



# Town of Lake Lure

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## MINUTES OF THE BUDGET WORKSHOP MEETING OF THE LAKE LURE TOWN COUNCIL HELD TUESDAY, APRIL 15, 1997, 9:30 A.M. AT THE LAKE LURE MUNICIPAL CENTER

**PRESENT:** Mayor Max E. Lehner  
Commissioner Bill Bush  
Commissioner Carolyn Cobb  
Commissioner Beth Rose  
Commissioner Bud Schichtel

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 asked the Clerk to note that a quorum was present.

### INVOCATION

Town Manager Strutner gave the invocation.

### NEW BUSINESS

#### Discuss Preliminary Budget Items for Fiscal Year 1997-1998

Finance Director Sam Karr presented Council with the first draft of the proposed 1997-1998 budget for their review.

Town Manager Strutner told Council members that expenditures have been reduced in the General Fund (down \$386,194), Water/Sewer Fund (down \$26,785), and Electric Fund (down \$116,037). Mr. Strutner asked Council to note that no pay increase for Town employees is included in the budget at this time and he will be awaiting Council's direction on same. He said that at the 95% collection rate adopted by Town Council for use in estimating ad valorem tax revenues, each additional \$0.01 increase in said tax rate will yield \$23,322. The tax rate now stands at \$0.30.

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Mr. Strutner also reported on the following:

1. Estimates have not yet been made on the valuation figure from the County Tax Collector, thus the ad valorem tax revenue estimate has been increased only very nominally over last year's budgeted figure. That valuation estimate is expected from the County within a week or so.
2. Projected premiums will not be received from the State for Town employees health insurance package and the several Town property/liability insurance coverages until later. Based on information provided by the Finance Director, the past few years' experience has shown that these premiums tend to decrease.
3. Adjustments will continue to be made on several revenue and expenditure items as additional and better information becomes available in the weeks ahead. At this time, there are no significant anticipated variations in either projected revenues or expenditures.
4. According to figures from last year, the gap between the General Fund revenues and expenditures was \$901,040 on June 12. This gap was closed in the budget subsequently adopted by transferring revenues from the fund balances in the Water/Sewer and Electric Funds to the General Fund.
5. This budget does not include any specific amount as an initial allocation toward a sinking fund or escrow fund for future major sediment excavation and disposal projects similar to that just completed. He recommended such an action, and requested Council's decision as to direction on this matter.
6. The General Fund gap continues to remain and must be addressed.

After reviewing the annual budget estimate of revenues, it was the consensus of Council to make the following recommended changes:

**Under the line item golf course - cart fees**  
**\* change from \$51,000 to \$60,000**

**Under the line item golf course - green fees**  
**\* change from \$35,000 to \$37,000**

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**Under the line item golf course - membership fees**  
**\* change from \$10,000 to \$18,500**

Council reviewed other sources of local revenue which were discussed in a previous budget workshop. These included:

- \* Raise taxes**
- \* Fire tax**
- \* Other privilege license tax-user fees**
  - electric companies
  - gas companies
  - solid waste collection
  - telephone companies
  - other user fees
- \* Animal tax - high as \$5.00**
- \* Motor vehicle license tax - privilege of keeping vehicle in town - \$5.00**
- \* Land transfer tax - 1%**

Mayor Lehner suggested that Council consider not lowering the lake level next year (as recommended by the Lake Advisory Committee) in order to generate revenue for the Town from hydro-electric power before the contract between the Town and Duke Power Company expires.

Mayor Lehner also recommended that Council consider transferring one-half million dollars into the General Fund and leave it as a "Sunshine Fund".

After reviewing the annual budget estimate of expenditures, it was the consensus of Council to make the following recommended changes:

**Under line item Hickory Nut Gorge Chamber (dues)**  
**\* delete this item of \$250 in its entirety**

**Under line item Facility Manager's publication**  
**\* delete this item of \$200 in its entirety**

**Under line item Co-counsel Moore (legal fees)**  
**\* charge this item out of the water fund instead of the general fund**

**Under line item Emergency notifications system**  
**\* charge this item out of the hydro-electric fund instead of the general fund**

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**\* Add a line item in the water department for Parmley well rental in the amount of \$873**

Council recessed the meeting for lunch at 12:00 p.m. and called the meeting back to order at 1:00 p.m.

Commissioner Cobb suggested that the Lake Lure Golf Course post a sign at the Golf Club showing the Lake Lure golf course fee charges.

Council discussed the problem of individuals playing golf after hours without paying the required golf fees.

Council discussed the need for new golf carts.

Commissioner Bush mentioned that the bridge located on Boys Camp road should be inspected after the several months of heavy truck traffic.

Mayor Lehner requested that the Town Manager and Finance Director report back at the next budget workshop with recommendations on additions, changes, deletions, etc. to the proposed budget, including COLA raises for Town employees.

After several hours of reviewing the proposed budget, Finance Director Sam Karr was given recommendations by Council in order to make the necessary revisions for their second review.

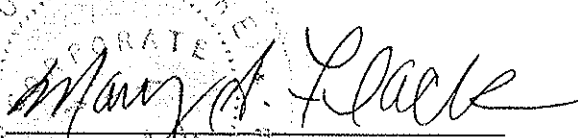
**COUNCIL COMMENTS**


It was the consensus of Council to schedule the next Town Council Budget Workshop meeting for Friday, May 2, 1997, 9:30 a.m., at the Lake Lure Municipal Center.

**ADJOURNMENT**

With no further items of discussion, Commissioner Rose moved, seconded by Commissioner Schichtel, to adjourn the meeting at 2:55 p.m. The vote of approval was unanimous.

ATTEST

  
Mary A. Flack, CMC/AAE  
Town Clerk

  
Mayor Max E. Lehner