



TOWN COUNCIL AGENDA

**BUDGET WORKSHOP #2
KB COMMUNITY CENTER**

Friday, April 20, 2018 @ 12:00 pm

Lunch provided

CALL TO ORDER – Mayor Bloszinsky

Motion to excuse Commissioner John Ellen

PRESENTATION OF REVISED DRAFT OF FY18-19 BUDGET (Copenhaver)
Review revisions to the budget during Budget Workshop #1, held on April 6, 2018:

- General Fund
- Water Fund

FINALIZATION OF PROPOSED BUDGET

Finalization of proposed FY18-19 budget for presentation at May 2018 Council meeting for publication and public hearing

ADJOURNMENT

TOWN OF KURE BEACH FY 18-19 BUDGET WORK SESSION #2



APRIL 20, 2018

INITIAL FY 2019 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. No change to tax rate (\$0.285)
3. No General Fund Contingency
4. No transfer from the General Fund to the Beach Protection Fund
5. Longevity Pay is reinstated for full-time employees hired after June 2015
6. Employee Compensation
 - COLA: 2%
 - Merit: 2%

REVISED FY 2019 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. Increase tax rate by 4.5 cents (15.8%)
3. Increase garbage collection fees by 16.7% and recycle fee by 2.7%
4. Minimal General Fund Contingency
5. Small transfer from the General Fund to the Beach Protection Fund
6. Water & Sewer – new rate tier (25% increase) for monthly residential usage over \$10,000 gallons
7. Longevity Pay is reinstated for full-time employees hired after June 2015
8. Employee Compensation
 - COLA: 2%
 - Merit: 2%

**FY 2018/2019 BUDGET SUMMARY
AS OF APRIL 6, 2018**

FUND	FY 2019 REVENUE BUDGET	FY 2019 EXPENSE BUDGET	OVER/(SHORT)	COMMENTS
General Fund	\$4,686,109	\$5,101,939	(\$415,830)	Does not include a transfer to the Beach Protection Fund or Contingency
Water/Sewer Fund	\$2,914,935	\$3,028,280	(\$113,345)	
Storm Water Fund	\$358,380	\$342,440	\$15,940	
Powell Bill Fund	\$175,000	\$175,000	\$0	Includes an appropriation of fund balance totaling \$109,170 for street paving projects
SERF Fund	\$16,250	\$16,250	\$0	
Beach Protection Fund	\$3,590	\$3,590	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$8,204,264	\$8,717,499	(\$513,235)	

**GENERAL FUND
BUDGET CHANGES DURING AND AFTER 4/6/18 WORKSHOP**

SHORTAGE ON 4/6/18 (WORKSHOP 1) \$415,830

EXPENDITURES:

INCREASES:

Council - Contributions	\$500	
Committees - E & I Ave. Beach Access Paving	\$92,450	
Tax Collection	\$1,000	
Transfer to Beach Protection	\$9,807	
Contingency	<u>\$9,850</u>	
Total Expenditure Increases		\$113,607

DECREASES:

Police - Utilities	(\$3,500)	
Streets & Sanitation - Various	(\$3,300)	
Fire - Various	(\$2,364)	
Building Inspection - Beach Nourishment	(\$400)	
Administration - Minor Equipment	(\$700)	
Parks & Rec - Activities & Other Town Events	(\$1,000)	
Finance - Travel/Training & Bank Fees	<u>(\$250)</u>	
Total Expenditure Decreases		(\$11,514)

REVENUE:

INCREASES:

Real Property & Motor Vehicle Property Tax - Current Year:		
Increase Tax Rate By \$0.045 - New Rate Will Be \$0.33	(\$400,000)	
Commercial Garbage - Additional Revenue Based on 16.67% Fee Increase	(\$5,000)	
Residential Garbage - Additional Revenue Based on 16.67% Fee Increase	(\$31,000)	
Recycling - Additional Revenue Based on 2.7% Fee Increase	(\$3,400)	
CAMA Grant - E & I Avenue Beach Access Paving - Project Delayed From FY 2018 to 2019	<u>(\$78,523)</u>	
Total Revenue Increases		<u>(\$517,923)</u>

OVER/SHORT ON 4/20/18 (WORKSHOP 2)

\$0

**WATER/SEWER FUND
BUDGET CHANGES DURING AND AFTER 4/6/18 WORKSHOP**

SHORTAGE ON 4/6/18 (WORKSHOP 1) \$113,345

EXPENDITURES:

DECREASES:

W/S Operations - Carolina Beach Charges	(\$25,000)	
W/S Operations - Water Meter Replacement	<u>(\$850,000)</u>	
Total Expenditure Decreases		(\$875,000)

REVENUE:

INCREASES:

New Account Setup Fee	(\$6,000)	
Residential Water - New Rate Tier - Usage Over 10,000 Gals - 25% Increase	(\$25,900)	
Residential Sewer - New Rate Tier - Usage Over 10,000 Gals - 25% Increase	(\$30,100)	
Total Revenue Increases		<u>(\$62,000)</u>

DECREASES:

Loan Proceeds - Water Meter Replacement	\$850,000	
Total Revenue Decreases		<u>\$850,000</u>

SHORTAGE ON 4/20/18 (WORKSHOP 2) \$246,345

**FY 2018/2019 BUDGET SUMMARY
AS OF APRIL 20, 2018**

FUND	FY 2019 REVENUE BUDGET	FY 2019 EXPENSE BUDGET	OVER/(SHORT)	COMMENTS
General Fund	\$5,204,032	\$5,204,032	\$0	Includes a transfer to the Beach Protection Fund of \$9,807 and a Contingency of \$9,850
Water/Sewer Fund	\$2,126,935	\$2,153,280	(\$26,345)	
Storm Water Fund	\$358,380	\$358,380	\$0	
Powell Bill Fund	\$175,000	\$175,000	\$0	Includes an appropriation of fund balance totaling \$109,170 for street paving projects
SERF Fund	\$16,250	\$16,250	\$0	
Beach Protection Fund	\$13,397	\$13,397	\$0	Includes a transfer from the General Fund totaling \$9,807
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$7,943,994	\$7,970,339	(\$26,345)	

**TOTAL FY 2019 EXPENSE BUDGET BY FUND
VS. FY 2018 APPROVED BUDGET
AS OF APRIL 20, 2018**

FUND	2018 ORIGINAL BUDGET	2018 AMENDED BUDGET	REQUESTED 2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHANGE	DIFF. 2019 & AMENDED 2018	% CHANGE
General	\$4,607,417	\$5,067,803	\$5,204,032	\$596,615	12.9%	\$136,229	2.7%
Water/Sewer	\$2,150,655	\$2,150,655	\$2,153,280	\$2,625	0.1%	\$2,625	0.1%
Storm Water	\$630,094	\$630,094	\$358,380	(\$271,714)	-43.1%	(\$271,714)	-43.1%
Powell Bill	\$65,070	\$65,070	\$175,000	\$109,930	168.9%	\$109,930	168.9%
Sewer Expansion Reserve	\$30,330	\$30,330	\$16,250	(\$14,080)	-46.4%	(\$14,080)	-46.4%
Beach Protection	\$47,090	\$47,090	\$13,397	(\$33,693)	-71.6%	(\$33,693)	-71.6%
Federal Asset Forfeiture	\$50,000	\$50,000	\$50,000	\$0	0.0%	\$0	0.0%
TOTAL - ALL FUNDS	\$7,580,656	\$8,041,042	\$7,970,339	\$389,683	5.1%	(\$70,703)	-0.9%

GENERAL FUND BUDGET BY DEPARTMENT FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Police Dept.	510	\$1,308,960	\$1,315,160	\$1,372,757	\$63,797	4.9%	\$57,597	4.4%	<p><u>Increases:</u> F/T personnel-related costs (includes a total of \$606 for potential Longevity Pay policy changes): \$51,100 / 5% Contracts: \$9,000 / 64% Utilities: \$6,500 / new expense Telephone/postage: \$6,500 / 48% Vehicle gas & oil: \$5,000 / 17%</p> <p><u>Decreases:</u> Computer software/support: \$8,000 / 27% Minor equipment: \$3,000 / 20% Exams/Screenings: \$2,500 / 42%</p>
Streets & Sanitation	550	\$863,848	\$863,848	\$902,561	\$38,713	4.5%	\$38,713	4.5%	<p><u>Increases:</u> Capital outlay -- equipment: \$45,000 / 129% Christmas decorations: \$12,000 / 120% OFP maintenance: \$2,000 / 40% Garbage cart purchases: \$2,000 / 20% Special Events: \$500 / 20%</p> <p><u>Decreases:</u> Personnel-related costs (Includes a total of \$604 for potential Longevity Pay policy changes): \$5,437 / 1.2% Joe Eakes Park maintenance: \$15,000 / 60% Utilities: \$1,500 / 3% Minor Equipment: \$800 / 8% Uniforms: \$500 / 13%</p>

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Fire Dept.	530	\$701,867	\$695,667	\$740,482	\$38,615	5.5%	\$44,815	6.4%	<p><u>Increases:</u> F/T personnel-related costs (includes a total of \$604 for potential Longevity Pay policy changes): \$21,848 / 4.5% Part-Time pay & taxes: \$13,402 / 18.5% Drill fees & taxes: \$3,229 / 8.4% Minor equipment: \$29,300 / 586% Safety program: \$2,000 / new expense Uniforms: \$400 / 6.2%</p> <p><u>Decreases:</u> Capital outlay - equipment: \$30,000 / 100% Travel & Training: \$800 / 8%</p>
Lifeguards	531	\$196,850	\$196,850	\$200,088	\$3,238	1.6%	\$3,238	1.6%	<p><u>Increases:</u> Personnel-related costs: \$3,238 / 2%</p>
Bldg. Inspection	540	\$135,201	\$135,201	\$139,165	\$3,964	2.9%	\$3,964	2.9%	<p><u>Increases:</u> F/T personnel-related costs: \$4,319 / 4.5% Computer software/support: \$1,000 / 50%</p> <p><u>Decreases:</u> Building maintenance: \$1,000 / 100% Beach nourishment: \$400 / 5%</p>
Governing Body	410	\$38,505	\$38,505	\$38,994	\$489	1.3%	\$489	1.3%	<p><u>Increases:</u> Telephone/IPad: \$489 / 32%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Emergency Mgmt.	446	\$100	\$100	\$100	\$0	0.0%	\$0	0.0%	
Elections	430	\$3,000	\$3,000	\$1,000	(\$2,000)	-66.7%	(\$2,000)	-66.7%	FY 2018 was a local election.
Parks & Rec.	532	\$146,027	\$146,027	\$187,268	\$41,241	28.2%	\$41,241	28.2%	<p><u>Increases:</u> F/T personnel-related costs (<u>includes new employee beginning 1/2019</u>): \$39,544 / 57% Boardwalk fish: \$6,000 / 120% Children/family programs: \$500 / 9%</p> <p><u>Decreases:</u> Part-Time pay & taxes: \$2,153 / 20% Island Day: \$1,000 / 40% Instructor fees: \$750 / 100% P&R Activity Exp.: \$500 / 7% Other Town Events: \$500 / 6%</p>
Administration	420	\$407,848	\$583,848	\$553,908	\$146,060	35.8%	(\$29,940)	-5.1%	<p><u>Increases:</u> F/T personnel-related costs (<u>includes new employee beginning 7/2018 – split with W/S Fund</u>): \$24,675 / 20.5% Relocation costs: \$88,000 / new expense Retiree medical insurance: \$8,064 / 30% Recycle service: \$8,000 / 6% P&L/WC Insurance: \$5,000 / 7% Utilities: \$2,400 / 80% Computer services: \$2,103 / 12% Building maintenance: \$1,900 / 24% Codification costs: \$1,500 / 100% Advertising: \$1,000 / 50% Travel & training: \$1,000 / 33% Supplies: \$1,000 / 14% Minor equipment: \$800 / 80%</p>

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Community Center	421	\$23,300	\$23,300	\$23,300	\$0	0.0%	\$0	0.0%	
Legal	470	\$28,950	\$28,950	\$29,850	\$900	3.1%	\$900	3.1%	<u>Increases:</u> Professional legal service: \$1,000 / 10.6%
Finance	415	\$150,786	\$150,786	\$157,937	\$7,151	4.7%	\$7,151	4.7%	<u>Increases:</u> F/T personnel-related costs: \$6,151 / 8% Auditor/Actuary fees: \$901 / 8% Telephone: \$360 / 100% Financial Software: \$288 / 5% <u>Decreases:</u> Unemployment insurance: \$549 / 1.3% Travel & Training: \$150 / 6%
Committees	412	\$120,010	\$120,010	\$100,115	(\$19,895)	-16.6%	(\$19,895)	-16.6%	<u>Increases:</u> SLABP Committee: \$2,256 / 43% FY 19 includes \$4,740 for beach access signs & \$2,925 for sea oats <u>Decreases:</u> Capital outlay: \$22,260 / 19%
Debt Service	560	\$360,615	\$564,042	\$708,050	\$347,435	96.3%	\$144,008	25.5%	New Loans In FY 2018 for Fire Station & Town Hall renovation (\$5 mll.) & Police vehicle (\$31,668).

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Tax Collection	460	\$27,000	\$27,000	\$28,800	\$1,800	6.7%	\$1,800	6.7%	Collection costs increase due to proposed tax rate increase.
Transfers	580	\$46,450	\$127,409	\$9,807	(\$36,643)	-78.9%	(\$117,602)	-92.3%	Transfer to the Beach Protection Fund.
Contingency	490	\$48,100	\$48,100	\$9,850	(\$38,250)	-79.5%	(\$38,250)	-79.5%	
TOTAL GENERAL FUND		\$4,607,417	\$5,067,803	\$5,204,032	\$596,615	12.9%	\$136,229	2.7%	

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT NO.	2018 BUDGET	REQUESTED 2019 BUD.	DIFF. 2019 & 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
W/S Operations	810	\$1,657,830	\$1,600,932	(\$56,898)	-3.4%	<p><u>Increases:</u> F/T personnel-related costs (includes a total of \$906 for potential Longevity Pay policy changes): \$17,081 / 4.4% Debt service: \$63,061 / 32% Capital outlay - equipment: \$53,000 / 113% Materials & supplies: \$10,000 / 11% Travel & training: \$2,000 / 40%</p> <p><u>Decreases:</u> Capital outlay - improvements: \$167,040 / 100% Carolina Beach Treatment Exp.: \$25,000 / 7% Capital outlay – sewer rehab: \$10,000 / 9%</p>
Governing Body	410	\$17,505	\$17,994	\$489	2.8%	<p><u>Increases:</u> Telephone/iPad: \$489 / 32%</p>
Finance	715	\$186,200	\$197,817	\$11,617	6.2%	<p><u>Increases:</u> F/T personnel-related costs: \$8,915 / 6.2% Telephone: \$1,080 / 300% Auditor/Actuary fees: \$875 / 8% Postage: \$360 / 4.4%</p>

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT. NO.	2018 BUDGET	REQUESTED 2019 BUD.	DIFF. 2019 & 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Legal	470	\$28,950	\$29,850	\$900	3.1%	<u>Increases:</u> Professional legal service: \$1,000 / 10.6%
Administration	720	\$260,170	\$306,687	\$46,517	17.9%	<u>Increases:</u> F/T personnel-related costs (includes new employee beginning 7/2018 – split with General Fund): \$24,675 / 20.5% P&L/WC Insurance: \$5,000 / 7% Retiree medical insurance: \$4,943 / 36% Utilities: \$2,400 / 80% Computer services: \$2,103 / 12% Building maintenance: \$1,900 / 24% Minor equipment: \$1,500 / 150% Codification costs: \$1,500 / 100% Advertising: \$1,000 / 50% Travel & training: \$1,000 / 33% Supplies: \$1,000 / 14% <u>Decreases:</u> Special long-term disability: \$1,122 / 100%
TOTAL WATER/ SEWER FUND		\$2,150,655	\$2,153,280	\$2,625	0.1%	

**STORM WATER FUND BUDGET BY EXPENSE TYPE
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT. NO.	2018 BUDGET	REQUESTED 2019 BUD.	DIFF. 2019 & 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
SW Operations	610	\$145,254	\$154,247	\$8,993	6.2%	<u><i>Increases:</i></u> Personnel-related costs: \$8,993 / 7.8%
Debt Service	610	\$99,840	\$108,193	\$8,353	8.4%	New loan in FY 2018 for one-half of compact excavator.
Capital Outlay	610	\$385,000	\$95,940	(\$289,060)	-75.1%	<u><i>Increases:</i></u> Capital outlay - equipment: \$45,000 / 129% <u><i>Decreases:</i></u> Capital outlay - improvements: \$334,060 / 95%
TOTAL STORM WATER FUND		\$630,094	\$358,380	(\$271,714)	-43.1%	

GENERAL FUND REVENUE BUDGET FY 2019 VS. FY 2018

REVENUE TYPE	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Property Taxes	\$2,491,300	\$2,491,300	\$2,917,800	\$426,500	17.1%	\$426,500	17.1%	Assumes a \$0.045 Increase in the tax rate (new rate will be \$0.33) and an increase in property valuation.
Sales Tax	\$850,075	\$850,075	\$886,000	\$35,925	4.2%	\$35,925	4.2%	Actual growth in FY 2018 greater than budgeted. FY 2019 estimated to be moderate increase over FY 2018 forecast.
Garbage & Recycle Fees	\$382,350	\$382,350	\$429,900	\$47,550	12.4%	\$47,550	12.4%	Includes a 16.67% garbage collection rate increase and a 2.7% recycle fee increase.
TDA	\$205,650	\$205,650	\$235,000	\$29,350	14.3%	\$29,350	14.3%	FY 2019 budget is for lifeguards, Pleasure Island Chamber of Commerce concerts & some OFP activities.
Franchise & Utility Taxes	\$234,500	\$234,500	\$225,000	(\$9,500)	-4.1%	(\$9,500)	-4.1%	State-wide forecasts for electricity sales tax, telecommunications & video programming taxes are for FY 2019 to be less than FY 2018.
Communication Tower Rent	\$79,125	\$79,125	\$81,924	\$2,799	3.5%	\$2,799	3.5%	FY 2019 includes annual increase for existing leases.
Building Permits, CAMA, Impact Fees, Fire Inspections	\$61,600	\$61,600	\$76,750	\$15,150	24.6%	\$15,150	24.6%	Upward trend in building related fees and fire inspection fees.

**GENERAL FUND REVENUE BUDGET
FY 2019 VS. FY 2018**

REVENUE TYPE	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Sales Tax Refund	\$54,000	\$54,000	\$59,000	\$5,000	9.3%	\$5,000	9.3%	Estimated sales tax refund based on sales tax paid in prior fiscal year.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$31,500	\$31,500	\$34,700	\$3,200	10.2%	\$3,200	10.2%	Estimated increase in bluefish sales.
Town Facility Rentals	\$15,000	\$15,000	\$18,000	\$3,000	20.0%	\$3,000	20.0%	Upward trend in facility rental revenue.
ABC Revenue	\$14,600	\$14,600	\$15,900	\$1,300	8.9%	\$1,300	8.9%	Upward trend in ABC revenue.
Motor Vehicle License Tax	\$9,500	\$9,500	\$9,750	\$250	2.6%	\$250	2.6%	Motor Vehicle License Tax collected as part of vehicle registration.
Beer & Wine Tax	\$9,500	\$9,500	\$9,300	(\$200)	-2.1%	(\$200)	-2.1%	Forecasted state-wide decreases for FY 2018 & 2019.
Re-Entry Decal Sales	\$5,500	\$5,500	\$4,500	(\$1,000)	-18.2%	(\$1,000)	-18.2%	FY 2019 estimated to be lower due to more people electing not to purchase decals.

**GENERAL FUND REVENUE BUDGET
FY 2019 VS. FY 2018**

REVENUE TYPE	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Interest & Investment Earnings	\$1,250	\$1,250	\$4,100	\$2,850	228%	\$2,850	228%	Increase in CD interest rates & NCCMT earnings.
All Other Revenue	\$2,635	\$2,635	\$2,885	\$250	9.5%	\$250	9.5%	Largest other revenue is fines & citations (\$1,650).
CAMA Grant - Beach Access Paving	\$89,332	\$89,332	\$78,523	(\$10,809)	-12.1%	(\$10,809)	-12.1%	The project related to this grant included in the FY 2018 budget for paving E & I Avenue beach access parking lots will be extended into FY 2019.
Appropriation of Fund Balance	\$0	\$460,386	\$0	\$0		(\$460,386)	-100%	FY 2018 amended budget included fund balance appropriations for capital project transfers & new loan payments.
Other Financing Sources	\$70,000	\$70,000	\$115,000	\$45,000	64.3%	\$45,000	64.3%	Financing for new Police vehicle (\$35,000) & one-half of street sweeper (\$80,000).
TOTAL GENERAL FUND	\$4,607,417	\$5,067,803	\$5,204,032	\$596,615	12.9%	\$136,229	2.7%	

**WATER/SEWER FUND REVENUE BUDGET
FY 2019 VS. FY 2018**

REVENUE TYPE	2018 BUDGET	2019 BUDGET	DIFF. 2019 & 2018	% CHANGE	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Water Charges	\$805,000	\$810,900	\$5,900	0.7%	New rate tier for residential customers when usage exceeds 10,000 gallons (25% increase). Estimated additional revenue of \$25,900.
Sewer Charges	\$1,155,000	\$1,135,100	(\$19,900)	-1.7%	New rate tier for residential customers when usage exceeds 10,000 gallons (25% increase). Estimated additional revenue of \$30,100.
Water & Sewer Tap Fees	\$36,000	\$60,000	\$24,000	66.7%	Based on estimated building activity.
Cutoff & Reconnection Fees	\$1,200	\$1,500	\$300	25.0%	Upward trend in account cutoff & reconnections.
Other Revenue/ Fees	\$6,315	\$12,415	\$6,100	96.6%	Primarily past due charges (\$6,200) and the new account setup fee (\$6,000).
Interest Income	\$2,140	\$7,020	\$4,880	228%	Increase in CD interest rates & NCCMT earnings.
Other Financing Sources	\$145,000	\$100,000	(\$45,000)	-31.0%	Financing for service truck (\$40,000) and 2 mobile generators (\$60,000).
TOTAL WATER/ SEWER FUND	\$2,150,655	\$2,126,935	(\$23,720)	-1.1%	

**STORM WATER FUND REVENUE BUDGET
FY 2019 VS. FY 2018**

REVENUE TYPE	2018 BUDGET	2019 BUDGET	DIFF. 2019 & 2018	% CHANGE	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Storm Water Charges	\$223,000	\$227,500	\$4,500	2.0%	Increase in number of accounts.
Storm Water Building Fees	\$40,000	\$48,000	\$8,000	20.0%	Based on estimated building activity.
Interest Income	\$875	\$2,880	\$2,005	229.1%	Increase in CD interest rates & NCCMT earnings.
Other Financing	\$35,000	\$80,000	\$45,000	128.6%	Financing for one-half of street sweeper.
Appropriate Fund Balance	\$331,219	\$0	(\$331,219)	-100%	
TOTAL STORM WATER FUND	\$630,094	\$358,380	(\$271,714)	-43.1%	

GENERAL FUND POTENTIAL RATE/FEE INCREASES

1. Recycle Fee
2. Garbage Collection Fees
3. Property Taxes

GENERAL FUND POTENTIAL RATE/FEE INCREASES

RECYCLE FEE

Est. Monthly Per Cart Charge by Waste Management for FY 2019 (assumes 2.25% Inc.)	\$5.01		
Current Monthly Per Cart Fee	<u>\$4.88</u>		
Minimum Proposed Increase in Monthly Fee	\$0.13	2.7% Increase	Annual Revenue Increase of \$3,400
Potential Additional Monthly Fee Increase to Cover Beach Service	<u>\$0.42</u>		
Maximum Proposed Increase in Monthly Fee	<u>\$0.55</u>	11.3% Increase	Annual Revenue Increase of \$14,300

GENERAL FUND POTENTIAL RATE/FEE INCREASES

GARBAGE COLLECTION FEES

SERVICE TYPE	CURRENT RATE/FEE	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE
Residential - 1st Cart	\$6.00	16.67%	\$7.00	\$1.00 / \$12.00	\$25,450	25%	\$7.50	\$1.50 / \$18.00	\$38,150
Residential - Extra Carts	\$12.00	16.67%	\$14.00	\$2.00 / \$24.00	\$5,550	25%	\$15.00	\$3.00 / \$36.00	\$8,350
					\$31,000				\$46,500
Commercial	\$26.25	16.67%	\$30.63	\$4.38 / \$52.56	\$5,150	25%	\$32.81	\$6.56 / \$78.72	\$7,700
TOTAL					\$36,150				\$54,200

GENERAL FUND POTENTIAL RATE/FEE INCREASES

PROPERTY TAXES

- Increase the current tax rate of 28.5 cents per \$100 of value by an amount to be determined by Town Council
 - At Budget Work Session #1, Council decided on a tax increase of 4.5 cents (15.79%)
 - The estimated additional revenue associated with this increase is \$397,000

PROPERTY TAXES
INCREMENTAL REVENUE FROM VARIOUS INCREASE AMOUNTS

	TAX RATE INCREASE							
	1.0 Cent	2.0 Cents	3.0 Cents	4.0 Cents	4.5 Cents	4.75 Cents	5.0 Cents	6.0 Cents
Percentage Increase In Tax Rate	3.51%	7.02%	10.53%	14.04%	15.79%	16.67%	17.54%	21.05%
Tax Levy Related To Tax Rate Increase	\$89,121	\$178,242	\$267,363	\$356,484	\$401,044	\$423,324	\$445,605	\$534,726
Net Increase To Town Revenue	\$88,230	\$176,459	\$264,689	\$352,919	\$397,034	\$419,091	\$441,149	\$529,378
Tax Rate After Increase (\$0.285 + increase)	\$0.2950	\$0.3050	\$0.3150	\$0.3250	\$0.3300	\$0.3325	\$0.3350	\$0.3450
Impact on Household With Home Valued at \$400,000:								
Annual Increase	\$40	\$80	\$120	\$160	\$180	\$190	\$200	\$240
Monthly Increase	\$3.33	\$6.67	\$10.00	\$13.33	\$15.00	\$15.83	\$16.67	\$20.00
Total Annual Tax	\$1,180	\$1,220	\$1,260	\$1,300	\$1,320	\$1,330	\$1,340	\$1,380

ASSUMPTIONS:

- (1) - Starting point is current tax rate of \$0.285 per \$100 of valuation.
- (2) - Estimated tax base from NHC Tax Department as of 4/13/18 was: **\$891,209,300** (Includes \$25,500,000 for motor vehicles)
- (3) - Estimated property tax collection rate is: **99%**

**GENERAL FUND
PROPERTY TAX INCREASE SUMMARY
RANGING FROM 4.5 CENTS TO 5 CENTS**

	4.5 CENTS	4.75 CENTS	5 CENTS
% INCREASE	15.79%	16.67%	17.54%
EST. INCREASE IN ANNUAL REVENUE	\$397,000	\$419,000	\$441,000
ANNUAL INCREASE ON \$400,000 PROPERTY	\$180	\$190	\$200
EST. AMOUNT AVAILABLE FOR CONTINGENCY AND TRANSFER TO BEACH PROTECTION	\$19,657	\$41,657	\$63,657

WATER & SEWER FUND POTENTIAL RATE/FEE INCREASES

1. Account Setup Fee
2. New Rate Tier For Residential Customers For Usage Above 10,000 Gallons Per Month
3. New Rate Tier For Commercial and Fort Fisher Customers For Usage Above A Number Of Gallons To Be Determined
4. Increase Monthly Minimum Fee For All Customers

WATER & SEWER FUND POTENTIAL NEW FEE

ACCOUNT SETUP FEE

- New fee of \$50 for costs involved in establishing a new account:

AVERAGE NO. OF NEW ACCOUNTS PER MONTH	PROPOSED NEW ACCT. SETUP FEE	EST. MONTHLY REVENUE	EST. ANNUAL REVENUE
10	\$50	\$500	\$6,000

**WATER & SEWER FUND
POTENTIAL NEW RESIDENTIAL RATE TIER
FOR USAGE OVER 10,000 GALLONS**

TIME PERIOD COVERED: 4/1/2017 – 3/31/2018

	WATER	SEWER	
TOTAL ACCTS. BILLED	23,600	22,693	
TOTAL GALS. USED	93,171,198	89,706,160	
TOTAL ACCTS. WITH USAGE OVER 10,000 GALS.	1,922	1,814	
% OF TOTAL ACCTS.	8.1%	8.0%	
TOTAL GALS. USED BY ACCTS. OVER 10,000	36,087,764	33,503,140	
% OF TOTAL GALS. USED	38.7%	37.3%	
EST. PORTION OF USAGE ABOVE 10,000 GALS.	16,867,764	15,363,140	
			TOTAL
EST. ANNUAL REVENUE - NEW RATE TIER - 25% INC.	\$28,675	\$33,415	\$62,090
EST. ANNUAL REVENUE - NEW RATE TIER - 50% INC.	\$56,929	\$66,830	\$123,758

**WATER & SEWER FUND
POTENTIAL NEW RESIDENTIAL RATE TIER
FOR USAGE OVER 10,000 OR 12,000 GALLONS**

TIME PERIOD: 4/1/2017 - 3/31/2018

	WATER	SEWER	NEW RATE TIER - 25% INC.	NEW RATE TIER - 50% INC.
TOTAL ACCTS. BILLED	23,600	22,693		
TOTAL GALS. USED	93,171,198	89,706,160		
TOTAL ACCTS. WITH USAGE OVER 10,000 GALS.	1,922	1,814	\$61,879	\$123,758
% OF TOTAL ACCTS.	8.1%	8.0%		
TOTAL GALS. USED BY ACCTS. OVER 10,000	36,087,764	33,503,140		
% OF TOTAL GALS. USED	38.7%	37.3%		
TOTAL ACCTS. WITH USAGE OVER 12,000 GALS.	1,371	1,274	\$49,724	\$99,449
% OF TOTAL ACCTS.	5.8%	5.6%		
TOTAL GALS. USED BY ACCTS. OVER 12,000	30,055,044	27,595,670		
% OF TOTAL GALS. USED	32.3%	30.8%		

CURRENT RATES:

Rate Per 100 Gals. - 2,501 To 7,000 Gals.	\$0.45	\$0.58
Rate Per 100 gals. - Over 7,000 Gals.	\$0.675	\$0.87

POTENTIAL RATES:

Rate Over 10,000 or 12,000 Gals. - 25% Inc.	\$0.8438	\$1.0875
Rate Over 10,000 or 12,000 Gals. - 50% Inc.	\$1.0125	\$1.3050

**WATER AND SEWER FUND
GALLONS BILLED BY CUSTOMER TYPE
4/1/2017 – 3/31/2018**

	GALLONS			
	RESIDENTIAL	COMMERCIAL	FORT FISHER	TOTAL
WATER	93,171,198	8,199,830	9,150,400	110,521,428
	84.3%	7.4%	8.3%	
SEWER	89,706,160	7,726,010	10,811,151	108,243,321
	82.9%	7.1%	10.0%	

WATER & SEWER FUND
POTENTIAL NEW RATE TIER – COMMERCIAL & FORT FISHER
FOR USAGE OVER 10,000 GALLONS

TIME PERIOD COVERED: 4/1/2017 – 3/31/2018

	COMMERCIAL			FORT FISHER		
	WATER	SEWER		WATER	SEWER	
TOTAL ACCTS. BILLED	471	447		48	48	
TOTAL GALS. USED	8,199,830	7,726,010		9,150,400	10,811,151	
TOTAL ACCTS. WITH USAGE OVER 10,000 GALS.	162	159		37	37	
% OF TOTAL ACCTS.	34.4%	35.6%		77.1%	77.1%	
TOTAL GALS. USED BY ACCTS. OVER 10,000	7,318,770	6,883,110		9,089,900	10,750,651	
% OF TOTAL GALS. USED	89.3%	89.1%		99.3%	99.4%	
EST. PORTION OF USAGE ABOVE 10,000 GALS.	5,698,770	5,293,110		8,719,900	10,380,651	
			TOTAL			TOTAL
EST. ANNUAL REVENUE - NEW RATE TIER - 25% INC.	\$9,887	\$9,428	\$19,316	\$17,167	\$26,276	\$43,443
EST. ANNUAL REVENUE - NEW RATE TIER - 50% INC.	\$19,775	\$18,857	\$38,631	\$34,335	\$52,552	\$86,887

**WATER & SEWER FUND
POTENTIAL NEW COMMERCIAL RATE TIER**

TIME PERIOD: 4/1/2017 to 3/31/2018

	WATER	SEWER
TOTAL ACCTS. BILLED	472	448
TOTAL GALS. USED	8,199,830	7,726,010
CURRENT RATES:		
MINIMUM – UP TO 2,500 GALS.	\$18.50	\$25.50
RATE PER 100 GALS. OVER 2,500 GALS.	\$0.694	\$0.7125
POTENTIAL RATES:		
NEW RATE TIER - 25% INC.	\$0.8675	\$0.890625
NEW RATE TIER - 50% INC.	\$1.0410	\$1.06875

**WATER & SEWER FUND
POTENTIAL NEW COMMERCIAL RATE TIER
USAGE OVER 25,000 OR 50,000 GALLONS**

	WATER	SEWER	NEW RATE TIER - 25% INC.	NEW RATE TIER - 50% INC.
TOTAL ACCTS. WITH USAGE OVER 25,000 GALS.	91	89	\$12,952	\$25,905
% OF TOTAL ACCTS.	19.3%	19.9%		
TOTAL GALS. USED BY ACCTS. OVER 25,000	6,150,080	5,722,000		
% OF TOTAL GALS. USED	75.0%	74.1%		
TOTAL ACCTS. WITH USAGE OVER 50,000 GALS.	49	44	\$7,273	\$14,545
% OF TOTAL ACCTS.	10.4%	9.8%		
TOTAL GALS. USED BY ACCTS. OVER 50,000	4,667,750	4,122,700		
% OF TOTAL GALS. USED	56.9%	53.4%		

**WATER & SEWER FUND
POTENTIAL NEW COMMERCIAL RATE TIER
USAGE OVER 70,000 OR 100,000 GALLONS**

	WATER	SEWER	NEW RATE TIER - 25% INC.	NEW RATE TIER - 50% INC.
TOTAL ACCTS. WITH USAGE OVER 70,000 GALS.	36	32	\$4,579	\$9,158
% OF TOTAL ACCTS.	7.6%	7.1%		
TOTAL GALS. USED BY ACCTS. OVER 70,000	3,931,090	3,436,350		
% OF TOTAL GALS. USED	47.9%	44.5%		
TOTAL ACCTS. WITH USAGE OVER 100,000 GALS.	18	15	\$1,872	\$3,744
% OF TOTAL ACCTS.	3.8%	3.3%		
TOTAL GALS. USED BY ACCTS. OVER 100,000	2,383,860	1,982,380		
% OF TOTAL GALS. USED	29.1%	25.7%		

**WATER & SEWER FUND
POTENTIAL NEW COMMERCIAL RATE TIER
SUMMARY OF POTENTIAL TIER AMOUNTS**

	GALLONS OF WATER				
	10,000	25,000	50,000	70,000	100,000
% OF TOTAL BILLINGS EXCEEDING SPECIFIED GALLONS	34.4%	19.3%	10.4%	7.6%	3.8%
% OF TOTAL GALLONS USED BY BILLINGS EXCEEDING SPECIFIED GALLONS	89.3%	75.0%	56.9%	47.9%	29.1%
ESTIMATED ADDITIONAL WATER & SEWER REVENUE BASED ON RATE TIER INCREASE OF:					
25%	\$19,316	\$12,952	\$7,273	\$4,579	\$1,872
50%	\$38,631	\$25,905	\$14,545	\$9,158	\$3,744

**WATER & SEWER FUND
POTENTIAL NEW FORT FISHER RATE TIER**

TIME PERIOD: 4/1/2017 to 3/31/2018

	WATER	SEWER
TOTAL ACCTS. BILLED	48	48
TOTAL GALS. USED	9,150,400	10,811,151
<u>CURRENT RATES:</u>		
MINIMUM – UP TO 2,500 GALS.	\$23.00	\$40.50
RATE PER 100 GALS. OVER 2,500 GALS.	\$0.7875	\$1.0125
<u>POTENTIAL RATES:</u>		
NEW RATE TIER - 25% INC.	\$0.984375	\$1.265625
NEW RATE TIER - 50% INC.	\$1.18125	\$1.51875

**WATER & SEWER FUND
 POTENTIAL NEW FORT FISHER RATE TIER
 USAGE OVER 25,000, 50,000 OR 100,000 GALLONS**

	WATER	SEWER	NEW RATE TIER - 25% INC.	NEW RATE TIER - 50% INC.
TOTAL ACCTS. WITH USAGE OVER 25,000 GALS.	32	32	\$41,167	\$82,334
% OF TOTAL ACCTS.	66.7%	66.7%		
TOTAL GALS. USED BY ACCTS. OVER 25,000	9,014,100	10,674,851		
% OF TOTAL GALS. USED	98.5%	98.7%		
TOTAL ACCTS. WITH USAGE OVER 50,000 GALS.	29	29	\$37,725	\$75,449
% OF TOTAL ACCTS.	60.4%	60.4%		
TOTAL GALS. USED BY ACCTS. OVER 50,000	8,899,100	10,559,851		
% OF TOTAL GALS. USED	97.3%	97.7%		
TOTAL ACCTS. WITH USAGE OVER 100,000 GALS.	26	26	\$31,532	\$63,064
% OF TOTAL ACCTS.	54.2%	54.2%		
TOTAL GALS. USED BY ACCTS. OVER 100,000	8,672,900	10,333,651		
% OF TOTAL GALS. USED	94.8%	95.6%		

**WATER & SEWER FUND
POTENTIAL NEW FORT FISHER RATE TIER
USAGE OVER 200,000 OR 300,000 GALLONS**

	WATER	SEWER	NEW RATE TIER - 25% INC.	NEW RATE TIER - 50% INC.
TOTAL ACCTS. WITH USAGE OVER 200,000 GALS.	23	23	\$20,855	\$41,710
% OF TOTAL ACCTS.	47.9%	47.9%		
TOTAL GALS. USED BY ACCTS. OVER 200,000	8,300,300	9,961,051		
% OF TOTAL GALS. USED	90.7%	92.1%		
TOTAL ACCTS. WITH USAGE OVER 300,000 GALS.	14	18	\$12,134	\$24,269
% OF TOTAL ACCTS.	29.2%	37.5%		
TOTAL GALS. USED BY ACCTS. OVER 300,000	6,062,600	8,745,176		
% OF TOTAL GALS. USED	66.3%	80.9%		

**WATER & SEWER FUND
FORT FISHER ACCOUNTS
WATER USAGE INFORMATION**

TIME PERIOD: 4/1/2017 - 3/31/2018

ACCOUNT NO.	ACCOUNT NAME	MONTHLY GALLONS OF WATER			ANNUAL USAGE
		LOW USAGE	HIGH USAGE	AVERAGE USAGE	
10491	Air Force Base	225,100	568,600	326,000	3,912,000
10462	Ft Fisher State Rec Area - Shower	0	67,670	19,875	238,500
40123001	Ft Fisher State Rec Area	2,700	124,200	49,633	595,600
40123501	NC Aquarium	133,900	580,200	376,850	4,522,200
40123602	NC Aquarium Fire Protection	30	1,370	632	7,580
40123702	NC Aquarium Fire Protection	0	4,000	1,250	15,000
40124001	NC Dept. of Cultural Resources	3,100	16,100	10,050	120,600

**WATER & SEWER FUND
POTENTIAL NEW FORT FISHER RATE TIER
SUMMARY OF POTENTIAL TIER AMOUNTS**

	GALLONS OF WATER					
	10,000	25,000	50,000	100,000	200,000	300,000
% OF TOTAL BILLINGS EXCEEDING SPECIFIED GALLONS	77.1%	66.7%	60.4%	54.2%	47.9%	29.2%
% OF TOTAL GALLONS USED BY BILLINGS EXCEEDING SPECIFIED GALLONS	99.3%	98.5%	97.3%	94.8%	90.7%	66.3%
ESTIMATED ADDITIONAL WATER & SEWER REVENUE BASED ON RATE TIER INCREASE OF:						
25%	\$43,443	\$41,167	\$37,725	\$31,532	\$20,855	\$12,134
50%	\$86,887	\$82,334	\$75,449	\$63,064	\$41,710	\$24,269

WATER & SEWER FUND

INCREASE MONTHLY MINIMUM FOR ALL CUSTOMER TYPES

	RESIDENTIAL			COMMERCIAL			FORT FISHER		
	CURRENT MONTHLY MINIMUM	NEW RATE AFTER 10% INC.	NEW RATE AFTER 25% INC.	CURRENT MONTHLY MINIMUM	NEW RATE AFTER 10% INC.	NEW RATE AFTER 25% INC.	CURRENT MONTHLY MINIMUM	NEW RATE AFTER 10% INC.	NEW RATE AFTER 25% INC.
WATER	\$13.50	\$14.85	\$16.88	\$18.50	\$20.35	\$23.13	\$23.00	\$25.30	\$28.75
SEWER	\$23.50	\$25.85	\$29.38	\$25.50	\$28.05	\$31.88	\$40.50	\$44.55	\$50.63
EST. INCREASE IN ANNUAL REVENUE		\$85,189	\$212,971		\$2,011	\$5,028		\$305	\$762

TOTAL ALL CUSTOMERS - 10% INCREASE	\$87,505
TOTAL ALL CUSTOMERS - 25% INCREASE	\$218,761

REQUESTS RECEIVED FROM OUTSIDE ORGANIZATIONS

<u>ORGANIZATION</u>	<u>AMT. APPROVED ON 4/6/18</u>	<u>REQUEST REC'D FY 2019</u>	<u>REQUEST REC'D FY 2018</u>	<u>ACTUAL FY 2018</u>	<u>ACTUAL FY 2017</u>	<u>ACTUAL FY 2016</u>	<u>ACTUAL FY 2015</u>	<u>ACTUAL FY 2014</u>
Pleasure Island Chamber of Commerce (concert series)	\$8,800	\$8,800	\$8,800	\$8,800	\$8,800	\$8,500	\$8,800	\$8,000
Katie B. Hines Senior Center (1)	\$2,000		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Federal Point Historic Preservation Society	\$1,500	\$3,000	\$3,000	\$1,500	\$1,500	\$1,000	\$1,000	\$1,000
Federal Point Help Center	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,000	\$1,000	\$1,000
Kure Beach Volunteer Fire Dept. (Christmas Show) (2)						\$3,300	\$3,300	\$3,300
Island of Lights (3)	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,100	\$1,100	\$1,000
Friends of Fort Fisher, Inc. (4)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500		\$2,000	
TOTAL GOVERNING BODY BUDGET	\$16,500	\$16,000	\$18,000	\$16,500	\$16,500	\$16,900	\$19,200	\$16,300
Pleasure Island Sea Turtle Project (5)	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
GRAND TOTAL	\$21,900	\$21,400	\$23,400	\$21,900	\$21,900	\$22,300	\$24,600	\$21,700

(1) - No request received for FY 2019.

(2) - Christmas show included as part of Parks & Recreation budget beginning in FY 2017.

(3) - Island of Lights request for FY 2019 (and FY 2014 - 2018) also includes \$900 of in-kind.

(4) - FY 2016 request from Friends of Fort Fisher received one month after deadline for applications.

(5) - Included in Building Inspection/Code Enforcement budget.