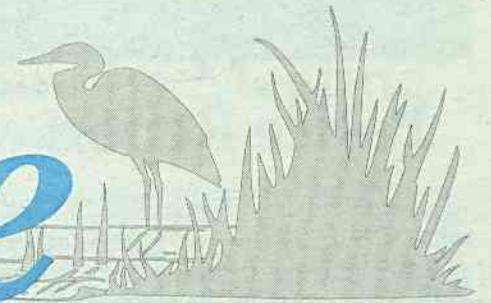


The Shoreline



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A Shoreline Community, Pine Knoll Shores, N.C.

Town Hall 247-4353

Town Looks to Tighten Belt, Rebuild Financial Reserves

By Bill White

Pine Knoll Shores has the financial resources to make it through the end of the current fiscal year on June 30 without further depleting its financial reserves.

That's the preliminary assessment by a representative of the Local Government Finance Division of the North Carolina State Treasurer's Department who spent St. Patrick's Day in PKS pouring over the revenues and expenditures involved in the town's 2007-08 budget.

The visit was prompted by the realization late last year following an audit of the 2006-07 fiscal year that the town's finances were seriously out of balance, with expenditures exceeding revenues. Further investigation showed that the gap between revenues and expenditures had persisted for several years and resulted in a severe decline in the town's financial reserves.

The discoveries prompted a wave of rumors, speculation and dire predictions that the town was on the verge of having to institute draconian measures that could increase taxes and drastically reduce services, including eventual elimination of local police and fire forces in favor of depending on county law enforcement agencies and reliance on other fire capabilities on the island.

The rumor mill reached such proportions



Benjamin Hawgood ponders the pail of treasures he unearthed during the annual Easter Egg Hunt March 15 in Garner Park. Story on page 3

that Town Manager Brian Kramer addressed the situation in a detailed report published in the March issue of *The Shoreline* and then in person at a town meeting March 6 that drew a packed house of some 130 people to the town hall meeting room.

The two initiatives zeroed in on facts and put a damper on the wild speculation. Kramer, cast in the role of point man to handle a long-smoldering problem after less than a year on the job, explained that the situation had its roots some five years ago when the town began collecting the sand tax to pay off \$8 million in voter-approved bonds issued to finance beach renourishment.

Collection of the sand tax, when added to the ad valorem (property) taxes the town was already collecting, effectively doubled the amount of sales and use taxes the town receives from the state.

How much the town gets in sales and use taxes is determined by the amount of ad valorem tax and sand tax it collects; in other words, the sum of both taxes. The more of both of these taxes collected the more sales and use tax funds from the state.

The fact that a large increase in the town's share of sales and use taxes from the state would become available to help pay off the beach renourishment bonds was one of the arguments put forth by officials to win voter approval for the bond issue. After passage of the bond referendum, officials put in place a formula to determine how much of the sand and use taxes would be devoted to the Beach Escrow account each year.

That has been done and Kramer notes that the Beach Escrow account boasts a healthy balance of \$4.3 million, putting the town in a position to pay off the bonds early and save substantial sums in interest costs.

The problem, he explains, developed because while approximately half of

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Under the watchful eye of mentor Chris Jones, Sara Anderson applies a coat of resin to the surfboard she constructed as part of her Graduation Project. Sara will graduate from West Carteret High this spring. See story page 6.

Mandatory Graduation Projects Rely on Community Support

By Bill White

Fine tuning is the order of the day at West Carteret High School as faculty members are at pains to develop a set of smooth working procedures through which students can produce the Graduation Projects that will be a requirement for graduation beginning in 2010.

The idea for the Graduation Projects was born some two decades ago in communities around the southern Oregon/northern California border in an area where high school dropout rates had reached alarming proportions. It was felt that if students could pursue a project of their own choosing and

in which they were interested it would give them an incentive to stay in school and complete their education.

The experiment proved so successful that the concept has been gradually spreading across the nation, expanding in scope as it goes. Today it is felt that the Graduation Projects are not only beneficial to students who may be struggling along the educational path, but to all students, right up to high achievers.

The process, experience indicates, gives students an opportunity to put into practice what they have learned during nearly

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Deadline for May issue is Monday, April 21 Deadline for June issue is Monday, May 19 Articles always welcome!