

**Town of Highlands  
Special Meeting  
Highlands Recreation Center  
June 29, 2011  
8:00 AM**

**Present:** Mayor David Wilkes, Mayor Pro Tempore John Dotson, Commissioners Amy Patterson, Dennis DeWolf, Gary Drake, and Larry Rogers

**Staff Present:** Town Manager Jim Fatland, Town Engineer/Public Works Director Lamar Nix, Accounting Supervisor Chuck Young, and Deputy Town Clerk Rebecca Shuler

**Call to Order**

Mayor David Wilkes called the special meeting to order at 8:03 am.

**FY11 Budget Ordinance Amendment**

**Opening Comments**

Jim Fatland stated that the Town Board approved the proposed FY11 Budget Amendment at their regularly scheduled meeting held on June 15, 2011 subject to the changes being incorporated into Budget Ordinance format. The Budget Ordinance Amendment was provided to the Town Commissioners on the morning of June 16, 2011 and there are no changes to the ordinance or the spreadsheet that accompanied it. When questions arose Fatland had Accounting Supervisor Chuck Young put together a Statement of Estimated Revenues, Expenditures, and Changes in Fund Balance that accompanied the staff report showing the summary of changes approved. Summary of Changes and Statement of Estimated Revenues, Expenditures, and Changes in Fund Balance are inserted to be included in the minutes.

	<b>FY11 BUDGET AMENDMENT</b>	<b>AT JUNE 15, 2011 BOARD MEETING</b>	<b>BUDGET AMENDMENT</b>
<b>GENERAL FUND ADDITIONAL REVENUE</b>	<b>\$140,000</b>	<b>-\$25,000</b>	<b>\$115,000</b>
Administration Department: Fund Balance Appropriated--Bowery Road	\$107,415	-\$107,415	\$0
Administration Department Expenditures	\$70,000		\$70,000
Police Department Expenditures	\$10,000	-\$10,000	\$0
Planning Department Expenditures	\$25,000	-\$15,000	\$10,000
Street Department Expenditures	\$35,000		\$35,000
<b>TOTAL GENERAL FUND EXPENIDITURES</b>	<b>\$140,000</b>	<b>-\$25,000</b>	<b>\$115,000</b>

The Budget Ordinance Amendment expenditures are funded from excess revenue over expenditures. Please see attached worksheet. The three largest revenue sources in the General Fund are property taxes, sales taxes and franchise fees which all exceeded budgeted estimates.

Town of Highlands				
General Fund				
Statement of Estimated Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For The Year Ended June 30, 2011				
				<b>Estimated</b>
	<b>Budgeted Amounts</b>		<b>Estimated</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Over/Under</b>
Beginning Cash Balance - Bowery Road	19,000	19,000	18,943	
Beginning Cash Balance - Powell Bill	201,000	201,000	201,000	
<b>Revenues:</b>				
Ad valorem taxes	2,460,000	2,560,000	2,571,363	
Other taxes and licenses	774,500	774,500	786,184	
Unrestricted intergovernmental revenues	100,000	115,000	178,250	
Restricted intergovernmental revenues	55,000	55,000	54,407	
Permits and fees	22,000	22,000	34,324	
Sales and services	-	-	64	
Investment earnings	15,000	15,000	4,123	
Contributions	4,500	4,500	113,940	
Miscellaneous	105,000	128,858	119,759	
Other Financing Sources:				
Sale of Capital Assets	-	-	8,224	
Transfer from Electric Fund	388,785	388,785	276,451	
<b>Total Revenues</b>	<b>4,144,785</b>	<b>4,283,643</b>	<b>4,367,032</b>	<b>83,389</b>
<b>Expenditures:</b>				
Current:				
Administration	1,035,785	1,154,013	1,238,000	
Other Financing Uses:				
Transfer to Recreation Fund	185,400	185,400	115,000	
Transfer to Capital Projects Fund	18,663	73,733	55,070	
Transfer to Cemetery Fund	35,000	35,000	35,000	
Transfer to Sanitation Fund	-	36,853	36,853	
Transfer to Governmental Capital Projects Fund	-	53,100	53,100	
Revenues Over (Under) Expenditures/Contingency	171,082	-	-	
<b>Total Administration</b>	<b>1,445,930</b>	<b>1,538,099</b>	<b>1,533,023</b>	<b>5,076</b>
Planning/Zoning/Economic Development	226,800	236,800	235,000	1,800
Police	966,155	967,844	966,000	1,844
Street	1,505,900	1,540,900	1,525,000	15,900
<b>Total Expenditures</b>	<b>4,144,785</b>	<b>4,283,643</b>	<b>4,259,023</b>	<b>24,620</b>
Estimated Increase in Fund Balance	-	-	108,009	108,009

After brief discussion and no questions, the mayor requested for a motion to be made to accept the FY11 Budget Ordinance Amendment. Gary Drake made the motion to accept. Larry Rogers seconded the motion and the ordinance amendment passed unanimously. FY11 Budget Ordinance Amendment and Spreadsheet are included in the minutes.

**TOWN OF HIGHLANDS  
BUDGET ORDINANCE AS AMENDED  
FISCAL YEAR 2011  
JULY 1, 2010 THRU JUNE 30, 2011**

**BE IT ORDAINED** by the Board of Commissioners of the Town of Highlands, North Carolina, assembled this 23rd day of June 2010, that the following fund revenues and department and/or fund expenditures be adopted and further be it ordained by the Board of Commissioners of the Town of Highlands on February 16, 2011 and June 29, 2011 amended said budget:

**SECTION I. GENERAL FUND**

Revenue Anticipated	\$4,283,643
Expenditures	
Administration Department	\$1,538,099
Planning, Zoning & Econ. Dev.	\$236,800
Police Department	\$967,844
Street Department	\$1,540,900
Total Expenditures	\$4,283,643
Revenue over Expenditures/Contingency	\$0
Expenditures plus Fund Balance Increase	\$4,283,643

**SECTION II. FIRE & RESCUE SPECIAL REVENUE FUND**

Revenue Anticipated	\$492,483
Expenditures	\$492,483

**SECTION III. RECREATION SPECIAL REVENUE FUND**

Revenue Anticipated	\$727,400
Expenditures	\$727,400

**SECTION IV. WATER ENTERPRISE FUND**

Revenue Anticipated	\$1,584,055
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Expenditures

Water Plant	\$645,345
Water Distribution	\$878,600
Fund Balance Increase/Contingency	\$60,110

Expenditures plus Fund Balance Increase \$1,584,055

**SECTION V. SEWER ENTERPRISE FUND**

Revenue Anticipated \$624,606

Expenditures \$588,434

Fund Balance Increase/Contingency \$36,172

Expenditures plus Fund Balance Increase \$624,606

**SECTION VI. ELECTRIC ENTERPRISE FUND**

Revenue Anticipated \$4,027,036

Expenditures \$3,881,645

Fund Balance Increase/Contingency \$145,391

Expenditures plus Fund Balance Increase \$4,027,036

**SECTION VII. SANITATION ENTERPRISE FUND**

Revenue Anticipated \$571,006

Expenditures \$557,953

Fund Balance Increase/Contingency \$13,053

Expenditures plus Fund Balance Increase \$571,006

**SECTION VIII. STORMWATER ENTERPRISE FUND**

Revenue Anticipated \$0

Expenditures \$0

**SECTION IX. WATER, SEWER & STORMWATER CAPITAL PROJECTS FUND**

Revenue Anticipated \$2,156,792

Expenditures \$2,156,792

**SECTION X. GENERAL FUND CAPITAL PROJECTS FUND**

Revenue Anticipated	\$663,921
Expenditures	\$663,921

**SECTION XI. CEMETERY FUND**

Revenue Anticipated	\$46,000
Expenditures	\$46,000

**SECTION XII. SCHOLARSHIP FUND**

Revenue Anticipated	\$39,200
Expenditures	\$35,000
Fund Balance Increase/Contingency	\$4,200
Expenditures plus Fund Balance Increase	\$39,200

**SECTION XIII. TAX RATES ESTABLISHED**

An Ad Valorem tax rate \$.135 per \$100 valuation is hereby established for the General Fund purposes for the Town of Highlands for FY10. This rate is based on an approximate valuation of \$1,825,500,000 and an estimated collection rate of 98%.

An Ad Valorem tax rate of \$.009 per \$100 valuation is hereby established for Fire & Rescue for the Town of Highlands for FY10.

**SECTION XIV. BUDGET ORDINANCE**

This ordinance as amended shall be the basis of the financial plan for the Town of Highlands during the fiscal year 2011. The approved annual budget as amended for all funds, which shows line item detail, will be used for tracking revenue and expenditures.

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
Jim Fatland, Town Clerk

\_\_\_\_\_  
David Wilkes, Mayor

GHANDS						15 JUNE 2011
AMENDMENT						
SUMMARY						
		FY2011	BUDGET	BUDGET	FY2011	
		APPROVED	AMENDMENT	AMENDMENT	AMENDED	
ID		BUDGET	FEB 16 2011	JUN 15 2011	BUDGET	COI
FUND						
		\$3,536,000	\$1,689	\$115,000	\$3,537,689	Insurance reimbursements.
		\$0	\$22,169		\$22,169	Appropriate additional revenue n
		\$19,000			\$19,000	FEMA reimbursement.
		\$201,000			\$201,000	
		\$388,785			\$388,785	
		\$0				
		\$4,144,785	\$23,858	\$115,000	\$4,283,643	
		\$1,274,848	\$147,192	\$46,059	\$1,468,099	\$53,100 transfer to Governmental
						for Police station renovation.
						\$16,853 transfer to Sanitation Fun
						\$55,070 transfer to Water, Sewer
						Projects Fund for Pine Street Stc
						Pine St. Stormwater (\$21,471) &
						(\$3,599).
						\$46,059 Contingency.
						\$22,169 FEMA reimbursement.
		\$171,082	-\$125,023	-\$46,059	\$0	Revenue over Expenditures/Cont
				\$70,000	\$70,000	Increase Professional Services - Li
						Expense \$12,000 (10-4100-5700),
						(10-4100-7300) and Transfer to S
		\$1,445,930	\$22,169	\$70,000	\$1,538,099	
		\$966,155	\$1,689		\$967,844	Insurance reimbursements.

	FY2011 APPROVED BUDGET	BUDGET AMENDMENT FEB 16 2011	BUDGET AMENDMENT JUN 15 2011	FY2011 AMENDED BUDGET	
	\$1,505,900		\$35,000	\$1,540,900	Increase Capital Outlay/P
	\$226,800		\$10,000	\$236,800	Increase Salaries & Wage:
	\$4,144,785	\$23,858	\$115,000	\$4,283,643	
<b>REVENUE FUND</b>					
	\$490,800			\$490,800	
	\$0	\$1,683		\$1,683	FEMA reimbursement.
	\$490,800	\$1,683		\$492,483	
	\$410,800			\$410,800	
	\$80,000	\$1,683		\$81,683	FEMA reimbursement.
	\$490,800	\$1,683		\$492,483	
<b>REVENUE FUND</b>					
	\$542,000			\$542,000	
	\$185,400			\$185,400	
	\$727,400			\$727,400	
	\$727,400			\$727,400	
	\$727,400			\$727,400	





ID	FY 2011 APPROVED BUDGET	BUDGET FEB 16 2011	BUDGET JUN 15 2011	FY 2011 AMENDED BUDGET	FY 2011 BUDGET	COI
<b>PRPRISE FUND</b>						
	\$3,785,000			\$3,785,000		
	\$0	\$108,076		\$108,076	FEMA reimbursement.	
	\$0	\$133,960		\$133,960	Radio read meters.	
	\$3,785,000	\$242,036		\$4,027,036		
	\$3,747,685	\$133,960		\$3,881,645	Radio read meters.	
	\$37,315	\$108,076		\$145,391	FEMA reimbursement.	
	\$3,785,000	\$242,036		\$4,027,036		
<b>FERPRISE FUND</b>						
	\$534,000			\$534,000		
	\$0	\$153		\$153	FEMA reimbursement.	
	\$0	\$16,853		\$16,853	Departmental Supplies (new trasl	
	\$534,000	\$17,006		\$551,006	Transfer to cover revenue shortfa	
	\$521,100	\$16,853		\$537,953	Departmental Supplies (new trasl	
			\$20,000	\$20,000	Increase Contingency (34-8400-97	
	\$12,900	\$153		\$13,053	FEMA reimbursement.	
RES	\$534,000	\$17,006		\$551,006		
<b>TERPRISE FUND</b>						
	\$0			\$0		
	\$0			\$0		
	\$0			\$0		
URES	\$0			\$0		

	FY2011 APPROVED BUDGET	BUDGET AMENDMENT FEB.16 2011	BUDGET AMENDMENT JUN 15 2011	FY2011 AMENDED BUDGET
<b>FUND</b>				
	\$11,000			\$11,000
	\$35,000			\$35,000
	\$46,000			\$46,000
	\$46,000			\$46,000
	\$46,000			\$46,000
<b>FUND</b>				
	\$39,200			\$39,200
	\$39,200			\$39,200
	\$35,000			\$35,000
	\$4,200			\$4,200
	\$39,200			\$39,200
<b>OBJECTS FUND</b>				
	\$0	\$610,821		\$610,821 Police station renovation.
	\$0	\$53,100		\$53,100 Police station renovation.
<b>AL FUND</b>	\$0	\$663,921		\$663,921
	\$0			\$0
	\$0			\$0
	\$0	\$663,921		\$663,921 Police station renovation.
<b>GENERAL FUND</b>	\$0	\$663,921		\$663,921

	FY2011 APPROVED BUDGET	BUDGET AMENDMENT FEB 16 2011	BUDGET AMENDMENT JUN 15 2011	FY2011 AMENDED BUDGET	
CAPTIAL PROJECTS					
	\$0	\$27,347		\$27,347	Highlands-Cashiers Land Trus
(mulus)	\$1,400,000			\$1,400,000	
	\$0	\$90,000		\$90,000	Pine Street Stormwater mon
	\$0	\$33,305		\$33,305	Pine Street Stormwater (\$75, Sewer Master Plan.
	\$69,753	\$128,886		\$198,639	Sewer project expenditures
	\$105,000			\$105,000	Sewer Master Plan (\$33,305)
	\$18,663	\$55,070		\$73,733	Pine Street Stormwater mon
					Pine Street Stormwater (\$21, Pine Street Park improve
	\$0	\$228,768		\$228,768	Kelsey-Hutchinson Park cont
SEWER & STORMWATER	\$1,593,416	\$563,376		\$2,156,792	
	\$1,400,000			\$1,400,000	
	\$0	\$2,458		\$2,458	Sewer project expenditure.
	\$0	\$45,000		\$45,000	Pine Street Stormwater mon
	\$0	\$325,239		\$325,239	Kelsey-Hutchinson Park cont
	\$0	\$8,873		\$8,873	Pine Street Stormwater (\$75, Sewer project expenditure.
	\$105,000			\$105,000	
	\$0	\$30,946		\$30,946	Highlands-Cashiers Land Trus
	\$0	\$84,250		\$84,250	Sewer project expenditure.
	\$0	\$66,610		\$66,610	Sewer Master Plan.
	\$69,753			\$69,753	
	\$18,663			\$18,663	
WATER,SEWER & STORMWATER	\$1,593,416	\$563,376		\$2,156,792	

**Adjourn**

The mayor adjourned the special meeting at 8:11 am.

**Approved:**

**Attest:**

\_\_\_\_\_  
David Wilkes, Mayor

\_\_\_\_\_  
Jim Fatland, Town Manager

**Prepared By:**

\_\_\_\_\_  
Rebecca R. Shuler, Deputy Town Clerk

