



TOWN COUNCIL MINUTES

**BUDGET WORKSHOP #2
TOWN HALL**

Thursday, April 25, 2024 @ 5:00 pm

The Kure Beach Town Council held budget workshop # 2 for the proposed FY24-25 budget on Thursday, April 25, 2024.

COUNCIL MEMBERS PRESENT

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

COUNCIL MEMBER NOT PRESENT

STAFF PRESENT

Finance Officer (FO) – Arlen Copenhaver
Director of Administration – Mandy Sanders
Town Clerk – Beth Chase
Police Chief – Mike Bowden
Police Lieutenant – Brandon Bailey
Fire Chief – Ed Kennedy
Public Works Director – Jimmy Mesimer
Recreation Director – Nikki Keely
Code Enforcement Officer – Bethany White

CALL TO ORDER

Mayor Oliver called the meeting to order at 5:00 p.m.

PRESENTATION OF REVISED DRAFT OF FY23-24 BUDGET

Finance Officer Copenhaver presented assumptions and revisions to the draft FY24-25 budget from the first budget workshop. Said presentation is herein incorporated as part of these minutes.

Assumptions and revisions General Fund:

- No changes in services provided or level of services provided
 - **2.42 cents tax rate increase (9.1%) – new tax rate is 29 cents**
 - **25% garbage collection fee increase**
 - **5.3% recycle collection fee increase**
 - **10% water & sewer rate tier increase (no change to minimum)**
 - No General Fund Contingency
 - No transfer from the General Fund to the Beach Protection Fund
 - Full -time headcount increase: 1 Police Dept. position
 - Employee Compensation



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- COLA: 3.2%
- Merit: 2.8%

General Fund: Shortage in the amount of \$529,874 on April 1, 2024

General Fund is currently \$0 short

Water/Sewer Fund: Shortage in the amount of \$141,554 on April 1, 2024

Water/Sewer Fund is currently short \$0

Stormwater Fund: Over on April 1, 2024 in the amount of \$68,256

Storm Water Fund is currently over \$0

This balances the Town budget.

PROPOSED TOWN COUNCIL GOALS FY 2025

- 1. Work smarter to maintain and improve our quality of life in Kure Beach**
 - a. Implementation of approved CAMA Land Use Plan
 - b. Continue to work with Department of Defense Land Use Plan (MOTSU) to retain current town owned assets
 - c. Implement the Bike/Ped Master Plan
 - d. Implementation of approved Beach Management Plan
 - e. Continue to work with leaders of the General Assembly to address the needs of the Town
- 2. Ensure the integrity of Town financial data and maintain financial stability in all Town funds**
 - a. Be fiscally responsible
 - b. Set tax and water/sewer rates that support the expected level of service by the Citizens of the Town
- 3. Enable an optimum working environment for staff to produce high levels of service to the Town**
 - a. Ensure Town policies are fair (morale)
 - b. Enhance procedures to retain and attract Town personnel
 - c. Update and adjust the Salary Plan as needed to keep employees fairly compensated
- 4. Provide all departments with the support to maintain a safe working and living environment**



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- a. Support camera program
- b. Use technology to support Town functions
- c. Continue to improve employee safety plan
- d. Support K9 program
- e. Provide necessary tools for safe working environment

MPT Heglar stated he would like to make mention in the goals under 1.f pursuing outside funding for Sandman Park and Joe Eaks Park.

Commissioner Mearkle commented should the Town mention the boardwalk?

MPT Heglar stated waiting on reports from the engineer firm but thinks it should be a goal as well.

Mayor Oliver commented he would work on it and send out the draft to Town Council.

CONSENSUS- Town Council agreed to these proposed FY2025 Goals with the additional items.

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.

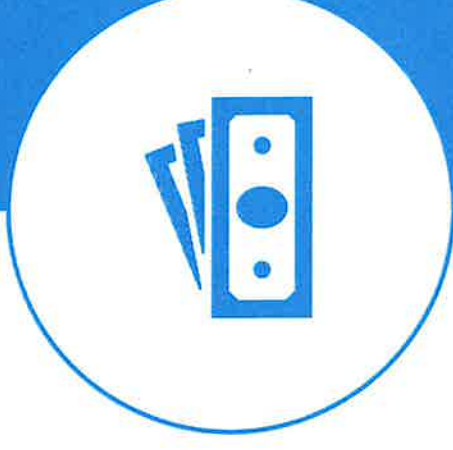


FY 24-25
BUDGET WORK
SESSION #2

APRIL 25, 2024

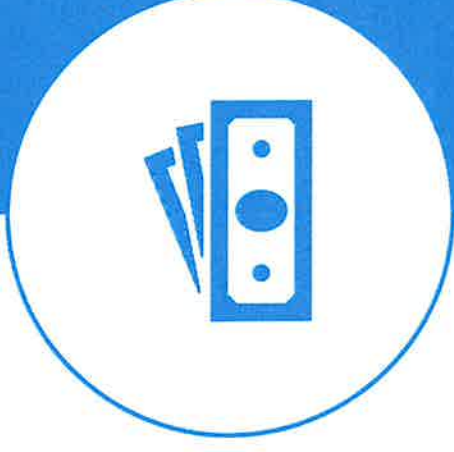
INITIAL FY 2025 BUDGET ASSUMPTIONS

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%



UPDATED FY 2025 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. **2.42 cents tax rate increase (9.1%) – new tax rate is 29 cents**
3. **25% garbage collection fee increase**
4. **5.3% recycle collection fee increase**
5. **10% water & sewer rate tier increase (no change to minimum)**
6. No General Fund Contingency
7. No transfer from the General Fund to the Beach Protection Fund
8. Full-time headcount increase: 1 Police Dept. position
9. Employee Compensation
COLA: 3.2%
Merit: 2.8%



**FY 2024/2025 BUDGET SUMMARY
AS OF APRIL 1, 2024**

FUND	FY 2025 REVENUE BUDGET	FY 2025 EXPENSE BUDGET	OVER/(SHORT)	COMMENTS
General Fund	\$8,470,817	\$9,000,691	(\$529,874)	Does not include a transfer to the Beach Protection Fund or Contingency
Water/Sewer Fund	\$2,680,860	\$2,822,414	(\$141,554)	
Storm Water Fund	\$522,000	\$453,744	\$68,256	
Powell Bill Fund	\$97,150	\$97,150	\$0	Includes \$25,000 fund balance appropriation for paving
SERF Fund	\$23,395	\$23,395	\$0	
Beach Protection Fund	\$24,000	\$24,000	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$25,000	\$25,000	\$0	
TOTAL	\$11,843,222	\$12,446,394	(\$603,172)	

**GENERAL FUND
BUDGET CHANGES DURING AND AFTER 4/1/24 WORK SESSION**

SHORTAGE ON 4/1/24 (WORK SESSION #1)		\$529,874
EXPENDITURE CHANGES - Inc/(Dec):		
Finance – Workers Comp. Ins.	(\$31)	
Administration – Workers Comp. Ins.	(\$31)	
Police Dept. – Workers Comp. Ins.	\$5,035	
Fire Dept. – Workers Comp. Ins.	(\$833)	
Lifeguards – Seasonal P/T Pay \$44,203, FICA Taxes \$3,382 & Workers Comp. Ins. \$536	\$48,121	
Parks & Rec. – Workers Comp. Ins.	(\$44)	
Building Inspections – Workers Comp. Ins.	\$59	
Streets & Sanitation – Workers Comp. Ins.	(\$294)	
Tax Collection – New Hanover County Fees	\$2,000	
Net Change in Expenditures		\$53,982
REVENUE CHANGES - (Inc)/Dec:		
Property Tax (2.42 cents tax rate increase)	(\$313,900)	
Garbage Collection (25% rate increase)	(\$64,400)	
TDA Revenue	(\$47,585)	
Appropriation of Fund Balance	(\$157,971)	
Net Change in Revenue		(\$583,856)
SHORTAGE ON 4/25/24 (WORK SESSION #2)		\$0

**WATER & SEWER FUND
BUDGET CHANGES DURING AND AFTER 4/1/24 WORK SESSION**

SHORTAGE ON 4/1/24 (WORK SESSION #1)		\$141,554
EXPENDITURE CHANGES - Inc/(Dec):		
W/S Finance - Workers Comp. Ins.	(\$39)	
W/S Administration - Workers Comp Ins.	(\$20)	
W/S Operations --Workers Comp. Ins.	(\$2,474)	
W/S Operations – Engineering Fees (AIA)	\$150,000	
Net Change in Expenditures		\$147,467
REVENUE CHANGES - (Inc)/Dec:		
Water Charges (10% rate tier increase)	(\$61,621)	
Sewer Charges (10% rate tier increase)	(\$76,400)	
New Account Setup Fees	(\$1,000)	
AIA Water & Sewer Grants	(\$150,000)	
Net Change in Revenue		(\$289,021)
SHORTAGE ON 4/25/24 (WORK SESSION #2)		\$0

**STORM WATER FUND
BUDGET CHANGES DURING AND AFTER 4/1/24 WORK SESSION**

OVERAGE ON 4/1/24 (WORK SESSION #1)		\$68,256
EXPENDITURE CHANGES - Inc/(Dec):		
Workers Comp. Insurance	(\$941)	
System Maintenance	\$29,197	
Capital Outlay - Improvements	\$40,000	
Net Change in Expenditures		\$68,256
REVENUE CHANGES - (Inc)/Dec:		
Net Change in Revenue		\$0
OVERAGE ON 4/25/24 (WORK SESSION #2)		\$0

**FY 2024/2025 BUDGET SUMMARY
AS OF APRIL 25, 2024**

FUND	FY 2025 REVENUE BUDGET	FY 2025 EXPENSE BUDGET	OVER/(SHORT)	COMMENTS
General Fund	\$9,054,673	\$9,054,673	\$0	Includes a 2.42 cents property tax increase (9.1%), a 25% garbage collection rate increase and a fund balance appropriation of \$157,971
Water/Sewer Fund	\$2,969,881	\$2,969,881	\$0	Includes a 10% water and sewer usage-based rate tier increase
Storm Water Fund	\$522,000	\$522,000	\$0	
Powell Bill Fund	\$97,150	\$97,150	\$0	Includes \$25,000 fund balance appropriation for paving
SERF Fund	\$23,395	\$23,395	\$0	
Beach Protection Fund	\$24,000	\$24,000	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$25,000	\$25,000	\$0	
TOTAL	\$12,641,099	\$12,716,099	\$0	

**TOTAL FY 2025 EXPENSE BUDGET BY FUND
VS. FY 2024 APPROVED BUDGET
AS OF APRIL 25, 2024**

FUND	APPROVED FY 2024 BUDGET	REQUESTED FY 2025 BUDGET	DIFF. FY 2025 & FY 2024	% CHANGE
General	\$8,046,713	\$9,054,673	\$1,007,960	12.5%
Water/Sewer	\$2,674,255	\$2,969,881	\$295,626	11.1%
Storm Water	\$1,108,677	\$522,000	(\$586,677)	(52.9%)
Powell Bill	\$70,500	\$97,150	\$26,650	37.8%
Sewer Expansion Reserve	\$18,380	\$23,395	\$5,015	27.3%
Beach Protection	\$40,000	\$24,000	(\$16,000)	(40.0%)
Federal Asset Forfeiture	\$25,000	\$25,000	\$0	0.0%
TOTAL - ALL FUNDS	\$11,983,525	\$12,716,099	\$732,574	6.1%

GENERAL FUND BUDGET BY DEPARTMENT FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Streets & Sanitation	550	\$1,592,909	\$2,041,483	\$448,574	28.2%	<p><u>Increases:</u> F/T Personnel-related Costs: \$45,752 / 7.0% Capital Outlay—Equipment: \$223,000 / 826% Capital Outlay—Improvements: \$175,000 / New Minor Equipment: \$20,000 / 200% OFP Maintenance: \$20,000 / 57% Recycling: \$6,500 / 3% Truck Maintenance: \$5,000 / 25% Equipment Maintenance: \$2,000 / 17% Uniforms: \$1,000 / 11%</p> <p><u>Decreases:</u> Capital Outlay – Truck: \$50,000 / 100%</p> <p><u>Summary:</u> Operating Costs: \$100,574 / 6.6% Capital Outlay: \$348,000 / 452%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Police	510	\$2,058,222	\$2,231,966	\$173,744	8.4%	<p><u>Increases:</u> F/T Personnel-related Costs: \$206,565 / 12.8% Contracts: \$17,000 / 33% Computer Software/Support: \$12,000 / 40% Workers Comp. Insurance: \$6,174 / 33% Building Maintenance: \$6,000 / 40% Telephone/Postage: \$5,000 / 31% Cell Phone Reimbursement: \$3,000 / 33%</p> <p><u>Decreases:</u> P/T Personnel-related Costs: \$13,995 / 52% Capital Outlay - Vehicles: \$40,000 / 36% Minor Equipment: \$11,000 / 42% Uniforms: \$5,000 / 25% Gas/Oil/Tires: \$5,000 / 9% Vehicle Maintenance: \$4,000 / 29% Travel & Training: \$3,000 / 15%</p> <p><u>Summary:</u> Operating Costs: \$213,744 / 11.0% Capital Outlay: (\$40,000) / (36.4%)</p>

GENERAL FUND BUDGET BY DEPARTMENT

FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Fire Dept.	530	\$1,394,852	\$1,570,504	\$175,652	12.6%	<p><u>Increases:</u> F/T Personnel-related Costs: \$90,975 / 9.1% P/T Personnel-related Costs: \$4,427 / 6.7% Drill Fee-related Costs: \$3,929 / 7.8% Minor Equipment: \$100,000 / 267% Building Maintenance: \$5,000 / 50% Telephone: \$1,400 / 18%</p> <p><u>Decreases:</u> Capital Outlay – Equipment: \$30,331 / 30%</p> <p><u>Summary:</u> Operating Costs: \$205,983 / 15.9% Capital Outlay: (\$30,331) / (30.3%)</p>
Lifeguards	531	\$510,620	\$637,810	\$127,190	24.9%	<p><u>Increases:</u> F/T Personnel-related Costs: \$18,246 / 8.7% Seasonal Personnel-related Costs: \$47,980 / 18.6% Capital Outlay – Equipment/Vehicle: \$60,000 / 444% Workers Comp. Insurance: \$964 / 14%</p> <p><u>Decreases:</u> None</p> <p><u>Summary:</u> Operating Costs: \$67,190 / 13.5% Capital Outlay: \$60,000 / 444.4%</p>

GENERAL FUND BUDGET BY DEPARTMENT

FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Bldg. Inspection	540	\$267,165	\$285,889	\$18,724	7.0%	<p><u>Increases:</u> F/T Personnel-related Costs: \$18,158 / 8.9% Computer Software/Support: \$1,500 / 25%</p> <p><u>Decreases:</u> Vehicle Allowance: \$1,200 / 12%</p> <p><u>Summary:</u> Operating Costs: \$18,724 / 7.0%</p>
Parks & Recreation	532	\$326,274	\$325,928	(\$346)	(0.1%)	<p><u>Increases:</u> F/T Personnel-related Costs: \$14,963 / 7.3% P/T Personnel-related Costs: \$1,722 / 15.4% Other Town Events: \$2,000 / 20% Children/Family Programs: \$1,000 / 11%</p> <p><u>Decreases:</u> Professional/Consulting Fees: \$20,000 / 57%</p> <p><u>Summary:</u> Operating Costs: (\$346) / (0.1%)</p>
Community Center	421	\$32,000	\$32,000	\$0	0%	<p><u>Increases:</u> None</p> <p><u>Decreases:</u> None</p> <p><u>Summary:</u> Operating Costs: \$0 / 0%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Governing Body	410	\$75,161	\$93,461	\$18,300	24.3%	<u>Increases:</u> Contributions: \$18,300 / 53% <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$18,300 / 24.3%
Administration	420	\$456,474	\$484,248	\$27,774	6.1%	<u>Increases:</u> F/T Personnel-related Costs: \$14,525 / 8.1% P&L Insurance: \$7,450 / 10% Building Maintenance: \$2,500 / 10% Computer Service: \$2,194 / 5% Meetings/Events: \$1,000 / 18% Utilities: \$1,000 / 10% Supplies: \$1,000 / 7% Employee Recognition: \$500 / 9% <u>Decreases:</u> Retiree Medical: \$2,795 / 11% <u>Summary:</u> Operating Costs: \$27,774 / 6.1%
Emergency Management	446	\$2,500	\$2,500	\$0	0%	

GENERAL FUND BUDGET BY DEPARTMENT

FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Legal	470	\$86,300	\$90,400	\$4,100	4.8%	<p><u>Increases:</u> Legal Service – Town Attorney: \$4,000 / 6.7%</p> <p><u>Decreases:</u> None</p> <p><u>Summary:</u> Operating Costs: \$4,100 / 4.8%</p>
Elections	430	\$4,250	\$0	(\$4,250)	(100%)	No local election in FY 2025.
Committees	412	\$19,225	\$20,425	\$1,200	6.2%	<p><u>Shoreline Access & Beach Protection (\$10,425):</u> Replace lost/damaged signs - \$5,250 SLABP Brochure - \$1,250 Sea Oats (3,000 @ \$0.65) - \$1,950 Education Giveaway Items - \$1,975</p> <p><u>Bike/Ped (\$10,000):</u> Education for Members - \$2,000 Public Education Information - \$5,000 Traffic Garden- \$1,000 Spot Lane Connector Beautification - \$2,000</p> <p><u>Summary:</u> Operating Costs: \$1,200 / 6.2%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Finance	415	\$266,186	\$282,009	\$15,823	5.9%	<u>Increases:</u> F/T Personnel-related Costs: \$10,920 / 7.2% Bank/Payroll/Credit Card Fees: \$7,500 / 34% <u>Decreases:</u> Postage: \$3,400 / 69% <u>Summary:</u> Operating Costs: \$15,823 / 5.9%
Tax Collection	460	\$32,600	\$34,600	\$2,000	6.1%	Increase in tax rate increases collection expenses.
Paid Parking Program	570	\$200,000	\$220,200	\$20,200	10.1%	Increase based on budget and forecast provided by Premium Parking.
Debt Service	560	\$721,975	\$701,250	(\$20,725)	(2.9%)	Pay down of existing loans.
TOTAL GENERAL FUND		\$8,046,713	\$9,054,673	\$1,007,960	12.5%	

WATER/SEWER FUND BUDGET BY DEPARTMENT

FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
W/S Operations	810	\$2,071,430	\$2,324,665	\$253,235	12.2%	<p><u>Increases:</u> F/T Personnel-related Costs: \$36,470 / 7.1% Engineering Fees: \$150,000 / 1500% Capital Outlay - Equipment: \$60,000 / New Equipment Maintenance: \$13,000 / 108% Water Testing Services: \$6,000 / 33% Maintenance of System: \$5,000 / 4% Supplies & Materials: \$4,778 / 4% Capital Outlay - Improvements: \$2,000 / 1% Uniforms: \$1,500 / 15%</p> <p><u>Decreases:</u> Debt Service: \$23,580 / 7% Workers Comp. Insurance: \$1,933 / 22%</p> <p><u>Summary:</u> Operating Costs: \$214,815 / 16.2% Capital Outlay: \$62,000 / 15.6%</p>

WATER/SEWER FUND BUDGET BY DEPARTMENT

FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Administration	720	\$306,667	\$324,666	\$17,999	5.9%	<u>Increases:</u> F/T Personnel-related Costs: \$9,683 / 8.1% P&L Insurance: \$7,450 / 10% Building Maintenance: \$1,750 / 10% Computer Service: \$1,463 / 5% Utilities: \$1,000 / 15% Supplies: \$1,000 / 11% Employee Recognition: \$600 / 18% <u>Decreases:</u> Retiree Medical: \$5,414 / 54% <u>Summary:</u> Operating Costs: \$17,999 / 5.9%
Governing Body	710	\$19,056	\$19,056	\$0	0%	<u>Increases:</u> None <u>Decreases:</u> None

WATER/SEWER FUND BUDGET BY DEPARTMENT FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Legal	770	\$17,700	\$18,600	\$900	5.1%	<u>Increases:</u> Legal Service – Town Attorney : \$1,000 / 6% <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$900 / 5.1%
Finance	715	\$259,402	\$282,894	\$23,492	9.1%	<u>Increases:</u> F/T Personnel-related Costs: \$13,345 / 7.2% Bank/Payroll/Credit Card Fees: \$7,300 / 59% Postage: \$2,500 / 19% <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$23,492 / 9.1%
TOTAL WATER/SEWER FUND		\$2,674,255	\$2,969,881	\$295,626	11.1%	

STORM WATER FUND BUDGET BY EXPENSE TYPE FY 2025 VS. FY 2024

DEPARTMENT	DEPT. NO.	APPROVED FY 2024 BUD.	REQUESTED FY 2025 BUD.	DIFF. FY 2025 & FY 2024		% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
SW Operations	610	\$343,282	\$324,000	(\$19,282)		(5.6%)	<u>Increases:</u> F/T Personnel-related Costs: \$9,737 / 7.5% Dues & Permit Fees: \$2,140 / 249% <u>Decreases:</u> System Maintenance: \$30,803 / 31% Workers Comp. Insurance: \$756 / 25%
Debt Service	610	\$65,395	\$48,000	(\$17,395)		(26.6%)	Pay down of existing loans.
Capital Outlay	610	\$700,000	\$150,000	(\$550,000)		(78.6%)	<u>Increases:</u> None <u>Decreases:</u> Capital Outlay - Improvements: \$550,000 / 79%
TOTAL STORM WATER FUND		\$1,108,677	\$522,000	(\$586,677)		(52.9%)	

GENERAL FUND REVENUE BUDGET FY 2025 VS. FY 2024

<u>REVENUE TYPE</u>	<u>APPROVED FY 2024 BUD.</u>	<u>FY 2025 BUDGET</u>	<u>DIFF. FY 2025 & FY 2024</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2025 VS. FY 2024</u>
Property Taxes	\$3,408,100	\$3,768,000	\$359,900	10.6%	Assumes a 2.42 cents tax rate increase (9.1%) (new tax rate of \$0.29) and estimated tax base provided by NHC Tax Dept.
Sales Tax	\$1,699,000	\$1,696,000	(\$3,000)	(0.2%)	Based on forecasts of state-wide sales tax proceeds.
Parking Program Revenue	\$742,000	\$820,000	\$78,000	10.5%	Based on historical parking revenue and forecasts for FY 2024.
TDA	\$612,620	\$777,585	\$164,965	26.9%	FY 2025 budget is for lifeguards (\$637,810), OFF & JEP maintenance (\$62,775), OFF entertainment (\$37,000), Pleasure Island Chamber request (\$30,000) & Aquarium request (\$10,000).
Garbage & Recycle Fees	\$568,700	\$651,650	\$82,950	3.3%	2.5% increase in garbage collection fees. Also, 5.3% increase in recycling rates due to estimated increase in cost of service.
Franchise & Utility Taxes	\$251,000	\$264,500	\$13,500	5.4%	Estimated increase in electricity sales tax.
Interest/Investment Earnings	\$86,000	\$175,000	\$89,000	103.5%	Increased investment in the North Carolina Capital Management Trust.

GENERAL FUND REVENUE BUDGET FY 2025 VS. FY 2024

<u>REVENUE TYPE</u>	<u>APPROVED FY 2024 BUD.</u>	<u>FY 2025 BUDGET</u>	<u>DIFF. FY 2025 & FY 2024</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2025 VS. FY 2024</u>
Building Permits, CAMA, Impact Fees, Fire Inspections	\$109,720	\$109,470	(\$250)	(0.2%)	FY 2025 based on FY 2024 forecast and expected level of construction activity.
Communication Tower Rent	\$83,419	\$91,097	\$7,678	9.2%	FY 2025 includes annual increase for existing leases.
Sales Tax Refund	\$50,500	\$57,000	\$6,500	12.9%	Estimated sales tax refund based on sales tax paid in prior fiscal year.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$34,400	\$36,000	\$1,600	4.7%	Increase in expected program rental fees and market fees.
ABC Revenue	\$22,670	\$23,300	\$630	2.8%	FY 2025 based on FY 2024 revenue forecast.
Town Facility Rentals	\$18,000	\$19,000	\$1,000	5.6%	Increase in facility rentals expected.
Motor Vehicle License Tax	\$10,500	\$10,500	\$0	0.0%	

GENERAL FUND REVENUE BUDGET FY 2025 VS. FY 2024

<u>REVENUE TYPE</u>	<u>APPROVED FY 2024 BUD.</u>	<u>FY 2025 BUDGET</u>	<u>DIFF. FY 2025 & FY 2024</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2025 VS. FY 2024</u>
Beer & Wine Tax	\$9,600	\$10,000	\$400	4.2%	
Parking Fines/ Civil Citations/ Court Fees	\$1,750	\$1,750	\$0	0.0%	
All Other Revenue	\$8,105	\$5,850	(\$2,255)	(27.8%)	Largest components are Surplus Property sales (\$3,500), Special Events (\$500) and Re-entry Decal sales (\$800).
Appropriation of Fund Balance	\$170,629	\$157,971	(\$12,658)	(7.4%)	
Other Financing Sources	\$160,000	\$380,000	\$220,000	137.5%	Proposed financing for Police vehicle (\$70,000), Garbage truck (\$250,000) and Ocean Rescue truck (\$60,000).
TOTAL GENERAL FUND	\$8,046,713	\$9,054,673	\$1,007,960	12.5%	

WATER/SEWER FUND REVENUE BUDGET FY 2025 VS. FY 2024

REVENUE TYPE	APPROVED FY 2024 BUD.	FY 2025 BUDGET	DIFF. FY 2025 & FY 2024	% CHANGE	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Water Charges	\$1,030,000	\$1,065,121	\$35,121	3.4%	FY 2025 includes a 10% increase to usage-based rate tiers.
Sewer Charges	\$1,534,700	\$1,568,400	\$33,700	2.2%	FY 2025 includes a 10% increase to usage-based rate tiers.
Water & Sewer Tap Fees	\$45,000	\$51,000	\$6,000	13.3%	Based on estimated building activity.
Cutoff & Reconnection Fees	\$1,500	\$6,000	\$4,500	300%	Increase based on change in cutoff process with new accounting software.
Account Past Due Charges	\$7,270	\$20,000	\$12,730	175%	Increase based on change in late fee process with new accounting software.
New Account Setup Fees	\$5,500	\$4,000	(\$1,500)	(27.3%)	FY 2025 budget based on FY 2024 forecast.

**WATER/SEWER FUND REVENUE BUDGET
FY 2025 VS. FY 2024**

REVENUE TYPE	APPROVED	FY 2025	DIFF. FY 2025	%	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
	FY 2024 BUD.	BUDGET	& FY 2024	CHANGE	
Interest/Investment Earnings	\$50,000	\$105,000	\$55,000	110%	Increased investment in the North Carolina Capital Management Trust.
AIA Grants – Water & Sewer Systems	\$0	\$150,000	\$150,000		Remaining grant revenue for water & sewer systems inventory & assessment
Other Revenue/ Fees	\$285	\$360	\$75	26.3%	
TOTAL WATER/SEWER FUND	\$2,674,255	\$2,969,881	\$295,626	11.1%	

**STORM WATER FUND REVENUE BUDGET
FY 2025 VS. FY 2024**

<u>REVENUE TYPE</u>	<u>APPROVED FY 2024 BUD.</u>	<u>FY 2025 BUDGET</u>	<u>DIFF. FY 2025 & FY 2024</u>	<u>% CHANGE</u>	<u>SIGNIFICANT CHANGES FY 2025 VS. FY 2024</u>
Storm Water Charges	\$419,775	\$422,000	\$2,225	0.5%	Increase in number of accounts.
Storm Water Building Fees	\$60,000	\$68,000	\$8,000	13.3%	FY 2025 based on FY 2024 forecast and estimated level of construction activity.
Interest/Investment Earnings	\$14,500	\$32,000	\$17,500	120.7%	Increased investment in the North Carolina Capital Management Trust.
Appropriation of Fund Balance	\$614,402	\$0	(\$614,402)	(100%)	
TOTAL STORM WATER FUND	\$1,108,677	\$522,000	(\$586,677)	(52.9%)	

REQUESTS RECEIVED FROM OUTSIDE ORGANIZATIONS

ORGANIZATION	REQUEST REC'D FY 2025	REQUEST REC'D FY 2024	ACTUAL FY 2024	ACTUAL FY 2023	ACTUAL FY 2022	ACTUAL FY 2021
Pleasure Island Chamber of Commerce	\$30,000	\$30,000	\$25,000	\$19,380	\$12,800	\$6,535
Federal Point Historic Preservation Society	\$5,000	\$5,000	\$5,000	\$2,000	\$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	\$0	\$1,500	\$1,500
Federal Point Help Center	\$1,800	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Katie B. Hines Senior Center (2)	\$5,000	\$2,000	\$2,000	\$2,000	\$0	\$0
North Carolina Aquarium Society (3)	\$10,000	\$0	\$0	\$0	\$0	\$0
TOTAL GOVERNING BODY BUDGET	\$53,000	\$39,700	\$34,700	\$26,080	\$18,500	\$12,235
Pleasure Island Sea Turtle Project (4)	\$5,400	\$5,400	\$5,400	\$4,800	\$4,800	\$5,400
GRAND TOTAL	\$58,400	\$45,100	\$40,100	\$30,880	\$23,300	\$17,635

NOTES:

(1) - Island of Lights request for FY 2025 (and FY 2021 - 2024) also includes \$900 of in-kind.

(2) - No request received for FY 2021 to 2022.

(3) - No requests received prior to FY 2025.

(4) - Included in Building Inspection/Code Enforcement budget.

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

**GENERAL FUND
POTENTIAL RATE/FEE CHANGES**

- 1. Property Taxes**
 - Increase the current tax rate of 26.58 cents per \$100 of value by an amount to be determined by Town Council
 - Current estimate of property tax increase, assuming no reductions to the expense budget and not implementing any other fee or rate increases:
 - Increase of 4.1 cents (15.43%) generating approximately \$531,000 of annual revenue

PROPERTY TAXES
INCREMENTAL REVENUE FROM VARIOUS INCREASE AMOUNTS

	TAX RATE INCREASE							
	0.5 Cent	1.0 Cents	1.5 Cents	2.0 Cents	2.5 Cents	3.0 Cents	3.5 Cents	4.10 Cents
Percentage Increase In Tax Rate	1.88%	3.76%	5.64%	7.52%	9.41%	11.29%	13.17%	15.43%
Tax Levy Related To Tax Rate Increase	\$65,391	\$130,783	\$196,174	\$261,565	\$326,956	\$392,348	\$457,739	\$536,208
Net Increase To Town Revenue	\$64,737	\$129,475	\$94,212	\$258,949	\$323,687	\$388,424	\$453,161	\$530,846
Tax Rate After Increase (\$0.2658 + increase)	\$0.2708	\$0.2758	\$0.2808	\$0.2858	\$0.2908	\$0.2958	\$0.3008	\$0.3068
Impact on Household With Home Valued at \$500,000:								
Annual Increase	\$25	\$50	\$75	\$100	\$125	\$150	\$175	\$205
Monthly Increase	\$2.08	\$4.17	\$6.25	\$8.33	\$10.42	\$12.50	\$14.58	\$17.08
Total Annual Tax	\$1,354	\$1,379	\$1,404	\$1,429	\$1,454	\$1,479	\$1,504	\$1,534

ASSUMPTIONS:

- (1) - Starting point is current tax rate of **\$0.2658** per \$100 of valuation.
- (2) - Estimated tax base from NHC Tax Department as of 4/16/24 was: **\$1,307,825,000** (includes \$36,840,000 for motor vehicles)
- (3) - Estimated property tax collection rate is: **99%**

GENERAL FUND POTENTIAL RATE/FEE INCREASES

2. Garbage Collection Fees

SERVICE TYPE	CURRENT RATE/FEE	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE (with 14.3% rate increase)	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE (with 25% rate increase)
Residential - 1st Cart	\$7.00	14.3%	\$8.00	\$1.00 / \$12.00	\$27,100	25%	\$8.75	\$1.75 / \$21.00	\$47,450
Residential - Extra Carts	\$14.00	14.3%	\$16.00	\$2.00 / \$24.00	\$5,400	25%	\$17.50	\$3.50 / \$42.00	\$9,450
					\$32,500				\$56,900
Commercial	\$30.63	14.3%	\$35.01	\$4.38 / \$52.56	\$4,300	25%	\$38.29	\$7.66 / \$91.92	\$7,500
TOTAL					\$36,800				\$64,400

WATER & SEWER FUND POTENTIAL RATE/FEE INCREASES

OPTION		ESTIMATED ANNUAL REVENUE INCREASE			
NO.	RATE ACTION	RESIDENTIAL	COMMERCIAL	FORT FISHER	TOTAL
1	10% monthly minimum increase	\$102,370	\$3,250	\$385	\$106,005
2	20% monthly minimum increase	\$204,730	\$6,490	\$770	\$211,990
3	10% rate tier increase	\$90,000	\$20,000	\$23,550	\$133,550
4	20% rate tier increase	\$179,250	\$40,200	\$47,100	\$266,550
5	10% total rate increase (minimum rate & tiers)	\$192,370	\$23,250	\$23,935	\$239,555
6	20% total rate increase (minimum rate & tiers)	\$338,980	\$46,690	\$47,870	\$478,540

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

PROPOSED TOWN COUNCIL GOALS

FY 2025

1. **Work smarter to maintain and improve our quality of life in Kure Beach**

- a. Implementation of approved CAMA Land Use Plan
- b. Continue to work with Department of Defense Land Use Plan (MOTSU) to retain current town owned assets
- c. Implement the Bike/Ped Master Plan
- d. Implementation of approved Beach Management Plan
- e. Continue to work with leaders of the General Assembly to address the needs of the Town

2. **Ensure the integrity of Town financial data and maintain financial stability in all Town funds**

- a. Be fiscally responsible
- b. Set tax and water/sewer rates that support the expected level of service by the Citizens of the Town

PROPOSED TOWN COUNCIL GOALS

FY 2025

3. Enable an optimum working environment for staff to produce high levels of service to the Town

- a. Ensure Town policies are fair (morale)
- b. Enhance procedures to retain and attract Town personnel
- c. Update and adjust the Salary Plan as needed to keep employees fairly compensated

4. Provide all departments with the support to maintain a safe working and living environment

- a. Support camera program
- b. Use technology to support Town functions
- c. Continue to improve employee safety plan
- d. Support K9 program
- e. Provide necessary tools for safe working environment