



TOWN OF EMERALD ISLE, NORTH CAROLINA

FY 2018-2019 RECOMMENDED BUDGET

Presented to the Emerald Isle Board of Commissioners - May 8, 2018



FY 18-19 Recommended Budget

Primary Budget and Capital Plan Goals

- **Maintain current property tax rates**
- **Maintain high service quality**
- **Continue NC 58 corridor aesthetic improvements**
- **Pursue eastern Emerald Isle beach nourishment project**
- **Pursue Islander Dr streetscape, WORA improvements**



FY 18-19 Recommended Budget

Primary Budget and Capital Plan Goals (continued)

- Initial park improvements at McLean-Spell Park
- Carefully plan Fire Station 1 improvements
- Carefully review Fire truck replacement schedule
- Provide reasonable salary increase for Town employees, maintain current employee benefits package, and consider retiree health insurance program



FY 18-19 Recommended Budget

Other Important Budget and Capital Plan Goals

- Consider future years' budget impacts
- Early replacement of critical summer equipment
- Maintain strong customer focus
- Maintain high priority on community aesthetics
- Maintain responsible capital replacement strategy
- Avoid use of General Fund balance



FY 18-19 Recommended Budget

- **Total Town Budget = \$10,669,900 across all funds**
- **General Fund = \$9,998,100**
 - **\$543,924, or 5.75% increase from FY 17-18 original budget**
 - **Skewed by EMS service fees; otherwise \$328,924, or 3.48% increase**
 - **Maintain and enhance service quality**
 - **Priority capital investment**
- **Future Beach Nourishment Fund**
 - **\$939,500 to be reserved for future nourishment activities**
 - **Includes \$200,000 reimbursement from Islander Dr sale proceeds**
- **Half-Marathon Fund, Beach Music Festival Fund, EMS Volunteer Fund**

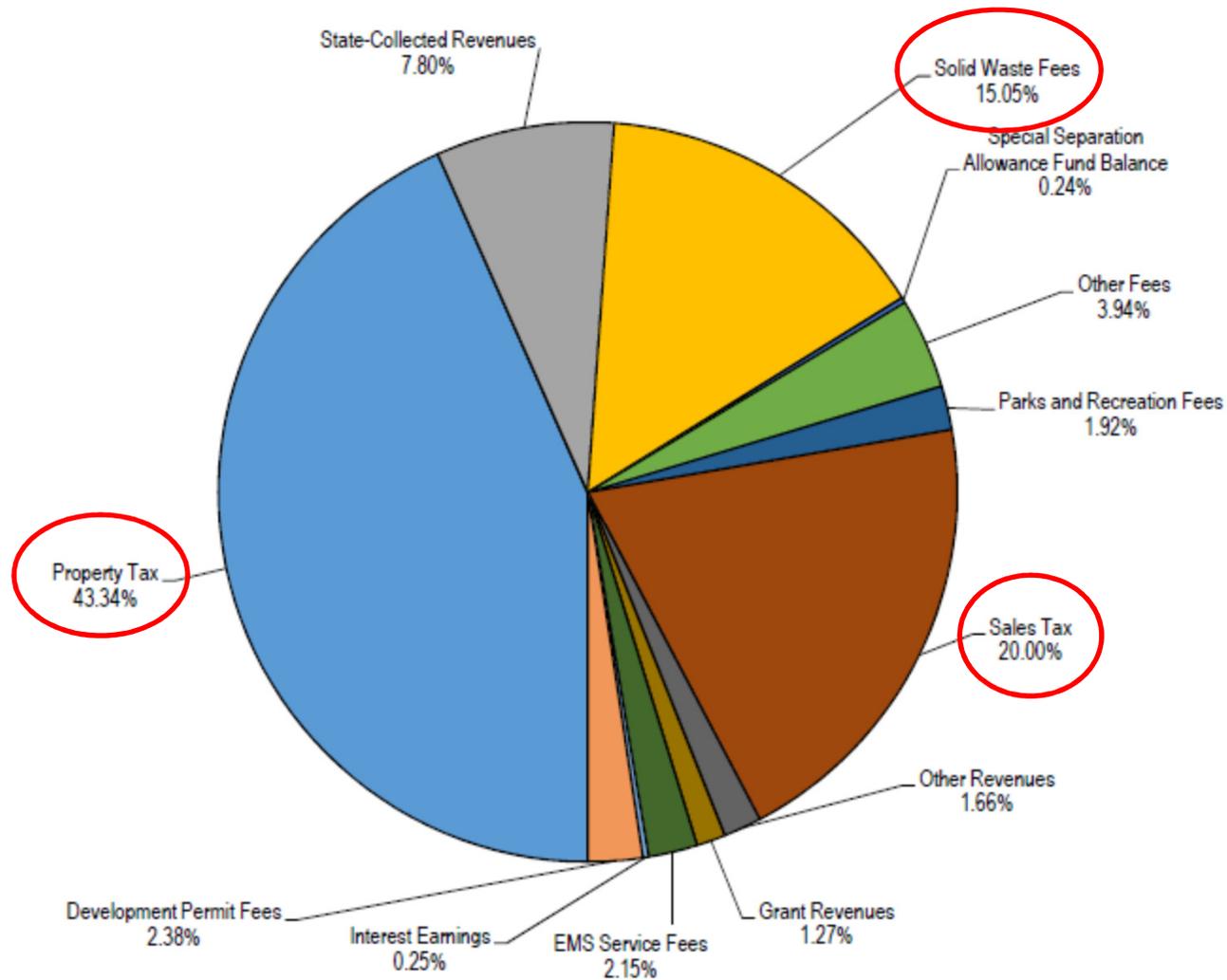
FY 18-19 Recommended Budget

- **No change in General Fund tax rate – 15.5 cents**
 - 14 cents for general services, 1.5 cent for beach nourishment
 - EI remains 2nd lowest of 21 NC oceanfront municipalities
- **No increase in annual solid waste fee**
- **No change in beach nourishment – special district tax rate - 4 cents**
- **A few minor fee adjustments**
 - Community Center memberships, Friday parking fees, eliminate “treat-no transport” EMS fee



General Fund Revenues

FY 18-19 Recommended Budget



FY 18-19 Recommended Budget

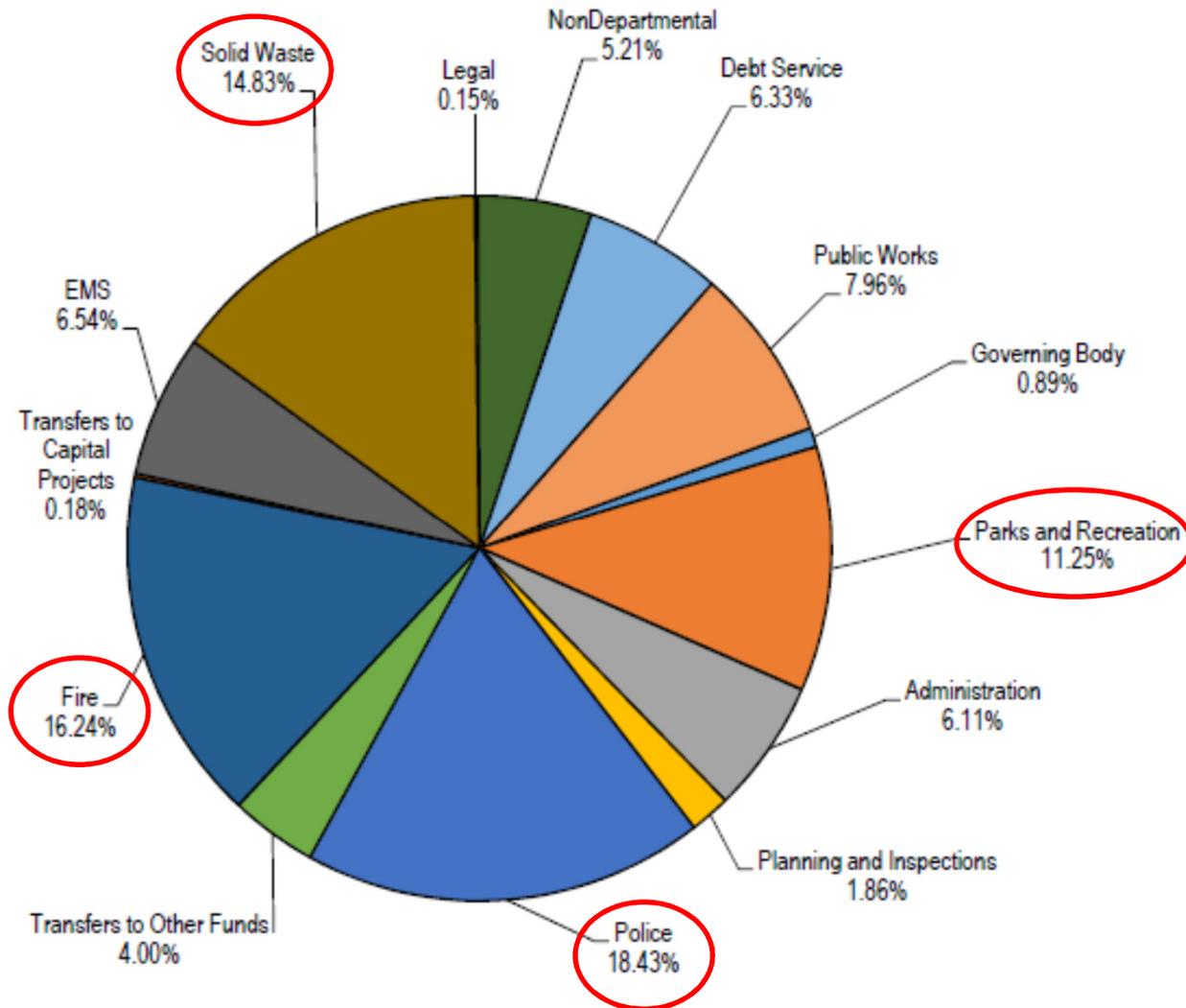
- **Total General Fund property tax revenues ~ \$4.33 million**
 - Average value (\$363,091) taxpayer's annual General Fund tax bill is approximately \$791 (\$563 plus \$228 annual solid waste fee)
 - Increase of ~ \$41k due to growth, previous conservative estimate
- **Sales tax revenues projected at \$2 million**
 - Increase of \$150,000 from FY 17-18 adopted budget
 - Conservative estimate in FY 17-18 due to sales tax threats
- **Slight decrease in State-collected revenues**
- **Solid Waste fees expected to generate \$1.504 million**

FY 18-19 Recommended Budget

- **EMS service fees = \$215,000; approx. 1/3 of EMS budget**
- **Regional access parking fees expected to increase by \$55,000 due to conservative FY 17-18 estimate and Fridays**
- **Community Center membership fees expected to increase by \$18,000 due to proposed fee increase**
- **Golf cart permits = \$68,000, with \$18,000 reserved**
- **No General Fund balance appropriated**
 - **Adjusted fund balance projected at nearly \$2.3 million at June 30**
 - **Nearly 23% of FY 18-19 Recommended Budget**

General Fund Expenditures

FY 18-19 Recommended Budget



FY 18-19 Recommended Budget

- **General Fund budget honors Board's expressed priorities**
 - #1 priority to maintain General Fund property tax rate
- **NC 58 corridor aesthetic improvements**
 - “Downtown” light conversion - \$20,000
 - Incremental landscape bed improvements - \$10,000
 - Additional uplighting - \$3,000
 - New banner program – rely on TDA funding (?) and sponsors
- **First total EMS budget**
 - Nearly \$654,000, supported by \$215,000 of service fees
 - Adequate staffing, employee benefits, trial of 2nd crew at FS 2

FY 18-19 Recommended Budget

- **McLean-Spell Park debt service payment**
 - Approximately \$81,400
 - Partially offset by reduction in General Fund transfer (\$50,000) due to reimbursement of Future Beach Nourishment Fund with Islander Drive land sale proceeds
- **Additional lifeguard coverage (\$12,000)**
 - 6 total on beach each day
- **Final debt service payment for 2013 Refinancing**
 - Nearly \$246,500 for final payment



FY 18-19 Recommended Budget

- **New Town software system**
 - Approximately \$17,000 for 3 years to replace outdated applications
 - Enable tax payment information to go online
- **Employee compensation**
 - 2.3% cost of living adjustment for all employees, consistent with change in CPI (approximately \$97,000)
 - Maintain employee health insurance benefit
 - Retiree health insurance program (\$16,000)
- **Transfer to Future Beach Nourishment Fund**
 - \$400,000, equivalent of 1.5 cent of General Fund tax rate

FY 18-19 Recommended Budget

- Includes \$90,000 for beach access walkway replacements at Randy's Way (Page), Channel, Joel
- Replacement of 4 vehicles = \$131,000
 - Three Police vehicles, one Parks and Recreation truck
 - Also replacement of asphalt repair equipment (\$25,000)
- Reserve for golf cart infrastructure improvements (\$18,000)
- Other notable items:
 - \$18,000 for July 4 fireworks
 - \$15,000 for small area storm water solutions



Capital Replacement / Improvement Program

- **Five year plan for replacement of major capital equipment, plus a few new capital projects**

- **Significant projects in FY 18-19**
 - **Eastern El Beach Nourishment Project (\$9.2 million, financed by State grant funding, County room tax, Town reserve funds)**
 - **Islander Drive streetscape and Western Ocean Regional Access Improvements (\$263,000, financed by land sale proceeds and State grant funding)**
 - **McLean-Spell Park initial improvements (pedestrian bridge, potential dog park contribution - \$70,000 included in land acquisition cost)**

Capital Replacement / Improvement Program

- **Total cost of projects = ~\$30.85 million over 5 years**
 - **All items in FY 18-19 Recommended Budget**
 - **Scheduled vehicle and other capital replacements**
 - **\$1.5 million for renovation / expansion of Fire Station 1 in FY 19-20**
 - **\$450,000 for Fire Station 2 expansion, Police Station / Meeting Room roof replacement in FY 19-20**
 - **\$1 million for new Fire aerial truck in FY 19-20**
 - **\$225,000 for replacement ambulance in FY 19-20**
 - **\$120,000 for Lee Avenue bicycle path in FY 20-21**
 - **\$50,000 for pickleball courts in FY 20-21**
 - **\$15 million for next realignment of Bogue Inlet channel / beach nourishment in FY 21-22 (State grant funding, County room tax, Town reserves)**

Budget Perspective – Comparing Costs

- **With recommended 15.5-cent General Fund property tax rate, the average-value property owner would pay approximately \$47 of property tax per month to Town of Emerald Isle; less than:**

- **Monthly cable bill**
- **Monthly smartphone bill**
- **Daily cup of coffee**
- **Dinner for two at a moderately-priced restaurant**
- **Movie night out for family of 4**
- **Tank of gas for many vehicles**



Budget Perspective – Itemized Receipt

ITEMIZED RECEIPT - TOWN SERVICES

FY 2018 - 2019

HOW MUCH DO GENERAL FUND TOWN SERVICES REALLY COST YOU?

Taxpayer:
Mr. Average Taxpayer
1957 Emerald Drive
Emerald Isle, NC 28594

Town of Emerald Isle
7500 Emerald Drive
Emerald Isle, NC 28594
252-354-3424
www.emeraldisle-nc.org



Assessed Value (2015 dollars): \$ 363,091
FY 2018-2019 Property Tax Rate Per \$100: 15.50 cents

TOTAL FY 2018-2019 PROPERTY TAX DUE:	\$ 562.79
TOTAL FY 2018-2019 SOLID WASTE FEE DUE:	\$ 228.00
TOTAL FY 2018-2019 AMOUNT DUE:	\$ 790.79

Your Property Taxes Are Used For:	Which Provides For:	Itemized Cost Annual Amount	Itemized Cost Monthly Amount
Police Services	24-hour police patrol, police response, traffic enforcement, criminal investigations, general ordinance enforcement, and general community assistance.	\$ 123.45	\$ 10.29
Parks and Recreation	Recreation programs, Community Center operations, public beach accesses, community festivals, NC 58 landscaping, bicycle path maintenance, Bogue Sound accesses, community parks, public boating access maintenance, and other quality of life enhancements.	\$ 58.09	\$ 4.84
Planning and Inspections	Fair and consistent enforcement of NC building code to insure building safety, fair and consistent enforcement of land development ordinances, including zoning, subdivision, storm water, flood damage prevention, and signs, to insure compatible and orderly growth and development in Emerald Isle.	\$ -	\$ -
Emergency Medical Services	Rapid emergency medical response and transport at the paramedic level of care.	\$ 29.05	\$ 2.42
Fire Services	24-hour fire response and suppression services, emergency medical care first response, water rescue capabilities, summertime lifeguards, hurricane preparedness and emergency management, public education, and low ISO insurance ratings.	\$ 101.67	\$ 8.47
Public Works Services	Public facilities maintenance, public ROW mowing, street maintenance, public street lights and signs, storm water management operations, and other activities intended to maintain an attractive town appearance and safe environment.	\$ 43.57	\$ 3.63
Solid Waste Services	Twice per week residential trash collection, once per week residential recycling collection, container roll-back service, weekly yard waste collection, monthly white goods collection, beach strand trash collection and recycling collection, and public right of way litter collection.	\$ 228.00	\$ 19.00
General Government and Town Administration	Coordination of local democracy, non-political management of Town services and programs, thorough research on issues, public education and involvement initiatives, sound financial management, fair and equitable administration of tax system, and contributions to outside groups that enhance the quality of life in E.I.	\$ 87.14	\$ 7.26
Debt Service	Principal & interest payments on major capital facilities completed in recent years and refinanced in 2013, plus principal & interest payments associated with the 2013 community improvement package that includes new bicycle paths and storm water improvements, plus principal & interest payments for J. Preston Park land, plus principal & interest payments for 29.7 acre land (McLean-Spell Park).	\$ 65.96	\$ 5.45
Transfer to Future Beach Nourishment Fund	Contribution to reserve fund for future beach nourishment projects in Emerald Isle.	\$ 54.46	\$ 4.54
Transfer to Capital Projects	Construction of golf cart path improvements.	\$ -	\$ -
TOTAL FY 2018-2019 AMOUNT DUE:		\$ 790.79	\$ 65.90

Budget Perspective – Other Beach Towns

- Average-value property owner in EI pays approx \$508 annually for general services (14 cents of rate). The same value property in other towns pays (for general services):
 - Oak Island \$1,053
 - Duck \$ 762
 - Kitty Hawk \$1,089
 - Carolina Beach \$ 781
 - Nags Head \$ 980
 - Surf City \$ 944
 - Sunset Beach \$ 581
 - Wrightsville Beach \$ 463
 - Bald Head Island \$1,857
- Carteret County
\$1,126

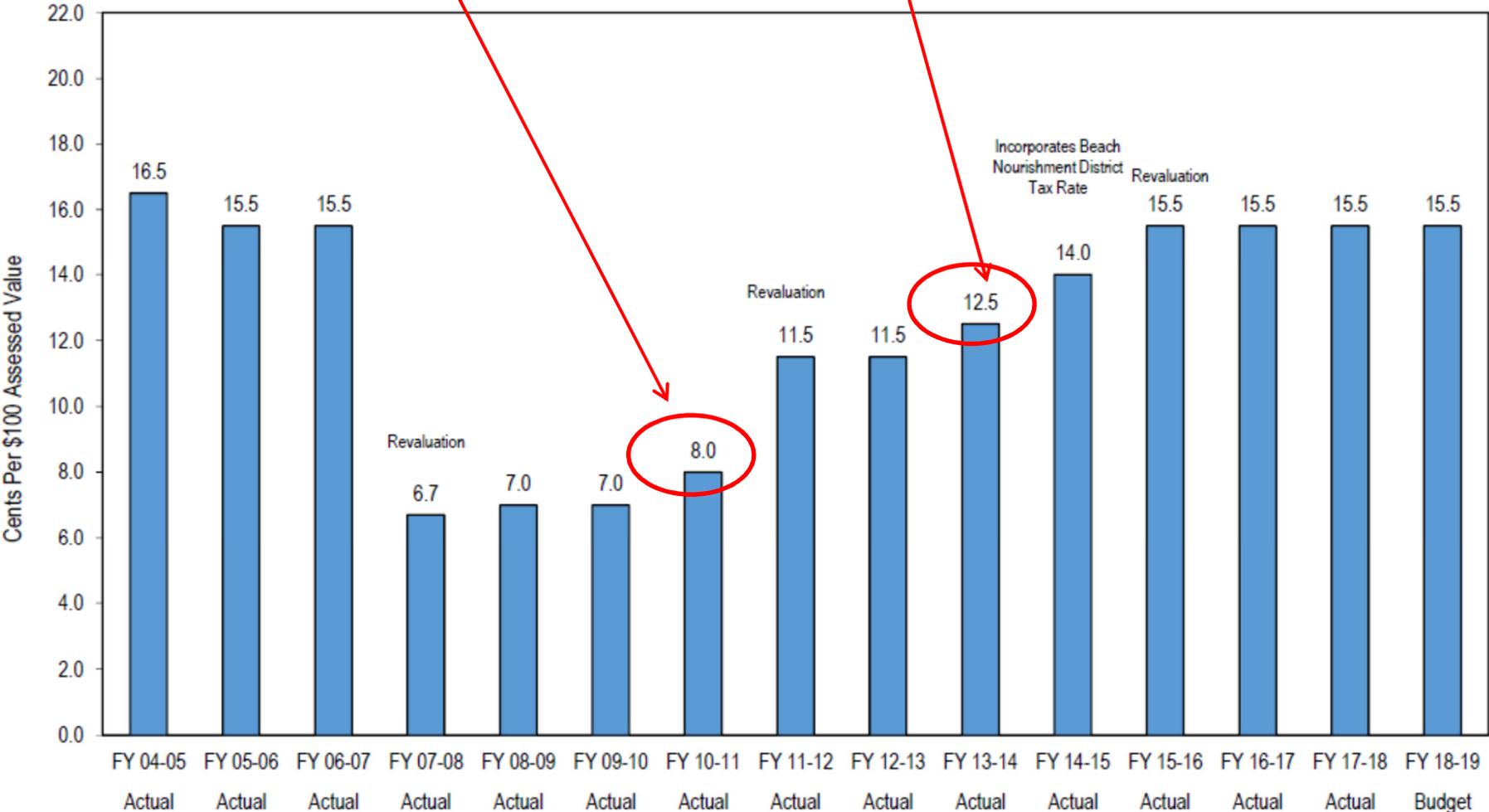
Budget Perspective – History

- **FY 18-19 Recommended Budget includes 68 full-time positions (7 full-time EMS positions now included)**
 - **FY 07-08 budget included 63 full-time positions**
- **Since FY 01-02 (17 years), the Town’s property tax rate has:**
 - **Decreased in 4 of those years**
 - **Stayed the same or “revenue-neutral” in 9 of those years**
 - **Increased in 4 of those years**
- **Since 2001, Town has secured more than \$33 million in grants and outside funding sources for beneficial projects**

Budget Perspective – Tax Rate

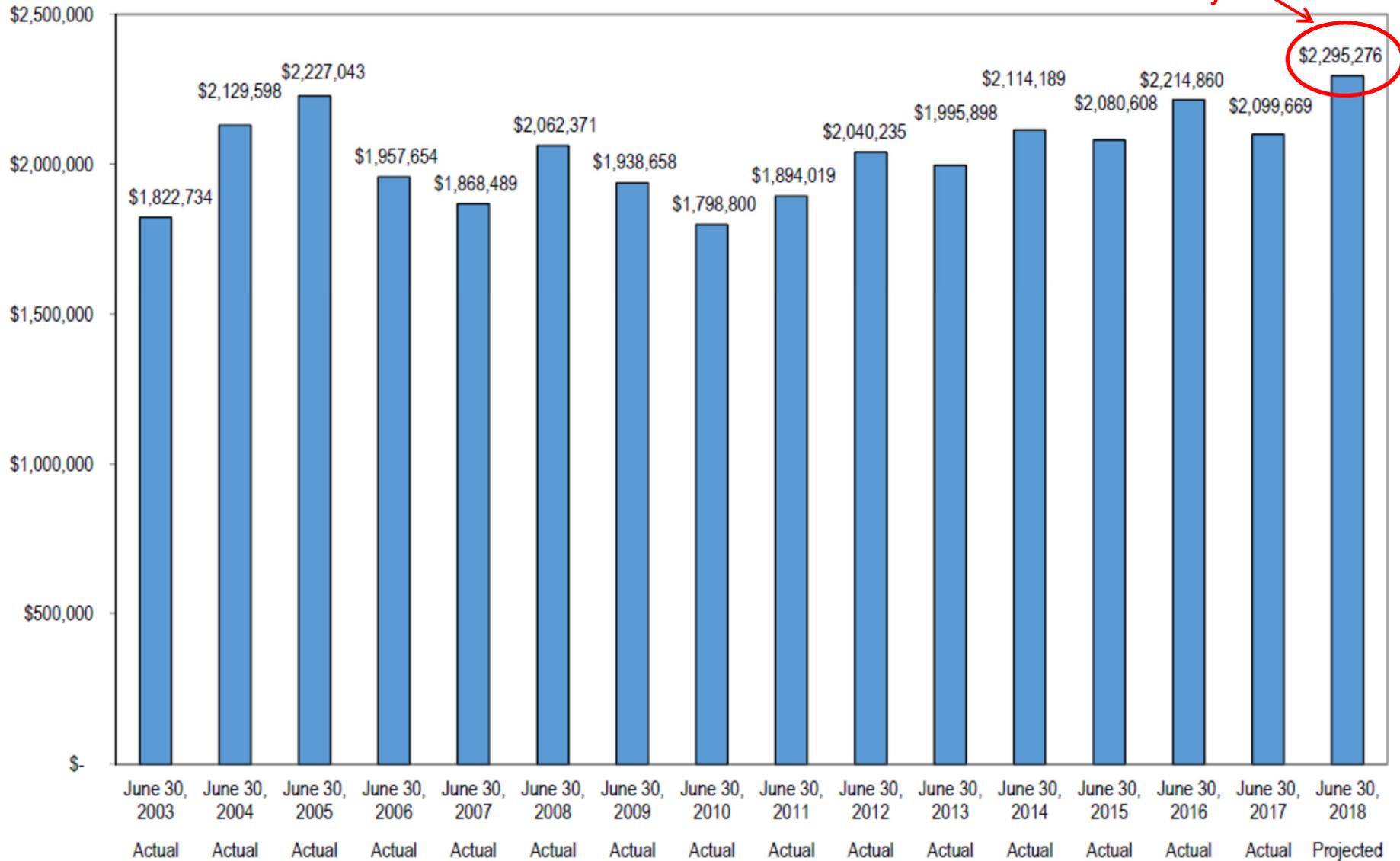
Last (effective) tax rate increase for general services

Only (effective) tax rate increase in past 8 years – 1 cent for 2013 Community Improvements Package



Budget Perspective – Fund Balance

Highest General Fund
balance in Town's history



Budget Calendar

- **Budget Workshop and Public Hearing**
 - **Wednesday, May 16 9 am**
- **Budget Workshop – Tuesday, June 5 6 pm**
(official public hearing)
- **Budget Adoption – Tuesday, June 12 6 pm**
- **Other meetings as necessary or desired**

Recommended Budget is the Town Manager's recommendation.

The Board of Commissioners should adjust this recommendation in any manner that more clearly reflects the Board's priorities.