

## **MINUTES**

### **Town of Blowing Rock Board of Commissioners Work Session-May 19, 2009**

The Town of Blowing Rock Board of Commissioners held a special work session on Tuesday, May 19, 2009 at 6:00 p.m. The work session took place in the Town Council Chambers at 1036 Main Street Blowing Rock. Present were Mayor J.B. Lawrence, Commissioners Bobby Ball, Keith Tester, Phillip Pickett, Albert Yount and Tommy Klutz. Others in attendance were Town Manager Scott Hildebran, Town Finance Director Nicole Norman and Town Clerk Sharon Greene.

#### **CALL TO ORDER**

Mayor Lawrence called the meeting to order at 5:58 p.m.

#### **DISCUSSION ITEM**

Town Manager Hildebran began by reviewing the budget message stating the Recommended Budget totaled \$6,378,025 for all Town operations, capital improvements, and debt service requirement with an increase of only \$1,085.00 over last year's adopted budget of \$6,376,940. Due to the current economic conditions, the Recommended Budget contained no increase in taxes, fees or other charges.

Mr. Hildebran explained the General Fund contained all governmental services that do not generate sufficient revenue to support their activities such as Police, Emergency Services, Recreation, Public Works, Administration, Planning & Inspections, etc. The General Fund was balanced with no anticipated increase in the current property tax rate of \$0.28 per \$100 valuation. The rate would provide approximately \$2,907,400 in current year property tax revenue based on an expected collections rate of 97.5%. The FY 2009-2010 Recommended Budget for the General Fund totals \$4,861,775.

Mr. Hildebran advised the Water and Sewer Fund was a self-supporting fund containing water production, water distribution, wastewater collection and wastewater treatment activities. The FY 2009-2010 Recommended Budget for the Water and Sewer Fund totals \$1,516,250 a decrease of 1.60% over last year's budget.

The Capital Reserve Project Fund exists as a tool to help in the financial planning for future large-expense items. In the FY 2009-2010 Recommended Budget, the General Fund and the Water and Sewer Fund will continue to make financial contributions to the Capital Reserve Project Fund as appropriated.

The total proposed contribution to the Capital Reserve Projects Fund for FY 2009-2010 is \$416,000 or approximately 6.52% of the Total Recommended Budget, an increase over last year's contribution.

Mr. Hildebran advised the State of North Carolina was short approximately 4 billion dollars in their current year budget. He also advised the State was requesting furloughs for their employees.

Mr. Hildebran recommended the Town delay any capital equipment purchases typically purchased in July and to stagger these purchases over a period of time.

Mr. Hildebran addressed several sources of revenue for the town. According to Mr. Hildebran, the town's sales tax allocation would be less than last year's and occupancy tax revenues were also down. He advised ABC revenues are expected to remain the same and interest income had declined by 50%. Mr. Hildebran explained the Town's Fund Balance remained at approximately 54%.

With the current economic situation, Mr. Hildebran stated the Recommended Budget for FY 2009-2010 did not contain a merit increase for Town employees at this time, however, he asked that Council revisit this in the fall. Commissioner Klutz felt this should be reviewed again due to the increase in health insurance, he felt employees should receive an increase in pay. Mr. Hildebran advised that the budget recommends employees receive an extra 12 hours of vacation in the new fiscal year to be taken as they chose and the town would again review the situation possibly in September or October. Commissioner Tester inquired if employees received more time off, would the Town have to hire someone to fill in. Mr. Hildebran stated this was not anticipated due to department heads monitoring the scheduling of vacation use. Mr. Hildebran also stated employees may not use their time and it would then revert into sick leave which could be used toward their retirement.

Mr. Hildebran advised the Town's health insurance premiums were increasing by 8.9% over last year and the 90/10 tier would no longer be in effect. He also stated that employees who are smokers or obese would be moved to the 70/30 tier if they did not take steps to improve their health. The Town would continue with the employee 401-k contributions which would remain at 2%.

Commissioner Klutz inquired if the Town could have fee-based parking in town. Mr. Hildebran stated he had worked in areas that had tried this and it had not proved to be a large source of income. He advised the Hyett Palma report had recommended parking be increased to 3 hours with strict enforcement and remain free of charge. Mr. Hildebran also advised the Town would receive bids for handheld devices for parking enforcement after July 1<sup>st</sup>.

Council briefly discussed the possibility of enacting a Downtown Business District Tax to aid in paying for amenities in the downtown area. Mr. Hildebran felt this was a future topic for the Retail Strategy group.

Mr. Hildebran gave a brief synopsis of each fund, highlighting any decreases or increases over last year's budget. Commissioner Tester had questions regarding some

of the line items such as gas, utilities, telephone, material/supplies, postage and printing. He inquired as to the justification of increases in these lines and asked for more detail. Mr. Hildebran conveyed he would review these items again before the next budget work session and have further explanation and make any necessary changes.

Commissioner Tester also recommended that Council review board salaries once again in the fall while they were reviewing employees salaries. Mayor Lawrence suggested the Town review auditing fees. He mentioned the High County Council of Government had decreased their fees from \$32,000 a year to \$14,000.

Mr. Hildebran advised several streets were on the paving schedule for the upcoming fiscal year such as Clawson Drive, Ransom Street and White Pine and bids would be ready for Council's consideration at the next work session.

Mayor Lawrence asked if there were any planned improvements for the warehouse located on Cone Road. Mr. Hildebran conveyed the Town had approximately \$100,000 set aside for this project. He also advised the old recycling building would be used by the street/sanitation department for storage.

Mayor Lawrence inquired if the parking lot at Davant Field would be restriped soon. Commissioner Klutz suggested a sealer be put on the parking lot to save money on restriping in the future.

Mr. Hildebran mentioned there would be a slight increase in salaries for Parks & Recreation due to an increase in minimum wage requirements for seasonal staff. Commissioner Yount questioned the amount the town paid for fireworks for July 4<sup>th</sup>. Mr. Hildebran explained the town shared this cost with the Blowing Rock Country Club and due to payment scheduling the town advanced the first payment which skewed the current budget. He also suggested an increase in the fees for adult trips through Parks & Recreation for non-tax payers.

Council briefly discussed the feasibility of leasing space for a cell phone antenna on the town's water tank located on Green Hill with the item to be discussed further at the May 26<sup>th</sup> work session.

## **ADJOURN**

Mayor Lawrence asked if anyone objected to the September Council meeting being changed to the first Tuesday of the month. Council agreed to this change and asked that staff publicize the change.

With no further business to discuss, the meeting was adjourned at 8:50 p.m.

**MAYOR** \_\_\_\_\_  
**J.B. Lawrence**

**ATTEST** \_\_\_\_\_  
**Sharon Greene, Town Clerk**