



TOWN COUNCIL AGENDA

PUBLIC HEARING

June 10, 2019 @ 6:00 p.m.

PUBLIC COMMENTS – To address council, please sign up at the podium

CALL TO ORDER – Mayor Bloszinsky

OPENING AND PURPOSE OF HEARING – Mayor Bloszinsky

The purpose of this public hearing is to receive public comments on the proposed budget for fiscal year 2019-2020.

Official notice of this public hearing was posted on the town's website and bulletin board on May 24, 2018 and was advertised in the Island Gazette on May 29, 2018, thus meeting notification requirements.

Proposed budget highlights:

- 1) Increase to property tax of 1 cent per \$100 value raising the current rate of 33.0 cents to 34.0 cents
- 2) Changes to the water and sewer rate structure:
 - Residential, Commercial & Ft. Fisher Water - Lower minimum to 2,000 gals. & increase rate tiers by 10%
 - Residential, Commercial & Ft. Fisher Sewer - Lower minimum to 2,000 gals. & increase rate tiers by 10%
- 3) An additional full time staff member in Building Inspections and one in the Police Department
- 4) Cost of Living adjustment of 2.8 percent for employees
- 5) Merit increase of 1.5 percent to reward employees who are performing above expectation

PUBLIC COMMENTS

CLOSING OF PUBLIC HEARING – Mayor Bloszinsky

MOTION TO ADJOURN

TOWN OF KURE BEACH FISCAL YEAR 2019/2020 PROPOSED BUDGET



JUNE 10, 2019

**TOWN OF KURE BEACH
FISCAL YEAR 2019/2020
PROPOSED BUDGET**

<u>FUND</u>	<u>PROPOSED FY 2020 BUDGET</u>	<u>ORIGINAL FY 2019 BUDGET</u>	<u>CHANGE</u>	<u>% CHANGE</u>
General Fund	\$5,559,748	\$5,280,032	\$279,716	5.3%
Water and Sewer Fund	\$2,424,390	\$2,202,085	\$222,305	10.1%
Storm Water Fund	\$ 335,225	\$ 358,380	(\$23,155)	(6.5%)
Powell Bill Fund	\$ 66,450	\$ 175,000	(\$108,550)	(62.0%)
Federal Asset Forfeiture Fund	\$ 50,000	\$ 50,000	\$0	0.0%
Beach Protection Fund	\$ 24,500	\$ 13,397	\$11,103	82.9%
Sewer Expansion Reserve Fund (SERF)	<u>\$ 17,420</u>	<u>\$ 16,250</u>	<u>\$1,170</u>	7.2%
TOTAL	<u>\$8,477,733</u>	<u>\$8,095,144</u>	<u>\$382,589</u>	<u>4.7%</u>

TOWN OF KURE BEACH
FISCAL YEAR 2019/2020 PROPOSED BUDGET
GENERAL FUND HIGHLIGHTS

1. Proposed tax rate increase – 1 cent (3%)
 - New rate would be 34 cents (\$0.34) per \$100 of valuation
2. 2.8% Cost of Living Adjustment and 1.5% merit increase for full-time employees
3. Additions to full-time employees:
 - One employee in Police Department
 - One employee in Building Inspections/Code Enforcement Department

**TOWN OF KURE BEACH
FISCAL YEAR 2019/2020 PROPOSED BUDGET
GENERAL FUND HIGHLIGHTS**

4. Capital expenditures totaling \$170,050
5. Debt service totaling \$716,925
6. Transfer \$18,000 to the Beach Protection Fund
7. Contingency of \$20,000
8. Overall, the 2020 General Fund budget is 5.3% greater than the 2019 original budget

TOWN OF KURE BEACH
FISCAL YEAR 2019/2020 PROPOSED BUDGET
WATER AND SEWER FUND HIGHLIGHTS

1. Changes to the existing water and sewer rate structure for all customer types (residential, commercial & out of jurisdiction):
 - Lower minimum gallons from 2,500 to 2,000 gallons
 - 10% increase to the usage-based rate tiers for monthly usage above the minimum number of gallons
2. Approximately \$202,800 for infrastructure projects and equipment capital expenditures
3. Debt service totaling approximately \$426,350
4. Overall, the 2020 Water and Sewer budget is 10.1% greater than the 2019 budget

PROPOSED FISCAL YEAR 2019/2020
RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES

1. Continue to ensure that there is increased financial responsibility for those customers who use the most water and sewer resources
2. The monthly minimum gallons will be reduced from 2,500 to 2,000 gallons
 - Estimate that each month an additional 120 accounts (6%) will exceed the monthly minimum gallons
3. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%
 - Estimate that 51% of the annual residential billings will be impacted

PROPOSED FISCAL YEAR 2019/2020 RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES

4. Proposed rate structure for residential customers for fiscal year 2020:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	
Minimum	\$13.50	\$13.50	\$23.50	\$23.50	No change
Min. to 7,000 gals. (rate per 100 gals.)	\$0.45	\$0.495	\$0.58	\$0.638	10% Inc.
7,001 to 12,000 gals. (rate per 100 gals.)	\$0.675	\$0.7425	\$0.87	\$0.957	10% Inc.
Over 12,000 gals. (rate per 100 gals.)	\$1.0125	\$1.11375	\$1.305	\$1.4355	10% Inc.

5. There will be no impact on a residential customer using less than 2,000 gallons

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

	EXISTING RATES (2,500 min. gals.)	PROPOSED RATES (2,000 min. gals.)
<u>Monthly Usage of 2,500 Gallons</u>		
Minimum (Water & Sewer)	\$37.00	\$37.00
Minimum to 2,500 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)	\$37.00	\$37.00
Minimum to 5,000 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 min. gals.)	PROPOSED RATES (2,000 min. gals.)
<u>Monthly Usage of 12,000 Gallons</u>		
Minimum (Water & Sewer)	\$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)	\$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%

PROPOSED FISCAL YEAR 2019/2020 COMMERCIAL WATER & SEWER RATE STRUCTURE CHANGES

1. The monthly minimum gallons will be reduced from 2,500 to 2,000 gallons
2. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%
3. Proposed 2020 rate structure for commercial customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	
Minimum	\$18.50	\$18.50	\$25.50	\$25.50	No change
Min. to 70,000 gals. (rate per 100 gals.)	\$0.694	\$0.7634	\$0.7125	\$0.78375	10% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$0.8675	\$0.95425	\$0.89063	\$0.9797	10% Inc.

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

	EXISTING RATES (2,500 min. gals.)	PROPOSED RATES (2,000 min. gals.)
<u>Monthly Usage of 20,000 Gallons</u>		
Minimum (Water & Sewer)	\$44.00	\$44.00
Minimum to 20,000 gallons	<u>\$246.14</u>	<u>\$278.49</u>
Total	<u>\$290.14</u>	<u>\$322.49</u>
Increase Amount		\$32.35
% Change		11.1%
<u>Monthly Usage of 118,000 Gallons</u>		
Minimum (Water & Sewer)	\$44.00	\$44.00
Minimum to 70,000 gallons	\$949.39	\$1,052.06
Over 70,000 gallons	<u>\$843.90</u>	<u>\$928.30</u>
Total	<u>\$1,837.29</u>	<u>\$2,024.36</u>
Increase Amount		\$187.07
% Change		10.2%

PROPOSED FISCAL YEAR 2019/2020 OUT OF JURISDICTION WATER & SEWER RATE STRUCTURE CHANGES

1. The monthly minimum gallons will be reduced from 2,500 to 2,000 gallons
2. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%
3. Proposed rate structure for Out of Jurisdiction customers for fiscal year 2020:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	
Minimum	\$23.00	\$23.00	\$40.50	\$40.50	No change
Min. to 70,000 gals. (rate per 100 gals.)	\$0.7875	\$0.86625	\$1.0125	\$1.11375	10% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$0.98438	\$1.08282	\$1.26563	\$1.39219	10% Inc.

**IMPACT OF RATE CHANGES ON AN OUT OF JURISDICTION
ACCOUNT AT 2 MONTHLY USAGE LEVELS**

	EXISTING RATES (2,500 min. gals.)	PROPOSED RATES (2,000 min. gals.)
<u>Monthly Usage of 20,000 Gallons</u>		
Minimum (Water & Sewer)	\$63.50	\$63.50
Minimum to 20,000 gallons	<u>\$315.00</u>	<u>\$356.40</u>
Total	<u>\$378.50</u>	<u>\$419.90</u>
Increase Amount		\$41.40
% Change		10.9%
<u>Monthly Usage of 400,000 Gallons</u>		
Minimum (Water & Sewer)	\$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>\$8,167.53</u>
Total	<u>\$8,703.53</u>	<u>\$9,577.43</u>
Increase Amount		\$873.90
% Change		10.0%

**TOWN OF KURE BEACH
FISCAL YEAR 2019/2020 PROPOSED BUDGET
STORM WATER FUND HIGHLIGHTS**

1. No proposed changes to existing storm water fees
2. Debt service totaling approximately \$125,650
3. \$29,500 for infrastructure projects
4. Overall, the 2020 Storm Water budget is 6.5% less than the 2019 original budget