



## *Town of Kure Beach*

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FOR IMMEDIATE RELEASE

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### **TOWN OF KURE BEACH FISCAL YEAR 2012-2013 PROPOSED BUDGET**

At the end of the second budget session for fiscal year 2012-2013 budget, Council directed the Finance Officer to present a balanced budget to Council at the May 15<sup>th</sup>, 2012 meeting.

The proposed budget contains the following impacts to the citizens of Kure Beach.

#### Tax rate - 2 cent increase over revenue neutral

The proposed budget adopts a tax rate that is 2 cent over the revenue neutral tax rate. The result of the recent property revaluation reduced the overall property value of the Town from \$1,185,560,035 to \$796,500,000 (33% decrease). As a result of the revaluation, a revenue neutral tax rate must be determined. The revenue neutral tax rate is the rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. The revenue neutral tax rate is \$0.2415 per \$100 of property value. To provide funding for future capital projects as well as potential beach renourishment costs, Council elected to set the tax rate at 2 cents above revenue neutral, which is \$0.2615 per \$100 of value. The current, pre-revaluation tax rate, is \$0.1625.

New Hanover County officials have stated that the county tax rate for the upcoming fiscal year will be the revenue neutral rate of \$0.554 per \$100 of value. Considering the County's revenue neutral rate and our proposed rate of \$0.2615, the overall property taxes for the Town will be approximately \$950,000 less than the current year.

The estimated annual County and Town property taxes on a property revalued to \$400,000 will be \$3,262. This assumes a County revenue neutral tax rate.

#### Recycling fee increase

The proposed budget adopts a 36 cent (\$.36) per month increase in the recycling fee. This increase is necessary to cover costs associated with providing residential and commercial curbside recycling and to provide recycling containers at the public beach accesses. Containers at public beach accesses will help reduce the stream of recyclable material going into the landfill.

Water and sewer fee increase for above minimum usage

The proposed budget increases the monthly fee for usage above the 3,000 gallon minimum. This does not increase the cost for minimum usage.

Fees would increase as follows:

Residential water per each 1,000 gallons over minimum of 3,000 will cost \$1.20 more.  
Residential sewer per each 1000 gallons over minimum of 3,000 will cost \$1.55 more.  
Commercial water per each 1000 gallons over minimum of 3,000 will cost \$1.85 more.  
Commercial sewer per each 1000 gallons over minimum of \$3,000 will cost \$1.90 more.  
Out of town water per each 1000 gallons over minimum of \$3,000 will cost \$2.10 more.  
Out of town sewer per each 1000 gallons over minimum of \$3,000 will cost \$2.70 more.

For a residence using 5,000 gallons per month (2000 over minimum), the monthly water/sewer charges will increase from \$48.00 to \$53.50 for a total of \$5.50. (This figure does not include storm water, garbage and recycling fees)

This increase is necessary to build reserves for future capital improvements such as replacement/upgrade of water lines.

Employees

The proposed budget allows a 2.6% cost of living (COLA) adjustment for employees and a 2.0% merit increase for employees based on performance.

The Town maintains the minimum staffing level which is consistently less than other beach towns of the same size. With the increase of number of year round residents and demands in services, the Town staff performs at a high level and keeps costs as low as possible. The Town Council elected to provide both a cost of living adjustment and merit.

Cost of living adjustments run consistent with the Consumer Price Index and Social Security cost of living adjustments.

Governing Body salary

The proposed budget includes compensation to Town Council as follows:

Mayor - \$3,600 annual  
Mayor Pro Tem - \$2,700 annual  
Commissioners - \$2,400 annual

Council elected to not receive any reimbursement for cell phone expenses.

For the current fiscal year 11-12 budget, Council voted to not receive compensation. The proposed budget re-establishes compensation.

Outside Agency funding

The proposed budget funds the Chamber of Commerce \$8,000 for concerts and funds \$3,300 for the annual Christmas Show.

Public comments

The public hearing to receive comments on the proposed budget is scheduled for Tuesday, June 5<sup>th</sup>, 2012 at 6:30 pm or soon thereafter. Council will vote to adopt the proposed budget at the June 19<sup>th</sup>, 2012 regular meeting.

As always, the Town Council welcomes and encourages comments at any time. Should you be unable to attend the public hearing or Council meeting, comments for Council may be provided via email to [townclerk@townofkurebeach.org](mailto:townclerk@townofkurebeach.org) or in writing to Town Council, 117 Settlers Lane, Kure Beach, NC 28449.