



# TOWN COUNCIL MINUTES

## **BUDGET WORKSHOP #1 TOWN HALL**

**Monday April 4 2025 @ 9:00 a.m.**

The Kure Beach Town Council held budget workshop # 1 to review the proposed FY25-26 budget. The Town Attorney and a quorum of Council was present.

### COUNCIL MEMBERS PRESENT

Mayor Allen Oliver  
Mayor Pro Tem David Heglar  
Commissioner Connie Mearkle  
Commissioner John Ellen  
Commissioner Dennis Panicali

### COUNCIL MEMBERS ABSENT

### STAFF IN ATTENDANCE

Finance Officer Arlen Copenhaver  
Police Chief Mike Bowden  
Fire Chief Ed Kennedy  
Public Works Director Jimmy Mesimer  
Recreation Director Nikki Keely  
Director of Administration – Mandy Sanders  
Town Clerk - Beth Chase

### CALL TO ORDER

Mayor Oliver called the meeting to order at 9:00 a.m.

### BUDGET PRESENTATION

Finance Officer Copenhaver presented the proposed budget assumptions, summary by fund and summary by department. Said presentation is herein included in these minutes.

### PRESENTATION OF FIRST DRAFT OF FY25-26 BUDGET (Finance Officer Copenhaver)

#### Budget Assumptions:

1. No changes in services provided or level of services provided
2. Change current tax rate of \$0.29 to estimated revenue neutral tax rate of \$0.172
3. No change to General Fund fees
4. No changes to water & sewer rates
5. No General Fund Contingency 6. No transfer from the General Fund to the Beach Protection Fund 7. No changes to full -time headcount
6. Employee Compensation COLA:
7. 2.5% Merit: 2%

#### Highlights:

- General Fund – Short \$141,433, Does not include a transfer to the Beach Protection Fund or Contingency
- Water/Sewer Fund – Short \$108,248



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- Storm Water Fund – Short \$474,988

## DEPARTMENT HEAD STATEMENTS

Public Works Department, Public Works Director Mesimer stated:

### Increases:

F/T Personnel-Related Costs: \$28,400

- Building Maintenance: \$16,000
- Utilities: \$5,000
- Recycling: \$5,000
- Uniforms: \$2,000
- Telephone: \$500

### Decreases:

- Capital Outlay – Equipment: \$250,000
- Capital Outlay – Improvements: \$75,000
- Ocean Front Park Maintenance: \$30,000
- Minor Equipment: \$26,500
- Engineering Fees: \$20,000
- Beach Access/Boardwalk Repairs: \$15,000
- Materials & Supplies: \$15,000
- Landscaping: \$12,000
- Computer Services: \$5,000
- Travel & Training: \$2,000
- Safety Program: \$1,000

Public Works Ian Sullivan gave a presentation on the garbage proposal that is hereby incorporated into the minutes.

MPT Heglar stated Public Works is looking for approval to start the bid process to enter into a contract for garbage services. Also to not put the trash cans back on the beach this season.

MOTION- MPT Heglar made a motion approve the recommendation to not put the garbage cans on the beach strand

SECOND- Commissioner Panicali

VOTE- Unanimous



# TOWN COUNCIL MINUTES

## BUDGET WORKSHOP #1 TOWN HALL

Monday April 4 2025 @ 9:00 a.m.

Water and Sewer Fund increases are:

- F/T Personnel-related Costs: \$
- Capital Outlay - Equipment: \$
- Equipment Maintenance: \$
- Water Testing Services: \$
- Maintenance of System: \$
- Supplies & Materials: \$
- Capital Outlay - Improvements: \$
- Uniforms: \$

Water and Sewer Fund decreases are:

- Debt Service decreased \$

Storm Water Operations increases:

- F/T Personnel-related Costs: \$
- Dues & Permit Fees: \$

Storm Water Operations decreases:

- System Maintenance: \$

### 1. Police Department

Police Chief Bowden stated:

- F/T Personnel-related Costs increased \$29,842 for COLA, Merit and promotions
- Contracts: Increased \$2,500
- Building Maintenance: Increased \$5,000
- Capital Outlay Vehicles: Increased \$65,000
- Capital Outlay - Equipment: Increased \$55,000
- LEO Separation Allowance-Related: Increased \$32,029
- Dues & Subscriptions: Increased \$5,100
- Building Maintenance: Increased \$5,000
- Travel & Training: Increased \$3,000
- Contracts: Increased \$2,500
- Utilities: Increased \$2,000
- Workers Comp. Insurance: Increased \$1,007



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Monday April 4 2025 @ 9:00 a.m.

### 2. Fire Department & Lifeguards

Fire Chief Kennedy stated:

#### Increases:

- F/T Personnel-Related Costs: \$60,447
- P/T Personnel-Related Costs: \$3,650
- Drill Fee-Related Costs: \$5,948
- Capital Outlay: - Truck: \$60,000
- Medical Exams: \$2,200
- Workers Comp. Insurance: \$734
- Uniforms: \$500
- Utilities: \$500
- Supplies: \$500

#### Decreases:

- Minor Equipment: \$87,500
- Capital Outlay – Equipment: \$69,669

### 3. Development an

Director of Development and Compliance stated:

- F/T Personnel-related Costs decreased \$ 16,733 for Merit and COLA
- Capital Outlay - Truck: \$60,000
- Computer Software/Support: increased \$1,100
- Vehicle Allowance: decreased \$3,400

### 4. Recreation

Recreation Director Keely stated:

#### Increases:

F/T Personnel-Related Costs: \$10,122  
Capital Outlay - Equipment: \$150,000  
Professional/Consulting Fees: \$35,000  
Boogie In The Park: \$3,000

#### Decreases:

Boardwalk Fish: \$4,000  
Other Town Events: \$2,000  
Sponsorship Maintenance: \$1,000

Community Center:

- Increased for Maintenance: \$5,000



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## BUDGET WORKSHOP #1 TOWN HALL

Monday April 4 2025 @ 9:00 a.m.

### 5. Administration

Town Clerk Chase stated:

#### Increases:

- F/T Personnel-Related Costs: \$8,933
- Retiree Medical: \$10,415
- P&L Insurance: \$8,550
- Building Maintenance: \$6,800
- Supplies: \$2,000
- Computer Service: \$1,419
- Employee Recognition: \$1,000
- Meetings/Events: \$1,000

#### Decreases:

- P/T Personnel-Related Costs: \$1,077

### Governing Body

- Gov. & Volunteer Relations: \$1,500
- Contributions decreased \$10,000

### Emergency Management

- No change from last year

### Elections

- Local election in FY 2025 – no local election in this next budget year

### Committee:

#### Shoreline Access & Beach Protection - \$10,625

- Replace Lost/Damaged Signs - \$6,000
- SLABP Brochure - \$800
- Sea Oats (2,750 @ \$0.80) - \$2,200
- Education Giveaway Items - \$1,625

#### Bike/Ped Committee - \$10,000

- Education for members - \$2,000
- Public Education Information - \$2,800
- Education events- \$3,500
- Bike rack/service stand/parking pads – \$1,200
- Spot Lane Connector Beautification - \$500



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## BUDGET WORKSHOP #1 TOWN HALL

Monday April 4 2025 @ 9:00 a.m.

### 6. Finance Department

Finance Officer Copenhaver stated:

#### Increases:

- F/T Personnel-Related Costs: \$7,734 / 4.7%
- Bank/Payroll/Credit Card Fees: \$7,540 / 25%
- Equipment Rental: \$650 / 13%

#### Decreases:

None

## REVENUE REVIEW

Finance Officer Copenhaver presented projected revenue numbers. Presentation is herein incorporated as part of these minutes.

## OUTSIDE AGENCY FUNDING REQUESTS

Finance Officer Copenhaver stated funding requests totaled \$48,400 as follows:

- Pleasure Island Chamber of Commerce (concert series) - \$30,000
- Federal Point Historic Preservation Society - \$5,000
- Island of Lights - \$1,200
- Friends of Fort Fisher, Inc. - \$0
- Federal Point Help Center - \$1,800
- Katie B. Hines Senior Center - \$5,000
- North Carolina Aquarium Society - \$0
- Pleasure Island Sea Turtle Project - \$5,400

## PROPERTY REVALUATION GENERAL INFORMATION

- North Carolina law requires all counties to reappraise real property at least once every 8 years
- New Hanover County moved to a 4 year reappraisal cycle beginning with the January 2017 revaluation
- Reappraisal is performed to re-establish the fairness of the tax burden between properties that typically change in value at different rates by location and property type

## FY 2025 BUDGET POTENTIAL RATE/FEE INCREASES:

1. General Fund
  - a. Property Taxes
  - b. Garbage Collection Fees
2. Water & Sewer Fund
  - a. Water Rates
  - b. Sewer Rates



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## BUDGET WORKSHOP #1 TOWN HALL

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### Property Taxes

- Increase the revenue neutral tax rate of 17.2 cents per \$100 of value by an amount to be determined by Town Council
- Current estimate of property tax increase, assuming no reductions to the expense budget and not implementing any other fee or rate increases:
  - Increase of 0.8 cents (4.65%) generating approximately \$177,000 of annual revenue

CONSENSUS- Town Council agreed to move forward to the next budget workshop with the following impacts to the budget:

- Using the Appropriate Balance to balance the budget
- Water/Sewer Fund – 5% Minimum and 5% rate tier increase

### COUNCIL DETERMINATION OF FY25/26 GOALS:

#### Current Council Goals:

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
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



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CONSENSUS- Town Council to review Council Goals and bring back recommendations to Budget Workshop #2

CLOSED SESSION  
None.

ADJOURN

MOTION- MPT Heglar made a motion to adjourn the budget meeting at 2:23 p.m.

SECOND- Commissioner Panicali

VOTE- Unanimous