

**Craig Bloszinsky**  
*Mayor*

**Dennis Panicali**  
*Commissioner*

**David Heglar**  
*Commissioner*



**Allen Oliver**  
*Mayor Pro Tem*

**John Ellen**  
*Commissioner*

**Mandy Sanders**  
*Town Clerk*

## *TOWN OF KURE BEACH*

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[www.townofkurebeach.org](http://www.townofkurebeach.org)

May 15, 2023

**RE: TOWN OF KURE BEACH, NORTH CAROLINA  
FISCAL YEAR 2024 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 2024 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 goals, 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, 2023. 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 scheduled for June 5, 2023 at 5:00 pm.

**The proposed fiscal year 2024 Town of Kure Beach budget is balanced and totals \$11,899,322 for all operations. This total budget is comprised of the following seven funds: General Fund \$7,983,305; Water and Sewer Fund \$2,673,485; Storm Water Fund \$1,107,902; Powell Bill Fund \$70,500; Federal Asset Forfeiture Fund \$25,000; Beach Protection Fund \$20,750 and Sewer Expansion Reserve Fund (SERF) \$18,380.**

Comparison of the proposed fiscal year 2024 budget for each fund to the fiscal year 2023 budget is as follows:

FUND	REQUESTED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHANGE
General	\$7,983,305	\$8,440,097	(\$456,792)	-5.4%
Water/Sewer	\$2,673,485	\$2,729,786	(\$56,301)	-2.1%
Storm Water	\$1,107,902	\$604,977	\$502,925	83.1%
Powell Bill	\$70,500	\$70,075	\$425	0.6%
Federal Asset Forfeiture	\$25,000	\$25,000	\$0	0.0%
Beach Protection	\$20,750	\$1,350	\$19,400	1437.0%
Sewer Expansion Reserve	\$18,380	\$9,480	\$8,900	93.9%
<b>TOTAL - ALL FUNDS</b>	<b>\$11,899,322</b>	<b>\$11,880,765</b>	<b>\$18,557</b>	<b>0.2%</b>

### **TOWN COUNCIL GOALS**

The proposed budget supports the fiscal year 2024 goals established by Town Council at their annual retreat held in February 2023. These goals are:

1. *Work smarter to maintain and improve our quality of life in Kure Beach.*
  - Secure CAMA approval of the Land Use Plan and Survey
  - Work on Department of Defense Land Use Plan to retain assets
  - Implement the Bike/Ped Committee solutions

2. *Ensure the integrity of Town financial data and maintain financial stability in all Town funds.*
  - Be fiscally responsible
  - Review ordinance for enforcement process
  - Maintain tax and water/sewer rates
3. *Enable an optimum working environment for staff to produce high levels of service to the Town.*
  - Ensure policies are fair (morale)
  - Public Works space (physical)
  - Enhance procedures to retain and attract Town personnel
  - Complete and execute the Salary Plan
4. *Provide all departments with the support to maintain a safe working and living environment.*
  - Support camera program
  - Use technology to multiply abilities
  - Continue to improve employee safety plan
  - Support K9 program
  - Provide necessary tools for safe environment

## **BUDGET HIGHLIGHTS**

### **PROPOSED TAX RATE FOR FISCAL YEAR 2024**

The tax rate being proposed for fiscal year 2024 is 26.58 cents (\$0.2658) per \$100 of valuation, which is unchanged from fiscal year 2022 and 2023. Property taxes are the Town's largest single source of revenue. Fiscal year 2024 property tax revenue is estimated at \$3,408,100. This includes both current tax year and prior tax year's collections and represents approximately 43% of the General Fund revenue.

The estimated Kure Beach tax base, as provided by the New Hanover County Tax Department, is \$1,291,378,000. This is an increase of \$20,828,000 (1.6%) over the prior year estimated tax base. Kure Beach property taxes are billed and collected by the New Hanover County 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 proposed fee increases for General Fund services included in the proposed fiscal year 2024 budget.

WATER AND SEWER RATES

The water and sewer fees being paid by system users must provide funds for the day-to-day operating costs of the Town’s water and sewer systems and provide for some additions to the water and sewer reserve funds for future infrastructure repairs and replacement. The costs necessary to properly operate the Town’s water and sewer systems continue to increase, as does the need to increase our reserves for future capital projects as our infrastructure and equipment ages. To continue to provide for sufficient funding for our water and sewer operations, this budget includes proposed changes to the water and sewer rate structure. The last rate increase was effective July 1, 2020 (three years ago).

The proposed changes to the water and sewer rate structure are to increase the rate tiers, for usage above the minimum, by 20%. This increase applies to all customer types (Residential, Commercial and Out of Jurisdiction). **Customers using 2,000 gallons or less in a month will see no change to their bill.**

Residential Customers

The following is the proposed rate structure for Residential customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum (0 - 2,000 gals.)	\$13.50	\$13.50	\$23.50	\$23.50	No change
2,001 to 7,000 gals. (rate per 100 gals.)	\$0.5445	\$0.6534	\$0.7018	\$0.8422	20% Increase
7,001 to 12,000 gals. (rate per 100 gals.)	\$0.8168	\$0.9802	\$1.0527	\$1.2632	20% Increase
Over 12,000 gals. (rate per 100 gals.)	\$1.2251	\$1.4701	\$1.5791	\$1.8949	20% Increase

Based on historical data, the 20% rate tier increase is estimated to affect approximately 55% of the Residential billings.

The following table demonstrates the impact of the proposed rate changes on a Residential account at four usage levels. These examples show usage levels of 2,000 gallons, 5,000 gallons, 12,000 gallons and 18,000 gallons and indicate the amount and percentage increase that result from the proposed rate changes.

	EXISTING RATES	PROPOSED RATES
<b>Monthly Usage of 2,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	<u>\$37.00</u>	<u>\$37.00</u>
Increase Amount		\$0.00
% Change		0.0%
<b>Monthly Usage of 5,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	\$37.00	\$37.00
2,001 to 5,000 gallons	<u>\$37.39</u>	<u>\$44.87</u>
Total	<u>\$74.39</u>	<u>\$81.87</u>
Increase Amount		\$7.48
% Change		10.1%
<b>Monthly Usage of 12,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	\$37.00	\$37.00
2,001 to 7,000 gallons	\$62.32	\$74.78
7,001 to 12,000 gallons	<u>\$93.48</u>	<u>\$112.17</u>
Total	<u>\$192.80</u>	<u>\$223.95</u>
Increase Amount		\$31.15
% Change		16.2%
<b>Monthly Usage of 18,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	\$37.00	\$37.00
2,001 to 7,000 gallons	\$62.32	\$74.78
7,001 to 12,000 gallons	\$93.48	\$112.17
Over 12,000 gallons	<u>\$168.26</u>	<u>\$201.90</u>
Total	<u>\$361.06</u>	<u>\$425.85</u>
Increase Amount		\$64.79
% Change		17.9%

Commercial Customers

The following is the proposed rate structure for Commercial customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum (0 - 2,000 gals.)	\$18.50	\$18.50	\$25.50	\$25.50	No change
2,001 to 70,000 gals. (rate per 100 gals.)	\$0.8397	\$1.0076	\$0.8621	\$1.0345	20% Increase
Over 70,000 gals. (rate per 100 gals.)	\$1.0497	\$1.2596	\$1.0777	\$1.2932	20% Increase

The table below shows the impact of the rate changes on a Commercial account at two usage levels:

<b>Monthly Usage of 20,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	\$44.00	\$44.00
2,001 to 20,000 gallons	<u>\$306.33</u>	<u>\$367.58</u>
Total	<u>\$350.33</u>	<u>\$411.58</u>
Increase Amount		\$61.25
% Change		17.5%
<b>Monthly Usage of 118,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	\$44.00	\$44.00
2,001 to 70,000 gallons	\$1,157.23	\$1,388.63
Over 70,000 gallons	<u>\$1,021.16</u>	<u>\$1,225.35</u>
Total	<u>\$2,222.39</u>	<u>\$2,657.98</u>
Increase Amount		\$435.59
% Change		19.6%

Out of Jurisdiction Customers

The following is the proposed rate structure for Out of Jurisdiction customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum (0 - 2,000 gals.)	\$23.00	\$23.00	\$40.50	\$40.50	No change
2,001 to 70,000 gals. (rate per 100 gals.)	\$0.9529	\$1.1435	\$1.2251	\$1.4701	20% Increase
Over 70,000 gals. (rate per 100 gals.)	\$1.1911	\$1.4293	\$1.5314	\$1.8377	20% Increase

The table below shows the impact of the rate changes on an Out of Jurisdiction account at two usage levels:

<b>Monthly Usage of 20,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	\$63.50	\$63.50
2,001 to 20,000 gallons	<u>\$392.04</u>	<u>\$470.45</u>
Total	<u>\$455.54</u>	<u>\$533.95</u>
Increase Amount		\$78.41
% Change		17.2%
<b>Monthly Usage of 350,000 Gallons</b>		
Minimum up to 2,000 gallons (Water & Sewer)	\$63.50	\$63.50
2,001 to 70,000 gallons	\$1,481.04	\$1,777.25
Over 70,000 gallons	<u>\$7,623.00</u>	<u>\$9,147.60</u>
Total	<u>\$9,167.54</u>	<u>\$10,988.35</u>
Increase Amount		\$1,820.81
% Change		19.9%

An added benefit to the rate structure changes for Residential, Commercial and Out of Jurisdiction customers is that it hopefully will encourage further water conservation.

**STORM WATER FEES**

There are no storm water fee increases being proposed for fiscal year 2024.

**STAFFING AND COMPENSATION**

The fiscal year 2024 budget includes the addition of two full-time employees in Fire /Ocean Rescue, increasing the Town’s full-time personnel to 53. 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 full-time personnel are allocated to Town funds based on the type of work performed, as follows:

FUND	NO. OF FULL-TIME EMPLOYEES
General	41
Water and Sewer	10
Storm Water	2
Total	53

The proposed fiscal year 2024 budget includes a proposed merit increase of 1.3% to reward those employees who are performing above expectations. Also, an 8.7% cost of living adjustment (COLA) for all full-time employees is included in the fiscal year 2024 budget. The COLA is consistent with the COLA implemented by the Social Security Administration in January 2023. Finally, the employee benefit programs are consistent with prior years.

**GOVERNING BODY**

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

POSITION	ANNUAL COMPENSATION	ANNUAL VEHICLE ALLOWANCE	ANNUAL PHONE ALLOWANCE
Mayor	\$4,800	\$1,200	\$600
Mayor Pro Tem	\$3,900	\$1,200	\$600
Commissioner (3)	\$3,600	\$1,200	\$600
Total of 5 Positions	\$19,500	\$6,000	\$3,000



60% of the compensation and allowances listed on the previous page are allocated to the General Fund and 40% to the Water and Sewer Fund. Also, the following expenses are allocated 60% to the General Fund and 40% to the Water and Sewer Fund: travel/training of \$5,000 and dues/subscriptions of \$8,000.

In addition, the General Fund Governing Body budget includes funding for the Pleasure Island Chamber of Commerce concert series and kite festival (\$25,000), Federal Point Historic Preservation Society (\$5,000), Katie B. Hines Senior Center (\$2,000), The Help Center of Federal Point (\$1,500) and the Island of Lights (\$1,200). Finally, the General Fund Governing Body budget also includes \$2,723 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 \$721,975 and includes payments on existing loans for the following:

Equipment & Vehicles	\$211,050
Land	42,990
Ocean Front Park	104,585
Fire Station & Town Hall	<u>363,350</u>
General Fund Total	<u>\$721,975</u>

This is an increase of \$124,265 (20.8%) over fiscal year 2023. The increase is the result of new loans in fiscal year 2023 for a Fire Engine (\$425,000) and a Garbage Truck (\$341,906).

Water and Sewer Fund

The Water and Sewer Fund debt service totals \$346,580 and includes payments on existing loans for the following:

Equipment & Vehicles	\$ 79,775
Water/Sewer Infrastructure	217,259
Town Hall	<u>49,546</u>
Water/Sewer Fund Total	<u>\$346,580</u>

This is a decrease of \$16,170 (4.6%) over fiscal year 2023.

Storm Water Fund

Finally, the Storm Water Fund debt service totals \$65,395 relating to the financing of equipment. This is a decrease of \$625 (0.9%) over fiscal year 2023.

Debt service for each fund, as a percentage of the applicable fund's proposed fiscal year 2024 total budget is as follows:

General Fund	9.0%
Water and Sewer Fund	13.0%
Storm Water Fund	5.9%

The Town's total outstanding debt (all funds) is estimated to be \$6,054,193 on July 1, 2023. 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 0.47% 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 8.7% greater than the fiscal year 2023 budget for operating expenses. The primary factors contributing to the increase in relation to the fiscal year 2023 budget include:

- Significant price increases for purchased services, materials, supplies, fuel, etc.
- Previously mentioned employee staffing and compensation actions.

### Water and Sewer Fund

The fiscal year 2024 operating budget (excluding capital outlay and debt service) for the Water and Sewer Fund is 5.5% less than the fiscal year 2023 budget. However, fiscal year 2023 includes a significant maintenance cost relating to lagoon sludge removal. Excluding the sludge removal cost of approximately \$200,000 from the fiscal year 2023 normal day-to-day operating costs would then result in a 4.7% increase in fiscal year 2024 operating costs. The primary reasons for the increase in normal operating costs in relation to the adjusted 2023 budget are an increase in material and services costs and the previously discussed employee compensation actions.

### Storm Water Fund

The fiscal year 2024 Storm Water Fund operating budget (excluding capital outlay and debt service) is 14.6% greater than the fiscal year 2023 budget. The increase is primarily due to an increase in storm water system maintenance costs.

## CAPITAL OUTLAY

### General Fund

The General Fund capital outlay for fiscal year 2024 totals \$300,500 and is comprised of the following:

- \$110,000 – Replacement of Police vehicles (will be purchased using financing)
- \$100,000 – Replacement of Fire Dept. radios and equipment for new fire engine
- \$50,000 – Replacement of a Public Works service truck (will be purchased using financing)
- \$40,500 – Replacement of equipment (Public Works and Lifeguards)

The fiscal year 2024 budgeted capital outlay for the General Fund is \$1,140,773 (79.2%) less than the fiscal year 2023 budget. The amount of capital outlay varies from year-to-year and is contingent on the useful life of previously purchased capital items. Fiscal year 2023 included several large capital expenditures including a Fire Engine and a Garbage Truck.

### Water and Sewer Fund

The fiscal year 2024 Water and Sewer Fund capital outlay includes \$398,000 for potential and emergency capital projects that may arise during the course of the fiscal year. The fiscal year 2024 budgeted capital outlay is \$73,000 (22.5%) greater than the fiscal year 2023 budget.

### Storm Water Fund

The fiscal year 2024 Storm Water Fund capital outlay totals \$700,000 and includes an infrastructure project behind Settlers Lane (\$600,000) with the balance being for potential emergency projects. The fiscal year 2024 budgeted capital outlay is \$460,000 (192%) greater than the fiscal year 2023 budget.

## FUND TRANSFERS

There are no transfers between Town operating funds proposed as part of the fiscal year 2024 budget.

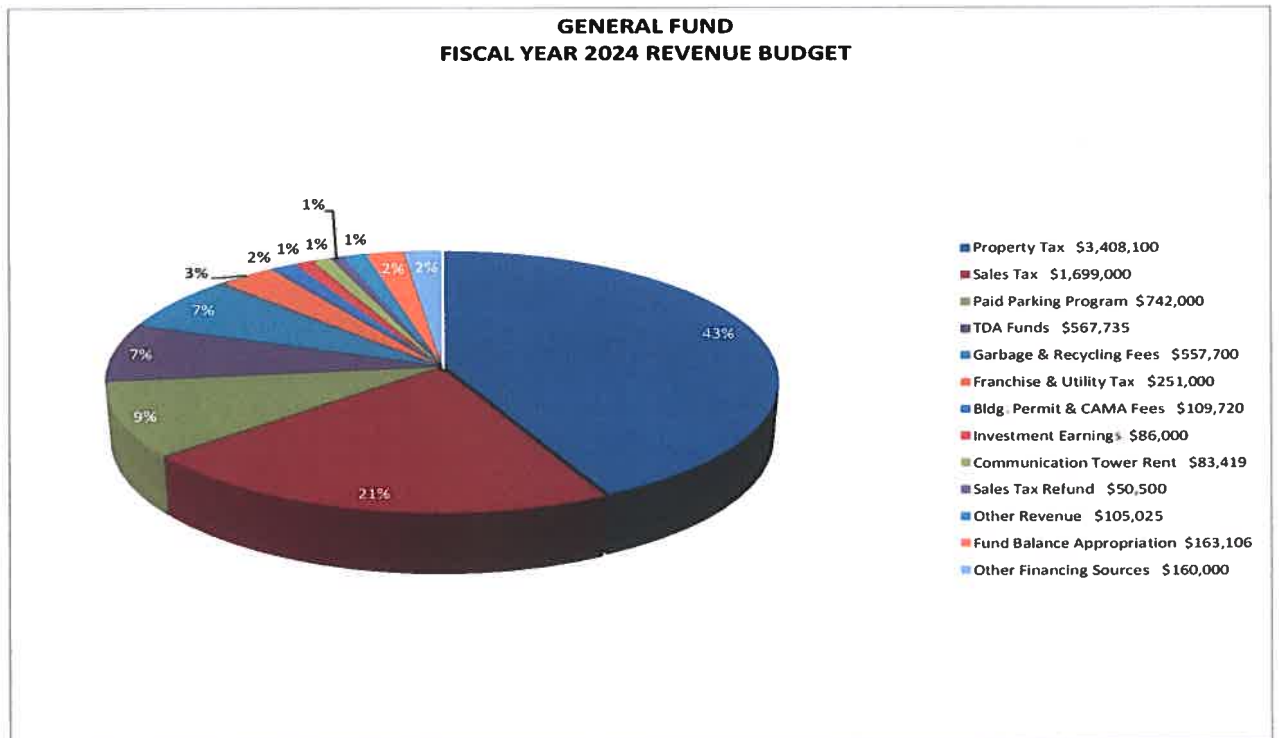
## GENERAL FUND SUMMARY

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:

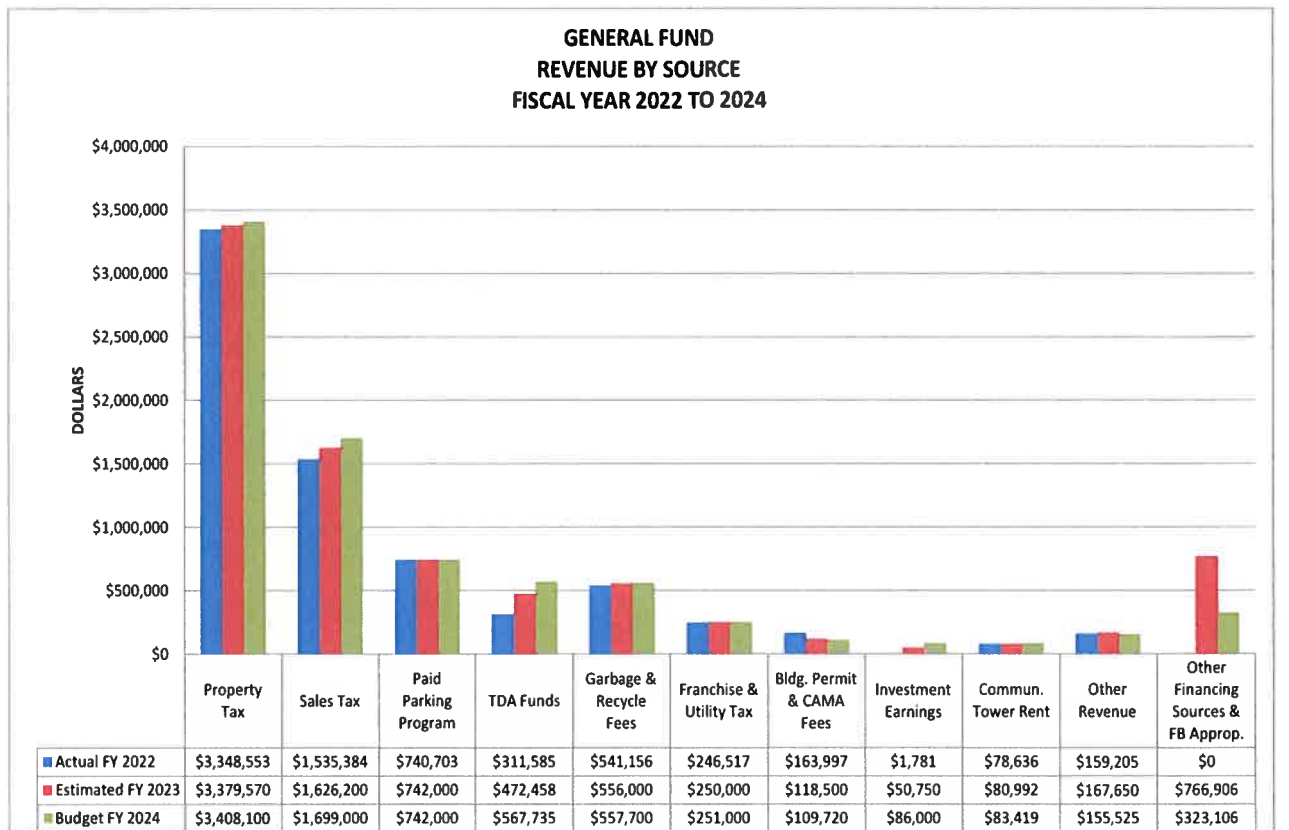
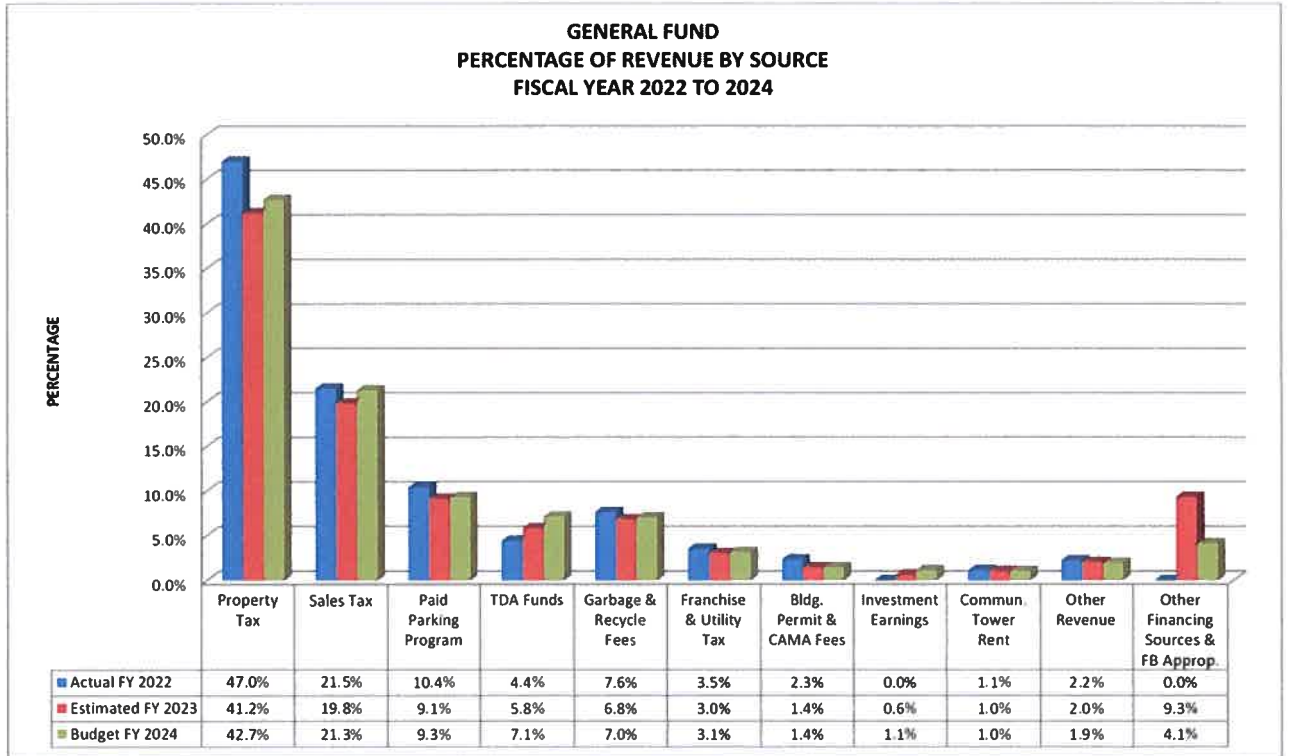
- 1) The desire to maintain the types and levels of service provided to Town residents and property owners as both the year-round population and number of tourists increase.
- 2) The significant price increases for purchased services and materials resulting from supply chain issues and the high rate of inflation.
- 3) The need for improvements and maintenance of Town infrastructure and facilities.

When comparing the total fiscal year 2024 General Fund budget to the fiscal year 2023 budget as of May 15, 2023, the total 2024 budget has decreased by 5.4% in relation to the 2023 budget. In comparison to the fiscal year 2023 budget, operating expenses have increased 8.7%, capital outlay decreased 79.2% and debt service increased 20.8%.

The breakdown of budgeted revenue, by major source, for fiscal year 2024 is presented below. The top six revenue sources are property taxes (\$3,408,100), sales tax (\$1,699,000), parking program revenue (\$742,000), TDA funds (\$567,735), garbage/recycle fees (\$557,700), and franchise/utility taxes (\$251,000). These six revenue sources account for approximately 91% (\$7,225,535) of the total General Fund revenue.



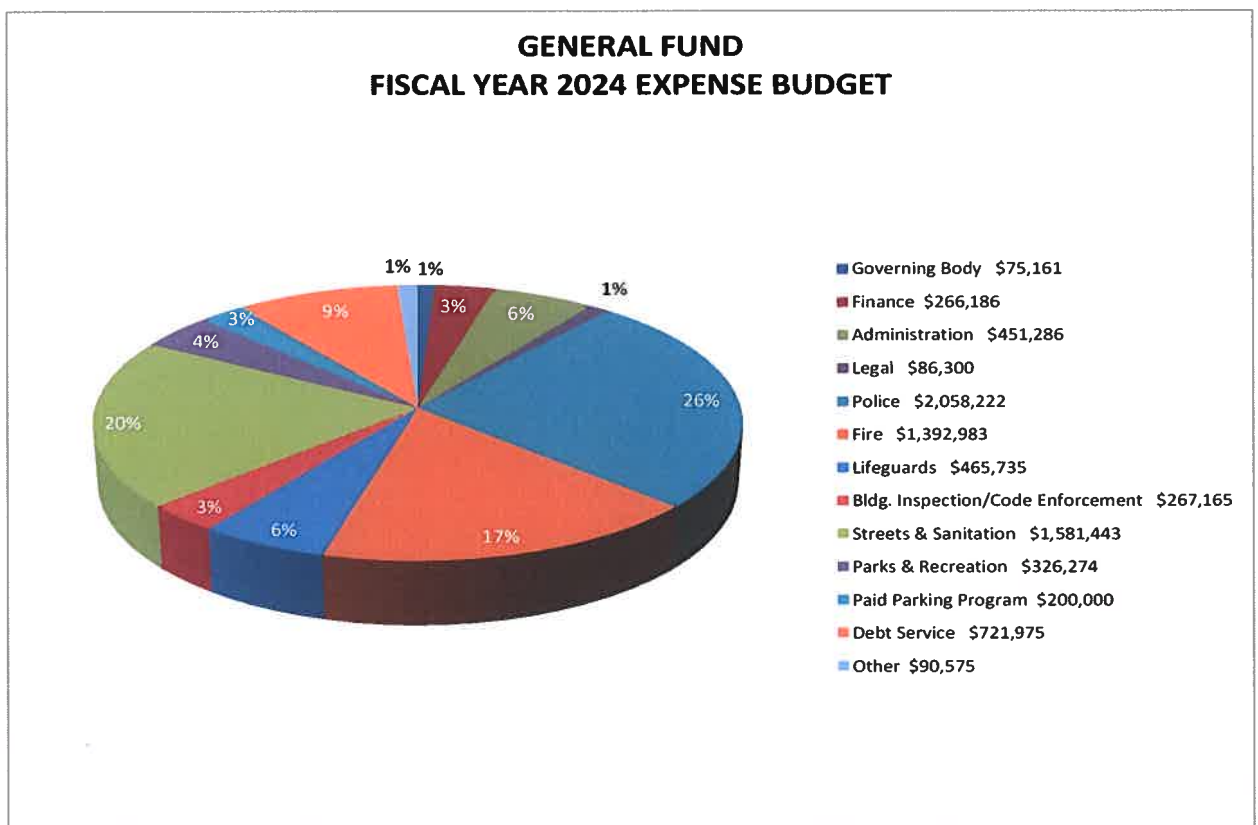
For comparative purposes, the following charts present the percentage of revenue by source and revenue by source budgeted for fiscal year 2024 in relation to the estimated revenue for fiscal year 2023 and the actual revenue for fiscal year 2022.



As the charts on the previous page depict, revenue from property taxes consistently is 40% or more of the General Fund’s total revenue. The other categories have remained relatively consistent from year-to-year with the exception of “Other Financing Sources & Fund Balance Appropriation”. “Other Financing Sources” are installment loans and “Fund Balance Appropriation” is the use of a portion of the Town’s accumulated fund balance both of which vary based on the level of capital outlay. “Other Financing Sources” for fiscal year 2023 are significantly higher due to the financing of a Fire Engine and a Garbage Truck.

Refer to Exhibit A (on pages 24 to 26) for a summary of the changes, by General Fund revenue source, between the budgets for fiscal year 2024 and 2023.

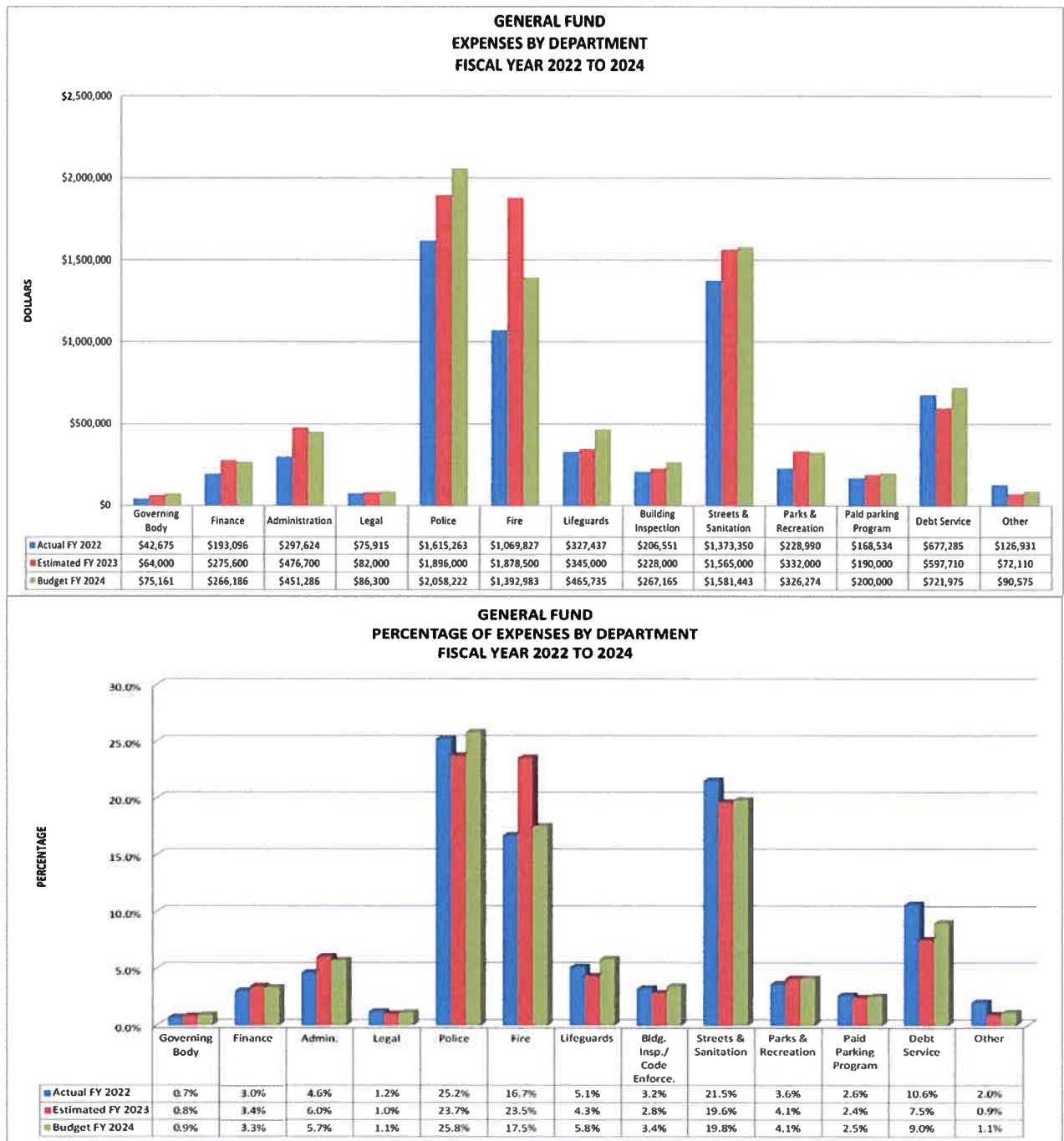
The breakdown of budgeted General Fund expenses, by department/function, for fiscal year 2024 is presented below. The six largest components of the General Fund expense budget are Police (\$2,058,222), Public Works – Streets & Sanitation (\$1,581,443), Fire (\$1,392,983), Debt Service (\$721,975), Lifeguards (\$465,735) and Administration (\$451,286). These six departments/functions account for \$6,671,644, or 84%, 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 2024 in relation to the estimated expenses for fiscal year 2023 and the actual expenses for fiscal 2022.

As indicated below, the General Fund expenses by department/function can vary significantly from year-to-year. The variation results from the level of capital expenditures for the year, while the percentage of operating expenses for each department remain relatively consistent. For example, the proposed fiscal year 2023 budget includes capital expenditures for the Fire Dept. of \$717,773, \$470,000 for Streets and Sanitation, \$90,000 for the Police Dept. and \$66,000 for Parks and Recreation.

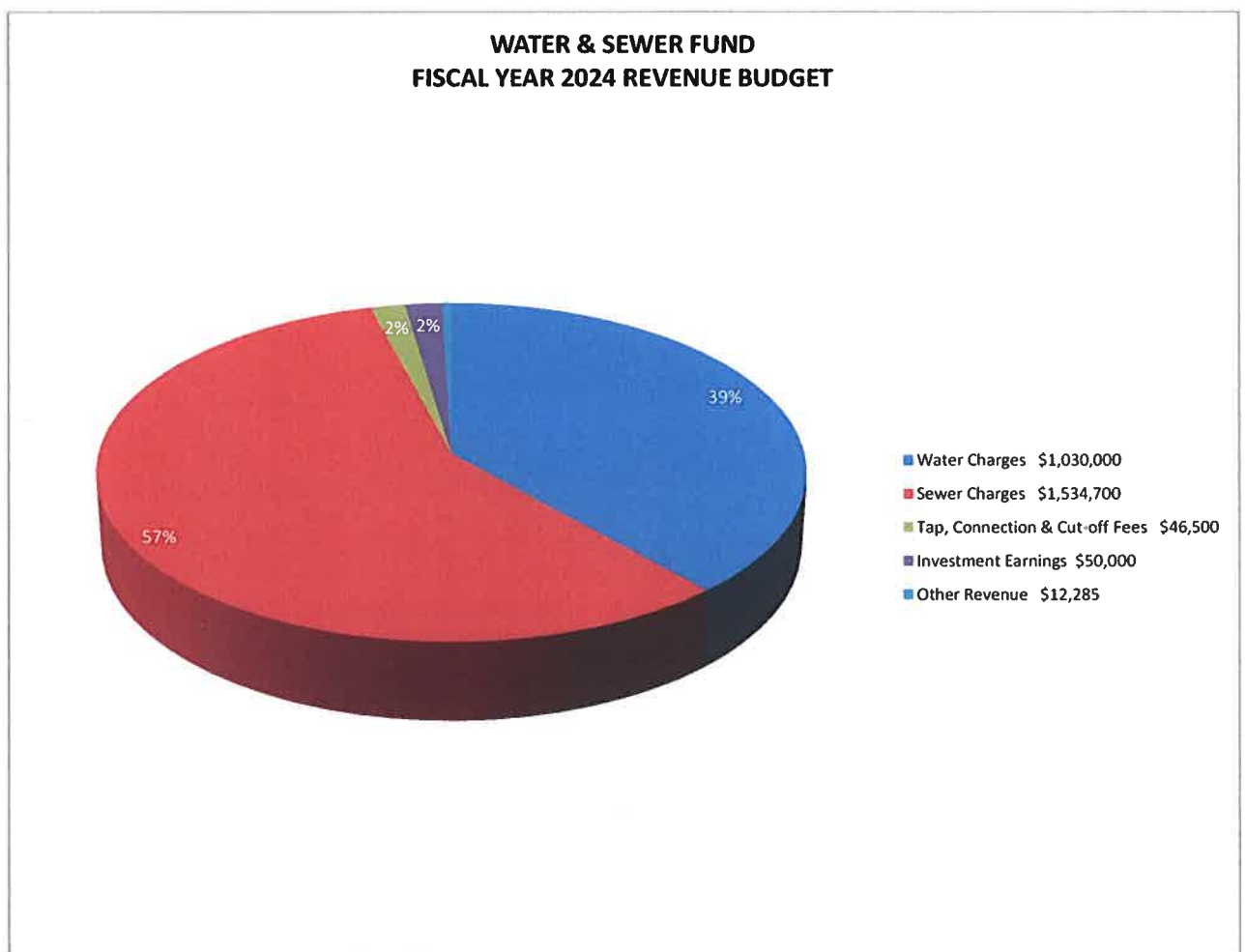
Refer to Exhibit B (on pages 27 to 32) for a summary of the changes, by General Fund department/function, between the budgets for fiscal year 2024 and 2023.



## **WATER AND SEWER FUND SUMMARY**

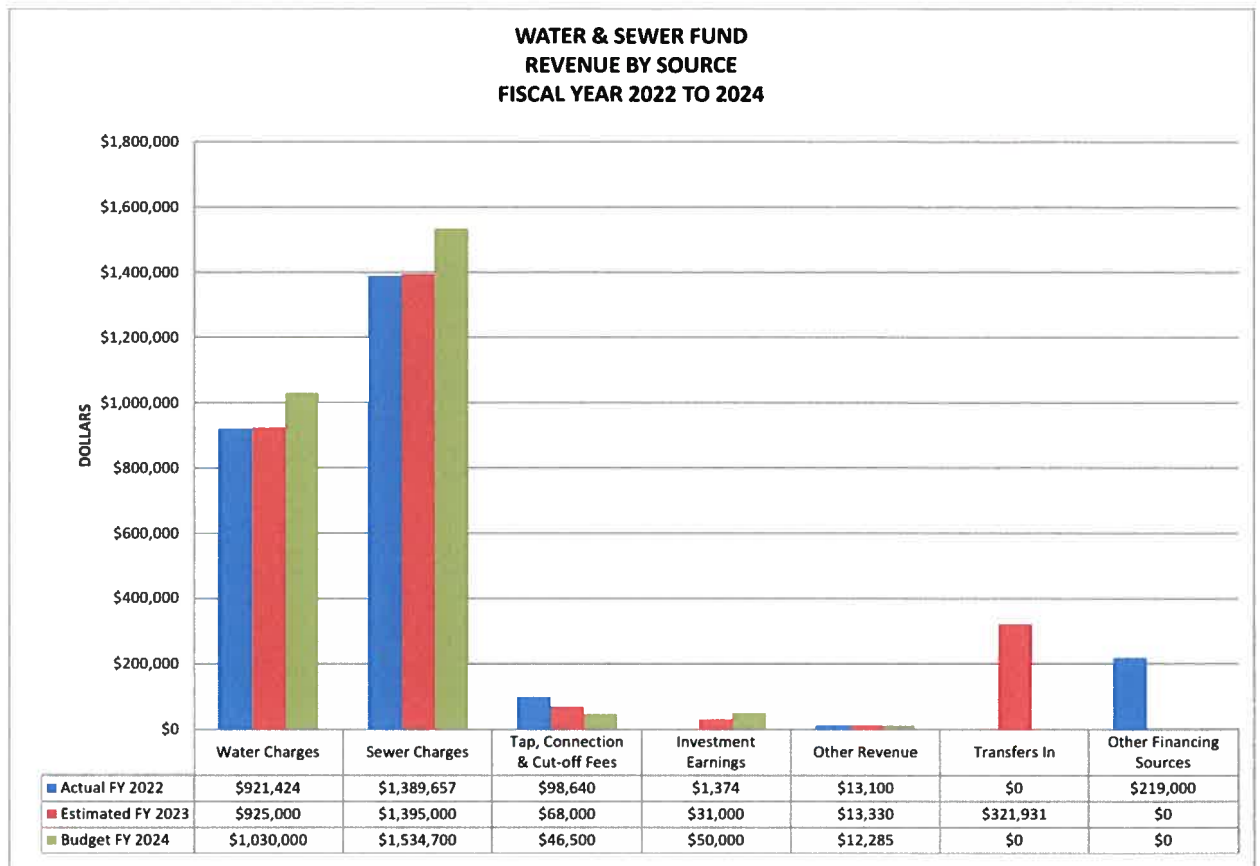
Overall, the fiscal year 2024 Water and Sewer Fund budget is 2.1% less than the fiscal year 2023 budget. In relation to the fiscal year 2023 budget, operating expenses have decreased 5.5%, capital outlay has increased by 22.5% and debt service has decreased by 4.6%.

The breakdown of Water and Sewer Fund budgeted revenue, by major source, for fiscal year 2024 is as follows. The budgeted water and sewer charges revenue categories reflect the previously discussed 20% usage-based rate tier increases.



The chart on the following page shows the Water and Sewer Fund revenue by source budgeted for fiscal year 2024 compared to the estimated revenue for fiscal year 2023 and the actual revenue for fiscal year 2022.



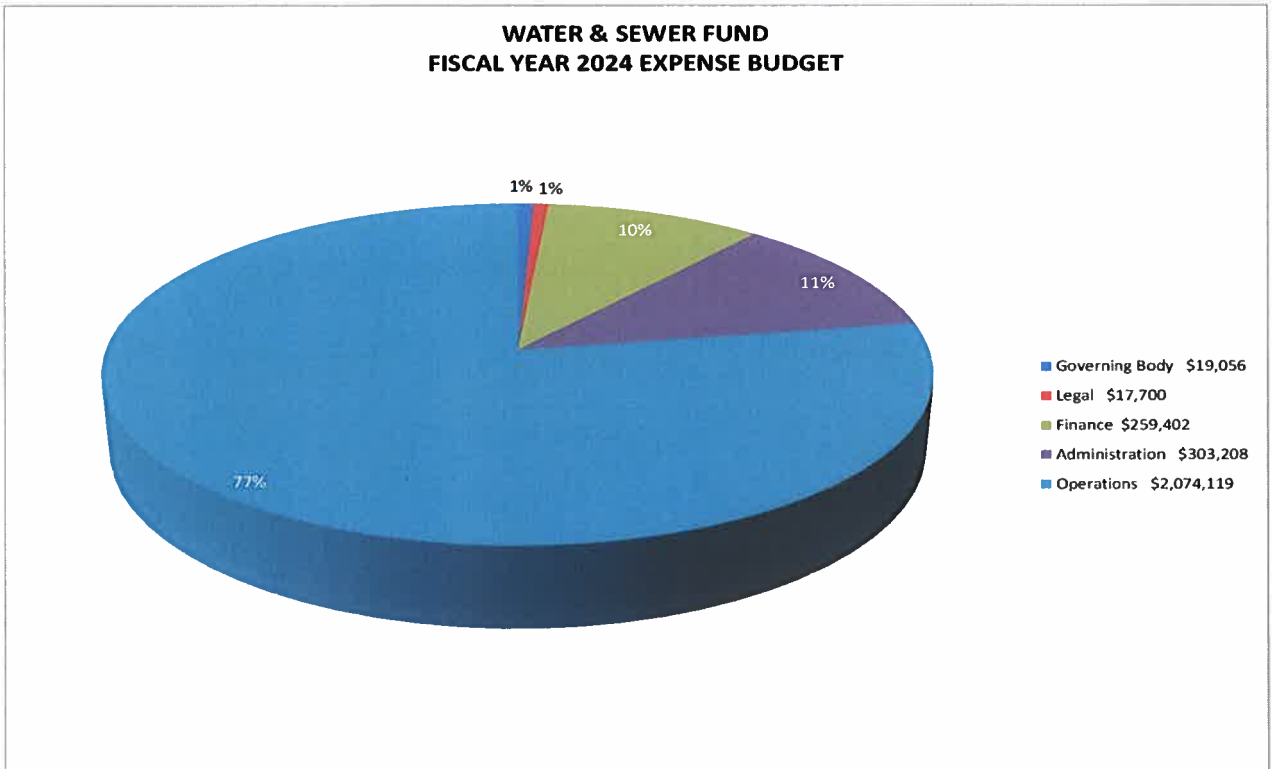


The most significant revenue sources, “Water and Sewer Charges”, are projected to increase in fiscal year 2024 as a result of the previously discussed changes to the water and sewer rate structure.

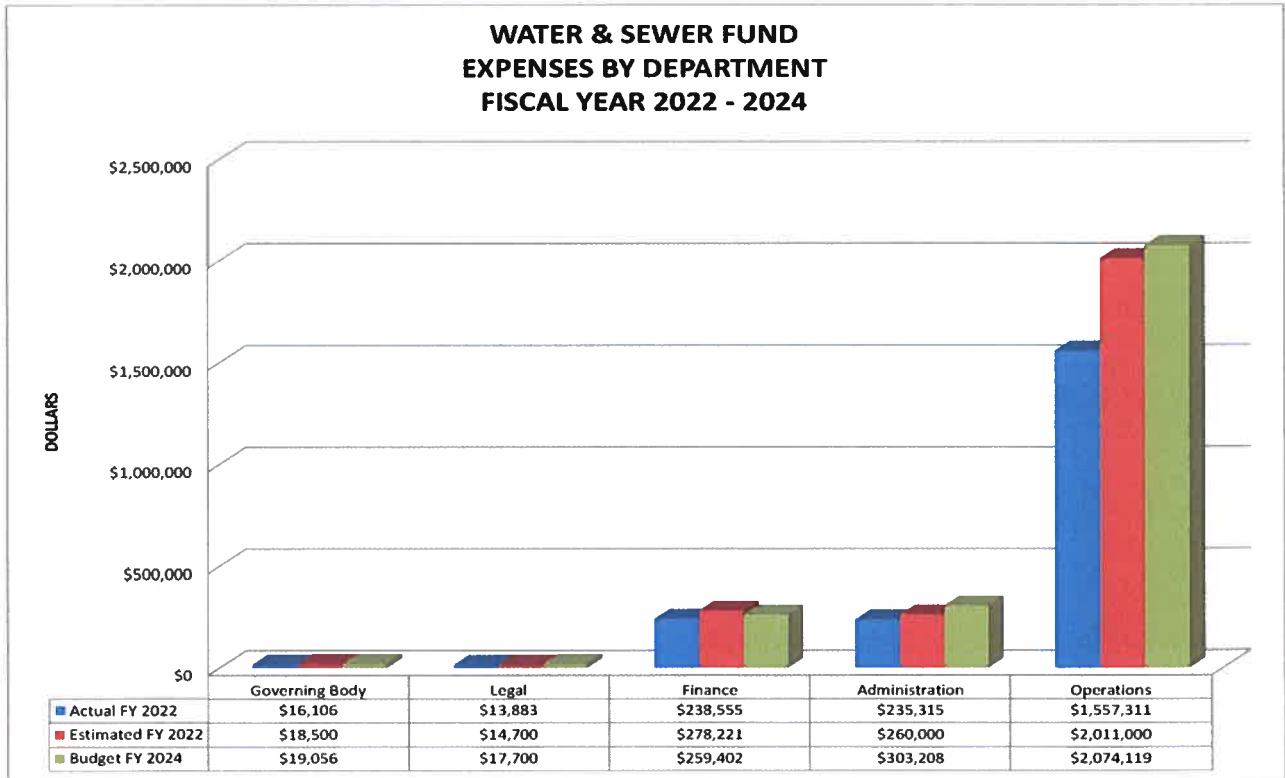
For fiscal year 2023, a “Transfer In” from the American Rescue Plan Act (ARP) Grant Project Fund occurred that ultimately was used for several of the fiscal year 2023 capital expenditures. Finally, “Other Financing Sources” were higher in fiscal year 2022 due to financing of equipment, while no financing needs are anticipated for fiscal year 2024.

Refer to [Exhibit C](#) (on pages 33 and 34) for a summary of the changes, by Water and Sewer Fund revenue source, between the budgets for fiscal year 2024 and 2023.

The breakdown of budgeted Water and Sewer Fund expenses, by department/function, for fiscal year 2024 is presented on the next page. As expected, the Water/Sewer Operations Department accounts for the majority of the Water and Sewer Fund expense budget at 77% of the total.



The chart below shows the expenses by department/function for the Water and Sewer Fund budgeted for fiscal year 2024 in comparison to the estimated expenses for fiscal year 2023 and the actual expenses for fiscal year 2022.



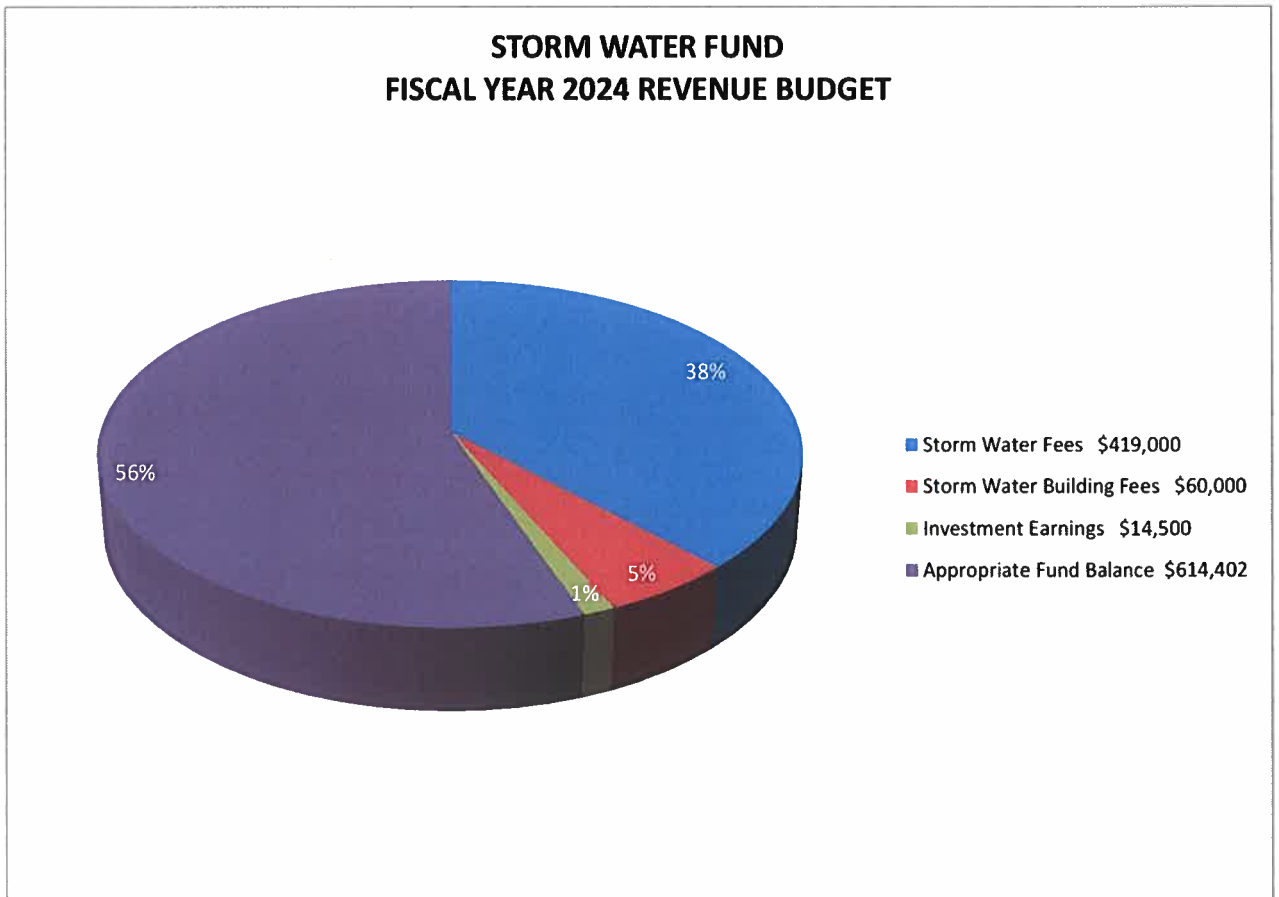
In regard to the chart on the previous page, the variations in “Operations” expenses primarily relate to the amount of capital outlay for the given year and the increase in costs for water and sewer system maintenance.

Refer to Exhibit D (on pages 35 and 36) for a summary of the changes, by Water and Sewer Fund department/function, between the budgets for fiscal year 2024 and 2023.

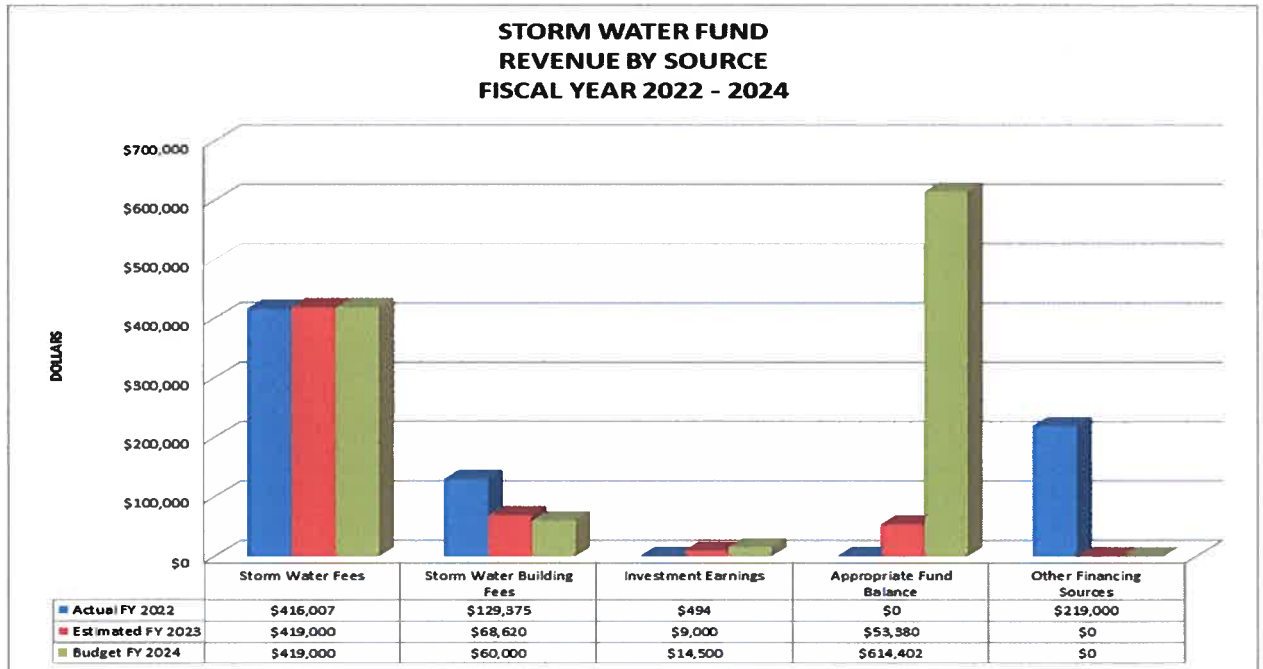
### **STORM WATER FUND SUMMARY**

When comparing the total fiscal year 2024 Storm Water Fund budget to the fiscal year 2023 budget, the total 2024 budget has increased by 83.1%. In comparison to the fiscal year 2023 budget, operating expenses have increased 14.6%, capital outlay increased 192% and debt service decreased 0.9%. The primary reason for the increase in operating expenses is the higher costs associated with system maintenance. The increase in capital outlay is due to the inclusion of a significant improvement project that is planned for fiscal year 2024.

The breakdown of Storm Water Fund budgeted revenue, by major source, for fiscal year 2024 is as follows:

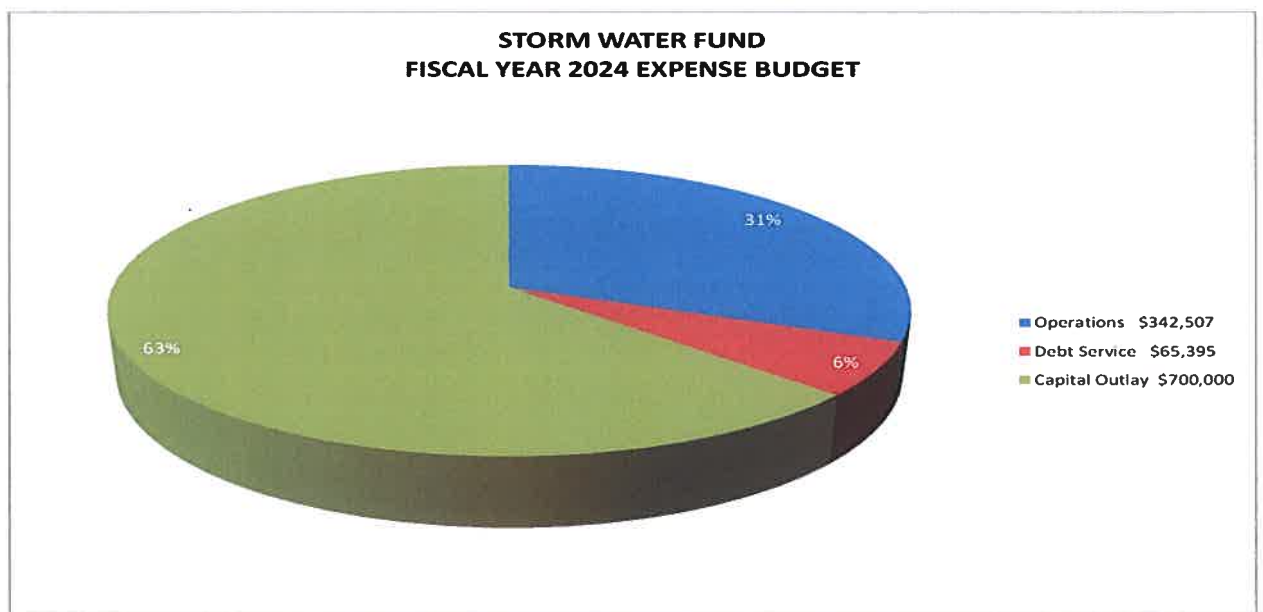


The chart below compares the budgeted fiscal year 2024 revenue to the estimated revenue for fiscal year 2023 and the actual revenue for 2022. The major revenue source, “Storm Water Fees”, is projected to remain consistent with fiscal year 2023 levels as no rate increases are being proposed. “Storm Water Building Fees” fluctuate based on the amount of building activity. Also, for fiscal year 2024 an appropriation of the Storm Water Fund balance is being proposed as the primary funding source for planned infrastructure projects.

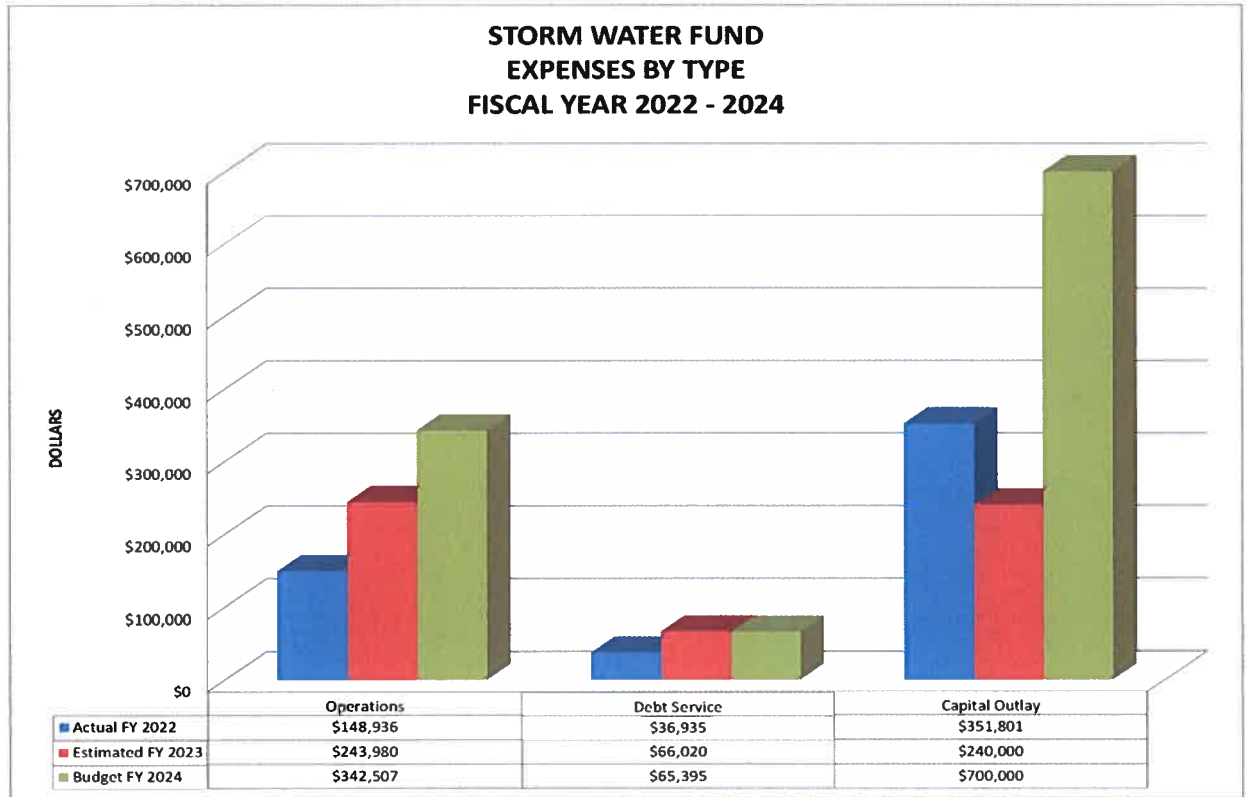


Refer to [Exhibit E](#) (on page 37) for a summary of the changes, by Storm Water Fund revenue source, between the budgets for fiscal year 2024 and 2023.

The breakdown of budgeted Storm Water Fund expenses, by type, for fiscal year 2024 is as follows:



The following chart shows the budgeted fiscal year 2024 expenses by type in relation to the estimated fiscal year 2023 and actual 2022 Storm Water Fund expenses.



As indicated by the chart above, the budgeted expenses for fiscal year 2024 relating to “Operations” are expected to increase due to increased system maintenance costs. Fluctuations in “Capital Outlay” relate to the number and size of projects to be performed in a given year. Fiscal year 2024 includes a significant storm water infrastructure project.

Refer to Exhibit F (on page 38) for a summary of the changes, by Storm Water Fund expense type, between the budgets for fiscal year 2024 and 2023.

### **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. The total amount allocated by the NC Department of Transportation to each qualifying municipality is based on a formula (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 2024 is estimated at \$70,000 and investment earnings is estimated at \$500. Finally, budgeted Powell Bill eligible expenditures (street maintenance and paving) total \$70,500.

## **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 2024, the use of asset forfeiture funds will be appropriated from the fund's balance and is estimated at \$25,000.

## **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 2024, the revenue source for this Fund will be investment earnings from Fund investments of \$20,750.

## **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 2024, revenue from system development fees is estimated at \$8,880 and investment earnings from Fund investments is budgeted at \$9,500. The primary revenue source for this fund, system development fees, are dependent on the level of construction activity within the Town.

## **SUMMARY**

The fiscal year 2024 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, last year's inflation rate in excess of 8% and the current year's inflation rate of approximately 5%, in conjunction with continuing supply chain issues, have increased the cost of supplies and materials used for Town operations. Also, the level of compensation for Town employees must be evaluated on a periodic basis to ensure that compensation remains consistent with neighboring towns in order to retain and attract employees.

Finally, 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 2024 budget addresses these challenges.

In conclusion, I believe the proposed fiscal year 2024 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 2024 budget.

Respectfully submitted,

*Arlen Copenhaver*

Arlen Copenhaver  
Finance and Budget Officer



**EXHIBIT A**

**GENERAL FUND REVENUE BUDGET  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

<u>REVENUE TYPE</u>	<u>PROPOSED FY 2024 BUDGET</u>	<u>APPROVED FY 2023 BUDGET</u>	<u>DIFF. FY 2024 &amp; FY 2023</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</u>
Property Taxes	<b>\$3,408,100</b>	\$3,354,500	\$53,600	1.6%	Assumes current tax rate (\$0.2658) and estimated tax base provided by NHC Tax Dept.
Sales Tax	<b>\$1,699,000</b>	\$1,465,000	\$234,000	16.0%	Actual growth in FY 2023 greater than budgeted. FY 2024 estimated to be increase over FY 2023 budget and forecast.
Parking Program Revenue	<b>\$742,000</b>	\$742,000	\$0	0.0%	
TDA	<b>\$567,735</b>	\$438,404	\$129,331	29.5%	FY 2024 budget is for lifeguards, OFP maintenance, OFP entertainment & Pleasure Island Chamber of Commerce request.
Garbage & Recycle Fees	<b>\$557,700</b>	\$556,200	\$1,500	0.3%	
Franchise & Utility Taxes	<b>\$251,000</b>	\$243,000	\$8,000	3.3%	Estimated increase in electricity sales tax.
Building Permits, CAMA Fees, Fire Inspections	<b>\$109,720</b>	\$123,320	(\$13,600)	(11.0%)	FY 2024 based on FY 2023 forecast and expected level of construction activity.



**EXHIBIT A**

**GENERAL FUND REVENUE BUDGET  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

REVENUE TYPE	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Interest/Investment Earnings	\$86,000	\$2,600	\$83,400	3207.7%	Federal Reserve rate increases have increased investment earnings.
Communication Tower Rent	\$83,419	\$80,992	\$2,427	3.0%	FY 2024 includes annual increase for existing leases.
Sales Tax Refund	\$50,500	\$52,000	(\$1,500)	(2.9%)	Estimated sales tax refund based on sales tax paid in prior fiscal year.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$34,400	\$30,200	\$4,200	13.9%	Community Center Committee is planning a BBQ fundraiser (\$2,000) and an increase in Market fees (\$2,000).
ABC Revenue	\$22,670	\$20,250	\$2,420	12.0%	FY 2024 based on FY 2023 revenue forecast.
Town Facility Rentals	\$18,000	\$16,000	\$2,000	12.5%	Increase in estimated rentals as impact of COVID-19 lessens.
Motor Vehicle License Tax	\$10,500	\$10,750	(\$250)	(2.3%)	



**EXHIBIT A**

**GENERAL FUND REVENUE BUDGET  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

<b>REVENUE TYPE</b>	<b>PROPOSED FY 2024 BUDGET</b>	<b>APPROVED FY 2023 BUDGET</b>	<b>DIFF. FY 2024 &amp; FY 2023</b>	<b>% CHG.</b>	<b>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</b>
Beer & Wine Tax	\$9,600	\$9,600	\$0	0.0%	
Parking Fines/ Civil Citations/ Court Fees	\$1,750	\$1,750	\$0	0.0%	
All Other Revenue	\$8,105	\$11,205	(\$3,100)	(27.7%)	Largest components are surplus property sales (\$3,500), special events (\$2,500) and re-entry decal sales (\$1,200).
Appropriation of Fund Balance	\$163,106	\$124,553	\$38,553	31.0%	
Other Financing Sources	\$160,000	\$1,157,773	(\$997,773)	(86.2%)	Proposed financing for Police vehicles (\$110,000) and Public Works service truck (\$50,000).
<b>TOTAL GENERAL FUND</b>	<b>\$7,893,305</b>	<b>\$8,440,097</b>	<b>(\$456,792)</b>	<b>(5.4%)</b>	



**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Governing Body	410	\$75,161	\$65,541	\$9,620	14.7%	<p><b><u>Increases:</u></b>            Contributions: \$8,620 / 33%            Governmental/Volunteer Relations: \$1,000 / 8%</p> <p><b><u>Decreases:</u></b>            None</p> <p><b><u>Summary:</u></b>            Operating Costs: \$9,620 / 14.7%</p>
Committees	412	\$19,225	\$95,750	(\$76,525)	(79.9%)	<p><b><u>Shoreline Access &amp; Beach Protection (\$9,225):</u></b>            Replace lost/damaged signs - \$5,250            SLABP Brochure - \$1,700            Sea Oats (3,500 @ \$0.65) - \$2,275</p> <p><b><u>Bike/Ped (\$10,000):</u></b>            Education for Members - \$2,000            Public Education Information - \$1,750            Bike Route Maps- \$1,000            Items for Markets &amp; Events - \$3,250            Spot Lane Connector Beautification - \$2,000</p> <p><b><u>Summary:</u></b>            Operating Costs: \$8,475 / 78.8%            Capital Outlay: (\$85,000) / (100%)</p>
Elections	430	\$4,250	\$0	\$4,250		No local election in FY 2023.



**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Finance	415	\$266,186	\$275,600	(\$9,414)	(3.4%)	<p><b><u>Increases:</u></b>                      F/T Personnel-related Costs: \$13,266 / 9.5%                      Bank/Payroll/Credit Card Fees: \$6,950 / 45%                      Postage: \$3,050 / 165%                      Utility Bill Printing: \$2,100 / New                      Audit &amp; Actuarial Fees: \$1,000 / 7%</p> <p><b><u>Decreases:</u></b>                      Computer Service-Financial Software: <b>\$36,237/64%</b></p> <p><b><u>Summary:</u></b>                      Operating Costs: <b>(\$9,414) / (3.4%)</b></p>
Administration	420	\$451,286	\$425,201	\$26,085	6.1%	<p><b><u>Increases:</u></b>                      F/T Personnel-related Costs: \$15,115 / 9.5%                      P&amp;L Insurance: \$9,750 / 15%                      Computer Service: \$3,990 / 10%                      Building Maintenance: \$2,226 / 10%                      Telephone: \$2,222 / 12%                      Meetings/Events: \$1,500 / 38%                      Supplies: \$1,400 / 11%</p> <p><b><u>Decreases:</u></b>                      Land Use Plan: <b>\$8,750 / 100%</b>                      Retiree Medical: <b>\$2,240 / 8%</b></p> <p><b><u>Summary:</u></b>                      Operating Costs: <b>\$26,085 / 6.1%</b></p>



**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Emergency Management	446	\$2,500	\$2,500	\$0	0%	
Community Center	421	\$32,000	\$27,000	\$5,000	18.5%	<p><b><u>Increases:</u></b>                      Maintenance: \$4,000 / 25%                      Operations: \$1,000 / 33%</p> <p><b><u>Decreases:</u></b>                      None</p> <p><b><u>Summary:</u></b>                      Operating Costs: \$5,000 / 18.5%</p>
Tax Collection	460	\$32,600	\$31,600	\$1,000	3.2%	
Legal	470	\$86,300	\$82,900	\$3,400	4.1%	<p><b><u>Increases:</u></b>                      Legal Service – Town Attorney: \$2,400 / 4%                      Professional Legal Service: \$1,000 / 4%</p> <p><b><u>Decreases:</u></b>                      None</p> <p><b><u>Summary:</u></b>                      Operating Costs: \$3,400 / 4.1%</p>



**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Police	510	\$2,058,222	\$1,880,980	\$177,242	9.4%	<p><b><u>Increases:</u></b>                      F/T Personnel-related Costs: \$155,237 / 10.7%                      Capital Outlay - Vehicles: \$20,000 / 22%                      Minor Equipment: \$18,000 / 225%                      Contracts: \$4,500 / 10%                      Workers Comp. Insurance: \$3,116 / 20%</p> <p><b><u>Decreases:</u></b>                      LEO Separation Allowance: \$14,611 / 100%                      Building Maintenance: \$9,000 / 38%</p> <p><b><u>Summary:</u></b>                      Operating Costs: \$157,242 / 8.8%                      Capital Outlay: \$20,000 / 22.2%</p>
Fire Dept.	530	\$1,392,983	\$1,927,727	(\$534,744)	(27.7%)	<p><b><u>Increases:</u></b>                      F/T Personnel-related Costs: \$159,003 / 18.9%                      Capital Outlay - Equipment: \$100,000 / New                      Workers Comp. Insurance: \$1,423 / 9%                      Supplies: \$1,000 / 8%</p> <p><b><u>Decreases:</u></b>                      P/T Personnel-related Costs: \$72,552 / 52.2%                      Drill Fee-related Costs: \$4,911 / 8.8%                      Capital Outlay – Truck: \$717,773 / 100%                      Travel/Training: \$1,000 / 11%</p> <p><b><u>Summary:</u></b>                      Operating Costs: \$83,029 / 6.9%                      Capital Outlay: (\$617,773) / (86.1%)</p>



**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Lifeguards	531	\$465,735	\$372,024	\$93,711	25.2%	<p><b>Increases:</b>                      Personnel-related Costs: \$90,905 / 27.5%                      Workers Comp. Insurance: \$1,806 / 34%                      Capital Outlay - ATV: \$1,000 / 8%</p> <p><b>Decreases:</b>                      None</p> <p><b>Summary:</b>                      Operating Costs: \$92,711 / 25.8%                      Capital Outlay: \$1,000 / 8.0%</p>
Parks & Recreation	532	\$326,274	\$345,395	(\$19,121)	(5.5%)	<p><b>Increases:</b>                      F/T Personnel-related Costs: \$24,777 / 13.8%                      P/T Personnel-related Costs: \$5,598 / 100%                      Professional/Consulting Fees: \$14,000 / 67%                      Children/Family Programs: \$2,000 / 29%</p> <p><b>Decreases:</b>                      Capital Outlay: \$66,000 / 100%</p> <p><b>Summary:</b>                      Operating Costs: \$46,879 / 16.8%                      Capital Outlay: (\$66,000) / (100%)</p>
Bldg. Inspections	540	\$267,165	\$247,345	\$19,820	8.0%	<p><b>Increases:</b>                      F/T Personnel-related Costs: \$19,133 / 10.4%</p> <p><b>Decreases:</b>                      None</p> <p><b>Summary:</b>                      Operating Costs: \$19,820 / 8.0%</p>



**GENERAL FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Streets & Sanitation	550	\$1,581,443	\$1,862,824	(\$281,381)	(15.1%)	<p><b>Increases:</b>                      F/T Personnel-related Costs: \$52,346 / 8.7%                      Capital Outlay-Truck: \$50,000 / New                      Engineering Fees: \$50,000 / New                      OFP Maintenance: \$9,000 / 35%                      Landscaping: \$7,000 / 28%                      Computer Software/Support: \$2,500 / 14%                      Truck Maintenance: \$2,000 / 11%</p> <p><b>Decreases:</b>                      Capital Outlay – Equipment: \$338,000 / 93%                      Capital Outlay-Improvements: \$105,000 / 100%                      Part-Time Personnel Costs: \$5,813 / 100%                      Materials &amp; Supplies: \$5,000 / 9%</p> <p><b>Summary:</b>                      Operating Costs: \$111,619 / 8.0%                      Capital Outlay: (\$393,000) / (83.6%)</p>
Paid Parking Program	570	\$200,000	\$200,000	\$0	0%	
Debt Service	560	\$721,975	\$597,710	\$124,265	20.8%	New loans for Fire Engine (\$425,000) and Garbage Truck (\$341,906) in FY 2023.
<b>TOTAL GENERAL FUND</b>		<b>\$7,983,305</b>	<b>\$8,440,097</b>	<b>(\$456,792)</b>	<b>(5.4%)</b>	



**EXHIBIT C**

**WATER/SEWER FUND REVENUE BUDGET  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

<b>REVENUE TYPE</b>	<b>PROPOSED FY 2024 BUDGET</b>	<b>APPROVED FY 2023 BUDGET</b>	<b>DIFF. FY 2024 &amp; FY 2023</b>	<b>% CHG.</b>	<b>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</b>
Water Charges	\$1,030,000	\$925,000	\$105,000	11.4%	Includes a 20% increase to rate tiers above the minimum number of gallons.
Sewer Charges	\$1,534,700	\$1,420,000	\$114,700	8.1%	Includes a 20% increase to rate tiers above the minimum number of gallons.
Water & Sewer Tap Fees	\$45,000	\$45,000	\$0	0.0%	
Cutoff & Reconnection Fees	\$1,500	\$1,800	(\$300)	(16.7%)	
Account Past Due Charges	\$6,500	\$7,200	(\$700)	(9.7%)	
New Account Setup Fees	\$5,500	\$6,500	(\$1,000)	(15.4%)	

**EXHIBIT C**

**WATER/SEWER FUND REVENUE BUDGET  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

	<b>PROPOSED</b>	<b>APPROVED</b>		<b>DIFF. FY 2024</b>	<b>%</b>	
<b>REVENUE TYPE</b>	<b>FY 2024 BUDGET</b>	<b>FY 2023 BUDGET</b>		<b>&amp; FY 2023</b>	<b>CHG.</b>	<b>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</b>
Interest/Investment Earnings	\$50,000	\$2,010		\$47,990	2387.6%	Federal Reserve rate increases have increased investment earnings.
Other Revenue/ Fees	\$285	\$345		(\$60)	(17.4%)	
Transfers In	\$0	\$321,931		(\$321,931)	(100%)	No anticipated fund transfers for FY 2024 capital outlay.
<b>TOTAL WATER/SEWER FUND</b>	<b>\$2,673,485</b>	<b>\$2,729,786</b>		<b>(\$56,301)</b>	<b>(2.1%)</b>	



**WATER/SEWER FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

DEPARTMENT	DEPT. NO.	PROPOSED FY 2024 BUDGET	APPROVED FY 2023 BUDGET	DIFF. FY 2024 & FY 2023	% CHG.	SIGNIFICANT CHANGES FY 2024 VS. FY 2023
Governing Body	710	\$19,056	\$19,056	\$0	0%	<p><b><u>Increases:</u></b> None</p> <p><b><u>Decreases:</u></b> None</p>
Finance	715	\$259,402	\$278,221	(\$18,819)	(6.8%)	<p><b><u>Increases:</u></b> F/T Personnel-related Costs: \$16,214 / 9.5% Bank/Payroll/Credit Card Fees: \$6,050 / 95% Utility Bill Printing: \$2,100 / New Postage: \$1,950 / 18% Audit &amp; Actuarial Fees: \$1,000 / 7%</p> <p><b><u>Decreases:</u></b> Financial Software: \$46,237 / 70%</p> <p><b><u>Summary:</u></b> Operating Costs: (\$18,819) / (6.8%)</p>
Administration	720	\$303,208	\$278,096	\$25,112	9.0%	<p><b><u>Increases:</u></b> F/T Personnel-related Costs: \$10,075 / 9.5% P&amp;L Insurance: \$9,750 / 15% Computer Service: \$2,660 / 10% Building Maintenance: \$1,984 / 13% Telephone: \$1,348 / 11%</p> <p><b><u>Decreases:</u></b> Retiree Medical: \$1,735 / 15%</p> <p><b><u>Summary:</u></b> Operating Costs: \$25,112 / 9.0%</p>



**WATER/SEWER FUND BUDGET BY DEPARTMENT  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

<u>DEPARTMENT</u>	<u>DEPT. NO.</u>	<u>PROPOSED FY 2024 BUDGET</u>	<u>APPROVED FY 2023 BUDGET</u>	<u>DIFF. FY 2024 &amp; FY 2023</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</u>
Legal	770	\$17,700	\$14,700	\$3,000	20.4%	<p><b><u>Increases:</u></b> Legal Service – Town Attorney : \$3,000 / 21%</p> <p><b><u>Decreases:</u></b> None</p> <p><b><u>Summary:</u></b> Operating Costs: \$3,000 / 20.4%</p>
W/S Operations	810	\$2,074,119	\$2,139,713	(\$65,594)	(3.1%)	<p><b><u>Increases:</u></b> F/T Personnel-related Costs: \$45,544 / 9.7% Capital Outlay – Improvements: \$163,000 / 88% Carolina Beach Treatment Facility: \$20,000 / 7% System Maintenance Contracts: \$8,000 / 19% Workers Comp. Insurance: \$2,110 / 31% Truck Maintenance: \$1,000 / 33%</p> <p><b><u>Decreases:</u></b> System Maintenance: \$200,000 / 62% Capital Outlay – Sewer Rehab: \$90,000 / 64% Debt Service: \$16,170 / 5%</p> <p><b><u>Summary:</u></b> Operating Costs: (\$122,424) / (8.4%) Capital Outlay: \$73,000 / 22.5%</p>
<b>TOTAL WATER/ SEWER FUND</b>		<b>\$2,673,485</b>	<b>\$2,729,786</b>	<b>(\$56,301)</b>	<b>(2.1%)</b>	



**EXHIBIT E**

**STORM WATER FUND REVENUE BUDGET  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

<b>REVENUE TYPE</b>	<b>PROPOSED FY 2024 BUDGET</b>	<b>APPROVED FY 2023 BUDGET</b>	<b>DIFF. FY 2024 &amp; FY 2023</b>	<b>% CHG.</b>	<b>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</b>
Storm Water Charges	\$419,000	\$415,000	\$4,000	1.0%	Increase in number of accounts.
Storm Water Building Fees	\$60,000	\$80,000	(\$20,000)	(25.0%)	FY 2024 based on FY 2023 forecast and estimated level of construction activity.
Interest/Investment Earnings	\$14,500	\$700	\$13,800	1971.4%	Federal Reserve rate increases have increased investment earnings.
Appropriation of Fund Balance	\$614,402	\$109,277	\$505,125	462.2%	Fund Balance Appropriation to be used for capital projects.
<b>TOTAL STORM WATER FUND</b>	<b>\$1,107,902</b>	<b>\$604,977</b>	<b>\$502,925</b>	<b>83.1%</b>	

**STORM WATER FUND BUDGET BY EXPENSE TYPE  
FY 2024 VS. FY 2023  
(as of 5/15/2023)**

<u>DEPARTMENT</u>	<u>DEPT. NO.</u>	<u>PROPOSED FY 2024 BUDGET</u>	<u>APPROVED FY 2023 BUDGET</u>	<u>DIFF. FY 2024 &amp; FY 2023</u>	<u>% CHG.</u>	<u>SIGNIFICANT CHANGES FY 2024 VS. FY 2023</u>
SW Operations	610	\$342,507	\$298,957	\$43,550	14.6%	<p><b><u>Increases:</u></b> System Maintenance: \$45,000 / 82%</p> <p><b><u>Decreases:</u></b> F/T Personnel-related Costs: \$2,559 / 1.9%</p>
Debt Service	610	\$65,395	\$66,020	(\$625)	(0.9%)	Pay down of existing loans.
Capital Outlay	610	\$700,000	\$240,000	\$460,000	191.7%	<p><b><u>Increases:</u></b> Capital Outlay – Improvements: \$460,000/192%</p> <p><b><u>Decreases:</u></b> None</p>
<b>TOTAL STORM WATER FUND</b>		<b>\$1,107,902</b>	<b>\$604,977</b>	<b>\$502,925</b>	<b>83.1%</b>	