



TOWN COUNCIL AGENDA

**BUDGET WORKSHOP #1
TOWN HALL**

Monday, April 1, 2019 @ 9:00 a.m.

Breakfast and lunch (12:30 pm) provided

CALL TO ORDER – Mayor Bloszinsky

PRESENTATION OF FIRST DRAFT OF FY19-20 BUDGET (Copenhaver)

1. Budget Assumptions
2. Budget Summary by Fund
3. Budget Summary by Department

DEPARTMENT EXPENDITURE OVERVIEW

1. Public Works Department (Mesimer)
2. Police Department (Bowden)
3. Fire Department & Lifeguards (Kennedy)
4. Building Inspections (Batson)
5. Administration (Sanders)
 - Governing Body, Emergency Management and Elections
 - Legal
6. Recreation (Keely)
 - Parks & Recreation
 - Community Center
7. Finance (Copenhaver)
 - Committee
 - Debt Service
 - Contingency
 - Tax Collection

ADDITIONAL POSSIBLE CAPITAL EXPENDITURE

- Town Fuel Tank

ADDITIONAL TOPICS

- Sand Fencing for nourishment project (Oliver)

REVENUE BUDGET (Copenhaver)

- Online Merchandise store (Keely)
- Rate/Fee Increases (Copenhaver)

ADJOURNMENT

Motion to Adjourn

TOWN OF KURE BEACH FY 19-20 BUDGET WORK SESSION #1



APRIL 1, 2019

INITIAL FY 2020 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. No change to tax rate (\$0.33) or other General Fund fees
3. No changes to water and sewer rates
4. No General Fund Contingency
5. No transfer from the General Fund to the Beach Protection Fund
6. General Fund full-time headcount increased by 3 (Public Works, Police & Building Inspections)
7. Employee Compensation
 - COLA: 2.8%
 - Merit: 1.5%

FY 2020 BUDGET SIGNIFICANT CHANGES

1. Previously, Workers Compensation Insurance was budgeted in the Administration Dept. and split between the General Fund and Water/Sewer Fund. Beginning in FY 2020, it is being allocated to the respective departments as follows:

DEPARTMENT	ESTIMATED PREMIUM
General Fund	
Town Council	\$30
Finance	\$225
Administration	\$300
Police	\$28,100
Fire	\$19,800
Lifeguards	\$4,400
Parks & Rec.	\$300
Building Inspection	\$2,500
Streets & Sanitation	\$14,660
Total General Fund	\$70,315
Water/Sewer Fund	
Town Council	\$30
Finance	\$225
Administration	\$300
Operations	\$10,940
Total W/S Fund	\$11,495
Storm Water Fund	
Operations	\$4,625

FY 2020 BUDGET SIGNIFICANT CHANGES

2. The Local Government Employees' Retirement System (LGERS) Board had previously committed to annual increases in employers' contribution rates of 0.25%. However, to address a significant funding shortfall expected in future years, the LGERS Board voted to increase employer contribution rates as follows:

Effective date	Base Rate Non-LEO	Increase Amount	% Increase	Base Rate LEO	Increase Amount	% Increase
Current	7.75%			8.50%		
7/1/2019	8.95%	1.2%	15.5%	9.70%	1.2%	14.1%
7/1/2020	10.15%	1.2%	13.4%	10.90%	1.2%	12.4%
7/1/2021	11.35%	1.2%	11.8%	12.10%	1.2%	11.0%

**FY 2019/2020 BUDGET SUMMARY
AS OF APRIL 1, 2019**

<u>FUND</u>	<u>FY 2020 REVENUE BUDGET</u>	<u>FY 2020 EXPENSE BUDGET</u>	<u>OVER/(SHORT)</u>	<u>COMMENTS</u>
General Fund	\$5,302,448	\$5,433,974	(\$131,526)	Does not include a transfer to the Beach Protection Fund or Contingency
Water/Sewer Fund	\$2,246,240	\$2,307,833	(\$61,593)	
Storm Water Fund	\$335,225	\$305,422	\$29,803	
Powell Bill Fund	\$66,450	\$66,450	\$0	
SERF Fund	\$17,420	\$17,420	\$0	
Beach Protection Fund	\$6,500	\$6,500	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$8,024,283	\$8,187,599	(\$163,316)	

**TOTAL FY 2020 EXPENSE BUDGET BY FUND
VS. FY 2019 APPROVED BUDGET
AS OF APRIL 1, 2019**

FUND	2019 ORIGINAL BUDGET	2019 AMENDED BUDGET	REQUESTED 2020 BUDGET	DIFF. 2020 & ORIG. 2019	% CHANGE	DIFF. 2020 & AMENDED 2019	% CHANGE
General	\$5,280,032	\$5,363,232	\$5,433,974	\$153,942	2.9%	\$70,742	1.3%
Water/Sewer	\$2,202,085	\$2,202,085	\$2,307,833	\$105,748	4.8%	\$105,748	4.8%
Storm Water	\$358,380	\$467,240	\$305,422	(\$52,958)	-14.8%	(\$161,818)	-34.6%
Powell Bill	\$175,000	\$175,000	\$66,450	(\$108,550)	-62.0%	(\$108,550)	-62.0%
Sewer Expansion Reserve	\$16,250	\$16,250	\$17,420	\$1,170	7.2%	\$1,170	7.2%
Beach Protection	\$13,397	\$13,397	\$6,500	(\$6,897)	-51.5%	(\$6,897)	-51.5%
Federal Asset Forfeiture	\$50,000	\$50,000	\$50,000	\$0	0.0%	\$0	0.0%
TOTAL - ALL FUNDS	\$8,095,144	\$8,287,204	\$8,187,599	\$92,455	1.1%	(\$99,605)	-1.2%

GENERAL FUND BUDGET BY DEPARTMENT FY 2020 VS. FY 2019

DEPARTMENT	DEPT. NO.	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	REQUESTED 2020 BUD.	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. ORIGINAL FY 2019
Streets & Sanitation	550	\$902,561	\$982,561	\$938,952	\$36,391	4.0%	(\$43,609)	-4.4%	<p><u>Increases:</u> F/T personnel-related costs (includes a new F/T position): \$43,231 / 9.3% Boardwalk Repairs: \$20,000 / new expense Landscaping: \$18,000 / new expense Workers Comp. Ins.: \$14,660 / new expense Materials & Supplies: \$7,000 / 15% Garbage Carts: \$4,000 / 33% Uniforms: \$1,500 / 15% Utilities: \$1,500 / 3% Telephone: \$1,200 / 38%</p> <p><u>Decreases:</u> Capital outlay - equipment: \$65,000 / 81% Christmas Decorations: \$12,000 / 55%</p>
Police	510	\$1,372,757	\$1,372,757	\$1,510,081	\$137,324	10.0%	\$137,324	10.0%	<p><u>Increases:</u> F/T personnel-related costs (includes a new F/T position): \$121,977 / 11.4% Workers Comp. Ins.: \$28,100 / new expense Wellness/Screenings: \$5,000 / 143% Gas/Oil/Tires: \$5,000 / 14% Utilities: \$2,000 / 31% Uniforms: \$1,500 / 13%</p> <p><u>Decreases:</u> P/T personnel-related costs: \$26,913 / 46%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2020 VS. FY 2019

DEPARTMENT	DEPT. NO.	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	REQUESTED 2020 BUD.	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. ORIGINAL FY 2019
Fire Dept.	530	\$740,482	\$740,482	\$805,893	\$65,411	8.8%	\$65,411	8.8%	<p><u>Increases:</u> F/T personnel-related costs: \$27,637 / 5.5% P/T personnel-related costs: \$7,593 / 8.8% Workers Comp. Ins.: \$19,800 / new expense Utilities: \$3,886 / 43% Telephone/Postage: \$3,072 / 87% Computer software/support: \$2,070 / 71%</p>
Lifeguards	531	\$200,088	\$200,088	\$206,939	\$6,851	3.4%	\$6,851	3.4%	<p><u>Increases:</u> Personnel-related costs: \$1,901 / 1.1% Capital outlay – equipment: \$10,050 / new expense Workers Comp. Ins.: \$4,400 / new expense</p> <p><u>Decreases:</u> Minor equipment: \$9,500 / 100%</p>
Bldg. Inspection	540	\$139,165	\$139,165	\$199,788	\$60,623	43.6%	\$60,623	43.6%	<p><u>Increases:</u> F/T personnel-related costs (<u>includes a new F/T position</u>): \$66,366 / 71.7% Bldg. Insp. Gas Allowance: \$1,000 / 14% Equipment rental: \$3,940 / new expense Workers Comp. Ins.: \$2,500 / new expense Telephone: \$1,020 / 35%</p> <p><u>Decreases:</u> P/T personnel-related costs: \$16,148 / 100%</p>

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2020 VS. FY 2019**

DEPARTMENT	DEPT. NO.	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	REQUESTED 2020 BUD.	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. ORIGINAL FY 2019
Administration	420	\$629,908	\$629,908	\$541,013	(\$88,895)	-14.1%	(\$88,895)	-14.1%	<p><u>Increases:</u> F/T personnel-related costs: \$8,807 / 6.1% Computer services: \$13,175 / 66% Telephone: \$5,697 / 67% Supplies: \$5,000 / 63% Travel & training: \$2,000 / 50% Minor equipment: \$1,200 / 33% Advertising: \$1,000 / 12%</p> <p><u>Decreases:</u> Relocation expenses: \$88,000 / 100% Insurance (Workers Comp. Ins. now allocated to each dept.): \$38,000 / 44% Codification: \$1,000 / 33%</p>
Governing Body	410	\$38,994	\$42,194	\$40,290	\$1,296	3.3%	(\$1,904)	-4.5%	<p><u>Increases:</u> Contributions: \$1,000 / 6% Dues & subscriptions: \$375 / 10%</p> <p><u>Decreases:</u> Telephone/Ipad: \$109 / 6%</p>
Emergency Management	446	\$100	\$100	\$500	\$400	400%	\$400	400%	6 months of Town-owned smart phone
Elections	430	\$1,000	\$1,000	\$3,300	\$2,300	230%	\$2,300	230%	No local election in FY 2019.

GENERAL FUND BUDGET BY DEPARTMENT FY 2020 VS. FY 2019

DEPARTMENT	DEPT. NO.	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	REQUESTED 2020 BUD.	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. ORIGINAL FY 2019
Legal	470	\$29,850	\$29,850	\$34,679	\$4,829	16.2%	\$4,829	16.2%	<p>Increases: Professional legal service: \$4,600 / 44% Attorney retainer: \$279 / 1.5%</p>
Parks & Recreation	532	\$187,268	\$187,268	\$212,474	\$25,206	13.5%	\$25,206	13.5%	<p>Increases: F/T personnel-related costs (includes full year of new employee added in FY 2019): \$35,174 / 32.3% Travel & training: \$1,000 / 50% Telephone: \$800 / 50% Workers Comp. Ins.: \$300 / new expense</p> <p>Decreases: Part-Time pay & taxes: \$3,768 / 44% Bluefish purchases: \$6,000 / 55% Sponsorship maintenance: \$1,700 / 46% Advertising: \$500 / 25%</p>
Community Center	421	\$23,300	\$23,300	\$23,300	\$0	0.0%	\$0	0.0%	
Finance	415	\$157,937	\$157,937	\$166,035	\$8,098	5.1%	\$8,098	5.1%	<p>Increases: F/T personnel-related costs: \$5,569 / 6.7% Re-entry decal expense: \$1,000 / 100% Equipment rental: \$750 / 18% Payroll processing fees: \$500 / 8%</p> <p>Decreases: Credit card processing fees: \$450 / 90% Unemployment insurance: \$433 / 12%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2020 VS. FY 2019

DEPARTMENT	DEPT. NO.	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	REQUESTED 2020 BUD.	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. ORIGINAL FY 2019
Committees	412	\$100,115	\$100,115	\$5,005	(\$95,110)	-95.0%	(\$95,110)	-95.0%	FY 20 includes \$2,080 for beach access signs & \$2,925 for sea oats – <u>Shoreline Access & Beach Protection Committee</u> <u>Decreases:</u> Capital outlay: \$92,450 / 100% Committee expenses: \$2,660 / 35%
Debt Service	560	\$708,050	\$708,050	\$716,925	\$8,875	1.3%	\$8,875	1.3%	New Loan in FY 2019 for dump truck and 50% of street sweeper (\$154,052)
Tax Collection	460	\$28,800	\$28,800	\$28,800	\$0	0.0%	\$0	0.0%	
Transfers	580	\$9,807	\$9,807	\$0	(\$9,807)	-100%	(\$9,807)	-100%	No transfer to the Beach Protection Fund in initial budget proposal.
Contingency	490	\$9,850	\$9,850	\$0	(\$9,850)	-100%	(\$9,850)	-100%	No amount initially allocated.
TOTAL GENERAL FUND		\$5,280,032	\$5,363,232	\$5,433,974	\$153,942	2.9%	\$70,742	1.3%	

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2020 VS. FY 2019**

DEPARTMENT	DEPT. NO.	2019 BUDGET	REQUESTED 2020 BUD.	DIFF. 2020 & 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. FY 2019
W/S Operations	810	\$1,639,237	\$1,736,505	\$97,268	5.9%	<p><u>Increases:</u> Debt service: \$167,529 / 65% System maintenance: \$50,000 / 67% Carolina Beach Treatment: \$25,000 / 8% Workers Comp. Ins.: \$10,940 / new expense Dues & permit fees: \$2,500 / 7%</p> <p><u>Decreases:</u> F/T personnel-related costs: \$13,701 / 3.4% Capital outlay – sewer rehab.: \$100,000 / 100% Capital outlay – improvements: \$38,300 / 100% Capital outlay – equipment: \$10,000 / 10%</p>
Administration	720	\$317,187	\$309,163	(\$8,024)	-2.5%	<p><u>Increases:</u> F/T personnel-related costs: \$8,807 / 6.1% Computer services: \$13,175 / 66% Telephone: \$5,697 / 67% Travel & training: \$2,000 / 50% Advertising: \$1,000 / 33%</p> <p><u>Decreases:</u> Insurance (Workers Comp. Ins. now allocated to each dept.): \$38,000 / 44% Retiree Medical Insurance: \$1,203 / 7% Codification: \$1,000 / 33%</p>

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2020 VS. FY 2019**

DEPARTMENT	DEPT. NO.	2019 BUDGET	REQUESTED 2020 BUD.	DIFF. 2020 & 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. FY 2019
Governing Body	410	\$17,994	\$19,040	\$1,046	5.8%	<p><u>Increases:</u> Governmental relations: \$750 / new expense Dues & subscriptions: \$375 / 10%</p> <p><u>Decreases:</u> Telephone/lpad: \$109 / 6%</p>
Legal	470	\$29,850	\$34,679	\$4,829	16.2%	<p><u>Increases:</u> Professional legal service: \$4,600 / 44% Attorney retainer: \$279 / 1.5%</p>
Finance	715	\$197,817	\$208,446	\$10,629	5.4%	<p><u>Increases:</u> F/T personnel-related costs: \$9,054 / 5.9% Equipment rental: \$750 / 18% Payroll processing fees: \$500 / 8% Postage: \$360 / 4.4%</p> <p><u>Decreases:</u> Credit card processing fees: \$450 / 90%</p>
TOTAL WATER/ SEWER FUND		\$2,202,085	\$2,307,833	\$105,748	4.8%	

STORM WATER FUND BUDGET BY EXPENSE TYPE FY 2020 VS. FY 2019

DEPARTMENT	DEPT. NO.	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	REQUESTED 2020 BUD.	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. ORIGINAL FY 2019
SW Operations	610	\$154,247	\$246,547	\$179,772	\$25,525	16.5%	(\$66,775)	-27.1%	Increases: F/T personnel-related costs: \$5,900 / 4.8% Maintenance: \$15,000 / new expense Workers Comp. Ins.: \$4,625 / new expense
Debt Service	610	\$108,193	\$108,193	\$125,650	\$17,457	16.1%	\$17,457	16.1%	New Loan in FY 2019 for 50% of street sweeper (split with General Fund)
Capital Outlay	610	\$95,940	\$112,500	\$0	(\$95,940)	-100%	(\$112,500)	-100%	Decreases: Capital outlay – equipment: \$80,000 / 100% Capital – improvements: \$15,940 / 100%
TOTAL STORM WATER FUND		\$358,380	\$467,240	\$305,422	(\$52,958)	-14.8%	(\$161,818)	-34.6%	

**FY 2020 POTENTIAL CAPITAL EXPENDITURE
TOWN FUEL TANK**

Quote received from GO ENERGIES:

- 5,980 gallon tank – split gas & diesel
- Card reading system
- Pumps 22 gallons per minute

DESCRIPTION	COST
Tank & Fill/Supply Equipment	\$61,272
Dispensing Equipment	\$9,374
Fuel Control Equipment	\$7,711
Installation Services	\$14,450
Site Design	\$500
Other Fees	<u>\$5,500</u>
Total - One Time Costs (a)	\$98,807
Annual Costs:	
Annual License Fee (\$250/month)	\$3,000
Annual Communication Fee (\$65/month)	\$780
Annual Tank Monitoring Fee (\$40/month)	\$480
Total Annual Costs	\$4,260
Total Year One Costs	\$103,067
On-Going Annual Costs	\$4,260
(a) - Excludes providing electricity to fuel site & asphalt/concrete for fuel tank pad.	

**FY 2020 POTENTIAL CAPITAL EXPENDITURE
TOWN FUEL TANK**

Additional information

- During the period of January 2018 to August 2018, the Town's average monthly fuel usage was:
 - Gas – 1,817 gallons
 - Diesel – 596 gallons
- Based on the above monthly usage and the average retail pump price versus average delivered costs, the monthly range in savings is:
 - Gas - \$309.35 to \$400.17
 - Diesel - \$127.19 to \$153.51

GENERAL FUND REVENUE BUDGET FY 2020 VS. FY 2019

REVENUE TYPE	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	2020 BUDGET	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. FY 2019
Property Taxes	\$2,920,300	\$2,920,300	\$2,954,800	\$34,500	1.2%	\$34,500	1.2%	Increase in property valuation. Assumes no increase in tax rate (\$0.33).
Sales Tax	\$886,000	\$886,000	\$933,000	\$47,000	5.3%	\$47,000	5.3%	Actual growth in FY 2019 greater than budgeted. FY 2020 estimated to be moderate increase over FY 2019 forecast.
Garbage & Recycle Fees	\$493,580	\$493,580	\$488,000	(\$5,580)	-1.1%	(\$5,580)	-1.1%	Decrease in trash pickup revenue.
TDA	\$235,000	\$235,000	\$250,000	\$15,000	6.4%	\$15,000	6.4%	FY 2020 budget is for lifeguards, Pleasure Island Chamber of Commerce concerts & some OFP activities.
Franchise & Utility Taxes	\$225,000	\$225,000	\$235,000	\$10,000	4.4%	\$10,000	4.4%	
Communication Tower Rent	\$81,924	\$81,924	\$84,348	\$2,424	3.0%	\$2,424	3.0%	FY 2020 includes annual increase for existing leases.
Building Permits, CAMA, Impact Fees, Fire Inspections	\$76,750	\$76,750	\$99,350	\$22,600	29.4%	\$22,600	29.4%	Upward trend in building related fees.

**GENERAL FUND REVENUE BUDGET
FY 2020 VS. FY 2019**

REVENUE TYPE	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	2020 BUDGET	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. FY 2019
Sales Tax Refund	\$59,000	\$59,000	\$120,000	\$61,000	103%	\$61,000	103%	Estimated sales tax refund based on sales tax paid in prior fiscal year. Significantly higher due to Town Hall/Fire Station capital project.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$34,700	\$34,700	\$28,500	(\$6,200)	-17.9%	(\$6,200)	-17.9%	Estimated decrease in bluefish sales.
Town Facility Rentals	\$18,000	\$18,000	\$19,000	\$1,000	5.6%	\$1,000	5.6%	Upward trend in facility rental revenue.
ABC Revenue	\$15,900	\$15,900	\$19,175	\$3,275	20.6%	\$3,275	20.6%	Upward trend in ABC revenue.
Motor Vehicle License Tax	\$9,750	\$9,750	\$10,000	\$250	2.6%	\$250	2.6%	Motor Vehicle License Tax collected as part of vehicle registration.
Beer & Wine Tax	\$9,300	\$9,300	\$9,300	\$0	0.0%	\$0	0.0%	

GENERAL FUND REVENUE BUDGET FY 2020 VS. FY 2019

REVENUE TYPE	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	2020 BUDGET	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. FY 2019
Re-Entry Decal Sales	\$4,500	\$7,700	\$2,500	(\$2,000)	-44.4%	(\$5,200)	-67.5%	FY 2020 estimated to be lower due to property owners being provided with 2 free decals.
Interest & Investment Earnings	\$4,100	\$4,100	\$7,450	\$3,350	81.7%	\$3,350	81.7%	Increase in CD interest rates & NCCMT earnings.
All Other Revenue	\$2,885	\$2,885	\$7,025	\$4,140	144%	\$4,140	144%	Largest components are surplus property sales (\$3,500) & fines/citations (\$2,300).
CAMA Grant - Beach Access Paving	\$78,523	\$78,523	\$0	(\$78,523)	-100%	(\$78,523)	-100%	FY 2019 included grant for paving E & I Avenue beach access parking lots.
Appropriation of Fund Balance	\$9,820	\$9,820	\$0	(\$9,820)	-100%	(\$9,820)	-100%	
Other Financing Sources	\$115,000	\$195,000	\$35,000	(\$80,000)	-69.6%	(\$160,000)	-82.1%	Financing for new Police vehicle (\$35,000).
TOTAL GENERAL FUND	\$5,280,032	\$5,363,232	\$5,302,448	\$22,416	0.4%	(\$60,784)	-1.1%	

**WATER/SEWER FUND REVENUE BUDGET
FY 2020 VS. FY 2019**

<u>REVENUE TYPE</u>	<u>2019 BUDGET</u>	<u>2020 BUDGET</u>	<u>DIFF. 2020 & 2019</u>	<u>% CHANGE</u>	<u>SIGNIFICANT CHANGES FY 2020 VS. FY 2019</u>
Water Charges	\$840,650	\$840,000	(\$650)	-0.1%	
Sewer Charges	\$1,174,500	\$1,200,000	\$25,500	2.2%	
Water & Sewer Tap Fees	\$66,000	\$90,000	\$24,000	36.4%	Based on estimated building activity.
Cutoff & Reconnection Fees	\$1,500	\$1,800	\$300	20.0%	Upward trend in account cutoff & reconnections.
Other Revenue/ Fees	\$12,415	\$11,690	(\$725)	-5.8%	Primarily past due charges (\$6,300) and new account setup fees (\$5,100).
Interest Income	\$7,020	\$12,750	\$5,730	81.6%	Increase in CD interest rates & NCCMT earnings.
Other Financing Sources	\$100,000	\$90,000	(\$10,000)	-10.0%	Financing for telemetry system.
TOTAL WATER/ SEWER FUND	\$2,202,085	\$2,246,240	\$44,155	2.0%	

STORM WATER FUND REVENUE BUDGET FY 2020 VS. FY 2019

REVENUE TYPE	ORIGINAL 2019 BUD.	AMENDED 2019 BUD.	2020 BUDGET	DIFF. 2020 & ORIG. 2019	% CHG.	DIFF. 2020 & AMENDED 2019	% CHG.	SIGNIFICANT CHANGES FY 2020 VS. FY 2019
Storm Water Charges	\$227,500	\$227,500	\$230,000	\$2,500	1.1%	\$2,500	1.1%	
Storm Water Building Fees	\$48,000	\$68,000	\$100,000	\$52,000	108%	\$32,000	47.1%	Based on estimated building activity.
Interest Income	\$2,880	\$2,880	\$5,225	\$2,345	81.4%	\$2,345	81.4%	Increase in CD interest rates & NCCMT earnings.
Hurricane Reimbursement	\$0	\$76,125	\$0	\$0		(\$76,125)	-100%	
Appropriation of Fund Balance	\$0	\$12,735	\$0	\$0		(\$12,735)	-100%	
Other Financing Sources	\$80,000	\$80,000	\$0	(\$80,000)	-100%	(\$80,000)	-100%	
TOTAL STORM WATER FUND	\$358,380	\$467,240	\$335,225	(\$23,155)	-6.5%	(\$132,015)	-28.3%	

GENERAL FUND

POTENTIAL RATE/FEE CHANGES

1. ONLINE MERCHANDISE SALES

2. PROPERTY TAXES

- Increase the current tax rate of 33 cents per \$100 of value by an amount to be determined by Town Council
- Current estimate of property tax increase, assuming no reductions to the expense budget and not implementing any other fee or rate increases:
 - Increase of 1.5 cents (4.55%) generating approximately \$134,000 of annual revenue

PROPERTY TAXES
INCREMENTAL REVENUE FROM VARIOUS INCREASE AMOUNTS

	TAX RATE INCREASE							
	0.5 Cent	1.0 Cent	1.5 Cents	2.0 Cents	2.5 Cents	3.0 Cents	3.5 Cents	4.0 Cents
Percentage Increase In Tax Rate	1.52%	3.03%	4.55%	6.06%	7.58%	9.09%	10.61%	12.12%
Tax Levy Related To Tax Rate Increase	\$45,172	\$90,343	\$135,515	\$180,686	\$225,858	\$271,029	\$316,201	\$361,372
Net Increase To Town Revenue	\$44,720	\$89,440	\$134,159	\$178,879	\$223,599	\$268,319	\$313,039	\$357,758
Tax Rate After Increase (\$0.33 + increase)	\$0.335	\$0.34	\$0.345	\$0.35	\$0.355	\$0.36	\$0.365	\$0.37
Impact on Household With Home Valued at \$400,000:								
Annual Increase	\$20	\$40	\$60	\$80	\$100	\$120	\$140	\$160
Monthly Increase	\$1.67	\$3.33	\$5.00	\$6.67	\$8.33	\$10.00	\$11.67	\$13.33
Total Annual Tax	\$1,340	\$1,360	\$1,380	\$1,400	\$1,420	\$1,440	\$1,460	\$1,480

ASSUMPTIONS:

- (1) - Starting point is current tax rate of \$0.33 per \$100 of valuation.
- (2) - Estimated tax base from NHC Tax Department as of 3/4/19 was: **\$903,430,222** (includes \$26,000,000 for motor vehicles)
- (3) - Estimated property tax collection rate is: **99%**

WATER & SEWER FUND POTENTIAL RATE/FEE INCREASES

OPTION NO.	RATE ACTION	ESTIMATED ANNUAL REVENUE INCREASE			
		RESIDENTIAL	COMMERCIAL	FORT FISHER	TOTAL
1	Lower minimum gallons from 2,500 to 2,000	\$58,000	\$2,000	\$350	\$60,350
2	Increase monthly minimum rate by 10%	\$85,900	\$2,050	\$300	\$88,250
3	Increase monthly minimum rate by 20%	\$171,900	\$4,100	\$600	\$176,600
4	Lower minimum gallons to 2,000 & 10% rate tier increase	\$142,500	\$14,800	\$20,910	\$178,210
5	Lower minimum gallons to 2,000 & 20% rate tier increase	\$200,000	\$22,500	\$38,450	\$260,950
6	10% rate tier increase	\$122,500	\$10,000	\$20,000	\$152,500
7	20% rate tier increase	\$178,000	\$17,000	\$38,000	\$233,000
8	10% total rate increase (minimum & tiers)	\$208,000	\$12,000	\$20,500	\$240,500
9	20% total rate increase (minimum & tiers)	\$350,000	\$21,500	\$38,500	\$410,000

REQUESTS RECEIVED FROM OUTSIDE ORGANIZATIONS

<u>ORGANIZATION</u>	<u>REQUEST REC'D FY 2020</u>	<u>REQUEST REC'D FY 2019</u>	<u>ACTUAL FY 2019</u>	<u>ACTUAL FY 2018</u>	<u>ACTUAL FY 2017</u>	<u>ACTUAL FY 2016</u>	<u>ACTUAL FY 2015</u>
Pleasure Island Chamber of Commerce (concert series)	\$9,800	\$8,800	\$8,800	\$8,800	\$8,800	\$8,500	\$8,800
Katie B. Hines Senior Center (1)			\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Federal Point Historic Preservation Society	\$5,000	\$3,000	\$1,500	\$1,500	\$1,500	\$1,000	\$1,000
Federal Point Help Center (2)		\$1,500	\$1,500	\$1,500	\$1,500	\$1,000	\$1,000
Kure Beach Volunteer Fire Dept. (Christmas Show) (3)						\$3,300	\$3,300
Island of Lights (4)	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,100	\$1,100
Friends of Fort Fisher, Inc. (5)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500		\$2,000
TOTAL GOVERNING BODY BUDGET	\$17,500	\$16,000	\$16,500	\$16,500	\$16,500	\$16,900	\$19,200
Pleasure Island Sea Turtle Project (6)	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
GRAND TOTAL	\$22,900	\$21,400	\$21,900	\$21,900	\$21,900	\$22,300	\$24,600

(1) - No request for FY 2020 or FY 2019.

(2) – No request for FY 2020.

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

(4) - Island of Lights request for FY 2020 (and FY 2015 - 2019) also includes \$900 of in-kind.

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

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

Online Merchandise store

-----Original Message-----

From: Nikki Keely

Sent: Thursday, March 28, 2019 11:23 AM

To: Joseph Whitley <j.whitley@townofkurebeach.org>; Arlen Copenhaver <a.copenhaver@townofkurebeach.org>; Mike Bowden <m.bowden@townofkurebeach.org>; Ed Kennedy <e.kennedy@townofkurebeach.org>; Jim Mesimer <j.mesimer@townofkurebeach.org>; Nancy Avery <n.avery@townofkurebeach.org>; Mandy Sanders <m.sanders@townofkurebeach.org>

Cc: Craig Bloszinsky <c.bloszinsky@townofkurebeach.org>; John Ellen <j.ellen@townofkurebeach.org>; David Heglar <d.heglar@townofkurebeach.org>; Allen Oliver <a.oliver@townofkurebeach.org>

Subject: RE: Monday Retreat

Hello All,

During Arlen's Revenue discussion on Monday, I am going to present the idea of an online merchandise store. You may have seen an advertisement for the Boogie in the Park t-shirt design contest. We are bringing back a Boogie in the Park t-shirt after numerous requests, but only selling them through an online vendor. The reasons we stopped selling shirts through Town Hall a few years back still apply - it cost money up front, we rarely make a profit, we get stuck with surplus inventory that we end up selling at a discounted rate, it's difficult to have all the different sizes and colors available, and it takes a lot of staff time to manage. Selling through an online vendor, there is no upfront cost and no inventory.

Interested customers visit the online store and make their purchase; the items are printed and shipped directly to them. The Town receives an affiliate commission per item sold during the month. (<https://www.spreadshirt.com/>)

We will be setting up a personalized "store" online to sell these Boogie in the Park t-shirts. The company/website offers a variety of customizable products. We receive requests from the public for official town merchandise and think there is revenue potential from offering various "Town" products to the public.

I would like Town Council input on whether this idea is worth pursuing and use of the Town logo. Our official logo is attractive and it looks good printed on various items. It is also a protected image and what we use to identify our Officials/Staff. We've used it on giveaway items at events in the past, but typically it's been the mono-color version. We have the street pole banner logo as an option, as well. The banner logo is rectangular, so does not work well on all products. With permission, we could easily work with a graphic artist to create a circular version of the banner logo that we could utilize for this purpose. I've attached a copy of both logos for reference. I will also bring printouts of various potential products.

I look forward to the larger discussion Monday, but wanted to provide some background prior to the meeting.

Thank you,
Nikki Keely
Recreation Director, CPRP

Recreation Department
Town of Kure Beach
117 Settlers Lane
Kure Beach, NC 28449
910.458.8216/Fax 910.458.7421
www.townofkurebeach.org

-----Original Message-----

From: Joseph Whitley
Sent: Wednesday, March 27, 2019 7:41 AM
To: Nikki Keely <n.keely@townofkurebeach.org>; Arlen Copenhaver <a.copenhaver@townofkurebeach.org>; Mike Bowden <m.bowden@townofkurebeach.org>; Ed Kennedy <e.kennedy@townofkurebeach.org>; Jim Mesimer <j.mesimer@townofkurebeach.org>; Nancy Avery <n.avery@townofkurebeach.org>; Mandy Sanders <m.sanders@townofkurebeach.org>
Cc: Craig Bloszinsky <c.bloszinsky@townofkurebeach.org>; John Ellen <j.ellen@townofkurebeach.org>; David Heglar <d.heglar@townofkurebeach.org>; Allen Oliver <a.oliver@townofkurebeach.org>
Subject: Monday Retreat

I will miss the retreat Monday as I will be out of town. If you are going to present anything could you please forward me a copy so I can see what is being discussed. Also Nancy could you let me know when the recording of the meeting is available so I can catch up. I'm sure I will have downtime at the hotel to listen.

Thank you

Joseph Whitley
Commissioner, Town of Kure Beach
910-620-4900

Sec. 2-3. - Town logo.

In addition to the town seal as set out in section 2-1, the Town of Kure Beach hereby adopts the following as its logo:



The Town of Kure Beach logo cannot be used by any individual or organization without the expressed written consent of the town. The town logo may be used in conjunction with events that the town is sponsoring or co-sponsoring. The logo may not be used at events that merely are held on town property or that are produced by outside organizations.

The logo hereinafter depicted may be used by any person or organization for any legitimate or legal function with the expressed written consent of the town.



(Ord. of 5-19-09)

Kare
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NORTH CAROLINA



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