

## Town Achieves Star Safety Status

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help Chief Baker. They sat through meetings, analyzed the new safety policy and Star application, and offered job hazard analysis.

"The Currans initially toured the town and our operations and helped us focus on hazards that were in need of specific analysis," said Chief Baker. "I really want to thank the Currans for making this large project more manageable. We appreciate their continued assistance to the town in our safety efforts."

In August 2016, Pine Knoll Shores underwent its final OSHA inspection. The inspection lasted two days while Mr. Smith reviewed the new policy, spoke to employees and observed the workplace safety culture. Pine Knoll Shores passed with a score of 91 percent.

"It means a lot for a town or city to receive a prestigious award such as Public Sector Star. Recognition as a Star site location indicates that the Town of Pine Knoll Shores is dedicated to ensuring that their employees work in a safe environment," said Mr. Smith. "There are more than 250,000 businesses in the state of North Carolina, and Pine Knoll Shores is among the elite organizations with respect to occupational safety and health."

Additionally, pursuing the Carolina Star Program award yielded favorable results for the town's workplace injuries and workmen's compensation claims, which directly impacts the town's insurance premiums. In 2014 the town reported seven workplace injuries. To date this year, there have been zero workplace injuries. This translates to lower taxes for all Pine Knoll Shores residents.

North Carolina Department of Labor Commissioner Cherie Berry and Mr. Smith attended a luncheon in Pine Knoll Shores on Wednesday, November 29, to recognize Chief Baker, the Currans and all town employees who participated in the program. Commissioner Berry commented that workplace safety means taking care of each other, a simple and effective way of describing the importance of the Carolina Star Program.

"I was truly impressed with the care the administration and staff of Pine Knoll Shores give to the place they call home," Commissioner Berry said. "It is communities like this one that show leadership in providing safe and healthy environments in their workplaces. The award is well deserved."

While Chief Baker and his team are pleased with the award, they recognize that the work doesn't stop here. Pine Knoll Shores will continue to work as an advisor to Carolina Star Program applicants in the state, and the town will continue its safety training. Chief Baker concluded, "Safety will always be the culture of Pine Knoll Shores, and now moving forward we hope to be able to provide guidance to other towns and departments that wish to refresh or revise their own safety programs."

## Town Finances Are Sound

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fund expenditures. This is roughly equal to one month's operating expenditures. If a local government's reserves fall below that target percentage, the LGC will put the unit on written notice to formulate an approved plan to get their reserves back to an acceptable level. Many local governments maintain fund balances well in excess of this level, though, to provide needed cash flow and to save money for future expenditures.

A decade ago, the Town of Pine Knoll Shores received such a warning letter from the LGC. The town's fund balance had unknowingly fallen to 5% of annual general fund expenses. The cause had its roots some five years prior to that when the town began collecting the sand tax to pay off bonds issued to finance beach nourishment. For several years beach-related transactions were comingled with general fund activity, which led to some revenues being accounted for twice. Procedural issues in place at the time masked the problem for years, leading to a continual decline in the town's reserves. With the help of the Local Government Commission, the town made immediate personnel and procedural changes to address the problem.

The most significant procedural change was creating separate funds in the town's accounting system for each financial function. The Town of Pine Knoll Shores now has four major funds: the General Fund, the Water Enterprise Fund, the Beach Expense Reserve Fund and the Beach Capital Reserve Fund. Each of these funds has very specific purposes and goals as defined in the town's financial policy. All of these funds have very healthy fund balance levels today and have for several years.

The reserves for the General Fund—the fund that accounts for normal operating functions such as Administration, Public Safety, Public Works, etc.—have regularly

increased from the dismal 5% fund balance level of 2007 to above 50% for the last two consecutive fiscal years. A systematic budget process, tight internal controls and a concerted effort by all departments for fiscal responsibility throughout the budget year are the primary reasons behind that success.

After the financial crisis of 2007, the town hired a new audit firm, Martin Starnes & Associates, and has used them ever since. In 2010 the auditor pointed out that the Water Enterprise Fund's reserves, although healthy, were probably something to look at for sustainability. Town staff had considered changing from a flat water usage rate to a tiered rate in an effort to promote water conservation, and made the official rate change later that year. In doing so, the town has been able to build its Water Fund reserves, pay down its water bond debt at an accelerated rate, and accomplish the automated meter capital project without issuing more debt.

All beach-related transactions are accounted for in individual funds, and they continue to grow in preparation for the next beach nourishment project. Whether it is another post-hurricane situation like we faced in 2011 or a planned project to keep the beach strand above our master plan trigger levels, the town seeks to be as financially prepared for it as possible.

So what does all of this mean today? The bottom line is that our General Fund reserves are at 52%, which equates to \$1.8M. The Beach Fund is at \$2.3M, which has us poised for the next nourishment project (which is currently in the early stages of planning). Finally, the Water Enterprise Fund has \$700K in available cash for emergencies. In short, we are in the best financial position in a decade.

Last month marked my 10th year working for Pine Knoll Shores, and I look forward to shepherding its financial condition for more years to come.

## American Music Festival Program

By Linda Seale

The first American Music Festival concert of 2018 will be held on Saturday, January 27, at 8 p.m. at the History Museum of Carteret County in Morehead City.

Duo Francais features Barbara McKenzie on the piano and Nicolas Duchamp playing the flute. They are among the most captivating French music interpreters performing today, and will transport the listener into a lush world of French elegance and beauty, nuance and sensitivity, creating a tonal landscape compatible with the palette of Monet.

The program is entitled "An American in Paris," and demonstrates the "musical cross-pollination" between American and French composers in the early 20th century. The works of Leclair, Debussy, Gaubert, Boulanger and Copland will be featured.

A single adult concert ticket is \$30, and a discounted ticket is available for students, teachers and active military for \$15. Tickets for this concert can be ordered online at [americanmusicfestival.eventbrite.com](http://americanmusicfestival.eventbrite.com), or may be reserved by calling 728-6152.



Barbara McKenzie and Nicolas Duchamp of Duo Francais will perform at the History Museum of Carteret County.