Craig Bloszinsky
Mayor

Joseph Whitley
Commissioner

Allen Oliver
Commissioner

David Heglar
Mayor Pro Tem

John Ellen
Commissioner

Mandy Sanders
Town Clerk

TOWN OF KURE BEACH
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May 17, 2021

RE: **TOWN OF KURE BEACH, NORTH CAROLINA**
FISCAL YEAR 2022 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 2022 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 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, 2021. 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 tentatively scheduled for June 7, 2021 at 6:00 pm.

The proposed fiscal year 2022 Town of Kure Beach budget is balanced and totals $10,466,016 for all operations. This total budget is comprised of the following seven funds: General Fund $6,610,496; Water and Sewer Fund $2,801,933; Storm Water Fund $700,457; Powell Bill Fund $318,650; Federal Asset Forfeiture Fund $25,000; Sewer Expansion Reserve Fund (SERF) $9,090 and Beach Protection Fund $390.

Comparison of the proposed fiscal year 2022 budget for each fund to the original and, if applicable, amended fiscal year 2021 budgets is as follows:

FUND	2021 ORIGINAL BUDGET	2021 AMENDED BUDGET	**PROPOSED 2022 BUDGET**	DIFF. 2022 & ORIG. 2021	% CHANGE	DIFF. 2022 & AMENDED 2021	% CHANGE
General	$5,693,981	$5,884,029	**$6,610,496**	$916,515	16.1%	$726,467	12.3%
Water/Sewer	$2,616,095	$2,693,611	**$2,801,933**	$185,838	7.1%	$108,322	4.0%
Storm Water	$532,330	$532,330	**$700,457**	$168,127	31.6%	$168,127	31.6%
Powell Bill	$110,000	$110,000	**$318,650**	$208,650	189.7%	$208,650	189.7%
Federal Asset Forfeiture	$50,000	$50,000	**$25,000**	($25,000)	-50.0%	($25,000)	-50.0%
Sewer Expansion Reserve	$10,380	$10,380	**$9,090**	($1,290)	-12.4%	($1,290)	-12.4%
Beach Protection	$8,375	$8,375	**$390**	($7,985)	-95.3%	($7,985)	-95.3%
TOTAL - ALL FUNDS	**$9,021,161**	**$9,288,725**	**$10,466,016**	**$1,444,855**	**16.0%**	**$1,177,291**	**12.7%**

BUDGET HIGHLIGHTS

IMPACT OF PROPERTY REVALUATION AND CALCULATION OF THE REVENUE-NEUTRAL TAX RATE

Beginning with the January 2017 real property revaluation, New Hanover County (NHC) moved to a four-year revaluation cycle. Therefore, the next four-year revaluation became effective January 1, 2021 and will impact real estate taxes for the proposed fiscal year 2022 budget. The purpose of property revaluation is to re-establish equity among properties that may have appreciated or depreciated in value at different rates since the County's last revaluation. The table on the following page shows the change in real property values, by jurisdiction, within NHC. The impact for the County as a whole was an increase in value of approximately 40.2%, whereas the change for Kure Beach was approximately 36.3%.

REAL PROPERTY (REAL ESTATE)

JURISDICTION	PRIOR TO REVALUATION	AFTER REVALUATION	$ CHANGE	% CHANGE	% OF TOTAL NHC PROPERTY
Kure Beach	$889,813,300	$1,213,000,000	$323,186,700	36.3%	2.8%
Carolina Beach	$1,881,660,244	$2,808,000,000	$926,339,756	49.2%	6.6%
Wrightsville Beach	$2,594,640,756	$3,668,000,000	$1,073,359,244	41.4%	8.6%
Wilmington	$13,578,336,950	$19,292,000,000	$5,713,663,050	42.1%	45.0%
Fire District	$11,608,190,322	$15,853,000,000	$4,244,809,678	36.6%	37.0%
Total NHC	**$30,552,641,572**	**$42,834,000,000**	**$12,281,358,428**	**40.2%**	

In addition to real property (real estate), there are other types of taxable property that comprise the Total Tax Base. For Kure Beach, the various components of the tax base, both before and after revaluation, are presented below and represent the most recent estimates provided by the NHC Tax Department.

TAX BASE COMPONENT	PRIOR TO REVALUATION	AFTER REVALUATION	$ CHANGE	% CHANGE
Real Property	$889,813,300	$1,213,000,000	$323,186,700	36.3%
Personal Property	$1,820,137	$1,750,000	($70,137)	(3.9%)
Business Personal Property	$2,674,194	$2,500,000	($174,194)	(6.5%)
Motor Vehicles	$28,975,635	$29,622,500	$646,865	2.2%
State Appraised	$1,277,663	$1,200,000	($77,663)	(6.1%)
TOTAL TAX BASE	**$924,560,929**	**$1,248,072,500**	**$323,511,571**	**35.0%**

The above Total Tax Base is the amount used in determining the total tax levy for the Town.

North Carolina General Statute Section 159-11 (e) mandates that a statement of the revenue-neutral tax rate must be presented for comparison purposes in the year that a general reappraisal of real property has been conducted. The revenue-neutral tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. To calculate the revenue-neutral tax rate, a rate that would produce revenues equal to those produced for the current fiscal year must be determined

and then the rate is increased by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal. This growth factor represents the expected percentage increase in the value of the tax base due to improvements during the next fiscal year.

The calculation of the growth factor to be used in determining the revenue-neutral tax rate is as follows:

FISCAL YEAR	ASSESSED VALUATION	VALUATION INCREASE	PERCENTAGE CHANGE
2021/2022	$1,248,072,500		
Revaluation 1/1/2021			
2020/2021	$924,560,929	$18,670,619	2.06%
2019/2020	$905,890,310	$13,985,876	1.57%
2018/2019	$891,904,434	$9,529,363	1.08%
2017/2018	$882,375,071		
Revaluation 1/1/2017			

The average annual growth in assessed valuation from fiscal year 2018 to 2021 is 1.57%.

The revenue-neutral tax rate for Kure Beach is 25.58 cents ($0.2558) after application of the 1.57% growth factor. The calculation of the revenue-neutral tax rate is as follows:

Average Growth % (FY 2018 – 2021)	1.57%
Current Tax Rate Per $100 of Valuation	$0.34
FY 2021 Tax Levy ($924,560,929 / $100) x $0.34	$3,143,507
FY 2022 Tax Levy Without Revaluation Including Average Growth % (($924,560,929 x 1.0157) / $100) x $0.34	$3,192,860
Revenue-Neutral Tax Rate for FY 2022 Based on Revaluation $3,192,860 / ($1,248,072,500 / $100)	$0.2558

The revenue-neutral tax rate is intended to be revenue-neutral for the Town as a whole, not for individual property owners. Therefore, some taxpayers may receive a higher tax bill even if the revenue-neutral rate is adopted.

PROPOSED TAX RATE FOR FISCAL YEAR 2022

The proposed tax rate for fiscal year 2022 is 26.58 cents ($0.2658) per $100 of valuation. This rate is one cent (3.9%) greater than the revenue-neutral tax rate. After careful analysis, the tax rate of 26.58 cents was determined to be the most effective manner in which to maintain existing Town-provided services at their current levels, maintain reserve funds for potential beach nourishment costs and to support the Council goal relating to financial stability.

For a property valued at $450,000, the effect of the additional one cent over the Town's revenue-neutral tax rate is as follows:

Annual Kure Beach tax at proposed tax rate ($0.2658):	$1,196.10
Annual Kure Beach tax at revenue-neutral tax rate ($0.2558):	$1,151.10
Annual difference between proposed and revenue-neutral tax rates	$ 45.00
Percentage difference	3.9%

Property taxes are the Town's largest single source of revenue. Fiscal year 2022 property tax revenue is estimated at $3,293,500. This includes both current tax year and prior tax year's collections and represents 49.8% of the General Fund revenue. As previously discussed, the estimated Total Tax Base provided by the NHC Tax Department is $1,248,072,500. Kure Beach property taxes are billed and collected by the NHC Tax Department and remitted to Kure Beach. Based on historical data, the property tax collection rate is estimated at 99%.

GENERAL FUND FEES

There are no General Fund fee increases included in the proposed fiscal year 2022 budget.

WATER AND SEWER RATES

There are no water and sewer fee increases being proposed for fiscal year 2022.

STORM WATER FEES

The proposed fiscal year 2022 Storm Water Fund budget includes a 50% increase in monthly storm water fees. This fee increase is necessary to provide funds for on-going system maintenance costs and to strengthen reserves for future infrastructure projects. The proposed changes are as follows:

DESCRIPTION	CURRENT MONTHLY RATE	PROPOSED MONTHLY RATE	MONTHLY INCREASE	% INCREASE
Residential Unit	$10.00	$15.00	$5.00	50.0%
Commercial (a)	$6.22 to $101.15	$9.33 to $151.73	$3.11 to $50.58	50.0%
(a) - Commercial rates vary based on size of property.				

STAFFING AND COMPENSATION

The fiscal year 2022 budget includes the addition of two full-time employees in the Fire Department, increasing the Town's full-time personnel to 51. As both the Town's year-round population and tourism increase, these positions are necessary to ensure that adequate staffing levels are maintained at all times. The positions are expected to be filled at the beginning of the fiscal year and are included in the General Fund budget. The estimated fiscal year 2022 cost (salary, taxes, benefits, insurance, etc.) of adding these full-time employees to the Fire Department is $109,830. Including the proposed additional employees, the full-time personnel are allocated to Town funds based on the type of work performed, as follows:

FUND	NO. OF EMPLOYEES
General	39
Water and Sewer	10
Storm Water	2
Total	51

This budget includes a proposed merit increase of 3.0% to reward those employees who are performing above expectations. Also, a 1.3% cost of living adjustment (COLA) for all full-time employees is included in the fiscal year 2022 budget. The employee benefits are consistent with prior years.

GOVERNING BODY

The budget for Town Council related expenses includes annual compensation for Council members as follows:

POSITION	7/1/21 – 12/31/21	1/1/22 – 6/30/22	TOTAL
Mayor	$1,800	$2,100	$3,900
Mayor Pro Tem	$1,350	$1,650	$3,000
Commissioner (3)	$1,200	$1,500	$2,700

55% of the above compensation is allocated to the General Fund and 45% to the Water and Sewer Fund. Also, the following expenses are divided equally amongst the General Fund and Water and Sewer Fund: cell phone and/or internet service allowance of $3,782, vehicle allowances of $4,500, travel/training of $5,000 and dues/subscriptions of $9,074.

In addition, the General Fund Governing Body budget includes funding for the Pleasure Island Chamber of Commerce concert series ($9,800), The Help Center of Federal Point ($1,500), Federal Point Historic Preservation Society ($1,500), Friends of Fort Fisher ($1,500) and the Island of Lights ($1,200). Finally, the General Fund Governing Body budget also includes $9,875 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 $679,765 and includes payments on existing loans for the following:

Equipment & Vehicles	$121,136
Land & Renovations	68,222
Ocean Front Park	111,931
Fire Station & Town Hall	378,476
General Fund Total	$679,765

This is a decrease of $31,885 (4.5%) over fiscal year 2021.

Water and Sewer Fund

The Water and Sewer Fund debt service totals $420,635 and includes payments on existing loans for the following:

Equipment & Vehicles	$ 62,155
Water/Sewer Infrastructure	306,870
Town Hall	51,610
Water/Sewer Fund Total	$420,635

This is a decrease of $2,394 (0.6%) over fiscal year 2021.

Storm Water Fund

Finally, the Storm Water Fund debt service totals $36,948 relating to the financing of equipment. This is a decrease of $8,572 (18.8%) over fiscal year 2021.

Debt service for each fund, as a percentage of the applicable fund's proposed fiscal year 2022 total budget is as follows:

General Fund	10.3%
Water and Sewer Fund	15.0%
Storm Water Fund	5.3%

The Town's total outstanding debt (all funds) is estimated to be $6,670,349 on July 1, 2021. 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 0.53% 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 13.1% greater than the original fiscal year 2021 budget for operating expenses. The primary factors contributing to the increase in relation to the original fiscal year 2021 budget include:

- Expenses associated with the new paid parking program.
- The addition of two full-time staff in the Fire Department.
- General price increases for purchased services and materials.
- Previously mentioned employee compensation actions.

Water and Sewer Fund

The fiscal year 2022 operating budget (excluding capital outlay and debt service) for the Water and Sewer Fund is 0.8% less than the fiscal year 2021 budget. The primary reason for the decrease in relation to the 2021 budget is a reduction in wastewater treatment expenses paid to Carolina Beach.

Storm Water Fund

The fiscal year 2022 Storm Water Fund operating budget (excluding capital outlay and debt service) is 7.8% greater than the fiscal year 2021 budget. The increase is due to increased maintenance costs.

CAPITAL OUTLAY

General Fund

The General Fund capital outlay for fiscal year 2022 totals $402,050 and is comprised of the following:

- $46,000 – Replacement of a Police vehicle (will be purchased using financing)
- $50,000 – Replacement of a Fire vehicle (will be purchased using financing)
- $50,000 – Replacement of a Public Works truck (will be purchased using financing)
- $150,000 – Street paving projects (will be purchased using financing)
- $51,050 – Replacement of equipment
- $55,000 – Replacement of financial software (total of $110,000 split with Water/Sewer Fund)

The fiscal year 2022 budgeted capital outlay for the General Fund is $312,000 (346%) greater than the fiscal year 2021 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 Water and Sewer Fund capital outlay totals $585,000 for fiscal year 2022 and includes the following:

- $220,000 – Vacuum Truck (total of $440,000 split with Storm Water Fund) (will be purchased using financing)
- $55,000 – Replacement of financial software (total of $110,000 split with General Fund)
- $310,000 – Infrastructure projects (American Rescue Plan Act funds to be used as the funding source for a portion of the projects)

The Water and Sewer Fund fiscal year 2022 budgeted capital outlay is $203,295 (53%) greater than the fiscal year 2021 budget.

Storm Water Fund

The fiscal year 2022 Storm Water Fund capital outlay totals $420,000 and includes:

- $220,000 – Vacuum Truck (total of $440,000 split with Water/Sewer Fund) (will be purchased using financing)
- $200,000 – Infrastructure projects

The Storm Water Fund fiscal year 2022 budgeted capital outlay is $159,025 (61%) greater than the fiscal year 2021 budget.

FUND TRANSFERS

There are no transfers between Town funds proposed as part of the fiscal year 2022 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.

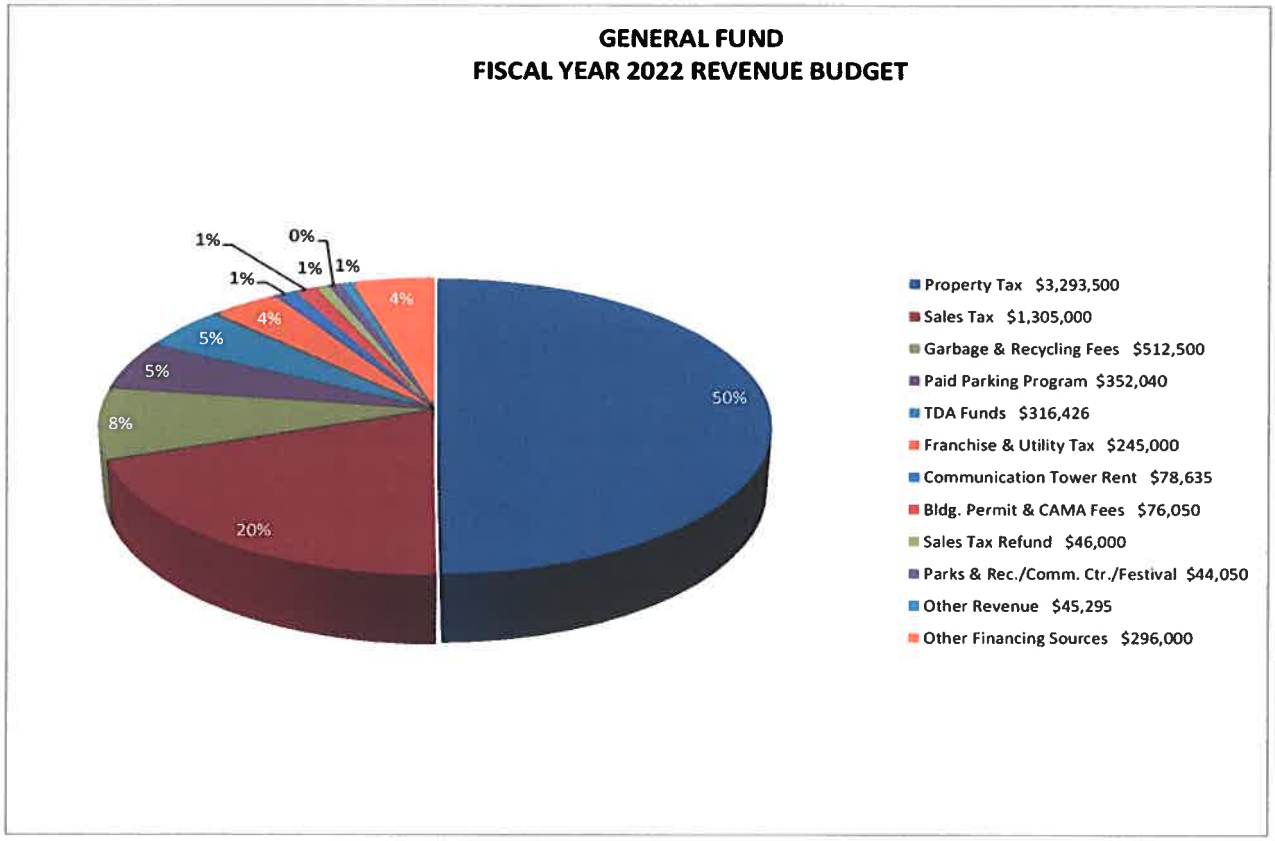
2) The need to build reserves in anticipation of future beach nourishment costs.

3) General price increases for purchased services and materials.

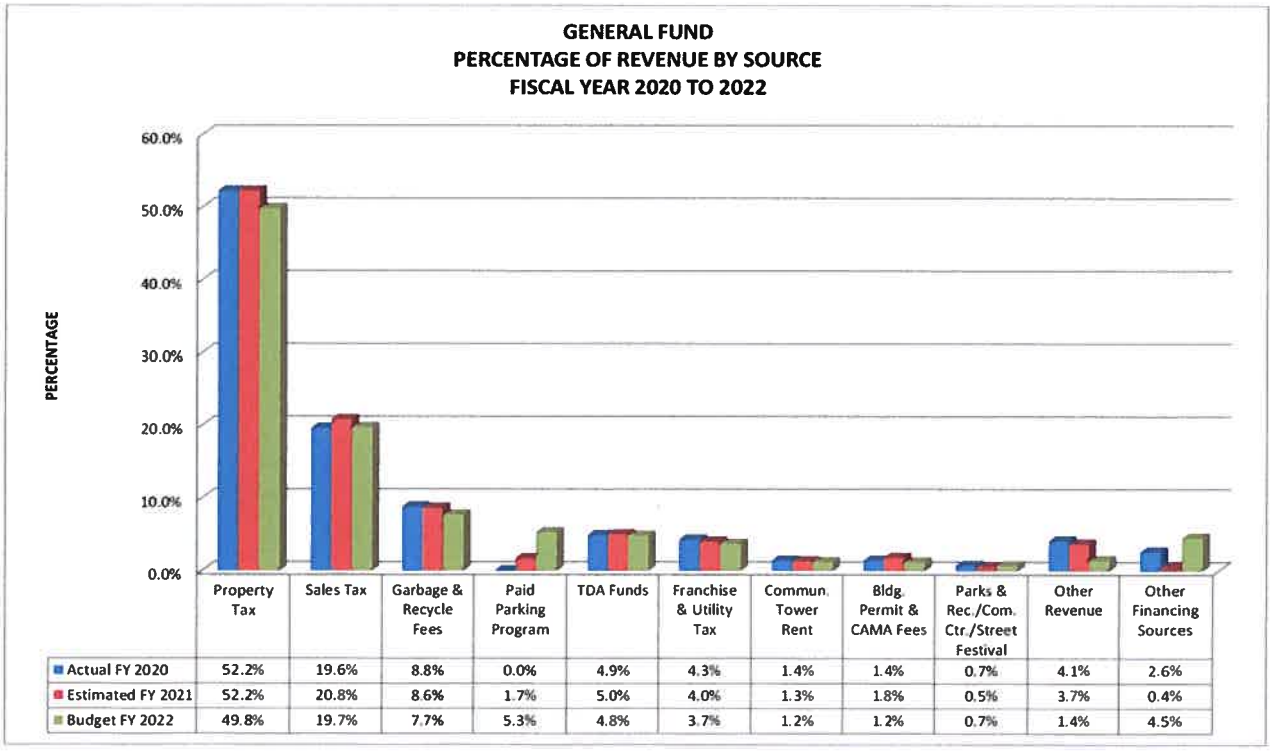
4) The need for improvements to, and maintenance of, Town infrastructure and facilities.

When comparing the total fiscal year 2022 General Fund budget to the fiscal year 2021 original budget and amended budget as of May 17, 2021, the total 2022 budget has increased by 16.1% in relation to the original budget and 12.3% in relation to the amended budget. In comparison to the fiscal year 2021 original budget, operating expenses have increased 13.1%, capital outlay increased 346% and debt service decreased 4.5%.

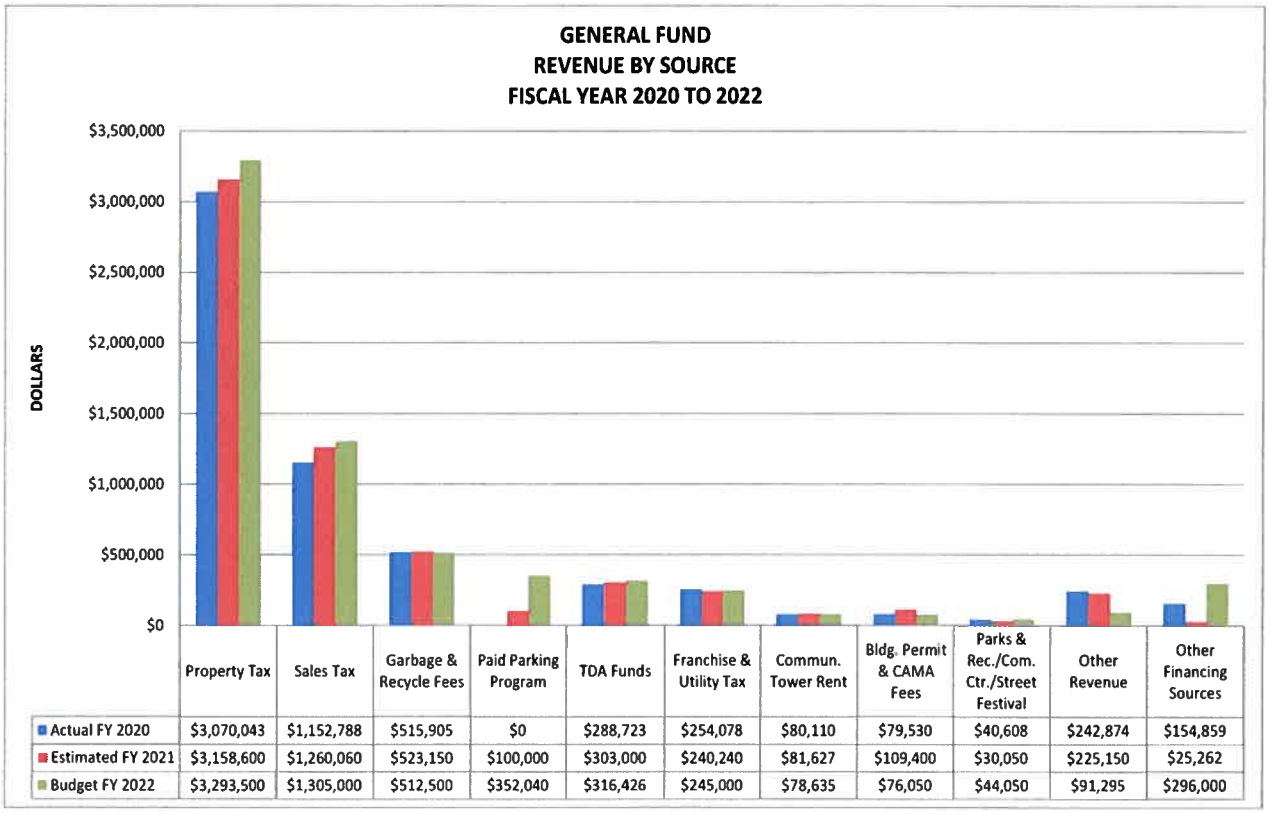
The breakdown of budgeted revenue, by major source, for fiscal year 2022 is presented on the next page. The top six revenue sources are property taxes ($3,293,500), sales tax ($1,305,000), garbage/recycle fees ($512,500), parking program revenue ($352,040), TDA funds ($316,426) and franchise/utility taxes ($245,000). These six revenue sources account for approximately 91% ($6,024,466) of the total General Fund revenue.



For comparative purposes, the following charts present the percentage of revenue by source and revenue by source budgeted for fiscal year 2022 in relation to the estimated revenue for fiscal year 2021 and the actual revenue for fiscal year 2020.



	Property Tax	Sales Tax	Garbage & Recycle Fees	Paid Parking Program	TDA Funds	Franchise & Utility Tax	Commun. Tower Rent	Bldg. Permit & CAMA Fees	Parks & Rec./Com. Ctr./Street Festival	Other Revenue	Other Financing Sources
Actual FY 2020	52.2%	19.6%	8.8%	0.0%	4.9%	4.3%	1.4%	1.4%	0.7%	4.1%	2.6%
Estimated FY 2021	52.2%	20.8%	8.6%	1.7%	5.0%	4.0%	1.3%	1.8%	0.5%	3.7%	0.4%
Budget FY 2022	49.8%	19.7%	7.7%	5.3%	4.8%	3.7%	1.2%	1.2%	0.7%	1.4%	4.5%

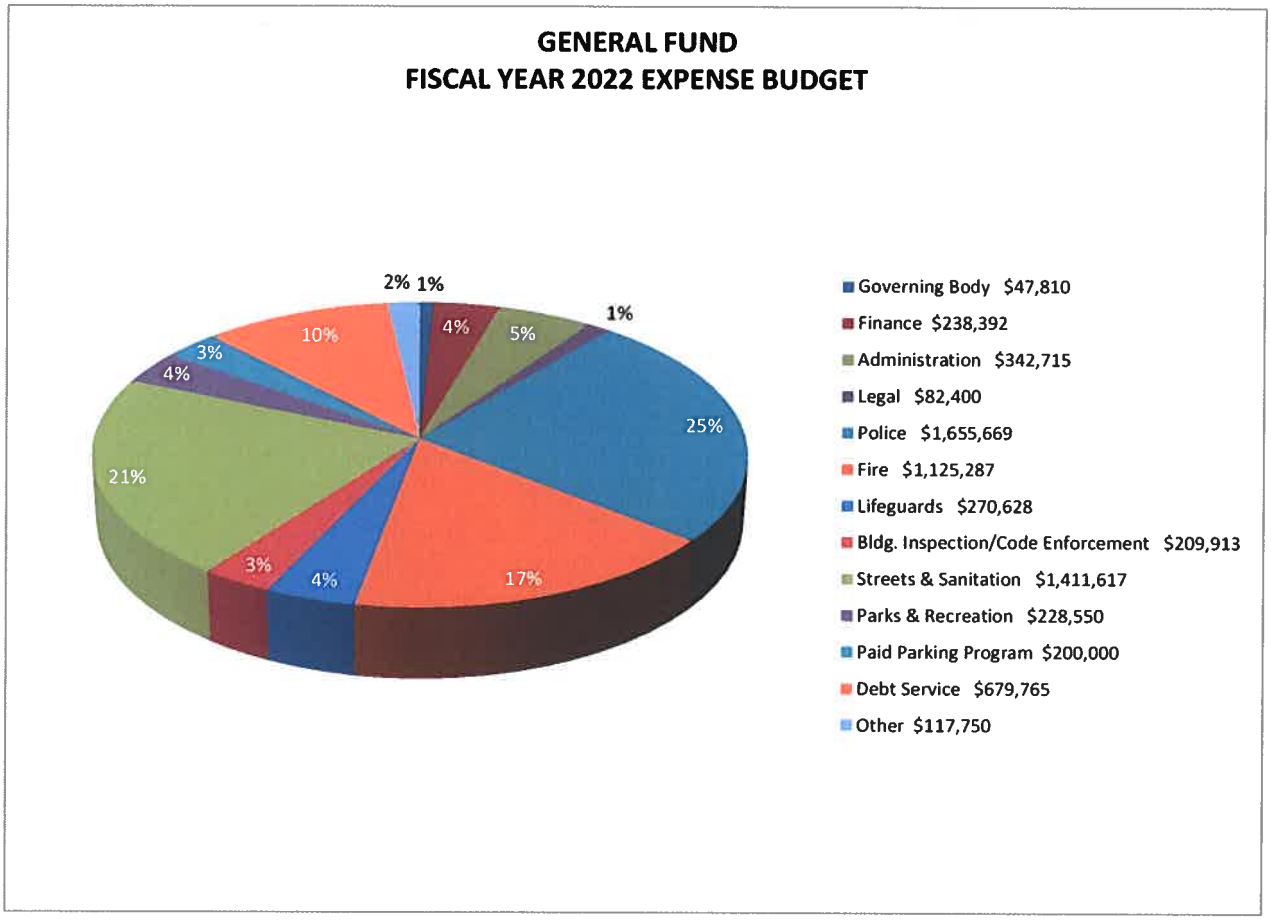


	Property Tax	Sales Tax	Garbage & Recycle Fees	Paid Parking Program	TDA Funds	Franchise & Utility Tax	Commun. Tower Rent	Bldg. Permit & CAMA Fees	Parks & Rec./Com. Ctr./Street Festival	Other Revenue	Other Financing Sources
Actual FY 2020	$3,070,043	$1,152,788	$515,905	$0	$288,723	$254,078	$80,110	$79,530	$40,608	$242,874	$154,859
Estimated FY 2021	$3,158,600	$1,260,060	$523,150	$100,000	$303,000	$240,240	$81,627	$109,400	$30,050	$225,150	$25,262
Budget FY 2022	$3,293,500	$1,305,000	$512,500	$352,040	$316,426	$245,000	$78,635	$76,050	$44,050	$91,295	$296,000

As the previous charts depict, revenue from property taxes consistently approximates 50% of the General Fund's total revenue. The other categories have remained consistent from year-to-year with the exception of "Paid Parking Program" and "Other Revenue". The "Paid Parking Program", implemented in April 2021, becomes a revenue source for fiscal years 2021 and 2022. "Other Revenue" is significantly higher in fiscal years 2020 and 2021 due to FEMA reimbursements relating to hurricane damages, CARES Act funding and Police-related grants. Finally, "Other Financing Sources" are installment loans and vary based on the level of capital outlay.

Refer to Exhibit A (on pages 23 to 25) for a summary of the changes, by General Fund revenue source, between the budgets for fiscal year 2022 and 2021.

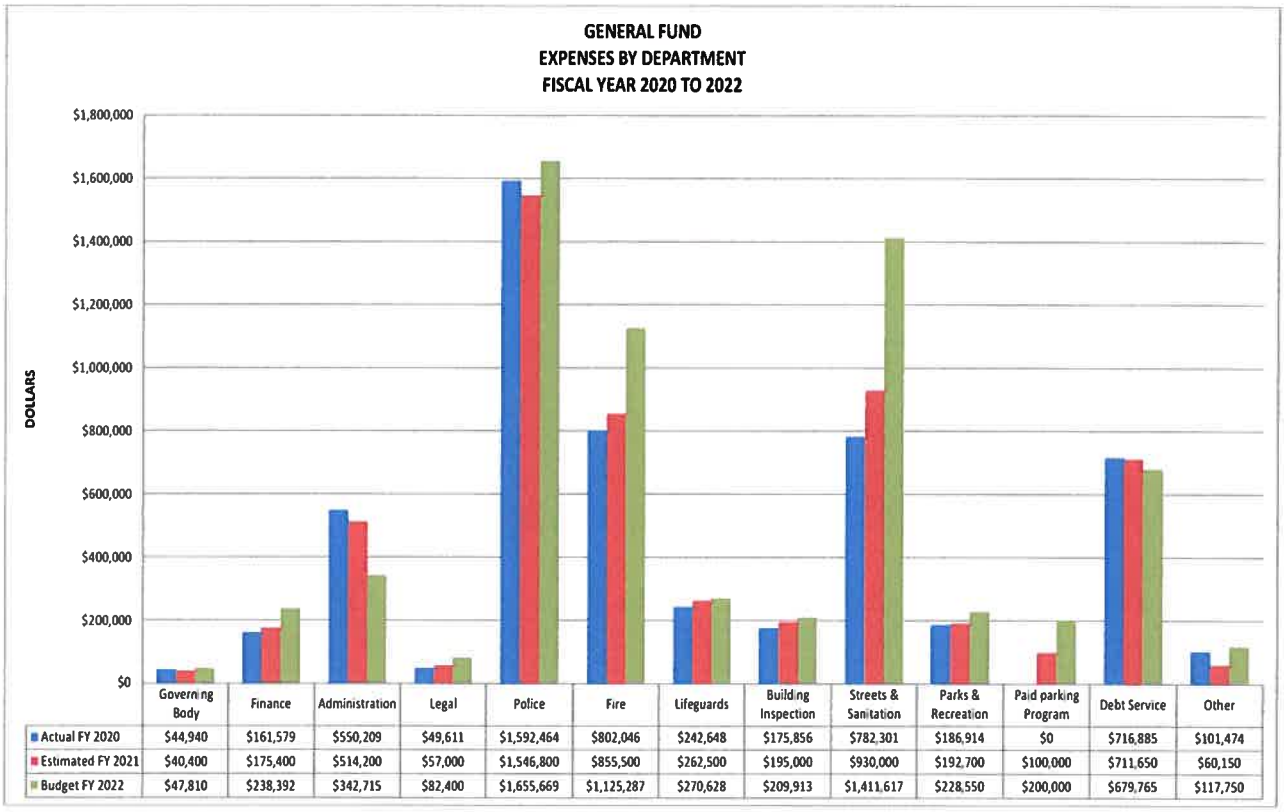
The breakdown of budgeted General Fund expenses, by department/function, for fiscal year 2022 is presented on the following page. The six largest components of the General Fund expense budget are Police ($1,655,669), Public Works – Streets & Sanitation ($1,411,617), Fire ($1,125,287), Debt Service ($679,765), Administration ($342,715) and Lifeguards ($270,628). These six departments/functions account for $5,485,681, or 83%, of the General Fund budget.



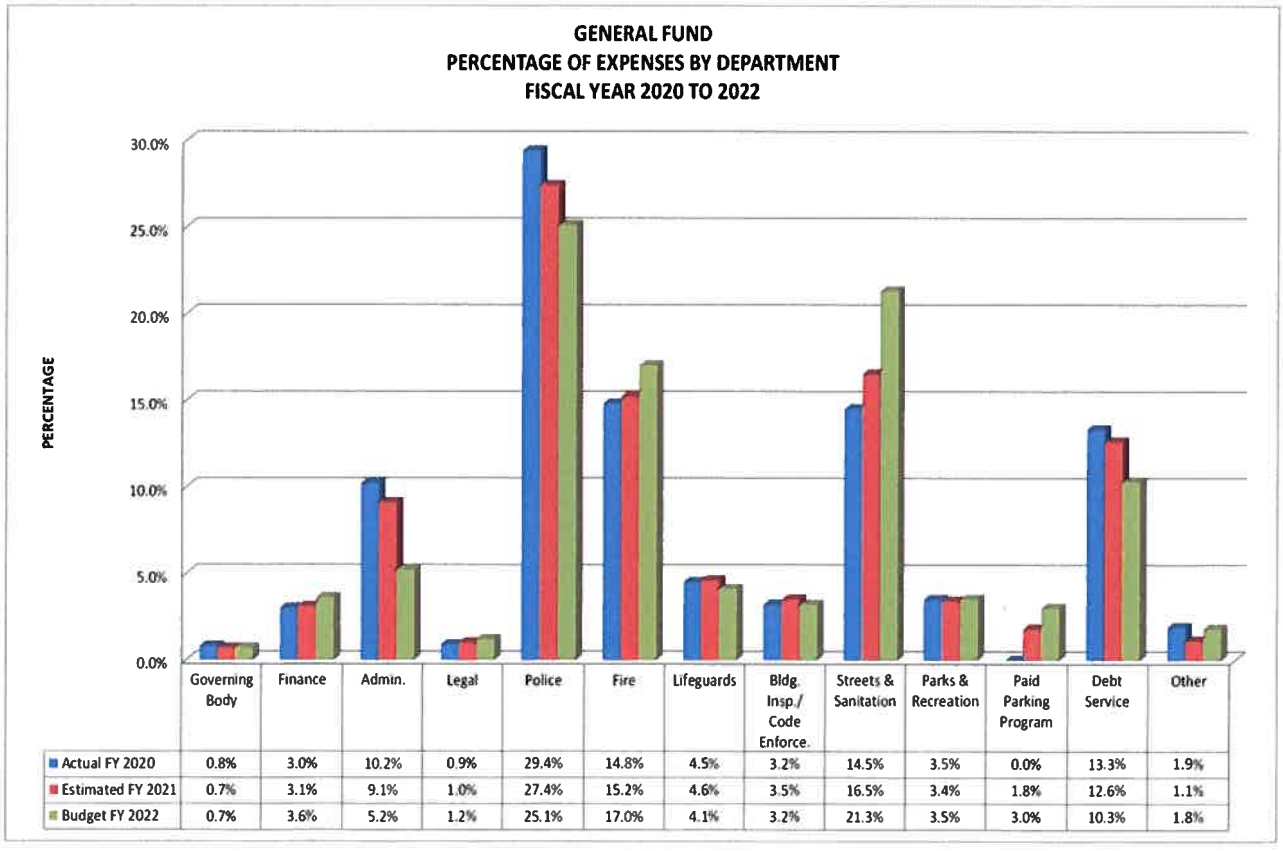
The charts on the next page present the expenses by department/function and the percentage of expenses by department/function budgeted for fiscal year 2022 in relation to the estimated expenses for fiscal year 2021 and the actual expenses for fiscal 2020.

As indicated on the charts on the next page, the General Fund expenses by department/function, both dollars and percentage, have remained relatively consistent. Regarding "Administration", expenses are budgeted to be lower in fiscal year 2022 due to moving recycling expenses to the Streets and Sanitation budget. "Fire" expenses are increasing in fiscal year 2022 as a result of adding two new full-time positions and equipment purchases. "Streets & Sanitation" is higher in fiscal year 2022 due to the previously mentioned reallocation of recycling expenses as well as proposed infrastructure projects.

Refer to Exhibit B (on pages 26 to 30) for a summary of the changes, by General Fund department/function, between the budgets for fiscal year 2022 and 2021.



	Governing Body	Finance	Administration	Legal	Police	Fire	Lifeguards	Building Inspection	Streets & Sanitation	Parks & Recreation	Paid parking Program	Debt Service	Other
Actual FY 2020	$44,940	$161,579	$550,209	$49,611	$1,592,464	$802,046	$242,648	$175,856	$782,301	$186,914	$0	$716,885	$101,474
Estimated FY 2021	$40,400	$175,400	$514,200	$57,000	$1,546,800	$855,500	$262,500	$195,000	$930,000	$192,700	$100,000	$711,650	$60,150
Budget FY 2022	$47,810	$238,392	$342,715	$82,400	$1,655,669	$1,125,287	$270,628	$209,913	$1,411,617	$228,550	$200,000	$679,765	$117,750

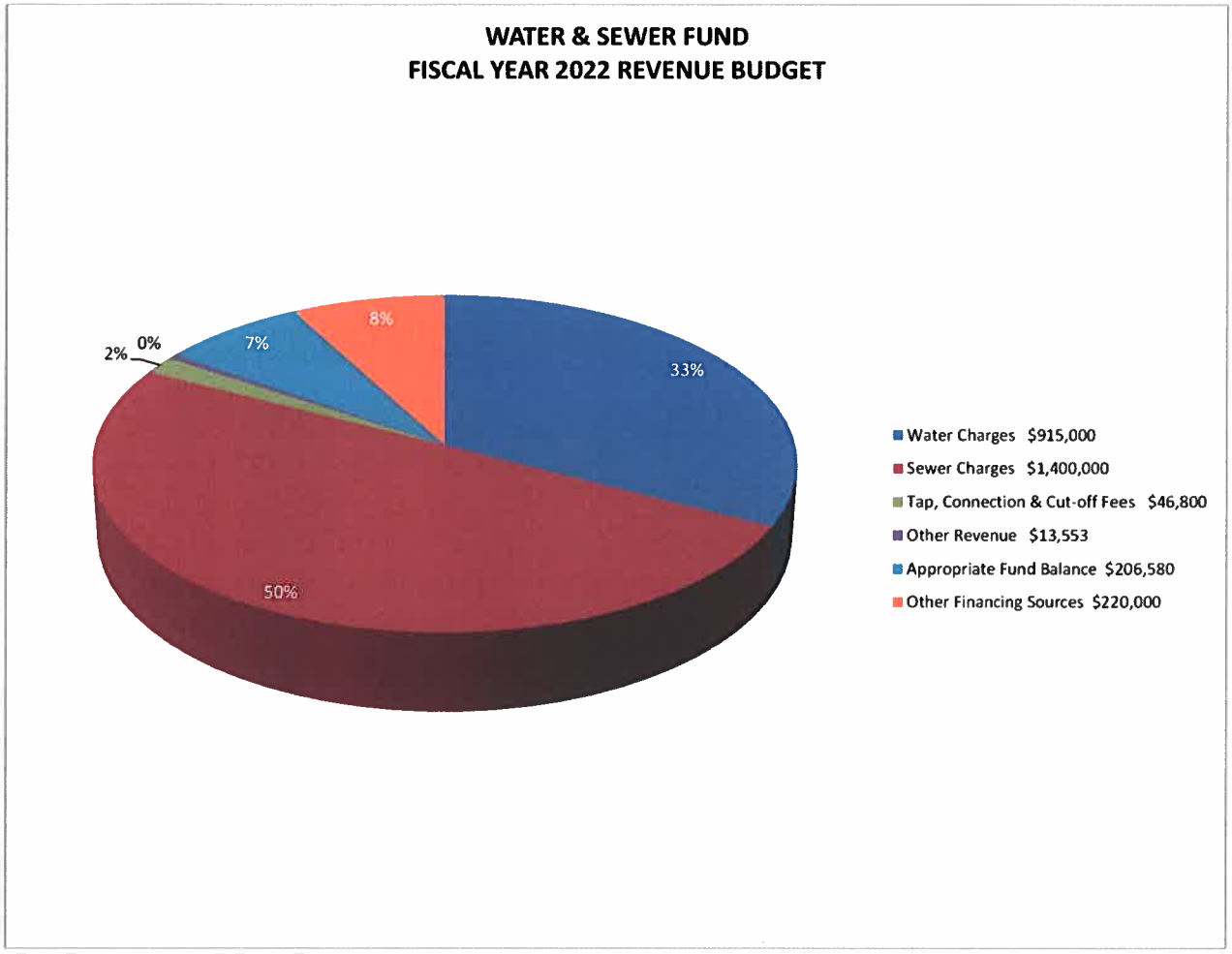


	Governing Body	Finance	Admin.	Legal	Police	Fire	Lifeguards	Bldg. Insp./ Code Enforce.	Streets & Sanitation	Parks & Recreation	Paid Parking Program	Debt Service	Other
Actual FY 2020	0.8%	3.0%	10.2%	0.9%	29.4%	14.8%	4.5%	3.2%	14.5%	3.5%	0.0%	13.3%	1.9%
Estimated FY 2021	0.7%	3.1%	9.1%	1.0%	27.4%	15.2%	4.6%	3.5%	16.5%	3.4%	1.8%	12.6%	1.1%
Budget FY 2022	0.7%	3.6%	5.2%	1.2%	25.1%	17.0%	4.1%	3.2%	21.3%	3.5%	3.0%	10.3%	1.8%

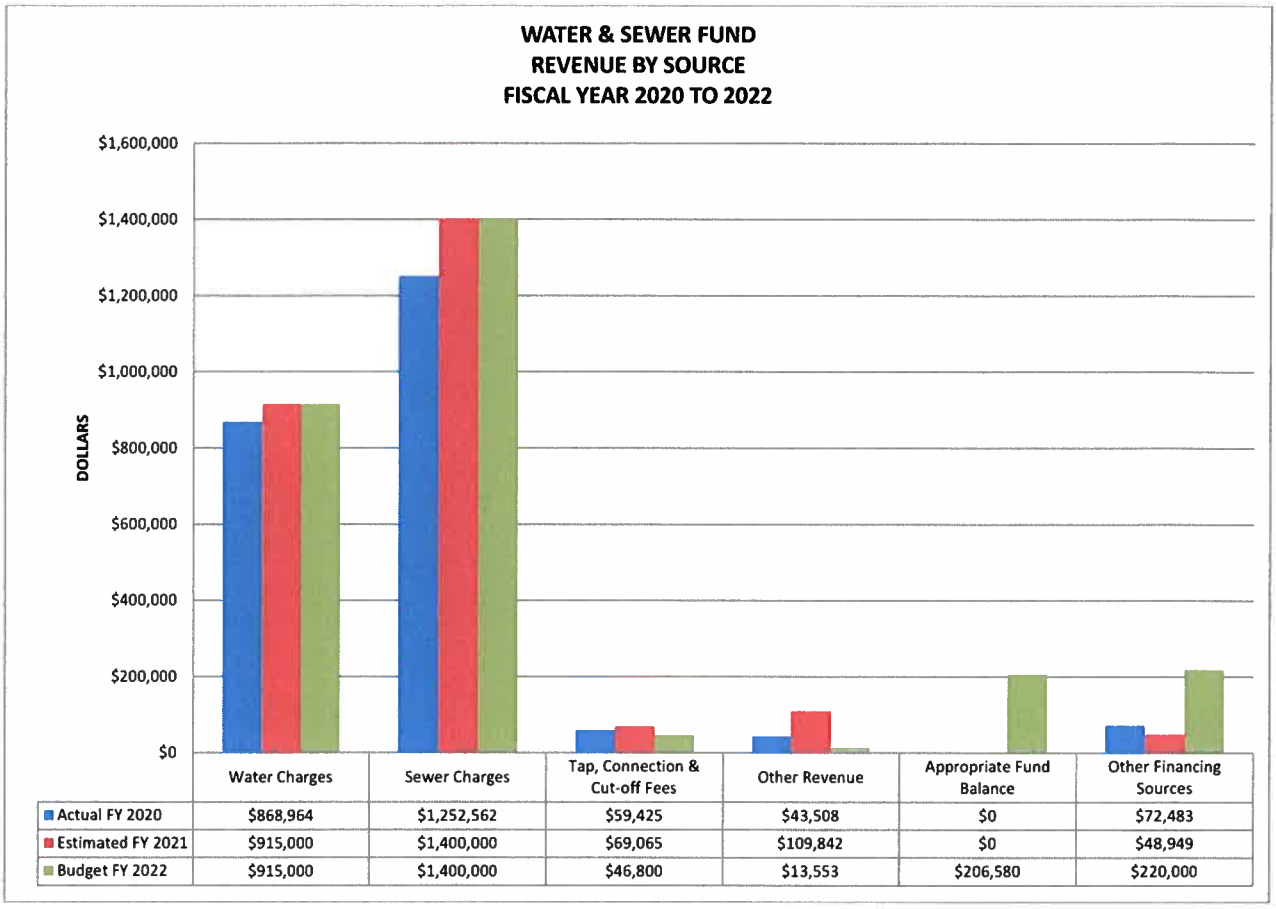
WATER AND SEWER FUND SUMMARY

Overall, the fiscal year 2022 Water and Sewer Fund budget is 7.1% greater than the fiscal year 2021 original budget. In relation to the fiscal year 2021 original budget, operating expenses have decreased 0.8%, capital outlay has increased by 53% and debt service has decreased by 0.6%.

The breakdown of Water and Sewer Fund budgeted revenue, by major source, for fiscal year 2022 is as follows:



The chart on the next page shows the Water and Sewer Fund revenue by source budgeted for fiscal year 2022 compared to the estimated revenue for fiscal year 2021 and the actual revenue for fiscal year 2020.

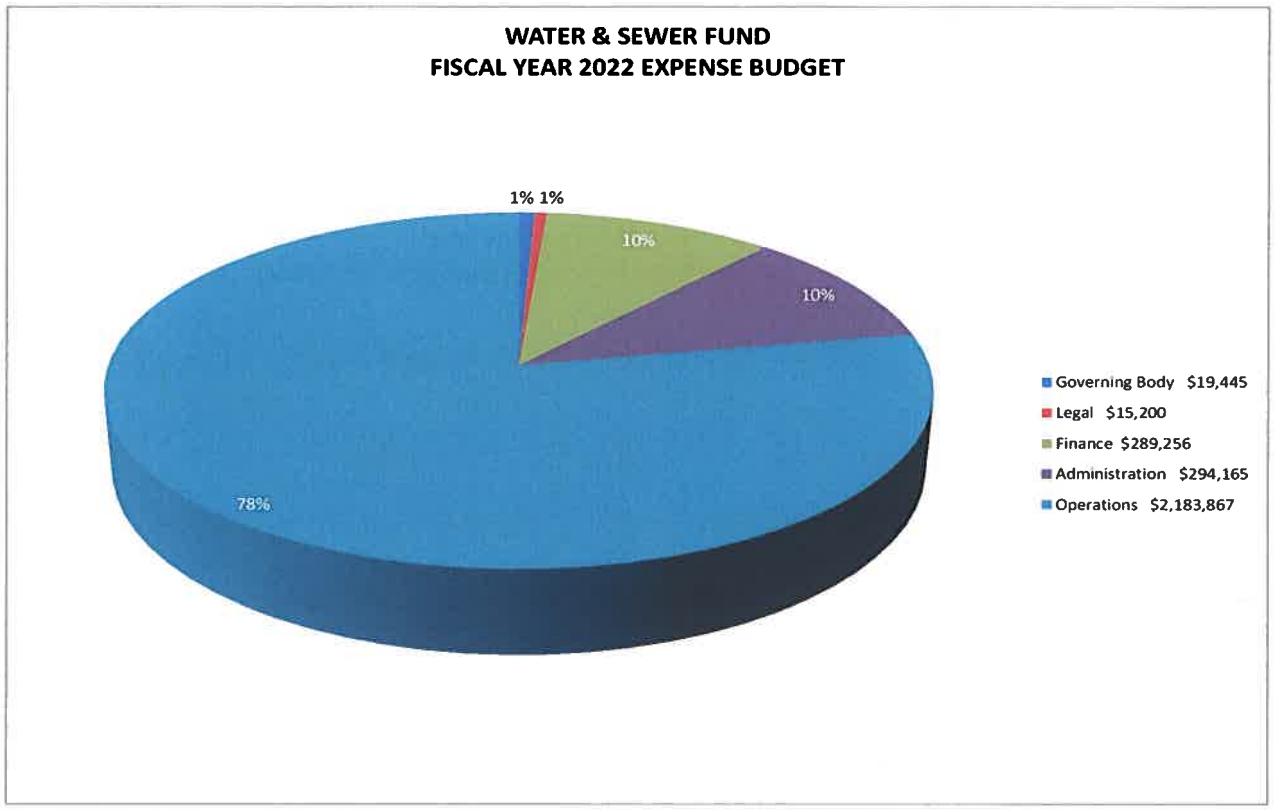


	Water Charges	Sewer Charges	Tap, Connection & Cut-off Fees	Other Revenue	Appropriate Fund Balance	Other Financing Sources
Actual FY 2020	$868,964	$1,252,562	$59,425	$43,508	$0	$72,483
Estimated FY 2021	$915,000	$1,400,000	$69,065	$109,842	$0	$48,949
Budget FY 2022	$915,000	$1,400,000	$46,800	$13,553	$206,580	$220,000

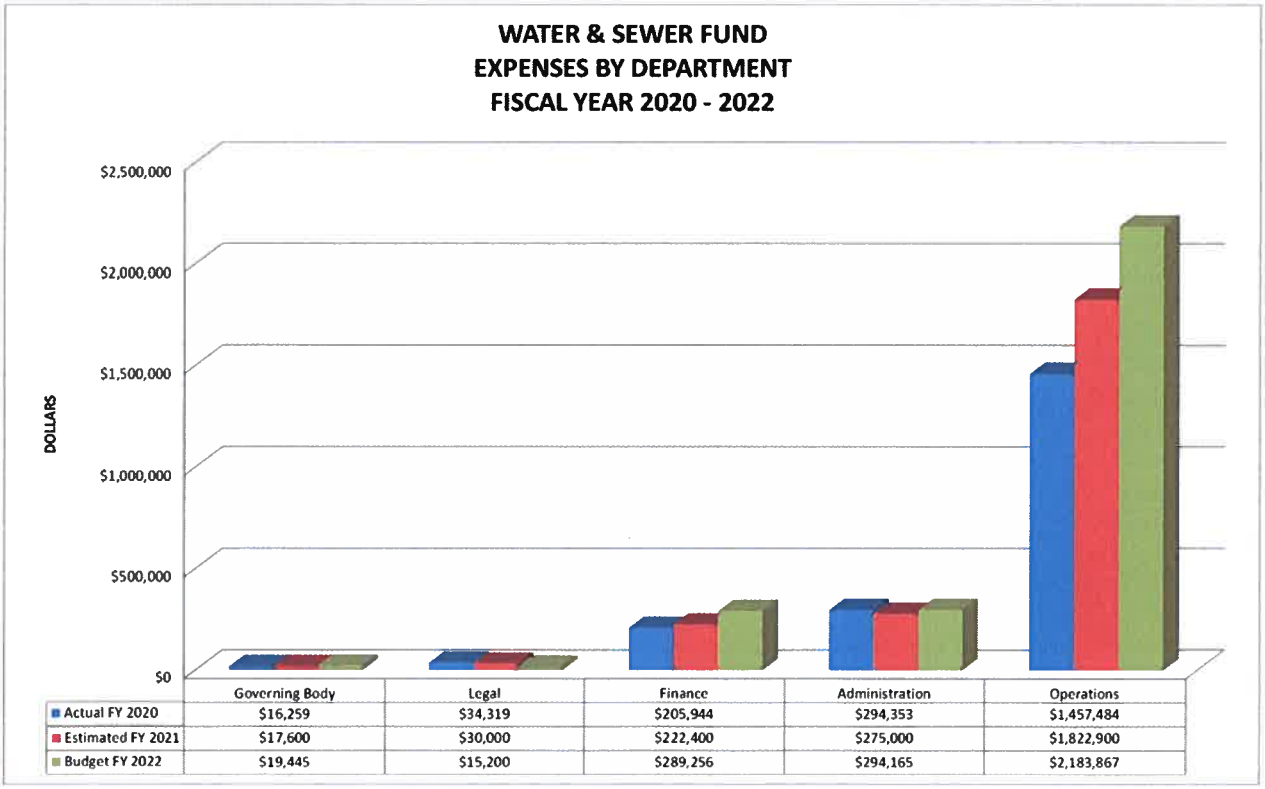
The most significant revenue sources, "Water and Sewer Charges", are projected to remain unchanged in fiscal year 2022 as no changes to the water and sewer rate structure are being proposed. "Other Revenue" is significantly higher in fiscal year 2021 due to FEMA reimbursements relating to hurricanes and a transfer from the Water Meter Replacement Capital Project Fund. For fiscal year 2022, an appropriation of fund balance is being proposed that will be replenished when the Town's American Rescue Plan Act (ARP) funds are received. These ARP funds will be used for a budgeted infrastructure project. Finally, "Other Financing Sources" are higher in fiscal year 2022 due to planned financing of equipment.

Refer to Exhibit C (on pages 31 and 32) for a summary of the changes, by Water and Sewer Fund revenue source, between the budgets for fiscal year 2022 and 2021.

The breakdown of budgeted Water and Sewer Fund expenses, by department/function, for fiscal year 2022 is on the following page. 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 below shows the expenses by department/function for the Water and Sewer Fund budgeted for fiscal year 2022 in comparison to the estimated expenses for fiscal year 2021 and the actual expenses for fiscal year 2020.



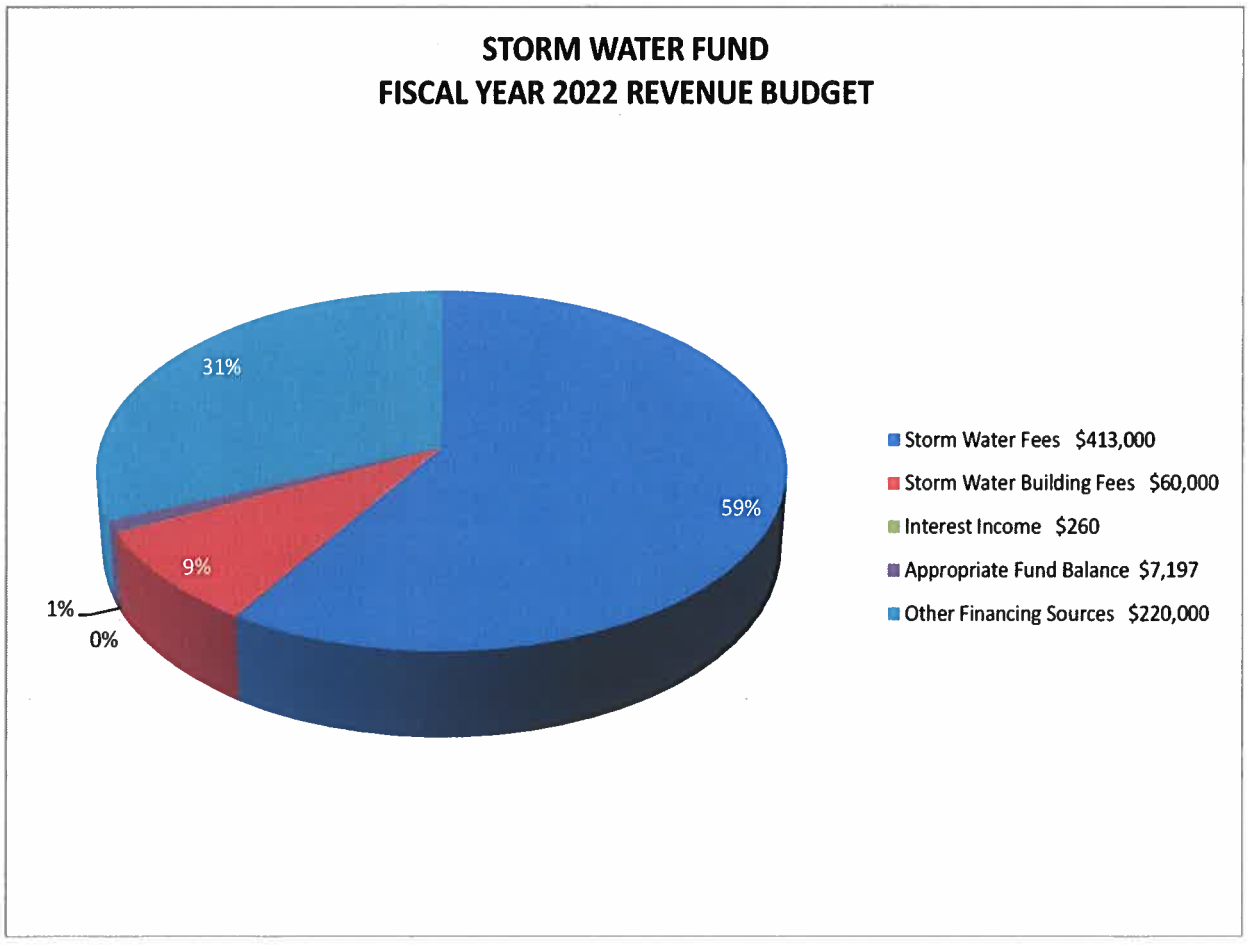
In reference to the chart on the previous page, the variations in "Operations" expenses primarily relate to the amount of capital outlay for the given year and the costs for water and sewer system maintenance.

Refer to Exhibit D (on pages 33 and 34) for a summary of the changes, by Water and Sewer Fund department/function, between the budgets for fiscal year 2022 and 2021.

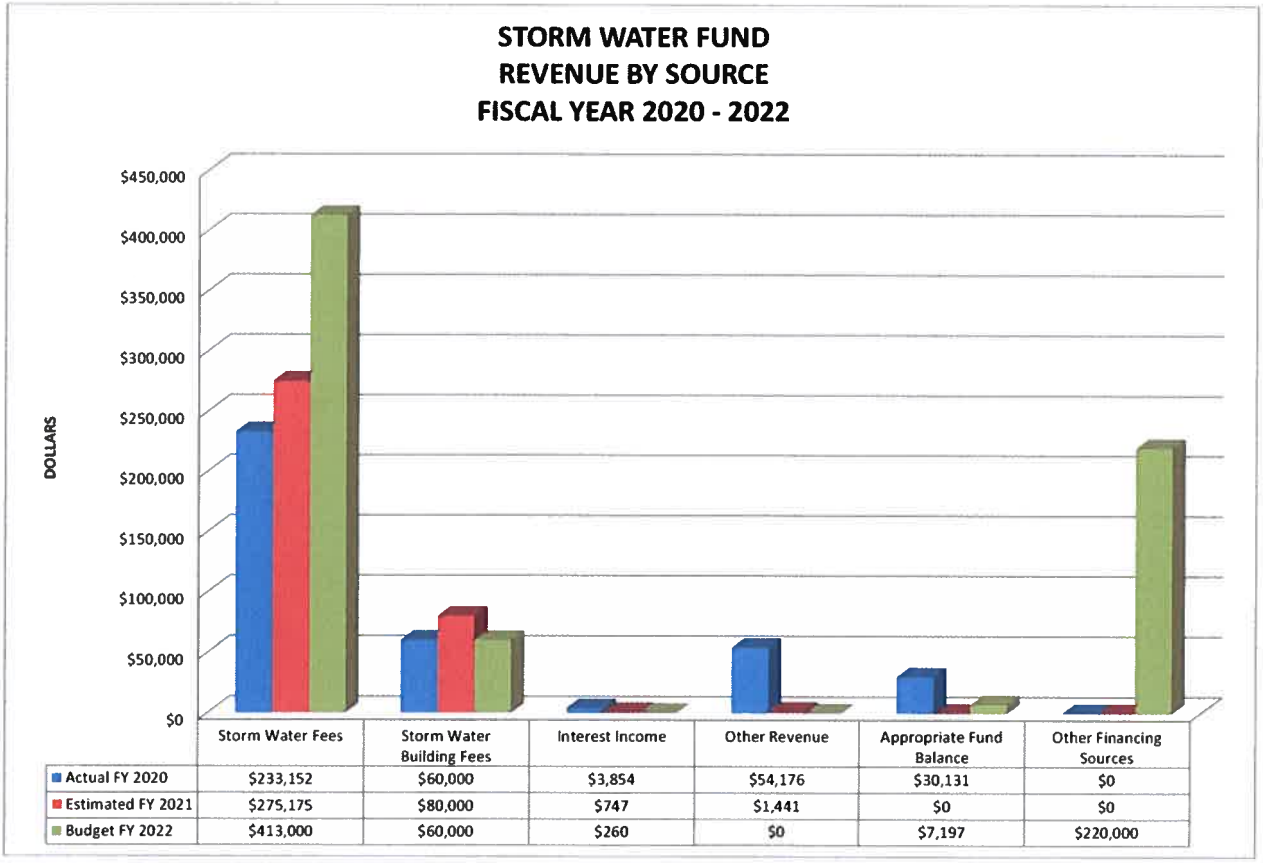
STORM WATER FUND SUMMARY

When comparing the total fiscal year 2022 Storm Water Fund budget to the fiscal year 2021 budget, the total 2022 budget has increased by 31.6%. In comparison to the fiscal year 2021 budget, operating expenses have increased 7.8%, capital outlay increased 60.9% and debt service decreased 18.8%. The primary reason for the increase in operating expenses is the need for additional on-going maintenance and the significant increase in capital outlay is for the purchase of equipment needed for storm water system maintenance and for infrastructure projects.

The breakdown of Storm Water Fund budgeted revenue, by major source, for fiscal year 2022 is as follows:



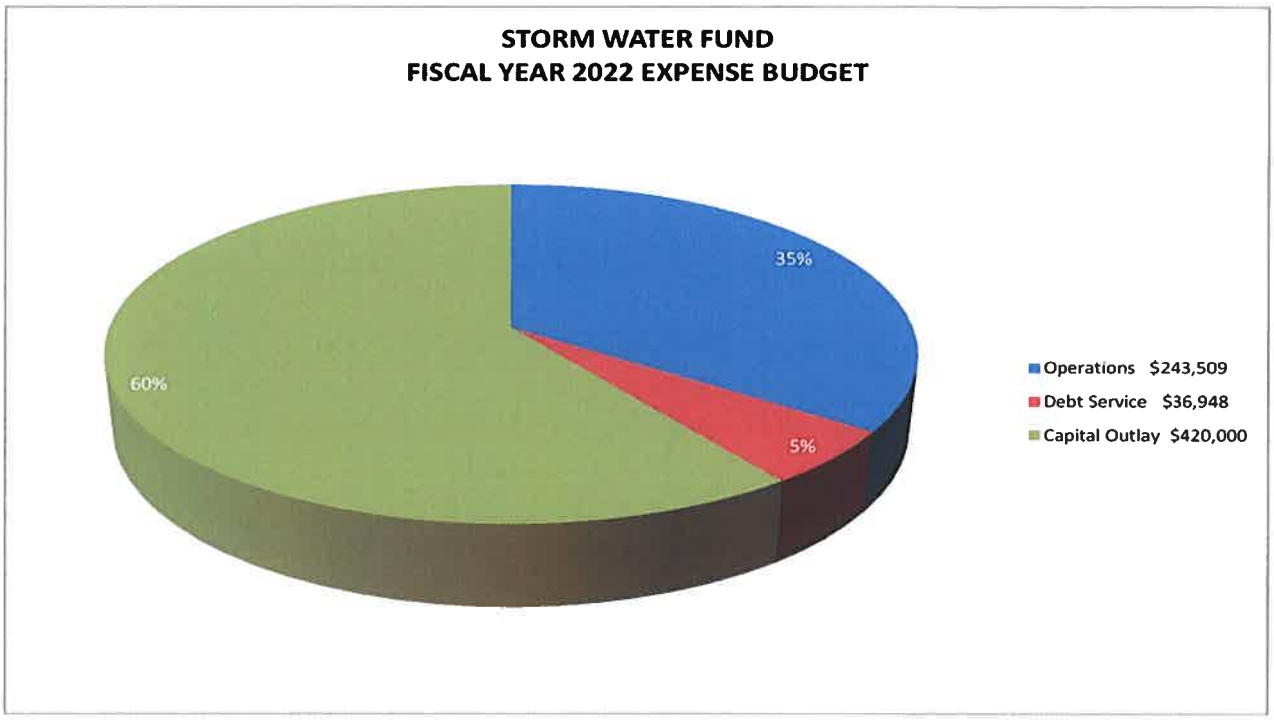
The chart below compares the budgeted fiscal year 2022 revenue to the estimated revenue for fiscal year 2021 and the actual revenue for 2020. As depicted by the chart, the major revenue source, "Storm Water Fees", is projected to increase for fiscal year 2022 as a result of the previously discussed 50% storm water fee increase. "Storm Water Building Fees" fluctuate based on the amount of building activity. Additionally, fiscal year 2020 "Other Revenue" included reimbursements from FEMA for hurricane related damages to storm water infrastructure. Also, for both fiscal years 2020 and 2022 an appropriation of the Storm Water Fund balance was used for part of the maintenance and capital projects. Finally, "Other Financing Sources" is higher in fiscal year 2022 due to the financing of equipment.



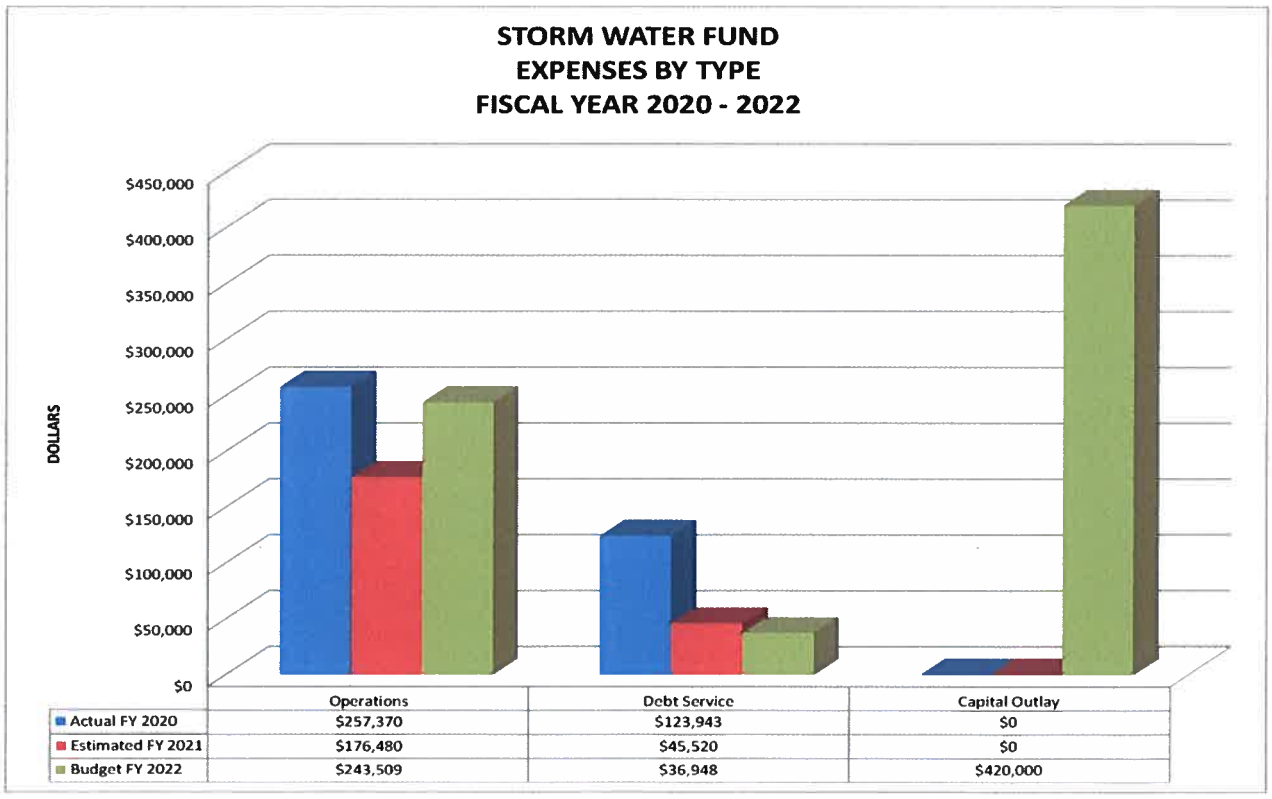
	Storm Water Fees	Storm Water Building Fees	Interest Income	Other Revenue	Appropriate Fund Balance	Other Financing Sources
Actual FY 2020	$233,152	$60,000	$3,854	$54,176	$30,131	$0
Estimated FY 2021	$275,175	$80,000	$747	$1,441	$0	$0
Budget FY 2022	$413,000	$60,000	$260	$0	$7,197	$220,000

Refer to Exhibit E (on page 35) for a summary of the changes, by Storm Water Fund revenue source, between the budgets for fiscal year 2022 and 2021.

The breakdown of budgeted Storm Water Fund expenses, by type, for fiscal year 2022 is as follows:



The following chart shows the budgeted fiscal year 2022 expenses by type in relation to the estimated fiscal year 2021 and actual 2020 Storm Water Fund expenses.



As indicated by the chart on the previous page, the budgeted expenses for fiscal year 2022 relating to "Operations" are expected to be less than in fiscal year 2020, but greater than 2021. Additional repair and maintenance costs were incurred in 2020 as a result of Hurricane Dorian. Fluctuations in "Capital Outlay" relate to the number and size of projects to be performed in a given year. Fiscal year 2022 includes significant storm water infrastructure projects and a significant equipment purchase.

Refer to Exhibit F (on page 36) for a summary of the changes, by Storm Water Fund expense type, between the budgets for fiscal year 2022 and 2021.

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 2022 is estimated at $61,450 and interest income is estimated at $125. Additionally, an appropriation of fund balance totaling $257,075 is included in the fiscal year 2022 budget as part of the revenue source for street paving projects. Finally, budgeted Powell Bill eligible expenditures (street maintenance and paving) total $318,650.

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 2022, 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 2022, revenue from system development fees is estimated at $8,880 and interest income from Fund investments is budgeted at $210. The primary revenue source for this fund, system development fees, is 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 2022, the revenue source for this Fund will be interest from Fund investments of $390.

SUMMARY

The fiscal year 2022 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, 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 2022 budget addresses these challenges.

In conclusion, I believe the proposed fiscal year 2022 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 2022 budget.

Respectfully submitted,

Arlen Copenhaver

Arlen Copenhaver
Finance and Budget Officer

EXHIBIT A

GENERAL FUND REVENUE BUDGET
FY 2022 VS. FY 2021
(as of 5/17/2021)

REVENUE TYPE	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. FY 2021
Property Taxes	$3,104,950	$3,104,950	**$3,293,500**	$188,550	6.1%	$188,550	6.1%	Assumes one cent increase over revenue neutral tax rate ($0.2658) and estimated tax base provided by NHC Tax Dept.
Sales Tax	$991,500	$1,041,700	**$1,305,000**	$313,500	31.6%	$263,300	25.3%	Actual growth in FY 2021 greater than budgeted. FY 2022 estimated to be increase over FY 2021 budget and forecast.
Garbage & Recycle Fees	$530,405	$530,405	**$512,500**	($17,905)	(3.4%)	($17,905)	(3.4%)	Decrease in recycling rate during FY 2021.
Parking Program Revenue	$0	$100,000	**$352,040**	$352,040		$252,040	252%	Estimated revenue for full year of paid parking program.
TDA	$256,530	$272,230	**$316,426**	$59,896	23.3%	$44,196	16.2%	FY 2022 budget is for lifeguards, OFP maintenance, OFP entertainment & Pleasure Island Chamber of Commerce concerts.
Franchise & Utility Taxes	$252,000	$252,000	**$245,000**	($7,000)	(2.8%)	($7,000)	(2.8%)	State-wide forecasts are for a decrease in telecommunications and video programming sales taxes.
Communication Tower Rent	$81,627	$81,627	**$78,635**	($2,992)	(3.7%)	($2,992)	(3.7%)	One Comspeco lease was terminated in FY 2021.

EXHIBIT A

GENERAL FUND REVENUE BUDGET
FY 2022 VS. FY 2021
(as of 5/17/2021)

REVENUE TYPE	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. FY 2021
Building Permits, CAMA Fees, Fire Inspections	$75,300	$75,300	**$76,050**	$750	1.0%	$750	1.0%	
Sales Tax Refund	$105,000	$105,000	**$46,000**	($59,000)	(56.2%)	($59,000)	(56.2%)	Estimated sales tax refund based on sales tax paid in prior fiscal year. Higher in FY 2021 due to Water Meter Replacement Project.
Community Center/ Parks & Rec/ Street Festival/Bluefish	$26,800	$26,800	**$30,050**	$3,250	12.1%	$3,250	12.1%	Increase relates to expected additional revenue for the Town's 75th anniversary.
ABC Revenue	$19,875	$19,875	**$14,925**	($4,950)	(24.9%)	($4,950)	(24.9%)	Downward trend in ABC revenue.
Town Facility Rentals	$19,000	$19,000	**$14,000**	($5,000)	(26.3%)	($5,000)	(26.3%)	Decrease due to continued impact of COVID-19.
Motor Vehicle License Tax	$10,500	$10,500	**$11,000**	$500	4.8%	$500	4.8%	
Beer & Wine Tax	$9,600	$9,600	**$9,600**	$0	0.0%	$0	0.0%	

EXHIBIT A

GENERAL FUND REVENUE BUDGET
FY 2022 VS. FY 2021
(as of 5/17/2021)

REVENUE TYPE	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. FY 2021
Re-Entry Decal Sales	$1,400	$1,400	**$1,800**	$400	28.6%	$400	28.6%	
Parking Fines/ Civil Citations/ Court Fees	$2,600	$2,600	**$1,750**	($850)	(32.7%)	($850)	(32.7%)	
Interest & Investment Earnings	$4,395	$4,395	**$945**	($3,450)	(78.5%)	($3,450)	(78.5%)	Significant decrease in CD interest rates & NCCMT earnings.
All Other Revenue	$4,775	$21,180	**$5,275**	$500	10.5%	($15,905)	(75.1%)	Largest component is surplus property sales ($3,500).
Appropriation of Fund Balance	$117,724	$125,467	**$0**	($117,724)	(100%)	($125,467)	(100%)	
Other Financing Sources	$80,000	$80,000	**$296,000**	$216,000	270%	$216,000	270%	Financing for paving projects ($150,000), Police vehicle ($46,000), Public Works truck ($40,000) & Fire vehicle ($50,000).
TOTAL GENERAL FUND	**$5,693,981**	**$5,884,029**	**$6,610,496**	**$916,515**	**16.1%**	**$726,467**	**12.3%**	

EXHIBIT B

GENERAL FUND BUDGET BY DEPARTMENT
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. ORIGINAL FY 2021
Governing Body	410	$42,937	$42,937	**$47,810**	$4,873	11.3%	$4,873	11.3%	***Increases:*** Compensation & Taxes: $1,615 / 21.5% Contributions: $3,265 / 27%
Committees	412	$4,370	$4,370	**$59,450**	$55,080	1,260%	$55,080	1,260%	***Shoreline Access & Beach Protection:*** $5,200 for beach location signs & replacement signs ***Bike/Ped:*** $2,750 for training, signs & public education $40,000 for 2 solar crosswalk signs $11,500 for paving of walking path
Finance	415	$181,301	$183,437	**$238,392**	$57,091	31.5%	$54,955	30.0%	***Increases:*** F/T Personnel-related Costs: $2,631 / 2.7% Capital Outlay - Software: $55,000 / new Payroll Processing Fees: $800 / 7% Postage: $600 / 48% ***Decreases:*** Unemployment Insurance: $2,480 / 60%
Community Center	421	$21,500	$21,500	**$21,500**	$0	0.0%	$0	0.0%	

EXHIBIT B

GENERAL FUND BUDGET BY DEPARTMENT
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. ORIGINAL FY 2021
Administration	420	$533,505	$554,191	**$342,715**	($190,790)	(35.8%)	($211,476)	(38.2%)	***Increases:*** F/T Personnel-related Costs: $6,836 / 6.0% Land Use Plan: $26,250 / new P&L Insurance: $4,100 / 9% Supplies: $2,000 / 17% Building Maintenance: $1,877 / 11% ***Decreases:*** Recycling: $229,905 / 100% (to PW) Retiree Medical Insurance: $3,580 / 12%
Elections	430	$0	$0	**$3,700**	$3,700		$3,700		Local election in FY 2022.
Emergency Management	446	$2,500	$2,500	**$2,500**	$0	0.0%	$0	0.0%	
Tax Collection	460	$30,100	$30,100	**$30,600**	$500	1.7%	$500	1.7%	
Legal	470	$51,963	$51,963	**$82,400**	$30,437	58.6%	$30,437	58.6%	***Increases:*** Legal Service-Town Attorney: $57,600/new ***Decreases:*** Attorney Retainer: $19,163 / 100% Professional Legal Service: $8,000 / 25%

EXHIBIT B

GENERAL FUND BUDGET BY DEPARTMENT
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. ORIGINAL FY 2021
Police Dept.	510	$1,576,105	$1,604,046	**$1,655,669**	$79,564	5.0%	$51,623	3.2%	***Increases:*** F/T Personnel-related Costs: $54,144 / 4.2% P/T Personnel-related Costs: $2,153 / 11.1% Travel/Training: $6,000 / 60% Capital Outlay - Vehicles: $6,000 / 15% Computer Services: $4,760 / 22% Building Maintenance: $2,000 / 50% Vehicle Maintenance: $2,000 / 20% Uniforms: $2,000 / 14% Cell Phone Reimbursement: $1,000 / 13% Contracts: $1,000 / 3% ***Decreases:*** Workers Comp. Insurance: $4,078 / 18%
Fire Dept.	530	$889,113	$894,186	**$1,125,287**	$236,174	26.6%	$231,101	25.8%	***Increases:*** F/T Personnel-related Costs (includes 2 new F/T positions): $148,908 / 25.2% P/T Personnel-related Costs: $15,190 /13.6% Drill Fees: $9,405 / 22% Capital Outlay – Trucks: $50,000 / new Truck Maintenance: $10,000 / 100% Building Maintenance: $5,000 / 100% Computer Services: $2,800 / 56% Uniforms: $1,000 / 17% ***Decreases:*** Minor Equipment: $7,000 / 17%

EXHIBIT B

GENERAL FUND BUDGET BY DEPARTMENT
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. ORIGINAL FY 2021
Lifeguards	531	$256,709	$264,920	**$270,628**	$13,919	5.4%	$5,708	2.2%	***Increases:*** Personnel-related Costs: $11,279 / 5.1% Equipment/Supplies: $2,000 / 31% Capital Outlay - ATV: $1,000 / 10% ***Decreases:*** None
Parks & Rec.	532	$204,244	$205,667	**$228,550**	$24,306	11.9%	$22,883	11.1%	***Increases:*** F/T Personnel-related Costs: $11,148 / 7.4% Annual Street Festival: $9,000 / 150% Sponsorship Maintenance: $4,000 / 200% Children/Family Programs: $1,500 / 60% ***Decreases:*** P/T Personnel-related Costs: $1,291 / 27.3%
Building Inspection/Code Enforcement	540	$204,792	$206,216	**$209,913**	$5,121	2.5%	$3,697	1.8%	***Increases:*** F/T Personnel-related Costs: $7,169 / 4.4% Homeowners Recovery: $650 / 186% ***Decreases:*** Vehicle Allowance: $1,800 / 17% Turtle Monitoring: $600 / 10%
Debt Service	560	$711,650	$711,650	**$679,765**	($31,885)	(4.5%)	($31,885)	(4.5%)	Continued pay down of existing loans.

EXHIBIT B

GENERAL FUND BUDGET BY DEPARTMENT
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. ORIGINAL FY 2021
Streets & Sanitation	550	$978,192	$998,846	**$1,411,617**	$433,425	44.3%	$412,771	41.3%	***Increases:*** F/T Personnel-related Costs: $19,323 / 4.1% Temporary Employees Costs: $5,813 / new Recycling: $213,000 / new (from Admin) Capital Outlay – Improve.: $138,500 / new Landfill Expense: $22,000 / 19% OFP Maintenance: $11,000 / 92% Capital Outlay - Equipment: $10,000 / new Capital Outlay - Truck: $10,000 / 25% Computer Service/Support: $9,600 / 122% Uniforms: $2,000 / 29% ***Decreases:*** Christmas Decorations: $3,000 / 23% Utilities: $3,000 / 6% Workers Comp. Insurance: $1,611 / 13%
Paid Parking Program	570	$0	$100,000	**$200,000**	$200,000		$100,000	100%	
Transfers	580	$5,000	$7,500	**$0**	($5,000)	(100%)	($7,500)	(100%)	
TOTAL GENERAL FUND		**$5,693,981**	**$5,884,029**	**$6,610,496**	**$916,515**	**16.1%**	**$726,467**	**12.3%**	

EXHIBIT C

WATER/SEWER FUND REVENUE BUDGET
FY 2022 VS. FY 2021
(as of 5/17/2021)

REVENUE TYPE	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. FY 2021
Water Charges	$947,250	$947,250	**$915,000**	($32,250)	(3.4%)	($32,250)	(3.4%)	FY 2022 budgeted revenue is based on FY 2021 forecasted revenue.
Sewer Charges	$1,322,540	$1,322,540	**$1,400,000**	$77,460	5.9%	$77,460	5.9%	Increase primarily attributable to Out of Jurisdiction customers.
Water & Sewer Tap Fees	$45,000	$45,000	**$45,000**	$0	0.0%	$0	0.0%	
Cutoff & Reconnection Fees	$1,800	$1,800	**$1,800**	$0	0.0%	$0	0.0%	
New Account Setup Fee	$6,200	$6,200	**$6,500**	$300	4.8%	$300	4.8%	
Account Past Due Charges	$6,300	$6,300	**$6,000**	($300)	(4.8%)	($300)	(4.8%)	

EXHIBIT C

WATER/SEWER FUND REVENUE BUDGET
FY 2022 VS. FY 2021
(as of 5/17/2021)

REVENUE TYPE	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. FY 2021
Other Revenue/ Fees	$390	$1,440	**$318**	($72)	(18.5%)	($1,122)	(77.9%)	
Interest & Investment Earnings	$6,615	$6,615	**$735**	($5,880)	(88.9%)	($5,880)	(88.9%)	Significant decrease in CD interest rates & NCCMT earnings.
Other Financing Sources	$280,000	$280,000	**$220,000**	($60,000)	(21.4%)	($60,000)	(21.4%)	Financing for ½ of vac. truck.
Transfers In	$0	$76,466	**$0**	$0		($76,466)	(100%)	
Appropriation of Fund Balance	$0	$0	**$206,580**	$206,580		$206,580		
TOTAL WATER/ SEWER FUND	**$2,616,095**	**$2,693,611**	**$2,801,933**	**$185,838**	**7.1%**	**$108,322**	**4.0%**	

EXHIBIT D

WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. ORIGINAL FY 2021
Governing Body	410	$19,455	$19,455	**$19,445**	($10)	(0.1%)	($10)	(0.1%)	
Legal	470	$27,963	$27,963	**$15,200**	($12,763)	(45.6%)	($12,763)	(45.6%)	***Increases:*** Legal Service-Town Attorney: $14,4000 / new ***Decreases:*** Attorney Retainer: $19,163 / 100% Professional Legal Service: $8,000 / 100%
Administration	720	$285,209	$286,259	**$294,165**	$8,956	3.1%	$7,906	2.8%	***Increases:*** F/T Personnel-related Costs: $6,837 / 6.0% P&L Insurance: $4,100 / 9% Building Maintenance: $1,877 / 11% ***Decreases:*** Retiree Medical Expense: $5,490 / 28%

EXHIBIT D

WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	ORIGINAL 2021 BUD.	AMENDED 2021 BUD.	**PROPOSED 2022 BUD.**	DIFF. 2022 & ORIG. 2021	% CHG.	DIFF. 2022 & AMENDED 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. ORIGINAL FY 2021
Finance	715	$227,229	$227,229	**$289,256**	$62,027	27.3%	$62,027	27.3%	***Increases:*** F/T Personnel-related Costs: $6,287 / 3.6% Capital Outlay - Software: $55,000 / new Postage: $700 / 8% ***Decreases:*** Unemployment Insurance: $675 / 63%
Water/Sewer Operations	810	$2,056,239	$2,132,705	**$2,183,867**	$127,628	6.2%	$51,162	2.4%	***Increases:*** F/T Personnel-related Costs: $20,486 /5.1% Capital Outlay-Improve.: $208,295 / 499% Supplies/Materials: $10,000 / 10% ***Decreases:*** Capital Outlay-Equipment: $60,000 / 21% CB Treatment Charges: $25,000 / 7% Computer Software/Service: $19,600 / 61% Debt Service: $2,394 / 1% Utilities: $2,000 / 4% Workers Comp. Insurance: $1,259 / 14% Telephone: $1,000 / 9%
TOTAL WATER/SEWER FUND		**$2,616,095**	**$2,693,611**	**$2,801,933**	**$185,838**	**7.1%**	**$108,322**	**4.0%**	

EXHIBIT E

STORM WATER FUND REVENUE BUDGET
FY 2022 VS. FY 2021
(as of 5/17/2021)

REVENUE TYPE	2021 BUDGET	**PROPOSED 2022 BUDGET**	DIFF. 2022 & 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. FY 2021
Storm Water Charges	$270,000	**$413,000**	$143,000	53.0%	Includes a proposed 50% increase in monthly storm water fees.
Storm Water Building Fees	$60,000	**$60,000**	$0	0.0%	
Interest & Investment Income	$2,330	**$260**	($2,070)	(88.8%)	Significant decrease in CD interest rates & NCCMT earnings.
Other Financing	$200,000	**$220,000**	$20,000	10.0%	Financing for ½ of vac. truck.
Appropriate Fund Balance	$0	**$7,197**	$7,197		
TOTAL STORM WATER FUND	**$532,330**	**$700,457**	**$168,127**	**31.6%**	

EXHIBIT F

STORM WATER FUND BUDGET BY EXPENSE TYPE
FY 2022 VS. FY 2021
(as of 5/17/2021)

DEPARTMENT	DEPT. NO.	2021 BUDGET	**PROPOSED 2022 BUDGET**	DIFF. 2022 & 2021	% CHG.	SIGNIFICANT CHANGES FY 2022 VS. FY 2021
SW Operations	610	$225,835	**$243,509**	$17,674	7.8%	***Increases:*** F/T Personnel-related costs: $3,850 / 3.4% Supplies: $14,000 / 233% ***Decreases:*** None
Debt Service	610	$45,520	**$36,948**	($8,572)	(18.8%)	Continued pay down of existing loans.
Capital Outlay	610	$260,975	**$420,000**	$159,025	60.9%	***Increases:*** Capital - Improvements: $139,025 / 228% Capital outlay – equipment: $20,000 / 10%
TOTAL STORM WATER FUND		**$532,330**	**$700,457**	**$168,127**	**31.6%**	