

## Budget Message information

While we do not have a crystal ball, we are watching the market closely and are operating in the best interest of our community and its citizens. We have been awarded by the Federal Government funding to aid in replacement revenue. We are working faithfully to adhere to the guidelines while considering the best ways to obligate these funds. Cities and towns have been spotlighted as the economic engines of the state; I believe now we are the turbo fuel injected devices cultivating and authoring a new way to balance work, play, and an optimal, overall sense of value and peacefulness to its inhabitants. There remains a need to be creative, courageous, innovative, and resourceful in seeking additional revenue pursuits. We continue striving to cultivate revenue streams. We are delighted the Federal Grant allocations are here and will support our efforts to improve the Town's position. Therefore, in preparing and planning for revenues in this proposed budget, the following are conditions I have included in my calculations:

1. Maintain 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 property purchased by the state and now exempt from collections.
3. Commercial businesses removed by the new highway project we are optimistic will be replaced by new, more thriving business, although not realized yet.
4. Increase of Sales & Use, Franchise Utility, & Solid Waste tax distributions-I 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, I 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. Currently, I am recommending our tax rate remain unchanged. This would keep our tax rate at \$.31 per \$100.00 valuation.

In preparing and planning for expenditures in this proposed budget, the following are conditions I have included in my 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 beyond the CPI rate as they are adding in a 30% inflation rate for materials, fuel, etc. This equates to an increase of \$3,548.16 for the year. The feedback from RCSW reflects an increase of \$5.00 per ton from \$69.00 per ton to \$74.00. I have gathered our current fiscal year to date tonnage which is 127 tons; given the ytd budget vs actual tracking on point with two months billing yet to post, collectively approximated at \$1600.00, we will need to increase our budget by \$198.00 to account for this increase. It continues to be CLEAR we made the right decision to remove recycling from our services. MANY other LARGE towns and cities have followed suit. The problem of reconciling GDS cans in circulation with the tax bills continues to elude us and I dare say always will. I would not recommend reducing our per unit fee as will continue to absorb over \$7,500.00 going forward. It's noteworthy we certainly do not have any in our coffers for these restricted expenditures. It is noteworthy to remember, waste should be a self-sustaining operation, especially for a town of our size and means.

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, I am recommending the following budget values:

Administration	\$ 124,767.12
Capital Outlay	\$ 26,500.00
Fire Department	\$ 49,700.00
Street Department	\$ 17,150.00
Sanitation Department	\$ 29,726.00
<b>Total Appropriations</b>	<b>\$ 247,843.12</b>

Current year's real property taxes	\$129,060.16
Current year's motor vehicle taxes	\$ 9,527.05
Powell Bill funds	\$ 13,284.00
Franchise taxes	\$ 11,050.00
Interest on investments	\$ 2,443.00
Solid Waste Disposal Tax	\$ 210.00
Sales & Use Tax	\$ 40,800.00
Landfill Taxes	\$ 22,000.00
Appropriated Fund Balance	\$ 19,468.91
<b>Total estimated revenues</b>	<b>\$247,843.12</b>

The only budget request given was a consideration for new Christmas decorations and features.

Naturally, given all the data I have highlighted, there are changes in fiscal policy for aggressively seeking revenue streams and development of the Town and its staff so growth may be fostered in all ways. In some cases, you must spend money to create revenue flows. The approach of the board is to be resourceful and open-minded in pursuing alternative sources of revenue. This includes grants and aid, however, is not limited to these temporary solutions. Financially the board wishes to continue its conservative perspective and guard expenditures closely.

While we are chasing our Pole Star of revenue, the new highway is an opportunity for us. It is an economic factor which will affect our upcoming budgets. We are hoping to enlist the assistance of those who can support us in capitalizing on this event and make it work in our favor. We believe Public Private Partnerships are the best path forward.

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