



TOWN COUNCIL MINUTES

BUDGET WORKSHOP #2 TOWN HALL

Friday, April 17, 2020 @ 9:00 am

The Kure Beach Town Council held budget workshop # 2 for the proposed FY20-21 budget on Friday, April 17, 2020.

COUNCIL MEMBERS PRESENT

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

STAFF PRESENT

Finance Officer (FO) – Arlen Copenhaver
Town Clerk – Mandy Sanders
Deputy Town Clerk – Beth Chase
Police Chief – Mike Bowden
Fire Chief – Ed Kennedy
Building Inspector - John Batson
Public Works Director – Jimmy Mesimer
Recreation Director – Nikki Keely

CALL TO ORDER

Mayor Bloszinsky called the meeting to order at 9:00 A.M.

PRESENTATION OF REVISED DRAFT OF FY20-21 BUDGET

Finance Officer Copenhaver presented assumptions and revisions to the draft FY20-21 budget from the first budget workshop. Said presentation is herein incorporated as part of these minutes.

Assumptions and revisions General Fund:

- No changes in services provided or level of services provided
- No change to tax rate (\$0.34) or other General Fund fees
- No changes to water and sewer rates
- No General Fund Contingency
- No transfer from the General Fund to the Beach Protection Fund
- General Fund full-time headcount increased by 1 (Fire Department)
- Employee Compensation
 - COLA: 1.6%
 - Merit: 2.75%



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Friday, April 17, 2020 @ 9:00 am

Expenditure increases:

Committees - \$2,170

Building Inspection - \$1,158

Expenditure decreases:

Governing Body- \$2,000

Streets & Sanitation - \$17,364

Finance - \$55,058

Administration - \$30,608

Legal - \$8,716

Police - \$19,869

Fire - \$102,895

Revenue increases:

- Sales Tax - Revised estimates based on new data provided by NCLM
- Electricity Sales Tax - Revised estimate based on new data provided by NCLM
- Sales Tax Refund - Revised estimate based on current & projected sales tax expense for FY 2020 that will be refunded in FY 2021
- Beer & Wine Tax - Revised estimate based on new data provided by NCLM
- TDA - Revised estimate of available funds

General Fund is still short \$38,478.

Finance Officer Copenhaver stated the Department Heads are going to report to Town Council the changes to the individual budget from after the first budget workshop.

Fire Chief Kennedy stated:

- Requesting one full time employee now instead of 3 full time employees
- Reduced turnout gear request from 7 to 3
- Removed two telephones lines for the department

Police Chief Bowden:

- One part time employee is needed
- Department cut back on Travel and Training by \$5,000
- Building Maintenance decreased \$10,000 as the Police Department will do some of the work themselves
- Almost \$20,000 was cut from the Police Department budget



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Recreation Director Keely stated:

- Part time personnel decreased hours from 300 at \$15 an hour to 275 hours at \$16 an hour
- Parks and Recreation activity expense decreased \$500
- Decreased Boogie in the Park due to COVID-19 \$500
- Removed Island Day from the budget as the Town hasn't held in a few years in the amount of \$1,500
- No changes to the Community Center budget

Building Inspection Batson stated:

- Inspections budget increased to add the \$5,000 for the Historic Preservation Commission request
- Decreased Travel and Training by \$1,000
- Decreased Supplies by \$2,000

Financial Officer Arlen Copenhaver stated:

- Capital Overlay decrease for new financial software in the amount of \$55,000
- Major contribution to decrease the budget

MPT Heglar stated Finance Officer Copenhaver needs to continue to review the software and if the economy is better bring forward a budget amendment in the fall for the software.

Public Works Director Mesimer stated:

- Maintenance & Building decreased \$2,000
- Landfill Contract decreased \$22,200
- Decreased Street and Sanitation \$17,364

Town Clerk Sanders stated:

- Froze the 4th administrative position for the next fiscal year in amount of \$28,448
- Safety Consulting decreased in budget by \$1,800
- Total decrease for the General Fund is \$30,608
- Legal budget decreased in the General fund by \$8,716
- Governing Body decreased \$2,000
- Committee budget increased to add the Pedestrian request of \$2,500

MPT Heglar stated the last election was uncompetitive so Town Council needs to look into an increase of Council salary before the next election year.



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**BUDGET WORKSHOP #2
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Friday, April 17, 2020 @ 9:00 am

CONSENSUS- The Town Council agree to not have a salary increase this next fiscal year.

Finance Copenhaver stated options to balance the General Fund:

SHORTAGE OF \$38,478 AS OF 4/17/2020

1. Further expense reductions
2. Increase garbage collection fee
3. No headcount increase for the Fire Dept.
 - Net expense reduction of approx. \$35,350
4. Appropriation of General Fund balance
 - Fund balance at 6/30/2019 was \$3,609,883

CONSENSUS:

1. Town Council agreed to eliminate the 21 recycling carts along the beach strand.
2. Include a transfer from the General Fund to the Beach Protection Fund in the amount of \$5,000.
3. Include no Contingency in the General Fund.
4. No increase in the Fire Inspection fee of \$45 this next fiscal year.

MOTION- MPT Heglar made a motion to direct Finance Officer Copenhaver to utilize fund balance to balance the General Fund in the budget for FY20-21

SECOND- Commissioner Whitley

VOTE- Unanimous

This action balances the General Fund.

WATER & SEWER FUND:

SHORTAGE OF \$23,863 AS OF 4/17/2020

1. Further expense reductions
2. Increase water and sewer rates
 - Increase monthly minimum rate by 10%
 - Increase monthly minimum rate by 20%
 - 10% rate tier increase
 - 20% rate tier increase
 - 10% total rate increase (minimum & tiers)
 - 20% total rate increase (minimum & tiers)



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MOTION- Commissioner Whitley made a motion to increase the Water & Sewer rate tier by 10%

SECOND- MPT Heglar

VOTE- Unanimous

This action balances the Water & Sewer Fund.

STORMWATER FUND:

SHORTAGE OF \$6,901 AS OF 4/17/2020

Other Information:

- At 6/30/2019 Storm Water fund balance was \$289,823.
- Current Storm Water fund balance is approximately \$185,605.
 - To-date in FY 2020, the fund balance has decreased \$104,218

Possible Actions:

1. Further expense reductions
2. Increase storm water fees

Finance Copenhaver stated need to consider the significant projects the Town has planned.

MOTION- MPT Heglar made a motion to increase the residential Stormwater fees by 14.8% to \$10.00

SECOND- Commissioner Oliver

VOTE- Mayor Bloszinsky, MPT Heglar, Commissioner Oliver, Commissioner Ellen For, Commissioner Whitley Against

MOTION – MPT Heglar made a motion to increase the commercial Stormwater fees by 14.8%

SECOND- Commissioner Oliver

VOTE- Unanimous

MOTION- MPT Heglar made a motion to change the fee structure for duplexes to coincide and treat them as a residential property

SECOND- Commissioner Whitley

VOTE- Unanimous

This action balances the Stormwater Fund.

MOTION - Commissioner Ellen motioned to adjourn the budget workshop at 10:52 a.m.

SECOND – MPT Heglar

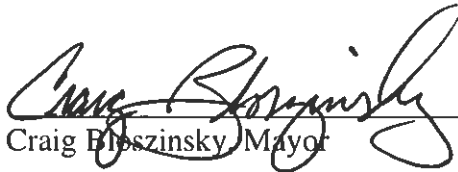
VOTE – Unanimous

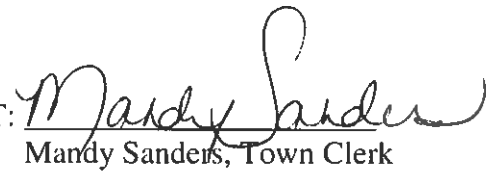


TOWN COUNCIL MINUTES

**BUDGET WORKSHOP #2
TOWN HALL**

Friday, April 17, 2020 @ 9:00 am


Craig Blaszynski, Mayor

ATTEST: 
Mandy Sanders, Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. An audio recording of the meeting is available on the town's website at www.townofkurebeach.org, under government/kurebeachcouncil.

TOWN OF KURE BEACH FY 20-21 BUDGET WORK SESSION #2



APRIL 17, 2020

INITIAL FY 2021 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. No change to tax rate (\$0.34) or other General Fund fees
3. No changes to water and sewer rates
4. No General Fund Contingency
5. No transfer from the General Fund to the Beach Protection Fund
6. General Fund full-time headcount increased by 3 (Fire Department)
7. Employee Compensation
COLA: 1.6%
Merit: 2.75%

REVISED FY 2021 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. No change to tax rate (\$0.34) or other General Fund fees
3. No changes to water and sewer rates
4. No General Fund Contingency
5. No transfer from the General Fund to the Beach Protection Fund
6. General Fund full-time headcount increased by 1 (Fire Department)
7. Employee Compensation
COLA: 1.6%
Merit: 2.75%

**FY 2020/2021 BUDGET SUMMARY
AS OF APRIL 3, 2020**

<u>FUND</u>	<u>FY 2021 REVENUE BUDGET</u>	<u>FY 2021 EXPENSE BUDGET</u>	<u>OVER/(SHORT)</u>	<u>COMMENTS</u>
General Fund	\$5,694,946	\$5,946,154	(\$251,208)	Does not include a transfer to the Beach Protection Fund or Contingency
Water/Sewer Fund	\$2,573,540	\$2,715,218	(\$141,678)	
Storm Water Fund	\$495,440	\$501,793	(\$6,353)	
Powell Bill Fund	\$110,000	\$110,000	\$0	Includes fund balance appropriation of \$43,625
SERF Fund	\$10,760	\$10,760	\$0	
Beach Protection Fund	\$4,250	\$4,250	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$8,938,936	\$9,338,175	(\$399,239)	

**GENERAL FUND
BUDGET CHANGES DURING AND AFTER 4/3/20 WORKSHOP**

SHORTAGE ON 4/3/20 (WORKSHOP 1) \$251,208

EXPENDITURE CHANGES - Inc/Dec):

Governing Body	(\$2,000)	
Committees	\$2,170	
Finance	(\$55,058)	
Administration	(\$30,608)	
Community Center	\$0	
Emergency Management	\$0	
Tax Collection	\$0	
Legal	(\$8,716)	
Police	(\$19,869)	
Fire	(\$102,895)	
Lifeguards	\$0	
Parks & Recreation	(\$3,193)	
Building Inspection	\$1,158	
Streets & Sanitation	(\$17,364)	
Debt Service	\$0	
Net Change in Expenditures	(\$236,375)	

REVENUE CHANGES - (Inc)/Dec):

Sales Tax	\$18,500	
Utilities Sales Tax	\$4,000	
Investment Earnings	\$1,145	
Net Change in Revenue	\$23,645	

SHORTAGE ON 4/17/20 (WORKSHOP 2) \$38,478

**GENERAL FUND
DETAILED BUDGET CHANGES**

<u>DEPT./FUNCTION</u>	<u>DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>INC./DEC.</u>
Governing Body	Contributions	\$17,500	\$15,500	<u>(\$2,000)</u>
Committees	Shoreline Access	\$2,200	\$1,870	(\$330)
	Bike/Pedestrian	\$0	\$2,500	<u>\$2,500</u>
	Total Committees			<u>\$2,170</u>
Finance	Retirement	\$7,412	\$7,354	(\$58)
	Capital Outlay - Software	\$55,000	\$0	<u>(\$55,000)</u>
	Total Finance			<u>(\$55,058)</u>
Administration	F/T Personnel-Related	\$143,240	\$114,792	(\$28,448)
	Telephone	\$15,600	\$15,240	(\$360)
	Professional/Consulting	\$4,200	\$2,400	<u>(\$1,800)</u>
	Total Administration			<u>(\$30,608)</u>
Legal	Attorney Retainer	\$27,879	\$19,163	<u>(\$8,716)</u>

**GENERAL FUND
DETAILED BUDGET CHANGES**

<u>DEPT./FUNCTION</u>	<u>DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>INC./DEC.)</u>
Police	Retirement	\$100,626	\$100,063	(\$563)
	P/T Personnel-Related	\$23,683	\$19,377	(\$4,306)
	Travel & Training	\$15,000	\$10,000	(\$5,000)
	Building Maintenance	\$14,000	\$4,000	(\$10,000)
	Total Police			<u>(\$19,869)</u>
Fire	F/T Personnel-Related	\$698,287	\$590,769	(\$107,518)
	P/T Personnel-Related	\$92,244	\$111,567	\$19,323
	Telephone/Postage	\$7,900	\$7,200	(\$700)
	Minor Equipment	\$56,000	\$42,000	(\$14,000)
	Total Fire			<u>(\$102,895)</u>
Parks & Recreation	Retirement	\$11,158	\$11,073	(\$85)
	P/T Personnel-Related	\$4,844	\$4,736	(\$108)
	P&R Activity Expenses	\$2,500	\$2,000	(\$500)
	Boogie in the Park	\$14,000	\$13,500	(\$500)
	Island Day	\$1,500	\$0	(\$1,500)
	Other Town Events	\$8,000	\$7,500	(\$500)
	Total Parks & Recreation			<u>(\$3,193)</u>

**GENERAL FUND
DETAILED BUDGET CHANGES**

<u>DEPT./FUNCTION</u>	<u>DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>INC./DEC.</u>	
Building Inspection	Retirement	\$11,928	\$11,836	(\$92)	
	Travel & Training	\$3,500	\$2,500	(\$1,000)	
	Supplies	\$3,000	\$1,000	(\$2,000)	
	Printing & Advertising	\$500	\$0	(\$500)	
	PZ/BOA Expenses & HPC	\$2,000	\$6,500	\$4,500	
	Beach Renourishment	\$7,500	\$6,000	(\$1,500)	
	Contract - Lawn Maint.	\$1,000	\$250	(\$750)	
	Miscellaneous	\$500	\$0	(\$500)	
	Computer Service/Support	\$3,000	\$6,000	\$3,000	
	Total Building Inspection				<u>\$1,158</u>
	Streets & Sanitation	Retirement	\$34,266	\$34,002	(\$264)
Building Maintenance		\$6,000	\$4,000	(\$2,000)	
Contract - Landfill		\$140,000	\$118,000	(\$22,000)	
Computer Service/Support		\$1,000	\$7,900	\$6,900	
Total Streets & Sanitation				<u>(\$17,364)</u>	
GRAND TOTAL				<u>(\$236,375)</u>	

**WATER/SEWER FUND
BUDGET CHANGES DURING AND AFTER 4/3/20 WORKSHOP**

SHORTAGE ON 4/3/20 (WORKSHOP 1)

\$141,678

EXPENDITURE CHANGES - Inc/(Dec):

Governing Body	\$0
Legal	(\$8,716)
Finance	(\$55,101)
Administration	(\$30,608)
Water/Sewer Operations	(\$25,125)

Net Change in Expenditures

(\$119,550)

REVENUE CHANGES - (Inc)/Dec:

Investment Earnings	\$1,735
Net Change in Revenue	\$1,735

SHORTAGE ON 4/17/20 (WORKSHOP 2)

\$23,863

**WATER/SEWER FUND
DETAILED BUDGET CHANGES**

<u>DEPT./FUNCTION</u>	<u>DESCRIPTION</u>	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>INC./(DEC.)</u>
Legal	Attorney Retainer	\$27,879	\$19,163	<u>(\$8,716)</u>
Finance	Retirement	\$13,079	\$12,978	(\$101)
	Capital Outlay - Software	\$55,000	\$0	<u>(\$55,000)</u>
	Total Finance			<u>(\$55,101)</u>
Administration	F/T Personnel-Related	\$143,239	\$114,791	(\$28,448)
	Telephone	\$15,600	\$15,240	(\$360)
	Professional/Consulting	\$4,200	\$2,400	<u>(\$1,800)</u>
	Total Administration			<u>(\$30,608)</u>
W/S Operations	Retirement	\$29,045	\$28,820	(\$225)
	Equipment/Building Maint.	\$15,000	\$12,000	(\$3,000)
	Capital Outlay - Equipment	\$315,000	\$300,000	(\$15,000)
	Computer Service/Support	\$39,000	\$32,100	<u>(\$6,900)</u>
	Total W/S Operations			<u>(\$25,125)</u>
	GRAND TOTAL			<u>(\$119,550)</u>

**FY 2020/2021 BUDGET SUMMARY
AS OF APRIL 17, 2020**

<u>FUND</u>	<u>FY 2021 REVENUE BUDGET</u>	<u>FY 2021 EXPENSE BUDGET</u>	<u>OVER/(SHORT)</u>	<u>COMMENTS</u>
General Fund	\$5,671,301	\$5,709,779	(\$38,478)	Does not include a transfer to the Beach Protection Fund or Contingency
Water/Sewer Fund	\$2,571,805	\$2,595,668	(\$23,863)	
Storm Water Fund	\$494,830	\$501,731	(\$6,901)	
Powell Bill Fund	\$110,000	\$110,000	\$0	Includes fund balance appropriation of \$43,910
SERF Fund	\$10,380	\$10,380	\$0	
Beach Protection Fund	\$3,375	\$3,375	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$8,911,691	\$8,980,933	(\$69,242)	

**TOTAL FY 2021 EXPENSE BUDGET BY FUND
VS. FY 2020 APPROVED BUDGET
AS OF APRIL 17, 2020**

FUND	2020 ORIGINAL BUDGET	2020 AMENDED BUDGET	REQUESTED 2021 BUDGET	DIFF. 2021 & ORIG. 2020	% CHANGE	DIFF. 2021 & AMENDED 2020	% CHANGE
General	\$5,559,748	\$5,701,276	\$5,709,779	\$150,031	2.7%	\$8,503	0.1%
Water/Sewer	\$2,424,390	\$2,429,149	\$2,595,668	\$171,278	7.1%	\$166,519	6.9%
Storm Water	\$335,225	\$396,365	\$501,731	\$166,506	49.7%	\$105,366	26.6%
Powell Bill	\$66,450	\$66,450	\$110,000	\$43,550	65.5%	\$43,550	65.5%
Sewer Expansion Reserve	\$17,420	\$17,420	\$10,380	(\$7,040)	(40.4%)	(\$7,040)	(40.4%)
Beach Protection	\$24,500	\$24,500	\$3,375	(\$21,125)	(86.2%)	(\$21,125)	(86.2%)
Federal Asset Forfeiture	\$50,000	\$50,000	\$50,000	\$0	0.0%	\$0	0.0%
TOTAL - ALL FUNDS	\$8,477,733	\$8,685,160	\$8,980,933	\$503,200	5.9%	\$295,773	3.4%

GENERAL FUND BUDGET BY DEPARTMENT FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
Streets & Sanitation	550	\$897,657	\$1,032,145	\$978,550	\$80,893	9.0%	(\$53,595)	(5.2%)	<u>Increases:</u> F/T Personnel-related Costs: \$4,711 / 1.0% Capital Outlay – Truck: \$40,000 / new Boardwalk Repairs: \$20,000 / 100% Landfill Expense: \$8,000 / 7% Landscaping: \$7,000 / 39% Computer Service/Support: \$6,900 / 690% Christmas Decorations: \$3,000 / 30% Travel & Training: \$2,000 / 400% Uniforms: \$2,000 / 40% OFF Maintenance: \$2,000 / 25%
									<u>Decreases:</u> Capital Outlay - Equipment: \$15,000 / 100%
Police	510	\$1,630,215	\$1,632,682	\$1,580,621	(\$49,594)	(3.0%)	(\$52,061)	(3.2%)	<u>Increases:</u> F/T Personnel-related Costs: \$68,759 / 5.7% Contracts: \$8,000 / 35% Capital Outlay - Vehicles: \$5,000 / 14% Supplies: \$3,000 / 120% K-9 Maintenance: \$2,500 / new Workers Comp. Ins.: \$1,275 / 5% Utilities: \$1,100 / 13%
									<u>Decreases:</u> P/T Personnel-related Costs: \$12,918 / 40% Capital Outlay – Equip.: \$110,000 / 100% Exams & Screenings: \$7,500 / 88% Travel & Training: \$5,000 / 33% Telephone & Postage: \$4,000 / 20% Vehicle Maintenance: \$2,000 / 17%

GENERAL FUND BUDGET BY DEPARTMENT FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
Fire Dept.	530	\$805,218	\$789,233	\$889,364	\$84,146	10.5%	\$100,131	12.7%	<p>Increases: F/T Personnel-related Costs (includes 1 new F/T position): \$56,211 / 10.5% P/T Personnel-related Costs: \$18,102 / 19.4% Minor Equipment: \$7,700 / 22% Truck Maintenance: \$3,000 / 43% Building Maintenance: \$2,735 / 121%</p> <p>Decreases: Utilities: \$2,500 / 19% Safety Program: \$1,000 / 50%</p>
Lifeguards	531	\$207,174	\$235,732	\$256,529	\$49,355	23.8%	\$20,797	8.8%	<p>Increases: Personnel-related Costs: \$50,815 / 29.6% Telephone: \$680 / 680%</p> <p>Decreases: Travel & Training: \$1,000 / 50% ATV – Gas, Oil, Tires: \$1,000 / 25%</p>
Bldg. Inspection	540	\$199,788	\$199,788	\$205,128	\$5,340	2.7%	\$5,340	2.7%	<p>Increases: F/T Personnel-related Costs: \$2,275 / 1.4% PZ/BOA/HPC Expenses: \$4,500 / 225% Computer Service/Support: \$3,000 / 100% Bldg. Insp. Gas Allowance: \$2,600 / 33%</p> <p>Decreases: Turtle Monitoring/Beach: \$2,400 / 29% Supplies: \$2,000 / 67% Building Maintenance: \$1,000 / 100%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
Administration	420	\$549,763	\$549,763	\$535,722	(\$14,041)	(2.6%)	(\$14,041)	(2.6%)	<u>Increases:</u> Recycling: \$26,300 / 13% Professional/Consulting Fees: \$2,400 / new Meetings/Events Expense: \$2,100 / new Telephone: \$1,005 / 7% Codification: \$1,000 / 50% <u>Decreases:</u> F/T Personnel-related Costs: \$39,121 / 25.4% Retiree Medical Insurance: \$5,460 / 16% Building Maintenance: \$1,250 / 7% Supplies: \$1,000 / 8%
Governing Body	410	\$38,290	\$50,290	\$46,205	\$7,915	20.7%	(\$4,085)	(8.1%)	<u>Increases:</u> Governmental Relations: \$7,500 / 167% Dues & Subscriptions: \$412 / 10%
Emergency Management	446	\$2,500	\$2,500	\$2,500	\$0	0%	\$0	0%	
Elections	430	\$3,300	\$3,300	\$0	(\$3,300)	(100%)	(\$3,300)	(100%)	No local election in FY 2021.

GENERAL FUND BUDGET BY DEPARTMENT FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
Legal	470	\$34,679	\$34,679	\$51,963	\$17,284	49.8%	\$17,284	49.8%	<u>Increases:</u> Attorney Retainer: \$284 / 2% Professional Legal Service: \$17,000 / 113%
Parks & Recreation	532	\$212,474	\$212,474	\$212,297	(\$177)	(0.1%)	(\$177)	(0.1%)	<u>Increases:</u> F/T Personnel-related Costs: \$7,321 / 5.1% <u>Decreases:</u> P&R Activity Expenses: \$4,500 / 69% Island Day Expenses: \$1,500 / 100% Other Town Events: \$500 / 6% Boogie In The Park: \$500 / 4%
Community Center	421	\$23,300	\$23,300	\$23,000	(\$300)	(1.3%)	(\$300)	(1.3%)	
Finance	415	\$166,660	\$166,660	\$179,630	\$12,970	7.8%	\$12,970	7.8%	<u>Increases:</u> F/T Personnel-related Costs: \$8,772 / 9.9% Payroll Processing Fees: \$4,700 / 72% Prof. Services – Audit: \$500 / 4% <u>Decreases:</u> Unemployment Insurance: \$950 / 29%

GENERAL FUND BUDGET BY DEPARTMENT FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
Committees	412	\$5,005	\$5,005	\$4,370	(\$635)	(12.7%)	(\$635)	(12.7%)	Shoreline Access & Beach Protection Committee (total of \$1,870): \$895 for signage and \$975 for sea oats. Bike/Ped. Committee (total of \$2,500): \$1,500 for committee training, \$500 for signage and \$500 for public education.
Debt Service	560	\$716,925	\$716,925	\$713,800	(\$3,125)	(0.4%)	(\$3,125)	(0.4%)	
Tax Collection	460	\$28,800	\$28,800	\$30,100	\$1,300	4.5%	\$1,300	4.5%	Estimated increase in tax base.
Transfers	580	\$18,000	\$18,000	\$0	(\$18,000)	(100%)	(\$18,000)	(100%)	No transfer to the Beach Protection Fund in initial budget proposal.
Contingency	490	\$20,000	\$0	\$0	(\$20,000)	(100%)	(\$20,000)	(100%)	No amount initially allocated.
TOTAL GENERAL FUND		\$5,559,748	\$5,701,276	\$5,709,779	\$150,031	2.7%	\$5,503	0.1%	

WATER/SEWER FUND BUDGET BY DEPARTMENT FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
W/S Operations	810	\$1,849,312	\$1,854,071	\$2,038,633	\$189,321	10.2%	\$184,562	10.0%	<u>Increases:</u> F/T Personnel-related Costs: \$12,920 / 3.3% Capital Outlay-Equipment: \$210,000 / 233% Capital Outlay-Sewer Rehab: \$60,000 / new Computer Service/Support: \$27,100 / 542% Workers Comp. Ins.: \$2,428 / 22% Utilities: \$2,000 / 4% Travel & Training: \$1,000 / 14% <u>Decreases:</u> Capital Outlay-Improve.: \$112,807 / 100% Telephone: \$6,800 / 38% Dues & Permit Fees: \$3,000 / 8%
Administration	720	\$312,913	\$312,913	\$282,781	(\$30,132)	(9.6%)	(\$30,132)	(9.6%)	<u>Increases:</u> Professional/Consulting Fees: \$2,400 / new Building Maintenance: \$3,750 / 27% Retiree Medical Insurance: \$1,850 / 11% Telephone: \$1,005 / 7% Codification: \$1,000 / 50% <u>Decreases:</u> F/T Personnel-related Costs: 39,122 / 25.4% Supplies: \$1,000 / 13%

WATER/SEWER FUND BUDGET BY DEPARTMENT FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
Governing Body	410	\$19,040	\$19,040	\$19,458	\$418	2.2%	\$418	2.2%	<u>Increases:</u> Dues & Subscriptions: \$412 / 10%
Legal	470	\$34,679	\$34,679	\$27,963	(\$6,716)	(19.4%)	(\$6,716)	(19.4%)	<u>Increases:</u> Attorney Retainer: \$284 / 2% <u>Decreases:</u> Professional Legal Service: \$7,000 / 47%
Finance	715	\$208,446	\$208,446	\$226,833	\$18,387	8.8%	\$18,387	8.8%	<u>Increases:</u> F/T Personnel-related Costs: \$12,334 / 7.6% Computer Services: \$9,460 / 149% Prof. Services - Audit: \$500 / 4% <u>Decreases:</u> Payroll Processing Fees: \$3,700 / 57% Unemployment Insurance: \$295 / 32%
TOTAL WATER/ SEWER FUND		\$2,424,390	\$2,429,149	\$2,595,668	\$171,278	7.1%	\$166,519	6.9%	

STORM WATER FUND BUDGET BY EXPENSE TYPE FY 2021 VS. FY 2020

DEPARTMENT	DEPT. NO.	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	REQUESTED 2021 BUD.	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. ORIGINAL FY 2020
SW Operations	610	\$180,075	\$241,215	\$226,211	\$46,136	25.6%	(\$15,004)	(6.2%)	Increases: Maintenance: \$40,000 / 267% Professional Fees: \$23,000 / 1150% Decreases: F/T Personnel-related Costs: \$16,552 / 12.7% Workers Comp. Ins.: \$1,072 / 22%
Debt Service	610	\$125,650	\$125,650	\$45,520	(\$80,130)	(63.8%)	(\$80,130)	(63.8%)	Cutter Court infrastructure loan was paid off in FY 2020
Capital Outlay	610	\$29,500	\$29,500	\$230,000	\$200,500	679.7%	\$200,500	679.7%	Increases: Capital Outlay-Equipment: \$200,000 / new
TOTAL STORM WATER FUND		\$358,380	\$396,365	\$501,731	\$166,506	49.7%	\$105,366	26.6%	

GENERAL FUND REVENUE BUDGET FY 2021 VS. FY 2020

REVENUE TYPE	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	2021 BUDGET	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. FY 2020
Property Taxes	\$3,044,300	\$3,044,300	\$3,104,950	\$60,650	2.0%	\$60,650	2.0%	Estimated increase in tax base provided by New Hanover County Tax Dept.
Sales Tax	\$960,500	\$960,500	\$1,091,500	\$131,000	13.6%	\$131,000	13.6%	Actual growth in FY 2020 greater than budgeted. FY 2021 estimated to be decrease over FY 2020 forecast, but increase over FY 2020 budget, due to COVID-19.
Garbage & Recycle Fees	\$488,000	\$488,000	\$522,700	\$34,700	7.1%	\$34,700	7.1%	Increase in recycling rate during FY 2020.
TDA	\$260,000	\$260,000	\$256,530	(\$3,470)	(1.3%)	(\$3,470)	(1.3%)	FY 2021 budget is for lifeguards. Estimated decrease in TDA funds available due to COVID-19.
Franchise & Utility Taxes	\$240,000	\$240,000	\$252,000	\$12,000	5.0%	\$12,000	5.0%	Estimated increase in electricity sales tax.
Communication Tower Rent	\$84,348	\$84,348	\$81,626	(\$2,722)	(3.2%)	(\$2,722)	(3.2%)	FY 2021 includes annual increase for existing leases. Also, one Comspeco lease was terminated in FY 2020.
Building Permits, CAMA, Impact Fees, Fire Inspections	\$99,350	\$99,350	\$75,300	(\$24,050)	(24.2%)	(\$24,050)	(24.2%)	Decrease in issuance of building permits.

GENERAL FUND REVENUE BUDGET FY 2021 VS. FY 2020

REVENUE TYPE	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	2021 BUDGET	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. FY 2020
Sales Tax Refund	\$135,000	\$135,000	\$105,000	(\$30,000)	(22.2%)	(\$30,000)	(22.2%)	Estimated sales tax refund based on sales tax paid in prior fiscal year. Higher in FY 2020 due to Town Hall/Fire Station capital project.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$28,500	\$28,500	\$29,800	\$1,300	4.6%	\$1,300	4.6%	
Town Facility Rentals	\$19,000	\$19,000	\$19,000	\$0	0.0%	\$0	0.0%	
ABC Revenue	\$19,175	\$19,175	\$19,875	\$700	3.7%	\$700	3.7%	Upward trend in ABC revenue.
Motor Vehicle License Tax	\$10,000	\$10,000	\$10,500	\$500	5.0%	\$500	5.0%	Motor Vehicle License Tax collected as part of vehicle registration.
Beer & Wine Tax	\$9,600	\$9,600	\$9,600	\$0	0.0%	\$0	0.0%	

GENERAL FUND REVENUE BUDGET FY 2021 VS. FY 2020

REVENUE TYPE	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	2021 BUDGET	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. FY 2020
Re-Entry Decal Sales	\$2,500	\$2,500	\$1,400	(\$1,100)	(44.0%)	(\$1,100)	(44.0%)	FY 2021 estimated to be lower due to property owners being provided with 2 free decals.
Interest & Investment Earnings	\$7,450	\$7,450	\$4,395	(\$3,055)	(41.0%)	(\$3,055)	(41.0%)	Decrease in CD interest rates & NCCMT earnings.
All Other Revenue	\$7,025	\$109,289	\$7,125	\$100	1.4%	(\$102,164)	(93.5%)	Largest components are surplus property sales (\$3,500) & fines/citations (\$2,600). Amended FY 2020 includes CAMA grant of \$100,866 for beach access.
Appropriation of Fund Balance	\$0	\$39,264	\$0	\$0	0.0%	(\$39,264)	(100%)	
Other Financing Sources	\$145,000	\$145,000	\$80,000	(\$65,000)	(44.8%)	(\$65,000)	(44.8%)	Financing for Police vehicle (\$40,000) & Public Works Truck (\$40,000).
TOTAL GENERAL FUND	\$5,559,748	\$5,701,276	\$5,671,301	\$111,553	2.0%	(\$29,975)	(0.5%)	

WATER/SEWER FUND REVENUE BUDGET FY 2021 VS. FY 2020

REVENUE TYPE	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	2021 BUDGET	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. FY 2020
Water Charges	\$917,050	\$917,050	\$923,500	\$6,450	0.7%	\$6,450	0.7%	
Sewer Charges	\$1,301,100	\$1,301,100	\$1,302,000	\$900	0.1%	\$900	0.1%	
Water & Sewer Tap Fees	\$90,000	\$90,000	\$45,000	(\$45,000)	(50.0%)	(\$45,000)	(50.0%)	Based on estimated building activity.
Cutoff & Reconnection Fees	\$1,800	\$1,800	\$1,800	\$0	0.0%	\$0	0.0%	
Other Revenue/Fees	\$11,690	\$16,449	\$12,890	\$1,200	10.3%	(\$3,559)	(21.6%)	Primarily past due charges (\$6,300) and new account setup fees (\$6,200).
Interest Income	\$12,750	\$12,750	\$6,615	(\$6,135)	(48.1%)	(\$6,135)	(48.1%)	Decrease in CD interest rates & NCCMT earnings.
Other Financing Sources	\$90,000	\$90,000	\$280,000	\$190,000	211.1%	\$190,000	211.1%	Financing for ½ of Vac. Truck (\$200,000), Service Truck (\$40,000) & Generator (\$40,000).
TOTAL WATER/SEWER FUND	\$2,424,390	\$2,429,149	\$2,571,805	\$147,415	6.1%	\$142,656	5.9%	

STORM WATER FUND REVENUE BUDGET FY 2021 VS. FY 2020

REVENUE TYPE	ORIGINAL 2020 BUD.	AMENDED 2020 BUD.	2021 BUDGET	DIFF. 2021 & ORIG. 2020	% CHG.	DIFF. 2021 & AMENDED 2020	% CHG.	SIGNIFICANT CHANGES FY 2021 VS. FY 2020
Storm Water Charges	\$230,000	\$230,000	\$232,500	\$2,500	1.1%	\$2,500	1.1%	
Storm Water Building Fees	\$100,000	\$100,000	\$60,000	(\$40,000)	(40.0%)	(\$40,000)	(40.0%)	Based on estimated building activity.
Interest Income	\$5,225	\$5,225	\$2,330	(\$2,895)	(55.4%)	(\$2,895)	(55.4%)	Decrease in CD interest rates & NCCMT earnings.
Hurricane Reimbursement	\$0	\$20,000	\$0	\$0	0.0%	(\$20,000)	(100%)	
Appropriation of Fund Balance	\$0	\$41,140	\$0	\$0	0.0%	(\$41,140)	(100%)	
Other Financing Sources	\$0	\$0	\$200,000	\$200,000		\$200,000		Financing for ½ of Vac. Truck.
TOTAL STORM WATER FUND	\$335,225	\$396,365	\$494,830	\$159,605	47.6%	\$98,465	24.8%	

**FY 2021 BUDGET
GENERAL FUND
OTHER CONSIDERATIONS**

1. Include a transfer from the General Fund to the Beach Protection Fund?

FISCAL YEAR	AMOUNT TRANSFERRED
2020	\$18,000
2019	\$9,807
2018	\$46,450
2017	\$50,000
2016	\$50,000
2015	\$103,000
2014	\$96,000
Average	\$53,322

**FY 2021 BUDGET
GENERAL FUND
OTHER CONSIDERATIONS**

2. Include a Contingency in the General Fund?

FISCAL YEAR	CONTINGENCY BUDGETED	CONTINGENCY ACTUALLY USED
2020	\$20,000	\$20,000
2019	\$9,850	\$0
2018	\$48,100	\$12,000
2017	\$52,880	\$15,196
2016	\$130,680	\$59,508
2015	\$180,600	\$56,850
2014	\$184,000	\$52,266
Average	\$89,444	\$30,831

**FY 2021 BUDGET
GENERAL FUND
OTHER CONSIDERATIONS**

3. Increase the Fire Inspection fee from \$45 to \$65
 - ❖ Comparison to other Towns by the Fire Chief
 - ❖ Estimated increase in annual revenue of \$1,300

**FY 2021 BUDGET
OPTIONS TO BALANCE
GENERAL FUND**

SHORTAGE OF \$38,478 AS OF 4/17/2020

1. Further expense reductions
2. Increase garbage collection fee
3. No headcount increase for the Fire Dept.
 - **Net expense reduction of approx. \$35,350**
4. Appropriation of General Fund balance
 - Fund balance at 6/30/2019 was \$3,609,883

GENERAL FUND POTENTIAL RATE/FEE INCREASES

Garbage Collection Fees

SERVICE TYPE	CURRENT RATE/FEE	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE (with 14.3% rate increase)	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE (with 25% rate increase)
Residential - 1st Cart	\$7.00	14.3%	\$8.00	\$1.00 / \$12.00	\$26,200	25%	\$8.75	\$1.75 / \$21.00	\$45,840
Residential - Extra Carts	\$14.00	14.3%	\$16.00	\$2.00 / \$24.00	\$4,580	25%	\$17.50	\$3.50 / \$42.00	\$8,000
					\$30,780				\$53,840
Commercial	\$30.63	14.3%	\$35.01	\$4.38 / \$52.56	\$5,045	25%	\$38.29	\$7.66 / \$91.92	\$8,825
TOTAL					\$35,825				\$62,665

**FY 2021 BUDGET
OPTIONS TO BALANCE
WATER/SEWER FUND**

SHORTAGE OF \$23,863 AS OF 4/17/2020

- 1. Further expense reductions**
- 2. Increase water and sewer rates**

WATER & SEWER FUND POTENTIAL RATE/FEE INCREASES

OPTION NO.	RATE ACTION	ESTIMATED ANNUAL REVENUE INCREASE			
		RESIDENTIAL	COMMERCIAL	FORT FISHER	TOTAL
1	Increase monthly minimum rate by 10% Residential water \$1.35 Residential sewer <u>\$2.35</u> Total \$3.70	\$87,000	\$2,050	\$300	\$89,350
2	Increase monthly minimum rate by 20% Residential water \$2.70 Residential sewer <u>\$4.70</u> Total \$7.40	\$174,000	\$4,100	\$600	\$178,700
3	10% rate tier increase	\$86,750	\$9,025	\$20,000	\$115,775
4	20% rate tier increase	\$173,500	\$18,050	\$40,000	\$231,550
5	10% total rate increase (minimum & tiers)	\$169,400	\$11,000	\$20,400	\$200,800
6	20% total rate increase (minimum & tiers)	\$338,800	\$22,000	\$40,800	\$401,600

**FY 2021 BUDGET
OPTIONS TO BALANCE
STORM WATER FUND**

SHORTAGE OF \$6,901 AS OF 4/17/2020

Other Information:

- At 6/30/2019 Storm Water fund balance was \$289,823.
- Current Storm Water fund balance is approximately \$185,605.
 - To-date in FY 2020, the fund balance has decreased \$104,218

Possible Actions:

1. Further expense reductions
2. Increase storm water fees

KURE BEACH STORM WATER FEE INCREASE SCENARIOS

	CURRENT MONTHLY FEE (\$8.71)	10% FEE INCREASE (\$9.58)	14.8 % FEE INCREASE (\$10.00)	25% FEE INCREASE (\$10.89)	50% FEE INCREASE (\$13.07)	55% FEE INCREASE (\$13.50)
Monthly SW Fee Revenue	\$19,376	\$21,314	\$22,244	\$24,220	\$29,064	\$30,033
Annual SW Fee Revenue	\$232,512	\$255,763	\$266,924	\$290,640	\$348,768	\$360,394
Estimated Increase in Annual SW Fee Revenue		\$23,251	\$34,412	\$58,128	\$116,256	\$127,882