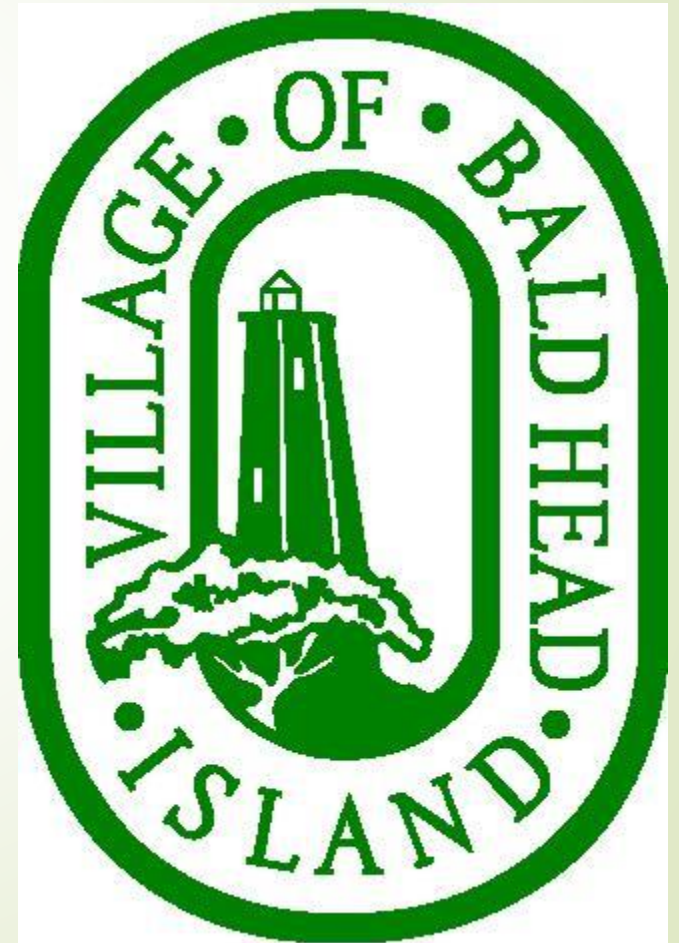


Budget Overview: FY2019

1st Public Hearing: May 18, 2018

1

Presented by:
Chris McCall,
Village Manager





Tax Rate

- Increase of \$.02 in Debt portion of the Tax Rate, \$.01 in MSD A, and \$.005 in MSD B for funding the beach nourishment project.

Proposed Tax Rates for FY19:

- Tax Rate \$.6863
 - Base .5113
 - Debt .1750 (Funds primarily Shoreline Protection ie. Beach nourishment)
- MSD Zone A \$.0908
- MSD Zone B \$.0556



Tax Rate Scenarios

	Island Wide	MSD A	MSD B
	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
Rate Increase	\$0.02	\$0.030	\$0.025
What this increase will cost you annually:			
<i>Assessed Value of Home:</i>			
<u>\$500,000.00</u>	<u>\$100.00</u>	<u>\$150.00</u>	<u>\$125.00</u>
<u>\$600,000.00</u>	<u>\$120.00</u>	<u>\$180.00</u>	<u>\$150.00</u>
<u>\$700,000.00</u>	<u>\$140.00</u>	<u>\$210.00</u>	<u>\$175.00</u>
<u>\$800,000.00</u>	<u>\$160.00</u>	<u>\$240.00</u>	<u>\$200.00</u>
<u>\$900,000.00</u>	<u>\$180.00</u>	<u>\$270.00</u>	<u>\$225.00</u>
<u>\$1,000,000.00</u>	<u>\$200.00</u>	<u>\$300.00</u>	<u>\$250.00</u>
<u>\$1,500,000.00</u>	<u>\$300.00</u>	<u>\$450.00</u>	<u>\$375.00</u>
Amount of Increase per \$100 of Value			

General Fund



► **Balanced Budget**

Total Revenue \$11,383,820.40

Total Expense \$11,383,820.40



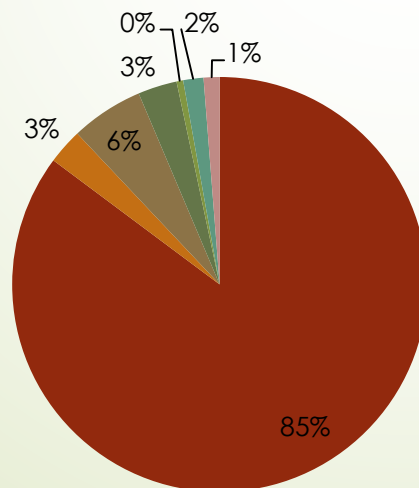


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General Fund Revenues

➤ Tax Revenue	(Ad Valorem, Accommodation, Utilities Franchise, Sales)	\$9,699,295.82	85%
➤ Government Revenue	(Powell Bill, B.C.EMS & Fire, CAMA, Mosquito Control)	314,031.00	3%
➤ Business Services Revenue	(P.O., IPC, Contractor Services)	644,288.00	6%
➤ Permits and Fees	(Building, ICE Vehicles, Creek Access, EMS Fees)	346,663.00	3%
➤ Other Revenue	(Fines, Golf Cart Registrations, Security Services)	58,850.25	0%
➤ Grant Revenue	(Marina Channel Entrance Maintenance)	179,645.33	2%
➤ Fund Balance Appropriated		141,047.00	1%
		\$11,383,820.40	100%

REVENUE



- Tax Revenue
- Government Revenue
- Business Services Revenue
- Permits and Fees
- Other Revenue
- Grant Revenue
- Fund Balance Appropriated

General Fund Revenues



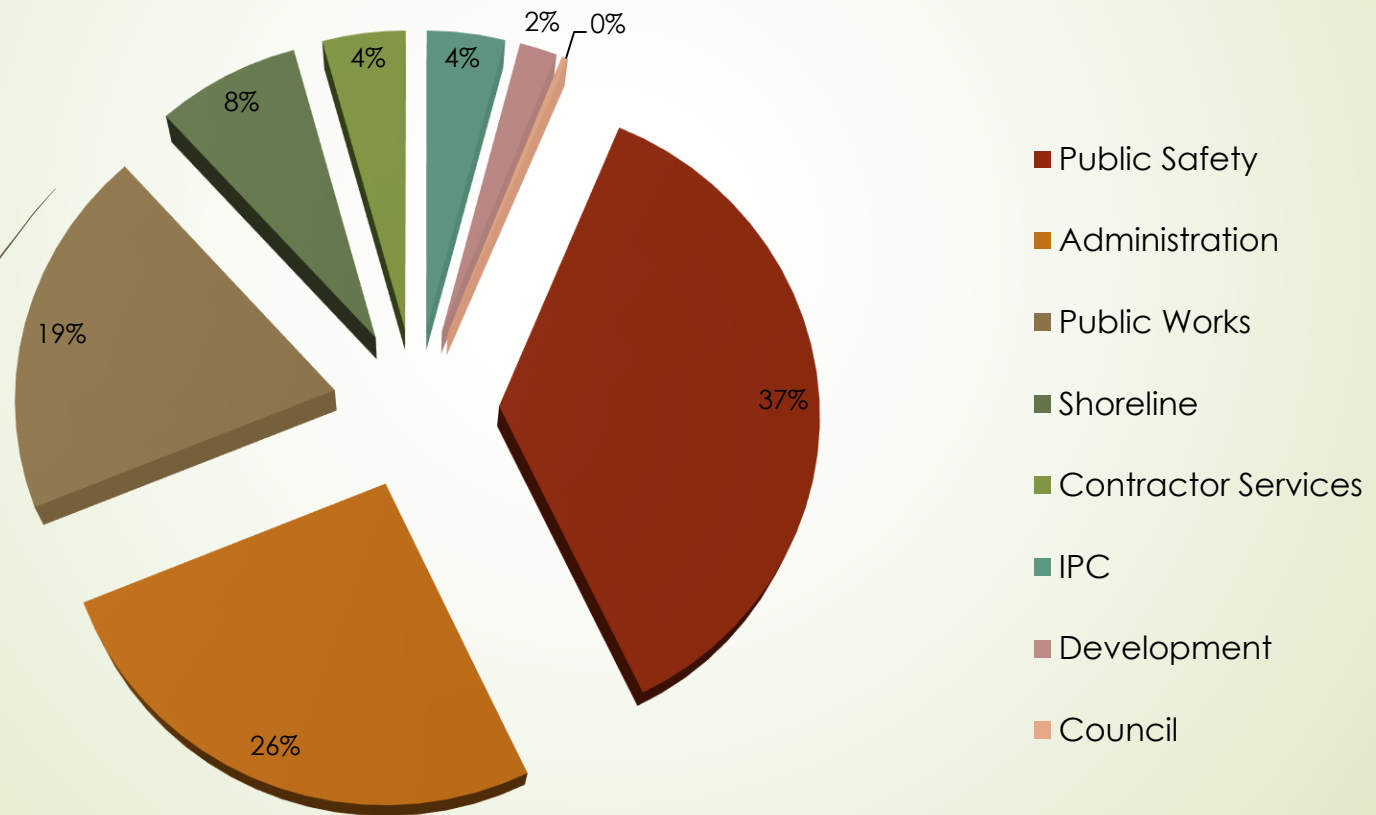
- **Accommodation Tax Projected to Grow 3.50%**
 - Transfer \$82,421.92 to Beach Fund
 - Fund Shoreline Protection Department for \$511,606.56



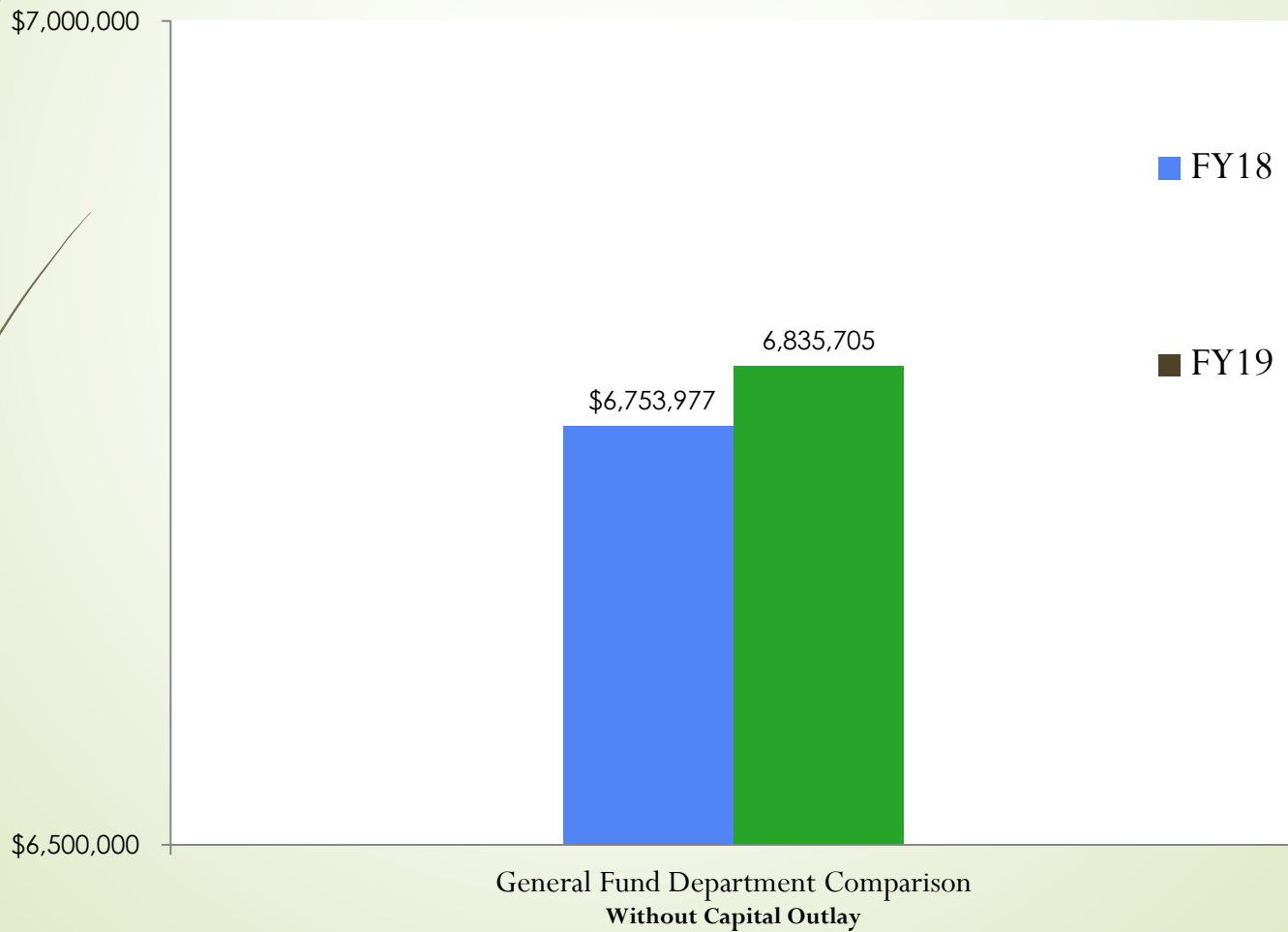
General Fund



FY19 Budget Department Expenditures



Comparison of Budgeted Department Expenditures



General Fund



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• Debt Service	<u>FY18</u>	<u>FY19</u>	<u>Maturity</u>
• Install Loan (Public Safety Land) <u>Principal</u>	331,666.00	331,666.00	09/2018
• Install Loan (Land) Interest	26,533.00	13,267.00	
• Go Bond Series 2014 <u>Principal</u> (Terminal Groin, Breakwaters, Jetties)	\$ 2,004,330.00	\$2,043,701.00	12/2019
• Go Bond Series 2014 Interest	84,558.00	45,187.00	
• Install Loan (Marina Park) <u>Principal</u>	215,000.00	268,750.00	11/2021
• Install Loan (Marina Park) Interest	37,625.00	17,973.00	
• Install Loan (Marina Park #2) <u>Principal</u>	0.00	193,750.00	01/2022
• Install Loan (Marina Park #2) Interest	0.00	21,582.00	
• Proposed GO BOND Series 2018 (Beach Nourishment Project)	0.00	355,618.00	12/2025
• Install Loan (Public Safety) <u>Principal</u>	800,000.00	800,000.00	12/2026
• Install Loan (Public Safety) Interest	183,960.00	163,800.00	
• TOTAL	\$3,683,672.00	\$4,255,294.00	

General Fund



10

- **Debt Service Analysis**

- **Measurement for Solvency – the ability to meet long-term obligations**

State minimum requirement of unreserved fund balance as a % of Expenditures: **8.00%**

Village of Bald Head Island Fund Balance as a % of Expenditures per FY17 Audit: **66.41%**

Five year comparison of Solvency % for Bald Head Island:

2012	2013	2014	2015	2016	2017
52.05%	41.40%	56.08%	53.59%	53.45%	66.41%

FY2017 Comparison to Other Local Municipalities:

VBHI	Southport	Carolina Beach	Oak Island	Kure Beach
66.41%	24.57%	44.66%	100.04%	74.87%

General Fund



11

• Capital Outlay		\$210,400.00
• Road Construction	\$ 140,000.00	
• Mgr's Contingency	\$ 35,000.00	
• Additional Projects	35,400.00	
• Transfers		\$82,421.92
Beach Fund	\$ 82,421.92	

Salary Plan



12

- Salary plan –
 - Ideal model is CPI-regional indexed COLA with merit pay system

	CPI	VBHI COLA	Gap
2011 - 2012	3.0	0	
2012 - 2013	1.7	.5	
2013 - 2014	1.5	0	
2014 - 2015	1.7	2	
2015 - 2016	0.7	2	
2016 - 2017	1.3	2	
2017 - 2018	2.11	2	
2018 - 2019	2.4	2	
	14.41	10.5	3.7%

- Budget includes a 2% Merit Increase used to incentivize performance

Health Care



- Premium decrease – cost savings of 5.8% by changing carriers from United Healthcare to Med Cost through NCLM
- Changing to a no fee H.S.A.
- Changing Vision and Dental to new carrier, Principal, to further reduce costs

Environmental Contracts



	2014	2015	2016	2017	2018	2019
Maritime Forest/Deer Management						
–Deer Immuno-Contra	-	-	30,000	-		45,177
–Annual Deer Census	30,600	38,950	32,500	-		37,000
–Deer Herd Management	7,000	7,000	-	55,000	55,000	
–Predator/Prey Study (rats)	-	16,125	16,150	15,000	6,600	5,000
Beach Vitex Program & Invasive species	14,450	24,200	28,445	20,000	30,000	20,000
Bald Head Woods Monitoring Fund 31	-	-	-	-	8,400	9,000
Beach /Dune Monitor	32,725	35,335	-	-		
Aquifer Study (Inf Pond) Fund 46	27,200	32,600	28,350	35,000	30,000	30,000
Bald Head Creek Health &Monitoring	28,050	15,705	18,150	18,650	30,000	60,000
Shoreline Beach Nourishment Fund 41					15,000	15,000
Grand Total	\$140,025	\$169,915	\$153,395	\$143,650	\$175,000	\$221,177

Golf Cart Lease Program



- On Island Vendor continues to be Always Ready Cart Care
- Year 3 of the 36 month Leasing program
- Total of 11 Carts in program for an annual cost of \$32,734.68
- Carts are being replaced in Utilities, Public Safety and Development Services

General Fund



16

Administration	\$1,571,158.68
IT	155,001.00
HR	51,001.00

- ***Redesign of Budget***

IT and HR direct OTPS expenditures have been removed from the Administration Budget and entered into newly created individual budgets. This will facilitate robust oversight of expenditures

- ***Financial Software and Credit Processing Software Change***

The Software was changed in FY18 and is working as anticipated. The monthly management charge has been reduced by \$7,000 annually.

- ***Employee Parking Expense Reduction***

Bald Head Limited reduced the annual employee parking charge by approximately 22%

- ***Total Insurance increase estimated at 5%***

- ***Health Insurance premium decrease estimated at 5.8%***

- ***Capital Outlay***

Purchasing a Fire Proof Cabinet for state mandated record retention

General Fund



17

- **Business Services**

- **IPC**

\$278,209.12

- 29,500 Estimated inbound Packages
- Part Time Shipping Clerk hired for summer season

- **Contractor Services**

\$296,482.05

- Planning continues for campus redesign and upgrade
- Increase in Fuel Sales

- **Shoreline Protection**

\$511,606.56

- Monitoring
- Lobbying
- Two (2) new Mobi-Mats for beach access and vehicle access

- **Development Services**

\$125,135.78

- 18 Residential/ 2 Commercial Permits
- AMEC Foster Wheeler CRS Consultant contracted
- New back up Building Inspector is online, trained and has provided support in FY18

General Fund



18

• Public Safety \$2,495,052.59

- Includes an additional PSO per shift resulting in reduced costs attributable to:
 - Eliminating 1 Captain position
 - Relief help reduced from 5% to .5%
 - Part time help reduced
 - Overtime reduced
 - Additional hiring for Seasonal Officers eliminated
- Includes purchase of Body Cameras that were not purchased in FY18
- Capital outlay includes a Stryker Power Pro Cot (Stretcher) and \$50,000 to be reserved for the future purchase of a new Fire Truck (FY23)
- Training costs have been substantially reduced with in-house training and use of the NC Justice Academy



Proposed Organizational Chart



19

Public Safety Department (Current Structure)

PS Director			
	Captain	Captain	
(A)	(B)	(C)	(D)
Lieutenant	Lieutenant	Lieutenant	Lieutenant
Corporal	Corporal	Corporal	Corporal
PSO	PSO	PSO	PSO
PSO	PSO	PSO	PSO
PSO	PSO	PSO	PSO

*Administrative Assistant

Total FTE's - 24

11/24 - .46

Public Safety Department (Proposed Structure)

PS Director			
	Captain (Ops/Training)		
(A)	(B)	(C)	(D)
Lieutenant	Lieutenant	Lieutenant	Lieutenant
Corporal	Corporal	Corporal	Corporal
PSO	PSO	PSO	PSO
PSO	PSO	PSO	PSO
PSO	PSO	PSO	PSO

PSO	PSO	PSO	PSO
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*Administrative Assistant

Total FTE's - 27

10/27 - .37

Points for Consideration:

- Increase PSO Shift(s) +1
- Marina/Harbor/BH Creek Presence
- Focus – Underage Driving/Speed/No Wake
- Increase Fire Response #'s +1 – ISO Rating
- Decrease -1 Supervisory Position
- Remove Need for "Seasonal F/T" staffing

General Fund



20

• Public Works \$ 1,320,737.96

- **Right of Way Maintenance** - includes the Tree Program, shoulders and road patching, and miscellaneous projects
- **Signs** - \$15,000 budgeted – waiting for direction from Council. Monies not spent in FY18
- **Paving Plan includes:** Lighthouse Wynd and Edward Teach Wynd Extension
- **Parking** - In FY18 approximately 44 additional beach access cart parking spaces added and in FY 19 will continue to improve and maintain parking fields.



Utility Fund

21

• Revenue \$ 2,934,242.00

- 2% Increase to Water and Sewer Rates
 - Based on Rate Study prepared in November 2012
 - Rates will continue to increase at 2% per year until 2022

- Rates for FY18
 - Irrigation/Non-Resident Base Charge \$51.23
 - Residence Base Charge 20.49
 - Usage Charge < 3 Units 5.78
 - Usage Charge > 3 Units 9.48
 - Sewer Base Charge 64.66

Utility Fund



22

Expenditures

\$2,934,242.00

- Departmental Expenditures \$ 1,892,273.01
- Debt Service 842,014.00
- Capital Reserve 49,954.99
Add to FY18 Reserve for future purchase of a Back Hoe
- Capital Outlays 150,000.00
Lift Station/Wells communication Upgrades

Utility Fund



23

Debt Service	<u>FY18</u>	<u>FY19</u>	<u>Maturity</u>
- PNC Install Loan <u>Principal</u> (WWT Plant improvements)	\$787,992	\$803,630	01/2021
- PNC Install Loan Interest	54,022	38,384	
TOTAL	\$842,014	\$842,014	

WWT Plant improvements included upgrades to RO System and Reuse Irrigation

Summary



- Tax Rate – Increase in Debt Portion of the Tax Rate, MSD-A, and MSD-B to fund Beach Nourishment Project
- 3.50% projected increase in Accommodation Taxes
- Transfer to Beach Fund of \$82,421.92
- Expenditure decreases in Health Insurance, Employee Parking, Financial Management charges and Public Safety Training
- Public Safety Department shift staffing reorganization with zero financial increase anticipated
- Utilities Lift Station/Wells Communication upgrades will afford long term cost savings and provide more efficient service