



TOWN OF BLOWING ROCK

1036 Main Street • Post Office Box 47 • Blowing Rock, NC 28605

June 14, 2013

To the Honorable Mayor and Town Council of the Town of Blowing Rock:

I am pleased to provide you a copy of the FY 2013-2014 Annual Budget and Budget Ordinance (#2013-07). This document was prepared by Town Staff and represents a comprehensive publication of the Town's plans and policies for the upcoming fiscal year.

The FY 2013-2014 Adopted Budget was presented to Town Council on May 14, 2013 and copies were made available to the Town Clerk and the public. The Town Council held Budget Worksessions on the budget on May 20, 21 and 23, 2013. Pursuant to N.C.G.S. 159-12 (b), the Council held a public hearing on the proposed budget on June 11, 2013 and formally adopted same after the hearing.

This document provides a financial plan for the ensuing fiscal year and was developed in accordance with the Town Council's Priorities and Action Plan established in a January Retreat and during our Council/Departmental meetings held over the past year. The key components of these directives from the Town Council and the budgetary principles on which this document is based are:

- Basic Town services are continued with funding at adequate levels.
- Revenue projections are estimated at realistic, conservative levels.
- Continued funding of the 5-year Capital Improvements Program, including funding of the Parks/Recreation & Landscape Master Plan, the Water/Sewer Capital Improvements Plan, the Storm Water Master Plan, the Downtown Retail Strategy and the Town Public Facilities Study.
- Continued focus on comprehensive planning efforts.
- Continued focus on our organization-wide Customer Service Excellence Initiative.
- Conformance with the adopted Town of Blowing Rock Comprehensive Financial Policy.

The FY 2013-2014 Adopted Budget totals \$6,332,000 for all Town operations, capital improvements, and debt service requirements. This is an increase of \$15,795 compared to last year's adopted budget of \$6,316,205. The Adopted Budget contains no property tax increase and proposes changes to water/sewer fees, with an increase of \$0.75 per month in both water and sewer fees. All other charges/fees are unchanged, except for implementation of a notary fee of \$2.00 per signature.

On behalf of all Town coworkers, I thank you for your continued guidance and support of our efforts to meet your priorities in the delivery of quality and efficient services to the citizens of Blowing Rock.

Respectfully Submitted,

Scott E. Hildebran
Town Manager

Attachments

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FUNDS OF THE ADOPTED BUDGET

General Fund

The General Fund contains all governmental services that do not generate sufficient revenue to support their activities (Police, Emergency Services, Recreation, Public Works, Administration, Planning/Inspections, etc.). The General Fund is balanced and maintains the current property tax rate of \$0.280 per \$100 valuation for the eighth straight year, the lowest property rate in the High Country. This rate will provide approximately \$3,016,925 in real and personal property tax revenues based on a collection rate of 97.50%, and \$50,095 in motor vehicle tax revenues based on a collection rate of 95.50%.

The Town's tax base is split between two counties – Watauga and Caldwell. Watauga County represents approximately 92.56% of the total property tax base. Caldwell County accounts for the remaining 7.44%. The total property tax base is estimated to be \$1,123,836,450, which is 2.24% higher than FY 2012-2013 budget base of \$1,099,210,280, and is derived from information from the Watauga and Caldwell County Tax Offices. A penny on the tax rate is projected to generate approximately \$112,000 in revenue. The Town's property tax base is estimated to be approximately 85% residential and 15% commercial.

The FY 2013-14 budget follows the general reappraisal of real property for Caldwell County. The revenue-neutral tax rate, as defined by G.S. 159-11(e), is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base since the last general reappraisal.

As mentioned above, the assessed value of \$1,123,836,450 represents the total tax base after the reappraisal of real property in the Caldwell county portion of Blowing Rock. A tax rate of 0.2775 would produce a tax levy equal to the tax levy of FY 2012-13. The tax rate of 0.2775 is then adjusted by a growth factor of 0.76%, which is the average annual growth rate of assessed value since the last general reappraisal, to determine the revenue-neutral tax rate of 0.2796 or 0.2800.

Although the overall tax values of Caldwell County properties in Blowing Rock increased considerably, the Caldwell County portion of Blowing Rock accounts for less than 8% of the total tax base.

The FY 2013-2014 Adopted Budget for the General Fund totals \$4,871,500 which is \$33,705 or 1% less than the FY 2012-2013 Adopted Budget of \$4,905,205.

BRAAC Fund

The Blowing Rock Appearance Advisory Commission Fund contains all activities to initiate, promote and assist in the implementation of general community beautification in the town and its environs. The Commission also coordinates the Spring and Fall Planting Days and is the chief sponsor of the annual Town Clean-up Day. The FY 2013-14 Adopted Budget for the BRAAC Fund totals \$21,500. This is the first year that this Special Revenue fund has been incorporated into the budget. Via donations/contributions, this fund is self-supporting with all revenues being allocated towards the Commission objectives as set forth in the town code.

Water and Sewer Fund

The Water and Sewer Fund contains all water production, water distribution, wastewater collection and wastewater treatment activities of the Town. This fund is self-supporting. The FY 2013-2014 Adopted Budget includes both a water and sewer base rate adjustment of \$0.75 per month to offset declining water use and rising operating and capital costs, and to fund major water and sewer capital needs as outlined in the adopted Water/Sewer Capital Improvement Plan.

The FY 2013-2014 Adopted Budget for the Water and Sewer Fund totals \$1,439,000. This is a \$28,000 or 1.9% increase from the FY 2012-2013 Adopted Budget of \$1,411,000.

Capital Reserve Project Funds

The Capital Reserve Project Funds (General and Water/Sewer) exist as a tool to help in the financial planning of future large-expense capital projects. In the FY 2013-2014 Adopted Budget, the General Fund and Water/Sewer Fund will continue to make financial contributions to the Capital Reserve Project Funds.

The total contribution to the Capital Reserve Projects Funds for FY 2013-2014 is \$293,305, or approximately 4.63% of the total Adopted Budget. This allocation was \$320,500, or 5.07% in the FY 2012-2013 Adopted Budget.

FISCAL OUTLOOK

Projecting revenues continues to be a challenge. Several factors include:

Economy – According to Barry Boardman, with the North Carolina General Assembly Fiscal Research Division, “the State’s economy has steadily been gaining strength. While we do not anticipate the pace of economic growth to significantly quicken, we do expect it to stay on a steady upward trend. One important element in the strengthening of the State’s overall economy, especially the employment outlook, is the housing market. With so many jobs directly and indirectly tied to housing, the recent improvements in housing are encouraging. While the gains have not been statewide, the momentum is spreading. The State’s economy is expected to continue along the path of modest yet steady economic growth.”

Karl Knapp, Director of Research and Policy Analysis with the NC League of Municipalities also advises that “NC’s economy continues to crawl its way back from the depths of the 2008 recession. Much of the slow pace of recovery can be attributed to continued losses in the construction sector, and the lack of strong growth in the health and government sectors.

Appalachian State University Economist Harry Davis advises that some of the upcoming economic trouble spots to watch for include: the U.S. budget deficit, mammoth student loan debt, and continued unemployment/underemployment.

As I have mentioned repeatedly over the past several years, the most common words to describe the future economic growth trends continue to be – slow, modest, gradual and incremental.

The State Legislature – The State continues to face fiscal challenges. Based on the latest state revenue projections through March, General Fund revenue is \$110 million above a \$14.3 billion revenue target. The Governor, NC Senate and NC House have all stated that they do not desire to transfer the state budget concerns to counties and cities - as always, we will continue to monitor the situation, as the state’s budget can affect our local revenues.

The General Assembly is considering significant changes to modernize the state and local tax structure. These proposed changes may have a dramatic impact at the local level on revenue, especially if local governments are not held harmless.

We will continue to monitor the state and local tax reform issue as it moves forward.

SOURCES OF REVENUE

Ad Valorem Tax (Property Tax)

Two characteristics of the property tax distinguish it from other forms of taxation and underlie the methods of determining tax liability and enforcing collection. The first characteristic is that the

property tax is levied on property itself, not the owner. The second is that the tax is measured by the value of the property as a marketable item, not by the owner's ability to pay. Thus, it is often called an "ad valorem" tax, from the Latin phrase meaning "according to value." In North Carolina, property tax rates are customarily expressed in dollars per \$100 of valuation. The maximum property tax rate allowed in North Carolina is \$1.50 per \$100 of valuation. In Blowing Rock, the adopted FY 2013-2014 property tax rate maintains the current tax rate of \$0.280 per \$100 of valuation for the eighth straight year. On a \$500,000 home, the total annual Town of Blowing Rock property taxes due would be \$1,400.00.

Total Ad Valorem tax revenues (including current and prior years, motor vehicles, and penalties/interest) are projected to be \$3,108,020 in FY 2013-2014. In North Carolina, the property tax is the only significant source of revenue that the State allows local governments to control.

Sales and Services

The Town has a number of services that it "sells" to the public. These services are covered in the Town's Fee Schedule. There are no services, except water and sewer, solely supported by "Sales and Service" revenue. All others are augmented by property tax revenue, to some degree, to meet service demands. For example, only a portion of the Parks & Recreation Department budget is supported by revenue generated from registration, entry or rental fees. Property tax revenue and other General Fund revenue support a portion of the Parks & Recreation Department's budget. Some services which produce "Sales and Service" revenue include:

- Commercial Solid Waste/Commercial and Residential Recycling Fees
- Parks and Recreation Department Fees (Pool, Day Camp, Program Registration Fees, etc.)
- Cemetery Fees
- Zoning/Building Inspection Fees
- Water/Sewer Charges

This source of revenue will provide approximately \$386,700 in revenue for next fiscal year to the General Fund. Water and sewer related charges (and interest) are expected to total \$1,439,000 in FY 2013-2014.

A detailed list of all fees/charges can be found in the *Schedule of Fees/Charges* section of the budget document.

State-Collected Local Taxes

In FY 2013-2014, there are five statewide revenues received by the Town whose estimates depend on economic forces: Utility Franchise Tax, Telecommunications Sales Tax, Beer and Wine Tax, Solid Waste Tax and Video Programming Tax (formerly Cablevision TV Franchise Tax).

The assumptions for the utility franchise, telecommunications sales tax, beer and wine taxes, and the solid waste disposal tax anticipate flat or only nominal growth over the prior year largely due to the numerous changes in the revenue formulas in recent years and the sensitivity to which these revenues respond to weather and market forces.

Each town's utility franchise tax is based on actual receipts from electric service only within the municipal boundaries. The League of Municipalities anticipates statewide growth to be around 2.5%. However, they note that these revenues are highly sensitive to the weather. Mild winters, cool summers, and any significant rate increases or decreases can cause these receipts to change. The budget proposes this revenue to increase only slightly.

Annual statewide growth in telecommunications revenues is expected to decline by 1.5% over FY 2012-13 levels. The budget proposes this revenue to remain flat.

Beer and Wine taxes are distributed statewide based on local government population. In FY 2013-2014, the funding is expected to increase by 2.0% over FY 2012-13 levels. The budget proposes this revenue remain flat.

In 2007, Video Programming revenue replaced the local cable franchise fee revenue. Video Programming revenue is expected to decrease 1.0% in FY 2013-2014. Due to the seasonal nature of the community, the budget proposes this revenue to drop slightly.

The Solid Waste Disposal Tax is a result of a statewide \$2 per-ton tipping fee that went into effect in 2008. A portion of this tax is remitted to municipalities on a per capita basis to be used for solid waste management programs. Solid Waste tax is expected to remain flat over FY 2012-13 levels. The budget proposes this revenue to follow historical trends and stay relatively flat.

State-Collected Local Taxes are distributed by the State to the Town based on the actual receipts from the providers of these services and commodities within the Town limits. This revenue source is expected to be \$249,350 for FY 2013-2014. These are strictly General Fund revenues.

Sales Taxes

The Local Option Sales Taxes consist of a one-cent sales tax and two one-half cent sales taxes. In Caldwell and Watauga Counties, sales are subject to a 4.75% State and 2.00% Local rate of tax for a combined rate of 6.75%.

The State of North Carolina collects the local sales taxes and distributes them to the local units. Sales tax revenues are distributed, at the discretion of counties, on a proportional population basis to municipalities or based on proportional local government ad valorem levies. Historically, Watauga and Caldwell counties have both used the proportional population basis.

Effective July 1, 2013, Watauga County will change the method from per capita to ad valorem. As part of this change, the Town of Blowing Rock agreed to revert 60% of the revenue increase over what would have been received under the per capita method back to Watauga County. Due to anticipation that this additional revenue is a one-time proposition, the agreed upon 60% reversion and with no historical baseline for ad valorem distribution, this adopted budget does not reflect this approved sales tax change. Conservative estimates show an additional \$200,000-300,000 in net revenue to the town.

As such, Town Council can amend the FY 2013-14 Budget, as needed, to appropriate this unbudgeted revenue for the reversion to Watauga County and non-recurring town expenditures.

According to fiscal analysts in the Office of State Budget and Management and with the NC League of Municipalities, retail sales in North Carolina are expected to increase 3.0% over FY 2012-2013 levels.

Sales tax revenues are budgeted at FY 2012-2013 levels or \$305,000. Sales taxes are strictly General Fund revenue.

Hotel/Motel Occupancy Tax

The Town of Blowing Rock, via the Blowing Rock Tourism Development Authority, levies a hotel/motel occupancy tax on the gross receipts from the rental of transient accommodations in the Town of Blowing Rock. These taxes are collected locally with a current tax rate of 6.0%. The TDA Budget proposes \$286,300 in funding for the Town in FY 2013-2014 to use in support of the various tourism-related operations of the Town. Additionally, the TDA will compensate the Town with \$17,110 for handling the administration and collection of the occupancy tax. This revenue source is projected to increase slightly.

Powell Bill Street Allocation

The use of these funds is restricted to maintaining, repairing, constructing, reconstructing or widening any public street or thoroughfare within the Town limits that is not State-maintained. Bridges, drainage, curb and gutter, sidewalks and other necessary appurtenances are also approved uses of these funds. The determination of the amount of the allocation comes from a formula containing a municipality's local street miles and population. To receive funds, each municipality must file an annual certified map and an annual expenditure report. The Powell Bill distribution is anticipated to decrease 0.3% from FY 2012-2013 levels. Based on FY 2012-13 collections, this revenue is estimated to be \$74,000 for FY 2013-2014. Powell Bill allocations are strictly General Fund revenue.

I would note that the NC General Assembly is contemplating an overhaul of the state transportation system. This reform, as proposed, attempts to hold municipalities harmless over a five-year period based on the forecasted statutory allocations from the Highway Fund and Highway Trust Fund; but these projections rest on optimistic assumptions of future gas tax revenues. We will continue to monitor this potential change.

ABC Revenue

These proceeds result from a contribution from the local ABC Board from the sale of alcoholic beverages in Blowing Rock. The revenue is estimated to decline to \$65,000 for FY 2013-2014 due to economic conditions, the increased availability of alcoholic beverage sales in surrounding communities and US 321 highway construction.

Grants

The Adopted FY 2013-2014 Budget anticipates grant funding proceeds from the N.C. Governor's Crime Commission for Mobile Radios and a NC Park & Recreation Trust Fund Grant for American Legion renovations. However, the budget does not include this revenue and, when awarded and approved by Council, will require an amendment to the budget.

Also, grant applications will be submitted to various agencies for eligible water, wastewater and transportation projects. If awarded, and approved by Council, the budget will require amendment accordingly.

Other & Donations

Other miscellaneous revenue includes: privilege licenses, interest income, parking tickets, donations, book sales, park lease, town property rental income, sale of fixed assets, snow removal reimbursement, etc. Budgeted interest income has been once again reduced as a result of market conditions.

This source of revenue will provide approximately \$160,895 in revenue for next fiscal year to the General Fund. BRAAC-related donations are expected to be \$21,500 in FY 2013-2014.

Fund Balance

As in past years, the Adopted FY 2013-2014 Budget appropriates \$100,000 from general fund balance to be specifically designated for street paving.

According to the North Carolina Local Government Commission, it is recommended, at minimum, that a local government retain a level of undesignated fund balance of 8% of the prior year's expenditures. A minimum fund balance level is necessary to enable the unit to meet current obligations, to prevent the unit from experiencing cash flow difficulties, and to aid the unit during emergencies. The adopted Town of Blowing Rock Comprehensive Financial Policy established a goal to achieve an undesignated fund balance in an amount equal to 50% of the Town's General Fund Budget.

Over the past ten years, the Town has worked to increase the overall Undesignated General Fund balance. At June 30, 2013, the Undesignated General Fund balance is projected to remain approximately 50% of appropriations.

Interfund Transfers

These revenues are transferred funds from the General Capital Projects Fund to cover debt service associated with the fire/rescue building and American Legion and BRAHM parking facility projects. Also, this includes an appropriation from the BRAAC Fund to cover part-time labor. This revenue source is expected to be \$119,125 for FY 2013-2014.

In summary, the sources of revenue described in this section account for 100% of all revenues budgeted for FY 2013-2014.

EXPENDITURES BY FUNCTION – GENERAL FUND

General Government (Governing Body, Administration/Finance, & Central Government)

This function accounts for \$708,765 or 14.55% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Copier Lease & Computer/Software Upgrades
- Insurance Premiums - General Liability & Workers Compensation
- Transfer to Water/Sewer Capital Projects Fund - \$65,000
- Community Library Support - \$2,000
- Organization-wide Customer Service Excellence Initiative

General Government (Public Buildings & Grounds)

This function accounts for \$728,640 or 14.96% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Various Facility Improvements
- Continued funding for Tree Planting Program for public areas (via TDA)
- Continued funding for Holiday Decorations (via TDA)
- Continued funding of debt service:
 - Tiller/Lane Property (via TDA)
 - Emergency Services Building
 - American Legion Parking Facility (via TDA)
 - BRAHM Parking Facility

Public Safety (Police & Emergency Services)

This function accounts for \$1,467,960 or 30.13% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Continued funding of costs associated with consolidated dispatch with Watauga County
- Initial replacement funding for (2) Police Vehicles w/ In-car Video Cameras
- Funding for a grant match for Mobile Radios
- Continued funding for Part-time Parking Enforcement
- Continued funding of debt service for (4) Police Vehicles
- DARE program Support
- Crimestoppers Support

Transportation (Public Works – Streets)

This function accounts for \$983,220 or 20.18% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Initial replacement funding for a Leaf Loader
- Funding for (2) Snow Plows and Street Sweeper Rehab
- Continued funding of debt service for a Backhoe and Medium Dump Truck
- Continued funding for contracted Right of Way Clearing, Tree and Leaf Removal, etc.
- Continued funding for Master Signage Plan (via TDA)
- Continued funding for Sidewalks (Downtown Streetscape Plan - Phase IV)
- Continued funding for various Storm Water improvements
- Continued funding for Pavement Plan implementation & ditch improvements

Environmental Protection (Public Works – Sanitation/Recycling)

This function accounts for \$343,575 or 7.05% of the total General Fund budget. Major capital projects/improvements/programs are:

- Continued Residential Curbside Recycling Program (weekly pick-up)
- Initial replacement funding for a Garbage Truck

Economic and Community Development (Planning/Zoning)

This function accounts for \$221,650 or 4.55% of the total General Fund budget. Major capital projects/improvements/programs are:

- Continued funding for the Town Comprehensive Plan Update
- Continued Downtown Retail Strategy Implementation
- Continued funding for GIS Project

Culture and Recreation (Parks/Recreation & Landscape)

This function accounts for \$417,690 or 8.57% of the total General Fund budget. Major capital projects/improvements/programs are:

- Funding for Parks & Recreation Master Plan (American Legion Renovation Grant Match)
- Continued funding for Part-time Staff for Downtown Litter Pick-up and Memorial Park Attendants
- Continued funding for the Community Club and American Legion Building
- Continued funding for Landscaping/Beautification (via TDA)

EXPENDITURES BY FUNCTION – WATER/SEWER FUND

Environmental Protection – Water/Sewer Fund

This function accounts for \$1,439,000 or 100% of the Water/Sewer Fund. Major capital projects/improvements/programs are:

- Funding debt service for Water/Sewer Capital Improvement Plan Projects (Water Plant, Wastewater Plant and Blowing Rock/Boone Water Interconnection)
- Continued funding of debt service for a Skid Steer and Medium Dump Truck
- Continued funding for US 321 Water/Sewer Betterments
- Funding for Computer Server

EXPENDITURES BY FUNCTION – BRAAC FUND

Culture and Recreation – BRAAC Fund

This function accounts for \$21,500 or 100% of the BRAAC Fund. Major capital projects/improvements/programs are:

- Funding for Landscaping/Beautification of public property

- Downtown Hanging Baskets/Planters
- Town Clean-up Day and Planting Day (Spring and Fall)

EXPENDITURES BY CATEGORY

Personnel Expenditures

Personnel expenditures include salaries, FICA, group insurance, retirement, longevity pay, and other miscellaneous benefits for 52.5 full-time equivalent positions, several part-time positions as well as seasonal workers. The FY 2013-2014 Adopted Budget for Personnel Expenditures is \$2,766,470 or 43.69% of the total budget. In the FY 2012-2013 Adopted Budget, Personnel Expenditures were \$2,723,120 or 43.11% of the total budget.

Highlights include:

- The Adopted Budget includes funding for a 2.0% market adjustment for regular full-time positions. Furthermore, I suggest that Town Council revisit the matter of merit-based compensation in the fall of 2013 and determine if economic conditions warrant additional consideration at that time.
- As one of 880 cities, towns, counties and local commissions that participate in the North Carolina Local Government Employees' Retirement System, FY 2013-2014 contribution rates will reflect a 0.33% increase based on a system actuarial.
- Health insurance costs will increase 4.7% beginning in January 2014 and dental insurance costs will increase 6.0% in FY 2013-14.
- The Adopted Budget continues to fund a Town 401K supplement of 2.0% of salaries for all general personnel to go toward the N.C. 401K Supplemental Retirement System. Sworn law enforcement personnel receive a 5.0% supplement per state statute requirement.
- A detailed list of all FTE (Full-Time Equivalent) positions by department can be found in the *Authorized Position Allocation Summary* section of the budget document.

Operating Expenses

Operating expenditures include all costs other than personnel, capital outlay and debt service. Many operational expense increases are linked to inflation, so the Consumer Price Index is used to evaluate proposed increases. Over the last 12 months (April 2012-March 2013), the Consumer Price Index for All Urban Consumers (CPI-U) advanced 1.5%. Increased energy and fuel costs, increased service demands, and state funding requirements directly affect other operational expenditures. The FY 2013-2014 Adopted Budget for Operating Expenditures is \$2,390,390 or 37.75% of the total budget. In the FY 2012-2013 Adopted Budget, Operating Expenditures were \$2,409,750 or 38.15% of the total budget. This category also includes transfers to the Capital Reserve Project Funds.

Highlights include:

- Increase in Unemployment Insurance costs as a result of State of NC Reform, requiring equivalent to 1 percent of their total unemployment insurance taxable wages paid (or \$214 per employee) beginning in Fiscal Year 13-14.
- Continued funding of costs associated with consolidated dispatch with Watauga County.
- Maintains capital transfers to the Water/Sewer Capital Projects Reserve Fund for future capital projects.

Operating Capital Outlay

Operating Capital Outlay expenditures are for the purchase of machinery, equipment, and other items that are too permanent to be considered expendable at the time of purchase, have a value greater than \$5,000, and have a life expectancy of at least one-year. The FY 2013-2014 Adopted Budget for Operating Capital Outlay expenses, for both the General Fund and Water/Sewer Fund, total \$127,155 or 2.01% of the total budget. In the FY 2012-2013 Adopted Budget, Operating Capital Outlay Expenditures were \$107,100 or 1.70% of the total budget.

Operating Capital Outlay appropriations do not include transfers to Capital Project Funds, which are included in the Operating Expenses Category.

Highlights include:

- A detailed list of capital purchases for FY 2013-2014 can be found in the *Five-Year Capital Improvements Plan* section of the budget document.

Debt Service

Debt service requirements for payment of principal and interest on borrowed funds such as lease-purchase payments are allocated in this category. The FY 2013-2014 Adopted Budget for Debt Service expenses, for both the General Fund and Water/Sewer Fund, total \$1,047,985 or 16.55% of the total budget. In the FY 2012-2013 Adopted Budget, Debt Service expenditures were \$1,076,235 or 17.04% of the total budget.

Highlights include:

- A detailed Amortization Schedule for FY 2013-2014 can be found in the *Debt Payments* section of the budget document.

Comprehensive Plan Initiatives

Over the past ten years, Town Council has had a major focus on overall comprehensive planning and its implementation. The Adopted FY 2013-2014 Budget maintains this trend and continues to fund the following planning initiatives:

- *Town Comprehensive Plan*
- *Parks/Recreation & Landscape Master Plan*
- *Water & Sewer Capital Improvements Plan*
- *Downtown Streetscape Plan*
- *Downtown Parking Management Study*
- *Town Master Signage Plan - TDA funded*
- *Town Pavement Plan*
- *Town Storm Water Plan*
- *Downtown Retail Market Strategy -TDA funded*
- *Town Public Facilities Study*

In FY 2011-12, the Town embarked on an organization-wide Customer Service Excellence Initiative. The adopted budget continues funding and maintains our core focus on customer service. Also, in FY 2013-14, the Town will commence a dynamic planning process to update our Town Comprehensive Plan.

CLOSING

This Adopted Budget for FY 2013-2014 is balanced in accordance with State Statutes and attempts to address the goals and priorities that have been set by the Town Council for the Town's future.

In closing, the enclosed budget reflects my recommendations based on departmental meetings, evaluation of existing service needs, and input from the Town Council and citizens over the past year. Though the current economic climate shows some improvement, the FY 2013-2014 budget represents a level of funding, which will allow the Town to continue to maintain current service levels while making organizational changes to be cost effective and more efficient.

Finally, I would like to take this opportunity to express my sincere appreciation to the staff and the Board for their patience, understanding, and dedicated work on this important policy document.