

Incorporated 1927

# Town of Lake Lure

P. O. Box 255 • Lake Lure, NC 28746-0255 • 704/625-9983 • FAX 704/625-8371

## **MINUTES OF THE RECESSED BUDGET WORKSHOP MEETING OF THE LAKE LURE TOWN COUNCIL HELD TUESDAY, JUNE 27, 1995, 9:30 A. M. AT THE LAKE LURE TOWN HALL**

**PRESENT:** Mayor Max E. Lehner  
Mayor Pro-tem Bud Schichtel  
Commissioner Bill Bush  
Commissioner Bill Church  
Commissioner Jack Donovan

John R. Strutner, Town Manager  
Sam Karr, Finance Director

**ABSENT:** N/A

### **CALL TO ORDER**

Mayor Lehner called the meeting to order at approximately 9:30 a.m. and requested the clerk to note that a quorum was present.

### **DISCUSSED PROPOSED BUDGET ITEMS FOR FISCAL YEAR 1995-96**

Finance Director Sam Karr presented Councilmembers with revised summary sheets of revenues and expenditures for the current Budget Fiscal Year 1994-95 and proposed Budget Fiscal Year 1995-96 for their review (Summary Reports attached).

Town Manager Strutner provided Councilmembers with copies of the Town Manager's Budget Message and Budget Estimates for the Fiscal Year 1995-96, a Budget Ordinance, and a Resolution Establishing A Capital Reserve Fund.

## Page 2 - Minutes of the June 27, 1995 Recessed Budget Workshop Meeting


After discussion among Council, Commissioner Bush moved, seconded by Commissioner Schichtel, to approve the following documents:

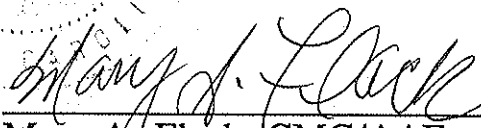
1. **Town Manager's Budget Message and Budget Estimates for Fiscal Year 1995-96**
2. **Budget Ordinance**
3. **Resolution Establishing a Capital Reserve Fund**

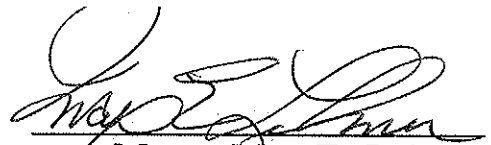
presented by Town Manager Strutner as the official documentation to be distributed at the Town Council Meeting to be held at Fairfield Mountains Bald Mountain Country Club at 7:30 p.m. The vote of approval was unanimous (Approved documents attached).

### ADJOURNMENT

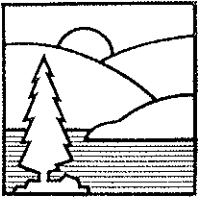
With no further items of discussion, Commissioner Bush moved, seconded by Commissioner Schichtel, to adjourn the meeting at 10:10 a.m. The vote of approval was unanimous.



**ATTEST:**  
  
Mary A. Flack, CMC/AEE  
Town Clerk



Mayor Max E. Lehner



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**TO: MAYOR AND COMMISSIONERS OF THE TOWN OF LAKE LURE**

**RE: Town Manager's Budget Message and Budget Estimates  
for Fiscal Year 1995-1996**

**Submitted: June 27, 1995**

Gentlemen:

In accordance with Section 159-12 of the General Statutes of North Carolina, I am pleased to submit for your consideration the final Budget Message and Budget Estimates for Fiscal Year 1995-1996.

Budgeting is more than a process of balancing revenues and expenditures. In fact, it might best be described as the process of allocating **scarce** resources to **unlimited** demands.

Budgets are financial instruments enacted for the purposes of **planning, controlling and evaluating**. A budget is a dollars and cents **plan** of operation for a specific period of time. This "budget plan" contains information about the types and amounts of proposed expenditures, the purposes for which they are being made, and the proposed means of financing them. Budgets are also viewed as devices of **control** in governments in that when the budget is enacted by the legislative body, the expenditure estimates become appropriations - both authorizations to and limitations upon the administration. Lastly, the various financial reports and audits which are part of the continuous budget monitoring process serve as the basis for **evaluating** budget execution and attainment of the "objectives" implicit in the budget, e.g. service levels and completion of capital projects.

It is recognized by realistic, conscientious decision makers that good government is not cheap government. The crux of modern public administration is "managing to get the right things done" (termed as **effectiveness**) both **efficiently** and **economically**. In order to fulfill this three-pronged goal, municipal government must also be adaptive, perceptive and cost conscious. For every municipality there is a particular level and mix of public services and amount of public expenditure to fund same which for that municipality, in that time, and under its specific circumstances, represents an equitable and affordable program of services. This level and mix of public services may vary from year to year as the local governing body, in its budget deliberations, defines and structures the overall program of services which will meet the needs, wants, desires and preferences of the citizens.

[2] - Budget Message and Budget Estimates  
FY 1995-96

I believe the budget now before you sets forth a reasonable program of services which requires only a modest increase in the total budgetary amount. Total operating and capital budget estimates for Fiscal Year 1995-96 equal \$2,886,923. This translates into an actual increase of \$427,838, or 17.4%, above the previous year's budget. (By way of comparison, the FY 1994-95 budget was \$443,357, or 22%, greater than the previous year's budget.) The increases in this budget result primarily from general inflationary trends in the costs of some goods and services required to deliver Town services, a modest pay increase for Town employees, an ambitious capital expenditures plan, and the equivalent of one new staff position.

The major areas of expenditure for the fiscal year commencing July 1, 1995 and ending June 30, 1996 are as follows:

**FISCAL YEAR 1995-96 BUDGET ESTIMATES**

**I. GENERAL FUND**

Governing Board	\$ 28,810
Administration	372,923
Police	359,920
Fire Department	140,203
E.M.S.	500
Public Works	254,750
Sanitation	69,800
Golf Course	180,585
Lake	11,695
Beach	70,167
Community Center	4,000
Marina	54,450
Insurance & Bonds	222,497
Contingency Reserve	<u>88,000</u>

**TOTAL GENERAL FUND** **\$1,858,300**

**II. WATER FUND** **\$ 228,153**

**III. ELECTRIC FUND** **\$ 63,570**

**TOTAL OPERATING BUDGET** **\$2,150,023**

**CAPITAL IMPROVEMENT PROGRAM** **\$ 736,900**

**\* TOTAL OPERATING & CAPITAL BUDGET\*** **\$2,886,923**

[3] - Budget Message and Budget Estimates  
FY 1995-96

The Lake Lure Town Council and staff held several workshops over a two month period to study, discuss, consider and debate financial data, department and agency requests, and capital needs. These meetings represent a significant number of hours devoted by Council and staff to crafting a workable budget.

As is often the case in most communities, there were hard decisions associated with the formulation of this budget. The costs required to address the various needs, wants and desires of the Town were in excess of the means to pay for same. The result was a lengthy process of prioritizing the many competing good and worthy projects in need of funding.

For example, the Council faced hard decisions surrounding such needs as: (1) funding to maintain, upgrade and operate the Hydro-Electric Plant; (2) the need to purchase replacements for Police vehicles with high mileage; (3) maintain a fair and competitive level of compensation for Town employees; (4) repair and repave streets; (6) develop new sources of potable water; (6) continue earlier commitments to the purchase of a fire boat; and (7) equip and furnish the new Municipal Center which is due to be completed in the autumn of 1995.

This budget for FY 1995-96 is based upon the following premises:

1. There is an implicit assumption that there will be no annexations or major growth in population served during the subject fiscal year.
2. Capital expenditures totaling \$736,900 are allocated for eighteen (18) projects. Major projects include: 2 new gate hoists, a standby generator and rehabilitation of both governors, all at the Hydro-Electric Plant; 2 new Police cruisers; \$55,000 for paving and repair of Town streets; development of 2 new wells as sources of potable water; a much-needed radio system for the Public Works Department; telephones, computers, furnishings and other associated items for the new Municipal Center; and continuation of funding for a fire-fighting pumper boat.
3. Funding is included for one additional employee in the Public Works Department and \$163,891 is appropriated for the debt service payment on the new Municipal Center which will soon house the Town's administrative offices, Police Department, and Community Center all under one roof.
4. This budget includes a modest 2.5% cost-of-living adjustment for Town employees. Despite the consistent dedication, loyalty and hard work demonstrated by our Town work force, we must recognize the need to maintain

[4] - Budget Message and Budget Estimates  
FY 1995-96

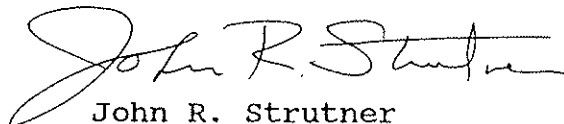
our competitive standing vis a vis the compensation offered by surrounding municipalities. Failure to be vigilant and equitable in this regard will make it difficult to continue to attract and retain the talented and dedicated cadre of employees we now enjoy.

5. The operational portions of the budget will permit us to continue to provide the same, or even marginally increased, levels of effective and efficient public services as in last year's budget. I say "increased" levels due to the addition of one employee (albeit it is a much-needed and long overdue position), and also due to the pending relocation of several operations to new quarters which should result in some improvements in terms of service delivery, economies of scale, etc.

While this budget may not address every want or desire, project or program, it does provide for the continuation of all basic municipal services currently provided and begins to address some basic infrastructure needs.

The preparation of a document as detailed as this budget requires the input and cooperation of many actors. In that regard, I wish to acknowledge particularly the efforts of Sam Karr, our Finance Director, and other Town department heads and staff for their dedicated and conscientious work in assisting in the preparation of the Town Budget for Fiscal Year 1995-1996. In addition, I deeply appreciate the insightful and meaningful contributions to the budgetary process provided by you, the Town Council of Lake Lure. In the end, it is you, representing the citizens of the Town of Lake Lure, who approve and adopt the Town budget, and thereby "set the course" for Town operations and capital improvements during the ensuing fiscal year.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "John R. Strutner". The signature is fluid and cursive, with a large initial "J" and "S".

John R. Strutner  
Town Manager

A RESOLUTION ESTABLISHING A CAPITAL RESERVE FUND  
TOWN OF LAKE LURE

WHEREAS, the Town Council of the Town of Lake Lure, conducted a public hearing on the 27th day of June, 1995, on the question of establishing a capital reserve fund;

AND WHEREAS, the Town Council deems it in the best interest of the Town of Lake Lure to enact a capital reserve fund for Fiscal Year 1995-1996;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LAKE LURE:

In accordance with G.S. 159-18, the Town Council of the Town of Lake Lure adopts the attached document entitled Town of Lake Lure Capital Reserve Fund and continue appropriations for the Capital Reserve Fund for Fiscal Year 1995-1996. This resolution establishes the approximate amount of accumulation, source, purposes, and approximated period of time for accumulation of funds for the following:

<u>Purpose</u>	<u>Amount</u>	<u>Period</u>	<u>Source</u>
ADMINISTRATIVE			
Furnishings & Equip.	\$100,000	1 Year	Capital Fund
Computer System	\$78,500	1 Year	Capital Fund
Telephone System	\$24,800	1 Year	Capital Fund
POLICE DEPARTMENT			
2 Vehicles	\$44,000	1 Year	Capital Fund
2 Portable Radios	\$2,000	1 Year	Capital Fund

Resolution Establishing a Capital Reserve Fund  
Page 2

<u>Purpose</u>	<u>Amount</u>	<u>Period</u>	<u>Source</u>
PUBLIC WORKS			
Paving	\$55,000	1 Year	Capital Fund
Radio System	18,500	1 Year	Capital Fund
Track Loader	10,000	1 Year	Capital Fund
GOLF COURSE			
Swing Joints	\$ 5,000	1 Year	Capital Fund
EMERGENCY SERVICES			
Pumper Fire Boat	50,000	1 Year	Capital Fund
EMS Equipment	12,000	1 Year	Capital Fund
RECREATION			
Remove & Replace Gas Tanks	24,000	1 Year	Capital Fund



Resolution Establishing a Capital Reserve Fund

Page 3

<u>Purpose</u>	<u>Amount</u>	<u>Period</u>	<u>Source</u>
WATER/SEWER			
2 Wells	\$ 90,000	1 Year	Capital Fund
Dechlor./Filter WWTP	20,000	1 Year	Capital Fund
Utility Bldg.	10,000	1 Year	Capital Fund
HYDROELECTRIC PLANT			
Governor Work	\$ 16,600	1 Year	Capital Fund
Standby Generator	16,500	1 Year	Capital Fund
2 Gate Hoists	160,000	1 Year	Capital Fund
<b>TOTAL</b>	<b>\$736,900</b>		

To achieve this budget program, the Town Council of the Town of Lake Lure, in accordance with G.S. 159-13 (c) sets the ad valorem tax rate at .26 per \$100 of property valuation.

Adopted the 27th day of June, 1995.

ATTEST:

\_\_\_\_\_  
Mayor Max E. Lehner

\_\_\_\_\_  
Mary A. Flack, Town Clerk

BUDGET ORDINANCE  
1995-1996 FISCAL YEAR

In accordance with G.S. 159-13 (a), the Town Council of the Town of Lake Lure adopts the attached document entitled Town of Lake Lure 1995-1996 Budget. This ordinance includes revenues and expenditures in the General Fund as follows:

REVENUES

Taxes and Penalties	604,650.00
Miscellaneous	131,310.00
State Shared Revenues	358,675.00
Land Use Fees	10,800.00
Golf Course	96,500.00
Beach	88,775.00
Marina	48,600.00
Lake	59,700.00
Transfers	459,290.00
Cont. For Capital	<u>398,123.00</u>
<b>TOTAL</b>	<b>2,256,423.00</b>

EXPENDITURES

Governing Body	28,810.00
Administration	372,923.00
Police	359,920.00
Fire Dept.	140,203.00
E.M.S.	500.00
Public Works	254,750.00
Sanitation	69,800.00
Golf Course	180,585.00
Lake	11,695.00
Beach	70,167.00
Community Center	4,000.00
Marina	54,450.00
Insurance and Bonds	222,497.00
Contingency Reserve	88,000.00
Cont. To Capital Fund	<u>398,123.00</u>
<b>TOTAL</b>	<b>2,256,423.00</b>

This ordinance includes revenues and expenditures in the Water Fund as follows:

REVENUES	
Water and Wastewater Charges	270,500.00
<b>TOTAL</b>	<b>270,500.00</b>

EXPENDITURES	
Sewer	103,350.00
Water	124,803.00
Contribution	42,347.00
<b>TOTAL</b>	<b>270,500.00</b>

This ordinance includes revenues and expenditures in the Hydro-Electric Fund as follows:

REVENUES	
Hydro-Electric Sales	360,000.00
<b>TOTAL</b>	<b>360,000.00</b>

EXPENDITURES	
Hydro-Electric Contribution to Capital	63,570.00
	296,430.00
<b>TOTAL</b>	<b>360,000.00</b>

TOTALS FOR ALL FUNDS	
GENERAL FUND	2,256,423.00
WATER FUND	270,500.00
HYDRO-ELECTRIC	360,000.00
<b>TOTAL</b>	<b>2,886,923.00</b>

To achieve this budget program, the Town Council of the Town of Lake Lure, in accordance with G.S. 159-13 (c), sets the ad valorem tax rate at .26 per \$100 of property valuation.

Adopted the 27th day of June, 1995.

Mayor Max Lehner

ATTEST:

Mary Flack, CMC/AAE  
Town Clerk

## SUMMARY OF REVENUES

### CURRENT BUDGET 1994-1995

### PROPOSED BUDGET 1995-1996

#### GENERAL FUND:

AD VALOREM TAXES	576,381	604,650
MISCELLANEOUS	93,605	131,310
STATE SHARED	344,295	358,675
LAND USE FEES	4,575	10,800
GOLF COURSE	95,000	96,500
BEACH	88,025	88,775
MARINA	41,550	48,600
LAKE	48,500	59,700
CONT. FOR CAPITAL	112,021	398,123
TRANSFERS	425,133	459,290
<b>TOTAL</b>	<b>1,829,085</b>	<b>2,256,423</b>

#### WATER FUND:

WATER & SEWER	270,000	270,500
<b>TOTAL</b>	<b>270,000</b>	<b>270,500</b>

#### ELECTRIC FUND:

ELECTRIC	360,000	360,000
<b>TOTAL</b>	<b>360,000</b>	<b>360,000</b>
<b>GRAND TOTAL</b>	<b>2,459,085</b>	<b>2,886,923</b>

## SUMMARY OF EXPENDITURES

	CURRENT BUDGET 1994-1995	PROPOSED BUDGET 1995-1996
<b>GENERAL FUND:</b>		
GOVERNING BODY	28,710	28,810
ADMINISTRATION	280,263	372,923
POLICE	338,437	359,920
FIRE DEPT.S	102,615	140,203
EMS	500	500
PUBLIC WORKS	240,188	254,750
SANITATION	80,600	69,800
GOLF COURSE	182,048	180,585
LAKE	11,545	11,695
BEACH	66,302	70,167
COMM. CENTER	5,650	4,000
MARINA	43,445	54,450
INS. & BONDS	256,100	222,497
RESERVE FOR CONTINGENCY	80,661	88,000
CONTRIBUTION TO CAPITAL	112,021	398,123
<b>TOTAL</b>	<b>1,829,085</b>	<b>2,256,423</b>
 <b>WATER FUND:</b>		
SEWER	91,386	103,350
WATER	122,098	124,803
CONTRIBUTION TO CAPITAL	56,516	42,347
<b>TOTAL</b>	<b>270,000</b>	<b>270,500</b>
 <b>ELECTRIC FUND:</b>		
ELECTRIC	53,237	63,570
CONTRIBUTION TO CAPITAL	306,763	296,430
<b>TOTAL</b>	<b>360,000</b>	<b>360,000</b>
 <b>GRAND TOTAL</b>	 <b>2,459,085</b>	 <b>2,886,923</b>