



TOWN COUNCIL MINUTES

BUDGET WORKSHOP #1 TOWN HALL

Monday March 31, 2023 @ 9:00 a.m.

The Kure Beach Town Council held budget workshop # 1 to review the proposed FY23-24 budget. The Town Attorney and a quorum of Council was present.

COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky
Mayor Pro Tem Allen Oliver
Commissioner David Heglar
Commissioner John Ellen
Commissioner Dennis Panicali

COUNCIL MEMBERS ABSENT

STAFF IN ATTENDANCE

Finance Officer Arlen Copenhaver
Police Chief Mike Bowden
Fire Chief Ed Kennedy
Building inspector John Batson
Public Works Director Jimmy Mesimer
Recreation Director Nikki Keely
Deputy Town Clerk Beth Chase

CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 9:00 a.m.

BUDGET PRESENTATION

Finance Officer Copenhaver presented the proposed budget assumptions, summary by fund and summary by department. Said presentation is herein included in these minutes.

PRESENTATION OF FIRST DRAFT OF FY23-24 BUDGET (Finance Officer Copenhaver)

Budget Assumptions:

1. No changes in services provided or level of services provided
2. No change to the current tax rate of \$0.2658
3. No change to General Fund fees
4. No changes to water and sewer rates
5. No General Fund Contingency
6. No transfer from the General Fund to the Beach Protection Fund
7. Full-time headcount increase – 2 Fire Dept. positions
8. Employee Compensation
 - COLA: 8.7%
 - Merit: 1.3%



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Monday March 31, 2023 @ 9:00 a.m.

Highlights:

- General Fund – Short \$142,999, Does not include a transfer to the Beach Protection Fund or Contingency
- Water/Sewer Fund – Short \$11,064
- Storm Water Fund – Short \$13,893

DEPARTMENT HEAD STATEMENTS

1. Public Works Department, Public Works Director Mesimer stated:

General Fund increases are:

- F/T Personnel-related Costs increased \$52,346 for Merit and COLA
- Capital Outlay–Truck increased \$50,000
- Computer Software/Support increased \$2,500
- Truck Maintenance increased \$2,000

General Fund decreases are:

- Capital Outlay–Equipment decreased \$348,000
- Capital Outlay-Improvements decreased \$105,000
- Part Time Personnel Costs: \$5,813
- Materials & Supplies decreased \$5,000

Water and Sewer Fund increases are:

- F/T Personnel-related costs increased \$45,544
- Carolina Beach Treatment Facility increased \$20,000
- System Maintenance Contracts increased \$8,000
- Truck Maintenance increased \$1,000

Water and Sewer Fund decreases are:

- System Maintenance decreased \$200,000
- Capital Outlay – Sewer Rehab decreased \$90,000
- Capital Outlay – Improvements decreased \$65,000
- Debt Service decreased \$16,170

Storm Water Operations increases:

- System Maintenance increased \$45,000

Storm Water Operations decreases:

- F/T Personnel-related Costs decreased \$2,559

MPT Oliver asked shouldn't there be a placeholder for the boardwalk?

Commissioner Heglar commented need to tell Finance Officer Copenhaver where to put a placeholder for the improvements of the boardwalk. Include in the budget engineering services in the amount of \$50,000.

Finance Officer Copenhaver stated needs to go into Streets and Sanitation budget.



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CONSENSUS- Town Council agreed to add a placeholder in the amount of \$50,000 for Engineering Services for the Boardwalk

2. Police Department

Police Chief Bowden stated:

- F/T Personnel-related Costs increased \$155,237 for COLA, Merit and promotions
- Capital Outlay increased \$20,000 for new vehicles
- Contracts increased \$4,500
- Minor Equipment increased \$18,000
- LEO Separation Allowance decreased \$14,611
- Building Maintenance decreased \$9,000

3. Fire Department & Lifeguards

Fire Chief Kennedy stated:

- F/T Personnel-related Costs increased \$159,003
- P/T Personnel-related Costs decreased \$72,552
- Capital Outlay increased \$100,000 for equipment
- Drill Fee-related Costs decreased \$4,911
- Supplies increased \$1,000
- Capital Outlay – Truck decreased \$717,773
- Travel/Training decreased \$1,000
- Lifeguards Personnel-related Costs increased \$90,905
- Capital Outlay – ATV increased \$1,000

4. Building Inspections

Building Inspector Batson stated:

- F/T Personnel-related Costs increased \$19,133 for Merit and COLA
- Contracts decreased \$15,000

5. Recreation

Recreation Director Keely stated:

- F/T Personnel-related Costs increased \$24,777 for Merit and COLA
- P/T Personnel-related Costs increased \$5,598
- Capital Outlay decreased \$66,000
- Professional/Consulting Fees increased \$14,000
- Children/Family Programs increased \$2,000



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Monday March 31, 2023 @ 9:00 a.m.

Community Center:

- Maintenance increased \$4,000
- Operations increased \$1,000

6. Administration

Town Clerk Sanders stated:

- F/T Personnel-related Costs increased \$15,115 for Merit and COLA
- Computer service increased \$3,990
- P&L Insurance increased \$6,500
- Building Maintenance increased \$2,226
- Telephone increased \$2,222
- Meetings/Events increased \$1,500
- Retiree Medical decreased \$2,240
- Land Use Plan decreased \$8,750
- Supplies increased \$1,400
- Legal Service – Town Attorney increased \$2,400

Governing Body

- Contributions increased \$13,620
- Governmental/Volunteer Relations increased \$1,000

Emergency Management

- No change from last year

Elections

- Local election in FY 2024 – estimate \$4,250

Town Clerk Sanders commented the last two years have repaired the A/C unit in the treehouse for the Parking Office. She received a quote for replacing the units at the cost of \$7,443.

Commissioner Heglar commented he thinks it is best to replace the unit as that is the right place for the parking office. Does anyone have a problem where the office is located for the parking company?

Police Chief Bowden stated it would be nice if a bathroom could be installed.

Town Clerk Sanders commented she will receive a quote for installing a bathroom.

Commissioner Heglar stated the Town should fix both these issues.



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BUDGET WORKSHOP #1 TOWN HALL

Monday March 31, 2023 @ 9:00 a.m.

CONSENSUS- Town Clerk Sanders to bring to Town Council next month the costs for installing a bathroom in the treehouse and installing the a/c unit

OUTSIDE AGENCY FUNDING REQUESTS

Finance Officer Copenhaver stated funding requests totaled \$45,100 as follows:

- Pleasure Island Chamber of Commerce (concert series) - \$30,000
- Federal Point Historic Preservation Society - \$5,000
- Island of Lights - \$1,200
- Friends of Fort Fisher, Inc. - \$0
- Federal Point Help Center - \$1,500
- Katie B. Hines Senior Center - \$2,000
- Pleasure Island Sea Turtle Project - \$5,400

MOTION- Commissioner Panicali made a motion to for Town Council to fund as follows:

- Pleasure Island Chamber of Commerce - \$25,000
- Federal Point Historic Preservation Society - \$5,000
- Island of Lights - \$1,200
- Federal Point Help Center - \$1,500
- Katie B. Hines Senior Center - \$2,000
- Pleasure Island Sea Turtle Project - \$5,400

SECOND- Commissioner Heglar

VOTE- Unanimous

Committee:

Marketing Committee - \$7,500

- Brand Analysis & Market Research Project - \$7,500

CONSENSUS- Town Council agreed to remove this project funds request at this time and have them present at the May Town Council meeting

Shoreline Access & Beach Protection - \$9,225

- Replace lost/damaged signs - \$5,250
- SLABP Brochure - \$1,700
- Sea Oats (3,500 @ \$0.65) - \$2,275

Bike/Ped Committee - \$10,000

- Education for Members - \$2,000
- Public Education Information - \$1,750
- Bike Route Maps- \$1,000
- Items for Markets and Events- \$3,250



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- Spot Lane Connector Beautification - \$2,000

7. Finance Department

Finance Officer Copenhaver stated:

- F/T personnel-related costs increased \$13,266
- Bank/payroll/credit card fees increased \$6,950
- Postage increased \$3,050
- Utility Bill Printing increased \$2,100
- Audit & Actuarial Fees increased \$1,000
- Computer Service-Financial Software decreased \$36,237

REVENUE REVIEW

Finance Officer Copenhaver presented projected revenue numbers. Presentation is herein incorporated as part of these minutes.

ARP Funds Remaining to be Used \$346,696.24

Finance Officer Copenhaver reviewed the options for Town Council to consider for the American Rescue Plan.

AMERICAN RESCUE PLAN (ARP) USAGE OF FUNDS

1. Council previously approved using ARP funds as Revenue Replacement for the Water & Sewer Fund
2. The ARP Funds were to be used for salary and benefit expenses for employees assigned to the Water & Sewer Fund
3. The Water & Sewer funds "freed up" as a result of step 2 above, would be used for water & sewer capital projects
4. Included in the fiscal year 2023 budget was a transfer of \$321,913 from the ARP Fund to the Water & Sewer Fund
5. The \$321,931 transfer was recorded in March 2023
6. As of 3/31/2023, \$85,066 has been expended on capital projects and \$319,217 has been encumbered for capital projects
7. During fiscal year 2023, the Town was awarded grants for completion of water and sewer system inventory and assessments
8. The fiscal year 2024 water and sewer capital expenditure budget will be impacted until the asset inventory and assessments are completed, and a capital improvement plan is developed
9. Since it is recommended that ARP funds be expended by 12/31/2024, we may want to modify the Town's plan for the usage of the remaining ARP funds

TOWN OF KURE BEACH FY 23-24 BUDGET WORK SESSION #1



MARCH 31, 2023

TOWN COUNCIL GOALS

FY 2024

- 1. Work smarter to maintain and improve our quality of life in Kure Beach**
 - a. Secure CAMA approval of the Land Use Plan and Survey
 - b. Work on Department of Defense Land Use Plan to retain assets
 - c. Implement the Bike/Ped Committee solutions

- 2. Ensure the integrity of Town financial data and maintain financial stability in all Town funds**
 - a. Be fiscally responsible
 - b. Review ordinance for enforcement process
 - c. Maintain tax and water/sewer rates

TOWN COUNCIL GOALS

FY 2024

3. **Enable an optimum working environment for staff to produce high levels of service to the Town**
 - a. Ensure policies are fair (morale)
 - b. Public Works space (physical)
 - c. Enhance procedures to retain and attract Town personnel
 - d. Complete and execute the Salary Plan

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
 - c. Continue to improve employee safety plan
 - d. Support K9 program
 - e. Provide necessary tools for safe environment

INITIAL FY 2024 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. No change to the current tax rate of \$0.2658
3. No change to General Fund fees
4. No changes to water and sewer rates
5. No General Fund Contingency
6. No transfer from the General Fund to the Beach Protection Fund
7. Full-time headcount increase – 2 Fire Dept. positions
8. Employee Compensation
 - COLA: 8.7%
 - Merit: 1.3%

**FY 2023/2024 BUDGET SUMMARY
AS OF MARCH 31, 2023**

<u>FUND</u>	<u>FY 2024 REVENUE BUDGET</u>	<u>FY 2024 EXPENSE BUDGET</u>	<u>OVER/(SHORT)</u>	<u>COMMENTS</u>
General Fund	\$7,752,464	\$7,895,463	(\$142,999)	Does not include a transfer to the Beach Protection Fund or Contingency
Water/Sewer Fund	\$2,428,785	\$2,439,849	(\$11,064)	
Storm Water Fund	\$493,500	\$507,393	(\$13,893)	
Powell Bill Fund	\$70,500	\$70,500	\$0	
SERF Fund	\$18,380	\$18,380	\$0	
Beach Protection Fund	\$20,750	\$20,750	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$25,000	\$25,000	\$0	
TOTAL	\$10,809,379	\$10,977,335	(\$167,956)	

**TOTAL FY 2024 EXPENSE BUDGET BY FUND
VS. FY 2023 APPROVED BUDGET
AS OF MARCH 31, 2023**

FUND	APPROVED FY 2023 BUDGET	REQUESTED FY 2024 BUDGET	DIFF. FY 2024 & FY 2023	% CHANGE
General	\$8,440,097	\$7,895,463	(\$544,634)	(6.5%)
Water/Sewer	\$2,729,786	\$2,439,849	(\$289,937)	(10.6%)
Storm Water	\$604,977	\$507,393	(\$97,584)	(16.1%)
Powell Bill	\$70,075	\$70,500	\$425	0.6%
Sewer Expansion Reserve	\$9,480	\$18,380	\$8,900	93.9%
Beach Protection	\$1,350	\$20,750	\$19,400	1,437%
Federal Asset Forfeiture	\$25,000	\$25,000	\$0	0.0%
TOTAL - ALL FUNDS	\$11,880,765	\$10,977,875	(\$903,430)	(7.6%)

GENERAL FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Streets & Sanitation	550	\$1,862,824	\$1,505,857	(\$356,967)	(19.2%)	<p>Increases:</p> <p>F/T Personnel-related Costs: \$52,346 / 8.7% Capital Outlay-Truck: \$50,000 / New Computer Software/Support: \$2,500 / 14% Truck Maintenance: \$2,000 / 11%</p> <p>Decreases:</p> <p>Capital Outlay – Equipment: \$348,000 / 95% Capital Outlay-Improvements: \$105,000 / 100% Part-Time Personnel Costs: \$5,813 / 100% Materials & Supplies: \$5,000 / 9%</p> <p>Summary:</p> <p>Operating Costs: \$46,033 / 3.3% Capital Outlay: (\$403,000) / (85.7%)</p> <p>Increases:</p> <p>F/T Personnel-related Costs: \$155,237 / 10.7% Capital Outlay - Vehicles: \$20,000 / 22% Minor Equipment: \$18,000 / 225% Contracts: \$4,500 / 10%</p> <p>Decreases:</p> <p>LEO Separation Allowance: \$14,611 / 100% Building Maintenance: \$9,000 / 38%</p> <p>Summary:</p> <p>Operating Costs: \$154,126 / 8.6% Capital Outlay: \$20,000 / 22.2%</p>
Police	510	\$1,880,980	\$2,055,106	\$174,126	9.3%	

GENERAL FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Fire Dept.	530	\$1,927,727	\$1,391,679	(\$536,048)	(27.8%)	<p><u>Increases:</u> F/T Personnel-related Costs: \$159,003 / 18.9% Capital Outlay - Equipment: \$100,000 / New Supplies: \$1,000 / 8%</p> <p><u>Decreases:</u> P/T Personnel-related Costs: \$72,552 / 52.2% Drill Fee-related Costs: \$4,911 / 8.8% Capital Outlay – Truck: \$717,773 / 100% Travel/Training: \$1,000 / 11%</p> <p><u>Summary:</u> Operating Costs: \$81,725 / 6.8% Capital Outlay: (\$617,773) / (86.1%)</p>
Lifeguards	531	\$372,024	\$463,929	\$91,905	24.7%	<p><u>Increases:</u> Personnel-related Costs: \$90,905 / 27.5% Capital Outlay - ATV: \$1,000 / 8%</p> <p><u>Decreases:</u> None</p> <p><u>Summary:</u> Operating Costs: \$90,905 / 25.3% Capital Outlay: \$1,000 / 8.0%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Bldg. Inspection	540	\$247,345	\$251,998	\$4,653	1.9%	<p><u>Increases:</u> F/T Personnel-related Costs: \$19,133 / 10.4%</p> <p><u>Decreases:</u> Contracts: \$15,000 / 75%</p> <p><u>Summary:</u> Operating Costs: \$4,653 / 1.9%</p>
Parks & Recreation	532	\$345,395	\$326,220	(\$19,175)	(5.6%)	<p><u>Decreases:</u> Capital Outlay: \$66,000 / 100%</p> <p><u>Summary:</u> Operating Costs: \$46,696 / 16.7% Capital Outlay: (\$66,000) / (100%)</p>
Community Center	421	\$27,000	\$32,000	\$5,000	18.5%	<p><u>Increases:</u> Maintenance: \$4,000 / 25% Operations: \$1,000 / 33%</p> <p><u>Decreases:</u> None</p> <p><u>Summary:</u> Operating Costs: \$5,000 / 18.5%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Governing Body	410	\$65,541	\$80,161	\$14,620	22.3%	<p>Increases: Contributions: \$13,620 / 52% Governmental/Volunteer Relations: \$1,000 / 8%</p> <p>Decreases: None</p> <p>Summary: Operating Costs: \$14,620 / 22.3%</p>
Administration	420	\$425,201	\$448,004	\$22,803	5.4%	<p>Increases: F/T Personnel-related Costs: \$15,115 / 9.5% P&L Insurance: \$6,500 / 10% Computer Service: \$3,990 / 10% Building Maintenance: \$2,226 / 10% Telephone: \$2,222 / 12% Meetings/Events: \$1,500 / 38% Supplies: \$1,400 / 11%</p> <p>Decreases: Land Use Plan: \$8,750 / 100% Retiree Medical: \$2,240 / 8%</p> <p>Summary: Operating Costs: \$22,803 / 5.4%</p>
Emergency Management	446	\$2,500	\$2,500	\$0	0%	

GENERAL FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Legal	470	\$82,900	\$86,300	\$3,400	4.1%	<p><u>Increases:</u> Legal Service – Town Attorney: \$2,400 / 4% Professional Legal Service: \$1,000 / 4%</p> <p><u>Decreases:</u> None</p> <p><u>Summary:</u> Operating Costs: \$3,400 / 4.1%</p>
Elections	430	\$0	\$4,250	\$4,250		<p>No local election in FY 2023.</p> <p><u>Shoreline Access & Beach Protection (\$9,225):</u> Replace lost/damaged signs - \$5,250 SLABP Brochure - \$1,700 Sea Oats (3,500 @ \$0.65) - \$2,275</p> <p><u>Bike/Ped (\$10,000):</u> Education for Members - \$2,000 Public Education Information - \$1,750 Bike Route Maps - \$1,000 Items for Markets & Events - \$3,250 Spot Lane Connector Beautification - \$2,000</p> <p><u>Marketing Advisory Committee (\$7,500):</u> Brand Analysis & Market Research Project - \$7,500</p>
Committees	412	\$95,750	\$26,725	(\$69,025)	(72.1%)	<p><u>Summary:</u> Operating Costs: \$15,975 / 148.6% Capital Outlay: (\$85,000) / (100%)</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Finance	415	\$275,600	\$266,159	(\$9,441)	(3.4%)	<p><i>Increases:</i></p> <p>F/T Personnel-related Costs: \$13,266 / 9.5% Bank/Payroll/Credit Card Fees: \$6,950 / 45% Postage: \$3,050 / 165% Utility Bill Printing: \$2,100 / New Audit & Actuarial Fees: \$1,000 / 7%</p> <p><i>Decreases:</i></p> <p>Computer Service-Financial Software: \$36,237 / 64%</p> <p><i>Summary:</i></p> <p>Operating Costs: (\$9,441) / (3.4%)</p>
Tax Collection	460	\$31,600	\$32,600	\$1,000	3.2%	
Paid Parking Program	570	\$200,000	\$200,000	\$0	0%	
Debt Service	560	\$597,710	\$721,975	\$124,265	20.8%	New loans for Fire Engine (\$425,000) and Garbage Truck (\$341,906) in FY 2023.
TOTAL GENERAL FUND		\$8,440,097	\$7,895,463	(\$544,634)	(6.5%)	

WATER/SEWER FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
W/S Operations	810	\$2,139,713	\$1,843,787	(\$295,926)	(13.8%)	<p><u>Increases:</u> F/T Personnel-related Costs: \$45,544 / 9.7% Carolina Beach Treatment Facility: \$20,000 / 7% System Maintenance Contracts: \$8,000 / 19% Truck Maintenance: \$1,000 / 33%</p> <p><u>Decreases:</u> System Maintenance: \$200,000 / 62% Capital Outlay – Sewer Rehab: \$90,000 / 64% Capital Outlay - Improvements: \$65,000 / 35% Debt Service: \$16,170 / 5%</p> <p><u>Summary:</u> Operating Costs: (\$124,756) / (8.6%) Capital Outlay: (\$155,000) / (47.7%)</p> <p><u>Increases:</u> F/T Personnel-related Costs: \$10,075 / 9.5% P&L Insurance: \$6,500 / 10% Computer Service: \$2,660 / 10% Building Maintenance: \$1,984 / 13% Telephone: \$1,348 / 11%</p> <p><u>Decreases:</u> Retiree Medical: \$1,735 / 15%</p> <p><u>Summary:</u> Operating Costs: \$21,842 / 7.9%</p>
Administration	720	\$278,096	\$299,938	\$21,842	7.9%	<p><u>Increases:</u> F/T Personnel-related Costs: \$10,075 / 9.5% P&L Insurance: \$6,500 / 10% Computer Service: \$2,660 / 10% Building Maintenance: \$1,984 / 13% Telephone: \$1,348 / 11%</p> <p><u>Decreases:</u> Retiree Medical: \$1,735 / 15%</p> <p><u>Summary:</u> Operating Costs: \$21,842 / 7.9%</p>

WATER/SEWER FUND BUDGET BY DEPARTMENT FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Governing Body	710	\$19,056	\$19,056	\$0	0%	<u>Increases:</u> None <u>Decreases:</u> None
Legal	770	\$14,700	\$17,700	\$3,000	20.4%	<u>Increases:</u> Legal Service – Town Attorney : \$3,000 / 21% <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$3,000 / 20.4%
Finance	715	\$278,221	\$259,368	(\$18,853)	(6.8%)	<u>Increases:</u> F/T Personnel-related Costs: \$16,214 / 9.5% Bank/Payroll/Credit Card Fees: \$6,050 / 95% Utility Bill Printing: \$2,100 / New Postage: \$1,950 / 18% Audit & Actuarial Fees: \$1,000 / 7% <u>Decreases:</u> Financial Software: \$46,237 / 70% <u>Summary:</u> Operating Costs: (\$18,853) / (6.8%)
TOTAL WATER/ SEWER FUND		\$2,729,786	\$2,439,849	(\$289,937)	(10.6%)	

STORM WATER FUND BUDGET BY EXPENSE TYPE FY 2024 VS. FY 2023

DEPARTMENT	DEPT. NO.	APPROVED FY 2023 BUD.	REQUESTED FY 2024 BUD.	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
SW Operations	610	\$298,957	\$341,998	\$43,041	14.4%	<i>Increases:</i> System Maintenance: \$45,000 / 82% <i>Decreases:</i> F/T Personnel-related Costs: \$2,559 / 1.9%
Debt Service	610	\$66,020	\$65,395	(\$625)	(0.9%)	Pay down of existing loans.
Capital Outlay	610	\$240,000	\$100,000	(\$140,000)	(58.3%)	<i>Increases:</i> None <i>Decreases:</i> Capital Outlay - Improvements: \$140,000 / 58%
TOTAL STORM WATER FUND		\$604,977	\$507,393	(\$97,584)	(16.1%)	

GENERAL FUND REVENUE BUDGET FY 2024 VS. FY 2023

REVENUE TYPE	APPROVED FY 2023 BUD.	FY 2024 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Property Taxes	\$3,354,500	\$3,408,100	\$53,600	1.6%	Assumes current tax rate (\$0.2658) and estimated tax base provided by NHC Tax Dept.
Sales Tax	\$1,465,000	\$1,638,000	\$173,000	11.8%	Actual growth in FY 2023 greater than budgeted. FY 2024 estimated to be increase over FY 2023 budget and forecast.
Parking Program Revenue	\$742,000	\$742,000	\$0	0%	
TDA	\$438,404	\$561,500	\$123,096	28.1%	FY 2024 budget is for lifeguards (\$463,929), OFP maintenance (\$26,071), OFP entertainment (\$34,000), Pleasure Island Chamber request (\$30,000) & Marketing Committee request (\$7,500).
Garbage & Recycle Fees	\$556,200	\$557,700	\$1,500	0.3%	
Franchise & Utility Taxes	\$243,000	\$251,000	\$8,000	3.3%	Estimated increase in electricity sales tax.
Building Permits, CAMA, Impact Fees, Fire Inspections	\$123,320	\$109,720	(\$13,600)	(11.0%)	FY 2024 based on FY 2023 forecast and expected level of construction activity.

GENERAL FUND REVENUE BUDGET FY 2024 VS. FY 2023

REVENUE TYPE	APPROVED FY 2023 BUD.	FY 2024 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Interest/Investment Earnings	\$2,600	\$86,000	\$83,400	3207.7%	Federal Reserve rate increases have increased investment earnings.
Communication Tower Rent	\$80,992	\$83,419	\$2,427	3.0%	FY 2024 includes annual increase for existing leases.
Sales Tax Refund	\$52,000	\$50,000	(\$2,000)	(3.8%)	Estimated sales tax refund based on sales tax paid in prior fiscal year.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$30,200	\$34,400	\$4,200	13.9%	Community Center Committee is planning a BBQ fundraiser (\$2,000) and an increase in Market fees (\$2,000).
ABC Revenue	\$20,250	\$22,670	\$2,420	12.0%	FY 2024 based on FY 2023 revenue forecast.
Town Facility Rentals	\$16,000	\$18,000	\$2,000	12.5%	Increase in facility rentals expected as COVID-19 impact lessens.
Motor Vehicle License Tax	\$10,750	\$10,500	(\$250)	(2.3%)	

GENERAL FUND REVENUE BUDGET FY 2024 VS. FY 2023

REVENUE TYPE	APPROVED FY 2023 BUD.	FY 2024 BUDGET	DIF: FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Beer & Wine Tax	\$9,600	\$9,600	\$0	0.0%	
Parking Fines/ Civil Citations/ Court Fees	\$1,750	\$1,750	\$0	0.0%	
All Other Revenue	\$11,205	\$8,105	(\$3,100)	(27.7%)	Largest components are Surplus Property sales (\$3,500), Special Events (\$2,500) and Re-entry Decal sales (\$1,200).
Appropriation of Fund Balance	\$124,553	\$0	(\$124,553)	(100%)	
Other Financing Sources	\$1,157,773	\$160,000	(\$997,773)	(86.2%)	Proposed financing for Police vehicles (\$110,000) and Public Works service truck (\$50,000).
TOTAL GENERAL FUND	\$8,440,097	\$7,752,464	(\$687,633)	(8.1%)	

**WATER/SEWER FUND REVENUE BUDGET
FY 2024 VS. FY 2023**

<u>REVENUE TYPE</u>	<u>APPROVED FY 2023 BUD.</u>	<u>FY 2024 BUDGET</u>	<u>DIFF. FY 2024 & FY 2023</u>	<u>% CHANGE</u>	<u>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</u>
Water Charges	\$925,000	\$925,000	\$0	0.0%	
Sewer Charges	\$1,420,000	\$1,395,000	(\$25,000)	(1.8%)	FY 2024 budget based on FY 2023 forecast.
Water & Sewer Tap Fees	\$45,000	\$45,000	\$0	0.0%	
Cutoff & Reconnection Fees	\$1,800	\$1,500	(\$300)	(16.7%)	
Account Past Due Charges	\$7,200	\$6,500	(\$700)	(9.7%)	
New Account Setup Fees	\$6,500	\$5,500	(\$1,000)	(15.4%)	

**WATER/SEWER FUND REVENUE BUDGET
FY 2024 VS. FY 2023**

	APPROVED	FY 2024	DIFF: FY 2024	%	
<u>REVENUE TYPE</u>	<u>FY 2023 BUD.</u>	<u>BUDGET</u>	<u>& FY 2023</u>	<u>CHANGE</u>	<u>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</u>
Interest/Investment Earnings	\$2,010	\$50,000	\$47,990	2387.6%	Federal Reserve rate increases have increased investment earnings.
Other Revenue/ Fees	\$345	\$285	(\$60)	(17.4%)	
Transfers In	\$321,931	\$0	(\$321,931)	(100%)	No anticipated fund transfers for FY 2024 capital outlay.
TOTAL WATER/SEWER FUND	\$2,729,786	\$2,428,785	(\$301,001)	(11.0%)	

**STORM WATER FUND REVENUE BUDGET
FY 2024 VS. FY 2023**

	APPROVED	FY 2024	DIFF. FY 2024	%	
REVENUE TYPE	FY 2023 BUD.	BUDGET	& FY 2023	CHANGE	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Storm Water Charges	\$415,000	\$419,000	\$4,000	1.0%	Increase in number of accounts.
Storm Water Building Fees	\$80,000	\$60,000	(\$20,000)	(25.0%)	FY 2024 based on FY 2023 forecast and estimated level of construction activity.
Interest/Investment Earnings	\$700	\$14,500	\$13,800	1971.4%	Federal Reserve rate increases have increased investment earnings.
Appropriation of Fund Balance	\$109,277	\$0	(\$109,277)	(100%)	
TOTAL STORM WATER FUND	\$604,977	\$493,500	(\$111,477)	(18.4%)	

REQUESTS RECEIVED FROM OUTSIDE ORGANIZATIONS

ORGANIZATION	REQUEST REC'D	REQUEST REC'D	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2023</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>
Pleasure Island Chamber of Commerce	\$30,000	\$19,380	\$19,380	\$12,800	\$6,535	\$9,800
Federal Point Historic Preservation Society	\$5,000	\$5,000	\$2,000	\$1,500	\$1,500	\$1,500
Island of Lights (1)	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Friends of Fort Fisher, Inc.	\$0	\$0	\$0	\$1,500	\$1,500	\$1,500
Federal Point Help Center (2)	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Katie B. Hines Senior Center (3)	\$2,000	\$2,000	\$2,000	\$0	\$0	\$0
TOTAL GOVERNING BODY BUDGET	\$39,700	\$29,080	\$26,080	\$18,500	\$12,235	\$15,500
Pleasure Island Sea Turtle Project (4)	\$5,400	\$4,800	\$4,800	\$4,800	\$5,400	\$5,400
GRAND TOTAL	\$45,100	\$33,880	\$30,880	\$23,300	\$17,635	\$20,900

NOTES:

- (1) - Island of Lights request for FY 2024 (and FY 2020 - 2023) also includes \$900 of in-kind.
- (2) - No request received for FY 2020 to 2022.
- (3) - No request received for FY 2019 to 2022.
- (4) - Included in Building Inspection/Code Enforcement budget.

AMERICAN RESCUE PLAN



AMERICAN RESCUE PLAN (ARRP) SUMMARY

Total Allocation of ARRP Funds Received by Kure Beach	\$668,627.24
Amount Transferred to the Water/Sewer Fund in FY 2023 Using the Revenue Replacement Category	<u>(\$321,931.00)</u>
ARRP Funds Remaining to be Used	<u>\$346,696.24</u>

AMERICAN RESCUE PLAN (ARRP) USAGE OF FUNDS

1. Council previously approved using ARRP funds as Revenue Replacement for the Water & Sewer Fund
2. The ARRP Funds were to be used for salary and benefit expenses for employees assigned to the Water & Sewer Fund
3. The Water & Sewer funds “freed up” as a result of step 2 above, would be used for water & sewer capital projects

AMERICAN RESCUE PLAN (ARRP) USAGE OF FUNDS

4. Included in the fiscal year 2023 budget was a transfer of \$321,913 from the ARP Fund to the Water & Sewer Fund
5. The \$321,931 transfer was recorded in March 2023
6. As of 3/31/2023, \$85,066 has been expended on capital projects and \$319,217 has been encumbered for capital projects

AMERICAN RESCUE PLAN (ARRP) USAGE OF FUNDS

7. During fiscal year 2023, the Town was awarded grants for completion of water and sewer system inventory and assessments
8. The fiscal year 2024 water and sewer capital expenditure budget will be impacted until the asset inventory and assessments are completed and a capital improvement plan is developed
9. Since it is recommended that ARRP funds be expended by 12/31/2024, we may want to modify the Town's plan for the usage of the remaining ARRP funds

AMERICAN RESCUE PLAN (ARRP) POTENTIAL MODIFICATIONS TO FUND USAGE

1. Increase the fiscal year 2023 transfer to the Water & Sewer Fund to fully pay for the expended (\$85,066) and encumbered (\$319,217) projects. The remaining ARRP balance of \$264,344 could be reallocated to the General Fund.
2. Do not increase the fiscal year 2023 transfer to the Water & Sewer Fund and reallocate the remaining ARRP balance of \$346,696 to the General Fund.
3. Maintain the original plan of using ARRP funds for water & sewer and ensure that all funds are expended by 12/31/2024.