



Town of Beaufort NC

701 Front St. - P.O. Box 390 - Beaufort, N.C. 28516
252-728-2141 - 252-728-3982 fax - www.beaufortnc.org

**Town Of Beaufort Board of Commissioners Worksession Meeting
MINUTES
4:00 PM Monday, May 20, 2019 - Town Hall Conference Room**

1. Call to Order/Roll Call

Mayor Newton called the meeting to order. Town Clerk Davis called roll and declared a quorum present for the meeting.

2. Agenda Approval

Commissioner Hagle made a motion to approve the agenda as presented. the vote was 4 to 0 in favor.

3. Items for Discussion and Consideration

A. FY 2020 Proposed Budget

Town Manager Day summarized the General Fund, the Capital Improvement Plan and the Five Year Plan.

Mr. Day indicated the fund balance available is at 23% which is above the town's policy of retaining 20%.

Mayor Newton indicated the forecast for property valuations was an increase of 10% in 2020. Mr. Day also reported the Sales Tax revenue was greater this year than had been expected due to our increase in the tax rate since the sales revenue was tied to tax values and rates.

Manager Day indicated the Utility Fund contribution to the General Fund increased to account for 75% of the Engineer Salary and for the Engineer Intern position in the proposed FY20 budget.

Town Manager Day also reported the retirement system was increasing the employer contribution over the next three years. In addition, he informed the commissioners the budget did not include funding for the market pay adjustment study that had been

completed.

Mr. Day reported the Utility Fund remained about the same with the exception of the increased contribution to the General Fund. The Unassigned Fund Balance is 29 % is below the policy of 50% but will grow over the next several years. There are no rate increases for the coming year. There is a contribution to Capital Reserves--Utilities of nearly \$340,000. There is an anticipation of an increase in revenues for the year. The shortfall in the unassigned fund balance based on the 50% policy is approximately \$900,000.

Town Manager Day began the discussion on the Capital Improvement Plan by pointing out the biggest year would be FY2020. Projects scheduled for FY2020 included beginning stages of the boardwalk.bulkhead improvements, Cedar Street utility line improvements, Cedar Street park, pumper truck for the Fire Department, pedestrian improvements, Pollock Street Stormwater Improvements and utility line and street combined improvements. Mr. Day reported the funding sources for the projects were intergovernmental, loan proceeds, Capital Project Fund-Community Improvements, Capital Reserve Fund-Boardwalk, Capital Reserve Fund-Streets, and Capital Reserve Fund-Utilities.

Town Manager Day explained the Five Year Plan was an analysis of the projected revenues and expenses for the next five years. Based on anticipated new construction increases of approximately \$4 million each year and the forecast of an 8% increase in revaluation was used to determine ad valorem taxes. In addition, he did indicate the recurring operating costs would increase each year by 2% corresponding with the consumer price index.

4. Mayor and Commissioner Comments

Commissioner Carter thanked the staff for their work on putting together such a thorough document.

Commissioner Harked thanked Town Manager Day for his good report on the information in the budget document. She did ask for a clarification of information on page 156 that the streets and utilities work had to be done in conjunction with each other and not individually. Mr. Day confirmed that was correct.

Commissioner Hagle indicated it was great to see the town was able to be making some progress on the many needed projects.

Commissioner Hollinshed indicated the town was in need of more money.

Mayor Newton asked for an increase in the donation to the library of \$500 each year. He also commented he felt the budget document was professional.

5. Adjourn

Being no further business to discuss, Commissioner Hagle made a motion to adjourn the meeting. The vote was 4 to 0 in favor of the motion. The meeting adjourned at 5:45

p.m.

Mayor Everett S. (Rett) Newton

Michele Davis, Town Clerk

-