



TOWN COUNCIL AGENDA

**BUDGET WORKSHOP #1
KB COMMUNITY CENTER**

Friday, April 6, 2018 @ 9:00 am

Breakfast and lunch (12:30 pm) provided

CALL TO ORDER – Mayor Bloszinsky

PRESENTATION OF FIRST DRAFT OF FY18-19 BUDGET (Copenhaver)

1. Budget Assumptions
2. Budget Summary by Fund
3. Budget Summary by Department

DEPARTMENT EXPENDITURE OVERVIEW

1. Police Department (Bowden)
2. Public Works Department (Beeker/Mesimer)
3. Fire Department & Lifeguards (Kennedy)
4. Building Inspections (Batson)
5. Administration (Sanders)
 - Governing Body, Emergency Management and Elections
 - Legal
 - Community Center (Keely)
 - Parks & Recreation (Keely)
6. Finance (Copenhaver)
 - Committee
 - Debt Service
 - Contingency
 - Tax Collection

BUDGET REVENUE (Copenhaver)

Possible change in time or date of April 20, 2018 budget session
Possible change of date for April 17, 2018 regular council meeting

ADJOURNMENT

TOWN OF KURE BEACH FY 18-19 BUDGET WORK SESSION #1



APRIL 6, 2018

INITIAL FY 2019 BUDGET ASSUMPTIONS

1. No changes in services provided or level of services provided
2. No change to tax rate (\$0.285)
3. No General Fund Contingency
4. No transfer from the General Fund to the Beach Protection Fund
5. Longevity Pay is reinstated for full-time employees hired after June 2015
6. Employee Compensation
 - COLA: 2%
 - Merit: 2%

**LONGEVITY PAY
FY 2019 IMPACT OF POLICY RE-INSTALEMENT**

<u>DEPARTMENT</u>	<u>NO. OF EMPLOYEES HIRED AFTER LONGEVITY DISCONTINUED</u>	<u>NO. OF EMPLOYEES THAT WOULD BE ELIGIBLE IN FY 2019</u>	<u>TOTAL FINANCIAL IMPACT (Longevity, taxes, etc.)</u>
<u>GENERAL FUND</u>			
Police	2	2	\$606
Fire	4	2	\$604
Streets & Sanitation	<u>2</u>	<u>2</u>	<u>\$604</u>
TOTAL GENERAL FUND	8	6	\$1,814
<u>WATER/SEWER FUND</u>			
Operations	<u>3</u>	<u>3</u>	<u>\$906</u>
GRAND TOTAL	<u>11</u>	<u>9</u>	<u>\$2,720</u>

**FY 2018/2019 BUDGET SUMMARY
AS OF APRIL 6, 2018**

<u>FUND</u>	<u>FY 2019 REVENUE BUDGET</u>	<u>FY 2019 EXPENSE BUDGET</u>	<u>OVER/(SHORT)</u>	<u>COMMENTS</u>
General Fund	\$4,686,109	\$5,101,939	(\$415,830)	Does not include a transfer to the Beach Protection Fund or Contingency
Water/Sewer Fund	\$2,914,935	\$3,028,280	(\$113,345)	
Storm Water Fund	\$358,380	\$342,440	\$15,940	
Powell Bill Fund	\$175,000	\$175,000	\$0	Includes an appropriation of fund balance totaling \$109,170 for street paving projects
SERF Fund	\$16,250	\$16,250	\$0	
Beach Protection Fund	\$3,590	\$3,590	\$0	Does not include a transfer from the General Fund
Asset Forfeiture Fund	\$50,000	\$50,000	\$0	
TOTAL	\$8,204,264	\$8,717,499	(\$513,235)	

**TOTAL FY 2019 EXPENSE BUDGET BY FUND
VS. FY 2018 APPROVED BUDGET
AS OF APRIL 6, 2018**

FUND	2018 ORIGINAL BUDGET	2018 AMENDED BUDGET	REQUESTED 2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHANGE	DIFF. 2019 & AMENDED 2018	% CHANGE
General	\$4,607,417	\$5,067,803	\$5,101,939	\$494,522	10.7%	\$34,136	0.7%
Water/Sewer	\$2,150,655	\$2,150,655	\$3,028,280	\$877,625	40.8%	\$877,625	40.8%
Storm Water	\$630,094	\$630,094	\$342,440	(\$287,654)	-45.7%	(\$287,654)	-45.7%
Powell Bill	\$65,070	\$65,070	\$175,000	\$109,930	168.9%	\$109,930	168.9%
Sewer Expansion Reserve	\$30,330	\$30,330	\$16,250	(\$14,080)	-46.4%	(\$14,080)	-46.4%
Beach Protection	\$47,090	\$47,090	\$3,590	(\$43,500)	-92.4%	(\$43,500)	-92.4%
Federal Asset Forfeiture	\$50,000	\$50,000	\$50,000	\$0	0.0%	\$0	0.0%
TOTAL - ALL FUNDS	\$7,580,656	\$8,041,042	\$8,717,499	\$1,136,843	15.0%	\$676,457	8.4%

GENERAL FUND BUDGET BY DEPARTMENT FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Police Dept.	510	\$1,308,960	\$1,315,160	\$1,376,257	\$67,297	5.1%	\$61,097	4.6%	<p><u>Increases:</u> F/T personnel-related costs (includes a total of \$606 for potential Longevity Pay policy changes): \$51,100 / 5% Utilities: \$10,000 / new expense Contracts: \$9,000 / 64% Telephone/postage: \$6,500 / 48% Vehicle gas & oil: \$5,000 / 17%</p> <p><u>Decreases:</u> Computer software/support: \$8,000 / 27% Minor equipment: \$3,000 / 20% Exams/Screenings: \$2,500 / 42%</p>
Streets & Sanitation	550	\$863,848	\$863,848	\$905,861	\$42,013	4.9%	\$42,013	4.9%	<p><u>Increases:</u> Capital outlay – equipment: \$45,000 / 129% Christmas decorations: \$12,000 / 120% OFP maintenance: \$2,000 / 40% Garbage cart purchases: \$2,000 / 20% Special Events: \$500 / 20% Safety program: \$500 / 20%</p> <p><u>Decreases:</u> Personnel-related costs (includes a total of \$604 for potential Longevity Pay policy changes): \$5,437 / 1.2% Joe Eakes Park maintenance: \$15,000 / 60%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Fire Dept.	530	\$701,867	\$695,667	\$742,846	\$40,979	5.8%	\$47,179	6.8%	<p><u>Increases:</u> F/T personnel-related costs (includes a total of \$604 for potential Longevity Pay policy changes): \$21,848 / 4.5% Part-Time pay & taxes: \$13,402 / 18.5% Drill fees & taxes: \$3,229 / 8.4% Minor equipment: \$30,000 / 600% Safety program: \$2,000 / new expense Uniforms: \$500 / 7.7%</p> <p><u>Decreases:</u> Capital outlay - equipment: \$30,000 / 100%</p>
Lifeguards	531	\$196,850	\$196,850	\$200,088	\$3,238	1.6%	\$3,238	1.6%	<p><u>Increases:</u> Personnel-related costs: \$3,238 / 2%</p>
Bldg. Inspection	540	\$135,201	\$135,201	\$139,565	\$4,364	3.2%	\$4,364	3.2%	<p><u>Increases:</u> F/T personnel-related costs: \$4,319 / 4.5% Computer software/support: \$1,000 / 50%</p> <p><u>Decreases:</u> Building maintenance: \$1,000 / 100%</p>
Governing Body	410	\$38,505	\$38,505	\$38,494	(\$11)	0.0%	(\$11)	0.0%	<p><u>Increases:</u> Telephone/iPad: \$489 / 32%</p> <p><u>Decreases:</u> Contributions: \$500 / 3%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Emergency Mgmt.	446	\$100	\$100	\$100	\$0	0.0%	\$0	0.0%	
Elections	430	\$3,000	\$3,000	\$1,000	(\$2,000)	-66.7%	(\$2,000)	-66.7%	FY 2018 was a local election.
Parks & Rec.	532	\$146,027	\$146,027	\$188,268	\$42,241	28.9%	\$42,241	28.9%	<p><u>Increases:</u> F/T personnel-related costs (includes new employee beginning 1/2019): \$39,544 / 57% Boardwalk fish: \$6,000 / 120% Children/family programs: \$500 / 9%</p> <p><u>Decreases:</u> Part-Time pay & taxes: \$2,153 / 20% Island Day: \$1,000 / 40% Instructor fees: \$750 / 100%</p>
Administration	420	\$407,848	\$583,848	\$554,608	\$146,760	36.0%	(\$29,240)	-5.0%	<p><u>Increases:</u> F/T personnel-related costs (includes new employee beginning 7/2018 – split with W/S Fund): \$24,675 / 20.5% Relocation costs: \$88,000 / new expense Retiree medical insurance: \$8,064 / 30% Recycle service: \$8,000 / 6% P&L/WC insurance: \$5,000 / 7% Utilities: \$2,400 / 80% Computer services: \$2,103 / 12% Building maintenance: \$1,900 / 24% Minor equipment: \$1,500 / 150% Codification costs: \$1,500 / 100% Advertising: \$1,000 / 50% Travel & training: \$1,000 / 33% Supplies: \$1,000 / 14%</p>

GENERAL FUND BUDGET BY DEPARTMENT FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Community Center	421	\$23,300	\$23,300	\$23,300	\$0	0.0%	\$0	0.0%	
Legal	470	\$28,950	\$28,950	\$29,850	\$900	3.1%	\$900	3.1%	<u>Increases:</u> Professional legal service: \$1,000 / 10.6%
Finance	415	\$150,786	\$150,786	\$158,187	\$7,401	4.9%	\$7,401	4.9%	<u>Increases:</u> F/T personnel-related costs: \$6,151 / 8% Auditor/Actuary fees: \$901 / 8% Telephone: \$360 / 100% <u>Decreases:</u> Unemployment insurance: \$549 / 13%
Committees	412	\$120,010	\$120,010	\$7,665	(\$112,345)	-93.6%	(\$112,345)	-93.6%	<u>Increases:</u> SLABP Committee: \$2,256 / 43% FY 19 includes \$4,740 for beach access signs & \$2,925 for sea oats <u>Decreases:</u> Capital outlay: \$114,710 / 100%
Debt Service	560	\$360,615	\$564,042	\$708,050	\$347,435	96.3%	\$144,008	25.5%	New Loans in FY 2018 for Fire Station & Town Hall renovation (\$5 mil.) & Police vehicle (\$31,668).

GENERAL FUND BUDGET BY DEPARTMENT FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	REQUESTED 2019 BUD.	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. ORIGINAL FY 2018
Tax Collection	460	\$27,000	\$27,000	\$27,800	\$800	3.0%	\$800	3.0%	
Transfers	580	\$46,450	\$127,409	\$0	(\$46,450)	-100.0%	(\$127,409)	-100.0%	No transfer to the Beach Protection Fund.
Contingency	490	\$48,100	\$48,100	\$0	(\$48,100)	-100.0%	(\$48,100)	-100.0%	No amount initially allocated.
TOTAL GENERAL FUND		\$4,607,417	\$5,067,803	\$5,101,939	\$494,522	10.7%	\$34,136	0.7%	

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT. NO.	2018 BUDGET	REQUESTED 2019 BUD.	DIFF. 2019 & 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
W/S Operations	810	\$1,657,830	\$2,475,932	\$818,102	49.3%	<p><u>Increases:</u> F/T personnel-related costs (includes a total of \$906 for potential Longevity Pay policy changes): \$17,081 / 4.4% Water Meter Replacement Project: \$850,000 / new Debt service: \$63,061 / 32% Capital outlay - equipment: \$53,000 / 113% Materials & supplies: \$10,000 / 11% Travel & training: \$2,000 / 40%</p> <p><u>Decreases:</u> Capital outlay - improvements: \$167,040 / 100% Capital outlay – sewer rehab: \$10,000 / 9%</p>
Governing Body	410	\$17,505	\$17,994	\$489	2.8%	<p><u>Increases:</u> Telephone/iPad: \$489 / 32%</p>
Finance	715	\$186,200	\$197,817	\$11,617	6.2%	<p><u>Increases:</u> F/T personnel-related costs: \$8,915 / 6.2% Telephone: \$1,080 / 300% Auditor/Actuary fees: \$875 / 8% Postage: \$360 / 4.4%</p>

**WATER/SEWER FUND BUDGET BY DEPARTMENT
FY 2019 VS. FY 2018**

DEPARTMENT	DEPT. NO.	2018 BUDGET	REQUESTED 2019 BUD.	DIFF. 2019 & 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Legal	470	\$28,950	\$29,850	\$900	3.1%	Increases: Professional legal service: \$1,000 / 10.6%
Administration	720	\$260,170	\$306,687	\$46,517	17.9%	Increases: F/T personnel-related costs (includes new employee beginning 7/2018 – split with General Fund): \$24,675 / 20.5% P&L/WC insurance: \$5,000 / 7% Retiree medical insurance: \$4,943 / 36% Utilities: \$2,400 / 80% Computer services: \$2,103 / 12% Building maintenance: \$1,900 / 24% Minor equipment: \$1,500 / 150% Codification costs: \$1,500 / 100% Advertising: \$1,000 / 50% Travel & training: \$1,000 / 33% Supplies: \$1,000 / 14% Decreases: Special long-term disability: \$1,122 / 100%
TOTAL WATER/ SEWER FUND		\$2,150,655	\$3,028,280	\$877,625	40.8%	

STORM WATER FUND BUDGET BY EXPENSE TYPE FY 2019 VS. FY 2018

DEPARTMENT	DEPT. NO.	2018 BUDGET	REQUESTED 2019 BUD.	DIFF. 2019 & 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
SW Operations	610	\$145,254	\$154,247	\$8,993	6.2%	<i>Increases:</i> Personnel-related costs: \$8,993 / 7.8%
Debt Service	610	\$99,840	\$108,193	\$8,353	8.4%	New loan in FY 2018 for one-half of compact excavator.
Capital Outlay	610	\$385,000	\$80,000	(\$305,000)	-79.2%	<i>Increases:</i> Capital outlay - equipment: \$45,000 / 129% <i>Decreases:</i> Capital outlay - improvements: \$350,000 / 100%
TOTAL STORM WATER FUND		\$630,094	\$342,440	(\$287,654)	-45.7%	

GENERAL FUND REVENUE BUDGET FY 2019 VS. FY 2018

REVENUE TYPE	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Property Taxes	\$2,491,300	\$2,491,300	\$2,517,800	\$26,500	1.1%	\$26,500	1.1%	Increase in property valuation. Assumes no increase in tax rate (\$0.285).
Sales Tax	\$850,075	\$850,075	\$886,000	\$35,925	4.2%	\$35,925	4.2%	Actual growth in FY 2018 greater than budgeted. FY 2019 estimated to be moderate increase over FY 2018 forecast.
Garbage & Recycle Fees	\$382,350	\$382,350	\$390,500	\$8,150	2.1%	\$8,150	2.1%	Increase in number of garbage carts and trash pickup.
TDA	\$205,650	\$205,650	\$235,000	\$29,350	14.3%	\$29,350	14.3%	FY 2019 budget is for lifeguards, Pleasure Island Chamber of Commerce concerts & some OFP activities.
Franchise & Utility Taxes	\$234,500	\$234,500	\$225,000	(\$9,500)	-4.1%	(\$9,500)	-4.1%	State-wide forecasts for electricity sales tax, telecommunications & video programming taxes are for FY 2019 to be less than FY 2018.
Communication Tower Rent	\$79,125	\$79,125	\$81,924	\$2,799	3.5%	\$2,799	3.5%	FY 2019 includes annual increase for existing leases.
Building Permits, CAMA, Impact Fees, Fire Inspections	\$61,600	\$61,600	\$76,750	\$15,150	24.6%	\$15,150	24.6%	Upward trend in building related fees and fire inspection fees.

GENERAL FUND REVENUE BUDGET FY 2019 VS. FY 2018

REVENUE TYPE	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Sales Tax Refund	\$54,000	\$54,000	\$59,000	\$5,000	9.3%	\$5,000	9.3%	Estimated sales tax refund based on sales tax paid in prior fiscal year.
Community Center/ Parks & Rec/ Street Festival/Bluefish	\$31,500	\$31,500	\$34,700	\$3,200	10.2%	\$3,200	10.2%	Estimated increase in bluefish sales.
Town Facility Rentals	\$15,000	\$15,000	\$18,000	\$3,000	20.0%	\$3,000	20.0%	Upward trend in facility rental revenue.
ABC Revenue	\$14,600	\$14,600	\$15,900	\$1,300	8.9%	\$1,300	8.9%	Upward trend in ABC revenue.
Motor Vehicle License Tax	\$9,500	\$9,500	\$9,750	\$250	2.6%	\$250	2.6%	Motor Vehicle License Tax collected as part of vehicle registration.
Beer & Wine Tax	\$9,500	\$9,500	\$9,300	(\$200)	-2.1%	(\$200)	-2.1%	Forecasted state-wide decreases for FY 2018 & 2019.
Re-Entry Decal Sales	\$5,500	\$5,500	\$4,500	(\$1,000)	-18.2%	(\$1,000)	-18.2%	FY 2019 estimated to be lower due to more people electing not to purchase decals.

GENERAL FUND REVENUE BUDGET FY 2019 VS. FY 2018

REVENUE TYPE	ORIGINAL 2018 BUD.	AMENDED 2018 BUD.	2019 BUDGET	DIFF. 2019 & ORIG. 2018	% CHG.	DIFF. 2019 & AMENDED 2018	% CHG.	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Interest & Investment Earnings	\$1,250	\$1,250	\$4,100	\$2,850	228%	\$2,850	228%	Increase in CD interest rates & NCCMT earnings.
All Other Revenue	\$2,635	\$2,635	\$2,885	\$250	9.5%	\$250	9.5%	Largest other revenue is fines & citations (\$1,650).
CAMA Grant - Beach Access Paving	\$89,332	\$89,332	\$0	(\$89,332)	-100%	(\$89,332)	-100%	FY 2018 included grant for paving E & I Avenue beach access parking lots.
Appropriation of Fund Balance	\$0	\$460,386	\$0	\$0		(\$460,386)	-100%	FY 2018 amended budget included fund balance appropriations for capital project transfers & new loan payments.
Other Financing Sources	\$70,000	\$70,000	\$115,000	\$45,000	64.3%	\$45,000	64.3%	Financing for new Police vehicle (\$35,000) & one-half of street sweeper (\$80,000).
TOTAL GENERAL FUND	\$4,607,417	\$5,067,803	\$4,686,109	\$78,692	1.7%	(\$381,694)	-7.5%	

**WATER/SEWER FUND REVENUE BUDGET
FY 2019 VS. FY 2018**

REVENUE TYPE	2018 BUDGET	2019 BUDGET		DIFF. 2019 & 2018	% CHANGE	SIGNIFICANT CHANGES FY 2019 VS. FY 2018
Water Charges	\$805,000	\$785,000		(\$20,000)	-2.5%	Downward trend in usage.
Sewer Charges	\$1,155,000	\$1,105,000		(\$50,000)	-4.3%	Downward trend in usage.
Water & Sewer Tap Fees	\$36,000	\$60,000		\$24,000	66.7%	Based on estimated building activity.
Cutoff & Reconnection Fees	\$1,200	\$1,500		\$300	25.0%	Upward trend in account cutoff & reconnections.
Other Revenue/ Fees	\$6,315	\$6,415		\$100	1.6%	Primarily past due charges (\$6,200).
Interest Income	\$2,140	\$7,020		\$4,880	228%	Increase in CD interest rates & NCCMT earnings.
Other Financing Sources	\$145,000	\$950,000		\$805,000	555.2%	Financing for service truck (\$40,000), 2 mobile generators (\$60,000) & the water meter replacement project (\$850,000).
TOTAL WATER/ SEWER FUND	\$2,150,655	\$2,914,935		\$764,280	35.5%	

**STORM WATER FUND REVENUE BUDGET
FY 2019 VS. FY 2018**

<u>REVENUE TYPE</u>	<u>2018 BUDGET</u>	<u>2019 BUDGET</u>	<u>DIFF. 2019 & 2018</u>	<u>% CHANGE</u>	<u>SIGNIFICANT CHANGES FY 2019 VS. FY 2018</u>
Storm Water Charges	\$223,000	\$227,500	\$4,500	2.0%	Increase in number of accounts.
Storm Water Building Fees	\$40,000	\$48,000	\$8,000	20.0%	Based on estimated building activity.
Interest Income	\$875	\$2,880	\$2,005	229.1%	Increase in CD interest rates & NCCMT earnings.
Other Financing	\$35,000	\$80,000	\$45,000	128.6%	Financing for one-half of street sweeper.
Appropriate Fund Balance	\$331,219	\$0	(\$331,219)	-100%	
TOTAL STORM WATER FUND	\$630,094	\$358,380	(\$271,714)	-43.1%	

GENERAL FUND POTENTIAL RATE/FEE INCREASES

1. Recycle Fee
2. Garbage Collection Fees
3. Property Taxes

GENERAL FUND POTENTIAL RATE/FEE INCREASES

RECYCLE FEE

Est. Monthly Per Cart Charge by Waste Management for FY 2019 (assumes 2.25% inc.)	\$5.01		
Current Monthly Per Cart Fee	<u>\$4.88</u>		
Minimum Proposed Increase in Monthly Fee	\$0.13	2.7% Increase	Annual Revenue Increase of \$3,400
Potential Additional Monthly Fee Increase to Cover Beach Service	<u>\$0.42</u>		
Maximum Proposed Increase in Monthly Fee	<u>\$0.55</u>	11.3% Increase	Annual Revenue Increase of \$14,300

GENERAL FUND POTENTIAL RATE/FEE INCREASES

GARBAGE COLLECTION FEES

SERVICE TYPE	CURRENT RATE/FEE	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE	% INCREASE	RATE/FEE AFTER INC.	ADDITIONAL COST PER MONTH & YEAR PER CART	EST. INCREASE IN ANNUAL REVENUE
Residential - 1st Cart	\$6.00	16.67%	\$7.00	\$1.00 / \$12.00	\$25,450	25%	\$7.50	\$1.50 / \$18.00	\$38,150
Residential - Extra Carts	\$12.00	16.67%	\$14.00	\$2.00 / \$24.00	\$5,550	25%	\$15.00	\$3.00 / \$36.00	\$8,350
					\$31,000				\$46,500
Commercial	\$26.25	16.67%	\$30.63	\$4.38 / \$52.56	\$5,150	25%	\$32.81	\$6.56 / \$78.72	\$7,700
TOTAL					\$36,150				\$54,200

GENERAL FUND POTENTIAL RATE/FEE INCREASES

PROPERTY TAXES

- Increase the current tax rate of 28.5 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 5 cents (17.5%) generating approximately \$440,000 of annual revenue

PROPERTY TAXES
INCREMENTAL REVENUE FROM VARIOUS INCREASE AMOUNTS

	TAX RATE INCREASE							
	1.0 Cent	2.0 Cents	3.0 Cents	4.0 Cents	4.5 Cents	4.75 Cents	5.0 Cents	6.0 Cents
Percentage Increase In Tax Rate	3.51%	7.02%	10.53%	14.04%	15.79%	16.67%	17.54%	21.05%
Tax Levy Related To Tax Rate Increase	\$89,033	\$178,065	\$267,098	\$356,130	\$400,646	\$422,904	\$445,163	\$534,195
Net Increase To Town Revenue	\$88,142.18	\$176,284	\$264,427	\$352,569	\$396,640	\$418,675	\$440,711	\$528,853
Tax Rate After Increase (\$0.285 + increase)	\$0.2950	\$0.3050	\$0.3150	\$0.3250	\$0.3300	\$0.3325	\$0.3350	\$0.3450
Impact on Household With Home Valued at \$400,000:								
Annual Increase	\$40	\$80	\$120	\$160	\$180	\$190	\$200	\$240
Monthly Increase	\$3.33	\$6.67	\$10.00	\$13.33	\$15.00	\$15.83	\$16.67	\$20.00
Total Annual Tax	\$1,180	\$1,220	\$1,260	\$1,300	\$1,320	\$1,330	\$1,340	\$1,380

ASSUMPTIONS:

- (1) - Starting point is current tax rate of \$0.285 per \$100 of valuation.
- (2) - Estimated tax base from NHC Tax Department as of 3/23/18 was: **\$890,325,100** (includes \$24,500,000 for motor vehicles)
- (3) - Estimated property tax collection rate is: **99%**

WATER & SEWER FUND POTENTIAL RATE/FEE INCREASES

1. Account Setup Fee
2. New Rate Tier For Residential Customers For Usage Above 10,000 Gallons Per Month
3. New Rate Tier For Commercial and Fort Fisher Customers For Usage Above 10,000 Gallons Per Month
4. Increase Monthly Minimum Fee For All Customers

WATER & SEWER FUND POTENTIAL NEW FEE

ACCOUNT SETUP FEE

- New fee of \$50 for costs involved in establishing a new account:

<u>AVERAGE NO. OF NEW ACCOUNTS PER MONTH</u>	<u>PROPOSED NEW ACCT. SETUP FEE</u>	<u>EST. MONTHLY REVENUE</u>	<u>EST. ANNUAL REVENUE</u>
10	\$50	\$500	\$6,000

**WATER & SEWER FUND
POTENTIAL NEW RESIDENTIAL RATE TIER
FOR USAGE OVER 10,000 GALLONS**

TIME PERIOD COVERED: 4/1/2017 – 3/31/2018

	WATER	SEWER	
TOTAL ACCTS. BILLED	23,600	22,693	
TOTAL GALS. USED	93,171,198	89,706,160	
TOTAL ACCTS. WITH USAGE OVER 10,000 GALS.	1,922	1,814	
% OF TOTAL ACCTS.	8.1%	8.0%	
TOTAL GALS. USED BY ACCTS. OVER 10,000	36,087,764	33,503,140	
% OF TOTAL GALS. USED	38.7%	37.3%	
EST. PORTION OF USAGE ABOVE 10,000 GALS.	16,867,764	15,363,140	
			TOTAL
EST. ANNUAL REVENUE - NEW RATE TIER - 25% INC.	\$28,675	\$33,415	\$62,090
EST. ANNUAL REVENUE - NEW RATE TIER - 50% INC.	\$56,929	\$66,830	\$123,758

**WATER & SEWER FUND
POTENTIAL NEW RATE TIER – COMMERCIAL & FORT FISHER
FOR USAGE OVER 10,000 GALLONS**

TIME PERIOD COVERED: 4/1/2017 – 3/31/2018

	COMMERCIAL			FORT FISHER		
	WATER	SEWER		WATER	SEWER	
TOTAL ACCTS. BILLED	471	447		48	48	
TOTAL GALS. USED	8,199,830	7,726,010		9,150,400	10,811,151	
TOTAL ACCTS. WITH USAGE OVER 10,000 GALS.	162	159		37	37	
% OF TOTAL ACCTS.	34.4%	35.6%		77.1%	77.1%	
TOTAL GALS. USED BY ACCTS. OVER 10,000	7,318,770	6,883,110		9,089,900	10,750,651	
% OF TOTAL GALS. USED	89.3%	89.1%		99.3%	99.4%	
EST. PORTION OF USAGE ABOVE 10,000 GALS.	5,698,770	5,293,110		8,719,900	10,380,651	
			TOTAL			TOTAL
EST. ANNUAL REVENUE - NEW RATE TIER - 25% INC.	\$9,887	\$9,428	\$19,316	\$17,167	\$26,276	\$43,443
EST. ANNUAL REVENUE - NEW RATE TIER - 50% INC.	\$19,775	\$18,857	\$38,631	\$34,335	\$52,552	\$86,887

WATER & SEWER FUND

INCREASE MONTHLY MINIMUM FOR ALL CUSTOMER TYPES

	RESIDENTIAL			COMMERCIAL			FORT FISHER		
	CURRENT MONTHLY MINIMUM	NEW RATE AFTER 10% INC.	NEW RATE AFTER 25% INC.	CURRENT MONTHLY MINIMUM	NEW RATE AFTER 10% INC.	NEW RATE AFTER 25% INC.	CURRENT MONTHLY MINIMUM	NEW RATE AFTER 10% INC.	NEW RATE AFTER 25% INC.
WATER	\$13.50	\$14.85	\$16.88	\$18.50	\$20.35	\$23.13	\$23.00	\$25.30	\$28.75
SEWER	\$23.50	\$25.85	\$29.38	\$25.50	\$28.05	\$31.88	\$40.50	\$44.55	\$50.63
EST. INCREASE IN ANNUAL REVENUE		\$85,189	\$212,971		\$2,011	\$5,028		\$305	\$762

TOTAL ALL CUSTOMERS - 10% INCREASE	\$87,505
TOTAL ALL CUSTOMERS - 25% INCREASE	\$218,761

REQUESTS RECEIVED FROM OUTSIDE ORGANIZATIONS

<u>ORGANIZATION</u>	<u>REQUEST REC'D FY 2019</u>	<u>REQUEST REC'D FY 2018</u>	<u>ACTUAL FY 2018</u>	<u>ACTUAL FY 2017</u>	<u>ACTUAL FY 2016</u>	<u>ACTUAL FY 2015</u>	<u>ACTUAL FY 2014</u>
Pleasure Island Chamber of Commerce (concert series)	\$8,800	\$8,800	\$8,800	\$8,800	\$8,500	\$8,800	\$8,000
Katie B. Hines Senior Center (1)		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Federal Point Historic Preservation Society	\$3,000	\$3,000	\$1,500	\$1,500	\$1,000	\$1,000	\$1,000
Federal Point Help Center	\$1,500	\$1,500	\$1,500	\$1,500	\$1,000	\$1,000	\$1,000
Kure Beach Volunteer Fire Dept. (Christmas Show) (2)					\$3,300	\$3,300	\$3,300
Island of Lights (3)	\$1,200	\$1,200	\$1,200	\$1,200	\$1,100	\$1,100	\$1,000
Friends of Fort Fisher, Inc. (4)	\$1,500	\$1,500	\$1,500	\$1,500		\$2,000	
TOTAL GOVERNING BODY BUDGET	\$16,000	\$18,000	\$16,500	\$16,500	\$16,900	\$19,200	\$16,300
Pleasure Island Sea Turtle Project (5)	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400	\$5,400
GRAND TOTAL	\$37,400	\$41,400	\$38,400	\$38,400	\$39,200	\$43,800	\$38,000

(1) - No request received for FY 2019.

(2) - Christmas show included as part of Parks & Recreation budget beginning in FY 2017.

(3) - Island of Lights request for FY 2019 (and FY 2014 - 2018) also includes \$900 of in-kind.

(4) - FY 2016 request from Friends of Fort Fisher received one month after deadline for applications.

(5) - Included in Building Inspection/Code Enforcement budget.