

## MINUTES

### Town of Blowing Rock Board of Commissioners Budget Work Session-May 14, 2012

The Town of Blowing Rock Board of Commissioners held a special work session on Monday, May 14, 2012 at 4:00 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 Albert Yount, Tommy Klutz, Dan Phillips, Doug Matheson and Jim Steele. Others in attendance were Town Manager Scott Hildebran, Finance Director Nicole Norman and Town Clerk Sharon Greene.

#### **CALL TO ORDER**

Mayor Lawrence called the meeting to order at 4:08 p.m.

Prior to the start of the budget review, Town Manager Hildebran briefed Council on the health of Public Works employee Eric Ford. He asked Council to keep Mr. Ford in their thoughts and prayers. Commissioner Matheson advised that the Fire-Rescue Department was in the process of organizing a fundraiser to assist Mr. Ford and his family with medical expenses.

#### **DISCUSSION ITEM**

Town Manager Hildebran began discussion regarding the FY 2012-2013 Recommended Budget. He advised the budget totaled \$6,316,205 with no projected increase in the property tax rate; with the property tax rate remaining at \$0.28 per \$100 valuation. He advised that the FY 2012-2013 Recommended Budget had increased by \$4,655 over the previous year's adopted budget. Mr. Hildebran commented there was a proposed increase of \$0.50 per month in both water and sewer fees and a reduction in the water interconnection fee of \$1.00 per month, resulting in no net change. All other fees would remain unchanged.

The total property tax base (excluding motor vehicles) is estimated to be \$1,080,576,000 which is slightly higher than FY 2011-2012 budget base of \$1,075,662,800 and is based on information from Watauga and Caldwell County Tax Offices.

Mr. Hildebran advised that Sales Tax received from the State had decreased by approximately 15% due to the population change per the most recent NC Census. He also mentioned that Powell Bill funds received would also be less; as well as ABC Store revenue. He continued to state that interest income was projected to decrease in the upcoming budget. Mr. Hildebran briefly discussed other revenue sources such as occupancy taxes and grant funding proceeds.

Commissioner Steele inquired about the cost for the Customer Service Initiative. Mr. Hildebran stated the cost was approximately \$15,000-\$16,000. Mr. Hildebran also stated after the first year and initial cost, the Town would be able to run the program without outside guidance. He also mentioned that the company doing the program was

also working with several other municipalities and the Town would be used as an example for other resort towns.

The proposed administrative assistant position at the Police Department was also briefly discussed. Commissioner Steele mentioned the possibility of a part-time employee being hired to fill this position. Council also discussed the proposed reclassification of the detective position.

Next, Mr. Hildebran reviewed the street pavement schedule and ditch maintenance plan. He stated that ditch repairs would be made in conjunction with street paving and that safety continued to be the main concern with ditch maintenance. Mr. Hildebran then stated that \$100,000 from general fund balance would be specifically designated for street paving. He also advised that he hoped to provide Town Council with paving bids at the budget meeting tomorrow.

Mr. Hildebran said that according to the NC Local Government Commissioner it was recommended that at a minimum local governments retain a level of unassigned fund balance of 8% of the prior year expenditures. According to Mr. Hildebran, the Town over the past nine years, had worked to increase the overall unassigned general fund balance and at June 30, 2012 the balance was projected to be approximately 50% of appropriations.

Expenditure items for FY 2012-2013 were discussed, such as a new roof for Town Hall, mobile data terminals for police cars, etc. Mr. Hildebran mentioned that employee health insurance would increase by 5.3% and retirement benefits decreased by 3.2%. Mr. Hildebran stated that a one percent pay increase for employees was also proposed as well as 12 hours of vacation time for each employee.

Commissioner Phillips stressed the need for the Town to be more helpful in trying to get new businesses to come to Blowing Rock in order to generate new revenue for the Town. Town Manager Hildebran stated that the Chamber of Commerce, the TDA and Retail Strategy Committee played roles as well. Mayor Lawrence commented the only way that Blowing Rock could generate more revenue would be to raise taxes.

Commissioner Steele recommended that Town Council work with the Chamber, the TDA, etc. on ideas of how to generate new businesses in town. Commissioner Yount commented that according to the NC Census, the Town had decreased in population by approximately 300 residents and Town Manager Hildebran had still managed to balance the budget.

Town Manager Hildebran also mentioned that the Retail Strategy Committee met each month to develop business/tourist friendly practices in accordance with the Hyatt Palma Study, however there was a limit to what type of businesses could exist in Blowing Rock and the present economy was having an effect on this also.

Commissioner Steele suggested that a meeting on economic development be held in the near future to receive input from residents and merchants in Town regarding what they felt was best for Blowing Rock.

At this time, Town Manager Hildebran presented Council with a handout showing budget scenarios for a “stand alone” or “consolidated” dispatch operation for the Police Department. He advised that the proposed budget reflected the approved consolidated dispatch budget.

Council also briefly discussed what was paid to the Town Engineers per year. Town Manager Hildebran stated that he would compile that information and have the amounts paid to McGill Associates in the past year at the next work session.

Commissioner Steele then asked about the increase in the number of inspections and training hours for the Emergency Services Department. Commissioner Matheson responded that the increase in training hours was due to the number of new volunteers as well as several members becoming paramedics.

Commissioner Steele questioned if some of the work in the Planning and Inspections Department could be outsourced. Town Manager Hildebran stated that building permits would have to be issued and inspected by Watauga/Caldwell County and he thought residents/builders would prefer the service be continued locally instead of having to go to Boone or Lenoir for permits and inspection scheduling.

Council then commended the Street Division of Public Works and the great job they were doing.

Commissioner Steele also mentioned that he would like to have a meeting regarding the Public Works buildings. Mr. Hildebran stated that a session would be planned in the near future to discuss all Town facilities.

Council then discussed revenue that was received from Watauga County for the Parks and Recreation Department and the fees that were charged for County residents versus Town residents who utilized Town facilities such as the Robbins Pool at Broyhill Park, etc.

**ADJOURN**

It was the consensus to adjourn for the evening.

Mayor Lawrence adjourned the meeting at 6:20 p.m. and advised that they would reconvene the following day, May 15<sup>th</sup> at 4:00 p.m. to continue budget discussions.

**MAYOR** \_\_\_\_\_

**J.B. Lawrence**

**ATTEST** \_\_\_\_\_

**Sharon Greene, Town Clerk**

