

BUDGET HEARING and SPECIAL BOARD MEETING of June 27, 2007, with Mayor Don Mullen and Commissioners Amy Patterson, H. N. James, Hank Ross, Dennis DeWolf, and Alan Marsh present.

Also present were Richard Betz, Lamar Nix, Kim Lewicki, Linsey Wisdom, King Young, Janet Young, Robert E. Smith, John Dotson, Bob Kieltyka, John Cleaveland, and others.

A. Budget Hearing.

The Mayor called the Budget Hearing to order at 7:00 p.m., and stated that this was the time and place to receive comments from the public on the FY 07-08 Budget, as presented on May 30, 2007; notice had appeared in The Highlander newspaper pursuant to law.

There were no comments, and the Mayor closed the hearing.

B. Special Board Meeting.

I. The Mayor called the Special Meeting to order at 7:01 p.m.

II. Approval of Agenda.

Copies of the agenda had been distributed.

MOVED BY COMM. DEWOLF, SECONDED BY COMM. MARSH, AND UNANIMOUSLY CARRIED TO APPROVE THE AGENDA AS DISTRIBUTED.

III. Business.

1. The Board reviewed the Ordinance amending the FY 06-07 budget, copies of which were distributed at the meeting. The Town Administrator explained that the purpose of amending the budget was to satisfy auditing requirements by adjusting estimates used to prepare the original budget and to recognize decisions made to fund new projects during the fiscal year. Numbers used for the amended budget were only estimates; actual revenues and expenditures would be reflected in the audit.

MOVED BY COMM. JAMES, SECONDED BY COMM. MARSH, AND UNANIMOUSLY CARRIED TO ADOPT AN ORDINANCE TO AMEND THE BUDGET OF THE TOWN OF HIGHLANDS FOR THE FISCAL YEAR JULY 1, 2006 THROUGH JUNE 30, 2007. A copy is attached hereto and made a permanent part of this record.

2. The Board reviewed the proposed FY 07-08 budget, copies of which were distributed at the meeting. The Town Administrator reported that he had incorporated the items identified at the budget work sessions into the new budget and budget message, including the additional tax increase.

MOVED BY COMM. PATTERSON, SECONDED BY COMM. DEWOLF, AND UNANIMOUSLY CARRIED TO ADOPT THE TOWN OF HIGHLANDS BUDGET ORDINANCE FOR THE FISCAL YEAR JULY 1, 2007 THROUGH JUNE 30, 2008, WITH AN AD VALOREM TAX RATE OF 0.135 PER \$100.00 VALUATION, AS PRESENTED. A copy is attached hereto and made a permanent part of this record.

3. King Young, a member of the Pine Street Park Committee, was present and reviewed the history of the Pine Street Park purchase. Committee member Robert E. Smith then reported in some detail on the results of the public meetings held to receive comments on several proposals for the Park; copies of three different conceptual plans were distributed,

together with a detailed summary of the comments. Comm. Ross said that the Committee had gathered information but had not yet studied the parking issue or possible street closing and how it impacts the area; he thought that should be done before a final decision was made. At the request of Comm. DeWolf, he also distributed information on the number of people the Park could contain under various conditions. King Young said that the Committee planned to continue raising funds until a plan could be agreed upon.

4. Mitchel Sorin and John Fisher reported on their progress with the Town Hall Architectural Study to date. Mr. Sorin said they were still in the beginning stages of design, gathering information on space requirements, but they had generated some general ideas and done a site analysis. The space required was between 8,000 and 9,000, and if the Chamber of Commerce Visitor Center was included, between 10,000 and 12,000 SF; the footprint of a two-story building would thus be 5,000 to 6,000 SF. They then reviewed a developing conceptual design showing a new Town Hall building located at the eastern portion of the property, with its main entrance accessed from a parking lot in the center of the property where the ABC store is now located, and a lower level possibly off a small plaza containing public restrooms, Visitors center, ticket kiosk, and secondary entrance to the main level. Comm. Ross wondered if the Town had an obligation to provide office space for the Magistrate, a County official; it was pointed out that the office could be moved to the existing Police Station. Comm. Ross thought that a parking study needed to be done, and asked about resources, using interns or others. Comm. Patterson thought that traffic flow also needed to be studied. The Mayor said that the D.O.T. was seeking funds to update the Thoroughfare Plan. The Board agreed to think about the information presented and forward comments to the architects.

IV. MOVED BY COMM. MARSH, SECONDED BY COMM. DEWOLF, AND UNANIMOUSLY CARRIED TO ADJOURN.

There being no further business to come before the Board, the meeting was declared adjourned by the Mayor at 8:45 p.m.

Richard Betz, Town Clerk

AN ORDINANCE TO AMEND THE BUDGET OF
THE TOWN OF HIGHLANDS FOR
FISCAL YEAR JULY 1, 2006 - JUNE 30, 2007

BE IT ORDAINED by the Board of Commissioners of the Town of Highlands, North Carolina, assembled this 27th day of June 2007, that the Budget of the Town of Highlands, Fiscal Year 2006-2007, be amended as follows:

SECTION I: General Fund FY 06-07 Budget Amended

Revenues Anticipated:

Franchise tax	\$ 45,000	\$ 70,000	
Local option sales tax	750,000	802,000	
Utility penalties & interest	7,500	11,000	
Tax penalties & interest	6,000	7,000	
Gasoline tax refund	6,000	10,000	
Tax on Rental Vehicles	1,000	100	
Zoning certificates	50,000	61,000	
Gain on Sales of Equipment	1,000	0	
Vehicle Tax	25,000	32,000	
Prior years ad valorem taxes	13,000	15,000	
Current year ad valorem taxes	2,101,875	2,151,000	
Fund balance appropriated Sanitation	103,876	0	
Sanitation collection fees	488,124	482,000	
ABC store revenues	96,000	5,000	
Privilege License	7,500	10,000	
Reimbursement for insurance	24,500	23,000	
Miscellaneous receipts	30,000	35,000	
Administrative overhead	67,000	67,000	
Interest (General)	125,000	111,000	
Cable TV Franchise Fees	34,000	24,000	
Antenna revenues	10,000	6,000	
Governor's Crime Commission Grant			1,800
Court costs & fees	500	100	
Interest (Powell Bill)	3,000	6,000	
Bowery Road Escrow Interest	4,000	14,000	
Fund balance appropriated General	45,000	0	
Chamber of Commerce—Restrooms/Rent	10,000		10,000
Fund balance approp. Bowery Rd. Escrow	300,000		0
Powell Bill allocation	50,000	51,000	
Fire Department Fire District Tax	288,000	292,000	
Other Fire Department Income		60,000	
Recreation fees	26,000	51,000	
Interest (Recreation)	2,000	6,000	
Macon County contribution Recreation	500,000		124,000

PARTF Grand	70,000	70,000	
Fund balance approp. Recreation	218,000	381,125	

Total:	\$5,508,875	\$4,991,125	
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SECTION I: General Fund FY 06-07 Budget Amended

Expenditures Authorized by Department:

Administration	\$1,360,250	\$1,380,000	
Fund balance increase	218,000	0	
Transfer to Cemetery Fund	21,500	21,500	
Transfer to Town Hall Fund	110,625	110,625	
Law Enforcement	861,000	932,000	
Fire Department	288,000	221,000	
Street Department	1,191,500	820,000	
Powell Bill Fund	50,000	65,000	
Sanitation Department	592,000	646,000	
Recreation Department	816,000	795,000	

Total:	\$5,508,875	\$4,991,125	
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SECTION II: Scholarship Fund FY 06-07 Budget Amended

Revenues Anticipated:

Interest	\$ 21,000	\$ 33,000	
Contributions to Endowment Fund	40,000	39,000	
Unrestricted Contributions	1,500	1,500	
ABC Revenues	4,000	0	
NC Beverage Tax Revenues	4,000	4,000	

Total:	\$ 70,500	\$ 77,500	
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Expenditures Authorized:

Scholarships Disbursed	\$ 32,400	\$ 30,000	
Scholarship Fund Raising Expense	1,000	0	
Contribution to Scholarship Reserve	37,100	47,500	

Total:	\$ 70,500	\$ 77,500	
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SECTION III: Cemetery Fund FY 06-07 Budget Amended

Revenues Anticipated:

Sale of Lots & Columbarium	\$ 4,500	\$ 8,000	
Charitable donations	3,000	2,000	
Contribution for Perpetual Care Fund	2,000	6,000	
Interest on Investments	1,000	1,000	
Transfer from General Fund	21,500	21,500	

Total: \$ 32,000 \$ 38,500

Expenditures Authorized:

Operations	\$ 30,000	\$ 32,000	
Capital Outlay	0	0	
Contribution to Perpetual Care Fund	2,000		6,500

Total: \$ 32,000 \$ 38,500

SECTION IV: Water & Sewer Fund FY 06-07 Budget Amended

Revenues Anticipated:

Water:

Water Charges	\$1,092,000	\$1,089,000	
Sale of Materials	3,000	4,000	
Connection fees	40,000	21,000	
Miscellaneous revenues	2,000	1,000	
Interest income	24,000	4,000	
Transfer from General Fund	50,000		0

Water total: \$1,211,000 \$1,119,000

Sewer:

User Charges	\$ 300,000	\$ 295,000	
Connection fees	125,000	34,000	
Interest income	21,000	33,000	
Fund balance appropriated	232,000	230,000	
Interest income	40,000	40,000	

Sewer total: \$ 718,000 \$ 632,000

Total Water & Sewer Revenues: \$1,929,000 \$1,751,000

Expenditures Authorized:

Water:

Water operations	\$1,104,000	\$1,043,000	
Administrative overhead	20,000	20,000	
Contribution to Water Reserve Fund	12,000		12,000
Capital Outlay	75,000	44,000	

Water total: \$1,211,000 \$1,119,000

Sewer:

Sewer operations	\$ 329,000	\$ 343,000
Transfer to Capital Project Fund	252,000	252,000
Administrative overhead	12,000	12,000
Contribution to Sewer Ext. Reserv	125,000	25,000

Sewer total:	\$ 718,000	\$ 632,000
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Total Water & Sewer Expenditures:	\$1,929,000	\$1,751,000
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SECTION V: Capital Projects Fund FY 06-07 Budget Amended

Current Year Revenues & Financing Anticipated:

Transfer from Electric Fund	\$ 252,000	\$ 252,000
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Total:	\$ 252,000	\$ 252,000
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Current Year Expenditures Authorized:

Harris Lake Sewer Project	\$ 252,000	\$ 50,000
Fund Balance Increase		202,000

Total:	\$ 252,000	\$ 252,000
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SECTION VI: Electric Fund FY 06-07 Budget Amended

Revenues Anticipated:

Electricity Sales	\$3,000,000	\$3,079,000
Sale of materials & equipment	5,000	3,000
Temporary connection fees	2,500	2,000
Sales Tax on Electricity	89,000	91,000
Pole attachment fees	40,000	40,000
Miscellaneous revenues	10,000	3,000
Interest income	40,000	75,000

Total:	\$3,186,500	\$3,293,000
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Expenditures Authorized:

Operations	\$1,023,000	\$1,048,000
Purchase of power	1,600,000	1,700,000
Contribution to Electric Reserve Fund	160,000	160,000
Administrative overhead	35,000	35,000
Capital Outlay	368,500	350,000

Total:	\$3,186,500	\$3,293,000
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This Ordinance adopted this 27th day of June, 2007.

Don Mullen, Mayor

Attest:

Richard Betz, Town Clerk
TOWN OF HIGHLANDS
BUDGET ORDINANCE
FISCAL YEAR JULY 1, 2007 - JUNE 30, 2008

BE IT ORDAINED by the Board of Commissioners of the Town of Highlands, North Carolina, assembled this 27th day of June 2007, that the following fund revenues and departmental and/or fund expenditures be adopted:

SECTION I: General Fund

Revenues Anticipated:

Franchise tax	\$	50,000
Local option sales tax		750,000
Utility penalties & interest		9,000
Tax penalties & interest		4,500
Gasoline tax refund		8,500
Tax on Rental Vehicles		500
Zoning certificates		50,000
Gain on Sales of Equipment		0
Vehicle Tax		25,000
Prior years ad valorem taxes		13,000
Current year ad valorem taxes		2,388,000
Fund balance appropriated Sanitation		475,000
Sanitation collection fees		478,000
ABC store revenues		0
Privilege License		7,500
Reimbursement for insurance		22,000
Miscellaneous receipts		30,000
Administrative overhead		67,000
Interest (General)		100,000
Cable TV Franchise Fees		35,000
Antenna revenues		10,000
Court costs & fees		500
Interest (Powell Bill)		5,000
Bowery Road Escrow Interest		10,000
Fund balance appropriated General		31,925
Chamber of Commerce—Restrooms		10,000
Fund balance approp. Bowery Rd. Escrow		300,000
Powell Bill allocation		50,000
Fire Department Fire District Tax		333,552
Fire Dept. fund balance appropriated		265,438
Recreation fees		39,000
Interest (Recreation)		6,000

Macon County contribution Recreation 500,000
 Fund balance appropri. Recreation 156,600

Total: \$6,231,015

Expenditures Authorized by Department:

Administration	\$1,469,300
Transfer to Cemetery Fund	23,000
Transfer to Town Hall Fund	110,625
Transfer to Lake Remediation Fund	150,000
Law Enforcement	964,000
Fire Department	598,990
Street Department	1,210,500
Powell Bill Fund	50,000
Sanitation Department	953,000
Recreation Department	701,600
 Total:	 \$6,231,015

SECTION II: Scholarship Fund

Revenues Anticipated:

Interest	\$ 32,000
Contributions to Endowment Fund	40,000
Unrestricted Contributions	1,500
ABC Revenues	0
NC Beverage Tax Revenues	4,000
 Total:	 \$ 77,500

Expenditures Authorized:

Scholarships Disbursed	40,000
Scholarship Fund Raising Expense	1,000
Contribution to Scholarship Reserve	36,500
 Total:	 \$ 77,500

SECTION III: Cemetery Fund

Revenues Anticipated:

Sale of Lots & Columbarium	\$	5,000
Charitable donations	3,000	
Contribution for Perpetual Care Fund	2,000	
Interest on Investments	1,000	
Transfer from General Fund	73,000	

Total: \$ 84,000

Expenditures Authorized:

Operations	\$	32,000
Capital Outlay	50,000	
Contribution to Perpetual Care Fund	2,000	

Total: \$ 84,000

SECTION IV: Water & Sewer Fund

Revenues Anticipated:

Water:

Water Charges	\$1,106,000
Sale of Materials	3,000
Connection fees	15,000
Miscellaneous revenues	2,000
Interest income	5,000
Transfer from Electric Fund	307,000

Water total: \$1,438,000

Sewer:

User Charges	\$	315,000
Connection fees	100,000	
Interest income	35,000	
Fund balance appropriated	260,000	

Sewer total: \$ 710,000

Total Water & Sewer Revenues: \$2,148,000

Expenditures Authorized:

Water:

Water operations	\$1,099,000
Administrative overhead	20,000
Contribution to Water Reserve Fund	12,000
Capital Outlay	307,000

Water total: \$1,438,000

Sewer:

Sewer operations	\$ 273,000
Transfer to Capital Project Fund	325,000
Administrative overhead	12,000
Contribution to Sewer Ext. Reserv	100,000

Sewer total: \$ 710,000

Total Water & Sewer Expenditures: \$2,148,000

SECTION V: Capital Projects Fund

Current Year Revenues & Financing Anticipated:

Transfer from Sewer Fund	\$ 325,000
CWMTF Grant	1,724,700
Fund balance appropriated	325,000

Total: \$2,374,700

Current Year Expenditures Authorized:

Harris Lake Sewer Project	\$2,374,700
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Total: \$2,374,700

SECTION VI: Electric Fund

Revenues Anticipated:

Electricity Sales	\$3,150,000
Sale of materials & equipment	3,000
Temporary connection fees	3,000
Sales Tax on Electricity	100,000
Pole attachment fees	80,000
Miscellaneous revenues	4,000
Interest income	75,000

Total: \$3,415,000

Expenditures Authorized:

Operations	\$ 989,000
Purchase of power	1,640,000
Contribution to Electric Reserve Fund	164,000
Administrative overhead	35,000
Transfer to Water Fund	307,000
Capital Outlay	280,000
 Total:	 \$3,415,000

SECTION VII - Tax Rate Established

An Ad Valorem tax rate of \$0.135 per \$100.00 valuation is hereby established for the General Fund purposes for the Town of Highlands for fiscal year 2007-2008. This rate is based on an approximate valuation of \$1,805,250,000 and an estimated rate of collection of 98%.

SECTION VIII - Budget Ordinance

This ordinance shall be the basis of the financial plan for the Town of Highlands Government during the fiscal year 2007-2008. The approved Annual Budget Estimate, which shows line item departmental expenditures, will be used for record keeping purposes.

Don Mullen, Mayor

Attest:

Richard Betz, Town Clerk