



# TOWN OF KURE BEACH

## ANNUAL RETREAT

JANUARY 30, 2026



# FY 2026 BUDGET STATUS AND REVIEW

**GENERAL FUND  
FY 2026 HIGHLIGHTS  
7/1/25 – 12/31/25**

**Original Budget** **\$9,072,630**

**Amended Budget** **\$9,241,437**

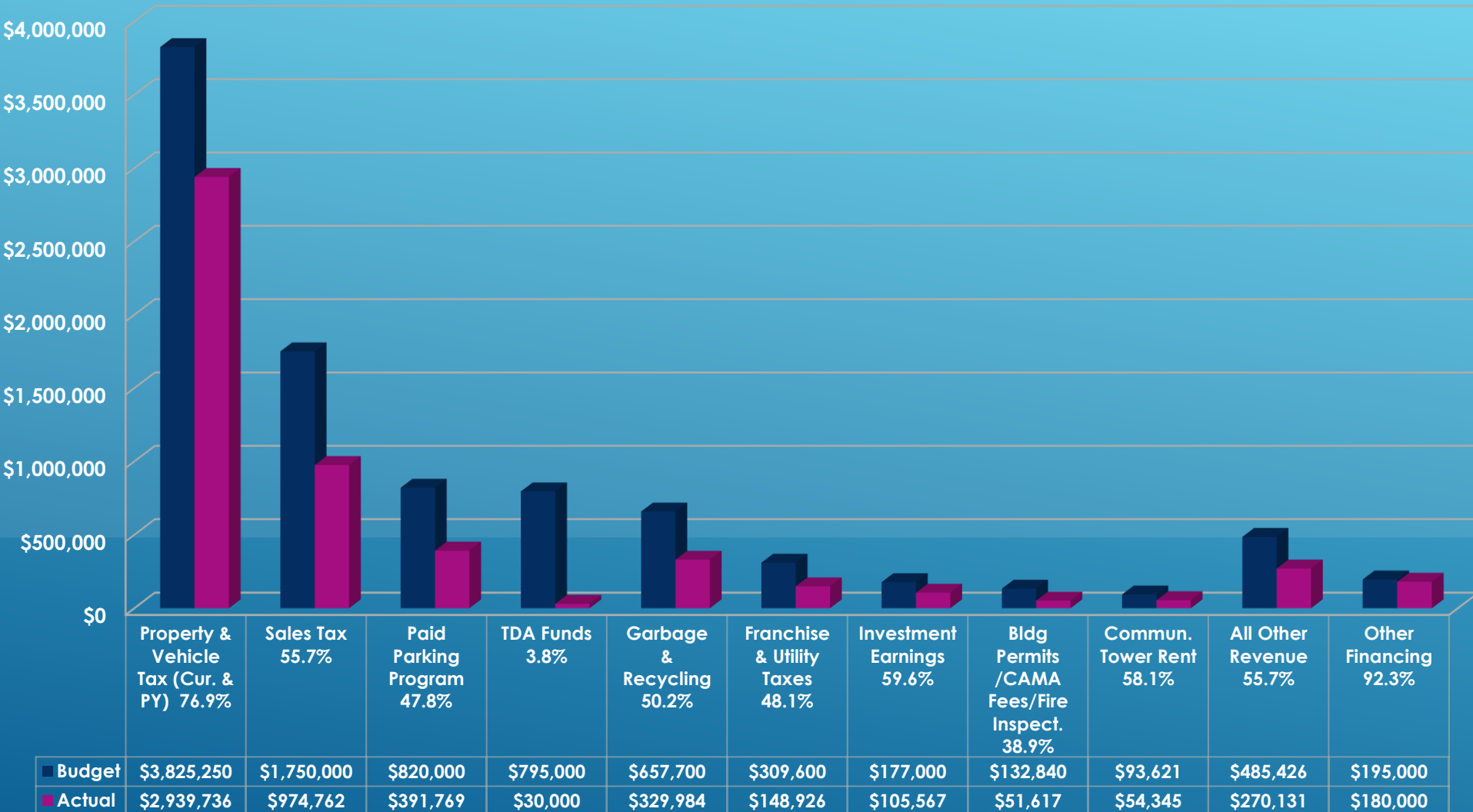
**Actual Revenue** **\$5,476,837**

**Revenue % of Budget** **59.3%**

**Actual Expenses** **\$4,442,295**

**Expenses % of Budget** **48.1%**

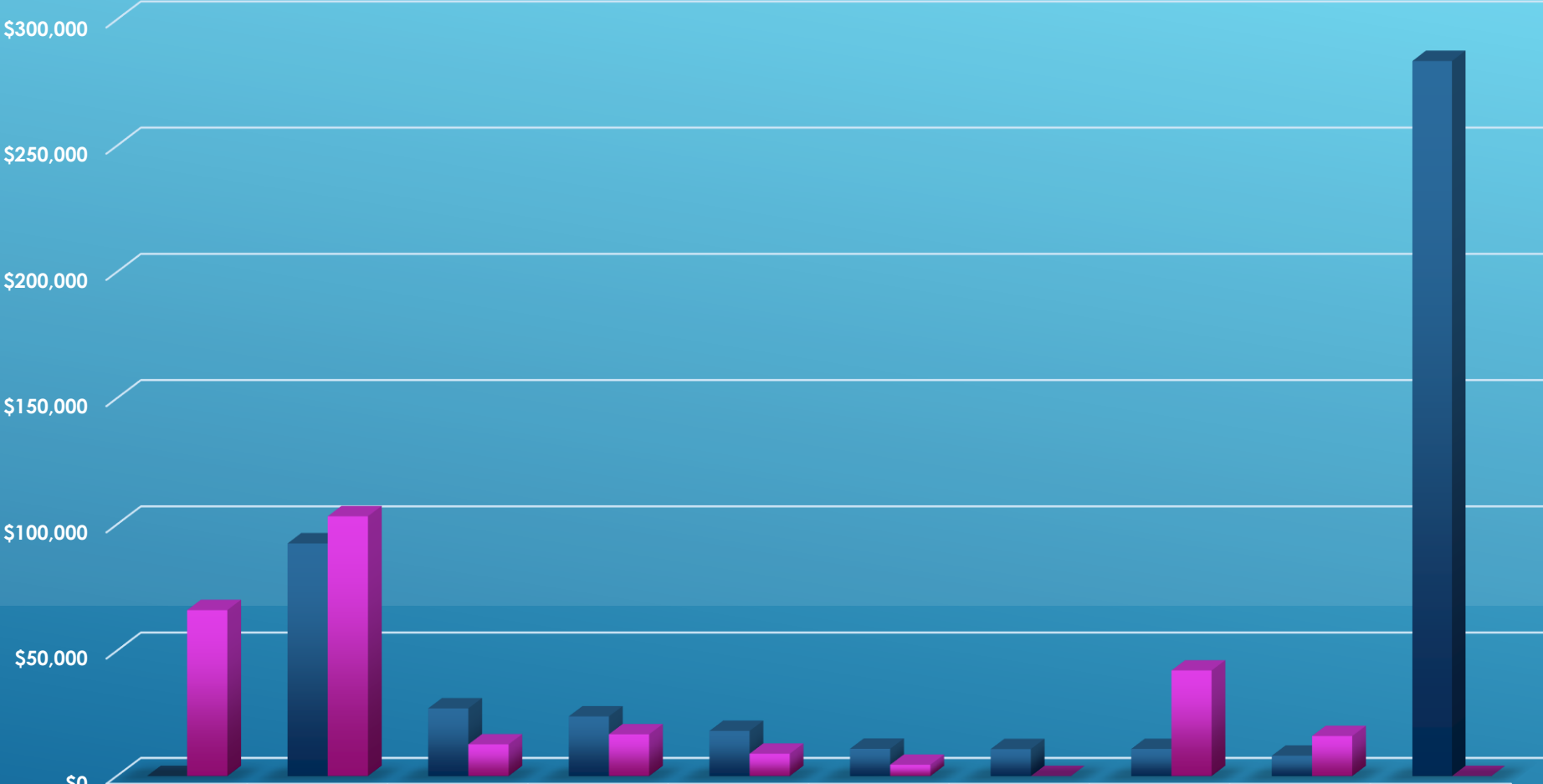
# GENERAL FUND REVENUE - BUDGET VS. ACTUAL 7/1/25 - 12/31/25



# GENERAL FUND

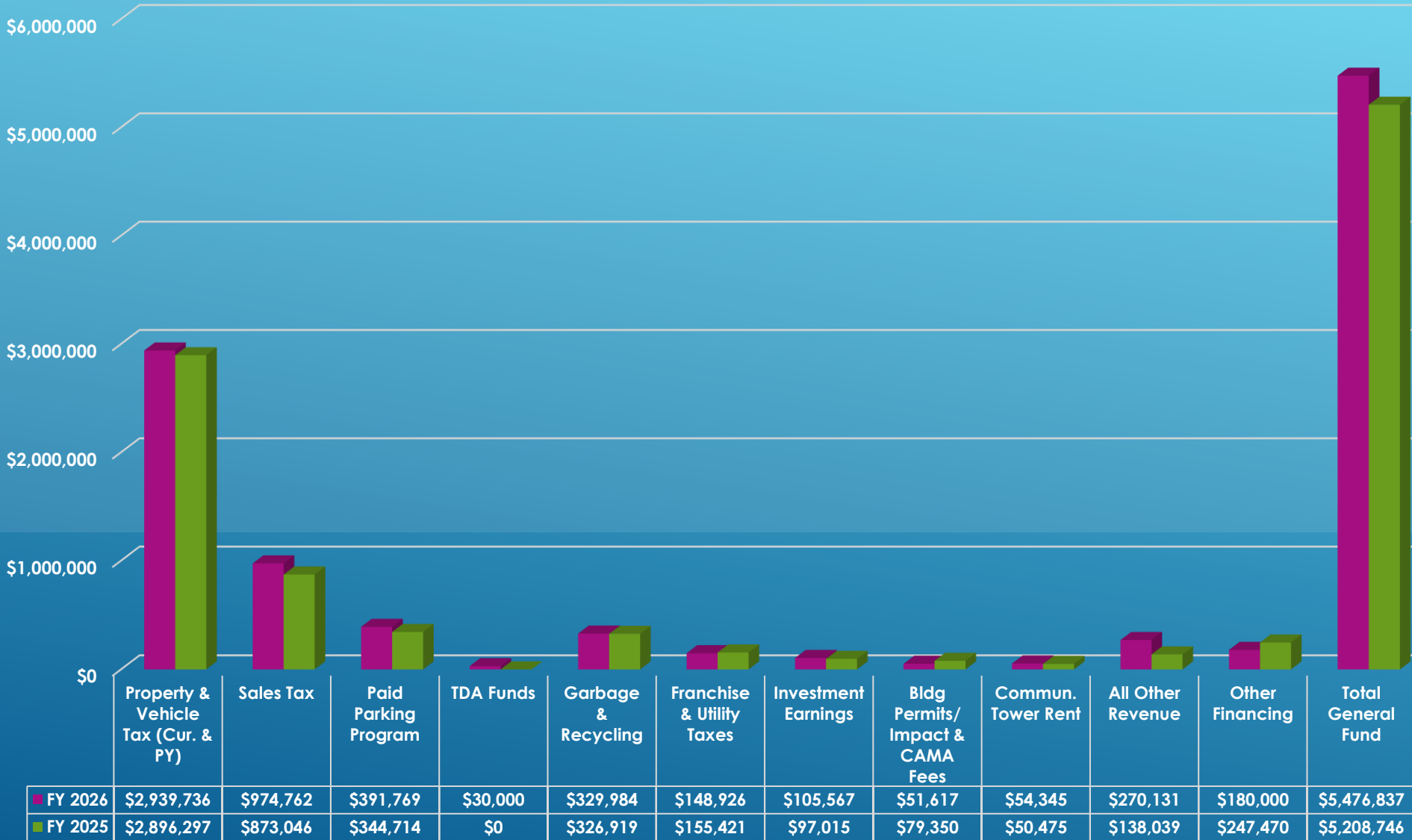
## "OTHER" REVENUE - BUDGET VS. ACTUAL

### 7/1/25 - 12/31/25

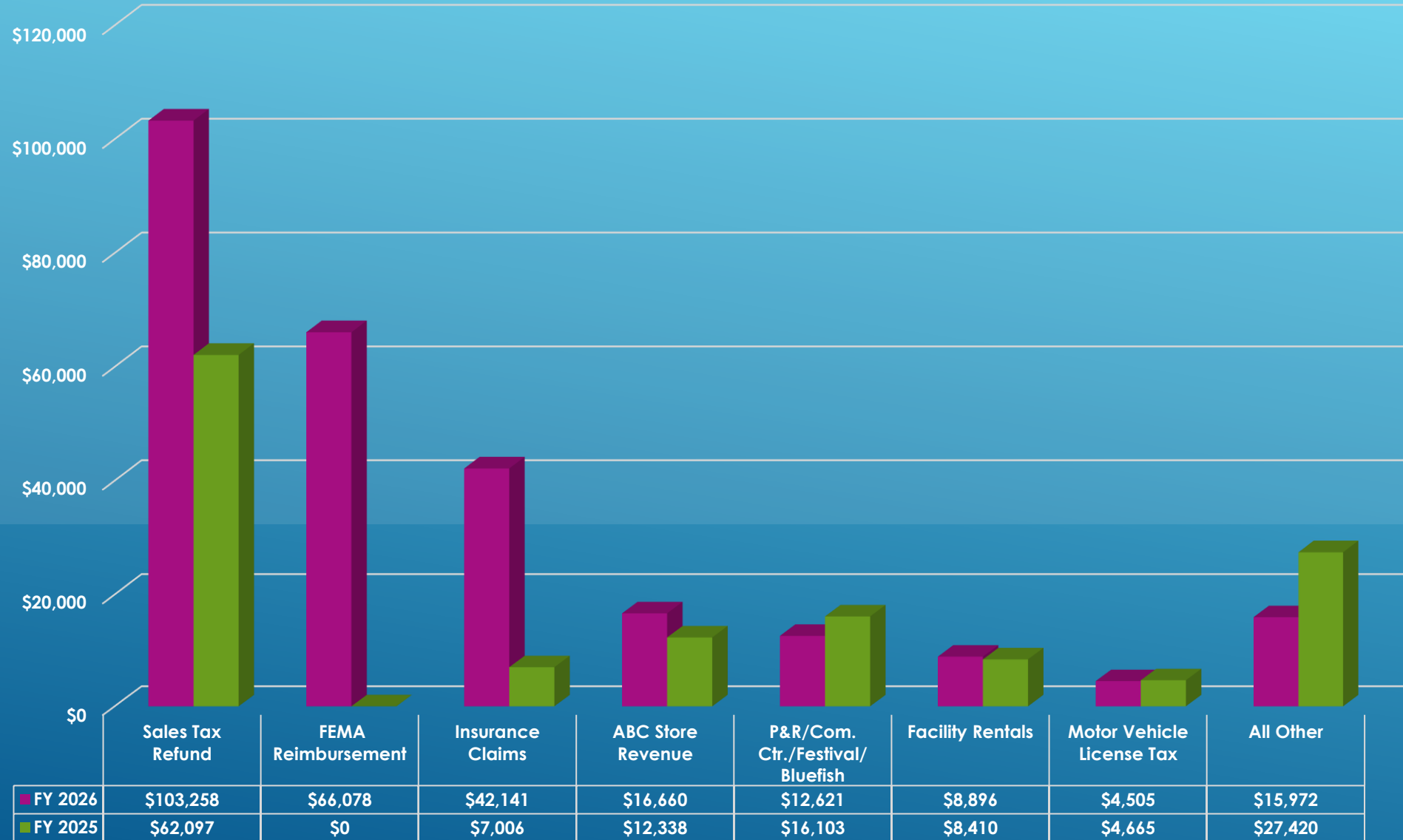


	FEMA Reimburse.	Sales Tax Refund 111.6%	P&R/Com. Ctr./Festival / Bluefish 46.7%	ABC Store Revenue 70.0%	Facility Rentals 49.4%	Motor Vehicle License Tax 41.4%	Beer & Wine Tax 0%	Insurance Claims 389.9%	All Other 197.2%	Appropriate Fund Balance 0%
<b>Budget</b>	\$0	\$92,500	\$27,000	\$23,800	\$18,000	\$10,875	\$10,750	\$10,807	\$8,100	\$283,594
<b>Actual</b>	\$66,078	\$103,258	\$12,621	\$16,660	\$8,896	\$4,505	\$0	\$42,141	\$15,972	\$0

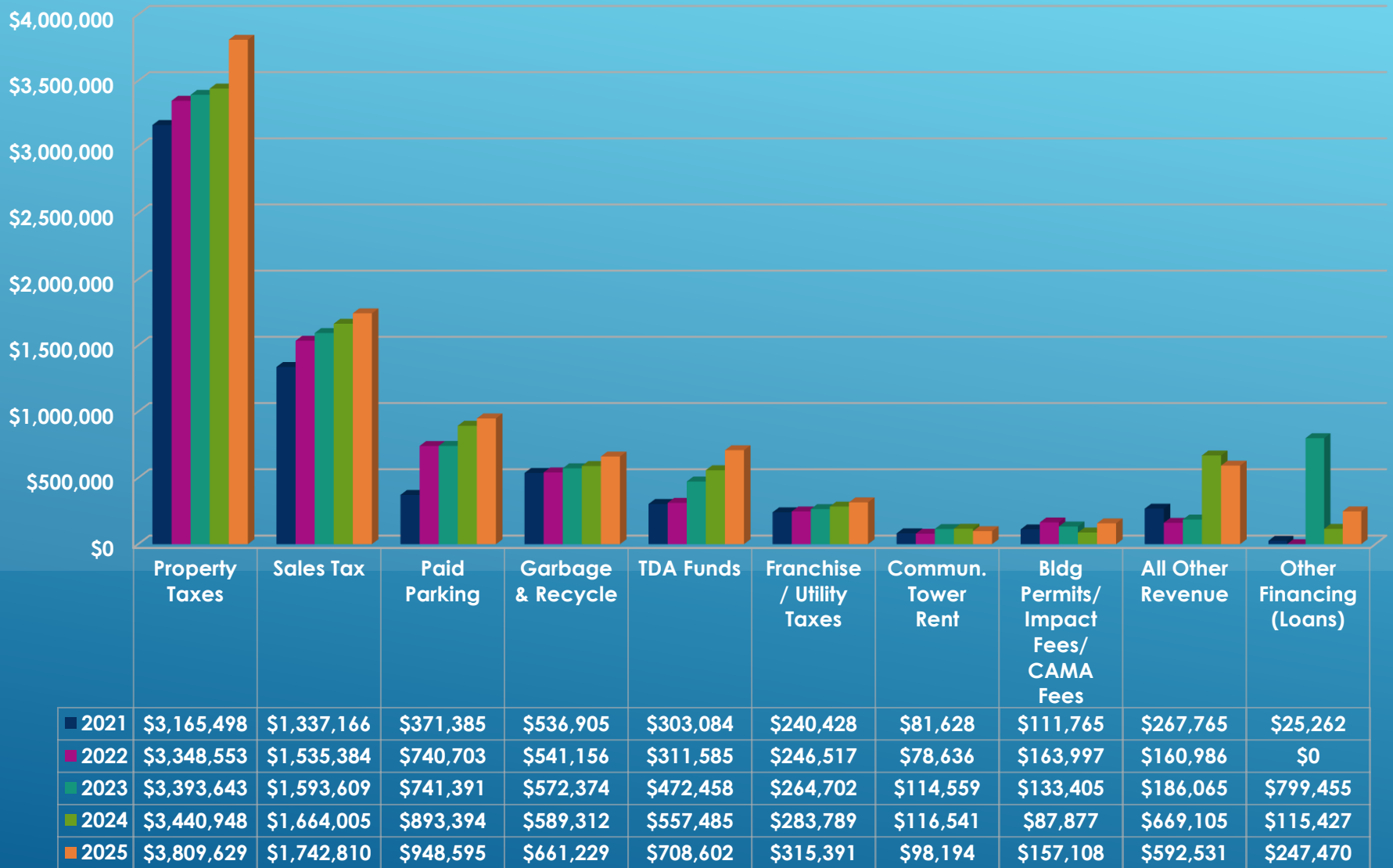
# GENERAL FUND ACTUAL REVENUE 12/31/2025 VS. 12/31/2024



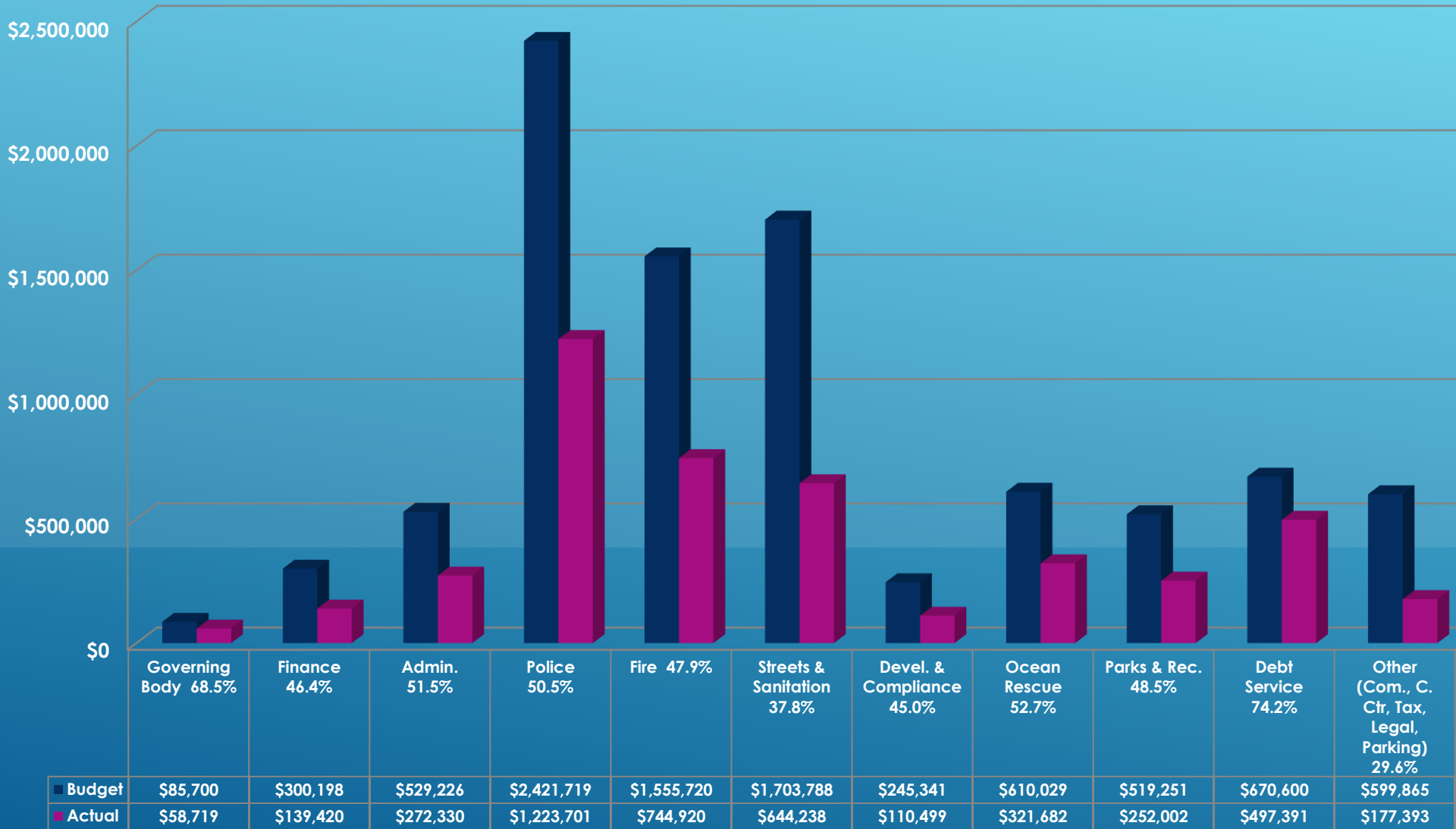
# GENERAL FUND ACTUAL "ALL OTHER" REVENUE 12/31/2025 VS. 12/31/2024



# GENERAL FUND REVENUE FY 2021 - 2025



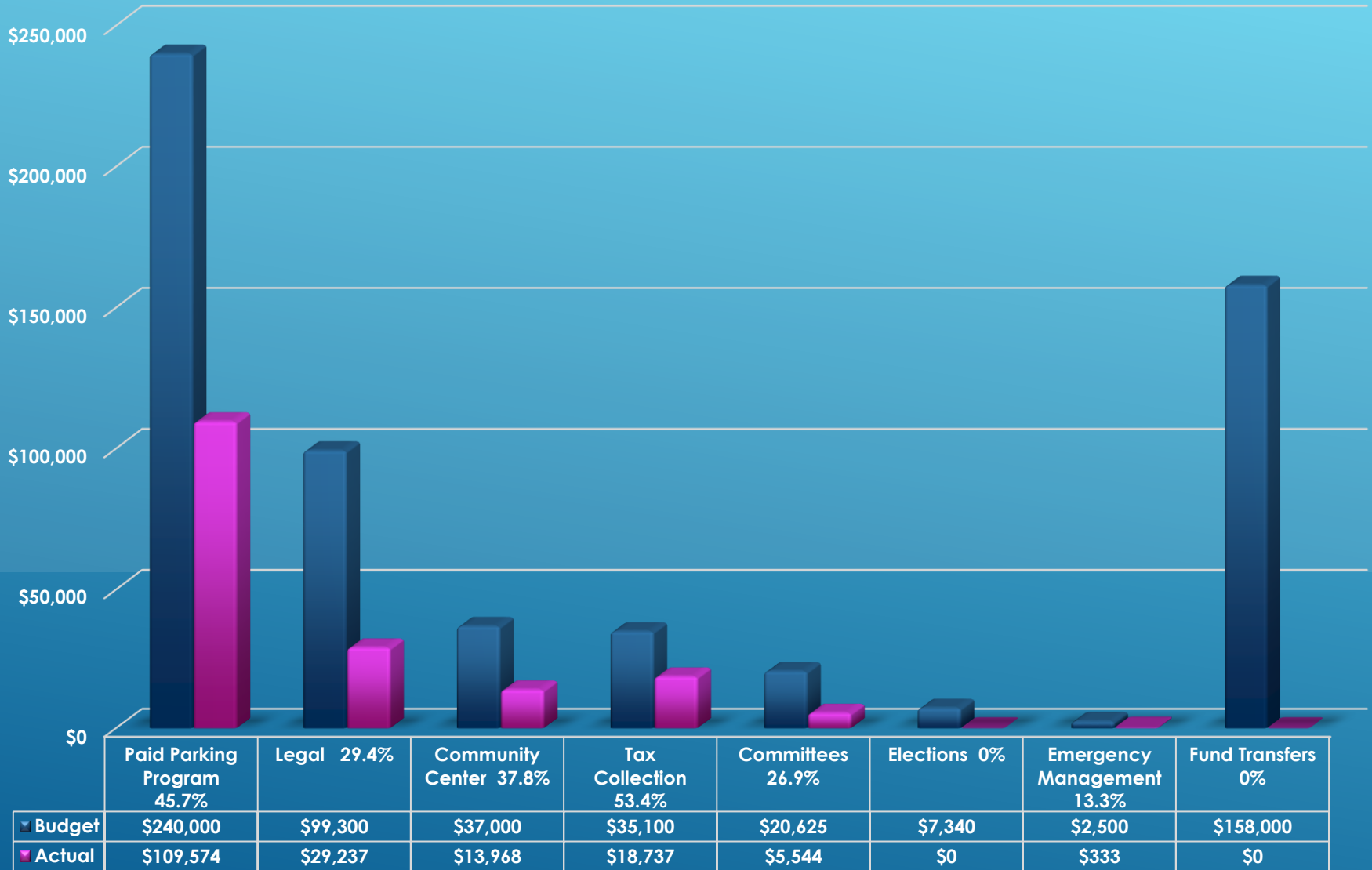
# GENERAL FUND EXPENSES - BUDGET VS. ACTUAL 7/1/25 - 12/31/25



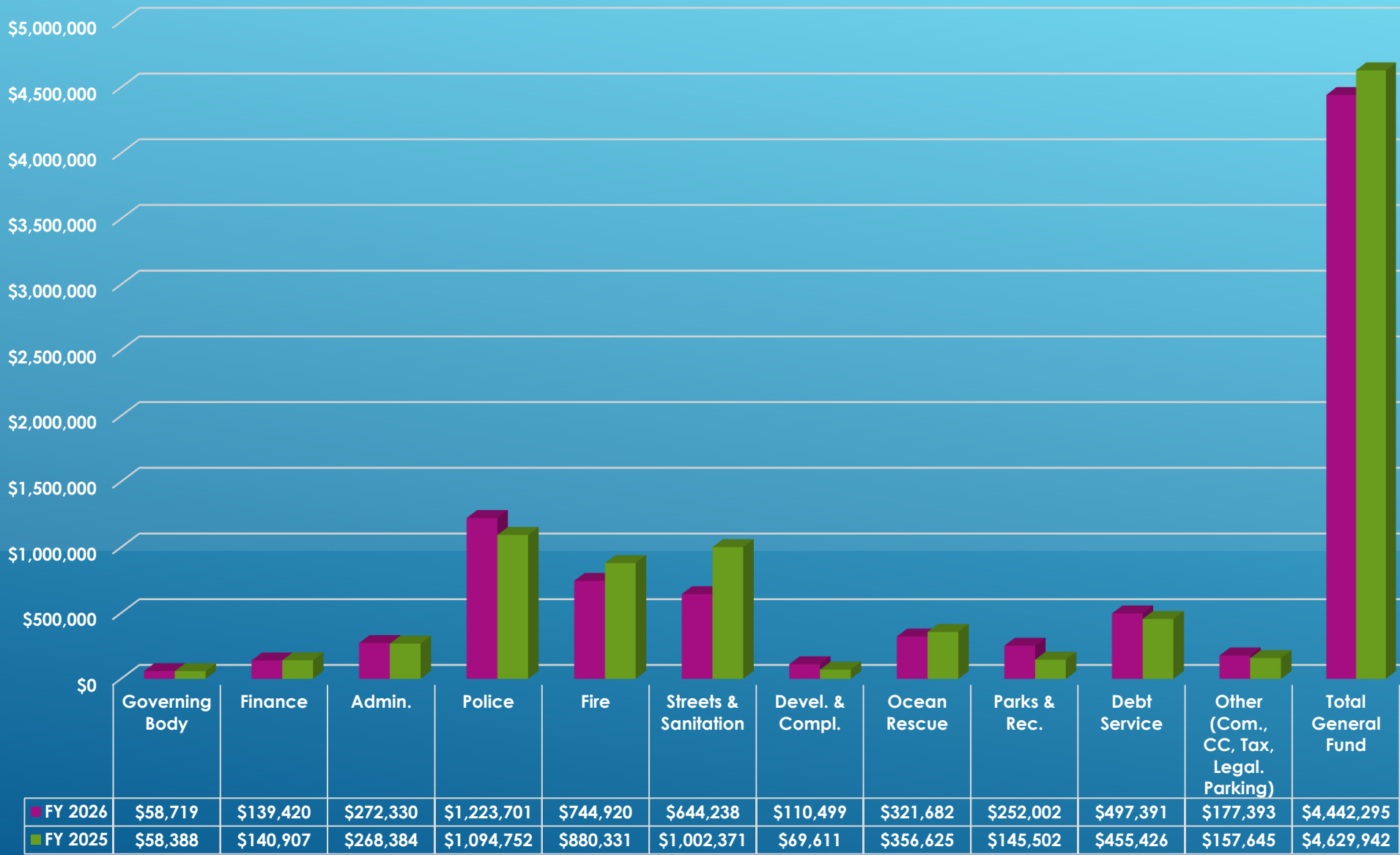
# GENERAL FUND

## "OTHER" EXPENSES - BUDGET VS. ACTUAL

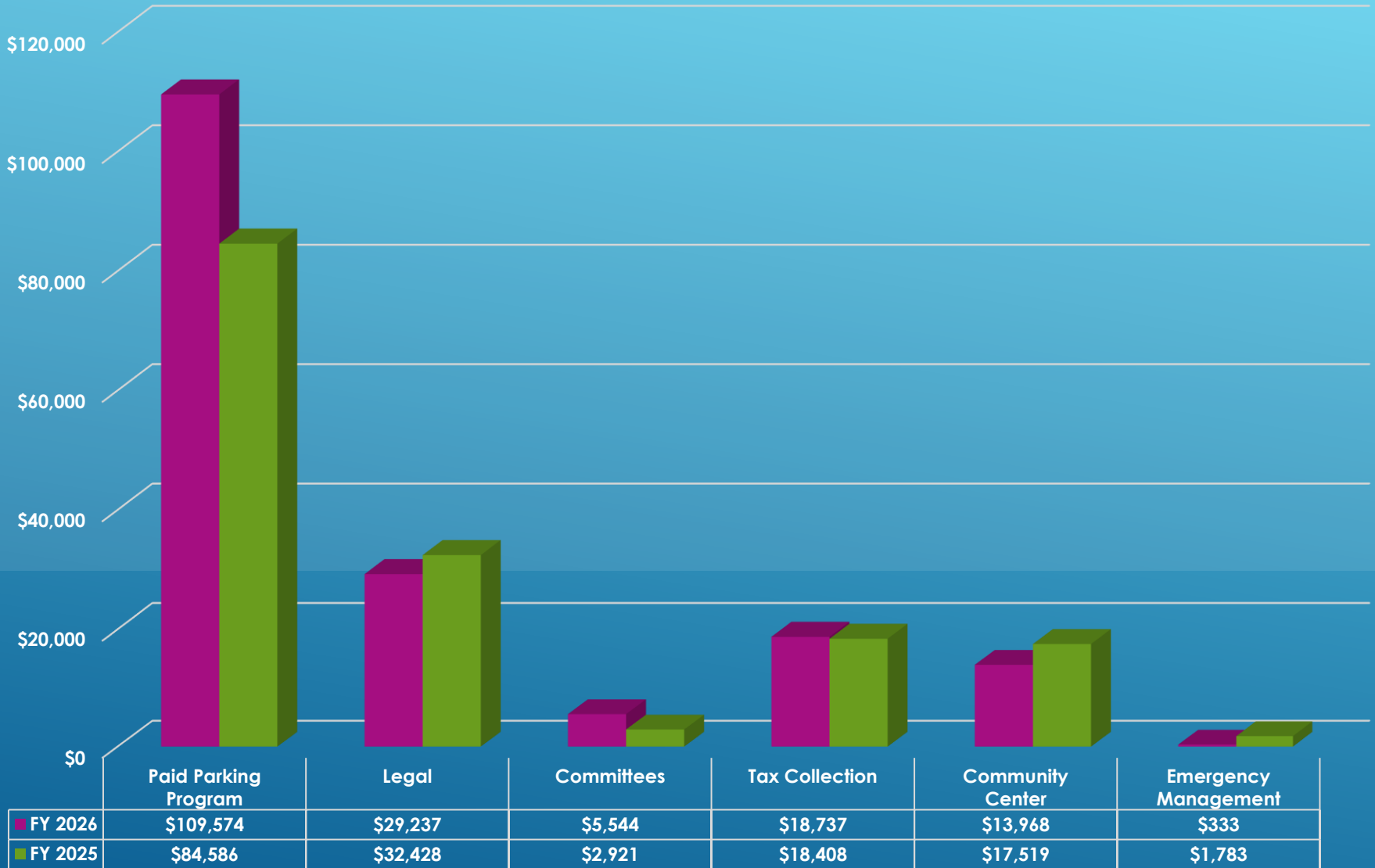
### 7/1/25 - 12/31/25



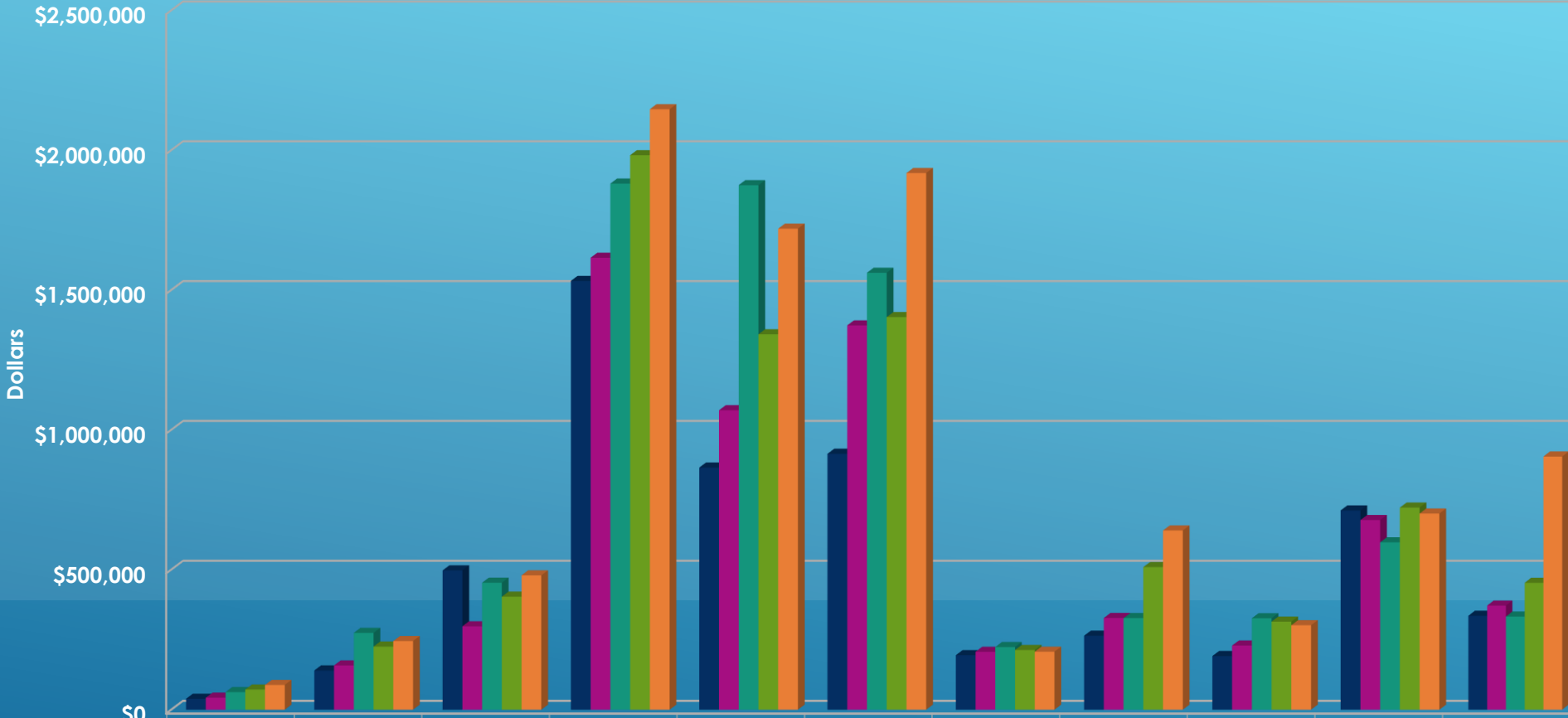
# GENERAL FUND ACTUAL EXPENSES 12/31/2025 VS. 12/31/2024



# GENERAL FUND ACTUAL "ALL OTHER" EXPENSES 12/31/2025 VS. 12/31/2024

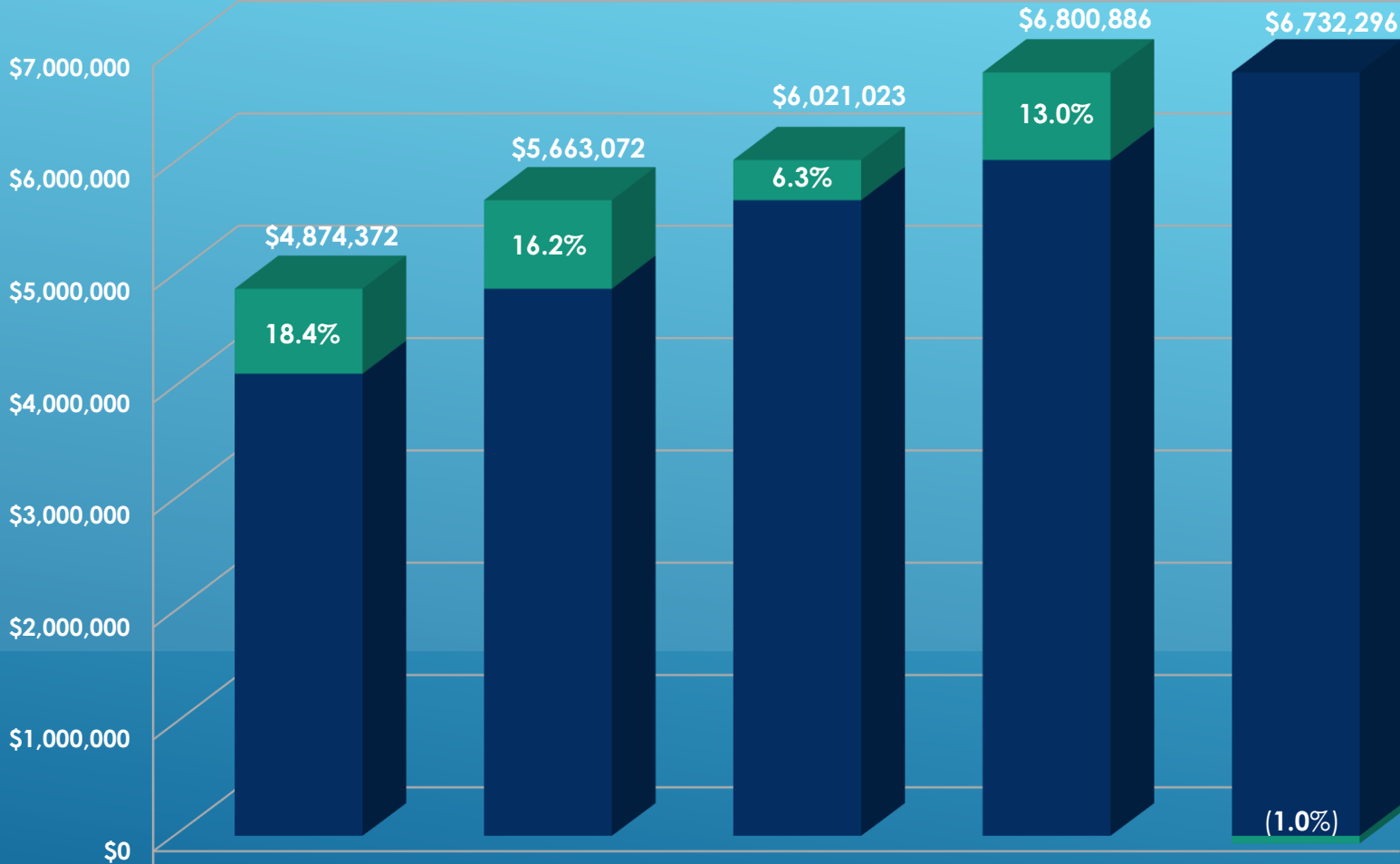


# GENERAL FUND EXPENSES BY DEPARTMENT FY 2021 - 2025



	Governing Body	Finance	Admin.	Police Dept.	Fire Dept.	Streets & Sanitation	Devel. & Compl.	Lifeguards	Parks & Rec	Debt Service	All Other
2021	\$38,777	\$139,991	\$497,326	\$1,532,432	\$864,804	\$914,234	\$194,394	\$264,011	\$191,475	\$711,569	\$335,166
2022	\$42,675	\$157,911	\$297,624	\$1,615,263	\$1,069,827	\$1,373,350	\$206,551	\$327,437	\$228,990	\$677,285	\$371,380
2023	\$62,794	\$274,052	\$453,233	\$1,880,464	\$1,874,895	\$1,561,452	\$223,634	\$326,939	\$326,336	\$597,685	\$332,226
2024	\$71,877	\$225,244	\$403,365	\$1,981,828	\$1,341,637	\$1,403,050	\$213,098	\$508,918	\$314,344	\$721,902	\$452,757
2025	\$88,375	\$245,060	\$479,546	\$2,146,386	\$1,719,209	\$1,918,249	\$207,066	\$639,935	\$301,543	\$700,507	\$904,273

# GENERAL FUND CHANGE IN FUND BALANCE FISCAL YEAR 2021 TO 2025



	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
■ Inc./ (Dec.) for current FY	\$756,707	\$788,700	\$357,951	\$779,863	(\$68,590)
■ Fund Balance prior FY	\$4,117,665	\$4,874,372	\$5,663,072	\$6,021,023	\$6,800,886

**WATER & SEWER FUND  
FY 2026 HIGHLIGHTS  
7/1/25 – 12/31/25**

**Original Budget** **\$2,912,080**

**Amended Budget** **\$2,915,097**

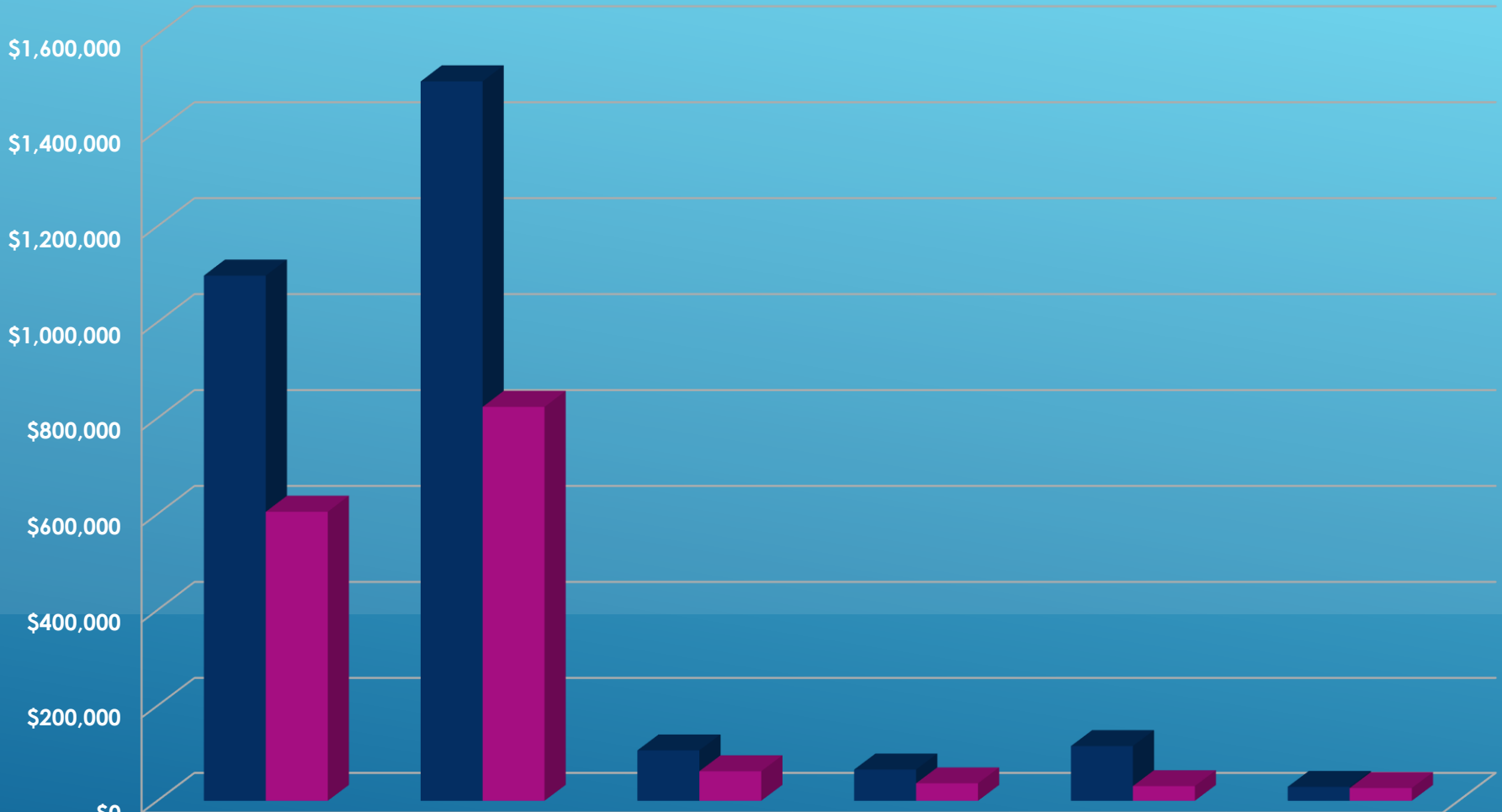
**Actual Revenue** **\$1,584,476**

**Revenue % of Budget** **54.4%**

**Actual Expenses** **\$1,150,165**

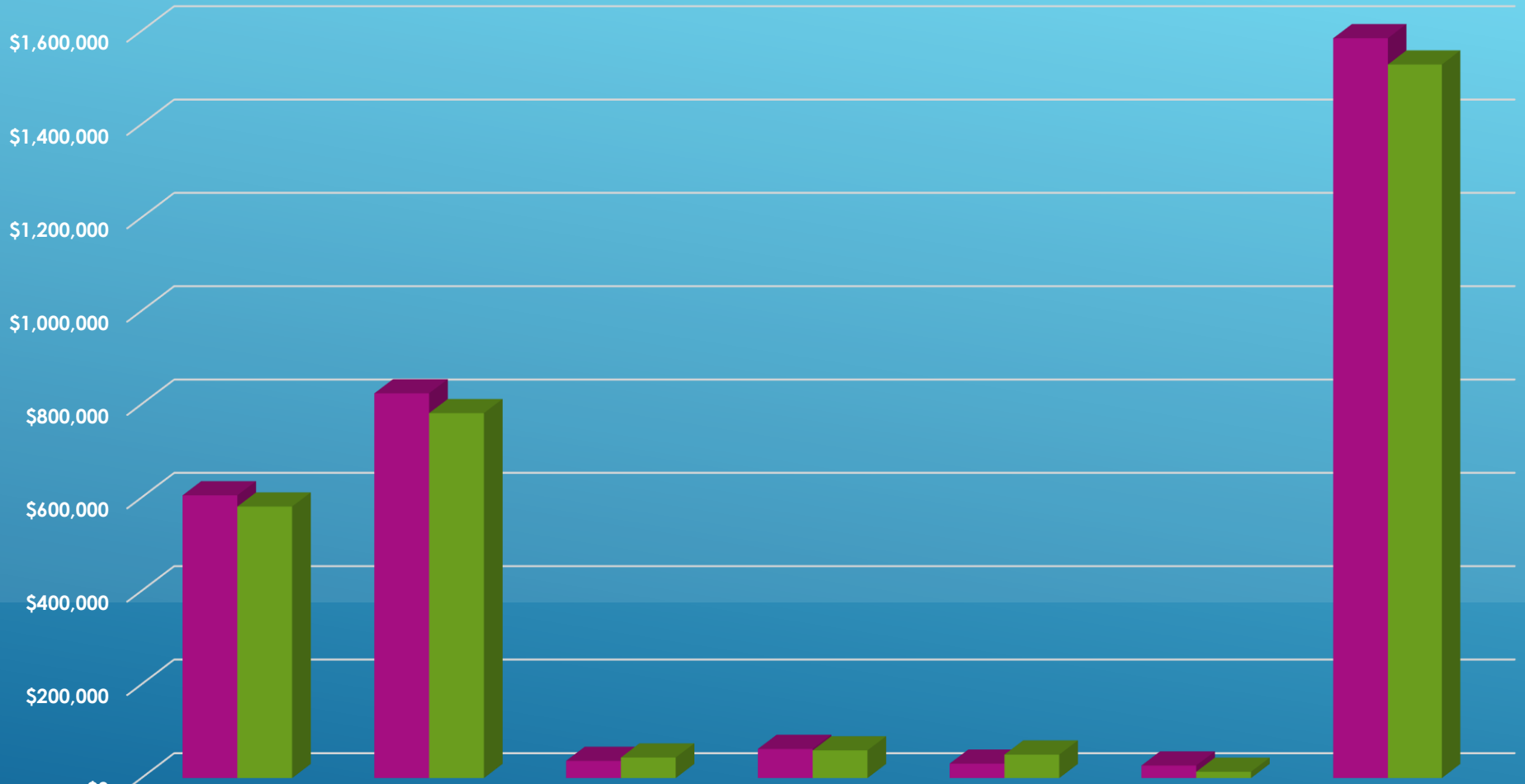
**Expenses % of Budget** **39.5%**

# WATER/SEWER FUND REVENUE - BUDGET VS. ACTUAL 7/1/25 - 12/31/25



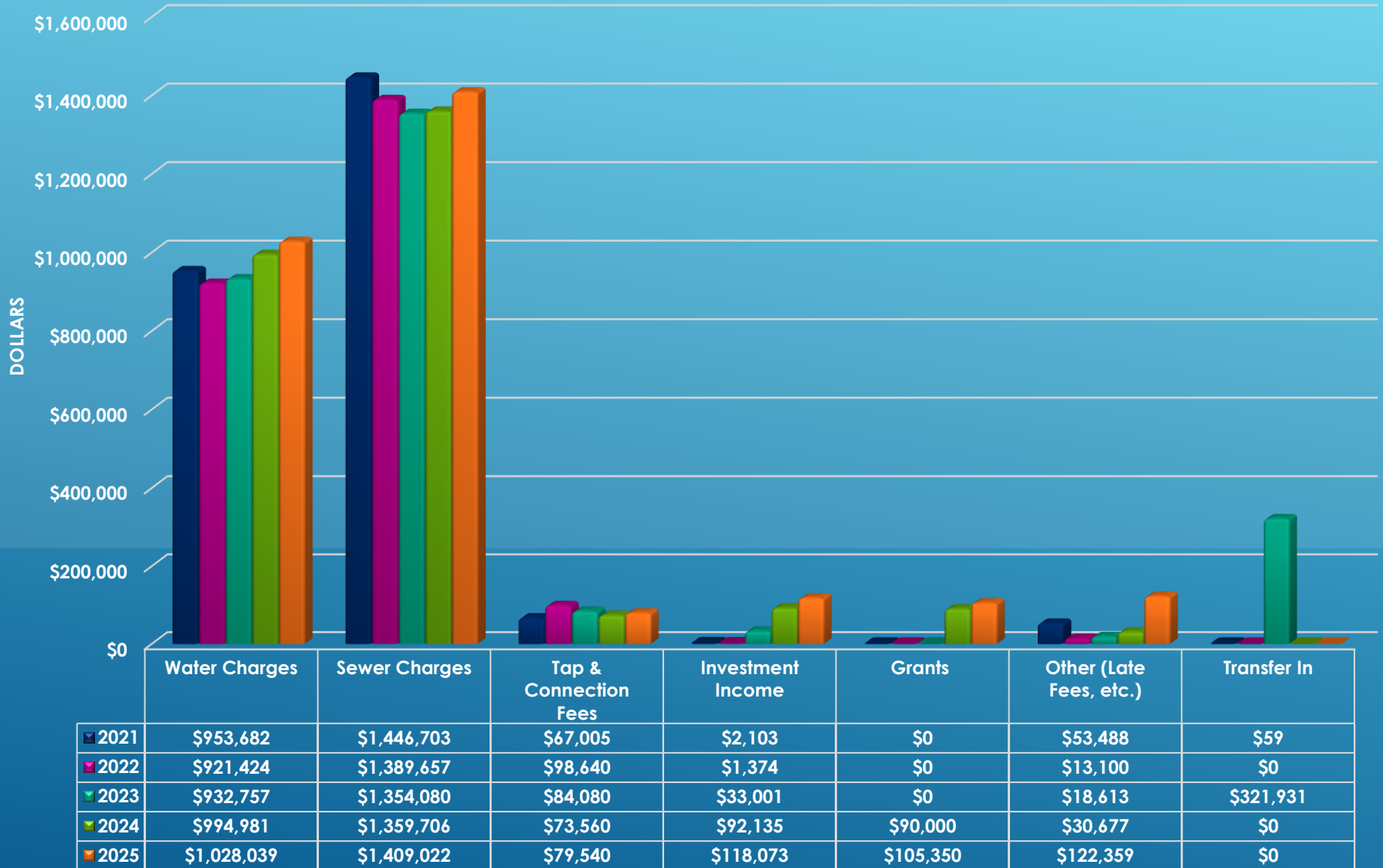
	Water Charges 55.1%	Sewer Charges 54.8%	Investment Earnings 58.6%	Tap & Connection Fees 55.8%	NCDEQ AIA Grants 26.7%	All Other Revenue 91.3%
<b>Budget</b>	\$1,097,150	\$1,501,975	\$106,020	\$65,700	\$115,000	\$29,252
<b>Actual</b>	\$604,847	\$823,426	\$62,080	\$36,660	\$30,750	\$26,713

# WATER/SEWER FUND ACTUAL REVENUE 12/31/2025 VS. 12/31/2024



	Water Charges	Sewer Charges	Tap & Connection Fees	Investment Earnings	NCDEQ AIA Grants	All Other Revenue	Total W/S Fund
<span style="color: blue;">■</span> FY 2026	\$604,847	\$823,426	\$36,660	\$62,080	\$30,750	\$26,713	\$1,584,476
<span style="color: orange;">■</span> FY 2025	\$580,810	\$781,038	\$43,840	\$58,986	\$50,000	\$13,360	\$1,528,034

# WATER/SEWER FUND REVENUE BY SOURCE FY 2021 - 2025

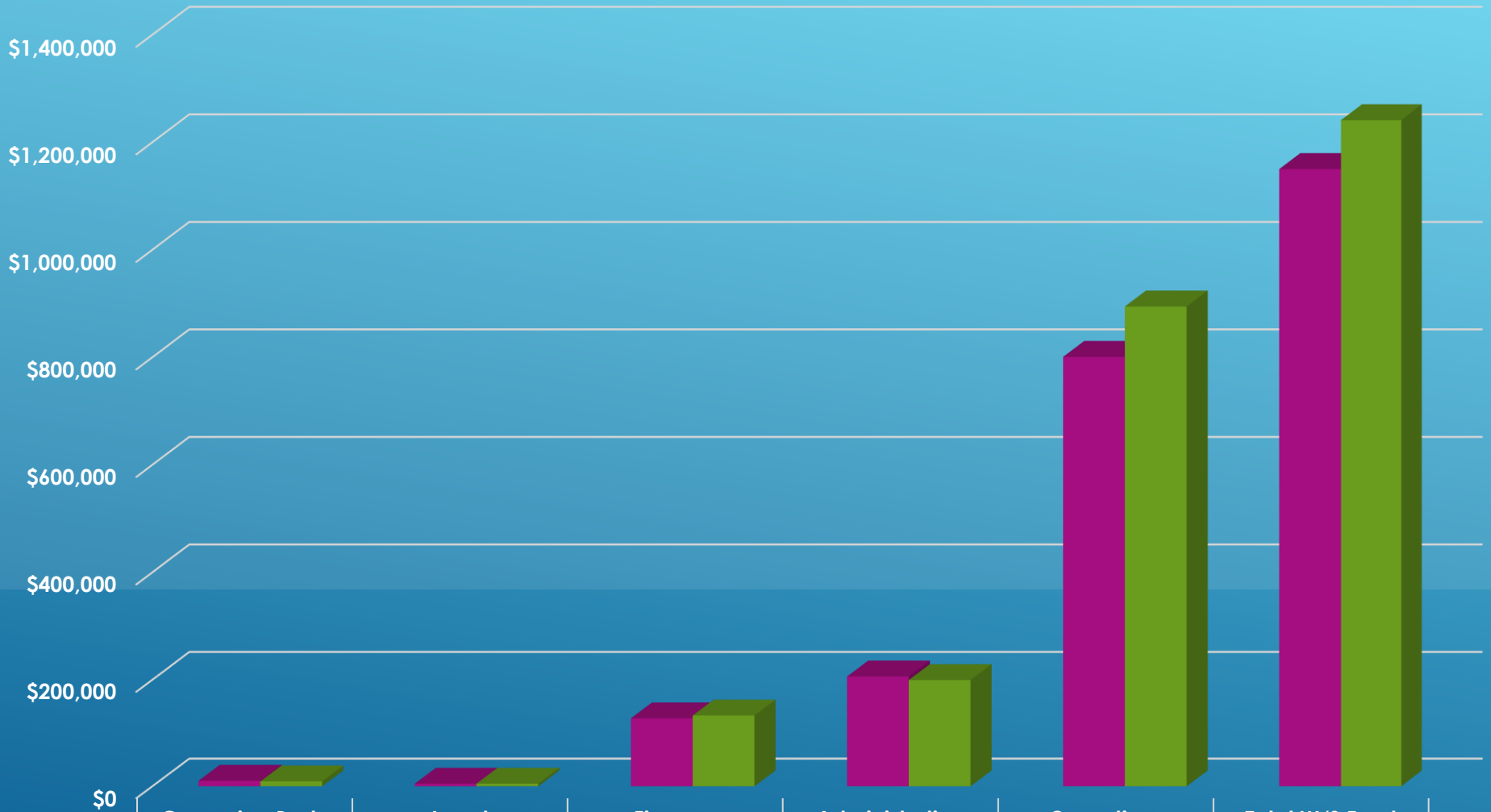


# WATER/SEWER FUND EXPENSES - BUDGET VS. ACTUAL 7/1/25 - 12/31/25



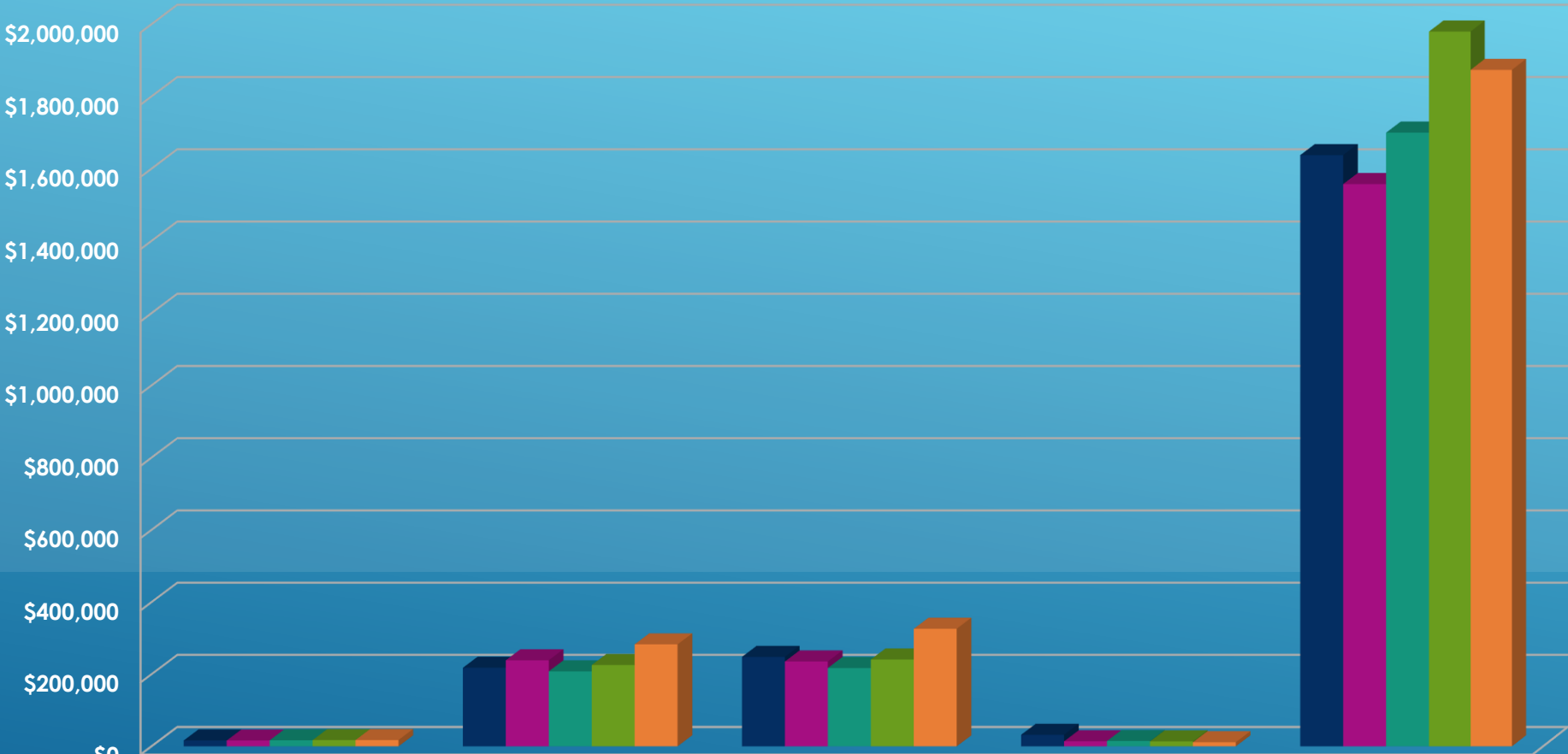
	Governing Body 50.9%	Legal 24.4%	Finance 42.1%	Administration 58.4%	Operations 36.1%
■ Budget	\$20,549	\$20,440	\$303,422	\$353,184	\$2,217,502
■ Actual	\$10,467	\$4,996	\$127,715	\$206,144	\$800,843

# WATER/SEWER FUND ACTUAL EXPENSES 12/31/2025 VS. 12/31/2024



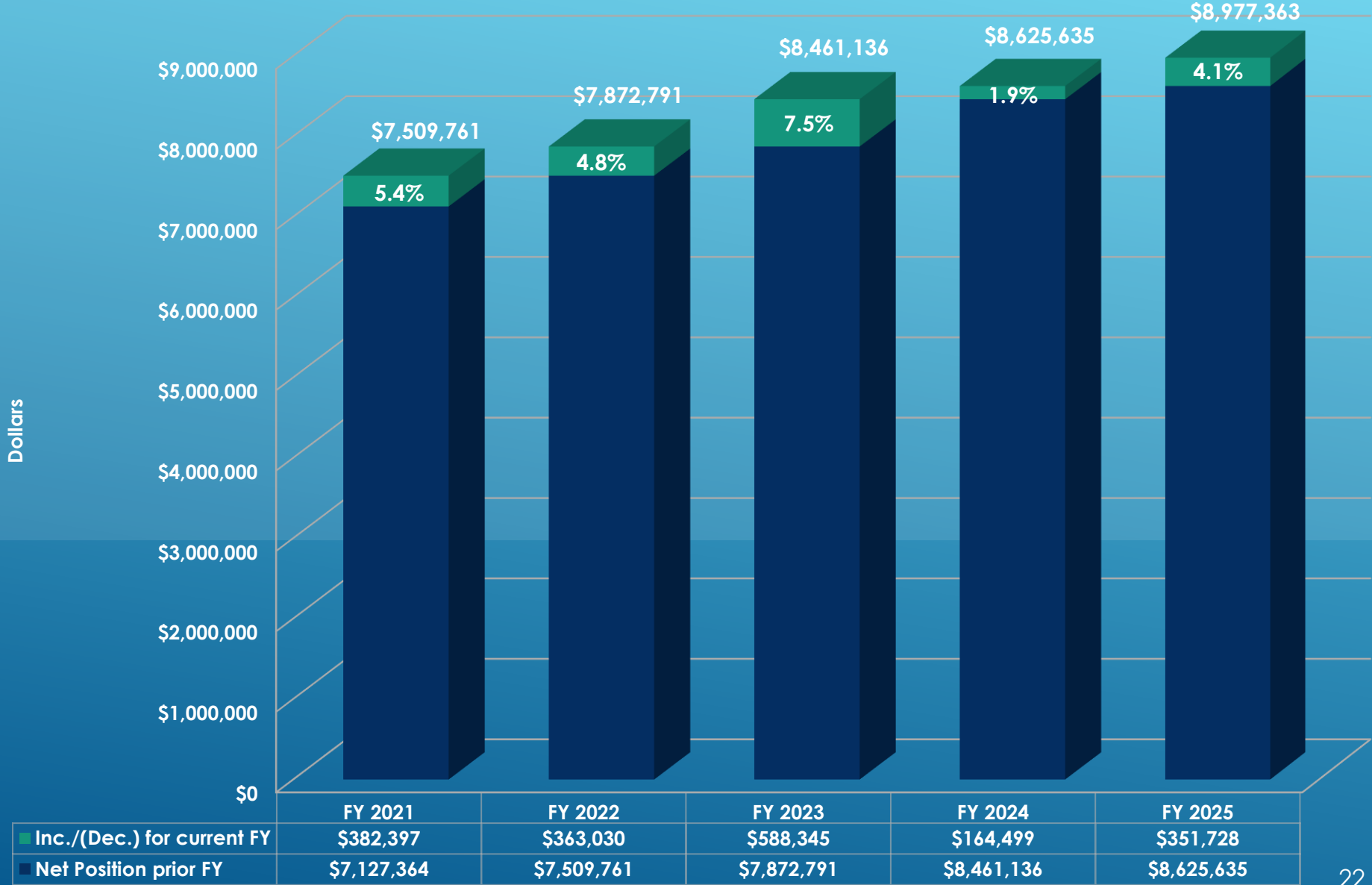
	Governing Body	Legal	Finance	Administration	Operations	Total W/S Fund
FY 2026	\$10,467	\$4,996	\$127,715	\$206,144	\$800,843	\$1,150,165
FY 2025	\$9,192	\$5,008	\$132,889	\$199,538	\$894,479	\$1,241,106

# WATER/SEWER FUND EXPENSES BY FUNCTION FY 2021 - 2025



	Governing Body	Finance	Admin.	Legal	Operations
2021	\$16,172	\$217,916	\$247,990	\$31,864	\$1,637,400
2022	\$16,106	\$238,555	\$235,315	\$13,883	\$1,557,311
2023	\$16,703	\$207,921	\$217,189	\$14,672	\$1,699,645
2024	\$17,225	\$225,367	\$240,772	\$13,650	\$1,979,528
2025	\$17,319	\$282,706	\$325,996	\$11,364	\$1,873,271

# WATER & SEWER FUND CHANGE IN NET POSITION FISCAL YEAR 2021 - 2025



# STORM WATER FUND FY 2026 HIGHLIGHTS 7/1/25 – 12/31/25

**Original Budget** **\$1,374,154**

**Amended Budget** **\$1,374,345**

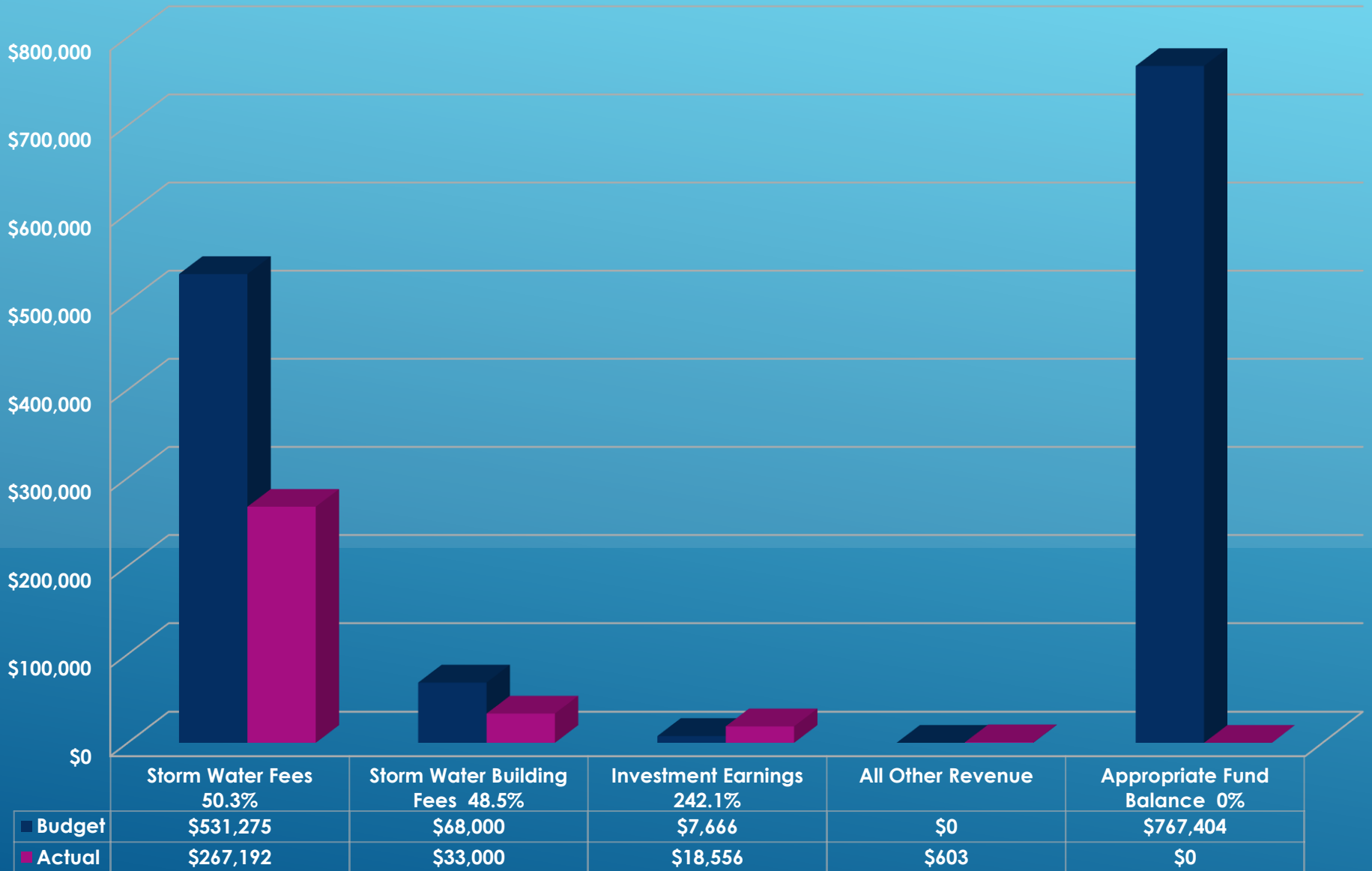
**Actual Revenue** **\$ 319,351**

**Revenue % of Budget** **23.2%**

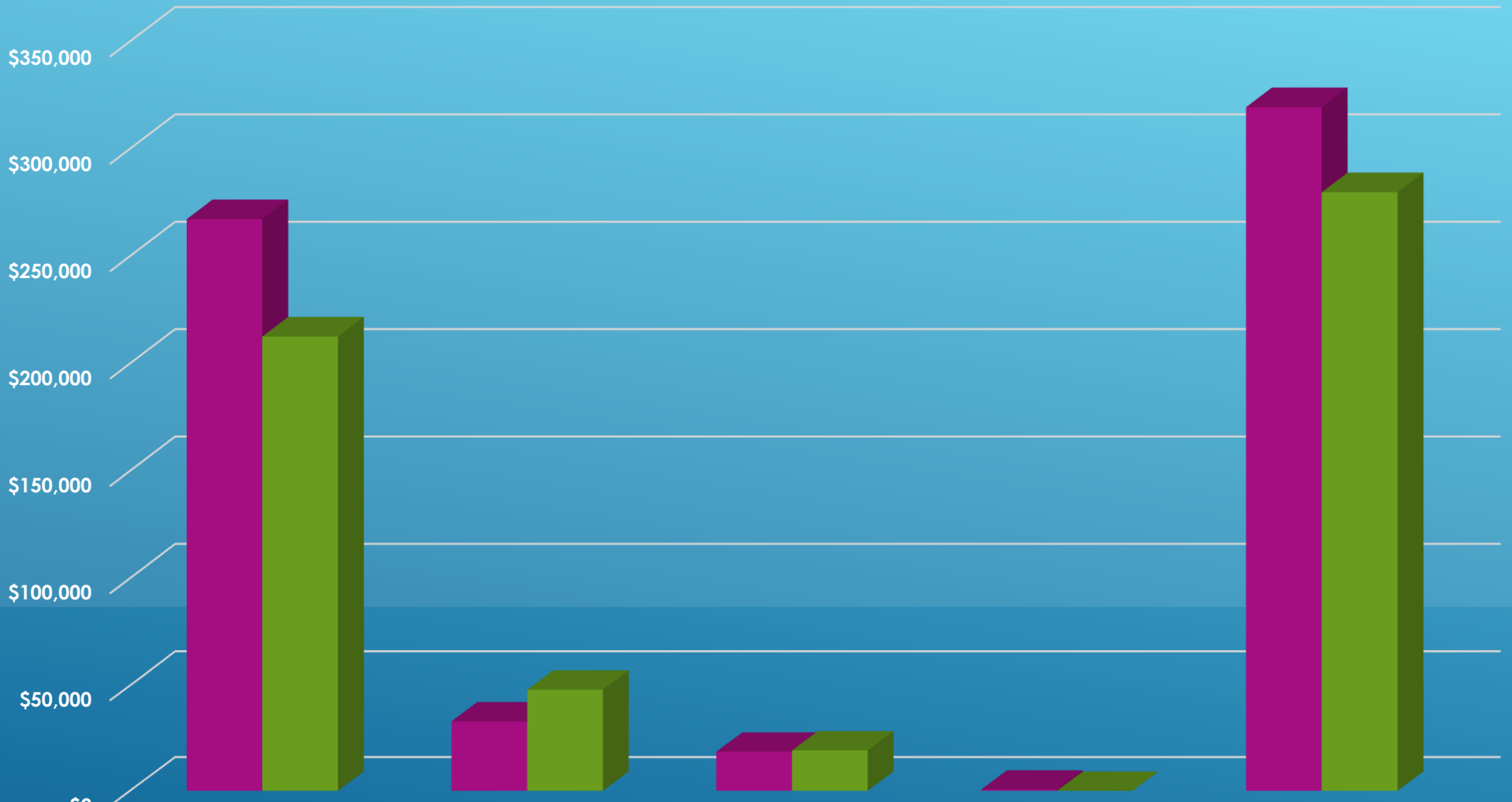
**Actual Expenses** **\$ 381,843**

**Expenses % of Budget** **27.8%**

# STORM WATER FUND REVENUE - BUDGET VS. ACTUAL 7/1/25 - 12/31/25

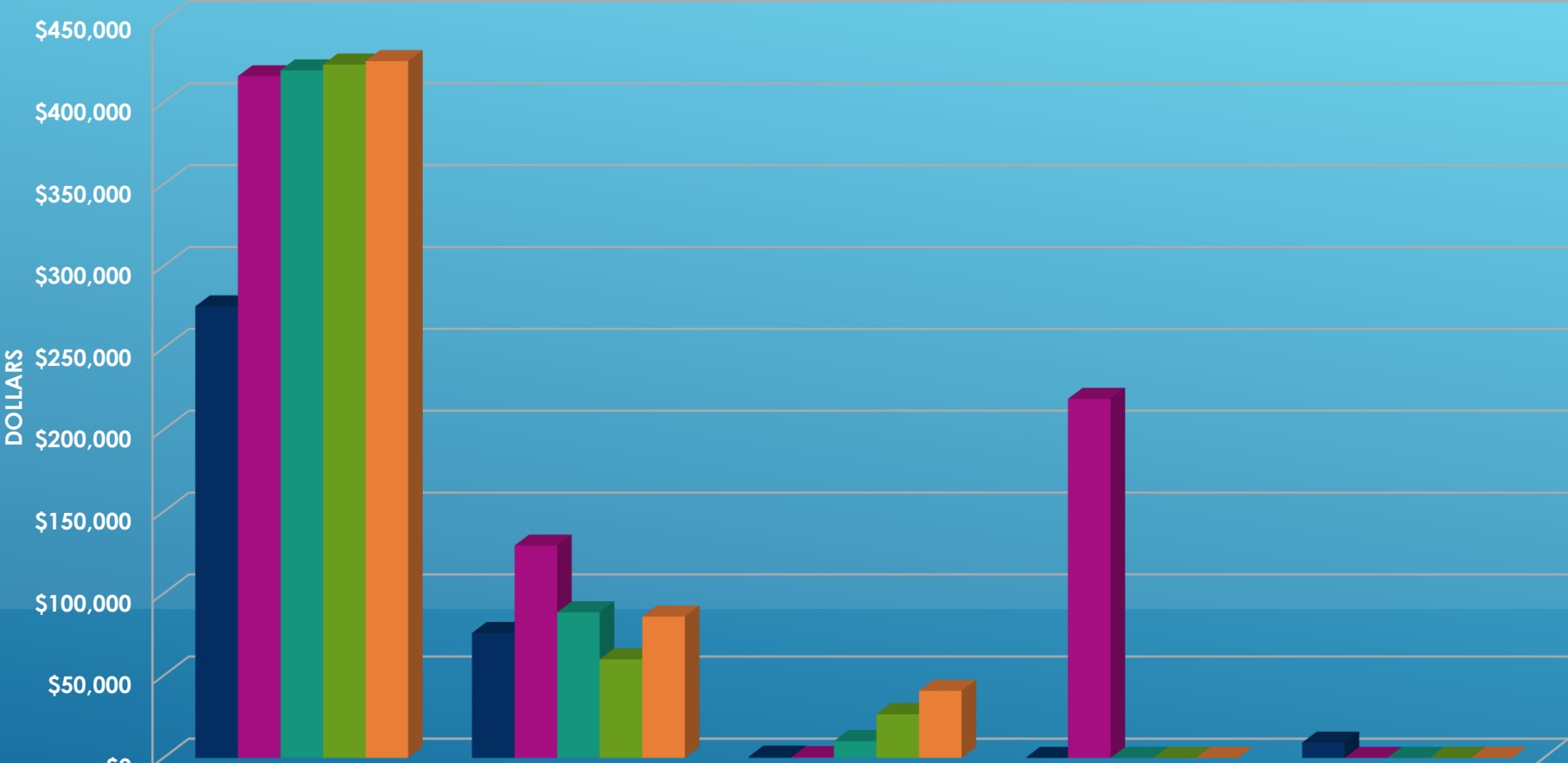


# STORM WATER FUND ACTUAL REVENUE 12/31/2025 VS. 12/31/2024



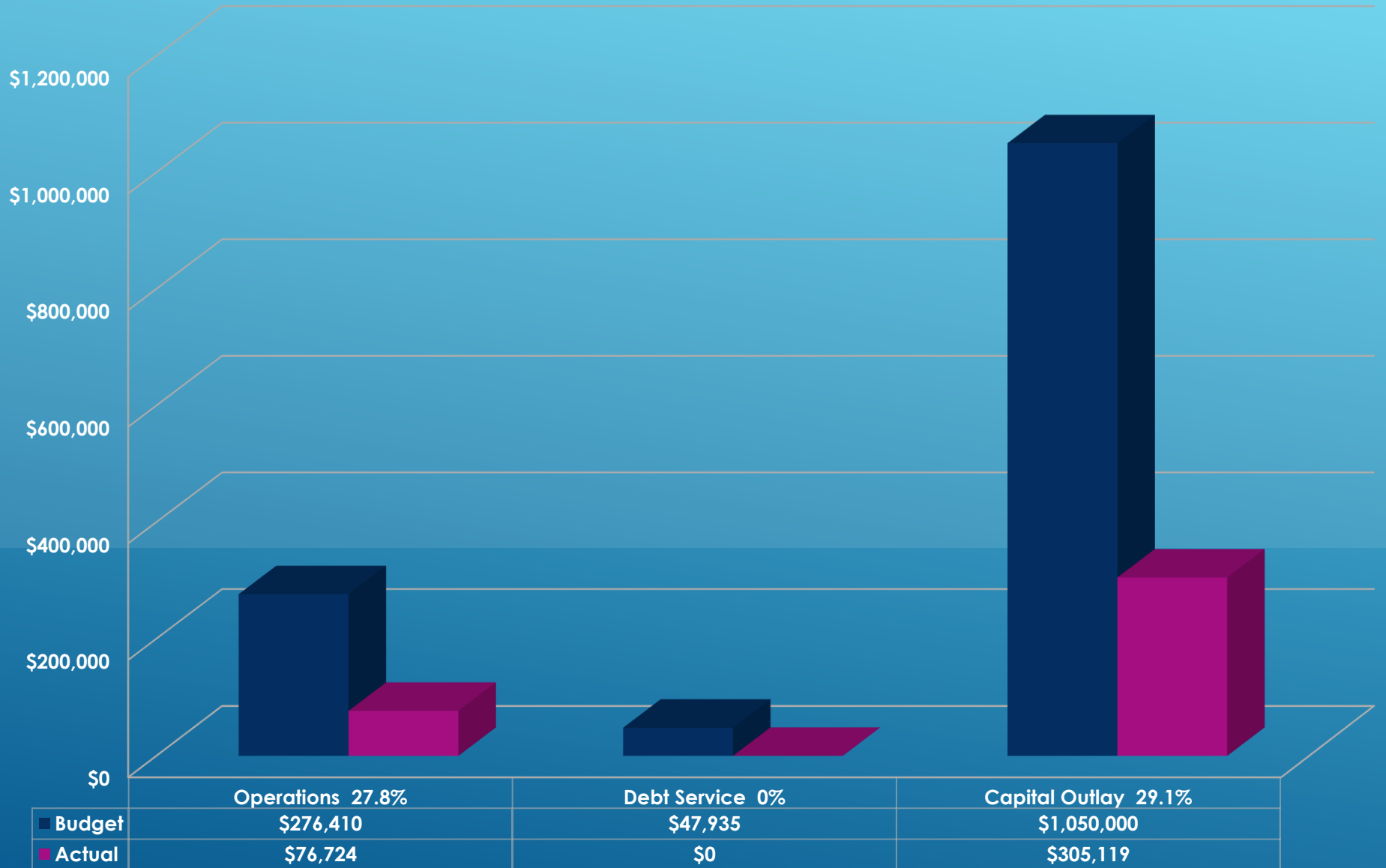
	Storm Water Fees	Storm Water Building Fees	Investment Earnings	All Other Revenue	Total Storm Water Fund
FY 2026	\$267,193	\$33,000	\$18,555	\$603	\$319,351
FY 2025	\$212,580	\$48,000	\$19,170	\$0	\$279,750

# STORM WATER FUND REVENUE BY SOURCE FY 2021 - 2025

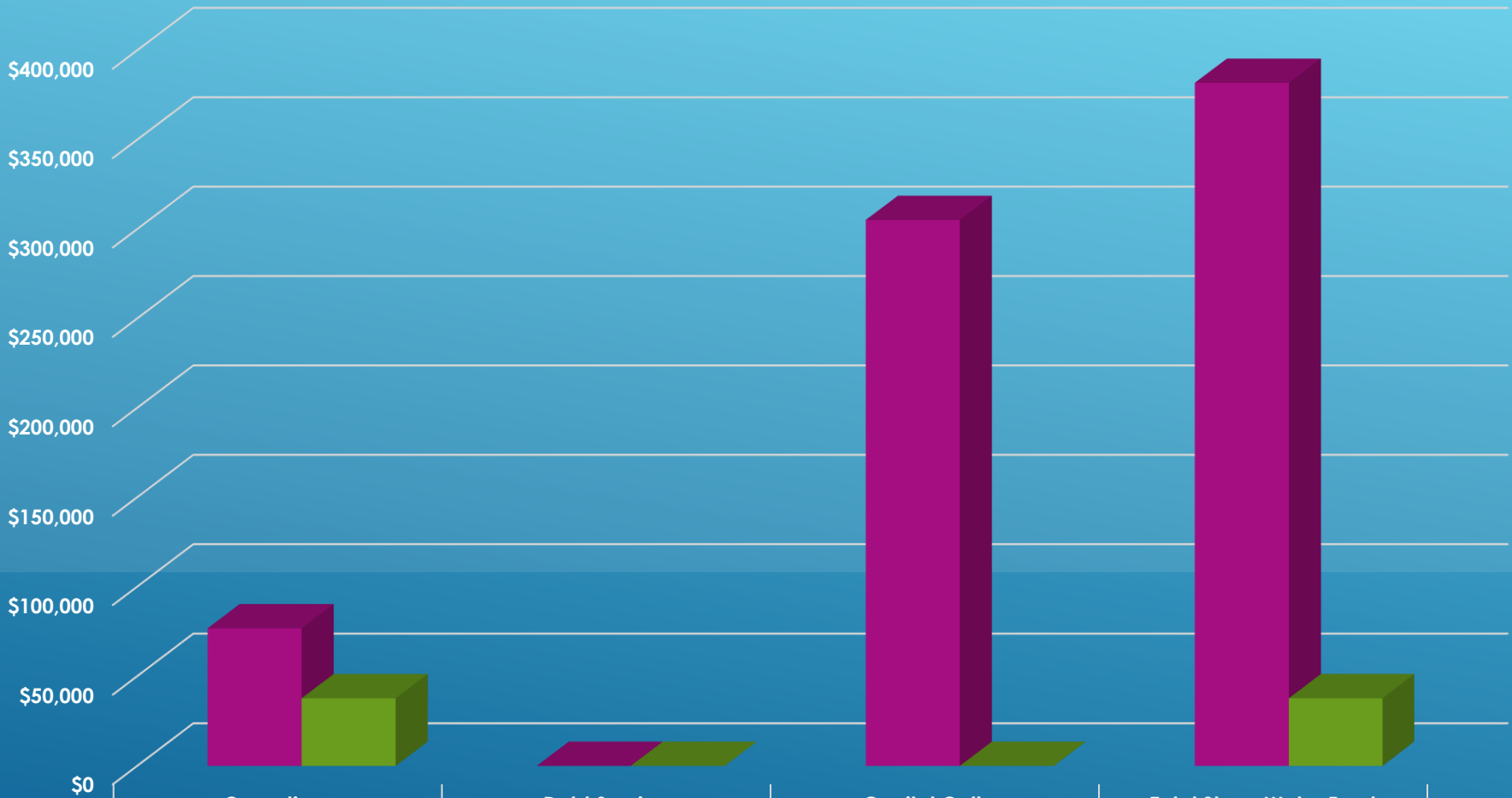


	Storm Water Fees	Storm Water Building Fees	Interest	Loan Proceeds	Hurricane Reimbursement
■ 2021	\$275,479	\$76,000	\$742	\$0	\$9,283
■ 2022	\$416,007	\$129,375	\$494	\$219,000	\$0
■ 2023	\$419,630	\$88,620	\$10,197	\$0	\$0
■ 2024	\$423,141	\$60,000	\$26,633	\$0	\$0
■ 2025	\$425,250	\$86,000	\$40,818	\$0	\$0

# STORM WATER FUND EXPENSES - BUDGET VS. ACTUAL 7/1/25 - 12/31/25

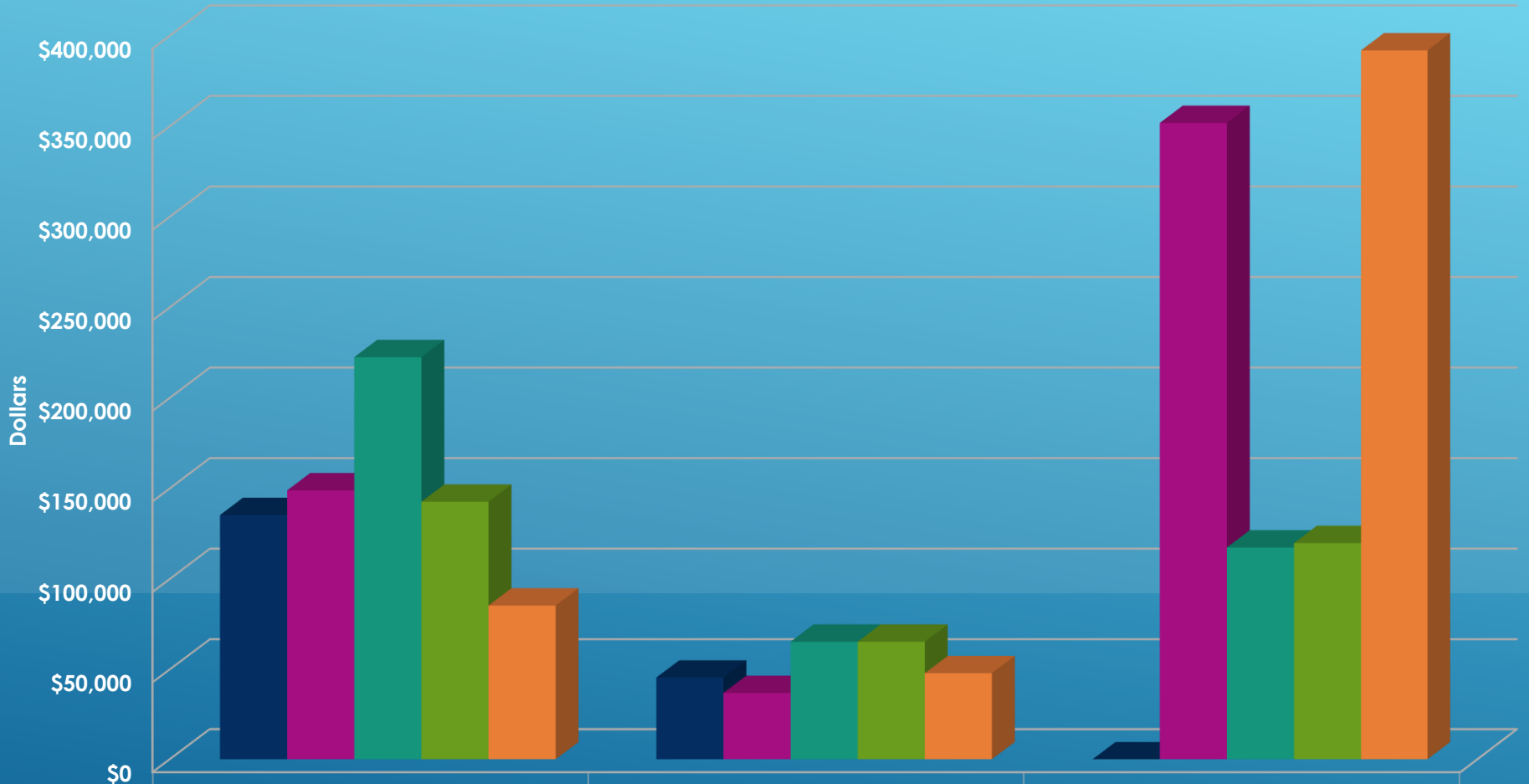


# STORM WATER FUND ACTUAL EXPENSES 12/31/2025 VS. 12/31/2024



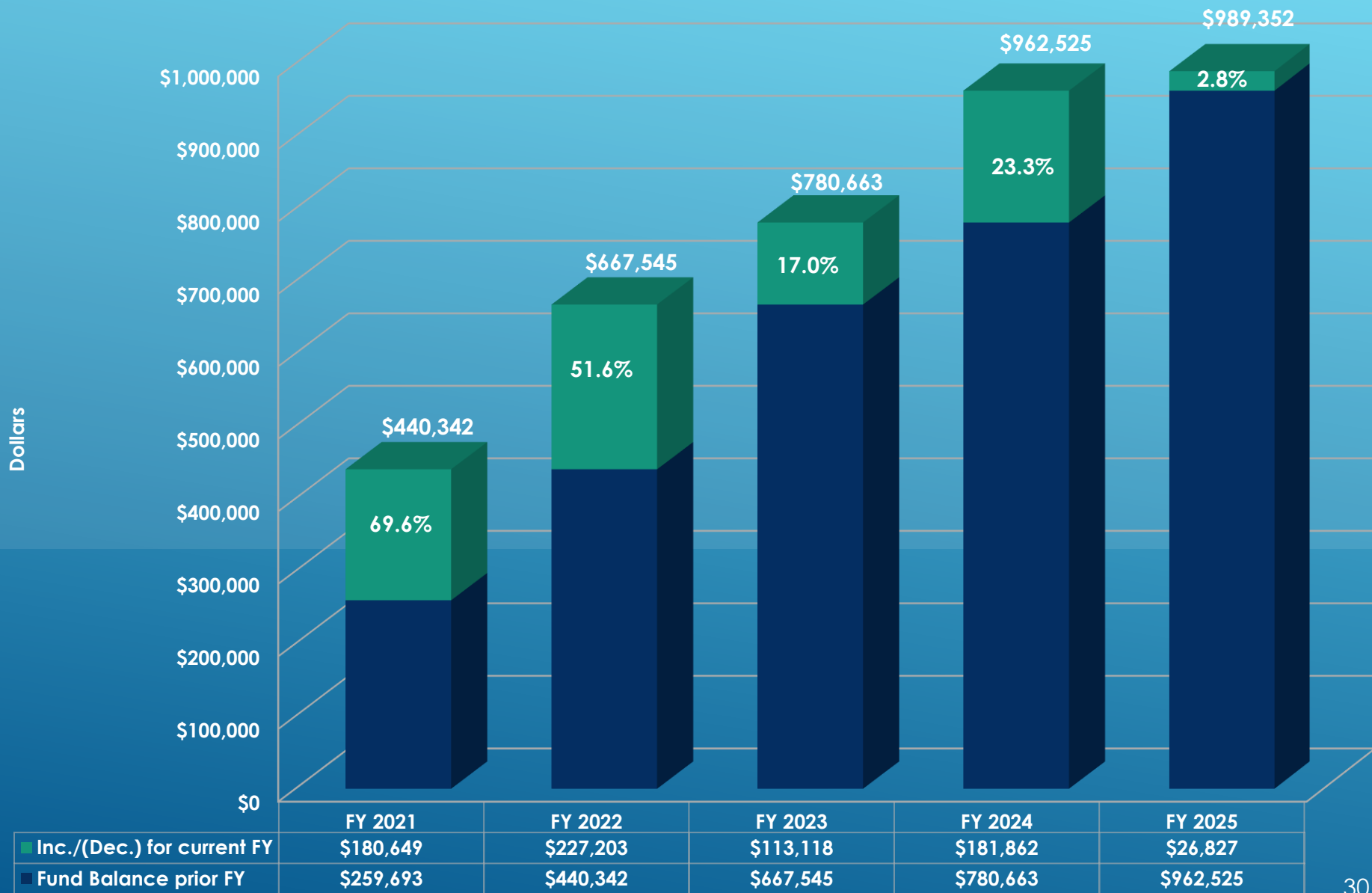
	Operations	Debt Service	Capital Outlay	Total Storm Water Fund
FY 2026	\$76,724	\$0	\$305,119	\$381,843
FY 2025	\$37,722	\$0	\$0	\$37,722

# STORM WATER FUND EXPENSES FY 2021 - 2025



	Operations	Debt Service	Capital Outlay
2021	\$135,346	\$45,509	\$0
2022	\$148,936	\$36,935	\$351,801
2023	\$222,526	\$65,386	\$117,417
2024	\$142,675	\$65,386	\$119,852
2025	\$85,391	\$47,929	\$391,922

# STORM WATER FUND CHANGE IN FUND BALANCE FISCAL YEAR 2021 TO 2025



POWELL BILL FUND  
FY 2026 HIGHLIGHTS  
7/1/25 – 12/31/25

**Budget** **\$84,125**

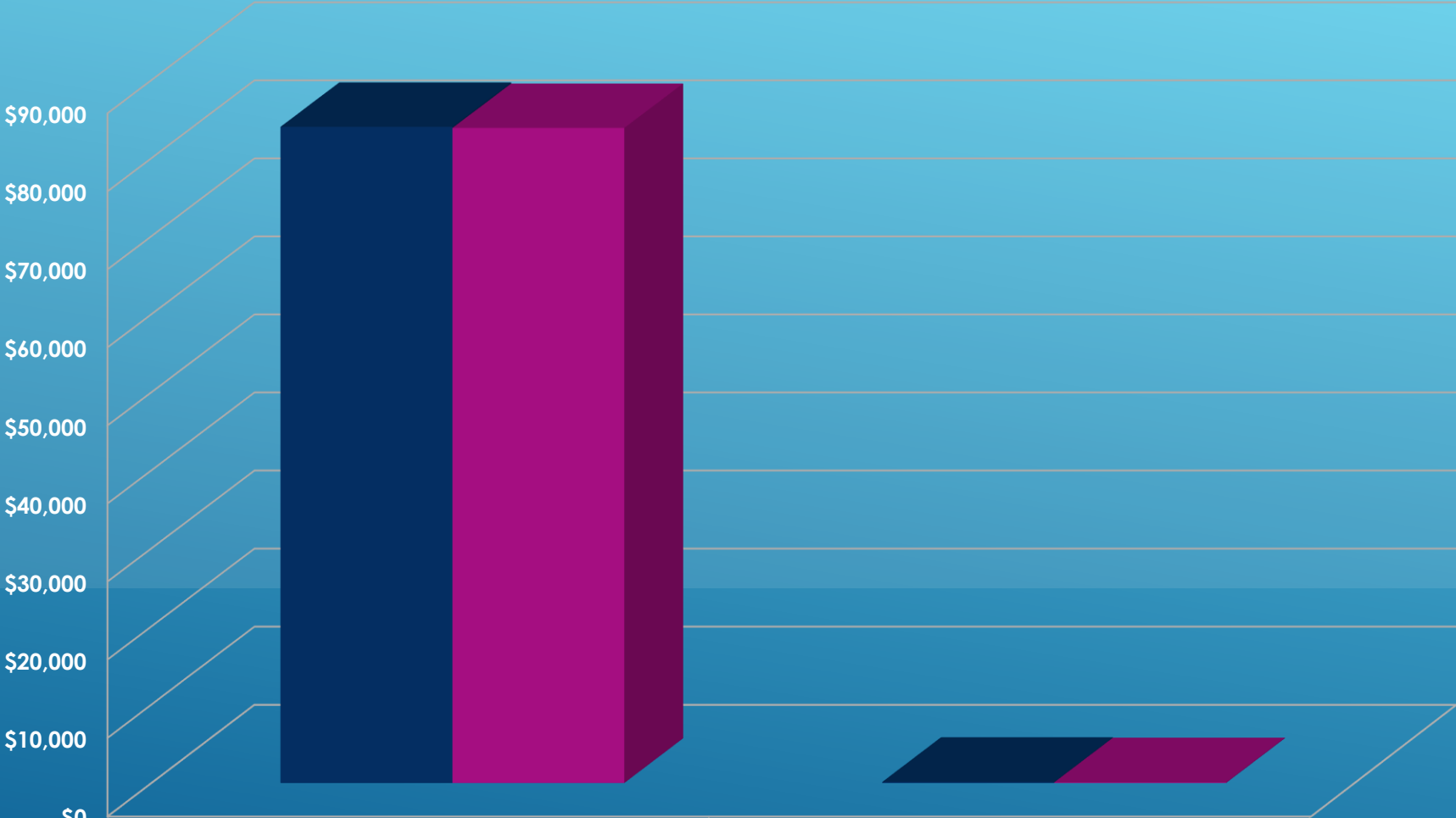
**Actual Revenue** **\$83,931**

**Revenue % of Budget** **99.8%**

**Actual Expenses** **\$ 1,289**

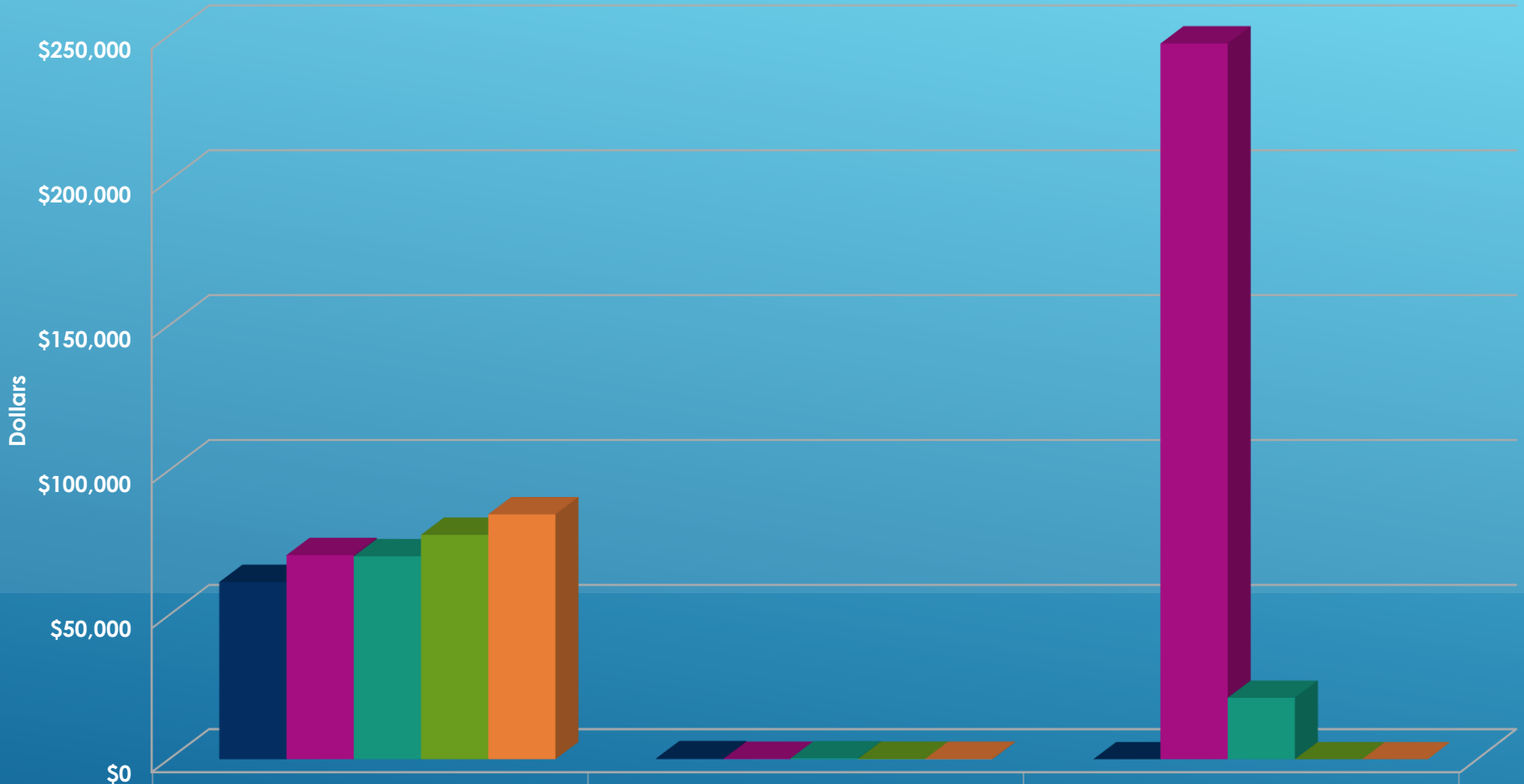
**Expenses % of Budget** **1.5%**

# POWELL BILL FUND REVENUE - BUDGET VS. ACTUAL 7/1/25 - 12/31/25



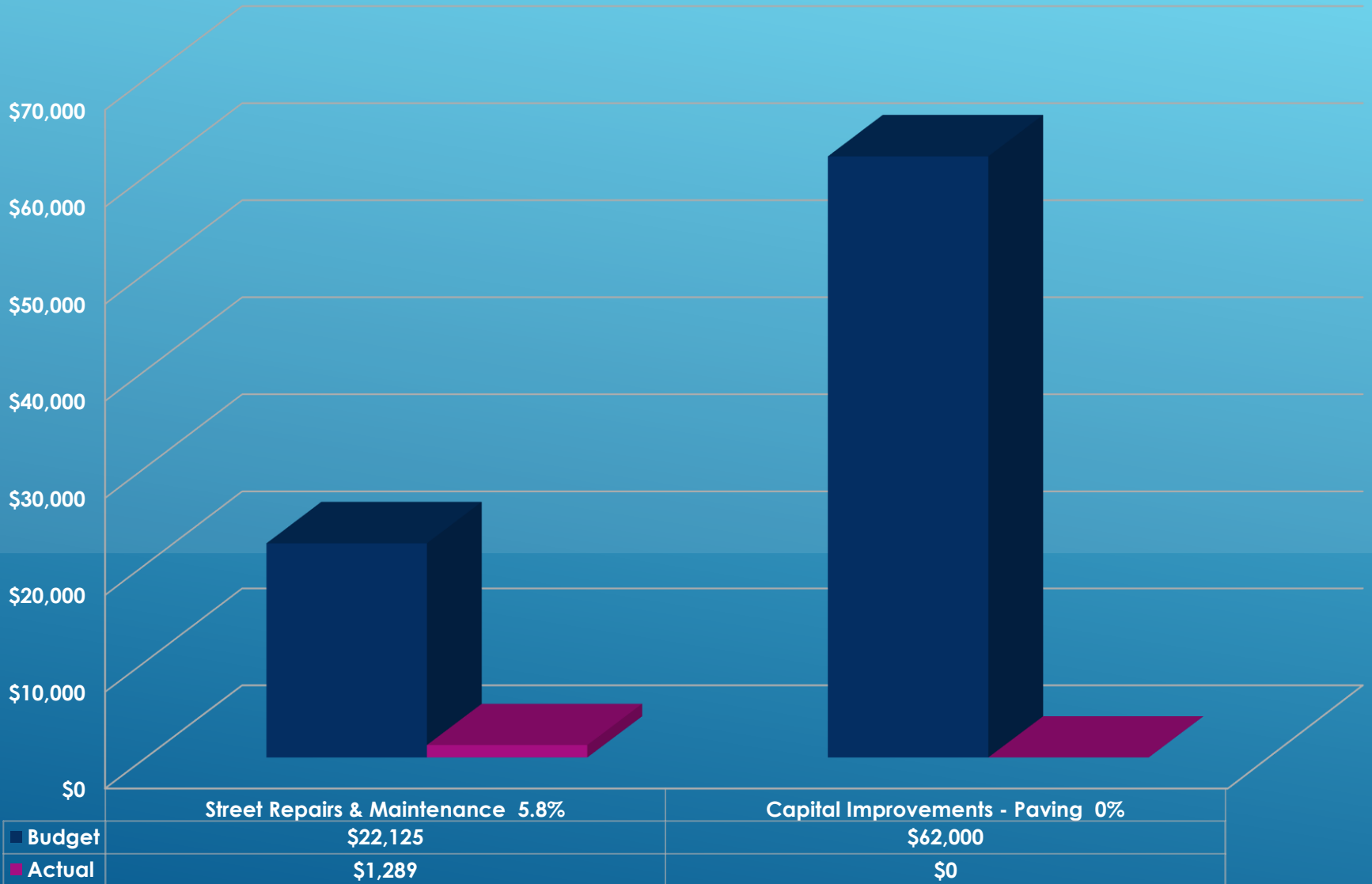
	Powell Bill Allocation 99.8%	Investment Earnings 60.0%
■ Budget	\$84,000	\$125
■ Actual	\$83,856	\$75

# POWELL BILL FUND REVENUE FY 2021 - 2025

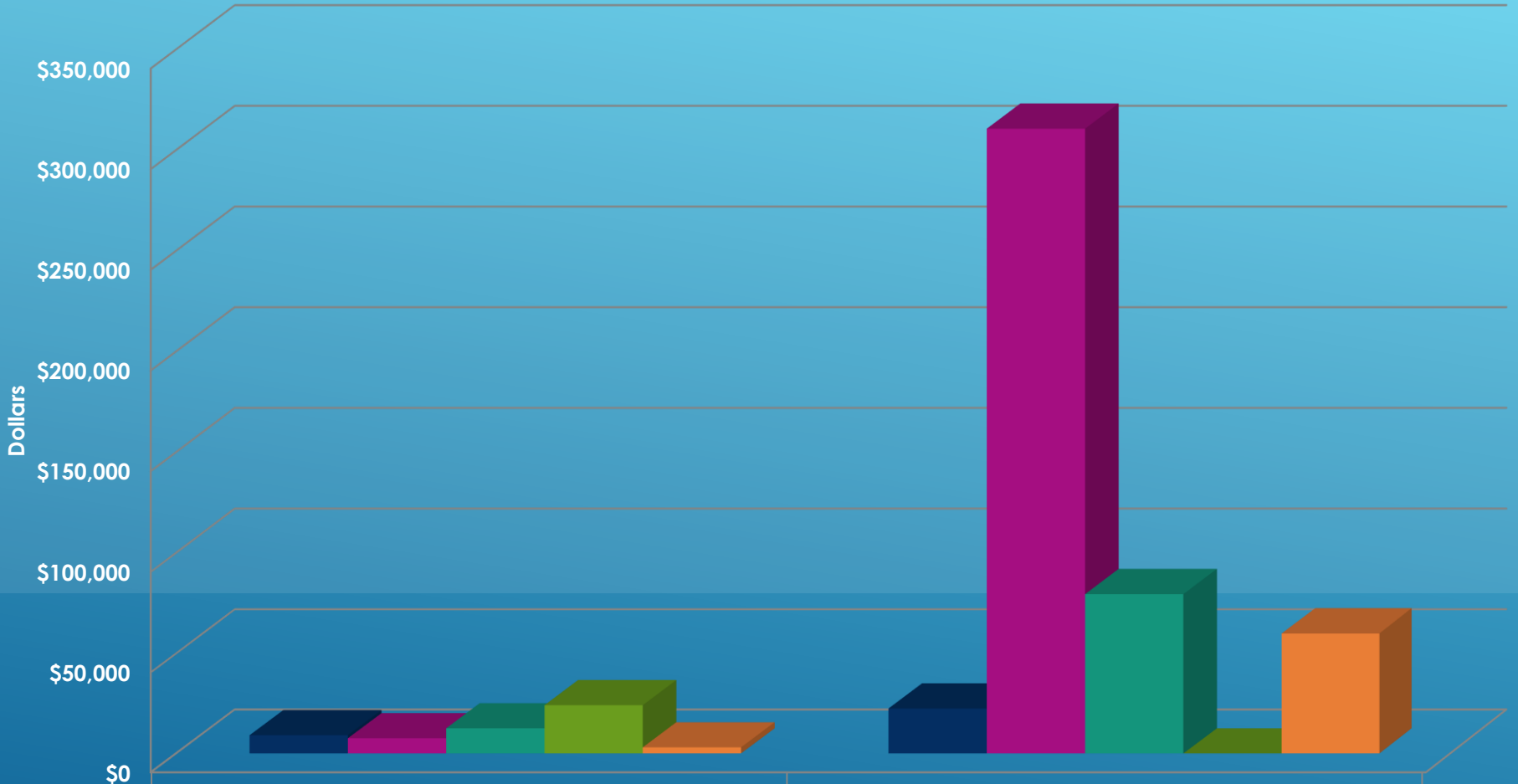


	Powell Bill Allocation	Interest	Appropriation of Fund Balance
2021	\$61,465	\$363	\$0
2022	\$70,754	\$184	\$247,321
2023	\$70,352	\$350	\$21,384
2024	\$77,744	\$169	\$0
2025	\$84,829	\$163	\$0

# POWELL BILL FUND EXPENSES - BUDGET VS. ACTUAL 7/1/25 - 12/31/25

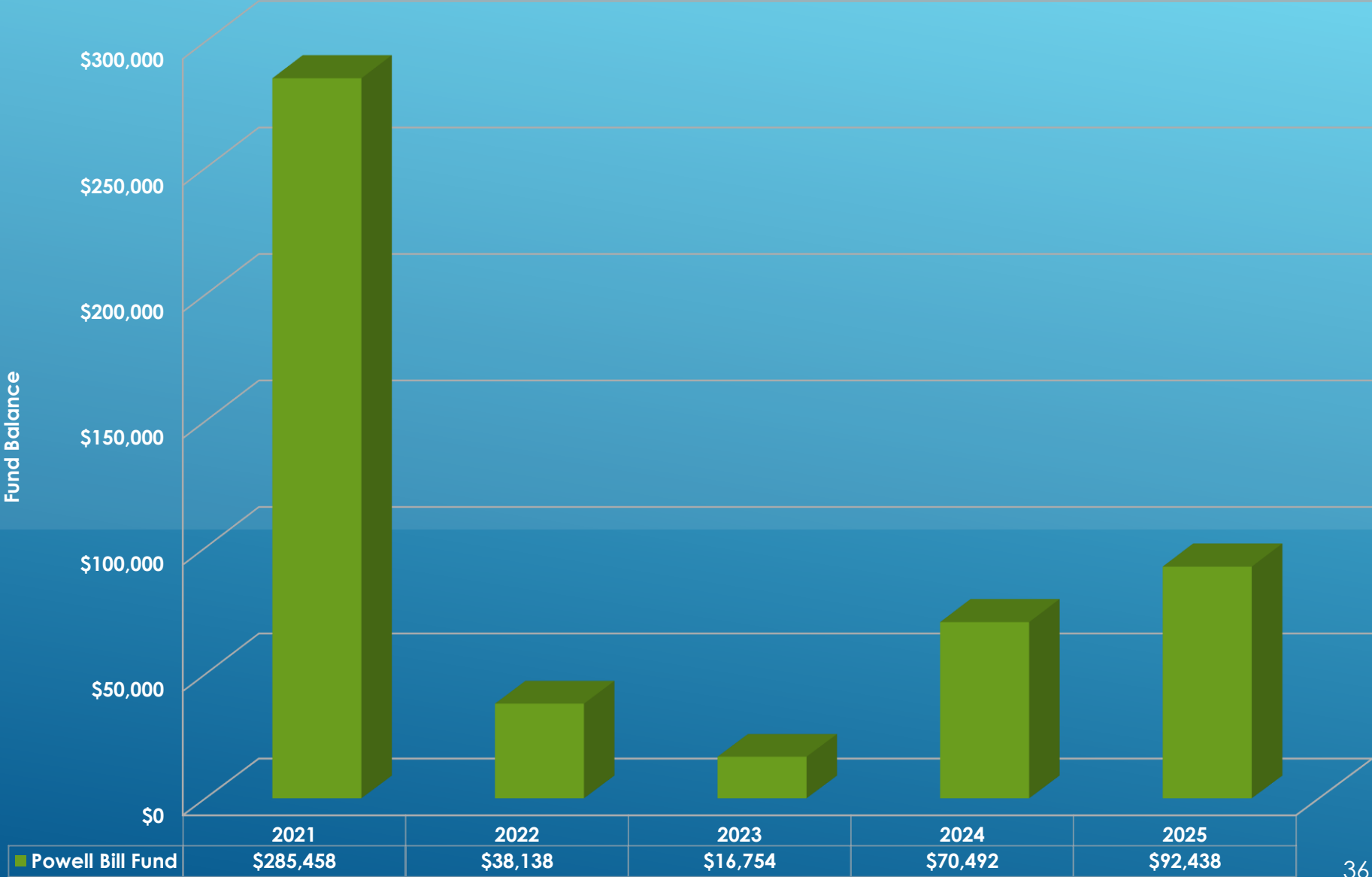


# POWELL BILL FUND EXPENSES FY 2021 - 2025



	Operating Expenses	Capital Outlay - Paving
■ 2021	\$9,116	\$22,514
■ 2022	\$7,609	\$310,650
■ 2023	\$12,575	\$79,511
■ 2024	\$24,175	\$0
■ 2025	\$3,046	\$60,000

# POWELL BILL FUND BALANCE FY 2021 - 2025



# OTHER GOVERNMENTAL FUNDS

FY 2026  
HIGHLIGHTS  
7/1/25 – 12/31/25

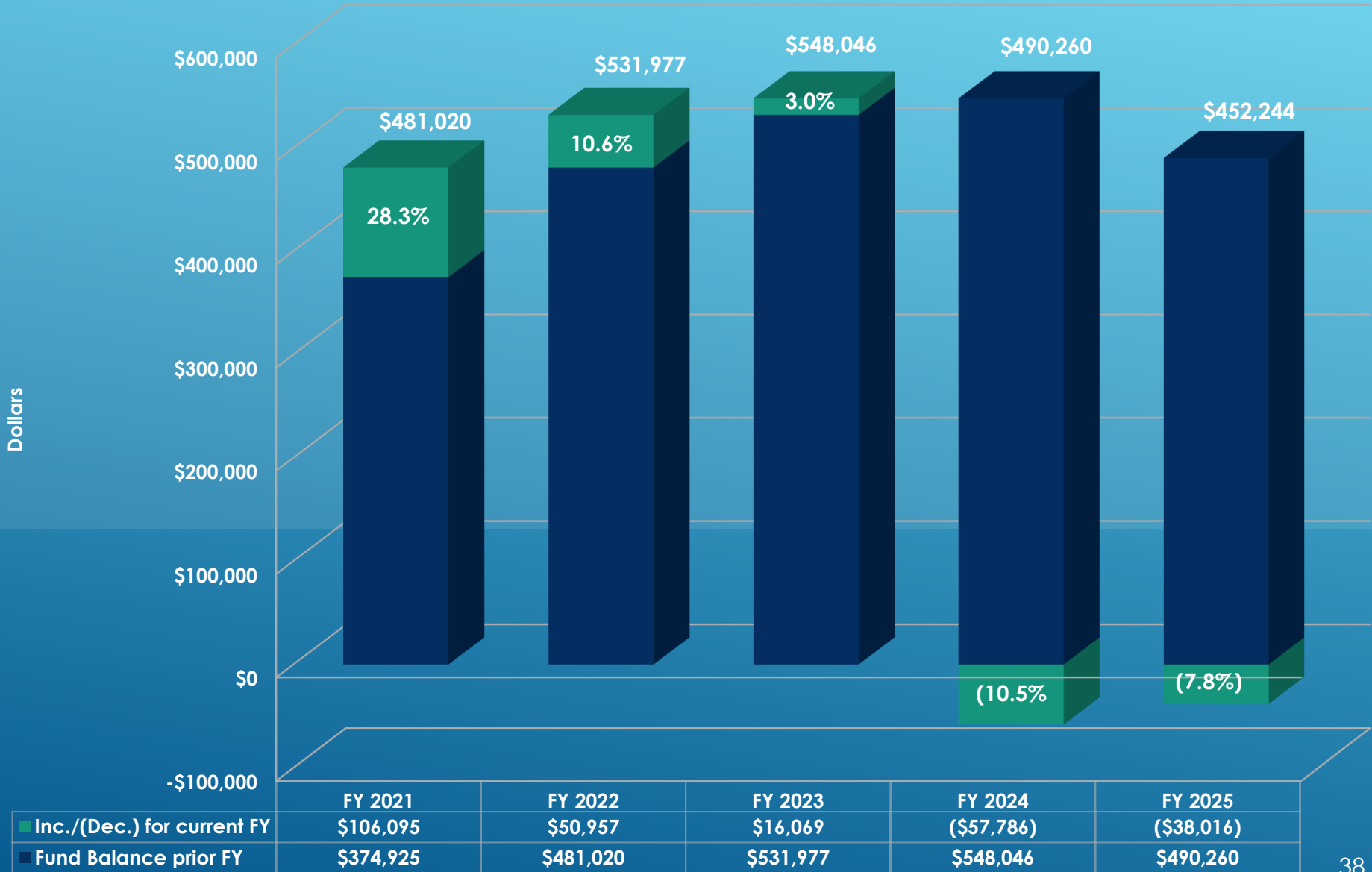
## BEACH PROTECTION

- Budget \$14,500
- Actual Revenue \$24,114
- Revenue % of Budget 166.3%
- Actual Expenses \$ 0

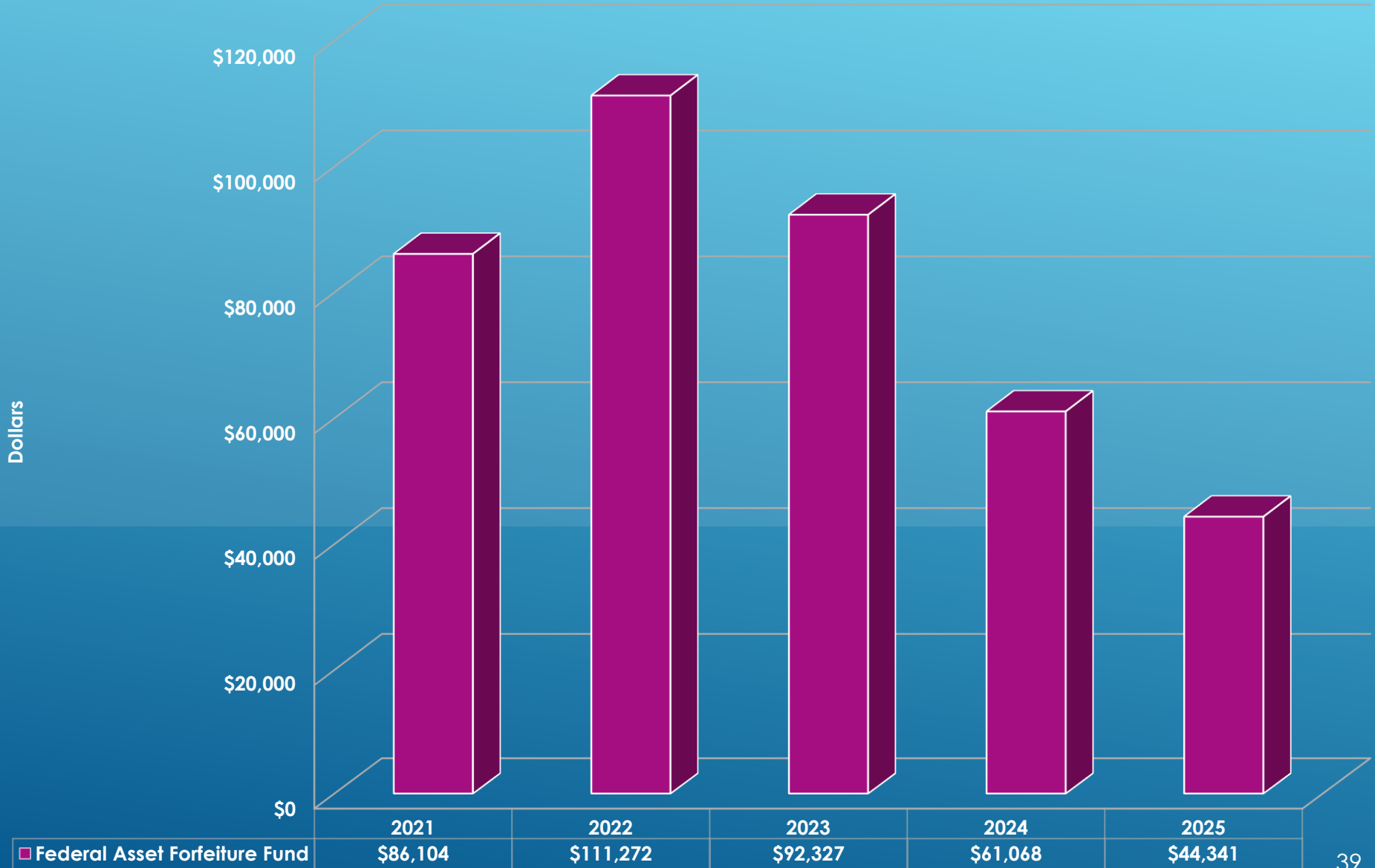
## FEDERAL ASSET FORFEITURE

- Budget \$25,000
- Actual Revenue \$ 0
- Actual Expenses \$ 0

# BEACH PROTECTION FUND CHANGE IN FUND BALANCE FY 2021 TO 2025



# FEDERAL ASSET FORFEITURE FUND BALANCE FISCAL YEAR 2021 - 2025



**SEWER EXPANSION RESERVE FUND  
FY 2026 HIGHLIGHTS  
7/1/25 – 12/31/25**

**Budget** **\$20,610**

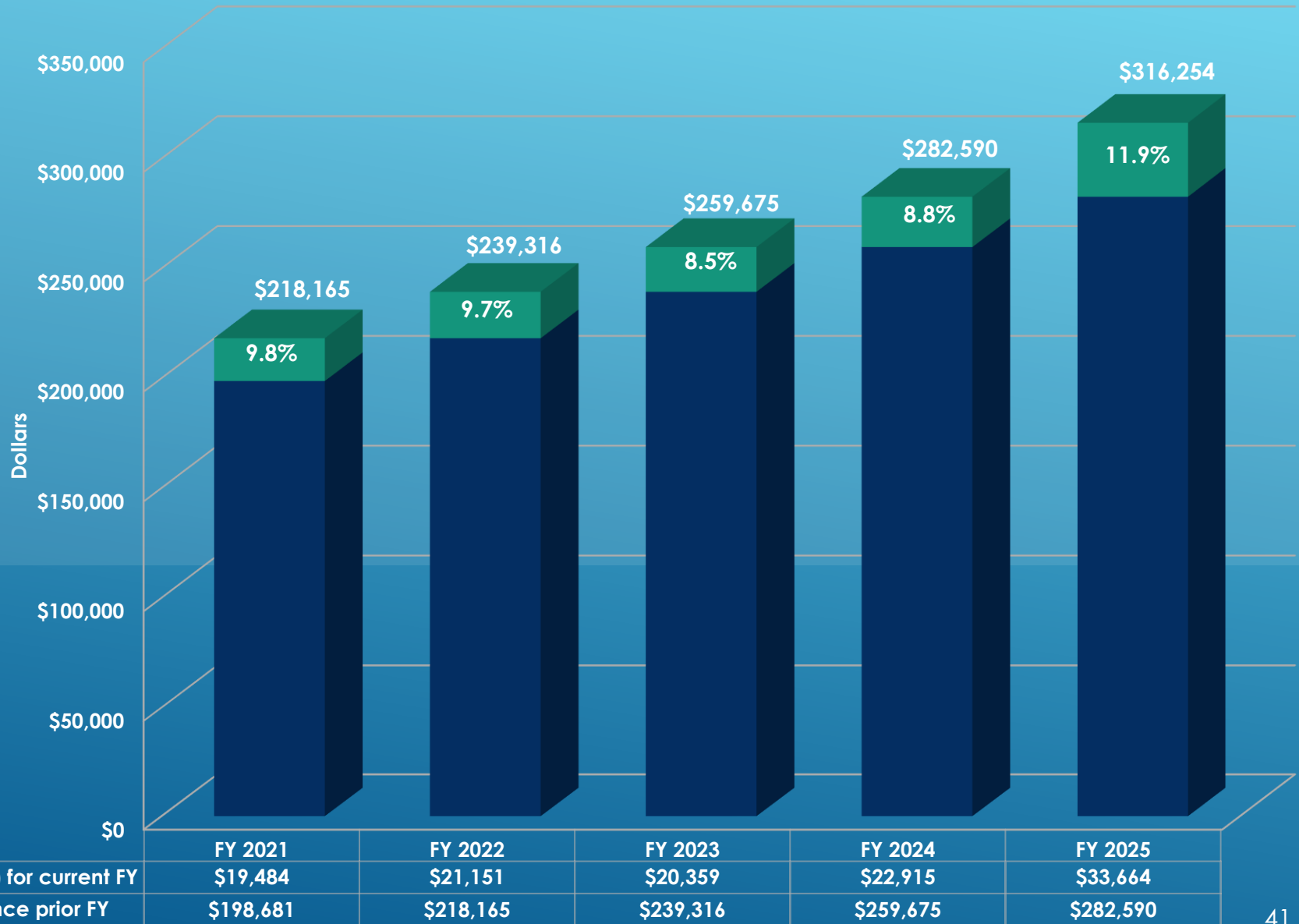
**Actual Revenue** **\$13,367**

**Revenue % of Budget** **64.9%**

**Actual Expenses** **\$ 0**

**Expenses % of Budget** **0.0%**

# SEWER EXPANSION RESERVE FUND CHANGE IN FUND BALANCE FISCAL YEAR 2021 TO 2025



# MINIMUM FUND BALANCE POLICY

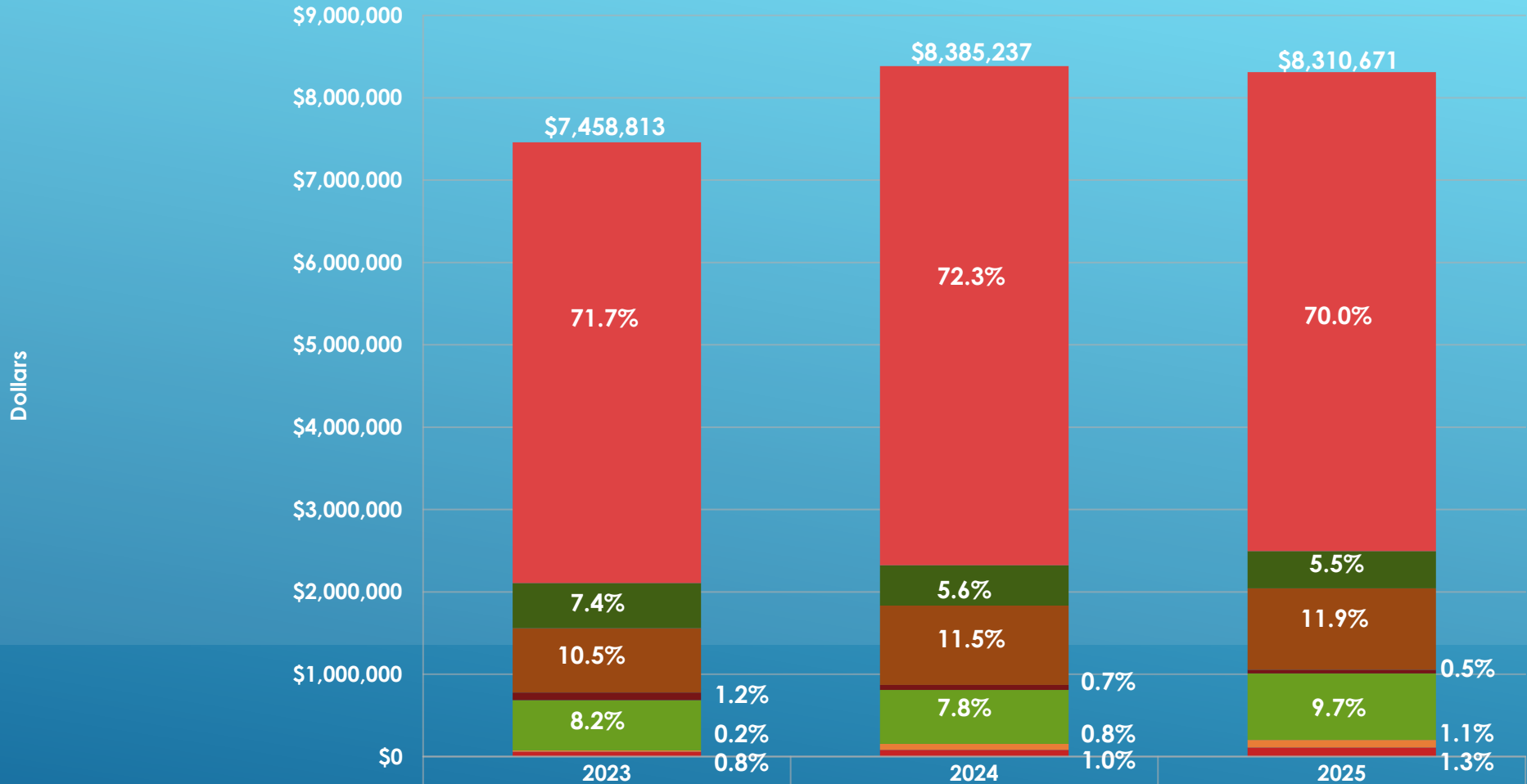
Effective January 2012, the Town's fund balance policy is to maintain an unrestricted fund balance in the Governmental Funds (General, Storm Water, Powell, Beach Protection & Federal Asset Forfeiture) of no less than 32% of the total projected expenditures.

Unrestricted fund balance is the total of all Committed, Assigned and Unassigned fund balance, as reported in the Annual Financial Report.

# GOVERNMENTAL FUNDS

## (General, Powell, Storm Water, Federal Asset Forfeiture & Beach Protection)

### FUND BALANCE CLASSIFICATION



Unassigned	\$5,351,310	\$6,062,465	\$5,816,368
Assigned - Beach Protection	\$548,046	\$490,260	\$452,244
Assigned - Storm Water	\$780,664	\$962,525	\$989,352
Restricted - Federal Asset Forf.	\$92,327	\$61,068	\$44,341
Restricted - State Statute	\$611,675	\$655,774	\$805,593
Restricted - Streets	\$16,754	\$70,492	\$92,438
Non-Spendable - Leases & Prepaids	\$58,037	\$82,653	\$110,335

# MINIMUM FUND BALANCE POLICY

The Unrestricted fund balance and Unassigned fund balance as a percentage of expenditures for the past 10 fiscal years were:

FISCAL YEAR	UNRESTRICTED	UNASSIGNED
2016	71.8%	48.9%
2017	64.7%	50.8%
2018	57.4%	45.5%
2019	62.3%	51.7%
2020	67.2%	57.3%
2021	68.1%	56.1%
2022	68.4%	55.3%
2023	71.9%	57.6%
2024	77.3%	62.3%
2025	68.7%	55.0%

# POTENTIAL TROPICAL CYCLONE #8 – 9/16/2024

## FEMA REIMBURSEMENT SUMMARY

DESCRIPTION	TOTAL AMOUNT RECEIVED TO-DATE	AMOUNT RECEIVED FOR DAMAGES	AMOUNT RECEIVED FOR MITIGATION	DATE FUNDS RECEIVED	AMOUNTS NOT YET RECEIVED
Debris Removal	\$107,279.60	\$107,279.60		4/7/2025	
Emergency Protective Measures	\$14,213.43	\$14,213.43		5/12/2025	
H Ave. Dune Repair/Grading					\$27,400.00
Town Buildings & Fire Engine	\$143,477.78	\$51,000.00	\$92,477.78	12/15/2025	
Water Meters	\$79,883.18	\$79,883.18		5/27/2025	
I Ave. Well House Pump	\$5,000.00	\$5,000.00		6/10/2025	
Management Costs					\$10,318.81
<b>TOTAL</b>	<b>\$349,853.99</b>	<b>\$257,376.21</b>	<b>\$92,477.78</b>		<b>\$37,718.81</b>



# LOOKING FORWARD

# GENERAL FUND 5 YEAR CAPITAL PLAN

		FY 2025/2026	FINAL BUDGET	PROJECTED				
DEPARTMENT	DESCRIPTION	5 YR. PLAN	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030	FY 2030/2031
Public Works	Street Paving (a)	\$100,000	\$162,000	\$100,000	\$100,000	\$100,000	\$100,000	\$200,000
Public Works	Boardwalk Replacement	\$25,000	\$25,000	\$300,000	\$25,000	\$25,000		
Public Works	Gator			\$17,000			\$20,000	
Public Works	Service Truck			\$60,000				
Police Dept.	Police Vehicles	\$130,000	\$135,000	\$150,000	\$160,000	\$160,000	\$165,000	\$170,000
Police Dept.	ATV						\$8,000	
Police Dept.	Radar Signs		\$30,000	\$12,000				
Lifeguards	ATV (2ATVs/Yr., 1 UTV/3 Yrs.)	\$13,500	\$13,500	\$13,500	\$24,000	\$14,000	\$14,500	\$25,000
Fire Dept.	Turnout Gear/Air Bottle Replacement Plan	\$37,500	\$37,500	\$41,000	\$43,000	\$45,000	\$47,000	\$49,000
Fire Dept.	Fire Vehicle – SQ1100 Pickup Truck		\$60,000					\$70,000
Fire Dept.	MR11100 Motor Replacement				\$10,000			
Fire Dept.	Jet Ski Replacement					\$13,000		
Parks & Rec	OFP Playground Equipment	\$150,000	\$150,000					
Parks & Rec	Resurface Tennis & Basketball Courts				\$50,000			
Parks & Rec	Community Center Men’s Restroom			\$17,500				
Devel & Comp.	Development & Compliance Truck	\$60,000						
	TOTAL	\$516,000	\$613,000	\$711,000	\$412,000	\$357,000	\$354,500	\$514,000
(a) - A portion of the funding for the street paving projects will be from the Powell Bill Fund.								

# ESTIMATED STREET-RELATED EXPENDITURES FISCAL YEAR 2026 TO 2031

FISCAL YEAR	EST. PAVING COSTS	EST. MAINTENANCE COSTS	TOTAL COSTS	EST. FUNDING REQUIRED FROM GENERAL FUND
2026	\$162,000	\$20,000	\$182,000	\$15,000
2027	\$100,000	\$20,000	\$120,000	\$40,000
2028	\$100,000	\$20,000	\$120,000	\$35,000
2029	\$100,000	\$20,000	\$120,000	\$40,000
2030	\$100,000	\$20,000	\$120,000	\$35,000
2031	\$200,000	\$20,000	\$220,000	\$135,000
<b>TOTAL</b>	<b>\$762,000</b>	<b>\$120,000</b>	<b>\$882,000</b>	<b>\$300,000</b>

# WATER & SEWER FUND 5 YEAR CAPITAL PLAN

		FY 2025/2026	FINAL BUDGET	PROJECTED				
DEPARTMENT	DESCRIPTION	5 YR. PLAN	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030	FY 2030/2031
Public Works	Sewer & Manhole Rehab	\$10,000	\$50,000	\$10,000	\$10,000	\$10,000	\$10,000	
Public Works	Sewer Pipe Relining & Repairs (FY 30 – 3 <sup>rd</sup> Ave. & FY 31 – 4 <sup>th</sup> Ave.)	\$100,000		\$100,000	\$100,000	\$100,000	\$200,000	\$200,000
Public Works	New Lights for Water Tower	\$5,000						
Public Works	Lagoon Baffle Replacement			\$40,000				
Public Works	Sewer Lagoon Clean Out				\$200,000			
Public Works	Water Line Tie In (Gulf Stream & Sailor Ct.)			\$100,000				
Public Works	Water Meter Reading Equipment		\$15,000					
Public Works	Inspection Camera			\$50,000				
Public Works	Spare Pump – Shop Lift Station			\$40,000				
Public Works	Miscellaneous Water & Sewer Projects	\$200,000	\$310,000	\$20,000	\$20,000	\$20,000	\$20,000	
	<b>TOTAL</b>	<b>\$315,000</b>	<b>\$375,000</b>	<b>\$360,000</b>	<b>\$330,000</b>	<b>\$130,000</b>	<b>\$230,000</b>	<b>\$200,000</b>

# STORM WATER FUND 5 YEAR CAPITAL PLAN

		FY 2025/2026	FINAL BUDGET	PROJECTED				
DEPARTMENT	DESCRIPTION	5 YR. PLAN	FY 2025/2026	FY 2026/2027	FY 2027/2028	FY 2028/2029	FY 2029/2030	FY 2030/2031
Public Works	Alabama/Swordfish Project			\$60,000				
Public Works	Storm Water Outfalls to the Beach	\$200,000	\$1,050,000					
Public Works	5 <sup>th</sup> Avenue South Project			\$200,000				
Public Works	Miscellaneous Storm Water Projects	\$40,000		\$40,000	\$40,000	\$40,000	\$60,000	\$60,000
	<b>TOTAL</b>	\$240,000	\$1,050,000	\$300,000	\$40,000	\$40,000	\$60,000	\$60,000

# GENERAL FUND PROJECTED REVENUE VS. EXPENSES ASSUMING NO TAX INCREASES FY 2026 TO 2031

	Actual FY 2025	Estimated FY 2026	Estimated FY 2027	Estimated FY 2028	Estimated FY 2029	Estimated FY 2030	Estimated FY 2031
Recurring Revenue	\$8,667,124	\$9,100,480	\$9,555,504	\$10,033,279	\$10,534,943	\$11,061,691	\$11,614,775
Recurring Operating Expenses	\$7,130,891	\$7,737,017	\$8,394,663	\$9,108,210	\$9,882,407	\$10,722,412	\$11,633,817
Debt Service	\$700,507	\$670,581	\$708,971	\$755,582	\$615,447	\$630,650	\$562,925
Capital Outlay Not Financed	\$495,453	\$193,500	\$360,000	\$84,000	\$27,000	\$42,500	\$25,000
Transfers to Other Funds	\$523,256	\$158,000	\$0	\$0	\$0	\$0	\$0
Street Paving To Be Paid From General Fund	\$162,566	\$15,000	\$40,000	\$35,000	\$40,000	\$35,000	\$135,000
<b>Net Recurring Revenue</b>	<b>(\$345,549)</b>	<b>\$326,382</b>	<b>\$51,870</b>	<b>\$50,488</b>	<b>(\$29,911)</b>	<b>(\$368,871)</b>	<b>(\$741,967)</b>

**ASSUMPTIONS:**

- (1) - Revenue increases at 5% annually.
- (2) - Operating expenses increase at 8.5% per year.
- (3) - No increase in property tax rate or service fees.
- (4) - No additions to headcount.
- (5) - Does not include a transfer to the Beach Protection Fund or Contingency.
- (6) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (7) - Capital Outlay not financed based on history and the 5 Year Capital Plan.

# GENERAL FUND PROJECTED REVENUE VS. EXPENSES INCLUDING POTENTIAL TAX INCREASES FY 2026 TO 2031

	Actual FY 2025	Estimated FY 2026	Estimated FY 2027	Estimated FY 2028	Estimated FY 2029	Estimated FY 2030	Estimated FY 2031
Recurring Revenue	\$8,667,124	\$9,100,480	\$9,555,504	\$10,033,279	\$10,645,743	\$11,510,431	\$12,418,352
Recurring Operating Expenses	\$7,130,891	\$7,737,017	\$8,394,663	\$9,108,210	\$9,882,407	\$10,722,412	\$11,633,817
Debt Service	\$700,507	\$670,581	\$708,971	\$755,582	\$615,447	\$630,650	\$562,925
Capital Outlay Not Financed	\$495,453	\$193,500	\$360,000	\$84,000	\$27,000	\$42,500	\$25,000
Transfers to Other Funds	\$523,256	\$158,000	\$0	\$0	\$0	\$0	\$0
Street Paving To Be Paid From General Fund	\$162,566	\$15,000	\$40,000	\$35,000	\$40,000	\$35,000	\$135,000
<b>Net Recurring Revenue</b>	<b>(\$345,549)</b>	<b>\$326,382</b>	<b>\$51,870</b>	<b>\$50,488</b>	<b>\$80,889</b>	<b>\$79,869</b>	<b>\$61,610</b>

## ASSUMPTIONS:

- (1) - Revenue increases at 5% annually.
- (2) - Operating expenses increase at 8.5% per year.
- (3) - Increase in property tax rate as follows:
  - FY 2029 - 0.5 cent (2.9%) - new rate = 17.7 cents - estimated additional revenue of \$110,800
  - FY 2030 - 1.5 cent (8.5%) - new rate = 19.2 cents - estimated additional revenue of \$332,400
  - FY 2031 - 1.5 cent (7.8%) - new rate = 20.7 cents - estimated additional revenue of \$332,400
- (4) - No additions to headcount.
- (5) - Does not include a transfer to the Beach Protection Fund or Contingency.
- (6) - Debt service expense based on current debt and projections from the 5 Year Capital Plan
- (7) - Capital Outlay not financed based on history and the 5 Year Capital Plan

# WATER & SEWER FUND PROJECTED REVENUE VS. EXPENSES ASSUMING NO RATE INCREASES FY 2026 TO 2031

	Actual FY 2025	Estimated FY 2026	Estimated FY 2027	Estimated FY 2028	Estimated FY 2029	Estimated FY 2030	Estimated FY 2031
Recurring Revenue	\$2,649,222	\$2,776,468	\$2,790,350	\$2,804,302	\$2,818,324	\$2,832,415	\$2,846,577
Recurring Operating Expenses	\$2,025,131	\$2,146,639	\$2,275,437	\$2,411,963	\$2,556,681	\$2,710,082	\$2,872,687
Debt Service	\$322,740	\$305,295	\$300,580	\$194,920	\$190,205	\$53,916	\$42,322
Capital Outlay Not Financed	\$104,187	\$375,000	\$360,000	\$330,000	\$130,000	\$230,000	\$200,000
<b>Net Recurring Revenue</b>	<b>\$197,164</b>	<b>(\$50,466)</b>	<b>(\$145,667)</b>	<b>(\$132,581)</b>	<b>(\$58,563)</b>	<b>(\$161,583)</b>	<b>(\$268,432)</b>

**ASSUMPTIONS:**

- (1) - Revenue increases at 0.5% per year after FY 2026 adjustment for 5% rate increase (\$114,000).
- (2) - Operating expenses increase at 6% per year.
- (3) - No increase in water and sewer rates and fees after 5% rate increase (all accts.) included in FY 2026 budget (\$114,000).
- (4) - No additions to headcount.
- (5) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (6) - Capital Outlay not financed based on history and the 5 Year Capital Plan.
- (7) - Estimated expenses do not include annual depreciation expense, proportionate share of retirement plan and OPEB liability.

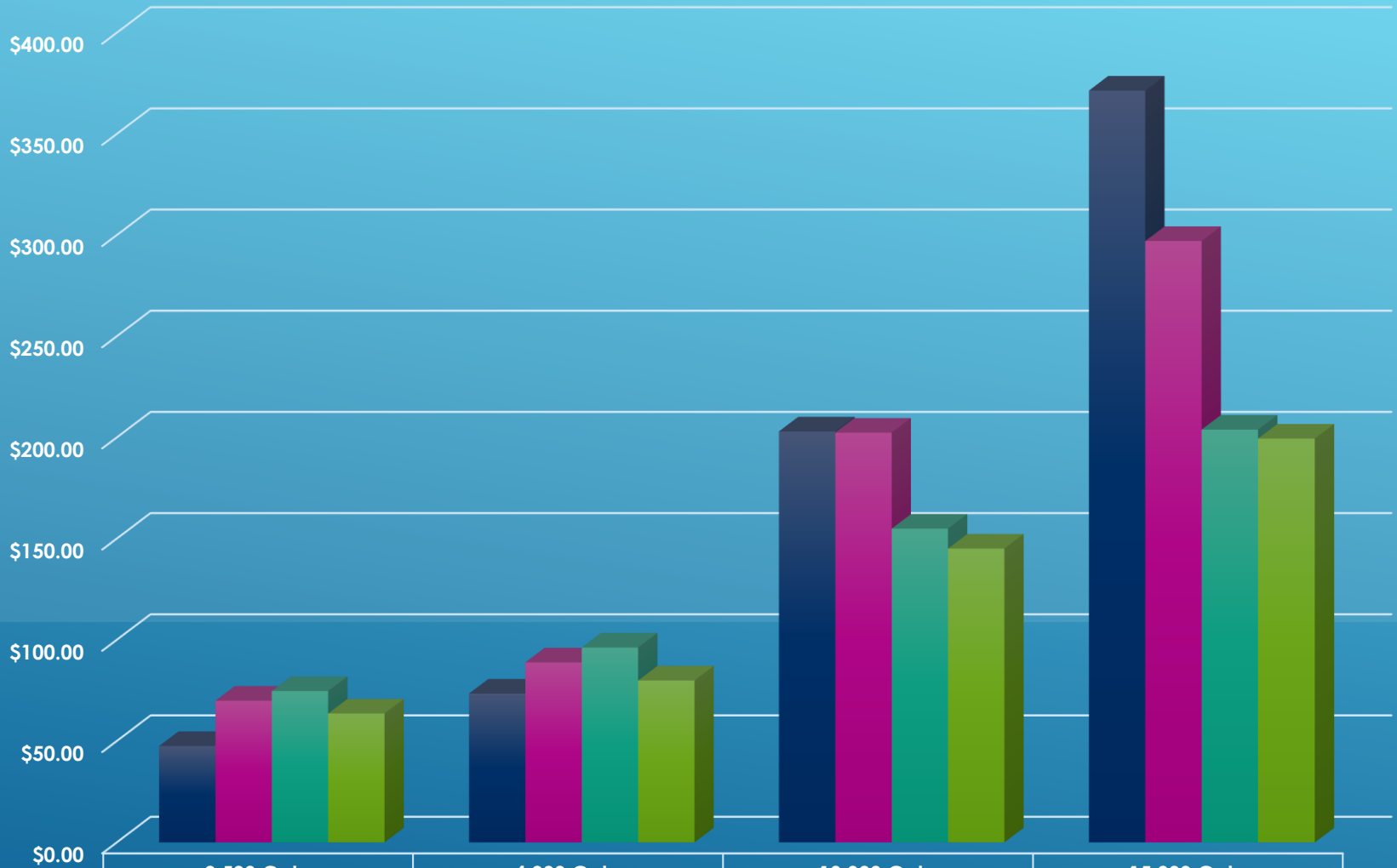
**WATER & SEWER FUND  
PROJECTED REVENUE VS. EXPENSES  
INCLUDING POTENTIAL RATE INCREASES  
FY 2026 TO 2031**

	<b>Actual FY 2025</b>	<b>Estimated FY 2026</b>	<b>Estimated FY 2027</b>	<b>Estimated FY 2028</b>	<b>Estimated FY 2029</b>	<b>Estimated FY 2030</b>	<b>Estimated FY 2031</b>
Recurring Revenue	\$2,649,222	\$2,776,468	\$3,040,350	\$3,230,552	\$3,246,705	\$3,262,938	\$3,471,753
Recurring Operating Expenses	\$2,025,131	\$2,146,639	\$2,275,437	\$2,411,963	\$2,556,681	\$2,710,082	\$2,872,687
Debt Service	\$322,740	\$305,295	\$300,580	\$194,920	\$190,205	\$53,916	\$42,322
Capital Outlay Not Financed	\$104,187	\$375,000	\$360,000	\$330,000	\$130,000	\$230,000	\$200,000
<b>Net Recurring Revenue</b>	<b>\$197,164</b>	<b>(\$50,466)</b>	<b>\$104,333</b>	<b>\$293,669</b>	<b>\$369,819</b>	<b>\$268,940</b>	<b>\$356,744</b>

**ASSUMPTIONS:**

- (1) - Revenue increases at 0.5% per year after FY 2026 adjustment for 5% rate increase (\$114,000).
- (2) - Operating expenses increase at 6% per year.
- (3) - Increase in water and sewer rates as follows:
  - FY 2027 - 20% rate tier increase (all accts.) - estimated additional revenue of \$250,000
  - FY 2028 - 10% rate tier increase (all accts.) - estimated additional revenue of \$175,000
  - FY 2031 - 10% rate tier increase (all accts.) - estimated additional revenue of \$192,500
- (4) - No additions to headcount.
- (5) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (6) - Capital Outlay not financed based on history and the 5 Year Capital Plan.
- (7) - Estimated expenses do not include annual depreciation expense, proportionate share of retirement plan and OPEB liability.

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



	2,500 Gals.	4,000 Gals.	10,000 Gals.	15,000 Gals.
■ Kure Beach	\$47.49	\$73.40	\$202.96	\$371.39
■ Carolina Beach	\$69.88	\$88.82	\$202.36	\$297.06
■ Wrightsville Beach	\$74.65	\$96.16	\$154.90	\$203.85
■ Cape Fear Public Utility	\$63.55	\$79.85	\$145.07	\$199.42

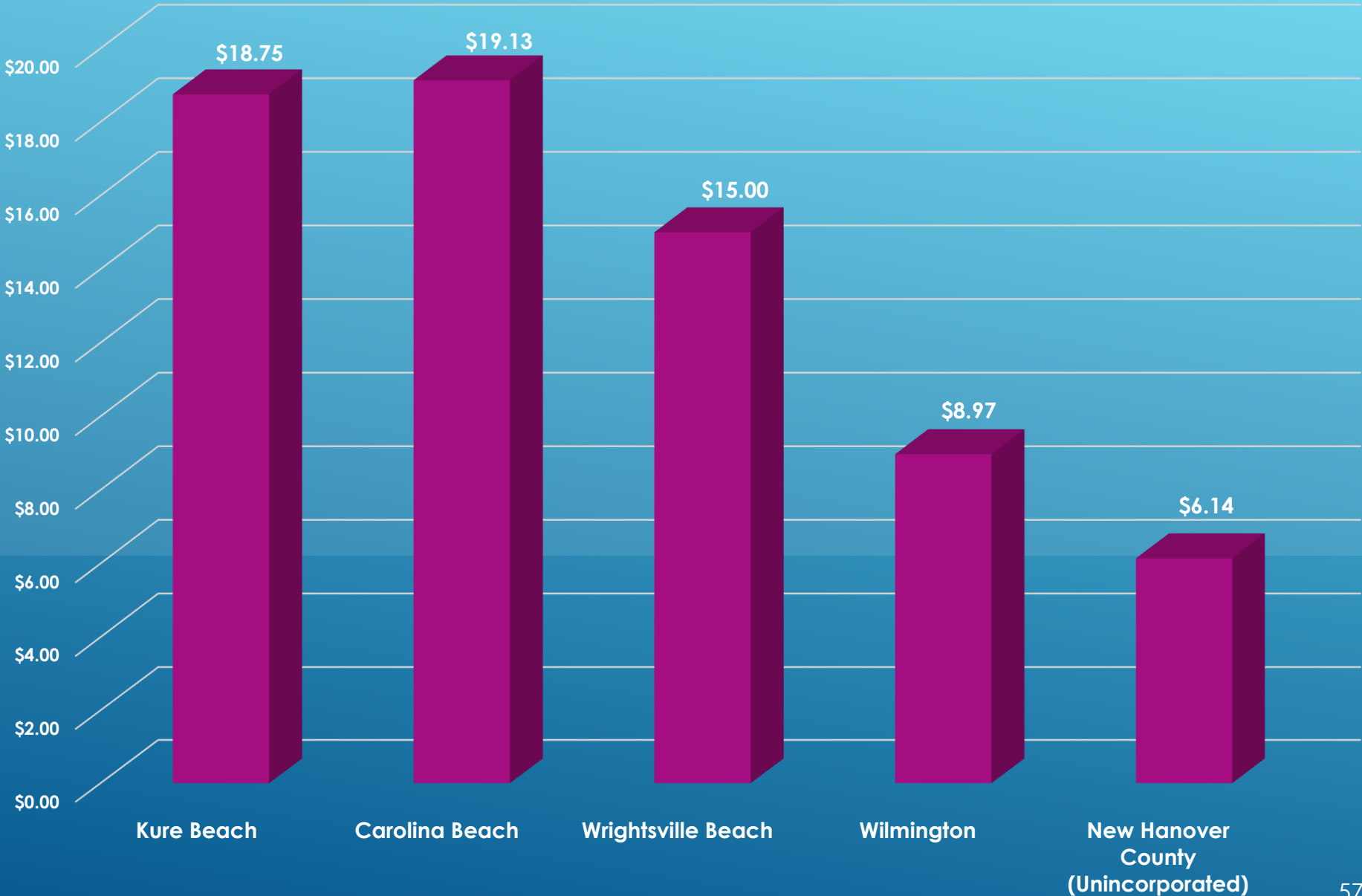
# STORM WATER FUND PROJECTED REVENUE VS. EXPENSES NO RATE INCREASES

	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Recurring Revenue	\$538,068	\$646,758	\$649,992	\$653,242	\$656,508	\$659,791	\$663,090
Recurring Operating Expenses	\$163,390	\$173,193	\$183,585	\$194,600	\$206,276	\$218,653	\$231,772
Debt Service	\$47,929	\$47,929	\$47,929	\$0	\$0	\$0	\$0
Capital Outlay Not Financed	\$391,922	\$1,050,000	\$300,000	\$40,000	\$40,000	\$60,000	\$60,000
<b>Net Recurring Revenue</b>	<b>(\$65,173)</b>	<b>(\$624,364)</b>	<b>\$118,478</b>	<b>\$418,642</b>	<b>\$410,232</b>	<b>\$381,138</b>	<b>\$371,318</b>

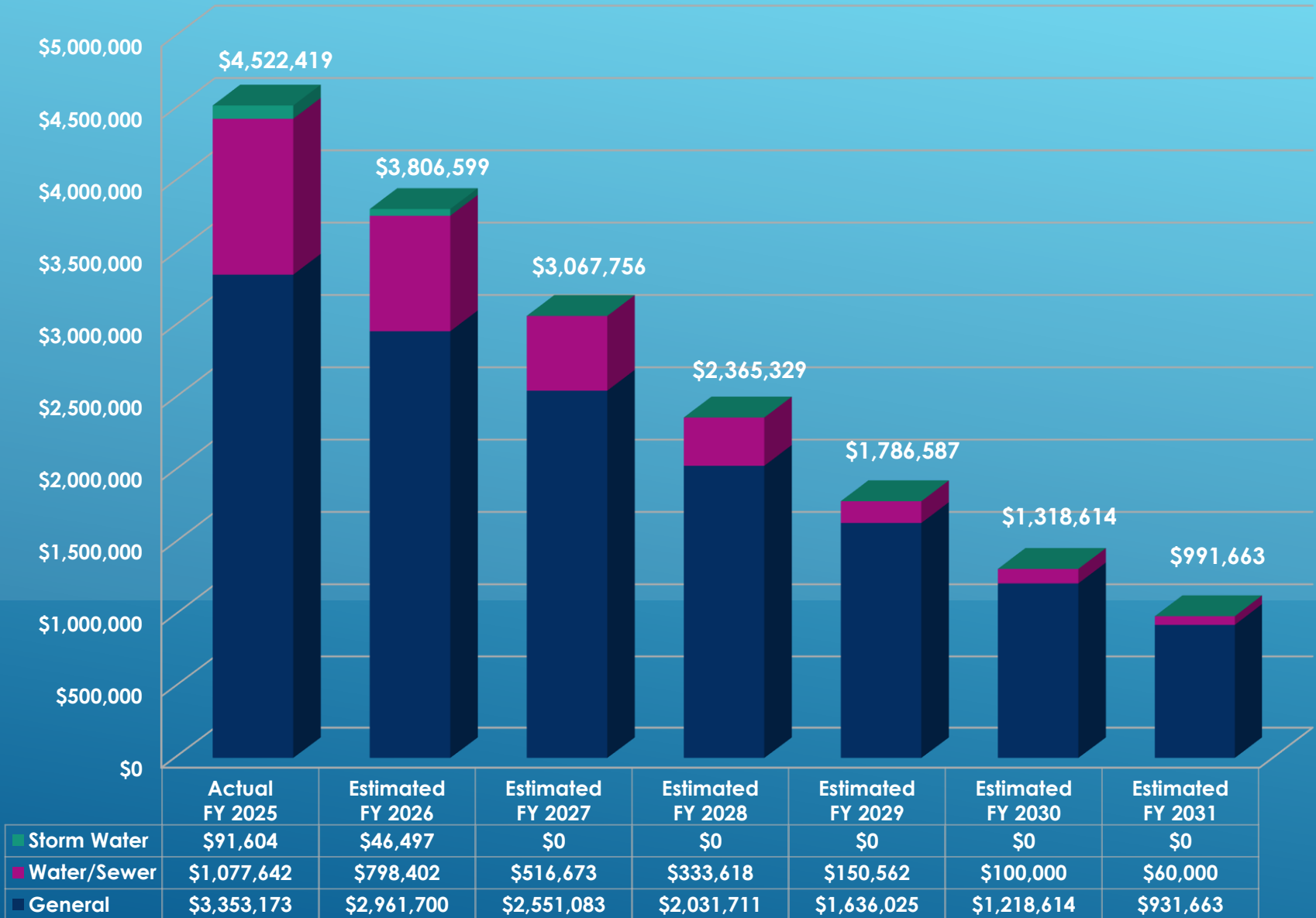
**ASSUMPTIONS:**

- (1) - Revenue increases at 0.5% per year after FY 2026 adjustment for 25% rate increase (\$106,000).
- (2) - Operating expenses increase at 6% per year.
- (3) - No increase in storm water rates and fees after 25% rate increase included in FY 2026 budget (\$106,000).
- (4) - No additions to headcount.
- (5) - Debt service expense based on current debt and projections from the 5 Year Capital Plan.
- (6) - Capital Outlay not financed based on history and the 5 Year Capital Plan.

# FY 2026 RESIDENTIAL STORM WATER RATE COMPARISONS - NEW HANOVER COUNTY (At 3,000 sq. ft. of Impervious Surface)



# PROJECTED OUTSTANDING DEBT FY 2025 TO 2031



# PROPOSED FY 2026/2027 BUDGET CALENDAR

DATE	DESCRIPTION OF ACTIVITY
Wednesday Feb. 4, 2026	Outside Agency Funding Request Application made available to outside agencies via Town website
Thursday Feb. 5, 2026	Provide budget guidance and worksheets to Department Heads and solicit budget requests from Town Committees
Wednesday Mar. 4, 2026	Deadline for Outside Agency Funding Request Applications (5 PM)
Thursday Mar. 5, 2026	Departmental budgets and Town Committee requests due to Budget Officer
Monday Apr. 6, 2026	9:00 AM – Budget Workshop – Review initial department budgets, committee requests and funding requests from outside agencies
Monday Apr. 20, 2026	1:00 PM – Budget Workshop – Review draft budget
Monday May 18, 2026	Regular Council meeting – Draft budget and budget message provided to Council and copy of budget filed for public inspection
Monday June 8, 2026	6:00 PM – Public Hearing
Monday June 15, 2026	Adoption of FY 2026/2027 Budget (at regular Council meeting)

# KURE BEACH TOWN COUNCIL FISCAL YEAR 2026 GOALS

1. ***Work smarter to maintain and improve our quality of life in Kure Beach***
  - a. Implementation of approved CAMA Land Use Plan
  - b. Continue to work with Department of Defense Land Use Plan (MOTSU) to retain current town owned assets
  - c. Implement the Bike/Ped Master Plan
  - d. Implementation of approved Beach Management Plan
  - e. Continue to work with leaders of the General Assembly to address the needs of the Town

# KURE BEACH TOWN COUNCIL FISCAL YEAR 2026 GOALS

- 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
  - 1. PARTF (state)
  - 2. CAMA grants (state)
  - 3. New Hanover County Endowment (county)
  - 4. 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

# KURE BEACH TOWN COUNCIL

## FISCAL YEAR 2026 GOALS

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
  - e. Provide necessary tools for safe working environment