

TOWN OF PINE KNOLL SHORES
BOARD OF COMMISSIONERS
WATER AND BEACH FUNDS BUDGET MEETING
March 26, 2025— 6:00 p.m.

Call to Order and Pledge of Allegiance

Mayor John Brodman called the March 26th, 2025, regular monthly meeting of the Pine Knoll Shores Board of Commissioners to order at 6 PM and led the Pledge of Allegiance. Also, present for the meeting were Commissioners Alicia Durham, Robert Cox, Bill Knecht, DeVan Barbour and John Ferguson; Town Manager Julie Anderson, Deputy Finance Director Arrington Brafford, Public Services Director Sonny Cunningham, Fire/EMS Chief Jerry Bowden and Town Clerk Missy Shine.

Approval of the Agenda

Commissioner Ferguson made a motion to approve the agenda as presented with a second from Commissioner Knecht and passed unanimously.

Disclosures and Conflicts of Interest

In accordance with the State Government Ethics Act, it is the duty of every Board Member to avoid both conflicts of interest and appearances of conflict. Does any Board Member have a known conflict of interest or appearance of conflict with respect to any matter coming before the Board this evening? If so, please identify the conflict and refrain from any undue participation in the particular matter involved.

No disclosures or conflicts of interest were reported. The Mayor stated that the standard State Government and Ethics Act wording would be submitted into the minutes.

Announcements:

Mayor Brodman reviewed several upcoming events and dates:

- Board of Commissioners 1st Regular Monthly Meeting on Wednesday, April 9th at 6pm
- Town Hall closure on Friday, April 18th for Good Friday
- Easter Egg Hunt at Garner Park on Saturday, April 19th at 9am
- Board of Commissioners 2nd Regular Monthly Meeting (Budget: General Fund) on Wednesday, April 23rd at 6pm
- Volunteer Appreciation Party on April 30th
- Music in the Park at Garner Park on Sunday, May 18th at 6pm
- Kayak for the Warriors Reception and Auction on Thursday, June 5th at 4pm
- Kayak for the Warriors Kayak/Paddle Board Race on Saturday, June 7th at 10am
- Kayak for the Warriors Golf Ball Drop on Thursday, June 12th at 5pm
- Kayak for the Warriors Golf Tournament on May 30th at 8am
- Beach paid parking from May 1st through September 30th

Presentations: No Presentations

Public Comment: No Public Comment

New Business

- a. Budget Amendment
- b. Debt Reimbursement Resolution

Town Manager Julie Anderson introduced Chief Bowden to discuss the need to purchase a new fire truck. Chief Bowden explained that the current truck, which is about 15 years old, is showing signs of rust and requiring increased maintenance. A truck committee was formed to assess options, and they looked at 13 different trucks over 14 weeks. Two trucks made the final consideration - an HME and a KME. The KME better fit the department's needs without requiring as many upgrades.

Town Manager Anderson explained that while normally a formal bidding process would be required, there are exceptions to the statute. In this case, they can use a purchasing consortium exception through HGAC, which has already bid out the KME truck.

Town Manager Anderson recommended the Board authorize her to enter into a purchase agreement with Safe Industries for the truck using the purchasing consortium exception, for an amount not to exceed \$850,000. She also recommended adopting the Budget Amendment and Debt Reimbursement Resolution.

Deputy Finance Director Arrington Brafford explained that Budget Amendment #4 shows the revenue from the loan coming in and the expenditure for the truck going out. The debt reimbursement resolution would allow them to pay for the truck and reimburse themselves with the loan if needed.

Chief Bowden clarified that no additional costs beyond the \$850,000 are expected, as there is a \$15,000 contingency built in for any upgrades or modifications needed. Delivery time is estimated at 45-75 days.

The Commissioners discussed the urgency of the purchase, given the condition of the current truck and rising costs of materials. They also inquired about grant opportunities (very limited) and the potential resale value of the current truck (estimated \$50,000-\$75,000).

Commissioner Cox made a motion to approve the purchase of the pumper truck not to exceed \$850,000 along with the budget amendment and debt reimbursement resolution with a second from Commissioner Barbour and passed unanimously.

Town Manager Julie Anderson reported that revaluation notices would be sent out soon. The town is considering holding a town hall meeting on April 14th to address questions from citizens about the revaluation process and appeals. After discussion, the commissioners decided it would be better for town staff to hold the meeting rather than bringing in county representatives.

Anderson provided preliminary revaluation figures, noting that non-oceanfront property values increased by approximately 85% when accounting for a 7% holdback for appeals. Oceanfront property values increased by about 78%. The total town valuation, including personal property, increased by 80% with the holdback, or 94% without it.

The commissioners discussed the need to provide clear information to residents about the appeals process and timeline. They also considered how to approach setting new tax rates in light of the significant increase in property values.

FY 25-26 Budget: Beach and Water Funds

Town Manager Anderson and Deputy Finance Director Arrington Brafford presented preliminary details on the Beach and Water Fund Budgets.

For the Beach Expense Reserve Fund:

- Sales and use tax revenue is down about 10% compared to budget, with spring expected to make up some of the difference. The town's share of county sales tax decreased slightly due to other municipalities raising rates.
- Parking fees are expected to remain stable.
- A 50% grant is being applied for to fund public beach access improvements.

For the Beach Capital Reserve Fund:

- The beach tax revenue was increased slightly to allow for future beach access repairs and upgrades.
- Property revaluations have resulted in significant increases - about 85% for non-oceanfront properties and 78% for oceanfront properties.
- The total town valuation increased by 80-94%.

Town Manager Anderson explained they will calculate revenue neutral tax rates once final valuation numbers are available after the appeal deadline of May 2nd. Commissioners discussed the need to consider future expenses and potentially set rates that could remain stable until the next revaluation.

For the Water Fund:

- Revenues from base fees and usage fees are up about 25% following last year's rate increase.
- Usage patterns do not appear to have changed significantly despite the rate increase.
- Expenses were explained in detail, including salaries, benefits, maintenance, and capital projects.
- A contingency line was increased to help build liquid reserves while also transferring funds to the capital reserve.

Public Services Director, Sonny Cunningham, provided details on maintenance needs and challenges with aging infrastructure. The Commissioners discussed the importance of tracking valve life expectancy and planning for replacements.

Capital projects for the water system were reviewed, including the need to raise the Roosevelt Blvd water tank in the future. Anderson noted they hope to have enough in the capital reserve by the end of FY 2025-2026 to fund a large portion of that project.

Town Manager Anderson also mentioned she plans to propose changes to the water ordinance regarding leaks due to frozen outdoor pipes, to avoid having to issue credits for such incidents.

No formal actions were taken on the budget items discussed. The meeting concluded with brief comments on the current state of the town's beaches.

Public Comment: No Public Comment

Adjournment

The Board adjourned on a motion by Commissioner Knecht with a second by Commissioner Cox that passed unanimously. The meeting adjourned at 7:59 pm.

Missy B. Shine, Town Clerk

Minutes created by Town Clerk Missy Shine with the use of HeyGov ClerkMinutes