



Meeting Date February 2, 2015  
**BUDGET & FINANCE**  
*Snapshot*

## THE FINANCIAL FRAMEWORK

The Town of Sunset Beach has grown significantly over the past decade. Along with that growth comes changes in the way the Town operates. In an effort to build a strong financial framework for the Town, the Council will be considering a financial policy that identifies basic principles for the Town's fiscal operations. From the budget allocation process to cash management and investment portfolios – adoption of a fiscal policy will help the Town Council to set forth a framework for the Town's fiscal operations.

## TAXES, TAXES, TAXES

The Town of Sunset Beach's ad valorem tax rate for the current fiscal year is 10.5 cents per \$100 valuation. This tax rate is one of the lowest in Brunswick County. An owner of a property in the Town of Sunset Beach with a tax value of \$200,000 pays \$210 in municipal property taxes each year. Meanwhile, the same value property in Ocean Isle Beach would be \$310, in Caswell Beach \$340 and in Oak Island \$550.

As Brunswick County will soon wrap up its new property value assessments, the Town residents can expect to see a revenue-neutral tax rate calculation. This will help to identify the tax rate that would produce the same dollar value tax levy as the prior year, after adjustments are made for annual growth in the tax base. If the total property values within the Town go up, then a lower tax rate produces the same revenues. If the valuation for the Town goes down, the tax rate must go up to produce the same levy. A revenue-neutral tax rate doesn't mean that each taxpayer will pay the same amount in taxes as they did the year before, it only calculates what would be necessary to create the same total levy for the Town, after considering growth adjustments.

## TOWN PARK PROJECT

Contractors have gone back to work at the Park to resume construction of the paver walkways. The Town issued a Request for Qualifications (RFQ) for a new engineer to complete the remaining portions of



Phase I of the project. The Town received two responses. Staff members will be reviewing these responses to determine if a contracting recommendation can be made. The Town continues to strive toward a completion date for the Phase I work prior to Memorial Day, 2015. Meanwhile, the Town is continuing to pursue the available legal remedies related to the project's challenges. See the Town's website, located at [www.sunsetbeachnc.gov](http://www.sunsetbeachnc.gov), for additional information.

## LANDSCAPING CONTRACT

The Town opted to outsource much of its landscaping work this year. With the completion of the roundabout and the streetscape project, the Town assumed new maintenance responsibilities. To date, the Town has paid the contractor \$8,456.09 in fees for the landscaping maintenance work. This use of a contractor has allowed the Town to maintain these additional landscaped areas without having to add additional staff.

## EMERGENCY SHORELINE REPAIR

After obtaining a minor CAMA permit, staff completed the emergency shoreline repair work at the South end of the Town Park. The area has been seeded and will be opened for visitors when the park opens.

# TOWN BUDGET *Snapshot* AS OF DECEMBER 31, 2014

## REVENUES

The annual budgeted and actual fiscal year-to-date revenues for the first half of the fiscal year are shown in the table and graph below. The Town recognized just over \$2.98\* million (roughly 49.8%) of its \$6 million annual budget during the reporting period. Though the timing for receipt of many of Town revenues is not uniform throughout the fiscal year, the year-to-date FY 2015 operating revenues continue to track slightly higher than prior fiscal year numbers.

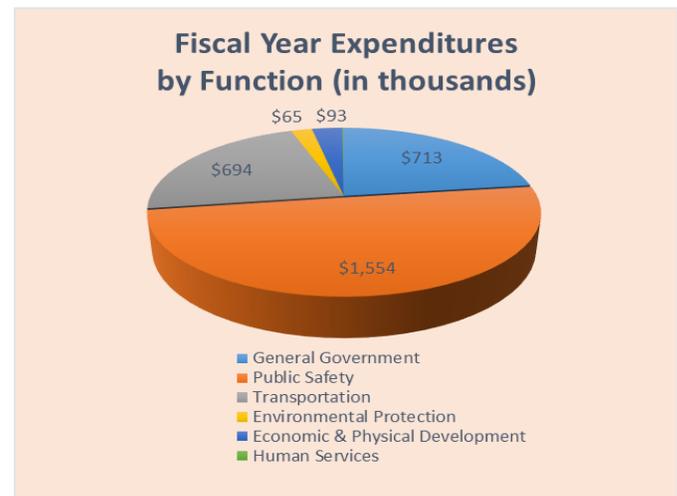
Revenue Sources	FY Budget	Fiscal Year to date
Ad Valorem Taxes	\$1,905,225	\$1,001,414
Local Option Sales Taxes	\$864,998	\$335,075
Accommodations Taxes	\$877,000	\$726,773
Other Taxes and Licenses	\$1,383,364	\$696,214
Restricted Intergovernmental	\$136,209	\$143,109
Sales and services	\$45,000	\$15,902
Permits & Fees	\$194,000	\$122,347
Public Safety	\$32,000	\$10,375
Investment Earnings	\$1,000	\$977
ABC Revenue	\$50,000	\$14,116
Miscellaneous	\$512,200	\$22,555
<b>SUBTOTAL</b>		<b>\$3,107,543</b>
Adjustments from prior period*		(119,330)
<b>TOTAL</b>	<b>\$6,000,996</b>	<b>\$2,988,213</b>

\*The recognized revenues for the period include interfund transfer entry corrections to FY 14 entries of (\$119,330). This is the amount included in the table above as an adjustment.



## EXPENDITURES

In the period from July through December 2014, the Town expended roughly \$3.12 million dollars. This equates to approximately 52 percent of the annual operating budget. The fiscal year-to-date expenditures are shown by area of function in the pie chart that follows. Additional details, including the annual budgeted amounts and the year-to-date expenditures by department, are shown in the chart at the bottom of this column.



Department	FY Budget	Fiscal Year to Date
Governing Body	\$28,964	\$18,586
Administration	\$352,325	\$175,320
Finance	\$161,908	\$92,788
Tax	\$18,600	\$8,221
Legal	\$25,000	\$34,384
Public Buildings	\$507,098	\$384,168
Police	\$1,422,069	\$651,821
Fire	\$1,420,369	\$717,509
Inspections	\$413,853	\$184,761
Streets	\$979,291	\$651,364
Powell Bill	\$135,509	\$42,742
Sanitation	\$111,200	\$56,057
Environmental Protection	\$51,000	\$8,958
Planning/Zoning	\$24,603	\$4,601
Economic Development	\$266,068	\$88,892
Town Reserves for SR Funds	\$77,839	\$0
Human Services	\$1,000	\$1,000
Mosquito	\$4,300	\$2,330
<b>TOTAL</b>	<b>\$6,000,996</b>	<b>\$3,123,501</b>