



TOWN COUNCIL AGENDA

**BUDGET WORKSHOP #2
TOWN HALL**

Monday, April 15, 2019 @ 9:00 am

CALL TO ORDER – Mayor Bloszinsky

PRESENTATION OF REVISED DRAFT OF FY19-20 BUDGET (Copenhaver)
Review revisions to the budget during Budget Workshop #1, held on April 1, 2019:

FINALIZATION OF PROPOSED BUDGET

Finalization of proposed FY19-20 budget for presentation at May 2019 Council meeting for publication and public hearing

CONSENSUS ITEMS AND MOTIONS FROM APRIL 1, 2019 BUDGET WORKSHOP

- Directed Administration department to include in budget the purchase of one satellite phone
- Directed Financial Officer Copenhaver to include \$20,000 in the Contingency budget for the CAMA grant for the existing crossover at access 1004 ½ in the contingency budget
- Town Council has agreed the Town will do no additional sand fencing
- Directed Financial Officer Copenhaver to include in the budget to lower minimum gallons to 2,000 & 10 % rate tier increase
- Recreation Director Keely to bring Town Council a commercial logo to be used for the online merchandise store

ADJOURNMENT

Motion to Adjourn

TOWN OF KURE BEACH FY 19-20 BUDGET WORK SESSION #2



APRIL 15, 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%

REVISED 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. Water and sewer rates – lower minimum gallons to 2,000 and increase rate tiers by 10% for all customer types
4. General Fund Contingency of \$20,000
5. No transfer from the General Fund to the Beach Protection Fund
6. General Fund full-time headcount increased by 2 (Police & Building Inspections)
7. Employee Compensation
 - COLA: 2.8%
 - Merit: 1.5%

**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)	

**GENERAL FUND
BUDGET CHANGES DURING AND AFTER 4/1/19 WORKSHOP**

SHORTAGE ON 4/1/19 (WORKSHOP 1)

\$131,526

EXPENDITURES:

INCREASES:

<u>Administration</u> - Town Hall HVAC & Generator Maintenance Contract	\$5,000	
<u>Administration</u> - Building maintenance	\$3,750	
<u>Emergency Management</u> - Satellite Phone	\$2,000	
<u>Police</u> - Equipment Capital Outlay - Town Fuel Tank	\$110,000	
<u>Contingency</u>	<u>\$20,000</u>	
Total Expenditure Increases		\$140,750

DECREASES:

<u>Governing Body</u> - Contributions	(\$2,000)	
<u>Streets & Sanitation</u> - Eliminate new full-time position	<u>(\$47,460)</u>	
Total Expenditure Decreases		(\$49,460)

REVENUE:

INCREASES:

<u>Sales Tax</u> - Revised estimates based on new data provided by NCLM	(\$27,500)	
<u>Electricity Sales Tax</u> - Revised estimate based on new data provided by NCLM	(\$5,000)	
<u>Sales Tax Refund</u> - Revised estimate based on current & projected sales tax expense for FY 2019 that will be refunded in FY 2020	(\$15,000)	
<u>Beer & Wine Tax</u> - Revised estimate based on new data provided by NCLM	(\$300)	
<u>TDA</u> - Revised estimate of available funds	(\$10,000)	
<u>Other Financing</u> - Increased for financing of town fuel tank	<u>(\$110,000)</u>	
Total Revenue Increases		<u>(\$167,800)</u>

SHORTAGE ON 4/15/19 (WORKSHOP 2)

\$55,016

WATER/SEWER FUND BUDGET CHANGES DURING AND AFTER 4/1/19 WORKSHOP

SHORTAGE ON 4/1/19 (WORKSHOP 1) \$61,593

EXPENDITURES:

INCREASES:

<u>Administration</u> - Building maintenance	\$3,750
<u>W/S Operations</u> - Potential capital improvement projects	<u>\$112,807</u>

Total Expenditure Increases	<u>\$116,557</u>
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DECREASES:

Total Expenditure Decreases	<u>\$0</u>
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REVENUE:

INCREASES:

<u>Residential, Commercial & Ft. Fisher Water</u> - Lower minimum to 2,000 gals. & increase rate tiers by 10%	(\$77,050)
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<u>Residential, Commercial & Ft. Fisher Sewer</u> - Lower minimum to 2,000 gals. & increase rate tiers by 10%	(\$101,100)
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Total Revenue Increases	<u>(\$178,150)</u>
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OVER/SHORT ON 4/15/19 (WORKSHOP 2) \$0

**FY 2019/2020 BUDGET SUMMARY
AS OF APRIL 15, 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	\$5,470,248	\$5,525,264	(\$55,016)	No transfer to the Beach Protection Fund and a Contingency of \$20,000
Water/Sewer Fund	\$2,424,390	\$2,424,390	\$0	<u>Revenue:</u> Includes lowering minimum gallons to 2,000 & increasing rate tiers by 10%. <u>Expenses:</u> Includes \$112,807 for potential capital improvement projects
Storm Water Fund	\$335,225	\$335,225	\$0	Includes \$29,803 for potential capital improvement projects
Powell Bill Fund	\$66,450	\$66,450	\$0	
SERF Fund	\$17,420	\$17,420	\$0	
Beach Protection Fund	\$6,500	\$6,500	\$0	No transfer from the General Fund
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$8,370,233	\$8,425,249	(\$55,016)	

**TOTAL FY 2020 EXPENSE BUDGET BY FUND
VS. FY 2019 APPROVED BUDGET
AS OF APRIL 15, 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	\$5,525,264	\$245,232	4.6%	\$162,032	3.0%
Water/Sewer	\$2,202,085	\$2,202,085	\$2,424,390	\$222,305	10.1%	\$222,305	10.1%
Storm Water	\$358,380	\$551,260	\$335,225	(\$23,155)	-6.5%	(\$216,035)	-39.2%
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	\$8,371,224	\$8,425,249	\$330,105	4.1%	\$54,025	0.6%

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	\$891,492	(\$11,069)	-1.2%	(\$91,069)	-9.3%	<p><u>Increases:</u> 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> F/T personnel-related costs: \$4,229 / 1.0% Capital outlay - equipment: \$65,000 / 81% Christmas Decorations: \$12,000 / 55%</p>
Police	510	\$1,372,757	\$1,372,757	\$1,620,081	\$247,324	18.0%	\$247,324	18.0%	<p><u>Increases:</u> F/T personnel-related costs (includes a new F/T position): \$121,977 / 11.4% Capital – equip.: \$110,000 / new expense 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 (includes a new F/T position): \$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	\$549,763	(\$80,145)	-12.7%	(\$80,145)	-12.7%	<p><u>Increases:</u> F/T personnel-related costs: \$8,807 / 6.1% Computer services: \$13,175 / 66% Building maintenance: \$8,850 / 89% 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 (<u>Workers Comp. Ins. now allocated to each dept.</u>): \$38,000 / 44% Codification: \$1,000 / 33%</p>
Governing Body	410	\$38,994	\$42,194	\$38,290	(\$704)	-1.8%	(\$3,904)	-9.3%	<p><u>Increases:</u> Dues & subscriptions: \$375 / 10%</p> <p><u>Decreases:</u> Contributions: \$1,000 / 6% Telephone/lpad: \$109 / 6%</p>
Emergency Management	446	\$100	\$100	\$2,500	\$2,400	2400%	\$2,400	2400%	Satellite phone and service
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%	<u>Increases:</u> Professional legal service: \$4,600 / 44% Attorney retainer: \$279 / 1.5%
Parks & Recreation	532	\$187,268	\$187,268	\$212,474	\$25,206	13.5%	\$25,206	13.5%	<u>Increases:</u> F/T personnel-related costs <u>(includes full year of new employee added in FY 2019)</u> : \$35,174 / 32.3% Travel & training: \$1,000 / 50% Telephone: \$800 / 50% Workers Comp. Ins.: \$300 / new expense <u>Decreases:</u> Part-Time pay & taxes: \$3,768 / 44% Bluefish purchases: \$6,000 / 55% Sponsorship maintenance: \$1,700 / 46% Advertising: \$500 / 25%
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%	<u>Increases:</u> 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% <u>Decreases:</u> Credit card processing fees: \$450 / 90% Unemployment insurance: \$433 / 12%

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> Decreases: 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	\$20,000	\$10,150	103%	\$10,150	103%	Estimated amount of potential Town match for a CAMA beach access grant.
TOTAL GENERAL FUND		\$5,280,032	\$5,363,232	\$5,525,264	\$245,232	4.6%	\$162,032	3.0%	

**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	\$1,849,312	\$210,075	12.8%	<p><u>Increases:</u> Debt service: \$167,529 / 65% Capital outlay – improvements: \$74,507 / 195% 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 – equipment: \$10,000 / 10%</p>
Administration	720	\$317,187	\$312,913	(\$4,274)	-1.3%	<p><u>Increases:</u> F/T personnel-related costs: \$8,807 / 6.1% Computer services: \$13,175 / 66% Telephone: \$5,697 / 67% Building Maintenance: \$3,850 / 39% Travel & training: \$2,000 / 50% Advertising: \$1,000 / 33%</p> <p><u>Decreases:</u> Insurance (<u>Workers Comp. Ins. now allocated to each dept.</u>): \$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**

<u>DEPARTMENT</u>	<u>DEPT. NO.</u>	<u>2019 BUDGET</u>	<u>REQUESTED 2020 BUD.</u>	<u>DIFF. 2020 & 2019</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2020 VS. FY 2019</u>
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/Ipad: \$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	\$2,424,390	\$222,305	10.1%	

**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%	<u>Increases:</u> 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	\$196,520	\$29,803	(\$66,137)	-68.9%	(\$166,717)	-84.8%	<u>Increases:</u> Capital - improvements: \$13,863 / 87% <u>Decreases:</u> Capital outlay – equipment: \$80,000 / 100%
TOTAL STORM WATER FUND		\$358,380	\$551,260	\$335,225	(\$23,155)	-6.5%	(\$216,035)	-39.2%	

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

<u>REVENUE TYPE</u>	<u>ORIGINAL 2019 BUD.</u>	<u>AMENDED 2019 BUD.</u>	<u>2020 BUDGET</u>	<u>DIFF. 2020 & ORIG. 2019</u>	<u>% CHG.</u>	<u>DIFF. 2020 & AMENDED 2019</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2020 VS. FY 2019</u>
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	\$960,500	\$74,500	8.4%	\$74,500	8.4%	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	\$260,000	\$25,000	10.6%	\$25,000	10.6%	FY 2020 budget is for lifeguards, Pleasure Island Chamber of Commerce concerts & some OFP activities.
Franchise & Utility Taxes	\$225,000	\$225,000	\$240,000	\$15,000	6.7%	\$15,000	6.7%	Actual growth in FY 2019 greater than budgeted. FY 2020 estimated to be moderate increase over FY 2019 forecast
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**

<u>REVENUE TYPE</u>	<u>ORIGINAL 2019 BUD.</u>	<u>AMENDED 2019 BUD.</u>	<u>2020 BUDGET</u>	<u>DIFF. 2020 & ORIG. 2019</u>	<u>% CHG.</u>	<u>DIFF. 2020 & AMENDED 2019</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2020 VS. FY 2019</u>
Sales Tax Refund	\$59,000	\$59,000	\$135,000	\$76,000	129%	\$76,000	129%	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	\$9,600	\$300	3.2%	\$300	3.2%	

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	\$145,000	\$30,000	26.1%	(\$50,000)	-25.6%	Financing for new Police vehicle (\$35,000) and Town fuel tank (\$110,000).
TOTAL GENERAL FUND	\$5,280,032	\$5,363,232	\$5,470,248	\$190,216	3.6%	\$107,016	2.0%	

**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	\$917,050	\$76,400	9.1%	Includes lowering minimum gallons to 2,000 and a 10% rate tier increase.
Sewer Charges	\$1,174,500	\$1,301,100	\$126,600	10.8%	Includes lowering minimum gallons to 2,000 and a 10% rate tier increase.
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	\$2,424,390	\$222,305	10.1%	

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	\$96,755	\$0	\$0		(\$96,755)	-100%	
Other Financing Sources	\$80,000	\$80,000	\$0	(\$80,000)	-100%	(\$80,000)	-100%	
TOTAL STORM WATER FUND	\$358,380	\$551,260	\$335,225	(\$23,155)	-6.5%	(\$216,035)	-39.2%	

GENERAL FUND POTENTIAL RATE/FEE CHANGES

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 0.75 cents (2.27%) generating approximately \$67,000 of annual revenue

PROPERTY TAXES
INCREMENTAL REVENUE FROM VARIOUS INCREASE AMOUNTS

	TAX RATE INCREASE							
	0.25 Cent	0.5 Cent	0.75 Cent	1.0 Cent	1.25 Cents	1.5 Cents	1.75 Cents	2.0 Cents
Percentage Increase In Tax Rate	0.76%	1.52%	2.27%	3.03%	3.79%	4.55%	10.61%	6.06%
Tax Levy Related To Tax Rate Increase	\$22,581	\$45,163	\$67,744	\$90,326	\$112,907	\$135,489	\$158,070	\$180,652
Net Increase To Town Revenue	\$22,356	\$44,711	\$67,067	\$89,423	\$111,778	\$134,134	\$156,489	\$178,845
Tax Rate After Increase (\$0.33 + increase)	\$0.3325	\$0.335	\$0.3375	\$0.34	\$0.3425	\$0.345	\$0.3475	\$0.35
Impact on Household With Home Valued at \$400,000:								
Annual Increase	\$10	\$20	\$30	\$40	\$50	\$60	\$70	\$80
Monthly Increase	\$0.83	\$1.67	\$2.50	\$3.33	\$4.17	\$5.00	\$5.83	\$6.67
Total Annual Tax	\$1,330	\$1,340	\$1,350	\$1,360	\$1,370	\$1,380	\$1,390	\$1,400

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 3/29/19 was: **\$903,258,008** (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

AVERAGE NUMBER OF WATER/SEWER ACCOUNTS WITH USAGE BETWEEN 2,000 AND 2,500 GALLONS

CUSTOMER TYPE	AVG. NO. OF ACCOUNTS PER MONTH 0 – 2,500 GALS.	AVG. NO. OF ACCOUNTS PER MONTH 0 – 2,000 GALS.	DIFFERENCE
Residential	1,095	974	121
Commercial	16	15	1
Out of Jurisdiction (Ft. Fisher)	0	0	0

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

	EXISTING RATES (2,500 Gal. Min.)	PROPOSED RATES (2,000 Gal. Min.)
<u>Monthly Usage of 2,500 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$37.00	\$37.00
Minimum to 7,000 gallons	<u>\$0.00</u>	<u>\$5.67</u>
Total	<u>\$37.00</u>	<u>\$42.67</u>
Increase Amount		\$5.67
% Change		15.3%
<u>Monthly Usage of 5,000 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$37.00	\$37.00
Minimum to 7,000 gallons	<u>\$25.75</u>	<u>\$33.99</u>
Total	<u>\$62.75</u>	<u>\$70.99</u>
Increase Amount		\$8.24
% Change		13.1%

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

	EXISTING RATES (2,500 Gal. Min.)	PROPOSED RATES (2,000 Gal. Min.)
<u>Monthly Usage of 12,000 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$37.00	\$37.00
Minimum to 7,000 gallons	\$46.35	\$56.65
7,001 to 12,000 gallons	<u>\$77.25</u>	<u>\$84.98</u>
Total	<u>\$160.60</u>	<u>\$178.63</u>
Increase Amount		\$18.03
% Change		11.2%
<u>Monthly Usage of 18,000 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$37.00	\$37.00
Minimum to 7,000 gallons	\$46.35	\$56.65
7,001 to 12,000 gallons	\$77.25	\$84.98
Over 12,000 gallons	<u>\$139.05</u>	<u>\$152.96</u>
Total	<u>\$299.65</u>	<u>\$331.59</u>
Increase Amount		\$31.94
% Change		10.7%

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

	EXISTING RATES (2,500 Gal. Min.)	PROPOSED RATES (2,000 Gal. Min.)
<u>Monthly Usage of 20,000 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$44.00	\$44.00
Minimum to 70,000 gallons	<u>\$246.14</u>	<u>\$278.46</u>
Total	<u>\$290.14</u>	<u>\$322.46</u>
Increase Amount		\$32.32
% Change		11.1%
<u>Monthly Usage of 118,000 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$44.00	\$44.00
Minimum to 70,000 gallons	\$949.39	\$1,051.96
Over 70,000 gallons	<u>\$843.90</u>	<u>\$928.32</u>
Total	<u>\$1,837.29</u>	<u>\$2,024.28</u>
Increase Amount		\$186.99
% Change		10.2%

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

	EXISTING RATES (2,500 Gal. Min.)	PROPOSED RATES (2,000 Gal. Min.)
<u>Monthly Usage of 20,000 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$63.50	\$63.50
Minimum to 70,000 gallons	<u>\$315.00</u>	<u>\$356.41</u>
Total	<u>\$378.50</u>	<u>\$419.91</u>
Increase Amount		\$41.41
% Change		10.9%
<u>Monthly Usage of 400,000 Gallons</u>		
Minimum (Water & Sewer) – up to minimum gals.	\$63.50	\$63.50
Minimum to 70,000 gallons	\$1,215.00	\$1,346.40
Over 70,000 gallons	<u>\$7,425.03</u>	<u>\$8,167.50</u>
Total	<u>\$8,703.53</u>	<u>\$9,577.40</u>
Increase Amount		\$873.87
% Change		10.0%

**RESIDENTIAL WATER AND SEWER
REDUCE MINIMUM GALLONS TO 2,000 AND INCREASE RATE TIERS BY 10%**

	CURRENT RATES						NEW RATES				
	USAGE CATEGORIES						USAGE CATEGORIES				
	0 - 2500	2501 - 7000	7001 - 12000	Over 12000			0 - 2000	2001 - 7000	7001 - 12000	Over 12000	
Residential - Water						Residential - Water					
AVG. NO. OF ACCTS./MONTH	1095	612	163	115		AVG. NO. OF ACCTS./MONTH	974	733	163	115	
AVG. GALS./ ACCT.	722	4218	9002	23391		AVG. GALS./ ACCT.	532	3893	9002	23391	
EST. MONTHLY REVENUE	\$14,783	\$12,993	\$7,704	\$21,026		EST. MONTHLY REVENUE	\$13,149	\$16,764	\$8,658	\$23,258	
EST. ANNUAL REVENUE	\$177,390	\$155,920	\$92,447	\$252,311	\$678,069	EST. ANNUAL REVENUE	\$157,788	\$201,168	\$103,893	\$279,101	\$741,949
Residential - Sewer						Residential - Sewer					
AVG. NO. OF ACCTS./MONTH	1038	605	158	108		AVG. NO. OF ACCTS./MONTH	918	725	158	108	
AVG. GALS./ ACCT.	752	4215	8991	23020		AVG. GALS./ ACCT.	557	3889	8991	23020	
EST. MONTHLY REVENUE	\$24,393	\$20,235	\$10,574	\$25,586		EST. MONTHLY REVENUE	\$21,573	\$25,775	\$11,764	\$28,236	
EST. ANNUAL REVENUE	\$292,716	\$242,825	\$126,884	\$307,037	\$969,461	EST. ANNUAL REVENUE	\$258,876	\$309,301	\$141,165	\$338,829	\$1,048,170
					\$1,647,530						\$1,790,120
						TOTAL INCREASE IN REVENUE (NEW VS. CURRENT)					\$142,590
RATES:						RATES:					
Water	\$13.50	\$4.50	\$6.75	\$10.125		Water	\$13.50	\$4.95	\$7.425	\$11.1375	
Sewer	\$23.50	\$5.80	\$8.70	\$13.05		Sewer	\$23.50	\$6.38	\$9.57	\$14.355	

**COMMERCIAL WATER AND SEWER
REDUCE MINIMUM GALLONS TO 2,000 AND INCREASE RATE TIERS BY 10%**

	CURRENT RATES					NEW RATES			
	USAGE CATEGORIES					USAGE CATEGORIES			
	0 - 2500	2501 - 70000	Over 70000			0 - 2000	2001 - 70000	Over 70000	
Commercial - Water					Commercial - Water				
AVG. NO. OF ACCTS./MONTH	16	21	3		AVG. NO. OF ACCTS./MONTH	15	22	3	
AVG. GALS./ ACCT.	589	16944	116371		AVG. GALS./ ACCT.	463	16174	116371	
EST. MONTHLY REVENUE	\$296	\$2,494	\$2,668		EST. MONTHLY REVENUE	\$278	\$2,787	\$2,940	
EST. ANNUAL REVENUE	\$3,552	\$29,923	\$32,012	\$65,487	EST. ANNUAL REVENUE	\$3,330	\$33,450	\$35,274	\$72,054
Commercial - Sewer					Commercial - Sewer				
AVG. NO. OF ACCTS./MONTH	15	20	2		AVG. NO. OF ACCTS./MONTH	14	22	2	
AVG. GALS./ ACCT.	620	16291	117083		AVG. GALS./ ACCT.	484	16138	117083	
EST. MONTHLY REVENUE	\$383	\$2,475	\$1,852		EST. MONTHLY REVENUE	\$357	\$2,999	\$2,040	
EST. ANNUAL REVENUE	\$4,590	\$29,703	\$22,219	\$56,511	EST. ANNUAL REVENUE	\$4,284	\$35,985	\$24,477	\$64,746
				\$121,998					\$136,800
				TOTAL INCREASE IN REVENUE (NEW VS. CURRENT) - COMMERCIAL					\$14,802
COMMERCIAL RATES:					COMMERCIAL RATES:				
Water	\$18.50	\$6.94	\$8.675		Water	\$18.50	\$7.63	\$9.54	
Sewer	\$25.50	\$7.125	\$8.9063		Sewer	\$25.50	\$7.84	\$9.80	

**FORT FISHER WATER AND SEWER
REDUCE MINIMUM GALLONS TO 2,000 AND INCREASE RATE TIERS BY 10%**

	CURRENT RATES					NEW RATES			
	USAGE CATEGORIES					USAGE CATEGORIES			
	0 - 2500	2501 - 70000	Over 70000			0 - 2000	2001 - 70000	Over 70000	
Fort Fisher - Water					Fort Fisher - Water				
AVG. NO. OF ACCTS./MONTH	0	2	2		AVG. NO. OF ACCTS./MONTH	0	2	2	
AVG. GALS./ ACCT.	0	14190	281617		AVG. GALS./ ACCT.	0	14190	281617	
EST. MONTHLY REVENUE	\$0	\$230	\$5,275		EST. MONTHLY REVENUE	\$0	\$257	\$5,807	
EST. ANNUAL REVENUE	\$0	\$2,761	\$63,304	\$66,066	EST. ANNUAL REVENUE	\$0	\$3,086	\$69,683	\$72,770
Fort Fisher- Sewer					Fort Fisher - Sewer				
AVG. NO. OF ACCTS./MONTH	0	2	2		AVG. NO. OF ACCTS./MONTH	0	2	2	
AVG. GALS./ ACCT.	0	14190	465522		AVG. GALS./ ACCT.	0	14190	465522	
EST. MONTHLY REVENUE	\$0	\$318	\$11,460		EST. MONTHLY REVENUE	\$0	\$353	\$12,609	
EST. ANNUAL REVENUE	\$0	\$3,813	\$137,515	\$141,328	EST. ANNUAL REVENUE	\$0	\$4,230	\$151,303	\$155,533
				\$207,393					\$228,303
				TOTAL INCREASE IN REVENUE (NEW VS. CURRENT) - FORT FISHER					\$20,910
FORT FISHER RATES:					FORT FISHER RATES:				
Water	\$23.00	\$7.875	\$9.8438		Water	\$23.00	\$8.6625	\$10.83	
Sewer	\$40.50	\$10.125	\$12.6563		Sewer	\$40.50	\$11.1375	\$13.92	

REQUESTS RECEIVED FROM OUTSIDE ORGANIZATIONS

<u>ORGANIZATION</u>	<u>AMT. APPROVED ON 4/1/19</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	\$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	\$1,500	\$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	\$1,500	\$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	\$1,200	\$1,100	\$1,100
Friends of Fort Fisher, Inc. (5)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500		\$2,000
TOTAL GOVERNING BODY BUDGET	\$15,500	\$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	\$5,400
GRAND TOTAL	\$20,900	\$22,900	\$21,400	\$21,900	\$21,900	\$21,900	\$22,300	\$24,600

(1) - No request received 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.