



FY 2025-26 RECOMMENDED BUDGET

NAGS HEAD BOARD OF COMMISSIONERS

May 7, 2025

FY 2025-26 BUDGET CALENDAR



- Workshops – March 5th, April 2nd, April 16th
- Presentation of Recommended Budget – May 7th
- Workshop on Recommended Budget – May 21st
- Public Hearing – June 11th
- <https://www.nagsheadnc.gov/229/Annual-Budgets>

FY 2025-26 BUDGET CONSIDERATIONS



- Revaluation
- Shared Revenues
- Health Insurance
- Inflation

FY 2025-26 BUDGET CONSIDERATIONS



Revaluation

- Property values – 59% increase (\$3,155,933,053 to \$5,014,633,053)
- Current tax rate = 33 cents per \$100 of assessed value
- Revenue neutral tax rate = 20.84 cents per \$100 of assessed value
- Recommended tax rate = 22 cents per \$100 of assessed value



FY 2025-26 BUDGET CONSIDERATIONS

Recommended Tax Rates

- 1.13 cent tax increase generates \$566,656 in additional revenue

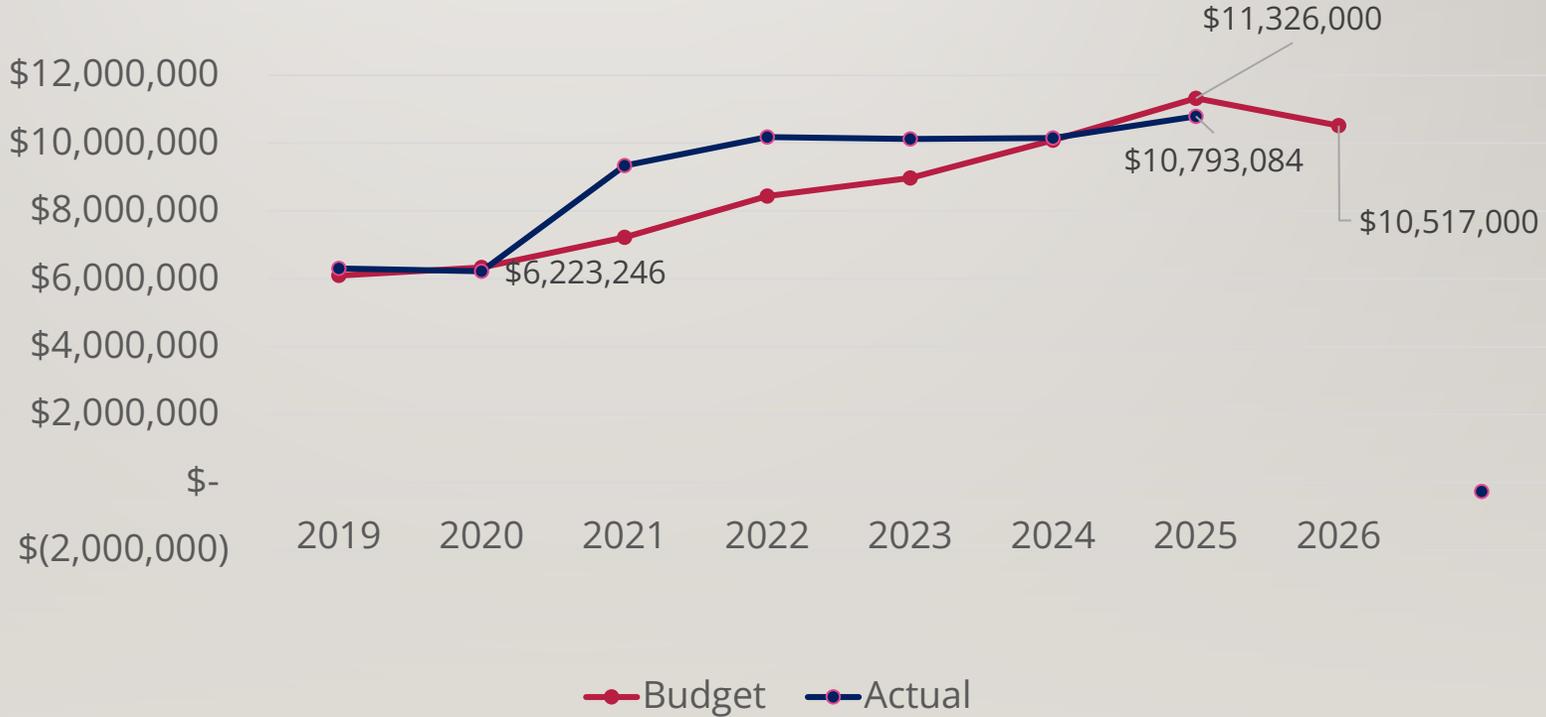
Tax	2024-25 Tax Rate	Revenue Neutral Tax Rate	Fiscal Year 2025- 26 Recommended Tax Rate	Valuation	One penny
Town-wide	30.50	19.29	20.50		
Town-wide beach nourishment					
	<u>2.50</u>	<u>1.58</u>	<u>1.50</u>		
Total Town-Wide Tax	<u>33.00</u>	<u>20.87</u>	<u>22.00</u>	\$5,014,663,053	\$501,466
MSD 1	14.30	9.33	-	\$ 898,141,456	-
MSD 2	14.30	8.73	-	\$ 781,486,500	-
MSD 1 and 2 calculated together	14.30	9.05	9.00	\$1,679,627,956	\$167,963
MSD 3	.50	.32	.50	\$1,650,566,461	\$165,057
MSD 4	1.00	.60	1.00	\$1,122,666,244	\$112,267
MSD 5	-	-	-	-	-
MSD 6	.50	.31	-	\$ 615,568,918	-

FY 2025-26 BUDGET CONSIDERATIONS



Budget vs. Actual Shared Revenues

Shared Revenues



FY 2025-26 BUDGET CONSIDERATIONS



Health Insurance

- NCLM Health Benefits Trust dissolved
- Insured 400 local governments; 9,000 members
- HBT members to find new carriers
- Nags Head experiencing high claims (2024)
- Nags Head broker, Mark iii, recommending joining Carolina Public Entity Cooperative; BCBS
- \$440,000 cost increase for FY 2025-26

FY 2025-26 BUDGET CONSIDERATIONS



Inflation

- Sanitation trucks = 2020, **\$265,000**, 2025, **\$400,000**
- Vertical construction = **\$400-\$500 per sq. ft.**

Bath House Construction

2016 cost: **\$448,900**

2024 cost: **\$860,480**

Cost increase factor: 1.92

FY 2025-26 BUDGET HIGHLIGHTS



- FY 2025-26 general fund budget = \$31,430,569
- \$9 million decrease from FY 2025
- This was due to fewer transfers from the CIF to the general fund
- Largely associated with grant activity
- Large grants (stormwater, estuarine shoreline) are budgeted in multi-year capital reserve fund

FY 2025-26 BUDGET HIGHLIGHTS



Projects and Equipment

- Beach nourishment
- Housing/Campus Master Plan Phase I
- Pedestrian projects/beach accesses
- IT recommendations
- Residential sanitation truck; knuckle boom truck
- Other vehicles and heavy equipment

FY 2025-26 BUDGET HIGHLIGHTS

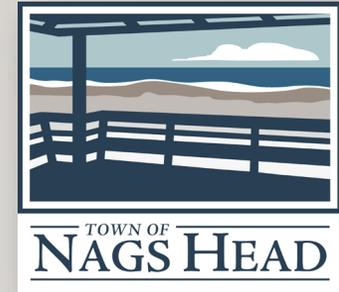


Employees

- Pay and class study
- 3% cost of living adjustment
- Health insurance 100% for employees and 80% for dependents
- Departmental career progression programs
- Performance-based merit structure; within-grade pay plan increases
- A 5% 401(k) contribution with no required match
- No other new positions are recommended



FY 2025-26 BUDGET HIGHLIGHTS



Grants

- Stormwater and drainage projects – Stormwater Master Plan, Projects in SNH and Wrightsville near Bonnett, Memorial Ave drainage upgrades (\$6,000,000+ in grants)
- Multi-use paths – Rehab beach road path; Jennette's Pier to Curlew (\$650,000 grant)
- Beach accesses – New ADA walkover at June Street beach access (\$207,668 grant)
New bath house at Hargrove (\$400,000 grant)
- Environmental – Conservation easement; 250 acres in NH Woods (\$4,000,000 grant)

FY 2025-26 BUDGET CONSIDERATIONS



Water Fund

- \$4,981,178, an increase of \$65,770, or 1%, from the prior fiscal year
- 5% water rate increase recommended
- Evaluate water rate structure and CIP in FY 2027
- Chlorine conversion from gas to liquid; 8th and Gull St. plants
- Engineering work for pump station improvements
- Implementation of DWI 0% interest loan for septic repair/replacement
- Septic Health – increasing pump out credit to \$250

QUESTIONS

