

## Budget Message information

Once again, what a year! Two perspectives: it's imperative to communicate we do not know what the future holds, we 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 searching out additional revenue pursuits. We continue striving to cultivate revenue streams. Revenue shortfalls coupled with no revenue replacement plan and increasing expense is a persisting condition this year. We are delighted 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. No longer are there tax dividends from the business absences.
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. Decrease in interest on investments. We had hoped and estimated an increase in our dividends, however those were not realized, so we adjust. Again, 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 a tax rate increase of \$0.03. This would change our tax rate to \$.31 per \$100.00 valuation. Should my investigations along with the Tax Department (prior to the 18<sup>th</sup>) reveal answers altering this recommendation, I will modify this document and resubmit.

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 is 3.5%. This equates to an increase of \$572.88 for the year. The feedback from RCSW regarding the rumored increase in tipping fees is not firm, however, they have estimated an increase of \$5.00 per ton, taking the current \$64.00 per ton to \$69.00 per ton. I have gathered our current fiscal year to date tonnage (should be very accurate as no recyclables were within this fiscal year). Our current fiscal year to date tonnage is 98.38 tons; our current budget vs actual ytd without an increase is tracking right on target. We are currently expended @ \$7,102.88 with two months to go (May and June) at approximately \$1,300.00 combined; therefore, I estimate a budget increase of \$700.00 from \$8,500.00 to \$9,200.00. This is conservative and may need to be adjusted if the fee is firmed up at another per ton price. It is CLEAR to me we made the right decision to remove recycling from our services. I would say we are holding our own now in this area, however, it remains an elusive task I cannot get cooperation on. I'm speaking to the ongoing problem of reconciling GDS cans in circulation with the tax bills. This year, it even appears there is a major decrease in collections, the bills don't reflect accurately who has cans, or perhaps the Tax department has mistakenly taken liberties with our rate. I only surmise this because we were pretty on target the last several years. All of that to say I'm currently investigating this like the pit bull that I am to attempt once again to get to the bottom of this issue. I hope to have answers before the 18<sup>th</sup> so I can reflect my speech here on the findings. Until I have definitive findings, I would not recommend reducing our per unit fee as we absorbed \$4,022.48 from the

previous fiscal period, and our collections for the current are dismal. 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.

8. Of critical importance, mindfulness reappraisals have DRAMATICALLY affected our contracted Fire District Tax payment. It has increased from \$38,206.33 to \$49,241.59. An increase of \$11,035.26.

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	\$ 110,127.00
Capital Outlay	\$ 25,000.00
Fire Department	\$ 49,241.59
Street Department	\$ 17,050.00
Sanitation Department	\$ 25,979.84
<b>Total Appropriations</b>	<b>\$227,398.43</b>
Current year's real property taxes	\$124,896.55
Current year's motor vehicle taxes	\$ 8,777.43
Powell Bill funds	\$ 13,500.00
Franchise taxes	\$ 11,500.00
Interest on investments	\$ 350.00
Solid Waste Disposal Tax	\$ 351.00
Sales & Use Tax	\$ 43,000.00
Landfill Taxes	\$ 10,000.00
Appropriated Fund Balance	\$ 15,023.45
<b>Total estimated revenues</b>	<b>\$227,398.43</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 openminded 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)]