

## **MINUTES**

### **Town of Blowing Rock Board of Commissioners Budget Work Session-May 16, 2011**

The Town of Blowing Rock Board of Commissioners held a special work session on Monday, May 16, 2011 at 4:00 p.m. The meeting took place in the Town Council Chambers at 1036 Main Street Blowing Rock. Present were Mayor Pro-Tem Albert Yount, Commissioners Phillip Pickett, Tommy Klutz, Doug Matheson and Jim Steele. Mayor Lawrence arrived late due to a previous engagement. Others in attendance were Town Manager Scott Hildebran, Finance Director Nicole Norman and Town Clerk Sharon Greene.

#### **CALL TO ORDER**

Mayor Pro-Tem Yount called the meeting to order at 4:04 p.m.

#### **DISCUSSION ITEM**

Town Manager Hildebran began discussion regarding the FY 2011-2012 Recommended Budget. He advised the budget totaled \$6,311,550 with no projected tax increase; property taxes would remain at \$0.28 per \$100 valuation. He advised that the FY 2011-2012 Recommended Budget was \$85,420 less than the previous year's adopted budget. However; an increase of \$1.00 per month in both water and sewer fees and a reduction in the water interconnection fee of \$2.00 per month, resulting in no net change was proposed in the recommended budget. All other fees would remain unchanged.

Mr. Hildebran stated the recommended budget proposed a 1% cost of living increase for all town employees to help off-set possible increases in the State Health Plan insurance fees, deductibles, or co-pays.

Mr. Hildebran continued by stating the proposed tax rate would provide approximately \$2,936,500 in property tax revenue based on an expected collection rate of 97.50%. Mr. Hildebran explained further that the Town's tax base was split between Watauga and Caldwell County with Watauga representing approximately 94.30% of the total property tax base and Caldwell accounting for the remaining 5.70%. The total property tax base (excluding motor vehicles) is estimated to be \$1,075,662,800 which is lower than the FY 2010-2011 base due to the NC Department of Transportation property acquisitions related to the US 321 widening project.

At this time, Mayor Lawrence entered the meeting.

Mr. Hildebran also reviewed water and sewer funds as well as capital project funds that were in the recommended budget. He discussed the fiscal outlook; stating that projecting revenues continued to be a challenge due to economic and legislative changes. Mr. Hildebran advised the Town received revenue from the State for their share of franchise taxes, sales tax, etc. He mentioned the discrepancy in the census would affect the amount of revenues the town would receive for those funds which are allocated on a per-capita basis. He also advised an appeal was in process regarding the census numbers for Blowing Rock.

Mr. Hildebran remarked that he expected an increase in occupancy tax collections; but projected ABC revenue to remain as in previous years. Commissioner Klutz suggested the ABC Store increase their hours of operation until 9:00 p.m. year-round in an effort to increase sales. Commissioner Matheson advised the extra hour of operation did not prove to be feasible in previous studies.

Mr. Hildebran stated that fund balance in the amount of \$100,000 had been appropriated in the proposed budget for street paving.

According to the NC Local Government Commission, it was recommended that local governments retain a level of undesignated fund balance adequate enough to prevent cash flow difficulties and to aid in emergencies. Mr. Hildebran stated the Town's Financial Policy established a goal equal to 50% of the Town's General Fund Budget. He also commented that over the past several years, the Town had worked to increase the overall Undesignated Fund Balance with a projected General Fund balance of \$2,333,000 or 50.03% of appropriations. Mr. Hildebran advised that funds exceeding the goal of 50% could be used as desired and necessary by the Town for non-recurring items.

Mr. Hildebran mentioned a new position in the Emergency Services Department proposed in the budget, which would be funded by Blowing Rock Fire and Rescue. He also presented Council with a handout showing comparisons from last year's budget outlining increases in health insurance and retirement benefits, utilities, gasoline, telephone and material supply costs. **Budget Comparison Sheet – Exhibit A**

Commissioner Klutz questioned the appropriation of \$2,000 to the Blowing Rock Community Library. It was the consensus of Council to request a financial statement from the library.

Mr. Hildebran advised that Park Avenue, and the parking lot on Maple Street were scheduled to be paved prior to year-end according to the paving schedule. He advised that he would present the street paving bids at the next work session for Council approval.

According to Mr. Hildebran, the E-911 Consolidation was still being reviewed by the County and he anticipated a meeting would be held in the near future regarding this issue.

Mr. Hildebran then began reviewing the proposed budget by department, highlighting capital items and any major increases/decreases proposed.

**ADJOURN**

It was the consensus of the Board to adjourn the meeting at 6:20 p.m. and continue budget discussions at the next work session.

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

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

**ATTACHMENT** (05-16-11)

Budget Comparison Sheet – Exhibit A