



**Town of Nags Head
 Budget Ordinance
 Fiscal Year 2025-2026**

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 11th day of June 2025, that the budget ordinance adopted on June 11th, 2025, effective July 1, 2025, to read as follows:

SECTION I GENERAL FUND

Revenues Anticipated:	
Current year ad valorem taxes	\$ 10,463,087
Municipal Service District taxes	1,702,194
Current town wide beach nourishment ad valorem taxes	987,084
Penalties and interest	10,100
DMV Taxes	155,150
Other taxes and licenses	10,592,350
Unrestricted intergovernmental revenues	1,427,900
Restricted intergovernmental revenues	621,398
Permits and fees	599,130
Sales and services	70,000
Investment earnings	250,000
Other revenues	374,099
Transfer from Capital Reserve Fund	365,958
Transfer from Capital Investment Fund	4,075,176
Sale of capital assets	10,000
Other finance sources	327,218
Unassigned Fund Balance Appropriated	<u>49,828</u>
Total General Fund Revenues	<u>\$ 32,080,672</u>

SECTION I GENERAL FUND

Expenditures Authorized:	
Governing Body	\$ 206,517
Bond Debt	1,243,400
Town Manager	1,696,903
Administrative Services	1,764,501
Information Technology	847,248
Legal Services	130,657
Planning and Development	1,312,483
Public Services Administration	718,787
Facilities Maintenance	2,538,433
Garage	499,964
State Street Aid - Powell Bill	150,000
Sanitation	2,394,221
Solid Waste Disposal	828,148
Streets and Stormwater	203,730
Police	4,608,327
Fire	4,899,619
Ocean Rescue	977,825
Transfer to Capital Reserve Fund	3,624,909
Transfer to Capital Investment Fund	3,285,000
Contingency	<u>150,000</u>
Total General Fund Expenditures	<u>\$ 32,080,672</u>



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Section II WATER FUND

Revenues Anticipated:	
Charges for utilities	\$ 4,305,000
Taps/connection fees	40,000
Non-payment fees	3,500
System development fees	25,000
Interest on investments	73,500
Penalties and interest	26,000
Septic loan repayments	35,000
Miscellaneous revenues	2,000
Transfer from Water Capital Reserve Fund	60,000
Appropriated Net Position	<u>411,178</u>
Total Water Fund Revenues	<u>\$ 4,981,178</u>
Expenses Authorized:	
Administration	\$ 934,946
Septic Health Initiative	279,417
Water Operations	2,253,458
Water Distribution	1,438,357
Transfer to Water Capital Reserve Fund	25,000
Contingency	<u>50,000</u>
Total Water Fund Expenses	<u>\$ 4,981,178</u>



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Section III CAPITAL RESERVE FUND

Revenues Anticipated:	
Transfer from General Fund	\$ 3,624,909
Appropriations/Restricted sales tax - beach access reconstruction	<u>365,958</u>
Total Revenues	<u>\$ 3,990,867</u>
Expenditures Authorized:	
Transfer to General Fund	\$ 365,958
Contributions to Fund Balance	<u>3,624,909</u>
Total Expenditures	<u>\$ 3,990,867</u>

Section IV CAPITAL INVESTMENT FUND

Revenues Anticipated:	
Transfer from General Fund	\$ 3,285,000
Appropriations	<u>4,075,176</u>
Total Revenues	<u>\$ 7,360,176</u>
Expenditures Authorized:	
Transfer to General Fund	\$ 4,075,176
Contributions to Fund Balance	<u>3,285,000</u>
Total Expenditures	<u>\$ 7,360,176</u>

Section V WATER CAPITAL RESERVE FUND

Revenue Anticipated:	
Transfer from Water Fund	\$ 25,000
Appropriations/System development fees	<u>60,000</u>
Total Revenues	<u>\$ 85,000</u>
Expenses Authorized:	
Transfer to Water Fund	60,000
Contributions to Net Position	<u>\$ 25,000</u>
Total Expenses	<u>\$ 85,000</u>
TOTAL BUDGET FISCAL YEAR 2025-2026	<u>\$ 48,497,893</u>



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SECTION VI TAX RATES ESTABLISHED

A Town wide tax rate of twenty three and two tenths (\$.232) cents per hundred dollar valuation is hereby levied on all real estate, corporate utilities, and personal property in the Town of Nags Head as of January 1, 2025. The estimated valuation of said property is four billion, nine hundred forty seven million, seven hundred eighty eight thousand, eighty one dollars (\$4,947,788,081). The estimated collection rate is ninety-nine and three quarters percent (99.75%). A tax rate of nine (\$.9) cents per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service districts 1 and 2 with an estimated value of one billion, six hundred seventy nine million, six hundred twenty seven thousand nine hundred fifty six dollars (\$1,679,627,956). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one (\$.01) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 4 with an estimated value of one billion one hundred twenty two million, six hundred sixty six thousand, two hundred forty four dollars (\$1,122,666,244). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one half (\$.005) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 3 with an estimated value of one billion, six hundred fifty million, five hundred sixty six thousand, four hundred sixty one dollars (\$1,650,566,461). The estimated collection rate is ninety-nine and three quarters (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of twenty three and two tenths (\$.232) cents per hundred dollar valuation is hereby levied on all motor vehicle property in the Town of Nags Head as renewed throughout the State during the year. The estimated valuation of said property is sixty six million, eight hundred seventy four thousand, nine hundred seventy two dollars (\$66,874,972). The estimated collection rate is hundred percent (100%). All estimated collection rates are based on the collection rates for the fiscal year ended June 30, 2025.

SECTION VII, SPECIAL AUTHORIZATION - BUDGET OFFICER

The Budget Officer shall be authorized to transfer amounts between objects of expenditures not adopted in the Capital Improvements Program (CIP) within a department without limitation and without a report being requested. The Budget Officer is authorized to reallocate appropriations between departments among the various objects of expenditures as (s)he believes necessary. Such changes shall be reported to the Finance Officer immediately and to the Governing Body at the next regular meeting or on the next succeeding monthly budget transfer report.

SECTION VIII, RESTRICTION-BUDGET OFFICER

The use of any contingency appropriations shall be accomplished only with prior authorization from the Board of Commissioners.

Salary increases, beyond those set forth in the budget document, shall not exceed 5% without Board approval. Promotional or merit increase are excluded and shall be administered in accordance with the Personnel Policy. The use of appropriations established for Capital Reserve may be accomplished only with the approval of the Board.

Interfund transfers, not established in the budget document, may be accomplished only with prior authorization from the Board.

In case of emergency which threatens the lives, health, and safety of the public, the Town Manager may execute contractual documents and authorize expenditures in an amount necessary to meet the emergency so long as such amount does not exceed the amount in contingency accounts not to exceed \$125,000 and the expenditure is reported to the Board of Commissioners as soon as possible, and the appropriate budget amendments are submitted at the next regular meeting.



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SECTION IX - AUTHORIZATION TO EXECUTE CONTRACTUAL DOCUMENTS

The Town Manager, or in his absence his designee, is hereby authorized to execute contractual documents under the following conditions:

- (a) The Town Manager may execute contracts for: (1) Purchases or apparatus, supplies and materials, or equipment which are within budgeted department appropriations where formal bid is not required; (2) Leases of personal property for durations of one year or less which are within budgeted departmental appropriations; (3) Services and service contracts which are within budgeted departmental appropriations; and (4) formal bids involving purchase contracts, including rejecting bids and re-advertising to receive bids. This delegation can not be applied to construction or repair contracts.
- (b) The Town Manager may execute contracts, as the lessor or lessee of real property, which are of a duration of one year or less which are within budgeted departmental appropriations not to exceed an annual amount of \$20,000.
- (c) The Town Manager may execute contracts for design consultant services, where consultant fees are estimated to be less than \$50,000.
- (d) The Town Manager may execute contracts for construction or repair projects which do not require formal competitive bid procedures.
- (e) The Town Manager may execute change orders or amendments to construction contracts in amounts up to \$50,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
- (f) The Town Manager may execute grant agreements to or from public nonprofit organizations which are within budgeted appropriations unless the grantor organization requires execution by the Board of Commissioners.

SECTION X, UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This ordinance and the budget document shall be the basis of the financial plan for the Town of Nags Head, North Carolina Municipal Government during the 2025-2026 fiscal year. The Budget Officer shall administer the Budget and (s)he shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget. The Accounting Section shall establish records which are in accordance with the Budget and this Ordinance and the appropriate statutes of the State of North Carolina.

ADOPTED THIS 11th DAY OF JUNE 2025.

Benjamin Cahoon, Mayor

Attest:

Brittany A. Phillips, Town Clerk

Motion to Adopt by Commissioner
Motion Seconded By Commissioner
Vote _____ Ayes _____ Noes
Recorded in Minute Book _____, Page _____

