



TOWN COUNCIL AGENDA

COUNCIL RETREAT

January 31st, 2020 @ 9:00 a.m.

CALL TO ORDER – Mayor Bloszinsky

9:00 am Department Head Presentations

FY20-21 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

- Public Works
- Building
- Finance
- Fire
- Police
- Recreation
 - Sponsorship Policy
 - Disc Golf Sponsor Form
- Administration

10:30 am 15 minute break

10:45 am Continue Department Head Presentations

12:15 pm Lunch

1 pm Mid-year financial review – FO Copenhaver

- Review of current council goals
- 5-year Capital Plan
- Future projections
- Finalization of 2020 budget calendar

2 pm Council Topics

- **Recycling**
- **Drainage Study**
- **Stormwater Rates**
- **Land Use Plan**
- **Goals and Objectives of the Pedestrian Ad-Hoc Committee**
- **Any other topics as needed**

3:00 pm Break



TOWN COUNCIL AGENDA

COUNCIL RETREAT

January 31st, 2020 @ 9:00 a.m.

3:30 Council Determination of FY20-21 Council goals

4:00 CWMTF Grant – Nancy Avery

Adjournment



SPONSORSHIP POLICY

I. GENERAL POLICY STATEMENT

The Town of Kure Beach permits private sponsorships of government programs or services in limited circumstances as a means to generate funds for improving or expanding those programs and services and exercises sole discretion over who is eligible to become a sponsor according to the terms of this Policy. Whenever possible, sponsorships shall be linked to specific activities, events, programs, or publications. The Town of Kure Beach will neither seek nor accept sponsors that manufacture products or take positions inconsistent with local, state, or federal law or with the Town of Kure Beach policies, positions, or resolutions. The acceptance of a sponsorship offer or the establishment of a sponsorship agreement does not constitute an endorsement by the Town of Kure Beach of the sponsor's organization, products, or services.

II. PURPOSE AND INTENT

The purpose of this Policy is to define the conditions upon which sponsorship messages may be placed upon property or in publications of the Town and to establish definitive guidelines for the acceptance and placement of such messages. It is the intent of the Town of Kure Beach to preserve its full rights and discretion to reject or refuse placement of any or all sponsorship messages. To the extent that any such messages are accepted, the Town of Kure Beach reserves the right of full editorial control over the placement, content, appearance and wording and to determine and prohibit types of sponsorship messages which are deemed inappropriate for or inconsistent with the business of the Town or the services provided to the Town of Kure Beach residents.

III. CRITERIA FOR SPONSORSHIP

The Town of Kure Beach recognizes that entering into a sponsorship agreement with an external entity does not constitute an endorsement of the entity or its services and products but does imply an affiliation. *Such affiliation can affect the reputation of the Town of Kure Beach among its residents.* Therefore, any proposal for sponsorship of a Town of Kure Beach program or service in which the involvement of an outside entity compromises the public interest will be rejected.

The Town of Kure Beach shall consider the following criteria before entering into a sponsorship agreement:

- Extent and prominence of public display of sponsorship;
- Aesthetic characteristics of the public display of sponsorship;
- Level of support provided by the sponsor;
- Cooperation necessary from other Town of Kure Beach Departments to implement the sponsorship;
- Inconsistencies between the Town of Kure Beach policies and the known policies or practices of the potential sponsor;

- Other factors that might undermine public confidence in the Town's impartiality or interfere with the efficient delivery of Town services or operations, including, but not limited to, current or potential conflicts of interest between the sponsor and the Town of Kure Beach employees, officials, or affiliates; and the potential for the sponsorship to tarnish the Town's standing among its residents at large.

IV. SPONSORSHIP AGREEMENTS

Sponsorship agreements for Town of Kure Beach programs or services shall clearly outline the forms of support sought and offered, the recognition to be given by the Town, and should detail the following information, at a minimum:

- Activities, products, and services of the private entity, its parent, subsidiaries, affiliates and predecessor companies;
- Benefits to be given to the proposed sponsor by the Town of Kure Beach;
- Benefits to be given to the Town of Kure Beach by the proposed sponsor;
- Prominence of the proposed public recognition of support;
- Content of the proposed public recognition of support;
- Duration of the proposed public recognition of support;
- Conditions under which the sponsorship agreement may be terminated.

V. IMPERMISSIBLE SPONSORS AND MESSAGE CONTENT

Sponsorship from an organization that is engaged in any of the following activities, or has a mission of supporting any of the following subject matters, or that, in the sole discretion and judgment of the authorized representative of the Town of Kure Beach, is deemed to be unsuitable for and contrary to community standards or appropriateness for government publications, shall be prohibited on any Town property or in Town publications:

- Promotion of the sale or consumption of alcoholic or cereal malt beverages, in name, likeness or implication or promotion of establishments that are licensed for and primarily sell alcoholic or cereal malt beverages, including bars; provided, however, restaurants or other food services establishments and hotels or other places of lodging may be authorized when the commercial message or advertisement promotes only the food services or lodging;
- Promotion of the sale or consumption of tobacco or vaping products or depiction of the use of tobacco or vaping products;
- Commentary, advocacy or promotion of issues, candidates, campaigns or organizations of a social, political, religious, or rhetorical nature;
- Promotion of gambling, pari-mutual betting, or games of chance, in name, likeness or implication, or promotion of establishments providing such services or activities of a related or similar nature;
- Depiction in any form of nudity or semi-nudity, profanity, obscenity, or lewdness, or characterizations which suggest, depict or promote any such element or sexually oriented products, activities or materials;
- Promotion in any form of illegal drugs, illegal drug use, illegal drug paraphernalia, or characterizations which suggest or depict the promotion or glorification of any such products, activities or materials;

- Promotion of the use or sale of firearms, explosives or other weapons, or the depiction, suggestion or glorification of violence or acts of a violent nature;
- Use of language or descriptive material which when taken in form and context is deemed to be unsuitable for or contrary to community standards of appropriateness for governmental use for family publications;
- Use of words, language, representations or descriptive material of any kind having more than one meaning or connotation, one of which would otherwise be prohibited under this Policy;
- Inclusion of materials, depictions, promotions or offerings which are the type prohibited by, or by their nature would violate, any federal, State, or local law, rule, or regulation.

The Town of Kure Beach reserves the right and discretion to exercise full editorial control over the placement, content, appearance, and wording of sponsorship affiliations and messages. The Town of Kure Beach may make distinctions on the appropriateness of sponsors on the basis of subject matter of a potential sponsorship recognition message.

VI. PERMISSIBLE RECOGNITION MESSAGES

Sponsorship recognition messages may identify the sponsor but generally should not promote or endorse the organization or its products or services. Statements that advocate, contain price information or an indication of associated savings or value, request a response, or contain comparative or qualitative descriptions of products, services or organizations will ordinarily not be accepted. Typically, only the following content will be deemed appropriate:

- The legally recognized name of the sponsoring organization;
- The sponsor's organizational slogan if it identifies rather than promotes the organization or its products or services;
- The sponsor's product or services line, described in brief, generic, objective terms;
- Brief contact information for the sponsor's organization, such as a phone number, address, website, or QR code. Contact information should be stated in a manner that avoids an implication of urging the reader to action.

The Town of Kure Beach will not make any statements that directly or indirectly advocate or endorse a sponsor's organization, products, or services.

No materials or communications, including, but not limited to, print, video, Internet, broadcast, or display items developed to promote or communicate the sponsorship using the Town of Kure Beach's name, marks, or logo, may be issued without written approval from the Town of Kure Beach Commissioners and Town Attorney, or their designees.

VII. GENERAL CONDITIONS

1. Sponsor is solely responsible for obtaining necessary permission to use photographs, trademarks, trade names, copyrighted material or any other legally protected property. All commercial messages or advertisements shall be accepted and published by the Town upon the representation that the agency or sponsor is authorized to publish the entire contents and subject matter thereof.

2. Sponsor assumes liability for all content and responsibility of any claim arising therefrom. Sponsor agrees to indemnify and hold harmless the Town, its officials, officers, agents and employees against all damages, costs and expenses including, without limitation, attorney's fees resulting from any claim, action or proceeding alleging that the commercial message or sponsorship infringes on any copyright, violates any right of privacy, or other personal or property right, constitutes libelous matter, plagiarism, unfair competition, unfair trade practice, infringement of trademarks, or other matter contrary to law or contains any formula or instructions injurious to the user of a sponsor's product.
3. The Town is not liable for delays in publication or presentation of sponsorship messages in any event or for any reason, including acts of God, action by any governmental or quasi-governmental entity, lack of funds, fire, flood, insurrection, riot, explosion, embargo, strikes whether legal or illegal, labor or material shortage, transportation interruption of any kind, work slowdown, or any condition beyond the control of the Town affecting publication or presentation of sponsorship in any manner.
4. If an error or omission occurs in the publication or placement of any sponsorship message, the Town's liability shall be limited to the amount of the reduction in the value of the sponsorship due to the error or omission, but in no event shall liability exceed the total cost payable for the sponsorship space.
5. The words "a paid sponsorship", or some like term, may be added to sponsorship messages that, in the sole opinion of the Town, might be confused with editorial matters.

VIII. AUTHORIZATION REQUIREMENTS AND PROCESS

Placement of sponsorship messages upon Town property or in Town publications shall require specific authorization from the Town of Kure Beach Town Council via the creation and approval of a Sponsorship Agreement Form for each sponsorship opportunity. Interested sponsors shall submit a completed Sponsorship Agreement Form to the appropriate Town designee for review in accordance with the Sponsorship Policy and be notified by such designee upon acceptance or denial of the *sponsorship offer*. *The Town of Kure Beach Town Council reserves the right to require Sponsorship Agreement Forms for specific sponsorship opportunities be reviewed by Town Council prior to approval or denial.*

This Policy shall be and become effective upon adoption by the Town of Kure Beach Town Council and shall thereafter apply to the acceptance and placement of sponsorship messages as provided in the Policy; provided, however, that sponsorship messages which were made prior to the adoption of this Policy shall not be considered in violation of the Policy, and to the extent possible shall be construed and completed, if necessary, in the manner most consistent with the Policy.



Town of Kure Beach

Disc Golf Sponsor Form

Kure Beach is home to a fun, challenging, and very active 18-hole disc golf course. Sponsorship opportunities are available on the tee signage at each disc golf hole. If you're interested in getting your company's name, family name, a memorial, or message out to the disc golf community, please reach out to the Kure Beach Recreation Department at parks@tokb.org or (910) 458-8216 to check availability.

The initial fee to sponsor a disc golf hole sign is \$300, and includes the creation and installation of your sign and the first year of sponsorship. If you wish to continue your sponsorship beyond the first year, the annual sponsorship renewal fee is \$50 and is billed in the spring of each year. Should your sponsorship sign become damaged, the cost to repair/replace your sign is covered in the sponsorship fees.

Please submit all artwork, logos, and verbiage to be included on your sign to the Recreation Department for review. All content is subject to the terms and conditions of the Town of Kure Beach Sponsorship Policy. You will have the opportunity to review and approve a proof of the sign prior to printing.

Payment is due prior to printing. Card payments can be made through the Town's website, www.townofkurebeach.org. Checks or money orders, payable to the Town of Kure Beach, can be mailed or dropped off at Kure Beach Town Hall. The address is 117 Settlers Lane, Kure Beach, NC 28449.



Business Name: _____ Contact Name: _____

Business Activities: _____

Mailing Address: _____

Email Address: _____ Phone Number: _____

TOWN OF KURE BEACH ANNUAL RETREAT



JANUARY 31, 2020

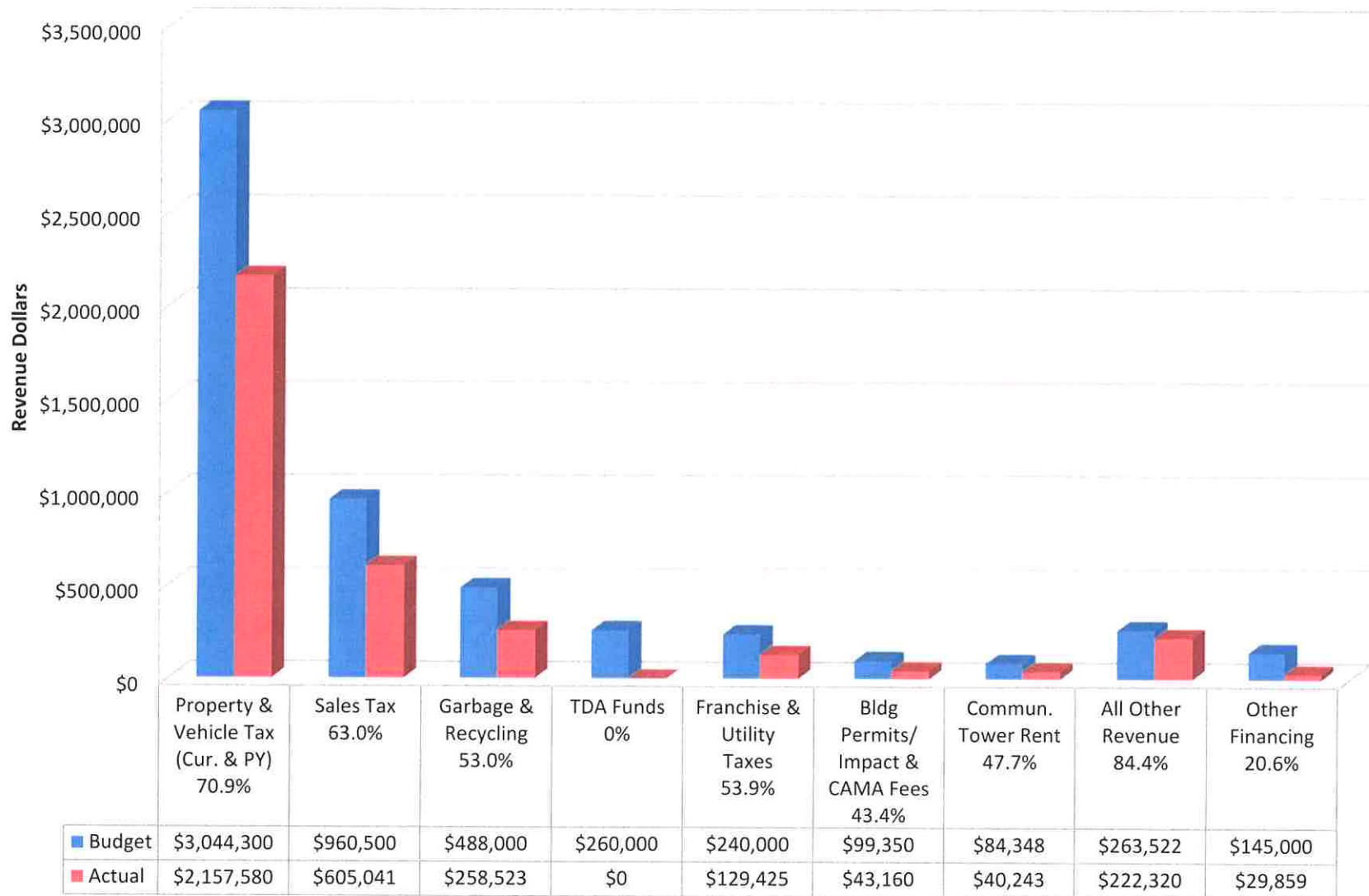
FY 2020 BUDGET STATUS AND REVIEW



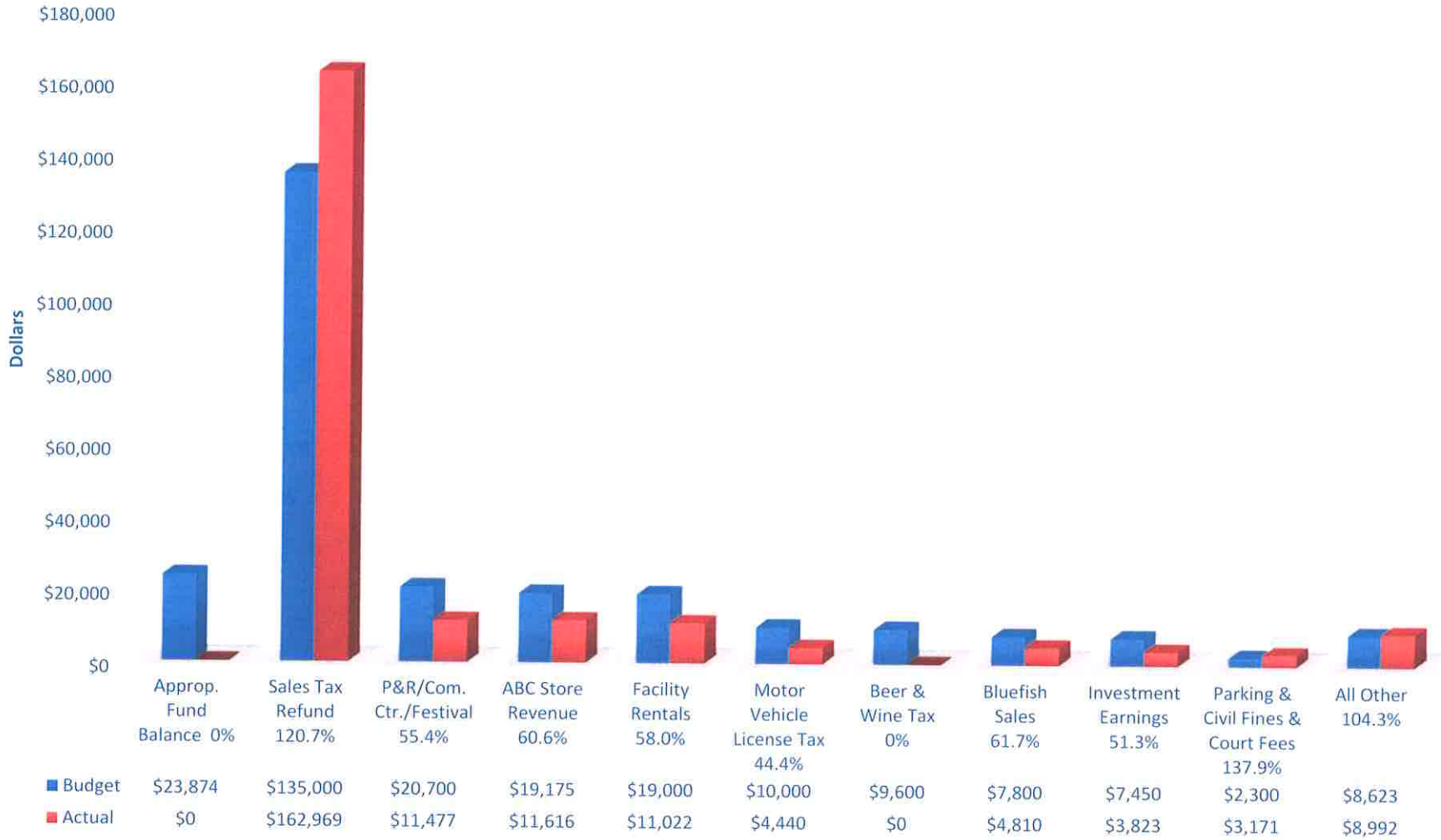
**GENERAL FUND
FY 2020 HIGHLIGHTS
7/1/19 – 12/31/19**

- Original Budget \$5,559,748
- Amended Budget \$5,585,020
- Actual Revenue \$3,486,151
- Revenue % of Budget 62.4%
- Actual Expenses \$2,735,408
- Expenses % of Budget 49.0%

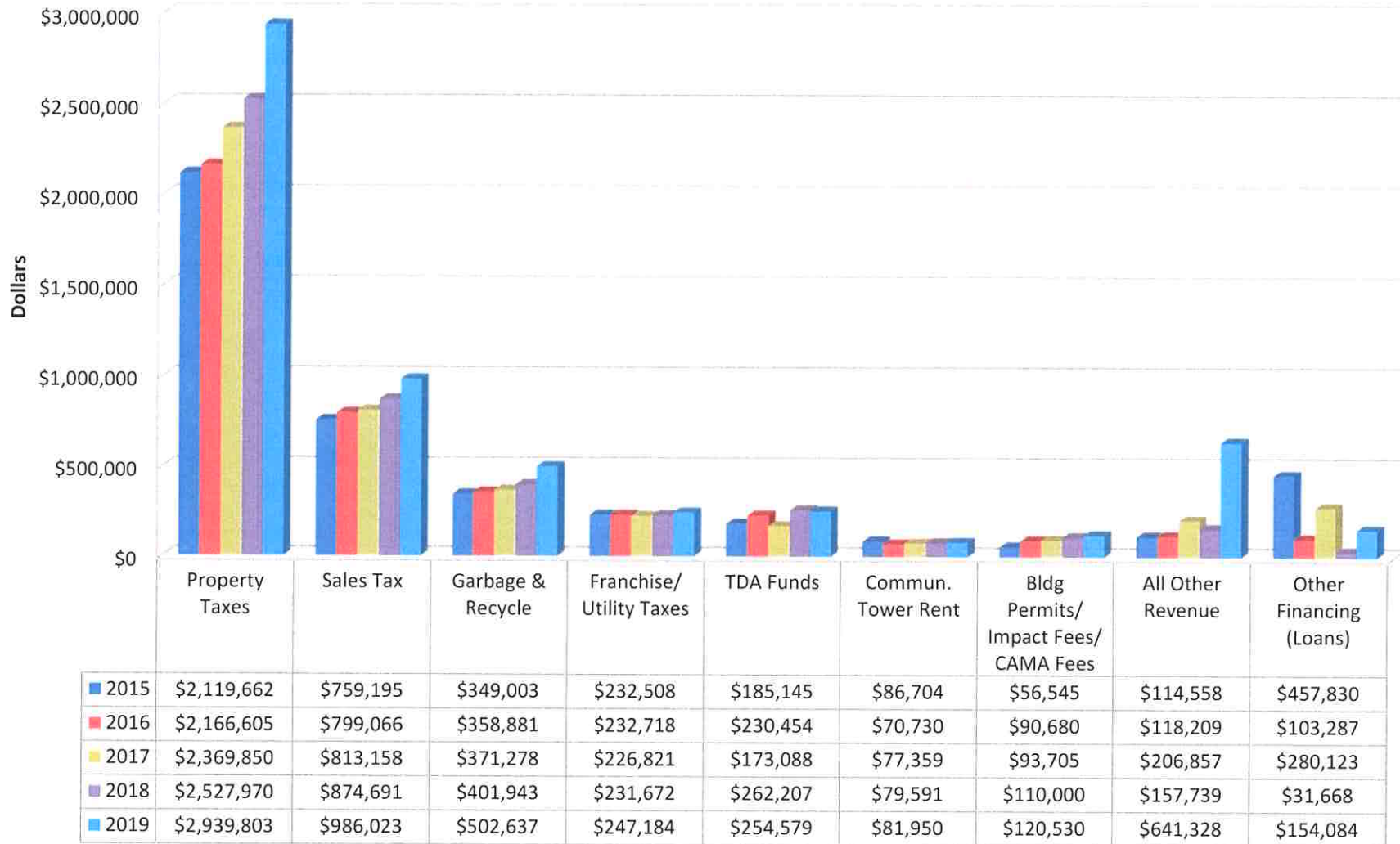
GENERAL FUND REVENUE - BUDGET VS. ACTUAL 7/1/19 - 12/31/19



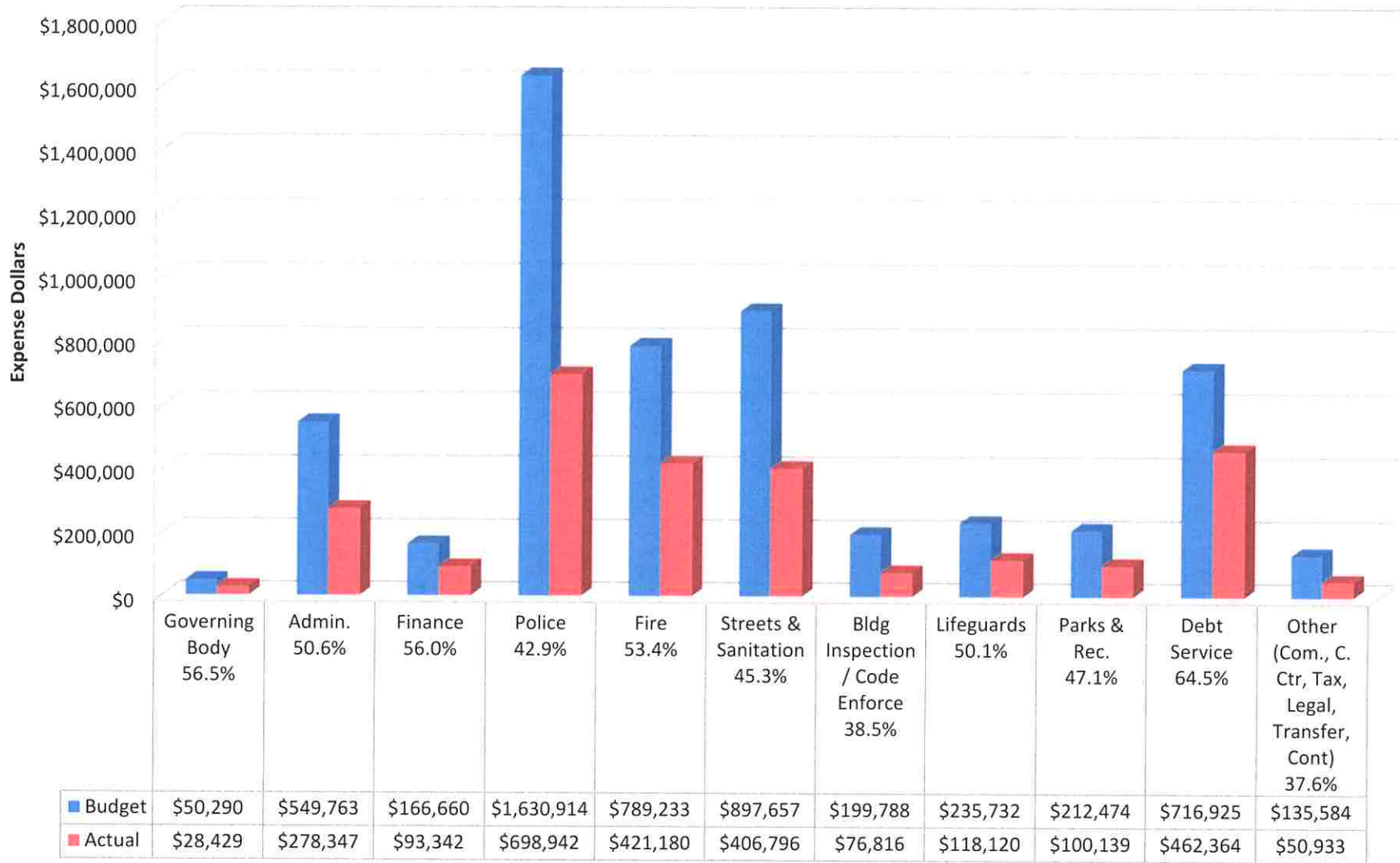
GENERAL FUND "OTHER" REVENUE - BUDGET VS. ACTUAL 7/1/19 - 12/31/19



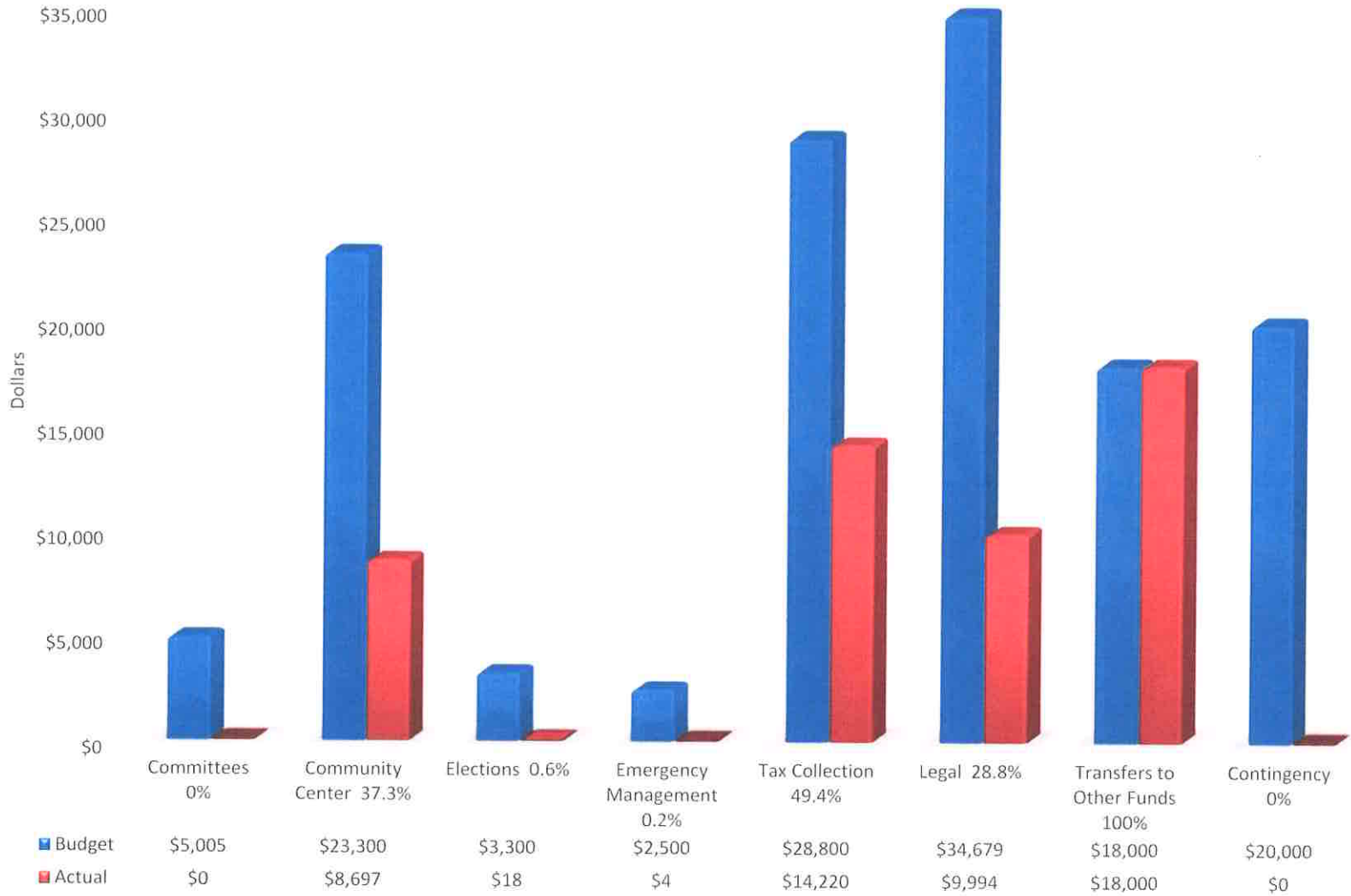
GENERAL FUND REVENUE FY 2015 - 2019



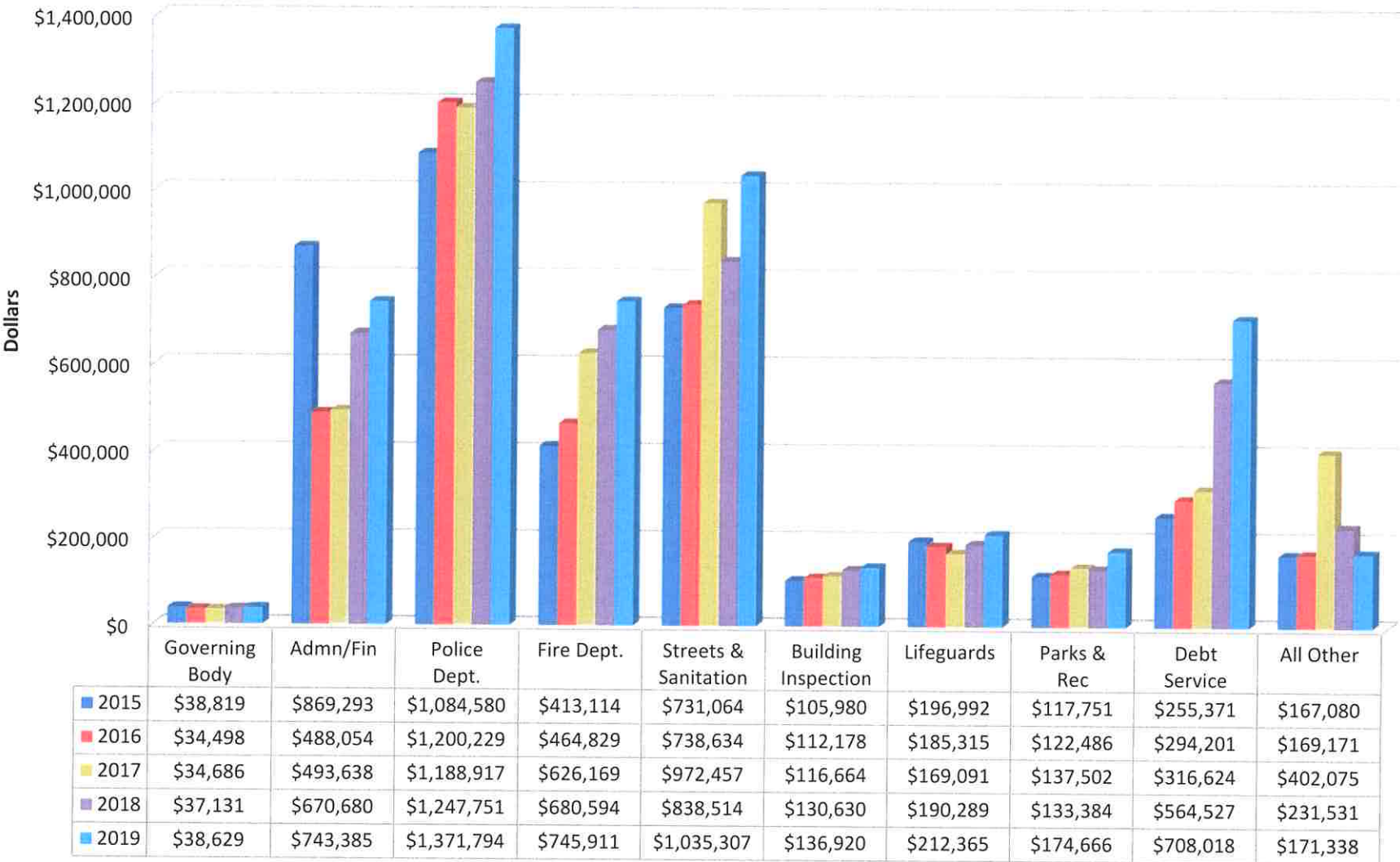
GENERAL FUND EXPENSES - BUDGET VS. ACTUAL 7/1/19 - 12/31/19



GENERAL FUND
"OTHER" EXPENSES - BUDGET VS. ACTUAL
7/1/19 - 12/31/19



GENERAL FUND EXPENSES BY DEPARTMENT FY 2015 - 2019



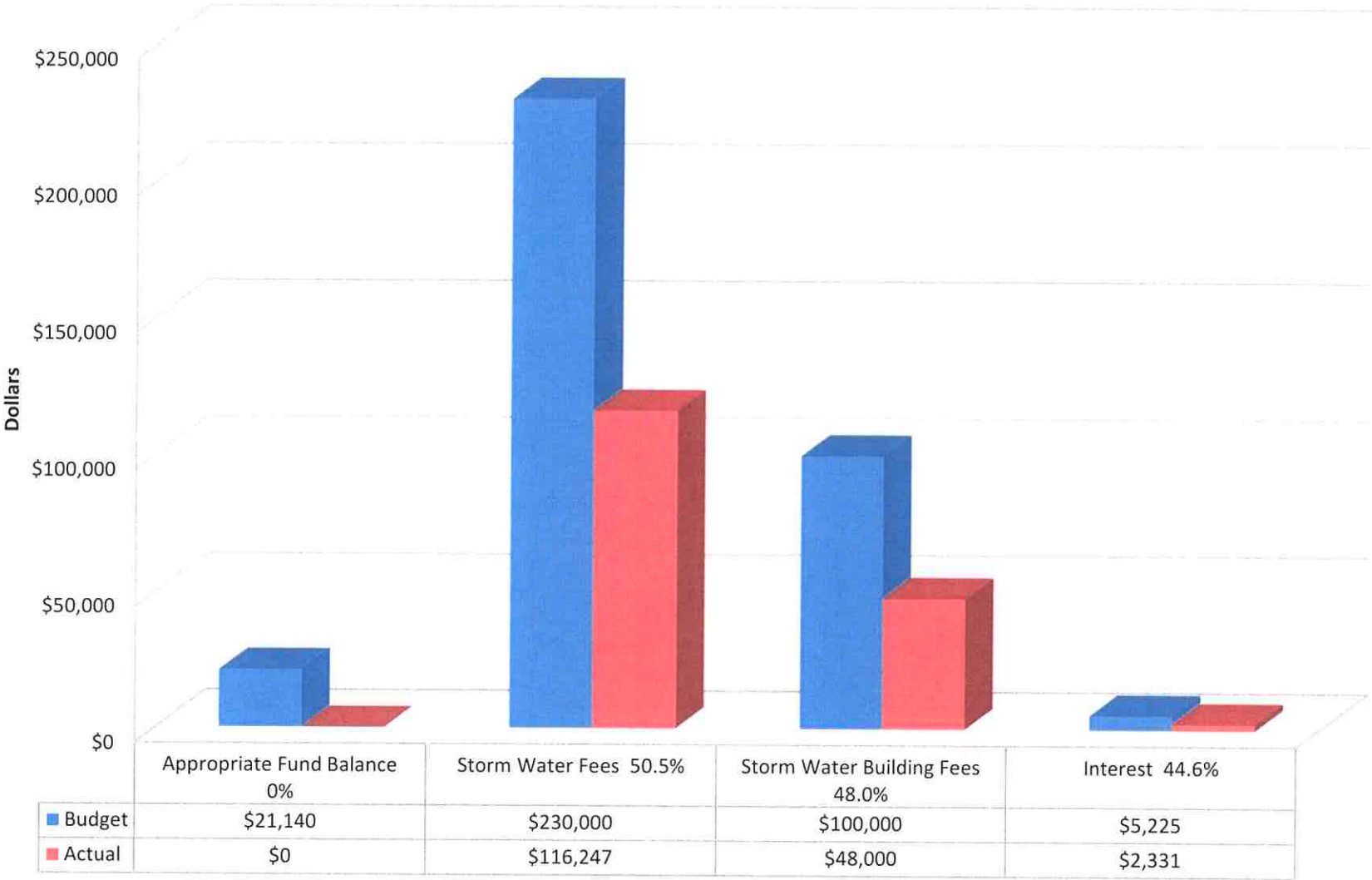
GENERAL FUND CHANGE IN FUND BALANCE FISCAL YEAR 2015 TO 2019



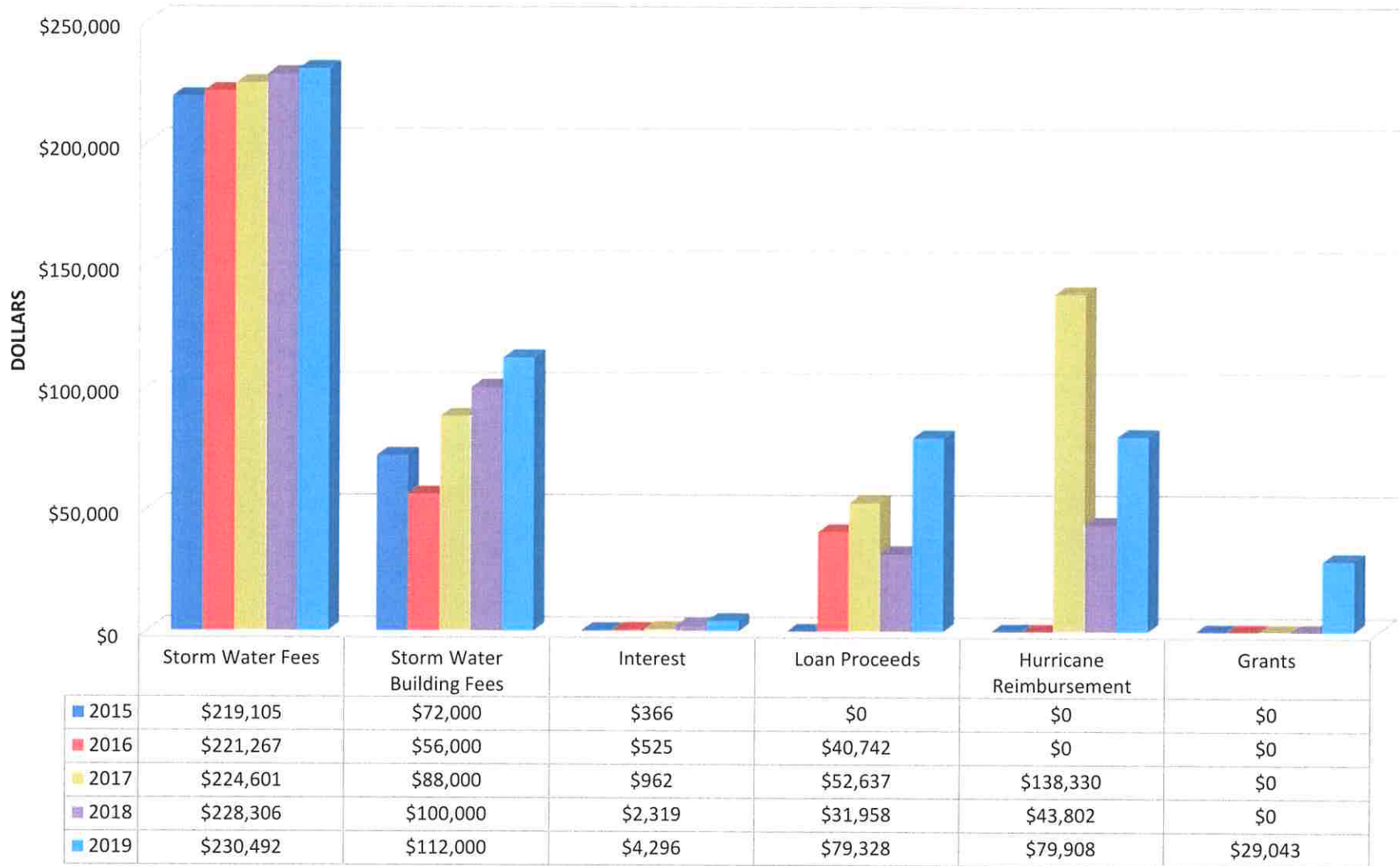
**STORM WATER FUND
FY 2020 HIGHLIGHTS
7/1/19 – 12/31/19**

- Original Budget \$335,225
- Amended Budget \$356,365
- Actual Revenue \$166,578
- Revenue % of Budget 46.7%
- Actual Expenses \$181,090
- Expenses % of Budget 50.8%

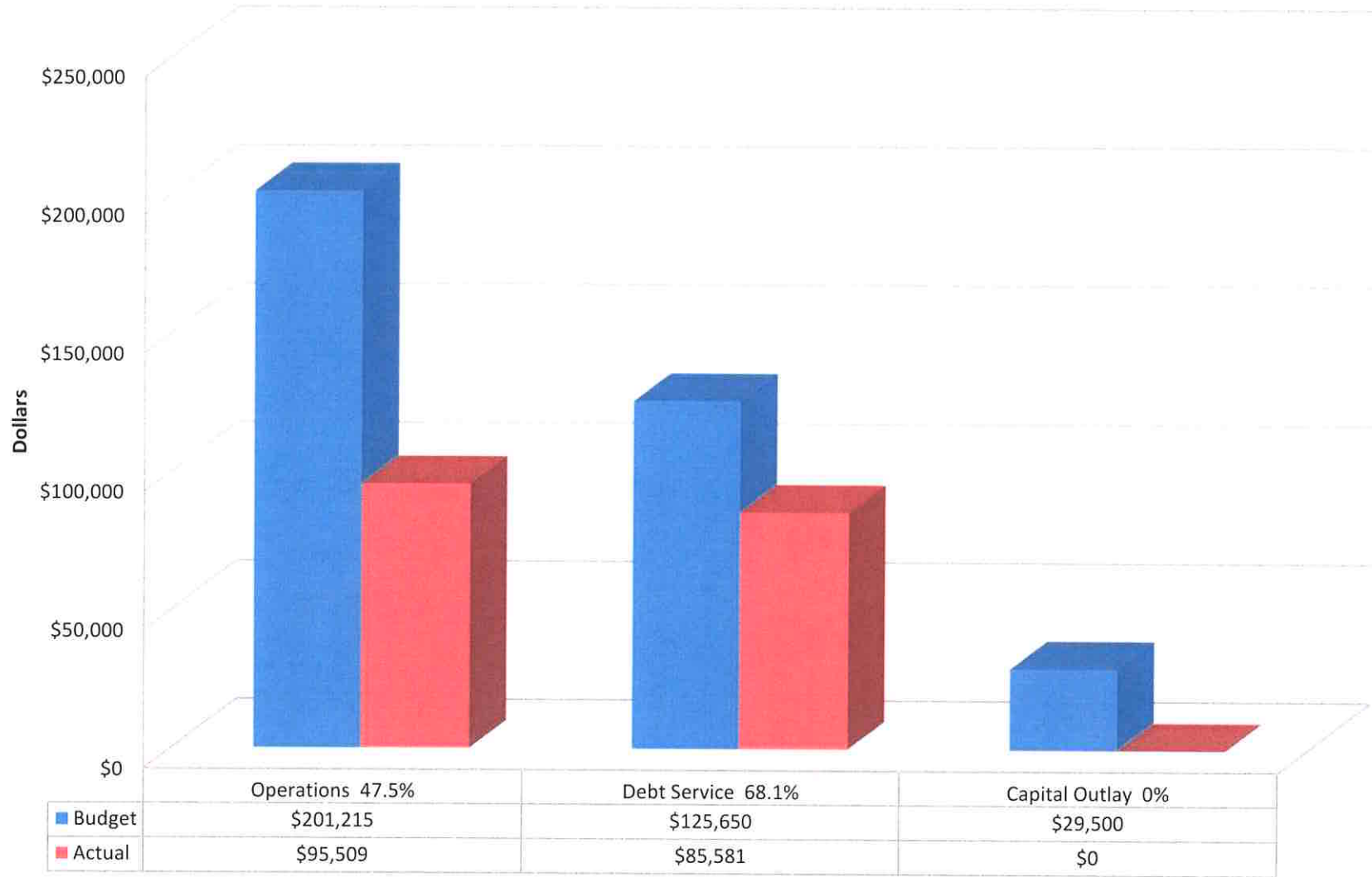
STORM WATER FUND REVENUE - BUDGET VS. ACTUAL 7/1/19 - 12/31/19



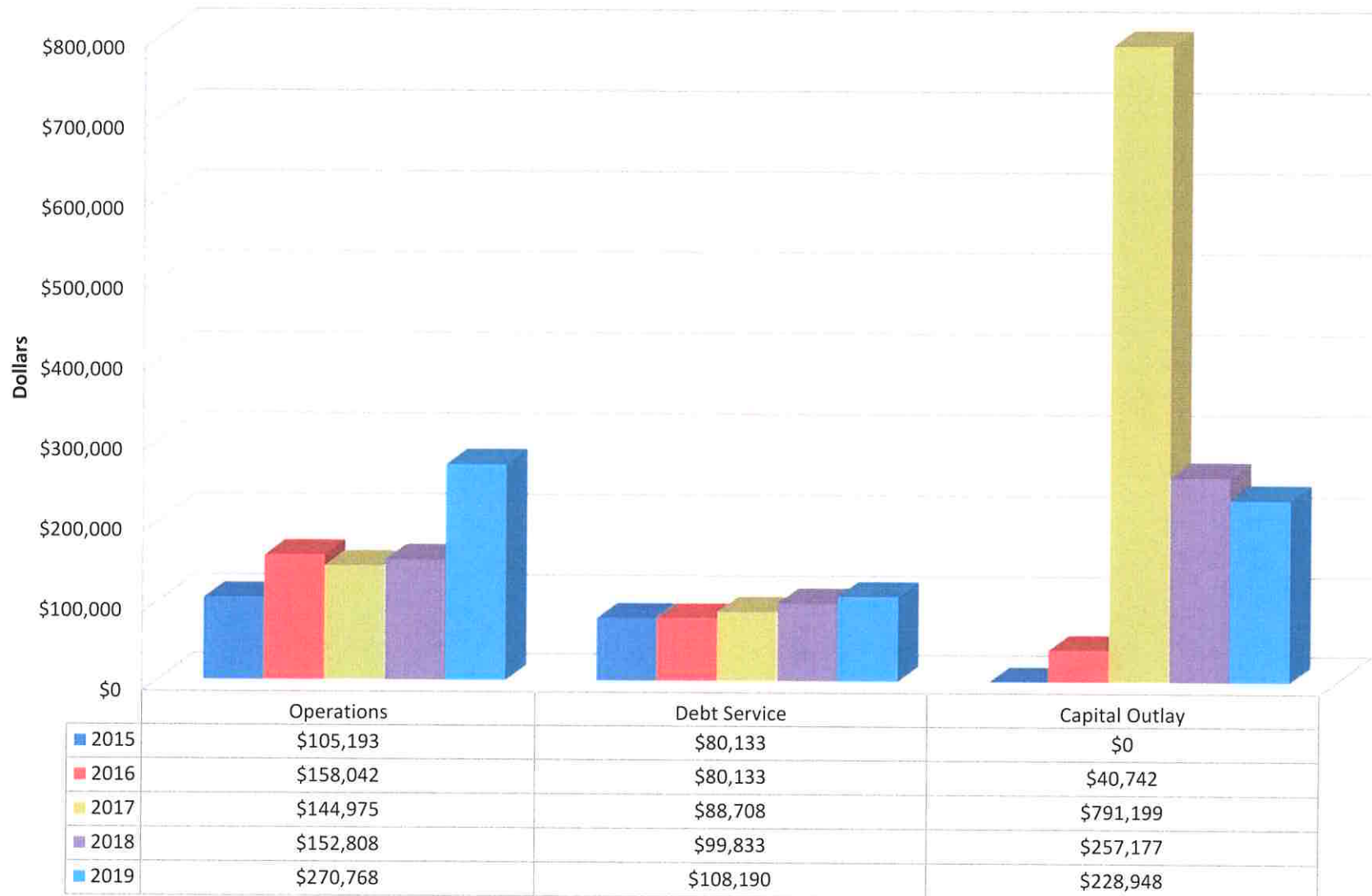
STORM WATER FUND REVENUE BY SOURCE FY 2015 - 2019



STORM WATER FUND EXPENSES - BUDGET VS. ACTUAL 7/1/19 - 12/31/19



STORM WATER FUND EXPENSES FY 2015 - 2019



STORM WATER FUND CHANGE IN FUND BALANCE FISCAL YEAR 2015 TO 2019

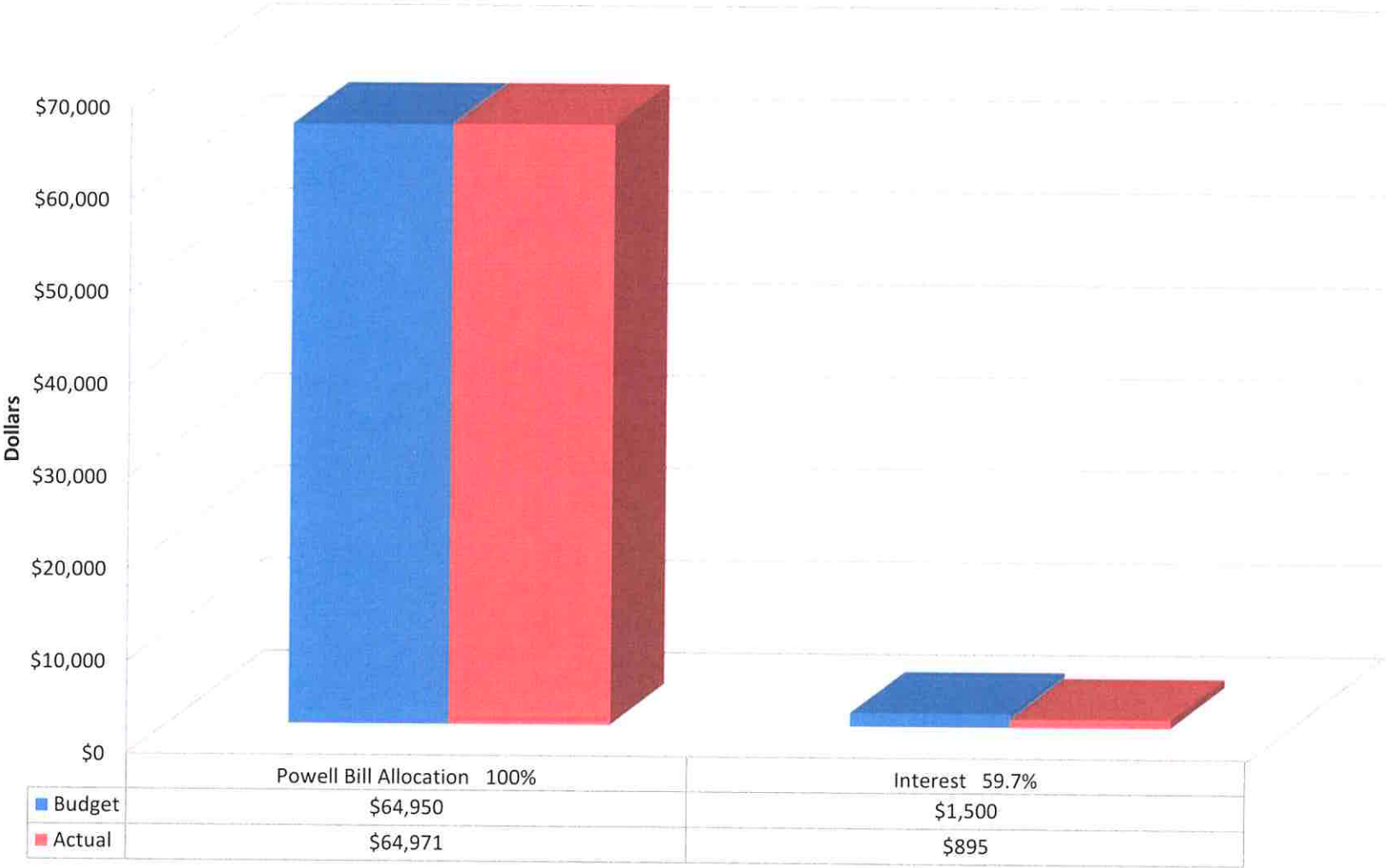


	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
■ Inc./ (Dec.) for current FY	\$106,145	\$39,618	(\$520,354)	(\$103,432)	(\$72,839)
■ Fund Balance prior FY	\$840,685	\$946,830	\$986,448	\$466,094	\$362,662

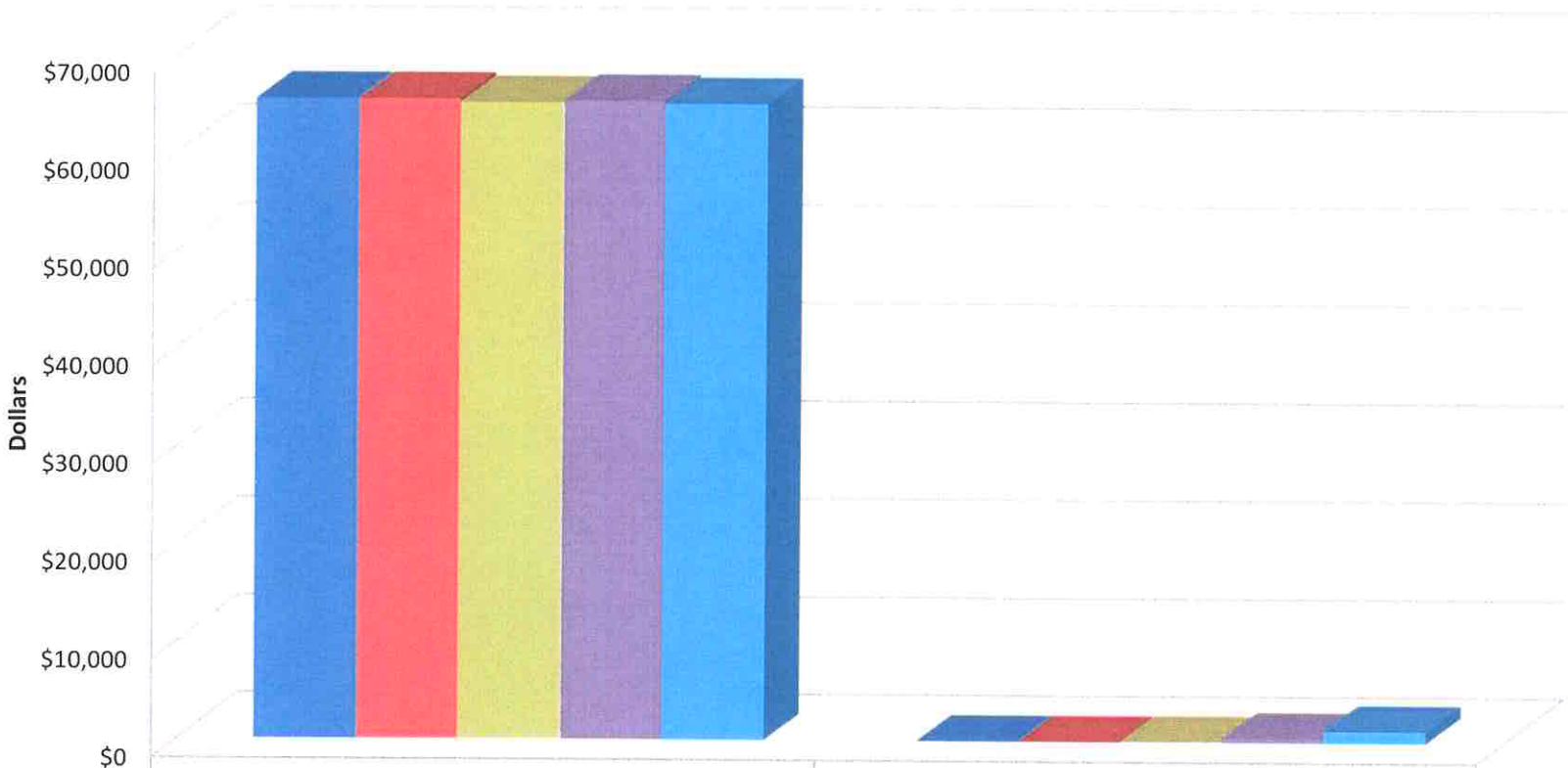
**POWELL BILL FUND
FY 2020 HIGHLIGHTS
7/1/19 – 12/31/19**

- Budget \$66,450
- Actual Revenue \$65,866
- Revenue % of Budget 99.1%
- Actual Expenses \$ 3,234
- Expenses % of Budget 4.9%

**POWELL BILL FUND
REVENUE - BUDGET VS. ACTUAL
7/1/19 - 12/31/19**

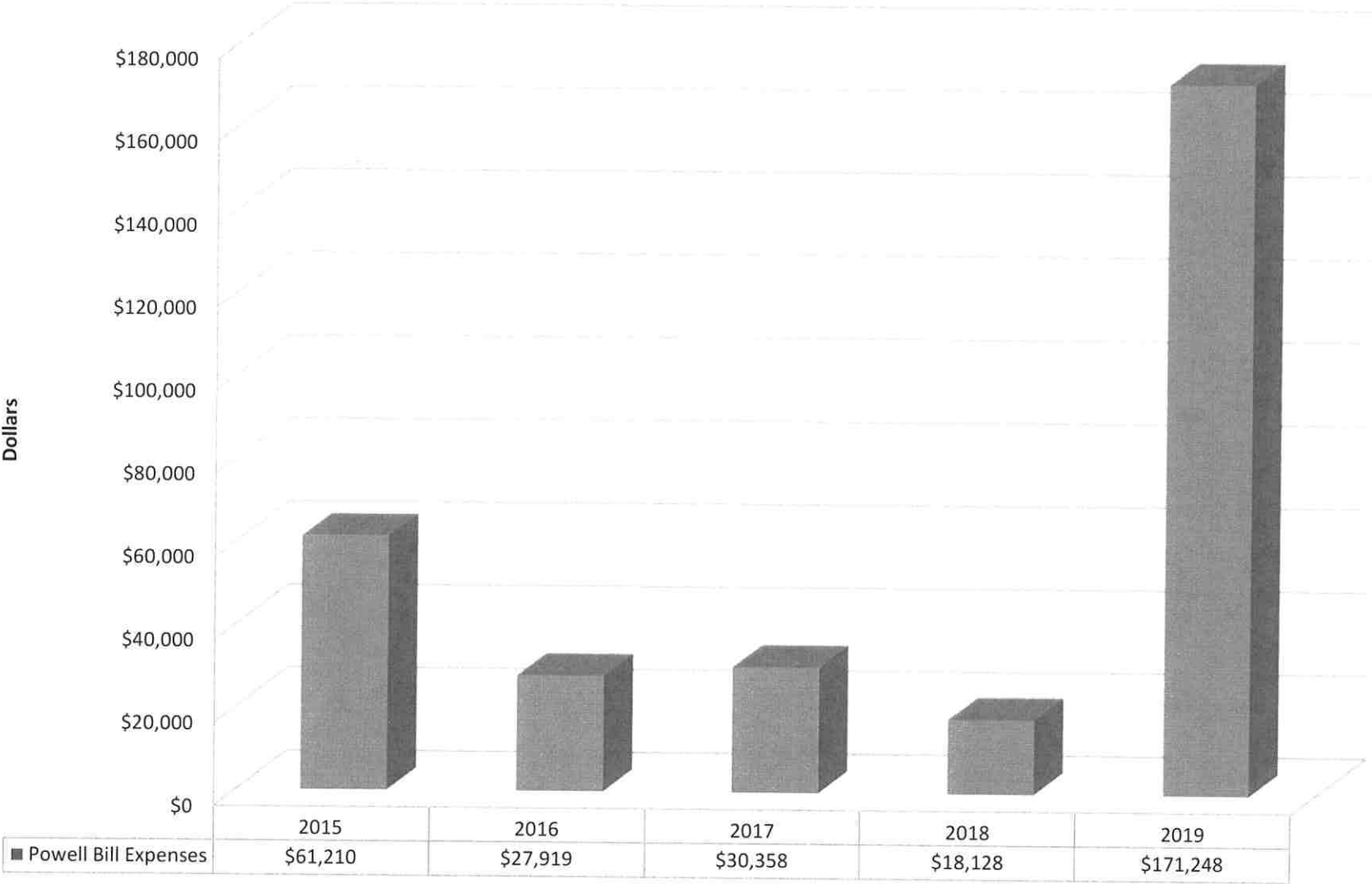


POWELL BILL FUND REVENUE FY 2015 - 2019

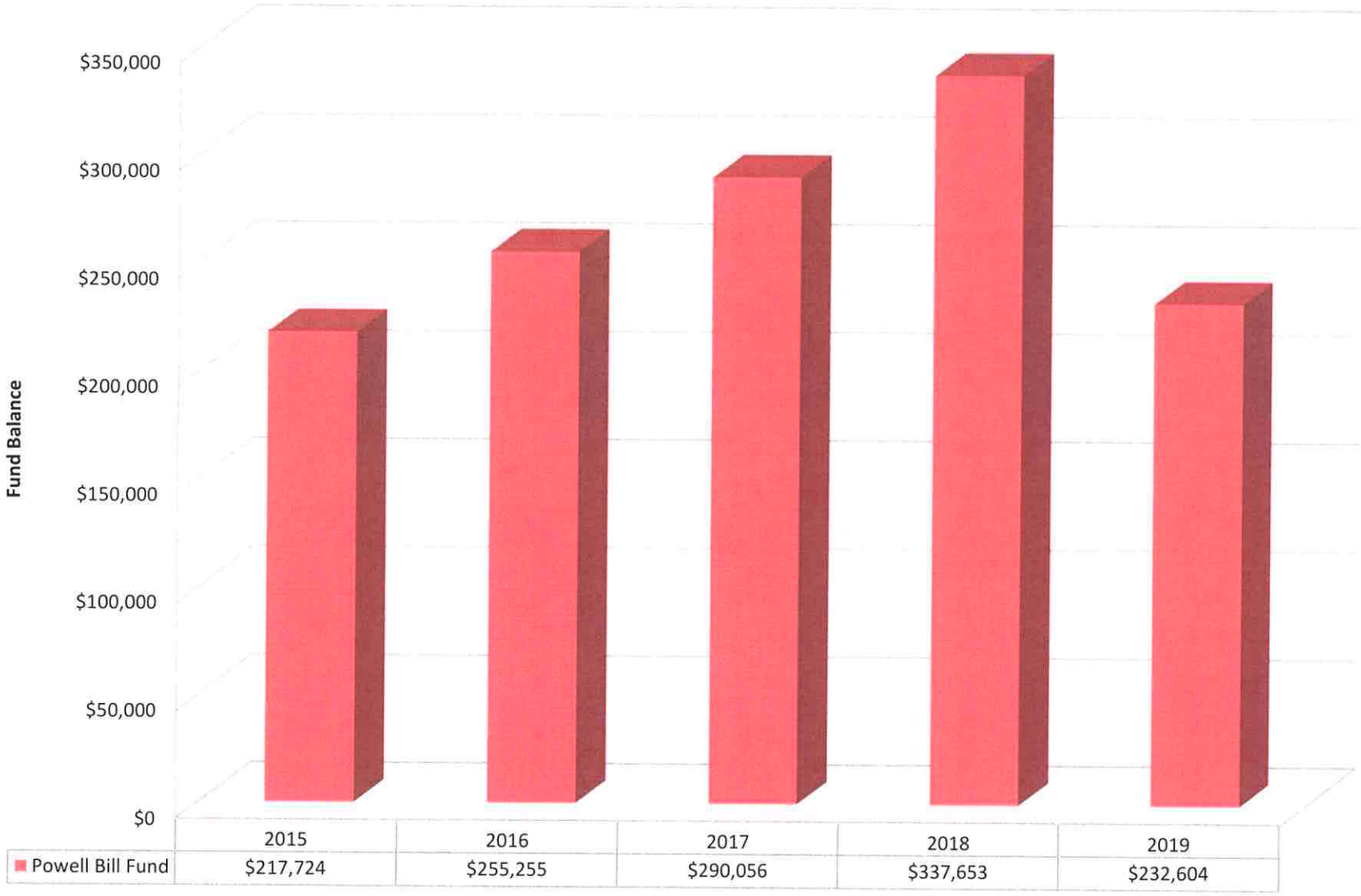


	Powell Bill Allocation	Interest
■ 2015	\$65,402	\$30
■ 2016	\$65,406	\$43
■ 2017	\$65,079	\$80
■ 2018	\$65,268	\$456
■ 2019	\$64,955	\$1,244

**POWELL BILL FUND
EXPENSES
FY 2015 - 2019**



POWELL BILL FUND BALANCE FY 2015 - 2019



**OTHER GOVERNMENTAL FUNDS
FY 2020 HIGHLIGHTS
7/1/19 – 12/31/19**

- BEACH PROTECTION

– Budget	\$24,500
– Actual Revenue	\$21,125
– Revenue % of Budget	86.2%
– Actual Expenses	\$ 0

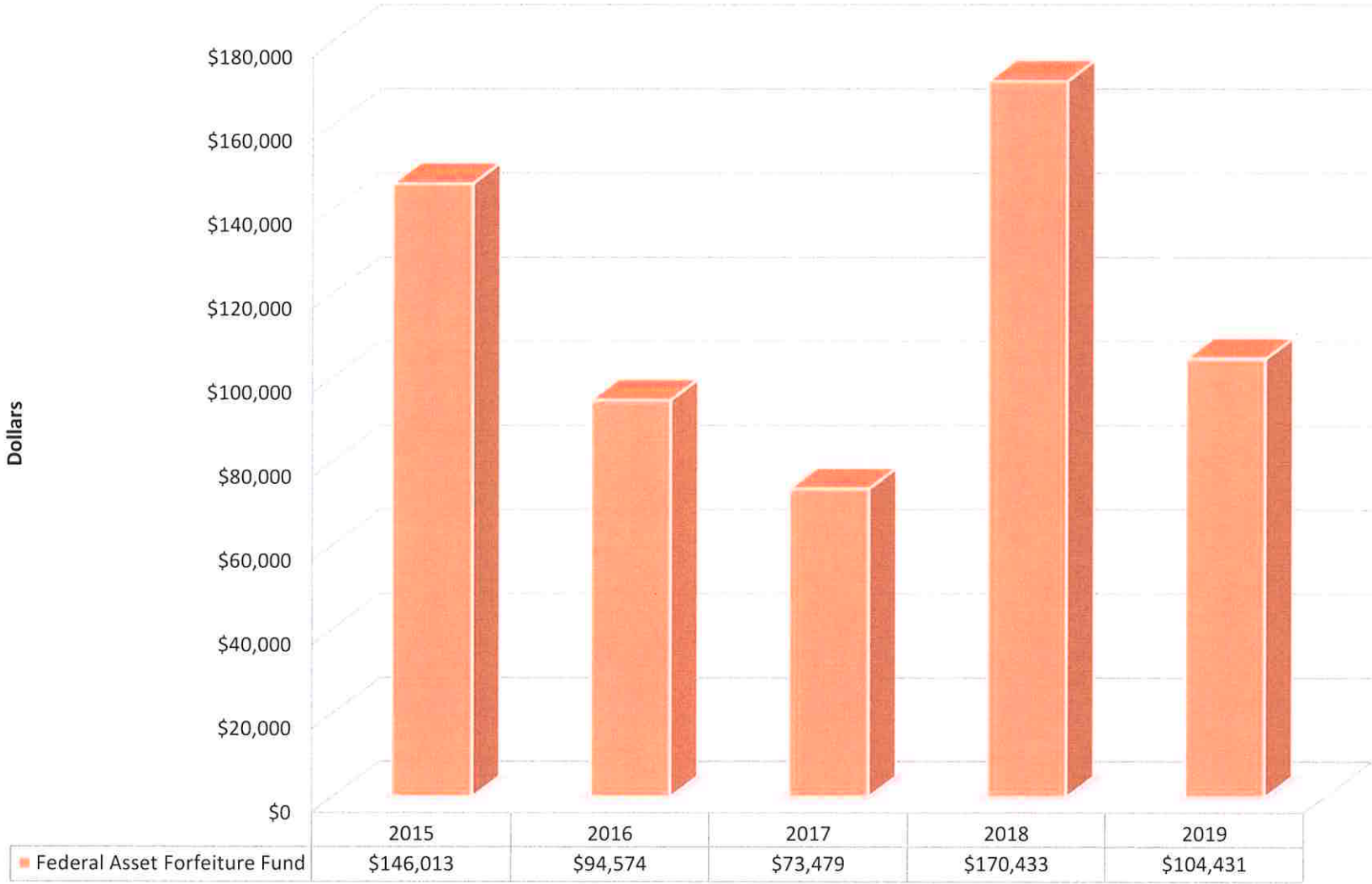
- FEDERAL ASSET FORFEITURE

– Budget	\$50,000
– Actual Revenue	\$ 0
– Revenue % of Budget	0.0%
– Actual Expenses	\$ 7,112
– Expenses % of Budget	14.2%

BEACH PROTECTION FUND CHANGE IN FUND BALANCE FY 2015 TO 2019

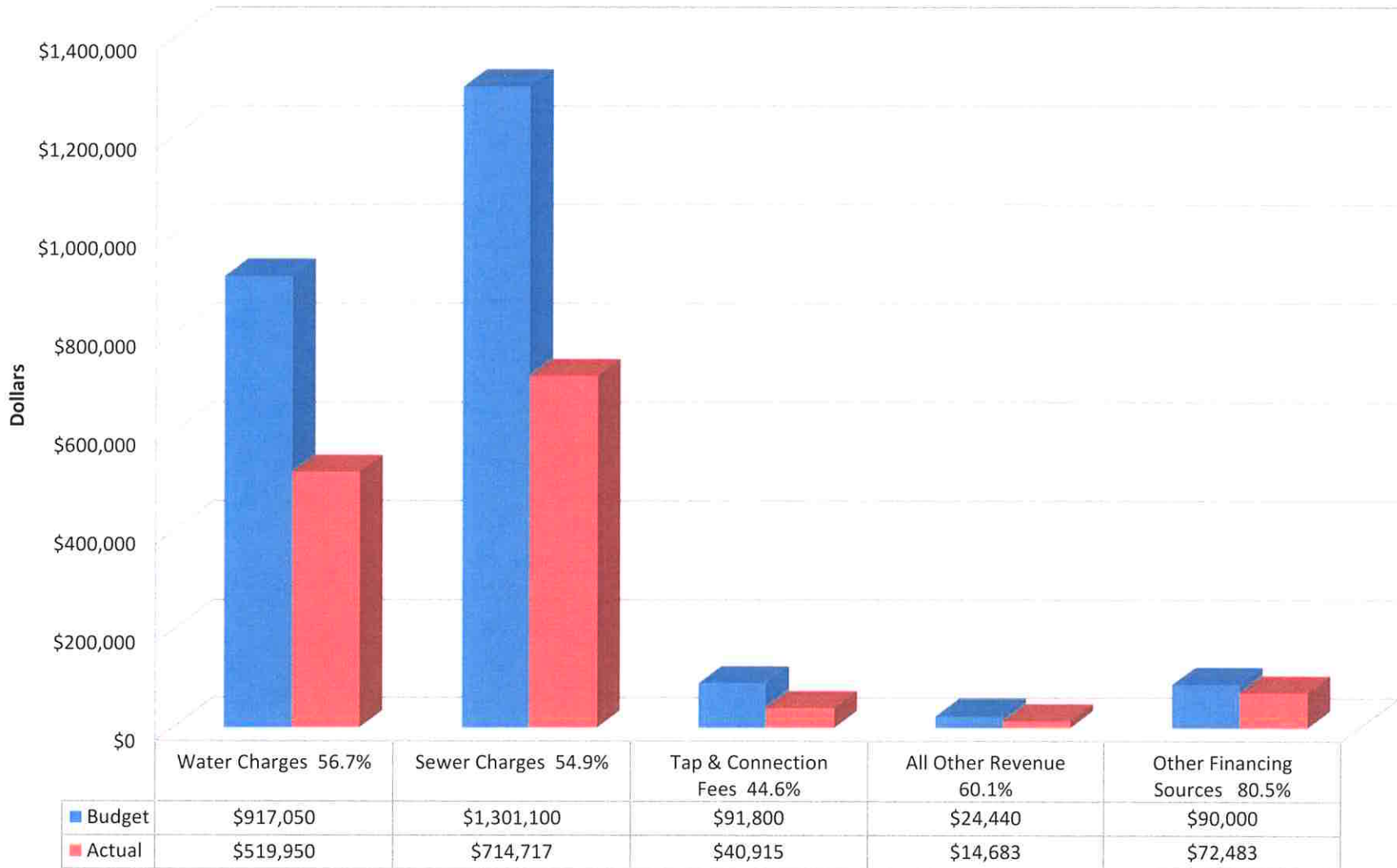


FEDERAL ASSET FORFEITURE FUND BALANCE FISCAL YEAR 2015 - 2019

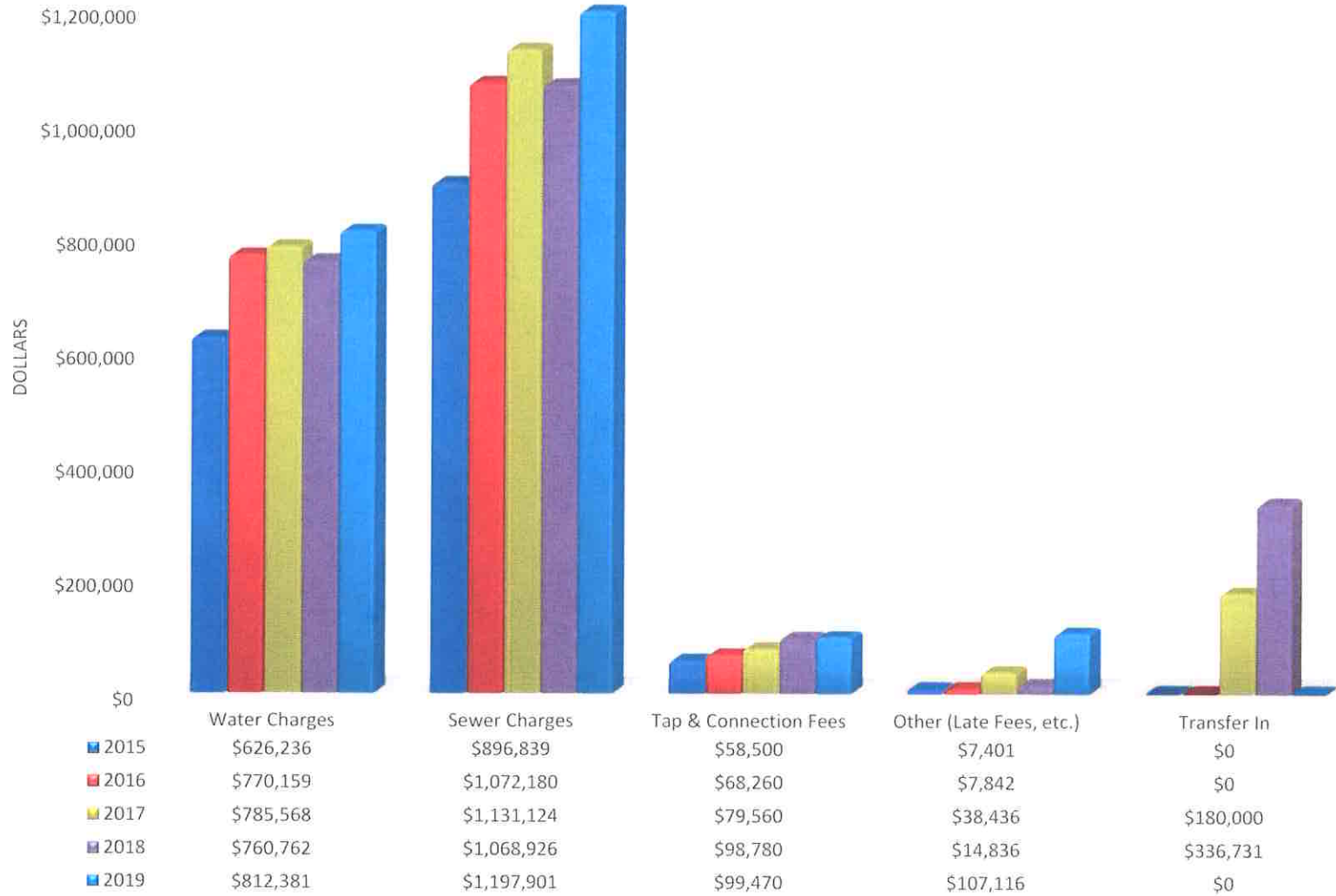


**WATER & SEWER FUND
FY 2020 HIGHLIGHTS
7/1/19 – 12/31/19**

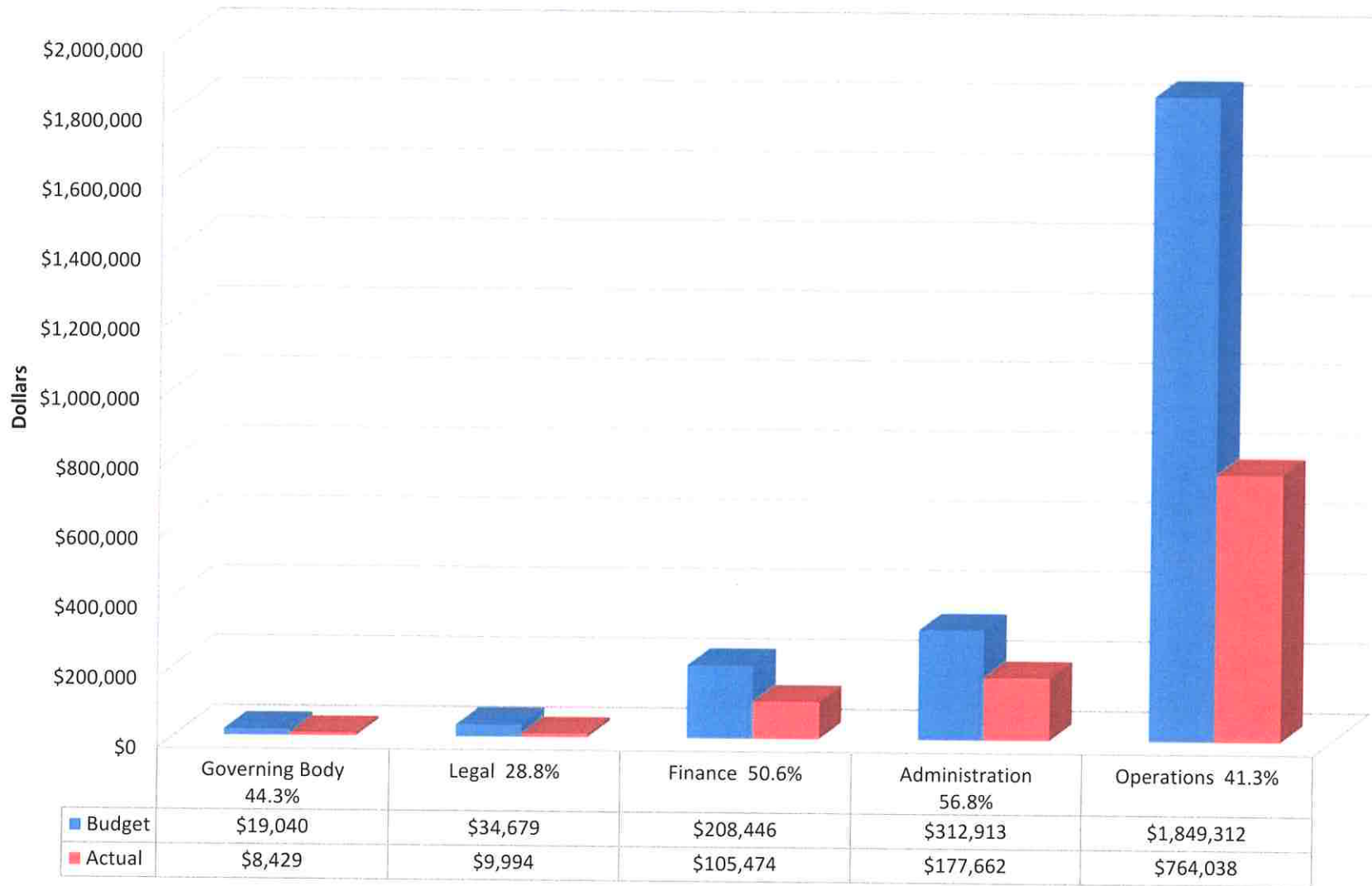
WATER/SEWER FUND REVENUE - BUDGET VS. ACTUAL 7/1/19 - 12/31/19



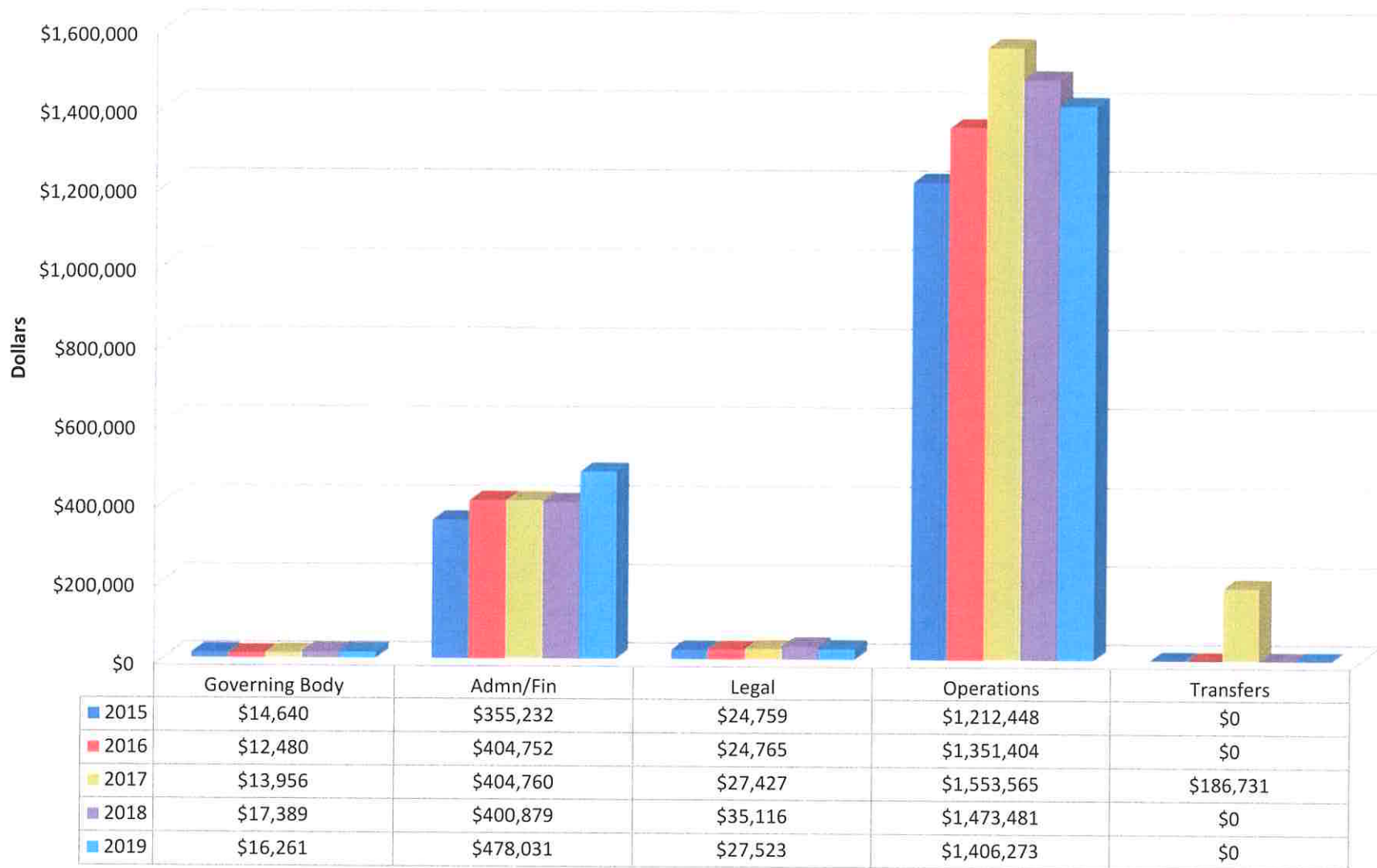
WATER/SEWER FUND REVENUE BY SOURCE FY 2015 - 2019



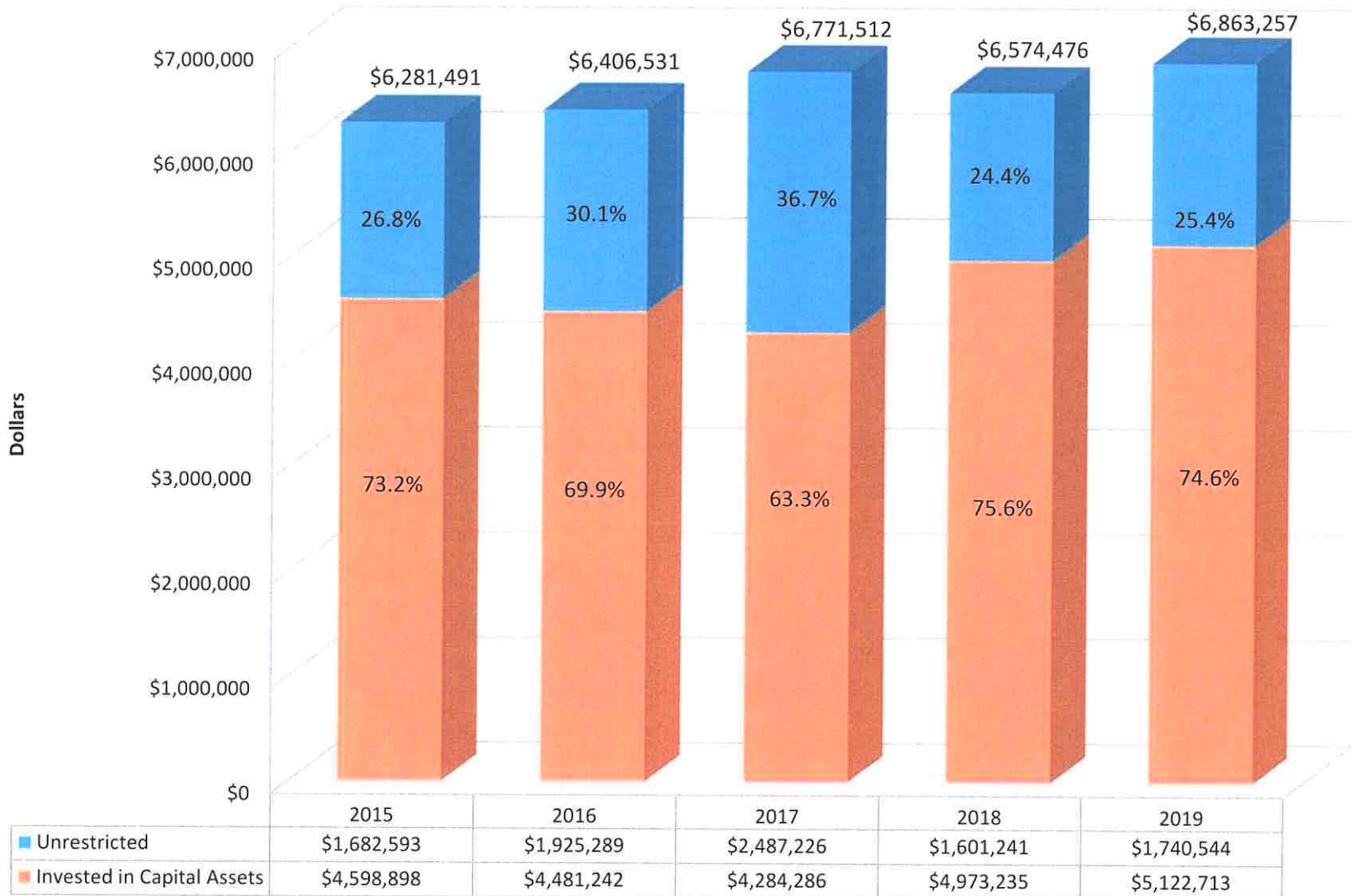
WATER/SEWER FUND EXPENSES - BUDGET VS. ACTUAL 7/1/19 - 12/31/19



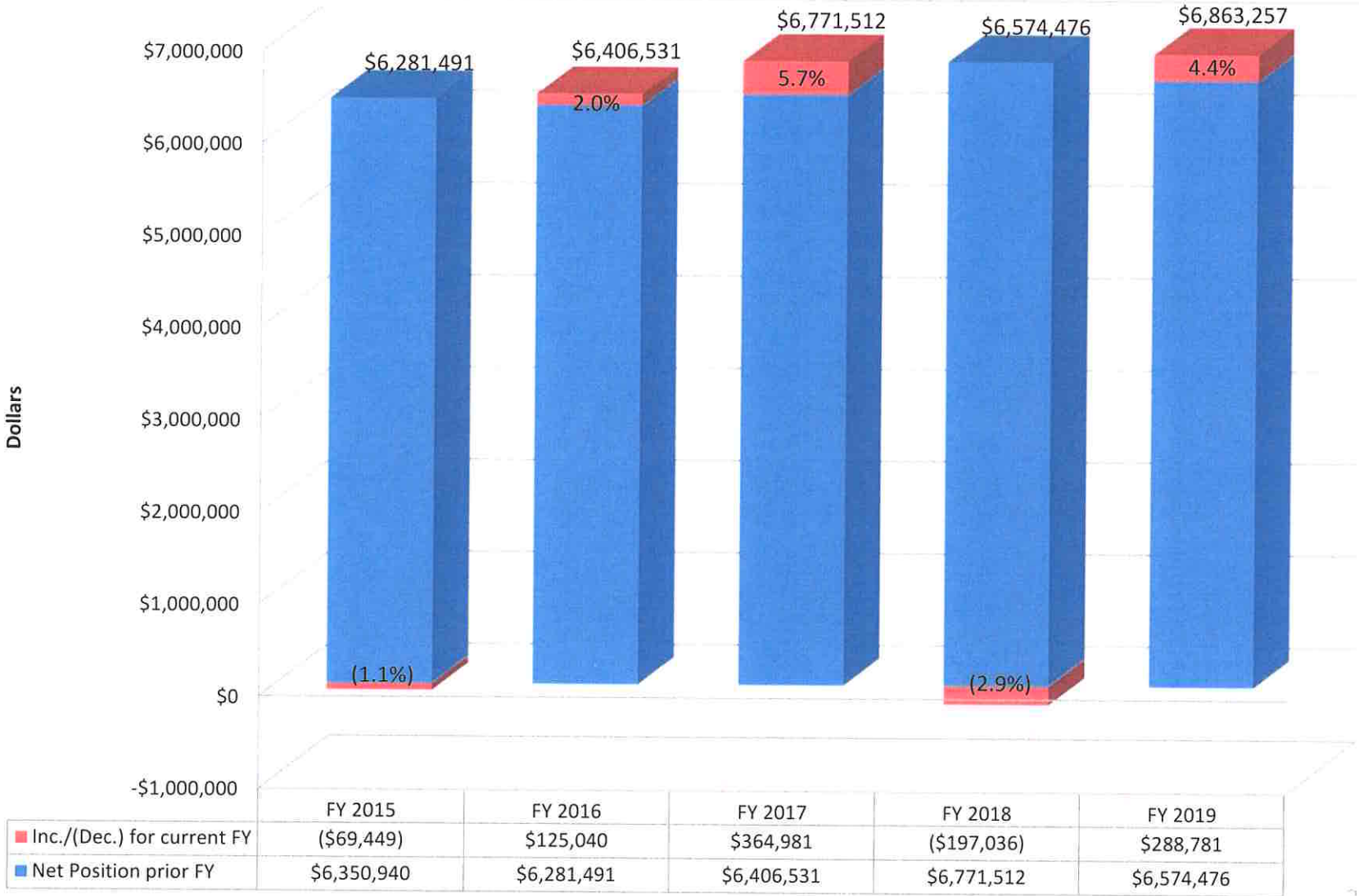
WATER/SEWER FUND EXPENSES BY FUNCTION FY 2015 - 2019



WATER/SEWER FUND NET POSITION FISCAL YEAR 2015 - 2019

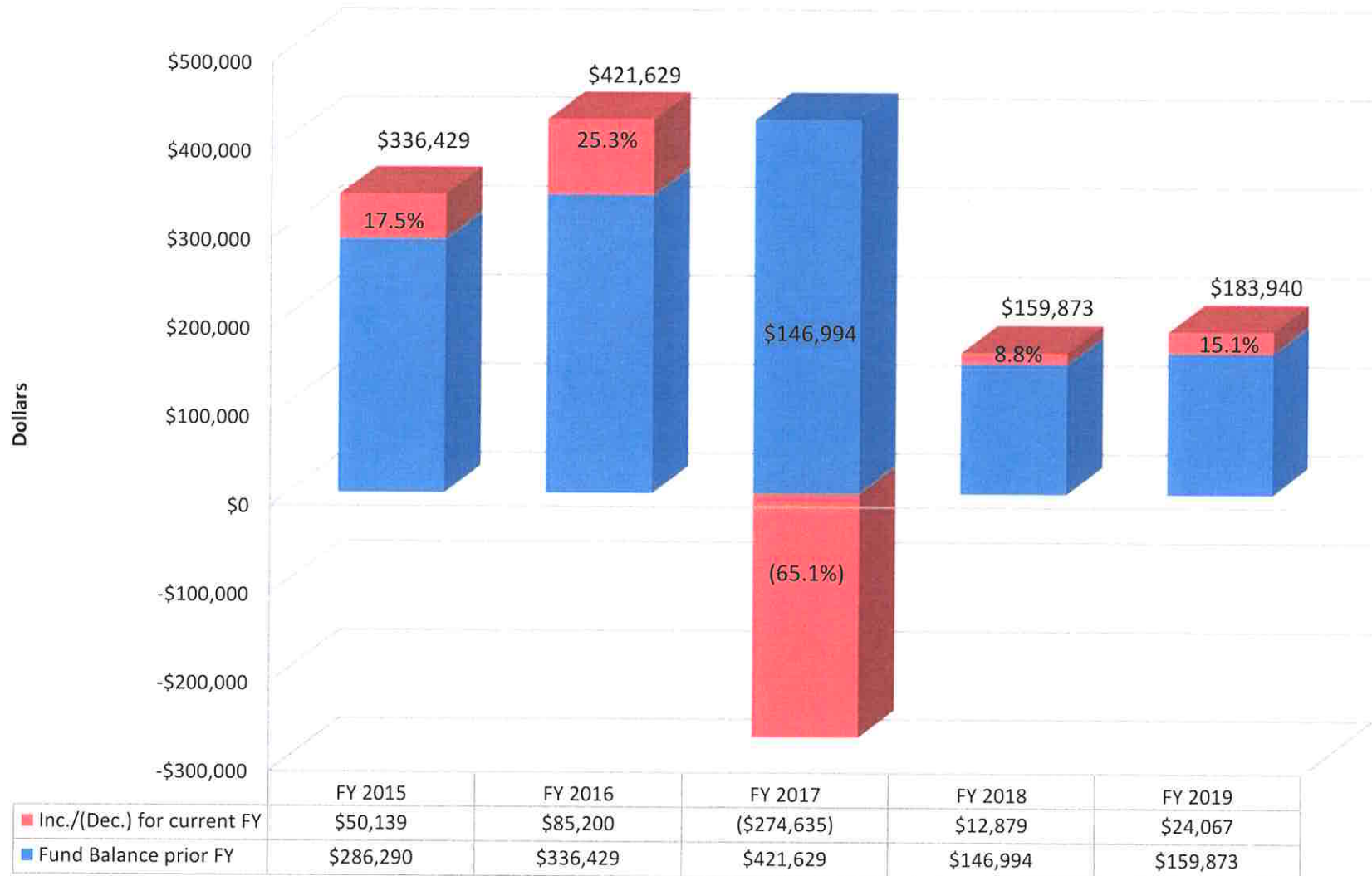


WATER/SEWER FUND CHANGE IN NET POSITION FISCAL YEAR 2015 - 2019



**SEWER EXPANSION RESERVE FUND (SERF)
FY 2020 HIGHLIGHTS
7/1/19 – 12/31/19**

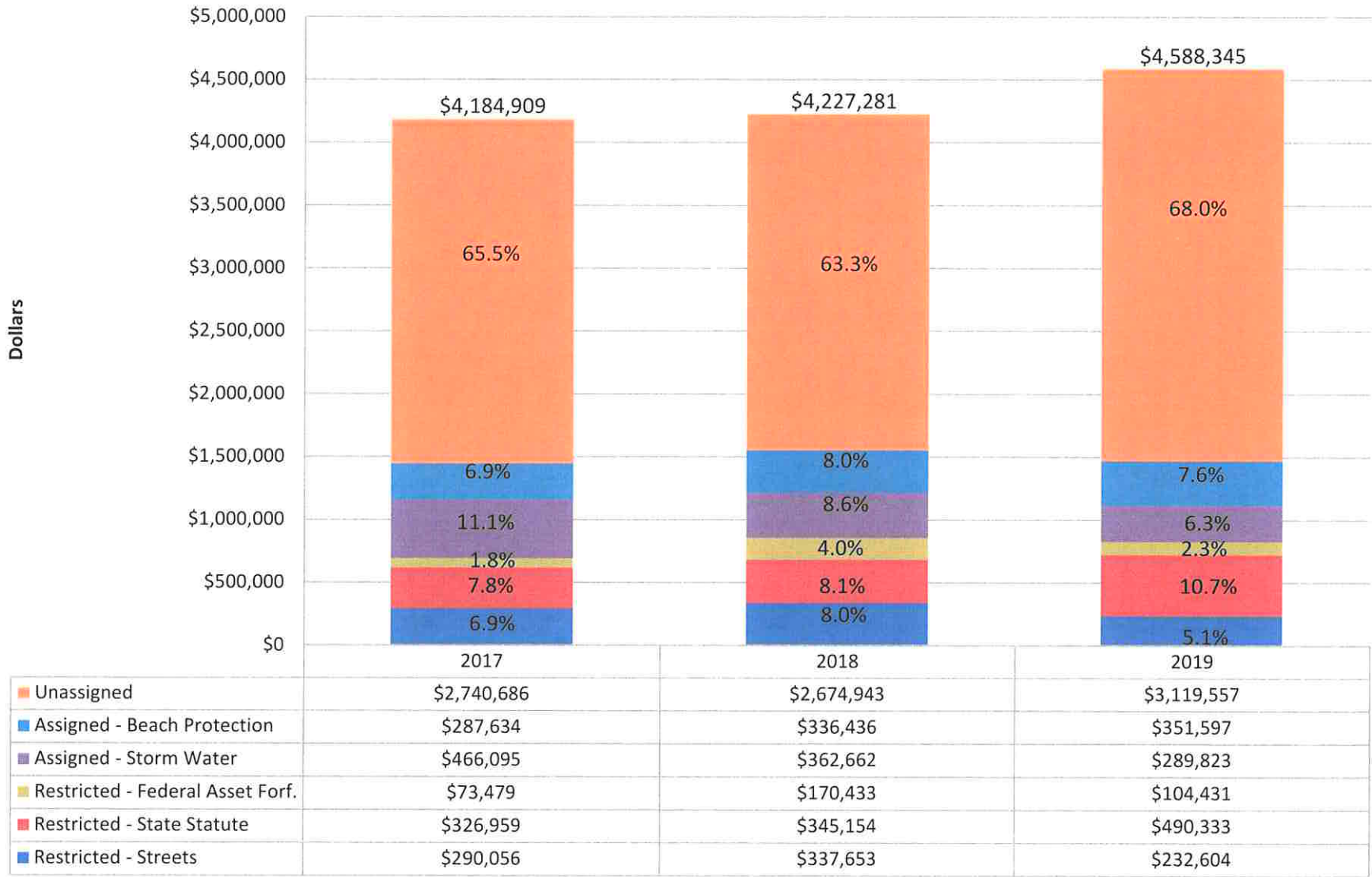
SEWER EXPANSION RESERVE FUND CHANGE IN FUND BALANCE FISCAL YEAR 2015 TO 2019



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

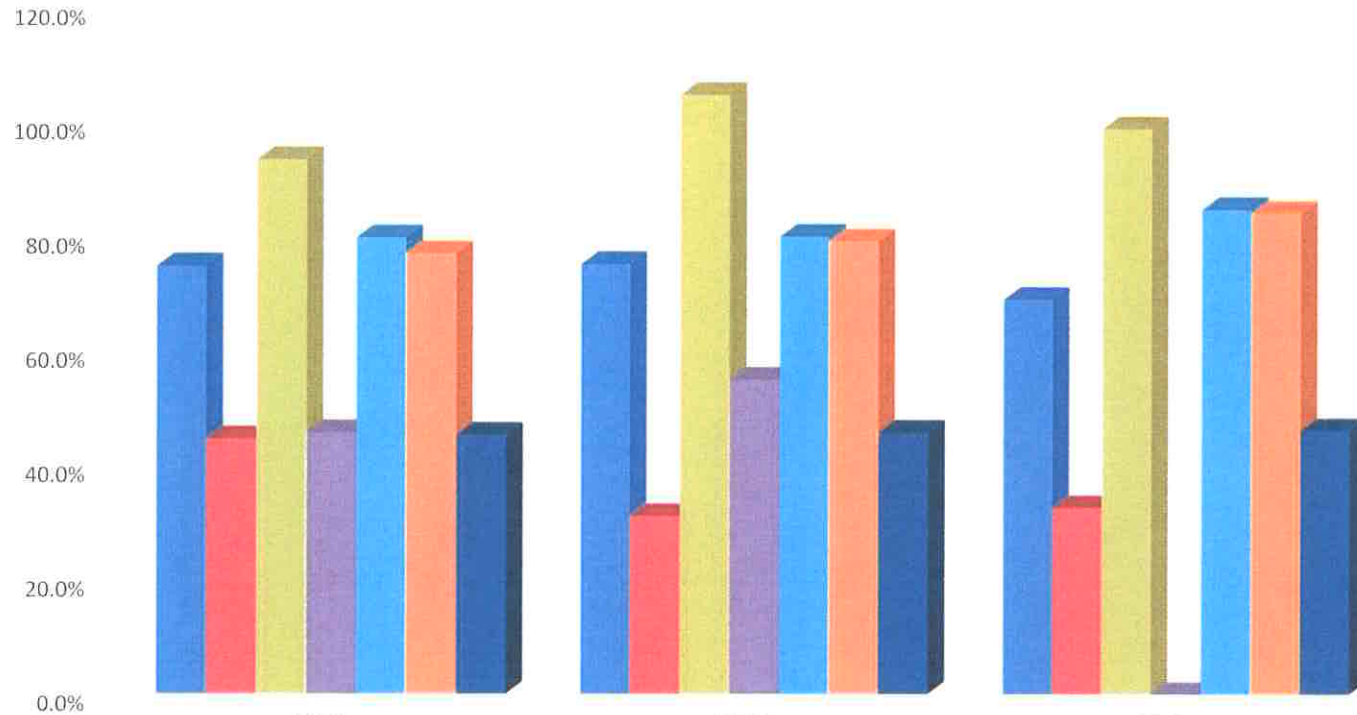


MINIMUM FUND BALANCE POLICY

The Unrestricted fund balance and Unassigned fund balance as a percentage of expenditures as of June 30, 2011 to 2019 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%
2019	62.3%	51.7%

**GOVERNMENTAL FUNDS
COMPARATIVE FUND BALANCE AS A PERCENTAGE OF EXPENDITURES
FY 2017 - 2019**



	2017	2018	2019
■ Kure Beach (2,224)	74.9%	75.2%	69.0%
■ Carolina Beach (6,068)	44.7%	31.2%	32.7%
■ Wrightsville Beach (2,503)	93.4%	104.7%	98.8%
■ Surf City (2,137)	45.8%	55.1%	0.0%
■ Population 1,000 - 2,499	79.8%	80.0%	84.7%
■ Population 2,500 - 9,999	77.0%	79.2%	84.1%
■ Statewide	45.4%	45.8%	46.2%

LOOKING FORWARD



**GENERAL FUND
5 YEAR CAPITAL PLAN
FY 2020 TO 2025**

DEPARTMENT	DESCRIPTION	FY 2019/2020	FINAL BUDGET	PROJECTED				
		5 YR. PLAN	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
Public Works	Gator	\$15,000	\$15,000				\$15,000	
Public Works	Street Paving (a)			\$90,000		\$150,000		\$300,000
Public Works	4x4 Pickup Truck			\$40,000				
Public Works	Garbage Truck				\$200,000			
Public Works	Service Truck						\$40,000	
Police Dept.	Police Vehicles	\$35,000	\$35,000	\$70,000	\$35,000	\$70,000	\$35,000	\$70,000
Police Dept.	Town Fuel Tank		\$110,000					
Police Dept.	ATV						\$6,000	
Lifeguards	ATV		\$10,050	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
Fire Dept.	Turnout Gear/Air Bottle Replacement Plan			\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Fire Dept.	Turnout Gear (7 volunteers)			\$21,000				
Fire Dept.	Fire Vehicle/Squad Truck (Medical Unit)				\$35,000			
Fire Dept.	Fire Engine					\$600,000		
Fire Dept.	Service Truck						\$100,000	
Finance	New Financial Software - Total cost of \$100,000 (50% to General Fund & 50% to Water/Sewer Fund)			\$50,000				
	TOTAL	\$50,000	\$170,050	\$317,000	\$316,000	\$866,000	\$242,000	\$416,000

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

**WATER/SEWER FUND
5 YEAR CAPITAL PLAN
FY 2020 TO 2025**

DEPARTMENT	DESCRIPTION	FY 2019/2020	FINAL BUDGET	PROJECTED				
		5 YR. PLAN	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
Public Works	Ocean Dunes Lift Station Generator	\$40,000						
Public Works	Telemetry System	\$40,000	\$90,000					
Public Works	Sewer & Manhole Rehab	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	
Public Works	Service Truck			\$40,000				
Public Works	Sewer/Storm Water Vac Machine - Total cost of \$400,000 (50% to Water/Sewer Fund & 50% to Storm Water Fund)			\$200,000				
Public Works	Gator			\$15,000	\$15,000			
Public Works	Thompson Water Pump			\$30,000				
Public Works	City Works Software			\$30,000				
Public Works	Lift Station Upgrades/Rehab (Trading Post, Little OD, Beachwalk, KB Village)				\$30,000	\$30,000	\$30,000	\$30,000
Public Works	Village Lift Station Generator				\$50,000			
Public Works	Sewer Bypass - 6 Lift Stations				\$60,000			
Public Works	Water Line Replacement - 4th Avenue					\$20,000	\$20,000	
Public Works	Flat Bed Dump Truck						\$50,000	
Public Works	Miscellaneous Water & Sewer Projects		\$112,807					
Public Works	Water Meter Replacement (Hardware & Software) (a)	\$1,200,000	\$1,334,165					
Finance	New Financial Software - Total cost of \$100,000 (50% to General Fund & 50% to Water/Sewer Fund)			\$50,000				
	TOTAL	\$1,330,000	\$1,586,972	\$415,000	\$205,000	\$100,000	\$150,000	\$30,000

(a) - Separate capital project fund setup for the water meter replacement project.

**STORM WATER FUND
5 YEAR CAPITAL PLAN
FY 2020 TO 2025**

DEPARTMENT	DESCRIPTION	FY 2019/2020	FINAL BUDGET FY 2019/2020	PROJECTED					
		5 YR. PLAN		FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025	
Public Works	Sewer/Storm Water Vac Machine - Total cost of \$400,000 (50% to Water/Sewer Fund & 50% to Storm Water Fund)			\$200,000					
Public Works	Bobcat Skid Steer				\$40,000				
Public Works	Miscellaneous Storm Water Projects		\$29,500	\$34,000	\$25,000	\$25,000	\$25,000	\$25,000	
	TOTAL		\$0	\$29,500	\$234,000	\$65,000	\$25,000	\$25,000	\$25,000

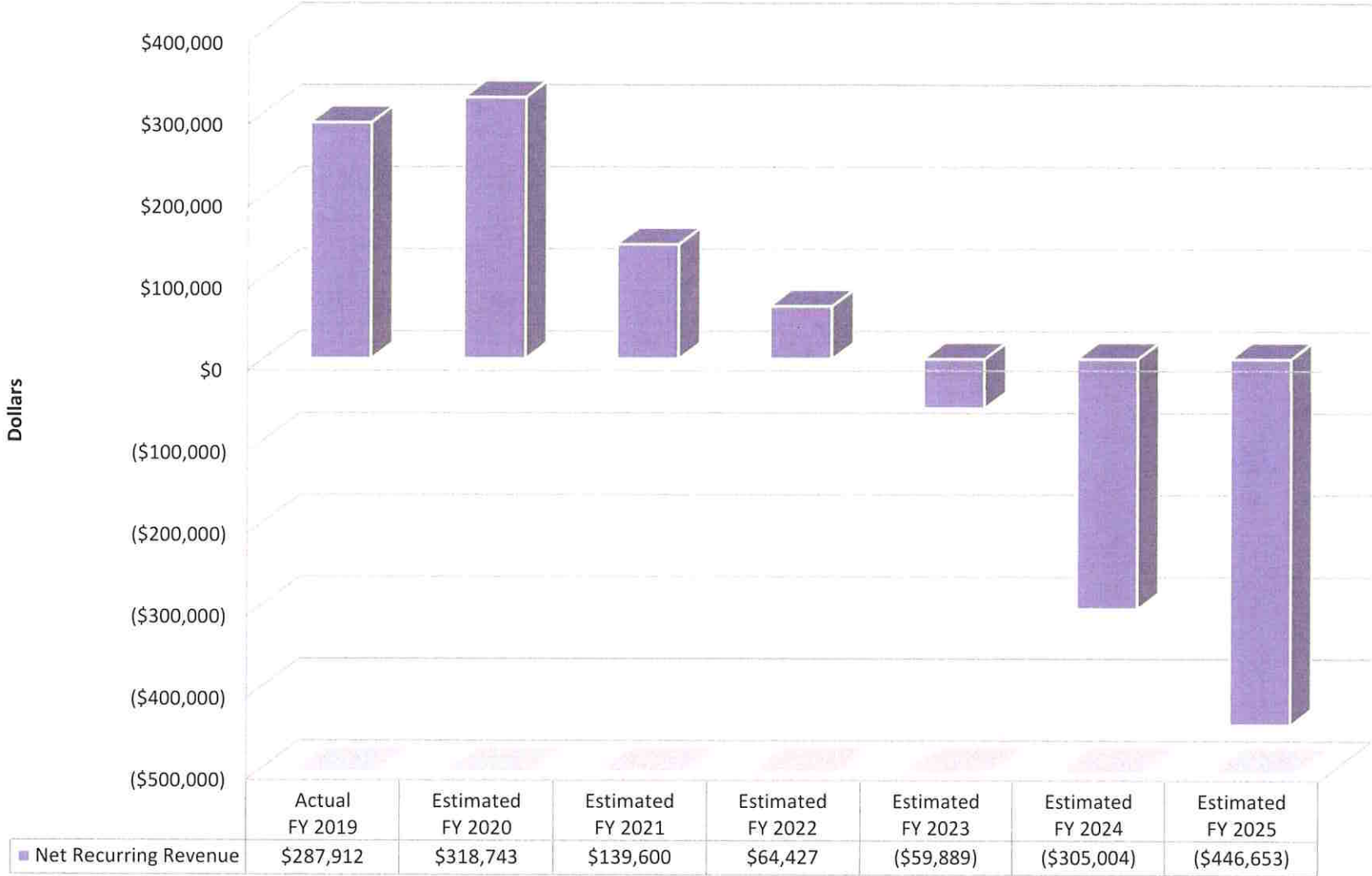
**GENERAL FUND
PROJECTED REVENUE VS. EXPENSES
ASSUMING NO TAX INCREASES
FY 2020 TO 2025**

	Actual FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024	Estimated FY 2025
Recurring Revenue	\$5,243,664	\$5,445,528	\$5,540,825	\$5,637,789	\$5,736,451	\$5,836,838	\$5,938,983
Recurring Operating Expenses	\$4,054,785	\$4,366,849	\$4,622,002	\$4,853,102	\$5,095,757	\$5,350,545	\$5,618,072
Debt Service	\$708,018	\$716,886	\$709,223	\$700,260	\$680,583	\$759,298	\$747,564
Capital Outlay Not Financed	\$72,309	\$25,050	\$70,000	\$20,000	\$20,000	\$32,000	\$20,000
Relocation Expenses	\$110,833	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to Other Funds	\$9,807	\$18,000	\$0	\$0	\$0	\$0	\$0
Net Recurring Revenue	\$287,912	\$318,743	\$139,600	\$64,427	(\$59,889)	(\$305,004)	(\$446,653)

ASSUMPTIONS:

- (1) - Revenue increases at 1.75% annually after FY 20 adjustments for increase to tax rate (\$89,500) & recycle fee (\$20,600).
- (2) - Operating expenses increase at 5% per year after adjustments for new positions in FY 20 & costs associated with new facilities.
- (3) - No increase in property tax rate or service fees after adjustments for FY 20 increases.
- (4) - No additions to headcount after 2 positions added in FY 20 (Police and Building Inspections).
- (5) - Does not include a transfer to the Beach Protection Fund or Contingency after FY 20.
- (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 2020 TO 2025**



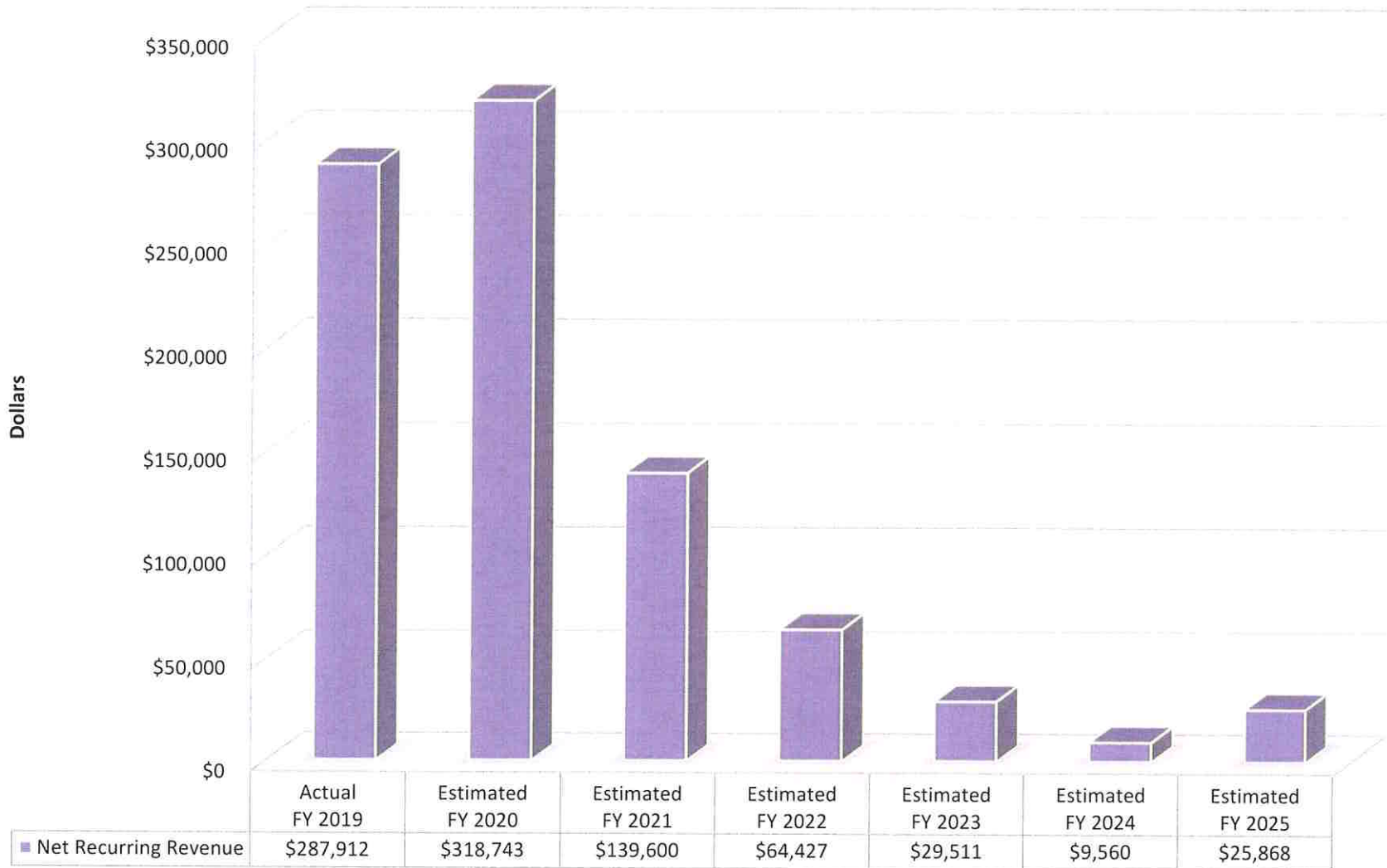
**GENERAL FUND
PROJECTED REVENUE VS. EXPENSES
INCLUDING POTENTIAL TAX INCREASES
FY 2020 TO 2025**

	Actual FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024	Estimated FY 2025
Recurring Revenue	\$5,243,664	\$5,445,528	\$5,540,825	\$5,637,789	\$5,825,851	\$6,151,403	\$6,348,453
Recurring Operating Expenses	\$4,054,785	\$4,366,849	\$4,622,002	\$4,853,102	\$5,095,757	\$5,350,545	\$5,618,072
Debt Service	\$708,018	\$716,886	\$709,223	\$700,260	\$680,583	\$759,298	\$689,513
Capital Outlay Not Financed	\$72,309	\$25,050	\$70,000	\$20,000	\$20,000	\$32,000	\$15,000
Relocation Expenses	\$110,833	\$0	\$0	\$0	\$0	\$0	\$0
Transfers to Other Funds	\$9,807	\$18,000	\$0	\$0	\$0	\$0	\$0
Net Recurring Revenue	\$287,912	\$318,743	\$139,600	\$64,427	\$29,511	\$9,560	\$25,868

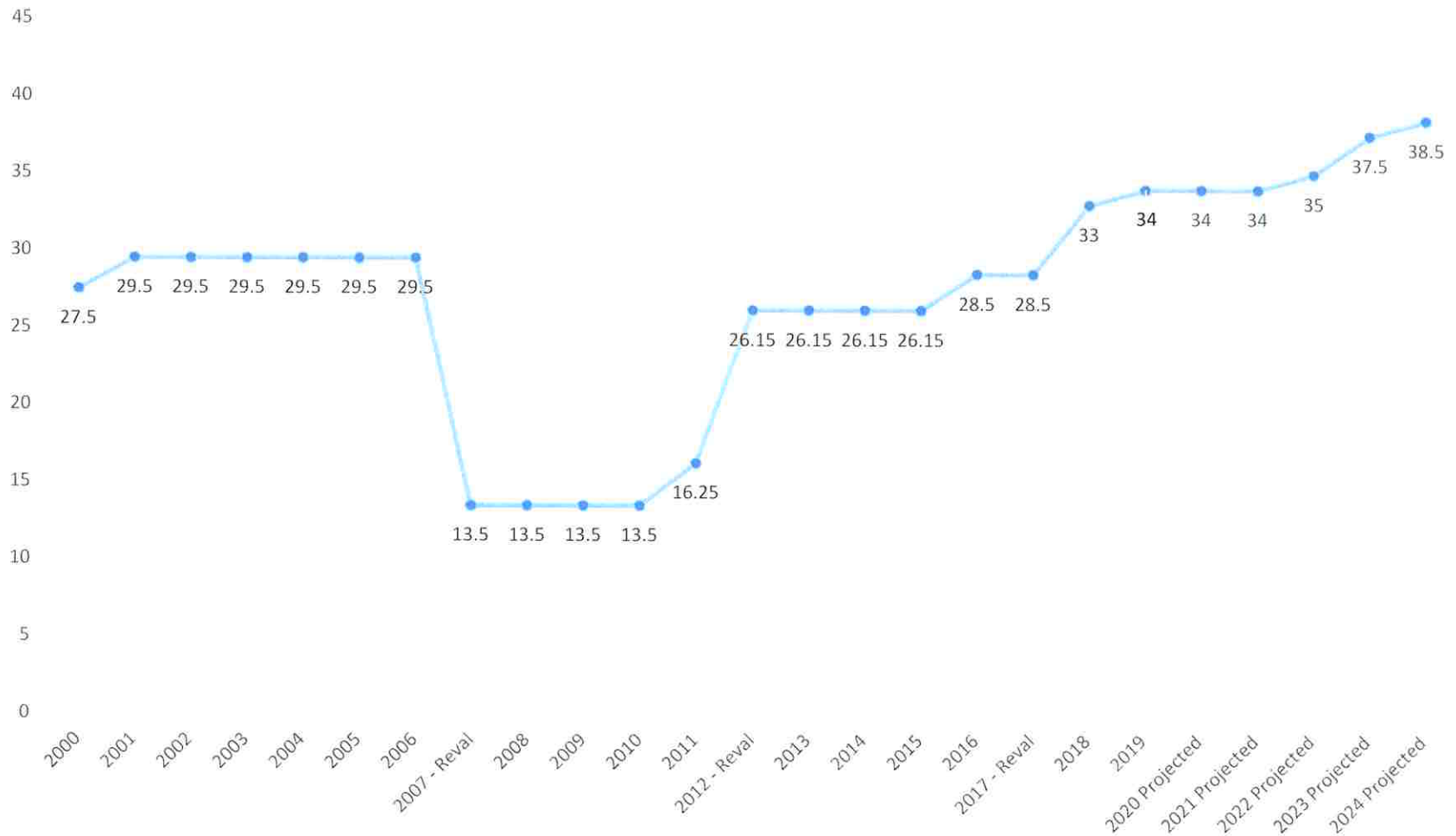
ASSUMPTIONS:

- (1) - Revenue increases at 1.75% per year
- (2) - Operating expenses increase at 5% per year after adjustments for new positions in FY 20 & costs associated with new facilities.
- (3) - Increase in property tax rate as follows:
 - FY 2023 - 1 cent (2.9%) - new rate = 35 cents - estimated additional revenue of \$89,400
 - FY 2024 - 2.5 cents (7.1%) - new rate = 37.5 cents - estimated additional revenue of \$223,600
 - FY 2025 - 1 cent (2.7%) - new rate = 38.5 cents - estimated additional revenue of \$89,400
- (4) - No additions to headcount after 2 positions added in FY 2020 (Police and Building Inspections)
- (5) - Does not include a transfer to the Beach Protection Fund or Contingency after FY 20
- (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

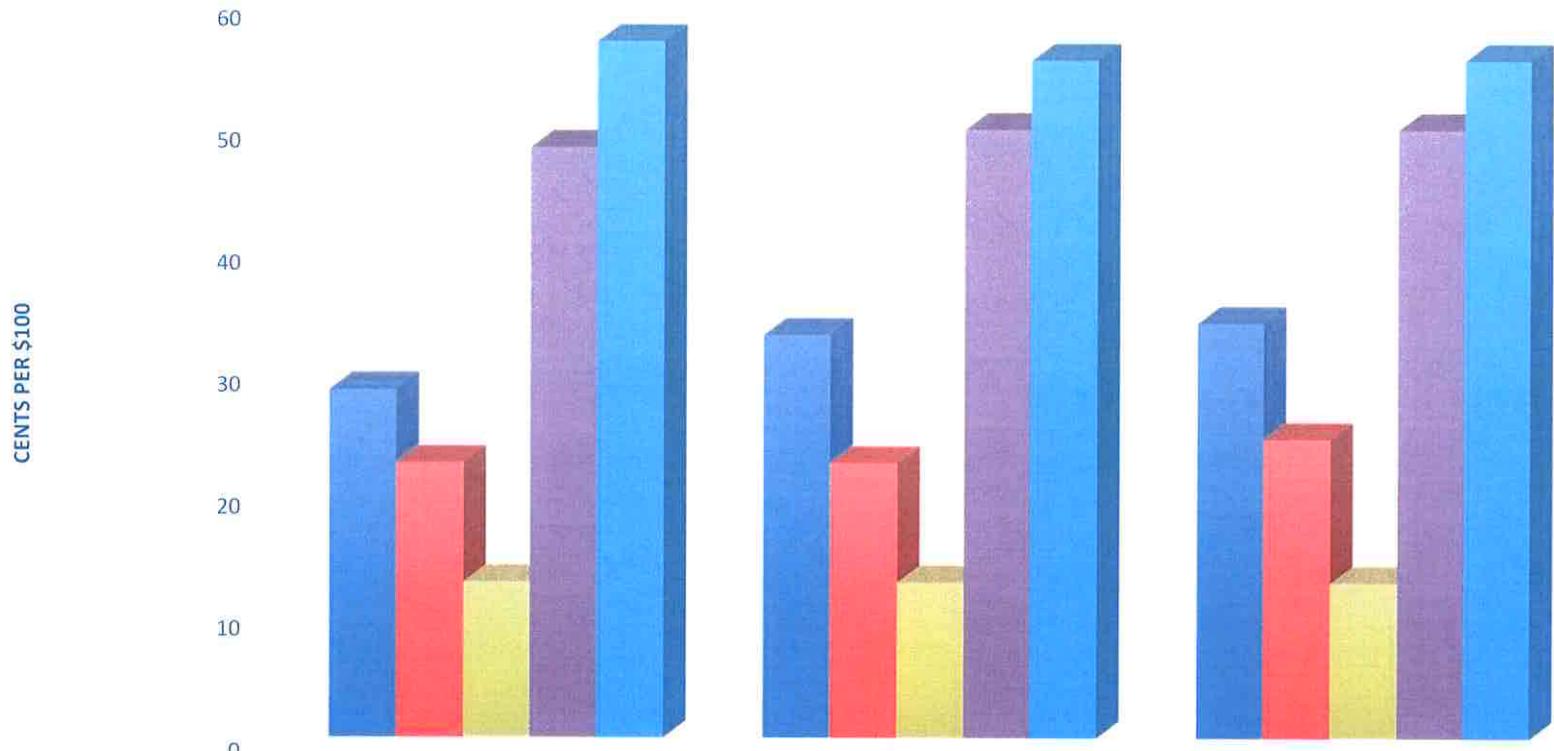
**GENERAL FUND
PROJECTED NET RECURRING REVENUE
INCLUDING POTENTIAL TAX INCREASES
FY 2020 TO 2025**



KURE BEACH
TAX RATE PER \$100 OF VALUE (in Cents)
CALENDAR YEAR: 2000 - 2024



PROPERTY TAX RATES PER \$100 OF VALUE (in Cents) 2017 - 2019



	2017	2018	2019
■ Kure Beach	28.5	33.0	34.0
■ Carolina Beach	22.5	22.5	24.5
■ Wrightsville Beach	12.75	12.75	12.75
■ Wilmington	48.34	49.84	49.84
■ New Hanover County	57.0	55.5	55.5

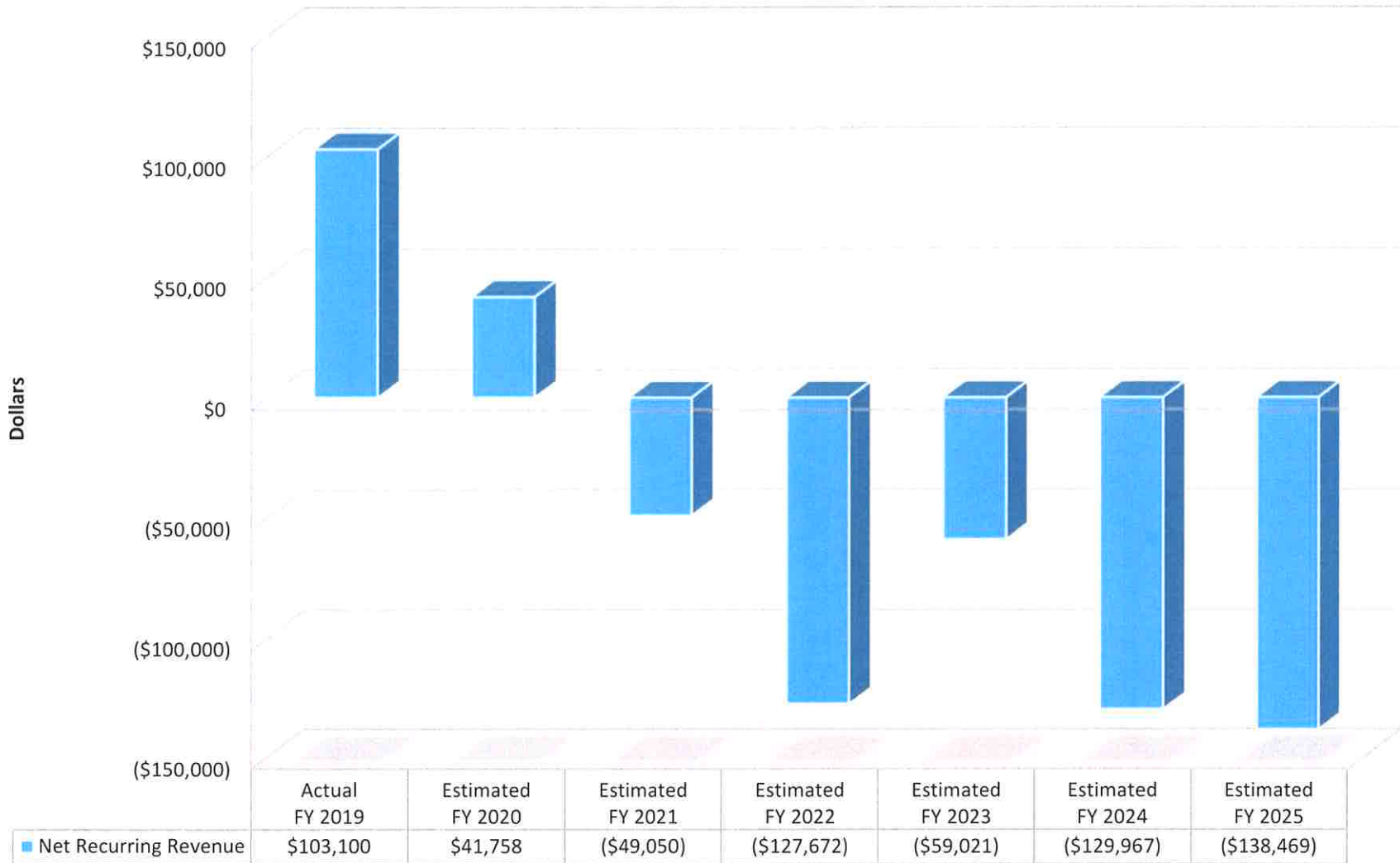
**WATER/SEWER FUND
PROJECTED REVENUE VS. EXPENSES
ASSUMING NO RATE INCREASES
FY 2020 TO 2025**

	Actual FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024	Estimated FY 2025
Recurring Revenue	\$2,134,094	\$2,319,764	\$2,331,363	\$2,343,020	\$2,354,735	\$2,366,509	\$2,378,341
Recurring Operating Expenses	\$1,591,188	\$1,683,247	\$1,782,410	\$1,871,530	\$1,965,107	\$2,063,362	\$2,166,530
Debt Service	\$258,815	\$344,759	\$423,004	\$444,162	\$348,649	\$333,114	\$320,280
Capital Outlay Not Financed	\$180,991	\$250,000	\$175,000	\$155,000	\$100,000	\$100,000	\$30,000
Net Recurring Revenue	\$103,100	\$41,758	(\$49,050)	(\$127,672)	(\$59,021)	(\$129,967)	(\$138,469)

ASSUMPTIONS:

- (1) - Revenue increases at 0.5% per year after adjustments for FY 20 water/sewer rate increases (\$175,000).
- (2) - Operating expenses increase at 5% per year after adjustments in FY 20 for full year of new Administration position & increases in new facility operating costs and FY 21 for new water meter system.
- (3) - No increase in water and sewer rates and fees after FY 20 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 2020 TO 2025**



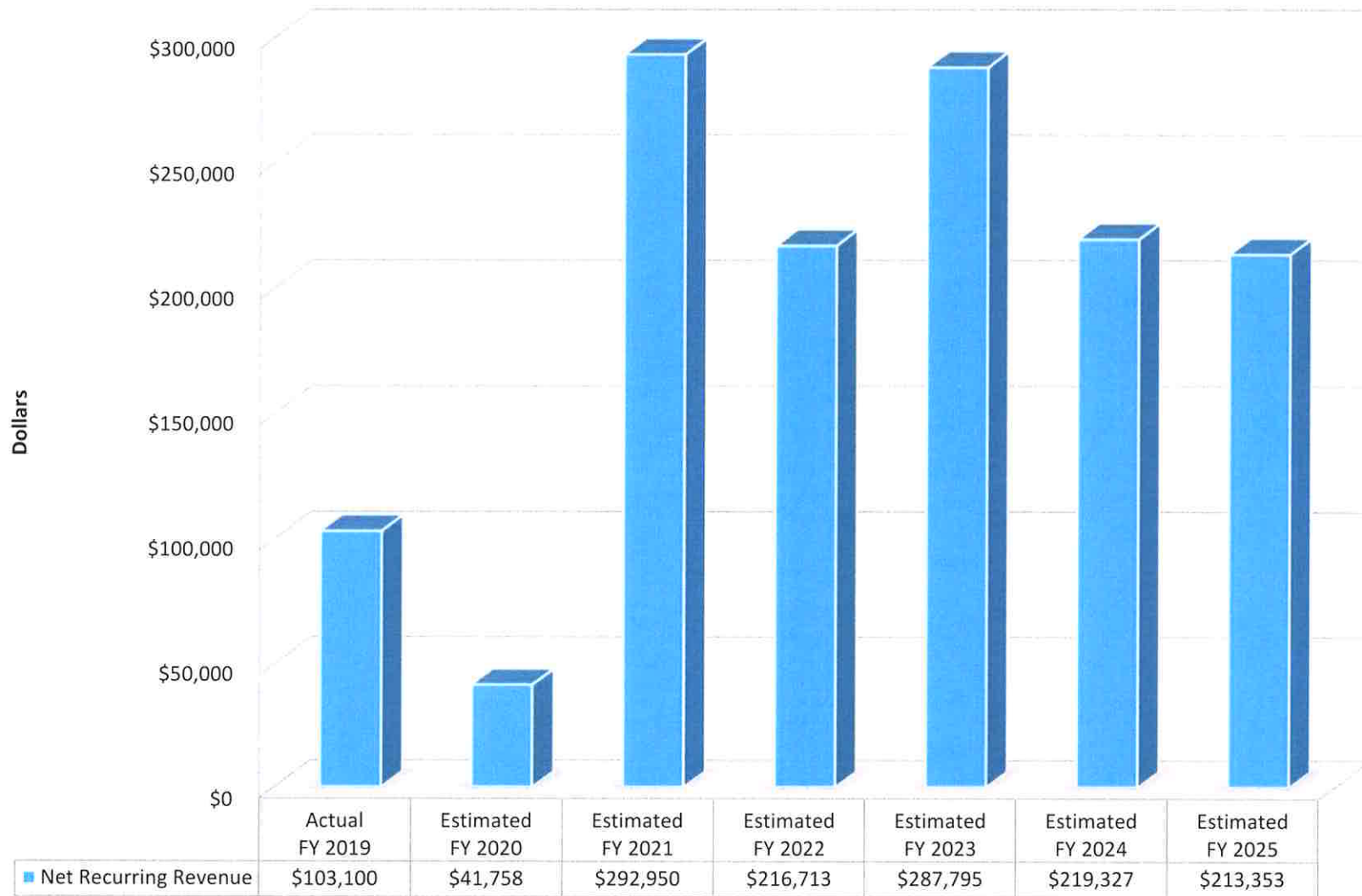
**WATER/SEWER FUND
PROJECTED REVENUE VS. EXPENSES
INCLUDING POTENTIAL RATE INCREASES
FY 2020 TO 2025**

	Actual FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024	Estimated FY 2025
Recurring Revenue	\$2,134,094	\$2,319,764	\$2,658,363	\$2,671,655	\$2,685,013	\$2,698,438	\$2,711,931
Recurring Operating Expenses	\$1,591,188	\$1,683,247	\$1,767,410	\$1,855,780	\$1,948,569	\$2,045,998	\$2,148,298
Debt Service	\$258,815	\$344,759	\$423,004	\$444,162	\$348,649	\$333,114	\$320,280
Capital Outlay Not Financed	\$180,991	\$250,000	\$175,000	\$155,000	\$100,000	\$100,000	\$30,000
Net Recurring Revenue	\$103,100	\$41,758	\$292,950	\$216,713	\$287,795	\$219,327	\$213,353

ASSUMPTIONS:

- (1) - Revenue increases at 0.5% per year after adjustments for FY 20 water/sewer rate increases (\$175,000).
- (2) - Operating expenses increase at 5% per year after adjustments in FY 20 for full year of new Administration position & increases in new facility operating costs.
- (3) - **Increase in water and sewer rates as follows:**
 FY 2021 - 15% rate increase (all accts.) - estimated additional revenue of \$327,000
- (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.

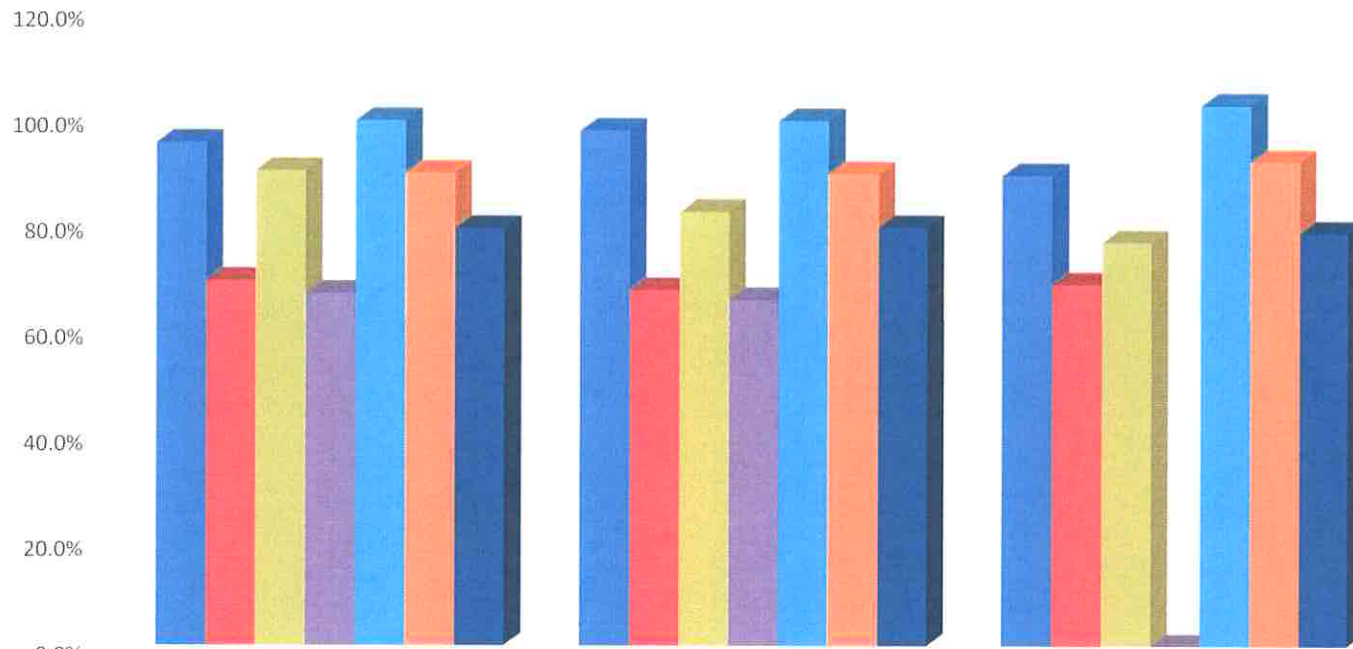
**WATER/SEWER FUND
PROJECTED NET RECURRING REVENUE
INCLUDING POTENTIAL RATE INCREASES
FY 2020 TO 2025**



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 2017 - 2019**



	2017	2018	2019
■ Kure Beach (2,224)	94.9%	97.1%	88.7%
■ Carolina Beach (6,068)	68.8%	67.0%	68.1%
■ Wrightsville Beach (2,503)	89.6%	81.8%	76.1%
■ Surf City (2,137)	66.4%	65.2%	0.0%
■ Population 1,000 - 2,499	99.0%	99.0%	101.9%
■ Population 2,500 - 9,999	89.1%	89.0%	91.3%
■ Statewide	78.7%	78.9%	77.9%

**STORM WATER FUND
PROJECTED REVENUE VS. EXPENSES
ASSUMING NO RATE INCREASES
FY 2020 TO 2025**

	Actual FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024	Estimated FY 2025
Recurring Revenue	\$327,043	\$330,313	\$333,617	\$336,953	\$340,322	\$343,725	\$347,163
Recurring Operating Expenses	\$198,768	\$210,694	\$223,336	\$236,736	\$250,940	\$265,996	\$281,956
Debt Service	\$108,190	\$125,637	\$45,504	\$60,681	\$51,901	\$51,901	\$34,443
Capital Outlay Not Financed	\$149,620	\$25,000	\$34,000	\$25,000	\$25,000	\$25,000	\$25,000
Storm Water System Study (FY21 - complete Phase 1 & 2 for all areas & FY 22 - complete Phase 3, 4 & 5)	\$0	\$48,720	\$39,480	\$38,840	\$0	\$0	\$0
Net Recurring Revenue	(\$129,535)	(\$79,738)	(\$8,703)	(\$24,304)	\$12,481	\$828	\$5,764

ASSUMPTIONS:

- (1) - Revenue increases at 1% per year.
- (2) - Operating expenses increase at 6% 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 2020 TO 2025**



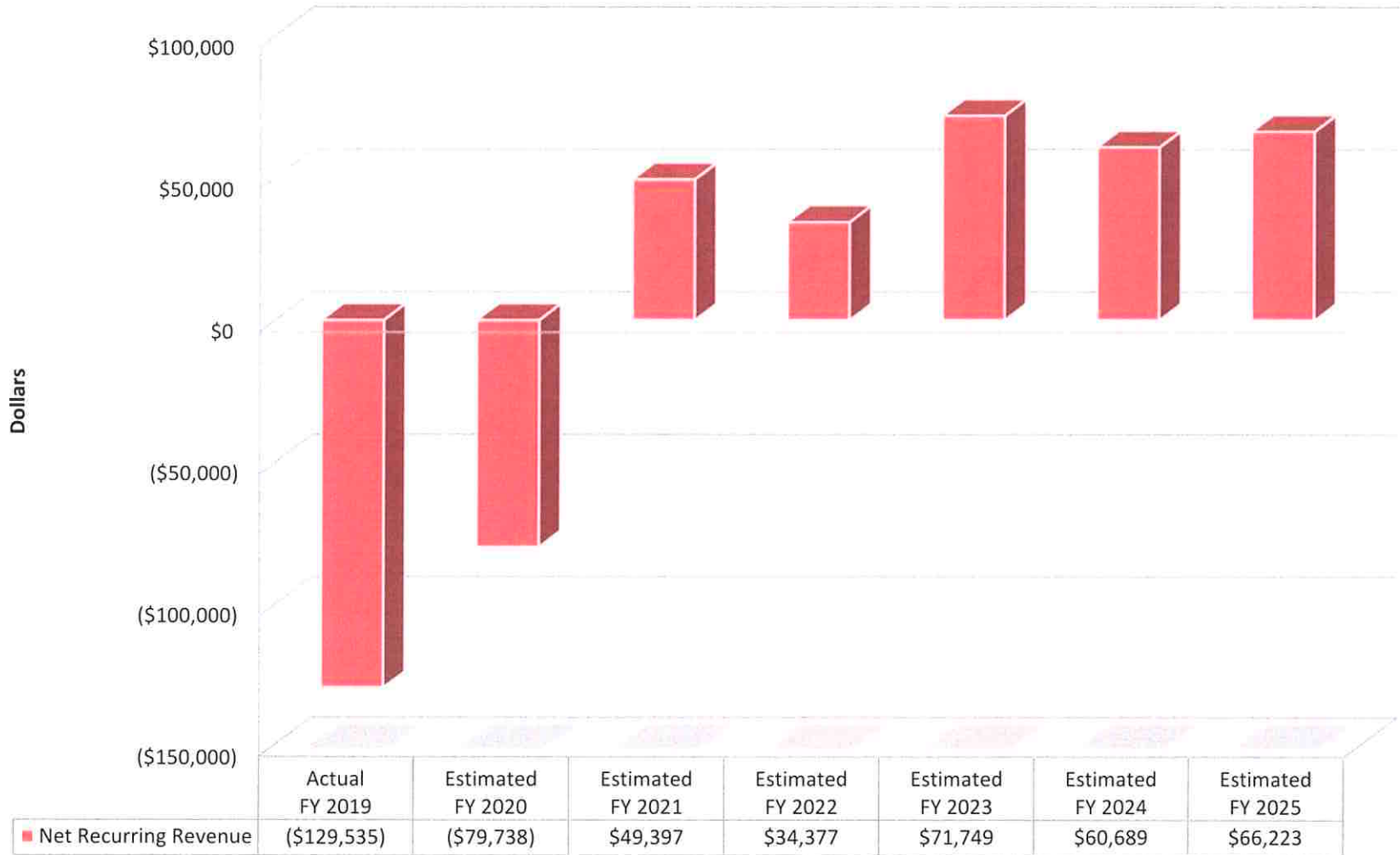
**STORM WATER FUND
PROJECTED REVENUE VS. EXPENSES
INCLUDING POTENTIAL RATE INCREASE
FY 2020 TO 2025**

	Actual FY 2019	Estimated FY 2020	Estimated FY 2021	Estimated FY 2022	Estimated FY 2023	Estimated FY 2024	Estimated FY 2025
Recurring Revenue	\$327,043	\$330,313	\$391,717	\$395,634	\$399,590	\$403,586	\$407,622
Recurring Operating Expenses	\$198,768	\$210,694	\$223,336	\$236,736	\$250,940	\$265,996	\$281,956
Debt Service	\$108,190	\$125,637	\$45,504	\$60,681	\$51,901	\$51,901	\$34,443
Capital Outlay Not Financed	\$149,620	\$25,000	\$34,000	\$25,000	\$25,000	\$25,000	\$25,000
Storm Water System Study (FY21 - complete Phase 1 & 2 for all areas & FY 22 - complete Phase 3, 4 & 5)	\$0	\$48,720	\$39,480	\$38,840	\$0	\$0	\$0
Net Recurring Revenue	(\$129,535)	(\$79,738)	\$49,397	\$34,377	\$71,749	\$60,689	\$66,223

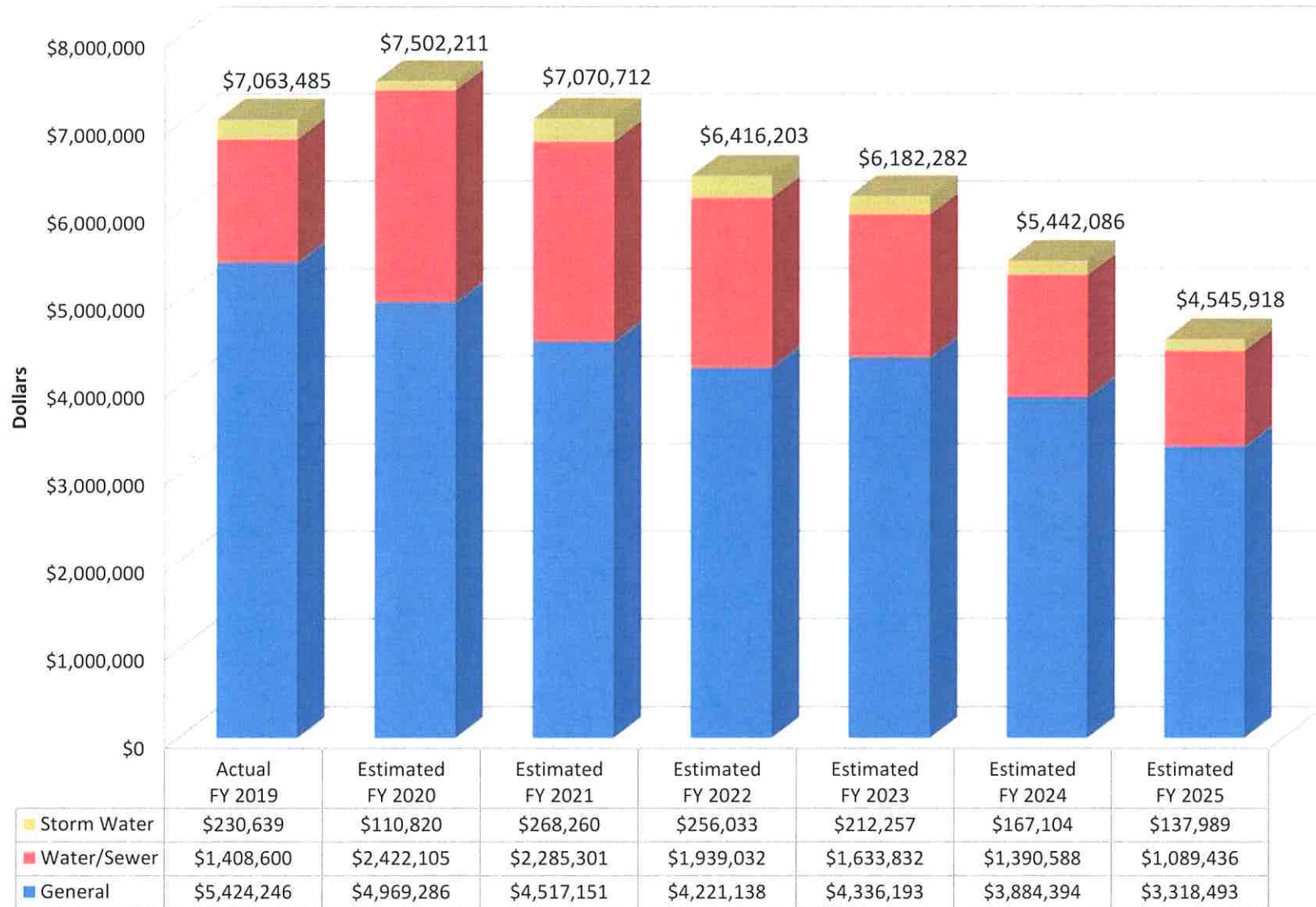
ASSUMPTIONS:

- (1) - Revenue increases at 1% per year.
- (2) - Operating expenses increase at 6% per year.
- (3) - Increase in storm water fees as follows:
 - FY 2021 - \$2.18 (25%) per month - new fee = \$10.89 - estimated additional revenue of \$58,100
- (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 2020 TO 2025**



PROJECTED OUTSTANDING DEBT FY 2019 TO 2025



PROPOSED FY 2020/2021 BUDGET CALENDAR

DATE	DESCRIPTION OF ACTIVITY
Friday Feb. 7, 2020	Outside Agency Funding Request Application made available to outside agencies via Town website
Wednesday Feb. 12, 2020	Provide budget guidance and worksheets to Department Heads and solicit budget requests from Town Committees
Friday Mar. 6, 2020	Deadline for Outside Agency Funding Request Applications (12 PM)
Wednesday Mar. 11, 2020	Departmental budgets and Town Committee requests due to Budget Officer
Friday Apr. 3, 2020	9:00 AM – Budget Workshop – Review initial department budgets, committee requests and funding requests from outside agencies
Friday Apr. 17, 2020	9:00 AM – Budget Workshop – Review draft budget
Monday May 18, 2020	Regular Council meeting – Draft budget and budget message provided to Council and copy of budget filed for public inspection
Monday June 8, 2020	6:00 PM – Public Hearing
Monday June 15, 2020	Adoption of FY 2020/2021 Budget (at regular Council meeting)

RECYCLING FEES



KURE BEACH MONTHLY RECYCLING FEE HISTORY

FISCAL YEAR	MONTHLY FEE	INCREASE AMOUNT	% INCREASE
2007	\$2.02		
2008 to 2009	\$2.52	\$0.50	24.8%
2010 to 2012	\$4.52	\$2.00	79.4%
2013 to 2018	\$4.88	\$0.36	8.0%
2019	\$7.40	\$2.52	51.6%
2020 (revised 8/19/19)	\$8.15	\$0.75	10.1%

WASTE MANAGEMENT RECYCLING FEE RATE SCALE

PROCESSING CHARGE PAID BY WASTE MANAGEMENT (per ton)	W.M. PER CAN FEE (includes 10% fuel surcharge)	% INCREASE
	\$7.40	
\$60 to \$69.99	\$7.69	3.92%
\$70 to \$79.99	\$7.92	2.99%
\$80 to \$89.99	\$8.15	2.90%
\$90 to \$99.99	\$8.38	2.82%
\$100 to \$109.99	\$8.60	2.63%
\$110 to \$119.99	\$8.82	2.56%
\$120 to \$129.99	\$9.04	2.49%
\$130 to \$139.99	\$9.28	2.65%
\$140 to \$149.99	\$9.51	2.48%

RECYCLING FEE RECOMMENDATIONS

1. Increase monthly recycling fee by 23 cents effective 1/31/2020. New fee would be \$8.38.
2. Implement process to evaluate recycling fees on a regular basis (e.g. quarterly) and adjust fees accordingly.

STORM WATER FEES



**KURE BEACH
MONTHLY RESIDENTIAL
STORM WATER FEE HISTORY**

FISCAL YEAR	MONTHLY RESIDENTIAL FEE	INCREASE AMOUNT	% INCREASE
Prior to 2007	\$0.00		
2007 to 2010	\$4.62	\$4.62	
2011	\$4.80	\$0.18	3.9%
2012 to Present	\$8.71	\$3.91	81.5%

**STORM WATER FEES
DUPLEX AND COMMERCIAL**

DESCRIPTION	CURRENT MONTHLY RATE
Duplex	\$6.40
Commercial	\$5.42 to \$88.11

**RESIDENTIAL STORM WATER FEE COMPARISONS
AS REPORTED BY UNC ENVIRONMENTAL FINANCE CENTER
(TEN HIGHEST FEES AT 3,000 SQ. FT. OF IMPERVIOUS AREA)**

MUNICIPALITY	SERVICE POPULATION	MONTHLY RESIDENTIAL FEE AT 3,000 SQ.FT. (a)	FEE STRUCTURE TYPE
Charlotte	826,060	\$15.44	Tiered Flat Fee
Carolina Beach	6,116	\$13.50	Flat Fee
Greenville	90,347	\$10.70	Tiered Flat Fee
Creedmoor	4,372	\$8.92	Flat Fee
Kure Beach	2,295	\$8.71	Flat Fee
Harrisburg	14,856	\$8.43	Equivalent Residential Unit (ERU)
Wilmington	115,261	\$8.19	Flat Fee
Wrightsville Beach	2,545	\$8.19	Flat Fee
Chapel Hill	59,234	\$8.04	Equivalent Residential Unit (ERU)
Stem	1,029	\$7.33	Flat Fee

(a) - Based on data provided to the UNC Environmental Finance Center by reporting towns as of July 2018.

FEE STRUCTURE TYPES

Flat Fee - Set rate that does not change based on impervious area square footage. (70.5% of towns)

Tiered flat Fee - Town has established a number of tiered fees based on estimated impervious area. (27.3 % of towns)

Equivalent Residential Unit (ERU) - Fee equal to the number of equivalent residential units of impervious surface multiplied by the ERU unit price. (2.2% of towns)

**KURE BEACH
STORM WATER FEE INCREASE SCENARIOS**

	CURRENT MONTHLY FEE (\$8.71)	10% FEE INCREASE (\$9.58)	14.8 % FEE INCREASE (\$10.00)	25% FEE INCREASE (\$10.89)	50% FEE INCREASE (\$13.07)	55% FEE INCREASE (\$13.50)
Monthly SW Fee Revenue	\$19,376	\$21,314	\$22,244	\$24,220	\$29,064	\$30,033
Annual SW Fee Revenue	\$232,512	\$255,763	\$266,924	\$290,640	\$348,768	\$360,394
Estimated Increase in Annual SW Fee Revenue		\$23,251	\$34,412	\$58,128	\$116,256	\$127,882

STORM WATER FEE RECOMMENDATIONS

1. Increase residential fee by 25% effective 1/31/2020. New fee would be \$10.89.
2. Charge \$10.89 storm water fee for all “residential units”. A duplex would be considered a “residential unit”.
3. Increase all commercial storm water fees by 25% effective 1/31/2020. New rates would range from \$6.78 to \$110.14.

The above actions would result in \$26,450 additional revenue for the current fiscal year (FY 2020) and \$63,900 for all fiscal years thereafter.

FEMA UPDATE

HURRICANE FLORENCE AND HURRICANE DORIAN STATUS



HURRICANE FLORENCE

STATUS OF POTENTIAL FEMA REIMBURSEMENTS

FEMA CATEGORY	DESCRIPTION	AMOUNT REQUESTED	RECEIVED TO-DATE	DATE RECEIVED	AMOUNT PENDING	COMMENTS
A	Debris Removal	\$104,242	\$104,242	5/31/19	\$0	Completed
B	Emergency Protective Measures	\$232,753	\$174,565	2/8/19	\$58,188	Received FEMA's 75% share. Final report submitted to NC Division of Emergency Management on 10/18/19. Awaiting the remaining 25% from the State.
D	Water Control Facilities (Storm Water Outfalls)	\$73,300	\$73,300	2/8/19	\$0	Completed
F	Utilities (Telemetry system, fence, several doors & lagoon floating baffle)	\$21,021	\$21,021	3/18/19	\$0	Completed
G	Parks, Recreational & Other (4 Beach accesses)	\$45,760	\$45,760	5/31/19	\$0	Completed
Z	Direct Administrative Costs		\$0			Determined once all projects are complete. Includes staff time for performing FEMA requirements.
TOTAL		\$477,076	\$418,888		\$58,188	

**HURRICANE DORIAN
STATUS OF POTENTIAL FEMA REIMBURSEMENTS**

FEMA CATEGORY	DESCRIPTION	ESTIMATED COSTS	RECEIVED TO-DATE	COMMENTS
A	Debris Removal	\$23,800	\$0	Accumulation and submission of all required documentation to FEMA is in progress
B	Emergency Protective Measures	\$44,875	\$0	Accumulation and submission of all required documentation to FEMA is in progress
D	Water Control Facilities (Storm Water Outfalls)	\$20,000	\$0	FEMA site inspection performed on 11/21/19. FEMA site inspectors estimated damages at \$51,180.
Z	Direct Administrative Costs		\$0	Determined once all projects are complete. Includes staff time for performing FEMA requirements.
TOTAL		\$88,675	\$0	