

9.0 Government and Administration

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9.1 INTRODUCTION

The town offers a variety of municipal services from public safety to utilities to recreation. As with any successful municipality, carrying out the government's municipal functions requires a range of administrators, along with committees and/or boards, to oversee operations. A solid organizational and fiscal structure is crucial. This section of the comprehensive plan discusses the administration and opportunities for strengthening it to meet future needs of the town.

9.2 Inventory and Existing Conditions

This section highlights government structure, administration responsibilities, and fiscal responsibilities.

Government/Administration:

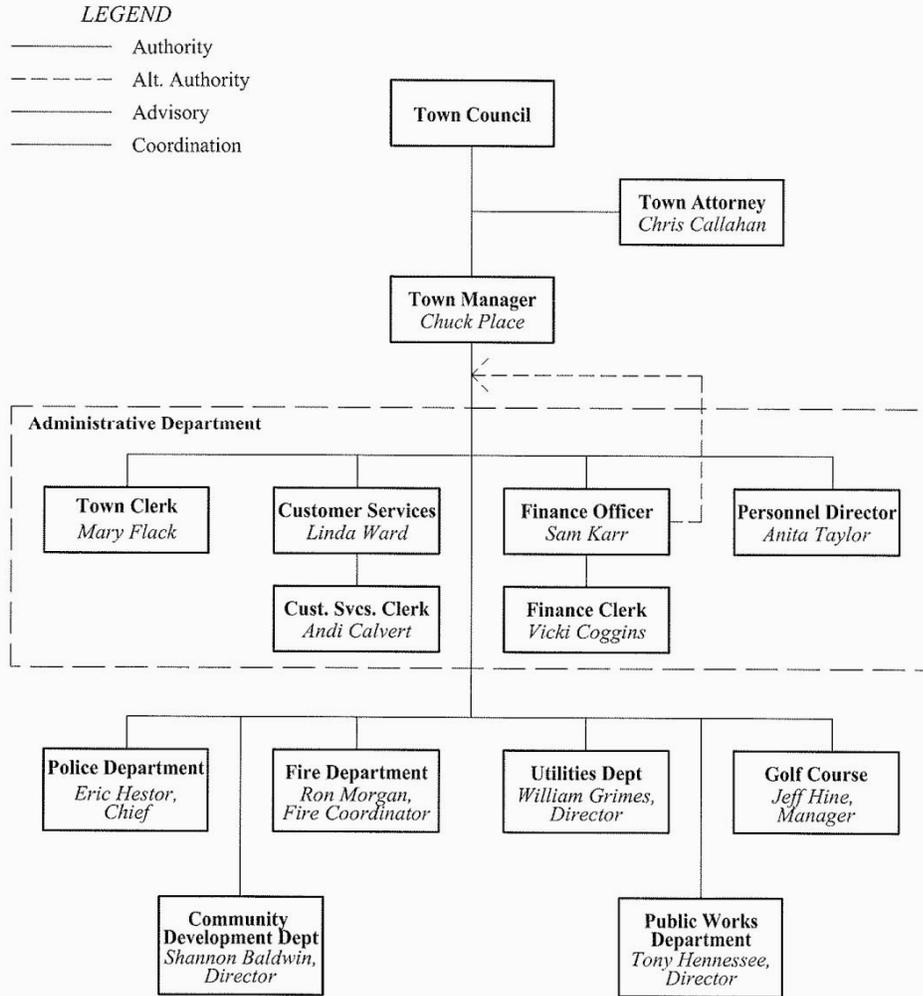
The town currently operates under the council-manager form of government. The original town charter was revised on May 15, 1987 upon ratification by the North Carolina General Assembly. The mayor of Lake Lure serves a two-year term. Town council members serve four-year terms. The council is responsible for appointing a town manager who serves for an indefinite term. As briefly stated on the town's Web site, the town manager 'serves as the chief administrative officer of the town and is responsible for the efficient administration of all town operations and departments.' The manager is responsible for carrying out the policies of the town and regulations.

The town manager functions as the head of the administrative department, which includes the town clerk, finance officer, personnel director and customer services supervisor. In addition, the manager is responsible for the following departments:

- Community Development
- Public Works
- Utilities
- Police
- Fire
- Golf Course

According to the General Statutes of North Carolina, it is also the duty of town manager to submit a yearly proposed budget for each fiscal year to the mayor and council. This budget highlights proposed revenues and expenditures for the coming fiscal year. In addition to developing and managing the budget, the town manager develops a capital improvement plan to allocate funds to specific future capital improvements.

Town of Lake Lure
Table of Organization
DEPARTMENTAL ORGANIZATION



Lake Lure's Municipal Organizational Chart

One major challenge the town is facing is the lack of staff to adequately carry out the full range of administrative functions. Related to this challenge are three key issues: enforcement, area served, and the seasonal population increase.

There is a lack of regular enforcement of existing regulations. Despite the government's commitment to the environment and other community elements that the regulations are intended to protect and its efforts to create appropriate regulatory constraints, with the amount of development activity occurring in the town, enforcement of existing regulations presents challenges for current staff, especially given the range of responsibilities assigned to each individual. Regulations will prove to be more effective with adequate support for current staff.

Lake Lure's municipal government oversees an unusually large amount of land given its population size. Although the town's population according to 2005 estimates from the North Carolina Office of State Budget and Management is 1,066, the area the government is responsible for is 13.25 square miles, which includes a 1.15-square-mile lake. The distribution of land around the lake creates logistical problems for service provision. More staff is needed to sufficiently cover the physical area of the town. (For more information see the *Community Services and Facilities* section.)

According to the town's municipal Web site, the population of Lake Lure rises to about 10,000 people during peak season months. This increase in population is a burden on the government's administration and its capacity. Public safety is one of many government services that are challenged to perform its daily functions during this period.

Lake Lure has several distinct boards such as the Zoning and Planning Board, Lake Structures Appeals Board, ABC Board, Parks and Recreation Board, and Board of Adjustment. Within each board, members are appointed to three-year terms.

Lake Lure is additionally supported by committees that complement various staff functions. Standing committees include the Lake Advisory Committee and the Golf Course Advisory Committee. Other committees are created for specific tasks as needed. Within each committee, members are appointed to two-year terms.

The Lake Lure Marine Commission was established in 2003 under authorization from the North Carolina General Assembly to “make regulations applicable to Lake Lure and its shoreline area concerning all matters relating to or affecting the use of Lake Lure.” In addition, the Lake Advisory Committee is appointed by the town council to make recommendations to council and to the marine commission on matters affecting the management of the lake. Furthermore, there is an unclear division of enforcement responsibilities, which makes it difficult for the town to determine effectiveness of enforcement. Currently, the town council is responsible for lake issues pertaining to structures and development along the lake’s edge. The commission is responsible for activities on the lake, such as boating. The enforcement responsibilities are unclear at this point in time. While the town’s police department monitors lake activities, it is not enforcing violations related to structures and their use. For example, an approved boat dock could have a number of boats tied up to it that exceeds the allowable amount. No method of enforcement is in place to control this.

Budget/Finances:

The Town of Lake Lure operates on a fiscal year accounting system from July 1 through June 30. The finance officer is responsible for the administration of the town’s financial operations, including accounting and financial reporting, purchasing and inventory management, permits and fees collection, tax collection, information technology services, and utility billing and collections.

The town’s operations are conducted using a variety of funds such as the Water/Sewer Fund, the Hydroelectric Fund, the General Fund, and the Capital Reserve Fund. The details of each fund’s balance for 2005-2006 are as follows:

- The Hydroelectric Fund had \$1,056,887 in cash. This money is derived from the production and sale of electric power.
- The Water and Sewer Fund, which operates as a proprietary fund (profit generating entity) consists of fixed assets, cash, and cash equivalents. It had a value of \$2,949,826.
- The Capital Reserve Fund had \$110,000 in cash. This fund is specifically allocated for silt removal. This fund does not conform to the fiscal calendar as the other funds.
- The General Fund had \$1,781,807 in cash. This money is primarily obtained from property taxes.

As the budgets are proposed each year, it is highly unlikely the actual revenues and expenditures will be identical to the forecasts. The proposed 2005-2006 budget reflects the revenues and expenditures associated with the general fund and are summarized on the following page. Notable details of the budget for 2005-2006 include the following:

- The town operates with no debt service. This means that there is literally no interest on debt to be paid. However, there is debt and debt interest that has been incorporated into other aspects of the budget. For example, payments have been drawn from the fire department’s budget for recent renovations to the firehouse and a new fireboat. The amount originally borrowed was \$236,000.
- Administration charges are assessed for water and sewer and hydroelectricity.
- Current revenues in the general fund are derived mainly from Ad Valorem taxes (property taxes) and state shared revenues. Property taxes are the largest revenue producer for Lake Lure’s municipal government. The amount of revenue generated from property taxes is 43% of the total revenue.
- Other sources of revenue are generated through charges in connection with land use fees, miscellaneous (permits, fees, etc), the beach, etc.

2006-2007 Annual Budget: Summary of Revenue and Expenditures:

Annual Budget: Summary of Revenues & Expenditures			
<u>General Fund - Revenues</u>		<u>General Fund - Expenditures</u>	
Ad Valorem Taxes	\$1,420,685	Governing Body	\$37,073
Miscellaneous	414,110	Administration	567,560
State Shared	902,751	Police	659,574
Land Use Fees	26,450	Fire	404,436
Golf Course	230,000	EMS	500
Lake	227,865	Public Works	576,588
Beach	68,000	Sanitation	146,600
Marina	29,100	Golf Course	396,302
Adm Charge - W/S	25,000	Lake	23,300
Adm Charge - Hydr	25,000	Beach	2,500
Trans Hydro - Silt	100,000	Comm Center	35,223
Appr. Fund Balance	\$14,134	Marina	53,200
Total	\$3,375,125	Non-Gov't	112,765
		Debt Service	35,000
		Contingency	68,000
		Total	\$3,375,125

* Source – Town of Lake Lure

In upcoming years, there will be a need for improvement on public infrastructure, expansion of services (e.g., police, fire, EMS) and additional administration. This will adversely affect the budget and costs will need to be offset by additional revenues generated through a variety of sources. There are debts that have been recently assumed by the town in 2006-2007, such as the State Revolving Loan from the State of North Carolina. The value of this debt is \$1,119,085 and is to be paid over the next 20 years. This amount is not yet reflected in the 2007-2008 budget.

Financial Description of Government Service Liabilities:

Hydro-Electricity:

The 2005-2006 projected revenue to be generated from the dam was \$245,000. The actual revenue received from the dam was \$409,231, which is a combination of operational and non-operational revenue. Operational revenue generated \$402,429 while non-operational revenue was attributed to a FEMA reimbursement of \$5,211. Interest income totaled \$1,591.

The power that is generated is sold to Duke Energy through the substation above the dam. Historically, Lake Lure has signed 15-year contracts with Duke Energy. The contracts were trimmed to 5-year term agreements after 1998. The payment structure of the contract specifies that Lake Lure is paid according to two peak hourly and non-peak hourly rates and peak season and non-peak season rates. The amount paid to Lake Lure is dependent on the amount of kilowatts generated.

Future dam expenditures for maintenance of the dam structure are expected to be costly as the age and deterioration of the dam increases. This could place additional demands on the budget.

Lake Lure Golf Course:

The town-owned golf course has an impact on the town's budget in that it does not generate revenues equal to or greater than its overall expense. In 2005, the budget was affected by the golf course's \$22,943 net loss. Often, it is very difficult to balance revenues and expenditures for public golf courses due to a variety of unknowns, such as maintenance issues and levels of play. A number of potential improvements could be made to help generate additional revenue. Various capital investments such as course expansion and joint business ventures are just a

few opportunities that warrant further exploration. See *Community Facilities and Services* for additional information.

9.3 Summary of Issues and Opportunities

- There is a need to further explore future staff capacity levels within the municipal government.
- There is a need to clearly define enforcement responsibilities of each town department, especially as it pertains to the lake.
- Lake Lure has unusual service demands:
 - Lake Lure experiences a large population influx during the summer months. This seasonal population influx is a concern for a government that is arranged to manage town operations at population levels well below seasonal peaks.
- The geographic area of the town provides additional strain on staff services.
- The budget, which was balanced in 2005 with no debt service, will need to increase and/or be supplemented with other funding sources to achieve community goals.
- There is a need to explore avenues to generate consistent yearly revenues needed for public reinvestment.
- Opportunity to identify unprofitable operations and seek ways to increase revenue.

9.4 Goals, Objectives and Policies

GA Goal 1: Improved government operations

Objective GA-1-1: Increase staff resources and improve efficiency within the government.

Policy GA -1-1.1: Improve current municipal staffing efficiency and effectiveness.

(1) Hire a short-range planner/subdivision administrator to facilitate subdivision plan review and manage short-range projects. *This individual would also support the community development director with long-range planning activities, such as Comprehensive Plan implementation, though the director may also choose to create an implementation committee for support in such activities.*

(2) Building on the recent personnel study, conduct a ‘staffing study’ to determine short and

long-term additions to all staffing areas to handle the anticipated workload that will be driven by adopted comprehensive plan policies and future growth. More specifically, the study should (a) determine what skills current staff members possess, (b) identify gaps given the proposed first-year implementation activities recommended in the comprehensive plan, (c) define the type and number of positions to be added, and (d) create the appropriate job descriptions for the positions to be advertised and filled. Based on the results and recommendations of the staffing study, determine the budget requirements to hire and accommodate additional staff (salary, office space, equipment purchases, etc.). If budget limitations warrant, prioritize the filling of positions, and proceed with hiring for the positions identified as high priority.

Policy GA -1-1.2:

Ensure policies and regulations are enforced thoroughly.

- (1) Clearly define the responsibilities of each department for enforcement of existing regulations.
- (2) Seek opportunities to bridge gaps and perform monitoring in an efficient manner. *For example, consider hiring a lake structures administrator to inspect structures such as docks for code violations. Coordinate with other departments for joint utilization of staff who can efficiently perform enforcement duties, such as water monitoring, and train volunteers to assist as members of the Police Auxiliary. For example, the police department could assume lake structure use enforcement on behalf of the staff person responsible for lake structures.*
- (3) Hire additional field staff for inspections and enforcement as new regulations are adopted, as needed.

(4) Create and publish a document that clearly lists all fines and possible infractions.

Policy GA -1-1.3:

Utilize technology (GIS) for better information management, evaluation of development proposals, and better enforcement.

GA Goal 2: *Fiscally sound budget*

Objective GA-2-1: Improve fiscal budgets of the town to better serve the community.

Policy GA -2-1.1:

Consider ways to improve operations.

(1) Evaluate all such operations and conduct a cost/benefit analysis.

(2) Commission a study to evaluate the benefits of outsourcing the management of operations and/or maintenance of any town-owned facility. *Determine a course of action according to the study.*

(3) Explore options that may result in increased revenues with second party involvement, such as: (1) Evaluate the possibility of expanding the operations of the golf course to include a secondary set of services (e.g. restaurant) that would create a revenue stream year round. (2) Explore possibility of further investment (e.g. capital improvements and expansion of course to 18 holes) to improve future revenue streams. Analyze the possibility of increased lease revenues with or without further investment (e.g. restrooms, cart barn, and additional facilities).

Policy GA -2-1.2:

Improve the municipality's annual revenue streams

(1): Evaluate and consider an appropriate increase in soil/erosion violation fees. Use the estimated revenue from this fee to offset the cost of services provided by the town related to water quality or enforcement.

(2) Explore options for and establish other fees that can be charged as a flat monthly fee to cover specific costs.

(3) Evaluate Lake Lure's budget over the past 10 years to determine annual increase in cost of services to justify any proposed fee increases. Review existing fees for annexation, boat permits, tap fees for sewer water, facility rental, fire inspection, golf course, marina rental, water/sewer rates, and zoning/land uses permit fees, and increase where needed.

(4) Increase the commercial property tax base by increasing the amount of commercial and mixed-use development in appropriate locations (e.g. commercial service node, town center node, etc.)

(5) Seek grants to supplement the current revenue streams, as discussed in sections 2-10.

Policy GA -2-1.3:

Enhance the Capital Improvement Plan (CIP)

(1) Broaden the Capital Improvement Plan to include additional specific categories as needed. *For examples, create stand-alone categories for recreation and bicycle and pedestrian improvements.*

(2) Develop a three, five, and 10-year schedule for all capital improvement plan categories.

GA Goal 3: Improved education and communication within the community

Objective GA-3-1: Communicate current and future initiatives that directly and indirectly impact the community.

Policy GA-3-1.1:

Create an educational outreach program.

(1) Develop an educational section on the Web site that conveys information on a wide variety of topics, including regulations, the environment, conservation easements, etc.

(2) Consistently update the monthly newsletter and post to the Web site at a set designated time each month.

(3) Conduct a survey to determine the best ways to communicate information to all property owners. *Property owners can then express their preferred method of communication.*

(4) Create avenues for trained volunteers to submit photos and other evidence of issues, particularly violations of codes, to town staff.

Policy GA-3-1.2:

Increase awareness of policies and regulations adopted by the town.

(1) Create a system of delivering information to the public notifying them of policy and regulation changes. Timely notification for review and comment on new regulations and policies before they are adopted is also important. *For example, the monthly newsletter could include more detail to inform people of changes.*

(2) Publish a list of code violations on town's Web site. *This would inform people that certain infractions were acknowledged and that fines were imposed on those who violated the codes. Ultimately, it would improve public's perception of enforcement.*

(3) Create a page that allows the public to review, search, and understand codes in an interactive manner. Include a variety of written examples or illustrations of how the codes should be followed. Provide examples of infractions and clearly state the problem with the infractions for illustration purposes.