

**Craig Bloszinsky**  
*Mayor*

**Dennis Panicali**  
*Commissioner*

**David Heglar**  
*Commissioner*



**Allen Oliver**  
*Mayor Pro Tem*

**John Ellen**  
*Commissioner*

**Mandy Sanders**  
*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 23, 2022

**RE: TOWN OF KURE BEACH, NORTH CAROLINA  
FISCAL YEAR 2023 BUDGET MESSAGE**

The Honorable Mayor Bloszinsky 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 2023 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, 2022. 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 6, 2022 at 5:00 pm.

**The proposed fiscal year 2023 Town of Kure Beach budget is balanced and totals \$11,847,595 for all operations. This total budget is comprised of the following seven funds: General Fund \$8,409,097; Water and Sewer Fund \$2,728,686; Storm Water Fund \$604,977; Powell Bill Fund \$70,075; Federal Asset Forfeiture Fund \$25,000; Sewer Expansion Reserve Fund (SERF) \$9,150 and Beach Protection Fund \$610.**

Comparison of the proposed fiscal year 2023 budget for each fund to the original and, if applicable, amended fiscal year 2022 budgets is as follows:

FUND	2022 ORIGINAL BUDGET	2022 AMENDED BUDGET	PROPOSED 2023 BUDGET	DIFF. 2023 & ORIG. 2022	% CHANGE	DIFF. 2023 & AMENDED 2022	% CHANGE
General	\$6,678,496	\$6,844,514	<b>\$8,409,097</b>	\$1,730,601	25.9%	\$1,564,583	22.9%
Water/Sewer	\$2,804,933	\$2,815,441	<b>\$2,728,686</b>	(\$76,247)	-2.7%	(\$86,755)	-3.1%
Storm Water	\$700,457	\$700,457	<b>\$604,977</b>	(\$95,480)	-13.6%	(\$95,480)	-13.6%
Powell Bill	\$318,650	\$318,650	<b>\$70,075</b>	(\$248,575)	-78.0%	(\$248,575)	-78.0%
Federal Asset Forfeiture	\$25,000	\$25,000	<b>\$25,000</b>	\$0	0.0%	\$0	0.0%
Sewer Expansion Reserve	\$9,090	\$9,090	<b>\$9,150</b>	\$60	0.7%	\$60	0.7%
Beach Protection	\$390	\$390	<b>\$610</b>	\$220	56.4%	\$220	56.4%
<b>TOTAL - ALL FUNDS</b>	<b>\$10,537,016</b>	<b>\$10,713,542</b>	<b>\$11,847,595</b>	<b>\$1,310,579</b>	<b>12.4%</b>	<b>\$1,134,053</b>	<b>10.6%</b>

### **TOWN COUNCIL GOALS**

The proposed budget supports the fiscal year 2023 goals established by Town Council at their annual retreat held in February 2022. These goals are:

1. *Work smarter to maintain and improve our quality of life in Kure Beach.*
  - Adoption of the Land Use Plan and Survey
  - Work on Department of Defense Land Use Plan to retain assets
  - Implement Bike/Ped solutions
2. *Ensure the integrity of Town financial data and maintain financial stability in all Town funds.*
  - Be fiscally responsible
  - Review ordinance for enforcement process
  - Maintain tax and water/sewer rates

3. *Enable an optimum working environment for staff to produce high levels of service to the public.*
  - Ensure policies are fair (morale)
  - Public Works space (physical)
4. *Provide all departments with the support to maintain a safe working and living environment.*
  - Support camera program
  - Use technology to multiply abilities
  - Continue to improve employee safety plan
  - Support K9 program

## **BUDGET HIGHLIGHTS**

### **PROPOSED TAX RATE FOR FISCAL YEAR 2023**

The tax rate being proposed for fiscal year 2023 is 26.58 cents (\$0.2658) per \$100 of valuation, which is unchanged from fiscal year 2022. Property taxes are the Town's largest single source of revenue. Fiscal year 2023 property tax revenue is estimated at \$3,354,500. This includes both current tax year and prior tax year's collections and represents 40% of the General Fund revenue.

The estimated Kure Beach tax base, as provided by the New Hanover County Tax Department, is \$1,270,550,000. This is an increase of \$22,477,500 (1.8%) over the prior year 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**

There is one proposed fee increase for General Fund services included in the proposed fiscal year 2023 budget. The monthly recycle fee will increase by \$1.16 (14.6%). The new monthly fee of \$9.08 is due to price increases by the Town's recycle vendor.

### **WATER AND SEWER RATES**

There are no water and sewer fee increases being proposed for fiscal year 2023.

**STORM WATER FEES**

There are no storm water fee increases being proposed for fiscal year 2023.

**STAFFING AND COMPENSATION**

The fiscal year 2023 budget includes moving a vacant position from Administration to Public Works, thereby maintaining the number of full-time personnel at 51. 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	39
Water and Sewer	10
Storm Water	2
Total	51

The proposed fiscal year 2023 budget does not include a cost of living adjustment (COLA) or merit increase during the actual fiscal year. Rather, a COLA will be implemented effective with the pay period beginning June 4, 2022. Although this COLA will be implemented near the end of fiscal year 2022, the impact of the COLA is reflected in the proposed fiscal year 2023 budget. The COLA that Town Council approved addresses concerns relating to retention of current employees, the ability to attract new employees when necessary, the impacts of current inflation rates on Town employees, and, lastly, to remain competitive with neighboring towns.

The COLA to be implemented on June 4, 2022, is based on our Salary Band structure and is tiered as follows:

SALARY BAND	DESCRIPTION	COLA %
I-A	Operations Staff	15%
I-B, C & D	Support, Fire, Emergency & Police Staff	10%
II	Mid-Management	9%
III	Management	8%

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

For fiscal year 2023, compensation has been increased by \$50 per month, vehicle allowance by \$25 per month and phone allowance by \$25 per month for each position. 60% of the above compensation and allowances 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 (\$19,380), Federal Point Historic Preservation Society (\$2,000), Katie B. Hines Senior Center (\$2,000), The Help Center of Federal Point (\$1,500) and the Island of Lights (\$1,200). Finally, the General Fund Governing Body budget also includes \$5,897 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 \$597,710 and includes payments on existing loans for the following:

Equipment & Vehicles	\$ 74,525
Land	44,010
Ocean Front Park	108,260
Fire Station & Town Hall	<u>370,915</u>
General Fund Total	<u>\$597,710</u>

This is a decrease of \$82,055 (12.1%) over fiscal year 2022.

Water and Sewer Fund

The Water and Sewer Fund debt service totals \$362,750 and includes payments on existing loans for the following:

Equipment & Vehicles	\$ 91,200
Water/Sewer Infrastructure	220,950
Town Hall	<u>50,600</u>
Water/Sewer Fund Total	<u>\$362,750</u>

This is a decrease of \$57,885 (13.8%) over fiscal year 2022.

Storm Water Fund

Finally, the Storm Water Fund debt service totals \$66,020 relating to the financing of equipment. This is an increase of \$29,072 (78.7%) over fiscal year 2022.

Debt service for each fund, as a percentage of the applicable fund’s proposed fiscal year 2023 total budget is as follows:

General Fund	7.1%
Water and Sewer Fund	13.3%
Storm Water Fund	10.9%

The Town’s total outstanding debt (all funds) is estimated to be \$6,148,100 on July 1, 2022. 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 0.48% 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 15.4% greater than the original fiscal year 2022 budget for operating expenses. The primary factors contributing to the increase in relation to the original fiscal year 2022 budget include:

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

Water and Sewer Fund

The fiscal year 2023 operating budget (excluding capital outlay and debt service) for the Water and Sewer Fund is 13.4% greater than the original fiscal year 2022 budget. The primary reasons for the increase in relation to the 2022 budget are an increase in maintenance costs for the Town’s sewer system for sludge removal from the sewer lagoon and the previously discussed employee compensation actions.

### Storm Water Fund

The fiscal year 2023 Storm Water Fund operating budget (excluding capital outlay and debt service) is 22.8% greater than the fiscal year 2022 budget. The increase is primarily due to the estimated cost of a storm water study of the southern portion of Kure Beach.

### CAPITAL OUTLAY

#### General Fund

The General Fund capital outlay for fiscal year 2023 totals \$1,441,273 and is comprised of the following:

- \$90,000 – Replacement of Police vehicles (will be purchased using financing)
- \$717,773 – Replacement of a Fire Engine (will be purchased using financing)
- \$350,000 – Replacement of a Garbage Truck (will be purchased using financing)
- \$105,000 – Street paving projects
- \$85,000 – Crosswalk and sidewalk improvements
- \$27,500 – Replacement of equipment
- \$66,000 – Ocean Front Park and Joe Eakes Park improvements

The fiscal year 2023 budgeted capital outlay for the General Fund is \$964,223 (202%) greater than the fiscal year 2022 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 2023 Water and Sewer Fund capital outlay includes \$325,000 for the following infrastructure-related projects:

- \$100,000 – Sewer pipe relining
- \$80,000 – Well rehabilitation
- \$65,000 – Replacement of several lift station control panels
- \$40,000 – Manhole rehabilitation
- \$40,000 – Sewer lagoon baffle replacement

The fiscal year 2023 budgeted capital outlay is \$260,000 (44%) less than the fiscal year 2022 budget.

### Storm Water Fund

The fiscal year 2023 Storm Water Fund capital outlay totals \$240,000 and includes several infrastructure projects including the Mississippi and Pinfish project and North 4<sup>th</sup> Avenue project. The fiscal year 2023 budgeted capital outlay is \$180,000 (43%) less than the fiscal year 2022 budget.

### FUND TRANSFERS

There are no transfers between Town operating funds proposed as part of the fiscal year 2023 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:

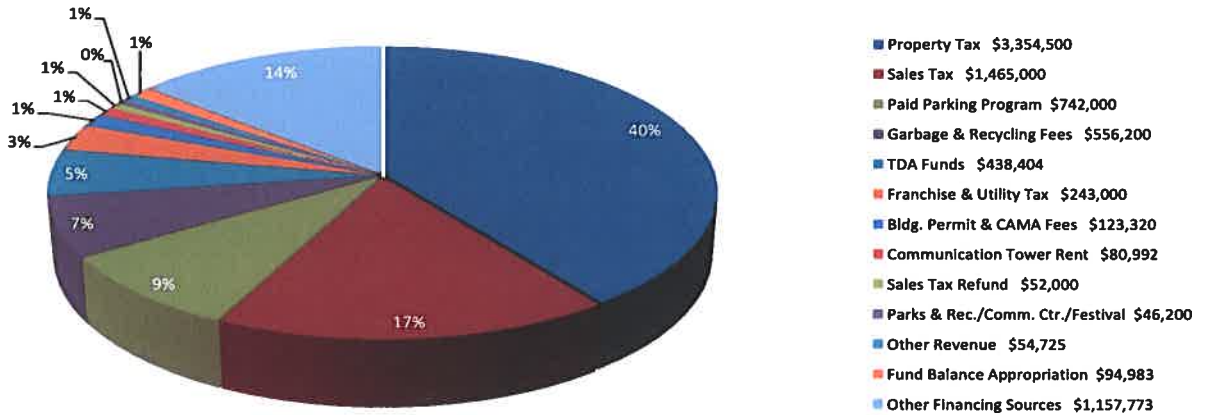
- 1) The desire to maintain the types and levels of service provided to Town residents and property owners as both the year-round population and number of tourists increase.
- 2) The need to build reserves in anticipation of future beach nourishment costs.
- 3) The significant price increases for purchased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

When comparing the total fiscal year 2023 General Fund budget to the fiscal year 2022 original budget and amended budget as of May 23, 2022, the total 2023 budget has increased by 25.9% in relation to the original budget and 22.9% in relation to the amended budget. In comparison to the fiscal year 2022 original budget, operating expenses have increased 15.4%, capital outlay increased 202% and debt service decreased 12.1%.

The breakdown of budgeted revenue, by major source, for fiscal year 2023 is presented on the next page. The top six revenue sources are property taxes (\$3,354,500), sales tax (\$1,465,000), parking program revenue (\$742,000), garbage/recycle fees (\$556,200), TDA funds (\$438,404) and franchise/utility taxes (\$243,000). These six revenue sources account for approximately 81% (\$6,799,104) of the total General Fund revenue.

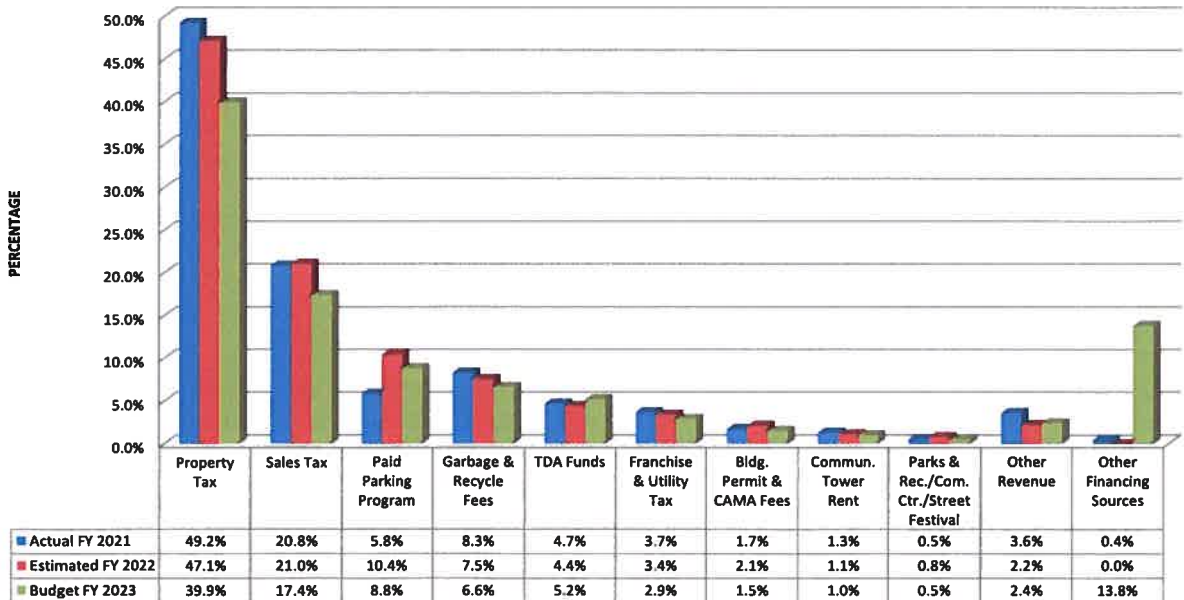


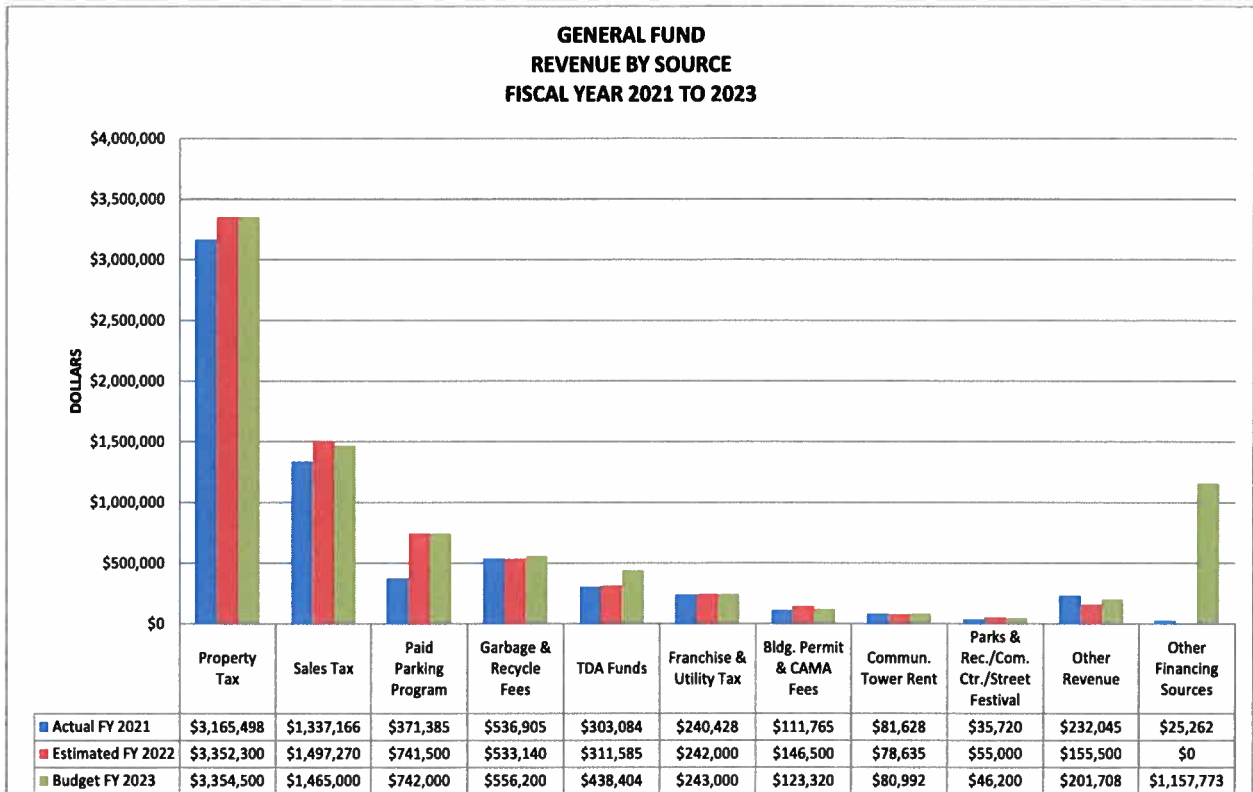
**GENERAL FUND  
FISCAL YEAR 2023 REVENUE BUDGET**



For comparative purposes, the following charts present the percentage of revenue by source and revenue by source budgeted for fiscal year 2023 in relation to the estimated revenue for fiscal year 2022 and the actual revenue for fiscal year 2021.

**GENERAL FUND  
PERCENTAGE OF REVENUE BY SOURCE  
FISCAL YEAR 2021 TO 2023**



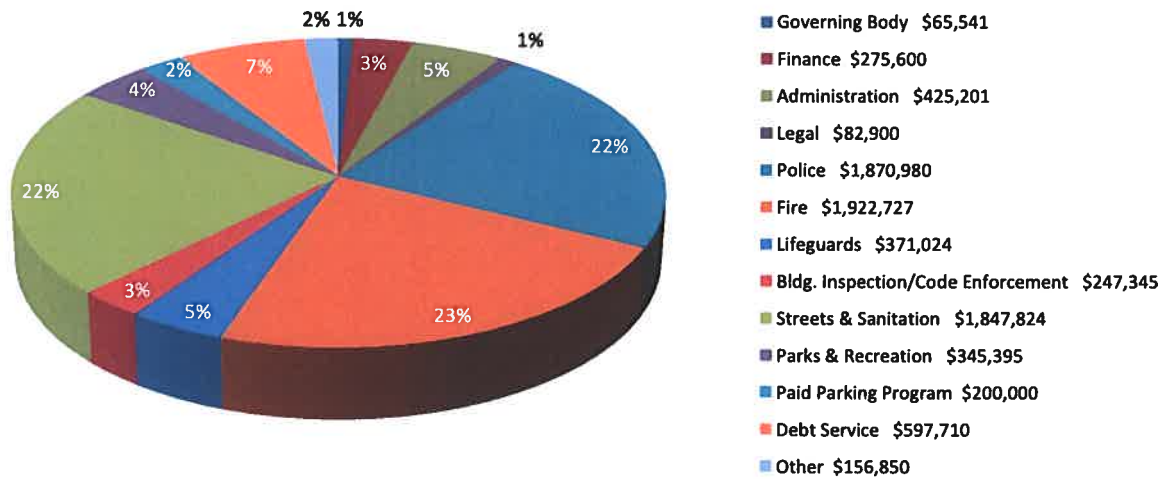


As the previous charts depict, revenue from property taxes consistently is 40% or more of the General Fund’s total revenue. The other categories have remained relatively consistent from year-to-year with the exception of “Paid Parking Program”, “Other Revenue” and “Other Financing Sources”. The “Paid Parking Program” was implemented in April 2021; therefore, fiscal year 2021 reflects only one-half of a parking season. Both fiscal year 2022 and 2023 each contain an entire parking season. “Other Revenue” was higher in fiscal year 2021 due to FEMA reimbursements relating to hurricane damages, CARES Act funding and Police-related grants. “Other Revenue” budgeted for fiscal year 2023 includes an appropriation of fund balance totaling \$94,983. Finally, “Other Financing Sources” are installment loans and vary based on the level of capital outlay. “Other Financing Sources” budgeted for fiscal year 2023 is significantly higher due to the proposed financing for a Fire Engine and a Garbage Truck.

Refer to [Exhibit A](#) (on pages 20 to 22) for a summary of the changes, by General Fund revenue source, between the budgets for fiscal year 2023 and 2022.

The breakdown of budgeted General Fund expenses, by department/function, for fiscal year 2023 is presented on the following page. The six largest components of the General Fund expense budget are Fire (\$1,922,727), Police (\$1,870,980), Public Works – Streets & Sanitation (\$1,847,824), Debt Service (\$597,710), Administration (\$425,201) and Lifeguards (\$371,024). These six departments/functions account for \$7,035,466, or 84%, of the General Fund budget.

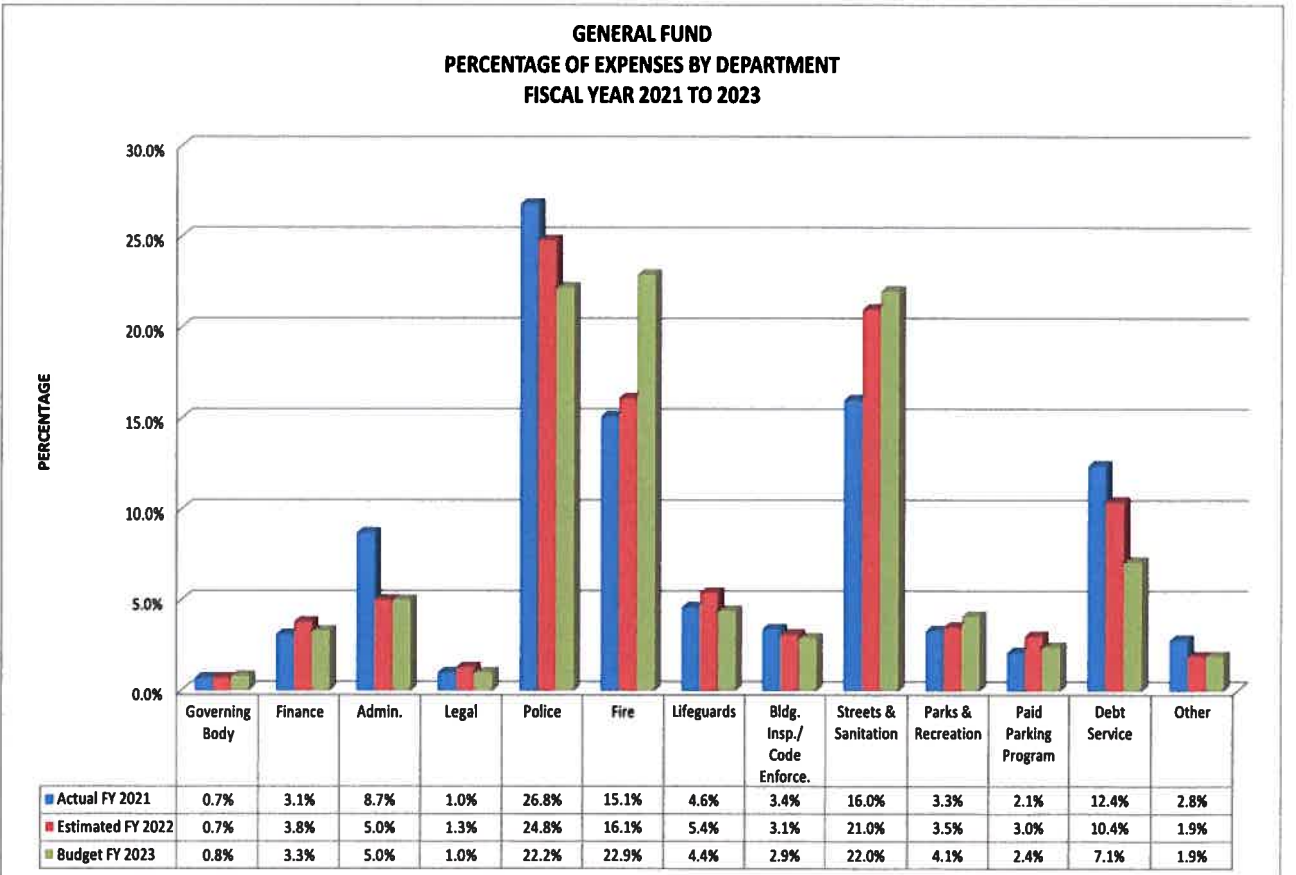
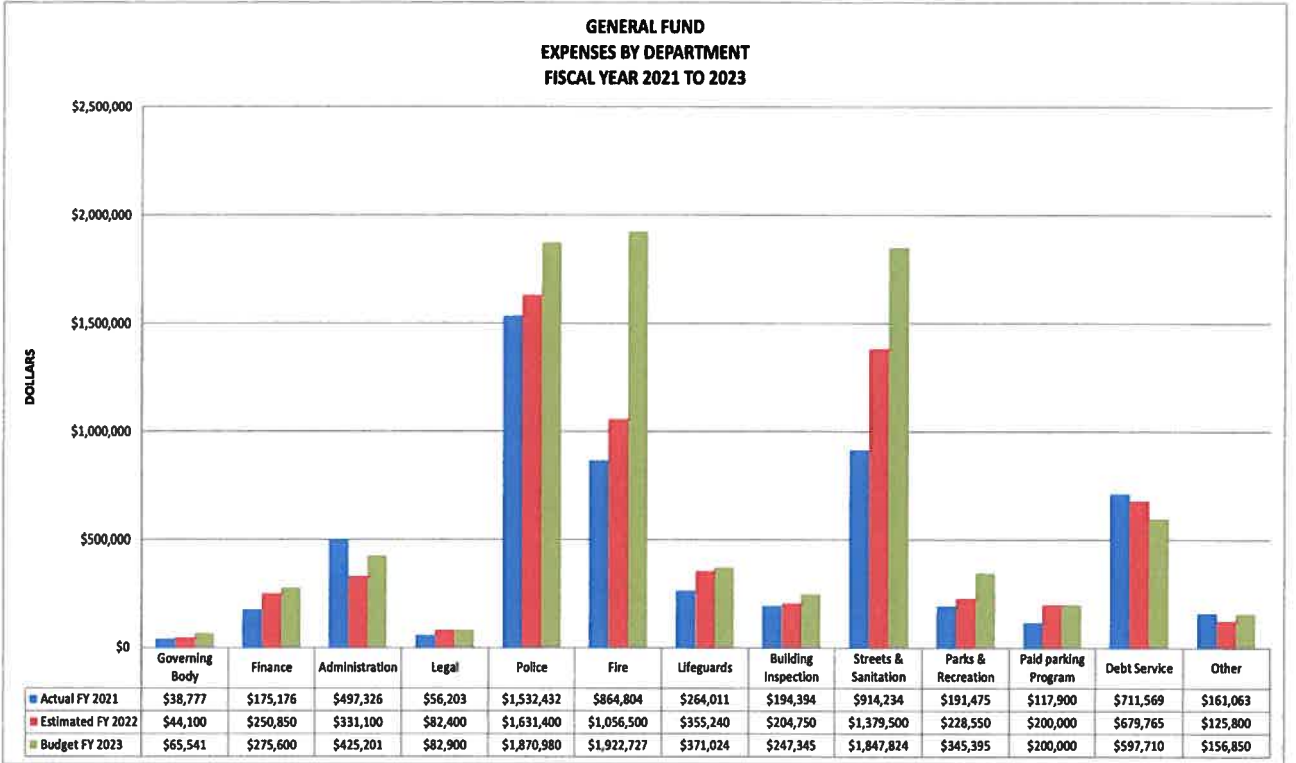
**GENERAL FUND  
FISCAL YEAR 2023 EXPENSE BUDGET**



The charts on the next page present the expenses by department/function and the percentage of expenses by department/function budgeted for fiscal year 2023 in relation to the estimated expenses for fiscal year 2022 and the actual expenses for fiscal 2021.

As indicated on the charts on the next page, 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, the proposed fiscal year 2023 budget includes capital expenditures for the Fire Dept. of \$717,773, \$470,000 for Streets and Sanitation, \$90,000 for the Police Dept. and \$66,000 for Parks and Recreation.

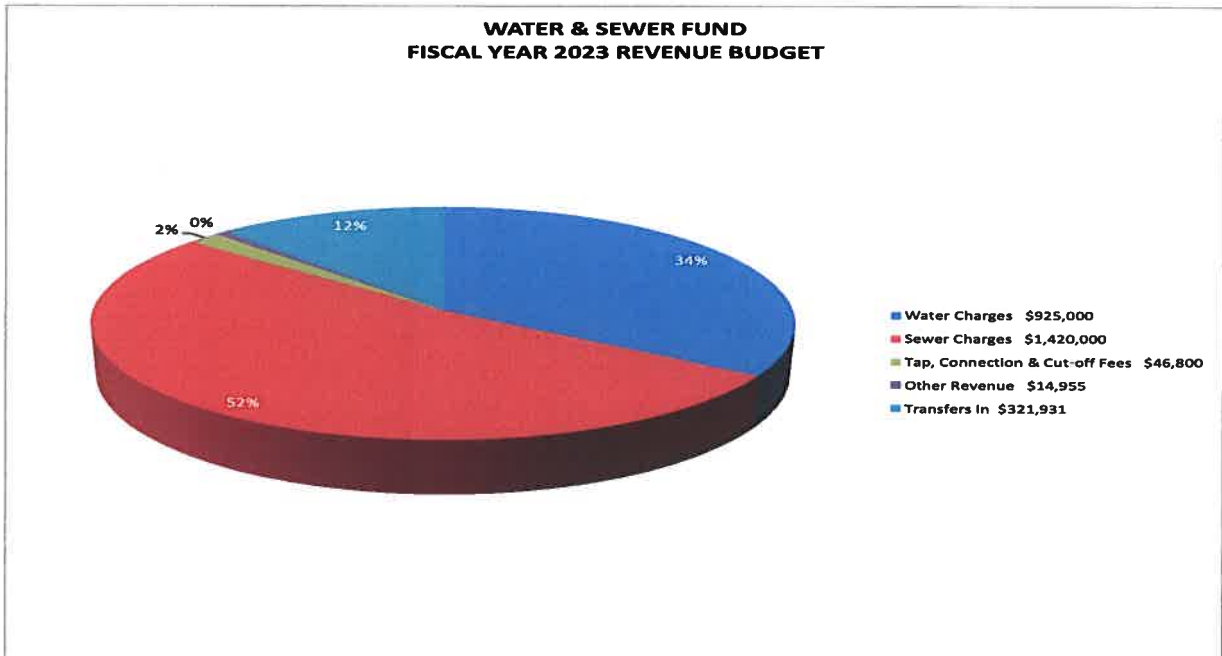
Refer to Exhibit B (on pages 23 to 27) for a summary of the changes, by General Fund department/function, between the budgets for fiscal year 2023 and 2022.



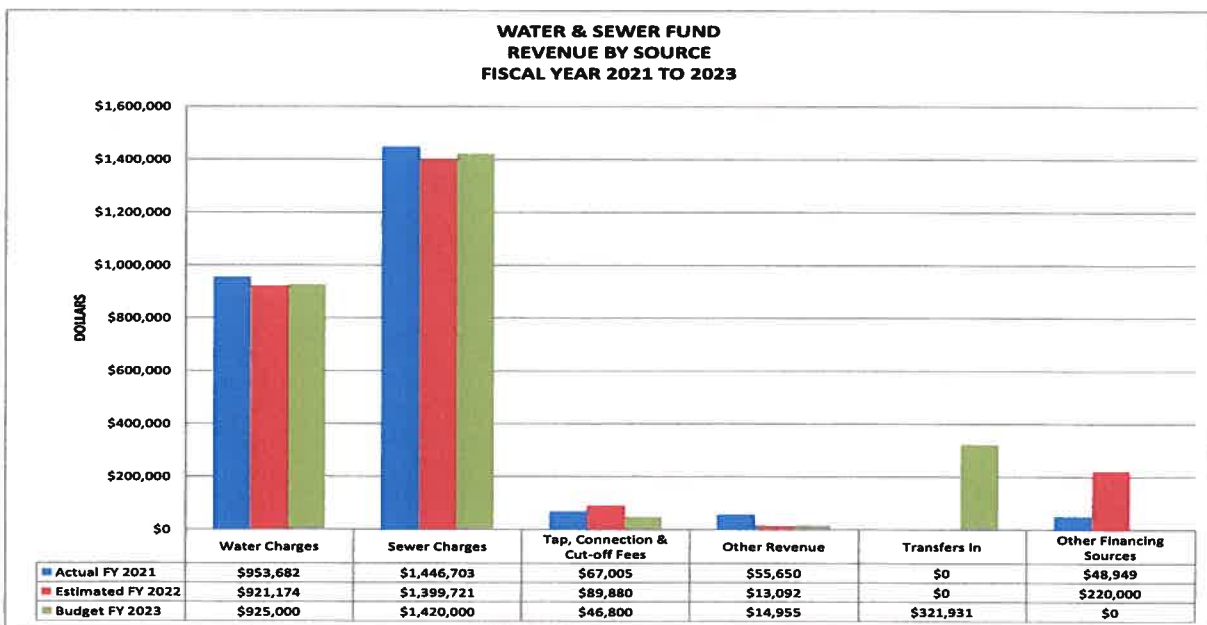
**WATER AND SEWER FUND SUMMARY**

Overall, the fiscal year 2023 Water and Sewer Fund budget is 2.7% less than the fiscal year 2022 original budget. In relation to the fiscal year 2022 original budget, operating expenses have increased 15.4%, capital outlay has decreased by 202% and debt service has decreased by 13.8%.

The breakdown of Water and Sewer Fund budgeted revenue, by major source, for fiscal year 2023 is as follows:



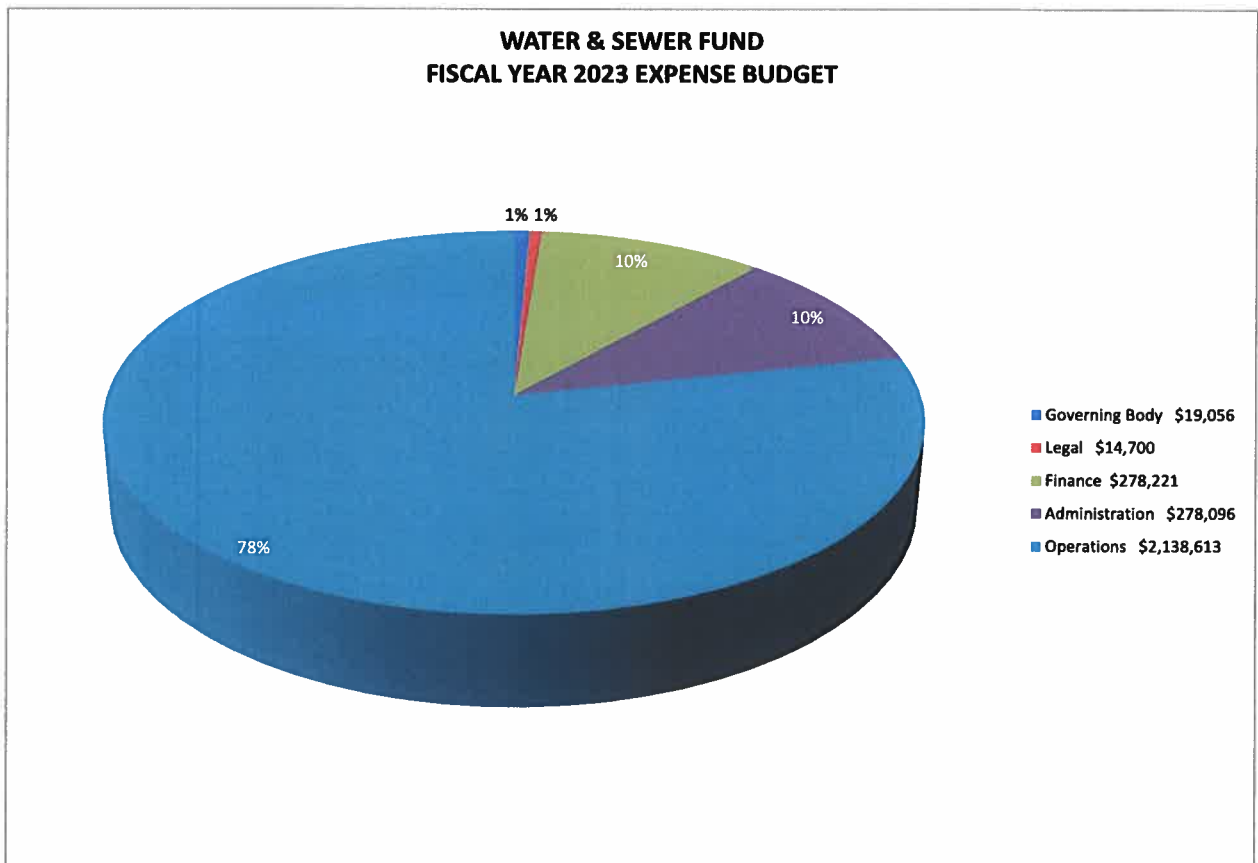
The chart below shows the Water and Sewer Fund revenue by source budgeted for fiscal year 2023 compared to the estimated revenue for fiscal year 2022 and the actual revenue for fiscal year 2021.



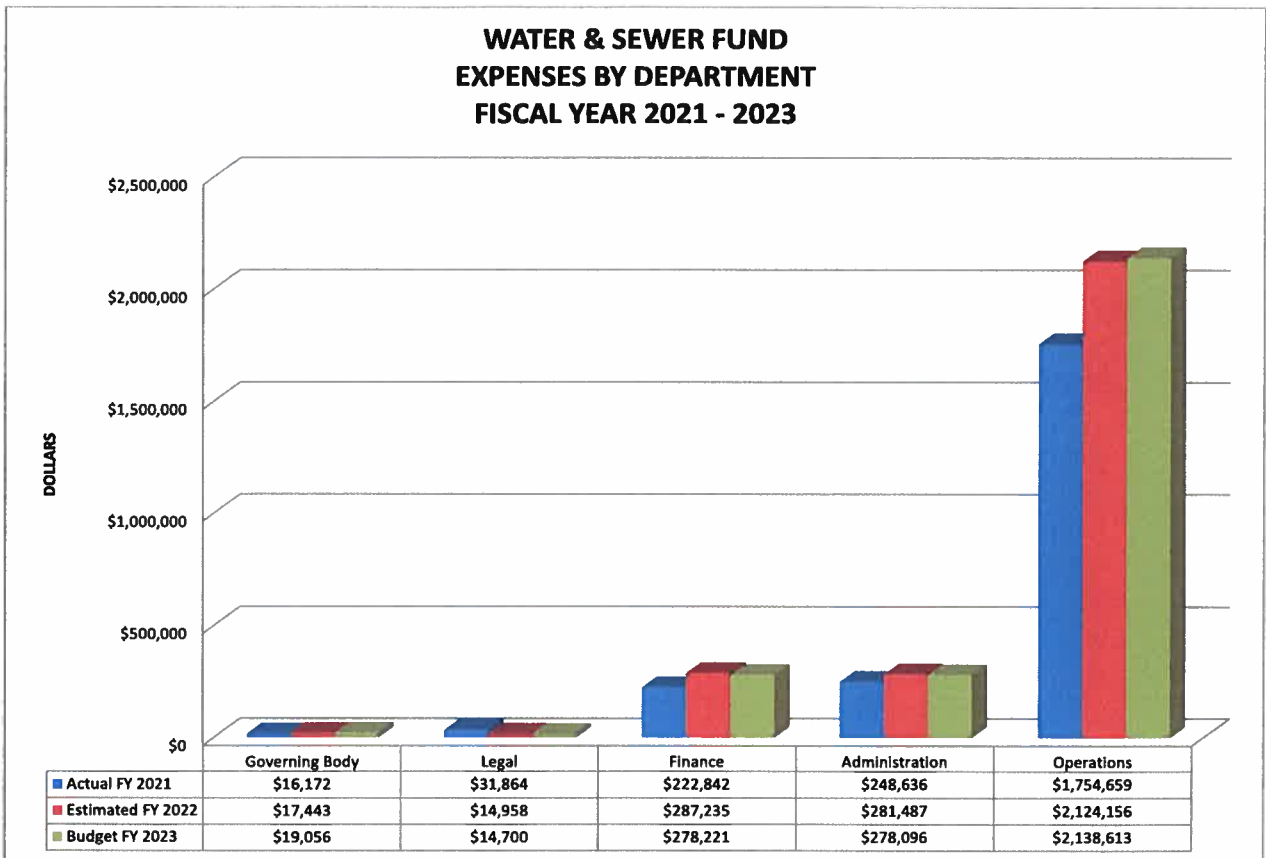
The most significant revenue sources, “Water and Sewer Charges”, are projected to remain unchanged in fiscal year 2023 as no changes to the water and sewer rate structure are being proposed. For fiscal year 2023, a “Transfer In” from the American Rescue Plan Act (ARP) Grant Project Fund is being proposed that will ultimately be used for several of the infrastructure projects planned for fiscal year 2023. Finally, “Other Financing Sources” were higher in fiscal year 2022 due to financing of equipment, while no financing needs are anticipated for fiscal year 2023.

Refer to Exhibit C (on pages 28 and 29) for a summary of the changes, by Water and Sewer Fund revenue source, between the budgets for fiscal year 2023 and 2022.

The breakdown of budgeted Water and Sewer Fund expenses, by department/function, for fiscal year 2023 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 2023 in comparison to the estimated expenses for fiscal year 2022 and the actual expenses for fiscal year 2021.



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 costs for water and sewer system maintenance.

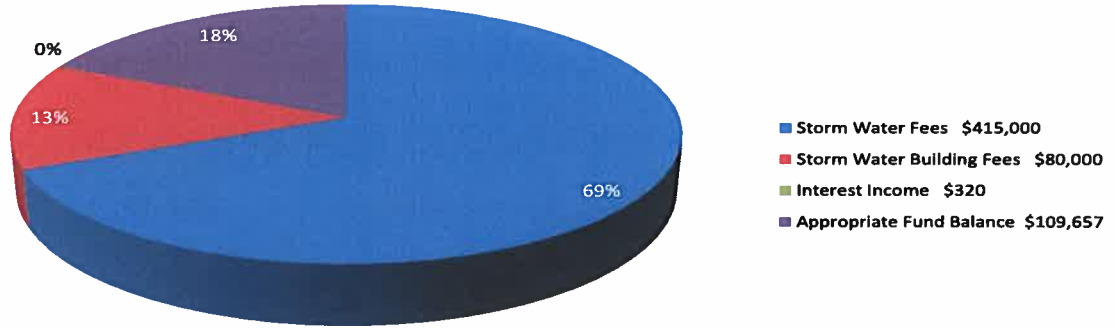
Refer to Exhibit D (on pages 30 and 31) for a summary of the changes, by Water and Sewer Fund department/function, between the budgets for fiscal year 2023 and 2022.

**STORM WATER FUND SUMMARY**

When comparing the total fiscal year 2023 Storm Water Fund budget to the fiscal year 2022 budget, the total 2023 budget has decreased by 13.6%. In comparison to the fiscal year 2022 budget, operating expenses have increased 22.8%, capital outlay decreased 42.9% and debt service increased 78.7%. The primary reason for the increase in operating expenses is the inclusion of a storm water study of the southern portion of Kure Beach. The increase in debt service is due to equipment financing incurred in fiscal year 2022.

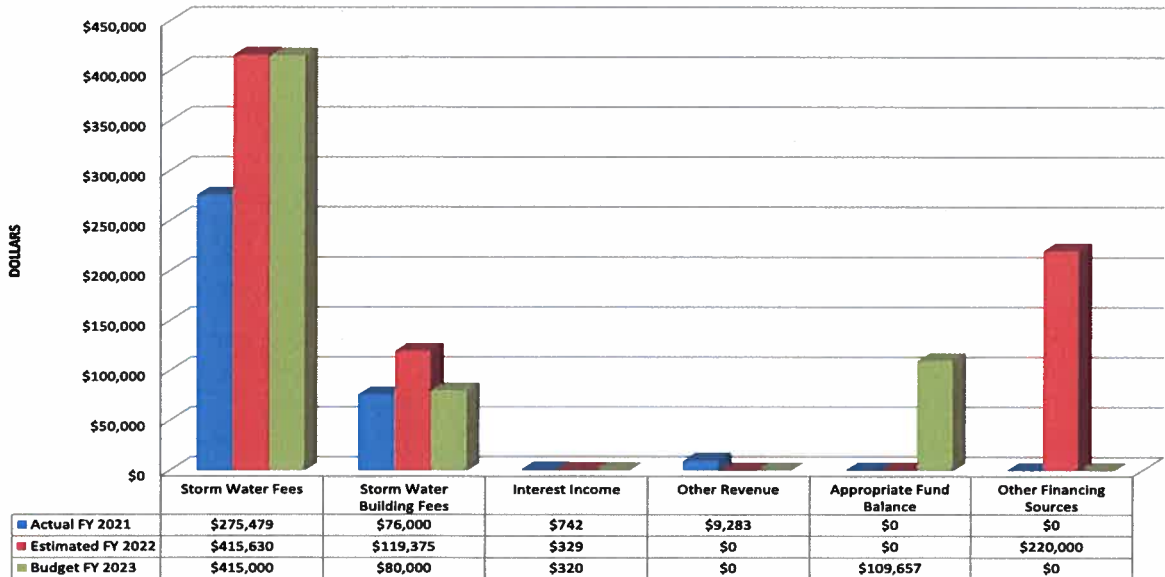
The breakdown of Storm Water Fund budgeted revenue, by major source, for fiscal year 2023 is on the following page:

**STORM WATER FUND  
FISCAL YEAR 2023 REVENUE BUDGET**



The chart below compares the budgeted fiscal year 2023 revenue to the estimated revenue for fiscal year 2022 and the actual revenue for 2021. As depicted by the chart, the major revenue source, “Storm Water Fees”, is projected to remain consistent with fiscal year 2022 levels as no rate increases are being proposed. “Storm Water Building Fees” fluctuate based on the amount of building activity. Also, for fiscal year 2023 an appropriation of the Storm Water Fund balance is being proposed as the funding source for a portion of the planned infrastructure projects. Finally, “Other Financing Sources” were higher in fiscal year 2022 due to the financing of equipment.

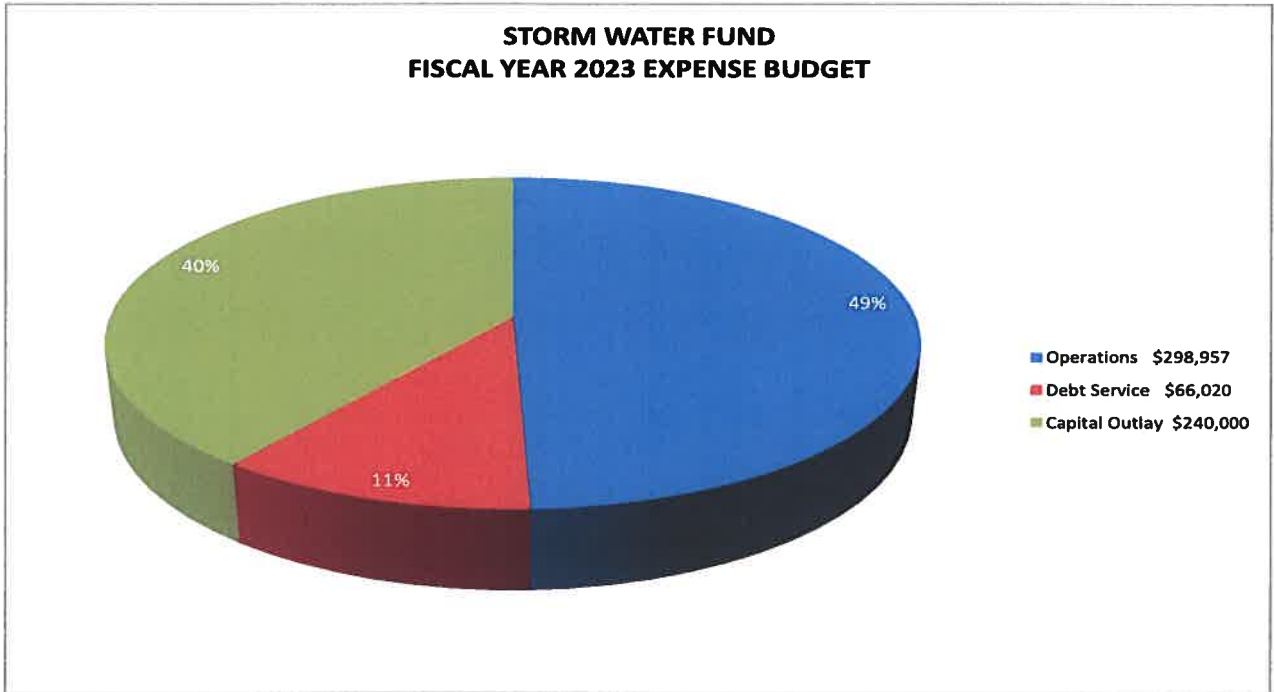
**STORM WATER FUND  
REVENUE BY SOURCE  
FISCAL YEAR 2021 - 2023**



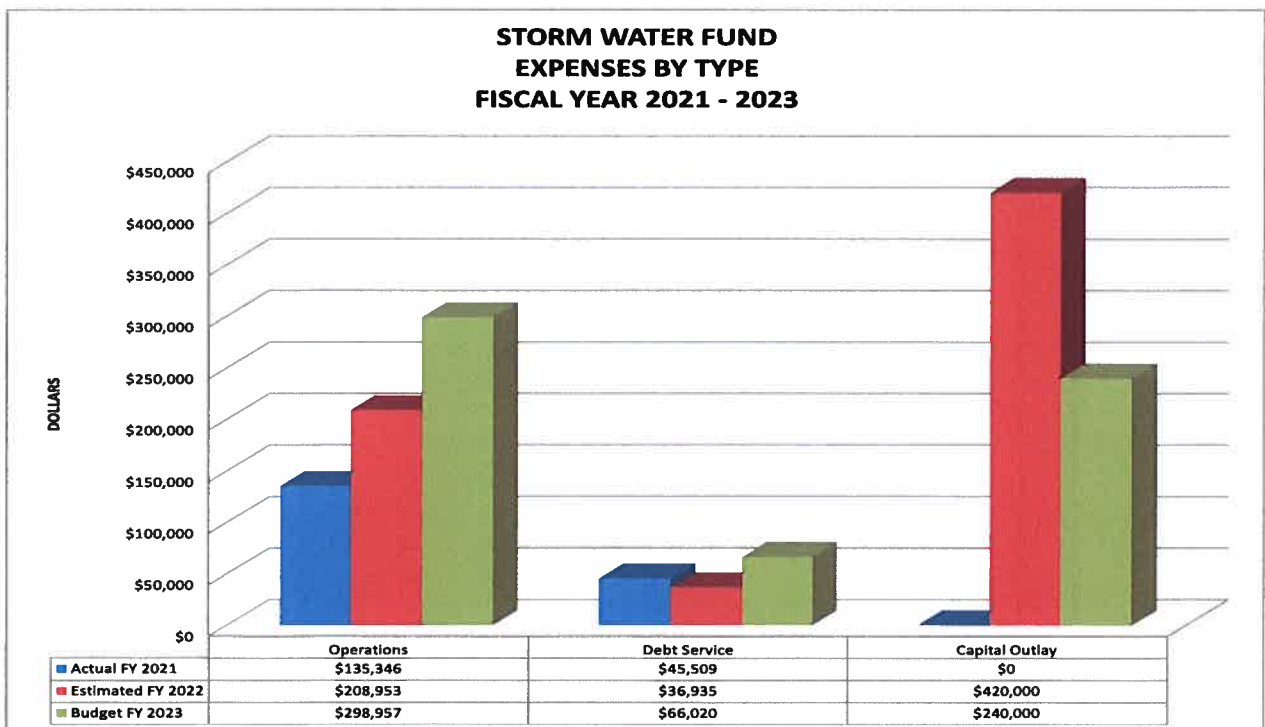


Refer to Exhibit E (on page 32) for a summary of the changes, by Storm Water Fund revenue source, between the budgets for fiscal year 2023 and 2022.

The breakdown of budgeted Storm Water Fund expenses, by type, for fiscal year 2023 is as follows:



The following chart shows the budgeted fiscal year 2023 expenses by type in relation to the estimated fiscal year 2022 and actual 2021 Storm Water Fund expenses.



As indicated by the chart on the previous page, the budgeted expenses for fiscal year 2023 relating to “Operations” are expected to increase due to a storm water study for the southern part of Town and the previously discussed employee compensation actions. Fluctuations in “Capital Outlay” relate to the number and size of projects to be performed in a given year. Fiscal year 2022 included significant storm water infrastructure projects and a significant equipment purchase, while fiscal year 2023 includes infrastructure projects.

Refer to Exhibit F (on page 33) for a summary of the changes, by Storm Water Fund expense type, between the budgets for fiscal year 2023 and 2022.

### **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. Beginning in fiscal year 2016, the General Statutes relating to Powell Bill funding were changed. The General Assembly may now appropriate funds to the Department of Transportation for State aid to municipalities rather than linking it to fuel tax collections. 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 2023 is estimated at \$70,000 and interest income is estimated at \$75. Finally, budgeted Powell Bill eligible expenditures (street maintenance and paving) total \$70,075.

### **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 2023, the use of asset forfeiture funds will be appropriated from the fund’s balance and is estimated at \$25,000.

### **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 2023, revenue from system development fees is estimated at \$8,880 and interest income from Fund investments is budgeted at \$270. The primary revenue source for this fund, system development fees, are dependent on the level of construction activity within the Town.

## **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 2023, the revenue source for this Fund will be interest from Fund investments of \$610.

## **SUMMARY**

The fiscal year 2023 Town of Kure Beach budget reflects a thorough review of Town expenditures and conservative, but reasonable, estimation of revenues.

The continuing upward trends in tourism and full-time population growth have placed 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, the current rate of inflation, in excess of 8%, 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 evaluated on a periodic basis 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 2023 budget addresses these challenges.

In conclusion, I believe the proposed fiscal year 2023 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 2023 budget.

Respectfully submitted,

*Arlen Copenhaver*

Arlen Copenhaver  
Finance and Budget Officer

**EXHIBIT A**

**GENERAL FUND REVENUE BUDGET  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

<b>REVENUE TYPE</b>	<b>ORIGINAL 2022 BUD.</b>	<b>AMENDED 2022 BUD.</b>	<b>PROPOSED 2023 BUD.</b>	<b>DIFF. 2023 &amp; ORIG. 2022</b>	<b>% CHG.</b>	<b>DIFF. 2023 &amp; AMENDED 2022</b>	<b>% CHG.</b>	<b>SIGNIFICANT CHANGES FY 2023 VS. FY 2022</b>
Property Taxes	\$3,293,500	\$3,293,500	<b>\$3,354,500</b>	\$61,000	1.9%	\$61,000	1.9%	Assumes current tax rate (\$0.2658) and estimated tax base provided by NHC Tax Dept.
Sales Tax	\$1,305,000	\$1,314,000	<b>\$1,465,000</b>	\$160,000	12.3%	\$151,000	11.5%	Actual growth in FY 2022 greater than budgeted. FY 2023 estimated to be increase over FY 2022 budget and forecast.
Parking Program Revenue	\$355,040	\$368,070	<b>\$742,000</b>	\$386,960	109.0%	\$373,930	101.6%	Estimated revenue for full year of paid parking program based on first year results.
Garbage & Recycle Fees	\$512,500	\$512,500	<b>\$556,200</b>	\$43,700	8.5%	\$43,700	8.5%	Increase in recycling rate for FY 2023.
TDA	\$316,426	\$425,970	<b>\$438,404</b>	\$121,978	38.5%	\$12,434	2.9%	FY 2022 budget is for lifeguards, OFP maintenance, OFP entertainment & Pleasure Island Chamber of Commerce concerts.
Franchise & Utility Taxes	\$245,000	\$245,000	<b>\$243,000</b>	(\$2,000)	(0.8%)	(\$2,000)	(0.8%)	
Building Permits, CAMA Fees, Fire Inspections	\$76,050	\$76,050	<b>\$123,320</b>	\$47,270	62.2%	\$47,270	62.2%	Continued upward trend in construction activity.

**EXHIBIT A**

**GENERAL FUND REVENUE BUDGET  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

REVENUE TYPE	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. FY 2022
Communication Tower Rent	\$78,635	\$78,635	<b>\$80,992</b>	\$2,357	3.0%	\$2,357	3.0%	
Sales Tax Refund	\$46,000	\$51,000	<b>\$52,000</b>	\$6,000	13.0%	\$1,000	2.0%	Estimated sales tax refund based on sales tax paid in prior fiscal year.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$30,050	\$30,050	<b>\$30,200</b>	\$150	0.5%	\$150	0.5%	
ABC Revenue	\$14,925	\$14,925	<b>\$20,250</b>	\$5,325	35.7%	\$5,325	35.7%	Upward trend in ABC revenue.
Town Facility Rentals	\$14,000	\$14,000	<b>\$16,000</b>	\$2,000	14.3%	\$2,000	14.3%	Increase in estimated rentals as impact of COVID-19 lessens.
Motor Vehicle License Tax	\$11,000	\$11,000	<b>\$10,750</b>	(\$250)	(2.3%)	(\$250)	(2.3%)	
Beer & Wine Tax	\$9,600	\$9,600	<b>\$9,600</b>	\$0	0.0%	\$0	0.0%	

**EXHIBIT A**

**GENERAL FUND REVENUE BUDGET  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

REVENUE TYPE	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. FY 2022
Re-Entry Decal Sales	\$1,800	\$1,800	\$1,800	\$0	0.0%	\$0	0.0%	
Parking Fines/ Civil Citations/ Court Fees	\$1,750	\$1,750	\$1,750	\$0	0.0%	\$0	0.0%	
All Other Revenue	\$6,220	\$35,664	\$10,575	\$4,355	70.0%	(\$25,089)	(70.3%)	Largest component is surplus property sales (\$3,500).
Appropriation of Fund Balance	\$0	\$0	\$94,983	\$94,983		\$94,983		
Other Financing Sources	\$361,000	\$361,000	\$1,157,773	\$796,773	220.7%	\$796,773	220.7%	Financing for Fire Engine (\$717,773), Garbage Truck (\$350,000) and Police vehicles (\$90,000).
<b>TOTAL GENERAL FUND</b>	<b>\$6,678,496</b>	<b>\$6,844,514</b>	<b>\$8,409,097</b>	<b>\$1,730,601</b>	<b>25.9%</b>	<b>\$1,564,583</b>	<b>22.9%</b>	

**EXHIBIT B**

**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. ORIGINAL FY 2022
Governing Body	410	\$47,810	\$50,810	<b>\$65,541</b>	\$17,731	37.1%	\$14,731	29.0%	<b><u>Increases:</u></b> Pay, Taxes & Allowances: \$6,388 / 48.2% Contributions: \$10,580 / 68%
Committees	412	\$59,450	\$68,450	<b>\$95,750</b>	\$36,300	61.1%	\$27,300	39.9%	<b><u>Shoreline Access &amp; Beach Protection:</u></b> \$5,000 for replacement of lost/damaged signs and brochures \$3,250 for sea oats <b><u>Bike/Ped:</u></b> \$2,500 for training & public education \$75,000 for 3 crosswalk improvements \$10,000 for sidewalk to Town Hall
Finance	415	\$238,392	\$240,677	<b>\$275,600</b>	\$37,208	15.6%	\$34,923	14.5%	<b><u>Increases:</u></b> F/T Personnel-related Exp: \$38,991/39% Computer Software: \$50,112 / 818% Audit Fees: \$2,050 / 16% <b><u>Decreases:</u></b> Capital Outlay - Software: \$55,000 / 100%
Community Center	421	\$21,500	\$21,500	<b>\$27,000</b>	\$5,500	25.6%	\$5,500	25.6%	<b><u>Increases:</u></b> Maintenance: \$4,000 / 33% Operations: \$1,500 / 100%

**EXHIBIT B**

**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. ORIGINAL FY 2022
Administration	420	\$345,715	\$347,231	\$425,201	\$79,486	23.0%	\$77,970	22.5%	<p><b><u>Increases:</u></b>                      F/T Personnel-related Exp: \$37,991 / 31.2%                      P/T Personnel-related Exp: \$3,230 / New                      Professional/Consulting Fees: \$20,480/853%                      P&amp;L Insurance: \$10,400 / 19%                      Computer Service: \$6,722 / 20%                      Minor Equipment: \$3,900 / 130%                      Building Maintenance: \$3,897 / 20%                      Telephone: \$3,178 / 20%                      Meetings/Events: \$1,900 / 91%                      Utilities: \$1,680 / 20%                      Retiree Medical Insurance: \$1,390 / 5%                      Employee Recognition: \$1,300 / 37%                      Travel &amp; Training: \$1,200 / 20%</p> <p><b><u>Decreases:</u></b>                      Land Use Plan: \$17,500 / 67%                      Supplies: \$1,400 / 10%</p>
Elections	430	\$3,700	\$3,700	\$0	(\$3,700)	(100%)	(\$3,700)	(100%)	No local election in FY 2023.
Emergency Management	446	\$2,500	\$2,500	\$2,500	\$0	0.0%	\$0	0.0%	
Tax Collection	460	\$30,600	\$30,600	\$31,600	\$1,000	3.3%	\$1,000	3.3%	



**EXHIBIT B**

**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. ORIGINAL FY 2022
Legal	470	\$82,400	\$82,400	<b>\$82,900</b>	\$500	0.6%	\$500	0.6%	
Police Dept.	510	\$1,664,669	\$1,697,613	<b>\$1,870,980</b>	\$206,311	12.4%	\$173,367	10.2%	<p><b>Increases:</b>                      F/T Personnel-related Costs: \$128,056/9.6%                      P/T Personnel-related Costs: \$5,383 / 25%                      Capital Outlay - Vehicles: \$35,000 / 64%                      Building Maintenance: \$18,000 / 300%                      Contracts: \$15,500 / 48%                      Gas/Oil/Tires: \$5,000 / 13%                      Travel/Training: \$4,000 / 25%                      Uniforms: \$4,000 / 25%                      Computer Services: \$3,240 / 12%                      Vehicle Maintenance: \$2,000 / 17%                      K-9 Maintenance: \$1,000 / 33%</p> <p><b>Decreases:</b>                      LEO Separation Allowance: \$7,735 / 35%                      Minor Equipment: \$4,000 / 33%                      Workers Comp. Insurance: \$3,133 / 17%</p>
Fire Dept.	530	\$1,125,287	\$1,125,287	<b>\$1,922,727</b>	\$797,440	70.9%	\$797,440	70.9%	<p><b>Increases:</b>                      F/T Personnel-related Costs: \$102,648/13.9%                      P/T Personnel-related Costs: \$12,281 / 9.7%                      Drill Fees: \$3,983 / 7.7%                      Capital Outlay – Trucks: \$667,773 / 1,336%                      Equipment Maintenance: \$6,000 / 92%                      Minor Equipment: \$2,500 / 7%                      Supplies: \$1,710 / 17%</p> <p><b>Decreases:</b>                      None</p>

**EXHIBIT B**

**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. ORIGINAL FY 2022
Lifeguards	531	\$270,628	\$356,869	<b>\$371,024</b>	\$100,396	37.1%	\$14,155	4.0%	<p><b><u>Increases:</u></b>                      Personnel-related Costs: \$97,010 / 41.5%                      Capital Outlay - ATV: \$1,450 / 13%                      Equipment Maintenance: \$1,350 / 82%</p> <p><b><u>Decreases:</u></b>                      None</p>
Parks & Rec.	532	\$228,550	\$230,570	<b>\$345,395</b>	\$116,845	51.1%	\$114,825	49.8%	<p><b><u>Increases:</u></b>                      F/T Personnel-related Costs: \$17,712/10.9%                      P/T Personnel-related Costs: \$2,153 / 62.5%                      Capital Outlay: \$66,000 / New                      Professional/Consulting Fees: \$21,000/New                      Minor Equipment: \$6,000 / 300%                      Boogie In The Park: \$6,000 / 67%                      Children/Family Programs: \$3,000 / 75%                      Other Town Events: \$2,500 / 33%                      Boardwalk Fish: \$1,000 / 20%</p> <p><b><u>Decreases:</u></b>                      Annual street Festival: \$9,000 / 60%</p>
Building Inspection/Code Enforcement	540	\$209,913	\$217,000	<b>\$247,345</b>	\$37,432	17.8%	\$30,345	14.0%	<p><b><u>Increases:</u></b>                      F/T Personnel-related Costs: \$15,572 / 9.2%                      Contracts: \$19,750 / 7,900%                      Travel &amp; Training: \$2,500 / 100%                      Vehicle (Gas) Allowance: \$1,200 / 14%</p> <p><b><u>Decreases:</u></b>                      Telephone: \$1,060 / 26%</p>

**EXHIBIT B**

**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. ORIGINAL FY 2022
Streets & Sanitation	550	\$1,467,617	\$1,489,542	\$1,847,824	\$380,207	25.9%	\$358,282	24.1%	<p><b><u>Increases:</u></b>            F/T Personnel-related Costs: \$112,900/23%            Capital Outlay – Equip.: \$355,000 / 3,550%            Recycling: \$34,500 / 16%            Gas/Oil/Tires: \$5,000 / 13%            Travel &amp; Training: \$3,500 / 140%            Truck Maintenance: \$3,000 / 20%            OFP Maintenance: \$3,000 / 13%            Garbage Cart Purchases: \$2,000 / 13%            Telephone: \$1,200 / 27%</p> <p><b><u>Decreases:</u></b>            Capital Outlay-Improvements: \$89,500/46%            Capital Outlay-Truck: \$50,000 / 100%</p>
Debt Service	560	\$679,765	\$679,765	\$597,710	(\$82,055)	(12.1%)	(\$82,055)	(12.1%)	Continued pay down of existing loans.
Paid Parking Program	570	\$200,000	\$200,000	\$200,000	\$0	0.0%	\$0	0.0%	
<b>TOTAL GENERAL FUND</b>		<b>\$6,678,496</b>	<b>\$6,844,514</b>	<b>\$8,409,097</b>	<b>\$1,730,601</b>	<b>25.9%</b>	<b>\$1,564,583</b>	<b>22.9%</b>	

**EXHIBIT C**

**WATER/SEWER FUND REVENUE BUDGET  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

REVENUE TYPE	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. FY 2022
Water Charges	\$915,000	\$915,000	<b>\$925,000</b>	\$10,000	1.1%	\$10,000	1.1%	
Sewer Charges	\$1,400,000	\$1,400,000	<b>\$1,420,000</b>	\$20,000	1.4%	\$20,000	1.4%	
Water & Sewer Tap Fees	\$45,000	\$55,508	<b>\$45,000</b>	\$0	0.0%	(\$10,508)	(18.9%)	
Cutoff & Reconnection Fees	\$1,800	\$1,800	<b>\$1,800</b>	\$0	0.0%	\$0	0.0%	
Account Past Due Charges	\$6,000	\$6,000	<b>\$7,200</b>	\$1,200	20.0%	\$1,200	20.0%	
New Account Setup Fee	\$6,500	\$6,500	<b>\$6,500</b>	\$0	0.0%	\$0	0.0%	

**EXHIBIT C**

**WATER/SEWER FUND REVENUE BUDGET  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

<b>REVENUE TYPE</b>	<b>ORIGINAL 2022 BUD.</b>	<b>AMENDED 2022 BUD.</b>	<b>PROPOSED 2023 BUD.</b>	<b>DIFF. 2023 &amp; ORIG. 2022</b>	<b>% CHG.</b>	<b>DIFF. 2023 &amp; AMENDED 2022</b>	<b>% CHG.</b>	<b>SIGNIFICANT CHANGES FY 2023 VS. FY 2022</b>
Other Revenue/ Fees	\$318	\$318	<b>\$345</b>	\$27	8.5%	\$27	8.5%	
Interest & Investment Earnings	\$735	\$735	<b>\$910</b>	\$175	23.8%	\$175	23.8%	
Other Financing Sources	\$220,000	\$220,000	<b>\$0</b>	(\$220,000)	(100%)	(\$220,000)	(100%)	No financing of capital expenditures planned for FY 2023.
Transfers In	\$209,580	\$209,580	<b>\$321,931</b>	\$112,351	53.6%	\$112,351	53.6%	Transfer In from the American Rescue Plan Grant Project Fund.
<b>TOTAL WATER/ SEWER FUND</b>	<b>\$2,804,933</b>	<b>\$2,815,441</b>	<b>\$2,728,686</b>	<b>(\$76,247)</b>	<b>(2.7%)</b>	<b>(\$86,755)</b>	<b>(3.1%)</b>	

**EXHIBIT D**

**WATER/SEWER FUND BUDGET BY DEPARTMENT  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. ORIGINAL FY 2022
Governing Body	410	\$19,445	\$19,445	\$19,056	(\$389)	(2.0%)	(\$389)	(2.0%)	<p><b><u>Increases:</u></b> Pay, Taxes &amp; Allowances: \$1,455 / 12.5%</p> <p><b><u>Decreases:</u></b> Dues &amp; Subscriptions: \$1,337 / 30%</p>
Legal	470	\$15,200	\$15,200	\$14,700	(\$500)	(3.3%)	(\$500)	(3.3%)	
Administration	720	\$297,165	\$298,681	\$278,096	(\$19,069)	(6.4%)	(\$20,585)	(6.9%)	<p><b><u>Increases:</u></b> P/T Personnel-related Costs: \$2,153 / New P&amp;L Insurance: \$10,400 / 19% Minor Equipment: \$1,600 / 53% Supplies: \$1,400 / 20%</p> <p><b><u>Decreases:</u></b> F/T Personnel-related Costs: \$15,214 / 12.5% Computer Services: \$6,575 / 20% Building Maintenance: \$3,861 / 20% Telephone: \$3,248 / 20% Retiree Medical Insurance: \$2,115 / 15% Utilities: \$1,680 / 20% Travel &amp; Training: \$1,200 / 20%</p>

**EXHIBIT D**

**WATER/SEWER FUND BUDGET BY DEPARTMENT  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

DEPARTMENT	DEPT. NO.	ORIGINAL 2022 BUD.	AMENDED 2022 BUD.	PROPOSED 2023 BUD.	DIFF. 2023 & ORIG. 2022	% CHG.	DIFF. 2023 & AMENDED 2022	% CHG.	SIGNIFICANT CHANGES FY 2023 VS. ORIGINAL FY 2022
Finance	715	\$289,256	\$292,603	<b>\$278,221</b>	(\$11,035)	(3.8%)	(\$14,382)	(4.9%)	<p><b><u>Increases:</u></b>            Computer Software \$50,112 / 311%            Audit Fees: \$2,050 / 16%            Postage: \$1,700 / 18%</p> <p><b><u>Decreases:</u></b>            F/T Personnel-related Costs: \$10,461/5.8%            Capital Outlay - Software: \$55,000 / 100%</p>
Water/Sewer Operations	810	\$2,183,867	\$2,189,512	<b>\$2,138,613</b>	(\$45,254)	(2.1%)	(\$50,899)	(2.3%)	<p><b><u>Increases:</u></b>            F/T Personnel-related Costs:\$48,641/11.5%            System Maintenance: \$200,000 / 160%            Capital Outlay-Sewer Rehab:\$80,000/133%            Supplies/Materials: \$15,000 / 14%            Computer Software/Service: \$5,000 / 40%</p> <p><b><u>Decreases:</u></b>            Capital Outlay-Equipment: \$220,000/100%            Capital Outlay-Improve.: \$65,000 / 26%            Debt Service: \$57,885 / 14%            CB Treatment Charges: \$50,000 / 15%            Workers Comp. Insurance: \$1,110 / 14%</p>
<b>TOTAL WATER/SEWER FUND</b>		<b>\$2,804,933</b>	<b>\$2,815,441</b>	<b>\$2,728,686</b>	<b>(\$76,247)</b>	<b>(2.7%)</b>	<b>(\$86,755)</b>	<b>(3.1%)</b>	

**EXHIBIT E****STORM WATER FUND REVENUE BUDGET  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

<b>REVENUE TYPE</b>	<b>2022 BUDGET</b>	<b>PROPOSED 2023 BUDGET</b>	<b>DIFF. 2023 &amp; 2022</b>	<b>% CHG.</b>	<b>SIGNIFICANT CHANGES FY 2023 VS. FY 2022</b>
Storm Water Charges	\$413,000	<b>\$415,000</b>	\$2,000	0.5%	
Storm Water Building Fees	\$60,000	<b>\$80,000</b>	\$20,000	33.3%	Based on estimated construction activity.
Interest & Investment Income	\$260	<b>\$320</b>	\$60	23.1%	
Other Financing	\$220,000	<b>\$0</b>	(\$220,000)	(100%)	No financing of capital expenditures planned for FY 2023.
Appropriate Fund Balance	\$7,197	<b>\$109,657</b>	\$102,460	1,423.6%	Fund Balance to be used for infrastructure projects.
<b>TOTAL STORM WATER FUND</b>	<b>\$700,457</b>	<b>\$604,977</b>	<b>(\$95,480)</b>	<b>(13.6%)</b>	



**STORM WATER FUND BUDGET BY EXPENSE TYPE  
FY 2023 VS. FY 2022  
(as of 5/23/2022)**

<u>DEPARTMENT</u>	<u>DEPT. NO.</u>	<u>2022 BUDGET</u>	<u>PROPOSED 2023 BUDGET</u>	<u>DIFF. 2023 &amp; 2022</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2023 VS. FY 2022</u>
SW Operations	610	\$243,509	<b>\$298,957</b>	\$55,448	22.8%	<p><b><u>Increases:</u></b>                      F/T Personnel-related costs: \$14,172 / 12.1%                      Storm Water Professional Fees: \$42,000 / 168%</p> <p><b><u>Decreases:</u></b>                      None</p>
Debt Service	610	\$36,948	<b>\$66,020</b>	\$29,072	78.7%	New loan for equipment.
Capital Outlay	610	\$420,000	<b>\$240,000</b>	(\$180,000)	(42.9%)	<p><b><u>Increases:</u></b>                      Capital - Improvements: \$40,000 / 20%</p> <p><b><u>Decreases:</u></b>                      Capital outlay – Equipment: \$220,000 / 100%</p>
<b>TOTAL STORM WATER FUND</b>		<b>\$700,457</b>	<b>\$604,977</b>	<b>(\$95,480)</b>	<b>(13.6%)</b>	