



TOWN COUNCIL MINUTES

BUDGET WORKSHOP #1 TOWN HALL

Monday April 1 2024 @ 9:00 a.m.

The Kure Beach Town Council held budget workshop # 1 to review the proposed FY24-25 budget. The Town Attorney and a quorum of Council was present.

COUNCIL MEMBERS PRESENT

Mayor Allen Oliver
Mayor Pro Tem David Heglar
Commissioner Connie Mearkle
Commissioner John Ellen
Commissioner Dennis Panicali

COUNCIL MEMBERS ABSENT

STAFF IN ATTENDANCE

Finance Officer Arlen Copenhaver
Police Chief Mike Bowden
Fire Chief Ed Kennedy
Public Works Director Jimmy Mesimer
Recreation Director Nikki Keely
Director of Administration – Mandy Sanders
Town Clerk - Beth Chase

CALL TO ORDER

Mayor Oliver 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 FY24-25 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 & sewer rates
5. No General Fund Contingency
6. No transfer from the General Fund to the Beach Protection Fund
7. Full-time headcount increase: 1 Police Dept. position
8. Employee Compensation
 - COLA: 3.2%
 - Merit: 2.8%



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Highlights:

- General Fund – Short \$529,874, Does not include a transfer to the Beach Protection Fund or Contingency
- Water/Sewer Fund – Short \$141,554
- Storm Water Fund – Over \$68,256

DEPARTMENT HEAD STATEMENTS

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

General Fund increases are:

- F/T Personnel-related Costs increased \$45,752 for Merit and COLA
- Capital Outlay– \$223,000
- Capital Outlay–Equipment: \$223,000
- Capital Outlay–Improvements: \$175,000
- Minor Equipment: \$20,000
- OFP Maintenance: \$20,000
- Recycling: \$6,500
- Truck Maintenance: \$5,000
- Equipment Maintenance: \$2,000 /
- Uniforms: \$1,000

General Fund decreases are:

- Capital Outlay–Truck decreased \$50,000

Water and Sewer Fund increases are:

- F/T Personnel-related Costs: \$36,470
- Capital Outlay - Equipment: \$60,000
- Equipment Maintenance: \$13,000
- Water Testing Services: \$6,000
- Maintenance of System: \$5,000
- Supplies & Materials: \$4,778
- Capital Outlay - Improvements: \$2,000
- Uniforms: \$1,500

Water and Sewer Fund decreases are:

- Debt Service decreased \$23,580

Storm Water Operations increases:

- F/T Personnel-related Costs: \$9,737
- Dues & Permit Fees: \$2,140



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Storm Water Operations decreases:

- System Maintenance: \$60,000

2. Police Department

Police Chief Bowden stated:

- F/T Personnel-related Costs increased \$206,565 for COLA, Merit and promotions
- Contracts: Increased \$17,000
- Computer Software/Support: Increased \$12,000
- Building Maintenance: Increased \$6,000
- Telephone/Postage: Increased \$5,000
- Cell Phone Reimbursement: Increased \$3,000
- Workers Comp. Insurance: Increased \$1,139
- P/T Personnel-related Costs decreased \$13,995
- Capital Outlay - Vehicles: decreased \$40,000
- Minor Equipment: decreased \$11,000
- Uniforms: decreased \$5,000
- Gas/Oil/Tires: decreased \$5,000
- Vehicle Maintenance: decreased \$4,000
- Travel & Training: decreased \$3,000

3. Fire Department & Lifeguards

Fire Chief Kennedy stated:

- F/T Personnel-related Costs: increased \$90,975
- P/T Personnel-related Costs: increased \$4,427
- Drill Fee-related Costs: increased \$3,929
- Minor Equipment: increased \$100,000
- Building Maintenance: increased \$5,000
- Telephone: increased \$1,400
- Workers Comp. Insurance: increased \$1,085
- Capital Outlay – Equipment: decreased \$30,331

4. Building Inspections

Building Inspector Batson stated:

- F/T Personnel-related Costs increased \$ 18,158 for Merit and COLA
- Computer Software/Support: increased \$1,500
- Vehicle Allowance: decreased \$1,200



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5. Recreation

Recreation Director Keely stated:

- F/T Personnel-related Costs: increased \$14,963
- P/T Personnel-related Costs: increased \$1,722
- Other Town Events: increased \$2,000
- Children/Family Programs: increased \$1,000
- Professional/Consulting Fees: decreased \$20,000

Community Center:

- No increases or decreases

6. Administration

Town Clerk Sanders stated:

- F/T Personnel-related Costs: increased \$14,525
- P&L Insurance: increased \$7,450
- Building Maintenance: increased \$2,500
- Computer Service: increased \$2,194
- Meetings/Events: increased \$1,000
- Utilities: increased \$1,000
- Supplies: increased \$1,000
- Employee Recognition: increased \$500
- Retiree Medical: decreased \$2,795

Governing Body

- Contributions increased \$18,300

Emergency Management

- No change from last year

Elections

- Local election in FY 2025 – no local election in this next budget year

Committee:

Shoreline Access & Beach Protection - \$10,425

- Replace lost/damaged signs - \$5,250
- SLABP Brochure - \$1,250
- Sea Oats (3,000 @ \$0.65) - \$1,950
- Education Giveaway Items - \$1,975



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Bike/Ped Committee - \$

- Education for members - \$2,000
- Public Education Information - \$5,000
- Traffic Garden- \$1,000
- Spot Lane Connector Beautification - \$2,000

7. Finance Department

Finance Officer Copenhaver stated:

- F/T personnel-related costs increased \$10,920
- Bank/payroll/credit card fees increased \$7,500
- Postage: decreased \$3,400

REVENUE REVIEW

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

OUTSIDE AGENCY FUNDING REQUESTS

Finance Officer Copenhaver stated funding requests totaled \$58,400 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 - \$1,800
- Katie B. Hines Senior Center - \$5,000
- North Carolina Aquarium Society - \$10,000
- Pleasure Island Sea Turtle Project - \$5,400

FY 2025 BUDGET POTENTIAL RATE/FEE INCREASES:

1. **General Fund**
 - a. Property Taxes
 - b. Garbage Collection Fees
2. **Water & Sewer Fund**
 - a. Water Rates
 - b. Sewer Rates

Property Taxes

- c. Increase the current tax rate of 26.58 cents per \$100 of value by an amount to be determined by Town Council
- d. Current estimate of property tax increase, assuming no reductions to the expense budget and not implementing any other fee or rate increases:



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1. Increase of 4.1 cents (15.43%) generating approximately \$531,000 of annual revenue

CONSENSUS- Town Council agreed to move forward to the next budget workshop with the following impacts to the budget:

- Potential increase to the Garbage Collection rates in the amount of 25%
- Water/Sewer Fund - 10% rate tier increase
- Potential tax increase

COUNCIL DETERMINATION OF FY24/25 GOALS:

Current Council Goals:

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
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

CONSENSUS- Town Council to review Council Goals and bring back recommendations to Budget Workshop #2



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CLOSED SESSION

None.

ADJOURN

MOTION- MPT Heglar made a motion to adjourn the budget meeting at 2:23 p.m.

SECOND- Commissioner Panicali

VOTE- Unanimous



Allen Oliver , Mayor

ATTEST: 
Beth Chase, Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. An audio recording of the meeting is available on the town's website at www.townofkurebeach.org, under government/kurebeachcouncil.