



**Town of Nags Head
Budget Ordinance
Fiscal Year 2019-2020**

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 5th day of June 2019, that the budget ordinance adopted on June 5th, 2019, effective July 1, 2019, to read as follows:

SECTION I GENERAL FUND

Revenues Anticipated:

Current year ad valorem taxes	\$ 6,888,278
Municipal Service District taxes	1,411,400
Current town wide beach nourishment ad valorem taxes	641,322
Penalties and interest	7,000
DMV Taxes	137,047
Other taxes and licenses	6,362,642
Unrestricted intergovernmental revenues	940,000
Restricted intergovernmental revenues	1,353,664
Permits and fees	373,150
Sales and services	80,000
Investment earnings	190,000
Other revenues	171,000
Transfer from Capital Reserve Fund	3,771,027
Transfer from Water Fund	705,718
Committed Fund Balance	68,884
Undesignated Fund Balance Appropriated	350,000
Total General Fund Revenues	<u>\$ 23,451,132</u>



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Fiscal Year 2019-2020**

SECTION I GENERAL FUND

Expenditures Authorized:	
Governing Body	\$ 195,394
Special Obligation Bond Debt	3,049,248
Town Manager	1,070,299
Administrative Services	1,062,293
Information Technology	369,888
Legal Services	94,480
Planning and Development	1,714,391
PW Administration	392,183
Facilities Maintenance	1,942,963
Garage	363,419
State Street Aid - Powell Bill	120,000
Sanitation	1,595,274
Solid Waste Disposal	687,756
Stormwater Management	475,054
Police	2,815,541
Fire	2,759,201
Ocean Rescue	684,032
Transfer to Capital Reserve Fund	3,857,831
Transfer to Water Fund	76,886
Contingency	<u>125,000</u>
Total General Fund Expenditures	<u>\$ 23,451,132</u>



**Town of Nags Head
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Section II WATER FUND

Revenues Anticipated:	
Charges for utilities	\$ 3,259,552
Taps/connection fees	22,500
Reconnection fees	5,000
Special assessments	50
System development fees	50,000
Restricted intergovernmental revenues	43,340
Interest on investment	60,000
Penalties and interest	30,000
Septic loan repayments	46,250
Miscellaneous revenues	1,000
Transfer from General Fund	76,886
Appropriated retained earnings	<u>595,383</u>
Total Water Fund Revenues	<u>\$ 4,189,961</u>
Expenditures Authorized:	
Administration	\$ 248,100
Septic Health Initiative	172,473
Water Operations	1,555,998
Water Distribution	1,407,672
Transfer to General Fund	705,718
Transfer to Water Capital Reserve Fund	50,000
Contingency	<u>50,000</u>
Total Water Fund Expenditures	<u>\$ 4,189,961</u>



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Fiscal Year 2019-2020**

Section III NAGS HEAD LEASING

Revenues Anticipated	\$	-
Expenditures Authorized	\$	-

Section IV CAPITAL RESERVE FUND

Revenues Anticipated:		
Transfer from General Fund	\$	3,857,831
Appropriations/Sanitation facility fees		10,000
Appropriations/Police facility fees		23,630
Appropriations/Special Obligation Bond - debt		3,049,248
Appropriations/Stormwater Management		475,054
Appropriations/ Parks and paths		213,095
Appropriations/Beach Nourishment Capital Project Fund		<u>2,838,847</u>
 Total Revenues	 \$	 <u>10,467,705</u>
 Expenditures Authorized:		
Transfer to General Fund	\$	3,771,027
Transfer to Beach Nourishment Capital Project Fund		2,838,847
Contributions to Fund Balance		<u>3,857,831</u>
 Total Expenditures	 \$	 <u>10,467,705</u>



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Budget Ordinance
Fiscal Year 2019-2020**

Section V WATER CAPITAL RESERVE FUND

Revenue Anticipated:	
Transfer from Water Fund	\$ <u>50,000</u>
Expenditures Authorized:	
Contributions to Fund Balance	\$ <u>50,000</u>
TOTAL BUDGET FISCAL YEAR 2019-2020	\$ <u>38,158,798</u>



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SECTION VI TAX RATES ESTABLISHED

A Town wide tax rate of thirty one and seven tenths (\$.317) 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, 2019. The estimated valuation of said property is two billion, three hundred eighty one million, two hundred twenty one thousand, four hundred eighty one dollars (\$2,381,221,481). 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, 2019. 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 eight hundred eight million, five hundred thirty six thousand, one hundred ninety nine dollars (\$808,536,199). 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, 2019. A tax rate of thirty one and seven tenths (\$.317) 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 three million, three hundred forty thousand, seven hundred twelve dollars (\$43,340,712). 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, 2019.

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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Fiscal Year 2019-2020**

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.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2019-2020**

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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Budget Ordinance
Fiscal Year 2019-2020**

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 2019-2020 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 debt remains of \$949,418, from an original loan amount of \$1,623,174. The adopted operating budget for FY 19-20 contains the second of fifteen (15) annual debt payments at \$76,886, amortized at the December NCCMT Governmental Portfolio's 30-day compound effective yield for the current fiscal year, capped at 2%, with a payment made on July 1, 2019, and each subsequent July 1 until the debt is paid in full.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2019-2020**

ADOPTED THIS 5TH DAY OF **JUNE 2019**.

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 _____