



Meeting Date June 1, 2015

BUDGET & FINANCE

Snapshot

FISCAL YEAR END

The Town of Sunset Beach's fiscal year runs from July 1 through June 30th each year. As a part of the end of the fiscal year process, the Finance Department staff works with the various departments to establish projections for year-end financial position. All operating budget appropriations (spending authorizations) expire as of June 30 and staff will undergo the process of rolling over the financial system information in preparation for the new fiscal year's start on July 1.

BUDGET ADOPTION

The Town's annual budget adoption process is nearing completion for the coming 2015-2016 fiscal year. The Town has held budget workshops, a public hearing and has discussed the proposed operating budget for the Town on numerous occasions. The Town Council is slated to consider adoption of the recommended budget at its June 1 meeting.

The recommended budget includes a number of changes in overall presentation from the prior fiscal year, such as the inclusion of new special revenue funds. The total planned expenditures of \$6,043,135 are increased by \$860,377 of interfund transfers and \$449,591 of funds planned to be held for contingencies and/or reserves, for a \$7,353,103 proposed total operating budget.

For each \$1 of the proposed budget, the planned expenditure is:

- 46¢ - Public Safety
- 16¢ - General Government
- 15¢ - Transportation
- 9¢ - Tourist-related
- 6¢ - Environmental Protection
- 4¢ - Restricted Contingencies and Reserves
- 3¢ - General Contingencies
- 1¢ - Economic & Physical Development

Both the full line item budget details and a power point presentation with an overview can be found online by going to the Town's website at www.sunsetbeachnc.gov and selecting the Finance Department page.

MAJOR PROJECTS UPDATE

TOWN PARK

Phase I construction for the Sunset Beach Town Park along Mary's Creek and the Intracoastal Waterway was completed over the holiday weekend for the "soft opening" of

the park on Memorial Day. The public may now use the facility to enjoy the walking



paths and scenic views.

Staff is working with the project's new engineers to establish revised estimates of Phase II costs and a potential schedule for completion now that all of the additional permitting work and Phase I construction has been completed. The Park's Phase II plans include the construction of restroom facilities, relocation of the floating dock, the addition of a covered area, additional park benches, swings and an observation deck.

EMERGENCY STORM WATER REPAIRS

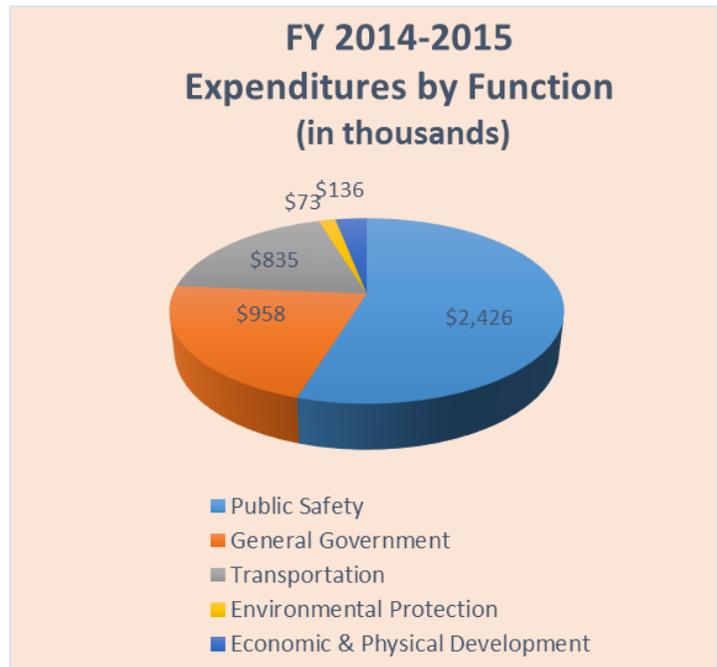
The Town is moving through the required processes to make emergency repairs to the storm water system at 308 North Shore Drive West. Permits for the repair work are in hand and the Town has held a pre-construction bid meeting with potential contractors. The next steps include moving forward with a project authorization and contract award to be followed by a notice to proceed as soon as practical. However, we anticipate that the construction will begin after July 6, 2015 and continue for an approximate duration of 30-45 days.

TOWN BUDGET *Snapshot* AS OF APRIL 30, 2015

EXPENDITURES

From July of 2014 through April of 2015, the Town of Sunset Beach expended roughly \$4.4 million dollars of its \$6 million dollar operating budget. This equates to approximately 74 percent of the annual budget. The fiscal year-to-date expenditures are shown in thousands, by area of function, in the pie chart to the right. The Town spends the largest portion of its funds on public safety. This function includes police and fire protection as well as building inspection services.

Additional details regarding expenditures at the departmental level are shown in the table below. In addition to the current year budget, the table provides a year-over-year comparison with the prior fiscal year expenditures. The table detail displays that the Town's operating expenditures have decreased by 9.95% from the same period of last fiscal year.



Department	FY Budget (As Amended)	Expenditures: Current Fiscal Year	Expenditures: Prior Fiscal Period	Percent Change
Governing Body	\$28,964	\$24,879	\$19,149	29.92%
Administration	\$352,325	\$269,405	\$358,677	-24.89%
Finance	\$161,908	\$146,391	\$141,734	3.29%
Tax	\$18,600	\$16,117	\$15,749	2.34%
Legal*	\$25,000	\$100,804	\$15,055	569.57%
Public Buildings	\$507,098	\$400,152	\$395,096	1.28%
Police	\$1,422,069	\$1,012,745	\$1,179,874	-14.16%
Fire	\$1,420,369	\$1,119,188	\$1,221,112	-8.35%
Inspections	\$413,853	\$294,260	\$355,631	-17.26%
Streets	\$980,991	\$778,159	\$681,112	14.25%
Powell Bill	\$135,509	\$56,966	111,029	-48.69%
Sanitation	\$111,200	\$60,219	\$112,377	-46.41%
Environmental Protection	\$51,000	\$13,246	\$53,875	-75.41%
Planning/Zoning	\$24,603	\$7,792	\$11,464	-32.03%
Economic Development	\$266,068	\$128,365	\$187,723	-31.62%
Town Reserves for SR Funds	\$77,839	\$0	\$49,000	0.00%
Human Services	\$1,000	\$1,000	\$6,000	-83.33%
Mosquito	\$4,300	\$2,430	\$7,259	-66.52%
TOTAL	\$6,002,696	\$4,432,121	\$4,921,915	-9.95%

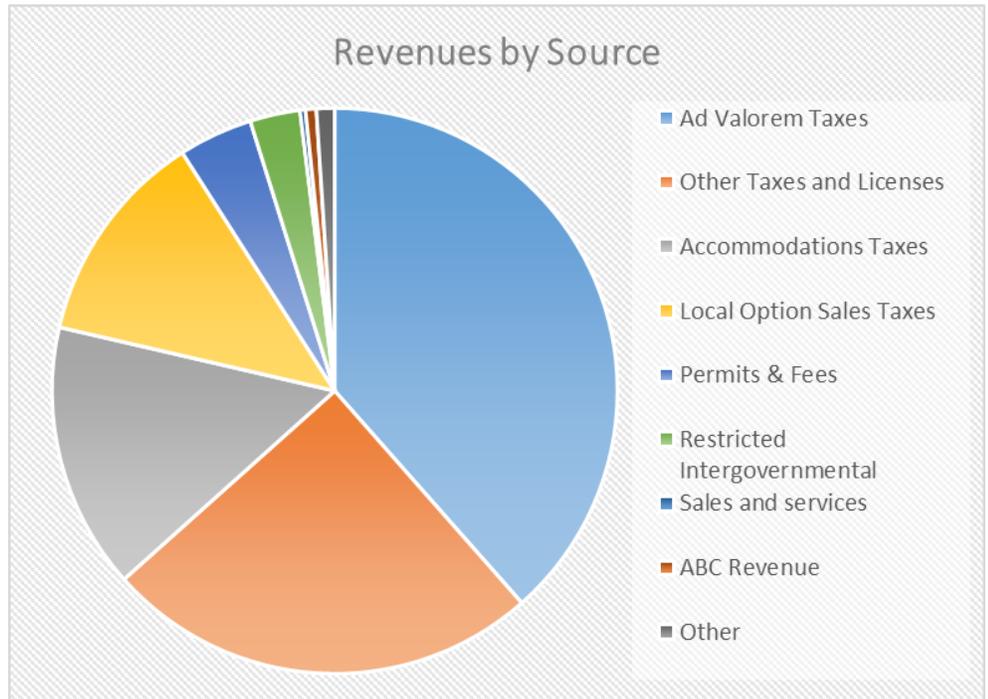
Although the Town's Legal expenditures are in excess of the departmental budget this Fiscal Year, the Town's Budget Ordinance appropriates monies by overall function. Currently, the General Governmental expenditures appropriation is sufficient to cover these additional expenditures, but the staff will continue to track this and will request the Town Council consideration of a Budget Ordinance Amendment if it becomes necessary. Additionally, a budget amendment in the amount of \$28,883 was adopted for the Sunset at Sunset Festival Fund in April of 2015. For consistency in reporting with budgetary documents prepared prior to the inclusion of this fund, this amount has not been included in the above budget total, nor in the following page's revenue total.

TOWN BUDGET *Snapshot* AS OF APRIL 30, 2015

REVENUES

The anticipated revenues for the fiscal year and the actual year-to-date revenues for the period from June of 2014 through April of 2015 are shown in the table at the bottom of this page. The pie chart to the right shows the proportion of revenues received this year from the major sources of revenue.

As is indicated below, the Town of Sunset Beach has recognized just over \$4.9 million (roughly 82%) of its \$6 million annual budget during the reporting period. The four largest revenue sources for the Town in the current fiscal year have been ad valorem taxes, accommodations taxes, fire district fees and local option sales taxes.



Revenue Sources	FY Budget	Fiscal Year to date
Ad Valorem Taxes	\$1,905,225	\$1,940,782
Local Option Sales Taxes	\$864,998	\$621,162
Accommodations Taxes	\$877,000	\$767,780
Other Taxes and Licenses	\$1,383,364	\$1,255,604
Restricted Intergovernmental	\$136,209	\$144,327
Sales and services	\$45,000	\$15,902
Permits & Fees	\$194,000	\$213,434
Public Safety	\$32,000	\$27,775
Investment Earnings	\$1,000	\$1,708
ABC Revenue	\$50,000	\$30,946
Miscellaneous**	\$512,200	\$22,974
SUBTOTAL	\$6,002,696	\$5,042,395
Adjustments from prior period*	-0-	(119,330)
TOTAL	\$6,002,696	\$4,923,065

NEED ADDITIONAL INFORMATION?

For more information about the Town's budget or finances, contact Bonnie Schwerd by phone at 910-579-6297 or by email at bschwerd@atmc.net

*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. **The budgeted Miscellaneous revenue includes a planned \$500,000 interfund transfer, but this transfer will not be made until the fiscal year end.