



Village of Bald Head Island

April 25, 2025

9:00 AM

FY 26

Budget Workshop Presentation

FY 26 Budget Workshop:

Purpose of Today's Workshop

- Present a working draft of the FY26 Proposed Budget
- Share highlights, key changes, and departmental priorities
- Provide a platform for Council and staff discussion
- Gather feedback to inform final budget decisions

Context

- Budget reflects strategic planning from Council Retreat and Department input (Feb–Apr)
- Estimates are preliminary and meant to guide direction—not final

FY 25 Highlights

Coastal Resiliency:

- ✓ Completed 2025 CSDR Project and Groin Field Replacement with a voter-approved \$15.7M General Obligation Bond Referendum and \$4.5M NOAA Federal Grant.
- ✓ Continued BHI Marina Channel Entrance Maintenance Program with Shallow Draft Navigation dredging grant through NCDEQ (75%) and cost share (25%).

Disaster Response & Recovery

- ✓ Managed PTC #8 storm response, working with FEMA & NCEM on Public Assistance reimbursement (~\$1M)

Water & Wastewater Investments

- ✓ Awarded \$951K NCDEQ Grant for WWTP Expansion (engineering, design & permitting)
- ✓ Received \$350K NCDEQ Grant to support Stormwater Infrastructure & Investment Assistance
- ✓ Ongoing Asset Inventory & Assessment (water & sewer) funded by NCDEQ – \$500K

Public Safety Enhancements

- ✓ Strategic financing for emergency vehicles using installment loans and FEMA PA funds: Ladder Truck, Pumper Engine, 2 New Ambulances.
 - Total FEMA Investment: ~\$1.76M.

Environmental & Park Projects

- ✓ Completed Marina Park Oyster Reef in partnership with BHIC
- ✓ Upgrades to BH Woods Forest Preserve parking platforms (\$40K NCDEQ Grant)

Upcoming Infrastructure Improvements (FY25 Proposed)

- Timber Bridge board replacement (Council vote in May)
- Marina Park irrigation and electrical upgrades

GENERAL FUND

Supporting Core Services, Infrastructure and Community Priorities

General Fund: Overview

The General Fund supports the core governmental services of the Village, including public safety, public works, community services, and general administration. It serves as the primary operating fund for delivering essential services to residents, property owners, and visitors.

For FY26, the fund reflects strategic priorities in maintaining service quality, workforce sustainability, and infrastructure needs. Major components include:

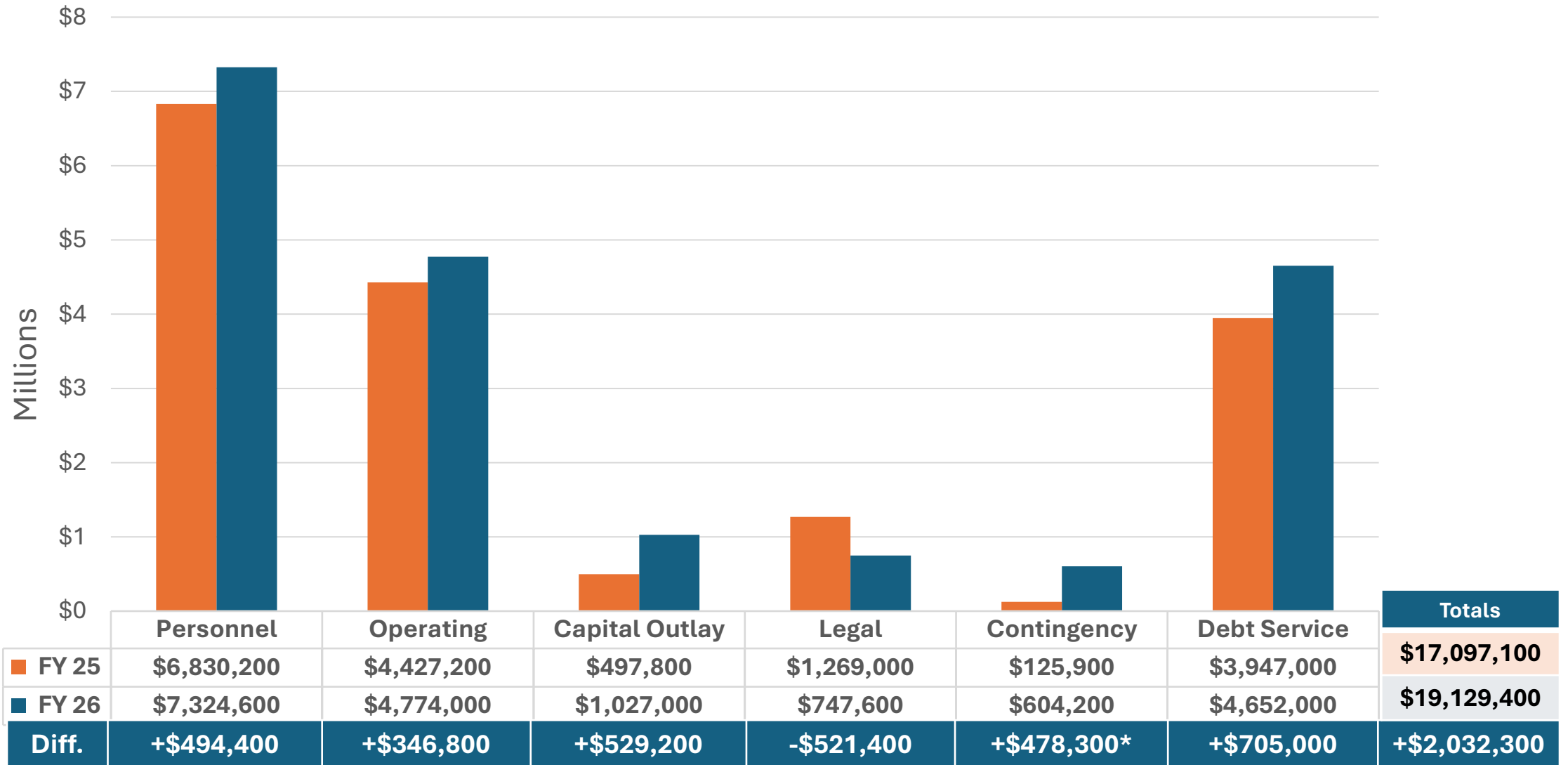
- **Public Safety:** \$4,382,200 - Budget increase of \$312,200 to support fire, police, and emergency services staffing, equipment and vehicles.
- **Public Works:** \$2,626,500 - Budget increase of \$99,400 for street maintenance, facility upkeep, and island beautification efforts.
- **General Government & Support Services:** \$4,099,500 - overall budget decrease of \$53,300 for Admin, Council, Legal, IT, Finance, and HR while still being able to meet growing community and operational needs.
- **Debt Service:** \$4,652,000 is for obligations for Beach Renourishment GO Bonds, Public Safety Apparatus Loans, Public Safety Building Loan, and Contractor Services Building Loan (+\$705,000).

To maintain a structurally balanced budget, modest increases in property tax and permit fees are proposed. These adjustments support continued excellence in service delivery, safety, and the long-term sustainability of Village operations.

General Fund Expenditures: Highlights

- **Preserves Core Services Across All Departments**
 - Ensures uninterrupted delivery of programs and services community-wide with no reductions in service levels.
- **Invests Over \$1 Million in Capital Outlay**
 - Supports vital infrastructure needs including road improvements, park enhancements, and department-specific capital upgrades.
- **Plans for Increased Debt Service Commitments**
 - Accounts for upcoming payments related to the 2025 Coastal Storm Damage Reduction (CSDR) Project and Public Safety equipment financing.
- **Maintains Current Staffing Levels with Strategic Adjustments**
 - No new positions are proposed. One FTE will be reallocated from the Island Package Center (IPC) to the IT Department. The budget includes a 3% Cost-of-Living Adjustment (COLA) for all employees and up to 3% merit-based increases for high performers—supporting both retention and competitiveness in the job market.
- **Reduces Legal Expenditures**
 - Anticipates a significant decrease in legal fees—approximately \$500,000 in savings.
- **Continues Environmental Stewardship Partnerships**
 - Sustains collaboration with the BHI Conservancy on key initiatives such as herd management, forest health, aquifer monitoring, water quality (BH Creek), and wildlife population monitoring.

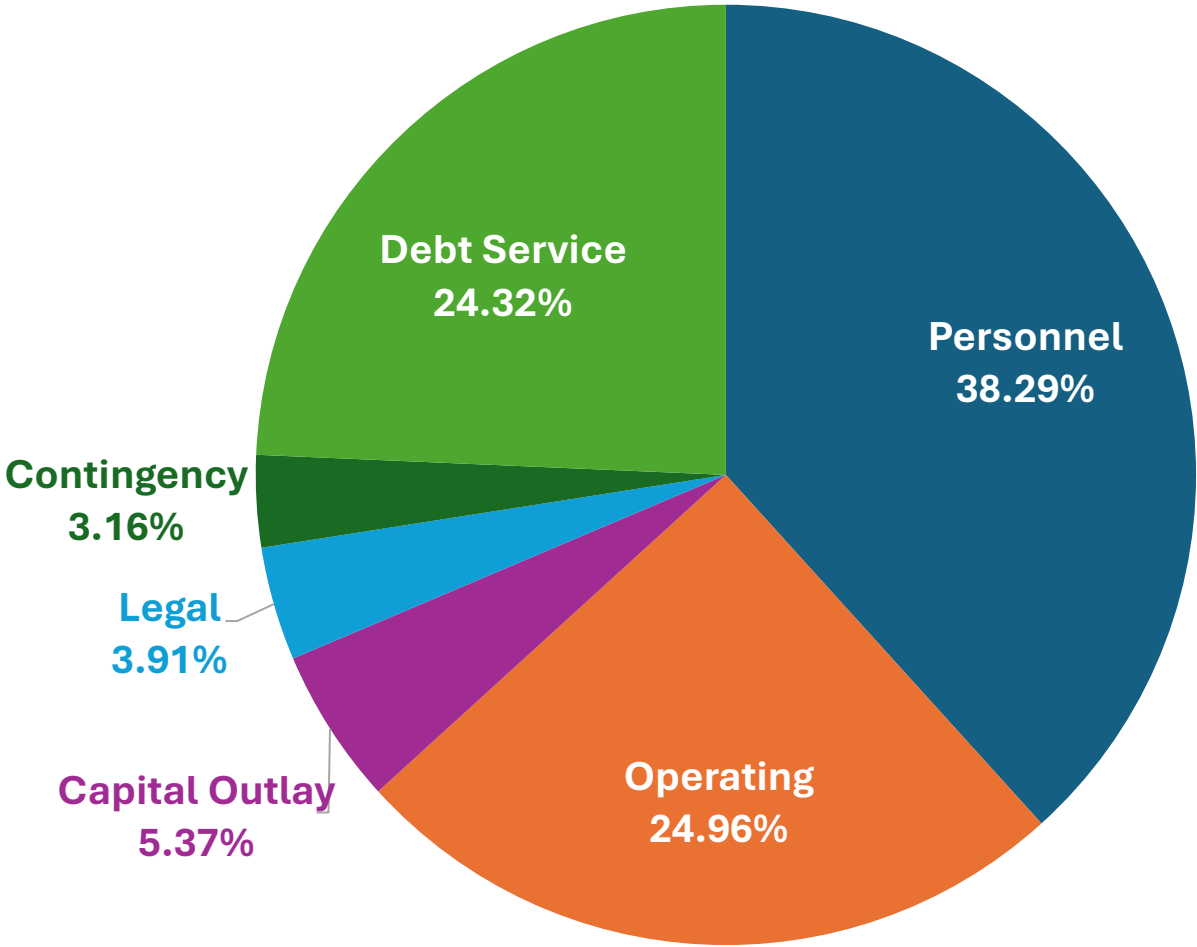
General Fund Expenditures



*Current year contingency reappropriated to other function categories during current FY; original amt was \$662,900.

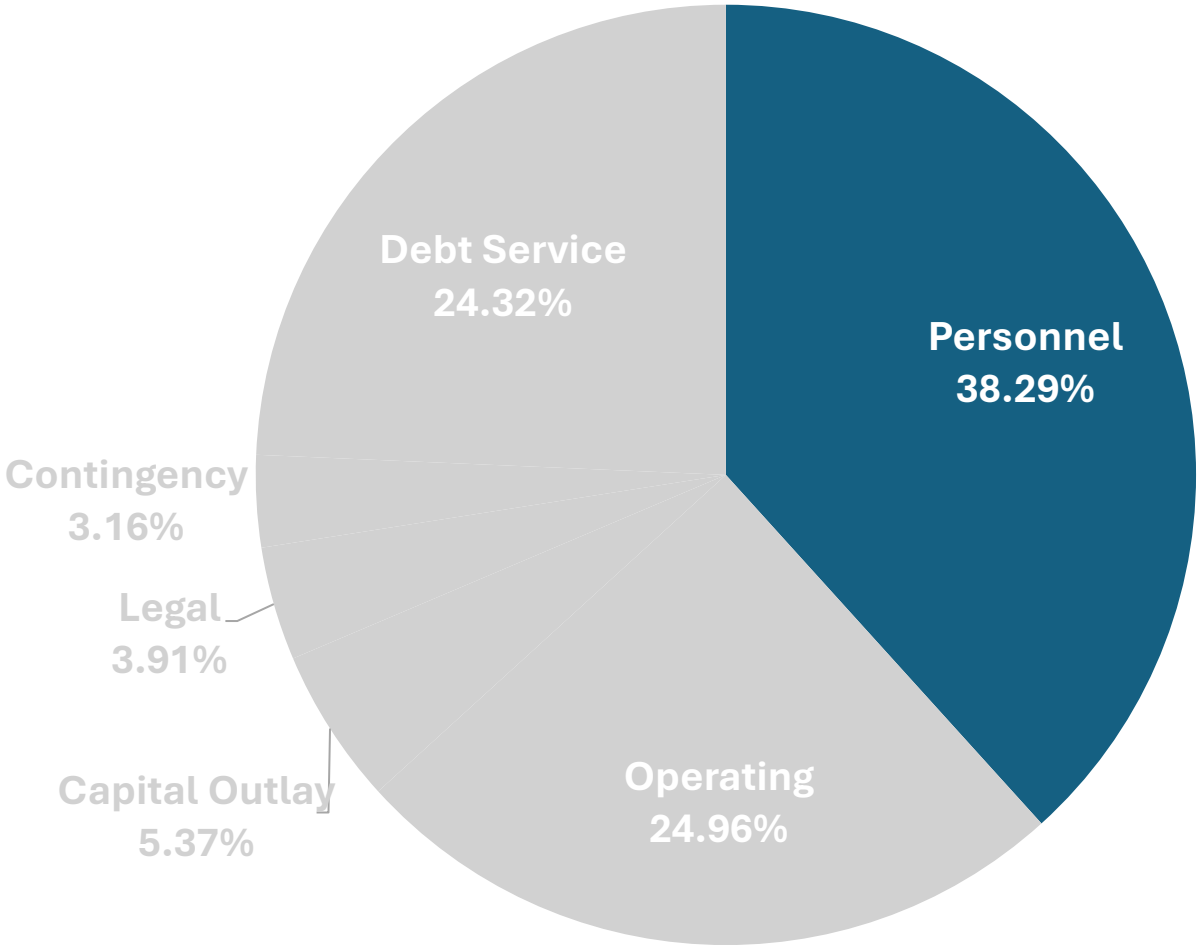
General Fund Expenditures: By Function

Function	\$	%
Personnel	\$7,324,600	38.3%
Operating	\$4,774,000	25.0%
Legal	\$747,600	3.9%
Debt Service	\$4,652,000	24.3%
Capital Outlay	\$1,027,000	5.4%
Contingency	\$604,200	3.1%
Totals	\$19,129,400	100%



General Fund Expenditures: Personnel

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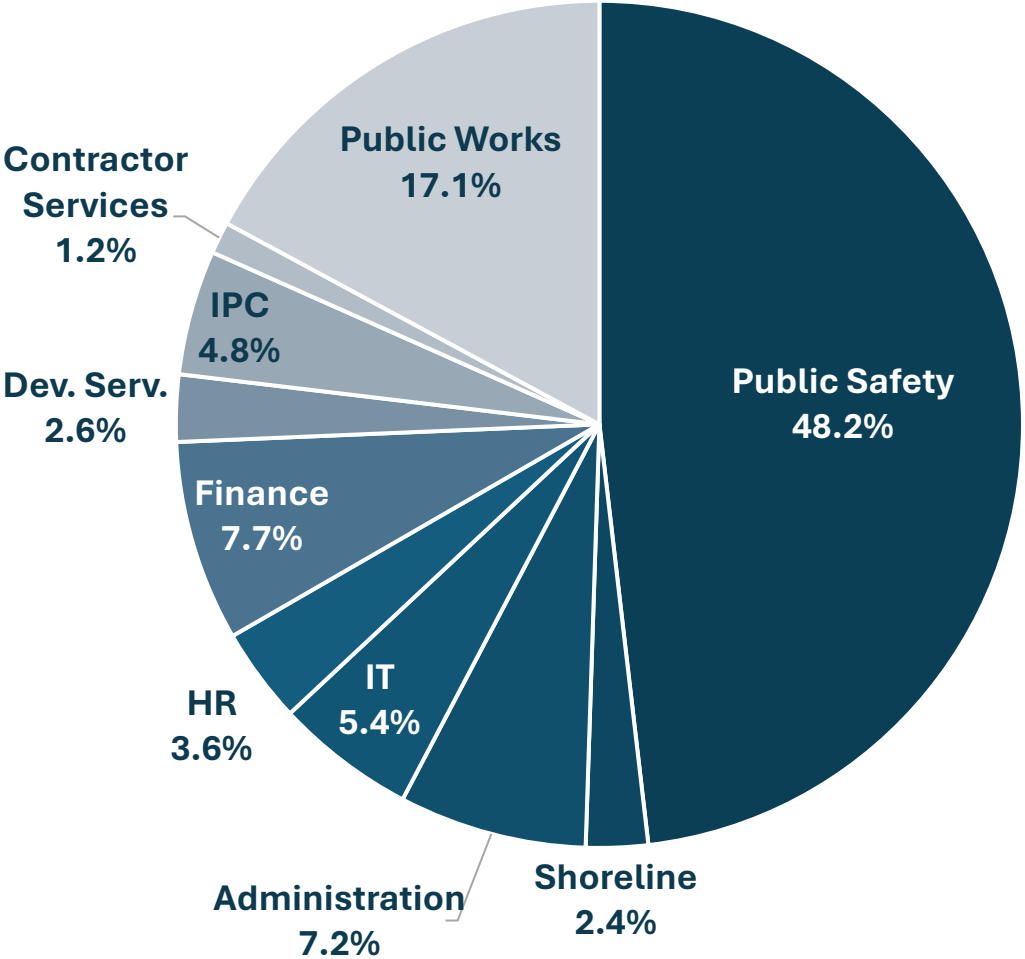


General Fund Expenditures: Personnel

Function	\$	%
Personnel	\$7,324,600	38.3%

Department	FY 25 Budget	Req. FY 26 Budget	Variance
Public Safety	\$3,227,300	\$3,527,000	\$299,700
Shoreline	\$157,400	\$173,300	\$15,900
Administration	\$1,020,700	\$525,400	-\$495,300
IT	\$276,700	\$391,900	\$115,200
HR	\$264,100	\$265,900	\$1,800
Finance	\$0	\$561,300	\$561,300
Dev. Services	\$172,700	\$187,300	\$14,600
IPC	\$392,200	\$348,900	-\$43,300
Contr. Services	\$82,700	\$89,100	\$6,400
Public Works	\$1,236,400	\$1,254,500	\$18,100
Totals	\$6,830,200	\$7,324,600	\$494,400


+7.2%



General Fund Expenditures: Personnel

Function	\$	%
Personnel	\$7,324,600	38.3%

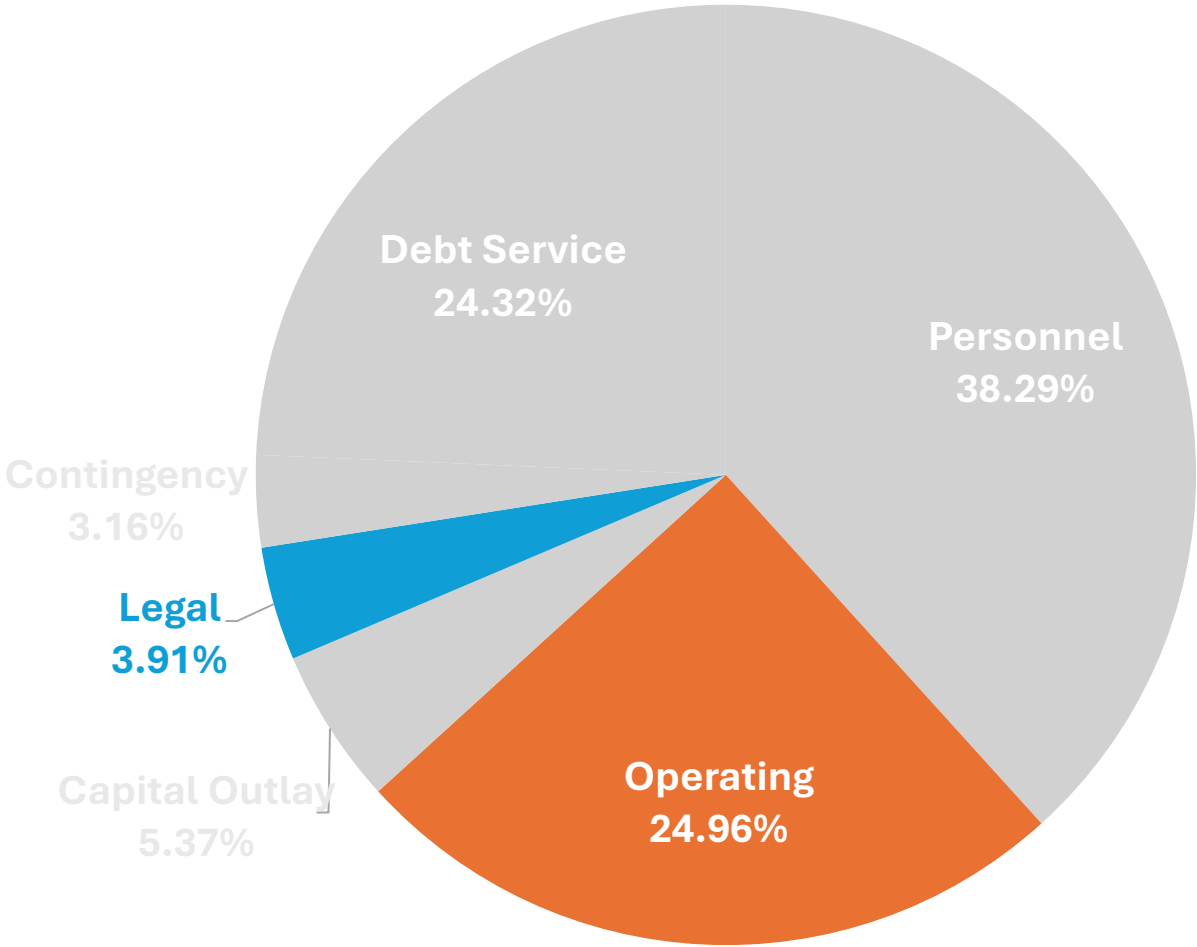
Expense Type	FY 25 Budget	Req. FY 26 Budget	Variance
Full Time Salaries	\$4,687,700	\$4,971,300	\$283,600
LEO Sep Allowance	\$28,300	\$28,300	\$0
Part Time Salaries	\$60,000	\$60,000	\$0
Overtime	\$72,000	\$106,600	\$34,600
FICA	\$71,300	\$76,300	\$5,000
Insurance*	\$777,900	\$829,500	\$51,600
Retirement	\$695,000	\$785,900	\$90,900
401k	\$243,300	\$259,200	\$15,900
401k - 4%	\$194,700	\$207,500	\$12,800
Totals	\$6,830,200	\$7,324,600	\$494,400



Variance Make-up	Variance Amount	Variance %
PS GAP hours	\$10,000	+0.21%
Longevity	\$6,800	+0.15%
COLA	\$133,900	+2.86
Merit	\$142,600	+3.04%
Utility OH	-\$9,700	-0.20%
Total Variance	\$283,600	+6.04%

General Fund Expenditures: Operating/Legal

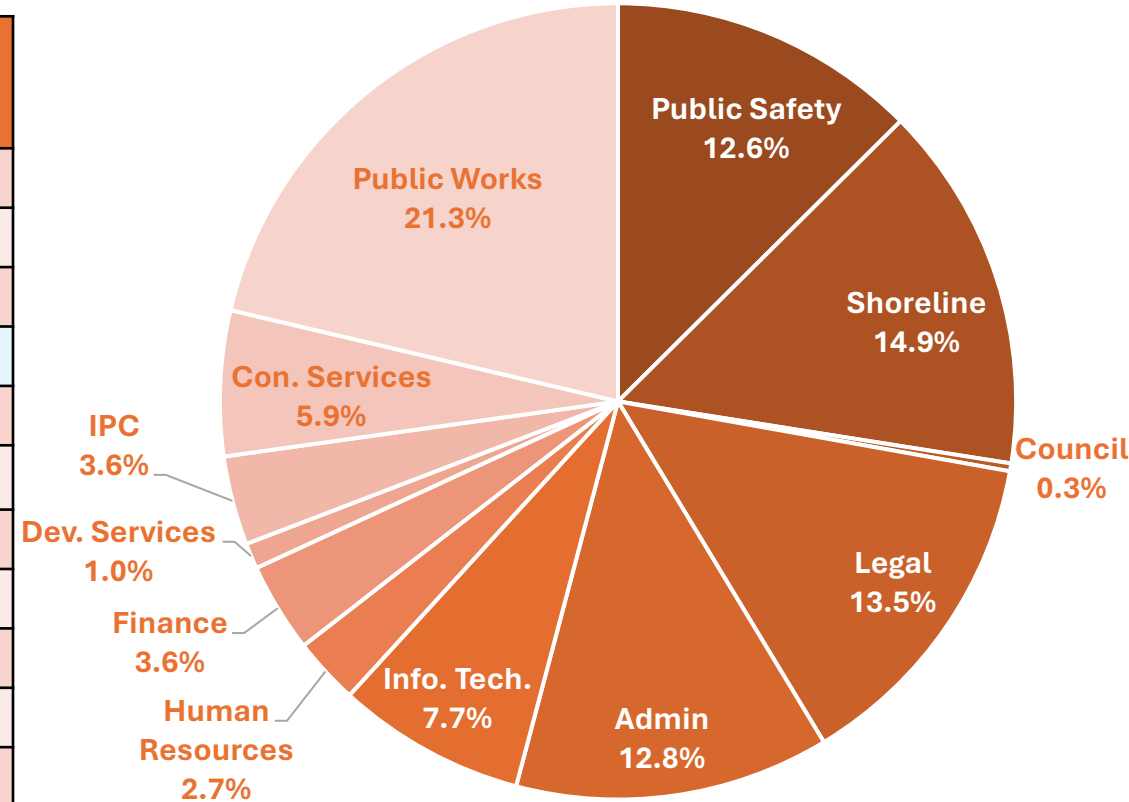
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Contingency	\$604,200	3.1%
Totals	\$19,129,400	100%



General Fund Expenditures: Operating/Legal

Function	\$	%
Operating	\$4,774,000	25.0%
Legal	\$747,600	3.9%
Totals	\$5,521,600	28.9%

Department	FY 25 Budget	Req. FY 26 Budget	\$ Variance
Public Safety	\$639,900	\$693,700	\$53,800
Shoreline	\$782,700	\$824,200	\$41,500
Council	\$17,500	\$17,500	\$0
Legal	\$1,269,000	\$747,600	-\$521,400
Admin	\$770,900	\$705,300	-\$65,600
Info. Tech.	\$309,700	\$423,300	\$113,600
HR	\$149,200	\$149,200	\$0
Finance	\$0	\$201,100	\$201,100
Dev. Services	\$41,000	\$57,600	\$16,600
IPC	\$199,400	\$199,600	\$200
Con. Services	\$325,200	\$325,500	\$300
Public Works	\$1,191,700	\$1,177,000	-\$14,700
Totals	\$5,696,200	\$5,521,600	-\$174,600



General Fund Expenditures: Operating (no Legal)

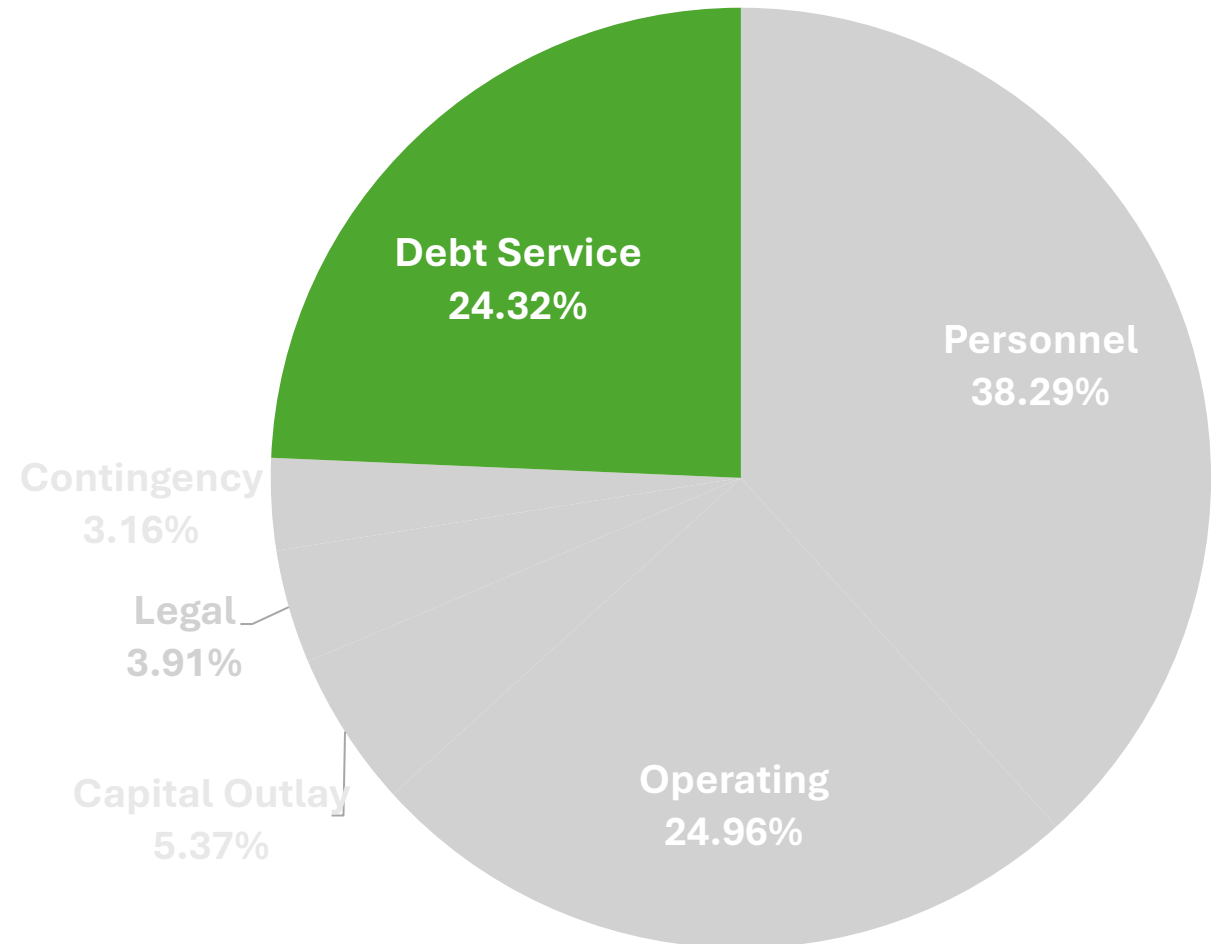
Function	\$	%
Operating	\$4,774,000	25.0%

Department	FY 25 Budget	Req. FY 26 Budget	\$ Variance	% Variance
Public Safety	\$639,900	\$693,700	\$53,800	8.4%
Shoreline	\$782,700	\$824,200	\$41,500	5.3%
Council	\$17,500	\$17,500	\$0	0.0%
Admin	\$770,900	\$705,300	-\$65,600	-8.5%
Info. Tech.	\$309,700	\$423,300	\$113,600	36.7%
HR	\$149,200	\$149,200	\$0	0.0%
Finance	\$0	\$201,100	\$201,100	N/A
Dev. Services	\$41,000	\$57,600	\$16,600	40.5%
IPC	\$199,400	\$199,600	\$200	0.1%
Con. Services	\$325,200	\$325,500	\$300	0.1%
Public Works	\$1,191,700	\$1,177,000	-\$14,700	-1.2%
Totals	\$4,427,200	\$4,774,000	+\$346,800	

Overall variance increase of ~7.8%

General Fund Expenditures: Debt Service

Function	\$	%
Personnel	\$7,324,600	38.3%
Operating	\$4,774,000	25.0%
Legal	\$747,600	3.9%
Debt Service	\$4,652,000	24.3%
Capital Outlay	\$1,027,000	5.4%
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Totals	\$19,129,400	100%



General Fund Expenditures: Debt Service

Function	\$	%
Debt Service	\$4,652,000	24.3%

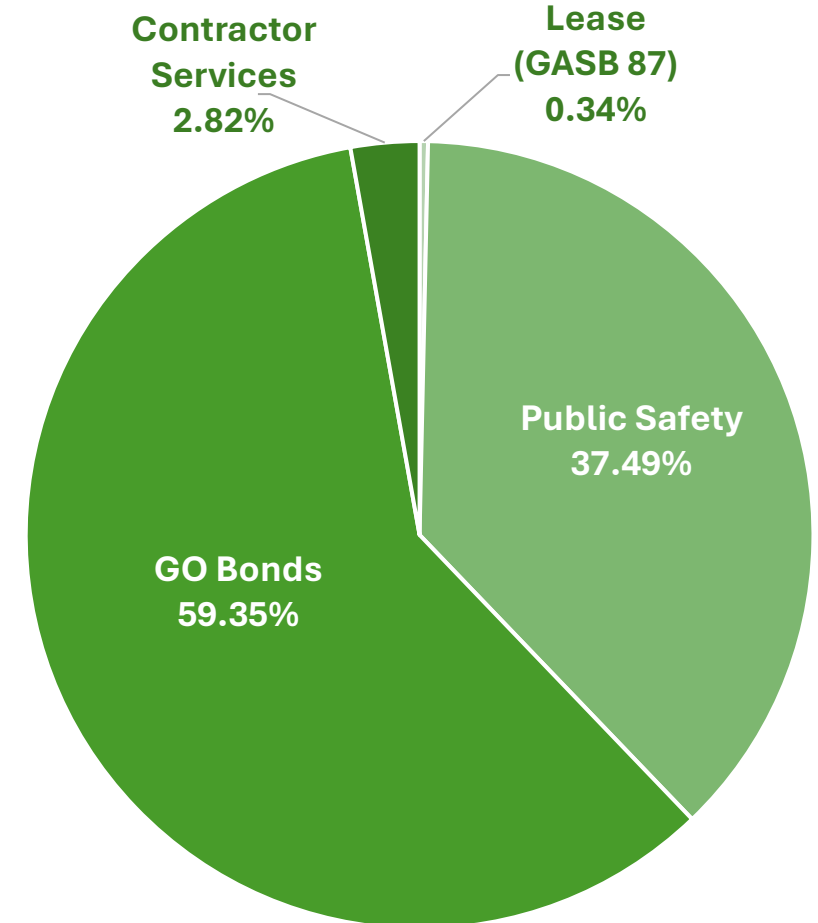
Loan Names	Orig. Loan Balance	~Balance Remaining (as of 7/1/25)	~Funding Needed in FY 26 (incl. interest)	Primary Funding Source(s)	Final Payment Date
2018 GO Bond	\$13,200,000	\$1,212,000	\$ 1,229,000	Ad Valorem Taxes Accom. Taxes	FY 26 (10/15/2025)
2024 GO Bond	\$15,700,000	\$15,700,000	\$1,532,000	Ad Valorem Taxes Accom. Taxes	FY 32 (10/01/2031)
PS Building	\$8,000,000	\$1,200,000	\$823,000	Ad Valorem Taxes	FY 27 (12/12/2026)
Con. Srvcs. Loan	\$1,680,000	\$1,307,000	\$131,000	Con. Srvcs. Fees	FY 36 (04/15/2036)
PS Ambulance	\$371,400	\$330,000	\$48,000	FEMA Funds (FB)	FY 34 (12/22/2033)
PS Vehicles - 1	\$1,400,000	\$1,050,000	\$730,000	FEMA Funds (FB/CY)	FY 27 (11/27/2026)
PS Vehicles – 2	\$1,050,000	\$997,500	\$143,000	FEMA Funds (CY)*	FY 35 (11/27/2034)
Capital Leases	N/A		\$16,000	Ad Valorem Taxes	N/A
	Total		\$4,652,000		

**FEMA Funds will cover debt service payments for ~2 years with remaining Village portion of ~\$977,000.*

General Fund Expenditures: Debt Service - Loans

Function	\$	%
Debt Service	\$4,652,000	24.3%

Account Description	FY25 Budget	Requested Budget FY26	\$ Variance
Lease Principal	\$15,000	\$15,000	\$0
Lease Interest	\$1,000	\$1,000	\$0
Principal - GO Bond Series 2018	\$2,361,000	\$1,212,000	-\$1,149,000
Interest - GO Bond Series 2018	\$98,000	\$17,000	-\$81,000
Principal - GO Bond Series 2025	\$0	\$784,000	\$784,000
Interest - GO Bond Series 2025	\$0	\$748,000	\$748,000
Principal - Ambulance #2	\$32,000	\$33,000	\$1,000
Interest - Ambulance #2	\$16,000	\$15,000	-\$1,000
Principal - PS Vehicles	\$403,000	\$805,000	\$402,000
Interest - PS Vehicles	\$46,000	\$68,000	\$22,000
Principal - Contractor Services Loan	\$103,000	\$104,000	\$1,000
Interest - Contractor Services Loan	\$28,000	\$27,000	-\$1,000
Principal - Public Safety Loan	\$800,000	\$800,000	\$0
Interest - Public Safety Loan	\$44,000	\$23,000	-\$21,000
Total Department Expenses	\$3,947,000	\$4,652,000	\$705,000



General Fund Expenditures: Debt Service

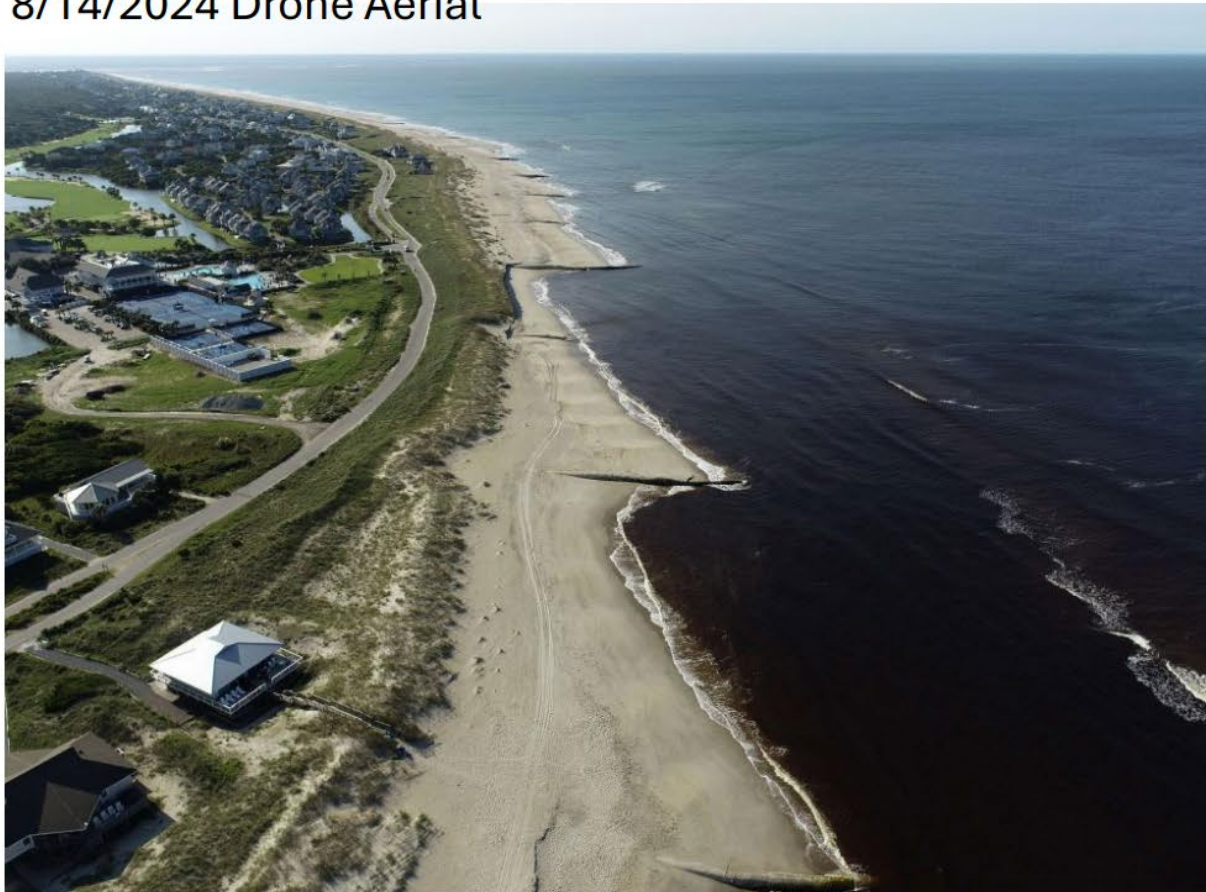
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Principal - Public Safety Loan	\$800,000	\$800,000	\$0
Interest - Public Safety Loan	\$44,000	\$23,000	-\$21,000
Total Department Expenses	\$3,947,000	\$4,652,000	\$705,000

Total Increase for Beach GO Bonds: \$302,000

Total Increase for PS Vehicles: \$424,000

8/14/2024 Drone Aerial



4/2/2025 Drone Aerial

2/18/2021 Drone Aerial



4/2/2025 Drone Aerial



8/14/2024 Drone Aerial



VILLAGE OF
BALD HEAD ISLAND

BALD HEAD
32
ISLAND

LADDER
1

BALD HEAD
32
ISLAND

ENGINE
1

MOUNT TABOR



4 Public Safety Vehicles purchased with use of Donations, FEMA Funds, and Debt Service

~Vehicles/Equipment	\$2,966,000
+Debt Service Interest	\$361,000
- Donations	- \$450,000
- Est. Interest Earnings	- \$140,000
- FEMA Funds	- \$1,760,000
~Total Cost to Village	\$977,000



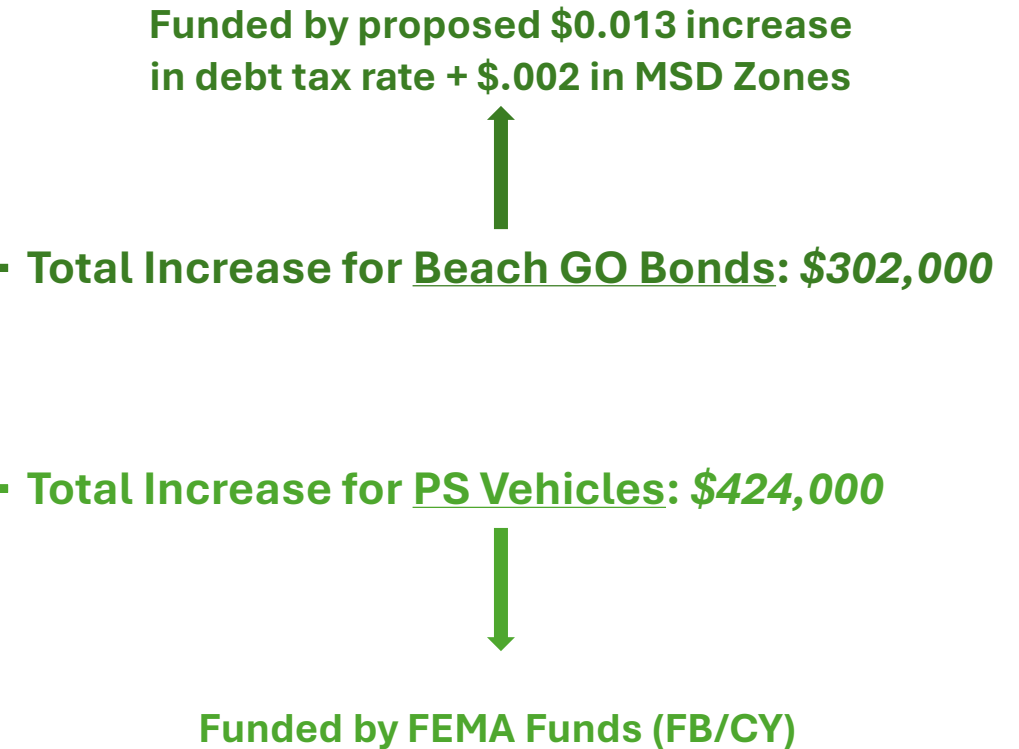
The total remaining cost of \$977,000 for the vehicles is included in the \$1.05 million Public Safety Vehicle loan.

The 10-year term allows the expense to be distributed over multiple budget cycles, with the Village's average annual share of the loan payments estimated at approximately \$122,000.

General Fund Expenditures: Debt Service

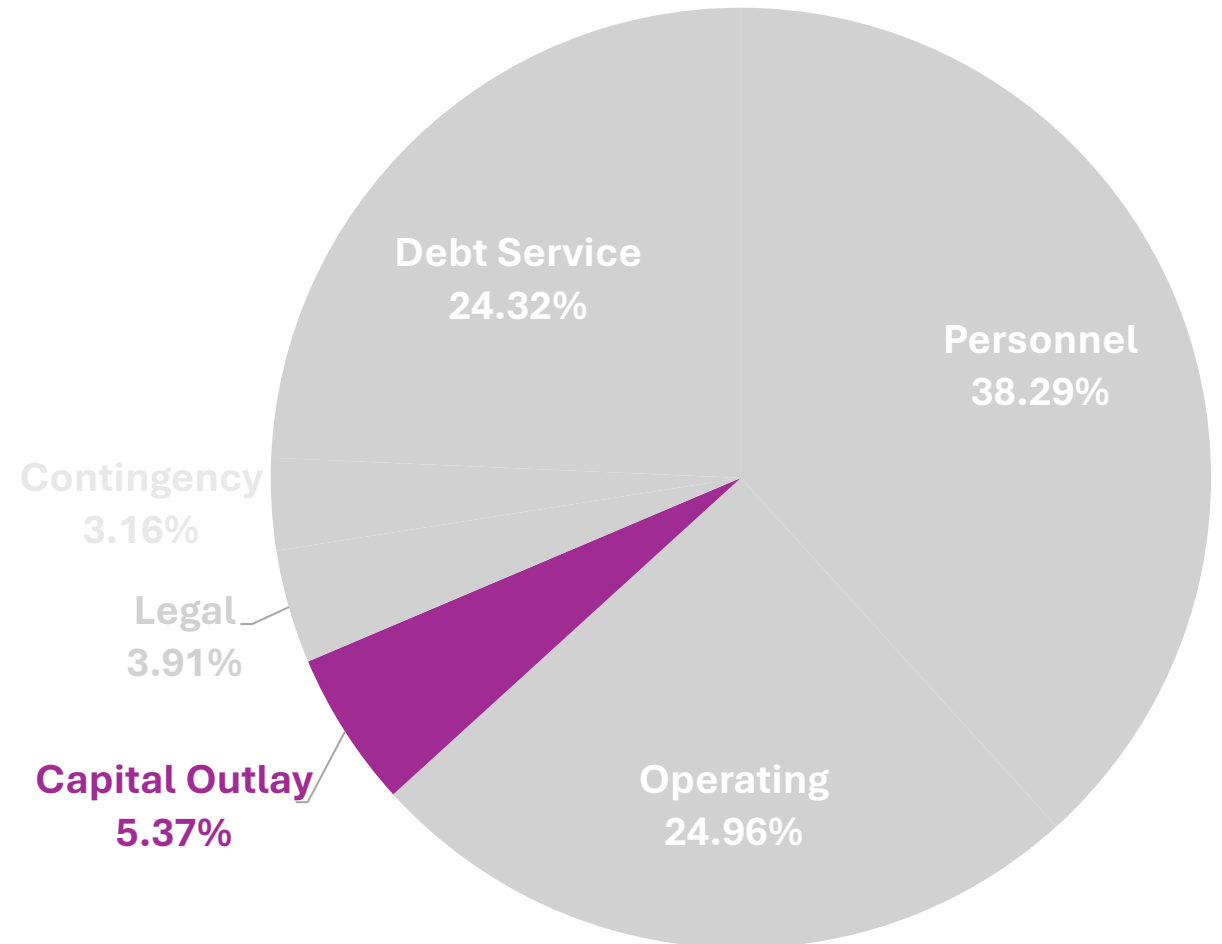
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Interest - GO Bond Series 2018	\$98,000	\$17,000	-\$81,000
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Interest - Contractor Services Loan	\$28,000	\$27,000	-\$1,000
Principal - Public Safety Loan	\$800,000	\$800,000	\$0
Interest - Public Safety Loan	\$44,000	\$23,000	-\$21,000
Total Department Expenses	\$3,947,000	\$4,652,000	\$705,000



General Fund Expenditures: Capital Outlay

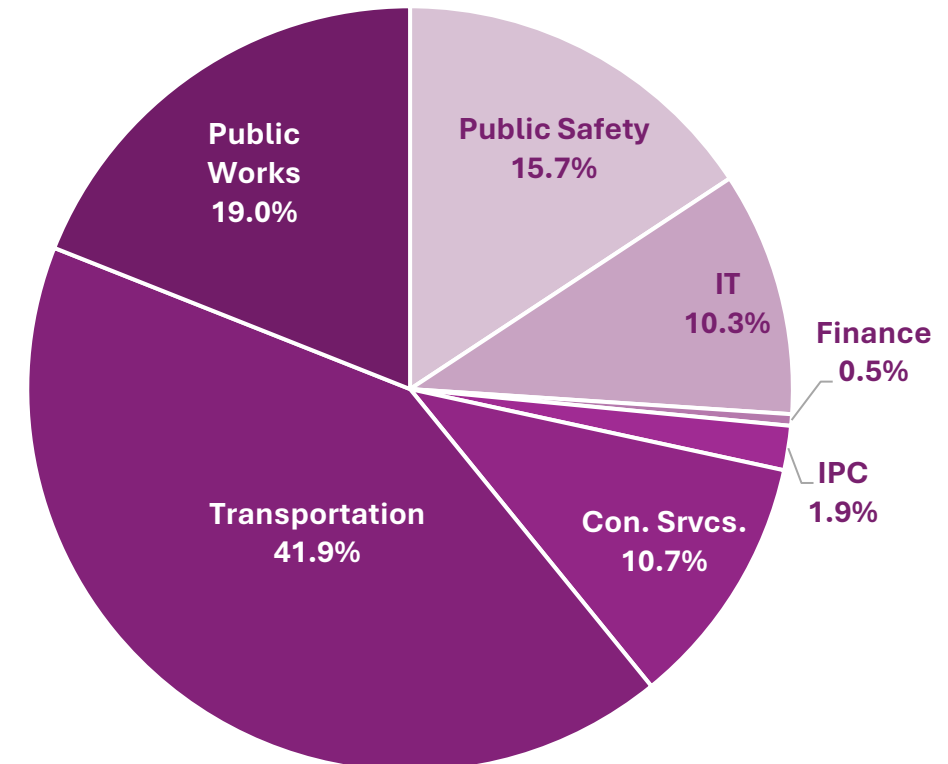
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Capital Outlay	\$1,027,000	5.4%
Contingency	\$604,200	3.1%
Totals	\$19,129,400	100%



General Fund Expenditures: Capital Outlay

Function	\$	%
Capital Outlay	\$1,027,000	5.4%

Account Description	Budget FY 25	Requested Budget FY 26	Change from FY 25
Asset > 5K - P Safety	\$198,800	\$131,500	-\$67,300
Non Depr. <5k - P Safety	\$4,000	\$30,000	\$26,000
Non Depr. < 5k - IT	\$75,000	\$106,000	\$31,000
Non Depr. < 5k - Finance	\$0	\$5,000	\$5,000
Asset > 5k - IPC	\$0	\$18,000	\$18,000
Non Depr. <5k - IPC	\$0	\$1,200	\$1,200
Asset >5k - CS	\$0	\$109,300	\$109,300
Non Depr. < 5k - CS	\$101,000	\$1,000	-\$100,000
Asset >5k - Pub. Works	\$94,000	\$190,000	\$96,000
Non Depr. <5k - Pub. Works	\$5,000	\$5,000	\$0
Road Construction	\$20,000	\$430,000	\$410,000
Totals	\$497,800	\$1,027,000	\$529,200



General Fund Expenditures: Capital Outlay

Function	\$	%
Capital Outlay	\$1,027,000	5.4%

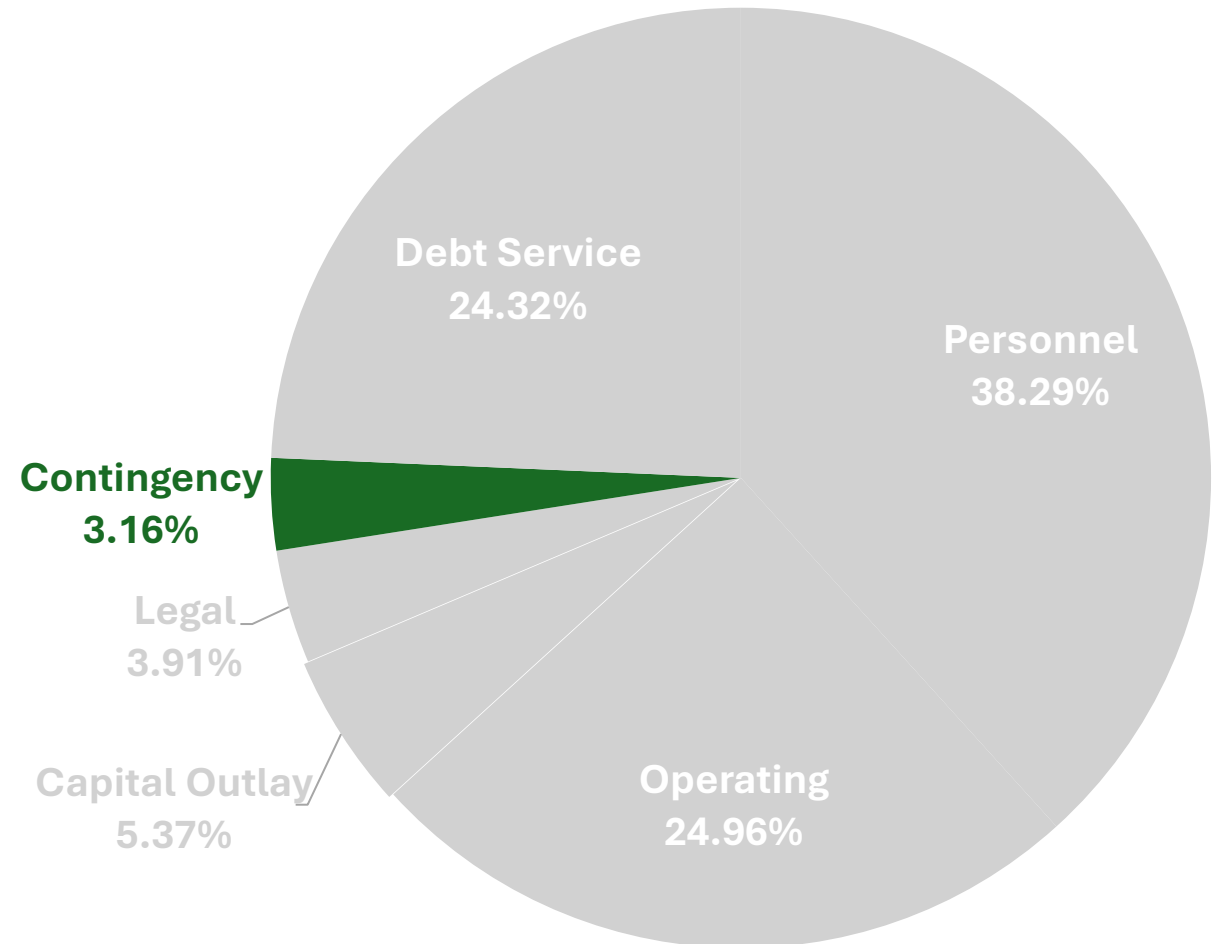
Dept	Capital Outlay Item(s)	Amount
Public Safety	Vehicle replacement for 2015 Toyota Tacoma	\$50,000
Public Safety	AirWorx Go-Command M30T Mission Ready Drone Kit	\$22,300
Public Safety	INMAR Mehler SAR Inflatable Boat w/ Motor	\$7,000
Public Safety	Res-Q-Jack Steel Struts	\$20,900
Public Safety	Metal Shelter for Rehab Vehicle	\$25,000
Public Safety	Sapphire IV Infusion Device w/ accessories (Required by BCEMS)	\$6,300
Public Safety	Office Furniture	\$8,000
Public Safety	10 LIFEPAK AEDS	\$22,000
IT	Maintain current refresh rate of IT assets	\$25,000
IT	Laserfiche Project	\$40,000
IT	Public Safety MDT Upgrade	\$6,000
IT	Golf Cart Registration	\$35,000
Finance	Appliances/Fixtures/Equipment	\$5,000
IPC	5 new handhelds & printers	\$18,000

Dept	Capital Outlay Item(s)	Amount
IPC	2d barcode scanner (UPS terminal)	\$1,200
Con Srvc	Sewer Drain Installation	\$12,000
Con Srvc	Garage Door and Lock replacements	\$97,300
Con Srvc	Small Equipment	\$1,000
Transportation	Sidewalks	\$50,000
Transportation	Road Paving (SBHW – 850 LF, NBHW – 1,300 LF, Keelson Row – 190 LF, Patchwork – 460 LF)	\$350,000
Transportation	Road Medians	\$30,000
Public Works	Concrete Ramps	\$11,000
Public Works	Cardboard Compactor	\$110,000
Public Works	PW Stormwater retention pond	\$20,000
Public Works	VH Fence	\$17,000
Public Works	Gazebo & Bridge/Walkway	\$20,000
Public Works	Conex Box move disposal and install	\$12,000
Public Works	Small power equipment	\$5,000

\$1,027,000

General Fund Expenditures: Contingency

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Contingency	\$604,200	3.1%
Totals	\$19,129,400	100%



General Fund Expenditures: Contingency

Function	\$	%
Contingency	\$604,200	3.1%

Account Description	Current FY 25 Budget*	FY 26 Req. Budget	Change from FY 25
Contingency	\$125,900	\$604,200	\$478,300

Contingency amounts are allowed by NCGS 159-13(b)(3):

- “A contingency appropriation shall not exceed five percent (5%) of the total of all other appropriations in the same fund...”

*Current Year’s Contingency amount was initially \$662,900 (4% of FY 25 GF Budget).

- Replacement vehicle for Public Safety
- Additional Replacement of Timbercreek Boards (2nd Phase)
- Debt Service for PS Vehicles due in FY 25
- \$125,900 remaining proposed to be used for 3rd Phase of Timbercreek Board Replacement and installation of running surface.

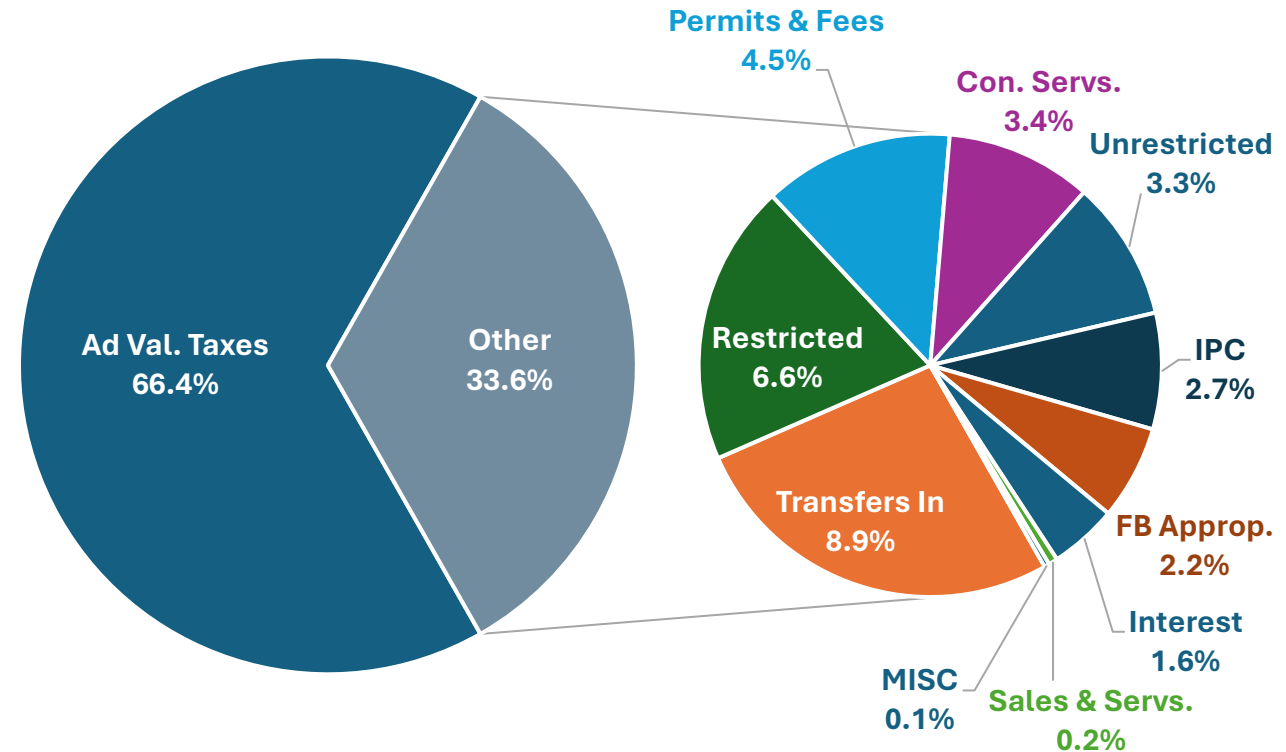
Proposed FY 26 Contingency amount is 3% of GF Budget.

General Fund Revenues: Highlights

- **~\$665,000 increase from FEMA for PS Vehicles**
 - Portion of funds for Public Safety Vehicles. Will go towards debt service payments.
- **~\$366,000 increase in Transfer from BRRAT Fund**
 - Will fund increase in Shoreline Protection department and portions of Public Safety and Public Works Capital Outlay requests (~\$320,000).
- **~\$487,000 increase in AVT**
 - \$214,000 from growth; \$267,000 from proposed property tax increase for debt service (\$0.0130 village wide and \$0.002 in MSD zones), \$6,000 from PY taxes/penalties.
- **~\$423,000 Fund Balance Appropriation**
 - \$193,000 for PS Vehicles Debt Service; \$161,000 for capital outlay; \$69,000 for Development Services department (from Restricted FB).

General Fund Revenues: By Class

Class	Budget FY 25	Req. Budget FY26	Variance \$
Ad Val. Taxes	\$12,223,600	\$12,710,100	+\$486,500
Interest	\$263,000	\$304,600	+\$41,600
Unrestricted	\$548,000	\$627,700	+\$79,700
Misc.	\$135,500	\$22,500	-\$113,000
Transfers In	\$1,344,800	\$1,711,200	+\$366,400
Restricted	\$589,000	\$1,259,000	+\$670,000
Sales & Servs.	\$32,100	\$40,900	+\$8,800
Permits & Fees	\$819,500	\$853,600	+\$34,100
FB Approp.	\$0	\$422,800	+\$422,800
Contractor	\$639,900	\$655,900	+\$16,000
IPC	\$501,700	\$521,100	+\$19,400
TOTALS	\$17,097,100	\$19,129,400	+\$2,032,300



2/3's of the General Fund's Revenues are Ad Valorem Taxes. The other 1/3 is comprised of all other revenues, all of which are proposed to increase in FY 26, except for Miscellaneous (i.e., One-time revenues Donations and Insurance Reimbursements).

General Fund Revenues: Unrestricted

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

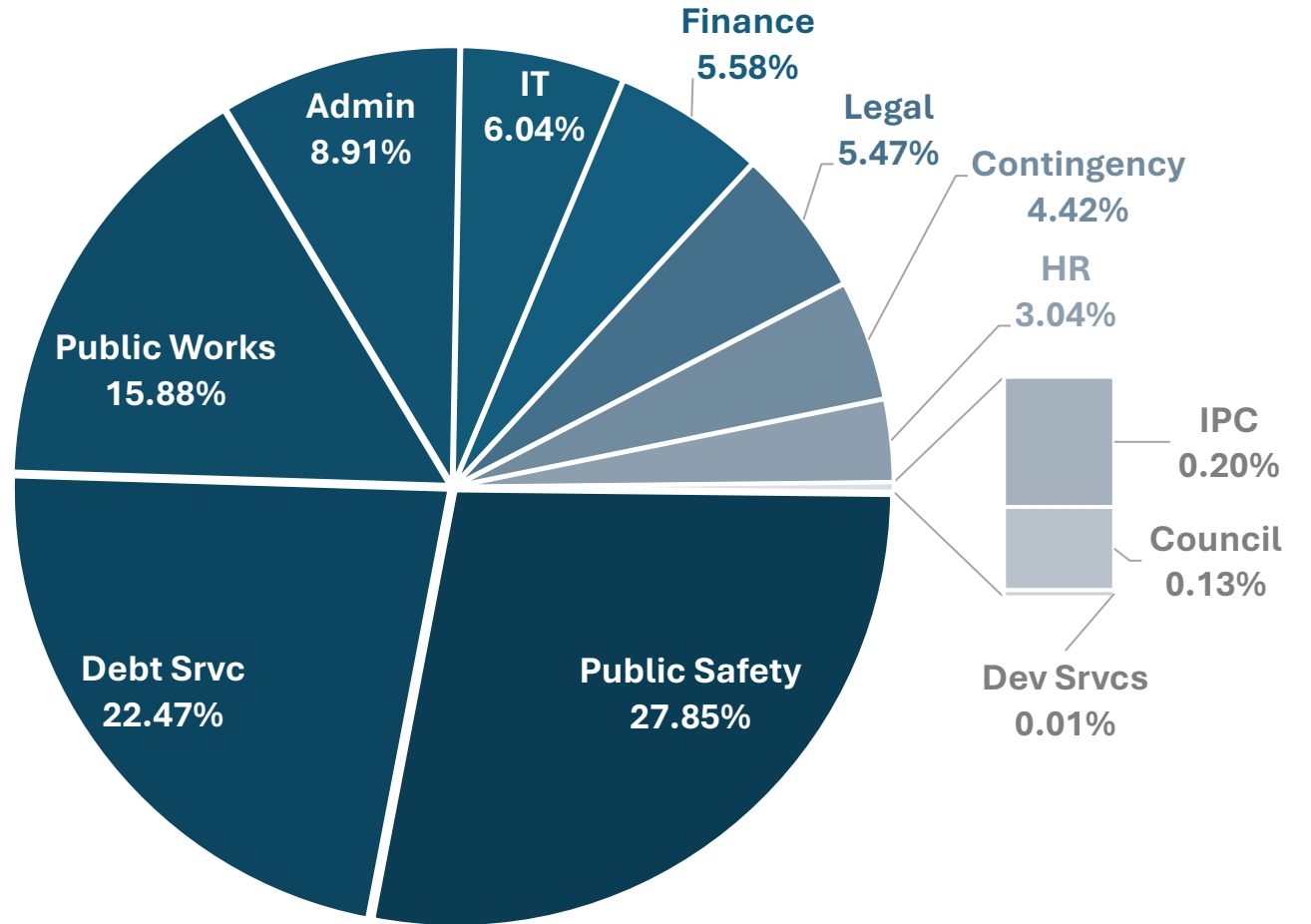
- Unrestricted Revenues can be used for “any” governmental purpose.
- Total: \$13,664,900
- Includes:
 - AVT
 - Interest Earnings
 - Misc. Revenues (Misc. Revenues, Special Event Revenues, Other)
 - Sales Taxes
 - Utilities Franchise Taxes

Revenue Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Total	\$13,664,900

Associated Expenditure Appropriations



Dept	FY 26 Amount	FY 26 %
Public Safety	\$3,805,100	27.85%
Debt Srvc	\$3,070,800	22.47%
Public Works	\$2,170,600	15.88%
Admin	\$1,216,900	8.91%
IT	\$825,800	6.04%
Finance	\$762,400	5.58%
Legal	\$747,600	5.47%
Contingency	\$604,200	4.42%
HR	\$415,100	3.04%
IPC	\$27,400	0.20%
Council	\$17,500	0.13%
Dev Srvc	\$1,500	0.01%
Total	\$13,664,900	100%



Over 50% of Unrestricted revenues are appropriated to Public Safety and Debt Service.

Allocation of a tax dollar:



Effect of New Tax rate on Property Tax Bills

*Proposed budget includes a \$0.013 tax rate increase on Village Wide rate.
Also includes a \$0.002 tax rate increase on MSD Zones A & B**.*

Assessed Property Value	Levy at Current Tax Rate (\$0.6277)	Levy at Proposed Tax Rate (\$0.6407)	Annual Difference
\$500,000	\$3,139	\$3,204	\$65
\$750,000	\$4,708	\$4,805	\$98
\$1,000,000	\$6,277	\$6,407	\$130
\$1,250,000	\$7,846	\$8,009	\$163
\$1,328,128	\$8,337	\$8,509	\$173
\$1,500,000	\$9,416	\$9,611	\$195
\$2,000,000	\$12,554	\$12,814	\$260
\$2,500,000	\$15,693	\$16,018	\$325

Estimated Average Home Value →

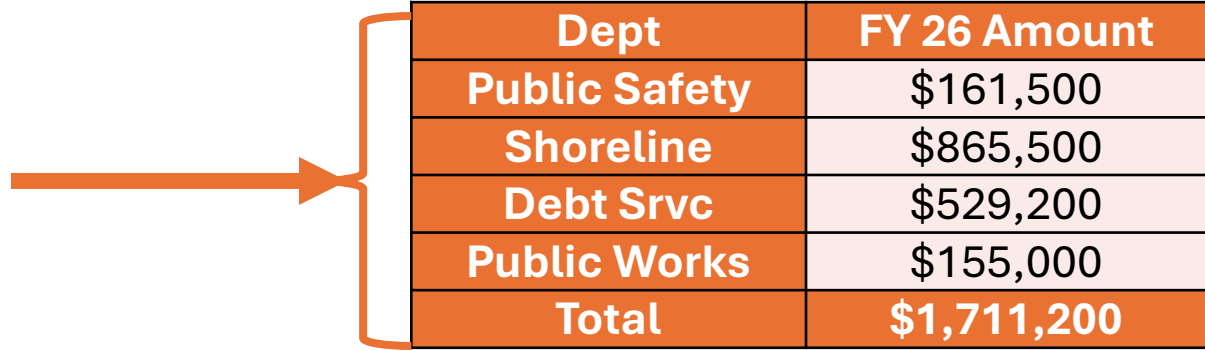
MSD Zones would incur an additional \$2 per \$100,000 valuation (~\$20 per \$1,000,000).

General Fund Revenues: Transfers In

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

- “Transfers In” are revenues transferred into the General Fund from other funds.
- Total: \$1,711,200
- Includes:
 - In FY 26, all budgeted Transfers In are from BRRAT Fund (i.e., from Accommodation Taxes).

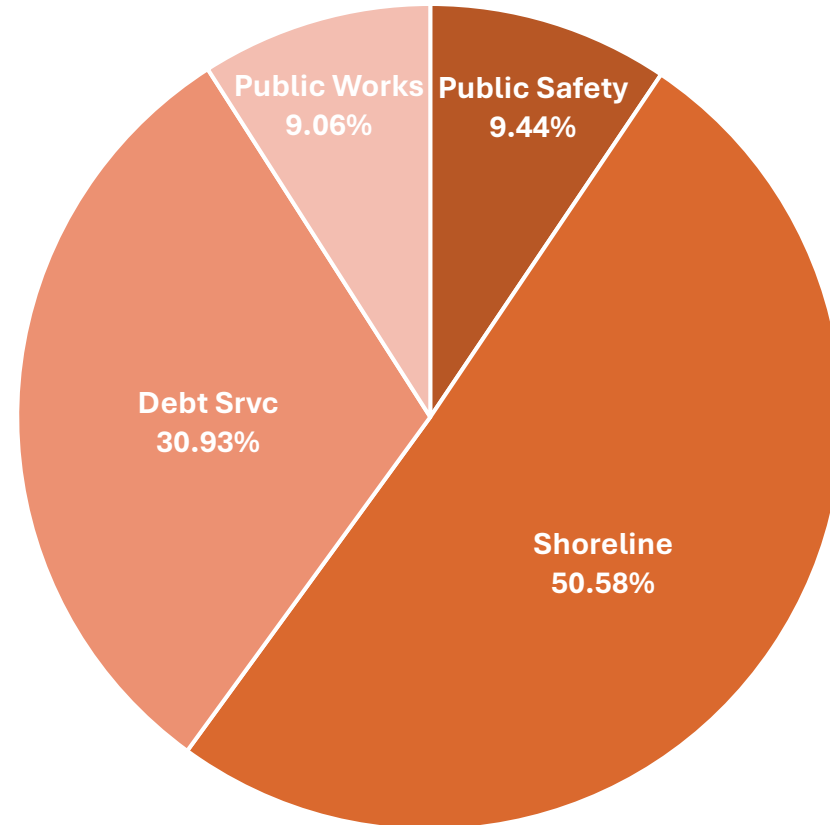
Class	Req. Budget FY26
Transfers In	\$1,711,200



Dept	FY 26 Amount
Public Safety	\$161,500
Shoreline	\$865,500
Debt Srvc	\$529,200
Public Works	\$155,000
Total	\$1,711,200

Transfers from the BRRAT Fund support the Shoreline Protection Department by covering beach-related expenses (i.e., monitoring, etc.).

Additionally, they contribute to lowering the Village's overall tax rate by \$0.0445 by funding a portion of beach-related debt service, as well as portions of capital outlay for Public Safety and Public Works.

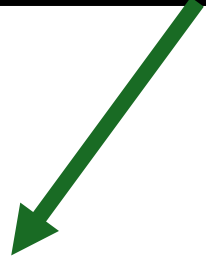


General Fund Revenues: Restricted

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

- **Restricted revenues are funds provided with specific limitations on how they may be used.**
- **Total: \$1,259,000**
- **Includes:**
 - **Grant funds**
 - **FEMA Revenues**
 - **Intergovernmental Funds, etc.**

Class	Req. Budget FY26
Restricted	\$1,259,000



Department	FY 26 Amount
Public Safety	\$336,800
Shoreline	\$132,000
Debt Srvc	\$730,000
Public Works	\$60,200
Total	\$1,259,000

Public Safety	
Bruns Co. EMS/Fire	\$325,000
Firefighters' Relief Fund	\$11,800
Total	\$336,800

Shoreline	
Marina Channel Grant	\$132,000
Total	\$132,000

Debt Service	
FEMA Revenues	\$730,000
Total	\$730,000

Public Works	
Powell Bill	\$54,000
Grants/Donations	\$6,000
Solid Waste Disposal	\$200
Total	\$60,200

General Fund Revenues: Sales & Services

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

- **Sales and Services are attributed to revenues in which items are sold, or services that are provided in exchange for funds.**
- **Total: \$40,900**
- **Includes:**
 - **Site Rentals (Marina Park, Timber Creek, etc.) - \$20,900**
 - **Sales of Assets - \$2,000**
 - **Pick Up/Drop off Disposal Services - \$18,000**
- **All Sales/Services revenues go toward funding expenditures in Public Works associated with the revenues.**

General Fund Revenues: Permits & Fees

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

- Permits and fees are revenues collected in exchange for regulatory services or permissions, typically related to local ordinances, zoning, construction standards, or licensing requirements.
- **Total: \$853,600**
- **Includes:**
 - *Building Permits, Vehicle Permits, Creek Access Permits, Special Use Permits, etc.*

Class	Req. Budget FY26
Permits & Fees	\$853,600

Dept	Public Safety	Dev Srvcs	Roads	Public Works	Total
FY 26 Amount	\$72,400	\$174,700	\$430,000	\$176,500	\$853,600

EMS Fees	\$32,000
Golf Cart Regs.	\$40,400

Daily Vehicle Permits	\$163,000
Annual Vehicle Permits	\$221,000
Golf Cart Registrations	\$46,000

Bldg. Permits	\$145,300
CRB Fees	\$24,400
Spec. Use Permits	\$5,000

Daily Vehicle Permits	\$53,600
Annual Vehicle Permits	\$74,000
Golf Cart Registrations	\$15,500
Creek Access Permits	\$33,400

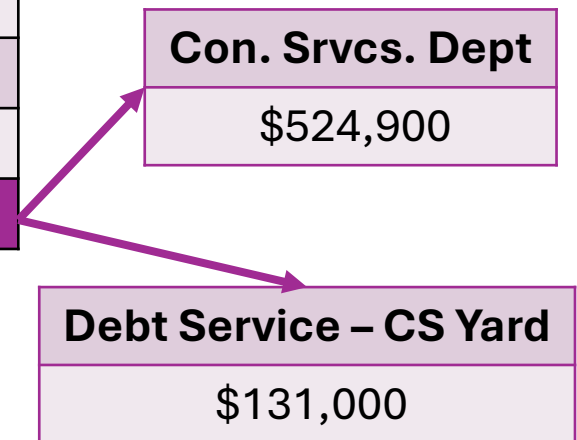
General Fund Revenues: Contractor Services

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

- Contractor services (CS) fees support the Village's CS Yard, which provides essential amenities and logistics for contractors, including parking, fuel sales, storage container rentals, and access to restrooms and breakrooms. These fees also help cover the debt service associated with the construction of the CS storage unit building.

- Includes:**

Fuel sales	\$320,700
Parking Rental Fees	\$152,400
Storage Unit/Container Fees	\$182,300
Misc. Revenues	\$500
Total	\$655,900



General Fund Revenues: IPC

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

- Fees collected at the Island Package Center (IPC) are used to offset the costs of processing and handling inbound packages, primarily from FedEx, UPS, and USPS. These revenues help fund IPC operations, including staffing, facility maintenance, and postal services, with any shortfall supplemented by the Village's General Fund.
- **Total: \$521,100**
- **Includes:**
 - **Postage sales**
 - **Package handling revenues**
 - **USPS Contract Revenues, etc.**

*FY 26 IPC expenditures are \$46,600 more than revenues.
GF will supplement through CY revenues for personnel and FB for capital outlay.*

General Fund Revenues: Appropriated Fund Bal.

Class	Req. Budget FY26
Ad Val. Taxes	\$12,710,100
Interest	\$304,600
Unrestricted	\$627,700
Misc.	\$22,500
Transfers In	\$1,711,200
Restricted	\$1,259,000
Sales & Servs.	\$40,900
Permits & Fees	\$853,600
Contractor Servs.	\$655,500
IPC	\$521,100
FB Approp.	\$422,800
TOTALS	\$19,129,400

- Appropriated fund balance is reserved cash a North Carolina local government may budget for shortfalls or one-time costs, limited to the prior year's available funds after deducting liabilities, encumbrances, and deferred revenues.
- **FY 26 Total: \$422,800**
- **Includes:**
 - **\$191,000 for PS Vehicles Debt Service**
 - *carryover from FEMA funds*
 - **\$163,100 for Capital Outlay not covered by CY Revs**
 - **\$68,700 from Restricted Fund Balance for Development Services dept.**
 - *DS Restricted Fund Balance = ~\$175,000 from building permit fees not expended in prior years.*

General Fund: Summary

- **Total Budget: \$19,129,400**
 - 11% Increase of \$2,032,300 from PY; Mostly due to increases in Capital Outlay and Debt Service.
- **Small Tax Rate Increase:**
 - Needed to fund additional beach renourishment debt
 - Island-wide debt rate increase of \$0.013
 - MSD Zone A & B rate increase of \$0.002
- **Fund Balance Appropriation:**
 - Utilized to support select capital outlay requests, bolster the Development Services budget, and cover debt service for Public Safety Vehicles—leveraging FEMA-reimbursed funds to offset costs.
- **Key Points:**
 - All debt service obligations are fully funded
 - Operating costs reflect inflation (~3%) and tariff impacts
 - No reductions in services or staffing – all current positions retained
 - New capital outlay requests are funded

UTILITIES FUND

Investing in Reliable Water, Sewer, and System Sustainability

Utilities Fund: Overview

The Utility Fund supports the operation, maintenance, and capital needs of the Village's water and wastewater systems. It ensures the safe delivery of drinking water and the effective treatment and disposal of wastewater in compliance with regulatory standards.

For FY26, the fund reflects strategic investments in system upgrades, operational efficiency, and regulatory compliance. Major components include:

- **Water Department:** Budget increase of \$66,200 to support system improvements and operational needs
- **Wastewater Department:** Budget increase of \$112,400 for maintenance, infrastructure upgrades, and compliance
- **Capital Outlay/Transfers:** \$519,900 in planned investments, including equipment and system replacements

To support these needs, modest rate increases are proposed across water, sewer, and other utility fees.

These adjustments will help maintain reliable service and fund capital improvements necessary for a growing and sustainable island community.

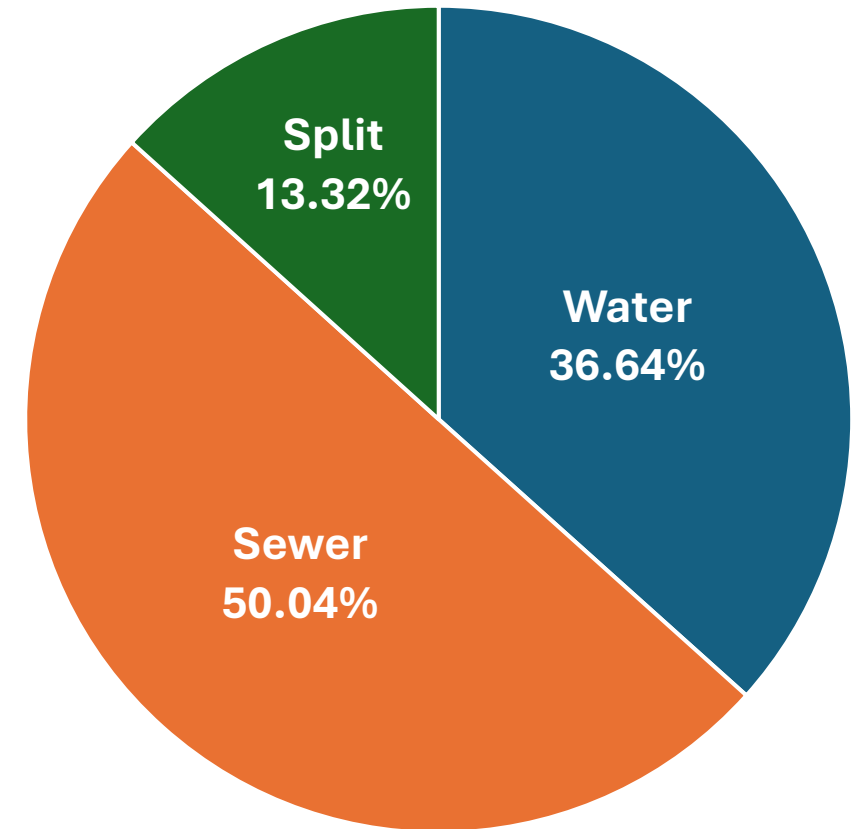
Utilities Fund: Groundwork

- **Launched a Comprehensive Cross-Connection Control Program:** Successfully implemented and continue to maintain this vital public health initiative, ensuring the integrity and safety of the Village's potable water system.
- **Initiated Strategic Water Districting with Inserta-Valve Installations:** Rolled out this long-term infrastructure improvement to enhance operational flexibility and minimize service interruptions—work remains active and ongoing.
- **Upgraded Water Distribution Pumps and Control Room Infrastructure:** Completed critical enhancements to our pump systems and distribution room, boosting performance, reliability, and long-term resiliency.
- **Completed Decanter Maintenance on All Three SBR Units:** Proactively addressed maintenance across all sequencing batch reactors (SBRs), improving wastewater treatment efficiency and plant longevity.
- **Delivered Phase I of Lift Station Upgrades:** Modernized and improved key lift station assets, laying the foundation for better performance and reduced maintenance costs.
- **Led Comprehensive Storm Recovery and System Improvements Following PTC #8:** Responded swiftly to the unnamed tropical storm with coordinated recovery operations and an after-action review, while also initiating ongoing grinder pump and snorkel system upgrades to improve storm resilience.
- **Replaced Critical Valve at the Wastewater Treatment Plant (WWTP):** Completed the replacement of the WWTP screen valve, restoring full operational capacity and improving flow management.

Utilities Fund: Revenues

Account Description	Budget FY 25	Req. Budget FY26	Change from FY 25
Water - Service	\$1,053,600	\$1,142,400	\$88,800
Water - Taps	\$335,900	\$295,600	-\$40,300
Sewer - Service	\$1,338,000	\$1,450,800	\$112,800
Sewer - Taps	\$503,800	\$429,600	-\$74,200
Septic Maint. Reserve	\$16,700	\$17,000	\$300
Port-o-john Rentals	\$79,500	\$66,300	-\$13,200
Interest Earnings	\$106,400	\$82,500	-\$23,900
Fund Balance Util. Approp.	\$735,500	\$0	-\$735,500
Debt / Capital Surcharge	\$314,500	\$399,000	\$84,500
Interdept. Sales	\$35,000	\$36,300	\$1,300
Misc. Revenue	\$5,000	\$5,000	\$0
Total Utilities Fund Rev.	\$4,523,900	\$3,924,500	-\$599,400

Sewer related revenues make up over 50% of utility revenue estimates (~57.7%).



Utilities Fund: Rate Changes

- **Proposed Increases:**

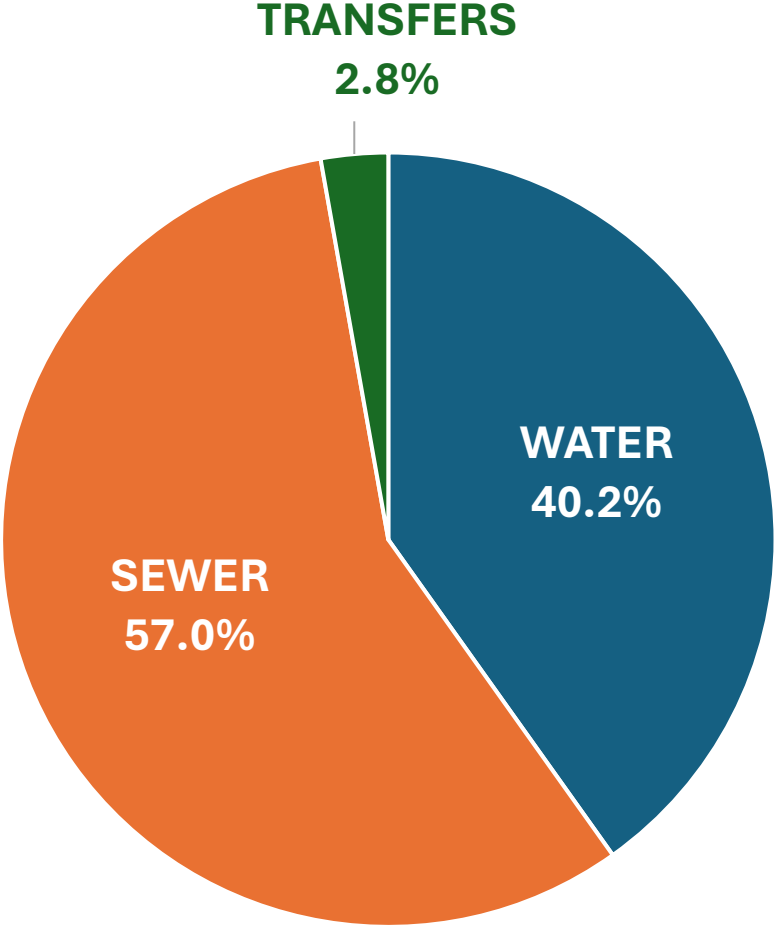
- 10% to all water charge fees
- 10% to sewer fees
- 25% to Debt/Capital surcharge
- 3% to all other Utility rates (*Tap fees, Misc. fees, Port-a-John rentals, etc.*)

Fee Name	Current Rate		Proposed Increase	FY 26 Rate
Residential Water Base Fee	\$23.76	Per month	\$2.38	\$26.14
Usage < 3,000 Gals	\$6.71	Per 1,000 gals.	\$0.67	\$7.38
Usage > 3,000 Gals	\$10.99	Per 1,000 gals.	\$1.10	\$12.09
Residential Sewer Base Fee	\$78.53	Per month	\$7.85	\$86.38
Debt/Capital Surcharge	\$17.74	Per month	\$4.44	\$22.18
Irrigation (Res.)	\$10.99	Per 1,000 gals.	\$1.09	\$12.09

New Minimum
Utility Monthly Bill
(not incl. Stormwater):
\$134.70

Utilities Fund: Expenditures

Dept	Class	Budget FY25	Requested Budget FY26	Change from FY 25
WATER	Personnel	\$485,500	\$538,100	\$52,600
WATER	Operating	\$767,700	\$812,800	\$45,100
WATER	Capital	\$256,500	\$225,000	-\$31,500
SEWER	Personnel	\$875,600	\$895,200	\$19,600
SEWER	Operating	\$1,111,500	\$1,158,500	\$47,000
SEWER	Capital	\$139,100	\$184,900	\$45,800
TRANSFERS	Capital	\$888,000	\$110,000	-\$778,000
	Totals	\$ 4,523,900.00	\$ 3,924,500.00	\$ (599,400)



Utilities Fund: Water Dept.

Function	Budget FY25	Requested Budget FY26	Change from FY 25
Personnel	\$485,500	\$538,100	\$52,600
Operating	\$767,700	\$812,800	\$45,100
Capital	\$256,500	\$225,000	-\$31,500
Total	\$1,509,700	\$1,575,900	\$66,200

Funded By:	
Water Service Fees	\$1,142,400
Water Tap Fees	\$295,600
Debt/Capital Surcharge	\$104,100
Other Revenues	\$33,800
Total	\$1,575,900

The Village of Bald Head Island’s Water Department manages the treatment and distribution of safe, reliable drinking water to residents and businesses across the island. For FY 26, the department’s budget is increasing by \$66,200 to support operational needs and system improvements.

Utilities Fund: Wastewater Dept.

Function	Budget FY25	Requested Budget FY26	Change from FY 25
Personnel	\$875,600	\$895,200	\$19,600
Operating	\$1,111,500	\$1,158,500	\$47,000
Capital	\$139,100	\$184,900	\$45,800
Total	\$2,126,200	\$2,238,600	\$112,400

Funded By:	
Sewer - Service	\$1,450,800
Sewer - Taps	\$429,600
Septic Maint. Reserve	\$17,000
Port-o-john Rentals	\$66,300
Debt/Capital Surcharge	\$184,900
Other Revenues	\$90,000
Total	\$2,238,600

The Village of Bald Head Island's Wastewater Department is responsible for the collection, treatment, and safe discharge of the island's wastewater in compliance with environmental regulations. For FY26, the department's budget is increasing by \$112,400 to support maintenance, infrastructure upgrades, and regulatory requirements.

Utilities Fund: Transfers Out

Function	Budget FY25	Requested Budget FY26	Change from FY 25
Capital	\$888,000	\$110,000	-\$778,000
Total	\$888,000	\$110,000	-\$778,000

Funded By:	
Debt/Capital Surcharge	\$110,000
Total	\$110,000

FY 26 Budget includes an appropriation for a transfer of \$110,000 into a capital project fund for radio read meter equipment.



Utilities Fund: Capital Outlay

Dept	Capital Outlay Item(s)	Amount
Water	Parts Shed(1/2 W And 1/2 Ww)	\$22,000
Water	Trimble GPS (I Water 1 WW)	\$10,000
Water	RO Cleaning Skid	\$90,000
Water	Water Distribution Infrared Flow Meter	\$7,500
Water	Water Tank Mixer	\$25,000
Water	RO Membrane Replacement	\$20,000
Water	Power Equipment	\$5,000
Water	Future Water Taps	\$3,500
Water	New Water Taps	\$42,000
	Total Water	\$225,000

Dept	Capital Outlay Item(s)	Amount
Sewer	1/2 Parts Storage Shed	\$22,000
Sewer	30 Liberty Pumps For Lift Stations	\$38,000
Sewer	Trimble GPS (1 Water One WW)	\$6,000
Sewer	Confined Space Oxygen Meter	\$11,000
Sewer	40 E-1 Control Panels	\$16,300
Sewer	Trash Pump And Hoses	\$2,900
Sewer	Power Tools	\$5,000
Sewer	Future Sewer Taps	\$1,500
Sewer	New Sewer Taps	\$82,200
	Total Sewer Capital Outlay	\$184,900

Dept	Capital Outlay Item(s)	Amount
Transfer	Transfer To Cap Proj. - Radio Water Meter System	\$110,000
	Total Transfers	\$110,000

Total FY 26 Capital Outlay is \$519,900.

BRRAT FUND

Preserving Natural Assets, Enhancing Public Access, and Supporting Island-Wide Infrastructure

BRRAT Fund: Overview

The BRRAT Fund (Beach Renourishment, Recreation, and Tourism) supports a wide range of projects that enhance the Village of Bald Head Island's resilience, infrastructure, and visitor experience. It funds beach renourishment, public beach access improvements, recreational amenities, and tourism-related infrastructure, while also supporting key village functions and needs. The fund plays a vital role in preserving natural assets, ensuring safe and reliable infrastructure, and promoting long-term sustainability across the island.



BRRAT Fund: Outlook

- Supports Shoreline Protection Department annual reoccurring appropriations for shoreline monitoring & annual Beach Profile Monitoring Report
- Completed improvements to public beach access points as part of the Village's ongoing infrastructure commitment.
- Continued investment in repairing, elevating, or extending beach accesses to align with dune growth and reach the current vegetation line.
- Funding of Frying Pan Shoals borrow site permitting efforts to include additional data collection w/ UNCW in support of allaying fisheries concerns of both Federal & State regulators with NMFS & NCDMF
- Funding VBHI cost share for USACOE Feasibility Study
- Continued support of BHI Conservancy efforts related to Beach Vitex control, and Creek Water Quality and Bacteria Sampling ensuring BH Creek is safe for eco-tourism

BRRAT Fund: Revenues

- The Beach Renourishment, Recreation and Tourism fund is primarily funded through the collection of Accommodation Taxes.

Revenue Source	Budget FY25	Req. Budget FY26	Variance
Accommodation Taxes	\$1,795,000	\$1,819,400	\$24,400
Interest Earnings	\$95,400	\$120,000	\$24,600
Fund Balance Appropriation	\$308,200	\$585,300	\$277,100
Total	\$2,198,600	\$2,524,700	\$326,100

- FY 26 estimated collections to remain flat with modest collection factor (90%) built into estimates (\$1,819,400).
- Interest Earnings are estimated to be \$120,000.
- FY 26 budget includes a BRRAT Fund appropriation of Fund Balance (\$585,300)

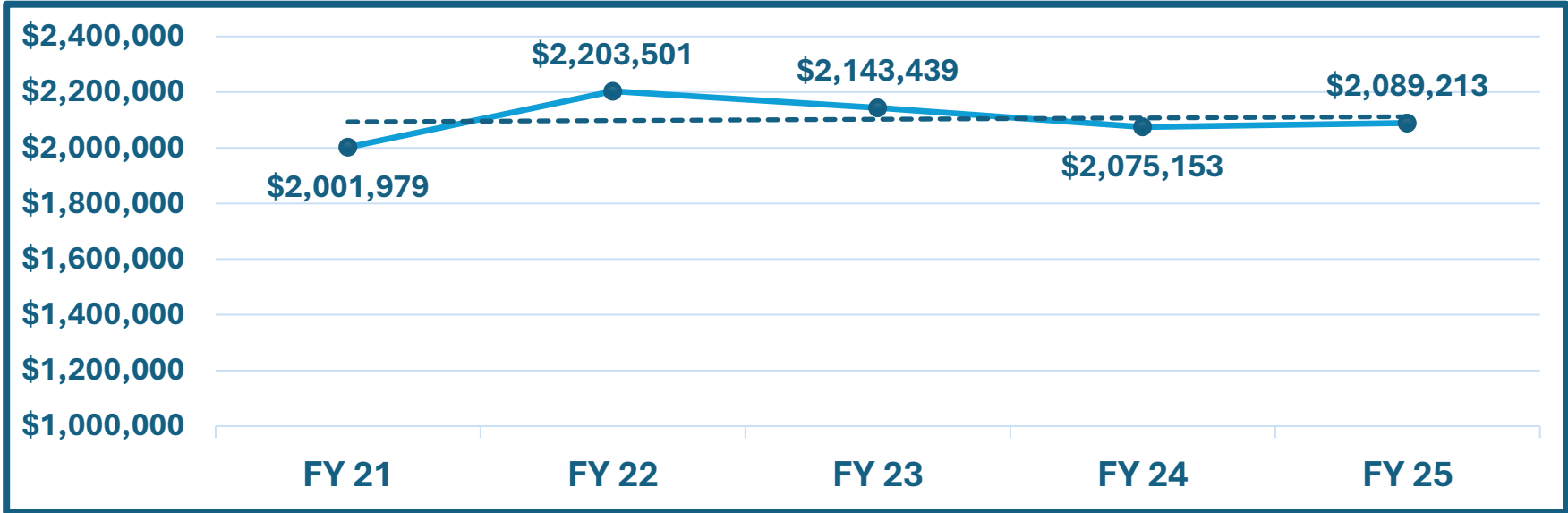
BRRAT Fund: Accommodation Taxes

*4TH Qtr. FY 25 estimate based on average of previous FY's 4th qtrs.

	FY 21**	FY 22	FY 23	FY 24	FY 25	Averages
Q1	\$1,137,562	\$1,335,171	\$1,372,539	\$1,350,117	\$1,403,159	\$1,319,710
Q2	\$377,712	\$355,535	\$339,228	\$326,590	\$279,702	\$335,753
Q3	\$93,042	\$100,507	\$107,815	\$110,885	\$112,951	\$105,040
Q4*	\$393,663	\$412,288	\$323,857	\$287,561	\$293,402	\$342,154
Totals	\$2,001,979	\$2,203,501	\$2,143,439	\$2,075,153	\$2,089,213	\$2,102,657
% Change	87.09%	10.07%	-2.73%	-3.19%	0.68%	

**COVID

Collections over last 5 years are relatively flat.



BRRAT Fund: Expenditures

Expense Name	Budget FY25	Req. Budget FY26	Change from FY 25
Tourism Expenses	\$55,000	\$41,500	-\$13,500
Recreation Expenses	\$467,500	\$58,100	-\$409,400
Beach Renourishment	\$98,800	\$398,900	\$300,100
Beach Accesses	\$163,700	\$305,000	\$141,300
Rowboat Row	\$10,000	\$10,000	\$0
Transfer to General Fund	\$1,153,100	\$1,711,200	\$558,100
Transfer to JBS Dredging Project Fund	\$365,000	\$0	-\$365,000
Totals	\$2,313,100	\$2,524,700	\$211,600

- **Tourism and Recreation:** includes funding for BHI Conservancy related to creek water sampling , acc. tax collection software, and misc. tourism and recreation expenses. The large reduction is due to one-time capital cost for Marina Park Dock replacement.
- **Beach Renourishment:** includes \$100k for Marine Fisheries Data Collection for Frying Pan Shores, \$200,000 for ACOE Feasibility Study, funding for BHIC beach vitex control and sea oats plantings.
- **Beach Accesses:** includes \$120,000 for Marina Park Boardwalk rehab grant cost share and \$185,000 for beach access construction.
- **Transfer to General Fund:** funds the Shoreline Protection Department, a portion of GO Bond Debt, and a portion of capital outlay for public works and public safety.

STORMWATER FUND

Protecting Property, Mitigating Flood Risk, and Managing Drainage Systems

Stormwater Fund: Overview

The Village's Stormwater Program manages rainwater runoff to protect property, prevent flooding, and support environmental health. It includes maintenance of culverts, ditches, swales, and outfalls to ensure effective drainage across the island.

The Stormwater Fund provides dedicated financial support for these activities through service fees and other local revenues. It covers system upkeep, infrastructure improvements, equipment replacement, and long-term resiliency planning.



Stormwater Fund: Revenues

- The Stormwater Fund is funded through the collection of Stormwater Fees (\$8 per month per property).
 - FY 26 estimated collections to remain relatively flat (\$133,800)
 - Interest Earnings are estimated to be \$15,000.
 - No fund balance appropriation in FY 26 budget recommended.

Revenue Source	Budget FY25	Req. Budget FY26	Variance
Stormwater Fees	\$131,200	\$133,800	\$2,600
Interest Earnings	\$10,000	\$15,000	\$5,000
Fund Balance Appropriation	\$70,000	\$0	-\$70,000
Total	\$211,200	\$148,800	-\$62,400

Stormwater Fund: Expenditures

Expense Name	Budget FY25	Req. Budget FY26	Change from FY 25
Administration	\$8,000	\$8,000	\$0
Engineering	\$80,000	\$0	-\$80,000
Stormwater Equipment	\$43,200	\$56,600	\$13,400
Construction	\$80,000	\$84,200	\$4,200
Totals	\$211,200	\$148,800	-\$62,400

- **Expenditure Highlights:**

- **Stormwater Equipment:** includes the purchase of various stormwater equipment to include pumps, hoses and castle boxes to facilitate stormwater line connections.
- **Construction:** funding for 4” line connection for 300’ on Dowitcher., site glass installation project in lagoons, etc.

FY 26 BUDGET SUMMARY

Balancing Fiscal Responsibility, Strengthening Services, and Investing in Community Priorities

FY 26 Budget Highlights

- **Total General Fund Budget:** \$19.1M — an 11% increase over FY25.
 - Primarily due to capital and debt service.
- **Core Investments:** Public safety apparatus, beach renourishment, infrastructure upgrades, and departmental capital needs.
- **Staffing & Compensation:** No new positions; proposes reallocation of one FTE, 3% COLA, and up to 3% merit for high performers
- **Tax Rate Impact:** Small increase (\$0.013 Village-wide + \$0.002 in MSD zones) to support debt service on additional GO Bond funds.
- **BRRAT Fund:** Continues to support shoreline protection, tourism, and capital needs for Public Works and Public Safety
- **Utilities Fund:** Rate adjustments proposed to fund operational needs and system improvements in water and wastewater services
- **Stormwater Fund:** Maintains critical drainage infrastructure with flat revenue assumptions and no fund balance use
- **Total Overall Budget (all funds):** \$25.7M

Looking Ahead

- The FY26 Proposed Budget reflects a thoughtful balance between financial responsibility and strategic investment in the Village's future.
- We continue to prioritize core services, public safety, infrastructure resilience, and the preservation of our island environment.
- Funding decisions have been shaped by input from Council retreat, department leadership, and evolving operational needs.
- Key challenges such as inflation, supply chain volatility, and rising capital costs have informed a cautious approach, including limited use of fund balance and targeted rate adjustments.
- The Village remains committed to transparent, sustainable budgeting that supports both current needs and long-term goals.
- **Next Steps:**
 - Manager submits budget to Council on May 5, 2025
 - Public Hearing on Budget at May 16th Council meeting
 - Optional Budget Workshop – June 12th (if needed)
 - Budget Adoption: June 20, 2025 (regular council meeting)

Discussion/Questions