

Subject: Town Budget Results
June 21, 2023

Last Thursday night, the Highlands Town Board passed the budget for fiscal year 2023-24. The budget will be over 29 million dollars, with about 8 million in the general fund. The remaining portion reflects the cost of operating our enterprise funds, such as sanitation, water and sewer, and electricity.

While we have had some utility rate increases in the last decade, the town has not had a property tax increase in almost ten years. And we are pleased to report that property taxes have not increased in this new budget.

The fire tax was increased several years ago to build the new fire station and to staff the fire department 24/7. The full-time staffing will go into effect around July 1st. The projection is that the town can fund these full-time staff positions for about three years before a small increase in the fire tax may need to be reviewed. The new staffing will improve response times to accidents and fires and possibly improve fire insurance rates.

A major item in the new budget is the design phase for the replacement of the aging pre-clarifier tank at the water department. This engineering process will start at the beginning of July. The budget also has several road paving projects that will begin in the fall when traffic levels are low.

A major item at the board meeting last Thursday was the introduction of our new electrical consultants. The new consulting firm is Utility Technology Engineers-Consultants (UTEC). This company provides full services to area municipalities that operate electric utility departments. UTEC will be our representative for administering the current wholesale electricity contract that Highlands has with Duke Energy. In 2028 the town will have to enter a new wholesale contract with an energy provider. It could be that we continue with Duke Energy or go with another provider that offers a better contract. UTEC will broker proposals from potential providers such as Georgia Power, Santee Cooper, and others. They will analyze the proposed contracts and recommend the best one for Highlands. UTEC also provides expertise in other areas, such as green energy options, grid improvements, and cost-saving strategies. I am optimistic that our new consultant will help the town provide better and more reliable service to our residents and customers.

Now is the intense season of "Raleigh Watching." The North Carolina Legislature will approve a final state budget in the next week or so and send it to the governor for his signature. I meet with Josh Ward, our town manager, every morning to decipher the status of critical bills and budget items. We look at items like extraterritorial jurisdiction (ETJ), short-term rentals, accessory dwelling units, and changes in wastewater and stormwater regulations, just to name a few. To be honest, it is a mind-boggling process to try to monitor and track the fast flow of legislative initiatives. Like all municipalities, we rely on the NC League of Municipalities staff stationed in Raleigh to alert us to any problematic bills.

To paraphrase Forrest Gump, the conclusion of an NC legislative session is like a box of chocolates; you never know what you are going to get. I only hope it is all sweets for Highlands.