



Town of Holden Beach
Budget Message
Fiscal Year 2023-2024
(1 July 2023 through 30 June 2024)

RE: Fiscal Year 2023/2024 Budget Message

The Town of Holden Beach Budget for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024 is herewith presented in accordance with the North Carolina Local Government Budget and Fiscal Control Act.

The budget message is organized as follows:

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Executive Summary: provides Fund organization/descriptions, schedule,
By Fund and By Function summaries

PART II

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ATTACHMENTS: Consolidated Debt Schedule and Capital Improvement Plan

PART I. Executive Summary

The proposed FY 23/24 budget provides the Town’s spending plan for the upcoming budget year beginning 1 July 2023 and ending 30 June 2024 This preamble is meant to provide the reader with the Budget’s main points and a means to understand the process, development and adoption of the Town’s annual budget.

Main Points:

Proposed Tax rate is fourteen cents; revenue neutral tax rate is 12.02.

Annual Sewer assessment decreases slightly

Implementation of 25% increases in Inspections fee

Second year of paid parking; program moved to BPART Fund

Multiple major capital projects occurring simultaneously in FY 23/24 in addition to debt service obligations requires funding from Reserves and borrowing as follows:

\$1 million Fund Balance Appropriation from General Fund

\$1 million Fund Balance Appropriation from BPART Fund

\$347 thousand Fund Balance Appropriation from Beach Inlet Capital Reserve Fund

\$1 million Water & Sewer Water borrowing.

The proposed FY23/24 budget includes funding provisions for the following major capital expenses:

Holden Beach Pier Renovation

Block Q Parking Improvements

ADA compliance initiatives

Greensboro Lift Station upfit

Town wide Stormwater Assessment

Water System Capital Asset Inventory

Canal Dredge Project

Coastal Storm Damage Reduction Study

High Point Resurfacing

.... And its implementation will result in the following estimated Fund Balances:

General	3,151,209
BPART	2,411,489
W&S	4,132,063

Canals	2,480,747
Beach Inlet CRF	1,028,190
Water CRF	212,571
Sewer CRF	358,063

Organization and Functions

Contained as follows are the proposed Budget’s Fund organization/descriptions, schedule and By Fund and By Function summaries.

In fiscal year 23/24 Holden Beach budget will have four main governmental funds, three capital reserve funds, and a capital project fund. The four governmental funds are: 1- General, - 2- Water & Sewer, 3- Beach, Parks, Access and Recreation Tourism (BPART) and 4- Canal Dredging. The three capital reserve funds are: 1 – Water, 2 – Sewer, and 3 - Beach & Inlet Management. The capital project fund houses the prior year remnants of the Federal Emergency Management Agency (FEMA) storm damage repair projects until administratively closed out. Each fund is represented in the following pages with detailed revenues and expenditures needed for the upcoming fiscal year. The budget year starts July 1, 2023 and ends June 30, 2024.

The General Fund budget serves to fund daily and long-term operations and infrastructure of the town. This includes administration, police department, building and inspections as well as sanitation and streets.

The Water and Sewer Fund is an Enterprise (business type) fund that finances the daily administration and operations of the water and sewer department.

The Beach, Parks, Access and Recreation Tourism Fund (BPART) is a special revenue fund enabled by local legislation for the purpose of providing for beach nourishment and tourism related expenses.

The Canal Dredging Fund is also a special revenue fund authorized by local legislation. Its purpose is to maintain navigability of the islands’ twenty five thousand linear feet of canals

The Water Capital Reserve and the Sewer Capital Reserve Funds were established in accordance with the Water and Sewer System Development Fee Act of 2017 as amended and will be used to fund capital improvements to the Town’s water/sewer infrastructure in the coming years.

The Beach Re-nourishment and Inlet Management Capital Reserve Fund provides funding for future year beach and inlet maintenance projects.

The FEMA Capital Projects Fund serves to provide pass through federal grant reimbursements for debt service on storm damage repairs performed during the winter of 2021/2022 along the central portion of the island's beach. It is anticipated this Fund to retire sometime soon after 1 July 2023 upon federal notification of final closeout. Subsequent graphs and data representations contained herein are net of FEMA.

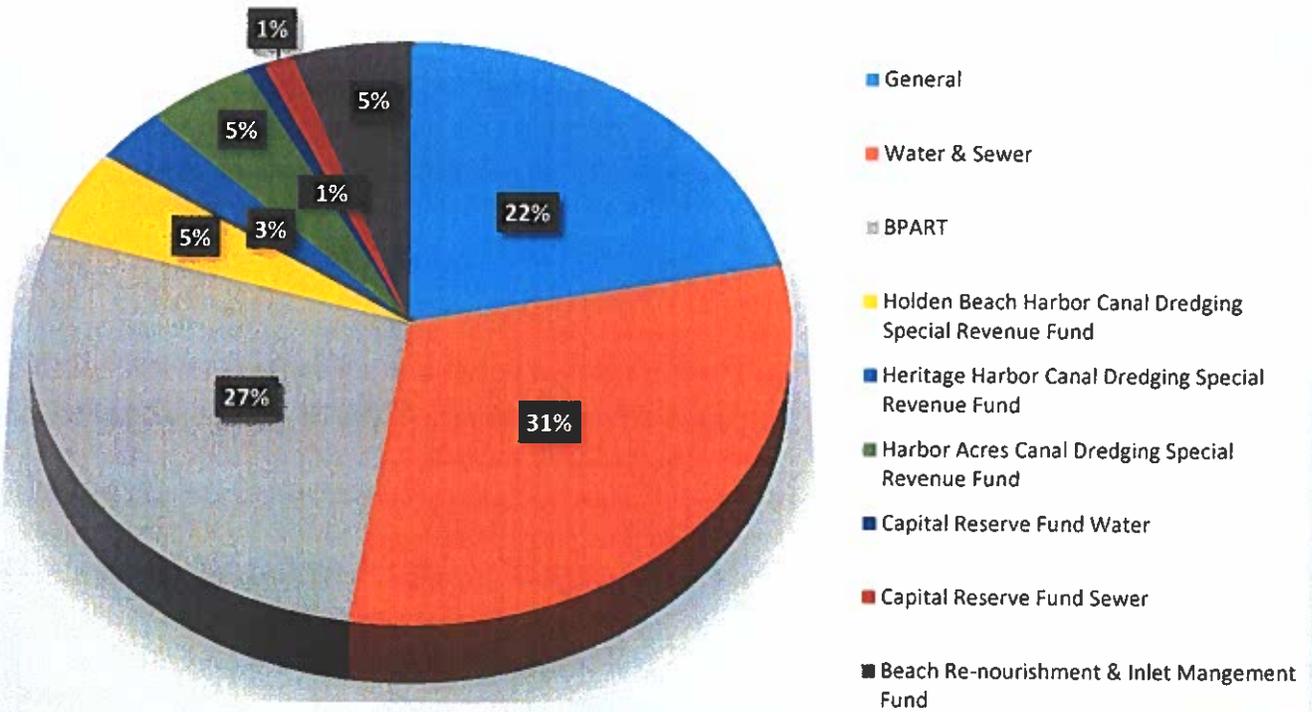
During the Spring of 2023 the Holden Beach Board of Commissioners developed and established a relative ranking of Goals and Objectives for the upcoming year. Where possible those goals are reflected in the proposed 2023/2024 budget. Commissioners, staff, appointed boards and committees have been engaged during the budget development process which followed the following schedule to facilitate the preparation of the recommended budget:

13 Mar	BOC Goals/Budget#1/Qtrly Workshop
8 Apr	Canal Dredging Working Group
20 Apr	Budget Workshop #2
31 May	Manager's Budget Message published
1 June	Budget Meeting #3
15 June	Budget Public Hearing/Quarterly Meeting
21 June	Budget Consideration/Adoption

**Proposed Budget by Fund
Fiscal Year 2023-2024**

General	5,737,797
Water & Sewer	8,022,185
BPART	7,280,871
Holden Beach Harbor Canal Dredging Special Revenue Fund	1,302,421
Heritage Harbor Canal Dredging Special Revenue Fund	808,754
Harbor Acres Canal Dredging Special Revenue Fund	1,259,737
Capital Reserve Fund Water	212,571
Capital Reserve Fund Sewer	358,063
Beach Re-nourishment & Inlet Management Fund	1,375,110
FEMA Capital Project Fund	73,644,019
Total	100,001,527
Total w/out FEMA	26,357,508

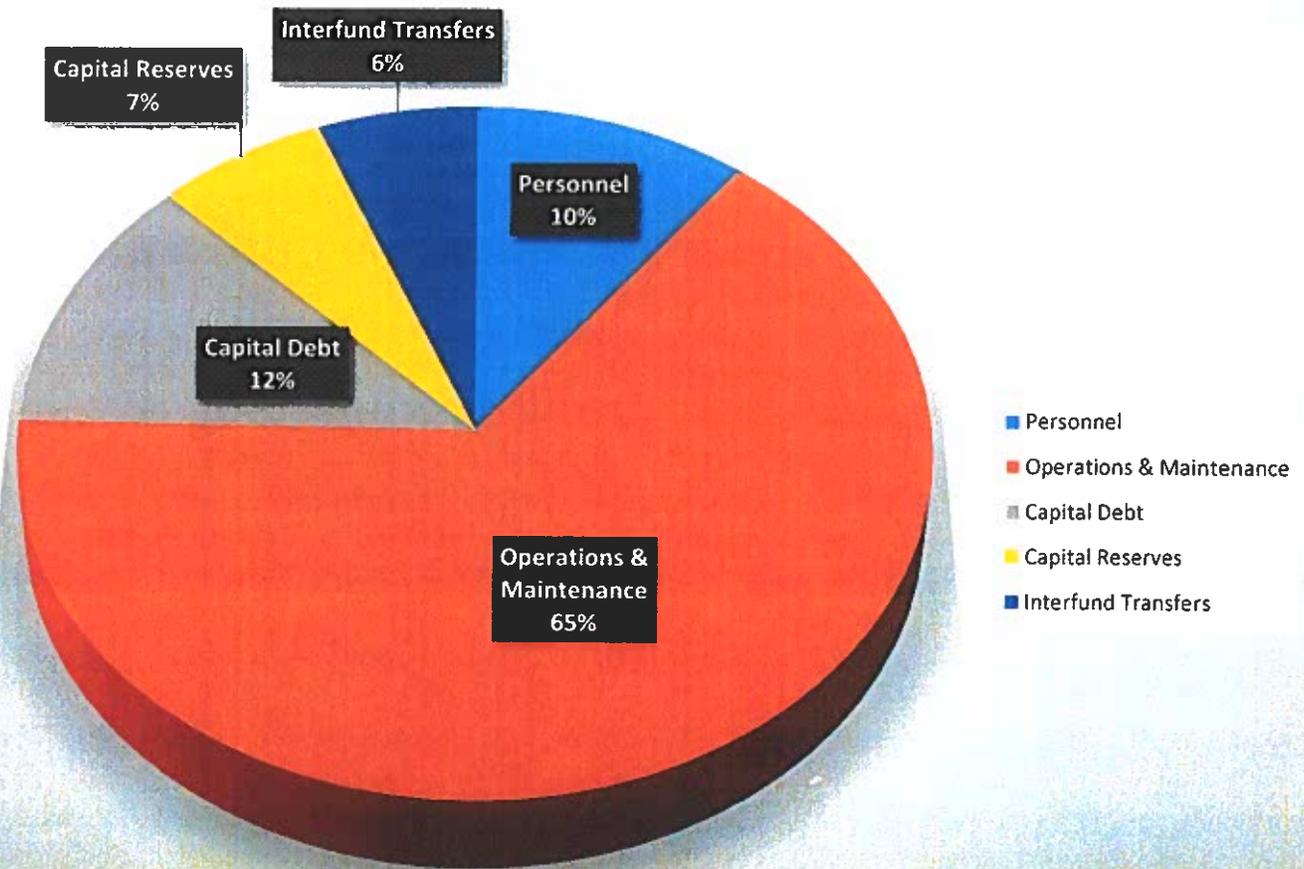
Budget By Fund



Proposed Expenses by Function Fiscal Year 2022-2023

Personnel	3,107,045
Operations & Maintenance	19,494,716
Capital Debt	3,641,428
Capital Reserves	1,945,744
Interfund Transfers	1,810,003
Total	26,357,508

Expenses by Function



Part II: Tax Rate, Revenue Neutral and Debt Service

Tax Rate

A tax rate of fourteen cents per one hundred dollars of valuation is proposed to be levied at a ninety nine point five percent collection rate on an estimated tax base of two billion three hundred sixty nine million two hundred seventy nine thousand two hundred and fifty eight dollars. The collection rate of ninety nine point five percent used to calculate the estimated tax revenue is the actual rate during the prior fiscal year ending 30 June 2022. The estimated tax base reflects the most recent available property valuations from the Brunswick County Tax Appraiser.

Statement Concerning Revenue Neutral Tax Rate

The Revenue Neutral Tax Rate for the FY23/24 budget is twelve point zero two cents.

Debt Service

The outstanding net debt cannot exceed the NC Statutory Limit of 8% of the total assessed value of taxable property with the Town’s official limits.

The legal debt margin for the Town estimated for June 30, 2023 is \$189,542,340.64

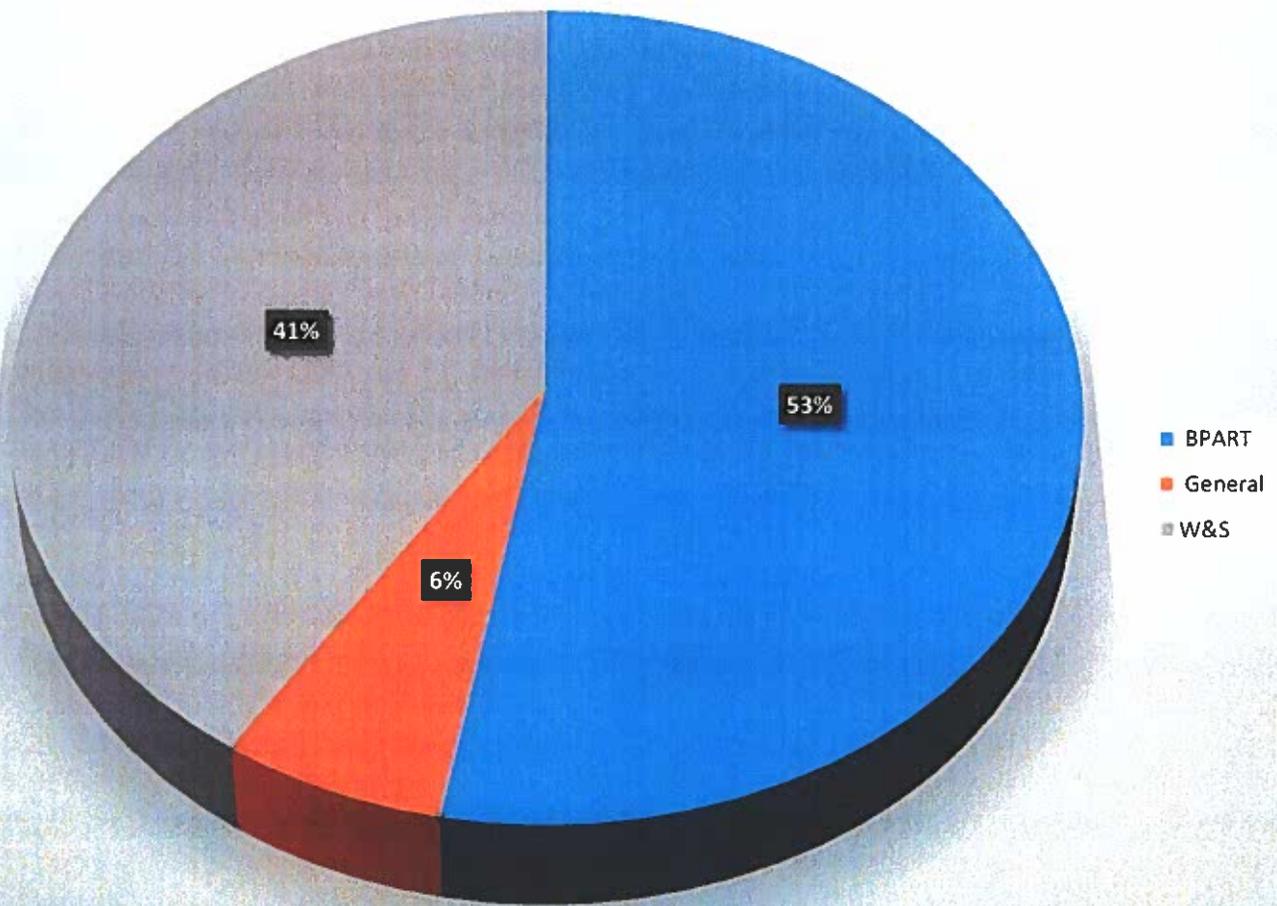
Estimated June 30, 2022 total outstanding debt obligation amount is \$18,128,655.

The proposed FY 23/24 budget has debt payment obligations of 3,641,428.

The following table illustrates FY 23/24 required debt service payments by fund:

BPART	1,925,268.45
General	230,173.45
Water & Sewer	1,485,985.61
Total	3,641,427.51

Debt Payments by Fund



A composite life cycle debt service obligation schedule is at Attachment A.

PART III. Employee Compensation and Agency Donations

Salary Adjustments and Compensation

The proposed FY 23/24 budget provides for an employee 5% merit pay program in addition to a 6.9% cost-of-living adjustment

Donations

Based on past precedent and receipt of donation requests the following agencies are proposed to be funded accordingly:

<u>Organization</u>	<u>\$</u>	<u>Source</u>
Brunswick County Literacy Council	750	General Fund
Brunswick Community College Foundation	1,000	General Fund
Brunswick Novant Medical Center Foundation	2,500	General Fund
Communities in Schools	1,000	General Fund
Hospice	2,500	General Fund
Brunswick Search and Rescue	2,500	General Fund
Holden Beach Beautification Club	1,000	BPART
Brunswick County Arts Council	2,500	BPART
Chamber of Commerce	3,000	BPART
Brunswick Family Assistance	2,500	General Fund
Holden Beach Women's Club	1,000	General Fund
Total	20,250	

PART IV. By Fund Revenues and Expenses

General Fund Balance

“Fund Balance Available” is the statutory concept that describes the amount of funds local governments have available at the end of a fiscal year to be appropriated in the next fiscal year. It is constructed as a way to prevent units of government from appropriating funds that they have not yet received in cash form. It is essential that the Town as an ad valorem tax-levying entity maintain an adequate amount of fund balance available to meet its cash flow needs during the months in its revenue cycle when outflows exceed inflows.

Property tax revenues are a major source of revenue in the General Fund, and are typically not received until the latter months of the calendar year. Therefore, the Town must maintain reserves on hand in the form of fund balance available for appropriation at June 30th to prevent it from experiencing cash flow difficulties during the first two quarters of the next fiscal year. The estimated Fund Balance available at 30 June 2023 is \$2,548,938 which represents an available fund balance ratio of 44%.

General Fund Revenues

General Fund Revenues are comprised of a number of revenues that are categorized as follows: 1) Property Taxes, 2) State Collected Revenues, 3) Town Collected Revenues and 4) Fund Balances & Interfund transfers.

1. Property Taxes – Proposed FY 23/24 levy at 14 cents per thousand dollars of valuation;
2. State Collected Revenues – Other than an expected strong increase in local option sales tax – other state distributed revenues like Powell Bill, Utilities’ distributions and Beer/Wine show little growth in the FY23/24 budget forecast.
3. Town Collected Revenues – Selected Town collected revenues of note are briefly discussed as follows:

Building and Inspections Fees: 25 percent increase in construction fees won’t offset the cooling of beach building.

Paid Parking – Program realigned to BPART

Blue Can Recycling- No change

4. Fund Balance and Interfund transfers - A General Fund balance appropriation of \$1,000,000 is made to partially fund the interfund transfer of \$1,283,083 to the BPART Fund for debt service and major capital outlays. Additionally, a transfer from the Canal Dredging Fund to the General Fund is made in recognition of program support costs incurred by the General Fund.

The following table represents estimates of the projected revenues based on the proposed tax rate, proposed fees and the most recent actual revenues received to date.

CREDIT CARD SITE FEE GENERAL	3,750
AD VAL TAXES - CURRENT	3,300,074
AD VAL TAXES - PRIOR	36,000
VEHICLE TAXES	28,000
PNLTY & INT - AD VAL TAX	15,000
VEHICLE STICKERS	5,000
INTRST ON SAV & INVEST	20,000
TAX PMTS TO BE REFUNDED	100
MISCELLANEOUS	20,750
SIDEWALK DEPOSIT	500
HOUSE MOVING SECURITY DEP	2,000
BRIDGE FEE	200
PLUMBING SCREEN SALES	300
BLUE CAN HOME RECYCLING	63,225
DONATIONS	500
UTILITIES FRANCHISE TAX	228,454
SALES ON TELECOMM-UTIL FR	4,000
SALES TAX ON VIDEO PROGRM	37,000

BEER &/OR WINE TAX	2,600
POWELL BILL	45,000
LOCAL SALES & USE TAX	390,000
CAMA CONTRACT	2,800
COURT COSTS	200
PARKING VIOLATIONS	6,000
ORDINANCE VIOLATIONS	1,200
Mosquito Contract	1,025
BUILDING PERMITS	231,041
CAMA PERMITS	5,000
ZONING FEES	10,500
ELECTRICAL INSPECTION	31,500
MECHANICAL INSPECTION	27,500
PLUMBING INSPECTIONS	16,500
ADMINISTRATIVE FEE-INSP	805
HOMEOWNERS RECOVERY FUND	1,500
REINSPECTION FEE	1,000
SALES TAX REFUND	7,500
DEMOLISH PERMIT	2,000
SALE OF FIXED ASSETS	5,000
Transfers from SRF Canal Dredging	84,273
FUND BALANCE APPROPRIATED	1,000,000
<u>Direct Federal Stormwater Corp</u>	100,000

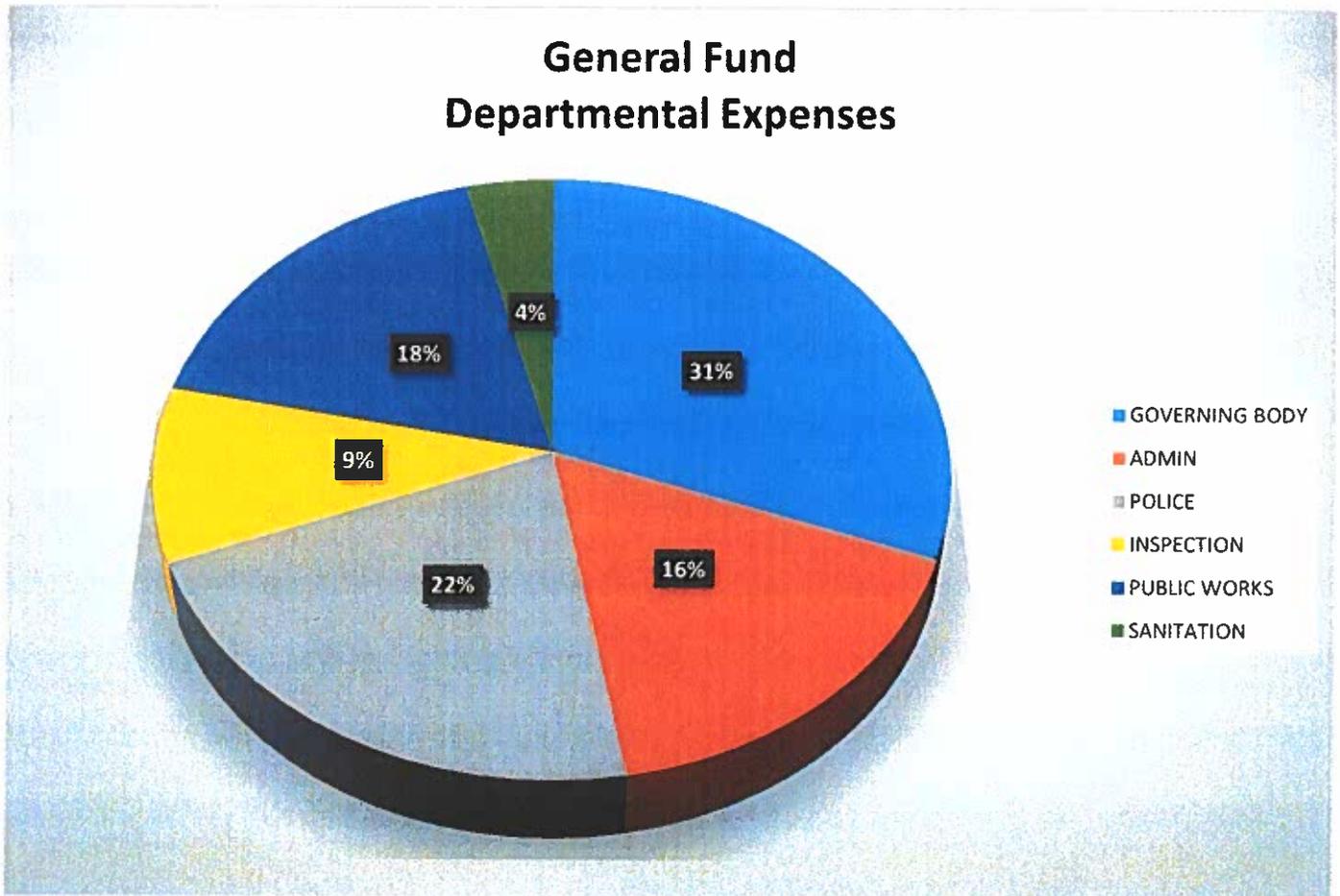
Total for Revenue

5,737,797

General Fund Expenditures

The following table summarizes general fund departmental expenses.

GOVERNING BODY	1,757,583
ADMIN	950,747
POLICE	1,254,149
INSPECTION	536,158
PUBLIC WORKS	1,013,685
SANITATION	225,475
TOTAL	5,737,797



A brief description of changes to departmental expenses precedes each of the following departmental expense tables.

Governing Body – New operational expenses include an increase in Operational Contingency of \$23,853 to improve emergency readiness and response. A transfer contribution equaling\$ 1,283,083 is made to the BPART Fund to partially fund debt service and capital expenses.

SALARIES - MAYOR AND COMMISSIONERS	7800
PROFESSIONAL SERVICES	113000
GOVERNING BODY - FICA	599
COMMUNICATIONS	7644
PUBLIC RELATIONS	1500
COMMUNITY EVENTS	1500
TRAVEL	2000
AB-TRAVEL & TRAINING	1250
HURRICANE PREPARATION	2100
DECORATIONS	500
ADVERTISING	1500
AB-ADVERTISING MEETINGS	500
HOLDEN BEACH FLAG	500
AB-SUPPLIES & MATERIALS	4100
OPERATIONAL CONTINGENCIES	23853
NEW TOWN HALL DEBT SERVICE	200000

New Town Hall Ops, Maint and Repair	94904
CONTRIBUTIONS	11250
TRANSFER TO BPART FUND	1283083
Total	1757583

Administration Department – Increased Software upgrades/support along with worker’s comp increases reflected in Admin budget.

SALARIES	450081
SALARIES - OVERTIME	5188
FICA	34828
GROUP INSURANCE	89255
RETIREMENT	46210
401K EMPLOYERS MATCH	20312
COMMUNICATIONS	51045
PRINTING	6000
SOFTWARE	40000
TRAVEL & TRAINING	8000
M & R - EQUIPMENT	3500
ADVERTISING	1000

DEPT SUPPLIES & MATERIALS	8000
UNIFORMS	1000
REWARDS AND WELLNESS PRGR	2000
SAFETY PROGRAMS ALL DEPTS	1500
CONTRACTED SERVICES	42655
DUES & SUBSCRIPTIONS	4000
INSURANCE & BONDS	90000
EQUIPMENT	16000
DEBT INTEREST	30174
<hr/> <u>Total</u>	950747

Police Department – No new operational expenses

SALARIES	661619
SALARIES - OVERTIME	85781
FICA	58196
GROUP INSURANCE	178178
RETIREMENT	94354
PD EMPLOYER'S 401K CONTRIBUTION	37370

COMMUNICATIONS	41500
TRAVEL & TRAINING	8000
COMMUNITY WATCH	500
M & R - EQUIPMENT	4000
M & R - VEHICLES	7150
GAS, OIL & TIRES	40000
DEPT SUPPLIES & MATERIALS	5000
UNIFORMS	10000
POLICE INOCULATIONS	2500
EQUIPMENT	20000
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Total	1254149
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Planning and Inspections – department budget increase primarily from additional contracted services and vehicle purchase.

SALARIES	263,608
SALARIES OVERTIME	3,500
FICA	20,434
GROUP INSURANCE	64,792
RETIREMENT	27,111
401K EMPLOYERS MATCH	12,612

COMMUNICATIONS	16,000
PRINTING	1,800
TRAVEL & TRAINING	12,000
M & R - VEHICLES	5,500
ADVERTISING	2,000
GAS, OIL & TIRES	6,000
DEPT SUPPLIES & MATERIALS	5,000
BUILDING INSP - UNIFORMS	2,500
CONTRACTED SERVICES	35,000
DUES & SUBSCRIPTIONS	2,000
HOMEOWNERS' RECOVERY FUND	1,300
EQUIPMENT PURCHASE	10,000
CAPITAL EQUIPMENT PURCHASE	45,000
<hr/> Total <hr/>	<hr/> 536,158 <hr/>

Streets, Building & Grounds (SBG) Department –In accordance with the most recent Streets Condition Survey and the Capital Improvement Plan, proposed funding is included to resurface High Point Street. An increase in motor grade rentals, new mower (2) procurement, street end bulkhead replacement along with funding for an update of the pavement management plan and a master stormwater plan are provided for in the SBG budget.

SALARIES	76038
SALARIES OVERTIME	3500
PROFESSIONAL SERVICES	20000
FICA	6085

GROUP INSURANCE	16198
RETIREMENT	8073
401K EMPLOYERS MATCH	3694
UTILITY - STREET LIGHTS	54000
BUILDINGS UTILITY PAYMENT	1250
TRAVEL	500
BLDINGS&GROUNDS MAINT/SUP	42582
M & R EQUIPMENT	12000
M & R VEHICLES	8000
MAINT & REP STREETS	28000
MAINT & REPAIR BULKHEADS	35000
STREET DRAINAGE PROJECTS	332300
STREET SIGN REPLACEMENT	3000
ADVERTISING	150
GAS, OIL & TIRES	15000
DEPT SUPPLIES & MATERIALS	5500
UNIFORMS	1750
STREET PAVING PROJECTS	312066
CAPITAL OUTLAY VEH&EQUIP	23000
SIDEWALK MAINTENANCE	6000
<hr/> Total <hr/>	1013685

Sanitation – No new operating expenses.

SALARIES FULL TIME	55942
SALARIES OVERTIME	5600
FICA	4708
GROUP INSURANCE	16198
RETIREMENT	6247
401K EMPLOYERS MATCH	3104
TRAVEL & TRAINING	400
MAINT & REPAIRS EQUIPMENT	300
DEPT SUPPLIES & MATERIALS	23000
SANITATION UNIFORMS	1500
CONTRACTED SERVICES	49000
BLUE CAN HOME RECYCLING	58976
SOLID WASTE TIPPING FEES	500
<hr/> Total <hr/>	225475

Water/Sewer Fund

The Water and Sewer Fund is defined as a stand alone Enterprise fund supported by user fees.

Water and Sewer Enterprise Fund Revenues.

The Sewer Capital charge will decrease slightly to four hundred fifty eight dollars twenty one cents due to overall water and sewer decreased debt service. It is recommended to fund the Greensboro Street sewer lift station upfit project via a \$1 million installment financing to match the \$2.69 EPA STAG funding approved for Holden Beach in the most recent federal budget.

The following table represents estimates of the projected revenues based on the existing water and sewer retail rates, fees and the most recent actual revenues received to date.

CREDIT CARD SITE FEE WATER	1,500
LOAN PROCEEDS	1,000,000
INTEREST ON INVESTMENTS	7212
SHARE FUND INTEREST	3000
RENTS & CONCESSIONS	118000
ADMINISTRATIVE FEES WATER	10000
MISCELLANEOUS REV SEWER FUND	1000
CAPITAL CHARGES CTY-SEWER	1112477
INTEREST ON CAPITAL CHRGS	15000
SEWER CAPACITY CHARGE	130000
SALES TAX REFUND WATER	35000
WATER CAPACITY CHARGE	50000
WATER USE CHARGES	1583045

SPECIAL CHARGES FOR UTIL	1500
Irrigation Meter Inspection Fees	23000
SEWER USE CHARGES	1087130
AVAILABILITY FEE SEWER	500
TAP & CONNECTION FEES	75000
TAP & CONNECT FEES-SEWER	500
RECONNECTION FEES	500
PNLTY & INTRST - BILLINGS	15000
EPA STAG	2690000
Fund Balance Appropriated	62821
Total for Revenue	8022185

Water and Sewer Enterprise Fund Expenditures

The following table summarizes the Water and Sewer Enterprise Fund departmental expenses.

Administration	178,365
Operations	7,843,820
Total Water and Sewer Expenses	<u>8,022,185</u>

Overall Fund sees increases in supplies and materials for Water and Sewer services. Major Water and Sewer expenses programmed for the upcoming fiscal year are required debt service obligations totaling \$1.4 million and the \$4 million upfit of the Greensboro Street Lift Station. Funding for procurement and installation of construction related valve pits and water meters in addition to fire hydrant replacement is included in the operations and maintenance budget along with purchase of a replacement 150 kw generator and service vehicle.

Administration Expenses

SALARIES	44,805
SALARIES-OVERTIME	699
FICA	3,481
GROUP INSURANCE	16,198
RETIREMENT	4,619
401K EMPLOYERS MATCH	500
COMMUNICATIONS	67,363
PRINTING	4,000
TRAVEL & TRAINING	8,000
M & R - EQUIPMENT	5,000
DEPT SUPPLIES & MATERIALS	3,800
CONTRACTED SERVICES	13,500
DUES & SUBSCRIPTIONS	6,400
TOTAL	178,365

Operations Expenses

SALARIES	250,770
SALARIES-OVERTIME	12,086
PROFESSIONAL SERVICES	42,500
Professional Services Irrigation Inspect	17,600
FICA	20,108
GROUP INSURANCE	68,842

RETIREMENT	26,680
401K EMPLOYERS MATCH	5,597
COMMUNICATIONS	4,045
UTILITIES	5,000
UTILITIES-PUMPING STATION	75,000
TRAVEL	2,500
M & R WATER TANK	22,400
M & R EQUIPMENT	10,000
OPERATION & MAINT VAC SYS	35,000
M & R VEHICLES	10,000
M & R WATER SYSTEM	146,750
CTY CAPITAL COSTS SEWER	1,006,571
GAS, OIL & TIRES	16,000
DEPT SUPPLIES & MATERIALS	5,500
O&M VACUUM STATIONS	150,000
METERS (NEW CONSTRUCTION)	75,000
UNIFORMS	4,800
CONTRACTED SERVICES	55,000
PURCHASES FOR RESALE	850,500
COUNTY O&M CHARGE SEWER	255,911
EQUIPMENT PURCHASE -WATER	17,500

CAPITAL OUTLAY-VALVE PITS	65,000
CAP OUTLAY MAJ EQUIP SEWR	3,812,374
WATER CAP OUTLAY-VEHICLES	110,855
DEBT INTEREST	161,176
CONTRIBUTION TO CRF WATER	50,000
DEBT SERVICE SEWER	171,279
CONTRIBUTION TO CRF SEWER	130,000
EOC Ops, Maint and Repair	62,500
NEW EOC DEBT SERVICE	88,976
Ops TOTAL	7,843,820
<hr/> <hr/> Total expenditure	<hr/> <hr/> 8,022,185

FEMA Capital Project Fund

The Fema Capital Projects Fund houses the federal funding assistance and special obligation bond financing for storm damage repair to the Town's Central Reach Project resulting from damages caused by Hurricanes Florence, Michael, Dorian and Isaias. A special obligation bond in the amount of \$27.7 million was established as a sinking fund with PNC and is reflected as loan proceeds/debt service in the revenue/expense budget. Project is complete; with no further activity anticipated. The bond was retired early July 2023. Fund will closeout after final federal inspection.

REVENUE

FEMA FLORENCE PW 674(0) CAT G	15,861,220
FEMA FLORENCE PW 2547(0) CAT Z	798,855
FEMA MICHAEL PW 11(0) CAT G	8,547,506
FEMA MICHAEL PW 158(0) CAT Z	427,376
FEMA DORIAN PW 00221(0) CAT G	15,496,802

FEMA DORIAN PW 494 CAT Z	775,835
FEMA ISAIAS PW 50 CAT G	3,838,038
FEMA ISAIAS CAT Z	198,387
Loan Proceeds	27,700,000
TOTAL REVENUE	73,644,019

EXPENDITURE	
Debt service	27,700,000
FEMA FLORENCE PW 374(0) CAT G	15,861,220
FEMA FLORENCE PW 2547(0) CAT Z	798,855
FEMA MICHAEL PW 11(0) CAT G	8,547,506
FEMA MICHAEL PW 158(0) CAT Z	427,376
FEMA DORIAN PW 00221(0) CAT G	15,496,802
FEMA DORIAN PW 494 CAT Z	775,835
FEMA ISAIAS PW 50 CAT G	3,838,038
FEMA ISAIAS CAT Z	198,387
TOTAL EXPENDITURE	73,644,019

Beach, Parks, Access and Recreation Tourism Fund (BPART)

The Beach, Parks, Access and Recreation Tourism Fund is a Special Revenue Fund authorized by act of the General Assembly which allows the Town to collect six cents of an Accommodations Tax for the purposes of funding beach preservation and tourism related expenses. Of the collections one cent net of allowances for collection is remitted to Brunswick County for the Tourism Development Authority, two cents are for beach and inlet maintenance and three cents for various tourism related expenses. Based on a dramatic upswing in occupancy taxes collected since the beginning of the COVID pandemic this revenue is projected to reach its highest level ever since its legislative enabling at four million dollars. Parking revenues totaling almost a half a million dollars

are forecast to be received. Interfund transfers from the General Fund and the Beach and Inlet Capital Reserve Fund along with a \$1 million fund balance appropriation total a \$2.63 million contribution to debt service and capital projects. Other recreation grants, programs and administrative services provide approximately one hundred fifty five thousand dollars of revenue.

Revenues

CREDIT CARD SITE FEE BPART	100
ACCOM TAX	4000000
BRUNSWICK CO REFUND CRP	27000
ACCOMMODATIONS TAX PENLTY	500
INTEREST ON INVESTMENTS	46019
BPART CAP RES INTEREST	10
441 OBW RENTS	10000
MISCELLANEOUS BPART	12000
RECREATION PROGRAMS	10000
CAMA GRANTS - PIER	50239
SALES TAX REFUND	2000
PARKING REVENUE	450000
OFF STREET PARKING	43000
TRNSFR FROM GENERAL FUND	1283083
TRANSFER FROM BEACH INLET CRF	346920
FUND BALANCE APPROPRIATED	1000000
Total for Revenue	7280871

EXPENSES

Personnel expenses equal to two and three quarters full time positions are included in the upcoming year BPART budget specifically in recognition of direct beach and inlet management and tourism related expenses. Total debt services appropriations of \$1.925 million are made for annual payments on Central Reach Project, Bloc Q and Pier. A fifty thousand dollar appropriation is recommended to fulfill the Town's year two obligation for the federal coastal storm damage reduction study being performed in partnership with the Town by the US Army Corps of Engineers. Funding for federal funding advocacy in addition to sand searches, permitting for future Town sponsored beach nourishment projects, beach monitoring, post storm damage engineering assessments, and prescriptive follow maintenance activities required of the 2022 FEMA storm damage repair project collectively are estimated and proposed at three hundred four thousand dollars. Expenses totalling seven hundred forty two thousand dollars are proposed to further the Town's ongoing efforts to improve access to the strand and water via walkway repairs that will include replacement/acquisition of addition beach mats and improvements to parking areas. Specific attention will be given to improving beach accesses and parking areas for the mobility challenged where feasible. A \$2.1 million dollar appropriation is made to renovate the recently purchased Holden Beach Pier properties. One service truck is appropriated.

EXPENSES

TRANSFER COUNTY ACCOM TAX	656667
DEBT SERVICE CENTRAL REACH	1200000
SALARIES - RECREATION	99442
FICA - RECREATION	7607
Group Insurance	16198
RETIREMENT REC	10093
401K EMPLOYERS CONTRIBUTION	2377

INTERNSHIP	6240
PROFESSIONAL SERVICES	154800
PROFESSIONAL SRV-MAINLAND	3000
PROFESSIONAL SERVICES- BEACH	15000
Recreation Programs	13000
Beautification Club	14700
Jordan Blvd Ops, Mx and Repair	45000
Park and Rec Utilities	1500
Dog Park	500
COMMUNICATIONS	7500
Gas Oil and Tires	54000
Starfish Fire Substation Ops, Mx, Rpr	8000
TRAVEL & TRAINING	21475
PUBLIC REST ROOMS	225000
BEACH EQUIPMENT MAINTENAN	1000
BEACH VEGETATION	50000
SHORELINE MONITORING	30000
DEBRIS REMOVAL	105000
FESTIVAL & SECURITY	3000
CONCERTS	38500
HOLDEN BEACH PROMOTION	32000

CHAMBER OF COMMERCE	3000
Contributions BPART (Donations)	3000
ACCESS & RECREATION	217000
WASTE IND 2ND PICK-UP	130810
SAND FENCE PROJECT	50000
SAILFISH PARK	17000
POCKET PARK 628OBW	1000
HALSTEAD PARK	500
Rothschild Davis Park	40000
USACE CSDR STUDY	50000
DEBT SERVICE BLOCK Q	333334
BLOCK Q PROJECTS	300000
BLOCK Q PROFESSIONAL SERVICES	35000
PIER RENO & REPAIR	2130000
441 PROFESSIONAL SERVICES	118950
441 UTILITIES & INSURANCE	34000
DEBT SERVICE 441 OBW	191072
Lockwood Folly Dredging	346920
DEBT INTEREST	200863
SALARIES BEACH PROJECT	76609
OVERTIME - BEACH PROJECT	4358
FICA BEACH PROJECT	6194

RETIREMENT BEACH PROJECT	8218
401K EMPLOYERS BEACH PRJT	3919
Group Insurance Beach Project	32396
CONTRACT SERVICES SANITATION	85000
BEACH RANGER SALARIES	20000
BEACH RANGER SUPPLIES & EQUIPMENT & MAINTENANCE	16128
BEACH RANGER GAS, OIL, TIRES	2500
FICA	1500
<hr/> Total <hr/>	7280871

Canal Dredging Special Revenue Funds

The Town manages three autonomous and distinct canal dredging districts in accordance with the North Carolina General Assembly's enabling legislation. A working group with representatives from each of the canal dredging districts and facilitated by the Town serves to scope planning and programming of canal district dredging requirements.

Administration of these districts is accomplished via separate special revenue funds in accordance with the General Accounting Standards Board guidance as supplemented by North Carolina Local Government Commission memorandum 2010-23 (revised). Based on recent surveys of channel conditions the canal system is in good shape; however, a small scale maintenance dredging project is programmed for the winter 23/24 to remove Harbor Acres entrance canal accretion along with several other areas of localized concern. Implications of recent policy interpretations on the placement of locally sponsored dredge projects spoils by the US ARMY Corps of Engineers will likely significantly affect how dredged materials are managed in the future. Proposed Canal Dredging Special Revenue Funds are:

Harbor Acres Canal Dredging Special Revenue Fund

An assessment of \$390 per lot is proposed to fund the FY 23/24 accrual for Harbor Acres.

REVENUES

SRF HA ASSESSMENTS	114,087
BALANCE FORWARD	1,145,650
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Total	1,259,737
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EXPENSE

SRF Administration - HA	12,597
SRF Legal Fees - HA	12,597

SRF Construction - HA	944,803
SRF Surveying - HA	62,987
SRF Permitting CAMA - HA	31,493
SRF Permitting ACE & Other - HA	31,493
SRF Designs - HA	37,792
SRF Contract Docs, Plans, Specs - HA	62,987
SRF Constr Mgnt, Insp, Close - HA	31,493
SRF Transfer to General Fund- HA	31,493
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Total	1,259,737
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Holden Beach Harbor Canal Dredging Special Revenue Fund

An assessment of \$400 per lot is proposed to fund the FY 23/24 accrual for Holden Beach Harbor.

REVENUES

SRF HBH ASSESSMENTS	139,421
BALANCE FORWARD HBH	1,163,000
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Total	1,302,421
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EXPENSES

SRF Administration - HBH	13,024
SRF Legal Fees - HBH	13,024
SRF Construction - HBH	976,816
SRF Surveying - HBH	65,121
SRF Permitting CAMA - HBH	32,561
SRF Permitting ACE & Other Agencies	32,561
SRF Designs - HBH	39,073
SRF Contract Docs, Plans, Specs - HBH	65,121
SRF Const Mgmtt, Insp, Close - HBH	32,561
SRF Transfer to General Fund- HBH	32,561
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Total	1,302,421
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Heritage Harbor Canal Dredging Special Revenue Fund

An assessment of \$400 per lot is proposed to fund the FY 23/24 accrual for Heritage Harbor.

REVENUES

SRF HH ASSESSMENTS	136,656
BALANCE FORWARD HH	672,097
Total	808,754

EXPENSES

SRF Administration - HH	8,088
SRF Legal Fees - HH	8,088
SRF Construction - HH	606,565
SRF Surveying - HH	40,438
SRF Permit ACE & Other Agen HH	20,219
SRF Permitting CAMA - HH	20,219
SRF Designs - HH	24,263
SRF Contract Docs, Plans, Specs - HH	40,438
SRF Const Mgmt, Insp, Closet - HH	20,219
SRF Transfer to General Fund- HH	20,219
Total	808,754

WATER CAPITAL RESERVE FUND

REVENUES

TRANSFER FROM CRF WATER	50000
CRF WATER INTEREST	162571
TOTAL FOR FUND	212571

EXPENSES

CAP RES MISCELLANEOUS EXP	212571
TOTAL FOR FUND	212571

SEWER CAPITAL RESERVE FUND

REVENUES

TRANSFER FROM CRF SEWER	130000
CRF SEWER INTEREST	228063
TOTAL FOR FUND	358063

EXPENSES

CAP RES MISCELLANEOUS EXP	358063
TOTAL FOR FUND	358063

BEACH AND INLET CAPITAL RESERVE FUND

REVENUES

CRF BEACH INTEREST	1375110
TOTAL FOR FUND	1375110

EXPENSES

CAP RES MISCELLANEOUS EXP	1028190
Transfer to B-Part	346920
TOTAL FOR FUND	1375110

PART V.

Capital Improvement Plan (CIP)

This year's budget message contains a proposed Capital Improvement Plan at attachment B. The proposed plan is an attempt to summarily memorialize and program longer term large scale projects, activities and equipment procurement that require a multiyear perspective. It spans a five year planning horizon with the first year's revenues and expenses included in the proposed budget beginning 1 July 2023. The total CIP represents a cumulative five year community investment of eighteen million dollars and quantifies both estimated funding sources and expense elements by fund. Based on staff, governing body and community input this year's proposed CIP attempts to specifically outline chronological strategies for streets maintenance, vehicle acquisitions, water/sewer system improvements/expansions and equipment acquisition, shoreline stabilization, canal dredging in addition to recreation and public facilities upgrades.

PART VI. Conclusion

As required by the Local Government Fiscal Control Act the proposed budget and capital improvement plan presented herein is balanced with revenues equaling expenses and has been prepared with particular attention to the collective guidance provided by the Board of Commissioners. Please feel free to contact me as needed to discuss any questions you may have. As a reminder the budget ordinance must be adopted not later than 1 July.

Sincerely,



David W. Hewett
Town Manager

Attachment A- Consolidated Debt Service Schedule
Attachment B- Capital Improvement Plan

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38	total
BLOCK Q 2022 Promissory Note	354533	343933														698467
EOC 2015 Note - Real Estate	93335	93335														186670
VAC TRUCK 2021 Capital lease	64770	64770	64770													194311
2005 Sanitary Sewer Revolving Loan	177692	177692	170342													522050
2004 Sanitary Sewer Revolving Loan	415822	415822	415822													1247465
CENTRAL REACH 2016 Note - Flood and Erosion Control	1291560	1265400	1239240	1213080												5009280
TOWN HALL 2008 Note - Real Estate	230173	222553	214933	199267												866928
2019B Taxable Enterprise Systems Revenue Refunding Bonds	518964	519407	519176	519506	520152	517584										3114789
LS REIMBURSEMENT 2021 Note - Sanitary Sewer	150154	147864	145575	143285	140996	138706	136417	134127	131837	129548	127258	124969	122679	120390		1893805
LS REIMBURSEMENT 2021A Note	68120	66929	65737	64546	63354	62163	60971	59779	58588	57396	56205	55013	53822	52630		845253
PIER 2022 Installment Financing Contract	279175	273099	267023	260947	254871	248795	242719	236643	230566	224490	218414	212338	206262	200186	194110	3549638
Annual Debt Payment	3644299	3587130	3102618	2400631	979373	967247	440106	430549	420992	411435	401877	392320	382763	373206	194110	18128655

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total Revenues	% of CIP Revenues
CIP REVENUES							
General Fund - Operating Revenues	356,685	143,418	242,719	250,676	0	993,498	5.11%
Streets Assessment							
Direct Appropriations Fed/State	100,000	1,500,000	300,000	200,000		2,100,000	10.79%
Stormwater FB Appropriation	200,000						
General Fund Total	456,685	1,643,418	542,719	450,676	0	3,093,498	15.90%
Water Sewer Fund - Operating Revenues	133,000	96,500	136,000	99,500	139,000	604,000	3.10%
Water and Sewer LEASE DEBT PROCEEDS vac	64,773	64,773				129,546	0.67%
WS Fund Balance	410,000					410,000	2.11%
Water Sewer Debt Proceeds	1,000,000					1,000,000	5.14%
EPA STAG	2,690,000					2,690,000	13.83%
USDA Grant/Loan Proceeds		1,750,000				1,750,000	8.99%
Water Capital Reserve Funds							0.00%
Water Sewer Fund - Revenues total	4,297,773	1,911,273	136,000	99,500	139,000	6,583,546	33.84%
CAMA grant	50,000	500,000				550,000.00	2.8%
BPART fund balance appropriation/installment financing	1,000,000					1,000,000	5.14%
Transfer from General Fund	1,283,083	0				1,283,083	6.59%
BPART Operating revenues	762,867	1,060,000	130,000	55,000	255,000	2,262,867	11.63%
PARTF Grant		500,000				500,000	2.57%
Transfer from Beach&Inlet Management fund	346,920	83,096	383,096			813,112	4.18%
BPART TOTAL	3,442,870	2,143,096	513,096	55,000	255,000	6,409,062	32.94%
Canal Dredging Special Revenue Fund							
Holden Beach Harbor	1,302,421					1,302,421	38.64%
Harbor Acres	1,259,737					1,259,737	37.37%
Heritage Harbor	808,754					808,754	23.99%
Canal Dredging TOTAL	3,370,911					3,370,911	17.32%
TOTAL	11,568,239	5,697,787	1,191,815	605,176	394,000	19,457,017	100%

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total Expenses	% of CIP Expenses
CIP EXPENSES BY FUND							
General Fund							
Streets Resurface							
High Point	111,685					111,685	0.57%

Heron, Lois, Lumberton		105,418					105,418			
Swordfish, Charlotte		102,719					102,719			
Burlington, Heron Land Wynd			127,676				127,676			
Stormwater Programs	300,000	1,500,000	300,000	200,000			2,300,000			
Inspection Vehicle	45,000		55,000				100,000			
Police Vehicle	0		85,000	85,000	0		170,000			
Sanitation Dump Truck							0			
Streets/Sanitation truck		38,000		38,000			76,000			
General Fund Total	456,685	1,643,418	542,719	450,676	0		3,093,498			15.90%

	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	Total Expenses	% of CIP Expenses
Water and Sewer							
Lift Station 2 (Greensboro) Hazard Mitigation	4,000,000					4,000,000	20.56%
Water Tower Two		1,750,000				1,750,000	8.99%
Truck	38,000		38,000		38,000	114,000	0.59%
Vac Truck lease	64,773	64,773				129,546	0.67%
FIRE HYDRANT REPLACEMENT	20,000	20,000	20,000	20,000	20,000	100,000	0.51%
796 OBW	100,000					100,000	0.51%
Lift Station Genset replacement Program	75,000	76,500	78,000	79,500	81,000	390,000	2.00%
Water and Sewer Fund Total	4,297,773	1,911,273	136,000	99,500	139,000	6,583,546	33.84%

Beach Parks Access Rec Tourism							
Playground Equip./ Parks&rec facilities		205,000	75,000		200,000	480,000	2.47%
Partf sailfish		500,000				500,000	2.57%
Walkways	217,000	55,000	55,000	55,000		437,000	2.25%
Ocean Blvd Bike Path						0	0.00%
USACE Study (CSRM)	50,000					50,000	0.26%
Public restroom	200,000	500,000				700,000	3.60%
Sand Search	30,000					30,000	0.15%
Block Q Development (Trailer ph1; restroom ph2)	300,000	500,000				800,000	4.11%
Pavilion		300,000				300,000	1.54%
BPART vehicle	50,000					50,000	0.26%
441 Acquisition and Improvements	2,248,950					2,248,950	11.56%
Lockwood Folly (Maintenance&Crossing)	346,920	83,096	383,096			813,112	4.18%
BPART Total	3,442,870	2,143,096	513,096	55,000	255,000	6,409,062	32.94%

Canal Dredging Special Revenue							
Holden Beach Harbor	1,302,421					1,302,421	6.69%
Harbor Acres	1,259,737					1,259,737	6.47%

Heritage Harbor	808,754						808,754	4.16%
Canal Dredging Special Revenue Total	3,370,911						3,370,911	17.32%
TOTAL - ALL FUNDS	11,568,239	5,697,787	1,191,815	605,176	394,000		19,457,017	100%