

Sunset Beach Town Council Proposes Increase in Water Rates

BY DOUG RUTTER

Sunset Beach residents will most likely start paying more for water this summer, just when usage is reaching its peak.

According to a tentative budget discussed this week during a special meeting, town council has proposed an 11.5 percent increase in water rates and approximately a six percent increase in the minimum monthly water charge for the coming fiscal year.

Currently, the town charges \$8 for the first 3,000 gallons and \$1.55 for each \$1,000 gallons over that. The proposal agreed upon Monday would increase the minimum monthly charge to \$8.50 and the water rate per \$1,000 gallons to \$1.75.

Meanwhile, the town tax rate may or may not change in the coming fiscal year, according to discussion during the two budget workshops the town has held this month. At least one more session will be held before town council adopts the budget.

Council members said Monday the higher water rates are needed to offset the county's 27 percent wholesale water rate increase last year. The town has also tentatively budgeted \$25,000 in the next fiscal year to upgrade the old water system at Sea Trail.

In another area relating to the water fund, council members tentatively agreed to double the utility deposit for renters while maintaining existing deposit costs for homeowners.

Utility deposits for persons who enter into long-term rental agreements will increase from \$25 to \$50, while homeowners will still pay \$16.

Town Administrator Linda Fluegel requested the increase because she said the town has lost money from renters who leave town without paying their water bill.

"We've had this problem with renters from day one," she added. "It's something that happens more and more."

According to the tentative budget, the town expects to spend about \$470,000 next fiscal year. This money will come from the estimated \$330,000 in revenues and \$140,000 unappropriated this year.

Based on the tax rate of 16.7 cents per \$100 of valuation, an estimated property valuation next fiscal year of about \$148 million, and a 99.75 percent collection rate, the town anticipates tax revenues of approximately \$247,000.

During Monday's meeting, council trimmed about \$89,000 from the proposed expenditures to balance the budget. The original list of expenditures, compiled by town finance officer Minnie Hunt, totaled \$546,954.

Among the items cut from the proposed budget were \$25,000 for drainage. The town will keep \$20,000 in next year's budget to fund drainage projects along North Shore Drive at 35th and 38th streets and also on Canal Drive.

However, installation of drainage systems where North Shore Drive intersects 36th and 37th streets will be postponed at least a year under the proposed budget. The cost of those projects is estimated at \$24,000.

The town board also cut in half the

proposed allocation for bulkheading the ends of canals and the ends of canal streets. The original draft of the budget allocated \$25,000 for bulkheading, but council decided to spread the project over two years.

Other items slashed from the proposed budget this week included \$35,000 for sidewalks, \$7,000 to convert an office clerk from part-time to full-time status, \$6,000 for a tractor and \$3,600 to bring a sanitarian position to full-time.

Council members agreed that sidewalks would be a great improvement to the town and mentioned the possibility of using some revenues left over at the end of next fiscal year to start the project.

One item which remained in the budget this week, \$35,000 for beach access, was strongly opposed by two board members and may be the topic of more debate before the final budget is adopted.

Councilmen Ed Gore and Al Odum voiced strong opposition to appropriating \$30,000 to match a state beach access grant the town applied for earlier this year. Both opposed the construction of boardwalks over the dunes as a means of providing access.

Gore recommended that the town use natural clay or marl to cross the dunes, adding that it would protect the dunes better than a wooden walkway and would be less expensive.

"To go ahead and build a structure over dunes is a waste of money," he said. Referring to an estimated cost of \$17,000 for a boardwalk to the

beach, he added, "That makes no sense at all."

Sunset Beach Mayor Mason Barber, however, said the wooden ramps would provide a service to handicapped persons wanting to get

out to the strand. Council came to no real agreement on the matter during this week's meeting.

Another item included in the proposed budget is a five percent across-the-board pay raise for town

employees, at a cost of \$5,600. Larry Crim, who serves as town maintenance supervisor and building inspector, would also receive a 2½ percent merit bonus.

Town council has also proposed

budgeting \$11,600 for a new police car and \$75,000 for buildings, which would pay for the renovation of town hall and the purchase of a new maintenance shop. (See related story this issue.)

Council Adopts Bond Resolution

Following a public hearing Monday, Sunset Beach Town Council took the next step required to take advantage of a bond refunding offer from the Farmers Home Administration.

Council members adopted a resolution providing for the issuance of bonds and their resale privately to finance the cost of refunding \$449,000 in water system bonds now held by Farmers Home Administration. To help cut the federal deficit, FmHA is offering many of its customers a chance to buy back the bonds at substantial discounts and resell them. For some towns, debts have been retired early.

Sunset Beach Town Administrator Linda Fluegel said United Carolina Bank offered the best deal for the town on purchase of the bonds—a 10-year loan with a fixed interest rate of 10.75 percent.

She said she contacted all the local banks but wasn't offered a fixed interest rate any lower. "We're hoping to do better but that ain't bad," she said.

Town council still hasn't determined from which bank it will borrow the money, but it hopes to save about \$193,000 in principal and another \$200,000 in interest by borrowing money and paying off its water bond prematurely while the discount is offered.

Accommodations Tax To Be Pursued

Sunset Beach Town Council this week decided to request state legislation which would allow the town to collect a three-percent accommodations tax.

With member Kathy Hill absent, council voted unanimously Monday to authorize the town attorney to pursue the matter with the hope that the General Assembly will pass legislation this year allowing the town to collect the room tax.

The accommodations tax is a tax collected from tourists who rent hotel rooms or homes. It is already used at Ocean Isle Beach and Long Beach as an additional source of revenue, one that does not come through the property owner or resident.

Although the proposed tax would probably not be implemented until next year, board members argued at length earlier this week about how the monies would be spent.

Councilman Ed Gore said any funds collected through the tax should be reinvested in areas relating directly to tourism and not necessarily areas which benefit town residents.

Sunset Beach Mayor Mason Barber, however, who throughout the meeting urged council members to consider an accommodations tax or impact fee to increase revenues, listed appropriations from the Ocean Isle Beach accommodations tax fund and indicated that the money could be spent for almost anything which improves the town.

"There are some ways we can generate revenues without hurting the property owners around here," said Barber, adding that the town will not be able to fund future budgets without new sources of income. "I think we have to go with one or the other. I think this accommodations tax would be the fastest."

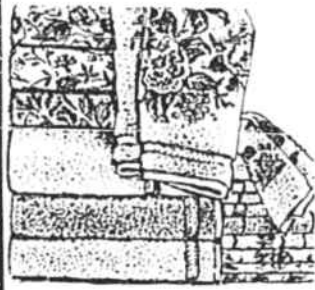
Councilwoman Mary Katherine Griffith added, "In effect, as far as our taxes, we get nothing from them (tourists)."

Barber also said Monday that Town Attorney Mike Isenberg had told him he could have the request for legislation before the General Assembly during the upcoming short session if the town approved the plan this week.

Holden Beach Commissioners have said they also plan to explore the possibility of levying an accommodations tax.

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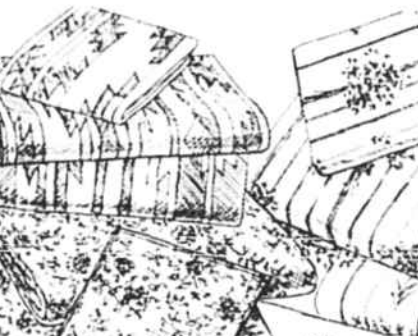


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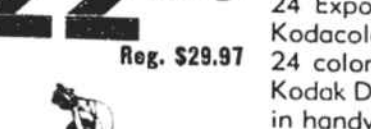


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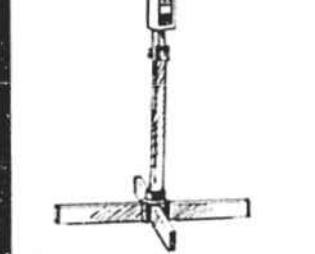


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