



# TOWN COUNCIL MINUTES

## **BUDGET WORKSHOP #2 TOWN HALL**

**Friday, April 16, 2021 @ 9:00 am**

The Kure Beach Town Council held budget workshop # 2 for the proposed FY21-22 budget on Friday, April 16, 2021.

### **COUNCIL MEMBERS PRESENT**

Mayor Craig Bloszinsky

Mayor Pro Tem (MPT) David Heglar (VIA CONFERENCE CALL)

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 FY21-22 budget from the first budget workshop. Said presentation is herein incorporated as part of these minutes.

#### **Assumptions and revisions General Fund:**

1. No changes in services provided or level of services provided
2. Change current tax rate (\$0.34) to 1.5 cents above revenue neutral tax rate(RN rate is \$0.2558). New tax rate would be \$0.2708.
3. No change to General Fund fees
4. No changes to water and sewer rates
5. Increase Storm Water fees by 50%
6. No General Fund Contingency
7. No transfer from the General Fund to the Beach Protection Fund
8. New paid parking program is budgeted to net \$60,000
9. General Fund full-time headcount increased by 2 (Fire Department)
10. Employee Compensation

COLA: 1.3%



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Merit: 3.0%

Status of Revaluation Real Property values as of April 7, 2021:

Revaluation Estimate at 3/17/2021 - \$1,225,000,000

Revaluation Estimate at 4/7/2021 - \$1,213,000,000

Change – Decreased (\$12,000,000)

## **General Fund:**

Expenditure increases:

Governing Body - \$8,800

Streets & Sanitation - \$7,500

Expenditure decreases:

Fire Department - \$17,500

Revenue Changes:

Current Year Property Taxes Increased - \$185,000

Current Year Motor Vehicle Taxes Increased - \$5,000

Sales Tax Increased - \$75,000

Electricity Sales Tax Increased - \$5,000

General Fund is currently short \$54,600.

## **Water/Sewer Fund:**

Expenditure changes:

Water/Sewer Operations increased \$7,500

Revenue Changes:

Water Charges increase \$2,000

Water/Sewer Fund is currently short \$220,375

## **Stormwater Fund:**

Expenditure changes: \$0

Revenue Changes:

Storm Water Fees increased \$138,000



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Storm Water Fund is currently short \$7,412

Finance Officer Copenhaver stated there is currently no transfer planned to transfer funds to the beach protection fund.

MPT Heglar stated if at the end of the year there is funds remaining from the Parking Revenue then the Town can transfer at the end of the year to the beach protection funds.

Commissioner Oliver stated wait till the end of the budget year to increase the FY2020 allocation to the beach protection fund at the June meeting.

Finance Officer Copenhaver commented Town Council also needs to look into adding a Contingency in the General Fund? He does not think it makes sense to have one when the Town has a shortage in the general fund so may need to determine this item at the end of meeting.

**CONSENSUS-** Town Council agreed to leave the Contingency balance at \$0 for 2021.

Estimated Total Annual Garbage Collection Costs: \$326,400  
Short Fall of Garbage Fees: \$71,507

### **GENERAL FUND:**

#### **SHORTAGE OF \$54,600 AS OF 4/16/2021**

1. Expense reductions
2. Increase the estimated net profit from the paid parking program (current amount is \$60,000)
3. Increase garbage collection fees by 21.43% (first residential can increase of \$1.50 per month)
4. Increase the property tax rate by an additional ½ cent
5. Appropriation of General Fund balance
  - Fund balance at 6/30/2020 was \$4,117,665

Mayor Bloszinsky stated Town Council needs to look into the Bike Ped Committee budget that was requested. Maybe do one crosswalk and the paving requested.

Commissioner Oliver stated he does not like the approach of only saying the Committee can only do one crosswalk. If the Committee finds grant money to pay for the other crosswalks, then the Committee should be allowed to do all three.

MPT Heglar stated he does not want to increase the garbage fee and would like to reduce the tax rate to 1% and increase the parking revenue to balance the budget.



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Finance Officer Copenhaver stated the Town cannot budget for the grant money until it has been accepted. Parking revenue would need to bring in \$160,000. Based on the estimates received it is reasonable to use that amount for parking revenue.

**MOTION-** MPT Heglar made a motion to direct Finance Officer Copenhaver to budget for a 1% tax increase, decrease the Bike Ped Committee budget by \$20,000 and increase Parking revenue to balance the budget

**SECOND-** Commissioner Whitley

**VOTE-** 4-1 Vote, For-Mayor Bloszinsky, MPT Heglar, Commissioner Ellen, Commissioner Whitley, Against Commissioner Oliver

## **WATER & SEWER FUND:**

**SHORTAGE OF \$220,375 AS OF 4/16/2021**

1. Expense reductions
2. Increase water and sewer rates
3. Appropriate fund balance to use anticipated American Rescue Plan funds for FY 2022 budgeted infrastructure projects

MPT Heglar stated use the American Rescue Plan funds for FY 2022 and leave Water & Sewer rates current.

Finance Officer stated if funds are received before budget is finalized can change from an appropriation to a transfer.

**CONSENSUS-** Town Council agreed to use the funds received by the American Rescue Plan to balance the shortage in the Water & Sewer fund

## **STORMWATER FUND:**

**SHORTAGE OF \$7,412 AS OF 4/16/2021**

1. Expense reductions
2. Additional increase in storm water fees
  - 50% increase was already determined at 4/5/21 Budget Work Session
3. Appropriation of fund balance
  - Fund balance at 6/30/2020 was \$259,693
  - Current fund balance is approximately \$400,000



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CONSENSUS- Town Council agreed to balance the Stormwater fund by using the appropriation of fund balance

Mayor Bloszinsky stated Commissioners have the same responsibility as the Mayor but the Mayor position has a current salary of \$1,200 more per year. He suggests raising the Commissioner pay to the same as the Mayor position.

MPT Heglar stated the Mayor position must be a lot more active than the Commissioner positions. He is concerned no residents have come forward in the past few elections to run as it is a huge time commitment. He thinks the Mayor role should be separate from the Commissioner pay. His suggestion is to increase the pay \$50 per month across the board.

MOTION- MPT Heglar made a motion to increase Council salary \$50 per month for all members of Town Council

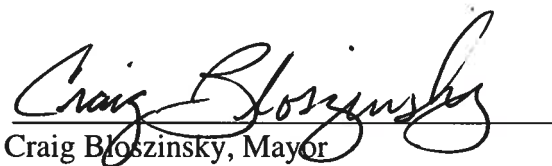
SECOND- Commissioner Ellen


VOTE- 4-1 Vote, For- Mayor Bloszinsky, MPT Heglar, Commissioner Ellen, Commissioner Oliver, Against Commissioner Whitley

MOTION - Commissioner Ellen motioned to adjourn the budget workshop at 10:32 a.m.

SECOND – MPT Heglar

VOTE – Unanimous

  
Craig Bloszinsky, 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](http://www.townofkurebeach.org), under government/kurebeachcouncil.*