



OFFICE OF THE RANLO TOWN MANAGER

Jonathan D. Blanton
Town Hall
1624 Spencer Mountain Road
Ranlo, North Carolina 28054



Dear Ranlo Friends and Neighbors:

I want to directly speak to you all regarding the state of the Town's finances and the upcoming fiscal year budget.

Until recently, the Town's finances had not been audited since 2016. Over the last year, the Town successfully submitted all four years of outstanding audits to the North Carolina Treasurer's Office. All these audits returned, or will soon be returned, with exceptions, warnings, and concerning findings of fact from the State. These are not just words on paper, these audits define, control, and limit what we can and cannot do as a municipality.

The Local Government Commission, the North Carolina League of Municipalities, and Davenport Public Finance have all evaluated these audits and reached similar conclusions. Among these conclusions are: (i) the Town spent over \$1.2 million of our savings over a three year time frame; (ii) the Town currently has less than \$580,000 remaining in our fund balance savings account to freely use; (iii) water/sewer rates have not been high enough to support expenditures in many years; (iv) all departments have grown by at least a third, and in some cases, quadrupled over the last three years; and (v) the fiscal year 2021 budget will likely result in an approximate \$500,000 short-fall.

If these numbers hold true and if we do not act now, our entire unrestricted savings will be eliminated over the next year.

This means that in the fiscal year 2023 budget, we will only be able to use revenue that is generated through taxes, fees, and utility rates to create a budget. Currently, that is not enough to support the basic operations of the Town. Services would have to be decreased. Positions would have to be eliminated. Salaries would have to be cut.

Neither I, nor the Board of Commissioners, want this to happen, and we are going to do everything in our authority to prevent these drastic actions from occurring. I am recommending, and the Board of Commissioners is considering, a ten-cents tax increase over the next year and a 30% increase in utility rates. Neither taxes, nor utility rates, have increased overall since 2014 and the Town simply cannot support 2021 services on 2014 revenue.

I am proud to be your Town Manager and I want to continue in this role for years to come. This is why I requested that the Board decrease my salaried benefits to help alleviate a portion of the budget and to show my commitment to you and to the Town. The Board also agreed to cut their salary by over half to address the situation we are currently facing.

As I stated, the Town has invested \$1.2 million of our savings over the last three years. Although this large allocation does not gain favor from the League, the LGC, or the State, it does mean that we will be able to sustain current services offered by the Town.

I have been with you all for over a year now and when I first introduced myself, I promised open and honest communication. That is what I am doing now. We are facing incredible pressure from external state agencies that are outside of our control and I am asking for your support as we provide for a financially sound and secured future.

There will be an opportunity for public comment on this issue at the April 8, May 13, and June 10 regularly scheduled monthly meeting of the Ranlo Board of Commissioners.

Although we face tough days ahead, together, we can, and we will do this.

Thank you and best regards,
Jonathan D. Blanton

Enclosure: Recommended Fees for Fiscal Year 2022

Recommended Fees for Fiscal Year 2022

Inside Residential Water and Sewer Rates (Commercial, Industrial, and Outside Doubled):

0-3000 (gallons):	\$7.75
3001-5000 (gallons):	\$7.85
5001-9000 (gallons):	\$7.90
9001-12000 (gallons):	\$8.00
12,000+ (gallons):	\$8.10

Inside Residential Water and Sewer Base Charges (Commercial, Industrial, and Outside Doubled):

\$7.00/water and \$7.00 Sewer

Inside Garbage Charges (Commercial, Industrial, and Outside Doubled):

\$12.00 for one can and \$9.00 for each additional can

Tax Rate: .

.50/per \$100 valuation