



**Town of Nags Head
Budget Ordinance
Fiscal Year 2018-2019**

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 20th day of June 2018, that the budget ordinance adopted on June 20th, 2018, effective July 1, 2018, to read as follows:

SECTION I GENERAL FUND

Revenues Anticipated:

| | |
|--|----------------------|
| Current year ad valorem taxes | \$ 6,591,444 |
| Municipal Service District taxes | 1,405,253 |
| Current town wide beach nourishment ad valorem taxes | 635,603 |
| Penalties and interest | 7,000 |
| DMV Taxes | 123,992 |
| Other taxes and licenses | 6,115,642 |
| Unrestricted intergovernmental revenues | 910,000 |
| Restricted Intergovernmental revenues | 293,468 |
| Permits and fees | 344,150 |
| Sales and services | 96,000 |
| Investment earnings | 135,000 |
| Other revenues | 126,000 |
| Contributions from Capital Reserve Fund | 768,339 |
| Contributions from Water Fund | 645,422 |
| Committed Fund Balance | 40,000 |
| Undesignated Fund Balance Appropriated | 450,000 |
| | <u>\$ 18,687,313</u> |



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SECTION I GENERAL FUND

| | |
|----------------------------------|----------------------|
| Expenditures Authorized: | |
| Governing Body | \$ 192,088 |
| Town Manager | 1,004,983 |
| Administrative Services | 1,059,604 |
| Information Technology | 389,095 |
| Legal Services | 94,480 |
| Planning and Development | 1,014,774 |
| PW Administration | 390,800 |
| Facilities Maintenance | 1,980,389 |
| Garage | 349,503 |
| State Street Aid - Powell Bill | 120,000 |
| Sanitation | 1,469,630 |
| Solid Waste Disposal | 669,685 |
| Stormwater Management | 470,800 |
| Police | 2,653,035 |
| Fire | 2,751,841 |
| Ocean Rescue | 638,548 |
| Transfer to Capital Reserve Fund | 3,239,302 |
| Transfer to Water Fund | 73,756 |
| Contingency | <u>125,000</u> |
| Total General Fund Expenditures | <u>\$ 18,687,313</u> |



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Section II WATER FUND

| | |
|---------------------------------------|-------------------------|
| Revenues Anticipated: | |
| Charges for utilities | \$ 2,834,823 |
| Taps/connection fees | 20,000 |
| Reconnection fees | 5,000 |
| Special assessments | 150 |
| Restricted intergovernmental revenues | 40,000 |
| Interest on investment | 46,250 |
| Penalties and interest | 30,000 |
| Septic loan repayments | 35,000 |
| Miscellaneous revenues | 1,000 |
| Contribution from general fund | 73,756 |
| Appropriated retained earnings | <u>586,376</u> |
| Total Water Fund Revenues | \$ <u>3,672,355</u> |
| Expenditures Authorized: | |
| Administration | \$ 248,468 |
| Septic health Initiative | 170,492 |
| Water Operations | 1,845,800 |
| Water Distribution | 712,173 |
| Contribution to general fund | 645,422 |
| Contingency | <u>50,000</u> |
| Total Water Fund Expenditures | \$ <u>3,672,355</u> |



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Section III NAGS HEAD LEASING

| | |
|-------------------------|------|
| Revenues Anticipated | \$ - |
| Expenditures Authorized | \$ - |

Section IV CAPITAL RESERVE FUND

| | |
|---|--------------------------|
| Revenues Anticipated: | |
| Contributions from General Fund | \$ 3,239,302 |
| Appropriations/Sanitation facility fees | 20,000 |
| Appropriations/Police facility fees | 5,630 |
| Appropriations/Recreation facility fees | 36,500 |
| Appropriations/Stormwater Management | 470,800 |
| Appropriations/ Parks and paths | 235,409 |
| Appropriations/Beach Nourishment Capital Project Fund | <u>2,766,035</u> |
| Total Revenues | \$ <u>6,773,676</u> |
| Expenditures Authorized: | |
| Transfer to General Fund | \$ 768,339 |
| Transfer to Beach Nourishment Capital Project Fund | 2,766,035 |
| Contributions to Fund Balance | <u>3,239,302</u> |
| Total Expenditures | \$ <u>6,773,676</u> |
| TOTAL BUDGET FISCAL YEAR 2018-2019 | \$ <u>29,133,344</u> |



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SECTION V TAX RATES ESTABLISHED

A Town wide tax rate of thirty and seven tenths (\$.307) 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, 2018. The estimated valuation of said property is two billion, three hundred fifty nine million, nine hundred eighty seven thousand, seventy three dollars (\$2,359,987,073). 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, 2018. 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 with an estimated value of five million, four hundred seventy six thousand, five hundred eighty seven dollars (\$805,467,587). 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, 2018. A tax rate thirty and seven tenths (\$.307) 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 is forty million, three hundred twenty four thousand eight hundred seventy four dollars (\$40,324,874). 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, 2018.

SECTION VI. 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 VII. 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 VIII - 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 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 IX. 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 2018-2019 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 X. 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, beginning with fiscal year 12-13 at \$300,000 and continuing in fiscal year 13-14 at \$300,000. An outstanding debt remains of \$1,023,174, from an original loan amount of \$1,623,174. The adopted operating budget for FY 18-19 contains the first of fifteen (15) annual debt payments commencing at \$73,756, amortized at the December NCCMT Governmental Portfolio's 30-day compound effective yield for the current fiscal year (1.14%), capped at 2%, with a payment in advance made on July 1, 2018, and each subsequent July 1 until the debt is paid in full.



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ADOPTED THIS 20TH DAY OF JUNE 2018.



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 _____