

# TOWN OF KURE BEACH FISCAL YEAR 2019/2020 PROPOSED BUDGET



MAY 20, 2019

## GENERAL BUDGET INFORMATION

- The budget proposal is in accordance with NC General Statutes Section 159-11
- All sections of the budget are in conformance with The Local Government Budget and Fiscal Control Act
- As required by NC General Statutes Section 159-12, a public hearing must be held prior to budget adoption.  
The public hearing is proposed for Monday, June 10<sup>th</sup> at 6:00 pm
- Once the budget proposal is accepted by Town Council, copies will be available for public inspection on the Town's website and at Town Hall
- A balanced budget, or an interim budget, must be adopted before July 1st

## GENERAL BUDGET INFORMATION

The budget proposal consists of 3 components:

1. [Budget Message](#) – summarizes the budget, provides key highlights and identifies significant differences from the current year budget
2. [Draft Budget Ordinance](#) – contains the budgeted revenues and expenditures by fund, information regarding property taxes, salaries, any changes to the Fee Schedule, as well as other statutory requirements
3. [Draft Fee Schedule](#) – includes the fees to be charged by the Town for various services

**TOWN OF KURE BEACH  
FISCAL YEAR 2019/2020  
PROPOSED BUDGET**

<u>FUND</u>	<u>PROPOSED FY 2020 BUDGET</u>	<u>ORIGINAL FY 2019 BUDGET</u>	<u>CHANGE</u>	<u>% CHANGE</u>
General Fund	<b>\$5,559,748</b>	\$5,280,032	\$279,716	5.3%
Water and Sewer Fund	<b>\$2,424,390</b>	\$2,202,085	\$222,305	10.1%
Storm Water Fund	<b>\$ 335,225</b>	\$ 358,380	(\$23,155)	(6.5%)
Powell Bill Fund	<b>\$ 66,450</b>	\$ 175,000	(\$108,550)	(62.0%)
Federal Asset Forfeiture Fund	<b>\$ 50,000</b>	\$ 50,000	\$0	0.0%
Beach Protection Fund	<b>\$ 24,500</b>	\$ 13,397	\$11,103	82.9%
Sewer Expansion Reserve Fund (SERF)	<b><u>\$ 17,420</u></b>	<u>\$ 16,250</u>	<u>\$1,170</u>	7.2%
<b>TOTAL</b>	<b><u>\$8,477,733</u></b>	<u>\$8,095,144</u>	<u>\$382,589</u>	<u>4.7%</u>

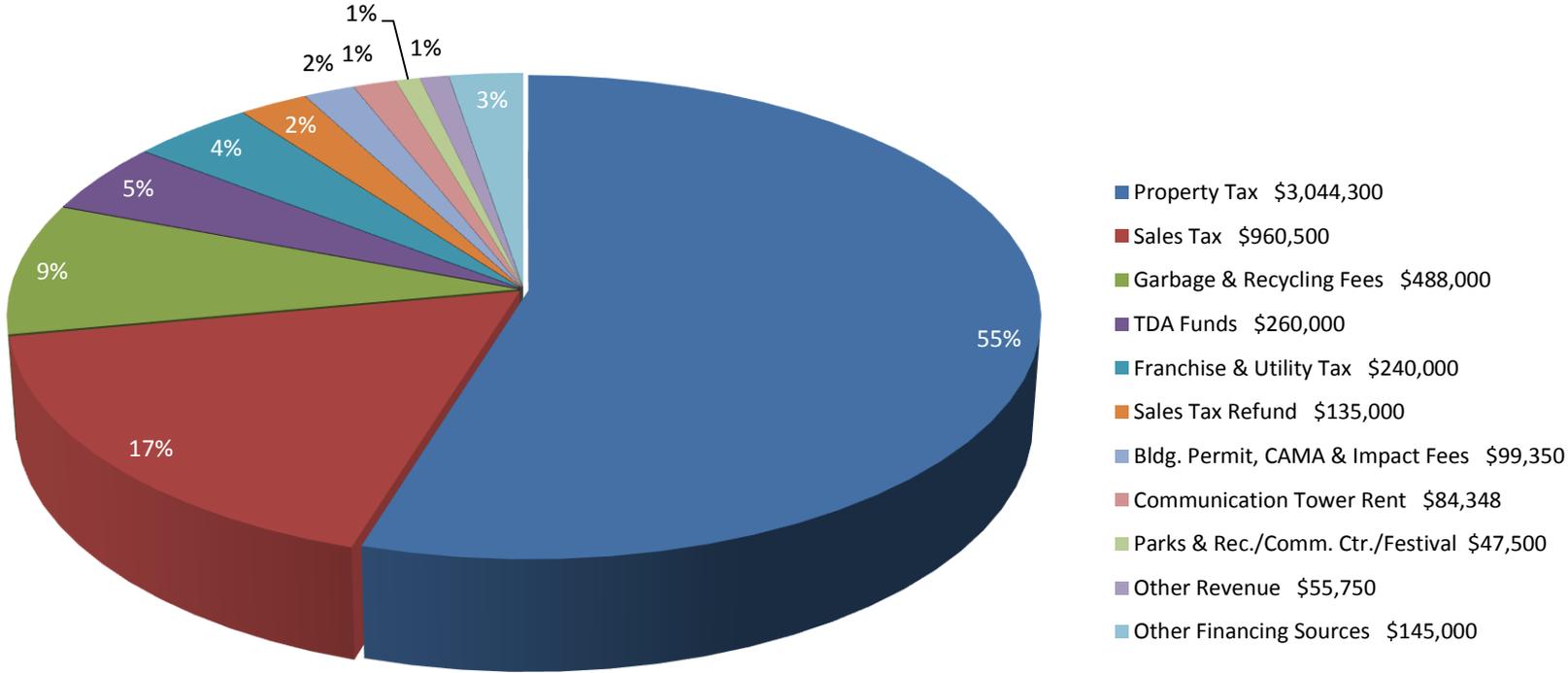
**TOWN OF KURE BEACH**  
**FISCAL YEAR 2019/2020 PROPOSED BUDGET**  
**GENERAL FUND HIGHLIGHTS**

1. Proposed tax rate increase – 1 cent (3%)
  - New rate would be 34 cents (\$0.34) per \$100 of valuation
2. 2.8% Cost of Living Adjustment and 1.5% merit increase for full-time employees
3. Additions to full-time employees:
  - One employee in Police Department
  - One employee in Building Inspections/Code Enforcement Department

**TOWN OF KURE BEACH  
FISCAL YEAR 2019/2020 PROPOSED BUDGET  
GENERAL FUND HIGHLIGHTS**

4. Capital expenditures totaling \$170,050
5. Debt service totaling \$716,925
6. Transfer \$18,000 to the Beach Protection Fund
7. Contingency of \$20,000
8. Overall, the 2020 General Fund budget is 5.3% greater than the 2019 original budget

# GENERAL FUND REVENUE BUDGET FISCAL YEAR 2020



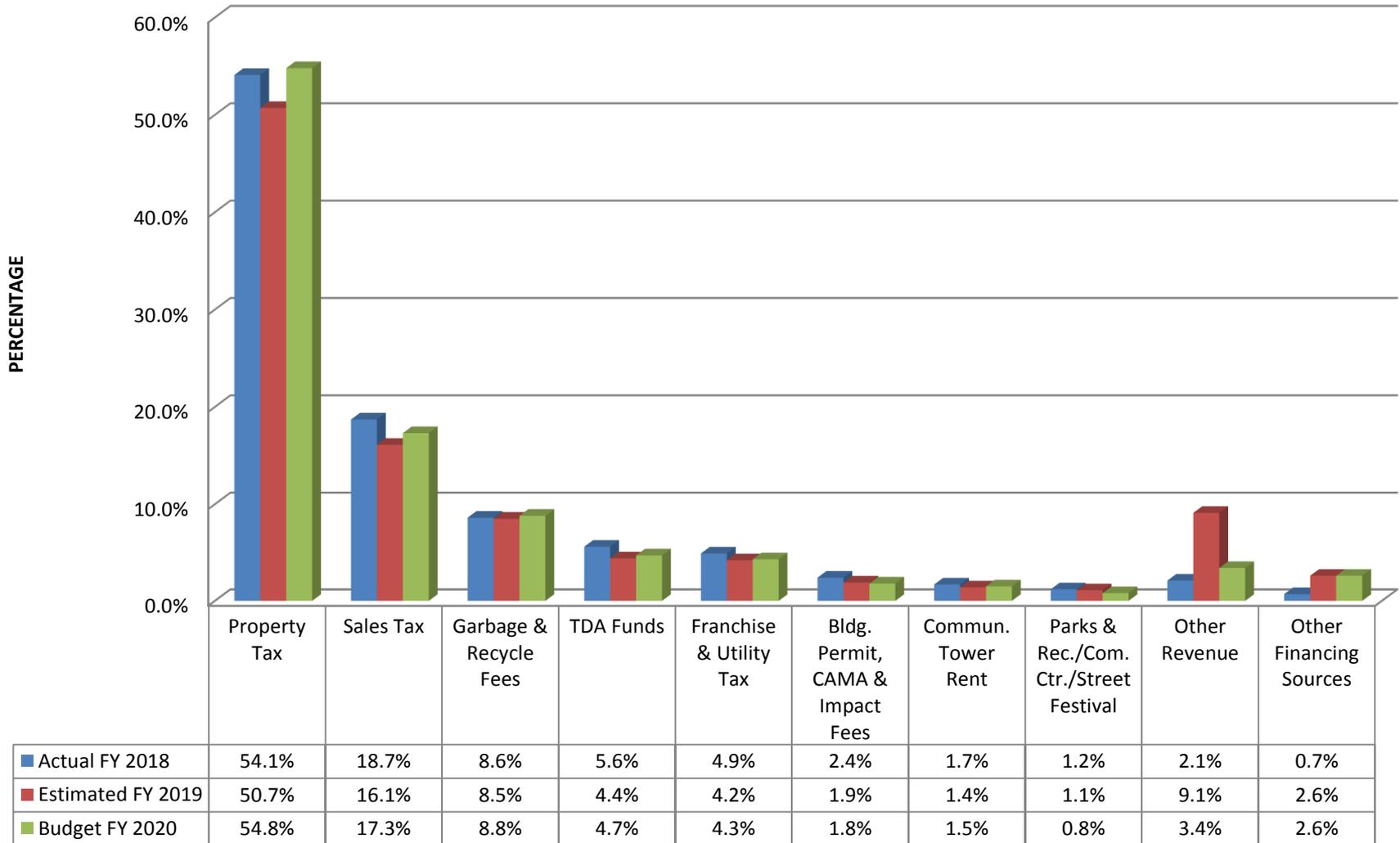
**IMPACT OF KURE BEACH PROPOSED  
PROPERTY TAX RATE ON A  
PROPERTY VALUED AT \$350,000**

Tax at Current Tax Rate (\$0.33)	\$1,155.00
Proposed Tax Increase (\$0.01)	<u>\$35.00</u>
Total Tax at Proposed Tax Rate (\$0.34)	<u>\$1,190.00</u>

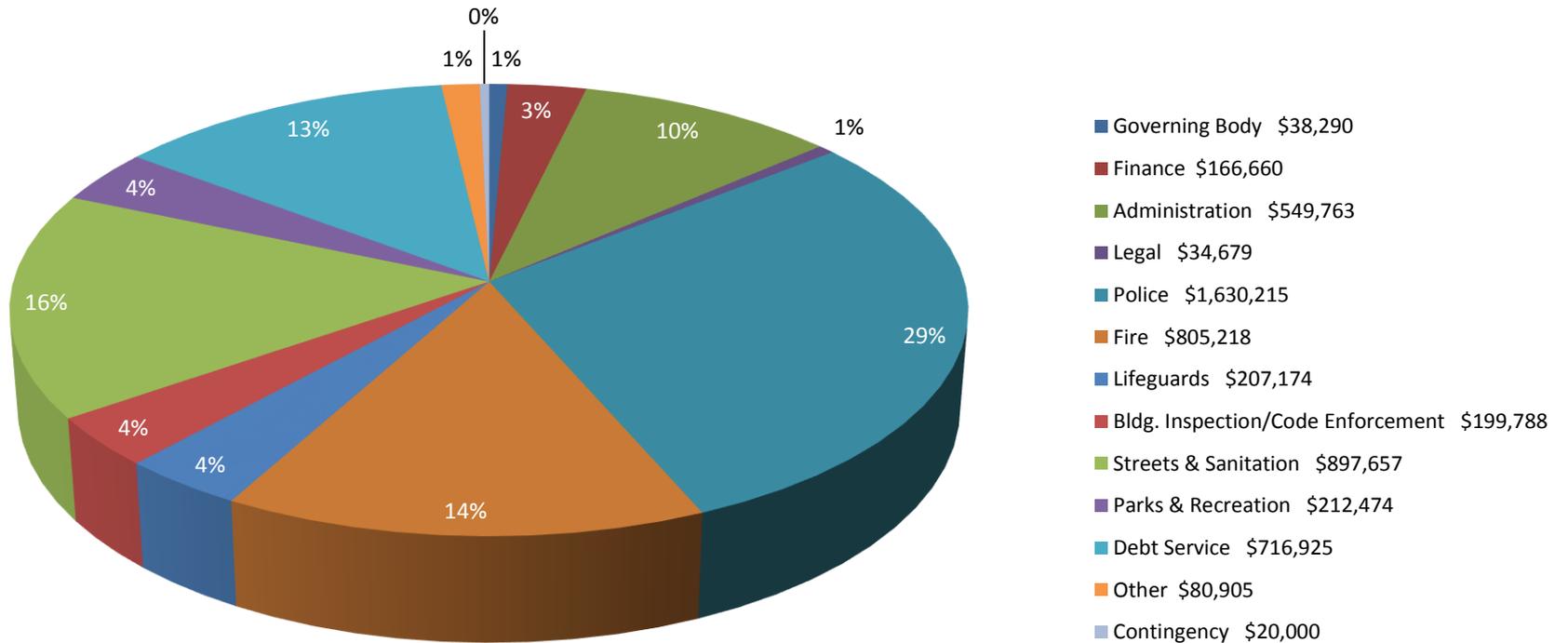
# IMPACT OF KURE BEACH AND NEW HANOVER COUNTY PROPOSED FISCAL YEAR 2020 PROPERTY TAX RATES ON A PROPERTY VALUED AT \$350,000

	CURRENT		PROPOSED FOR FY 2020		ANNUAL TAX DIFFERENCE
	TAX RATE	ANNUAL TAX	TAX RATE	ANNUAL TAX	
Kure Beach	\$0.33	\$1,155.00	\$0.34	\$1,190.00	\$35.00
New Hanover County (including debt service)	\$0.555	<u>\$1,942.50</u>	\$0.555	<u>\$1,942.50</u>	<u>\$0.00</u>
TOTAL		<u>\$3,097.50</u>		<u>\$3,132.50</u>	<u>\$35.00</u>
			% Change Kure Beach & NHC		1.13%

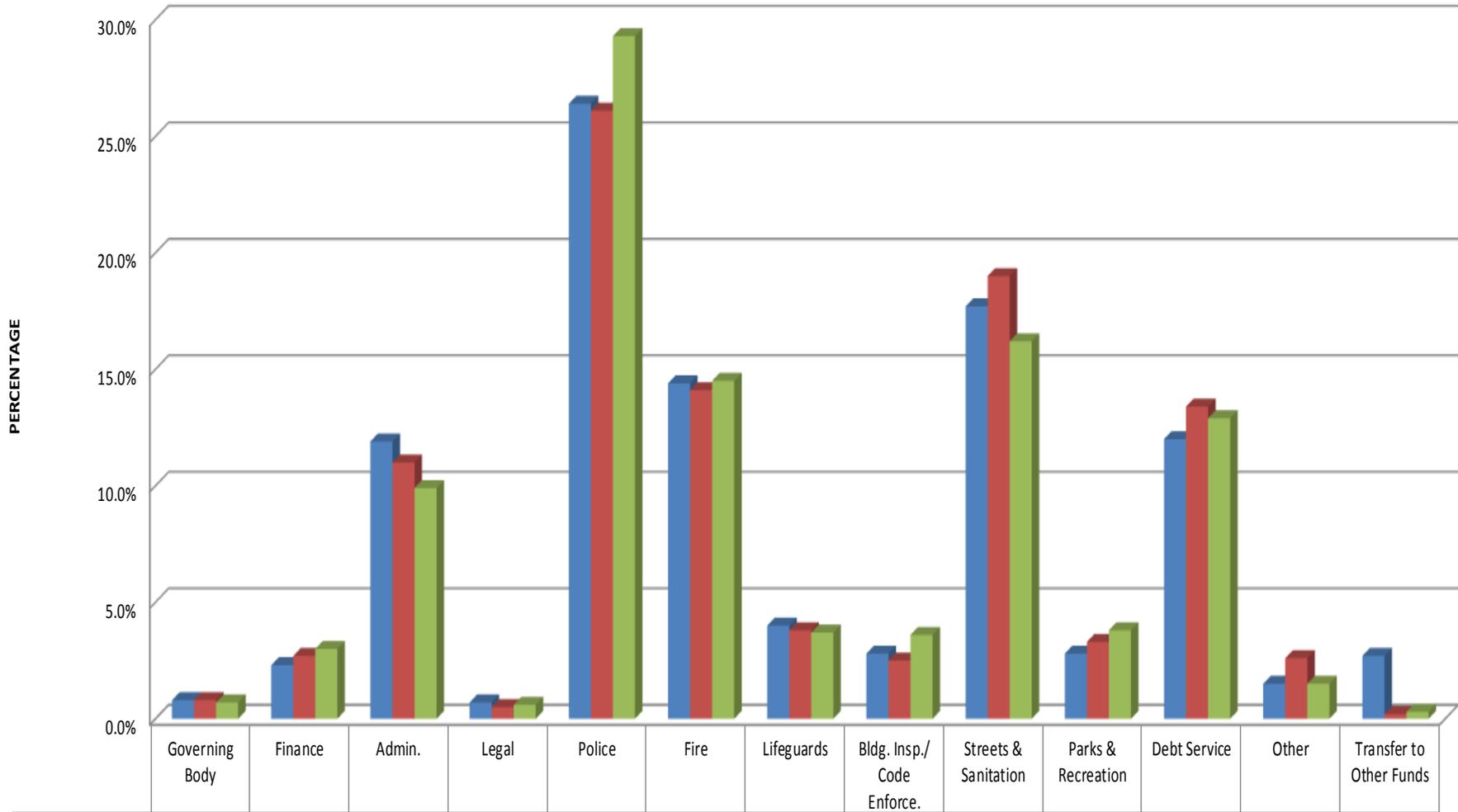
## GENERAL FUND PERCENTAGE OF REVENUE BY SOURCE FISCAL YEAR 2018 TO 2020



# GENERAL FUND EXPENSE BUDGET FISCAL YEAR 2020



**GENERAL FUND  
PERCENTAGE OF EXPENSES BY DEPARTMENT  
FISCAL YEAR 2018 TO 2020**

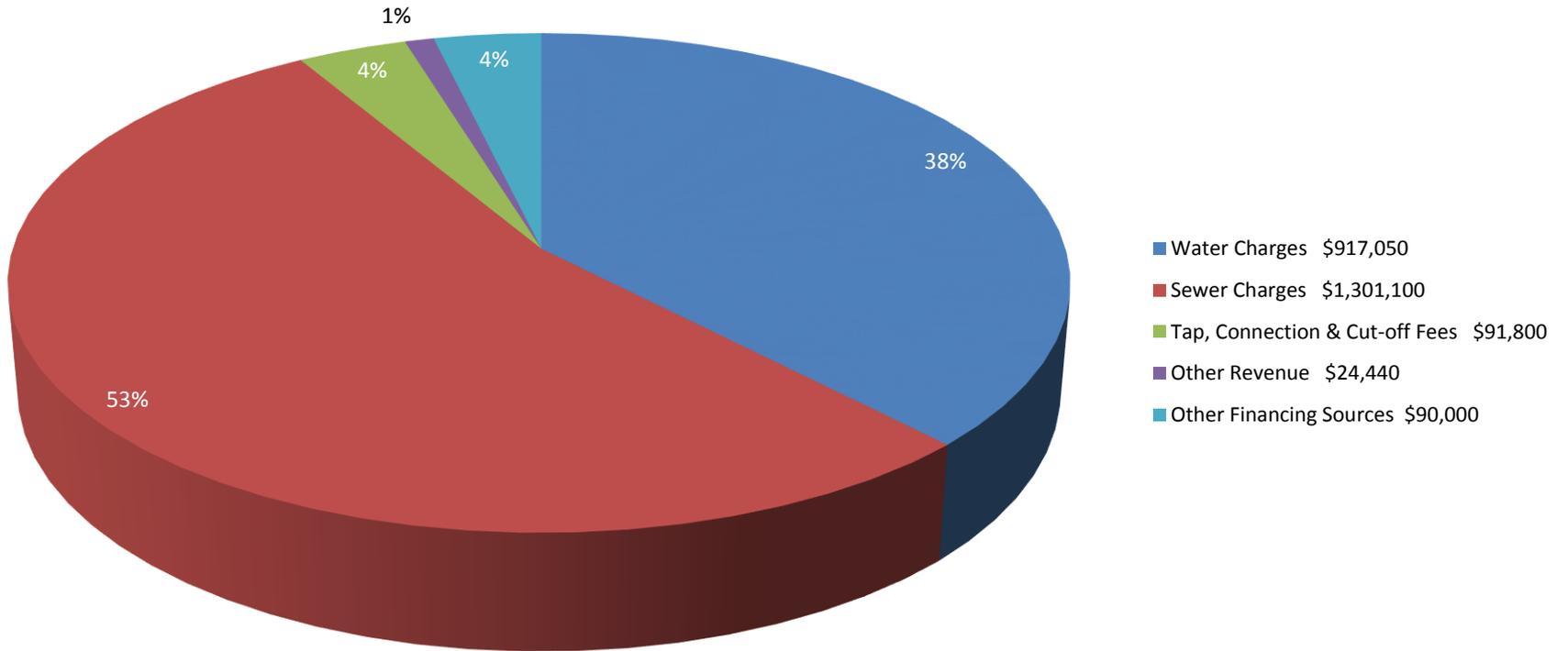


Actual FY 2018	0.8%	2.3%	11.9%	0.7%	26.4%	14.4%	4.0%	2.8%	17.7%	2.8%	12.0%	1.5%	2.7%
Estimated FY 2019	0.8%	2.7%	11.0%	0.5%	26.1%	14.1%	3.8%	2.5%	19.0%	3.3%	13.4%	2.6%	0.2%
Budget FY 2020	0.7%	3.0%	9.9%	0.6%	29.3%	14.5%	3.7%	3.6%	16.2%	3.8%	12.9%	1.5%	0.3%

**TOWN OF KURE BEACH**  
**FISCAL YEAR 2019/2020 PROPOSED BUDGET**  
**WATER AND SEWER FUND HIGHLIGHTS**

1. Changes to the existing water and sewer rate structure for all customer types (residential, commercial & out of jurisdiction):
  - Lower minimum gallons from 2,500 to 2,000 gallons
  - 10% increase to the usage-based rate tiers for monthly usage above the minimum number of gallons
2. Approximately \$202,800 for infrastructure projects and equipment capital expenditures
3. Debt service totaling approximately \$426,350
4. Overall, the 2020 Water and Sewer budget is 10.1% greater than the 2019 budget

# WATER & SEWER FUND REVENUE BUDGET FISCAL YEAR 2020



**WATER AND SEWER FUND  
GALLONS BILLED BY CUSTOMER TYPE  
4/1/2018 – 3/31/2019**

	GALLONS			
	RESIDENTIAL	COMMERCIAL	OUT OF JURISDICTION	TOTAL
WATER	91,555,700	8,257,800	7,896,140	107,709,640
	85.0%	7.7%	7.3%	

**PROPOSED FISCAL YEAR 2019/2020**  
**RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES**

1. Continue to ensure that there is increased financial responsibility for those customers who use the most water and sewer resources
2. The monthly minimum gallons will be reduced from 2,500 to 2,000 gallons
  - Estimate that each month an additional 120 accounts (6%) will exceed the monthly minimum gallons
3. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%
  - Estimate that 51% of the annual residential billings will be impacted

# PROPOSED FISCAL YEAR 2019/2020 RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES

4. Proposed rate structure for residential customers for fiscal year 2020:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	
Minimum	\$13.50	\$13.50	\$23.50	\$23.50	No change
Min. to 7,000 gals. (rate per 100 gals.)	\$0.45	\$0.495	\$0.58	\$0.638	10% Inc.
7,001 to 12,000 gals. (rate per 100 gals.)	\$0.675	\$0.7425	\$0.87	\$0.957	10% Inc.
Over 12,000 gals. (rate per 100 gals.)	\$1.0125	\$1.11375	\$1.305	\$1.4355	10% Inc.

5. There will be no impact on a residential customer using less than 2,000 gallons

**IMPACT OF RATE CHANGES ON A RESIDENTIAL ACCOUNT  
AT 4 MONTHLY USAGE LEVELS**

	<b>EXISTING RATES (2,500 min. gals.)</b>	<b>PROPOSED RATES (2,000 min. gals.)</b>
<b><u>Monthly Usage of 2,500 Gallons</u></b>		
Minimum (Water & Sewer)	\$37.00	\$37.00
Minimum to 2,500 gallons	<u>\$0.00</u>	<u>\$5.67</u>
Total	<u>\$37.00</u>	<u>\$42.67</u>
Increase Amount		\$5.67
% Change		15.3%
<b><u>Monthly Usage of 5,000 Gallons</u></b>		
Minimum (Water & Sewer)	\$37.00	\$37.00
Minimum to 5,000 gallons	<u>\$25.75</u>	<u>\$33.99</u>
Total	<u>\$62.75</u>	<u>\$70.99</u>
Increase Amount		\$8.24
% Change		13.1%

**IMPACT OF RATE CHANGES ON A RESIDENTIAL ACCOUNT  
AT 4 MONTHLY USAGE LEVELS**

	<b>EXISTING RATES (2,500 min. gals.)</b>	<b>PROPOSED RATES (2,000 min. gals.)</b>
<b><u>Monthly Usage of 12,000 Gallons</u></b>		
Minimum (Water & Sewer)	\$37.00	\$37.00
Minimum to 7,000 gallons	\$46.35	\$56.65
7,001 to 12,000 gallons	<u>\$77.25</u>	<u>\$84.98</u>
Total	<u>\$160.60</u>	<u>\$178.63</u>
Increase Amount		\$18.03
% Change		11.2%
<b><u>Monthly Usage of 18,000 Gallons</u></b>		
Minimum (Water & Sewer)	\$37.00	\$37.00
Minimum to 7,000 gallons	\$46.35	\$56.65
7,001 to 12,000 gallons	\$77.25	\$84.98
Over 12,000 gallons	<u>\$139.05</u>	<u>\$152.96</u>
Total	<u>\$299.65</u>	<u>\$331.59</u>
Increase Amount		\$31.94
% Change		10.7%

# PROPOSED FISCAL YEAR 2019/2020

## COMMERCIAL WATER & SEWER RATE STRUCTURE CHANGES

1. The monthly minimum gallons will be reduced from 2,500 to 2,000 gallons
2. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%
3. Proposed 2020 rate structure for commercial customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	
Minimum	\$18.50	\$18.50	\$25.50	\$25.50	No change
Min. to 70,000 gals. (rate per 100 gals.)	\$0.694	\$0.7634	\$0.7125	\$0.78375	10% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$0.8675	\$0.95425	\$0.89063	\$0.9797	10% Inc.

**IMPACT OF RATE CHANGES ON A COMMERCIAL ACCOUNT  
AT 2 MONTHLY USAGE LEVELS**

	<b>EXISTING RATES (2,500 min. gals.)</b>	<b>PROPOSED RATES (2,000 min. gals.)</b>
<b><u>Monthly Usage of 20,000 Gallons</u></b>		
Minimum (Water & Sewer)	\$44.00	\$44.00
Minimum to 20,000 gallons	<u>\$246.14</u>	<u>\$278.49</u>
Total	<u>\$290.14</u>	<u>\$322.49</u>
Increase Amount		\$32.35
% Change		11.1%
<b><u>Monthly Usage of 118,000 Gallons</u></b>		
Minimum (Water & Sewer)	\$44.00	\$44.00
Minimum to 70,000 gallons	\$949.39	\$1,052.06
Over 70,000 gallons	<u>\$843.90</u>	<u>\$928.30</u>
Total	<u>\$1,837.29</u>	<u>\$2,024.36</u>
Increase Amount		\$187.07
% Change		10.2%

# PROPOSED FISCAL YEAR 2019/2020 OUT OF JURISDICTION WATER & SEWER RATE STRUCTURE CHANGES

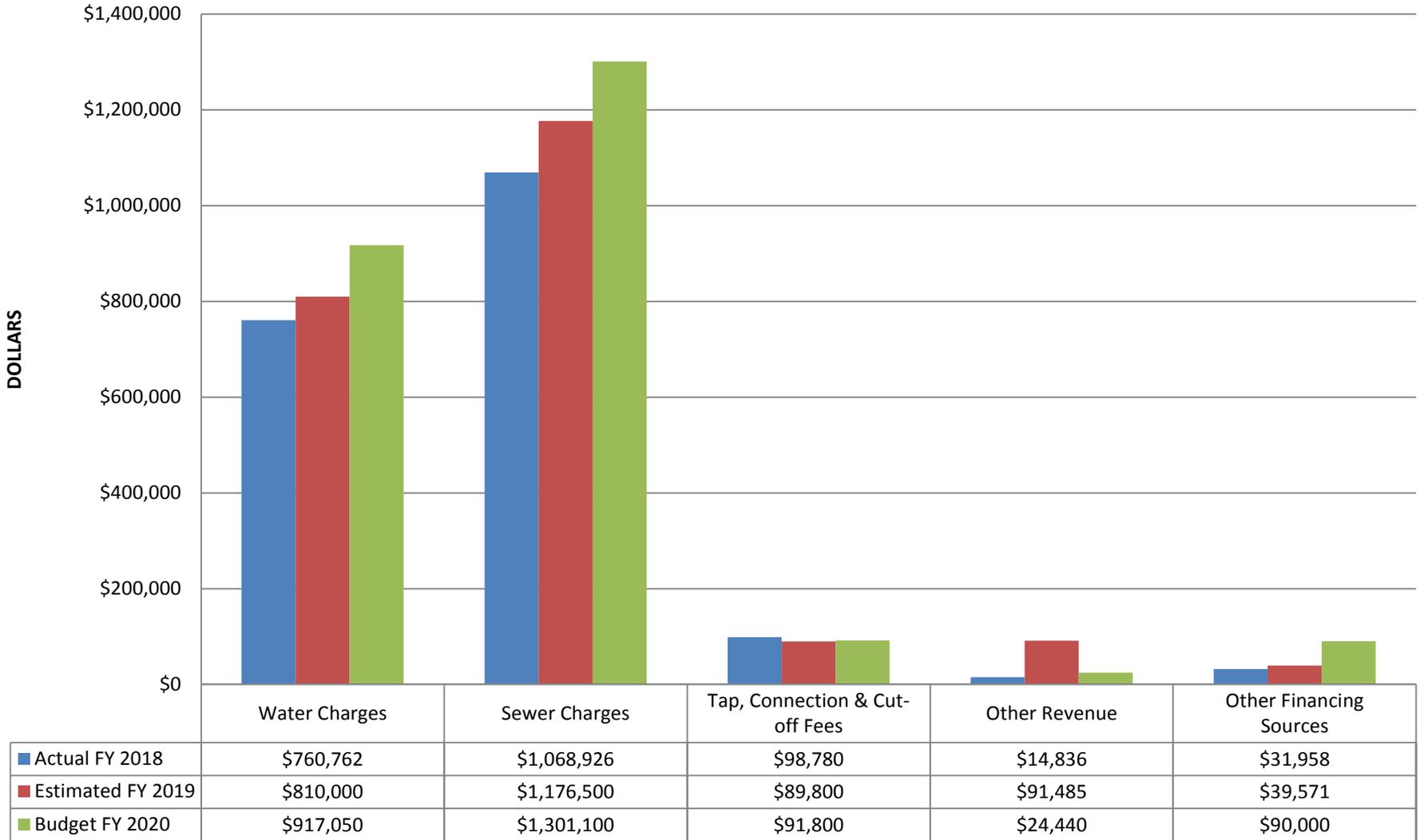
1. The monthly minimum gallons will be reduced from 2,500 to 2,000 gallons
2. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%
3. Proposed rate structure for Out of Jurisdiction customers for fiscal year 2020:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	CURRENT (2,500 min. gals.)	PROPOSED (2,000 min. gals.)	
Minimum	\$23.00	\$23.00	\$40.50	\$40.50	No change
Min. to 70,000 gals. (rate per 100 gals.)	\$0.7875	\$0.86625	\$1.0125	\$1.11375	10% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$0.98438	\$1.08282	\$1.26563	\$1.39219	10% Inc.

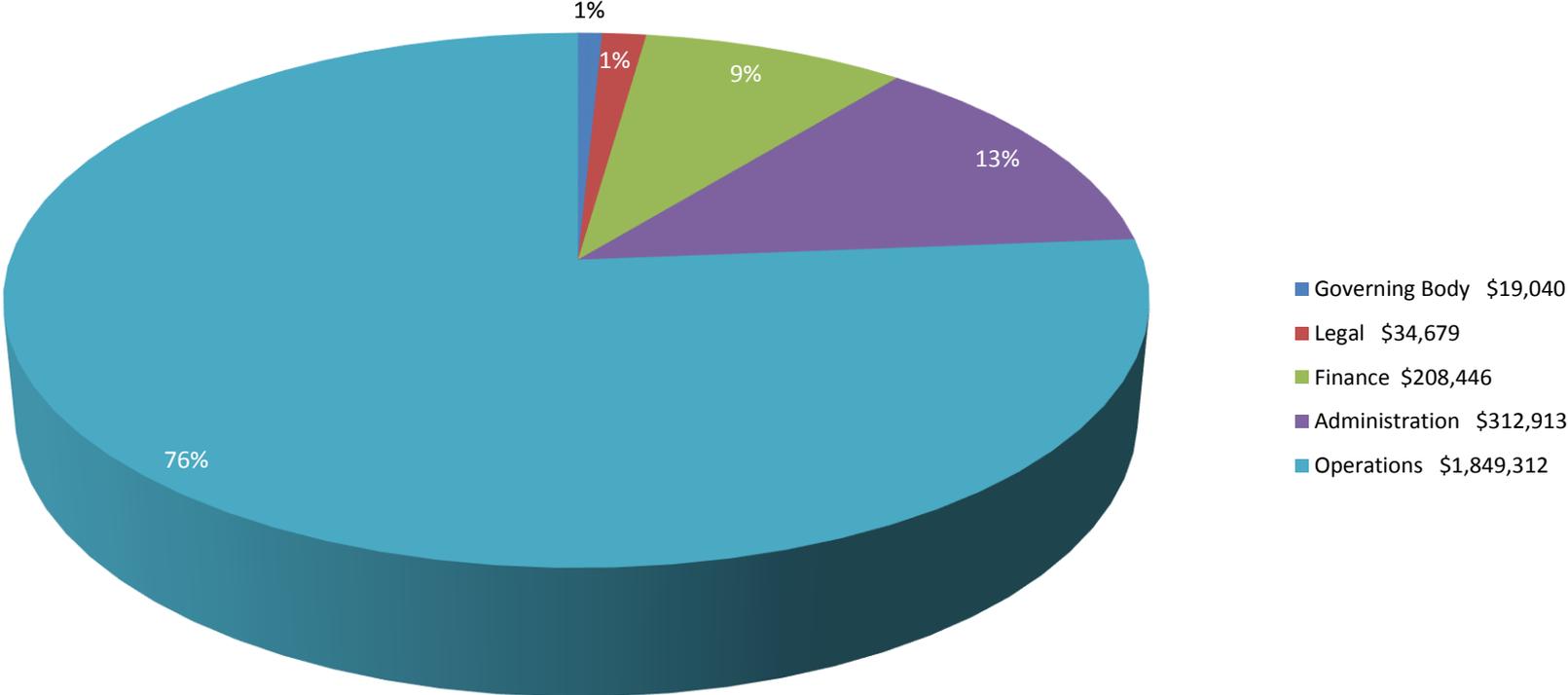
**IMPACT OF RATE CHANGES ON AN OUT OF JURISDICTION  
ACCOUNT AT 2 MONTHLY USAGE LEVELS**

	EXISTING RATES (2,500 min. gals.)	PROPOSED RATES (2,000 min. gals.)
<b><u>Monthly Usage of 20,000 Gallons</u></b>		
Minimum (Water & Sewer)	\$63.50	\$63.50
Minimum to 20,000 gallons	<u>\$315.00</u>	<u>\$356.40</u>
Total	<u>\$378.50</u>	<u>\$419.90</u>
Increase Amount		\$41.40
% Change		10.9%
<b><u>Monthly Usage of 400,000 Gallons</u></b>		
Minimum (Water & Sewer)	\$63.50	\$63.50
Minimum to 70,000 gallons	\$1,215.00	\$1,346.40
Over 70,000 gallons	<u>\$7,425.03</u>	<u>\$8,167.53</u>
Total	<u>\$8,703.53</u>	<u>\$9,577.43</u>
Increase Amount		\$873.90
% Change		10.0%

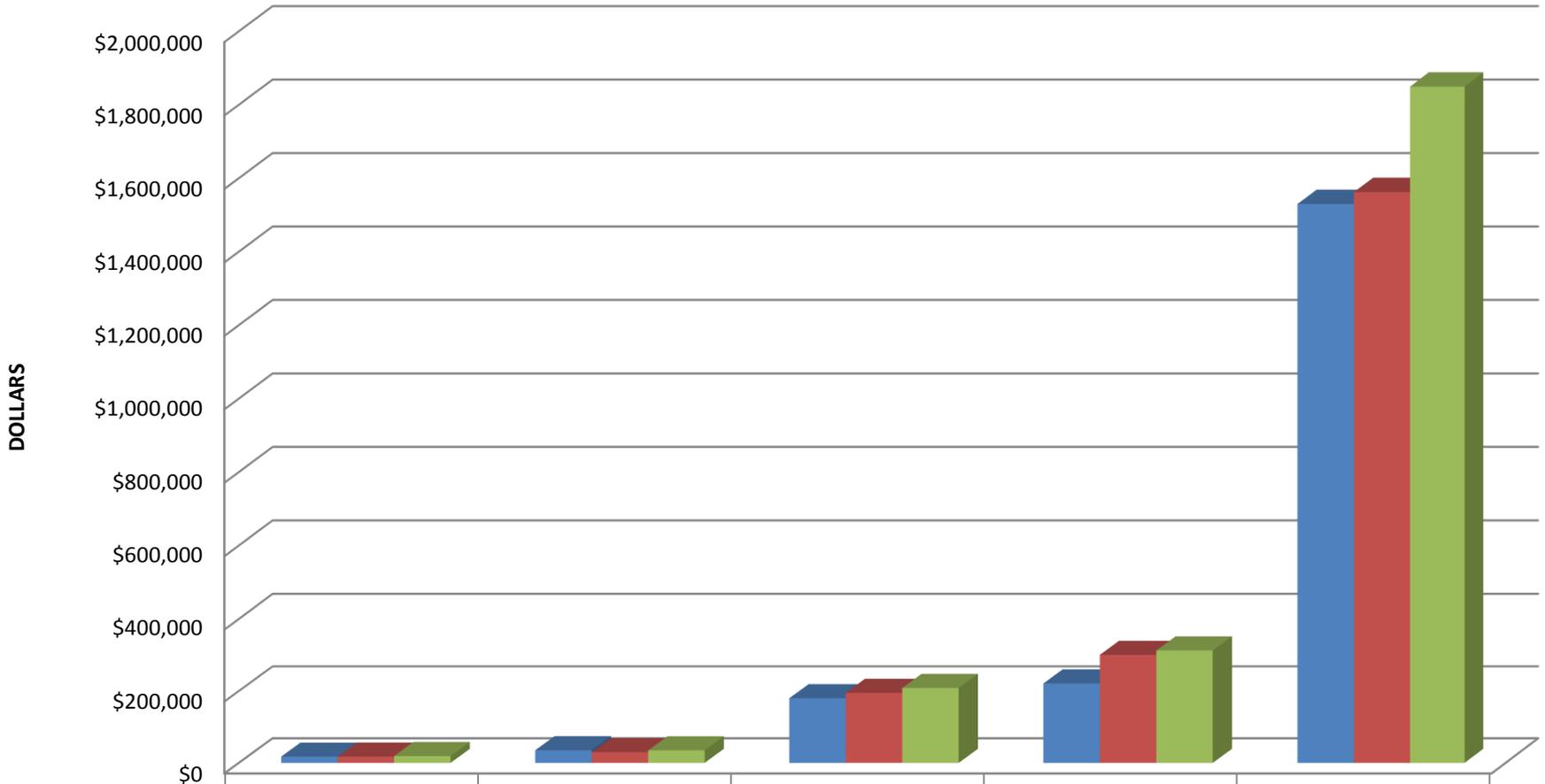
## WATER & SEWER FUND REVENUE BY SOURCE FISCAL YEAR 2018 TO 2020



**WATER & SEWER FUND  
EXPENSE BUDGET  
FISCAL YEAR 2020**



# WATER & SEWER FUND EXPENSES BY DEPARTMENT FISCAL YEAR 2018 - 2020

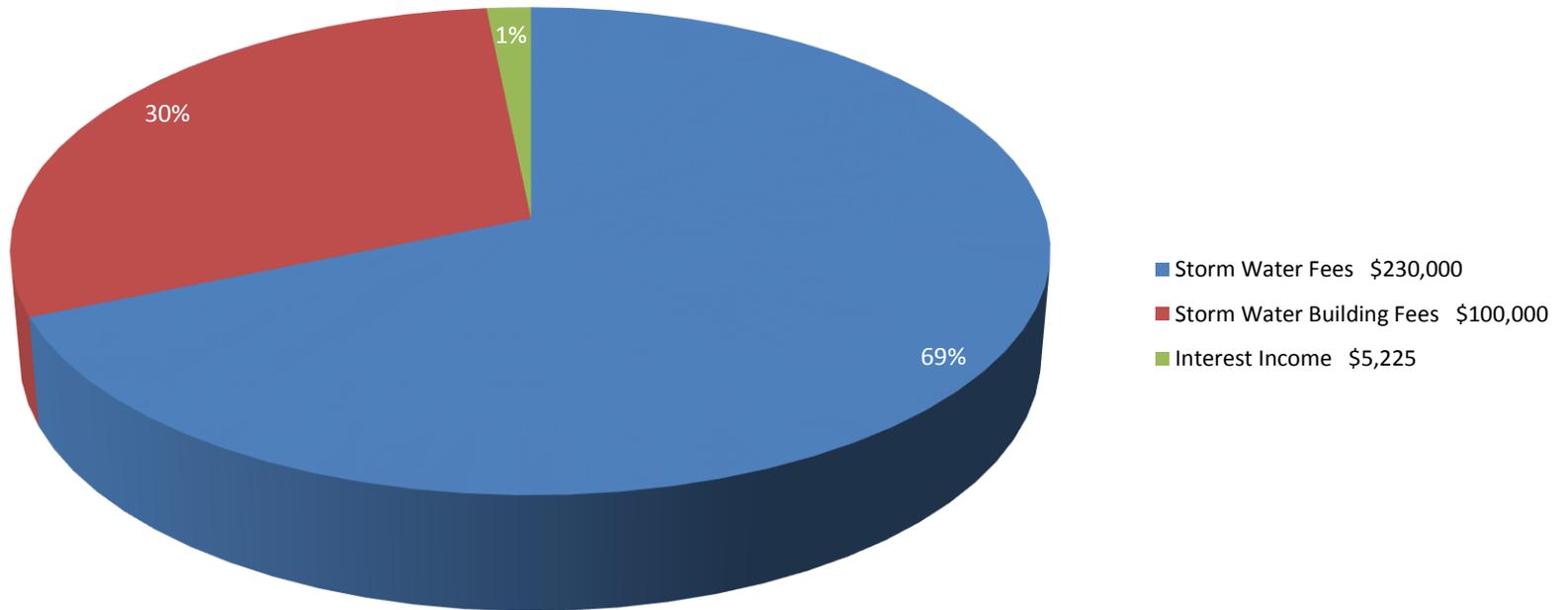


	Governing Body	Legal	Finance	Administration	Operations
Actual FY 2018	\$17,389	\$35,116	\$179,940	\$220,940	\$1,529,850
Estimated FY 2019	\$17,574	\$29,700	\$195,018	\$300,581	\$1,562,350
Budget FY 2020	\$19,040	\$34,679	\$208,446	\$312,913	\$1,849,312

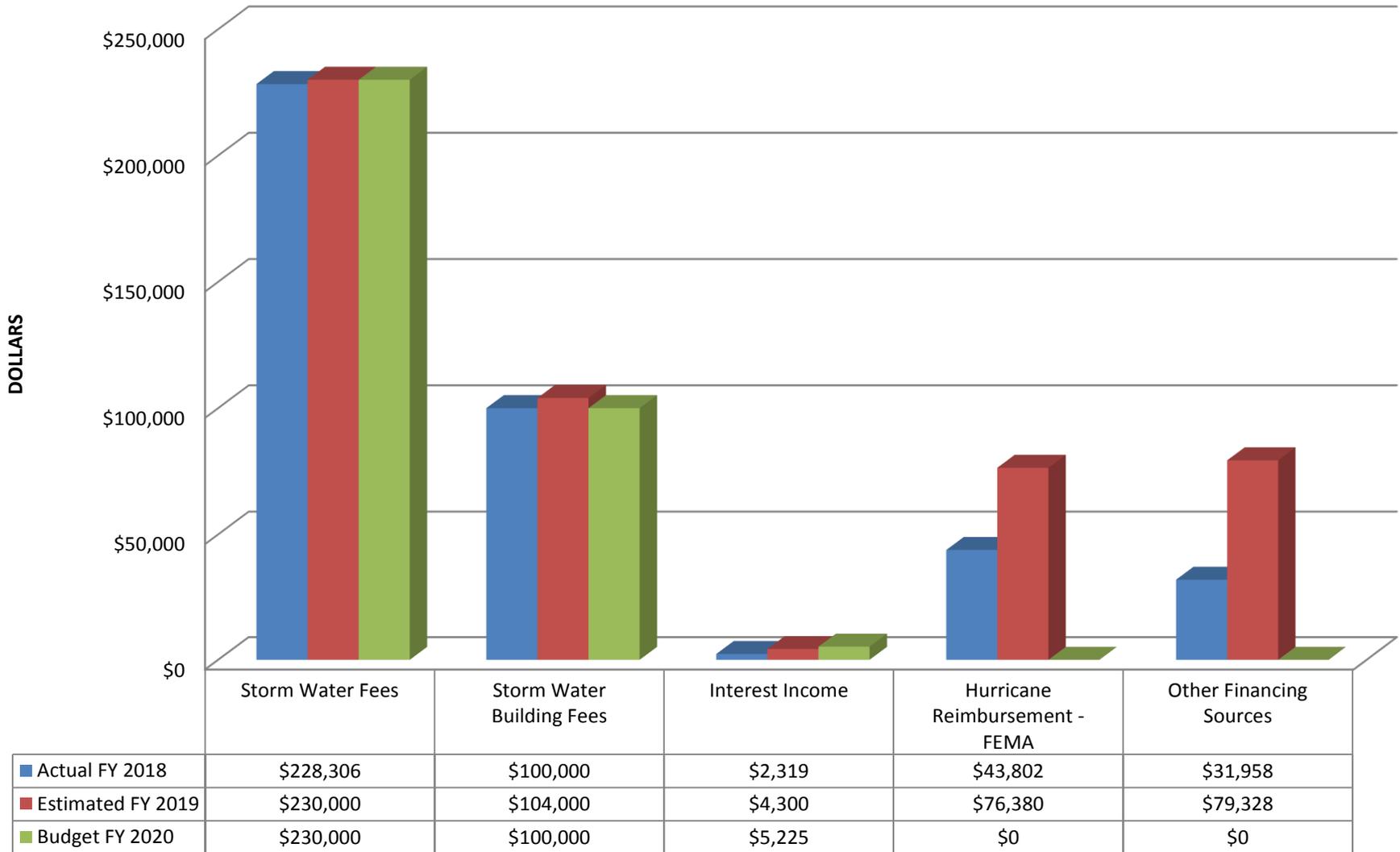
**TOWN OF KURE BEACH  
FISCAL YEAR 2019/2020 PROPOSED BUDGET  
STORM WATER FUND HIGHLIGHTS**

1. No proposed changes to existing storm water fees
2. Debt service totaling approximately \$125,650
3. \$29,500 for infrastructure projects
4. Overall, the 2020 Storm Water budget is 6.5% less than the 2019 original budget

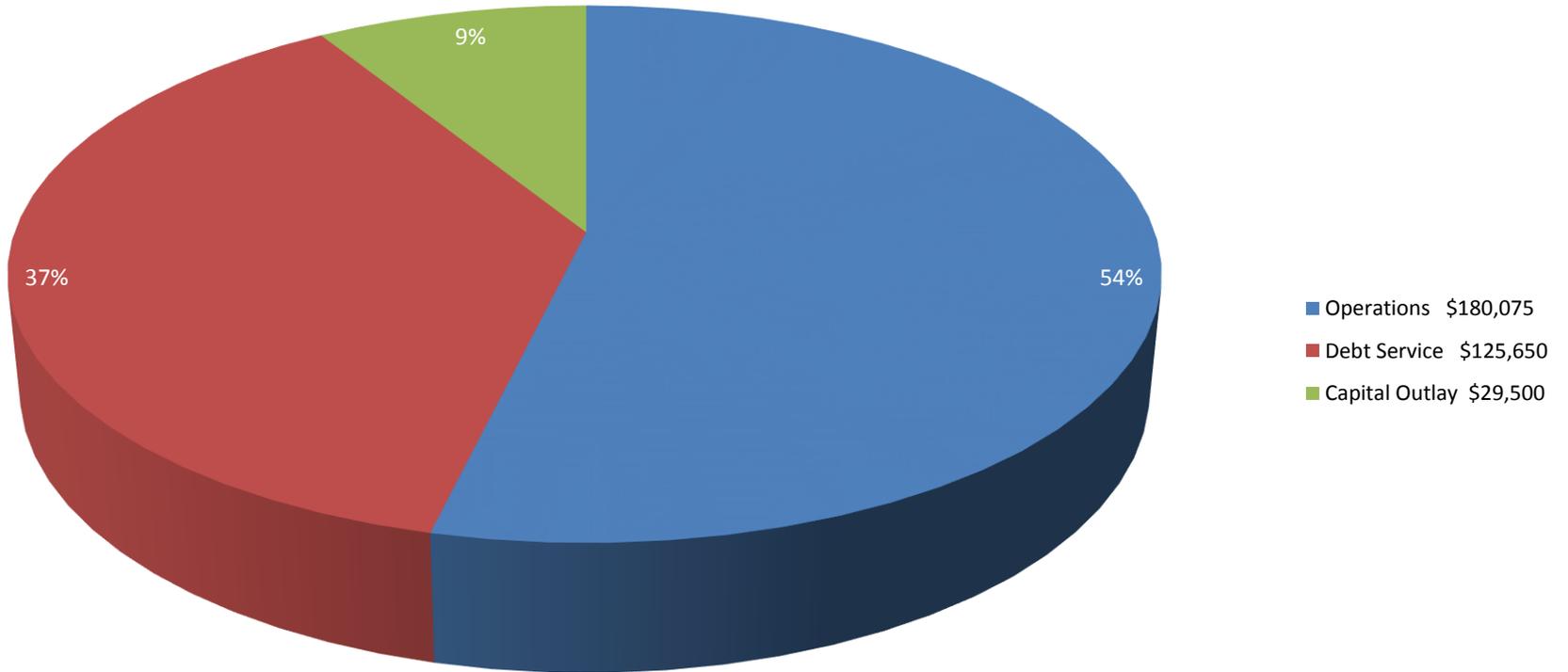
**STORM WATER FUND  
REVENUE BUDGET  
FISCAL YEAR 2020**



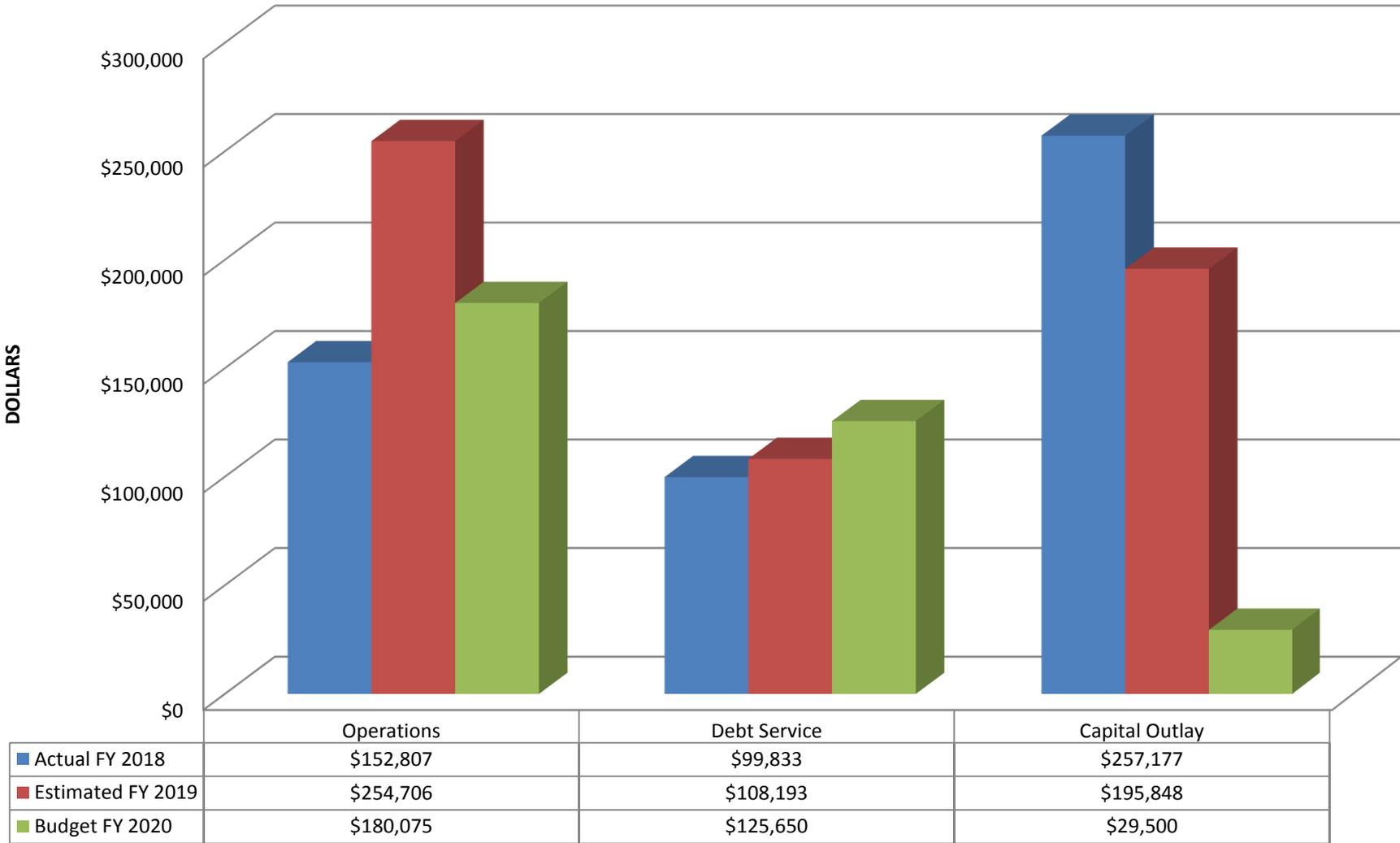
## STORM WATER FUND REVENUE BY SOURCE FISCAL YEAR 2018 - 2020



**STORM WATER FUND  
EXPENSE BUDGET  
FISCAL YEAR 2020**



# STORM WATER FUND EXPENSES BY TYPE FISCAL YEAR 2018 - 2020



## FISCAL YEAR 2019/2020 PROPOSED BUDGET OTHER FUNDS

FUND NAME	DESCRIPTION	BUDGET
Powell Bill	NC DOT allocation to be used solely for street related maintenance, repairs, etc.	\$66,450
Beach Protection	Reserve fund for future beach related needs	\$24,500
Federal Asset Forfeiture	Restricted use funds from participation in federal agency investigations	\$50,000
Sewer Expansion Reserve (SERF)	Reserve fund for future sewer expansion projects	\$17,420