



Town of Holden Beach
Budget Message
Fiscal Year 2025
(1 July 2024 through 30 June 2025)

Holden Beach Board of Commissioners

29 May 2024

RE: Fiscal Year 2025 Budget Message

The Town of Holden Beach Budget for the Fiscal Year beginning July 1, 2024 and ending June 30, 2025 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 and By Fund summaries

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ATTACHMENTS

PART I. Executive Summary

The proposed FY 25 budget provides the Town’s spending plan for the upcoming budget year beginning 1 July 2024 and ending 30 June 2025. This introduction is meant to provide the reader with the main points and a means to understand the process, development and adoption of the Town’s annual budget.

Main Points:

The proposed FY25 budget includes funding provisions for the following major capital initiatives:

- Proposed Tax rate is fourteen cents; no change from prior year.
- Pass through of County sewer treatment rate increase of \$1 per thousand gallons to Holden Beach retail customers
- Implementation of year round paid parking
- Lift Station 2 Upfit
- Pier Professional Services appropriation for site specific evaluations
- Block Q site improvements to include bathrooms and stormwater
- ADA compliance initiatives and assessment
- Greensboro Lift Station upfit
- Coastal Storm Damage Reduction Study
- Streets Resurfacing

Organization and Functions

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

In fiscal year 25 Holden Beach budget will have four main governmental funds and three capital reserve funds. 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. Each fund is represented in the following pages with the detailed revenues and expenditures proposed for the upcoming fiscal year. The fiscal year starts July 1, 2024 and ends June 30, 2025.

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 Water and Sewer Capital Charge Fund accounts for debt elements of the Sewer System.

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.

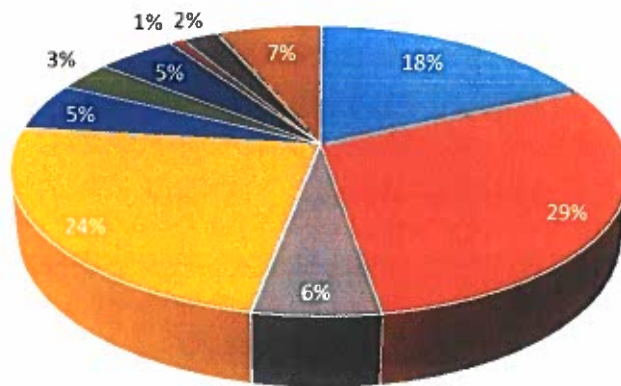
The Beach Re-nourishment and Inlet Management Capital Reserve Fund provides funding for future year beach and inlet maintenance projects.

During the early part of the calendar year 2024 the Holden Beach Board of Commissioners developed Goals for the upcoming year. Governing Board members, staff, appointed boards, committees and the Public have subsequently been engaged in a budget development process that encompassed nine meetings over the course of five months to facilitate preparation of the recommended budget.

Proposed Budget by Fund Fiscal Year 25

General	4,736,246
Water & Sewer	7,665,209
Water & Sewer Capital Charge Fund	1,482,145
BPART	6,239,679
Holden Beach Harbor Canal Dredging Special Revenue Fund	1,388,070
Heritage Harbor Canal Dredging Special Revenue Fund	887,390
Harbor Acres Canal Dredging Special Revenue Fund	1,278,143
Capital Reserve Fund Water	244,674
Capital Reserve Fund Sewer	579,461
Beach Re-nourishment & Inlet Management Fund	1,744,053
Total	26,245,070

BUDGET BY FUND



- General
- Water & Sewer
- Water & Sewer Capital Charge Fund
- BPART
- Holden Beach Harbor Canal Dredging Special Revenue Fund
- Heritage Harbor Canal Dredging Special Revenue Fund
- Harbor Acres Canal Dredging Special Revenue Fund
- Capital Reserve Fund Water
- Capital Reserve Fund Sewer
- Beach Re-nourishment & Inlet Mangement Fund

Part II: Tax Rate 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 two percent collection rate on an estimated tax base of two billion four hundred two million eighteen thousand six hundred fifty dollars. The collection rate of ninety nine point two percent used to calculate the estimated tax revenue is the actual rate during the prior fiscal year ending 30 June 2023. The estimated tax base reflects the most recent available property valuations from the Brunswick County Tax Appraiser.

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, 2024 is \$192,161,492.

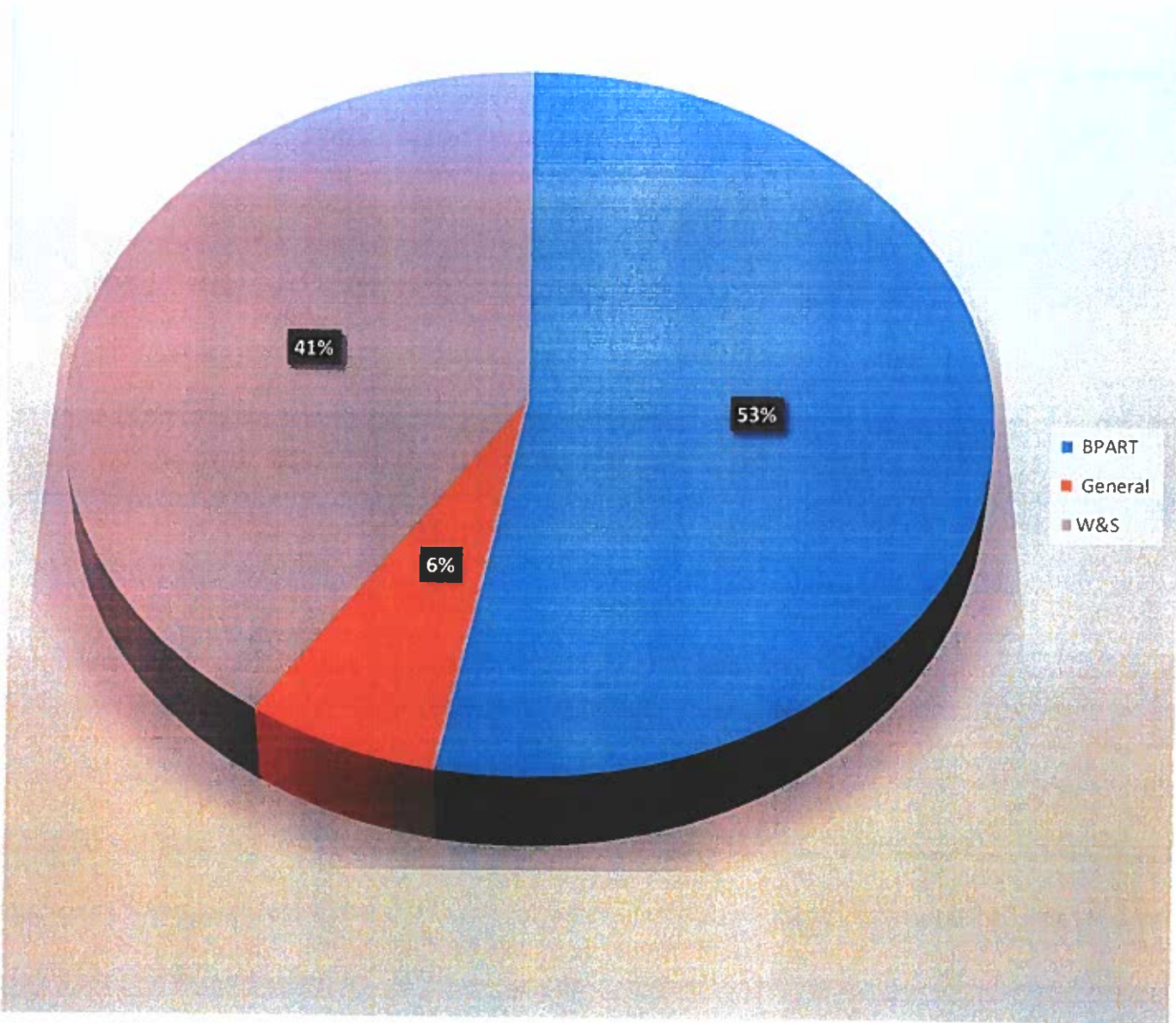
Estimated June 30, 2024 total outstanding debt obligation amount is \$14,484,356.

The proposed FY 25 budget has debt payment obligations of \$3,587,130.

The following table illustrates FY 25 required debt service payments by fund:

BPART	1,882,432
General	222,554
Water & Sewer	1,482,144
Total	3,587,130

Debt Payments by Fund



A composite life cycle debt service obligation schedule is at Attachment 1.

PART III. Employee Compensation and Agency Donations

Salary Adjustments and Compensation

The proposed FY 25 budget provides for an employee 5% merit pay program in addition to a 3.2% 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 2024 is \$4,917,229 which represents an estimated available fund balance ratio of 104%.

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) Interfund transfers.

1. Property Taxes – Proposed FY 25 levy at 14 cents per thousand dollars of valuation;
2. State Collected Revenues –state distributed revenues like Powell Bill, Utilities’ franchise distributions and Beer/Wine show little to no growth in the FY25 budget forecast.
3. Town Collected Revenues – Building and Inspections Fees expected to see modest growth overall reflecting a longer term upward trend for local building and construction conditions.
4. Interfund transfers. Transfers from the Canal Dredging Funds totaling \$88,840 to the General Fund are programmed 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	3,335,924
AD VAL TAXES - PRIOR	36,000
VEHICLE TAXES	35,000
PNLTY & INT - AD VAL TAX	15,000
VEHICLE STICKERS	1,500
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	65,854
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	3,000
POWELL BILL	50,000

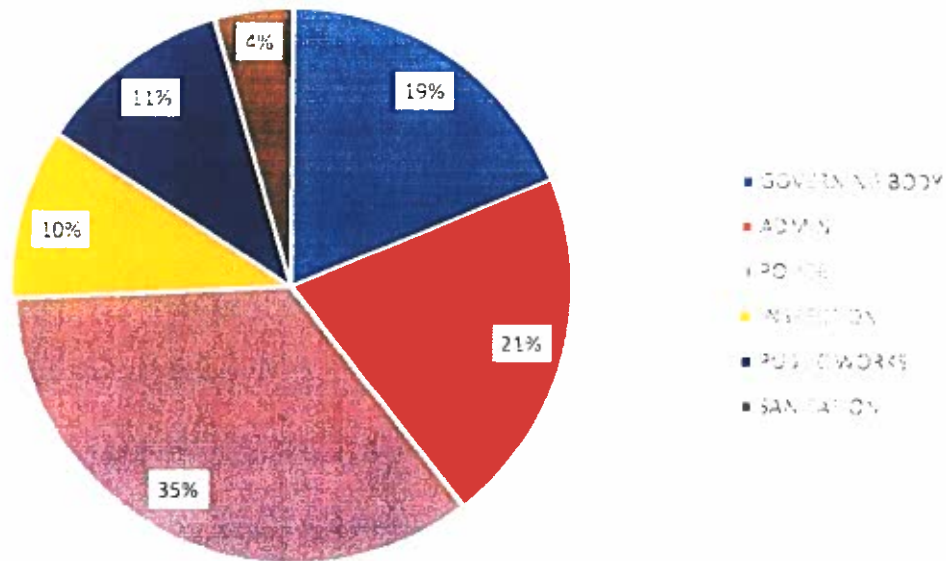
LOCAL SALES & USE TAX	400,000
CAMA CONTRACT	2,800
COURT COSTS	200
PARKING VIOLATIONS	6,000
ORDINANCE VIOLATIONS	1,200
Mosquito Contract	4,000
BUILDING PERMITS	241,612
CAMA PERMITS	3,366
ZONING FEES	11,192
ELECTRICAL INSPECTION	32,588
MECHANICAL INSPECTION	34,181
PLUMBING INSPECTIONS	19,317
ADMINISTRATIVE FEE-INSP	3,118
HOMEOWNERS RECOVERY FUND	1,500
REINSPECTION FEE	12,000
SALES TAX REFUND	7,500
DEMOLISH PERMIT	2,000
SALE OF FIXED ASSETS	5,000
Transfers from SRF Canal Dredging	88,840
Total for Revenue	4,736,246

General Fund Expenditures

The following table summarizes General Fund departmental expenses.

GOVERNING BODY	884,937
ADMIN	981,859
POLICE	1,650,671
INSPECTION	469,533
PUBLIC WORKS	532,285
SANITATION	216,960
TOTAL	<u>4,736,246</u>

General Fund
Departmental Expenses



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

Governing Body – Funding for an ADA assessment is included in the Professional Services line along with appropriations for legal, audit and financial services. The Communications line sees an increase of \$50,000 for a new meeting camera system. Additionally funding for the Town Clerk to perform required codification updates to the Town’s Code of Ordinances is provided for in the AB-Supplies & Materials line. As scoped and presented herein the General Fund has a surplus totaling \$312,023. Of this amount it is recommended that \$236,812 be identified “Available to Appropriate” as the Board may choose to do as part of or subsequent to Budget Ordinance adoption. The remaining \$75,211 of the estimated surplus is transferred to the Beach and Inlet Capital Reserve Fund.

SALARIES - MAYOR AND COMMISSIONERS	7,800
PROFESSIONAL SERVICES	170,000
GOVERNING BODY - FICA	599
COMMUNICATIONS	57,644
PUBLIC RELATIONS	1,500
COMMUNITY EVENTS	1,500
TRAVEL	2,000
AB-TRAVEL & TRAINING	1,250
HURRICANE PREPARATION	2,100
DECORATIONS	500
ADVERTISING	1,500
AB-ADVERTISING MEETINGS	500

HOLDEN BEACH FLAG	500
AB-SUPPLIES & MATERIALS	10,000
OPERATIONAL CONTINGENCIES	9,367
NEW TOWN HALL DEBT SERVICE	200,000
New Town Hall Ops, Maint and Repair	94,904
CONTRIBUTIONS	11,250
AVAILABLE for APPROPRIATION	312,023
Total	884,937

Administration Department – Software support funding to complete new financial system staff training is proposed for inclusion in “Contract Services”.

SALARIES	463,365
SALARIES - OVERTIME	5,341
FICA	35,856
GROUP INSURANCE	86,864
RETIREMENT	60,229
401K EMPLOYERS MATCH	20,912
COMMUNICATIONS	51,045
PRINTING	6,000
SOFTWARE	40,000
TRAVEL & TRAINING	8,000

M & R - EQUIPMENT	3,500
ADVERTISING	1,000
DEPT SUPPLIES & MATERIALS	8,000
UNIFORMS	1,000
REWARDS AND WELLNESS PRGR	2,000
SAFETY PROGRAMS ALL DEPTS	1,500
CONTRACTED SERVICES	42,655
DUES & SUBSCRIPTIONS	4,000
INSURANCE & BONDS	98,040
EQUIPMENT	20,000
DEBT INTEREST	22,553
Total	981,859

Police Department – Increased funding for a Detective position and associated vehicle, Emergency Service vehicles modifications and upgrade of Phase II radios new expenses. Programmed acquisition of one vehicle is made to replace one aging asset.

SALARIES	802,206
SALARIES - OVERTIME	104,009
FICA	70,346
GROUP INSURANCE	172,917
RETIREMENT	127,233

PD EMPLOYER'S 401K CONTRIBUTION	45,311
COMMUNICATIONS	45,000
TRAVEL & TRAINING	11,000
COMMUNITY WATCH	3,000
M & R - EQUIPMENT	9,500
M & R - VEHICLES	21,150
GAS, OIL & TIRES	40,000
DEPT SUPPLIES & MATERIALS	5,000
UNIFORMS	10,000
POLICE INOCULATIONS	4,000
EQUIPMENT	20,000
CAP OUTLAY-VEHICLES&EQUIP	160,000
PROFESSIONAL SERVICES	16,500
<hr/> Total	<hr/> 1,650,671

Planning and Inspections – department budget decreases by approximately \$50,000; an amount equal to the cost of prior year vehicle replacement which is not scheduled for the upcoming year in accordance with the Town’s Vehicle Replacement policy.

SALARIES	258,720
SALARIES OVERTIME	3,500
FICA	20,060
GROUP INSURANCE	62,879

RETIREMENT	33,695
401K EMPLOYERS MATCH	12,378
COMMUNICATIONS	13,000
PRINTING	2,000
TRAVEL & TRAINING	10,000
M & R - VEHICLES	5,500
ADVERTISING	2,000
GAS, OIL & TIRES	5,000
DEPT SUPPLIES & MATERIALS	5,000
BUILDING INSP - UNIFORMS	2,500
CONTRACTED SERVICES	20,000
DUES & SUBSCRIPTIONS	2,000
HOMEOWNERS' RECOVERY FUND	1,300
EQUIPMENT PURCHASE	10,000
Total	469,533

Streets, Building & Grounds (SBG) Department – In anticipation of the update to the Town’s Streets Condition Survey an estimate of \$200,000 is set forth as the amount to be used for street projects as prioritized and may be approved therein by the Board of Commissioners. Funding for motor grader rentals, street end bulkhead replacement, sidewalk repair and facilities/equipment maintenance are provided for in the SBG budget.

SALARIES	77,080
SALARIES OVERTIME	3,500

PROFESSIONAL SERVICES	10,000
FICA	6,164
GROUP INSURANCE	15,720
RETIREMENT	10,355
401K EMPLOYERS MATCH	3,744
UTILITY - STREET LIGHTS	54,000
BUILDINGS UTILITY PAYMENT	1,250
TRAVEL	500
BLDINGS&GROUNDS MAINT/SUP	33,572
M & R EQUIPMENT	11,000
M & R VEHICLES	8,000
MAINT & REP STREETS	28,000
MAINT & REPAIR BULKHEADS	35,000
STREET SIGN REPLACEMENT	3,500
ADVERTISING	150
GAS, OIL & TIRES	15,000
DEPT SUPPLIES & MATERIALS	5,000
UNIFORMS	1,750
STREET PAVING PROJECTS	200,000
SIDEWALK MAINTENANCE	9,000
Total	532,285

Sanitation – No new operating expenses.

SALARIES FULL TIME	50,604
SALARIES OVERTIME	5,600
FICA	4,300
GROUP INSURANCE	15,720
RETIREMENT	7,222
401K EMPLOYERS MATCH	2,808
TRAVEL & TRAINING	400
MAINT & REPAIRS EQUIPMENT	300
DEPT SUPPLIES & MATERIALS	23,000
SANITATION UNIFORMS	1,500
CONTRACTED SERVICES	40,049
BLUE CAN HOME RECYCLING	64,958
SOLID WASTE TIPPING FEES	500
Total	216,960

Water/Sewer Fund

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

Water and Sewer Enterprise Fund Revenues.

A Fund Balance Appropriation of \$60,459 is made to provide carry over funding for existing engineering, financial and legal services associated with upfit of the Greensboro Street Lift Station.

Effective 1 July 2024 Brunswick County is increasing the wholesale sewer rate by \$1 per thousand gallons which is proposed to be passed on in the retail rate charged to Town customers.

It is recommended to fund the Greensboro Street sewer lift station upfit project via the combination of \$2.69mm EPA STAG funding, \$1.94 mm in directly appropriated funds from the NC legislature and an amount to be determined subject to results of the formal bidding process.

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	2,000
INTEREST ON INVESTMENTS	7,000
RENTS & CONCESSIONS	118,000
ADMINISTRATIVE FEES WATER	10,000
MISCELLANEOUS REV SEWER FUND	1,000
SEWER CAPACITY CHARGE	130,000
SALES TAX REFUND WATER	35,000
WATER CAPACITY CHARGE	50,000
WATER USE CHARGES	1,488,310

SPECIAL CHARGES FOR UTIL	500
Irrigation Meter Inspection Fees	23,000
SEWER USE CHARGES	975,440
AVAILABILITY FEE SEWER	500
TAP & CONNECTION FEES	120,000
TAP & CONNECT FEES-SEWER	500
RECONNECTION FEES	500
PNLTY & INTRST - BILLINGS	13,000
EPA STAG	4,630,000
FUND BALANCE APPROPRIATED	60,459
Total for Revenue	7,665,209

Water and Sewer Enterprise Fund Expenditures

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

Administration	172,522
Operations	7,492,687
Total Water and Sewer Expenses	7,665,209

Overall Fund sees increases in supplies and materials for Water and Sewer services in addition to increased Brunasco wholesale sewer treatment costs of \$1/thousand gallons.

Major upfit project costs for the Greensboro Street Lift Station are scoped at \$4.77mm. and includes a \$75k generator appropriation. Additional funding for lift station air conditioning is made in the vacuum stations maintenance line to provide for more robust environmental protection of sewer lift station pumps, digital equipment and electrical components at Lift Station 4. Funding for procurement and installation of construction

related valve pits (\$65,000), water meters (\$75,000) and replacement of a Brunswick Avenue water line are also included in the operations and maintenance budget lines.

An appropriation is made in Contract Services to provide \$51,000 for additional manpower and machine needed for emergency and specialized technical services.

\$51,000 is appropriated for one replacement service vehicle in accordance with Town policy.

Transfers of \$50k and \$130k are programmed to be made as may be collected to Sewer Capital Reserve and Water Capital Reserve Funds respectively in accordance with System Development Fee legislation.

Administration Expenses

SALARIES	46,632
SALARIES-OVERTIME	728
FICA	3,623
GROUP INSURANCE	15,720
RETIREMENT	4,807
401K EMPLOYERS MATCH	2,200
COMMUNICATIONS	67,363
PRINTING	4,000
TRAVEL & TRAINING	7,500
M & R - EQUIPMENT	5,000
DEPT SUPPLIES & MATERIALS	1,800
CONTRACTED SERVICES	6,750
DUES & SUBSCRIPTIONS	6,400
TOTAL	172,522

Operations Expenses

SALARIES	257,030
SALARIES-OVERTIME	12,387
PROFESSIONAL SERVICES	42,500
Professional Services Irrigation Inspect	17,600
FICA	20,610
GROUP INSURANCE	66,809
RETIREMENT	34,620
401K EMPLOYERS MATCH	5,737
COMMUNICATIONS	4,250
UTILITIES	4,000
UTILITIES-PUMPING STATION	77,000
TRAVEL	2,000
M & R WATER TANK	22,400
M & R EQUIPMENT	12,000
OPERATION & MAINT VAC SYS	45,000
M & R VEHICLES	7,000
M & R WATER SYSTEM	120,000
GAS, OIL & TIRES	12,000
DEPT SUPPLIES & MATERIALS	4,000

O&M VACUUM STATIONS	180,000
METERS (NEW CONSTRUCTION)	75,000
UNIFORMS	4,800
CONTRACTED SERVICES	50,000
PURCHASES FOR RESALE	962,625
COUNTY O&M CHARGE SEWER	318,511
CAPITAL OUTLAY-VALVE PITS	65,000
CAP OUTLAY MAJ EQUIP SEWR	4,776,308
WATER CAP OUTLAY-VEHICLES	51,000
CONTRIBUTION TO CRF WATER	50,000
CONTRIBUTION TO CRF SEWER	130,000
EOC Ops, Maint and Repair	62,500
Ops TOTAL	7,492,687
Total expenditure	7,665,209

WATER AND SEWER CAPITAL CHARGE FUND

This is a new Fund established in FY24 to account for sewer capital charges. Required debt service obligations totaling \$1.48 million are programmed for the upcoming fiscal year. The FY25 Sewer Capital charge which is assessed annually on Town tax bills is calculated to be \$474.

CAPITAL CHARGES CTY-SEWER	1,482,145
Total for Revenue	1,482,145

CTY CAPITAL COSTS SEWER	1,025,197
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WATER CAP OUTLAY-VEHICLE	62,133
DEBT Interest	132,406
DEBT SERVICE SEWER	171,279
NEW EOC DEBT SERVICE	91,130
Total for EXPENSE	1,482,145

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

REVENUES

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 administration 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. This revenue is by far the largest component of Fund revenue and is forecast to remain consistent with long term trends at \$4,050,000.

Additional sources of Fund revenue come from town recreation programs and facilities fees including the 441 OBW Pier properties, paid parking, interest earnings and other governmental revenue. Paid Parking was realigned to BPART Fund in Fiscal Year 24. New characteristics of the program for FY25 include a ten percent reduction in permitted parking facilities, transition/implementation to year round paid parking and categorical increases in paid parking fees. Total annual parking revenue estimate for FY25 is \$895,000.

Other BPART governmental revenues are: A previously awarded CAMA grant of \$420,000 for construction of bathroom facilities at Jordan Blvd, the annual \$27,000 differential debt refund of Brunswick County Special Obligation Bond escrowed funds and a reappropriation of previously received NC legislative appropriations for the town's portion of the USACE Coastal Storm Damage Reduction (CSDR) study.

CREDIT CARD SITE FEE BPART	150
ACCOM TAX	4,050,000
BRUNSWICK CO REFUND CRP	27,000
ACCOMMODATIONS TAX PENLTY	500
INTEREST ON INVESTMENTS	46,019
BPART CAP RES INTEREST	10
441 OBW RENTS	22,000
MISCELLANEOUS BPART	15,000
RECREATION PROGRAMS	12,000
CAMA GRANTS	420,000
SALES TAX REFUND	2,000
PARKING REVENUE	769,700
OFF STREET PARKING	125,300
FUND BALANCE APPROPRIATED	750,000
Total for Revenue	6,239,679

EXPENSES

Total debt services appropriations of \$1.88 million are made for annual payments on the Central Reach Project, Bloc Q and 441 OBW Pier properties.

A surplus of \$11,790 is identified as “Available to Appropriate” as the Board may choose.

A transfer of \$94,500 to the Beach and Inlet Capital Reserve Fund is proposed to be made in accordance with Fiscal Policy.

Two major non-beach nourishment capital projects totaling \$960,000 are programmed for Fiscal Year 25.

1. A \$760,000 appropriation which includes a previously approved \$420,000 CAMA Public Access grant is made for the construction of bathrooms and their associated stormwater infrastructure along with requisite parking and access facilities. A \$45,000 appropriation is made in “Block Q Professional Services” for further design and development at that location.
2. A \$200,000 appropriation- is made to provide for professional services per the “Pier Property Development Project Approach” approved by the Board of Commissioners 30 April 2024.

Other beach access improvements costs include the estimated \$300,000 in expenses associated with ADA compliance at Ave E and 801 OBW along with the \$120,000 programmed repair/replacement costs of three public walkways, general maintenance, supplies and equipment all of which are funded with a \$475,000 “Access and Recreation” appropriation.

A \$750,000 appropriation is made to provide for pass through of the General Assembly’s previously received funding for the remaining match portions of the Town’s local contribution to the USACE Coastal Storm Damage Reduction Study.

A “Professional Services” appropriation of \$170,800 is made to provide for sand searches and permitting of future Town sponsored beach nourishment and inlet maintenance projects, federal funding advocacy in accordance with Board of Commissioner goals and engineering for the annual beach monitoring report.

Appropriations totaling \$155,000 are made for conducting post storm damage engineering assessments and performing prescriptive follow on maintenance activities (vegetation/fence/rake/till) required of the 2022 FEMA storm damage repair project.

An \$83,096 appropriation is made in support of one USACE sidecast dredging event for Lockwood Folly Inlet.

TRANSFER COUNTY ACCOM TAX	664,875
DEBT SERVICE CENTRAL REACH	1,200,000
SALARIES - RECREATION	103,500

FICA - RECREATION	7,918
Group Insurance	15,720
RETIREMENT REC	13,300
401K EMPLOYERS CONTRIBUTION	2,474
INTERNSHIP	6,240
PROFESSIONAL SERVICES	170,800
PROFESSIONAL SRV-MAINLAND	2,000
PROFESSIONAL SERVICES- BEACH	15,000
Recreation Programs	12,500
Beautification Club	11,580
Jordan Blvd Ops, Mx and Repair	42,000
Park and Rec Utilities	1,000
Dog Park	500
COMMUNICATIONS	9,000
Gas Oil and Tires	4,000
Starfish Fire Substation Ops, Mx, Rpr	5,000
TRAVEL & TRAINING	20,000
PUBLIC REST ROOMS	45,000
BEACH EQUIPMENT MAINTENAN	1,000
BEACH VEGETATION	30,000
SHORELINE MONITORING	30,000
DEBRIS REMOVAL	65,000

FESTIVAL & SECURITY	2,400
CONCERTS	40,000
HOLDEN BEACH PROMOTION	32,000
CHAMBER OF COMMERCE	3,000
Contributions BPART (Donations)	3,000
ACCESS & RECREATION	475,000
WASTE IND 2ND PICK-UP	134,735
SAND FENCE PROJECT	30,000
POCKET PARK 628OBW	500
HALSTEAD PARK	35,000
Rothschild Davis Park	50,600
USACE CSDR STUDY	750,000
DEBT SERVICE BLOCK Q	333,334
BLOCK Q PROJECTS	760,000
BLOCK Q PROFESSIONAL SERVICES	45,000
441 PROFESSIONAL SERVICES	200,000
441 UTILITIES & INSURANCE	45,000
DEBT SERVICE 441 OBW	191,072
Lockwood Folly Dredging	83,096
DEBT INTEREST	158,027
SALARIES BEACH PROJECT	79,866

OVERTIME - BEACH PROJECT	4,544
FICA BEACH PROJECT	6,457
RETIREMENT BEACH PROJECT	10,847
401K EMPLOYERS BEACH PRJT	4,085
Group Insurance Beach Project	27,510
CONTRACT SERVICES SANITATION	105,000
BEACH RANGER SALARIES	20,000
BEACH RANGER SUPPLIES/EQ/Mx	20,910
BEACH RANGER GAS, OIL, TIRES	2,500
FICA	1,500
transfer to beach inlet crf	94,500
AVAILABLE FOR APPROPRIATION	11,790
Total	6,239,679

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 continues to hold up well with no scheduled maintenance activities forecast in FY25. Permitting updates will be required in FY25 in order to maintain projects' shovel ready status. Continued 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 25 program for Harbor Acres.

REVENUE

SRF HA ASSESSMENTS	113,743
BALANCE FORWARD	1,164,400
Total	1,278,143

EXPENSE

SRF Administration - HA	12,781
SRF Legal Fees - HA	12,781
SRF Construction - HA	958,607
SRF Surveying - HA	63,907
SRF Permitting CAMA - HA	31,954
SRF Permitting ACE & Other Agencies - HA	31,954

SRF Designs - HA	38,344
SRF Contract Docs, Plans, Specs - HA	63,907
SRF Construct Management, Insp, Close - HA	31,954
SRF Transfer to General Fund- HA	31,954
Total	1,278,143

Holden Beach Harbor Canal Dredging Special Revenue Fund

An assessment of \$400 per lot is proposed to fund the FY 25 program for Holden Beach Harbor.

REVENUE

SRF HBH ASSESSMENTS	140,070
BALANCE FORWARD HBH	1,248,000
Total	1,388,070

EXPENSE

SRF Administration - HBH	13,881
SRF Legal Fees - HBH	13,881
SRF Construction - HBH	1,041,053
SRF Surveying - HBH	69,404
SRF Permitting CAMA - HBH	34,702
SRF Permitting ACE & Other Agencies	34,702
SRF Designs - HBH	41,642

SRF Construct Docs, Plans, Specs - HBH	69,404
SRF Construct Management, Insp, Close - HBH	34,702
SRF Transfer to General Fund- HBH	34,702
Total	1,388,070

Heritage Harbor Canal Dredging Special Revenue Fund

An assessment of \$400 per lot is proposed to fund the FY 25 program for Heritage Harbor.

SRF HH ASSESSMENTS	137,293
BALANCE FORWARD HH	750,097
Total	887,390

EXPENSE

SRF Administration - HH	8,874
SRF Legal Fees - HH	8,874
SRF Construction - HH	665,543
SRF Surveying - HH	44,370
SRF Permitting ACE & Other Agencies HH	22,185
SRF Permitting CAMA - HH	22,185
SRF Designs - HH	26,622
SRF Contract Docs, Plans, Specs - HH	44,370
SRF Construct Management, Insp, Closet - HH	22,185

SRF Transfer to General Fund- HH	22,185
Total	<u>887,390</u>

WATER CAPITAL RESERVE FUND

The Water Capital Reserve Fund is established to escrow system development fees that will be used for future water system expansion. Transfers of Water System Development Fees are estimated at \$50,000 to be collected in and transferred from the Water and Sewer Fund to the Water Capital Reserve Fund.

REVENUES

TRANSFER FROM CRF WATER	50000
CRF WATER INTEREST	<u>194674</u>
Total	244674

EXPENSES

CAP RES MISCELLANEOUS EXP	<u>244674</u>
Total	244674

SEWER CAPITAL RESERVE FUND

The Sewer Capital Reserve Fund is established to escrow system development fees that will be used for future sewer system expansion. Transfers of Sewer System Development Fees are estimated at \$130,000 to be collected in and transferred from the Water and Sewer Fund to the Sewer Capital Reserve Fund.

REVENUES

TRANSFER FROM CRF SEWER	130000
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CRF SEWER INTEREST		<u>449461</u>
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	Total	579461
TOTAL FOR FUND		

EXPENSES

CAP RES MISCELLANEOUS EXP		<u>579461</u>
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	Total	579461
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BEACH AND INLET CAPITAL RESERVE FUND

A transfer of \$94,500 from the BPART Fund to the Beach and Inlet Capital Reserve Fund is made in accordance with Town's Fiscal Policy. (Atch 2)

REVENUES

CRF BEACH INTEREST		1,639,179
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transfer from B-Part		<u>94,500</u>
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TOTAL FOR FUND		1,733,679
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EXPENSES

CAP RES MISCELLANEOUS EXP		<u>1,733,679</u>
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TOTAL FOR FUND		1,733,679
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PART V.

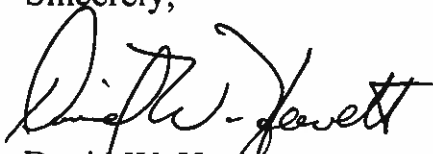
Capital Improvement Plan (CIP)

This year's budget message contains a proposed Capital Improvement Plan at Atch 3. 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 ten year planning horizon with the first year's revenues and expenses included in the proposed budget beginning 1 July 2024. The total CIP represents a cumulative ten year community investment of \$19 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 and equipment acquisition, shoreline stabilization and canal dredging in addition to recreation and public facilities upgrades. Elements included in the CIP generally represent an approved plan or existing funding earmark.

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

3 Atchs

1. Consolidated Debt Service Schedule
2. Fiscal Policy
3. Capital Improvement Plan

Attachment 1

	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
BLOCK Q 2022 Promissory Note	343,933.33	-	-	-	-	-	-	-	-	-	-	-	-	-
EOC 2015 Note - Real Estate	93,334.83	-	-	-	-	-	-	-	-	-	-	-	-	-
VAC TRUCK 2021 Capital lease	64,770.39	64,770.40	-	-	-	-	-	-	-	-	-	-	-	-
2005 Sanitary Sewer Revolving Loan	174,016.67	170,341.67	-	-	-	-	-	-	-	-	-	-	-	-
2004 Sanitary Sewer Revolving Loan	415,821.65	415,821.66	-	-	-	-	-	-	-	-	-	-	-	-
CENTRAL REACH 2016 Note - Flood and Erosion Control	1,265,400.00	1,239,240.00	1,213,080.00	-	-	-	-	-	-	-	-	-	-	-
TOWN HALL 2008 Note - Real Estate	222,553.45	214,933.45	199,267.48	-	-	-	-	-	-	-	-	-	-	-
2019B Taxable Enterprise Systems Revenue Refunding Bonds	519,407.29	519,176.31	519,505.64	520,152.04	517,583.78	-	-	-	-	-	-	-	-	-
LS REIMBURSEMENT 2021 Note - Sanitary Sewer	147,864.05	145,574.54	143,285.03	140,995.53	138,706.02	136,416.51	134,127.00	131,837.49	129,547.99	127,258.48	124,968.97	122,679.46	120,389.95	-
LS REIMBURSEMENT 2021A Note	66,928.91	65,737.33	64,545.75	63,354.16	62,162.58	60,971.00	59,779.41	58,587.82	57,396.24	56,204.66	55,013.08	53,821.50	52,629.92	-
PIER 2022 Installation Financing Contract	273,099.04	267,022.95	260,946.86	254,870.78	248,794.69	242,718.60	236,642.52	230,566.44	224,490.35	218,414.26	212,338.18	206,262.09	200,186.00	194,109.84
Annual Debt Payment	3,587,129.61	3,102,618.31	2,400,630.76	979,372.51	967,247.07	440,106.11	430,548.93	420,991.75	411,434.58	401,877.40	392,320.23	382,763.05	373,205.87	194,109.84

FUND BALANCE POLICY

PURPOSE

- I: Prescribe a General Fund Balance policy; specifically by establishing an acceptable range of Unassigned Fund Balance available for appropriation at the Town of Holden Beach's discretion and;
- II: Prescribe the considerations for dedicating funds for Beach Nourishment and;
- III: Authorize the administrative actions required to escrow funds for Beach Nourishment.

POLICY

It shall be the policy of the Town of Holden Beach to maintain a minimum of 40% and a maximum of 70% of unassigned fund balance in the General Fund.

DEDICATION OF BEACH NOURISHMENT FUNDS

Annually as part of the Budget Development and Approval process, the Board of Commissioners shall:

- a. Evaluate the estimated Unassigned General Fund revenues available at year end for appropriation in the subsequent year in order to ascertain compliance with the aforementioned desired minimum Unassigned General Fund Balance of 40%.
- b. Consider contributing an appropriation equivalent to 5% of the occupancy tax collected under the authority of SL 1997-364 Section 9 to a Capital Reserve Account to be used solely for Beach Nourishment.
- c. Annually, beginning with the adoption and implementation of the 1 July 2019 budget, the refunded PNC surety monies remitted to the Town of Holden Beach from Brunswick County shall be escrowed in the Beach Re-nourishment and Inlet Management Fund. *Refunded monies includes interest earned and refunded to the Town of Holden Beach by Brunswick County.

Upon closeout of the annual fiscal year financial statements and as detailed in the approved annual audit; any and all amounts resulting in a General Fund Balance greater than the maximum of 70% shall be transferred to a Capital Reserve Account to be used solely for Beach Nourishment.

ADMINISTRATIVE AUTHORIZATION

The Town Manager acting in his capacity as Budget Officer or Finance Director as may be appropriate is authorized to effect such administrative actions as necessary to implement the policy and guidance contained herewith.

* In accordance with Board of Commissioners' consensus as briefed by Town Manager David Hewett at the March 21, 2019 Board of Commissioners' Special Meeting.

Capital Improvement Plan																		
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	Total	% of CIP	
	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Revenues	Revenues						
CIP REVENUES																		
General Fund - Operating Revenues	370,000	340,000	285,000	425,000	370,000	655,000	340,000	255,000	200,000	255,000	3,495,000	3,495,000					18.23%	
General Fund Total	370,000	340,000	285,000	425,000	370,000	655,000	340,000	255,000	200,000	255,000	3,495,000	3,495,000					18.23%	
Water Sewer Fund - Operating Revenues	197,308	75,500	131,000	76,500	132,000	77,500	133,000	78,500	134,000	79,500	1,114,808	1,114,808					5.81%	
EPA STAG	2,690,000										2,690,000	2,690,000					14.03%	
STATE APPROPRIATION	1,940,000	0									1,940,000	1,940,000					10.12%	
Water Sewer Fund - Revenues total	4,827,308	75,500	131,000	76,500	132,000	77,500	133,000	78,500	134,000	79,500	5,744,808	5,744,808					29.96%	
CAMA grant	420,000.00										420,000.00	420,000.00					2.19%	
BPART Operating revenues	893,066	725,596	688,096	761,096	238,096	498,096	278,096	463,096	163,096	503,096	5,211,430.00	5,211,430.00					27.18%	
NC legislative appropriation	750,000										750,000.00	750,000.00					3.91%	
BPART TOTAL	2,063,066	725,596	688,096	761,096	238,096	498,096	278,096	463,096	163,096	503,096	6,381,430	6,381,430					33.28%	
Canal Dredging Special Revenue Fund																		
Holden Beach Harbor	0		1,388,070								1,388,070	1,388,070						7.24%
Harbor Acres			1,278,143								1,278,143	1,278,143						6.67%
Heritage Harbor			887,390								887,390	887,390						4.63%
Canal Dredging TOTAL	0	0	3,553,603	0	0	0	0	0	0	0	3,553,603	3,553,603					18.53%	
TOTAL	7,260,374	1,141,096	4,657,699	1,262,596	740,096	1,230,596	751,096	796,596	497,096	837,596	19,174,841	19,174,841					100%	
CIP EXPENSES																		
8Y FUND	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Expenses	Expenses						
General Fund	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	2,000,000					10.43%	
Streets TBD	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000	2,000,000					10.43%	
Inspection Vehicle						110,000	55,000				165,000	165,000					0.86%	
Police Vehicle	170,000	85,000	85,000	170,000	170,000	170,000	85,000				935,000	935,000					4.88%	
Sanitation Dump Truck						120,000					120,000	120,000					0.63%	
Streets/Sanitation truck		55,000		55,000		55,000		55,000		55,000	275,000	275,000					1.43%	
General Fund Total	370,000	340,000	285,000	425,000	370,000	655,000	340,000	255,000	200,000	255,000	3,495,000	3,495,000					18.23%	
Water and Sewer																		
Lift Station 2 (Greensboro) Hazard Mitigation	4,776,308										4,776,308	4,776,308						24.91%
Truck	51,000		55,000		55,000		55,000		55,000		271,000	271,000					1.41%	
Lift Station Genset replacement Program		75,500	76,000	76,500	77,000	77,500	78,000	78,500	79,000	79,500	697,500	697,500					3.64%	
Water and Sewer Fund Total	4,827,308	75,500	131,000	76,500	132,000	77,500	133,000	78,500	134,000	79,500	5,744,808	5,744,808					29.96%	
Beach Parks Access Rec Tourism																		
Playground Equip. / Parks&rec facilities	5,000	262,500	525,000	258,000	20,000	35,000	20,000				1,125,500	1,125,500					5.87%	
Walkways	120,000	80,000	80,000	120,000	80,000	80,000	120,000	80,000	80,000	120,000	960,000	960,000					5.01%	
Access&Recreation	319,970										319,970	319,970					1.67%	
ADA Improvements (Halstead)	25,000										25,000	25,000					0.13%	
USACE Study (CSRM)	750,000										750,000	750,000					3.91%	
Block Q Development (Trailer ph1, restroom ph2)	760,000										760,000	760,000					3.96%	
BPART vehicle					55,000		55,000				110,000	110,000					0.57%	
Lockwood Folly (Maintenance&Crossing)	83,096	383,096	83,096	383,096	83,096	383,096	83,096	383,096	83,096	383,096	2,330,960	2,330,960					12.16%	
BPART Total	2,063,066	725,596	688,096	761,096	238,096	498,096	278,096	463,096	163,096	503,096	6,381,430	6,381,430					33.28%	
CIP EXPENSES																		
8Y FUND	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	Expenses	Expenses						
Canal Dredging Special Revenue																		
Holden Beach Harbor			1,388,070								1,388,070	1,388,070						7.24%
Harbor Acres			1,278,143								1,278,143	1,278,143						6.67%
Heritage Harbor			887,390								887,390	887,390						4.63%
Canal Dredging Special Revenue Total			3,553,603								3,553,603	3,553,603					18.53%	
TOTAL - ALL FUNDS	7,260,374	1,141,096	4,657,699	1,262,596	740,096	1,230,596	751,096	796,596	497,096	837,596	19,174,841	19,174,841					100%	