



TOWN COUNCIL MINUTES

BUDGET WORKSHOP #1 TOWN HALL

Monday March 26 2026 @ 11:00 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 Byron Ashbridge
Commissioner Mark Dirks

COUNCIL MEMBERS ABSENT

STAFF IN ATTENDANCE

Finance Officer - Arlen Copenhaver
Police Chief - Brandon Bailey
Fire Chief - Ed Kennedy
Director of Compliance - Bethany White
Public Works Director - Jimmy Mesimer
Recreation Director - Nikki Keely
Town Clerk - Beth Chase

CALL TO ORDER

Mayor Oliver called the meeting to order at 11:00 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 FY26-27 BUDGET (Finance Officer Copenhaver)

Budget Assumptions:

1. No changes in services provided or level of services provided
2. No change to tax rate
3. No change to General Fund fees
4. No changes to water & sewer rates
5. Inclusion of projects requested at Council Retreat (e.g., paving, boardwalk, water/sewer improvements, etc.)
6. No General Fund Contingency
7. No transfer from the General Fund to the Beach Protection Fund
8. No changes to full-time headcount
- Employee Compensation
 - COLA: 2.8%
 - Merit: 1.5%



TOWN COUNCIL MINUTES

**BUDGET WORKSHOP #1
TOWN HALL**

Monday March 26 2026 @ 11:00 a.m.

Highlights:

- General Fund – Short \$953,145, Does not include a transfer to the Beach Protection Fund or Contingency
- Water/Sewer Fund – Short \$859,866
- Storm Water Fund – Over \$159,545

DEPARTMENT HEAD STATEMENTS

Public Works Department, Public Works Director Mesimer stated:

Increases:

- F/T Personnel-Related Costs: \$46,058
- Beach Access/Boardwalk Repairs: \$275,000
- Capital Outlay - Improvements: \$250,000
- Capital Outlay - Vehicles: \$60,000
- Capital Outlay – Equipment: \$17,000
- Recycling: \$11,000
- Equipment Maintenance: \$2,000

Decreases:

- Professional & Consulting Fees: \$26,000
- Building Maintenance: \$10,000

Water and Sewer Fund increases are:

- F/T Personnel-Related Costs: \$41,210
- Capital Outlay - Improvements: \$690,000
- Capital Outlay - Equipment: \$75,000
- Dues/Subscriptions/Permits: \$1,000
- Supplies & Materials: \$500

Water and Sewer Fund decreases are:

- Engineering Fees: \$90,000
- System Maintenance: \$21,000
- Equipment/Building Maintenance: \$5,000
- Medical Exams: \$500

Storm Water Operations increases:

- F/T Personnel-Related Costs: \$9,470
- Engineering: \$80,000



TOWN COUNCIL MINUTES

**BUDGET WORKSHOP #1
TOWN HALL**

Monday March 26 2026 @ 11:00 a.m.

Decreases:

- Professional Fees: \$70,000
- Supplies: \$2,000

1. Police Department

Police Chief Bailey stated:

- F/T Personnel-Related Costs: \$118,754
- Capital Outlay - Vehicles: \$15,000
- Computer Software/Support: \$13,000
- Capital Outlay - Equipment: \$8,000
- Contracts: \$7,500
- Uniforms: \$5,000
- Building Maintenance: \$4,000
- Public Relations: \$2,000
- Travel & Training: \$2,000
- Workers Comp. Insurance: \$1,042

2. Fire Department & Lifeguards

Fire Chief Kennedy stated:

Increases:

- F/T Personnel-Related Costs: \$79,543
- P/T Personnel-Related Costs: \$7,317
- Medical Exams: \$3,475
- Equipment Rental: \$3,166
- Workers Comp. Insurance: \$820
- Uniforms: \$500
- Telephone/Postage: \$500
- Supplies: \$500

Decreases:

- **Capital Outlay – Truck: \$60,000**

3. Development and Compliance

Director of Development and Compliance stated:

- F/T Personnel-Related Costs: \$14,072
- Vehicle Allowance: \$1,800
- Supplies: \$1,500
- Computer Software/Support: \$1,400



TOWN COUNCIL MINUTES

**BUDGET WORKSHOP #1
TOWN HALL**

Monday March 26 2026 @ 11:00 a.m.

4. Recreation

Recreation Director Keely stated:

Increases:

F/T Personnel-Related Costs: \$15,291
Professional/Consulting Fees: \$150,000

Decreases:

Capital Outlay: \$150,000
Sponsorship Maintenance: \$3,000
Bluefish Purchases: \$2,000

Community Center:

Increases:

Capital Outlay: \$15,000

Decreases:

Maintenance: \$15,000

5. Administration

Town Clerk Chase stated:

- F/T Personnel-Related Costs: \$16,116
- P&L Insurance: \$9,550
- Computer Service: \$7,100
- Minor Equipment: \$2,480
- Building Maintenance: \$1,200

Decreases:

- P/T Personnel-Related Costs: \$2,153
- Retiree Medical: \$4,463

Governing Body

Increases:

Council pay/allowances/taxes: \$743
Contributions: \$1,000
Travel & Training: \$600
Gov. & Volunteer Relations: \$500

Emergency Management

- No change from last year



TOWN COUNCIL MINUTES

BUDGET WORKSHOP #1 TOWN HALL

Monday March 26 2026 @ 11:00 a.m.

Elections

- Local election in FY 2027 – no local election in this next budget year

Committee:

Shoreline Access & Beach Protection - \$11,192

- Replace Lost/Damaged Signs - \$6,000
- SLABP Brochure - \$900
- Sea Oats (4,000 sq. ft.) - \$2,667
- 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

6. Finance Department

Finance Officer Copenhaver stated:

Increases:

F/T Personnel-Related Costs: \$11,100

Bank/Payroll/Credit Card Fees: \$6,950

Audit & Actuarial Fees: \$1,000

Decreases:

Unemployment Taxes: \$890

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 totaling \$44,000 as follows:

- Pleasure Island Chamber of Commerce (concert series) - \$36,000
- Federal Point Historic Preservation Society - \$5,000
- Island of Lights - \$1,200
- Federal Point Help Center - \$1,800
- Katie B. Hines Senior Center - \$0



TOWN COUNCIL MINUTES

**BUDGET WORKSHOP #1
TOWN HALL**

Monday March 26 2026 @ 11:00 a.m.

- North Carolina Aquarium Society - \$0

Commissioner Mearkle to reach out to the new employee at Katie B. Hines to see if they have an outside agency request.

CONSENSUS- Town Council agreed to fund outside agencies as follows:

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

FY 2026 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

Property Taxes

- Increase the current 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 4.3 cents (25%) generating approximately \$963,000 of annual revenue

Garbage Collection Fees

- Current cost estimate to provide in-house garbage collection is \$446,400
- Based on current garbage collection fees, estimated garbage collection revenue is \$330,000
- The garbage collection rate increase needed to fully fund in-house garbage collection is 35.3%

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

- 13.4% property tax increase
- 35.3% garbage collection fee increase, 4.7% recycle fee increase



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Monday March 26 2026 @ 11:00 a.m.

- Fund balance appropriation of \$148,482
- 10% increase to water & sewer minimum charge & 20% increase to water & sewer usage-based rate tiers
- Consider Charging Credit Card fees to the user

COUNCIL DETERMINATION OF FY 26-27 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
 - d. Implementation of approved Beach Management Plan
 - e. Continue to work with leaders of the General Assembly to address the needs of the Town
 - f. Explore the following areas for funding for future capital projects (i.e. Bike/Ped, Sandman Park, Joe Eakes Park, Atlantic Avenue boardwalk, replacement of CAMA beach accesses). Council will prioritize each project based on potential source and community
 - g. PARTF (state)
 - h. CAMA grants (state)
 - i. New Hanover County Endowment (county)
 - j. Friends of Kure Beach (private)
2. Ensure the integrity of Town financial data and maintain financial stability in all Town funds
 - a. Be Fiscally responsible
 - b. Set tax and water/sewer rates that support the expected level of service by the citizens of the Town
3. Enable an optimum working environment for staff to produce high levels of service to the Town
 - a. Ensure policies are fair (morale)
 - b. Enhance procedures to retain and attract Town personnel
 - c. Update and adjust the Salary Plan as needed to keep employees fairly compensated
4. Provide all departments with the support to maintain a safe working and living environment
 - a. Support Camera program
 - b. Use technology to support Town functions
 - c. Continue to improve employee safety plan
 - d. Support K9 program



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e. Provide necessary tools for safe environment

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

CLOSED SESSION
None.

ADJOURNMENT


MOTION- MPT Heglar made a motion to adjourn the budget meeting at 4:30 p.m.

SECOND- Commissioner Ashbridge

VOTE- Unanimous



Allen Oliver, Mayor

ATTEST: 

Beth Chase, Town Clerk

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting.