
Total Retirement Plans

North Carolina Department of State Treasurer  
Retirement Systems Division

3200 Atlantic Ave, Raleigh, NC 27604  
1-877-NCSECURE (1-877-627-3287) toll-free • Fax (919) 855-5800  
[www.myncretirement.com](http://www.myncretirement.com)



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

**CONTRIBUTION-BASED BENEFIT CAP REPORT**

Members Hired Before Jan 1, 2015	Agency	Member ID	Name
	96021-TOWN OF PINEVILLE	946241	MILLER, RICHARD W

\* PLEASE FORWARD TO YOUR CHIEF FINANCIAL OFFICER OR BUDGET ADMINISTRATOR