

MINUTES
TOWN OF RONDA PUBLIC HEARING/SPECIAL BOARD MEETING
June 25, 2026, 4:00 PM

Mayor Pro-Tem Reece called the meeting to order at 6:01 PM.

Mayor Pro-Tem Reece opened the public hearing on the proposed Fiscal Year 2027 Budget and invited members of the public to review copies of the budget prior to offering input. Ronda residents Pastor Doug Combs, Victor Varella and Jul Hubbard with the Wilkes Journal were the 3 in attendance.

A member of the public asked whether the State had reviewed the budget and found it acceptable. Budget Officer Rachel confirmed that a draft was submitted to the State on or around May 15th as required. The State requested minor adjustments to the projected tax revenue figures, which in turn required small corresponding adjustments to certain expenditure line items of a few hundred dollars. After those tweaks, the budget was balanced and the State raised no further objections.

Mayor Pro-Tem Reece noted for transparency that the proposed budget, as presented, includes a one-cent property tax increase and water rate increases. He acknowledged that the Board had worked to cut as many non-essential expenditures as possible, citing as an example the cancellation of a weekly uniform and entryway mat service contract.

Budget Officer Rachel expressed a measured level of confidence in the budget, noting she would not guarantee it, but stated that the proposed water rate increases should put the Town in a better financial standing on the water fund side than it has been in recent years. She cautioned, however, that if the Board chose not to adopt the proposed rate increases, approximately \$30,000 in alternative expenditure cuts would need to be identified on the water side — an area that, she noted, offers very little room to cut. She also noted that the State's own preferred position, informed by a rate study conducted by Wooten, would recommend significantly larger rate increases than what is being proposed. The proposed increases represent the maximum the Board was willing to consider through prior meetings, and that consensus was not unanimous.

Budget Officer Rachel raised an important context point regarding the water bills received by residents: each bill includes a sewer charge collected on behalf of the Sewer Authority, meaning that any proposed increase affects only one line item on the bill, not the total amount. She noted the proposed rate structure includes a monthly surcharge, based on guidance received during a training session.

Budget Officer Rachel outlined the ongoing financial strain the water fund has placed on the general fund, noting that the water system has drawn an estimated average of

approximately \$300,000 from the general fund over recent fiscal years. The prior year's audit reflected \$270,000 transferred from the general fund to support water operations. She also noted that the prior year's budget had projected \$280,000 in water charge revenues, while actual year-to-date collections had come in at approximately \$222,000 — a shortfall of roughly \$60,000.

Budget Officer Rachel further noted that significant one-time maintenance expenses in the prior year — including work on the well, booster station, and water tower — contributed to the financial pressure, though she acknowledged there is no guarantee such costs will not recur. She expressed hope that the installation of new meters would reduce ongoing maintenance and repair costs.

Mayor Pro-Tem Reece discussed the Town's recent success in securing outside funding through legislative advocacy, noting that face-to-face meetings with state representatives, legislative assistants, and budget directors had resulted in over \$5,000,000 in funds brought to the Town over the past five years. He noted that Senator South had submitted a request for \$350,000 and that Representative Dan Kiger had submitted a \$100,000 request for the Town that same day. Mayor Pro-Tem Reece had also submitted requests to Representative Kiger covering building repair, maintenance, and playground equipment, among other items.

Mayor Pro-Tem Reece raised a concern about the travel budget line item under the Governing Body, noting that given the demonstrated return on investment from legislative visits to Raleigh, he had asked whether the travel budget could be raised to \$5,000. Budget Officer Rachel noted that the travel line item under Governing Body and the travel and training line under Administrative could be combined into a single line of \$4,000, which could accommodate that need. The Board appeared agreeable to that consolidation.

Mayor Pro-Tem Reece stated that he personally could not vote to pass a budget that includes tax or rate increases, as he had made a campaign promise to constituents not to do so. He acknowledged, however, that the remaining members of the Board were free to pass the budget by majority vote. He noted that the tax increase had previously been voted on by the Board and that he had voted against it at that time. He expressed a desire to either pass the budget that evening or reach a consensus arrangement the full Board could support, given the July 1st deadline.

Mayor Pro-Tem Reece reflected on the broader governance failures that allowed the Town's financial situation to deteriorate, acknowledging that prior boards, including those he had served on, placed too much trust in financial advisors and were presented with budget documents too difficult to interpret. He commended Budget Officer Rachel

for her work in making the budget significantly more understandable, noting that the Town's own certified public accountant customer had found even the prior format difficult to parse. He expressed that the current board had worked collaboratively and constructively through the budget process.

Mayor Pro-Tem Reece also raised a longstanding concern regarding the Town's collection arrangement with the Sewer Authority — specifically, that when a customer pays a partial bill, the Sewer Authority's portion is paid first, leaving the Town to absorb the shortfall while remaining on the Unit Assistance List due to water revenue deficiencies. He suggested that the Sewer Authority consider compensating Ronda, Elkin, and Jonesville — the three collecting municipalities — for the administrative cost of billing and collection, proposing something in the order of \$1,500 per month per municipality.

No additional public comments were recorded.

Board Action:

1. Budget Adoption

Commissioner Munsey made motion to accept the proposed budget, Commissioner Porter seconded that motion. In a 2/1 vote, with Commissioner Reece voting no, the budget passed.

ADJOURN:

Commissioner Porter made a motion to adjourn, Commissioner Munsey seconded, unanimous vote in agreement to adjourn.



Rachel DeGroat, Town Clerk