



Revenue Workshop Notes: February 10, 2010

MEETING OBJECTIVE;

..."To make decisions (consensus) for implementing tactics that create revenue in support of our Town and Master Plan and which include clear actions and time lines for completion"...

FRAMING THE DISCUSSION

In an effort to recap the prior meeting, the following statements were offered to the group;

..."All Good-To-Great", Organizations Begin The Process Of Finding A Path To Greatness By Confronting The Brutal Facts Of Their Current Reality"...

Jim Collins / Good to Great

Town of Rutherfordton "Reality"

- Town of Rutherfordton needs additional revenue to maintain current levels of service
- Town of Rutherfordton needs additional revenue to realize the goals within the Master Plan
- Cutting costs/services alone, will not lead to achieving the above goals
- The cost of doing business (serving the community) will increase year-on-year

The above statements while not necessarily a complete portrait of current revenue challenges was accepted by the entire team as accurate for the purpose of discussing revenue generation.

DISCUSSION

1. Question was posed to the council; "Considering these significant financial challenges, how do you propose to attack and solve the problem?"
 - Bob Jones suggested; "We should identify what do we plan to do with the funds and if they are necessary."
 - Council identified the following items driving the need for increased revenue Group agreed current revenue could not meet these demands;
 - State mandates
 - Phase II storm water
 - Pay & Class study
 - Attrition of tax base revenue
 - Increase costs for benefits

(Above list does not reflect a complete list of additional expenses).



DISCUSSION – Tax and/or Service fees

1. There is a desire by some council members to avoid any tax increase and to look for alternative methods of generating revenue. The following items were discussed;

a. Grants –

Opportunities	Challenges
Some departments already successful "Free" money even if matching the grant is necessary Could supplement funds needed for Master Plan projects without cost to citizens	Unable to include possible grants in the budgeting process Time consuming process (who will do the work) Less money today and more competitive

b. Push back on State mandates

Opportunities	Challenges
No relief unless we lobby for it Networking opportunities can help Possible new programs to engage in	Time consuming process (who will do the work) No immediate relief Lower rate of anticipated success

c. Residential infill

Opportunities	Challenges
Increases tax base Develops idle property Creates jobs with developer investment	No short-term help with revenue short-fall Long-range opportunity

DISCUSSION – Tax and/or Service fees (Cont.

Discussion led to group acknowledgement that of the list of ideas that were generated last year, the majority were either long-term projects or difficult to factor into the budget process.

Suggestion was made by facilitator to split the ideas into two categories to help in future discussions:

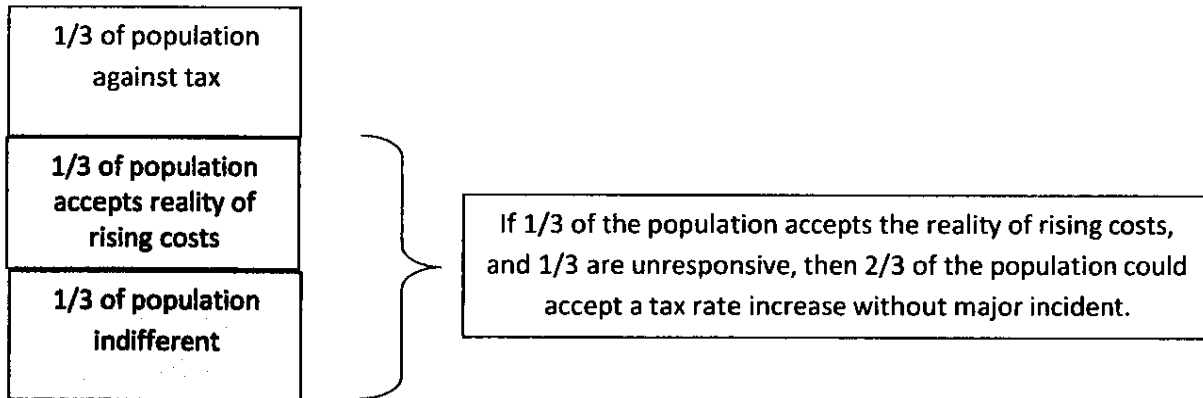
1. Master Plan or Long-Term – Items such as;
 - a. Grants
 - b. Infill
2. Immediate Needs or Short-Term – Items such as;
 - a. Service Fees
 - b. Grants
 - c. Taxes



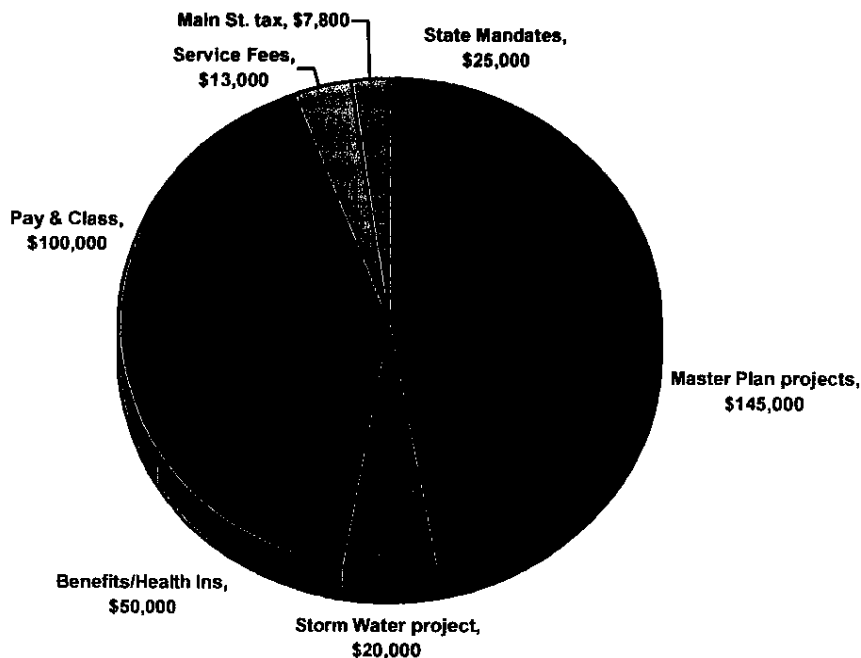
FACILITATOR COMMENTS

Posed to the group for consideration;

There is reluctance on the part of council to institute a tax of any kind at this time based on the fear of citizen indignation. The assumption that all or even a majority of citizens would feel this way may not be accurate as the following model illustrate;



Further illustration of financial challenges for the Town of Rutherfordton indicate the above proposed revenue generators such as Service Fees and Main Street Tax extension (green), cannot alone overcome the rate of rising costs (red) and that a more substantial action plan is required;



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