



Below is the town manager's May 27, 2014, letter to the mayor and commissioners accompanying the proposed annual budget. The 2014-2015 budget was approved on June 12, with no change in the tax rate from last year. The approved budget is viewable on the town website at townofpks.com, or at town hall.

Submitted herewith is the recommended budget for the Town of Pine Knoll Shores for the Fiscal Year beginning July 1, 2014, and ending June 30, 2015. The budget is balanced as required by the North Carolina General Statutes, particularly with respect to the Local Government Budget and Fiscal Control Act. A public hearing on the recommended budget is scheduled for Thursday, June 12, 2014, at 6:00 p.m. at Town Hall. Copies of the recommended budget will be available for public inspection and review at the Town Hall and Bogue Banks Public Library. Additionally, the public may review the recommended budget online at the Town's website located at <http://www.townofpks.com>. The Board may adopt a budget ordinance for FY 2014-2015 any time following the public hearing, with the final date for adoption being no later than June 30th.

The Town government continues to focus on the core objectives that are outlined in our vision statement. The proposed budget meets our goals of protecting our citizens, allowing for public involvement, and protecting the natural environment that exists in Pine Knoll Shores. In the coming fiscal year we will zero in on specific actions spelled out in our recently adopted Strategic Plan that will further our intent of following the vision that was developed in 2010.

The Town's tax base is at \$1,021,009 as of the end of the current fiscal year. The proposed budget recommends that we maintain a tax rate of 15.6 cents per \$100 of assessed property value, which would generate \$1,592,775 in Ad Valorem revenue. An increase in the Solid Waste Fee from \$160 to \$175 is recommended to provide quality services in the areas of refuse, recycling and yard waste collection. The Oceanfront and Non-Oceanfront Municipal Service District tax rates remain unchanged at 5.2 cents and 1.4 cents per \$100 of assessed property value, respectively. Also, no changes to rates in the Water Enterprise Fund are recommended.

FUND SUMMARIES

The Pine Knoll Shores financial status is favorable. Our General Fund, Water Enterprise Fund, and Beach Funds continue to operate efficiently as a result of sound financial planning on the Board's behalf and competent management on the part of the Town's Finance Officer and Department Heads. A summary of each fund is outlined in the following pages.

General Fund

The FY 2014-2015 General Fund normal operations remain generally unchanged.

Revenue		
Ad Valorem Taxes		\$1,610,000
Other		<u>1,640,000</u>
Total		\$3,250,000
Expenses		
Governing Body	\$	126,000
Finance & Administration		434,000
Public Safety		1,291,000
Inspections		104,000
Public Services		988,000
Transfer to Police Separation		9,000
Debt Service		<u>298,000</u>
Total		\$3,250,000

Reserves

Entering FY 2014-2015, the total amount of reserves in the General Fund, estimated and unaudited, is \$1.65 million.

Water Enterprise Fund

There will be no rate adjustments in FY 2014-2015.

Revenue

Customer fees	\$806,500
Other	<u>468,500</u>
Total	\$1,275,000

Expenses

Operating Expenses	\$742,500
Contingency & Emerg. Mtnce.	27,000
Capital Expenses	<u>505,500</u>
Total	\$1,275,000

Reserves

Entering FY 2014-2015, the total amount of reserves in the Water Enterprise Fund, estimated and unaudited, is \$830,000.

Beach Funds (Beach Expense Reserve Fund and Beach Capital Reserve Fund)

Three years into our Beach Tax, the Oceanfront and Non-Oceanfront Municipal Service District tax rates remain unchanged at 5.2 cents and 1.4 cents per \$100 of assessed property value, respectively.

Beach Expense Reserve Fund (BERF):

Revenue

Sales & Use Tax	\$110,000
Beach Parking Fees	25,900
Other Revenues	<u>100</u>
Total	\$136,000

Expenses

Beach Parking	\$ 14,250
Beach Maintenance - Labor	9,000
Beach Maintenance - Other	15,500
Debt & Lease Payments	53,250
Transfer to BCRF	<u>44,000</u>
Total	\$136,000

Beach Capital Reserve Fund (BCRF):

Revenue

Beach Tax Revenue	\$320,800
Transfer from BERF	44,000
Other Revenues	<u>200</u>
Total	\$365,000

Expenses

Beach Plan Reserve	\$365,000
Total	\$365,000

Reserves

Entering FY 2014-2015, the total amount of reserves in all the Beach Funds, estimated and unaudited, is \$752,000.

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