

TOWN OF KURE BEACH FISCAL YEAR 2020/2021 PROPOSED BUDGET



MAY 18, 2020

GENERAL BUDGET INFORMATION

- The budget proposal is in accordance with NC General Statutes Section 159-11
- All sections of the budget are in conformance with The Local Government Budget and Fiscal Control Act
- As required by NC General Statutes Section 159-12, a public hearing must be held prior to budget adoption. The public hearing is proposed for Monday, June 8th at 6:00 pm
- Once the budget proposal is accepted by Town Council, copies will be available for public inspection on the Town's website and at Town Hall
- A balanced budget, or an interim budget, must be adopted before July 1st



GENERAL BUDGET INFORMATION

The budget proposal consists of 3 components:

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



**TOWN OF KURE BEACH
FISCAL YEAR 2020/2021
PROPOSED BUDGET**

<u>FUND</u>	<u>PROPOSED FY 2021 BUDGET</u>	<u>ORIGINAL FY 2020 BUDGET</u>	<u>CHANGE</u>	<u>% CHANGE</u>
General Fund	\$5,696,717	\$5,559,748	\$136,969	2.5%
Water and Sewer Fund	\$2,616,095	\$2,424,390	\$191,705	7.9%
Storm Water Fund	\$ 532,330	\$ 335,225	\$197,105	58.8%
Powell Bill Fund	\$ 110,000	\$ 66,450	\$43,550	65.5%
Federal Asset Forfeiture Fund	\$ 50,000	\$ 50,000	\$0	0.0%
Sewer Expansion Reserve Fund (SERF)	\$ 10,380	\$ 17,420	(\$7,040)	(40.4%)
Beach Protection Fund	<u>\$ 8,375</u>	<u>\$ 24,500</u>	<u>(\$16,125)</u>	(65.8%)
TOTAL	<u>\$9,023,897</u>	<u>\$8,477,733</u>	<u>\$546,164</u>	<u>6.4%</u>

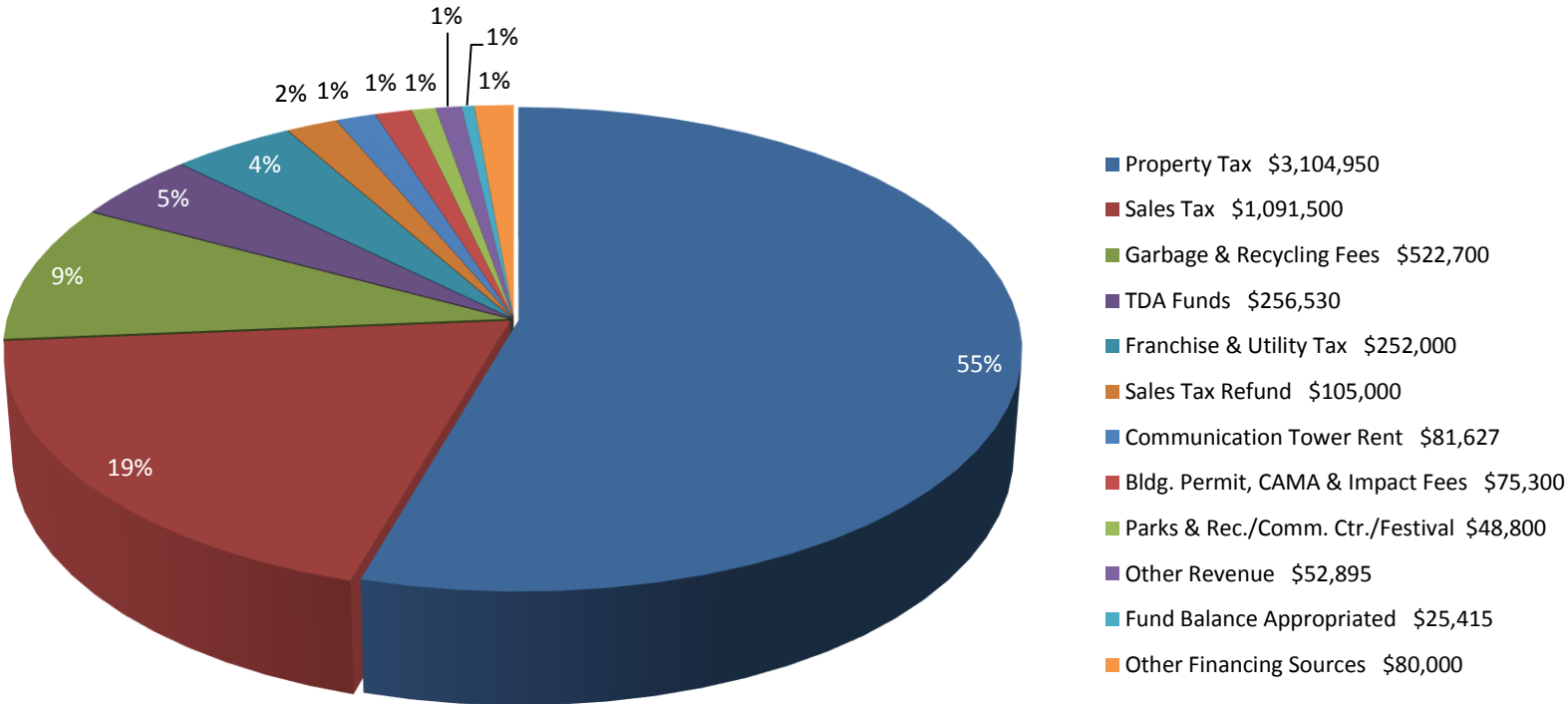
HIGHLIGHTS
PROPOSED
FISCAL YEAR
2020/2021
GENERAL FUND
BUDGET

1. No proposed tax rate or General Fund fee increases
2. 1.6% Cost of Living Adjustment and 2.75% merit increase for full-time employees
3. Addition of one full-time employee in the Fire Department
4. Capital expenditures totaling approximately \$90,000

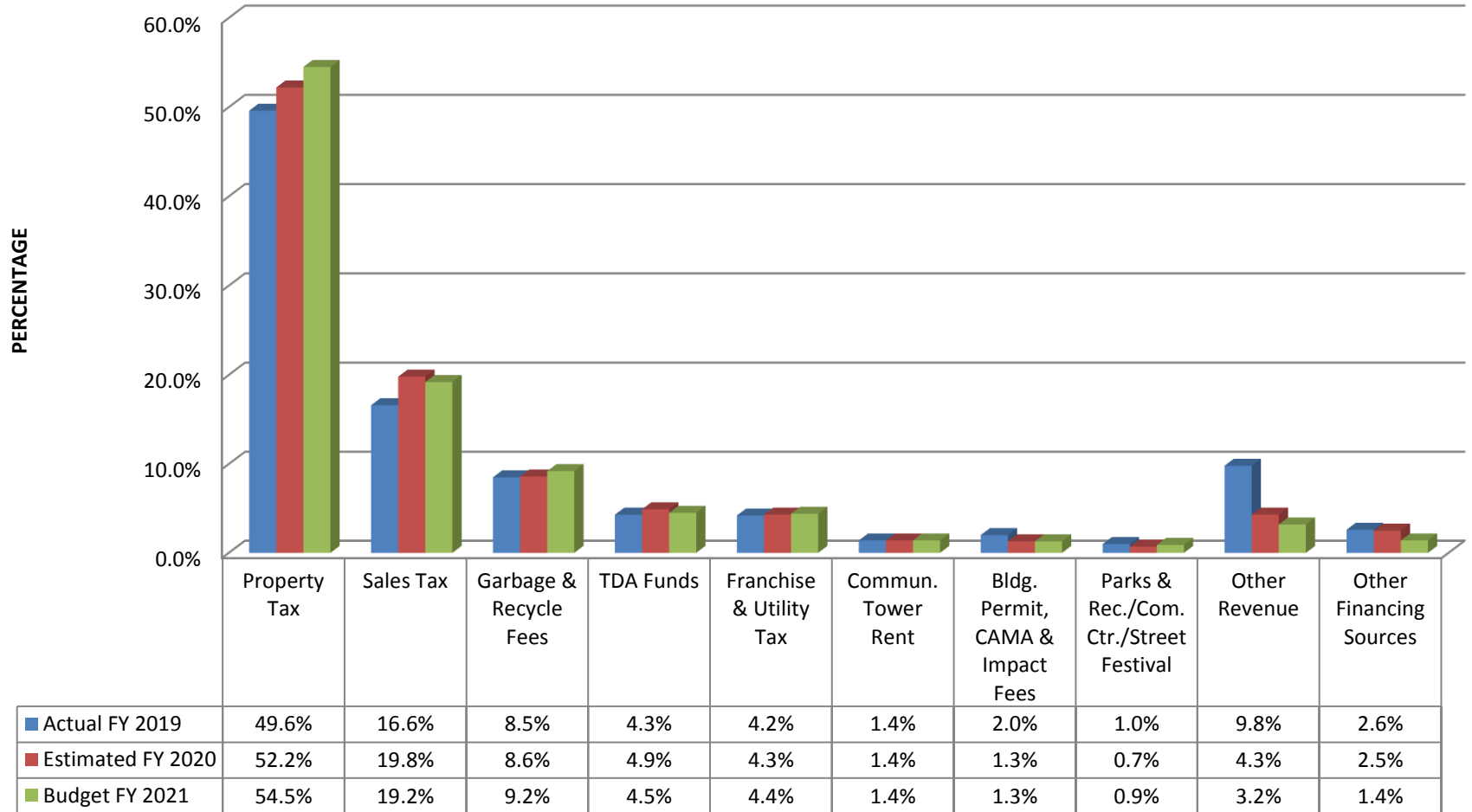
HIGHLIGHTS
PROPOSED
FISCAL YEAR
2020/2021
GENERAL FUND
BUDGET

5. Debt service totaling \$713,800
6. Transfer \$5,000 to the Beach Protection Fund
7. Overall, the 2021 General Fund budget is 2.5% greater than the 2020 original budget

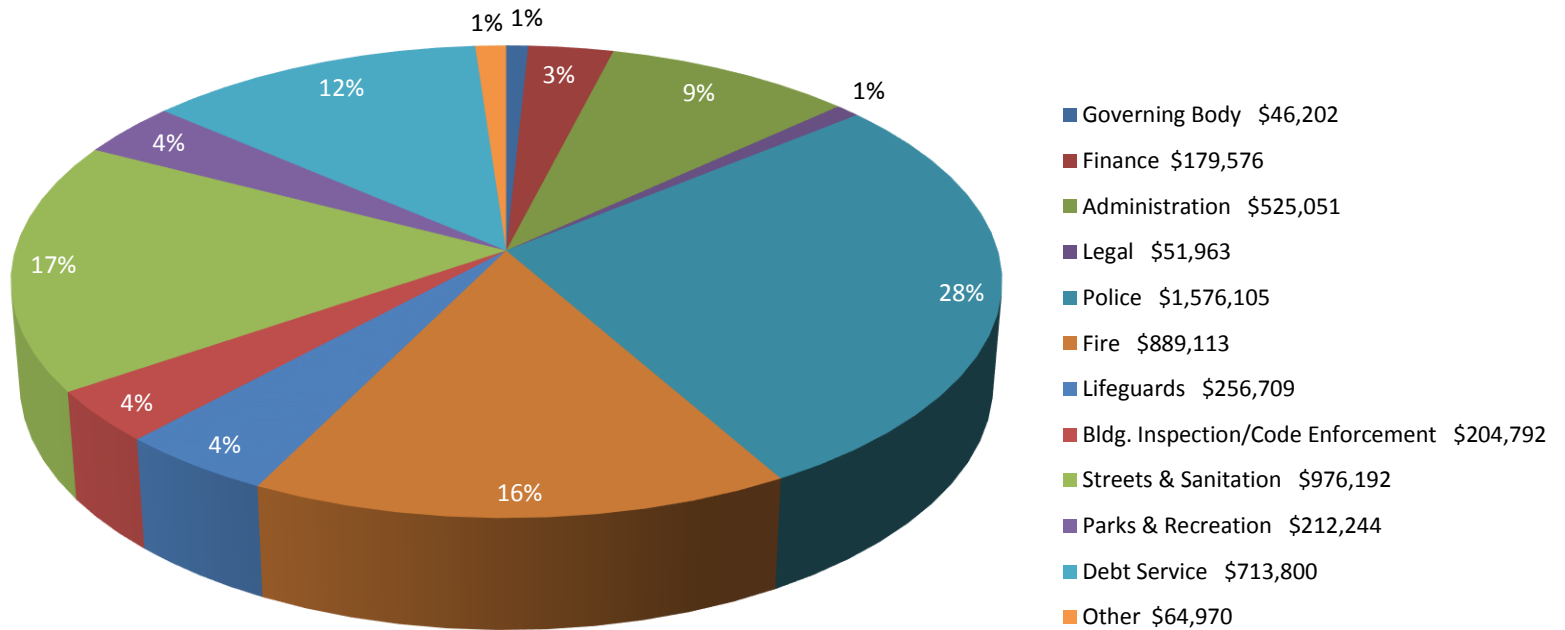
GENERAL FUND REVENUE BUDGET FISCAL YEAR 2021



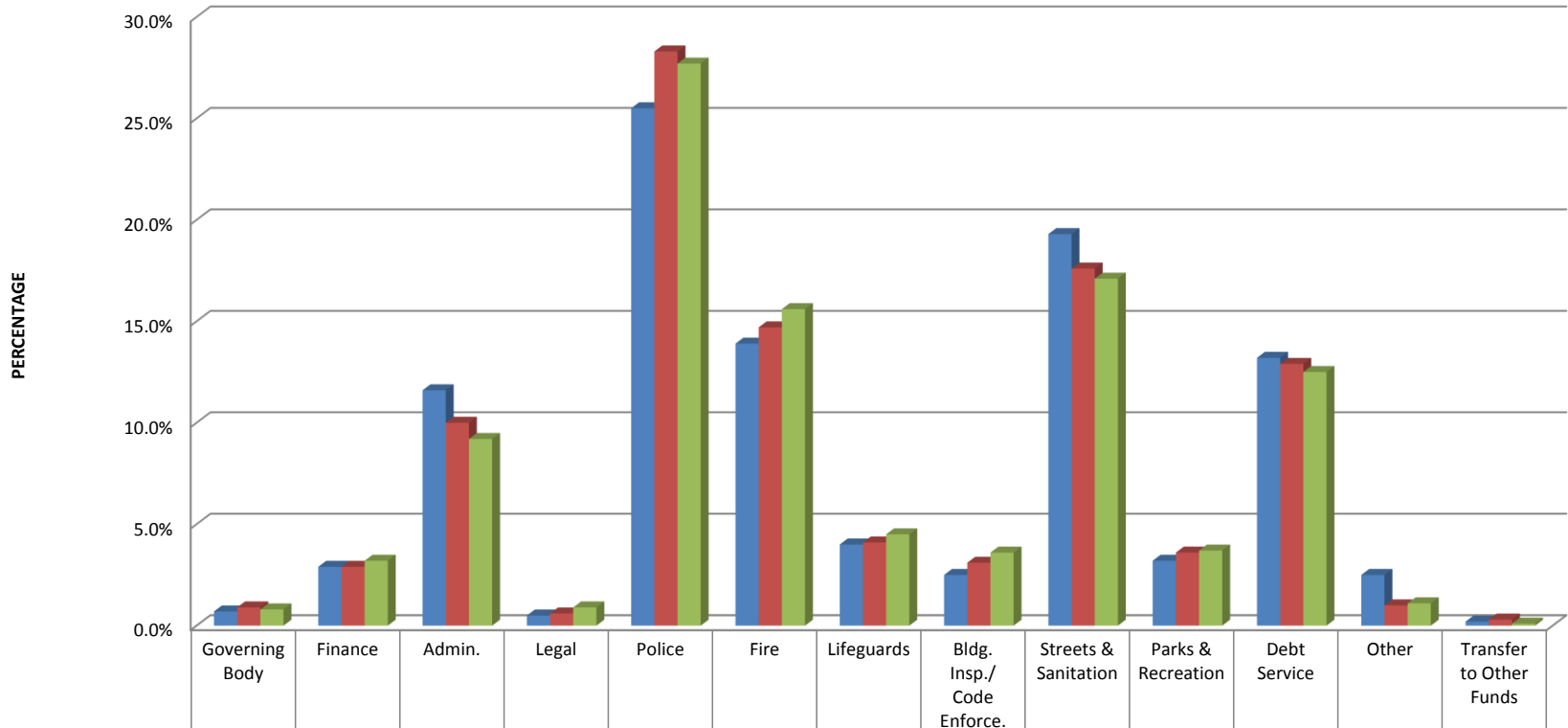
GENERAL FUND PERCENTAGE OF REVENUE BY SOURCE FISCAL YEAR 2019 TO 2021



GENERAL FUND EXPENSE BUDGET FISCAL YEAR 2021



**GENERAL FUND
PERCENTAGE OF EXPENSES BY DEPARTMENT
FISCAL YEAR 2019 TO 2021**

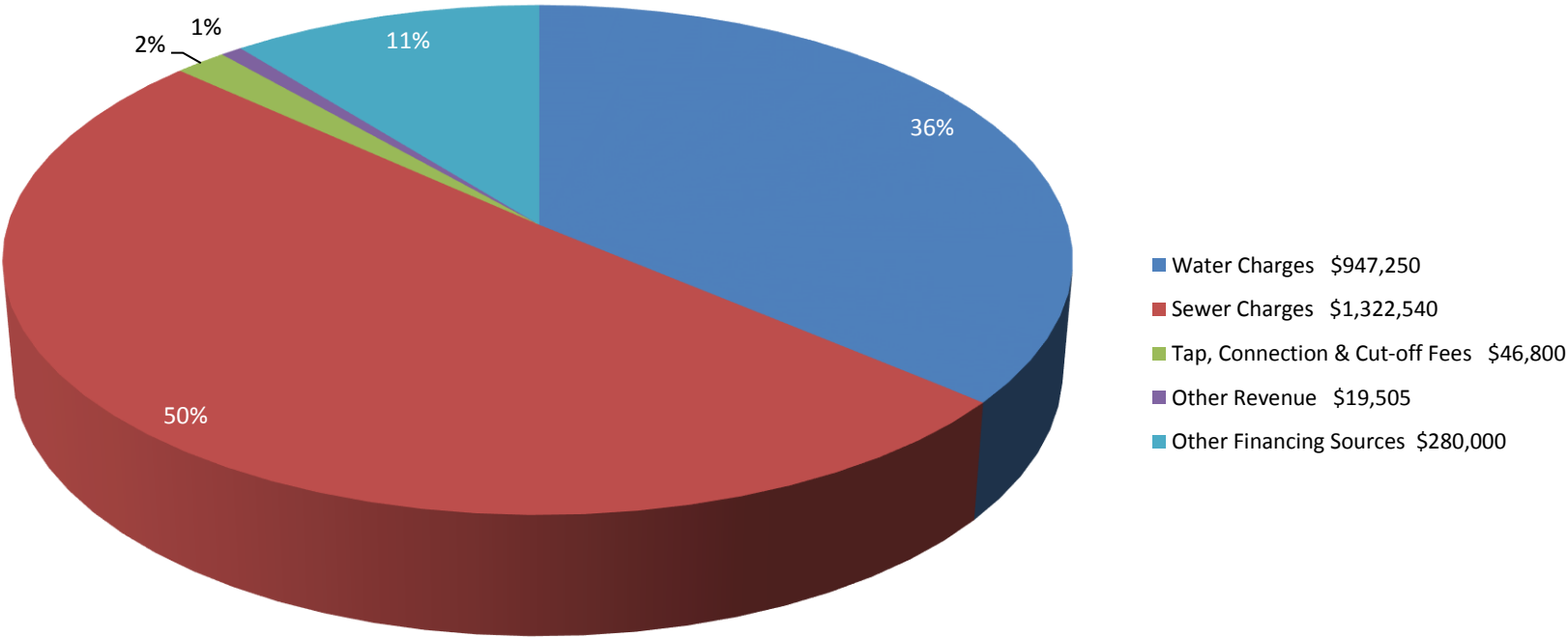


Actual FY 2019	0.7%	2.9%	11.6%	0.5%	25.5%	13.9%	4.0%	2.5%	19.3%	3.2%	13.2%	2.5%	0.2%
Estimated FY 2020	0.9%	2.9%	10.0%	0.6%	28.3%	14.7%	4.1%	3.1%	17.6%	3.6%	12.9%	1.0%	0.3%
Budget FY 2021	0.8%	3.2%	9.2%	0.9%	27.7%	15.6%	4.5%	3.6%	17.1%	3.7%	12.5%	1.1%	0.1%

**HIGHLIGHTS
PROPOSED
FISCAL YEAR
2020/2021
WATER AND
SEWER FUND
BUDGET**

1. 10% increase to the water and sewer usage-based rate tiers for monthly usage above the minimum number of gallons
2. Approximately \$382,800 for infrastructure projects and equipment capital expenditures
3. Debt service totaling approximately \$423,000
4. Overall, the 2021 Water and Sewer budget is 7.9% greater than the 2020 original budget

**WATER & SEWER FUND
REVENUE BUDGET
FISCAL YEAR 2021**



PROPOSED FISCAL YEAR 2020/2021 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 10%
 - Estimate that 52% of the annual Residential billings will be impacted

PROPOSED FISCAL YEAR 2020/2021 RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES

3. Proposed rate structure for Residential customers for fiscal year 2021:

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.)	\$0.495	\$0.5445	\$0.638	\$0.7018	10% Inc.
7,001 to 12,000 gals. (rate per 100 gals.)	\$0.7425	\$0.8168	\$0.957	\$1.0527	10% Inc.
Over 12,000 gals. (rate per 100 gals.)	\$1.11375	\$1.2251	\$1.4355	\$1.5791	10% Inc.

4. **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>\$33.99</u>	<u>\$37.39</u>
Total	<u>\$70.99</u>	<u>\$74.39</u>
Increase Amount		\$3.40
% Change		4.8%

**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	\$56.65	\$62.32
7,001 to 12,000 gallons	<u>\$84.98</u>	<u>\$93.48</u>
Total	<u>\$178.63</u>	<u>\$192.80</u>
Increase Amount		\$14.17
% Change		7.9%
<u>Monthly Usage of 18,000 Gallons</u>		
Minimum up to 2,000 (Water & Sewer)	\$37.00	\$37.00
2,001 to 7,000 gallons	\$56.65	\$62.32
7,001 to 12,000 gallons	\$84.98	\$93.48
Over 12,000 gallons	<u>\$152.96</u>	<u>\$168.26</u>
Total	<u>\$331.59</u>	<u>\$361.06</u>
Increase Amount		\$29.47
% Change		8.9%

PROPOSED FISCAL YEAR 2020/2021

COMMERCIAL WATER & SEWER RATE STRUCTURE CHANGES

1. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%

2. Proposed 2021 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.)	\$0.7634	\$0.8397	\$0.78375	\$0.8621	10% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$0.95425	\$1.0497	\$0.9797	\$1.0777	10% 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>\$278.49</u>	<u>\$306.33</u>
Total	<u>\$322.49</u>	<u>\$350.33</u>
Increase Amount		\$27.84
% Change		8.6%
<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	\$1,052.06	\$1,157.23
Over 70,000 gallons	<u>\$928.30</u>	<u>\$1021.16</u>
Total	<u>\$2,024.36</u>	<u>\$2,222.39</u>
Increase Amount		\$198.03
% Change		9.8%

PROPOSED FISCAL YEAR 2020/2021 OUT OF JURISDICTION WATER & SEWER RATE STRUCTURE CHANGES

1. The usage-based rate tiers for usage above the minimum gallons will be increased by 10%

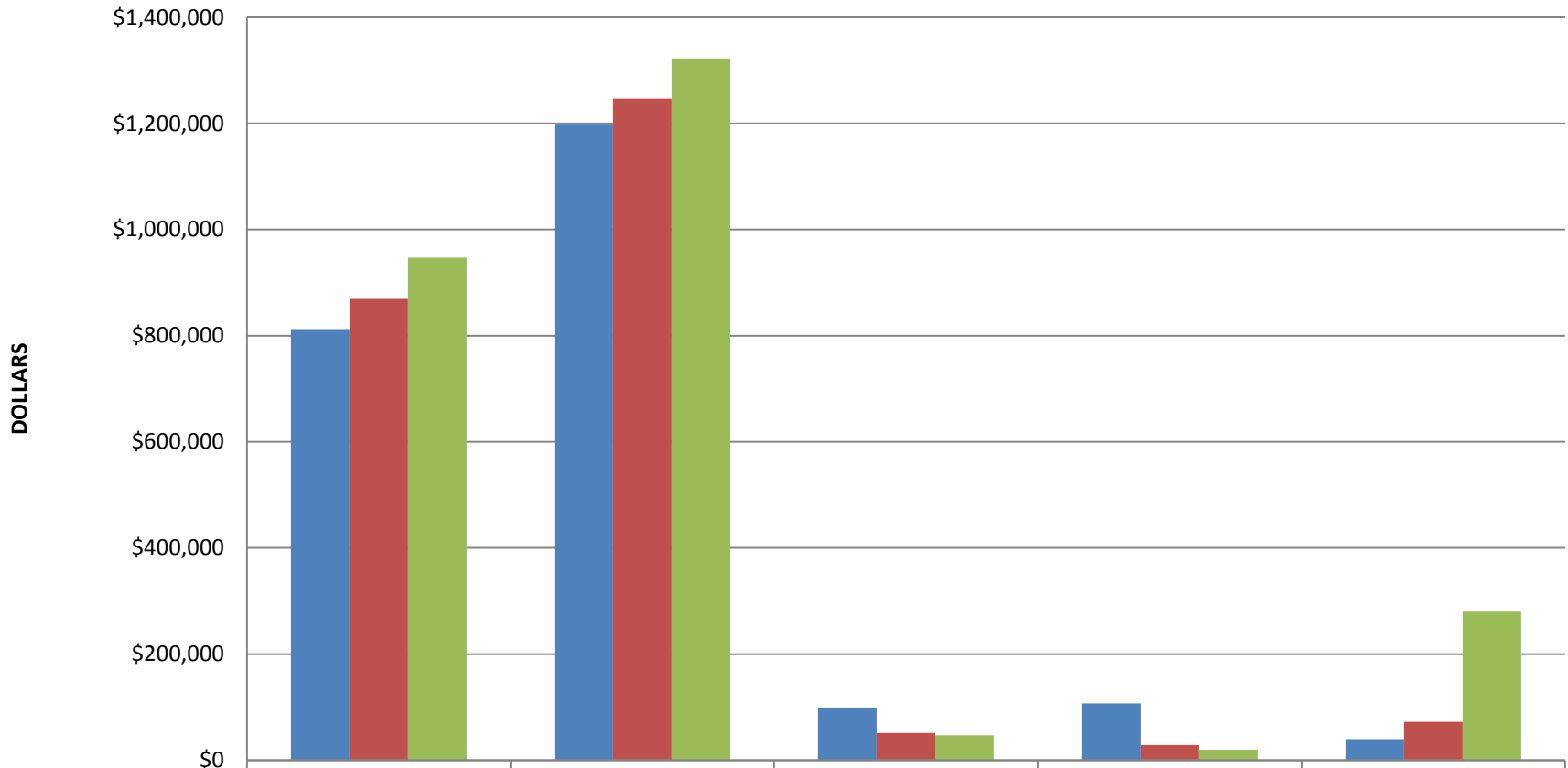
2. Proposed rate structure for Out of Jurisdiction customers for fiscal year 2021:

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.)	\$0.86625	\$0.9529	\$1.11375	\$1.2251	10% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$1.08282	\$1.1911	\$1.39219	\$1.5314	10% Inc.

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

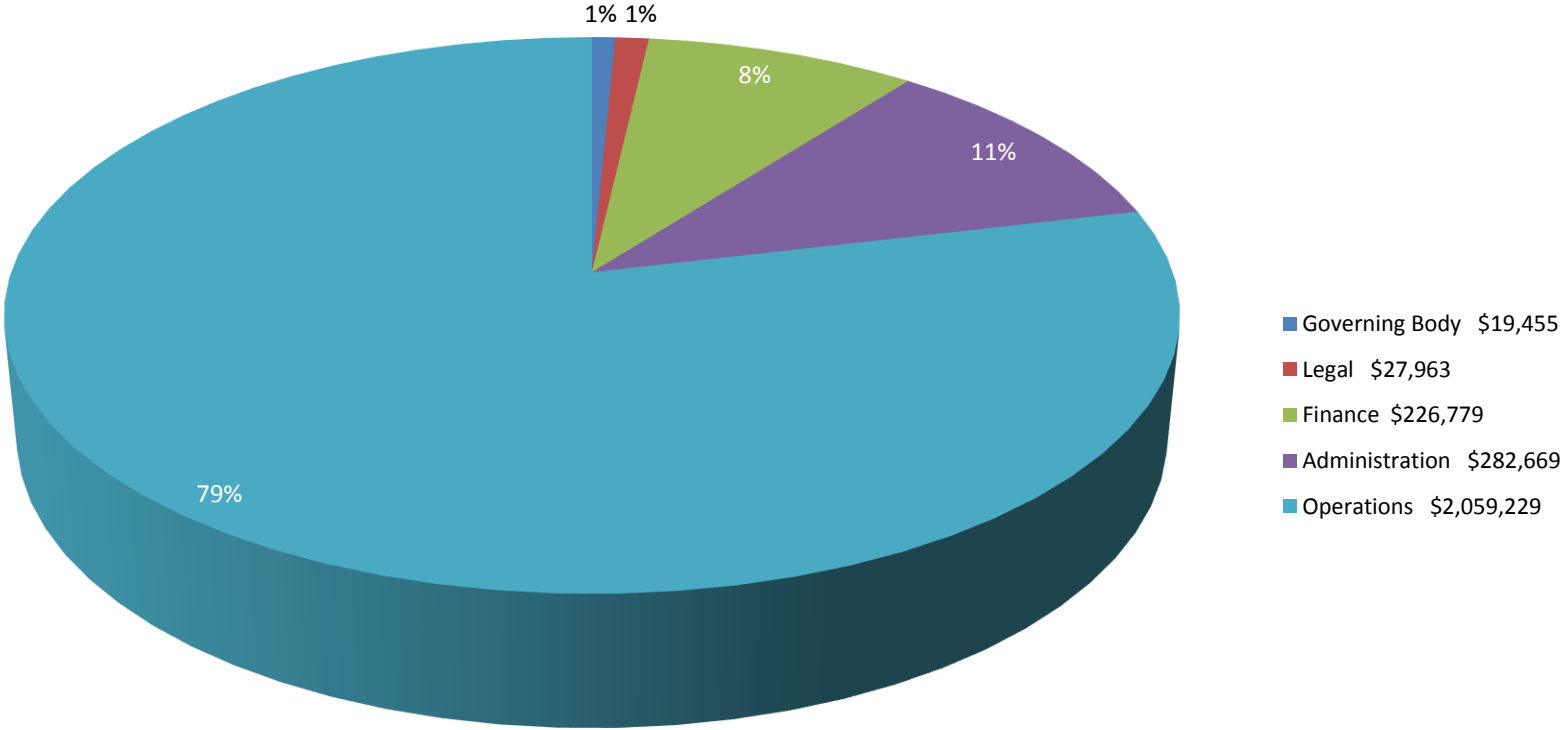
	EXISTING RATES	PROPOSED RATES
<u>Monthly Usage of 20,000 Gallons</u>		
Minimum up to 2,000 gallons (Water & Sewer)	\$63.50	\$63.50
2,001 to 20,000 gallons	<u>\$356.41</u>	<u>\$392.04</u>
Total	<u>\$419.91</u>	<u>\$455.54</u>
Increase Amount		\$35.63
% Change		8.5%
<u>Monthly Usage of 350,000 Gallons</u>		
Minimum up to 2,000 (Water & Sewer)	\$63.50	\$63.50
2,001 to 70,000 gallons	\$1,346.40	\$1,481.04
Over 70,000 gallons	<u>\$6,930.03</u>	<u>\$7,623.00</u>
Total	<u>\$8,339.93</u>	<u>\$9,167.54</u>
Increase Amount		\$827.61
% Change		9.9%

**WATER & SEWER FUND
REVENUE BY SOURCE
FISCAL YEAR 2019 TO 2021**

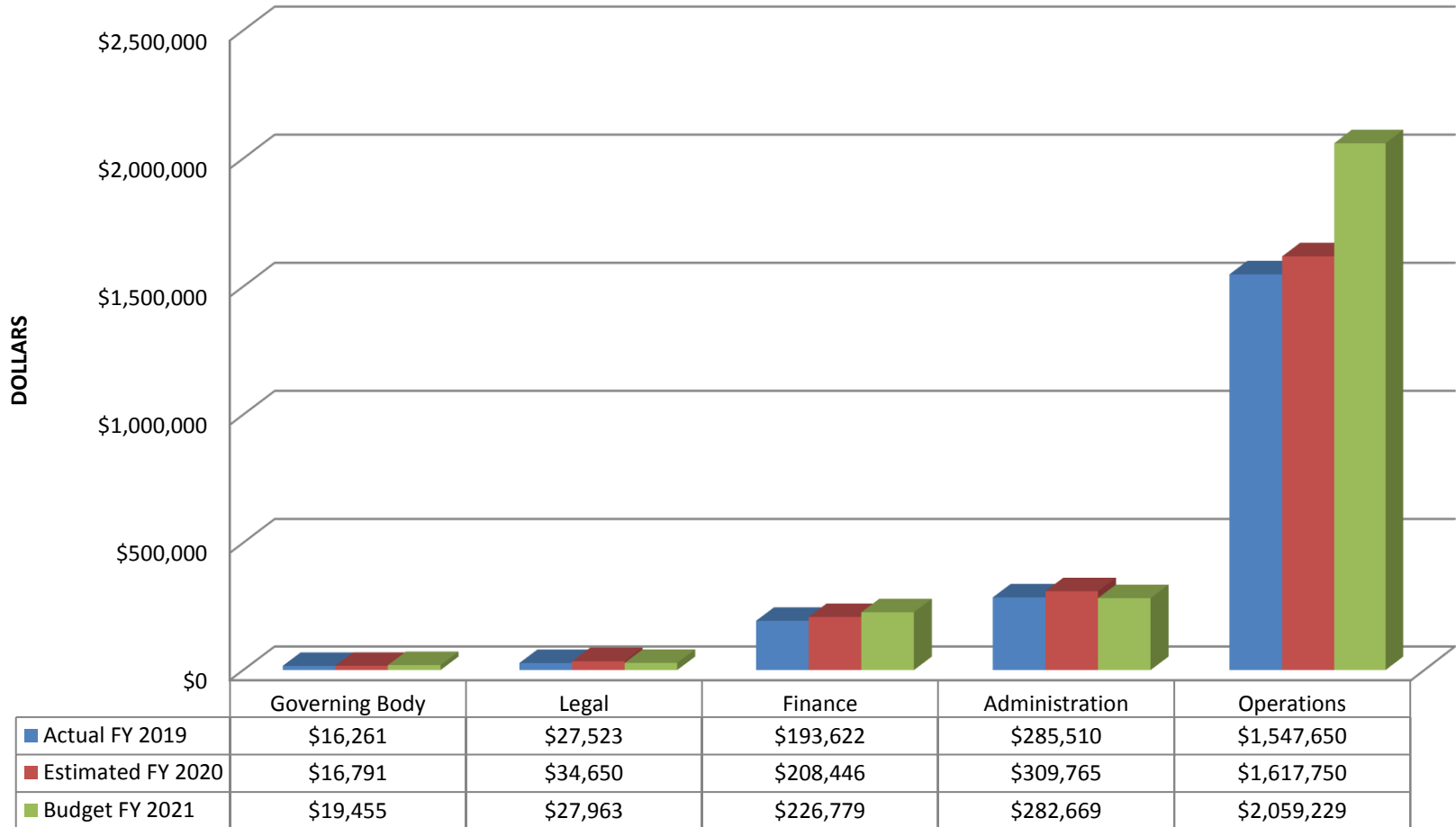


	Water Charges	Sewer Charges	Tap, Connection & Cut-off Fees	Other Revenue	Other Financing Sources
Actual FY 2019	\$812,381	\$1,197,901	\$99,470	\$107,116	\$39,571
Estimated FY 2020	\$869,400	\$1,247,300	\$51,055	\$28,840	\$72,483
Budget FY 2021	\$947,250	\$1,322,540	\$46,800	\$19,505	\$280,000

**WATER & SEWER FUND
EXPENSE BUDGET
FISCAL YEAR 2021**



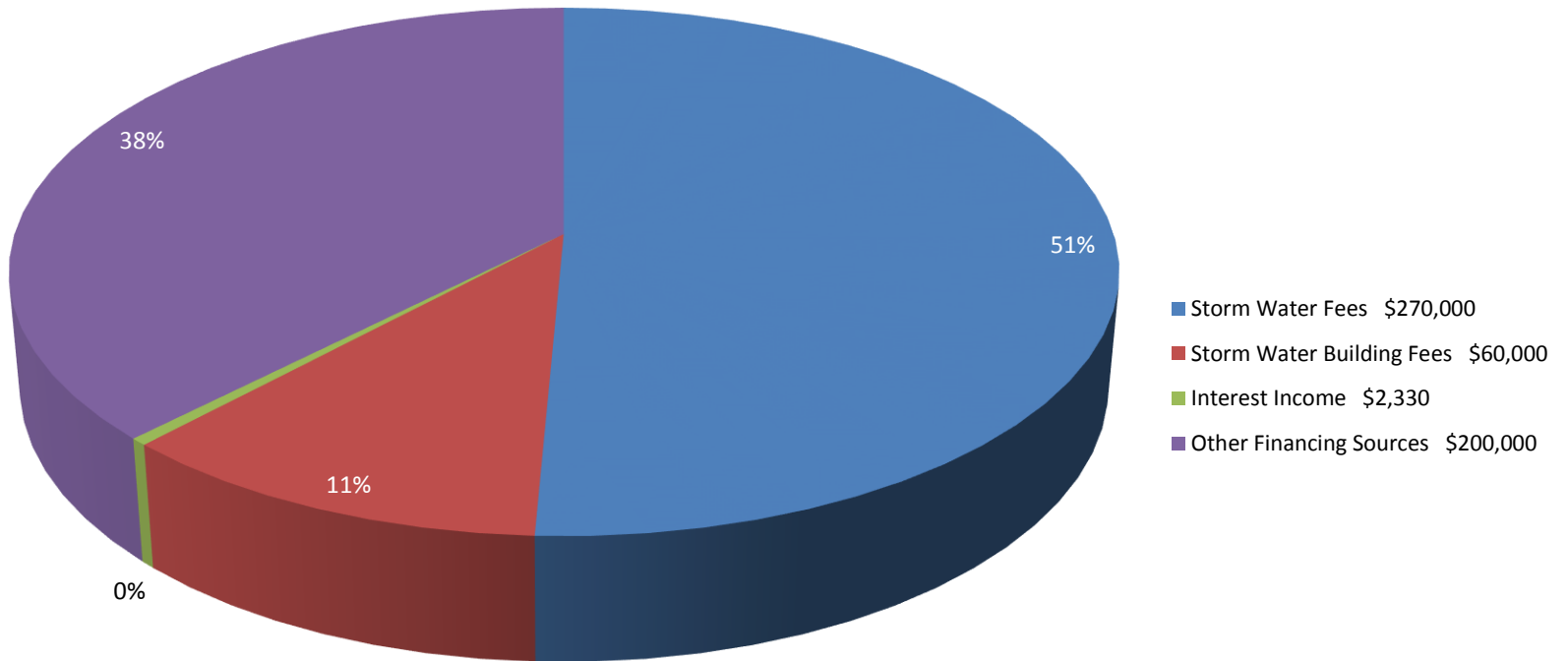
WATER & SEWER FUND EXPENSES BY DEPARTMENT FISCAL YEAR 2019 - 2021



HIGHLIGHTS
PROPOSED
FISCAL YEAR
2020/2021
STORM WATER
FUND BUDGET

1. Increase monthly Storm Water fees by 14.8%
2. \$260,975 for equipment purchases and infrastructure projects
3. Debt service totaling approximately \$45,500
4. Overall, the 2021 Storm Water budget is 58.8% greater than the 2020 original budget

**STORM WATER FUND
REVENUE BUDGET
FISCAL YEAR 2021**



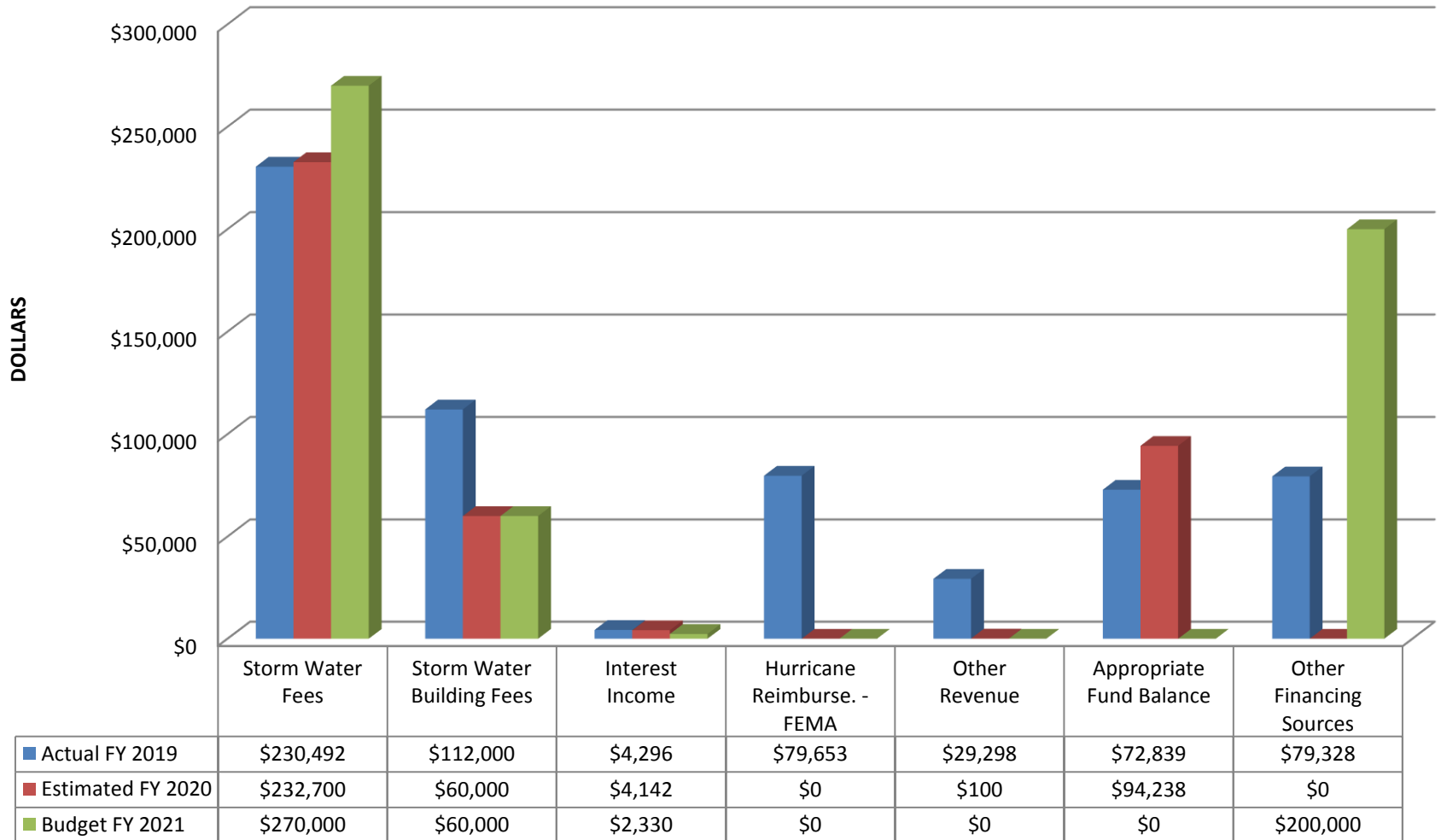
STORM WATER FUND

PROPOSED STORM WATER FEES

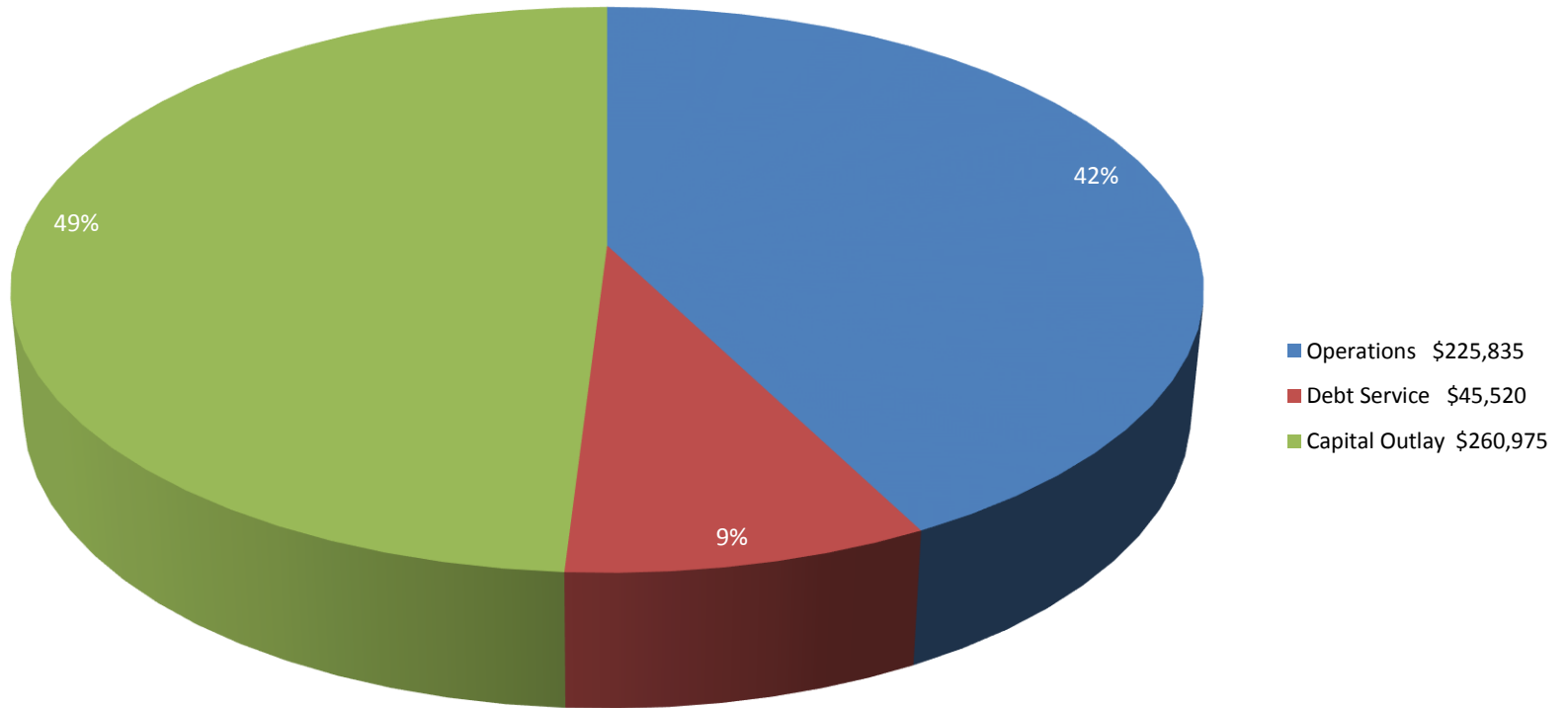
FISCAL YEAR 2021

DESCRIPTION	CURRENT MONTHLY FEE	PROPOSED MONTHLY FEE	MONTHLY INCREASE	ANNUAL INCREASE	% INCREASE
Residential Unit	\$8.71	\$10.00	\$1.29	\$15.48	14.8%
Commercial (a)	\$5.42 to \$88.71	\$6.22 to \$101.84	\$0.80 to \$13.13	\$9.60 to \$157.56	14.8%
(a) - Commercial rates vary based on size of property.					

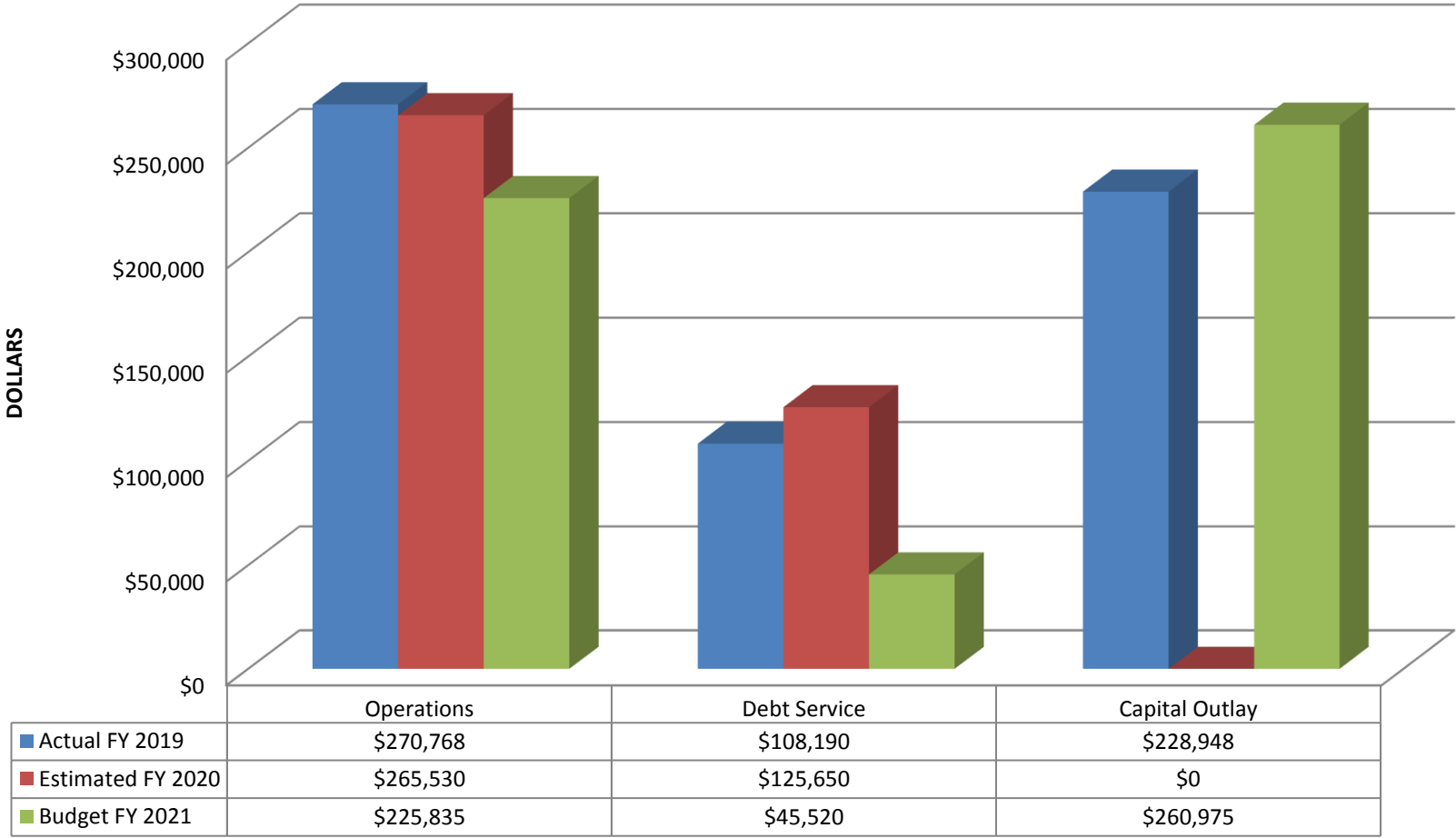
STORM WATER FUND REVENUE BY SOURCE FISCAL YEAR 2019 - 2021



**STORM WATER FUND
EXPENSE BUDGET
FISCAL YEAR 2021**



STORM WATER FUND EXPENSES BY TYPE FISCAL YEAR 2019 - 2021



**FISCAL YEAR 2020/2021 PROPOSED BUDGET
OTHER FUNDS**

FUND NAME	DESCRIPTION	BUDGET
Powell Bill	NC DOT allocation to be used solely for street related maintenance, repairs, etc.	\$110,000
Federal Asset Forfeiture	Restricted use funds from participation in federal agency investigations	\$50,000
Sewer Expansion Reserve (SERF)	Reserve fund for future sewer expansion projects	\$10,380
Beach Protection	Reserve fund for future beach related needs	\$8,375