

Allen Oliver
Mayor

Connie Mearkle
Commissioner

Dennis Panicali
Commissioner



David Heglar
Mayor Pro Tem

John Ellen
Commissioner

Mandy Sanders
Director of Administration

TOWN OF KURE BEACH

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May 20, 2024

**RE: TOWN OF KURE BEACH, NORTH CAROLINA
FISCAL YEAR 2025 BUDGET MESSAGE**

The Honorable Mayor Oliver 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 2025 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, priorities 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, 2024. 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 10, 2024 at 6:00 pm.

The proposed fiscal year 2025 Town of Kure Beach budget is balanced and totals \$12,722,699 for all operations. This total budget is comprised of the following seven funds: General Fund \$9,057,973; Water and Sewer Fund \$2,973,181; Storm Water Fund \$522,000; Powell Bill Fund \$97,150; Federal Asset Forfeiture Fund \$25,000; Beach Protection Fund \$24,000 and Sewer Expansion Reserve Fund (SERF) \$23,395.

Comparison of the proposed fiscal year 2025 budget for each fund to the fiscal year 2024 budget is as follows:

FUND	REQUESTED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHANGE
General	\$9,057,973	\$8,046,713	\$1,011,260	12.6%
Water/Sewer	\$2,973,181	\$2,674,255	\$298,926	11.2%
Storm Water	\$522,000	\$1,108,677	(\$586,677)	(52.9%)
Powell Bill	\$97,150	\$70,500	\$26,650	37.8%
Federal Asset Forfeiture	\$25,000	\$25,000	\$0	0.0%
Beach Protection	\$24,000	\$40,000	(\$16,000)	(40.0%)
Sewer Expansion Reserve	\$23,395	\$18,380	\$5,015	27.3%
TOTAL - ALL FUNDS	\$12,722,699	\$11,983,525	\$739,174	6.2%

TOWN COUNCIL GOALS

The proposed budget supports the fiscal year 2025 goals established by Town Council during the budget development process. These goals are:

1. *Work smarter to maintain and improve our quality of life in Kure Beach*
 - Implementation of approved CAMA Land Use Plan
 - Continue to work with Department of Defense Land Use Plan (MOTSU) to retain current town owned assets
 - Implement the Bike/Ped Master Plan
 - Implementation of approved Beach Management Plan
 - Continue to work with leaders of the General Assembly to address the needs of the Town

- Explore the following areas for funding for future capital projects (i.e. Bike/Ped, Sandman Park, Joe Eakes Park, Atlantic Avenue boardwalk, replacement of CAMA beach accesses). Council will prioritize each project based on potential source and community need:
 - i. PARTF (state)
 - ii. CAMA grants (state)
 - iii. New Hanover County Endowment (county)
 - iv. Friends of Kure Beach (private)
2. *Ensure the integrity of Town financial data and maintain financial stability in all Town funds*
 - Be fiscally responsible
 - Set tax and water/sewer rates that support the expected level of service by the citizens of the Town
 3. *Enable an optimum working environment for staff to produce high levels of service to the Town*
 - Ensure policies are fair (morale)
 - Enhance procedures to retain and attract Town personnel
 - Update and adjust the Salary Plan as needed to keep employees fairly compensated
 4. *Provide all departments with the support to maintain a safe working and living environment*
 - Support camera program
 - Use technology to support Town functions
 - Continue to improve employee safety plan
 - Support K9 program
 - Provide necessary tools for safe working environment

BUDGET HIGHLIGHTS

PROPOSED TAX RATE FOR FISCAL YEAR 2025

The proposed tax rate for fiscal year 2025 is 29 cents (\$0.29) per \$100 of valuation. This is an increase of 2.42 cents (9.1%) over the prior year’s tax rate. After careful analysis, the tax rate of 29 cents was determined to be the most effective manner in which to maintain existing Town-provided services at their current levels, address the significant price increases for supplies, materials and services, ensure the Town’s employee payment plan remains competitive, and to support the Council goal relating to financial stability. This is only the second tax increase in over five years. The last two were in fiscal year 2022 and 2020.

The impact on a homeowner with property valued at \$600,000 would be as follows:

Annual Kure Beach tax – existing tax rate (\$0.2658):	\$1,594.80
Proposed increase (\$0.0242):	<u>145.20</u>
Total Kure Beach tax after increase for a home valued at \$600,000	<u>\$1,740.00</u>

Property taxes are the Town’s largest single source of revenue. Fiscal year 2025 property tax revenue is estimated at \$3,768,000. This includes both current tax year and prior tax years’ collections and represents 41.6% of the General Fund revenue.

The estimated Kure Beach tax base, as provided by the New Hanover County Tax Department, is \$1,307,825,000. This is an increase of \$16,447,000 (1.3%) over the prior year’s estimated tax base. Kure Beach property taxes are billed and collected by the New Hanover County Tax Department and remitted to Kure Beach. Based on historical data, the property tax collection rate is estimated at 99%.

GENERAL FUND FEES

As part of the proposed fiscal year 2025 budget submission, the following General Fund fee increases are being proposed:

1. Garbage Collection

	CURRENT MONTHLY FEE	PROPOSED MONTHLY FEE
RESIDENTIAL		
First cart	\$7.00	\$8.75
After the first cart	\$14.00	\$17.50
COMMERCIAL		
Per cart	\$30.63	\$38.29

The residential and commercial garbage collection fees have not changed in six years. The proposed increases are necessary to help cover costs associated with providing these services.

2. Residential/Commercial Recycling

In order to cover the costs associated with providing curbside recycling service, an increase of 51 cents per month (5.3%) is being proposed. This will increase the monthly fee from \$9.57 to \$10.08 per can. This increase in recycling fees will match the fee amount to the amount charged by the recycling contractor.

WATER AND SEWER RATES

The water and sewer fees being paid by system users must provide funds for the day-to-day operating costs of the Town's water and sewer systems and provide for some additions to the water and sewer reserve funds for future infrastructure repairs and replacement. The costs necessary to properly operate the Town's water and sewer systems continue to increase, as does the need to increase our reserves for future capital projects as our infrastructure and equipment ages. To continue to provide for sufficient funding for our water and sewer operations, this budget includes proposed changes to the water and sewer rate structure. The last rate increase was effective July 1, 2023.

The proposed changes to the water and sewer rate structure are to increase the rate tiers, for usage above the minimum, by 10%. This increase applies to all customer types (Residential, Commercial and Out of Jurisdiction). **Customers using 2,000 gallons or less in a month will see no change to their bill.**

Residential Customers

The following is the proposed rate structure for Residential customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum (0 - 2,000 gals.)	\$13.50	\$13.50	\$23.50	\$23.50	No change
2,001 to 7,000 gals. (rate per 100 gals.)	\$0.6534	\$0.7187	\$0.8422	\$0.9264	10% Increase
7,001 to 12,000 gals. (rate per 100 gals.)	\$0.9802	\$1.0782	\$1.2632	\$1.3895	10% Increase
Over 12,000 gals. (rate per 100 gals.)	\$1.4701	\$1.6171	\$1.8949	\$2.0844	10% Increase

Based on historical data, the 10% rate tier increase is estimated to affect approximately 55% of the Residential billings.

The table on the following page demonstrates the impact of the proposed rate changes on a Residential account at four usage levels. These examples show usage levels of 2,000 gallons, 5,000 gallons, 12,000 gallons and 18,000 gallons and indicate the amount and percentage increase that result from the proposed rate changes.

<u>Monthly Usage of 2,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	<u>\$37.00</u>	<u>\$37.00</u>
Increase Amount		\$0.00
% Change		0.0%
<u>Monthly Usage of 5,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	\$37.00	\$37.00
2,001 to 5,000 gallons	<u>\$44.87</u>	<u>\$49.35</u>
Total	<u>\$81.87</u>	<u>\$86.35</u>
Increase Amount		\$4.48
% Change		5.5%
<u>Monthly Usage of 12,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	\$37.00	\$37.00
2,001 to 7,000 gallons	\$74.78	\$82.26
7,001 to 12,000 gallons	<u>\$112.17</u>	<u>\$123.39</u>
Total	<u>\$223.95</u>	<u>\$242.65</u>
Increase Amount		\$18.70
% Change		8.4%
<u>Monthly Usage of 18,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	\$37.00	\$37.00
2,001 to 7,000 gallons	\$74.78	\$82.26
7,001 to 12,000 gallons	\$112.17	\$123.39
Over 12,000 gallons	<u>\$201.90</u>	<u>\$222.09</u>
Total	<u>\$425.85</u>	<u>\$464.74</u>
Increase Amount		\$38.89
% Change		9.1%

Commercial Customers

The following is the proposed rate structure for Commercial customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum (0 - 2,000 gals.)	\$18.50	\$18.50	\$25.50	\$25.50	No change
2,001 to 70,000 gals. (rate per 100 gals.)	\$1.0076	\$1.1084	\$1.0345	\$1.1380	10% Increase
Over 70,000 gals. (rate per 100 gals.)	\$1.2596	\$1.3856	\$1.2932	\$1.4225	10% Increase

The table below shows the impact of the rate changes on a Commercial account at two usage levels:

<u>Monthly Usage of 20,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	\$44.00	\$44.00
2,001 to 20,000 gallons	<u>\$367.58</u>	<u>\$404.35</u>
Total	<u>\$411.58</u>	<u>\$448.35</u>
Increase Amount		\$36.77
% Change		8.9%
<u>Monthly Usage of 100,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	\$44.00	\$44.00
2,001 to 70,000 gallons	\$1,388.63	\$1,527.55
Over 70,000 gallons	<u>\$765.84</u>	<u>\$842.43</u>
Total	<u>\$2,198.47</u>	<u>\$2,413.98</u>
Increase Amount		\$215.51
% Change		9.8%

Out of Jurisdiction Customers

The following is the proposed rate structure for Out of Jurisdiction customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum (0 - 2,000 gals.)	\$23.00	\$23.00	\$40.50	\$40.50	No change
2,001 to 70,000 gals. (rate per 100 gals.)	\$1.1435	\$1.2579	\$1.4701	\$1.6171	10% Increase
Over 70,000 gals. (rate per 100 gals.)	\$1.4293	\$1.5722	\$1.8377	\$2.0215	10% Increase

The table on the following page shows the impact of the rate changes on an Out of Jurisdiction account at two usage levels:

Monthly Usage of 20,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$63.50	\$63.50
2,001 to 20,000 gallons	<u>\$470.45</u>	<u>\$517.50</u>
Total	<u>\$533.95</u>	<u>\$581.00</u>
Increase Amount		\$47.05
% Change		8.8%
Monthly Usage of 250,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$63.50	\$63.50
2,001 to 70,000 gallons	\$1,777.25	\$1,954.93
Over 70,000 gallons	<u>\$5,880.60</u>	<u>\$6,468.66</u>
Total	<u>\$7,721.35</u>	<u>\$8,487.09</u>
Increase Amount		\$765.74
% Change		9.9%

An added benefit to the rate structure changes for Residential, Commercial and Out of Jurisdiction customers is that it hopefully will encourage further water conservation.

STORM WATER FEES

There are no storm water fee increases being proposed for fiscal year 2025.

STAFFING AND COMPENSATION

The fiscal year 2025 budget includes the addition of one full-time employee in the Police Department, increasing the Town's full-time personnel to 54. As both the Town's year-round population and tourism increase, this position is necessary to ensure that adequate staffing levels are maintained at all times. The position is expected to be filled at the beginning of the fiscal year and is included in the General Fund budget. The full-time personnel are allocated to Town funds based on the type of work performed, as follows:

FUND	NO. OF FULL-TIME EMPLOYEES
General	42
Water and Sewer	10
Storm Water	2
Total	54

The proposed fiscal year 2025 budget includes a merit increase of 2.8% to reward those employees who are performing above expectations. Also, a 3.2% cost of living adjustment (COLA) for all full-time employees is included in the fiscal year 2025 budget. The COLA is consistent with the COLA implemented by the Social Security Administration in January 2024 and addresses concerns relating to retention of current employees, the impacts of current inflation rates on Town employees, and to remain competitive with neighboring towns. Finally, the employee benefit programs are consistent with prior years.

GOVERNING BODY

The budget for Town Council related expenses includes compensation and allowances for Council members as follows:

POSITION	ANNUAL COMPENSATION	ANNUAL VEHICLE ALLOWANCE	ANNUAL PHONE ALLOWANCE
Mayor	\$4,800	\$1,200	\$600
Mayor Pro Tem	\$3,900	\$1,200	\$600
Commissioner (3)	\$3,600	\$1,200	\$600
Total of 5 Positions	\$19,500	\$6,000	\$3,000

60% of the compensation and allowances listed above are allocated to the General Fund and 40% to the Water and Sewer Fund. Also, the following expenses are allocated 60% to the General Fund and 40% to the Water and Sewer Fund: travel/training of \$5,000 and dues/subscriptions of \$8,000.

In addition, the General Fund Governing Body budget includes funding for the Pleasure Island Chamber of Commerce concert series and kite festival (\$30,000), North Carolina Aquarium Society (\$10,000), Federal Point Historic Preservation Society (\$5,000), Katie B. Hines Senior Center (\$5,000), The Help Center of Federal Point (\$1,800) and the Island of Lights (\$1,200). Finally, the General Fund Governing Body budget also includes \$1,392 for the Town’s estimated portion of the Carolina Beach Inlet dredging project as requested by New Hanover County.

DEBT SERVICE

General Fund

General Fund debt service totals \$701,250 and includes payments on existing loans for the following:

Equipment & Vehicles	\$202,605
Land	41,967
Ocean Front Park	100,908
Fire Station & Town Hall	<u>355,770</u>
General Fund Total	<u>\$701,250</u>

This is a decrease of \$20,725 (2.9%) over fiscal year 2024.

Water and Sewer Fund

The Water and Sewer Fund debt service totals \$323,000 and includes payments on existing loans for the following:

Equipment & Vehicles	\$ 60,675
Water/Sewer Infrastructure	213,811
Town Hall	<u>48,514</u>
Water/Sewer Fund Total	<u>\$323,000</u>

This is a decrease of \$23,580 (6.8%) over fiscal year 2024.

Storm Water Fund

Finally, the Storm Water Fund debt service totals \$48,000 relating to the financing of equipment. This is a decrease of \$17,395 (26.6%) over fiscal year 2024.

Debt service for each fund, as a percentage of the applicable fund's proposed fiscal year 2025 total budget is as follows:

General Fund	7.7%
Water and Sewer Fund	10.9%
Storm Water Fund	9.2%

The Town's total outstanding debt (all funds) is estimated to be \$5,201,409 on July 1, 2024. 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 on July 1 will be approximately 0.40% of the assessed value of property, well within LGC guidelines.

OPERATING EXPENSES

General Fund

The budget for General Fund operating expenses (excluding capital outlay and debt service) is 9.9% greater than the fiscal year 2024 budget for operating expenses. The primary factors contributing to the increase in relation to the fiscal year 2024 budget include:

- Significant price increases for purchased services, materials, supplies, fuel, etc.
- Previously mentioned employee staffing and compensation actions.

Water and Sewer Fund

The fiscal year 2025 operating budget (excluding capital outlay and debt service) for the Water and Sewer Fund is 13.5% greater than the fiscal year 2024 budget. The primary reasons for the increase in normal operating costs in relation to the 2024 budget are an increase in material and services costs, the previously discussed employee compensation actions and engineering expenses relating to two NCDEQ grants for water and sewer system asset and inventory assessments.

Storm Water Fund

The fiscal year 2025 Storm Water Fund operating budget (excluding capital outlay and debt service) is 5.6% less than the fiscal year 2024 budget. The decrease is primarily due to a decrease in projected storm water system maintenance costs.

CAPITAL OUTLAY

General Fund

The General Fund capital outlay for fiscal year 2025 totals \$638,169 and is comprised of the following:

- \$250,000 – Replacement of a garbage truck (will be purchased using financing)
- \$175,000 – Street paving
- \$70,000 – Replacement of a Police vehicle (will be purchased using financing)
- \$69,669 – Replacement of Fire Dept. generator
- \$60,000 – Replacement of an Ocean Rescue truck (will be purchased using financing)
- \$13,500 – Replacement of Ocean Rescue equipment

The fiscal year 2025 budgeted capital outlay for the General Fund is \$337,669 (112%) greater than the fiscal year 2024 budget. The amount of capital outlay varies from year-to-year and is contingent on the useful life of previously purchased capital items.

Water and Sewer Fund

The fiscal year 2025 Water and Sewer Fund capital outlay includes \$400,000 for potential and emergency capital projects that may arise during the course of the fiscal year and \$60,000 for replacement of a lift station generator. The fiscal year 2025 budgeted capital outlay is \$62,000 (15.6%) greater than the fiscal year 2024 budget.

Storm Water Fund

The fiscal year 2025 Storm Water Fund capital outlay totals \$150,000 for potential and emergency projects. The fiscal year 2025 budgeted capital outlay is \$550,000 (78.6%) less than the fiscal year 2024 budget. Fiscal year 2024 included a large infrastructure project that was subsequently placed on hold.

FUND TRANSFERS

There are no transfers between Town operating funds proposed as part of the fiscal year 2025 budget.

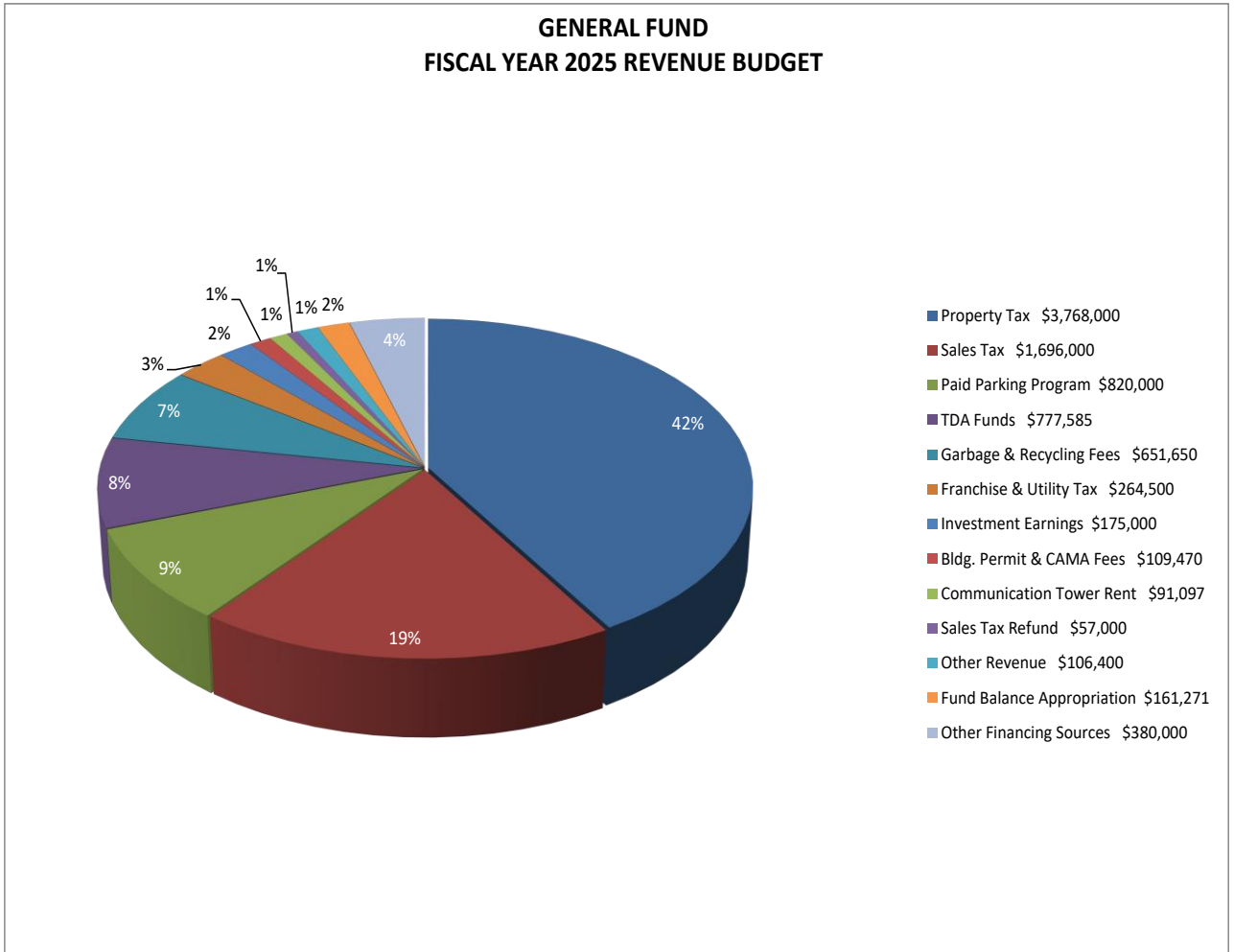
GENERAL FUND SUMMARY

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 desire to maintain the types and levels of service provided to Town residents and property owners as both the year-round population and number of tourists increase.
- 2) The significant price increases for purchased services and materials resulting from supply chain issues and the high rate of inflation.
- 3) The need for improvements and maintenance of Town infrastructure and facilities.

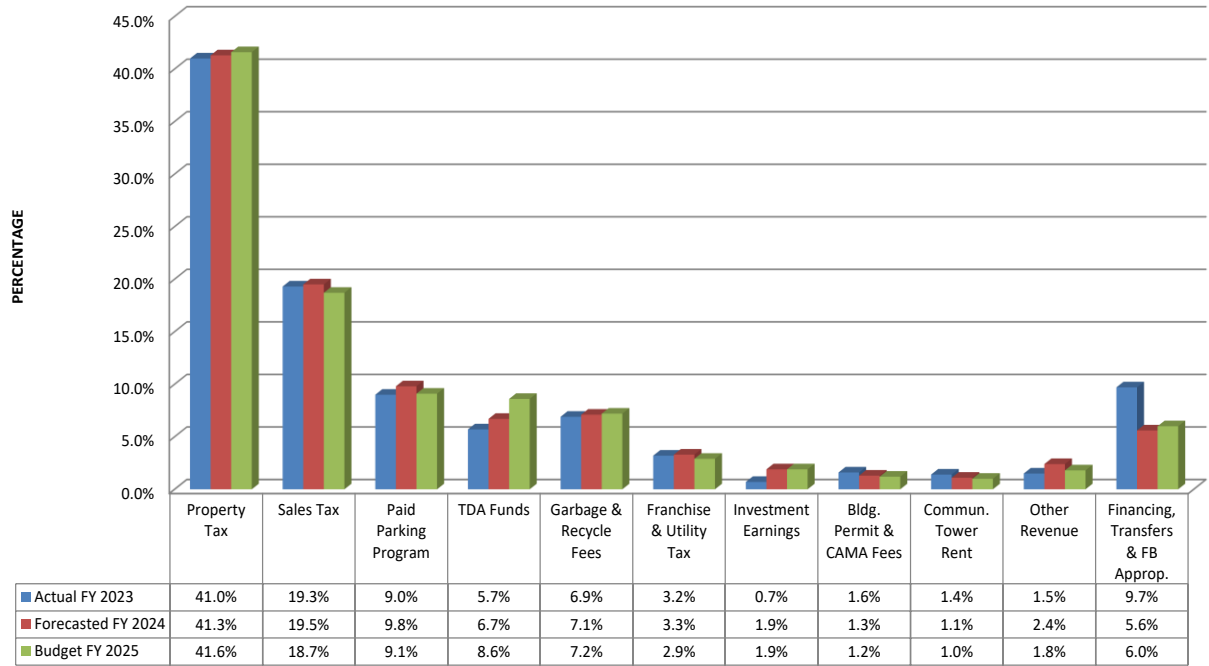
When comparing the total fiscal year 2025 General Fund budget to the fiscal year 2024 original budget, the total 2025 budget has increased by 12.6%. In comparison to the fiscal year 2024 budget, operating expenses have increased 9.9%, capital outlay increased 112.4% and debt service decreased 2.9%.

The breakdown of budgeted revenue, by major source, for fiscal year 2025 is presented below. The top seven revenue sources are property taxes (\$3,768,000), sales tax (\$1,696,000), parking program revenue (\$820,000), TDA funds (\$777,585), garbage/recycle fees (\$651,650), franchise/utility taxes (\$264,500) and investment earnings (\$175,000). These seven revenue sources account for approximately 90% (\$8,152,735) of the total General Fund revenue.

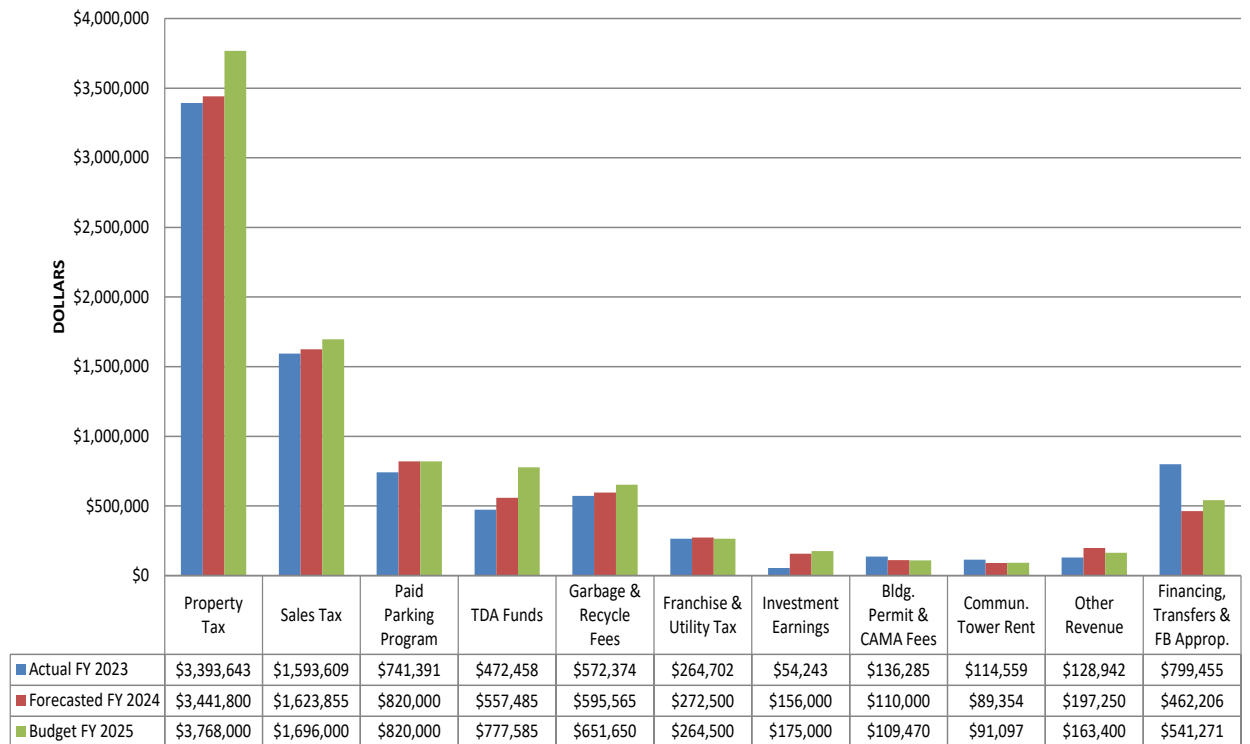


For comparative purposes, the charts on the next page present the percentage of revenue by source and revenue by source budgeted for fiscal year 2025 in relation to the forecasted revenue for fiscal year 2024 and the actual revenue for fiscal year 2023.

**GENERAL FUND
PERCENTAGE OF REVENUE BY SOURCE
FISCAL YEAR 2023 TO 2025**



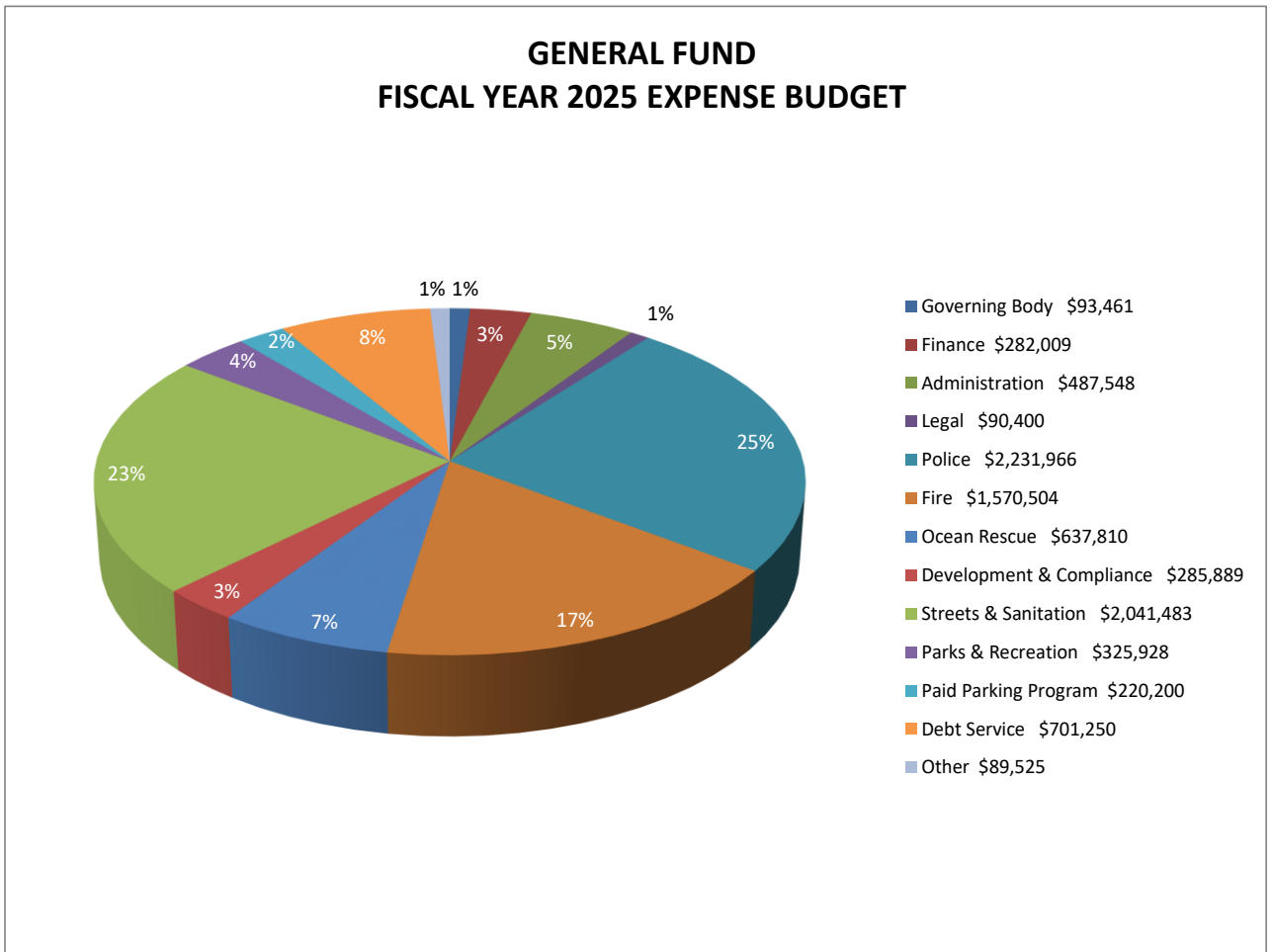
**GENERAL FUND
REVENUE BY SOURCE
FISCAL YEAR 2023 TO 2025**



As the charts on the previous page depict, revenue from property taxes is consistently 41% or more of the General Fund’s total revenue. The other categories have remained relatively consistent from year-to-year with the exception of “TDA Funds” and “Financing, Transfers & Fund Balance Appropriation”. “TDA Funds” have been greater as Room Occupancy Tax revenue continues to increase. Fluctuations in “Financing, Transfers & Fund Balance Appropriation” primarily relate to the amount of installment loans which vary based on the level of capital outlay.

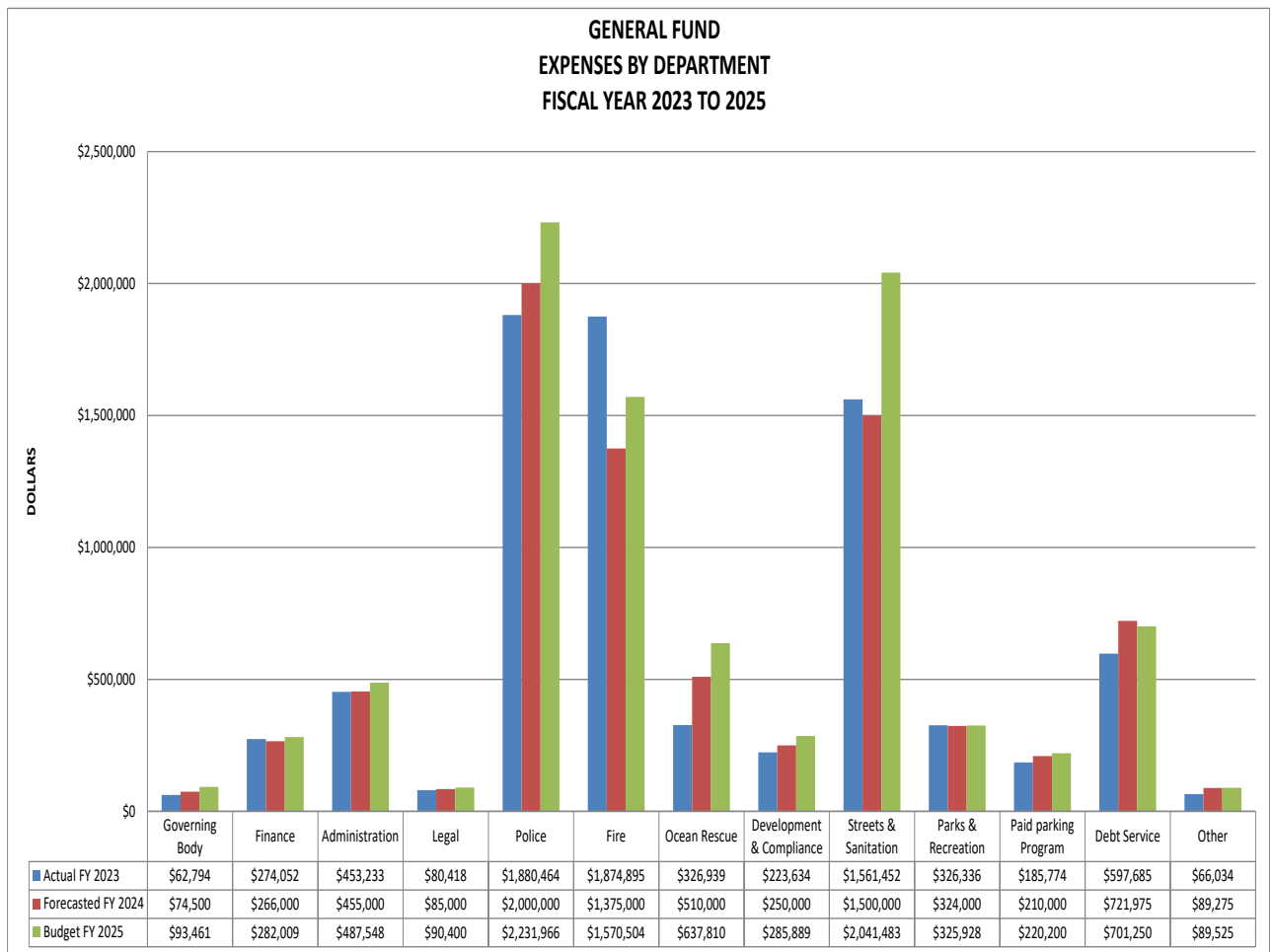
Refer to Exhibit A (on pages 26 to 28) for a summary of the changes, by General Fund revenue source, between the budgets for fiscal year 2025 and 2024.

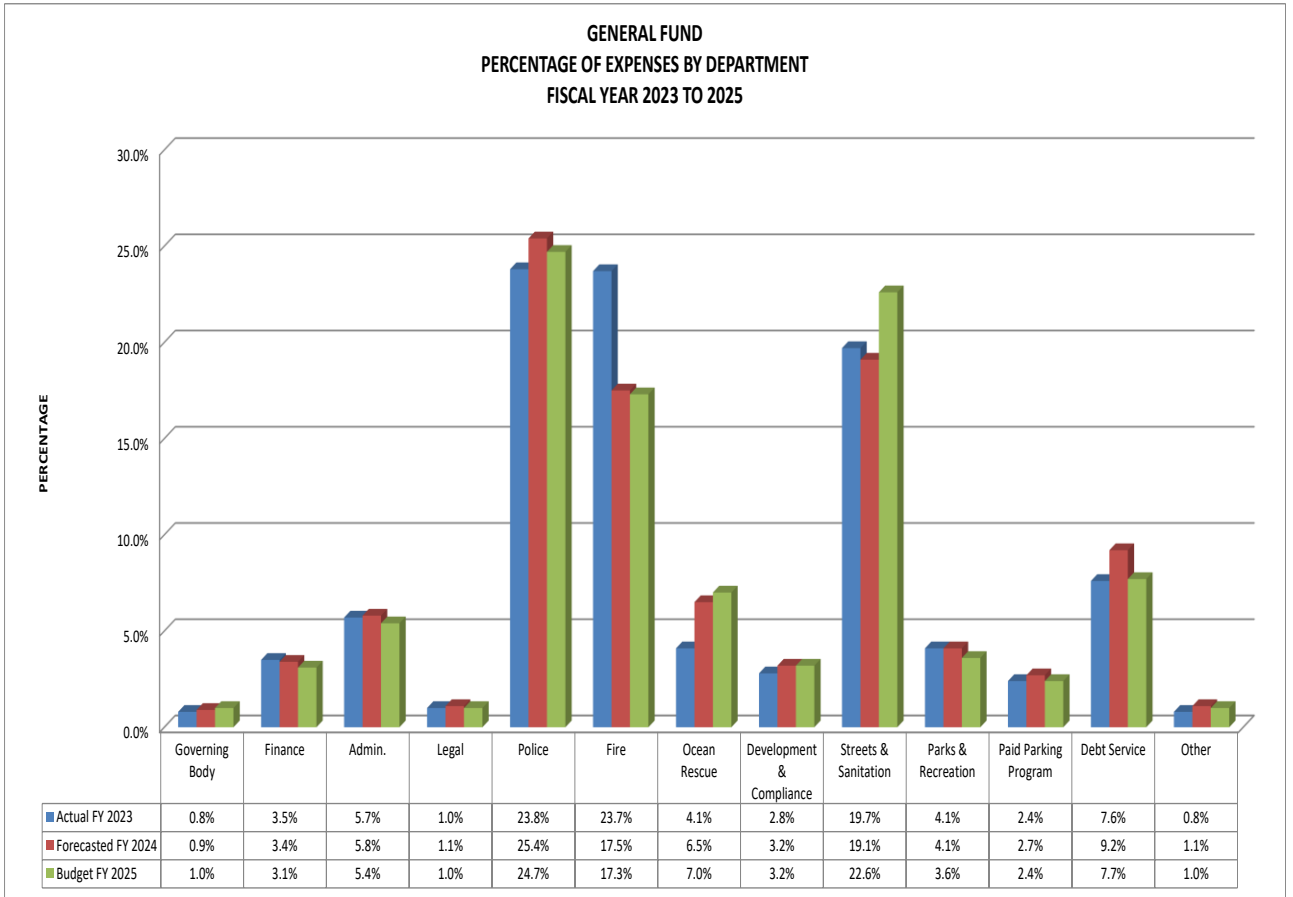
The breakdown of budgeted General Fund expenses, by department/function, for fiscal year 2025 is presented below. The six largest components of the General Fund expense budget are Police (\$2,231,966), Public Works – Streets & Sanitation (\$2,041,483), Fire (\$1,570,504), Debt Service (\$701,250), Ocean Rescue (\$637,810) and Administration (\$487,548). These six departments/functions account for \$7,670,561, or 84.7%, of the General Fund budget.



The following two charts present the expenses by department/function and the percentage of expenses by department/function budgeted for fiscal year 2025 in relation to the forecasted expenses for fiscal year 2024 and the actual expenses for fiscal 2023.

As indicated below, the General Fund expenses by department/function can vary significantly from year-to-year. The variation results from the level of capital expenditures for the year, while the percentage of operating expenses for each department remain relatively consistent. For example, fiscal year 2023 included capital expenditures for the Fire Dept. of \$717,773 (Fire Engine), while the proposed fiscal year 2025 budget for Streets & Sanitation includes the purchase of a garbage truck.





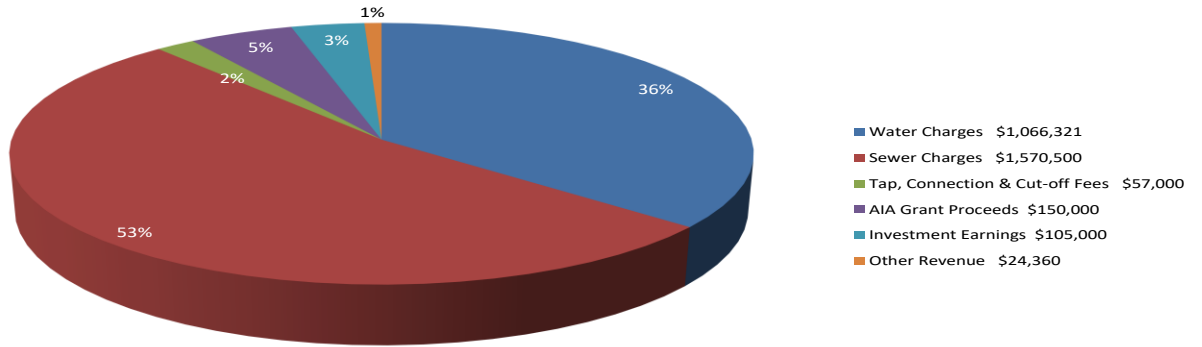
Refer to Exhibit B (on pages 29 to 35) for a summary of the changes, by General Fund department/function, between the budgets for fiscal year 2025 and 2024.

WATER AND SEWER FUND SUMMARY

Overall, the fiscal year 2025 Water and Sewer Fund budget is 11.2% greater than the original fiscal year 2024 budget. In relation to the fiscal year 2024 budget, operating expenses have increased 13.5%, capital outlay has increased by 15.6% and debt service has decreased by 6.8%.

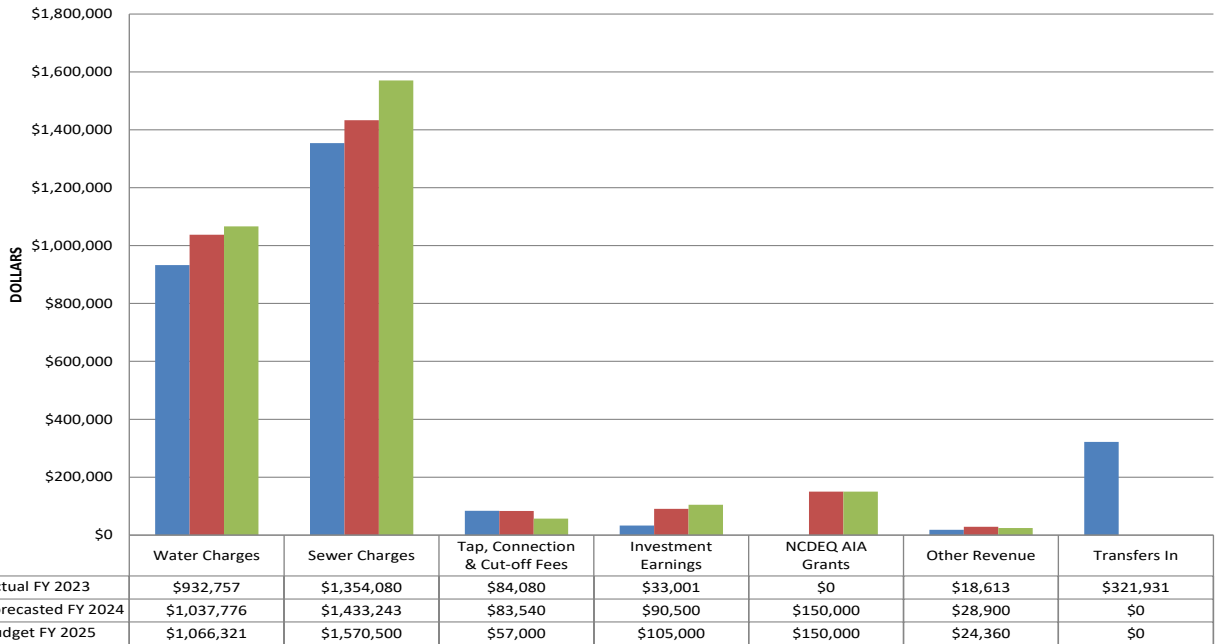
The breakdown of Water and Sewer Fund budgeted revenue, by major source, for fiscal year 2025 is shown on the next page. The budgeted water and sewer charges revenue categories reflect the previously discussed 10% usage-based rate tier increases and represent 89% of the Fund's total revenue.

**WATER & SEWER FUND
FISCAL YEAR 2025 REVENUE BUDGET**



The chart below shows the Water and Sewer Fund revenue by source budgeted for fiscal year 2025 compared to the forecasted revenue for fiscal year 2024 and the actual revenue for fiscal year 2023.

**WATER & SEWER FUND
REVENUE BY SOURCE
FISCAL YEAR 2023 TO 2025**

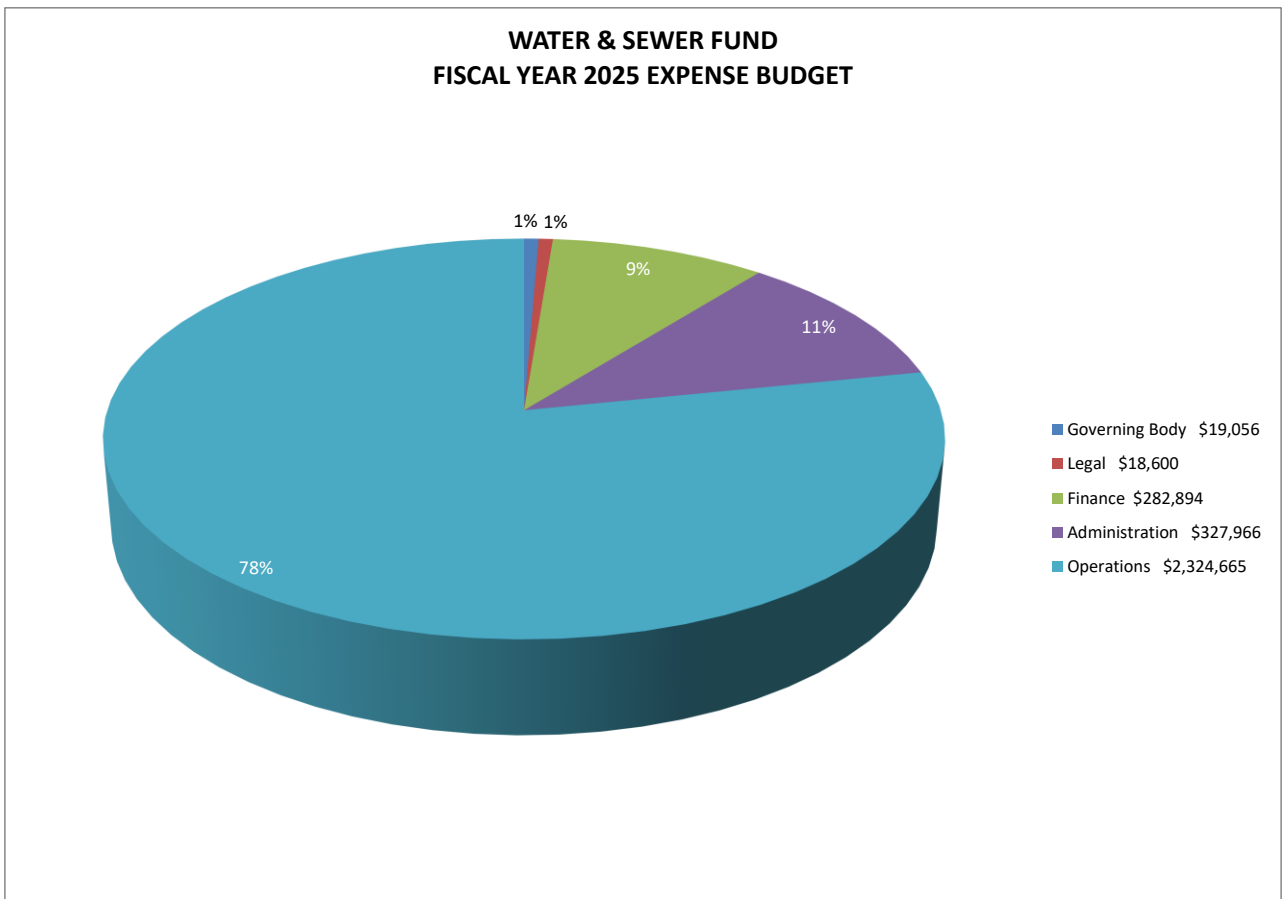


As demonstrated by the chart on the previous page, the most significant revenue sources, “Water and Sewer Charges”, are projected to increase in fiscal year 2025 as a result of the previously discussed changes to the water and sewer rate structure.

Also, both fiscal year 2024 and 2025 include a portion of the proceeds from two NCDEQ grants to perform an inventory and assessment of the water and sewer systems. For fiscal year 2023, a “Transfer In” from the American Rescue Plan Act (ARP) Grant Project Fund occurred that ultimately was used for several of the fiscal year 2023 capital expenditures.

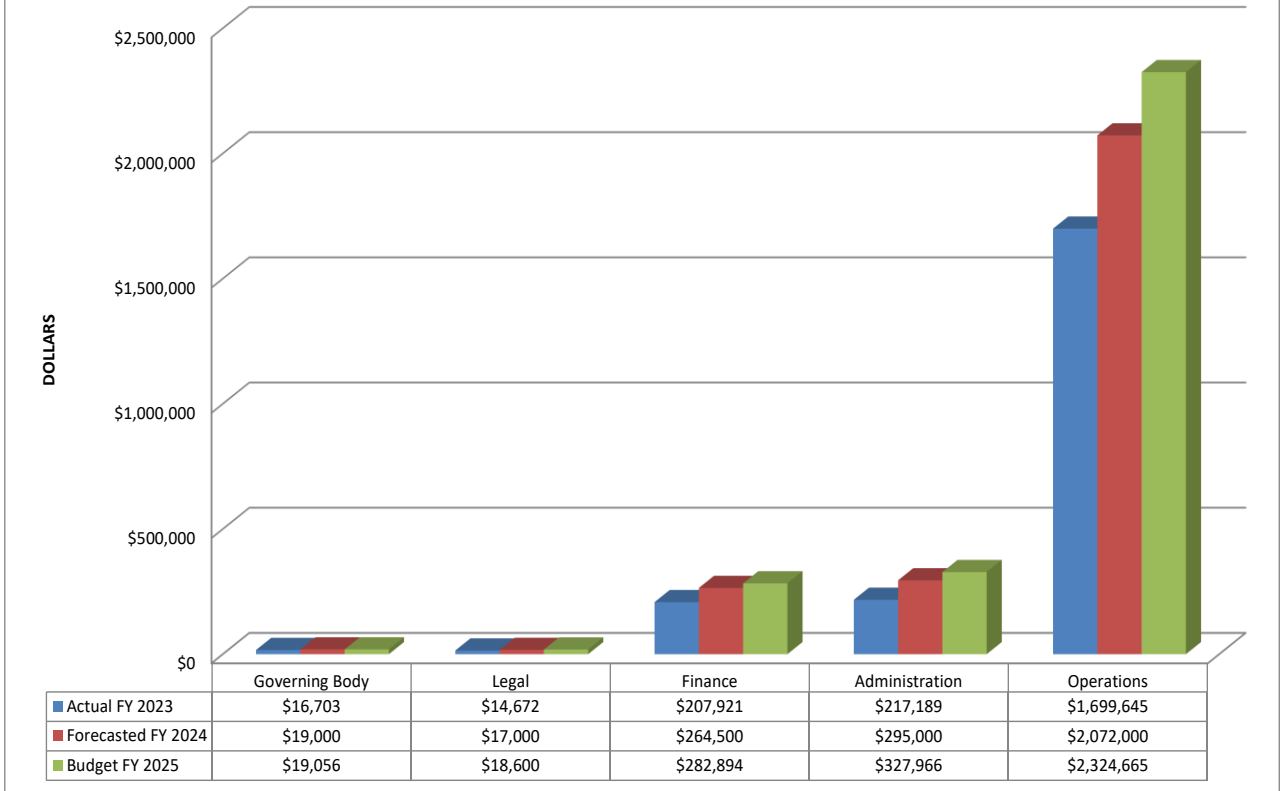
Refer to Exhibit C (on pages 36 and 37) for a summary of the changes, by Water and Sewer Fund revenue source, between the budgets for fiscal year 2025 and 2024.

The breakdown of budgeted Water and Sewer Fund expenses, by department/function, for fiscal year 2025 is presented below. As expected, the Water/Sewer Operations Department accounts for the majority of the Water and Sewer Fund expense budget at 78% of the total.



The chart on the following page shows the expenses by department/function for the Water and Sewer Fund budgeted for fiscal year 2025 in comparison to the forecasted expenses for fiscal year 2024 and the actual expenses for fiscal year 2023.

**WATER & SEWER FUND
EXPENSES BY DEPARTMENT
FISCAL YEAR 2023 - 2025**



In regard to the chart above, the variations in “Operations” expenses primarily relate to the amount of capital outlay for the given year and the increase in costs for water and sewer system maintenance.

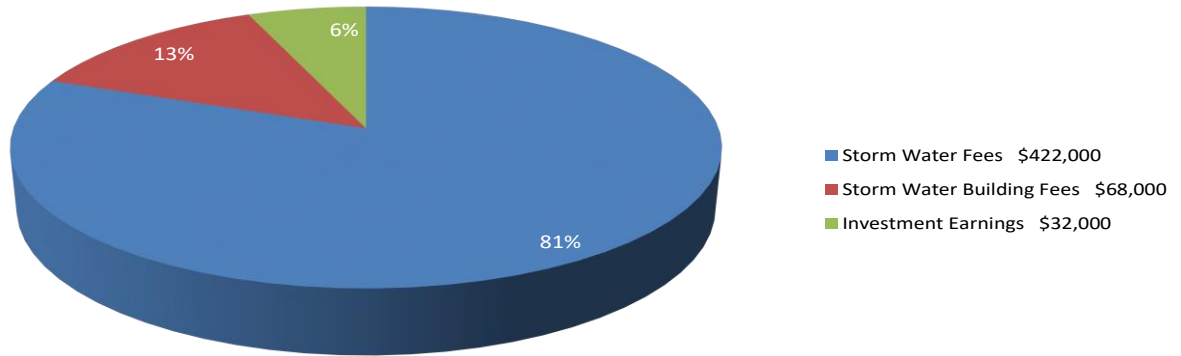
Refer to Exhibit D (on pages 38 and 39) for a summary of the changes, by Water and Sewer Fund department/function, between the budgets for fiscal year 2025 and 2024.

STORM WATER FUND SUMMARY

When comparing the total fiscal year 2025 Storm Water Fund budget to the original fiscal year 2024 budget, the total 2025 budget has decreased by 52.9%. In comparison to the fiscal year 2024 budget, operating expenses have decreased 5.6%, capital outlay decreased 78.6% and debt service decreased 26.6%. The significant decrease in capital outlay is due to the inclusion of a significant improvement project in fiscal year 2024.

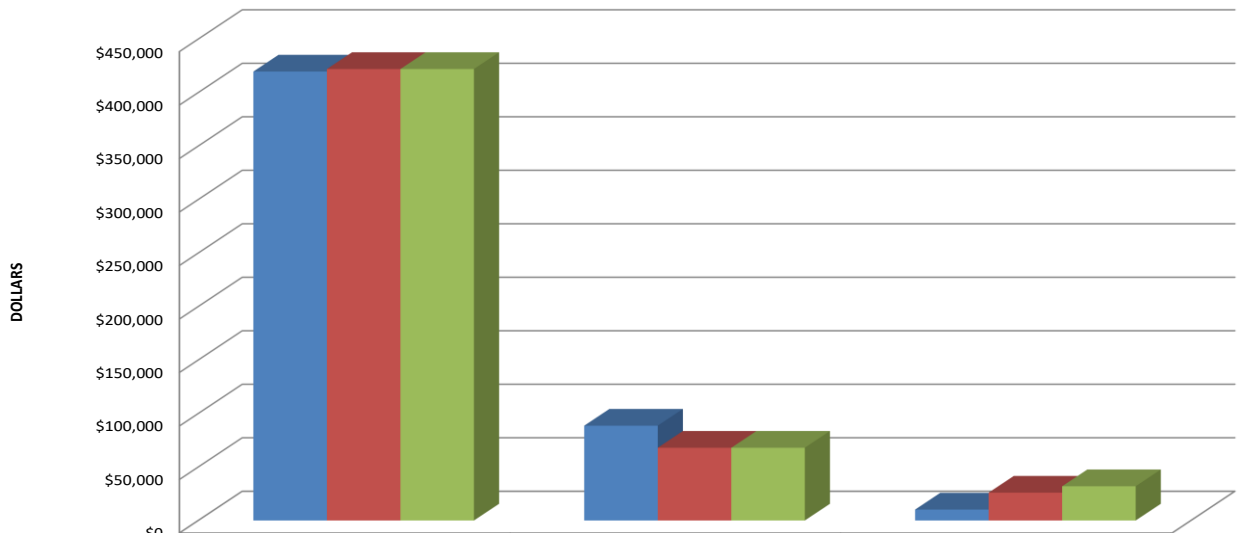
The breakdown of Storm Water Fund budgeted revenue, by major source, for fiscal year 2025 is shown on the next page.

**STORM WATER FUND
FISCAL YEAR 2025 REVENUE BUDGET**



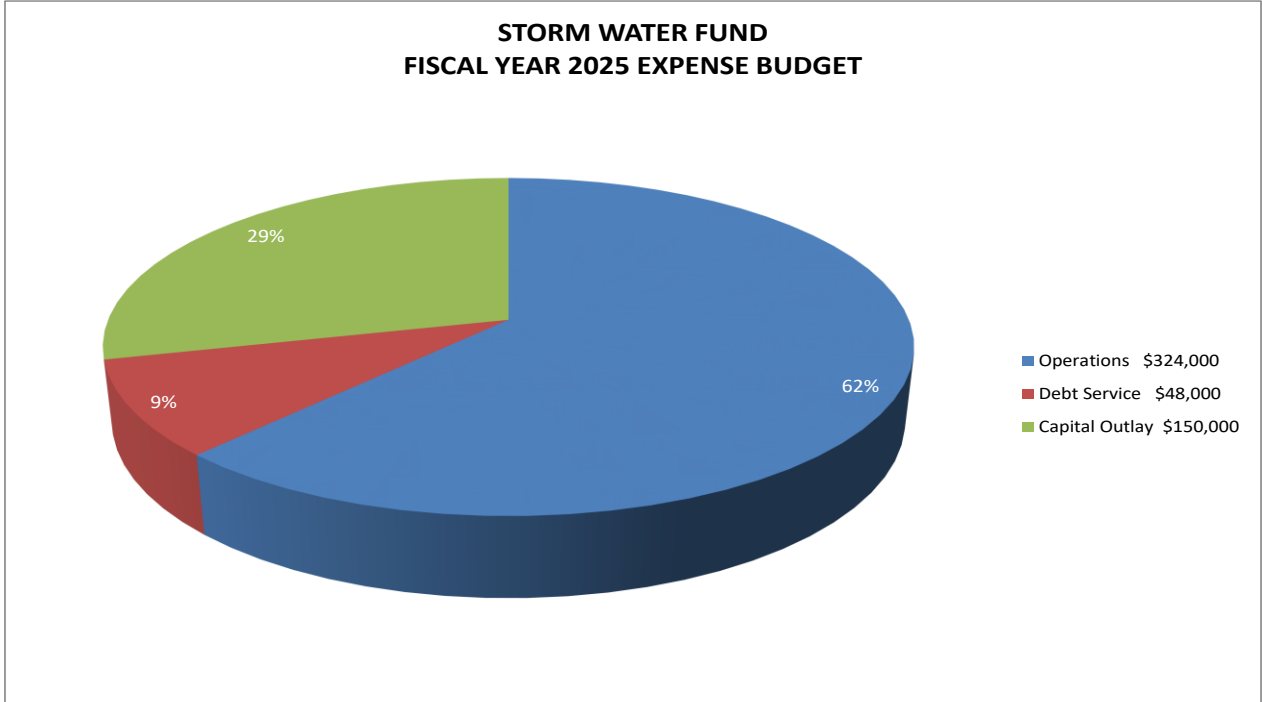
The chart below compares the budgeted fiscal year 2025 revenue to the forecasted revenue for fiscal year 2024 and the actual revenue for 2023. The major revenue source, “Storm Water Fees”, is projected to remain consistent with fiscal year 2024 levels as no rate increases are being proposed. “Storm Water Building Fees” fluctuate based on the amount of building activity.

**STORM WATER FUND
REVENUE BY SOURCE
FISCAL YEAR 2023 - 2025**

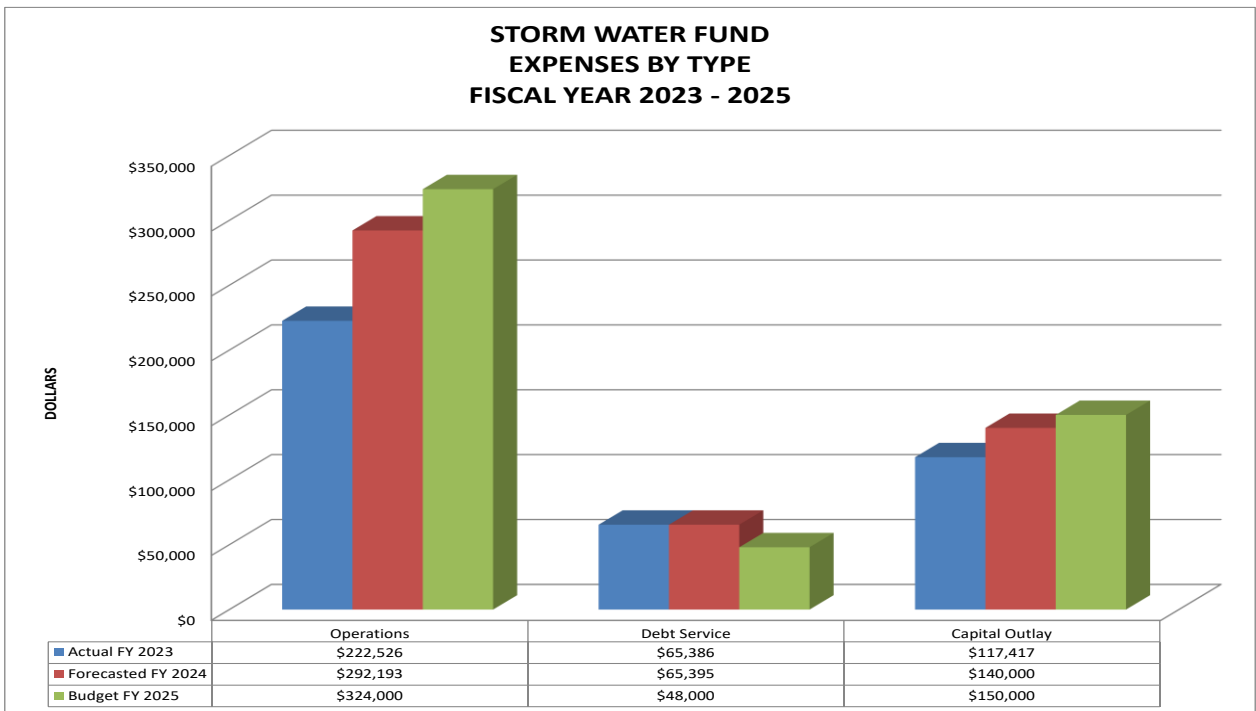


Refer to Exhibit E (on page 40) for a summary of the changes, by Storm Water Fund revenue source, between the budgets for fiscal year 2025 and 2024.

The breakdown of budgeted Storm Water Fund expenses, by type, for fiscal year 2025 is as follows:



The following chart shows the budgeted fiscal year 2025 expenses by type in relation to the forecasted fiscal year 2024 and actual 2023 Storm Water Fund expenses.



As indicated by the chart on the previous page, the budgeted expenses for fiscal year 2025 relating to “Operations” are expected to increase due to increases in the cost of materials and services. Fluctuations in “Capital Outlay” relate to the number and size of projects to be performed in a given year.

Refer to Exhibit F (on page 41) for a summary of the changes, by Storm Water Fund expense type, between the budgets for fiscal year 2025 and 2024.

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 total amount allocated by the NC Department of Transportation to each qualifying municipality is based on a formula (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 2025 is estimated at \$72,000 and investment earnings is estimated at \$150. Additionally, an appropriation of fund balance totaling \$25,000 is included in the fiscal year 2025 budget as part of the revenue source for street paving projects. Finally, budgeted Powell Bill eligible expenditures (street maintenance and paving) total \$97,150.

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 2025, the use of asset forfeiture funds will be appropriated from the fund’s balance and is estimated at \$25,000.

BEACH PROTECTION FUND SUMMARY

The Beach Protection Fund was established in fiscal year 2014 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 2025, the revenue source for this Fund will be investment earnings from Fund investments of \$24,000.

SEWER EXPANSION RESERVE FUND (SERF) SUMMARY

The Sewer Expansion Reserve Fund (SERF) is for future expansion, construction, repairs or alterations to the sewer system. For fiscal year 2025, revenue from system development fees is estimated at \$10,795 and investment earnings from Fund investments is budgeted at \$12,600. The primary revenue source for this fund, system development fees, are dependent on the level of construction activity within the Town.

SUMMARY

The fiscal year 2025 Town of Kure Beach budget reflects a thorough review of Town expenditures and conservative, but reasonable, estimation of revenues.

The upward trends in tourism and full-time population growth continue to place increased demands on Town personnel and the corresponding Town-provided services. These trends are expected to continue thereby creating an ongoing challenge to manage and control the costs to provide these services, while ensuring sufficient revenue sources exist to fund the services. Additionally, last year's inflation rate in excess of 4% and the continuing supply chain issues, have increased the cost of supplies and materials used for Town operations. Also, the level of compensation for Town employees must be periodically evaluated to ensure that compensation remains consistent with neighboring towns in order to retain and attract employees.

Finally, investment in Town infrastructure, including, but not limited to water, sewer, storm water, streets and facilities, continues as needed to ensure Town systems function properly and efficiently. The proposed fiscal year 2025 budget addresses these challenges.

In conclusion, I believe the proposed fiscal year 2025 Kure Beach budget supports the priorities established by Town Council and Department Heads, reflects the Council's commitment to providing exceptional services to residents and visitors and is responsive to the overall needs of the Town.

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 2025 budget.

Respectfully submitted,

Arlen Copenhaver

Arlen Copenhaver
Finance and Budget Officer

**GENERAL FUND REVENUE BUDGET
FY 2025 VS. FY 2024
(as of 5/20/2024)**

REVENUE TYPE	PROPOSED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Property Taxes	\$3,768,000	\$3,408,100	\$359,900	10.6%	Assumes a 2.42 cents tax increase (9.1%) (new tax rate of \$0.29) and estimated tax base provided by NHC Tax Dept.
Sales Tax	\$1,696,000	\$1,699,000	(\$3,000)	(0.2%)	Based on forecasts of state-wide sales tax proceeds.
Parking Program Revenue	\$820,000	\$742,000	\$78,000	10.5%	Based on historical parking revenue and current forecasts.
TDA	\$777,585	\$612,620	\$164,965	26.9%	FY 2025 budget is for Ocean Rescue, OFP maintenance, OFP entertainment, Pleasure Island Chamber of Commerce request and Aquarium Society request.
Garbage & Recycle Fees	\$651,650	\$568,700	\$82,950	14.6%	25% increase in garbage collection fees and 5.3% increase in recycling rate due to estimated increase in cost of recycle service.
Franchise & Utility Taxes	\$264,500	\$251,000	\$13,500	5.4%	Estimated increase in electricity sales tax.
Interest/Investment Earnings	\$175,000	\$86,000	\$89,000	103.5%	Increased investment in the North Carolina Capital Management Trust.

**GENERAL FUND REVENUE BUDGET
FY 2025 VS. FY 2024
(as of 5/20/2024)**

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

**GENERAL FUND REVENUE BUDGET
FY 2025 VS. FY 2024
(as of 5/20/2024)**

	PROPOSED	APPROVED		DIFF. FY 2025	%	
REVENUE TYPE	FY 2025 BUDGET	FY 2024 BUDGET		& FY 2024	CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Beer & Wine Tax	\$10,000	\$9,600		\$400	4.2%	
Parking Fines/ Civil Citations/ Court Fees	\$1,750	\$1,750		\$0	0.0%	
All Other Revenue	\$5,850	\$8,105		(\$2,255)	(27.8%)	Largest components are surplus property sales (\$3,500), re-entry decal sales (\$800) and special events (\$500).
Appropriation of Fund Balance	\$161,271	\$170,629		(\$9,358)	(5.5%)	
Other Financing Sources	\$380,000	\$160,000		\$220,000	137.5%	Proposed financing for garbage truck (\$250,000), Police vehicle (\$70,000) and Ocean Rescue truck (\$60,000).
TOTAL GENERAL FUND	\$9,057,973	\$8,046,713		\$1,011,260	12.6%	

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Governing Body	410	\$93,461	\$75,161	\$18,300	24.3%	<p><u>Increases:</u> Contributions: \$18,300 / 53% Governmental/Volunteer Relations: \$1,000 / 8%</p> <p><u>Decreases:</u> None</p> <p><u>Summary:</u> Operating Costs: \$18,300 / 24.3%</p>
Committees	412	\$20,425	\$19,225	\$1,200	6.2%	<p><u>Shoreline Access & Beach Protection (\$10,425):</u> Replace lost/damaged signs - \$5,250 SLABP Brochure - \$1,250 Sea Oats (3,000 @ \$0.65) - \$1,950 Education Giveaway Items - \$1,975</p> <p><u>Bike/Ped (\$10,000):</u> Education for Members - \$2,000 Public Education Information - \$5,000 Traffic Garden - \$1,000 Spot Lane Connector Beautification - \$2,000</p> <p><u>Summary:</u> Operating Costs: \$8,475 / 78.8% Capital Outlay: (\$85,000) / (100%)</p>
Elections	430	\$0	\$4,250	(\$4,250)	(100%)	No local election in FY 2025.

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Finance	415	\$282,009	\$266,186	\$15,823	5.9%	<p><u>Increases:</u> F/T Personnel-related Costs: \$10,920 / 7.2% Bank/Payroll/Credit Card Fees: \$7,500 / 34%</p> <p><u>Decreases:</u> Postage: \$3,400 / 69%</p> <p><u>Summary:</u> Operating Costs: \$15,823 / 5.9%</p>
Administration	420	\$487,548	\$456,474	\$31,074	6.8%	<p><u>Increases:</u> F/T Personnel-related Costs: \$14,525 / 8.1% P&L Insurance: \$10,750 / 14% Building Maintenance: \$2,500 / 10% Computer Service: \$2,194 / 5% Meetings/Events: \$1,000 / 18% Utilities: \$1,000 / 10% Supplies: \$1,000 / 7% Employee Recognition: \$500 / 9%</p> <p><u>Decreases:</u> Retiree Medical: \$2,795 / 11%</p> <p><u>Summary:</u> Operating Costs: \$31,074 / 6.8%</p>

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Emergency Management	446	\$2,500	\$2,500	\$0	0.0%	<u>Increases:</u> None <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$0 / 0%
Community Center	421	\$32,000	\$32,000	\$0	0.0%	<u>Increases:</u> None <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$0 / 0%
Tax Collection	460	\$34,600	\$32,600	\$2,000	6.1%	Increase in tax rate increases collection expenses.
Legal	470	\$90,400	\$86,300	\$4,100	4.8%	<u>Increases:</u> Legal Service – Town Attorney: \$4,000 / 6.7% <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$4,100 / 4.8%

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

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

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

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

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

<u>DEPARTMENT</u>	<u>DEPT. NO.</u>	<u>PROPOSED FY 2025 BUDGET</u>	<u>APPROVED FY 2024 BUDGET</u>	<u>DIFF. FY 2025 & FY 2024</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2025 VS. FY 2024</u>
Parks & Recreation	532	\$325,928	\$326,274	(\$346)	(0.1%)	<p><u>Increases:</u> F/T Personnel-related Costs: \$14,963 / 7.3% P/T Personnel-related Costs: \$1,722 / 15.4% Other Town Events: \$2,000 / 20% Children/Family Programs: \$1,000 / 11%</p> <p><u>Decreases:</u> Professional/Consulting Fees: \$20,000 / 57%</p> <p><u>Summary:</u> Operating Costs: (\$346) / (0.1%)</p>
Development & Compliance	540	\$285,889	\$267,165	\$18,724	7.0%	<p><u>Increases:</u> F/T Personnel-related Costs: \$18,158 / 8.9% Computer Software/Support: \$1,500 / 25%</p> <p><u>Decreases:</u> Vehicle Allowance: \$1,200 / 12%</p> <p><u>Summary:</u> Operating Costs: \$18,724 / 7.0%</p>
Paid Parking Program	570	\$220,200	\$200,000	\$20,200	10.1%	Increase based on budget and forecast provided by Premium Parking.

**GENERAL FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

<u>DEPARTMENT</u>	<u>DEPT. NO.</u>	PROPOSED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Streets & Sanitation	550	\$2,041,483	\$1,592,909	\$448,574	28.2%	<p><i>Increases:</i> F/T Personnel-related Costs: \$45,752 / 7.0% Capital Outlay–Equipment: \$223,000 / 826% Capital Outlay–Improvements: \$175,000 / New Minor Equipment: \$20,000 / 200% OFP Maintenance: \$20,000 / 57% Recycling: \$6,500 / 3% Truck Maintenance: \$5,000 / 25% Equipment Maintenance: \$2,000 / 17% Uniforms: \$1,000 / 11%</p> <p><i>Decreases:</i> Capital Outlay – Truck: \$50,000 / 100%</p> <p><i>Summary:</i> Operating Costs: \$100,574 / 6.6% Capital Outlay: \$348,000 / 452%</p>
Debt Service	560	\$701,250	\$721,975	(\$20,725)	(2.9%)	Pay down of existing loans.
TOTAL GENERAL FUND		\$9,057,973	\$8,046,713	\$1,011,260	12.6%	

**WATER/SEWER FUND REVENUE BUDGET
FY 2025 VS. FY 2024
(as of 5/20/2024)**

	PROPOSED	APPROVED	DIFF. FY 2025	%	
REVENUE TYPE	FY 2025 BUDGET	FY 2024 BUDGET	& FY 2024	CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Water Charges	\$1,066,321	\$1,030,000	\$36,321	3.5%	Includes a 10% increase to usage-based rate tiers.
Sewer Charges	\$1,570,500	\$1,534,700	\$35,800	2.3%	Includes a 10% increase to usage-based rate tiers.
Water & Sewer Tap Fees	\$51,000	\$45,000	\$6,000	13.3%	Based on estimated building activity.
Cutoff & Reconnection Fees	\$6,000	\$1,500	\$4,500	300.0%	Increase based on change in late fee process with new accounting software.
Account Past Due Charges	\$20,000	\$7,270	\$12,730	175.1%	Increase based on change in late fee process with new accounting software.
New Account Setup Fees	\$4,000	\$5,500	(\$1,500)	(27.3%)	FY 2025 budget based on FY 2024 forecast.

**WATER/SEWER FUND REVENUE BUDGET
FY 2025 VS. FY 2024
(as of 5/20/2024)**

REVENUE TYPE	PROPOSED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Interest/Investment Earnings	\$105,000	\$50,000	\$55,000	110.0%	Increased investment in the North Carolina Capital Management Trust.
NCDEQ AIA Grants: Water and Sewer Systems	\$150,000	\$0	\$150,000		Remaining grant revenue for water and sewer systems inventory and assessment.
Other Revenue/ Fees	\$360	\$285	\$75	26.3%	
TOTAL WATER/SEWER FUND	\$2,973,181	\$2,674,255	\$298,926	11.2%	

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

	DEPT.	PROPOSED	APPROVED	DIFF. FY 2025	%	
<u>DEPARTMENT</u>	<u>NO.</u>	<u>FY 2025 BUDGET</u>	<u>FY 2024 BUDGET</u>	<u>& FY 2024</u>	<u>CHG.</u>	<u>SIGNIFICANT CHANGES FY 2025 VS. FY 2024</u>
Governing Body	710	\$19,056	\$19,056	\$0	0.0%	<u>Increases:</u> None <u>Decreases:</u> None
Finance	715	\$282,894	\$259,402	\$23,492	9.1%	<u>Increases:</u> F/T Personnel-related Costs: \$13,345 / 7.2% Bank/Payroll/Credit Card Fees: \$7,300 / 59% Postage: \$2,500 / 19% <u>Decreases:</u> None <u>Summary:</u> Operating Costs: \$23,492 / 9.1%
Administration	720	\$327,966	\$306,667	\$21,299	6.9%	<u>Increases:</u> F/T Personnel-related Costs: \$9,683 / 8.1% P&L Insurance: \$10,750 / 14% Building Maintenance: \$1,750 / 10% Computer Service: \$1,463 / 5% Utilities: \$1,000 / 15% Supplies: \$1,000 / 11% Employee Recognition: \$600 / 18% <u>Decreases:</u> Retiree Medical: \$5,414 / 54% <u>Summary:</u> Operating Costs: \$21,299 / 6.9%

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2025 VS. FY 2024
(as of 5/20/2024)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2025 BUDGET	APPROVED FY 2024 BUDGET	DIFF. FY 2025 & FY 2024	% CHG.	SIGNIFICANT CHANGES FY 2025 VS. FY 2024
Legal	770	\$18,600	\$17,700	\$900	5.1%	<p><i>Increases:</i> Legal Service – Town Attorney : \$1,000 / 6%</p> <p><i>Decreases:</i> None</p> <p><i>Summary:</i> Operating Costs: \$900 / 5.1%</p>
W/S Operations	810	\$2,324,665	\$2,071,430	\$253,235	12.2%	<p><i>Increases:</i> F/T Personnel-related Costs: \$36,470 / 7.1% Engineering Fees: \$150,000 / 1500% Capital Outlay - Equipment: \$60,000 / New Equipment Maintenance: \$13,000 / 108% Water Testing Services: \$6,000 / 33% Maintenance of System: \$5,000 / 4% Supplies & Materials: \$4,778 / 4% Capital Outlay - Improvements: \$2,000 / 1% Uniforms: \$1,500 / 15%</p> <p><i>Decreases:</i> Debt Service: \$23,580 / 7% Workers Comp. Insurance: \$1,933 / 22%</p> <p><i>Summary:</i> Operating Costs: \$214,815 / 16.2% Capital Outlay: \$62,000 / 15.6%</p>
TOTAL WATER/ SEWER FUND		\$2,973,181	\$2,674,255	\$298,926	11.2%	

**STORM WATER FUND REVENUE BUDGET
FY 2025 VS. FY 2024
(as of 5/20/2024)**

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

**STORM WATER FUND BUDGET BY EXPENSE TYPE
FY 2025 VS. FY 2024
(as of 5/20/2024)**

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