



**Town of Nags Head
Budget Ordinance
Fiscal Year 2020-2021**

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 17th day of June 2020, that the budget ordinance adopted on June 17th, 2020, effective July 1, 2020, to read as follows:

SECTION I GENERAL FUND

Revenues Anticipated:

Current year ad valorem taxes	\$ 6,975,156
Municipal Service District taxes	1,411,657
Current town wide beach nourishment ad valorem taxes	647,179
Penalties and interest	7,000
DMV Taxes	120,409
Other taxes and licenses	5,880,939
Unrestricted intergovernmental revenues	961,000
Restricted intergovernmental revenues	1,166,475
Permits and fees	312,175
Sales and services	80,000
Investment earnings	140,000
Other revenues	201,750
Transfer from Capital Reserve Fund	3,257,064
Transfer from Water Fund	667,283
Committed Fund Balance	69,017
Undesignated Fund Balance Appropriated	-
Total General Fund Revenues	<u>\$ 21,897,104</u>



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SECTION I GENERAL FUND

Expenditures Authorized:

Governing Body	\$ 130,708
Special Obligation Bond Debt	2,521,353
Town Manager	967,602
Administrative Services	1,022,449
Information Technology	358,661
Legal Services	94,480
Planning and Development	1,306,675
PW Administration	402,081
Facilities Maintenance	1,759,138
Garage	351,246
State Street Aid - Powell Bill	30,500
Sanitation	1,247,415
Solid Waste Disposal	673,952
Stormwater Management	496,258
Police	2,795,137
Fire	3,117,189
Ocean Rescue	664,409
Transfer to Capital Reserve Fund	3,832,851
Contingency	<u>125,000</u>
Total General Fund Expenditures	<u>\$ 21,897,104</u>



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Section II WATER FUND

Revenues Anticipated:	
Charges for utilities	\$ 3,280,368
Taps/connection fees	12,500
Reconnection fees	5,000
System development fees	10,000
Restricted intergovernmental revenues	44,241
Interest on investment	46,000
Penalties and interest	30,000
Septic loan repayments	30,000
Miscellaneous revenues	1,000
Appropriated retained earnings	-
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Total Water Fund Revenues	<u>\$ 3,459,109</u>
Expenditures Authorized:	
Administration	\$ 259,276
Septic Health Initiative	145,989
Water Operations	1,469,875
Water Distribution	856,686
Transfer to General Fund	667,283
Transfer to Water Capital Reserve Fund	10,000
Contingency	50,000
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Total Water Fund Expenditures	<u>\$ 3,459,109</u>



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Section III NAGS HEAD LEASING

Revenues Anticipated	\$	-
Expenditures Authorized	\$	-

Section IV CAPITAL RESERVE FUND

Revenues Anticipated:		
Transfer from General Fund	\$	3,743,351
Appropriations/Special Obligation Bond - debt		2,521,353
Appropriations/Stormwater Management		496,258
Appropriations/ Parks and paths		234,453
Appropriations/ Sanitation facility fees		5,000
Appropriations/Beach Nourishment Capital Project Fund		1,088,847
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Total Revenues	\$	<u>8,089,262</u>
Expenditures Authorized:		
Transfer to General Fund	\$	3,257,064
Transfer to Beach Nourishment Capital Project Fund		1,088,847
Contributions to Fund Balance		3,743,351
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Total Expenditures	\$	<u>8,089,262</u>



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Section V WATER CAPITAL RESERVE FUND

Revenue Anticipated:	
Transfer from Water Fund	<u>\$ 10,000</u>
Expenditures Authorized:	
Contributions to Fund Balance	<u>\$ 10,000</u>
TOTAL BUDGET FISCAL YEAR 2020-2021	<u><u>\$ 33,455,475</u></u>



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SECTION VI TAX RATES ESTABLISHED

A Town wide revenue neutral tax rate of twenty six and five tenths (\$.265) 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, 2020. The estimated valuation of said property is two billion, nine hundred twenty million, one hundred fifty five thousand, one hundred twenty six dollars (\$2,920,155,126). The estimated collection rate is ninety-eight and one half percent (98.5%).

A revenue neutral tax rate of fourteen and three tenths (\$.143) cents per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in the municipal service districts with an estimated value of one billion, two million, one hundred seventy thousand, ninety four dollars (\$1,002,170,094). The estimated collection rate is ninety-eight and one half percent (98.5%).

A tax rate of twenty six and five tenths (\$.265) 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 forty five million, five hundred fifty one thousand, one hundred thirty dollars (\$45,551,130). 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, 2020.

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.



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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 or merit 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.



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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.



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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 2020-2021 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 annual repayment of the Water Fund's purchase of real property, made on April 20, 2007. An outstanding balance remains of \$872,532, from an original loan amount of \$1,623,174. The adopted operating budget for FY 20-21 does not contain funding for a fifth year of payments pending the determination of available fund balance during the annual audit.



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ADOPTED THIS **17TH** DAY OF **JUNE 2020**.

Benjamin Cahoon, Mayor

Attest:

Carolyn F. Morris, Town Clerk

Motion to Adopt by Commissioner

Motion Seconded By Commissioner

Vote _____ Ayes _____ Noes

Recorded in Minute Book _____, Page _____