

Robert C. Edwards
Mayor

Susie Walters
Mayor Pro Tem

Cliff Ogburn
Town Manager



Town of Nags Head

Post Office Box 99
Nags Head, North Carolina 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

M. Renée Cahoon
Commissioner

John Ratzenberger
Commissioner

Marvin Demers
Commissioner

MEMORANDUM

To: Mayor and Board of Commissioners

From: Town Manager

Date: June 21, 2017

Re: Adopted Budget for Fiscal Year 2017-2018

Changes from Recommended Budget to Adopted Budget for Fiscal Year 2017-2018:

General Fund

- Reduce Engineering Technician salary - Town Manager (\$10,866)
- Reduce Worker's Compensation Insurance – Administrative Services (\$156)
- Increase Dues and Subscriptions in Town Manager for Engineering Technician CAD requirement +\$1,800
- Reduce life insurance expenditures - Police (\$7,721)
- Reduce health and wellness initiatives departmentally - salary and FICA (\$8,683)
- Reduce Public Works Facilities Maintenance department supplies (\$7,000)

- Increase Public Works Facilities Maintenance expenditures for signs +\$7,000
- Reduce overtime salaries for Sanitation department (\$6,000)
- Increase recycling in Sanitation department per agreed upon contract +\$6,000
- Reduce Dowdy Park Phase II/III grant expenditures (\$10,000)
- Reduce Dowdy Park Phase II/III grant revenues – Public Works Facilities Maintenance +\$10,000
- Eliminate special assessment revenue +\$1,129

Total General Fund decrease (\$35,626)

Decrease Fund Balance appropriation from \$300,000 to \$275,503 – (\$24,497)

General Fund budget ordinance decreased from \$16,935,105 to \$16,899,479

Water Fund

- Reduce health and wellness initiatives departmentally - salary and FICA (\$2,288)

Total Water Fund decrease (\$2,288)

Decrease Retained Earnings appropriation from \$495,567 to \$493,279

Water Fund budget ordinance decreased from \$3,215,886 to \$3,213,598



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MEMORANDUM

To: Mayor and Board of Commissioners

From: Town Manager

Date: May 17, 2017

Re: Recommended Budget for Fiscal Year 2017-2018

For your consideration is the manager's recommended budget for Fiscal Year July 1, 2017 through June 30, 2018, which has been prepared in accordance with the NC Local Government Fiscal Control Act, as required by NC General Statute Chapter 159-11. I would like to thank Finance Director Amy Miller for her oversight and direction in putting this budget together and especially for leading the transition to a two year budget. This budget was also a result of a great deal of hard work from a number of people, particularly Deputy Town Manager Andy Garman, Deputy Finance Director Kim Blankenburg, PIO Roberta Thuman, Human Resources Director Brie Floyd and department heads.

Our mission is to serve the citizens, property owners, businesses, and visitors of the Town of Nags Head through open governance. In doing so, Town department heads were asked to directly relate funding requests to the furtherance of this mission as well as to the Town's Values, which are:

1. We value a healthy, natural environment.
2. We value a customer friendly, financially stable, and technologically-forward government.
3. We value livable, well-maintained neighborhoods.
4. We value a safe, nurturing, and family friendly environment.
5. We value high standard, efficient infrastructure.
6. We value our local businesses.

As in the past, the manager's recommendations also allocate funding towards the Board's five strategic areas, which include:

- Parks and Recreation
- Nags Head Promotion
- Stormwater Management
- Sanitation and Recycling
- Shoreline Management

With this budget cycle, the Town will now start using a two-year budget. The first year (Fiscal Year 2017-2018) represents the proposed operating budget for the coming year. The second year (Fiscal Year 2018-2019) represents the financial plan year. Since the budget provides a basis for all fiscal policy decisions during a particular period, this budgeting methodology allows the town to be more strategic in its budget planning, reviewing operating expenses, capital projects, and revenues within a two year window. The two-year budget is particularly useful in tracking shared revenues, which represent a significant portion of the town's overall revenue, since these fluctuate on a two-year cycle based on changes to the levies of other towns in Dare County. This can also illustrate significant changes to the town's overall debt, which can have a substantial impact on the town's available revenue from year-to-year. The benefits of a two-year budget include better tracking of future budget impacts on services and financial decisions, the ability to identify future budget issues early in order to provide ample time to prepare alternatives and contingency plans, and to provide quick "what if" scenarios when reviewing revenue or expenditure options. When preparing the budget, I have asked staff to anticipate and plan for expenses over a two-year period. Changes to the 2nd year financial plan should only occur due to unfunded mandates, changes in Board goals, or other unforeseen circumstances. In Fiscal Year 2018-2019, the Board will see only the Fiscal Year 2018-2019 proposed operating budget. Staff will provide a comparison between the original financial plan and the amended operating budget. This will provide the Board with a snapshot of how closely the town adhered to its original plan. The two-year budget cycle will start again in Fiscal Year 2019-2020.

Budget Overview for Fiscal Year 2017-2018

This year's General Fund budget totals \$16,935,105, an increase of \$931,016, or 5.82% from last fiscal year. Due to beach renourishment in fiscal year 2018 or 2019, the Municipal Service District (MSD) tax rate is recommended at \$.175 and keeping the town wide rate for beach nourishment at \$0.027 in order to help supplement the project's debt payment. \$0.01 in the MSD generates \$79,548. In addition to this revenue, Dare County has committed to at least half, or \$12,573,356 million, of the estimated \$25,546,711 million project cost. The contribution from the County along with the funds from town's existing capital reserve fund enables the town to cover the debt service for the project with a lower MSD tax rate than what was established for the original project. The town anticipates adding 2.3 million cu/yd of sand along 10 miles of its 11-mile shoreline.

Mandatory Town contributions to the State Retirement System are increasing from 7.32% to 7.56% for General and Water Fund employees and increasing from 8.00% to 8.25% for law enforcement officers.

Funds are budgeted for performance-based merit increases to implement recommendations from a pay and classification study conducted in early 2016. Funding of \$93,337 is budgeted in the General Fund and \$8,736 in the Water Fund. A salary adjustment for all employees is budgeted at \$136,513 for the General Fund and \$12,815 for the Water Fund.

This budget recommends a new engineering technician position with salary and benefits of \$90,367. This cost will be split 75% in Town Manager and 25% in Water Administration. An additional Sanitation Equipment Operator I is also recommended in this budget with salary and benefits of \$61,085. Funding has also been included to convert one Police lieutenant position to a deputy police chief position.

Due to higher claims in Fiscal Year 2016-2017, the Town will see a 7% increase to the medical premiums for both employees and retirees.

The breakdown for employees hired after July 1, 2010 is as follows:

MONTHLY PREMIUMS (medical, dental, vision)

	Current Premium	New Premium	New Town's Share	New Employee's Share
Emp. Only	\$652	\$698	\$698	\$0
Emp./Spouse	\$1,523	\$1,630	\$1,257	\$373
Emp./Child	\$1,014	\$1,085	\$930	\$155
Emp./Children	\$1,199	\$1,283	\$1,049	\$234
Family	\$1,980	\$2,118	\$1,550	\$568

The breakdown for employees hired prior to July 1, 2010 is as follows:

MONTHLY PREMIUMS (medical, dental, vision)

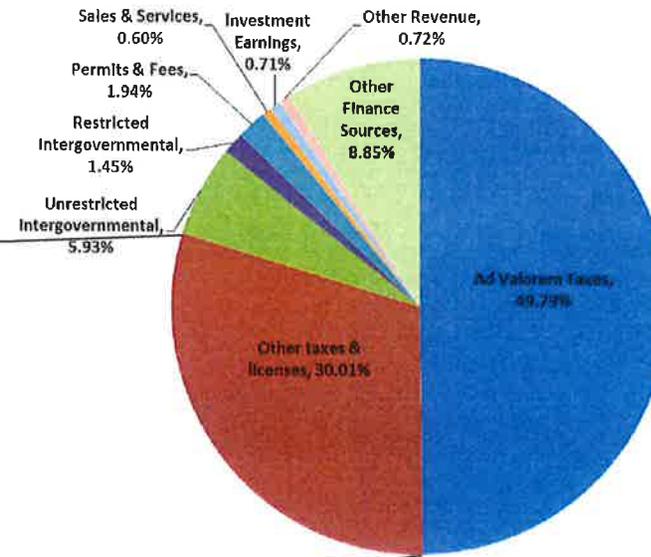
	Current Premium	New Premium	New Town's Share	New Employee's Share
Emp. Only	\$652	\$698	\$698	\$0
Emp./Spouse	\$1,523	\$1,630	\$1,397	\$233
Emp./Child	\$1,014	\$1,085	\$988	\$97
Emp./Children	\$1,199	\$1,283	\$1,137	\$146
Family	\$1,980	\$2,118	\$1,763	\$355

Budgeted Health Insurance	FY 2016-2017	FY 2017-2018	Difference
General Fund	\$1,373,262	\$1,430,842	\$57,580
Water Fund	\$175,996	\$196,040	\$20,044
Total	\$1,549,258	\$1,626,882	\$77,624

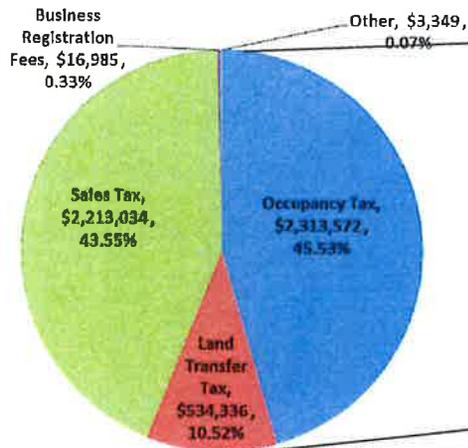
To defray the General Fund expense, a recommendation is included to use \$40,000 of the portion of fund balance committed for health insurance.

General Fund Property Values	Adopted 2016-2017	Recommended 2017-2018	Difference	Financial Plan 2018-2019
Real/Personal	\$2,314,829,805	\$2,336,131,230	\$ 21,301,425	\$2,352,484,149
Municipal Service District	-	\$ 797,476,137	\$797,476,137	\$803,058,470
Motor Vehicles	\$ 27,050,000	\$ 37,067,856	\$ 10,017,856	\$37,327,331
Total Valuation	\$2,341,879,805	\$3,170,675,223	\$828,795,418	\$3,192,869,950
General Fund Revenues				
Ad Valorem	\$6,951,016	\$8,431,670	\$1,480,654	\$8,729,014
Other Taxes & Licenses	\$5,528,294	\$5,081,276	\$(447,018)	\$5,816,152
Unrestricted Intergovernmental	\$978,000	\$1,005,000	\$27,000	\$1,009,000
Restricted Intergovernmental	\$731,218	\$246,218	\$(485,000)	\$1,370,377
Permits & Fees	\$328,850	\$328,800	\$(50)	\$334,300
Investment Earnings	\$110,000	\$120,000	\$10,000	\$125,000
Other Revenue	\$121,500	\$122,500	\$1,000	\$122,500
Sales & Services	\$80,948	\$100,750	\$19,802	\$100,750
Other Finance Sources	\$1,174,263	\$1,498,891	\$324,628	\$4,109,434
Total	\$16,004,089	\$16,935,105	\$931,016	\$21,716,527

Fiscal Year 2017-2018 General Fund Revenues



Fiscal Year 2017-2018 Other Taxes and Licenses



Shared revenues are sales, occupancy, and land transfer taxes, which are included in this budget as other taxes and licenses. The decrease in shared revenues is due to a lower total levy in Fiscal Year 2016-2017. These revenues are budgeted in Fiscal Year 2018-2019 to reflect a recommended higher Fiscal Year 2017-2018 levy due to the Municipal Service District tax levy.

	Adopted 2016-2017	Recommended 2017-2018	Difference	Financial Plan 2018-2019
Governing Body	\$191,944	\$195,383	\$3,439	\$194,083
Special Obligation Bond	\$0	\$0	\$0	\$2,661,872
Town Manager	\$874,660	\$959,934	\$85,274	\$1,001,297
Administrative Services	\$957,859	\$1,040,959	\$83,100	\$1,094,448
Information Technology	\$253,684	\$327,548	\$73,864	\$353,586
Legal	\$94,811	\$94,480	\$(331)	\$94,480
Planning and Development	\$894,653	\$836,926	\$(57,727)	\$1,535,869
Public Works	\$5,052,816	\$4,728,469	\$(324,347)	\$4,765,254
Police	\$2,454,508	\$2,607,594	\$153,086	\$2,653,532
Fire and Ocean Rescue	\$3,150,132	\$3,245,951	\$95,819	\$3,408,979
Contingency	\$125,000	\$125,000	\$-	\$125,000
Interfund	\$1,723,118	\$2,537,327	\$814,209	\$3,585,593
Stormwater	\$230,904	\$235,534	\$4,630	\$242,534
Total	\$16,004,089	\$16,935,105	\$931,016	\$21,716,527

A tax increase from 2016-2017 allowed us to stabilize the recommended Fiscal Year 2017-2018 budget even with a reduction in shared revenues.

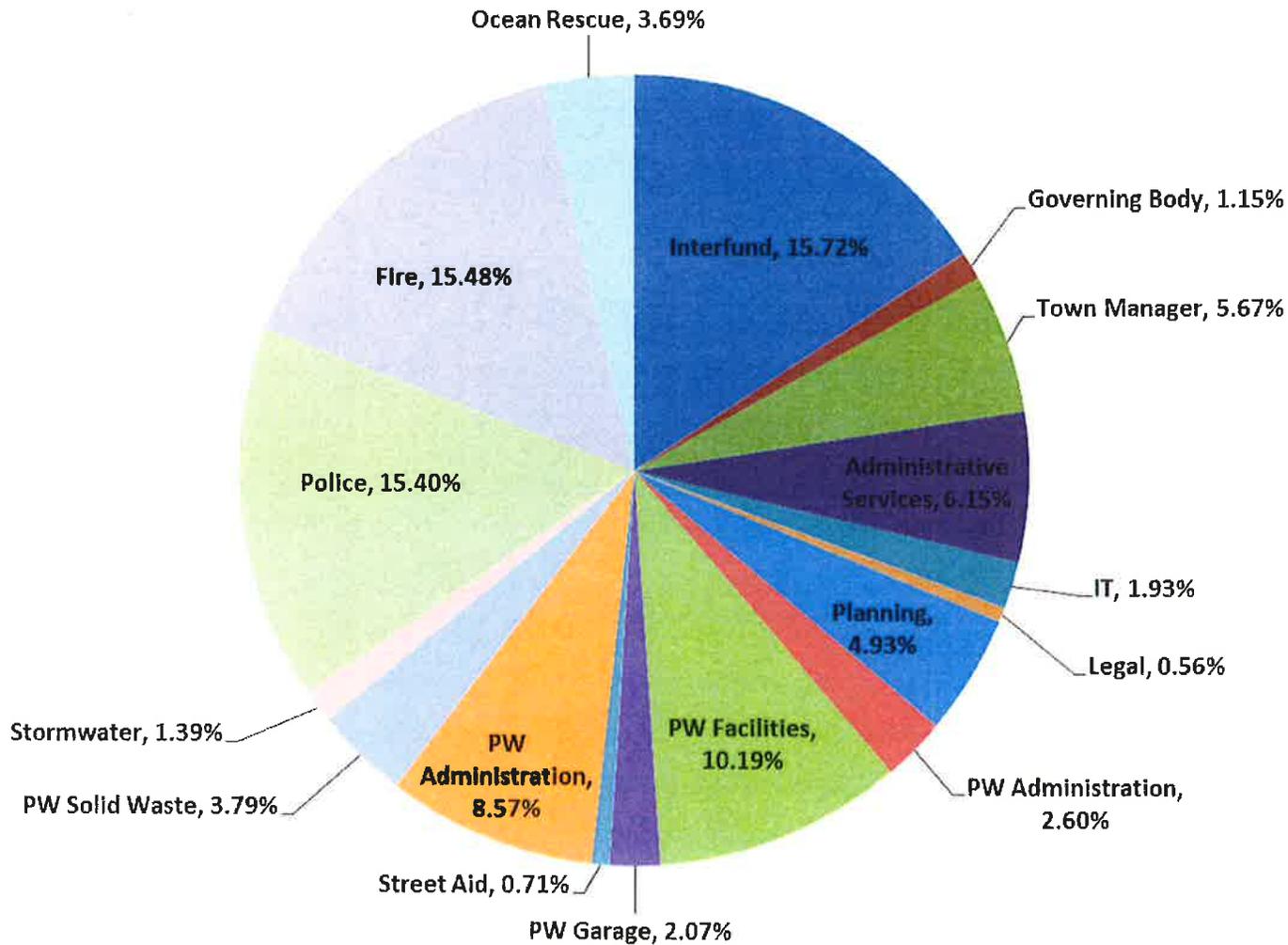
Contributions in Governing Body reflect \$10,000 for the partnership with Nags Head Woods Nature Conservancy. The contribution to the Capital Reserve Fund is the annual offset for the collection of facility fees budgeted at \$50,000, Municipal Service District taxes of \$1,392,090, and town-wide taxes of \$629,179 for repayment of the debt service bonds to be used for beach nourishment in Fiscal Year 2017-2018.

Also included is a \$.01 penny tax each (2 pennies total), or the equivalent of \$233,029 each (\$466,058 total), to set aside funding in the Capital Reserve Fund for both Parks and Paths and Stormwater.

Recommended expenditures from Parks and Paths funding for Fiscal Year 2017-2018 include:

- Dowdy Park purchase debt (year 5 of 5) \$101,180
- Dowdy Park phase II/III development \$106,820
- Beach Road multi-use-path repairs \$ 25,000

Fiscal Year 2017-2018 General Fund Expenditures



The \$235,534 Stormwater recommended budget is fully funded from the Stormwater Capital Reserve. A Stormwater Management Ten year master plan (at \$100,000/year) is recommended for funding as part of both the recommended Fiscal Year 2017-2018 budget and financial plan 2018-2019 budget. Stormwater Management Projects include: south Nags Head drainage improvements at \$50,000, Mall Drive drainage improvements at \$35,000, and Vista Colony pump automation at \$18,000.

Recommended facility fees include \$10,000 Police facility fees towards L3 Mobile Vision software/hardware and \$25,000 Fire facility fees towards the Fire Station 21 debt payment.

Capital Improvement Projects

Cash funded:

- Access control software \$ 6,800
- Street master plan-pavement condition survey \$50,000
- Taser Assurance Program \$ 7,476
- Brush truck skid unit \$18,500

Financed:

- Time/attendance software (\$36,248) debt service: \$12,560
- Boom tractor (\$155,000) debt service: \$34,096
- Bonnett St. Bath House (\$441,250) debt service: \$89,250
- Freightliner (\$160,000) debt service: \$35,196
- Police body cameras financed with vehicles \$ 2,121

Funded by Grants:

- Dowdy Park phase II/III \$10,000
- L3 Mobile Vision software/hardware \$24,500

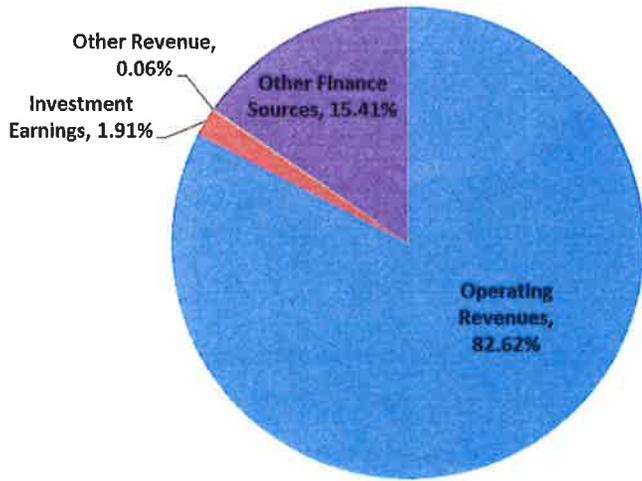
Water Fund

There are no water rate increases included in the recommended budget.

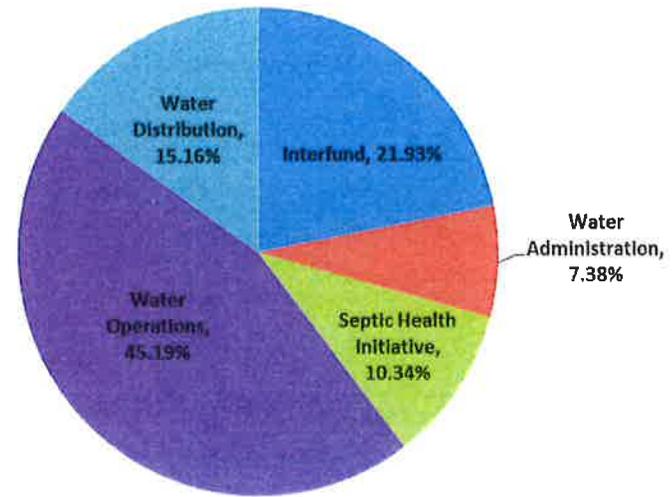
Changes to the Town's Consolidated Fee Schedule are recommended in conjunction with this fiscal year budget to include: water meter drop-ins, water tap connections, and replacement hydrants. A change to the Town's leak adjustment policy is also recommended to reduce the amount of water written off yearly below the present average of about \$60,000.

	Adopted 2016-2017	Recommended 2017-2018	Difference	Financial Plan 2018-2019
Water Fund Revenues				
Operating Revenues	\$2,747,500	\$2,657,069	\$(90,431)	\$2,748,969
Investment Earnings	\$45,750	\$61,250	\$15,500	\$63,750
Other Revenue	\$1,000	\$2,000	\$1,000	\$2,000
Other Finance Sources	\$285,096	\$495,567	\$210,471	\$814,346
Total	\$3,079,346	\$3,215,886	\$136,540	\$3,629,065
Water Fund Expenditures				
Water Administration	\$206,447	\$237,448	\$31,001	\$246,775
Septic Health	\$175,568	\$332,360	\$156,792	\$174,754
Water Operations	\$1,473,020	\$1,453,307	\$(19,713)	\$1,778,725
Water Distribution	\$617,481	\$487,414	\$(130,067)	\$723,454
Interfund	\$606,830	\$705,357	\$98,527	\$705,357
Total	\$3,079,346	\$3,215,886	\$136,540	\$3,629,065

Fiscal Year 2017-2018 Water Fund Revenues



Fiscal Year 2017-2018 Water Fund Expenditures



Capital Project

Total Cost

Decentralized Wastewater Management Plan

\$150,000 cash

Summary

In closing, below are the total budgets included in the Fiscal Year 2017-2018 budget.

General Fund	\$	16,935,105
Water Fund	\$	3,215,886
Capital Reserve Fund	\$	8,990,861

Looking ahead to Fiscal Year 2018-2019

- Projecting at least a \$0.01 tax increase due to anticipated legislation (SB 126) which reduces Article 40 and the hold harmless sales tax. We anticipate a loss in sales tax revenue estimated at \$271,000.
- Levy assumes .7% growth from Fiscal Year 2017-2018 levy
- Assumes the Town of Nags Head percentage of county-wide shared revenues increases to 8.89% from 7.4% in Fiscal Year 2017-2018 (assuming no change to levies for Dare County or other towns).
- Includes a 2.0% merit adjustment (no COLA) above Fiscal Year 2017-2018 recommended salaries.
- Includes a health insurance increase of 4.6% for employees and retirees above the Fiscal Year 2017-2018 rates and using the remaining \$40,000 in health care savings from Fiscal Year 2016-2017.
- Includes yearly Other Post Retirement Benefits (OPEB) funding contingent upon BOC approval of the initial \$100,000 investment.

Includes two new positions-

- Sanitation Operator
- Facilities Maintenance Technician

Recommended debt schedule and CIP is included as part of the budget document, but major initiatives include:

- First year debt payment of beach renourishment/first \$600,000 supplemental debt payment from Dare County going to the beach nourishment capital reserve fund along with an estimated \$430,855 restricted portion on sales tax from the municipal service district going to beach nourishment capital reserve fund.
- Pedestrian Plan Implementation-\$500,000 Outer Banks Visitors Bureau grant funded with the remaining \$1,109,000 financed over six years using the parks and paths capital reserve fund.
- Both the Dowdy Park (from Parks/Paths reserve) and Windmill Point land final debt payments are in Fiscal Year 2018-2019.
- New Fire pumper

Water Fund-

- A 4% increase assumed for water rates/sales. Rates will be formally recommended in the Fiscal Year 2017-2018 budget from the Water Master Plan and Fiscal Year 2018-2019 budget will be the first year we are able to implement and follow the Plan.
- South Nags Head tower cleaning, repairing and painting \$274,450.
- Barnes Street waterline extension and tie-in \$235,000.
- Diamond Street to Danube Street water line tie-in \$193,000.

Budget Ordinance



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 21st day of June 2017, that the budget ordinance adopted on June 21st, 2017, effective July 1, 2017, to read as follows:

SECTION I GENERAL FUND

Revenues Anticipated:

Current year ad valorem taxes	\$ 6,291,785
Municipal Service District taxes	1,392,090
Current town wide beach nourishment ad valorem taxes	629,179
Prior year taxes	1,300
Penalties and interest	7,500
DMV Taxes	109,816
Other taxes and licenses	5,080,147
Unrestricted intergovernmental revenues	1,005,000
Restricted intergovernmental revenues	236,218
Permits and fees	328,800
Sales and services	100,750
Investment earnings	120,000
Other revenues	122,500
Contributions from Capital Reserve Fund	503,534
Contributions from Water Fund	655,357
Committed Fund Balance	40,000
Undesignated Fund Balance Appropriated	275,503
	<u>\$ 16,899,479</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

SECTION I GENERAL FUND

Expenditures Authorized:

Governing Body	\$ 195,383
Town Manager	950,822
Administrative Services	1,040,534
Information Technology	327,279
Legal Services	94,480
Planning and Development	836,254
PW Administration	439,122
Facilities Maintenance	1,715,963
Garage	349,212
State Street Aid-Powell Bill	120,000
Sanitation	1,450,456
Solid Waste Disposal	641,000
Stormwater Management	235,534
Police	2,597,316
Fire	2,619,371
Ocean Rescue	624,426
Transfer to Capital Reserve Fund	2,537,327
Contingency	<u>125,000</u>
 Total General Fund Expenditures	 <u>\$ 16,899,479</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

Section II WATER FUND

Revenues Anticipated:	
Charges for utilities	\$ 2,609,000
Taps/connection fees	10,000
Reconnection fees	7,500
Special assessments	569
Interest on investment	35,000
Penalties and interest	30,000
Septic loan repayments	26,250
Miscellaneous revenues	2,000
Appropriated retained earnings	<u>493,279</u>
Total Water Fund Revenues	<u>\$ 3,213,598</u>
Expenditures Authorized:	
Administration	\$ 237,179
Septic health	332,226
Operations	1,452,499
Distribution	486,337
Contribution to general fund	655,357
Contingency	<u>50,000</u>
Total Water Fund Expenditures	<u>\$ 3,213,598</u>



**Town of Nags Head
 Budget Ordinance
 Fiscal Year 2017-2018**

Section IV NAGS HEAD LEASING

Revenues Anticipated	\$	-
Expenditures Authorized	\$	-

Section V CAPITAL RESERVE FUND

Revenues Anticipated:		
Contributions from General Fund	\$	2,537,327
Appropriations/Fire facility fees		25,000
Appropriations/Police facility fees		10,000
Appropriations/Stormwater Management		235,534
Appropriations/ Parks and paths		233,000
Appropriations/Beach Nourishment Capital Project Fund		<u>5,950,000</u>
 Total Revenues	 \$	 <u>8,990,861</u>
 Expenditures Authorized:		
Transfer to General Fund	\$	503,534
Transfer to Beach Nourishment Capital Project Fund		5,950,000
Contributions to Fund Balance		<u>2,537,327</u>
 Total Expenditures	 \$	 <u>8,990,861</u>
 TOTAL BUDGET FISCAL YEAR 2017-2018	 \$	 <u>29,103,938</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

SECTION VI TAX RATES ESTABLISHED

A Town wide tax rate of twenty-nine and seven tenths (\$.297) cents per hundred dollar valuation is hereby levied on all real estate and personal property in the Town of Nags Head as of January 1, 2017. The estimated valuation of said property is two billion, three hundred thirty six million, one hundred thirty one thousand, two hundred thirty dollars (\$ 2,336,131,230). The estimated collection rate of ninety-nine and three quarters percent (99.75%) is based on the collection rate for the fiscal year ended June 30, 2017.

A tax rate of seventeen and five tenths (\$.175) cents per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in the municipal service districts, seven hundred ninety seven million, four hundred seventy six thousand, one hundred thirty seven dollars (\$797,476,137). The estimated collection rate of ninety-nine and three quarters percent (99.75%) is based on the collection rate for the fiscal year ended June 30, 2017.

A tax rate twenty nine and seven tenths (\$.297) cents per hundred dollar valuation is hereby levied on all motor vehicle property in the Town of Nags Head as renewed through the State during the year. The estimated valuation of said property of thirty seven million, sixty seven thousand eight hundred fifty six dollars (\$37,067,856). The estimated collection rate of ninety nine and three quarters percent (99.75%) is based on the collection rate for the fiscal year ended June 30, 2017.

SECTION VII, SPECIAL AUTHORIZATION - BUDGET OFFICER

The Budget Officer shall be authorized to transfer amounts between objects of expenditures 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 Director immediately and to the Governing Body at the next regular meeting or on the next succeeding monthly budget transfer report.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

SECTION VIII, RESTRICTION-BUDGET OFFICER

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

No salary increases, beyond those set forth in the budget document, excluding promotional increases in accordance with the personnel policy not to exceed 5%, may be made without Board approval.

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.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

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 \$ 25,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but encumbered 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.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

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 2017-2018 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.

SECTION XI, REPAYMENT OF WATER FUND FOR LAND ACQUISITION

It is the intent of the Nags Head Board of Commissioners to strive to continue the General Fund's repayment of the Water Fund's purchase of real property beginning with fiscal year 12-13 and continuing in fiscal year 13-14 in annual payments of approximately \$300,000 until such time as the Water Fund has been repaid in full in the amount of \$1,623,174. The adopted operating budget for FY 17-18 does not contain funding for a third year of payments pending the determination of available fund balance during the annual audit.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2017-2018**

ADOPTED THIS **21ST** DAY OF **JUNE 2017**.

Robert C. Edwards

Robert C. Edwards, Mayor

Attest:

Michelle H Gray

Michelle H Gray, Dep Town Clerk

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



**Beach Nourishment
Capital Project Ordinance
Amendment #2**



**BEACH NOURISHMENT CAPITAL PROJECT ORDINANCE
Amendment #2**

BE IT ORDAINED by the Governing Board of the Town of Nags Head, North Carolina, which, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance as adopted June 15, 2016, as amended February 17, 2017, is hereby further amended as follows:

Section 1. The project authorized is a locally funded beach nourishment project to be financed by the sale of special obligation bonds to be repaid from one of the following sources: contributions from Dare County, ad valorem revenues, special assessments, or other sources of revenues, as well as by appropriation of Capital Reserve Fund Balance

Section 2. The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.

Section 3. The following amounts are appropriated for the project:

Engineering and construction oversight	\$ 1,684,211
Pumping Costs	17,250,000
Mobilization/Demobilization	5,000,000
Professional Fees	587,500
Thirty Year Beach Study	750,000
Five Year Profile Monitoring	500,000
Sand Fencing	275,000
Sprigging	450,000
Turtle Monitoring	50,000
Ocean Outfall	300,000
Contingency	<u>250,000</u>
	\$ 27,096,711

Section 4. The following revenues are anticipated to be available to complete this project:

Proceeds from Special Revenue Bonds	\$ 11,573,355
Contribution from Capital Reserve Fund	5,950,000
Contribution from Dare County	<u>9,573,356</u>
	\$ 27,096,711

Section 5. The Finance Director is hereby directed to maintain, within the Capital Project Fund, sufficient detailed accounting records to satisfy federal, state, and local regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due.

Section 7. The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element in Section 3.

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues in this capital project in every budget submission made to this Board.

Section 9. Copies of this project ordinance shall be furnished to the Clerk of the Governing Board, and to the Budget Officer and Finance Director for direction in carrying out this project.

Amended this this 21st day of June, 2017.

Robert C. Edwards, Mayor

ATTEST:

Carolyn F. Morris, Town Clerk

Motion to Adopt by Commissioner

Motion Seconded by Commissioner

Vote: _____ Ayes _____ Noes

Recorded in Minute Book _____, Page

Capital Reserve Fund Ordinance



**Amendment #1
TOWN OF NAGS HEAD
CAPITAL RESERVE FUND**

BE IT ORDAINED by the Governing Board of the Town of Nags Head, North Carolina that, pursuant to NCGS-159-18, the following capital project ordinance as adopted May 1, 2013, is hereby further amended as follows:

WHEREAS, There is a need in the Town of Nags Head, North Carolina to set aside funds for future capital expenditures; AND

WHEREAS, Within the Town of Nags Head, various fees and funds are generated and used as follows:

- Facility fees are generated by construction occurring within the Town and must be used within ten years of collection for the purposes for which they are collected including Administration, Police, Fire, Sanitation, and Recreation; AND
- Beach Nourishment funds are generated from Town-wide ad valorem taxes and are designated by the Board to be spent for future Beach Nourishment/Renourishment as well as beach access reconstruction as a result of Beach Nourishment; AND
- Beach Nourishment funds are also generated from Municipal Service District (MSD) taxes and a portion of sales taxes distributed and are restricted for use in the MSD for the same purpose in which they were established - for Beach Nourishment/Renourishment; AND
- Town Parks and Multi-Use Path funds are generated from Town-wide ad valorem taxes and are designated by the Board to be spent for future Town Parks, future Multi-Use Path development, Beach Accesses, and General Recreation / Open Space capital needs; AND
- Town Stormwater Management funds are generated from Town-wide ad valorem taxes and are designated by the Board to be spent to improve Town drainage infrastructure through planning, maintenance, or new construction, where appropriate; AND
- Miscellaneous other revenues as transferred from the General Fund for future capital needs; AND

WHEREAS, These fees and funds generated are to be set aside / accumulated in a Capital Reserve Fund.

NOW THEREFORE BE IT RESOLVED that pursuant to NCGS 159-18 the Town of Nags Head Board of Commissioners hereby amends the Capital Reserve Fund for the purpose of accumulating revenues as listed above by direct appropriation from the General Fund.

The Capital Reserve Fund is to remain operational for a period not to exceed ten years (beginning July 1, 2013 and ending June 30, 2023), and unless terminated sooner, shall automatically renew for each succeeding year following June 30, 2023 until terminated by the Nags Head Board of Commissioners.

Adopted this 15th day of June 2016.

Robert C. Edwards, Mayor
Town of Nags Head

ATTEST:

Carolyn F. Morris, Town Clerk