



# TOWN COUNCIL MINUTES

## REGULAR MEETING

May 15, 2018 @ 6:30 p.m.

The Kure Beach Town Council held its regular meeting on Tuesday, May 15, 2018 at 6:30 p.m. The Town Attorney was present and there was a quorum of council members present.

### CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 6:30 pm. Pastor Dan Keck of Kure Memorial Lutheran Church gave the invocation and led the pledge of allegiance.

### COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky  
Mayor Pro Tem (MPT) David Heglar  
Commissioner Joseph Whitley  
Commissioner Allen Oliver  
Commissioner John Ellen

### COUNCIL MEMBERS ABSENT

None

### STAFF PRESENT

Finance Officer – Arlen Copenhaver  
Town Clerk – Nancy Avery  
Deputy Town Clerk – Mandy Sanders  
Police Chief – Mike Bowden  
Fire Chief – Ed Kennedy  
Utility Systems Operator/Crew Leader – Jimmy Mesimer

### CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 6:56 pm.

Mayor Bloszinsky read and presented a Proclamation in support of National Safe Boating Week to members of the Cape Fear Sail and Power Squadron.

### APPROVAL OF CONSENT AGENDA ITEMS

1. Proclamation 18-01 in support of National Safe Boating Week
2. Budget amendment 18-06 in the amount of \$17,992 for repairs at the Ocean Front Park transferring funds from TDA revenue to PW maintenance
3. Budget amendment 18-07 in the amount of \$11,400 for the sale of Ocean Rescue surplus ATV's transferring revenue from the General Fund to the Ocean Rescue minor equipment purchases line item
4. TDA reimbursement request in the amount of \$22,343 for maintenance of the Ocean Front Park
5. Minutes
  - April 19, 2018 regular meeting continued to April 26, 2018
  - April 19, 2018 closed session
  - April 20, 2018 budget # 2 meeting



# TOWN COUNCIL MINUTES

## REGULAR MEETING

May 15, 2018 @ 6:30 p.m.

MOTION - Mayor Pro Tem Heglar made the motion to adopt the consent agenda as presented

SECOND – Commissioner Ellen

VOTE – Unanimous

## ADOPTION OF THE AGENDA

MOTION - Mayor Pro Tem Heglar made the motion to adopt the agenda as presented

SECOND – Commissioner Ellen

VOTE – Unanimous

## DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

Kevin Beerman, 144 Seawatch Way, said:

- He moved here seven months ago
- He is retired from the military as an army engineer colonel
- He saw the Public Works and Utilities Director position
- He is excited about applying and wanted to take the opportunity to introduce himself

## DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

1. Marketing Committee - presentation and direction on proposed FY18-19 marketing budget

Chairwoman Debbie Elliott stated:

- The main change in this year's budget is there is less print advertising and more digital, which is a better investment with a limited budget
- The committee is requesting approval of the \$186,305.80 budget

MOTION – Mayor Pro Tem Heglar made the motion to approve the budget for the Marketing Committee, as presented.

SECOND – Commissioner Oliver

VOTE – Unanimous

2. Shoreline Access and Beach Protection Committee

Pat Triplett, committee member, stated the new beach signs should be installed soon. They are waiting on the CAMA permit. The target date is by Memorial Day weekend.

## DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Finance Department

Presentation of budget message, draft FY18-19 budget ordinance and fee schedule

Finance Officer Copenhaver gave an overview of the proposed FY18-19 budget. The presentation including the Budget Message, Budget Ordinance and Fee Schedule is herein included as part of these minutes.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

May 15, 2018 @ 6:30 p.m.

MOTION – Mayor Pro Tem Heglar made the motion to direct the Town Clerk to advertise the proposed FY18-19 budget for inspection, as presented, and to hold a public hearing on Tuesday, June 5, 2018 at 6:30 pm.

SECOND – Commissioner Ellen

VOTE – Unanimous

### 2. Fire Department

Proposed amendment to Chapter 6 (Fire protection and prevention), Article III (Fire code), Section 31 (Adopted)

Fire Chief Kennedy stated:

- The proposed amendment does not change the way we do business.
- It only states our code backs the fire code rather than giving the date of the fire code, which changes

MOTION – Mayor Pro Tem Heglar made the motion to adopt the amendment to Chapter 6, Article III, Section 31, as presented, and read the amendment.

SECOND – Commissioner Ellen

VOTE - Unanimous

### 3. Public Works Department

Crew Leader Mesimer stated the vendor, Engineering Services, quoted the cost for surveying, engineering and drawings for a proposed ADA ramp at access 10004 ½ is \$12,000 and he requested council approval for funds to move forward.

MOTION – Mayor Pro Tem Heglar made the motion to move \$12,000 from the contingency fund to have the work done for an ADA compliant ramp at the north end of town (access 1004-1/2 near Myrtle and Ocean View)

SECOND – Commissioner Allen

VOTE - Unanimous

## DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Proposed amendments to Code of Ordinances, Chapter 10 on Motor Vehicles and Traffic  
Public hearing held May 15, 2018 at 5:45 pm

Council discussion points:

- The committee should re-form and discuss the comments from the public hearing
- The goal was to have amended ordinances ready by Memorial Day, which probably will not happen
- Good things were heard tonight to be considered and we do need to fast track this



# TOWN COUNCIL MINUTES

## REGULAR MEETING

May 15, 2018 @ 6:30 p.m.

Mayor Pro Tem Heglar asked the police chief if he has what he needs if people park on the pavement and if they park on the town's ROW blocking someone. Chief Bowden responded yes.

MOTION – Commissioner Whitley made the motion to reconvene the parking committee within the next 30 days and address issues discussed at the public hearing and invite some of those that spoke to attend.

SECOND – Mayor Pro Tem Heglar

VOTE - Unanimous

2. Schedule special meeting on Tuesday, June 5 before or after public hearing at 6:30 pm for closed session on personnel

MOTION – Mayor Pro Tem Heglar made the motion to hold a special meeting for a closed session on personnel on Tuesday, June 5, 2018 at 5 pm.

SECOND – Commissioner Whitley

VOTE – Unanimous

3. Review of proposed updated National Flood Insurance Plan ordinance

MOTION – Mayor Pro Tem Heglar made the motion to schedule a public hearing on adoption of the new National Flood Insurance Program ordinance and flood maps on Tuesday June 19, 2018 meeting at

6 pm.

SECOND – Commissioner Whitley

VOTE - Unanimous

4. Council goals and Joint Land Use Plan with Department of Defense update

Mayor Bloszinsky reviewed council goals and the Department of Defense Joint Land Use Plan with Military Operations Terminal at Sunny Point (MOTSU), which are:

### Council goals

*Work smarter to maintain and improve our quality of life in Kure Beach*

- Improve parking situation
- Upgrade systems such as water meter and billing
- Work on Department of Defense Land Use Plan to retain assets

*Ensure the integrity of Town financial data and maintain financial stability in all Town funds*

- Bring in construction project on time and at cost
- Be fiscally responsible
- Improve long term planning
- Review ordinances for enforcement process



# TOWN COUNCIL MINUTES

## REGULAR MEETING

May 15, 2018 @ 6:30 p.m.

- ROT maintenance

*Enable an optimum working environment for staff to produce high levels of service to the public*

- Town Hall space (physical)
- Ensure policies are fair (morale)

*Provide all departments with the support to maintain a safe working and living environment*

- Support camera program
- Use technology to multiply abilities

Mayor Bloszinsky highlighted:

- We have a good running start on 2018 goals that were set in the budget session
- We are improving town hall so the whole town is ready for the next 25 years
- The budget includes 2% cost of living and 2% merit raise for employees and we reinstated the longevity program
- Room occupancy tax amount collected last year was increased by 13.5 percent because we identified people renting their property and reported it to the county
- We have a capital project to change out water meters to make them easier to read and more accurate
- We are on schedule and budget with the construction project
- We are locked on all four sides with only two ways out. We want to look at another option.
- We will have P&Z look at recommendations for future use of business district as buildings age out
- This review is to let you know that we, along with our committees, boards and partner agencies, are working for the future of the town

### Military Operations Terminal Sunny Point (MOTSU) /Department Of Defense (DOD) Land Use

Plan goals and expectations – ranked in order of priority

1. Lagoon – ensure lease, current five year lease expires December of 2019
2. Water tower – ensure the lease, current lease expires April of 2019
3. Recreation area (JE Park), lease is \$1,000 for 6.5 acres
4. Water diversion – Camp Wyatt, keeping water out of the streets of Kure Beach
5. Garages – Public Works, replacement of the garages lost
6. New egress process – access to Dow Road
7. Bike path options – Carolina Beach is in the process of building bike path
8. Maintain good relations
9. Land behind fire station to be utilized for training and volunteer parking during calls



# TOWN COUNCIL MINUTES

## REGULAR MEETING

May 15, 2018 @ 6:30 p.m.

The mayor stated Commissioner Whitley is vice chair for the Joint Land Use Plan. He reviewed the items that Council thought were most important, as listed above, pointing out that the town never had to pay rental on any leases, but has to now.

Commissioner Whitley said the first meeting, a stakeholder meeting, is Monday, May 21, 2018, to get a better understanding of the relationship between the town and MOTSU and he and two staff members will attend. There are 15 other communities involved and this process is expected to take about a year to complete.

## DISCUSSION AND CONSIDERATION OF NEW BUSINESS

### 1. Encroachment request for 441 S. Fort Fisher Boulevard

Wes Hester stated he:

- Has lived here since 2004 and recently purchased property at 441 S FFB
- Purchased a home we didn't design or built – not enough room for deck around pool
- Is requesting approval for encroachment

MOTION – Mayor Pro Tem Heglar made the motion to approve moving forward and for the property owner to provide an encroachment agreement satisfactory to the town attorney.

SECOND – Commissioner Whitley

VOTE- Unanimous

### 2. Adoption of 2018 Emergency Operations Plan

Mayor Pro Tem Heglar stated he only wants to approve the annex for the hurricane plan, which directs the department heads to prepare for the season in June and he and the Fire Chief will continue to review the plan for updates to bring back to council.

MOTION – Mayor Pro Tem Heglar made the motion to approve Annex B, Appendix 1 as presented, and for him and Fire Chief Kennedy to review the rest and bring back to council for approval.

SECOND – Commissioner Whitley

VOTE - Unanimous

Mayor Pro Tem Heglar said he sent a copy of the letter we give to citizens yearly to council to review. A copy is sent out the last of May. He requested permission to schedule two sessions with the public as is done every year in late May and early June

CONSENSUS – move forward with scheduling two public sessions

### 3. Carolina Beach/Kure Beach Sewer Authority adoption of rates

Mayor Pro Tem Heglar stated he and Commissioner Whitley met with Carolina Beach about rates. The work Public Works did with diverting more sewer flow to our lagoon rather than sending to Carolina Beach for processing reduced the rate and cost. The authority meets once a



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## REGULAR MEETING

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year to review final numbers and activity. The town received a check today for \$32,000, as a result of the diverted flow.

MOTION – Mayor Pro Tem Heglar made the motion to approve the Carolina Beach/Kure Beach rates as presented for variable and fixed costs for next fiscal year.

SECOND – Commissioner Whitley

VOTE – Unanimous

## COMMISSIONER ITEMS

Commissioner Oliver stated the facility construction is moving along with trusses for the council room on site for installation. There have been some minor delays due to rain. It is getting to the point where we will start seeing the roof installed.


## ADJOURNMENT

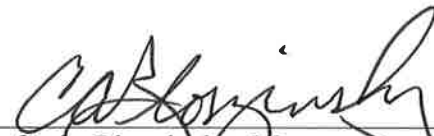
MOTION – Commissioner Oliver made the motion to adjourn at 8:23 pm

SECOND – Commissioner Whitley

VOTE – Unanimous

ATTEST:

  
Nancy Avery, Town Clerk

  
Craig Bloszinsky, Mayor

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. A recording of the meeting is available on the town's website under government, council.

SIGN IN SHEET  
TO ADDRESS KURE BEACH TOWN COUNCIL

MEETING TYPE & DATE

May 15, 2018

NAME	ADDRESS
Kevin Brennan	144 Sparhawk Way
Wes Hester	441 S FT Fisher →

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**Kure Beach Budget Allocations FY 18-19: Draft**

<b>ADVERTISING/MEDIA/SERVICES</b>		
Media	Print (Our State)	\$7,500.00
	Paid Search (Search Listings, Display Ads, Display Retargeting)	\$25,000.00
	Paid Social (FB Display/Canvas/Video, Instagram, Influencer Marketing)	\$38,400.00
	Programmatic (Pre-roll Video, Weather Triggered)	\$13,000.00
	Publisher Direct (Trip Advisor Display Ads, HomeAway)	\$15,300.00
	Engagement Marketing eBlasts	\$7,500.00
	VisitNC.com	\$1,600.00
	Contingency	\$7,065.00
	Promotional Giveaways	\$300.00
	Public Relations	\$21,000.00
	Press Trips	\$2,500.00
	Social Media/Strategy/Content Calendar/Postings	\$12,000.00
	Facebook/Instagram Live (4)	\$3,000.00
	Blogger Program (8)	\$3,000.00
	Spring Social Video Amplification Campaign	\$6,000.00
	Influencer/Paid Content Development	\$2,100.00
	Agency Retainer/Project Management/Meetings	\$4,725.00
	Agency Research/Analysis	\$2,765.80
	Print/Digital	\$13,550.00
		<b>\$186,305.80</b>
<b>ADVERTISING/MEDIA/SERVICES TOTAL</b>		
<b>ONLINE MANAGEMENT</b>		
Account Management	Account Management/CMS Licensing/Hosting	\$2,000.00
	Domain Renewals	\$260.00
Email Marketing	Specials Distribution (6)	\$4,390.00
	Specials Reengagement/Clean Up List	\$1,000.00
Search Marketing	SEO	\$4,000.00
Site Development	Maintenance/General Improvements	\$2,000.00
	Tint Social Media Aggregator Licensing	\$1,000.00
	CMS Modules Licensing	\$2,215.00
		<b>\$16,865.00</b>
<b>ONLINE MANAGEMENT TOTAL</b>		
<b>FULFILLMENT</b>		
	Postage	\$2,000.00
	Handling/Service Fees	\$1,500.00
	Storage Fees	\$300.00
		<b>\$3,800.00</b>
<b>FULFILLMENT TOTAL</b>		
<b>IMAGES &amp; VIDEO</b>		
	Videos	\$4,000.00
	SkyNav 360s	\$2,000.00
	Photography (Images, Usage Rights, Talent)	\$4,000.00
	Visitors Guide Image Rights	\$75.00
		<b>\$10,075.00</b>
<b>IMAGES &amp; VIDEO TOTAL</b>		
Total		<b>\$217,045.80</b>
<b>Contingency/10% Holdback</b>		
FY Budget Total		<b>\$24,116.20</b>
		<b>\$241,162.00</b>

Request for Town of Kure Beach Council Encroachment Approval of 10 feet to extend the Pool Deck of the home of Wes and Lisa Hester, who just purchased and is under construction, 441 S. Fort Fisher Blvd, Kure Beach, NC 28449 (Lot 22, Block 7) from Eddie Hyler and Rob Lavecchia.

Currently, due to the reduced lot size, the limitations of the deck combined with the pool, there is limited area around the pool to position deck chairs. To facilitate our use of the Pool Deck we are requesting the Town of Kure Beach Council grant Wes and Lisa Hester an Encroachment Request to extend the deck 10 feet towards the beach, in accordance with any and all limitations imposed by the Town of Kure Beach Council Encroachment Request Approval (Ref. pages 2 & 3 Attached).

If approved, Wes and Lisa Hester, at no cost to the Town of Kure Beach, will have the Encroachment Agreement drafted by the Law Office of Ned M. Barnes, A-3 Pleasure Island Plaza (USPS), 1009 N. Lake Park Blvd., Suite C-2, Carolina Beach, NC 28428, Telephone: 910-458-4466, and presented to the Town of Kure Beach Council at the next Council Meeting.

Warm regards,



Wes and Lisa Hester  
703-586-3234

whester@foxholetechnology.com



# Memo



**To:** Craig Bloszinsky, David Heglar, John Ellen,  
Allen Oliver and Joseph Whitley

**From:** Arlen Copenhaver *AC*

**Date:** May 1, 2018

**Re:** Carolina/Kure Beach Sewer Authority Update

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The Carolina/Kure Beach Sewer Authority met on April 30, 2018, to finalize expenses for fiscal year 2017, adjust rates for fiscal year 2018 and to set rates for fiscal year 2019. The Authority previously met on May 8, 2017, at which time fiscal year 2016 was reconciled.

The rates previously established for fiscal year 2018 were adjusted based on the actual data from fiscal year 2017 as follows:

Variable Costs: decrease of 3.94 cents per 1,000 gallons (from 76.48 to 72.54)

Fixed Costs: \$4,392.41 per month decrease (from \$16,627.28 to \$12,234.87)

Capital Recovery: \$1,150.91 per month increase (from \$3,746.25 to \$4,897.16)

As a result of the above adjustments to the fiscal year 2018 rates, Carolina Beach owes Kure Beach \$42,356.85 for the period of July 2017 through March 2018. This was determined as follows:

<u>Over/(Under)</u> <u>Variable Costs</u>	<u>Over/(Under)</u> <u>Fixed Costs</u>	<u>Over/(Under)</u> <u>Capital</u>	<u>Over/(Under)</u> <u>Total</u>
\$3,458.85	\$52,708.92	(\$13,810.92)	\$42,356.85

Prior to the meeting, explanations for several expense categories that had significant changes from the prior year were obtained from Carolina Beach personnel. These explanations were reviewed and deemed reasonable. At the meeting, Commissioner Heglar reiterated with the Carolina Beach representatives the need to provide Kure Beach with advance notification of potentially significant expenditures and projects, as well as the need for all of Pleasure Island to continue to take actions to promote water conservation.

As of April 30, 2018, the Authority set the following rates for fiscal year 2019 subject to approval by the respective Town Councils:

Variable Costs: 72.54 cents per 1,000 gallons

Fixed Costs: \$12,234.87 per month

Capital Recovery: \$4,897.16 per month

Please let me know if you have any questions or require additional information.

# TOWN OF KURE BEACH FISCAL YEAR 2018/2019 PROPOSED BUDGET



MAY 15, 2018

## **GENERAL BUDGET INFORMATION**

- The budget proposal is in accordance with NC General Statutes Section 159-11
- All sections of the budget are in conformance with The Local Government Budget and Fiscal Control Act
- As required by NC General Statutes Section 159-12, a public hearing must be held prior to budget adoption. **The public hearing is proposed for Tuesday, June 5<sup>th</sup> at 6:30 pm**
- Once the budget proposal is accepted by Town Council, copies will be available for public inspection on the Town's website and at Town Hall
- A balanced budget, or an interim budget, must be adopted before July 1st

## GENERAL BUDGET INFORMATION

The budget proposal consists of 3 components:

1. Budget Message – summarizes the budget, provides key highlights and identifies significant differences from the current year budget
2. Draft Budget Ordinance – contains the budgeted revenues and expenditures by fund, information regarding property taxes, salaries, any changes to the Fee Schedule, as well as other statutory requirements
3. Draft Fee Schedule – includes the fees to be charged by the Town for various services



# **TOWN OF KURE BEACH**

## **FISCAL YEAR 2018/2019 GOALS**

1. Work smarter to maintain and improve our quality of life in Kure Beach.
  - ❖ Improve parking situation
  - ❖ Upgrade systems such as water meter and billing
  - ❖ Work on Department of Defense Land Use Plan to retain assets
  
2. Ensure the integrity of Town financial data and maintain financial stability in all Town funds.
  - ❖ Bring in construction project on time and at cost
  - ❖ Be fiscally responsible
  - ❖ Improve long term planning
  - ❖ Review ordinances for enforcement process
  - ❖ Room Occupancy Tax maintenance

**TOWN OF KURE BEACH  
FISCAL YEAR 2018/2019 GOALS**

3. Enable an optimum working environment for staff to produce high levels of service to the public.
  - ❖ Town Hall space (physical)
  - ❖ Ensure policies are fair (morale)
  
4. Provide all departments with the support to maintain a safe working and living environment.
  - ❖ Support camera program
  - ❖ Use technology to multiply abilities

**TOWN OF KURE BEACH  
FISCAL YEAR 2018/2019  
PROPOSED BUDGET**

<u>FUND</u>	<u>PROPOSED FY 2019 BUDGET</u>	<u>ORIGINAL FY 2018 BUDGET</u>	<u>CHANGE</u>	<u>% CHANGE</u>
General Fund	<b>\$5,206,532</b>	<b>\$4,607,417</b>	<b>\$599,115</b>	<b>13.0%</b>
Water and Sewer Fund	<b>\$2,196,085</b>	<b>\$2,150,655</b>	<b>\$45,430</b>	<b>2.1%</b>
Storm Water Fund	<b>\$ 358,380</b>	<b>\$ 630,094</b>	<b>(\$271,714)</b>	<b>(43.1%)</b>
Powell Bill Fund	<b>\$ 175,000</b>	<b>\$ 65,070</b>	<b>\$109,930</b>	<b>168.9%</b>
Federal Asset Forfeiture Fund	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$0</b>	<b>0.0%</b>
Sewer Expansion Reserve Fund (SERF)	<b>\$ 16,250</b>	<b>\$ 30,330</b>	<b>(\$14,080)</b>	<b>(46.4%)</b>
Beach Protection Fund	<b>\$ 13,397</b>	<b>\$ 47,090</b>	<b>(\$33,693)</b>	<b>(71.6%)</b>
<b>TOTAL</b>	<b><u>\$8,015,644</u></b>	<b><u>\$7,580,656</u></b>	<b><u>\$434,988</u></b>	<b><u>5.7%</u></b>

**TOWN OF KURE BEACH  
FISCAL YEAR 2018/2019 PROPOSED BUDGET  
GENERAL FUND HIGHLIGHTS**

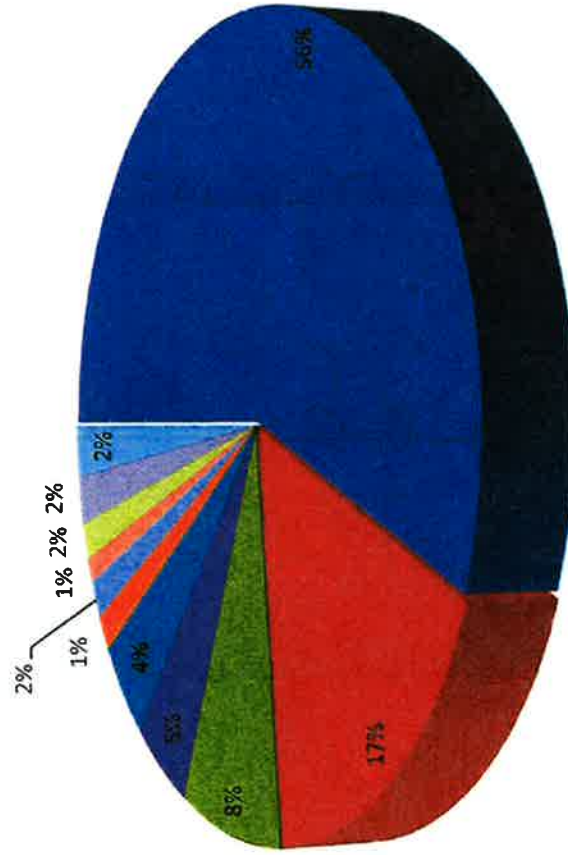
1. Proposed tax rate increase – 4.5 cents (15.8%)
  - New rate would be 33 cents (\$0.33) per \$100 of valuation
  
2. General Fund fee increases as follows:
  - Increase monthly garbage collection fees and monthly recycle fee:

	CURRENT FEE	PROPOSED FEE
<b>GARBAGE COLLECTION</b>		
<b>RESIDENTIAL</b>		
First cart	\$6.00	\$7.00
After the first cart	\$12.00	\$14.00
<b>COMMERCIAL</b>		
Per cart	\$26.25	\$30.63
<b>RECYCLE SERVICE</b>		
Per cart	\$4.88	\$5.01

**TOWN OF KURE BEACH**  
**FISCAL YEAR 2018/2019 PROPOSED BUDGET**  
**GENERAL FUND HIGHLIGHTS**

3. 2% Cost of Living Adjustment and 2% merit increase for employees
4. Additions to full-time employees:
  - One employee in Administration
  - One employee in Parks and Recreation
5. Capital expenditures totaling \$207,450
6. Transfer \$9,807 to the Beach Protection Fund
7. Contingency of \$9,850
8. Overall, the 2019 General Fund budget is 13% greater than the 2018 original budget

# GENERAL FUND REVENUE BUDGET FISCAL YEAR 2019



- Property Tax \$2,920,300
- Sales Tax \$886,000
- Garbage & Recycling Fees \$429,900
- TDA Funds \$235,000
- Franchise & Utility Tax \$225,000
- Bldg. Permit, CAMA & Impact Fees \$76,750
- Communication Tower Rent \$81,924
- Parks & Rec./Comm. Ctr./Festival \$52,700
- CAMA Grant - Beach Access Paving \$78,523
- Other Revenue \$105,435
- Other Financing Sources \$115,000

**IMPACT OF KURE BEACH PROPOSED  
PROPERTY TAX RATE ON A  
PROPERTY VALUED AT \$350,000**

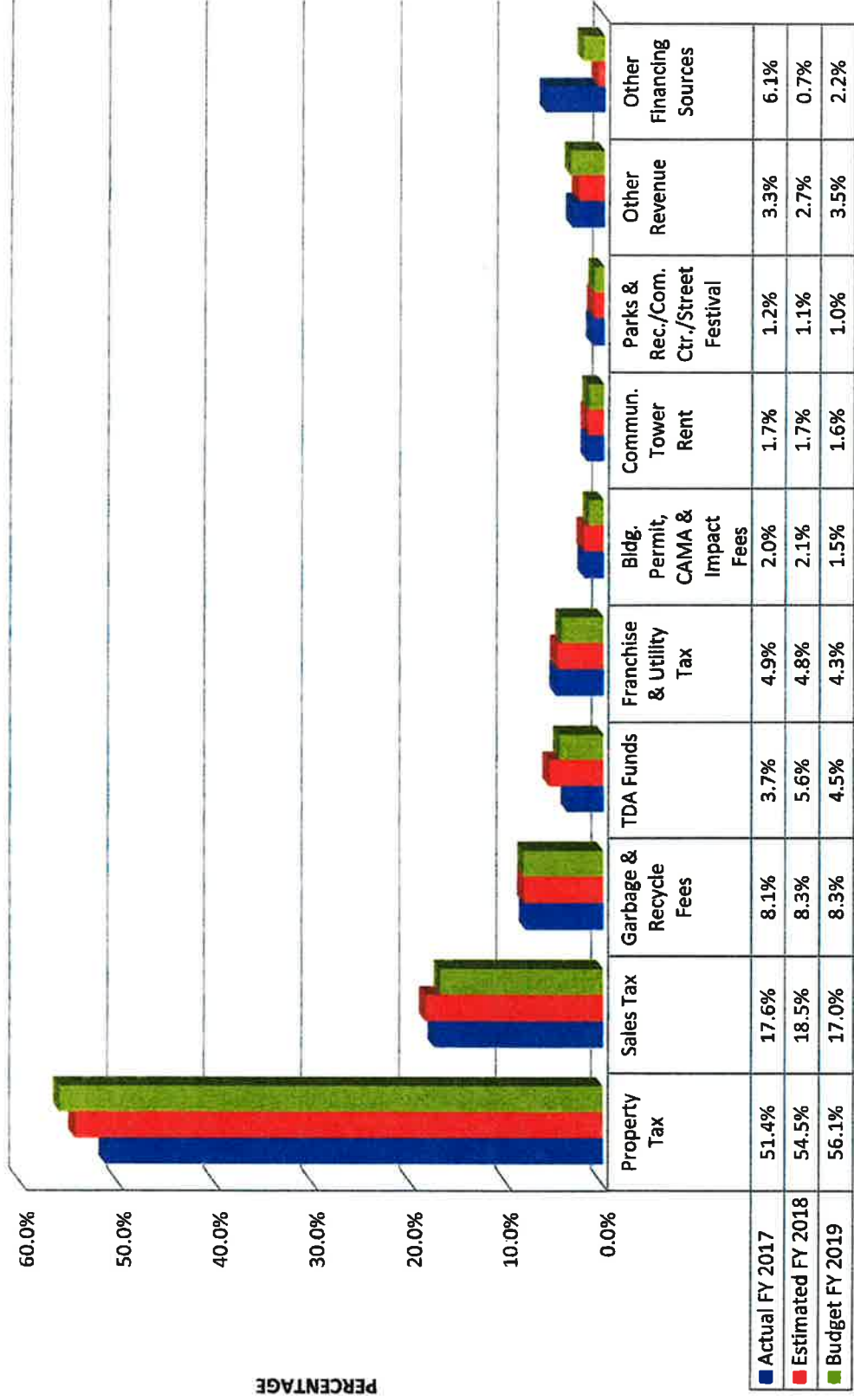
Tax at Current Tax Rate (\$0.285)	\$997.50
Proposed Tax Increase (\$0.045)	<u>\$157.50</u>
Total Tax at Proposed Tax Rate (\$0.33)	<u>\$1,155.00</u>

**IMPACT OF KURE BEACH AND NEW HANOVER COUNTY  
PROPOSED FISCAL YEAR 2019 PROPERTY TAX RATES ON A  
PROPERTY VALUED AT \$350,000**

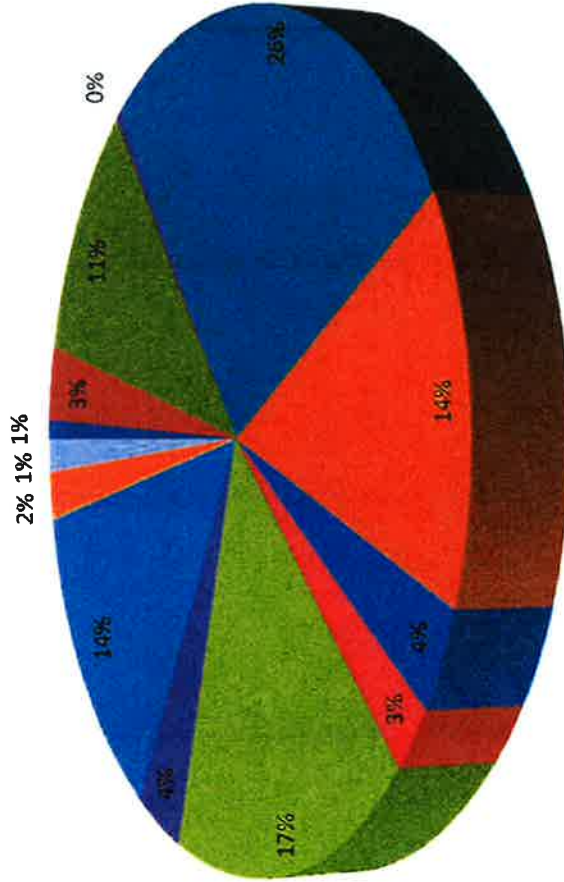
	CURRENT		PROPOSED FOR FY 2019		ANNUAL TAX DIFFERENCE
	TAX RATE	ANNUAL TAX	TAX RATE	ANNUAL TAX	
Kure Beach	\$0.285	\$997.50	\$0.33	\$1,155.00	\$157.50
New Hanover County (including debt service)	\$0.57	<u>\$1,995.00</u>	\$0.555	<u>\$1,942.50</u>	<u>(\$52.50)</u>
TOTAL		<u>\$2,992.50</u>		<u>\$3,097.50</u>	<u>\$105.00</u>
			% Change Kure Beach & NHC		3.51%



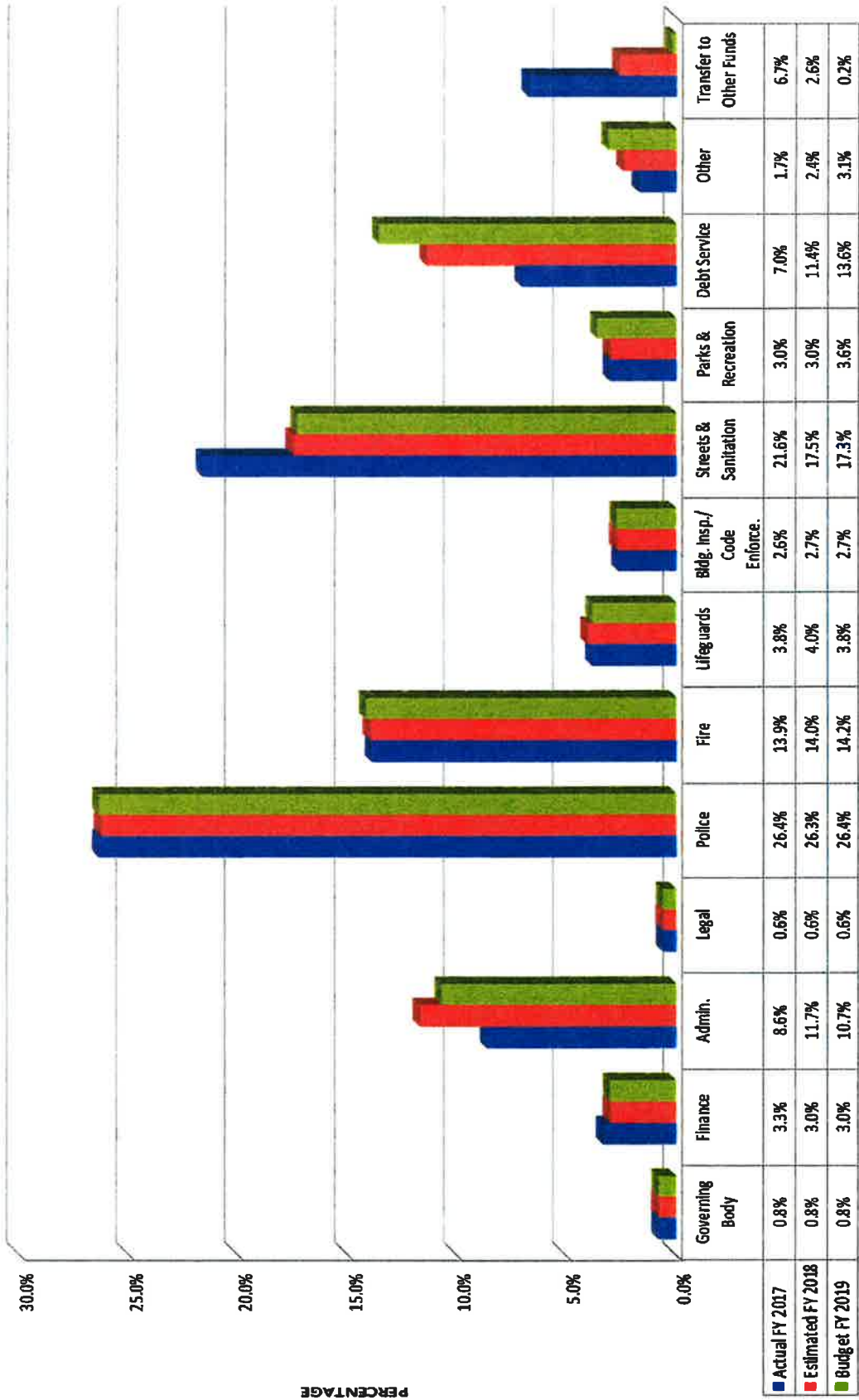
**GENERAL FUND  
PERCENTAGE OF REVENUE BY SOURCE  
FISCAL YEAR 2017 TO 2019**



# GENERAL FUND EXPENSE BUDGET FISCAL YEAR 2019



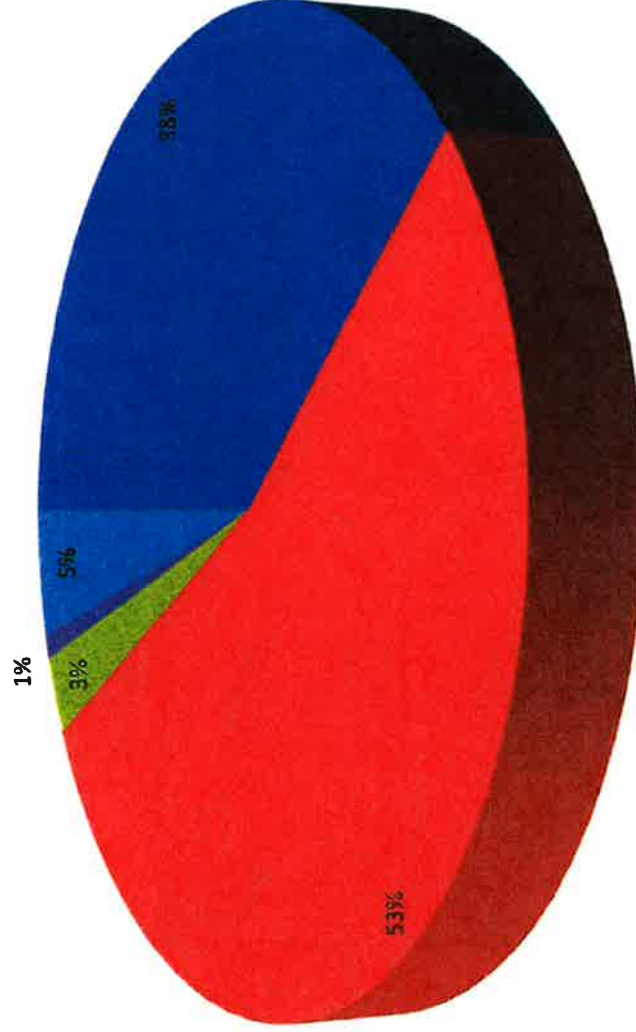
**GENERAL FUND  
PERCENTAGE OF EXPENSES BY DEPARTMENT  
FISCAL YEAR 2017 TO 2019**



**TOWN OF KURE BEACH**  
**FISCAL YEAR 2018/2019 PROPOSED BUDGET**  
**WATER AND SEWER FUND HIGHLIGHTS**

1. Changes to the existing water and sewer rate structure:
  - Residential - New rate tier for monthly usage above 12,000 gallons
  - Commercial and Fort Fisher – New rate tier for monthly usage above 70,000 gallons
2. \$240,300 for infrastructure projects and equipment capital expenditures
3. Debt service totaling \$258,820
4. Overall, the 2019 Water and Sewer budget is 2.1% greater than the 2018 budget

# WATER & SEWER FUND REVENUE BUDGET FISCAL YEAR 2019



- Water Charges \$840,650
- Sewer Charges \$1,174,500
- Tap, Connection & Cut-off Fees \$61,500
- Other Revenue \$19,435
- Other Financing Sources \$100,000

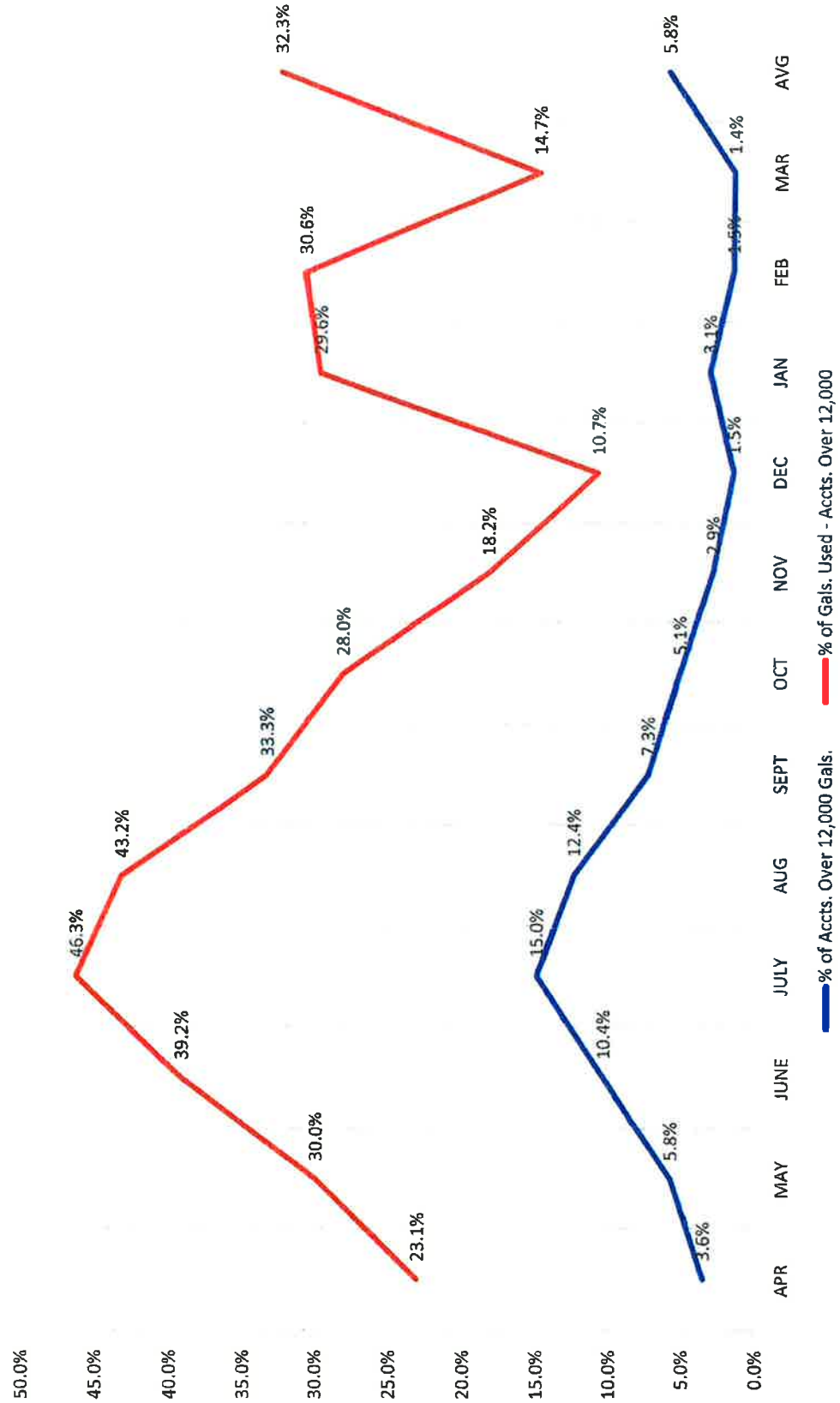
**WATER AND SEWER FUND  
GALLONS BILLED BY CUSTOMER TYPE  
4/1/2017 – 3/31/2018**

		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%	

**PROPOSED FISCAL YEAR 2018/2019**  
**RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES**

1. Increase the financial responsibility for those customers who use the most water and sewer resources
2. In fiscal year 2017, added a rate tier for residential customers for usage above 7,000 gallons in a month
3. For fiscal year 2019, propose adding a new rate tier for monthly usage over 12,000 gallons
4. During the 12 month period of April 2017 to March 2018:
  - 5.8% of the residential billings used over 12,000 gallons
  - Those 5.8% of the billings used approximately 32% of the total residential water usage
  - 32% of the residential water usage is over 30 million gallons

**RESIDENTIAL ACCOUNTS USING OVER 12,000 GALLONS PER MONTH  
% OF ACCOUNTS VS. % OF GALLONS USED  
4/1/2017 TO 3/31/2018**





**PROPOSED FISCAL YEAR 2018/2019  
RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES**

5. Proposed rate structure for residential customers for fiscal year 2019:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum - up to 2,500 gals.	\$13.50	\$13.50	\$23.50	\$23.50	No change
2,501 to 7,000 gals. (rate per 100 gals.)	\$0.45	\$0.45	\$0.58	\$0.58	No change
7,001 to 12,000 gals. (rate per 100 gals.)	\$0.675	\$0.675	\$0.87	\$0.87	No change
Over 12,000 gals. (rate per 100 gals.)	N/A	\$1.0125	N/A	\$1.305	New rate

6. There will be no impact on a residential customer using less than 12,000 gallons

**IMPACT OF RATE CHANGES ON A RESIDENTIAL ACCOUNT  
AT 4 MONTHLY USAGE LEVELS**

	<b>EXISTING RATES</b>	<b>PROPOSED RATES</b>
<b><u>Monthly Usage of 12,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$37.00	\$37.00
2,501 to 7,000 gallons	\$46.35	\$46.35
7,001 to 12,000 gallons	\$77.25	\$77.25
<b>Total</b>	<b><u>\$160.60</u></b>	<b><u>\$160.60</u></b>
Increase Amount		\$0.00
% Change		0.0%
<b><u>Monthly Usage of 15,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$37.00	\$37.00
2,501 to 7,000 gallons	\$46.35	\$46.35
7,001 to 12,000 gallons	\$77.25	\$77.25
12,001 to 15,000 gallons	\$46.35	\$69.53
<b>Total</b>	<b><u>\$206.95</u></b>	<b><u>\$230.13</u></b>
Increase Amount		\$23.18
% Change		11.2%

**IMPACT OF RATE CHANGES ON A RESIDENTIAL ACCOUNT  
AT 4 MONTHLY USAGE LEVELS**

	EXISTING RATES	PROPOSED RATES
<b><u>Monthly Usage of 20,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$37.00	\$37.00
2,501 to 7,000 gallons	\$46.35	\$46.35
7,001 to 12,000 gallons	\$77.25	\$77.25
12,001 to 20,000 gallons	<u>\$123.60</u>	<u>\$185.40</u>
Total	<u>\$284.20</u>	<u>\$346.00</u>
Increase Amount		\$61.80
% Change		21.7%
<b><u>Monthly Usage of 25,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$37.00	\$37.00
2,501 to 7,000 gallons	\$46.35	\$46.35
7,001 to 12,000 gallons	\$77.25	\$77.25
12,001 to 25,000 gallons	<u>\$200.85</u>	<u>\$301.28</u>
Total	<u>\$361.45</u>	<u>\$461.88</u>
Increase Amount		\$100.43
% Change		27.8%

**PROPOSED FISCAL YEAR 2018/2019**  
**COMMERCIAL WATER & SEWER RATE STRUCTURE CHANGES**

1. Increase the financial responsibility for those customers who use the most water and sewer resources
2. For fiscal year 2019, propose adding a new rate tier for monthly usage over 70,000 gallons
3. During the 12 month period of April 2017 to March 2018:
  - 7.6% of the commercial billings used over 70,000 gallons
  - Those 7.6% of the billings used approximately 48% of the total commercial water usage
  - 48% of the commercial water usage is approximately 4 million gallons

**PROPOSED FISCAL YEAR 2018/2019**  
**COMMERCIAL WATER & SEWER RATE STRUCTURE CHANGES**

4. Proposed rate structure for commercial customers for fiscal year 2019:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum - up to 2,500 gals.	\$18.50	\$18.50	\$25.50	\$25.50	No change
2,501 to 70,000 gals. (rate per 100 gals.)	\$0.694	\$0.694	\$0.7125	\$0.7125	No change
Over 70,000 gals. (rate per 100 gals.)	N/A	\$0.8675	N/A	\$0.890625	New rate

5. There will be no impact on a commercial customer using less than 70,000 gallons

**IMPACT OF RATE CHANGES ON A COMMERCIAL ACCOUNT  
AT 2 MONTHLY USAGE LEVELS**

	EXISTING RATES	PROPOSED RATES
<b><u>Monthly Usage of 80,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$44.00	\$44.00
2,501 to 70,000 gallons	\$468.45	\$468.45
70,001 to 80,000 gallons	<u>\$140.65</u>	<u>\$175.81</u>
Total	<u>\$653.10</u>	<u>\$688.26</u>
Increase Amount		\$35.16
% Change		5.4%
<b><u>Monthly Usage of 100,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$44.00	\$44.00
2,501 to 70,000 gallons	\$468.45	\$468.45
70,001 to 100,000 gallons	<u>\$421.95</u>	<u>\$527.44</u>
Total	<u>\$934.40</u>	<u>\$1,039.89</u>
Increase Amount		\$105.49
% Change		11.3%

**PROPOSED FISCAL YEAR 2018/2019**  
**FORT FISHER WATER & SEWER RATE STRUCTURE CHANGES**

1. Increase the financial responsibility for those customers who use the most water and sewer resources
2. For fiscal year 2019, propose adding a new rate tier for monthly usage over 70,000 gallons
3. During the 12 month period of April 2017 to March 2018:
  - 60% of the Fort Fisher billings used over 70,000 gallons
  - Those 60% of the billings used approximately 97% of the total commercial water usage
  - 97% of the Fort Fisher water usage is approximately 9 million gallons

**PROPOSED FISCAL YEAR 2018/2019**  
**FORT FISHER WATER & SEWER RATE STRUCTURE CHANGES**

4. Proposed rate structure for Fort Fisher customers for fiscal year 2019:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum - up to 2,500 gals.	\$23.00	\$23.00	\$40.50	\$40.50	No change
2,501 to 70,000 gals. (rate per 100 gals.)	\$0.7875	\$0.7875	\$1.0125	\$1.0125	No change
Over 70,000 gals. (rate per 100 gals.)	N/A	\$0.984375	N/A	\$1.265625	New rate

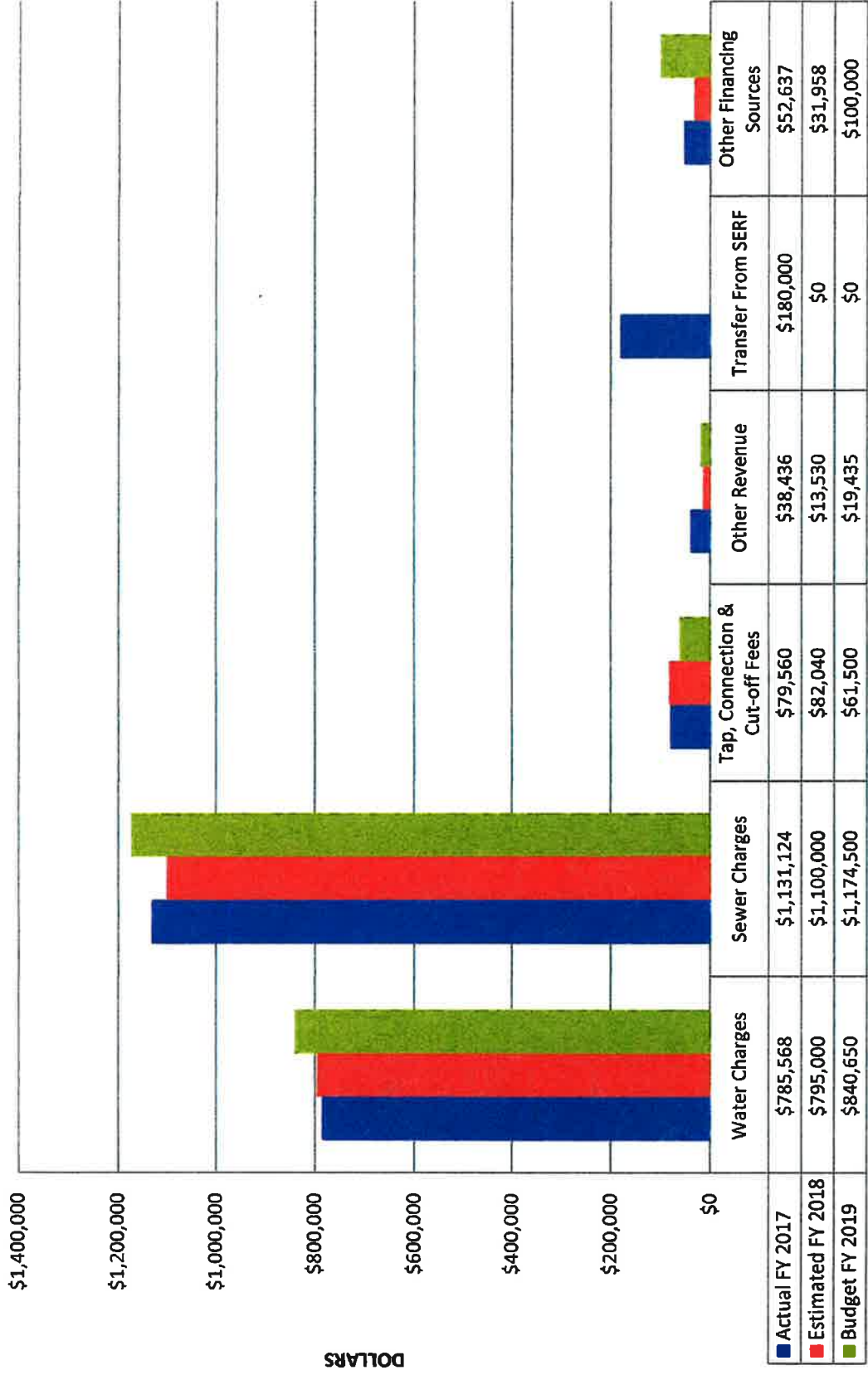
5. There will be no impact on a Fort Fisher customer using less than 70,000 gallons



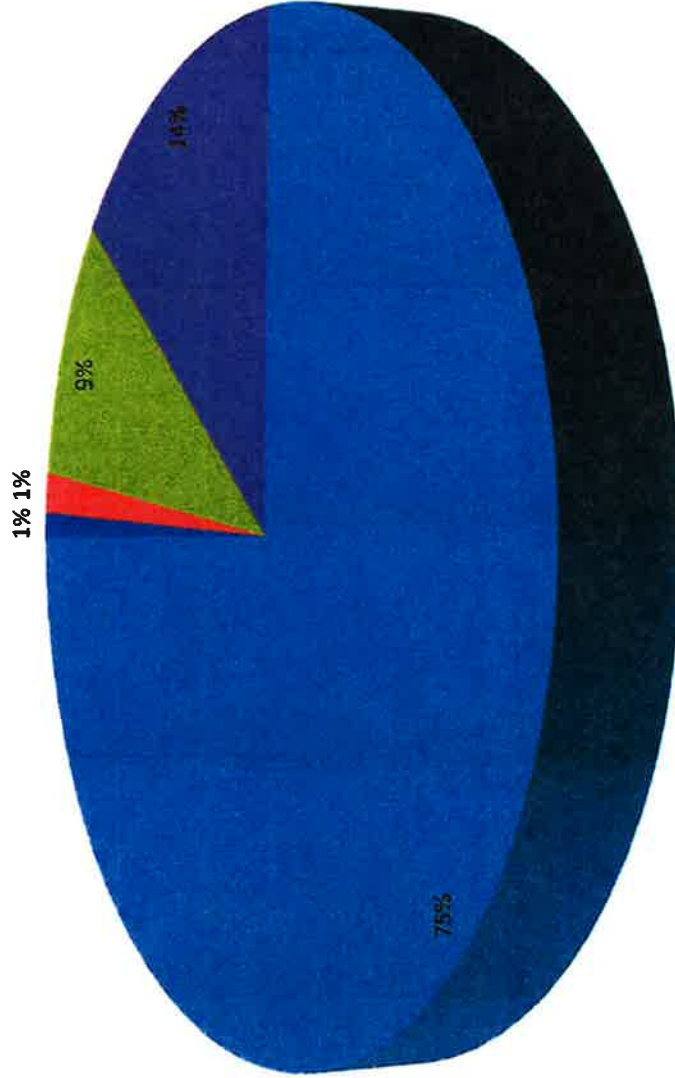
**IMPACT OF RATE CHANGES ON A FORT FISHER ACCOUNT  
AT 2 MONTHLY USAGE LEVELS**

	EXISTING RATES	PROPOSED RATES
<b><u>Monthly Usage of 100,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$63.50	\$63.50
2,501 to 70,000 gallons	\$1,215.00	\$1,215.00
70,001 to 100,000 gallons	<u>\$540.00</u>	<u>\$675.00</u>
Total	<u>\$1,818.50</u>	<u>\$1,953.50</u>
Increase Amount		\$135.00
% Change		7.4%
<b><u>Monthly Usage of 200,000 Gallons</u></b>		
Minimum (Water & Sewer) – up to 2,500 gallons	\$63.50	\$63.50
2,501 to 70,000 gallons	\$1,215.00	\$1,215.00
70,001 to 200,000 gallons	<u>\$2,340.00</u>	<u>\$2,925.00</u>
Total	<u>\$3,618.50</u>	<u>\$4,203.50</u>
Increase Amount		\$585.00
% Change		16.2%

**WATER & SEWER FUND  
REVENUE BY SOURCE  
FISCAL YEAR 2017 TO 2019**

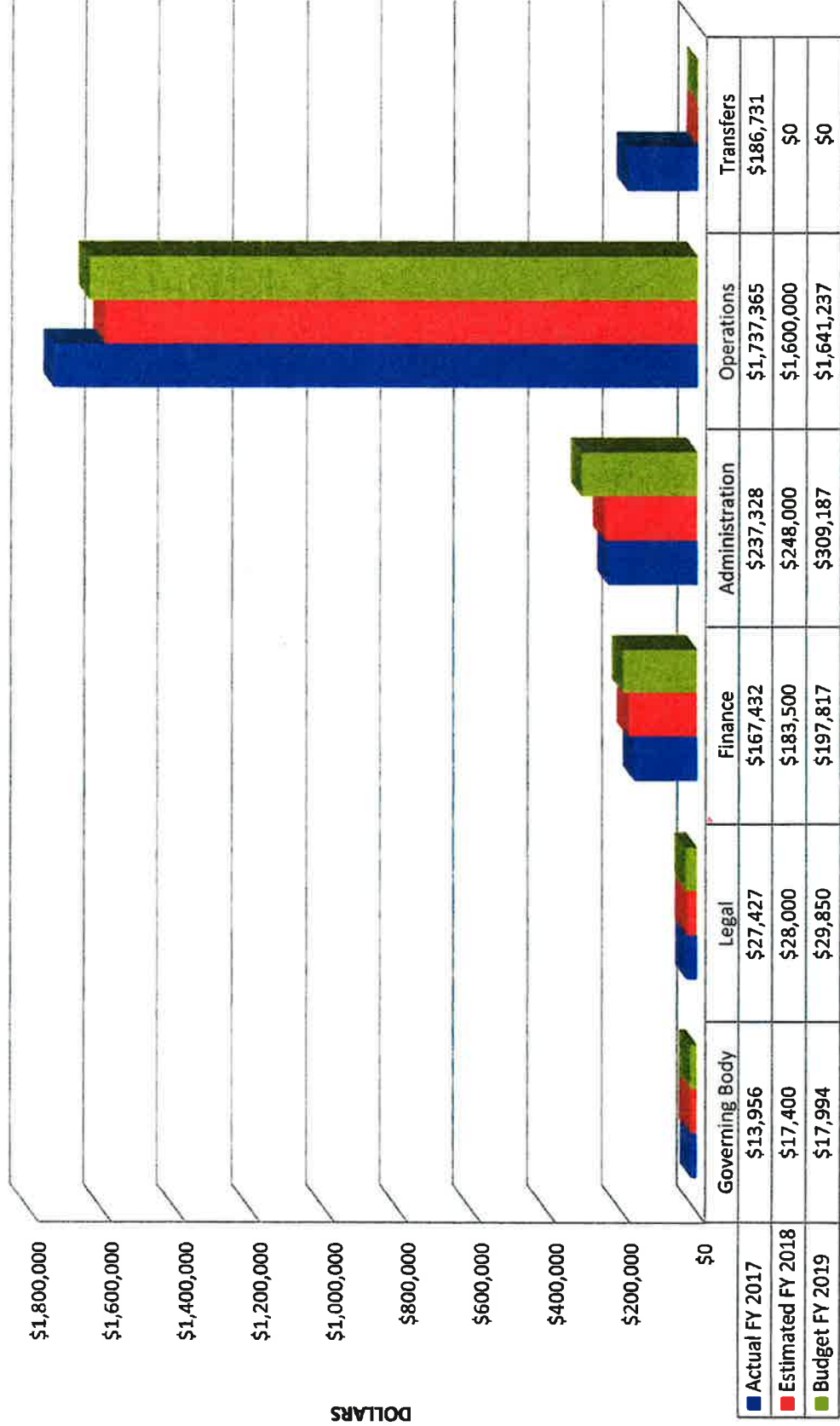


**WATER & SEWER FUND  
EXPENSE BUDGET  
FISCAL YEAR 2019**



- Governing Body \$17,994
- Legal \$29,850
- Finance \$197,817
- Administration \$309,187
- Operations \$1,641,237

# WATER & SEWER FUND EXPENSES BY DEPARTMENT FISCAL YEAR 2017 - 2019



DOLLARS

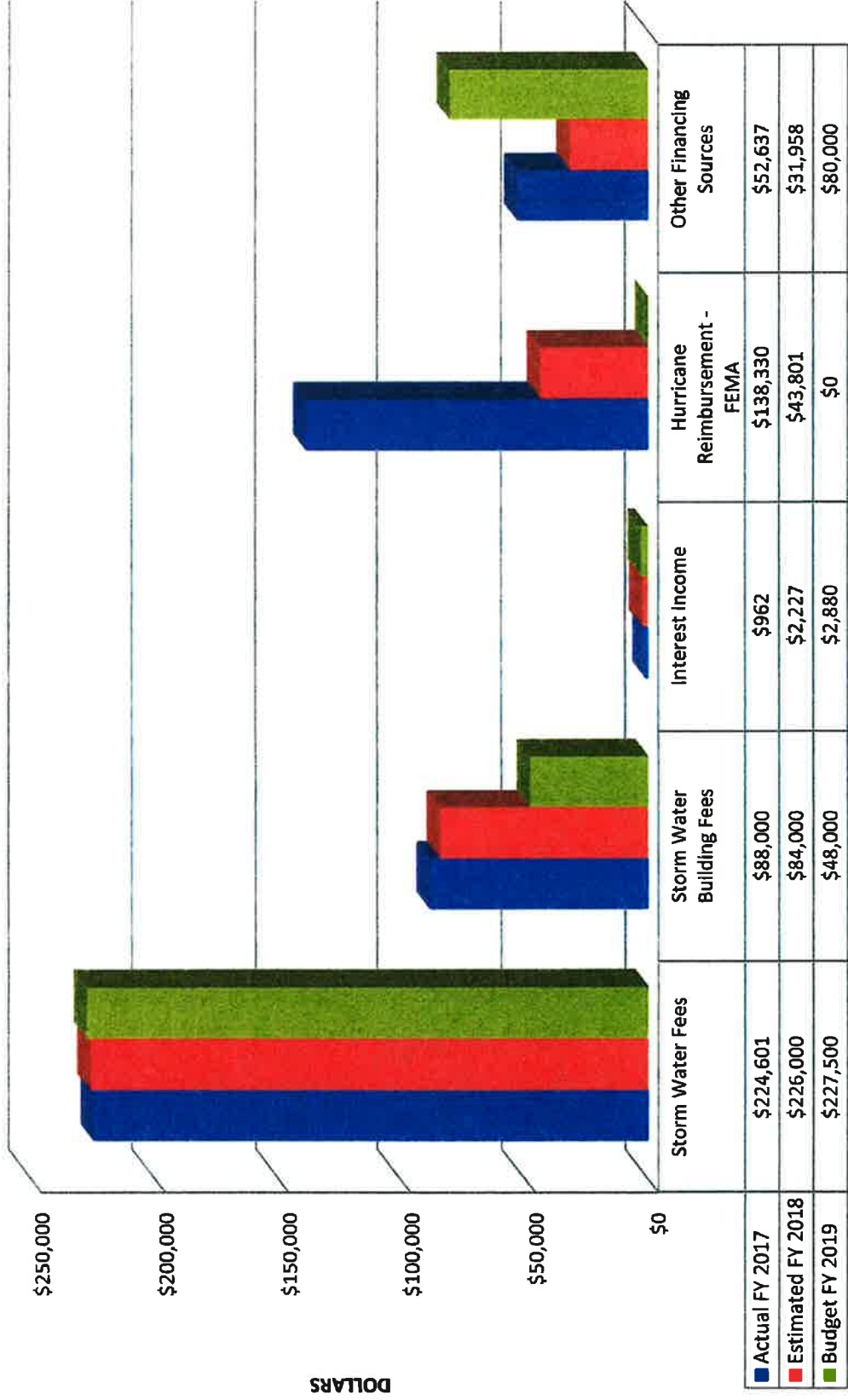
**TOWN OF KURE BEACH**  
**FISCAL YEAR 2018/2019 PROPOSED BUDGET**  
**STORM WATER FUND HIGHLIGHTS**

- 1. No proposed changes to existing storm water fees**
- 2. Debt service totaling approximately \$108,200**
- 3. Approximately \$96,000 for infrastructure projects and equipment capital expenditures**
- 4. Overall, the 2019 Storm Water budget is 43.1% less than the 2018 budget**

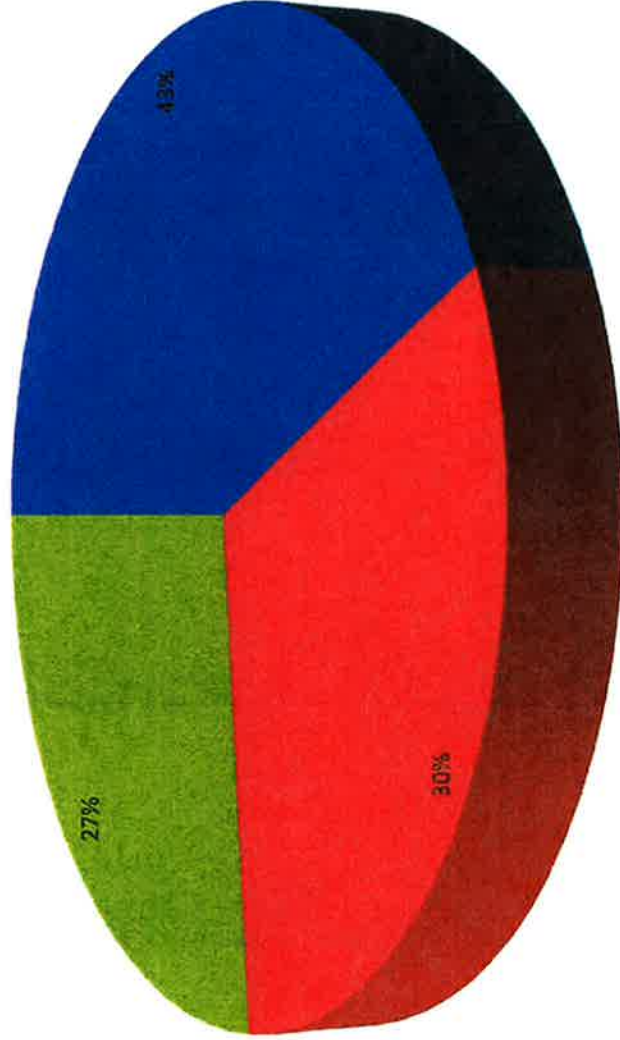
**STORM WATER FUND  
REVENUE BUDGET  
FISCAL YEAR 2019**



**STORM WATER FUND  
REVENUE BY SOURCE  
FISCAL YEAR 2017 - 2019**



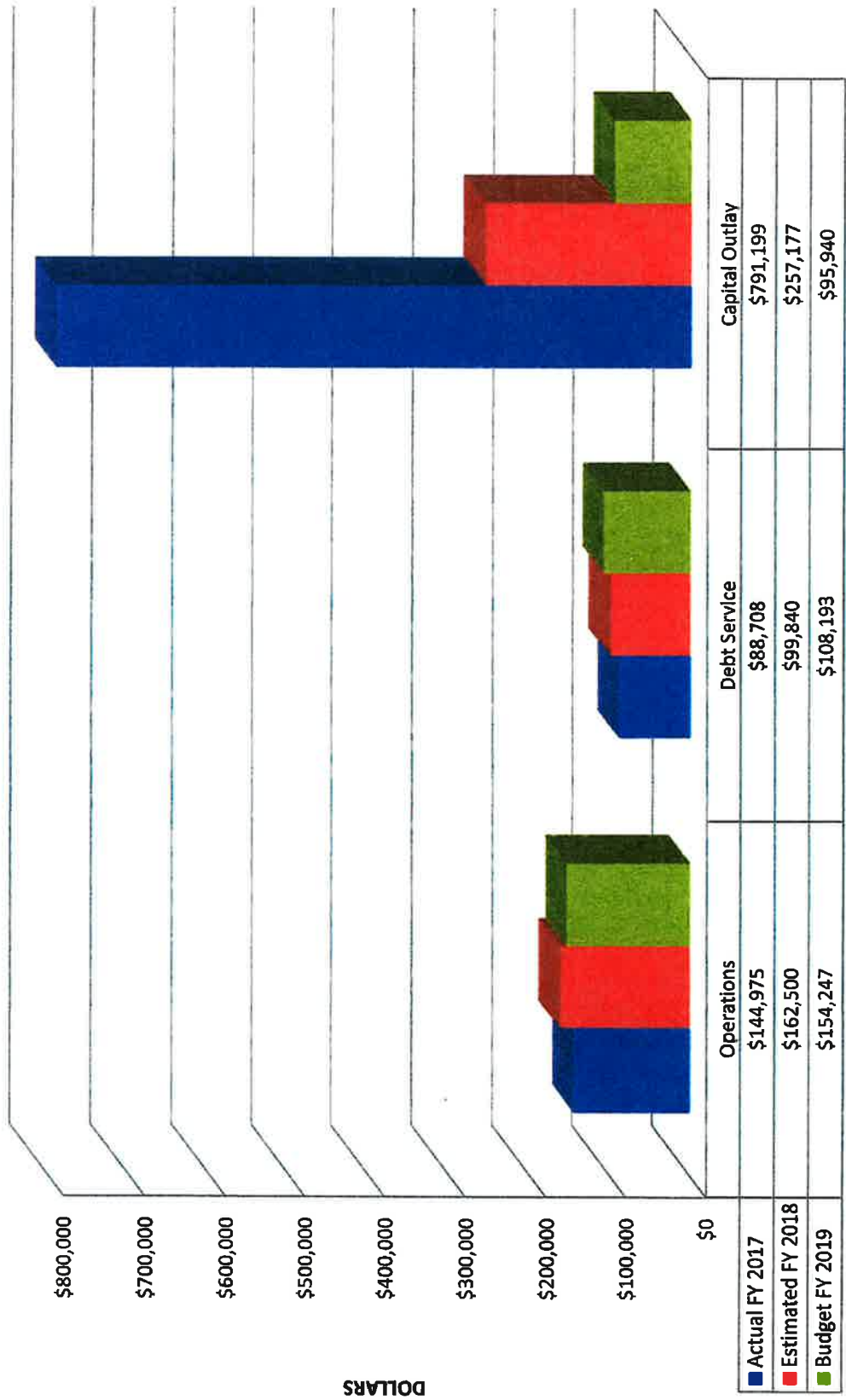
**STORM WATER FUND  
EXPENSE BUDGET  
FISCAL YEAR 2019**



■ Operations \$154,247  
■ Debt Service \$108,193  
■ Capital Outlay \$95,940



## STORM WATER FUND EXPENSES BY TYPE FISCAL YEAR 2017 - 2019



DOLLARS

**FISCAL YEAR 2018/2019 PROPOSED BUDGET  
OTHER FUNDS**

FUND NAME	DESCRIPTION	BUDGET
Powell Bill	NC DOT allocation to be used solely for street related maintenance, repairs, etc.	\$175,000
Beach Protection	Reserve fund for future beach related needs	\$13,397
Federal Asset Forfeiture	Restricted use funds from participation in federal agency investigations	\$50,000
Sewer Expansion Reserve (SERF)	Reserve fund for future sewer expansion projects	\$16,250