

**Council Members**

Barry Kaufman, Mayor  
Jimmie Accardi, Vice Mayor  
Weidner Abernethy  
Kelly Melang



**Town Manager**

Bob Pudney

**Town Attorney**

Stacy C. Eggers IV

FY 2023 – 2024

The Honorable Barry Kaufman, Mayor  
Town Council Members  
Town of Beech Mountain Taxpayers

Dear Mayor, Town Council Members and Town Taxpayers:

I am pleased to submit for your consideration the proposed budget for Fiscal Year 2023-2024 for the Town of Beech Mountain. This proposal meets with the direction provided by the elected officials at the Town Budget Retreat held on January 25, 2023, as well as the April 18, 2023, Budget Workshop. This Budget proposal continues the Town Councils multi-year initiative to improve town Infrastructure, Beautification, Road maintenance and improvement and to provide essential services to the residents and visitors to the Town.

This proposed budget meets all requirements of the North Carolina Local Government Budget and Fiscal Control Act 159 Article 3.

**OVERVIEW**

The General Fund Budget for FY 2023-2024 is proposed at \$11,549,993 which includes \$1,648,565 of capital expenditures, primarily for the construction of the Town Hall / Visitor Center expansion and Police Patrol vehicles and equipment. The actual Operating Budget is \$8,176,428. This proposal continues the 24-hour Emergency Medical Services Paramedic Ambulance at Fire Station #2. There is a transfer from Fund Balance of \$1,175,000 that is 100% of the Town Hall / Visitor Center Expansion project which includes a TDA grant of \$425,000, \$700,000 carryover from the FY 2022-2023 Budget with a \$50,000 as a new appropriation in this budget. The Balance of the project is funded by a second TDA Grant of \$175,000 plus a \$550,000 loan. There is no Fund Balance proposed for other Capital outlays or Operating expenses in FY 2023-2024.

**TOWN SERVICES**

The Town of Beech Mountain continues the commitment in providing essential services for FY 2023-2024 to include Police and E911 Communication services, Fire and Emergency Medical Services, Planning and Zoning, Code Enforcement, Building Inspections and Permitting, Public Works, Roads and Drainage, Administration, Finance, Tax Collections, Solid Waste and Recycling, Parks and Recreation, Potable Water and Sanitation, as well as Tourism and Economic Development. The Town of Beech Mountain is a Full-service municipality.

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**GENERAL FUND**

The proposed tax rate for FY2023-2024 has been reduced from \$.068 to \$.065 per \$100.00 of assessed valuation. This is the second year the tax rate has been reduced (\$.0732 - \$.065) for a two-year reduction of \$.008 per \$100.00 assessed valuation. This rate is based upon a tax valuation of \$998,091,487.00 with a collection rate of 98%.

**SALARIES AND BENEFITS**

This proposed budget includes a 5% Cost-of-living adjustment (COLA) for all current employees with no Merit raises anticipated. Due to the continued increase in inflation as well as the current marketplace for skilled employees a Consumer Price Index (CPI) rate of 6.7 was used to base this request.

In 2022 the Town contracted with the MAPS Group to conduct a comprehensive Pay Plan analysis and study to include a municipal employee market analysis and competitive pay range plan to serve the Town going forward ten years of more. This Budget adopts the plan as submitted by the MAPS group with no new employee positions added to the current town workforce. The estimated cost to implement this plan is \$87,203 which may be offset with the implementation of the proposed COLA.

The Employee Medical Insurance Plan, MedCost, has increased premiums by 5.5% for FY 2023-2024. The Employee contribution for dependent care has been increased to 50% of the premium. This is the third year of the program to increase the cost share between the Town and the employees for dependent care coverage.

**CAPITAL EXPENDITURES**

This budget proposal follows the same format with all Capital Expenditures listed separately from actual operating expenses. This format clearly lists all Capital costs in a transparent manner.

FY 2023-2024 has limited Capital Expenditures due to the Town Council's priority to lower the Ad Valorem Tax rate. The requested Capital is required to maintain current operations, other essential Capital equipment has been moved forward into future budgets, this will negatively affect Town finances going forward.

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**GENERAL FUND CAPITAL**

Police Patrol Vehicles with Equipment	\$ 107,000.00
Mobile Truck Mounted Air Compressor	\$ 10,000.00
Snowplow Blade	\$ 10,000.00
Town Hall / Visitor Center Construction	\$1,359,565.00
Parks and Recreation	
Park Pavilion (TDA Funded)	\$ 55,000.00
Swing Set (TDA Funded)	\$ 50,000.00
Website Design (TDA Funded)	\$ 12,000.00
Timing System (TDA Funded)	\$ 10,000.00
E Bikes Rentals (TDA Funded)	\$ 35,000.00

**WATER UTILITY**

Chlorine Scale	\$ 5,000.00
Tank Measurement System	\$ 5,000.00
UV Disinfection System Upgrade	\$ 50,000.00
Pickup Truck	\$ 75,000.00
Manhole Repairs	\$ 20,000.00
Fire Hydrants	\$ 15,000.00
Tap Replacement Project	\$ 129,250.00
Meter Replacements	\$ 15,000.00

**SANITATION**

Garbage Container Replacements	\$ 10,000.00
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**ADMINISTRATION**

Continued funding is proposed for a Grants Coordinator in the Finance Department, approved in the FY 2022-2023 Budget. This position will be critical for the complex reporting and record-keeping requirements after funds are received. Currently the Town has over \$29 million dollars of requested grant funding that when realized will require extensive fiscal management and reporting. The Town is embarking on a \$15 million General Obligation Bond initiative for critical source water improvements, this will require specific financial accounting and reporting to meet all expected legal requirements.

Administration of the Ski Loft Road infrastructure project, Town Hall / Visitor Center expansion project will require additional financial accounting, auditing and



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administration during this period as well.

**PARKS AND RECREATION**

The Parks and Recreation Department continues to be responsible for all roadway plantings, decorations, beautification, and holiday lighting in addition to the regular Parks and Recreation offerings, the operation of the Paid Public Parking Lot has been added to this department's responsibilities. The Revenue from the Paid Parking Lot is accounted for in this department's budget.

User fee increases for programs and facility uses have been proposed.

**PLANNING AND BUILDING INSPECTIONS**

An increase in Building Permit and Inspection fees is proposed. The Town is again experiencing an increase in new construction, remodeling of existing properties and Code Enforcement cases. These fee increases are proposed to help offset the additional costs of administering these services.

**PUBLIC WORKS**

Funding for Gravel Road maintenance, Culvert replacement and Paving repairs has been moved from the Capital budget to the Operating budget for Public Works. These expenditures do not meet the definition of Capital expenses and are more closely aligned with maintenance expenses.

A reduction of 20% in Paving maintenance has been proposed as directed. This reduction will require more patching of existing pavement resulting in a less attractive drivability after extensive utility work.

**FIRE DEPARTMENT**

Funding to continue a full-time 24-hour Emergency Advanced Life Support Paramedic Ambulance is included. This is through a contract with Watauga County and includes a contractual increase based upon the annual CPI index.

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**UTILITIES**

Increase in the Water minimum rate by 10% per the Water Rate Study schedule.  
Increase in the Sewer minimum rate by 10% per the Sewer Rate Study schedule.  
Increased Source Water surcharge to \$9.00 per month. These funds are transferred to the Utility Source Water Development Fund.  
Availability fees are currently at 100% for new construction, these fees are transferred to the Utility Capital Reserve Fund as required by law.

Continued funding for the engineering and planned development for the Lake Coffey / Lake Santis source water reservoir.  
Approximately \$29 million dollars of direct grant funding has been requested from the State and Federal governments for this project. A decision is expected during FY 2023-2024.

**SANITATION**

An increase in the monthly Sanitation Fee of \$3.75 per month is proposed. There was no increase in FY 2022-2023 as the Town was finalizing the Commercial franchise with Republic Services for dumpster services. With a full year of operation and analysis this increase is warranted to account for the actual tonnage of solid waste and the increase in tipping fees per ton by Watauga County.  
A reduction in full-time staffing of the Convenience Center and other efficiencies allow this increase to be as low as possible.

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**CONCLUSION**

The Town Council set high expectations for continued service levels to the Town taxpayers and visitors with a mandate to lower the ad valorem tax rate with focus on replacing the aging infrastructure and beautifying the town. The Council directed an employee Pay Plan study to ensure the Town was competitive in the municipal marketplace in attracting qualified personnel and to retain essential employees through planning, implementation, and sound fiscal control. I believe this budget proposal meets those directions from the elected officials.

I appreciate the direction and leadership provided by the Mayor and Town Council in providing a clear and measurable vision and direction for the future of the Town of Beech Mountain. This Budget proposal is a collective effort by the Team of Department Directors, Employees, Board and Committee Members, the Public and Business here in our Town. Without the cooperation and input from all concerned we would not be able to move the Town forward. A special thanks and appreciation to Steve Smith, our Finance Director, for his knowledge, leadership, and direction through this complex process.

I am prepared to discuss the specifics of this Budget proposal at any time.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Pudney". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bob Pudney, Town Manager.

**TOWN OF BEECH MOUNTAIN, NORTH CAROLINA  
FY 2024 BUDGET ORDINANCE**

**BE IT ORDAINED BY THE TOWN OF BEECH MOUNTAIN TOWN COUNCIL:**

**SECTION 1. GENERAL FUND.**

- A. REVENUES.** It is estimated that the revenues as listed below will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024, to meet the appropriations as set forth in Subsection C below. All fees, commissions and sums paid to or collected by any Town official, officer or agent for any service performed by such official, officer or agent in his official capacity shall insure to the benefit of the Town and become Town funds.

**Local Revenue:**

Current Year's Property Taxes	\$ 6,357,843
Prior Year's Property Taxes	75,000
Vehicle Tax	79,500
Interest on Taxes	15,500
Interest on Investments	10,000
Rent Income	6,000
Recreation Income	103,500
Hold Harmless Funds	285,000
Fire Department Revenue	100,000
Program Grants	337,000
State Franchise Tax	255,000
Cable TV Franchise Tax	27,000
Beer and Wine Tax	1,450
Powell Bill	125,500
Local Sales Tax	1,750,000
Building Inspection Fees	60,000
Planning & Zoning Fees	6,200
Installment Loan Proceeds	550,000
Other Revenue	105,500
Fund Balance Appropriated	1,175,000
Transfer from TDA – Salaries	125,000

<b>TOTAL GENERAL FUND REVENUE</b>	<b><u>\$11,549,993</u></b>
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**B. AD VALOREM TAX LEVY.** There is hereby levied for the fiscal year 2023-2024 an ad valorem property tax on all property in the Town of Beech Mountain as of January 1, 2023, at a rate of .65¢ on each hundred dollars (\$100.00) assessed value pursuant to and in accordance with the Machinery Act of Chapter 105 of the North Carolina General Statutes and other applicable laws. Property shall be assessed at one hundred percent (100%) of its true value. The estimated revenues from the ad valorem property tax set out in Section 1-A of this Ordinance are based on an estimated collection during the 2021-2022 fiscal year of ninety-eight percent (98%) of the levy.

**C. APPROPRIATIONS.** The following amounts are hereby appropriated to the Town Manager for the operation of the Town of Beech Mountain and its departments and agencies for the fiscal year beginning July 1, 2023 and ending June 30, 2024. In administering the programs authorized under this Ordinance, the Town Manager is authorized to make transfers from one appropriation to another within the same fund. Any such transfer shall be reported to the Town Council at its next regular meeting and shall be recorded in the minutes of that meeting. The Town Manager is authorized to make expenditures of \$10,000 or less from contingency appropriations by transfer to departments and agencies. Any such expenditure shall be reported to the Town Council at its next regular meeting and recorded in the minutes of that meeting. The Town Manager may establish personnel positions which may become necessary within the funds provided in this Ordinance or amendments thereto.

Administration	\$3,805,671
Tax Collection	59,140
Visitor Center	308,409
Police	1,519,274
Fire	1,000,357
Special Projects	"
Building Inspections	259,692
Planning	157,912
Vehicle Maintenance	192,700
Public Works	3,290,061
Recreation	<u>956,777</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>\$ 11,549,993</u></b>



## SECTION 2. WATER AND SEWER FUND.

- A. **REVENUES.** It is estimated that the revenues of the funds as listed below will be available during the fiscal year beginning July 1, 2023 and ending June 30, 2024, to meet the appropriations approved for operations of the Town of Beech Mountain Water and Sewer Fund as set forth in Section 2-B below.

Interest on Investments	\$ 10,000
Metered Sales	3,009,116
Connection Fees	26,000
Reconnect Fees	1,500
Other Revenue	35,000
Installment Loan Proceeds	
Source Water Development	276,480
Availability Fees	150,000

TOTAL REVENUES \$3,508,096

- B. **APPROPRIATIONS.** The following amounts are hereby appropriated to the Town Manager for the operation of the Town of Beech Mountain Water and Sewer for the fiscal year. In administering the programs authorized under this Ordinance, the Town Manager is authorized to make transfers from one appropriation to another within the same fund. Any such transfer shall be reported in accordance with the provisions of Section 1-C of this Ordinance. The Town Manager is authorized to make expenditures of \$10,000 or less from the contingency appropriation by transfer to the appropriate line item within the same fund. Any such expenditure shall be reported to the Town Council in accordance with the provisions of Section 1-C of this Ordinance.

Water and Sewer Administration	\$1,955,918
Water Treatment	1,070,318
Wastewater Treatment	372,159
Taps and Systems Maintenance	<u>109,701</u>

TOTAL WATER & SEWER FUND APPROPRIATIONS \$3,508,096

### SECTION 3. SANITATION FUND.

This Fund is provided for the operations and accounting purposes of the Town's Solid Waste Management function.

- A. REVENUES.** It is estimated that the following revenues, from the following sources, will be available during the fiscal year to meet the total appropriations approved and specified in Section 3-B below.

Sanitation User Fees	\$ 771,460
Recycling Revenue	3,500
Solid Waste Disposal Tax	370
Other	17,150

TOTAL REVENUES	<u>\$ 792,480</u>
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- B. APPROPRIATIONS.** The following amount is hereby appropriated to the Town Manager for the operation of the Sanitation Fund for the fiscal year.

All Line Items: Total Appropriation	<u>\$ 792,480</u>
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### SECTION 4. 9-1-1 EMERGENCY TELEPHONE FUND.

- A. REVENUES.** It is estimated that the following revenues, from the following sources, will be available during the fiscal year to meet the total appropriations approved and specified in Section 4-B below.

9-1-1 Subscriber Fees	50,161
9-1-1 Transfer from Reserve	42,539
Other	3,000

TOTAL REVENUES	<u>\$ 95,700</u>
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- B. APPROPRIATIONS.** The following amount is hereby appropriated to the Town Manager for the operation of the 9-1-1 Emergency telephone Fund for the fiscal year.

All Line Items: Total Appropriations	<u>\$ 95,700</u>
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## SECTION 5. SPECIAL REVENUE FUND

**A. REVENUES.** It is estimated that the following revenues, from the following sources, will be available during the fiscal year to meet the total appropriations approved and specified in Section 5-B below.

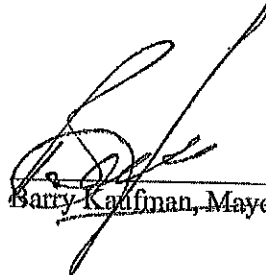
BEEHCOP Promotions	<u>\$5,000</u>
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TOTAL REVENUES	<u>\$5,000</u>
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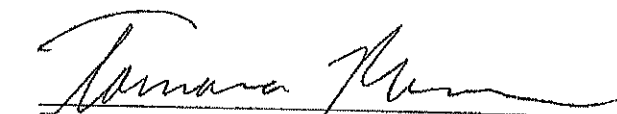
**B. APPROPRIATIONS.** The following amount is hereby appropriated to the Town Manager for the operation of the Special Revenue Fund for the fiscal year.

All Line Items: Total Appropriations	<u>\$5,000</u>
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Ordained this, the 13th day of June 2023

  
Barry Kaufman, Mayor

ATTEST:

  
Tamara Mercer, Beech Mountain Town Clerk

