TOWN COUNCIL MINUTES

LEGISLATIVE HEARING **June 8, 2026 @ 6:00 p.m.**

The Kure Beach Town Council held a Legislative Hearing on Monday, June 8, 2026 at 6:00 pm. The Town Attorney was present and there was a quorum of Council members present.

COUNCIL MEMBERS PRESENT
Mayor Allen Oliver
MPT David Heglar
Commissioner Byron Ashbridge
Commissioner Connie Mearkle
Commissioner Dirks (Via Conference Call)

COUNCIL MEMBERS ABSENT

STAFF PRESENT
Director of Administration – Mandy Sanders
Town Clerk – Beth Chase
Financial Officer – Arlen Copenhaver
Fire Chief – Ed Kennedy

Mayor Oliver called the meeting to order at 6:00 p.m. stating the purpose of this Legislative Hearing is to receive public comments on the proposed budget for Fiscal Year 2026-2027.

Notice of this Hearing was published in the Pleasure Island News on May 28, 2026 and June 4, 2026, on the Town Website on May 21, 2026 and sent to the Sunshine list on May 21, 2026

The proposed budget includes the following highlights:

- No changes in services provided or level of services provided
- Overall, the proposed 2027 budget is 2.9% greater than the 2026 final budget
- Property tax rate of 19.5 cents per $100 of valuation. This is an increase of 2.3 cents (13.4%)
- Fee increases:
    - 35.3% for garbage collection
    - 4.7% for recycle collection
- 10% increase to the water and sewer minimum charge and 20% increase to the usage-based rate tiers
- 2.8% Cost of Living Adjustment and 1.5% merit increase for fulltime employees
- Capital expenditures totaling $1,395,440

TOWN COUNCIL MINUTES

LEGISLATIVE HEARING **June 8, 2026 @ 6:00 p.m.**

Mayor Oliver opened the Legislative Hearing at 6:00 p.m.

Alherd Kazura resident at 213 Seawatch Way stated he is new to the process and the hearing. He does understand he is at the end of the cycle and understands his questions may have been better for the workshops. He appreciates the work that has gone into the budget. There are numerous increases coming up and wonders if this will a recurrence in the future. The budget package is only the operating income and wondered if there was a corresponding balance sheet for both the budget for FY 2026 and the forecast. What is the forecast for FY 2026? Will the Town come out ahead and does cash become available?

Mike McMahon resident at 1729 Spot Lane read a letter that is hereby incorporated into the minutes of the hearing.

MOTION- Commissioner Ashbridge made a motion to close the Legislative Hearing at 6:16 p.m.
SECOND- MPT Heglar
VOTE- Unanimous

Beth Chase

ATTEST: Beth Chase, Town Clerk

Allen Oliver

Allen Oliver, Mayor

NOTE: These are action minutes reflecting items considered and actions taken by Council. These minutes are not a transcript of the meeting. A recording of the meeting is available on the town's website under government>council.

WRITTEN PUBLIC COMMENT

FY2027 BUDGET PUBLIC HEARING — TOWN OF KURE BEACH, NC

June 8, 2026

Name: **Michael McMahon**

Address: **1729 Spot Lane**

Phone/Email: 919-454-6162 / mwmcmahon@att.net

To: The Honorable Mayor Allen Oliver and Members of the Town Council

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The undersigned is a Kure Beach resident submitting these written comments for the official record. Because oral public comment is limited to three minutes, this written submission ensures the following points and requests are preserved in the official minutes. The undersigned commends the Council and staff for preparing a balanced budget of $13,892,362 and for making it publicly available in advance of the hearing.

TOPIC 1 — PROPERTY TAX REVENUE (PP. 4, 26)

The proposed tax rate increase is 13.4%, yet property tax revenue is budgeted up 15.1% ($577,650). The excess over the rate increase reflects factors beyond the rate itself.

> **Request to Council**
>
> ***Please provide a breakdown of the $577,650 property tax revenue increase showing the portion from (a) the rate increase, (b) growth in assessed valuations, and (c) prior-year delinquent collections.***

TOPIC 2 — TDA FUNDING (P. 26)

TDA funding drops $149,255 (18.8%), from $795,000 to $645,745. These funds are earmarked for Ocean Rescue operations.

> **Request to Council**
>
> ***Is this decline a one-year fluctuation or a structural trend? What is the contingency plan to sustain Ocean Rescue if TDA revenue continues to fall?***

TOPIC 3 — EMPLOYEE COMPENSATION (PP. 12, 29–36)

Employee compensation increases $339,938, the single largest driver of the $824,647 General Fund increase. This is noted for the record without objection.

TOPIC 4 — BEACH PROTECTION FUND VS. STREETS & SANITATION (PP. 25, 35)

The FY2027 Streets & Sanitation budget includes $275,000 for beach access and boardwalk repairs — up $250,000 (1,100%) from FY2026. The budget (p. 25) defines the Beach Protection Fund's purpose as "beach access improvements, repairs, and dune maintenance," yet the Fund's FY2027 budget is only $14,500.

> **Request to Council**
>
> ***Why is the $275,000 beach access expenditure in Streets & Sanitation rather than the Beach Protection Fund? Is it one-time or recurring? Is any portion attributable to storm damage for which insurance or state/federal reimbursement may be available?***

TOPIC 5 — GARBAGE COLLECTION FEE INCREASE (PP. 5, 53)

Page 5 states garbage collection cost is $446,400 — the stated basis for a 35.3% fee increase ($8.75 → $11.84/cart/month). Collection is performed by town staff; no contract line item appears in Dept. 10-550. The department's full personnel budget is $781,811 with no documented garbage-specific allocation.

> **Request to Council**
>
> ***Please provide the cost allocation methodology showing how $446,400 is derived from the S&S personnel budget, and the equivalent figure for FY2026, so residents can evaluate whether the fee increase is proportionate.***

TOPIC 6 — RESERVES FOR FUTURE COST INCREASES AND STORM DAMAGE

The budget does not appear to include a dedicated contingency reserve for unanticipated cost increases or storm damage response. Given Kure Beach's coastal exposure and the current 13.4% tax rate increase, this is an appropriate time to address the Town's reserve posture.

> **Request to Council**
> ***(a) Does the Town maintain a dedicated reserve or contingency fund for unanticipated cost increases and storm damage response? If so, what is the current balance and target level?***
> ***(b) If no such reserve exists, is the Council considering establishing one in conjunction with this budget cycle?***

These comments are offered respectfully and constructively. The undersigned requests that this written comment be entered into the official minutes of the June 8, 2026 Budget Public Hearing in its entirety.

Respectfully submitted,

[signature]

Signature

Michael W. McMahon

Printed Name

6/8/2026

Date