



# TOWN COUNCIL AGENDA

**ORIGINAL**

**REGULAR MEETING**

**May 19, 2015 @ 6:30 PM**

**\*Asterisks indicate documentation provided in agenda packet**

CALL TO ORDER AND WELCOME – Mayor Dean Lambeth  
INVOCATION – Pastor Tim Russell, Beach Community Worship  
PLEDGE OF ALLEGIANCE – Mayor Dean Lambeth

RECOGNITION AND AWARDS

APPROVAL OF CONSENT AGENDA ITEMS

1. \*Accept Lore Eccleston's resignation from the Community Center Committee
2. \*Accept Allen Oliver's resignation from the Parks and Recreation Advisory Board
3. Appoint Community Center Committee alternate, Kathleen Zielinski, as a regular member on the committee
4. \*Adopt Resolution R15-05, approving financing terms with First Bank for O'Brien 7065 Hydrojetter
5. \*Approve lease of land known as Lots 10 12, 13, 14 and 15 in Block 5, to be used as parking lot at an annual cost of \$7,905.47 with 2,405.47 paid by the Town and the balance paid by local businesses – lease expires May 2016
6. \*Building Inspections Report – April 2015
7. \*YTD Finance Report
8. Meeting Minutes:
  - \*April 9, 2015 budget work session #1
  - \*April 21, 2015 budget work session #2
  - \*April 21, 2015 regular
  - \*April 21, 2015 closed

ADOPTION OF THE AGENDA

DISCUSSION AND CONSIDERATION OF PRESENTATIONS TO COUNCIL

1. John Coble, Friends of Fort Fisher – presentation of plaque to acknowledge the Town's support of the 150<sup>th</sup> Anniversary celebration of the Battle of Fort Fisher
2. John Gerber, NC Emergency Management – presentation of plaque to acknowledge the Town as a member of the Community Rating System

DISCUSSION AND CONSIDERATION OF PERSONS TO ADDRESS COUNCIL

Sign-up at podium before meeting

DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

1. Board of Adjustment
2. Community Center Committee
3. Marketing Committee



# TOWN COUNCIL AGENDA

## REGULAR MEETING

May 19, 2015 @ 6:30 PM

4. Parks & Recreation Advisory Board
  - a. Reduce membership from six to five members to facilitate quorum
5. Planning & Zoning Commission
  - a. Short-term Rental Complaint Tracking
6. Shoreline Access, Beach Protection and Parking Committee

## DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

1. Administration and Recreation Department
  - a. \*Department Head Evaluations Schedule (Avery)
  - b. \*Date and meeting location of next Beach Town Breakfast to be hosted by Kure Beach (Avery)
2. Finance Department
  - a. \*Presentation of budget message, draft FY15-16 budget ordinance and fee schedule, with direction to Town Clerk to advertise for public hearing and inspection (Copenhaver)
3. Building Department
3. Fire Department
4. Police Department
5. Public Works Department

## DISCUSSION AND CONSIDERATION OF OLD BUSINESS

1. Adopt 2015 Emergency Operations Plan
2. ROT Rollover (Lambeth)
3. 17.5 Percent NHC Beach Nourishment Agreement (Lambeth)

## DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. \*State Bond (Lambeth)
2. Corncake Inlet (Lambeth)
3. Report on NC League of Municipalities Tax and Finance Legislation Action Committee's Lobby Day (Swearingen)
4. Carolina Beach Library proposed relocation (Swearingen)

CLOSED SESSION regarding Personnel, per G.S. 143-318.11(a)(6)

## COMMISSIONER ITEMS

## ADJOURNMENT

4/20/15

As of 4-20-15 I hereby

Resign my Membership

with the C. Center Committee

Lore Eckelton

Allen Oliver  
716 Gulf Stream Drive  
Kure Beach, NC 28449  
April 24, 2015

Ms. Hewitt  
Assistant Town Clerk  
Town of Kure Beach  
117 Settlers Lane  
Kure Beach, NC 28449

Dear Ms. Hewitt:

It is with regret that I tender my resignation from the Town of Kure Beach Parks and Recreation Advisory Board, effective immediately.

I am grateful for having had the opportunity to serve on the board and look forward to my employment with the Town to provide recreational opportunities for the Citizens and visitors of Kure Beach.

Sincerely,

Allen Oliver



TOWN COUNCIL  
TOWN OF KURE BEACH, NC

**R**ESOLUTION R15-05

**APPROVING FINANCING TERMS WITH FIRST BANK  
FOR O'BRIEN 7065 HYDROJETTER**

**WHEREAS**, The Town of Kure Beach ("Town") has previously determined to undertake a project for an O'Brien 7065 Hydrojetter (the "Project"), and the Finance Officer has now presented a proposal for the financing of such Project;

***NOW, THEREFORE, BE IT RESOLVED THAT***

1. The Town hereby determines to finance the Project through First Bank, in accordance with the proposal dated April 20, 2015. The amount financed shall not exceed \$81,500.00, the annual interest rate (in the absence of default or change in tax status) shall not exceed 1.7% and the financing term shall not exceed five (5) years from closing.
2. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Town are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary, or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution.
3. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to such officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Town officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.
4. The Town shall not take or omit to take any action the taking or omission of which shall cause its interest payments on this financing to be includable in the gross income for federal income tax purposes of the registered owners of the interest payment obligations. The Town hereby designates its obligations to make principal and interest



TOWN COUNCIL  
TOWN OF KURE BEACH, NC

**R**ESOLUTION R15-05

payments under the Financing Documents as "qualified tax-exempt obligations" for the purpose of Internal Revenue Code Section 265(b)(3).

5. The Town intends that the adoption of this resolution will be a declaration of the Town's official intent to reimburse expenditures for the project that is to be financed from the proceeds of the First Bank financing described above. The Town intends that funds that have been advanced, or that may be advanced from the Town's general fund, or any other Town fund related to the project for project costs, may be reimbursed from the financing proceeds.

6. All prior actions of Town officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately.

Adopted by the Kure Beach Town Council this 19<sup>th</sup> day of May, 2015.

\_\_\_\_\_  
Dean Lambeth, Mayor

\_\_\_\_\_  
Attest: Nancy Avery, Town Clerk

**NORTH CAROLINA**

**LEASE**

**NEW HANOVER COUNTY**

This LEASE ("Agreement") is made and entered into this the 30th day of May, 2015, by and between KURE BEACH MOTEL, LLC, ("GRANTOR") and TOWN OF KURE BEACH, NORTH CAROLINA MUNICIPALITY ("GRANTEE").

That subject to the terms and conditions herein set out, said Grantor does hereby let and lease unto said Grantee, and said Grantee doth hereby accept as tenant Lots 10, 12, 13, 14, and 15 in Block 5, formerly known as Nelson's Motel, in the Town of Kure Beach, N.C. to be used as a parking lot.

This Lease shall begin as of the 30<sup>th</sup> day of May, 2015, and unless sooner terminated as hereto provided, shall exist and continue until and including the 30<sup>th</sup> day of May, 2016.

The rental to be paid by Grantee for said premises shall be Seven Thousand Nine Hundred and Five Dollars and Forty-Seven Cents (\$7,905.47) payable in four (4) installments of One Thousand Nine Hundred Seventy-Six Dollars and Thirty-Six Cents (\$1,976.36) over the next four (4) months beginning May 30, 2015. Should Grantor sell this property during this Lease; then and in that event, this Agreement shall terminate upon notification to Grantee, and Grantor agrees to reimburse Grantee the sum of One Thousand Five-Hundred Dollars (\$1,500.00) for the cost of preparing the Lot.

Grantee agrees to accept said premises in their present condition, to make all reasonable repairs during the term of this Lease and at the termination therefor to surrender said premises in as good condition as the same now are.

Grantee agrees not to disturb Grantor's for sale sign of this property and Grantee shall have the right to mark parking spaces with 6x6 logs, and to rope-off pedestrian walk ways.

Grantee hereby agrees to indemnify and hold harmless Grantor, its agents, officers, and employees, from and all liability, claims, demands, actions, and causes of actions, whatsoever arising out of or related to any loss, damage, or injury, including death, that may be sustained by any person while in, on, or upon said property for the above stated purposes or otherwise arising out of or related in any way to the Grantee's action or conduct while in, on, or upon the property for the above stated purposes.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set out above.

GRANTOR  
KURE BEACH MOTEL, LLC

GRANTEE  
TOWN OF KURE BEACH, NC

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: GRACE LARSON

Name: \_\_\_\_\_

Title: MANAGER

Title: \_\_\_\_\_

Date: 5/4/15

Date: \_\_\_\_\_

Approved As To Form:

\_\_\_\_\_  
A.A. Canoutas, Town Attorney

Kure Beach Inspections Dept.-Building Permits Issue Date: 4/1/2015 - 4/30/2015

PermitNo	Issue Date	Owner	Project Addr	Descript	Fee
<b>Building addition</b>					
5679	4/22/2015	PEUSTER FAMILY TRUST	410 H AVE	Deck Additions	\$25.00
5675	4/13/2015	BROCK RANDY MICHELE	213 MARQUESA WAY	Shed enclosure	\$50.00
<b>Total addition 2</b>					<b>\$75.00</b>
<b>New Construction</b>					
5680	4/28/2015	BECKHART GORDON H	1338 FORT FISHER BLV S	Enclose bottom	\$50.00
5673	4/7/2015	BECKER MICHAEL L LORRAINE	402 K AVE	finish off bottom of house to heated spac	\$150.00
5674	4/7/2015	SLOOP MARGARET S LTD PTNRP	534 S FORT FISHER BLV	New SFD	\$1,660.00
<b>Total New Construction 3</b>					<b>\$1,860.00</b>
<b>pool</b>					
5671	4/13/2015	RIGHT FORCE INC C/O WILLIAM J DUMON	917 FORT FISHER BLV S	New pool.	\$300.00
5678	4/21/2015	TRENERY FRANK G III WENDY E	506 KURE VILLAGE WAY	New Pool	\$300.00
5677	4/15/2015	BEACH DRAGON LLC	317 S FORT FISHER BLV	New Pool	\$300.00
<b>Total pool 3</b>					<b>\$900.00</b>
<b>Renovations</b>					
5676	4/14/2015	STAMP BRIAN AND KATHERINE	810 CUTTER CT		\$200.00
5670	4/2/2015	TRIPLETT SUZANNE E REVOCABLE TRUST	230 N FORT FISHER BLV	Combining 2 units into one.	\$250.00
<b>Total Renovations 2</b>					<b>\$450.00</b>
<b>Replacement</b>					
5672	4/7/2015	RIGHT FORCE INC C/O WILLIAM J DUMON	917 FORT FISHER BLV S	Window replacement	\$150.00
<b>Total Replacement 1</b>					<b>\$150.00</b>
<b>Total Building 11</b>					<b>\$3,435.00</b>
<b>Total Permits: 11</b>					<b>\$3,435.00</b>



**REVENUE AND EXPENDITURE SUMMARY  
JULY 1, 2014 TO MAY 12, 2015**

**REVENUES**

	2015 Initial Bud.	2015 Amend. Bud.	Actual 05/12/2015	% Collected
<b>GENERAL FUND</b>				
Property Taxes (Cur. & PY)	\$ 2,100,250	\$ 2,100,250	\$ 2,105,440	100.2%
Local Option Sales Tax	\$ 713,000	\$ 713,000	\$ 643,380	90.2%
Franchise & Utility Tax	\$ 142,250	\$ 142,250	\$ 141,953	99.8%
TDA Funds	\$ 198,651	\$ 198,651	\$ 173,045	87.1%
Garbage & Recycling	\$ 338,700	\$ 338,700	\$ 286,313	84.5%
ABC Revenue	\$ 10,175	\$ 10,175	\$ 11,944	117.4%
Bldg Permit, Impact Fees & CAMA	\$ 44,700	\$ 44,700	\$ 49,140	109.9%
Communication Tower Rent	\$ 84,769	\$ 84,769	\$ 77,679	91.6%
Motor Vehicle Tags	\$ 7,500	\$ 7,500	\$ 6,875	91.7%
Com Ctr/Parks & Rec/St Festival	\$ 27,450	\$ 27,450	\$ 25,448	92.7%
Town Facility Rentals	\$ 10,000	\$ 10,000	\$ 9,358	93.6%
Beer & Wine Tax	\$ 8,500	\$ 8,500	\$ -	0.0%
OFP - Bluefish Purchases	\$ 7,920	\$ 7,920	\$ 8,800	111.1%
All Other Revenues	\$ 31,426	\$ 35,850	\$ 69,678	194.4%
Appropriate Fund Balance	\$ 4,125	\$ 4,125	\$ -	0.0%
Other Financing Sources	\$ 64,000	\$ 473,471	\$ 457,830	96.7%
<b>Total Revenues</b>	<b>\$ 3,793,416</b>	<b>\$ 4,207,311</b>	<b>\$ 4,066,883</b>	<b>96.7%</b>

**EXPENDITURES**

	2015 Initial Bud.	2015 Amend. Bud.	Actual 05/12/2015	% Spent
<b>GENERAL FUND</b>				
Governing Body	\$ 39,167	\$ 39,167	\$ 37,444	95.6%
Committees	\$ 7,500	\$ 7,500	\$ 3,528	47.0%
Administration/Finance	\$ 455,208	\$ 876,429	\$ 815,861	93.1%
Community Center	\$ 14,650	\$ 14,650	\$ 10,690	73.0%
Emergency Management	\$ 300	\$ 300	\$ 8	2.7%
Tax Collections	\$ 25,000	\$ 25,000	\$ 13,791	55.2%
Legal	\$ 24,000	\$ 24,000	\$ 22,754	94.8%
Police Department	\$ 1,133,547	\$ 1,133,547	\$ 928,907	81.9%
Fire Department	\$ 423,138	\$ 423,138	\$ 351,015	83.0%
Lifeguards	\$ 186,575	\$ 190,999	\$ 127,497	66.8%
Parks & Recreation	\$ 132,018	\$ 132,018	\$ 92,607	70.1%
Bldg Inspection/Code Enforcement	\$ 118,135	\$ 118,135	\$ 87,166	73.8%
Streets & Sanitation	\$ 695,206	\$ 695,206	\$ 599,063	86.2%
Debt Service	\$ 255,372	\$ 255,372	\$ 247,503	96.9%
Transfer to Other Funds	\$ 103,000	\$ 103,000	\$ 103,000	100.0%
Contingency	\$ 180,600	\$ 168,850	\$ -	0.0%
<b>Total Expenses</b>	<b>\$ 3,793,416</b>	<b>\$ 4,207,311</b>	<b>\$ 3,440,834</b>	<b>81.8%</b>

**WATER & SEWER FUND**

Water Charges	\$ 625,000	\$ 625,000	\$ 507,792	81.2%
Sewer Charges	\$ 905,000	\$ 905,000	\$ 732,261	80.9%
Tap, Connect & Reconnect Fees	\$ 28,500	\$ 28,500	\$ 50,220	176.2%
All Other Revenues	\$ 41,656	\$ 85,622	\$ 37,693	44.0%
<b>Total Revenues</b>	<b>\$ 1,600,156</b>	<b>\$ 1,644,122</b>	<b>\$ 1,327,966</b>	<b>80.8%</b>

**WATER & SEWER FUND**

Governing Body	\$ 14,967	\$ 14,967	\$ 13,294	88.8%
Legal	\$ 24,000	\$ 24,000	\$ 22,754	94.8%
Administration/Finance	\$ 357,750	\$ 369,500	\$ 317,978	86.1%
Operations	\$ 1,203,439	\$ 1,235,655	\$ 907,993	73.5%
<b>Total Expenses</b>	<b>\$ 1,600,156</b>	<b>\$ 1,644,122</b>	<b>\$ 1,262,019</b>	<b>76.8%</b>

**STORM WATER FUND**

<b>Total Revenues</b>	\$ 287,370	\$ 287,370	\$ 242,792	84.5%
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**STORM WATER FUND**

<b>Total Expenses</b>	\$ 287,370	\$ 287,370	\$ 155,405	54.1%
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**POWELL BILL FUND**

<b>Total Revenues</b>	\$ 62,030	\$ 62,030	\$ 65,428	105.5%
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**POWELL BILL FUND**

<b>Total Expenses</b>	\$ 62,030	\$ 62,030	\$ 17,466	28.2%
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**SEWER EXPANSION RESERVE FUND (SERF)**

<b>Total Revenues</b>	\$ 22,640	\$ 22,640	\$ 45,116	199.3%
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**SEWER EXPANSION RESERVE FUND (SERF)**

<b>Total Expenses</b>	\$ 22,640	\$ 22,640	\$ -	0.0%
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**BEACH PROTECTION FUND**

<b>Total Revenues</b>	\$ 103,000	\$ 103,000	\$ 103,000	100.0%
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**BEACH PROTECTION FUND**

<b>Total Expenses</b>	\$ 103,000	\$ 103,000	\$ -	0.0%
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**FEDERAL ASSET FORFEITURE FUND**

<b>Total Revenues</b>	\$ 50,000	\$ 50,000	\$ -	0.0%
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**FEDERAL ASSET FORFEITURE FUND**

<b>Total Expenses</b>	\$ 50,000	\$ 50,000	\$ 28,281	56.6%
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**TOWN OF KURE BEACH  
CASH AND INVESTMENTS  
AS OF APRIL 30, 2015**

<u>FUND</u>	<u>CASH IN BANK</u>	<u>INVESTMENTS</u>	<u>TOTAL CASH &amp; INVESTMENTS</u>
General	\$2,276,035	\$340,895	\$2,616,930
Water/Sewer	\$1,169,313	\$583,329	\$1,752,642
Storm Water	\$671,348	\$239,686	\$911,034
SERF	\$237,886	\$91,020	\$328,906
Federal Asset Forfeiture	\$148,447	\$0	\$148,447
Powell Bill	\$241,589	\$19,874	\$261,463
Beach Protection	\$186,640	\$0	\$186,640
<b>TOTAL</b>	<b>\$4,931,258</b>	<b>\$1,274,804</b>	<b>\$6,206,062</b>
BB&T	\$4,931,258	\$0	
First Bank - Certificates of Deposit	\$0	\$960,349	
Bank of America - Certificate of Deposit	\$0	\$258,405	
NCCMT Term Portfolio	\$0	\$50,235	
NCCMT Cash Portfolio	\$0	\$5,815	
<b>TOTAL</b>	<b>\$4,931,258</b>	<b>\$1,274,804</b>	

**TOWN OF KURE BEACH  
SUMMARY OF CONTINGENCY FUND AND COMMITTEE  
EXPENDITURE ACTIVITY  
07/01/2014 - 05/12/2015**

**CONTINGENCY FUND**

Fiscal Year 2015 Budget	\$180,600.00
Less:	
Budget Amendment - Transfer of funds for purchase of vacant lot - Resolution R14-09	\$115,000.00
Budget Amendment - Transfer of funds for addition of a full-time Finance employee (50% from the General Fund) - Resolution R15-01	\$11,750.00
Plus:	
Budget Amendment - Replenish Contingency after receiving loan proceeds for purchase of vacant lot	<u>\$115,000.00</u>
Remaining Budget as of 05/12/2015	<u><u>\$168,850.00</u></u>

**COMMITTEE (Shoreline Access, Beach Protection & Parking) EXPENDITURES**

Fiscal Year 2015 Budget	\$7,500.00
Less Expenditures:	
Lifeguard Tower Sign for new Tower #9	\$34.73
Corral Survey	\$450.00
Beach Sweep Supplies	\$91.85
Sea Oats	\$1,650.00
Warning Signs on Beach	\$276.00
Brochure 1	\$585.00
Clean Sweep Banners	<u>\$440.00</u>
Total Expenditures	\$3,527.58
Projects Approved By Council But Not Yet Expended:	
Brochure 2	\$585.00
Fee for Grant Writer	<u>\$900.00</u>
Total Approved, Not Expended	<u>\$1,485.00</u>
Remaining Budget as of 05/12/2015	<u><u>\$2,487.42</u></u>

TOWN OF MORE BEACH  
DEBT MATURING  
MAY 19, 2015

LOAN PURPOSE/DESCRIPTION	FUND	LENDER	DATE OF LOAN	AMOUNT FINANCED	INTEREST RATE	LOAN TERM (YRS)	DATE PAID OFF	BALANCE AT 05/19/15	PAYMENT FREQUENCY	PAYMENT AMOUNT	NEXT PAY DATE	INT. EXPENSE LIFE OF LOAN
Sewer Rehabilitation Project (a)	W/S	Fed Gov	05/01/2010	\$432,660	0.00%	20	05/01/2030	\$158,335.75	Annual	\$10,555.72	05/01/2016	\$0.00
Ocean Front Park (development)	G	BB&T	07/12/2011	\$347,000	4.39%	17	07/12/2028	\$285,764.72	Annual	\$32,956.83	07/12/2015	\$137,099.64
Ocean Front Park (acquisition)	G	BB&T	12/19/2007	\$3,600,000	4.28%	20	12/19/2027	\$843,750.13	Annual	\$101,016.37	12/19/2015	\$690,135.16
334 S. 4th, 402 H & 406 H Ave.	G	BB&T	03/12/2015	\$409,471	2.49%	10	03/12/2025	\$409,471.15	Annual	\$51,142.95	03/12/2016	\$56,077.07
Water Tower & Well House & Town Hall Expansion (b)	G, W/S	BB&T	04/11/2007	\$1,187,187	3.92%	15	05/07/2022	\$640,001.83	Semi-annual	\$52,716.71	11/07/2015	\$394,314.33
Cutter Court Drainage Project	SW	B of A	07/23/2005	\$875,000	4.40%	15	06/23/2020	\$363,776.65	Monthly	\$6,677.76	06/23/2015	\$326,995.49
(2) 2015 Police Cars	G	BB&T	03/27/2015	\$48,359	2.19%	4	03/27/2019	\$48,359.00	Annual	\$12,758.83	03/27/2016	\$2,676.33
2015 Ford F-250 Utility Truck	W/S	BB&T	10/24/2014	\$32,216	2.19%	4	10/24/2018	\$32,216.00	Annual	\$8,499.73	10/24/2015	\$1,782.92
Downtown Improvement Project	G	BB&T	01/17/2014	\$117,000	1.93%	4.5	06/17/2018	\$94,539.10	Annual	\$24,719.00	01/17/2016	\$6,595.00
2013 Ford F-150 Police Truck	G	BB&T	01/15/2014	\$32,000	2.18%	4	01/15/2018	\$24,256.90	Annual	\$8,440.70	01/15/2016	\$1,762.80
2013 Ford Police Utility	G	BB&T	06/28/2013	\$29,836	2.17%	4	06/28/2017	\$22,615.45	Annual	\$7,867.99	06/28/2015	\$1,635.96
2011 International Garbage Truck	G	BB&T	09/16/2011	\$152,152	1.81%	5	09/16/2016	\$62,503.02	Annual	\$32,102.53	09/16/2015	\$8,360.65

**FUND CODES**

G - General Fund  
W/S - Water/Sewer Fund  
SW - Storm Water Fund

**TOTAL OUTSTANDING DEBT AT 05/19/2015:**

General Fund	\$ 1,932,059.87
Water/Sewer Fund	\$ 689,753.18
Storm Water Fund	\$ 363,776.65
Total	<u>\$ 2,985,589.70</u>

**NOTES**

**LOAN PAYMENTS DUE (Next 12 Months):**

05/20/2015 - 06/30/2015	\$ 14,545.75
07/01/2015 - 09/30/2015	\$ 85,092.64
10/01/2015 - 12/31/2015	\$ 182,266.09
01/01/2016 - 05/19/2016	\$ 193,722.71
Total	<u>\$ 475,627.19</u>

(a) - Total amount borrowed was \$432,660. As part of ARRA, the unpaid balance was immediately reduced by one-half of the loan amount.  
(b) - 78% of loan is Water/Sewer Fund and 22% is General Fund.



# TOWN COUNCIL MINUTES

**FY15-16 BUDGET WORK SESSION #1**

**April 9, 2015**

The Kure Beach Town Council held a Budget Work Session on Thursday, April 9, 2015. The Town Attorney was present and there was a quorum of Council present.

**COUNCIL MEMBERS PRESENT**

Mayor Dean Lambeth  
Mayor Pro Tem (MPT) Craig Bloszinsky  
Commissioner Emilie Swearingen

**COUNCIL MEMBERS ABSENT**

Commissioner David Heglar  
Commissioner Steve Pagley

**STAFF PRESENT**

Finance Officer (FO) – Arlen Copenhaver  
Town Clerk – Nancy Avery  
Building Inspector – John Batson  
Police Officer – Mike Bowden  
Fire Chief – Harold Heglar  
Public Works Director – Sonny Beeker  
Assistant Fire Chief – Ed Kennedy  
Deputy Town Clerk – Nancy Hewitt

**CALL TO ORDER AND WELCOME**

Mayor Lambeth called the meeting to order at 8:10 a.m.

**VOTE TO EXCUSE COMMISSIONER HEGLAR AND COMMISSIONER PAGLEY FROM THE MEETING**

**MOTION** – MPT Bloszinsky made the motion to excuse Commissioner Heglar and Commissioner Pagley from the meeting.

**SECOND** – Commissioner Swearingen

**VOTE** – Unanimous

**PRESENTATION OF FIRST DRAFT OF FY15-16 BUDGET**

**1. Financial Projections by Fund**

FO Copenhaver presented projections for Revenue versus Expenses for the General Fund, Water/Sewer Fund and Storm Water Fund from FY2015 to 2020.

**2. Five Year Capital Plan**

FO Copenhaver reviewed the Five-year Capital Plan for the three main funds from FY2016 to 2020. He pointed out that the biggest expenses for the upcoming budget will be three police vehicles under the General Fund, the water/sewer line replacement under the Water/Sewer Fund, and Phase IIA of the Storm Water project under the Storm Water Fund.



# TOWN COUNCIL MINUTES

## FY15-16 BUDGET WORK SESSION #1

April 9, 2015

### 3. FY15-16 Council goals

FO Copenhaver reviewed the seven goals that Council set at their January 2015 retreat and said he reflected those goals in his budget proposal. He said that he included \$30,000 for a Space Study to meet Council's goal to develop a space plan for Town departments, and he included salary adjustments from the Salary Study that was requested by Council.

### 4. Budget Assumptions

FO Copenhaver listed his budget assumptions, as follows: no change in services provided or level of services provided; no increase in .2615 cent tax rate; an increase in the water/sewer monthly minimum rates by 25 percent; General Fund Contingency; include a transfer from the General Fund to the Beach Protection Fund; employee compensation of 1.7 percent COLA, which is the same as Social Security, and a Merit Pool increase of 3.3 percent for each department; salary adjustments to bring all Town salaries to the "Benchmark" outlined in the Salary Study.

### 5. Budget Summary by Fund

FO Copenhaver reviewed a summary of the budget with the following highlights:

- General Fund – includes \$20,500 transfer to the Beach Protection Fund and \$30,000 contingency fund
- Water/Sewer Fund – includes a 25 percent increase in the monthly minimum rates because of declining usage and a \$50,000 transfer to the Water Line Replacement Capital Project and \$117,524 for potential improvement projects
- Storm Water Fund – includes a Fund Balance appropriation of \$238,447 and a transfer to the Storm Water Capital Project Fund of \$275,000

### 6. Budget Summary by Department

FO Copenhaver presented Council with a balanced budget for each fund for a total proposed FY15-16 budget of \$6,565,131. He asked each department representative to review their proposed budget with Council.

## BUDGET EXPENDITURE REVIEW

### 1. Police Department

Officer Bowden, said the biggest increases to note in the proposed budget for the Police Department are as follows:

- "Fit For Duty" program – officers receive a physical exam, including a stress test, and receive mental health counseling in the event of a stress-inducing incident
- Building maintenance
- Capital Outlay for three police vehicles
- Salary Study adjustment



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FO Copenhaver stated that Personnel Costs noted under each department include Merit and COLA, social security taxes and benefits. He said that the Salary Study adjustment noted under each department is to bring all employee salaries to the “benchmark” listed in the study.

## 2. Fire Department & Lifeguards

Assistant Chief Kennedy said the biggest increases to note in the proposed budget for the Fire Department and Lifeguards are as follows:

- There is a reallocation of Drill Fees to cover vacation and sick leave for part-time employees
- Increased Drill Fees due to increase in calls
- Full year of Live-in Program expenses
- Capital outlay for new 5” fire hoses for the two trucks and for the purchase of a used squad truck
- Salary Study adjustment

The Mayor suggested that the Fire Department mail a bill to any Kure Beach household that has a false alarm, in order to cover the cost of sending an emergency vehicle out, to which Chief Heglar said that if Council would approve it, they would do it.

Chief Heglar said they are building new lifeguard towers out of aluminum this year. He said they will look better, last about ten years and won’t be as heavy as the wooden ones.

## 3. Building Inspections

Inspector Batson said the biggest increases to note in the proposed budget for his department are as follows:

- Travel and training for required educational and certification courses
- Building maintenance to increase space for the public
- Salary Study adjustment

Inspector Batson said that he has been talking to Assistant Chief Kennedy about the Fire Department handling the responsibility of conducting fire inspections, which he hopes can happen this year.

## 4. Public Works Department

Director Beeker said the biggest increases to note in the proposed budget, besides the Salary Study adjustment for each sub-department, are as follows:

Streets and Sanitation

- A new gator
- Increase in truck maintenance
- Increase in computer costs



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- Increase in utility costs

## Water/Sewer

- Water testing and permit fees
- Debt service increase
- Increase in Carolina Beach's treatment facility costs
- Capital Outlay for replacement of a lift station generator and a utility truck

## Storm Water

- Increase in personnel-related costs
- Increase for minor equipment
- Increase for debt service

MPT Bloszinsky asked if Public Works was responsible for putting up sand fencing along the beach, to which Director Beeker said that they used to be responsible for it, but not anymore. He said the last time it was put up was during a beach renourishment about six years ago to help protect and establish the dunes.

MPT Bloszinsky asked for the status of the warning signs at the Dow Chemical jetty, to which Town Clerk Avery said Inspector Batson has the signs but hasn't had a chance to ask Public Works to install them.

Director Beeker asked what the possibility was of, during the next beach nourishment in the fall, getting the Corps of Engineers to help remedy the jetty's outcroppings, to which the Mayor said they could talk to the Corps but they didn't make any move to help with it during the last nourishment. Director Beeker said he tried to get them to take the jetty out the last time they nourished the beach, but it was going to cost about \$300,000 more.

## 5. Administration

Town Clerk Avery reminded Council that Finance was split away from the Administration Department, so the proposed budget has been separated out. She said that the biggest increases to note in the proposed budget for her department are as follows:

### 50/50 Split between General Fund and Water/Sewer

- Increased retiree medical insurance
- Increased telephone costs to replace almost obsolete phone system, Town-wide
- Increase in recycle service costs
- Increase in travel and training
- Building maintenance costs to have the outside of Town Hall washed and painted
- Space Planning costs requested by Council in their 2015 goals
- Salary Study adjustment

## 6. Parks & Recreation

Town Clerk Avery said that Parks and Recreation is only budgeted under the General





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Fund and the biggest increases to note in the proposed budget are as follows:

- Sponsorship maintenance of disc golf course and boardwalk bluefish program
- Increased travel and training
- Increased budget for advertising
- Capital Outlay for volleyball court at Joe Eakes Park, requested by the Parks and Recreation Advisory Board
- Salary Study adjustment

Director Beeker said a volleyball court has been installed twice over the years he has worked at Kure Beach and they were hardly ever used. He added that Sunny Point will need to approve it.

The Town Clerk said there are also space concerns at the park, and the Town may have to take away some of the dog park area to put up the volleyball court.

Commissioner Swearingen asked if anyone was taking care of the dog park, to which Director Beeker replied that Public Works has fixed its gates in the past, several times a year they cut the grass and trim the plants, and they rebuilt and painted the sign last year. He said that the original agreement between the organization that formed the park and the Town was that the organization was going to maintain it. He said the park's organizers have done a great job over the eight or so years the park has been there, and they haven't handed responsibility of the park over to the Town, yet; but he feels it is coming.

Commissioner Swearingen said the Island Women is taking over the dog park in Carolina Beach and several Kure Beach members told them that, whenever they do Carolina Beach, they should also do Kure Beach.

Town Clerk Avery said that the Island Women have already approached Nikki Keely, Event Coordinator, about that. She said that one of the original organizers of the dog park has told the Island Women that they are not interested in maintaining the park anymore. She said that both groups have been asked to come to Council to let them know whether or not they will maintain the park.

Discussion ensued about having porta-johns at the beach accesses, to which Director Beeker said that it was brought up before and one of the reasons Council decided against putting porta-johns there was that people who own houses along the ocean don't want to look out from their patios to see, and possibly smell, a porta-john.

## 7. Governing Body

The Town Clerk said the biggest increases to note in the proposed budget are as follows:



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- Increased food costs for a Beach Town breakfast, a Council retreat and budget meetings – moved from Admin budget
- Increase in travel and training
- Telephone costs for any new Council member that may want reimbursement
- Inlet dredging

- Outside Agency Funding Requests

FO Copenhagen reviewed the organizations that requested funding this year. He asked Council which funding requests they wanted to approve.

Discussion ensued about whether or not funding for the Sea Turtle Project, which is funded from the Building Inspector's budget, was an actual requirement. FO Copenhagen said he has heard it is a requirement but hasn't seen anything that proves it.

The Mayor interjected that it is a requirement.

Commissioner Swearingen asked if there was paperwork on it that they could actually see, to which the Mayor stated that he could get her paperwork if she needed it. At this point, Commissioner Swearingen left the room.

Due to lack of quorum, the Mayor called for a break at 9:43 a.m.  
The meeting resumed at 9:50 a.m.

FO Copenhagen again asked Council which of the requests they wanted to approve, suggesting they could even just approve what they approved last year. When asked if the money for sponsoring the Chamber's Summer Concert Series would come out of the TDA funds, FO Copenhagen stated that as long as there are TDA funds available it could be covered. He pointed out that the lifeguards, the concert series and the Christmas show are maxing out what the Town has to spend from the TDA funds; altogether costing over \$200,000. He said this limits the Town to what it has available in the activity fund.

The Mayor asked Inspector Batson to give the background on the Sea Turtle Project and asked if he had paperwork to show it is a state requirement, to which Inspector Batson said that Commissioner Swearingen asked him a couple of weeks ago whether it was a requirement and he hasn't been able to find the paperwork. He said he had always been told it was either a state law or Federal guideline.  
The Mayor said that the Army Corps of Engineers has it listed in their budget that Kure Beach pays for it.

Town Clerk Avery said that, even if it wasn't a requirement now, with the new Critical Habitat regulations that are coming, the Town will have to have this reporting and



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monitoring anyway. She said that the Town is ahead of the curve by having an arrangement with the Sea Turtle Project.

Commissioner Swearingen said she has no problem helping them, but the Town pays close to what Carolina Beach pays, and Carolina Beach has almost twice as much beach as Kure Beach. Further discussion ensued about what area of the beach is covered by the Sea Turtle Project. Commissioner Swearingen said that it is her understanding that they only go as far down the beach as Ocean Dunes, and don't even drive past that area because of the lack of beach to drive on. She said the funds are supposed to be paying for the dune buggy and insurance. She said that she has seen their budget and that those two items don't come up to the support money the Town gives them. She said she wonders what all the money is going towards, supposing that they use it for more than just monitoring the beach in the morning.

Inspector Batson said that the amount has gone up over the past years, but the Town has always paid them as long as he can remember. He said that, when he started working for the Town, they were asking \$2,400 for the season.

FO Copenhaver said that they have had years where they've asked for more funding from the Town because they had to monitor for an additional month; the cost per month being \$900.

Commissioner Swearingen asked the Finance Officer to have a representative from the Sea Turtle Project attend the next budget work session, to which everyone concurred that it would be a good idea.

FO Copenhaver reminded Council that, even though he put the Sea Turtle Project on the list of agency funding requests, it is actually paid out of the Building Inspector's budget. He asked Council what they wanted to do with the requests that are paid from the Governing Body budget.

**CONSENSUS** – Council agreed to have the Finance Officer adjust the funding requests from the Governing Body budget down to what Council approved last year.

## 8. Emergency Management, Legal, Elections

Town Clerk Avery said she reduced the Emergency Management budget because it's not usually used, she increased the Legal budget to build in an increase for the Town Attorney and to add some specialized legal services requested by the Police Department, and she added funds in the Elections budget due to this being a local election year.



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## 9. Community Center

Town Clerk Avery said that most of the increase to the budget was for a phone upgrade and to paint the inside and outside of the center to make it more appealing to potential renters. She said that wainscoting and blinds were also budgeted to give the center a more updated look. She said that, if rentals continue, the expense will be paid off within two years.

## 10. Finance

FO Copenhagen said the Finance budget was split from the Administration budget when Finance was made a separate department. He said the biggest increases to note in the proposed budget are as follows:

50/50 Split between General Fund and Water/Sewer

- Audit fees
- Actuarial Study for Post-Employment benefits
- Actuarial Study of Separation Allowance for law enforcement officers
- Postage for mailing out the utility bills
- Travel and training
- Cost of an additional employee
- Increased Payroll Fees for the new payroll firm which provides more services
- Downtown parking lot, if Council approves it
- All of the Utilities Manager salary is paid under the Water/Sewer Fund
- Salary Study adjustment

## 11. Committees

FO Copenhagen said that the Shoreline Access, Beach Protection and Parking Committee requested the installation of a handicap beach access ramp at H Avenue at the cost of \$20,000.

The Town Clerk said that a CAMA Grant cycle just opened up, and she gave the information to committee chairperson, Tony Gonsalves, but she isn't sure if the committee is going to apply for it.

Public Works Director Beeker said that, even if the committee gets a grant, there is usually an in-kind and cash amount that the grant people require from the Town.

MPT Bloszinsky said if they can get a grant to construct it, then maybe it can happen, but the Town still may not be able to afford it if the Town is required to put in some money.

Commissioner Swearingen asked to have Tony Gonsalves attend the next budget meeting to see if they plan on applying for the grant.



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**12. Debt Service**

FO Copenhaver explained that outstanding loans increased due to the purchase of three lots near Public Works, which increased the debt service.

**13. Tax Collection**

FO Copenhaver said there were no increases to last year's amount.

**14. Contingency Fund**

FO Copenhaver said the maximum allowable amount that the Town could have in the fund is five percent of the appropriations for the year, which he estimates at about \$198,000. He said that there is \$168,000 in the fund, currently. A \$30,000 contingency is included in the proposed budget.

**15. Transfers**

He put in \$20,500 to transfer to the Beach Protection Fund. He said that currently there's about \$186,000 in the fund.

FO Copenhaver said that there's a transfer of \$50,000 from the Water/Sewer Fund to the Water/Sewer Capital Project Fund for the water line replacement listed under Capital Projects; this is to get the project started. He said that the remaining amount of the project should be financed.

After being asked by MPT Bloszinsky to estimate what percent the budget increases from year-to-year, FO Copenhaver responded that the budget averages a five percent increase each year. When asked by the MPT how much of that was driven by the Salary Study adjustment, he responded that the adjustment was as high as three percent for the General Fund, where the bulk of the total salary adjustment is located.

## BUDGET REVENUE

FO Copenhaver reviewed the largest projected changes in the General Fund (GF)

Revenue, as follows:

### Largest Increases in GF Revenue

- Sales tax is estimated to be greater than estimated in 2015, for a 10 percent increase; but he warned that if the currently introduced bill to take sales tax away from bigger communities to help smaller communities is approved, it could have a significant impact on the Town's revenues in the neighborhood of about \$450,000+, which would require at least a six cent increase in property taxes
- Franchise and Utility tax is projected to increase by almost 42 percent due to the 7 percent sales tax on electric bills.
- Building Permits, CAMA, Impact Fees and Fire Inspections are up by 28 percent due to an upward trend in building-related fees.



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- Beer and Wine Tax is projected to increase by about 12 percent, based on state-wide forecasts.

#### Largest Decreases in GF Revenue

- Loan proceeds are projected to decrease by 77 percent, with \$111,000 budgeted for FY 2016.

The Building Inspector explained to Council that permit costs to tear down an older building to rebuild a new house are only around \$2,000, but permit costs to build on a vacant lot are about \$10,000-13,000. He said that, once the Town is “built out,” less money will be coming in for permit fees.

Director Beeker suggested Council may need to start looking at increasing the impact and user fees based on the number of bedrooms and bathrooms. He said a two bedroom house may get torn down and replaced with an eight bedroom house which will create a lot more wear and tear on the Town’s systems.

Inspector Batson recommended looking at increasing the permit fees in FY16-17. He said that the Town is significantly lower than Carolina Beach is on what is charged for a new building permit.

FO Copenhaver reviewed the largest projected changes in Water/Sewer (W/S) Revenue, as follows:

#### Largest Increases in W/S Revenue

- Includes a proposal to increase the W/S rates by 25 percent which would increase the average monthly residential utility bill by \$9.26 cents; the commercial utility bill by \$11.01; and the Out of Town utility bill by \$15.88. He said it would increase the Town’s W/S revenue by \$239,037 and, without this, the fund is about \$200,000 short.
- This includes loan proceeds for the truck and gator that Public Works needs.

#### Largest Decreases in W/S Revenue

- Cutoff and Reconnect Fees is projected to decrease by 44 percent due to the diligence of the Utility Manager working with the residents to pay their bills.
- Other Revenue and Fees is projected to decrease by 10 percent due to people paying their bills on time to avoid the late fee.

The Mayor asked Director Beeker if he ever thought about leasing his large equipment, using a backhoe as an example, rather than buying it.

Director Beeker said he usually keeps his equipment for a long time, making it cost-prohibitive to rent it.



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FO Copenhaver said that Storm Water Revenue was fairly flat compared to the current year's budget. He said that the biggest change is to Appropriate Fund Balance to allow for a transfer of \$275,000 to the Storm Water Capital Projects Fund for the Kure Beach Village project.

FO Copenhaver said there would need to be two budget ordinances for Capital Project budgets:

- A budget ordinance for the water line replacement which will cost \$500,000. The Finance Officer said that the revenue for this would come from a transfer of money from the Water/Sewer Fund, just to get the project started, with the remainder being financed. He explained that there is unrestricted money in the W/S Fund, but it shouldn't all be used for this project. He said if the Town was to have a major catastrophe, there wouldn't be enough money for the Town. He said that, with the current low interest rates, it is wiser to finance the rest of the project than take all of the money out of the fund.
- A budget ordinance for Phase IIA of the Storm Water project which will cost \$750,000.

The Finance Officer explained that the Town would use \$275,000 from the Storm Water fund balance, which is about 30 percent of the fund balance, and then finance the rest.

After being asked by the Mayor how far out of balance the proposed budget is, FO Copenhaver responded that it isn't out of balance at all. He proceeded to ask Council if they wanted to accept the proposed budget as presented, or if they wanted to make any changes.

MPT Bloszinsky thanked the Finance Officer and Town Clerk for putting the Salary Study information together. He said he agreed with the median number in the study but, after considering years of service and key personnel who are important to the Town, he thought it would be better to be selective in which salaries to increase and which to not increase. He suggested making the following adjustments to the proposed budget: keep the Capital Projects requests, cut building maintenance in half and remove the Space Study expense until Council gets more information on what's happening with proposed Sales Tax bill and the Memo of Agreement with the County for beach renourishment.

Mayor Lambeth stated he would like five percent of the proposed budget cut across the board. He said if the proposed Sales Tax bill goes through, it could seriously damage the Town's finances.

MPT Bloszinsky said that he thinks the Mayor means to keep the budget flat, since the average increase to the budget every year is about five percent, to which the Mayor concurred.



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FO Copenhaver said cutting the proposed budget by five percent across the board doesn't explain how to do it. He asked what specific items the Mayor wanted to cut so that the Department Heads can figure out what they can afford to cut, if anything.

The Mayor stated that Council had cut the budget in the past by as much as ten percent across the board, and it had worked out fine.

FO Copenhaver said that, when he first started working at Kure Beach in 2010, he had to do 50 budget amendments because Council had cut the budget by so much that it wasn't even doable; it was too short. He said that, when a budget is cut across the board, it doesn't work because of the different needs of each department. He said Council has to say what they want to cut.

Commissioner Swearingen said that, in cutting a department's budget across the board, you may have to cut services. She said even though the proposed tax bill wouldn't become effective until 2018, if it passes, Council has to prepare for it now. She said she wouldn't approve the Community Center maintenance or any outside maintenance at Town Hall. She said she'd like to see a regular merit and cost of living increase approved but said to hold off on the Salary Study adjustment.

After further discussion, MPT Bloszinsky summarized two scenarios Council would like to have presented at the next budget work session, as follows:

- The MPT summarized that the Mayor wants to keep the budget flat and add the Capital Project budget as presented, referring to this plan as the "low end version."
- The MPT, referring to this plan as the "high end version," said he and Commissioner Swearingen would like to keep the proposed budget with the following changes: cut the Salary Study benchmark by half, keep the proposed COLA and merit, cut out the Space Study, cut the Community Center and Administration maintenance by half, and reduce the proposed Committee budget from \$23,600 down to the current year's amount of \$7,500.

FO Copenhaver said he would work on the numbers for both versions, including Council's request to reduce the proposed budget's Outside Agency Funding from \$19,900 down to the current year's amount of \$19,200.

When asked by the Town Clerk what they wanted to achieve by cutting the budget, the Mayor Pro Tem said their overall goal was to increase the beach nourishment fund and contingency fund. He said that the Salary Study is impressive, but he doesn't think the whole study should be approved.





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Commissioner Swearingen said that it's not yet certain if the County will contribute to beach nourishment or inlet dredging, so Council could put aside the space planning money in the Contingency Fund. Then, if the County gets on board with funding, the money put in the Contingency Fund can be used for space planning.

FO Copenhaver reiterated to Council that, if the proposed tax bill passes, there would be no choice but to raise taxes by about six cents.

At this point, the Mayor said he had to be at another appointment and needed to leave by 11:30 a.m. Further discussion ensued, with ideas brought forward by Council on how to handle funds and reduce the expenses.

FO Copenhaver reminded Council that their direction at the retreat was to bring all of the employees to the benchmark amount in the Salary Study, which is what the proposed budget accomplishes. He said that, if he has to cut the study in half, he will cut it in half across the board for each department, rather than pick and choose which positions should and which positions shouldn't be brought to the benchmark.

## ADJOURNMENT

MOTION – Commissioner Swearingen made the motion to adjourn.

SECOND – Mayor Pro Tem Bloszinsky

VOTE – Unanimous

The meeting adjourned at 11:25 a.m.

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Dean Lambeth, Mayor

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ATTEST: Nancy Hewitt, Deputy Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. Persons wishing to hear the recording of this meeting may request to do so by contacting the Town Clerk.



# TOWN COUNCIL MINUTES

**FY15-16 BUDGET WORK SESSION #2**

**April 21, 2015**

The Kure Beach Town Council held a Budget Work Session on Thursday, April 21, 2015. The Town Attorney was present and there was a quorum of Council present.

**COUNCIL MEMBERS PRESENT**

Mayor Dean Lambeth  
Commissioner Emilie Swearingen  
Commissioner David Heglar  
Commissioner Steve Pagley

**COUNCIL MEMBERS ABSENT**

Mayor Pro Tem (MPT) Craig Bloszinsky

**STAFF PRESENT**

Finance Officer (FO) – Arlen Copenhaver  
Town Clerk – Nancy Avery  
Building Inspector – John Batson  
Police Chief – Dennis Cooper  
Police Officer – Mike Bowden  
Assistant Fire Chief – Ed Kennedy  
Deputy Town Clerk – Nancy Hewitt

**CALL TO ORDER AND WELCOME**

Mayor Lambeth called the meeting to order at 8:05 a.m.

**VOTE TO EXCUSE MPT BLOSZINSKY FROM THE MEETING**

**MOTION** – Commissioner Heglar made the motion to excuse MPT Bloszinsky from the meeting.

**SECOND** – Commissioner Swearingen

**VOTE** – Unanimous

**VOTE TO CANCEL MEETING SCHEDULED FOR APRIL 23, 2015**

**MOTION** – Commissioner Heglar made the motion to cancel the budget work session scheduled for April 23, 2015.

**SECOND** – Commissioner Swearingen

**VOTE** – Unanimous

**PRESENTATION**

Jody Springer, Pleasure Island Sea Turtle Project representative for Kure Beach, said the organization has been receiving funding from Kure Beach since the late 1980's, and in 2003 they became a non-profit group. She said there are 200 volunteers who work under the organization from May through September and the organization patrols the entire Kure Beach strand in a rented beach vehicle. She said they also handle stranded turtles, hold and attend required meetings and conduct community outreach programs. She said that they try to teach people who live along the oceanfront about their lights, they've only



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obtained limited cooperation. She said they have their own informational brochures as well as those issued to them by the state. She said that they usually get calls from the public reporting turtle nests and strandings, with an occasional call from the police.

Commissioner Swearingen asked the Deputy Town Clerk to put the organization's information on the Town's website through the summer months.

Commissioner Pagley asked if the organization receives any funding from the state, to which Ms. Springer replied that they don't.

Ms. Springer reviewed their budget, explaining that they request \$900 per month from the Town for May through September. She said that insurance costs them \$1,350 per year; their biggest expenses being the beach vehicle rental, fuel, insurance to cover the vehicle and their volunteers and necessary supplies. She said that Carolina Beach pays them \$1,000 more than Kure Beach, but she didn't realize the Town was paying these funds out of their General Fund, thinking they came from the Beach Nourishment fund. She said it was her understanding that, in order to get nourishment funding, you had to have a turtle management program in place.

Commissioner Swearingen said that the Town has to be able to monitor the turtles but isn't required to pay for it. She said several beaches have monitoring done by all volunteers at no cost. She added that the Sea Turtle Project has the highest funding request amount compared to the other non-profit groups the Town supports.

Discussion ensued between Ms. Springer and Commissioner Swearingen about a contact in Hatteras who may be able to hook her organization up with an educational program that could make them eligible to apply for and receive grant funding.

## PRESENTATION OF REVISED DRAFT OF FY15-16 BUDGET

FO Copenhaver reviewed revisions made to the draft budget, based on Council's input given during Budget Work Session #1.

## GENERAL FUND

The Finance Officer presented Council with four scenarios for revising the proposed budget, and showed Council the adjusted budget numbers.

Scenario #1 – Keep the operating expenses flat, but include all of the Capital Outlay that was proposed for the new budget.

FO Copenhaver said he had to keep some 2016 increases that were unavoidable like the new Finance employee, money for local elections this year and debt service for new



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loans. He said that the Contingency and Transfer funds were adjusted to balance the numbers. He said he's not even sure if this scenario is doable, but he tried to accommodate the Mayor's request.

Commissioner Heglar asked the Mayor why he asked for this to be done to the proposed budget, to which the Mayor replied it was to try and save money and that he wanted the Department Heads to try and decrease their budgets to avoid a five percent growth in the budget next year.

Commissioner Heglar said that, if Council is going to do something like this, then the service level provided to residents will have to change. He asked the Mayor if he really expected the budget to be able to remain flat, to which the Mayor replied he didn't.

Scenario #2 – Reduce the proposed FY15-16 operating expenses for each department by five percent across the board, but include all of the Capital Outlay that was proposed for the new budget.

FO Copenhaver showed Council what the budget would look like with this scenario.

Commissioner Pagley said that Travel and Training should be cut from the Governing Body budget altogether, and Council members should pay for any travel and training they want to attend, themselves.

Scenario #3 – Take out half the Salary Study adjustment in all departments, reduce Outside Agency Funding Requests to the current year's level, reduce the Committee Budget to the current year's level, bring Administration and the Community Center maintenance to the current year level and remove the Space Study.

Scenario #4 – The Finance Officer said he added this scenario to show Council another option. He said his version is more selective in who gets a Salary Study adjustment, which reduced the amount in certain departments. He said that all Department Heads, except Public Works Director Beeker, weighed in on what they would recommend for their employees. He said that, because of this, he left all of the recommended salary adjustments in for Public Works. He said that no Department Heads were included in the adjustment numbers because Council should decide those. He said he put the leftover money in the Contingency, and whatever Council decides on for the Department Head adjustments will come out of that. He added that he removed the \$15,000 proposal for a volleyball court from Capital Outlay at the request of the Parks and Recreation Advisory Board.



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**April 21, 2015**

Discussion ensued about the Salary Study adjustments with the Town Clerk stating the maximum increase from the Salary Study for the Department Heads is \$30,182, to which the Finance Officer added that it would be about another 20 percent for benefits and taxes.

Town Clerk Avery recommended that Council go into a Closed Session to discuss the Salary Study adjustments for Department Heads before the end of the work session.

Commissioner Swearingen said that the Finance Officer presented benchmarks to Council at their request, and she suggested that two Commissioners sit down with the Department Heads to see what they want to do regarding their employees' salaries, so as not to micromanage them.

FO Copenhaver said that all Departments Heads, except Director Beeker, have already given their input on salaries for their employees.

Commissioner Heglar said that Director Beeker has said he doesn't have a problem with retaining employees, and he had over 200 applicants for his latest job posting which shows that he doesn't have a recruiting problem at the current salary. He said he still wants Director Beeker to "weigh in" on what he wants to do with his employees.

Town Clerk Avery asked Commissioner Heglar to discuss this with Director Beeker, to which he replied that he would take care of it. She reviewed the Salary Study Analysis that she gave to Council during their January retreat, and then reviewed recommendations to revise the study's salary adjustments, as follows:

1. Adjust ten employees' salaries in Paygrade 9 which are below benchmark
2. Adjust three of the six salaries in Paygrades 13, 14 and 19
3. Determine in closed session whether the four Department Head positions that are below benchmark should receive an adjustment
4. Adjust four of the seven salaries in Paygrades 10, 11, 12, 20 and 21

In summary, the Town Clerk said that \$42,195 is the total recommended salary adjustment amount, which doesn't include an increase in four Department Head positions that are below benchmark, doesn't include adjustments for Department Head positions below benchmark and doesn't include taxes and benefits. She said this approach corrects the inequities that exist in salaries within paygrades. To minimize the impact to the proposed budget more, she recommended Council consider making adjustments effective mid-fiscal year, in January 2016, which reduces the impact to \$21,247.50. She said making a straight 50 percent reduction in adjustments only reduces the impact to the budget but doesn't correct inequities in salaries, which means that the salaries below benchmark will continue to remain below benchmark.



# TOWN COUNCIL MINUTES

**FY15-16 BUDGET WORK SESSION #2**

**April 21, 2015**

FO Copenhaver asked for a consensus from Council on what direction they want to take with the proposed budget.

The Mayor replied he wanted to remove painting the Community Center and Town Hall, at which point he was told those had already been removed. The Mayor recommended giving salary adjustments to six specific employees, one Department Head and five baseline employees. He said that he chose only those employees because of what Council has asked them to do and what Council promised them in the past.

Commissioner Swearingen said Council is still concerned that the proposed Senate Bill S369 will be approved, and they may not know if it will pass until late fall. She suggested delaying their decision about the salary adjustments and the Space Study until January 2016, and to put the money in Contingency until Council knows the outcome of the bill. She said she has no concerns about the proposed budget on the non-salary side.

FO Copenhaver stated there may have been some confusion at the last budget work session about the \$30,000 Space Study. He said that it wasn't just for Town Hall but for the entire Town; all of the departments. He said that he has already removed that expense at Council's request during the last budget meeting.

Commissioner Pagley said he thinks the three employees in the original proposal who are one to five percent below benchmark will be okay once they receive the COLA and Merit increases, but the eighteen other employees that are six to twenty percent below benchmark should receive an adjustment. He said he has no concerns about the proposed budget on the non-salary side.

The Town Clerk read an email from MPT Bloszinsky where he stated that there are areas in the salaries that need adjustment and the grades are out of whack and need a reset. He stated that his personal focus for salary adjustments are for the leadership employees that the Town doesn't want to lose.

Commissioner Heglar said Council should approve the COLA and Merit increases, then Council should reset the salaries to protect the Town from losing valuable employees. He said he could support the revised salary adjustments, as recommended, but the Department Heads still need to be discussed in closed session. He said he has no concerns about the proposed budget on the non-salary side.

**WATER/SEWER (W/S) FUND**



# TOWN COUNCIL MINUTES

**FY15-16 BUDGET WORK SESSION #2**

**April 21, 2015**

FO Copenhaver reviewed how the same four scenarios listed for the General Fund would affect the proposed budget for the W/S Fund. He said that the biggest change to the proposed W/S budget is his proposal to increase the monthly minimums rates by 25 percent. He said the budget was about \$200,000 to \$300,000 short due to a decline in W/S usage and higher sewer rates from Carolina Beach.

Commissioner Heglar said that the last time Council raised the W/S rates was for those who used over 3,000 gallons of water per month, which affected businesses and those with larger homes. He said raising overage rates gave people incentive to choose to either continue and pay the higher price or conserve water to avoid a higher utility bill. He said raising minimum rates would mostly affect people living on fixed incomes, putting a strain on them, and no one would have any choice but to have an increased utility bill. He recommended increasing the overage rate again and leaving the minimum rate as-is.

FO Copenhaver added that the minimum is usually also paid by people who don't live in Town and only visit their properties.

Town Clerk Avery said that there is not enough overage W/S usage to sustain the system and services.

Commissioner Pagley suggested dropping the monthly minimum gallon usage from 3,000 gallons per month to 2,500 gallons per month and increasing the overage rate by 25 percent.

FO Copenhaver said he'd have to get the information from the billing system to see what the gallon usage data shows and calculate if it would make enough of a difference to do that. He told Council that even the School of Government always shows Kure Beach's utility rates ranked as "affordable." He showed Council what a 10 percent and 20 percent increase in W/S rates would do for the budget, versus a 25 percent increase. He said he set some reserve money aside, so the Town would probably be good with a 15 percent increase in minimum W/S rates.

Further discussion ensued regarding dropping the minimum gallon usage with Council asking the Finance Officer to pull the numbers from the utility billing system to see if it would make a difference.

**CONSENSUS** – Council asked the Finance Officer to figure out what percentage of increase to overage rates would be needed to yield the same amount that his proposal to increase minimum rates would yield, assuming the Town goes to a 2,500 gallon usage minimum.



# TOWN COUNCIL MINUTES

**FY15-16 BUDGET WORK SESSION #2**

**April 21, 2015**

The Finance Officer asked what to do if that didn't look good; would Council want him to look at what 15 percent increase to the minimum would do?

Commissioner Heglar replied that he thinks Council would support an increase to the rates proposed by the Finance Officer, but they want him to look at a different way of doing it first. He said if it doesn't look like it would work, Council will figure out the right percentage increase, based on the information.

## STORM WATER FUND

The Finance Officer reviewed how the same four scenarios listed for the General Fund and W/S Fund would affect the proposed budget for the Storm Water Fund. He didn't recommend any changes to the storm water fees and added that he didn't put anything in the budget for the Sandman property because he hasn't gotten input from Commissioner Heglar about it.

Commissioner Heglar said he was going to add an item on tonight's Council agenda regarding a property in Beachwalk that has a storm water ditch that needs to be cleaned out, using Town equipment and manpower to do it.

Tom Moffitt from the Beachwalk HOA told Council about the two separate problems they have with the retention ponds and storm water: the usual problems and the special problems like the ditch on private property and the Sandman property issue.

Commissioner Heglar said that there is a storm water issue that isn't captured well enough to put in the budget process yet, but, once it's captured, he will present it to Council, at which time, Council may want to review the storm water fee if the NC League of Municipalities allows the Town to use the fees to fix the issues.

FO Copenhaver said that the storm water fee can be changed at any time of the year. He said that the Town's Storm Water Fund has been built up significantly in preparation for these types of projects. In the proposed budget, he recommended using \$275,000 of the Storm Water Fund balance (about 30 percent of the balance) for the Kure Beach Village Phase IIA project and financing the rest. He suggested that Council may want to think about not using the entire \$275,000 for that project if there are other things the money is needed for. He said there is flexibility there.

Commissioner Heglar said that, if Council is comfortable with the Storm Water Fund budget, we should leave it as-is and we may come back in about three months with how we want to proceed with the Sandman property issue.





# TOWN COUNCIL MINUTES

**FY15-16 BUDGET WORK SESSION #2**

**April 21, 2015**

At this point, the Finance Officer said he received information on the W/S gallon usage from the Utilities Manager. He said that he will work on deciphering the information and calculate what would happen if Council reduces the minimum usage to 2,500 gallons. He said he'll get the numbers to Council for their consensus on what they want to do.

Commissioner Heglar asked the Finance Officer to email Council with his information, and they will give him feedback on how to modify the revenue so he can close the budget. He proceeded to summarize the items that Council still needs to deal with regarding the budget: W/S rates and Department Head/employee salary adjustments.

Finance Officer Copenhaver showed Council the remaining, smaller funds within the budget and received no instructions or comments to revise them.

MOTION – Commissioner Heglar made the motion at 10:16 a.m. to take a ten minute break and then enter into closed session for the purpose of discussing personnel, per G.S. 143-318.11(a)(6).

SECOND – Commissioner Swearingen

VOTE – Unanimous

MOTION – Commissioner Heglar made the motion at 11:15 a.m. to return to open session.

SECOND – Commissioner Swearingen

VOTE – Unanimous

Commissioner Heglar said that Council went into a closed session to discuss the impact of the Salary Study for Department Heads and employees in order to give guidance to the Finance Officer in completing the proposed budget for FY15-16, for assumptions. He gave the following guidance to the Finance Officer:

1. Employees who are below six percent of the benchmark will be included in the budget for address via the recommended Salary Study.
2. The impact will be no more than fifty percent of the recommendation from the Salary Study for the budget process.
3. The final numbers will be based on Department Head input and will not result in any more than fifty percent of the benchmark's recommendation for the employees below six percent of the benchmark, which Council understands impacts 18 employees of the Town.

Commissioner Heglar proceeded to say that Council directed the Personnel Officer to look at policy changes regarding other actions that will be addressed at the May Council meeting in a closed session.



# TOWN COUNCIL MINUTES

**FY15-16 BUDGET WORK SESSION #2**

**April 21, 2015**

The Finance Officer said that all he needs from Council is their follow up on the information he will provide them regarding the W/S information.

Commissioner Heglar added that, as the Commission liaison for Public Works, he will meet with Director Beeker today to get his input on the Salary Study and forward the information to the Finance Officer.

## ADJOURNMENT

MOTION – Commissioner Heglar made the motion to adjourn.

SECOND – Commissioner Swearingen

VOTE – Unanimous

The meeting adjourned at 11:17 a.m.

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Dean Lambeth, Mayor

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ATTEST: Nancy Hewitt, Deputy Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. Persons wishing to hear the recording of this meeting may request to do so by contacting the Town Clerk.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

The Kure Beach Town Council held their regular meeting on Tuesday, April 21, 2015 at 6:30 p.m. The Town Attorney was present and there was a quorum of Council present.

### COUNCIL MEMBERS PRESENT

Mayor Dean Lambeth  
Commissioner Emilie Swearingen  
Commissioner David Heglar  
Commissioner Steve Pagley

### COUNCIL MEMBERS ABSENT

Mayor Pro Tem Craig Bloszinsky

### STAFF PRESENT

Finance Officer – Arlen Copenhaver  
Town Clerk – Nancy Avery  
Deputy Town Clerk – Nancy Hewitt

### CALL TO ORDER AND WELCOME

Mayor Lambeth called the meeting to order at 6:30 p.m., delivered the invocation and led everyone in the Pledge of Allegiance.

### VOTE TO EXCUSE MAYOR PRO TEM BLOSZINSKY FROM THE MEETING

MOTION – Commissioner Heglar made the motion to excuse Mayor Pro Tem Bloszinsky from the Council meeting.

SECOND – Commissioner Pagley

VOTE – Unanimous

### APPROVAL OF CONSENT AGENDA ITEMS

1. Appoint Anne Brodsky as a member on the Board of Adjustment
2. Approve contract with the auditing firm of Bernard Robinson and Company, LLP in the amount of \$16,400 for FY14-15
3. Building Inspections Report – March 2015
4. Fire Department Report – March 2015
5. YTD Finance Report
6. Approve Meeting Minutes:
  - March 23, 2015 regular
  - March 23, 2015 closed session

MOTION – Commissioner Swearingen made the motion to approve the Consent Agenda Items, as presented.

SECOND – Commissioner Heglar

VOTE – Unanimous

Said contract is herein incorporated as part of these minutes.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

### ADOPTION OF THE AGENDA

Commissioner Heglar asked to amend the meeting agenda to add “Beach Nourishment Interlocal Agreement” and “Sandman Property” as Items 4 and 5, respectively, under Old Business, and to add “Downtown Parking” as Item 2 under New Business.

MOTION – Commissioner Heglar made the motion to adopt the agenda, as amended.

SECOND – Commissioner Pagley

VOTE – Unanimous

### DISCUSSION AND CONSIDERATION OF PRESENTATIONS TO COUNCIL

#### 1. Wes Moore, Wilmington Trolley Company

Mr. Moore told Council he would like to provide Trolley service for Kure Beach and Carolina Beach on a daily basis from 5:30 to 10:30 p.m., beginning June 1<sup>st</sup> and operating through August at the cost of \$2 per ride, per boarding. He showed Council a map of the route which would include one stop at the Kure Beach Fishing Pier. He said he’d need to put a temporary bus stop sign at the location that can be put up before 5:30 p.m. and taken away after 10:30 p.m. He said, if the service is successful, he’d like to eventually include daytime hours. He presented his idea to Carolina Beach Town Council who was in favor of the service.

Commissioner Heglar asked the Town Attorney if there was any legal action Council needed to take, or if they could just give Mr. Moore permission to operate in Kure Beach, to which the attorney responded that Council only needed to give their permission.

CONSENSUS – Council gave permission to the Wilmington Trolley Company to operate a trolley stop near the Kure Beach Fishing Pier from 5:30 – 10:30 p.m., beginning June 1, 2015 and continuing through the summer months.

Commissioner Heglar asked Mr. Moore to give the finalized information on the service to the Deputy Town Clerk, for her to put on the Town’s website.

### DISCUSSION AND CONSIDERATION OF COMMITTEE BUSINESS

#### 1. Planning and Zoning (P&Z) Commission

##### a. Identification and Tracking of Violations for Short-term Rentals

Craig Galbraith, Chairperson, said that P&Z has been looking at this issue for several months and voted to not develop a separate “all-inclusive” permitting process for short-term rentals. He said, instead, P&Z voted to recommend following the process allowed in G.S. 160A-424(c), which basically states that permitting can’t be required on rental properties except for properties that have had multiple, verified crime or disorder problems within a 12-month period, as set forth in an ordinance. He said that several Kure Beach residents complained, during recent public hearings held by the commission, about disorderly conduct coming from specific short-term rental properties. He said that the majority of those



# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

residents said they hadn't reported their concerns to the police or Town officials. He said that P&Z recommends the following:

1. Town Council should develop a local ordinance that specifies what constitutes a "crime and/or disorder" problem relevant to short-term rentals, as allowed and defined by the state statute.
2. The Town needs a method to track these problems per the state statute.

Mr. Galbraith asked if Council wanted P&Z to develop the language for a local ordinance that defines what it considers "disorderly conduct," related to short-term rentals. He said he can try to find NC municipalities that have done this, if Council would like.

Commissioner Heglar said that he is concerned to hear that citizens are having problems with disorderly conduct coming from short-term rental properties but are not reporting them to the proper authorities within Kure Beach.

Commissioner Swearingen said it would be good for P&Z to look for other municipalities, or check with the NC League, to see if anyone has an ordinance about this issue.

Council directed Mr. Galbraith to consult with the Police Chief and the Building Inspector on how "disorderly conduct" complaints are tracked and to search for other municipalities in NC that have ordinances about this; his findings are to be reported at the May Council meeting.

### b. Short-term Rental Room Occupancy Tax (ROT)

Mr. Galbraith said that, during P&Z's investigation into permitting short-term rental properties, they found that there is a serious problem with the way the ROT is collected. He explained that the County has been allowing Real Estate agents and managers of these properties to simply pay a lump sum for all of the properties they manage, without distinguishing how much ROT was collected for each property. He said that the municipalities from which the taxes come are not listed on the account file which causes three major problems, as follows:

1. The ROT is impossible to track, which violates a basic auditing principle and creates the window for fraud.
2. Since the agent pays the ROT in a "bundle," there is no way to verify the percentage allocated to a municipality, thus the municipality may not receive credit for the ROT.
3. Individual properties are not currently required to have a payment file account address with the County, so it is impossible to see if rental properties are paying ROT.

Mr. Galbraith recommended that Council consider having an ordinance that requires each short-term rental property in Kure Beach to have a separate ROT account with the County,



# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

“by property location,” and to require each property owner to pay the ROT. He said that the County would then have to be responsible for entering the amount of ROT received from the property into that property’s file. He said that, with this new Town ordinance and the County’s proper handling of the ROT file, all three of the aforementioned problems would be solved.

Commissioner Heglar asked Mr. Galbraith how he determined that Kure Beach has over 100 short-term rental properties.

Mr. Galbraith replied that he talked to the County and they identified the properties, but there is no way to identify how much ROT was associated with each one.

Commissioner Heglar said that the Mayor will be attending a meeting with the local beach mayors who might find this information interesting. He suggested the mayors get together with the County to figure out how to address this issue with the tax office.

Council instructed Mayor Lambeth to discuss the process of collecting and distributing ROT received from individual, short-term rental properties with the local beach mayors and County to decide how to address the tax office on this subject; the Mayor is to give an update to Council at the May Council meeting.

### 6. Shoreline Access, Beach Protection and Parking Committee

Town Clerk Avery asked Council to approve a Memo of Understanding to pay \$900 to Diana Woolley to apply for a \$35,000 CAMA grant to construct a handicap beach access at H Avenue. She said there is usually a 25 percent In-Kind contribution required from the Town, if the grant is awarded.

VOTE – Commissioner Heglar made the motion to approve a Memo of Understanding to pay Diana Woolley of Southern GrantWorks \$900 to apply for a \$35,000 CAMA grant to pay for a handicap beach access ramp at H Avenue.

SECOND – Commissioner Pagley

VOTE – Unanimous

## DISCUSSION AND CONSIDERATION OF DEPARTMENT HEAD BUSINESS

### 1. Administration and Recreation Department

- a. Proposed On the Job Training policy and proposed revision to the Tuition Reimbursement policy

Town Clerk Avery said these policies were on the March Council agenda. She said that Council was instructed to give her their input and that a final decision would be made at this meeting. She said that the Mayor, the Mayor Pro Tem and Commissioner Heglar said they were fine with the policies, as written. She said that Commissioner Swearingen suggested both policies be merged into one policy.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

MOTION – Commissioner Heglar made the motion to adopt the proposed On the Job Training policy and the revised Tuition Reimbursement policy, as presented.

SECOND – Commissioner Pagley

VOTE – Unanimous

## DISCUSSION AND CONSIDERATION OF OLD BUSINESS

### 1. Revised job description for the Finance/Budget Officer and the Town Clerk

Town Clerk Avery said these job descriptions were on the March Council agenda. She said that Council was instructed to give her their input and that a final decision would be made at this meeting. She said she only heard from the Mayor and the Mayor Pro Tem, and they were fine with the job descriptions, as written.

MOTION – Commissioner Heglar made the motion to approve the revised job descriptions for the Finance/Budget Officer and the Town Clerk, as presented.

SECOND – Commissioner Pagley

VOTE – Unanimous

### 2. Proposed ordinance amendment to add one alternate member position to the Planning and Zoning Commission

Town Attorney Canoutas read the proposed amended ordinance to Council.

MOTION - Commissioner Heglar made the motion to adopt the proposed amendment to Town ordinance Section 2-41, (1) and (2), as presented.

SECOND – Commissioner Swearingen

VOTE – Unanimous

Said ordinance is herein incorporated as part of these minutes.

### 4. Beach Nourishment Interlocal Agreement

Mayor Lambeth explained that the Town, along with other municipalities, signed an emergency proclamation several years ago agreeing to pick up 17.5 percent of the cost of beach renourishment in order to help Carolina Beach that year. He said that the three local beach mayors don't think it's fair to continue to tax their citizens an extra 17.5 percent to pay for any shortfall that the County has. He said that the local beach mayors are very upset that the County didn't put any line item in their budget to address beach nourishment. He said that the interlocal agreement stated it was a "one-time deal" that would go away whenever the mayors gave the County enough notice, so the mayors are meeting tomorrow to discuss this. He asked Council's permission to vote against keeping the 17.5 percent in the Town's budget. He said he explained to the County Commission chairman that, if the Town has to pay the percentage, it will cost every man, woman and child in Kure Beach about \$500 each; but the chairman still didn't see any reason to drop the percent.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

Commissioner Heglar said that the chairman is only one member of the County board and asked what the other commissioners thought about it.

Mayor Lambeth said that the County is going to pass a budget that includes a tax increase for all County residents and, with that in mind, the other commissioners would rather the beach towns try to readjust the percentage with their ROT funds.

Commissioner Heglar asked how the commissioners proposed the beach towns do that.

Mayor Lambeth said the commissioners didn't say, but that the local mayors approached the County about having a food and beverage tax or increasing sales tax, but the County didn't go for it.

CONSENSUS – Council gave Mayor Lambeth permission to vote against continuing the interlocal agreement with the County to budget 17.5 percent for beach nourishment.

### 5. Sandman Property

Commissioner Heglar gave background on this subject, summarizing that the Beachwalk HOA would like the Town to fix a storm water ditch that is located on private property. He said that the HOA has an easement and is also working on getting a temporary easement for the Town to access the ditch on the property. He said he talked with the Public Works Director who estimates the project will take about three hours for three Public Works crew members to use the Town's backhoe to dig out silt from the ditch. He said a Town truck will be used to haul away the silt.

The Mayor asked Tom Moffitt from the Beachwalk HOA if he could share new information on having access to the property for storm water issues.

Mr. Moffitt said that the Beachwalk HOA just rewrote their declaration that makes it clear that the HOA has access to easements shown on their plat map, as well as access to private lots in their community, to do whatever storm water maintenance is needed; and the declaration also has a provision giving the HOA authority to delegate the easement to the Town. He said that the legal language in the declaration gives the HOA an easement, whether the homeowner wants it or not, because the HOA has a permit from the state to manage its community's entire storm water system.

Commissioner Swearingen asked if there was any consideration into who would take care of reseeding and cleaning up the property once the work was completed, to which Mr. Moffitt said that the Beachwalk HOA was prepared to reseed the lawn and clean it up.

Commissioner Heglar asked the Town Attorney to add that information into the agreement before any work begins, to which the Town Attorney agreed he would do so.





# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

MOTION – Commissioner Heglar made the motion to permit Commissioner Pagley to recuse himself from voting on this matter because he is a resident of the Beachwalk community.

SECOND – Mayor Lambeth

VOTE – Unanimous

MOTION – Mayor Lambeth made the motion to give Commissioner Heglar permission to work with the Town and HOA attorneys to obtain a temporary easement to access private property in the Beachwalk community and to work with the Director Beeker to have Public Works clean out the storm water ditch using Town equipment.

SECOND – Commissioner Swearingen

VOTE – Unanimous

## DISCUSSION AND CONSIDERATION OF NEW BUSINESS

1. Adoption of Resolution R15-03 opposing Senate Bill 369 that proposes decreases in annual sales tax revenues for the Town

Commissioner Swearingen said that she used the same draft resolution drawn up by the clerks, but revised it to include the mention of tourists along with residents. She read the revised resolution.

Mayor Lambeth said that the mayors of the local beach towns, the Leland and Wilmington mayors, and the County Commission chairman met together and gave a televised interview on their opposition to the proposed tax bill.

MOTION – Commissioner Heglar made the motion to adopt Resolution R15-03, opposing Senate Bill S369.

SECOND – Commissioner Pagley

VOTE – Unanimous

Said resolution is herein incorporated as part of these minutes.

## COMMISSIONER ITEMS

Commissioner Heglar read a letter from MPT Bloszinsky regarding the temporary parking area located downtown. He said that the property owner would like the Town to pay the taxes on the property which come to \$405.47, in addition to the \$7,500 lease amount. He asked for Council's permission to continue to work with the merchants to obtain their financial support on leasing the property, like last year. There was also a question of whether it was advisable to require a right turn only from the lot onto Fort Fisher Boulevard, concluding it may cause traffic problems.



# TOWN COUNCIL MINUTES

## REGULAR MEETING

April 21, 2015

MOTION – Commissioner Heglar made the motion to approve Mayor Pro Tem Bloszinsky to work with the Kure Beach merchants to obtain their financial support of the temporary parking lot located downtown.

SECOND – Commissioner Swearingen

VOTE – Unanimous

## ADJOURNMENT

MOTION – Commissioner Pagley made the motion to adjourn.

SECOND – Commissioner Heglar

VOTE – Unanimous

The meeting adjourned at 7:23 p.m.

\_\_\_\_\_  
Dean Lambeth, Mayor

\_\_\_\_\_  
ATTEST: Nancy Hewitt, Deputy Town Clerk

NOTE: These are action minutes reflecting items considered and actions **taken** by Council. These minutes are not a transcript of the meeting. Persons wishing to hear the recording of this meeting may request to do so by contacting the Town Clerk.

May 19, 2015 Regular Mtg

REQUEST TO ADDRESS COUNCIL

DATE OF MEETING

PURPOSE

NAME

ADDRESS

Charles Allen

954 EK B

FFD



# MEMO

TO: Town Council  
FROM: Nancy Avery, Town Clerk  
RE: May 19th agenda items  
DATE: March 11, 2015

Department Head business item # 1a – Administration – Department Head Evaluations

***Action requested***

Vote to schedule Department Head evaluations as part of closed session at the June 16<sup>th</sup> Council meeting

***Budget impact - none***

***Background***

Traditionally, each Council liaison prepares their Department Head evaluation and Council discusses as a whole with the Department Head in closed session in June. Merit determination is also made at that time.

***Comments for consideration***

If Council would prefer to handle a different way, please let me know.



# MEMO

TO: Town Council  
FROM: Nancy Avery, Town Clerk *CA*  
RE: May 19th agenda items  
DATE: March 11, 2015

## Department Head business item # 1b – Administration – Beach town breakfast date

### ***Action requested***

Vote to schedule date for beach town breakfast meeting for a Friday in July at 8 am at the Community Center or other facility. The following dates are recommended:

Friday, July 10<sup>th</sup>.  
Friday, July 17<sup>th</sup>  
Friday, July 24<sup>th</sup>  
Friday, July 31<sup>st</sup>

Note: the first Friday in July is the beginning of the July 4<sup>th</sup> weekend.

### ***Budget impact – budgeted item***

### ***Background***

It is our turn to host the quarterly breakfast of the three beach towns and state representatives. Even though the meeting should be in June, there is a better chance the sessions of the General Assembly and Congress will be recessed in July, providing an opportunity for the legislators to attend.

Meetings in the past have been held on a Friday at 8 am. There is no adequate restaurant facility in town for the meeting. The Community Center is available for all Fridays in July. Council may also want to consider the Marriott in Carolina Beach.

### ***Comments for consideration***

I would appreciate agenda items/ topics of discussion for this meeting. The last meeting in Wrightsville Beach was limited to talks by the state representatives and county manager with no general discussion. I would like direction from Council on the format for this meeting. Also, in the past, we have not invited the County Commissioners. They were at the meeting hosted by Wrightsville Beach. Do you want the County Commissioners invited?

**Dean Lambeth**  
*Mayor*

**Emilie Swearingen**  
*Commissioner*

**Steve Pagley**  
*Commissioner*



**Craig Bloszinsky**  
*Mayor Pro Tem*

**David Heglar**  
*Commissioner*

**Nancy Avery**  
*Town Clerk*

## ***TOWN OF KURE BEACH***

117 Settlers Lane • Kure Beach, NC 28449  
(910) 458-8216 • Fax (910) 458-7421  
[www.townofkurebeach.org](http://www.townofkurebeach.org)

May 19, 2015

RE: **TOWN OF KURE BEACH, NORTH CAROLINA  
FISCAL YEAR 2016 BUDGET MESSAGE**

The Honorable Mayor Lambeth and Town Council:

In accordance with Section 159-11 of the NC General Statutes (N.C.G.S.), I am pleased to present the proposed fiscal year 2016 Budget for the Town of Kure Beach for your review and consideration. The budget is a sound financial plan and has been prepared with the Council's goals and objectives adopted from their annual retreat and budget work sessions. All sections of the proposed budget are in conformance with the Local Government Budget and Fiscal Control Act as amended. A balanced budget for the next fiscal year, or an interim budget, must be adopted by July 1, 2015. Pursuant to N.C.G.S. 159-12, a public hearing on the proposed budget must be held before adoption. With the submittal of the budget proposal to Council, copies will be available for public inspection on the Town's website and in the Office of the Town Clerk. The public hearing has been scheduled for June 4, 2015 at 6:30 pm.

**The proposed fiscal year 2016 Town of Kure Beach Budget is balanced and totals \$6,552,069 for all operations. This total budget is comprised of the following seven funds: General Fund \$4,019,829; Water and Sewer Fund \$1,854,425; Storm Water Fund \$491,150; Powell Bill Fund \$64,030; Beach Protection Fund \$50,000; Federal Asset Forfeiture Fund \$50,000; and Sewer Expansion Reserve Fund (SERF) \$22,635.**

The proposed budget supports the fiscal year 2016 goals established by Town Council at their annual retreat held in January 2015. These goals are:

1. Resolution of outstanding issues relating to the Sandman properties
2. Develop a short-term and long-term space plan for Town departments
3. Maintain the current tax rate, if possible
4. Develop a long-term plan for funding beach nourishment, including one new funding stream independent of property taxes
5. Prioritize potential dune infiltration projects
6. Review, decide and implement the Salary Study and any potential salary adjustments
7. Monitor potential revenue shortfalls that may occur in future years

## **BUDGET HIGHLIGHTS**

### **PROPOSED TAX RATE FOR FISCAL YEAR 2016**

The tax rate being proposed for fiscal year 2016 is 26.15 cents (\$0.2615) per \$100 of valuation. This tax rate has remained unchanged since fiscal year 2013, which encompasses four annual budget cycles. Property taxes are the Town's largest single source of revenue. Fiscal year 2016 property tax revenue is estimated at \$2,121,250. This includes both current tax year and prior tax year's collections and represents 52.8% of the General Fund revenue.

The estimated Kure Beach tax base, as provided by the New Hanover County Tax Department, is \$819,500,000. This is an increase of \$6,834,000 (0.8%) over the prior year estimated tax base. Based on historical data, the property tax collection rate is estimated at 98.75%.

### **GENERAL FUND FEES**

There are no General Fund fee increases being proposed as part of this budget.

### **WATER, SEWER AND STORM WATER RATES**

Presently, the water and sewer rates being charged to system users provide funds for the day-to-day operating costs of the Town's water and sewer systems. In addition to these daily costs, the service revenues should be providing for additions to the water and sewer reserve funds for future infrastructure repairs and replacement. To provide for sufficient accumulation of reserves for these projects, this budget includes proposed changes to the water and sewer rate structure. First, for all customer types (i.e., residential, commercial and out of town), the monthly minimum number of gallons will be reduced from 3,000

gallons to 2,500 gallons. Second, the rates for water and sewer usage above the 2,500 gallon per month minimum will be increased. The monthly minimum rates will remain unchanged. The changes to the incremental rates (over the 2,500 gallon minimum) are as follows (rates are per 100 gallons):

<u>SERVICE TYPE</u>	<u>CURRENT RATE/100 GALS.</u>	<u>PROPOSED RATE/100 GALS.</u>
Residential Water	\$0.36	\$0.45
Residential Sewer	\$0.465	\$0.58
Commercial Water	\$0.555	\$0.694
Commercial Sewer	\$0.57	\$0.7125
Out of Town Water	\$0.63	\$0.7875
Out of Town Sewer	\$0.81	\$1.0125

There are no proposed changes to the existing storm water fees as part of this budget.

STAFFING AND COMPENSATION

There are no changes to the number of full-time employees being proposed for fiscal year 2016. The number of full-time personnel will remain at 40, which is consistently fewer than other beach towns of a similar size. The full-time personnel are allocated to Town funds based on the type of work performed, as follows:

<u>FUND</u>	<u>NO. OF EMPLOYEES</u>
General	29
Water and Sewer	9
Storm Water	<u>2</u>
Total	<u>40</u>

This budget includes a proposed merit increase of 3.3% to reward those employees who are performing above expectations. Also, a 1.7% cost of living adjustment (COLA) for all full-time employees is included in the fiscal year 2016 budget. The COLA is consistent with the increase implemented by the Social Security Administration in January 2015. The employee benefits are consistent with prior years.

During fiscal year 2015, a Salary Study was conducted to evaluate the salaries of the Town's full-time employees in comparison to the salaries paid by other municipalities of similar size and providing comparable services. Using the results of this study and as part of this budget, Town Council implemented a strategy to better align the salaries of Town personnel with that of other municipalities. The strategy involves evaluating full-time employee salaries that are six percent or more below the benchmark salary for the respective position. The impact on salaries for each fund is as follows:



<u>FUND</u>	<u>AMOUNT</u>	<u>PERCENTAGE OF BUDGET</u>
General	\$29,393	0.7%
Water and Sewer	\$8,690	0.5%
Storm Water	\$1,658	0.3%

### GOVERNING BODY

The budget for Town Council related expenses includes annual compensation for Council members (Mayor - \$3,600, Mayor Pro Tem - \$2,700, and Commissioners - \$2,400), internet service reimbursement of \$3,000 (will be at Council members discretion), travel/training of \$7,000 and dues/subscriptions of \$7,000. The aforementioned expenses will be divided equally amongst the General Fund and Water and Sewer Fund. Also, the General Fund Governing Body budget includes funding for the Pleasure Island Chamber of Commerce concert series (\$8,800), Kure Beach Christmas Show (\$3,300), Katie B. Hines Senior Center (\$2,000), the Island of Lights (\$1,100), The Help Center of Federal Point (\$1,000) and the Federal Point Historic Preservation Society (\$1,000). Additionally, the General Fund budget includes \$5,000 for funding the portion of the Carolina Beach Inlet maintenance dredging requested from the Town.

### DEBT SERVICE

General Fund debt service totals \$294,205 and includes payments on existing loans for the Ocean Front Park (acquisition and development loans), Town Hall renovation, downtown improvement project, vacant land and vehicles/equipment. This is an increase of \$38,833 (15.2%) over fiscal year 2015 which is primarily attributable to the purchase of three vacant lots for future expansion of Town operations. The Water and Sewer Fund includes debt service totaling \$109,866 (water tower, infrastructure and vehicles/equipment). This is an increase of \$9,506 (9.5%) over fiscal year 2015. Finally, the Storm Water Fund debt service totals \$88,704 relating to the Cutter Court infrastructure project and equipment. This is an increase of \$8,570 (10.7%) over fiscal year 2015. The increases in both the Water and Sewer Fund and Storm Water Fund pertain to the purchase of equipment.

Debt service for each fund, as a percentage of the applicable fund's total budget is as follows:

General Fund	7.3%
Water and Sewer Fund	5.9%
Storm Water Fund	18.1%

The Town's total outstanding debt (all funds) is estimated to be \$3,054,400 at July 1, 2015. The Local Government Commission (LGC) uses 8% of the assessed value of property subject to taxation as the maximum debt level. The Town's outstanding debt at July 1 will be approximately 0.37% of the assessed value of property, well within LGC guidelines.

## ADMINISTRATION AND FINANCE

Since fiscal year 2012, Administration and Finance was considered one department for budget purposes. The fiscal year 2016 budget for the General Fund and Water and Sewer Fund separates Administration and Finance into two departments. During fiscal year 2015, the Finance Officer was elevated to department head prompting the separate budgets beginning in fiscal year 2016. All finance-related expenses, such as personnel-related costs for finance employees, audit fees, banking fees, financial software costs, sales tax, etc., were moved to the Finance Department budget.

## OPERATING EXPENSES

The budget for General Fund operating expenses (excluding capital outlay, debt service, contingency and transfer to the Beach Protection Fund) is 7.7% greater than the original fiscal year 2015 budget and 7.2% greater than the fiscal year 2015 amended budget as of May 19, 2015. The primary factors contributing to the increase in relation to the original budget are the previously mentioned employee compensation changes, the fiscal year 2015 mid-year addition of a full-time position for administration and finance activities, increases in maintenance-related costs and general price increases in purchased services and materials.

The fiscal year 2016 operating budget (excluding capital outlay, debt service and transfer to the capital project fund) for the Water and Sewer Fund is 8.7% greater than the original fiscal year 2015 budget and 7.8% greater than the fiscal year 2015 amended budget as of May 19, 2015. The increase in relation to the original budget is the result of higher rates for waste treatment, general price increases in purchased services and materials and employee compensation changes.

The fiscal year 2016 Storm Water Fund operating budget (excluding debt service and transfer to the capital project fund) is 5.0% greater than the fiscal year 2015 budget. This increase relates to employee compensation changes and general price increases in purchased services and materials.

## CAPITAL OUTLAY

The General Fund capital outlay totals \$121,000, which includes the following:

- \$25,000 – Fire Department truck and equipment (truck will be purchased using installment financing)
- \$84,000 – Replacement of three Police vehicles (will be purchased using installment financing)
- \$12,000 – Replacement of a “Gator” for Public Works (will be purchased using installment financing)

The fiscal year 2016 budgeted capital outlay for the General Fund is \$42,000 (53.2%) greater than the original fiscal year 2015 budget, however, it is \$367,000 (75.2%) less than the fiscal year 2015 amended budget as of May 19, 2015. The fiscal year 2015 budget was amended to reflect the purchase of three vacant lots, totaling \$409,471, which was not part of the original budget.

The Water and Sewer Fund capital outlay totals \$202,279, which includes the following:

- \$90,000 – Equipment and service truck (will be purchased using installment financing)
- \$20,000 – Sewer rehabilitation work
- \$92,279 – Potential infrastructure improvement projects

The fiscal year 2016 budgeted capital outlay is \$75,073 (59%) greater than the original fiscal year 2015 budget and \$42,857 (26.9%) greater than the fiscal year 2015 amended budget as of May 19, 2015.

#### FUND TRANSFERS

The General Fund budget includes a \$50,000 transfer to the Beach Protection Fund. The Beach Protection Fund is a reserve fund for beach related expenditures. Refer to page 17 for more information regarding the Beach Protection Fund.

The Water and Sewer Fund includes a \$50,000 transfer to a new Water and Sewer Capital Projects Fund. This new fund is for a water line replacement project that is scheduled to begin in fiscal year 2016 and will be established under a separate Capital Project Ordinance later in fiscal year 2016.

The Storm Water Fund budget contains a \$275,000 transfer to a new Storm Water Capital Projects Fund. This capital projects fund is for a substantial storm water project that is scheduled for fiscal year 2016 in the Kure Beach Village area. This new fund will also be established under a separate Capital Project Ordinance during fiscal year 2016.

#### CONTINGENCY

A contingency of \$133,684 (3.4% of the budget) is included in the General Fund budget for fiscal year 2016. This contingency appropriation is to provide for unanticipated increases in budgetary needs during the course of the year and to be an additional source of funds in the event that the Town must pay all, or a portion, of future beach nourishment costs.

No actual expenditures can be made from the contingency appropriation. Funds must first be moved from the contingency appropriation to a department or function and then expended. This movement of funds shall be authorized by resolution of the governing body and will be deemed an amendment to the budget ordinance.

**GENERAL FUND SUMMARY**

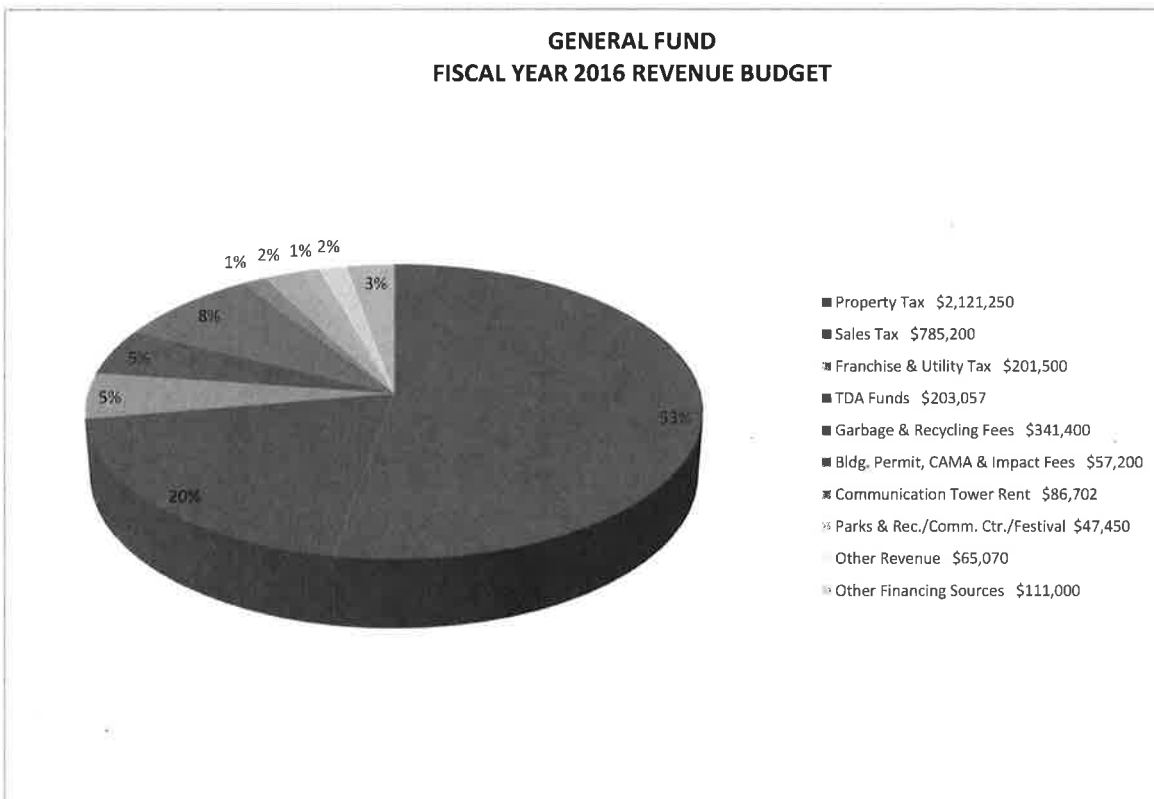
The budget preparation for the General Fund has, as in the past, been the most difficult of all of our funds. The number of non-utility services provided by the Town, as well as the general expenses of operating the government, makes the process of developing and balancing this budget challenging. Issues, including, but not limited to the following have made the allocation of finite General Fund resources difficult:

- 1) The need to build reserves in anticipation of future beach nourishment costs.
- 2) The desire to maintain the level of service provided to Town residents and property owners.
- 3) General price increases for purchased services and materials.

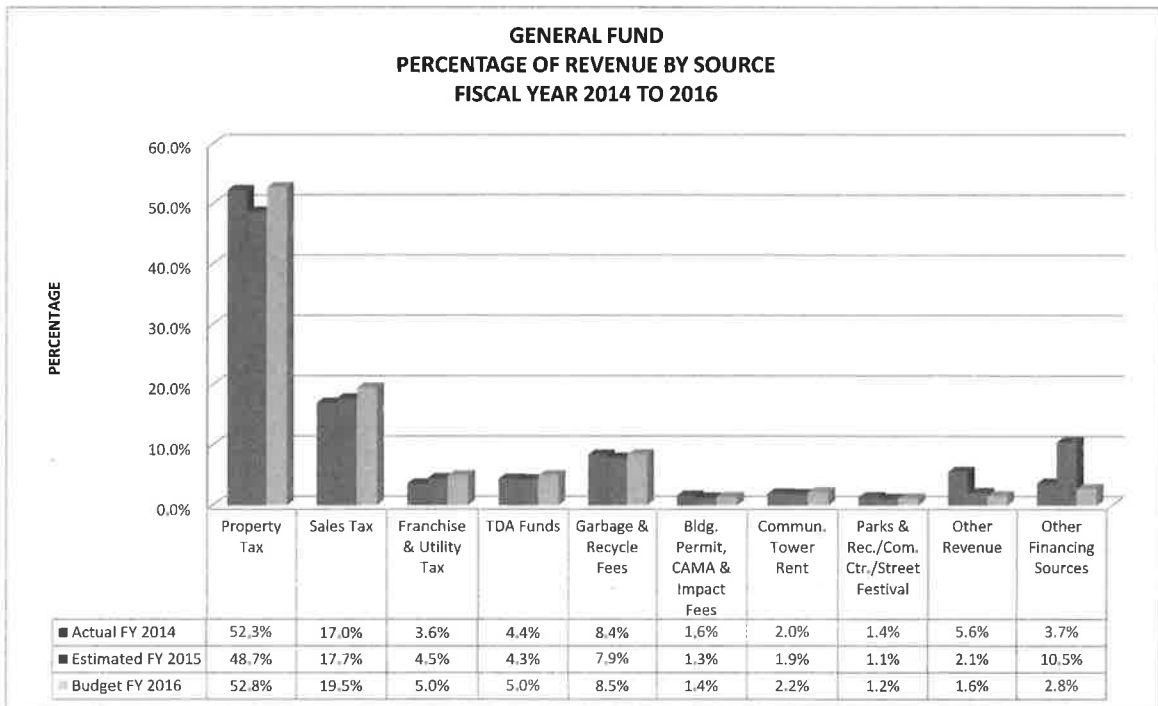
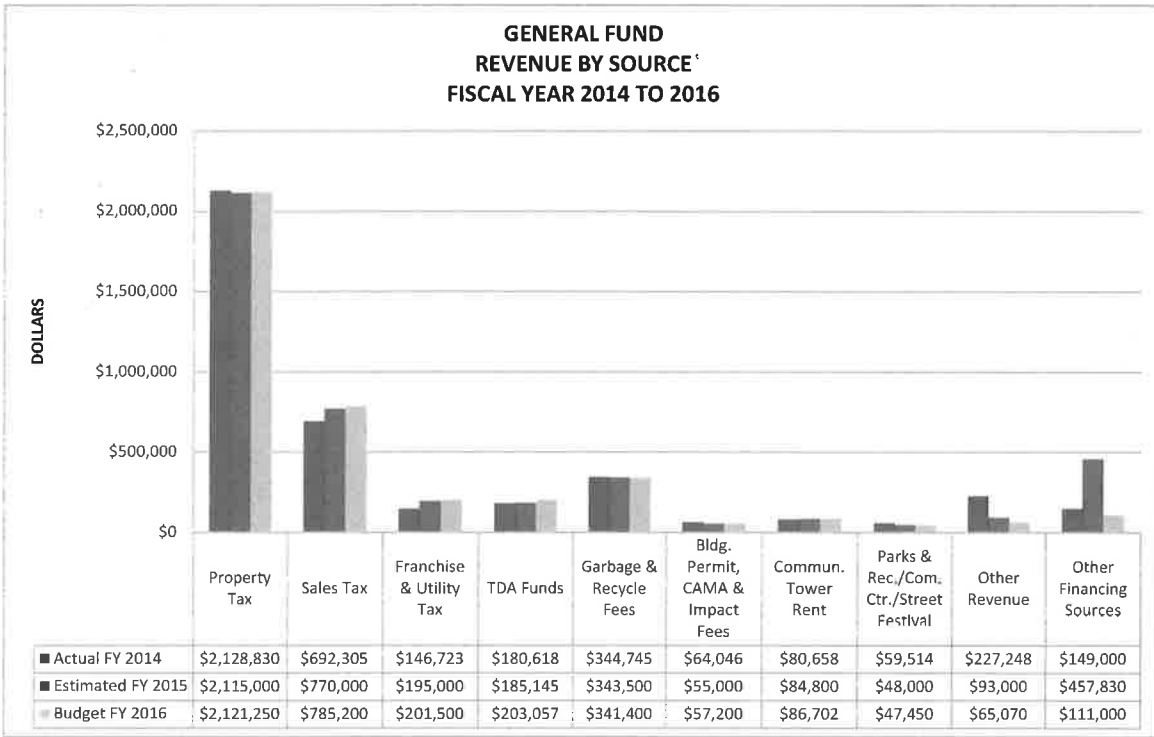
As noted earlier, the issues listed above have been addressed in the fiscal year 2016 budget without increases in the property tax rate or General Fund fees.

When comparing the total fiscal year 2016 General Fund budget to the fiscal year 2015 original budget and amended budget as of May 19, 2015, the total 2016 budget has increased by 6% in relation to the original budget, however, in relation to the amended budget it has decreased by 4.5%. In comparison to the fiscal year 2015 original budget, operating expenses have increased 7.7%, capital outlay increased 53.2%, fund transfers decreased 51.5% and the contingency decreased 26%.

The breakdown of budgeted revenue, by major source, for fiscal year 2016 is as follows:

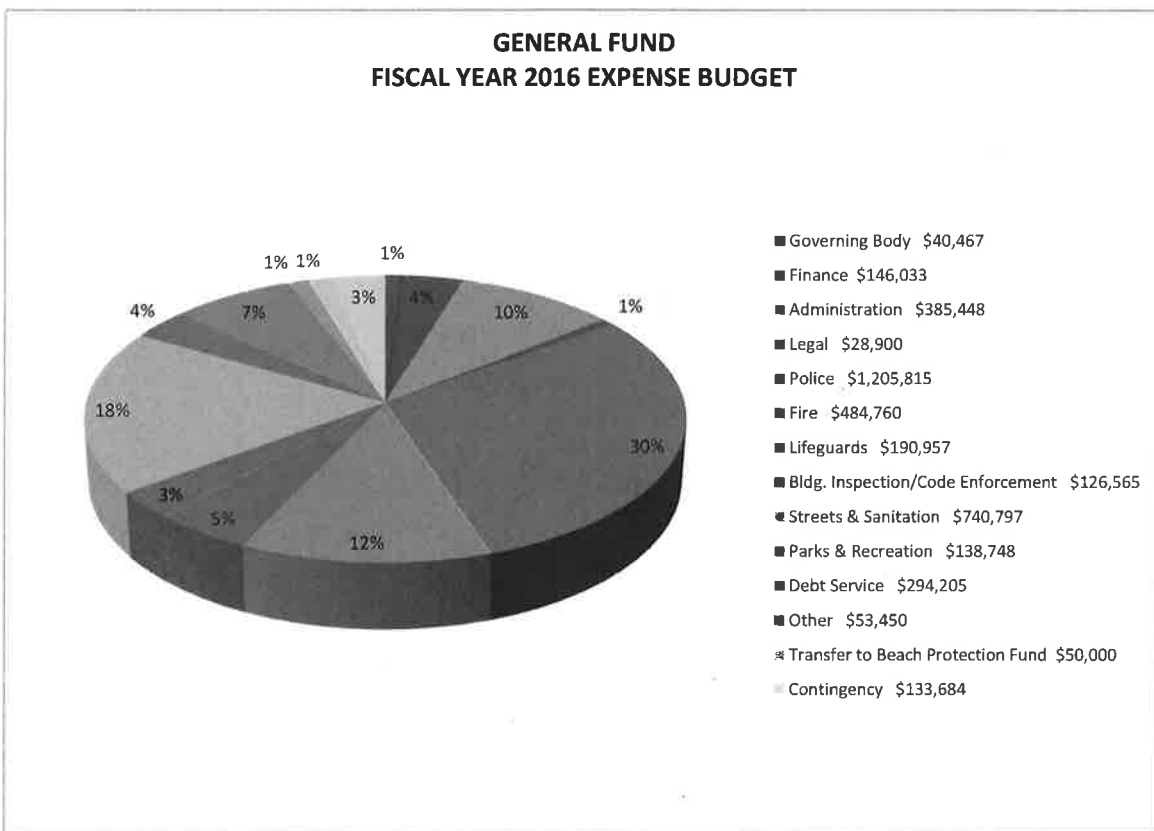


For comparative purposes, the charts below present the revenue by source and the percentage of revenue by source budgeted for fiscal year 2016 in relation to the estimated revenue for fiscal year 2015 and the actual revenue for fiscal year 2014.

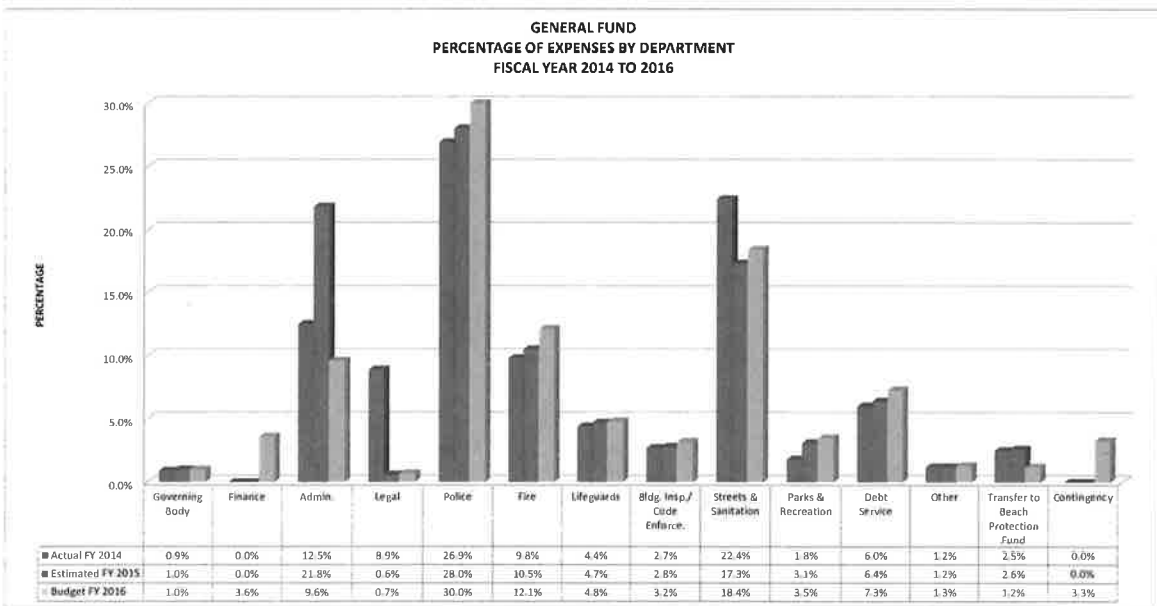
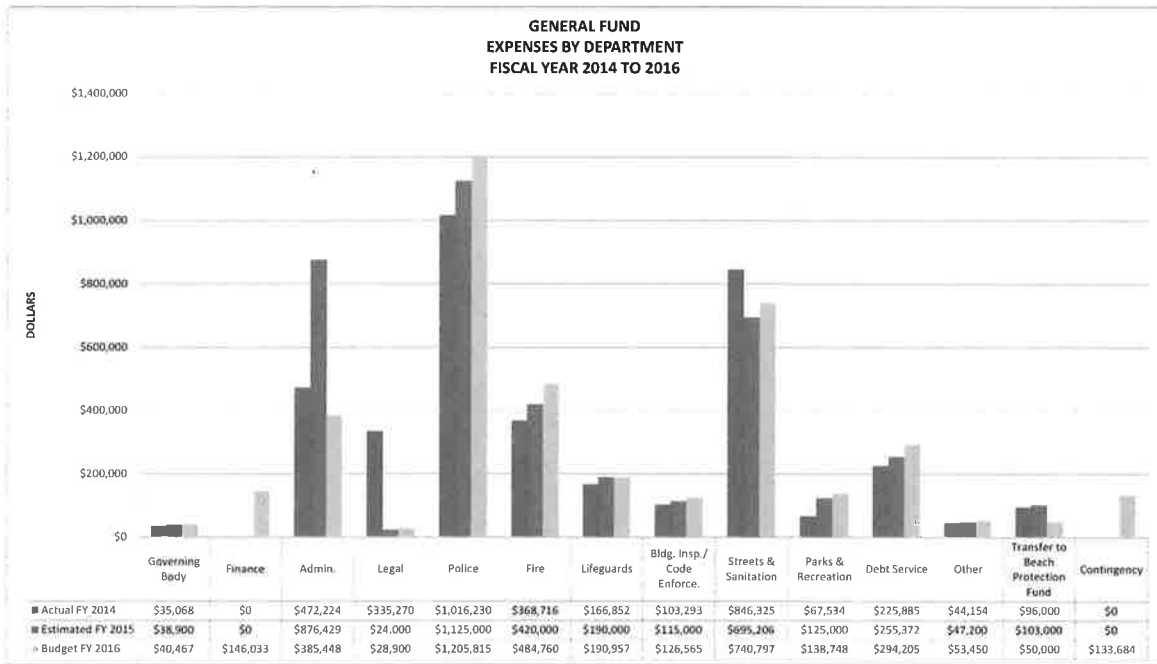


As the charts on the previous page depict, revenue from property taxes consistently approximates 50% of the General Fund's total revenue. The other categories have remained fairly consistent from year-to-year with the exception of "Other Revenue" in fiscal year 2014 and "Other Financing Sources" in 2015. "Other Revenue" was impacted by a transfer from the Water and Sewer Fund in 2014 relating to the Ocean Front Park litigation settlement. "Other Financing Sources", which are installment loans, vary based on the level of capital outlay. Fiscal year 2015 includes a loan of \$409,471 for the purchase of three vacant lots for future expansion of Town operations.

The breakdown of budgeted General Fund expenses, by department/function, for fiscal year 2016 is as follows:



The charts on the next page present the expenses by department/function and the percentage of expenses by department/function budgeted for fiscal year 2016 in relation to the estimated expenses for fiscal year 2015 and the actual expenses for fiscal 2014.



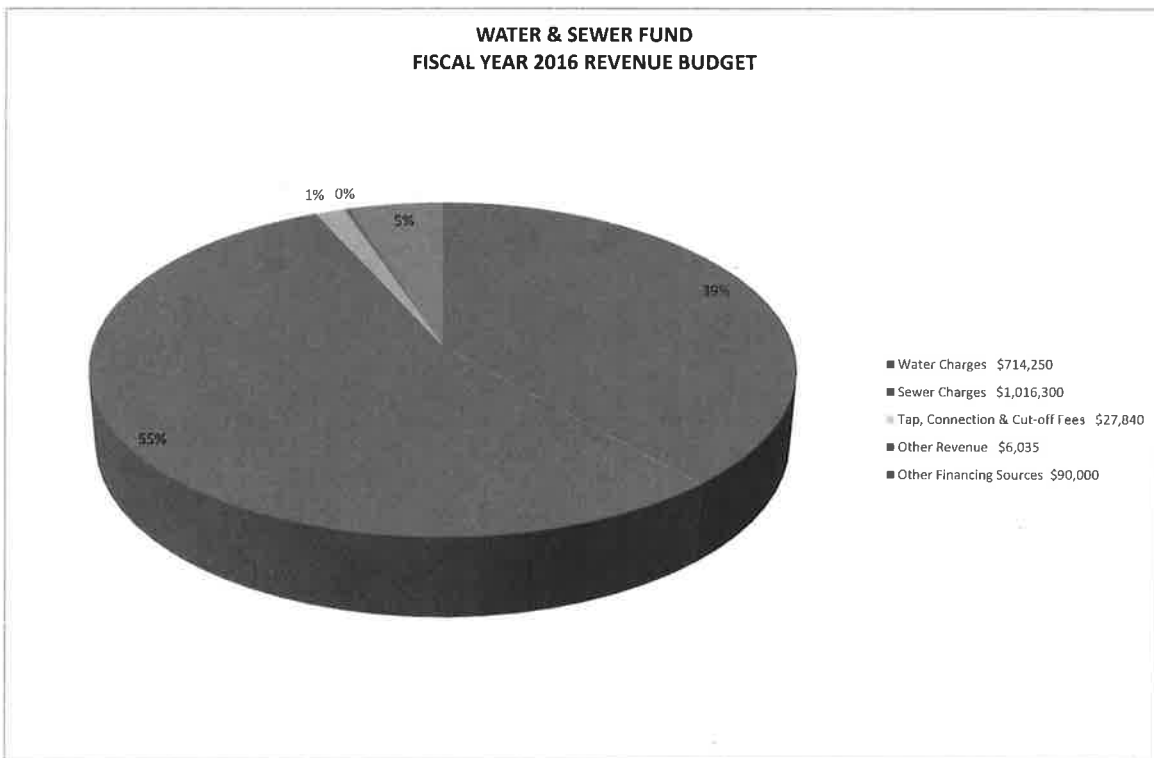
The General Fund expenses by department/function, both dollars and percentage, have remained relatively consistent. Many of the fluctuations relate to the amount of capital outlay for the given year. For example, Administration is significantly higher in fiscal year 2015 due to the purchase of three vacant lots. Also, the higher level for legal expenses in fiscal year 2014 relates to the Ocean Front Park litigation and settlement.

Refer to Exhibit A (on pages 20 to 22) for a summary of the most significant changes, by General Fund department/function, between the budgets for fiscal years 2016 and 2015.

## WATER AND SEWER FUND SUMMARY

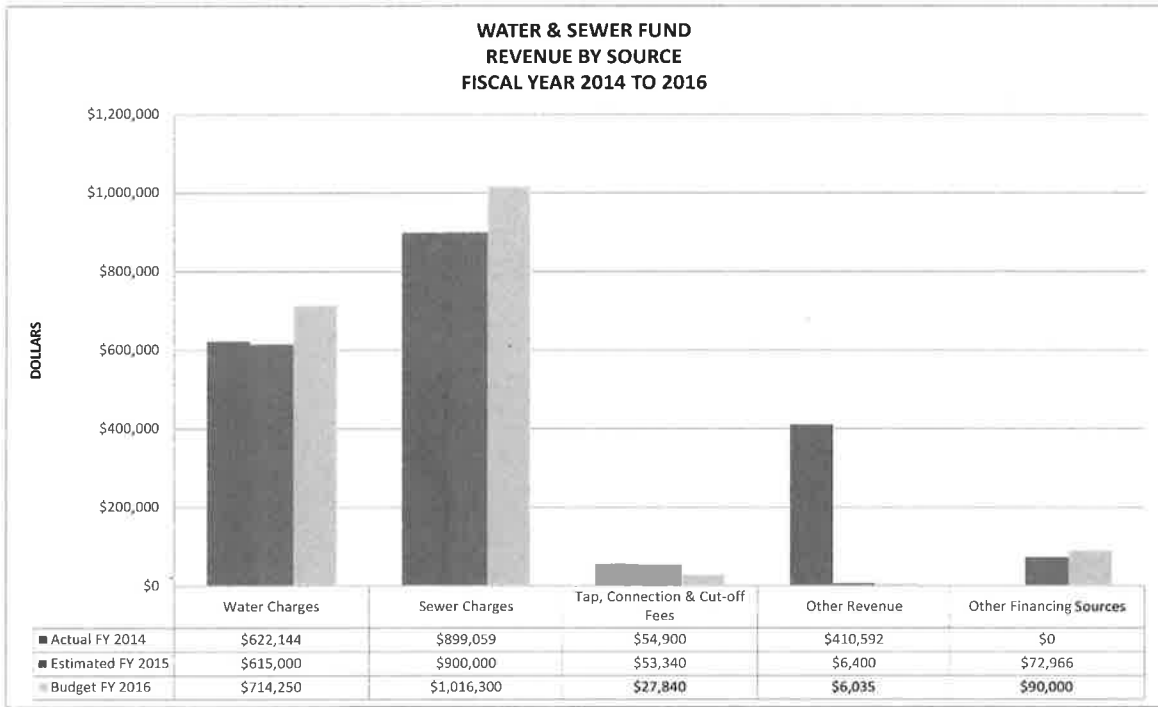
Overall, the fiscal year 2016 Water and Sewer Fund budget is 15.9% greater than the fiscal year 2015 original budget and 12.8% greater than the amended budget as of May 19, 2015. In relation to the fiscal year 2015 original budget, operating expenses have increased 8.7%, capital outlay/reserves have increased by 59% and fiscal year 2016 includes a transfer of \$50,000 to the Water and Sewer Capital Projects Fund. Also, as previously noted, to provide for sufficient accumulation of reserves for future infrastructure projects, changes to the water and sewer rates are being proposed. First, the number gallons comprising the monthly minimum will be reduced from 3,000 gallons to 2,500 gallons. Second, the rates for water and sewer usage above the 2,500 gallon per month minimum will be increased. The monthly minimum rates (for 2,500 gallons) will remain unchanged.

The breakdown of Water and Sewer Fund budgeted revenue, by major source, for fiscal year 2016 is as follows:



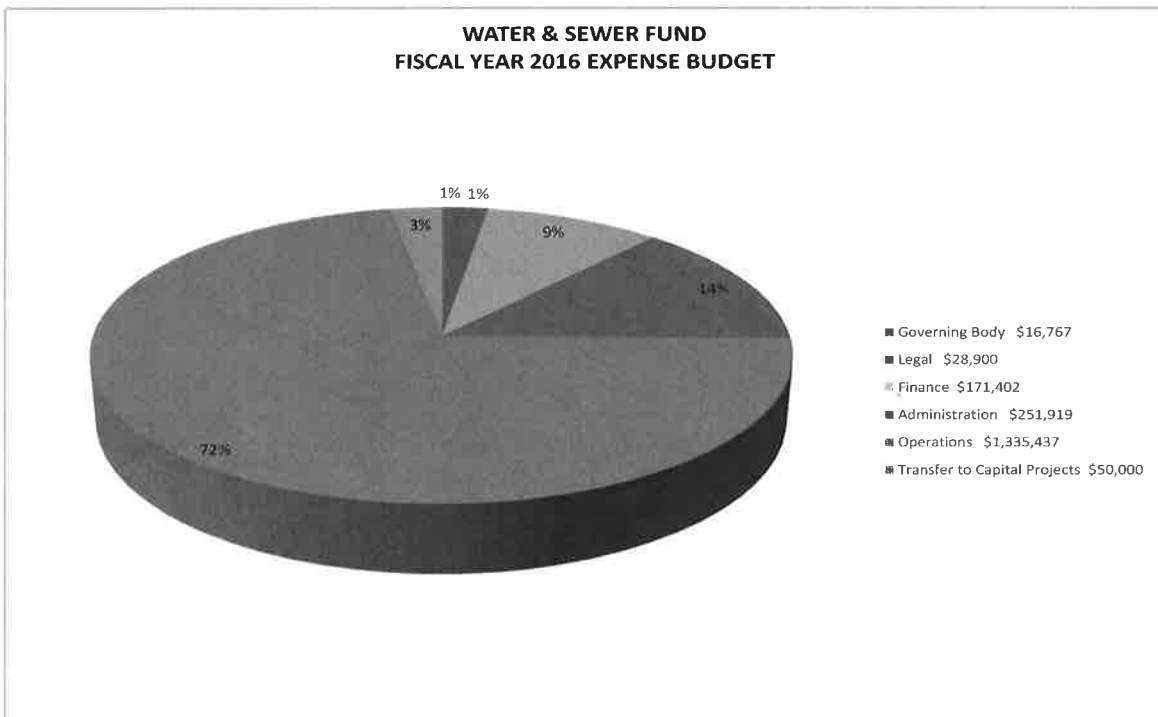
The chart on the next page shows the Water and Sewer Fund revenue by source budgeted for fiscal year 2016 compared to the estimated revenue for fiscal year 2015 and the actual revenue for fiscal year 2014.



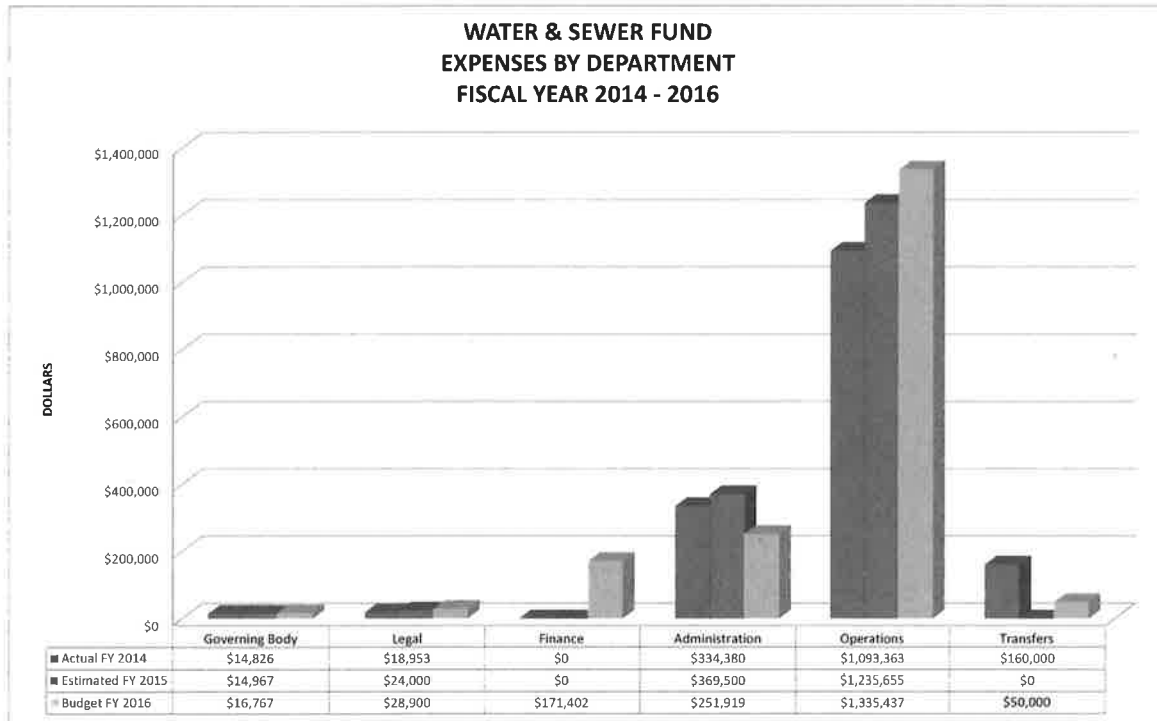


The most significant revenue sources, water and sewer charges, have remained relatively constant. The projected increases for fiscal year 2016 reflect the proposed rate changes. Also, "Other Revenue" was significantly higher in fiscal year 2014 due to a refund of Carolina Beach treatment facility charges pertaining to prior fiscal years.

The breakdown of budgeted Water and Sewer Fund expenses, by department/function, for fiscal year 2016 is as follows:



The chart below shows the expenses by department/function for the Water and Sewer Fund budgeted for fiscal year 2016 in comparison to the estimated expenses for fiscal year 2015 and the actual expenses for fiscal year 2014.



The variations in “Operations” expenses relate to the amount of capital outlay for the given year. In regard to “Transfers”, fiscal year 2014 includes a transfer to the General Fund relating to the Ocean Front Park settlement and fiscal year 2016 includes a transfer to the Water and Sewer Capital Projects Fund.

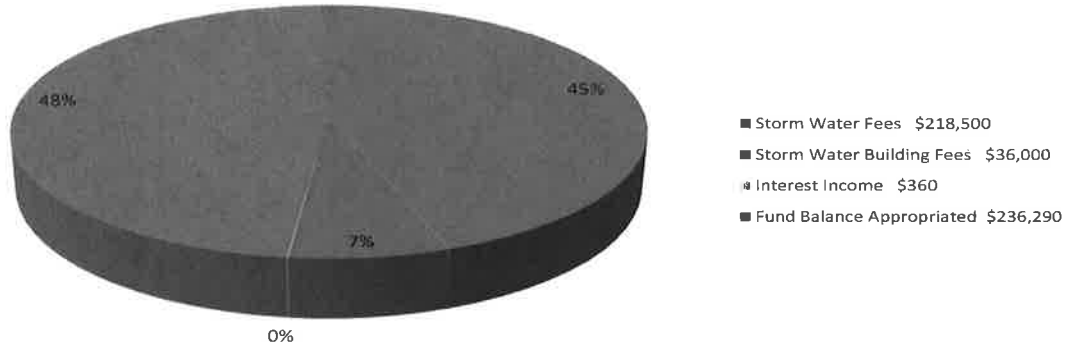
Refer to [Exhibit B](#) (on pages 23 and 24) for a summary of the most significant changes, by Water and Sewer Fund department/function, between the budgets for fiscal years 2016 and 2015.

### **STORM WATER FUND SUMMARY**

Overall, the fiscal year 2016 Storm Water Fund budget is 70.9% greater than the fiscal year 2015 budget. Operating expenses are 5.0% higher and transfers/capital outlay is 220% higher. The significant increase in transfers/capital outlay is the result of transferring \$275,000 to the Storm Water Capital Projects Fund.

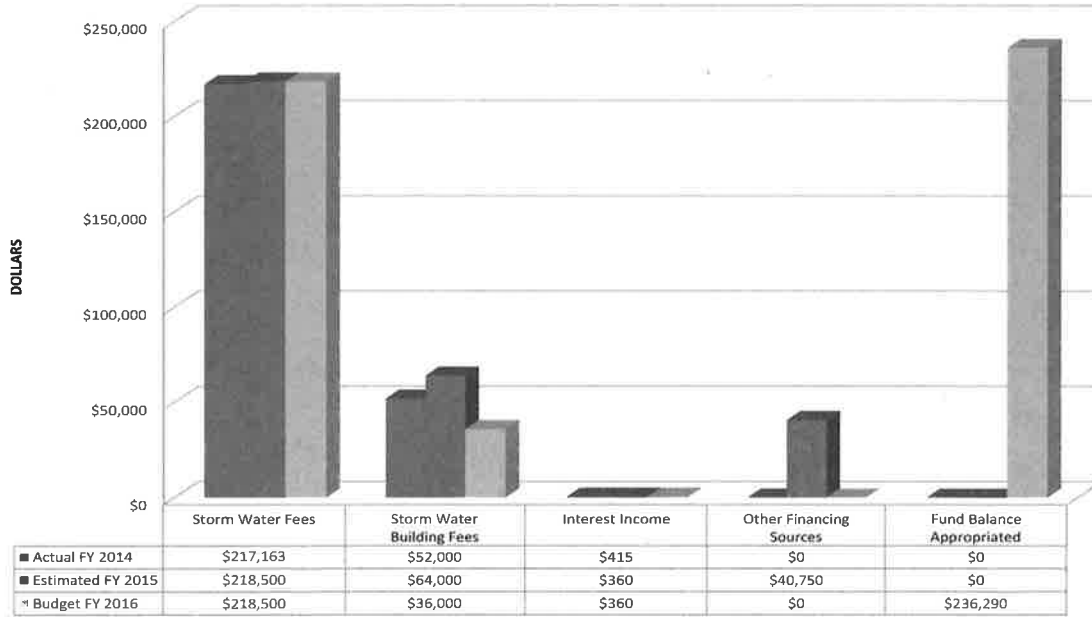
The breakdown of Storm Water Fund budgeted revenue, by major source, for fiscal year 2016 is as follows:

**STORM WATER FUND  
FISCAL YEAR 2016 REVENUE BUDGET**

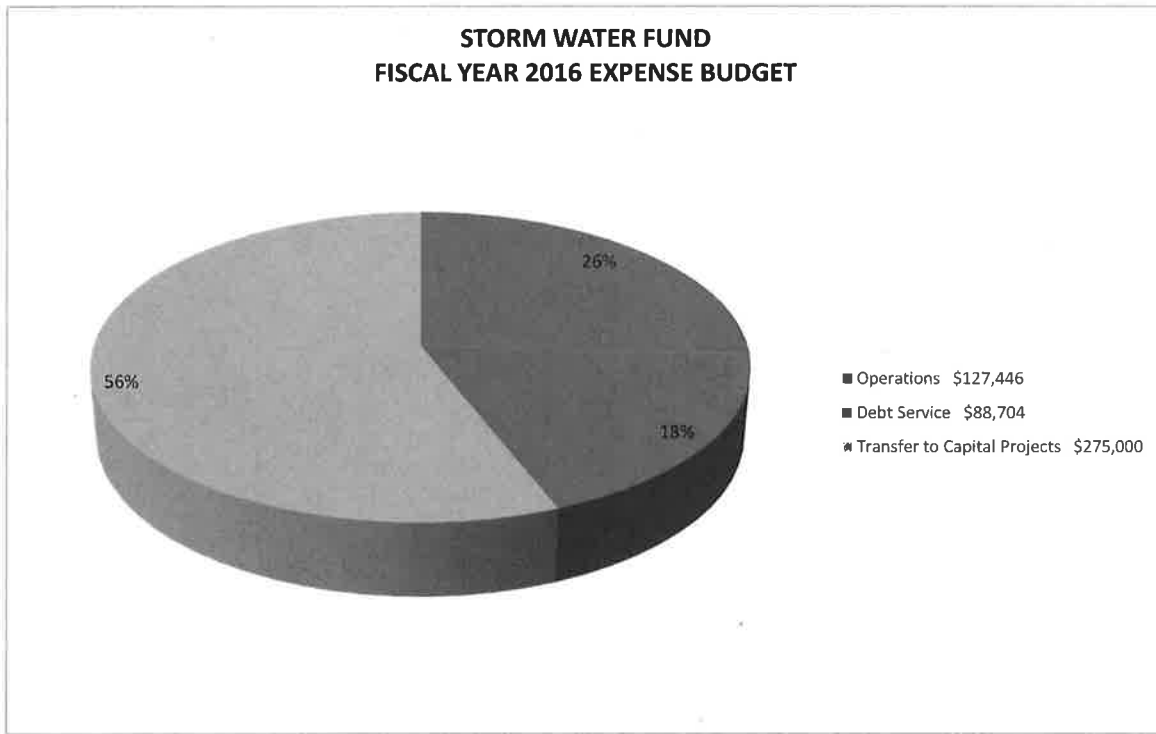


The chart below compares the budgeted fiscal year 2016 revenue to the estimated revenue for fiscal year 2015 and the actual revenue for 2014. As depicted by the chart, the major revenue source, storm water fees, has remained steady. Storm water building fees fluctuate based on the amount of building activity and the fiscal year 2015 budget includes other financing (installment loan) for equipment. Finally, fiscal year 2016 includes an appropriation of fund balance that will be the primary source to transfer funds to the Storm Water Capital Projects Fund.

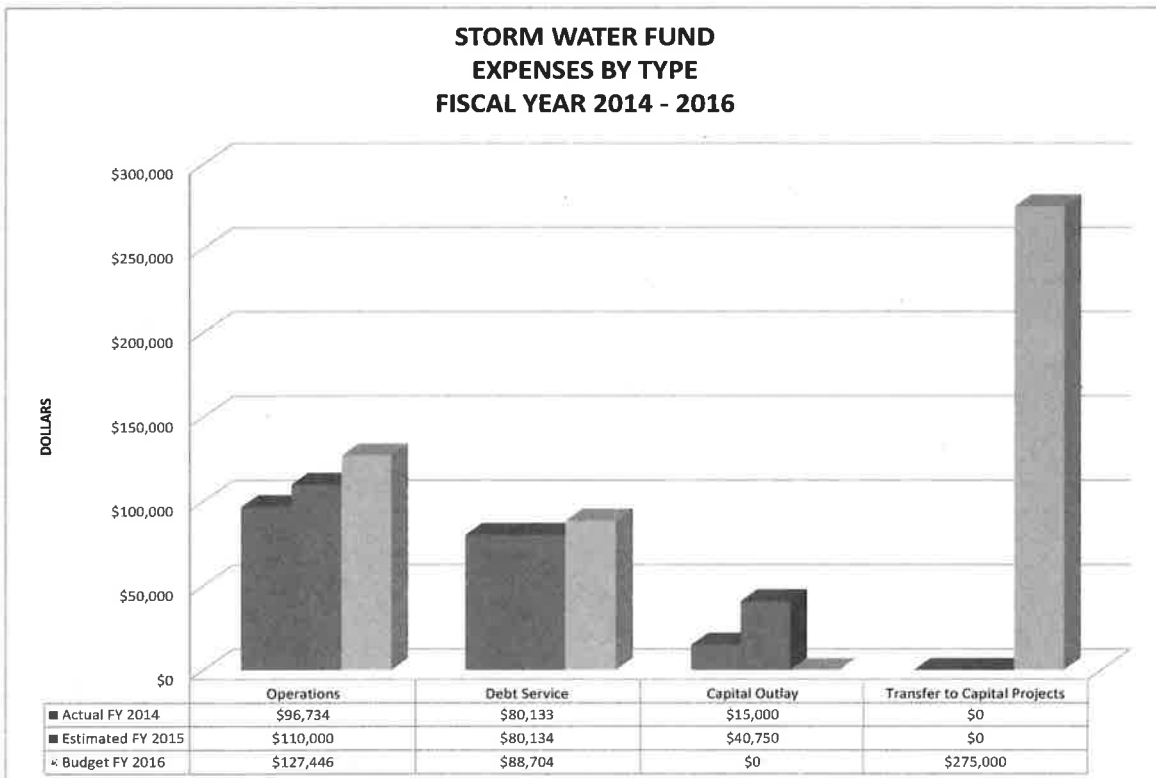
**STORM WATER FUND  
REVENUE BY SOURCE  
FISCAL YEAR 2014 - 2016**



The breakdown of budgeted Storm Water Fund expenses, by type, for fiscal year 2016 is as follows:



The following chart shows the budgeted fiscal year 2016 expenses by type in relation to the estimated fiscal year 2015 and actual 2014 Storm Water Fund expenses.

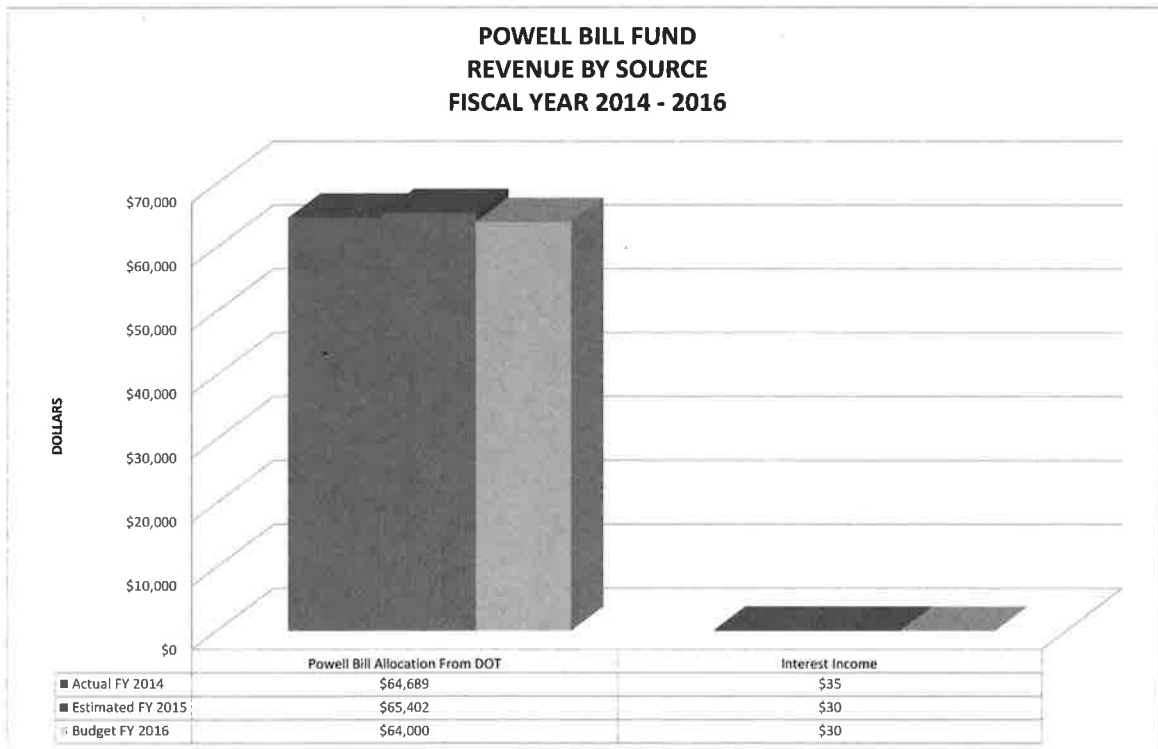


As indicated by the chart on the previous page, the expenses relating to “Operations” have increased due to an increase in storm water related work performed by Public Works. Fluctuations in capital outlay relate to the number and size of projects to be performed in a given year. Lastly, fiscal year 2016 includes a transfer to the Storm Water Capital Projects Fund.

**POWELL BILL FUND SUMMARY**

Funds received through the Powell Bill may only be used for the purpose of maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare including bridges, drainage, curbs and gutters and other necessary appurtenances within the corporate limits. The N.C.G.S. require the NC Department of Transportation to pay from the Highway Fund two allocations each fiscal year to all active and qualifying municipalities a sum equal to 1 ¾ cents on each taxed gallon of motor fuel. The total amount allocated to each qualifying municipality is 75% on the basis of relative population and 25% on the basis of relative non-State System local street mileage. The total budgeted allocation to Kure Beach for fiscal year 2016 is \$64,000 and interest income is estimated at \$30. Additionally, budgeted Powell Bill eligible expenditures total \$64,030.

The chart below shows budgeted Powell Bill Fund revenue for fiscal year 2016 in comparison to estimated fiscal year 2015 revenue and actual fiscal year 2014 revenue. As indicated by the data, revenue for this fund remains very constant.



### **BEACH PROTECTION FUND SUMMARY**

The Beach Protection Fund was established as part of the fiscal year 2014 Kure Beach Budget Ordinance. It was established as a reserve fund for future beach nourishment expenses, as well as other beach related expenditures including, but not limited to, beach access improvements/repairs, dune maintenance, dune plantings, beach protection signage, dune infiltration systems, etc. The uncertainties surrounding state and federal funding of future beach nourishment projects was the driving force behind the establishment of this fund. For fiscal year 2016, the revenue source for the Beach Protection Fund will be a transfer of \$50,000 from the General Fund. In fiscal year 2014 and 2015, a total of \$199,000 was transferred from the General Fund.

### **FEDERAL ASSET FORFEITURE FUND SUMMARY**

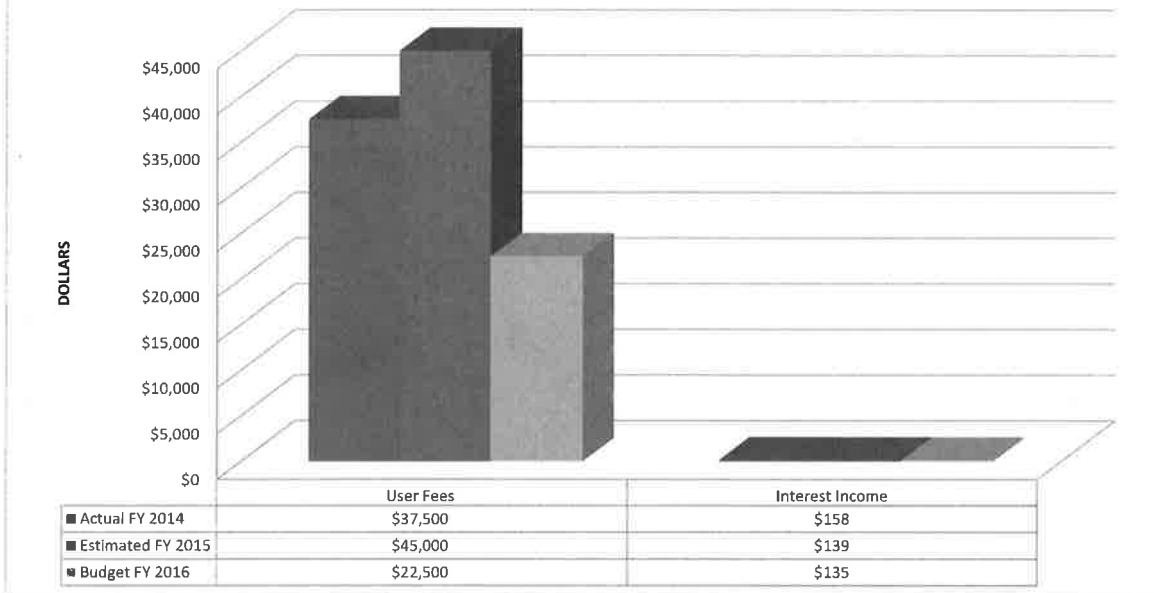
On an as needed basis, the Kure Beach Police Department participates in investigations conducted by several federal agencies. The Police Department shares in the assets that are forfeited based on the outcome of the investigations and the level of resources provided. The funds received may only be used for Police related activities that are beyond the Police Department operating budget (which is a portion of the total General Fund budget). Under no circumstances, can the Police Department operating budget be funded with forfeiture proceeds. For fiscal year 2016, the use of asset forfeiture funds will be appropriated from the fund's balance and is estimated at \$50,000.

### **SEWER EXPANSION RESERVE FUND (SERF) SUMMARY**

As required by Town Ordinance (Sec. 17-127 – User Fees), user fees will be charged on new construction and these user fees shall be recorded in SERF for the purpose of future expansion, construction, repairs or alterations to the system. Currently, this fee is \$2,500. For fiscal year 2016, revenue for SERF is budgeted at \$22,635 (\$22,500 of user fees and \$135 of interest income) and accordingly, the increase in reserves is \$22,635.

SERF revenue budgeted for fiscal year 2016 is presented on the next page in comparison to the estimated revenue for fiscal year 2015 and the actual revenue for fiscal year 2014. The revenue for this fund is fully dependent on the level of construction activity within the Town.

**SEWER EXPANSION RESERVE FUND (SERF)  
REVENUE BY SOURCE  
FISCAL YEAR 2014 - 2016**



**SUMMARY**

The fiscal year 2016 Town of Kure Beach Budget reflects a thorough review of Town expenditures and conservative, but reasonable, estimation of revenues.

As discussed during the annual Town Council retreats beginning in 2012, during this budget process and as reported in the news media, the need to increase reserves in anticipation of future beach nourishment costs remains a very significant concern for Kure Beach, as well as other North Carolina beach towns. The availability of future federal and state funds for beach projects continues to be uncertain. As a result, Kure Beach's share of future tri-annual beach nourishment projects could be in excess of \$1.2 million.

This budget includes a process to continue to build reserves for future beach nourishment needs. The Beach Protection Fund serves as a reserve fund to accumulate funds for future beach related needs, the most significant being beach nourishment. A transfer of \$50,000 from the General Fund to the Beach Protection Fund is included in this budget, while fiscal years 2014 and 2015 included transfers totaling \$199,000. Also, all or a portion of the General Fund contingency, totaling \$133,684, may be available to further strengthen the Beach Protection Fund depending on the extent of contingency usage during the fiscal year. Additionally, in order to build the Beach Protection Fund to the level estimated for future projects, additional funding sources will need to be identified.

In regard to the Water and Sewer Fund, the revenues are presently covering the daily operating costs. However, the reserves for future infrastructure projects are not being sufficiently replenished. With the uncertain future availability surrounding federal and state grants for water and sewer infrastructure projects, the Town needs to have funds available that, in conjunction with bank financing, can pay for the projects that will be necessary in the near future. The changes to the water and sewer rates proposed as part of this budget will continue the process of building the necessary reserves.

The Storm Water Fund revenues continue to address the day-to-day operating costs and are providing a reasonable level of reserve strengthening for future infrastructure projects.

In conclusion, I believe the proposed fiscal year 2016 Kure Beach Budget supports the goals established by Town Council, reflects the Council's service priorities and is responsive to the Town's needs. I would like to express my appreciation to all Department Heads, as well as all Town employees, who participated in the development of the fiscal year 2016 budget.

Respectfully submitted,

A handwritten signature in cursive script that reads "Arlen Copenhaver".

Arlen Copenhaver  
Finance and Budget Officer



**EXHIBIT A**

**GENERAL FUND BUDGET BY DEPARTMENT/FUNCTION**

**FY 2016 VS. FY 2015**

(as of 5/19/15)

<u>DEPARTMENT</u>	<u>DEPT. NO.</u>	<u>ORIGINAL 2015 BUD.</u>	<u>AMENDED 2015 BUD.</u>	<u>PROPOSED 2016 BUD.</u>	<u>DIFF. 2016 &amp; ORIG. 2015</u>	<u>% CHG.</u>	<u>DIFF. 2016 &amp; AMENDED 2015</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2016 VS. FY 2015</u>
Governing Body	410	\$39,167	\$39,167	<b>\$40,467</b>	\$1,300	3.3%	\$1,300	3.3%	FY 16 has an increase of \$1,500 (25%) in Governmental Relations for food costs for beach breakfast & retreat/budget meetings, \$1,000 (40%) increase in travel/training, \$500 (16.7%) increase in dues/subscriptions, \$300 (25%) increase in telephone costs & \$2,000 decrease in contributions to outside organizations.
Committees	412	\$7,500	\$7,500	<b>\$7,500</b>	\$0	0.0%	\$0	0.0%	
Finance	415	\$0	\$0	<b>\$146,033</b>	\$146,033		\$146,033		Finance included in Administration Budget in FY 15. FY 16 Budget includes Finance-related personnel costs and expenses from the FY 15 Administration Budget.
Administration	420	\$455,208	\$876,429	<b>\$385,448</b>	(\$69,760)	-15.3%	(\$490,981)	-56.0%	Overall 22.3% decrease in personnel-related costs due to moving the Finance Officer & Finance Specialist to the Fin. Dept Budget. Other changes include moving finance-related expenses (audit fees, unemployment insurance, postage, equipment rental, sales tax, parking lot expense & bank fees) to the Fin. Dept. Budget. Other changes include a \$3,375 (29.6%) increase in retiree medical insurance, \$5,000 (125%) increase in telephone costs, \$2,000 (80%) increase in travel/training and \$8,250 (6.6%) increase in recycle service costs.
Community Center	421	\$14,650	\$14,650	<b>\$17,750</b>	\$3,100	21.2%	\$3,100	21.2%	FY 16 includes an increase of \$2,750 for wifi/phone.
Elections	430	\$0	\$0	<b>\$3,100</b>	\$3,100		\$3,100		Estimate for local election received from New Hanover County.

**EXHIBIT A**

**GENERAL FUND BUDGET BY DEPARTMENT/FUNCTION  
FY 2016 VS. FY 2015  
(as of 5/19/15)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	PROPOSED 2016 BUD.	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Emergency Mgmt.	446	\$300	\$300	\$100	(\$200)	-66.7%	(\$200)	-66.7%	
Tax Collection	460	\$25,000	\$25,000	\$25,000	\$0	0.0%	\$0	0.0%	
Legal	470	\$24,000	\$24,000	\$28,900	\$4,900	20.4%	\$4,900	20.4%	\$4,500 (129%) increase in Professional Legal Service expenses.
Police Dept.	510	\$1,133,547	\$1,133,547	\$1,205,815	\$72,268	6.4%	\$72,268	6.4%	Overall 4.2% increase in personnel-related costs. Other changes are the addition of \$5,000 for Fit for Duty programs, \$10,550 (211%) increase in building maintenance, \$2,500 (5.7%) decrease in auto supplies/gas , \$2,000 (16.7%) decrease in uniform costs & a \$20,000 (31.3%) increase in capital outlay - vehicles.
Fire Dept.	530	\$423,138	\$423,138	\$484,760	\$61,622	14.6%	\$61,622	14.6%	Overall 10.2% increase in full-time personnel-related costs. Other changes include a \$12,480 (200%) increase in part-time pay, \$5,870 (19.7%) increase in Drill Fees, \$2,000 (13%) increase in the Live-In Program & \$10,000 (67%) increase in capital outlay.
Lifeguards	531	\$186,575	\$190,999	\$190,957	\$4,382	2.3%	(\$42)	0.0%	FY 16 includes a 2.8% increase in personnel-related costs.
Parks & Rec.	532	\$132,018	\$132,018	\$138,748	\$6,730	5.1%	\$6,730	5.1%	Overall .04% increase in personnel-related costs. Other changes are the addition of \$4,500 for sponsorship maintenance costs & \$4,200 for the cost of boardwalk fish (previously in Admin.). Other changes include \$2,304 for telephone, \$4,000 (400%) increase in travel/training , \$2,100 (525%) increase in advertising & a \$4,300 (16%) decrease in OFP programs

**EXHIBIT A**

**GENERAL FUND BUDGET BY DEPARTMENT/FUNCTION  
FY 2016 VS. FY 2015  
(as of 5/19/15)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	PROPOSED 2016 BUD.	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Bldg. Inspection	540	\$118,135	\$118,135	\$126,565	\$8,430	7.1%	\$8,430	7.1%	Overall 2.6% increase in personnel-related costs. Other changes include a \$1,000 (67%) increase in Travel/Training, \$4,500 for building maintenance & \$1,000 (67%) increase in contracts (lawn maintenance).
Streets & Sanitation	550	\$695,206	\$695,206	\$740,797	\$45,591	6.6%	\$45,591	6.6%	Overall 5.8% increase in personnel-related costs. Other changes include a \$2,500 (5.9%) increase in utilities, \$5,000 (50%) increase in truck maintenance, \$1,500 (43%) increase in minor equipment, \$1,500 (150%) increase in computer costs & \$12,000 for capital outlay - equipment.
Debt Service	560	\$255,372	\$255,372	\$294,205	\$38,833	15.2%	\$38,833	15.2%	Two new loans added in FY 2015 (vacant lots \$409,471 & Police Vehicles \$48,359)
Contingency	490	\$180,600	\$168,850	\$133,684	(\$46,916)	-26.0%	(\$35,166)	-20.8%	3.4% of appropriations (the maximum allowable amount is 5%).
Transfers	580	\$103,000	\$103,000	\$50,000	(\$53,000)	-51.5%	(\$53,000)	-51.5%	Transfer to Beach Protection Fund.
<b>TOTAL GENERAL FUND</b>		<b>\$3,793,416</b>	<b>\$4,207,311</b>	<b>\$4,019,829</b>	<b>\$226,413</b>	<b>6.0%</b>	<b>(\$187,482)</b>	<b>-4.5%</b>	

**EXHIBIT B**

**WATER AND SEWER FUND BUDGET BY DEPARTMENT/FUNCTION**

**FY 2016 VS. FY 2015  
(as of 5/19/15)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	PROPOSED 2016 BUDGET	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
Governing Body	410	\$14,967	\$14,967	\$16,767	\$1,800	12.0%	\$1,800	12.0%	FY 16 has an increase of \$1,000 (40%) in travel/training, \$500 (16.7%) increase in dues/subscriptions & a \$300 (25%) increase in telephone costs.
Legal	470	\$24,000	\$24,000	\$28,900	\$4,900	20.4%	\$4,900	20.4%	\$4,500 (129%) increase in Professional Legal Service expenses.
Finance	715	\$0	\$0	\$171,402	\$171,402		\$171,402		Finance included in Administration Budget in FY 15. FY 16 Budget includes Finance-related personnel costs and expenses from the FY 15 Administration Budget.
Administration	720	\$357,750	\$369,500	\$251,919	(\$105,831)	-29.6%	(\$117,581)	-31.8%	Overall 45.5% decrease in personnel-related costs due to moving the Finance Officer, Finance Specialist & Utilities Manager to the Fin. Dept Budget. Other changes include moving finance-related expenses (audit fees, unemployment insurance, postage, equipment rental & bank fees) to the Fin. Dept. Budget. Other changes include a \$5,000 (125%) increase in telephone costs, \$2,000 (80%) increase in travel/training, \$1,000 (33%) increase in minor equipment & a \$3,000 (20%) decrease in computer-related costs.
Transfers	999	\$0	\$0	\$50,000	\$50,000		\$50,000		Transfer to the Water Line Replacement Capital Project Fund.

**EXHIBIT B**

**WATER AND SEWER FUND BUDGET BY DEPARTMENT/FUNCTION**

**FY 2016 VS. FY 2015**

(as of 5/19/15)

DEPARTMENT	DEPT. NO.	ORIGINAL 2015 BUD.	AMENDED 2015 BUD.	PROPOSED 2016 BUDGET	DIFF. 2016 & ORIG. 2015	% CHG.	DIFF. 2016 & AMENDED 2015	% CHG.	SIGNIFICANT CHANGES FY 2016 VS. FY 2015
W/S Operations	810	\$1,203,439	\$1,235,655	<b>\$1,335,437</b>	\$131,998	11.0%	\$99,782	8.1%	Overall 5.7% increase in personnel-related costs. Other changes include a \$3,000 (25%) increase in water testing, \$1,500 (27%) increase in permit fees, \$9,770 (54%) increase in debt service & \$35,000 (13%) increase in Carolina Beach treatment facility charges. Decreases include \$4,500 (27%) in equipment/building maintenance, \$7,000 (49%) in minor equipment & \$4,500 (37.5%) in computer costs. Capital outlay for improvements is up by \$20,073 (21.8%) & capital outlay for equipment/vehicles is up \$55,000 (157%).
<b>TOTAL WATER/SEWER FUND</b>		<b>\$1,600,156</b>	<b>\$1,644,122</b>	<b>\$1,854,425</b>	<b>\$254,269</b>	<b>15.9%</b>	<b>\$210,303</b>	<b>12.8%</b>	

## ITEMS REQUESTED BY COUNCIL AT APRIL BUDGET MEETING CLOSED SESSION

### **1. Salary Study Results - Employee salaries 6% or more below benchmark.**

- How many in this category?
- How much to adjust each salary to no more than 50% of the difference between the current salary & benchmark.
- Department Head (DH) input – authorized to lower, but not exceed above.

#### Results:

- 16 employees impacted
- 12 employees eligible for full increase as above.
- 4 employees eligible for smaller increase, as per DH
- Total cost \$39,741
- This action brings all employees to at least 86% of benchmark without COLA and Merit.

#### **Action needed at June meeting: Need a vote in open session**

Vote to provide equity adjustments to individual employee salaries that are 6% or more below the benchmark salary as determined by the 2015 salary study. Amount is not to exceed 50% of the difference between the employee's current salary and the benchmark with input from Department Heads and Town Council to the Personnel Officer. Effective date is July 1, 2015.

### **2. Employee salaries significantly above benchmark**

- How many in this category?
- How much is impact of paying one-time lump sum amount in lieu of merit that doesn't add to base salary or carry through to next year's budget.

#### Results:

- 9 employees above paygrade. Not sure what amount is 'significant' as referenced above.
- Cost is \$21,599.
- Impact to proposed FY15-16 is same for 3.3% merit or lump sum.
- Lump sum payment does not reduce proposed FY15-16 budget amount.
- Lump sum does reduce future budgets by \$21,599 because it does not add to base salary.

**Policy allows a one-time payment for employees over maximum salary. I have been cautious and gone with merit over a one-time payment because I know that our paygrade maximums are not up to date and I know in some cases and suspect in others, that some employees are not in the right paygrade. I ask Council to pay these employees merit that adds to the base salary instead of a one-time payment until we get the salary ranges corrected. I plan to bring this to Council in August for adoption. Justification:**

- Paygrade minimum and maximum salaries have not been adjusted in 14 years other than for COLA and Merit. These minimum and maximum salary ranges were established in 2001. COLA and merit increases have been too inconsistent throughout the years to allow the minimum and maximums to keep up with market rates, while the Town has had to hire in at higher rates to keep up with the job market rate.
- The Town didn't add new positions for years. In the past 4 years, new positions have been added plus existing employees have begun to be moved to higher paygrades to help

Department Heads manage the workload. There are only 2 paygrades between a staff level position and a supervisory position for a non-exempt employee. The next paygrade is exempt and is a Department Head position. This has resulted in staff being assigned to a lower paygrade than they should be.

- Most of these employees are in the wrong paygrade due to job descriptions not being updated, no job description being given to Personnel, and limited available paygrades between non-exempt and exempt positions.

Examples:

4 of these employees are Department Heads that are in 4 different paygrades. They were set up this way when the pay classification was established in 2001. I believe all Department Heads belong in the same paygrade.

4 of these employees have taken on more responsibility and accountability and have been compensated for it. Either the paygrades limited us in where these employees could be placed, because our paygrades for non-exempt employees are insufficient OR the employee was promoted without notification being given to the Personnel Officer. This resulted in the employee staying in a lower paygrade.

### ***3. Grandfather out Longevity benefit for new hires***

- This policy change will not have any budgetary impact for at least two years. Policy is such that an employee must have one full year of service by November of each year to qualify.
- Requires policy change.

### **Action needed at June meeting:**

If Council wants to proceed with this, I would request an amendment to the Personnel Policy for vote in open session.

Suggested amendment attached.

### ***4. Notice to employees of salary study and implementation***

- A letter has been drafted to employees for Council input.
- Portions of the study will be given to employees that will show an employee how his/her salary ranked in comparison to the benchmark. I recommend no portion of the study be given employees that will indicate other employee salaries and relation to benchmark. Even though this information is public record, I think it is best not to provide it unless specifically asked.

  
Nancy Avery  
Town Clerk

SALARY STUDY ADJUSTMENTS  
FY 2016

Fund	Grade	Department	Name	Current Annual Salary	Current Salary as % of Benchmark	BENCHMARK all towns w/o Wilm	Amount to Bring to Benchmark	1/2 of Amount to Benchmark	Amount Recommended By Dept Head	Lesser of 1/2 BM or Dept Head Rec.	Adjusted Salary as % of Benchmark
SW	8 & 9	PW	Blackman, D	\$30,766	90.27%	\$34,083	\$3,317	\$1,659	\$1,659	\$1,659	95.13%
G	8 & 9	PW	Douglas, N	\$29,342	86.09%	\$34,083	\$4,741	\$2,370	\$2,370	\$2,370	93.05%
G	8 & 9	PW	Easley, B	\$31,205	91.56%	\$34,083	\$2,878	\$1,439	\$1,439	\$1,439	95.78%
G	8 & 9	PW	McCumber, J	\$30,573	89.70%	\$34,083	\$3,510	\$1,755	\$1,755	\$1,755	94.85%
G	8 & 9	PW	Rackley, B	\$31,009	90.98%	\$34,083	\$3,074	\$1,537	\$1,537	\$1,537	95.49%
WS	8 & 9	PW	Robertson, P	\$31,183	91.49%	\$34,083	\$2,900	\$1,450	\$1,450	\$1,450	95.75%
WS	8 & 9	PW	Sullivan, I	\$30,573	89.70%	\$34,083	\$3,510	\$1,755	\$1,755	\$1,755	94.85%
WS	8 & 9	PW	Lane R	\$31,379	92.07%	\$34,083	\$2,704	\$1,352	\$1,352	\$1,352	96.03%
G	10	PD	Earnhardt, T	\$29,980	80.64%	\$37,176	\$7,196	\$3,598	\$2,500	\$2,500	87.37%
G	12	FD	Hunter, F	\$34,900	86.55%	\$40,324	\$5,424	\$2,712	\$3,000	\$2,712	93.27%
G	13	FD	Russell, D	\$35,000	82.29%	\$42,530	\$7,530	\$3,765	\$3,000	\$3,000	89.35%
G	14	FD	Kennedy, E	\$42,000	78.87%	\$53,255	\$11,255	\$5,628	\$4,000	\$4,000	86.38%
G	17	FD	Heglar, H	\$59,395	83.32%	\$71,289	\$11,894	\$5,947	\$5,947	\$5,947	91.66%
SPLIT	19	A,F&R	Avery, N	\$63,771	91.49%	\$69,706	\$5,935	\$2,968	\$2,968	\$2,968	95.74%
SPLIT	19	A,F&R	Copenhaver, A	\$59,110	84.80%	\$69,706	\$10,596	\$5,298	\$5,298	\$5,298	92.40%
G	20	PD	Bowden, M	\$61,735	92.17%	\$66,983	\$5,248	\$2,624	\$0	\$0	92.17%
							\$91,712	\$45,856	\$40,029	\$39,741	

ALLOCATION OF SALARY ADJUSTMENTS TO FUNDS:

GENERAL (G)	\$29,393
WATER/SEWER (WS)	\$8,690
STORM WATER (SW)	\$1,659
<b>TOTAL</b>	<b>\$39,741</b>



TOWN OF KURE BEACH

EMPLOYEES WITH CURRENT SALARY LESS THAN GRADE LEVEL MINIMUM OR GREATER THAN GRADE LEVEL MAXIMUM

17733

Grade	Department	Name	Hire Date	Current Annual Salary	Grade Level Maximum	Amount Over Grade Level Maximum
11	PW	Cochran, E	07/16/07	\$48,947	\$43,840	\$5,107
12	PD	Ryan, K	12/05/10	\$48,726	\$46,059	\$2,667
14	PD	King, J	02/06/06	\$53,995	\$50,840	\$3,155
14	PW	Mesimer, J	08/18/08	\$52,000	\$50,840	\$1,160
15	BI	Batson, J	10/04/04	\$57,545	\$53,414	\$4,131
17	FD	Heglar, H	07/23/02	\$59,395	\$58,959	\$436
19	PD	Hubbard, P	07/01/02	\$66,361	\$65,081	\$1,280
20	PW	Beeker, S	10/22/84	\$82,087	\$68,375	\$13,712
21	PD	Cooper, D	03/30/92	\$78,177	\$71,837	\$6,340

**NOTE:** Currently there are no employees being paid less than the minimum for their respective Grade Level.

**Grandfather out annual longevity pay for new hires, but continue for existing employees.**

PROPOSED AMENDMENT TO SECTION 16, ARTICLE III, PERSONNEL POLICY

*Current policy – amend by deleting lined through items and adding wording in red*

*Section 16. Longevity Pay*

Full time employees hired before June 16, 2015 shall receive longevity pay in a lump sum amount in the payroll period that is paid closest to but prior to Thanksgiving. ~~All full time employees are eligible for longevity pay.~~ Longevity Pay shall be awarded as follows:

<u>Years of Service</u>	<u>Amount of Pay</u>
1 - 4	\$250
5 - 9	\$350
10 - 14	\$500
15 - 19	\$600
20 plus	\$750

Full time employees hired on or after June 16, 2015, are not eligible for Longevity Pay. Town Council voted to no longer offer the Longevity Pay to new hired employees effective June 16, 2015.

**Amended policy will read:**

Full time employees hired before June 16, 2015 shall receive longevity pay in a lump sum amount in the payroll period that is paid closest to but prior to Thanksgiving. Longevity Pay shall be awarded as follows:

<u>Years of Service</u>	<u>Amount of Pay</u>
1 - 4	\$250
5 - 9	\$350
10 - 14	\$500
15 - 19	\$600
20 plus	\$750

Full time employees hired on or after June 16, 2015, are not eligible for Longevity Pay. Town Council voted to no longer offer Longevity Pay to newly hired employees effective June 16, 2015.

**Dean Lambeth**  
*Mayor*  
**Emilie Swearingen**  
*Commissioner*  
**Steve Pagley**  
*Commissioner*



**Craig Bloszinsky**  
*Mayor Pro Tem*  
**David Heglar**  
*Commissioner*  
**Nancy Avery**  
*Town Clerk*

## *Town of Kure Beach*

117 Settlers Lane • Kure Beach, NC 28449  
(910) 458-8216 • (910) 458-7421 Fax  
[www.townofkurebeach.org](http://www.townofkurebeach.org)

Date  
Employee name  
Re: Salary Study

The Town Council recently authorized a salary comparison study to be done by the Finance Officer and Town Clerk. Purpose of the study was to determine where Town salaries were in relation to other municipalities.

Salary information based on job titles and duties was gathered from 13 beach/resort towns of similar population and services. The study did not take into account length of time on the job and looked at annual salary, not hourly rate, as all full time employees are paid on a salaried basis. An average of these salaries was used to set a 'benchmark' for comparison. An average of Town salaries within each paygrade was also calculated to compare against the benchmark. A copy of the results of the study for each paygrade are attached.

### Study results indicated:

- 5 of the Town's 11 paygrades met the benchmark
- 2 paygrades were 1-5% below benchmark
- 4 paygrades were 6% and below benchmark

The Town Council elected to provide for an equity adjustment for individual employee salaries 6% or more below benchmark. The equity adjustment amount allowed does not exceed 50% of the difference between the employee's current salary and the benchmark salary. Consideration was given to how recently the employee was hired or promoted into the paygrade, so some equity adjustments do not equal the 50% difference. If you qualified for an adjustment, the amount is listed here.

Your salary, effective July 1, 2015 is shown below. Increases will be paid beginning with the July 9<sup>th</sup> payday.

Current salary	\$
Equity increase	\$
Merit	\$
Cost of living	\$
New Salary	\$

**Dean Lambeth**  
*Mayor*  
**Emilie Swearingen**  
*Commissioner*  
**Steve Pagley**  
*Commissioner*



**Craig Bloszinsky**  
*Mayor Pro Tem*  
**David Heglar**  
*Commissioner*  
**Nancy Avery**  
*Town Clerk*

## *Town of Kure Beach*

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It is the goal of the Town Council to attract and keep quality employees. Council strives to lead the market in total compensation (salary and benefits), whenever possible. Council always makes the effort to provide an annual Cost of Living Adjustment and a Merit increase based on performance, as funding allows.

The Town Council acknowledges and appreciates the fact that we have an excellent group of employees that always go above and beyond for our citizens.

We thank you for all that you do to make the Town of Kure Beach a wonderful, clean, safe and attractive place to live and visit.

Sincerely,

Dean Lambeth  
Mayor



Ordinance Number: FY 2015-16

Date Adopted:

Effective Date: July 1, 2015

**BUDGET ORDINANCE FY 2015-2016  
KURE BEACH, NORTH CAROLINA**

Be it ordained by the Town Council of Kure Beach, North Carolina:

**Section I.** Budget Adoption: There is hereby adopted the following operating budget for the Town of Kure Beach for the Fiscal Year beginning July 1, 2015 and ending June 30, 2016; the same being adopted by fund. Activity within each fund is listed as follows:

**GENERAL FUND**

**EXPENDITURES:**

Governing Body	\$ 40,467
Committees	7,500
Finance	146,033
Administration	385,448
Community Center	17,750
Elections	3,100
Emergency Management	100
Tax Collections	25,000
Legal Department	28,900
Police Department	1,205,815
Fire Department	484,760
Lifeguards	190,957
Parks & Recreation	138,748
Building Inspections	126,565
Streets & Sanitation	740,797
Debt Service	294,205
Transfer to Beach Protection Fund	50,000
Contingency	<u>133,684</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$4,019,829</u></b>

**GENERAL FUND (continued)**

**REVENUES:**

Property Tax (current & prior years)	\$2,121,250
Sales Tax	785,200
Franchise & Utility Tax	201,500
Motor Vehicle License	7,000
TDA Funds	203,057
Garbage & Recycle Fees	341,400
ABC Revenue	10,725
Building Permits/Impact Fees/ CAMA Fees/Fire Inspections	57,200
Communication Tower Rent	86,702
Town Facility Rentals	10,500
Parks & Rec/Community Center/ Street Festival	36,950
Other Revenue	47,345
Other Financing Sources	<u>111,000</u>

**TOTAL REVENUES** **\$4,019,829**

**POWELL BILL FUND**

**EXPENDITURES:**

Street Maintenance & Repair	<u>\$ 64,030</u>
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**TOTAL EXPENDITURES** **\$ 64,030**

**REVENUES:**

Powell Bill Allocation	\$ 64,000
Interest Income	<u>30</u>

**TOTAL REVENUES** **\$ 64,030**

**STORM WATER FUND**

**EXPENDITURES:**

Storm Water Operations	\$ 216,150
Transfer to Capital Projects Fund	<u>275,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 491,150</u></b>

**REVENUES:**

Storm Water Monthly Fees	\$ 218,500
Storm Water Building Fees	36,000
Interest Income	360
Fund Balance Appropriated	<u>236,290</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 491,150</u></b>

**BEACH PROTECTION FUND**

**EXPENDITURES:**

Beach Protection Reserves	\$ <u>50,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 50,000</u></b>

**REVENUES:**

Transfer from General Fund	\$ <u>50,000</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 50,000</u></b>

**FEDERAL ASSET FORFEITURE FUND**

**EXPENDITURES:**

Federal Asset Forfeiture Expenses	\$ <u>50,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 50,000</u></b>

**FEDERAL ASSET FORFEITURE FUND (continued)**

**REVENUES:**

Fund Balance Appropriated	\$ 50,000
<b>TOTAL REVENUES</b>	<b><u>\$ 50,000</u></b>

**WATER AND SEWER FUND**

**EXPENDITURES:**

W/S Governing Body	\$ 16,767
W/S Legal Department	28,900
W/S Finance	171,402
W/S Administration	251,919
W/S Operations	1,335,437
Transfer to Capital Projects Fund	<u>50,000</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$1,854,425</u></b>

**REVENUES:**

Water Charges	\$ 714,250
Sewer Charges	1,016,300
Tap & Reconnection Fees	27,840
Other Revenue	6,035
Other Financing Sources	<u>90,000</u>
<b>TOTAL REVENUES</b>	<b><u>\$1,854,425</u></b>

**SEWER EXPANSION RESERVE FUND (SERF)**

**EXPENDITURES:**

Sewer Reserve	\$ 22,635
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 22,635</u></b>



**SEWER EXPANSION RESERVE FUND (SERF) (continued)**

**REVENUES:**

User Fees	\$ 22,500
Interest Income	<u>135</u>
<b>TOTAL REVENUES</b>	<b><u>\$ 22,635</u></b>

<b>EXPENDITURES</b>	<b>ALL FUNDS</b>	<b><u>\$6,552,069</u></b>
<b>REVENUES</b>	<b>ALL FUNDS</b>	<b><u>\$6,552,069</u></b>

**Section II.** Levy of Taxes: There is hereby levied, for the Fiscal Year 2015-2016, an Ad Valorem tax rate of 26.15 cents (\$0.2615) per one hundred dollars (\$100) valuation of taxable property as listed for taxes as of January 1, 2015. This rate shall be levied entirely in the General Fund.

The tax rate is based on an estimated total valuation of property for the purposes of taxation of eight hundred nineteen million five hundred thousand dollars (\$819,500,000) and an estimated collection rate of ninety-eight and three-quarter percent (98.75%).

**Section III.** Salaries: The following shall govern salary and wage compensation for Fiscal Year 2015-2016:

A. Pay Plan. There is hereby adopted a pay plan that includes an across the board cost of living adjustment in the amount of 1.7% applicable to all Town employees.

B. Salary Adjustments. Each employee's salary shall be examined to ensure that the pay grade reflects the years of service, proficiency and quality of work. Merit raises are allotted at 3.3% this year for employees. Also, as a result of the Fiscal Year 2015 Salary Study, Town Council implemented a strategy to adjust full-time employee salaries that were six percent or more below the benchmark salary for the respective position.

**Section IV.** The Budget Officer hereby authorized to transfer appropriations within a fund as contained herein under the following conditions as specified in North Carolina General Statute Chapter 159.

- A. The Budget Officer may transfer amounts between line item expenditures without limitation and without a report being required up to \$10,000 at any one time.
- B. The Budget Officer may transfer amounts within departments and of the same fund and reported as part of the financial statements. He shall make an official report immediately to Council on such transfers.
- C. The Budget Officer may not transfer amounts between funds without prior Council action.

**Section V. Restricted Revenues:** The Finance Officer is hereby directed to fund appropriations that have specified revenues prior to funding with General Fund monies. This is to include but not limited to Local, State and Federal grants.

**Section VI. Encumbrances:** All outstanding encumbrances from prior fiscal years are to be carried forward to Fiscal Year 2015-2016. All Project Ordinance appropriations are continued.

**Section VII. Budget Control:** The Town Council in approving the budget has utilized to the fullest extent possible its revenue sources. Over collections of revenues or unanticipated revenue sources cannot be expected during the year. It is therefore of utmost importance that Department Heads initiate steps to insure compliance with the budget as fixed herein and they are hereby directed to do so.

**Section VIII.** The Town Council hereby authorizes the New Hanover County Tax Administrator to bill and collect taxes for the Town.

**Section IX. Fees and Charges:** There is hereby established, for FY 2015-2016, various fees and charges as contained in the attached Fee Schedule. Changes from the FY 2014-2015 Fee Schedule are as follows:

Residential Water – Monthly minimum gallons	Decrease from 3,000 to 2,500 gallons
Residential Sewer – Monthly minimum gallons	Decrease from 3,000 to 2,500 gallons
Commercial Water – Monthly minimum gallons	Decrease from 3,000 to 2,500 gallons
Commercial Sewer – Monthly minimum gallons	Decrease from 3,000 to 2,500 gallons
Out of Town Water (ETJ) – Monthly minimum gallons	Decrease from 3,000 to 2,500 gallons
Out of Town Sewer (ETJ) – Monthly minimum gallons	Decrease from 3,000 to 2,500 gallons
Residential Water (per 100 gallons over 2,500 gallon minimum)	Increase from \$0.36 to \$0.45
Residential Sewer (per 100 gallons over 2,500 gallon minimum)	Increase from \$0.465 to \$0.58

Commercial Water (per 100 gallons over 2,500 gallon minimum)	Increase from \$0.555 to \$0.694
Commercial Sewer (per 100 gallons over 2,500 gallon minimum)	Increase from \$0.57 to \$0.7125
Out of Town (ETJ) Water (per 100 gallons over 2,500 gallon minimum)	Increase from \$0.63 to \$0.7875
Out of Town (ETJ) Sewer (per 100 gallons over 2,500 gallon minimum)	Increase from \$0.81 to \$1.0125

This ordinance being duly passed and adopted this    day of June, 2015.

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Dean Lambeth, Mayor

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Nancy Avery, Town Clerk



**TOWN OF KURE BEACH  
FEE SCHEDULE**

**FISCAL YEAR 2015-2016**

Fee Schedule to be updated each year as part of the adoption of the new fiscal year budget ordinance.

<b><u>TAX RATE per \$100</u></b>	\$0.2615
 <b><u>WATER FEES</u></b>	
Residential (monthly minimum - up to 2,500 gallons)	\$13.50
Incremental rate per 100 gallons over the 2,500 gallons monthly minimum	\$0.45
Commercial (monthly minimum - up to 2,500 gallons)	\$18.50
Incremental rate per 100 gallons over the 2,500 gallons monthly minimum	\$0.694
Out of Town (ETJ) (monthly minimum - up to 2,500 gallons)	\$23.00
Incremental rate per 100 gallons over the 2,500 gallons monthly minimum	\$0.7875
 <b><u>SEWER FEES</u></b>	
Residential (monthly minimum - up to 2,500 gallons)	\$23.50
Incremental rate per 100 gallons over the 2,500 gallons monthly minimum	\$0.58
Commercial (monthly minimum - up to 2,500 gallons)	\$25.50
Incremental rate per 100 gallons over the 2,500 gallons monthly minimum	\$0.7125
Out of Town (ETJ) (monthly minimum - up to 2,500 gallons)	\$40.50
Incremental rate per 100 gallons over the 2,500 gallons monthly minimum	\$1.0125
 <b><u>OTHER WATER &amp; SEWER FEES</u></b>	
Water Service Fee - nonrefundable fee for service technician site visit	\$30.00
Additional Water Service Fee - fee for each additional visit if customer fails to meet technician at site	\$10.00
Water Service Meter Check Fee - customer request that a meter be read, checked, or turned on or off. If problem found with meter, fee can be waived at discretion of the Public Works Director	\$30.00
Water Cut-ons Outside Working Hours	\$25.00
Special Meter Tests - if customer requests meter test and the meter is found to be defective, charge will be refunded	\$50.00
Reconnection Fee - if water is cut-off due to non-payment	\$60.00
Returned Check Fee	\$25.00
Account Past Due Charge - per month	\$10.00

**WATER TAP FEE**

3/4 X 5/8	\$1,500.00
1 Inch	\$2,000.00
1 1/2 Inch	\$2,500.00
2 Inch	\$3,000.00

**SEWER TAP FEE**

4 inch	\$1,500.00
4 inch	\$1,500.00
6 inch	\$2,000.00
6 inch	\$2,000.00

**USER FEE Sect 17-127 of Code**

Common Areas-No Charge	\$2,500.00
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**IMPACT FEE**

Voluntary Annexation Only Sect 17-128 of Code	\$400.00
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**STORM WATER FEES**

Building Fee	\$4,000.00
Residential-monthly	\$8.71
Business - monthly	varies by account

**RECYCLE FEE - per bin monthly (residential)**

\$4.88

**GARBAGE COLLECTION FEES**

Residential -per can monthly	\$6.00
Commercial- per can monthly	\$26.25
Garbage cart purchase	\$80.00

**TRASH PICKUP FEE**

Minimum	\$10.00
1/4 load	\$30.00
1/2 load	\$60.00
3/4 load	\$90.00
Full load	\$120.00
Appliances	\$10.00

**PRIVILEGE LICENSE FEES**

Privilege License Fees as stipulated in N.C. General Statute 105-33(C).

**VEHICLE DECAL FEES**

Resident	\$5.00
Late Fee (resident)	\$10.00
Non-resident	\$5.00

**OPY/FAX FEES**

Fax: 1 PAGE	\$2.00
Fax: Each additional page	\$1.00
Zoning map - each	\$5.00
Copies: Per page	\$0.10
Copy of Zoning Ordinance	\$10.00
Copy of Town Code	\$70.00
Flood map - each	\$5.00

**RENT COMMUNITY CENTER:DEPOSIT & PER HOUR FEES-2 HOUR MINIMUM (then hourly)**

Deposit (refundable if center is cleaned, as instructed, and there's no damage)	\$250.00
KB Resident/Property Owner & Non-Profit Organization	\$75.00 per hour
Non-resident & Commercial Organization for Profit	\$100.00 per hour

**OTHER FEES COMMUNITY CENTER**

Non refundable fee each time existing contract is revised	\$10.00
Service charge for cancellation of contract	\$50.00
Rental fee will not be refunded for cancellation of lease by lessee made within 30 days before the event. Security deposit will be refunded.	

**RENT OCEAN FRONT PARK PAVILION:DEPOSIT & PER HOUR FEES-\*4 HOUR MINIMUM (then hourly)**

**\*Exception: Can rent pavilion for 1 HOUR, if rented in conjunction with Community Center**

Deposit (refundable if no damage to pavilion/grounds)	\$250.00
KB Resident/Property Owner & Non-Profit Organization, Pavilion ONLY	\$75.00 per hour
Non-resident & Commercial Organization for Profit, Pavilion ONLY	\$100.00 per hour
KB Resident/Property Owner & Non-Profit Organization, Pavilion & Lawn	\$125.00 per hour
Non-resident & Commercial Organization for Profit, Pavilion & Lawn	\$150.00 per hour

**PARKS AND RECREATION PROGRAM FEES**

Fees for specific Parks and Recreation activities will be set prior to commencement of the activity varies

**SPECIAL EVENT FEES**

General Use Impact Fees:	
minimal use of public property -low impact - per day	\$150.00
includes intermittent traffic control - medium impact-per day	\$300.00
includes closing of public streets - high impact - per day	\$500.00
Personnel:	
Police-minimum of two hours - per hour (includes overhead)	\$40.00
Sanitation - per hour (includes overhead)	\$40.00
Street - per hour (includes overhead)	\$40.00
Fireman - per hour (includes overhead)	\$40.00
Facilities Rental:	
Council Chambers - per day	\$100.00
Public land per site - per day	\$100.00
Public building - per day	\$100.00
Equipment:	
Police/Fire/Lifeguard or other Town Vehicle - per hour	\$25.00
Trash pickup - per cart per pickup	\$15.00
-minimum 2 carts required for recyclable materials and one for regular trash	

**ERMIT/CONSTRUCTION FEES**

Fence	\$25.00	
Window Replacement	\$25.00	
Prefab Shed	\$25.00	
Handicap Ramp	\$25.00	
Beach Access	\$25.00	
Pool-residential	\$300.00	
Pool -commercial	\$2,000.00	
Landscape	\$25.00	
House moved (plus any cost incurred by public works or police dept)	\$150.00	
House moved out of town (plus any cost incurred by public works or police dept)	\$150.00	
Demolition (residence)	\$150.00	
Demolition (commercial)	\$300.00	
Building -New Construction - processing fee	\$200.00	
Mobile Home Fee-set up (plus permit fee)	\$200.00	
Mobile Home and Travel Trailer Park - \$5.00 space up to 100 spaces	\$350.00	
Yard sale	\$1.00	
Temporary structures in excess of 200 square feet - Sec. 12-45	\$250.00	obtained 7 days prior
Temporary structures in excess of 200 square feet - Sec. 12-45	\$500.00	obtained less than 7 days prior
Replace permit card -Each	\$10.00	
Improvements, additions and renovations to include decks, garages, etc:		
from \$0 to \$500	\$25.00	
from \$501 to \$2,500	\$50.00	
from \$2,501 to \$5,000	\$100.00	
from \$5,001 to \$10,000	\$150.00	
from \$10,001 to \$20,000	\$200.00	
from \$20,001 to \$30,000	\$250.00	
from \$30,001 to \$40,000	\$300.00	
from \$40,001 to \$50,000	\$350.00	
from \$50,100 and above + \$5.00 per \$1,000.00 over \$50,001	\$400.00	
Signs		
from \$0 to \$500	\$25.00	
from \$501 to \$2,500	\$40.00	
from \$2,501 to \$5,000	\$55.00	
from \$5,001 to \$10,000	\$70.00	
from \$10,001 to \$20,000	\$85.00	
from \$20,001 to \$40,000	\$95.00	
from \$40,001 to \$50,000	\$130.00	
from \$50,100 and above + \$3.00 per \$1,000.00 over \$50,000	\$155.00	

**PLANNING/ZONING FEES**

Text amendment to Town Code	\$100.00
Advertisement for public notices	\$50.00
Application - minor subdivision (per lot)	\$200.00
Subdivision Appeal:	
TRC to Planning Board	\$150.00
TRC to Planning Board (Height Exception Application fee - Sec. 19-333.1)	\$250.00
TRC to BOA	\$375.00
Final plat approval submission (or 50 cents per lot, whichever is greater)	\$125.00
Request for zoning change (plus \$5.00 fee for each notification mailed)	\$100.00
Chapter 19 Zoning violation - Sec. 19-401	\$50.00

**BOARD OF ADJUSTMENT FEES**

Appeal/Variance	\$375.00
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**FIRE INSPECTION AND PERMIT FEES**

Commercial New and Existing Construction Permit Fees:

A= Total gross building floor area of construction

B= Fee per Square Foot

0 - 5,000 sf

5,001-15,000 sf

Over 15,000 sf

$A \times B = \text{Permit Fee}$

$(A \times B \times .75) + (1250 \times B) = \text{Permit Fee}$

$A \times B \times .50 + (5000 \times B) + \text{Permit Fee}$

Occupancy Type:

Residential

Storage

Assembly

Institutional

Business

Mercantile

Hazardous

Factory Indust

Education

Fee Per Square Foot

\$0.05

\$0.035

\$0.06

\$0.06

\$0.06

\$0.06

\$0.05

\$0.04

\$0.065

Construction Permits:

Sprinkler Systems

Fire Alarm Systems

Suppression Systems

Fire pump and related Equipment

Private Fire Hydrants

Standpipe Installation per Riser

\$85.00

\$85.00

\$85.00

\$85.00

\$85.00

\$85.00

Additions

Up Fits

Mobile Buildings

Accessory Structures

Commercial Inspection Fee

Occupancy Certification

Occupying building without CO

Working without Permit

Stop Order Removal

Failure to Obtain Final Inspection

Afterhours/Weekend/Holiday Inspections

ABC Permit

Fire Flow Test

Day Care State Inspection

Witness Fire Flow/Pump Test

Commercial Construction Inspection

Reinspection Fee

Standpipe Test per Riser

Temporary Structures (Tents, Etc)

Use Schedule or Min. \$45 + Inspection Fees

Use Schedule or Min. \$45 + Inspection Fees

\$45 + Inspection fee

\$45 + Inspection fee

\$45 Per Inspection per bldg. (Applies to all bldgs.)

\$25 + Inspection Fee

\$250

\$50 or 2x Permit Fee, whichever is greater

\$200

\$100

\$120

\$45

\$45

\$45

\$45

\$45

\$45

\$75

Revert to Building Permit Fee



**CIVIL CITATION PROGRAM FEES**

	<u>1st Offense</u>	<u>2nd Offense</u>
<u>Beach:</u>		
Dogs prohibited on beach strand Sec. 4-17	\$150.00	Misdemeanor
Vehicles prohibited on beach strand Sec. 10-104	\$25.00	Misdemeanor
Fire prohibited on beach strand Sec. 12-40	\$100.00	\$200.00
Litter, glass & alcohol prohibited on beach Sec.12-35	\$150.00	Misdemeanor
Boats, jet skis prohibited w/in 300' from high tide mark Sec. 12-37	\$25.00	\$50.00
Surfing regulations Sec. 12-33	\$25.00	Misdemeanor
Dune trespassing prohibited Sec. 12-39	\$100.00	Misdemeanor
Digging holes in the beach/beach restoration Sec. 12-46	\$100.00	Misdemeanor
No items on beach between 7pm-8am/No beach equip. within 15 ft of turtles/No beach equip. within 25 ft of emergency access points Sec. 12-43	\$50.00	\$100.00
Sleeping on beach after midnight prohibited Sec. 12-31	\$25.00	Misdemeanor
Nude bathing, including thong bathing suits or similar attire, prohibited Sec. 12-32	\$25.00	Misdemeanor
Leaping from commercial pier Sec. 12-34	\$250.00	
<u>Animals/Pets:</u>		
Dogs must be on a leash Sec. 4-16	\$150.00	Misdemeanor
Animal/Pet waste removal Sec. 4-16.1	\$150.00	Misdemeanor
<u>Vehicles/Parking:</u>		
Failure to purchase & display Town decal Sec. 10-17	\$25.00	Misdemeanor
Parking Ticket Sec. 10-222 - 235	\$50.00	
Parking in a handicap space	\$150.00	Misdemeanor
Soliciting transportation Sec. 10-68	\$10.00	
Vehicles prohibited certain areas Sec.10-60	\$50.00	Misdemeanor
<u>Miscellaneous:</u>		
Bicycle regulations Sec. 10-291-308	\$25.00	\$50.00
Noise violations prohibited Sec. 11-31	\$250.00	Misdemeanor
Alcohol consumption/open containers prohibited on public property Sec. 3-1	\$50.00	Misdemeanor
Requirements for taverns and bars Sec. 3-2	\$50.00	G.S.18B-302.1
Beach Vitex Prohibited Sec. 12-41	\$25.00	\$50.00
Numbering of buildings Sec.5-121	\$50.00	
Real estate signs on Town property Sec. 11-80	\$50.00	

Adopted by Town Council on June , 2015.

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Dean Lambeth, Mayor

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Attest: Nancy Hewitt, Deputy Town Clerk

# TOWN OF KURE BEACH FISCAL YEAR 2015/2016 PROPOSED BUDGET



MAY 19, 2015

## **GENERAL BUDGET INFORMATION**

- The budget proposal is in accordance with NC General Statutes Section 159-11
- All sections of the budget are in conformance with The Local Government Budget and Fiscal Control Act
- As required by NC General Statutes Section 159-12, a public hearing must be held prior to budget adoption. The public hearing is scheduled for Thursday, June 4<sup>th</sup> at 6:30 pm
- Once the budget proposal is accepted by Town Council, copies will be available for public inspection on the Town's website and at Town Hall
- A balanced budget, or an interim budget, must be adopted before July 1st

## GENERAL BUDGET INFORMATION

The budget proposal consists of 3 components:

1. Budget Message – summarizes the budget, provides key highlights and identifies significant differences from the current year budget
2. Draft Budget Ordinance – contains the budgeted revenues and expenditures by fund, information regarding property taxes, salaries, any changes to the Fee Schedule, as well as other statutory requirements
3. Draft Fee Schedule – includes the fees to be charged by the Town for various services

**TOWN OF KURE BEACH  
FISCAL YEAR 2015/2016 GOALS**

1. Resolution of outstanding issues relating to the Sandman properties
2. Develop a short-term and long-term space plan for Town departments
3. Maintain the current tax rate, if possible
4. Develop a long-term plan for funding beach nourishment, including one new funding stream independent of property taxes
5. Prioritize potential due infiltration projects
6. Review, decide and implement the salary study and any potential salary adjustments
7. Monitor potential revenue shortfalls that may occur in future years

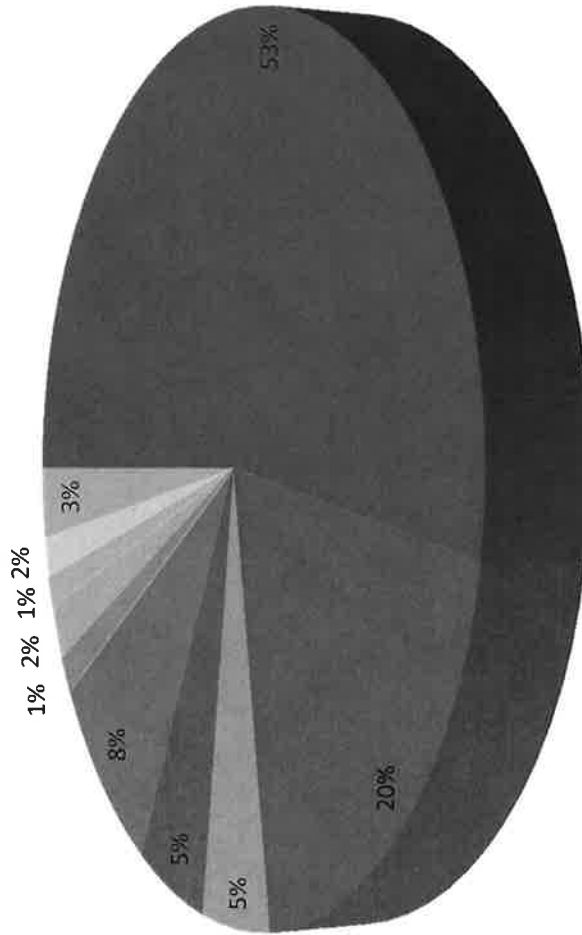
TOWN OF KURE BEACH  
 FISCAL YEAR 2015/2016  
 PROPOSED BUDGET

<u>FUND</u>	<u>PROPOSED BUDGET</u>
General Fund	\$4,019,829
Water and Sewer Fund	\$1,854,425
Storm Water Fund	\$ 491,150
Powell Bill Fund	\$ 64,030
Beach Protection Fund	\$ 50,000
Federal Asset Forfeiture Fund	\$ 50,000
Sewer Expansion Reserve Fund (SERF)	<u>\$ 22,635</u>
TOTAL	<u>\$6,552,069</u>

**TOWN OF KURE BEACH**  
**FISCAL YEAR 2015/2016 PROPOSED BUDGET**  
**GENERAL FUND HIGHLIGHTS**

1. No change to tax rate – remain at 26.15 cents per \$100 of valuation
2. No General Fund fee increases
3. No increase in the number of full time personnel
4. 1.7% Cost of Living Adjustment and 3.3% merit increase for employees
5. Salary Study adjustments totaling \$29,393 (0.7% of the total budget)
6. Capital expenditures totaling \$121,000
7. Transfer \$50,000 to the Beach Protection Fund
8. Contingency of \$133,684
9. Overall, the 2016 General Fund budget is 6.0% greater than the 2015 original budget

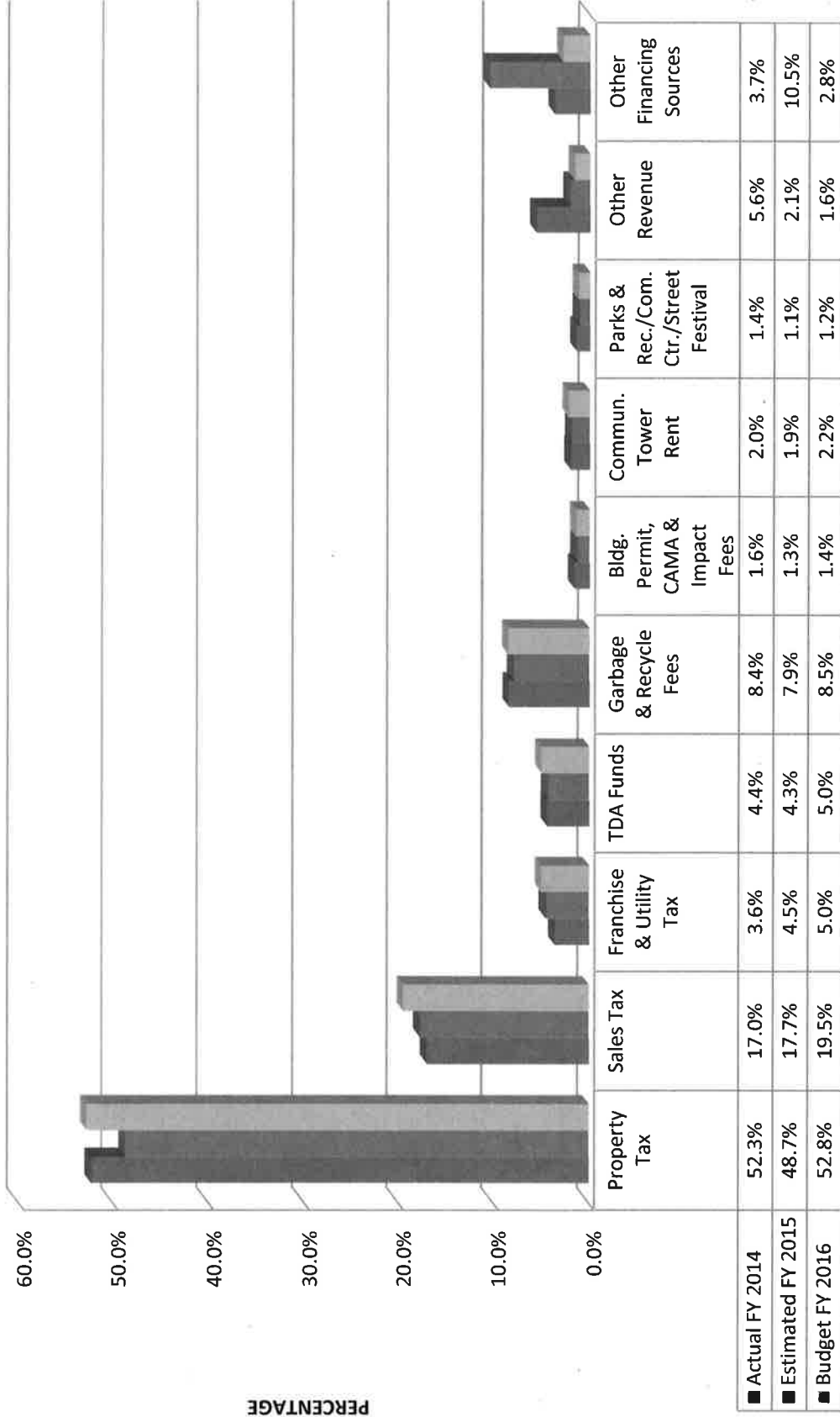
# GENERAL FUND REVENUE BUDGET FISCAL YEAR 2016



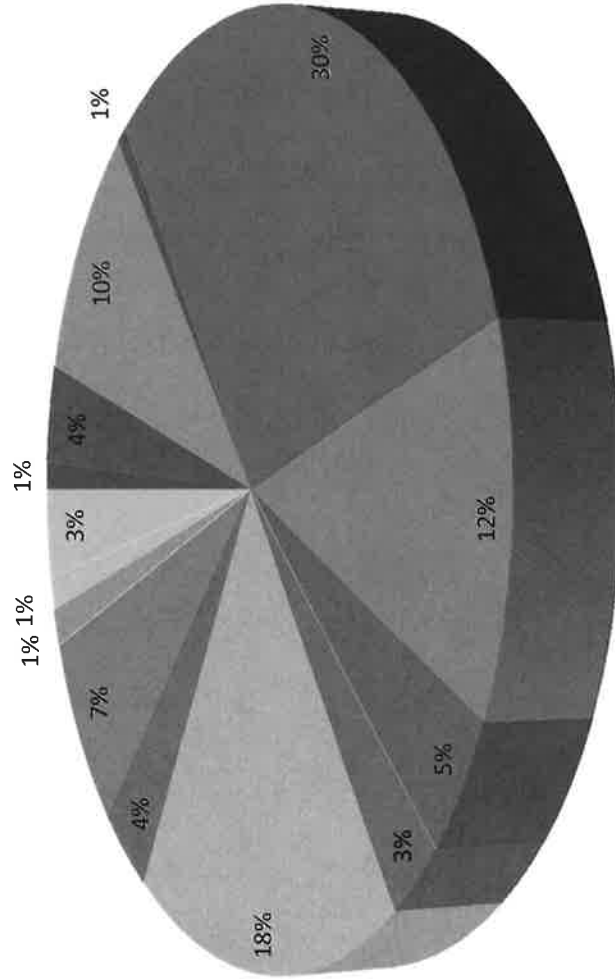
- Property Tax \$2,121,250
- Sales Tax \$785,200
- Franchise & Utility Tax \$201,500
- TDA Funds \$203,057
- Garbage & Recycling Fees \$341,400
- Bldg. Permit, CAMA & Impact Fees \$57,200
- Communication Tower Rent \$86,702
- Parks & Rec./Comm. Ctr./Festival \$47,450
- ≠ Other Revenue \$65,070
- Other Financing Sources \$111,000



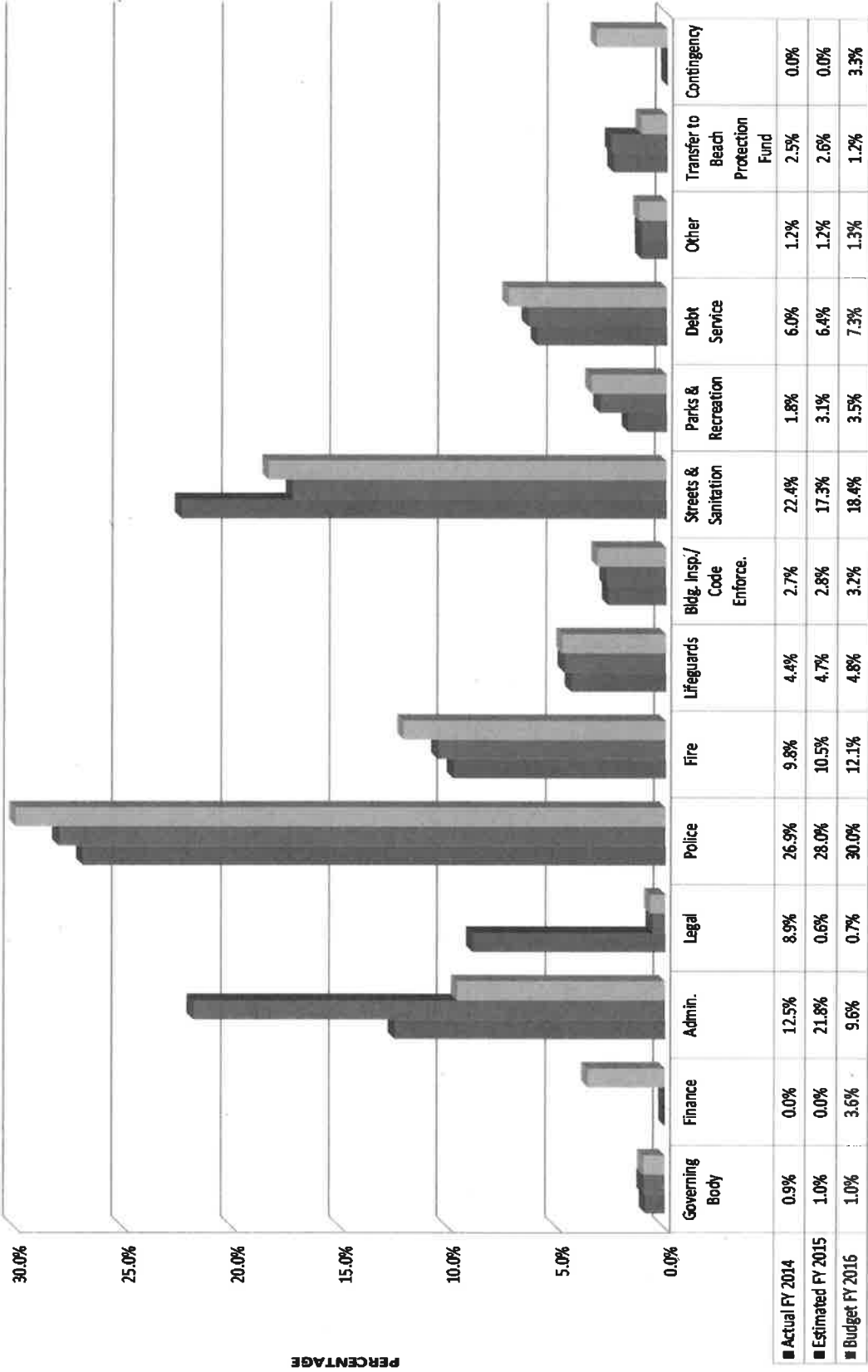
**GENERAL FUND  
PERCENTAGE OF REVENUE BY SOURCE  
FISCAL YEAR 2014 TO 2016**



# GENERAL FUND EXPENSE BUDGET FISCAL YEAR 2016



**GENERAL FUND  
PERCENTAGE OF EXPENSES BY DEPARTMENT  
FISCAL YEAR 2014 TO 2016**



**TOWN OF KURE BEACH**  
**FISCAL YEAR 2015/2016 PROPOSED BUDGET**  
**WATER AND SEWER FUND HIGHLIGHTS**

1. Changes to the existing water and sewer rate structure
2. Approximately \$112,279 for possible infrastructure projects and \$90,000 for equipment/vehicle capital expenditures
3. Debt service totaling \$109,866
4. Transfer \$50,000 to the Water and Sewer Capital Projects Fund for water line replacement project
5. Salary Study adjustments totaling \$8,690 (0.5% of the total budget)
6. Overall, the 2016 Water and Sewer budget is 15.9% greater than the 2015 original budget

**PROPOSED FISCAL YEAR 2015/2016  
WATER & SEWER RATE STRUCTURE CHANGES**

1. Lower the monthly minimum number of gallons from 3,000 to 2,500
2. The monthly minimum rate remains unchanged:

<b>SERVICE TYPE</b>	<b>MONTHLY MINIMUM RATE</b>
Residential - Water	\$13.50
Residential - Sewer	\$23.50
Commercial - Water	\$18.50
Commercial - Sewer	\$25.50
Out of Town - Water	\$23.00
Out of Town - Sewer	\$40.50

**PROPOSED FISCAL YEAR 2015/2016  
WATER & SEWER RATE STRUCTURE CHANGES**

- Change the rates (per 100 gallons) for usage above the 2,500 gallon minimum as follows:

SERVICE TYPE	CURRENT RATE	PROPOSED RATE
Residential - Water	\$0.36	\$0.45
Residential - Sewer	\$0.465	\$0.58
Commercial - Water	\$0.555	\$0.694
Commercial - Sewer	\$0.57	\$0.7125
Out of Town - Water	\$0.63	\$0.7875
Out of Town - Sewer	\$0.81	\$1.0125

**IMPACT OF RATE CHANGES ON A RESIDENTIAL ACCOUNT  
AT 4 MONTHLY USAGE LEVELS**

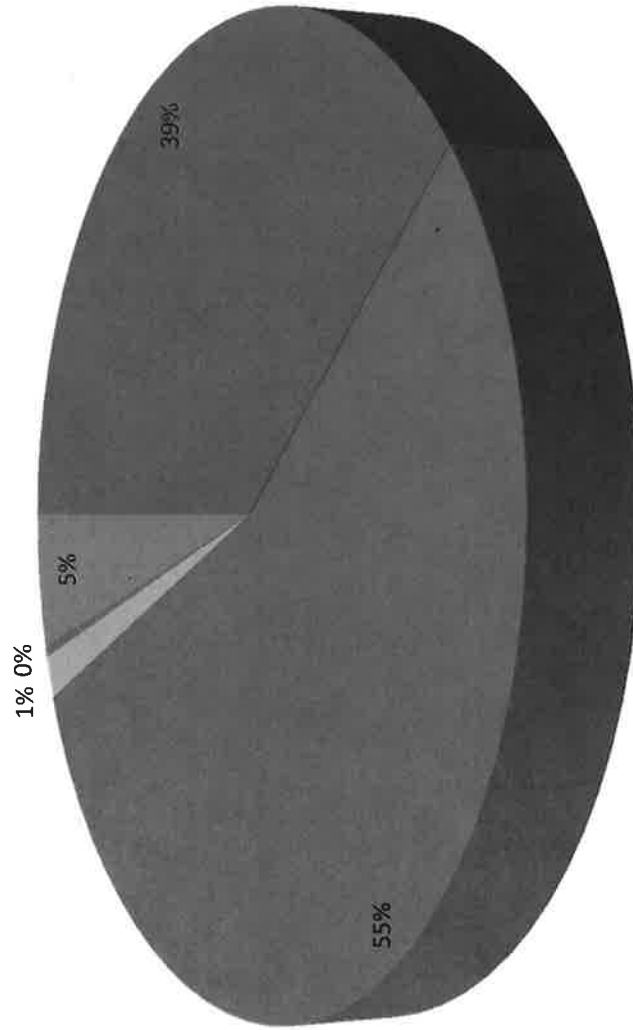
	<b>EXISTING RATES</b>	<b>PROPOSED RATES</b>
<b><u>Monthly Usage of 2,500 Gallons or Less</u></b>		
Monthly Minimum	\$37.00	\$37.00
Above Minimum Usage	<u>0.00</u>	<u>0.00</u>
Total	<u>\$37.00</u>	<u>\$37.00</u>
% Change		0.0%
<b><u>Monthly Usage of 3,000 Gallons</u></b>		
Monthly Minimum	\$37.00	\$37.00
Above Minimum Usage	<u>0.00</u>	<u>5.15</u>
Total	<u>\$37.00</u>	<u>\$42.15</u>
% Change		13.9%
Increase Amount		\$5.15

**IMPACT OF RATE CHANGES ON A RESIDENTIAL ACCOUNT  
AT 4 MONTHLY USAGE LEVELS**

	EXISTING RATES	PROPOSED RATES
<b><u>Monthly Usage of 4,000 Gallons</u></b>		
Monthly Minimum	\$37.00	\$37.00
Above Minimum Usage	<u>8.25</u>	<u>15.45</u>
Total	<u>\$45.25</u>	<u>\$52.45</u>
% Change		15.9%
Increase Amount		\$7.20
<b><u>Monthly Usage of 5,000 Gallons</u></b>		
Monthly Minimum	\$37.00	\$37.00
Above Minimum Usage	<u>16.50</u>	<u>25.75</u>
Total	<u>\$53.50</u>	<u>\$62.75</u>
% Change		17.3%
Increase Amount		\$9.25

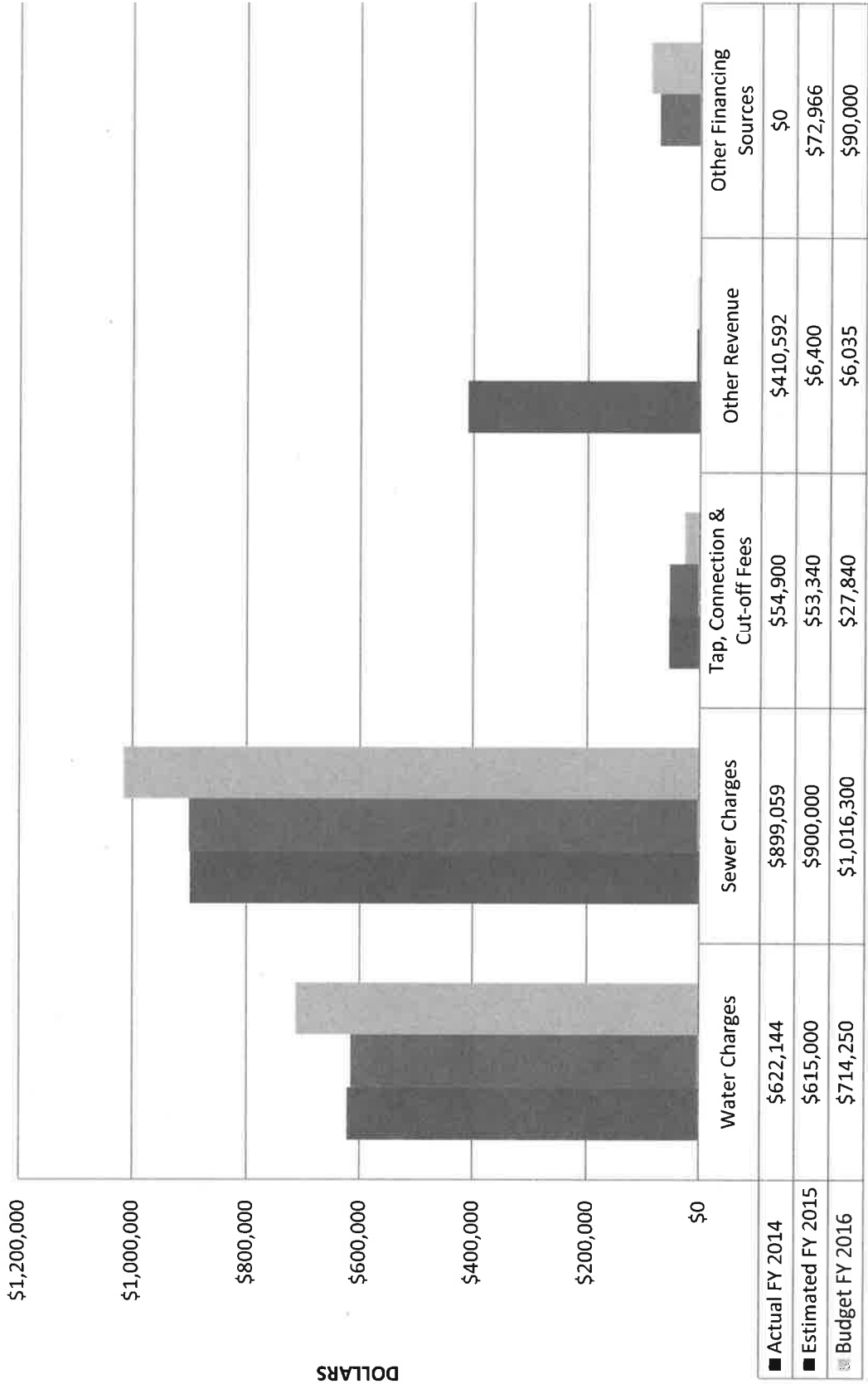


**WATER & SEWER FUND  
REVENUE BUDGET  
FISCAL YEAR 2016**

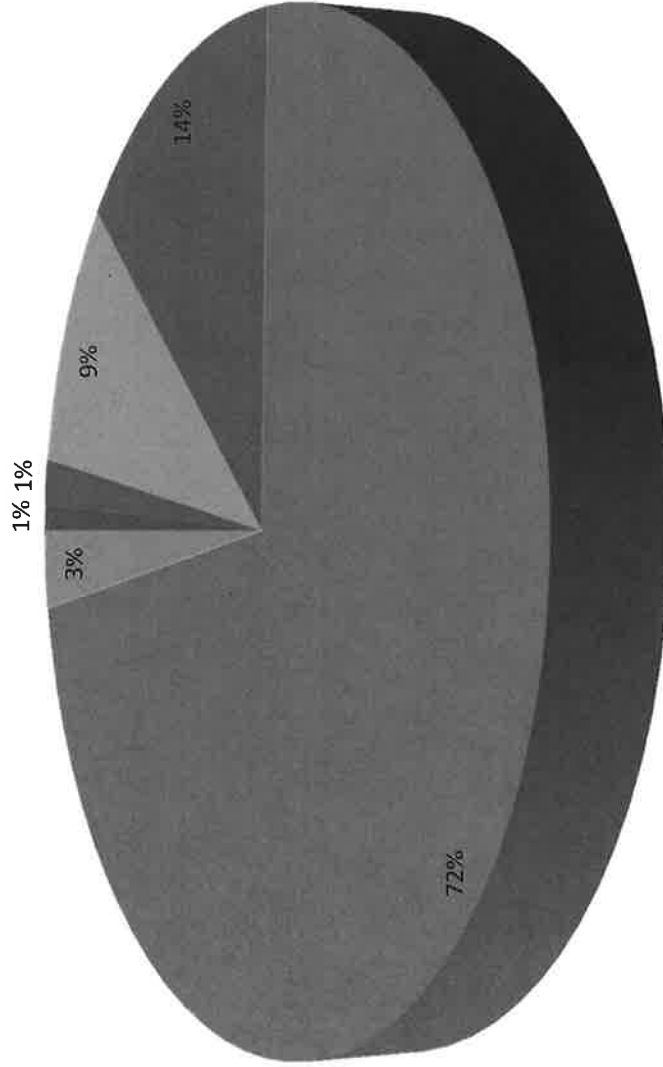


- Water Charges \$714,250
- Sewer Charges \$1,016,300
- Tap, Connection & Cut-off Fees \$27,840
- Other Revenue \$6,035
- Other Financing Sources \$90,000

**WATER & SEWER FUND  
REVENUE BY SOURCE  
FISCAL YEAR 2014 TO 2016**

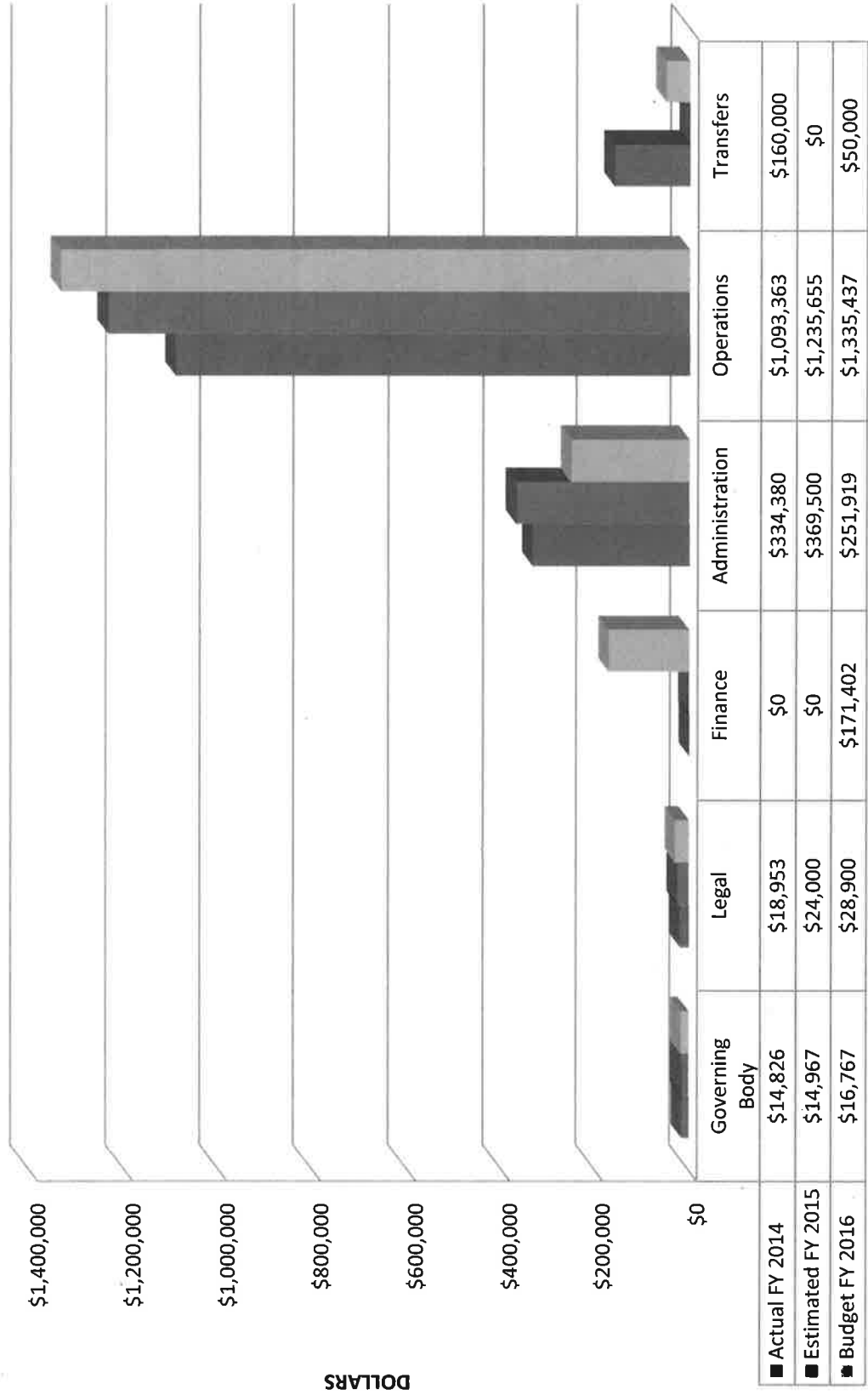


**WATER & SEWER FUND  
EXPENSE BUDGET  
FISCAL YEAR 2016**



- Governing Body \$16,767
- Legal \$28,900
- Finance \$171,402
- Administration \$251,919
- Operations \$1,335,437
- Transfer to Capital Projects \$50,000

**WATER & SEWER FUND  
EXPENSES BY DEPARTMENT  
FISCAL YEAR 2014 - 2016**

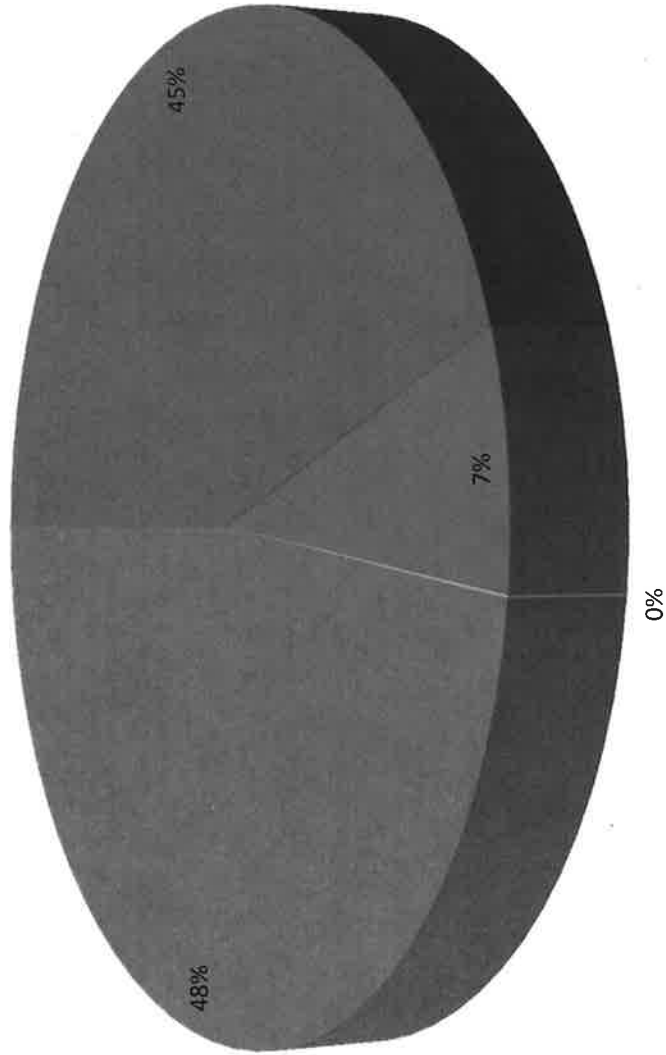


DOLLARS

**TOWN OF KURE BEACH  
FISCAL YEAR 2015/2016 PROPOSED BUDGET  
STORM WATER FUND HIGHLIGHTS**

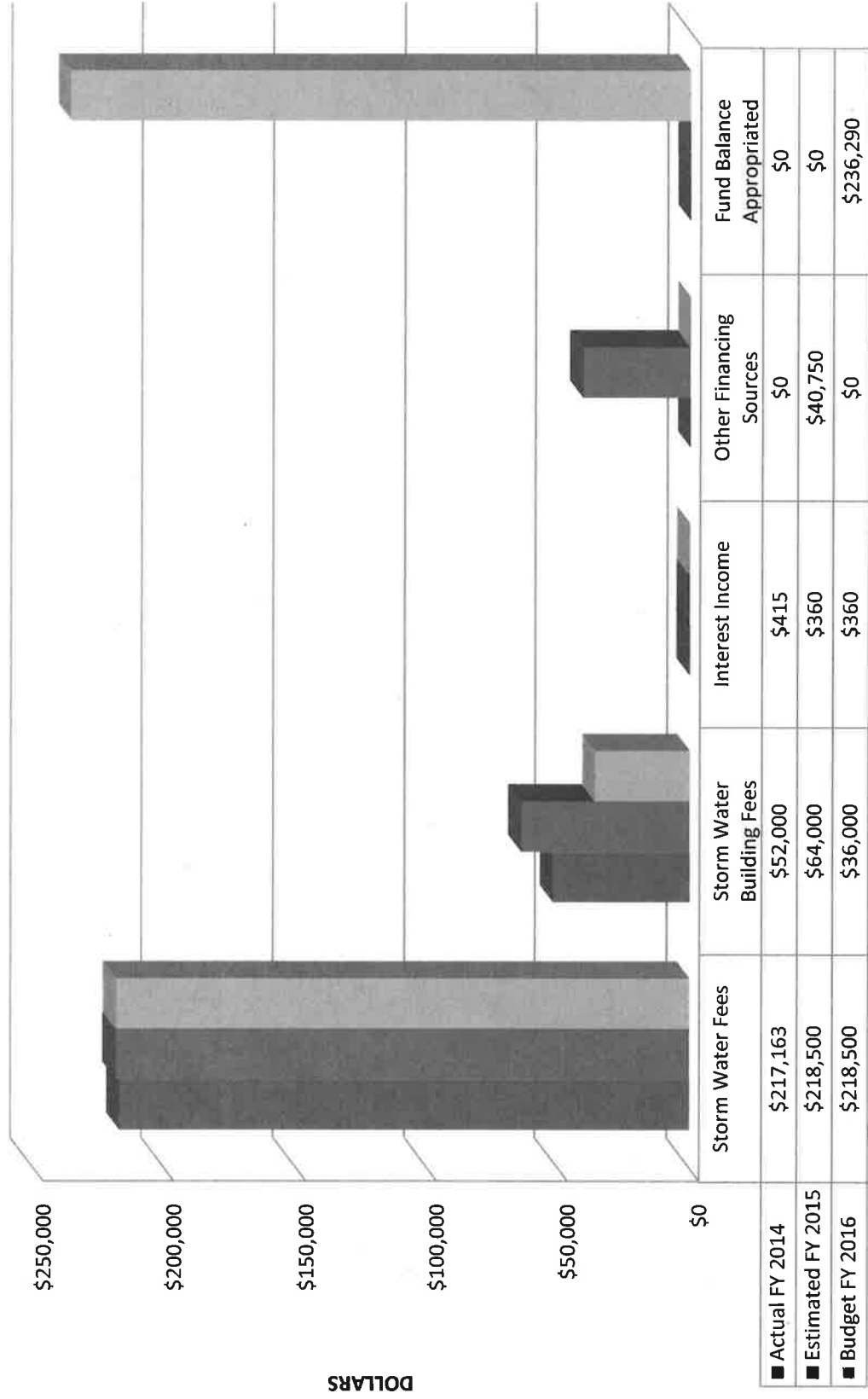
1. No proposed changes to existing storm water fees
2. Debt service totaling approximately \$88,700
3. Transfer \$275,000 to the Storm Water Capital Projects Fund for infrastructure project in the Kure Beach Village area
4. Salary Study adjustments totaling \$1,658 (0.3% of the total budget)
5. Overall, the 2016 Storm Water budget is 70.9% greater than the 2015 original budget

**STORM WATER FUND  
REVENUE BUDGET  
FISCAL YEAR 2016**



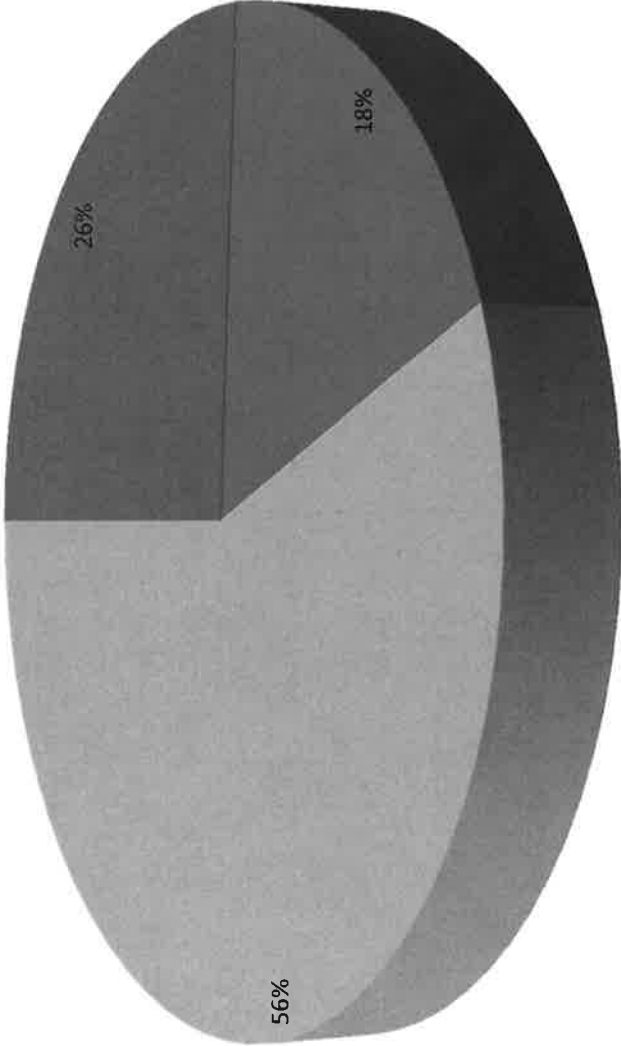
- Storm Water Fees \$218,500
- Storm Water Building Fees \$36,000
- Interest Income \$360
- Fund Balance Appropriated \$236,290

## STORM WATER FUND REVENUE BY SOURCE FISCAL YEAR 2014 - 2016



DOLLARS

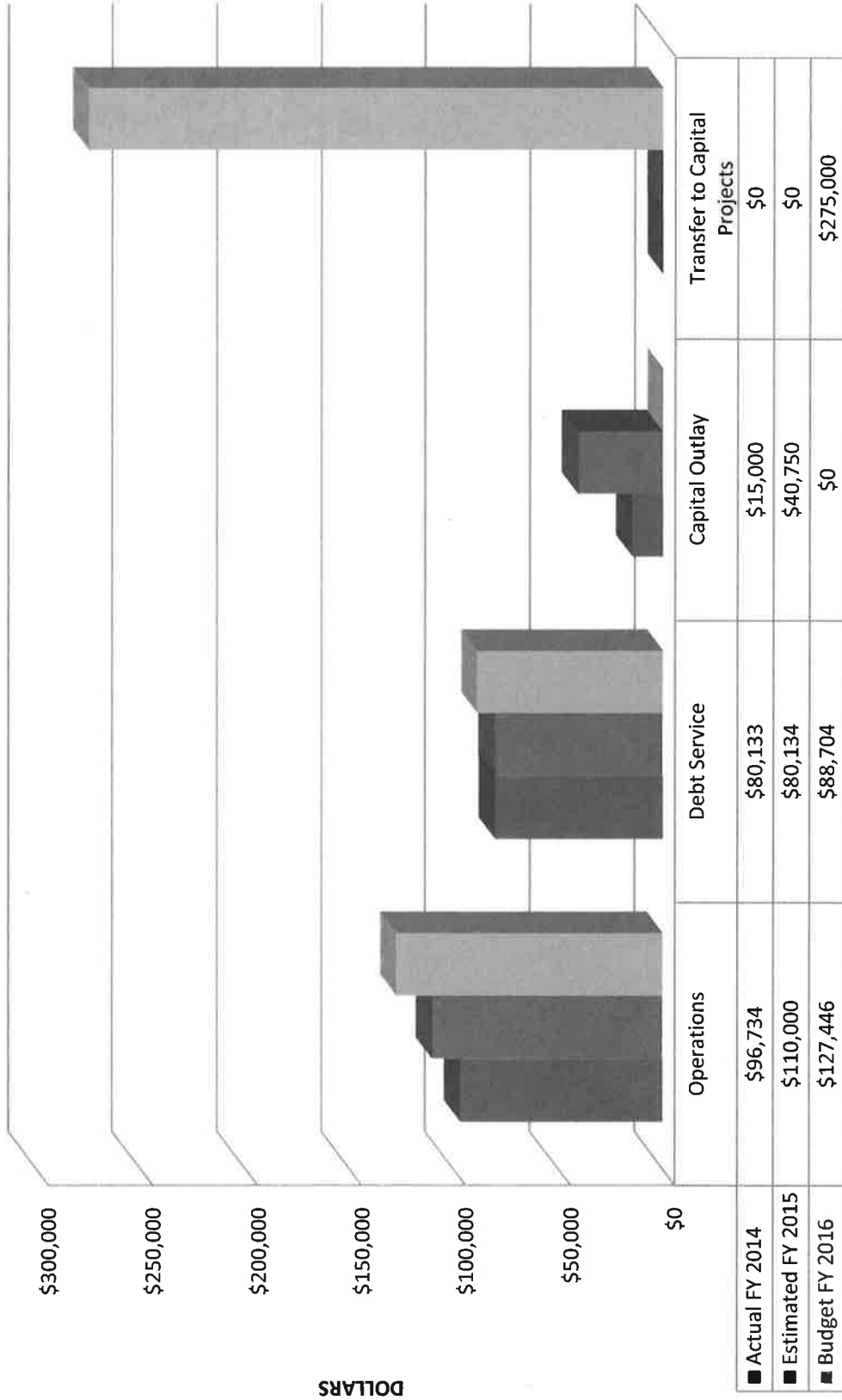
**STORM WATER FUND  
EXPENSE BUDGET  
FISCAL YEAR 2016**



- Operations \$127,446
- Debt Service \$88,704
- Transfer to Capital Projects \$275,000



**STORM WATER FUND  
EXPENSES BY TYPE  
FISCAL YEAR 2014 - 2016**



DOLLARS

**FISCAL YEAR 2015/2016 PROPOSED BUDGET  
OTHER FUNDS**

FUND NAME	DESCRIPTION	BUDGET
Powell Bill	NC DOT allocation to be used solely for street related maintenance, repairs, etc.	\$64,030
Beach Protection	Reserve fund for future beach related needs	\$50,000
Federal Asset Forfeiture	Restricted use funds from participation in federal agency investigations	\$50,000
Sewer Expansion Reserve (SERF)	Reserve fund for future sewer expansion projects	\$22,635

## Dean Lambeth

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**From:** Keen, Steve P <steve.keen@nc.gov>  
**nt:** Thursday, April 30, 2015 5:16 PM  
**To:** Dean Lambeth  
**Cc:** Keen, Steve P  
**Subject:** Connect NC Bond Information  
**Attachments:** Bond Information Package April 25-2015.pdf

Dean,  
Good afternoon and thanks for the phone call.  
As discussed, the Governor's Office is reaching out to Mayors throughout North Carolina, encouraging them to share this attachment with their boards.  
Dean, after your study, do you suppose a resolution could be created by the Town of Kure Beach in support of the Governor's Bond Referendum initiative?  
Please call me anytime I can help you.  
All the best,  
Steve

**Steve Keen**  
Eastern Regional Director  
Office of the Governor  
Cell: 919-920-7023  
[steve.keen@nc.gov](mailto:steve.keen@nc.gov)

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E-mail correspondence to and from this address may be subject to the North Carolina Public Records Law and may be disclosed to third parties by an authorized state official.



## "Connect NC"

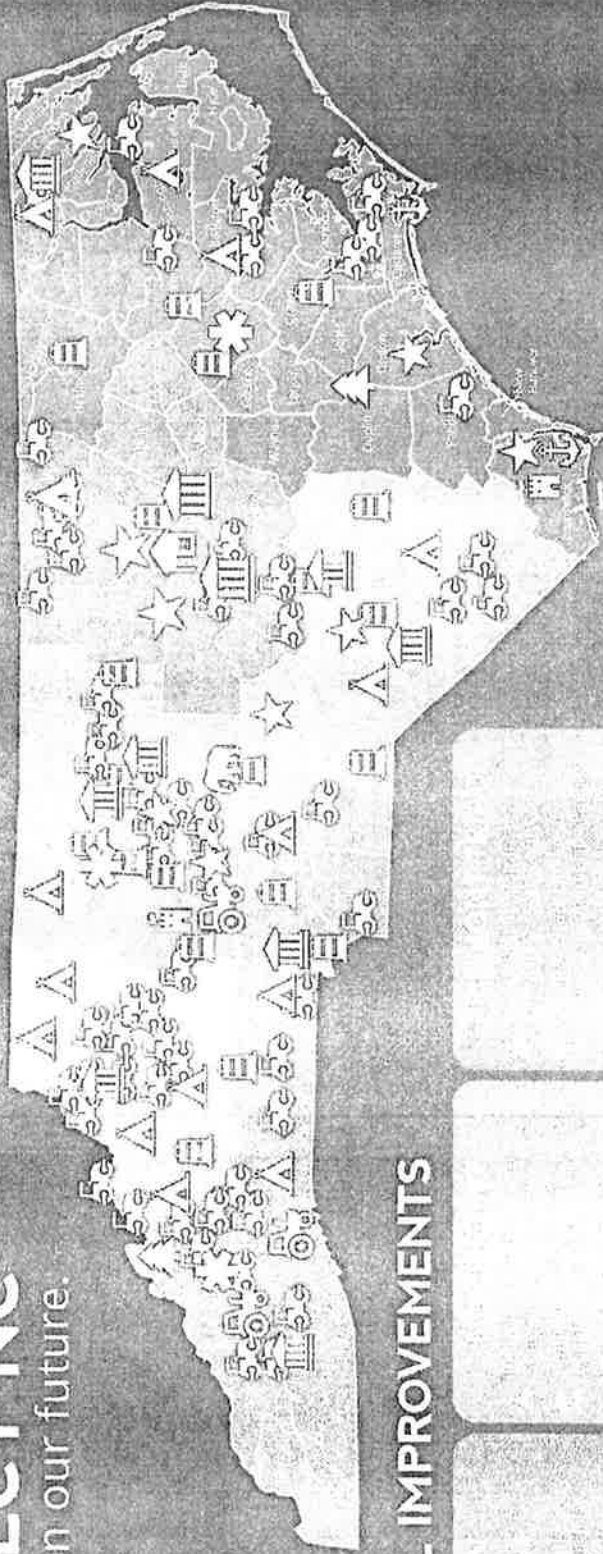
### Talking Points:

- I am a fan of President Dwight D. Eisenhower... who connected our country with the interstate system that also helped create jobs and improve our quality of life.
  - Now it is our vision to connect North Carolina in the 21<sup>st</sup> century through:
    - Roads
    - Rail
    - Ports
    - Public health
    - Education
    - Technology
    - Parks
    - Military
  - To achieve this... I have announced a \$2.85 billion bond proposal to achieve this vision and continue the Carolina Comeback.
  - We can do this:
    - With no tax increases
    - With continuing to balance our budget
    - And with continuing our Triple A bond ratings
  - We need to allow our voters and our citizens to make this important decision for future generations.
-

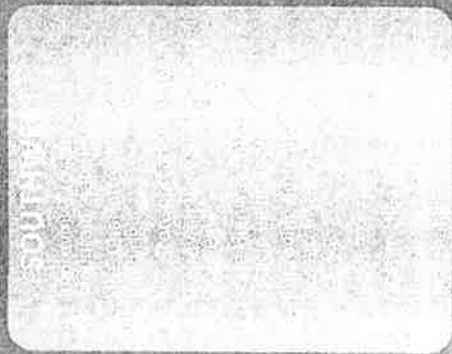
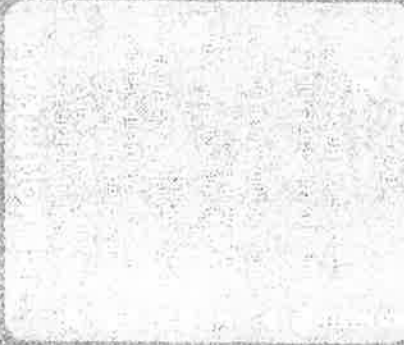
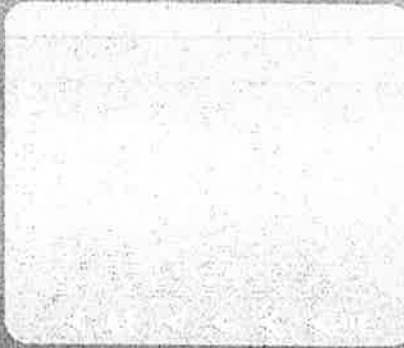
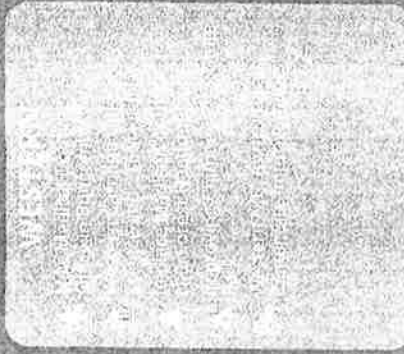
- If we wait:
    - The interest rates will go up
    - The costs will go up to taxpayers
    - Congestion will get worse
    - And jobs will not expand at the rate we need in North Carolina
  
  - These strategic investments:
    - Protect our safety
    - Build highways
    - Improve our ports
    - Target education investments with over \$700 million for higher education to help close skills gap/ support innovation
    - Create jobs
    - Improve the quality of life and environment for all citizens
  
  - Now is the time for action... and the time to let voters decide.
  
  - Our next step is to get legislative input and approval and allow our citizens to vote on investing in North Carolina's future.
-

# CONNECT NC

Investing in our future.



## REGIONAL IMPROVEMENTS



Unpaved Secondary Roads Paving Projects  
 Candidate Bond Projects (Statewide, Regional and Division)

Note: This is a sample of projects in each region, not a complete list. Regions based on N.C. Department of Commerce Prosperity Zones

**SOUTHWEST**

- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport

**SOUTHERN**

- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport
- Improving Airport

**SOUTHEAST**

- Camp Lejeune Road Improvements
- Improving Wilmington National Guard Facilities
- Rebuild DuPont Plant
- U.S. Forest Service Headquarters
- U.S. Coast Guard Visitor's Center
- U.S. Coast Guard Visitor's Center
- U.S. Coast Guard Visitor's Center
- U.S. Coast Guard Visitor's Center
- U.S. Coast Guard Visitor's Center
- U.S. Coast Guard Visitor's Center

**NORTH CENTRAL**

- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center
- Blount County Regional Center

**NORTHEAST**

- New Medical Examiner's Office in Pitt County
- Hanger for Elizabeth City U.S. Coast Guard
- Improve Goose Creek State Park in Beaufort
- Improving Pettigrew State Park
- Improving Merchants Wharf in Scotland Neck
- Elizabeth City State University Facility Repairs and Renovations
- Elizabeth City State University
- Elizabeth City State University
- Elizabeth City State University
- Elizabeth City State University



According to the 2015 population estimates released by the U.S. Census Bureau, North Carolina surpassed Michigan to become the ninth most populous state. The Census data shows that North Carolina remains an attractive state for both retirees and new professionals. The state is growing significantly faster than average and demographers expect this trajectory to continue.

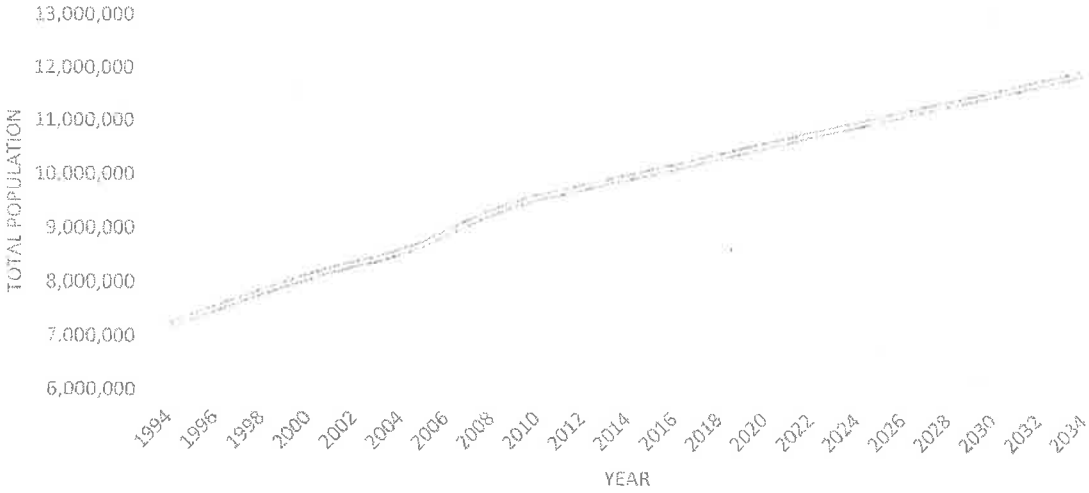
Our rapidly-growing state population presents critical infrastructure needs. To keep up with the needs and challenges of the 21<sup>st</sup> century, we must take advantage of historically low interest rates by issuing long-term financing. We are requesting two bonds of \$1.4 billion each that will support investment in our state's transportation and other public infrastructure to cultivate a stronger economy and improved quality of life.

There is no better time for this targeted, long-term investment in our state's future, which will be approved by the voters through a referendum and which will not in any way imperil our state's pristine credit ratings.

**The need is clear**

- New school facilities and superior roads and bridges are long-term investments in the state's future that will support our growth and make North Carolina more attractive to businesses and residents.
- This is a targeted, long-term investment to upgrade and maintain our state's critical infrastructure.

**ANNUAL ESTIMATED AND PROJECTED POPULATION, 1994-2034**



### Long-term financing is the tool

- Long-term financing is the most efficient way to fund critical need projects.
- North Carolina has an established and successful history of responsibly using long-term financing for infrastructure that supports the needs of a growing state population and economy.

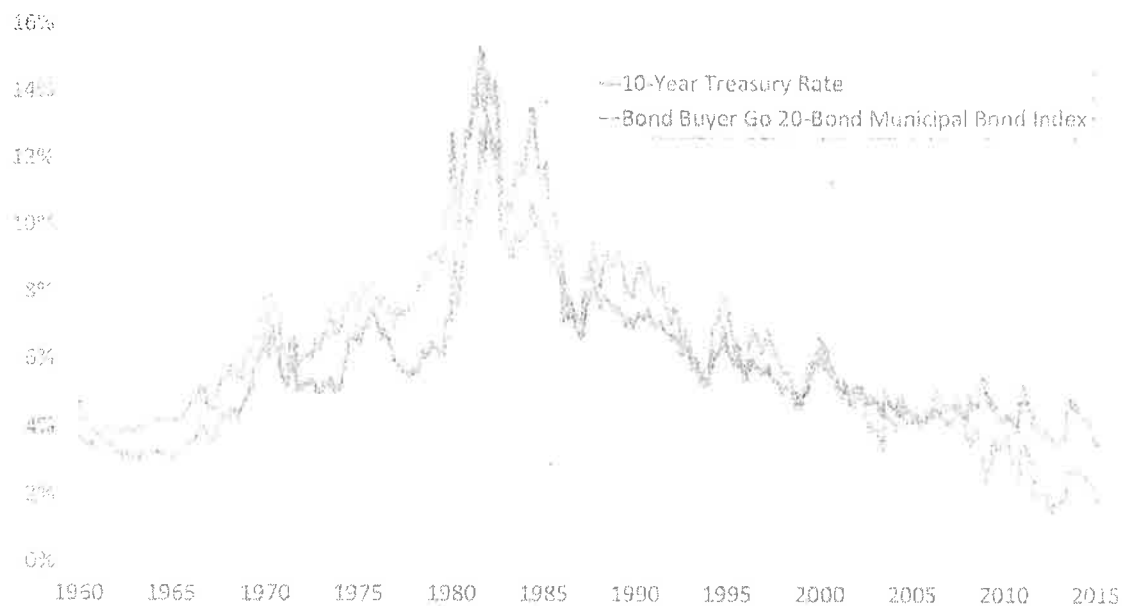
### Fiscally responsible and conservative

- We are paying for 50-year assets with 20-year money at historically low interest rates.
- North Carolina will not do anything to jeopardize our Triple A credit ratings by all three ratings agencies – the bonds have been sized to be well within current debt affordability, as recently determined by the State Treasurer.
- The state's pristine "Triple Triple A" credit rating keeps the cost of financing projects low.

### Now is the time to invest in our future

- Interest rates are lower for public financing than they have ever been previously; if we are ever going to issue debt, now is the time.

## Interest Rates on Government Bonds at Historic Lows



Source: Federal Reserve Bank of St. Louis

### Statewide solutions

- Strategic investments have been selected considering agency priority, the size of the project and location.
- Bond proceeds will benefit projects from the mountains, to the piedmont, to the coast with investments in 64 counties across the state.
- Projects include investments in both small rural areas and large urban cities.

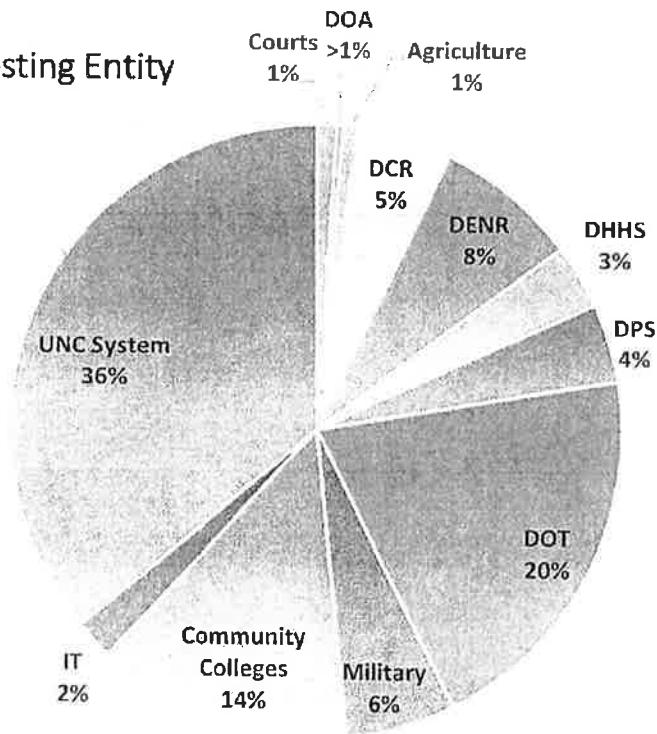


# CONNECT NC

Investing in our future.

Requesting Entity	Total
Administrative Office of the Courts	\$15,000,000
Department of Administration	\$5,039,000
Department of Agriculture and Consumer Services	\$11,000,000
Department of Cultural Resources	\$75,500,000
Department of Environment and Natural Resources	\$112,260,800
Department of Health and Human Services	\$50,677,100
Department of Public Safety*	\$62,479,500
Department of Transportation	\$300,000,000
Military Affairs Commission*	\$87,200,000
NC Community College System	\$200,000,000
Office of Information Technology Services	\$31,100,000
University of North Carolina System	\$534,338,616
<b>Grand Total</b>	<b>\$1,484,595,016</b>

**Bond Proceeds by Requesting Entity**



\*Note: National Guard requests reflected in DPS total

# CONNECT NC

Investing in our future.

County	Project Title	Department	Sum of Estimated Total Project Cost
Alleghany and Wilkes	Stone Mountain	DENR	\$1,784,000
Ashe	Mount Jefferson	DENR	\$2,000,000
Avery, Watauga and Caldwell	Grandfather Mountain	DENR	\$2,002,000
Beaufort	Goose Creek	DENR	\$1,970,000
Bladen	Singletary Lake	DENR	\$767,000
Brunswick	Brunswick Town Ft. Anderson Historic Site - Shoreline prc	Department of Cultural Resources	\$3,500,000
Buncombe	New Medical Examiner's Office - Buncombe County/Ashe	Department of Health and Human Services	\$12,976,000
Burke	New Broughton Hospital - New Maintenance Building	Department of Health and Human Services	\$3,750,000
Burke	South Mountain	DENR	\$3,000,000
Cabarrus	Reed Gold Mine State Historic Site	Department of Cultural Resources	\$7,000,000
Camden	Dismal Swamp	DENR	\$1,321,000
Carteret	Port of Morehead Infrastructure	Department of Transportation	\$4,000,000
Chatham	Jordan Lake	DENR	\$2,008,000
Columbus	Lake Waccamaw	DENR	\$11,200,000
Craven	Cherry Point MCAS Security Fence	Military Affairs Commission	\$5,000,000
Craven	FRC East Expansion	Military Affairs Commission	\$10,616,000
Cumberland	Lyons Science Bldg Renovation	UNC-Fayetteville State Univ	\$11,000,000
Cumberland and Onslow	FT. Bragg/Camp Lejeune Road Improvements	Military Affairs Commission	\$3,500,000
Dare	Graveyard of the Atlantic Museum - New Permanent Exh	Department of Cultural Resources	\$1,000,000
Duplin	NCFS Replace Duplin County Headquarters	Department of Agriculture and Consumer Services	\$250,000
Durham	NG - Durham Special Operations Center Major Renovatio	Department of Public Safety	\$34,000,000
Durham	School of Business	UNC-NC Central Univ	\$500,000
Durham and Granville	Camp Butner Buffer Zones	Military Affairs Commission	\$12,976,000
Forsyth	New Medical Examiner's Office -Forsyth County	Department of Health and Human Services	\$53,853,400
Forsyth	Sciences Building	UNC-Winston Salem State Univ	\$1,000,000
Gaston	Crowders Mountain	DENR	\$1,161,000
Gates	Merchants Millpond	DENR	\$601,000
Granville	John Umstead Hospital - Building Abatement and Demoli	Department of Health and Human Services	\$99,155,300
Guilford	New College of Engineering Facility	UNC-North Carolina A & T State University	\$625,000
Guilford	NG - High Point Army Major Renovations	Department of Public Safety	\$1,845,000
Halifax	Medoc Mountain	DENR	\$1,500,000
Harnett	Raven Rock	DENR	\$1,000,000
Henderson	WNC Agricultural Center Restroom and Site Improvement	Department of Agriculture and Consumer Services	\$3,076,000
Iredell	Lake Norman	DENR	\$114,932,235
Jackson	Science/STEM Facility	UNC-Western Carolina University	\$1,000,000
Jones	NCFS Replace Jones County Headquarters	Department of Agriculture and Consumer Services	\$1,231,000
Lenoir	Caswell Developmental Center - Building Abatement and	Department of Health and Human Services	

Madison	NCFS Replace Madison County Headquarters	Department of Agriculture and Consumer Services	\$1,000,000
McDowell and Burke	Lake James	DENR	\$4,028,000
Mecklenburg	Science Building	UNC - Charlotte	\$60,000,000
Mitchell and Avery	Yellow Mountain	DENR	\$3,000,000
Moore	Conversion of Samarcaud for Training Academy	Department of Public Safety	\$28,000,000
New Hanover	NG - Wilmington Armory Major Renovations	Department of Public Safety	\$250,000
New Hanover	Port of Wilmington Infrastructure	Department of Transportation	\$75,000,000
New Hanover	USS NC Battleship - New Visitor's Center	Department of Cultural Resources	\$11,500,000
Onslow	Camp Lejeune/Jacksonville Water Aquifer	Military Affairs Commission	\$1,000,000
Onslow	Hammocks Beach	DENR	\$1,500,000
Onslow	New River Storm Water Treatment System	Military Affairs Commission	\$2,500,000
Pasquotank	Hanger for ALC at Elizabeth City US Coast Guard	Military Affairs Commission	\$10,000,000
Pasquotank	Campuswide Repairs and Renovations	UNC-Elizabeth City State Univ	\$4,000,000
Pitt	New Medical Examiner's Office - Greenville	Department of Health and Human Services	\$12,128,000
Pitt, Guilford, Rowan, Catawba and Buncoi	SHP - Vehicle Paint Booths	Department of Public Safety	\$796,000
Randolph	Africa Plains Safari	DENR	\$250,000
Randolph	Australasia Exhibit Complex Replace Africa Pavilion	DENR	\$9,000,000
Randolph	Australasia Exhibit Complex	DENR	\$15,000,000
Randolph	Service Support and Utility Upgrades	DENR	\$20,750,000
Robeson	West Hall Rehabilitation	UNC Pembroke	\$10,000,000
Rockingham	Mayo River	DENR	\$1,000,000
Rowan	NC Transportation Museum	Department of Cultural Resources	\$15,000,000
Rutherford, Polk, Buncombe and Henderson	Chimney Rock	DENR	\$2,000,000
Scotland, Hoke, Robeson and Columbus	Lumber River	DENR	\$3,505,000
Stanly	EM - Badin Warehouse Lot Expansion	Department of Public Safety	\$130,000
Stanly	Morrow Mountain	DENR	\$2,050,000
Statewide	Funds to Address Department Wide Code Issues	Department of Agriculture and Consumer Services	\$1,000,000
Statewide	Infrastructure	AOC	\$15,000,000
Statewide	Non-highway transportation projects	Department of Transportation	\$50,000,000
Statewide	Statewide Building Mechanical and Electrical System Rep	Department of Cultural Resources	\$24,000,000
Statewide	Statewide Building Roof Repairs	Department of Cultural Resources	\$11,000,000
Statewide	System wide	NC Community College System	\$200,000,000
Stokes	Hangng Rock	DENR	\$2,800,000
Surry and Yadkin	Pilot Mountain	DENR	\$5,975,800
Tennessee	Gorges State	DENR	\$3,341,000
Tyrrell and Washington	Pettigrew	DENR	\$3,774,000
Vance and Warren	Kerr Lake	DENR	\$5,000,000
Various	Agricultural Chemical Handling Facilities at 11 Research S	Department of Agriculture and Consumer Services	\$1,000,000
Various	Enhance Bombing and EW Ranges	Military Affairs Commission	\$15,000,000
Various	NC National Guard Regional Armories (5)	Military Affairs Commission	\$18,000,000
Various	NCDA&CS Dam Repairs and Maintenance	Department of Agriculture and Consumer Services	\$1,000,000
Various	Readiness & Environmental Protection Integration	Military Affairs Commission	\$12,000,000
Various	Repairs at Four Veterinary Diagnostic Laboratory System	Department of Agriculture and Consumer Services	\$1,000,000

Various	Veterans Programs		
Various	Rail Transportation	Military Affairs Commission	\$1,000,000
Wake	Chilled Water Loop - Flow Meters at Buildings	Department of Transportation	\$50,000,000
Wake	Crime Lab - Replace Domestic Water Heater	Department of Administration	\$380,000
Wake	Demolish Vacant Buildings - Old Heating Plant and McGe	Department of Administration	\$151,000
Wake	Eastern Data Center Replacement	Department of Administration	\$191,000
Wake	Engineering Building-Oval	Office of Information Technology Services	\$31,100,000
Wake	Halifax Mall - Install Drainage System	UNC-North Carolina State University	\$77,000,000
Wake	JFHQ Heli-Pads	Department of Administration	\$121,000
Wake	NC State Fair - Dorton Arena Roof and Renovation	Department of Public Safety	\$745,000
Wake	New Revenue - Exterior Waterproofing Repairs	Department of Agriculture and Consumer Services	\$3,000,000
Wake	Old Revenue - ADA Improvements - Toilet Rooms	Department of Administration	\$50,000
Wake	SBI - Garner Road Bldg. 16 A & B Major Renovation	Department of Administration	\$52,000
Wake	SHP - Training Academy	Department of Public Safety	\$6,126,500
Wake	State Capitol - Site Electrical Improvements	Department of Public Safety	\$25,556,000
Wake	State Capitol - Window Replacement - Supplement	Department of Administration	\$64,000
Wake	Steam Plant - Boiler III - Replace Heat Exchanger	Department of Administration	\$784,000
Wake	Blount Street Rehabilitation Project	Department of Administration	\$90,000
Wake and Durham	Falls Lake	Department of Administration	\$3,156,000
Wake	College of Nursing and Health Sciences	DENR	\$1,053,000
Wayne	Cherry Hospital - Building Abatement and Demolition	ASU	\$70,781,681
Yancey	Mount Mitchell	Department of Health and Human Services	\$7,015,100
Grand Total		DENR	\$800,000
			\$1,484,595,016



Dept AOC	Department AOC	Project Title	County	Sum of Estimated Total Project Cost
		Infrastructure	Statewide	\$15,000,000
		AOC Total		\$15,000,000
	Department of Administration			
	Department of Administration	Chilled Water Loop - Flow Meters at Buildings	Wake	\$380,000
	Department of Administration	Crime Lab - Replace Domestic Water Heater	Wake	\$151,000
	Department of Administration	Demolish Vacant Buildings - Old Heating Plant and McGee House	Wake	\$191,000
	Department of Administration	Halifax Mall - Install Drainage System	Wake	\$121,000
	Department of Administration	New Revenue - Exterior Waterproofing Repairs	Wake	\$50,000
	Department of Administration	Old Revenue - ADA Improvements - Toilet Rooms	Wake	\$52,000
	Department of Administration	State Capitol - Site Electrical Improvements	Wake	\$64,000
	Department of Administration	State Capitol - Window Replacement - Supplement	Wake	\$784,000
	Department of Administration	Steam Plant - Boiler III - Replace Heat Exchanger	Wake	\$90,000
	Department of Administration	Blount Street Rehabilitation Project	Wake	\$3,156,000
	Department of Administration Total			\$5,039,000
	Department of Agriculture and Consumer Services			
	Department of Agriculture and Consumer Services	Agricultural Chemical Handling Facilities at 11 Research Stations	Various	\$1,000,000
	Department of Agriculture and Consumer Services	Funds to Address Department Wide Code Issues	Statewide	\$1,000,000
	Department of Agriculture and Consumer Services	NC State Fair - Dorton Arena Roof and Renovation	Wake	\$3,000,000
	Department of Agriculture and Consumer Services	NCD&CS Dam Repairs and Maintenance	Various	\$1,000,000
	Department of Agriculture and Consumer Services	NCFS Replace Duplin County Headquarters	Duplin	\$1,000,000
	Department of Agriculture and Consumer Services	NCFS Replace Jones County Headquarters	Jones	\$1,000,000
	Department of Agriculture and Consumer Services	NCFS Replace Madison County Headquarters	Madison	\$1,000,000
	Department of Agriculture and Consumer Services	Repairs at Four Veterinary Diagnostic Laboratory System Facilities	Various	\$1,000,000
	Department of Agriculture and Consumer Services	WNC Agricultural Center Restroom and Site Improvements	Henderson	\$1,000,000
	Department of Agriculture and Consumer Services Total			\$11,000,000

Department of Cultural Resources

Department of Cultural Resources	Brunswick Town Ft. Anderson Historic Site - Shoreline protection measures	Brunswick	\$3,500,000
Department of Cultural Resources	Graveyard of the Atlantic Museum - New Permanent Exhibits	Dare	\$3,500,000
Department of Cultural Resources	NC Transportation Museum	Rowan	\$15,000,000
Department of Cultural Resources	Reed Gold Mine State Historic Site	Cabarrus	\$7,000,000
Department of Cultural Resources	Statewide Building Mechanical and Electrical System Repairs	Statewide	\$24,000,000
Department of Cultural Resources	Statewide Building Roof Repairs	Statewide	\$11,000,000
Department of Cultural Resources	USS NC Battleship - New Visitor's Center	New Hanover	\$11,500,000
Department of Cultural Resources Total			\$75,500,000

DENR

DENR	Africa Plains Safari	Randolph	\$250,000
DENR	Australasia Exhibit Complex Replace Africa Pavilion	Randolph	\$9,000,000
DENR	Australasia Exhibit Complex	Randolph	\$15,000,000
DENR	Chimney Rock	Rutherford, Polk, Buncombe and Henderson	\$2,000,000
DENR	Crowders Mountain	Henderson	\$1,000,000
DENR	Dismal Swamp	Gaston	\$1,321,000
DENR	Falls Lake	Camden	\$1,053,000
DENR	Goose Creek	Wake and Durham	\$1,970,000
DENR	Gorges State	Beaufort	\$3,341,000
DENR	Grandfather Mountain	Transylvania	
DENR	Hammocks Beach	Avery, Watauga and Caldwell	\$2,002,000
DENR	Hanging Rock	Onslow	\$1,500,000
DENR	Jordan Lake	Stokes	\$2,800,000
DENR	Kerr Lake	Chatham	\$4,000,000
DENR	Lake James	Vance and Warren	\$5,000,000
DENR	Lake Norman	McDowell and Burke	\$4,028,000
DENR	Lake Waccamaw	Iredell	\$3,076,000
DENR	Lumber River	Columbus	\$2,008,000
DENR	Mayo River	Scotland, Hoke, Robeson and Columbus	\$3,505,000
DENR	Medoc Mountain	Rockingham	\$1,000,000
DENR		Halifax	\$1,845,000



Department of Transportation				Statewide	\$50,000,000
Department of Transportation	Non-highway transportation projects			Carteret	\$125,000,000
Department of Transportation	Port of Morehead Infrastructure			New Hanover	\$75,000,000
Department of Transportation	Port of Wilmington Infrastructure			Various	\$50,000,000
Department of Transportation	Rail Transportation				\$300,000,000
Department of Transportation Total					
Military Affairs				Durham and Granville	\$500,000
Military Affairs Commission	Camp Butner Buffer Zones			Onslow	\$1,000,000
Military Affairs Commission	Camp Lejeune/Jacksonville Water Aquifer			Craven	\$11,200,000
Military Affairs Commission	Cherry Point MCAS Security Fence			Various	\$15,000,000
Military Affairs Commission	Enhance Bombing and EW Ranges			Craven	\$5,000,000
Military Affairs Commission	FRC East Expansion			Cumberland and Onslow	\$11,000,000
Military Affairs Commission	FT. Bragg/Camp Lejeune Road Improvements			Pasquotank	\$10,000,000
Military Affairs Commission	Hanger for ALC at Elizabeth City US Coast Guard			Various	\$18,000,000
Military Affairs Commission	NC National Guard Regional Armories (5)			Onslow	\$2,500,000
Military Affairs Commission	New River Storm Water Treatment System			Various	\$12,000,000
Military Affairs Commission	Readiness & Environmental Protection Integration			Various	\$1,000,000
Military Affairs Commission	Veterans Programs				\$87,200,000
Military Affairs Total					
NC Community College System				Statewide	\$200,000,000
NC Community College System	System wide				\$200,000,000
NC Community College System Total					
Office of Information Technology Services				Wake	\$31,100,000
Office of Information Technology Services	Eastern Data Center Replacement				\$31,100,000
Office of Information Technology Services Total					
UNC				Watauga	\$70,781,681
ASU	College of Nursing and Health Sciences			Mecklenburg	\$60,000,000
UNC - Charlotte	Science Building			Robeson	\$10,000,000
UNC Pembroke	West Hall Rehabilitation			Pasquotank	\$4,000,000
UNC-Elizabeth City State Univ	Campuswide Repairs and Renovations			Cumberland	\$10,616,000
UNC-Fayetteville State Univ	Lyons Science Bldg Renovation			Durham	\$34,000,000
UNC-NC Central Univ	School of Business			Guilford	\$99,155,300
UNC-North Carolina A & T State University	New College of Engineering Facility			Wake	\$77,000,000
UNC-North Carolina State University	Engineering Building-Oval				



UNC	UNC-Western Carolina University UNC-Winston Salem State Univ	Science/STEM Facility Sciences Building	Jackson Forsyth	\$114,932,235 \$53,853,400 \$534,338,616
UNC Total				
Grand Total				\$1,484,595,016

# CONNECT NC

Investing in our future.

# STATEWIDE AND VARIOUS REGIONS

## Infrastructure Bond

PROJECT	COUNTY	ESTIMATED COST
Infrastructure	Statewide	\$15,000,000
Non-highway Transportation Projects	Statewide	\$50,000,000
Statewide Building Mechanical and Electrical System Repairs	Statewide	\$24,000,000
Statewide Building Roof Repairs	Statewide	\$11,000,000
N.C. Community College Improvements	Statewide	\$200,000,000
Agricultural Chemical Handling Facilities at 11 Research Stations	Various	\$1,000,000
Enhance Bombing and EW Ranges	Various	\$15,000,000
N.C. National Guard Regional Armories (5)	Various	\$18,000,000
N.C. Department of Agriculture and Consumer Services Dam Repairs and Maintenance	Various	\$1,000,000
Readiness & Environmental Protection Integration	Various	\$12,000,000
Repairs at Four Veterinary Diagnostic Laboratory System Facilities	Various	\$1,000,000
Veterans Programs	Various	\$1,000,000
Rail Transportation	Various	\$50,000,000

## Transportation Bond

Unpaved Secondary Roads Paving Projects \$50,000,000 (see regional breakdowns)

# CONNECT NC

Investing in our future.

## NORTHEAST REGION

### Infrastructure Bond

PROJECT	COUNTY	ESTIMATED COST
Improving Goose Creek State Park	Beaufort	\$1,970,000
Improving Dismal Swamp State Park	Camden	\$1,321,000
Improving Graveyard of the Atlantic Museum	Dare	\$3,500,000
Improving Merchants Millpond State Park	Gates	\$1,161,000
Improving Medoc Mountain State Park	Halifax	\$1,845,000
Hanger for Elizabeth City U.S. Coast Guard	Pasquotank	\$10,000,000
Elizabeth City State University Facility Repairs and Renovations	Pasquotank	\$4,000,000
New Medical Examiner's Office in Pitt County	Pitt	\$12,128,000
State Highway Patrol—Vehicle Paint Booths	Pitt	\$796,000
Improving Pettigrew State Park	Tyrrell and Washington	\$3,774,000

### Transportation Bond

PROJECT	COUNTY	ESTIMATED COST
U.S. 17	Beaufort and Martin	\$72,100,000
U.S. 158	Northampton	\$15,505,000
Dickinson Avenue	Pitt	\$12,115,000
Unpaved Secondary Roads Paving Projects		\$1,125,000

**Infrastructure Bond**

PROJECT	COUNTY	ESTIMATED COST
Brunswick Town Ft. Anderson Historic Site— Shoreline Protection Measures	Brunswick	\$3,500,000
Port of Morehead Infrastructure	Carteret	\$125,000,000
Cherry Point Marine Corps Air Station Security Fence	Craven	\$11,200,000
Fleet Readiness Center East Expansion	Craven	\$5,000,000
Replace Duplin County N.C. Forest Service Headquarters	Duplin	\$1,000,000
Replace Jones County N.C. Forest Service Headquarters	Jones	\$1,000,000
Caswell Developmental Center—Building Abatement and Demolition	Lenoir	\$1,231,000
Improving National Guard Armory in Wilmington	New Hanover	\$250,000
Port of Wilmington Infrastructure	New Hanover	\$75,000,000
U.S.S. Battleship North Carolina Visitor's Center	New Hanover	\$11,500,000
Camp LeJeune/Jacksonville Water Aquifer	Onslow	\$1,000,000
Hammocks Beach State Park Improvements	Onslow	\$1,500,000
New River Storm Water Treatment System	Onslow	\$2,500,000
Ft. Bragg/Camp Lejeune Road Improvements	Onslow	\$11,000,000
Cherry Hospital—Building Abatement and Demolition	Wayne	\$7,015,100

**Transportation Bond**

PROJECT	COUNTY	ESTIMATED COST
N.C. 43 Connector	Craven	\$11,375,000
Unpaved Secondary Roads Paving Projects		\$765,000

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## PIEDMONT-TRIAD REGION

### Infrastructure Bond

PROJECT	COUNTY	ESTIMATED COST
New Medical Examiner's Office in Forsyth County	Forsyth	\$12,976,000
Winston-Salem State University Sciences Building	Forsyth	\$53,853,400
N.C. A&T State University College of Engineering Facility	Guilford	\$99,155,300
Improving High Point National Guard State Highway Patrol—Vehicle Paint Booths	Guilford	\$625,000
Improving North Carolina Zoo Exhibits	Guilford	\$796,000
Improving Mayo River State Park	Randolph	\$45,000,000
Improving Hanging Rock State Park	Rockingham	\$1,000,000
Improving Pilot Mountain State Park	Stokes	\$2,800,000
	Surry and Yadkin	\$5,975,800

### Transportation Bond

PROJECT	COUNTY	ESTIMATED COST
N.C. 119	Alamance	\$17,813,000
Winston-Salem Beltway (I-74)	Forsyth	\$448,100,000
Greensboro Road	Guilford	\$48,100,000
I-40	Forsyth and Davie	\$48,850,000
Unpaved Secondary Roads Paving Projects		\$4,302,000

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## Infrastructure Bond

## NORTH CENTRAL REGION

PROJECT	COUNTY	ESTIMATED COST
Improving Jordan Lake State Park	Chatham	\$4,000,000
Improving Durham National Guard Facility	Durham	\$250,000
N. C. Central University School of Business	Durham	\$34,000,000
Camp Butner Buffer Zones	Durham and Granville	\$500,000
John Umstead Hospital—Building Abatement and Demolition	Granville	\$601,000
Improving Raven Rock State Park	Harnett	\$1,500,000
Improving Kerr Lake State Park	Vance and Warren	\$5,000,000
Chilled Water Loop—Flow Meters at Buildings	Wake	\$380,000
Crime Lab—Replace Domestic Water Heater	Wake	\$151,000
Demolish Vacant Buildings—Old Heating Plant and McGee House	Wake	\$191,000
Eastern Data Center Replacement	Wake	\$31,100,000
N.C. State University Engineering Building	Wake	\$77,000,000
Halifax Mall—Install Drainage System	Wake	\$121,000
Joint Force Headquarters Heli-Pads	Wake	\$746,000
N.C. State Fair—Dorton Arena Roof and Renovation	Wake	\$3,000,000
New N.C. Department of Revenue— Exterior Waterproofing Repairs	Wake	\$50,000
Old N.C. Department of Revenue Building— ADA Improvements	Wake	\$52,000
State Bureau of Investigation— Garner Road Building Improvements 16 A & B Major Renovation	Wake	\$6,126,500
State Highway Patrol Training Academy	Wake	\$25,556,000
State Capitol Improvements	Wake	\$848,000
Steam Plant—Boiler III—Replace Heat Exchanger	Wake	\$90,000
Blount Street Rehabilitation Project	Wake	\$3,156,000
Improving Falls Lake State Park	Wake and Durham	\$1,053,000

## Transportation Bond

PROJECT	COUNTY	ESTIMATED COST
N.C. 54 (Hillsborough St.)	Wake	\$26,630,000
U.S. 401	Wake and Franklin	\$35,054,000
Unpaved Secondary Roads Paving Projects		\$9,135,000

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## SOUTH CENTRAL REGION

### Infrastructure Bond

PROJECT	COUNTY	ESTIMATED COST
Improving Singletary Lake State Park	Bladen	\$767,000
Improving Lake Waccamaw State Park	Columbus	\$2,008,000
Fayetteville State University Lyons Science Bldg Renovation	Cumberland	\$10,616,000
Ft. Bragg/Camp Lejeune Road Improvements	Cumberland	\$11,000,000
Convert Samarkand to Statewide Law Enforcement Center	Moore	\$28,000,000
UNC Pembroke West Hall Renovations	Robeson	\$10,000,000
Improving Lumber River State Park	Scotland, Hoke, Robeson and Columbus	\$3,505,000

### Transportation Bond

PROJECT	COUNTY	ESTIMATED COST
All-American Freeway	Cumberland	\$47,903,000
I-295	Cumberland and Robeson	\$54,500,000
N.C. 24/27	Montgomery	\$44,650,000
U.S. 1	Richmond	\$16,800,000
N.C. 24	Sampson	\$34,204,000
Unpaved Secondary Roads Paving Projects		\$1,381,500

**Infrastructure Bond**

PROJECT	COUNTY	ESTIMATED COST
New Medical Examiner's Office in Buncombe Co.	Buncombe	\$12,976,000
Western Carolina University Science and STEM Facility	Jackson	\$114,932,235
Replace Madison County N.C. Forest Service Headquarters	Madison	\$1,000,000
Improving Chimney Rock State Park	Rutherford, Polk, Buncombe and Henderson	\$2,000,000
Improving Gorges State Park	Transylvania	\$3,341,000
Western N.C. Agricultural Center Site Improvements	Henderson	\$1,000,000
State Highway Patrol—Vehicle Paint Booths	Buncombe	\$796,000

**Transportation Bond**

Unpaved Secondary Roads Paving Projects	\$2,965,500
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## NORTHWEST REGION

### Infrastructure Bond

PROJECT	COUNTY	ESTIMATED COST
Improving Stone Mountain State Park	Alleghany and Wilkes	\$1,784,000
Improving Mount Jefferson State Park	Ashe	\$2,000,000
Improving Grandfather Mountain State Park	Avery, Watauga and Caldwell	\$2,002,000
New Broughton Hospital	Burke	\$3,750,000
Improving South Mountain State Park	Burke	\$3,000,000
State Highway Patrol—Vehicle Paint Booths	Catawba	\$796,000
Improving Lake James State Park	McDowell and Burke	\$4,028,000
Improving Yellow Mountain State Park	Mitchell and Avery	\$3,000,000
Appalachian State University College of Nursing and Health Sciences	Watauga	\$70,781,681
Improving Mount Mitchell State Park	Yancey	\$800,000

### Transportation Bond

PROJECT	COUNTY	ESTIMATED COST
U.S. 221	McDowell	\$88,940,000
Unpaved Secondary Roads Paving Projects		\$29,520,000

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**Infrastructure Bond**

PROJECT	COUNTY	ESTIMATED COST
Improving Reed Gold Mine State Historic Site	Cabarrus	\$7,000,000
State Highway Patrol—Vehicle Paint Booths	Catawba and Rowan	\$796,000
Improving Crowders Mountain State Park	Gaston	\$1,000,000
Improving Lake Norman State Park	Iredell	\$3,076,000
UNC Charlotte Science Building	Mecklenburg	\$60,000,000
N.C. Transportation Museum	Rowan	\$15,000,000
Badin Warehouse Lot Expansion	Stanly	\$130,000
Improving Morrow Mountain State Park	Stanly	\$2,050,000

**Transportation Bond**

PROJECT	COUNTY	ESTIMATED COST
George Liles Parkway	Cabarrus	\$17,000,000
U.S. 74	Cleveland	\$92,050,000
I-40/I-77	Iredell	\$168,445,000
Weddington Road/I-485 Interchange	Mecklenburg	\$20,103,000
Unpaved Secondary Roads Paving Projects		\$1,656,000