



# Town of Blowing Rock

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

June 10, 2008

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

I am pleased to provide you a copy of the FY 2008-2009 Annual Budget and Budget Ordinance (#2008-07). 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 Adopted FY 2008-2009 Budget was initially presented to Town Council on May 13, 2008 and copies were made available to the Town Clerk and the public. The Town Council held Budget Worksessions on the budget on May 19, 20 & 27, 2008. Pursuant to N.C.G.S. 159-12 (b), the Council will hold a public hearing on the budget on June 10, 2008. The FY 2008-2009 Budget was formally adopted on June 10, 2008.

The 2008-2009 Budget Document provides a financial plan for the ensuing fiscal year and has been developed in accordance with the Town Council's Priorities and Action Plan established in our January Retreat and during our Council/Departmental meetings held over the past several months. 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 and the Storm Water Master Plan.
- Continued focus on comprehensive planning efforts.
- Conformance with the adopted Town of Blowing Rock Comprehensive Financial Policy.

The Adopted FY 2008-2009 Budget totals \$6,376,940 for all Town operations, capital improvements, and debt service requirements. This is an increase of 8.10% over last year's adopted budget of \$5,898,765.

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.

Sincerely,

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 with no increase in the current property tax rate of \$0.280 per \$100 valuation. This rate will provide approximately \$2,855,000 in current year property tax revenues based on an expected collection rate of 97.0%.

The Town's tax base is split between two counties – Watauga and Caldwell. Watauga County represents approximately 94.59% of the total property tax base. Caldwell County accounts for the remaining 5.41%. The total property tax base (excluding motor vehicles) is estimated to be \$1,050,976,450, which is higher than FY 2007-2008 budget base of \$1,035,206,900, and is based on information from the Watauga and Caldwell County Tax Offices. A penny on the tax rate is projected to generate approximately \$105,095 in revenue. The Town's property tax base is estimated to be approximately 85% residential and 15% commercial.

The FY 2008-2009 Adopted Budget for the General Fund totals \$4,836,060 or 7.21% more than the FY 2007-2008 Adopted Budget of \$4,510,565.

### **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 2008-2009 Adopted Budget includes a water/sewer rate adjustment of \$0.25 per 1,000 gallons of usage above the minimum 5,000 gallons allowed at the base rate for both water and sewer. This rate increase, promoting water conservation, will help offset rising operating and capital costs, and to fund major water and sewer capital needs as outlined in the recently adopted Water & Sewer Capital Improvement Plan.

In addition, the Adopted Budget includes a \$5.00 per month charge for all customers to cover the expense related to the planned emergency water interconnection with the Town of Boone and Appalachian State University.

The FY 2008-2009 Adopted Budget for the Water and Sewer Fund totals \$1,540,880. This is an 10.99% increase over the FY 2007-2008 Adopted Budget of \$1,388,200. The increased rates are expected to provide sufficient revenues to support all Water and Sewer Fund operations for FY 2008-2009.

### **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 recent years, Town Council has adopted a number of financial policies related to increasing the amount of money contributed to these Funds. In the FY 2008-2009 Adopted Budget, the General Fund and the Water/Sewer Fund will both continue to make financial contributions to the Capital Reserve Project Funds. The amounts appropriated from the General Fund will be \$337,200 and the Water/Sewer Fund will be \$30,000.

The total proposed contribution to the Capital Reserve Projects Funds for FY 2008-2009 is \$367,200, or approximately 5.75% of the Total Adopted Budget. This allocation is less than the \$976,175, or 16.54% appropriated in the FY 2007-2008 Adopted Budget. This transfer amount declined due to several projects (emergency services building, parking structure and water/sewer improvements) shifting from the planning stage to the implementation stage and the corresponding debt service being allocated in the General Fund and Water/Sewer Funds.

## FISCAL OUTLOOK

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

1. **Economy** – The U.S. economy is struggling as a result of the housing market/mortgage crisis, rising energy prices, and the falling value of the dollar; all of which are taking a toll on consumer spending. According to Lee Mandell, Fiscal Analyst with the N.C. League of Municipalities, "it will be a while before we see if the actions by the Federal Reserve to reduce interest rates, the likely bailout of the financial services industry, and the President's economic stimulus package will positively impact the economic picture enough to avoid a full-blown national recession. With over seven statewide-collected municipal revenues strongly influenced by economic factors, to the degree we are unsure of the economy, we are unsure of revenue growth."
2. **The State Legislature** – The State's current FY 2007-2008 budget revenue estimates are running \$150 million above projections; however, the State still faces high-priority spending demands heading into FY 2008-2009. These highly publicized priorities include mental health reform, probation and parole system improvements, possible bond referendums on road and UNC system projects, enrollment growth at state universities and community colleges as well as funding salary increases to state employees and teachers.

All of these demands at the state level exceed their expected revenues in FY 2008-2009 and may impact our local government revenues.

Therefore, once again, revenue estimation for the upcoming fiscal year reflects a conservative approach by the Town.

## 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 2008-2009 property tax rate maintains the current tax rate of \$0.280 per \$100 of valuation. On a \$500,000 home, the total annual Town of Blowing Rock property taxes due would be \$1,400.00.

The N.C. General Assembly has provided higher exemptions for senior citizens aged 65 or older and for citizens who are 100% disabled and subsist on a specified household income not exceeding a 2007 annual income of \$25,000. This action, while attempting to reduce the impact of the overall tax burden of this population, does result in a nominal loss of property tax base for the Town.

Total Ad Valorem tax revenues (including current and prior years, motor vehicles, and penalties/interest) are projected to be \$2,938,000 in FY 2008-2009. 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 Planning Department budget is supported by revenue generated from zoning and building inspection fees. Property tax revenue and other General Fund revenue support a portion of the Planning Department’s budget. Some services which produce “Sales and Service” revenue include:

- Commercial Solid Waste/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 \$317,650 in revenue for next fiscal year to the General Fund. Water and sewer related charges (and interest) are estimated to total \$1,540,880 in FY 2008-2009.

As mentioned previously, the FY 2008-2009 Adopted Budget includes a water/sewer rate adjustment of \$0.25 per 1,000 gallons of usage above the minimum 5,000 gallons allowed at the base rate for both water and sewer. This rate increase, promoting usage conservation, will help offset rising operating and capital costs. Those customers using the minimum of 5,000 gallons or less during a bi-monthly billing period will see no increase in their regular rates.

All water customers will be assessed a \$5.00 per month charge (\$10.00 per bi-monthly billing) to cover the expense related to the planned emergency water interconnection with the Boone and Appalachian State University water systems.

Due to a proposed increase in commercial landfill tipping fees from \$45 per ton to \$49 per ton by Watauga County and the State of North Carolina, the budget includes an increase in commercial solid waste fees to cover these costs. A breakdown of the proposed commercial solid waste fee increases is included at the end of the Budget Message.

A detailed list of all fees/charges, and any proposed adjustments, can be found at the *Schedule of Fees/Charges* section of the budget document.

### **State-Collected Local Taxes**

In FY 2008-2009, there are four statewide revenues received by the Town whose estimates depend on economic forces: Utility Franchise Tax, Telecommunications Sales Tax, Beer and Wine Tax and the Video Programming Tax (formerly Cablevision TV Franchise Tax).

The assumptions for the utility franchise, telecommunications sales tax, and the beer and wine taxes anticipate 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. In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new sales tax on telecommunications. The Town experienced its first full fiscal year of telecommunications tax revenue in FY 2003-04.

Currently, 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 in the 1.0-1.5% range. 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.

With increased competition, telecommunications rates are dropping even as the base is expanding. Technological and regulatory uncertainties and untaxed competition from out of state companies (i.e. Vonage and other VOIP providers) tend to constrain growth in this revenue. However, because of compensating changes in the municipal share of the distribution, the League expects 3.0 and 4.0 percent growth in this revenue.

Beer and Wine taxes are distributed statewide based on local government population, as such this revenue is estimated to remain flat.

Effective January 1, 2007, state legislation eliminated local cable franchise fee revenue. Local video programming revenue replaced the lost revenue and, due to limited historical data, is estimated at a revenue neutral level based on FY 2007-08 estimated revenues.

These funds are collected by the State and are distributed 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 \$213,300 for FY 2008-2009. These are strictly General Fund revenues.

### **Sales Taxes**

The Local Option Sales Taxes now consist of a one-cent sales tax and three one-half cent sales taxes. The authority to implement a third one-half cent sales tax was approved by the General Assembly and approved locally by both the Watauga County and Caldwell County Board of Commissioners in 2002 and replaced the State reimbursements for repealed local taxes. In this exchange, the General Assembly repealed the local government reimbursements for the intangibles tax, inventory tax, homestead exemption, and sales tax on food stamp purchases effective July 1, 2002.

Two and one-half cents of the 6.75 cents paid in sales tax on retail sales in both Watauga and Caldwell counties represents the local share of this local option sales tax. This tax consists of a one percent tax that was first levied in 1971, a one-half cent tax levied in 1983, a one-half cent tax levied in 1986, and a one-half cent tax levied in 2002. The State of North Carolina collects the sales taxes and distributes them to the local units. Sales tax revenues are distributed on a proportional population basis to municipalities in Watauga County and Caldwell County as opposed to proportional local government ad valorem levies.

The N.C. League of Municipalities reports two issues will continue to affect local sales tax estimates for next year - Sales Tax Refund Increases and the Impact of Remote Sales. Currently, 28 separate types of entities are entitled to refunds of the local sales tax, excluding those related to economic development incentives. Also, the revenue forecast for the sales tax is also impacted by the upsurge in remote sales: catalogue, mail-order, and, especially, Internet, resulting in a loss of local sales tax.

According to fiscal analysts with the General Assembly, retail sales in North Carolina should increase 1.0-2.5% in FY 2008-2009. Due to the proportional population distribution basis and a relatively flat population, sales tax revenues are projected to be \$395,000 in FY 2008-2009. 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%. The TDA has approved \$325,065 in funding for the Town in FY 2008-2009 to use in support of the various tourism-related operations of the Town. Additionally, the TDA will compensate the Town with \$17,800 for handling the administration and collection of the occupancy tax.

**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. Due to a flat population growth, higher gas prices, municipal annexations around the state that effect distribution, a slowdown in vehicle purchases and the absence of last year's one-time return of funds borrowed from the Highway Trust Fund, we anticipate a reduction in Powell Bill funding in FY 2008-2009. This revenue is estimated to be \$85,000 for FY 2008-2009. Powell Bill allocations are strictly General Fund revenue.

**ABC Revenue**

These proceeds come from a contribution from the local ABC Board from the sales of alcoholic beverages. The revenue is estimated at \$122,500 for FY 2008-2009.

**Grants**

The FY 2008-2009 Budget does not include any grant funding proceeds. However, the Town will eagerly seek grant-funding opportunities during the year and request amendment of the budget as required. A current "Safe Routes to School" grant application is under review with the N.C. Department of Transportation for sidewalk improvements to Morris Street and Chestnut Street. A decision on the grant will be made after adoption of the FY 2008-2009 Budget.

In FY 2007-2008, the Town received several grant proceeds for the Robbins Pool Improvements Project (\$500,000-State of North Carolina, \$100,000-Broyhill Family Foundation, Blowing Rock ABC Store-\$140,000, and several additional grant commitments). This project is located in the General Capital Projects Fund and not included in General Fund revenues.

Also, the Town received a \$300,000 grant from the Appalachian Regional Commission to assist in funding the emergency water interconnection to the Town of Boone. This grant project is located in the Water/Sewer Capital Projects Fund and not included in Water/Sewer Fund revenues.

**Other**

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. These funds are expected to be \$206,500 for FY 2008-2009.

**Fund Balance**

The Adopted FY 2008-2009 Budget appropriates \$75,000 from general fund balance to be specifically designated for street paving.

According to the North Carolina Local Government Commission, the minimum level of undesignated fund balance available for appropriation is 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 five years, the Town has worked to increase the overall Undesignated General Fund balance from just under 30% on June 30, 2002 to a projected 45.44% or \$2,050,000 on June 30, 2008.

**Capital Projects Transfer In**

These revenues are transferred funds from the General Capital Projects Fund to cover debt service associated with the fire/rescue building and parking facility projects. This revenue source is expected to be \$140,245 for FY 2008-2009.

In summary, the sources of revenue described in this section account for 100% of all revenues budgeted for FY 2008-2009.

#### **EXPENDITURES BY FUNCTION – GENERAL FUND**

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

This function accounts for \$857,880 or 17.74% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Copier Lease & Computer Upgrades
- Transfer to Capital Projects Fund (\$200,000)
- Community Library Support (\$2,000)

##### **General Government (Public Buildings & Grounds)**

This function accounts for \$734,250 or 15.18% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Continued funding for Public Building Improvements
- Continued funding for Tree Planting Program for public areas (via TDA)
- Continued funding for Christmas Decorations (via TDA)
- Continued funding of debt service for Tiller/Lane Property (via TDA)
- Continued funding of debt service for the Visitor Center (via TDA)
- Funding debt service for the Emergency Services Building
- Funding debt service for the American Legion Parking Facility (via TDA)

##### **Public Safety (Police & Emergency Services)**

This function accounts for \$1,366,000 or 28.25% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Initial replacement funding for (2) Police Vehicles
- Continued funding of debt service for (4) Police Vehicles
- Includes funding for Part-time Parking Enforcement
- Includes funding for Firearms Replacement
- Continued funding for Police Department Building renovations
- Continued funding for In-car Video Cameras
- Continued funding for part-time Emergency Services Staff
- DARE program Support
- Crimestoppers Support

##### **Transportation (Public Works – Streets)**

This function accounts for \$896,990 or 18.55% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Initial replacement funding for Pick-up Truck
- Continued funding for various Storm Water improvements
- Continued funding for contracted Right of Way Clearing, Tree and Leaf Removal, etc.
- Continued funding for Master Signage Plan (via TDA)
- Continued funding of debt service for Pick-up Truck
- Continued funding of debt service for Dump Truck
- Continued funding for Sidewalks Replacement/Installation (via TDA)

- Increased funding for Pavement Plan Implementation

**Environmental Protection (Public Works – Sanitation/Recycling)**

This function accounts for \$316,995 or 6.55% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Initial replacement Commercial Garbage Truck
- Continued funding of debt service for Garbage Truck

**Economic and Community Development (Planning/Zoning)**

This function accounts for \$238,110 or 4.92% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Includes funding for Part-time Inspection Services
- Continued funding for Permit Tracking Software
- Continued funding for Land Use Code Review
- Continued funding for GIS Project

**Culture and Recreation (Parks/Recreation & Landscape)**

This function accounts for \$425,835 or 8.81% of the total General Fund budget.

Major capital projects/improvements/programs are:

- Includes funding for Part-time Staff for Downtown Litter Pick-up Patrol
- Continued funding for Parks/Recreation & Landscape Capital Improvement Plan
- Community Contributions totaling \$6,000
  - Appearance Commission - Plant Material and Fountain Utilities (\$3,000)
  - American Legion (\$3,000) for building use
- Continued funding Landscaping/Beautification (via TDA)
- Funding for maintenance of the Ruritan Building

**EXPENDITURES BY FUNCTION – WATER/SEWER FUND**

**Environmental Protection – Water/Sewer Fund**

This function accounts for \$1,540,880 or 100% of the Water/Sewer Fund.

Major capital projects/improvements/programs are:

- Includes funding for Lab Equipment
- Initial funding for replacement Utility Truck
- Continued funding for debt service for Sewer Jet and Sewer Camera
- Continued funding for debt service for Pick-up Truck
- Continued funding for debt Service for Sewer Bonds
- Funding debt service for Water/Sewer Capital Improvements Projects – Phase One

**EXPENDITURES BY CATEGORY**

**Personnel Expenditures**

Personnel expenditures include salaries, FICA, group insurance, retirement, longevity pay, and other miscellaneous benefits for 54.5 full-time equivalent coworkers, several part-time positions as well as seasonal workers. The FY 2008-2009 Adopted Budget for Personnel Expenditures is \$2,840,505 or 44.55% of the total budget. In the FY 2007-2008 Adopted Budget, Personnel Expenditures were \$2,689,745 or 45.60% of the total budget.

Highlights include:

- The Adopted Budget includes funding for a part-time parking enforcement position and a part-time building inspection position. A detailed list of all FTE (Full-Time Equivalent) positions by department can be found at the *Authorized Position Allocation Summary* section of the budget document.
- Market/Merit adjustments are budgeted at an average of 5.0% for Town personnel. The respective department directors will determine the distribution method of these adjustments.
- Sworn law enforcement shift modifications will result in a 5.0% increase in salaries, which will bring the Police Department in-line with both Boone and Watauga County.
- Health insurance costs declined due to the Town's election to join the N.C. State Health Plan. Due to the change, the Town must contribute an additional 4.1% of gross salaries to the State Retirement System to fund retiree health insurance. Overall, the Town saved in excess of \$15,000 in making this transition. Dental insurance costs have increased 8.0% for FY 2008-2009.
- A Town 401K supplement of 2.0% of salary is included for all general personnel to go toward the N.C. 401K Supplemental Retirement System. Sworn law enforcement personnel receive a 5% supplement per state statute requirement.

### **Operating Expenses**

Operating expenditures include all costs other than personnel and capital outlay. Many operational expense increases are linked to inflation, so the CPI is used to evaluate proposed increases. Increased energy and fuel costs, increased service demands, and enforcement of regulations directly affect other operational expenditures. The FY 2008-2009 Adopted Budget for Operating Expenditures is \$2,177,675 or 34.15% of the total budget. In the FY 2007-2008 Adopted Budget, Operating Expenditures were \$2,633,215 or 44.64% of the total budget. This category also includes transfers to the Capital Reserve Project Funds.

Highlights include:

- Funding for increases in insurance (property/casualty/liability) costs and workers compensation coverage costs due to loss-ratios.
- Funding for expected higher energy and fuel expenses.
- Continued capital transfers to the General Capital Projects and Water/Sewer Capital Projects Funds, but at reduce amounts due to several projects shifting from the planning stage to the implementation stage

### **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 \$500, and have a life expectancy of at least one-year. The FY 2008-2009 Adopted Budget for Operating Capital Outlay expenses, for both the General Fund and Water/Sewer Fund, total \$172,400 or 2.70% of the total budget. In the FY 2007-2008 Adopted Budget, Operating Capital Outlay Expenditures were \$125,125 or 2.12% 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 2008-2009 can be found at 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 bonds (Sewer Bonds) and lease-purchase payments are allocated in this category. The FY 2008-2009 Adopted Budget for Debt Service expenses, for both the General Fund and Water/Sewer Fund, total \$1,186,360 or 18.60% of the total budget. In the FY 2007-2008 Adopted Budget, Debt Service expenditures were \$450,680 or 7.64% of the total budget.

Highlights include:

- A detailed Amortization Schedule for FY 2008-2009 can be found at the *Debt Payments* section of the budget document.

#### **Comprehensive Plan Initiatives**

Over the past five years, the Town Council has had a major focus on overall comprehensive planning and its implementation. The Adopted FY 2008-2009 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 (Summer '08)*
- *Town Master Signage Plan - TDA funded*
- *Town Pavement Plan*
- *Town Storm Water Plan*
- *Downtown Retail Market Strategy -TDA funded*

#### **CLOSING**

This Adopted Budget for FY 2008-2009 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. The FY 2008-2009 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. It is important to remember that with any budget, external forces can affect these projections.

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.