



AGENDA ITEM SUMMARY FORM

MEETING DATE: May 18, 2021

ITEM TITLE: FY 21-22 Budget Workshop Discussion Items

ITEM SUMMARY:

In addition to any Council questions or requested items for discussion, staff will be prepared to present the follow topics:

1. Use of Fund Balance

Please see the attached document that assumes the estimated numbers for the current fiscal year will come in close to the same as 6/30/20 for encumbrances and accounts receivables. The amount currently used for budget amendments in the current fiscal year is \$1,281,688. Town Staff is confident we will not need to use the full amount currently budgeted due to revenues coming in higher than originally budgeted, but for planning purposes (as of today), that needs to be taken into consideration when trying to determine the amount of UFB available. The amount recommended to be used to fund beach nourishment and balance the FY 22 budget is \$1,223,392. After these 2 deductions, a balance of \$490,466 is remaining, in addition to the \$3,000,000 which is required by Council policy.

2. Revenue Projections – The Finance Officer will explain rationale used in recommending revenues

3. Department Budgets – Department Heads will be available to answer any questions the Town Council may have regarding their budget requests.

4. Health Insurance – as indicated in the budget message, a 10% increase in premiums is budgeted next FY. The below shows rate adjustments since 2017.

	Health Insurance
2022	+10%
2021	-9%
2020	+.05%
2019	+1%
2018	+6%

5. State Retirement Contributions – see attached document that explains how the State Retirement System determines employer rates.

	SR general	Rate	SR LEO	Rate
2022	+1.19	11.39	+1.09	12.05
2021	+1.22	10.2	+1.25	10.95
2020	+1.23	8.98	+1.20	9.7
2019	+0.25	7.75	+0.25	8.5
2018	+0.25	7.5	+0.25	8.25

6. Pay and Classification Study Results – staff will provide an explanation of what methodology was applied in determining the recommendations for the pay and classification study.
7. Street Improvements – The recommended amount for street improvements is a large portion of the budget. This funding may serve as an earmark until Council can review the results of the Pavement Conditions Study and CIP. The amount budget is equal to the cost estimate for the next street improvement listed on the 2019 Capital Infrastructure Improvement Plan, Hillcrest Drive. The Council may recall directing the Town Engineer to design the improvements to extend the project all the way to NC 12 from the Hickory Trail intersection.
8. Seasonal Cut Thru Traffic – Funds are recommended to conduct eight “no-left turn” events at the US 158 and South Dogwood intersection beginning the weekend of June 26 and 27. There may be other measures the Council wishes to take which would require additional budgeted funds.
9. Beach Nourishment Tax Rates – Staff will be prepared to illustrate impact of assigning different tax rates based on Council input.

Attachments

Estimated fund balance

Department line-item budgets

Article referencing State Retirement rate changes