



**Village of Bald Head Island**

**April 22, 2026**

**9:00 AM**

**FY 27**

**Budget Workshop Presentation**

# FY 27 Budget Workshop:

## Purpose of Today's Workshop

- Present a working draft of the FY27 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 Staff's input (Feb–Apr)
- Estimates are preliminary and meant to guide direction—not final

# FY 26 Highlights

## **Coastal Resiliency:**

- ✓ Continued to advance Frying Pan Shoals long-term borrow site strategy, including federal coordination, fish sampling efforts, and permit resubmittal strategy.
- ✓ Continued BHI Marina Channel Entrance Maintenance Program with Shallow Draft Navigation dredging grant through NCDEQ (75%) and cost share (25%).

## **Disaster Response & Recovery**

- ✓ Implemented Post-PTC#8 flood mitigation measures (grinder pump/snorkel extensions).
- ✓ Initiated LASII Comprehensive Stormwater Masterplan effort (NCDEQ \$350k Grant).

## **Water & Wastewater Investments**

- ✓ Completed engineering, design, and permit submittal for WWTP Expansion project (Funded by \$951K NCDEQ Grant).
- ✓ Advanced system-wide asset inventory assessment (water & sewer) \$500k NCDEQ- funded initiative → Completed Utility Rate Study

## **Public Safety Enhancements**

- ✓ Delivered new ladder truck, pumper engine, and ambulances with FEMA funding (\$1.76M) and financing strategies.

## **Environmental & Park Projects**

- ✓ Support with Parks contribution with increased Public Works staff/attention in establishing “baseline” for continued maintenance & upkeep.
- ✓ Deer Herd Management successfully completed under budget and meeting recommended take of 100 deer.

## **Infrastructure Improvements**

- ✓ Established Capital Reserve Fund for long-term funding of roads & and Timber Bridge.
- ✓ Initiated off-island office space lease to improve space needs and operational efficiencies while reducing transportation costs.

## **Community and Quality of Life**

- ✓ Launched Village Podcast (“Before the Horn Blows”) to enhance visitor and resident communications.
- ✓ Advanced ICE vehicle & trailer ordinance updates.

## **Policy and Planning Initiatives**

- ✓ Advanced long-range planning & Capital Improvement Plan development.

# **GENERAL FUND**

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*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 FY27, the fund reflects strategic priorities in maintaining service quality, workforce sustainability, and infrastructure needs. Major components include:

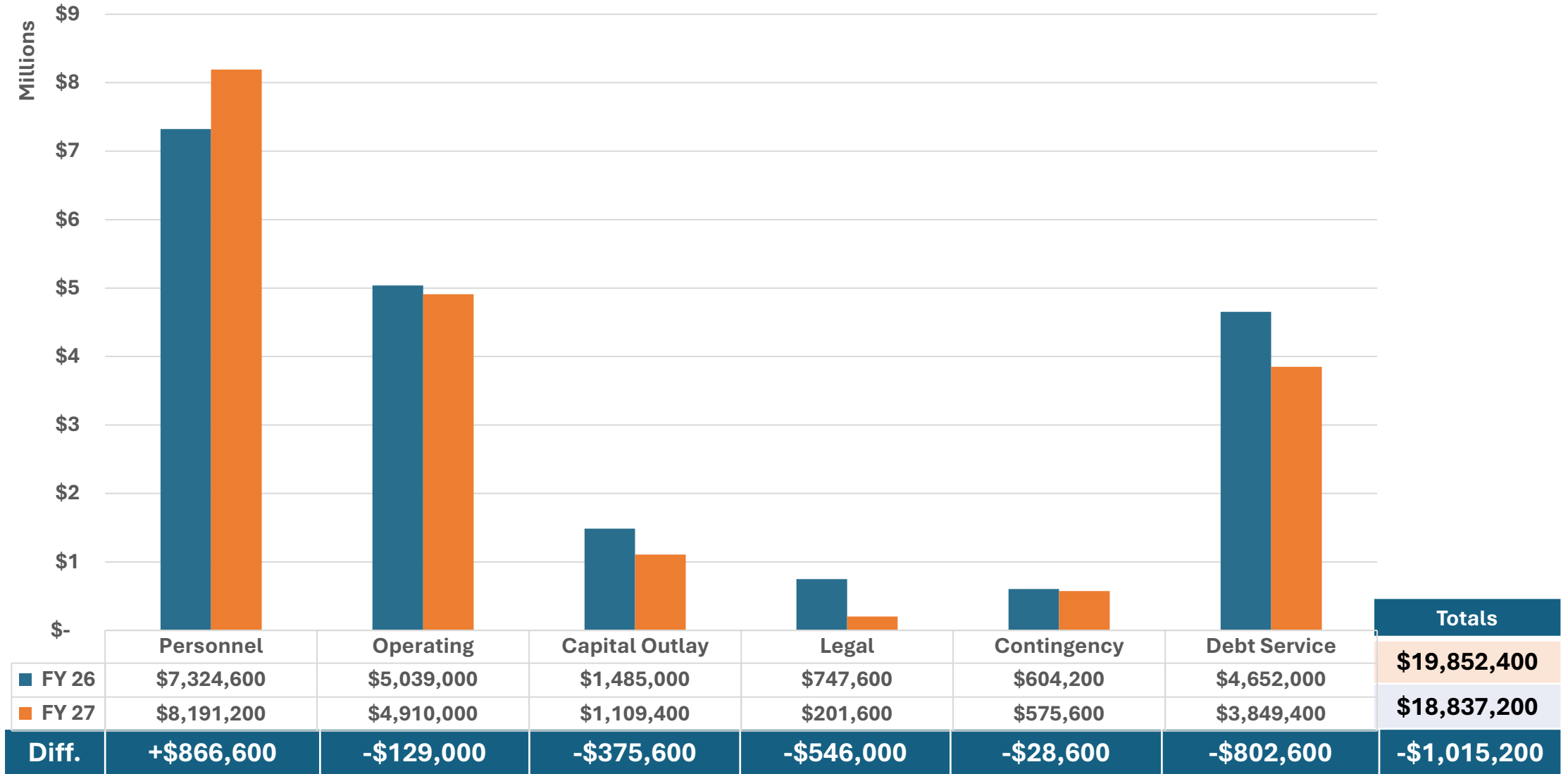
- **Public Safety:** \$4,611,800 - Budget increase of \$229,600 to support fire, police, and emergency services staffing, equipment and vehicles.
- **Public Works:** \$2,959,900 - Budget increase of \$283,400 for street maintenance, facility upkeep, and island beautification efforts.
- **General Government & Support Services:** \$3,698,300 - overall budget decrease of \$401,200 for Admin, Council, Legal, IT, Finance, and HR while still being able to meet growing community and operational needs.
- **Debt Service:** \$3,849,400 is for obligations for Beach Renourishment GO Bonds, Public Safety Apparatus Loans, Public Safety Building Loan, and Contractor Services Building Loan (-\$802,600). Decrease due to retirement of 2 loans in FY 27.

A property tax rate **reduction** of \$0.0257 is proposed in the FY 27 Budget. Some fees in various areas to include vehicle permits and contractor services rentals are proposed to increase to help fund improvements to the Village's roads and the Contractor Services Yard. These adjustments support continued excellence in service delivery, safety, and the long-term sustainability of Village operations.

# General Fund Expenditures: Highlights

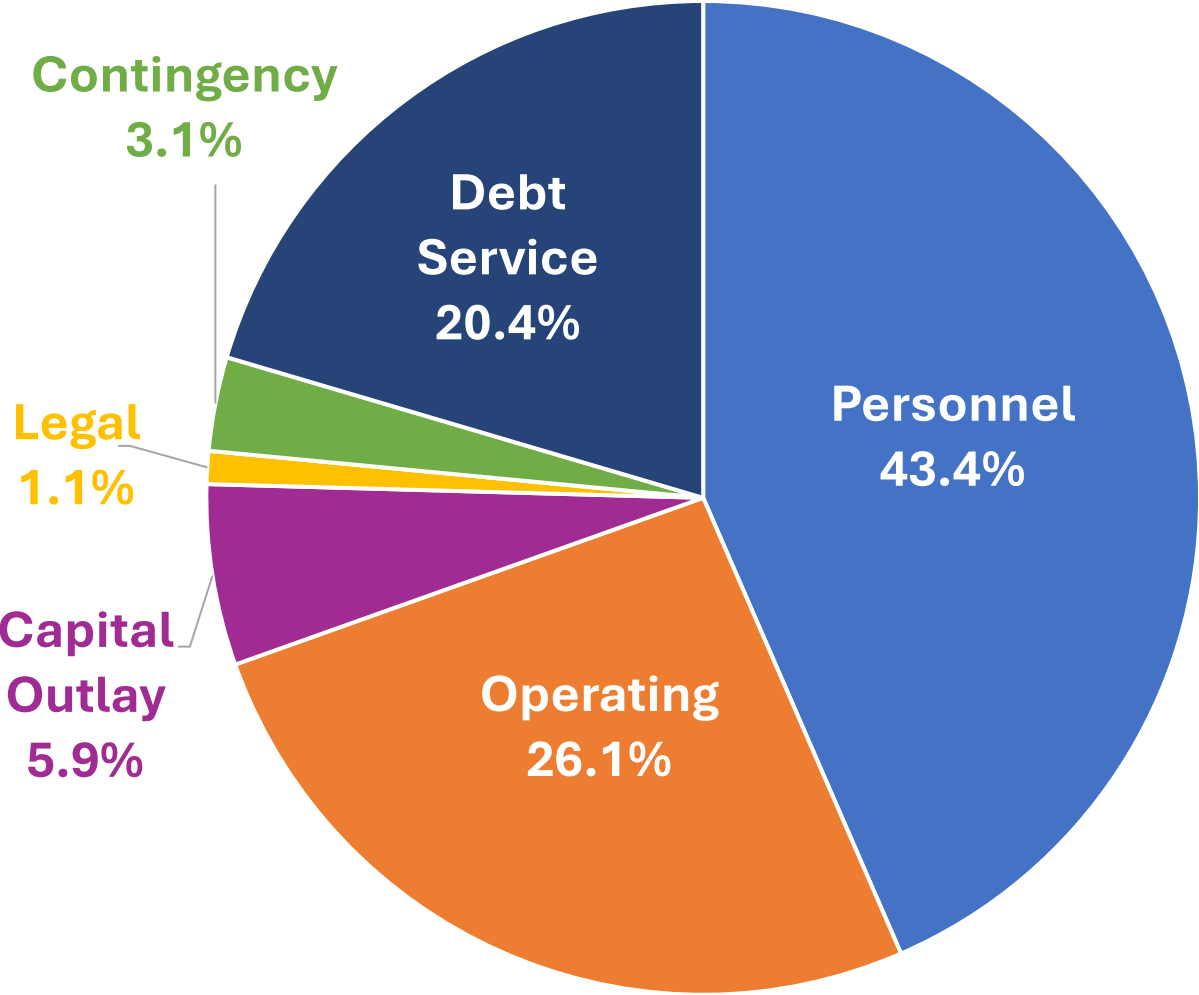
- **Preserves Core Services Across All Departments**
  - Ensures uninterrupted delivery of programs and services community-wide with no reductions in service levels.
- **Invests Over \$1 Million in Capital Outlay**
  - Supports vital infrastructure needs including road improvements (\$330,000) and department-specific capital upgrades (total: \$779,400 including \$350,000 of transfer to Capital Reserve Fund).
- **Plans for Decreased Debt Service Commitments**
  - Accounts for all required debt service commitments to include the 2024 GO Bond for Beach Renourishment, as well as various Public Safety related Installment Financings. Debt Service is expected to decrease by ~\$802,600.
- **Proposed 1.5 FTE Positions and Updates to Employee Compensation**
  - Public Works: Establish Village Custodian position to replace contracted cleaning services (salary will be funded by funds allocated previously to the contract).
  - Finance: Establish a part-time Accounting Technician (up to 20 hours per week; not to exceed 1,000 hours annually) to manage and improve the Village's Accommodation Tax Program and would be funded through a BRRAT Fund transfer.
  - Employee Compensation: the FY27 budget provides a 3% Cost-of-Living Adjustment (COLA) for all employees, along with merit increases of up to 4% for high-performing staff—supporting ongoing retention and competitiveness in the labor market.
- **Reduces Legal Expenditures**
  - Anticipates a significant decrease in legal fees—approximately \$546,000.
- **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



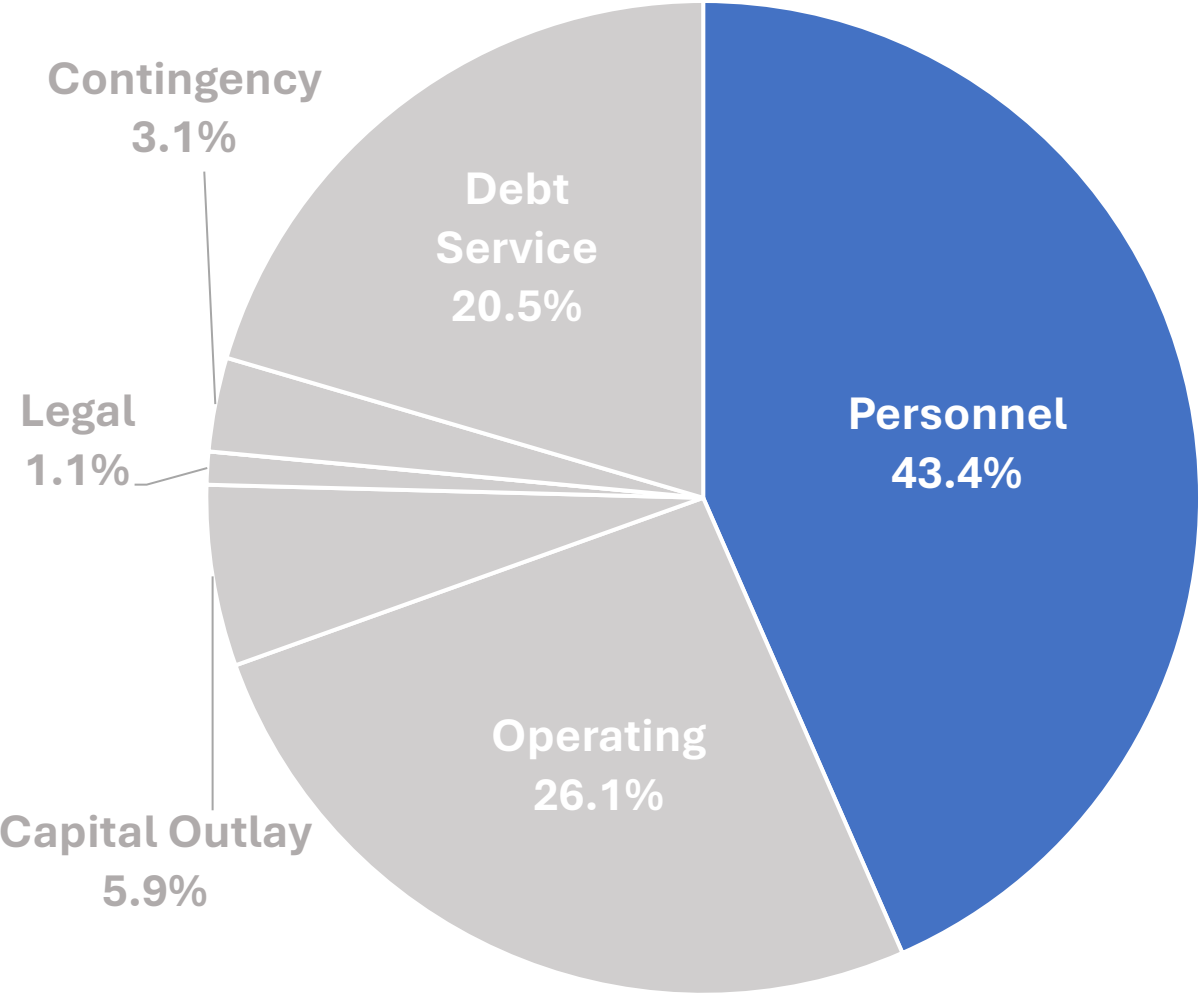
# General Fund Expenditures: By Function

| Function       | \$                  | %           |
|----------------|---------------------|-------------|
| Personnel      | \$8,191,200         | 43.4%       |
| Operating      | \$4,910,000         | 26.1%       |
| Legal          | \$201,600           | 1.1%        |
| Debt Service   | \$3,849,400         | 20.4%       |
| Capital Outlay | \$1,109,400         | 5.9%        |
| Contingency    | \$575,600           | 3.1%        |
| <b>Totals</b>  | <b>\$18,837,200</b> | <b>100%</b> |



# General Fund Expenditures: Personnel

| Function         | \$                  | %            |
|------------------|---------------------|--------------|
| <b>Personnel</b> | <b>\$8,191,200</b>  | <b>43.4%</b> |
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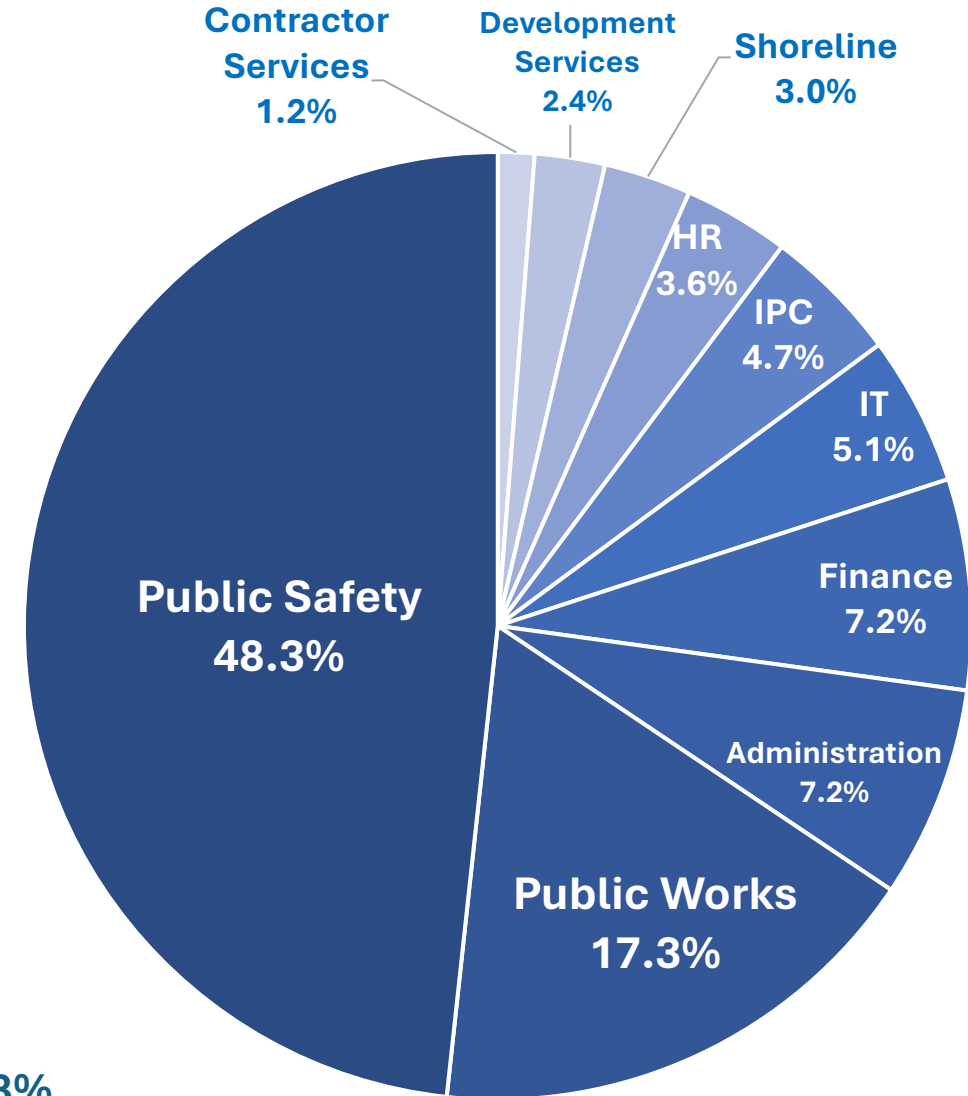
# General Fund Expenditures: Personnel

| Function  | \$          | %     |
|-----------|-------------|-------|
| Personnel | \$8,191,200 | 43.4% |

*\*includes salaries and benefits\**

| Department      | FY 26 Budget       | Req. FY 27 Budget  | Variance         |
|-----------------|--------------------|--------------------|------------------|
| Public Safety   | \$3,527,000        | \$3,962,800        | \$435,800        |
| Shoreline       | \$173,300          | \$243,400          | \$70,100         |
| Administration  | \$525,400          | \$590,900          | \$65,500         |
| IT              | \$391,900          | \$417,000          | \$25,100         |
| HR              | \$265,900          | \$295,600          | \$29,700         |
| Finance         | \$561,300          | \$588,000          | \$26,700         |
| Dev. Services   | \$187,300          | \$196,000          | \$8,700          |
| IPC             | \$348,900          | \$380,200          | \$31,300         |
| Contr. Services | \$89,100           | \$102,000          | \$12,900         |
| Public Works    | \$1,254,500        | \$1,415,300        | \$160,800        |
| <b>Totals</b>   | <b>\$7,324,600</b> | <b>\$8,191,200</b> | <b>\$866,600</b> |


**+11.8%**



# General Fund Expenditures: Personnel

| Function  | \$          | %     |
|-----------|-------------|-------|
| Personnel | \$8,191,200 | 43.4% |

| Expense Type       | FY 26 Budget       | Req. FY 27 Budget  | Variance         |
|--------------------|--------------------|--------------------|------------------|
| Full Time Salaries | \$4,971,300        | \$5,404,900        | \$433,600        |
| LEO Sep Allowance  | \$28,300           | \$40,700           | \$12,400         |
| Part Time Salaries | \$60,000           | \$128,000          | \$68,000         |
| Overtime           | \$106,600          | \$154,000          | \$47,400         |
| FICA               | \$76,300           | \$84,000           | \$7,700          |
| Insurance          | \$829,500          | \$971,900          | \$142,400        |
| Retirement         | \$785,900          | \$890,500          | \$104,600        |
| 401k               | \$259,200          | \$287,300          | \$28,100         |
| 401k - 4%          | \$207,500          | \$229,500          | \$22,400         |
| <b>Totals</b>      | <b>\$7,324,600</b> | <b>\$8,191,200</b> | <b>\$866,600</b> |



| Variance Reason        | Variance Amount  | Variance %    |
|------------------------|------------------|---------------|
| Longevity              | \$10,300         | +0.21%        |
| COLA                   | \$138,800        | +2.79%        |
| Merit                  | \$218,100        | +4.39%        |
| Probationary Increases | \$24,600         | +0.49%        |
| New FT Position*       | \$41,800         | +0.84%        |
| <b>Total Variance</b>  | <b>\$433,600</b> | <b>+8.72%</b> |

\*New requested position of Custodian to replace contract with outsourced cleaning contractor.

# General Fund Expenditures: Personnel

| Function  | \$          | %     |
|-----------|-------------|-------|
| Personnel | \$8,191,200 | 43.4% |

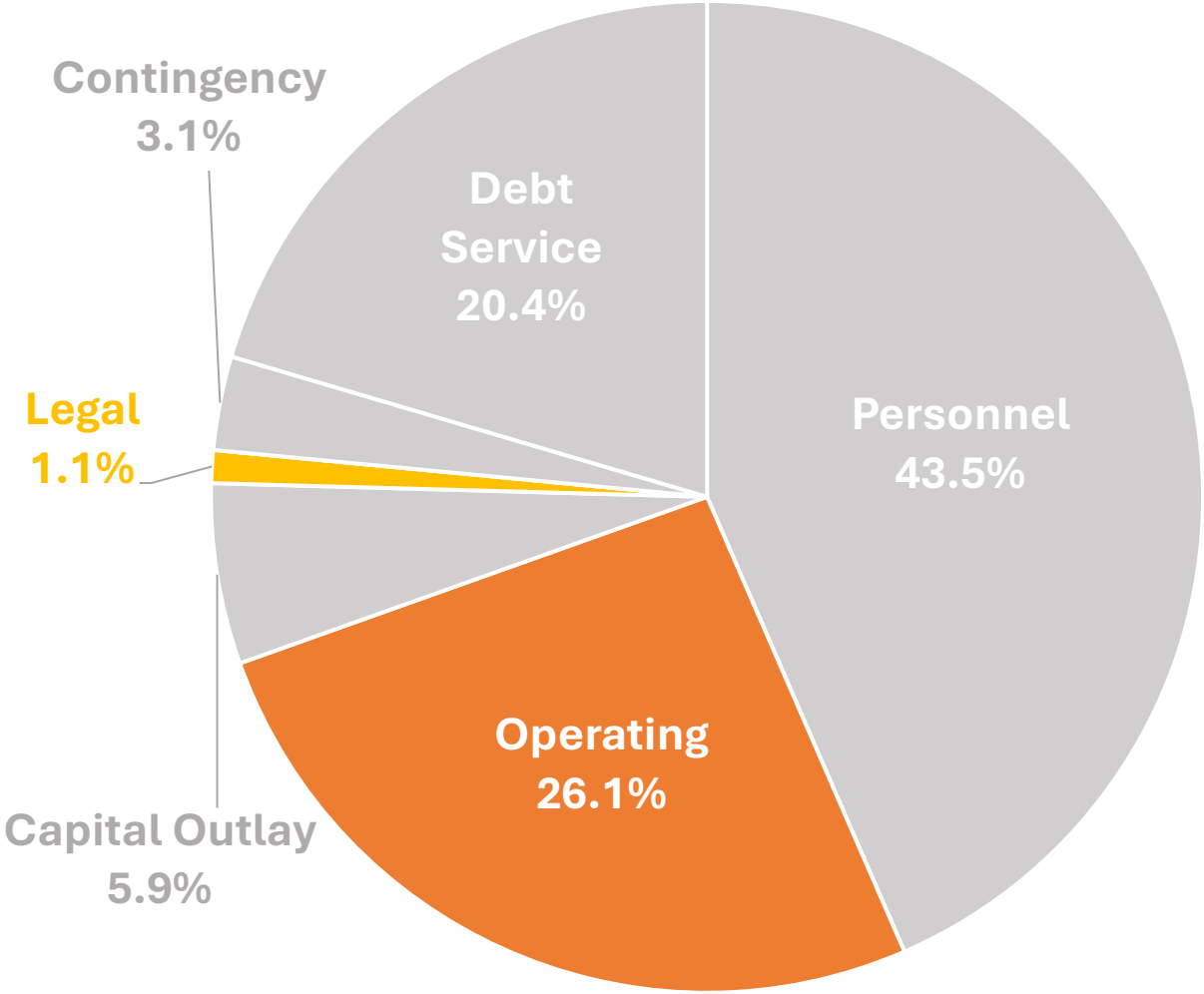
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| Retirement         | \$785,900          | \$890,500          | \$104,600        |
| 401k               | \$259,200          | \$287,300          | \$28,100         |
| 401k - 4%          | \$207,500          | \$229,500          | \$22,400         |
| <b>Totals</b>      | <b>\$7,324,600</b> | <b>\$8,191,200</b> | <b>\$866,600</b> |

## Reasons for increases to Other Wages & Employee Benefits:

- **LEO Sep Allowance:**
  - Additional Retired LEO in FY 27 (3 total)
- **Part Time Salaries:**
  - \$38k for Public Safety
  - \$30k for PT Accounting Technician (Accommodation Tax Program)
- **Overtime:** \$45k for Public Safety
- **FICA:** Based on Salaries
- **Insurance:**
  - Slight increase in rates (~3%)
  - Majority of increase due to employees adding dependent coverages.
- **Retirement:**
  - Increase in contributions rates from FY26:
    - LEO: 16.10% → 17.10%
    - LGERS: 14.35% → 15.14%
- **401k:** Based on Salaries

# General Fund Expenditures: Operating/Legal

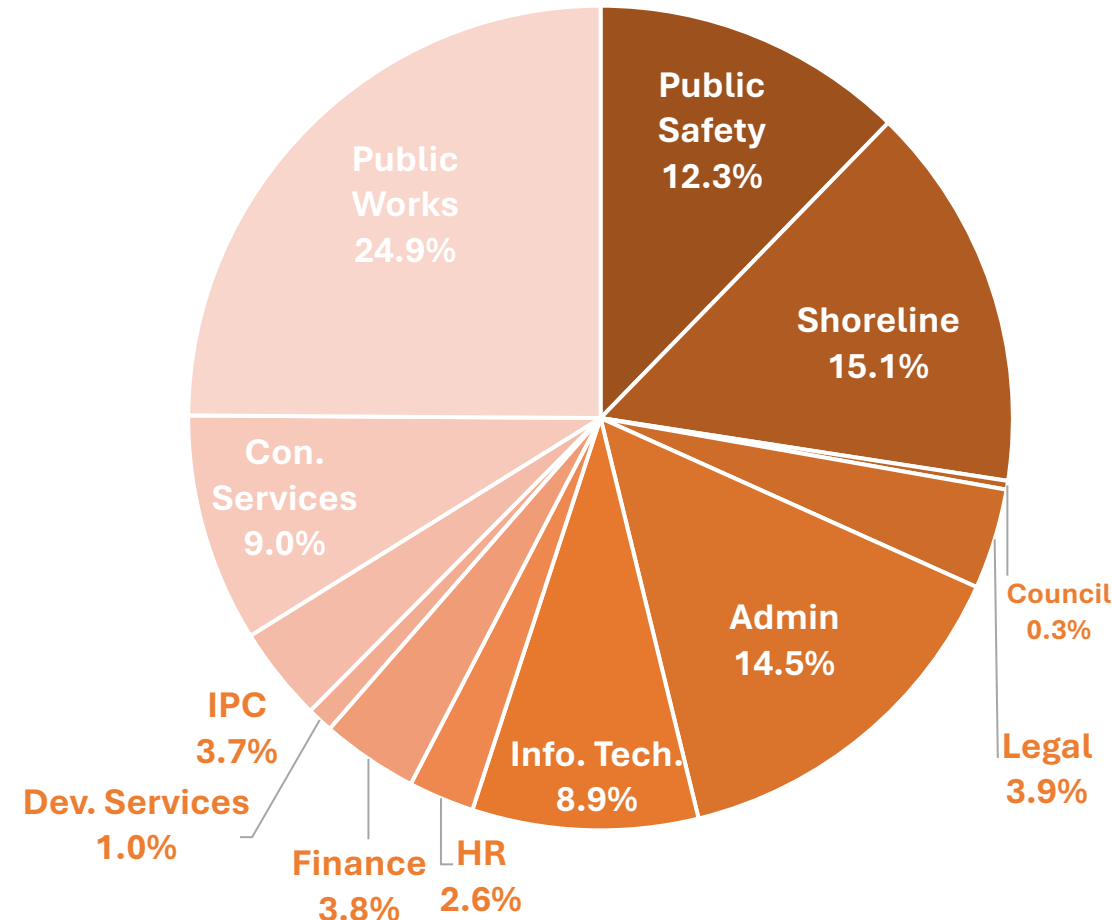
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|----------------|---------------------|-------------|
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| Operating      | \$4,910,000         | 26.1%       |
| Legal          | \$201,600           | 1.1%        |
| Debt Service   | \$3,849,400         | 20.4%       |
| Capital Outlay | \$1,109,400         | 5.9%        |
| Contingency    | \$575,600           | 3.1%        |
| <b>Totals</b>  | <b>\$18,837,200</b> | <b>100%</b> |



# General Fund Expenditures: Operating/Legal

| Function  | \$          | %     |
|-----------|-------------|-------|
| Operating | \$4,910,000 | 26.1% |
| Legal     | \$201,600   | 1.1%  |
| Totals    | \$5,111,600 | 27.2% |

| Department    | FY 26 Budget | Req. FY 27 Budget | \$ Variance |
|---------------|--------------|-------------------|-------------|
| Public Safety | \$693,700    | \$628,500         | -\$65,200   |
| Shoreline     | \$1,089,200  | \$774,400         | -\$314,800  |
| Council       | \$17,500     | \$17,500          | \$0         |
| Legal         | \$747,600    | \$201,600         | -\$546,000  |
| Admin         | \$705,300    | \$737,600         | \$32,300    |
| Info. Tech.   | \$423,300    | \$452,700         | \$29,400    |
| HR            | \$149,200    | \$132,200         | -\$17,000   |
| Finance       | \$201,100    | \$194,200         | -\$6,900    |
| Dev. Services | \$57,600     | \$52,000          | -\$5,600    |
| IPC           | \$199,600    | \$190,000         | -\$9,600    |
| Con. Services | \$325,500    | \$457,800         | \$132,300   |
| Public Works  | \$1,177,000  | \$1,273,100       | \$96,100    |
| Totals        | \$5,786,600  | \$5,111,600       | -\$675,000  |



# General Fund Expenditures: Operating (no Legal)

| Function  | \$          | %     |
|-----------|-------------|-------|
| Operating | \$4,910,000 | 26.1% |

| Department    | FY 26 Budget       | Req. FY 27 Budget  | \$ Variance       | % Variance |
|---------------|--------------------|--------------------|-------------------|------------|
| Public Safety | \$693,700          | \$628,500          | -\$65,200         | -9.4%      |
| Shoreline     | \$1,089,200        | \$774,400          | -\$314,800        | -28.9%     |
| Council       | \$17,500           | \$17,500           | \$0               | 0.0%       |
| Admin         | \$705,300          | \$737,600          | \$32,300          | 4.6%       |
| Info. Tech.   | \$423,300          | \$452,700          | \$29,400          | 6.9%       |
| HR            | \$149,200          | \$132,200          | -\$17,000         | -11.4%     |
| Finance       | \$201,100          | \$194,200          | -\$6,900          | -3.4%      |
| Dev. Services | \$57,600           | \$52,000           | -\$5,600          | -9.7%      |
| IPC           | \$199,600          | \$190,000          | -\$9,600          | -4.8%      |
| Con. Services | \$325,500          | \$457,800          | \$132,300         | 40.6%      |
| Public Works  | \$1,177,000        | \$1,273,100        | \$96,100          | 8.2%       |
| <b>Totals</b> | <b>\$5,039,000</b> | <b>\$4,910,000</b> | <b>-\$129,000</b> |            |

*Overall variance decrease of ~2.6%*

# General Fund Expenditures: Operating

| Function  | \$          | %     |
|-----------|-------------|-------|
| Operating | \$4,910,000 | 26.1% |

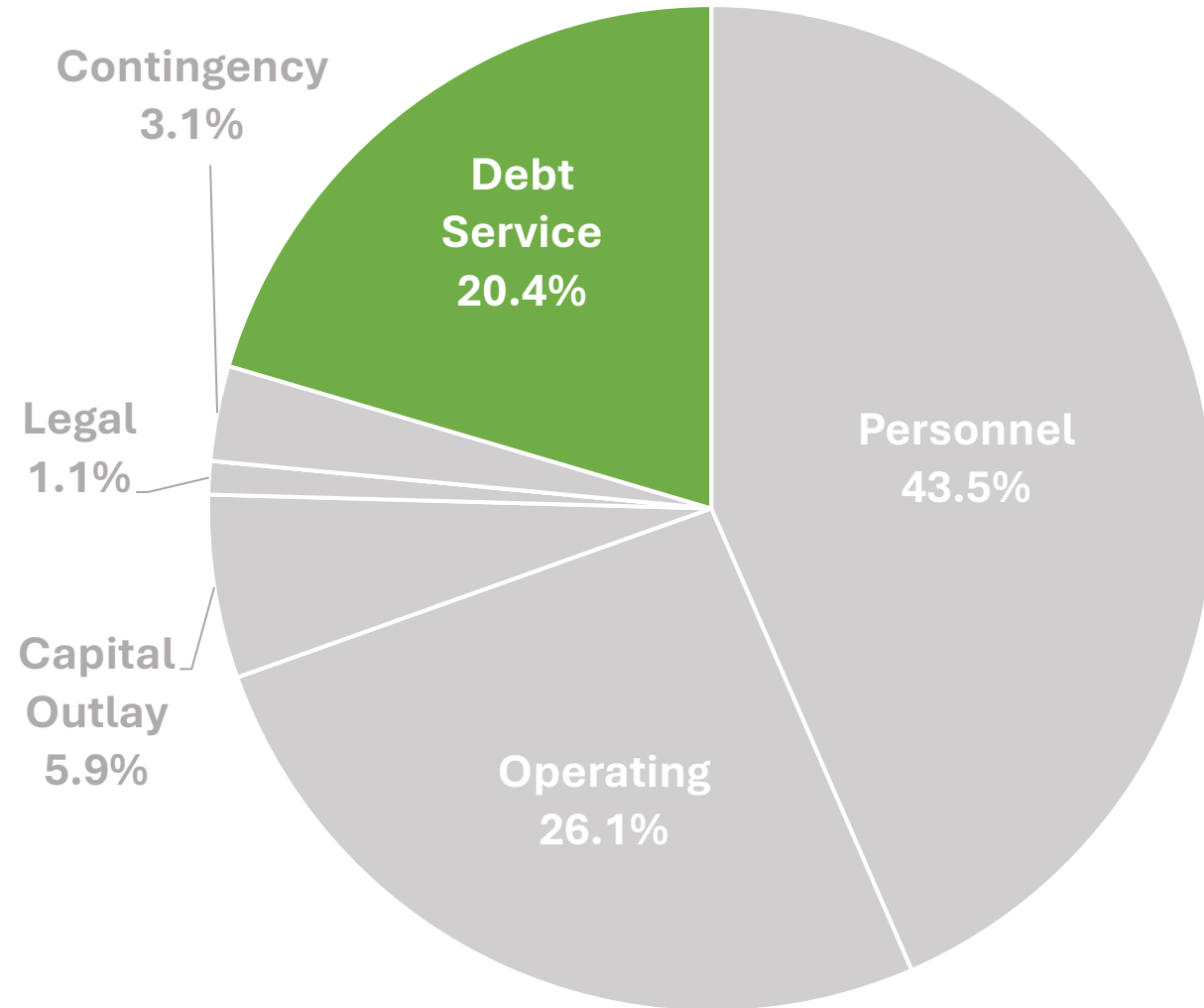
| Department    | FY 26 Budget       | Req.FY 27 Budget   | \$ Variance       | % Variance |
|---------------|--------------------|--------------------|-------------------|------------|
| Public Safety | \$693,700          | \$628,500          | -\$65,200         | -9.4%      |
| Shoreline     | \$1,089,200        | \$774,400          | -\$314,800        | -28.9%     |
| Council       | \$17,500           | \$17,500           | \$0               | 0.0%       |
| Admin         | \$705,300          | \$737,600          | \$32,300          | 4.6%       |
| Info. Tech.   | \$423,300          | \$452,700          | \$29,400          | 6.9%       |
| HR            | \$149,200          | \$132,200          | -\$17,000         | -11.4%     |
| Finance       | \$201,100          | \$194,200          | -\$6,900          | -3.4%      |
| Dev. Services | \$57,600           | \$52,000           | -\$5,600          | -9.7%      |
| IPC           | \$199,600          | \$190,000          | -\$9,600          | -4.8%      |
| Con. Services | \$325,500          | \$457,800          | \$132,300         | 40.6%      |
| Public Works  | \$1,177,000        | \$1,273,100        | \$96,100          | 8.2%       |
| <b>Totals</b> | <b>\$5,039,000</b> | <b>\$4,910,000</b> | <b>-\$129,000</b> |            |

## Reasons for differences:

- **Public Safety:**
  - Reduction in one-time painting costs in FY26.
- **Shoreline:**
  - Reduction in Legal Fees and Monitoring Costs
- **Admin:**
  - increase associated with Property and Liability Insurance Increases due to new vehicles and flood coverages.
- **IT/HR:**
  - reallocation of software costs from HR to IT; Increase of software costs in IT.
- **Contractor Services:**
  - Increases due to estimated fuel and gasoline costs, as well as gravel for parking lot.
- **Public Works:**
  - Increase in GFL Contract prices and Solid/Hazardous Waste Fees.

# General Fund Expenditures: Debt Service

| Function            | \$                  | %            |
|---------------------|---------------------|--------------|
| Personnel           | \$8,191,200         | 43.4%        |
| Operating           | \$4,910,000         | 26.1%        |
| Legal               | \$201,600           | 1.1%         |
| <b>Debt Service</b> | <b>\$3,849,400</b>  | <b>20.4%</b> |
| Capital Outlay      | \$1,109,400         | 5.9%         |
| Contingency         | \$575,600           | 3.1%         |
| <b>Totals</b>       | <b>\$18,837,200</b> | <b>100%</b>  |



# General Fund Expenditures: Debt Service

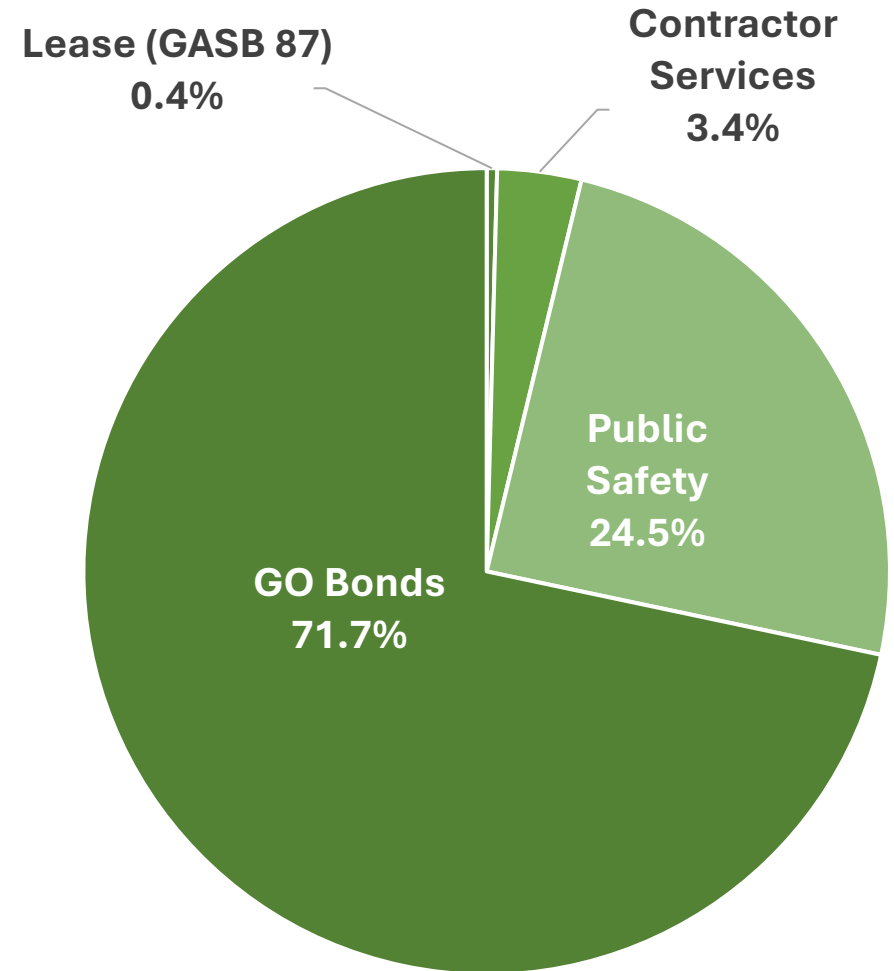
| Function     | \$          | %     |
|--------------|-------------|-------|
| Debt Service | \$3,849,400 | 20.4% |

| Loan Names      | Orig. Loan Balance | ~Balance Remaining (as of 7/1/26) | ~Funding Needed in FY 27 (incl. interest) | Primary Funding Source(s)        | Final Payment Date |
|-----------------|--------------------|-----------------------------------|---|----------------------------------|--------------------|
| 2018 GO Bond    | \$13,200,000       | \$0                               | \$0                                       | N/A                              | FY 26 (10/15/2025) |
| 2024 GO Bond    | \$15,700,000       | \$14,916,000                      | \$2,759,300                               | Ad Valorem Taxes<br>Accom. Taxes | FY 32 (10/01/2031) |
| PS Building     | \$8,000,000        | \$400,000                         | \$403,800                                 | Ad Valorem Taxes                 | FY 27 (12/12/2026) |
| Con. Svcs. Loan | \$1,680,000        | \$1,203,000                       | \$129,600                                 | Con. Svcs. Fees                  | FY 36 (04/15/2036) |
| PS Ambulance    | \$371,400          | \$297,400                         | \$46,900                                  | FEMA Funds (FB)                  | FY 34 (12/22/2033) |
| PS Vehicles - 1 | \$1,400,000        | \$350,000                         | \$355,000                                 | FEMA Funds (FB)                  | FY 27 (11/27/2026) |
| PS Vehicles – 2 | \$1,050,000        | \$892,500                         | \$138,800                                 | Ad Valorem Taxes                 | FY 35 (11/27/2034) |
| Capital Leases  | N/A                |                                   | \$16,000                                  | Ad Valorem Taxes                 | N/A                |
|                 | <b>Total</b>       |                                   | <b>\$3,849,400</b>                        |                                  |                    |

# General Fund Expenditures: Debt Service (Loans)

| Function     | \$          | %     |
|--------------|-------------|-------|
| Debt Service | \$3,849,400 | 20.4% |

| Account Description                  | FY26 Budget        | Requested Budget FY27 | \$ Variance       |
|--------------------------------------|--------------------|-----------------------|-------------------|
| Lease Principal                      | \$15,000           | \$15,000              | \$0               |
| Lease Interest                       | \$1,000            | \$1,000               | \$0               |
| Principal - GO Bond Series 2018      | \$1,212,000        | \$0                   | -\$1,212,000      |
| Interest - GO Bond Series 2018       | \$17,000           | \$0                   | -\$17,000         |
| Principal - GO Bond Series 2025      | \$784,000          | \$2,270,000           | \$1,486,000       |
| Interest - GO Bond Series 2025       | \$748,000          | \$489,300             | -\$258,700        |
| Principal - Ambulance #2             | \$33,000           | \$34,200              | \$1,200           |
| Interest - Ambulance #2              | \$15,000           | \$12,700              | -\$2,300          |
| Principal - PS Vehicles              | \$805,000          | \$455,000             | -\$350,000        |
| Interest - PS Vehicles               | \$68,000           | \$38,800              | -\$29,200         |
| Principal - Contractor Services Loan | \$104,000          | \$106,100             | \$2,100           |
| Interest - Contractor Services Loan  | \$27,000           | \$23,500              | -\$3,500          |
| Principal - Public Safety Loan       | \$800,000          | \$400,000             | -\$400,000        |
| Interest - Public Safety Loan        | \$23,000           | \$3,800               | -\$19,200         |
| <b>Total Department Expenses</b>     | <b>\$4,652,000</b> | <b>\$3,849,400</b>    | <b>-\$802,600</b> |





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



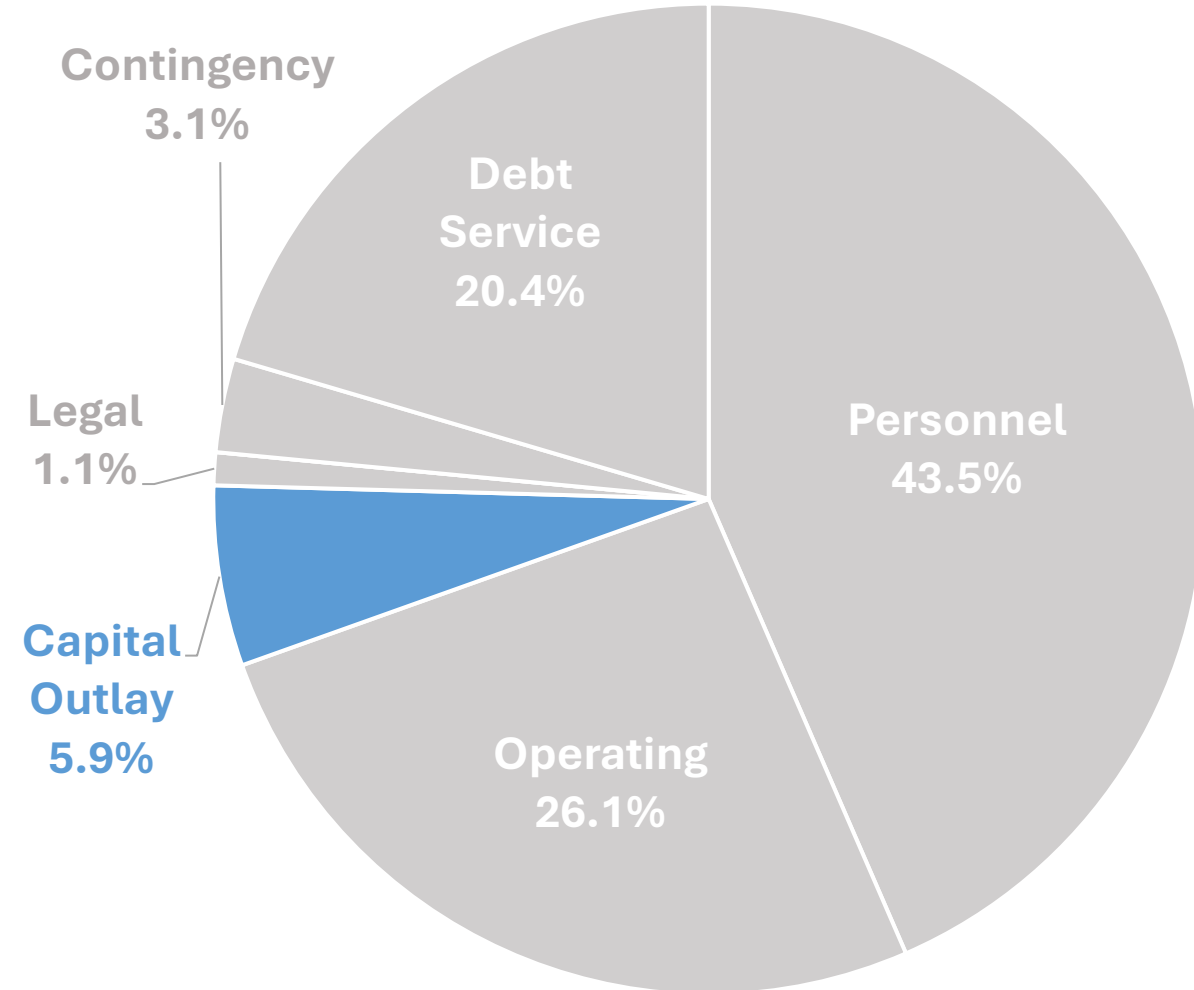
|                               |                  |
|-------------------------------|------------------|
| ~Vehicles/Equipment           | \$2,966,000      |
| +Debt Service Interest        | \$361,000        |
| - Donations                   | - \$450,000      |
| - Est. Interest Earnings      | -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

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 allowed the expense to be distributed over multiple budget cycles, with the Village's average annual loan payments estimated at approximately \$122,000.

# General Fund Expenditures: Capital Outlay

| Function              | \$                  | %           |
|-----------------------|---------------------|-------------|
| Personnel             | \$8,191,200         | 43.4%       |
| Operating             | \$4,910,000         | 26.1%       |
| Legal                 | \$201,600           | 1.1%        |
| Debt Service          | \$3,849,400         | 20.4%       |
| <b>Capital Outlay</b> | <b>\$1,109,400</b>  | <b>5.9%</b> |
| Contingency           | \$575,600           | 3.1%        |
| <b>Totals</b>         | <b>\$18,837,200</b> | <b>100%</b> |



# General Fund Expenditures: Capital Outlay

| Function       | \$          | %    |
|----------------|-------------|------|
| Capital Outlay | \$1,109,400 | 5.9% |

| Account Description              | FY 26 Budget       | Requested Budget FY 27 | \$ Variance       |
|----------------------------------|--------------------|------------------------|-------------------|
| Non Depr. <5k - P Safety         | \$30,000           | \$20,500               | -\$9,500          |
| Asset > \$5k – IT                | \$106,000          | \$66,000               | -\$40,000         |
| Non Depr. < 5k - Finance         | \$5,000            | \$5,000                | \$0               |
| Asset >5k - CS                   | \$109,300          | \$65,400               | -\$43,900         |
| Non Depr. < 5k - CS              | \$1,000            | \$1,000                | \$0               |
| Asset >5k – Pub. Works           | \$240,000          | \$266,500              | +\$26,500         |
| Non Depr. <5k - Pub. Works       | \$5,000            | \$5,000                | \$0               |
| Transfer to Capital Reserve Fund | \$200,000          | \$350,000              | +\$150,000        |
| Road Construction                | \$638,000          | \$330,000              | -\$308,000        |
| <b>Totals</b>                    | <b>\$1,334,300</b> | <b>\$1,109,400</b>     | <b>-\$224,900</b> |

# General Fund Expenditures: Capital Outlay

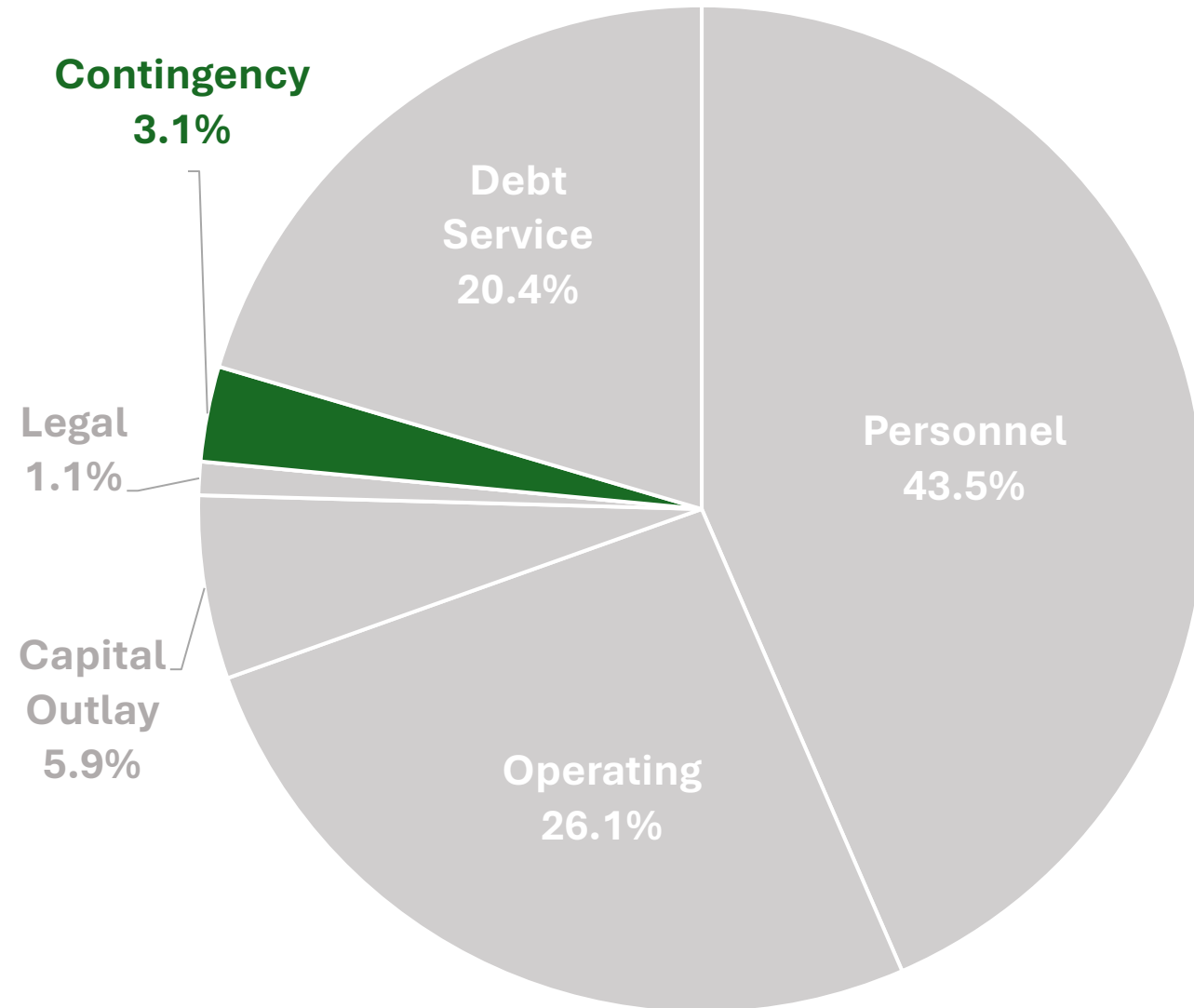
| Function       | \$          | %    |
|----------------|-------------|------|
| Capital Outlay | \$1,109,400 | 5.9% |

| Dept           | Capital Outlay Item(s)   | Amount    |
|----------------|--|-----------|
| Public Safety  | Furniture  | \$8,000   |
| Public Safety  | Forcible Entry Door for Delivery Agency and Law Breaching                              | \$12,500  |
| IT             | Maintain current refresh rate of IT assets   | \$25,000  |
| IT             | Laserfiche Project   | \$35,000  |
| IT             | IAP Incident Management ICS Software   | \$6,000   |
| Finance        | Furniture/Equipment  | \$5,000   |
| Con Srvcs      | Drainage System behind Storage Unit Building   | \$12,000  |
| Con Srvcs      | Garage Door and Lock replacements  | \$53,400  |
| Con Srvcs      | Small Equipment  | \$1,000   |
| Transportation | Concrete for Sidewalks   | \$15,000  |
| Transportation | Road Paving (SBHW – 850 LF, WBHW – 1,300 LF, Keelson Row – 190 LF, Patchwork – 460 LF) | \$300,000 |
| Transportation | Road Median Plantings  | \$15,000  |
| Public Works   | Replace 2001 Ford Ranger with Toyota Tacoma  | \$40,000  |
| Public Works   | Used Articulating Boom Lift w/ Saftey Bucket   | \$22,000  |
| Public Works   | Refrigerant Recovery and Leak Dector   | \$4,500   |
| Public Works   | Compact Wheel Loader w/cab and Bucket  | \$100,000 |
| Public Works   | Backhoe with snow plow 90k + 10K   | \$100,000 |
| Public Works   | Small power equipment  | \$5,000   |
| Transfers      | Transfer to Capital Reserve Fund (Vehicle Permit Fees)                                 | \$350,000 |

| Total       |
|-------------|
| \$1,109,400 |

# General Fund Expenditures: Contingency

| Function           | \$                  | %           |
|--------------------|---------------------|-------------|
| Personnel          | \$8,191,200         | 43.4%       |
| Operating          | \$4,910,000         | 26.1%       |
| Legal              | \$201,600           | 1.1%        |
| Debt Service       | \$3,849,400         | 20.4%       |
| Capital Outlay     | \$1,109,400         | 5.9%        |
| <b>Contingency</b> | <b>\$575,600</b>    | <b>3.1%</b> |
| <b>Totals</b>      | <b>\$18,837,200</b> | <b>100%</b> |



# General Fund Expenditures: Contingency

| Function    | \$        | %    |
|-------------|-----------|------|
| Contingency | \$575,600 | 3.1% |

| Account Description | FY 26 Budget | FY 27 Req. Budget | Change from FY 26 |
|---------------------|--------------|-------------------|-------------------|
| Contingency         | \$604,200    | \$575,600         | -\$28,600         |

**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...”*

**Proposed FY 27 Contingency amount is ~3% of GF Budget.**

# General Fund Expenditures: Contingency

| Function    | \$        | %    |
|-------------|-----------|------|
| Contingency | \$575,600 | 3.1% |

## Purpose of Contingency:

- Provide a planned, controlled funding source for unexpected or time-sensitive needs.

## What it Helps Do:

- Reduce reliance on fund balance for smaller, unplanned expenses.
- Protect council-approved budget priorities from mid-year reallocations.
- Enables timely response to emergencies, repairs, and operational needs.
- Maintain service continuity despite unforeseen costs or disruptions.
- **Ensures transparent oversight through Council-approved uses only.**
- **Unused funds roll in to fund balance at year-end; serving as a mechanism to help build fund balance.**

# General Fund Revenues: Highlights

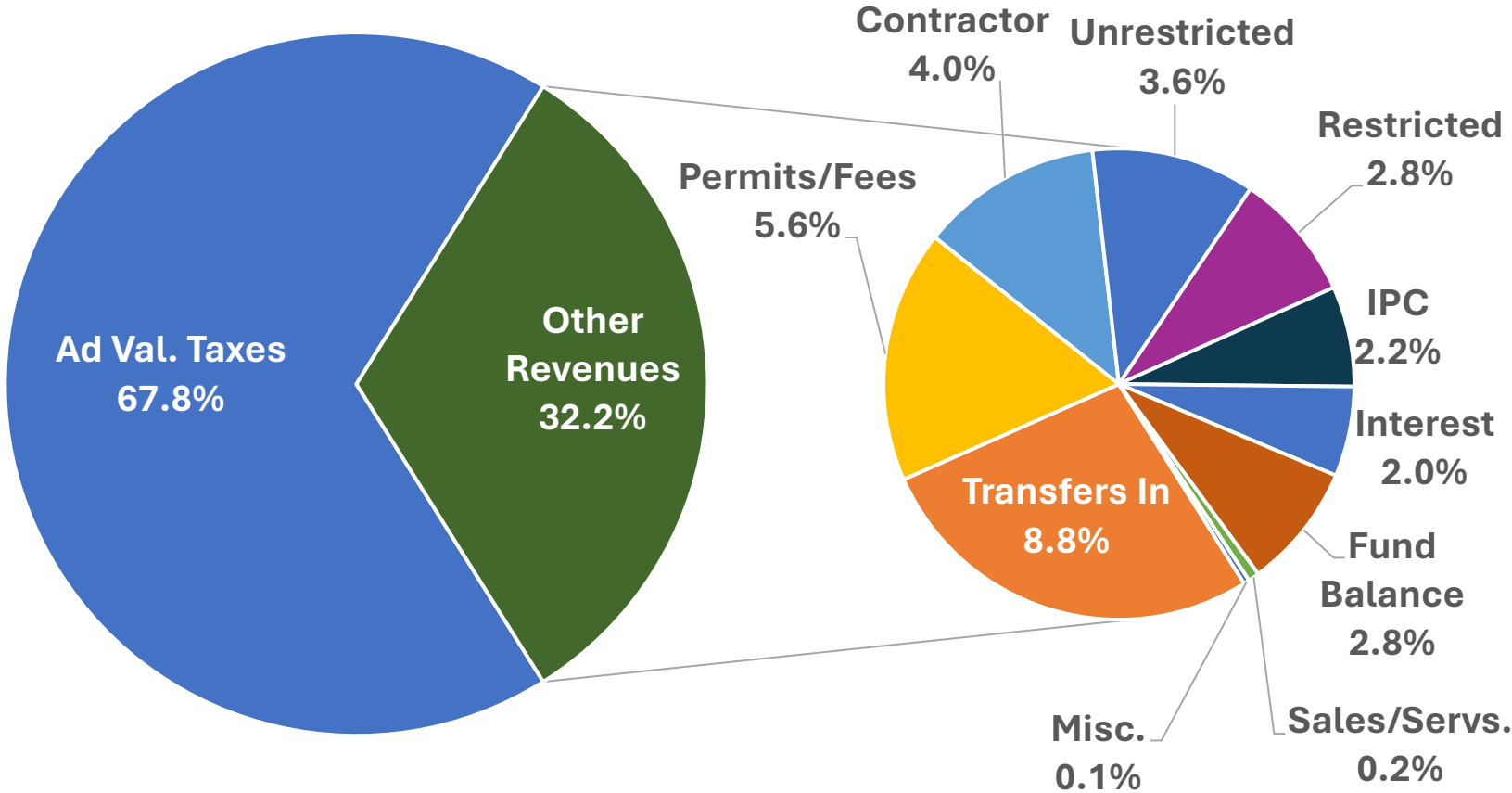
- **Proposed Reduction in Tax Rate:**
  - The proposed budget reduces the tax rate by \$0.0257 per \$100 valuation; however, growth in new construction helps to expand the tax base and offsets the impact on revenues.
- **~\$330,000 decrease in Unrestricted Revenues**
  - Reduced because of one-time transfer from the closing of a capital project fund (PS Vehicles) in the prior year that will not be received in FY 27.
- **~\$700,000 decrease in Restricted Revenues**
  - Reduced due to the receipt of one-time payment of funds in the prior year that will not be received in FY 27.
- **~\$520,000 for Fund Balance Appropriation**
  - \$403,000 for PS Vehicles Debt Service; \$67,600 for Capital Outlay; \$48,700 for Development Services department (from Restricted FB).

# General Fund Revenues: By Class

| Class          | Budget FY 26        | Req. Budget FY27    | Variance \$         | Variance %    |
|----------------|---------------------|---------------------|---------------------|---------------|
| Ad Val. Taxes  | \$12,910,100        | \$12,780,800        | -\$129,300          | -1.00%        |
| Interest       | \$304,600           | \$374,300           | +\$69,700           | +22.88%       |
| Unrestricted   | \$1,010,700         | \$680,700           | -\$330,000          | -32.65%       |
| Misc.          | \$22,500            | \$24,000            | +\$1,500            | +6.67%        |
| Transfers In   | \$1,976,200         | \$1,652,700         | -\$323,500          | -16.37%       |
| Restricted     | \$1,229,000         | \$535,000           | -\$694,000          | -56.47%       |
| Sales & Servs. | \$40,900            | \$46,000            | +\$5,100            | +12.47%       |
| Permits & Fees | \$853,600           | \$1,051,100         | +\$197,500          | +23.14%       |
| Contractor     | \$655,900           | \$755,800           | +\$99,900           | +15.23%       |
| IPC            | \$521,100           | \$417,500           | -\$103,600          | -19.88%       |
| FB Approp.     | \$327,800           | \$519,300           | +\$191,500          | +58.42%       |
| <b>TOTALS</b>  | <b>\$19,852,400</b> | <b>\$18,837,200</b> | <b>-\$1,015,200</b> | <b>-5.11%</b> |

# General Fund Revenues: By Class

| Class          | Req. Budget FY27    |
|----------------|---------------------|
| Ad Val. Taxes  | \$12,780,800        |
| Interest       | \$374,300           |
| Unrestricted   | \$680,700           |
| Misc.          | \$24,000            |
| Transfers In   | \$1,652,700         |
| Restricted     | \$535,000           |
| Sales & Servs. | \$46,000            |
| Permits & Fees | \$1,051,100         |
| FB Approp.     | \$519,300           |
| Contractor     | \$755,800           |
| IPC            | \$417,500           |
| <b>TOTALS</b>  | <b>\$18,837,200</b> |



*~2/3's of the General Fund's Revenues are Ad Valorem Taxes. The other 1/3 is comprised of all other revenues.*

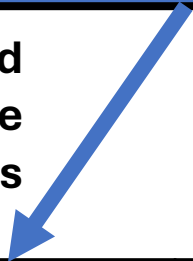
# General Fund Revenues: Unrestricted

| Class          | Req. Budget<br>FY27 |
|----------------|---------------------|
| Ad Val. Taxes  | \$12,780,800        |
| Interest       | \$374,300           |
| Unrestricted   | \$680,700           |
| Misc.          | \$24,000            |
| Transfers In   | \$1,652,700         |
| Restricted     | \$535,000           |
| Sales & Servs. | \$46,000            |
| Permits & Fees | \$1,051,100         |
| Contractor     | \$755,800           |
| IPC            | \$417,500           |
| FB Approp.     | \$519,300           |
| <b>TOTALS</b>  | <b>\$18,837,200</b> |

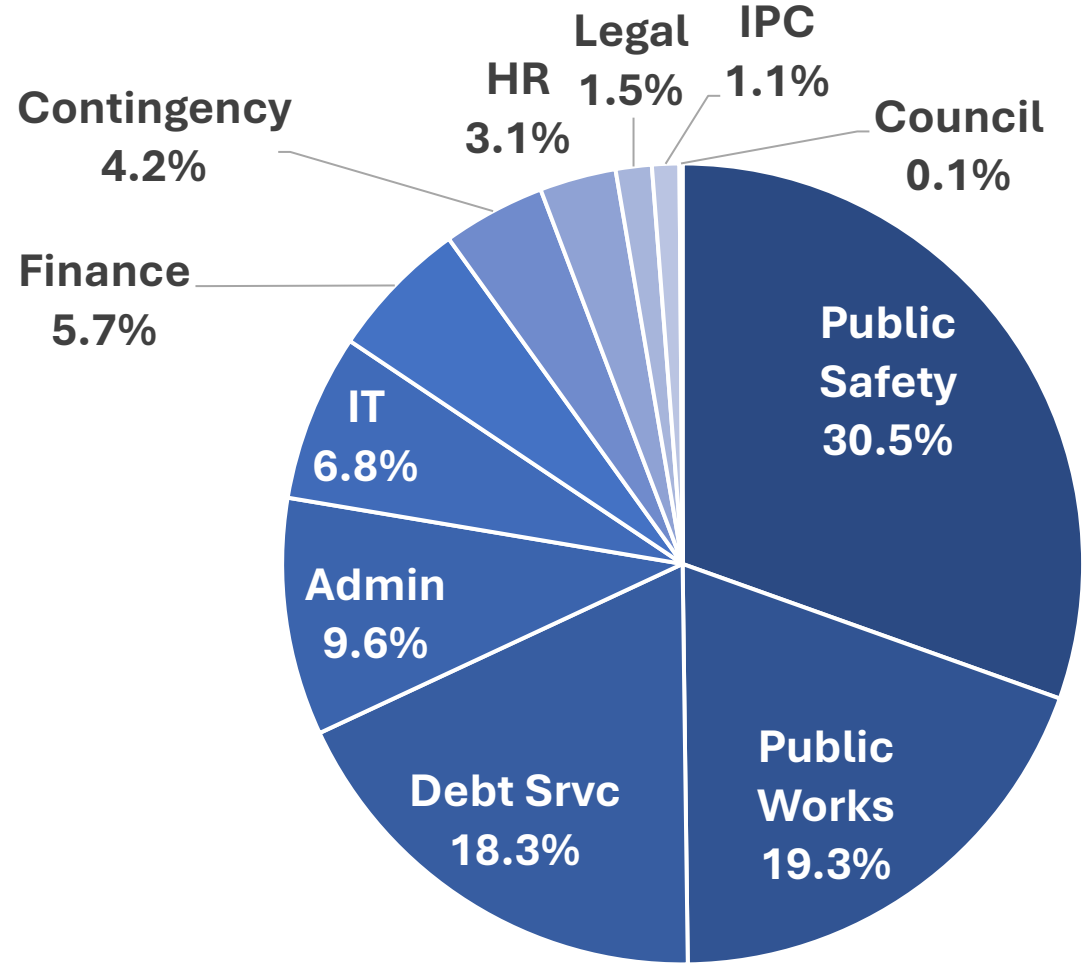
- **Unrestricted Revenues can be used for “any” governmental purpose.**
- **Total: \$13,859,800**
- **Includes:**
  - **Ad Valorem Taxes**
  - **Interest Earnings**
  - **Misc. Revenues (Misc. Revenues, Special Event Revenues, Other)**
  - **Unrestricted: Sales Taxes, Utilities Franchise Taxes, etc.**

| Revenue Class | Req. Budget FY27    |
|---------------|---------------------|
| Ad Val. Taxes | \$12,780,800        |
| Interest      | \$374,300           |
| Unrestricted  | \$680,700           |
| Misc.         | \$24,000            |
| <b>Total</b>  | <b>\$13,859,800</b> |

**Associated Expenditure Appropriations**



| Dept          | FY 27 Amount        | Category %  |
|---------------|---------------------|-------------|
| Public Safety | \$4,221,200         | 30.5%       |
| Public Works  | \$2,680,100         | 19.3%       |
| Debt Service  | \$2,531,900         | 18.3%       |
| Admin         | \$1,328,500         | 9.6%        |
| IT            | \$935,700           | 6.8%        |
| Finance       | \$787,200           | 5.7%        |
| Contingency   | \$575,600           | 4.2%        |
| HR            | \$427,800           | 3.1%        |
| Legal         | \$201,600           | 1.5%        |
| IPC           | \$152,700           | 1.1%        |
| Council       | \$17,500            | 0.1%        |
| <b>Total</b>  | <b>\$13,859,800</b> | <b>100%</b> |



***~68% of Unrestricted revenues are appropriated to Public Safety, Public Works and Debt Service.***

# Effect of New Tax rate on Property Tax Bills

*Proposed budget includes a \$0.0257 tax rate decrease on Village Wide rate.*

*Includes no change to tax rates of MSD Zones A & B.*

| Assessed Property Value | Levy at Current Tax Rate (\$0.6507) | Levy at Proposed Tax Rate (\$0.6250) | Annual Difference |
|-------------------------|-------------------------------------|--------------------------------------|-------------------|
| \$500,000               | \$3,254                             | \$3,125                              | -\$129            |
| \$750,000               | \$4,880                             | \$4,688                              | -\$193            |
| \$1,000,000             | \$6,507                             | \$6,250                              | -\$257            |
| \$1,250,000             | \$8,134                             | \$7,813                              | -\$321            |
| <b>\$1,383,386</b>      | \$9,002                             | \$8,646                              | -\$356            |
| \$1,500,000             | \$9,761                             | \$9,375                              | -\$386            |
| \$2,000,000             | \$13,014                            | \$12,500                             | -\$514            |
| \$2,500,000             | \$16,268                            | \$15,625                             | -\$642            |

Estimated Average Home Value →

*1 penny on tax rate at \$0.6250 is equal to ~\$196,000 in Ad Valorem Tax Revenue.*

# General Fund Revenues: Transfers In

| Class               | Req. Budget<br>FY 27 |
|---------------------|----------------------|
| Ad Val. Taxes       | \$12,976,800         |
| Interest            | \$374,300            |
| Unrestricted        | \$680,700            |
| Misc.               | \$24,000             |
| <b>Transfers In</b> | <b>\$1,652,700</b>   |
| Restricted          | \$535,000            |
| Sales & Servs.      | \$46,000             |
| Permits & Fees      | \$1,051,100          |
| Contractor          | \$755,800            |
| IPC                 | \$417,500            |
| FB Approp.          | \$519,300            |
| <b>TOTALS</b>       | <b>\$18,837,200</b>  |

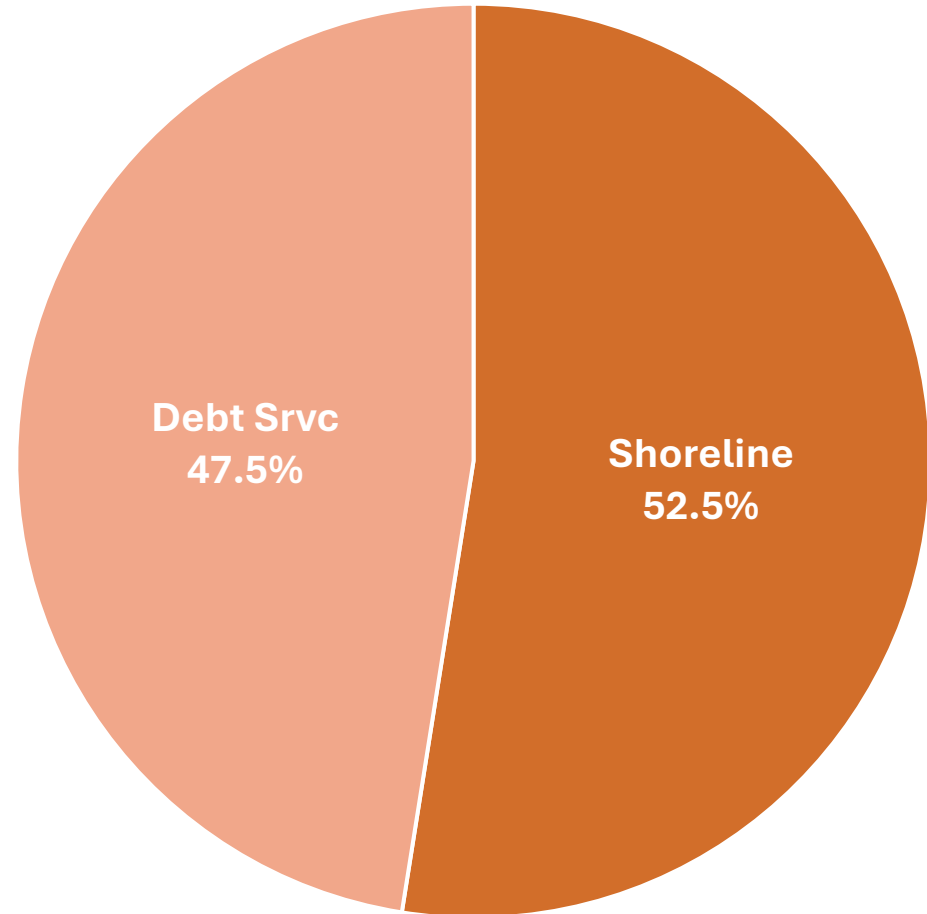
- “Transfers In” are revenues transferred into the General Fund from other funds.
- Total: \$1,652,700
- Includes:
  - In FY 27, all budgeted Transfers In are from BRRAT Fund (i.e., from Accommodation Taxes) and will be used to fund Shoreline Department and a portion of the repayment of GO Bond Debt Service.

| Class        | Req. Budget<br>FY 27 |
|--------------|----------------------|
| Transfers In | \$1,652,700          |

| Dept         | FY 27 Amount       |
|--------------|--------------------|
| Shoreline    | \$867,800          |
| Debt Service | \$784,900          |
| <b>Total</b> | <b>\$1,652,700</b> |

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

Additionally, they contribute to lowering the Village's overall tax rate by \$0.0400 by funding a portion of beach-related debt service.



# General Fund Revenues: Restricted

| Class             | Req. Budget<br>FY 27 |
|-------------------|----------------------|
| Ad Val. Taxes     | \$12,976,800         |
| Interest          | \$374,300            |
| Unrestricted      | \$680,700            |
| Misc.             | \$24,000             |
| Transfers In      | \$1,652,700          |
| <b>Restricted</b> | <b>\$535,000</b>     |
| Sales & Servs.    | \$46,000             |
| Permits & Fees    | \$1,051,100          |
| Contractor        | \$755,800            |
| IPC               | \$417,500            |
| FB Approp.        | \$519,300            |
| <b>TOTALS</b>     | <b>\$18,837,200</b>  |

- **Restricted revenues are funds that have specific limitations on how they may be used.**
- **Total: \$535,000**
- **Includes:**
  - **Grant funds (Marina Channel, Powell Bill, etc.)**
  - **FEMA Revenues**
  - **Intergovernmental Funds, etc.**

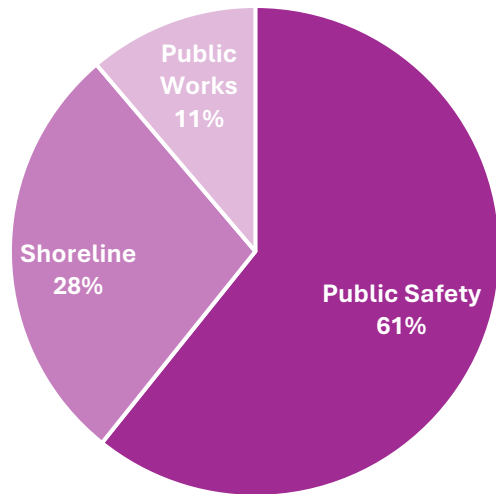
| Class      | Req. Budget FY27 |
|------------|------------------|
| Restricted | <b>\$535,000</b> |

| Public Safety      |                  |
|--------------------|------------------|
| Bruns Co. EMS/Fire | \$325,000        |
| <b>Total</b>       | <b>\$325,000</b> |

| Department    | FY 27 Amount     |
|---------------|------------------|
| Public Safety | \$325,000        |
| Shoreline     | \$150,000        |
| Public Works  | \$60,000         |
| <b>Total</b>  | <b>\$535,000</b> |

| Shoreline            |                  |
|----------------------|------------------|
| Marina Channel Grant | \$150,000        |
| <b>Total</b>         | <b>\$150,000</b> |

| Public Works         |                 |
|----------------------|-----------------|
| Powell Bill          | \$53,800        |
| Grants/Donations     | \$6,000         |
| Solid Waste Disposal | \$200           |
| <b>Total</b>         | <b>\$60,000</b> |



# General Fund Revenues: Sales & Services

| Class                     | Req. Budget<br>FY27 |
|---------------------------|---------------------|
| Ad Val. Taxes             | \$12,976,800        |
| Interest                  | \$374,300           |
| Unrestricted              | \$680,700           |
| Misc.                     | \$24,000            |
| Transfers In              | \$1,652,700         |
| Restricted                | \$535,000           |
| <b>Sales &amp; Servs.</b> | <b>\$46,000</b>     |
| Permits & Fees            | \$1,051,100         |
| Contractor                | \$755,800           |
| IPC                       | \$417,500           |
| FB Approp.                | \$519,300           |
| <b>TOTALS</b>             | <b>\$18,837,200</b> |

- **Sales and Services are attributed to revenues in which items are sold, or services that are provided in exchange for funds.**
- **Total: \$46,000**
- **Includes:**
  - **Site Rentals (Marina Park, Timber Creek, etc.) - \$21,800**
  - **Sales of Assets - \$2,000**
  - **Pick Up/Drop off Disposal Services - \$22,200**
- **All Sales/Services revenues go toward funding expenditures in Public Works associated with the revenues.**

# General Fund Revenues: Permits & Fees

| Class                     | Req. Budget<br>FY27 |
|---------------------------|---------------------|
| Ad Val. Taxes             | \$12,976,800        |
| Interest                  | \$374,300           |
| Unrestricted              | \$680,700           |
| Misc.                     | \$24,000            |
| Transfers In              | \$1,652,700         |
| Restricted                | \$535,000           |
| Sales & Servs.            | \$46,000            |
| <b>Permits &amp; Fees</b> | <b>\$1,051,100</b>  |
| Contractor                | \$755,800           |
| IPC                       | \$417,500           |
| FB Approp.                | \$519,300           |
| <b>TOTALS</b>             | <b>\$18,837,200</b> |

- 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: \$1,051,100**
- **Includes:**
  - *Building Permits, Vehicle Permits, Creek Access Permits, Special Use Permits, etc.*

|                           |                             |
|---------------------------|-----------------------------|
| <b>Class</b>              | <b>Req. Budget<br/>FY27</b> |
| <b>Permits &amp; Fees</b> | <b>\$1,051,100</b>          |

|                     |                      |                  |              |                     |                     |              |
|---------------------|----------------------|------------------|--------------|---------------------|---------------------|--------------|
| <b>Dept</b>         | <b>Public Safety</b> | <b>Dev Srvcs</b> | <b>Roads</b> | <b>Transfer Out</b> | <b>Public Works</b> | <b>Total</b> |
| <b>FY 27 Amount</b> | \$65,600             | \$199,300        | \$330,000    | \$350,000           | \$106,200           | \$1,051,100  |

|                 |          |
|-----------------|----------|
| EMS Fees        | \$14,600 |
| Golf Cart Regs. | \$51,000 |

|                   |           |
|-------------------|-----------|
| Bldg. Permits     | \$154,000 |
| CRB Fees          | \$38,800  |
| Spec. Use Permits | \$5,000   |
| CAMA Permits      | \$1,500   |

|                        |           |
|------------------------|-----------|
| Daily Vehicle Permits  | \$178,200 |
| Annual Vehicle Permits | \$151,800 |

|                        |          |
|------------------------|----------|
| Daily Vehicle Permits  | \$38,800 |
| Annual Vehicle Permits | \$32,900 |
| Creek Access Permits   | \$34,500 |

|                        |           |
|------------------------|-----------|
| Daily Vehicle Permits  | \$189,000 |
| Annual Vehicle Permits | \$161,000 |

# General Fund Revenues: Permits & Fees

- **ICE Vehicle Fees:**

- Per Council Direction, to encourage the transition to smaller, lower-impact and electric commercial vehicles, fee schedules are proposed to be updated to include an additional category for ICE Vehicle Fees, and new permits for Electric Commercial Vehicles and Special Use Permits for Commercial Use Vehicles.

| Proposed ICE Vehicle Fees |                 |               |
|---------------------------|-----------------|---------------|
| Category                  | Category Length | Category Fees |
| 1                         | 0-15 ft         | \$250         |
| 2                         | 15-18 ft        | \$800         |
| 3                         | 18-21 ft        | \$2,500       |
| 4                         | 21-27 ft        | \$3,150       |
| 5                         | 27-33 ft        | \$3,600       |
| 6                         | 33 ft+          | \$4,500       |

| Proposed Fees for Spec. Use Permits for Commercial Use Vehicles |  |            |
|---|--|------------|
| Classes   | Class Description                                  | Class Fees |
| 1   | Official Island Transportation System Vehicles     | \$0        |
| 2   | Heavy Equipment Vehicles & Public Utility Vehicles | \$2,500    |
| 3   | Workday Hours                                      | \$250      |
| 4   | Streets and Vehicle Restrictions                   | \$100      |

| Proposed – Electric Commercial Vehicles |                 |               |
|---|-----------------|---------------|
| Category                                | Category Length | Category Fees |
| 1                                       | 0-15 ft         | \$30.00       |
| 2                                       | 15-18 ft        | \$250.00      |

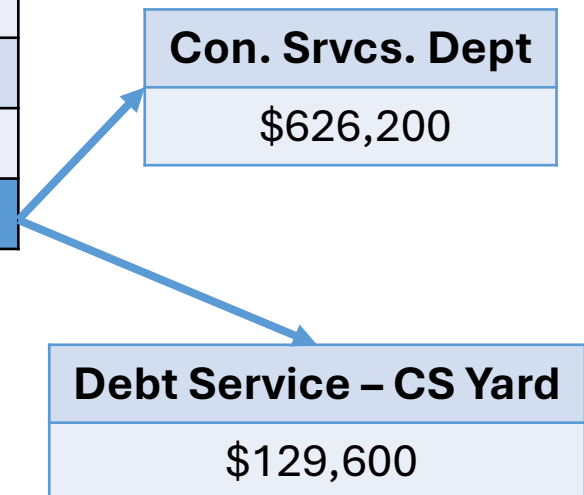
# General Fund Revenues: Contractor Services

| Class             | Req. Budget FY27    |
|-------------------|---------------------|
| Ad Val. Taxes     | \$12,976,800        |
| Interest          | \$374,300           |
| Unrestricted      | \$680,700           |
| Misc.             | \$24,000            |
| Transfers In      | \$1,652,700         |
| Restricted        | \$535,000           |
| Sales & Servs.    | \$46,000            |
| Permits & Fees    | \$1,051,100         |
| <b>Contractor</b> | <b>\$755,800</b>    |
| IPC               | \$417,500           |
| FB Approp.        | \$519,300           |
| <b>TOTALS</b>     | <b>\$18,837,200</b> |

- 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                  | \$377,600        |
| Parking Rental Fees         | \$181,700        |
| Storage Unit/Container Fees | \$196,000        |
| Misc. Revenues              | \$500            |
| <b>Total</b>                | <b>\$755,800</b> |



# General Fund Revenues: Contractor Services

- Proposed Increases to rental fees in Contractor Services:

| Fee Name                                 | Current FY26 Fee         | Proposed FY27 Fee         | Variance                       |
|--|--------------------------|---------------------------|--------------------------------|
| ICE Vehicle Parking Rental – Annual Fee  | \$1,200                  | \$1,400                   | +\$200/year                    |
| ICE Vehicle Parking Rental – Monthly Fee | \$120                    | \$150                     | +\$30/month                    |
| ICE Vehicle Parking Rental – Daily Fee   | \$40                     | \$50                      | +\$10/day                      |
| Golf Cart Parking Rental – Annual Fee    | \$600                    | \$650                     | +\$50/year                     |
| Golf Cart Parking Rental – Monthly Fee   | \$60                     | \$65                      | +\$5/month                     |
| Storage Bins Rental - Annual Fee         | \$2,500                  | \$2,750                   | +\$250/year                    |
| Storage Bins Rental - Monthly Fee        | \$250                    | \$275                     | +\$25/month                    |
| Storage Unit Rental – Annual Fee         | \$9,600<br>(\$800/month) | \$10,200<br>(\$850/month) | +\$1,600/year<br>(+\$50/month) |
| Storage Unit Rental – Monthly Fee        | \$800                    | \$900                     | +\$100/month                   |

# General Fund Revenues: IPC

| Class          | Req. Budget FY27    |
|----------------|---------------------|
| Ad Val. Taxes  | \$12,976,800        |
| Interest       | \$374,300           |
| Unrestricted   | \$680,700           |
| Misc.          | \$24,000            |
| Transfers In   | \$1,652,700         |
| Restricted     | \$535,000           |
| Sales & Servs. | \$46,000            |
| Permits & Fees | \$1,051,100         |
| Contractor     | \$755,800           |
| <b>IPC</b>     | <b>\$417,500</b>    |
| FB Approp.     | \$519,300           |
| <b>TOTALS</b>  | <b>\$18,837,200</b> |

- 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: \$417,500**
- **Includes:**
  - **Postage sales**
  - **Package handling revenues**
  - **USPS, UPS and FedEx Contract Revenues, etc.**
- **Estimated ~20% reduction in revenues due to decrease in UPS Revenue because of Amazon contract.**

*FY 27 IPC expenditures are \$152,700 more than revenues.*

*GF will supplement through Unrestricted Revenues (i.e., Ad Valorem Taxes) for personnel and operating expenses.*

# General Fund Revenues: Appropriated Fund Bal.

| Class             | Req. Budget FY27    |
|-------------------|---------------------|
| Ad Val. Taxes     | \$12,976,800        |
| Interest          | \$374,300           |
| Unrestricted      | \$680,700           |
| Misc.             | \$24,000            |
| Transfers In      | \$1,652,700         |
| Restricted        | \$535,000           |
| Sales & Servs.    | \$46,000            |
| Permits & Fees    | \$1,051,100         |
| Contractor        | \$755,800           |
| IPC               | \$417,500           |
| <b>FB Approp.</b> | <b>\$519,300</b>    |
| <b>TOTALS</b>     | <b>\$18,838,700</b> |

- 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 27 Total: \$519,300**
- **Includes:**
  - **\$403,000 for PS Vehicles Debt Service**
    - *carryover from FEMA funds in Prior Years*
  - **\$67,600 for Capital Outlay not covered by CY Revs**
  - **\$48,700 from Restricted Fund Balance for Development Services dept.**
    - *DS Restricted Fund Balance =~\$160,000 from building permit fees not expended in prior years.*

# General Fund: Summary

- **Total Budget: \$18,838,700**
  - 5.1% Decrease of \$1,015,200 from PY;
- **Tax Rate Decrease:**
  - Tax rate decrease of \$0.0257 due to reduction in associated expenditures.
- **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
  - 1.5 FTE's requested (Custodian, PT Accounting Technician (Accommodation Tax Program))
  - New capital outlay requests are funded

# UTILITIES FUND

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*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 FY27, the fund reflects strategic investments in system upgrades including a major focus on capital outlay items, operational efficiency, and regulatory compliance. Major components include:

- **Water Department:** Budget increase of \$417,500 to support system improvements via capital outlay (+\$310,000) and operational and personnel needs (+\$107,500).
- **Wastewater Department:** Budget increase of \$492,200 for maintenance, infrastructure upgrades via capital outlay (+\$432,400), and compliance.

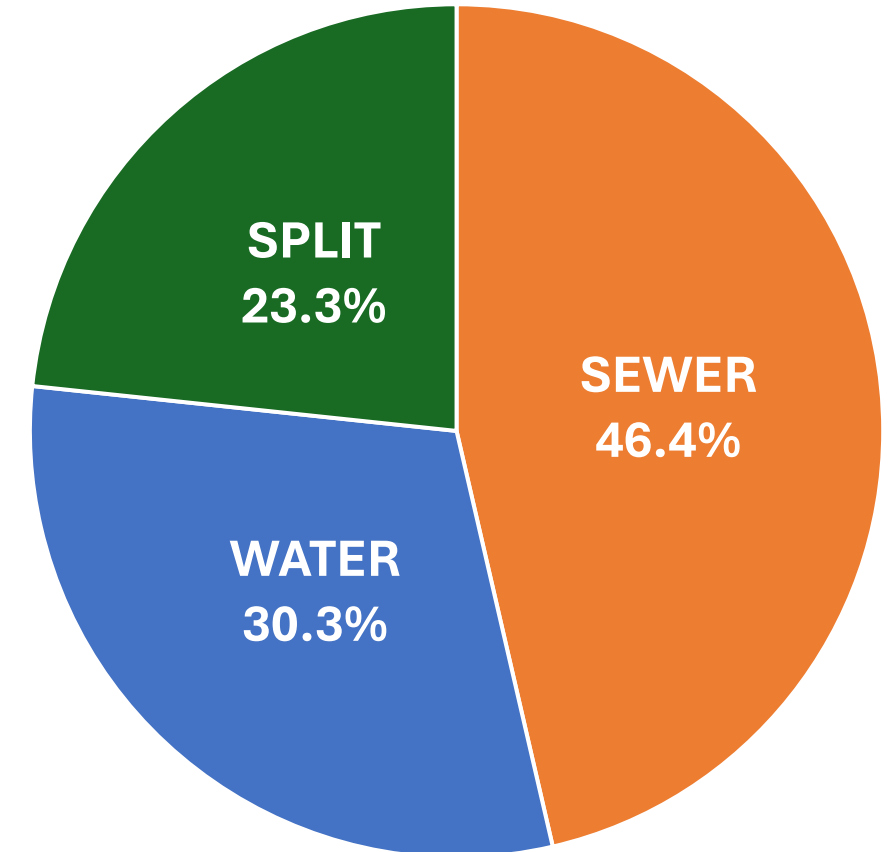
To support these needs, modest rate increases are proposed to be implemented in accordance with the Village's recently completed rate study across water, sewer, and other utility fees. These adjustments will help maintain reliable service and fund capital improvements necessary for a growing and sustainable island community.

# Utilities Fund: Groundwork

- **Advanced Wastewater System Resiliency & I&I Reduction (Island-Wide):** Continued implementation of grinder pump upgrades and snorkel/riser extensions to reduce inflow and infiltration (I&I), improve system reliability, and enhance post-storm operability following flood events.
- **System-Wide Smoke Testing Program:** Completed targeted smoke testing to identify cracks, leaks, and illegal connections contributing to I&I – supporting data-drive maintenance and long-term system integrity.
- **Public Education:** Ongoing outreach initiative to reduce blockages, emergency overflows, and unnecessary wear on pumps and WWTP infrastructure through improved user behavior.
- **Water System Reliability & Monitoring (AMI Implementation):** Initiated and completed the Advanced Metering Infrastructure (AMI) to enable real-time usage and tracking, improve leak detection, and enhance operational efficiency across the water system.
- **Hydrant System Improvements (Multi-Year Program):** Continued island-wide hydrant refurbishment, replacement, and flow testing program to strengthen fire protection capabilities and maintain system performance.
- **Capital Improvement Program (CIP) Advancement:** Progressed planning and funding alignment for critical water and wastewater infrastructure projects, integrating long-term capital needs into the Village-wide CIP framework.

# Utilities Fund: Revenues

| Account Description              | Budget FY 26       | Req. Budget FY27   | \$ Variance       |
|----------------------------------|--------------------|--------------------|-------------------|
| Water - Service                  | \$1,142,400        | \$1,252,200        | +\$109,800        |
| Water - Taps                     | \$295,600          | \$309,500          | +\$13,900         |
| Sewer - Service                  | \$1,450,800        | \$1,561,500        | +\$110,700        |
| Sewer - Taps                     | \$429,600          | \$734,700          | +\$305,100        |
| Septic Maint. Reserve            | \$17,000           | \$17,500           | +\$500            |
| Port-o-john Rentals              | \$66,300           | \$76,800           | +\$10,500         |
| Interest Earnings                | \$82,500           | \$89,700           | +\$7,200          |
| Fund Balance Util. Approp.       | \$430,000          | \$614,400          | +\$184,400        |
| Debt / Capital Surcharge         | \$399,000          | \$430,300          | +\$31,300         |
| Interdept. Sales                 | \$36,300           | \$38,600           | +\$2,300          |
| Legal Settlement Proceeds        | \$0                | \$24,000           | +\$24,000         |
| Misc. Revenue                    | \$5,000            | \$5,000            | \$0               |
| <b>Total Utilities Fund Rev.</b> | <b>\$4,354,500</b> | <b>\$5,154,200</b> | <b>+\$799,700</b> |



**Sewer related revenues make up over 50% of utility revenue estimates (~58.1%).**

# Utilities Fund: Rate Changes

- **Proposed Increases:**

- ~5.5% to all water charge fees; new tier added
- ~5.5% to sewer fees
- ~5.5% to Debt/Capital surcharge
- 3% to all other Utility rates (*Tap fees, Misc. fees, Port-a-John rentals, etc.*)

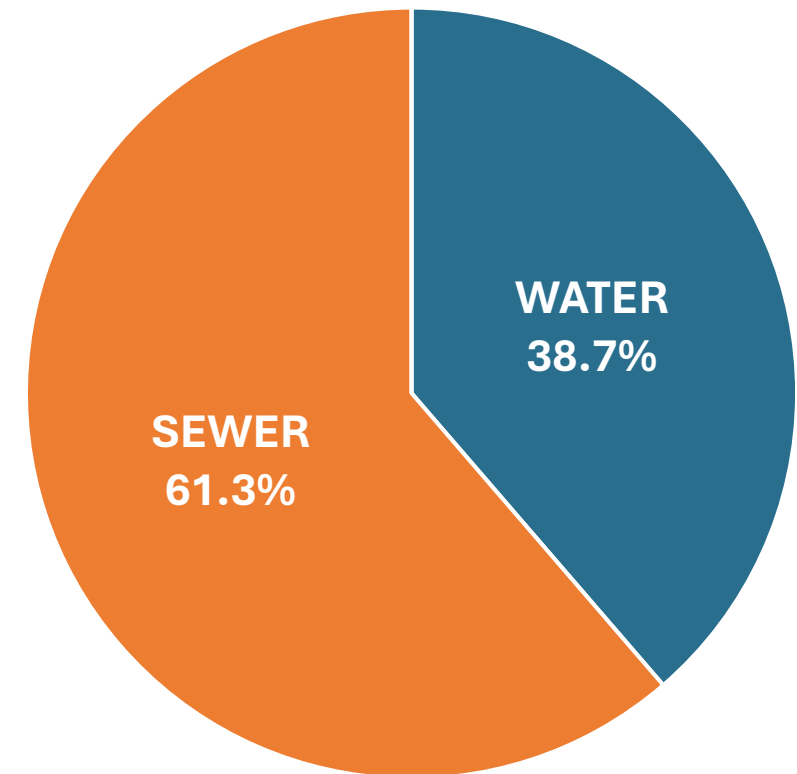
| Fee Name                    | Current Rate |                     | Proposed FY 27 Rate | Proposed Increase |
|-----------------------------|--------------|---------------------|---------------------|-------------------|
| Residential Water Base Fee  | \$26.14      | Per month           | \$27.58             | \$1.44            |
| Residential Sewer Base Fee  | \$86.38      | Per month           | \$91.13             | \$4.75            |
| Debt/Capital Surcharge      | \$22.18      | Per month           | \$23.40             | \$1.22            |
| Usage < 3,000 Gals          | \$7.38       | Per 1,000 gals./REU | \$7.79              | \$0.41            |
| Usage > 3,000 < 11,000 Gals | \$12.09      | Per 1,000 gals./REU | \$12.75             | \$0.66            |
| Usage > 11,000 Gals         | New rate     | Per 1,000 gals./REU | \$15.00             | New rate          |
| Irrigation (Res.)           | \$12.09      | Per 1,000 gals./REU | \$12.75             | \$0.66            |

New Minimum  
Utility Monthly Bill  
(not incl. Stormwater):  
**\$142.11**

# Utilities Fund: Expenditures

| Dept      | Class     | Budget FY26 | Requested Budget FY27 | \$ Variance | % Variance |
|-----------|-----------|-------------|-----------------------|-------------|------------|
| WATER     | Personnel | \$538,100   | \$577,500             | \$39,400    | 7.3%       |
| WATER     | Operating | \$812,800   | \$880,900             | \$68,100    | 8.4%       |
| WATER     | Capital   | \$225,000   | \$535,000             | \$310,000   | 137.8%     |
| SEWER     | Personnel | \$895,200   | \$952,900             | \$57,700    | 6.4%       |
| SEWER     | Operating | \$1,158,500 | \$1,160,600           | \$2,100     | 0.2%       |
| SEWER     | Capital   | \$614,900   | \$1,047,300           | \$432,400   | 70.3%      |
| TRANSFERS | Capital   | \$110,000   | \$0                   | -\$110,000  | -100.0%    |
|           | Totals    | \$4,354,500 | \$ 5,154,200          | \$799,700   |            |

**Overall variance increase of ~18.4%**



# Utilities Fund: Water Dept.

| Function     | Budget FY26        | Requested Budget FY27 | \$ Variance       |
|--------------|--------------------|-----------------------|-------------------|
| Personnel    | \$538,100          | \$577,500             | +\$39,400         |
| Operating    | \$812,800          | \$880,900             | +\$68,100         |
| Capital      | \$225,000          | \$535,000             | +\$310,000        |
| <b>Total</b> | <b>\$1,575,900</b> | <b>\$1,993,400</b>    | <b>+\$417,500</b> |

| Funded By:             |                    |
|------------------------|--------------------|
| Water Service Fees     | \$1,252,200        |
| Water Tap Fees         | \$309,500          |
| Debt/Capital Surcharge | \$215,100          |
| Split Revenues         | \$216,600          |
| <b>Total</b>           | <b>\$1,993,400</b> |

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 27, the department’s budget is increasing by \$417,500 to support capital needs and system improvements.

# Utilities Fund: Wastewater Dept.

| Function     | Budget FY26        | Requested Budget FY27 | \$ Variance      |
|--------------|--------------------|-----------------------|------------------|
| Personnel    | \$895,200          | \$952,900             | \$57,700         |
| Operating    | \$1,158,500        | \$1,160,600           | \$2,100          |
| Capital      | \$614,900          | \$1,047,300           | \$432,400        |
| <b>Total</b> | <b>\$2,668,600</b> | <b>\$3,160,800</b>    | <b>\$492,200</b> |

| Funded By:             |                    |
|------------------------|--------------------|
| Sewer - Service        | \$1,561,500        |
| Sewer - Taps           | \$734,700          |
| Septic Maint. Reserve  | \$17,500           |
| Port-o-john Rentals    | \$76,800           |
| Debt/Capital Surcharge | \$215,200          |
| Split Revenues         | \$555,100          |
| <b>Total</b>           | <b>\$3,160,800</b> |

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 FY27, the department's budget is increasing by \$492,200 to support infrastructure upgrades and initial implementation of the Village's Utility Capital Improvement Plan.

# Utilities Fund: Transfers Out

| Function | Budget FY26 | Requested Budget FY27 | \$ Variance |
|----------|-------------|-----------------------|-------------|
| Capital  | \$110,000   | \$0                   | -\$110,000  |
| Total    | \$110,000   | \$0                   | -\$110,000  |

FY 27 Budget does not include any funds for transfers out to other funds. Prior year included funds to transfer to a capital project for radio read meters.

# Utilities Fund: Capital Outlay

| Dept  | Capital Outlay Item(s)   | Amount           |
|-------|--|------------------|
| Water | *Proposed Valve Install per segmentation analysis (Update w/ WR) | \$82,000         |
| Water | *3 Hydrants Replacement Program                                  | \$54,000         |
| Water | *Hydraulic Model DMA (Checking with WR)                          | \$93,000         |
| Water | *LCM Water Mains and Hydrants                                    | \$75,000         |
| Water | *Replace 2006 Ranger 1/2 W and 1/2 WW                            | \$22,500         |
| Water | *Replace 2021 Club Car 1/2 W and 1/2 WW                          | \$13,000         |
| Water | Media Replacement  | \$60,000         |
| Water | *Well Replacement/Rebuild Costs                                  | \$85,000         |
| Water | Non. Deprec. <\$5k Power Equipment                               | \$5,000          |
| Water | New Water Taps   | \$42,000         |
| Water | Future Water Mains   | \$3,500          |
|       | <b>Total Water</b>   | <b>\$535,000</b> |

| Dept  | Capital Outlay Item(s)  | Amount             |
|-------|---|--------------------|
| Sewer | *Lift Station Maintenance Phase IV (4) - SBHW   | \$150,000          |
| Sewer | LCM Forced Main and Gravity with Manholes   | \$100,000          |
| Sewer | *Replace 2006 Ranger 1/2 W and 1/2 WW   | \$22,500           |
| Sewer | *Replace 1990 Genrac 15k Generator  | \$6,000            |
| Sewer | *Replace 2021 Club Car 1/2 W and 1/2 WW   | \$13,000           |
| Sewer | Disk Filter Pump  | \$28,600           |
| Sewer | Disk Filter Overhaul  | \$95,800           |
| Sewer | Chem Pump Replacement   | \$16,000           |
| Sewer | WWTP Cameras and software - moved from IT Services  | \$8,500            |
| Sewer | SBR I Valve   | \$16,000           |
| Sewer | SBR PH Probe  | \$5,300            |
| Sewer | Septic to Sewer 26 change outs (half to come from Fund Balance, half to come from Tap Fee Revenues) | \$466,900          |
| Sewer | UV Panel  | \$22,100           |
| Sewer | Non Deprec. <\$5k   | \$12,900           |
| Sewer | Future Sewer Mains  | \$1,500            |
| Sewer | New Sewer Taps  | \$82,200           |
|       | <b>Total Sewer Capital Outlay</b>   | <b>\$1,047,300</b> |

\* Indicates item is on Village's Capital Improvement Plan.

**Total FY 27 Capital Outlay is \$1,582,300.**

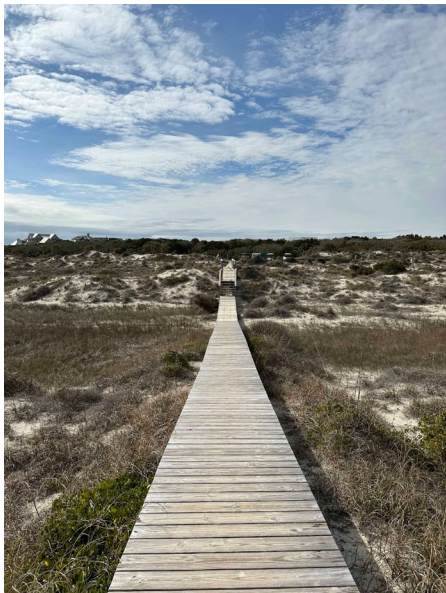
# **BRRAT FUND**

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*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 VBHI cost share for USACOE Feasibility Study (\$200k)
- 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 FY26        | Req. Budget FY27   | Variance          |
|--------------------------------|--------------------|--------------------|-------------------|
| Accommodation Taxes            | \$1,819,400        | \$2,136,000        | +\$316,600        |
| Interest Earnings              | \$120,000          | \$172,500          | +\$52,500         |
| Fund Balance Appropriation     | \$850,300          | \$32,300           | -\$818,000        |
| Transfer from Capital Projects | \$547,000          | \$0                | -\$547,000        |
| <b>Total</b>                   | <b>\$3,336,700</b> | <b>\$2,340,800</b> | <b>-\$995,900</b> |

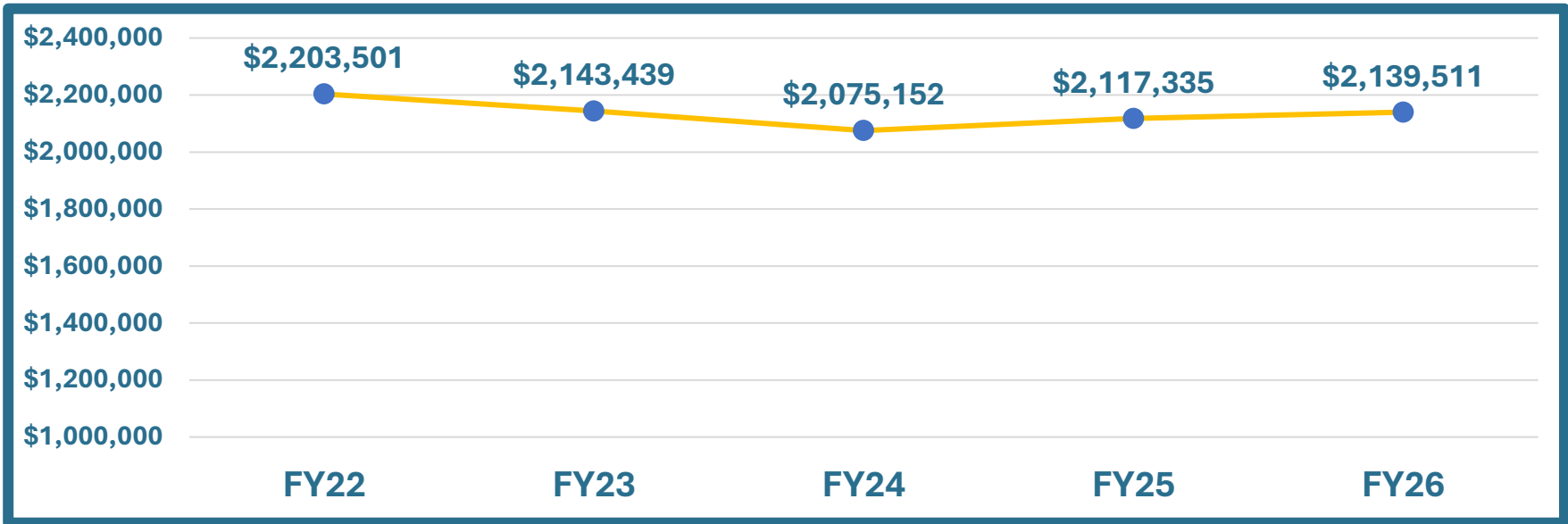
- FY 27 Accommodations Taxes are budgeted at ~100% of their estimated collections rates.
- Interest Earnings are estimated to be \$172,500.
- FY 27 budget includes a small BRRAT Fund appropriation of Fund Balance (\$32,300).
- No “Transfer from Capital Projects” in FY27 budget.

# BRRAT Fund: Accommodation Taxes

**\*4<sup>TH</sup> Qtr. FY 25 estimate based on average of previous FY's 4<sup>th</sup> qtrs.**

|               | FY 22              | FY 23              | FY 24              | FY25               | FY26               | Averages           |
|---------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Q1            | \$1,335,171        | \$1,372,539        | \$1,350,117        | \$1,403,159        | \$1,374,272        | \$1,367,052        |
| Q2            | \$355,535          | \$339,228          | \$326,590          | \$279,702          | \$309,555          | \$322,122          |
| Q3            | \$100,507          | \$107,815          | \$110,885          | \$112,951          | \$107,905          | \$108,012          |
| Q4*           | \$412,288          | \$323,857          | \$287,561          | \$321,523          | \$347,778          | \$338,602          |
| <b>Totals</b> | <b>\$2,203,501</b> | <b>\$2,143,439</b> | <b>\$2,075,153</b> | <b>\$2,117,335</b> | <b>\$2,139,511</b> | <b>\$2,135,788</b> |
| % Change      |                    | -2.73%             | -3.19%             | 2.03%              | 1.05%              | -0.17%             |

**Collections over last 5 years are relatively flat.**



# BRRAT Fund: Expenditures

| Expense Name             | Budget FY26        | Req. Budget FY27   | Change from FY 26   |
|--------------------------|--------------------|--------------------|---------------------|
| Tourism Expenses         | \$91,500           | \$41,500           | \$-50,000           |
| Recreation Expenses      | \$58,100           | \$94,400           | +\$36,300           |
| Beach Renourishment      | \$348,900          | \$397,100          | +\$48,200           |
| Beach Accesses           | \$305,000          | \$145,000          | -\$160,000          |
| Rowboat Row              | \$10,000           | \$10,000           | \$0                 |
| Transfer to General Fund | \$2,550,200        | \$1,652,800        | -\$897,400          |
| <b>Totals</b>            | <b>\$3,363,700</b> | <b>\$2,340,800</b> | <b>-\$1,022,900</b> |

- **Tourism and Recreation:** includes funding for BHI Conservancy related to creek water sampling , acc. tax collection software, and misc. tourism and recreation expenses. Decrease in Tourism due to reduction of one-time funds needed for engineering plans for public bathrooms. Increase in Recreation due to funding gravel loads at Creek Access and Beach Accesses.
- **Beach Renourishment:** includes \$200,000 for ACOE Feasibility Study, funding for BHIC beach vitex control and sea oats plantings.
- **Beach Accesses:** includes \$145,000 for beach access repairs & maintenance. No funding for new beach access construction.
- **Transfer to General Fund:** funds the Shoreline Protection Department and a portion of GO Bond Debt. Reduction in FY 27 due to one-time transfer of funds remaining from GO Bonds to cover debt service in FY 26.

# STORMWATER FUND

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*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 27 estimated collections to increase slightly due to new constructions (+\$3,200)
  - Interest Earnings are estimated to be \$15,000.
  - Fund Balance Appropriation included in the FY 27 Budget to fund 3 stormwater construction projects.

| Revenue Source             | Budget FY26      | Req. Budget FY27 | \$ Variance       |
|----------------------------|------------------|------------------|-------------------|
| Stormwater Fees            | \$133,800        | \$137,000        | +\$3,200          |
| Interest Earnings          | \$15,000         | \$15,000         | \$0               |
| Fund Balance Appropriation | \$0              | \$236,000        | +\$236,000        |
| <b>Total</b>               | <b>\$148,800</b> | <b>\$388,000</b> | <b>+\$239,200</b> |

# Stormwater Fund: Expenditures

| Expense Name         | Budget FY26      | Req. Budget FY27 | Change from FY 26 |
|----------------------|------------------|------------------|-------------------|
| Administration       | \$8,000          | \$8,000          | \$0               |
| Stormwater Equipment | \$56,600         | \$10,000         | -\$46,600         |
| Construction         | \$84,200         | \$370,000        | +\$285,800        |
| <b>Totals</b>        | <b>\$148,800</b> | <b>\$388,000</b> | <b>+\$239,200</b> |

- **Expenditure Highlights:**

- **Stormwater Equipment:** includes the purchase of various stormwater equipment to include hoses and castle boxes to facilitate stormwater line connections.
- **Construction:** includes funding for Timbercreek Outfall Erosion Mitigation as well as funding for 2 LASII Stormwater Construction Implementation Projects to include, if approved to move forward, gravity fed systems along the Cape Fear Trail areas and Black Skimmer/Mourning Warbler areas.

# **FY 27 BUDGET SUMMARY**

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

# FY 27 Budget Summary Highlights

- **Total General Fund Budget:** \$18.84M
  - 5.1% (-\$1,015,200) decrease from Current FY26 Budget. Primarily due to reductions in debt service and legal fees.
  - **Capital Investments:** Road paving (\$330,000), infrastructure upgrades, departmental capital needs, and transfers to Capital Reserve Fund totaling ~\$1.1M.
  - **Tax Rate Impact:** Rate proposed to decrease (\$0.0257 Village-wide) in conjunction with reduced offsetting debt service contributions with accommodation taxes and overall reduced budget.
- **Staffing & Compensation:** 1.5 FTE positions requested; proposes 3% COLA, and up to 4% merit for high performers; slight increases in retirement and insurance expenses.
- **BRRAT Fund:** Continues to support shoreline protection, beach access maintenance, tourism, recreation, and debt service payments (in General Fund).
- **Utilities Fund:** Rate adjustments proposed to fund operational needs, system improvements, capital outlay and personnel in water and wastewater services in accordance with Village's recent rate study.
- **Stormwater Fund:** funding requested for 3 projects including the Timbercreek Outfall Erosion Mitigation, and 2 LASII Stormwater Implementation projects. Fund Balance is recommended to cover costs above stormwater rate collections.
- **Total Overall Budget (all funds):** \$26,720,200

# Looking Ahead

- The FY27 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.
- The Village remains committed to transparent, sustainable budgeting that supports both current needs and long-term goals.
- **Next Steps:**
  - Manager submits recommended budget to Council on Monday, May 4, 2026
  - Public Hearing on Budget at Friday, May 15<sup>th</sup> Council meeting
  - Optional Budget Workshop – Thursday, June 11, 2026 (if needed)
  - Budget Adoption: Thursday, June 18, 2026 (regular council meeting)

# Discussion/Questions