I see it all the time, people walking with rather ordinary, even ugly, dogs all around town. They love those dogs and believe their dog is the best dog ever. True confession: I am one of those dog walkers, too, with the same jaded belief about my mixed-breed, rescued dog.

I encountered a parallel phenomenon at the annual conference of North Carolina cities, aka City Vision. Every mayor I conversed with had immense pride and love for the city that they serve. As we commiserated with each other, we all held back our conviction that while the other mayor may have a nice town, our town is a much better place to live, and we are the best. That bias is an understandable and predictable human behavior, just as loving your dog is. Mayors do love their towns. I didn’t meet a mayor at the conference who wasn't enthusiastic about the future of their community, even amid the challenges and problems we faced as we attended workshops and programs at City Vision, the annual gathering of municipal officials of the North Carolina League of Municipalities. All the officials in attendance were seeking information and support to help their towns and cities flourish and function better.

Nevertheless, I was at the NC Mayors Association luncheon on Tuesday, and after lunch, the conversation centered on what was happening in the legislature, which was in session down the street. The legislature is considering putting controls on how much a county or city can raise property taxes each year. It seems that outgoing Senate President Phil Berger is pushing for a moratorium on property tax revaluations and increases. The house under the new leader, Dustin Hall, is working on a constitutional amendment for state voters to approve. The amendment would enable the legislature to control property tax rates. Let me speak for my colleagues in stating that almost every mayor opposes the legislature getting involved in property tax issues. We believe that counties and municipalities are responsible for providing critical services and making tax decisions best made at the local level. Voters can always change their elected officials if they do not want to pay more taxes.

Whether either of these bills is passed in the session remains to be seen. Nothing is certain in the NC legislature until the gavel comes down, ending a session. But local elected officials are in limbo as we prepare budgets for the next fiscal year, which begins July 1. Unlike the state, towns and counties must adopt a new, balanced budget each year. The legislature has not approved a full state budget since 2023. North Carolina may be drifting toward the budget model used by the federal government.

With all this said, the Highlands town board will hold a special budget meeting on Tuesday, May 12, to discuss a possible property tax increase, which would be the only one since 2014. In earlier budget sessions this spring, the board did discuss raising taxes to meet growing demands in the general fund. The consensus was to delay the tax increase until the 2027/28 fiscal year. But with a possible moratorium or other measures from Raleigh looming, it may be wise to raise taxes this year.

As I have said before, the good old days of using reserve funds to cover revenue shortfalls have gone away. Our general fund reserves are now below the 50% threshold that we adopted several years ago as a budget policy. Most small towns follow the best operating practice of maintaining high reserves between 50 to 100% of general fund operating costs. If taxes are not increased, our reserve fund will continue to be depleted to the point where we have to cut back operating costs for essential services. As an elected official, I do not want to see our town accepting such a retrenchment mode.

Our millage rate is now 10.22 mils, an extremely small number.