



TOWN COUNCIL MINUTES

PUBLIC HEARING

June 5, 2018 @ 6:30 p.m.

The Kure Beach Town Council held a special meeting on Tuesday, June 5, 2018 at 6:30 pm to conduct a public hearing on the proposed budget for FY18-19. Notice of the hearing was posted at Town Hall and on the website on May 23, 2018 and advertised in the Island Gazette on May 30, 2018. There was a quorum of council present.

COUNCIL MEMBERS PRESENT

Mayor Craig Bloszinsky
Mayor Pro Tem (MPT) David Heglar
Commissioner Joseph Whitley
Commissioner Allen Oliver
Commissioner John Ellen

COUNCIL MEMBERS ABSENT

None

STAFF PRESENT

Town Clerk – Nancy Avery
Finance Officer – Arlen Copenhaver

CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 6:30 pm.

OPENING AND PURPOSE OF HEARING

Mayor Bloszinsky opened the public hearing at 6:31 pm stating the purpose of this public hearing is to receive public comments on the proposed budget for fiscal year 2018-2019.

Official notice of this public hearing was posted on the town's website and bulletin board on May 18, 2018 and was advertised in the Island Gazette on May 30, 2018, thus meeting notification requirements.

Finance Officer Copenhaver provided a high-level presentation, stating the budget comprises the following:

- Seven funds with a grand total of a little over \$8 million
- Proposed tax increase of 4.5 cent per \$100
- Proposed increase in monthly residential garbage service of \$1 from \$6 to \$7 for the first cart and \$2 per month from \$12 to \$14 for after the first cart
- Proposed increase in monthly commercial garbage service of \$4.28 per cart from \$26.25 to \$30.63. The residential first cart and commercial rates have not changed in 5 years. This is necessary to cover associated costs that have increased.
- Proposed increase in recycling was proposed at 13 cent per cart but the recycling, however the vendor has informed us of a significant pending increase. There will be more information coming on this

- Changes to the water and sewer rate structure:
 - Residential –new rates for the portion of monthly usage over 12,000 gallons
 - Commercial and out of jurisdiction – new rates for the portion of monthly usage above 70,000 gallons
- An additional full time staff member in Administration and one in Recreation
- A 2% cost of living adjustment and a 2% merit pool for full time staff
- Contingency of \$9,850
- \$9,807 transfer to beach protection

A copy of the presentation is herein incorporated as part of these minutes.

PUBLIC COMMENTS

D. J. Peterson, 214 N. Fort Fisher Boulevard, stated:

- Town does a great job
- He had sewer line problem over the holiday weekend and Public Works was great
- The recycling issue is a big problem everywhere
- His only concern is that residents weren't given the option of voting on the expense before construction of town facilities began instead of after the fact

Mayor Bloszinsky said a past council voted on construction but this council did offer a tour of the old facility giving reasons why.

Questions from the audience:

- Is most of the increase in tax mainly for the fire station?
- Are there the same number of engines for the new station as for now?
- Did you consider other revenue sources that could be assets to town, such as paid parking?
- What is the cost of two full time employees?

Council comments on questions:

- There will be the same number of fire engines.
- The tax increase is going toward debt service for both the fire station and the expansion of town hall and police facilities. Debt payment is \$450,000 annually
- There are another 240 lots that may be built on and council has to determine how those new structures are supported for services.
- The current buildings were completed 25 years ago and there is a lack of evidence room for police, IT space, lack of fire fighter sleeping space, maintenance and office space for police officers, lack of space for administration record storage and overall lack of space in each department.
- The current space in town hall and police is expanded in an effort to reutilize existing space at the best cost.
- The town is well within state guidelines on debt, which is 8% of assessed property value. We are at 1 %.
- This has been a long term effort and has been talked about since 2005.
- Previous council in January of 2016 spent that year working with department heads on requirements, and then worked with the architect.

- The initial budget was much higher than council could stomach, so department heads were asked to pare down requirements.
- The plan has always been what is needed to support the needs of the citizens for the next 25 years.
- Council set the cap at \$5 million and the architect and department heads had to work within that budget.
- During the last election, all candidates except one said they supported construction process.
- As soon as this council came on, the vote was taken to move forward and fund.
- This does not mean there will not be another tax increase. Every 3 years or so, something seems to come up.
- County plans to reduce its tax by 1.5 cent and we are going up 4.5. Average impact per home is \$94 per year. No one likes to pay more.
- This council is responsible for providing the level of service that residents want.
- Your tax bill is combination of county and town taxes with 55% being county tax and the rest is the town.
- Previous councils have looked at paid parking many times and we do not have enough parking spaces (492) to generate income.
- The town did a pilot and did not generate enough revenue to pay costs.
- Paid parking may be possible in the future. We are working on control and ordinances to handle traffic. We want to protect property from visitors that do not respect it, but paid parking will not be a significant source of income to help the budget. Parking will be discussed again at the end of summer to see what needs to be done better. It is a work in progress.
- The recreation programs are growing and the rental of the Ocean Front Park and other town facilities has increased the workload.
- The new person in recreation will allow a cut back on number of temporary employees that used to help offset the cost. Rental revenue also helps with cost.
- Administration provides all up front services, answering phones and walk in traffic. An additional person is needed to provide support and to look toward a future retirement in that department.
- Administration has been requesting staffing for several years with it not being approved.

CLOSING OF PUBLIC HEARING

MOTION – Mayor Pro Tem Heglar made the motion to close the public hearing at 7:03 pm.

SECOND – Commissioner Whitley

VOTE - Unanimous

ADJOURNMENT

MOTION – Mayor Pro Tem Heglar made the motion to adjourn at 7:03 pm.

SECOND – Commissioner Whitley

VOTE – Unanimous

PUBLIC HEARING SIGN-UP SHEET

DATE OF PUBLIC HEARING

6/5/18 F-118-19 Bldg

NAME

D. J. Peterson

ADDRESS

214 Ft Fisher Bl N

TOWN OF KURE BEACH FISCAL YEAR 2018/2019 PROPOSED BUDGET



JUNE 5, 2018

**TOWN OF KURE BEACH
FISCAL YEAR 2018/2019
PROPOSED BUDGET**

<u>FUND</u>	<u>PROPOSED FY 2019 BUDGET</u>	<u>ORIGINAL FY 2018 BUDGET</u>	<u>CHANGE</u>	<u>% CHANGE</u>
General Fund	\$5,206,532	\$4,607,417	\$599,115	13.0%
Water and Sewer Fund	\$2,196,085	\$2,150,655	\$45,430	2.1%
Storm Water Fund	\$ 358,380	\$ 630,094	(\$271,714)	(43.1%)
Powell Bill Fund	\$ 175,000	\$ 65,070	\$109,930	168.9%
Federal Asset Forfeiture Fund	\$ 50,000	\$ 50,000	\$0	0.0%
Sewer Expansion Reserve Fund (SERF)	\$ 16,250	\$ 30,330	(\$14,080)	(46.4%)
Beach Protection Fund	\$ <u>13,397</u>	\$ <u>47,090</u>	<u>(\$33,693)</u>	<u>(71.6%)</u>
TOTAL	<u>\$8,015,644</u>	<u>\$7,580,656</u>	<u>\$434,988</u>	<u>5.7%</u>

**TOWN OF KURE BEACH
FISCAL YEAR 2018/2019 PROPOSED BUDGET
GENERAL FUND HIGHLIGHTS**

1. Proposed tax rate increase – 4.5 cents (15.8%)
 - New rate would be 33 cents (\$0.33) per \$100 of valuation
2. General Fund fee increases as follows:
 - Increase monthly garbage collection fees and monthly recycle fee:

	CURRENT FEE	PROPOSED FEE
GARBAGE COLLECTION		
RESIDENTIAL		
First cart	\$6.00	\$7.00
After the first cart	\$12.00	\$14.00
COMMERCIAL		
Per cart	\$26.25	\$30.63
RECYCLE SERVICE		
Per cart	\$4.88	\$5.01

TOWN OF KURE BEACH
FISCAL YEAR 2018/2019 PROPOSED BUDGET
GENERAL FUND HIGHLIGHTS

3. 2% Cost of Living Adjustment and 2% merit increase for employees
4. Additions to full-time employees:
 - One employee in Administration
 - One employee in Parks and Recreation
5. Capital expenditures totaling \$207,450
6. Transfer \$9,807 to the Beach Protection Fund
7. Contingency of \$9,850
8. Overall, the 2019 General Fund budget is 13% greater than the 2018 original budget


TOWN OF KURE BEACH
FISCAL YEAR 2018/2019 PROPOSED BUDGET
WATER AND SEWER FUND HIGHLIGHTS

1. Changes to the existing water and sewer rate structure:
 - Residential - New rate tier for monthly usage above 12,000 gallons
 - Commercial and Fort Fisher – New rate tier for monthly usage above 70,000 gallons
2. \$240,300 for infrastructure projects and equipment capital expenditures
3. Debt service totaling \$258,820
4. Overall, the 2019 Water and Sewer budget is 2.1% greater than the 2018 budget

**TOWN OF KURE BEACH
FISCAL YEAR 2018/2019 PROPOSED BUDGET
STORM WATER FUND HIGHLIGHTS**

1. No proposed changes to existing storm water fees
2. Debt service totaling approximately \$108,200
3. Approximately \$96,000 for infrastructure projects and equipment capital expenditures
4. Overall, the 2019 Storm Water budget is 43.1% less than the 2018 budget

ATTEST:



Nancy Avey, Town Clerk



Craig Bloszinsky, Mayor

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. A recording of the meeting is available on the town's website under government, council.