

Budget Message information

While we are not a band of soothsayers, we continue to analyze trends and operate in the best interest of our citizens. In preparing and planning for revenues in this proposed budget, the following considerations were made:

1. Maintain tax collection rate of 96%-This is an outstanding collection rate and the 4% uncollected often is collected in the next fiscal period.
2. Maintain awareness of the absence of collection from seized property-Decrease in collection of residential and commercial property purchased by the state and now exempt from collections.
3. We are optimistic commercial businesses removed by the new highway project will be replaced by new, more thriving businesses, although not realized yet.
4. Increase of Sales & Use, Franchise Utility, & Solid Waste tax distributions-we have not found any reasonable way to estimate these increases. We already know these distributions are “elastic” ones or “flex” revenue. Although this is hypothetical, we feel a prudent calculation is to maintain based on previous year performances.
5. Slight increase in interest on investments. There is no good way to estimate this rise and fall in yield. Therefore, you will begin to see the pattern of maintaining in hopes of erring on the side of realizing increased profitability.
6. We utilized our federal replacement revenue to maintain fire protection services for several years without increasing our tax rate. Currently, the recommendation is to raise our tax rate by \$0.02. Our proposed new tax rate would be \$.33 per \$100.00 valuation. This will allow us to do several things for our constituents without interruption. We will be able to continue protecting our citizens through our contracted fire related services. These services are even more important as road closures and redirections are incurred. When our fire tax increased from \$0.09 per \$100 valuation to \$0.11, we did not increase our levy. We then incurred reappraisal, further expanding our fire service expenses; again, we did not increase our tax rate. The increase will also help support the current deficit from our sanitation efforts. We have had deficits for several years without increasing our tax rate, we must address this issue. We won't allow revenue replacement to lull us into a false sense of security. While we are in good shape financially, we must plan for our future and for these ever-expanding deficits.

In preparing and planning for expenditures in this proposed budget, the following are conditions included in calculations:

7. As usual, we are always chasing regarding waste endeavors. There are many layers we must include in this calculation. Our CPI increase from Republic has increased by 5.2%. This equates to an increase of \$1,053.36 for the year. The feedback from RCSW reflects an increase of \$2.00 per ton from \$74.00 per ton to \$76.00. We average 2.52 tons per week, the average cost per week of \$201.05. Three more weeks in June extrapolated would be 7.56 more tons at an average cost of \$603.15. For a total estimate of 138.61 tons @ a cost of \$11,057.87. We will need to increase our waste fee by \$5.00-from \$170.00 per can per year to \$175.00 (in combination with raising our tax rate) not to break even, to attempt to disallow the gap to become insurmountable. The difference between our cost of sanitation (\$32,439.23) and what we will gather from the waste fee (\$24,150.00) is **-\$8,289.23**. The challenge of reconciling GDS cans in circulation with the tax bills may be nearing a resolution due to developing relationships with key individuals at GDS and the County Tax Department. We are more hopeful now than ever before we might get a handle on this; it would be beneficial for all our taxpayers. It's noteworthy we do not have any in our coffers for these restricted expenditures. We should also remember, waste should be a self-sustaining operation, especially for a town of our size and means. To continue to absorb these differences is defeating. These are ongoing, recurring, operational charges.

Given all the information at our disposal at this time, based largely on current year activity/history, feedback/interaction with the board, proposed increases, tax value changes, change in management of duties, or submitted requests, the following budget values are recommended:

Administration	\$ 129,377.51
Capital Outlay	\$ 40,500.00
Fire Department	\$ 60,785.87
Street Department	\$ 22,500.00
Sanitation Department	\$ 32,439.23
Total Appropriations	\$ 285,602.61

Current year's real property taxes	\$170,717.43
Current year's motor vehicle taxes	\$ 10,140.18
Powell Bill funds	\$ 14,800.00
Franchise taxes	\$ 11,600.00
Interest on investments	\$ 5,310.00
Solid Waste Disposal Tax	\$ 285.00
Sales & Use Tax	\$ 48,600.00
Landfill Taxes	\$ 24,150.00
Appropriated Fund Balance	\$ 0.00
Total estimated revenues	\$285,602.61

The only budget request submitted was by the Town Manager for communication texting software.

Our fiscal policy continues to seek revenue streams, cultivate a community environment for the Town, encourage efforts to promote the Town's vitality. The board's approach remains constant, they wish to be resourceful, open-minded, and creative in alternative revenue pursuits. In addition to more permanent solutions, they wish to explore grants and aid. Financially the board wishes to continue its conservative perspective and guard expenditures closely.

While the new highway is a painful process, it continues to hold opportunity for us. We believe it will function as a catalyst to spur growth, positively affecting the economy and our upcoming budgets in a bright way. We continue to look for assistance from those who can support us in capitalizing on this event, working it to our favor. We believe Public Private Partnerships are the best path forward and are seeking to bolster these opportunities. Our board cares about the Town and everyone in it. They work hard to champion and shepherd projects and goals to improve conditions for all.

[G.S. 159-11(b)]

Budget Ordinance for the Town of Ruth 2024-2025

BE IT ORDAINED by the Governing Board of the Town of Ruth, North Carolina:

Section 1: The following amounts are hereby appropriated in the General Fund for the operation of the town government and its activities for the fiscal year beginning July 1, 2024, and ending June 30, 2025, in accordance with the chart of accounts heretofore established for this Town:

Administration	\$ 129,377.51
Capital Outlay	\$ 40,500.00
Fire Department	\$ 60,285.87
Street Department	\$ 22,500.00
Sanitation Department	\$ 32,439.23
Total Appropriations	\$ 285,602.61

Section 2: It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

Current year's real property taxes	\$170,717.43
Current year's motor vehicle taxes	\$ 10,140.18
Powell Bill funds	\$ 14,800.00
Franchise taxes	\$ 11,600.00
Interest on investments	\$ 5,310.00
Solid Waste Disposal Tax	\$ 285.00
Sales & Use Tax	\$ 48,600.00
Landfill Taxes	\$ 24,150.00
Appropriated Fund Balance	\$ 0.00
Total estimated revenues	\$285,602.61

Section 3: There is hereby levied a tax at the rate of thirty-three cents (\$0.33) per one hundred dollars (\$100) valuation of property as listed for taxes as of May 21st, 2024, for the purpose of raising the revenue listed "Current Year's Property Taxes" in the General Fund in Section 2 of this ordinance.

This rate is based on a total valuation of property for the purposes of taxation of \$54,805,337 and an estimated rate of collection of 96.0%.

Section 4: The City Mayor or a designee is hereby authorized to transfer appropriations as contained herein under the following conditions:

- a. Transfers between line-item expenditures within a department without limitation and without a report being required. These changes must not result in increases in recurring obligations such as salaries.
- b. Transfers up to \$1,000 between departments, including contingency appropriations, within the same fund. The budget officer must make an official report on such transfers at the next regular meeting of the Governing Board.

c. All transfer between funds requires prior approval by the Governing Board in an amendment to the Budget Ordinance.

Section 5: The City Mayor or a designate may make cash advances between funds for periods not to exceed 60 days without reporting to the Governing Board. Any advances that extend beyond 60 days must be approved by the Board. All advances that will be outstanding at the end of the fiscal year must be approved by the Board.

Section 6: Copies of this Budget Ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Planned for Adoption on the 24th day of June 2024.

TOWN OF RUTH PROPOSED BUDGET 2024-2025

REVENUE:

1030100 CURRENT TAXES	\$170,717.43
1032900 INTEREST ON INVESTMENTS	\$5,200.00
1032901 INTEREST ON POWELL BILL	\$110.00
1033600 PERSONAL AUTO TAX	\$10,140.18
1034300 POWELL BILL ALLOCATION/** <u>RESTRICTED</u>	\$14,800.00
1036702 SALES & USE TAX	\$48,600.00
1036703 NC FRANCHISE TAX	\$11,600.00
1036704 SOLID WASTE DISPOSAL TAX	\$285.00
1039900 APPROPRIATED FUND BALANCE/** <u>RESERVES</u>	\$0.00
1039901 LANDFILL FEE/** <u>RESTRICTED</u>	\$24,150.00

Total Revenue **\$285,602.61**

EXPENSE:

ADMINISTRATION:

1040900 NC SALES TAX	\$2,730.53
1040901 SALES TAX OTHER	\$122.00
1040902 SHIPPING AND HANDLING	\$470.00
1041000 SALARY OF MAYOR	\$387.54
1041001 COMMISSIONERS	\$646.00
1041002 TAX COLLECTION & CLERK EXPENSE	\$23,600.04
1041003 LEGAL SERVICES	\$5,000.00
1041004 PROFESSIONAL SERVICES	\$10,200.00
1041006 FICA EXPENSE	\$2,000.00
1041010 ELECTION EXPENSE	\$3,000.00
1041011 TOWN EDUCATION EXPENSE	\$800.00
1041013 UTILITIES/ CITY HALL – MALL	\$4,000.00
1041015 MAINTENANCE & REPAIR BUILDING & GROUNDS	\$16,400.00
1041016 MAINTENANCE & REPAIR EQUIPMENT	\$500.00
1041026 ADVERTISING	\$271.40
1041033 DEPARTMENTAL SUPPLIES & EXPENSE	\$1,000.00
1041053 DUES & SUBSCRIPTIONS	\$21,000.00
1041054 INSURANCE & BONDS	\$5,000.00
1041058 CHRISTMAS LIGHT EXPENSE	\$30,000.00
1041059 DOWNTOWN BEAUTIFICATION	\$1,000.00
1041060 TOWN HALL FURNISHINGS	\$250.00
1041070 TOWN GROUNDS	\$1,000.00
	\$129,377.51

CAPITAL OUTLAY:

1051071 CAPITAL OUTLAY LAND	\$0.00
1051072 CAPITAL OUTLAY BUILDING	\$0.00
1051073 CAPITAL OUTLAY OTHER IMPROVEMENTS/SIGNAGE	\$31,500.00
1051074 CAPITAL OUTLAY OTHER EQUIPMENT	\$0.00
1051076 CAPITAL OUTLAY TECHNOLOGY	\$9,000.00
	\$40,500.00

FIRE DEPARTMENT:

1053045 CONTRACTED SERVICES	\$60,285.87
1053046 TREE REMOVAL	\$500.00
	\$60,785.87

STREET DEPARTMENT:

1056013 UTILITIES-STREET LIGHT	\$8,000.00
1056014 UTILITIES-SIGNAL LIGHT	\$200.00
1056015 MAINTENANCE – EXISTING STREETS	\$9,500.00
1056016 SNOW & ICE REMOVAL	\$2,000.00
1056018 DRAINAGE AND STORM SEWER	\$0.00
1056019 CURB AND GUTTER	\$0.00
1056020 BIKEWAYS	\$1,625.00
1056021 SIDEWALKS	\$0.00
1056022 GREENWAYS	\$500.00
1056025 TOWN HALL MOWING AND BEAUTIFICATION	\$675.00
	\$22,500.00

SANITATION DEPARTMENT:

1058045 GARBAGE CONTRACTED SERVICES	\$21,381.36
1058046 LANDFILL FEES	\$11,057.87
	\$32,439.23

Total Expense **\$285,602.61**