



TOWN COUNCIL AGENDA

**COUNCIL RETREAT
COMMUNITY CENTER**

February 1st, 2019 @ 8:30 a.m.

CALL TO ORDER – Mayor Bloszinsky

8:30 am Department Head Presentations

FY19-20 potential budgetary impacts for staffing, regulatory requirements, equipment/vehicle needs, fee changes and new projects; updates on current projects; typical complaints received, other items to bring to Council's attention

- Building
- Finance
- Fire
- Police
- Public Works- Storm Water Update
- Recreation
- Administration

9:45 am 15 minute break

10:00 am Continue Department Head Presentations

11:00 am Mid-year financial review – FO Copenhaver

- Review of current council goals
- 5-year Capital Plan
- Future projections
- Finalization of 2019 budget calendar
- Town policy for retiree medical benefits
- Post-hurricane processes and FEMA requirements

12:15 pm Lunch

**12:45 pm Shoreline Access and Beach Protection Committee Ambassador Program
Community education plans. (SLABP Committee) – Pat Triplett**

1:15 pm Council Topics

- **DOD Land Use Plan**– Discuss what the DOD land use plan outputs are and a path towards revision of our own Land Use Plan based on these items (Bloszinsky) and update on MOTSU JLUS from the January 29th policy meeting. (Whitley)
- **Greenway Project** (Oliver)
- **Landscaping of Ocean Front Park and Boardwalk Area** (Oliver)
- **Any other topics as needed**



TOWN COUNCIL AGENDA

**COUNCIL RETREAT
COMMUNITY CENTER**

February 1st, 2019 @ 8:30 a.m.

2:15 pm Break

2:30 Council Determination of FY19-20 Council goals

ADJOURNMENT

ADMINISTRATOR DEPARTMENT ACCOMPLISHMENTS 2018

BUDGETARY EXPECTATIONS FY 19-20

January 31, 2019

General

1. Successfully completed two CAMA grants to pave and install solar lighting at two beach accesses (E and I Avenues)
2. Half way through completion of CWMTF grant for feasibility study relating to additional storm water infiltrations systems in the south end of town – completion April 30, 2019
3. Attended JLUS LUP and WMPO TCC meetings as staff representative
4. Managed annual employee benefit enrollment

Council

- Acquired and set up iPads for all Council members
- Coordinated Council attendance at the ASBPA conference, SOG training, two NCBIWA conferences, RTCC legislative breakfast, and Chamber dinner
- Organized food, venue and arrangements for retreat, two budget meetings, MOTSU and NCNG breakfast meeting
- Ordered Town shirts and pins
- Arranged food, venue, gifts for annual employee recognition lunch
- Managed application process for Council for selection of new Public Works Director

Facility improvement project

Coordinated for all three buildings (Fire, Police, Town Hall)

- Selection of flooring, wall paint, tile, counter material, doors, to include color and location
- Selection of appliances and location
- Selection, purchase, delivery and set-up of new furniture, file cabinets, lockers, etc., as needed, at new Fire Station
- Office layout to determine need for additional data connections
- IT/phone/cabling, internet fiber connection, internet fiber backup, wireless cradle points
- Specifications, material, color for custom built island in Police Station and dais in Council room
- Keying and security camera locations
- Building signage
- Site outdoor lighting style and location
- Ground breaking ceremony with contractor
- Necessary surveys, title searches, deed recordation
- Process to allow Fire Station apron, flag pole and landscaping to be on DOT ROW
- Managed utility payment process with Seymour Johnson Air Force Base for temporary trailers

Note – the Town Hall complex, that includes the separate Police and Fire station, has been constructed to manage staff needs for the next 20-25 years. Additionally, the IT/phone/data

cabling and infrastructure has also been built to manage any data needs expected over the next 20-25 years. There is a robust AT&T internet fiber connection into Town Hall that feeds the Police and Fire buildings. There is a backup Spectrum fiber connection that automatically feeds in should the main internet line go down (works like a generator does for electricity), and there are additional Verizon wireless cradle points of internet connectivity throughout all buildings. Additionally, each building will have extra air cards to use, if necessary. Between this and the three generators on-site for each building, Town staff and Council should be able to use all three buildings as emergency command centers during storms and maintain internet connectivity if any of the referenced vendors are up and running.

Hurricane Florence

- Assisted front desk staff with selling decals and manning phones for three full days
- Relocated documents offsite for protection
- Filed numerous insurance claims, rode with Public Works to identify and photograph damage for insurance filings
- Posted emergency alerts on Town website during hurricane

Next budget year

No requests for additional staffing or major budget increases, other than normal expected expenses related to operation of a larger facility.

Upcoming Projects

1. Facebook page for important and emergency notifications

This project is complete and the Facebook page will be published after the retreat, if there are no concerns from Council. It is listed as 'Town of Kure Beach, Government, NC'.

We would like to do a trial use of the Facebook page year round to see if it becomes a management or public relations problem. If it does, we will bring it to Council's attention and re-establish it to be published only during storms and emergency events.

The Facebook page is setup as 'Official Town Notifications' and blocks:

- Tagging
- Reviews
- Ranking
- Posts
- Messaging

The page allows:

- Comments
- Sharing

A disclaimer is on the Facebook page that this is official information from the Town, is public record along with anyone's comments, that anyone wishing to contact the Town needs to do so via the Town Clerk's office email, not via Facebook and that comments using profanity, or are

off topic, are threatening or harassing, and advertises or promotes either commercial or political agendas will be removed.

2. Relocation and removal of temporary location

- Coordinate with Building, Finance, Police, and Recreation departments on additional furniture needs
- Arrange for purchase, delivery and setup of needed furniture
- Coordinate the physical moving of Building, Finance, Police, and Recreation staff back to Town Hall facility
- Ensure all IT/phone/data connections working correctly
- Remove three of the four trailers at the temporary location site –the National Guard is taking over the lease of the large trailer for future use

3. Mobile version of website

To provide a mobile version of the Town's website, the software has to be upgraded. While we are doing this, we will take the opportunity to revamp the overall look and style of the website. The software update will also provide for a better emergency alert notification process.

I can't guarantee that this will be complete by June, but we will make every effort.

4. ADA Transition Plan

This is a state and federal requirement for use of gas tax funds for DOT projects. This is going to be an involved project that will require inventorying all buildings and public parks to determine if we are in compliance with ADA regulations, and if not, what steps we plan to take and the timeline needed to become compliant. I expect that this will take us the better part of the year to complete.

TOWN OF KURE BEACH ANNUAL RETREAT



FEBRUARY 1, 2019

KURE BEACH TOWN COUNCIL FISCAL YEAR 2019 GOALS

1. Work smarter to maintain and improve our quality of life in Kure Beach
 - a. Improve parking situation
 - b. Upgrade systems such as water meter and billing
 - c. 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
 - a. Bring in construction project on time and at cost
 - b. Be fiscally responsible
 - c. Improve long term planning
 - d. Review ordinances for enforcement process
 - e. Room Occupancy Tax (ROT) maintenance

**KURE BEACH TOWN COUNCIL
FISCAL YEAR 2019 GOALS**

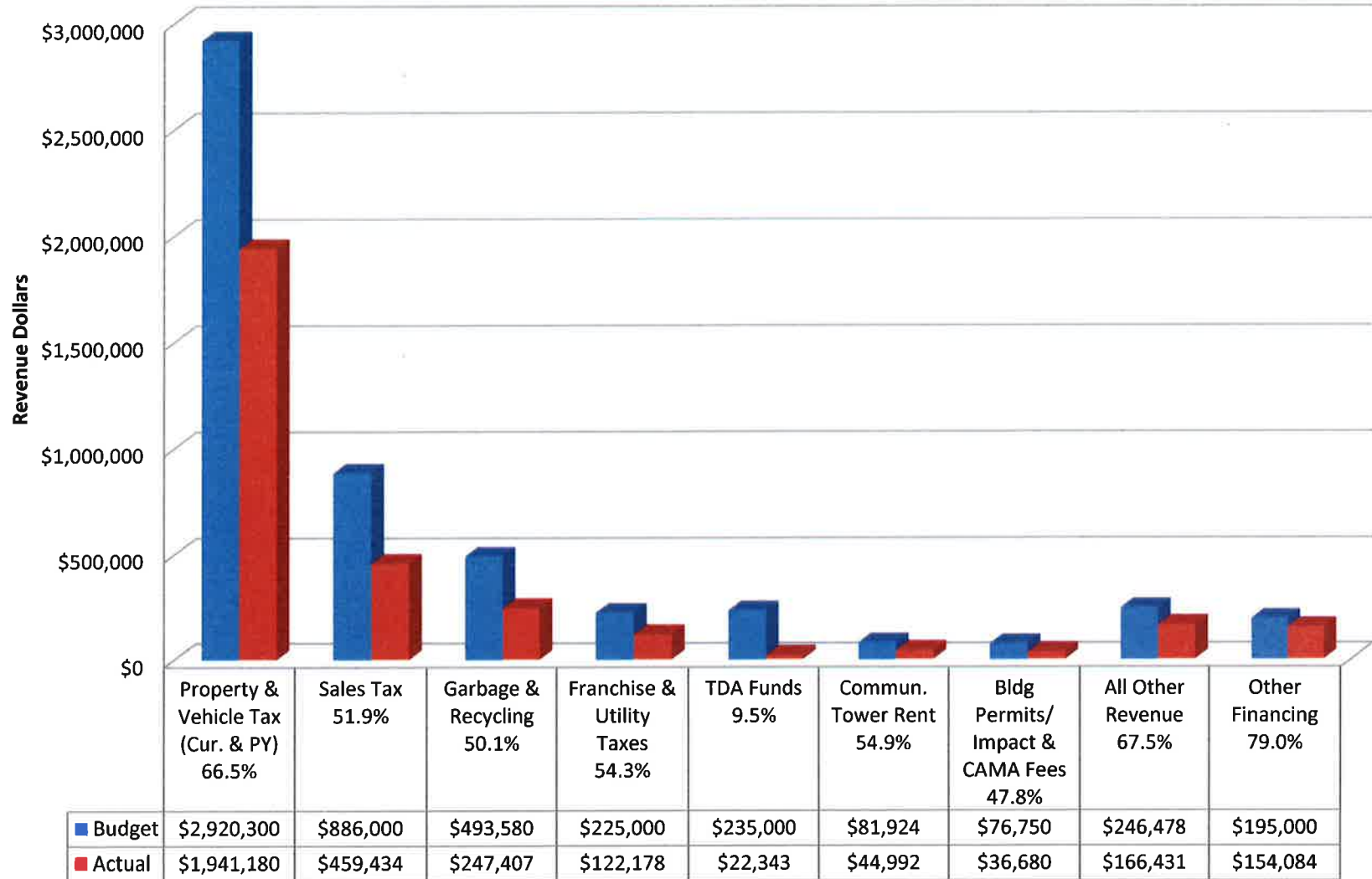
3. Enable an optimum working environment for staff to produce high levels of service to the public
 - a. Town Hall space (physical)
 - b. Ensure policies are fair (morale)
4. Provide all departments with the support to maintain a safe working and living environment
 - a. Support camera program
 - b.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

FY 2019 BUDGET STATUS AND REVIEW

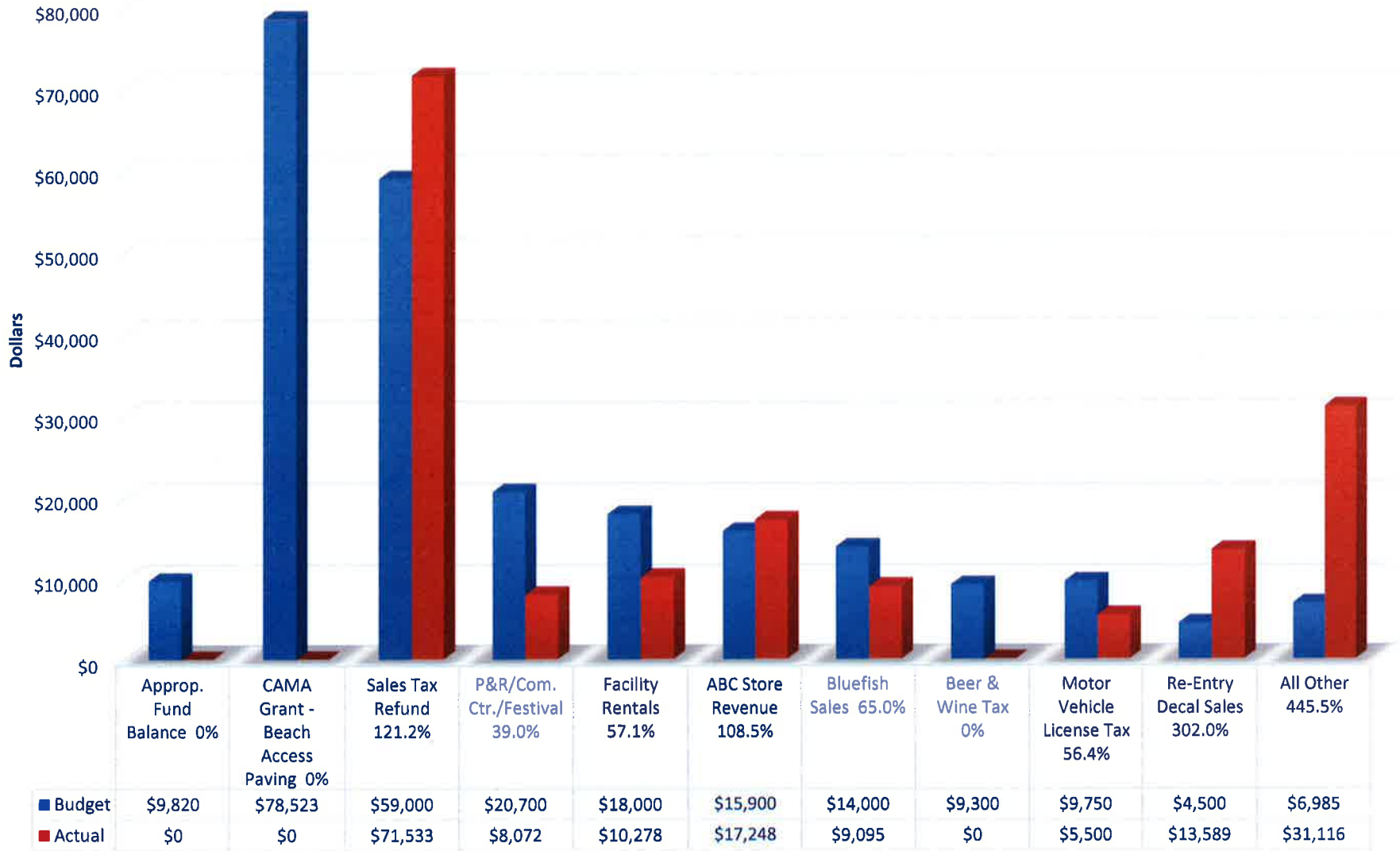


**GENERAL FUND
FY 2019 HIGHLIGHTS
7/1/18 – 12/31/18**

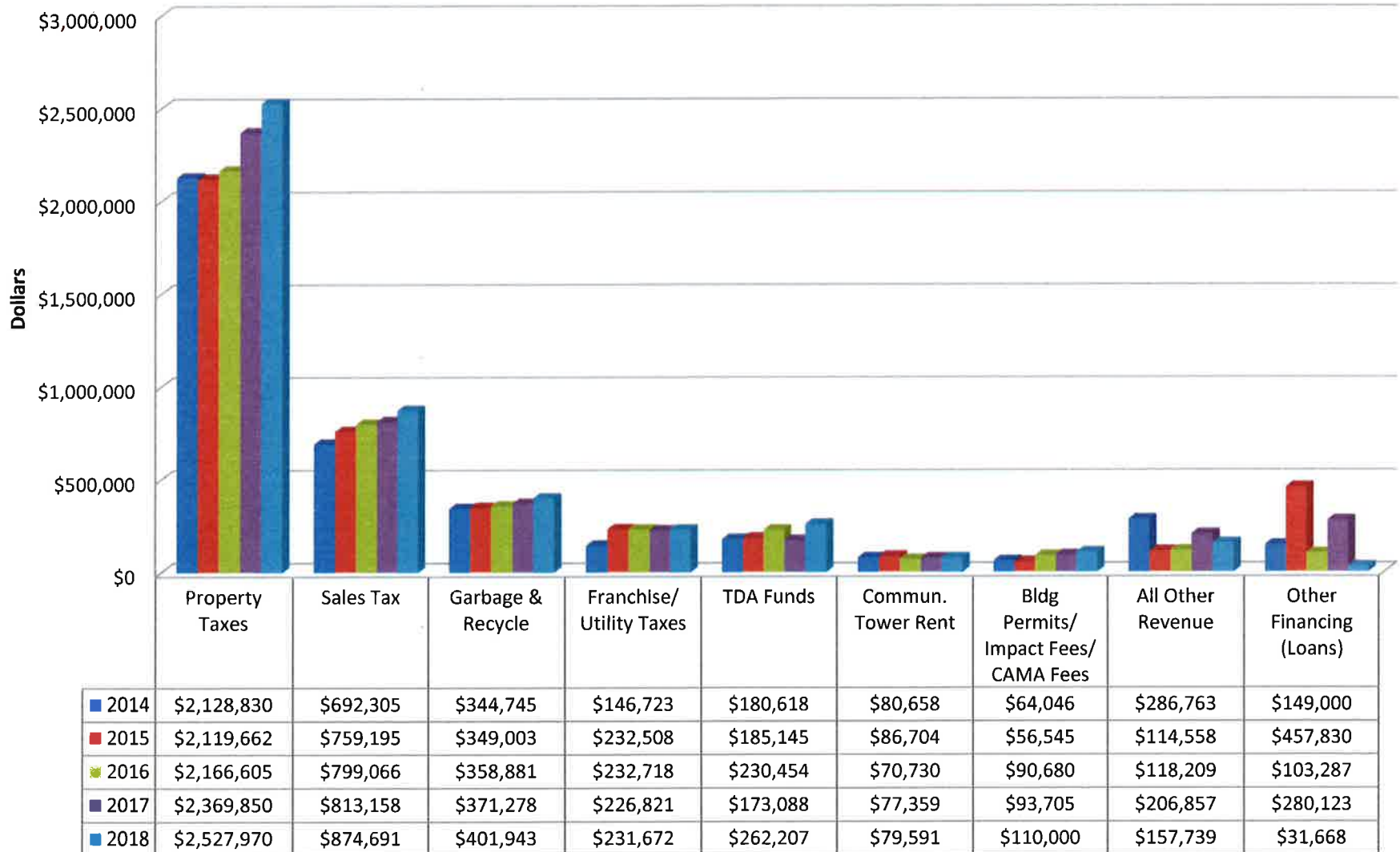
GENERAL FUND REVENUE - BUDGET VS. ACTUAL 7/1/18 - 12/31/18



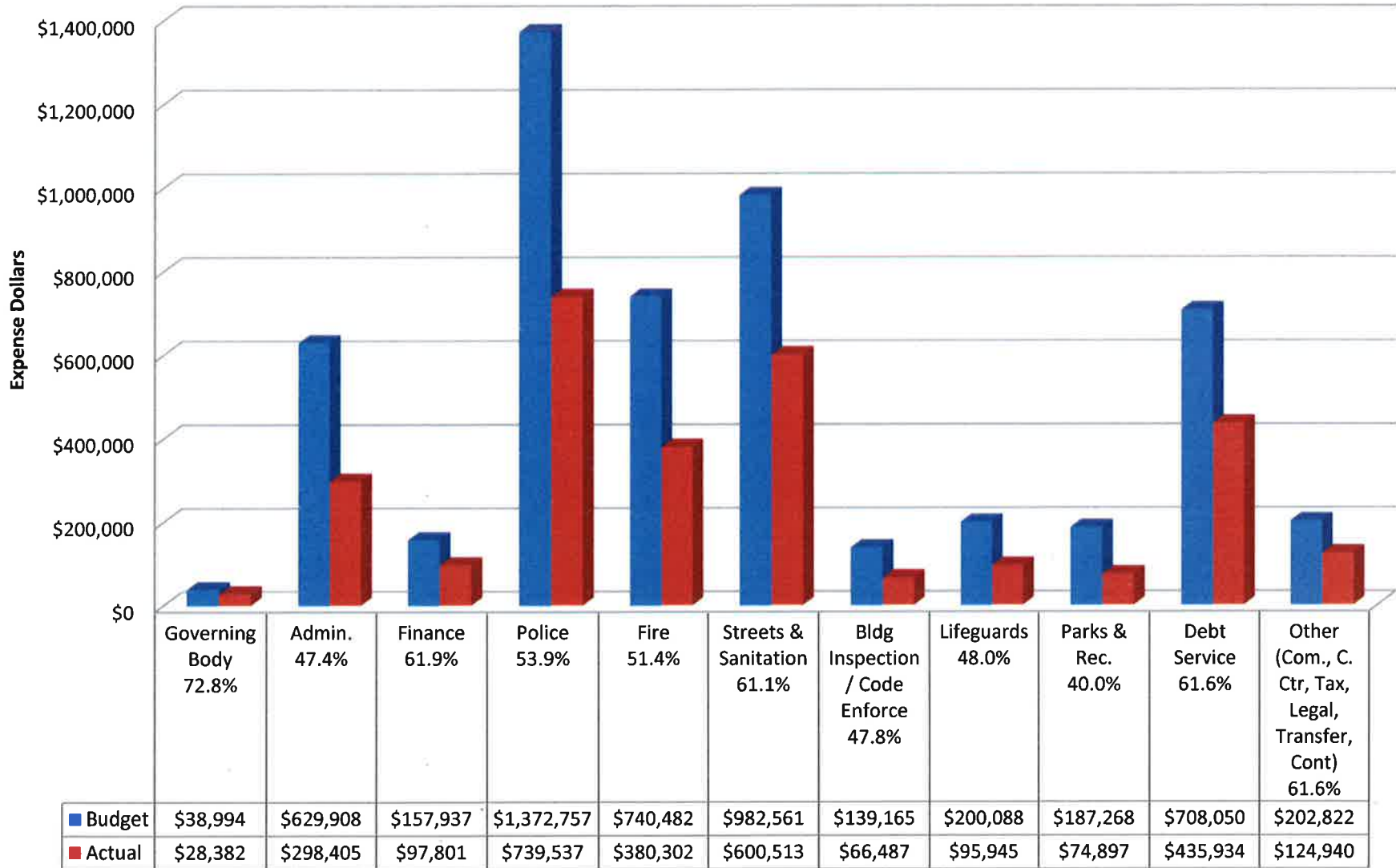
**GENERAL FUND
"OTHER" REVENUE - BUDGET VS. ACTUAL
7/1/18 - 12/31/18**



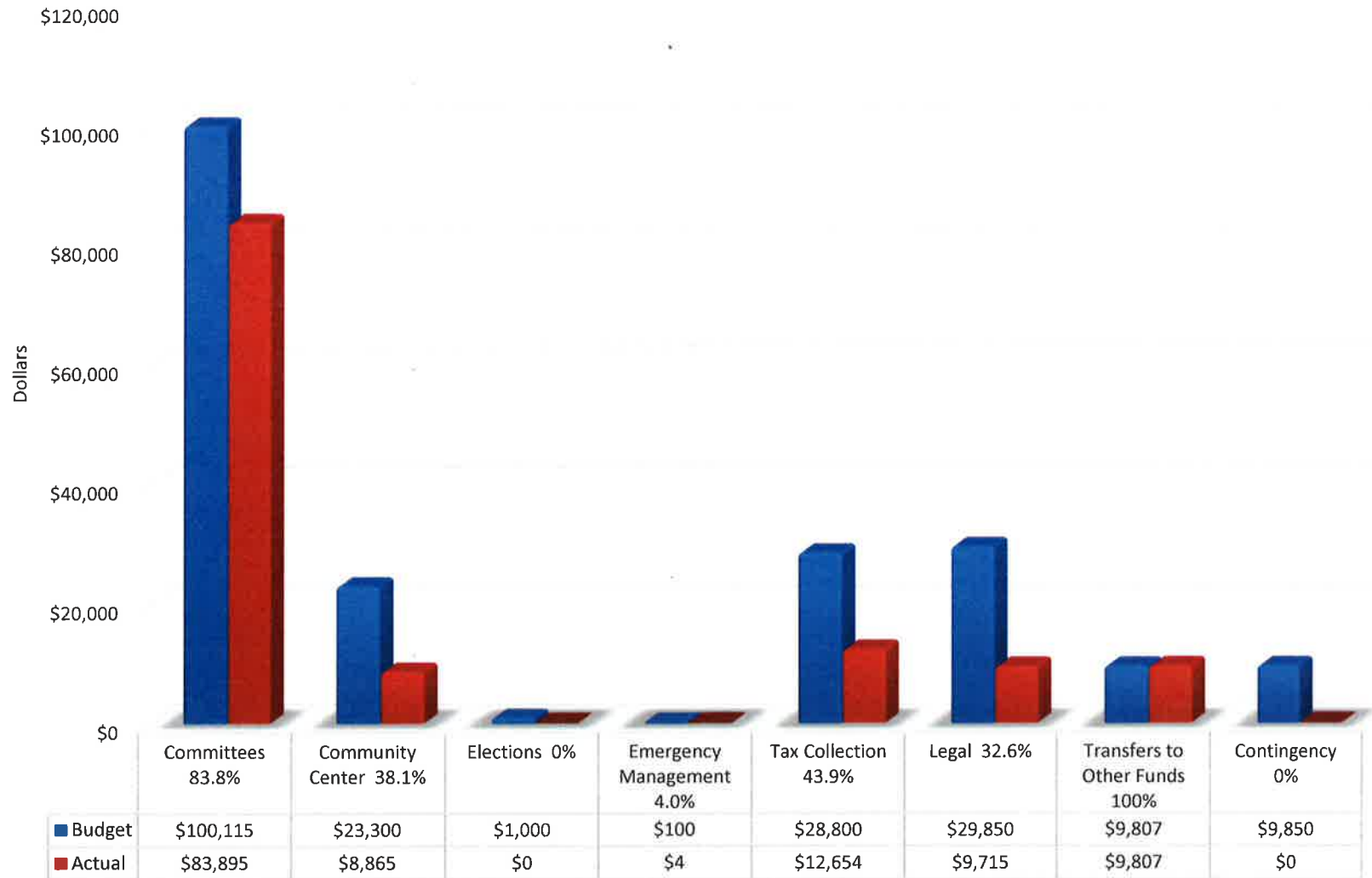
GENERAL FUND REVENUE FY 2014 - 2018



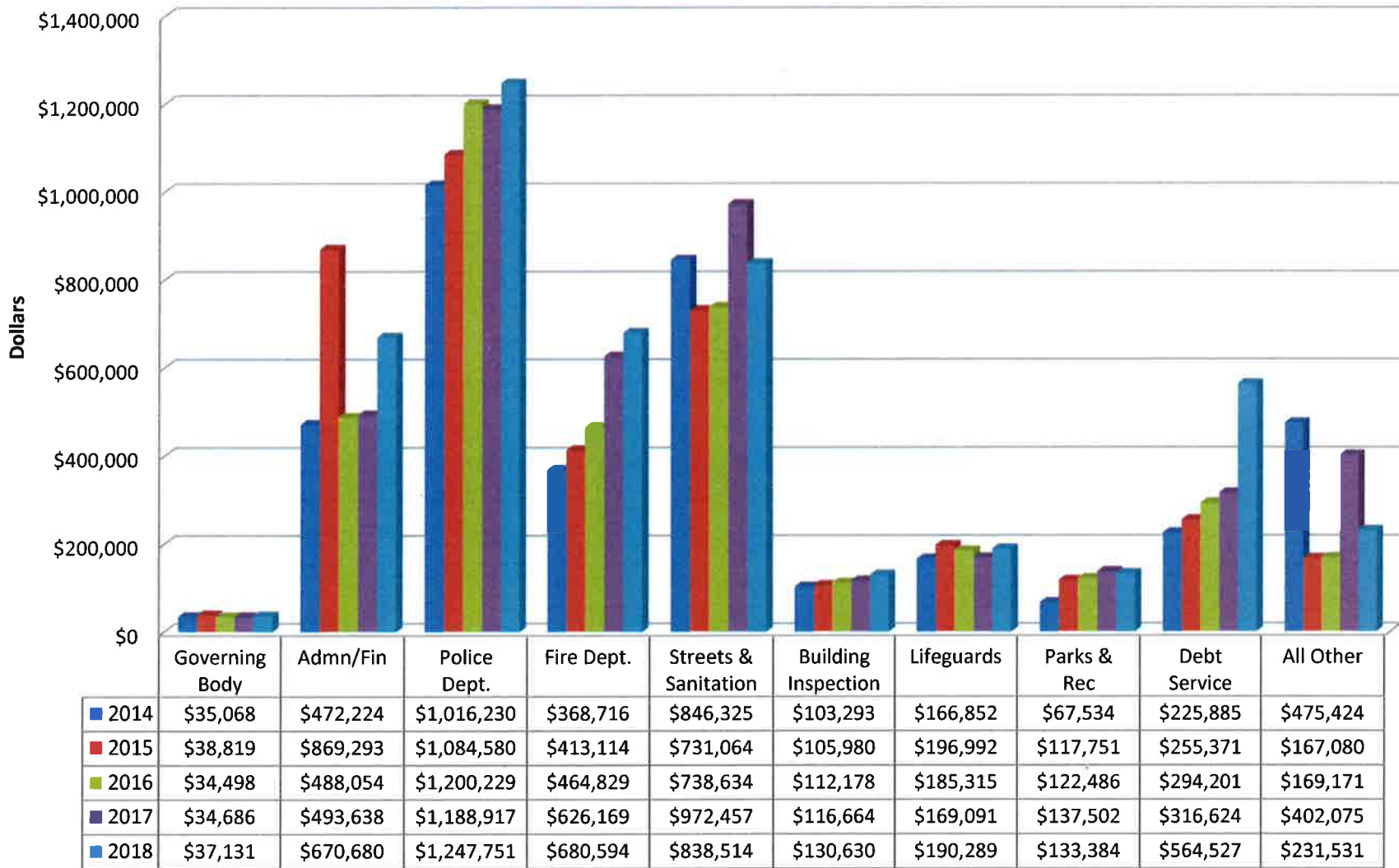
GENERAL FUND EXPENSES - BUDGET VS. ACTUAL 7/1/18 - 12/31/18



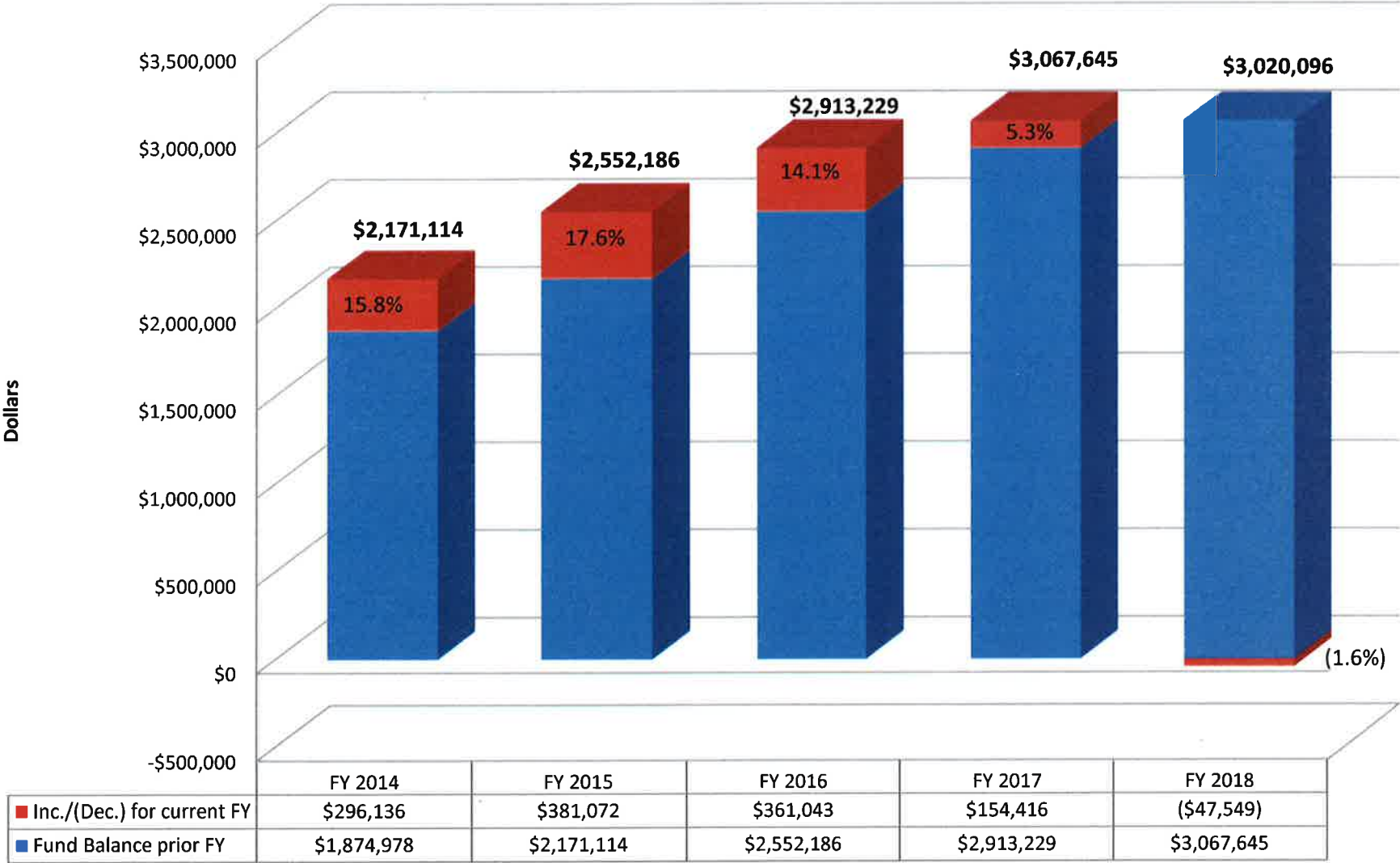
**GENERAL FUND
"OTHER" EXPENSES - BUDGET VS. ACTUAL
7/1/18 - 12/31/18**



GENERAL FUND EXPENSES BY DEPARTMENT FY 2014 - 2018



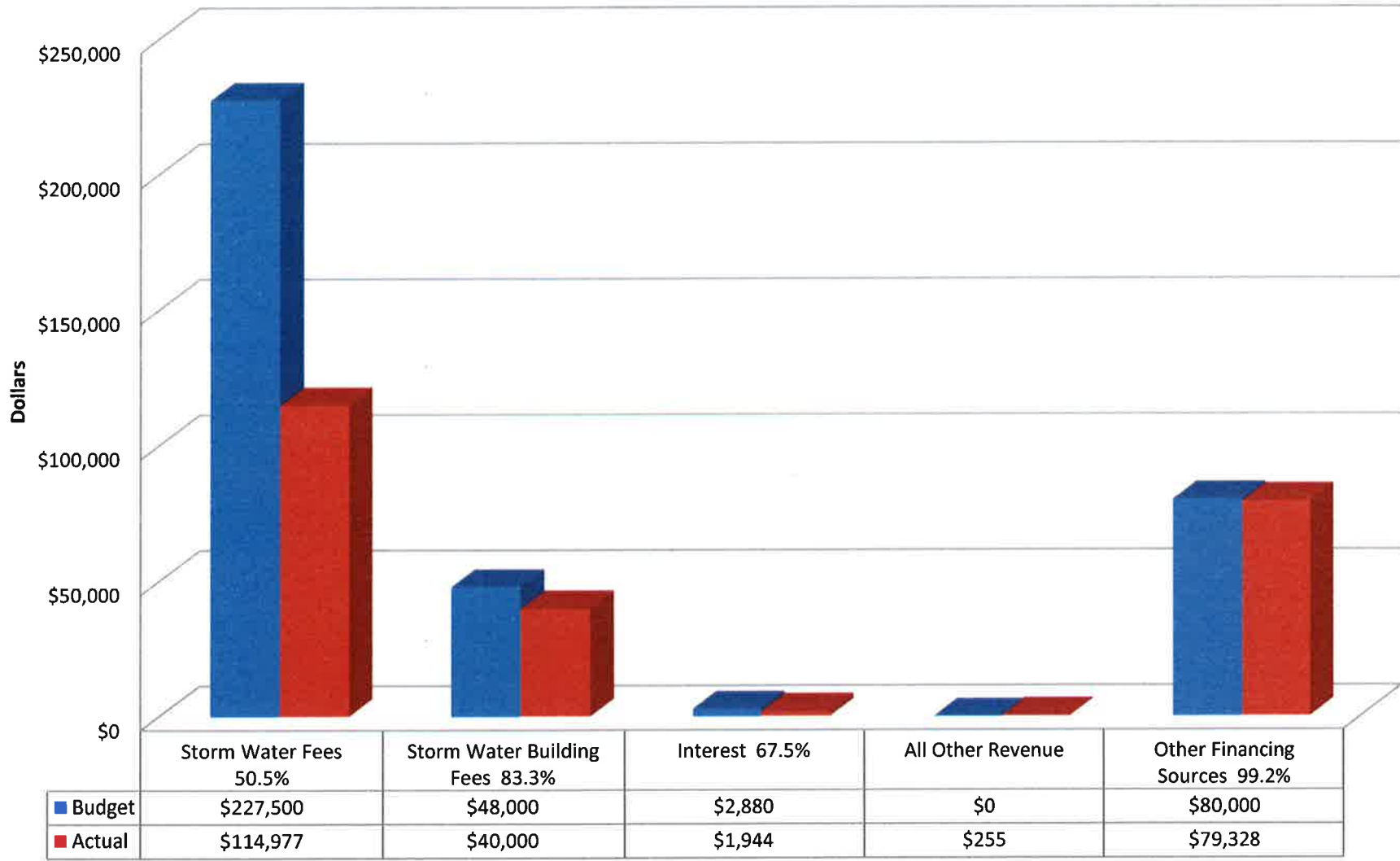
GENERAL FUND CHANGE IN FUND BALANCE FISCAL YEAR 2014 TO 2018



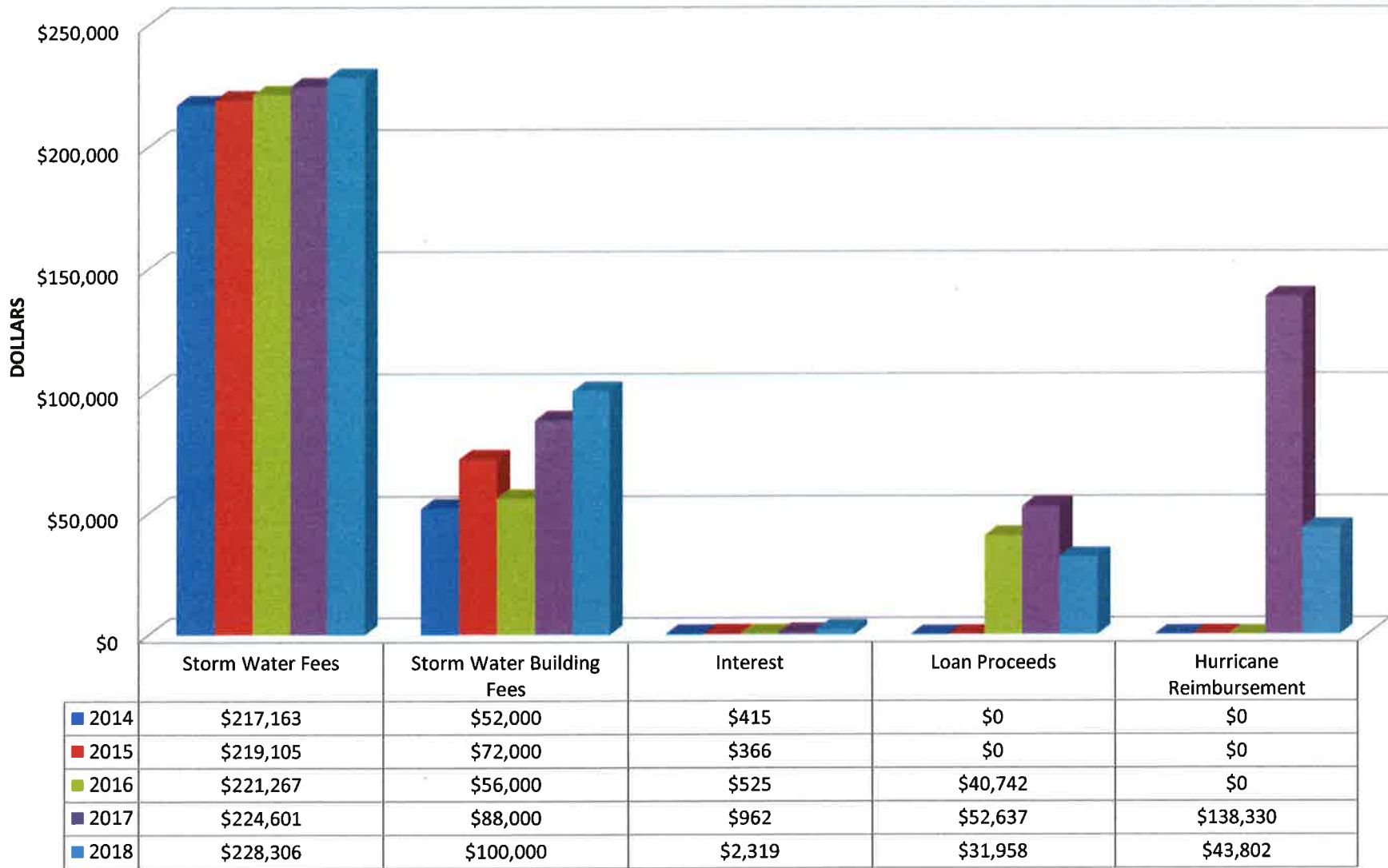
**STORM WATER FUND
FY 2019 HIGHLIGHTS
7/1/18 – 12/31/18**

- Budget \$358,380
- Actual Revenue \$236,504
- Revenue % of Budget 66.0%
- Actual Expenses \$217,565
- Expenses % of Budget 60.7%

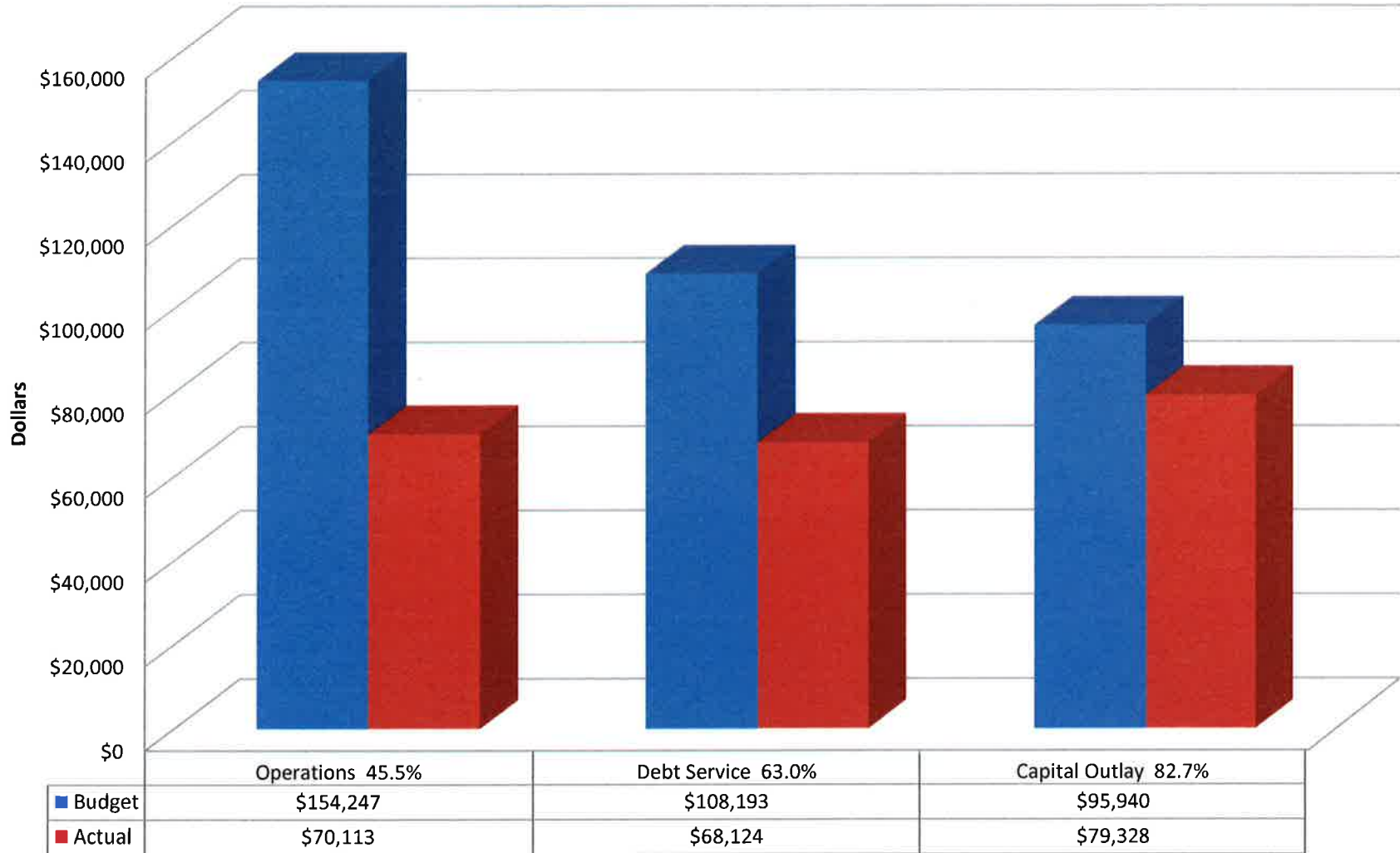
STORM WATER FUND REVENUE - BUDGET VS. ACTUAL 7/1/18 - 12/31/18



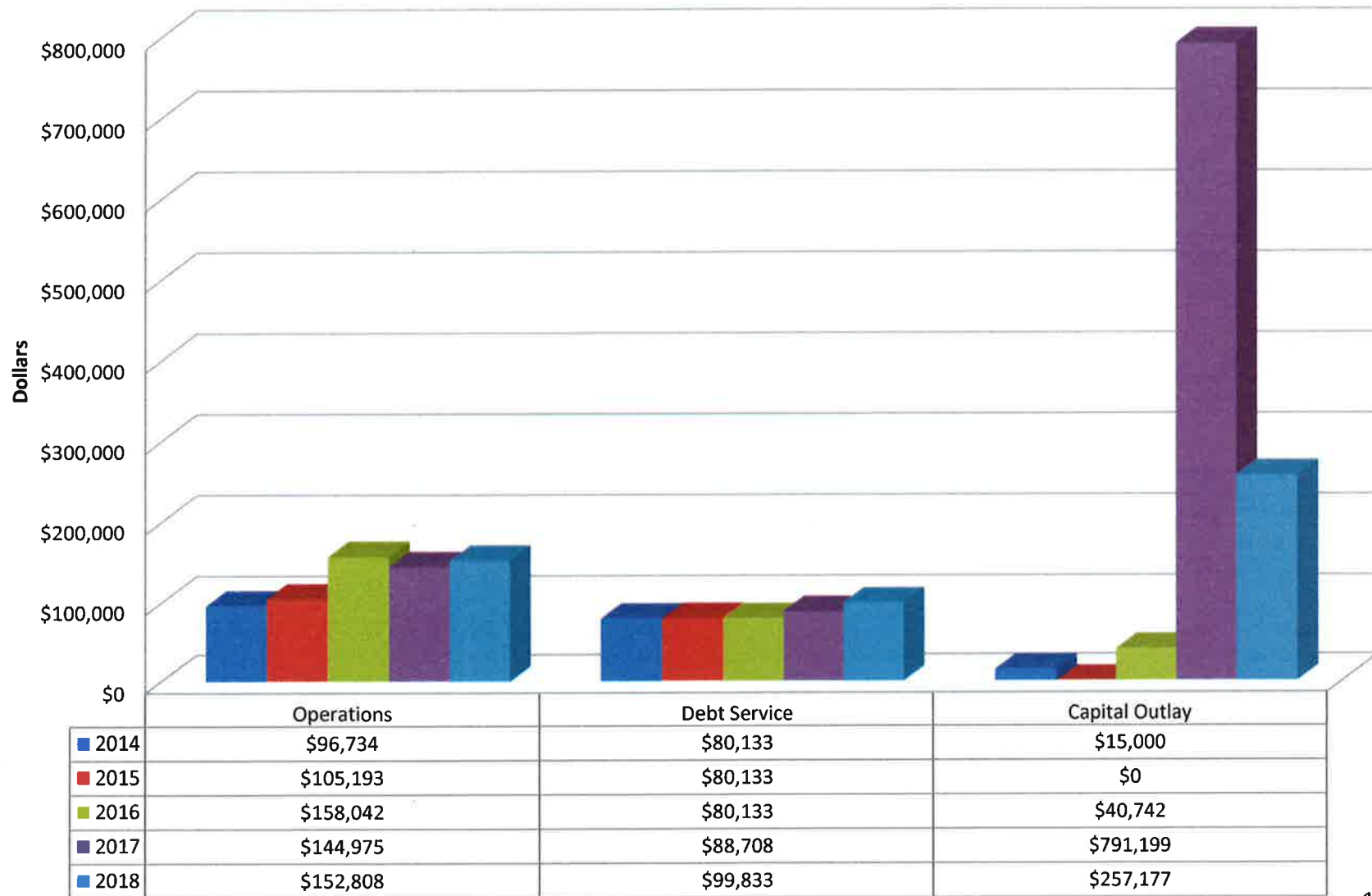
STORM WATER FUND REVENUE BY SOURCE FY 2014 - 2018



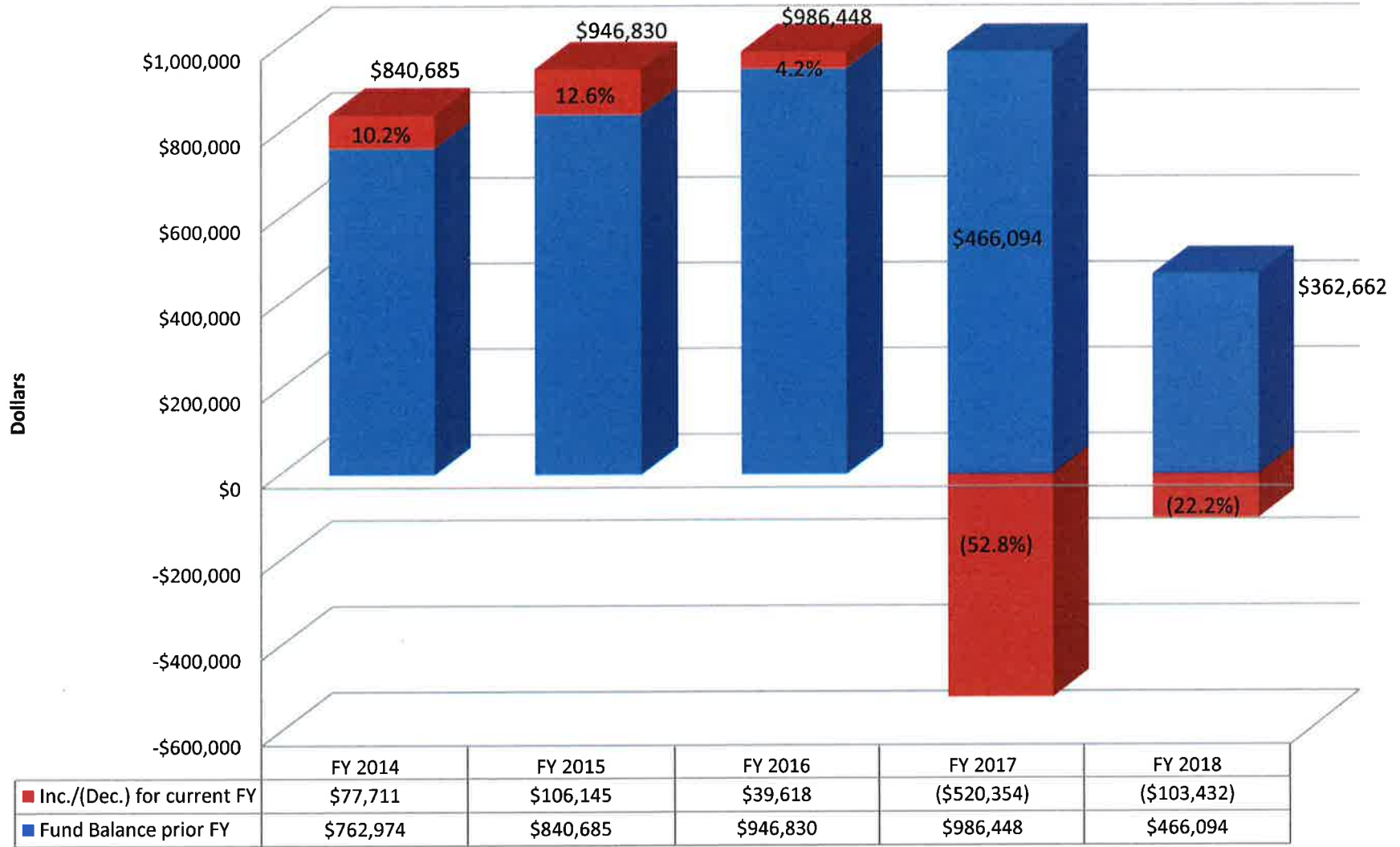
STORM WATER FUND EXPENSES - BUDGET VS. ACTUAL 7/1/18 - 12/31/18



STORM WATER FUND EXPENSES FY 2014 - 2018



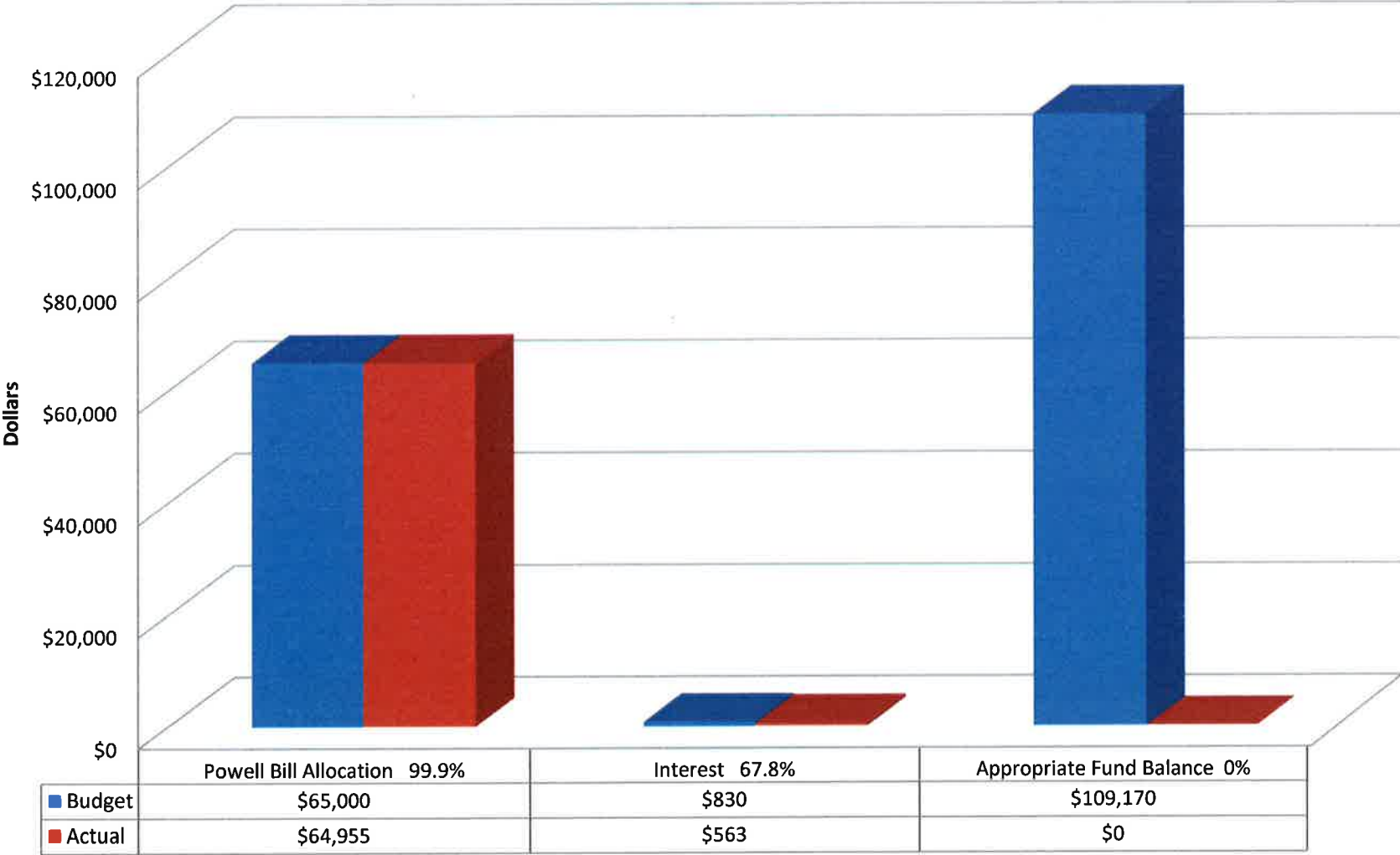
STORM WATER FUND CHANGE IN FUND BALANCE FISCAL YEAR 2014 TO 2018



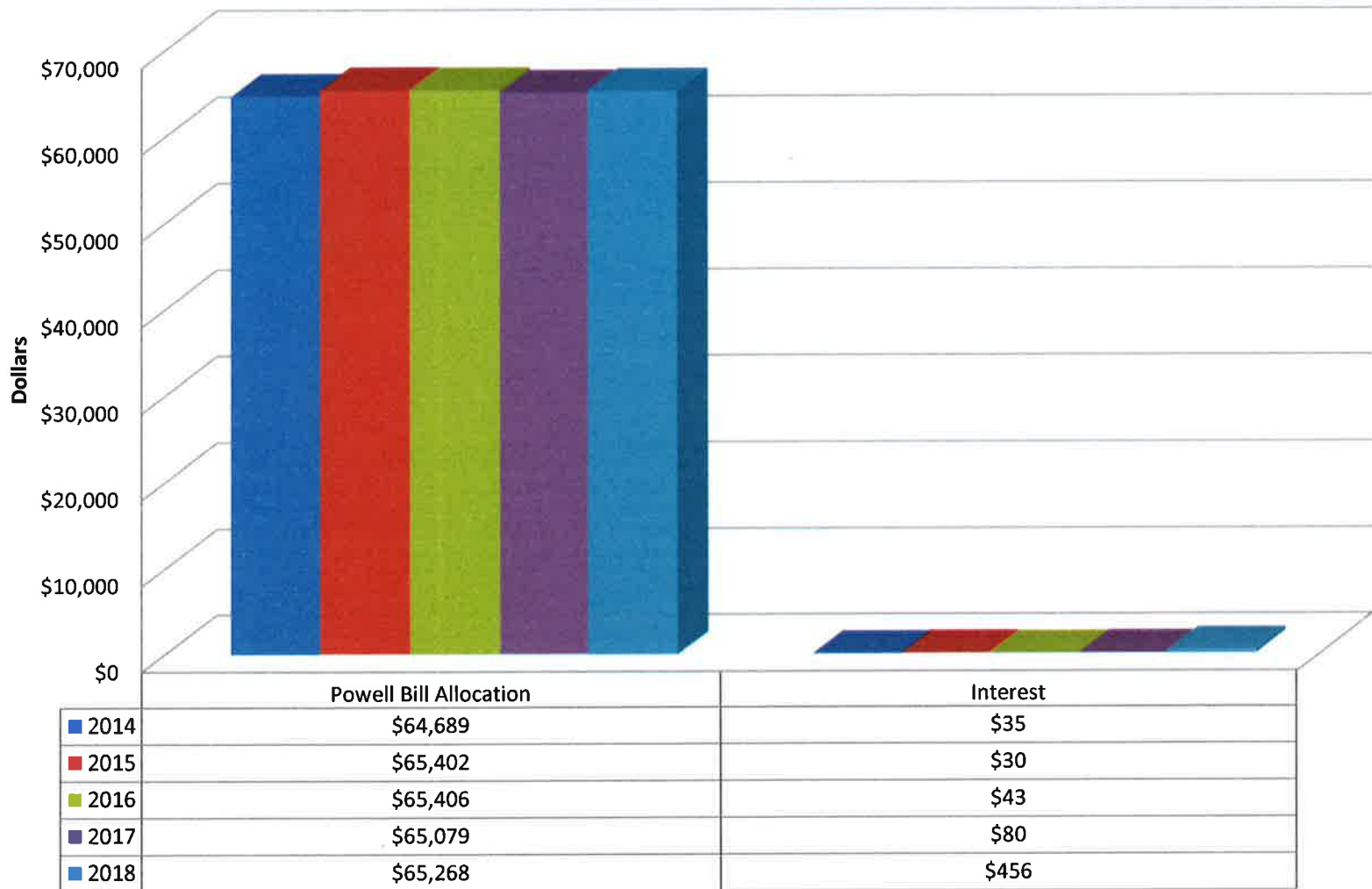
**POWELL BILL FUND
FY 2019 HIGHLIGHTS
7/1/18 – 12/31/18**

- Budget \$175,000
- Actual Revenue \$ 65,518
- Revenue % of Budget 37.4%
- Actual Expenses \$ 13,084
- Expenses % of Budget 7.5%

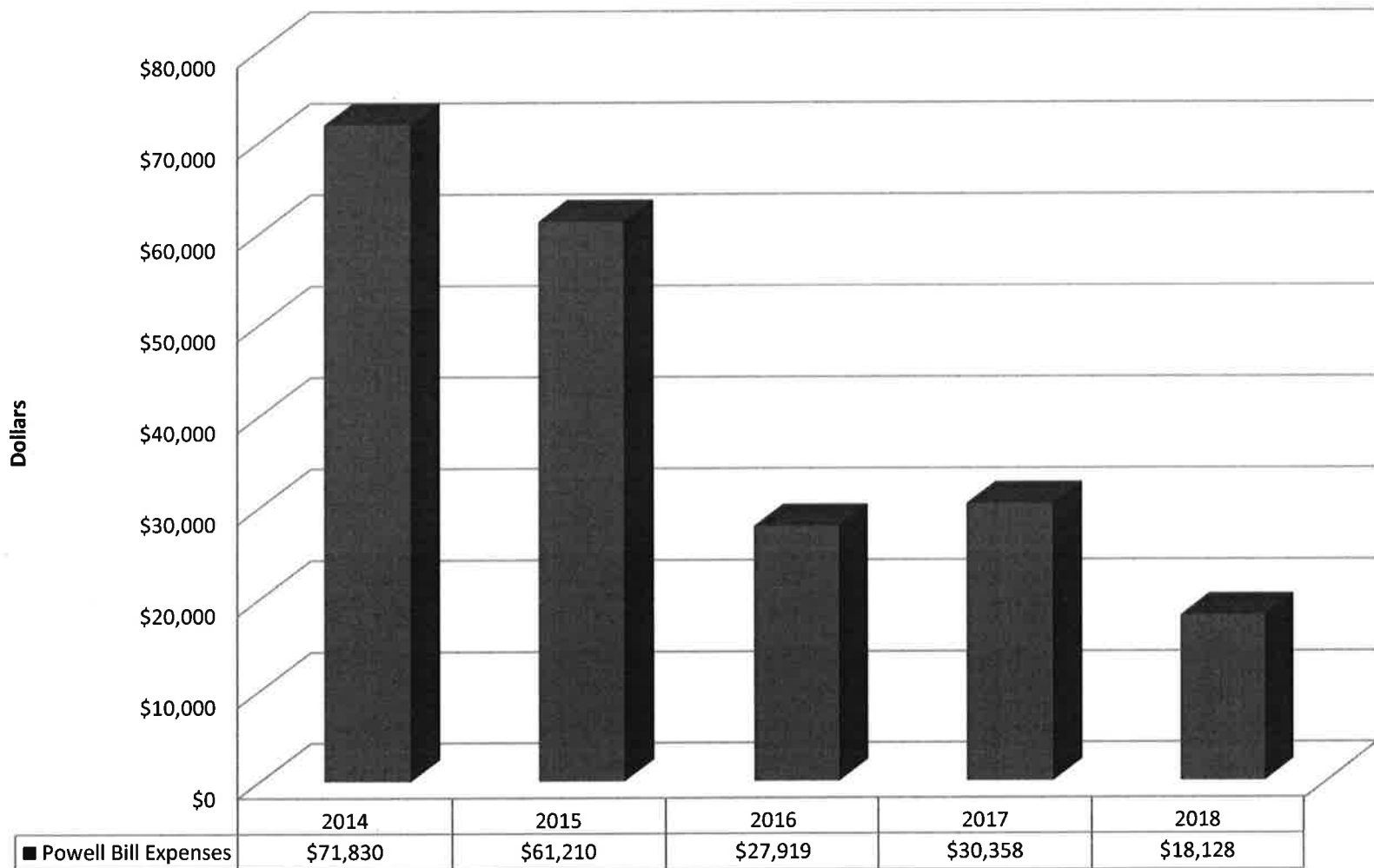
**POWELL BILL FUND
REVENUE - BUDGET VS. ACTUAL
7/1/18 - 12/31/18**



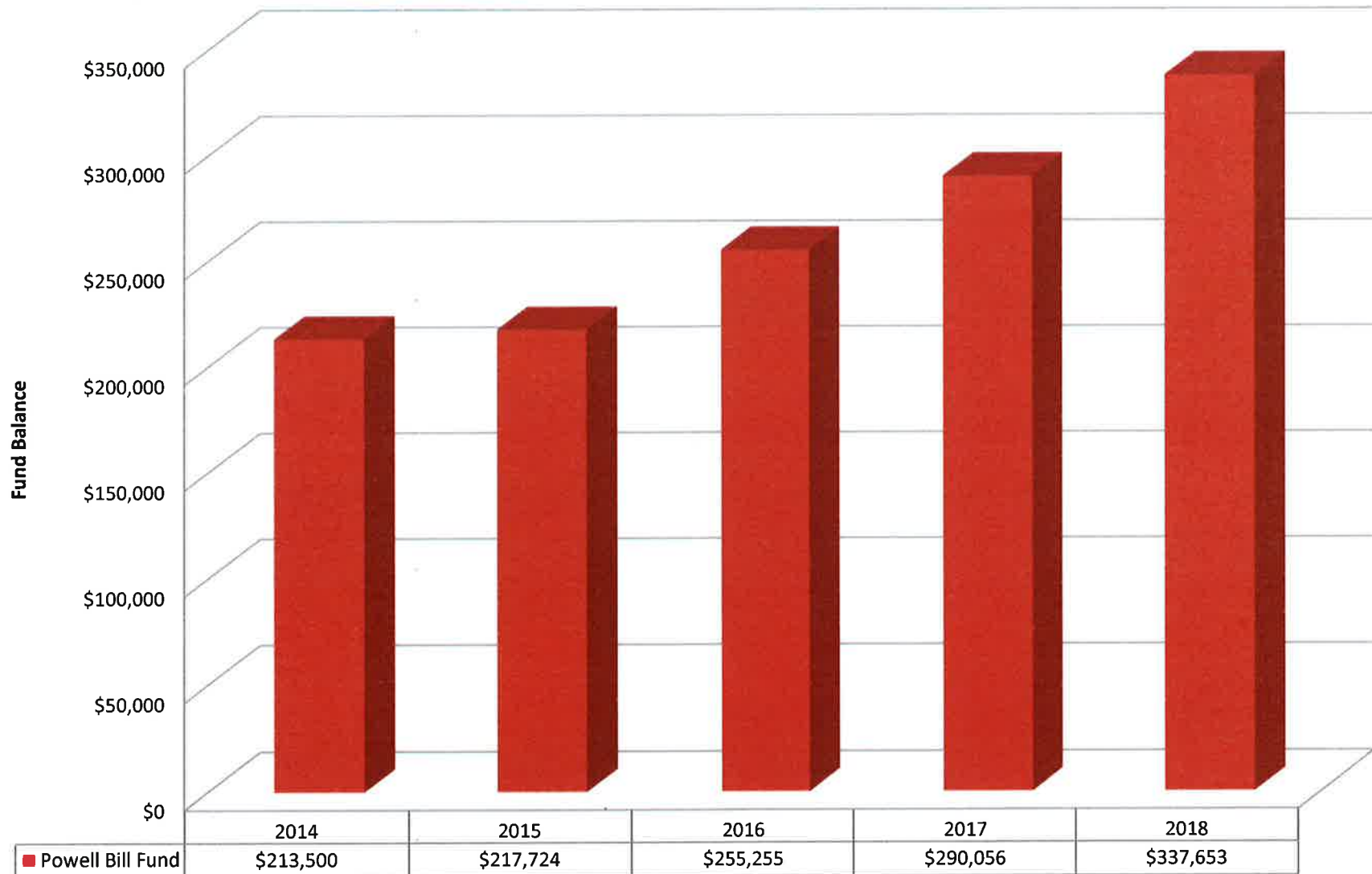
POWELL BILL FUND REVENUE FY 2014 - 2018



POWELL BILL FUND EXPENSES FY 2014 - 2018



POWELL BILL FUND BALANCE FY 2014 - 2018



**OTHER GOVERNMENTAL FUNDS
FY 2019 HIGHLIGHTS
7/1/18 – 12/31/18**

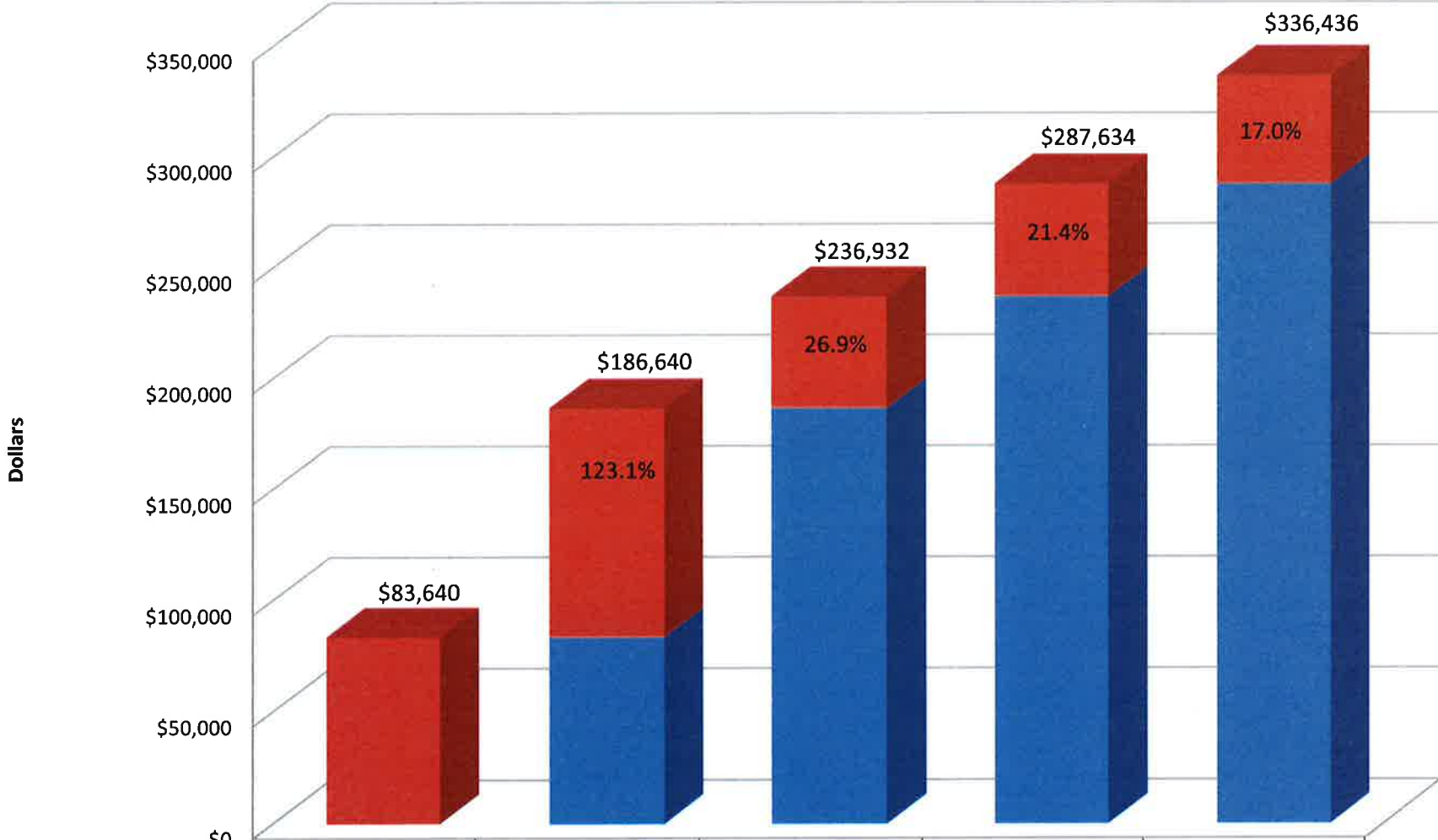
- **BEACH PROTECTION**

– Budget	\$13,397
– Actual Revenue	\$12,229
– Revenue % of Budget	91.3%
– Actual Expenses	\$ 0

- **FEDERAL ASSET FORFEITURE**

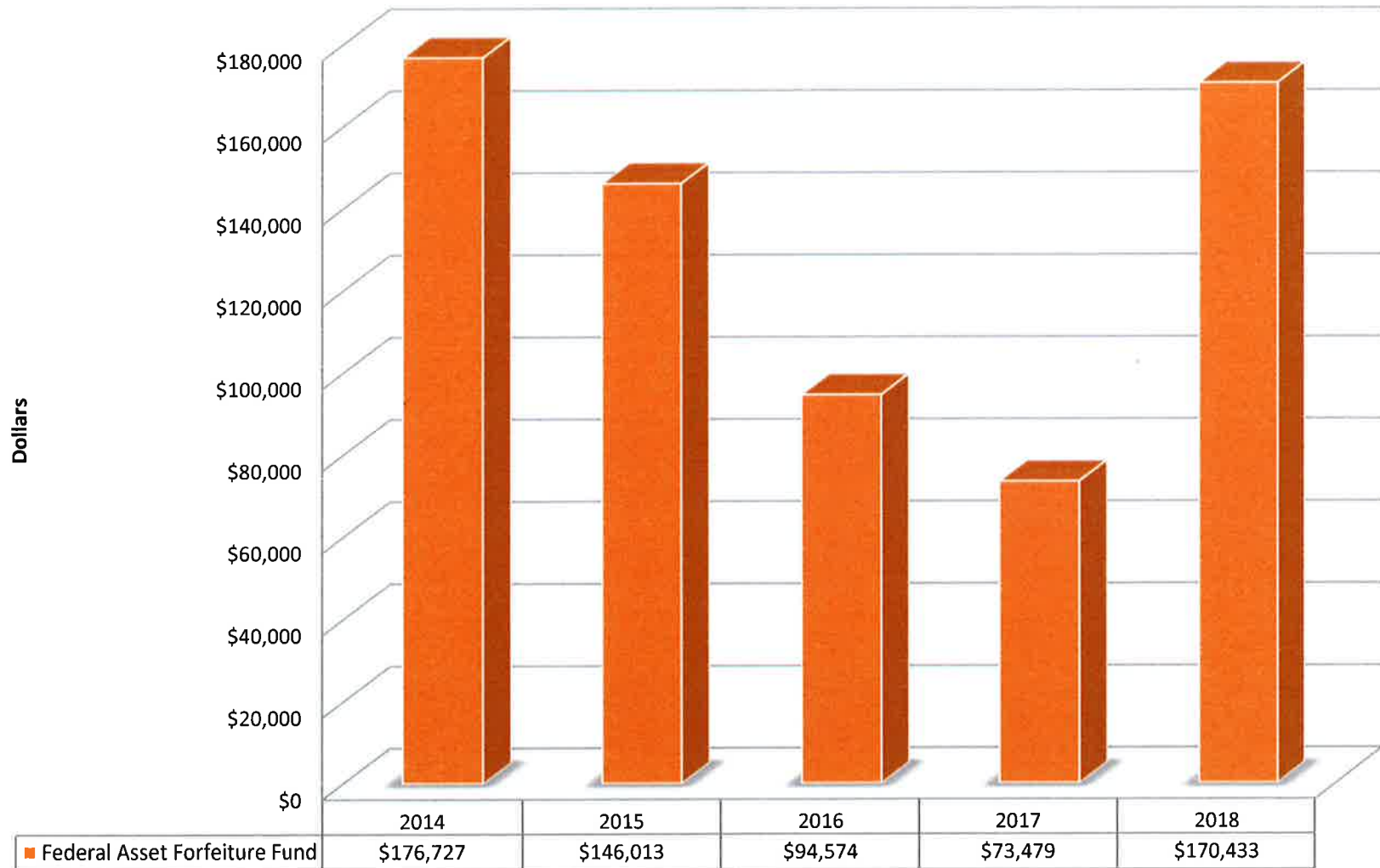
– Budget	\$50,000
– Actual Revenue	\$ 0
– Revenue % of Budget	0.0%
– Actual Expenses	\$30,344
– Expenses % of Budget	60.7%

BEACH PROTECTION FUND CHANGE IN FUND BALANCE FY 2014 TO 2018



	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
■ Increase for current FY	\$83,640	\$103,000	\$50,292	\$50,702	\$48,802
■ Fund Balance prior FY	\$0	\$83,640	\$186,640	\$236,932	\$287,634

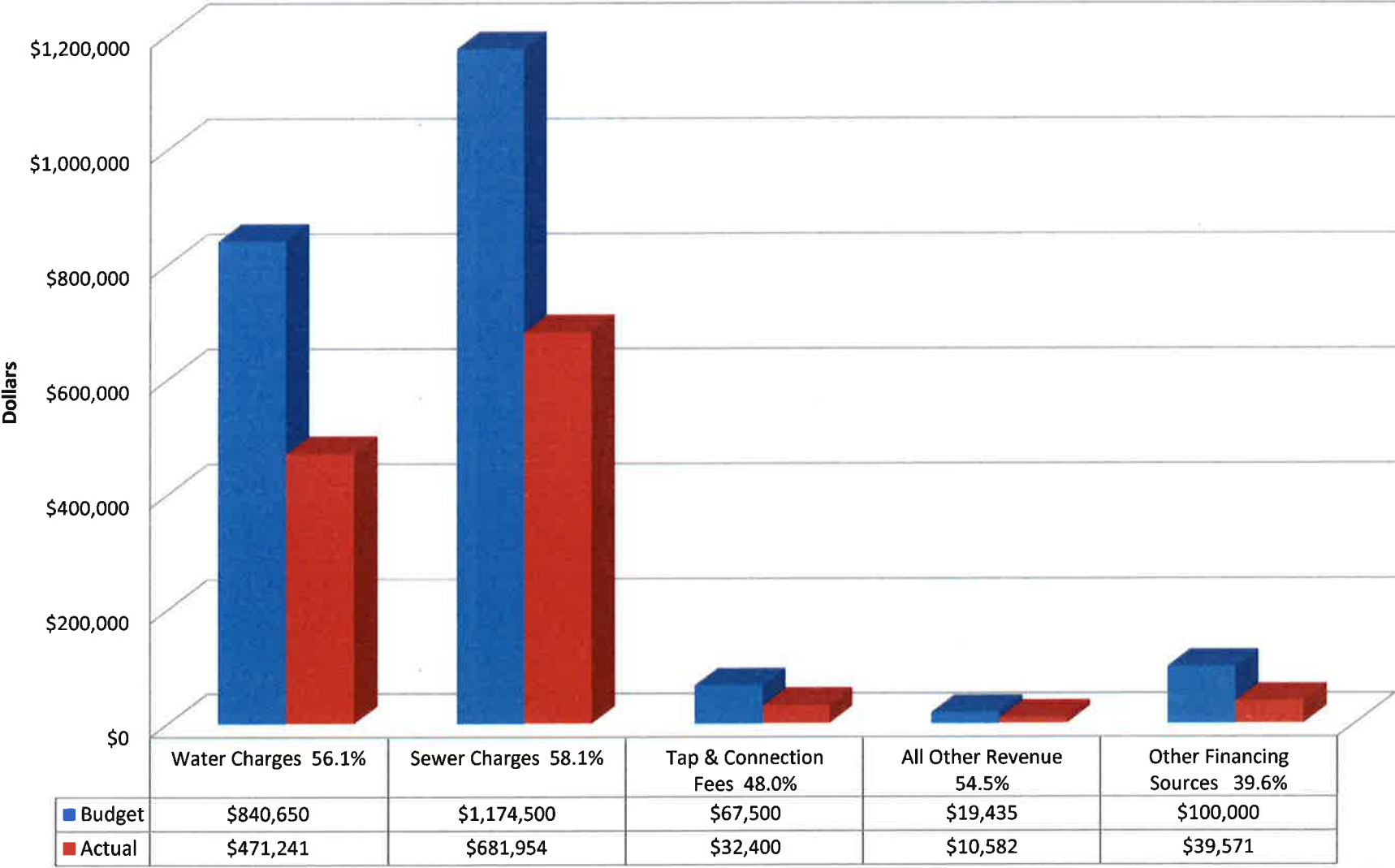
FEDERAL ASSET FORFEITURE FUND BALANCE FISCAL YEAR 2014 - 2018



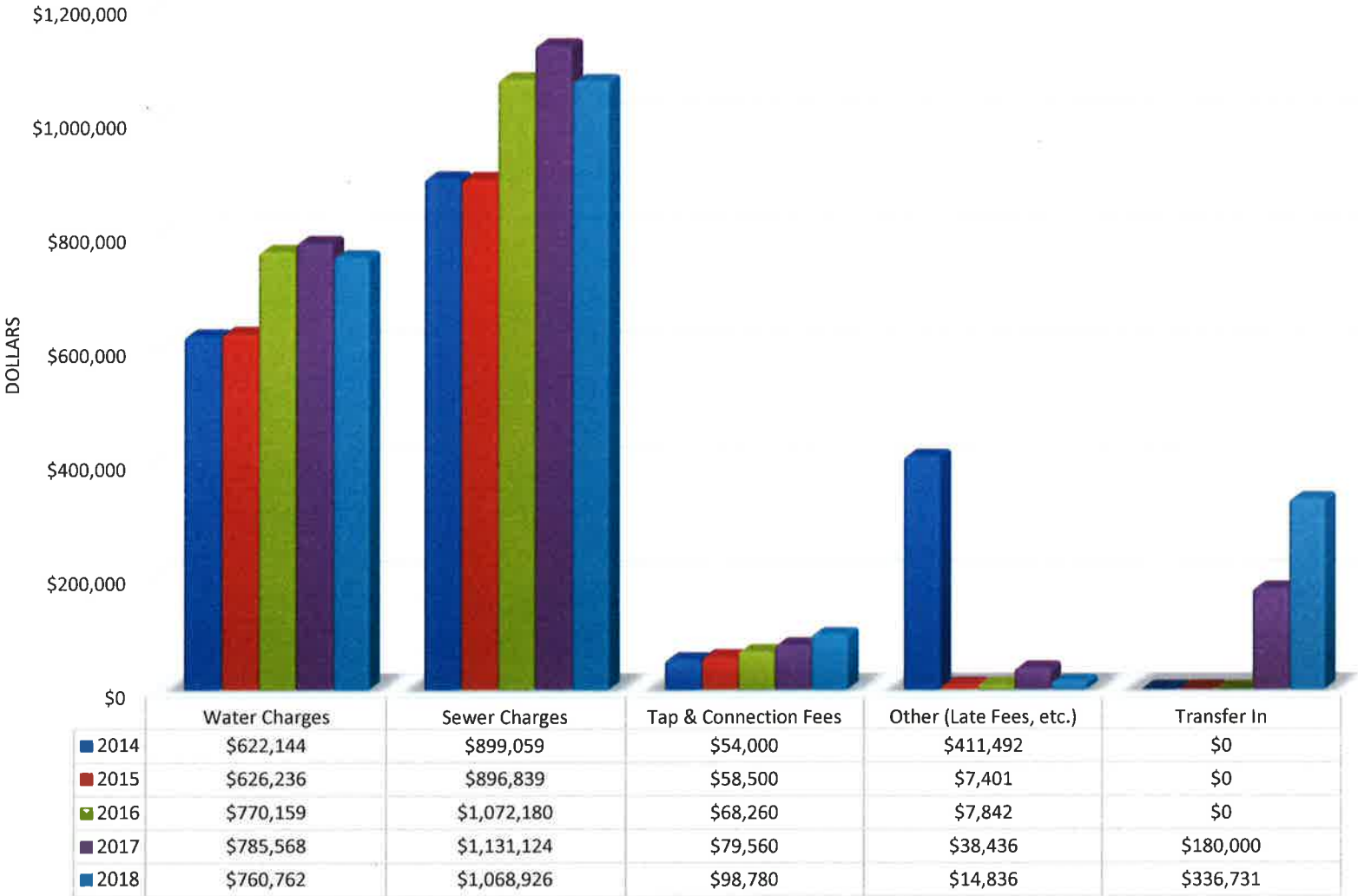
**WATER & SEWER FUND
FY 2019 HIGHLIGHTS
7/1/18 – 12/31/18**

• Budget	\$2,202,085
• Actual Revenue	\$1,235,748
• Revenue % of Budget	56.1%
• Actual Expenses	\$1,158,134
• Expenses % of Budget	52.6%

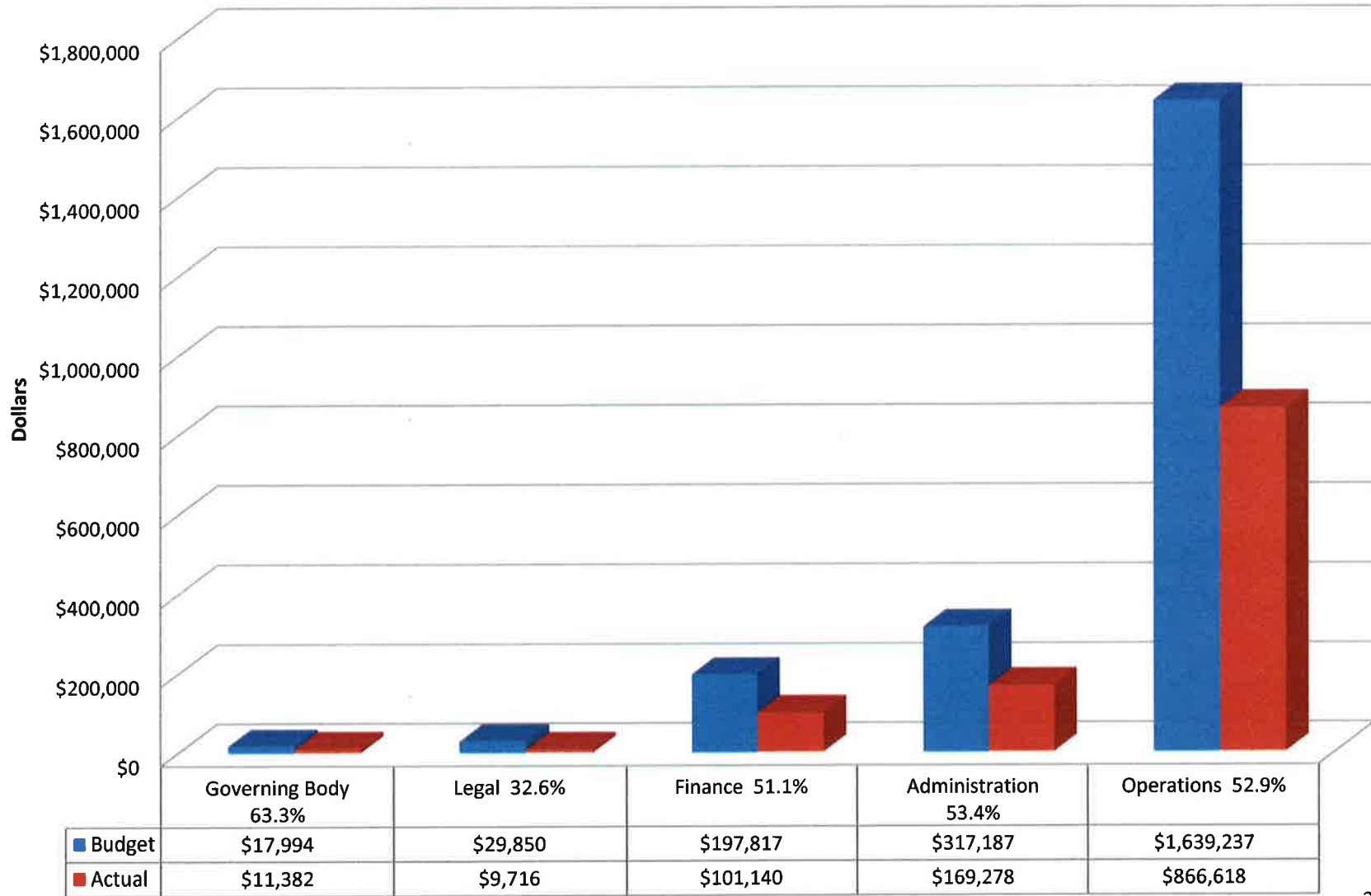
WATER/SEWER FUND REVENUE - BUDGET VS. ACTUAL 7/1/18 - 12/31/18



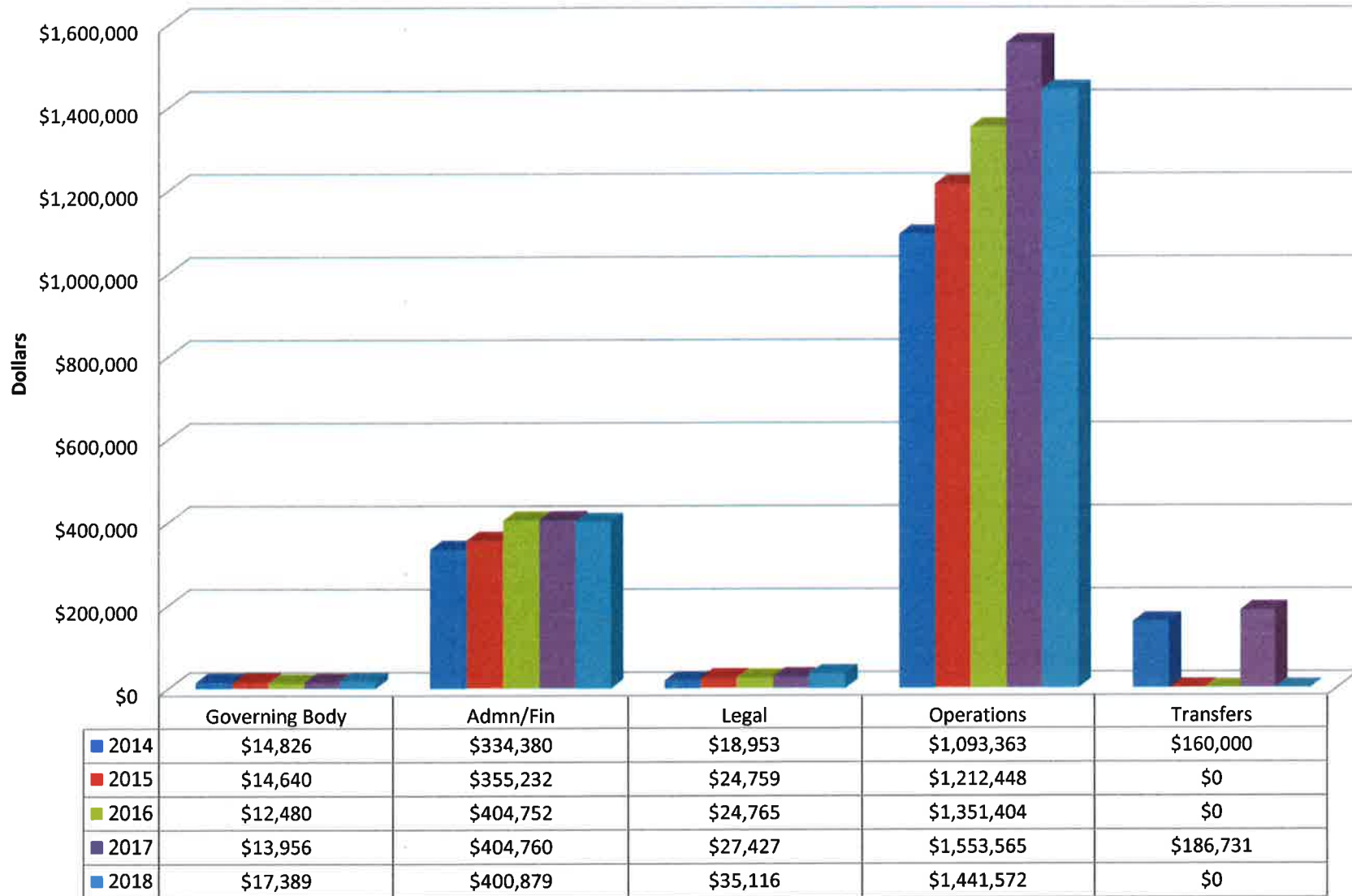
WATER/SEWER FUND REVENUE BY SOURCE FY 2014 - 2018



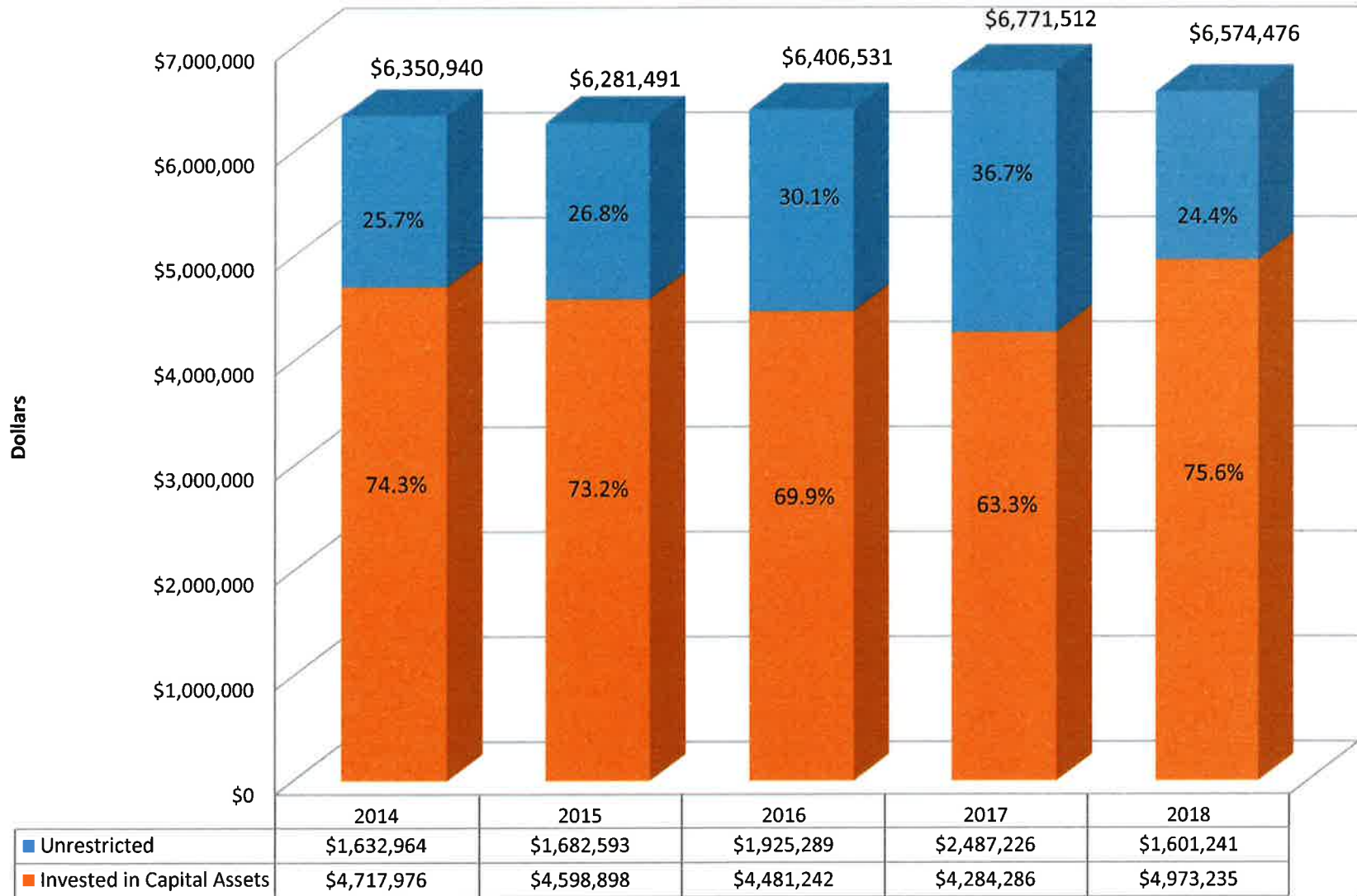
WATER/SEWER FUND EXPENSES - BUDGET VS. ACTUAL 7/1/18 - 12/31/18



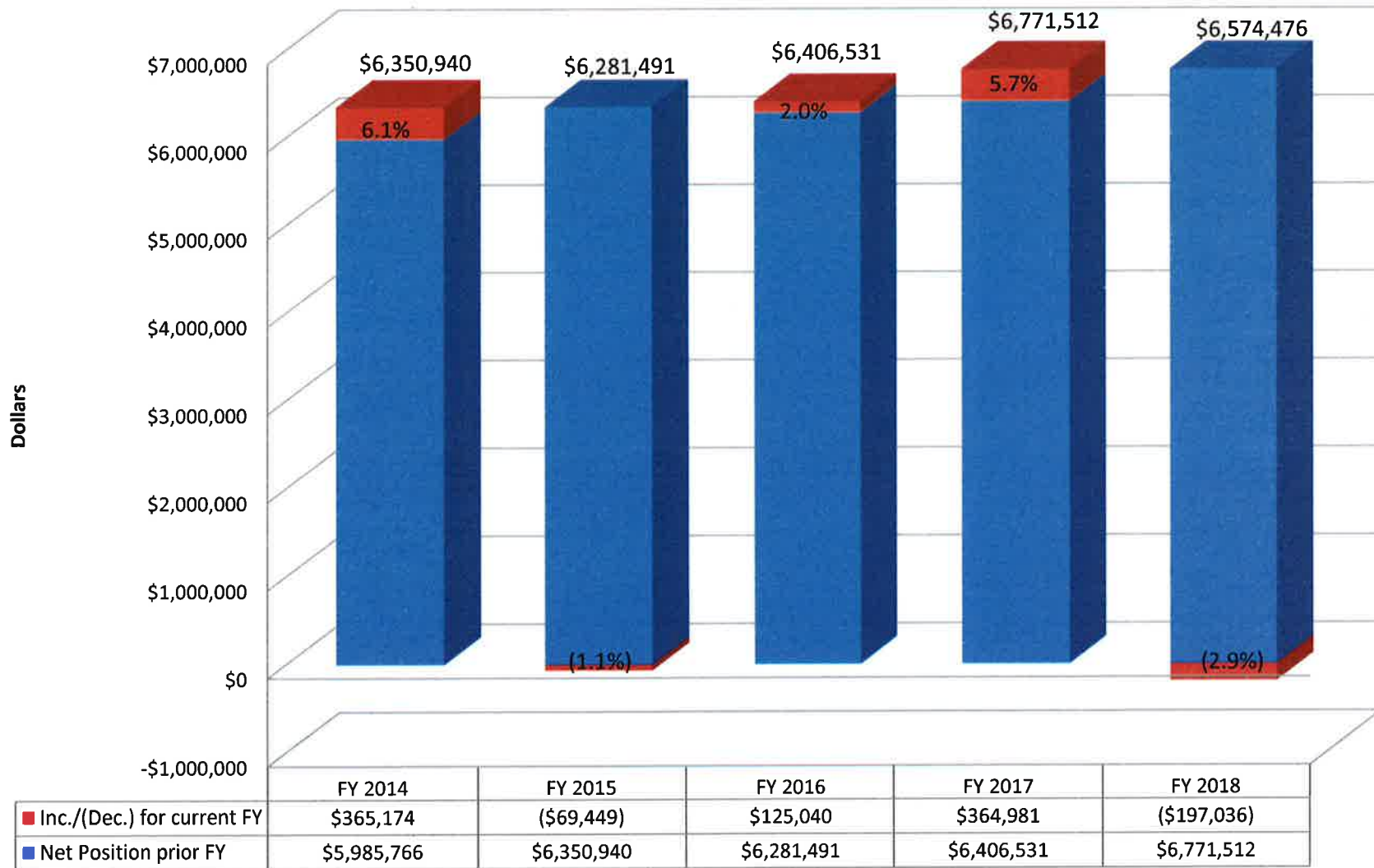
WATER/SEWER FUND EXPENSES BY FUNCTION FY 2014 - 2018



WATER/SEWER FUND NET POSITION FISCAL YEAR 2014 - 2018



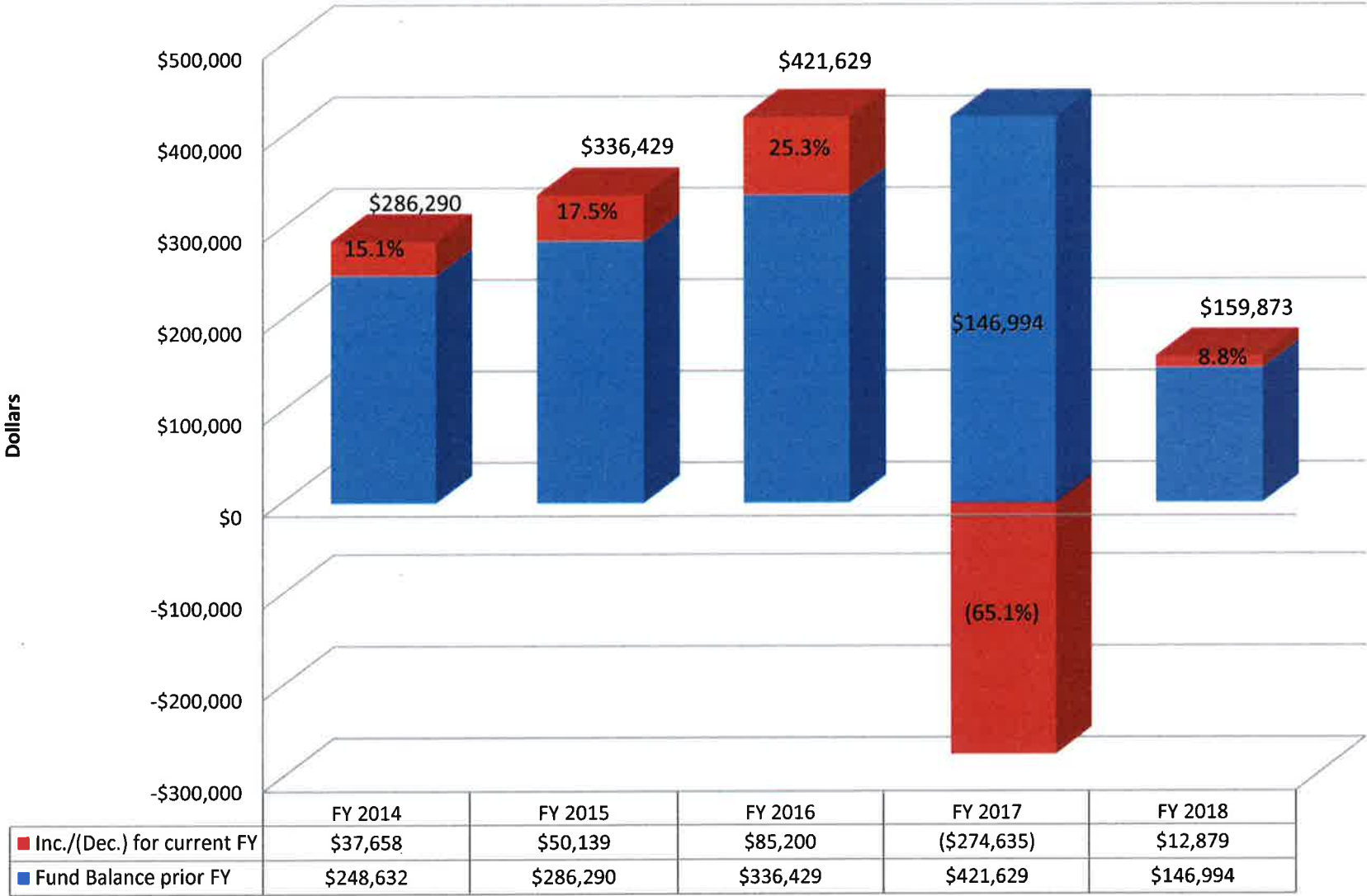
WATER/SEWER FUND CHANGE IN NET POSITION FISCAL YEAR 2014 - 2018



**SEWER EXPANSION RESERVE FUND (SERF)
FY 2019 HIGHLIGHTS
7/1/18 – 12/31/18**

• Budget	\$16,250
• Actual Revenue	\$ 7,491
• Revenue % of Budget	46.1%
• Actual Expenses	\$ 0
• Expenses % of Budget	0%

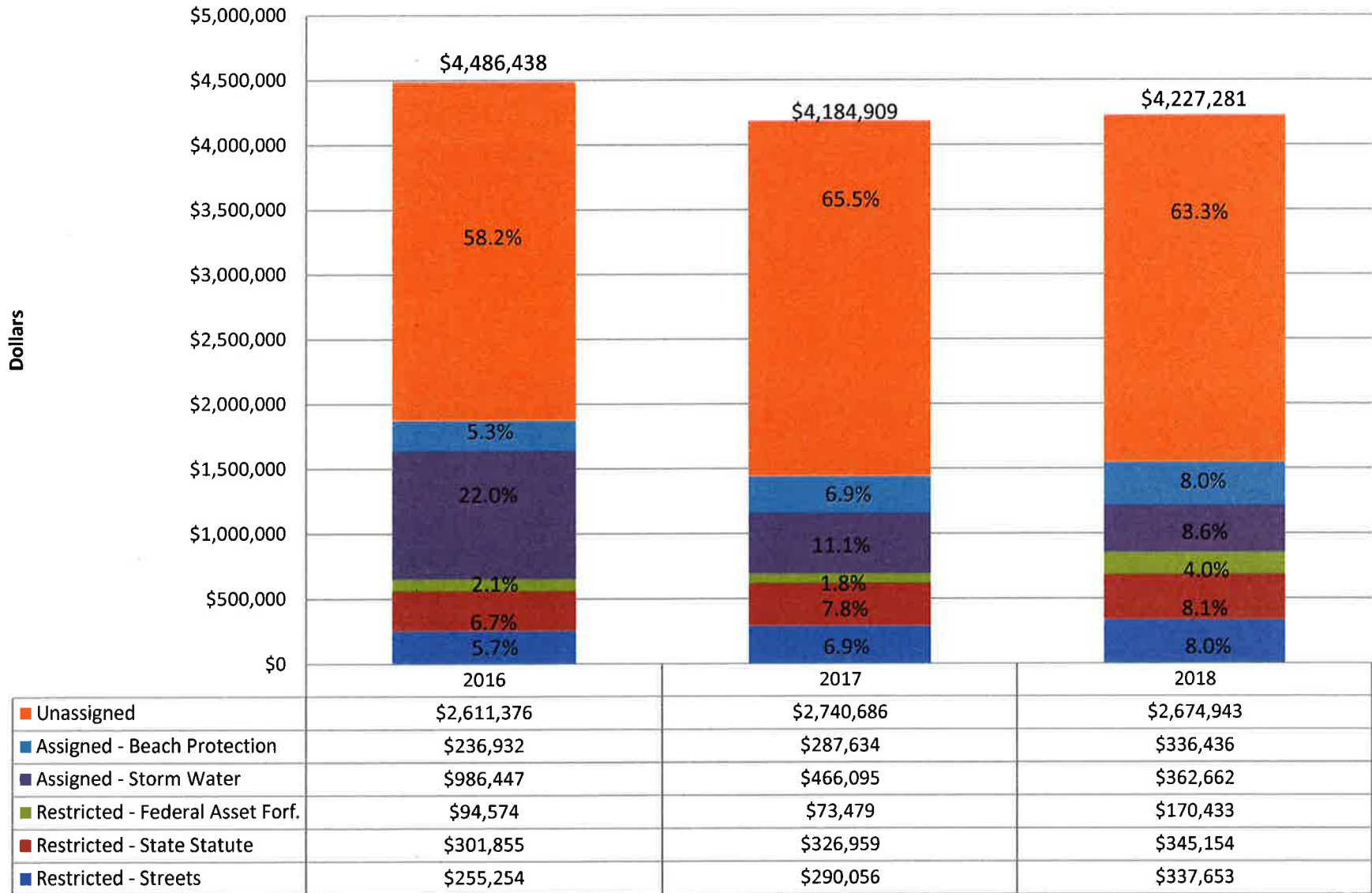
SEWER EXPANSION RESERVE FUND CHANGE IN FUND BALANCE FISCAL YEAR 2014 TO 2018



MINIMUM FUND BALANCE POLICY

Effective January 2012, the Town's fund balance policy is to maintain an unrestricted fund balance in the Governmental Funds (General, Storm Water, Powell, Beach Protection & Federal Asset Forfeiture) of no less than 32% of the total projected expenditures. Unrestricted fund balance is the total of all Committed, Assigned and Unassigned fund balance, as reported in the Annual Financial Report.

**GOVERNMENTAL FUNDS
(General, Powell, Storm Water, Federal Asset Forfeiture & Beach Protection)
FUND BALANCE CLASSIFICATION**

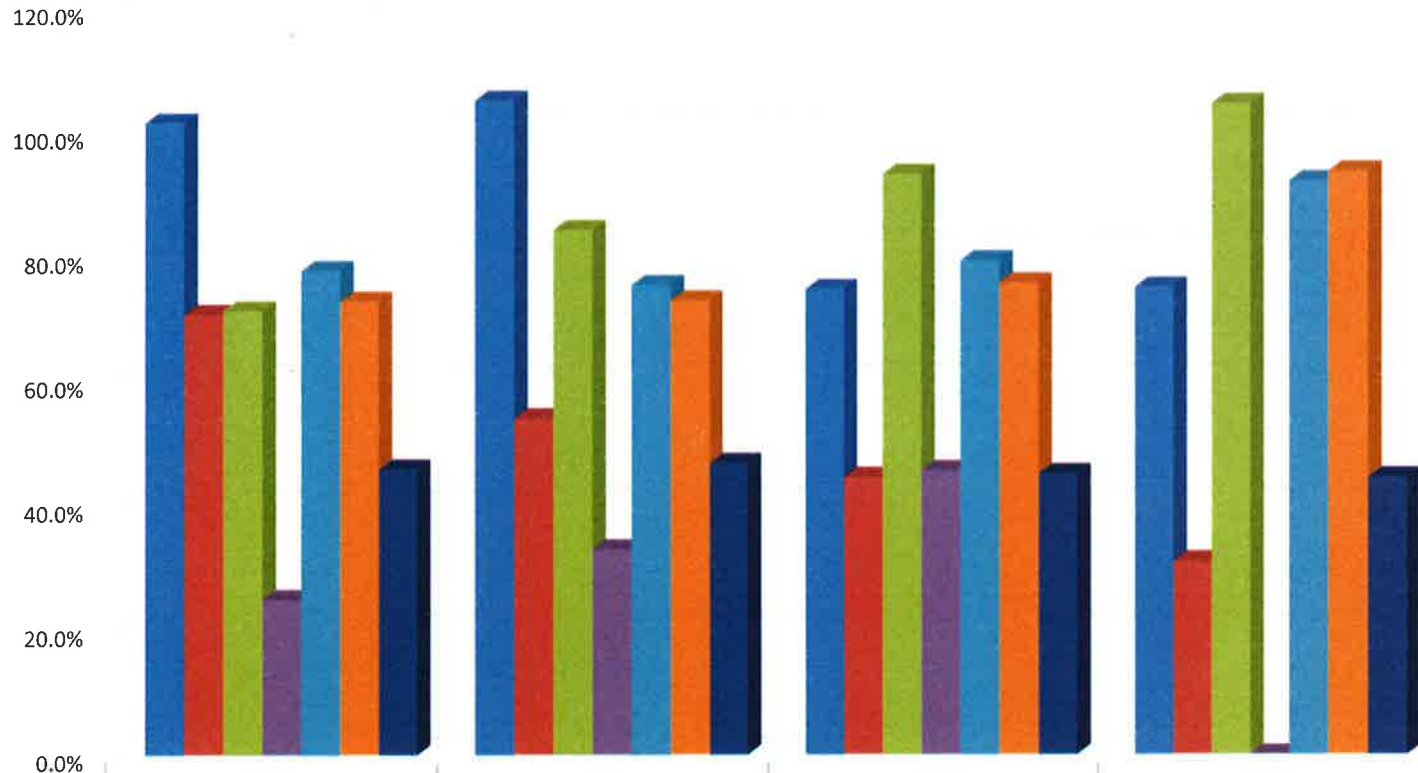


MINIMUM FUND BALANCE POLICY

The Unrestricted fund balance and Unassigned fund balance as a percentage of expenditures as of June 30, 2011 to 2018 were:

YEAR	UNRESTRICTED	UNASSIGNED
2011	31.6%	18.3%
2012	46.8%	29.8%
2013	52.9%	35.7%
2014	60.9%	39.4%
2015	72.1%	48.1%
2016	71.8%	48.9%
2017	64.7%	50.8%
2018	57.4%	45.5%

**GENERAL FUND
COMPARATIVE FUND BALANCE AS A PERCENTAGE OF EXPENDITURES
FY 2015 - 2018**



	2015	2016	2017	2018
■ Kure Beach (2,224)	101.7%	105.3%	74.9%	75.2%
■ Carolina Beach (6,068)	70.9%	54.2%	44.7%	31.2%
■ Wrightsville Beach (2,503)	71.5%	84.5%	93.4%	104.7%
■ Surf City (2,137)	25.2%	33.2%	45.8%	0.0%
■ Population 1,000 - 2,499	78.0%	75.6%	79.5%	92.3%
■ Population 2,500 - 9,999	73.0%	73.1%	75.9%	93.8%
■ Statewide	46.1%	47.0%	45.3%	44.7%

LOOKING FORWARD



**GENERAL FUND
5 YEAR CAPITAL PLAN
FY 2020 TO 2024**

DEPARTMENT	DESCRIPTION	AMENDED BUDGET	PROJECTED					
		FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	
Public Works	Street Sweeper - Total cost of \$160,000 (50% to the General Fund & 50% to the Storm Water Fund)	\$80,000						
Public Works	Dump Truck (used)	\$80,000						
Public Works	Gator		\$15,000					\$15,000
Public Works	Street Paving (a)	\$175,000		\$90,000		\$150,000		
Public Works	Garbage Truck				\$200,000			
Public Works	Service Truck							\$40,000
Police Dept.	Police Vehicles	\$35,000	\$35,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Police Dept.	ATV				\$6,000			
Finance	New Financial Software - Total cost of \$100,000 (50% to the General Fund & 50% to the Water/Sewer Fund)			\$50,000				
Fire Dept.	Service Truck			\$100,000				
Fire Dept.	Fire Vehicle/Squad Truck (Medical Unit)				\$30,000			
Fire Dept.	Fire Engine							\$600,000
Various	New Fire Station & Town Hall Expansion (b)	\$5,330,959						
Committees	E & I Avenue Beach Access Parking Lot Paving	\$92,450						
	TOTAL	\$5,793,409	\$50,000	\$310,000	\$306,000	\$220,000	\$725,000	

(a) - Funding for the street paving projects will be from the Powell Bill Fund.

(b) - A separate capital project fund has been setup for the new Fire Station and Town Hall expansion project.

**WATER/SEWER FUND
5 YEAR CAPITAL PLAN
FY 2020 TO 2024**

DEPARTMENT	DESCRIPTION	FINAL BUDGET	PROJECTED					
		FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	
Public Works	(2) 55kw Mobile Generators	\$60,000						
Public Works	Sewer & Manhole Rehab.	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Public Works	Service Truck	\$40,000		\$40,000				
Public Works	Ocean Dunes Lift Station Generator		\$40,000					
Public Works	Telemetry System		\$40,000					
Public Works	Village Lift Station Generator				\$50,000			
Public Works	Lift Station Upgrades/Rehab.				\$30,000	\$30,000		
Public Works	New Water Meters, Including Hardware & Software (a)		\$1,200,000					
Public Works	Sewer/Storm Water Vac Machine - Total cost of \$400,000 (50% to the Water/Sewer Fund & 50% to the Storm Water Fund)			\$200,000				
Public Works	Gator			\$15,000	\$15,000			
Public Works	Miscellaneous Water & Sewer Projects	\$38,300						
Finance	New Financial Software - Total cost of \$100,000 (50% to the General Fund & 50% to the Water/Sewer Fund)			\$50,000				
	TOTAL	\$238,300	\$1,330,000	\$355,000	\$145,000	\$80,000	\$50,000	

(a) - A separate capital project fund will be setup for the water meter replacement project.

**STORM WATER FUND
5 YEAR CAPITAL PLAN
FY 2020 TO 2024**

DEPARTMENT	DESCRIPTION	FINAL BUDGET	PROJECTED					
		FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	
Public Works	Street Sweeper - Total cost of \$160,000 (50% to the General Fund & 50% to the Storm Water Fund)	\$80,000						
Public Works	Miscellaneous Storm Water Projects	\$15,940						
Public Works	Sewer/Storm Water Vac Machine - Total cost of \$400,000 (50% to the Water/Sewer Fund & 50% to the Storm Water Fund)			\$200,000				
Public Works	Bobcat Skid Steer				\$40,000			
	TOTAL	\$95,940	\$0	\$200,000	\$40,000	\$0	\$0	\$0

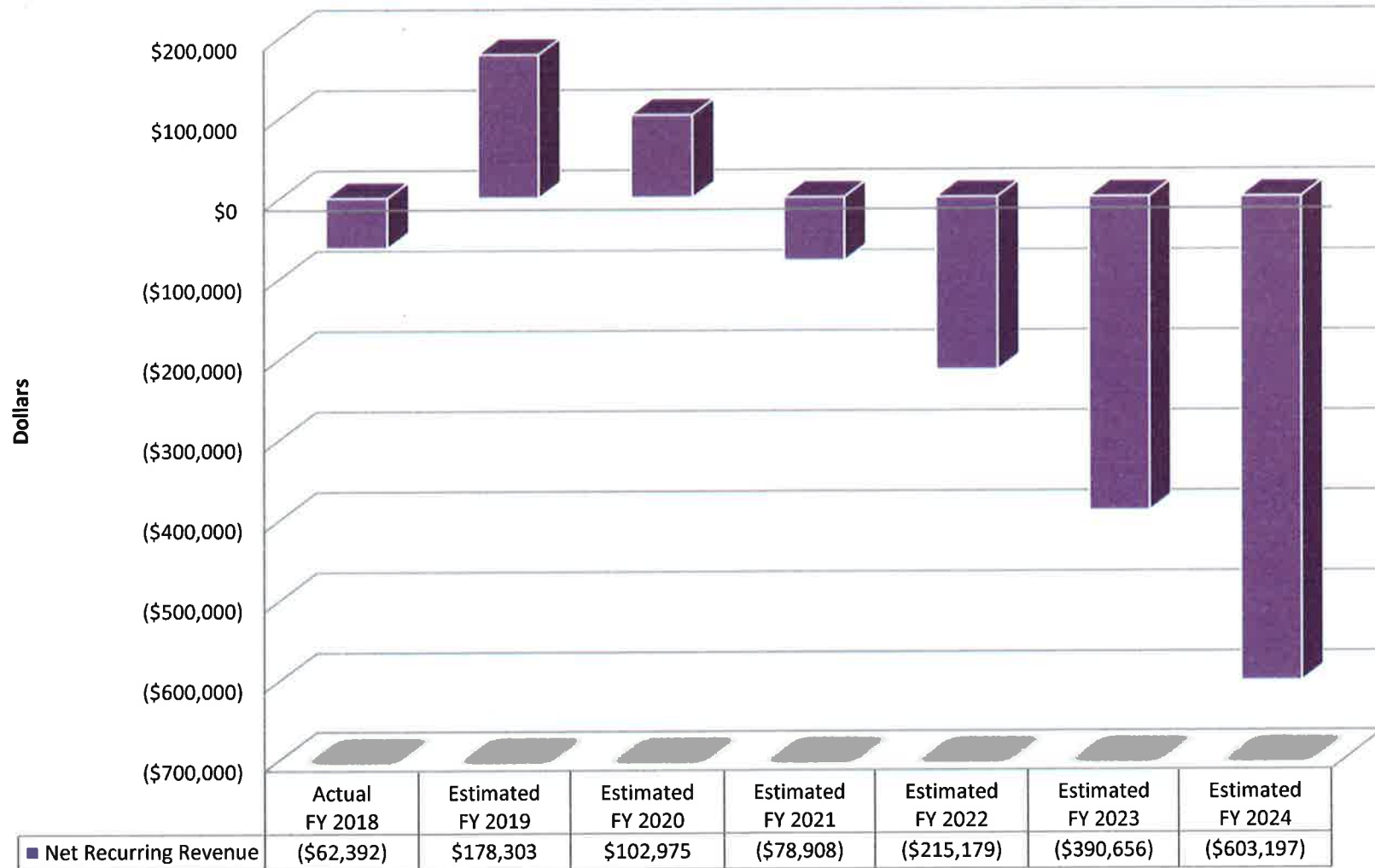
**GENERAL FUND
PROJECTED REVENUE VS. EXPENSES
ASSUMING NO TAX INCREASES
FY 2019 TO 2024**

	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024
Recurring Revenue	\$4,630,971	\$5,171,281	\$5,222,994	\$5,275,223	\$5,327,976	\$5,381,255	\$5,435,068
Recurring Operating Expenses	\$3,735,891	\$4,128,896	\$4,376,995	\$4,607,495	\$4,837,870	\$5,079,763	\$5,333,752
Debt Service	\$564,527	\$708,050	\$716,373	\$686,636	\$690,285	\$682,148	\$689,513
Capital Outlay Not Financed	\$91,341	\$51,500	\$15,000	\$60,000	\$15,000	\$10,000	\$15,000
Relocation Expenses	\$174,195	\$88,000	\$0	\$0	\$0	\$0	\$0
Transfers to Other Funds	\$127,409	\$9,807	\$0	\$0	\$0	\$0	\$0
Estimated Increase in Electricity & Other Costs for New Facilities	\$0	\$6,725	\$11,650	\$0	\$0	\$0	\$0
Net Recurring Revenue	(\$62,392)	\$178,303	\$102,975	(\$78,908)	(\$215,179)	(\$390,656)	(\$603,197)

ASSUMPTIONS:

- (1) - Revenue increases at 1% annually after FY 19 adjustments for increases to tax rate (\$397,000) & garbage/recycle fees (\$97,000).
- (2) - Operating expenses increase at 5% per year after adjustments for new positions & new operating costs in FY 19.
- (3) - No increase in property tax rate or service fees after adjustments for FY 19 increases.
- (4) - No additions to headcount after 2 positions added in FY 19 (Administration and Parks & Recreation).
- (5) - Does not include a transfer to the Beach Protection Fund or Contingency after FY 19.
- (6) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (7) - Capital Outlay not financed based on history and the 5 Year Capital Plan.

**GENERAL FUND
PROJECTED NET RECURRING REVENUE
ASSUMING NO TAX INCREASES
FY 2019 TO 2024**



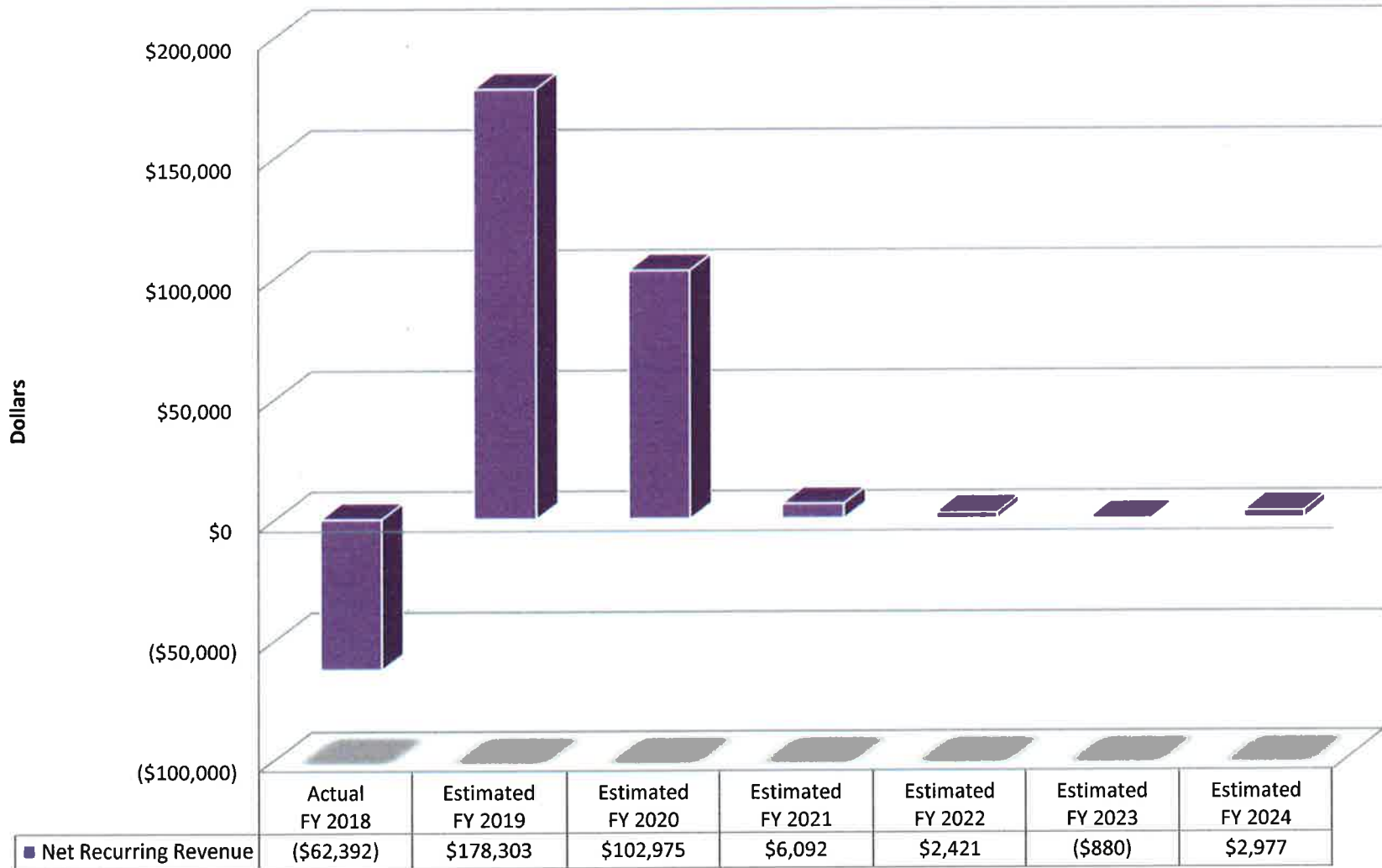
**GENERAL FUND
PROJECTED REVENUE VS. EXPENSES
INCLUDING POTENTIAL TAX INCREASES
FY 2019 TO 2024**

	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024
Recurring Revenue	\$4,630,971	\$5,171,281	\$5,222,994	\$5,360,223	\$5,545,576	\$5,771,031	\$6,041,242
Recurring Operating Expenses	\$3,735,891	\$4,128,896	\$4,376,995	\$4,607,495	\$4,837,870	\$5,079,763	\$5,333,752
Debt Service	\$564,527	\$708,050	\$716,373	\$686,636	\$690,285	\$682,148	\$689,513
Capital Outlay Not Financed	\$91,341	\$51,500	\$15,000	\$60,000	\$15,000	\$10,000	\$15,000
Relocation Expenses	\$174,195	\$88,000	\$0	\$0	\$0	\$0	\$0
Transfers to Other Funds	\$127,409	\$9,807	\$0	\$0	\$0	\$0	\$0
Estimated Increase in Electricity & Other Costs for New Facilities	\$0	\$6,725	\$11,650	\$0	\$0	\$0	\$0
Net Recurring Revenue	(\$62,392)	\$178,303	\$102,975	\$6,092	\$2,421	(\$880)	\$2,977

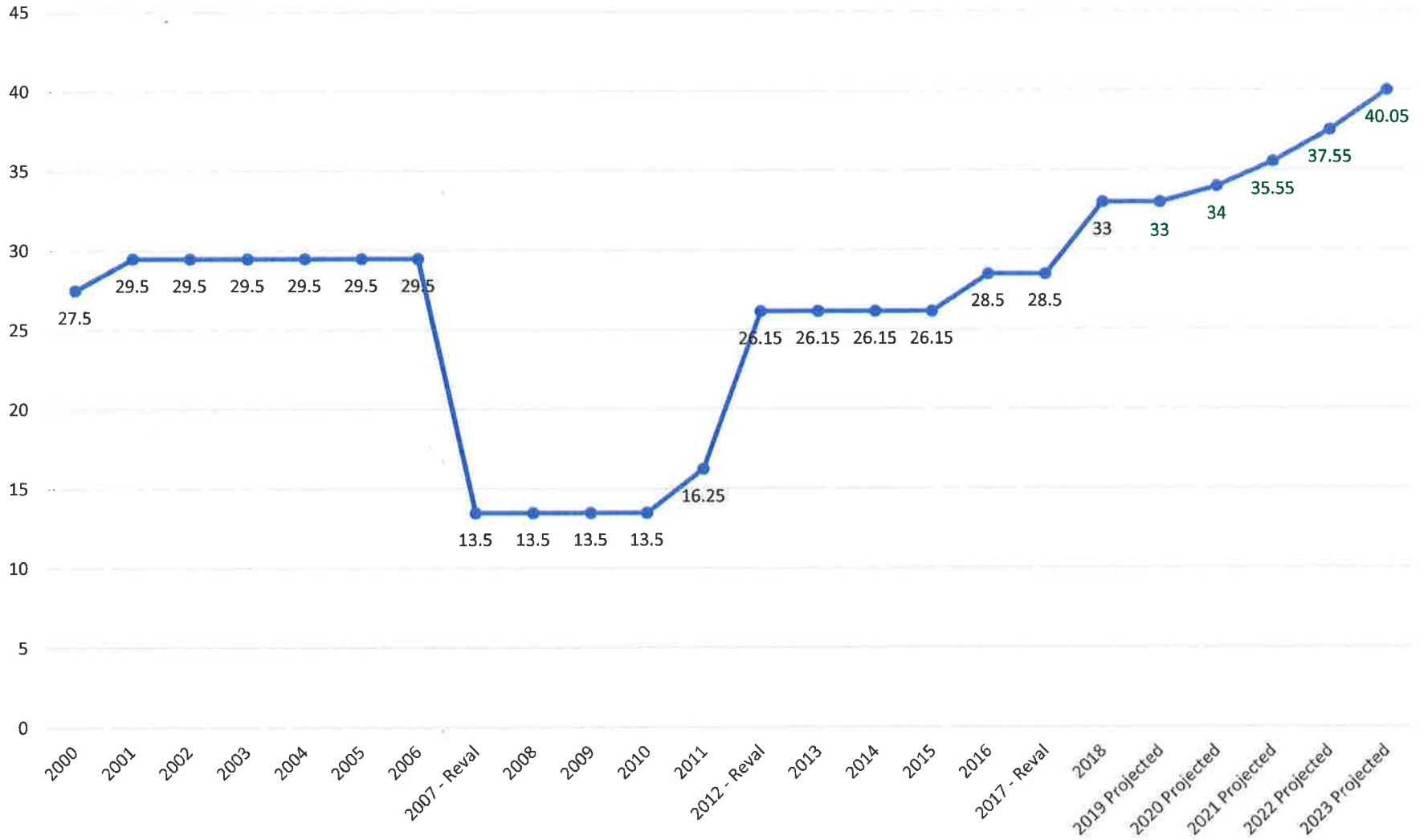
ASSUMPTIONS:

- (1) - Revenue increases at 1% per year
- (2) - Operating expenses increase at 5% per year
- (3) - Increase in property tax rate as follows:
 - FY 2019 - 4.5 cents (15.8%) - new rate = 33 cents - estimated additional revenue of \$397,000
 - FY 2021 - 1 cent (3.0%) - new rate = 34 cents - estimated additional revenue of \$85,000
 - FY 2022 - 1.55 cents (4.6%) - new rate = 35.55 cents - estimated additional revenue of \$131,750
 - FY 2023 - 2 cents (5.6%) - new rate = 37.55 cents - estimated additional revenue of \$170,000
 - FY 2024 - 2.5 cents (6.7%) - new rate = 40.05 cents - estimated additional revenue of \$212,500
- (4) - No additions to headcount after 2 positions added in FY 2019 (Administration and Parks & Recreation)
- (5) - Does not include a transfer to the Beach Protection Fund or Contingency after FY 19
- (6) - Debt service expense based on current debt and projections from the 5 Year Capital Plan
- (7) - Capital Outlay not financed based on history and the 5 Year Capital Plan

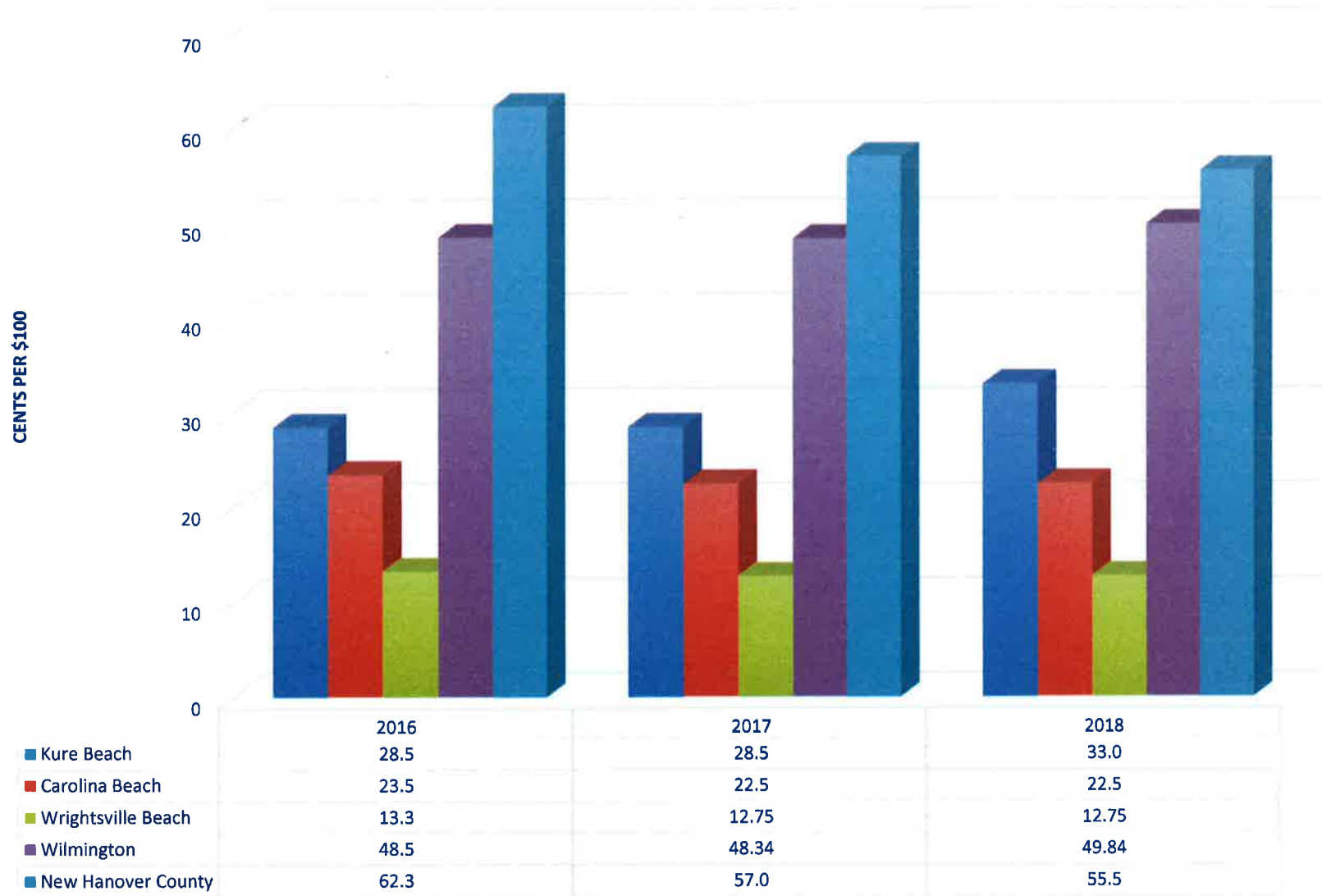
**GENERAL FUND
PROJECTED NET RECURRING REVENUE
INCLUDING POTENTIAL TAX INCREASES
FY 2019 TO 2024**



KURE BEACH
TAX RATE PER \$100 OF VALUE (in Cents)
CALENDAR YEAR: 2000 - 2023



**PROPERTY TAX RATES
PER \$100 OF VALUE (in Cents)
2016 - 2018**



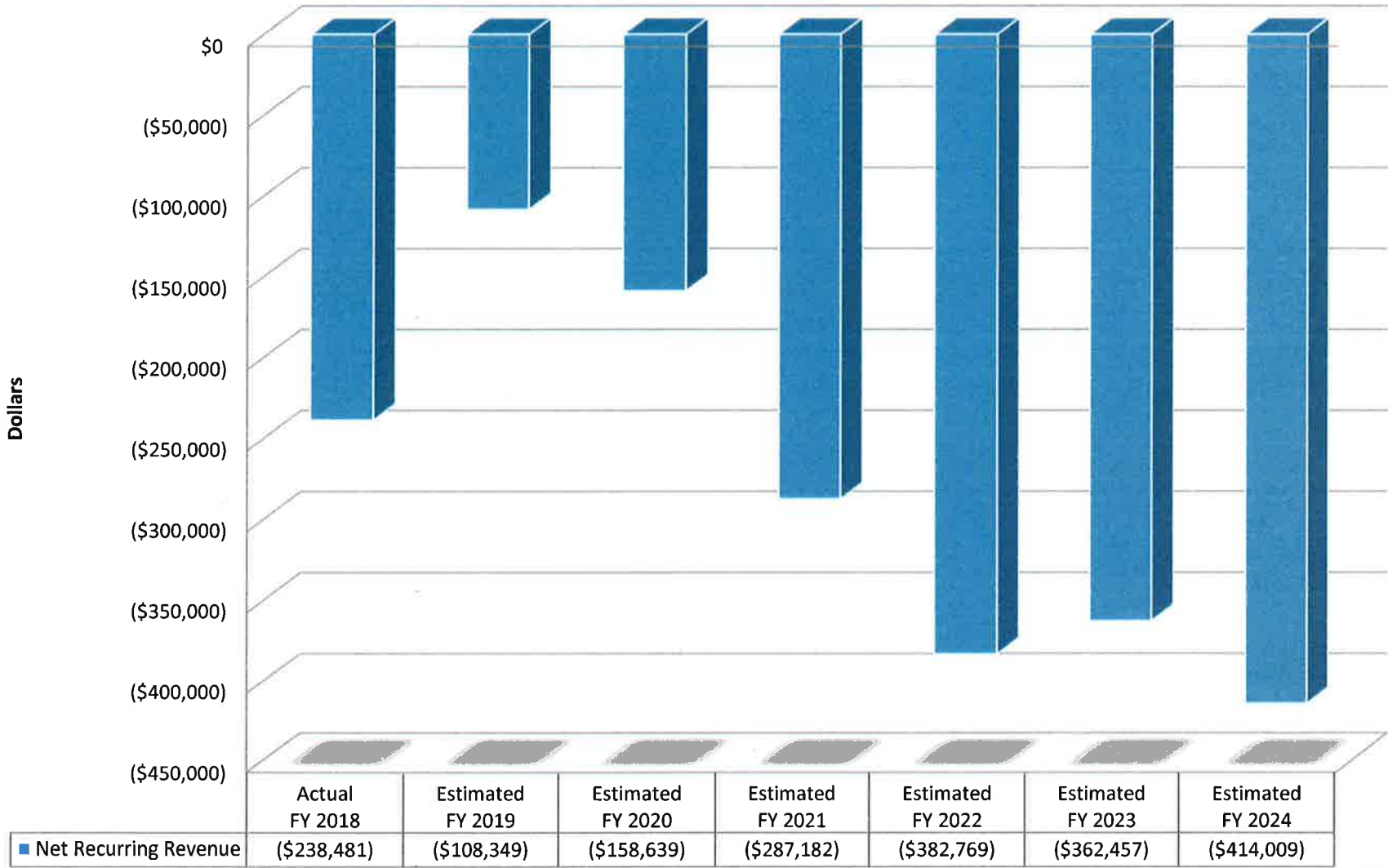
**WATER/SEWER FUND
PROJECTED REVENUE VS. EXPENSES
ASSUMING NO RATE INCREASES
FY 2019 TO 2024**

	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024
Recurring Revenue	\$1,943,304	\$2,103,021	\$2,113,536	\$2,124,103	\$2,134,724	\$2,145,397	\$2,156,124
Recurring Operating Expenses	\$1,602,763	\$1,701,461	\$1,796,919	\$1,888,980	\$1,983,429	\$2,082,601	\$2,186,731
Debt Service	\$223,491	\$258,803	\$408,040	\$407,305	\$434,064	\$345,254	\$333,403
Capital Outlay Not Financed	\$40,080	\$250,000	\$65,000	\$115,000	\$100,000	\$80,000	\$50,000
Estimated Increase in Electricity & Other Costs for New Facility	\$0	\$1,105	\$2,215	\$0	\$0	\$0	\$0
Depreciation Expense	\$204,344	\$0	\$0	\$0	\$0	\$0	\$0
Proportionate Share of Retirement Plan & OPEB Liability	\$111,107	\$0	\$0	\$0	\$0	\$0	\$0
Net Recurring Revenue	(\$238,481)	(\$108,349)	(\$158,639)	(\$287,182)	(\$382,769)	(\$362,457)	(\$414,009)

ASSUMPTIONS:

- (1) - Revenue increases at 0.5% per year after adjustments for FY 19 water/sewer rate increases (\$150,000).
- (2) - Operating expenses increase at 5% per year after adjustments for new Administration position & new operating costs in FY 19.
- (3) - No increase in water and sewer rates and fees after FY 19 increases.
- (4) - No additions to headcount after Administration position added in FY 19.
- (5) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (6) - Capital Outlay not financed based on history and the 5 Year Capital Plan.
- (7) - Estimated expenses do not include annual depreciation expense, proportionate share of retirement plan and OPEB liability.

**WATER/SEWER FUND
PROJECTED NET RECURRING REVENUE
ASSUMING NO RATE INCREASES
FY 2019 TO 2024**



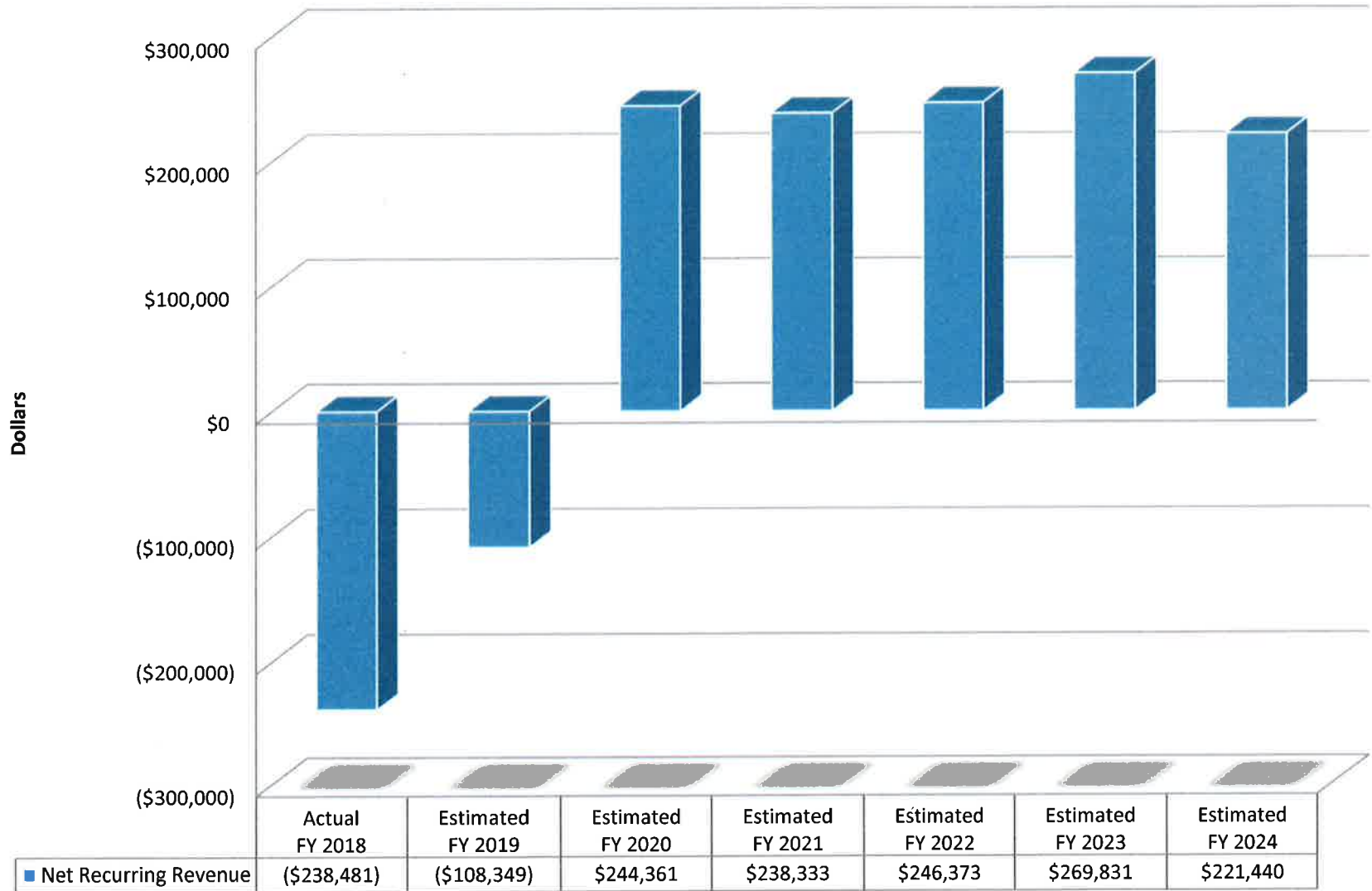
**WATER/SEWER FUND
PROJECTED REVENUE VS. EXPENSES
INCLUDING POTENTIAL RATE INCREASES
FY 2019 TO 2024**

	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024
Recurring Revenue	\$1,943,304	\$2,103,021	\$2,516,536	\$2,649,618	\$2,763,866	\$2,777,686	\$2,791,574
Recurring Operating Expenses	\$1,602,763	\$1,701,461	\$1,796,919	\$1,888,980	\$1,983,429	\$2,082,601	\$2,186,731
Debt Service	\$223,491	\$258,803	\$408,040	\$407,305	\$434,064	\$345,254	\$333,403
Capital Outlay Not Financed	\$40,080	\$250,000	\$65,000	\$115,000	\$100,000	\$80,000	\$50,000
Estimated Increase in Electricity & Other Costs for New Facility	\$0	\$1,105	\$2,215	\$0	\$0	\$0	\$0
Depreciation Expense	\$204,344	\$0	\$0	\$0	\$0	\$0	\$0
Proportionate Share of Retirement Plan & OPEB Liability	\$111,107	\$0	\$0	\$0	\$0	\$0	\$0
Net Recurring Revenue	(\$238,481)	(\$108,349)	\$244,361	\$238,333	\$246,373	\$269,831	\$221,440

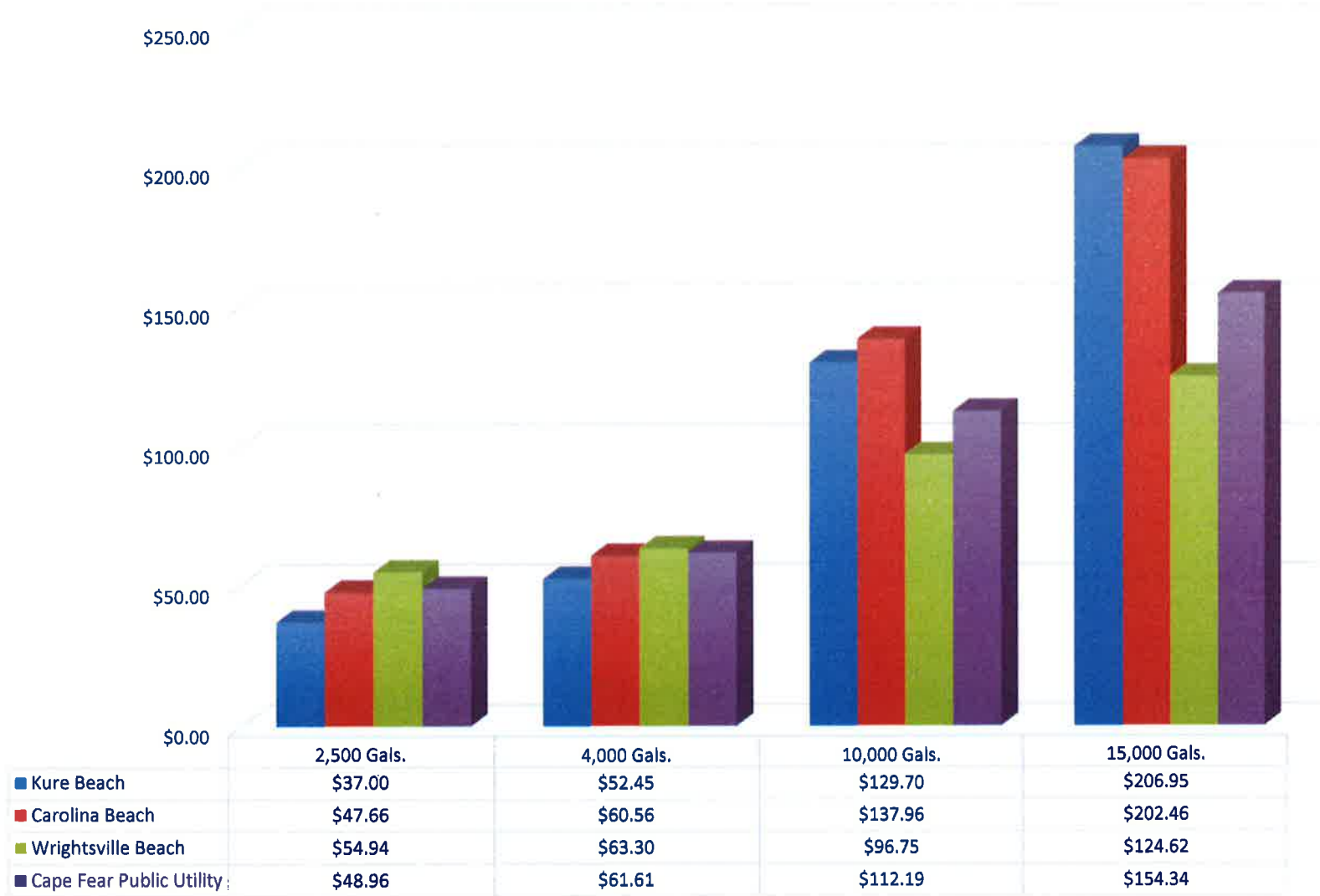
ASSUMPTIONS:

- (1) - Revenue increases at 0.5% per year after adjustments for FY 19 water/sewer rate increases (\$150,000).
- (2) - Operating expenses increase at 5% per year after adjustments for new Administration position & new operating costs in FY 19.
- (3) - **Increase in water and sewer rates as follows:**
 - FY 2020 - 20% rate increase (all accts.) - estimated additional revenue of \$403,000**
 - FY 2021 - 5% rate increase (all accts.) - estimated additional revenue of \$120,500**
 - FY 2022 - 4% rate increase (all accts.) - estimated additional revenue of \$101,000**
- (4) - No additions to headcount after Administration position added in FY 19.
- (5) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (6) - Capital Outlay not financed based on history and the 5 Year Capital Plan.
- (7) - Estimated expenses do not include annual depreciation expense, proportionate share of retirement plan and OPEB liability.

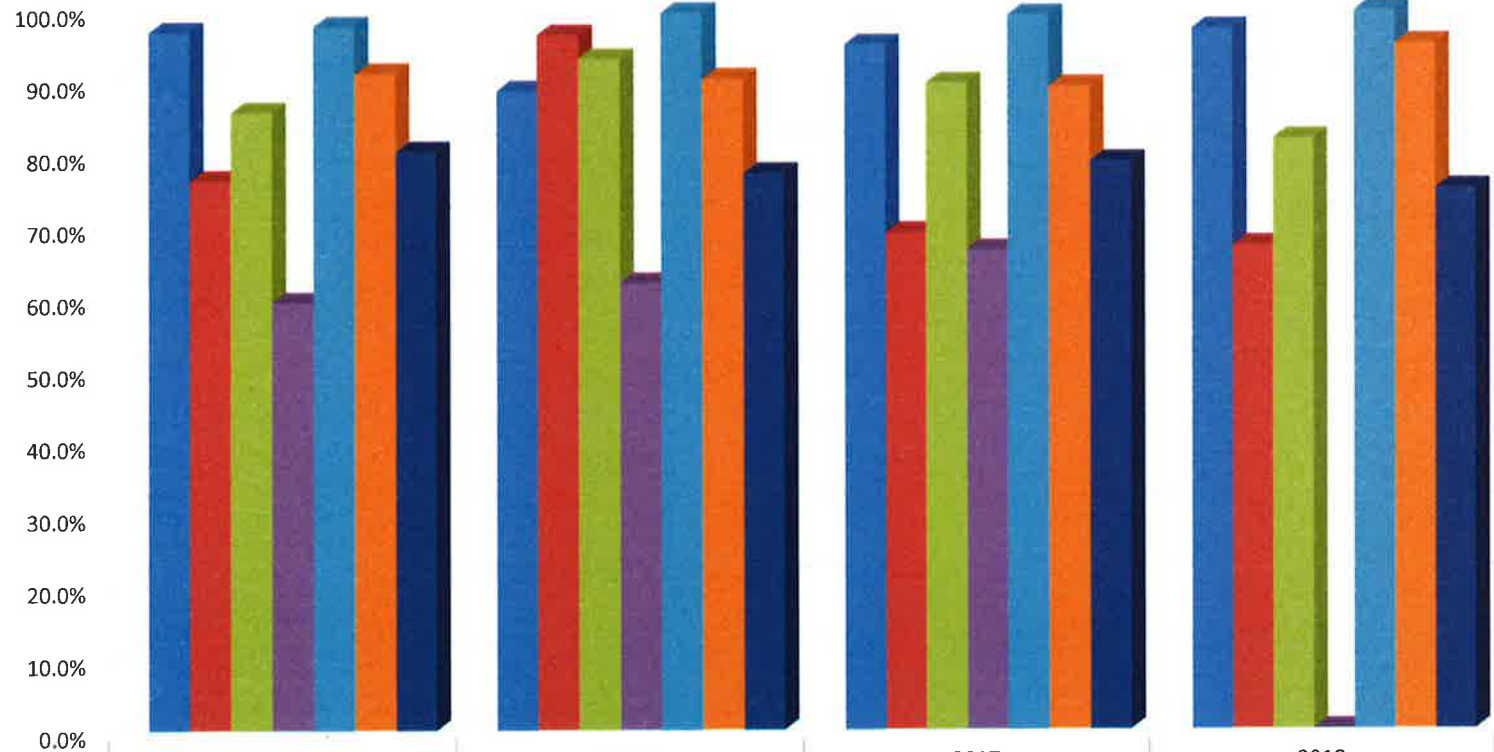
**WATER/SEWER FUND
PROJECTED NET RECURRING REVENUE
INCLUDING POTENTIAL RATE INCREASES
FY 2019 TO 2024**



WATER AND SEWER RATE COMPARISONS AT VARIOUS USAGE LEVELS NEW HANOVER COUNTY



**WATER AND SEWER FUND
COMPARATIVE OPERATING EXPENSES AS A PERCENTAGE
OF TOTAL OPERATING REVENUE
FY 2015 - 2018**



	2015	2016	2017	2018
■ Kure Beach (2,224)	96.8%	88.6%	94.9%	97.1%
■ Carolina Beach (6,068)	76.2%	96.3%	68.8%	67.0%
■ Wrightsville Beach (2,503)	85.7%	93.0%	89.6%	81.8%
■ Surf City (2,137)	59.3%	61.9%	66.4%	0.0%
■ Population 1,000 - 2,499	97.6%	99.4%	99.0%	99.6%
■ Population 2,500 - 9,999	91.0%	90.2%	89.1%	95.0%
■ Statewide	80.2%	77.1%	78.7%	74.9%

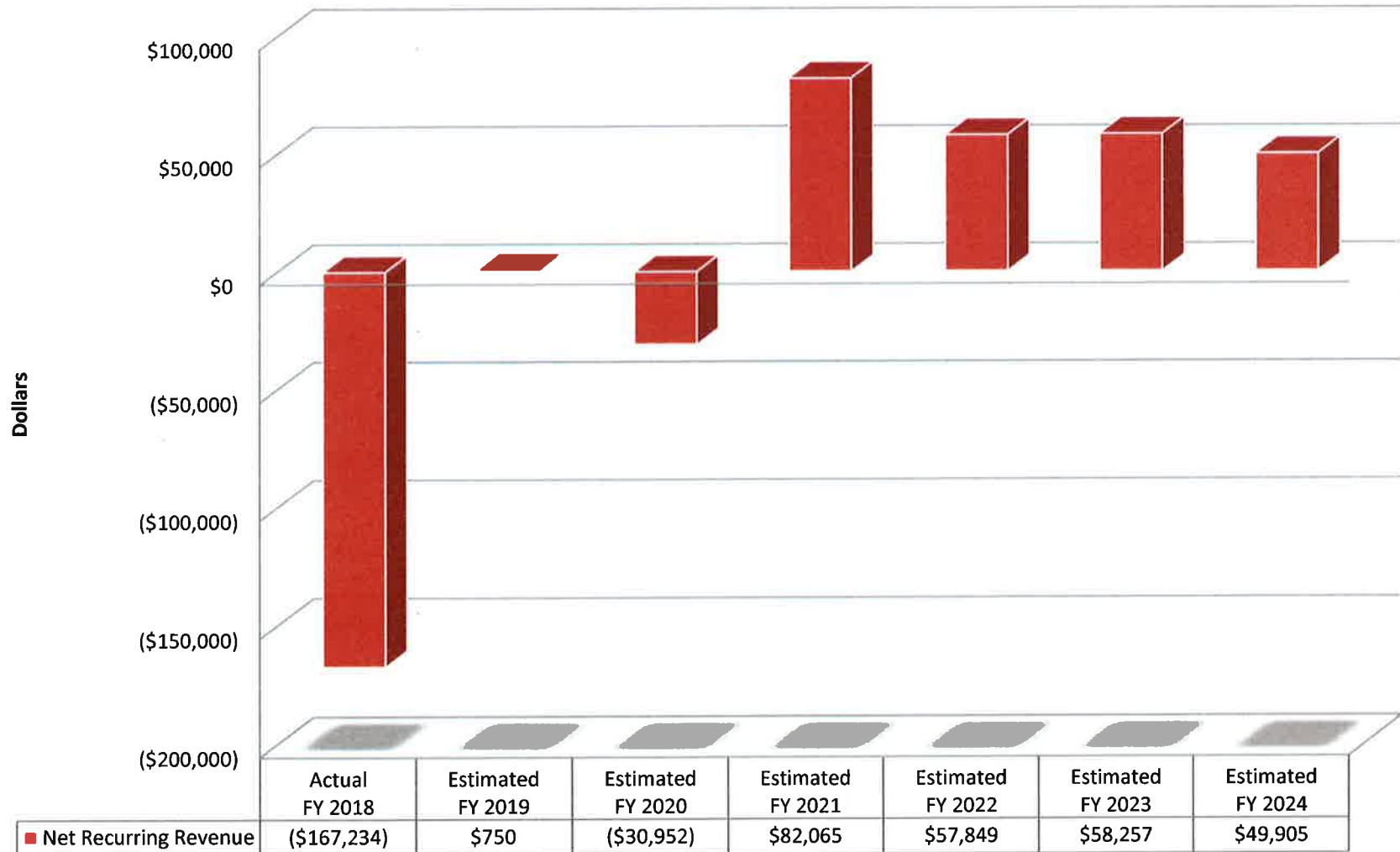
**STORM WATER FUND
PROJECTED REVENUE VS. EXPENSES
ASSUMING NO RATE INCREASES
FY 2019 TO 2024**

	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024
Recurring Revenue	\$300,625	\$301,377	\$302,130	\$302,885	\$303,643	\$304,402	\$305,163
Recurring Operating Expenses	\$142,807	\$149,947	\$157,445	\$165,317	\$173,583	\$182,262	\$191,375
Debt Service	\$99,833	\$108,179	\$125,637	\$45,503	\$62,211	\$53,883	\$53,883
Capital Outlay Not Financed	\$225,219	\$42,500	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Imaging of Storm Water System Problem Areas	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0
Net Recurring Revenue	(\$167,234)	\$750	(\$30,952)	\$82,065	\$57,849	\$58,257	\$49,905

ASSUMPTIONS:

- (1) - Revenue increases at 0.25% per year.
- (2) - Operating expenses increase at 5% per year.
- (3) - No increase in storm water rates and fees.
- (4) - No additions to headcount.
- (5) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (6) - Capital Outlay not financed based on history and the 5 Year Capital Plan.

**STORM WATER FUND
PROJECTED NET RECURRING REVENUE
ASSUMING NO RATE INCREASES
FY 2019 TO 2024**



**STORM WATER FUND
PROJECTED REVENUE VS. EXPENSES
INCLUDING POTENTIAL RATE INCREASE
FY 2019 TO 2024**

	Actual FY 2018	Estimated FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024
Recurring Revenue	\$300,625	\$301,377	\$336,130	\$336,970	\$337,813	\$338,657	\$339,504
Recurring Operating Expenses	\$142,807	\$149,947	\$157,445	\$165,317	\$173,583	\$182,262	\$191,375
Debt Service	\$99,833	\$108,179	\$125,637	\$45,503	\$62,211	\$53,883	\$53,883
Capital Outlay Not Financed	\$225,219	\$42,500	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Imaging of Storm Water System Problem Areas	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0
Net Recurring Revenue	(\$167,234)	\$750	\$3,048	\$116,150	\$92,019	\$92,512	\$84,246

ASSUMPTIONS:

(1) - Revenue increases at 0.25% per year.

(2) - Operating expenses increase at 5% per year.

(3) - Increase in storm water fees as follows:

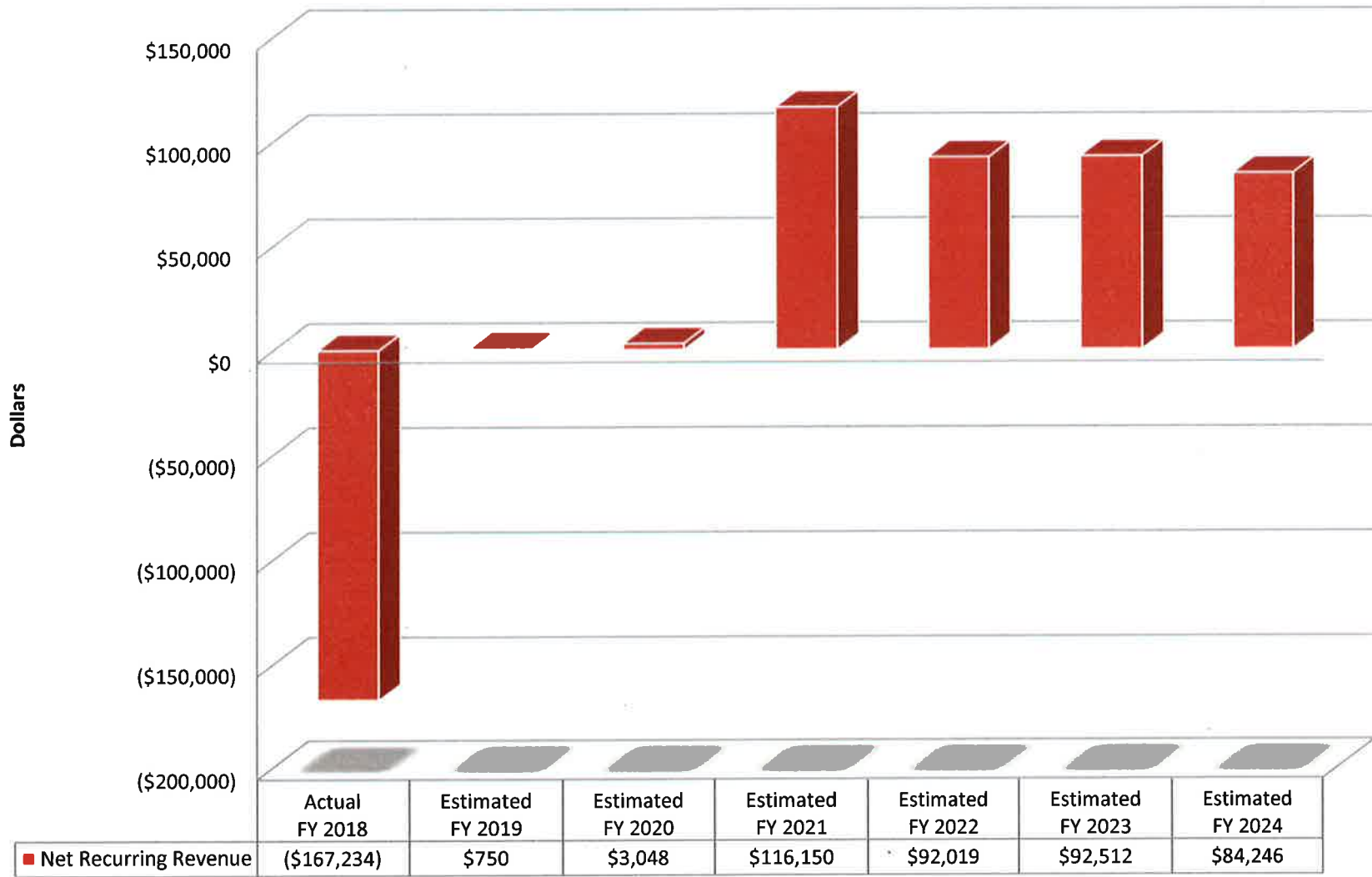
FY 2020 - \$1.29 (14.8%) per month - new fee = \$10.00 - estimated additional revenue of \$34,000

(4) - No additions to headcount.

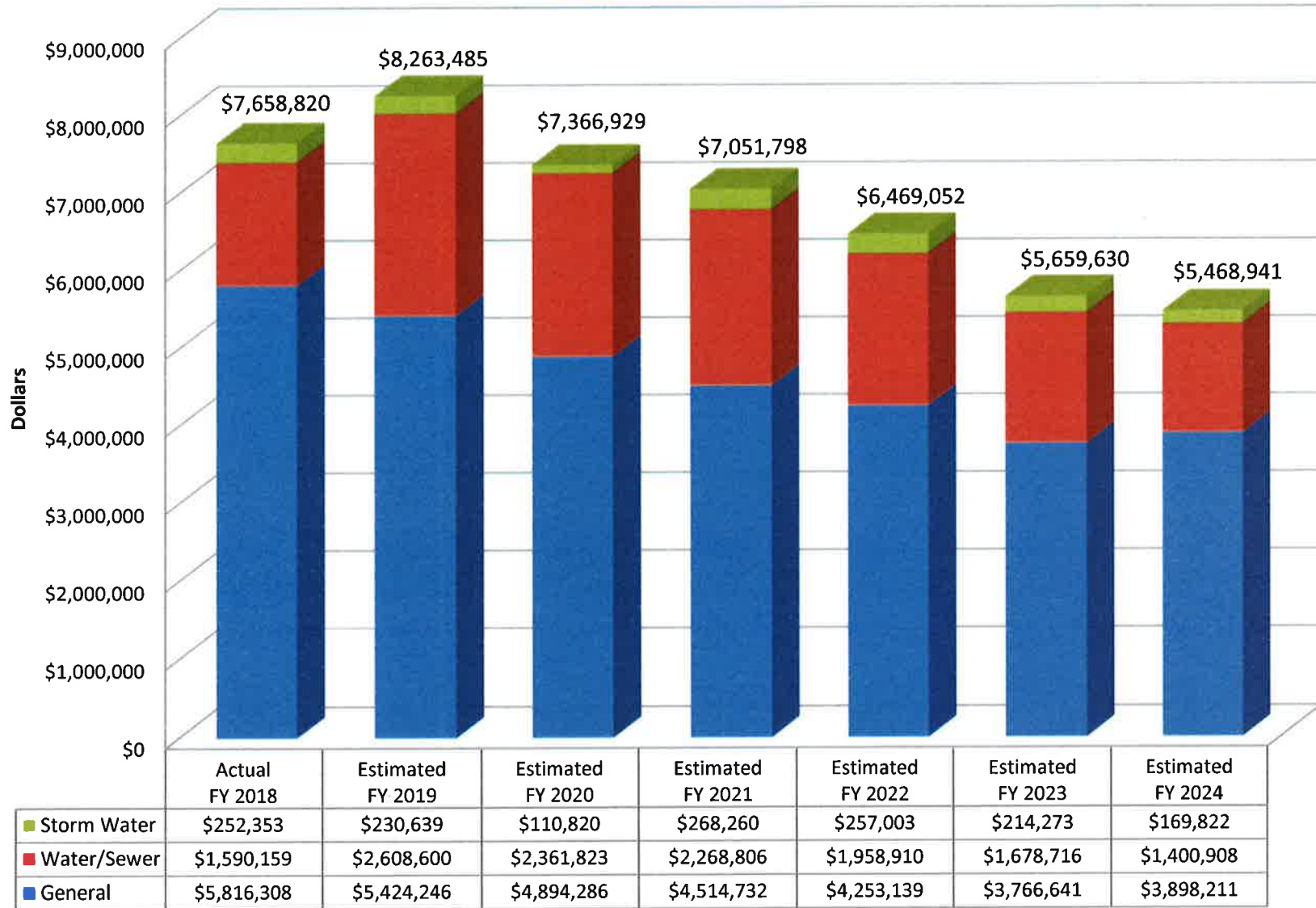
(5) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.

(6) - Capital Outlay not financed based on history and the 5 Year Capital Plan.

**STORM WATER FUND
PROJECTED NET RECURRING REVENUE
INCLUDES POTENTIAL RATE INCREASES
FY 2019 TO 2024**



PROJECTED OUTSTANDING DEBT FY 2018 TO 2024



PROPOSED FY 2019/2020 BUDGET CALENDAR

DATE	DESCRIPTION OF ACTIVITY
Friday Feb. 8, 2019	Outside Agency Funding Request Application made available to outside agencies via Town website
Wednesday Feb. 13, 2019	Provide budget guidance and worksheets to Department Heads and solicit budget requests from Town Committees
Friday Mar. 8, 2019	Deadline for Outside Agency Funding Request Applications (12 PM)
Wednesday Mar. 13, 2019	Departmental budgets and Town Committee requests due to Budget Officer
Friday Mar. 29, 2019	9:00 AM – Budget Workshop – Review initial department budgets, committee requests and funding requests from outside agencies
Friday Apr. 12, 2019	9:00 AM – Budget Workshop – Review draft budget
Monday May 20, 2019	Regular Council meeting – Draft budget and budget message provided to Council and copy of budget filed for public inspection
Monday June 10, 2019	6:30 PM – Public Hearing
Monday June 17, 2019	Adoption of FY 2019/2020 Budget (at regular Council meeting)

TOWN POLICIES RELATING TO PAYMENT OF RETIREE MEDICAL BENEFITS



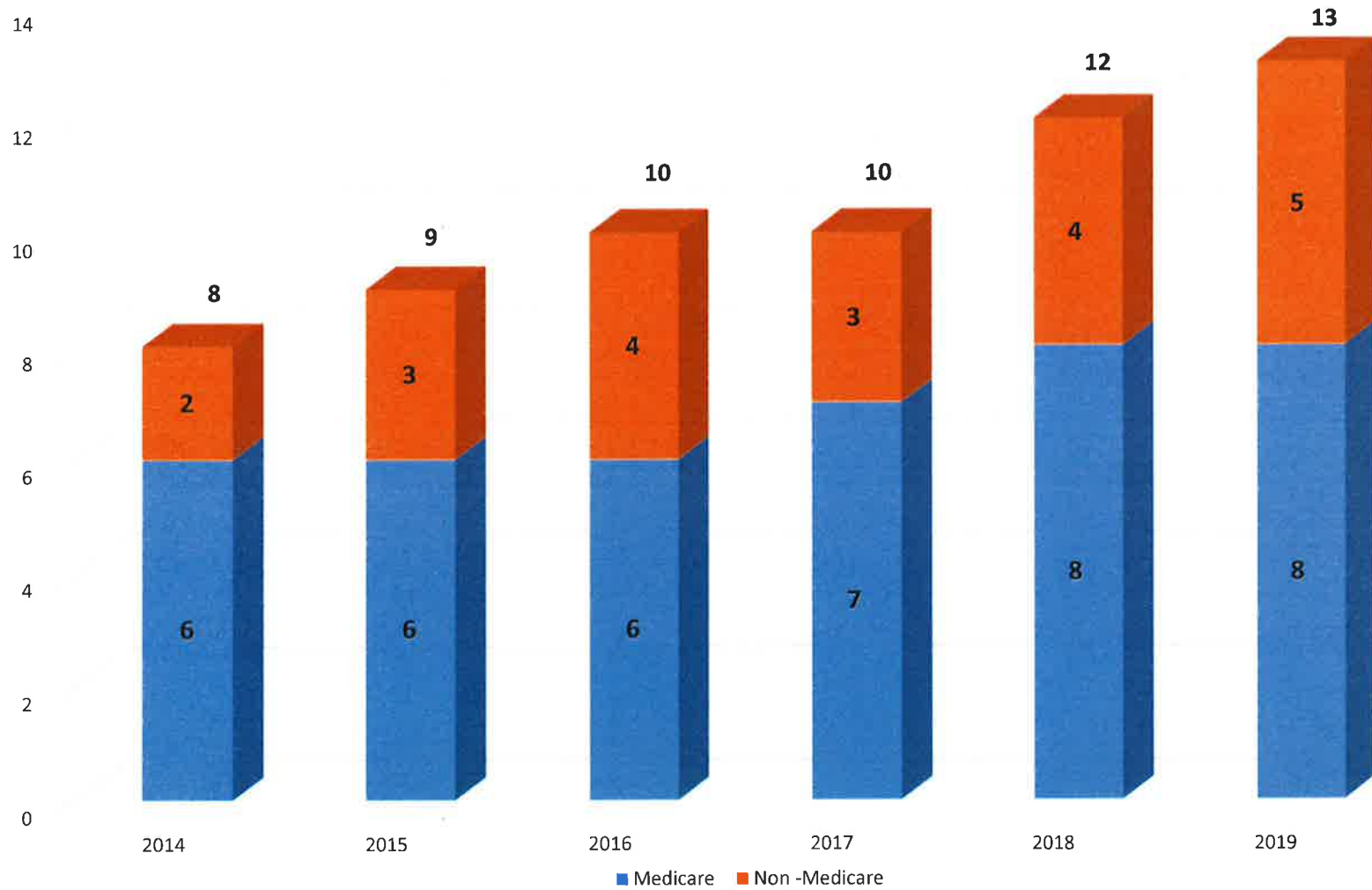
CURRENT KURE BEACH PERSONNEL POLICY RETIREE MEDICAL INSURANCE

The Town will contribute the following towards continued health (medical, vision, dental) insurance coverage on retired employees based on:

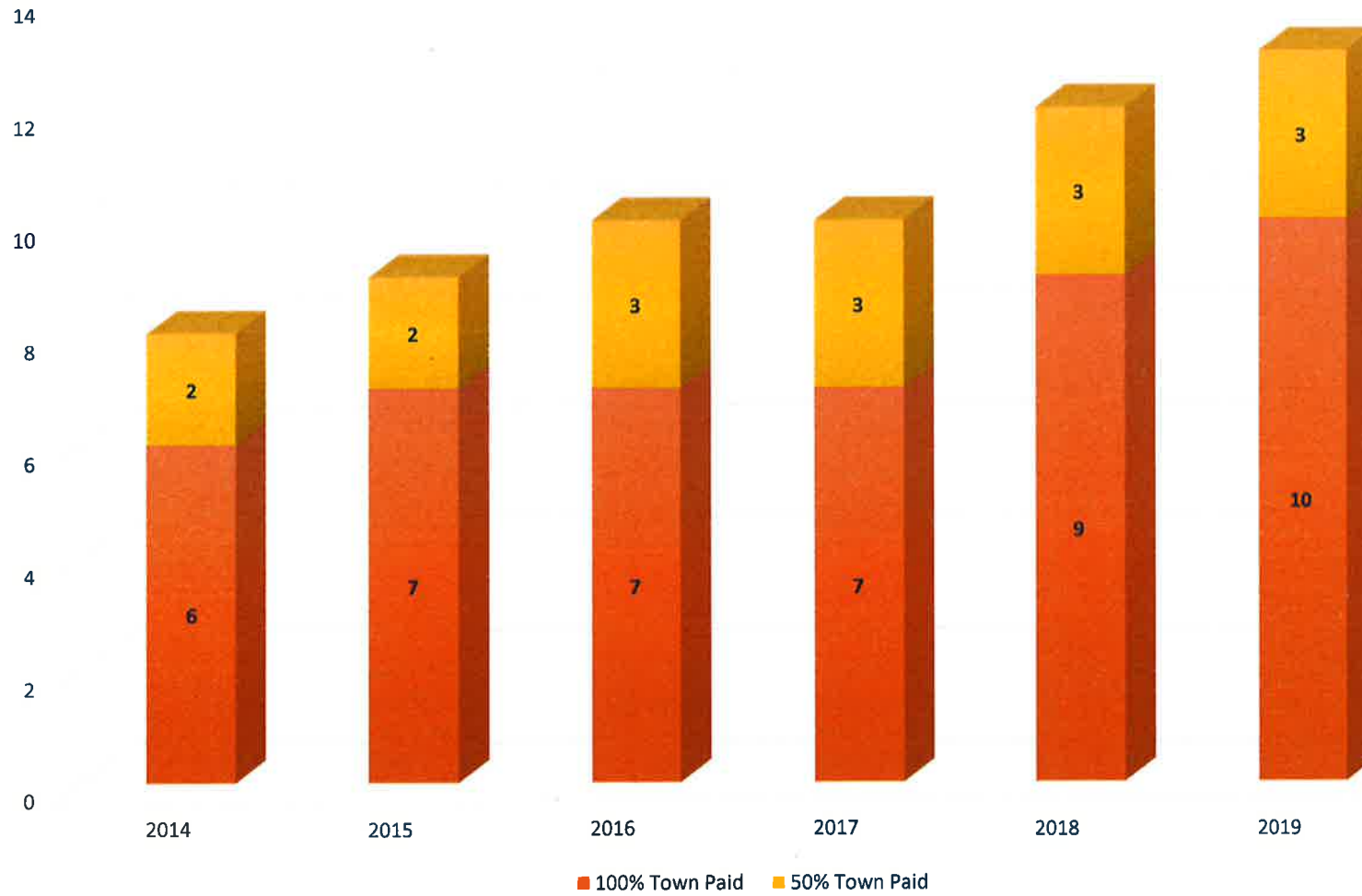
Years of Service	% of Health Benefits Paid
20 or more	100%
15 – 19	50%
5 - 14	0%

The Town will pay 100% of the above referenced benefits, if the insurance vendor allows it. If the vendor requires a portion of the premium to be paid by the participant, then the retiree is responsible for this cost. The Town does not pay any costs associated with Medicare eligibility, such as Part B.

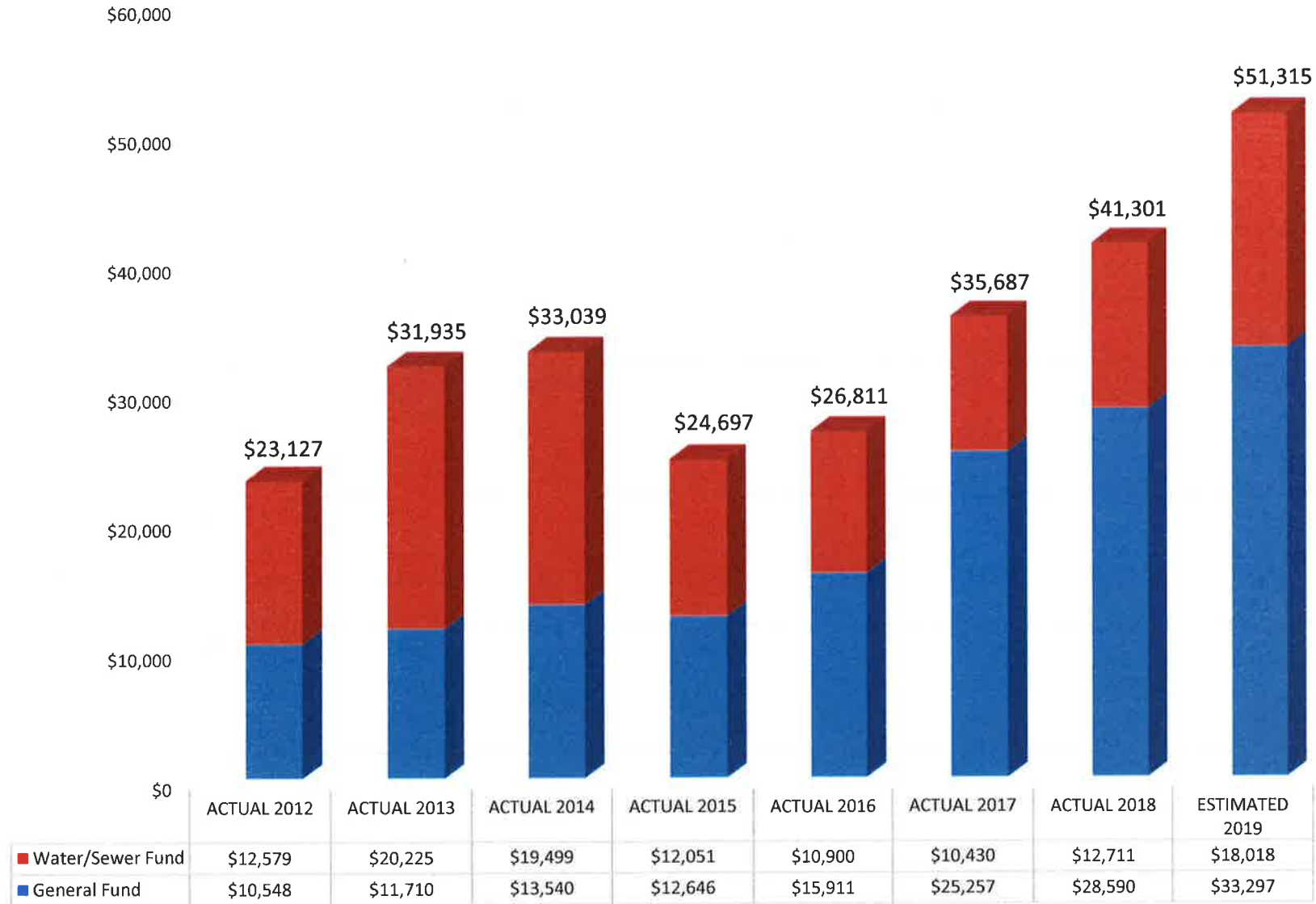
RETIREES RECEIVING TOWN PAID MEDICAL BENEFITS 2014 - 2019



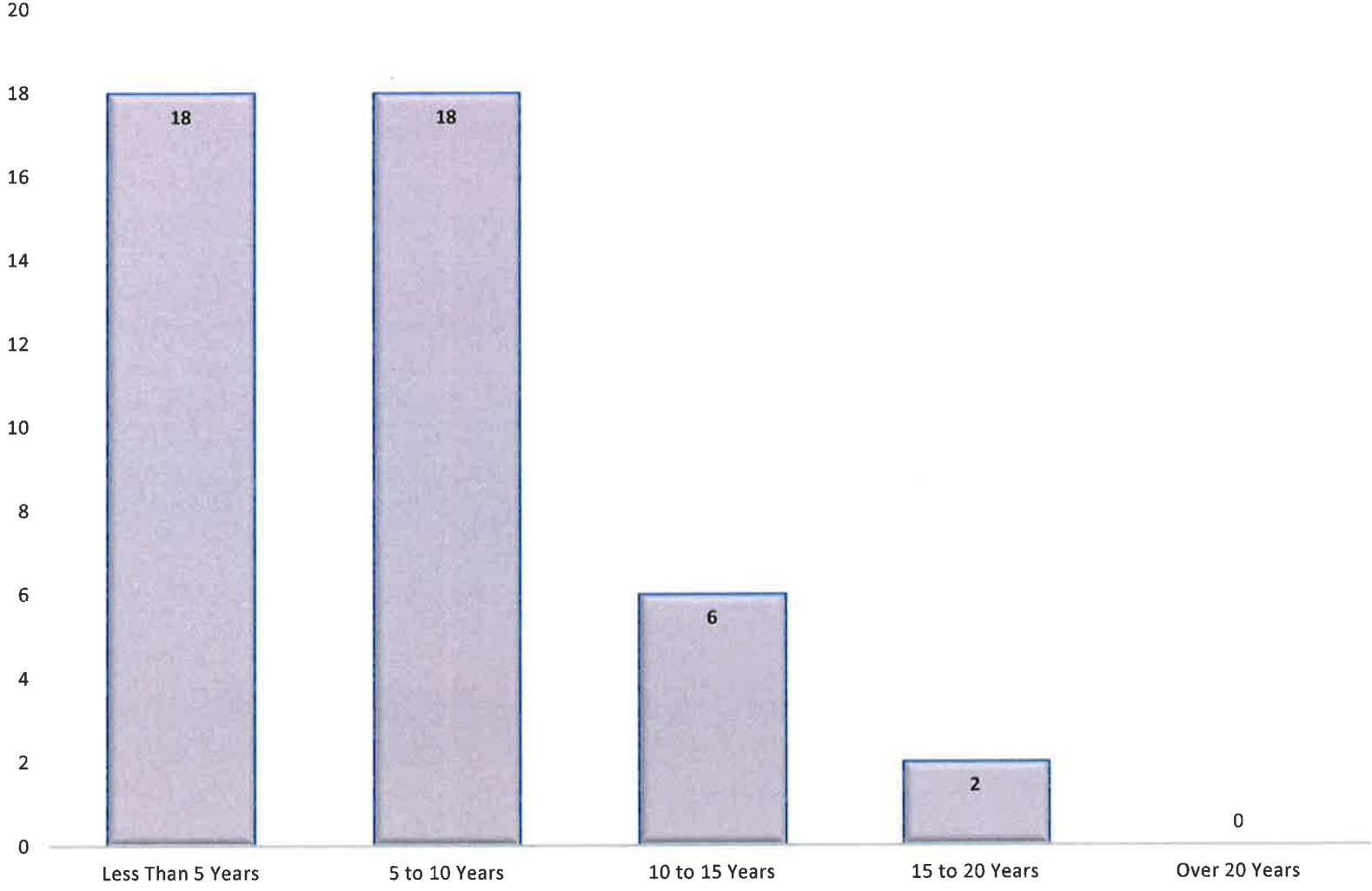
**RETIRES RECEIVING TOWN PAID MEDICAL BENEFITS
50% PAID VS. 100% PAID
2014 - 2019**



RETIREE MEDICAL INSURANCE EXPENSE FISCAL YEAR 2012 TO 2019



**YEARS OF SERVICE FOR
ACTIVE FULL-TIME EMPLOYEES
AS OF 12/31/2018**



TOTAL LIABILITY FOR RETIREE MEDICAL BENEFITS

The actuarially calculated liability for retiree medical benefits for the Town as of June 30, 2018 was:

General Fund	\$1,531,519
Water/Sewer Fund	<u>421,950</u>
TOTAL LIABILITY	\$1,953,469

RETIREE MEDICAL BENEFITS ACTIONS TAKEN BY NEIGHBORING TOWNS

TOWN	ELIMINATED BENEFIT FOR EMPLOYEES HIRED AFTER:
Carolina Beach	7/1/2015
Wrightsville Beach	6/30/2010
Wilmington	1/1/2011
Southport	3/14/2013

POTENTIAL REVISIONS TO PERSONNEL POLICY FOR EMPLOYEES HIRED AFTER A SPECIFIED DATE

- Consider eliminating the Town-paid retiree medical benefit for any employee hired after a specific date (e.g. February 1, 2019)
- All current full-time employees will still be eligible for the existing Town-paid retiree medical benefits

POTENTIAL REVISIONS TO PERSONNEL POLICY FOR RETIREES RECEIVING TOWN-PAID MEDICAL BENEFITS

- Payments must be received at Town Hall by the 1st day of the insurance coverage month.
- If a retiree who is receiving Town-paid medical benefits becomes 2 months delinquent in making their required payment to the Town, this will constitute their desire to discontinue any future Town-paid medical benefits.

**FEMA UPDATE
HURRICANE FLORENCE STATUS
& POST-HURRICANE PROCESSES**



HURRICANE FLORENCE STATUS OF POTENTIAL FEMA REIMBURSEMENTS

FEMA CATEGORY	DESCRIPTION	COSTS TO-DATE	STATUS
A	Debris Removal	\$104,242	In final FEMA review
B	Emergency Protective Measures	\$232,753	FEMA review complete and funds have been obligated to the State. Should be receiving 75% (\$174,565) within the next 20 days. Balance from the State after final inspection and closeout.
D	Water Control Facilities (Storm Water Outfalls)	\$73,300	FEMA review complete and funds have been obligated to the State. Should be receiving 75% (\$54,975) within the next 2 months. Balance from the State after final inspection and closeout.
E	Buildings & Equipment		Damages to Police car, PW truck, Fire Dept. radios, mobile office trailers. In progress.
F	Utilities		Telemetry system (\$6,641), fence, several doors & lagoon floating baffle. In progress.
G	Parks, Recreational & Other		4 beach accesses, OFP pavilion roof & beach signage. In progress.
Z	Direct Administrative Costs		Determined once all projects are complete. Includes staff time for performing FEMA requirements.

POST HURRICANE PROCESSES IMPROVEMENT OPPORTUNITIES

1. Clear assignment of responsibilities for preliminary damage assessment of Town infrastructure, buildings, equipment, etc.
 - a. Pictures and estimated costs to repair or replace
 - b. Reporting of damage estimates to assigned personnel for insurance and FEMA reporting purposes
 - c. Obtaining estimates for repairs or replacements
 - d. Selection of vendors for repairs or replacements

POST HURRICANE PROCESSES IMPROVEMENT OPPORTUNITIES

2. Completeness of required documentation

Items Eligible for Reimbursement:

- Labor
- Equipment
- Materials
- Equipment Rental
- Contracted Services

EXAMPLES OF EQUIPMENT ELIGIBLE FOR REIMBURSEMENT

- All Vehicles
- Generators
- Pumps
- Backhoes
- Chainsaws
- Hoses
- And more....

INFO REQUIRED BY FEMA FOR EQUIPMENT

- Make
- Model
- Capacity/Size
- HP
- Operator's Name
- Dates Used
- Number of Hours Used Each Day

FEMA's SCHEDULE OF EQUIPMENT RATES

**DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
RECOVERY DIRECTORATE
PUBLIC ASSISTANCE DIVISION
WASHINGTON, DC 20472**

FEMA Code ID		Equipment Description					Unit	2017 Rate
Cost Code	Equipment	Specifications	Capacity or Size	HP	Notes			
8010	Air Compressor	Air Delivery	41 CFM	to 10	Hoses included.	hour	\$1.51	
8011	Air Compressor	Air Delivery	103 CFM	to 30	Hoses included.	hour	\$8.84	
8012	Air Compressor	Air Delivery	130 CFM	to 50	Hoses included.	hour	\$11.14	
8013	Air Compressor	Air Delivery	175 CFM	to 90	Hoses included.	hour	\$18.39	
8014	Air Compressor	Air Delivery	400 CFM	to 145	Hoses included.	hour	\$30.47	
8015	Air Compressor	Air Delivery	575 CFM	to 230	Hoses included.	hour	\$48.71	
8016	Air Compressor	Air Delivery	1100 CFM	to 355	Hoses included.	hour	\$92.88	
8017	Air Compressor	Air Delivery	1600 CFM	to 500	Hoses included.	hour	\$96.96	
8040	Ambulance			to 150		hour	\$28.00	
8041	Ambulance			to 210		hour	\$40.50	
8050	Board, Arrow			to 8	Trailer Mounted.	hour	\$4.43	
8051	Board, Message			to 5	Trailer Mounted.	hour	\$11.61	
8060	Auger, Portable	Hole Diameter	16 In	to 6		hour	\$2.14	
8061	Auger, Portable	Hole Diameter	18 In	to 13		hour	\$4.30	
8062	Auger, Tractor Mntd	Max. Auger Diameter	36 In	to 13	Includes digger, boom and mounting hardware.	hour	\$3.16	
8063	Auger, Truck Mntd	Max. Auger Size	24 In	to 100	mounting hardware. Add this rate to tractor rate for total	hour	\$34.28	
8064	Hydraulic Post Driver					hour	\$35.10	

FEMA Code ID		Equipment Description					
Cost Code	Equipment	Specifications	Capacity or Size	HP	Notes	Unit	2017 Rate
8310	Generator	Prime Output	5.5 KW	to 10		hour	\$3.35
8311	Generator	Prime Output	16 KW	to 25		hour	\$7.45
8312	Generator	Prime Output	43 KW	to 65		hour	\$15.00
8313	Generator	Prime Output	100 KW	to 125		hour	\$34.95
8314	Generator	Prime Output	150 KW	to 240		hour	\$50.00
8315	Generator	Prime Output	210 KW	to 300		hour	\$62.45
8684	Truck, Fire	100 Ft Ladder				hour	\$100.00
8690	Truck, Fire	Pump Capacity	1000 GPM			hour	\$68.00
8691	Truck, Fire	Pump Capacity	1250 GPM			hour	\$72.25
8692	Truck, Fire	Pump Capacity	1500 GPM			hour	\$78.90
8693	Truck, Fire	Pump Capacity	2000 GPM			hour	\$81.40
8800	Truck, Pickup				When transporting people.	mile	\$0.54
8801	Truck, Pickup	1/2-ton Pickup Truck	4x2-Axle	160		hour	\$12.30
8802	Truck, Pickup	1-ton Pickup Truck	4x2-Axle	234		hour	\$17.65
8803	Truck, Pickup	1 1/4-ton Pickup Truck	4x2-Axle	260		hour	\$19.85
8804	Truck, Pickup	1 1/2-ton Pickup Truck	4x2-Axle	300		hour	\$22.25
8805	Truck, Pickup	1 3/4-ton Pickup Truck	4x2-Axle	300		hour	\$23.10
8730	Truck, Garbage	Capacity	25 CY	to 255		hour	\$48.50
8731	Truck, Garbage	Capacity	32 CY	to 325		hour	\$55.90

FEMA EQUIPMENT SUMMARY

TYPE OF EQUIPMENT		OPERATOR'S NAME	DATES AND HOURS USED EACH DAY									COSTS		
INDICATE SIZE, CAPACITY, HORSEPOWER, MAKE AND MODEL AS APPROPRIATE	EQUIP. CODE NUMBER		DATE	9/10	9/11	9/12	9/13	9/14	9/15	9/16	TOTAL HOURS	EQUIP. RATE	TOTAL COST	
Fire Truck 1	8692	Brandon Rasnake	HOURS	2.0							2.0	\$ 78.90	\$ 157.80	
2004 Pierce Saber - 1500 GPM														
Fire Truck 1	8692	Jonathan- David Lanier	HOURS		5.0		3.0				8.0	\$ 78.90	\$ 631.20	
2004 Pierce Saber - 1500 GPM														
Fire Truck 1	8692	Chad Darrah	HOURS					8.0		1.0	9.0	\$ 78.90	\$ 710.10	
2004 Pierce Saber - 1500 GPM														
Fire Truck 1	8692	Dakota Griffin	HOURS						8.0		8.0	\$ 78.90	\$ 631.20	
2004 Pierce Saber - 1500 GPM														
Fire Truck 2	8690	Jonathan- David Lanier	HOURS					8.0			8.0	\$ 68.00	\$ 544.00	
1994 Pierce Saber - 1000 GPM														

PRE-STORM EQUIPMENT LIST

							FEMA
Department	Year	Make	Model	Equipment Type	Capacity/Size/HP	Notes	Cost Code
Fire Truck 1	2004	Pierce	Saber	Fire Truck	1500 GPM		8692
Fire Truck 2	1994	Pierce	Saber	Fire Truck	1000 GPM		8690
Fire Truck 3	1988	International		Service Truck			8696
Fire Truck 4	2007	Ford	F550	Brush Truck	250 GPM		8696
PW Truck #1	2018	GMC	Duramax	Pickup Truck	3/4 ton, 4x4		8807
PW Truck #2	2015	Chevrolet	Silverado	Pickup Truck	3/4 ton, 4x2		8806
PW Truck #3	2015	Ford	F250	Pickup Truck	3/4 ton, 4x2		8806
PW Truck #4	2016	Ford	F250	Pickup Truck	3/4 ton, 4x2		8806
PW Truck #5	2016	Chevrolet	Silverado	Pickup Truck	3/4 ton, 4x2		8806
PW Backhoe #1		John Deere	310 SE	Backhoe	1 CY, 70 HP		8571
PW Backhoe #2		John Deere	310 SE	Backhoe	1 CY, 70 HP		8571
PW Generator #1		Wacker	HIF1100	Generator	10 KW, 20 HP	Stationary, Riggins Lift Station	8311
PW Generator #2		Wacker	HIF1401	Generator	35 KW 60 HP	Stationary, Ocean Dunes Lift Sta	8325
PW Generator #3		Wacker	HIF1200	Generator	175 KW 279 HP	Stationary, Village Lift Station	8315
PW Generator #4		Wacker	HIF1200	Generator	175 KW 279 HP	Stationary, Shop Lift Station	8315
PW Generator #5		Wacker	GP6600	Generator	58 KW / 124 HP	Portable	8313
PW Generator #6		Wacker	GP6600	Generator	58 KW / 124 HP	Portable	8313
PW Pump		Thompson	24SW	Pump	4.5 L / 292 HP		8481

EQUIPMENT TRACKING SHEET

Date	Operator	Equipment Type	Make	Model	Year (Vehicles Only)	Hours	FEMA Cost Code
9/1/2019	Jimmy Mesimer	Vehicle	Chevrolet	Silverado	2015	8	8806
9/1/2019	Jimmy Mesimer	Vehicle	Chevrolet	Silverado	2016	8	8806
9/1/2019	Brad Rackley	Generator-Riggins Lift Station	Wacker	HIF1200		8	8311
9/1/2019	Ian Sullivan	Generator-Portable	Wacker	GP6600		8	8313
9/1/2019	David Blackman	Backhoe	John Deere	310 SE		8	8571
9/1/2019	Daniel Russell	Fire Truck	Pierce	Saber	2004	8	8692
9/1/2019	Ed Kennedy	Fire Truck	Pierce	Saber	1994	8	8690