

# TOWN OF NAGS HEAD, NC

## Fiscal Year 2025-2026 Adopted Budget

### Board of Commissioners



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**Town of Nags Head  
North Carolina**

For the Fiscal Year Beginning

**July 01, 2024**

*Christopher P. Morill*

Executive Director



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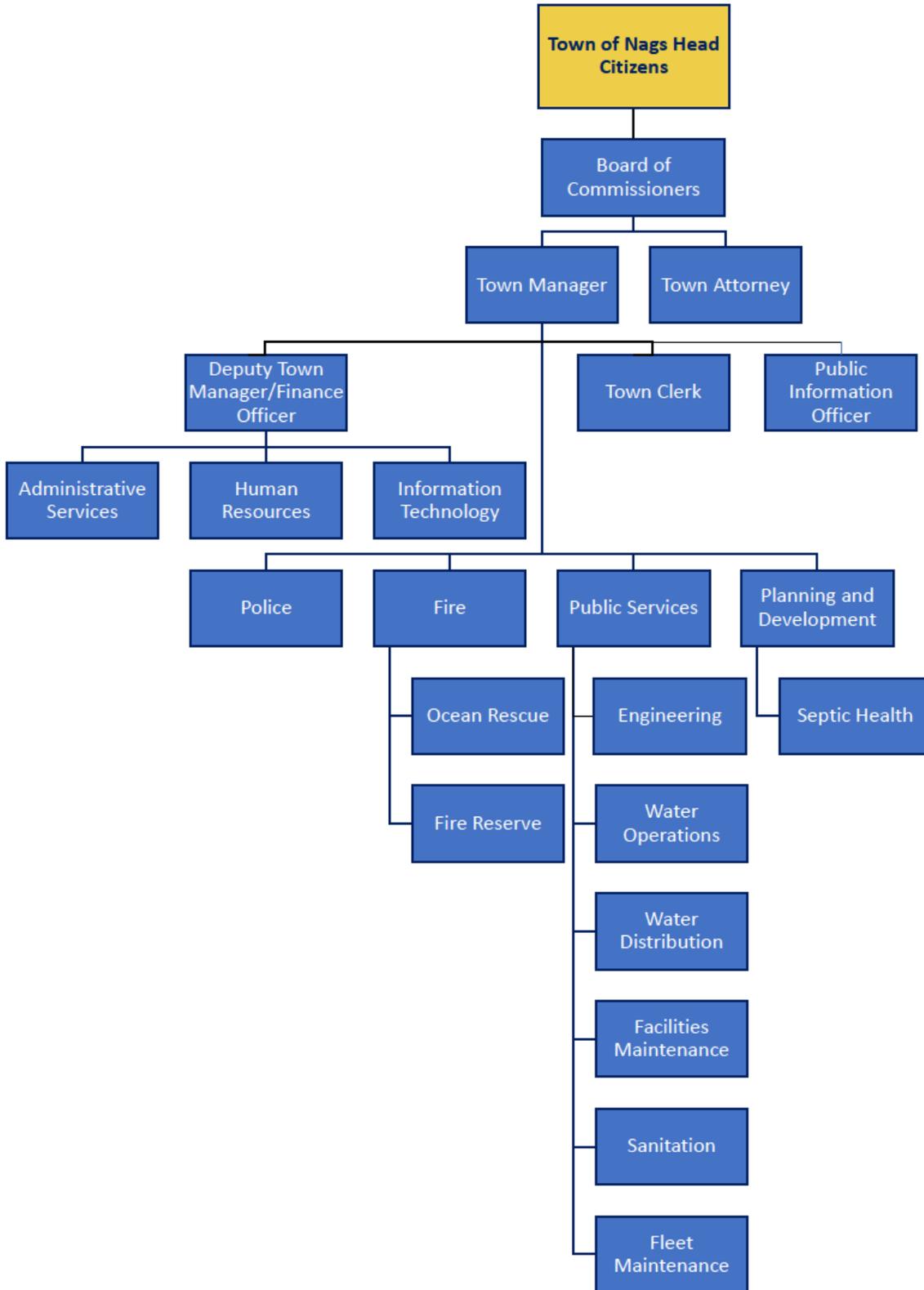
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TOWN OF NAGS HEAD ORGANIZATIONAL CHART





## CHANGES FROM RECOMMENDED TO ADOPTED BUDGET

At the May 21, 2025, budget workshop, the Board of Commissioners consensus was to increase the ad valorem tax rate for the fiscal year 2025/2026 budget to 23.20 cents (1.2 cents higher than the recommended budget). Fiscal year 2025/2026 is a revaluation year, and the revenue neutral rate is 20.87 cents per \$100 of valuation. The Town Manager's Recommended Budget included an ad valorem rate of 22 cents, a 1.13 cent tax increase above the revenue neutral rate. After the Town Manager's Budget was presented, staff compiled a list of the recommended tax increases for all six Dare County municipalities. Nags Head's recommended tax increase was the lowest. The other municipalities' recommended tax increases ranged from 2.45 cents to 4.7 cents. When these other towns raise taxes, it impacts the Town of Nags Head's distribution of shared revenues. Shared revenues are occupancy, sales, and land transfers taxes that are distributed to the towns by Dare County. These revenues are distributed in relation to the tax levy as a percentage of the whole. The percentage lags one year behind, so any levy changes in fiscal year 2025/2026 will adjust the distribution in fiscal year 2026/2027. Based on the research after all the budgets were presented, Nags Head is estimated to lose over \$400,000 in shared revenue compared to the financial plan for fiscal year 2026/2027. This was because Nags Head's share of the county-wide levy would decrease based on the other towns' tax increases. The Board gave direction to add an additional 1.2 cents to the fiscal year 2025/2026 budget. This would allow the Town to increase its shared revenue percentage in fiscal year 2026/2027, estimating a \$100,000 reduction in shared revenues compared to what was recommended in the financial plan. With the revaluation, one cent of ad valorem tax generates approximately \$500,000. Adding the additional 1.20 cents not only helps buffer the shared revenue loss, but it makes up for the \$100,000 financial plan shared revenue shortfall. This allows the fiscal year 2026/2027 financial plan year budget to be balanced with ad valorem taxes.

Because the Town Manager did recommend a balanced budget, the board gave direction on how the additional revenue should be reflected in the budget. The Manager's townwide ad valorem tax rate restricted 1.50 cents to be used for beach nourishment. This was an .08 cent decrease to the revenue neutral rate of 1.58 cents. The Board advised the Town Manager to increase the beach nourishment portion of the townwide ad valorem tax to 2.00 cents. An additional .50 cent would generate \$250,000 beyond what was included in the Recommended Budget. This is done in anticipation of a beach nourishment project occurring in fiscal year 2026/2027. The beach nourishment tax rates will likely be evaluated in that fiscal year when the Town will have a clearer picture of construction costs. The taxes raised from this increase will help defray future tax increases needed to finance this project. An additional .70 cent will generate \$350,000 that will be used to reduce the fiscal year 2025/2026 fund balance appropriation of \$400,000 that was used to balance the budget.

Additionally, the University of North Carolina School of Government published an article on May 15, 2025, regarding budgeting for sales and use tax payments and refunds. North Carolina Local Governments initially must pay sales and use taxes to North Carolina and then seek reimbursement from North Carolina. The Town of Nags Head records the initial payments as a non-budgetary item, accounting for the reimbursement on the balance sheet. In order to follow appropriate budgeting and accounting practices to ensure compliance and transparency under [N.C.G.S. 159-8](#), all moneys received or expended by a local government unit must be included in the annual budget ordinance. Therefore, an appropriation sufficient to cover the full cost of the annual sales tax payments and reimbursement from the State is budgeted. This increases the budget ordinance, but the expenditure and refund reimbursement neutralize each other as they are both expected



within the fiscal year 2025/2026 budget. Therefore, this does not have any further impact on revenues or expenditures.

Below is a reconciliation of changes to the General Fund budget:

Fiscal Year 2025/2026 Manager's Recommended Budget General Fund Ordinance		\$31,430,569	
Ad Valorem Revenues Current	Increase tax rate from 20.5 to 21.2 cents	\$345,479	Net Increase
Current Townwide Beach Nourishment Tax Revenues	Increase tax rate from 1.5 to 2.0 cents	\$246,771	Net Increase
Current DMV Revenues	Increase tax rate from 22.0 cents to 23.2 cents	\$8,025	Net Increase
Interfund Transfers from the General Fund to the Capital Reserve Fund	Increase Townwide Beach Nourishment Tax rate from 1.5 to 2.0 cents	(\$250,103)	Net Increase (includes DMV portion of taxes)
Appropriated Fund Balance	Reduce manager's recommended appropriation of \$400,000	(\$350,172)	Net Increase - Ad Valorem Revenues and DMV Revenues
Unrestricted Intergovernmental Revenues - Sales and Use Tax Reimbursement	Per <a href="#">N.C.G.S. 159-8</a>	\$400,000	Estimate based on historical reimbursements
Sales and Use tax (Expenditure)	Per <a href="#">N.C.G.S. 159-8</a>	(\$400,000)	Budgeted in Administrative Services Department
Fiscal Year 2025/2026 General Fund Budget Ordinance		\$32,080,672	Beach Nourishment/Sales Tax Increases



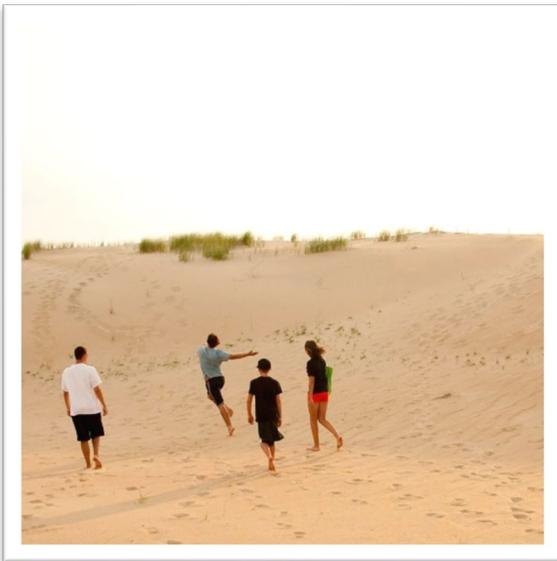
## TOWN MANAGER'S BUDGET MESSAGE / FY 2025-2026 BUDGET

May 7, 2025

Dear Mayor Cahoon, Commissioners, and Members of the Nags Head Community:

Thank you for the opportunity to present the recommended budget for Fiscal Year 2025-2026, covering the period from July 1, 2025, to June 30, 2026. This budget has been prepared in accordance with the North Carolina Local Government Fiscal Control Act.

There has been significant progress in the past few years implementing much needed capital improvements and strengthening our capacity to provide a high level of service to our citizens. We have done this with careful planning, efficient use of resources, and thoughtful engagement by our citizens, staff, and dedicated boards and committees.



We have experienced significant revenue growth over the past few years, beginning in 2020 with the onset of COVID. What started as a potentially disastrous event for our economy turned out to be a new reality for the Outer Banks. We saw strong growth in visitation extending much later into shoulder seasons, as many people took advantage of flexible work schedules and/or remote work, and seized opportunities to enjoy their favorite places, including Nags Head and the greater Outer Banks! This has continued into the current year, in which we are seeing tourism-related revenues significantly above the pre-COVID years.

Tourism-related revenues primarily include occupancy, sales, and land transfer taxes. We refer to these as shared revenues since they are generated within Dare County and are re-distributed to the county and the towns based largely upon the percentage of each local government's levy relative to the total tax levy within the county. In the current fiscal year (FY 2024-2025), Nags Head is expected to collect \$12,074,579 in ad valorem (real and personal property) taxes and \$10,793,104 in shared revenues. Although we receive the largest percentage of revenue from property taxes, shared revenues are not far behind and have a tremendous impact on our budget and our ability to provide services.

From 2020 to 2025, our shared revenues increased 73%, from \$6,223,246 to \$10,793,084. Nags Head has been able to leverage this increase in revenue to upgrade facilities, replace equipment, and ensure we can hire and retain a great workforce. We are now seeing our shared revenues



start to flatten. The shared revenue budget for FY 2025-2026 will be reduced by 3%, approximately \$276,000, below what we expect to receive in the current year. After discussing market trends with local realty companies and the Outer Banks Visitor's Bureau and reviewing the NC League of Municipalities projections for sales and use tax, we believe this a realistic and conservative estimate. A more detailed discussion of shared revenues, including a graphic showing budgeted vs. actual trends over the last five years, is included later in this message.

In addition to changes in shared revenues, there are several other significant items that will affect the FY 2025-2026 budget, including the property revaluation for Dare County, a sharp rise in health insurance costs for our employees, continuing inflationary trends for capital items, and our cost of living.

### **Revaluation**

Dare County recently completed a property revaluation over the past year. This covers all properties within Dare County, including Nags Head and the other towns. This is a process in which property values are examined and reassessed to reflect current market conditions. By state statute, counties must reassess real property at least once every eight years. Dare County does this on a five-year schedule; the last revaluation was completed effective January 1, 2020. The current revaluation saw property values increase in Nags Head approximately 60%. Nags Head's total property value increased from \$3,155,933,053 to \$5,014,633,053. During the

revaluation process, the Town is required to calculate a revenue neutral tax rate based on the new assessed values. This is the tax rate that would generate the same amount of revenue prior to the revaluation. Included later in this message is a more detailed explanation of the process to calculate a revenue neutral tax rate.

Nags Head's current tax rate is 33 cents per \$100 of assessed value. The revenue neutral tax rate has been calculated to be 20.87 cents per \$100 of assessed value. For the coming year, we are recommending a tax rate of 22 cents per \$100 of assessed value, which is 1.13 cents higher than the revenue neutral rate. This will generate an additional \$566,656 in property tax above the revenue neutral rate.





Below is a breakdown of the current tax rate, the revenue neutral rate, and the proposed tax rate for the FY 2025-2026 budget.

	Fiscal Year 2024-2025 Tax Rate	Revenue Neutral Rate	Fiscal Year 2025-2026 Recommended Tax Rate
<b>Tax Rates</b>	<b>33.00</b>	<b>20.87</b>	<b>22.00</b>

Below is the town’s total property valuation before and after the revaluation. Also included is the amount that one penny on our tax rate generates in property taxes.

Valuation January 1, 2024	Value of One Penny	Valuation January 1, 2024	Value of One Penny
<b>\$3,155,933,053</b>	<b>\$315,593</b>	<b>\$5,014,663,053</b>	<b>\$501,466</b>

**Health Insurance**

For over 10 years, the North Carolina League of Municipalities (NCLM) has provided the Town’s health insurance through their Health Benefits Trust (HBT). The HBT includes a pool of over 400 local governments, with 9,000 members. In February, NCLM informed the Town and all its other local government members that they are no longer offering medical benefits and are closing the Health Benefits Trust. Therefore, Nags Head and all other communities would need to find another means to offer health insurance.

We believe that many communities with HBT, including Nags Head, were receiving renewals lower than necessary to maintain a strong pool. In addition to this, Nags Head had a high claims year in 2024. As a result, we will see a significant increase in health insurance premiums for the coming year.

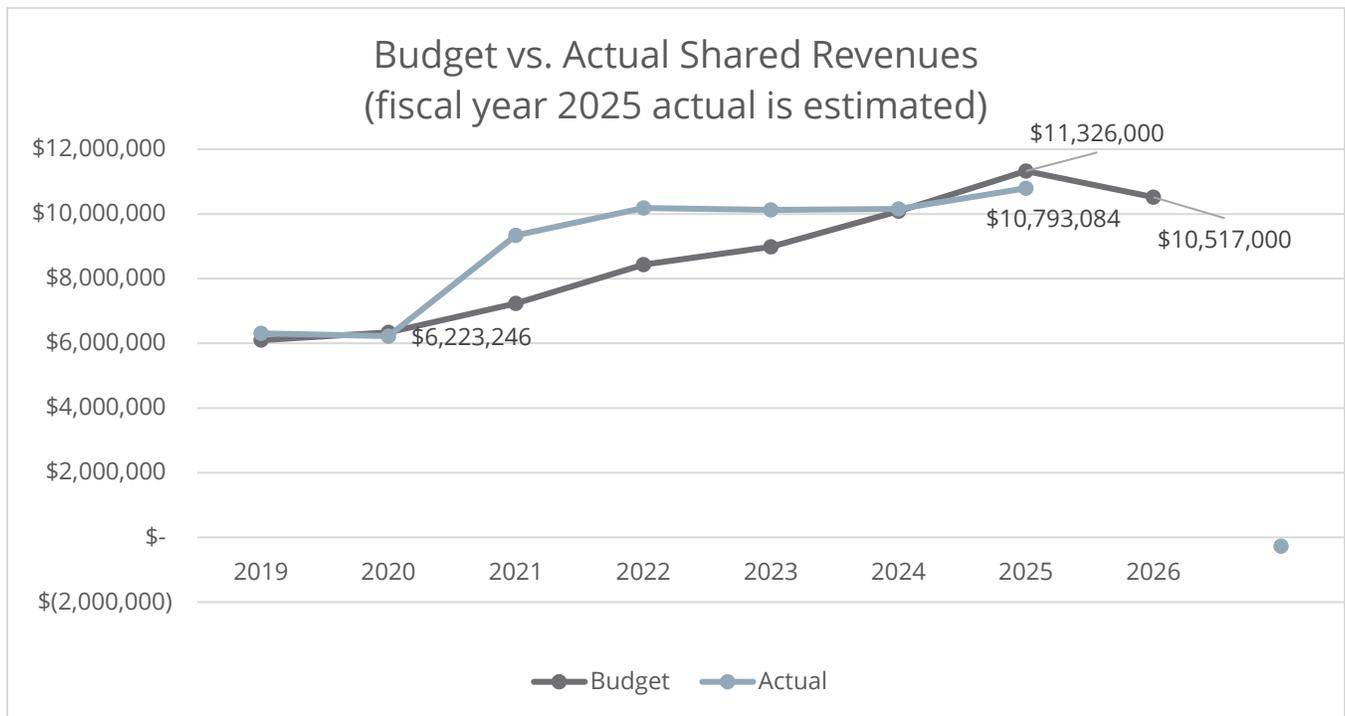
Upon receiving the news about the Health Benefits Trust, Nags Head put its health insurance out to bid through its broker. We received bids with increases ranging from 20% - 59%. Following a comprehensive analysis and consultation with our broker, the Town determined that Blue Cross Blue Shield of North Carolina offers the most competitive and sustainable overall value. This change results in an approximate \$440,000 increase (24%) to our medical premiums.

The Town will now be a participating entity in the Carolina Public Entity Cooperative (CPEC) and will act as an owner and partner in the cooperative, serving on the Board of Trustees, and collaborating with other CPEC municipalities to collectively govern and manage our insurance. We believe this is the best solution going forward, allowing Nags Head to provide quality health coverage for staff, and giving the town a more active role in ensuring that the insurance pool remains stable.



## Shared Revenues

As can be seen in the table below, our shared revenues (occupancy, sales, and land transfer taxes) have increased significantly since 2020 (refer to the “Actual” line). Most of this occurred from 2020-2022. Each year the Town has budgeted conservatively for shared revenues, not knowing exactly how strong the market would be, or when things would level off. As stated previously in the message, the COVID years significantly changed our market, and to a large degree, much of this has been sustained. However, this past year, 2024-2025, we overbudgeted shared revenues, expecting an increase due to our tax increase from 2023-24, which resulted in an increase to our levy share, and also by applying a growth factor. Unfortunately, we only saw a slight increase in shared revenues due to the change in our levy. There was no growth in shared revenues as a whole. Therefore, had we not raised taxes in 2023-24, we would likely have seen a decrease in shared revenues from 2024 to 2025. Our 2025 shared revenues were higher than the prior year, but roughly \$500,000 less than our budget.



To forecast for the upcoming year, we observed that gross occupancy tax collections in Dare County are down 6% from the prior year through February. Comparing the same timeframe for sales and use tax, gross collections and taxable sales and purchases are down by 2%. Correlating visitation with occupancy and sales taxes, we are anticipating a slight dip in revenue collections. Because the number of reservations is anticipated to decrease and more discount incentives are being offered on vacation rental properties, the budget has scaled back the FY 2025-2026 shared revenues by 3% in comparison to what we project to receive in FY 2024-2025. For reference, please refer to the table above and note the 2025 actual number vs. the 2026 budget number.



For the upcoming year, we understand that several Dare County municipalities are adopting tax rates above the revenue neutral rate. In doing a two-year budget projection, the recommended FY 2025-2026 tax increase should largely maintain our percentage of shared revenue distribution. Without this increase, the Town would lose more shared revenue to the other Dare County towns in FY 2026-27. For the purposes of shared revenues, because they are distributed in proportion to the amount of ad valorem tax levied for the preceding fiscal year, the impact of any tax changes in fiscal year 2025-2026 will not be realized until fiscal year 2026-2027.

## Inflation

Three years ago, we developed a new financial tool, the Capital Investment Fund (CIF), to help us plan and budget for large capital expenses. The CIF was largely born out of necessity to finance the recently completed Public Services Facility. To develop the CIF, we projected our Capital Improvement Program (CIP) expenses for the next five years and developed a projected annual contribution to the CIF that would be required to fund our CIP expenditures. The majority of these capital expenditures pertain to projects—such as streets, stormwater systems, public buildings, and parks—as well as equipment—such as sanitation vehicles, fire apparatus, and heavy machinery. The assumptions we used originally to develop the CIF did not anticipate the significant inflation we have seen in the past few years. For example, five years ago a sanitation vehicle cost approximately \$265,000. Now that same vehicle is \$400,000. Vertical construction is now \$400 to \$500+ per square foot. As a result of these inflationary trends, we need to consider increasing the capacity of our CIF.

As mentioned earlier, health insurance costs, inflation, and shared revenue considerations represent a significant increase in expenses for the Town. This has created the need to recommend increasing the property tax above the revenue neutral rate.

## The Budget Document

Beyond the Manager's Message you will find a table that includes the Town's FY 2026 recommended [capital projects](#), a [debt schedule](#), and our [financial policies](#). The remainder of the budget has been organized into departmental budgets, which include a summary of recent accomplishments, budget highlights with goals and upcoming projects, performance metrics, a summary budget table with accompanying graphics, and a line-item budget. At the end of each section there is also a list of items funded through our new Capital Investment Fund. The section titled "[How to Read the Budget Document](#)" illustrates an outline of departmental budget tables. We have included our [Strategic Plan](#) as a reference in the [appendix](#) for readers to understand how our budget proposals align with this. There is also a [community profile](#), as well as more descriptive [information on the process we used to prepare the budget](#). Finally, we have included additional information on how the Town's finances work, including [the flow of money in and out of the](#)



[Town's various funds](#) , [revenue assumptions](#), [fund balance information](#), as well as a [glossary of budget terms](#).

## Strategic Plan

Our budget continues to focus on implementation of the Strategic Plan the Town adopted in early 2024 and updated with the Board of Commissioners at a retreat in the Fall of 2024. After our last retreat, we created a living version of the plan. Information on the plan and our process can be found here both on our [website](#) and in the [appendix of this budget](#).

The Strategic Plan included the following four goals:

- Environment: To safeguard our critical natural resources and coastal ecosystem.
- Development: To achieve responsible, adaptive development that aligns with our community vision.
- Economy: To promote a sustainable economy that supports residents and visitors.
- Community Services: To maintain an efficient government that provides high quality and cost-effective services.

### ENVIRONMENT



*To safeguard our critical natural resources and coastal ecosystem.*

### DEVELOPMENT



*To achieve responsible, adaptive development that aligns with our community vision.*

### ECONOMY



*To promote a sustainable economy that supports residents and visitors.*

### COMMUNITY SERVICES



*To maintain an efficient government that provides high quality and cost-effective services.*

Many of the initiatives and projects included in the FY 2025/26 budget are in response to the action items outlined in the strategic plan.

## FY 2026 Budget Initiatives

### Projects and Equipment

This budget recommends continuing the implementation of our prioritized infrastructure improvements, including pedestrian projects and upgrades to public beach access points. Even with inflationary costs, we are adhering to our regular equipment replacement schedule to minimize downtime and disruptions. Because of the indoor vehicle storage capacity at the new Public Services Complex, going forward we will be able to get more longevity from our front-line vehicles and equipment, including those in Sanitation, allowing us to realize significant cost savings over time. In addition to the projects in this budget, we continue to work diligently to complete capital projects. Some of these include:



- We plan to construct the first phase of our Town Hall Campus Master Plan, which includes replacing the employee fitness facility and adding two four-bedroom apartments on the second story for ocean rescue and workforce housing. This is in addition to a project currently underway and funded in FY 2024-2025, which includes constructing housing for 16 ocean rescue staff at 425 West Health Center Drive.
- The Town recently adopted a multi-year beach nourishment master plan, which provides guidance on project scales and frequency. The next project is tentatively scheduled for fiscal year 2026-27 and is anticipated to cost close to \$40 million. We are currently under contract for design and permitting, thanks in part to a \$300,000 state grant, with bidding anticipated in the fall of 2025. The Town will comprehensively assess project costs and financing scenarios as part of the fiscal year 2026-27 budget.
- Our infrastructure improvements are not only limited to construction. We are taking a comprehensive approach in assessing our IT needs now and for the future. With our current servers going out of warranty this year, we recommend discontinuing on-premises hosting and migrating physical servers to the cloud. This would include the servers that host our enterprise resource planning financial software in addition to most all our other on-premises servers. Cloud-based storage safeguards our assets (data) due to more robust security measures and redundancies, including monitoring and encryption, which provides better protection against loss.
- We continue to replace vehicles and equipment following our replacement schedules. These can be found in the highlights within each departmental budget.

## Employees

We continually assess and recommend a comprehensive strategy of compensation, benefits, and employee-centric programs to provide a rewarding and engaging work environment for our team members. For FY 2025-2026 we are recommending:



- Funding for a pay-and-class study to help ensure we are offering competitive and fair salaries to attract and retain top talent. The last salary study was conducted in 2021. Implementation is planned for the fiscal year 2026-27 budget.
- A 3% cost of living adjustment, taking into consideration the Consumer Price Index as well as the need to maintain competitiveness with other local agencies.
- Although we are experiencing a 24% increase on our health insurance renewals, we continue to cover health insurance premiums at 100% for employees and 80% for dependents.
- Funding is included to maintain career progression programs for all departments as well as a performance-based merit structure and within-grade pay plan increases.



- A 5% 401(k) contribution is budgeted for each department, with no required match.
- Additional part-time hours are budgeted for the Fire Department.
- No other new positions are recommended.

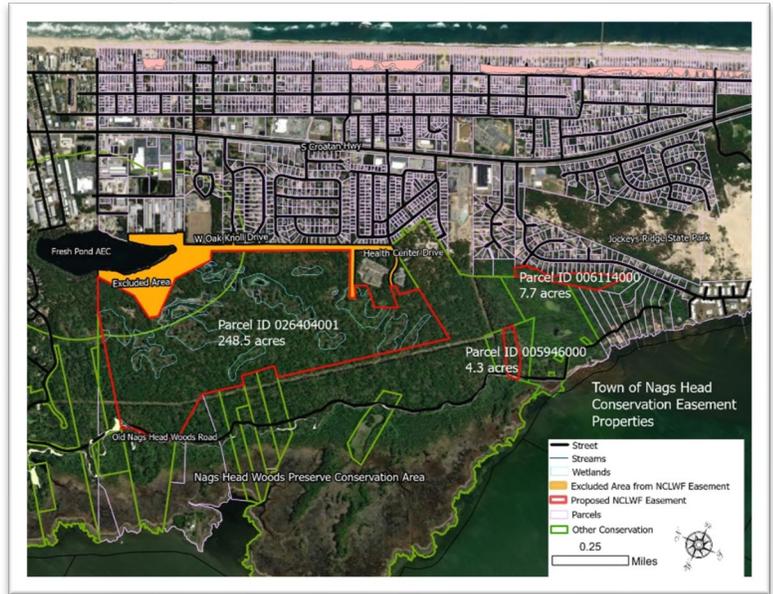
## Grants

Securing grants for long-term growth and sustainability is a component of our funding strategy in conducting multi-year planning. Many of our projects have been shifted to align with funding opportunities. These grants enable us to move projects forward that we might not be able to otherwise afford. We believe securing grants helps us achieve initiatives in the strategic plan and offers amenities that enhance the quality of life within the community. Many of these grants and projects span several years. These include:

- Stormwater and drainage projects – We are currently under contract and working to complete our Stormwater Master Plan, fully funded through the NC Department of Environmental Quality (DEQ)/American Rescue Plan Act (ARPA). An additional DEQ/ARPA funded grant project is being constructed which will install an innovative nature-based solution to reduce the frequency, depth, and duration of flooding along a 1.5-mile-long stretch of South Old Oregon Inlet Road. We have also received a \$2,356,910 grant from DEQ to enhance drainage along Wrightsville Avenue by deploying pipes that will connect to a pump station, discharging to an infiltration area under the Bonnett Street beach access parking lot, which will be reconstructed. We have submitted an engineering report to DEQ and anticipate their approval in June 2025 to proceed with having a bid and design package ready by December 2025. An additional state-funded grant for flood mitigation on Memorial Avenue will upgrade an existing storm drain network. This project is under construction and is integrated as part of a streets and water main improvement project.
- Multi-use paths – Construction is underway on a \$650,000 project funded by a grant from the NC Department of Commerce/ARPA to rehabilitate the path along South Virginia Dare Trail, enhancing its safety, condition, and accessibility. This includes reconstructing asphalt and creating drainage improvements. Some of this was completed in FY 2024-2025; the remainder will be completed in FY 2025-2026. We have also received and/or applied for engineering and construction grants to improve connectivity for active transportation throughout town.
- Beach access – Thanks in part to a \$207,668 State grant, this budget includes construction of a new ADA-accessible elevated dune crossover and gazebo at the June Street beach access. We have also applied for an additional \$400,000 grant from the same program to build a new bathhouse at our Hargrove beach access.



- Environmental – We have been fortunate to receive a \$4 million grant from the NC Land and Water Fund to place Town-owned property under conservation surrounding the Fresh Pond in the Nags Head Woods Preserve. We are working with the State to record the easement. In addition, we have received over \$1.1 million in state and local funding to design and implement living shorelines at locations identified in our adopted Estuarine Shoreline Master Plan (ESMP), which are currently being designed. We have made additional grant requests that total close to \$900,000 to construct these projects.



### Explanation of the Revenue Neutral Tax Rate

The Town must adopt new tax rates for FY 2025-2026 due to the property revaluation completed by Dare County. The Town received new valuations for real property on January 1, 2025. The last revaluation took place January 1, 2020, for FY 2020-2021.

Combined with the valuations for corporate utilities, personal property and vehicles, the total valuation used for calculating the revenue neutral rate was \$5,014,663,053. As compared to our current valuation of \$3,155,933,053, this represents a 59% increase over the current valuation. With the new valuation, one penny of taxes generates \$501,466. The tax collection percentage continues to be budgeted at our customary rate of 99.75%

To determine the revenue neutral tax rate, the total levy from FY 2025 was multiplied by the Town's growth factor to calculate the new levy (this is considered the FY 2025-2026 revenue neutral levy). The growth factor of .49% was calculated using the assessed value average growth from the first through the last FY under the current valuation (FYs 2020-2021 through 2024-2025). Applying the growth factor to the FY 2024-2025 levy, the FY 2025-2026 levy is calculated at \$10,466,697. The revenue neutral tax rate is the rate that is necessary to generate the FY 2025 levy of \$10,466,697 based on the new adjusted valuation of \$5,014,663,053. The new revenue neutral tax rate was calculated at 20.87 cents per \$100 of assessed value. The current Nags Head property tax rate is 33.00





cents. A portion of the town’s general tax rate is dedicated to beach nourishment. Currently, this is 2.5 cents of the 33.00 cents. The town-wide revenue neutral beach nourishment rate would drop from 2.5 cents to 1.58 cents based on the new valuation. The recommended town-wide tax rate for FY 2025-2026 is 22.00 cents, a 1.13 cent tax increase from the revenue neutral rate. Of the 22.00 cents, 1.5 cents is recommended to be restricted for town-wide beach nourishment, a slight decrease from the revenue neutral rate of 1.58 cents. The remaining 20.5 cents will be for ad valorem general fund revenues, which is a 1.21 cent increase from the revenue neutral rate of 19.29 cents.

The same methodology above was applied to the town’s Municipal Service District (MSDs) to calculate the revenue neutral MSD tax rates. In FY 2025-2026, overall, the MSD levy makes up 13% of the total town-wide ad valorem levy, compared to the prior year’s 14%. The MSDs will generate \$56,206 more revenue in FY 2025-2026 compared to the prior year. This allowed us to lower the town-wide beach nourishment tax beyond the revenue neutral rate. The table below illustrates the current tax rates, the revenue neutral rates, and the recommended tax rates:

Tax	Fiscal Year 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>		
<b>Total Town-Wide Tax</b>	<b><u>33.00</u></b>	<b><u>20.87</u></b>	<b><u>22.00</u></b>	<b><u>\$5,014,663,053</u></b>	<b><u>\$501,466</u></b>
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	-

We are recommending keeping MSDs 1 and 2 at the same tax rate, which aligns with the way those districts have historically been taxed. The recommended rate of 9.00 cents was based on calculating the revenue neutral rate for both the districts together, which was 9.05 cents. We recommend not changing the tax rates for MSDs 3 and 4, keeping them at .50 and 1.00 cents,



respectively. Municipal Service District 5 will continue to not be taxed. Finally, we are proposing to not tax MSD 6, since, according to the recently completed beach nourishment master plan, we do not show the need and do not plan to nourish north of previous project areas. Under the revenue neutral rate, the amount of tax generated annually from MSD 6 would be \$18,884. This MSD was originally established to help pay for the multi-year beach study, which would recommend which MSD districts will be receiving future beach nourishment.

### **Comparison of FY 2025-2026 to FY 2024-2025**

This year's [general fund budget totals \\$31,430,569](#), a decrease of \$9,734,687, or 24% from the FY 2024-2025 adopted budget. Last fiscal year, \$5,377,844 was budgeted in capital projects that were funded through a combination and grants and the capital reserve funds, compared to \$393,398 in FY 2025-2026. Overall, there was a \$5,587,230, or 58%, decrease in the transfers from the CIF to the general fund. Because capital projects and any grant assistance flow between the general fund and capital reserve funds, the prior year budget was larger. By state statute, capital reserve funds can only be used to set aside funds and not record financial activity. Activity is accounted for as the general fund interfund department to record inflows of money into the funds. Outflows of money, which consist of capital expenditures and debt, are recorded as interfund transfers (other finance sources) to the general fund. Going into FY 2025-2026, there is a higher level of certainty on the timeline of these projects, costs, and turn-around time for grant reimbursements. Therefore, future activity for these projects, including stormwater project areas 4, 12, and 13, and estuarine shoreline management projects, will be budgeted as part of the multi-year capital project fund.

The budget projects a \$807,450, or 7%, decrease in other taxes and licenses compared to the prior fiscal year. Sales, occupancy, and land transfer taxes are budgeted within this revenue source. They are distributed to the six towns by Dare County in proportion to the



amount of ad valorem tax levied for the preceding fiscal year. Because of this, they are collectively called "shared revenues." This category is a good indicator of our economic engine, tourism. As we approach the summer, the outlook for tourism in the Outer Banks presents a complex picture. Recent reports indicate a mix of positive and challenging indicators, with projections evolving daily. While some sectors anticipate visitation comparable to the summer of 2024, many note that there could be less revenue because of discounts being offered. The fact that the Outer Banks is a drive-to destination makes us more resilient.



Because of this uncertainty, occupancy tax was budgeted 5% lower than what we estimate to receive in FY 2024-2025. Sales tax is estimated at 2% growth, considering inflation and an increase in North Carolina population, but is budgeted flat compared to FY 2024-2025 projections. This accounts for the fact that our percentage of shared revenues will decrease. These shared revenues allow us to keep the tax rate relatively low. For reference, in FY 2025-2026 the town-wide tax is budgeted at \$10,117,608 and sales, occupancy, and land transfer taxes are projected to generate almost 4%, or \$400,000, more than the ad valorem tax alone.

The variability of our shared revenues underscores the importance of proactive planning. This is one reason our budget is integrated with the Capital Investment Fund (CIF). FY 2025-2026 is the fourth year using our CIF, a tool to strategically plan for and manage capital. The CIF is one of our capital reserve funds, funded through annual appropriations from the general fund and maintaining its own [fund balance policy](#) to cover years with greater expenditures that exceed the Town's annual contribution. For example, in FY 2025-2026 CIF expenditures are budgeted at \$4,075,176 and the general fund contribution is \$3,285,000. It is designed to plan and pay for general fund long-term capital expenditures and most infrastructure projects with cash. Current [debt service](#) is also paid from the CIF, with possibly financing larger future projects to stay within our policies. Paying for most capital items with cash builds additional capacity in the CIF as debt service drops off. A proposed list of projects and debt service funded through the CIF are included in the [Transfers from the Capital Reserve and Capital Investment Funds to the General Fund](#) section of this budget and are budgeted in other finance sources as transfers – capital investment fund.

Our financial policies not only monitor our fiscal health and indicate our relative financial condition, but they also provide a framework to guide budgetary decisions and allow for creating [multi-year plans](#). In addition, they allow us to grow our fund balance over time and monetize excess funds for capital planning. If our general fund balance grows above 35% of expenditures, less bond debt, fund balance is reduced and moves into the CIF. This occurred in both FY 2024 and FY 2025, for a combined total of \$1,648,951 transferred from the general fund to the CIF. These extra funds allow us to maintain a higher fund balance to offset higher years of expenditure. It provides the capacity in the general fund to offset inflation and rising costs while continuing to offer the high level of services our community deserves in an efficient, cost-effective manner. It also allows us to absorb and accommodate new capital planning and strategic initiatives, including purchasing an 8.7-acre piece of vacant land in the heart of town to accommodate future growth.

This year our general fund balance projection is 34%, and we do not anticipate transferring funds into the CIF as we have done the past two fiscal years. Despite not meeting our budget for shared revenues, we will still be well above our 25% minimum policy. We have been able to maintain close to our 35% fund balance maximum target because of an almost [100% tax collection rate](#),



higher interest rates, and increased utility sales tax collections. You can find out more about our fund balances, including historical and projected fund balance amounts, in the [Fund Balance](#) section of this budget. At the end of FY 2025, the CIF fund balance is estimated to be at approximately 50% of its policy. Combined with FY 2026 recommended funding, this maintains close to a 50% fund balance of FY 2026 expenditures, well above the 20% minimum.

This illustrates the importance of maintaining a separate CIF policy to monetize fund balance, which allows for covering years with expenditures exceeding the Town's contribution. Leveraging the CIF fund balance has allowed us to pay cash for most rolling stock and capital items since FY 2022-23. We are now seeing the benefits of increased purchasing capacity this creates for capital items as debt payments prior to FY 2022-23 are rolling off and not being replaced with new debt service.



The transfers of revenues from the capital reserve and investment funds to the general fund are included in the "other finance sources" revenue category. Statutorily, these reserve funds only act as a holding tank for money as restricted by the Board, therefore activity is recorded in the general fund, which accounts for the interfund transfer. Interfund expenditures also flow through the general fund to these funds as revenues are collected for their restricted purposes, for example, beach nourishment taxes from the town-wide and MSD levies and sales tax collected resulting from the MSD levy (per state statute) allow us to start financially preparing for our next beach nourishment project. These funds work together to enable this budget to meet the Town's growing capital needs.

Total general fund expenditures including personnel and operating costs, debt service, and capital outlay are calculated as a percentage of the recommended budget in the section of the budget titled "[Expenditures by Percentage.](#)" A brief comparison is included on the following page.



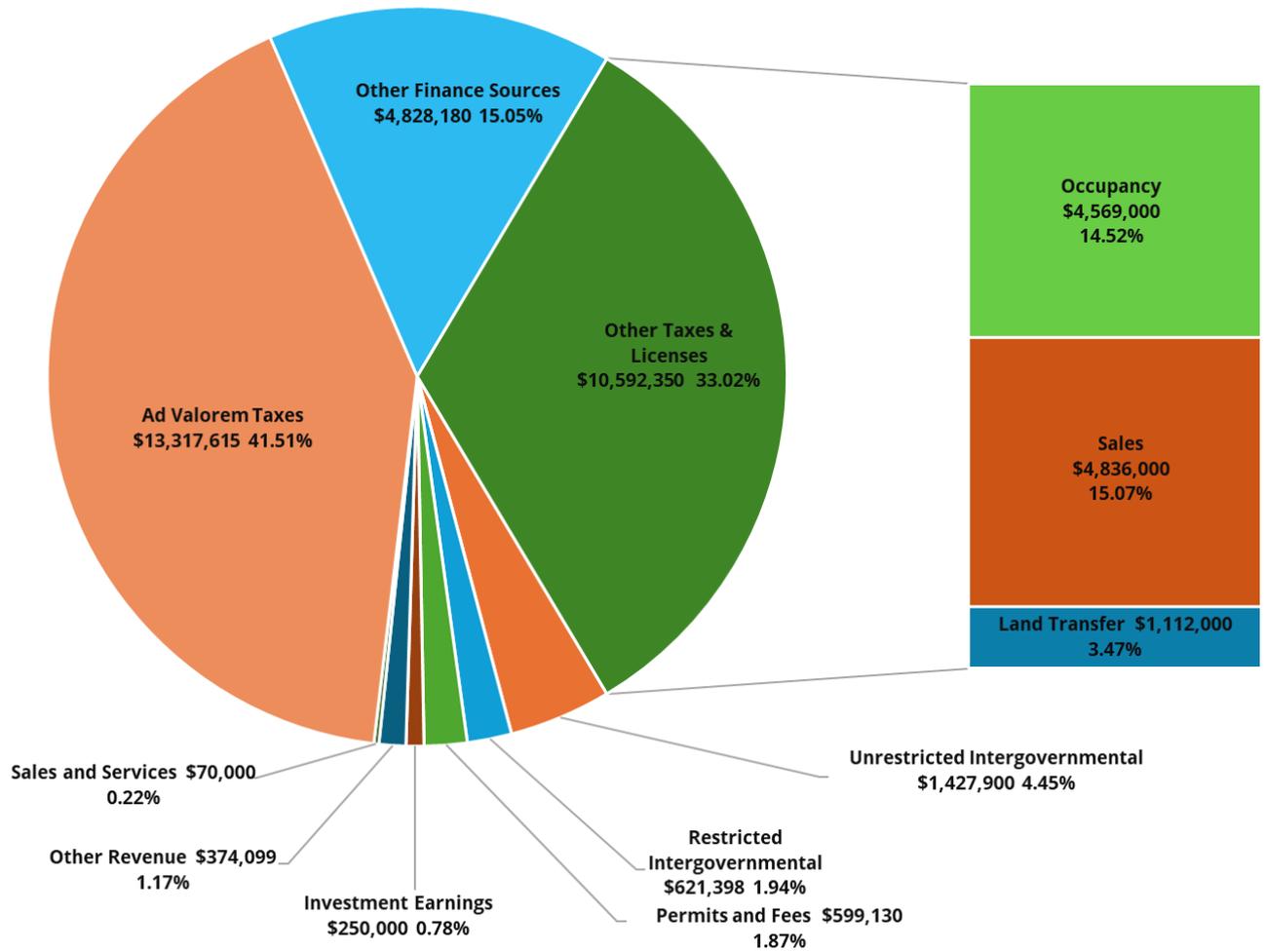
<b>Adopted General Fund Revenues</b>	<b>Fiscal Year 2025-2026</b>	<b>Fiscal Year 2024-2025</b>	<b>Percent Change</b>
Ad Valorem Taxes	\$13,317,615	\$11,995,235	9.93%
Occupancy Tax	4,569,000	5,140,000	-12.50%
Land Transfer Tax	1,112,000	1,100,000	1.08%
Sales tax	2,910,000	3,068,000	-5.43%
Other Taxes and Licenses	2,001,350	2,091,800	-4.52%
Unrestricted Intergovernmental	1,427,900	961,000	32.70%
Restricted Intergovernmental	621,398	5,061,265	-714.50%
Permits and Fees	599,130	597,475	0.28%
Investment Earnings	250,000	200,000	20.00%
Other Revenue	374,099	398,695	-6.57%
Sales and Services	70,000	75,000	-7.14%
Transfers from the Capital Reserve Fund	365,958	384,380	-5.03%
Transfers from the Capital Investment Fund	4,075,176	9,662,406	-137.10%
Appropriated Fund Balance	49,828	400,000	-702.76%
Other Finance Sources	337,218	30,000	91.10%
<b>TOTAL</b>	<b>\$32,080,672</b>	<b>\$41,165,256</b>	<b>-28.32%</b>



<b>Adopted General Fund Expenditures</b>	<b>Fiscal Year 2025-2026</b>	<b>Fiscal Year 2024-2025</b>	<b>Percent Change</b>
Governing Body	\$206,517	\$195,276	5.76%
Special Obligation Bond Debt	1,243,400	1,276,200	-2.57%
Town Manager	1,696,903	1,177,348	44.13%
Administrative Services	1,764,501	1,204,368	46.51%
Information Technology	847,248	580,877	45.86%
Legal Services	130,657	132,961	-1.73%
Planning and Development	1,312,483	1,549,299	-15.29%
Public Works Administration	718,787	871,862	-17.56%
Facilities Maintenance	2,538,433	3,361,826	-24.49%
Garage	499,964	490,807	1.87%
State Street Aid-Powell Bill	150,000	130,000	15.38%
Sanitation	2,394,221	2,224,336	7.64%
Solid Waste Disposal	828,148	882,657	-6.18%
Streets and Stormwater Management	203,730	4,871,963	-95.82%
Police	4,608,327	4,605,254	0.07%
Fire	4,899,619	4,155,053	17.92%
Ocean Rescue	977,825	1,010,370	-3.22%
Transfer to Capital Investment Fund	3,285,000	9,015,635	-63.56%
Transfer to Capital Reserve Fund	3,624,909	3,279,164	10.54%
Contingency	150,000	150,000	0.00%
<b>TOTAL</b>	<b>\$32,080,672</b>	<b>\$41,165,256</b>	<b>-22.07%</b>

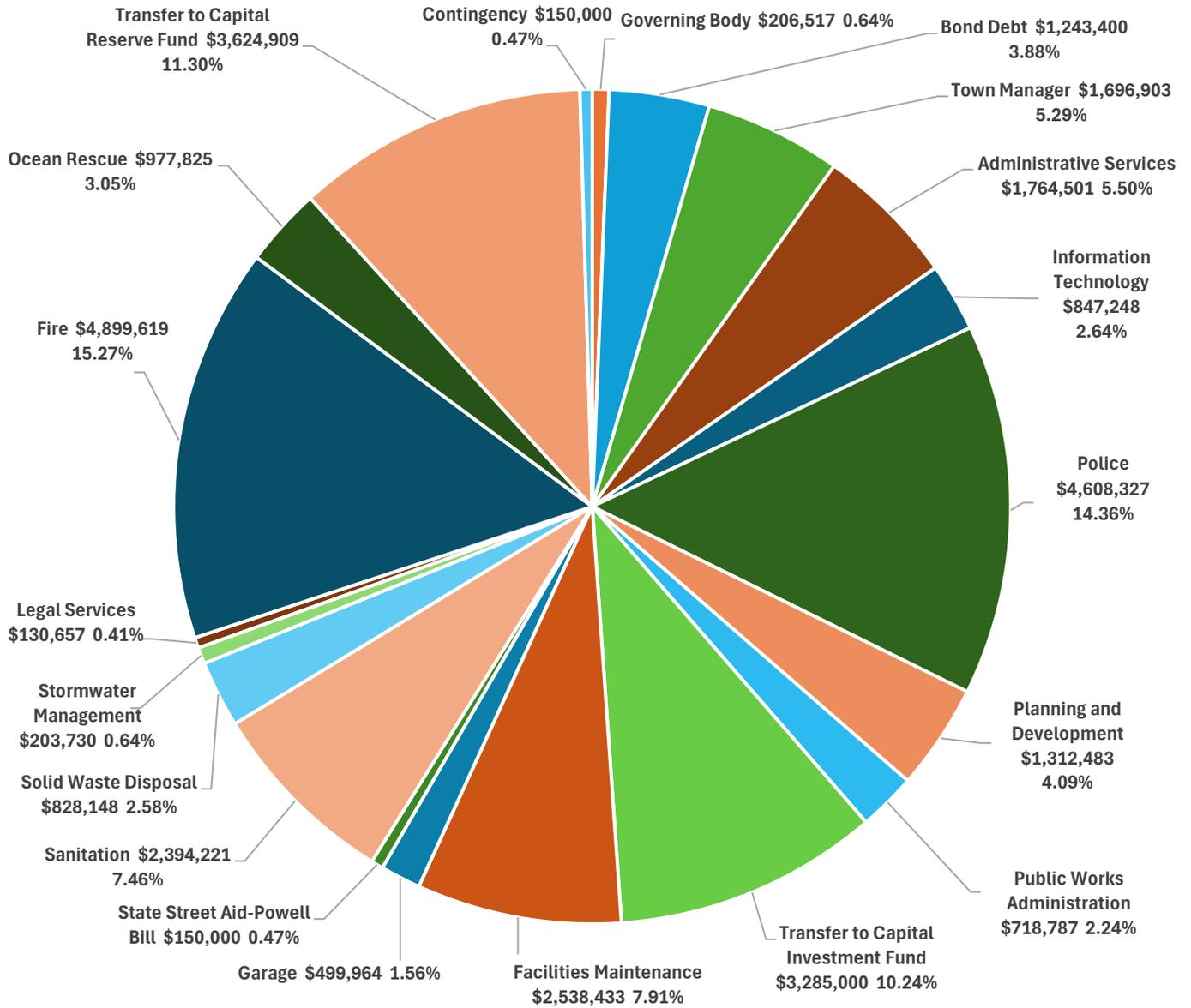


**ADOPTED 2025-2026 GENERAL FUND  
REVENUES AS A PERCENTAGE OF BUDGET**





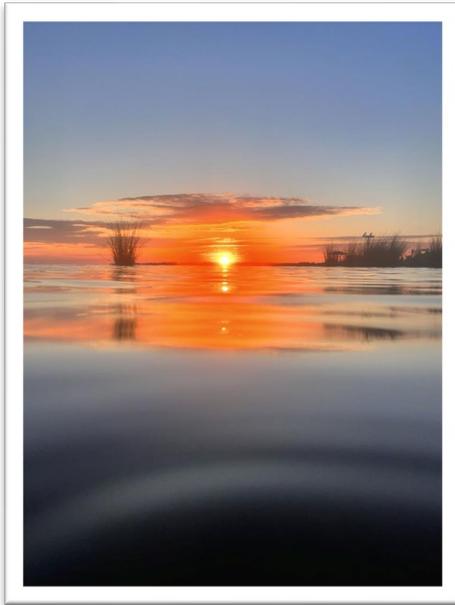
**ADOPTED 2025-2026 GENERAL FUND  
EXPENDITURES AS A PERCENTAGE OF BUDGET**





## Water Fund Budget Highlights

A 5% water rate increase to base and volumetric charges is recommended. This is necessary to ensure the continued reliability, safety, and sustainability of our water system. Delivering clean, safe water in an efficient manner 24/7 depends on rigorous testing, treatment, and system upkeep. A modest rate increase supports ongoing efforts to maintain the high-quality service homeowners, residents, and visitors deserve. The rate increase also allows us to continue our regular maintenance schedule, fund capital improvements essential to provide continuity of service, and offer the capacity to support emergency repairs. The increase will also help us cover



the cost of added operating expenses, allowing us to sustain our net position. For reference, the base rate is proposed to increase from \$44.70 for up to 3,000 gallons, billed bi-monthly, to \$46.95. This is a \$13.50 a year increase to the base rate.

This budget projects purchasing 427.5 million gallons of water from Dare County, according to our local agreement, at the current wholesale rate of \$2.109 per 1,000 gallons, totaling \$955,000. It also builds in a 5% increase to accommodate increased usage and/or an increase in the wholesale rate, which will be calculated in December 2025. We conservatively anticipate billing for 367 million gallons from the purchased water. This equates to selling 85.85% of the wholesale water purchased. With the new Advanced

Metering Infrastructure (AMI), the Town expects seeing increased benefits of the smart technology that includes enhanced leak detection and water conservation, narrowing the gap between the percentage of gallons purchased and billed even more. Even for well-maintained systems, such as the Town's, it is not typical to bill for 100% of the water purchased wholesale due to reasons such as flushing to maintain water quality and fire hydrant testing. While system leaks and breaks are unavoidable, the Town has a multi-pronged approach to mitigate non-water revenue losses through keeping up with replacing aging infrastructure and implementing smart meters. Conserving water this way not only is more environmentally sustainable, but over time provides significant cost savings for the Town and its water customers.

Nags Head has been programmatically planning for infrastructure improvements and replacements by working through the final phases of a comprehensive water system master plan update. This project is funded by an NC Division of Environmental Quality Asset Inventory and Assessment Grant, which has enabled us to develop a GIS mapping system for our water infrastructure, including valuable data on the age and condition of these critical assets. This will



allow us to be more proactive in managing our system. An enhanced benefit is financial management. Our master plan update integrates developing plans to meet goals for long-term system management and financial sustainability to fund a capital improvement plan (CIP), currently being developed. The CIP will prioritize the necessary upgrades and replacements and will include timelines and cost estimates. Working with utility management consultants will provide us with the technical foundation for setting equitable water rates and making informed recommendations on project funding.

### **Comparison of FY 2024-2025 to FY 2025-2026**

For FY 2025-2026, the [water fund budget](#) is \$4,981,178, an increase of \$65,770, or 1%, from the prior fiscal year. To balance the budget, net position was appropriated for \$411,178, a \$106,930 decrease from fiscal year 2024-2025. With the 5% water rate increase, we project to see a \$205,000 increase in water utility sales, which allows us to reduce the net position appropriation. Budget highlights include:

- Capital expenses include replacing the existing gas chlorine feed with a liquid sodium hypochlorite feed system at the Eighth Street water plant and Gull Street pump station - \$102,000. This is a project recommended in our 2018 Water System Master Plan. It also includes design funds for anticipated improvements and upgrades at the plant and pump station - \$130,000. These enhancements will be recommended as part of our updated water system master plan.
- In FY 2025-2026 we are recommending designing and constructing a looped distribution eight-inch water main connection between Driftwood Drive and the northwest corner of the Shoppes at 10.5 - \$248,500. This additional connection will remove an existing dead-end line and assist with system operation by having ways to back feed areas that are shut off. Debt service on capital assets is budgeted at \$443,600 for the Public Services Complex and Advanced Metering Infrastructure.

As the general fund provides resources and staff to support the water fund, \$870,693 is budgeted for the water fund to reimburse the general fund for indirect administrative costs. This is a \$107,520 increase from FY 2025's contribution. The allocation is based on certain general fund expenditures from the most recent audited financial statements, as well as the water fund's percentage of the general and water fund combined budgets.



## Todd D. Krafft Septic Health Initiative

Our [Todd D. Krafft Septic Health Initiative](#) is part of the water fund and continues to grow since its inception in 1999. The program provides homeowners with free septic system inspections, a septic pump out water bill credit, loans for septic system repairs or replacement, and water quality testing. We continue to promote initiatives and incentivize proactive maintenance of these systems as part of our adopted Decentralized Wastewater Master Plan.

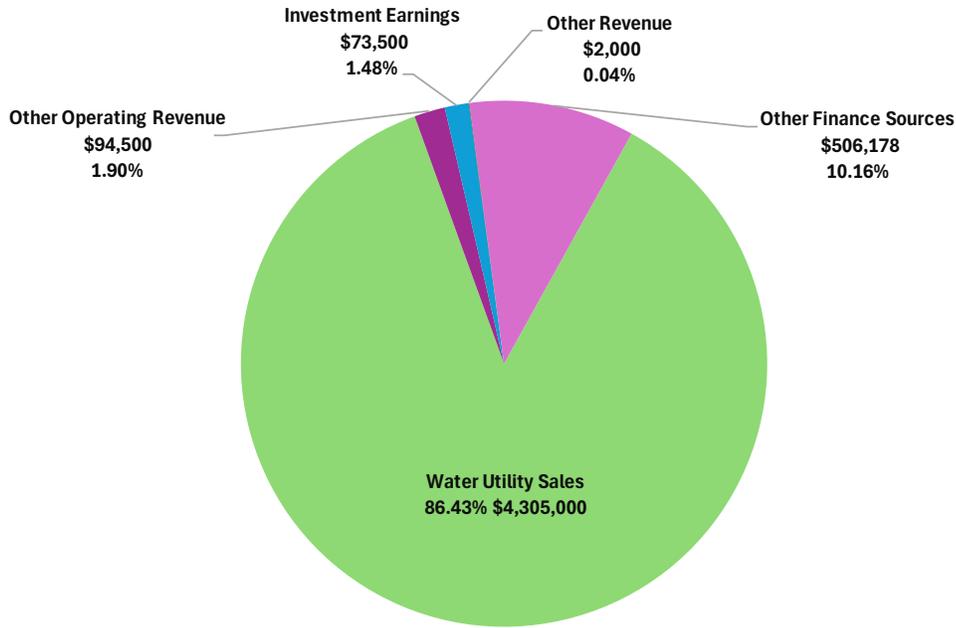


Drainfields that do not have the proper separation from the seasonal high-water table can potentially discharge untreated wastewater directly into the groundwater or onto the ground and into surface waters. A \$500,000 grant from the NC DEQ's State Water Infrastructure Authority will enable us to offer 0% interest repayable loans for septic system repair and replacement. This funding will help support proactive maintenance of failing, vulnerable, or high-risk septic systems, particularly in areas with elevated groundwater levels.

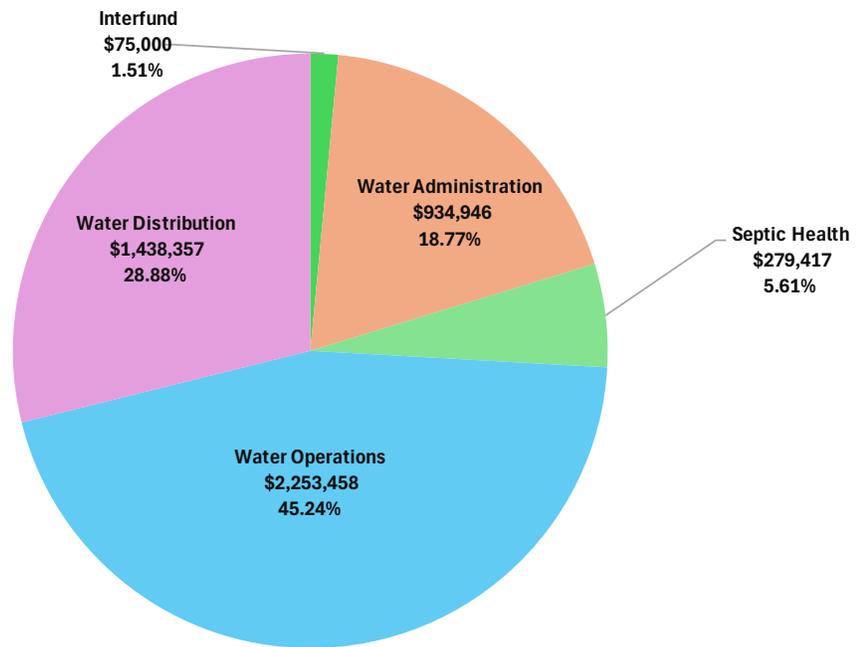
As a recommendation from the Town's Septic Health Advisory Committee to strengthen interest in our program, we are proposing to increase the water bill credit for septic tank pumping from \$150 to \$250.



**ADOPTED 2025-2026 WATER FUND  
REVENUES AS A PERCENTAGE OF BUDGET**



**ADOPTED 2025-2026 WATER FUND  
EXPENSES AS A PERCENTAGE OF BUDGET**





## Conclusion

Thank you for the opportunity to present the FY 2025-2026 Recommended Budget.

This year we have seen several significant factors that have influenced our budget, creating the need to increase revenue and recommend a tax rate above the revenue neutral rate. We believe this is necessary to allow the Town to continue with a high standard of service that has taken many decades to develop. The Town does this by investing in its team, providing them with the resources to do their best work, and investing in our capital and equipment needs, maintaining the assets and infrastructure the Town has worked so hard over the years to acquire. Ultimately, consistency in applying this strategy will pay dividends, continuing to make the Town a great place to live and visit. I hope you will find that this recommended budget meets your expectations and implements the vision and the strategic initiatives you have established for Nags Head.

Finally, I would like to acknowledge the staff who developed the budget and assisted throughout the budgeting and strategic planning process. Specifically, I would like to thank Deputy Town Manager/Finance Director Amy Miller, Deputy Finance Director Brooke Norris, Public Information Officer Roberta Thuman, Town Clerk Brittany Phillips, Human Resources Director Jan Mielke, and the department heads and departmental staff. I would also like to thank the Nags Head Board of Commissioners for their time and commitment during the strategic planning and budgeting processes.

We look forward to your comments and suggestions as we work to adopt the FY 2025/26 budget.

Sincerely,

Andy Garman, ICMA-CM, AICP  
Town Manager



# FY 2025-2026 BUDGET ORDINANCE

Ordinance No. 25-06-001  
FY 25-26 Budget Ordinance  
BOC Meeting June 11, 2025



**Town of Nags Head  
Budget Ordinance  
Fiscal Year 2025-2026**

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 11th day of June 2025, that the budget ordinance adopted on June 11th, 2025, effective July 1, 2025, to read as follows:

**SECTION I GENERAL FUND**

Revenues Anticipated:	
Current year ad valorem taxes	\$ 10,463,087
Municipal Service District taxes	1,702,194
Current town wide beach nourishment ad valorem taxes	987,084
Penalties and interest	10,100
DMV Taxes	155,150
Other taxes and licenses	10,592,350
Unrestricted intergovernmental revenues	1,427,900
Restricted intergovernmental revenues	621,398
Permits and fees	599,130
Sales and services	70,000
Investment earnings	250,000
Other revenues	374,099
Transfer from Capital Reserve Fund	365,958
Transfer from Capital Investment Fund	4,075,176
Sale of capital assets	10,000
Other finance sources	327,218
Unassigned Fund Balance Appropriated	<u>49,828</u>
Total General Fund Revenues	<u>\$ 32,080,672</u>

**SECTION I GENERAL FUND**

Expenditures Authorized:	
Governing Body	\$ 206,517
Bond Debt	1,243,400
Town Manager	1,696,903
Administrative Services	1,764,501
Information Technology	847,248
Legal Services	130,657
Planning and Development	1,312,483
Public Services Administration	718,787
Facilities Maintenance	2,538,433
Garage	499,964
State Street Aid - Powell Bill	150,000
Sanitation	2,394,221
Solid Waste Disposal	828,148
Streets and Stormwater	203,730
Police	4,608,327
Fire	4,899,619
Ocean Rescue	977,825
Transfer to Capital Reserve Fund	3,624,909
Transfer to Capital Investment Fund	3,285,000
Contingency	<u>150,000</u>
Total General Fund Expenditures	<u>\$ 32,080,672</u>



**Town of Nags Head  
Budget Ordinance  
Fiscal Year 2025-2026**

**Section II WATER FUND**

Revenues Anticipated:	
Charges for utilities	\$ 4,305,000
Taps/connection fees	40,000
Non-payment fees	3,500
System development fees	25,000
Interest on investments	73,500
Penalties and interest	26,000
Septic loan repayments	35,000
Miscellaneous revenues	2,000
Transfer from Water Capital Reserve Fund	60,000
Appropriated Net Position	<u>411,178</u>
 Total Water Fund Revenues	 <u>\$ 4,981,178</u>
 Expenses Authorized:	
Administration	\$ 934,946
Septic Health Initiative	279,417
Water Operations	2,253,458
Water Distribution	1,438,357
Transfer to Water Capital Reserve Fund	25,000
Contingency	<u>50,000</u>
 Total Water Fund Expenses	 <u>\$ 4,981,178</u>



Ordinance No. 25-06-001  
FY 25-26 Budget Ordinance  
BOC Meeting June 11, 2025



**Town of Nags Head  
Budget Ordinance  
Fiscal Year 2025-2026**

**Section III CAPITAL RESERVE FUND**

Revenues Anticipated:	
Transfer from General Fund	\$ 3,624,909
Appropriations/Restricted sales tax - beach access reconstruction	<u>365,958</u>
<b>Total Revenues</b>	<b><u>\$ 3,990,867</u></b>
Expenditures Authorized:	
Transfer to General Fund	\$ 365,958
Contributions to Fund Balance	<u>3,624,909</u>
<b>Total Expenditures</b>	<b><u>\$ 3,990,867</u></b>

**Section IV CAPITAL INVESTMENT FUND**

Revenues Anticipated:	
Transfer from General Fund	\$ 3,285,000
Appropriations	<u>4,075,176</u>
<b>Total Revenues</b>	<b><u>\$ 7,360,176</u></b>
Expenditures Authorized:	
Transfer to General Fund	\$ 4,075,176
Contributions to Fund Balance	<u>3,285,000</u>
<b>Total Expenditures</b>	<b><u>\$ 7,360,176</u></b>

**Section V WATER CAPITAL RESERVE FUND**

Revenue Anticipated:	
Transfer from Water Fund	\$ 25,000
Appropriations/System development fees	<u>60,000</u>
<b>Total Revenues</b>	<b><u>\$ 85,000</u></b>
Expenses Authorized:	
Transfer to Water Fund	60,000
Contributions to Net Position	<u>\$ 25,000</u>
<b>Total Expenses</b>	<b><u>\$ 85,000</u></b>
<b>TOTAL BUDGET FISCAL YEAR 2025-2026</b>	<b><u>\$ 48,497,893</u></b>



**Town of Nags Head  
Budget Ordinance  
Fiscal Year 2025-2026**

**SECTION VI TAX RATES ESTABLISHED**

A Town wide tax rate of twenty three and two tenths (\$.232) 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, 2025. The estimated valuation of said property is four billion, nine hundred forty seven million, seven hundred eighty eight thousand, eighty one dollars (\$4,947,788,081). The estimated collection rate is ninety-nine and three quarters percent (99.75%). A tax rate of nine (\$.9) cents per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service districts 1 and 2 with an estimated value of one billion, six hundred seventy nine million, six hundred twenty seven thousand nine hundred fifty six dollars (\$1,679,627,956). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one (\$.01) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 4 with an estimated value of one billion one hundred twenty two million, six hundred sixty six thousand, two hundred forty four dollars (\$1,122,666,244). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one half (\$.005) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 3 with an estimated value of one billion, six hundred fifty million, five hundred sixty six thousand, four hundred sixty one dollars (\$1,650,566,461). The estimated collection rate is ninety-nine and three quarters (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of twenty three and two tenths (\$.232) 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 sixty six million, eight hundred seventy four thousand, nine hundred seventy two dollars (\$66,874,972). The estimated collection rate is hundred percent (100%). All estimated collection rates are based on the collection rates for the fiscal year ended June 30, 2025.

**SECTION VII, SPECIAL AUTHORIZATION - BUDGET OFFICER**

The Budget Officer shall be authorized to transfer amounts between objects of expenditures not adopted in the Capital Improvements Program (CIP) 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 Officer immediately and to the Governing Body at the next regular meeting or on the next succeeding monthly budget transfer report.

**SECTION VIII, RESTRICTION-BUDGET OFFICER**

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

Salary increases, beyond those set forth in the budget document, shall not exceed 5% without Board approval. Promotional or merit increase are excluded and shall be administered in accordance with the Personnel Policy. 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.



Ordinance No. 25-06-001  
FY 25-26 Budget Ordinance  
BOC Meeting June 11, 2025



**Town of Nags Head  
Budget Ordinance  
Fiscal Year 2025-2026**

**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.

**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 2025-2026 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.

**ADOPTED THIS 11th DAY OF JUNE 2025.**

  
\_\_\_\_\_  
**Benjamin Cahdon, Mayor**

**Attest:**

  
\_\_\_\_\_  
**Brittany A. Phillips, Town Clerk**

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





## ORDINANCE ESTABLISHING A CAPITAL INVESTMENT FUND

Ordinance No. 22-06-012  
Capital Investment Fund  
BOC Meeting June 1, 2022



### TOWN OF NAGS HEAD CAPITAL INVESTMENT FUND

**BE IT ORDAINED** by the Governing Board of the Town of Nags Head, North Carolina that, in accordance with the provisions of NCGS-159-18, the following capital investment fund ordinance hereby follows:

**WHEREAS**, There is a need in the Town of Nags Head to set aside funds for future capital expenditures, debt service, and maintenance and repairs, and significant fiscal investments are essential to ensure the Town has necessary equipment and infrastructure; AND

**WHEREAS**, A fund needs to be established that will account for this specific revenue source, which is restricted for capital outlay, debt service, non-capital outlay repairs and maintenance, and Capital Improvement Program items; AND

**WHEREAS**, The Town maintains the Capital Investment Fund (CIF) within the general fund to account separately for these items; AND

**WHEREAS**, The Town emphasizes preventative maintenance as a cost-effective approach to maintain its assets; AND

**WHEREAS**, The Town maximizes pay-as-you-go (PAYGO) funding for rolling stock, equipment, and capital projects to reduce the need for debt financing.

**NOW THEREFORE BE IT RESOLVED** that the Town of Nags Head Board of Commissioners hereby establishes the Capital Investment Fund for the purpose of accumulating revenues as listed above by direct appropriation from the General Fund.

**Section 1.** The Finance Officer is authorized to create a fund to house revenues and expenditures for the Capital Investment Fund.

**Section 2.** Revenues for this fund will be generated through general fund transfers, grants, investment income, and miscellaneous other revenues as transferred from the general fund and will be defined each fiscal year in the adopted annual budget ordinance.

**Section 3.** Authorized expenditures for this fund will be defined each fiscal year in the adopted annual budget ordinance.

**Section 4.** Authorized uses of Capital Improvement Fund revenues are defined in the Capital Investment Fund Board of Commissioners Policy.

**Section 5.** Copies of this ordinance shall be furnished to the Budget Officer, the Finance Officer, and the Clerk to the Board of Commissioners.

**Section 6.** The Capital Investment Fund is to remain operational for a period not to exceed ten years (beginning July 1, 2022, and ending June 30, 2032), and unless terminated sooner, shall automatically renew for each succeeding year following June 30, 2032, until terminated by the Nags Head Board of Commissioners.

Adopted this 1st day of June 2022.

Benjamin Cahoon, Mayor  
Town of Nags Head

ATTEST:

Carolyn F. Morris, Town Clerk





## POLICIES

The Town's financial policies are the foundation that guide our approach to fiscal management, resource allocation, and long-term financial planning. They serve as a guiding framework that ensures transparency, accountability, and efficiency in the allocation and use of public resources. Their importance cannot be overstated, as they influence everything from budgeting and procurement to long-term planning and service delivery.

Adopting formal financial policies is one of the key elements of sound public financial governance. These policies provide a framework for consistent decision-making, promote transparency, and enhance financial sustainability. By setting clear parameters for budgeting, revenue forecasting, expenditure control, and debt management, we ensure that financial decisions are responsible and sustainable. These policies help avoid short-term fixes that can lead to long-term imbalances.

Our financial policies are documented, publicly available, and reviewed regularly. This promotes transparency, making it clear how financial decisions are made. It also strengthens accountability to adherence to these guidelines.

Policies related to capital improvement planning, fund balance reserves, and forecasting help municipalities take a proactive approach to fiscal management, rather than reacting to short-term pressures. This ensures that future financial obligations are considered in today's decisions.

Formal reserve policies manage financial risk. These policies provide a buffer against unforeseen economic downturns, emergencies, or revenue shortfalls. They are essential for maintaining service continuity during challenging periods without resorting to drastic cuts or tax increases.

Financial policies are more than administrative tools—they are strategic assets, positioning us for greater financial resilience, better public trust, and stronger overall performance. This budget is prepared in accordance with our financial policies to ensure we are equipped to meet both current demands and future challenges.

This budget illustrates compliance with these policies. Our [Capital Improvement Program \(CIP\)](#) and [debt schedules](#) are included. Capital assets are included in the CIP and are also identified at the end of each departmental budget as Capital Outlay. The [Capital Investment Fund \(CIF\)](#), a capital reserve fund consolidated into the General Fund, is incorporated as an Interfund Department funded through the General Fund. CIF expenditures are shown [as General Fund revenues](#) (other finance sources). We have maintained fund balance policy for both the CIF and General Fund, and this budget adheres to continued compliance. In fact, in both FY 23/24 and 24/25, General Fund balance over 35% was transferred to the CIF.



## CAPITAL INVESTMENT FUND POLICY

**Benjamin Cahoon**  
Mayor

**Michael Siers**  
Mayor Pro Tem

**Andy Garman**  
Town Manager



**Town of Nags Head**  
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[www.nagsheadnc.gov](http://www.nagsheadnc.gov)

**Kevin Brinkley**  
Commissioner

**Bob Sanders**  
Commissioner

**Megan Lambert**  
Commissioner

### Board of Commissioners Policy

#### Capital Investment Fund Policy

Adopted: June 1, 2022

Amended: July 1, 2024

The Town maintains the Capital Investment Fund (CIF) within the general fund to account separately for capital assets, Capital Improvement Program projects, non-capital outlay major repairs and maintenance, and debt service. As a means to manage fund balance during both strong economic conditions and downturns, the Town will maintain a minimum fund balance within the CIF of 20% of CIF expenditures. A replenishment period will commence if CIF fund balance falls below 20%. Funds will be budgeted beginning with the subsequent fiscal year's adopted budget with a replenishment period not to exceed three consecutive fiscal years.

Funding within the CIF will include the Town's five-year capital improvement plan (CIP) which projects capital needs and expenditures and details the estimated cost, description, and anticipated funding sources for capital projects. The first year of the CIP will be the basis of formal appropriations during the annual budget process. If new project needs arise during the year, a budget amendment will identify the funding sources and project appropriations to provide formal budgetary authority for the project.

The Town will emphasize preventive maintenance as a cost-effective approach to infrastructure maintenance. The Town maximizes the use of pay-as-you-go (PAYGO) funding for capital projects to reduce the need for debt financing.

The Capital Investment Fund will contain Capital Improvement Program (CIP) items, as defined by the Town's CIP policy, debt service payments, non-capital outlay major repairs and maintenance, and capital assets as defined by the Town's capital assets policy. Items excluded from this policy are defined in the Capital Reserve Fund, including the use of beach nourishment funds and facility fees.

Responsible for Update: Finance Officer



## DEBT POLICY

**Benjamin Cahoon**  
Mayor

**Michael Siers**  
Mayor Pro Tem

**Andy Garman**  
Town Manager



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**M. Renée Cahoon**  
Commissioner

**Kevin Brinkley**  
Commissioner

**Bob Sanders**  
Commissioner

Board of Commissioners Policy

### **Debt Policy**

Original Adoption date: June 1, 2022

The Town of Nags Head's Finance Officer is charged with the responsibility for prudently and effectively managing any and all debt incurred by The Town of Nag Head.

The Town utilizes various financing techniques to assist in the funding of capital improvements and equipment purchases. Debt may be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. Debt will not be used for operational needs.

This may include general obligation bonds, limited obligation bonds, revenue bonds, installment financings, or any other financing instrument allowed under North Carolina law.

The Town will seek to structure debt and to determine the best type of financing for each financing need based on the flexibility needed to meet project needs, the timing of the project, taxpayer or rate-payer equity, and the structure that will provide the lowest interest cost in the circumstances.

Debt service models are maintained which identify resources available for current and future payment of principal and interest on all outstanding debt. Projections must be made prior to the issuance of additional debt which will clearly identify the impact of future debt service and the adequacy of designated resources. Requirements for future increases of designated resources must be included in the decision-making process for authorization of additional debt. Debt financing will be considered in conjunction with the approval by the Local Government Commission.

New debt issued by the Town may be for varying maturity terms depending upon; first the expected life of the asset being financed; and second, the existence of cash and investment balances which may be used to reduce the overall cost of capital improvements.



- Debt will normally have a term of 20 years or less.
- USDA funded debt will normally have a term of 30 years or less.

Debt Affordability

- The net general obligation debt of the Town, as defined in NCGS 159-55, is statutorily limited to eight percent (8%) of the assessed valuation of the taxable property within the Town. \*
- Total General Fund debt service will not exceed any limits imposed by the Local Government Commission (LGC).

The Town will monitor for opportunities to obtain interest rate savings on outstanding debt.

The Capital Investment Fund will contain all debt service payments and estimated future payments, consistent with the Capital Investment Fund policy.

Responsible for Update: Finance Officer

\*The Town of Nags Head's statutory debt limitation on June 30, 2024, is \$251,540,353



## FUND BALANCE POLICY

**Benjamin Cahoon**  
Mayor

**Michael Siers**  
Mayor Pro Tem

**Andy Garman**  
Town Manager



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**M. Renée Cahoon**  
Commissioner

**Kevin Brinkley**  
Commissioner

**Bob Sanders**  
Commissioner

Board of Commissioners Policy

### **Fund Balance Policy**

Original Adoption date: July 11, 2012

Adoption date: March 4, 2015

Amended: June 1, 2022

The Board of the Town of Nags Head recognizes the vital importance of sound fiscal management; and the Board of the Town of Nags Head also recognizes that the precarious location of the Town of Nags Head on the coast of North Carolina represents an additional threat to the financial security of the Town that is not otherwise faced by most municipalities in the State.

One of the primary keys to financial security is the maintenance of an adequate fund balance in the General Fund. In accordance with NCGS 159-8(a), appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum arising from liabilities, encumbrances, and deferred revenues arising from cash receipts at the close of the prior fiscal year. The Town will maintain an unassigned fund balance that exceeds eight percent (8%) of yearly expenditures in accordance with the North Carolina Local Government Commission's recommendation. However, it is the policy of the Town to maintain unassigned fund balance equal to 25-35% of general fund expenditures, less bond debt. Management is expected to manage the budget so that revenue shortfalls and expenditure increases do not impact the Town's total unassigned fund balance.

A replenishment period commences if unassigned fund balance falls below 25%. Funds will be budgeted beginning with the subsequent fiscal year's adopted budget with a replenishment period not to exceed three consecutive fiscal years.

Following the completion of the annual financial audit, any unassigned fund balance above 35% transfers to the Capital Investment Fund (CIF) to reduce reliance on debt.

Responsible for Update: Finance Officer



## CAPITAL ASSETS POLICY



### **Town of Nags Head**

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Board of Commissioners Policy

### **Capital Assets**

Adoption Date: March 5, 2003

Updated: June 4, 2003

Updated: March 1, 2017

Updated : March 14, 2018

Capital assets are defined as assets with an initial, individual cost of more than a certain cost and estimated useful life in excess of five years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at acquisition value. Minimum capitalization costs are as follows:

- Land, \$1, not depreciated
- Artwork, \$5,000, not depreciated
- Buildings \$20,000, useful life 10 to 40 years
- Improvements, \$5,000, useful life 5 to 40 years
- Infrastructure, \$100,000, useful life 5 to 40 years
- Equipment, \$5,000, useful life 5 to 20 years
- Vehicles, \$5,000, useful life 5 to 10 years
- Other capital assets, \$5,000, useful life 5 to 20 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the yearly straight-line method based on the estimated useful life of each assets class.

It is appropriate to track certain expenditures even when the cost does not meet the requirements for capitalization. Some examples of these assets would include but not be limited to: ATV's, jet skis, boats, trailers, computer equipment, and weapons.

Responsible for Update: Town Manager/ Finance Officer



## CAPITAL IMPROVEMENT PROGRAM POLICY

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Administrative Policy

### Capital Improvement Program

To allow for strategic planning and provide a basis for future fiscal policy decision making, the Town will annually update a Capital Improvements Program (CIP) which will be adopted by the Board of Commissioners. The annual update of the CIP will be conducted in conjunction with the annual operating budget process. The first year of the adopted CIP will be the basis of formal fiscal year appropriations during the annual budget year process and will be incorporated into the plan year budget and consolidated debt schedule. The CIP will be a minimum five (5) year plan along with future debt implications extending beyond.

The CIP will project capital needs and will address the following requests:

- New capital asset acquisition requests. For CIP purposes, a capital asset is defined by the Board of Commissioners Capital Assets Policy.
- Replacement item requests with a value of \$100,000 or more.
- A programming, cost estimation, or master plan study for which a future request is being considered in order to generate reliable cost estimates for the CIP.
- New requests should generally appear in the last year of the CIP



## COMMUNITY PROFILE

### **Brief Nags Head History**

Nags Head is one of the oldest seaside resorts in North Carolina. For over two centuries, people have come to relax in this oasis of sun, sand, and sea. The earliest visitors, wealthy Albemarle planters from inland river towns like Windsor, Edenton, and Elizabeth City, brought their families to Nags Head during the summer months to escape miasmas, foul air from decomposing matter underground, which was thought to spread disease. Initial accommodations were family cottages built on the sound side near Jockey's Ridge, but soon a 200-room hotel was built, along with a small chapel—All Saints. In addition to the seasonal visitors, year-round residents known as “bankers” lived in a small community in Nags Head Woods. They made a living raising livestock, fishing, and salvaging shipwrecks.

By the dawn of the 20<sup>th</sup> century, Nags Head was a small, bustling seasonal village. Steamers running from Elizabeth City began making port at Nags Head regularly, sometimes twice a week during the summer months. By 1923 activity had increased to the point that Nags Head incorporated as a town. However, due to inactivity, the charter was repealed in 1949. The 1930s were particularly exciting for Nags Head. With the advent of the Wright Memorial Bridge and Virginia Dare Trail, in addition to the Roanoke Sound Bridge, Nags Head became accessible by automobile. In 1937, President Franklin Roosevelt stayed at the Buchanan Cottage on historic Cottage Row before attending the opening night of the Lost Colony.



The first fishing pier along the Outer Banks, Jennette's Fishing Pier, opened in 1939 at Whalebone Junction.

On June 14, 1961, the Town of Nags Head was declared a municipality by a special act of the North Carolina Legislature under a bill passed by Representative Keith Fearing at the request of several freeholders. According to an article in *The Virginian-Pilot*, written for Nags Head's silver anniversary in 1986, the town incorporated to prevent the Town of Kill Devil Hills from annexing the Carolinian Hotel. Less than a year after re-incorporating, the infamous Ash Wednesday Storm of March

1962, wrought havoc upon Nags Head and the Mid-Atlantic coast, causing major flooding on both ocean and sound sides. Saltwater infiltrated Nags Head's drinking water supply, spurring the fledgling Board of Commissioners to find ways to ensure safe water for the citizens.



The 1970s and 1980s saw a boom in development and a rise in population. In 1970, 414 people lived year-round in Nags Head. By 1990, that number had exploded to 1,800. In 1975, Jockey's Ridge, the largest sand dune on the East Coast, was made into a state park, thanks to the efforts of concerned citizens like Carolista Baum. Today Jockey's Ridge is one of the most visited parks in the North Carolina system. The Town of Nags Head, now with over 3,000 residents and nearly 50 public beach and sound accesses, maintains its crucial oceanfront through a beach nourishment maintenance plan, to continue to have the wide, protective beach that first attracted visitors over two centuries ago.



## **Geography**

Nags Head is located on North Carolina's Outer Banks, a chain of barrier islands along the Atlantic Ocean, 90 miles south of Norfolk, Virginia. The town's 11 miles of oceanfront and 6.5 square miles of area are home to a year-round residential population of over 3,000 and a summer population of approximately 40,000. Nags Head's roughly 5,000 property owners enjoy average temperatures moderated by the surrounding waters, providing for year-round enjoyment of the natural environment.



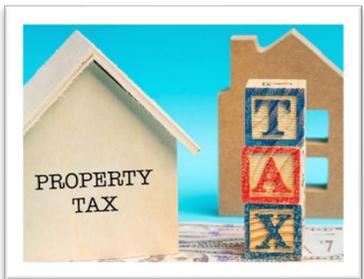
**Quick Facts**



Year-round Population – 3,233  
 Seasonal Population - 40,000 people per day  
 Median Age – 59.7 years old  
 Per capita personal income - \$76,100  
 Average unemployment rate (seasonally unadjusted) – 4.0%, higher than the State of North Carolina’s average of 3.5%. The town’s tourism-based economy experiences significant seasonality in rates.



Owner Occupied Houses:  
 Median property value - \$705,000  
 Average household size - 2.03



Total assessed valuation - \$5,014,663,053  
 Net taxes levied - \$12,707,240  
 Budgeted tax collection rate - 99.75%

**Principal Employers (in ranking order):**

- Dare County Schools
- The Outer Banks Hospital, Inc.
- Food Lion
- Town of Nags Head
- Kitty Hawk Kites
- State of NC Department of Cultural Resources

**Top Ten Property Taxpayers (in ranking order):**

- Ocean Carolina, LLC
- ClubCorp Golf of North Carolina
- Surf Side Realty, LLC
- Brian K. Newman
- SRE Mustang
- Nags Head Company, LLC
- Golasa Holdings, LLC
- Stanford M. White
- Dominion NC Power
- Mildred Roughton



## **Government**

The Town of Nags Head operates under a council-manager form of government whereby the Mayor and the Board of Commissioners address the legislative needs of the town. Citizens elect the mayor and commissioners to staggered four-year terms. The mayor pro tem serves as mayor in the absence or incapacitation of the mayor. The mayor and four board members make policy decisions and adopt ordinances in accordance with procedures and responsibilities set out in North Carolina law. The town manager carries out policies and directives of the Mayor and Board of Commissioners. Working hand in hand with the town manager, the Board of Commissioners plays a key role in the financial well-being of the Town of Nags Head, with a focused mission to serve the community's citizens, property owners, businesses, and visitors through open governance.

## **Mission**

To support the well-being of our citizens, property owners, and visitors by delivering municipal services in an open, respectful, and responsive manner.

## **Vision**

To thoughtfully preserve our unique coastal environment, heritage, and lifestyle now and for the future. *This vision is articulated as follows:*

The Town of Nags Head is a unique coastal community built upon a legacy rooted in shared values, including our most recognized common bond - a love for the Outer Banks. We recognize that the town must be a good place to live before it can be a good place to visit. We strive to preserve and protect the Nags Head character, environment, tourism-based economy, and sense of place to ensure a high quality of life for residents and a memorable family vacation experience for present and future generations.

### Legacy

We uphold our legacy by protecting and promoting our small-town character that includes a sustainable local economy based on family vacation tourism, a high-quality beach experience, and small, locally owned businesses. Fundamental to our legacy and quality of life are preserving the historic architecture and culture that distinguishes our town; providing residents and visitors with excellent public services and well-maintained recreational amenities; and ensuring access to a well-protected natural coastal environment. Our legacy will be strengthened and preserved by a focused, transparent decision-making process that is comprehensive and consistent with the community's vision.



## FUND BALANCE

Fund balance is the difference between the assets and liabilities in a fund. Fund balance acts as a reserve or “rainy day” fund for unanticipated incidents or opportunities. Revenues and expenditures in the budget are estimates for the current fiscal year. Often, revenues and expenditures do not exactly offset each other at the end of the fiscal year. If revenues exceed expenditures, the result is a surplus of money added to the fund balance. If expenditures exceed revenues, the result is a deficit, and the Town withdraws money from the fund balance to balance the budget.

	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimated
<b>General Fund Unassigned Balance</b>			
Beginning	6,294,383	8,562,014	7,995,703
Ending	8,562,014	7,995,703	8,270,607
Increase/(Decrease)	2,267,631	(566,311)	274,904
% Change	36.03%	-6.61%	3.44%
<b>Capital Reserve Restricted Fund Balance</b>			
Beginning	5,126,050	6,890,779	8,049,196
Ending	6,890,779	8,049,196	10,642,611
Increase/(Decrease)	1,764,729	1,158,417	2,593,415
% Change	34.43%	16.81%	32.22%
<b>Capital Investment Restricted Fund Balance</b>			
Beginning	-	1,957,176	3,169,899
Ending	1,957,176	3,169,899	2,793,407
Increase/(Decrease)	1,957,176	1,212,723	(376,492)
% Change	100.00%	61.96%	-11.88%
<b>Beach Nourishment Maintenance Committed Fund</b>			
Beginning	1,134,543	1,740,292	1,715,950
Ending	1,740,292	1,715,950	677,290
Increase/(Decrease)	605,749	(24,342)	(1,038,660)
% Change	53.39%	-1.40%	-60.53%
<b>Beach Nourishment Master Plan Committed Fund</b>			
Beginning	1,840,133	914,592	936,991
Ending	914,592	936,991	181,188
Increase/(Decrease)	(925,541)	22,399	(755,803)
% Change	-50.30%	2.45%	-80.66%
<b>Public Services Complex Committed Fund Balance</b>			
Beginning	61,956	12,072,329	3,067,290
Ending	12,072,329	3,067,290	337,598
Increase/(Decrease)	12,010,373	(9,005,039)	(2,729,692)
% Change	19385.33%	-74.59%	-88.99%
<b>Water Fund Net Position</b>			
Beginning	9,730,094	10,502,956	10,750,454
Ending	10,502,956	10,750,454	9,129,775
Increase/(Decrease)	772,862	247,498	(1,620,679)
% Change	7.94%	2.36%	-15.08%



## **Purpose of Fund Balance**

Fund Balance is available to help balance the Town's budget in the event expenditures exceed revenues. A strong fund balance helps the Town maintain a solid bond rating but also helps the Town in other ways, including:

- paying for unexpected expenses or to make up for revenue shortfalls,
- balancing the budget without increasing taxes or rates,
- responding to emergencies,
- taking advantage of unexpected opportunities, and
- paying for capital projects or needs without needing to borrow money.

## **Issues Concerning Fund Balance**

An inadequate fund balance can lead to cash flow problems, disruption of services, or the inability of the Town to respond in an emergency. Building a strong fund balance requires a substantial amount of time and often includes increases in taxes and fees and/or significant expenditure cuts. For these reasons, the fund balance should be managed effectively to ensure it is not regularly used to offset operating deficits. While a strong fund balance provides the Town with flexibility and financial security, an excessive fund balance can be an indicator that taxes or fees are too high or that the Town may not be spending money adequately to respond to the needs of citizens or the organization.

## **Funds & Line Items**

*General Fund.* The General Fund is the general operating fund of the Town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, grants, and various other taxes and licenses. The primary expenditures are for general government services, public safety, public works, streets and drainage, and environmental protection services.

*Capital Reserve Fund.* This fund is a formalized savings mechanism within the General Fund to restrict fund balance for future capital purposes, including beach nourishment and community facilities and infrastructure.

*Capital Investment Fund.* This is a separately budgeted fund of the General Fund. It accounts for revenues restricted for capital expenditures and debt service. The CIF allows the Town to strategically plan for long-term capital expenditures by carrying a fund balance to cover years with greater expenditures that exceed the Town's annual contribution.



The Town of Nags Head currently has three capital project funds, or funds used to account for financial resources in the acquisition or construction of capital items including land, improvements, facilities, and infrastructure. These capital project funds are multi-year funds and do not expire with each fiscal year, rather they are open for the life of the project. These multi-year funds, by nature, will see fluctuations year to year based on the acquisition, construction, and improvements of assets from a project's inception to completion. Therefore, capital project funds are typically used for major capital projects that span across more than one fiscal year. Each of these capital project funds has a separate budget ordinance that is currently adopted; consequently, their ordinances are not included in this annual budget document.

*Capital Project Fund –Beach Nourishment Maintenance.* This fund is committed for the Town's maintenance on beach nourishment restoration projects.

*Capital Project Fund – Beach Nourishment Master Plan.* This fund is committed for long-term beach nourishment planning.

*Capital Project Fund.* A single capital project fund may be used to account for multiple capital projects as long as the revenues and expenditures can be segregated for each project.

The Town reports the following enterprise funds:

*Water Fund.* The Water Fund is used to account for the Town's water operations. Customers pay fees for water consumption to cover the cost of water treatment and distribution. This fund includes three divisions containing information similar to the department sections in the General Fund. For reporting purposes, the Water Capital Reserve Fund and the Water Capital Projects Fund are consolidated into the Water Fund.

*Water Capital Reserve Fund.* The Town has legally adopted a fund that is restricted for future capital projects.

*Water Capital Project Fund:* – As described above, a single capital project fund (multi-year fund) may be used to account for multiple capital projects. Currently there are two projects being accounted for in this fund – the Public Services Complex and the Advanced Metering Infrastructure (AMI) project.

The budget for each fund consists of individual line items that represent specific expenditures and revenues. Examples of line-item expenditures include salaries, insurance, maintenance and repair, supplies, and capital outlay. Examples of line-item revenues include property tax revenues, sales tax revenues, grants, and fees. Line items are the most detailed way to list budgeted expenditure and revenue information.



## **Budgetary Data**

As required by the North Carolina General Statutes, the governing board must adopt, by July 1, an annual balanced budget ordinance for all funds except for those funds that operate under project ordinances. A budget ordinance is balanced when the sum of estimated net revenues and appropriated fund balances is equal to appropriations. All annual appropriations lapse at fiscal year-end. The annual budget is prepared on the modified accrual basis of accounting to be compatible with the annual audited financial statements. Multi-year capital project ordinances have been adopted for the Capital Project Fund and the Beach Nourishment Maintenance and Beach Nourishment Master Plan Capital Project Funds. Capital Reserve ordinances have been adopted for the Capital Reserve, Capital Investment, and Water Capital Reserve Funds, and a revised budget is amended as reserve funds have been used.

Revenues may be amended during the year for unforeseen revenues such as grant monies. These amendments must meet board approval. Revenues from taxes levied may not be amended once the tax rate is set.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. Budgetary control is exercised in all funds, and appropriations are made at the departmental level and amended as necessary by the governing board. The town manager, by law, is the budget officer in the council-manager form of government and is authorized to transfer amounts between objects of expenditures within a department without limitation and without a report being requested; however, any revisions that alter total expenditures of any fund must be approved by the governing board.

## **Estimated FY 2025 Fund Balance**

The FY 2024 unassigned fund balance for the general fund exceeded our maximum policy of 35% of general fund expenditures, excluding bond debt. Per our policy, any fund balance above 35% gets transferred to the CIF following the audit. This meant in fiscal year 2025, \$270,279 was transferred to the CIF. Based on our fund balance policy, we do not anticipate transferring funds to the CIF after completion of the 2025 audit because we believe we will have close to a \$500,000 budget shortfall in shared revenues (sales, occupancy, land transfer taxes). Dare County gross collections are down for occupancy and sales and use taxes by 6% and 2%, respectively. In comparison to the same timeframe for the prior fiscal year, this means county-wide distributions are down by nearly \$2 million and \$1.6 million using fiscal year-to-date information through February 2025. We do believe we will maintain close to a 35% fund balance because of an almost 100% tax collection rate, higher interest rates, and higher utility sales tax collections in comparison to the budget.



The Capital Investment Fund was established in FY 2023 and maintains its own fund balance policy of 20%. It has proven to be a useful tool in planning for capital and debt as it allows for covering years with expenditures exceeding the Town's contribution as long as we stay within policy. We believe we will be within 50% of fund balance policy at the end of fiscal year 2024-2025 and within 44% of policy for fiscal year 2025-2026.

Limited obligation bonds were issued in March 2023 for the Public Services Complex construction (budget as 80% general fund and 20% water fund debt service) and Advanced Metering Infrastructure (water fund). We have expended over 95% of our proceeds and have plans for the remaining 5% in fiscal year 2025-2026. We have complied with the two-year spending exceptions at each semi-annual review date and do not anticipate paying the accrued arbitrage rebate liability of \$425,118 to the IRS, which allows us to keep these funds to use toward the projects.

## REVENUE ASSUMPTIONS

**Ad Valorem Tax:** A property tax based on the assessed value of the property. For fiscal year 2025-2026, this is equivalent to its fair value. In this line item, the Town records both current and previous years property taxes, beach nourishment taxes and personal property taxes collected during the fiscal year.

The adopted budget for fiscal year 2026 is a revaluation year, as discussed in the town manager's message. We are not adopting the revenue neutral rates for the town-wide or Municipal Service District tax rates. For the town-wide rate, our recommended tax rate of \$.232 per \$100 valuation will generate an additional \$1.165 million in property tax above the revenue neutral rate of \$.2087. The Town had an impressive 99.99% collection rate in 2024, however, for budgeting purposes, a 99.75% collection rate has been applied. With a tax base of \$5,014,663,053, this results in a net budgeted amount of \$11,605,321 for town-wide ad valorem and vehicle taxes. Of the ad valorem rate, \$.02 is restricted by the Board for beach nourishment.

The Municipal Service Districts (MSD's) taxes for the purpose of beach nourishment were revalued as well, as previously discussed. With a total tax base of \$4,452,860,661, this results in a total levy of \$1,702,194 for MSD districts 1-4.

**Other Taxes & Licenses:** Taxes that are not based on the assessed value but other criteria such as occupancy tax, land transfer tax, sales tax, business license and registration fees, privilege license penalties, short-term rental registration fees and mixed beverage tax.

Dare County distributes occupancy, sales, and land transfer taxes using a formula based on our percentage of the total county-wide levy, therefore, these are collectively referred to as "shared revenues". These revenues are indicators of our tourism-driven economy. They are distributed based on the prior year's tax levy. An-depth discussion of shared revenues has been included in



the town manager's message. We are currently not meeting our budget for these taxes in fiscal year 2024-2025. These revenues have been reduced by over \$800,000 from the prior fiscal year due to the volatility and uncertainty in tourism related rentals as indicated by trending decreases in occupancy and sales and use taxes county-wide.

**Intergovernmental Revenues:** Revenue in this category consists of amounts received from other governments, whether for use in performing specific activities, for general financial assistance, or as a share of tax proceeds.

**Unrestricted:** These revenues may be used for any legal purpose appropriate to the Town. Included in this category are utilities sales tax, telecommunications sales tax, excise taxes, solid waste disposal tax, cable franchise fees and PEG funds, beer and wine, and ABC revenue. Utility sales taxes represent the largest amount of unrestricted intergovernmental revenues and have been budgeted for the fiscal year 25/26 at \$815,000, a 10% increase over the prior year budget. Per recent guidance, sales and use tax reimbursement is also budgeted as unrestricted revenue. The corresponding expenditure is budgeted in the general fund and therefore has no net impact on the budget because the State reimburses the Town from any sales tax paid (the Town is not exempt from sales and use tax).

**Restricted:** These revenues are received for a particular purpose. They are permanently restricted for that purpose and cannot be used for other expenses. Included in this category are grants. A full list of grants are outlined in the [Grant Funded Projects](#) section of this budget. The Town expects to receive a total of \$621,398 in restricted intergovernmental revenues in FY25-26. These grants include state funding for street improvements, and grants from NC DEQ stormwater engineering and construction and beach access improvements.

**Permits & Fees:** Predominantly consist of building permits, cart roll-back fees and beach driving permits. Items in this category are budgeted based on fee schedule changes as well as historical trends and information. For the fiscal year 25/26 budget, this category has less than a 1% or \$1,655 increase compared to the prior year.

**Sales & Services:** Based on the fiscal year 2025 estimated revenue, a 7% decrease is budgeted for dumpster and automated cart sales.

**Investment Earnings:** Investment earnings include the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT) and other allowable investments. Investment earnings for the FY 2025-2026 budget are \$250,000.



**Other Revenue:** Revenues in this category include rents, contributions, special events, and other revenues that do not easily fit into other categories. With the construction of seasonal workforce housing for ocean guards to be complete for the summer of 2026, rent has been calculated for two months, May and June. Through an interlocal agreement, \$100,000 is budgeted as the Outer Banks Visitors Bureau is making installment payments over ten years to purchase land jointly owned with the Town. At the end of ten years, the Visitors Bureau will have paid in full to have 100% ownership.

**Other Finance Sources:** Includes sale of capital assets, interfund transfers, and fund balance appropriations. For interfund transfers, \$365,958 will be transferred from the Capital Reserve Fund for beach access improvements. Capital outlay, debt service, and maintenance and repairs to capital assets total \$4,075,176 and will be transferred from the capital investment fund.



## CONSOLIDATED FINANCIAL SCHEDULE

	General Fund	Capital Reserve Fund	Capital Investment Fund	Water Fund	Water Capital Reserve Fund
<b>Revenues Anticipated:</b>					
Current year ad valorem taxes	\$ 10,463,087	\$ -	\$ -	\$ -	\$ -
Municipal Service District taxes	1,702,194	-	-	-	-
Current town wide beach nourishment ad valorem taxes	987,084	-	-	-	-
Penalties and interest	10,100	-	-	-	-
DMV Taxes	155,150	-	-	-	-
Other taxes and licenses	10,592,350	-	-	-	-
Unrestricted intergovernmental	1,427,900	-	-	-	-
Restricted intergovernmental	621,398	-	-	-	-
Permits and fees	599,130	-	-	-	-
Sales and services	70,000	-	-	4,399,500	-
Investment earnings	250,000	-	-	73,500	-
Other revenues	374,099	-	-	2,000	-
Total estimated revenues	<u>27,252,492</u>	<u>-</u>	<u>-</u>	<u>4,475,000</u>	<u>-</u>
<b>Appropriations:</b>					
General government	4,881,176	-	-	-	-
Public Safety	9,469,149	-	-	-	-
Public Services	3,212,243	-	-	-	-
Environmental Protection	2,556,369	-	-	-	-
Streets and Drainage	118,000	-	-	-	-
Contingency	150,000	-	-	-	-
Water operations	-	-	-	3,903,383	-
Capital outlay	2,310,913	-	-	579,195	-
Debt service:					
Principal retirement	1,723,016	-	-	219,000	-
Interest and fees	749,897	-	-	224,600	-
Total appropriations	<u>25,170,763</u>	<u>-</u>	<u>-</u>	<u>4,926,178</u>	<u>-</u>
FY 2025-2026 Estimated revenues over (under) appropriations	<u>2,081,729</u>	<u>-</u>	<u>-</u>	<u>(451,178)</u>	<u>-</u>



*Continued*

Other financing sources (uses):

Transfers from other funds:

General Fund	-	3,624,909	3,285,000	-	-
Capital Reserve Fund	365,958	-	-	-	-
Capital Investment Fund	4,075,176	-	-	-	-
Water Capital Reserve Fund	-	-	-	60,000	-
Water Fund	-	-	-	-	25,000
Septic Loan Principal Paid	-	-	-	35,000	-
Transfers to other funds:					
General Fund	-	(365,958)	(4,075,176)	-	-
Capital Reserve Fund	(3,624,909)	-	-	-	-
Capital Investment Fund	(3,285,000)	-	-	-	-
Water Capital Reserve Fund	-	-	-	(25,000)	-
Water Fund	-	-	-	-	(60,000)
Septic Loans Provided	-	-	-	(30,000)	-
Sales of capital assets	10,000	-	-	-	-
Subscription-based information technology arrangements (SBITAs)	327,218				
Appropriated fund balances	49,828	(3,258,951)	790,176	411,178	35,000
Total other financing sources (uses)	<u>(2,081,729)</u>	<u>-</u>	<u>-</u>	<u>451,178</u>	<u>-</u>

FY 2025-2026 Estimated revenues and other sources over

appropriations and other uses	<u>\$ -</u>				
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## LONG-RANGE OPERATING FINANCIAL PLANS

The operating budget includes the proposed revenue and expenditure plan for each department over the next fiscal year. The five-year [Capital Improvement Program \(CIP\)](#) is a long-term plan developed to demonstrate fiscal sustainability and to plan for the construction and replacement of infrastructure and other capital assets. Estimated projections are used as a guide to ensure that revenues are sufficient to meet expenditure needs and ensures that the Town's important financial policies, such as reserves, and strategic goals are met.

A two-year forecast for the General and Water Funds are projected for major revenue and expenditure drivers for each fund, based on historical data. Revenue drivers consist mainly of property taxes and sales, occupancy, and land transfer taxes in the General Fund and utility sales in the Water Fund. Expenditure drivers include salary and benefit increases and inflation and, specifically, sanitation tipping fees in the General Fund and wholesale water purchases in the Water Fund.

### **Revenue Drivers (FY 2026 & FY 2027):**

#### *General Fund*

Property Taxes - .01% increase, for valuation increases

Sales, Occupancy, Land Transfer Taxes - 1% increase, based on historical data

Utilities Sales Tax - 7% increase, based on historical trends

#### *Water Fund*

Water Utilities Sales - 3% increase, for rate increases

### **Expense Drivers (FY 2026 & FY 2027):**

Salary Increases -6%, annual within grade, merit, career progression, and cost of living increases

Health Insurance Increases - 4%, based on historical claims and increases

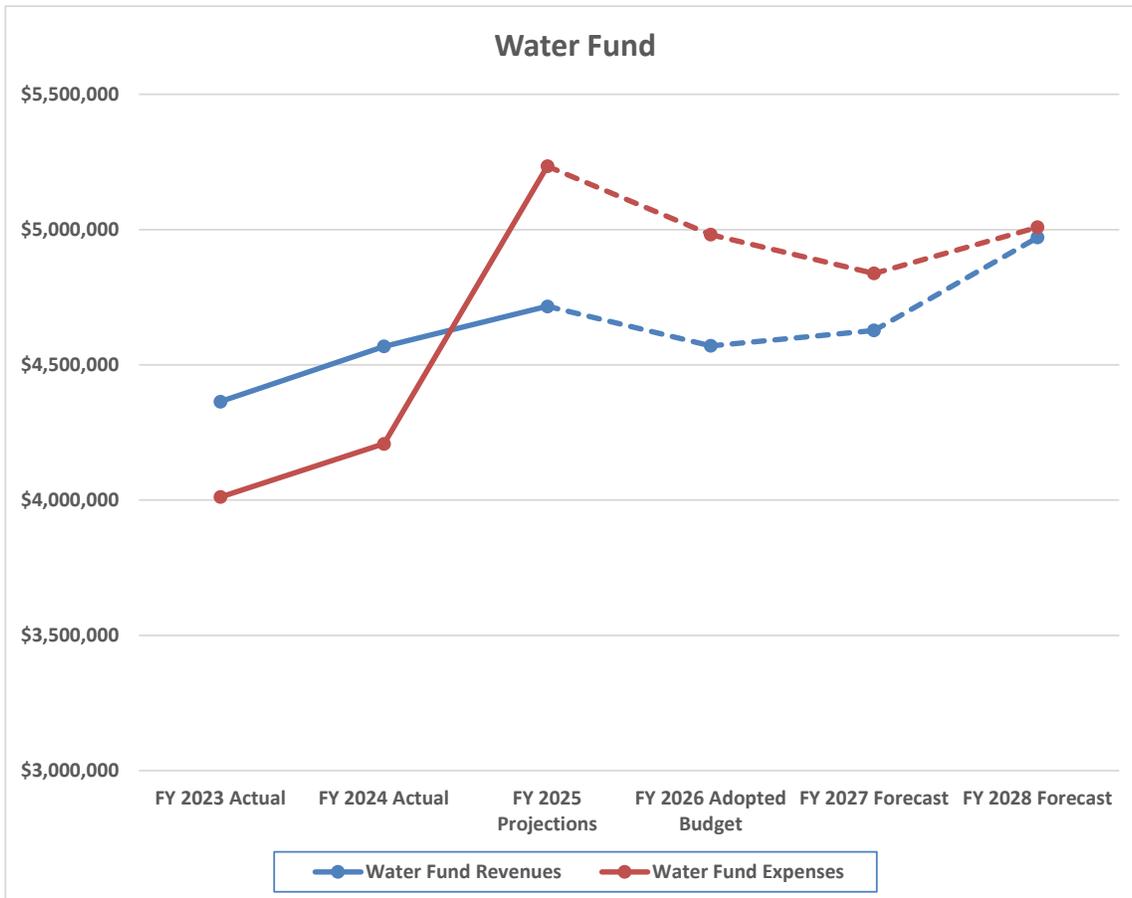
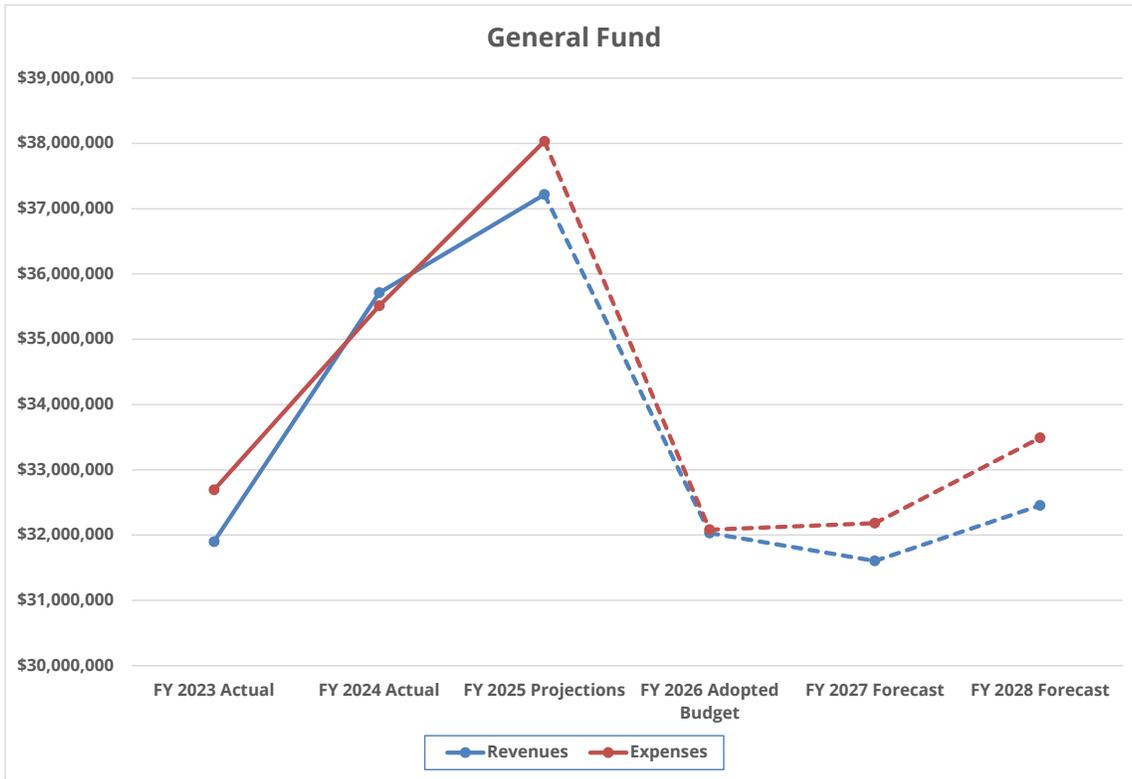
Pension Increases -6% , based on North Carolina State Treasurer projections

Operations - 6%, inflationary adjustments, service contracts

#### *General Fund*

Capital Outlay and Debt Service - 5% increase, sources include the adopted CIP, vehicle and equipment replacement schedule, and debt service obligations

The General Fund is estimated to use fund balance each year as expenditures are increasing at a greater rate than revenues. Projections may change in future years as the percentage of appeals are finalized resulting from the 2025 revaluation. Additionally, each year tourism driven revenues are re-evaluated based on local data and industry forecasts. Water Fund rate increases are built into the forecast and will allow revenues to keep up with expenses and inflationary costs.



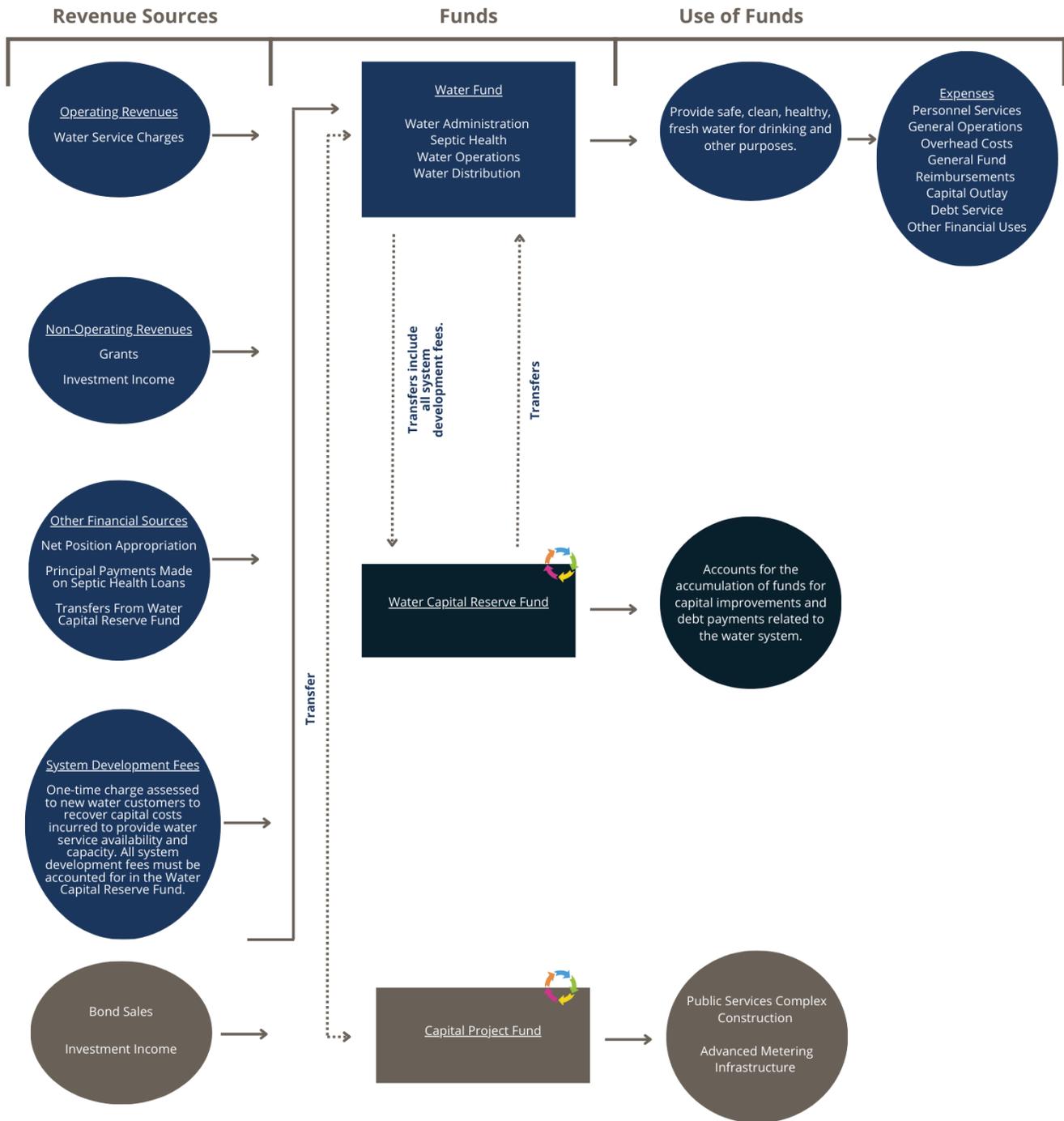


## FLOW OF GOVERNMENTAL FUNDS





## FLOW OF ENTERPRISE FUNDS



 Consolidated into the Water Fund



## HOW TO READ THE BUDGET DOCUMENT

Notes: The fiscal year runs from July 1 – June 30 each year.

Budgets are anticipated over a 2-year period. Changes to the financial plan may occur due to unfunded mandates, changes to Board goals, or other unforeseen circumstances.

Adopted budget for the new fiscal year.

Estimate of prior year final cost by category.

Town manager's requested budget for the new fiscal year.

Budget for each category as originally adopted for the prior fiscal year.

Budget for each category as amended during the prior fiscal year.

Audited data from the last two completed fiscal years.

Expenditures							
	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
Personnel	685,912	609,041	609,041	685,750	668,576	644,592	1,019,632
Operations	492,228	536,210	525,210	492,255	506,786	475,695	859,337
Cost Reimbursement	-	(108,288)	(108,288)	-	(73,094)	(73,094)	(172,969)
Capital Investment Fund Transfers	-	-	-	-	-	-	-
Capital Outlay	1,000	33,000	-	-	12,855	12,855	91,947
Debt Service	11,088	-	-	-	-	-	159,893
<b>Total</b>	<b>1,190,228</b>	<b>1,069,963</b>	<b>1,025,963</b>	<b>1,178,005</b>	<b>1,115,123</b>	<b>1,060,048</b>	<b>1,957,840</b>

Includes principal and interest loan payments.

Includes cost for land, buildings, equipment, and other purchases with an expected usefulness of 5 years or more and a cost of more than \$5,000.

Separate fund, maintained within the general fund, to account separately for capital projects and debt.

Includes reimbursement from the water fund to the general fund for indirect administrative costs.

Includes all operating costs except those related to personnel and capital outlay.

Includes wages, salaries, and employee benefits (FICA, insurances, etc.)

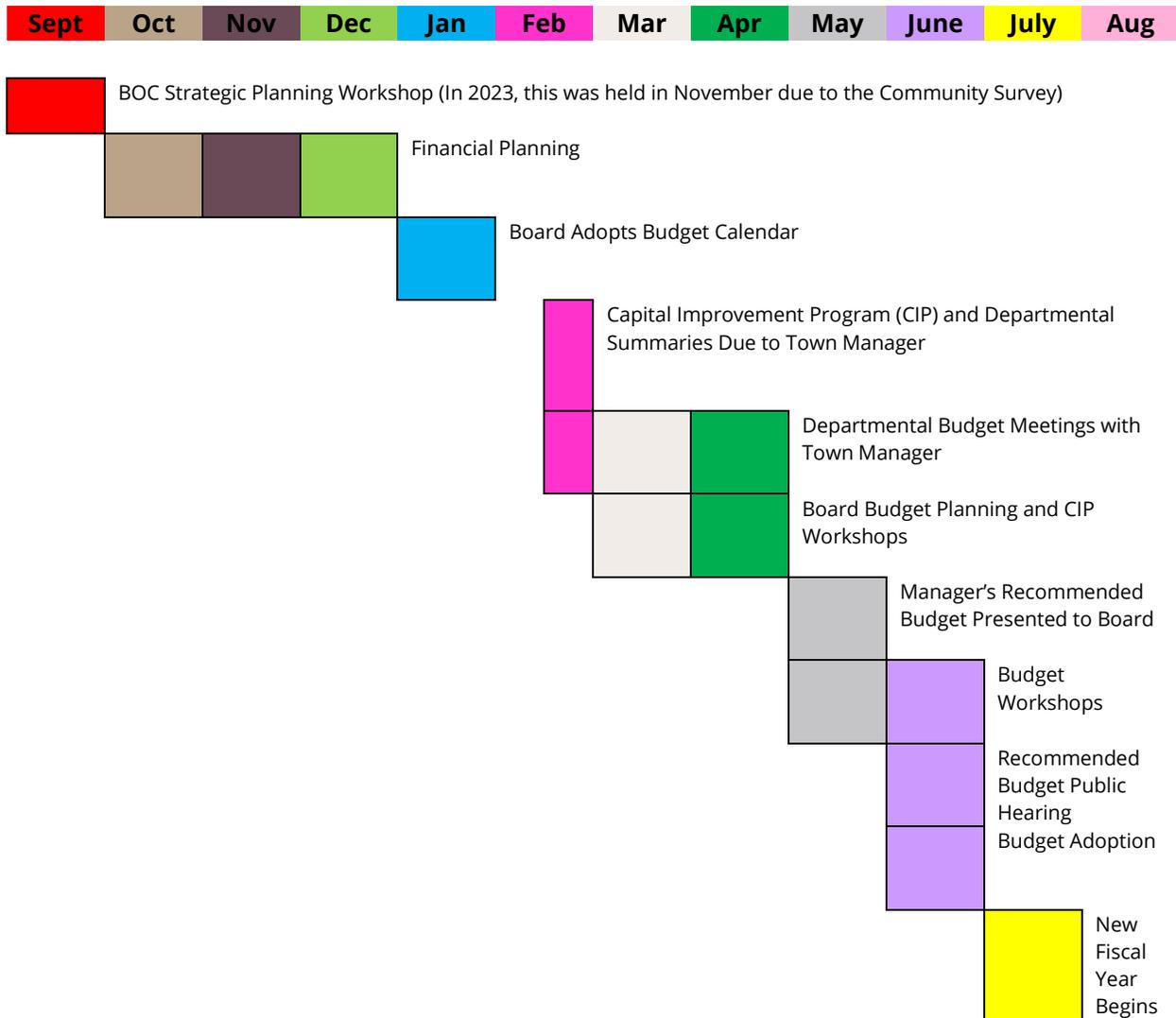
Revenues							
	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Revenues 2024-2025	Actual Revenues 2023-2024
General Revenues	10,901,532	9,980,557	9,980,557	9,161,401	9,161,401	9,690,324	9,199,976
Restricted	1,077,019	1,472,709	1,472,709	1,166,475	1,380,317	1,419,196	9,038,449
Permits and Fees	321,175	315,775	315,775	315,775	313,175	306,211	308,973
Sales and Services	65,000	57,525	57,525	65,000	56,834	106,977	65,191
Other Sources	4,934,945	5,266,876	5,266,876	5,333,588	6,657,680	4,704,678	21,627,126
<b>Total</b>	<b>17,299,671</b>	<b>17,093,442</b>	<b>17,093,442</b>	<b>16,042,239</b>	<b>17,569,407</b>	<b>16,227,386</b>	<b>40,239,715</b>

These revenues are directly related to departmental functions.

Revenues for the general benefit of the town and not related to specific functions. These revenues include property taxes, sales taxes, and other state-shared unrestricted revenues, occupancy tax, land transfer tax, interest earnings, and appropriated fund balance.



## BUDGET PROCESS OVERVIEW



Budget preparation allows departments the opportunity to reassess goals and objectives and the means for accomplishing them. Even though the budget may be heard by the Mayor and Board of Commissioners in May and adopted in June, its preparation begins at least six months prior, with projection of Town reserves, revenues, expenditure limit requirements, and financial capacity. It is with this “groundwork” that departmental expenditure requests are made and subsequently reviewed.



## **Financial Capacity Phase**

Forecasting is an integral part of the decision-making process. Both long-range and short-range projections are prepared. The Town's long-range financial projections are updated annually to assess not only the current financial condition given existing Town programs, but also the future financial capacity, given long-range plans and objectives.

## **Policy/Strategy Phase**

The Board of Commissioners' goals and directives set the tone for the budget's development. Shortly after the budget is adopted for the next fiscal year, the Board meets, as early as September, to identify priorities, issues, and projects impacting the next fiscal year budget. This strategic planning workshop identifies key policy issues that will provide the direction and framework of the budget. The manager and finance officer provide an updated short-and long-range financial forecast to assist the Board in providing budget policy and direction for the upcoming budget.

## **Citizen Engagement**

It is important that community members provide input throughout the budget planning process. Soliciting input in Nags Head's choices further strengthens trust and engages stakeholders in the process. The annual budget directly affects providing services to the community, and thus is influenced by their needs and concerns. Once the budget is submitted to the Board of Commissioners, outreach efforts are conducted prior to adoption to ensure all stakeholders and interested parties can provide feedback. Opportunities for public input are provided during budget workshops and at the public hearing. After community input and review, the Board will adopt the budget.

Communicating both the recommended and adopted budget to the public is important so that all stakeholders have access to the same information, in multiple formats, both in print and online. Communicating the budget meaningfully is key for transparency. The final adopted budget shows relevant policy decisions and trade-offs made during the budget process.



## PERSONNEL SUMMARY

### Full Time Equivalent Personnel Summary - General Fund

	Adopted FY 2023-2024	Adopted FY 2024-2025	Existing FY 2024-2025	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>Office of Town Manager</b>	5.00	5.00	5.00	5.00	5.00
<b>Administration</b>					
Full Time	5.50	5.50	5.50	5.50	5.50
Part Time	1.00	1.00	1.00	1.00	1.00
<b>Information Systems</b>	1.00	1.00	1.00	1.00	1.00
<b>Planning and Development</b>					
Full Time	10.25	10.25	10.25	10.25	10.25
Seasonal	0.00	1.00	1.00	1.00	1.00
<b>Public Works</b>					
Public Works Administration	3.50	3.50	3.50	3.50	3.50
Facility Maintenance	13.00	13.00	13.00	13.00	13.00
Garage	4.00	4.00	4.00	4.00	4.00
Sanitation, Full Time	9.00	10.00	10.00	10.00	10.00
Sanitation, Part Time	1.00	1.00	1.00	1.00	1.00
<b>Public Safety</b>					
Police	27.00	27.00	27.00	27.00	27.00
Fire	27.33	27.33	27.33	27.33	27.33
Ocean Rescue, Full Time	0.67	0.67	0.67	0.67	0.67
Ocean Rescue, Seasonal	25.00	25.00	25.00	25.00	25.00
<b>Total, Full Time Equivalent</b>	<b>106.25</b>	<b>107.25</b>	<b>107.25</b>	<b>107.25</b>	<b>107.25</b>
<b>Total, Part Time</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>
<b>Total, Seasonal</b>	<b>25.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>	<b>26.00</b>



**Full Time Equivalent Personnel Summary - Water Fund**

	Adopted FY 2023-2024	Adopted FY 2024-2025	Existing FY 2024-2025	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>Water Administration</b>	2.25	2.25	2.25	2.25	2.25
<b>Septic Health</b>	0.50	0.50	0.50	0.50	0.50
<b>Water Operations</b>	4.00	4.00	4.00	4.00	4.00
<b>Water Distribution</b>	5.00	5.00	5.00	5.00	5.00
<b>Total, Full Time Equivalent</b>	<b>11.75</b>	<b>11.75</b>	<b>11.75</b>	<b>11.75</b>	<b>11.75</b>



## GRANT FUNDED PROJECTS

<b>Project Funding Sources and Cost</b>			
		<b>Adopted FY 2025-2026</b>	<b>Financial Plan FY 2026-2027</b>
<b><u>Outer Banks Visitors Bureau Grant</u></b>	<u>Total Project Cost:</u>	\$89,500	\$32,500
	<u>Funding Sources:</u>		
Pedestrian projects	Grant Revenue	\$50,000	-
	Local Funding	\$9,500	-
Fourth of July fireworks display	Grant Revenue	\$15,000	\$16,250
	Local Funding	\$15,000	\$16,250
<b><u>N.C. Department of Environmental Quality Grant</u></b>	<u>Total Project Cost:</u>	\$135,730	-
	<u>Funding Sources:</u>		
South Old Oregon Inlet Road stormwater infrastructure improvements	Grant Revenue	\$135,730	-
	Local Funding	-	-
<b><u>NC Coastal Areas Management Grant</u></b>	<u>Total Project Cost:</u>	\$268,458	-
	<u>Funding Sources:</u>		
June Street beach access walkover	Grant Revenue	\$207,668	-
	Local Funding	\$60,790	-
<b>Total Grant Project Costs</b>		<b>\$493,688</b>	<b>\$32,500</b>



CAPITAL IMPROVEMENT PROGRAM

Yellow highlights indicate items on the Adopted Fiscal Year 2024-2025 CIP Schedule

Description General Fund	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	Capital Investment Fund Impact					FY 2031		Total Cost to Town (including interest)
						FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	And Beyond	Capital Investment Fund	
<b>Town Manager:</b>													
Town Hall Campus Master Plan (Fitness Center)*	2026	\$ 3,019,250	\$ -	\$ -	\$ 3,698,582	\$ 301,925	\$ 437,792	\$ 422,695	\$ 407,599	\$ 392,503	\$ 1,736,068	\$ 3,698,582	
Lakeside St. traffic signal	2026	175,000	-	-	175,000	175,000	-	-	-	-	-	175,000	
Board of Commissioners building Audio/Visual equipment	2028	70,000	-	-	70,000	-	-	70,000	-	-	-	70,000	
		<b>\$ 3,264,250</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,943,582</b>	<b>\$ 476,925</b>	<b>\$ 437,792</b>	<b>\$ 492,695</b>	<b>\$ 407,599</b>	<b>\$ 392,503</b>	<b>\$ 1,736,068</b>	<b>\$ 3,943,582</b>	
<b>Admin. Services/Information Technology:</b>													
Server migration (net cost to Town)^	2026	\$ 316,986	\$ -	\$ -	\$ 316,986	\$ 53,730	\$ 48,336	\$ 53,730	\$ 53,730	\$ 53,730	\$ 53,730	\$ 316,986	
Budget cycle management software^	2028	241,422	-	-	241,422	-	-	64,860	56,007	58,807	61,748	241,422	
		<b>\$ 558,408</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 558,408</b>	<b>\$ 53,730</b>	<b>\$ 48,336</b>	<b>\$ 118,590</b>	<b>\$ 109,737</b>	<b>\$ 112,537</b>	<b>\$ 115,478</b>	<b>\$ 558,408</b>	
<b>Planning:</b>													
Whalebone Park improvements	2028	\$ 400,000	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Solar implementation at municipal complex	2028	250,000	75,000	-	250,000	-	-	175,000	-	-	-	175,000	
		<b>\$ 650,000</b>	<b>\$ 475,000</b>	<b>\$ -</b>	<b>\$ 650,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,000</b>	
<b>Public Services Administration:</b>													
Carolista Dr./Dune St.-west side multi-use path design	2026	\$ 60,000	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	
E. Admiral St. pedestrian project	2026	59,500	50,000	-	59,500	9,500	-	-	-	-	-	9,500	
Carolista Dr./Dune St.-west side multi-use path construction*	2027	1,298,548	380,564	-	1,505,095	-	91,799	133,108	128,518	123,928	647,178	1,124,531	
E. Barnes St./Blue Jay St. pedestrian project	2028	78,000	50,000	-	78,000	-	-	28,000	-	-	-	28,000	
E. Grouse St. pedestrian project	2028	80,000	54,375	-	80,000	-	-	25,625	-	-	-	25,625	
Villa Dunes Dr./S. Wrightsville Ave. pedestrian project	2029	631,185	315,592	-	631,185	-	-	-	315,593	-	-	315,593	
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St. multi-use path design	2029	145,000	-	-	145,000	-	-	-	145,000	-	-	145,000	
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St. multi-use path construction*	2030	2,140,750	642,225	-	2,477,919	-	-	-	-	149,853	1,685,841	1,835,694	
		<b>\$ 4,492,983</b>	<b>\$ 1,492,756</b>	<b>\$ -</b>	<b>\$ 5,036,699</b>	<b>\$ 69,500</b>	<b>\$ 91,799</b>	<b>\$ 186,733</b>	<b>\$ 589,111</b>	<b>\$ 273,781</b>	<b>\$ 2,333,019</b>	<b>\$ 3,543,943</b>	
<b>Public Works Facilities Maintenance :</b>													
June Street beach access maintenance**	2026	\$ 268,458	\$ 207,668	\$ 60,790	\$ 268,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Gulfstream Street beach access maintenance**	2026	80,000	-	80,000	80,000	-	-	-	-	-	-	-	
Snow plow truck attachment	2026	9,300	-	-	9,300	9,300	-	-	-	-	-	9,300	
Mobile pressure washer	2026	10,000	-	-	10,000	10,000	-	-	-	-	-	10,000	
Beach road multi-use path maintenance design	2027	50,000	-	-	50,000	-	50,000	-	-	-	-	50,000	
Hargrove bath house design	2027	90,000	-	-	90,000	-	90,000	-	-	-	-	90,000	
Albatross Street beach access maintenance**	2027	86,000	-	86,000	86,000	-	-	-	-	-	-	-	
Glidden Street beach access maintenance**	2027	160,000	-	160,000	160,000	-	-	-	-	-	-	-	
Excavator	2027	162,495	-	-	162,495	-	162,495	-	-	-	-	162,495	
Town Hall elevator replacement	2028	143,900	-	-	143,900	-	-	143,900	-	-	-	143,900	
Tandem dump truck	2028	258,842	-	-	258,842	-	-	258,842	-	-	-	258,842	
Beach road multi-use path maintenance design	2028	50,000	-	-	50,000	-	-	50,000	-	-	-	50,000	
Beach road multi-use path maintenance construction	2028	250,000	-	-	250,000	-	-	-	-	250,000	-	250,000	
Hargrove bath house construction	2028	822,500	650,000	-	822,500	-	-	172,500	-	-	-	172,500	
Barnes Street beach access maintenance**	2028	115,000	-	115,000	115,000	-	-	-	-	-	-	-	
Grouse Street beach access maintenance**	2028	160,000	120,000	40,000	160,000	-	-	-	-	-	-	-	
Flail mower	2028	118,600	-	-	118,600	-	-	118,600	-	-	-	118,600	
Town Hall generator replacement	2029	100,000	-	-	100,000	-	-	-	100,000	-	-	100,000	
Beach road multi-use path maintenance construction	2029	250,000	-	-	250,000	-	-	-	-	250,000	-	250,000	
4x4 tractor	2029	234,000	-	-	234,000	-	-	-	234,000	-	-	234,000	
Eighth Street beach access maintenance**	2029	132,000	66,000	66,000	132,000	-	-	-	-	-	-	-	
Ida Street beach access maintenance**	2029	80,000	-	80,000	80,000	-	-	-	-	-	-	-	
Indigo Street beach access maintenance**	2030	180,000	-	180,000	180,000	-	-	-	-	-	-	-	
Islington Street beach access maintenance**	2030	85,000	-	85,000	85,000	-	-	-	-	-	-	-	
Grader	2030	267,000	-	-	267,000	-	-	-	-	267,000	-	267,000	
		<b>\$ 4,163,095</b>	<b>\$ 1,043,668</b>	<b>\$ 952,790</b>	<b>\$ 4,163,095</b>	<b>\$ 19,300</b>	<b>\$ 302,495</b>	<b>\$ 743,842</b>	<b>\$ 334,000</b>	<b>\$ 767,000</b>	<b>\$ -</b>	<b>\$ 2,166,637</b>	



**Yellow highlights indicate items on the Adopted Fiscal Year 2024-2025 CIP Schedule**

Description General Fund	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	Capital Investment Fund Impact						Total Cost to Town (including interest)
						FY 26	FY 27	FY 2028	FY 2029	FY 2030	FY 2031 And Beyond	Capital Investment Fund
<b>Public Works Sanitation:</b>												
Replacement residential truck	2026	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Replacement knuckle boom truck	2026	250,000	-	-	250,000	250,000	-	-	-	-	-	250,000
Replacement front load truck	2027	400,000	-	-	400,000	-	400,000	-	-	-	-	400,000
Dump truck - 2.5 ton (addition to fleet)	2028	139,916	-	-	139,916	-	-	139,916	-	-	-	139,916
Replacement residential truck	2028	410,000	-	-	410,000	-	-	410,000	-	-	-	410,000
Replacement residential truck	2028	410,000	-	-	410,000	-	-	410,000	-	-	-	410,000
Replacement residential truck	2029	415,000	-	-	415,000	-	-	-	415,000	-	-	415,000
Replacement knuckle boom/roll off truck	2029	275,000	-	-	275,000	-	-	-	275,000	-	-	275,000
Replacement front load commercial dumpster truck	2030	415,500	-	-	415,500	-	-	-	-	415,500	-	415,500
Replacement residential truck	2031	415,000	-	-	415,000	-	-	-	-	-	415,000	415,000
Replacement dump truck	2031	145,000	-	-	145,000	-	-	-	-	-	145,000	145,000
Replacement loader	2031	110,000	-	-	110,000	-	-	-	-	-	110,000	110,000
Replacement side load truck	2032	-	-	-	-	-	-	-	-	-	-	-
		<b>\$ 3,785,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,785,416</b>	<b>\$ 650,000</b>	<b>\$ 400,000</b>	<b>\$ 959,916</b>	<b>\$ 690,000</b>	<b>\$ 415,500</b>	<b>\$ 670,000</b>	<b>\$ 3,785,416</b>
<b>Streets and Stormwater:</b>												
Streets-Stormwater Year 7 paving-resurfacing east/west streets	2027	\$ 306,450	\$ 100,000	\$ -	\$ 306,450	\$ -	\$ 206,450	\$ -	\$ -	\$ -	\$ -	\$ 206,450
Streets-Stormwater Year 8 paving-Vista Colony neighborhood	2028	589,762	100,000	-	589,762	-	-	489,762	-	-	-	489,762
Streets-Stormwater Year 9 paving-W. Villa Dunes Dr./W. Woodhill Dr.	2029	743,700	100,000	-	743,700	-	-	-	643,700	-	-	643,700
Streets-Stormwater Year 6 paving-Juncos St. to southern corporate town limits/S. Colony South fire flow upgrade	2030	483,364	100,000	-	483,364	-	-	-	-	383,364	-	383,364
Streets-Stormwater Year 10 paving-Links Dr./W. Seachase Dr./W Baymeadow Dr. and connecting side streets	2031	715,000	100,000	-	715,000	-	-	-	-	-	615,000	615,000
		<b>\$ 2,838,276</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 2,838,276</b>	<b>\$ -</b>	<b>\$ 206,450</b>	<b>\$ 489,762</b>	<b>\$ 643,700</b>	<b>\$ 383,364</b>	<b>\$ 615,000</b>	<b>\$ 2,338,276</b>
<b>Police:</b>												
Command vehicle	2027	\$ 395,000	\$ 395,000	\$ -	\$ 395,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fire:</b>												
Station 16 generator	2026	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Knox box key secure system	2027	44,500	-	-	44,500	-	39,300	1,300	1,300	1,300	1,300	44,500
Forcible entry training prop	2027	9,110	-	-	9,110	-	9,110	-	-	-	-	9,110
		<b>\$ 153,610</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 153,610</b>	<b>\$ 100,000</b>	<b>\$ 48,410</b>	<b>\$ 1,300</b>	<b>\$ 1,300</b>	<b>\$ 1,300</b>	<b>\$ 1,300</b>	<b>\$ 153,610</b>
<b>Contingency</b>	<b>2026</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Total General Fund Debt Payments and Capital Outlay</b>						<b>\$ 1,419,455</b>	<b>\$ 1,585,282</b>	<b>\$ 3,217,838</b>	<b>\$ 2,825,447</b>	<b>\$ 2,395,985</b>	<b>\$ 5,520,865</b>	<b>\$ 16,714,872</b>

Costs are estimates

\*ten years at 5%, payment in advance

\*\*funding source is beach nourishment capital reserve generated from sales tax

^annual recurring costs will come from the General Fund



Description	Fiscal Year	Cash Cost	Grant		Total Cost	Water Fund Impact					Total Cost to Town (including interest)		
			Funding			Impact FY 26	Impact FY 27	FY 2028	FY 2029	FY 2030	FY 2031 And Beyond	Water Fund	
<b>Water Fund</b>													
<b>Septic Health:</b>													
Water quality data loggers	2028	\$ 93,100	\$ -	\$ -	\$ 93,100	\$ -	\$ -	\$ 93,100	\$ -	\$ -	\$ -	\$ -	\$ 93,100
<b>Water Operations:</b>													
Eighth Street/Gull Street Chlorine Conversion	2026	\$ 102,000	\$ -	\$ -	\$ 102,000	\$ 102,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,000
Eighth Street Pump Station Improvements Engineering	2026	40,000	-	-	40,000	40,000	-	-	-	-	-	-	40,000
Gull Street Pump Station Improvements Engineering	2026	90,000	-	-	90,000	90,000	-	-	-	-	-	-	90,000
		<b>\$ 232,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 232,000</b>	<b>\$ 232,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 232,000</b>
<b>Water Distribution:</b>													
Driftwood Drive/Shoppes at 10.5 looped distribution 8" water main Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain extensions	2026	\$ 248,500	\$ -	\$ -	\$ 248,500	\$ 248,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,500
	2027	261,000	-	-	261,000	-	261,000	-	-	-	-	-	261,000
Vista Colony AC water main planning costs	2028	200,000	-	-	200,000	-	-	200,000	-	-	-	-	200,000
Back hoe loader	2028	250,000	-	-	250,000	-	-	250,000	-	-	-	-	250,000
Villa Dunes AC water main planning costs	2028	120,000	-	-	120,000	-	-	120,000	-	-	-	-	120,000
Vista Colony waterline replacements*	2028	1,783,538	-	-	2,184,835	-	-	178,354	258,614	249,696	1,498,171	-	2,184,835
South Nags Head AC water main planning costs	2029	220,000	-	-	220,000	-	-	-	220,000	-	-	-	220,000
Villa Dunes Dr. 8" diameter water main installation	2029	825,000	-	-	825,000	-	-	-	825,000	-	-	-	825,000
Water system master plan update	2030	284,900	-	-	284,900	-	-	-	-	284,900	-	-	284,900
Old Nags Head cove water main replacements design	2030	235,000	-	-	235,000	-	-	-	-	235,000	-	-	235,000
South Nags Head water main replacements*	2030	1,708,630	-	-	2,093,072	-	-	-	-	170,863	1,922,209	-	2,093,072
		<b>\$ 6,136,568</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,922,307</b>	<b>\$ 248,500</b>	<b>\$ 261,000</b>	<b>\$ 748,354</b>	<b>\$ 1,303,614</b>	<b>\$ 940,459</b>	<b>\$ 3,420,380</b>	<b>\$ -</b>	<b>\$ 6,922,307</b>
<b>Total Water Fund Debt Payments and Capital Outlay</b>						<b>\$ 480,500</b>	<b>\$ 261,000</b>	<b>\$ 841,454</b>	<b>\$ 1,303,614</b>	<b>\$ 940,459</b>	<b>\$ 3,420,380</b>	<b>\$ -</b>	<b>\$ 7,247,407</b>

Costs are estimates

\*ten years at 5%, payment in advance



**DEBT SCHEDULE**

Description	Replace Year	Estimated Cost	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	FY 2031 and Beyond
<b>General Fund</b>								
<b>Special Obligation Bonds:</b>								
Limited Obligation Bonds Series 2023- Public Services Complex	23/24	\$ 12,404,000	\$ 1,243,400	\$ 1,210,600	\$ 1,177,800	\$ 1,141,000	\$ 1,108,400	\$ 11,442,600
<b>Town Manager:</b>								
Workforce housing	24/25	\$ 1,402,192	\$ 216,375	\$ 209,644	\$ 202,913	\$ 196,183	\$ 189,452	\$ 690,499
Town Hall Campus Master Plan-Fitness Center*	25/26	3,019,250	301,925	437,792	422,695	407,599	392,503	1,736,068
		<b>\$ 4,421,442</b>	<b>\$ 518,300</b>	<b>\$ 647,436</b>	<b>\$ 625,608</b>	<b>\$ 603,782</b>	<b>\$ 581,955</b>	<b>\$ 2,426,567</b>
<b>Administrative Services:</b>								
Subscription - software	25/26	\$ 33,891	\$ 10,750	\$ 11,289	\$ 11,852	\$ -	\$ -	\$ -
<b>IT:</b>								
Software as a Service migration (SaaS)- Tyler ERP	25/26	\$ 222,532	\$ 111,266	\$ 111,266	\$ -	\$ -	\$ -	\$ -
<b>Public Works Administration:</b>								
Carolista Dr./Dune St.-west side multi-use path*	26/27	\$ 917,984	\$ -	\$ 91,799	\$ 133,108	\$ 128,518	\$ 123,928	\$ 647,178
W. Seachase Dr./W. Baymeadow Dr.-west side multi-use path*	28/29	1,061,025	-	-	-	106,103	153,849	1,039,804
		<b>\$ 917,984</b>	<b>\$ -</b>	<b>\$ 91,799</b>	<b>\$ 133,108</b>	<b>\$ 128,518</b>	<b>\$ 123,928</b>	<b>\$ 647,178</b>
<b>Public Works Facilities Maintenance :</b>								
Loader	21/22	\$ 194,795	\$ 40,883	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Police:</b>								
Subscription - Record Management System	22/23	\$ 49,766	\$ 10,424	\$ 10,424	\$ -	\$ -	\$ -	\$ -
Subscription - In-Car/Body-Worn cameras	22/23	227,270	47,604	47,604	-	-	-	-
Subscription - License Plate Readers	25/26	72,000	36,000	36,000	-	-	-	-
		<b>\$ 349,036</b>	<b>\$ 94,028</b>	<b>\$ 94,028</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fire:</b>								
Pumper	18/19	\$ 697,620	\$ 76,101	\$ 76,101	\$ 76,101	\$ -	\$ -	\$ -
Pumper/Quint	21/22	1,358,079	157,426	157,426	157,426	157,426	157,426	314,852
4222 S. Croatan Highway	24/25	1,541,604	220,759	214,099	207,439	200,779	194,119	870,698
Pumper*	28/29	1,348,807	-	-	-	166,359	166,359	1,330,870
		<b>\$ 4,946,110</b>	<b>\$ 454,286</b>	<b>\$ 447,626</b>	<b>\$ 440,966</b>	<b>\$ 524,564</b>	<b>\$ 517,904</b>	<b>\$ 2,516,420</b>
<b>Total General Fund Debt Payments</b>			<b>\$ 2,472,913</b>	<b>\$ 2,614,044</b>	<b>\$ 2,389,334</b>	<b>\$ 2,397,864</b>	<b>\$ 2,332,187</b>	<b>\$ 17,032,765</b>
<b>Water Fund</b>								
<b>Water Administration</b>								
Limited Obligation Bonds Series 2023- Public Services Complex	23/24	\$ 3,101,000	\$ 310,850	\$ 302,650	\$ 294,450	\$ 285,250	\$ 277,100	\$ 2,860,650
Limited Obligation Bonds Series 2023- Advanced Metering Infrastructure	23/24	1,605,000	132,750	135,000	132,000	134,000	130,750	1,729,250
		<b>\$ 4,706,000</b>	<b>\$ 443,600</b>	<b>\$ 437,650</b>	<b>\$ 426,450</b>	<b>\$ 419,250</b>	<b>\$ 407,850</b>	<b>\$ 4,589,900</b>
<b>Water Distribution:</b>								
Vista Colony waterline replacements*	27/28	\$ 1,783,538	\$ -	\$ -	\$ 178,354	\$ 258,614	\$ 249,696	\$ 1,498,171
South Nags Head waterline replacements*	29/30	1,708,630	-	-	-	-	170,863	1,922,209
		<b>\$ 3,492,168</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178,354</b>	<b>\$ 258,614</b>	<b>\$ 420,559</b>	<b>\$ 3,420,380</b>
<b>Total Water Fund Debt Payments</b>			<b>\$ 443,600</b>	<b>\$ 437,650</b>	<b>\$ 604,804</b>	<b>\$ 677,864</b>	<b>\$ 828,409</b>	<b>\$ 8,010,280</b>

Replacement costs are estimates  
Estimated interest rate of 5% for:

\*ten year payment in advance; possible cash down payment on some lessening future year lease payments



TRANSFERS FROM THE CAPITAL RESERVE AND CAPITAL INVESTMENT FUNDS TO THE GENERAL FUND

Description General Fund	Replace Year	Estimated Cost	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	FY 2031 and Beyond
<b>Special Obligation Bonds:</b>								
Limited Obligation Bonds Series 2023-Public Services Complex	23/24	\$ 12,404,000	\$ 1,243,400	\$ 1,210,600	\$ 1,177,800	\$ 1,141,000	\$ 1,108,400	\$ 11,442,600
<b>Town Manager:</b>								
Workforce housing	24/25	\$ 1,402,192	\$ 216,375	\$ 209,644	\$ 202,913	\$ 196,183	\$ 189,452	\$ 690,500
Town Hall Campus Master Plan-Fitness Center*	<b>25/26</b>	3,019,250	301,925	437,792	422,695	407,599	392,503	1,736,068
Lakeside Street traffic signal	<b>25/26</b>	175,000	175,000	-	-	-	-	-
Board of Commissioners building Audio/Visual equipment	27/28	70,000	-	-	70,000	-	-	-
		<b>\$ 4,666,442</b>	<b>\$ 693,300</b>	<b>\$ 647,436</b>	<b>\$ 695,608</b>	<b>\$ 603,782</b>	<b>\$ 581,955</b>	<b>\$ 2,426,568</b>
<b>Administrative Services:</b>								
Subscription - software	<b>25/26</b>	\$ 33,891	\$ 10,750	\$ 11,289	\$ 11,852	\$ -	\$ -	\$ -
<b>Information Technology (IT):</b>								
Software as a Service migration (SaaS)- Tyler ERP	<b>25/26</b>	\$ 731,473	\$ 116,660	\$ 111,266	\$ 116,829	\$ 122,670	\$ 128,804	\$ 135,244
Budget cycle management software	27/28	241,422	-	-	64,860	56,007	58,807	52,229
		<b>\$ 846,716</b>	<b>\$ 116,660</b>	<b>\$ 111,266</b>	<b>\$ 181,689</b>	<b>\$ 178,677</b>	<b>\$ 187,611</b>	<b>\$ 187,473</b>
<b>Planning:</b>								
Pickup	27/28	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ -
Solar implementation at municipal complex	27/28	250,000	-	-	250,000	-	-	-
Pickup	28/29	45,000	-	-	-	45,000	-	-
Pickup	29/30	45,000	-	-	-	-	45,000	-
		<b>\$ 385,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 295,000</b>	<b>\$ 45,000</b>	<b>\$ 45,000</b>	<b>\$ -</b>
<b>Public Services Administration:</b>								
Carolista Dr./Dune St.-west side multi-use path*	<b>25/26</b>	\$ 1,358,548	\$ 60,000	\$ 472,363	\$ 133,108	\$ 128,518	\$ 123,928	\$ 440,631
E. Admiral St. pedestrian project	<b>25/26</b>	59,500	59,500	-	-	-	-	-
Pickup	26/27	48,000	-	48,000	-	-	-	-
Pickup	27/28	48,000	-	-	48,000	-	-	-
E. Barnes St./Blue Jay St. pedestrian project	27/28	78,000	-	-	78,000	-	-	-
E. Grouse St. pedestrian project	27/28	80,000	-	-	80,000	-	-	-
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St.-west side multi-use path*	28/29	2,285,750	-	-	-	145,000	792,078	1,685,841
Villa Dunes Dr./S. Wrightsville Ave. pedestrian project	28/29	631,185	-	-	-	631,185	-	-
		<b>\$ 4,588,983</b>	<b>\$ 119,500</b>	<b>\$ 520,363</b>	<b>\$ 339,108</b>	<b>\$ 904,703</b>	<b>\$ 916,006</b>	<b>\$ 2,126,472</b>



Description General Fund	Replace Year	Estimated Cost	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	FY 2031 and Beyond
<b>Public Works Facilities Maintenance :</b>								
Loader	21/22	\$ 194,795	\$ 40,883	\$ -	\$ -	\$ -	\$ -	\$ -
HVAC maintenance agreement	25/26	108,727	53,560	55,167	-	-	-	-
Town Hall HVAC replacement	25/26	37,901	37,901	-	-	-	-	-
Multi-use path repairs	25/26	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Gulfstream Street beach access maintenance**	25/26	80,000	80,000	-	-	-	-	-
June Street beach access maintenance**	25/26	268,458	268,458	-	-	-	-	-
Mower	25/26	16,800	16,800	-	-	-	-	-
Snow plow truck attachment	25/26	9,300	9,300	-	-	-	-	-
Mobile pressure washer	25/26	10,000	10,000	-	-	-	-	-
Beach road multi-use path maintenance	26/27	600,000	-	50,000	300,000	250,000	-	-
Hargrove bath house design and construction	26/27	912,500	-	90,000	822,500	-	-	-
Excavator	26/27	162,495	-	162,495	-	-	-	-
Albatross Street beach access maintenance**	26/27	86,000	-	86,000	-	-	-	-
Glidden Street beach access maintenance**	26/27	160,000	-	160,000	-	-	-	-
Mower	26/27	16,800	-	16,800	-	-	-	-
Town Hall elevator replacement	27/28	143,900	-	-	143,900	-	-	-
Town Hall transfer switch	27/28	87,125	-	-	87,125	-	-	-
Tandem dump truck	27/28	258,842	-	-	258,842	-	-	-
Barnes Street beach access maintenance**	27/28	115,000	-	-	115,000	-	-	-
Grouse Street beach access maintenance**	27/28	160,000	-	-	160,000	-	-	-
Flail mower	27/28	118,600	-	-	118,600	-	-	-
Pickup	27/28	47,000	-	-	47,000	-	-	-
Trailer	27/28	15,000	-	-	15,000	-	-	-
Equipment trailer	27/28	35,500	-	-	35,500	-	-	-
4x4 tractor	28/29	234,000	-	-	-	234,000	-	-
Town Hall generator replacement	28/29	100,000	-	-	-	100,000	-	-
Pickup	28/29	49,000	-	-	-	49,000	-	-
Mower	28/29	17,500	-	-	-	17,500	-	-
Eighth Street beach access maintenance**	28/29	132,000	-	-	-	132,000	-	-
Ida Street beach access maintenance**	28/29	80,000	-	-	-	80,000	-	-
Indigo Street beach access maintenance**	29/30	180,000	-	-	-	-	180,000	-
Grader	29/30	267,000	-	-	-	-	267,000	-
Pickup	29/30	50,500	-	-	-	-	50,500	-
Islington Street beach access maintenance**	29/30	85,000	-	-	-	-	85,000	-
		<b>\$ 4,919,743</b>	<b>\$ 596,902</b>	<b>\$ 700,462</b>	<b>\$ 2,183,467</b>	<b>\$ 942,500</b>	<b>\$ 662,500</b>	<b>\$ 80,000</b>



Description General Fund	Replace Year	Estimated Cost	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	FY 2031 and Beyond
<b>Public Works Sanitation:</b>								
Residential Truck	25/26	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -
Knuckle Boom Truck**	25/26	250,000	250,000	-	-	-	-	-
Roll offs (2)	25/26	16,000	16,000	-	-	-	-	-
Front Load Truck	26/27	400,000	-	400,000	-	-	-	-
Residential Truck	27/28	410,000	-	-	410,000	-	-	-
Residential Truck	27/28	410,000	-	-	410,000	-	-	-
Dump Truck (new)	27/28	139,916	-	-	139,916	-	-	-
Residential Truck	28/29	415,000	-	-	-	415,000	-	-
Knuckle Boom Truck	28/29	275,000	-	-	-	275,000	-	-
Front Load Truck	29/30	415,500	-	-	-	-	415,500	-
Pickup	29/30	45,000	-	-	-	-	45,000	-
Trailer	29/30	10,000	-	-	-	-	10,000	-
Residential Truck	30/31	415,000	-	-	-	-	-	415,000
Dump Truck	30/31	145,000	-	-	-	-	-	145,000
Loader	30/31	110,000	-	-	-	-	-	110,000
		<b>\$ 3,131,416</b>	<b>\$ 666,000</b>	<b>\$ 400,000</b>	<b>\$ 959,916</b>	<b>\$ 690,000</b>	<b>\$ 470,500</b>	<b>\$ 670,000</b>
<b>Streets and Stormwater:</b>								
Stormwater project areas 12/13***	25/26	\$ 235,730	\$ 235,730	\$ -	\$ -	\$ -	\$ -	\$ -
Streets-Stormwater Year 7 paving-resurfacing east/west streets***	26/27	306,450	-	306,450	-	-	-	-
Culvert cleaner	26/27	112,500	-	112,500	-	-	-	-
Streets-Stormwater Year 8 paving-Vista Colony neighborhood***	27/28	589,762	-	-	589,762	-	-	-
Streets-Stormwater Year 9 paving-W. Villa Dunes Dr./W. Woodhill Dr.***	28/29	743,700	-	-	-	743,700	-	-
Streets-Stormwater Year 6 paving-Juncos St. to southern corporate town limits/S. Colony South fire flow upgrade***	29/30	483,364	-	-	-	-	483,364	-
Streets-Stormwater Year 10 paving-Links Dr./W. Seachase Sr./W. Baymeadow Dr. and connecting side streets***	30/31	715,000	-	-	-	-	-	715,000
		<b>\$ 3,186,506</b>	<b>\$ 235,730</b>	<b>\$ 418,950</b>	<b>\$ 589,762</b>	<b>\$ 743,700</b>	<b>\$ 483,364</b>	<b>\$ 715,000</b>



Description General Fund	Replace Year	Estimated Cost	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	FY 2031 and Beyond
<b>Police:</b>								
Subscription - Record Management System	22/23	\$ 49,766	\$ 10,424	\$ 10,424	\$ -	\$ -	\$ -	\$ -
Subscription - In-Car/Body-Worn cameras	22/23	227,270	47,604	47,604	-	-	-	-
Subscription - License Plate Readers	25/26	70,795	36,000	36,000	-	-	-	-
Police Vehicles (3)	25/26	204,308	204,308	-	-	-	-	-
Police Vehicles (3)	26/27	214,503	-	214,503	-	-	-	-
Police Vehicles (3)	27/28	210,399	-	-	210,399	-	-	-
Police Vehicles (3)	28/29	216,009	-	-	-	216,009	-	-
Police Vehicles (4)	29/30	270,012	-	-	-	-	270,012	-
		<b>\$ 1,463,062</b>	<b>\$ 298,336</b>	<b>\$ 308,531</b>	<b>\$ 210,399</b>	<b>\$ 216,009</b>	<b>\$ 270,012</b>	<b>\$ -</b>
<b>Fire:</b>								
Pumper	18/19	\$ 697,620	\$ 76,101	\$ 76,101	\$ 76,101	\$ -	\$ -	\$ -
Pumper/Quint	21/22	1,358,079	157,426	157,426	157,426	157,426	157,426	314,852
4222 S. Croatan Highway	24/25	1,541,604	220,758	214,099	207,439	200,779	194,119	870,697
Pickup	25/26	77,000	77,000	-	-	-	-	-
Station 16 generator	25/26	100,000	100,000	-	-	-	-	-
Forcible entry training prop	26/27	9,110	-	9,110	-	-	-	-
Knox box key secure system	26/27	39,300	-	39,300	-	-	-	-
Pickup	26/27	56,650	-	56,650	-	-	-	-
		<b>\$ 3,879,363</b>	<b>\$ 631,285</b>	<b>\$ 552,686</b>	<b>\$ 440,966</b>	<b>\$ 358,205</b>	<b>\$ 351,545</b>	<b>\$ 1,185,549</b>
<b>Ocean Rescue:</b>								
Four-wheelers for beach patrol (2 replacements)	25/26	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -
Four-wheelers for beach patrol (3 replacements)	26/27	23,050	-	23,050	-	-	-	-
Pickup	27/28	70,000	-	-	70,000	-	-	-
Wave Runner	27/28	16,676	-	-	16,676	-	-	-
Four-wheelers for beach patrol (2 replacements)	27/28	16,000	-	-	16,000	-	-	-
Pickup	28/29	47,895	-	-	-	47,895	-	-
Wave Runner	29/30	16,676	-	-	-	-	16,676	-
		<b>\$ 205,297</b>	<b>\$ 15,000</b>	<b>\$ 23,050</b>	<b>\$ 102,676</b>	<b>\$ 47,895</b>	<b>\$ 16,676</b>	<b>\$ -</b>
<b>Contingency:</b>	<b>25/26</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Total Transfers to the General Fund</b>			<b>\$ 4,676,863</b>	<b>\$ 4,954,633</b>	<b>\$ 7,238,243</b>	<b>\$ 5,921,471</b>	<b>\$ 5,143,569</b>	<b>\$ 18,883,662</b>

Replacement costs are estimates

\*ten years at 5%, payment in advance

\*\*full or partial funding source is capital reserve fund

\*\*\*less \$100,000 state street aid (Powell Bill) funding each year



**WATER FUND CAPITAL OUTLAY**

Description	Replace Year	Estimated Cost	Fiscal Year 2025-2026	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	FY 2030 and Beyond
<b>Water Operations:</b>								
Eighth Street/Gull Street Chlorine Conversion	25/26	\$ 102,000	\$ 102,000	\$ -	\$ -	\$ -	\$ -	\$ -
Eighth Street Pump Station Improvements Engineering	25/26	40,000	40,000	-	-	-	-	-
Gull Street Pump Station Improvements Engineering	25/26	90,000	90,000	-	-	-	-	-
South Nags Head tower mixer	26/27	51,750	-	51,750	-	-	-	-
Pickup	27/28	48,000	-	-	48,000	-	-	-
Eighth Street tower mixer	27/28	51,750	-	-	51,750	-	-	-
Gull Street ground tank mixer	28/29	51,750	-	-	-	51,750	-	-
		<b>\$ 435,250</b>	<b>\$ 232,000</b>	<b>\$ 51,750</b>	<b>\$ 99,750</b>	<b>\$ 51,750</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Water Distribution:</b>								
Driftwood Drive/Shoppes at 10.5 looped distribution 8" water main	25/26	\$ 248,500	\$ 248,500	\$ -	\$ -	\$ -	\$ -	\$ -
Pickup	25/26	50,000	50,000	-	-	-	-	-
Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain	26/27	261,000	-	261,000	-	-	-	-
Excavator	26/27	75,000	-	75,000	-	-	-	-
Vista Colony water main planning costs	27/28	200,000	-	-	200,000	-	-	-
Villa Dunes water main planning costs	27/28	120,000	-	-	120,000	-	-	-
Back hoe loader	27/28	250,000	-	-	250,000	-	-	-
Vista Colony waterline replacements debt service*	27/28	1,783,538	-	-	178,354	258,614	249,696	1,498,171
Air compressor	27/28	39,000	-	-	39,000	-	-	-
Pickup	27/28	55,000	-	-	55,000	-	-	-
Villa Dunes Dr. 8" diameter water main line	28/29	825,000	-	-	-	825,000	-	-
South Nags Head water main planning costs	28/29	220,000	-	-	-	220,000	-	-
Old Nags Head cove water main replacements design	29/30	235,000	-	-	-	-	235,000	-
South Nags Head water main replacements*	29/30	1,708,630	-	-	-	-	170,863	1,922,209
Water system master plan update	29/30	284,900	-	-	-	-	284,900	-
Trailer	29/30	5,000	-	-	-	-	5,000	-
Pickup	29/30	55,000	-	-	-	-	55,000	-
		<b>\$ 6,415,568</b>	<b>\$ 298,500</b>	<b>\$ 336,000</b>	<b>\$ 842,354</b>	<b>\$ 1,303,614</b>	<b>\$ 1,000,459</b>	<b>\$ 3,420,380</b>
<b>Septic Health:</b>								
Pickup	25/26	\$ 48,695	\$ 48,695	\$ -	\$ -	\$ -	\$ -	\$ -
Water quality data loggers	27/28	93,100	-	-	93,100	-	-	-
		<b>\$ 141,795</b>	<b>\$ 48,695</b>	<b>\$ -</b>	<b>\$ 93,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Water Fund Capital Outlay</b>			<b>\$ 579,195</b>	<b>\$ 387,750</b>	<b>\$ 1,035,204</b>	<b>\$ 1,355,364</b>	<b>\$ 1,000,459</b>	<b>\$ 3,420,380</b>

Replacement costs are estimates



## GENERAL FUND SUMMARY

### REVENUES AND EXPENDITURES SUMMARY

Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual 2024-2025	Actual 2023-2024	Actual 2022-2023
<b>REVENUES</b>								
Ad Valorem Taxes	\$ 13,331,023	\$ 12,717,340	\$ 13,317,615	\$ 11,995,235	\$ 11,995,235	\$ 12,074,579	\$ 12,037,602	\$ 10,646,369
Other Taxes & Licenses	10,675,405	10,592,350	10,592,350	11,399,800	11,399,800	10,870,913	10,230,266	10,205,374
Unrestricted Intergovernmental	1,488,500	1,027,900	1,427,900	961,000	961,000	1,093,879	1,085,828	1,007,408
Restricted Intergovernmental	235,250	621,398	621,398	5,061,265	5,875,509	1,067,863	1,992,912	975,537
Permits & Fees	613,080	599,130	599,130	597,475	677,433	704,401	694,374	619,807
Sales & Services	74,000	70,000	70,000	75,000	75,000	74,437	78,450	85,877
Investment Earnings	298,000	250,000	250,000	200,000	200,000	298,000	725,384	123,996
Other Revenue	403,275	374,099	374,099	398,695	405,195	415,257	443,859	358,721
Other Finance Sources	5,061,484	5,178,352	4,828,180	10,476,786	17,138,248	10,616,382	8,423,142	7,876,366
<b>TOTAL</b>	<b>\$ 32,180,017</b>	<b>\$ 31,430,569</b>	<b>\$ 32,080,672</b>	<b>\$ 41,165,256</b>	<b>\$ 48,727,420</b>	<b>\$ 37,215,711</b>	<b>\$ 35,711,817</b>	<b>\$31,899,455</b>
<b>EXPENDITURES</b>								
Interfund	\$ 6,532,717	\$ 6,809,806	\$ 7,059,909	\$ 12,444,799	\$ 12,724,036	\$ 7,571,334	\$ 10,361,528	\$ 9,788,359
Governing Body	202,016	206,517	206,517	195,276	195,276	179,527	199,338	155,578
Bond Debt	1,210,600	1,243,400	1,243,400	1,276,200	1,276,200	1,276,200	3,086,300	2,381,151
Town Manager	1,677,380	1,696,903	1,696,903	1,177,348	2,650,696	2,599,172	966,186	940,617
Administrative Services	1,952,595	1,364,501	1,764,501	1,204,368	1,215,018	1,207,852	1,129,300	1,028,488
Information Technology	635,017	847,248	847,248	580,877	594,873	564,569	575,467	406,698
Legal	130,657	130,657	130,657	132,961	132,961	117,056	68,672	102,012
Planning	1,402,550	1,312,483	1,312,483	1,549,299	2,258,992	2,191,189	1,259,932	1,294,208
Public Services Administration	760,172	718,787	718,787	871,862	891,654	875,662	672,003	496,248
Public Works Facilities	2,723,184	2,538,433	2,538,433	3,361,826	3,671,889	3,626,961	3,678,968	2,279,398
Public Works Garage	526,993	499,964	499,964	490,807	490,807	460,789	407,264	372,919
Street Aid	150,000	150,000	150,000	130,000	226,559	220,828	120,171	350,519
Public Works Sanitation	2,199,719	2,394,221	2,394,221	2,224,336	2,483,555	2,348,933	2,160,757	2,140,351
Public Works Solid Waste	828,148	828,148	828,148	882,657	882,657	791,389	797,479	817,785
Streets and Stormwater	386,700	203,730	203,730	4,871,963	4,969,573	291,941	1,092,599	1,827,870
Police	4,826,419	4,608,327	4,608,327	4,605,254	4,702,672	4,448,519	4,145,576	3,906,169
Police - Drug Forfeitures	-	-	-	-	23,400	23,400	1,175	5,000
Fire	5,036,491	4,899,619	4,899,619	4,155,053	8,307,731	8,235,580	3,805,376	3,519,707
Ocean Rescue	998,659	977,825	977,825	1,010,370	1,028,870	1,000,449	983,942	878,296
<b>TOTAL</b>	<b>\$ 32,180,017</b>	<b>\$ 31,430,569</b>	<b>\$ 32,080,672</b>	<b>\$ 41,165,256</b>	<b>\$ 48,727,420</b>	<b>\$ 38,031,348</b>	<b>\$ 35,512,034</b>	<b>\$32,691,373</b>



REVENUES

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Revenues 2024-2025	Actual Revenues 2023-2024	Actual Revenues 2022-2023
<b>AD VALOREM TAXES</b>								
AD VALOREM REVENUES CURRENT	\$ 10,473,551	\$ 10,117,608	\$ 10,463,087	\$ 9,368,831	\$ 9,368,831	\$ 9,421,084	\$ 9,399,222	\$ 8,050,831
AD VALOREM TAXES PRIOR YEARS	-	-	-	-	-	407	2	(141)
AD VALOREM REVENUES SOB/MSD CURRENT	1,698,222	1,696,525	1,696,525	1,638,247	1,638,247	1,646,307	1,642,346	1,636,401
CURRENT TOWNWIDE BEACH NOURISH	988,071	740,313	987,084	767,937	767,937	771,400	769,836	766,214
PRIOR YR TOWNWIDE BEACH NOURISH	-	-	-	-	-	33	-	(11)
TAX PENALTIES/INTEREST	9,000	9,000	9,000	7,000	7,000	10,004	10,976	7,965
DMV REVENUES CURRENT	155,305	147,125	155,150	204,479	204,479	216,051	205,617	175,462
DMV SOB/MSD CY REVENUES	5,674	5,669	5,669	7,741	7,741	7,878	7,838	8,319
DMV INTEREST	1,200	1,100	1,100	1,000	1,000	1,415	1,765	1,329
<b>Subtotal Ad Valorem Taxes</b>	<b>\$ 13,331,023</b>	<b>\$ 12,717,340</b>	<b>\$ 13,317,615</b>	<b>\$ 11,995,235</b>	<b>\$ 11,995,235</b>	<b>\$ 12,074,579</b>	<b>\$ 12,037,602</b>	<b>\$ 10,646,369</b>
<b>OTHER TAXES &amp; LICENSES</b>								
OCCUPANCY TAXES	\$ 4,569,000	\$ 4,569,000	\$ 4,569,000	\$ 5,140,000	\$ 5,140,000	\$ 4,784,421	\$ 4,673,981	\$ 4,624,217
LAND TRANSFER TAXES	1,101,000	1,112,000	1,112,000	1,100,000	1,100,000	1,122,444	1,009,498	1,108,709
LOCAL GOVT SALES TAX	2,962,000	2,910,000	2,910,000	3,068,000	3,068,000	2,953,482	2,700,798	2,656,113
ONE HALF SALES TAX (40)	662,000	647,000	647,000	659,000	659,000	647,055	584,889	569,400
ONE HALF SALES TAX (42)	1,306,000	1,279,000	1,279,000	1,359,000	1,359,000	1,285,702	1,182,603	1,170,483
ONE HALF SALES TAX (44)	-	-	-	-	-	(20)	(61)	-
HOLD HARMLESS SALES TAX	-	-	-	-	-	-	-	-
BUSINESS LICENSE REVENUES	1,855	1,800	1,800	1,800	1,800	1,880	1,815	1,870
BUSINESS REGISTRATION FEES	17,750	17,750	17,750	18,000	18,000	17,750	19,050	18,900
PRIVILEGE LICENSE PENALTIES	2,800	2,800	2,800	2,000	2,000	3,650	2,825	2,100
SHORT TERM RENTAL REGISTRATION FEES	-	-	-	-	-	-	-	850
MIXED BEVERAGE TAX	53,000	53,000	53,000	52,000	52,000	54,549	54,868	52,732
<b>Subtotal Other Taxes and Licenses</b>	<b>\$ 10,675,405</b>	<b>\$ 10,592,350</b>	<b>\$ 10,592,350</b>	<b>\$ 11,399,800</b>	<b>\$ 11,399,800</b>	<b>\$ 10,870,913</b>	<b>\$ 10,230,266</b>	<b>\$ 10,205,374</b>
<b>UNRESTRICTED INTERGOVERNMENTAL</b>								
UTILITIES SALES TAX	\$ 875,000	\$ 815,000	\$ 815,000	\$ 740,000	\$ 740,000	\$ 880,641	\$ 865,982	\$ 778,209
TELECOMMUNICATIONS SALES TAX	18,000	18,000	18,000	19,000	19,000	18,122	19,385	20,528
NATURAL GAS TAX	5,500	5,000	5,000	4,200	4,200	5,900	6,004	8,937
SOLID WASTE DISPOSAL TAX	2,500	2,400	2,400	2,400	2,400	2,524	2,524	2,590



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Revenues 2024-2025	Actual Revenues 2023-2024	Actual Revenues 2022-2023
VIDEO PROGRAMMING TAX	86,000	86,000	86,000	96,000	96,000	86,695	93,341	102,574
VIDEO PROGRAMMING TAX-PEG FUNDS	58,000	58,000	58,000	58,000	58,000	55,570	51,530	51,200
SALES AND USE TAX REIMBURSEMENT	400,000	-	400,000	-	-	-	-	-
BEER AND WINE	14,500	14,500	14,500	12,600	12,600	15,000	15,760	14,562
ABC REVENUE	29,000	29,000	29,000	28,800	28,800	29,427	31,302	28,808
<b>Subtotal Unrestricted Intergovernmental</b>	<b>\$ 1,488,500</b>	<b>\$ 1,027,900</b>	<b>\$ 1,427,900</b>	<b>\$ 961,000</b>	<b>\$ 961,000</b>	<b>\$ 1,093,879</b>	<b>\$ 1,085,828</b>	<b>\$ 1,007,408</b>
<b>RESTRICTED INTERGOVERNMENTAL</b>								
STATE STREET AID/POWELL BILL	\$ 150,000	\$ 150,000	\$ 150,000	\$ 130,000	\$ 159,954	\$ 159,954	\$ 146,696	\$ 132,185
FEMA GRANT	-	-	-	-	-	-	74,466	9,481
DEPARTMENT OF JUSTICE GRANT	-	-	-	-	-	-	843	2,504
HOMELAND SECURITY GRANT	-	-	-	-	-	-	9,713	11,109
NATIONAL FISH AND WILDLIFE GRANT	-	-	-	-	-	-	14,219	-
DRUG ENFORCEMENT SHARED REVENUE	-	-	-	-	-	59	5,246	9,583
DRUG ENFORCEMENT FED FUNDS	-	-	-	-	-	-	32,103	3,618
ASSISTANCE TO FIREFIGHTERS GRANT	-	-	-	-	-	-	-	67,268
US DEPARTMENT OF TREASURY GRANT	-	-	-	-	-	-	92,690	-
VISITORS BUREAU GRANT	16,250	65,000	65,000	190,974	363,451	363,451	358,400	12,500
GOVERNMENT ACCESS CHANNEL GRANT	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
WELLNESS GRANT	-	-	-	-	-	-	7,170	2,500
NC GOVERNORS CRIME COMMISSION	-	-	-	-	-	-	-	17,895
NC DEPT NATURAL AND CULTURAL RESOURCES	-	-	-	-	10,500	10,500	-	-
NC DEQ GRANTS	-	135,730	135,730	3,283,441	4,062,441	371,920	103,200	10,000
DOMINION GRANT	-	-	-	-	-	-	-	17,723
NC COASTAL AREAS MANAGEMENT GRANT	-	207,668	207,668	-	89,313	89,313	204,500	40,500
NC EMERGENCY MANAGEMENT GRANT	-	-	-	-	-	-	-	-
GOLDEN LEAF GRANT	-	-	-	748,850	478,850	-	250,000	-
NC DEPARTMENT OF COMMERCE	-	-	-	650,000	650,000	-	-	-
CONTRIBUTION FROM DARE COUNTY	24,000	24,000	24,000	24,000	24,000	24,000	648,000	600,000
NC GRANT- SCHOOL RESOURCE OFFICER	36,000	30,000	30,000	25,000	25,000	36,666	36,666	27,347
ABC REVENUE-SCHOOL RESOURCE OFFICER	-	-	-	-	3,000	3,000	-	-
CONTRIBUTIONS - FIRE RANGE	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
NC DEPARTMENT OF AGRICULTURE GRANT	-	-	-	-	-	-	-	2,324
<b>Subtotal Restricted Intergovernmental</b>	<b>\$ 235,250</b>	<b>\$ 621,398</b>	<b>\$ 621,398</b>	<b>\$ 5,061,265</b>	<b>\$ 5,875,509</b>	<b>\$ 1,067,863</b>	<b>\$ 1,992,912</b>	<b>\$ 975,537</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Revenues 2024-2025	Actual Revenues 2023-2024	Actual Revenues 2022-2023
<b>PERMITS &amp; FEES</b>								
AUTOMOBILE LICENSES	\$ 880	\$ 880	\$ 880	\$ 1,000	\$ 1,000	\$ 889	\$ 1,755	\$ 776
BEACH DRIVING PERMITS	21,000	21,000	21,000	24,800	24,800	21,852	25,902	34,052
BUILDING PERMITS	260,000	250,000	250,000	240,000	240,000	290,000	248,075	257,124
CAMA PERMITS	3,000	3,000	3,000	4,000	4,000	3,200	3,900	4,400
MINOR PERMIT REIMBURSEMENT NC	3,300	3,250	3,250	3,250	3,250	3,305	3,800	3,685
CART ROLL BACK FEE	230,000	227,750	227,750	223,000	223,000	230,800	226,250	222,925
REVIEW FEES	14,850	14,850	14,850	25,000	25,000	14,850	36,910	41,700
INITIAL ALARM FEES	-	-	-	-	-	-	50	-
RENEWAL ALARM FEES	25	25	25	25	25	50	75	50
POLICE ALARM VIOLATIONS	-	-	-	-	-	-	-	25
ADMIN FACILITY FEE	10,000	10,000	10,000	10,000	43,320	42,894	8,426	8,808
FIRE FACILITY FEE	10,000	10,000	10,000	10,000	18,271	11,183	2,605	3,218
POLICE FACILITY FEE	10,000	10,000	10,000	10,000	23,485	16,417	2,623	3,241
SANITATION FACILITY FEE	10,000	10,000	10,000	10,000	10,000	7,292	1,412	1,744
RECREATION FACILITY FEE	10,000	10,000	10,000	10,000	34,882	30,316	4,862	6,006
FIRE NEW CONSTRUCTION FEES	300	300	300	100	100	375	900	700
FIRE TENT FEE	1,575	1,575	1,575	1,100	1,100	2,775	2,025	1,575
FIRE HYDRANT TESTING FEES	750	500	500	250	250	750	500	750
PIT FIRE FEES	16,000	15,000	15,000	15,000	15,000	14,670	17,440	14,581
COURT COST, FEES, CHARGES	2,800	2,700	2,700	2,700	2,700	3,893	2,759	2,747
CIVIL PENALTIES	-	-	-	-	-	-	95,500	400
CIVIL PENALTIES PUBLIC SAFETY	4,000	3,800	3,800	4,250	4,250	3,850	4,450	6,400
CROWD GATHERING PERMIT FEE	4,600	4,500	4,500	3,000	3,000	5,040	4,155	4,900
<b>Subtotal Permits &amp; Fees</b>	<b>\$ 613,080</b>	<b>\$ 599,130</b>	<b>\$ 599,130</b>	<b>\$ 597,475</b>	<b>\$ 677,433</b>	<b>\$ 704,401</b>	<b>\$ 694,374</b>	<b>\$ 619,807</b>
<b>INVESTMENT EARNINGS</b>								
INTEREST ON CASH/INVESTMENTS	\$ 298,000	\$ 250,000	\$ 250,000	\$ 200,000	\$ 200,000	\$ 298,000	\$ 725,384	\$ 123,996



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Revenues 2024-2025	Actual Revenues 2023-2024	Actual Revenues 2022-2023
<b>OTHER REVENUE</b>								
RENTS	\$ 246,327	\$ 220,727	\$ 220,727	\$ 205,595	\$ 205,595	\$ 207,927	\$ 271,703	\$ 280,665
PURCHASE DISCOUNTS	4,000	3,500	3,500	3,500	3,500	7,828	6,351	3,656
CONTRIBUTIONS	100,000	100,000	100,000	135,000	135,000	135,000	100,000	1,900
CONTRIBUTIONS POLICE	-	-	-	-	-	-	-	200
CONTRIBUTIONS FIRE/RESCUE	6,186	6,186	6,186	6,500	13,000	15,276	9,971	9,336
DONATIONS - ADOPT A BENCH	-	-	-	-	-	620	5,150	4,215
MISCELLANEOUS REVENUES	14,412	13,686	13,686	16,000	16,000	14,780	17,089	19,210
MISC REVENUES - RECYCLABLES	10,000	8,000	8,000	8,000	8,000	10,176	8,220	15,409
SPONSORSHIPS	-	-	-	1,100	1,100	1,300	3,000	200
SPECIAL EVENTS	22,350	22,000	22,000	23,000	23,000	22,350	22,375	23,930
<b>Subtotal Other Revenue</b>	<b>\$ 403,275</b>	<b>\$ 374,099</b>	<b>\$ 374,099</b>	<b>\$ 398,695</b>	<b>\$ 405,195</b>	<b>\$ 415,257</b>	<b>\$ 443,859</b>	<b>\$ 358,721</b>
<b>SALES &amp; SERVICES</b>								
SALE OF MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 157	\$ 300	\$ 460
SALE OF DUMPSTERS	48,000	45,000	45,000	45,000	45,000	48,000	49,435	55,595
SALE OF AUTOMATED CARTS	26,000	25,000	25,000	30,000	30,000	25,825	28,355	29,010
SALE OF SIGNS	-	-	-	-	-	330	360	262
SALE OF TOWN FLAGS	-	-	-	-	-	125	-	550
<b>Subtotal Sales &amp; Services</b>	<b>\$ 74,000</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 74,437</b>	<b>\$ 78,450</b>	<b>\$ 85,877</b>
<b>OTHER FINANCE SOURCES</b>								
PROCEEDS FROM LOAN	\$ -	\$ -	\$ -	\$ -	\$ 2,943,796	\$ 2,943,796	\$ -	\$ -
TRANSFERS CAP RESERVE FUND	246,000	365,958	365,958	384,380	384,380	348,458	2,790,923	3,146,286
TRANSFERS CAPITAL INVESTMENT FUND	4,228,069	4,075,176	4,075,176	9,662,406	9,750,581	5,005,953	5,517,446	4,303,533
SALE OF CAPITAL ASSETS	10,000	10,000	10,000	30,000	2,330,000	2,309,215	22,346	119,048
INSURANCE RECOVERY	-	-	-	-	-	8,960	21,632	4,618
OTHER FINANCE SOURCES	-	327,218	327,218	-	-	-	70,795	302,881
APPROPRIATED FUND BALANCE	577,415	400,000	49,828	400,000	1,729,491	-	-	-
<b>Subtotal Other Finance Sources</b>	<b>\$ 5,061,484</b>	<b>\$ 5,178,352</b>	<b>\$ 4,828,180</b>	<b>\$ 10,476,786</b>	<b>\$ 17,138,248</b>	<b>\$ 10,616,382</b>	<b>\$ 8,423,142</b>	<b>\$ 7,876,366</b>
<b>TOTAL</b>	<b>\$ 32,180,017</b>	<b>\$ 31,430,569</b>	<b>\$ 32,080,672</b>	<b>\$ 41,165,256</b>	<b>\$ 48,727,420</b>	<b>\$ 37,215,711</b>	<b>\$ 35,711,817</b>	<b>\$ 31,899,455</b>



EXPENDITURES BY ACCOUNT

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>ADMINISTRATIVE</b>								
<i>Subtotal Administrative</i>	<b>\$ 47,810</b>	<b>\$ 46,417</b>	<b>\$ 46,417</b>	<b>\$ 45,065</b>	<b>\$ 45,065</b>	<b>\$ 39,548</b>	<b>\$ 43,332</b>	<b>\$ 40,704</b>
<b>PERSONNEL SERVICES</b>								
<b>SALARIES/WAGES - REGULAR</b>	\$ 9,772,555	\$ 9,199,401	\$ 9,199,401	\$ 8,739,335	\$ 8,729,095	\$ 8,733,772	\$ 8,237,849	\$ 7,469,962
<b>SALARIES - LONGEVITY PAY</b>	239,286	218,021	218,021	213,330	213,330	22,437	-	4,902
<b>SALARIES/WAGES - PARTTIME</b>	854,936	841,596	841,596	782,729	798,729	742,335	683,465	577,418
<b>OVERTIME PAY</b>	77,351	49,641	49,641	91,401	91,401	-	-	-
<b>HOLIDAY PAY</b>	161,218	159,103	159,103	139,745	139,745	-	-	-
<b>FICA TAX</b>	846,882	803,830	803,830	766,536	766,536	696,216	648,626	587,986
<b>GROUP HEALTH INSURANCE</b>	2,202,754	2,101,403	2,101,403	1,662,979	1,662,979	1,726,205	1,467,602	1,307,098
<b>RETIRES GROUP HEALTH INSUR</b>	113,200	113,105	113,105	151,590	151,590	151,497	144,521	145,235
<b>RETIREMENT</b>	1,084,500	1,024,816	1,024,816	931,125	931,125	875,672	782,019	679,482
<b>RETIREMENT LAW ENFORCEMENT</b>	415,379	389,249	389,249	348,908	348,908	322,813	293,932	236,217
<b>UNEMPLOYMENT</b>	7,500	7,500	7,500	7,500	7,500	4,470	2,580	5,353
<b>401 K</b>	377,875	357,079	357,079	341,401	341,401	325,683	304,942	223,110
<b>401 K LAW ENFORCEMENT</b>	130,294	122,098	122,098	115,993	115,993	107,510	104,404	90,304
<b>EMPLOYEE WELLNESS</b>	18,000	18,000	18,000	14,600	14,600	15,687	12,293	12,870
<b>POLICE SEPARATION ALLOWANCE</b>	40,313	37,448	37,448	42,852	42,852	42,834	42,834	51,837
<b>IMPLEMENTATION OF PAY PLAN</b>	250,000	-	-	-	-	-	-	-
<i>Subtotal Personnel Services</i>	<b>\$ 16,592,042</b>	<b>\$ 15,442,289</b>	<b>\$ 15,442,289</b>	<b>\$ 14,350,024</b>	<b>\$ 14,355,784</b>	<b>\$ 13,767,130</b>	<b>\$ 12,725,067</b>	<b>\$ 11,391,774</b>
<b>OPERATIONS</b>								
<b>PLANNING BOARD FEES</b>	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,080	\$ 7,080	\$ 7,080
<b>BOARD OF ADJUSTMENT FEES</b>	2,500	2,500	2,500	2,500	2,500	1,050	1,130	430
<b>TRAINING</b>	142,299	146,729	146,729	137,523	137,523	114,656	87,618	84,701
<b>COMPUTER TRAINING</b>	3,500	3,500	3,500	7,500	7,500	-	-	-
<b>SAFETY TRAINING</b>	4,869	4,869	4,869	3,619	3,619	3,639	3,461	3,002
<b>OSHA COMPLIANCE COSTS</b>	4,465	4,465	4,465	4,400	4,400	4,432	2,332	3,916
<b>BUILDING/EQUIPMENT RENTAL</b>	42,077	41,999	41,999	39,766	44,766	46,196	38,476	39,866
<b>TELEPHONE</b>	39,061	39,061	39,061	35,292	35,292	34,940	30,734	31,981
<b>INTERNET COSTS</b>	12,680	12,680	12,680	11,000	11,000	10,950	10,950	13,908
<b>UTILITIES</b>	304,845	294,440	294,440	236,375	236,375	285,670	235,875	209,513
<b>POSTAGE</b>	14,750	14,750	14,750	13,775	13,775	11,468	14,191	12,939
<b>ADVERTISING</b>	12,425	12,425	12,425	13,275	13,275	6,781	7,342	9,040
<b>PRINTING</b>	19,370	20,370	20,370	9,170	9,170	5,407	7,769	7,739
<b>TIPPING FEES</b>	828,148	828,148	828,148	882,657	882,657	791,389	797,479	817,785



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
FUEL COSTS	283,375	278,100	278,100	323,050	323,050	248,876	309,626	313,886
STREET SUPPLIES	50,000	50,000	50,000	40,100	40,100	34,369	27,128	4,388
DEPARTMENT SUPPLIES	318,063	332,719	332,719	312,259	336,478	323,217	413,643	311,125
OTHER SUPPLIES	69,768	76,128	76,128	69,758	73,258	70,690	53,718	48,561
OTHER SUPPLIES - COMPUTER	45,040	35,990	35,990	76,203	77,333	70,081	118,995	24,843
MAINT/REPAIR BUILDINGS	103,235	114,535	114,535	144,985	213,185	211,482	148,934	123,088
MAINT/REPAIR EQUIPMENT	125,584	137,599	137,599	116,376	140,372	116,526	75,785	101,281
MAINT/REPAIR FIRING RANGE	4,000	4,000	4,000	4,000	20,613	20,613	4,838	5,376
VEHICLE MAINTENANCE	231,285	230,235	230,235	234,380	278,427	271,247	197,815	186,427
MAINT/REPAIR OTHER	69,000	69,000	69,000	89,500	89,500	83,632	89,646	94,700
UNIFORMS	95,495	94,928	94,928	88,848	99,208	96,088	80,175	70,529
PROFESSIONAL FEES	368,049	419,020	419,020	350,695	386,163	362,562	239,014	247,188
FINES & FORFEITURES BOC	9,500	9,500	9,500	7,500	7,500	7,500	9,191	6,388
PROF FEES/WATER QUALITY TESTING	2,200	2,200	2,200	2,200	2,200	1,740	1,740	2,165
INCENTIVE PAY	6,500	6,500	6,500	5,000	5,000	4,467	3,112	4,132
SIGNS	17,000	30,050	30,050	27,500	27,500	25,993	36,060	32,670
SPECIAL PROJECTS SAND FENCING	24,000	24,000	24,000	24,000	24,000	24,000	48,000	-
CONTRACTED SERVICES	704,478	705,942	705,942	665,235	672,340	653,751	632,941	712,626
CONTRACTED SERVICES - WEBSITE	19,040	18,304	18,304	13,220	13,220	15,311	8,253	12,803
CONTRACTED SERVICES - GIS	11,415	11,415	11,415	11,115	11,115	8,539	11,518	10,692
CONTRACTED ANNUAL SUPPORT/MAIN	149,287	148,605	148,605	171,550	171,550	153,300	131,455	110,827
SPECIAL CONTRACTED SERVICES	8,500	8,500	8,500	7,000	7,000	6,921	7,773	6,903
PURCHASES FOR RESALE	63,600	62,500	62,500	102,600	113,439	112,968	69,170	77,638
RECYCLING	131,716	131,716	131,716	110,738	110,738	104,566	90,191	65,435
SPECIAL EVENTS	23,600	33,400	33,400	36,000	36,000	34,893	20,426	22,807
SPECIAL EVENTS - ART MASTS	-	-	-	-	-	-	2,580	-
SUPPLEMENTAL PENSION FUND	5,580	5,580	5,580	3,500	3,500	3,280	3,020	2,650
DUES AND SUBSCRIPTIONS	44,083	41,371	41,371	39,701	39,701	31,279	27,021	31,389
SALES AND USE TAX	400,000	-	400,000	-	-	-	-	-
INSURANCE	455,000	455,000	455,000	415,000	415,000	447,471	416,088	371,470
SPECIAL INVESTIGATIONS	8,000	8,000	8,000	6,000	6,000	6,000	7,175	8,484
CONTRIBUTION GOVT ACCESS CHANNEL	59,000	59,000	59,000	59,000	59,000	55,570	52,530	52,200
CONTRIBUTIONS MISCELLANEOUS	10,450	10,450	10,450	10,750	10,750	10,250	25,250	10,250
DOWDY PARK	-	-	-	30,000	30,000	30,000	17,814	21,589
<b>Subtotal Operations</b>	<b>\$ 5,354,072</b>	<b>\$ 5,047,463</b>	<b>\$ 5,447,463</b>	<b>\$ 5,001,855</b>	<b>\$ 5,252,332</b>	<b>\$ 4,970,840</b>	<b>\$ 4,625,061</b>	<b>\$ 4,336,410</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>COST REIMBURSEMENT FROM THE WATER DEPT</b>								
<b>COST REIMBURSEMENT</b>	\$ (870,693)	\$ (870,693)	\$ (870,693)	\$ (763,173)	\$ (763,173)	\$ (763,173)	\$ (844,329)	\$ (796,773)
<b>Subtotal Cost Reimbursement from the Water Dept</b>	<b>\$ (870,693)</b>	<b>\$ (870,693)</b>	<b>\$ (870,693)</b>	<b>\$ (763,173)</b>	<b>\$ (763,173)</b>	<b>\$ (763,173)</b>	<b>\$ (844,329)</b>	<b>\$ (796,773)</b>
<b>NON-CAPITAL OUTLAY</b>								
<b>BUILDINGS</b>	\$ -	\$ 37,901	\$ 37,901	\$ 86,455	\$ 108,303	\$ 108,303	\$ -	\$ -
<b>PROFESSIONAL FEES</b>	-	-	-	20,000	33,698	33,698	26,958	26,328
<b>PROFESSIONAL FEES IMPROVEMENTS</b>	80,000	80,000	80,000	80,000	80,000	80,000	71,246	74,994
<b>EQUIPMENT</b>	-	-	-	12,000	12,000	11,375	19,305	25,575
<b>CONTRACTED SERVICES</b>	55,167	53,560	53,560	32,759	51,999	51,999	-	-
<b>Subtotal Non-Capital Outlay</b>	<b>\$ 135,167</b>	<b>\$ 171,461</b>	<b>\$ 171,461</b>	<b>\$ 231,214</b>	<b>\$ 286,000</b>	<b>\$ 285,375</b>	<b>\$ 117,509</b>	<b>\$ 126,897</b>
<b>CAPTIAL OUTLAY</b>								
<b>LAND</b>	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
<b>BUILDING</b>								
<b>BUILDINGS</b>	90,000	100,000	100,000	-	1,667,992	1,667,992	952,611	238,402
<b>OTHER</b>	-	-	-	-	-	-	-	-
<b>IMPROVEMENTS</b>	296,000	467,958	467,958	1,345,680	2,216,232	2,216,232	651,578	199,581
<b>EQUIPMENT</b>	363,255	242,100	242,100	345,164	385,898	384,787	238,343	337,243
<b>SUBSCRIPTION ASSET</b>	-	333,817	333,817	-	-	-	105,595	433,672
<b>INFRASTRUCTURE</b>	306,450	235,730	235,730	4,897,663	5,091,832	435,379	1,092,215	1,806,465
<b>VEHICLE</b>	719,153	931,308	931,308	747,811	1,342,288	1,332,770	1,178,785	937,242
<b>Subtotal Capital Outlay</b>	<b>\$ 1,774,858</b>	<b>\$ 2,310,913</b>	<b>\$ 2,310,913</b>	<b>\$ 7,336,318</b>	<b>\$ 13,704,243</b>	<b>\$ 9,037,161</b>	<b>\$ 4,219,127</b>	<b>\$ 3,952,605</b>
<b>DEBT SERVICE</b>								
<b>PRINCIPAL</b>	\$ 1,777,439	\$ 1,723,016	\$ 1,723,016	\$ 1,823,355	\$ 2,425,730	\$ 2,425,730	\$ 3,357,481	\$ 3,627,712
<b>INTEREST</b>	836,605	749,897	749,897	695,799	697,403	697,403	907,259	223,685
<b>Subtotal Debt Service</b>	<b>\$ 2,614,044</b>	<b>\$ 2,472,913</b>	<b>\$ 2,472,913</b>	<b>\$ 2,519,154</b>	<b>\$ 3,123,133</b>	<b>\$ 3,123,133</b>	<b>\$ 4,264,740</b>	<b>\$ 3,851,397</b>
<b>INTERFUND</b>								
<b>TRANSFER TO CAPITAL RESERVE FUND</b>	\$ 3,482,717	\$ 3,374,806	\$ 3,624,909	\$ 3,279,164	\$ 3,359,122	\$ 2,941,873	\$ 3,747,009	\$ 3,730,136
<b>TRANSFER TO WATER FUND</b>	-	-	-	-	-	-	-	-
<b>TRANSFER TO CAPITAL INVESTMENT FUND</b>	2,900,000	3,285,000	3,285,000	9,015,635	9,285,914	4,629,461	6,614,519	6,058,223
<b>CONTINGENCY</b>	150,000	150,000	150,000	150,000	79,000	-	-	-
<b>Subtotal Interfund</b>	<b>\$ 6,532,717</b>	<b>\$ 6,809,806</b>	<b>\$ 7,059,909</b>	<b>\$ 12,444,799</b>	<b>\$ 12,724,036</b>	<b>\$ 7,571,334</b>	<b>\$ 10,361,528</b>	<b>\$ 9,788,359</b>
<b>Total</b>	<b>\$ 32,180,017</b>	<b>\$ 31,430,569</b>	<b>\$ 32,080,672</b>	<b>\$ 41,165,256</b>	<b>\$ 48,727,420</b>	<b>\$ 38,031,348</b>	<b>\$ 35,512,034</b>	<b>\$ 32,691,373</b>



EXPENDITURES BY PERCENTAGE

	<b>Adopted Budget 2025-2026</b>	<b>Adopted Budget 2024-2025</b>	<b>Adopted Net Change</b>	<b>Financial Plan 2026-2027</b>
ELECTED OFFICIALS	\$ 46,417	\$ 45,065	2.91%	\$ 47,810
PERSONNEL SERVICES	15,442,289	14,350,024	7.07%	16,592,042
OPERATIONS	5,447,463	5,001,855	8.18%	5,354,072
COST REIMBURSEMENT FROM THE WATER FUND	(870,693)	(763,173)	12.35%	(870,693)
NON-CAPITAL OUTLAY	171,461	231,214	-34.85%	135,167
CAPITAL OUTLAY	2,310,913	7,336,318	-217.46%	1,774,858
DEBT SERVICE	<u>2,472,913</u>	<u>2,519,154</u>	-1.87%	<u>2,614,044</u>
SUB-TOTAL	25,020,763	28,720,457	-14.79%	25,647,300
INTERFUND TRANSFERS	6,909,909	12,294,799	-77.93%	6,382,717
CONTINGENCY	<u>150,000</u>	<u>150,000</u>	0.00%	<u>150,000</u>
<b>TOTAL</b>	<b><u>\$ 32,080,672</u></b>	<b><u>\$ 41,165,256</u></b>	<b>-28.32%</b>	<b><u>\$ 32,180,017</u></b>



	<b>Adopted Budget 2025-2026</b>	<b>Percentage of Total</b>	<b>Adopted Budget 2024-2025</b>	<b>Percentage of Total</b>	<b>Financial Plan 2026-2027</b>	<b>Percentage of Total</b>
ELECTED OFFICIALS	\$ 46,417	0.14%	\$ 45,065	0.11%	\$ 47,810	0.15%
PERSONNEL	15,442,289	48.14%	14,350,024	34.86%	16,592,042	51.56%
OPERATIONS	5,447,463	16.98%	5,001,855	12.15%	5,354,072	16.64%
COST REIMBURSEMENT FROM THE WATER FUND	(870,693)	-2.71%	(763,173)	-1.85%	(870,693)	-2.71%
NON-CAPITAL OUTLAY	171,461	0.53%	231,214	0.56%	135,167	0.42%
CAPITAL OUTLAY	2,310,913	7.20%	7,336,318	17.82%	1,774,858	5.52%
DEBT SERVICE	<u>2,472,913</u>	7.71%	<u>2,519,154</u>	6.12%	<u>2,614,044</u>	8.12%
SUB-TOTAL	25,020,763	77.99%	28,720,457	69.77%	25,647,300	79.70%
INTERFUND TRANSFERS	6,909,909	21.54%	12,294,799	29.87%	6,382,717	19.83%
CONTINGENCY	<u>150,000</u>	0.47%	<u>150,000</u>	0.36%	<u>150,000</u>	0.47%
<b>TOTAL</b>	<b><u>\$ 32,080,672</u></b>	<b>100.00%</b>	<b><u>\$ 41,165,256</u></b>	<b>100.00%</b>	<b><u>\$ 32,180,017</u></b>	<b>100.00%</b>



## DEPARTMENTAL BUDGETS

### GOVERNING BODY

#### DESCRIPTION

The Governing Body manages all expenditures related to Nags Head's Board of Commissioners, which is comprised of four commissioners elected to staggered four-year terms, and a mayor elected by popular vote to a four-year term.

The Board, responsible for establishing policy, initiating legislation, and providing for the general welfare of Nags Head's residents and visitors, meets the first Wednesday of each month and holds a mid-month recessed session on the third Wednesday of the month, as necessary.

During an existing or potential state of emergency, the mayor is empowered under G.S. 166A-19.31 to issue state of emergency proclamations to protect the lives and property of people more effectively. In addition, the mayor is also a member of the Senior Leaders in Dare County, which consists of the chairman of the Dare County Board of Commissioners, the six municipal mayors, the superintendent of Cape Hatteras National Seashore, and the Dare County sheriff. The Senior Leaders provide direction and control during multi-jurisdictional emergencies and disasters such as hurricanes.

#### RECENT ACCOMPLISHMENTS

- In October 2024, the Board and staff reconvened to update the 2024 Strategic Plan, which was adopted in February 2024, to guide the Town's direction. The implementation process includes comprehensive objectives and action items to meet the Town's goals, many of which are highlighted in each department's goals and projects. Detailed information on the plan and the update can be found at [NagsHeadNC.gov/StrategicPlan](https://NagsHeadNC.gov/StrategicPlan).
- Adopted the Beach Nourishment Master Plan and began implementation.
- Adopted the Multi-Family Development ordinance to address workforce housing needs. In addition, we continued to participate in the Dare Community Housing Task Force.
- Received \$4.5 million in grants for land conservation and shoreline restoration from the North Carolina Land and Water Fund. The grants include \$4 million for conservation easements on over 250 acres of maritime forest in Nags Head Woods and \$500,000 to restore 550 feet of public shoreline along Roanoke Sound.
- Began construction of the Town's first workforce housing project for Ocean Rescue staff as part of the Strategic Plan.
- Hired a lobbyist to support legislative and appropriations goals.



## GOALS AND UPCOMING PROJECTS

- Implementation of the strategic plan, including plans for capital projects, enhanced services, employee total rewards, and quality of life initiatives.
- Work with legislators to oppose regulating development at the state level and continuing to allow local governments to maintain that control at the local level.
- Continue to request appropriations from the state to support Town projects and initiatives.
- Nags Head representatives are participating in the [Our State, Our Homes program](#), launched by Carolina Across 100. An 18-month program, this initiative seeks to help communities develop capacity, analyze challenges, and implement strategies to address affordable housing and related issues in North Carolina.
- Continue to ensure public spaces are preserved and maintained equitably through recording a conservation easement at Nags Head Woods Preserve.

## FY 2025-2026 BUDGET HIGHLIGHTS

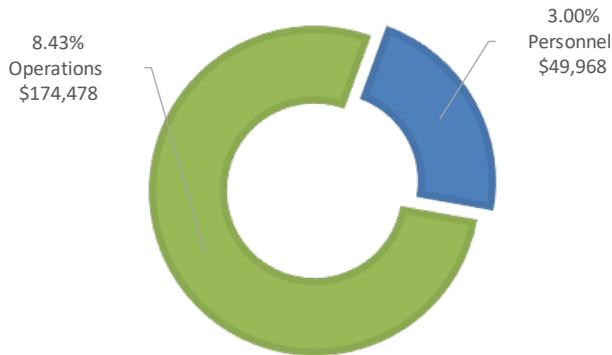
- Funds are included for the Government Access cable TV channel.
- Contributions reflect \$10,000 for environmental education/programming in Nags Head Woods in partnership with The Nature Conservancy.
- Funds of \$30,000 are included for a 4th of July fireworks display. Grant funds of \$15,000 from the Outer Banks Visitors Bureau are included to assist with costs associated with the display.
- Government Access Channel Local Programming Development Initiative grant funds will be used to create public service announcement videos that are also entertaining.
- The cost reimbursement of \$870,693 from the water fund to the general fund for indirect administrative costs is budgeted departmentally.



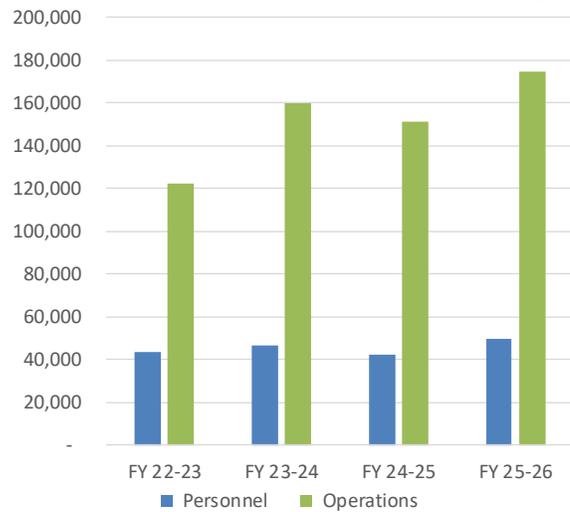
**BUDGET SUMMARY GOVERNING BODY**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 42,574	\$ 48,512	\$ 49,968	3.00%
Operations	151,103	160,914	174,478	8.43%
Capital Outlay	-	-	-	0.00%
<b>Subtotal</b>	193,677	209,426	224,446	7.17%
Cost Reimbursement	(14,150)	(14,150)	(17,929)	
<b>Total</b>	\$ 179,527	\$ 195,276	\$ 206,517	5.76%

Adopted Expenditures by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





**LINE-ITEM BUDGET GOVERNING BODY**

Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated		
	Plan	Recommended	Budget	Budget	Budget	Actual	Actual	Actual
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	Expenditures	Expenditures	Expenditures
						2024-2025	2023-2024	2022-2023
<b>ADMINISTRATIVE</b>								
FEES PAID - ELECTED OFFICIALS	\$ 47,810	\$ 46,417	\$ 46,417	\$ 45,065	\$ 45,065	\$ 39,548	\$ 43,332	\$ 40,704
FICA TAX	3,657	3,551	3,551	3,447	3,447	3,026	3,315	3,114
<b>Subtotal Administrative</b>	<b>\$ 51,467</b>	<b>\$ 49,968</b>	<b>\$ 49,968</b>	<b>\$ 48,512</b>	<b>\$ 48,512</b>	<b>\$ 42,574</b>	<b>\$ 46,647</b>	<b>\$ 43,818</b>
<b>OPERATIONS</b>								
TRAINING	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 1,334	\$ 1,887	\$ 1,225
BUILDING/EQUIPMENT RENTAL	-	-	-	50	50	3	2	7
POSTAGE	-	-	-	25	25	-	-	-
ADVERTISING	-	-	-	200	200	-	87	-
PRINTING	3,000	3,000	3,000	1,500	1,500	1,355	3,331	600
DEPARTMENT SUPPLIES	13,050	15,050	15,050	4,850	4,850	6,634	5,605	2,493
CONTRACTED SERVICES	66,000	68,700	68,700	63,750	63,750	63,750	59,011	46,128
SPECIAL EVENTS	3,000	4,300	4,300	4,600	4,600	3,493	3,853	1,142
DUES AND SUBSCRIPTIONS	10,378	10,378	10,378	12,589	12,589	8,714	8,503	8,159
CONTRIBUTION GOVT ACCESS CHANNEL	59,000	59,000	59,000	59,000	59,000	55,570	52,530	52,200
CONTRIBUTIONS MISCELLANEOUS	10,450	10,450	10,450	10,750	10,750	10,250	25,250	10,250
<b>Subtotal Operations</b>	<b>\$ 168,478</b>	<b>\$ 174,478</b>	<b>\$ 174,478</b>	<b>\$ 160,914</b>	<b>\$ 160,914</b>	<b>\$ 151,103</b>	<b>\$ 160,059</b>	<b>\$ 122,204</b>
<b>COST REIMBURSEMENT FROM THE WATER FUND</b>								
COST REIMBURSEMENT	\$ (17,929)	\$ (17,929)	\$ (17,929)	\$ (14,150)	\$ (14,150)	\$ (14,150)	\$ (16,487)	\$ (10,444)
<b>CAPITAL OUTLAY</b>								
CAPITAL OUTLAY EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,120	\$ -
<b>Totals</b>	<b>\$ 202,016</b>	<b>\$ 206,517</b>	<b>\$ 206,517</b>	<b>\$ 195,276</b>	<b>\$ 195,276</b>	<b>\$ 179,527</b>	<b>\$ 199,338</b>	<b>\$ 155,578</b>



## BOND DEBT

### DESCRIPTION

Debt was incurred to pay for the design and construction of the Public Services Complex, which became fully functional this year. Financing was provided through the Town's first public offering of a limited obligation bond (LOB), achieving Nags Head's first ever bond rating status. The financed cost of the project is \$15,505,000, with 80% funding from the general fund and 20% funding from the water fund. The general fund portion being financed is \$12,404,000, with an all-in true interest cost of 3.548410% on a 20-year principal repayment schedule, with the first principal repayment being made in fiscal year 2024/2025. The water fund portion being financed is \$3,101,000.

The completed Advanced Metering Infrastructure (AMI) project was also included in the financing package with the Public Services Complex. The debt payments for the meters are solely funded through the water fund. The total financed for the meters was \$1,605,000, with the same rate and structure.

### RECENT ACCOMPLISHMENTS

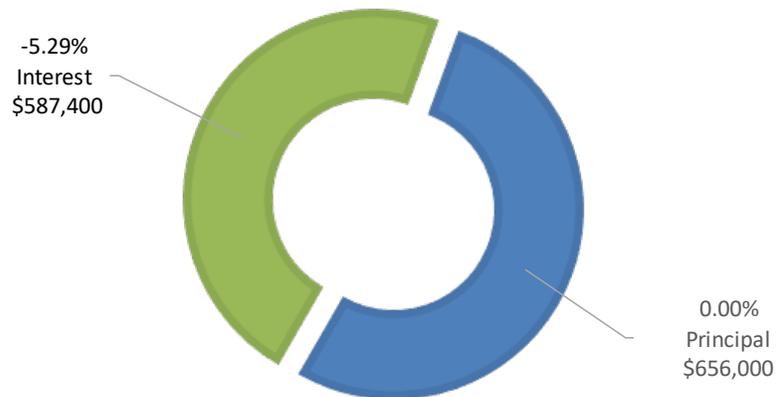
- Continued to use full-service financial advisors to plan for strategic long-term fiscal health and guidance through all aspects of the capital planning process, including our next beach nourishment project.
- Used the Capital Investment Fund (CIF), a capital reserve fund consolidated within the general fund, as a long-term planning tool to account for capital items and debt service payments, including the annual general fund portion of the LOBs financing. The CIF has allowed the Town to strategically plan for long-term capital expenditures and growth, while staying within its fund balance policy, to cover years with greater expenditures that exceed the Town's annual contribution.
- Maintained an Aa1 issuer rating from Moody's Investors Service. The Aa1 issuer rating reflects the Town's strong financial position, with environmental risks mitigated by the Town's robust finances and manageable long-term liabilities.
- Met arbitrage targets and maintained compliance for the past two years, spending over 95% of proceeds. We have plans to use the remaining 5% of funds before March 1, 2026. This means we will not likely be paying our total arbitrage rebate liability to the IRS that is currently accrued at \$425,118, allowing us to keep these funds to use towards the projects.



**BUDGET SUMMARY BOND DEBT**

<b>Expenditures By Type</b>				
<b>Type</b>	<b>FY 24-25 Estimated Actual</b>	<b>FY 24-25 Adopted Budget</b>	<b>FY 25-26 Adopted Budget</b>	<b>Percent Change</b>
Principal	\$ 656,000	\$ 656,000	\$ 656,000	0.00%
Interest	620,200	620,200	587,400	-5.29%
<b>Total</b>	<b>1,276,200</b>	<b>1,276,200</b>	<b>1,243,400</b>	<b>-2.57%</b>

Adopted Expenditures  
by Function 2025-2026/  
Percentage Change from FY 2024-2025





LINE-ITEM BUDGET BOND DEBT

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,276,000	\$ 2,276,000
INTEREST	-	-	-	-	-	-	35,050	105,151
<b>Subtotal Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,311,050</b>	<b>\$ 2,381,151</b>
<b>Capital Investment Fund Transfers</b>								
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ 656,000	\$ 656,000	\$ 656,000	\$ 656,000	\$ 656,000	\$ 656,000	\$ -	\$ -
INTEREST	554,600	587,400	587,400	620,200	620,200	620,200	775,250	-
<b>Subtotal Debt Service</b>	<b>\$ 1,210,600</b>	<b>\$ 1,243,400</b>	<b>\$ 1,243,400</b>	<b>\$ 1,276,200</b>	<b>\$ 1,276,200</b>	<b>\$ 1,276,200</b>	<b>\$ 775,250</b>	<b>\$ -</b>
<b>TOTAL</b>	<b>\$ 1,210,600</b>	<b>\$ 1,243,400</b>	<b>\$ 1,243,400</b>	<b>\$ 1,276,200</b>	<b>\$ 1,276,200</b>	<b>\$ 1,276,200</b>	<b>\$ 3,086,300</b>	<b>\$ 2,381,151</b>



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Bonds:</b>				
<b>Debt Service</b>				
Public Services Complex	23/24	\$ 12,404,000	\$ 1,243,400	\$ 1,210,600



## TOWN MANAGER

### DESCRIPTION

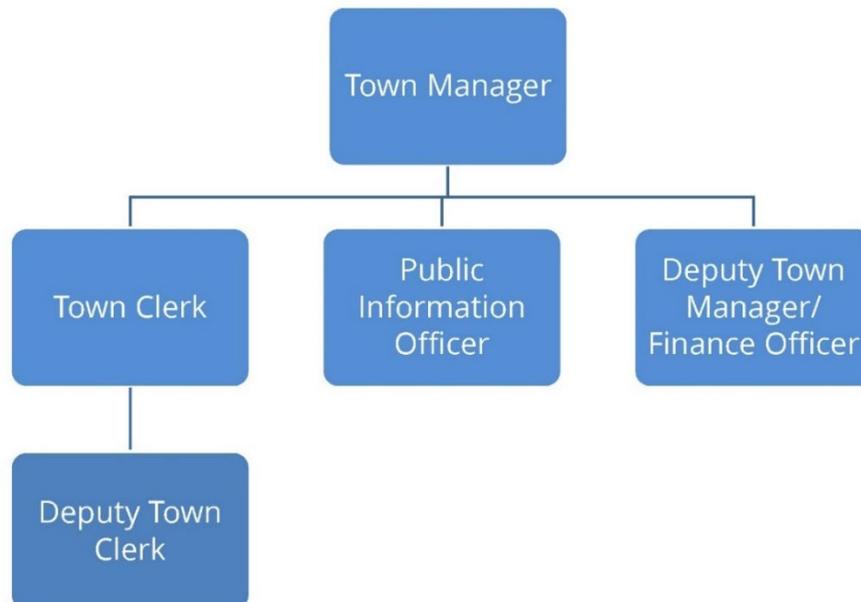
The town manager, appointed by the Board of Commissioners, is responsible for implementing the policies and programs set forth by the governing body, and ensuring compliance with state and federal laws and regulations. This department exercises management control over all operational departments, except for the town attorney.

The town clerk, operating under the town manager, is responsible for the duties established by North Carolina General Statutes, specifically to maintain the official records of the Town and to provide required public notice of all official meetings. Additionally, the town clerk is responsible for coordinating the staffing of all Board-appointed committees, updating the Town Code of Ordinances/Unified Development Ordinance (UDO), and recording the minutes for all board and committee meetings.

The public information officer, also part of this department, is responsible for managing the Town's external communications regarding policy/public information, and any assigned projects by the town manager.

The other employees in this department are the deputy town manager/finance officer, and the deputy town clerk.

### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- Continued with organizing and facilitating the Town's strategic planning process and implementation of recommendations.
- Initiated a master plan to project future needs and design recommendations to accommodate Town departments operating from the Town's main campus at 5401 South Croatan Highway, and facilities at 5314 South Croatan Highway and 105 West Seachase Drive. This project resulted in a long-term facilities plan and acquisition of property for future growth.
- The recommendations of the master plan resulted in several property transactions. First, the Town sold Dare County the 105 West Seachase property to build an EMS Station. Second, the County agreed to purchase the Town's portion of the Soundside Event Site, for which the Town will be reimbursed over ten years. Third, these two sales allowed the Town to acquire a nine-acre parcel for future use including the replacement of Fire Station 16.
- Obtained and implemented a meeting agenda management tool to streamline preparation, execution, and follow-up, saving time and ensuring efficiency.
- Developed a short form video series concerning threats to the town's water quality.
- Produced a short film highlighting the history of Nags Head's Ocean Rescue to educate the public on ocean and beach safety through engaging storytelling.

## GOALS AND UPCOMING PROJECTS

- Continue to progress through the initiatives outlined in the Strategic Plan.
- Continue to work with the Board of Commissioners and the town's lobbyist to further the town's legislative priorities.
- Host a premiere of the Ocean Rescue short film, followed by public showings at Dowdy Park and other community venues, to expand educational outreach on ocean and beach safety through accessible and engaging programming.
- Crosstrain staff in the department to maintain service continuity and efficiency.
- Complete orientation package for new Board members.

## FY 2025-2026 BUDGET HIGHLIGHTS

- Departmentally funded salary and benefit costs include:
  - A 3.0% cost of living adjustment (COLA). Salary ranges will be adjusted for the COLA each year.
  - To move team members up the salary range, a performance-based within-grade-increase pay plan continues to be implemented. Employees whose salaries fall below the midpoint of their pay grade will receive a 2.5% increase and employees



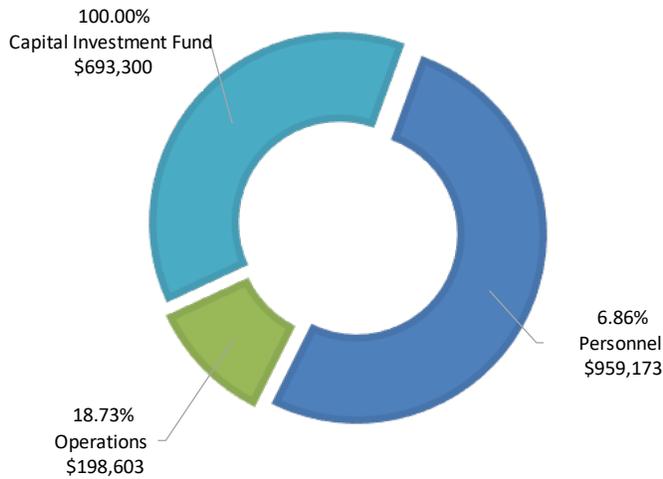
- whose salaries fall above the midpoint of their pay grade will receive a 1.25% increase.
- Funding is included to implement career progression programs, which have now been developed for all departments.
  - Aligning with our strategic plan, funds are included to implement a performance-based merit structure.
  - Because the North Carolina League of Municipalities Health Benefits Trust, our insurance administrator, is no longer providing coverage, health insurance premiums increased by 24%. A new network carrier has been selected, continuing to offer similar options including a high-deductible health plan with a health savings account.
  - Dependent health insurance is covered 80% by the Town for all employees.
  - Funds are included to continue the Town's non-law enforcement officer 401(k) contribution to 5% with no required match. By state statute, the sworn law enforcement officer 401(k) contribution from the Town is 5% with no required match.
- Professional fees include consulting assistance for design and legislative advisory services.
  - The town manager's contingency is budgeted at \$150,000, with \$100,000 for the general fund and \$50,000 for the capital investment fund.
  - Capital outlay includes \$175,000 to share half of the cost of a traffic signal at Lakeside Steet.
  - Debt service for building construction and design, as part of strategic plan implementation, includes:
    - Housing for Town staff, with a focus on Ocean Rescue.
    - Phase One of the Town Campus Master Plan, which includes a Town fitness facility.



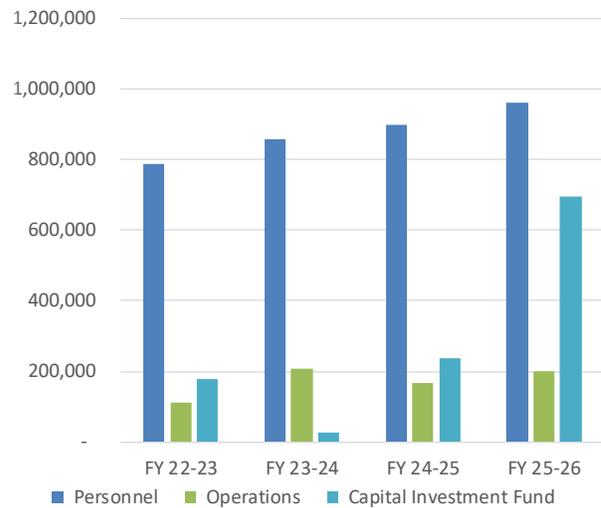
**BUDGET SUMMARY TOWN MANAGER**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 859,389	\$ 897,610	\$ 959,173	6.86%
Operations	183,463	167,277	198,603	18.73%
Capital Investment Fund	1,681,484	237,625	693,300	100.00%
<b>Subtotal</b>	2,724,336	1,302,512	1,851,076	42.12%
Cost Reimbursement	(125,164)	(125,164)	(154,173)	
<b>Total</b>	\$ 2,599,172	\$ 1,177,348	\$ 1,696,903	44.13%

Adopted Expenses  
by Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





LINE-ITEM BUDGET TOWN MANAGER

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 666,455	\$ 642,410	\$ 642,410	\$ 603,907	\$ 603,907	\$ 585,376	\$ 596,836	\$ 554,625
SALARIES - LONGEVITY PAY	9,888	9,524	9,524	15,942	15,942	15,942	-	-
FICA TAX	51,561	49,694	49,694	47,239	47,239	44,477	43,937	40,464
GROUP HEALTH INSURANCE	126,020	119,916	119,916	100,260	100,260	100,450	94,408	89,232
RETIREES GROUP HEALTH	10,481	11,932	11,932	15,159	15,159	13,887	14,731	14,364
RETIREMENT	96,719	93,217	93,217	84,228	84,228	69,609	76,174	66,624
401 K	33,700	32,480	32,480	30,875	30,875	29,648	29,677	21,707
<b>Subtotal Personnel Services</b>	<b>\$ 994,824</b>	<b>\$ 959,173</b>	<b>\$ 959,173</b>	<b>\$ 897,610</b>	<b>\$ 897,610</b>	<b>\$ 859,389</b>	<b>\$ 855,764</b>	<b>\$ 787,016</b>
<b>OPERATIONS</b>								
TRAINING	\$ 10,325	\$ 14,525	\$ 14,525	\$ 8,125	\$ 8,125	\$ 6,557	\$ 5,562	\$ 5,848
BUILDING/EQUIPMENT RENTAL	1,628	1,550	1,550	1,500	1,500	1,882	1,799	2,283
TELEPHONE	1,200	1,200	1,200	1,500	1,500	557	557	1,247
POSTAGE	1,000	1,000	1,000	1,000	1,000	230	151	50
ADVERTISING	7,600	7,600	7,600	7,500	7,500	4,963	5,627	6,838
PRINTING	8,200	8,200	8,200	-	-	-	375	378
FUEL COSTS	550	550	550	1,000	1,000	59	29,626	325
DEPARTMENT SUPPLIES	10,800	15,800	15,800	19,100	19,100	13,005	142,397	22,723
VEHICLE MAINTENANCE	-	-	-	-	-	-	-	-
PROFESSIONAL FEES	122,000	122,000	122,000	100,000	128,089	128,089	-	51,041
CONTRACTED SERVICES	19,950	19,750	19,750	22,000	23,400	23,370	17,640	15,303
DUES AND SUBSCRIPTIONS	6,040	6,428	6,428	5,552	5,552	4,751	4,768	6,264
<b>Subtotal Operations</b>	<b>\$ 189,293</b>	<b>\$ 198,603</b>	<b>\$ 198,603</b>	<b>\$ 167,277</b>	<b>\$ 196,766</b>	<b>\$ 183,463</b>	<b>\$ 208,501</b>	<b>\$ 112,300</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b><i>COST REIMBURSEMENT FROM THE WATER FUND</i></b>								
COST REIMBURSEMENT	\$ (154,173)	\$ (154,173)	\$ (154,173)	\$ (125,164)	\$ (125,164)	\$ (125,164)	\$ (123,670)	\$ (138,395)
<b>Capital Investment Fund Transfers</b>								
<b><i>NON-CAPITAL OUTLAY</i></b>								
PROFESSIONAL FEES	\$ -	\$ -	\$ -	\$ -	\$ 13,492	\$ 13,492	\$ 25,592	\$ 17,900
<b><i>CAPITAL OUTLAY</i></b>								
EQUIPMENT	\$ -	\$ 175,000	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -
BUILDING	-	-	-	-	1,667,992	1,667,992	-	144,697
INFRASTRUCTURE	-	-	-	-	-	-	-	14,149
<b>Subtotal Capital Outlay</b>	\$ -	\$ 175,000	\$ 175,000	\$ -	\$ 1,667,992	\$ 1,667,992	\$ -	\$ 158,846
<b><i>DEBT SERVICE</i></b>								
PRINCIPAL	\$ 457,725	\$ 457,725	\$ 457,725	\$ 237,625	\$ -	\$ -	\$ -	\$ 2,944
INTEREST	189,711	60,575	60,575	-	-	-	-	6
<b>Subtotal Debt Service</b>	\$ 647,436	\$ 518,300	\$ 518,300	\$ 237,625	\$ -	\$ -	\$ -	\$ 2,950
<b>TOTAL</b>	\$ 1,677,380	\$ 1,696,903	\$ 1,696,903	\$ 1,177,348	\$ 2,650,696	\$ 2,599,172	\$ 966,186	\$ 940,617



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Town Manager:</b>				
<b>Capital Outlay</b>				
Lakeside Street traffic signal	25/26	\$ 175,000	\$ 175,000	\$ -
<b>Debt Service</b>				
Ocean Rescue housing-Outer Banks Medical Center	24/25	\$ 1,402,192	\$ 216,375	\$ 209,644
Town Hall Campus Master Plan (Fitness Center)	25/26	3,019,250	301,925	437,792
		\$ 4,421,442	\$ 518,300	\$ 647,436



## LEGAL

### DESCRIPTION

The primary goal of the Legal Department is to provide legal services to the Town. These services include a wide range of legal matters such as litigation, real estate transactions, and drafting legal documents and ordinances. The Legal Department consists of the town attorney and the attorney's firm, paid for by a monthly retainer.

The town attorney is the primary legal advisor for the Board of Commissioners, Town staff, and Town boards, and is appointed directly by the Board of Commissioners. The Town's Board of Adjustments is represented by a separate attorney.



LINE-ITEM BUDGET LEGAL

Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Recommended	Budget	Budget	Budget	Actual	Expenditures	Expenditures	Expenditures
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	2024-2025	2024-2025	2023-2024	2022-2023
<b>OPERATIONS</b>									
PROFESSIONAL FEES	\$ 145,000	\$ 145,000	\$ 145,000	\$ 150,000	\$ 150,000	\$ 134,095	\$ 98,586	\$ 121,716	
<b>COST REIMBURSEMENT FROM THE WATER FUND</b>									
COST REIMBURSEMENT	\$ (14,343)	\$ (14,343)	\$ (14,343)	\$ (17,039)	\$ (17,039)	\$ (17,039)	\$ (29,914)	\$ (19,704)	
<b>TOTAL</b>	<b>\$ 130,657</b>	<b>\$ 130,657</b>	<b>\$ 130,657</b>	<b>\$ 132,961</b>	<b>\$ 132,961</b>	<b>\$ 117,056</b>	<b>\$ 68,672</b>	<b>\$ 102,012</b>	



## ADMINISTRATIVE SERVICES

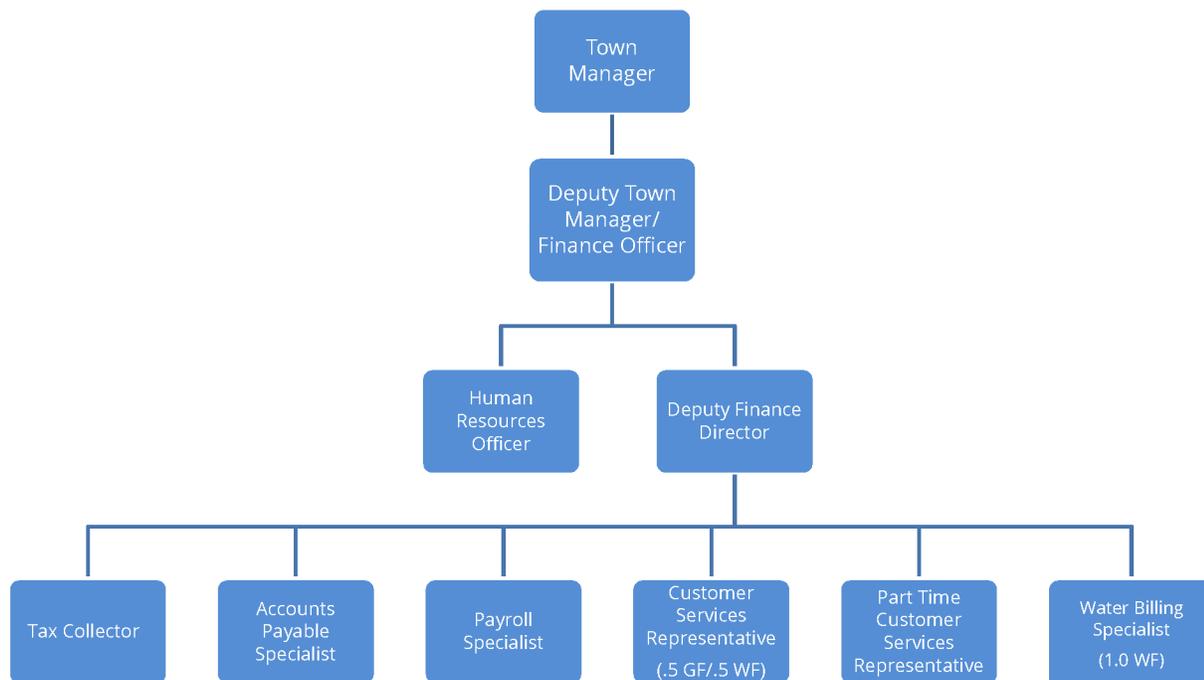
### DESCRIPTION

The Administrative Services Department is responsible for accounting, financial reporting, and human resources.

The Accounting, Collections, and General Administration section is responsible for general ledger accounting, budgeting, financial reporting, tax, business license/registration, and utility billing as well as collections, treasury management, beach driving permit administration, fixed asset administration, payroll processing, and purchasing. This section is also responsible for greeting and assisting the public, answering incoming calls, forwarding them to the appropriate people, accepting and processing customer payments, bank deposits, and processing all Town mail.

Human Resources is responsible for developing and implementing human resources programs that directly contribute to achieving Town objectives. Activities may include employee development, benefit program creation and administration, engagement initiatives, employee relations, talent acquisition, recognition initiatives, compensation administration, policy development, and enhanced internal communications.

### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

### ADMINISTRATIVE SERVICES

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- Recognized by the Government Finance Officers Association (GFOA) for the Administrative Services Department's fiscal year 2023 reporting. A Certificate of Achievement for Excellence in Financial Reporting was awarded for the fiscal year 2023 Annual Comprehensive Financial Report (ACFR) for the eighth consecutive year, as well as an Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for fiscal year 2023 for the seventh consecutive year.
- Recognized by the Government Finance Officers Association with the Distinguished Budget Presentation Award for the fiscal year 2025 budget for the third consecutive year.
- For the third time, received the GFOA Triple Crown, which recognizes governments that have received the GFOA's Certificate of Achievement for Excellence in Financial Reporting, the Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award.
- Developed a concise two-page "Budget in Brief" to accompany the FY 24/25 main budget document, highlighting key initiatives and major takeaways to enhance transparency and public understanding.
- Fiscal Year 2024 audited unassigned fund balance was above our maximum of 35%; therefore \$270,279 was transferred to the Capital Investment Fund per our policy.

### HUMAN RESOURCES

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- Implemented new Performance Management Software. This provides more valuable feedback, motivating high performers, and creating efficiency in our process.
- Implemented a new townwide safety training program, demonstrating to staff that *Our People Matter* (one of our Core Values) with proactive training measures.
- Changed medical carrier from MedCost to Aetna, providing faster claims processing, better pharmacy benefits, and larger medical networks.
- Implemented a new CDL Driver compliance related program, ensuring the Town is compliant with CDL regulations.
- Maintained low staff regrettable turnover at 6%.

## GOALS AND UPCOMING PROJECTS

### ADMINISTRATIVE SERVICES

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- Receive GFOA's Triple Crown for the fourth year in a row.
- Maintain the Town's Aa1 issuer rating from Moody's Investor Service.



- Continue to monitor Key Performance Indicators that align goals and priorities with those of the Town to ensure community needs are being met. Establish new metrics as necessary to facilitate informed decision making.
- Continue to partner with consultants to evaluate grant strategies and identify funding opportunities that leverage resources.
- Work with a brokerage firm for all insurance types to ensure the Town is receiving the best solutions for its specific needs.

**HUMAN RESOURCES**

- Provide a comprehensive total rewards package that includes competitive compensation, development opportunities, staff recognition, and benefits.
- Continue to develop a work environment where individuals feel valued and appreciated.
- Introduce a merit-based recognition incentive.
- Manage a medical carrier change from Aetna to BCBS of North Carolina.

Metrics Description	FY22-23	FY23-24	FY24-25 Projection	FY25-26 Budget / Goal
<b>Administrative Services:</b>				
General Government Bond rating for Moody's	Aa1	Aa1	Aa1	Aa1
GFOA distinguished budget presentation award	Yes	Yes	Yes	Yes
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting	Yes	Yes	Yes	Yes
<b>Human Resources:</b>				
Voluntary Turnover	19%	7%	5%	5%
New/enhanced technology (count)	1	1	1	1
Engagement Survey Favorable :				
Proud to work for the town	84%	96%	No Survey	95%
Recommend Town as a great place to work	78%	78%	No Survey	95%
Satisfaction with medical, dental & vision benefits	74%	81%	No Survey	95%



## FY 2025-2026 BUDGET HIGHLIGHTS

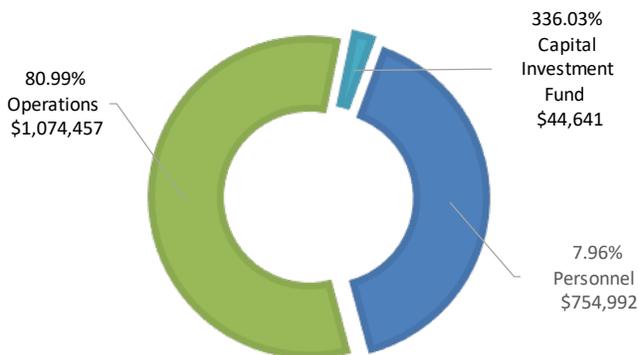
- The General Fund proportionate share of insurance, including workers' compensation, general property and liability, and flood, are centrally budgeted at \$455,000 in Administrative Services.
- Funding for a salary study is budgeted.
- Professional fees include recurring annual services for the audit, trustee and ratings fees associated with the local obligation bond rating, other post-employment benefits, and law enforcement officer special separation allowance actuarial valuations.
- Funds are included for Team Advocacy Group initiatives such as team member activities and events, town-wide staff meetings, and wellness center equipment.
- Contracted services include pre-employment screenings, financial safekeeping services, an Employee Assistance Program, and annual financial administration subscription services.
- Debt service and capital outlay include a subscription-based information technology arrangement for debt, lease, and subscription management software in compliance with GASB 87 and 96.
- Budgeted as interfund transfers:
  - The General Fund transfer to the Capital Investment Fund is \$3,285,000.
  - General Fund transfers to the Capital Reserve Fund total \$3,374,806 and include townwide and municipal service district (MSD) beach nourishment taxes, sales tax received as a result of the MSD levy, facility fees, and [grants](#) towards beach access improvements.



**BUDGET SUMMARY ADMINISTRATIVE SERVICES**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adpoted	Percent Change
Personnel	\$ 667,013	\$ 699,353	\$ 754,992	7.96%
Operations	628,484	593,650	1,074,457	80.99%
Capital Investment Fund	11,228	10,238	44,641	336.03%
<b>Subtotal</b>	1,306,725	1,303,241	1,874,090	43.80%
Cost Reimbursement	(98,873)	(98,873)	(109,589)	
<b>Total</b>	\$ 1,207,852	\$ 1,204,368	\$ 1,764,501	46.51%

Adopted Expenditures  
by Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





**LINE-ITEM BUDGET ADMINISTRATIVE SERVICES**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 497,420	\$ 477,221	\$ 477,221	\$ 459,464	\$ 459,464	\$ 436,168	\$ 430,868	\$ 416,981
SALARIES - LONGEVITY PAY	7,036	5,758	5,758	6,495	6,495	6,495	-	-
SALARIES/WAGES - PARTTIME	25,920	25,165	25,165	23,836	23,836	21,146	22,016	-
FICA TAX	38,754	38,754	38,754	37,350	37,350	34,405	33,414	30,547
GROUP HEALTH INSURANCE	107,439	107,439	107,439	78,144	78,144	82,233	63,778	59,990
RETIREMENT	69,084	69,084	69,084	63,344	63,344	60,063	55,460	48,227
UNEMPLOYMENT	7,500	7,500	7,500	7,500	7,500	4,470	2,580	5,353
401 K	24,071	24,071	24,071	23,220	23,220	22,033	21,626	15,840
IMPLEMENTATION OF PAY PLAN	250,000	-	-	-	-	-	-	-
<b>Subtotal Personnel Services</b>	<b>\$ 1,027,224</b>	<b>\$ 754,992</b>	<b>\$ 754,992</b>	<b>\$ 699,353</b>	<b>\$ 699,353</b>	<b>\$ 667,013</b>	<b>\$ 629,741</b>	<b>\$ 576,938</b>
<b>OPERATIONS</b>								
EMPLOYEE WELLNESS	\$ 18,000	\$ 18,000	\$ 18,000	\$ 14,600	\$ 14,600	\$ 15,687	\$ 12,293	\$ 12,870
TRAINING	10,515	10,515	10,515	11,515	11,515	7,593	5,730	8,532
BUILDING/EQUIPMENT RENTAL	10,325	10,325	10,325	9,040	9,040	8,809	7,206	7,645
POSTAGE	6,500	6,500	6,500	6,000	6,000	5,793	11,167	5,335
ADVERTISING	1,000	1,000	1,000	1,750	1,750	370	370	698
FUEL COSTS	550	550	550	1,300	1,300	295	352	387
DEPARTMENT SUPPLIES	11,050	11,050	11,050	10,000	10,000	10,234	7,100	7,467
MAINT/REPAIR EQUIPMENT	800	1,000	1,000	800	800	789	385	374
VEHICLE MAINTENANCE	1,000	1,000	1,000	1,000	1,000	158	58	341
PROFESSIONAL FEES	53,814	104,400	104,400	54,560	58,708	58,078	46,332	42,945
FINES & FORFEITURES BOC	9,500	9,500	9,500	7,500	7,500	7,500	9,191	6,388
CONTRACTED SERVICES	32,532	32,532	32,532	49,000	54,512	54,512	40,245	48,182
SPECIAL CONTRACTED SERVICES	8,500	8,500	8,500	7,000	7,000	6,921	7,773	6,903
PURCHASES FOR RESALE	2,600	2,600	2,600	2,600	2,600	2,129	3,398	2,430
DUES AND SUBSCRIPTIONS	1,985	1,985	1,985	1,985	1,985	2,145	1,760	1,735
SALES AND USE TAX	400,000	-	400,000	-	-	-	-	-
INSURANCE	455,000	455,000	455,000	415,000	415,000	447,471	416,088	371,470
<b>Subtotal Operations</b>	<b>\$ 1,023,671</b>	<b>\$ 674,457</b>	<b>\$ 1,074,457</b>	<b>\$ 593,650</b>	<b>\$ 603,310</b>	<b>\$ 628,484</b>	<b>\$ 569,447</b>	<b>\$ 523,702</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b><i>COST REIMBURSEMENT FROM THE WATER FUND</i></b>								
COST REIMBURSEMENT	\$ (109,589)	\$ (109,589)	\$ (109,589)	\$ (98,873)	\$ (98,873)	\$ (98,873)	\$ (126,097)	\$ (108,288)
<b>Capital Investment Fund Transfers</b>								
<b><i>CAPITAL OUTLAY</i></b>								
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ 990	\$ 990	\$ 3,065	\$ 3,790
SUBSCRIPTION ASSET	-	33,891	33,891	-	-	-	-	25,846
VEHICLE	-	-	-	-	-	-	43,394	-
<b>Subtotal Capital Outlay</b>	<b>\$ -</b>	<b>\$ 33,891</b>	<b>\$ 33,891</b>	<b>\$ -</b>	<b>\$ 990</b>	<b>\$ 990</b>	<b>\$ 46,459</b>	<b>\$ 29,636</b>
<b><i>DEBT SERVICE</i></b>								
PRINCIPAL	\$ 10,799	\$ 10,750	\$ 10,750	\$ 10,019	\$ 10,019	\$ 10,019	\$ 9,327	\$ 6,500
INTEREST	490	-	-	219	219	219	423	-
<b>Subtotal Debt Service</b>	<b>\$ 11,289</b>	<b>\$ 10,750</b>	<b>\$ 10,750</b>	<b>\$ 10,238</b>	<b>\$ 10,238</b>	<b>\$ 10,238</b>	<b>\$ 9,750</b>	<b>\$ 6,500</b>
<b>TOTAL</b>	<b>\$ 1,952,595</b>	<b>\$ 1,364,501</b>	<b>\$ 1,764,501</b>	<b>\$ 1,204,368</b>	<b>\$ 1,215,018</b>	<b>\$ 1,207,852</b>	<b>\$ 1,129,300</b>	<b>\$ 1,028,488</b>



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Administrative Services:</b>				
<b>Debt Service</b>				
Subscription - software	25/26	\$ 33,891	\$ 10,750	\$ 11,289
<b>Capital Outlay</b>				
Debt, Lease, and Subscription management software	25/26	\$ 33,891	\$ 33,891	-



## INTERFUND TRANSFERS – GENERAL FUND

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
TRANSFER TO CAPITAL RESERVE FUND	\$3,482,717	\$3,374,806	\$3,624,909	\$ 3,279,164	\$ 3,359,122	\$ 2,941,873	\$ 3,747,009	\$ 3,730,136
TRANSFER TO CAPITAL INVESTMENT FUND	2,900,000	3,285,000	3,285,000	9,015,635	9,285,914	4,629,461	6,614,519	6,058,223
CONTINGENCY	150,000	150,000	150,000	150,000	79,000	-	-	-
<b>TOTAL</b>	<b>\$ 6,532,717</b>	<b>\$ 6,809,806</b>	<b>\$ 7,059,909</b>	<b>\$ 12,444,799</b>	<b>\$ 12,724,036</b>	<b>\$ 7,571,334</b>	<b>\$ 10,361,528</b>	<b>\$ 9,788,359</b>



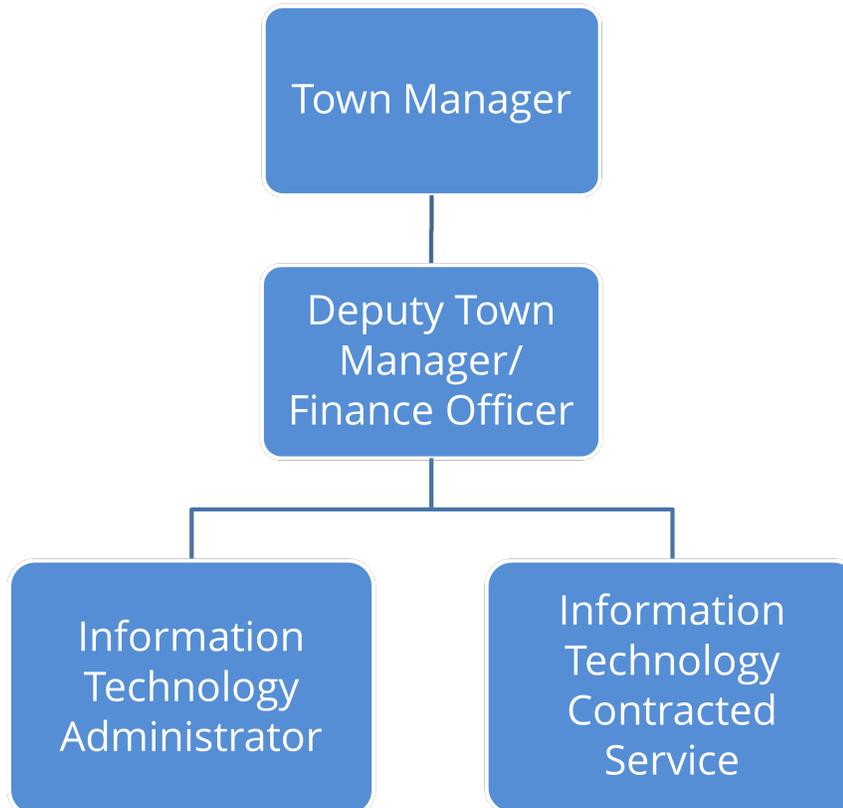
## INFORMATION TECHNOLOGY

### DESCRIPTION

The Information Technology Department provides administration and support for all areas of information technology for Town management, Town staff, and the Board, to support the delivery of high quality, efficient, and cost-effective services.

Information Technology is responsible for planning, budgeting, installing, maintaining, and supporting Town computer systems, software, phone systems, network operations, and other devices. The Department provides technical assistance and support to Town employees, researches information technology solutions applicable to Town use, ensures the preservation and security of Town data, connects Town systems via a network and Internet connection, and assists in technical training to ensure the smooth operation of government for Town staff, management, the Board of Commissioners, and Nags Head's citizens and visitors.

### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- Replaced 28 laptops and docking stations at their end-of-warranty lifecycle through State contract pricing.
- Integrated an AI Chatbot with the Town's website to improve customer service, increase efficiency, and elevate the user experience.
- Upgraded our citizen's online forms and payment system with Tyler Technologies' Resident Access Portal and Tyler Payments.
- Installed internet connectivity/WiFi and security cameras at Town Park.
- Expanded use of SharePoint and the Town's Intranet with the addition of 118 digitized and indexed large building plans and 115 digitized and indexed tax maps for the Planning Department.
- Upgraded security firewall hardware devices and network switches, in addition to enhancing secure email filtering to strengthen the Town's overall cybersecurity position.
- Improved the Town's internal GIS system with updated layers for water services, including lines, valves, meters, hydrants, etc.
- Implemented a new and improved online agenda and meetings management system for the Town Clerk's Office.

## GOALS AND UPCOMING PROJECTS

- Migrate our Enterprise Resource Planning software system from on-premise to a cloud-based hosting platform for increased security and enhanced performance and system upgrades.
- Initiate the subsequent phase of workstation replacements as per lifecycle management protocols.
- Expand the use of DocuSign web forms for efficiency in processing various internal and external applications.
- Continue to enhance GIS parcel data mapping using GeoAdapter to leverage data spatially, layering information from databases for both internal and external use.
- Promote increased cybersecurity awareness with our new North Carolina League of Municipalities-sponsored training platform, Arctic Wolf, as well as leverage our NeoGov software system.
- Implement internet connectivity/WiFi and security cameras at Whalebone Park as a continuation of Town-wide Park enhancements
- Investigate training opportunities on the role of Artificial Intelligence in local government services to streamline administrative processes and enhance citizen engagement.



## FY 2025-26 BUDGET HIGHLIGHTS

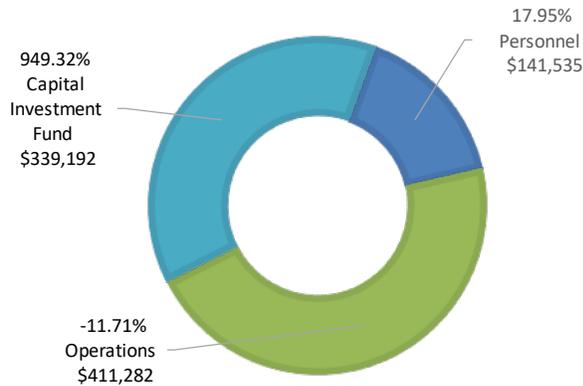
- Throughout the town-wide network, cloud-based storage fees are budgeted, as opposed to replacing physical servers.
- Continued annual funding is included for the third year of our three-year professional information technology services contract.
- Lifecycle replacement for computer workstations is included with North Carolina government contract pricing.
- Funding is included for team member educational learning and cybersecurity training opportunities.
- Costs for installing internet and cameras at the Outer Banks Medical Center to enhance security are included.
- Continued implementation of GIS data layering is budgeted.
- Capital outlay and debt service are included for Town-wide Enterprise Resource Planning subscription software and disaster recovery and security services (migration to cloud-based hosting).
- Annual service maintenance support agreements are included for the 3CX Phone System, DocuSign, Zoom, NeoGov, CivicPlus, SeeClickFix, ArcGIS, Adobe, and Microsoft 365, and Proofpoint.
- Service contracts for security cameras and access control service contracts are budgeted.
- Funding is included for performance management software for the Town's performance-based recognition program.



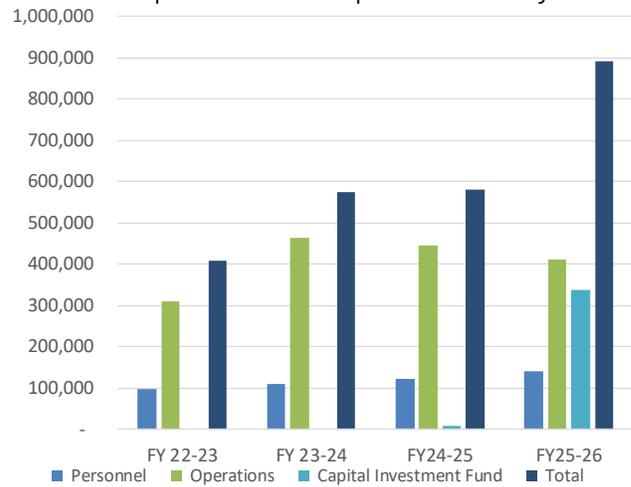
**BUDGET SUMMARY INFORMATION TECHNOLOGY**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 123,238	\$ 119,993	\$ 141,535	17.95%
Operations	446,254	465,817	411,282	-11.71%
Capital Investment Fund	32,335	32,325	339,192	949.32%
<b>Subtotal</b>	601,827	618,135	892,009	44.31%
Cost Reimbursement	(37,258)	(37,258)	(44,761)	
<b>Total</b>	\$ 564,569	\$ 580,877	\$ 847,248	45.86%

Adopted Expenditures by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





LINE-ITEM BUDGET INFORMATION TECHNOLOGY

Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Recommended	Budget	Budget	Budget	Actual	Expenditures	Expenditures	Expenditures
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	2024-2025	2024-2025	2023-2024	2022-2023
<b>PERSONNEL SERVICES</b>									
SALARIES/WAGES - REGULAR	\$ 96,427	\$ 91,387	\$ 91,387	\$ 87,519	\$ 87,519	\$ 85,598	\$ 80,357	\$ 73,224	
LONGEVITY	500	500	500	-	-	-	-	-	
FICA TAX	7,355	6,970	6,970	6,636	6,636	6,365	6,096	5,548	
GROUP HEALTH INSURANCE	26,320	25,049	25,049	9,670	9,670	15,485	9,348	8,305	
RETIREMENT	13,797	13,074	13,074	11,831	11,831	11,549	10,280	8,817	
401 K	4,807	4,555	4,555	4,337	4,337	4,241	4,009	2,910	
<b>Subtotal Personnel Services</b>	<b>\$ 149,206</b>	<b>\$ 141,535</b>	<b>\$ 141,535</b>	<b>\$ 119,993</b>	<b>\$ 119,993</b>	<b>\$ 123,238</b>	<b>\$ 110,090</b>	<b>\$ 98,804</b>	
<b>OPERATIONS</b>									
TRAINING	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,288	\$ 7,094	\$ 3,756	
COMPUTER TRAINING	3,500	3,500	3,500	7,500	7,500	-	-	-	
BUILDING/EQUIPMENT RENTAL	12,024	12,024	12,024	11,826	11,826	11,851	11,689	11,922	
TELEPHONE	9,700	9,700	9,700	9,708	9,708	9,225	8,034	8,656	
INTERNET COSTS	12,680	12,680	12,680	11,000	11,000	10,950	10,950	13,908	
DEPARTMENT SUPPLIES	5,830	5,830	5,830	5,750	5,750	4,903	4,732	9,131	
OTHER SUPPLIES - COMPUTER	42,600	33,550	33,550	72,763	72,763	68,126	111,120	-	
MAINT/REPAIR EQUIPMENT	21,365	23,809	23,809	18,520	32,516	32,516	10,599	11,783	
CONTRACTED SERVICES	127,865	127,865	127,865	128,865	128,865	127,245	149,209	117,329	
CONTRACTED SERVICES - WEBSITE	19,040	18,304	18,304	13,220	13,220	15,311	8,253	12,803	
CONTRACTED SERVICES - GIS	11,415	11,415	11,415	11,115	11,115	8,539	11,518	10,692	
CONTRACTED ANNUAL SUPPORT/MAIN	149,287	148,605	148,605	171,550	171,550	153,300	131,455	110,827	
<b>Subtotal Operations</b>	<b>\$ 419,306</b>	<b>\$ 411,282</b>	<b>\$ 411,282</b>	<b>\$ 465,817</b>	<b>\$ 479,813</b>	<b>\$ 446,254</b>	<b>\$ 464,653</b>	<b>\$ 310,807</b>	
<b>COST REIMBURSEMENT FROM THE WATER FUND</b>									
COST REIMBURSEMENT	\$ (44,761)	\$ (44,761)	\$ (44,761)	\$ (37,258)	\$ (37,258)	\$ (37,258)	\$ (30,482)	\$ (40,713)	



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>Capital Investment Fund Transfers</b>								
<b>CAPITAL OUTLAY</b>								
EQUIPMENT	\$ -	\$ -	\$ -	\$ 10,275	\$ 10,275	\$ 10,285	\$ -	\$ -
SUBSCRIPTION ASSET	-	227,926	227,926	-	-	-	-	-
	<b>\$ -</b>	<b>\$ 227,926</b>	<b>\$ 227,926</b>	<b>\$ 10,275</b>	<b>\$ 10,275</b>	<b>\$ 10,285</b>	<b>\$ -</b>	<b>\$ -</b>
<b>DEBT SERVICE</b>								
L/P PRINCIPAL	\$ 108,445	\$ 111,266	\$ 111,266	\$ 21,990	\$ 21,990	\$ 21,990	\$ 31,035	\$ 37,152
L/P INTEREST	2,821	-	-	60	60	60	171	648
<b>Subtotal Debt Service</b>	<b>\$ 111,266</b>	<b>\$ 111,266</b>	<b>\$ 111,266</b>	<b>\$ 22,050</b>	<b>\$ 22,050</b>	<b>\$ 22,050</b>	<b>\$ 31,206</b>	<b>\$ 37,800</b>
<b>TOTALS</b>	<b>\$ 635,017</b>	<b>\$ 847,248</b>	<b>\$ 847,248</b>	<b>\$ 580,877</b>	<b>\$ 594,873</b>	<b>\$ 564,569</b>	<b>\$ 575,467</b>	<b>\$ 406,698</b>



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Information Technology (IT):</b>				
<b>Debt Service</b>				
Software as a Service migration (SaaS)- Tyler ERP	25/26	\$ 222,532	\$ 111,266	\$ 111,266
<b>Capital Outlay</b>				
Software as a Service migration (SaaS)- Tyler ERP	25/26	\$ 227,926	\$ 227,926	-



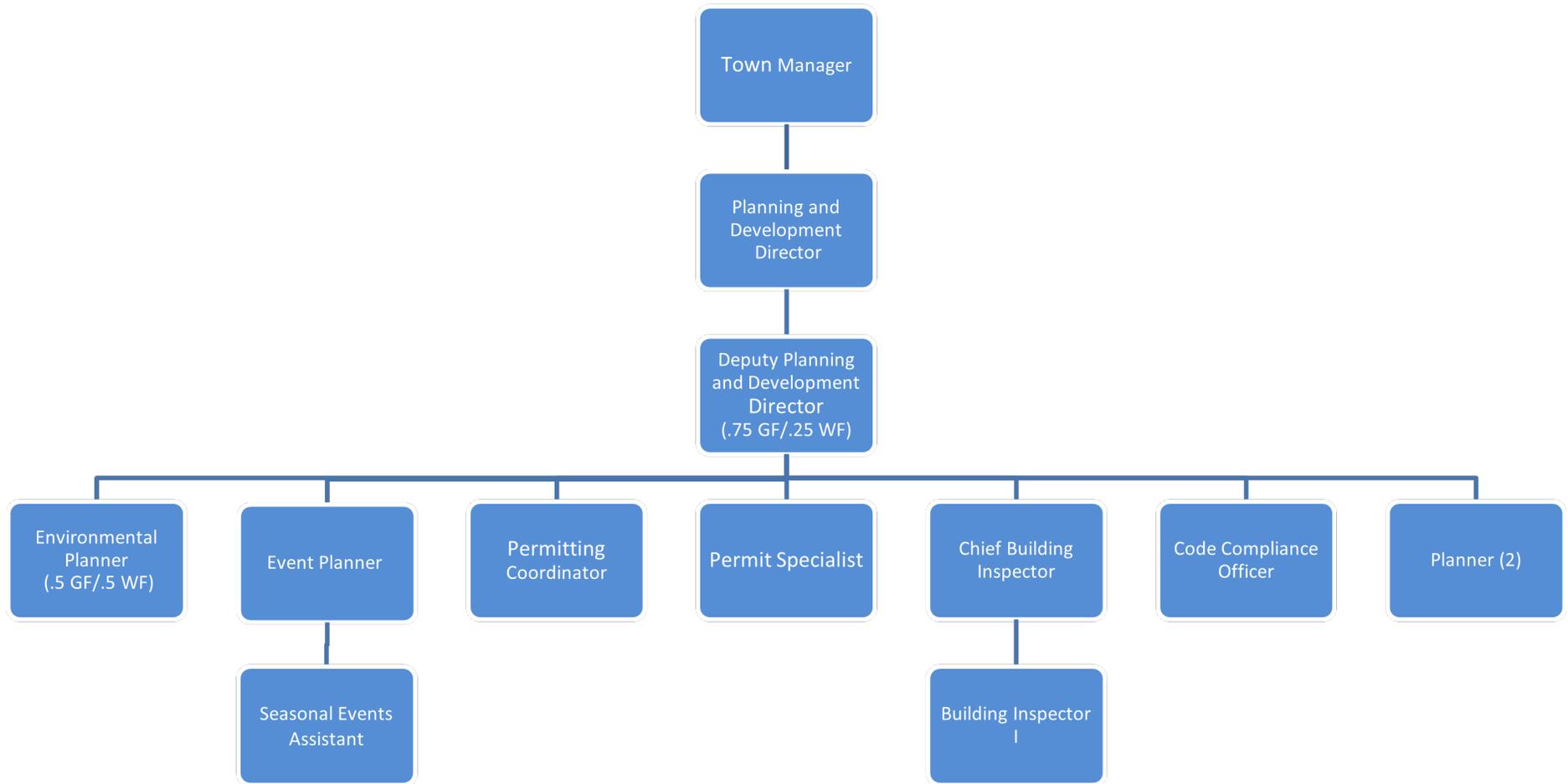
## PLANNING AND DEVELOPMENT

### DESCRIPTION

The Planning and Development Department implements the Town's goals related to the growth, development, environment, and quality of life in Nags Head. The Department is responsible for zoning and subdivision administration, code compliance, floodplain management, erosion and sedimentation control, long-range planning activities, and Planning Board, Board of Commissioners, Board of Adjustment, and Committee for Arts and Culture staffing. The Department provides building permitting and inspection services to enforce state and local regulations relating to the construction, renovation, or alteration of structures to ensure a safe, sanitary, and healthy community. The Department is also responsible for storm damage assessment and repair permits and provides local permitting services under the Coastal Area Management Act in areas of environmental concern throughout the town.



ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- A Multi-Family Dwelling ordinance was adopted after the Department worked with the Planning Board and the Board of Commissioners.
- Reviewed and permitted the 87-unit Inn at Whalebone hotel.
- Continued to work on an Accessory Dwelling Unit (ADU) Ordinance; we're awaiting legislative changes before proceeding to the Board of Commissioners.
- Facilitated necessary text amendments and completed permitting for a workforce housing/dormitory for Ocean Rescue staff.
- Facilitated necessary text amendments and completed a site plan review for a Dare County EMS Station.
- Finalized the installation of two-Level II EV Chargers at Town Hall.
- Continued digitization efforts with scanning large format commercial plan sets that were taking up notable space within the department.
- Continued implementation of the Estuarine Shoreline Management Plan including:
  - Awarded a \$500,000 grant under the NC Resilient Coastal Communities Program to assist in completing the engineering and design work for the Villa Dunes and Soundside Road marsh stabilization projects.
  - Held a kickoff meeting with consultants Moffatt & Nichol and BioHabitats, and members of our Estuarine Shoreline Management Committee.
  - Sent mailers to all property owners adjacent to the proposed projects outlining the scope of the project and timing of survey work.
  - Developed and received approval for the Public Engagement Plan.
  - Launched a dedicated webpage for the Estuarine Shoreline Management Plan.
- Received \$50,000 in Community Conservation Assistance Program funds for the installation of a living shoreline near the Sugar Creek Restaurant along US 64. Continued to work with Dare County Soil and Water and Coastal Federation to develop a project.
- Continued implementation of the Sand Relocation Program and the Dune Management Cost-Share Program to offset the costs of sand relocation on oceanfront properties.
- Completed our Community Rating System (CRS) Cycle Verification Visit.
- Collaborated with the local municipalities, as well as Dare and Currituck Counties, to update the Outer Banks Hazard Mitigation Plan, which was adopted by Nags Head's Board of Commissioners on March 5, 2025.
- As a result of Action Item #2.5 of the 2024 Strategic Plan, staff created the Dark Skies, Bright Stars Initiative, a non-regulatory approach to residential lighting issues that seeks to



increase education on the benefits of dark skies. Using Sky Quality measurements, staff created a map for public information and a webpage and branding to promote the initiative.

- As a result of Action Item #2.2 of the 2024 Strategic Plan, staff completed an existing conditions report of the Commercial Outdoor Recreation Overlay District and will continue discussions on possible revisions.
- Received the Public Beach and Coastal Waterfront Access Grant for improvements to the June Street Beach Access.
- Completed the pre-application for the Coastal Waterfront Access Grant for improvements to Hargrove Street.
- Maintained an average three-day turnaround for permits.
- Worked with the Committee for Arts and Culture to hold the Dowdy Park Farmer's Market and numerous holiday events and winter markets.
- Worked with a local artist to paint murals at the Town's Skate Park.
- Worked with local high school artists to paint the crosswalk at the intersection of Bonnett Street and Wrightsville Avenue.

## GOALS AND UPCOMING PROJECTS

- Continue to plan for future growth and development that will support a quality and balanced mix of land uses, while preserving our unique coastal environment and heritage of Nags Head.
- Continue implementation of the Estuarine Shoreline Management Plan, which includes community engagement efforts
- Update the existing Parks and Recreation Plan.
- Develop resources for business retention and succession, including the creation of a Merchants Association or similar endeavor.
- Continue to develop and enhance educational campaigns for planning related items such as tree preservation, stormwater management, lighting, and sign requirements.
- Continue to digitize permitting records.
- Continue to improve the Unified Development Ordinance through periodic review and regulation clarification.
- Reinitiate regular communication with the building community and the public through online tools and updates on general departmental business.



- Continue to grow the events and opportunities through the Committee for Arts and Culture, including new events for the 2025/2026 season, and discussion and proposal of community events and gatherings at Whalebone Park.

Metrics Description	FY22-23	FY23-24	FY24-25 Projection	FY25-26 Budget / Goal
Residential Building Permits Issued	574	520	492	500
Commercial Building Permits Issued	659	605	580	575
Sub-Contractor Permits Issued	1,221	1,262	1,271	1,275
Zoning Permits Issued	685	711	684	685
Code Compliance				
Cases Investigated	813	349	352	375
Warnings	107	40	39	45
NOVs Issued	289	304	305	300
Civil Citations	10	1	1	1

### FY 2025-26 BUDGET HIGHLIGHTS

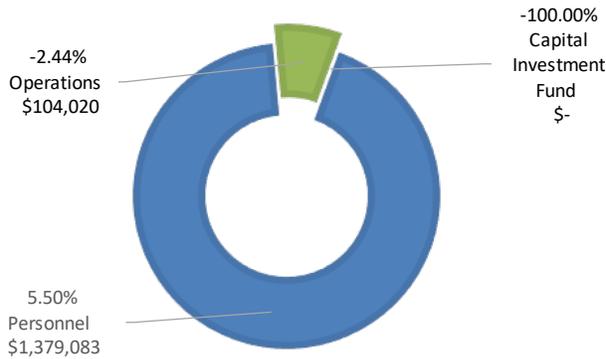
- Committee for Arts and Culture funds are budgeted for special events, such as those at Dowdy Park, the Town’s art masts project, and two new community events: Waggin’ Wednesdays at the Dog Park and the Kids Move More fitness initiative. - \$29,100
- Funds are budgeted for digitizing permit records and plan sets. - \$10,000
- Funding is included for educational materials for the “Dark Skies, Bright Stars Initiative.”



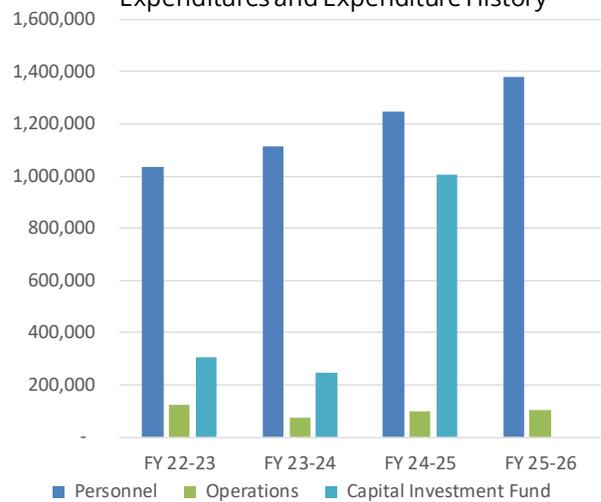
**BUDGET SUMMARY PLANNING AND DEVELOPMENT**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 1,248,552	\$ 1,307,220	\$ 1,379,083	5.50%
Operations	99,789	106,620	104,020	-2.44%
Capital Investment Fund	1,003,756	296,367	-	-100.00%
<b>Subtotal</b>	2,352,097	1,710,207	1,483,103	-13.28%
Cost Reimbursement	(160,908)	(160,908)	(170,620)	
<b>Total</b>	\$ 2,191,189	\$ 1,549,299	\$ 1,312,483	-15.29%

Adopted Expenditures by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





**LINE-ITEM BUDGET PLANNING AND DEVELOPMENT**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 961,986	\$ 897,634	\$ 897,634	\$ 864,180	\$ 864,180	\$ 851,921	\$ 775,404	\$ 733,932
SALARIES - LONGEVITY PAY	31,754	26,325	26,325	23,669	23,669	-	-	-
SALARIES/WAGES - PARTTIME	4,200	4,200	4,200	4,200	4,200	4,200	-	-
OVERTIME PAY	1,088	-	-	1,040	1,040	-	-	-
HOLIDAY PAY	328	328	328	312	312	-	-	-
FICA TAX	76,170	70,748	70,748	68,096	68,096	62,499	56,137	53,241
GROUP HEALTH INSURANCE	212,022	201,709	201,709	180,583	180,583	172,271	147,966	131,685
RETIREMENT	142,278	132,108	132,108	120,843	120,843	115,303	98,159	88,096
401 K	49,574	46,031	46,031	44,297	44,297	42,358	38,218	28,936
<b>Subtotal Personnel Services</b>	<b>\$ 1,479,400</b>	<b>\$ 1,379,083</b>	<b>\$ 1,379,083</b>	<b>\$ 1,307,220</b>	<b>\$ 1,307,220</b>	<b>\$ 1,248,552</b>	<b>\$ 1,115,884</b>	<b>\$ 1,035,890</b>
<b>OPERATIONS</b>								
PLANNING BOARD FEES	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,080	\$ 7,080	\$ 7,080
BOARD OF ADJUSTMENT FEES	2,500	2,500	2,500	2,500	2,500	1,050	1,130	430
TRAINING	8,500	8,500	8,500	8,500	8,500	8,360	7,360	4,241
BUILDING/EQUIPMENT RENTAL	3,300	3,300	3,300	2,800	2,800	4,667	2,819	3,315
TELEPHONE	4,800	4,800	4,800	4,800	4,800	4,165	4,227	4,389
POSTAGE	4,500	4,500	4,500	4,000	4,000	4,203	1,849	5,592
ADVERTISING	1,500	1,500	1,500	1,500	1,500	844	128	959
PRINTING	4,000	5,000	5,000	3,500	3,500	2,449	1,192	3,334
FUEL COSTS	5,250	5,000	5,000	4,000	4,000	4,085	4,752	3,805
DEPARTMENT SUPPLIES	7,500	7,500	7,500	9,000	9,000	8,153	7,462	5,806
OTHER SUPPLIES	1,500	1,500	1,500	1,500	1,500	1,127	1,019	27
OTHER SUPPLIES - COMPUTER	2,440	2,440	2,440	2,440	3,570	1,955	1,015	3,043
VEHICLE MAINTENANCE	1,440	1,440	1,440	1,440	1,440	1,432	1,695	793
UNIFORMS	1,500	2,500	2,500	2,500	2,500	2,500	969	515
PROFESSIONAL FEES	2,700	2,700	2,700	5,000	5,000	4,955	4,280	245
CONTRACTED SERVICES	10,000	10,000	10,000	10,000	11,173	7,176	5,895	56,256
SPECIAL EVENTS	20,600	29,100	29,100	31,400	31,400	31,400	16,572	21,665
SPECIAL EVENTS - ART MASTS	-	-	-	-	-	-	2,580	-
DUES AND SUBSCRIPTIONS	4,500	4,500	4,500	4,500	4,500	4,188	1,270	2,706
<b>Subtotal Operations</b>	<b>\$ 93,770</b>	<b>\$ 104,020</b>	<b>\$ 104,020</b>	<b>\$ 106,620</b>	<b>\$ 108,923</b>	<b>\$ 99,789</b>	<b>\$ 73,294</b>	<b>\$ 124,201</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>COST REIMBURSEMENT FROM THE WATER FUND</b>								
COST REIMBURSEMENT	\$ (170,620)	\$ (170,620)	\$ (170,620)	\$ (160,908)	\$ (160,908)	\$ (160,908)	\$ (178,965)	\$ (172,170)
<b>Capital Investment Fund Transfers</b>								
<b>NON-CAPITAL OUTLAY</b>								
PROFESSIONAL FEES	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,206	\$ 20,206	\$ 1,366	\$ 8,428
<b>CAPITAL OUTLAY</b>								
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ 20,344	\$ 20,344	\$ 18,733	\$ 4,200
IMPROVEMENTS	-	-	-	40,000	726,839	726,839	24,000	82,661
VEHICLE	-	-	-	45,000	45,000	45,000	-	857
<b>Subtotal Capital Outlay</b>	\$ -	\$ -	\$ -	\$ 85,000	\$ 792,183	\$ 792,183	\$ 42,733	\$ 87,718
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ 186,845	\$ 186,845	\$ 186,845	\$ 196,365	\$ 196,158
INTEREST	-	-	-	4,522	4,522	4,522	9,255	13,983
<b>Subtotal Debt Service</b>	\$ -	\$ -	\$ -	\$ 191,367	\$ 191,367	\$ 191,367	\$ 205,620	\$ 210,141
<b>TOTAL</b>	\$ 1,402,550	\$ 1,312,483	\$ 1,312,483	\$ 1,549,299	\$ 2,258,992	\$ 2,191,189	\$ 1,259,932	\$ 1,294,208

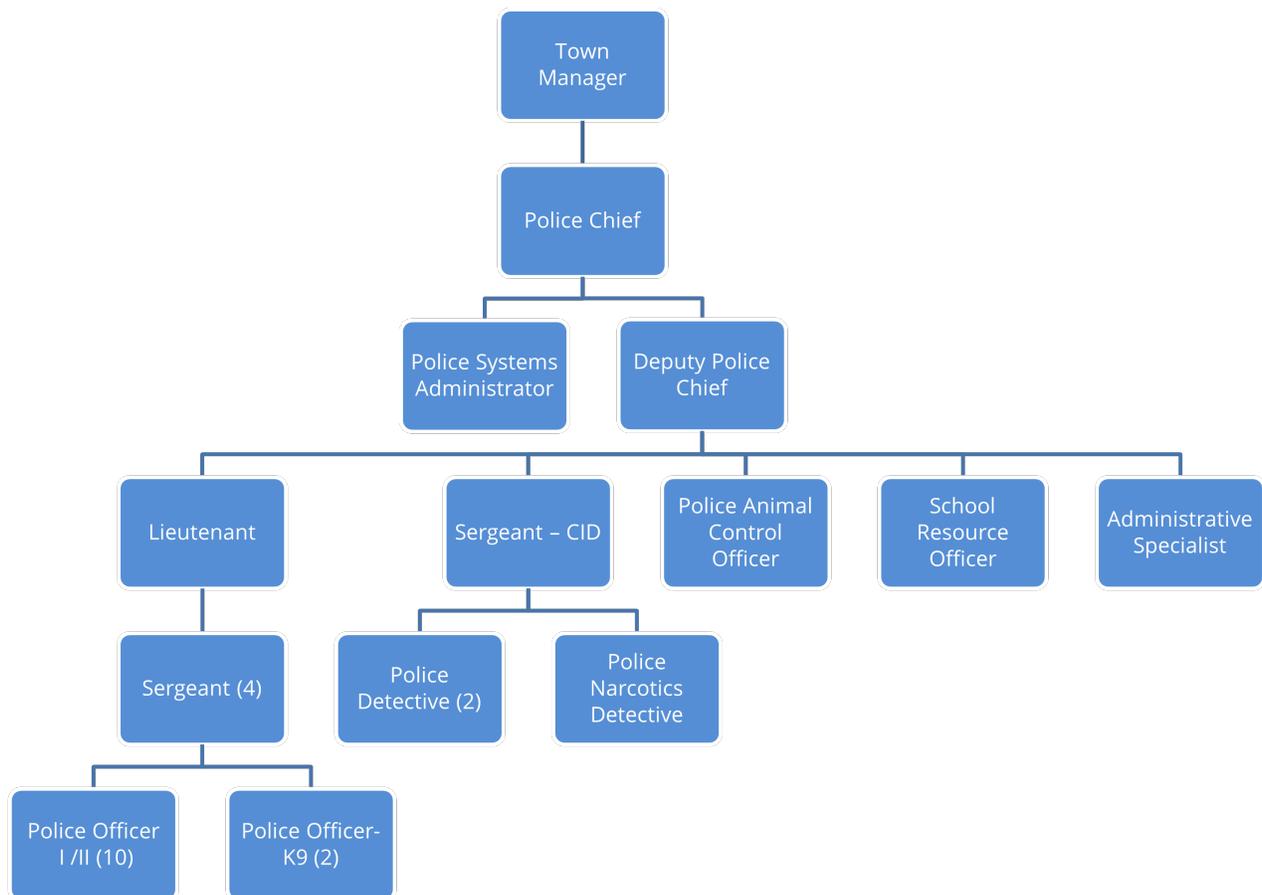


## POLICE

### DESCRIPTION

The Nags Head Police Department, comprised of Administration, Uniform Patrol, Criminal Investigations, and Animal Control, provides law enforcement services for the town. Officers enforce the laws and ordinances of the State and Town in a fair and impartial manner, with emphasis placed on proactive policing and building community relationships.

### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- Reported a five-year analysis of traffic crash data, which shows a decline in motor vehicle collisions.
- Received five federal convictions for narcotics and firearms cases directly related to our jurisdiction.
- Successfully filled two added positions granted in the FY24 budget, bringing the total sworn officers to 25 personnel.
- Completed annual review and updates to the department’s Policy and Procedure Manual.
- Continued using the Town’s SharePoint collaboration software for scheduling, departmental forms, and certain data-based systems.
- Partnered with Flock Safety and installed 12 Automatic License Plate Recognition Systems at 12 locations throughout Nags Head.
- Installed equipment that provides power to all traffic lights in the Town in response to unexpected outages.

## GOALS AND UPCOMING PROJECTS

- Maintain a highly trained, professional team of law enforcement officers to ensure Nags Head remains one of the safest communities in eastern North Carolina.
- Satisfy Training and Standards requirements to conduct in-house training in collaboration with the NC Justice Academy.
- Implement a department wellness program for staff members.
- Continue partnership with federal agencies to combat narcotics coming to our area on the federal level.
- Research grant options for replacement of the department’s mobile command vehicle.
- Continue to monitor and assist with three cases pending in federal court involving a multi-state fraud case, narcotics, and firearm violations.

Metrics Description	FY22-23	FY23-24	FY24-25 Projection	FY25-26 Budget / Goal
Motor Vehicle Collisions (Reported in Calendar Years 2023, 2024 & Budget 2025)	215	218	210	205
Total Arrests	1,938	2,081	1,998	1,965
Total Non-Traffic Arrests	419	562	475	450
Total Traffic Arrests	1,519	1,519	1,523	1,515

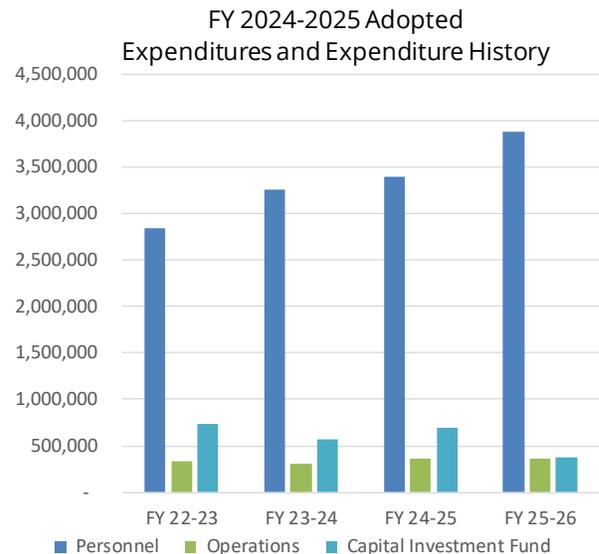
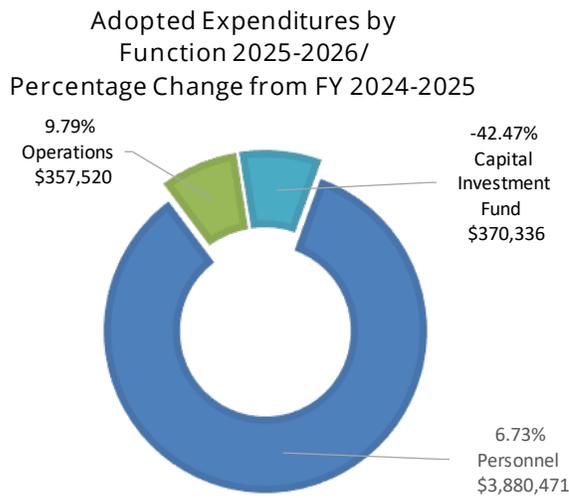


## FY 2025-26 BUDGET HIGHLIGHTS

- Capital Investment Fund expenditures include:
  - Three police vehicles.
  - Subscription debt service for the Records Management System and in-car/body-worn cameras.
  - Capital outlay and debt service for information technology subscription-based license plate readers.
- Funding of \$37,448 is included for the state statute-required police separation allowance for three retired officers.

## BUDGET SUMMARY POLICE

Expenditures By Type				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 3,399,276	\$ 3,635,880	\$ 3,880,471	6.73%
Operations	357,101	325,637	357,520	9.79%
Capital Investment Fund	692,142	643,737	370,336	-42.47%
<b>Subtotal</b>	4,448,519	4,605,254	4,608,327	0.07%
Cost Reimbursement	-	-	-	
<b>Total</b>	\$ 4,448,519	\$ 4,605,254	\$ 4,608,327	0.07%





**LINE-ITEM BUDGET POLICE**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES- REGULAR PAY	\$ 2,633,809	\$ 2,463,805	\$ 2,463,805	\$ 2,321,110	\$ 2,310,870	\$ 2,282,341	\$ 2,222,250	\$ 1,922,005
SALARIES - LONGEVITY PAY	64,406	57,050	57,050	55,613	55,613	-	-	-
OVERTIME PAY	40,119	23,775	23,775	42,640	42,640	-	-	-
HOLIDAY PAY	58,066	56,884	56,884	48,506	48,506	-	-	-
FICA TAX	210,880	200,596	200,596	191,151	191,151	173,078	168,045	145,755
GROUP HEALTH INSURANCE	485,615	462,170	462,170	383,120	383,120	385,514	351,461	316,169
RETIREES GROUP HEALTH INSUR	37,733	39,773	39,773	60,636	60,636	61,861	58,772	57,455
RETIREMENT	21,627	20,485	20,485	18,551	18,551	17,061	15,323	12,846
RETIREMENT LAW ENFORCEMENT	415,379	389,249	389,249	348,908	348,908	322,813	293,932	236,217
401 K	7,536	7,138	7,138	6,800	6,800	6,264	5,981	4,221
401 K LAW ENFORCEMENT	130,294	122,098	122,098	115,993	115,993	107,510	104,404	90,304
POLICE SEPARATION ALLOWANCE	40,313	37,448	37,448	42,852	42,852	42,834	42,834	51,837
<b>Subtotal Personnel Services</b>	<b>\$ 4,145,777</b>	<b>\$ 3,880,471</b>	<b>\$ 3,880,471</b>	<b>\$ 3,635,880</b>	<b>\$ 3,625,640</b>	<b>\$ 3,399,276</b>	<b>\$ 3,263,002</b>	<b>\$ 2,836,809</b>
<b>OPERATIONS</b>								
TRAINING	\$ 38,223	\$ 38,223	\$ 38,223	\$ 36,236	\$ 36,236	\$ 36,152	\$ 24,811	\$ 24,767
BUILDING/EQUIPMENT RENTAL	9,515	9,515	9,515	8,915	13,915	12,553	8,219	8,369
TELEPHONE	17,600	17,600	17,600	13,550	13,550	15,906	12,858	12,574
POSTAGE	1,450	1,450	1,450	1,450	1,450	613	333	588
ADVERTISING	525	525	525	525	525	-	31	210
PRINTING	1,770	1,770	1,770	1,270	1,270	325	315	1,164
FUEL COSTS	81,900	78,000	78,000	80,000	80,000	70,842	76,880	77,824
DEPARTMENT SUPPLIES	53,091	44,291	44,291	36,389	56,458	56,601	44,321	52,865
OTHER SUPPLIES	8,660	8,660	8,660	8,460	11,460	11,460	6,848	5,776
OTHER SUPPLIES, COMPUTER	-	-	-	-	-	-	6,860	21,800
MAINT/REPAIR BUILDING	-	-	-	-	-	-	6,786	7,796
MAINT/REPAIR EQUIPMENT	34,149	33,925	33,925	32,751	32,751	25,138	26,887	34,664
MAINT/REPAIR FIRING RANGE	4,000	4,000	4,000	4,000	20,613	20,613	4,838	5,376
VEHICLE MAINTENANCE	34,725	34,725	34,725	29,550	31,750	30,257	28,911	20,172
UNIFORMS	31,069	29,502	29,502	26,893	37,133	37,100	24,365	18,088
PROFESSIONAL FEES	16,218	16,218	16,218	14,218	14,218	8,737	9,728	11,362



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
CONTRACTED SERVICES	26,813	26,713	26,713	22,090	22,090	22,090	21,355	22,272
DUES AND SUBSCRIPTIONS	4,403	4,403	4,403	3,340	3,340	2,715	2,870	2,386
SPECIAL INVESTIGATIONS	8,000	8,000	8,000	6,000	6,000	6,000	6,000	3,484
<b>Subtotal Operations</b>	<b>\$ 372,111</b>	<b>\$ 357,520</b>	<b>\$ 357,520</b>	<b>\$ 325,637</b>	<b>\$ 382,759</b>	<b>\$ 357,101</b>	<b>\$ 313,218</b>	<b>\$ 331,537</b>
<b>Capital Investment Fund Transfers</b>								
<b>CAPITAL OUTLAY</b>								
EQUIPMENT	\$ -	\$ -	\$ -	\$ 237,089	\$ 233,089	\$ 233,089	\$ 12,781	\$ -
SUBSCRIPTION ASSET	-	72,000	72,000	-	-	-	105,595	407,826
VEHICLE	214,503	204,308	204,308	263,811	318,348	316,216	307,352	170,932
<b>Subtotal Capital Outlay</b>	<b>\$ 214,503</b>	<b>\$ 276,308</b>	<b>\$ 276,308</b>	<b>\$ 500,900</b>	<b>\$ 551,437</b>	<b>\$ 549,305</b>	<b>\$ 425,727</b>	<b>\$ 578,758</b>
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ 91,604	\$ 91,255	\$ 91,255	\$ 137,031	\$ 137,031	\$ 137,031	\$ 136,742	\$ 156,063
INTEREST	2,424	2,773	2,773	5,806	5,806	5,806	6,888	3,002
<b>Subtotal Debt Service</b>	<b>\$ 94,028</b>	<b>\$ 94,028</b>	<b>\$ 94,028</b>	<b>\$ 142,837</b>	<b>\$ 142,837</b>	<b>\$ 142,837</b>	<b>\$ 143,630</b>	<b>\$ 159,065</b>
<b>TOTALS</b>	<b>\$ 4,826,419</b>	<b>\$ 4,608,327</b>	<b>\$ 4,608,327</b>	<b>\$ 4,605,254</b>	<b>\$ 4,702,672</b>	<b>\$ 4,448,519</b>	<b>\$ 4,145,576</b>	<b>\$ 3,906,169</b>



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Police:</b>				
<b>Debt Service</b>				
Subscription - Record Management System	22/23	\$ 49,766	\$ 10,424	\$ 10,424
Subscription - In-Car/Body-Worn cameras	22/23	227,270	47,604	47,604
Subscription - License Plate Readers	<b>25/26</b>	70,795	36,000	36,000
		<b>\$ 347,831</b>	<b>\$ 94,028</b>	<b>\$ 94,028</b>
<b>Capital Outlay</b>				
Police Vehicles (3)	<b>25/26</b>	\$ 204,308	\$ 204,308	\$ -
License Plate Readers	<b>25/26</b>	72,000	72,000	-
Police Vehicles (3)	26/27	214,503	-	214,503
		<b>\$ 490,811</b>	<b>\$ 276,308</b>	<b>\$ 214,503</b>

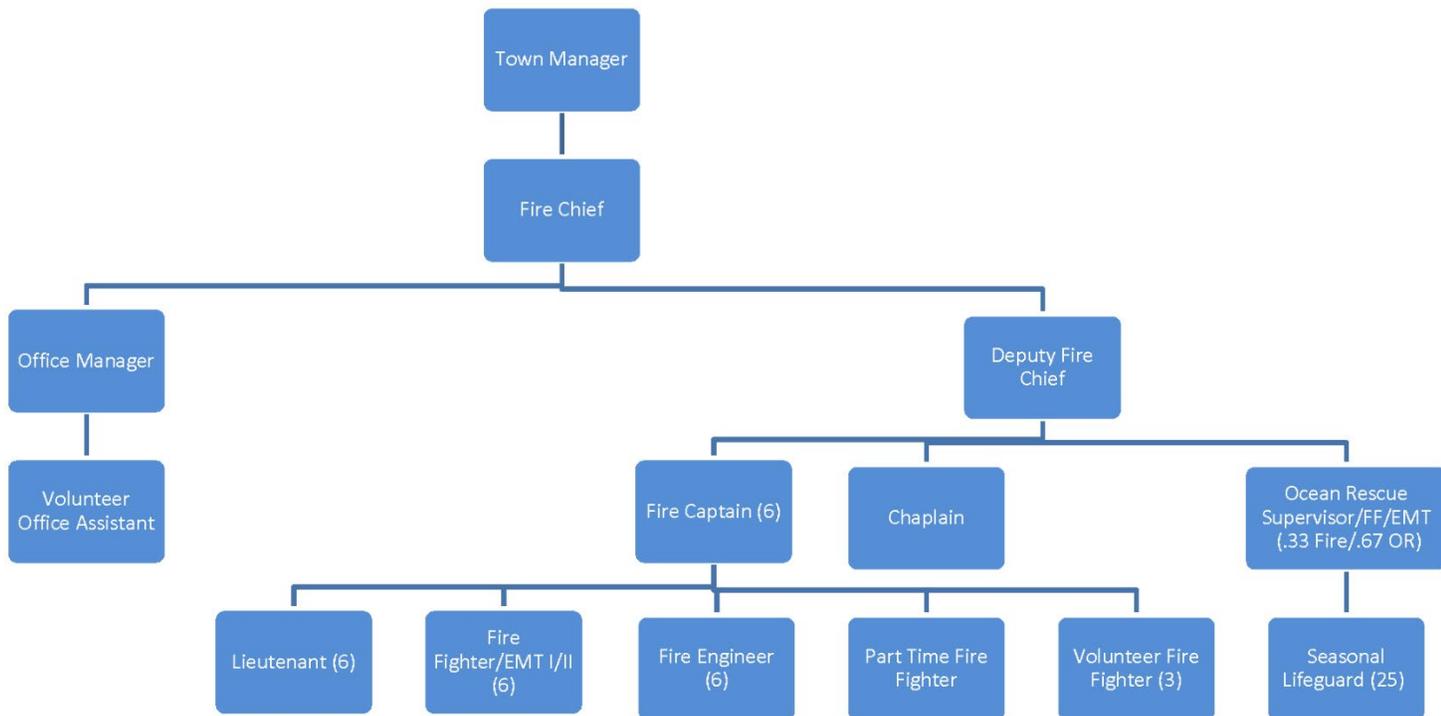


## FIRE AND OCEAN RESCUE

### DESCRIPTION

Nags Head's Fire and Ocean Rescue Department provides fire, emergency medical service rescue, community risk reduction, public education, fire investigation, and fire inspection services. To accomplish its mission, the Department operates out of two strategically located stations. Ocean Rescue, a part of this department, provides seasonal beach patrol, lifesaving and rescue services, emergency medical services, and public education. They operate out of a separate, centrally located station and use several of the public bathhouses for equipment storage and training. Fire and Ocean Rescue currently has three functional divisions, including fire administration, fire operations, and Ocean Rescue. Dare County Emergency Medical Services also shares facilities with this department.

### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- Awarded a Hazard Mitigation Program grant to replace the generator at Fire Station 21.
- Continued screening firefighters for specific cancers using state-of-the-art blood testing. Provided cancer screening ultrasounds and additional cardiovascular screening for fire staff.
- Installed detergent injectors on two extractors used for turnout gear decontamination.
- Continued to provide fire and life safety education to citizens and visitors while Ocean Rescue continued to provide ocean hazards and swimmer awareness programs. A new program was introduced to broaden our community risk reduction efforts. We continued to provide bicycle helmets to community members at our Fire Prevention Week Open House. Several of our staff became certified to teach Cardiopulmonary Resuscitation, which will allow us to extend our community outreach program and better prepare our citizens for emergencies. We were able to provide CPR certification to nearly 100 attendees.

## GOALS AND UPCOMING PROJECTS

- Provide highly trained emergency responders to match the response needs of the community.
- Update and improve the Five-Year Community Based Strategic Plan for Fire and Ocean Rescue.
- Implement a new records management system to improve communications and access to valuable data. Nags Head Fire and Ocean Rescue is committed to increasing the use of quality data to improve operations, resource management, and planning.
- Educate citizens and visitors about water safety and ocean hazards through informational programs and interactions between Ocean Rescue staff and beachgoers. Continue to participate in the “Love the Beach Respect the Ocean” initiative.
- Continue to enhance water rescue training for fire personnel.



Metrics Description	FY22-23	FY23-24	FY24-25 Projection	FY25-26 Budget / Goal
<b>Fire Department:</b>				
Training Hours	7,454	4,639	5,521	7,250
Calls for Service	1,045	1,166	1,127	1,100
Average Response Time:				
Overall - First on Scene	6:00	6:25	6:02	6:00
Station 16	5:59	6:17	5:59	6:00
Station 21	6:02	6:48	6:13	6:00
<b>Ocean Rescue:</b>				
Estimated Beach Population	1,042,019	1,082,430	1,002,804	1,000,000
Educational Advisories	257,162	396,532	256,632	275,000
Total Incidents	271	309	287	300
People Rescued	226	288	256	250
Watercraft Assisted	9	1	1	5
Lost Person/Search	15	11	17	15

## FY 2025-26 BUDGET HIGHLIGHTS

### FIRE

- Increased funding for part-time hours is included.
- Capital Investment Fund expenditures include:
  - Station 16 replacement generator - \$100,000.
  - Replacement 4-wheel drive truck - \$77,000.
  - Debt payments on two fire apparatuses purchased in fiscal years 2019 and 2022.
  - The first debt payment on land purchased at 4222 S. Croatan Highway.
- Funding of \$10,000 is included to outsource maintenance on fire apparatuses.
- Funding for stress tests and cancer screening for career firefighters are included.
- Funding of \$40,552 is included for turnout gear.
- In contracted services, the cost of emergency reporting software increased to \$13,500.

### OCEAN RESCUE

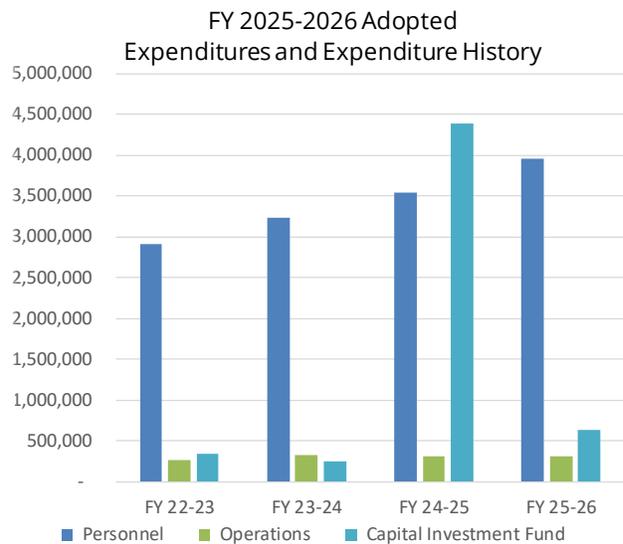
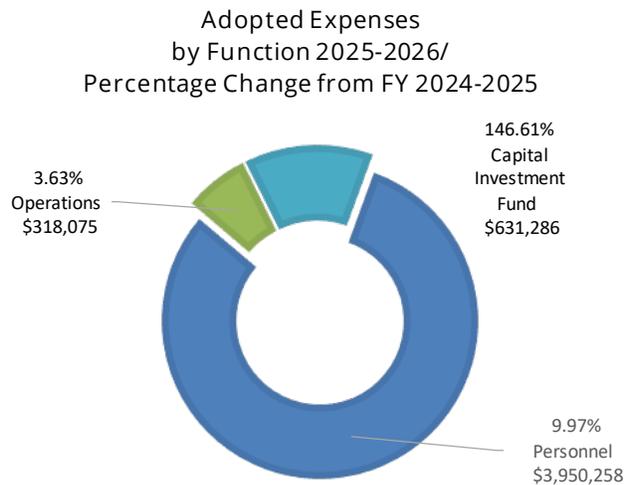
- To aid in recruiting summer lifeguards, the pay plan includes a minimum base starting salary at \$20 per hour, seasonal bonuses, and Labor Day incentive pay.
- Updated training materials are included.



- Funding is recommended for new reporting software.
- Capital Investment Fund expenditures include:
  - Two all-terrain vehicle replacements for beach patrol - \$15,000

**BUDGET SUMMARY FIRE**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 3,536,905	\$ 3,592,143	\$ 3,950,258	9.97%
Operations	303,835	306,928	318,075	3.63%
Capital Investment Fund	4,394,840	255,982	631,286	146.61%
<b>Subtotal</b>	8,235,580	4,155,053	4,899,619	17.92%
Cost Reimbursement	-	-	-	
<b>Total</b>	\$ 8,235,580	\$ 4,155,053	\$ 4,899,619	17.92%





**LINE-ITEM BUDGET FIRE**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 2,510,774	\$ 2,369,328	\$ 2,369,328	\$ 2,237,896	\$ 2,237,896	\$ 2,372,686	\$ 2,216,098	\$ 2,027,628
SALARIES - LONGEVITY PAY	77,634	73,312	73,312	66,867	66,867	-	-	-
SALARIES/WAGES - PARTTIME	64,981	69,588	69,588	49,000	49,000	-	-	-
OVERTIME PAY	21,115	10,885	10,885	30,000	30,000	-	-	-
HOLIDAY PAY	82,349	81,781	81,781	71,656	71,656	-	-	-
FICA TAX	210,872	198,750	198,750	187,697	187,697	175,135	162,839	148,400
GROUP HEALTH INSURANCE	651,394	619,825	619,825	456,272	456,272	510,814	412,444	367,494
RETIREES GROUP HEALTH INSUR	39,829	37,536	37,536	45,477	45,477	45,449	44,079	44,688
RETIREMENT	385,300	362,832	362,832	327,300	327,300	316,558	282,644	245,891
401 K	134,251	126,422	126,422	119,978	119,978	116,263	110,279	80,839
<b>Subtotal Personnel Services</b>	<b>\$ 4,178,499</b>	<b>\$ 3,950,258</b>	<b>\$ 3,950,258</b>	<b>\$ 3,592,143</b>	<b>\$ 3,592,143</b>	<b>\$ 3,536,905</b>	<b>\$ 3,228,383</b>	<b>\$ 2,914,940</b>
<b>OPERATIONS</b>								
TRAINING	\$ 21,956	\$ 21,956	\$ 21,956	\$ 23,442	\$ 23,442	\$ 21,192	\$ 20,836	\$ 22,162
SAFETY TRAINING	4,869	4,869	4,869	3,619	3,619	3,639	3,461	3,002
OSHA COMPLIANCE COSTS	4,465	4,465	4,465	4,400	4,400	4,432	2,332	3,916
BUILDING/EQUIPMENT RENTAL	3,535	3,535	3,535	3,535	3,535	4,323	4,289	3,920
TELEPHONE	2,881	2,881	2,881	2,881	2,881	2,281	2,281	2,282
POSTAGE	700	700	700	700	700	339	394	317
PRINTING	400	400	400	400	400	178	36	178
FUEL COSTS	21,525	20,500	20,500	25,000	25,000	17,286	19,064	23,686
DEPARTMENT SUPPLIES	80,270	85,317	85,317	76,765	78,765	74,984	76,141	69,335
OTHER SUPPLIES	4,870	5,050	5,050	5,050	5,550	5,500	5,445	4,786
OTHER SUPPLIES - COMPUTER	-	-	-	1,000	1,000	-	-	-
MAINT/REPAIR BUILDINGS	26,060	26,060	26,060	41,560	41,560	39,857	19,054	19,919
MAINT/REPAIR EQUIPMENT	6,680	6,680	6,680	7,020	7,020	6,931	9,181	7,487
VEHICLE MAINTENANCE	30,000	29,000	29,000	29,800	36,899	38,227	36,203	31,350
UNIFORMS	16,056	16,056	16,056	15,265	15,385	15,385	17,856	15,961
PROFESSIONAL FEES	23,267	23,652	23,652	22,537	25,768	25,768	77,148	16,079
INCENTIVE PAY	6,500	6,500	6,500	5,000	5,000	4,467	3,112	4,132
CONTRACTED SERVICES	42,880	52,062	52,062	32,972	33,842	33,842	29,200	26,843
SUPPLEMENTAL PENSION FUND	5,580	5,580	5,580	3,500	3,500	3,280	3,020	2,650
DUES AND SUBSCRIPTIONS	2,812	2,812	2,812	2,482	2,482	1,924	1,903	3,929
<b>Subtotal Operations</b>	<b>\$ 305,306</b>	<b>\$ 318,075</b>	<b>\$ 318,075</b>	<b>\$ 306,928</b>	<b>\$ 320,748</b>	<b>\$ 303,835</b>	<b>\$ 330,956</b>	<b>\$ 261,934</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>Capital Investment Fund Transfers</b>								
<b>NON-CAPITAL OUTLAY</b>								
BUILDINGS	\$ -	\$ -	\$ -	\$ 22,455	\$ 22,455	\$ 22,455	\$ -	\$ -
<b>CAPITAL OUTLAY</b>								
LAND	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -
BUILDINGS	-	100,000	100,000	-	-	-	-	-
EQUIPMENT	48,410	-	-	-	-	-	12,510	86,228
VEHICLE	56,650	77,000	77,000	-	297,254	297,254	-	1,116
<b>Subtotal Capital Outlay</b>	<b>\$ 105,060</b>	<b>\$ 177,000</b>	<b>\$ 177,000</b>	<b>\$ -</b>	<b>\$ 3,297,254</b>	<b>\$ 3,297,254</b>	<b>\$ 12,510</b>	<b>\$ 87,344</b>
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ 361,067	\$ 356,122	\$ 356,122	\$ 197,139	\$ 1,037,139	\$ 1,037,139	\$ 192,434	\$ 209,537
INTEREST	86,559	98,164	98,164	36,388	37,992	37,992	41,093	45,952
<b>Subtotal Debt Service</b>	<b>\$ 447,626</b>	<b>\$ 454,286</b>	<b>\$ 454,286</b>	<b>\$ 233,527</b>	<b>\$ 1,075,131</b>	<b>\$ 1,075,131</b>	<b>\$ 233,527</b>	<b>\$ 255,489</b>
<b>Totals</b>	<b>\$ 5,036,491</b>	<b>\$ 4,899,619</b>	<b>\$ 4,899,619</b>	<b>\$ 4,155,053</b>	<b>\$ 8,307,731</b>	<b>\$ 8,235,580</b>	<b>\$ 3,805,376</b>	<b>\$ 3,519,707</b>



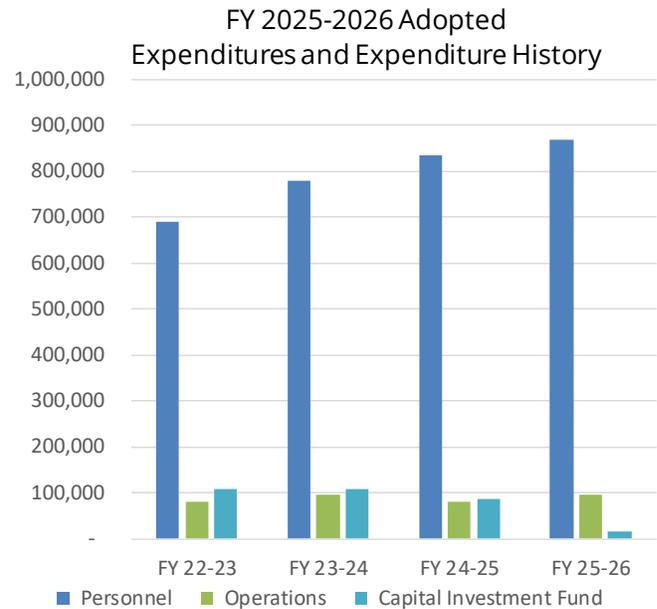
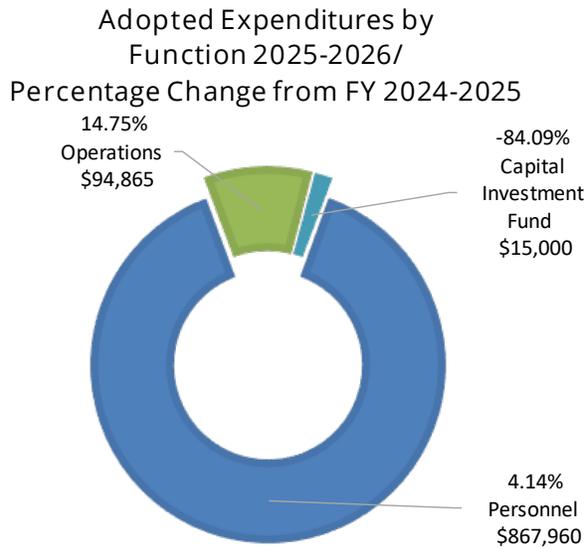
**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Fire:</b>				
<b>Debt Service</b>				
Pumper	18/19	\$ 697,620	\$ 76,101	76,101
Pumper/Quint	21/22	1,358,079	157,426	157,426
4222 S. Croatan Highway	24/25	1,541,604	220,759	214,099
		<b>\$ 3,597,303</b>	<b>\$ 454,286</b>	<b>\$ 447,626</b>
<b>Capital Outlay</b>				
Pickup	<b>25/26</b>	\$ 77,000	\$ 77,000	\$ -
Station 16 generator	<b>25/26</b>	100,000	100,000	-
Pickup	26/27	56,650	-	56,650
Forcible entry training prop	26/27	9,110	-	9,110
Knox box key secure system	26/27	39,300	-	39,300
		<b>\$ 282,060</b>	<b>\$ 177,000</b>	<b>\$ 105,060</b>



**BUDGET SUMMARY OCEAN RESCUE**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 833,545	\$ 833,418	\$ 867,960	4.14%
Operations	81,129	82,670	94,865	14.75%
Capital Investment Fund	85,775	94,282	15,000	-84.09%
<b>Subtotal</b>	1,000,449	1,010,370	977,825	-3.22%
Cost Reimbursement	-	-	-	0.00%
<b>Total</b>	\$ 1,000,449	\$ 1,010,370	\$ 977,825	-3.22%





**LINE-ITEM BUDGET OCEAN RESCUE**

Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Recommended	Budget	Budget	Budget	Actual	Expenditures	Expenditures	Expenditures
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	2024-2025	2023-2024	2022-2023	
<b>PERSONNEL SERVICES</b>									
SALARIES/WAGES - REGULAR	\$ 62,084	\$ 59,468	\$ 59,468	\$ 62,697	\$ 62,697	\$ 65,602	\$ 59,954	\$ 51,047	
SALARIES - LONGEVITY PAY	4,310	4,127	4,127	4,353	4,353	-	-	4,902	
SALARIES/WAGES - PARTTIME	736,340	719,832	719,832	683,531	699,531	699,531	661,449	577,418	
FICA TAX	61,370	59,893	59,893	57,310	57,310	45,302	38,957	37,080	
GROUP HEALTH INSURANCE	12,778	12,156	12,156	12,874	12,874	10,931	9,466	9,191	
RETIREMENT	9,672	9,258	9,258	9,201	9,201	8,912	7,720	6,768	
401 K	3,370	3,226	3,226	3,452	3,452	3,267	3,019	2,222	
<b>Subtotal Personnel Services</b>	<b>\$ 889,924</b>	<b>\$ 867,960</b>	<b>\$ 867,960</b>	<b>\$ 833,418</b>	<b>\$ 849,418</b>	<b>\$ 833,545</b>	<b>\$ 780,566</b>	<b>\$ 688,628</b>	
<b>OPERATIONS</b>									
TRAINING	\$ 10,220	\$ 9,700	\$ 9,700	\$ 10,360	\$ 10,360	\$ 10,349	\$ 11,100	\$ 4,285	
TELEPHONE	1,440	1,440	1,440	1,440	1,440	1,416	1,488	1,539	
POSTAGE	300	300	300	300	300	65	62	68	
ADVERTISING	1,000	1,000	1,000	1,000	1,000	100	599	97	
PRINTING	2,000	2,000	2,000	2,500	2,500	1,100	2,520	2,085	
FUEL COSTS	13,000	13,000	13,000	15,000	15,000	11,235	13,042	13,388	
DEPARTMENT SUPPLIES	20,355	30,055	30,055	19,150	21,650	24,939	33,059	23,382	
MAINT/REPAIR EQUIPMENT	5,900	5,900	5,900	6,400	6,400	6,262	6,085	6,560	
VEHICLE MAINTENANCE	3,600	3,600	3,600	4,200	4,200	3,482	4,414	4,220	
UNIFORMS	15,500	15,500	15,500	15,500	15,500	15,108	16,380	18,482	
PROFESSIONAL FEES	3,150	3,150	3,150	3,200	3,200	2,840	2,820	3,600	
CONTRACTED SERVICES	7,120	7,120	7,120	1,520	1,520	1,713	1,637	1,570	
DUES AND SUBSCRIPTIONS	2,100	2,100	2,100	2,100	2,100	2,520	2,520	1,708	
<b>Subtotal Operations</b>	<b>\$ 85,685</b>	<b>\$ 94,865</b>	<b>\$ 94,865</b>	<b>\$ 82,670</b>	<b>\$ 85,170</b>	<b>\$ 81,129</b>	<b>\$ 95,726</b>	<b>\$ 80,984</b>	



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>Capital Investment Fund Transfers</b>								
<b><i>CAPITAL OUTLAY</i></b>								
EQUIPMENT	\$ 23,050	\$ 15,000	\$ 15,000	\$ 14,000	\$ 14,000	\$ 12,879	\$ 24,018	\$ 24,272
VEHICLE	-	-	-	60,000	60,000	52,614	46,885	47,335
<b>Subtotal Capital Outlay</b>	<b>\$ 23,050</b>	<b>\$ 15,000</b>	<b>\$ 15,000</b>	<b>\$ 74,000</b>	<b>\$ 74,000</b>	<b>\$ 65,493</b>	<b>\$ 70,903</b>	<b>\$ 71,607</b>
<b><i>DEBT SERVICE</i></b>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ 19,953	\$ 19,953	\$ 19,953	\$ 35,738	\$ 35,396
INTEREST	-	-	-	329	329	329	1,009	1,681
<b>Subtotal Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,282</b>	<b>\$ 20,282</b>	<b>\$ 20,282</b>	<b>\$ 36,747</b>	<b>\$ 37,077</b>
<b>TOTALS</b>	<b>\$ 998,659</b>	<b>\$ 977,825</b>	<b>\$ 977,825</b>	<b>\$ 1,010,370</b>	<b>\$ 1,028,870</b>	<b>\$ 1,000,449</b>	<b>\$ 983,942</b>	<b>\$ 878,296</b>



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Ocean Rescue:</b>				
<b>Capital Outlay</b>				
Four-wheelers for beach patrol (2 replacements)	<b>25/26</b>	\$ 15,000	\$ 15,000	-
Four-wheelers for beach patrol (3 replacements)	26/27	23,050	-	23,050
		<b>\$ 38,050</b>	<b>\$ 15,000</b>	<b>\$ 23,050</b>



## PUBLIC SERVICES

### DESCRIPTION

Nags Head Public Services is comprised of six divisions: Administration, Facilities Maintenance, Fleet Maintenance, and Sanitation, discussed below, and Water Operations and Water Distribution, discussed in the Water Fund section of this budget.

Administration handles public inquiries and provides overall support and technical assistance for the department.

Public Facilities Maintenance maintains the overall appearance and cleanliness of the Town's facilities and provides efficient, cost-effective general maintenance and repair of Town-maintained streets, public beach accesses, parks, buildings, and rights-of-way.

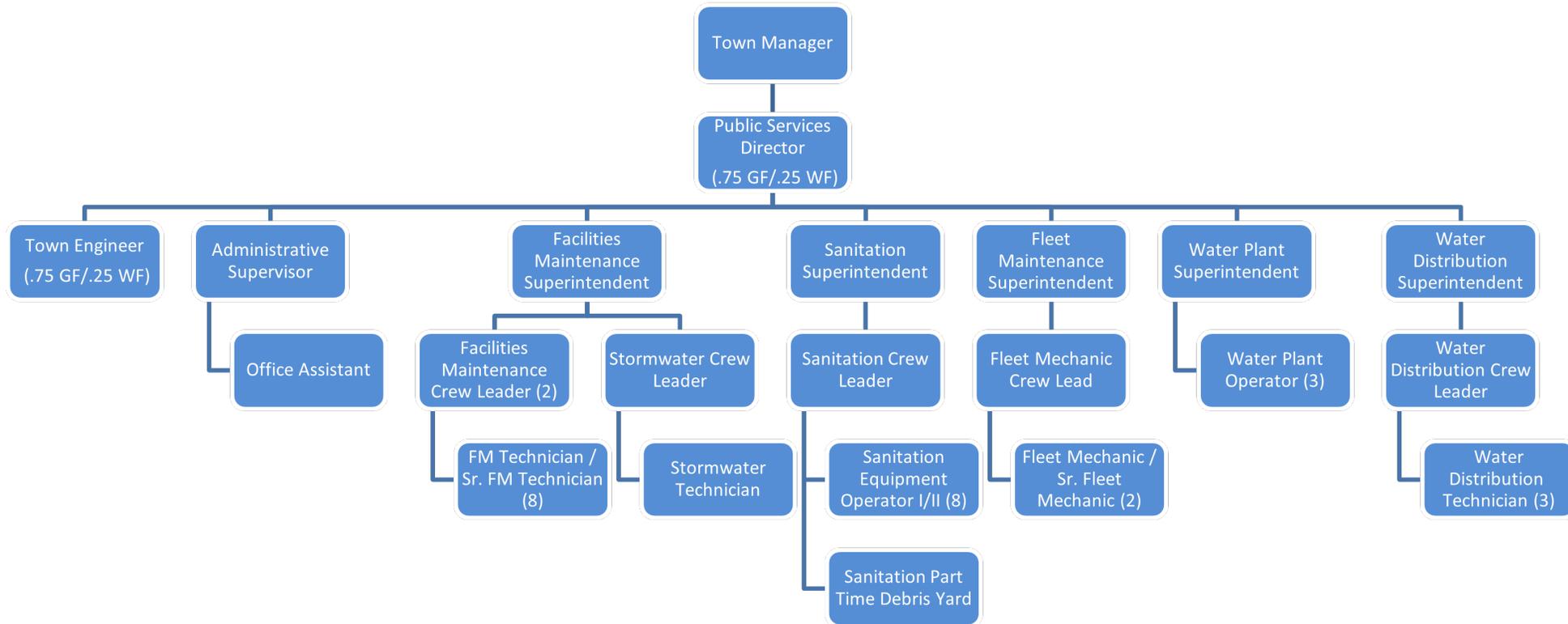
Fleet Maintenance maintains, repairs, and services Town vehicles and heavy equipment. Efficient, cost-effective maintenance of equipment is essential to providing uninterrupted service.

Sanitation collects commercial and residential refuse, including bulk items and brush. This division is also responsible for coordinating the Town's recycling efforts, which includes subscription-based curbside service contracted through a franchise agreement, and operation and maintenance of the Town's drop-off yard (bulk, brush, etc.).

Sanitation also coordinates the town's trash cart rollback service with a private contractor. This is an annual service along the beach road to ensure carts are placed out for service and rolled back in a timely manner.



ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- Installed electrical conduit as a cost-saving project for the new Public Services Facility.
- Remodeled the Bladen Street beach access and the USS Huron gazebo and memorial to improve functionality, safety, and aesthetics.
- Built and installed five memorial benches.
- Followed a regular schedule of culvert and ditch maintenance to protect infrastructure, prevent flooding, preserve water quality, and ensure a healthy overall coastal ecosystem.
- Enhanced pedestrian safety and improved the overall appearance of the town through a partnership with rental property managers that addresses sanitation issues through the sanitation cart rollout service for South Virginia Dare Trail and South Old Oregon Inlet Road.
- Diverted 130 tons of cardboard and 53 tons of glass from the landfill, resulting in a cost savings of approximately \$16,600.
- Installed seven solar streetlights at pedestrian crossings and beach accesses to further improve pedestrian safety.
- Secured a grant for a 30-yard recycling roll off for cardboard at Town Hall and five 8-yard dumpsters to allocated to local businesses to enhance recycling efforts and sustainability practices within the town.
- Quickly and seamlessly processed nine new vehicles and nine new pieces of equipment into the Town's fleet, safeguarding and optimizing employee productivity and performance.
- Completed the two-year construction of the new Public Services Complex. The work is part of a \$15 million investment to modernize Public Services operations and bring additional on-site enclosed storage for the Town fleet and equipment.
- Completed a 10-mile-long beachgrass planting project to protect against erosion, preserve habitat, and act as a natural barrier during storms. The project was partially funded by an NCDEQ Coastal Storm Damage Mitigation Grant.
- Completed the redevelopment of the Governor Street beach access. The project was partially funded by a Division of Coastal Management Beach and Waterfront Access Grant and an Outer Banks Visitors Bureau Tourism Impact Grant.
- Completed the replacement of the dune walkover at the Holden Street beach access.
- Completed the replacement of the pier at the Town's causeway estuarine access. This project is partially funded by a Water Resources Development Grant.
- Commenced with the planning process for the new wellness center on the Town Hall Campus.



- Completed drainage improvements and resurfacing of South Lark Avenue and Pond Avenue.
- Recreational amenities were upgraded to include a new volleyball court built at the Bonnett Street beach access and resurfaced pickleball courts at Dowdy Park.

## GOALS AND UPCOMING PROJECTS

- Continue pedestrian and traffic safety improvements throughout the town, including enhancing crosswalk safety through additional lighting and adding traffic calming features on South Virginia Dare Trail and throughout the neighborhoods.
- Continue to inspect and renovate Town-owned infrastructure, including bulkhead replacement and concrete repairs on South Virginia Dare Trail.
- Deliver quality, efficient, and effective solid waste sanitation services that encourage the reduction of solid waste through recycling and remain flexible and readily adaptable to the complexities of growth, change, and community needs.
- Begin construction on the Juncos Street public access dune walkover, which is integrated into the South Old Oregon Inlet Road Project Area #12 Drainage Infrastructure Improvement Project. This is slated to commence in Spring 2026, as part of the Town's efforts to maintain its infrastructure.
- Proceed with finalizing the design, permitting, bidding, and construction initiation for the new Wellness Center.
- Complete the resurfacing of the second and third phases of the South Virginia Dare Trail Multi-Use Path. The second phase spans from Jennette's Pier to East Lakeside Street and from East Epstein Street to Dune Street. This work is proposed to be completed in Spring 2025. The third phase spans from Dune Street to approximately East Curlew Street. This section is proposed to be completed in Fall 2025.

Metrics Description	FY22-23	FY23-24	FY24-25 Projection	FY25-26 Budget / Goal
<b>Facilities Maintenance:</b>				
Crosswalk Safety Upgrades	10	20	7	10
Bulkhead Replacements	3	-	1	1
Town Hall Exterior Upgrades	1	1	1	1
<b>Sanitation:</b>				
Tons of Residential and Commercial Refuse Collected	8,447	8,104	7,912	7,719
Tons of Recycling Collected	1,092	579	627	675



## FY 2025-26 BUDGET HIGHLIGHTS

### PUBLIC SERVICES ADMINISTRATION

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- The public services director and town engineer positions are budgeted at a 75% general fund/25% water fund split.
- Trash carts and dumpsters are purchased for resale and are budgeted as purchases for resale.
- Implement the next phase of pedestrian projects on East Admiral Street. Grant funding towards construction would be requested through the Outer Banks Visitors Bureau. Engineering costs are provided for the planning of the next phase of the west side multi-use path and are budgeted at \$60,000.

### PUBLIC SERVICES FACILITIES MAINTENANCE

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- Planning, design, permitting and construction of the dune walkover replacements at East Gulfstream Street and June Street beach accesses are included. A Division of Coastal management grant has been received in the amount of \$207,668 for funding assistance for the replacement at June Street.
- Funds are included for routine building, park, and beach access maintenance.
- The general fund portion of town-wide utilities are centrally budgeted in this department.
- Capital Investment Fund expenditures include:
  - Multi-use path repairs - \$80,000
  - Town HVAC replacements - \$37,901
  - Sand push/snowplow truck attachment - \$9,300
  - Mobile power washer - \$10,000
  - Lawn mower - \$16,800
  - HVAC service contract agreement at all Town buildings - \$53,560
  - The final debt service payment on a piece of equipment (loader) - \$40,883

### PUBLIC SERVICES GARAGE

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- Fuel prices are calculated and budgeted on average usage for the prior twelve months and are reflected departmentally. For fiscal year 2025-2026, prices are budgeted at \$2.12 per gallon for regular unleaded and \$2.65 per gallon for diesel.

### PUBLIC WORKS STATE STREET AID

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- Powell Bill funds will be used to supplement infrastructure improvements along South Old Oregon Inlet Road for Project Areas #12 and #13.



## PUBLIC WORKS SANITATION

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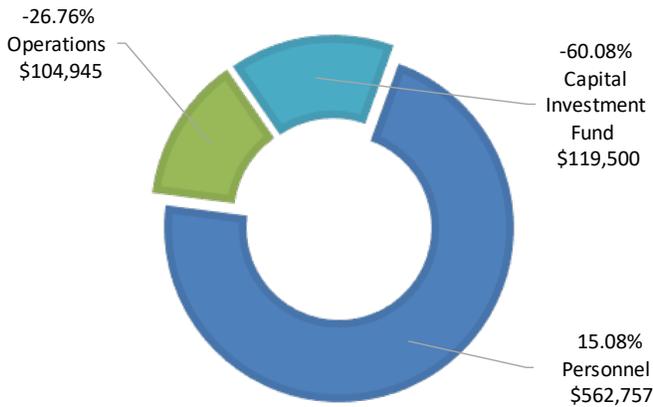
- Tipping fees are budgeted at \$742,916 for an estimated 7,900 residential and commercial tons at \$94.04 per ton.
- Construction and demolition fees are budgeted at \$85,232 for an estimated 1,165 tons at \$73.16 per ton.
- Funding is included for recycling at forty-five recycling contracted cart locations including public beach accesses, parks, and Town buildings, totaling \$10,270.
- A recycling supplement of \$78 per year is included for an estimated 775 customers using curbside recycling services, totaling \$60,450.
- Contracted services are included for six months of enhanced cart rollout services on South Virginia Dare Trail and South Old Oregon Inlet Road, totaling \$203,316. This cost is offset by an annual cart rollout fee.
- Capital Investment fund expenditures include:
  - Replacement residential garbage truck - \$400,000.
  - Replacement knuckle boom truck - \$200,000.



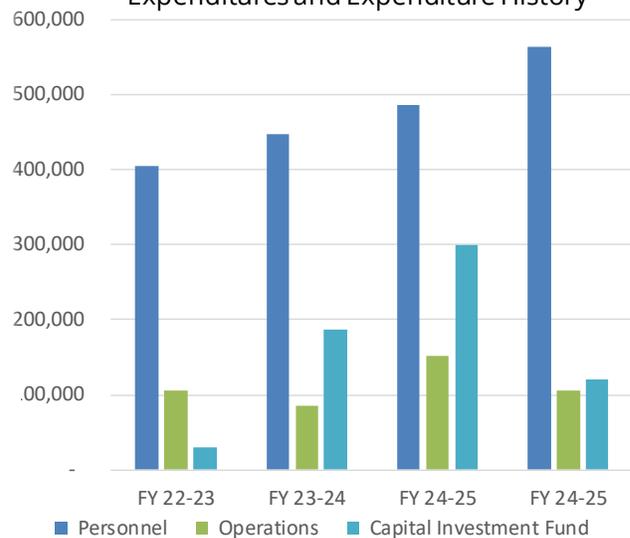
**BUDGET SUMMARY PUBLIC SERVICES ADMINISTRATION**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 485,186	\$ 489,006	\$ 562,757	15.08%
Operations	150,910	143,290	104,945	-26.76%
Capital Investment Fund	299,331	299,331	119,500	-60.08%
<b>Subtotal</b>	935,427	931,627	787,202	-15.50%
Cost Reimbursement	(59,765)	(59,765)	(68,415)	
<b>Total</b>	\$ 875,662	\$ 871,862	\$ 718,787	-17.56%

Adopted Expenditures  
by Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





**LINE-ITEM BUDGET PUBLIC SERVICES ADMINISTRATION**

Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Recommended	Budget	Budget	Budget	Actual	Expenditures	Expenditures	Expenditures
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	2024-2025	2024-2025	2023-2024	2022-2023
<b>PERSONNEL SERVICES</b>									
SALARIES/WAGES - REGULAR	\$ 388,560	\$ 375,395	\$ 375,395	\$ 328,818	\$ 328,818	\$ 337,971	\$ 311,511	\$ 286,527	
SALARIES - LONGEVITY PAY	13,052	12,687	12,687	10,642	10,642	-	-	-	
FICA TAX	30,634	29,599	29,599	25,879	25,879	24,651	22,467	20,509	
GROUP HEALTH INSURANCE	73,776	70,208	70,208	60,609	60,609	59,898	56,670	51,997	
RETIREMENT	57,463	55,522	55,522	46,143	46,143	45,851	40,086	34,726	
401 K	20,022	19,346	19,346	16,915	16,915	16,815	15,626	11,411	
<b>Subtotal Personnel Services</b>	<b>\$ 583,507</b>	<b>\$ 562,757</b>	<b>\$ 562,757</b>	<b>\$ 489,006</b>	<b>\$ 489,006</b>	<b>\$ 485,186</b>	<b>\$ 446,360</b>	<b>\$ 405,170</b>	
<b>OPERATIONS</b>									
TRAINING	\$ 7,300	\$ 7,300	\$ 7,300	\$ 9,550	\$ 9,550	\$ 6,312	\$ 1,266	\$ 2,767	
BUILDING/EQUIPMENT RENTAL	1,750	1,750	1,750	2,100	2,100	2,109	2,194	2,405	
TELEPHONE	1,440	1,440	1,440	1,413	1,413	1,391	1,289	1,294	
POSTAGE	300	300	300	300	300	226	235	989	
ADVERTISING	300	300	300	300	300	-	-	-	
FUEL COSTS	2,100	2,000	2,000	2,500	2,500	2,230	2,153	2,199	
DEPARTMENT SUPPLIES	8,500	12,500	12,500	8,500	8,500	8,403	5,744	5,745	
VEHICLE MAINTENANCE	4,850	4,850	4,850	3,680	12,633	9,818	930	564	
UNIFORMS	2,550	2,550	2,550	2,520	2,520	693	338	120	
CONTRACTED SERVICES	6,016	5,980	5,980	7,000	7,000	5,000	3,000	10,729	
PURCHASES FOR RESALE	61,000	59,900	59,900	100,000	110,839	110,839	65,772	75,208	
DUES AND SUBSCRIPTIONS	9,175	6,075	6,075	5,427	5,427	3,890	3,174	4,452	
<b>Subtotal Operations</b>	<b>\$ 105,281</b>	<b>\$ 104,945</b>	<b>\$ 104,945</b>	<b>\$ 143,290</b>	<b>\$ 163,082</b>	<b>\$ 150,910</b>	<b>\$ 86,095</b>	<b>\$ 106,472</b>	
<b>COST REIMBURSEMENT FROM THE WATER FUND</b>									
COST REIMBURSEMENT	\$ (68,415)	\$ (68,415)	\$ (68,415)	\$ (59,765)	\$ (59,765)	\$ (59,765)	\$ (46,660)	\$ (44,749)	



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>CAPITAL OUTLAY</b>								
CAPITAL OUTLAY IMPROVEMENTS	\$ -	\$ 119,500	\$ 119,500	\$ 271,300	\$ 271,300	\$ 271,300	\$ 157,515	\$ -
CAPITAL OUTLAY VEHICLE	48,000	-	-	-	-	-	-	-
	<b>\$ 48,000</b>	<b>\$ 119,500</b>	<b>\$ 119,500</b>	<b>\$ 271,300</b>	<b>\$ 271,300</b>	<b>\$ 271,300</b>	<b>\$ 157,515</b>	<b>\$ -</b>
<b>Capital Investment Fund Transfers</b>								
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ 91,799	\$ -	\$ -	\$ 27,368	\$ 27,368	\$ 27,368	\$ 27,368	\$ 27,368
INTEREST	-	-	-	663	663	663	1,325	1,987
<b>Subtotal Debt Service</b>	<b>\$ 91,799</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,031</b>	<b>\$ 28,031</b>	<b>\$ 28,031</b>	<b>\$ 28,693</b>	<b>\$ 29,355</b>
<b>TOTALS</b>	<b>\$ 760,172</b>	<b>\$ 718,787</b>	<b>\$ 718,787</b>	<b>\$ 871,862</b>	<b>\$ 891,654</b>	<b>\$ 875,662</b>	<b>\$ 672,003</b>	<b>\$ 496,248</b>



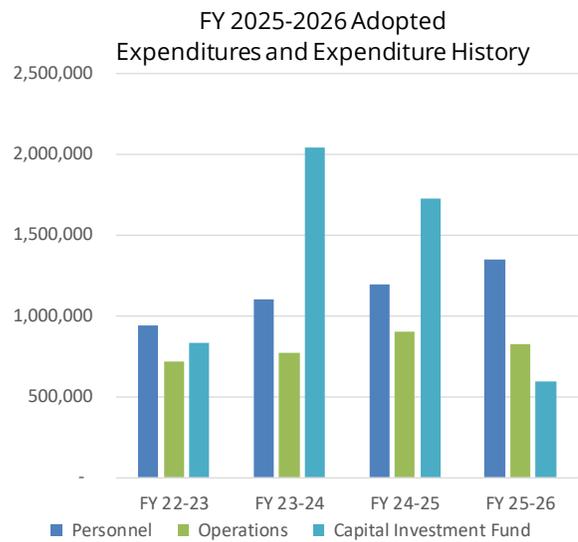
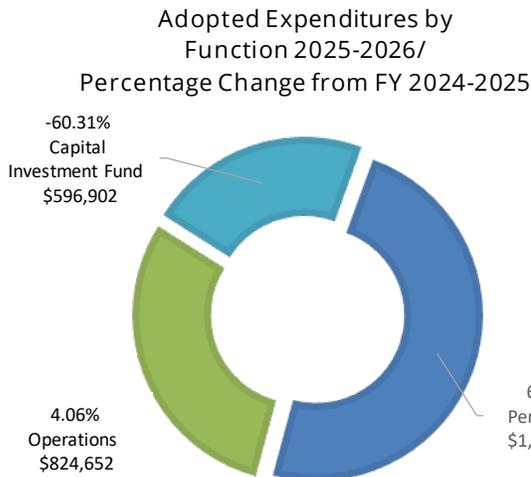
**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Public Services Administration:</b>				
<b>Capital Outlay</b>				
Grouse St./Admiral St. pedestrian project	25/26	\$ 59,500	\$ 59,500	\$ -
Carolista Dr./Dune St.-west side multi-use path design	25/26	60,000	60,000	-
Pickup	26/27	48,000	-	48,000
		<b>\$ 167,500</b>	<b>\$ 119,500</b>	<b>\$ 48,000</b>
<b>Debt Service</b>				
Carolista Dr./Dune St.-west side multi-use path construction	26/27	\$ 917,990	\$ -	\$ 91,799



**BUDGET SUMMARY PUBLIC WORKS FACILITIES MAINTENANCE**

<b>Expenditures By Type</b>				
Type	FY 23-24 Estimated Actual	FY 23-24 Adopted Budget	FY 24-25 Adopted Budget	Percent Change
Personnel	\$ 1,191,892	\$ 1,261,322	\$ 1,345,260	6.65%
Operations	902,848	792,459	824,652	4.06%
Capital Investment Fund	1,728,129	1,503,953	596,902	-60.31%
<b>Subtotal</b>	<b>3,822,869</b>	<b>3,557,734</b>	<b>2,766,814</b>	<b>-22.23%</b>
Cost Reimbursement	(195,908)	(195,908)	(228,381)	
<b>Total</b>	<b>\$ 3,626,961</b>	<b>\$ 3,361,826</b>	<b>\$ 2,538,433</b>	<b>-24.49%</b>





**LINE-ITEM BUDGET PUBLIC WORKS FACILITIES MAINTENANCE**

Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Recommended	Budget	Budget	Budget	Actual	Expenditures	Expenditures	Expenditures
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	2024-2025	2024-2025	2023-2024	2022-2023
<b>PERSONNEL SERVICES</b>									
SALARIES/WAGES - REGULAR	\$ 912,928	\$ 838,814	\$ 838,814	\$ 819,196	\$ 819,196	\$ 789,329	\$ 748,619	\$ 659,838	
SALARIES - LONGEVITY PAY	14,068	13,268	13,268	16,018	16,018	-	-	-	
OVERTIME PAY	10,650	10,650	10,650	7,800	7,800	-	-	-	
HOLIDAY PAY	6,994	6,994	6,994	5,200	5,200	-	-	-	
FICA TAX	71,820	66,089	66,089	64,475	64,475	57,716	55,376	48,859	
GROUP HEALTH INSURANCE	241,991	230,347	230,347	176,373	176,373	185,772	157,362	128,937	
RETIREE HEALTH INSURANCE	12,578	11,932	11,932	15,159	15,159	15,150	7,347	-	
RETIREMENT	134,721	123,971	123,971	114,960	114,960	105,247	95,988	79,638	
401 K	46,941	43,195	43,195	42,141	42,141	38,678	37,423	26,155	
<b>Subtotal Personnel Services</b>	<b>\$ 1,452,691</b>	<b>\$ 1,345,260</b>	<b>\$ 1,345,260</b>	<b>\$ 1,261,322</b>	<b>\$ 1,261,322</b>	<b>\$ 1,191,892</b>	<b>\$ 1,102,115</b>	<b>\$ 943,427</b>	
<b>OPERATIONS</b>									
TRAINING	\$ 17,750	\$ 18,500	\$ 18,500	\$ 15,000	\$ 15,000	\$ 9,910	\$ 1,415	\$ 3,961	
BUILDING/EQUIPMENT RENTAL	-	-	-	-	-	-	259	-	
UTILITIES	301,845	291,440	291,440	233,625	233,625	284,696	234,940	208,957	
FUEL COSTS	34,000	34,000	34,000	40,000	40,000	31,340	34,900	42,293	
DEPARTMENT SUPPLIES	34,000	35,500	35,500	44,000	44,000	43,503	36,112	32,122	
OTHER SUPPLIES	37,638	44,138	44,138	37,660	37,660	36,704	27,739	24,735	
MAINT/REPAIR BUILDINGS	77,175	88,475	88,475	103,425	171,625	171,625	123,094	95,373	
MAINT/REPAIR EQUIPMENT	30,500	40,095	40,095	26,295	36,295	36,295	19,856	28,525	
VEHICLE MAINTENANCE	18,170	18,120	18,120	17,210	26,472	25,147	11,346	12,834	
MAINT/REPAIR OTHER	69,000	69,000	69,000	89,500	89,500	83,632	89,646	94,700	
UNIFORMS	15,000	15,000	15,000	13,000	13,000	12,533	9,954	10,091	
PROFESSIONAL FEES	300	300	300	280	280	-	-	100	
SIGNS	17,000	30,050	30,050	27,500	27,500	25,993	36,060	32,670	
SPECIAL PROJECTS SAND FENCING	24,000	24,000	24,000	24,000	24,000	24,000	48,000	-	
CONTRACTED SERVICES	120,284	114,284	114,284	89,238	87,038	87,038	77,886	108,996	
DUES AND SUBSCRIPTIONS	1,750	1,750	1,750	1,726	1,726	432	252	50	
DOWDY PARK	-	-	-	30,000	30,000	30,000	17,814	21,589	
<b>Subtotal Operations</b>	<b>\$ 798,412</b>	<b>\$ 824,652</b>	<b>\$ 824,652</b>	<b>\$ 792,459</b>	<b>\$ 877,721</b>	<b>\$ 902,848</b>	<b>\$ 769,273</b>	<b>\$ 716,996</b>	



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b><i>COST REIMBURSEMENT FROM THE WATER FUND</i></b>								
COST REIMBURSEMENT	\$ (228,381)	\$ (228,381)	\$ (228,381)	\$ (195,908)	\$ (195,908)	\$ (195,908)	\$ (236,088)	\$ (213,004)
<b>Capital Investment Fund Transfers</b>								
<b><i>NON-CAPITAL OUTLAY</i></b>								
BUILDINGS	\$ -	\$ 37,901	\$ 37,901	\$ 64,000	\$ 85,848	\$ 85,848	\$ -	\$ -
IMPROVEMENTS	80,000	80,000	80,000	80,000	80,000	80,000	71,246	74,994
EQUIPMENT	-	-	-	12,000	12,000	11,375	19,305	25,575
CONTRACTED SERVICES	55,167	53,560	53,560	32,759	51,999	51,999	-	-
<b>Subtotal Operations</b>	<b>\$ 135,167</b>	<b>\$ 171,461</b>	<b>\$ 171,461</b>	<b>\$ 188,759</b>	<b>\$ 229,847</b>	<b>\$ 229,222</b>	<b>\$ 90,551</b>	<b>\$ 100,569</b>
<b><i>CAPITAL OUTLAY</i></b>								
BUILDINGS	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 952,611	\$ 93,705
IMPROVEMENTS	296,000	348,458	348,458	1,034,380	1,218,093	1,218,093	470,063	116,920
EQUIPMENT	179,295	36,100	36,100	83,800	83,800	83,800	127,415	-
VEHICLE	-	-	-	-	-	-	134,897	184,586
<b>Subtotal Capital Outlay</b>	<b>\$ 565,295</b>	<b>\$ 384,558</b>	<b>\$ 384,558</b>	<b>\$ 1,118,180</b>	<b>\$ 1,301,893</b>	<b>\$ 1,301,893</b>	<b>\$ 1,684,986</b>	<b>\$ 395,211</b>
<b><i>DEBT SERVICE</i></b>								
PRINCIPAL	\$ -	\$ 39,898	\$ 39,898	\$ 171,999	\$ 171,999	\$ 171,999	\$ 237,552	\$ 298,925
INTEREST	-	985	985	25,015	25,015	25,015	30,579	37,274
<b>Subtotal Debt Service</b>	<b>\$ -</b>	<b>\$ 40,883</b>	<b>\$ 40,883</b>	<b>\$ 197,014</b>	<b>\$ 197,014</b>	<b>\$ 197,014</b>	<b>\$ 268,131</b>	<b>\$ 336,199</b>
<b>TOTAL</b>	<b>\$ 2,723,184</b>	<b>\$ 2,538,433</b>	<b>\$ 2,538,433</b>	<b>\$ 3,361,826</b>	<b>\$ 3,671,889</b>	<b>\$ 3,626,961</b>	<b>\$ 3,678,968</b>	<b>\$ 2,279,398</b>



# Town of Nags Head

## Adopted Budget

### Capital Investment Fund

### For the Fiscal Year 2025-2026

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Public Works Facilities Maintenance :</b>				
<b>Non-Capital Outlay</b>				
HVAC maintenance agreement	25/26	\$ 108,727	\$ 53,560	\$ 55,167
Town Hall HVAC replacement	25/26	37,901	37,901	-
Multi-use path repairs	25/26	160,000	80,000	80,000
		<b>\$ 306,628</b>	<b>\$ 171,461</b>	<b>\$ 135,167</b>
<b>Debt Service</b>				
Loader	19/20	\$ 194,795	\$ 40,883	\$ -
<b>Capital Outlay</b>				
Gulfstream Street beach access maintenance*	25/26	\$ 80,000	\$ 80,000	\$ -
June Street beach access maintenance*	25/26	268,458	268,458	-
Mower	25/26	16,800	16,800	-
Snow plow truck attachment	25/26	9,300	9,300	-
Mobile pressure washer	25/26	10,000	10,000	-
Beach road multi-use path maintenance design	26/27	50,000	-	50,000
Hargrove bath house design	26/27	90,000	-	90,000
Excavator	26/27	162,495	-	162,495
Albatross Street beach access maintenance*	26/27	86,000	-	86,000
Glidden Street beach access maintenance*	26/27	160,000	-	160,000
Mower	26/27	16,800	-	16,800
		<b>\$ 949,853</b>	<b>\$ 384,558</b>	<b>\$ 565,295</b>

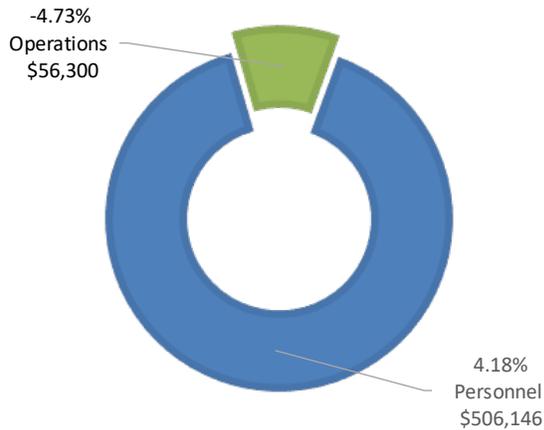
\*funding source is capital reserve fund



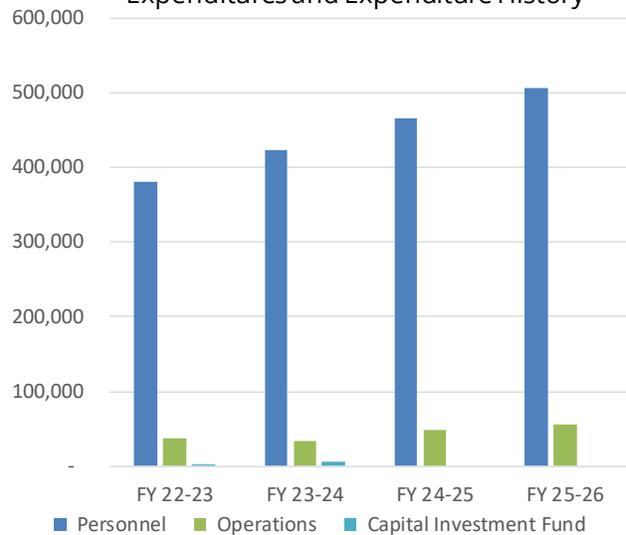
**BUDGET SUMMARY PUBLIC WORKS GARAGE**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 465,810	\$ 485,817	\$ 506,146	4.18%
Operations	49,087	59,098	56,300	-4.73%
Capital Investment Fund	-	-	-	0.00%
<b>Subtotal</b>	514,897	544,915	562,446	3.22%
Cost Reimbursement	(54,108)	(54,108)	(62,482)	
<b>Total</b>	\$ 460,789	\$ 490,807	\$ 499,964	1.87%

Adopted Expenditures by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





**LINE-ITEM BUDGET PUBLIC WORKS GARAGE**

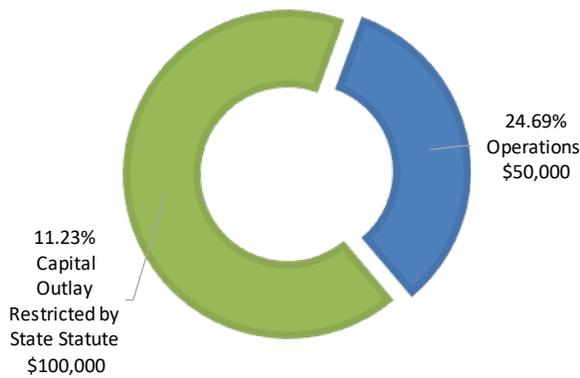
Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 361,553	\$ 343,178	\$ 343,178	\$ 339,451	\$ 339,451	\$ 332,161	\$ 303,440	\$ 275,341
SALARIES - LONGEVITY PAY	9,788	9,403	9,403	8,619	8,619	-	-	-
OVERTIME PAY	576	576	576	551	551	-	-	-
HOLIDAY PAY	576	576	576	551	551	-	-	-
FICA TAX	28,496	27,061	27,061	26,712	26,712	25,164	22,825	20,722
GROUP HEALTH INSURANCE	59,788	56,904	56,904	44,847	44,847	46,652	42,597	40,735
RETIREMENT	53,453	50,761	50,761	47,627	47,627	45,225	39,200	33,509
401 K	18,625	17,687	17,687	17,459	17,459	16,608	15,277	11,011
<b>Subtotal Personnel Services</b>	<b>\$ 532,855</b>	<b>\$ 506,146</b>	<b>\$ 506,146</b>	<b>\$ 485,817</b>	<b>\$ 485,817</b>	<b>\$ 465,810</b>	<b>\$ 423,339</b>	<b>\$ 381,318</b>
<b>OPERATIONS</b>								
TRAINING	\$ 3,910	\$ 3,910	\$ 3,910	\$ 3,695	\$ 3,695	\$ 989	\$ 201	\$ 2,254
FUEL COSTS	1,500	1,500	1,500	2,000	2,000	1,167	1,600	1,135
DEPARTMENT SUPPLIES	18,250	18,250	18,250	22,575	22,225	22,513	12,470	17,620
OTHER SUPPLIES	17,100	16,780	16,780	17,088	17,088	15,899	12,667	13,237
MAINT/REPAIR EQUIPMENT	6,440	6,440	6,440	5,840	5,840	2,877	2,412	108
VEHICLE MAINTENANCE	2,500	2,500	2,500	2,500	2,500	1,193	1,329	705
UNIFORMS	4,200	4,200	4,200	3,550	3,550	3,149	2,225	1,744
PROFESSIONAL FEES	1,600	1,600	1,600	900	900	-	-	-
CONTRACTED SERVICES	1,120	1,120	1,120	950	1,300	1,300	1,292	1,097
<b>Subtotal Operations</b>	<b>\$ 56,620</b>	<b>\$ 56,300</b>	<b>\$ 56,300</b>	<b>\$ 59,098</b>	<b>\$ 59,098</b>	<b>\$ 49,087</b>	<b>\$ 34,196</b>	<b>\$ 37,900</b>
<b>COST REIMBURSEMENT FROM THE WATER FUND</b>								
COST REIMBURSEMENT	\$ (62,482)	\$ (62,482)	\$ (62,482)	\$ (54,108)	\$ (54,108)	\$ (54,108)	\$ (55,966)	\$ (49,306)
<b>Capital Investment Fund Transfers</b>								
<b>CAPITAL OUTLAY</b>								
CAPITAL OUTLAY EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,695	\$ 3,007
<b>TOTAL</b>	<b>\$ 526,993</b>	<b>\$ 499,964</b>	<b>\$ 499,964</b>	<b>\$ 490,807</b>	<b>\$ 490,807</b>	<b>\$ 460,789</b>	<b>\$ 407,264</b>	<b>\$ 372,919</b>



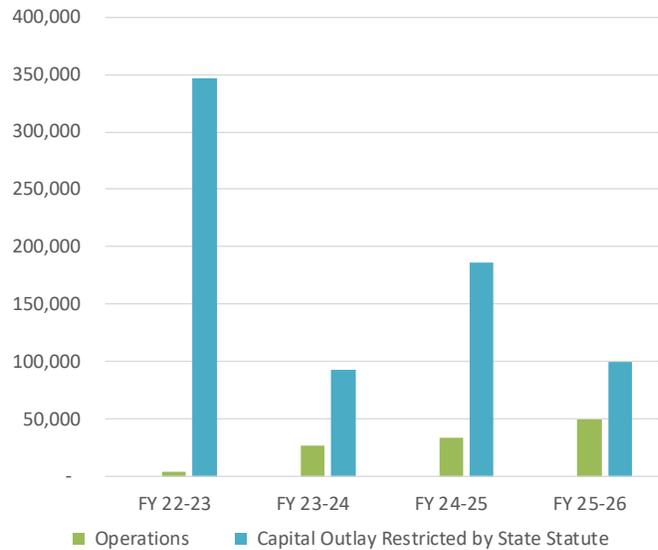
**BUDGET SUMMARY STATE STREET AID (POWELL BILL)**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Operations	34,369	40,100	50,000	24.69%
Capital Outlay Restricted by State Statute	186,459	89,900	100,000	11.23%
<b>Total</b>	<b>\$ 220,828</b>	<b>\$ 130,000</b>	<b>\$ 150,000</b>	<b>15.38%</b>

Adopted Expenditures by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





LINE-ITEM BUDGET STATE STREET AID (POWELL BILL)

Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Recommended	Budget	Budget	Budget	Actual	Expenditures	Expenditures	Expenditures
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	2024-2025	2023-2024	2022-2023	
<b>OPERATIONS</b>									
STREET SUPPLIES	\$ 50,000	\$ 50,000	\$ 50,000	\$ 40,100	\$ 40,100	\$ 34,369	\$ 27,128	\$ 4,388	
<b>CAPITAL OUTLAY</b>									
INFRASTRUCTURE	\$ 100,000	\$ 100,000	\$ 100,000	\$ 89,900	\$ 186,459	\$ 186,459	\$ 93,043	\$ 346,131	
<b>Subtotal Capital Outlay</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 89,900</b>	<b>\$ 186,459</b>	<b>\$ 186,459</b>	<b>\$ 93,043</b>	<b>\$ 346,131</b>	
<b>TOTAL</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 130,000</b>	<b>\$ 226,559</b>	<b>\$ 220,828</b>	<b>\$ 120,171</b>	<b>\$ 350,519</b>	



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

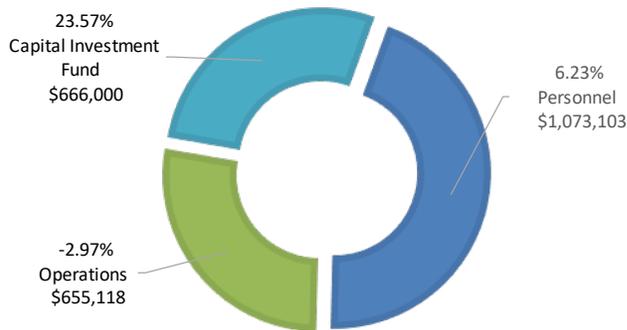
Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>State Street Aid (Powell Bill):</b>				
<b>Capital Outlay</b>				
Stormwater project areas 12/13	25/26	\$ 100,000	\$ 100,000	-
Streets-Stormwater Year 7 paving-resurfacing east/west streets	26/27	100,000	-	100,000
		<b>\$ 200,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>



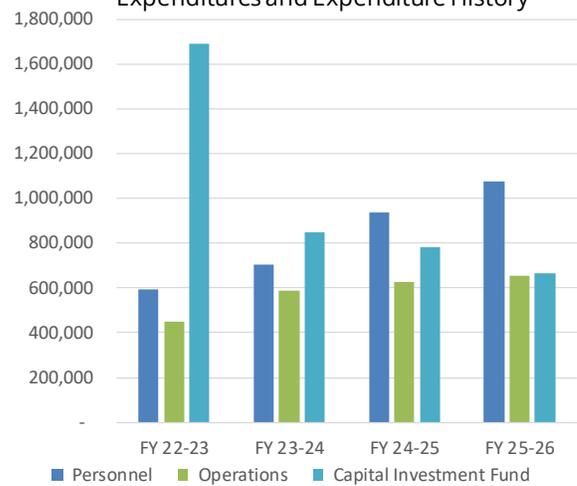
**BUDGET SUMMARY PUBLIC WORKS SANITATION**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 937,612	\$ 1,010,215	\$ 1,073,103	6.23%
Operations	629,652	675,138	655,118	-2.97%
Capital Investment Fund	781,669	538,983	666,000	23.57%
<b>Total</b>	<b>\$ 2,348,933</b>	<b>\$ 2,224,336</b>	<b>\$ 2,394,221</b>	<b>7.64%</b>

Adopted Expenditures by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





**LINE-ITEM BUDGET PUBLIC WORKS SANITATION**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 680,559	\$ 640,761	\$ 640,761	\$ 615,097	\$ 615,097	\$ 594,619	\$ 492,512	\$ 468,814
SALARIES - LONGEVITY PAY	6,850	6,067	6,067	5,112	5,112	-	-	-
SALARIES/WAGES - PARTTIME	23,495	22,811	22,811	22,162	22,162	17,458	-	-
OVERTIME PAY	3,803	3,755	3,755	9,370	9,370	-	-	-
HOLIDAY PAY	12,905	12,540	12,540	13,520	13,520	-	-	-
FICA TAX	55,313	52,125	52,125	50,544	50,544	44,398	35,218	33,747
GROUP HEALTH INSURANCE	205,611	195,680	195,680	160,227	160,227	156,185	122,102	103,363
RETIREES GROUP HEALTH INSURANCE	12,578	11,932	11,932	15,159	15,159	15,150	19,591	28,728
RETIREMENT	100,386	94,504	94,504	87,097	87,097	80,294	60,985	54,340
401 K	34,978	32,928	32,928	31,927	31,927	29,508	23,807	17,858
<b>Subtotal Personnel Services</b>	<b>\$ 1,136,478</b>	<b>\$ 1,073,103</b>	<b>\$ 1,073,103</b>	<b>\$ 1,010,215</b>	<b>\$ 1,010,215</b>	<b>\$ 937,612</b>	<b>\$ 754,215</b>	<b>\$ 706,850</b>
<b>OPERATIONS</b>								
TRAINING	\$ 6,000	\$ 6,000	\$ 6,000	\$ 3,500	\$ 3,500	\$ 1,620	\$ 357	\$ 903
ADVERTISING	500	500	500	500	500	504	500	238
FUEL COSTS	117,500	117,500	117,500	150,000	150,000	105,244	123,610	146,764
DEPARTMENT SUPPLIES	44,817	41,026	41,026	45,680	45,680	41,565	31,993	51,506
MAINT/REPAIR EQUIPMENT	9,500	9,500	9,500	8,500	8,500	3,400	-	3,702
VEHICLE MAINTENANCE	135,000	135,000	135,000	145,000	161,533	161,533	112,928	115,448
UNIFORMS	9,620	9,620	9,620	9,620	9,620	9,620	8,088	5,528
CONTRACTED SERVICES	207,648	203,316	203,316	201,600	201,600	201,600	200,530	196,080
RECYCLING	131,716	131,716	131,716	110,738	110,738	104,566	90,191	65,435
DUES AND SUBSCRIPTIONS	940	940	940	-	-	-	-	-
<b>Subtotal Operations</b>	<b>\$ 663,241</b>	<b>\$ 655,118</b>	<b>\$ 655,118</b>	<b>\$ 675,138</b>	<b>\$ 691,671</b>	<b>\$ 629,652</b>	<b>\$ 568,197</b>	<b>\$ 585,604</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>Capital Investment Fund Transfers</b>								
<b>CAPITAL OUTLAY</b>								
VEHICLE	\$ 400,000	\$ 650,000	\$ 650,000	\$ 379,000	\$ 621,686	\$ 621,686	\$ 592,202	\$ 532,416
EQUIPMENT	-	16,000	16,000	-	-	-	25,007	32,368
<b>Subtotal Capital Outlay</b>	<b>\$ 400,000</b>	<b>\$ 666,000</b>	<b>\$ 666,000</b>	<b>\$ 379,000</b>	<b>\$ 621,686</b>	<b>\$ 621,686</b>	<b>\$ 617,209</b>	<b>\$ 564,784</b>
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ 157,386	\$ 157,386	\$ 157,386	\$ 214,920	\$ 272,507
INTEREST	-	-	-	2,597	2,597	2,597	6,216	10,606
<b>Subtotal Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159,983</b>	<b>\$ 159,983</b>	<b>\$ 159,983</b>	<b>\$ 221,136</b>	<b>\$ 283,113</b>
<b>TOTAL</b>	<b>\$ 2,199,719</b>	<b>\$ 2,394,221</b>	<b>\$ 2,394,221</b>	<b>\$ 2,224,336</b>	<b>\$ 2,483,555</b>	<b>\$ 2,348,933</b>	<b>\$ 2,160,757</b>	<b>\$ 2,140,351</b>



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Public Works Sanitation:</b>				
<b>Capital Outlay</b>				
Residential Truck	25/26	\$ 400,000	\$ 400,000	\$ -
Knuckle Boom Truck**	25/26	250,000	250,000	-
Roll offs (2)	25/26	16,000	16,000	-
Front Load Truck	26/27	400,000	-	400,000
		<b>\$ 1,066,000</b>	<b>\$ 666,000</b>	<b>\$ 400,000</b>



LINE-ITEM BUDGET SOLID WASTE DISPOSAL

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated		
						Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>OPERATIONS</b>								
TIPPING FEES	\$ 828,148	\$ 828,148	\$ 828,148	\$ 882,657	\$ 882,657	\$ 791,389	\$ 797,479	\$ 817,785
<b>TOTAL</b>	<b>\$ 828,148</b>	<b>\$ 828,148</b>	<b>\$ 828,148</b>	<b>\$ 882,657</b>	<b>\$ 882,657</b>	<b>\$ 791,389</b>	<b>\$ 797,479</b>	<b>\$ 817,785</b>



## STREETS AND STORMWATER

### DESCRIPTION

The Streets and Stormwater Department uses a more integrated approach to planning, designing, and constructing projects that combine streets, stormwater, and water main project work. This methodology unifies utility and infrastructure plans and prioritizes them into a single coordinated project plan. An economy of scale and a more streamlined approach will be achieved in combining multiple paving projects along with associated drainage improvements and waterline upgrades. This integrated method uses a neighborhood-by-neighborhood approach based on a five-year paving plan. The pavement maintenance plan addresses maintenance of all Town-owned streets (37 miles) over a period of 20 years.

### RECENT ACCOMPLISHMENTS

- Received a Water Resources Development grant to assist with infrastructure improvements associated with Project Area #12 (Juncos Street) in the amount of \$101,380. Grant funding will assist with the replacement of a portion of the parking area with permeable pavers and aid with the implementation of a remote-control pump management system.
- Received Construction Authorization approval for the North Carolina Department of Environmental Quality (NCDEQ) Local Assistance for Stormwater Infrastructure Investments (LASII) Program construction grant for stormwater Project Areas #12 and #13. All state permits have been acquired to include a Division of Coastal Management Variance approval for the installation of the dune infiltration system for Project Area #12.
- Construction began on Project Area #12 with the installation of the storm pipe collection system. Approximately 33% of the collection pipe network has been installed along South Old Oregon Inlet Road. Due to project permit conditions, a summer work stoppage will begin in mid-May and commence again in mid-September.
- Construction is anticipated to begin on Project Area #13 this spring. Similar permit conditions will apply with a summer work stoppage starting mid-May and commence again in mid-September.
- Received an NCDEQ LASII Program construction grant for Project Area #4, (South Wrightsville Avenue/Bonnett Street) in the amount of \$2,356,910. The scope of work includes the implementation of a discrete pipe collection system along the southern part of South Wrightsville Avenue with connectivity to a stormwater pump station for conveyance to an underground infiltration gallery at the Bonnett Street beach access. An engineering report has been submitted for review to the Division of Water Infrastructure to begin the planning process.
- Initiated the Stormwater Master Plan process. To date, field data collection has been completed to support an update to the stormwater inventory map for inclusion into the existing ARCGIS stormwater geodatabase.



- Completed design and bidding services for a combined Streets/Water/Stormwater Project concentrated along South Memorial Avenue. The stormwater portion of the project includes infrastructure replacement/upgrades at the following intersections along South Memorial Avenue: Albatross Street, Atlas Street, Driftwood Street, Gallery Row, Abalone Street, Bonnett Street and Bittern Street. This project is partially funded by a Golden LEAF Flood Mitigation Grant in the amount of \$478,850.
- Installed approximately 120 linear feet of storm drainage pipe along South Lark Avenue.
- Conducted erosion control enhancements along South Memorial Avenue, Curlew Street, and Linda Lane.
- Performed drainage improvements along the west side of South Old Oregon Inlet Road, Finch Street, Glidden Street, West Deering Street and Dune Street.
- Conducted several rounds of town-wide preventative drainage infrastructure maintenance activities to include sediment, vegetation, and debris removal.
- Completed an aquatic weed spray on the ditch along South Old Oregon Inlet Road.

## GOALS AND UPCOMING PROJECTS

- Replace existing storm drain collection system and asbestos cement (A/C) waterline in advance of the year four paving work along the South Memorial Avenue corridor between East Eighth Street and East Bittern Street. Asbestos cement water main replacements are scheduled along South Memorial Avenue between East Eighth Street and Atlas Street. Additional A/C water main replacements are scheduled along the length of Ario Street, Atlas Street, and Albatross Street. Existing cross-street culvert pipes are scheduled to be replaced along South Memorial Avenue at the intersections of East Bittern Street, east Bonnett Street, East Abalone Street, East Gallery Row, East Driftwood Drive, East Atlas Street and East Abalone Street. Once the water main and drainage infrastructure are in place, street resurfacing can be conducted along the length of South Memorial Avenue from Eighth Street to Bittern Street.
- Undertake drainage infrastructure improvements along South Wrightsville Avenue and East Gallery Row, extending to South Memorial Avenue. The intent is to reroute drainage from an existing private property connection and locate it within the public right-of-way where the Town can operate and maintain the proposed facilities.
- Complete construction of two separate stormwater projects in south Nags Head. Project Area #13 is located between Hargrove Street and Tides Drive and Project Area #12 is situated between James Street and Juncos Street. Project Area #13 will install an innovative nature-based solution to reduce the frequency, depth, and duration of flooding along a half mile stretch of South Old Oregon Inlet Road. The project consists of installing +/-2,400 linear feet of perforated pipe under the existing grass shoulder on the eastern side of the roadway approximately from Hargrove Street to Tides Drive. Collection pipes will connect



to a wet well near Harvest Drive. A submersible pump will distribute runoff to an infiltration gallery located north of Fire Station 21 on the west side of South Old Oregon Inlet Road, where the pumped floodwaters will soak into a shallow infiltration basin. Project Area #12 is similar in design with a storm collection system approximately 2,100 lineal feet in length with connectivity to pump station for conveyance to a dune infiltration system at the Juncos Street Beach access. Work is underway, with a mid-summer pause and construction starting again in Fall 2025. Construction durations vary by project, with Project Area #12 expected to take approximately 12 months to be completed.

- Complete the Stormwater Master Plan process. This will include a comprehensive update to the 2006 Stormwater Master Plan, encompassing asset inventory, capital improvement planning, review of policies and procedures, ordinance review, and watershed planning. A local stormwater workshop will accompany this process to receive citizen feedback in the identification of frequent areas of flooding. This project is funded entirely through an NCDEQ LASII Local Assistance for Stormwater Infrastructure Investments (LASII) planning grant in the amount of \$400,000.
- Continue the planning process for the NCDEQ Local Assistance for Stormwater Infrastructure Investments (LASII) Program construction grant for Project Area #4, (South Wrightsville Avenue/Bonnett Street). Work will focus on fulfilling the Division of Water Infrastructure grant requirements to include engineering report approval, bid and design package submittal and approval, permitting, bidding and execution of the construction contract.

#### FY 2025-26 BUDGET HIGHLIGHTS

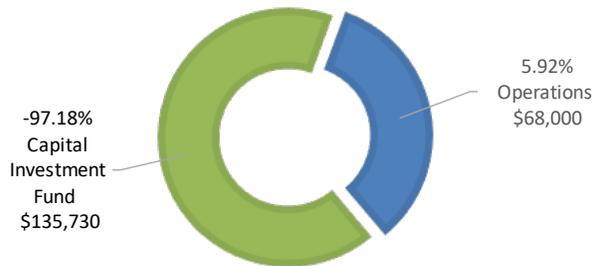
- Construction of the grant-funded Project Areas #12 and #13. An additional \$135,000 is budgeted for construction contingency and construction administration.
- Funding of \$36,500 is budgeted for storm drain repair work and existing pump maintenance.



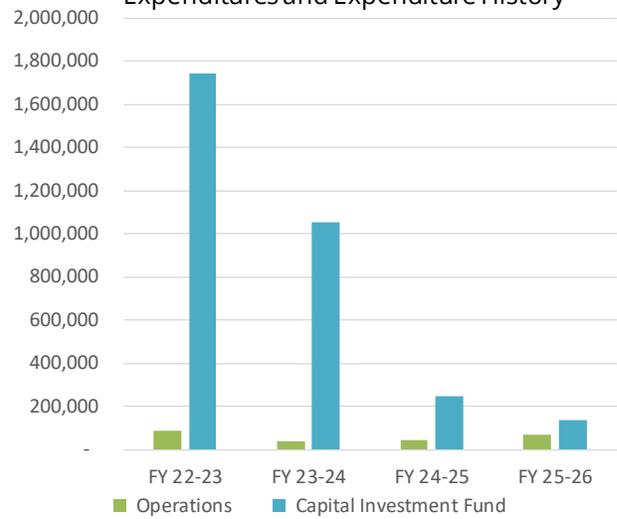
**BUDGET SUMMARY STREETS AND STORMWATER**

<b>Expenditures By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ -	\$ -	\$ -	
Operations	43,021	64,200	68,000	5.92%
Capital Investment Fund	248,920	4,807,763	135,730	-97.18%
<b>Subtotal</b>	291,941	4,871,963	203,730	-95.82%
Cost Reimbursement	-	-	-	
<b>Total</b>	\$ 291,941	\$ 4,871,963	\$ 203,730	-95.82%

Adopted Expenditures  
by Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenditures and Expenditure History





**LINE-ITEM BUDGET STREETS AND STORMWATER**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenditures 2024-2025	Actual Expenditures 2023-2024	Actual Expenditures 2022-2023
<b>OPERATIONS</b>								
UTILITIES	\$ 3,000	\$ 3,000	\$ 3,000	\$ 2,750	\$ 2,750	\$ 974	\$ 935	\$ 556
FUEL COSTS	5,500	5,500	5,500	2,250	2,250	5,093	3,648	2,080
DEPARTMENT SUPPLIES	10,550	10,550	10,550	10,500	10,500	7,781	6,507	10,930
MAINT/REPAIR EQUIPMENT	10,250	10,250	10,250	10,250	10,250	2,318	381	8,078
PROFESSIONAL FEES	-	-	-	-	-	-	120	100
PROF FEE/WATER QUALITY TESTING	2,200	2,200	2,200	2,200	2,200	1,740	1,740	2,165
CONTRACTED SERVICES	36,250	36,500	36,500	36,250	36,250	25,115	26,041	61,841
<b>Subtotal Operations</b>	<b>\$ 67,750</b>	<b>\$ 68,000</b>	<b>\$ 68,000</b>	<b>\$ 64,200</b>	<b>\$ 64,200</b>	<b>\$ 43,021</b>	<b>\$ 39,372</b>	<b>\$ 85,750</b>
<b>Capital Investment Fund Transfers</b>								
<b>CAPITAL OUTLAY</b>								
EQUIPMENT	\$ 112,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,378
INFRASTRUCTURE	206,450	135,730	135,730	4,807,763	4,905,373	248,920	999,172	1,446,185
VEHICLE	-	-	-	-	-	-	54,055	-
<b>Subtotal Capital Outlay</b>	<b>\$ 318,950</b>	<b>\$ 135,730</b>	<b>\$ 135,730</b>	<b>\$ 4,807,763</b>	<b>\$ 4,905,373</b>	<b>\$ 248,920</b>	<b>\$ 1,053,227</b>	<b>\$ 1,629,563</b>
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,162
INTEREST	-	-	-	-	-	-	-	3,395
<b>Subtotal Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 112,557</b>
<b>TOTAL</b>	<b>\$ 386,700</b>	<b>\$ 203,730</b>	<b>\$ 203,730</b>	<b>\$ 4,871,963</b>	<b>\$ 4,969,573</b>	<b>\$ 291,941</b>	<b>\$ 1,092,599</b>	<b>\$ 1,827,870</b>



**Town of Nags Head  
Adopted Budget  
Capital Investment Fund  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>General Fund</b>				
<b>Streets and Stormwater:</b>				
<b>Capital Outlay</b>				
Stormwater project areas 12/13	<b>25/26</b>	\$ 135,730	\$ 135,730	-
Streets-Stormwater Year 7 paving-resurfacing east/west streets	26/27	206,450	-	206,450
Culvert cleaner	26/27	112,500	-	112,500
		<b>\$ 454,680</b>	<b>\$ 135,730</b>	<b>\$ 318,950</b>



## WATER FUND SUMMARY

### REVENUES AND EXPENSES SUMMARY

Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>REVENUES</b>								
Water Utility Sales	\$ 4,434,150	\$ 4,305,000	\$ 4,305,000	\$ 4,190,000	\$ 4,190,000	\$ 4,100,000	\$ 4,175,187	\$ 3,758,134
Other Operating Revenue	94,500	94,500	94,500	73,800	104,490	120,557	96,029	85,269
Restricted Intergovernmental	-	-	-	-	197,917	277,917	89,480	474,062
Investment Earnings	71,500	73,500	73,500	51,500	51,500	79,948	166,042	(17,288)
Other Revenue	2,000	2,000	2,000	2,000	36,635	37,115	2,592	34,056
Other Finance Sources	235,973	506,178	506,178	598,108	834,726	100,950	38,526	29,838
<b>TOTAL</b>	<b>\$ 4,838,123</b>	<b>\$ 4,981,178</b>	<b>\$ 4,981,178</b>	<b>\$ 4,915,408</b>	<b>\$ 5,415,268</b>	<b>\$ 4,716,487</b>	<b>\$ 4,567,856</b>	<b>\$ 4,364,071</b>
<b>EXPENSES</b>								
Interfund	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 92,016	\$ 55,690	\$ 24,775	\$ 24,775
Water Administration	972,769	934,946	934,946	888,995	888,995	860,107	634,157	318,777
Septic Health	203,562	279,417	279,417	250,403	325,369	308,197	294,858	194,792
Water Operations	2,105,061	2,253,458	2,253,458	2,017,716	2,019,368	1,937,891	1,815,102	1,678,409
Water Distribution	1,481,731	1,438,357	1,438,357	1,683,294	2,089,520	2,072,563	1,439,296	1,794,805
<b>TOTAL</b>	<b>\$ 4,838,123</b>	<b>\$ 4,981,178</b>	<b>\$ 4,981,178</b>	<b>\$ 4,915,408</b>	<b>\$ 5,415,268</b>	<b>\$ 5,234,448</b>	<b>\$ 4,208,188</b>	<b>\$ 4,011,558</b>



## REVENUES

	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Revenues 2024-2025	Actual Revenues 2023-2024	Actual Revenues 2022-2023
<b>OPERATING REVENUES</b>								
WATER UTILITY SALES	\$ 4,434,150	\$ 4,305,000	\$ 4,305,000	\$ 4,190,000	\$ 4,190,000	\$ 4,100,000	\$ 4,175,187	\$ 3,758,134
10% LATE PAYMENT PENALTY	26,000	26,000	26,000	25,000	25,000	26,000	27,219	23,289
SYSTEM DEVELOPMENT FEES	25,000	25,000	25,000	25,000	55,690	50,107	24,775	24,775
AMMONS DARE FEES	-	-	-	-	-	-	-	8,000
TAPS AND CONNECTION FEES	40,000	40,000	40,000	22,000	22,000	40,000	40,585	27,505
NON-PAYMENT FEES	3,500	3,500	3,500	1,800	1,800	4,450	3,450	1,700
<b>Subtotal Operating Revenues</b>	<b>\$ 4,528,650</b>	<b>\$ 4,399,500</b>	<b>\$ 4,399,500</b>	<b>\$ 4,263,800</b>	<b>\$ 4,294,490</b>	<b>\$ 4,220,557</b>	<b>\$ 4,271,216</b>	<b>\$ 3,843,403</b>
<b>RESTRICTED INTERGOVERNMENTAL</b>								
GRANTS-AMERICAN RESCUE PLAN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474,062
INTERGOVERNMENTAL GRANTS	-	-	-	-	197,917	277,917	89,480	-
<b>Subtotal Restricted Intergovernmental</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,917</b>	<b>\$ 277,917</b>	<b>\$ 89,480</b>	<b>\$ 474,062</b>
<b>INVESTMENT EARNINGS</b>								
INTEREST ON CASH/INVESTMENTS	\$ 70,000	\$ 70,000	\$ 70,000	\$ 50,000	\$ 50,000	\$ 74,500	\$ 163,062	\$ (18,675)
SEPTIC LOAN INTEREST PAID	1,500	3,500	3,500	1,500	1,500	5,448	2,980	1,387
<b>Subtotal Investment Earnings</b>	<b>\$ 71,500</b>	<b>\$ 73,500</b>	<b>\$ 73,500</b>	<b>\$ 51,500</b>	<b>\$ 51,500</b>	<b>\$ 79,948</b>	<b>\$ 166,042</b>	<b>\$ (17,288)</b>
<b>OTHER REVENUE</b>								
CONTRIBUTIONS	\$ -	\$ -	\$ -	\$ -	\$ 34,635	\$ 34,635	\$ -	\$ 32,556
MISCELLANEOUS REVENUES	2,000	2,000	2,000	2,000	2,000	2,480	2,592	1,500
<b>Subtotal Other Revenue</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ 36,635</b>	<b>\$ 37,115</b>	<b>\$ 2,592</b>	<b>\$ 34,056</b>
<b>OTHER FINANCE SOURCES</b>								
SEPTIC LOAN PRINCIPAL PAID	25,000	35,000	35,000	25,000	25,000	45,950	38,526	29,838
TRANSFER FROM WATER CAPITAL RESERVE	\$ -	\$ 60,000	\$ 60,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ -	\$ -
APPROPRIATED NET POSITION	210,973	411,178	411,178	518,108	754,726	-	-	-
<b>Subtotal Other Finance Sources</b>	<b>\$ 235,973</b>	<b>\$ 506,178</b>	<b>\$ 506,178</b>	<b>\$ 598,108</b>	<b>\$ 834,726</b>	<b>\$ 100,950</b>	<b>\$ 38,526</b>	<b>\$ 29,838</b>
<b>TOTAL</b>	<b>\$ 4,838,123</b>	<b>\$ 4,981,178</b>	<b>\$ 4,981,178</b>	<b>\$ 4,915,408</b>	<b>\$ 5,415,268</b>	<b>\$ 4,716,487</b>	<b>\$ 4,567,856</b>	<b>\$ 4,364,071</b>



EXPENSES BY ACCOUNT

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 894,550	\$ 842,577	\$ 842,577	\$ 802,073	\$ 802,073	\$ 795,066	\$ 755,314	\$ 681,721
SALARIES - LONGEVITY PAY	17,167	15,959	15,959	13,951	13,951	-	-	-
OVERTIME PAY	4,328	4,292	4,292	2,398	2,398	-	-	-
HOLIDAY PAY	8,373	7,805	7,805	8,287	8,287	-	-	-
FICA TAX	70,469	66,355	66,355	62,994	62,994	58,709	55,166	48,631
GROUP HEALTH INSURANCE	213,675	203,279	203,279	160,476	160,476	167,021	156,585	155,064
RETIREEES GROUP HEALTH INSUF	-	7,955	7,955	15,159	15,159	15,150	14,693	14,364
RETIREMENT	132,184	124,469	124,469	112,315	112,315	107,609	97,019	82,461
401 K	46,058	43,370	43,370	41,172	41,172	39,531	37,814	27,098
IMPLEMENTATION OF PAY PLAN	27,571	-	-	-	-	-	-	-
<b>Subtotal Personnel Services</b>	<b>\$ 1,386,804</b>	<b>\$ 1,316,061</b>	<b>\$ 1,316,061</b>	<b>\$ 1,218,825</b>	<b>\$ 1,218,825</b>	<b>\$ 1,183,086</b>	<b>\$ 1,116,591</b>	<b>\$ 1,009,339</b>
<b>OPERATIONS</b>								
TRAINING	14,800	16,200	16,200	18,700	17,200	5,568	10,811	8,862
BUILDING/EQUIPMENT RENTAL	250	250	250	790	790	698	217	258
TELEPHONE	5,550	5,550	5,550	8,463	8,463	4,264	3,374	2,403
UTILITIES	86,400	86,400	86,400	75,000	75,000	62,291	58,649	40,658
POSTAGE	19,000	19,000	19,000	18,000	19,452	15,958	15,553	12,854
ADVERTISING	2,100	2,100	2,100	3,800	2,200	240	160	1,808
PRINTING	2,300	2,300	2,300	2,300	2,300	-	4,818	770
FUEL COSTS	19,375	18,500	18,500	23,500	23,500	17,830	18,851	19,571
STREET SUPPLIES	3,240	3,240	3,240	3,240	3,240	2,934	2,681	3,074
DEPARTMENT SUPPLIES	69,732	71,960	71,960	76,725	80,025	68,870	44,722	64,125
OTHER SUPPLIES	28,000	25,000	25,000	20,000	20,000	24,905	22,197	26,717
MAINT/REPAIR BUILDINGS	1,500	1,500	1,500	3,000	3,000	-	-	79,496
MAINT/REPAIR EQUIPMENT	37,300	37,300	37,300	48,655	48,655	46,007	14,369	70,607
VEHICLE MAINTENANCE	6,200	6,200	6,200	7,450	7,450	4,238	3,452	3,040
MAINT/REPAIR OTHER	20,000	20,000	20,000	30,000	30,000	16,649	10,375	24,111
UNIFORMS	8,200	8,200	8,200	7,200	7,200	5,929	5,718	5,367
PROFESSIONAL FEES	39,934	39,580	39,580	58,250	58,250	26,689	24,970	22,516



Account Description	Financial	Manager's	Adopted	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Recommended	Budget	Budget	Budget	Actual	Expenses	Expenses	Expenses
	2026-2027	2025-2026	2025-2026	2024-2025	2024-2025	2024-2025	2023-2024	2022-2023	
PROF. FEES H2O QUALITY TESTII	30,000	30,000	30,000	30,000	30,000	30,000	7,770	27,150	
CONTRACTED SERVICES	167,991	182,991	182,991	172,514	177,993	153,703	139,364	105,362	
PURCHASES FOR RESALE	955,000	955,000	955,000	962,000	962,000	960,582	983,229	687,441	
INSPECTIONS	10,000	10,000	10,000	10,000	10,000	10,000	3,300	7,388	
PUMPING CREDIT FOR WATER L	37,500	37,500	37,500	30,000	24,321	13,254	18,000	13,800	
BAD DEBT EXPENSE	2,500	2,500	2,500	2,500	2,500	-	-	-	
DUES AND SUBSCRIPTIONS	10,783	10,358	10,358	6,078	6,078	5,314	4,913	3,554	
INSURANCE	75,000	75,000	75,000	70,000	70,000	70,000	70,000	80,000	
<b>Subtotal Operations</b>	<b>\$ 1,680,226</b>	<b>\$ 1,666,629</b>	<b>\$ 1,666,629</b>	<b>\$ 1,688,165</b>	<b>\$ 1,689,617</b>	<b>\$ 1,545,923</b>	<b>\$ 1,467,493</b>	<b>\$ 1,310,932</b>	
<b>COST REIMBURSEMENT</b>									
COST REIMBURSEMENT	870,693	870,693	870,693	763,173	763,173	763,173	844,331	796,773	
<b>Subtotal Cost Reimbursement</b>	<b>\$ 870,693</b>	<b>\$ 870,693</b>	<b>\$ 870,693</b>	<b>\$ 763,173</b>	<b>\$ 763,173</b>	<b>\$ 763,173</b>	<b>\$ 844,331</b>	<b>\$ 796,773</b>	
<b>CAPITAL OUTLAY</b>									
OTHER	-	-	-	-	277,917	277,917	46,083	-	
IMPROVEMENTS	-	232,000	232,000	-	-	-	-	-	
EQUIPMENT	126,750	-	-	-	75,166	75,166	278,219	68,307	
INFRASTRUCTURE	261,000	248,500	248,500	606,500	734,809	771,559	9,300	505,893	
AMERICAN RESCUE PLAN	-	-	-	-	-	-	-	212,291	
VEHICLE	-	98,695	98,695	48,000	48,000	46,298	70,196	-	
<b>Subtotal Capital Outlay</b>	<b>\$ 387,750</b>	<b>\$ 579,195</b>	<b>\$ 579,195</b>	<b>\$ 654,500</b>	<b>\$ 1,135,892</b>	<b>\$ 1,170,940</b>	<b>\$ 403,798</b>	<b>\$ 786,491</b>	
<b>DEBT SERVICE</b>									
PRINCIPAL	224,000	219,000	219,000	220,291	220,291	220,291	6,290	28,217	
INTEREST	213,650	224,600	224,600	235,453	235,453	235,453	294,430	731	
SEPTIC LOAN PROGRAM	-	30,000	30,000	60,000	60,000	59,892	50,480	54,300	
<b>Subtotal Debt Service</b>	<b>\$ 437,650</b>	<b>\$ 473,600</b>	<b>\$ 473,600</b>	<b>\$ 515,744</b>	<b>\$ 515,744</b>	<b>\$ 515,636</b>	<b>\$ 351,200</b>	<b>\$ 83,248</b>	
<b>INTERFUND</b>									
TRANSFER TO WATER CAP RESEI	25,000	25,000	25,000	25,000	55,690	55,690	24,775	24,775	
CONTINGENCY	50,000	50,000	50,000	50,000	36,326	-	-	-	
<b>Subtotal Interfund</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 92,016</b>	<b>\$ 55,690</b>	<b>\$ 24,775</b>	<b>\$ 24,775</b>	
<b>Grand Total</b>	<b>\$ 4,838,123</b>	<b>\$ 4,981,178</b>	<b>\$ 4,981,178</b>	<b>\$ 4,915,408</b>	<b>\$ 5,415,268</b>	<b>\$ 5,234,448</b>	<b>\$ 4,208,188</b>	<b>\$ 4,011,558</b>	



EXPENSES BY PERCENTAGE

	<b>Adopted Budget 2025-2026</b>	<b>Adopted Budget 2024-2025</b>	<b>Adopted Budget Net Change</b>	<b>Financial Plan 2026-2027</b>
PERSONNEL SERVICES	\$ 1,316,061	\$ 1,218,825	7.39%	\$ 1,386,804
OPERATIONS	1,666,629	1,688,165	-1.29%	1,680,226
COST REIMBURSEMENT TO THE GENERAL FUND	870,693	763,173	12.35%	870,693
CAPITAL OUTLAY	579,195	654,500	-13.00%	387,750
DEBT SERVICE	<u>473,600</u>	<u>515,744</u>	-8.90%	<u>437,650</u>
SUB-TOTAL	4,906,178	4,840,407	1.34%	4,763,123
INTERFUND TRANSFERS	25,000	25,000	0.00%	25,000
CONTINGENCY	<u>50,000</u>	<u>50,000</u>	0.00%	<u>50,000</u>
<b>TOTAL</b>	<b>\$ 4,981,178</b>	<b>\$ 4,915,408</b>	<b>-1.32%</b>	<b>\$ 4,838,123</b>



	<b>Adopted Budget 2025-2026</b>	<b>Percentage of Total</b>	<b>Adopted Budget 2024-2025</b>	<b>Percentage of Total</b>	<b>Financial Plan 2026-2027</b>	<b>Percentage of Total</b>
PERSONNEL	\$ 1,316,061	26.42%	\$ 1,218,825	24.80%	\$ 1,386,804	28.66%
OPERATIONS	1,666,629	33.46%	1,688,165	34.34%	1,680,226	34.73%
COST REIMBURSEMENT TO THE GENERAL FUND	870,693	17.48%	763,173	15.53%	870,693	18.00%
CAPITAL OUTLAY	579,195	11.63%	654,500	13.32%	387,750	8.01%
DEBT SERVICE	473,600	9.51%	<u>515,744</u>	10.49%	<u>437,650</u>	9.05%
SUB-TOTAL	4,906,178	98.49%	4,840,407	98.47%	4,763,123	98.45%
INTERFUND TRANSFERS	25,000	0.50%	25,000	0.51%	25,000	0.52%
CONTINGENCY	<u>50,000</u>	1.00%	<u>50,000</u>	1.02%	<u>50,000</u>	1.03%
<b>TOTAL</b>	<b>\$ <u>4,981,178</u></b>	<b>100.00%</b>	<b>\$ <u>4,915,408</u></b>	<b>100.00%</b>	<b>\$ <u>4,838,123</u></b>	<b>100.00%</b>



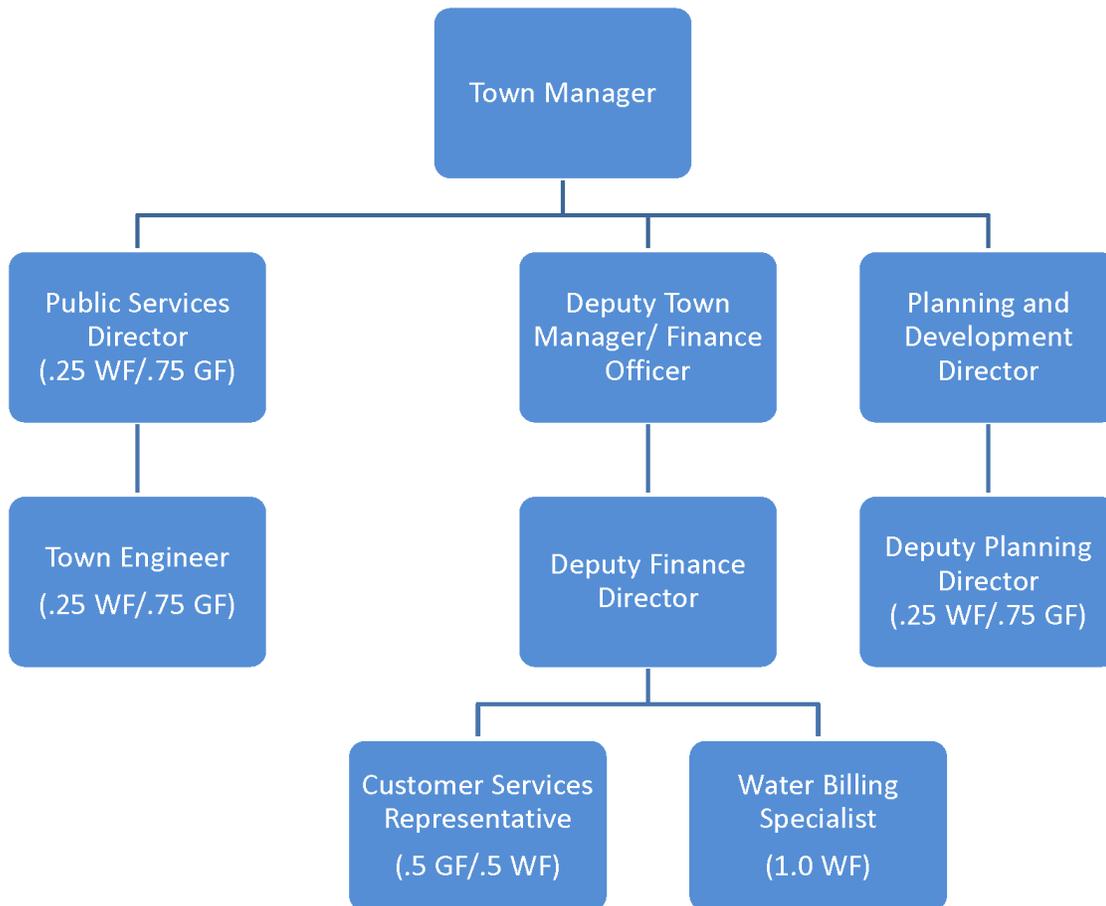
## DEPARTMENTAL BUDGETS

### WATER ADMINISTRATION

#### DESCRIPTION

Water Administration is responsible for billing and collecting revenues generated through distribution of water resources. Activities include scheduled utility billing; customer service changes; proactive leak identification, notification, and resolution; and courteous, timely responses to customer inquiries. Water Administration staff are in the Administrative Services Department, but are funded through the Water Fund, rather than the General Fund.

#### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- Updated the Town Code allowing additional time to pay when a non-payment fee is applied to reduce water cut-offs.

## GOALS AND UPCOMING PROJECTS

- Use the new digital water meters and accompanying software to offer comprehensive insights into water consumption.
- Continue to assess the Town's water rate and structure, and suggest any adjustments and refinements, as needed, which align with the recommendations of the Capital Improvement Program outlined in the Water System Master Plan.

## FY 2025-26 BUDGET HIGHLIGHTS

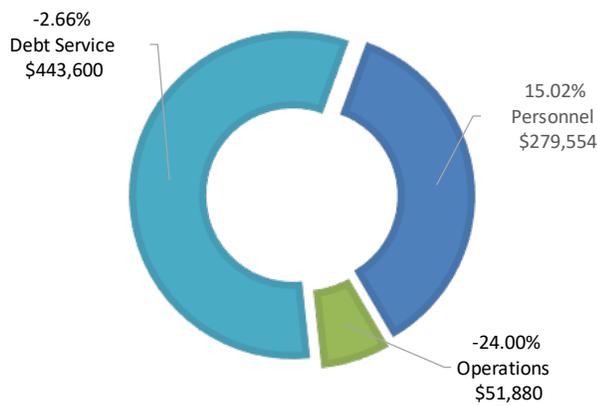
- The cost reimbursement of \$870,693 from the water fund to the general fund for indirect administrative costs is budgeted departmentally in both the general and water fund.
- The second principal and debt payment for the recently completed Public Services Complex is budgeted at \$310,850. The financed cost of the project is \$15,505,000, with 80% funding from the general fund and 20% funding from the water fund. The water fund portion being financed is \$3,101,000 with an all-in true interest cost of 3.548410% on a 20-year principal repayment schedule.
- Advanced metering infrastructure was also included in the financing package with the Public Services Complex. This fiscal year's debt payment is \$132,750 and is solely funded through the water fund. The total financed for the meters was \$1,605,000, with the same rate and structure.
- Professional fees are included for consulting assistance for legal fees and professional services performed for the Town's annual audit.
- The inter-fund expense is the transfer of system development fee revenue to the water capital reserve fund, per state statute.
- A \$50,000 water fund contingency is budgeted.



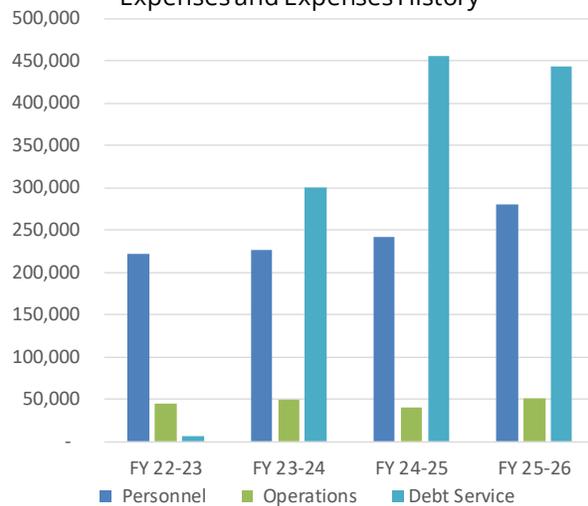
**BUDGET SUMMARY WATER ADMINISTRATION**

<b>Expenses By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 241,555	\$ 243,053	\$ 279,554	15.02%
Operations	40,876	68,266	51,880	-24.00%
Debt Service	455,744	455,744	443,600	-2.66%
<b>Subtotal</b>	738,175	767,063	775,034	1.04%
Cost Reimbursement	121,932	121,932	159,912	
<b>Total</b>	\$ 860,107	\$ 888,995	\$ 934,946	5.17%

Adopted Expenses by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenses and Expenses History





**LINE-ITEM BUDGET WATER ADMINISTRATION**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 200,282	\$ 188,311	\$ 188,311	\$ 168,360	\$ 168,360	\$ 167,603	\$ 156,316	\$ 152,210
SALARIES - LONGEVITY PAY	2,807	2,685	2,685	1,018	1,018	-	-	-
FICA TAX	15,492	14,567	14,567	12,913	12,913	12,378	11,203	10,619
GROUP HEALTH INSURANCE	39,037	37,146	37,146	29,299	29,299	30,471	31,633	34,344
RETIREMENT	29,059	27,324	27,324	23,023	23,023	22,752	20,142	18,454
401 K	10,125	9,521	9,521	8,440	8,440	8,351	7,847	6,065
IMPLEMENTATION OF PAY PLAN	27,571	-	-	-	-	-	-	-
<b>Subtotal Personnel Services</b>	<b>\$ 324,373</b>	<b>\$ 279,554</b>	<b>\$ 279,554</b>	<b>\$ 243,053</b>	<b>\$ 243,053</b>	<b>\$ 241,555</b>	<b>\$ 227,141</b>	<b>\$ 221,692</b>
<b>OPERATIONS</b>								
TRAINING	\$ 2,100	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	\$ 5,416	\$ 3,945
POSTAGE	15,000	15,000	15,000	14,000	14,000	13,913	13,868	12,530
DEPARTMENT SUPPLIES	3,700	3,700	3,700	5,450	5,450	2,633	3,703	3,558
MAINT/REPAIR EQUIPMENT	-	-	-	-	-	-	1,444	3,024
PROFESSIONAL FEES	27,534	27,180	27,180	36,300	36,300	22,379	23,059	18,834
CONTRACTED SERVICES	-	-	-	6,516	6,516	1,951	2,568	2,400
BAD DEBT EXPENSE	2,500	2,500	2,500	2,500	2,500	-	-	-
<b>Subtotal Operations</b>	<b>\$ 50,834</b>	<b>\$ 51,880</b>	<b>\$ 51,880</b>	<b>\$ 68,266</b>	<b>\$ 68,266</b>	<b>\$ 40,876</b>	<b>\$ 50,058</b>	<b>\$ 44,291</b>
<b>COST REIMBURSEMENT TO THE GENERAL FUND</b>								
COST REIMBURSEMENT	\$ 159,912	\$ 159,912	\$ 159,912	\$ 121,932	\$ 121,932	\$ 121,932	\$ 56,238	\$ 46,046
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ 224,000	\$ 219,000	\$ 219,000	\$ 220,291	\$ 220,291	\$ 220,291	\$ 6,290	\$ 6,291
INTEREST	213,650	224,600	224,600	235,453	235,453	235,453	294,430	457
<b>Subtotal Debt Service</b>	<b>\$ 437,650</b>	<b>\$ 443,600</b>	<b>\$ 443,600</b>	<b>\$ 455,744</b>	<b>\$ 455,744</b>	<b>\$ 455,744</b>	<b>\$ 300,720</b>	<b>\$ 6,748</b>
<b>Total</b>	<b>\$ 972,769</b>	<b>\$ 934,946</b>	<b>\$ 934,946</b>	<b>\$ 888,995</b>	<b>\$ 888,995</b>	<b>\$ 860,107</b>	<b>\$ 634,157</b>	<b>\$ 318,777</b>



**Town of Nags Head  
Adopted Budget  
Water Fund Capital Outlay and Debt Service  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>Water Fund</b>				
<b>Water Administration:</b>				
<b>Debt Service</b>				
Limited Obligation Bonds Series 2023-Public Services Complex	23/24	\$ 3,101,000	\$ 310,850	\$ 302,650
Advanced Metering Infrastructure	23/24	1,605,000	132,750	135,000
		<b>\$ 4,706,000</b>	<b>\$ 443,600</b>	<b>\$ 437,650</b>



INTERFUND TRANSFERS – WATER FUND

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated		Actual Expenditures 2023-2024	Actual Expenses 2022-2023
						Actual Expenditures 2024-2025	Actual Expenditures 2023-2024		
TRANSFER TO WATER CAP RESERVE FUND	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 55,690	\$ 55,690	\$ 24,775	\$ 24,775	
CONTINGENCY	50,000	50,000	50,000	50,000	36,326	-	-	-	
<b>TOTAL</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 75,000</b>	<b>\$ 92,016</b>	<b>\$ 55,690</b>	<b>\$ 24,775</b>	<b>\$ 24,775</b>	



## SEPTIC HEALTH

### DESCRIPTION

Septic Health is a division of the Planning and Development department, although it operates on a separate budget. This division is structured around the components of the Todd D. Krafft Septic Health Initiative Program. While these components are separate, they are interconnected to promote water quality and education to maintain the town's wastewater infrastructure, improve private septic system performance, and protect our local waterbodies. The four core components of the Todd D. Krafft Septic Health Initiative Program are:

- 1. Wastewater System Inspection/Pumping** – This component encourages homeowners, through incentives and educational resources, to have their systems inspected and pumped, if needed, on a regular basis. Additionally, the Program administers a low-interest loan financing program to assist owners in the repair or replacement of malfunctioning wastewater systems. The inspection and pump out data collected has been used to develop the *Decentralized Wastewater Management Plan* and has informed the update of the Plan.
- 2. Water Quality Monitoring** - This component monitors 24 surface and groundwater sites for the presence of nutrients and bacteria to identify stormwater runoff and other source impacts. The updated Decentralized Wastewater Plan recommends adding additional water quality monitoring sites as well as the installation of remote water quality and groundwater data loggers.
- 3. Education** – This component is aimed at full and part-time homeowners, as well as visitors, to increase water quality awareness and knowledge of on-site wastewater function and maintenance.
- 4. Decentralized Wastewater Management Plan** – The Town adopted the updated Decentralized Wastewater Management Plan (DWMP) in 2022. The plan supports the continued viability for the use of on-site systems in the town and serves as the strategic plan for the Program and Division.



## ORGANIZATIONAL CHART



## RECENT ACCOMPLISHMENTS

- Awarded \$500,000 from the State Water Infrastructure Authority to use for 0% interest repayable loans for septic repair and replacement projects for failing, vulnerable, or at risk of failing septic systems.
- Created an informative video to increase awareness of septic system maintenance and the Todd D. Krafft Septic Health Initiative Program. The video is available for viewing on [YouTube](#) and the Town's social media sites.
- Identified locations and had wells drilled for four additional water quality loggers.
- Raised existing groundwater monitoring equipment and installed new lids on water quality and water level loggers to prevent water damage and improve accessibility.
- Continue public outreach by providing information about the Todd D. Krafft Septic Health Initiative Program at well-attended Dowdy Park Farmer's Markets.



- Continued to maintain the Septic Health website, including updating the list of active septic pumping and repair contractors in the area.
- Developed a water logger project webpage that includes a map showing existing surface water, ground water and water quality sites and information about the initiative. Stickers with QR codes were installed on the ground water level and water quality logger lids for improved community awareness.
- Purchased a high-end GPS Receiver which, using RTK technology, collects extremely accurate latitude/longitude and elevation data of septic infrastructure.
- Created a Septic Health Web Map using ArcGIS online to collect and display related data and allow for robust analysis of septic data as it relates to topography, parcels, permit data and other relevant layers as determined.
- Hand sampled 22 sites on a biweekly basis from May-October for water quality and received reports from EnviroChem. Data added to spreadsheet that will be updated into interactive webmap.
- Continue implementing several recommendations from the Updated 2022 Decentralized Wastewater Management Plan including partnering with the Septic Health Advisory Committee, which helps to ensure the success of the septic health program by providing advice and support through the following pathways: as a channel for public input; reviewing and commenting on existing and proposed Septic Health Initiative programs and community outreach efforts; and as advocates for the Initiative and its objectives within town government and the community. This committee meets quarterly. The Committee recently discussed upping the credit for pump outs from \$150 to \$250 and is also interested in bolstering marketing and outreach efforts for increased awareness of the program.

## GOALS AND UPCOMING PROJECTS

- Continue to encourage homeowners, through incentives and educational resources, to have their systems inspected and pumped on a regular basis.
- Recalibrate the groundwater level and water quality data loggers to ensure they are reporting real time data correctly.
- Coordinate the final installation of four additional water quality loggers as set forth in the DWMP recommendations.
- Continue to implement the recommendations outlined in the updated Decentralized Wastewater Management Plan. These include:
  - Continuing to use the GPS receiver to geolocate residential septic systems at the time of inspection.
  - Increasing outreach and educational efforts to the community and visitors, including attending various events such as the markets at Dowdy Park, YouTube Videos, short



videos, mailers, CURRENTtv videos, and the Outer Banks Association of Realtors meetings to discuss the components of the Septic Health Initiative.

- Increase the water usage credit to \$250 per customer if their septic tank gets pumped.
- Continue to develop more refined and automated processes to compile and maintain water quality, ground water level, and septic infrastructure data in an accessible and public facing format.
  - Develop an API that will add Hydromet data automatically to the ArcGIS online environment in real time.
  - Continue to develop the interactive web map application that integrates locations of septic system components, permitting information, inspection reports and ground water level and water quality loggers. This data collection effort will provide the opportunity for further analysis and understanding of how decentralized wastewater interacts with and effects the town’s water quality. Further analysis can further inform targeted interventions to include identifying specific problem areas and accurately tailor policy changes and infrastructure investments as needed.
  - Create a dashboard for internal and external informational purposes.
  - Develop a scope for the no-interest septic loan grant received, including defining parameters on payback times, types of projects that qualify for funding and prioritization criteria.

Metrics Description	FY22-23	FY23-24	FY24-25 Projection	FY25-26 Budget / Goal
Tanks Inspected	142	110	96	110
Tanks Pumped	118	119	94	110
Water Quality Sites Tested	254	133	179	185

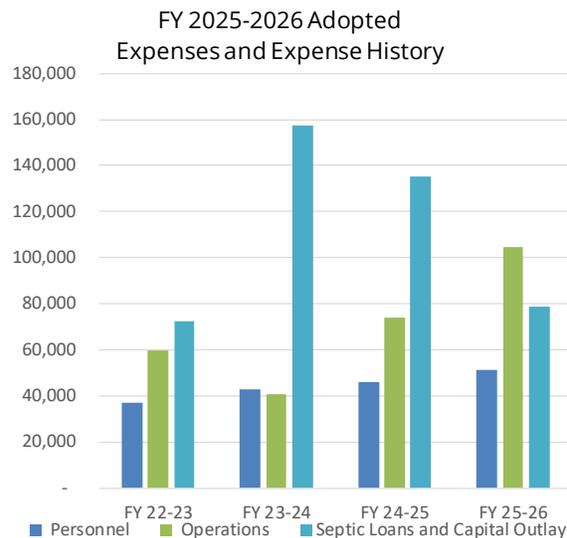
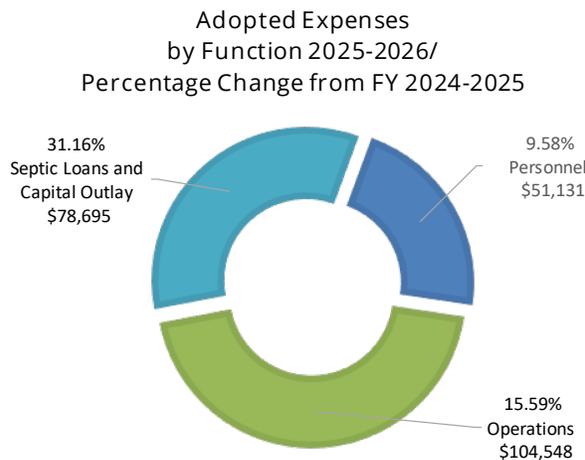


## FY 2025-26 BUDGET HIGHLIGHTS

- Capital outlay includes a replacement truck - \$48,695
- Funding has been included to continue implementing recommendations outlined in the updated Decentralized Wastewater Management Plan:
  - Allocate \$30,000 for septic system repair/replacement loans.
  - Septic system pump-out water bill credits are budgeted at \$37,500, estimating 150 participants.
  - Funding of \$30,000 is set aside for water quality testing.
  - Funding of \$10,000 is included for pumping out the Town's septic systems.
  - Funding of \$10,000 is included in contracted work for septic inspections.

## BUDGET SUMMARY SEPTIC HEALTH

Expenses By Type				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 46,041	\$ 46,660	\$ 51,131	9.58%
Operations	73,805	90,450	104,548	15.59%
Septic Loans and Capital Outlay	135,058	60,000	78,695	31.16%
<b>Subtotal</b>	254,904	197,110	234,374	18.91%
Cost Reimbursement	53,293	53,293	45,043	
<b>Total</b>	\$ 308,197	\$ 250,403	\$ 279,417	11.59%





LINE-ITEM BUDGET SEPTIC HEALTH

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 37,211	\$ 35,257	\$ 35,257	\$ 32,940	\$ 32,940	\$ 32,546	\$ 30,564	\$ 27,030
LONGEVITY	250	250	250	250	250	-	-	-
FICA TAX	2,850	2,700	2,700	2,523	2,523	2,454	2,310	2,041
GROUP HEALTH INSURANCE	6,402	6,094	6,094	4,800	4,800	4,996	4,643	3,862
RETIREMENT	5,345	5,065	5,065	4,498	4,498	4,428	3,921	3,265
401 K	1,863	1,765	1,765	1,649	1,649	1,617	1,529	1,073
<b>Subtotal Personnel Services</b>	<b>\$ 53,921</b>	<b>\$ 51,131</b>	<b>\$ 51,131</b>	<b>\$ 46,660</b>	<b>\$ 46,660</b>	<b>\$ 46,041</b>	<b>\$ 42,967</b>	<b>\$ 37,271</b>
<b>OPERATIONS</b>								
TRAINING	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,500	\$ -	\$ -	\$ 1,169	\$ 712
POSTAGE	3,200	3,200	3,200	3,200	3,000	300	6	262
ADVERTISING	1,800	1,800	1,800	1,800	200	-	-	1,020
PRINTING	1,500	1,500	1,500	1,500	1,500	-	512	770
FUEL COSTS	1,050	1,000	1,000	1,000	1,000	504	896	756
DEPARTMENT SUPPLIES	800	800	800	800	4,100	4,065	796	753
VEHICLE MAINTENANCE	500	500	500	250	250	204	375	71
PROF. FEES H2O QUALITY TESTING	30,000	30,000	30,000	30,000	30,000	30,000	7,770	27,150
CONTRACTED SERVICES	16,848	16,848	16,848	10,000	15,479	15,478	7,810	6,880
INSPECTIONS	10,000	10,000	10,000	10,000	10,000	10,000	3,300	7,388
PUMPING CREDIT FOR WATER USE	37,500	37,500	37,500	30,000	24,321	13,254	18,000	13,800
DUES AND SUBSCRIPTIONS	400	400	400	400	400	-	-	-
<b>Subtotal Operations</b>	<b>\$ 104,598</b>	<b>\$ 104,548</b>	<b>\$ 104,548</b>	<b>\$ 90,450</b>	<b>\$ 90,250</b>	<b>\$ 73,805</b>	<b>\$ 40,634</b>	<b>\$ 59,562</b>
<b>COST REIMBURSEMENT TO THE GENERAL FUND</b>								
COST REIMBURSEMENT	\$ 45,043	\$ 45,043	\$ 45,043	\$ 53,293	\$ 53,293	\$ 53,293	\$ 53,668	\$ 25,384



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b><i>CAPITAL OUTLAY</i></b>								
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ 75,166	\$ 75,166	\$ 107,109	\$ 18,275
VEHICLE	-	48,695	48,695	-	-	-	-	-
<b><i>Subtotal Capital Outlay</i></b>	<b>\$ -</b>	<b>\$ 48,695</b>	<b>\$ 48,695</b>	<b>\$ -</b>	<b>\$ 75,166</b>	<b>\$ 75,166</b>	<b>\$ 107,109</b>	<b>\$ 18,275</b>
<b><i>DEBT SERVICE</i></b>								
SEPTIC LOAN PROGRAM	\$ -	\$ 30,000	\$ 30,000	\$ 60,000	\$ 60,000	\$ 59,892	\$ 50,480	\$ 54,300
<b>TOTAL</b>	<b>\$ 203,562</b>	<b>\$ 279,417</b>	<b>\$ 279,417</b>	<b>\$ 250,403</b>	<b>\$ 325,369</b>	<b>\$ 308,197</b>	<b>\$ 294,858</b>	<b>\$ 194,792</b>

**Town of Nags Head  
Adopted Budget  
Water Fund Capital Outlay and Debt Service  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>Water Fund Septic Health: Capital Outlay</b>				
Pickup	25/26	\$ 48,695	\$ 48,695	\$ -



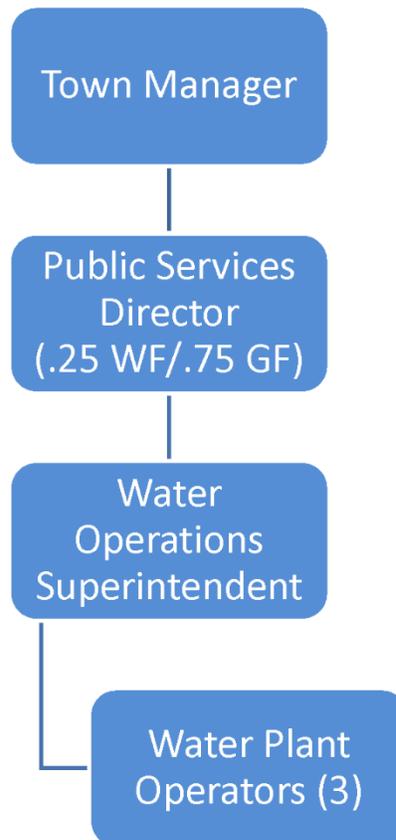
## WATER OPERATIONS

### DESCRIPTION

Water Operations is responsible for monitoring water quality distributed from Nags Head’s water plant into the Town’s distribution system.

Water Operations consists of the Eighth Street Water Treatment Plant and storage tank, the Gull Street Pump Station and storage tank, and two 500,000-gallon elevated water storage tanks. In addition, Water Operations maintains a state certified laboratory for bacteriological testing to ensure that water quality complies with state and federal regulations.

### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- The outside of the Eighth Street tower was pressure washed.
- Completed and passed annual Quality Control testing for certified lab.
- Rebuilt pump control valve #2 pump at the Eighth Street Water Plant.
- Collected compliance THM/Haa5 samples.
- Collected ten lead and copper compliance samples.
- Completed identifying service lines for lead and copper compliance.

## GOALS AND UPCOMING PROJECTS

- Update the 2018 Water System Master Plan, along with an inventory assessment and GIS mapping, funded through a \$244,000 NCDEQ Asset Inventory and Assessment grant.
- Convert from the chlorine gas to sodium hypochlorite disinfection system at the Eighth Street Water Plant and Gull Street Pump Station.

## FY 2025-26 BUDGET HIGHLIGHTS

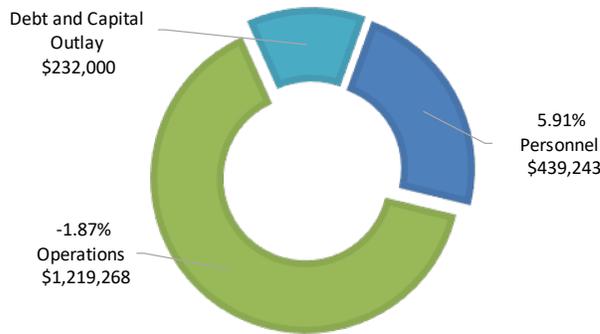
- Funding of \$955,000 is included for purchasing wholesale water from Dare County. The budget is based on 425 million gallons purchased at the current wholesale rate of \$2.109 per thousand gallons.
- Capital outlay at the Eight Street Water Plant and Gull Street Pump Station includes:
  - Engineering for upgrades and improvements - \$130,000
  - Disinfection system conversion - \$102,000
- The Water Fund proportionate share of utilities and insurances are budgeted in Water Operations including:
  - Workers' compensation, general property and liability, and flood insurance are centrally budgeted at \$75,000.
  - Water Fund utilities are centrally budgeted at \$86,400



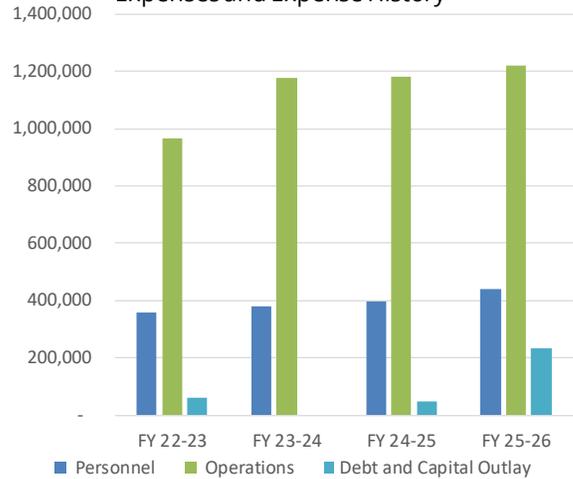
**BUDGET SUMMARY WATER OPERATIONS**

<b>Expenses By Type</b>				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 397,034	\$ 414,716	\$ 439,243	5.91%
Operations	1,182,077	1,242,518	1,219,268	-1.87%
Debt and Capital Outlay	46,298	48,000	232,000	
<b>Subtotal</b>	1,625,409	1,705,234	1,890,511	10.87%
Cost Reimbursement	312,482	312,482	362,947	
<b>Total</b>	\$ 1,937,891	\$ 2,017,716	\$ 2,253,458	11.68%

Adopted Expenses by  
Function 2025-2026/  
Percentage Change from FY 2024-2025



FY 2025-2026 Adopted  
Expenses and Expense History





**LINE-ITEM BUDGET WATER OPERATIONS**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 294,786	\$ 277,875	\$ 277,875	\$ 270,893	\$ 270,893	\$ 274,901	\$ 265,768	\$ 245,804
SALARIES - LONGEVITY PAY	12,110	11,024	11,024	10,683	10,683	-	-	-
OVERTIME PAY	1,161	1,144	1,144	744	744	-	-	-
HOLIDAY PAY	7,918	7,636	7,636	7,852	7,852	-	-	-
FICA TAX	24,113	22,713	22,713	22,139	22,139	20,447	19,734	17,885
GROUP HEALTH INSURANCE	64,520	61,401	61,401	48,462	48,462	50,762	49,073	57,125
RETIREMENT	45,231	42,605	42,605	39,473	39,473	37,233	34,228	29,818
401 K	15,760	14,845	14,845	14,470	14,470	13,691	13,347	9,801
<b>Subtotal Personnel Services</b>	<b>\$ 465,599</b>	<b>\$ 439,243</b>	<b>\$ 439,243</b>	<b>\$ 414,716</b>	<b>\$ 414,716</b>	<b>\$ 397,034</b>	<b>\$ 382,150</b>	<b>\$ 360,433</b>
<b>OPERATIONS</b>								
TRAINING	\$ 3,220	\$ 3,220	\$ 3,220	\$ 5,220	\$ 5,220	\$ 847	\$ 589	\$ 1,249
BUILDING/EQUIPMENT RENTAL	250	250	250	790	790	698	217	258
TELEPHONE	2,550	2,550	2,550	6,290	6,290	1,442	1,259	497
UTILITIES	86,400	86,400	86,400	75,000	75,000	62,291	58,649	40,658
POSTAGE	800	800	800	800	2,452	1,745	1,679	62
ADVERTISING	300	300	300	300	300	-	-	-
PRINTING	-	-	-	-	-	-	3,806	-
FUEL COSTS	6,825	6,500	6,500	10,000	10,000	6,836	7,817	8,119
DEPARTMENT SUPPLIES	34,832	29,660	29,660	40,000	40,000	32,400	21,398	35,859
OTHER SUPPLIES	10,000	10,000	10,000	10,000	10,000	7,000	7,209	4,972
MAINT/REPAIR BUILDINGS	1,500	1,500	1,500	3,000	3,000	-	-	79,496
MAINT/REPAIR EQUIPMENT	19,650	19,650	19,650	23,050	23,050	21,464	5,212	9,798
VEHICLE MAINTENANCE	2,700	2,700	2,700	2,200	2,200	1,273	744	232
UNIFORMS	3,200	3,200	3,200	3,200	3,200	2,227	2,121	2,259
PROFESSIONAL FEES	4,000	4,000	4,000	6,550	6,550	990	1,911	3,282
CONTRACTED SERVICES	14,905	14,905	14,905	20,700	20,700	9,215	9,017	7,800
PURCHASES FOR RESALE	955,000	955,000	955,000	962,000	962,000	960,582	983,229	687,441
DUES AND SUBSCRIPTIONS	3,633	3,633	3,633	3,418	3,418	3,067	3,017	2,265
INSURANCE	75,000	75,000	75,000	70,000	70,000	70,000	70,000	80,000
<b>Subtotal Operations</b>	<b>\$ 1,224,765</b>	<b>\$ 1,219,268</b>	<b>\$ 1,219,268</b>	<b>\$ 1,242,518</b>	<b>\$ 1,244,170</b>	<b>\$ 1,182,077</b>	<b>\$ 1,177,874</b>	<b>\$ 964,247</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>COST REIMBURSEMENT TO THE GENERAL FUND</b>								
COST REIMBURSEMENT	\$ 362,947	\$ 362,947	\$ 362,947	\$ 312,482	\$ 312,482	\$ 312,482	\$ 255,078	\$ 292,597
<b>CAPITAL OUTLAY</b>								
IMPROVEMENTS	\$ -	\$ 232,000	\$ 232,000	\$ -	\$ -	\$ -	\$ -	\$ -
EQUIPMENT	51,750	-	-	-	-	-	-	50,032
VEHICLE	-	-	-	48,000	48,000	46,298	-	-
<b>Subtotal Capital Outlay</b>	<b>\$ 51,750</b>	<b>\$ 232,000</b>	<b>\$ 232,000</b>	<b>\$ 48,000</b>	<b>\$ 48,000</b>	<b>\$ 46,298</b>	<b>\$ -</b>	<b>\$ 50,032</b>
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,963
INTEREST	-	-	-	-	-	-	-	137
<b>Subtotal Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,100</b>
<b>TOTAL</b>	<b>\$ 2,105,061</b>	<b>\$ 2,253,458</b>	<b>\$ 2,253,458</b>	<b>\$ 2,017,716</b>	<b>\$ 2,019,368</b>	<b>\$ 1,937,891</b>	<b>\$ 1,815,102</b>	<b>\$ 1,678,409</b>



**Town of Nags Head  
Adopted Budget  
Water Fund Capital Outlay and Debt Service  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>Water Fund</b>				
<b>Water Operations:</b>				
<b>Capital Outlay</b>				
Eighth Street/Gull Street Chlorine Conversion	25/26	\$ 102,000	\$ 102,000	\$ -
Eighth Street Pump Station Improvements Engineering	25/26	40,000	40,000	-
Gull Street Pump Station Improvements Engineering	25/26	90,000	90,000	-
South Nags Head tower mixer	26/27	51,750	-	51,750
		<b>\$ 283,750</b>	<b>\$ 232,000</b>	<b>\$ 51,750</b>



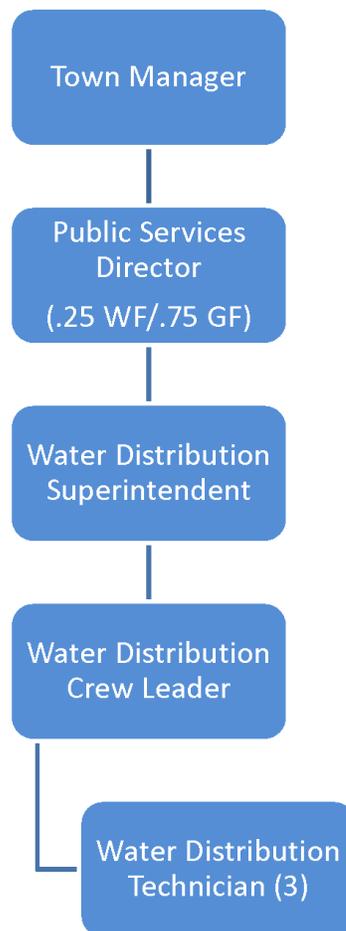
## WATER DISTRIBUTION

### DESCRIPTION

Water Distribution oversees the quality of water within the Town's water system. This is accomplished through annual system flushing, monitoring chlorine residuals, identifying water main tie-ins to remove dead-end lines, and gradually replacing older water meters.

Although the Water Distribution Division is managed under the Public Services Department for administrative purposes, it is accounted for within the Water Fund, as its operations are primarily funded by revenues from water customers.

### ORGANIZATIONAL CHART





## RECENT ACCOMPLISHMENTS

- Completed installation of the advanced metering infrastructure for all water customers for proactive leak detection.
- Installation of taps/road bores for Admiral Street, Gulfstream Street, and Conch Street beach access showers.
- Completed design, permitting, bidding and construction of approximately 350 feet of 8-inch PVC water line from Dune Street on US Highway 158.
- Replacement of asbestos cement water line on Memorial Avenue.

## GOALS AND UPCOMING PROJECTS

- Asbestos-cement watermain replacements are scheduled in conjunction with the streets and drainage infrastructure improvements and are budgeted at \$501,500. Segments to be replaced are:
  - South Memorial Avenue between Ario Street and Atlas Street
  - Atlas Street between South Wrightsville Avenue and South Memorial Avenue
  - Albatross Street between South Wrightsville Avenue and South Virginia Dare Trail
  - Atlas Steet between South Wrightsville Avenue and South Memorial Avenue
- Continue to improve customer service repairs and requests including communications with the public, businesses, and other Town departments.

Metrics Description	FY22-23	FY23-24	FY24-25 Projection	FY25-26 Budget / Goal
NC 811 Locate Requests	2,125	2,030	2,300	2,500
Number of Water Repairs	70	65	120	75
Number of After Hour Call Outs	21	15	19	20

## FY 2025-26 BUDGET HIGHLIGHTS

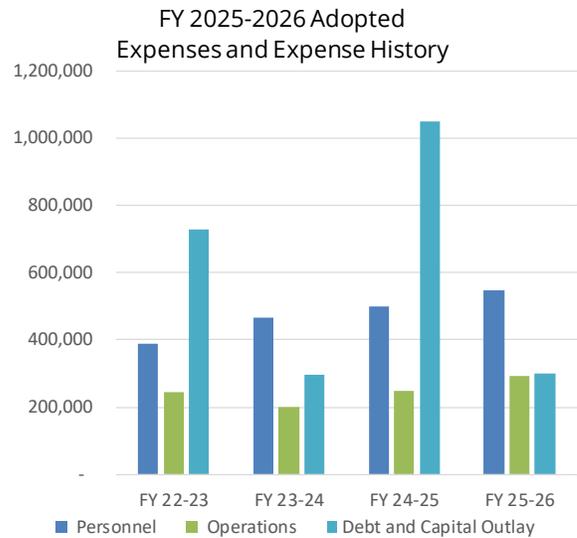
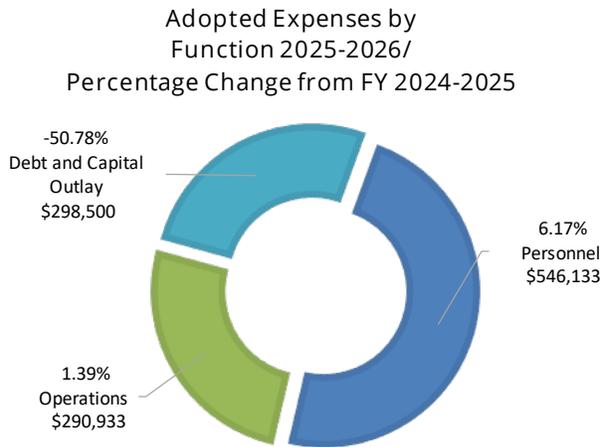
- Capital outlay includes:
  - Installation of approximately 1,600 feet of 8-inch PVC water line from Driftwood Street to south of the Outer Banks Sports Club on US 158 - \$248,500
  - A replacement pickup truck - \$50,000
- Annual contracted water tower and tank maintenance is included at \$85,000.
- Maintenance funds for the south Nags Head ditch bank are budgeted.



- Funding is budgeted to replace fire hydrants and two hydrant meters as well as install two new flushing hydrants.
- Annual fees for advanced metering infrastructure are budgeted at \$18,538.
- Installation of an insertion valve at Windjammer Road and Buccaneer Drive is budgeted at \$15,000.

**BUDGET SUMMARY WATER DISTRIBUTION**

Expenses By Type				
Type	FY 24-25 Estimated Actual	FY 24-25 Adopted Budget	FY 25-26 Adopted Budget	Percent Change
Personnel	\$ 498,456	\$ 514,396	\$ 546,133	6.17%
Operations	249,165	286,931	290,933	1.39%
Debt and Capital Outlay	1,049,476	606,500	298,500	-50.78%
<b>Subtotal</b>	<b>1,797,097</b>	<b>1,407,828</b>	<b>1,135,566</b>	<b>-19.34%</b>
Cost Reimbursement	275,466	275,466	302,791	
<b>Total</b>	<b>\$ 2,072,563</b>	<b>\$ 1,683,294</b>	<b>\$ 1,438,357</b>	<b>-14.55%</b>





**LINE-ITEM BUDGET WATER DISTRIBUTION**

Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>PERSONNEL SERVICES</b>								
SALARIES/WAGES - REGULAR	\$ 362,271	\$ 341,134	\$ 341,134	\$ 329,880	\$ 329,880	\$ 320,016	\$ 302,666	\$ 256,677
SALARIES - LONGEVITY PAY	2,000	2,000	2,000	2,000	2,000	-	-	-
OVERTIME PAY	3,167	3,148	3,148	1,654	1,654	-	-	-
HOLIDAY PAY	455	169	169	435	435	-	-	-
FICA TAX	28,014	26,375	26,375	25,419	25,419	23,430	21,919	18,086
GROUP HEALTH INSURANCE	103,716	98,638	98,638	77,915	77,915	80,792	71,236	59,733
RETIREES GROUP HEALTH INSUR	-	7,955	7,955	15,159	15,159	15,150	14,693	14,364
RETIREMENT	52,549	49,475	49,475	45,321	45,321	43,196	38,728	30,924
401 K	18,310	17,239	17,239	16,613	16,613	15,872	15,091	10,159
<b>Subtotal Personnel Services</b>	<b>\$ 570,482</b>	<b>\$ 546,133</b>	<b>\$ 546,133</b>	<b>\$ 514,396</b>	<b>\$ 514,396</b>	<b>\$ 498,456</b>	<b>\$ 464,333</b>	<b>\$ 389,943</b>
<b>OPERATIONS</b>								
TRAINING	\$ 8,480	\$ 8,480	\$ 8,480	\$ 8,480	\$ 8,480	\$ 4,721	\$ 3,637	\$ 2,956
TELEPHONE	3,000	3,000	3,000	2,173	2,173	2,822	2,115	1,906
ADVERTISING	-	-	-	1,700	1,700	240	160	788
PRINTING	800	800	800	800	800	-	500	-
FUEL COSTS	11,500	11,000	11,000	12,500	12,500	10,490	10,138	10,696
STREET SUPPLIES	3,240	3,240	3,240	3,240	3,240	2,934	2,681	3,074
DEPARTMENT SUPPLIES	30,400	37,800	37,800	30,475	30,475	29,772	18,825	23,955
OTHER SUPPLIES	18,000	15,000	15,000	10,000	10,000	17,905	14,988	21,745
MAINT/REPAIR EQUIPMENT	17,650	17,650	17,650	25,605	25,605	24,543	7,713	57,785
VEHICLE MAINTENANCE	3,000	3,000	3,000	5,000	5,000	2,761	2,333	2,737
MAINT/REPAIR OTHER	20,000	20,000	20,000	30,000	30,000	16,649	10,375	24,111
UNIFORMS	5,000	5,000	5,000	4,000	4,000	3,702	3,597	3,108
PROFESSIONAL FEES	8,400	8,400	8,400	15,400	15,400	3,320	-	400
CONTRACTED SERVICES	136,238	151,238	151,238	135,298	135,298	127,059	119,969	88,282
DUES AND SUBSCRIPTIONS	6,750	6,325	6,325	2,260	2,260	2,247	1,896	1,289
<b>Subtotal Operations</b>	<b>\$ 272,458</b>	<b>\$ 290,933</b>	<b>\$ 290,933</b>	<b>\$ 286,931</b>	<b>\$ 286,931</b>	<b>\$ 249,165</b>	<b>\$ 198,927</b>	<b>\$ 242,832</b>



Account Description	Financial Plan 2026-2027	Manager's Recommended 2025-2026	Adopted Budget 2025-2026	Adopted Budget 2024-2025	Amended Budget 2024-2025	Estimated Actual Expenses 2024-2025	Actual Expenses 2023-2024	Actual Expenses 2022-2023
<b>COST REIMBURSEMENT TO THE GENERAL FUND</b>								
COST REIMBURSEMENT	\$ 302,791	\$ 302,791	\$ 302,791	\$ 275,466	\$ 275,466	\$ 275,466	\$ 479,347	\$ 432,746
<b>CAPITAL OUTLAY</b>								
INFRASTRUCTURE	\$ 261,000	\$ 248,500	\$ 248,500	\$ 606,500	\$ 734,809	\$ 771,559	\$ 9,300	\$ 505,893
AMERICAN RESCUE PLAN	-	-	-	-	-	-	-	212,291
OTHER	-	-	-	-	277,917	277,917	46,083	-
EQUIPMENT	75,000	-	-	-	-	-	171,110	-
VEHICLE	-	50,000	50,000	-	-	-	70,196	-
<b>Subtotal Capital Outlay</b>	<b>\$ 336,000</b>	<b>\$ 298,500</b>	<b>\$ 298,500</b>	<b>\$ 606,500</b>	<b>\$ 1,012,726</b>	<b>\$ 1,049,476</b>	<b>\$ 296,689</b>	<b>\$ 718,184</b>
<b>DEBT SERVICE</b>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,963
INTEREST	-	-	-	-	-	-	-	137
<b>Subtotal Debt Service</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,100</b>
<b>TOTAL</b>	<b>\$ 1,481,731</b>	<b>\$ 1,438,357</b>	<b>\$ 1,438,357</b>	<b>\$ 1,683,294</b>	<b>\$ 2,089,520</b>	<b>\$ 2,072,563</b>	<b>\$ 1,439,296</b>	<b>\$ 1,794,805</b>



**Town of Nags Head  
Adopted Budget  
Water Fund Capital Outlay and Debt Service  
For the Fiscal Year 2025-2026**

Description	Fiscal Year	Estimated Cost	Adopted FY 2025-2026	Financial Plan FY 2026-2027
<b>Water Fund</b>				
<b>Water Distribution:</b>				
<b>Capital Outlay</b>				
Driftwood Drive/Shoppes at 10.5 looped distribution 8" water main Pickup	25/26	\$ 248,500	\$ 248,500	\$ -
Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain exten:	26/27	50,000	50,000	
Excavator	26/27	261,000	-	261,000
		75,000	-	75,000
		<b>\$ 634,500</b>	<b>\$ 298,500</b>	<b>\$ 336,000</b>



## APPENDIX

### PROPERTY TAX HISTORY

Fiscal Year		Tax Rates	Gross Levy	Collected at June 30	Percent Collected
2023-2024	Ad Valorem Tax	\$0.305	\$9,400,437	\$9,399,057	99.99%
2023-2024	Beach Nourishment	\$0.025	\$770,106	\$770,001	99.99%
2023-2024	MSD 1 and 2	\$0.143	\$1,511,017	\$1,511,007	99.99%
2023-2024	MSD 4	\$0.010	\$67,125	\$67,125	100.00%
2023-2024	MSD 3 and 6	\$0.005	\$72,052	\$72,052	100.00%
2023-2024	NCDMV	\$0.330	\$205,617	\$205,617	100.00%
2024-2025	Ad Valorem Tax	\$0.305	\$9,435,654	\$9,422,080 (1)	99.75%
2024-2025	Beach Nourishment	\$0.025	\$773,414	\$772,318 (1)	99.75%
2024-2025	MSD 1 and 2	\$0.143	\$1,515,551	\$1,514,718 (1)	99.75%
2024-2025	MSD 4	\$0.010	\$67,249	\$67,249 (1)	99.75%
2024-2025	MSD 3 and 6	\$0.005	\$71,076	\$71,076 (1)	100.00%
2024-2025	NCDMV	\$0.330	\$204,479	\$204,479 (5)	100.00%
2025-2026	Ad Valorem Tax	\$0.212	\$10,489,311	\$10,463,087 (2)	99.75%
2025-2026	Beach Nourishment	\$0.020	\$989,558	\$987,084 (3)	99.75%
2025-2026	MSD 1 and 2	\$0.090	\$1,511,665	\$1,507,886 (4)	99.75%
2025-2026	MSD 4	\$0.010	\$112,267	\$111,986 (4)	99.75%
2025-2026	MSD 3	\$0.005	\$82,528	\$82,322 (4)	100.00%
2025-2026	NCDMV	\$0.232	\$155,150	\$155,150 (5)	100.00%
2026-2027	Ad Valorem Tax	\$0.212	\$10,499,800	\$10,473,551 (2)	99.75%
2026-2027	Beach Nourishment	\$0.020	\$990,548	\$988,071 (3)	99.75%
2026-2027	MSD 1 and 2	\$0.090	\$1,513,166	\$1,509,394 (4)	99.75%
2026-2027	MSD 4	\$0.010	\$112,378	\$112,098 (4)	99.75%
2026-2027	MSD 3	\$0.005	\$82,610	\$82,404 (4)	100.00%
2026-2027	NCDMV	\$0.232	\$155,305	\$155,305 (5)	100.00%
(1) As of April 24, 2025					
(2) Town wide ad valorem adjusted budgeted at 99.75% collection					
(3) Town wide beach nourishment budgeted at 99.75% collection					
(4) Municipal service districts beach nourishment budgeted at 99.75% collection					
(5) Levy per the North Carolina Vehicle Tax System budgeted at 100% collection					



## STRATEGIC PLAN

# 2024 Town of Nags Head Strategic Plan

## Introduction

Welcome to the 2024 Town of Nags Head Strategic Plan. This document serves as a comprehensive guide to our town's strategic direction and was developed collaboratively with the input from our community members and through a joint effort of our dedicated Board of Commissioners and staff. The starting point for this plan was the mission, vision, and goals from the 2021 Strategic Plan. A big thank you to everyone involved in the creation of our prior strategic planning documents.

## Strategic Plan Process

### *Community Involvement*

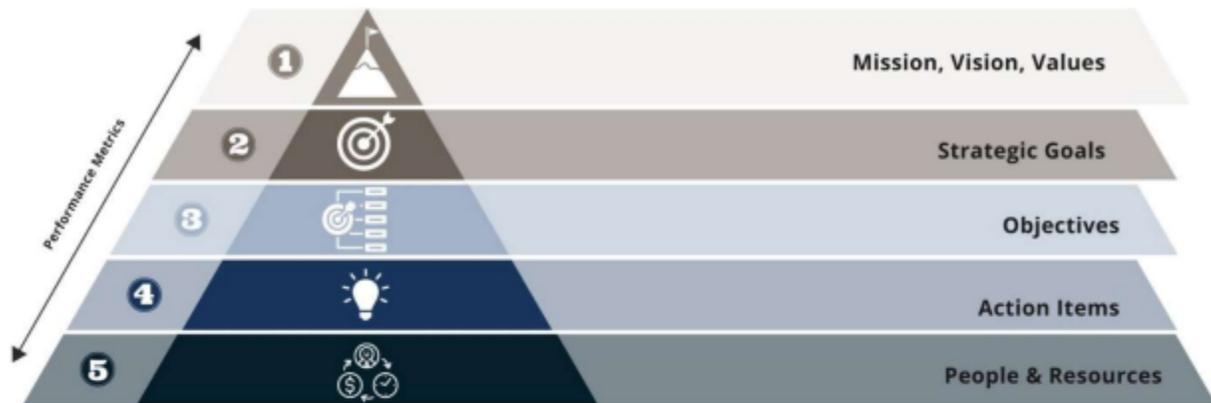
The foundation of this plan lies in the collective wisdom of Nags Head's residents and property owners. In addition to reviewing strategic guidance from prior plans, we actively sought the input of our community to understand their needs, concerns, and aspirations for the town's future in the [2023 Community Survey](#). The insights gathered in the survey played a pivotal role in shaping the strategic priorities outlined in this plan.

### *Joint Board and Staff Retreat*

To ensure alignment between community expectations and administrative resources, we held a retreat with the Board of Commissioners and Town staff November 16 – 17, 2023. The retreat allowed the Board and staff to align around the Community Survey results and other data, while sharing ideas and working collaboratively. The result is a strategic plan that reflects a shared vision of, and a commitment to, the town's future. [Staff and Board met October 18, 2024 to review progress and consider updates to the plan, which are noted in this document in red text.](#)



## Included in the Plan



### *Goals, Objectives, and Strategic Action Items*

The strategic plan goes beyond routine operations and defines a set of goals, objectives, and action items that guide the Town's direction. These items are forward-thinking, innovative, and designed to address both current challenges and future opportunities. They represent a commitment to proactive, intentional efforts to enhance the well-being of all residents and visitors.

### *Beyond Business as Usual*

The strategic plan intentionally outlines action items that are outside the scope of "business as usual," so that we can channel resources efficiently and make a lasting impact on Nags Head's future. However, the daily operations of Town staff should be acknowledged as an integral part of our mission and vision.

## Conclusion

The Town of Nags Head Strategic Plan is a dynamic roadmap that reflects the shared aspirations of our community, the dedication of our Board and staff, and a commitment to strategic action items that will shape our town's future. As we embark on this journey together, we invite all residents and property owners to actively participate and contribute to the realization of our collective vision.



## Mission, Vision, and Goals

As part of the strategic planning process, the Board of Commissioners reviewed the Town's mission and vision statements. The statements below reflect the revisions from this process. The mission statement describes our purpose, or the reason we exist. The vision statement describes the future we would like to create and/or what success looks like for our community. The goals on the following page further articulate what we must accomplish to achieve our vision.

### Mission

To support the well-being of our citizens, property owners, and visitors by delivering municipal services in an open, respectful, and responsive manner.

### Vision

To thoughtfully preserve our unique coastal environment, heritage, and lifestyle now and for the future.

*This vision is articulated as follows:*

The Town of Nags Head is a unique coastal community built upon a legacy rooted in shared values, including our most recognized common bond - a love for the Outer Banks. We recognize that the town must be a good place to live before it can be a good place to visit. We strive to preserve and protect the Nags Head character, environment, tourism-based economy, and sense of place to ensure a high quality of life for residents and a memorable family vacation experience for present and future generations.

### Legacy

We uphold our legacy by protecting and promoting our small-town character that includes a sustainable local economy based on family vacation tourism, a high-quality beach experience, and small, locally owned businesses. Fundamental to our legacy and quality of life are preserving the historic architecture and culture that distinguishes our town; providing residents and visitors with excellent public services and well-maintained recreational amenities; and ensuring access to a well-protected natural coastal environment. Our legacy will be strengthened and preserved by a focused, transparent decision-making process that is comprehensive and consistent with the community's vision.



## Goals

### ENVIRONMENT



*To safeguard our critical natural resources and coastal ecosystem.*

### DEVELOPMENT



*To achieve responsible, adaptive development that aligns with our community vision.*

### ECONOMY



*To promote a sustainable economy that supports residents and visitors.*

### COMMUNITY SERVICES



*To maintain an efficient government that provides high quality and cost-effective services.*



## Town of Nags Head Core Values

<p><b>Attitude is Key</b></p> <ul style="list-style-type: none"> <li>• The right attitude is critical to our success</li> <li>• We recognize that positivity is a force multiplier</li> <li>• We treat our community and each other with kindness and respect</li> <li>• We are honest and transparent with each other, even when it is uncomfortable</li> </ul>	<p><b>Our People are in the Know</b></p> <ul style="list-style-type: none"> <li>• We share relevant and timely information at all levels of the organization</li> <li>• Our community deserves to know what we are doing</li> <li>• We actively seek and value feedback</li> <li>• We communicate and follow-up; this is how we establish credibility</li> </ul>
<p><b>We do What's Right, for the Right</b></p> <ul style="list-style-type: none"> <li>• Accountability and integrity are principles we hold dearly</li> <li>• We honor our commitments and do what we say we are going to do</li> <li>• Each team member participates in decision making and takes ownership of the outcomes</li> <li>• We operate with a sense of urgency and get things done</li> </ul>	<p><b>We are Community Stewards</b></p> <ul style="list-style-type: none"> <li>• Our goal is to provide top-tier community services</li> <li>• Our Town assets, our environment, and our people deserve our greatest effort and undivided attention</li> <li>• Nags Head has a legacy of strong leadership and values, and we carefully consider how this can be strengthened and upheld</li> </ul>
<p><b>Our People Matter</b></p> <ul style="list-style-type: none"> <li>• We recognize that the Town's workforce, our team, is the Town's greatest asset</li> <li>• We value different backgrounds, perspectives, and cultures</li> <li>• We create an environment where people can do their best work</li> </ul>	<p><b>Excellence Requires Innovation &amp;</b></p> <ul style="list-style-type: none"> <li>• Growth is accomplished by challenging the status-quo</li> <li>• We encourage new ideas that positively impact how we do things</li> </ul>



## Goals, Objectives, and Action Items

### Environment



**Goal:** To safeguard our critical natural resources and coastal ecosystem.

<b>Objective #1:</b> Maintain the natural resources that we have	<b>Objective #2:</b> Mitigate the risk of natural disasters	<b>Objective #3:</b> Educate the public about their natural environment	<b>Objective #4:</b> Have a comprehensive strategy for clean water
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#### Action Items:

#	Action	Related Objective(s)
1.1	Create water rates that incentivize water stewardship	#1
1.2	Develop implementation priorities/strategies for the Estuarine Shoreline Management Plan	#1, #2, #4
1.3	Complete/implement Beach Nourishment Master Plan to include: <ul style="list-style-type: none"> <li>a. Engineering plan</li> <li>b. Financial plan to include recommended tax rates/revenues</li> <li>c. Include sprigging in all future plans</li> </ul>	#1, #2, #4, Action #3.3
1.4	Complete Stormwater Management Plan/develop implementation plan w/ list of projects (for annual CIP)	#1, #2, #4
1.5	Complete Water System Master Plan/Develop implementation plan w/ list of projects (for annual CIP)	#1, #2, #4
1.6	Implement Decentralized Wastewater Management Plan w/ guidance from the Septic Health Advisory Committee	#1, #2, #4
1.7	Develop creative strategies to increase participation in the Septic Health Initiative	#3, #4
1.8	Create an education program to include a video series on the major threats to water quality in Nags Head (i.e. stormwater/ wastewater)	#3
1.9	Consider the impacts of sea level rise and climate change in policies/ordinances/planning studies	#1, #2, #3



## Development



**Goal:** To achieve responsible, adaptive development that aligns with our community vision.

<b>Objective #1:</b> Proactively balance appropriate types of land uses	<b>Objective #2:</b> Ensure resilient development and infrastructure	<b>Objective #3:</b> Ensure public spaces are preserved and maintained equitably	<b>Objective #4:</b> Ensure efficient traffic movement and pedestrian safety
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### Action Items:

#	Action	Related Objective(s)
2.1	<del>Apply for a grant to place Place</del> conservation easements on Town-owned properties (ensuring equitable access)	#3
2.2	Identify and correct areas of land use incompatibility within the town; correct inconsistencies between the Comprehensive Plan and the Unified Development Ordinance. (i.e. this involves eliminating land uses permitted within a zoning district but may not be compatible with existing development and/or the future development plan as described in the Comprehensive Plan). Items to consider: <ul style="list-style-type: none"> <li>a. Revisit the appropriateness of the Hotel Overlay District</li> <li>b. Identify areas where the zoning designation and existing development patterns may not be aligned</li> <li>c. Examine Beach Road vs US 158 uses (Corridors Character Area)</li> <li>d. Examine the allowable uses within the Commercial Outdoor Recreation District</li> </ul>	#1
2.3	Review the character areas set forth in the Comprehensive Plan and suggest strategies for implementation.	#1, #2,
2.4	Develop and present an accessory dwelling unit (ADU) ordinance with a menu of optional provisions/regulatory standards that may improve community acceptance (i.e. zoning districts allowed, minimum lot size, maximum square footage of unit, height limits, deed restrictions for certain purposes, parking requirements, etc).	#1, #2



#	Action	Related Objective(s)
2.5	Recommend non-regulatory approaches to minimize residential lighting impacts. Suggestions include increased education on dark sky benefits, a program to provide residents with free light shields, a “keep it dark/be a good neighbor campaign”, turtle friendly lighting, and education on how to provide security lighting without creating nuisance lighting for neighbors.	#1
2.6	<u>COMPLETED</u> Implement the current model for streets/water/stormwater CIP projects; incorporate projects resulting from infrastructure planning studies (#2)	#2
2.7	Explore and pursue grant opportunities to leverage town resources for infrastructure planning, maintenance, and enhancements, where necessary	#2
2.8	<u>COMPLETED</u> Develop and recommend a process for handling neighborhood requests for traffic calming	#4
2.9	<u>COMPLETED</u> Discuss the existing Pedestrian Plan priorities with the Board	#4
2.10	Advocate to NCDOT for a corridor study of US 158 to improve safety while considering access, function, and efficiency	#4
2.11	<u>COMPLETED</u> Develop an initiative to improve pedestrian safety at crosswalks/reduce user conflicts on multi-use paths	#4



**Economy**



**Goal:** To promote a sustainable economy that supports residents and visitors.

<b>Objective #1:</b> Provide workforce housing for the Town	<b>Objective #2:</b> Support and encourage small businesses	<b>Objective #3:</b> Maintain a free, family-friendly, non-commercial, well-maintained beach
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**Action Items:**

#	Action	Related Objective(s)
3.1	<del>Define the Town's goals as a participant</del> <u>Participate</u> in Dare County's Housing Taskforce <del>(and collaborate with the other towns)</del> <u>and apply a menu of strategies from the Taskforce to the Town's housing needs</u>	#1
3.2	<del>Find a model to provide housing for Town staff, focusing on Ocean Rescue and potentially other employees</del> <u>Evaluate optimal housing options for the Ocean Rescue staff within the Town Campus Master Plan, and explore opportunities to accommodate additional employees</u>	#1
3.3	Facilitate the creation of a Merchants Association (or similar) to have more proactive engagement with businesses	#2
3.4	<u>COMPLETED</u> Continue to monitor and facilitate educational opportunities within the community as it pertains over-occupancy issues, including wastewater, traffic, sanitation, noise, etc. Engage local real estate agencies, the Outer Banks Association of Realtors, and local event planners with educational efforts.	#2
3.5	Update portions of the Town Code as needed to clarify that commercialization of the beach is prohibited within the town	#3



## Community Services



**Goal:** To maintain an efficient government that provides high quality and cost-effective services.

**Objective #1:**

Maintain a work environment where people feel valued, appreciated, and respected

**Objective #2:**

Provide friendly, accommodating, and responsive customer service

**Objective #3:**

Provide the highest quality services possible and review the needs of the community to ensure that resources are available to meet those needs

**Objective #4:**

Enhance internal and external communication that reflects the town's the goals, values, and heritage

**Objective #5:**

Collaborate with other local and state agencies to align or expand services

**Action Items:**

#	Action	Related Objective(s)
4.1	Highlight high performing employees and accomplishments to the Board and the public throughout the year	#1
4.2	Design and implement a performance-based merit structure as part of the FY 2024-25 budget process (incorporate values)	#1, #2
4.3	Evaluate the Town's total rewards framework to ensure competitiveness	#1
4.4	<u>Discuss what department data is meaningful to the Board and then Establish-establish</u> KPIs (performance measures) for departments <u>and develop an automated reporting system</u>	#2, #3
4.5	Create and present to the Board a "Town Campus" Master Plan	#3
4.6	Create public services announcement (PSA) videos and events (like Ash Wednesday storm video and event)	#3
4.7	Create formal mechanisms to work with other local or state agencies to align initiatives	#5



## New Action Item Prioritization

We asked the Board and staff to prioritize the most important NEW action items that came out of the retreat. In other words, what are we not already working on that we need to tackle first. Those items are listed below.

- 1.1 Create water rates that incentivize water stewardship
  - 1.2 Develop implementation priorities/strategies for the Estuarine Shoreline Management Plan
  - 1.3 Complete/Implement Beach Nourishment Master Plan to include the following elements:
    - a. Engineering plan
    - b. Financial plan related to tax rates/revenues
    - c. Include sprigging in all future plans
  - 1.4 Complete Stormwater Management Master Plan/Develop implementation plan with list of projects for annual Capital Improvement Program
  - 1.5 Complete Water System Master Plan/Develop implementation plan with list of projects for annual Capital Improvement Program
- 2.2 Identify and correct areas of land use incompatibility within the town; correct inconsistencies between the Comprehensive Plan and the Unified Development Ordinance. (i.e. this involves eliminating land uses that are permitted within a zoning district but may not be compatible with existing development and/or the future development plan as described in the Comprehensive Plan). Items to consider:
- a. Revisit the appropriateness of the Hotel Overlay District.
  - b. Identify areas where the zoning designation and existing development patterns may not be aligned.
  - c. Examine Beach Road vs US 158 uses (Corridors Character Area).
  - d. Examine the allowable uses within the Commercial Outdoor Recreation District.
- 2.4 Develop and present an accessory dwelling unit (ADU) ordinance with a menu of optional provisions/regulatory standards that may improve community acceptance (i.e. zoning districts allowed, minimum lot size, maximum square footage of unit, height limits, deed restrictions for certain purposes, parking requirements, etc).



- 3.1 ~~Participate in Dare County's Housing Taskforce and apply menu of strategies from the Taskforce to the Town's housing needs. Define the Town's goals as a participant in Dare County's Housing Taskforce (and collaborate with the other towns).~~
- 4.2 ~~Design and implement performance-based merit structure as part of the FY 2024/25 budget process.~~
- 4.3 ~~Evaluate total rewards framework to ensure competitiveness.~~
- 3.2 ~~Evaluate optimal housing options for the Ocean Rescue staff within the Town Campus Master Plan, and explore opportunities to accommodate additional employees. Find a model to provide housing for Town staff, focusing on Ocean Rescue and potentially other employees.~~
- 1.7 Develop creative strategies to increase participation in the Septic Health Initiative.  
Note: If grant is awarded for this, it will remain on the priority list.
- 2.5 Recommend non-regulatory approaches to minimize residential lighting impacts. Suggestions include increased education on dark sky benefits, a program to provide residents with free light shields, a "keep it dark/be a good neighbor campaign", turtle friendly lighting, and education on how to provide security lighting without creating nuisance lighting for neighbors.

## Plan Implementation

As part of the implementation process, staff ~~will has develop developed~~ timelines and champions who will be responsible for overseeing the action items. Most action items will be implemented in two years or less; however, some actions will be ongoing and will be implemented as part of the Town's annual CIP and budget process.

Staff will also develop mechanisms to track implementation progress of actions. Formal updates on the progress of implementation will be provided to the Board of Commissioners twice a year. The strategic plan will continue to be updated on an annual basis, typically in the fall, to allow for action items to be considered in the budget cycle, which begins in February/March of each year.



## PROCESS FOR CREATING AND ACCOMPLISHING STRATEGIC GOALS

The strategic plan contemplated several process improvements including a strategic planning framework integration, a process for mid-year evaluation of the strategic plan, and a mid-year budget review. An annual planning cycle integrates the strategic planning process with development of the budget and the capital improvement program.

Strategic planning should occur all year as an annual cycle. The budget and capital improvement program are planning tools that are the primary mechanism for implementing the strategic plan. Departments should have internal processes to prepare a department-based strategic plan and/or a work plan that can be integrated into the Town's overall strategic plan. The format and content will be determined by each department based on function and operational needs. Generally, departmental strategic plan elements should consider the following, as necessary:

- Department goals and objectives
- Current and future operational needs
- Projections for service demands and associated equipment and personnel needs
- Capital needs/projects
- Training
- Career development and succession planning
- Special projects
- Department-related board priorities
- Asset management

Each year the Board of Commissioners holds a strategic planning retreat in the fall to begin the annual planning cycle since it is well in advance of the budget preparation cycle. This gives the board an opportunity to reflect on the year, re-establish goals and priorities, and have the strategic plan feed the budget and capital improvement process.

The strategic planning retreat involves the board working with staff to establish a collective set of values and specific action strategies to implement board goals and priorities. As part of the implementation process, staff will develop timelines and champions who will be responsible for overseeing the action items. Staff will also develop mechanisms to track implementation progress of actions. Specific objectives, performance measures, and performance targets should be incorporated to identify specific strategies for implementation. The Capital Improvement Program, the annual budget, and Capital Project Funds link specific strategies to organization-wide goals and align resources to achieve results. Continuous process improvement requires analyzing



processes to determine current levels of performance, establishing performance targets, and identifying strategies to close the gap between current levels of performance and the target.

The formal budget process begins each December when the budget team meets to review the Town's budget priorities. Following this meeting, Departments are tasked with preparing a baseline operating budget to meet their internal needs and capital improvement packages for significant new requests. Departments should be provided with budget templates and CIP sheets in early January. Draft operating and capital budgets should be submitted to the budget preparation team by mid-February. A capital improvement package is required for all new capital requests. The Town maintains a policy describing what constitutes a capital improvement request that must be considered as part of the Capital Improvement Program. As part of the CIP, departments are tasked with reviewing their future needs and identifying all significant new requests for a five-year period.

As Departments are preparing their operating budgets, the budget team finalizes future year revenue projections. This is accomplished by reviewing revenue monthly to identify short-term and long-term trends. In addition, the Town holds periodic revenue meetings where Departmental staff are asked to provide input on key workload indicators. For example, staff in the Planning and Development Department provides critical information related to trends in the development community which impact revenue growth.

Following the submission of the Departmental budgets, the budget team reviews the Town's baseline requirements, new requests, and projected revenue increases. This information is developed into a current year and a five-year forecast that are shared with the board at a late February workshop/retreat. This allows the board to provide guidance based on both current conditions and long-term priorities. Using the additional guidance from the board, the budget team is tasked with preparing a balanced budget that is ultimately presented to the Board of Commissioners at a regular meeting. Following the release of the recommended budget, the board will hold several work sessions based on priority topics (i.e., new programs, requests for new positions, major expenditure requests, changes to services) and to review the budget and CIP requests. Following the work sessions, staff will prepare a revised budget for which a public hearing will be held to offer the public an opportunity to provide input. Finally, staff prepares a budget ordinance that summarizes the appropriation level of each department. The ordinance is considered and then approved by the board and the budget is formally adopted.



## GLOSSARY

**Accrual Basis of Accounting (or Full Accrual):** Accounting method for proprietary funds that recognizes revenues in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable.

**Ad Valorem Tax:** A tax levied in proportion to the value of property.

**Amortization:** Paying the principal amount of a debt issue through periodic payments. Amortization payments include interest and any payment on principal.

**Annual Comprehensive Financial Report (ACFR):** A complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

**Appropriation:** Authorization granted by the Board of Commissioners to obligate and expend resources for purposes specified in the budget document.

**Appropriated Fund Balance:** The amount of fund balance the Board of Commissioners authorizes as a financing source to help fund specific expenditures.

**Arbitrage:** The profit earned when the proceeds of tax-exempt bonds are used to acquire investments that yield more than the bond's interest rate.

**Assessed Valuation:** The value of real estate or personal property as determined by tax assessors and used as a basis for levying taxes.

**Audit:** An independent evaluation of the accuracy of the Town's financial statements, financial practices, and internal controls designed to ensure compliance with generally accepted accounting principles. Audits are conducted annually in accordance with state law.

**Balanced Budget:** Budget in which planned expenditures equal anticipated revenues. North Carolina state law requires municipalities to adopt a balanced operating budget.

**Basis of Accounting:** Accounting method that determines when revenues, expenditures, expenses, and transfers (and the related assets and liabilities) are recognized in accounts and reported in financial statements. The two bases of governmental accounting include accrual (or full accrual) and modified accrual.

**Bond:** A written promise to pay a specific amount of money with interest within a specific time, usually long-term. An obligation issued by the Town as a method of borrowing large amounts of resources for capital projects; bonds are issued for fixed terms and have fixed interest rates.

**Bonded Debt:** The portion of indebtedness represented by outstanding bonds.

**Bond Rating:** A grade indicating a governmental unit's investment qualities. Generally, the



higher the bond rating, the less risk investors assume resulting in a more favorable interest rate and lower cost of financing capital projects for the governmental unit.

**Budget:** A plan for the coordination of resources and expenditures. The budget document outlines the Town's financial plan for a fiscal year indicating how the Town intends to allocate resources to support goals, objectives, and desired service levels.

**Budget Amendment:** A legal procedure used by Town staff and Board of Commissioners to revise a budget appropriation.

**Budget Calendar:** The schedule of key dates that Town departments follow in the preparation, adoption, and administration of the budget.

**Budget Message:** A written overview of the proposed budget from the town manager to the Mayor and Board of Commissioners and the public that discusses the major budget items, changes from the current and previous fiscal years, and the Town's financial condition.

**Budget Ordinance:** The official enactment by Board of Commissioners to establish legal authority for Town officials to obligate and expend resources.

**Budgetary Control:** The control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

**Capital Assets:** Tangible property that is not easily converted into cash and is usually held for a long period, such as property, machinery, vehicles, equipment, etc.

**Capital Improvement Program (CIP):** A multi-year plan for the construction or acquisition of major capital items. The plan usually outlines spending needs, the financing source or sources expected, and the impact of the CIP on future annual operating budgets.

**Capital Investment Fund (CIF):** A separate fund maintained within the General Fund to account separately for capital projects and debt.

**Capital Outlay:** Expenditure expected to have a useful life greater than one year or a total value of \$5,000 or more resulting in the acquisition of or addition to a fixed asset.

**Capital Project:** A capital improvement that usually requires a major initial investment, and a significant and continuing financial commitment in the form of operating costs.

**Capital Project Fund:** A fund used to account for the acquisition and construction of major capital facilities, infrastructure, or improvements.



**Capital Reserve:** An account used to indicate that a portion of a fund's balance is restricted for a specific capital purpose and is not available for general appropriation.

**Capital Reserve Fund:** permits the district to set aside money for future construction projects and major purchases.

**Cash Accounting:** An accounting method where receipts are recorded during the period they are received, and the expenses in the period in which they are actually paid.

**Cash Management:** The management of cash necessary to pay for governmental services while investing temporary cash excesses in order to earn interest revenue. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, and establishing and maintaining banking relationships.

**Committed Fund Balance:** That portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Nags Head's governing body. Any changes or removal of specific purposes requires a majority action of the governing body.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Debt Limit:** The maximum amount of outstanding gross or net debt permitted by law.

**Debt Service:** The portion of the budget pertaining to payment of principal and interest requirements on outstanding debts.

**Deferred inflows of resources:** An acquisition of net assets that are applicable to a future reporting period.

**Deferred outflows of resources:** A consumption of net assets that are applicable to a future reporting period.

**Deficit:** The amount by which expenditures exceed revenues during an accounting period.

**Department:** An organizational unit of the Town responsible for overall management of a major governmental function.

**Depreciation:** The process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset that cannot or will not be restored by repair and must be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to the reserve to replace the item at the end of its useful life.

**Disbursement:** Payment for goods and services in cash or by check.



**Encumbrance:** A financial commitment of appropriated funds for services, contracts, or goods that have not yet been delivered by a specified time, usually the end of the fiscal year.

**Enterprise Fund:** A fund that accounts for a governmental activity supported primarily with user fees or charges and operated using business principles. Nags Head's Water Fund is an Enterprise Fund.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year.

**Expenditures:** The measurement focus of governmental fund accounting identifying financial resources expended.

**Expenses:** The measurement focus of proprietary fund accounting identifying costs expired. Expenses reflect the cost of goods or services used.

**FICA:** Social Security Tax and Medicare tax paid by the Town for each permanent, seasonal and temporary employee.

**Fiscal Policy:** The financial plan embracing the general goals and acceptable procedures for managing the Town's financial resources.

**Fiscal Year (FY):** The time designating the beginning and the ending period for recording financial transactions. In North Carolina, a municipal government fiscal year begins July 1 and ends June 30.

**Fringe Benefits:** A collection of various benefits provided by an employer, which are exempt from taxation as long as certain conditions are met.

**Full-time Equivalent (FTE):** An FTE converts the hours worked by a position into a percentage of a full year's number of hours. Generally, one FTE equals 2080 hours per year per permanent position.

**Full-time Employee:** A Town employee hired to work 40 hours per week on a continuing basis who is eligible to participate in the Town's health, dental and life insurance, and retirement programs.

**Function:** A group of related programs crossing organizational (departmental) boundaries and aimed at accomplishing a similar broad goal or major service such as public safety, environmental protection, cultural activities, etc.

**Fund:** A fiscal and accounting entity that has a self-balancing set of accounts recording cash and other financial resources, as well as related liabilities and residual equity. These are segregated to carry on specific activities or objectives in accordance with special regulations, restrictions, or limitations as established by State and Federal governments.



**Fund Balance:** The amount of assets in excess of the liabilities or appropriations for expenditures also known as surplus funds. North Carolina General Statutes require general fund balance reserves of at least 8% of General Fund expenditures at the end of the fiscal year. The Board of Commissioners has adopted a policy to set this at 25%.

**Fund Balance, Unassigned:** That portion of the fund balance that is not legally segregated for a specific future use; available for appropriation at any time by the Board of Commissioners in the event of a natural or financial emergency.

**Generally Accepted Accounting Principles (GAAP):** Uniform minimum standards and guidelines for financial accounting and reporting. GAAP encompasses the conventions, rules, and procedures necessary to define accepted accounting practices.

**General Fund:** A governmental fund used to account for financial resources of the Town, except those required to be accounted for in another fund. Revenues to support the General Fund are derived from sources such as property tax, sales tax, franchise fees, and service fees. This fund usually includes most of the basic operation services, such as fire and police protection, finance, public works, general administration, planning, and recreation.

**General Ledger:** A file that contains a listing of the various accounts necessary to reflect the financial position of the government.

**Limited Obligation Bond (LOB):** A bond issued by a municipality, state, or public agency authorized to build, acquire, or improve a revenue-producing property such as a mass transit system, an electric generating plant, an airport, or a toll road.

**Installment Financings/Limited Obligation Bonds (LOBs):** General obligation debt that does not require voter approval. Debt service obligations are subject to the annual appropriation by the Board of Commissioners. Installment financing are secured by a lien on all or a portion of the property being financed.

**Interfund:** Transactions in which assets (such as cash) move between funds within the Town.

**Land Transfer Tax:** The Town's proportional share of an authorized excise tax on instruments conveying certain interests in real property. The tax is imposed by Dare County at \$1 per each \$100 or fraction thereof of the total consideration or value of the interest conveyed.

**Local Government Commission:** Established by NCGS 159-3, division of the NC Department of the State Treasurer that provides oversight and assistance to local governments in North Carolina. This includes approval of debt issuance and fiscal management assistance.



**Modified Accrual Basis of Accounting:** Accounting method for governmental funds that recognizes revenues in the accounting period in which they become available and measurable. Expenditures are recognized in the period the fund liability is incurred, if measurable, except for unmatured interest on (and principal of) general long-term debt, which should be recognized when due.

**Municipal Service District (MSD):** A defined area within the Town in which the Board of Commissioners levies an additional property tax in order to provide projects or extra services that benefit the properties in the district.

**Net Position:** The difference between total assets plus deferred outflows of resources, and total liabilities plus deferred inflows of resources.

**North Carolina General Assembly (NCGA):** The legislative body of the State's government.

**North Carolina General Statutes (NCGS):** Laws governing the State of North Carolina.

**Objective:** A simply stated, readily measurable statement of aim or expected accomplishment within the fiscal year. An objective should imply a specific standard of performance for a given program.

**Occupancy tax:** Receipts derived from the rental of room, lodging, or similar accommodation including private residences and cottages.

**Occupational Safety and Health Act (OSHA):** Regulations passed by the US Department of Occupational Safety and Health Administration to assure safe and healthful working conditions for working men and women by authorizing enforcement of the standards developed under the Act.

**Operating Budget:** A financial plan for the provision of direct services and support functions.

**Operating Expenses:** The portion of the budget pertaining to the daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as supplies, utilities, and materials.

**Ordinance:** a piece of legislation enacted by a municipal authority.

**Part-time Employee:** For budget purposes, a Town employee, either regular or temporary, who is regularly scheduled to work less than 30 hours per workweek.

**Pay-As-You-Go (or Pay-Go):** Financial policy of a government unit that finances capital outlays from current revenues rather than from borrowing.

**Peer Group:** Other municipalities with similar characteristics, such as population, services provided, and tax base used for comparison of financial condition and performance.



**Personal Property:** Movable property classified within two categories- tangible and intangible. “Tangible” or touchable property includes items of visible and movable property not permanently affixed to real property. “Intangible” or non- touchable property includes stocks, bonds, notes, cash, bank deposits, accounts receivable, patents, trademarks, copyrights, and similar assets.

**Personnel Services:** Salaries and wages paid to employees for full-time, part-time, and temporary work including overtime and similar compensation.

**Policy:** A definite course or method of action considering given conditions to guide and determine present and future decisions.

**Powell Bill Funds:** Funding from state-shared gasoline taxes that are restricted for use on maintenance of local streets and roads.

**Program:** An organized set of related work activities that are directed toward accomplishing a common goal.

**Property Taxes:** Taxes levied on both real and personal property according to the property's valuation and tax rate.

**Proprietary Funds:** Funds used to separate, control, and track financial resources of business-type activities carried out by a government. Nags Head's proprietary fund type include its Enterprise Funds.

**Real Property:** Land, buildings, and items permanently affixed to land or buildings.

**Reclassification:** Change in a position title and/or the associated pay range based on changes in the job skills required for a given position.

**Reserve:** An account designated for a portion of the fund balance that is to be used for a specific purpose.

**Resources:** Assets that can be used to fund expenditures such as property taxes, user fees, beginning fund balance, or working capital.

**Restricted Fund Balance:** Monies over the year that remain unspent after all budgeted expenditures have been made, but which can be spent only for the specific purposes stipulated by statutes, external resource providers, or through enabling legislation.

**Restricted Intergovernmental Revenues:** Grants, entitlements, and shared revenues that are recorded in the appropriate fund and classified by both source and function for which the



revenues are to be spent.

**Revaluation:** The process of revaluing a jurisdiction's real property in order to adjust the tax value to the fair value. By North Carolina law, a revaluation must be conducted at a minimum of every eight years.

**Revenue:** Funds the Town receives as income including tax payments, fees from specific services, receipts from other governments, fines, grants, shared revenues, and interest income.

**Revenue-Neutral Rate:** The tax rate that is estimated to produce revenue for the next fiscal year equal to the revenue that would have been produced for the next fiscal year by the current tax rate if no reappraisal had occurred. The revenue-neutral rate is calculated as follows: 1) Determine a rate that would produce revenues equal to those produced for the current fiscal year, 2) Increase the rate by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal, and 3) Adjust the rate to account for an annexation, de-annexation, merger, or similar events.

**Sales and Use Tax:** Taxes based on the consumption of goods and services that the state collects for local governments and distributes based upon set formulas.

**Special Assessment:** A compulsory levy made against certain properties to defray part of the cost of a specific improvement or service, which are deemed primarily to benefit those properties.

**Special Obligation Bond (SOB):** Debt secured by a pledge of any revenue source or asset available to the Town of Nags Head, except the Town's taxing power.

**Strategic Plan:** A specific set of strategies, implementing them, and evaluating the results of executing the plan, regarding the Town's overall long-term goals. It focuses on integrating various departments to accomplish these goals.

**Surplus:** The amount by which revenues exceed expenditures.

**Tax Base:** The assessed valuation of all taxable real and personal property within the Town's corporate limits.

**Tax Levy:** The resultant product when the tax rate per one-hundred dollars valuation is multiplied by the total taxable valuation, or tax base.

**Taxes:** Compulsory charges levied by a government for financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments or to user charges for enterprise type services.



**Transfer:** Movement of cash or other resources between funds.

**Unassigned Fund Balance:** The portion of a fund's unspent monies, or reserves that are not restricted for a specific purpose and are available for general appropriation.

**User Fee/Charge:** The payment for direct receipt of a service by the party benefiting from the service. These charges may or may not be designed to recover the full cost associated with providing the service or facility.



**COMMON ACRONYMS**

<b>ACFR</b>	Annual Comprehensive Financial Report	<b>LEO</b>	Law Enforcement Officer
<b>ACP</b>	Asbestos Cement Pipe	<b>LGBFCA</b>	Local Government Budget and Fiscal Control Act
<b>AMI</b>	Advanced Metering Infrastructure	<b>LGC</b>	Local Government Commission
<b>CIF</b>	Capital Investment Fund	<b>LOB</b>	Limited Obligation Bond
<b>CIP</b>	Capital Improvement Program	<b>MSD</b>	Municipal Service District
<b>CO</b>	Certificate of Occupancy	<b>N/A</b>	Not Applicable
<b>EEO</b>	Equal Employment Opportunity	<b>NC</b>	North Carolina
<b>FEMA</b>	Federal Emergency Management Administration	<b>NCDEQ</b>	North Carolina Department of Environment Quality
<b>FLSA</b>	Fair Labor Standards Act	<b>NCDMV</b>	North Carolina Division of Motor Vehicles
<b>FT</b>	Full-time	<b>NCDMV</b>	North Carolina Division of Motor Vehicles
<b>FTE</b>	Full-time Equivalent	<b>NCDOT</b>	North Carolina Department of Transportation
<b>FY</b>	Fiscal Year	<b>NCDOT</b>	North Carolina Department of Transportation
<b>GAAP</b>	Generally Accepted Accounting Principles	<b>NCDWQ</b>	North Carolina Division of Water Quality
<b>GASB</b>	Government Accounting Standards Board	<b>NCLM</b>	North Carolina League of Municipalities
<b>GF</b>	General Fund	<b>OPEB</b>	Other Post-Employment Benefits
<b>GFOA</b>	Government Finance Officers Association	<b>OSHA</b>	Occupational Safety and Health Act
<b>GIS</b>	Geographic Information Systems	<b>PT</b>	Part-time
<b>GS / N.C.G.S.</b>	General Statutes / North Carolina General Statutes	<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>HVAC</b>	Heating, Ventilation, and Air Conditioning	<b>SOB</b>	Special Obligation Bond
<b>IP</b>	Instalment Purchase	<b>UDO</b>	Unified Development Ordinance
<b>IT</b>	Information Technology	<b>WF</b>	Water Fund
<b>LCG</b>	Local Government Commission		



# CONSOLIDATED FEE SCHEDULE

Town of Nags Head

## Consolidated Fee Schedule

1

Administration		
Town Code Bound		\$100
Town Code Unbound		\$50
Town Code Supplements	per year	\$50
Unified Development Ordinance (UDO)		\$30
Unified Development Ordinance (UDO) Supplements	per year	\$15
Copies	per page	.15
Copy of digital information	(Purchase of USB flash drives/DVDs, etc., mailing envelopes, mapping service, copy service, etc. – does not include paper copies)	Actual cost (minimum \$10)
Sunshine List	per year	\$10
Use of public building	Refundable clean-up deposit	\$50
Town lapel pin		\$2 + tax
50th Anniversary Cookbook		\$13 + tax
Multi-Use Path Adopt-a-Bench (No more than two (2) benches per individual/family)	per bench  Staff-supplied bench. Made to match existing benches, for placement along the Town's multi-use path on S Va Dare Tr and Old Oregon Inlet Rd and S Croatan Hwy	\$620
Dowdy Park Adopt-a-Bench	per bench  Vendor-supplied bench. Made with engineered wood to withstand a lot of activity and to match existing benches, for placement within Dowdy Park	\$1,800
Electric Vehicle Charger Use EvoCharge will also charge an additional credit card processing fee of 3.9% + 0.30 cents per transaction.		.16 per kilowatt hour



**Administration (cont.)**

**Permits**

Crowd Gathering Event		\$100
Special Event	Soundside Event Site	\$100
Vendor Fee	assoc w/Crowd Gathering or Special Events permit	\$25 each or \$200 for all
Tent inspection (if applicable)	assoc w/Crowd Gathering or Special Events permit	\$75

A permit shall be issued for tents, membrane structures, and temporary stage canopies based on the requirements of the 2018 NC Fire Prevention code and shall be determined by the Fire Chief or designee.

Electrical inspection (if applicable)	assoc w/Crowd Gathering or Special Events permit	\$75
Placement of message boards and/or tower lights for events by Police Dept staff		\$150

Precious metal dealer permit, special occasion permit, and employee requirements.  
In accordance with Town Code Ch. 12, Article IX, Precious Metals Businesses

Precious metal dealer permit	Annual	\$180
Precious metal employee certificate of compliance	Initial	\$10
	Annual Renewal	\$3
Special Occasion Permit	Annual	\$180



**Administrative Services**

<b>Tax Rate</b>	\$0.232 per \$100 value
Tax Rate - Municipal Service Districts 1 and 2 - additional tax	\$0.09 per \$100 value
Tax Rate - Municipal Service District 4 - additional tax	\$.01 per \$100 value
Tax Rate - Municipal Service District 3 - additional tax	\$.005 per \$100 value
Return Check Fee (Excl. Tax Payment) G.S. 25-3-506.	\$35
Return Check Fee (Tax Payment)	\$25 /check or 10% of check, whichever is greater

**Delinquent Taxes – Per G.S. 105-360 (a):**

Interest accrues on taxes paid on or after January 6 as follows:

- (1) For the period January 6 to February 1, interest accrues at the rate of two percent (2%).
- (2) For the period February 1 until the principal amount of the taxes, the accrued interest, and any penalties are paid, interest accrues at the rate of three-fourths of one percent (3/4%) a month or fraction thereof.

<b>Cart Roll Fees*</b>	<b>No. of bedrooms</b>	<b>Per property cost</b>
*Not required to be in rental program	4 or less*	\$100
	5-6	\$250
	7 or more	\$425

**Permits**

Beach driving permit - Resident/Property Owner	only available for purchase at Town Hall	\$50
- Non-resident		\$100
Beach driving permit	Duplicate decal	\$2
Bonafide fishing tournament permit	NH Surf Fishing Tournament OB Association of Realtor Fraternal Order of Eagles	N/C
Beach Equipment Vendor	Annual	\$75



**Administrative Services (cont.)**

**Applications**

<b>Massage Therapy Business</b>	Application	\$150
Zoning Permit Business Establishment	Business Location	\$50
Zoning Permit Business Owner/Operator	Business Owner/Operator	\$50
Business Registration	w/verification of State license	N/C

**Vehicle for Hire** (business)

Taxicab or Limousine	Application	\$50
Driver permit	Application includes fingerprint fee	\$90
	Driver permit annual renewal	\$7.50

**Dowdy Park**

Sponsorship	Movie & licensure (includes set up/tear down; equipment; popcorn treat)	\$650
Music in the Park	Includes fee for band and professional sound	
	Level I	\$1,100
	Level II	\$1,500
	Level III	\$2,000
T-shirts		\$17.50 + tax
General donations accepted for Dowdy Park events		
Farmers Market Membership Fee	<u>Annual</u>	\$240
Farmers Market Drop-In Fee	Per market date	\$25
Holiday Market	Per market date	\$25
Winter Market	Per market date	\$25
Family Fun Night	Per event date	\$25



**Administrative Services (cont.)**

**Fees for Privilege License/Business Registration**

<b>Per G.S. 105-113.77:</b>	<b>Privilege License Tax</b>		
	City Beer On and Off Premises	per location	\$15
	City Beer Off Premises only	per location	\$5
	City Wine On and Off Premises	per location	\$15
	City Wine Off Premises only	per location	\$10

<b>Per G.S. 20-97(d):</b>	<b>Privilege License Tax</b>		
	Taxicabs	per vehicle annually	\$15
	Limousines	per vehicle annually	\$15

**Business Registration:**

	Business Registration	per location	\$25
	Businesses who are licensed by the State of NC are registered at no charge.		N/C

Privilege Licenses/Business Registrations not renewed by September 1<sup>st</sup> shall be considered delinquent.

- Business Registrations are subject to a civil penalty of \$50.
  - Privilege Licenses are subject to a penalty of 5%.
- Penalties will be assessed on September 2<sup>nd</sup>.

**Miscellaneous**

Town License Plate	Current year	\$8 + tax
	Prior years	\$3 + tax
Budget or Audit documents		\$10



**Administrative Services (cont.)**

Town Flag		\$125 + tax
Street (Powell Bill) map		\$2
Zoning map		\$17
Notary public service		N/C
Catamaran Rack Storage at Harvey Sound Access Season runs from June 1 until November 1	Nags Head resident	\$25
	Non-resident	\$45
	Monthly	\$10
	Weekly	\$5

**Facility Fees** Town Code Sec. 10-337

**(1) Police facility fee:**

Single-family/duplex, per unit; private dock	\$154.32
Multifamily, including hotel/motel, per unit	\$155.00
Commercial/industrial, per 1,000 square feet	\$445.66

**(2) Fire facility fee:**

Single-family/duplex, per unit; private dock	\$153.23
Multifamily, including hotel/motel, per unit	\$95.08
Commercial/industrial, per 1,000 square feet	\$246.10

**(3) Solid waste collection:**

Single-family/duplex, per unit; private dock	\$83.04
Commercial/industrial, incl. multifamily and hotel/motel, per cy of dumpster required	\$357.20

**(4) Administration facility fee:**

All uses, per unit; private dock	\$382.99
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**(5) Recreation facility fee:**

New single-family/multifamily/hotel/motel construction, per dwelling unit; private dock	\$286.00
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**Administrative Services (cont.)**

**Credit card convenience fee: (charged by a third-party vendor)**

Tax, utility, and all other payments	VISA, MasterCard, Discover (AMEX not accepted)	3.95% of total charge \$2.50 minimum
Pit Fire and Beach Driving Permits	Use of credit card to pay online	\$1.15 (flat fee)
E-check convenience fee		\$1.95 (flat fee)

**Fire Department**

Pit Fire Permits		\$10
- Credit card fee to pay online (charged by a third-party vendor)		\$1.15 (flat fee)
Structure Burn Permit	water use additional cost	\$1,500/day burn
Tent inspection	A permit shall be issued for tents, membrane structures, and temporary stage canopies based on the requirements of the 2018 NC Fire Prevention code and shall be determined by the Fire Chief or designee	\$75
Electrical inspection	associated w/large tent or event	\$75
Vehicle use for events	Pickup truck (1/2 ton) – per day	\$12.30
	Mobile command vehicle – per day	\$19.00
	Fire truck – per day	\$78.90
Copy of Incident Report		\$5

**Fire Inspection Business**

First inspection		N/C
First re-inspection		N/C



**Fire Department (cont.)**

Second re-inspection		\$25
Third re-inspection	per day	\$50

**New Construction**

Standpipe system inspection		\$50
Fire Sprinkler system inspection		\$75
Fire Alarm system acceptance testing		\$75
Kitchen suppression system acceptance testing		\$75
2-Hr Hydrostatic test witness		\$100

**False Alarms**

First False Alarm of calendar month		N/C
Second False Alarm of calendar month		\$25
Third False Alarm of calendar month		\$50

**Fire Hydrant Testing**

Flow testing required for sprinkler system installation or upgrades		\$250
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**Planning & Development**

**New Construction**

Residential (per sq. ft.)	heated non-living	0.75 0.40
Commercial (per sq. ft.)	heated & non-living	0.80
Pool		\$250
Electric		\$75
HVAC	\$40/unit + \$5 electrical	min \$75
Plumbing		\$75
Gas		\$75
Sprinkler		\$75
Refrigeration		\$75
Sign		\$75
Multi-family (per sq. ft.)	\$100/unit + heated & non-living	0.80
Hotel (per sq. ft.)	\$50/unit + heated & non-living	0.80

**Building permit fees**

Building re-inspection		\$50
Proceeding work w/o a building permit		2x permit cost
Proceeding work w/o required inspection		½ permit cost

**Demolition**

Single Family		\$150/building
Duplex		\$150/building
Hotel	\$50/unit	min \$250
Multi-family	\$100/unit	min \$250
Commercial (per sq. ft.)	0.75	min \$250



**Planning & Development (cont.)**

**Moving**

Single Family		\$500/building
Duplex		\$600/building
Hotel	\$150/unit	min \$1,000
Multi-family	\$300/unit	min \$1,000
Commercial (per sq. ft.)	\$1.00	min \$1,000

**Clean Up Deposits**

Demolition within AEC

Single family		\$1,000/building
Duplex		\$1,250/building
Hotel	\$100/unit	min \$1,000
Multi-family	\$500/unit	min \$1,000
Commercial (per sq. ft.)	\$1.00	min \$1,000

Demolition outside AEC

Single family		\$500/building
Duplex		\$600/building
Hotel	\$75/unit	min \$900
Multi-family	\$75/unit	min \$900
Commercial		\$900/permit

Move Within AEC

Single family		\$500/building
Duplex		\$600/building
Hotel	\$150/unit	min \$1,000



**Planning & Development (cont.)**

Move Within AEC (cont.)

Multi-family	\$300/unit	min \$1,000
Commercial (per sq. ft.)	\$1.00	min \$1,000

Move Outside AEC

Single family		\$500/building
Duplex		\$600/building
Hotel	\$75/unit	min \$1,000
Multi-family	\$75 unit	min \$1,000
Commercial (per sq. ft.)	0.50	min \$1,000

**Miscellaneous Permit Fees**

Bulkhead, dock, pier	See Alteration, Additions, Remodeling section	
Commercial towers/new tower	\$1.00 Lin. Ft. + \$100 for subs	
Electrical inspection	assoc. w/large tent or event	\$75
Fuel pumps	\$25 per pump	min \$50
Fuel storage tank	Per tank	\$200
Hood/duct		\$100



Town of Nags Head

**Consolidated Fee Schedule**

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**Planning & Development (cont.)**

Alterations, Additions, Remodeling (based on actual cost)

*Residential, Commercial, Accessory structures, Storage*

From	To	
0	\$2,500	minimum \$100
\$2,501	\$5,000	\$130
\$5,001	\$10,000	\$160
\$10,001	\$20,000	\$190
\$20,001	\$30,000	\$220
\$30,001	\$40,000	\$250
\$40,001	\$50,000	\$280
\$50,001	\$60,000	\$310
\$60,001	\$70,000	\$340
\$70,001	\$80,000	\$370
\$80,001	\$90,000	\$400
\$90,001	\$100,000	\$430
\$100,001	\$110,000	\$460
\$110,001	\$120,000	\$490
\$120,001	\$130,000	\$520
\$130,001	\$140,000	\$550
\$140,001	\$150,000	\$580
\$150,001	\$160,000	\$610
\$160,001	\$170,000	\$640
\$170,001 and over		\$640 + \$1.50 per \$1,000 valuation above \$170,001 or fraction thereof

7/1/2025



**Planning & Development (cont.)**

**Service Unit Fees**

Gallons per Day (GPD)

To calculate Gallons per Day, refer to the NC Administrative Code – 15A NCAC 02T .0114 \$2.79

**Small Wireless Facility Review**

per application    \$100 per facility – first 5 facilities  
\$50 each – next 20 facilities

**Miscellaneous Administrative and Zoning Fees**

Site Plan, Major		0.50/sf
Site Plan, Minor (without or less than 250 sq. ft. of new floor area or lot coverage)	Waived for eligible Temporary Use Permits	\$75
Site Plan, Minor (with 250 sq. ft. or greater of new floor area or lot coverage)	Waived for eligible Temporary Use Permits	\$400
Variance or Appeal		\$500 Variance \$300 Appeal
Conditional Use		\$500
Erosion & Sedimentation Control (commercial projects only)	\$50/up to 1 acre + \$40/additional acre and revision	
Floodplain Review (not associated with building permit)		\$50
Zoning Permit for new single family/duplex		\$150 single; \$275 duplex
Zoning Permit associated with single family/duplex with no building permit (i.e., driveway, land disturbance, etc.)		\$25
Zoning Permit for commercial/multifamily in conjunction with building permit		No charge
Zoning Permit for commercial/multifamily in conjunction with no building permit (i.e., change of occupancy or use)		\$50
Zoning review fee for signage	\$75 (per application, inclusive of all signs)	
Zoning permit for home occupation		\$50
Zoning map amendment	\$750 + \$500/acre or fraction thereof	



**Planning & Development (cont.)**

Unified Development Ordinance (UDO) text amendment	\$750
Application/Investigation of Sexually Oriented Business (SOB)	\$300
Subdivision, Minor or Major	\$75 per lot
Exempt subdivision/Recombination	\$50 per lot
GIS maps 11x17	\$5/parcel data only \$10/aerial photography
GIS maps 17x22	\$10/parcel data only \$25/aerial photography
GIS maps 22x34 through 36x48	\$25/parcel data only \$50/aerial photography
Zoning or Flood Determination Letter	\$50

**Police Department**

Town Ordinance Violation	\$50
Permit 24-hr parking at beach accesses for fishing Sep 1 - Feb 1	\$25
Copies of Accident Reports (non-victim/involved others)	\$5
Copies of Investigative Reports (non-victim/involved others)	\$5 or 0.15/pg. < 33 pgs.
Off-Duty Security Vehicle Use	\$19.75 per day
Fingerprint charges	\$5/set
Use of public building      Refundable clean-up deposit	\$50

**Civil Penalties** as listed below: **\$50 each**

**Traffic Violations** **\$50 each**

Section 42-41	Failure to obey traffic control devices
Section 42-92	Prohibited riding coasters, roller skates, or similar devices
Section 42-92	Motorized vehicles prohibited on multi-use/pedestrian path
Section 42-132	Obstructing passage of other vehicles
Section 42-138	Prohibited parking in certain places



**Police Department (cont.)**

Section 42-139                      Parking in front of driveway or fire hydrant

Section 42-140                      Parking in Fire Lane

Section 42-141                      Parking on certain streets

**Taxi Cab Violations** **\$50 each**

Section 46-8                      Exceed maximum number of passengers

Section 46-9                      Failure to properly mark taxi cab

Section 46-11                      Failure to post rates and fares

Section 46-13                      Failure to maintain daily manifest

Section 46-81                      Taxi cab drivers permit required

Section 46-89                      Failure to display taxi cab drivers permit

**Animal Violations** **\$50 each**

Section 6-2                      Owner responsibility violation

Section 6-3                      Dog must wear identification and rabies tags

Section 6-6                      Mandatory removal of feces

**Beach Violations** **\$50 each**

Section 8-1                      Surfing without a leash/within 300 ft. of a pier

Section 8-2                      Swimming prohibited (red flags posted)

Section 8-4                      Personal watercraft

Section 8-62                      Driving on sand dune

**Noise Violation** **\$50 each**

Section 16-76                      Prohibited noise

**Street Numbering**

Section 36-46                      Failure to display proper street nos. front/rear of structure



**Police Department (cont.)**

**Other**

**\$50 each**

Section 26-1	Disorderly conduct/urinating in public
Section 12-103	Peddler/itinerant merchant license required
Section 12-104	Peddler/itinerant merchant-regulations generally

**Alarms**

Alarm Protection System Permit-Initial	\$50
Alarm Protection System Permit-Renewal	\$25
A - First False Alarm of Calendar Month	N/C
B - Second False Alarm of Calendar Month	\$25
C - Third False Alarm of Calendar Month	\$50
D - Fourth False Alarm of Calendar Month	\$50
E - Fifth False Alarm of Calendar Month	\$50
Towing of automobiles, vans, pick-up trucks, motorcycles	\$300 (during business hours) + 10% (after-hours)
Responding to tow request where no hook-up is rendered	1/2 the corresponding rate above
Storage charges until owner/operator takes possession	\$50 per day
Excavation application permit	\$50

**Police Escort to move house/commercial building**

\$100 first 2 hours

\$50/hour additional hours



**Public Services**

**Sanitation Dept.**

**Dumpsters**

4 yd side load		\$1830 + tax
6 yd front load		\$1705 + tax
8 yd front load		\$2095 + tax

**Trash Carts**

Trash cart		\$85 + tax
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**Trash cart repair parts**

Lid (Toter lids only)		\$35 + tax
Thru hole Town wheel system	(2 wheels, 1 rod)	\$50 + tax
Wheel	Separate	\$15 + tax
Rod	Separate	\$15 + tax
300-gallon trash cart		\$785 + tax

**Rental**

Trash carts		\$15 / day
4 yd side load dumpster	Minimum 1-week rental fee	\$366 / week
6 yd front load dumpster	Minimum 1-week rental fee	\$341 / week
8 yd front load dumpster	Minimum 1-week rental fee	\$419 / week
30 yd roll-off dumpster	Minimum 1-week rental fee	\$887 / week
40 yd roll-off dumpster	Minimum 1-week rental fee	\$1,715 / week

**Miscellaneous**

"No Trespassing" signs	two (2) styles	\$30 + tax
"Keep Off the Dunes" signs		\$30 + tax
Town Parks reservation	Refundable clean-up deposit	\$50
Electricity at parks	Upon request	\$5
Review of plans for improvements for existing streets		\$200 < 250 linear ft
		\$200 > 250 linear ft
		+ \$50 per linear ft over 250



**Water Rates**

**Water Meter Deposit**

Residential	\$25 per bedroom	\$50 min.
Motel/Hotel/Cottage Court	\$25 per bedroom	\$100 min. \$750 max.
Restaurant	\$10 per seat	\$100 min. \$750 max.
Commercial		\$100
Hydrant (for use at Town of Nags Head Public Works/Nags Head Water Distribution)		\$500
Hydrant (for use at locations not maintained by Nags Head Water Distribution)		\$450

**Hydrant Deposit**

Hydrant 2 1/2" meter with RPZ	\$6,480
Hydrant	\$4,040

**Excessive water consumption**

Water leaks - if undetected water loss is due to a broken or damaged water line, valve, or water heater (toilet valve N/A)  
- bill adjustment can be made in accordance with Town Policy

**Installation of water meter - drop in**

3/4" meter	\$410
1" meter	\$605
1 1/2 " meter	\$2,205
2" meter	\$1,350

**Repair Charges**

Charges on repairs by the Town to meters, meter boxes, hydrants, and valves	Cost of materials + 20% per incident \$50 min
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**Water Rates (cont.)**

**Water Tap Connection**

¾" tap	\$1,080 + meter dep
1" tap	\$1,245 + meter dep
1 ½ "tap	\$6,480 + meter dep
2" tap	\$6,125 + meter dep
Over 2" tap	Cost of materials + 20% + meter dep

**Water Rates/Usage – Billed bi-monthly**

**Year-Round Rate**

Minimum 0 - 3,000 gallons	\$46.95 (¾" meter)
3,001 - 15,000 gallons	\$8.20 /thousand gallons
15,001 - 40,000 gallons	\$9.20 /thousand gallons
40,001 – 75,000 gallons	\$9.80 /thousand gallons
75,001 - 200,000 gallons	\$10.80 /thousand gallons
200,001 + gallons	\$11.30 /thousand gallons

**Penalty**

Late fee applied after due date	10% of balance
Non-Payment Fee	\$50

**Meter Size – Billed bi-monthly**

**Minimum**

¾ " meter	\$46.95
1" meter	\$70.35
1 ½ " meter	\$135.15
2" meter	\$257.25
2 ½ "meter	\$371.85
3" meter	\$488.25
4" meter	\$796.30
6" meter	\$1984.85



**Water Rates (cont.)**

**Miscellaneous Water**

Meter test \$25

(N/C if meter fails - bill will be adjusted)

The customer will be responsible for the repair or replacement cost of damage done by tampering with Town of Nags Head water meters. Criminal and/or civil charges can be filed under G.S. 14-151

**Septic Health**

Septic Loan Interest Rate Prime less 2.5%, minimum of 2.5%



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**NAGS HEAD**



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