

**MINUTES**  
**Town of Blowing Rock**  
**Board of Commissioners- Special Meeting**  
**November 29, 2012**

The Town of Blowing Rock Board of Commissioners held a special meeting on Thursday, November 29, 2012 at Town Hall located at 1036 Main Street, Blowing Rock. Present were Mayor J.B. Lawrence, Commissioners Albert Yount, Dan Phillips, Tommy Klutz, Doug Matheson and Jim Steele. Others in attendance were Town Manager Scott Hildebran, Finance Officer Nicole Norman, and Town Clerk Sharon Greene.

**CALL TO ORDER**

Mayor Lawrence called the meeting to order at 9:00 a.m. and welcomed Mr. Billy Combs and Jason Carpenter of Combs, Tennant and Carpenter, PC.

**DISCUSSION ITEMS**

**1. Fiscal Year 2011-2012 Audit**

Principals of the Town's audit firm Combs, Tennant and Carpenter, P.C. Jason Carpenter and Bill Combs presented the audit report for fiscal year ending June 30, 2012. Mr. Carpenter thanked Council for allowing their accounting firm to serve the Town of Blowing Rock once again. Mr. Carpenter informed Council that the Town's FY 2011-12 Audit was conducted in accordance with Governmental Auditing Standards and stated no items of concern were found. Mr. Carpenter continued to commend Town Manager Hildebran, Finance Director Nicole Norman and the Town Staff for the great job they did for the Town.

Several areas of the audit were reviewed such as the Fund Balance, net assets and liabilities. Mr. Carpenter stated that the Town's Fund Balance remained at approximately \$2.7 million which was a slight decrease from last year. However, the Town's total net assets had increased by \$58,607 primarily in the governmental-type activities.

According to Mr. Carpenter, the unassigned funds available for spending at the Town's discretion amounted to \$2,342,258 or 50.73% of the total general fund expenditures for the fiscal year.

Mr. Carpenter advised that the property tax collection percentage rate was 98.17% , a slight increase of .85% over last year's collection rate. Mr. Carpenter commended Tax Collector Greene and stated this was an excellent rate of collection.

Commissioner Klutz inquired about the decrease in sales tax. Mr. Carpenter stated that sales tax was based per capita and with a drop in population per the NC Census, this had affected the amount of sales tax revenue received by the Town. Mr. Combs stated the stewards of the Town were doing a great job keeping expenditures within the Town's budget.

Commissioner Matheson asked if Mr. Combs or Mr. Carpenter saw any problems with the Town continuing to meet their obligations. Both Mr. Combs and Mr. Carpenter responded they did not foresee any areas of concern.

Commissioner Matheson also asked about revenue from the ABC Store. Mr. Combs stated since the Town of Boone voted in liquor by the drink, this had affected sales at the ABC Store somewhat.

Commissioner Phillips asked Mr. Combs to further explain the process in which the Town was audited. Mr. Combs explained that all components of the Town were audited such as the TDA, ABC Store, etc. and all numbers were combined in areas of the Town's financial statements.

Commissioner Yount stated that while he was attending a League of Municipalities meeting, he was made aware of a company that helped other Towns find revenue that was being overlooked in some way. He asked if this would be feasible for Blowing Rock. Town Manager Hildebran responded that most areas that had a large amount of manufacturing, etc. benefited from this, but the Town consisted mainly of residential property which would limit results.

Commissioner Steele asked if there were any unfunded liabilities that the Town should be concerned about. Mr. Combs stated there was nothing major to note, because mainly this was an issue for towns that had to pay retiree insurance; however, Blowing Rock was a member of the State's plan which was a fund-as-you-go plan.

Commissioner Phillips asked Mr. Combs and Mr. Carpenter if their company audited other Towns and how Blowing Rock compared to other places. Mr. Combs stated that they also audited the Town of Boone and six other municipalities and the Town of Blowing Rock rated highly and was very strong financially. He also explained that after his company audited the Town, the audit report was then sent to the Local Government Commissioner for their approval.

Commissioner Klutz inquired about occupancy tax collections. Town Manager Hildebran stated that occupancy tax collections were increasing slightly and that October 2012 was better than in past years. Commissioner Klutz then asked what the Town needed to do to increase sales tax revenue. Mr. Carpenter stated the Town wasn't in control of the amount of sales tax revenue they received, this was based on population or ad valorem levy and Watauga County decided on the distribution method.

Mr. Combs reiterated that the Town was financially sound due to good leadership and that funds were available to continue with planned projects, but the Town should continue to monitor expenditures. Mr. Carpenter also encouraged the Town to continue seeking grant funding when available and to keep a healthy fund balance.

Commissioner Phillips expressed that in other words the Town should increase revenue and control expenses. Mr. Combs stated it was his opinion that the Town's main strength was with their staff and that Council should continue to provide support.

Commissioner Steele expressed that towns were limited as to how they could increase their revenue. Town Manager Hildebran stated things were improving over the past several years

because the Town was seeing an increase in new construction and he felt that sales taxes had stabilized somewhat.

Commissioner Phillips responded that Blowing Rock's population was an aging population and he felt the Town needed to be more creative in seeking other revenue sources, such as paid parking, etc.

At this time Mayor Lawrence called for a vote on acceptance of the audit. Commissioner Yount, seconded Commissioner Klutz made a motion to accept FY 2011-2012 Audit as presented. Unanimously approved. **Fiscal Year 2011-2012 Audit – Exhibit A**

Commissioner Steele stated he would like to see the ratio numbers regarding how the Town of Blowing Rock compared to other municipalities in the retreat packet for this year.

## **2. Retreat Update**

Clerk Greene updated Council regarding the annual retreat to be held in January at the Double Tree-Asheville, stating there would be no price increase over last year. It was the consensus of Council to proceed with the retreat as planned.

## **3. Customer Service Initiative Update**

Finance Director Norman then gave an update regarding the customer service initiative program, stating that the team had met with the Lenoir and Matthews teams to gather ideas for the program going forward. Telephone directory magnets that were produced to be distributed to citizens from Town Hall were handed out to Council for their review. Ms. Norman stated plans continued for future processes to further heighten customer service excellence of the Town.

Town Manager Hildebran reminded everyone of the upcoming Christmas Party to be held on December 4, 2012 beginning at 6:00 p.m. at the American Legion Building.

Commissioner Steele thanked Town Manager Hildebran and staff for their hard work.

## **ADJOURN**

There being no further business to conduct, the meeting was adjourned at 9:50 a.m.

**MAYOR**

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**J.B. Lawrence**

**ATTEST**

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**Sharon Greene, Town Clerk**

## **ATTACHMENTS** (11-29-12)

Fiscal Year 2011-2012 Audit – Exhibit A