



To: City of Ruston Council and Ruston Residents

From: Mayor Bruce Hopkins

Date: November 15, 2023

RE: 2024 Budget

Overview

The budget I am presenting reflects the recently passed Levy Lid Lift revenue. The Levy Lid Lift allows us to continue to support our Police and Fire Departments with the personnel and tools they need to provide our residents with the safety they deserve. In the past we relied almost entirely on property tax revenue to meet our financial obligations however we have now seen a shift in that the other sales tax oriented revenue sources are surpassing Property taxes. For 2024 I am forecasting a revenue increase of nearly 18% with a majority of that coming from the Levy Lid Lift. We anticipate that our other sources for revenue will remain flat next year. Again this year I have not forecast any new business growth but I remain confident we will experience some but I don't believe its prudent to include speculation. The beleaguered Pt Ruston development still has one building permit ready for pickup once payment is received. The permit is for Building 9 that will have 69,000 sq ft of commercial space and 222 residential units. With a majority of the Pt Ruston properties in Ruston currenly in receivership we remain optimistic that a buyer can be found and development resumes. Any development will positively affect our revenue position but we remain unclear on the timing.

The budget as presented also includes proposed rate increase in Storm Water rates that will be brought before council in early 2024. We need to continue to work on assessing and documenting our existing Storm Water System. We received a grant from Ecology that allowed us to evaluate approximately 10% of our system. We are in the process now of pursuing other grants but we need to be in a position to properly fund our contribution while still having the funds to maintain it.

This years budget I am proposing a 4% COLA for all employees. This aligns with current CPI numbers. Our city employees are very dedicated and loyal and we need to do everything in our power to retain them. In 2024 we have a new Clerk Treasurer joining us in that role and our current Clerk Treasurer will move into the Assistant City Clerk role. This will significantly bolster our staffing position while providing us the the resources we have deserately been missing.

The five biggest sources of revenue for the city are (in order of dollar amount):

1. Property Taxes
2. Parking Tax
3. Sales & B&O taxes
4. Hotel/Motel Tax
5. Utility taxes

General Fund

Property tax remains our number one source of revenue but we have additional sources that are helping us achieve a balanced budget.

The parking tax remains a strong contributor to our General Fund revenue sources and forecast to bring in \$250,000 in 2024. The Ruston Market and SilverCloud Hotel are the biggest sources of parking tax.

The city council continues to support our public safety departments to the best of our abilities. Council has made public safety a top priority and properly funding them has been a significant challenge. For the first time in our history we now are able to provide 24/7 police coverage for our city. With the passage of the Levy Lid Lift we are able to maintain our current coverage and provide the Police and Fire with the equipment they need.

I have increased our Tuition/Registration/Training budget to include \$3,000 for council retreat.

Computer Programming Services has been increased across all funds for our AWS, Website, and Esri work. We will be migrating from our in house server based environment to the AWS platform and porting our website over to them as well. This gives us the ability to utilize the AWS marketplace for our IT work. Esri is our on going GIS mapping platform that will allow us to document all city infrastructure, record its condition, and manage its maintenance.

The Ruston School still has some office/retail space available but with the entire second floor now leased things are looking more positive.

The General Fund budget is balanced without going to our reserves.

Street Reserve Fund

This is funded through our real estate excise tax and Fuel Tax. The revenue from these two areas is only enough to support very minor repairs. We look to other sources of funding for our larger street projects and they are handled through our Capital Construction Fund

Capital Construction Fund

We currently have identified several potentially large capital improvement projects. In 2024 we will be going out to bid on Park Avenue which we received a grant from TIB in 2022. We have run into a few challenges on this project but believe we have them resolved. We have grant applications in for Highland and Shirley Streets - grind and overlay - from 51st to Park Avenue. We are hopeful we will be awarded those grants within the next 30 days.

Last month Speaker of the House Laurie Jenkins met with our City Planner, Councilmembers Hedrick, Jensen and me to provide us with a state update on the legislature's accomplishments. During the meeting she inquired about what our City's needs are. We identified two high priority areas – one being Environmental and the other being the Community Center Improvements. Speaker Jenkins asked that we put together our asks and she will put us in contact with her staff that can assist us in attempting to secure funding. The Community Center asks will be for ADA access (which will include an elevator), second floor egress from the Community Center, replace the roof, and modernize the lower-level restrooms and make them ADA compliant as well.

The environmental ask is centered around our belief that the City of Ruston should have received a portion of the Asarco settlement money. This would provide us with the funds to handle the contaminated dirt we encounter when we do public projects. We still have \$225,000 owed to us for Winnifred Street that we continue to press the Dept of Ecology for. We are also preparing a remedial action plan of our own. We have loaded the prior test results into our GIS mapping and have found the testing lacking to say the least. So, we are looking to retest the City in a much more comprehensive manner so that we can identify and remediate the areas that are found to contain unacceptable levels of arsenic and/or lead.

Electric Fund

The Electric Utility Fund remains healthy and continues to fund the modernization of our electrical grid by placing all utilities underground. This is obviously a long-term project however the result will be a very resilient transmission method for both electric and telecommunications that minimize our exposure to natural disasters. While minimizing our exposure to natural disasters it also dramatically reduces our long-term maintenance costs. Staff are currently in the design stages for the next phase of our underground plan. The next phase will be much larger and we will be submitting for grants that will be made available under the [“Preventing Outages and Enhancing the Resilience of the Electric Grid”](#) program that is administered through DOE's “Building a Better Grid Initiative”. The state received \$2.3 billion from the federal government for this program. Ruston is extremely well positioned to receive some of this money given that we are well underway with our own Grid Resilience plan.

Sewer Fund

The sewer fund is in good fiscal condition. We will be conducting a rate analysis this year to make certain our base and flow rates are adequate. With the entire system having been

replaced it will be quite sometime before we anticipate any capital projects will be required. Our overall goal is to retire our sewer debt within the next 15 years.

Storm Water Fund

Our Storm Water rates have not been adjusted in 17 years and need attention. The city began the work of assessing the condition of our storm water system two years ago. We received a grant from the Dept of Ecology that allowed us to begin the video and mapping work to properly assess the condition of our system. There is still a substantial amount of work that needs to be done and therefore I am recommending we take an increase to our Storm base rate from \$5 to \$10 per month to help fund the work we need to do in this area. I also recommend we look to a two-step process with the first being the base rate adjustment and the second being a fee assessment based on the square footage of the lot. The increase in cost is to cover our ongoing assessment of our current storm system and repairing any deficiencies we find.

School Building Maintenance Fund

We enter 2024 with the second floor of the school building 100% leased. This will bring in \$100,000 to the school fund. We have allocated \$50,000 this year to continue with deferred maintenance and minor repairs. We will be asking the state legislature for a Capital Improvement grant that I outlined earlier in the Capital Construction Fund. The building has significant deferred maintenance issues along with the ADA compliance issues that we hope to address this year if we are successful in our legislative ask.