

Budget Message information

We work fervently 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. We remain watchful of any potential changes to the DOT's plan. Vigilant in our awareness of new acquisitions of property, resulting in decreased income, exempting it from our collections and hence revenue.
3. We have evidence and belief what will accompany our new roadway infrastructure will be commercial businesses. Thriving, bustling opportunities for employment, dining, socialization and recreation; we are building towards this future. We are always looking for opportunities to partner with private enterprises to advance the condition of Ruth, its citizens, and the surrounding community.
4. Increase of Sales & Use, Franchise Utility, & Solid Waste tax distributions-also considered "elastic" or "flex" revenues. Although this is speculative, we feel it judicious to maintain based on the previous year's performance trends.
5. Increases in interest in investments continue to creep upward. We have chosen to maintain anticipating increased profitability.
6. While on revenue topics, we want to again highlight the utilization of our federal replacement revenue to maintain fire protection services for several years without increasing our tax rate. While this helped to buffer ourselves during difficult COVID times, we no longer have the luxury of revenue replacement; we must generate the revenue to support our limited services. We continue to plan for our future and for these ever-expanding deficits. Currently, the recommendation is to hold our tax rate at \$.33 per \$100.00 valuation. This will allow us to continue to do several things for our constituents without interruption. We will be able to continue protecting our citizens through our contracted fire-related services, as well as help support the current deficit and ongoing fees for our sanitation services.

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

7. Fire protection- We no longer have federal revenue protection to ease the cost of this service. It is a vital, critical service. We know next year's fire tax estimation is a minimum \$0.02 raise per \$100 valuation. Our rate would go from \$0.11 to \$0.13 per \$100 valuation, minimum. We must plan and prepare for maintaining our fire protection as well as anticipating its rise. These services are challenged and stretched by due to road closures, developing alternate routes, fine tuning arrival times etc. When our fire tax increased from \$0.09 per \$100 valuation to \$0.11, we did not increase our levy. We then incurred reappraisal values at a higher rate from the County, further expanding our fire service expenses; again, we did not increase our tax rate. Our 2024-25 contracted service fee was \$60,190.18; our 2025-26 service fee is \$71,613.42. That is an increase of \$11,423.24.
8. Sanitation services-If you read along with us, you know waste services are a moving, mutating organism. There are many layers we must include in this calculation. Our CPI increase from Republic is estimated at 5.2% again this year for the upcoming budget. This equates to an increase of \$1,108.80 for the year. Doesn't sound like a lot, right? We will go from \$21,381.36 to \$22,490.16 for pickup and haul alone. Then there's the disposal of the hauls. Feedback from RCSW reflects an increase of \$4.00 per ton from \$76.00 per ton to \$80.00. We averaged 2.52 tons per week, the current average cost per week of \$201.05. Last week of June estimate would be 2.52 more tons at an average cost of \$201.05. For a total estimate of 140.00 tons @ a cost of \$11,200.00. We will need to increase our waste fee by \$35.00-from \$175.00 per can per year to \$210.00. This is \$17.50 a month or under \$0.34 a week. The difference between our cost of sanitation (\$33,690.16) and what we will gather from the waste fee (\$32,340.00) remains a negative deficit of (-\$1,350.16). The challenge of reconciling GDS cans in circulation with the tax bills will always be morphing and moving, however we are developing systems and relationships, combined with technology and cameras to aid in our auditing. Closing the gap on reconciliation may be closer than we think. With the support and cooperation of key individuals at GDS and the County Tax Department, we are on our way. We are more hopeful now than ever before we might get a handle on this; it would be beneficial for all our taxpayers. We do not have any in our coffers for these restricted expenditures. Waste should be a self-sustaining operation, especially for a town of our size and means. These are ongoing, recurring, operational charges.

Given all the information at our disposal at this time, based largely on the current year's 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	\$ 136,583.58
Capital Outlay	\$ 70,154.11
Fire Department	\$ 72,613.42
Street Department	\$ 29,618.99
Sanitation Department	\$ 33,690.16
Total Appropriations	\$ 342,660.26
Current year's real property taxes	\$204,717.08
Current year's motor vehicle taxes	\$ 10,123.18
Powell Bill funds	\$ 16,000.00
Franchise taxes	\$ 13,300.00
Interest on investments	\$ 5,380.00
Solid Waste Disposal Tax	\$ 300.00
Sales & Use Tax	\$ 60,500.00
Landfill Taxes	\$ 32,340.00
Appropriated Fund Balance	\$ 0.00
Total estimated revenues	\$342,660.26

No new budget requests submitted.

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 2025-2026

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, 2025, and ending June 30, 2026, in accordance with the chart of accounts heretofore established for this Town:

Administration	\$ 136,583.58
Capital Outlay	\$ 70,154.11
Fire Department	\$ 72,613.42
Street Department	\$ 29,618.99
Sanitation Department	\$ 33,690.16
Total Appropriations	\$ 342,660.26

Section 2: It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2025, and ending June 30, 2026:

Current year's real property taxes	\$204,717.08
Current year's motor vehicle taxes	\$ 10,123.18
Powell Bill funds	\$ 16,000.00
Franchise taxes	\$ 13,300.00
Interest on investments	\$ 5,380.00
Solid Waste Disposal Tax	\$ 300.00
Sales & Use Tax	\$ 60,500.00
Landfill Taxes	\$ 32,340.00
Appropriated Fund Balance	\$ 0.00
Total estimated revenues	\$342,660.26

Section 3: There is hereby no change in our levy. 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 April 28th, 2025, for the purpose of supporting 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 \$65,103,110 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.

Adopted this 24th day of June 2025.

TOWN OF RUTH PROPOSED BUDGET 2025-2026

REVENUE:

1030100	CURRENT TAXES	\$204,717.08
1032900	INTEREST ON INVESTMENTS	\$5,270.00
1032901	INTEREST ON POWELL BILL	\$110.00
1033600	PERSONAL AUTO TAX	\$10,123.18
1034300	POWELL BILL ALLOCATION/** <u>RESTRICTED</u>	\$16,000.00
1036702	SALES & USE TAX	\$60,500.00
1036703	NC FRANCHISE TAX	\$13,300.00
1036704	SOLID WASTE DISPOSAL TAX	\$300.00
1039900	APPROPRIATED FUND BALANCE/** <u>RESERVES</u>	\$0.00
1039901	LANDFILL FEE/** <u>RESTRICTED</u>	\$32,340.00

Total Revenue **\$342,660.26**

EXPENSE:

ADMINISTRATION:

1040900	NC SALES TAX	\$1,800.00
1040901	SALES TAX OTHER	\$50.00
1040902	SHIPPING AND HANDLING	\$400.00
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	\$0.00
1041011	TOWN EDUCATION EXPENSE	\$1,000.00
1041013	UTILITIES/ CITY HALL – MALL	\$4,000.00
1041015	MAINTENANCE & REPAIR BUILDING & GROUNDS	\$17,500.00
1041016	MAINTENANCE & REPAIR EQUIPMENT	\$1,000.00
1041026	ADVERTISING	\$300.00
1041033	DEPARTMENTAL SUPPLIES & EXPENSE	\$1,200.00
1041053	DUES & SUBSCRIPTIONS	\$25,000.00
1041054	INSURANCE & BONDS	\$10,000.00
1041058	CHRISTMAS LIGHT EXPENSE	\$30,000.00
1041059	DOWNTOWN BEAUTIFICATION	\$1,000.00
1041060	TOWN HALL FURNISHINGS	\$500.00
1041070	TOWN GROUNDS	\$1,000.00
		\$136,583.58

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	\$28,654.11
1051076	CAPITAL OUTLAY TECHNOLOGY	\$10,000.00
		\$70,154.11

FIRE DEPARTMENT:

1053045	CONTRACTED SERVICES	\$71,613.42
1053046	TREE REMOVAL	\$1,000.00
		\$72,613.42

STREET DEPARTMENT:

1056013	UTILITIES-STREET LIGHT	\$10,393.99
1056014	UTILITIES-SIGNAL LIGHT	\$50.00
1056015	MAINTENANCE – EXISTING STREETS	\$15,000.00
1056016	SNOW & ICE REMOVAL	\$2,000.00
1056018	DRAINAGE AND STORM SEWER	\$0.00
1056019	CURB AND GUTTER	\$0.00
1056020	BIKEWAYS	\$1,000.00
1056021	SIDEWALKS	\$0.00
1056022	GREENWAYS	\$500.00
1056025	TOWN HALL MOWING AND BEAUTIFICATION	\$675.00
		\$29,618.99

SANITATION DEPARTMENT:

1058045	GARBAGE CONTRACTED SERVICES	\$22,490.16
1058046	LANDFILL FEES	\$11,200.00
		\$33,690.16

Total Expense **\$342,660.26**