

TOWN OF OAK ISLAND

Recommended Budget FY 2024-2025



David Kelly, Town Manager
Kathryn Adams, Asst Town Manager / Finance Director
May 14, 2024

Top 3 Focus Areas of Improvement

1) Increase Customer Service for Our Citizens

- Front desk receptionist at Town Hall for citizens engagement
- Communication/Clerk Assistant for enhanced production of information for all Town activities
- New Capital Project/Grant Coordinator position to better monitor and provide information on projects and grants

2) Ensure Compliance with Codes, Ordinances, Rules

- Consolidation of Stormwater, Building, Planning, and Drone services under one department of Development Services
- Two new Code Enforcement/Zoning Technicians and a GIS position

3) Improve Public Safety

- Three additional firefighters
- An additional Beach/Ocean Rescue Team and part time Battalion Chief and the necessary capital outlay to support enhanced rescues
- Increased funding for Public Safety Community Programs and Kids Camps



Overview of the Recommended Budget

- Balanced Budget with No Tax Increase in the Tax Rate
- No increases in any User Fees for the Enterprise Funds
- The budgeted tax rate remains at \$0.16/\$100 valuation
- Of the \$0.16 tax rate, \$0.13 is designated for the Town's General Operations. The remaining \$0.03 is accounted for in the Beach Nourishment Fund (47) established for beach nourishment projects.
- The Fund Balance continues to remain strong. The Town's General Fund Balance is in compliance with NCGS 159-8 and well over the Town's internal policy to maintain a minimum total fund balance of 40%.



Recommended Budget FY 2024-2025

General Fund

- The General Fund is balanced at \$21,291,154.
- Revenues are estimated with an average 2% growth rate in property and sales taxes in anticipation of a slower economic growth.
- Only \$1,268,327 is used out of the General Fund's Fund Balance for one-time capital outlay.
- The Town is again budgeting to transfer funds from numerous departments to the Capital Reserve Fund to provide funding for future capital expenditures in the amount of \$367,320.



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Water Fund and Wastewater Fund

- The Town's Water Fund is balanced at \$5,760,160 with no increase in rates. The Base Rate remains at \$25.22/month with the volume-based rate structure per 1000 gallons.
- The Town's Wastewater Fund is balanced at \$16,054,932 with no increase in rates despite the increase in treatment costs passed along to us from Brunswick County. The Base Rates remain at \$38.41/month and \$8.33 per 1000 gallons over 4,000 gallons.
- The Sewer District Fee remains unchanged at \$601.78.



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Stormwater Fund

- The Stormwater Fund is balanced at \$1,661,708 and the rates remain at \$7.04/month for residential and \$11.80/month for commercial.

Solid Waste Fund

- The Solid Waste Fund is balanced at \$2,109,290 and the rates remain unchanged for household refuse, recycling, yard debris and the utilization of the Town's convenience site. (See Fee Schedule for more details)



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Accommodations Tax Fund

- The FY 2024-2025 estimated revenue from the 3% of the total Room Occupancy tax is \$2,626,500. This fund is intended to fund the budgeted tourist related activities for the town; any remaining funds are budgeted to be transferred to the Beach Nourishment Fund.

Beach Tax Fund

- The FY 2024-2025 estimated revenue from the 2% Room Occupancy tax is \$1,750,000. The budgeted expenses in this fund are to pay for dune maintenance expenses; any remaining funds are budgeted to be transferred to the Beach Nourishment Fund.

Beach Nourishment Fund

- This Fund is balanced at \$5,779,800. It is utilized as a Capital Project Fund to account for the continued activity of the beach nourishment including the upcoming Shoreline Management Plan sand replenishment project which is scheduled for FY 2024-2025.



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Golf Course Fund – balanced at \$547,000 with no fee increases and a transfer from the General Fund

Pier Complex Fund – balanced at \$575,515 with no fee increases and no transfer from the General Fund

Parking Fund – balanced with an anticipated \$1,000,000 revenues with no change in fees and expenditures in the percentages previously authorized by Council



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Capital Outlay Highlights for the General Fund

- Sea-Doo and UTV for Ocean Rescue
- Lifepack replacements and defibulators
- A climate-controlled storage unit for files and office renovations
- New Vehicles for new Code Enforcement positions
- Replacement of the Fuel System at Public Works
- Replacement Street Sweeper, Skid Steer, Tractor with Mower
- 14 passenger van and fitness equipment for Recreation



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Capital Outlay Highlights for the Enterprise Funds

- New mower for the Par 3 Golf Course
- Wasterwater Fish Factory Treatment plant upgrades: valves, grating/catwalk improvements, air treatment and air lift pump improvements, area velocity flow meters.
- Wastewater Collection System improvements for vacuum pits, and a pilot program to monitor vacuum within the systems.
- Water improvements include a hydrant replacement schedule and ongoing maintenance, and study of capacity for future water storage needs.
- Stormwater Dune Infiltration projects and Live Oak Tree plantings



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Additional Staffing Recommended – 9 Total

- 3 new Full-Time Firefighters
- 2 Code Enforcement Officers
- 1 GIS Technician
- 1 Front Office Receptionist
- 1 Capital Projects/Grant Project Coordinator
- 1 Communications/Clerk Assistant



Recommended Budget FY 2024-2025

Debt Service

- The outstanding utility debt continues to decrease annually with payoff in FY 2035-2036. All debt principal and interest payments are fully funded for FY2024-2025 as required by NC State Law. A complete detail of the remaining principal and interest payments of each loan can be found in the Supplemental Information section of the budget.
- The only other debt for the Town is for 2 fire trucks previously purchased and a commitment was made on a future ladder truck for FY2026-2027.



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Employee Wages/Salaries and Benefits

- The Town provides a level of pay to its employees that Town Management feels is fair and equitable in comparison to other similarly sized municipalities.
- The Recommended budget includes a Cost of Living increase of 3.2% and the potential for a merit increase of up to 3%.
- Market adjustments were included in the Police Department and other areas with recruitment challenges.



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Capital Project Highlights

- Street Paving \$1,000,000
- Rec Center feasibility planning and design \$500,000
- Greenway and Sidewalk projects \$250,000
- Business Corridor Façade Grant Program \$50,000
- Commercial Master Plan for business districts \$50,000
- Year 2 of the Computer Replacement Program \$30,000
- Flood Mitigation Assistance for flooding, Bike Plan and Kayak Access Grant Matches \$30,000



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We would like to thank all the Department Directors and the hard-working staff of this Town for their continued effort to produce valued services at a low cost to our citizens. A special thank you to Hallie Willis and Rose Braam for their tremendous production help.

Mayor and Council, we appreciate the effort that each of you have put in during this long process that began in December, included strategy sessions, and 6 budget workshops with all the departments, and culminated in the Recommended Budget before you tonight. Thank you for your continued leadership and support for the betterment of this Town.

