



# TOWN MEETING INCLUDING THE BUDGET PUBLIC HEARING

Tuesday, June 21, 2022 at 6:00 PM  
RUTH TOWN HALL

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## AGENDA

CALL TO ORDER

INVOCATION

ROLL CALL

AGENDA ADOPTION

GUEST SPEAKERS

COMMUNITY FORUM

APPROVAL OF LAST MEETING'S MINUTES

OLD BUSINESS

COMMITTEE REPORTS

1. **Budget Hearing**

Open forum to hear comments regarding the proposed budget 2022-2023. Visitors must be signed in, only have three minutes per. Mayor Guy should ask for motion to enter into Public Hearing session.

2. **Financial Reporting**

Amie will review financial reports.

3. **Audit Contract for 2021-2022**

Adopt the Audit Contract for the upcoming audit year.

4. **Legal Contract renewal**

Our legal counsel has increased their rates and we must adopt the new contract.

NEW BUSINESS

5. **Street signs with directional indicators**

Nick would like to discuss this item with the board.

ADJOURNMENT

*In accordance with the Americans with Disabilities Act, persons who need accommodation to attend or participate in this meeting should contact Town Hall at (828) 287-7943 within 48 hours prior to the meeting to request such assistance.*

**Budget Ordinance for the Town of Ruth 2022-2023**

Item 1.

**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, 2022, and ending June 30, 2023, in accordance with the chart of accounts heretofore established for this Town:

<b>Administration</b>	<b>\$ 110,127.00</b>
<b>Capital Outlay</b>	<b>\$ 25,000.00</b>
<b>Fire Department</b>	<b>\$ 49,241.59</b>
<b>Street Department</b>	<b>\$ 17,050.00</b>
<b>Sanitation Department</b>	<b>\$ 25,979.84</b>
<b>Total Appropriations</b>	<b>\$ 227,398.43</b>

**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:

<b>Current year's real property taxes</b>	<b>\$124,896.55</b>
<b>Current year's motor vehicle taxes</b>	<b>\$ 8,777.43</b>
<b>Powell Bill funds</b>	<b>\$ 13,500.00</b>
<b>Franchise taxes</b>	<b>\$ 11,500.00</b>
<b>Interest on investments</b>	<b>\$ 350.00</b>
<b>Solid Waste Disposal Tax</b>	<b>\$ 351.00</b>
<b>Sales &amp; Use Tax</b>	<b>\$ 43,000.00</b>
<b>Landfill Taxes</b>	<b>\$ 10,000.00</b>
<b>Appropriated Fund Balance</b>	<b>\$ 15,023.45</b>
<b>Total estimated revenues</b>	<b>\$227,398.43</b>

**Section 3:** There is hereby levied a tax at the rate of twenty-eight cents (\$0.31) per one hundred dollars (\$100) valuation of property as listed for taxes as of May 13, 2022, 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 \$41,967,928 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 approved by the Governing Board in an amendment to the Budget Ordinance.**

Item 1.

**Section 5: The City Mayor or a designee 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 \_\_th day of June 2022.**

**TOWN OF RUTH****Proposed Budget 2022-2023****REVENUE:**

1030100 CURRENT TAXES	\$124,896.55
1032900 INTEREST ON INVESTMENTS	\$350.00
1033600 PERSONAL AUTO TAX	\$8,777.43
1034300 POWELL BILL ALLOCATION/* <b><u>RESTRICTED</u></b>	\$13,500.00
1036702 SALES & USE TAX	\$43,000.00
1036703 NC FRANCHISE TAX	\$11,500.00
1036704 SOLID WASTE DISPOSAL TAX	\$351.00
1039900 APPROPRIATED FUND BALANCE/** <b><u>RESERVES</u></b>	\$15,023.45
1039901 LANDFILL FEE/* <b><u>RESTRICTED</u></b>	\$10,000.00
<b>Total Revenue</b>	<b>\$227,398.43</b>

**EXPENSE:****ADMINISTRATION:**

1040900 NC SALES TAX	\$40.00
1040901 SALES TAX OTHER	\$60.00
1040902 SHIPPING AND HANDLING	\$60.00
1041000 SALARY OF MAYOR	\$775.00
1041001 COMMISSIONERS	\$1,292.00
1041002 TAX COLLECTION & CLERK EXPENSE	\$23,000.00
1041003 LEGAL SERVICES	\$6,000.00
1041004 PROFESSIONAL SERVICES	\$9,000.00
1041010 ELECTION EXPENSE	\$0.00
1041011 TOWN EDUCATION EXPENSE	\$5,000.00
1041013 UTILITIES/ CITY HALL – MALL	\$3,000.00
1041015 MAINTENANCE & REPAIR BUILDING & GROUNDS	\$1,000.00
1041016 MAINTENANCE & REPAIR EQUIPMENT	\$1,000.00
1041026 ADVERTISING	\$700.00
1041033 DEPARTMENTAL SUPPLIES & EXPENSE	\$1,500.00
1041053 DUES & SUBSCRIPTIONS	\$16,500.00
1041054 INSURANCE & BONDS	\$4,000.00
1041058 CHRISTMAS LIGHT EXPENSE	\$36,000.00
1041059 DOWNTOWN BEAUTIFICATION	\$200.00
1041060 TOWN HALL FURNISHINGS	\$500.00
1041070 TOWN GROUNDS	\$500.00
	<b>\$110,127.00</b>

**CAPITAL OUTLAY:**

1051071 CAPITAL OUTLAY LAND	\$0.00
1051072 CAPITAL OUTLAY BUILDING	\$0.00
1051073 CAPITAL OUTLAY OTHER IMPROVEMENTS/SIGNAGE	\$24,000.00
1051074 CAPITAL OUTLAY OTHER EQUIPMENT	\$0.00
1051076 CAPITAL OUTLAY TECHNOLOGY	\$1,000.00
	<b>\$25,000.00</b>

**FIRE DEPARTMENT:**

1053045 CONTRACTED SERVICES	\$49,241.59
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**\$49,241.59**

**STREET DEPARTMENT:**

1056013 UTILITIES-STREET LIGHT	\$7,500.00
1056014 UTILITIES-SIGNAL LIGHT	\$50.00
1056015 MAINTENANCE – EXISTING STREETS	\$5,000.00
1056016 SNOW & ICE REMOVAL	\$2,000.00
1056018 DRAINAGE AND STORM SEWER	\$0.00
1056019 CURB AND GUTTER	\$0.00
1056020 BIKEWAYS	\$1,500.00
1056021 SIDEWALKS	\$0.00
1056022 GREENWAYS	\$500.00
1056025 TOWN HALL MOWING AND BEAUTIFICATION	\$500.00

**\$17,050.00**

**SANITATION DEPARTMENT:**

1058045 GARBAGE CONTRACTED SERVICES	\$16,779.84
1058046 LANDFILL FEES	\$9,200.00

**\$25,979.84**

**Total Expense**

**\$227,398.43**

3

TR \$0.31

TR \$0.31

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 sustaining operation, especially for a town of our size and means. Item 1.

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
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<b>Total Appropriations</b>	<b>\$227,398.43</b>
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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.

Item 1.

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)]