

**FISCAL YEAR
2023/2024
PROPOSED BUDGET**



MAY 15, 2023

GENERAL BUDGET INFORMATION

- The budget proposal is in accordance with NC General Statutes Section 159-11
- All sections of the budget are in conformance with The Local Government Budget and Fiscal Control Act
- As required by NC General Statutes Section 159-12, a public hearing must be held prior to budget adoption. The public hearing is scheduled for Monday, June 5th at 5:00 pm
- Once the budget proposal is accepted by Town Council, copies will be available for public inspection on the Town's website and at Town Hall
- A balanced budget, or an interim budget, must be adopted before July 1st



GENERAL BUDGET INFORMATION

The budget proposal consists of 3 components:

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



TOWN COUNCIL GOALS FY 2024

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

- 2. Ensure the integrity of Town financial data and maintain financial stability in all Town funds**
 - a. Be fiscally responsible
 - b. Review ordinance for enforcement process
 - c. Maintain tax and water/sewer rates

TOWN COUNCIL GOALS FY 2024

- 3. Enable an optimum working environment for staff to produce high levels of service to the Town**
 - a. Ensure policies are fair (morale)
 - b. Public Works space (physical)
 - c. Enhance procedures to retain and attract Town personnel
 - d. Complete and execute the Salary Plan

- 4. Provide all departments with the support to maintain a safe working and living environment**
 - a. Support camera program
 - b. Use technology to multiply abilities
 - c. Continue to improve employee safety plan
 - d. Support K9 program
 - e. Provide necessary tools for safe environment

**TOWN OF KURE BEACH
FISCAL YEAR 2023/2024
PROPOSED BUDGET**

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

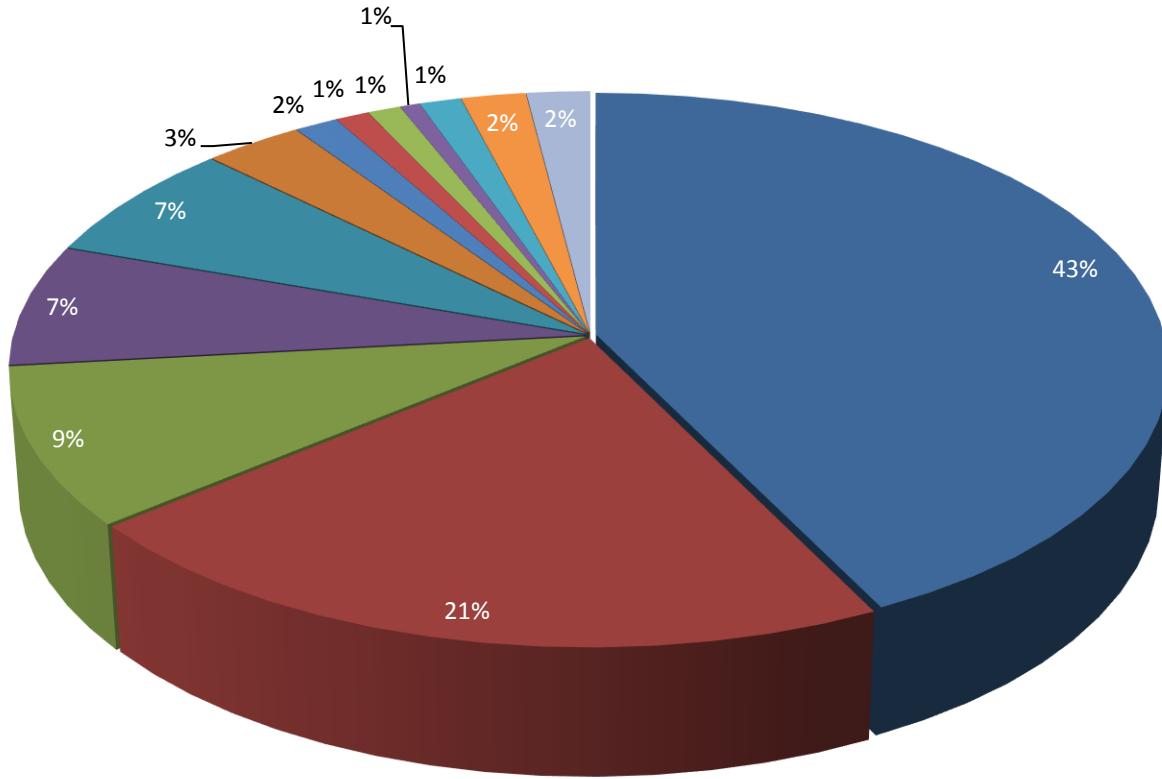
HIGHLIGHTS
PROPOSED
FISCAL YEAR
2023/2024
GENERAL
FUND
BUDGET

1. Overall, the proposed 2024 General Fund budget is 5.4% less than the 2023 final budget
2. No proposed change to the property tax rate of 26.58 cents per \$100 of valuation
3. No proposed changes to General Fund-related service fees

HIGHLIGHTS
PROPOSED
FISCAL YEAR
2023/2024
GENERAL
FUND
BUDGET

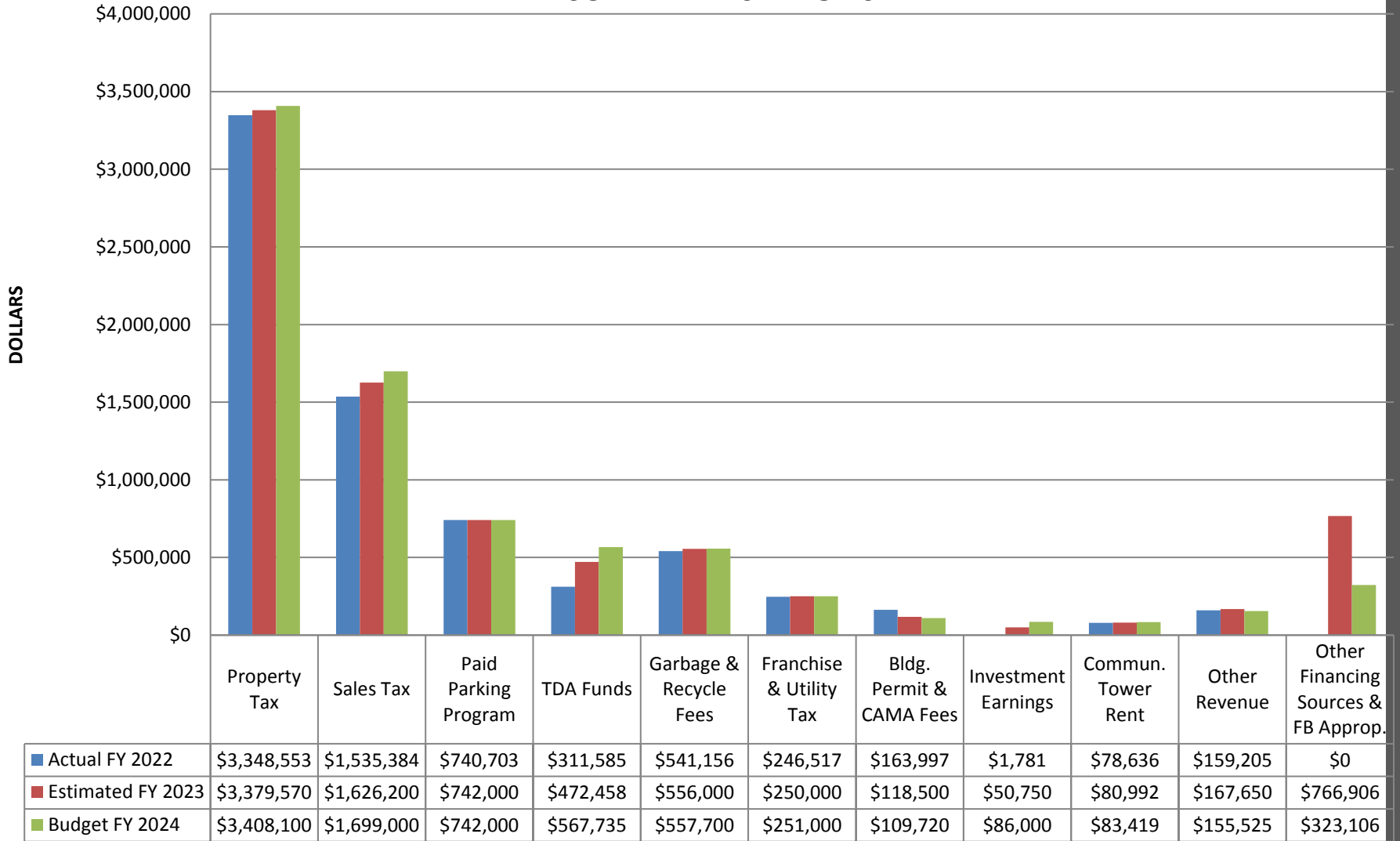
4. 8.7% Cost of Living Adjustment and 1.3% merit increase for full-time employees
5. Addition of two full-time employees in Fire/Ocean Rescue
6. Capital expenditures totaling \$300,500
7. Debt service totaling approximately \$722,000

GENERAL FUND PROPOSED REVENUE BUDGET FISCAL YEAR 2024

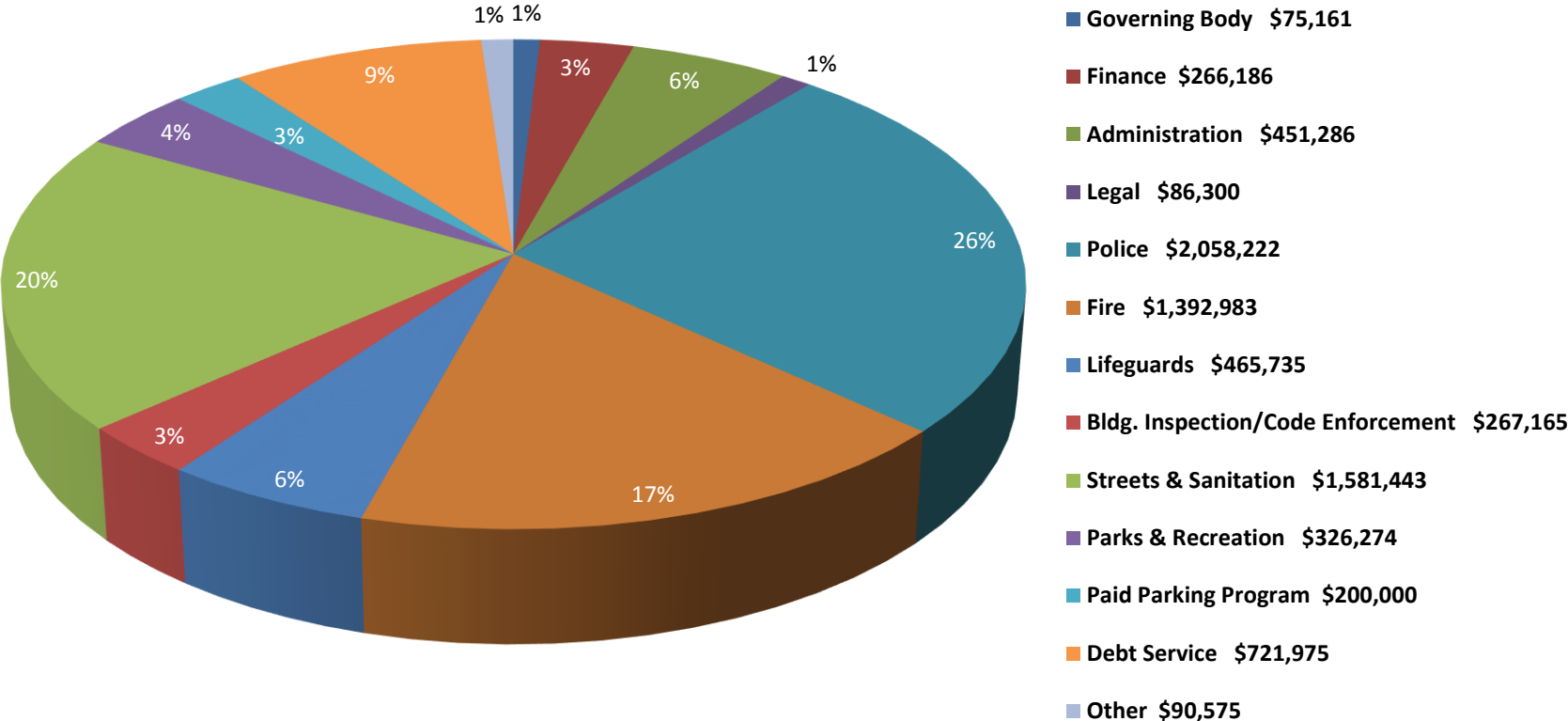


- Property Tax \$3,408,100
- Sales Tax \$1,699,000
- Paid Parking Program \$742,000
- TDA Funds \$567,735
- Garbage & Recycling Fees \$557,700
- Franchise & Utility Tax \$251,000
- Bldg. Permit & CAMA Fees \$109,720
- Investment Earnings \$86,000
- Communication Tower Rent \$83,419
- Sales Tax Refund \$50,500
- Other Revenue \$105,025
- Fund Balance Appropriation \$163,106
- Other Financing Sources \$160,000

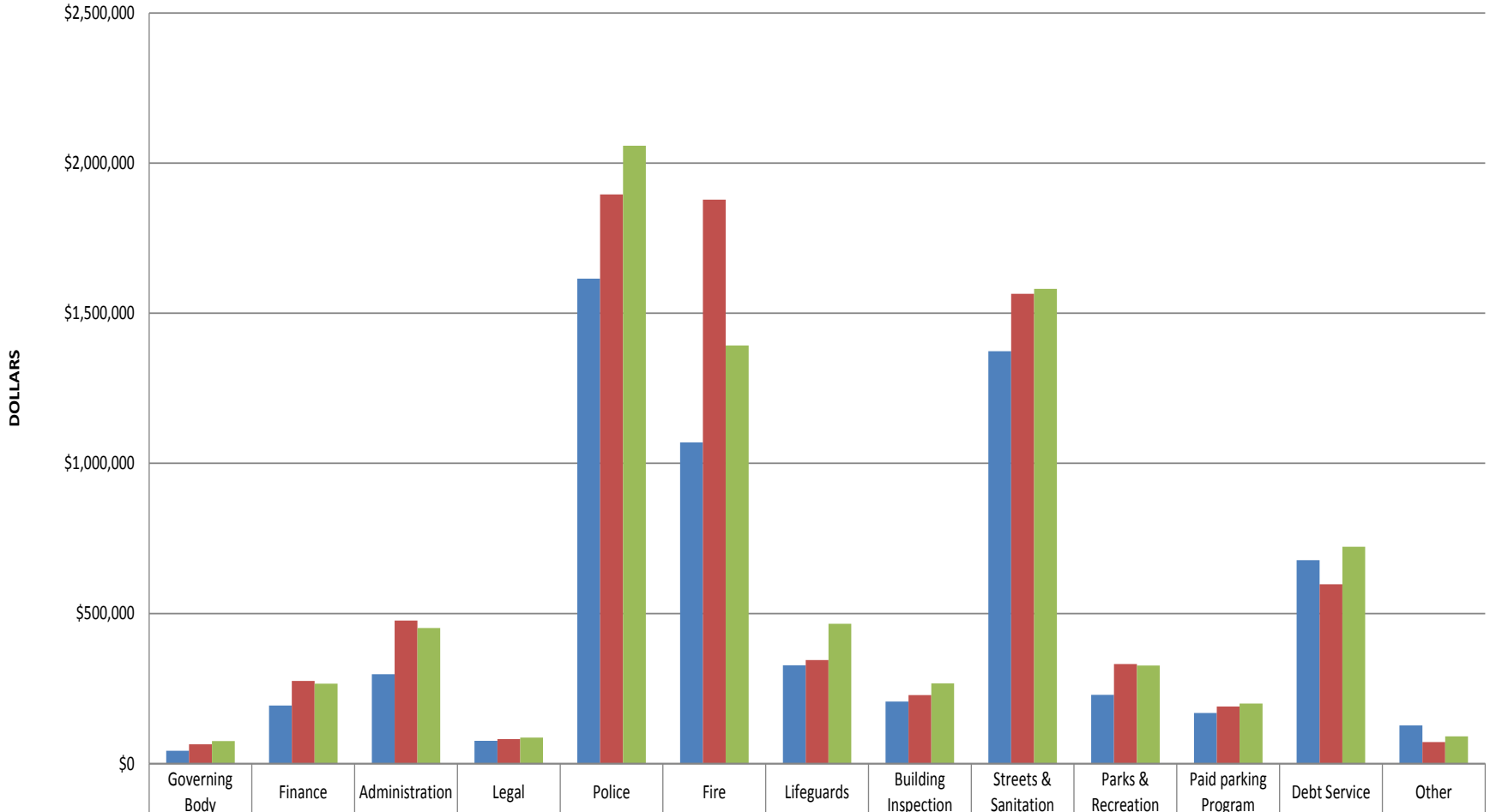
GENERAL FUND REVENUE BY SOURCE FISCAL YEAR 2022 TO 2024



GENERAL FUND PROPOSED EXPENSE BUDGET FISCAL YEAR 2024



**GENERAL FUND
EXPENSES BY DEPARTMENT
FISCAL YEAR 2022 TO 2024**

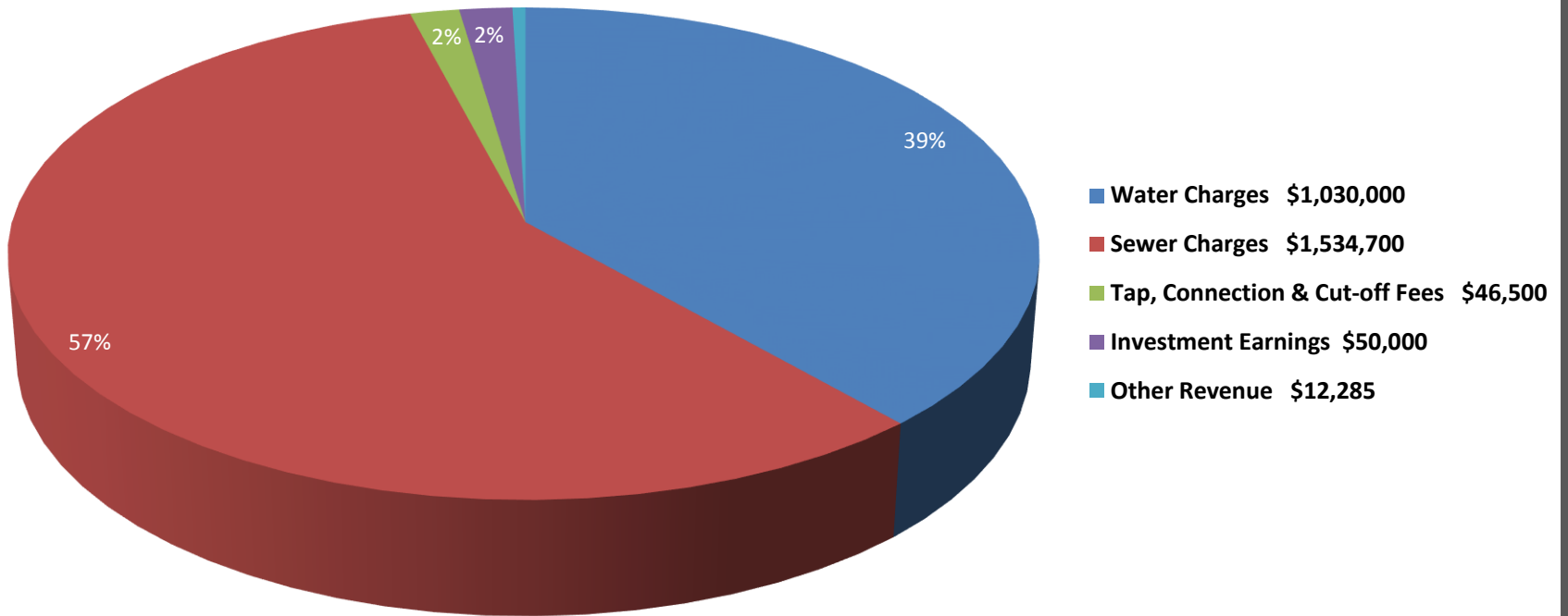


	Governing Body	Finance	Administration	Legal	Police	Fire	Lifeguards	Building Inspection	Streets & Sanitation	Parks & Recreation	Paid parking Program	Debt Service	Other
Actual FY 2022	\$42,675	\$193,096	\$297,624	\$75,915	\$1,615,263	\$1,069,827	\$327,437	\$206,551	\$1,373,350	\$228,990	\$168,534	\$677,285	\$126,931
Estimated FY 2023	\$64,000	\$275,600	\$476,700	\$82,000	\$1,896,000	\$1,878,500	\$345,000	\$228,000	\$1,565,000	\$332,000	\$190,000	\$597,710	\$72,110
Budget FY 2024	\$75,161	\$266,186	\$451,286	\$86,300	\$2,058,222	\$1,392,983	\$465,735	\$267,165	\$1,581,443	\$326,274	\$200,000	\$721,975	\$90,575

HIGHLIGHTS
PROPOSED
FISCAL YEAR
2023/2024
WATER AND
SEWER FUND
BUDGET

1. Overall, the proposed 2024 Water and Sewer budget is 2.1% less than the 2023 final budget
2. 20% increase to the water and sewer usage-based rate tiers for monthly usage above the minimum number of gallons
3. \$398,000 for potential infrastructure projects
4. Debt service totaling approximately \$347,000

**WATER & SEWER FUND
PROPOSED REVENUE BUDGET
FISCAL YEAR 2024**



PROPOSED FISCAL YEAR 2023/2024
RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES

1. Continue to ensure that there is increased financial responsibility for those customers who use the most water and sewer resources
2. The usage-based rate tiers for usage above the minimum gallons will be increased by 20%
3. Estimate that 55% of the annual Residential billings will be impacted

PROPOSED FISCAL YEAR 2023/2024

RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES

4. Proposed rate structure for Residential customers for fiscal year 2024:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum - up to 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% Inc.
7,001 to 12,000 gals. (rate per 100 gals.)	\$0.8168	\$0.9802	\$1.0527	\$1.2632	20% Inc.
Over 12,000 gals. (rate per 100 gals.)	\$1.2251	\$1.4701	\$1.5791	\$1.8949	20% Inc.

5. **There will be no impact on a Residential customer using 2,000 gallons or less**

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

	EXISTING RATES	PROPOSED RATES
<u>Monthly Usage of 2,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	<u>\$37.00</u>	<u>\$37.00</u>
Increase Amount		\$0.00
% Change		0.0%
<u>Monthly Usage of 5,000 Gallons</u>		
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%

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

	EXISTING RATES	PROPOSED RATES
<u>Monthly Usage of 12,000 Gallons</u>		
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%
<u>Monthly Usage of 18,000 Gallons</u>		
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%

PROPOSED FISCAL YEAR 2023/2024

COMMERCIAL WATER & SEWER RATE STRUCTURE CHANGES

1. The usage-based rate tiers for usage above the minimum gallons will be increased by 20%

2. Proposed 2024 rate structure for Commercial customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum – up to 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% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$1.0497	\$1.2596	\$1.0777	\$1.2932	20% Inc.

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

	EXISTING RATES	PROPOSED RATES
<u>Monthly Usage of 20,000 Gallons</u>		
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%
<u>Monthly Usage of 118,000 Gallons</u>		
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%

PROPOSED FISCAL YEAR 2023/2024 OUT OF JURISDICTION WATER & SEWER RATE STRUCTURE CHANGES

1. The usage-based rate tiers for usage above the minimum gallons will be increased by 20%

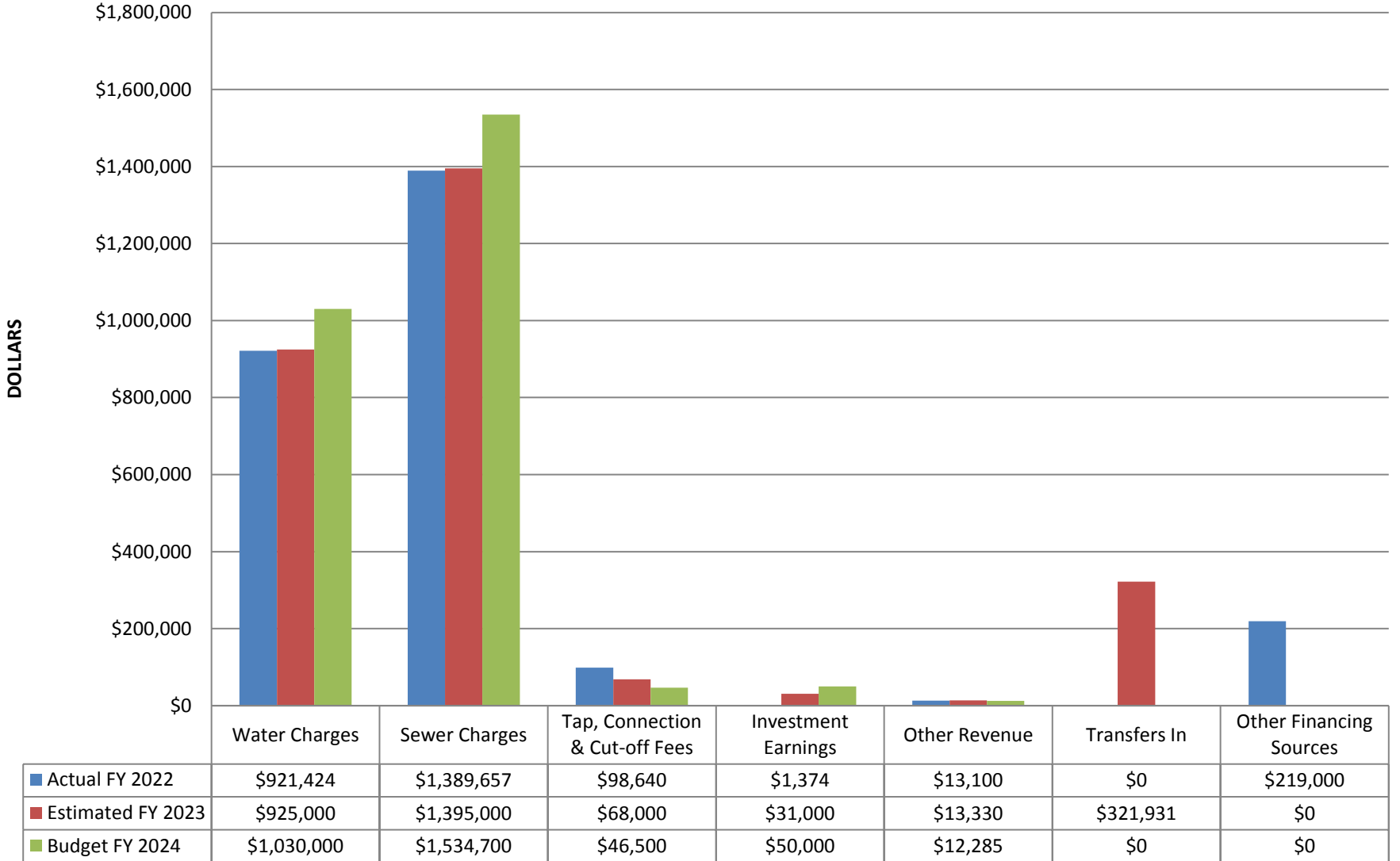
2. Proposed rate structure for Out of Jurisdiction customers for fiscal year 2024:

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

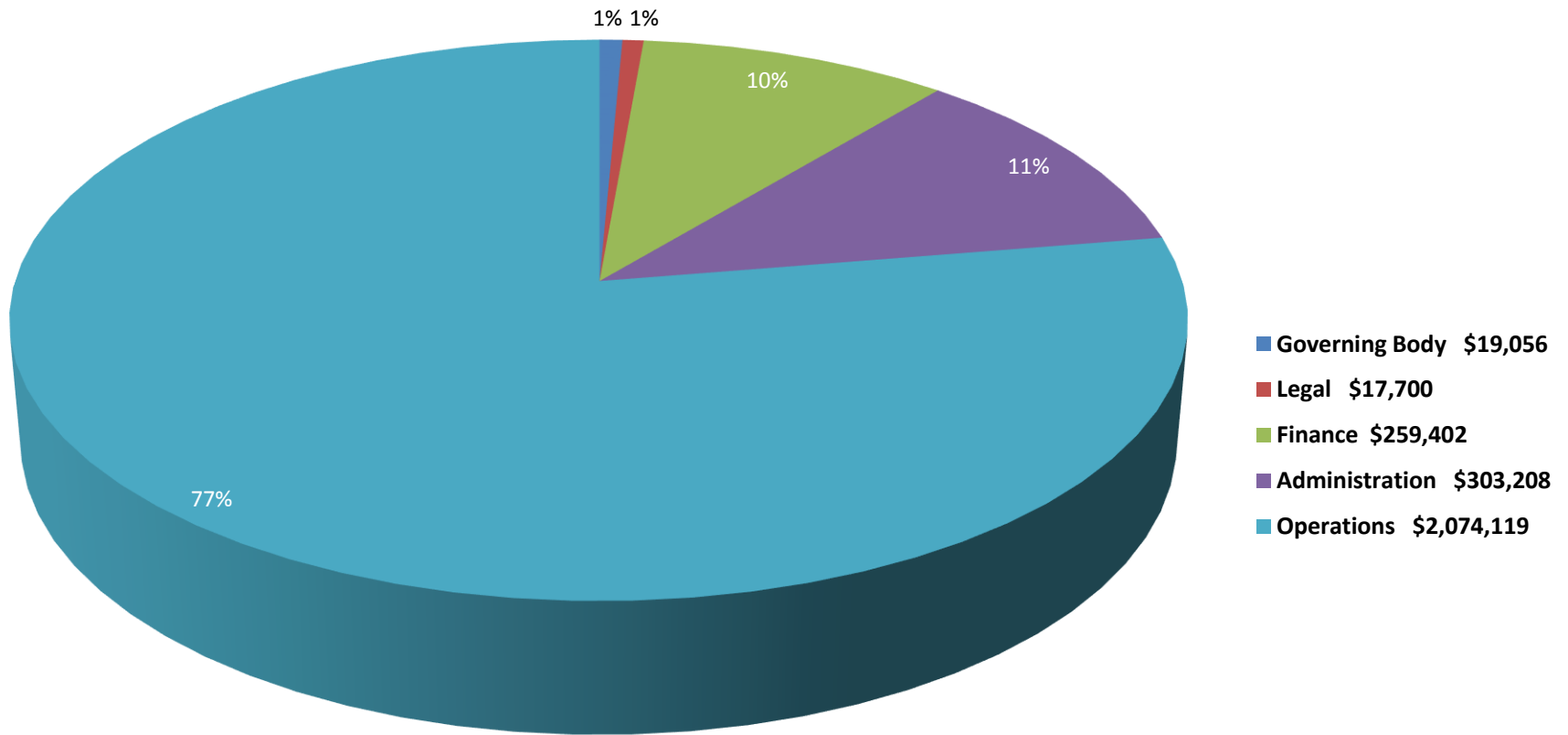
**IMPACT OF RATE
CHANGES ON AN
OUT OF
JURISDICTION
ACCOUNT AT 2
MONTHLY USAGE
LEVELS**

	EXISTING RATES	PROPOSED RATES
<u>Monthly Usage of 20,000 Gallons</u>		
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%
<u>Monthly Usage of 350,000 Gallons</u>		
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%

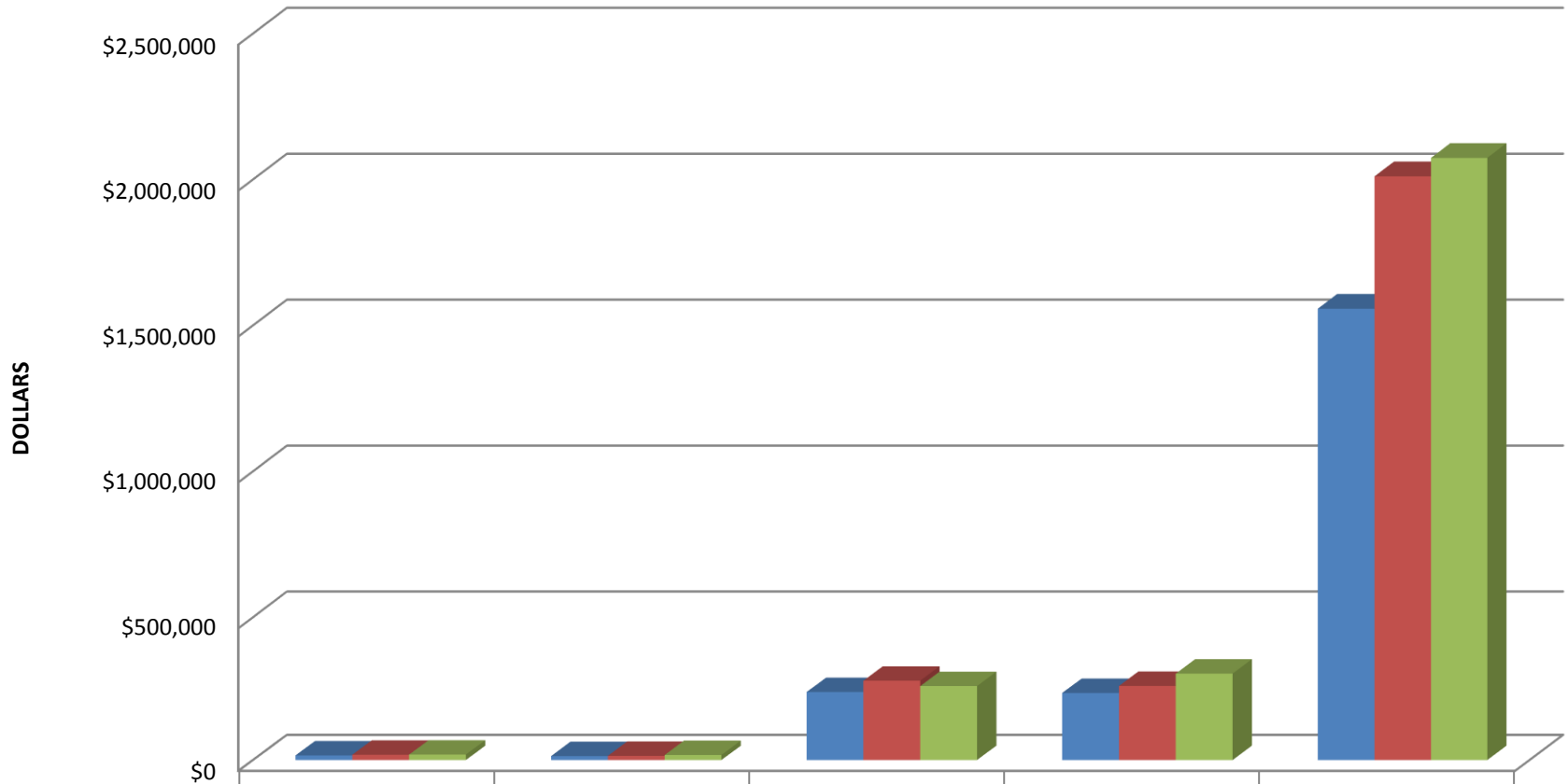
WATER & SEWER FUND REVENUE BY SOURCE FISCAL YEAR 2022 TO 2024



**WATER & SEWER FUND
PROPOSED EXPENSE BUDGET
FISCAL YEAR 2024**



WATER & SEWER FUND EXPENSES BY DEPARTMENT FISCAL YEAR 2022 - 2024

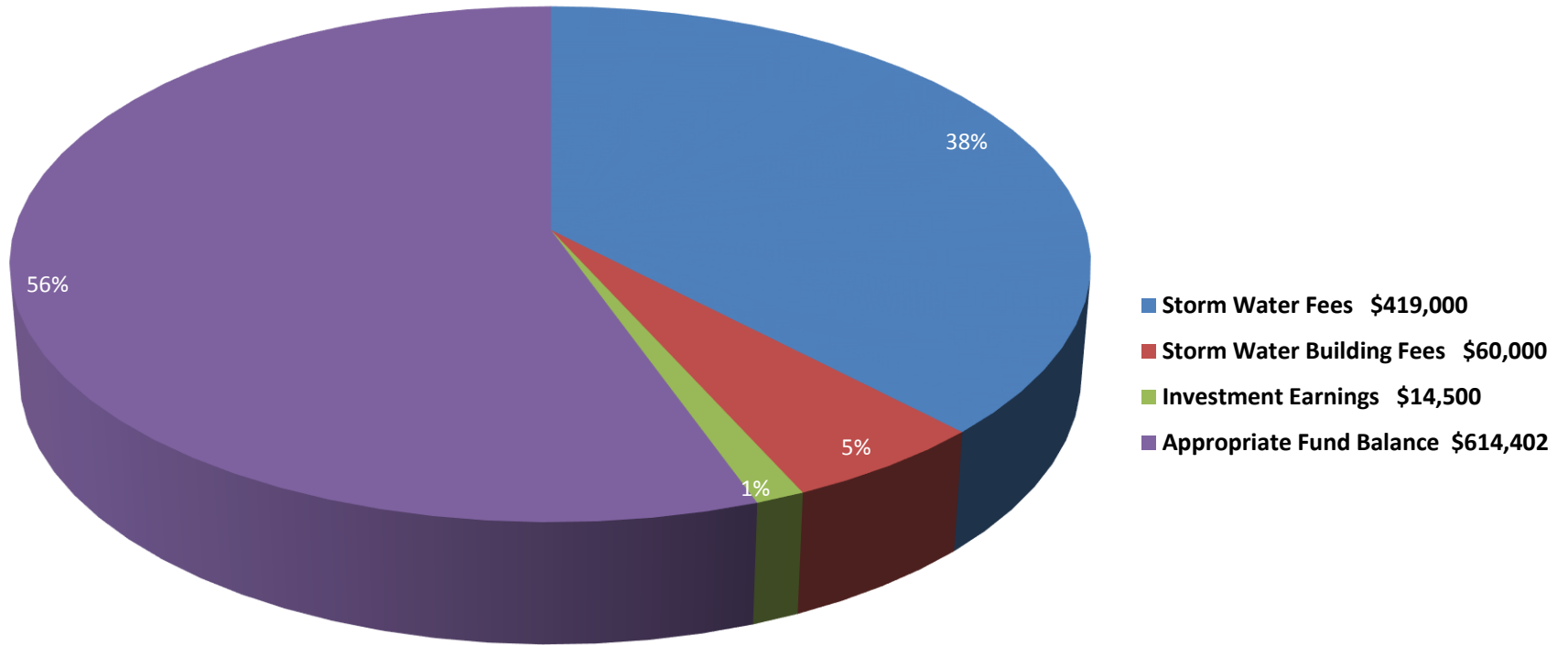


	Governing Body	Legal	Finance	Administration	Operations
Actual FY 2022	\$16,106	\$13,883	\$238,555	\$235,315	\$1,557,311
Estimated FY 2023	\$18,500	\$14,700	\$278,221	\$260,000	\$2,011,000
Budget FY 2024	\$19,056	\$17,700	\$259,402	\$303,208	\$2,074,119

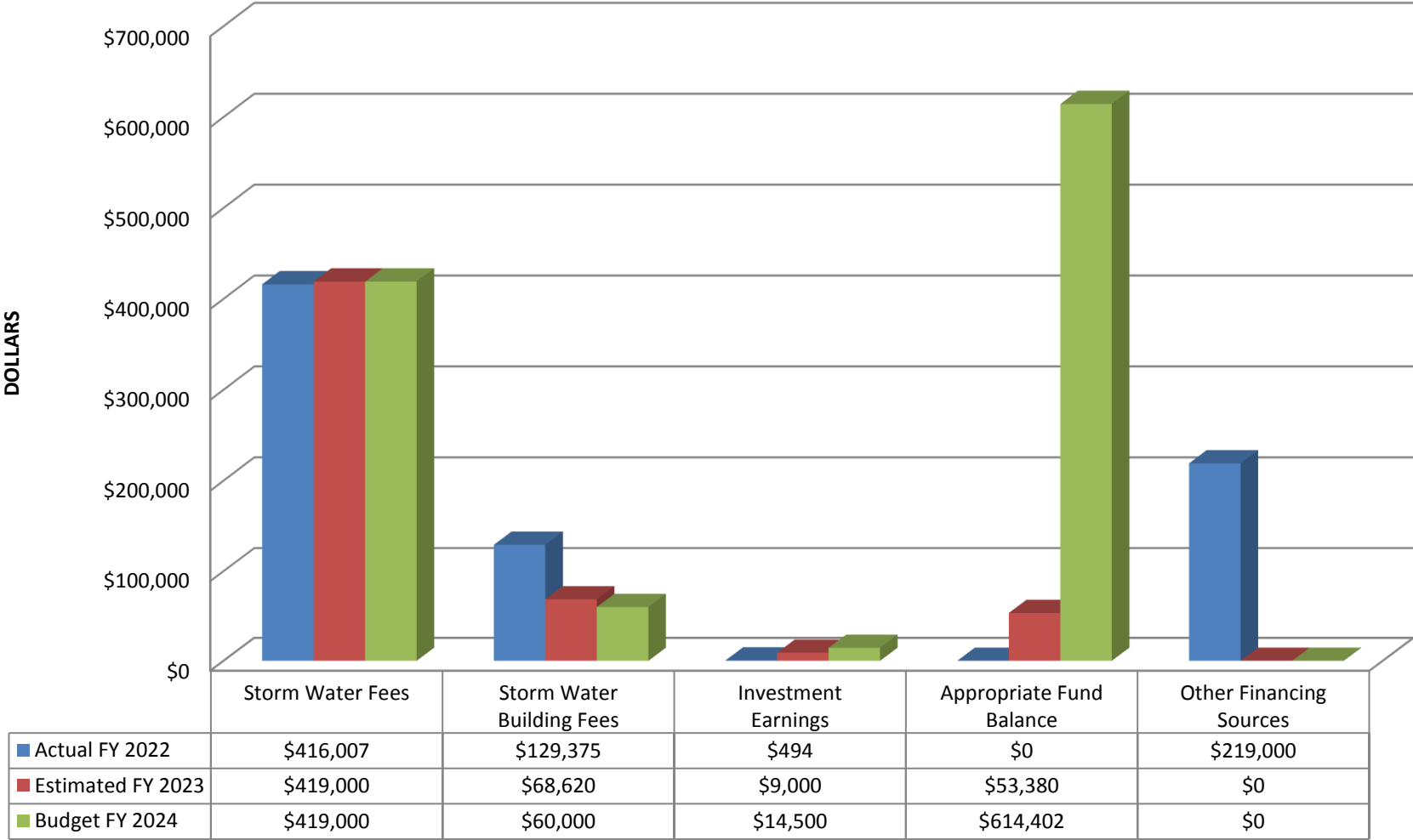
HIGHLIGHTS
PROPOSED
FISCAL YEAR
2023/2024
STORM
WATER FUND
BUDGET

1. Overall, the 2024 Storm Water budget is 83.1% greater than the 2023 final budget
2. No changes to monthly Storm Water fees
3. \$700,000 for infrastructure projects
4. Debt service totaling approximately \$66,000

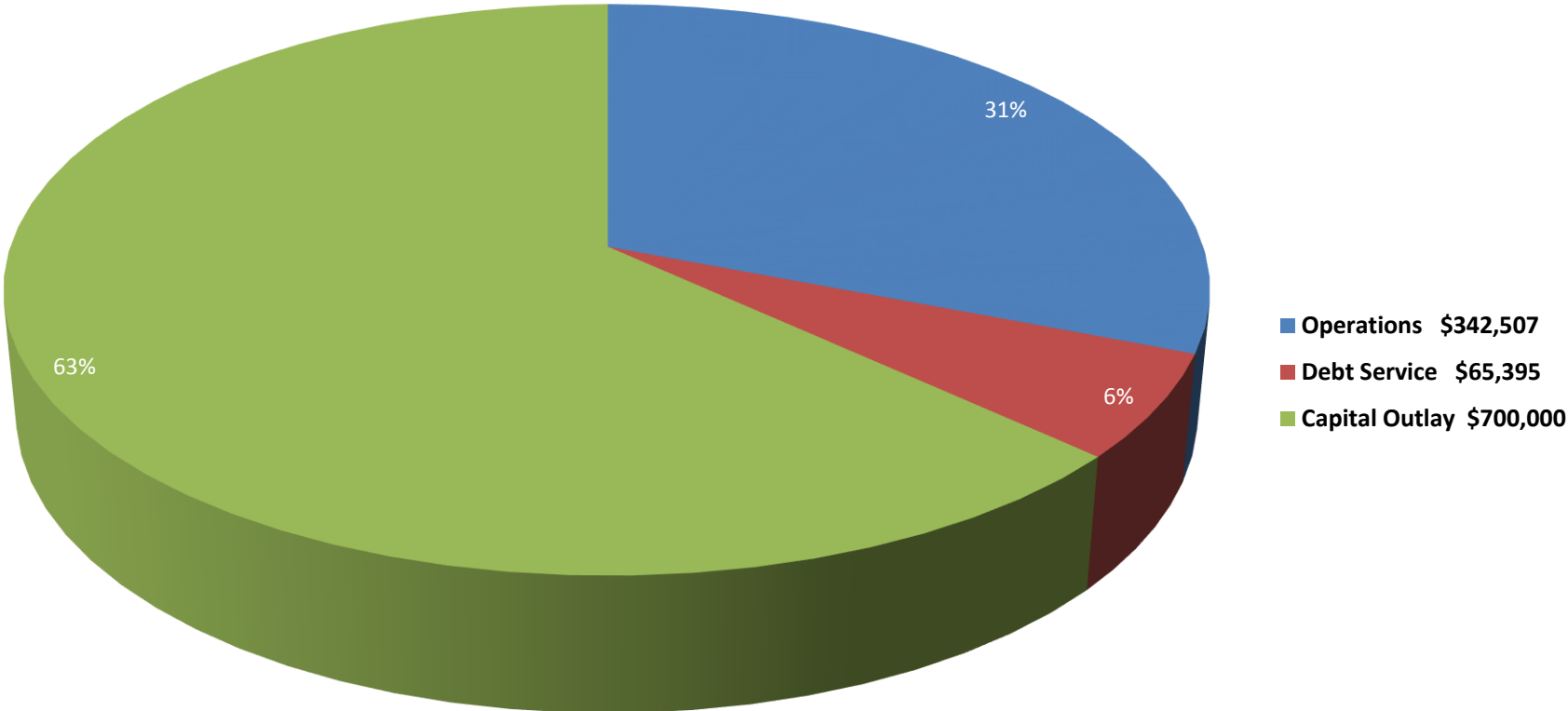
**STORM WATER FUND
PROPOSED REVENUE BUDGET
FISCAL YEAR 2024**



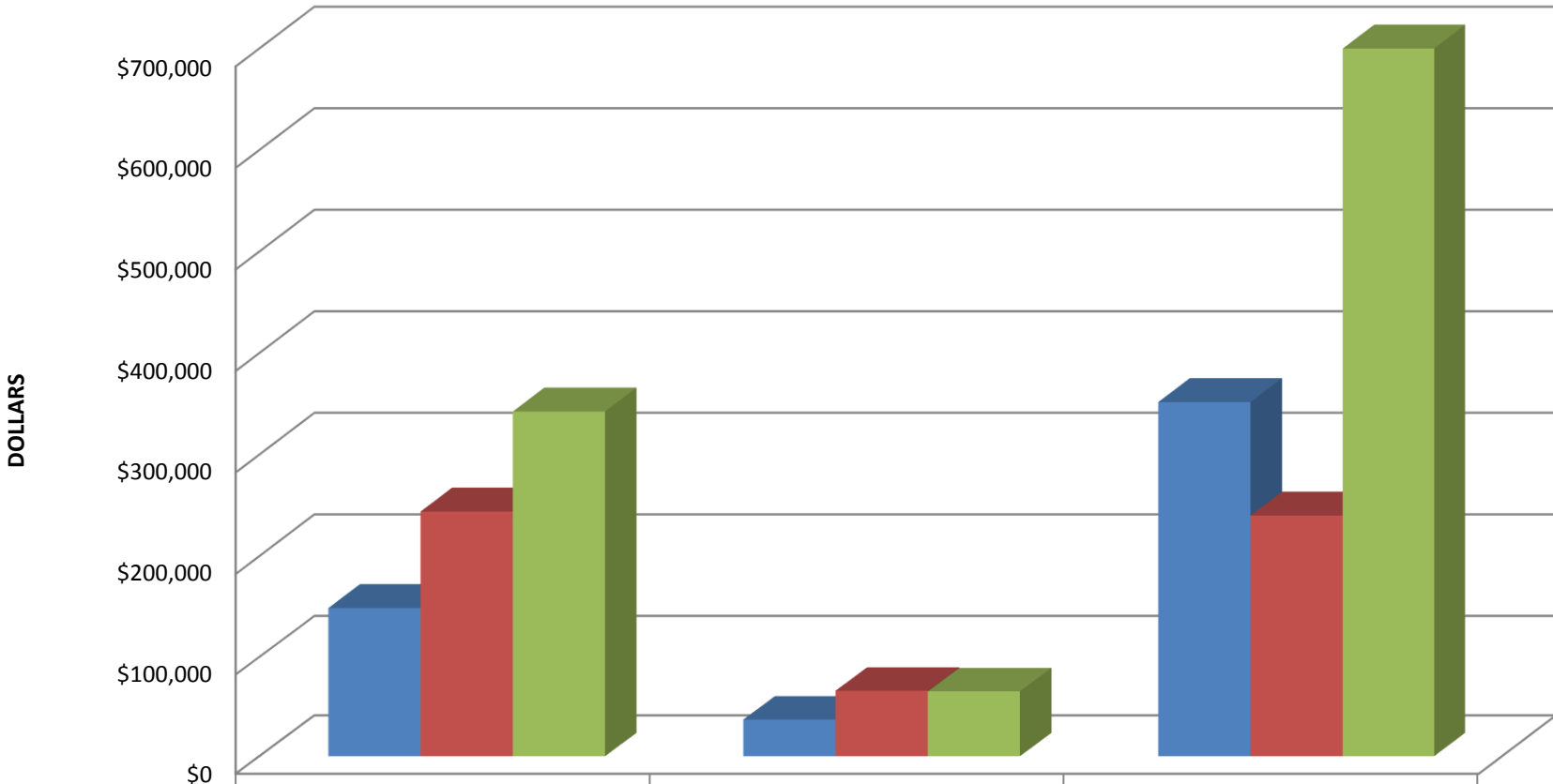
STORM WATER FUND REVENUE BY SOURCE FISCAL YEAR 2022 - 2024



**STORM WATER FUND
PROPOSED EXPENSE BUDGET
FISCAL YEAR 2024**



STORM WATER FUND EXPENSES BY TYPE FISCAL YEAR 2022 - 2024



	Operations	Debt Service	Capital Outlay
Actual FY 2022	\$148,936	\$36,935	\$351,801
Estimated FY 2023	\$243,980	\$66,020	\$240,000
Budget FY 2024	\$342,507	\$65,395	\$700,000

**FISCAL YEAR
2023/2024
PROPOSED
BUDGET
OTHER FUNDS**

FUND NAME	DESCRIPTION	BUDGET
Powell Bill	NC DOT allocation to be used solely for street related maintenance, repairs, etc.	\$70,500
Federal Asset Forfeiture	Restricted use funds from participation in federal agency investigations	\$25,000
Beach Protection	Reserve fund for future beach related needs	\$20,750
Sewer Expansion Reserve (SERF)	Reserve fund for future sewer expansion projects	\$18,380