



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.

The Kure Beach Town Council held its regular meeting on Monday, May 18, 2026 at 6:00 p.m. The Town Attorney was present and there was a quorum of Council members present.

COUNCIL MEMBERS PRESENT

Mayor Allen Oliver
MPT David Heglar
Commissioner Connie Mearkle
Commissioner Byron Ashbridge
Commissioner Mark Dirks

COUNCIL MEMBERS ABSENT

STAFF PRESENT

Police Chief – Brandon Bailey
Fire Chief – Ed Kennedy
Director of Recreation & Events – Nikki Keely
Director of Development and Compliance – Bethany White
Director of Administration – Mandy Sanders
Town Clerk – Beth Chase
Public Works Director – Jimmy Mesimer
Finance Officer – Arlen Copenhaver

Mayor Oliver called the meeting to order at 6:00 p.m.

APPROVAL OF CONSENT AGENDA ITEMS

1. Approve the agreement with King Asphalt for paving services in the amount of \$112,712.50
2. Approve the Agreement with RSC Engineering, PLLC for Stormwater Repair Services at \$51,600
3. Approve Budget Amendment 26-03 to transfer \$16,500 from the Parks and Recreation budget to the Streets & Sanitation budget for repairs at Joe Eakes Park
4. Approve waiving \$660 in Special Event Fees (\$500 Facility Rental Fee and \$160 Personnel Fee.) in support of KBFBC's fundraising efforts for the African Children's Choir
5. Minutes:
 - April 20, 2026

MOTION- MPT Heglar made a motion to approve the consent agenda as presented

SECOND- Commissioner Ashbridge

VOTE- Unanimous



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.

ADOPTION OF THE AGENDA

MOTION- Commissioner Mearkle made a motion to adopt the agenda as presented

SECOND- MPT Heglar

VOTE- Unanimous

PUBLIC COMMENTS

Paster Andrew Mathews at 202 6th Ave, stated he is the paster at First Baptist Church and would like to thank Town Council for the financial generosity to waive fees to hold the African Children's Choir. He hopes to see a large crowd on Sunday, September 13th and hopes the whole Town embraces this great cause.

PRESENTATIONS

None.

COMMITTEE BUSINESS

1. Bike/Ped Committee

Chairperson Linquist read a letter that is hereby incorporated into the minutes.

DEPARTMENT HEAD BUSINESS

1. Fire Department

Fire Chief Kennedy stated just wanted to update Town Council that lifeguard season has begun and the lifeguards are on their second week of training. They have all taken their CPR certification. The lifeguard towers and toy boxes will be installed tomorrow on the beach strand and will hopefully be completed in the next few days.

2. Public Works Department

Public Works Director Mesimer stated the Town had a very successful asphalt paving project this year and he wanted to thank the Town Attorney for working on the contracts. The Public Works Department has a small pipe/stormwater project that will be starting this week at 704 Fort Fisher BLVD S.

OLD BUSINESS

1. Status of Ocean Dunes Beach Protection Action

William Hensley gave a presentation that is hereby incorporated into the minutes.

Presentation highlights:

- At risk, is 2,000 – 2,500 ft of beach and buildings
 - Little or no erosion protection
 - Coastal water erosion and storm water erosion



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.

- More than \$5mm of property damage in last 10 years
- Ocean Dunes Beach Protection Committee formed to understand the problem and identify a pathway forward
 - Reached out to TOKB and New Hanover County right away
- Ocean Dunes engaged an engineering grant firm to help:
 - The conceptual planning/design phases of engineering work are clear
 - These works are estimated to cost about \$450,000
- Focus on FEMA's Flood Mitigation Assistance grant program
 - OD had several flood loss claims
 - Preliminary "scoring" was strong for our situation
- FEMA-FMA must be sponsored by a municipality
 - State of NC is the applicant for FEMA-FMA grants, TOKB sub-applicant
 - TOKB is one of many NC municipalities bundled into one application
- Ocean Dunes / TOKB agreed to work together
 - TOKB Resolution R23-15 in October 2023
 - OD/TOKB MOU for managing the project in November 2023
- Grant application was submitted in December 2023
- US Representative Rouzer
 - Local and Washington directors
 - He submitted a Letter of Support for the grant
 - Met in DC with Rep Rouzer and Rep Ezell, both are members of the oversight sub-committee including FEMA
- NC Representative Miller- Pledged to help with funding
- NC Senator Lee- Pledged to work with Rep Miller thru appropriations
- USACE – Regulatory Section Chief - Provided useful guidance for working thru conceptual design approval
- Spring 2025, NCDPS asked "administrative" questions
 - Explained this is typical for projects to be approved
- Spring 2026, NCDPS asked to clarify scope of work details:
 - Confirming that work fits the "Planning Stage" definition
 - Updated project costs to current estimates
- When the grant award notification arrives, Ocean Dunes needs to:
 - Establish an agreement of working responsibilities
 - Secure matching funds - \$115,000



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.

2. Consideration and Action on High Tide Landscaping and Design for the Boardwalk drainage repairs in the amount of \$46,735.00

Attorney Eldridge stated:

- There was concern about the estimation of cost but under fees- It states the price is valid for 30 days from the date of the proposal so thinks this is sufficient
- He will change the wording from "rip rap" to "river rock" in the agreement
- Change "simple" to "sample" in the 3rd bullet
- Timeline- He normally includes a start and end time to the agreement for bigger projects but on smaller agreements normally does not provide, but he will include "no later than June 30th"
- Under the warranty he will add the draining/hardscape materials for a year

MOTION- Commissioner Ashbridge made a motion to approve the High Tide Landscaping and Design for the Boardwalk drainage repairs in the amount of \$46,735.00 with the amended changes discussed

SECOND- MPT Heglar

VOTE- Unanimous

NEW BUSINESS

1. Presentation of Budget Message, Draft FY26-27 Budget Ordinance and Fee Schedule.

Finance Officer Copenhaver gave a presentation on the Budget Message, Draft FY26-27 Budget Ordinance and Fee Schedule that is hereby incorporated into the minutes.

Presentation Highlights:

- 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 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

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



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.

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
- Overall, the proposed 2027 General Fund budget is 9.1% greater than the 2026 final budget
 - Proposed property tax rate of 19.5 cents per \$100 of valuation. This is an increase of 2.3 cents (13.4%)
 - Proposed fee increases:
 - 35.3% for garbage collection
 - \$3.09 for Residential – 1st Cart
 - \$13.52 per cart for Commercial
 - 47 cents per cart (4.7%) for recycle collection
 - 2.8% Cost of Living Adjustment and 1.5% merit increase for full-time employees
 - Capital expenditures totaling \$485,500
 - Debt service totaling \$709,000
 - Overall, the proposed 2027 Water and Sewer budget is 7.9% greater than the 2026 final budget
 - Proposed 10% increase to the water and sewer minimum charge and 20% increase to the usage-based rate tiers
 - Capital expenditures totaling \$640,000
 - Debt service totaling \$300,600
 - Overall, the proposed 2027 Storm Water budget is 55.5% less than the 2026 final budget
 - No changes to monthly Storm Water fees
 - \$269,940 for infrastructure projects and equipment
 - Debt service totaling \$47,935

2. Discussion of Pickleball Equipment Sign

Mayor Oliver stated Commissioner Mearkle, Recreation Director Keely, and himself met with resident Roy Erwin about the noise compliant coming from the pickle ball courts. He was reluctant to ban the regular pickle ball paddles and require noise reducing paddles. They did agree on a sign stating: The Town of Kure Beach requests the use of noise reducing paddles and balls for pickleball play, especially during evening hours. Thank you for your consideration and cooperation.

MPT Heglar stated he agrees with the sign.



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.

Commissioner Dirks commented he is a pickle ball player and he spent a lot of time researching this topic. He thinks it is a difficult thing to solve, but he is open to ideas. The Town supports an active lifestyle and tourism which come with a lot of noise. Some of the research he did it comes back to the soft paddles, the vast majority of pickleball players are invested in equipment of \$200-\$300 paddles. According to "picklballscience.org," these softer foam core paddles do not perform like standard equipment and are not approved by the USAPA for tournament play. So pickleball players are reluctant to use this equipment because it adversely affects their play. Also talked with a person who runs a company associated with pickleball. She concurred with these findings, but did mention that there is a new pickleball, "DigiPro" that is more durable and is gaining acceptance in "quiet play areas. He agrees that the town should consider options, but strongly disagree with putting up signs that will be virtually ignored, or drive the wrong results. Players will use their own equipment regardless. Passive signage to appease a very, very small number of people is not a solution because it won't solve the problem, especially if there is no enforcement. In his opinion, it's a waste of time and money to install a sign. The Town can provide much better solutions. In his research, for point of reference, regarding the loudness of pickleballs. Average decibels for common activities:

- Quiet Library – 40 dBs
- Pickleball – 60-70 dBs (at 100 feet)
- People Talking (60 dBs)
- Basketball – 80 dBs
- Children on a Playground – 80 dBs
- Vacuum cleaner, garbage truck – 70-80 dBs
- Gas lawnmower – 85dBs
- Rock Concert / Gunshots 120-140 dBs

The sounds of pickleballs are sharp, mid-frequency noise that can be more piercing, and the frequency of noises has an impact as well. dBs drops below 60 when courts are 400 feet from residential areas. Installing 10' high sound barriers can drop decibel levels by up to 10 db. Some solutions could be restrict play or establish "Quiet Hours" from 11pm to 7am. Buy a bucket of DigiPro balls for the KB Pickleball Club and have them "test drive" them and report back to Town Council.

Commissioner Asbridge stated he would like time to research this topic as well.



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.

MOTION- Commissioner Ashbridge made a motion to table this discussion to the June Town Council meeting for further discussion

SECOND- MPT Heglar

VOTE- Unanimous

3. 765 Settlers - Request for Easement Encroachment

Property Owner Frank Fratarcangeli resident at 765 Settlers stated he is requesting an easement encroachment for his shed. He will follow the side setback requirements.

Mayor Oliver asked Public Works Director is there currently a drainage system in the ground there already?

Public Works Director Mesimer stated yes there is.

MPT Heglar commented Town Council has allowed structures in the past. The resident would just be responsible for removing the shed or the Town will move it and charge the resident if the Town needs access to the drainage system. The resident would have to sign an agreement the attorney has written for past easement encroachment requests.

MOTION- MPT Heglar made a motion to approve the request for Easement Encroachment at 765 Settlers Lane

SECOND- Commissioner Dirks

VOTE- Unanimous

4. Schedule a Special Meeting to hold Department Head Evaluations on Monday, June 15, 2026 at 12:00 p.m.

MOTION- MPT Heglar made a motion to Schedule a Special Meeting to hold Department Head Evaluations on Monday, June 15, 2026 at 12:00 p.m.

SECOND- Commissioner Ashbridge

VOTE – Unanimous

CLOSED SESSION

None.

ADJOURNMENT

MOTION- MPT Heglar made a motion to adjourn the meeting at 7:20 p.m.

SECOND- Commissioner Dirks

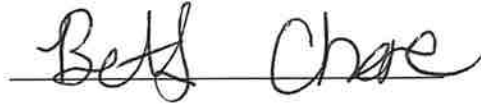
VOTE- Unanimous



TOWN COUNCIL MINUTES

REGULAR MEETING

Monday, May 18, 2026 @ 6:00 p.m.



ATTEST: Beth Chase, Town Clerk



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>agendas&minutes](#)

May 18, 2026

Honorable Mayor Oliver and Commissioners,

The Kure Beach Bike/Pedestrian Committee respectfully submits this update regarding recent bicycle safety initiatives and emerging legislative developments related to e-bikes.

First, May was officially recognized as Bike Month, joining communities nationwide in promoting healthier transportation choices, bicycle safety awareness, and opportunities to experience our community on two wheels. Bike Month serves as a reminder that creating a safer environment for all users—whether walking, biking, driving, or rolling—requires education, awareness, and continued collaboration.

The Committee also wishes to provide an update regarding state legislation related to electric bicycles. Current proposed Senate and House bills seek to establish classifications for Class 1, 2, and 3 e-bikes. We appreciate efforts to bring consistency and clarity to this rapidly growing transportation category. However, we have concerns that these proposals are already becoming technologically outdated. We are hopeful that organizations such as WMPO and BikeWalkNC can help advocate for legislative language that better addresses rapidly evolving technology, protects responsible riders, and provides law enforcement with clearer tools to manage vehicles operating outside intended classifications.

While traditional Class 1, 2, and 3 e-bikes have become well understood, communities across North Carolina are increasingly facing issues involving higher-speed vehicles often marketed as e-bikes but functioning more like e-motos, e-mopeds, or electric motorcycles. These vehicles may exceed traditional speed capabilities, can be modified after purchase, and frequently create confusion for parents, riders, law enforcement, and communities.

The Committee would like to see future legislation better distinguish legitimate e-bicycles from faster-speed electric vehicles and include stricter manufacturer requirements regarding labeling, performance standards, and disclosure. Parents may unknowingly purchase what they believe is a neighborhood or recreational e-bike for their child, only to later discover the vehicle may not be street legal, trail legal, or appropriate for bicycle infrastructure.

Our ongoing message continues to be: **focus on behavior along with the appropriateness of the vehicle.** Responsible riders using appropriate equipment should not be grouped together with high-speed vehicles that may require different standards and oversight.

As this technology evolves, we believe thoughtful policy, public education, and clearer manufacturer accountability can help communities stay ahead of emerging challenges while preserving safe access for responsible riders.

Before closing, the Committee would like to extend a special thank you to Jimmy and the Public Works team for all they do for our community and for their continued support of committee projects. Public Works recently installed the Island Greenway sign at the Spot Lane Connector and added a water spigot to help sustain the landscaping improvements in that area. Their

assistance helps protect the investment made through the generous Cape Fear Garden Club grant that funded the beautification plantings, as well as the trees gifted to our town through Friends of Kure Beach from the Friends of Carolina Beach Parks and Greenways.

Projects like these only succeed through collaboration, and we are truly grateful for their partnership and willingness to help bring these improvements to life. Jimmy and Public Works have become very skilled at smiling politely whenever the Bike/Ped Committee says, "*We just have one little idea...*"

Thank you for your continued support of bicycle and pedestrian safety initiatives in Kure Beach.

Respectfully submitted,
Mo Linquist
Chairperson, Kure Beach Bike/Pedestrian Committee



ocean
dunes

May 18, 2026

**Beach Protection
Committee Briefing
Town of Kure Beach**

Beach “Hole” Situation

Ocean Dunes . . .

- ▶ At risk, 2,000 – 2,500 ft of beach and buildings
 - Little or no erosion protection
 - Coastal water erosion and storm water erosion
- ▶ More than \$5mm of property damage in last 10 years
- ▶ OD Beach Protection Committee formed to understand the problem and identify a pathway forward
 - Reached out to TOKB and New Hanover County right away
- ▶ The pathway is long . . .
- ▶ We engaged an engineering grant firm to help
 - The conceptual planning/design phases of engineering work are clear
 - These works are estimated to cost about \$450,000



Beach Project Action

Securing Grants . . .

- ▶ Focus on FEMA's Flood Mitigation Assistance grant program
 - OD had several flood loss claims
 - Preliminary "scoring" was strong for our situation
- ▶ FEMA-FMA must be sponsored by a municipality
 - State of NC is the applicant for FEMA-FMA grants, TOKB sub-applicant
 - TOKB is one of many NC municipalities bundled into one application
- ▶ Ocean Dunes / TOKB agreed to work together
 - TOKB Resolution R23-15 in October 2023
 - OD/TOKB MOU for managing the project in November 2023
- ▶ Grant application was submitted in December 2023



Beach Project Action

Building Advocacy . . .

- ▶ US Representative Rouzer
 - Local and Washington directors
 - He submitted a Letter of Support for the grant
 - Met in DC with Rep Rouzer and Rep Ezell, both are members of the oversight sub-committee including FEMA
- ▶ NC Representative Miller
 - Pledged to help with funding
- ▶ NC Senator Lee
 - Pledged to work with Rep Miller thru appropriations
- ▶ USACE – Regulatory Section Chief
 - Provided useful guidance for working thru conceptual design approval



Beach Project Actions

Recent Grant Status and Upcoming Action...

- ▶ Spring 2025, NCDPS asked “administrative” questions
 - Explained this is typical for projects to be approved
- ▶ Spring 2026, NCDPS asked to clarify scope of work details
 - Confirming that work fits the “Planning Stage” definition
 - Updated project costs to current estimates
- ▶ When the grant award notification arrives, we need to
 - Establish an agreement of working responsibilities
 - Secure matching funds . . . \$115,000



**Thank
You!**



**FISCAL YEAR
2026/2027
PROPOSED BUDGET**

MAY 18, 2026



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 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 COUNCIL GOALS FY 2027

- 1. Work smarter to maintain and improve our quality of life in Kure Beach**
- 2. Ensure the integrity of Town financial data and maintain financial stability in all Town funds**
- 3. Enable an optimum working environment for staff to produce high levels of service to the Town**
- 4. Provide all departments with the support to maintain a safe working and living environment**

**TOWN OF KURE BEACH
FISCAL YEAR 2026/2027
PROPOSED BUDGET**

<u>FUND</u>	<u>PROPOSED FY 2027 BUDGET</u>	<u>FINAL FY 2026 BUDGET</u>	<u>CHANGE</u>	<u>% CHANGE</u>
General Fund	\$9,897,277	\$9,072,630	\$824,647	9.1%
Water and Sewer Fund	\$3,142,740	\$2,912,080	\$230,660	7.9%
Storm Water Fund	\$ 611,150	\$1,374,154	(\$763,004)	(55.5%)
Powell Bill Fund	\$ 180,750	\$ 84,125	\$96,625	114.9%
Federal Asset Forfeiture Fund	\$ 25,000	\$ 25,000	\$0	0.0%
Sewer Expansion Reserve Fund (SERF)	\$ 20,945	\$ 20,610	\$335	1.6%
Beach Protection Fund	\$ <u>14,500</u>	\$ <u>14,500</u>	\$0	0.0%
TOTAL	<u>\$13,892,362</u>	<u>\$13,503,099</u>	<u>\$389,263</u>	<u>2.9%</u>

HIGHLIGHTS
PROPOSED
FISCAL YEAR
2026/2027
GENERAL
FUND
BUDGET

1. Overall, the proposed 2027 General Fund budget is 9.1% greater than the 2026 final budget
2. Proposed property tax rate of 19.5 cents per \$100 of valuation. This is an increase of 2.3 cents (13.4%)
3. Proposed fee increases:
 - a. 35.3% for garbage collection
 - \$3.09 for Residential – 1st Cart
 - \$13.52 per cart for Commercial
 - b. 47 cents per cart (4.7%) for recycle collection

HIGHLIGHTS

PROPOSED

FISCAL YEAR

2026/2027

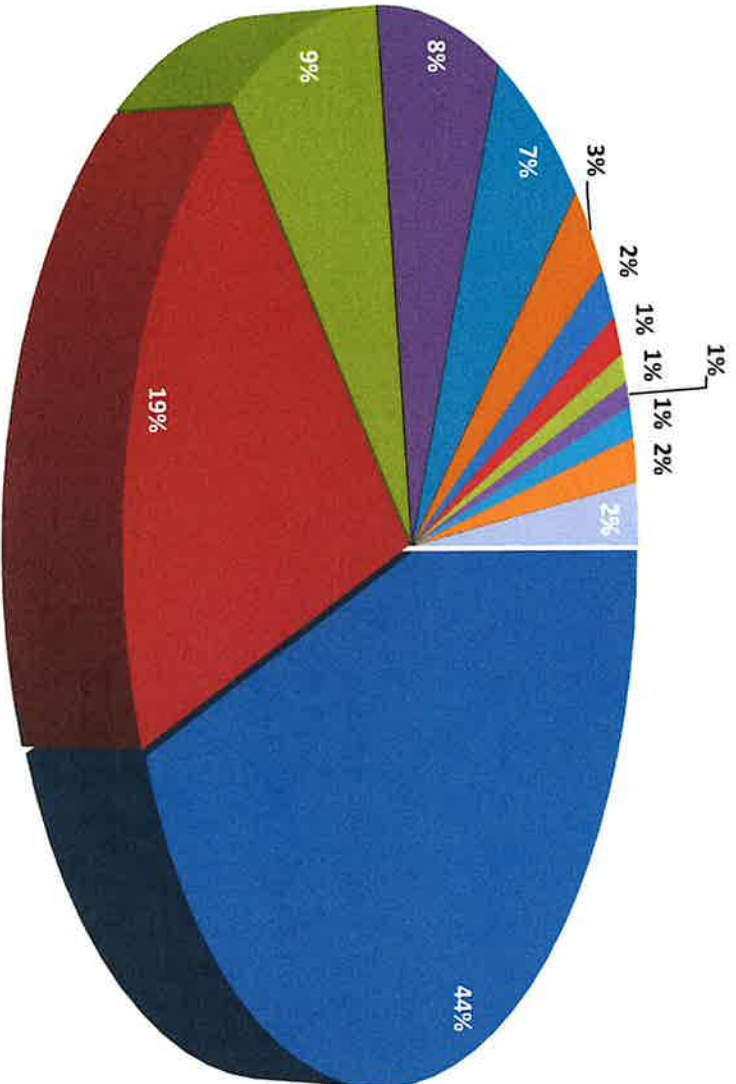
GENERAL

FUND

BUDGET

4. 2.8% Cost of Living Adjustment and 1.5% merit increase for full-time employees
5. Capital expenditures totaling \$485,500
6. Debt service totaling \$709,000

GENERAL FUND PROPOSED REVENUE BUDGET FISCAL YEAR 2027



- Property Tax \$4,402,900
- Sales Tax \$1,907,000
- Paid Parking Program \$900,000
- Garbage & Recycling Fees \$791,950
- TDA Funds \$645,745
- Franchise & Utility Tax \$306,700
- Investment Earnings \$171,000
- Bldg. Permit & CAMA Fees \$132,000
- Communication Tower Rent \$92,450
- Sales Tax Refund \$85,500
- Other Revenue \$103,550
- Fund Balance Appropriation \$148,482
- Other Financing Sources \$210,000

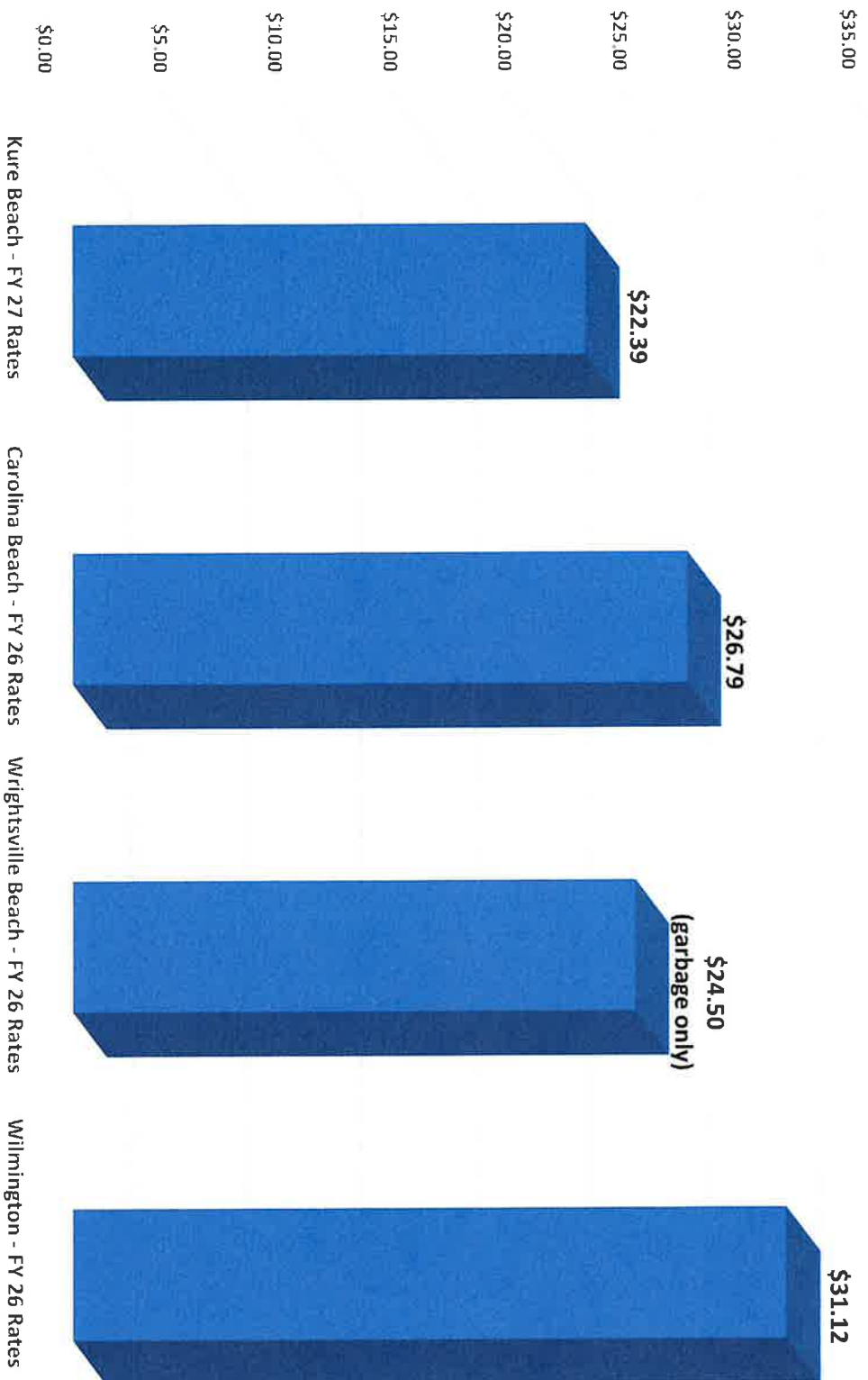
**IMPACT OF KURE
BEACH PROPOSED
PROPERTY TAX
RATE ON A
PROPERTY VALUED
AT \$750,000**

TAX AT CURRENT TAX RATE (\$0.172)	\$1,290.00
PROPOSED TAX RATE INCREASE (\$0.023)	<u>\$172.50</u>
TOTAL TAX AT PROPOSED TAX RATE (\$0.195)	<u>\$1,462.50</u>

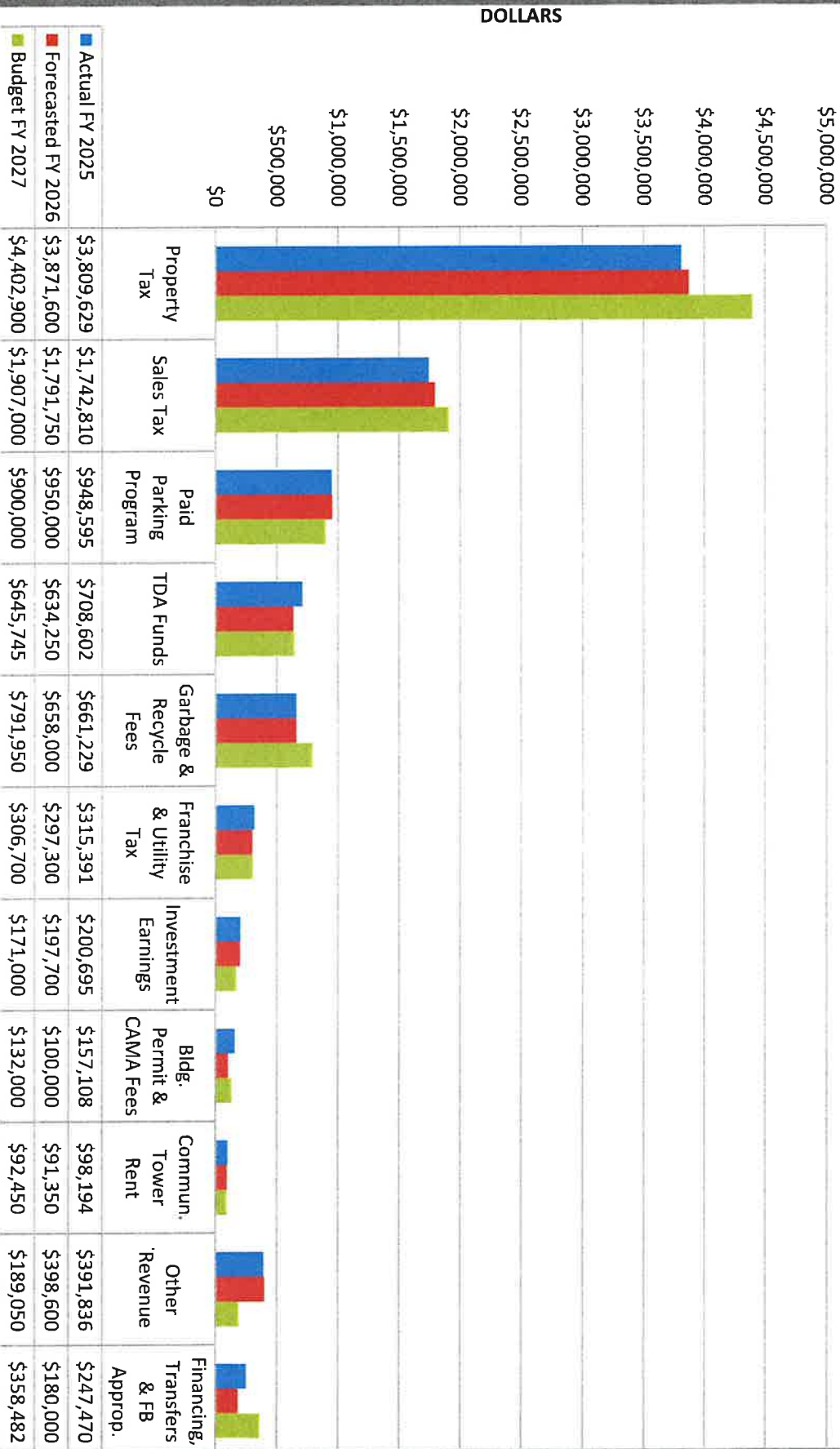
PROPOSED CHANGES TO GENERAL FUND FEES

SERVICE TYPE	CURRENT MONTHLY FEE	PROPOSED MONTHLY FEE	\$ CHG.	% CHG.
<u>Residential Garbage Collection</u>				
First Cart	\$8.75	\$11.84	\$3.09	35.3%
After First Cart	\$17.50	\$23.68	\$6.18	35.3%
<u>Commercial Garbage Collection</u>				
Per Cart	\$38.29	\$51.81	\$13.52	35.3%
<u>Recycle Collection</u>				
Per Cart	\$10.08	\$10.55	\$0.47	4.7%

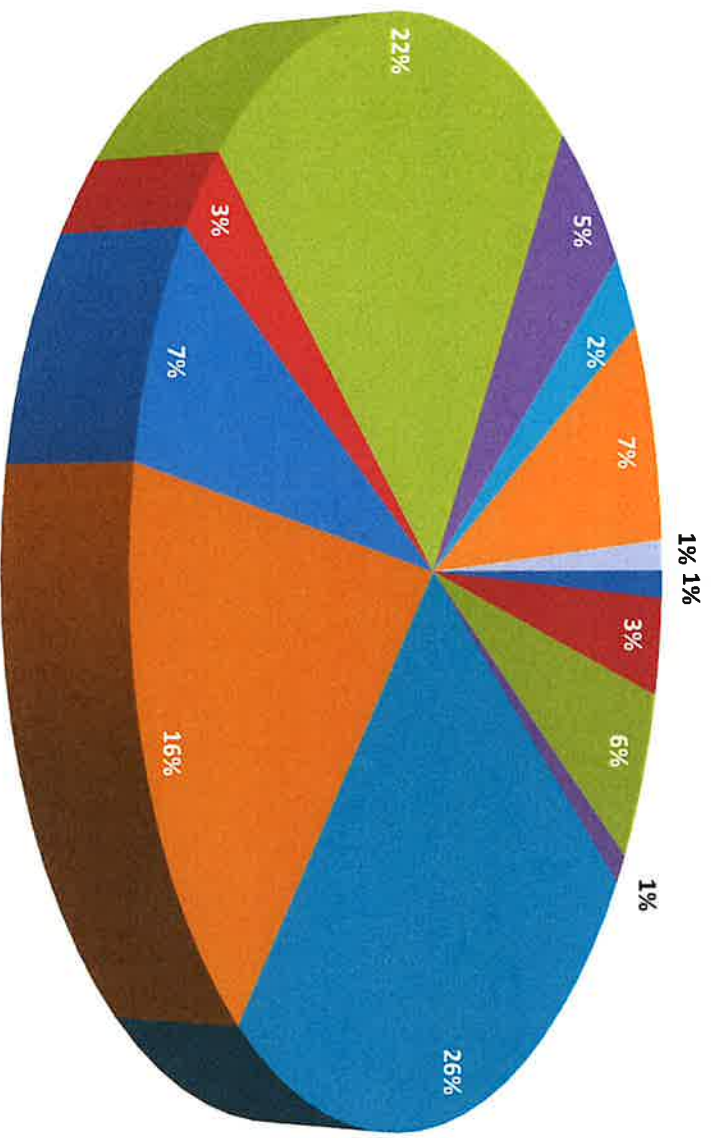
MONTHLY RESIDENTIAL GARBAGE & RECYCLE COLLECTION FEES NEW HANOVER COUNTY MUNICIPALITIES



**GENERAL FUND
REVENUE BY SOURCE
FISCAL YEAR 2025 TO 2027**

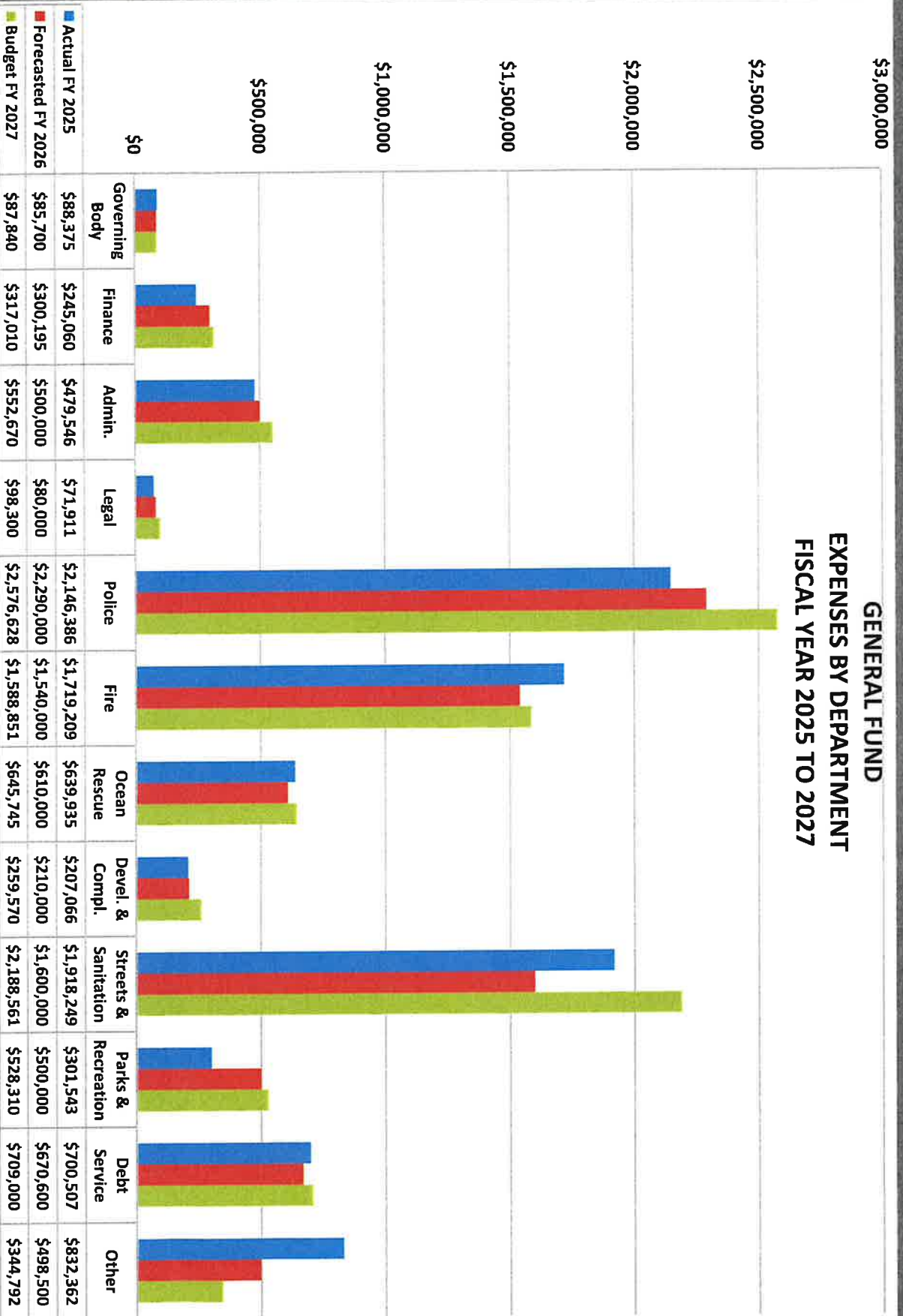


GENERAL FUND PROPOSED EXPENSE BUDGET FISCAL YEAR 2027



- Governing Body \$87,840
- Finance \$317,010
- Administration \$552,670
- Legal \$98,300
- Police \$2,576,628
- Fire \$1,588,851
- Ocean Rescue \$645,745
- Development & Compliance \$259,570
- Streets & Sanitation \$2,188,561
- Parks & Recreation \$528,310
- Paid Parking Program \$245,000
- Debt Service \$709,000
- Other \$99,792

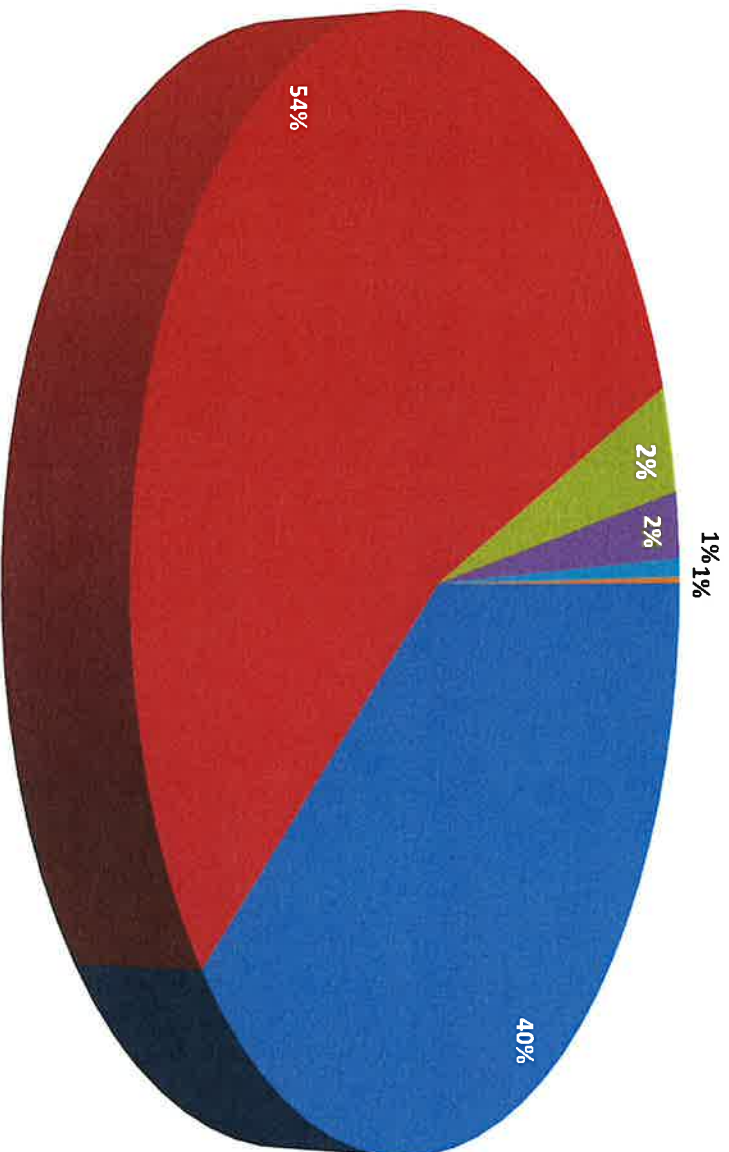
**GENERAL FUND
EXPENSES BY DEPARTMENT
FISCAL YEAR 2025 TO 2027**



HIGHLIGHTS
PROPOSED
FISCAL YEAR
2026/2027
WATER AND
SEWER FUND
BUDGET

1. Overall, the proposed 2027 Water and Sewer budget is 7.9% greater than the 2026 final budget
2. Proposed 10% increase to the water and sewer minimum charge and 20% increase to the usage-based rate tiers
3. Capital expenditures totaling \$640,000
4. Debt service totaling \$300,600

WATER & SEWER FUND PROPOSED REVENUE BUDGET FISCAL YEAR 2027



■ Water Charges	\$1,242,850
■ Sewer Charges	\$1,705,000
■ Investment Earnings	\$104,500
■ Tap, Connection & Cut-off Fees	\$66,300
■ Account Past Due Charges	\$18,500
■ Other Revenue	\$5,590

PROPOSED FISCAL YEAR 2026/2027
RESIDENTIAL WATER & SEWER RATE STRUCTURE CHANGES

1. Continue to ensure that there is sufficient funding for day-to-day operations and future capital needs
2. Proposed rate structure for Residential customers for fiscal year 2027:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum - up to 2,000 gals.	\$14.18	\$15.60	\$24.68	\$27.15	10% Inc.
2,001 to 7,000 gals. (rate per 100 gals.)	\$0.7546	\$0.9055	\$0.9727	\$1.1672	20% Inc.
7,001 to 12,000 gals. (rate per 100 gals.)	\$1.1321	\$1.3585	\$1.4590	\$1.7508	20% Inc.
Over 12,000 gals. (rate per 100 gals.)	\$1.6980	\$2.0376	\$2.1886	\$2.6263	20% Inc.

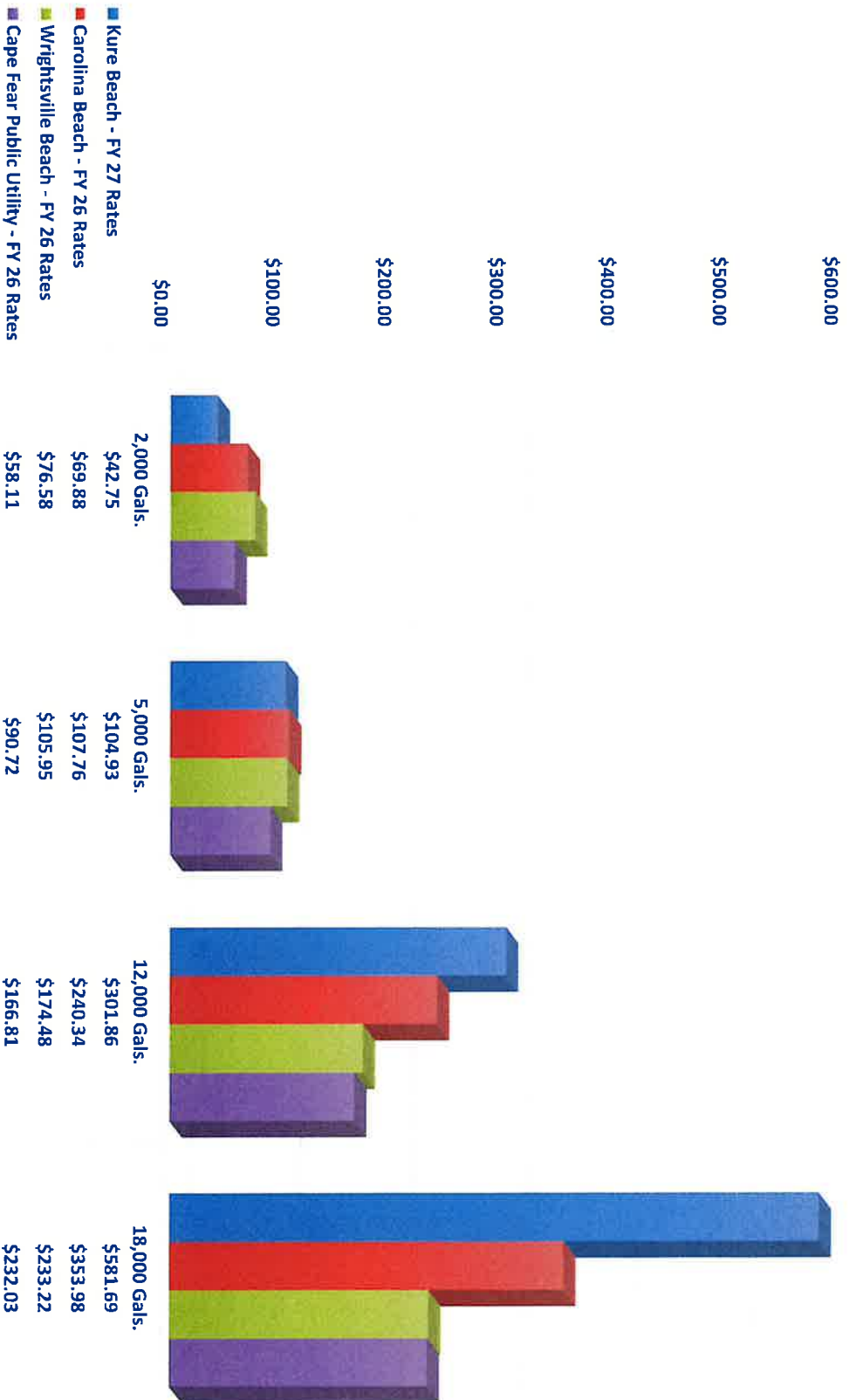
**IMPACT OF RATE
CHANGES ON A
RESIDENTIAL
ACCOUNT
AT 4 MONTHLY
USAGE LEVELS**

	EXISTING RATES	PROPOSED RATES
Monthly Usage of 2,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	<u>\$38.86</u>	<u>\$42.75</u>
Increase Amount		\$3.89
% Change		10.0%
Monthly Usage of 5,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$38.86	\$42.75
2,001 to 5,000 gallons	<u>\$51.82</u>	<u>\$62.18</u>
Total	<u>\$90.68</u>	<u>\$104.93</u>
Increase Amount		\$14.25
% Change		15.7%

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

	EXISTING RATES	PROPOSED RATES
Monthly Usage of 12,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$38.86	\$42.75
2,001 to 7,000 gallons	\$86.37	\$103.64
7,001 to 12,000 gallons	<u>\$129.56</u>	<u>\$155.47</u>
Total	<u>\$254.79</u>	<u>\$301.86</u>
Increase Amount		\$47.07
% Change		18.5%
Monthly Usage of 18,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$38.86	\$42.75
2,001 to 7,000 gallons	\$86.37	\$103.64
7,001 to 12,000 gallons	\$129.56	\$155.47
Over 12,000 gallons	<u>\$233.20</u>	<u>\$279.83</u>
Total	<u>\$487.99</u>	<u>\$581.69</u>
Increase Amount		\$93.70
% Change		19.2%

RESIDENTIAL WATER AND SEWER RATE COMPARISONS AT VARIOUS USAGE LEVELS NEW HANOVER COUNTY



PROPOSED FISCAL YEAR 2026/2027

COMMERCIAL WATER & SEWER RATE STRUCTURE CHANGES

1. Proposed 2027 rate structure for Commercial customers:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum – up to 2,000 gals.	\$19.43	\$21.37	\$26.78	\$29.46	10% Inc.
2,001 to 70,000 gals. (rate per 100 gals.)	\$1.1638	\$1.3966	\$1.1949	\$1.4339	20% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$1.4549	\$1.7459	\$1.4936	\$1.7923	20% Inc.

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

	EXISTING RATES	PROPOSED RATES
Monthly Usage of 20,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$46.21	\$50.83
2,001 to 20,000 gallons	<u>\$424.56</u>	<u>\$509.49</u>
Total	<u>\$470.77</u>	<u>\$560.32</u>
Increase Amount		\$89.55
% Change		19.0%
Monthly Usage of 100,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$46.21	\$50.83
2,001 to 70,000 gallons	\$1,603.91	\$1,924.74
Over 70,000 gallons	<u>\$884.55</u>	<u>\$1,061.46</u>
Total	<u>\$2,534.67</u>	<u>\$3,037.03</u>
Increase Amount		\$502.36
% Change		19.8%

PROPOSED FISCAL YEAR 2026/2027
OUT OF JURISDICTION WATER & SEWER
RATE STRUCTURE CHANGES

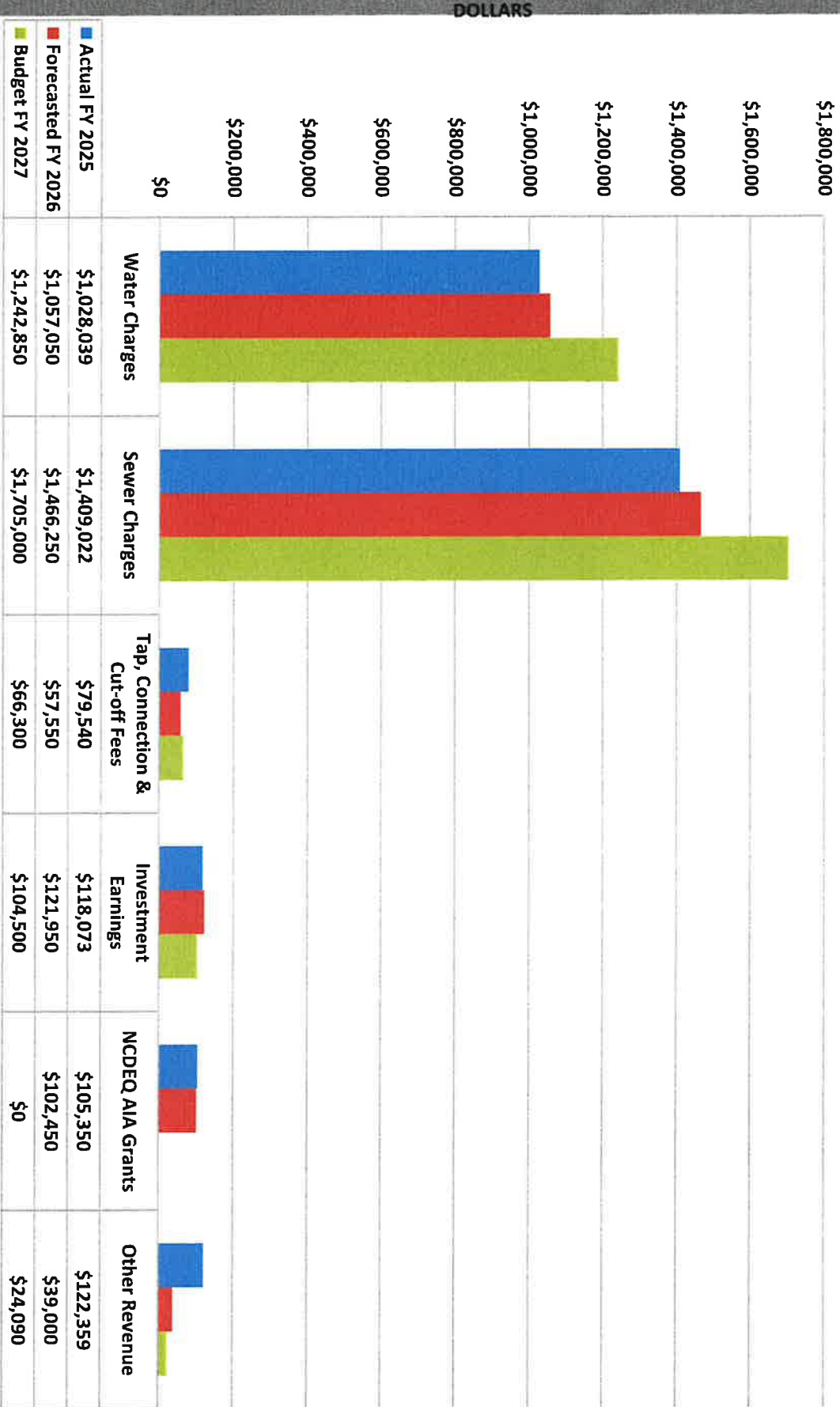
1. Proposed rate structure for Out of Jurisdiction customers for fiscal year 2027:

RATE TIER	WATER		SEWER		COMMENTS
	CURRENT	PROPOSED	CURRENT	PROPOSED	
Minimum – up to 2,000 gals.	\$24.15	\$26.57	\$42.53	\$46.78	10% Inc.
2,001 to 70,000 gals. (rate per 100 gals.)	\$1.3208	\$1.5850	\$1.6980	\$2.0376	20% Inc.
Over 70,000 gals. (rate per 100 gals.)	\$1.6508	\$1.9810	\$2.1226	\$2.5471	20% Inc.

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

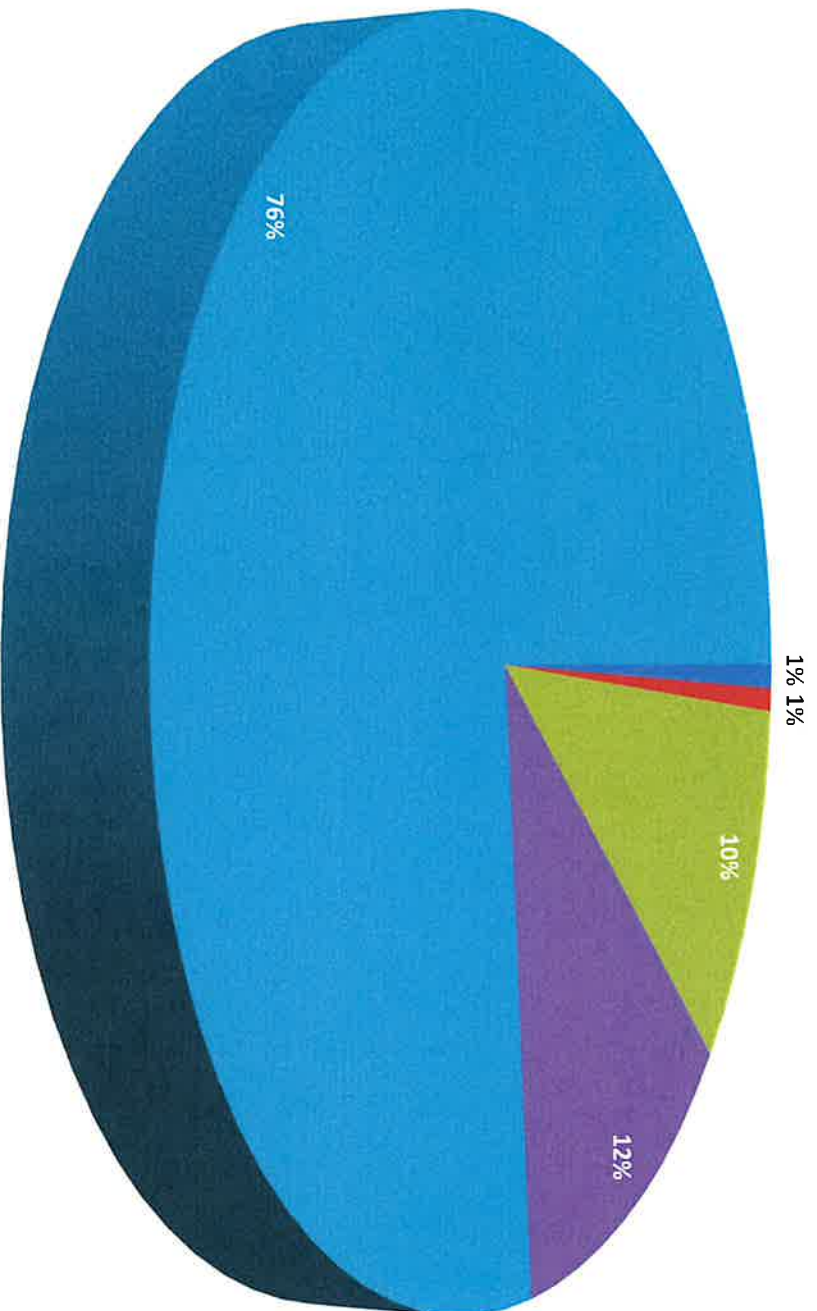
	EXISTING RATES	PROPOSED RATES
Monthly Usage of 20,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$66.68	\$73.35
2,001 to 20,000 gallons	<u>\$543.38</u>	<u>\$652.07</u>
Total	<u>\$610.06</u>	<u>\$725.42</u>
Increase Amount		\$115.36
% Change		18.9%
Monthly Usage of 250,000 Gallons		
Minimum up to 2,000 gallons (Water & Sewer)	\$66.68	\$73.35
2,001 to 70,000 gallons	\$2,052.78	\$2,463.37
Over 70,000 gallons	<u>\$6,792.12</u>	<u>\$8,150.58</u>
Total	<u>\$8,911.58</u>	<u>\$10,687.30</u>
Increase Amount		\$1,775.72
% Change		19.9%

WATER & SEWER FUND REVENUE BY SOURCE FISCAL YEAR 2025 TO 2027



DOLLARS

**WATER & SEWER FUND
PROPOSED EXPENSE BUDGET
FISCAL YEAR 2027**



- Governing Body \$21,642
- Legal \$20,440
- Finance \$322,095
- Administration \$377,193
- Operations \$2,401,370

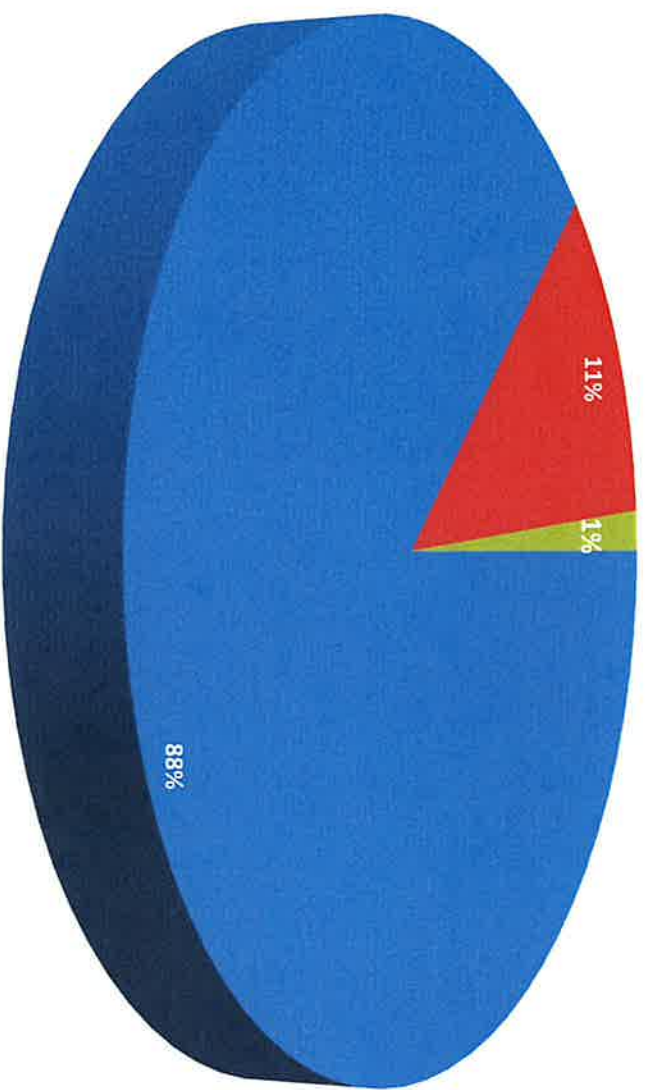
WATER & SEWER FUND EXPENSES BY DEPARTMENT FISCAL YEAR 2025 - 2027



HIGHLIGHTS
PROPOSED
FISCAL YEAR
2026/2027
STORM
WATER FUND
BUDGET

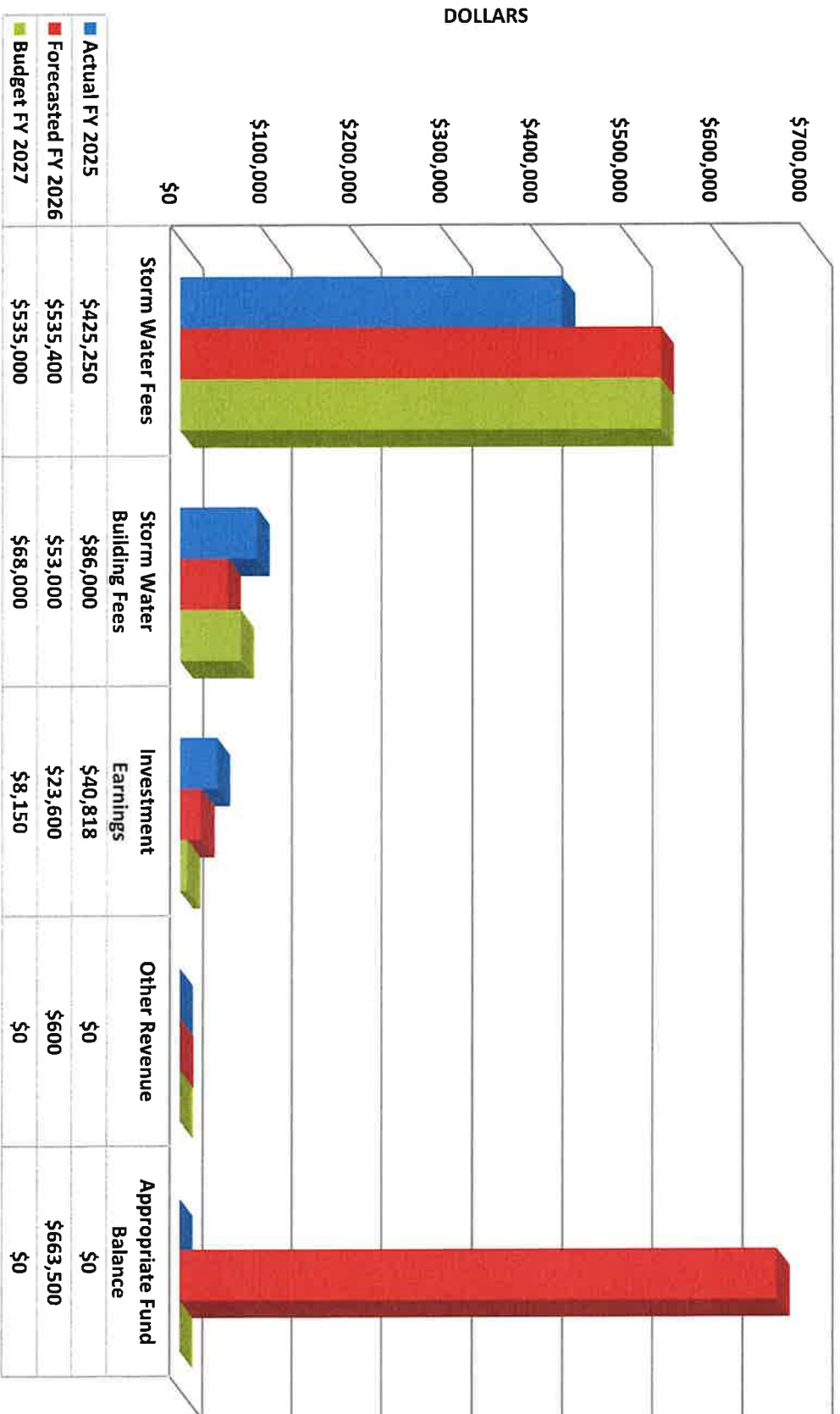
1. Overall, the proposed 2027 Storm Water budget is 55.5% less than the 2026 final budget
2. No changes to monthly Storm Water fees
3. \$269,940 for infrastructure projects and equipment
4. Debt service totaling \$47,935

**STORM WATER FUND
PROPOSED REVENUE BUDGET
FISCAL YEAR 2027**



- Storm Water Fees \$535,000
- Storm Water Building Fees \$68,000
- Investment Earnings \$8,150

STORM WATER FUND REVENUE BY SOURCE FISCAL YEAR 2025 - 2027

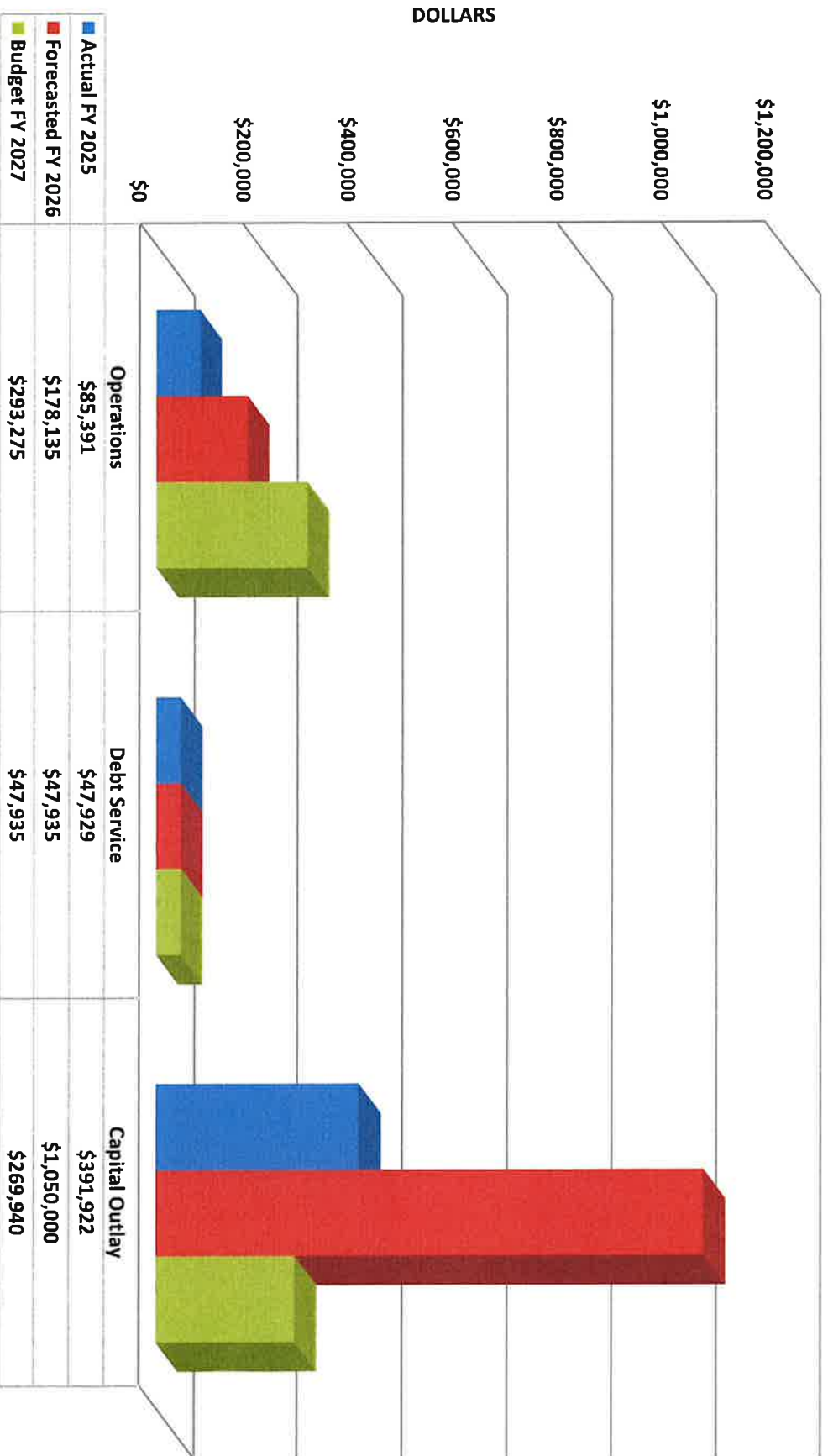


**STORM WATER FUND
PROPOSED EXPENSE BUDGET
FISCAL YEAR 2027**



- Operations \$293,275
- Debt Service \$47,935
- Capital Outlay \$269,940

STORM WATER FUND EXPENSES BY TYPE FISCAL YEAR 2025 - 2027



FISCAL YEAR 2026/2027 PROPOSED BUDGET OTHER FUNDS

FUND NAME	DESCRIPTION	BUDGET
Powell Bill	NC DOT allocation to be used solely for street related maintenance, repairs, etc.	\$180,750

Federal Asset Forfeiture Restricted use funds from participation in federal agency investigations \$25,000

Sewer Expansion Reserve (SERF)	Reserve fund for future sewer expansion and improvement projects	\$20,945
--------------------------------	--	----------

Beach Protection Reserve fund for future beach related needs \$14,500