



FY 2024-2025 Proposed Budget



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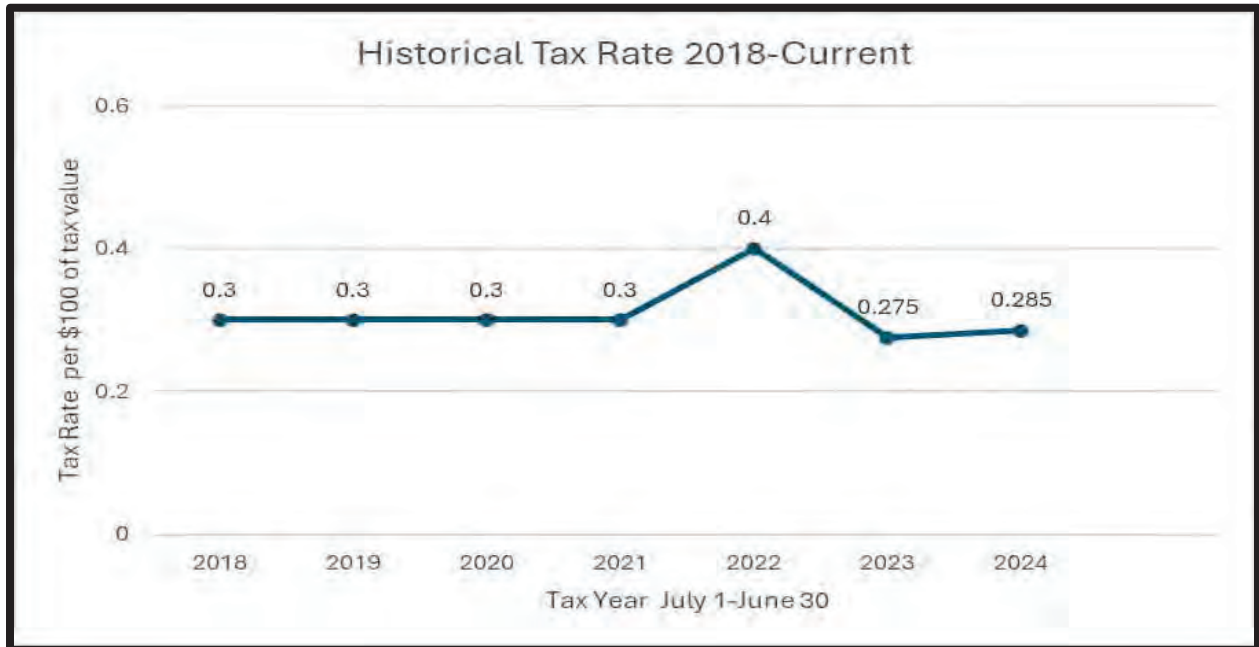
SOUTHPORT BOARD OF ALDERMEN BUDGET MESSAGE

April 15, 2024

To the Board of Aldermen, Citizens, and Taxpayers of Southport:

This Budget Message is an Executive Summary of the proposed City Manager Budget for 2024-2025 which begins July 1, 2024, and ends June 30, 2025. The existing tax rate is 0.275 per \$100. This proposed budget has the tax rate staying the same for General Fund expenses but requests a penny increase (0.285) to go towards Capital, which includes other funding options to complete more capital projects. A penny is worth \$145,000. On the average home valued at \$440,000 based on this year's valuation, a yearly tax would be \$1,254.00 per year compared to \$1210.00 at the current rate.

2018	2019	2020	2021	2022	2023	2024
\$0.2956	\$0.2956	\$0.2956	\$0.2956	\$0.3956	\$0.275	\$0.285



Home Tax Value	Estimated Annual Property Tax 0.275	Estimated Annual Property Tax 0.285
\$250,000	\$687.50	\$712.50
\$440,000	\$1,210.00	\$1,254.00
\$800,000	\$2,200.00	\$2,280.00

Annual General Fund Revenues are estimated to increase by 3%. Due to the shift of costs from the Water-Sewer Fund to the General Fund, the General Fund expenses will be 11.4% higher than FY2023-2024 General Fund budget.

WHAT CAUSED THE SHIFT IN THE GENERAL FUND BUDGETS?

Loss of Water/Sewer Revenues: One big change to the budget for next year is the loss of revenues from the Water and Wastewater budget that was always used to offset General Fund expenses due to the upcoming system merger with Brunswick County which will be completed this fiscal year. In last year's budget, a minimum of \$1.2 million of revenues from the Water/Sewer fund offset General Fund salaries and expenses related to work done by General Fund staff. The Board did appropriate \$1.2 million in water and sewer fund balance to assist the General Fund in absorbing the costs, but there were still other expenses that the General Fund budget had to cover that was handled by the Water/Sewer Fund and you will find reflected in this budget.

Fire/EMS/Rescue: Because of the great demand for fire and rescue/EMS services, the Department's needs have grown along with coverage for the Fire District geographic area. Even with the Fire District Fees, which have not changed in a number of years, the Department is no longer able to sustain their needs without having some money from the General Fund to support their Department. This amount is \$160,010.

Personnel Costs: The greatest asset we have is our employees and the Board has selected salaries and benefits as one of their highest goals for the next few years to attract and retain our staff. Over the last year, a salary and classification study was conducted to compare our payment plan with municipalities in the County and similar communities to Southport around us and outside of Brunswick County. The study identified several positions, especially in Public Safety, that are below the market average. Funding is set aside in this proposed budget for any needed market adjustment if the Board decides to move forward with the results of the Job Study. Also included in this budget is a 3.5% cost-of-living adjustment and an on average 3.75% merit increase. We are proposing moving to a new health plan which improves the employees' coverage, reduces their out-of-pocket costs, and saves the City money. Healthcare costs are budgeted to decline by 5.75% over this year's budget, a savings of \$48,000 compared to this year, and a savings of \$111,000 compared to renewing the current plan for another year.

For the first time, the Police and Fire budgets include steps so that employees have a way to climb up the ladder without waiting years. This step program will be an incentive for employees to stay with us and encourage them to take on more training and responsibilities. The steps program will be discussed in more detail during the Budget Workshops with Fire and Police.

Capital Funding for Goals and Priorities: At a Board workshop earlier this year, the Mayor and Aldermen identified several major capital goals and priorities for the next few years. The Board is dedicated to improving the quality of life for the residents, protecting, and improving infrastructure and natural resources, and retaining city staff.

But all that costs money. Some of the top goals include maintaining our existing parks, preserving the historic courthouse and other building assets, improving city streets, and finding alternative ways to generate revenue to pay for these items. Many of these goals are included in the new 6-year Capital Improvement Plan, which establishes a guide for accomplishing projects and making purchases that cost \$100,000 plus. The City will need funding to complete these projects and many others in future years. The proposed Capital list with funding sources is attached.

After the Board's Goal Setting Workshop, you are committed to addressing Southport's capital needs. We are proposing retaining \$900,000 of the Water/Sewer Fund Balance to purchase the new radios for public safety as well as cover the OPEB costs for those Water and Sewer employees that are going to the County. Purchasing new radios is mandatory because the current radios for Fire and Police will be obsolete in 2025.

All the existing Capital Project Fund and the one-cent tax increase will help fund many projects such as the grant share for the dredging project, Caviness Park improvements, City building repairs, the environmental work at the historical Courthouse building, stormwater design and sidewalk repairs to name just a few.

New Position Requests: There are requests for several new positions which are NOT included in this budget but will be discussed during Board Budget Workshops. The Fire Department is requesting three (3) new Firefighters and three (3) EMS positions. These positions will allow there to be two firefighters at headquarters and two firefighters at the Caswell station 24 hours a day, and they will also provide better EMS coverage. Part-time salaries and volunteer funding have been reduced to cover some of the expenses of these positions.

The Finance Department is requesting a treasurer position for half of the fiscal year. We have listed these positions along with their salaries with benefits on the attached spreadsheet. I have also ranked the positions I feel should be a priority.

Parks and Recreation is requesting two full-time parks maintenance employees, which we are recommending be moved from Public Works over to the Parks Department. These two positions will be posted internally first before going outside. This was recommended in the Parks and Recreation Master Plan that was adopted in 2023.

Adequate Fund Fixed Costs: Our fixed and permanent costs must be funded adequately, including salaries and benefits. Health benefits are projected to decrease \$48,000. Worker's Compensation insurance costs, utilities, fuel, and supplies for our vehicles have all increased. This year, Attorney Fees increased as we continued to move forward with better City Ordinances, Policies, and Procedures that were sorely needed, but we did decrease the amount for next year, since he has now been on board for one budget cycle.

Fund Balance: We estimate the Fund Balance percentage for Fiscal Year 2024-25 to be 86%. The Board adopted a Fund Balance policy in June 2023 that sets the required fund balance at 55%, or six and a half months of operating expense and is used for emergencies. We must maintain and increase our fund balance to receive the lowest interest rates possible for future debt if we go out for bonding or loans.

Electric Fund Budget: Over the past few years, the Board of Aldermen has prioritized transitioning to underground service. Like most everything else, the cost of materials and labor is increasing. Because of the lead time to have the materials in hand, the City has tried to order materials well in advance.

In planning for the future growth of our community, a second electrical point of delivery is needed in 2-3 years, as well as sectionalization of services. This will help create redundancies, which means less service interruption.

What is the solution, to keep taxes level or implement a modest increase?

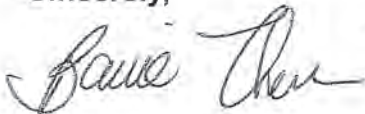
- Continue offering the same level of programs and services, knowing that the Capital projects will be put off until a future year.
- Explore other possible revenue sources that could potentially offset the loss of water and sewer revenue and assist with Capital Expenses as outlined. We have recommended new revenue sources attached to this Budget Message.
- Continue offering the same level of programs and services, and after a modest tax increase, move forward with as many Capital projects as possible.

As you go through budget deliberations, remember that for every \$145,000 you delete or add to the budget, this equates to one penny in taxes.

This proposed budget could not have been put together without the extensive work of our Finance Director, Lance Flint and his staff as well as the Department Heads. A lot of hours went into producing this document.

City staff look forward to working with you to develop the best budget for the new fiscal year that keeps in mind your goals as outlined in the Goals Setting Workshop. We are here to answer your questions and give you our professional advice as we move forward with the upcoming Budget Workshops. If you have any questions, please feel free to contact us.

Sincerely,



Bonnie Therrien
City Manager



Dorrie Dutton
Assistant City Manager



PROPOSED CAPITAL LIST FOR 2024-2025

**** NOTE: This list represents projects within the Capital Improvement Plan that will be funded through the Capital Fund****

<u>REVENUES:</u>	\$145,000 - Penny Increase in Taxes
	\$1,447,329 – Current Capital Funds (Money must be assigned to a Project)
	\$216,296 – General Fund Surplus
<u>TOTAL:</u>	\$1,808,625

PROJECTS:

1) Design – City Pier	\$15,000
2) Dredging – Grant Share	\$15,625
3) Design - City Dock Boat Slips	\$18,000
4) Land Acquisition – Parks	\$75,000
5) Tennis Courts Resurfacing – 2	\$160,000
6) City Hall Renovation Design	\$300,000
7) City Building Repairs – Facilities (HICAPS)	\$200,000
8) Old City Hall Environmental	\$700,000
9) Parks Building Improvements	\$75,000
10) Stormwater Design	\$75,000
11) Sidewalk Repairs	\$100,000
12) Community Center Deck	\$75,000
13) Franklin Square Park	\$50,000
<u>TOTAL:</u>	\$1,808,625

REVENUES: \$900,000 from Water/Sewer Fund Balance

PROJECTS: Mandated Replacement of Public Safety Radios in 2025 - \$900,00

MAJOR CAPITAL DECISIONS:

- 1) New Police Facility - \$7.298 Million
- 2) Roads - \$2-\$3 Million Bond – to be used over 5-10 years
- 3) New Recreation Center - \$6.3 Million
- 4) Funding Rest of Shoreline Stabilization - \$1 million needed in the 2026-27 budget
- 5) Complete Renovation – City Hall - \$3,995 Million
- 6) Old City Hall/Court House – Unknown (Placeholder - \$450,000)



POSSIBLE REVENUE SOURCES AS PERMITTED BY STATE LAW

- 1) **Business Registration Fee** – The charge cannot exceed the cost of issuing the permit, but any proceeds can be used for any public purpose.
- 2) **Animal Taxes** – This tax is for domestic animals, and the charge can vary depending on the sex of the animal and whether it has been spayed or neutered. The proceeds can be used for any public purpose. One hundred fifty-four (154) animals are registered right now.
- 3) **Stormwater Management Services** – This may not exceed the cost to issue the permit, and any proceeds may be used for any purpose. You may also want to consider a Stormwater Permit fee.
- 4) **Special Assessments** – A small group of taxpayers can be charged for a Special Assessment for streets, sidewalks, flood or hurricane improvements, and beach erosion. The assessment is based on the front footage or area of the land served. The assessment is levied after the project is completed, and the town will pay the money upfront. This is paid back in ten (10) annual installments.
- 5) **Motor Vehicle License Tax** – Up to \$30.00 per year can be charged on any vehicle registered in the City. Up to \$5.00 may be used for any purpose, and the rest must be used for maintaining, repairing, and constructing City roads. Currently, we have 4618 vehicles registered in Southport.

NEW POSITIONS

FIRE DEPARTMENT

POSITION	BASE SALARY	FICA & MEDICARE	HEALTHCARE	HSA	RETIREMENT	401(k)	TOTAL COMPENSATION
Firefighter	\$ 42,194	\$4,214	\$9,545	\$2,500	\$7,420	\$2,728	\$68,731
Firefighter	\$42, 194	\$4,214	\$9,545	\$2,500	\$7,420	\$2,728	\$68,731
Firefighter	\$42, 194	\$4,214	\$9,545	\$2,500	\$7,420	\$2,728	\$68,731

EMS

POSITION	BASE SALARY	FICA & MEDICARE	HEALTHCARE	HSA	RETIREMENT	401(k)	TOTAL COMPENSATION
EMS	\$42,194	\$4,214	\$9,545	\$2,500	\$7,420	\$2,728	\$68,731
EMS	\$42,194	\$4,214	\$9,545	\$2,500	\$7,420	\$2,728	\$68,731
EMS	\$42,194	\$4,214	\$9,545	\$2,500	\$7,420	\$2,728	\$68,731

FINANCE

POSITION	BASE SALARY	FICA & MEDICARE	HEALTHCARE	HSA	RETIREMENT	401(k)	TOTAL COMPENSATION
Treasurer	\$50,000	\$3825	\$4773	\$1,250	\$6,800	\$2,500	\$69,148



FY2025 Proposed Budget

Funds Overview

General Fund

The Southport General Fund currently contains more than \$11 million and is expected to have a similar amount to start Fiscal Year 2025. The proposed budget anticipates receiving an additional \$7.8 million from traditional General Revenue sources, plus \$1.2 million from the Water-Sewer Fund that was set-aside by the Board of Aldermen to supplement the loss of the Water-Sewer revenue, for a total of \$8.76 million of incoming General Revenue. An additional \$4.32 million of department-specific revenue is expected, headlined by the Fire District Fees to support the Fire Department, Permit Fees that support Development Services, and Occupancy Taxes and Rental Income that supports Community Services. In total, the FY2025 budget anticipates \$13.3 million of incoming revenue, inclusive of the \$1.2 million transfer from the Water-Sewer fund. General Fund expenditures are also projected to be \$13.3 million, and the General Fund is expected to end the next fiscal year with more than \$11 million, which gives the City a healthy 86 percent fund balance ratio.

The FY2025 budget proposal assumes only a \$216,296 contribution from the General Fund to the Capital Fund, but identifies extensive unfunded needs for the Board to consider funding.

Electric Fund

The Southport Electric Fund currently contains \$6.4 million, of which \$2.7 million is obligated, primarily to the continuing underground utilities project, leaving an unobligated fund balance of \$3.7 million. Based on projections of electricity sales and power purchases from Electricities, the Electric Fund is projected to add \$1.3 million in FY2025, for a total available fund balance of \$5.0 million. This fund balance will be used to continue the underground utilities project, which is essential to improving the City's resiliency and the stability of the electric utility. The CIP program identifies \$3.4 million of new expenditures and obligations in FY2025, which would leave \$1.6 million of available fund balance at the end of the next fiscal year. The CIP identifies \$13.3 million in costs between FY2026 and FY2030, and the underground project is expected to last until 2032. It is essential to carefully evaluate future commitments to Electric Fund project expenditures and revenues.

Capital Fund

The Southport Capital Fund currently contains \$3.3 million, of which \$0.75 million is obligated, \$1.1 million is restricted for repaving streets after the sewer pipe replacement project concludes (these funds were set-aside by the Board from the Water-Sewer fund), leaving \$1.45 million available. The FY2025 CIP plan assumes using an additional \$145,000 of revenue from a proposed 1-cent ad valorem tax increase, and a \$216,296 contribution from the General Fund. The entire remaining available Capital Fund would then be fully spent or obligated during FY2025. It should be noted that some of the projects planned to begin in FY2025 are multi-year efforts, which, once begun, will require funding in future years.

The Capital Fund is also expecting to receive another \$0.9 million transfer from the Water-Sewer Fund, to be used to purchase new 800 mhz radios for the Southport Fire & Rescue and Police Departments. These radios must be replaced during FY2025 to comply with a State requirement. If this transfer occurs, the dollars will be fully spent during FY2025 and will have no impact on the ending fund balance.



FY2025 Proposed Budget

Funds Overview

Waterfront Stabilization Fund

The Waterfront Stabilization Fund has \$4.9 million remaining, with \$0.25 million expected to be spent or obligated in FY2025, leaving \$4.69 million remaining at the end of the fiscal year.

Powell Bill Fund

The Powell Bill Fund has \$342,831 remaining, with \$72,941 obligated, leaving \$269,890 available. The City anticipates receiving another \$160,000 in FY2025, resulting in \$429,890 in available funds. Powell Bill funds can only be spent to repair and maintain streets and sidewalks.

Other/Unfunded

- The City is anticipating borrowing up to \$2 million to replace old fire trucks and ambulances. Any borrowed funds would be repaid with General Funds – Fire District Fees and other sources – in future years.
- Projects relating to dredging the old yacht basin and improving stormwater infrastructure are proceeding with grant funds
- Funding must be identified to implement a program of routine street resurfacing. The need in FY2025 alone is estimated to be \$2 million.
- Decisions must be made and funding identified for numerous other longer-term strategic and capital needs, including a new Parks & Recreation Center, and new Police headquarters building, renovation of Old City Hall, and rehabilitation of many other City buildings.



**FY2025 Budget Fund Balance Usages and Balances
As of April 5, 2026**

General Fund

+ Projected Beginning General Fund Balance \$11,647,875

FY2025 Revenue and Expenses

Department	Revenue	Expenses				Net Incr/(Decr) General Fund
		Personnel	Non-Personnel	Capital	Total Expenses	
General Revenue	\$7,776,964					\$7,776,964
Water-Sewer Fund Balance Set-Aside	\$1,200,000					\$1,200,000
Board of Aldermen		\$60,039	\$87,340		\$147,378	(\$147,378)
Administration		\$639,891	\$389,038	\$225,367	\$1,254,296	(\$1,254,296)
IT			\$100,000		\$100,000	(\$100,000)
Finance		\$467,877	\$126,643		\$594,519	(\$594,519)
Public Works Admin		\$162,991			\$162,991	(\$162,991)
Buildings & Grounds		\$764,209	\$481,755	\$27,000	\$1,272,964	(\$1,272,964)
Garage		\$210,814	\$35,788	\$12,000	\$258,602	(\$258,602)
Streets		\$611,253	\$265,615	\$53,000	\$929,868	(\$929,868)
Human Resources	\$0	\$108,670	\$24,750		\$133,420	(\$133,420)
Police	\$57,522	\$1,829,650	\$365,439	\$164,613	\$2,359,703	(\$2,302,181)
Fire	\$2,238,933	\$1,611,437	\$682,506	\$105,000	\$2,398,943	(\$160,010)
Rescue	\$370,000	\$520,453	\$225,735	\$65,000	\$811,188	(\$441,188)
Dev Services-Planning/Zoning	\$28,000	\$269,451	\$122,568	\$7,000	\$399,019	(\$371,019)
Dev Services-Permitting	\$800,080	\$528,850	\$44,796	\$14,000	\$587,646	\$212,434
Parks & Recreation	\$54,000	\$651,051	\$217,784	\$208,300	\$1,077,135	(\$1,023,135)
Community Building	\$200,000	\$114,536	\$31,149	\$2,000	\$147,685	\$52,315
Community Relations	\$232,500	\$205,780	\$93,014	\$0	\$298,794	(\$66,294)
Solid Waste	\$371,306		\$371,306		\$371,306	\$0
- Total FY2025 Activity	\$13,329,305	\$8,756,952	\$3,665,225	\$883,280	\$13,305,457	\$23,848

= Projected Ending General Fund Balance \$11,671,723



General Fund Revenue

Source	FY 24-25 Proposed Revenue	Percentage of Total
General Fund	\$7,776,964	58%
Water-Sewer Fund Transfer	\$1,200,000	9%
Police	\$57,522	0.40%
Fire	\$2,238,933	17%
Rescue	\$370,000	2.9%
Planning/Zoning	\$28,000	0.20%
Building Inspections/Permitting	\$800,080	6%
Parks and Recreation	\$54,000	0.41%
Community Building	\$200,000	1.5%
Community Relations	\$232,500	1.8%
Solid Waste	\$371,306	2.8%
Totals	\$13,329,305	100%



EXPENSES BY DEPARTMENT

DEPARTMENT	FY24-25 PROPOSED EXPENSES	PERCENTAGE OF TOTAL
Board of Aldermen	\$147,378	1.1 %
Administration	\$1,254,296	9.5 %
IT	\$100,000	0.90 %
Finance	\$594,519	4.5 %
Public Works Admin	\$162,991	1.2 %
Buildings and Grounds	\$1,272,964	9.6 %
Garage	\$258,602	2 %
Streets	\$929,868	7 %
Human Resources	\$133,420	1 %
Police	\$2,359,703	17.7 %
Fire	\$2,398,943	18 %
Rescue	\$811,188	6.1 %
Planning/Code Enforcement	\$399,019	3 %
Permitting/Inspections	\$587,646	4.4 %
Parks and Recreation	\$1,077,135	8 %
Community Building	\$147,685	1.1 %
Community Relations	\$298,794	2.2 %
Solid Waste	\$371,306	2.8 %
TOTALS	\$13,305,457	100 %



**FY2025 Budget Fund Balance Usages and Balances
As of April 5, 2026**

Electric Fund

Projected Beginning Electric Fund Balance	\$6,390,580
Less Existing Obligations for Underground Project	(\$2,655,533)
<hr/>	
+ Projected Available Beginning Electric Fund Balance	\$3,735,047

FY2025 Revenue and Expenses

Department	Revenue	Expenses				Net Incr/(Decr) Electric Fund
		Personnel	Non-Personnel	Capital	Total Expenses	
Electric Department	\$10,014,574	\$104,029	\$7,935,996	\$220,000	\$8,260,025	\$1,754,549
Board of Aldermen		\$28,775	\$11,916		\$40,691	(\$40,691)
Administration		\$34,851			\$34,851	(\$34,851)
Finance		\$233,588	\$22,804		\$256,392	(\$256,392)
Public Works Admin		\$80,932			\$80,932	(\$80,932)
Human Resources		\$6,393			\$6,393	(\$6,393)
+ Total FY2025 Activity	\$10,014,574	\$488,568	\$7,970,716	\$220,000	\$8,679,284	\$1,335,290

FY2025 CIP Expenditures

Project	Expenditure	Net Incr/(Decr) Electric Fund
Second Electrical Point of Delivery	\$1,750,000	(\$1,750,000)
Overhead to Underground Electric Conversion	\$1,500,000	(\$1,500,000)
Pole Replacement	\$50,000	(\$50,000)
Sectionalization/Mitigation	\$75,000	(\$75,000)
EV Charging Stations	\$40,000	(\$40,000)
- Total FY2025 CIP Expenditures	\$3,415,000	(\$3,415,000)

= Projected Ending Electric Fund Balance	\$1,655,338
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**FY2025 Budget Fund Balance Usages and Balances
As of April 5, 2026**

Capital Fund

+ Projected Beginning Capital Fund Balance	\$3,296,309
- Less Existing Obligations	(\$748,980)
- Less Restricted to Paving after Sewer Replacement	(\$1,100,000)
+ Proposed 1 cent tax increase for Capital Fund	\$145,000
+ Proposed Transfer from General Fund	\$216,296
= Projected Available Capital Fund Balance	\$1,808,625

FY2025 CIP Expenditures

Project	Expenditure	Net Incr/(Decr) Electric Fund
City Pier Pile Repairs	\$15,000	(\$15,000)
Old Yacht Basin Dredging (25% of spend for grant match. 75% is grant funding)	\$15,625	(\$15,625)
Stormwater Improvements	\$75,000	(\$75,000)
Sidewalk Improvements	\$100,000	(\$100,000)
Tennis Court Replacement-LWP & Ft. Johnston	\$160,000	(\$160,000)
City Dock	\$18,000	(\$18,000)
Franklin Square Park	\$50,000	(\$50,000)
Parks & Rec Land Acquisition	\$75,000	(\$75,000)
City Building Repairs	\$150,000	(\$150,000)
Community Center Deck Replacement	\$75,000	(\$75,000)
Old City Hall Improvements	\$700,000	(\$700,000)
Parks & Rec Building Improvements	\$75,000	(\$75,000)
City Hall Renovations	\$300,000	(\$300,000)
- Total FY2025 CIP Expenditures	\$1,808,625	(\$1,808,625)
= Projected Ending Capital Fund Balance		\$0



FY2025 Budget Fund Balance Usages and Balances
As of April 5, 2026

Waterfront Stabilization Fund

+	Projected Beginning Waterfront Stabilization Fund Balance		\$4,938,098
	FY2025 CIP Expenditures		
		<u>Expenditure</u>	<u>Net Incr/(Decr)</u>
-	Shoreline Stabilization Expenditures	\$250,000	(\$250,000)
=	Projected Ending Waterfront Stabilization Fund Balance		\$4,688,098



**FY2025 Budget Fund Balance Usages and Balances
As of April 5, 2026**

Powell Bill Fund

+	Projected Beginning Powell Bill Fund Balance	\$342,831
-	Less Existing Obligations (Dump Truck on order. 30% of cost. 70% obligated in Capital Fund)	(\$72,941)
=	Projected Available Beginning Powell Bill Fund Balance	\$269,890
+	Projected Powell Bill Revenue in FY2025	\$160,000
=	Projected Available Powell Bill Funding	\$429,890



**FY2025 Budget Fund Balance Usages and Balances
As of April 5, 2026**

Other CIP Projects and Requests

Funded Project Requests - Other Fund Sources

<u>Project</u>	<u>Fund Source</u>	<u>Amount</u>
Old Yacht Basin Dredging 75% grant funding	SDI Grant	\$46,875
Radio Replacement - Fire & Rescue	Funds transferred from Water-Sewer Fund	\$750,000
Radio Replacement - Police	Funds transferred from Water-Sewer Fund	\$150,000
Replace Heavy Rescue/Service Vehicle	Borrowing	\$1,500,000
Replace Ambulance 397	Borrowing	\$500,000
Total Funded CIP Requests-Other Fund Sources		\$2,946,875

Unfunded Project Requests

<u>Project</u>	<u>Amount</u>
Southport Parks & Rec Center/Athletic Complex	\$100,000
Street Resurfacing - requesting a bond issuance	\$2,000,000
New Police Station	\$480,000
Total Unfunded CIP Requests	\$2,580,000



FY2025 Proposed Budget

General Revenue

Overview

Southport's General Revenue consists primarily of taxes, fees, licenses, investment income, and the earnings of the Southport ABC store. Most revenue is collected by Brunswick County or the State of North Carolina and remitted to the City. The FY2025 budget request is conservative in its revenue estimates to mitigate the risk of creating budget shortfalls during the year.

- **Ad Valorem Taxes:** the primary source of General Fund revenue, Southport assesses 27.5 cents per \$100.00 of assessed real estate property value. This tax is collected by Brunswick County on behalf of the City. Brunswick County publishes periodic tax "scrolls" that show the assessed tax value for each jurisdiction based on the assessed property values and the tax rate in effect at the time of publication. The FY2025 budget request is based on the County scroll of March 3, 2024 and assumes no increase in the Ad Valorem tax rate for the General Fund. The Capital Fund budget request proposes a 1-cent increase in the tax rate for capital projects.
- **Local Option Sales Taxes:** sales taxes are collected by the North Carolina Department of Revenue and distributed to the counties that generated the tax revenue. The counties in turn distribute the tax revenue to municipalities based on one of two methods allowed by State law: as a percentage of real estate property assessed value (the Ad Valorem method), or by population (the Per Capita method). Each county can select which method to use, and Brunswick County uses the Per Capita method. Southport comprises only 3% - 4% of the population of Brunswick County, and despite generating significant sales tax from the City's businesses, receives only 3% - 4% of the County sales tax distribution based on the Per Capita distribution method. The amount budgeted for FY2025 equals the actual sales taxes received between March 2023 and February 2024. The North Carolina League of Municipalities (NCLM) has projected sales taxes, statewide, to grow by 2.2% in the coming fiscal year, representing a slowing growth rate from recent years. NCLM does not offer any county-specific estimates.
- **Interest Income:** Interest income is estimated using the actual interest earned in an average month for the funds attributable to the General Fund, reduced by 5% to reflect the risk of falling interest rates in the coming year. The Electric Fund also has an interest income budget.
- **Southport ABC Revenue:** Southport's General Fund receives 88% of the profits earned by the Southport ABC store. Another 5% of the profits goes to the Southport Police Department. The FY2025 budget request equals the actual revenue received from the ABC store in the last four quarters. As of this budget request, the ABC store has not provided an outlook or guidance on expected earnings in the next fiscal year.
- **Motor Vehicle Tax:** Motor vehicle taxes are assessed on motor vehicle registrations at the same tax rate as the real estate tax. The NC Department of Revenue collects these taxes, distributes them to the county of origin, and the counties in turn distribute to the municipalities. The FY2025 budget estimate is equal to the actual sales taxes received between March 2023 and February 2024.
- **Utility Franchise Tax:** this is a collection of taxes assessed on a variety of utilities, including electricity, natural gas, telecommunications, and local video programming. These taxes are collected by the NC Department of Revenue, and returned to the counties generating the revenue, and the counties distribute to the municipalities. The FY2025 budget request equals the actual revenue received in the last four quarters.



FY2025 Proposed Budget

General Revenue

Account	Account Name	Item/Description	FY2023	FY2024	FY2025
			Actual	YTD 4/10/24	Request
10-00-3100-1100	Ad Valorem Taxes	Preliminary Scroll from county dated 3/3/24	4,291,472	4,160,633	4,032,503
10-00-3100-1200	Motor Vehicles Tax Collections	FY25 estimate equals actual revenue received between Mar 2023 and Feb 2024	241,293	178,268	245,728
10-00-3100-1700	Interest/Penalties -Taxes		9,154	7,045	8,886
10-00-3100-1710	Motor Vehicle Interest		1,598	1,401	1,762
10-00-3102-0000	Ad Valorem Tax Prior Years		26,057	26,992	29,940
10-00-3230-0000	Local Option Sales Tax	FY25 estimate equals actual revenue received between Mar 2023 and Feb 2024	1,807,493	1,461,982	1,876,633
10-00-3260-0000	Privilege Licenses		1,390	1,470	1,200
10-00-3260-0800	Itinerant/Peddler Permit		200	50	150
10-00-3322-0000	Beer & Wine Tax		19,154	-	19,000
10-00-3324-0000	Utility Franchise Tax	FY25 estimate equals payments received for last 4 quarters	405,209	324,356	416,754
10-00-3420-0200	FEMA Reimbursement		38,050	139,569	-
10-00-3474-0000	Cemetery Lot Sales & Fees		600	799	800
10-00-3810-0000	Interest Earned	Average earnings for General Fund assets, reduced by 5% for interest rate risk	539,454	554,696	561,979
10-00-3833-0005	Donations	WS related donations not likely to be made to City after merger	20,100	300	1,000
10-00-3833-0100	Forestry Committee Donations		750	1,050	750
10-00-3835-0000	Sale Of Fixed Assets		25,760	-	-
10-00-3836-0000	Community Garden		1,410	699	1,500
10-00-3837-0000	Southport ABC Distribution	FY25 estimate equals payments received for last 4 quarters	601,990	490,000	572,379
10-00-3839-0100	Miscellaneous Revenues	Reduced for Utility donations	12,045	11,310	6,000
10-00-3391-0000	Appropriated Fund Balance	Reserve transferred from WS Fund by BOA for FY25 operating fund support	-	-	1,200,000
Total General Revenue			8,043,178	7,360,621	8,976,964

GENERAL REVENUE SOURCES

GENERAL REVENUE	PROPOSED FY 24-25 BUDGET	PERCENTAGE OF BUDGET
Ad Valorem Taxes	4,032,503	44.9%
Motor Vehicle Tax Collections	245,728	2.73%
Interest/Penalties	8,886	0.09%
Motor Vehicle Interest	1,762	0.02%
Ad Valorem Tax Prior Years	29,940	0.33%
Local Option Sales Tax	1,876,633	20.9%
Privilege Licenses	1,200	0.01%
Itinerant/Peddler Permit	150	<0.001%
Beer and Wine Tax	19,000	0.21%
Utility Franchise Tax	416,754	4.6%
FEMA Reimbursement	-	-
Cemetery Lot Sales/Fees	800	0.01%
Interest Earned	561,979	6.3%
Donations	1,000	0.01%
Forestry Committee Donations	750	0.01%
Sale of Fixed Assets		
Community Garden	1,500	0.02%
Southport ABC Distribution	572,379	6.4%
Miscellaneous Revenues	6,000	0.06%
Appropriated Fund Balance	1,200,000	13.4%
Totals	8,976,964	100%



FY2025 Proposed Budget

Board of Aldermen

Overview

The Southport Board of Aldermen department consists of the Mayor and Board of Aldermen, and certain costs attributable to overall city government functions.

Funding & Accounting Changes for FY2025

In past years, the Aldermen personnel costs for were funded equally by the General, Water-Sewer, and Electric Funds. With the planned merger of the Water-Sewer system with Brunswick County, the portion of those costs previously paid by the Water-Sewer Fund will transfer to the General Fund in FY2025.

In addition to the change in fund sources, the FY2025 budget request is being presented in a more transparent format than in previous years. In FY2025, the total cost is shown, then the portions paid by other funds are shown, followed by a net cost after the funding transfers. In past years, only the net amount after fund transfers was shown as the budget amount, which does not accurately depict the full cost of the function to the City. These presentation changes will make comparison to previous years more difficult, but it is more transparent in disclosing the full cost of a function.

Operating Expenses – Personnel Cost

Personnel costs consist of the monthly stipends for the Mayor and Aldermen, the FICA taxes on those stipends, and the life and disability insurance plans that cover the Board members. One-third of these costs will be funded by the Electric Fund.

Operating Expenses – Non-Personnel Costs

Non-personnel costs for the Board of Aldermen include provisions for supplies, travel and training, and communications as well as a portion of property, liability, and worker's compensation insurance. The Board of Aldermen department also funds other variable and discretionary costs that may differ from year to year. The primary costs in the FY2025 budget requests include:

- **Professional Fees - \$24,194:** this line item is for the annual financial audit. The entire audit cost of \$36,110 will be charged to this account, and then one-third charged to the Electric fund. There are no other costs budgeted in this account.
- **Contract Services - \$37,000:** this is a provision for attorney fees, property appraisals, studies, surveys, and similar costs related to general government activities that are traditionally funded by this department.
- **Donations - \$10,000:** this is a provision for donations the Board may choose to make. In recent years, a donation of this amount has been made to Southport Elementary School.



FY2025 Proposed Budget

Board of Aldermen

Account	Account Name	Rev/Exp	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request		
						Total Amount	Cost Transfers To: Electric Fund	Net After Transfers
10-00-3839-0200	Insurance Recovery	Rev		153	809	-		-
10-00-3991-0000	Appropriated Fund Balance	Rev		-	(1,250)	-		-
Total Department Revenue				153	(441)	-		-
10-00-4110-0000	Full-Time Employees	Exp	Stipends for Mayor & Board of Aldermen	27,484	21,855	81,000	(26,730)	54,270
10-00-4110-0900	F.I.C.A.	Exp	7.65 % of Compensation	1,532	1,309	6,197	(2,045)	4,152
10-00-4110-1100	Health/Life/Dental Insurance	Exp	Current enrollment choices	263	289	1,617	-	1,617
Total Personnel Costs				29,280	23,453	88,814	(28,775)	60,039
10-00-4110-1400	Workers Compensation Insurance	Exp		232	183	181		181
10-00-4110-1800	Professional Fees	Exp	Annual Financial Audit	44,111	21,252	36,110	(11,916)	24,194
10-00-4110-2600	Departmental Supplies	Exp		15,799	4,313	6,000		6,000
10-00-4110-3100	Travel & Training	Exp		3,429	762	3,000		3,000
10-00-4110-3200	Communications	Exp		312	1,551	2,500		2,500
10-00-4110-3900	Other Services	Exp		200	200	200		200
10-00-4110-4400	Contract Services	Exp	Provision for Attorney Fees, Property Appraisals, Studies and Surveys	91,525	78,770	37,000		37,000
10-00-4110-4500	Insurance & Bonding	Exp		3,445	3,645	4,265		4,265
10-00-4110-6000	Donations	Exp	Provision for donations. In recent years, Southport Elementary School has received a donation in this amount.	-	10,000	10,000		10,000
10-00-4110-6800	Election Expense	Exp		-	-	-		-
10-00-4110-9700	Contingency	Exp		-	-	-		-
Total Non-Personnel Costs				159,053	120,676	99,256	(11,916)	87,340
10-00-4110-5500	Capital Outlay - Equipment	Exp		22,950	-	-		-
10-00-4110-5600	Capital Outlay - Weather tower	Exp		-	500	-		-
Total Capital Costs				22,950	500	-	-	-
Total Board of Aldermen				211,130	145,070	188,070	(40,691)	147,378



FY2025 Proposed Budget

Administration

Overview

Southport's Administration Department consists of the City Manager, Assistant City Manager, City Clerk, Assistant City Clerk, the Public Information Officer, and the related costs of their functions. The FY2025 budget request contains no new positions as compared to the FY2024 approved budget.

Funding & Accounting Changes for FY2025

In past years, most of the personnel costs for Administration were funded equally by the General, Water-Sewer, and Electric Funds. With the planned merger of the Water-Sewer system with Brunswick County, the portion of those costs previously paid by the Water-Sewer Fund will transfer to the General Fund in FY2025. In addition, management estimated the portion of their time spent managing the Electric operations and reduced the percentage allocated to the Electric Fund, adding additional costs to the General Fund.

In addition to the change in fund sources, the FY2025 budget request is being presented in a more transparent format than in previous years. In FY2025, the total cost is shown, then the portions paid by other funds are shown, followed by a net cost after the funding transfers. In past years, only the net amount after fund transfers was shown as the budget amount, which does not accurately depict the full cost of the function to the City. These presentation changes will make comparison to previous years more difficult, but it is more transparent in disclosing the full cost of a function.

Operating Expenses – Personnel Cost

The following positions are included in the Administration budget request: City Manager, Assistant City Manager, City Clerk, Assistant City Clerk, Public Information Officer. All positions are currently filled, and no new positions are being requested. All positions are budgeted for the full year. Each position, except for City Manager, are budgeted with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee. The Job Study results have not been included in the salaries.
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law

The City Manager position is budgeted with the salary and benefit costs anticipated for the new Manager, rather than the current costs of the outgoing Manager.

Operating Expenses – Non Personnel Costs

The operating expense requests were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. The FY2025 contains only two items that are new:



FY2025 Proposed Budget

Administration

- Safety Committee (10-01-4120-2601): a new account is added to provide funding for needs identified by the OSHA required Safety Committee. The FY2025 request contains \$16,000 to purchase AEDs for use in Parks & Recreation facilities including the parks themselves.
- IT Department: because of the outsourcing of IT operations to Katalyst, the City's IT services are now provided by a contract rather than individual Department requests as in our prior arrangement. To simplify contract management, the City created an IT department, administered by the City Manager, and budgeted all IT costs in a central account. Other Department budget requests do not include IT as previously budgeted.

Contingency: the FY2025 budget request includes a contingency of \$145,000 as set aside for adoption of the compensation study recommendations. If adopted, the costs will be added to the appropriate Department budget and this contingency removed.

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual Department budget request. The FY2025 Administration budget request contains the following capital items:

- Audio-Visual Equipment for the Community Building and Indian Trail Meeting Hall: \$50,000
- Website Overhaul: \$50,000
- Lease of one Administration vehicle (existing lease): \$7,000



FY2025 Proposed Budget

Administrative Departments

Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request			
					Total Amount	Cost Transfers To:		Net After Transfers
						Electric Fund	Permitting	
10-01-4120-0000	Full-Time Employees	City Manager, Asst City Manager, City Clerk, Asst City Clerk, PIO Electric Fund Transfer: 10% of City Manager and City Clerk Permitting Transfer: 10% of City Mgr; 1/3 of Asst City Mgr	120,031	110,493	484,809	(25,205)	(54,464)	405,140
10-01-4120-0001	Employee Overtime	Asst City Clerk	579	429	1,877	-	-	1,877
10-01-4120-0200	Part-Time Employees	City Engineer	-	-	66,375	-	-	66,375
10-01-4120-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	5,745	5,446	24,199	(1,255)	(2,723)	20,221
10-01-4120-0900	F.I.C.A.	7.65 % of Compensation	9,190	8,418	42,309	(1,928)	(4,166)	36,215
10-01-4120-1000	LGERS Retirement	State Requirement 13.6% of Compensation for Eligible Employees	13,911	13,937	65,821	(3,413)	(7,407)	55,001
10-01-4120-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings. Includes provision for vacancies.	14,443	13,774	63,224	(3,050)	(5,111)	55,063
Total Personnel Costs			163,897	152,497	748,613	(34,851)	(73,871)	639,891
10-01-4120-1400	Workers Compensation Insurance	Workers compensation insurance with NCLM. Admin, HR	1,127	1,084	2,000	-	-	2,000
10-01-4120-2100	Uniforms & Protective Gear		-	-	-	-	-	-
10-01-4120-2500	Vehicle Supplies	Gas and supplies	292	633	600	-	-	600
10-01-4120-2600	Departmental Supplies	Office supplies, agenda folders and dividers, frames, plaques and certificates, minute books, postage	20,478	20,943	21,000	-	-	21,000
10-01-4120-2601	Safety Committee	AED's for Parks locations	-	-	16,000	-	-	16,000
10-01-4120-3100	Travel & Training	ICMA Annual Conference	-	-	4,000	-	-	4,000
		Clerks Certification Course	-	-	4,000	-	-	4,000
		Clerks Workshops	-	-	1,500	-	-	1,500
		Managers Conferences	-	-	2,000	-	-	2,000
		PIO Class	-	-	1,500	-	-	1,500
		ICMA Dues	-	-	1,300	-	-	1,300
		Other	-	-	1,700	-	-	1,700
		Total Travel & Training	5,922	10,088	16,000	-	-	16,000
10-01-4120-3200	Communications	Share of telephone/internet service at city hall; cell phones; postage	4,305	4,517	6,200	-	-	6,200
10-01-4120-3300	Utilities - Admin	Share of water, sewer, and electric service for city hall	6,540	4,436	6,300	-	-	6,300
10-01-4120-3400	Emergency Preparedness	Preparation materials for Emergencies	18,320	1,434	5,000	-	-	5,000
10-01-4120-3900	Other Services	Special events, holiday decorations, flowers, catering, ID badges.	1,229	208	1,300	-	-	1,300
10-01-4120-4400	Contract Services	Attorney Fees	-	-	90,000	-	-	90,000
		Digitizing/Scanning	-	-	15,000	-	-	15,000
		UNC Fellow	-	-	25,000	-	-	25,000
		Archive Social	-	-	6,100	-	-	6,100
		CivicClerk	-	-	3,000	-	-	3,000
		CivicPlus Codification	-	-	3,000	-	-	3,000
		Recite Me	-	-	4,000	-	-	4,000
		POLCO	-	-	4,000	-	-	4,000
		CodeRed replacement	-	-	3,750	-	-	3,750
		Boxcast	-	-	3,000	-	-	3,000
		FreshySites	-	-	3,600	-	-	3,600
		CFCOG Annual Dues	-	-	1,100	-	-	1,100
		Other: Canva \$300, JotForm \$300, StarNews \$125, Buffer \$400, Zoom \$166	-	-	1,291	-	-	1,291



FY2025 Proposed Budget
Administrative Departments

Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request			
					Total Amount	Cost Transfers To: Electric Fund	Permitting	Net After Transfers
		Total Contract Services	40,863	143,589	162,841	-	-	162,841
10-01-4120-4500	Insurance & Bonding	Property and liability insurance	5,570	5,810	6,797			6,797
10-01-4120-9700	Contingency	Provision for implementation of Salary Study results	-	-	145,000			145,000
Total Non-Personnel Costs			104,646	192,742	389,038	-	-	389,038
10-01-4120-5000	Capital Purchases Under \$5000		-	36,319	-			-
10-01-4120-5400	Capital Outlay - Vehicles	One Leased vehicle	6,951	5,239	7,000			7,000
10-01-4120-5800	Capital Outlay Capital Improvements	AV Equipment for ITMH and CB (\$50,000), and Website Overhaul (\$50,000)		-	100,000			100,000
10-01-4120-7100	Debt Service	Annual Payments Fire Station	116,169	113,473	118,367			118,367
Total Capital Costs			123,120	155,030	225,367	-	-	225,367
Total Administration			391,663	500,270	1,363,018	(34,851)	(73,871)	1,254,296
IT Department								
10-13-4400-4400	Contract Services	Katalyst Contract. IT no longer budgeted by Department.			100,000			100,000
IT Department			-	-	100,000	-	-	100,000



FY2025 Proposed Budget

Finance

Overview

Southport's Finance Department consists of six full-time positions - Finance Director, Deputy Finance Director, Tax Collector, Accounts Payable Technician, Payroll Technician, Customer Service Representative; two Part-Time Customer Service Representatives, and one Part-Time technician working on a project to digitize City records. In addition to performing all traditional financial functions – banking and cash management, accounting, purchasing and accounts payable, payroll, benefits administration – Southport's finance staff also manage establishing, monitoring, maintaining, billing and collecting the City's utility accounts. Our Customer Service Representatives staff the public window at City Hall from 8:00AM – 5:00PM Monday-Friday, assist in -person customers, answer the main City telephone number, direct calls, and assist customers. The FY2025 budget request consists of the cost of this staff and the related costs of their functions.

Funding & Accounting Changes for FY2025

In past years, the Finance personnel costs were funded equally by the General, Water-Sewer, and Electric Funds. With the planned merger of the Water-Sewer system with Brunswick County, the portion of those costs previously paid by the Water-Sewer Fund will transfer to the General Fund in FY2025.

In addition to the change in fund sources, the FY2025 budget request is being presented in a more transparent format than in previous years. In FY2025, the total cost is shown, then the portion paid by other funds are shown, followed by a net cost after the funding transfers. In past years, only the net amount after fund transfers was shown as the budget amount, which does not accurately depict the full cost of the function to the City. These presentation changes will make comparison to previous years more difficult, but it is more transparent in disclosing the full cost of a function.

Operating Expenses – Personnel Cost

The following positions are included in the Administration budget request: Finance Director, Deputy Finance Director, Tax Collector, Accounts Payable Technician, Payroll Technician, Customer Service Representative; two Part-Time Customer Service Representatives, and one Part-Time technician working on a project to digitize City records. All positions are currently filled, and no new positions are being requested. All positions are budgeted for the full year. The FY2025 budget request contains one less position than the FY2024 approved budget – the Utility Billing Technician position has been eliminated due to the pending merger of the Water-Sewer system.

Each position is budgeted with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute



FY2025 Proposed Budget

Finance

- **FICA:** 7.65% of compensation as required by law

Part-Time positions do not qualify for Healthcare, 401(k), or Longevity Bonuses. In addition, all Finance Part-Time employees are retirees who no longer contribute to the Retirement program.

Consistent with prior year, one-third of all Finance personnel costs are budgeted to be funded by the Electric Fund.

Operating Expenses – Non Personnel Costs

The operating expense requests were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. Finance non-personnel costs consist primarily of services that are used across all City Departments:

- The payroll and financial system software costs are licensing fees for systems that are used by all City Departments for purchasing, payment, accounting, reporting, benefits administration, and payroll. Consistent with prior years, one-third of these software costs are budgeted to be charged to the Electric Fund.
- Postage, postage machine lease, and mailing supplies are used by all City Departments.
- Fees charged by Brunswick County for the collection of property taxes and motor vehicle fees are included in the Finance budget.

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual department budget request. The FY2025 Finance budget request contains no capital requests.



FY2025 Proposed Budget

Finance

Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request		
					Total Amount	Cost Transfers To: Electric Fund	Net After Transfers
10-02-4140-0000	Full-Time Employees	6 Positions: Finance Director, Deputy Finance Director, Tax Collector, Payroll Tech, Accounts Payable Tech, Full-Time CSR	143,775	103,560	453,405	(150,984)	302,421
10-02-4140-0001	Employee Overtime	Payroll & Accounts Payable Techs	3,503	549	992	(330)	662
10-02-4140-0200	Part Time Employees	Part-Time CSRs (2); Part-Time Document Scanning Tech (1)	21,059	20,666	45,448	(15,134)	30,314
10-02-4140-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	8,823	5,145	22,557	(7,512)	15,045
10-02-4140-0900	F.I.C.A.	7.65 % of Compensation	15,866	9,371	38,238	(12,733)	25,505
10-02-4140-1000	LGERS Retirement	13.6% of compensation for Full Time employees	21,652	13,275	61,356	(20,432)	40,924
10-02-4140-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	26,072	18,929	79,468	(26,463)	53,005
Total Personnel Costs			240,750	171,496	701,465	(233,588)	467,877
10-02-4140-1400	Workers Compensation Insurance		1,728	1,319	1,285		1,285
10-02-4140-2600	Departmental Supplies	Paper, Envelopes, Office Supplies			5,500		5,500
		Postage			3,000		3,000
		Postage Machine Lease			2,400		2,400
		Bottled Water			600		600
		GFOA Membership			200		200
		Total Departmental Supplies	31,209	6,991	11,700	-	11,700
10-02-4140-3100	Travel & Training	UNC School of Govt training and travel	11,253	2,538	5,000		5,000
10-02-4140-3200	Communications	Office phones (Focus) \$6,000; 3 Cell phones \$1,440	5,612	6,372	7,440		7,440
10-02-4140-3300	Utilities	Electric, Water, Sewer charges	3,399	2,474	3,650		3,650
10-02-4140-3901	Community Garden Expenses		175	228	750		750
10-02-4140-4400	Contract Services	Financial Accounting Software (Springbrook)			35,412	(11,804)	23,608
		Payroll Software and Service (Paylocity)			33,000	(11,000)	22,000
		Copier/printing			4,090		4,090
		Customer Lookup Software			120		120
		COBRA Admin Fee			600		600
		Other			575		575
		Total Contract Services	57,409	28,645	73,797	(22,804)	50,993
10-02-4140-4410	Property Tax Fees	County fee for collecting property taxes	32,425	31,444	33,333		33,333
10-02-4140-4411	Motor Vehicle Fees	County fee for collecting Motor Vehicle Fees	9,038	7,083	10,321		10,321
10-02-4140-4500	Insurance & Bonding		1,860	2,874	2,171		2,171
Total Non-Personnel Costs			154,109	89,968	149,447	(22,804)	126,643
10-02-4140-5000	Capital Purchases Under \$5000		-	5,488			-
10-02-4140-5100	Capital Outlay - Equipment		2,172	-			-
Total Capital Costs			2,172	5,488	-	-	-
Total Finance			397,031	266,952	850,911	(256,392)	594,519



FY2025 Proposed Budget

Human Resources

Overview

Southport's Administration Department consists of the Human Resources Director and related costs. This Department was created for FY2024 and is just entering its second year of existence. The Human Resources Director is responsible for formulating the City's personnel policies, advising employees with personnel issues, ensuring compensation guidelines are being administered fairly and consistently, full cycle recruitment, performance management, providing support for progressive disciplinary accountability, and in partnership with Finance, establishing and administering the City's employee benefits programs. The FY2025 budget request contains no new position requests.

Funding & Accounting Changes for FY2025

In FY2024, Human Resources personnel costs were funded equally by the General, Water-Sewer, and Electric Funds. With the planned merger of the Water-Sewer system with Brunswick County, the portion of those costs previously paid by the Water-Sewer Fund will transfer to the General Fund in FY2025. In addition, management estimated the portion of their time spent managing the Electric operations and reduced the percentage allocated to the Electric Fund. At the same time, a portion of Human Resources costs are planned to be funded by Permitting in FY2025.

In addition to the change in fund sources, the FY2025 budget request is being presented in a more transparent format than in previous years. In FY2025, the total cost is shown, then the portions paid by other funds are shown, followed by a net cost after the funding transfers. In past years, only the net amount after fund transfers was shown as the budget amount, which does not accurately depict the full cost of the function to the City. These presentation changes will make comparison to previous years more difficult, but it is more transparent in disclosing the full cost of a function.

Operating Expenses – Personnel Cost

Human Resources personnel costs consist only of the Human Resources Director, which is budgeted for the full year with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law

Operating Expenses – Non Personnel Costs



FY2025 Proposed Budget

Human Resources

The operating expense requests were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. The only change in FY2025 compared to FY2024 is a reduction in Contract Services, due to completing the implementation of Neogov Human Resources software in FY2024. The FY2025 budget is for annual software licenses only. All other non-personnel accounts are essentially unchanged.



FY2025 Proposed Budget

Human Resources

Account	Account Name	Rev/Exp	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request			
						Total Amount	Cost Transfers To:		Net After Transfers
						Electric Fund	Permitting		
10-07-3410-0100	Wellness Prgm Grants/Donations	Rev		-	2,500	-	-	-	-
Total Department Revenue				-	2,500	-	-	-	-
10-07-4700-0000	Full-Time Employees	Exp	One FTE: HR Director. 5% charged to Electric Fund; 10% allocated to Permitting	-	22,073	92,824	(4,641)	(9,282)	78,901
10-07-4700-0700	401K Retirement Supplement	Exp	5.0% of Compensation for Eligible Employees	-	1,095	4,614	(231)	(464)	3,919
10-07-4700-0900	F.I.C.A.	Exp	7.65 % of Compensation	-	1,648	7,101	(355)	(710)	6,036
10-07-4700-1000	LGERS Retirement	Exp	13.6% of compensation for Full Time employees	-	2,824	12,550	(628)	(1,262)	10,661
10-07-4700-1100	Health/Life/Dental Insurance	Exp	Current enrollment choices less 5.75% savings	-	2,855	10,768	(538)	(1,077)	9,153
Total Personnel Costs				-	30,495	127,857	(6,393)	(12,795)	108,670
10-07-4700-1400	Workers Compensation Insurance	Exp		-	145	150	-	-	150
10-07-4700-2600	Departmental Supplies	Exp		-	101	1,000	-	-	1,000
10-07-4700-3100	Travel & Training	Exp		-	-	2,000	-	-	2,000
10-07-4700-3150	Tuition Reimbursement	Exp		-	-	5,000	-	-	5,000
10-07-4700-3200	Communications	Exp	One cell phone	-	342	600	-	-	600
10-07-4700-3900	Other Services	Exp	Employee recognition	-	-	5,000	-	-	5,000
10-07-4700-4400	Contract Services	Exp	HR Management Software licensing (Neogov)	-	28,254	11,000	-	-	11,000
Total Non-Personnel Costs				-	28,841	24,750	-	-	24,750
Total Human Resources				-	56,836	152,607	(6,393)	(12,795)	133,420



FY2025 Proposed Budget

Public Services – Excluding Electric

Overview

Southport's Public Services Department operates, manages, and maintains the City's utilities and infrastructure. City staff perform routine maintenance and repairs, while large scale and specialized work is typically contracted. The merger of the City's Water & Sewer systems with Brunswick County is expected to become final before the beginning of FY2025, and accordingly the FY2025 proposed budget does not include revenue or expenses for these systems. Post-merger, the department will consist of four unique functional areas: Electric, Streets, Buildings & Grounds, and Garage. Because Electric is a unique enterprise fund, it will be discussed separately. This narrative section discusses Public Services excluding Electric.

1. **Streets:** The City owns and maintains 27.89 miles of paved streets and roads, approximately 12 miles of sidewalks, and 0.59 miles of unpaved streets. City staff performs routine maintenance and repairs including sweeping and cleaning, patching pavement, repair or replacement of sections of sidewalk, maintaining storm drains and gutters. Larger construction projects and specialized services, including repaving projects, are typically contracted. The Streets employees are skilled in several crafts and in addition to maintaining streets and sidewalks, are also responsible for maintaining the water, sewer, and storm drain systems, and signs. The demands of the water and sewer systems has led to a backlog of deferred maintenance in other assets, particularly storm drain cleaning, sidewalks, and roads. With the merger, staff will be able to focus on reducing the deferred maintenance backlog.
2. **Buildings & Grounds:** The City owns and maintains multiple structures, buildings, gazebos, parks and playgrounds. Major buildings include City Hall, the Southport Community Building, Fort Johnston, two Fire Stations, Public Services, several Parks & Recreation buildings. The City also owns and maintains public parks including Franklin Square Park, Waterfront Park, Taylor Field, Keziah, Lowe White, Caviness and Kingsley Park; a City gym, several basketball and tennis courts, a pier, and a dock, two City cemeteries and one private cemetery and four public restroom facilities (in addition to the Ft. Johnston restrooms). City staff performs routine maintenance and repairs including cleaning, minor repairs, mowing and landscaping. Larger construction projects and specialized services are typically contracted. City-owned buildings that are currently leased to third parties are not maintained by Public Services and are not listed in this document.
3. **Garage:** the City Garage maintains all vehicles and equipment used throughout the City, including vehicles used by Police, Fire & Rescue, Public Services, and Administration functions. The Garage also maintains and repairs work equipment such as excavation equipment, mowers, power tools, and chain saws. Preventive maintenance and minor repairs are performed by City staff, with major component work such as engine or transmission overhauls contracted.

Funding & Accounting Changes for FY2025

In past years, Public Services personnel costs received funding from the General, Water-Sewer, and Electric Funds. With the planned merger of the Water-Sewer system with Brunswick County, the portion of those costs previously paid by the Water-Sewer Fund will transfer to the General Fund in FY2025.



FY2025 Proposed Budget

Public Services – Excluding Electric

In addition to the change in fund sources, the FY2025 budget request is being presented in a more transparent format than in previous years. In FY2025, the total cost is shown, then the portion paid by other funds are shown, followed by a net cost after the funding transfers. In past years, only the net amount after fund transfers was shown as the budget amount, which does not accurately depict the full cost of the function to the City. These presentation changes will make comparison to previous years more difficult, but it is more transparent in disclosing the full cost of a function.

Operating Expenses – Personnel Costs

Many of Southport's Public Services employees are cross trained in multiple disciplines and have the skills necessary to maintain a variety of assets, which minimizes the number of employees needed. Employees work established schedules, but the nature of maintaining all the City's infrastructure, land, and equipment requires staff availability around the clock, every day of the year. The need for employees to be available and respond to emergencies results in costs for overtime and on-call pay.

The following positions are included in the Public Services budget request. Overall, there are six fewer positions being requested in FY2025 than were budgeted in FY2024:

- **Public Services Administration:** 2 FTEs – Public Services Director & Administrative Assistant. The FY2025 budget allocates $\frac{1}{3}$ of their cost to the Electric Fund with the remaining $\frac{2}{3}$ from the General Fund. In previous years, these positions were funded 70% from the Water-Sewer Fund, 10% from the Electric Fund, and 20% from the General Fund. The number of FTEs is the same as the FY2024 approved staffing.
- **Buildings & Grounds:** 10 FTEs – two supervisors and 8 maintenance staff (grounds, buildings and janitorial). There are 12 FTEs in FY2024, but two FTEs are planned to be transferred to Parks & Recreation to provide focus on the maintenance of parks grounds and facilities. As such, two fewer Buildings & Grounds FTEs are included in the FY2025 budget as compared to prior year. This staff is fully funded by the General Fund.
- **Streets (Water & Sewer):** 6 FTEs – one supervisor and 5 maintenance staff. Two additional Streets positions were authorized by the FY2024 budget, but with the agreement to merge the water & sewer systems, the two new positions were not filled. These new positions are not included in the FY2025 budget request, resulting in two fewer full-time Streets employees than were budgeted for FY2024. In addition, there is one part-time City Engineer in Streets. In FY2024, there were two part-time City Engineers in the Water-Sewer budget. One Engineer has been transferred to the Streets budget for FY2025 and the other to the Administration budget. All Streets staff are fully funded by the General Fund in FY2025, compared to 60% Water-Sewer Fund and 40% General Fund in FY2024.
- **Garage:** 2 FTEs, fully funded by the General Fund. There is no change in FTEs from FY2024.
- **Water-Sewer:** No staff budgeted due to the merger. The two dedicated water positions are eliminated, and existing staff are presumed to be hired by Brunswick County.

There is one budgeted vacancy, for a Facilities Maintenance Specialist in Buildings & Grounds, and no new positions are being requested. All positions are budgeted for the full year. Each position is budgeted with the following assumptions:



FY2025 Proposed Budget

Public Services – Excluding Electric

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Overtime:** hours estimated using a 12-month history of actual overtime incurred
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee’s current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law

Operating Expenses – Non Personnel Costs

The operating expense requests were made by the City Manager after reviewing the Department Head’s requests and are detailed on the budget spreadsheet. Major changes compared to the approved FY2024 budget include:

- Public Services Administration is a new department within Public Services to isolate the costs associated with general management staff from the individual departments. In previous years, the Public Services Director was classified in Water-Sewer and the Administrative Assistant was classified in Electric, although their costs were shared by the General, Water-Sewer, and Electric Funds.
- The City bills itself for electricity to operate streetlights. The revenue from this payment has always gone to the Electric Fund, while the cost has been charged in past years to Streets (General Fund). For FY2025, the cost for this electricity is being budgeted in the Electric Fund to align with the revenue. This resulted in a reduction to account 10-05-4511-3300 of \$112,000 compared to the FY2024 budget.
- The Streets costs are absorbing on-going costs previously paid with Water-Sewer funds, particularly in Supplies and Contract Services. Fuel for vehicles, road repair supplies, and the maintenance contract for the water tower are examples of costs now being absorbed by the Streets General Fund.

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual Department budget request. The FY2025 Public Services budget request contains the following capital items:

- Replacement of ground maintenance equipment (mowers, trimmers, blowers, etc.): \$5,000
- Current vehicle leases: Director (1); B&G (4); Streets (6); Garage (2) \$82,000
- Replacement nozzles for vacuum truck used for storm drain cleaning: \$5,000



FY2025 Proposed Budget

Public Services - Excluding Electric Department

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request			
						Total Amount	Cost Trf To Electric Fund	Net After Transfers	
Public Works Admin	10-08-4560-0000	Full-Time Employees	2 FTE: Public Works Director; Administrative Assistant. 1/3 charged to Electric Fund			173,301	(57,820)	115,481	
	10-08-4560-0001	Employee Overtime	Hours estimated using 12 month history of OT incurred			176	(59)	117	
	10-08-4560-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees			8,620	(2,876)	5,744	
	10-08-4560-0900	F.I.C.A.	7.65 % of Compensation			13,271	(4,428)	8,843	
	10-08-4560-1000	LGERS Retirement	13.6% of compensation for Full Time employees			23,446	(7,822)	15,624	
	10-08-4560-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings			25,111	(7,927)	17,184	
	Total Personnel Costs - Public Works Admin				-	-	243,923	(80,932)	162,991
Total Public Works Admin				-	-	243,923	(80,932)	162,991	
Buildings & Grounds	10-03-4190-0000	Full-Time Employees	9 FTE	476,818	409,494	504,864		504,864	
	10-03-4190-0001	Employee Overtime	Hours estimated using 12 month history of OT incurred	2,411	3,010	3,075		3,075	
	10-03-4190-0200	Part-Time Employees		-	-	-		-	
	10-03-4190-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	23,607	20,295	25,126		25,126	
	10-03-4190-0900	F.I.C.A.	7.65 % of Compensation	35,923	30,756	38,857		38,857	
	10-03-4190-1000	LGERS Retirement	13.6% of compensation for Full Time employees	57,182	52,361	68,343		68,343	
	10-03-4190-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	128,638	104,109	123,944		123,944	
	Total Personnel Costs - Buildings & Grounds				724,579	620,024	764,209	-	764,209
	10-03-4190-1400	Workers Compensation Insurance		8,573	10,192	9,763		9,763	
	10-03-4190-2100	Uniforms & Protective Gear	Safety shoes, PPE, First Aid Supplies, Uniforms	9,040	6,568	11,000		11,000	
	10-03-4190-2500	Vehicle Supplies	Fuel/Tires for B&G trucks, mowers, Gas for equipment	14,565	9,324	16,000		16,000	
	10-03-4190-2600	Departmental Supplies	Tools, office & janitorial supplies, holiday decorations, trimmer string, Blades	21,489	13,864	20,000		20,000	
	10-03-4190-3100	Travel & Training	Recertifications for pesticide and mosquito license, Spring turf course, tree pruning courses	577	123	4,000		4,000	
	10-03-4190-3200	Communications	Cloud, AT&T phones	2,917	1,679	28,000		28,000	
	10-03-4190-3300	Utilities - Bldgs & Grounds	Water, Sewer and Electric Service	14,225	10,295	14,400		14,400	
	10-03-4190-3500	R/M Equipment	Repair/ Maintenance to all grounds equipment, tractors and mowers	4,012	6,397	9,000		9,000	
	10-03-4190-3501	R/M Vehicles	Repair/ Maintenance to grounds fleet vehicles; tires.	2,865	692	5,000		5,000	
	10-03-4190-3502	R/M Facilities	Tree trimmng			30,000		30,000	
			AC Replacement			20,000		20,000	
			Routine Maintenance and minor repairs identified in condition assesment			140,000		140,000	
	Total R/M Facilities				158,098	84,284	190,000	-	190,000
	10-03-4190-3503	R/M Cemetery	Cemetery Maintenance, No other projects have been suggested by committee	-	17,129	70,670		70,670	
	10-03-4190-3504	Forestry Projects	Previously budgeted in Development Services	-	3,146	5,250		5,250	
	10-03-4190-3900	Other Services	Payment of Fire Fees related to municipal properties.	17,678	14,903	28,000		28,000	
	10-03-4190-4400	Contract Services	Pest Control			1,900		1,900	
			Elevator Contract			4,000		4,000	
			HVAC Maintenance Contract			7,000		7,000	
			Fire Extinguisher Inspection			1,800		1,800	
			Panic Button Service			2,100		2,100	
			Creek Sampling			12,000		12,000	
	Total Contract Services				13,957	18,364	28,800		28,800
	10-03-4190-4500	Insurance & Bonding	Property, Auto & General liability insurance	35,289	35,788	41,872		41,872	
Total Non -Personnel Costs - Buildings & Grounds				303,284	232,747	481,755	-	481,755	
10-03-4190-5000	Capital Purchases Under \$5000	Replacement push mowers, trimmers, blowers, edgers	11,076	1,616	5,000		5,000		
10-03-4190-5100	Capital Outlay - Equipment		-	-	-		-		
10-03-4190-5400	Capital Outlay - Vehicles	Current leased vehicles (4)	20,745	15,617	22,000		22,000		



FY2025 Proposed Budget

Public Services - Excluding Electric Department

Group	Account	Account Name	Item/Description	FY2023	FY2024	FY2025 Budget Request		
				Actual	YTD 4/10/24	Total Amount	Cost Trf To Electric Fund	Net After Transfers
	Total Capital Costs - Buildings & Grounds			31,821	17,233	27,000	-	27,000
	Total Buildings & Grounds			1,059,684	870,004	1,272,964	-	1,272,964
Garage	10-04-4250-0000	Full-Time Employees	2 FTEs	125,063	100,647	141,493		141,493
	10-04-4250-0001	Employee Overtime	Hours estimated using 12 month history of OT incurred	545	616	1,111		1,111
	10-04-4250-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	6,226	5,009	7,076		7,076
	10-04-4250-0900	F.I.C.A.	7.65 % of Compensation	9,545	7,699	10,909		10,909
	10-04-4250-1000	LGERS Retirement	13.6% of compensation for Full Time employees	15,058	12,923	19,247		19,247
	10-04-4250-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	36,803	25,201	30,978		30,978
	Total Personnel Costs - Garage			193,240	152,095	210,814	-	210,814
	10-04-4250-1400	Workers Compensation Insurance		2,898	2,833	2,747		2,747
	10-04-4250-2100	Uniforms & Protective Gear	Uniforms, welding gear, tyvek, safety shoes, gloves and misc.	3,463	1,223	3,500		3,500
	10-04-4250-2500	Vehicle Supplies	Fuel for 2 shop vehicles	4,745	2,638	4,110		4,110
	10-04-4250-2600	Departmental Supplies	Software upgrade for diagnostic tool(\$1500),city seals (\$400), Misc. hand tools (\$1500), Safety inspection numbers (\$400),Emissions book (\$350)	8,386	4,077	5,250		5,250
	10-04-4250-2602	Other Equipment		2,186	5,935	-		-
	10-04-4250-3100	Travel & Training	Registrations and tavel to Inspections workshops, continuing education	644	-	1,000		1,000
	10-04-4250-3200	Communications	Share of landlines/internet at PW, AT&T Cell phones,Cloud	1,480	820	1,650		1,650
	10-04-4250-3300	Utilities - Garage	Share of water/sewer & electric service at PW	8,123	6,882	8,300		8,300
	10-04-4250-3500	R/M Equipment	R&M to garage equipment, compressors, post lifts.	813	2,499	3,400		3,400
	10-04-4250-3501	R/M Vehicles	R&M to garage F250 & F150	725	-	1,000		1,000
	10-04-4250-4400	Contract Services	Diagnostic Equipment Support (\$500), CO2, O2, Argon & Propane gases (\$580) lease plus usage, waste oil removal (\$900), Oil fliter recycling (\$800), Vehicle lift Inspections (\$500)	2,005	1,979	3,280		3,280
	10-04-4250-4500	Insurance & Bonding	Property, Auto & General liability insurance	1,272	1,325	1,551		1,551
	Total Non -Personnel Costs - Garage			36,739	30,212	35,788	-	35,788
	10-04-4250-5000	Capital Purchases Under \$5000		3,800	-	-		-
	10-04-4250-5100	Capital Outlay - Equipment		-	-	-		-
	10-04-4250-5400	Capital Outlay - Vehicles	Leased F250 & F150	11,928	9,000	12,000		12,000
	Total Capital Costs - Garage			15,728	9,000	12,000	-	12,000
	Total Garage			245,707	191,308	258,602	-	258,602
Streets	10-05-4511-0000	Full-Time Employees	6 FTE	119,382	119,776	340,045		340,045
	10-05-4511-0001	Employee Overtime	Hours estimated using 12 month history of OT incurred	5,181	5,782	12,113		12,113
	10-05-4511-0200	Part-Time Employees	PT City Engineer	25,146	63,915	83,700		83,700
	10-05-4511-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	6,921	6,196	17,445		17,445
	10-05-4511-0900	F.I.C.A.	7.65 % of Compensation	12,457	14,255	33,343		33,343
	10-05-4511-1000	LGERS Retirement	13.6% of compensation for Full Time employees	16,927	17,655	58,835		58,835
	10-05-4511-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	31,551	30,039	65,771		65,771
	Total Personnel Costs - Streets			217,564	257,618	611,253	-	611,253
	10-05-4511-1400	Workers Compensation Insurance		2,678	3,034	12,330		12,330
	10-05-4511-2100	Uniforms & Protective Gear	Safety shoes, uniforms, PPE, Reflective Gear, Cold & Wet Weather gear, First Aid	2,511	1,502	15,500		15,500
	10-05-4511-2500	Vehicle Supplies	Fuel for vehicles and equipment and dump trucks.	9,220	5,440	25,000		25,000
	10-05-4511-2600	Departmental Supplies	Maintenance Supplies: Stone, asphalt, pavement saws/ blades, street signs, posts, cones, barricades			55,000		55,000
			Vector Control (chemicals, larvae pellets, sprayer parts)			4,500		4,500
			July 4th Streamers			5,000		5,000
			Office Supplies			500		500
			Total Departmental Supplies	29,018	17,808	65,000	-	65,000



FY2025 Proposed Budget
Public Services - Excluding Electric Department

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request		
						Total Amount	Cost Trf To Electric Fund	Net After Transfers
	10-05-4511-3100	Travel & Training	Continuing Ed for all license holders (w&S), OSHA			5,000		5,000
	10-05-4511-3200	Communications	Land lines, AT&T cell phones, On call services, Cloud	881	1,027	15,000		15,000
	10-05-4511-3300	Utilities - Streets	Street Lights moved to Electric Fund	116,021	71,860	-		-
	10-05-4511-3500	R/M Equipment	R&M to backhoes, Skid Steer, Street Sweeper (& sweeper brooms) , Mini Excavator, Pumps, Ford Mower, miller/planer, Vac Truck, Jetter	3,404	1,419	20,000		20,000
	10-05-4511-3501	R/M Vehicles	R&M to vehicles including tires	1,954	2,213	25,000		25,000
	10-05-4511-4400	Contract Services	Disaster Debris Removal			9,000		9,000
			Water Tank Maintenance			12,320		12,320
			Solids Container & Solids Removal			15,000		15,000
			Copier lease/printing			1,200		1,200
			NCRWA dues			700		700
			Office 365 license			180		180
			Total Contract Services	23,716	4,406	38,400		38,400
	10-05-4511-4500	Insurance & Bonding	Property, Auto & General liability insurance. Add \$25k for half of FY24 Water-Sewer amount	15,690	16,569	44,385		44,385
	Total Non -Personnel Costs - Streets			205,093	125,276	265,615	-	265,615
	10-05-4511-5000	Capital Purchases Under \$5000	Harben/ Vactor Jetter nozzles (storm drain cleaning)	5,920	4,700	5,000		5,000
	10-05-4511-5400	Capital Outlay - Vehicles	Current Leased Vehicles Annual Payments (7)	5,785	4,364	48,000		48,000
	10-05-4511-5500	Capital Outlay - Equipment		275,700	2,059	-		-
	10-05-4511-5800	Capital Outlay- Capital Improv	Sidewalk repairs	-	1,772	-		-
	Total Capital Costs - Streets			287,405	12,894	53,000	-	53,000
	Total Streets			710,062	395,788	929,868	-	929,868
Grand Total Public Works - Excluding Electric Department				2,015,453	1,457,100	2,705,358	(80,932)	2,624,426



FY2025 Proposed Budget

Public Services – Electric

Overview

Southport’s Electric Department is a division of Public Services and owns, operates, manages, and maintains the City’s electric utility and infrastructure. The electric utility is, for practical purposes, a fully outsourced operation. Southport purchases electricity through ElectriCities, a consortium of Eastern North Carolina local governments that purchases electricity in bulk from power generation stations and delivers that power across proprietary infrastructure to the local participants, which in turn deliver electric service to its customers on its own infrastructure.

The City of Southport owns one 15-megawatt substation, 39 miles of overhead electric distribution lines, 112 miles of underground distribution lines and a recent count of 1,794 poles. This infrastructure delivers electric power to approximately 3,603 customers. The City contracts with Brunswick Electric Membership Cooperative (BEMC) to maintain its electric infrastructure. BEMC is also contracted to meter and bill small commercial and residential customers for electric usage and collect payments (ElectriCities reads the City’s 30 Electric Demand customers’ meters and sends the billing information to City billing personnel).

The City has a major on-going capital project to move all power lines underground. This project, which began around 2014, is expected to take 8 more years and conclude in 2032. In FY2025, lines are scheduled to be buried under East Moore Street, from Fodale Avenue to Howe Street. An element of the underground project is “sectionalizing” the City’s grid to minimize the impact of power outages by isolating smaller sections. A burnout on one street would only bring down a city block or a one or two street area, and not the entire circuit.

All power to Southport is delivered through the City’s single substation, and due to the increasing demand for electricity, this substation is approaching its capacity for power delivery and is vulnerable considering its single feeder. Adding a second point of delivery (POD) into the City, within 2-4 years, is a high capital priority that is being actively pursued. The first step will be to identify and procure a site for building a second substation which involves thought and planning considering the feasibility of building out to feeder lines and routing distribution lines.

Funding & Accounting Changes for FY2025

The Electric Fund has traditionally paid for a portion of shared administrative cost and continues to do so in the FY2025 budget. For the FY2025 budget, administrative functions evaluated the amount of time dedicated to the management of the Electric department and reduced the portion charged to the Electric Fund. In addition to the change in allocation amount, the FY2025 budget request is being presented in a more transparent format than in previous years. In FY2025, the amounts charged to the Electric Fund from other departments are shown as costs being transferred in. In past years, these costs were added to the direct costs of the Electric department and presented as if the costs were directly incurred, which does not accurately depict the cost of the function to the City. These presentation changes will make comparison to previous years more difficult, but it is more transparent in disclosing the full cost of a function.



FY2025 Proposed Budget

Public Services – Electric

Department Revenue

The Electric Department generates significant revenue, which pays for all operating costs and contributes to a fund balance that is used to make capital improvements to the system. ElectriCities recommends pricing and projects the revenue from customer utility charges. The following revenue is included in the FY2025 budget:

Sale of Electricity	Amounts billed to customers for base electric service and consumption of electricity. Projection by ElectriCities.	\$9,231,978
Utility Sales Tax	Tax collected on sale of electricity. This tax is paid in full to the State in account 30-93-7210-2701 and as such does not provide any direct funding for the budget.	\$551,396
Interest	Investment income on the Electric Fund balance	\$204,547
Other	Charges for late payment, meter tampering, disconnect fees	\$26,653

Operating Expenses – Personnel Costs

As an outsourced operation, the Electric Department has only one employee, the Electrical Superintendent. In past years the Public Services Administrative Assistant, who Services for all Public Services departments, was classified as an Electric Department employee but with only 10% of the cost being paid by Electric. This employee has been reclassified to Public Services Administration, with one-third of the cost now going to Electric.



FY2025 Proposed Budget

Public Services – Electric

The Electric Superintendent position is currently filled, and no new positions are being requested. The position is budgeted for the full year with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law

Operating Expenses – Non Personnel Costs

The operating expense requests that you see in this budget book were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet.

- The primary non-personnel expense is the cost of electricity purchased from ElectriCities. This cost, which is budgeted to increase by 6%, is estimated by ElectriCities. Total budget is \$6,255,099.
- Payments to BEMC for routine infrastructure maintenance and billing services are budgeted at \$597,763 and \$255,400 respectively.
- Remittance of the utility sales tax collected in the revenue account totals \$551,396
- Charges from shared services departments total \$422,722
- One major addition to FY2025 non-personnel cost is the reclassification of the cost of electricity for the City's streetlights (\$109,500) from the Streets budget to the Electric budget. This change aligns the cost of electricity with the revenue in the same fund.
- The non-personnel budget also includes contingencies for additional work by BEMC for unanticipated repairs that are not part of the base contract (\$120,000) and for unanticipated damage or replacement of the City's Load Management infrastructure (\$25,000).



FY2025 Proposed Budget

Public Services – Electric

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual Department budget request. The FY2025 Electric budget request contains the following capital items:

- Right-of-Way Tree Trimming \$55,000
- Current vehicle lease (1): \$7,000
- Replacement of 100 Electric Meter Disconnect Collars: \$20,000

Fund Balance and Major Capital Expenditures

Electric capital expenditure requests of \$100,000 or more per item are included in the CIP request and are funded by the Electric Fund Balance. The Electric Fund Balance is approximately \$6.5 million at the time of this budget request, with about \$2.8 million of that balance currently encumbered, primarily by contracts with BEMC for the underground utility project. This leaves an unencumbered fund balance of approximately \$3.7 million. The FY2025 budget would further increase the fund balance by another \$1.3 million, bringing the total available fund balance to around \$5 million. The CIP program details \$16.7 million of funding needs over the next six years, with nearly all attributable to the underground utility conversion and the second point of electric delivery to the City. \$3.4 million of this total is needed in FY2025. Careful evaluation of available funding versus prioritized capital needs is essential before committing to further progress on these projects.



FY2025 Proposed Budget

Electric Department

Account	Account Name	Item/Description	FY2025 Budget Request				
			FY2023 Actual	FY2024 YTD 4/10/24	Total Amount	Cost Transfers To: Electric Fund	Net After Transfers
30-00-2940-0000	Accumulated Amortization		13,294	-	-	-	-
30-93-3710-0000	Sale Of Electricity	Electricities Estimate	6,977,772	5,909,044	9,231,978	-	9,231,978
30-93-3720-0100	Utility Sales Tax	7% Utility sales tax collected by BEMC and City Demand Billing	487,513	411,761	551,396	-	551,396
30-93-3720-0300	Service Charges		595	-	595	-	595
30-93-3720-0326	Electric late Charges		11,058	9,518	11,058	-	11,058
30-93-3720-0327	Electric Meter Tampering		10,020	8,145	10,020	-	10,020
30-93-3720-0330	Electric Agreements		1,040	915	1,040	-	1,040
30-93-3720-0331	Electric Reconnect/Disconnect		3,940	-	3,940	-	3,940
30-93-3831-0000	Interest Earned		60,098	215,925	204,547	-	204,547
30-93-3839-0000	Miscellaneous Revenues		76,683	5,265	-	-	-
30-93-3991-0000	Appropriated Fund Balance		-	-	-	-	-
Total Department Revenue			7,642,014	6,560,572	10,014,574	-	10,014,574
30-93-7210-0000	Full-Time Employees	1 FTE-Ditton	371,356	292,446	72,943	-	72,943
30-93-7210-0001	Employee Overtime		3,935	1,594	669	-	669
30-93-7210-0200	Part-Time Employees		21,059	20,667	-	-	-
30-93-7210-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	15,369	13,435	3,654	-	3,654
30-93-7210-0900	F.I.C.A.	7.65 % of Compensation	27,489	23,040	5,631	-	5,631
30-93-7210-1000	LGERS Retirement	13.6% of compensation for Full Time employees	(83,008)	34,549	9,938	-	9,938
30-93-7210-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	66,182	44,067	11,194	-	11,194
Total Personnel Costs			422,384	429,797	104,029	-	104,029
30-93-7210-1400	Workers Compensation Insurance	Workers Compensation Insurance with NCLM	1,929	1,464	1,446	-	1,446
30-93-7210-1800	Professional Fees	Portion of audit cost	13,196	17,485	11,500	-	11,500
30-93-7210-2100	Uniforms & Protective Gear	Safety shoes, rain gear, vests, hard hats, uniforms	521	682	1,100	-	1,100
30-93-7210-2500	Vehicle Supplies	Fuel for 2020 Ford Escape Hybrid	633	256	650	-	650
30-93-7210-2600	Departmental Supplies	General office supplies, hand tools; allowance for new tools/multimeter	12,736	5,278	2,000	-	2,000
30-93-7210-2700	Power Purchase	Estimate from Electricities + Rivermist Street light reimbursement (\$11,000)	5,198,455	3,174,471	6,255,099	-	6,255,099
30-93-7210-2701	Utility Sales Tax	Remit to NCDOR the 7% Utility sales tax collected in account 30-93-3720-0000	512,545	350,657	551,396	-	551,396
30-93-7210-3100	Travel & Training	Certifications, continuing education, travel meals and lodging, Electricities training convention and summit	3,777	875	5,000	-	5,000
30-93-7210-3200	Communications	Land lines and cell phones, on-call answering service (\$4,000), additional cell fee for telemetric devices (\$2,880), Bill to read 28 devices (\$4,032).	3,385	3,337	10,912	-	10,912
30-93-7210-3300	Utilities - Electric	Street Lights & Portion of Public Works Office & City Garage utility bills	1,358	919	109,500	-	109,500
30-93-7210-3500	R/M Equipment	Repair and Maintenance of Multimeters, calibration of devices and other equipment	-	-	-	-	-
30-93-7210-3501	R/M Vehicles	Repair and Maintenance of 2020 Ford Escape; parts, new tires, etc.	137	19	1,000	-	1,000
30-93-7210-3502	Install Load Mgt Switches	51 - Load Management Switches & Installation; service calls			18,258	-	18,258
		50-ecoBe thermostats			7,812	-	7,812
		10-eco-repeaters			2,275	-	2,275
		6-eco-Net Gateways for Load Management replacement/expansion			4,133	-	4,133
		BEMC installation of repeaters & gateways			12,000	-	12,000
		Total Load Management Switches	55,895	11,512	44,478	-	44,478
30-93-7210-4400	Contract Services	USIC Location Services - 100% after WS Merger			50,000	-	50,000
		811 Membership			1,400	-	1,400
		Electricities Dues			13,038	-	13,038
		Copier Maintenance			800	-	800
		Generators maintenance			900	-	900



FY2025 Proposed Budget Electric Department

Account	Account Name	Item/Description	FY2025 Budget Request				
			FY2023 Actual	FY2024 YTD 4/10/24	Total Amount	Cost Transfers To: Electric Fund	Net After Transfers
		Annual nexGrid software fees			5,000		5,000
		Credit check services for customer applications			1,542		1,542
		Total Contract Services			72,680		72,680
30-93-7210-4500	Insurance & Bonding	Insurance and Bonding	65,169	71,567	9,072		9,072
30-93-7210-4800	Billing Contract	BEMC Billing contract annual CIP-U increase 2.0369119%	235,866	191,510	255,400		255,400
30-93-7210-4900	Operations & Maintenance BEMC	Operations and Maintenance BEMC	1,047,427	489,345	597,763		597,763
30-93-7210-5400	Capital Outlay - Vehicles	Lease for Electric Department vehicle: 2020 Ford Escape hybrid (\$7,000.00).	83	5,053	7,000		7,000
30-93-7210-5500	Capital Outlay - Equipment		-	6,843	-		-
30-93-7210-7200	Lease Amortization		6,647	-	-		-
30-93-9990-0000	Depreciation		418,287	-	-		-
Various	Cost Transfers from Other Depts	Personnel costs from support departments charged to Electric Fund				419,259	419,259
Total Non-Personnel Costs			7,585,473	4,339,027	7,935,996	419,259	8,355,255
30-93-7210-5800	Capital Outlay -Capital Improv	100 Electric Meter Disconnect Collars (\$20,000), ROW Trimming (\$55,000).	-	20,310	75,000		75,000
30-93-7210-9700	Contingency Expenses	Contingency plan for for unforeseen LM switch replacement and/or storm damage to LM infrastructure (\$25,000), any non-O&M underground expense ie; burnout (\$120,000.00) NOTE: Has been budgeted previously but not used			145,000		145,000
Total Capital Costs			-	377,459	220,000	-	220,000
Total Electric			365,842	(1,414,290)	(1,754,549)	419,259	(1,335,290)



FY2025 Proposed Budget

Police

Overview

Southport's Police Department provides law enforcement, patrol, investigative, and public safety services twenty-four hours a day, seven days a week. In 2023, the department responded to 7,316 calls, 2,293 community engagements, made 120 arrests, and investigated 460 cases. The department provides traffic direction, security assessments, and safety at multiple events throughout the year and enforces parking requirements and administers the City's golf cart registration program. The department also sponsors and participates in many civic programs and activities that support the community, including the annual Shop-With-a-Cop program that provides holiday gifts to families in need. In FY2024, the Police Department absorbed Animal Protective Services (APS), which is no longer a stand-alone department. The former APS functions are included in the Police budget request, and historical costs in the department budget worksheets include APS.

Department Revenue

The department receives a small amount of direct revenue that supports Police functions. The FY2025 budget includes:

- Donations and fundraisers for the Shop-With-A-Cop program: \$10,000
- Golf Cart Fees: (583 currently registered) \$15,000
- ABC Store Revenue (portion designated for Police) \$32,522
- Animal Protective Services Docupet Services \$1,480

Operating Expenses – Personnel Costs

The Southport Police Department is led by the Police Chief and the Police Major and has sixteen full-time sworn officers. (2 Sergeants, 1 Detective Sergeant, 1 Detective, 10 Police Officers), two part-time sworn police officers, one full-time non-sworn animal protective services officer, and support staff consisting of one full-time and one-part time non-sworn employees. Attracting and retaining police officers has become increasingly difficult, and the department regularly experiences turnover. Police candidates are held to rigorous standards and undergo extensive background checks, psychological evaluations, physical exams, and skills evaluation and approval before being offered employment. Our cadet program allows those hired to attend the BLET police academy, and upon successful completion, begin work as a police cadet before being promoted to officer. The process of finding, hiring, and training a police officer is difficult, lengthy, and expensive, and it is in the best interest of the city to retain these officers. This is not only a statewide issue, but a nationwide problem. Because the Board has not yet adopted the recommendations of the recent wage study, which identified pay deficiencies compared to market, this proposed budget does not include those recommended increases. However, the department strongly urges the adoption of the recommendations to improve the City's ability to attract and retain these critical employees. This proposed budget does include a \$2.50 shift differential for officers who work night shifts, totaling \$30,030 and a step plan to allow employees, through advanced training and experience, to rise faster in the Police hierarchy. The opportunities for advancement will be an incentive for staff to remain with the city and improve retention.

Employee Overtime is increasing due to several factors. This budget line reflects the cost for minimum staffing: officer safety is paramount, and when an officer misses a shift due to illness or time off, that shift must be covered. Officers are required to spend time in court, on certification, taking training courses,



FY2025 Proposed Budget

Police

as well as mandated time on the firing range for pistol, rifle, shotgun, and taser qualifications. The department must provide additional manpower to cover the larger citywide events hosted by many groups, non-profits, and City.

Animal Protective Services functions have been merged into Police and are part of the FY2025 budget request. Because of low numbers of servicing animal calls, the APS will also be assisting the Development Services Department with zoning enforcement.

No new positions are being requested. The department has one current vacancy but is expecting the return of one employee who has been on full-time military duty to fill this vacancy. All positions are budgeted for the full year. Each position is budgeted with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Overtime:** hours estimated using a 12-month history of actual overtime incurred.
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs.
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee.
- **Retirement:** 15.1% contribution for each eligible employee as required by statute.
- **FICA:** 7.65% of compensation as required by law.

Part-Time positions do not qualify for healthcare, 401(k), retirement, or Longevity Bonuses.

Operating Expenses – Non-Personnel Costs

The operating expense requests you see in the Budget book were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. Major changes compared to the approved FY2024 budget include:

- In April 2024, the City signed a five-year lease to serve as a temporary Police Headquarters while a permanent HQ is pursued. This lease adds rent of \$53,750 plus common area maintenance of \$12,500, for a total of \$66,250 to the FY2025 budget. Estimated utilities add another \$6,000.
- Travel and Training shows an increase as this line reflects officers' training and educational support. This is inclusive of ammunition and training supplies for department and state mandated training. We earmarked \$800.00 per officer to include Animal Protective Services. As we are moving ahead with our accreditation, training will continue to increase.
- Vehicle Supplies saw an increase this year mainly due to a rise in fuel costs.
- Contract Services continues to increase due to the rise in the cost of services to several of our technological and operational platforms. Most of these are "built in" increases that are somewhat expected. Central Squares (our records management system), Lexipol (for policy and legal services, Police 1 Academy, and our Cordico officer wellness and support program), and DCI mobil computer aided dispatch terminals to name a few.



FY2025 Proposed Budget

Police

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual Department budget request. The FY2025 Police budget request contains the following capital items:

- **14 current vehicle leases (13 Police Patrol Cars, and 1 APS Van):** **\$138,838**
In addition to the 14 leased vehicles, the Police Department has seven owned vehicles, for a total of 21 vehicles. The owned vehicles are: 1- Chief's SUV; 3- active Patrol SUVs; 1- F150 pick-up; 1- Dodge Charger "Salute to Veterans" car; 1-Specialty Emergency Unit. This unit was acquired through the L.E.S.S. (Law Enforcement Support Services) program which provides decommissioned military equipment to Law Enforcement agencies nationwide.

The Police Department also has a critical capital request in the CIP budget. Due to the 2025 rollout of the new statewide VIPER 800 mhz radio system, current radios will not have the technology to be supported and must be replaced. The state announced this approximately two years ago. The Southport Fire & Rescue Departments have a similar need. With the support of the City Manager, the Police Department has been replacing radios within approved budget amount over the last couple of years, and to date have replaced all but 5 portable radios. However, none of the mobile vehicle radios have been replaced. The cost to replace all obsolete radios is \$125,591:

- 5 Portable APX6000 Radios @ \$5,303.84 + Shoulder Mic @ \$106.00 = \$27,049.20
- 20 In-Car Mobile APX Radio Systems @ \$4,285.83 + Program Cost @ \$641.25 = \$98,541.60



FY2025 Proposed Budget

Police Department

Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
10-10-3437-0600	Misc. Receipts/Police Dept.	FY24 is insurance proceeds for damages to a vehicle	7,819	8,126	-
10-10-3437-0601	Police Shop with a Cop	100% donations/fundraisers	17,150	11,903	10,000
10-10-3437-0602	Golf Cart Fees	Assume continuing current program	15,595	4,475	15,000
10-10-3443-0300	Police Misc Grants	FY24 is for State apportionment	-	201,720	-
10-10-3838-0000	ABC Revenue for Law Enf.	5% of estimated ABC Store profit	29,327	19,400	32,522
10-06-3210-0000	Civil Penalties	Animal Control account no longer used	320	75	-
10-06-3220-0000	Pet license & tags	Animal Control account no longer used	810	1,510	-
10-06-3833-0005	Donations Animal Care	Animal Control account no longer used	-	30	-
Total Department Revenue			71,022	247,239	57,522
10-10-4310-0000	Full-Time Employees	Chief, Major, 16 FT sworn Officers, 1 APS officer, 1 FT Administrative employee	890,346	759,850	1,151,893
10-10-4310-0001	Employee Overtime	Provides minimum shift coverage, training/certification, events coverage	55,447	53,790	77,514
10-10-4310-0200	Part time Salaries	2 PT sworn offices and 1 PT Administrative employee	56,158	29,417	49,678
10-10-4310-0400	Separation Allowance-Leo	One former officer on permanent leave	13,453	9,720	12,819
10-10-4310-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	46,627	40,234	64,003
10-10-4310-0900	F.I.C.A.	7.65 % of Compensation	76,555	64,184	98,831
10-10-4310-1000	LGERS Retirement	15.1% of compensation for Full Time employees	120,538	112,084	193,290
10-10-4310-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	169,239	150,807	181,622
Total Personnel Costs			1,428,364	1,220,086	1,829,650
10-10-4310-1400	Workers Compensation Insurance	Department allocation of insurance	24,915	30,343	28,232
10-10-4310-2100	Uniforms & Protective Gear	Maintain current budgeted amount plus replacement of 6 expiring ballistic vests @~\$850 each (5 year life)	22,168	7,006	25,000
10-10-4310-2500	Vehicle Supplies	Fuel, replacement equipment, printers, lights, supplemental emergency equipment, flashlights, etc.	6,838	37,338	57,000
10-10-4310-2600	Departmental Supplies	Office supplies, misc. shipping costs, stationery, books	96,739	7,311	16,000
10-06-4600-2602	Animal Care	Prior years expense in Animal Control 10-10-4310-2602	8,474	2,478	8,500
10-10-4310-3100	Travel & Training	Estimated \$500 per officer & APS / Required increase of firearms training from 1 time per year to quarterly as required for accreditation / Required annual Taser Re-Cert & Training Materials/ targets & supplies/training conferences/certifications and renewals and renewals/specialized training as required for accreditation.	15,175	10,104	20,000
10-10-4310-3101	Community Resource Program	Continued with budgeted amount to support Shop w/a Cop, other community planned public events and programs.	18,400	10,000	15,000
10-10-4310-3200	Communications	Officer Cell Phones (First Net); Mobile internet access for mobile data terminals and Axon body camera uploads (Cradle Point)			15,600
		US Cellular - Patrol GPS Units			3,500
		Department cable service (Spectrum)			883
		Total Communications	24,613	20,344	19,983



FY2025 Proposed Budget

Police Department

Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
10-10-4310-3300	Utilities	Utilities for new leased PD HQ. Estimate electric @ \$1.40/sf. Electric & water estimated at \$500/month	3,399	2,652	6,000
10-10-4310-3500	R/M Equipment	Weapon system, in-car camera, flashlight repair/replacement, body cameras and mounts, computer repairs, radios (in-car and mobile), in car mounts, cages, consoles, electronics, cell phones, radar/lidar repairs, in office equipment repair (monitors, peripheral computer parts, lights, etc.)	802	269	4,500
10-10-4310-3501	R/M Vehicles	Tires, brakes, vehicle lights, windshields, fluids, batteries, ins. deductables	60,340	15,374	6,500
10-10-4310-4400	Contract Services	Lease of new police HQ			53,750
		Common Area Maintenance new leased police HQ			12,500
		Axon cartridges and supplies			11,852
					9,215
		Lexipol LLC-3 system usages; KMS; policy & legal services; 1 Police Academy; traning & training records resource management; Cordico; officer wellness support program			
		Records Management (Central Squares)			7,148
		Southern Software			4,525
		Wolfcom Body & Mobile Camera Subscription			4,100
		Police App/OCV			3,995
		Copier lease and service			3,500
		LEADS Online investigative tool			2,500
		Tyler Technologies Citations			2,050
		DCI			2,000
		FMRT			1,700
		Annual RADAR Recertification			1,200
		BC Law Enforcement Range			750
		Total Contract Services	64,970	90,401	120,785
10-10-4310-4500	Insurance & Bonding	Maintain current budgeted amount	34,238	33,792	37,361
Total Non-Personnel Costs			381,438	267,413	365,439
10-10-4310-5000	Capital Purchases Under \$5000		-	1,170	-
10-10-4310-5400	Capital Outlay - Vehicles	15-Patrol vehicles plus 1 -APS vehicle (\$1073.97 x2 ordered)	124,720	91,626	164,613
10-10-4310-5500	Capital Outlay - Equipment		-	115,043	-
Total Capital Costs			124,720	207,839	164,613
Total Police			1,863,500	1,448,098	2,302,181



FY2025 Proposed Budget

Fire & Rescue

Overview

The Southport Fire Department is Brunswick County Fire District 14 and extends beyond Southport city limits. In addition to Southport proper, the Fire District spans north past the split of routes 87 and 133 (in both directions), west to the St. James town line, and south to Caswell Beach. The Department operates four active stations – Fire Headquarters located at 1011 North Howe Street, as well as 3 substations: 111 East Nash Street (Downtown Substation), 4884 Old Long Beach Road (Long Beach Road Substation) and 1100 Caswell Beach Road (Caswell Substation) in Caswell Beach. The City of Southport and the Town of Caswell Beach have a contract to provide the Town Fire Protection Services, in exchange the City receives all the Fire Fees in that district. The Departments are the primary responding emergency services within Fire District 14, but regularly respond to emergencies outside of the Fire District as needed to support neighboring districts.

Southport Fire Department provides emergency response services twenty-four hours a day, seven days a week. In a typical year, the Department responds to 794 fire emergencies and 3,154 medical emergencies, for a total of 3,948 call responses, or nearly 11 for every day of the year. The EMS division transports approximately 1,175 patients to hospital facilities annually, which is more than 3 per day. The Fire Department also provides an Enforcement & Educational division through the Southport Fire Marshal's Office. This division performs inspections, enforces the North Carolina State Fire Code, reviews plans for projects and subdivisions, and educates the public on fire prevention and safety.

The Southport Fire Department is renowned for its civic and community efforts that enhance the quality of life in Southport and the surrounding communities. The Department participates in over 50 community events annually and customer service to citizens is a top priority. Southport Fire Department is dedicated to providing the best services to the citizens to protect life and preserve property in the district.

Department Revenue

The Fire & Rescue Departments generate significant revenue that funds most of the Fire Department costs and a sizeable portion of Rescue costs. The FY2025 budget includes the following revenue:

Fire District Fees: Fire District Fees are authorized under North Carolina law and are set by the Southport Fire Fee Committee for the Southport District. Fees for improved properties are based on the heated square footage of a building, while vacant land is assessed by acreage. Fees are not based on tax value. Properties within six miles of a Fire Station pay the full fee while properties more than 6 miles from a fire station pay 75 percent of the full fee. The FY2025 budget projects \$1,978,933 of Fire District Fee revenue in FY2025.

Fire Inspections & Permit Fees: Commercial properties within the fire district are required to be inspected annually, and a fee for these inspections is charged. The FY2025 budget projects \$40,000 of revenue for these fees.



FY2025 Proposed Budget

Fire & Rescue

Donations: An annual donation is given to the department for fire protection services at the Brunswick Nuclear plant by Duke Progress. This year a donation of \$ 50,000.00 is anticipated.

Fire Response Fees: These fees are assessed when the Fire Department responds to a motor vehicle crash, where the parties do not reside in the City Limits of Southport. This helps the department offset the cost of motor vehicle crashes, and relieves the burden on city taxpayers, passing on the cost to visitors and tourists. The response fees are collected by a third party by billing insurance companies, and our policy is not aggressive billing. The FY2025 budget projects \$10,000 of these fees.

Rescue Squad Fees: When EMS responds to a medical emergency, or transports a patient to a medical facility, a charge is assessed. This charge is often paid by the patient's insurance and is collected by a third party. The FY2025 budget projects \$370,000 in revenue from these fees.

Sale of Assets: The Fire Department plans to sell four surplus vehicles, including a ladder truck, brush vehicle, ambulance, and a mobile command trailer. The sale of these vehicles is projected to provide \$160,000 of revenue in FY2025.

Operating Expenses – Personnel Costs

Staffing Fire and Rescue shifts have become increasingly challenging. The combination of full-time staff and volunteers is complex and difficult. Stations must be staffed twenty-four hours a day, seven days a week without exception. A station shift typically is twelve hours long for volunteers and 24 hours for full-time staff. Additional volunteer personnel who are not at a station must be on stand-by to respond to emergencies. Southport provides this coverage with a mixture of full-time staff and volunteers. Finding volunteers is challenging nationwide, and the demographics of Southport and the surrounding communities makes it even more difficult for Southport Fire Department. Like all local fire districts, Southport pays volunteers a small stipend (\$125) for working a 12-hour shift, responding to calls (\$25), and transporting patients (\$25). Even with these stipends, finding volunteers is increasingly difficult. Currently on the fire side we have six (6) volunteers that are assisting with shift coverage to supplement the full-time staff. All Ambulance staffing is done by volunteer sign up for shifts. Currently, on the EMS division we have twenty-five (25) volunteers that are assisting with shift coverage of the ambulance. Retention of EMS volunteers is a major problem, for we have become a training ground for Brunswick County EMS. When EMS volunteers get state certification and experience, they leave for full-time county jobs, making more money with job security.

Due to the twenty-four-hour shifts, the schedule for a full-time firefighter or paramedic employee is 2,756 hours a year, which is an average of 53 hours per week. The length of schedule alone creates challenges in attracting candidates, and making matters more difficult, Southport's pay scale is below other local Fire & Rescue units. The city often trains full-time professionals only to lose them to a higher paying district in another local unit. The recent wage study identified pay deficiencies compared to market and recommended pay adjustments for full-time staff. Because the Board has not yet adopted the recommendations of the



FY2025 Proposed Budget

Fire & Rescue

study, this proposed budget does not include those recommended increases. However, the Department strongly urges the adoption of the recommendations to improve the City's ability to attract and retain these critical employees.

This budget request, as presented, does not include any new positions. However, in a separate document, both Fire and Rescue are requesting three new full-time staff positions each, for a total of six new positions. These positions are necessary to compensate for the lack of volunteer coverage, to stabilize shift coverage, bring more accountability to positions being filled by volunteers and to continue to provide the around-the-clock fire and life safety staffing that is required. Without increasing the full-time paid staff, the city is at risk of having an insufficient number of trained professionals to provide adequate staffing. To pay for these new positions, the Department will reduce the funding that is going towards paying volunteer shift stipends. This reduction will pay for a majority of the cost by readjusting line items in the current budget. Positions included in the FY2025 budget request include:

Fire

- **14 Full time employees:** Chief, Battalion Chief, Fire Marshal, Deputy Fire Marshal, Shift Captains (3), Firefighters (6), Fire Clerk
- **Volunteers:** approximately 6 who will staff stations, up to 32 potentially available to respond to calls

Rescue

- **3 Full time employees:** EMS Captain, Paramedics (2)
- **Volunteers:** approximately 25 who will staff ambulance by sign up of shifts.

All positions are budgeted for the full year. Each full-time position is budgeted with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Overtime:** hours estimated using a 12-month history of actual overtime incurred
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law

Volunteer Costs are budgeted as follows:

- Volunteer shifts – Fire: 905 shifts budgeted at \$125 per shift
- Volunteer shifts – EMS: 1,603 shifts budgeted at \$125 per shift
- Call response – Fire: 1,837 responses budgeted at \$25 per call



FY2025 Proposed Budget

Fire & Rescue

Operating Expenses – Non Personnel Costs

The operating expense requests in your proposed budget were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. The largest single non-personnel expense is repayment of loans that financed the main fire station and two fire trucks. One fire truck was fully repaid in FY2024, reducing the debt service by \$97,000 compared to FY2023. Otherwise, the FY2025 budget request involves no major changes compared to the approved FY2024 budget for either Fire or Rescue.

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual Department budget request. The FY2025 Fire and Rescue budget request contains the following capital items, which total \$170,000:

- 5000 feet of supply hose: \$10,000
- Nozzle replacements: \$10,000
- Battery-powered ejection fans (2) \$10,000
- Turnout gear – 10 sets \$50,000
- Thermal imaging cameras (2) \$25,000
- Cardiac Monitor: \$35,000
- LUCAS Device: \$15,000
- Lease of two vehicles: \$15,000

In addition to these small capital needs, Fire & Rescue has several urgent needs on the major capital CIP list. The most urgent need is for \$600,000 (\$750,000 including Southport Police) to purchase 800 mhz radios to comply with a state directive to operate on this frequency. These radios must be purchased in FY2025 to meet the State deadline for converting. In addition, the Department needs to replace three fire trucks and one ambulance over the next five years, including two in urgent need of replacement. The lead time for a new fire truck is about two to three years, meaning we need a commitment during the FY2025 budget to place orders for these trucks.



FY2025 Proposed Budget

Fire & EMS Departments

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
Fire	10-11-3434-0100	Fire District Fees		1,888,170	1,931,557	1,978,933
	10-11-3434-0200	Duke Energy Donation For Fire Dept		-	50,000	50,000
	10-11-3434-0400	Fire Response Fees		6,214	5,978	10,000
	10-11-3434-0500	Fire - Miscellaneous Revenue	Sale of surplus vehicles: Ladder 362 (\$50k); Brush 378 (\$30k); Mobile Command Trailer (\$30k); 396 (\$50k).	-	-	160,000
	10-11-3434-0700	Fire Inspections & Permit Fees		10,256	13,629	40,000
	Total Department Revenue				1,904,261	2,001,163
	10-11-4340-0000	Full-Time Employees	This line covers 14 full-time staff members. Current staffing model is 2 full-time FF's at Headquarters, supplemented by a full-time FF and a volunteer at Caswell.	718,180	613,227	915,561
	10-11-4340-0001	Employee Overtime	Any of our 24 hour employees have forced overtime with their shift. This line also covers overtime for the staff for training and shift coverage when employees are out sick or on vacation.	107,746	69,138	86,148
	10-11-4340-0100	PT/Volunteer Fire Fees	Part-time FF's to help with shift coverage \$20 per hour @ 1000 hours per year.	103,128	92,745	113,150
	10-11-4340-0200	Employee/Volunteer Stipend	Volunteer stipend \$25 per call.	87,100	50,800	53,200
	10-11-4340-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	40,966	33,702	50,756
	10-11-4340-0900	F.I.C.A.	7.65 % of Compensation	77,039	62,946	91,415
	10-11-4340-1000	Fire Fighter Pension Plan Cont	13.6% of compensation for Full Time employees	99,022	86,770	138,058
	10-11-4340-1002	Payments To Retirees	Retirement for FF's that have 20 years of service with SFD and have reached 55 years of age.	24,756	21,989	24,180
	10-11-4340-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	91,135	97,007	138,969
Total Personnel Costs				1,349,072	1,128,324	1,611,437
	10-11-4340-1300	Unemployment Reserve	Federal requirements.		-	
	10-11-4340-1400	Workers Compensation Insurance	Coverage for full-time employees and volunteers.	17,564	20,167	18,506
	10-11-4340-1800	Professional Fees	Allocation for grant writers, and dues for associations such as NFPA, NCSFA, NCFLE, NCFRIA, and payments for special inspections.	2,930	8,593	10,000
	10-11-4340-2100	Uniforms & Protective Gear	This line covers Class A & B uniform supplies for full-time personnel and 80 volunteers. I have built in a special uniform allowance of 400.00 per year for full-time staff that may have special needs, such as duty boots, jackets, or job shirts. Also any PPE that is needed for members.	27,216	23,430	30,000
	10-11-4340-2500	Vehicle Supplies	Gas and Tire allowance for all departmental vehicles and trailers.	47,032	36,500	40,000
	10-11-4340-2600	Departmental Supplies	Supplies for offices, administration, fire suppression foam, saw blades, storm supplies, batteries, hand tools, tarps, cleaning, water, kitchen items, SCBA supplies, gloves, soap, paper towels, toilet tissues, items for rehab, etc.	20,409	12,829	25,000
	10-11-4340-2604	Fire Prevention	This line covers all fire prevention, citizens academy, and safety day needs. Inclusive of programs for elementary schools, day care centers, and the senior population. Purchase items for the clown troop, parades, festivals, safety days, car seat inspection days, brochures, curriculum, props, and educational materials. Also, for DVDs, smoke alarms, puppet items, and give aways promoting fire safety.	18,609	21,603	20,000
	10-11-4340-3100	Travel & Training	Instructor and registration fees, conference, conventions, seminars, hotel lodging, travel expenses, fire academy and colleges.	11,929	22,031	25,000
	10-11-4340-3200	Communications	Telephone lines for all stations, cell phones, internet, cable service, security camera maintenance, key entry system, pagers and radios.	11,485	19,665	30,000



FY2025 Proposed Budget

Fire & EMS Departments

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
	10-11-4340-3300	Utilities - Fire Dept	All utilities on Headquarters & (2) substations. The Town of Caswell Beach pays for the utilities at that substation.	38,095	29,454	30,000
	10-11-4340-3500	R/M Equipment	Repair & Maintenance on all portable equipment.	11,173	13,525	12,000
	10-11-4340-3501	R/M Vehicles	Repair & Maintenance on all departmental vehicles.	41,036	47,556	40,000
	10-11-4340-3502	R/M Facilities	Repair & Maintenance on Headquarters, the downtown substation, and the Long Beach Road Substation.	14,477	11,689	18,000
	10-11-4340-3503	Substation Lease	Lease on the Long Beach Road Substation.	15,000	11,250	15,000
	10-11-4340-4400	Contract Services	Contracts for physical exams for FFs, Elevator, generator, hydro testing, SCBA testing, ladder & hose testing, copier, garbage, security system, hood system, sprinkler, plymovent, fire recovery, management solutions, drug testing, background checks, member monitoring for criminal activity, and any other contracts.	18,110	33,893	33,000
	10-11-4340-4500	Insurance & Bonding	Coverage on all facilities, vehicles, and portable equipment.	42,886	48,280	50,000
	10-11-4340-7100	Debt Service	Payment of Headquarters and on 2 fire engines.	383,487	285,403	286,000
	Total Non-Personnel Costs			721,439	645,869	682,506
	10-11-4340-5500	Capital Outlay - Equipment	5000 feet of supply hose \$10k; Nozzle replacements \$10k; 2 Battery Powered Ejection fans \$10k; 10 sets of turnout gear \$50k; 2 thermal imaging cameras \$25k	-	138,288	105,000
	Total Capital Costs			-	138,288	105,000
	Total Fire			166,250	(88,682)	160,010

EMS	10-12-3437-0400	Rescue Dept/Misc. Receipts		2,242	-	-
	10-12-3437-0500	Rescue Squad Fees		274,260	224,969	370,000
	Total Department Revenue			276,502	224,969	370,000
	10-12-4370-0000	Full-Time Employees	This line covers our Full-time EMS Captain and 2 paramedics.	56,792	115,406	196,258
	10-12-4370-0001	Employee Overtime	This line covers the forced overtime that is due to working 24-hour shifts, there is also factored in OT for employees being out sick, on vacation, and for training.	14,260	28,286	20,066
	10-12-4370-0200	Volunteer Rescue Fees	EMS volunteer/part-time employees. EMTs will be paid (\$130) for 12-hour shift, Advanced-EMTs will be paid (\$155) for a 12 hour shift. They are also paid (\$25) for every transport.	193,526	201,164	200,500
	10-12-4370-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	3,526	7,103	11,447
	10-12-4370-0900	F.I.C.A.	7.65 % of Compensation	20,133	25,670	28,741
	10-12-4370-1000	Retirement/State Shared	13.6% of compensation for Full Time employees	8,582	18,327	31,137
	10-12-4370-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	5,979	17,814	32,304
	Total Personnel Costs			302,796	413,770	520,453
	10-12-4370-1400	Workers Compensation Insurance	Coverage for full-time employees and volunteers.	1,653	2,220	1,735
	10-12-4370-2100	Uniforms & Protective Gear	This line covers Class A & B uniform supplies for full-time personnel and 25 volunteers. I have built in a special uniform allowance of 400.00 per year for full-time staff that may have special needs, such as duty boots, jackets, or job shirts. Also any PPE that is needed for members.	11,784	2,760	15,000
	10-12-4370-2500	Vehicle Supplies	Gas & Tire allowance for all departmental vehicles and trailers.	14,420	20,612	20,000



FY2025 Proposed Budget

Fire & EMS Departments

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
	10-12-4370-2600	Departmental Supplies	This line covers all EMS supplies throughout the entire year, medications, and other supplies like charts, office supplies, medical bags, IV Fluids, bandages, oxygen tubing, and other needed supplies.	9,808	4,139	12,000
	10-12-4370-2601	Medical Supplies		19,728	24,299	28,000
	10-12-4370-2603	Other Equipment		-	516	-
	10-12-4370-3100	Travel & Training	Travel & Training for 3 fulltime employees and 25 EMS volunteers.	6,418	459	5,000
	10-12-4370-3200	Communications	Pagers for duty shifts, radios for ambulance crews, cell phones and tablets for the ambulances.	6,702	4,865	8,000
	10-12-4370-3300	Utilities	25% of utility expenses at Headquarters and the downtown substation.	5,777	-	10,000
	10-12-4370-3500	R/M Equipment	Money allocated for any repairs on cardiac monitors, stretchers, or other ambulance or EMS equipment.	8,072	96	12,000
	10-12-4370-3501	R/M Vehicles	Repair and Maintenance on 3 ambulances, 1 QRV, and 1 EMS Polaris.	6,996	8,251	12,000
	10-12-4370-3502	R/M Facilities	A percentage of maintenance on Headquarters and the Downtown Substation.	9,934	299	7,000
	10-12-4370-3900	Other Services		1,595	-	-
	10-12-4370-4400	Contract Services	Contracts cover the EMS Billing for patient transports, cardiac monitors, stretcher contracts, percentages on the copier, garbage, and security systems.	40,383	27,512	50,000
	10-12-4370-4500	Insurance & Bonding	Percentage of insurance costs of facilities, vehicles, and portable equipment.	40,114	22,767	45,000
	10-12-4370-7100	Debt Service		52,726	30,249	-
	Total Non-Personnel Costs			236,112	149,044	225,735
	10-12-4370-5400	Capital Outlay - Vehicles	Lease payment on 2 vehicles	-	-	15,000
	10-12-4370-5500	Capital Outlay - Equipment	Cardiac Monitor 35k, LUCAS Device 15k	-	42,551	50,000
	Total Capital Costs			-	42,551	65,000
	Total Rescue			262,406	380,396	441,188
Total Fire and Rescue				428,655	291,714	601,198



FY2025 Proposed Budget

Development Services

Overview

The Southport Development Services Department consists of two units: Planning & Code Enforcement and Permitting & Inspections. The Planning Division maintains and applies the City's Unified Development Ordinance (UDO), which governs the use of land and development standards within the City. The Code Enforcement branch of Planning enforces the UDO and Code of Ordinances within the City. The Permitting Division reviews applications and issues building permits for construction and other development within the City, and the Inspections Division approves construction to enforce adherence to NC building codes.

The Planning Division is in the midst of the Comprehensive Plan with Stewart, the consulting firm that was awarded the contract. This project has a substantial public engagement component, including stakeholder meetings, steering committee meetings, and visioning sessions with the public. When completed, the plan will provide a guide for development, growth, and priorities for the City for the next five to ten years. The State requires that any organization with a Planning Department and Ordinances update its Comp plan within a reasonable amount of time.

In conjunction with the Comp Plan project, a parking study is being conducted. The study will capture our existing parking infrastructure and make recommendations for how to maximize or create parking in the core downtown areas.

The Historic Preservation Commission has completed a draft of the desired standards for the district. Because of the limited staff over the past year, the City has amended the contract with Stewart to include the Historic District reports that are required for designating a local district. Once the reports are completed, reviewed, and approved by the State for completeness, the district can be adopted, and the City can start working on educating the public and working towards the goals established in the Historic Preservation Ordinances.

Department Revenue

Revenue from building permits funds the entire Permitting and Inspections Department, while Planning generates a small amount of revenue. State law requires that revenue generated through permits and inspections be managed separately to ensure that expenses are for that Department only. Last year (FY23-24) was the first year that Development Services was divided for this purpose. The goal is for the Permitting & Inspections Department to support itself fully. The revenue last year allowed the City to hire additional inspectors and permitting technicians. Revenue can also be used to supplement salaries, Department supplies, and expenses. The following revenue is included in the FY2025 Development Services budget:

Building Permits (Permitting):	\$800,000
Planning & Zoning Fees (Planning):	\$23,000



FY2025 Proposed Budget

Development Services

Civil Penalties (Planning/Code Enforcement): \$5,000

Operating Expenses – Personnel Costs

The Development Services Planning division has three full-time and one part-time position, and two of those positions are currently vacant. The Director of Development Services position has been vacant and under active recruitment for several months. The Director is funded equally by Planning and Permitting. The City Planner assists with all development requests and moves projects forward to the Planning Board, Board of Adjustment, and Board of Aldermen.

The Code Enforcement Officer actively observes and monitors the City for any violations of the UDO and Code of Ordinances. Both positions are currently filled. In the FY2024 budget, a full-time Historical Planner position was approved but has never been filled. This position has been included in the FY2025 budget as a part-time position.

The Permitting Division has four full-time employees, two Building Inspectors, and two Permitting Clerks. All positions are currently filled. The Permitting Technicians intake applications to make sure they are complete before sending the information to the next step. They also schedule inspections, assist customers, and help make changes to the permitting portal. The Building Inspectors are required to enforce the NC Building Code. They review building plans, conduct inspections, and assist customers when they have code questions.

No new positions are being requested; however, FY2024 Personnel costs will be significantly under budget due to vacancies that have lasted for most of the fiscal year, which will skew the comparison to FY2025. All positions are budgeted for the full year. Each full-time position is budgeted with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Overtime:** hours estimated using a 12-month history of actual overtime incurred
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law

Operating Expenses – Non-Personnel Costs



FY2025 Proposed Budget

Development Services

The operating expense requests you see in the budget books were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. The FY2025 budget request contains two major new costs when compared to the FY2024 approved budget. Both items are in the Planning Contracted Services account 10-40-4350-4500:

- Contracted Code Enforcement: \$55,000

During FY2024, the City experienced difficulty hiring a full-time code enforcement officer and subsequently contracted with Alliance Code Enforcement (ACE) to staff the position. This contractor is budgeted to continue in FY2025 to supplement the City's full-time code enforcement officer. Currently, the contractor focuses more on Code of Ordinance violations, including Minimum Housing. There are a lot of specific steps that must take place for Minimum Housing, and ACE provides a lot of experience.

- Demolition of Minimum Housing: \$25,000

This is a provision to demolish Minimum Housing violations (abandoned and derelict) within the City. This expense will be recuperated through various means, including liens, fines, and lawsuits.

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual Department budget request. The Comprehensive Master Plan, which was budgeted as a Capital Project in FY 23-24, is still ongoing. The FY2025 Development Services budget request contains the following requests:

- Lease payments for two existing vehicles for Building Inspectors: \$14,000
- Lease payment for one existing vehicle for Code Enforcement: \$7,000



FY2025 Proposed Budget Development Services

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request				
						Total Amount	Cost Transfers To:		Net After Transfers	
						Electric Fund	Permitting			
Planning & Zoning	10-40-3220-0000	Civil Penalties		-	18,846	5,000			5,000	
	10-40-3343-0100	Home Owners Recovery Fund		133	460	-			-	
	10-40-3343-0400	Planning & Zoning Fees	Fees collected from zoning permits and all zoning applications.	22,619	29,230	23,000			23,000	
	Total Department Revenue				22,752	48,536	28,000	-	-	28,000
	10-40-4350-0000	Full-Time Employees	3 FTE: Vacant Director DS, Maureen, HP	283,962	82,747	243,133		(51,570)	191,563	
	10-40-4350-0001	Employee Overtime	Based on historical hours	5,479	3,770	1,188			1,188	
	10-40-4350-0200	Part-Time Employees		7,857	-	-			-	
	10-40-4350-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	14,312	4,149	12,135		(2,565)	9,570	
	10-40-4350-0900	F.I.C.A.	7.65 % of Compensation	21,671	6,318	18,691		(3,945)	14,746	
	10-40-4350-1000	LGERS Retirement	13.6% of compensation for Full Time employees	34,698	10,704	33,007		(6,977)	26,030	
	10-40-4350-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	47,354	14,581	31,738		(5,384)	26,354	
	Total Personnel Costs				415,333	122,269	339,892	-	(70,441)	269,451
	10-40-4350-1400	Workers Compensation Insurance	Planning and Code Enforcement Staff	3,365	2,046	1,916			1,916	
	10-40-4350-2500	Vehicle Supplies	Code Enforcement Vehicle Fuel	1,983	632	600			600	
	10-40-4350-2600	Departmental Supplies	Planning Office Supplies	16,100	1,418	5,000			5,000	
	10-40-4350-2601	Forestry Projects	Budget moved to Buildings & Grounds	5,000	-	-			-	
	10-40-4350-3100	Travel & Training	NCAZO Dues, HPC Training, Other training (2) planners, (1) director, (1) Code Enf, GIS Training	8,812	1,963	7,000			7,000	
	10-40-4350-3200	Communications	Cell phones, postage, legal notices	6,672	4,393	6,000			6,000	
	10-40-4350-3300	Utilities		3,771	2,617	1,800			1,800	
	10-40-4350-3500	R/M Equipment		192	-	-			-	
	10-40-4350-3501	R/M Vehicles	NAPA, Auto-work for (1) code enf vehicle	545	563	1,000			1,000	
	10-40-4350-3900	Other Services		12,741	-	-			-	
	10-40-4350-4400	Contract Services	Demolition of Minimum Housing (\$25k); Granicus(\$10k), Alliance Code Enforcement (\$55k), ARC GIS (\$1.6k), copier lease share (\$3k)	66,044	55,512	94,600			94,600	
	10-40-4350-4500	Insurance & Bonding	(2) Planners, (1) Director, (1) Code Enf	7,924	3,976	4,652			4,652	
	Total Non-Personnel Costs				133,149	73,120	122,568	-	-	122,568
	10-40-4350-5400	Capital Outlay - Vehicles	Auto leases for (1) Code Enf vehicle	13,880	9,279	7,000			7,000	
	10-40-4350-5500	Capital Outlay - Equipment		-	-	-			-	
Total Capital Costs				13,880	9,279	7,000	-	-	7,000	
Total Dev Services-Planning/Zoning				539,611	156,132	441,460	-	(70,441)	371,019	

Permitting	10-41-3343-0000	Inspection Permits	Fees from all permits, failed inspections, etc. Prior years budgeted in 10-40-3343-0000.	807,240	657,085	800,000			800,000	
	10-41-3343-0100	Home Owners Recovery Fund	All revenue collected for HRF-\$10 per project with a GC, \$1 Net	-	-	80			80	
	Total Department Revenue				807,240	657,085	800,080	-	-	800,080
	10-41-4380-0000	Full-Time Employees	4 FTE: Building Inspectors (2); Permit Tech/Historical Planner (1); Permit Tech (1)	-	142,463	255,958		115,316	371,274	
	10-41-4380-0001	Employee Overtime	Based on historical actual hours	-	2,852	2,060			2,060	
	10-41-4380-0200	Part-Time Employees		-	2,196	-			-	
	10-41-4380-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	-	7,006	12,793		5,752	18,545	
	10-41-4380-0900	F.I.C.A.	7.65 % of Compensation	-	11,118	19,738		8,821	28,559	
	10-41-4380-1000	LGERS Retirement	13.6% of compensation for Full Time employees	-	18,076	34,796		15,646	50,442	
	10-41-4380-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	-	21,789	46,398		11,572	57,970	
	Total Personnel Costs				-	205,500	371,743	-	157,107	528,850
	10-41-4380-1400	Workers Compensation Insurance	(2) Inspectors (2) Permit techs	-	2,046	1,919			1,919	
	10-41-4380-2500	Vehicle Supplies	Fuel for (2) Inspector vehicles	-	573	1,600			1,600	
	10-41-4380-2600	Departmental Supplies	General office supplies for permitting and inspections	-	5,996	5,000			5,000	
	10-41-4380-3100	Travel & Training	Classes, travel and training for (2) inspectors, (2) permitting techs	-	5,452	7,000			7,000	



FY2025 Proposed Budget

Development Services

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Budget Request			
						Total Amount	Cost Transfers To:		Net After Transfers
							Electric Fund	Permitting	
	10-41-4380-3200	Communications	Cell phones for (2) inspectors, postage	-	2,785	2,200			2,200
	10-41-4380-3300	Utilities	Departments share of utilities	-	143	1,800			1,800
	10-41-4380-3501	R/M Vehicles	NAPA, Auto-work for (2) Inspections vehicles	-	-	1,500			1,500
	10-41-4380-4400	Contract Services	OpenGov (\$13k), BlueBeam (\$1.6k), Digital Codes for (2) Inspectors (\$2.3k), Copier Lease (\$3k)	-	22,835	19,900			19,900
	10-41-4380-4500	Insurance & Bonding	(2) Inspectors (2) Permit techs	-	3,437	3,877			3,877
	Total Non-Personnel Costs			-	43,267	44,796	-	-	44,796
	10-41-4380-5400	Capital Outlay - Vehicles	Leases for (2) Inspections vehicles	-	3,393	14,000			14,000
	Total Capital Costs			-	3,393	14,000	-	-	14,000
	Total Dev Services-Permitting			(807,240)	(404,925)	(369,541)	-	157,107	(212,434)
Total Development Services				(267,630)	(248,792)	71,919	-	86,666	158,585



FY2025 Proposed Budget

Parks & Recreation

Overview

Southport’s Parks and Recreation Department manages the City’s parks and facilities, all City-sponsored community programs at those locations, and the capital projects that improve, repair, or maintain the locations. Parks & Recreation has responsibility for the following parks and facilities:

Franklin Square Park	A.C. Caviness Park	Parks & Rec HQ Building
Taylor Field	Keziah Park	The City Dock
Fort Johnston	Kingsley Park	Jaycee Building
Waterfront Park	Lowe-White Park	Senior Center
Salt Marsh Boardwalk	The City Gym	

Community programs delivered by Parks and Recreation include:

Before & After School Program	Capt. Charlie’s Fishing Tournament	Easter Egg Hunt
Youth Basketball	Aerobics & Fitness Classes (adult)	Open gym nights
Youth Summer Camps	Various Senior activities	4 th of July children’s Games
Farmer’s Markets (2024)	Winterfest Activities	Labor Day Crab Derby



The Before and After School program provides children from kindergarten to sixth-grade with transportation to and from school, snacks, and an environment to study and complete homework assignments. Transportation is also provided for summer camp excursions. Summer camp (12 weeks) has 40-45 participants Monday-Friday with daily activities and trips. The youth basketball program typically enrolls 175-200 participants and hosts around 80 games each year. The Farmer’s Market is held every Wednesday May – August with around 80 vendors. Two



of our oldest programs, Captain Charlie’s Kid’s Fishing Tournament and the Labor Day Crab Derby bring out generations of participants. We provide various Senior Adult activities such as monthly luncheons, weekly cards, crafts, exercise, and morning coffee. Our annual Easter Egg Hunt brings out hundreds of children to Franklin Square Park and





FY2025 Proposed Budget

Parks & Recreation



the Garrison Lawn. 4th of July children’s games, always held on July 3rd, averages 250 participants each year. The city gym is the only public indoor basketball gym in Brunswick County. We offer open gym play 5 nights a week from 5-9pm. We offer weekly fitness classes and martial arts in the Jaycee Building. Winterfest activities include Supper with Santa, the movie “Polar Express” on the Garrison Lawn, and Santa’s workshop. We also offer a concert series in the spring and fall in Franklin Square Park.

Department Revenue

The Department charges nominal fees for activities and facility rental. The FY2025 budget includes:

- Facility Rental: \$12,000
- Before & After School Care and Recreation Programs: \$40,000
- Donations: \$2,000

Operating Expenses – Personnel Costs

The Parks and Recreation Department has only four full-time employees: Parks & Recreation Director (1), Recreation Program Specialist (1), and Recreation Assistants (2). The Department has eight seasonal or part-time employees including Recreation Assistants (2), Gym Attendant (1), and School/Camp Counselors (5). The City also uses three referees for Youth Basketball, a scorekeeper, and clock official and pays a per-game fee for their services.

For FY2025, two Grounds Maintenance positions are being transferred to Parks & Recreation from Public Works. This transfer will focus attention on parks maintenance and begin to complete more tasks with deferred maintenance. These positions are included in the FY2025 Parks & Recreation budget request, not in Public Works. Otherwise, no new positions are being requested. All positions are budgeted for the full year. Each position is budgeted with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Overtime:** hours estimated using a 12-month history of actual overtime incurred
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee’s current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law



FY2025 Proposed Budget

Parks & Recreation

Part-Time positions do not qualify for Healthcare, Retirement, 401(k), or Longevity Bonuses.

Operating Expenses – Non-Personnel Costs

The operating expense requests you see in your Budget book were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. There are no major changes compared to the approved FY2024 budget.

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP. Capital requests under \$100,000 are included in the individual Department budget request. The FY2025 Parks & Recreation budget request contains the following capital items which total \$208,300:

- Vehicle leases for one SUV and two 15-passenger vans. \$51,050
The passenger vans represent moving from one owned van to two leased vans. One van was leased in FY2024 and the second, which will replace the current van, is expected to be leased in FY2025. Having an extra van will reduce the reliance on the City's bus, which requires a CDL to operate.
- Grounds maintenance equipment for the two transferred employees \$53,000
- Computers for the two transferred employees \$ 4,000
- Caviness Park – resurface BB court and construct cover over stage \$78,000
- Replacement of trash cans in parks and downtown \$22,250

In addition to these small capital needs, Parks & Recreation manages several capital projects identified in the CIP budget request. These include the shoreline stabilization, dredging of the old yacht basin, rehabilitation of Franklin Square Park, and longer-term investments contained in the adopted Parks & Recreation Master Plan such as construction of a new Recreation Center/Athletic Complex and acquisition of additional park land.



FY2025 Proposed Budget

Parks & Recreation

Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
10-80-3410-0100	Boat Dock FEMA/Golden Leaf		30,353	-	-
10-80-3437-0700	Rent Recreation Facilities	Income from renting the Jaycee building, The Senior Building, and all of the Parks	11,291	7,095	12,000
10-80-3612-0000	Recreation Programs Receipts	Income from all recreation programs offered that have a fee attached.	33,990	22,182	40,000
10-80-3612-0200	Parks & Recreation Donations	Donations collected for the PR department for anything.	10,369	1,700	2,000
Total Department Revenue			86,004	30,977	54,000
10-80-6120-0000	Full-Time Employees	6 Full Time FTEs, including two Grounds Maintenance staff proposed to transfer from Public Services.	165,371	165,755	354,518
10-80-6120-0001	Employee Overtime	OT for all FT employees other than Director	9,423	9,283	10,541
10-80-6120-0200	Part Time Salaries	8 PT or Seasonal Employees, plus 3 BB referees	115,237	76,526	127,000
10-80-6120-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	8,639	8,610	18,145
10-80-6120-0900	F.I.C.A.	7.65 % of Compensation	21,522	18,535	37,643
10-80-6120-1000	LGERS Retirement	13.6% of compensation for Full Time employees	20,909	22,686	49,354
10-80-6120-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	33,966	25,780	53,851
Total Personnel Costs			375,067	327,176	651,051
10-80-6120-1300	Unemployment Reserve			-	7,000
10-80-6120-1400	Workers Compensation Insurance	workers compensation insurance with the NCLM	3,217	7,356	7,084
10-80-6120-2100	Uniforms & Protective Gear	PR staff uniforms for all full time and part time employees	780	1,187	5,000
10-80-6120-2500	Vehicle Supplies	Fuel and supplies for City bus, city explorer, city vans, and city truck	5,915	3,748	6,500
10-80-6120-2600	Departmental Supplies	Supplies for 4 recreation buildings and 13 facilities			11,190
		Special Events			5,200
		Robotics Camp			2,500
		Recreation programs			17,000
		Seniors			9,150
		Athletics			14,960
		Total Departmental Supplies	50,232	32,520	60,000
10-80-6120-3100	Travel & Training	NCRA and NRPA dues, conferences, workshops and classes; Pesticide license, CPSI, CPRP, CPRE certifications, CDL licenses.	2,225	3,893	5,500
10-80-6120-3200	Communications	Recreation facilities telephones, internet access, postage, and cell phones.	4,833	4,846	6,500
10-80-6120-3300	Utilities - Parks & Recreation	Utilities for 4 recreation buildings and 13 recreation parks and sites	41,022	38,344	46,200
10-80-6120-3500	R/M Equipment	Maintenance and repair on computers and phones	1,337	175	2,000
10-80-6120-3501	R/M Vehicles	Vehicle inspections, oil changes, and repairs to the city bus, vans, truck, and explorer.	572	1,358	3,150
10-80-6120-3502	R/M Facilities	Regular and preventative maintenance on all PR parks and sites/playgrounds plus emergency repairs when needed.	24,815	24,254	41,000
10-80-6120-4400	Contract Services	Monthly copier costs, concerts and movies in the park, CDL licenses, Monthly pest control, ASCAP for the City, Perry Weather contract, Cintas contract.	25,939	17,346	27,850
Total Non-Personnel Costs			160,891	135,029	217,784



FY2025 Proposed Budget

Parks & Recreation

Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
10-80-6120-5000	Capital Purchases Under \$5000	2 desk top computers for the 2 new Park Maintenance positions	18,202	-	4,000
10-80-6120-5100	Capital Outlay - Equipment	New equipment for the Park Maintenance positions	-	-	53,000
10-80-6120-5400	Capital Outlay - Vehicles	City Explorer and 2 15 passenger vans for the PR department.	6,843	7,549	51,050
10-80-6120-5800	Capital Outlay -Capital Improv	New recycled plastic trash cans to replace all of the wooden trash cans downtown and in the parks.	-	-	22,250
10-80-6120-5900	Capital Outlay-Improvements	Repairs to Caviness Park- resurface basketball court, shade structure over stage		-	78,000
Total Capital Costs			25,045	7,549	208,300
Total Parks & Recreation			474,999	438,777	1,023,135



FY2025 Proposed Budget

Community Relations

Overview

The Community Relations Department, formerly known as the Tourism Department, stands as a dynamic bridge connecting our city to its community partners. Our primary focus is on fostering strong relationships with both the local community and the City of Southport. We aim to create a vibrant and thriving community that celebrates its unique identity while welcoming and engaging residents and visitors alike. To achieve this overarching goal, our responsibilities span a wide spectrum, ranging from event planning and strategic marketing to the efficient management of key landmarks like the visitors' center and museum and community building.

The Department consists of two units, Community Relations, and the Community Building. The Community Relations function focuses on tourism, tourism development, attracting and overseeing filming productions, building, and maintaining relationships with civic and volunteer organizations that sponsor and hold community events, and managing the many civic events that are held in Southport and which shape the City's unique character and appeal. Examples of civic events that Community Relations manages or helps manage include the annual July 4th Festival, Winterfest, Spring Festival, and the Wooden Boat Show. Community Relations also manages the Fort Johnston Visitor's Center and Museum.

The Community Building function manages the booking, operation, and maintenance of the venues available for private and civic events, including the Southport Community Building and Indian Trail Meeting Hall.

The unavailability of Franklin Square Park to host events led to Downtown Southport, Inc (DSI) cancelling the 2024 Spring Festival and summer Farmer's Markets. The FY2025 budget includes the City hosting the summer Farmer's Market at a different location, and assumes that DSI will resume the other events during FY2025.

Department Revenue

Community Services generates significant revenue that funds nearly all the Department's costs. The FY2025 budget includes the following revenue:

Community Building Rental:	\$200,000
Local Occupancy Tax:	\$210,000
<i>This is a 3% tax on lodging accommodations in the City, including hotels, motels, and private short-term rentals such as through VRBO. Use of this revenue is restricted to the promotion of tourism.</i>	
Tourism Special Events:	\$15,000
Gift Shop Donations:	\$7,500



FY2025 Proposed Budget

Community Relations

Operating Expenses – Personnel Costs

The Community Services Department has only three full-time employees, and two of those positions are currently vacant and under active recruitment. The filled position is the Director of Community Relations. Active recruitments are in process for the Assistant Director of Community Relations and the Community Building Manager. The Department has four part-time employees, and one of those is currently vacant and under active recruitment. The filled positions are two part-time custodians, and a Lead Facilitator. The vacancy is for a Facilitator. Facilitators staff the Community Building during non-City events to ensure that a City employee is on-site whenever the building is in use.

No new positions are being requested, however FY2024 Personnel costs will be significantly under budget due to vacancies that have lasted for most of the fiscal year, which will skew the comparison to FY2025. All positions are budgeted for the full year. Each full-time position is budgeted with the following assumptions:

- **Salaries:** the current salary for each person, plus a 3.5% COLA effective July 1, 2024, plus a Merit increase effective on the anniversary date of each employee.
- **Overtime:** hours estimated using a 12-month history of actual overtime incurred
- **Bonuses:** continuation of the annual Christmas and Longevity bonus programs
- **Healthcare:** the current cost of each employee's current selections, inflated by 9.5%
- **401(k):** 5% contribution for each eligible employee
- **Retirement:** 13.6% contribution for each eligible employee as required by statute
- **FICA:** 7.65% of compensation as required by law

Part-time employees are not eligible for Retirement, 401(k), Healthcare, or longevity bonus benefits.

Operating Expenses – Non-Personnel Costs

The operating expense requests you see were made by the City Manager after reviewing the Department Head's requests and are detailed on the budget spreadsheet. Non-personnel budget requests are down from the FY2024 approved budget because the Public Information Officer (PIO) position was reclassified from Community Relations to Administration, and some software products used by the PIO were included in the Community Relations budget in FY2024 but are being budgeted in Administration in FY2025. The only significant increase to the non-personnel budget request is the addition of \$10,000 to replace the lights on the Holly trees on Howe Street which need to be upgraded.

Capital Expenditures

Capital expenditure requests of \$100,000 or more per item are included in the CIP request. Capital requests under \$100,000 are included in the individual Department budget request. The FY2025 Community Relations budget request contains \$2,000 to purchase seat cushions for the Community Building chairs. The major capital CIP budget request contains a \$75,000 request to replace the decking at the Community Building which would be done when there is down time at the Community Building.



FY2025 Proposed Budget

Community Services

Group	Account	Account Name	Item/Description	FY2023	FY2024	FY2025
				Actual	YTD 4/10/24	Request
Community Building	10-81-3834-0000	Community Bldg Rental	Revenue on CB	201,142	167,775	200,000
	Total Department Revenue			201,142	167,775	200,000
	10-81-6150-0000	Full-Time Employees	1 FTE: vacant Community Building Manager under recruitment	-	16,106	44,026
	10-81-6150-0001	Employee Overtime		64	308	-
	10-81-6150-0200	Part-Time Employees	4 Part-time employees: Custodians (2); Facilitators (2). One Facilitator position is vacant and under active recruitment	36,556	24,770	44,808
	10-81-6150-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	24	768	2,188
	10-81-6150-0900	F.I.C.A.	7.65 % of Compensation	2,834	3,113	6,796
	10-81-6150-1000	LGERS Retirement	13.6% of compensation for Full Time employees	63	1,981	5,951
	10-81-6150-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	199	4,017	10,768
	Total Personnel Costs			39,740	51,063	114,536
	10-81-6150-1400	Workers Compensation Insurance		551	1,700	1,649
	10-81-6150-2600	Departmental Supplies	Organizing items, office supplies, etc	1,889	1,758	3,000
	10-81-6150-2700	Marketing	Marketing the building as a destination wedding venue	2,264	2,862	5,000
	10-81-6150-3200	Communications	Canva, Eventective, Square Appointments, Wedding Wire, The Knot	1,493	1,718	2,500
	10-81-6150-3300	Utilities - Community Bldg		11,004	7,891	12,500
	10-81-6150-3502	R/M Facilities	Window cleaning	-	-	1,000
	10-81-6150-4400	Contract Services	Provision for outsourced cleaning to supplement PT custodians as needed	(1,647)	9,668	5,500
	Total Non-Personnel Costs			15,554	25,598	31,149
	10-81-6150-5000	Capital Purchases Under \$5000	Seat cushions for Community Building chairs	1,960	-	2,000
	10-81-6150-5800	Capital Outlay -Capital Improv		49,521	-	-
Total Capital Costs			51,481	-	2,000	
Total Community Building			(94,367)	(91,115)	(52,315)	

Community Relations	10-82-3270-0000	Local Occupancy Tax		217,538	156,434	210,000
	10-82-3617-0000	Tourism Special Events	Income from special events - Winterfest Tea & assumes Summer Markets will go back to DSI in 2025	11,105	28,281	15,000
	10-82-3834-0300	Tourism - Misc Revenue	Income from donations in gift shop	13,901	5,279	7,500
	10-82-3839-0501	Tourism - Filming Fees	Income from film permitting	-	-	-
	Total Department Revenue			242,544	189,994	232,500
	10-82-6170-0000	Full-Time Employees	2 FTE: Director; vacant Asst Director under recruitment	188,386	101,368	144,601
	10-82-6170-0001	Employee Overtime		157	1,521	1,494
	10-82-6170-0200	Part time wages		522	-	-
	10-82-6170-0700	401K Retirement Supplement	5.0% of Compensation for Eligible Employees	9,346	4,460	7,251
	10-82-6170-0900	F.I.C.A.	7.65 % of Compensation	14,285	7,748	11,176
	10-82-6170-1000	LGERS Retirement	13.6% of compensation for Full Time employees	22,608	11,508	19,722
	10-82-6170-1100	Health/Life/Dental Insurance	Current enrollment choices less 5.75% savings	31,008	18,062	21,536



FY2025 Proposed Budget

Community Services

Group	Account	Account Name	Item/Description	FY2023 Actual	FY2024 YTD 4/10/24	FY2025 Request
	Total Personnel Costs			266,311	144,667	205,780
	10-82-6170-1400	Workers Compensation Insurance		1,844	3,154	2,637
	10-82-6170-2600	Departmental Supplies	Canva, organizing items, office supplies	12,675	3,693	12,380
	10-82-6170-2601	Beautification Committee	Increase attributable to in-process projects	3,009	2,426	5,000
	10-82-6170-2710	Tourism Community Events	Primarily the Winterfest Tea	11,676	14,854	10,000
	10-82-6170-2711	Special Marketing Opps	Rack Cards/Brochures, Our State Magazine, Wilma Magazine, State Port Pilot, Leland / Southport Magazine, The Cape Fear Resource Guide, Wilmington Film Commission, Southport-Oak Island Chamber of Commerce, COAST Host, NC Festivals and Association	8,159	11,793	15,000
	10-82-6170-2712	Grant Matching Funds	Electricities grant matching fund pool	-	-	10,000
	10-82-6170-3100	Travel & Training	Training Opportunities	2,612	1,980	5,000
	10-82-6170-3200	Communications	Cell phones three employees. Other prior year costs for PIO moved to Admin	23,260	6,377	1,620
	10-82-6170-3300	Utilities-Community Relations	Utilities for buildings including Community Building	11,537	10,378	12,500
	10-82-6170-3502	R/M Facilities	New lights for the Holly Trees on Howe Street	-	-	10,000
	10-82-6170-4400	Contract Services	Indian Trail Meeting Hall Deck Repair	5,481	5,563	5,000
	10-82-6170-4500	Insurance & Bonding		-	4,849	3,877
	Total Non-Personnel Costs			80,252	65,067	93,014
	10-82-6170-5000	Capital Purchases Under \$5000		2,580	1,300	-
	Total Capital Costs			2,580	1,300	-
	Total Community Relations			106,599	21,040	66,294
Total Community Services				12,231	(70,074)	13,979



FY2025 Proposed Budget

Solid Waste

Overview

Southport contracts with two vendors to provide residential collection of recycling and yard debris. Recycling is collected every two weeks by GFL and Yard Debris is collected weekly by Construction Waste Removal. Residents are charged on their Water-Sewer bill for these services. After the merger of the Water-Sewer system, Brunswick County Public Utilities will continue to bill Southport residents for these services and remit the funds to the City, and the collection services will continue.

The City's contract with GFL stipulates an annual cost adjustment on July 1 based on the change in the Urban Consumers (CPI-U): U.S. Town Average for Water and Sewer and Trash Collection Services price index. The current price index indicates a 5.3% change. The FY2025 budget request for collection services is based on the last twelve months of actual costs, inflated by 5.3%. The revenue must equal the cost. It will be necessary to increase the amount charged to customers, currently \$12.25 per month, for any price increases from the vendors.



FY2025 Proposed Budget

Solid Waste

Account	Account Name	Item/Description	FY2023 Actual	FY2024 Budget	FY2024 YTD 4/10/24	FY2025 Request
10-96-3325-0000	Solid Waste Disposal Tax		3,267	3,500	2,660	3,734
10-96-3500-0000	Refuse Revenue	Increased to offset cost inflation	291,809	330,000	262,155	367,572
Total Department Revenue			295,077	333,500	264,814	371,306
10-96-4170-4400	Contract Services	12 months of history, inflated by 5.3% per the CPI-U specified in the contract	308,232	330,000	250,347	371,306
Total Solid Waste			13,155	(3,500)	(14,467)	(0)



PROPOSED CAPITAL LIST FOR 2024-2025

**** NOTE: This list represents projects within the Capital Improvement Plan that will be funded through the Capital Fund****

<u>REVENUES:</u>	\$145,000 - Penny Increase in Taxes
	\$1,447,329 – Current Capital Funds (Money must be assigned to a Project)
	\$216,296 – General Fund Surplus
<u>TOTAL:</u>	\$1,808,625

PROJECTS:

1) Design – City Pier	\$15,000
2) Dredging – Grant Share	\$15,625
3) Design - City Dock Boat Slips	\$18,000
4) Land Acquisition – Parks	\$75,000
5) Tennis Courts Resurfacing – 2	\$160,000
6) City Hall Renovation Design	\$300,000
7) City Building Repairs – Facilities (HICAPS)	\$200,000
8) Old City Hall Environmental	\$700,000
9) Parks Building Improvements	\$75,000
10) Stormwater Design	\$75,000
11) Sidewalk Repairs	\$100,000
12) Community Center Deck	\$75,000
13) Franklin Square Park	\$50,000
<u>TOTAL:</u>	\$1,808,625

REVENUES: \$900,000 from Water/Sewer Fund Balance

PROJECTS: Mandated Replacement of Public Safety Radios in 2025 - \$900,00

MAJOR CAPITAL DECISIONS:

- 1) New Police Facility - \$7.298 Million
- 2) Roads - \$2-\$3 Million Bond – to be used over 5-10 years
- 3) New Recreation Center - \$6.3 Million
- 4) Funding Rest of Shoreline Stabilization - \$1 million needed in the 2026-27 budget
- 5) Complete Renovation – City Hall - \$3,995 Million
- 6) Old City Hall/Court House – Unknown (Placeholder - \$450,000)



Capital Improvement Program Summary FY2025 - FY2030

	<u>Funding</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>6 Year Total</u>
Electric								
Second Electrical Point of Delivery	Electric Fund	1,750,000	1,250,000					3,000,000
Overhead to Underground Electric Conversion	Electric Fund	1,500,000	1,500,000	1,500,000	1,500,000	4,000,000	3,000,000	13,000,000
Pole Replacement	Electric Fund	50,000	50,000	45,000	40,000	40,000	35,000	260,000
Sectionalization/Mitigation	Electric Fund	75,000	75,000	70,000	70,000	65,000	65,000	420,000
EV Charging Stations	Electric Fund	40,000						40,000
Total Electric		3,415,000	2,875,000	1,615,000	1,610,000	4,105,000	3,100,000	16,720,000
Parks & Recreation								
City Pier Pile Repairs	Capital Fund	15,000		100,000				115,000
Southport Waterfront Shoreline Restoration	Shoreline Stabilization Fund	250,000	4,750,000					5,000,000
Old Yacht Basin Dredging	Capital Fund 25%; SDI Grant 75%	62,500	2,734,000					2,796,500
Inclusive Playground-Taylor Field Park	TBD		750,000					750,000
Southport Parks & Rec Center/Athletic Complex	Not Funded	100,000	550,000	550,000	2,050,000	3,050,000		6,300,000
Tennis Court Replacement-LWP & Ft. Johnston	Capital Fund	160,000	-					160,000
Taylor Field Boardwalk			250,000					250,000
City Dock	Capital Fund	18,000	250,000					268,000
Historic Riverwalk Saltmarsh Boardwalk Improvements				100,000				100,000
Franklin Square Park	Capital Fund	50,000	50,000	50,000	50,000	50,000		250,000
Parks & Rec Land Acquisition	Capital Fund	75,000	75,000	75,000	75,000	75,000	75,000	450,000
Low White Park Footbridge Repair				100,000				100,000
Total Parks & Recreation		730,500	9,409,000	975,000	2,175,000	3,175,000	75,000	16,539,500
Streets								
Dump Truck	Capital Fund (existing obligation)		140,000					140,000
Stormwater Improvements	Capital Fund/Goldenleaf Grant	75,000	500,000	500,000	400,000	300,000	200,000	1,975,000
Sidewalk Improvements	Capital Fund	100,000	150,000	150,000	150,000	150,000	150,000	850,000
Street Resurfacing	Not Funded/Bond Issuance?	2,000,000	1,500,000	1,500,000	1,000,000	1,000,000	750,000	7,750,000
Total Streets		2,175,000	2,290,000	2,150,000	1,550,000	1,450,000	1,100,000	10,715,000
Fire								
Radio Replacement	WS Fund Transfer?	750,000						750,000
Replace Heavy Rescue/Service Vehicle	Borrowing	1,500,000						1,500,000
Replace Ambulance 397	Borrowing	500,000						500,000
Replace Engine 374	Borrowing			1,000,000				1,000,000
Replace Ladder 362	Borrowing					1,600,000		1,600,000
Total Fire		2,750,000	-	1,000,000	-	1,600,000	-	5,350,000



Capital Improvement Program Summary FY2025 - FY2030

	<u>Funding</u>	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>6 Year Total</u>
<u>Buildings & Grounds</u>								
City Building Repairs	Capital Fund	150,000	150,000	100,000	100,000	75,000	75,000	650,000
Community Center Deck Replacement	Capital Fund	75,000						75,000
City Gym Improvements	TBD		441,750					441,750
Old City Hall Improvements	Capital Fund	700,000	3,550,000					4,250,000
Parks & Rec Building Improvements	Capital Fund	75,000			750,000			825,000
Public Works Facility Improvements	TBD				551,500			551,500
Senior Building Improvements	TBD		75,000					75,000
Total Buildings & Grounds		1,000,000	4,216,750	100,000	1,401,500	75,000	75,000	6,868,250
<u>Police</u>								
New Police Station	Not Funded	480,000	6,818,800					7,298,800
Radio Replacement (6 portable/20 mobile)	WS Fund Transfer?	150,000						150,000
Total Police		630,000	6,818,800	-	-	-	-	7,448,800
<u>Administration</u>								
City Hall Renovations	Capital Fund	300,000		3,695,450				3,995,450
Total Major Capital Improvement Program		11,000,500	25,609,550	9,535,450	6,736,500	10,405,000	4,350,000	67,637,000