TOWN OF RANLO BUDGET

Fiscal Year 2024 - 2025

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TOWN OF RANLO

1624 Spencer Mountain Road

2024 – 2025 Budget Preparation Timeline

April 11, 2024

Mayor and Board,

As we enter Budget preparations, I present to you the Budget Timeline and Meetings to be adopted by the Board so that we can commit to the following dates and have our budget prepared in a timely manner.

April 2024 – Staff prepares initial baseline budget based on Gaston County projections and known budgetary changes.

April 11, 2024 – Regular Meeting of the Board and adoption of Budget Timeline and Meetings.

April 29, 2024 – Budget Prioritization Meeting of the Board at Council Chambers 6:00 – 8:00pm with Board, Department Heads, and Town Manager.

April 30, 2024 – Department Requests are submitted to the Town Manager.

May 9, 2024 – Prior to the regular meeting of the Board, from 5:30 – 7:00 pm – a Budget Workshop will be help with Staff and the Board to go over the proposed budget and finely tune the draft budget.

May 9, 2024 – Regular Meeting of the Board where we can discuss further if needed. The Town Manager will present the Budget Message and proposed budget at the Board Meeting.

*May 21st , 2024 – We will keep this date on standby if the Board determines we need to have another meeting to discuss any changes.

June 1, 2024 – All Town spending will be put on a hold with the exception of Emergency Purchase Orders to be able to accurately close out the books from 2023 – 2024 budget.

June 13, 2024 – Regular Meeting of the Board – The Budget Public Hearing will be help and The Board will vote to adopt the 2024 – 2025 Budget to take effect July 1, 2024.

OFFICE OF THE RANLO TOWN MANAGER
Charlie Hansen
Town Hall
1624 Spencer Mountain Road
Ranlo, North Carolina 28054

May 16, 2024

Honorable Lynn Black, Ranlo Mayor
Ranlo Mayor Pro-Tem Doug Moore
Ranlo Board of Commissioners Robin Conner, Ronnie Laws, Wade Morton

Dear Mayor Black and Board of Commissioners:

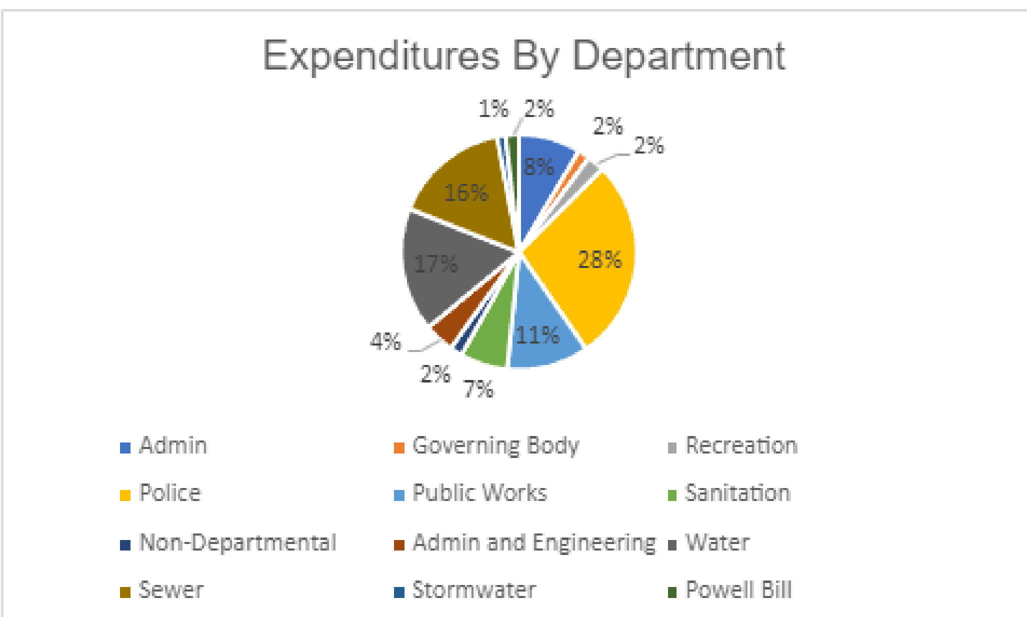
As the Town of Ranlo's Budget Officer and Town Manager, I am pleased to present for your consideration the Manager and Staff's Recommended Budget for the 2024-2025 Fiscal Year ("the Recommended Budget").

The Recommended Budget is balanced at $5,004,150.00. The Recommended Budget consists of a General Fund Budget of $2,984,200.00, a Utility Fund Budget of $1,868,950.00, a Powell Bill Fund Budget of $91,000.00, and a Stormwater Fund Budget of $60,000.00. The Recommended Budget provides for an estimated $11,287.63 in surplus in the General Fund, a $5,282.21 surplus in the Utility Fund, a $2,000.00 surplus in the Stormwater Fund and a $1,000.00 surplus in the Powell Bill fund. The budget was prepared with no change to the current tax rate of $0.45.

As you read this Budget Message, and as we enter into a new fiscal year, I am filled with pride to know that I am serving the best town in North Carolina. Ranlo is filled with pride, with a promising future, and with excitement. We have several projects and happenings in town that in the upcoming fiscal year we will start to see as a community. The Carolina Thread Trail is bringing recreation and trails to our very own Spencer Mountain. Our residents soon will be able to recreate on Spencer Mountain using the corridor that the Thread Trail has established in our town. This being my first year preparing the budget for you and the residents, I want you to know that I will be a strong leader for Ranlo. As you will see in the budget message, we have worked diligently to prepare this budget and make smart fiscal decisions that put Ranlo residents first. We serve the people of Ranlo, and that is exactly what we will do every single day. Below you will see a departmental expenditure overview for this year’s budget.

A: <u>Departmental Expenditure Overview of the Recommended Budget</u>

Town of Ranlo FY 2024-2025 Budget Overview of Departmental Expenditures			
General Fund Expenditures		Utility Fund Expenditures	
Administration:	$422,501.00	Admin and Engineering:	$205,666.64
Governing Body.	$81,460.00	Water:	$845,425.80
Recreation:	$119,974.84	Sewer.	$795,075.35
Police:	$1,380,719.93	Non-Departmental:	$17,500.00
Public Works:	$558,501.41		
Sanitation:	$324,755.19		
Non-Departmental:	$85,000.00		
Total**:**	**$2,972,912.37**	Total**:**	**$1,863,667.79**
Stormwater Expenditures		Powell Bill Expenditures	
Total**:**	**$58,000.00**	Total**:**	**$90,000.00**



MOMENTUM, MOMENTUM, MOMENTUM

The Recommended Budget was prepared starting with The Board's first Budget Prioritization Meeting where we looked at some of our bigger picture items to start the discussion. Working closely with the Board, staff used this collective vision to prioritize needs going into the next fiscal year. One thing we are sure of is that we have been outstandingly effective in securing outside funding sources for some of our major projects. We are very thankful to our delegates who have been integral in securing funding for Ranlo. This is a monumental feat. This then brings me to the next phase of securing this money, faithful execution. It is arguably just as monumental of a feat to be able to faithfully and properly manage and expend the money received to comply with all state and federal reporting requirements. It is also a large challenge to manage all the simultaneous projects to guarantee the timeliness and effectiveness of each project. Grants and appropriations are not "free money" they require diligent project management and leadership.

This is my first year preparing a budget for this Board and I am so honored to be able to do what is fiscally responsible for Ranlo. You will notice several changes this year. We have cleared up some of the redundancies and complications regarding staffing in the Public Works Department. This will help us to better manage the budget throughout the year. We have budgeted for the longevity increases and more actual spending around overtime line items. These numbers have always impacted our budget, but now we are accounting for them in the beginning of the fiscal year.

During our Budget Prioritization meeting, the Board identified several big-picture goals for the Town of Ranlo in regards to our operating budget and priorities for the future. The Board identified several goals and themes as a result of this meeting: public safety, roads and infrastructure, and our aging facilities and buildings.

I have included in this Budget a new Patrol Officer for the Police Department. Our Police Department is currently running below the International Association of Chiefs of Police standard for officers per resident. Even in my short time with Ranlo, we have seen a tornado and catastrophic storm that required 24/7 response from the Town and we have unfortunately seen the heartbreak and sadness with the loss of officers in our neighboring jurisdictions. It is a pillar of a municipality to provide strong public safety, so increasing our Police Department with another officer will help us provide a more robust public safety output for our residents. This is being done without a tax increase to Ranlo residents. Staff have been able to identify and cut areas of spending to be able to fund this position.

As you are aware, the Town of Ranlo is a purchase system for our water and sewer utilities. This simply means we purchase water from Two Rivers and the City of Gastonia as well as pay to have our wastewater treated. This fiscal year, Two Rivers has increased their utility cost by 7.5% for water and 7.5% for sewer. This puts Ranlo in a situation where we need to consider the operating costs of being able to continue to provide services. Before I give my recommendation, I want to acknowledge that if the Town of Ranlo makes no changes to our current water and sewer rates, we will be running at a $256,241 deficit after 5 years. If you take the collective deficit and include the costs of inflation and depreciation, we will be operating at a $816,723 deficit in 5 years. Please understand, Board of Commissioners and residents of Ranlo, that it is not my goal or want to increase rates. I do not recommend a rate increase for Town benefit or to fund new projects. I do, however, have a job to do. I was selected by this Board to provide the Town with sound business knowledge and advice. In that stance, I am unwavering and steadfast. I have a responsibility to sustainably run this organization, and without any change to our billing rates, our Enterprise Fund will cease to exist. At that point, we would not be able to provide water and sewer or sustain a functioning government. For the reasons listed, I have recommended that the Town increase our water and sewer rates without raising our tax rate to the following structure:

A 3.25% increase in water rates and a 3.25% increase in sewer rates effective July 1st, 2024. This will allow us to not operate at a deficit during year one. We then will take a look at actuals after this fiscal year to see if this increase will sustain us at the amount it was increased. This allows us not to operate at a deficit in our enterprise fund. It is important to know that the Enterprise Fund/Utility Fund must be run separately from our General Fund, so money may not be transferred over from the General Fund if surplus exists to cover any deficit incurred by the Enterprise Fund. Also, please understand that the numbers generated in our rate study do not include if there is another increase from Two Rivers in future years.

The Recommended Budget seeks to ensure that the Town is positioned to continue to maintain the operational needs of our departments. The 2024-2025 expenditures included to meet these needs include $12,500 for new trash cans. The Town of Ranlo is running near the end of our current inventory of trash cans. The ability to effectively collect trash is a pillar of a clean and healthy municipality. This purchase will allow us to guarantee we will have cans for residents in the coming years. The new budget also includes a $13,000 increase to the operating costs of the Police Department to procure firearms, and update equipment and uniforms. These crucial increases to our operating costs come with no raise in tax rate and provide staff with the essential equipment to continue to provide our high level of service.

Next, the Recommended Budget has been drafted to maneuver through necessary updates to our Fee Schedule for Town services. Our current water meter fee is $250 for a new meter. This number was based on our old meters that do not have the electronic capability. The proposed fee for our new meters will now be $700. This allows the Town to support development and continued growth, without running at a deficit in that area.

CONCLUSION

In conclusion, the Recommended Budget is balanced and prepared in accordance with North Carolina General Statute 159-11. The Recommended Budget is based on a tax rate of $0.45. Financial forecasting and revenue projections for the upcoming year are based on the findings of previous audits, the actual trends of the prior fiscal year, and annual projections by the North Carolina League of Municipalities. Our town is in its strongest financial position that it has seen in years. With the momentum we have seen in securing state and federal money, in confluence with our lean-operating internal budgeting practices, Ranlo is proving to be one of the strongest financial municipalities in the county.

The public hearing on this budget is scheduled to be held on June 13, 2024, at the regular monthly meeting of the Ranlo Board of Commissioners, at 7:00 pm at Ranlo Town Hall. Any person wishing to make comments, or ask questions, may do so at the public hearing prior to the adoption of the budget ordinance. The Recommended Budget will be available for public review at Ranlo Town Hall during normal business hours, and on the Town's website. Notice of the availability of the document, and the scheduled public hearing, will be published in The Gaston Gazette in the upcoming days.

It is with the greatest respect and humility that I as Budget Officer and Town Manager, respectfully submit and recommend this proposed budget to the Ranlo Board of Commissioners today, May 16, 2024.

Thank you,

Charlie Hansen
Ranlo Town Manager

Attachments:

(1) Manager and Staff's Recommended Budget for the 2024-2025 Fiscal Year

Town of Ranlo Fiscal Year 2024-2025 Budget

24-25General Fund Revenue

#	Line Item Description	FY24 Budget
10-301-0000	Ad Valorem Taxes	$1,835,000.00
10-301-2000	Prior Year's Taxes	$10,000.00
10-301-4500	Tag & Taxes County	$180,000.00
10-301-5500	Alcohol/Beverage Tax	$15,000.00
10-301-6000	Court Fees Police Income	$400.00
10-301-8000	Garbage Fees	$287,000.00
10-302-0000	Other Revenue	$38,200.00
10-302-2100	Utility Taxes - Piped Gas	$10,000.00
10-302-2200	Utility Taxes - Electricity	$160,000.00
10-302-2300	Utility Taxes - Telecom	$12,000.00
10-302-2400	Utility Taxes - Video	$19,000.00
10-302-4000	Sales Tax & Gas Refund	$20,000.00
10-302-7000	Sales Tax 1/2 cent Art 42	$65,000.00
10-302-8000	Sales Tax 1 cent Art 39	$140,000.00
10-302-9000	Sales Tax 1/2 cent Art 40	$80,000.00
10-302-9100	Hold Harmless Tax	$80,000.00
10-303-1000	Solid Waste Disposal Tax	$2,500.00
10-303-4000	Customer Trash Can Purchase	$100.00
10-303-6000	Permits	$5,000.00
10-304-0000	Lodge/Building Rental	$25,000.00
		$2,984,200.00

Administration

#	Line Item Description	FY24 Budget
10-420-0020	Salaries	$160,000.00
10-420-0030	FICA	$12,800.00
10-420-0040	Group Insurance	$9,600.00
10-420-0050	State Retirement	$26,079.00
10-420-0051	401K Retirement	$9,822.00
10-420-0080	Employee Training	$2,500.00
10-420-0090	Professional Services	$30,000.00

10-420-0095	Contracted Services	$15,500.00
10-420-0100	Telephone/Communication	$17,000.00
10-420-0110	Utilities	$50,000.00
10-420-0120	Maint/Repair Equipment	$2,000.00
10-420-0122	Maint/Repair Building	$5,000.00
10-420-0125	Building Supplies	$6,500.00
10-420-0130	Advertising	$2,500.00
10-420-0140	Department Supplies	$6,000.00
10-420-0150	Dues & Subscriptions	$15,000.00
10-420-0170	Audit Fees	$15,000.00
10-420-0175	Bank Service Fees	$6,000.00
10-420-0500	Code Enforcement	$28,000.00
10-420-0700	Purchase of Equipment	$2,200.00
10-420-0960	Postage	$1,000.00
		$422,501.00

Governing Body

#	Line Item Description	FY24 Budget
10-430-0020	Salaries	$21,600.00
10-430-0030	FICA	$1,728.00
10-430-0040	Group Insurance	$29,280.00
10-420-0100	Election Expenses	$4,852.00
10-430-0090	Professional Services	$24,000.00
		$81,460.00

Recreation

#	Line Item Description	FY24 Budget
10-450-0020	Salaries	$48,198.00
10-450-0030	FICA	$3,855.84
10-450-0040	Group Insurance	$9,760.00
10-450-0050	State Retirement	$5,515.00
10-450-0051	401K Retirement	$2,146.00
10-450-0110	Utilities	$14,000.00
10-450-0122	Lodge Maint/Repair	$2,000.00
10-450-0125	Lodge Supplies	$3,000.00
10-450-0150	Event Supplies	$20,000.00
10-450-0165	Fireworks	$6,500.00
10-450-0190	Christmas Lights Supplies	$1,000.00
10-450-1000	Park Supplies/Equipment	$4,000.00
		$119,974.84

Police

#	Line Item Description	FY24 Budget
10-510-0020	Salaries	$809,866.19
10-510-0025	Overtime	$34,500.00
10-510-0030	FICA	$64,789.30
10-510-0040	Group Insurance	$126,880.00
10-510-0050	State Retirement	$114,191.13
10-510-0051	401K Retirement	$40,493.31
10-510-0080	Employee Training	$5,000.00
10-510-0095	Employee Testing	$1,000.00
10-510-0100	Telephone/Communication	$17,000.00
10-510-0119	Maint/Repair Firing Range	$1,500.00
10-510-0120	Maint/Repair Equipment	$5,000.00
10-510-0121	Maint/Repair Autos	$15,000.00
10-510-0122	Auto Fuel	$48,000.00
10-510-0123	Supplies Autos	$3,000.00
10-510-0124	Tires Auto	$6,000.00
10-510-0140	Department Supplies	$12,000.00
10-510-0181	SBI/Community Policing	$6,000.00
10-510-0191	Uniform Purchase	$17,000.00
10-510-0300	DCI/NCIC	$4,000.00
10-510-0700	Purchase of Equipment	$17,000.00
10-510-0800	Capital Outlay	$18,500.00
10-510-0701	Firearms	$10,000.00
10-510-0400	K-9 Budget	$2,000.00
10-510-1000	Psychological Testing	$2,000.00
		$1,380,719.93

Public Works

#	Line Item Description	FY24 Budget
10-560-0020	Salaries	$219,409.64
10-560-0025	Overtime	$7,000.00
10-560-0030	FICA	$17,552.77
10-560-0040	Group Insurance	$39,040.00
10-560-0050	State Retirement	$25,555.00
10-560-0051	401K Retirement	$9,944.00
10-560-0080	Employee Training	$1,000.00
10-560-0095	Contracted Services	$2,000.00
10-560-0100	Telephone/Communication	$2,500.00

10-560-0110	Utilities	$4,500.00
10-560-0120	Maint/Repair Equipment	$4,500.00
10-560-0121	Maint/Repair Autos	$4,500.00
10-560-0122	Auto Fuel	$57,000.00
10-560-0123	Supplies Autos	$2,000.00
10-560-0124	Tires Auto	$3,000.00
10-560-0126	Grounds Maintenance	$1,000.00
10-560-0127	Building Maintenance	$1,000.00
10-560-0140	Department Supplies	$15,000.00
10-560-0191	Uniform Purchase	$7,500.00
10-560-0700	Purchase of Equipment	$2,000.00
10-560-0800	Capital Outlay	$132,500.00
		$558,501.41

Sanitation

#	Line Item Description	FY24 Budget
10-570-0020	Salaries	$95,289.99
10-570-0025	Overtime	$6,500.00
10-570-0030	FICA	$7,623.20
10-570-0040	Group Insurance	$24,400.00
10-570-0050	State Retirement	$13,636.00
10-570-0051	401K Retirement	$5,306.00
10-570-0119	Maint/Repair Garbage Truck	$5,000.00
10-570-0122	Fuel Garbage Vehicles	$12,000.00
10-570-0124	Tires Garbage Vehicles	$20,000.00
10-570-0400	Garbage Disposal	$135,000.00
		$324,755.19

Non-Departmental

#	Line Item Description	FY24 Budget
10-580-0070	Workers Compensation	$30,000.00
10-580-0080	Property/Liability Insurance	$50,000.00
10-580-0700	Capital Outlay	$-
10-580-1000	Drug Testing	$5,000.00
		$85,000.00

Total General Fund Revenues	**$2,984,200.00**
Total General Fund Expenses	**$2,972,912.37**
Surplus (Deficit)	$11,287.63

Utility Fund Revenues

#	Line Item Description	FY24 Budget
60-301-0000	Water Revenue	$759,150.00
60-301-1000	Sewer Revenue	$729,000.00
60-301-1001	Base Charges	$268,800.00
60-301-2000	Connection Fees	$12,000.00
60-301-4000	Reconnection Fees/Penalties	$65,000.00
60-303-4000	Miscellaneous	$15,000.00
60-303-5000	System Development Fee	$20,000.00
		$1,868,950.00

Admin & Engineering

#	Line Item Description	FY24 Budget
60-615-0020	Salaries	$95,633.00
60-615-0030	FICA	$7,650.64
60-615-0040	Group Insurance	$29,280.00
60-615-0050	State Retirement	$11,520.00
60-615-0051	401K Retirement	$44,083.00
60-615-0090	Professional Services	$3,500.00
60-615-0140	Department Supplies	$4,000.00
60-615-0105	Postage	$10,000.00
		$205,666.64

Non-Departmental

#	Line Item Description	FY24 Budget
60-680-0070	Workers Compensation	$10,000.00
60-680-0080	Property/Liability Insurance	$7,500.00
		$17,500.00

Water

#	Line Item Description	FY24 Budget
60-710-0020	Salaries	$175,343.33
60-710-0025	Overtime	$4,500.00
60-710-0030	FICA	$14,027.47
60-710-0040	Group Insurance	$24,400.00
60-710-0050	State Retirement	$17,281.00

60-710-0051	401K Retirement	$6,724.00
60-710-0080	Employee Training	$1,000.00
60-710-0090	Professional Services	$10,000.00
60-710-0095	Contracted Services	$5,000.00
60-710-0121	Maint/Repair Autos	$3,500.00
60-710-0122	Maint/Repair Equipment	$8,000.00
60-710-0124	Tires for Water Vehicles	$1,000.00
60-710-0130	Meter Replacement	$12,500.00
60-710-0140	Department Supplies	$50,000.00
60-710-0191	Uniforms/Shoe Purchase	$2,000.00
60-710-0410	Testing of Water	$6,500.00
60-710-0500	Water Purchased	$496,650.00
60-710-0995	Bank Service Fee	$7,000.00
60-710-0800	Capital Outlay	
		$845,425.80

Sewer

#	Line Item Description	FY24 Budget
60-815-0020	Salaries	$94,316.99
60-815-0025	Overtime	$5,000.00
60-815-0030	FICA	$7,545.36
60-815-0040	Group Insurance	$24,400.00
60-815-0050	State Retirement	$12,543.00
60-815-0051	401K Retirement	$5,270.00
60-815-0080	Employee Training	$1,000.00
60-815-0090	Professional Services	$15,000.00
60-815-0100	Telephone/Communications	$4,000.00
60-815-0110	Utilities	$16,000.00
60-815-0120	Maint/Repair Equipment	$10,000.00
60-815-0122	Maint/Repair Autos	$5,000.00
60-815-0024	Tires for Sewer Vehicles	$1,000.00
60-815-0140	Department Supplies	$50,000.00
60-815-0191	Uniforms/Shoe Purchase	$3,500.00
60-815-0400	Sludge Removal	$3,000.00
60-815-0500	Sewer Services Purchased	$537,500.00
		$795,075.35

	Total Utility Fund Revenues	**$1,868,950.00**
	Total Utility Fund Expenses	**$1,863,667.79**

Surplus (Deficit)	$5,282.21

Stormwater Revenue

#	Line Item Description	FY24 Budget
61-601-0000	Stormwater Fees	$60,000.00
		$60,000.00

Stormwater

#	Line Item Description	FY24 Budget
61-810-0020	Salaries	$20,000.00
61-810-0030	FICA	$1,600.00
61-810-0040	Group Insurance	$4,880.00
61-810-0050	State Retirement	$2,570.00
61-810-0051	401K Retirement	$1,000.00
61-810-0140	Department Supplies	$27,950.00
		$58,000.00

	Total Stormwater Fund Revenues	**$60,000.00**
	Total Stormwater Fund Expenses	**$58,000.00**
	Surplus (Deficit)	$2,000.00

Powell Bill Revenue

#	Line Item Description	FY24 Budget
70-302-7000	Interest on Investments	$1,000.00
70-303-2000	Powell Bill Income	$90,000.00
70-306-0000	Fund Balance Appropriated	$-
		$91,000.00

Powell Bill

#	Line Item Description	FY24 Budget
70-570-0122	Maint/Repair Streets	$60,000.00
70-570-0140	Department Supplies	$30,000.00
70-570-0800	Capital Outlay	$-
		$90,000.00

	Total Powell Bill Fund Revenues	**$91,000.00**
	Total Powell Bill Fund Expenses	**$90,000.00**
	Surplus (Deficit)	$1,000.00