

The budget planning season is coming to a close, as the last budget workshop was held last Thursday. The next budget stop is the presentation of a proposed budget for FYI 2024-2025 at the town board meeting on May 16.

The proposed budget will be big, maybe as much as 45 million dollars. In past years, the town budgets have hovered around 28 to 30 million dollars. Budgets like the forthcoming one include all operations and revenue sources needed to operate every department, such as electricity, water and sewer, roads, police, and recreation.

Why is the budget so large this coming year? Three major factors are in play. First, the town has received state grants for infrastructure projects that total into the millions. These funds have to be included in the budgetary process. Second, we have carryover expenditures from previous budget appropriations. For instance, we are still waiting for the delivery of several expensive vehicles purchased a number of years ago, but the funds have to be carried over to this budget when, hopefully, we will actually receive and pay for the vehicles that have been back-ordered. Third, the town is using reserve funds that we have to address several critical projects. For instance, almost three million dollars are directed toward electric grid upgrades. At the present time we anticipate borrowing from the electric fund to replace the main sewer line on US 64 that failed this year. The caveat to this project is that I am working with Congressman Edwards' office to see if federal funds are available to complete this critical project.

At the last budget workshop, the staff and board discussed several related budget issues. One of which is we have some police officers nearing retirement. The town manager and police chief informed the board that the town needs to begin paying for new police recruits to attend basic law enforcement training (BLET) and begin the process of filling in for the retiring officers. The BLET program is a 6-to-7-month full-time educational experience that almost all other municipalities pay for their recruits. The agreement would be for the town to pay the BLET costs and begin paying a modest salary while new officers are in the training program. The new officer would commit to serving in the Highlands Police Department for 2 or 3 years.

The board and staff also discussed fee increases; the big one will be an increase in water and sewer rates by \$10 a month. This rate increase is being driven by the NC Local Government Commission and the town auditors, who contend our rates are too low to maintain our water and sewer systems into the future. Water and sewer tap fees will also be adjusted to reflect the real cost of making these connections. Ice skating fees will go from the rather low \$5 to \$8 per skater. Again, the town has overhead costs such as replacing skates and equipment that need to be covered to some extent from fees.

The town will also be getting out of the commercial totter business where customers are charged a monthly fee. The preliminary plan is to turnover the existing town toters to businesses and then have the businesses replace toters when they ware out. That is the model for residential customers now.