



THE TOWN OF RUTHERFORD COLLEGE
FY 2016 - 2017 BUDGET TRANSMITTAL LETTER

June 5, 2017

Office of the Town Manager

The Honorable Gary McClure, Mayor
Members of the Town Council
Rutherford College, NC

Mayor McClure and Members of Council:

Pursuant to Section §159 – 11 of the North Carolina General Statutes, I am pleased to present the FY2017 – 2018 recommended budget for your review and consideration. The \$1,927,810 spending document is balanced and maintains the current property tax rate at \$.10 per hundred dollars of valuation.

The proposed spending plan has increased from FY2016 – 2017 due to the continuing modernization of the Town government and its operations. The construction of a public Wi-Fi network, the implementation of capital improvements in regards to Town streets and infrastructure, as well as the Town's investment in local businesses continues to be the primary focus while constructing this budget.

The proposed General Fund budget totals \$733,675 which is an overall 26% increase from the current year's budget. An improving national economy has yielded a higher than average sales tax appropriation, which in turn gave the administration latitude in regards to setting its priorities. With an emphasis on creating commerce and establishing a new transit route throughout Town, we're in the unique position of generating revenue from non-enterprise functions. Increased property tax revenue and user fees, supplemented by smart Town management has placed the organization in a strong financial position for the long term.

The recommended Water & Sewer Fund budget totals \$1,099,635 which represents a 5% increase from the current year's budget. The slight increase is principally due to a 4% rate adjustment from Valdese and prior grant obligations for distribution system improvement. As directed by the Town Council's approved Action Plan, the budget continues to explore alternative funding sources for subsidizing waterline replacement, while focusing on maximizing existing infrastructure capacity. The Capital Improvement Program provides a project guide that allows for the appropriation of funding for corresponding improvements accordingly.

The recommended Powell Bill Fund budget is \$72,000 which represents a 20% increase from the current year's appropriation. The increase helps subsidize Town-wide improvements for drainage swales and the routine maintenance of street Right-of-Ways. The Town has also done a

tremendous job repairing/resurfacing residential roads through its Street Improvement Plan and will continue to implement the program in its entirety.

In closing, it's important to acknowledge that a large portion of the Town's financial success is due to a clear, comprehensive vision from the council. A principle theme of this year's Action Plan is to function within the context of an "operational philosophy". Essentially speaking; the administration has recognized that the investment of public capital into private enterprise creates an economic model that provides stability and prosperity for everyone. I also want to remind the Town Council and residents of the outstanding job that the Town staff does to provide effective and efficient service day in and day out. A low crime rate, top notch public facilities and a reasonable cost of living, are all highly valued and play a role in fostering the relationship between residents and of the administration, which is what truly makes Rutherford College a great place to live.

Respectfully Submitted,

Kenneth B. Geathers Jr.
Town Manager