



AGENDA

TOWN OF NAGS HEAD BOARD OF COMMISSIONERS
NAGS HEAD MUNICIPAL COMPLEX – BOARD ROOM

WEDNESDAY, MAY 20, 2026; 9:00 AM

BUDGET WORKSHOP

A. CALL TO ORDER

B. DISCUSSION OF RECOMMENDED BUDGET

1. Discussion of the Fiscal Year 2026/27 Town Manager's Recommended Budget and 2027/28 Financial Plan

C. ADJOURNMENT



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

BUDGET WORKSHOP: May 20, 2026

AGENDA ITEM B.1.

Discussion of the Fiscal Year 2026/27 Town Manager's Recommended Budget and 2027/28 Financial Plan

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

We appreciate the patience and diligence of the board and staff in navigating this year's budget process. We welcome comments and feedback from the board and the Nags Head community on the recommended budget.

Specific Action Requested

This item is provided for board discussion.

Summary

At the board's scheduled mid-month meeting, the board will hold a workshop to discuss the town manager's recommended budget, which was presented at the board's May 6th regular meeting.

The budget process usually takes about six months, starting around November and concluding in June. The first step in the process involves conducting a strategic planning retreat, which this year was held in February. Normally the retreat is held earlier in the year; this year we wanted to ensure the strategic plan reflected the input of the current board, seated in December (<https://www.nagsheadnc.gov/1114/Strategic-Planning>). While we had already started working on the budget before February, the priorities established during the retreat are reflected in the Capital Improvement Program (CIP), which was presented in April, and also in the recommended budget. The budget and CIP are attached, but can also be found on the town's website at <https://nagsheadnc.gov/229/Annual-Budgets>.

The board has scheduled the budget public hearing for the June 3rd regular Board of Commissioners meeting. The board may adopt the budget at that meeting or can elect to vote on the budget at its mid-month meeting, which is Wednesday, June 17th at 9 a.m. By law, the budget must be adopted before July 1, 2026, which is the beginning of the new fiscal year.

It is our goal to develop a budget that reflects our ongoing commitment to responsible stewardship of Nags Head's four strategic planning goals: protecting the natural environment, achieving responsible and adaptive development, promoting a sustainable economy, and maintaining efficient, high-quality government services. Hopefully, the board and the community find that this budget implements the values and long-term vision for the town, balancing responsible fiscal management with targeted investment in infrastructure, public safety, environmental stewardship, and the town's most important asset — its people.

Attachments

1. Fiscal Year 2026/27 Recommended Budget and Fiscal Year 2027/28 Financial Plan
2. Fiscal Year 2026/27 through Fiscal Year 2030/31 Capital Improvement Program

FISCAL YEAR

Recommended Budget 2026/2027 & Financial Plan 2027/2028



TOWN OF
NAGS HEAD

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TOWN OF
NAGS HEAD

Fiscal Year 2026-2027 Recommended Budget

Board of Commissioners



Budget Staff

Andy Garman, Town Manager

Amy Miller, Deputy Town Manager/Finance Officer

Stephen Panaro, Deputy Finance Director

Jan Mielke, Human Resources Officer

Roberta Thuman, Public Information Officer



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Nags Head
North Carolina**

For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morill

Executive Director

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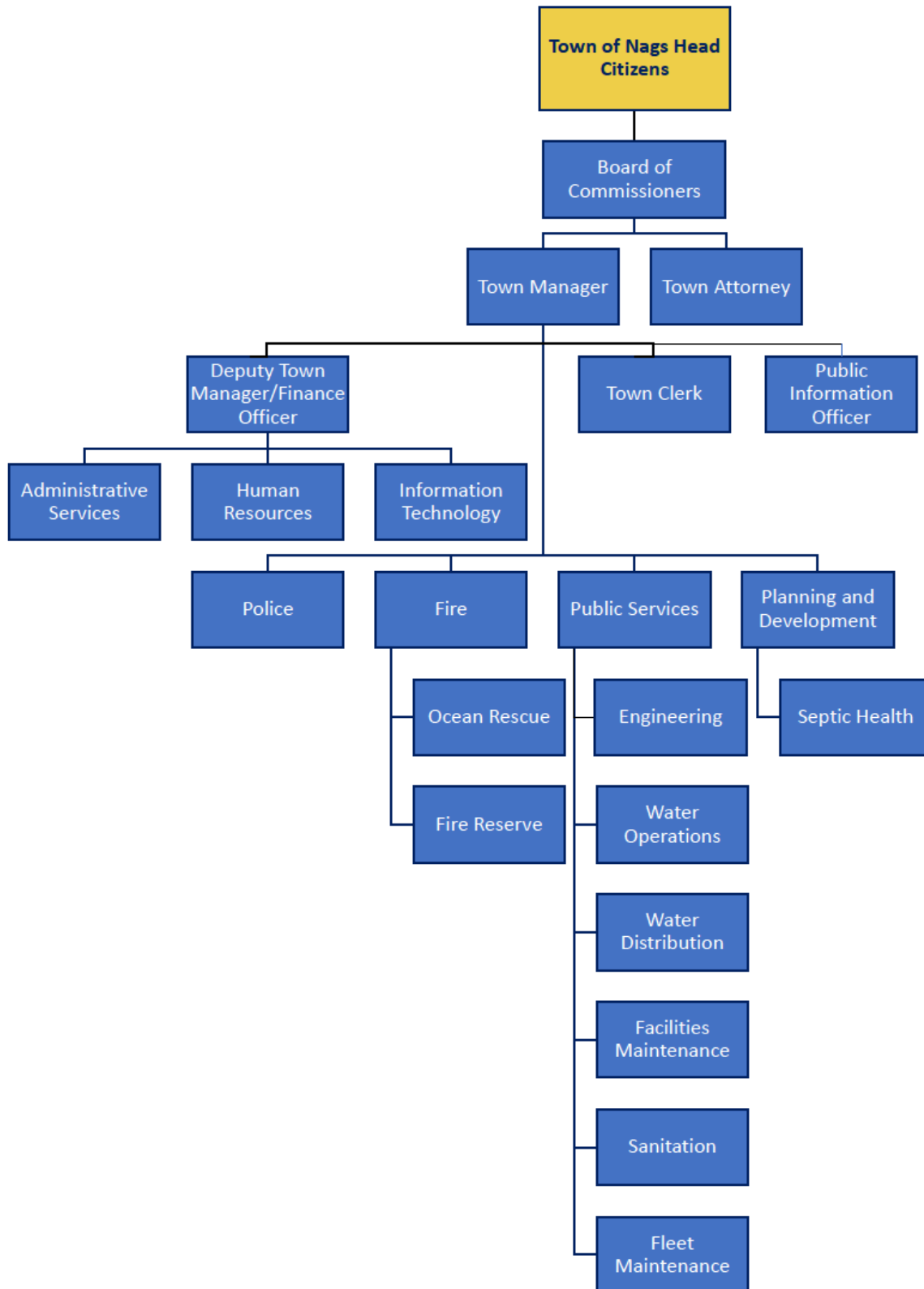
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TOWN OF NAGS HEAD ORGANIZATIONAL CHART





TOWN MANAGER'S BUDGET MESSAGE / FY 2026-2027 BUDGET

May 6, 2026

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

Thank you for the opportunity to present the recommended budget for Fiscal Year 2026-2027, covering the period from July 1, 2026 to June 30, 2027. This budget has been prepared in accordance with the North Carolina Local Government Fiscal Control Act.



Nags Head has a character and a sense of place that is hard to find, which is firmly understood by the people who live, visit, invest, and work here. Keeping it that way has taken real effort over many decades through thoughtful decisions, long-range planning, and a genuine commitment from elected officials, staff, and members of our community who care deeply about Nags Head.

This year, the Town welcomed two new members to the Board of Commissioners. Earlier this spring, the new board held a retreat and completed an update to the town's [strategic plan](#). The strategic plan has been in place for several years, first drafted in 2021. While several items were added and/or reprioritized, the revised plan reinforces a clarity of vision about what this community should be and where it is headed. That consistency is not accidental. It is evidence of how deeply our citizens feel

about Nags Head and how clearly they have communicated that vision over time. Our new Board stepped into that tradition, and this budget reflects the role we take as stewards Nags Head.

We continue to make progress towards our four main strategic planning goals: protecting our natural environment, achieving responsible and adaptive development, promoting a sustainable economy, and maintaining an efficient government that delivers high-quality services.

Below is a summary of the projects, services, and investments we plan to make in our community in the coming year:



Projects and Services for FY 2026-27

Pedestrian Improvements

This year the town will complete a portion of the US 158 multi-use path linking Carolista Drive and West Soundside Road, the top priority identified by the Pedestrian Project Advisory Committee formed in 2022. The preferred alignment runs along the western South Croatan Highway right-of-way, with initial survey and design occurring in FY 2025-26 and construction planned for FY 2026-27. The town received a \$100,000 State Trails grant to cover the design. A \$750,000 grant from the Outer Banks Visitors Bureau has also been awarded for construction, with the Town covering the remaining costs. The total project cost is estimated at roughly \$1.6 million.

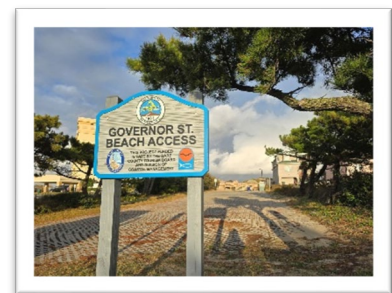
Beaches

Beach Nourishment

During the Summer of 2026 the town will complete a beach nourishment maintenance project, placing just shy of 2.5 million cubic yards of sand over approximately 10 miles of shoreline at a cost of \$38 million. This project is funded through property taxes, municipal service districts, funding from Dare County, and cash from the town's beach nourishment fund balance. The FY 2026-27 budget includes a debt service payment of \$3.1 million.

Beach Accesses

Many of the Town's dune walkovers are over 20 years old and reaching the end of their useful life. Staff has developed a multi-year replacement plan targeting a minimum of two walkovers per year, with grant funding pursued where eligible. This year Nags Head will replace the Albatross and Glidden Street walkovers, with grant funding requested to make Glidden Street ADA compliant. In FY 2025-26, Nags Head replaced four walkovers, June Street, Gulfstream Way, Juncos Street (in conjunction with a stormwater project) and Gray Eagle Street (which was not planned but made possible through cost savings on other projects).



This budget also includes \$50,000 in local funding for design of a new bath house at our Hargrove beach access. We received \$400,000 towards project construction, thanks to a state grant. We anticipate construction will begin in FY 2027-28

Nags Head is a recognized leader in public beach access in North Carolina, and this plan reflects our ongoing commitment to maintaining and improving these community assets.



Streets and Stormwater

Each year Nags Head performs maintenance to its streets and stormwater system based on a 20-year plan. Fiscal year 2026-27 represents year 7 of the plan. This year, street work focuses on resurfacing numerous east/west streets, including Ida Street, James Street, Tides Drive, Gull Street, Curlew Street, Dunn Street, Glidden Street, Finch Street, Forrest Street, and Mall Drive, among others. Wrightsville Avenue from Bark Street to East Bonnett Street will also be resurfaced in anticipation of the Project Area #4 stormwater construction. Drainage improvements, primarily shoulder scraping and swale restoration, are coordinated alongside the street work. The total cost of this work is \$300,000.

Last year, we received a \$2,356,910 grant from NC Department of Environmental Quality to enhance drainage along Wrightsville Avenue by deploying pipes that will connect to a pump station, discharging to an infiltration area under the Bonnett Street beach access parking lot, which will be reconstructed. We anticipate work on this project beginning in Fall of 2026.

The budget also includes replacement of the Town's culvert cleaner (\$115,280), which has reached end of life and is critical to maintaining our drainage network.

Public Safety

Police

The Police Department's drone, which was placed in service in 2017, is past its end-of-life expectancy with parts no longer available, and this budget includes its replacement to continue supporting accident reconstruction, search and rescue, crime scene documentation, and post-storm beach surveys. We have also included funding for three replacement police vehicles according to the town's replacement schedule.



Fire

Included is a fire training prop that allows staff to practice forced entry techniques, reducing the need for consumable training equipment. Also, the Fire Department's KNOX key management system, which provides secure master key access to 60 local businesses, is being upgraded to a modern cloud-based platform that improves security tracking for both the department and business owners, with the option to extend access to Police for facilities such as Nags Head Elementary School.



Water

Water Equipment/System Improvements

This budget includes the purchase of a \$66,078 vacuum trailer to support water main repairs, valve and hydrant maintenance, and emergency response by allowing non-destructive excavation around buried utilities, reducing utility strike risk, surface disturbance, and worker safety hazards. The equipment will also serve the stormwater division, maximizing its value as a shared asset and reducing reliance on contracted services.

Water main extensions are planned along South Croatan Highway between Finch and Forbes Streets and from north of Dune Street to East Soundside Road, with the Town engineer designing the project.

Septic Health

Our Septic Health budget will include funding for a 10% increase in water credits for tank pumping. This acknowledges recommendations by the town's Decentralized Wastewater Management Plan to meet certain targets related to the four main components of the program. We are not recommending an increase in costs for inspections primarily due to the increase in the number of inspections being handled by in-house staff.

We are proposing \$10,000 to develop a marketing campaign for the septic health program using a professional services firm. The goal is to create a multi-pronged strategy that can be consistently applied over time and create mechanisms to measure effectiveness.

We will also be budgeting funds to implement the 0% interest septic replacement program funded by the North Carolina Division of Water Infrastructure.

Estuarine Shoreline Management

In order to advance the goals of the Estuarine Shoreline Management Plan, we are proposing \$10,000 in funding to provide \$1,000 technical assistance grants to property owners to develop natural shoreline stabilization solutions. These funds will be used to hire a consulting firm and will be administered by the Planning Department.

Facilities Planning

Fire Station Conceptual Design

This scope of service provides conceptual planning and design to determine building size, layout, and estimated costs for relocating Fire Station 16 to 4222 South Croatan Highway. Deliverables include a programming and needs assessment, conceptual design, and project budget. This work

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represents Phase 2 of the Town Hall Campus Master Plan and aligns directly with the Board's strategic priorities.

Parks and Recreation Plan

Our current Parks and Recreation Master Plan was adopted in 2012, 14 years ago, and no longer reflects the Town's evolving needs, including developments at Dowdy and Whalebone Parks. Staff proposes engaging a qualified consultant with coastal community experience and a strong record in community engagement to develop an updated, implementation-focused plan. The updated plan will be aligned with PARTF grant criteria and could include evaluation of ocean and sound access, parking needs, potential property acquisition, and Whalebone Park amenities.

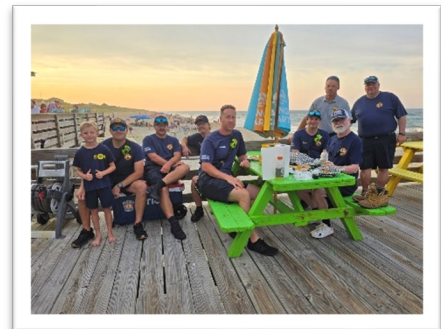
Other Capital Items

- Front load Sanitation Vehicle - \$400,000
- Traffic signals at Lakeside Street and the Soundside Event Site - \$175,000 each, total \$350,000
- Replacement of Town Hall elevator (\$143,900 – financed; debt service is \$14,390)
- Replacement of Town Hall transfer switch (\$93,693 – financed; det service is \$9,370)
- Excavator (Water Distribution) - \$86,524

Supporting our Team

We continually assess and recommend a comprehensive strategy of compensation, benefits, and employee-centric programs to provide a rewarding and engaging work environment for our team members. For FY 2026-27 we are recommending:

- Implementation of a pay-and-class study to help ensure we are offering competitive and fair salaries to attract and retain top talent.
- A 3% cost of living adjustment, taking into consideration the Consumer Price Index as well as the need to maintain competitiveness with other local agencies.
- Although we are experiencing an 8% increase in our health insurance renewals, we continue to cover health insurance premiums at 100% for employees and 80% for dependents.
- Funding is included to maintain career progression programs for all departments as well as a performance-based merit structure and within-grade pay plan increases.
- A 5% 401(k) contribution is budgeted for each department, with no required match.
- Additional part-time hours are budgeted for the Fire Department.





- A new heavy equipment operator position in the Facilities Maintenance division of Public Services.
- Funding for a part-time, year-round position to support event planning and programming. This position will replace the seasonal position we currently have to improve consistency and reliability, help expand community offerings, and enhance the long-term sustainability and growth of town events.
- Realignments through the reconfiguration of existing roles to create new positions that have no budgetary impact include:
 - Human Resources Assistant position - designed to implement the town's organizational development goals as described in the strategic plan.
 - Water Distribution Technician & Operator - hybrid floater position to support Water Operations and Water Distribution to allocate resources between the divisions based on operational needs.
- Retaining mental health counseling services to give team members timely access to a professional resource for support and resilience.
- A non-budgetary item is the addition of a day off for mental health.

Revenue/Tax Rates/Forecasting

We believe in being straightforward with our community about what is driving the budget. Four primary factors are creating meaningful budgetary cost pressure this year:

Health Insurance

The Town continues to experience increasing costs related to medical insurance. Our long-standing insurance partner, the North Carolina League of Municipalities Medical Insurance Trust, dissolved in 2025 due to insufficient funding. As a result, the Town solicited proposals from other carriers and incurred a 24% increase in medical premiums, resulting in a \$422,255 cost increase in FY 2025-26. For FY 2026-27, the Town's medical renewal resulted in an additional 8% rate increase, or approximately \$179,707. Combined, the Town's medical costs have increased by \$601,962 over both years.

While the Town's claims experience plays a role in the renewal rate, rising healthcare costs are impacting organizations nationwide. According to the North Carolina Department of Insurance, small group fully insured ACA rates in North Carolina went up an average of 15% in 2026, with large group plans experiencing similar trends. There are several factors contributing to rising healthcare costs:

- Specialty drug pricing: Costs for specialty drugs has risen at a rapid rate and account for approximately half of pharmaceutical spending.



- Consolidation in healthcare: Mergers among hospitals, physician groups, and insurance companies reduce competition leading to monopolistic pricing practices.
- Chronic disease prevalence: The Centers for Disease Control (CDC) estimates that 60% of adults have at least one chronic condition, accounting for 90% of annual healthcare expenditures.
- Advancements in medical technology: New treatments and technologies improve outcomes but add billions to healthcare costs.

The Town joined the Carolina Public Entity Cooperative (CPEC) last year, which was a proactive step to mitigate additional financial risk. Currently, ten other organizations are members of CPEC, allowing the Town to benefit from economies of scale when negotiating rates with our carrier. In addition, the cooperative structure provides greater transparency and local control, enabling the Town to actively govern and manage our insurance program and associated expenses.

Local Government Employees Retirement System

Another rising benefit expense the town is experiencing is the Local Government Retirement System (LERS) employer contributions. Effective July 1, 2026, the required contribution rates are 17.10% for Law Enforcement Officers (LEO) and 14.14% for general employees. Over the past five years, the LEO rate has increased by 4 percentage points (a 31% increase), while the general rate has increased by 3 percentage points (a 25% increase). Factors such as salary growth, inflation, and longer life expectancy have increased actuarial assumptions over time, resulting in higher employer costs. LERS remains well-funded compared to its peers due to its conservative funding strategy. While this approach reduces long-term risk, it results in higher near-term employer contribution rates. Because LERS rates are applied as a percentage of payroll, year-over-year increases compound, resulting in significant growth in employer costs. The Town's LERS contributions for FY 2026-27 are expected to be \$1,780,752.

Inflation on Capital Items

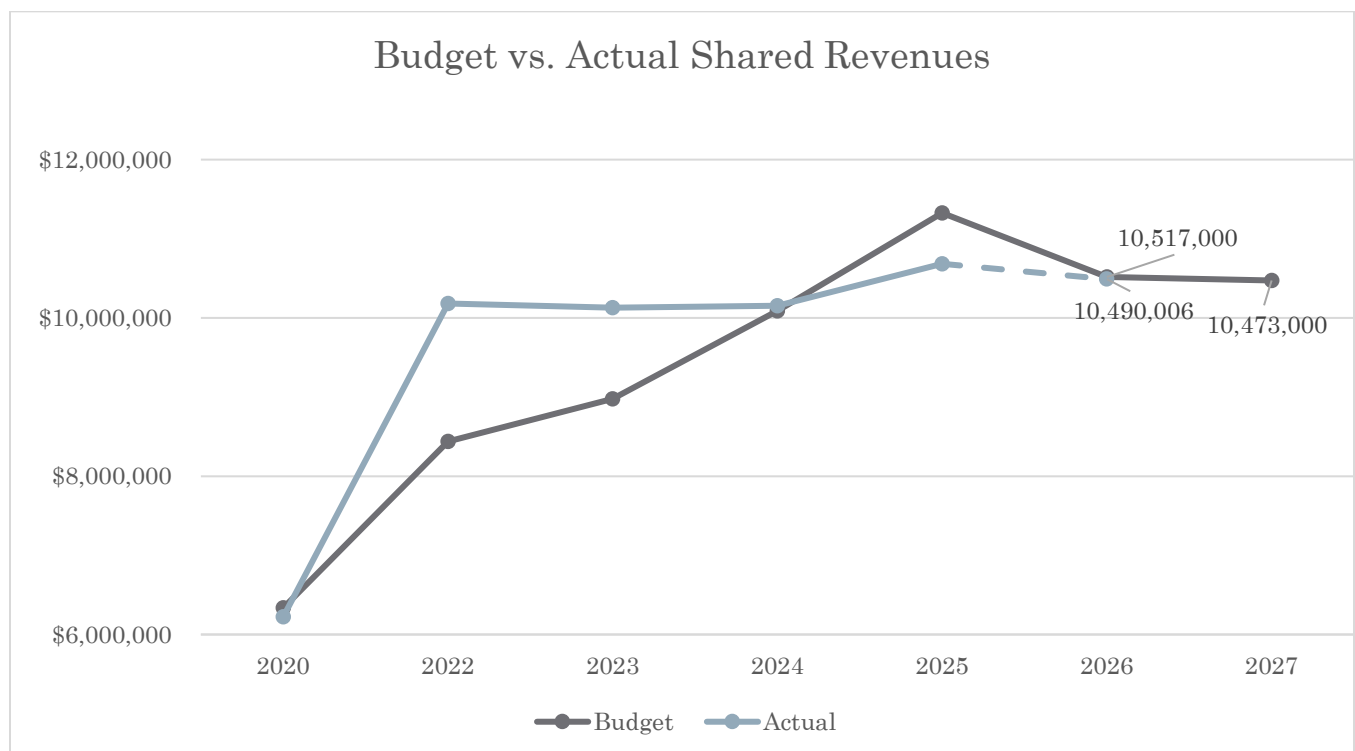
The cost of the town's infrastructure and equipment has risen sharply over the past few years. A sanitation vehicle that cost \$265,000 six years ago now costs \$400,000. Vertical construction now runs \$400 to \$500 or more per square foot. Our Capital Investment Fund (CIF), now in its fifth year, exists precisely to plan for these realities, and this budget adjusts our forward projections accordingly.

Tourism Revenue Leveling Off

Our shared revenues, occupancy, sales, and land transfer taxes distributed by Dare County based on local tax levies, are a significant driver of our budget. After several years of exceptional growth, those revenues are flattening. Illustrated in the table below, our shared revenues have increased



significantly since 2020 (refer to the “Actual” line). Most of this growth occurred from 2020-2022. Each year the town has budgeted conservatively for shared revenues, not knowing exactly how strong the market would be, or when things would level off. The COVID years significantly changed our market, and to a large degree, much of this has been sustained through 2024. In FY 2024-2025, we over budgeted shared revenues, expecting we would continue seeing an upward trend resulting from an increase to our levy share as well as growth. Unfortunately, we only saw a slight increase in shared revenues due to our increased share and there was no collective growth. Fortunately, we have been able to maintain, and propose in this budget, a disciplined approach to maintaining core services, investing in critical infrastructure, resilience initiatives, and long-term capital needs amid flat revenues and rising costs.



Tax Rates for FY 2026-27 and Beyond

Despite the cost pressures described above, this budget does not recommend a property tax rate increase. Below is a summary of the town’s tax rates, including the rates for our beach nourishment municipal service districts.



Fiscal Year 2026-2027 Recommended Tax Rate per \$100 of Valuation

Town-wide	\$.212
Town-wide beach nourishment	<u>\$.02</u>
Town-wide Tax	<u>\$.2320</u>
Municipal Service District 1	\$.09
Municipal Service District 2	\$.09
Municipal Service District 3	\$.005
Municipal Service District 4	\$.01
Municipal Service Districts 5 and 6	-

Our [financial policies](#) continue to serve us well. When our general fund balance grows above 35% of expenditures, excess funds are transferred into the CIF, building capital capacity over time rather than letting surpluses sit idle. This approach allows us to invest in infrastructure, cover rising costs, and absorb unexpected expenses without leaning on the tax rate.

Looking to FY 2027-28, we have incorporated a two-cent tax increase. We forecast this to be necessary for the following reasons:

Debt service – As the Town continues to invest in critical infrastructure, [planned and existing debt issuance](#) will place increasing pressure on the general fund. This includes the Public Services Complex, workforce housing, Phase I of the Town Hall Campus Master Plan, the land purchase at 4222 S. Croatan Hwy., the west side multi-use path construction, and debt service on Information Technology subscription assets. With revenues largely tied to the property tax base, increases in debt service can reduce financial flexibility and over time may require consideration of a tax rate adjustment to ensure long-term fiscal sustainability.

Anticipation of other town's property tax increases to preserve revenue - According to their budgets, we anticipate the other Dare County towns will be increasing their taxes in FY 2027-28. When these other towns raise taxes, it impacts the Town of Nags Head's distribution of shared revenues, discussed above. Any levy changes will adjust the distribution. Nags Head's distribution will decrease if our levy does not keep pace with the other towns. A modest tax increase will sustain our sales, occupancy, and land transfer tax distributions.

Maintaining Fund Balance – We were able to balance the FY 2026-27 budget by using restricted fund balances from the capital investment fund (CIF) and State Street Aid for capital projects and debt service. Using CIF funds in years of higher expenditures means they will need to be replenished to maintain the CIF's fund balance policy. Additionally, expending most of the State



Street Aid fund balance means future projects will need to be fully funded from the general fund/capital investment fund.

The Town continues to appropriate fund balance to balance the budget. This compounds over time and can become a financial risk as it is not a recurring revenue source. If expenditures are consistently outpacing recurring revenues, it can be a sign revenues need to be adjusted.



Comparison of FY 2026-27 to FY 2025-26

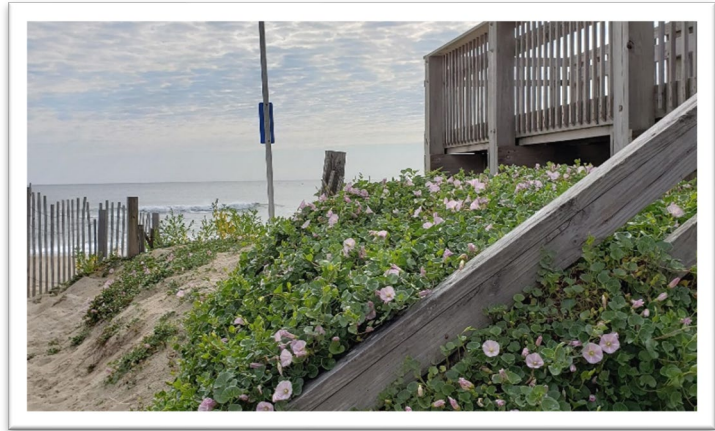
Adopted General Fund Revenues	Fiscal Year 2026-2027	Fiscal Year 2025-2026	Percent Change
Ad Valorem Taxes	\$13,979,514	\$13,317,615	4.73%
Occupancy Tax	4,402,000	4,569,000	-3.79%
Land Transfer Tax	1,078,000	1,112,000	-3.15%
Sales tax	2,997,000	2,910,000	2.90%
Other Taxes and Licenses	2,071,900	2,001,350	3.41%
Unrestricted Intergovernmental	1,062,900	1,427,900	-34.34%
Restricted Intergovernmental	394,175	621,398	-57.65%
Permits and Fees	600,100	599,130	0.16%
Investment Earnings	400,000	250,000	37.50%
Other Revenue	515,371	374,099	27.41%
Sales and Services	56,000	70,000	-25.00%
Transfers from the Capital Reserve Fund	3,487,102	365,958	89.51%
Transfers from the Capital Investment Fund	3,931,068	4,075,176	-3.67%
Appropriated Fund Balance	695,000	49,828	92.83%
Other Finance Sources	20,000	337,218	-1586.09%
TOTAL	\$35,690,130	\$32,080,672	10.11%

Adopted General Fund Expenditures	Fiscal Year 2026-2027	Fiscal Year 2025-2026	Percent Change
Governing Body	\$201,362	\$206,517	-2.50%
Special Obligation Bond Debt	4,311,102	1,243,400	246.72%
Town Manager	2,074,494	1,696,903	22.25%
Administrative Services	1,409,119	1,764,501	-20.14%
Information Technology	716,574	847,248	-15.42%
Legal Services	128,713	130,657	-1.49%
Planning and Development	1,513,784	1,312,483	15.34%
Public Works Administration	744,538	718,787	3.58%
Facilities Maintenance	2,692,694	2,538,433	6.08%
Garage	545,678	499,964	9.14%
State Street Aid-Powell Bill	335,000	150,000	123.33%
Sanitation	2,253,281	2,394,221	-5.89%
Solid Waste Disposal	828,288	828,148	0.02%
Streets and Stormwater Management	186,680	203,730	-8.37%
Police	4,885,855	4,608,327	6.02%
Fire	5,149,221	4,899,619	5.09%
Ocean Rescue	1,145,592	977,825	17.16%
Transfer to Capital Investment Fund	2,722,717	3,285,000	-17.12%
Transfer to Capital Reserve Fund	3,695,438	3,624,909	1.95%
Contingency	150,000	150,000	0.00%
TOTAL	\$35,690,130	\$32,080,672	11.25%

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This year's [general fund budget totals \\$35,690,130](#), an increase of \$3,609,458, or 11% from the FY 2025-26 adopted budget. This fiscal year, budgeted debt service of \$3,100,502 is this first of five payments being made towards the 2026 beach nourishment construction project. The cost of the project is \$38 million, with \$13,000,000 being financed, \$13,067,429 being contributed towards the project from Dare County, and the remaining portion cash funded through the Town's beach nourishment tax fund balance, which is collected in the Capital Reserve Fund.



Last fiscal year, Dare County completed a property revaluation as of January 1, 2025. The revenue neutral rate was calculated based on the gross valuation of \$5,113,200,000, less 5% for appeals per the Dare County Tax Assessment office, netting a \$4,857,540,000 ad valorem valuation. Even though there is not a proposed tax increase this year, the ad valorem taxes are \$488,000 more than what was budgeted last fiscal year. The appeals were less than 5%, and this year's valuation as of January 1, 2026, is \$5,178,793,503.

Our second largest revenue source totaling \$10,473,000 comes from shared revenues, a combination of sales, occupancy, and land transfer taxes. These revenues in total are budgeted flat based on FY 2025-26 actual projections. Current collections indicate sales tax is flat, and occupancy and land transfer taxes are down 2% and 8%, respectively, compared to the same time in FY 2024-25. In FY 2025-26, these revenues were budgeted \$809,000, or 7% lower than FY 2024-25 budget. While we are on target to meet this year's budget for these revenues, there has not yet been any clear data or trends indicating that we should increase the collective budget for these revenues in FY 2026-27. These revenues are economic indicators of our tourism driven economy. According to the Outer Banks Visitors Bureau, even amid economic uncertainty and inflationary pressures affecting many households, travel continues to rank high among discretionary priorities. The budget for these revenues support a tempered but positive outlook, which is supported by the data reviewed by the Visitors Bureau.

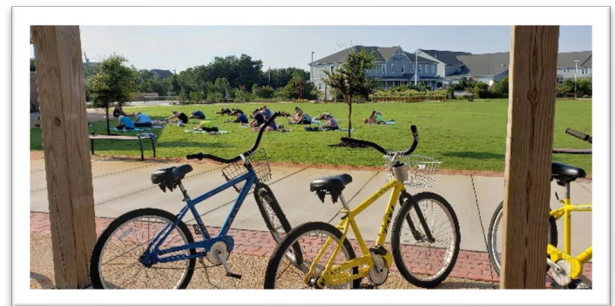
Ensuring that resources are aligned with current fiscal realities, being conservatively optimistic, occupancy tax was budgeted 4% lower than what we estimate to receive in FY 2025-26. Sales tax is estimated at 3% growth, considering inflation and the fact that North Carolina is ranked among the top three fastest-growing states in the U.S. Land transfer tax is budgeted 3% lower than FY 2025-26 projections. These revenues allow us to keep the tax rate relatively low. For reference, in



FY 2026-27 the town-wide tax is budgeted at \$10,951,595 and sales, occupancy, and land transfer taxes are projected to bring in 95% of the revenue that the ad valorem tax alone generates. To put this into perspective, this generates the equivalent of a 20.27 cent ad valorem tax rate. Our general fund ad valorem tax rate is 21.2 cents (not including the beach nourishment portion, which is an additional 2 cents), with one cent equating to \$516,585.

Because so much of our budget relies on shared revenues, their variability underscores the importance of proactive planning. This is one reason our budget is integrated with the Capital Investment Fund (CIF). FY 2026-27 is the fifth year using our CIF, a tool to strategically plan for and manage capital. The CIF is one of our capital reserve funds, funded through annual appropriations from the general fund and maintaining its own [fund balance policy](#) to cover years with greater expenditures that exceed the town's annual contribution. For example, in FY 2026-27 CIF expenditures are budgeted at \$3,931,068 and the general fund contribution is \$2,507,717. It is designed to plan and pay for general fund long-term capital expenditures and most infrastructure projects with cash. Current [debt service](#) is also paid from the CIF, possibly financing larger future projects to stay within our policies. Paying for most capital items with cash builds additional capacity in the CIF as debt service drops off or declines. A proposed list of projects and debt service funded through the CIF are included in the [Transfers from the Capital Reserve and Capital Investment Funds to the General Fund](#) section of this budget and are budgeted in other finance sources as transfers – capital investment fund.

Our financial policies not only monitor our fiscal health and indicate our relative financial condition, but they also provide a framework to guide budgetary decisions and allow for creating [multi-year plans](#). In addition, they allow us to grow our fund balance over time and monetize excess funds for capital planning. If our general fund balance grows above 35% of expenditures, less bond debt, fund balance is reduced and moves into the CIF. This occurred in both FY 2024-25 and FY 2025-26, for a combined total of \$1,648,951 transferred from the general fund to the CIF. These extra funds allow us to maintain a higher fund balance to offset higher years of expenditure. It provides the capacity in the general fund to offset inflation and rising costs while continuing to offer the high level of services our community deserves in an efficient, cost-effective manner. It also allows us to absorb and accommodate new capital planning and strategic initiatives.



This year our general fund balance projection is 30%, excluding bond debt, and we do not anticipate transferring funds into the CIF. Our audited FY 2024-25 fund balance was 27%. Our fund balance is projected to increase because the percentage of revaluation appeals was lower than

[Return to Table of Contents](#)



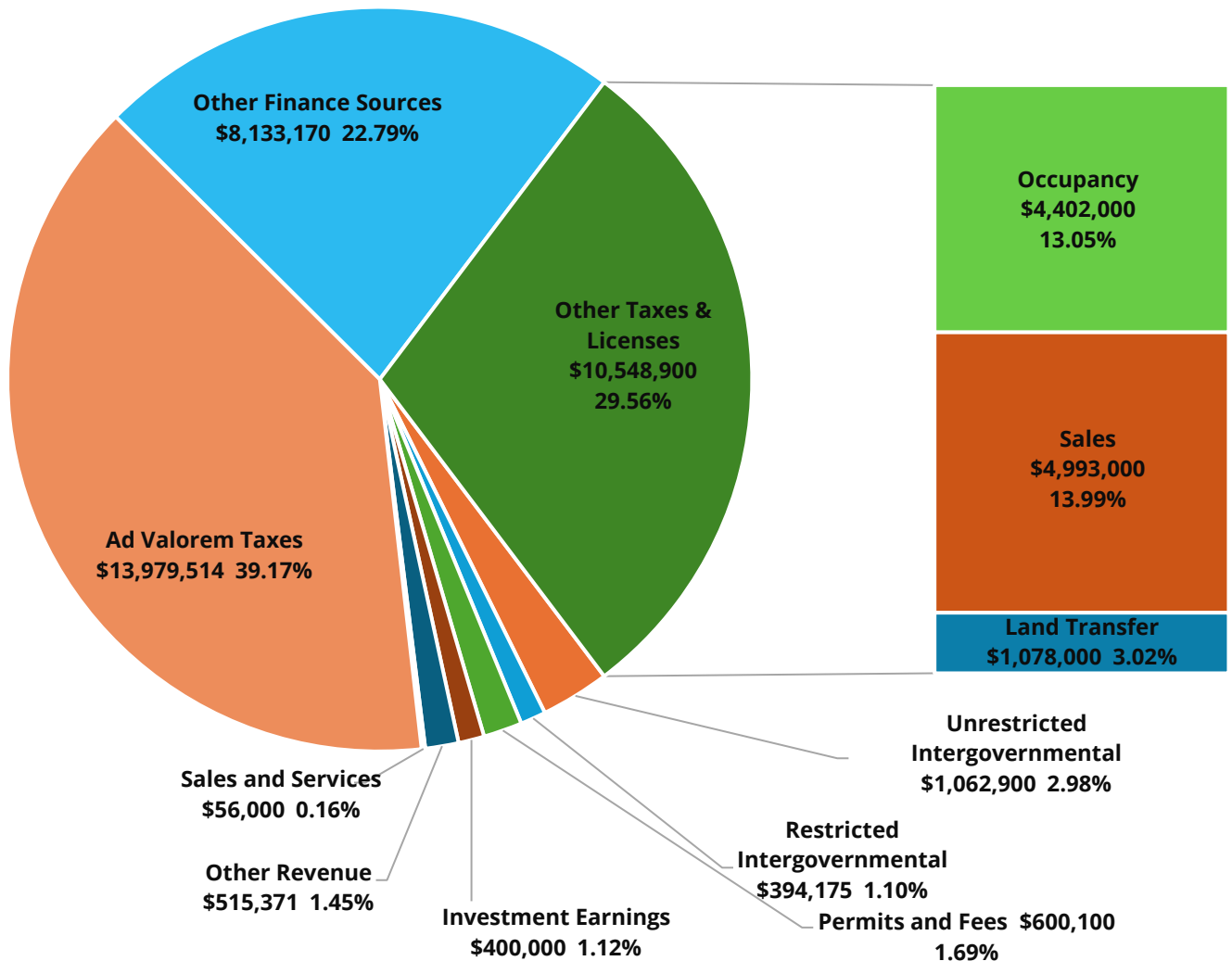
anticipated, an almost [100% tax collection rate](#), higher interest rates, and increased utility sales tax collections. You can find out more about our fund balances, including historical and projected fund balance amounts, in the [Fund Balance](#) section of this budget. At the end of FY 2026-27, the CIF fund balance is estimated to be at approximately 40% of its policy, well above the 20% minimum. This budget was prepared to ensure the FY 2027-28 CIF fund balance would also be above 20%. The FY 2026-27 budget leverages the CIF fund balance to cover expenditures exceeding the town's contribution.

The transfers of revenues from the capital reserve and investment funds to the general fund are included in the "other finance sources" revenue category. Statutorily, these reserve funds only act as a holding tank for money as restricted by the board, therefore activity is recorded in the general fund, which accounts for the interfund transfer. These general fund revenues are budgeted as the reimbursements for eligible expenditures for advanced capital projects and debt service paid on behalf of the capital reserve funds. This approach ensures appropriate cost allocation. Interfund expenditures also flow through the general fund to these funds as revenues are collected for their restricted purposes on behalf of the capital reserve funds and allocated accordingly. For example, beach nourishment taxes from the town-wide and MSD levies and sales tax collected resulting from the MSD levy transferred to the capital reserve fund allowed us to contribute over \$12 million in cash our 2026 beach nourishment construction project, budgeted separately in a capital project fund. These funds work together to enable this budget to meet the town's growing capital needs.

Fund balance appropriation was used to balance this budget. This year, \$500,000 is appropriated from the unassigned fund balance and \$195,000 is appropriated from fund balance restricted for streets to pay for the entire FY 2026-27 paving project using funding from the NC State Street Aid Program. In the prior year \$49,828 of fund balance was appropriated to balance the budget. After the FY 2025-26 Town Manager's budget was presented, the Board of Commissioners consensus was to increase the ad valorem tax rate 1.2 cents higher than the recommended budget to preserve an estimated \$400,000 in shared revenues in comparison to the other Dare County towns' tax increases. Because the Town Manager recommended a balanced budget, the additional tax increase was used to fund beach nourishment (.50 cents or \$250,000) in anticipation of the 2026 construction project and the remaining .70 cents was used to reduce the recommended fund balance appropriation of \$400,000.

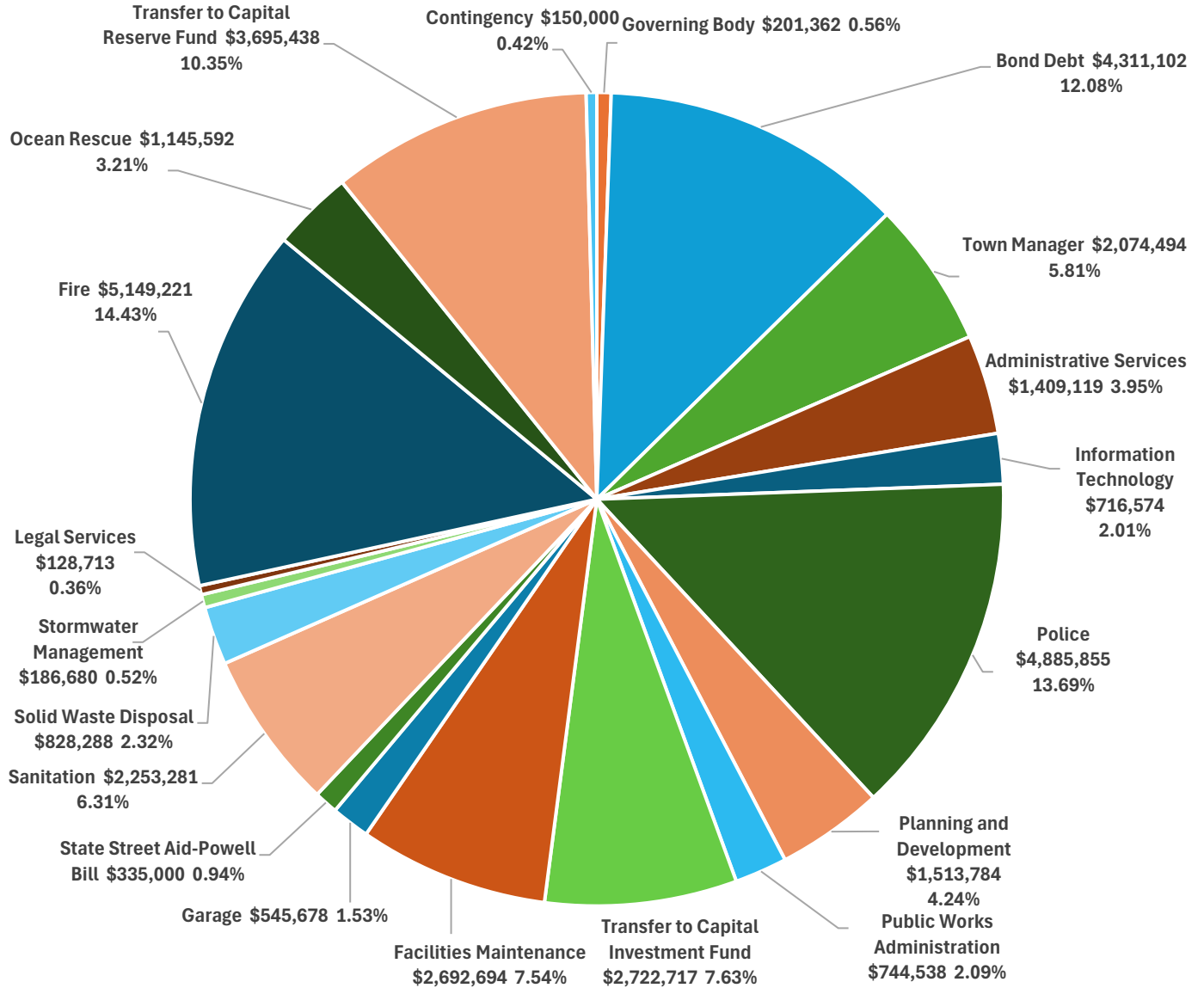


RECOMMENDED 2026-2027 GENERAL FUND REVENUES AS A PERCENTAGE OF BUDGET





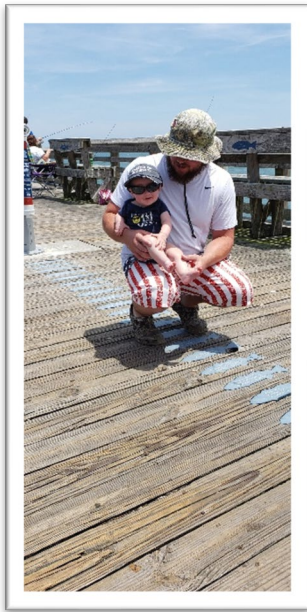
RECOMMENDED 2026-2027 GENERAL FUND EXPENDITURES AS A PERCENTAGE OF BUDGET





Water Fund Budget Highlights

A 5% water rate increase to base and volumetric charges is recommended, generating an additional \$215,250 in water utility sales. This is necessary to ensure the continued reliability, safety, and sustainability of our water system. The Town maintains a state-certified laboratory for bacteriological testing to ensure that water quality complies with state and federal regulations. Delivering clean, safe water in an efficient manner 24/7 depends on rigorous monitoring, treatment, and system upkeep. A modest rate increase supports ongoing efforts to maintain these high-quality services while sustaining our net position. The rate increase also allows us to continue



our regular maintenance schedule, fund capital improvements essential to provide continuity of service, and offer the capacity to support emergency repairs. Additional revenues will also help us cover the cost of gradually replacing asbestos cement water lines over the next five years, as outlined in our [capital improvement program](#). For reference, the base rate is proposed to increase from \$46.95 for up to 3,000 gallons, billed bi-monthly, to \$49.30. This is a \$14.10 a year increase to the base rate.

This budget projects purchasing 422 million gallons of water from Dare County, according to our interlocal agreement, at the current wholesale rate of \$2.032 per 1,000 gallons, totaling \$900,000. It also builds in a 5% increase to accommodate increased usage and/or an increase in the wholesale rate, which will be calculated in December of 2026. We conservatively anticipate billing for 367 million gallons from the purchased water. This equates to selling 87% of the wholesale water

purchased. The town expects to continue seeing benefits of the smart meter technology that includes enhanced leak detection and water conservation, continuing to narrow the gap between the percentage of gallons purchased and billed.

Nags Head has been programmatically planning for infrastructure improvements and replacements and is finalizing a comprehensive water system master plan update, funded by an NC Division of Environmental Quality Asset Inventory and Assessment Grant. Recommendations include developing plans for improvements at the Eighth Street water plant and Gull Street pump station. Our engineers are currently designing and developing cost estimates for these projects, and we anticipate they will be incorporated into the FY 2027-28 adopted capital improvement program. Our [strategic plan](#) also had identified an action item of creating water rates to fund the water system master plan recommendations for fiscal year 2027-28. These recommendations will be incorporated into the capital improvement programs, which will prioritize the necessary upgrades and replacements and will include timelines and cost estimates.



Comparison of FY 2026-27 to FY 2025-26

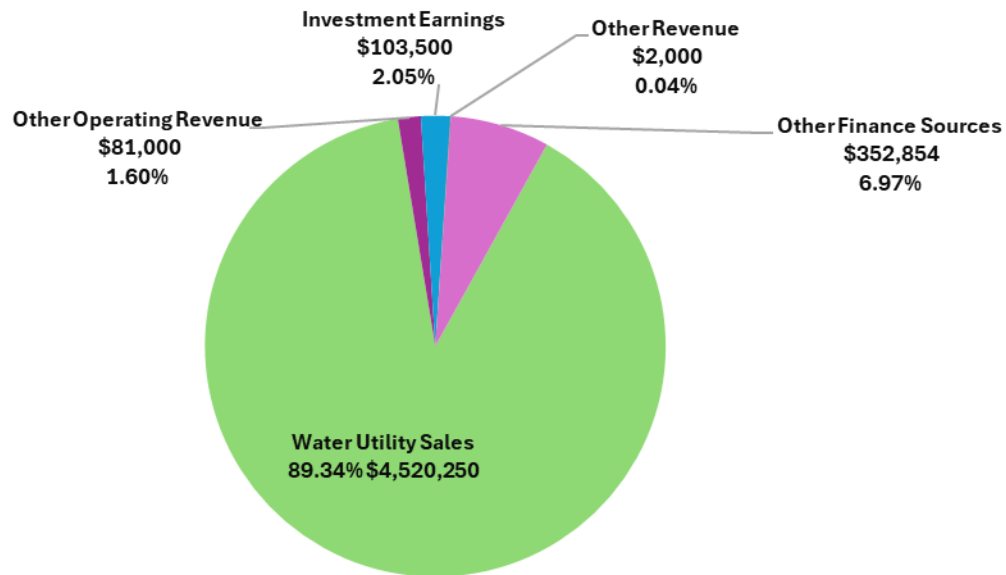
For FY 2026-27, the [water fund budget](#) is \$5,073,354, an increase of \$92,176, or 2%, from the prior fiscal year. To balance the budget, net position was appropriated for \$310,104, a \$101,074 decrease from fiscal year 2025-26. The revenue generated from the water rate increase allows us to reduce the net position appropriation. Budget highlights include:

- Debt service on capital assets is budgeted at \$437,650 for the Public Services Complex and Advanced Metering Infrastructure.
- A system development fee study is included as it is required to be updated for compliance with NC General Statutes Chapter 162A Article 8.

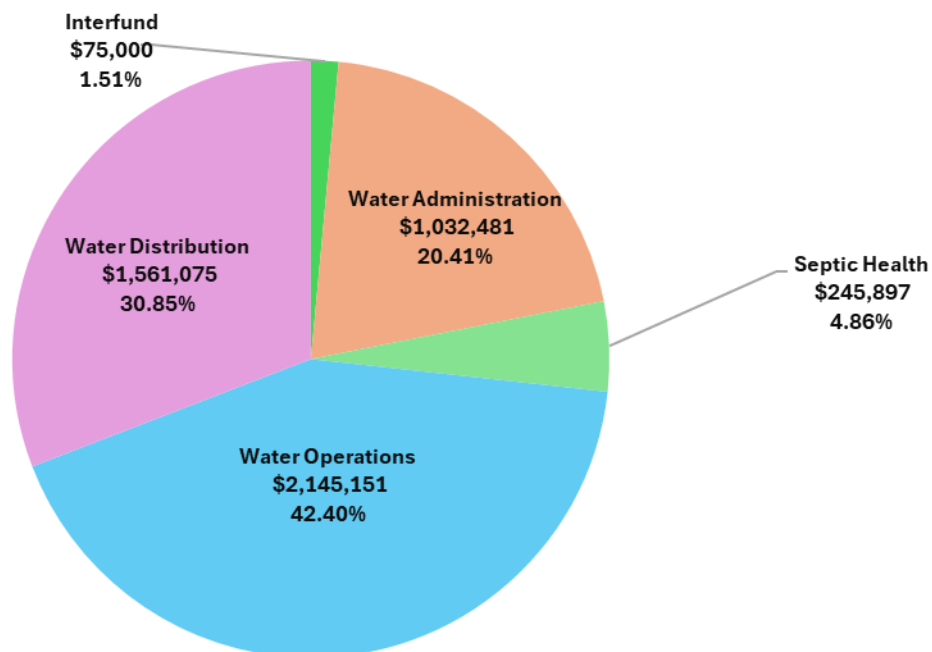
As the general fund provides resources and staff to support the water fund, \$1,089,455 is budgeted for the water fund to reimburse the general fund for indirect administrative costs. This is a \$218,762 increase from FY 2026's contribution. The allocation is based on certain general fund expenditures from the most recently audited FY 2025 financial statements, as well as the water fund's percentage of the general and water fund combined budgets.



RECOMMENDED 2026-2027 WATER FUND REVENUES AS A PERCENTAGE OF BUDGET



RECOMMENDED 2026-2027 WATER FUND EXPENSES AS A PERCENTAGE OF BUDGET





The Budget Document

Beyond the Manager's Message you will find a table that includes the town's FY 2026-27 recommended [capital projects](#), a [debt schedule](#), and our [financial policies](#). The remainder of the budget has been organized into departmental budgets, which include a summary of recent accomplishments, budget highlights with goals and upcoming projects, performance metrics, a summary budget table with accompanying graphics, and a line-item budget. At the end of each section there is also a list of items funded through our Capital Investment Fund. The section titled "[How to Read the Budget Document](#)" illustrates an outline of departmental budget tables. We have included our [Strategic Plan](#) as a reference in the [appendix](#) for readers to understand how our budget proposals align with this. There is also a [community profile](#), as well as more descriptive [information on the process we used to prepare the budget](#). Finally, we have included additional information on how the town's finances work, including [the flow of money in and out of the town's various funds](#), [revenue assumptions](#), [fund balance information](#), as well as a [glossary of budget terms](#).



Conclusion

Thank you for the opportunity to present the FY 2026-2027 Recommended Budget.

This budget reflects a genuine commitment to the stewardship of our town from our elected officials, staff, and community. Despite meaningful cost pressures, we have delivered a spending plan that invests in our infrastructure, supports our team, and maintains the high-quality services our community expects, all without increasing the property tax rate.

Looking ahead, we must be aware of the budgetary challenges we could face. Shared revenues are leveling off, benefit costs continue to climb, and the infrastructure/equipment needs of our town remain a priority. We must also be mindful of not losing ground in supporting our most valuable asset, our team. The two-cent tax increase anticipated for FY 2027-28 is a signal that the margin for absorbing rising costs without adjusting revenues is narrowing. Future budgets will require honest prioritization of expenditures and careful stewardship of our fund balances.

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

We look forward to your comments and suggestions as we work to adopt the FY 2026-27 budget.

Sincerely,

Andy Garman, ICMA-CM, AICP
Town Manager



FY 2026-2027 BUDGET ORDINANCE



Town of Nags Head Budget Ordinance Fiscal Year 2026-2027

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 17th day of June 2026, that the budget ordinance adopted on June 17th, 2026, effective July 1, 2026, to read as follows:

SECTION I GENERAL FUND

Revenues Anticipated:

Current year ad valorem taxes	\$ 10,951,595
Municipal Service District taxes	1,814,209
Current town wide beach nourishment ad valorem taxes	1,033,169
Penalties and interest	10,100
DMV Taxes	170,441
Other taxes and licenses	10,548,900
Unrestricted intergovernmental revenues	1,062,900
Restricted intergovernmental revenues	394,175
Permits and fees	600,100
Sales and services	56,000
Investment earnings	400,000
Other revenues	515,371
Transfer from Capital Reserve Fund	3,487,102
Transfer from Capital Investment Fund	3,931,068
Sale of capital assets	20,000
Unassigned Fund Balance Appropriated	695,000
Total General Fund Revenues	<u>\$ 35,690,130</u>

SECTION I GENERAL FUND

Expenditures Authorized:

Governing Body	\$ 201,362
Bond Debt	4,311,102
Town Manager	2,074,494
Administrative Services	1,409,119
Information Technology	716,574
Legal Services	128,713
Planning and Development	1,513,784
Public Services Administration	744,538
Facilities Maintenance	2,692,694
Garage	545,678
State Street Aid - Powell Bill	335,000
Sanitation	2,253,281
Solid Waste Disposal	828,288
Streets and Stormwater	186,680
Police	4,885,855
Fire	5,149,221
Ocean Rescue	1,145,592
Transfer to Capital Reserve Fund	3,695,438
Transfer to Capital Investment Fund	2,722,717
Contingency	150,000
Total General Fund Expenditures	<u>\$ 35,690,130</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

Section II WATER FUND

Revenues Anticipated:	
Charges for utilities	\$ 4,520,250
Taps/connection fees	26,000
Non-payment fees	5,000
System development fees	25,000
Interest on investments	100,000
Penalties and interest	25,000
Septic loan repayments	38,500
Miscellaneous revenues	2,000
Transfer from Water Capital Reserve Fund	21,500
Appropriated Net Position	<u>310,104</u>
 Total Water Fund Revenues	 <u>\$ 5,073,354</u>
 Expenses Authorized:	
Administration	\$ 1,032,481
Septic Health Initiative	259,647
Water Operations	2,145,151
Water Distribution	1,561,075
Transfer to Water Capital Reserve Fund	25,000
Contingency	<u>50,000</u>
 Total Water Fund Expenses	 <u>\$ 5,073,354</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

Section III CAPITAL RESERVE FUND

Revenues Anticipated:	
Transfer from General Fund	\$ 3,695,438
Appropriations	<u>3,487,102</u>
Total Revenues	<u>\$ 7,182,540</u>
Expenditures Authorized:	
Transfer to General Fund	\$ 3,487,102
Contributions to Fund Balance	<u>3,695,438</u>
Total Expenditures	<u>\$ 7,182,540</u>

Section IV CAPITAL INVESTMENT FUND

Revenues Anticipated:	
Transfer from General Fund	\$ 2,722,717
Appropriations	<u>3,931,068</u>
Total Revenues	<u>\$ 6,653,785</u>
Expenditures Authorized:	
Transfer to General Fund	\$ 3,931,068
Contributions to Fund Balance	<u>2,722,717</u>
Total Expenditures	<u>\$ 6,653,785</u>

Section V WATER CAPITAL RESERVE FUND

Revenue Anticipated:	
Transfer from Water Fund	\$ 25,000
Appropriations/System development fees	<u>21,500</u>
Total Revenues	<u>\$ 46,500</u>
Expenses Authorized:	
Transfer to Water Fund	21,500
Contributions to Net Position	<u>\$ 25,000</u>
Total Expenses	<u>\$ 46,500</u>
TOTAL BUDGET FISCAL YEAR 2026-2027	<u>\$ 54,646,309</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

SECTION VI TAX RATES ESTABLISHED

A Town wide tax rate of twenty three and two tenths (\$.232) cents per hundred dollar valuation is hereby levied on all real estate, corporate utilities, and personal property in the Town of Nags Head as of January 1, 2026. The estimated valuation of said property is five billion, one hundred seventy eight million, seven hundred ninety three thousand, five hundred and three dollars (\$5,178,793,503). The estimated collection rate is ninety-nine and three quarters percent (99.75%). A tax rate of nine (\$.9) cents per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service districts 1 and 2 with an estimated value of one billion, seven hundred ninety million, two hundred sixty one thousand eight hundred ninety five dollars (\$1,790,261,895). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one (\$.01) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 4 with an estimated value of one billion one hundred eighty eight million, five hundred sixty three thousand, seven hundred forty five dollars (\$1,188,563,745). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one half (\$.005) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 3 with an estimated value of one billion, seven hundred seventy three million, two hundred eighty one thousand, one hundred twenty seven dollars (\$1,773,281,127). The estimated collection rate is ninety-nine and three quarters (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of twenty three and two tenths (\$.232) cents per hundred dollar valuation is hereby levied on all motor vehicle property in the Town of Nags Head as renewed throughout the State during the year. The estimated valuation of said property is seventy three million, four hundred sixty five thousand, seven hundred ninety six dollars (\$73,465,796). The estimated collection rate is hundred percent (100%). All estimated collection rates are based on the collection rates for the fiscal year ended June 30, 2026.

SECTION VII. SPECIAL AUTHORIZATION - BUDGET OFFICER

The Budget Officer shall be authorized to transfer amounts between objects of expenditures not adopted in the Capital Improvements Program (CIP) within a department without limitation and without a report being requested. The Budget Officer is authorized to reallocate appropriations between departments among the various objects of expenditures as (s)he believes necessary. Such changes shall be reported to the Finance Officer immediately and to the Governing Body at the next regular meeting or on the next succeeding monthly budget transfer report.

SECTION VIII. RESTRICTION-BUDGET OFFICER

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

Salary increases, beyond those set forth in the budget document, shall not exceed 5% without Board approval. Promotional or merit increase are excluded and shall be administered in accordance with the Personnel Policy. The use of appropriations established for Capital Reserve may be accomplished only with the approval of the Board.

Interfund transfers, not established in the budget document, may be accomplished only with prior authorization from the Board.

In case of emergency which threatens the lives, health, and safety of the public, the Town Manager may execute contractual documents and authorize expenditures in an amount necessary to meet the emergency so long as such amount does not exceed the amount in contingency accounts not to exceed \$125,000 and the expenditure is reported to the Board of Commissioners as soon as possible, and the appropriate budget amendments are submitted at the next regular meeting.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

SECTION IX - AUTHORIZATION TO EXECUTE CONTRACTUAL DOCUMENTS

The Town Manager, or in his absence his designee, is hereby authorized to execute contractual documents under the following conditions:

- (a) The Town Manager may execute contracts for: (1) Purchases or apparatus, supplies and materials, or equipment which are within budgeted department appropriations where formal bid is not required; (2) Leases of personal property for durations of one year or less which are within budgeted departmental appropriations; (3) Services and service contracts which are within budgeted departmental appropriations; and (4) formal bids involving purchase contracts, including rejecting bids and re-advertising to receive bids. This delegation can not be applied to construction or repair contracts.
- (b) The Town Manager may execute contracts, as the lessor or lessee of real property, which are of a duration of one year or less which are within budgeted departmental appropriations not to exceed an annual amount of \$20,000.
- (c) The Town Manager may execute contracts for design consultant services, where consultant fees are estimated to be less than \$50,000.
- (d) The Town Manager may execute contracts for construction or repair projects which do not require formal competitive bid procedures.
- (e) The Town Manager may execute change orders or amendments to construction contracts in amounts up to \$50,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
- (f) The Town Manager may execute grant agreements to or from public nonprofit organizations which are within budgeted appropriations unless the grantor organization requires execution by the Board of Commissioners.

SECTION X. UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This ordinance and the budget document shall be the basis of the financial plan for the Town of Nags Head, North Carolina Municipal Government during the 2026-2027 fiscal year. The Budget Officer shall administer the Budget and (s)he shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget. The Accounting Section shall establish records which are in accordance with the Budget and this Ordinance and the appropriate statutes of the State of North Carolina.

ADOPTED THIS 17th DAY OF **JUNE 2026**.

Benjamin Cahoon, Mayor

Attest:

Brittany A. Phillips, Town Clerk

Motion to Adopt by Commissioner

Motion Seconded By Commissioner

Vote _____ Ayes _____ Noes _____

Recorded in Minute Book _____, Page _____



ORDINANCE ESTABLISHING A CAPITAL INVESTMENT FUND

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



**TOWN OF NAGS HEAD
CAPITAL INVESTMENT FUND**

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

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

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

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

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

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

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

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

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

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

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

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

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

Adopted this 1st day of June 2022.


Benjamin Cahoon, Mayor
Town of Nags Head

ATTEST:


Carolyn F. Morris, Town Clerk





POLICIES

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

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

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

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

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

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

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



CAPITAL INVESTMENT FUND POLICY

Benjamin Cahoon
Mayor

Michael Siers
Mayor Pro Tem

Andy Garman
Town Manager



Town of Nags Head
Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

Kevin Brinkley
Commissioner

Bob Sanders
Commissioner

Megan Lambert
Commissioner

Board of Commissioners Policy

Capital Investment Fund Policy

Adopted: June 1, 2022

Amended: July 1, 2024

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

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

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

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

Responsible for Update: Finance Officer



DEBT POLICY

Benjamin Cahoon
Mayor

Michael Siers
Mayor Pro Tem

Andy Garman
Town Manager



Town of Nags Head
Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

M. Renée Cahoon
Commissioner

Kevin Brinkley
Commissioner

Bob Sanders
Commissioner

Board of Commissioners Policy

Debt Policy

Original Adoption date: June 1, 2022

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

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

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

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

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

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



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

Debt Affordability

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

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

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

Responsible for Update: Finance Officer



LEGAL DEBT LIMIT

The Town of Nags Head must manage its debt within the legal debt limitations established under NC General Statutes. In North Carolina, a municipality's general obligation debt is limited to 8% of the [appraised value of taxable property](#) located within the town. This statutory limit is intended to ensure that local governments maintain long-term financial stability and avoid assuming debt levels that could place excessive pressure on taxpayers or municipal operations. The town of Nags Head's statutory debt limitation on June 30, 2025, is \$252,855,205.

While the Town remains well within its legal debt capacity, existing debt obligations continue to have a direct impact on annual operations and financial planning. [Debt service payments](#) represent fixed annual expenditures that must be prioritized within the operating budget. As debt levels increase, a larger portion of recurring revenues must be allocated toward debt service rather than operating needs, capital, personnel, or service enhancements.

As the Town continues to invest in critical infrastructure, [planned and existing debt issuance](#) will place increasing pressure on the general fund. With revenues largely tied to the property tax base, increases in debt service can reduce financial and budgetary flexibility over time. Increasing debt obligations can place upward pressure on property tax rates or utility fees if revenue growth does not keep pace with operating and capital demands.

The Town continues to balance infrastructure investment needs with prudent financial management practices by monitoring debt affordability, maintaining adequate fund balance reserves, coordinating capital planning with long-term revenue projections, and evaluating the operational impacts of future borrowing before additional debt is issued. This approach helps preserve financial stability while continuing to support essential services and strategic infrastructure investments for the community.



FUND BALANCE POLICY

Benjamin Cahoon
Mayor

Michael Siers
Mayor Pro Tem

Andy Garman
Town Manager



Town of Nags Head
Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

M. Renée Cahoon
Commissioner

Kevin Brinkley
Commissioner

Bob Sanders
Commissioner

Board of Commissioners Policy

Fund Balance Policy

Original Adoption date: July 11, 2012

Adoption date: March 4, 2015

Amended: June 1, 2022

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

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

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

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

Responsible for Update: Finance Officer



CAPITAL ASSETS POLICY

**Town of Nags Head**

Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

Board of Commissioners Policy

Capital Assets

Adoption Date: March 5, 2003

Updated: June 4, 2003

Updated: March 1, 2017

Updated : March 14, 2018

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

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

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

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

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

Responsible for Update: Town Manager/ Finance Officer



CAPITAL IMPROVEMENT PROGRAM POLICY

Town of Nags Head
Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov



Administrative Policy

Capital Improvement Program

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

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

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



COMMUNITY PROFILE

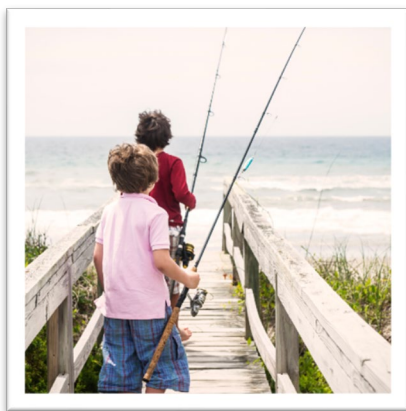
Brief Nags Head History

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

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



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



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

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



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



Geography

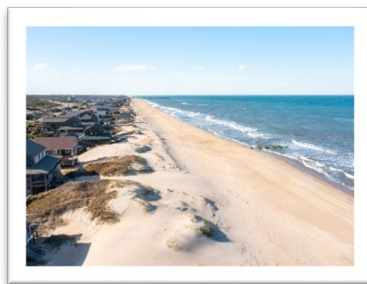
Nags Head is located on North Carolina's Outer Banks, a chain of barrier islands along the Atlantic Ocean, 90 miles south of Norfolk, Virginia. The town's 11 miles of oceanfront and 6.5 square miles of area are home to a year-round residential population of over 3,000 and a summer population of approximately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



Quick Facts



Year-round Population – 3,265
 Seasonal Population - 40,000 people per day
 Median Age –58.4 years old
 Per capita personal income - \$79,309
 Average unemployment rate (seasonally unadjusted) – 4.1%,
 higher than the State of North Carolina’s average of 3.6%. The
 town’s tourism-based economy experiences significant
 seasonality in rates.



Owner Occupied Houses:
 Median property value - \$656,000
 Average household size - 2.47



Total assessed valuation - \$5,252,259,299
 Net taxes levied - \$12,155,205
 Budgeted tax collection rate - 99.75 %

Principal Employers (in ranking order):

Dare County Schools
 Pitt County Memorial Hospital
 Food Lion
 Town of Nags Head
 Kitty Hawk Kites
 State of NC Department of Cultural Resources

Top Ten Property Taxpayers (in ranking order):

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



Government

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

Mission

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

Vision

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

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

Legacy

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



FUND BALANCE

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

	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimated
General Fund Unassigned Balance			
Beginning	8,562,014	7,995,703	7,798,162
Ending	7,995,703	7,798,162	8,599,617
Increase/(Decrease)	(566,311)	(197,541)	801,455
% Change	-6.61%	-2.47%	10.28%
Capital Reserve Restricted Fund Balance			
Beginning	6,890,779	8,049,196	11,324,474
Ending	8,049,196	11,324,474	2,385,952
Increase/(Decrease)	1,158,417	3,275,278	(8,938,522)
% Change	16.81%	40.69%	-78.93%
Capital Investment Restricted Fund			
Beginning	1,957,176	3,169,899	1,974,909
Ending	3,169,899	1,974,909	1,766,329
Increase/(Decrease)	1,212,723	(1,194,990)	(208,580)
% Change	61.96%	-37.70%	-10.56%
Beach Nourishment Maintenance			
Beginning	1,740,292	1,715,950	1,219,507
Ending	1,715,950	1,219,507	21,753,877
Increase/(Decrease)	(24,342)	(496,443)	20,534,370
% Change	-1.40%	-28.93%	1683.83%
Beach Nourishment Master Plan			
Beginning	914,592	936,991	808,234
Ending	936,991	808,234	844,543
Increase/(Decrease)	22,399	(128,757)	36,309
% Change	2.45%	-13.74%	4.49%
Capital Project Fund Committed Fund			
Beginning	12,072,329	3,067,290	200,460
Ending	3,067,290	200,460	-
Increase/(Decrease)	(9,005,039)	(2,866,830)	(200,460)
% Change	-74.59%	-93.46%	-100.00%
Water Fund Net Position			
Beginning	10,502,956	10,750,454	11,186,786
Ending	10,750,454	11,186,786	10,651,785
Increase/(Decrease)	247,498	436,332	(535,001)
% Change	2.36%	4.06%	-4.78%



Purpose of Fund Balance

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

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

Issues Concerning Fund Balance

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

Funds & Line Items

General Fund. The General Fund is the general operating fund of the town. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, grants, and various other taxes and licenses. The primary expenditures are for general government services, public safety, public works, streets and drainage, and environmental protection services. While the fund balance change is expected to be 10%, an increase is anticipated because outstanding purchase orders carried forward from the prior fiscal year, primarily for capital projects, contributed to a fund balance reduction in FY 2024-2025. However, because current-year carryforwards are lower, less fund balance will be restricted for encumbrances at year end. NC statute prohibits units of government from budgeting or spending a portion of their fund balance. The calculation provides a formula for determining what portion of fund balance is available for appropriation, and the



amount not available is restricted by State statute. Outstanding encumbrances are included within this calculation.

The town has two legally adopted capital reserve funds that are restricted for future capital projects. Capital reserve fund balances are expected to fluctuate year to year because these funds are designed to support long-term, irregular expenditures rather than steady, predictable operations. Unlike the general fund, capital reserve funds accumulate resources over time and then draw them down in larger amounts when major projects or equipment purchases occur. In years when revenues exceeds expenditures, the fund balance increases. Conversely, in years when significant capital projects are undertaken, expenditures may exceed annual revenues, resulting in a planned reduction of the fund balance. These fluctuations are a normal and intentional part of capital planning. They reflect the timing of project implementation, funding strategies (such as pay-as-you-go versus financing), and the Town's effort to smooth the financial impact of large capital costs over multiple years.

Capital Reserve Fund. This fund is a formalized savings mechanism within the General Fund to restrict fund balance for future capital purposes, including beach nourishment and community facilities and infrastructure. In 2026, \$12 million was transferred from the capital reserve fund to the beach nourishment maintenance capital project fund for beach nourishment maintenance construction.

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

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

Capital Project Fund –Beach Nourishment Maintenance. This fund is committed for the town's maintenance on beach nourishment restoration projects. This year the capital reserve fund contributed \$12 million towards the 2026 construction project, accounting for the increase.



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

Capital Project Fund. A single capital project fund may be used to account for multiple capital projects as long as the revenues and expenditures can be segregated for each project. The Public Service Complex project closed out in 2026. There are other grant-funded projects accounted for here for critical infrastructure. Because of the timing of grant reimbursements, the general fund will be making a transfer at the end of FY 2025-2026 to cover expenditures not reimbursed by the end of the fiscal year.

The town reports the following enterprise funds:

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

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

Water Capital Project Fund: – As described above, a single capital project fund (multi-year fund) may be used to account for multiple capital projects.

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

Budgetary Data

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



adopted for the Capital Reserve, Capital Investment, and Water Capital Reserve Funds, and a revised budget is amended as reserve funds have been used.

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

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

Estimated FY 2026 Fund Balance

The audited FY 2025 unassigned fund balance of 27% for the general fund exceeded our minimum policy of 25% of general fund expenditures, excluding bond debt. Per our policy, any fund balance above 35% gets transferred to the CIF following the audit. Based on our fund balance policy, we do not anticipate transferring funds to the CIF after completion of the 2026 audit because we believe our fund balance will be 30%.

The Capital Investment Fund was established in FY 2023 and maintains its own fund balance policy of 20%. It has proven to be a useful tool in planning for capital and debt as it allows for covering years with expenditures exceeding the town's contribution as long as we stay within policy. We believe we will be within 40% of fund balance policy at the end of fiscal year 2025-2026 and within 21% of policy for fiscal year 2026-2027.

Limited obligation bonds were issued in March 2023 for the Public Services Complex construction (budget as 80% general fund and 20% water fund debt service) and Advanced Metering Infrastructure (water fund). We have expended all our proceeds plus accrued interest on these projects, in compliance with arbitrage spending requirements.

REVENUE ASSUMPTIONS

Ad Valorem Tax: A property tax based on the assessed value of the property. For fiscal year 2026-2027, this is equivalent to its market value. In this line item, the town records both current and previous years property taxes, beach nourishment taxes and personal property taxes collected during the fiscal year.



The adopted budget for fiscal year 2027 does not include a tax increase. Per NC statute, the valuation date for the purpose of calculating the tax levy is January 1, 2026. The town-wide rate, tax rate is \$.232 per \$100 valuation. The town had an impressive 99.965% collection rate in 2025, however, for budgeting purposes, a 99.75% collection rate has been applied. With a tax base of \$5,252,259,299, this results in a net budgeted amount of \$12,155,205 for town-wide ad valorem and vehicle taxes. Of the ad valorem rate, \$.02 is restricted by the Board for beach nourishment.

The Municipal Service Districts (MSD's) taxes for the purpose of beach nourishment remain unchanged as well. With a total tax base of \$4,752,106,767, this results in a total levy of \$1,814,209 for MSD districts 1-4.

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

Dare County distributes occupancy, sales, and land transfer taxes using a formula based on our percentage of the total county-wide levy, therefore, these are collectively referred to as "shared revenues". These revenues are indicators of our tourism-driven economy. They are distributed based on the prior year's tax levy. An in-depth discussion of shared revenues has been included in the town manager's message. Because we anticipate revenues to be equal to the budget, projections were intentionally estimated conservatively to minimize the risk of mid-year shortfalls, ensuring expenditures can be supported throughout the fiscal year.

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

Unrestricted: These revenues may be used for any legal purpose appropriate to the town. Included in this category are utilities sales tax, telecommunications sales tax, excise taxes, solid waste disposal tax, cable franchise fees and PEG funds, beer and wine, and ABC revenue. Utility sales taxes represent the largest amount of unrestricted intergovernmental revenues and have been budgeted for the fiscal year 26/27 at \$850,000, a 4% increase over the prior year budget based on prudent estimates of actual revenues received in FY 2026.

Restricted: These revenues are received for a particular purpose. They are permanently restricted for that purpose and cannot be used for other expenses. Included in this category are grants. A full list of grants are outlined in the [Grant Funded Projects](#) section of this budget. The town expects to receive a total of \$394,175 in restricted



intergovernmental revenues in FY26/27. These grants include state funding for street improvements, and grants from NC DEQ for beach access improvements.

Permits & Fees: Predominantly consist of building permits, cart roll-back fees and beach driving permits. Items in this category are budgeted based on fee schedule changes as well as historical trends and information. For the fiscal year 26/27 budget, this category has less than a 1% or \$970 increase compared to the prior year, with revenues cautiously budgeted based on estimates of actual revenues received in FY 2026.

Sales & Services: Based on the fiscal year 2026 estimated revenue, a 20% or \$14,000 decrease is budgeted for dumpster and automated cart sales.

Investment Earnings: Investment earnings include the return earned on cash and investment balances. Interest is earned on the cash balances invested with the North Carolina Capital Management Trust (NCCMT) and other allowable investments. Investment earnings for the FY 2026-2027 budget are \$400,000 based on detailed revenue reports provided by our safekeeper, which holds the Town's investments and collects interest on our behalf.

Other Revenue: Revenues in this category include rents, contributions, special events, and other revenues that do not easily fit into other categories. With seasonal workforce housing for ocean guards complete, rent has been calculated for four months, July and August 2026 and May and June 2027. Through an interlocal agreement, \$100,000 is budgeted as the Outer Banks Visitors Bureau is making payments over ten years to purchase land jointly owned with the town. At the end of ten years, the Visitors Bureau will have paid in full 100% ownership. The Outer Banks Visitors Bureau has also agreed to reimburse the Town \$115,000 towards the installation of a traffic signal at the Event Site at this jointly owned property.

Other Finance Sources: Includes sale of capital assets, interfund transfers, and fund balance appropriations. For interfund transfers, a total of \$3,487,102 will be transferred from the Capital Reserve Fund for beach access improvements and debt service on the beach nourishment construction project, which is \$3,100,502. Capital outlay, debt service, and maintenance and repairs to capital assets total \$3,931,068 and will be transferred from the capital investment fund. Fund balance appropriation was used to balance this budget. This year, \$500,000 is appropriated from the unassigned fund balance and \$195,000 is appropriated from fund balance restricted for streets to pay for the entire FY 2026-2027 paving project using funding from the NC State Street Aid Program.



CONSOLIDATED FINANCIAL SCHEDULE

	General Fund	Capital Reserve Fund	Capital Investment Fund	Water Fund	Water Capital Reserve Fund	Total
Revenues Anticipated:						
Current year ad valorem taxes	\$ 10,951,595	\$ -	\$ -	\$ -	\$ -	\$ 10,951,595
Municipal Service District taxes	1,814,209	-	-	-	-	1,814,209
Current town wide beach nourishment ad valorem taxes	1,033,169	-	-	-	-	1,033,169
Penalties and interest	10,100	-	-	-	-	10,100
DMV Taxes	170,441	-	-	-	-	170,441
Other taxes and licenses	10,548,900	-	-	-	-	10,548,900
Unrestricted intergovernmental	1,062,900	-	-	-	-	1,062,900
Restricted intergovernmental	394,175	-	-	-	-	394,175
Permits and fees	600,100	-	-	-	-	600,100
Sales and services	56,000	-	-	4,601,250	-	4,657,250
Investment earnings	400,000	-	-	103,500	-	503,500
Other revenues	515,371	-	-	2,000	-	517,371
Total estimated revenues	<u>27,556,960</u>	<u>-</u>	<u>-</u>	<u>4,706,750</u>	<u>-</u>	<u>32,263,710</u>
Appropriations:						
General government	5,038,449	-	-	-	-	5,038,449
Public Safety	10,281,331	-	-	-	-	10,281,331
Public Services	3,526,856	-	-	-	-	3,526,856
Environmental Protection	2,673,569	-	-	-	-	2,673,569
Streets and Drainage	106,400	-	-	-	-	106,400
Contingency	150,000	-	-	50,000	-	200,000
Water operations	-	-	-	4,135,102	-	4,135,102
Capital outlay	1,918,230	-	-	395,602	-	2,313,832
Debt service:						-
Principal retirement	4,262,755	-	-	224,000	-	4,486,755
Interest and fees	1,314,385	-	-	213,650	-	1,528,035
Total appropriations	<u>29,271,975</u>	<u>-</u>	<u>-</u>	<u>5,018,354</u>	<u>-</u>	<u>34,290,329</u>
FY 2026-2027 Estimated revenues over (under) appropriations	<u>(1,715,015)</u>	<u>-</u>	<u>-</u>	<u>(311,604)</u>	<u>-</u>	<u>(2,026,619)</u>



	General Fund	Capital Reserve Fund	Capital Investment Fund	Water Fund	Water Capital Reserve Fund	Total
<i>Continued</i>						
Other financing sources (uses):						
Transfers from other funds:						
General Fund	-	3,695,438	2,722,717	-	-	6,418,155
Capital Reserve Fund	3,487,102	-	-	-	-	3,487,102
Capital Investment Fund	3,931,068	-	-	-	-	3,931,068
Water Capital Reserve Fund	-	-	-	21,500	-	21,500
Water Fund	-	-	-	-	25,000	25,000
Septic Loan Principal Paid	-	-	-	35,000	-	35,000
Transfers to other funds:						
General Fund	-	(3,487,102)	(3,931,068)	-	-	(7,418,170)
Capital Reserve Fund	(3,695,438)	-	-	-	-	(3,695,438)
Capital Investment Fund	(2,722,717)	-	-	-	-	(2,722,717)
Water Capital Reserve Fund	-	-	-	(25,000)	-	(25,000)
Water Fund	-	-	-	-	(21,500)	(21,500)
Septic Loans Provided	-	-	-	(30,000)	-	(30,000)
Sales of capital assets	20,000	-	-	-	-	20,000
Subscription-based information technology arrangements (SBITAs)						-
Appropriated fund balances	695,000	(208,336)	1,208,351	310,104	(3,500)	2,001,619
Total other financing sources (uses)	1,715,015	-	-	311,604	-	2,026,619
FY 2026-2027 Estimated revenues and other sources over appropriations and other uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Compiled by the staff of the Town of Nags Head administrative services department.



LONG-RANGE OPERATING FINANCIAL PLANS

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

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

Revenue Drivers (FY 2027 & FY 2028):

General Fund

Property Taxes – 2-cent ad valorem tax increase in FY 2027, generating over an additional \$1 million in the general fund; .01% increase for valuation.

Sales, Occupancy, Land Transfer Taxes - 0% increase, revenues are expected to remain steady and consistent with prior years, reflecting conservative and realistic forecasting.

Utilities Sales Tax – 2% increase, based on historical trends largely attributed to rising electricity prices and increased volatility in weather patterns, both of which can influence electricity consumption and taxable sales.

Water Fund

Water Utilities Sales – 0% increase to water utility sales.

Expense Drivers (FY 2027 & FY 2028):

Salary Increases –3% cost of living adjustment, annual within grade, merit, and career progression increases.

Health Insurance Increases – 8%, based on historical claims and increases projected by our health insurance broker.

Pension Increases -7%, based on North Carolina State Treasurer projections. Over the past five years, the Law Enforcement Officer and General employee contribution rates have had 31% and 25% increases, respectively. Factors such as salary growth, inflation, and longer life expectancy have increased actuarial assumptions over time, resulting in higher employer costs.

Operations - 1%, decrease due to costs shifting to capital outlay.



General Fund

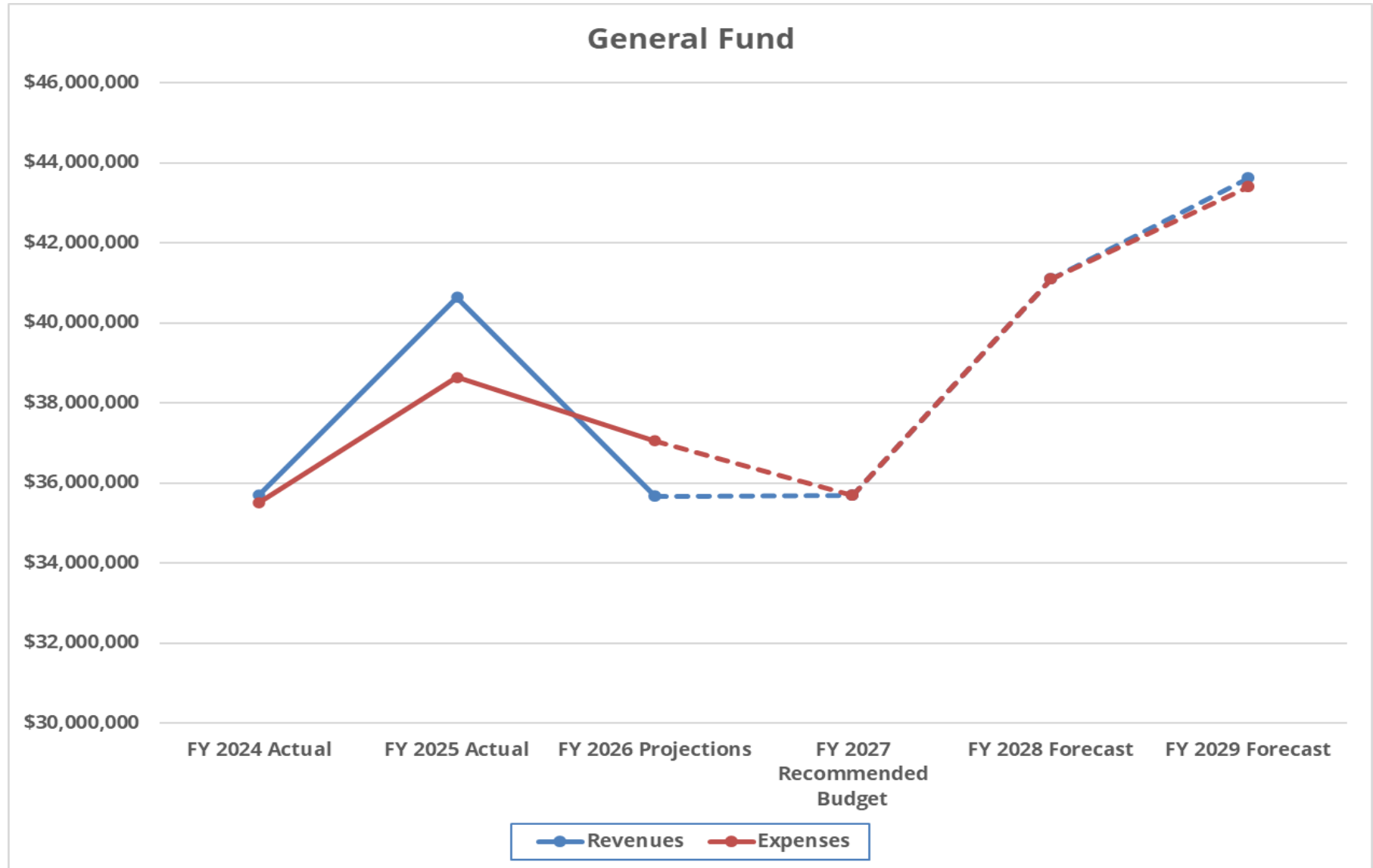
Capital Outlay and Debt Service – 8% increase, sources include the adopted CIP and include subscription assets, infrastructure and vehicle replacements.

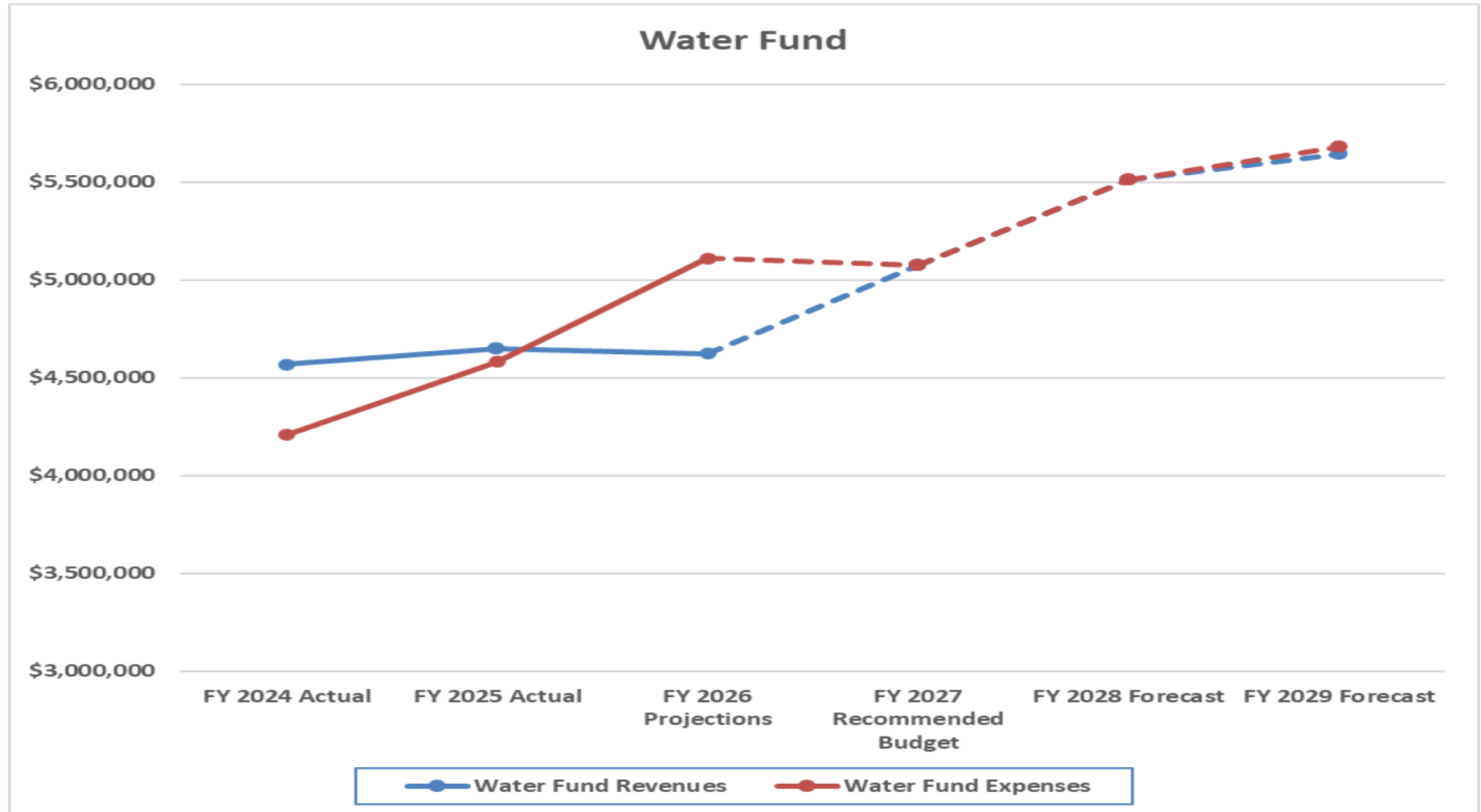
Interfund -

In FY 2027-2028 the town is expected to receive close to \$4 million in exchange for a conservation easement, selling its development rights on a piece of town-owned property to the state of NC. This grant has been budgeted to be transferred to the capital investment fund to be used towards capital expenditures and debt service in future years.

Water Fund

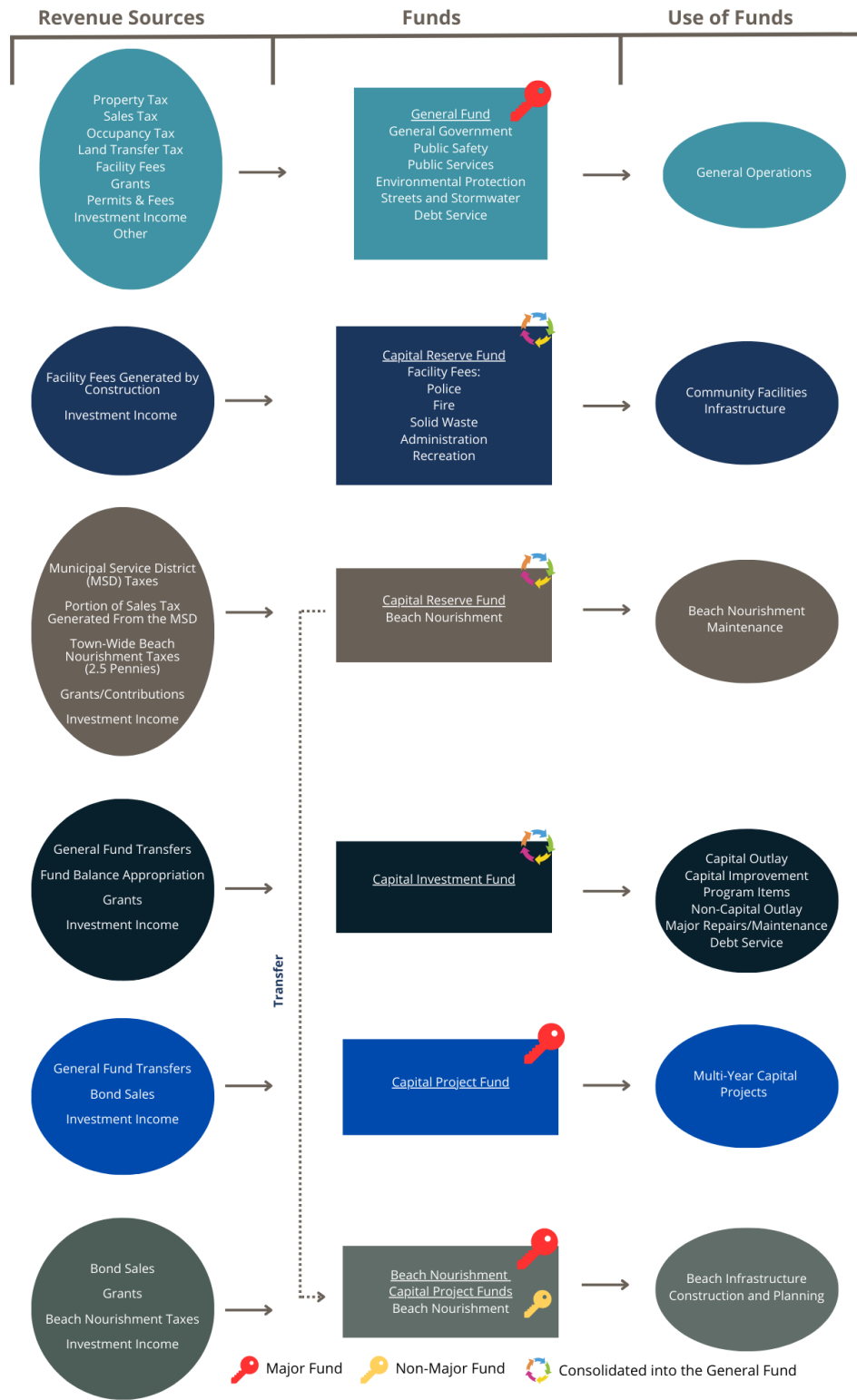
Capital outlay and debt service – in conjunction with the Town's streets, stormwater, and pedestrian plans, we are planning on replacing asbestos cement pipes (ACP) in four neighborhoods over the next five years. We have budgeted for the planning and design of two neighborhoods in FY 2027-2028. The debt service payment towards construction of one neighborhood is also budgeted in FY 2027-2028. The implementation of these ACP improvements is budgeted through FY 2030-2031.





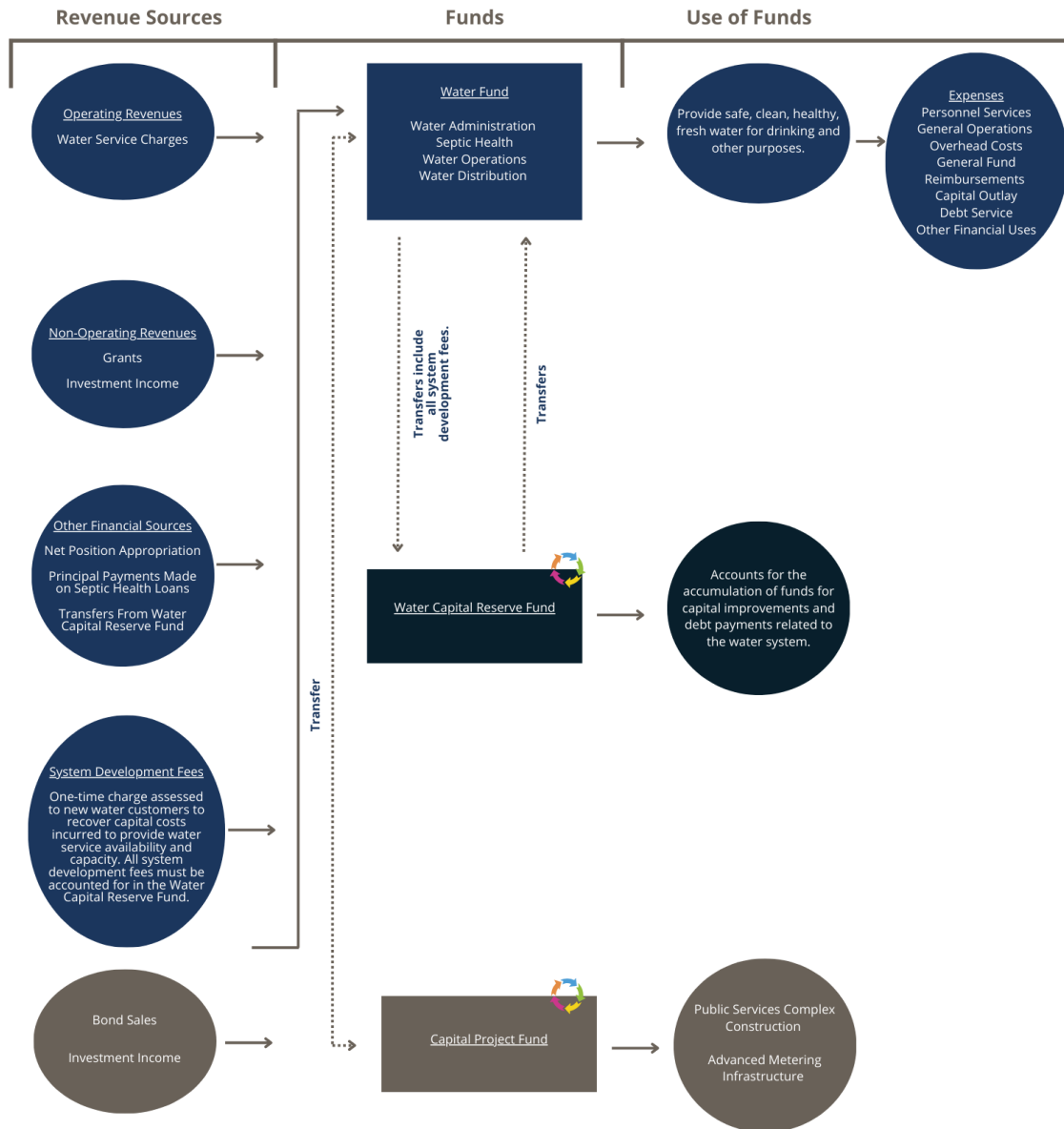


FLOW OF GOVERNMENTAL FUNDS





FLOW OF ENTERPRISE FUNDS



 Consolidated into the Water Fund



FUNCTIONAL UNITS' MATRIX

Functional Unit / Department	General Fund	Water Fund	Capital Investment Fund	Capital Projects Fund	Capital Reserve Fund
General Fund					
<i>Governmental Function</i>					
Governing Body	X				
Bond Debt	X		X		X
Town Manager	X		X		X
Legal	X				
Administrative Services	X		X		
Information Technology	X				
Planning and Development	X			X	X
<i>Public Safety Function</i>					
Police	X		X		
Fire and Ocean Rescue	X		X		
<i>Public Services Function</i>					
Public Services Administration	X		X		
Facilities Maintenance	X		X	X	X
Fleet Maintenance	X		X		
<i>Environmental Protection Function</i>					
Sanitation / Solid Waste	X		X		
<i>Streets and Stormwater Function</i>	x		X	X	
Water Fund					
Administration		X			
Septic Health		X			
Operations		X			
Distribution		X			X



HOW TO READ THE BUDGET DOCUMENT

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

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

Adopted budget for the new fiscal year.

Estimate of prior year final cost by category.

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

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

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

Audited data from the last two completed fiscal years.

Expenditures							
	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025
Personnel	685,912	609,041	609,041	685,750	668,576	644,592	1,019,632
Operations	492,228	536,210	525,210	492,255	506,786	475,695	859,337
Cost Reimbursement	-	(108,288)	(108,288)	-	(73,094)	(73,094)	(172,969)
Capital Investment Fund Transfers	-	-	-	-	-	-	-
Capital Outlay	1,000	33,000	-	-	12,855	12,855	91,947
Debt Service	11,088	-	-	-	-	-	159,893
Total	1,190,228	1,069,963	1,025,963	1,178,005	1,115,123	1,060,048	1,957,840

Includes principal and interest loan payments.

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

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

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

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

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

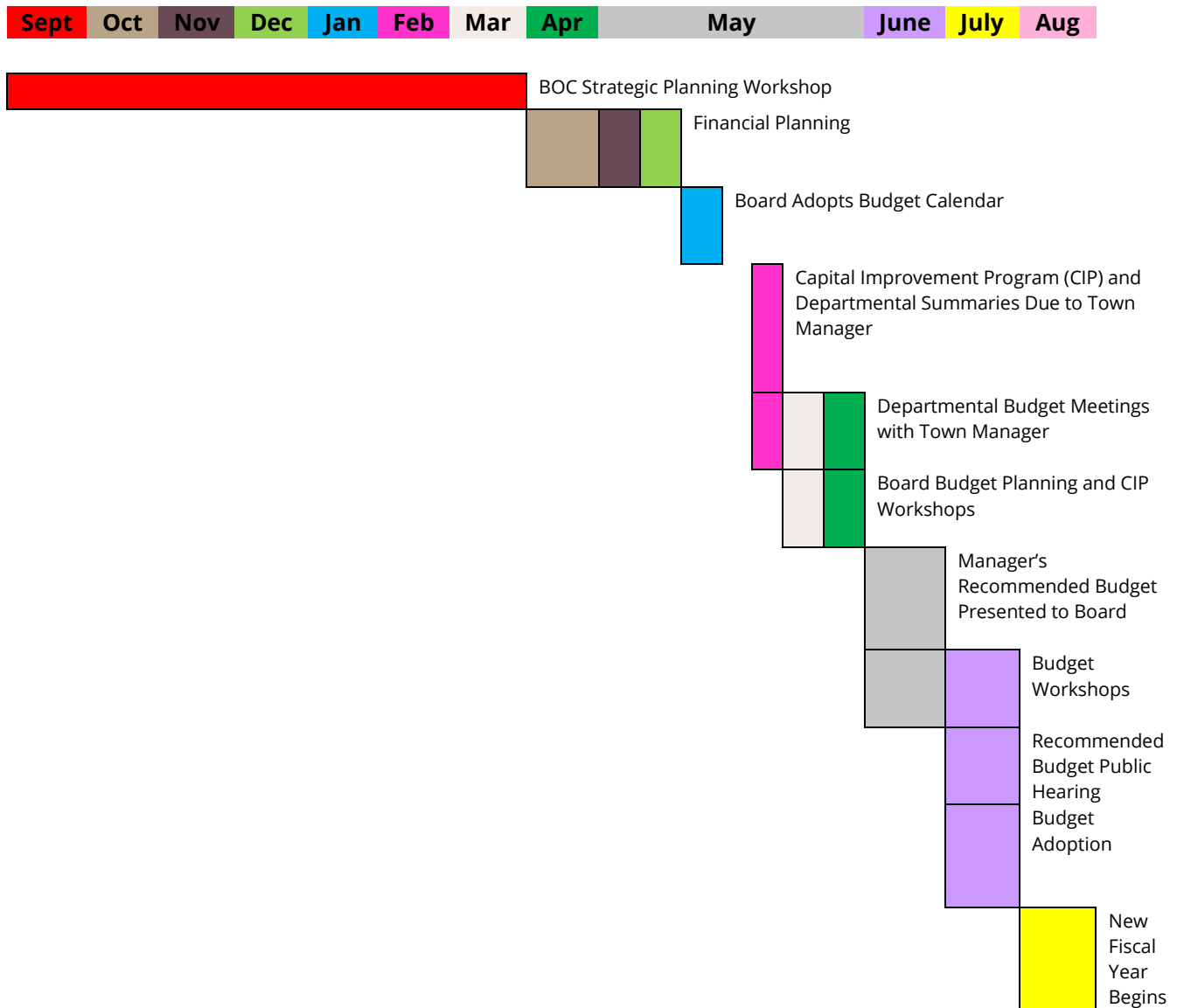
Revenues							
	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Revenues 2025-2026	Actual Revenues 2024-2025
General Revenues	10,901,532	9,980,557	9,980,557	9,161,401	9,161,401	9,690,324	9,199,976
Restricted	1,077,019	1,472,709	1,472,709	1,166,475	1,380,317	1,419,196	9,038,449
Permits and Fees	321,175	315,775	315,775	315,775	313,175	306,211	308,973
Sales and Services	65,000	57,525	57,525	65,000	56,834	106,977	65,191
Other Sources	4,934,945	5,266,876	5,266,876	5,333,588	6,657,680	4,704,678	21,627,126
Total	17,299,671	17,093,442	17,093,442	16,042,239	17,569,407	16,227,386	40,239,715

These revenues are directly related to departmental functions.

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



BUDGET PROCESS OVERVIEW



Basis of Budgeting

The budgetary basis is the method used to prepare and legally adopt our annual budget. For financial reporting, the modified accrual basis of accounting is used for governmental funds, and the full accrual basis is used in government-wide financial statements and enterprise funds, in accordance with generally accepted accounting principles (GAAP). The budgetary basis differs from GAAP accounting rules in the treatment of encumbrances as expenditures. Encumbered amounts are never classified as expenditures under the GAAP basis of accounting, while they are treated as expenditures under the budgetary basis of accounting. Under the GAAP basis of

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accounting used in the water fund, long-term debt proceeds, capital outlays, and debt service principal payments are not reported, but allocations for depreciation and amortization expense are recorded. The opposite is true under the budgetary basis of accounting. The budgetary basis differs from GAAP rules to better support operational control and legal compliance.

Overview

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

Revenues may be amended during the year and require board approval. Revenues from taxes levied may not be amended once the tax rate is set. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and at the object level for the multi-year funds. Appropriations are made at the departmental level and amended as necessary by the governing board. The town manager is authorized to transfer amounts between objects of expenditures within a department without limitation and without a report being requested; however, any revisions that alter total expenditures of any fund must be approved by the governing board.

Financial Capacity Phase

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

Policy/Strategy Phase

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



Citizen Engagement

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

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



PERSONNEL SUMMARY

Full Time Equivalent Personnel Summary - General Fund

	Adopted FY 2024-2025	Adopted FY 2025-2026	Existing FY 2025-2026	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Office of Town Manager	5.00	5.00	5.00	5.00	5.00
Administration					
Full Time	5.50	5.50	5.50	5.50	5.50
Part Time	1.00	1.00	1.00	1.00	1.00
Information Systems	1.00	1.00	1.00	1.00	1.00
Planning and Development					
Full Time	10.25	10.25	10.25	10.25	10.25
Seasonal	1.00	1.00	1.00	0.00	0.00
Part Time	0.00	0.00	0.00	1.00	1.00
Public Works					
Public Works Administration	3.50	3.50	3.50	3.50	3.50
Facility Maintenance	13.00	13.00	13.00	14.00	14.00
Garage	4.00	4.00	4.00	4.00	4.00
Sanitation, Full Time	10.00	10.00	10.00	10.00	10.00
Sanitation, Part Time	1.00	1.00	1.00	1.00	1.00
Public Safety					
Police	27.00	27.00	27.00	27.00	27.00
Fire	27.33	27.33	27.33	27.00	27.00
Ocean Rescue, Full Time	0.67	0.67	0.67	1.00	1.00
Ocean Rescue, Seasonal	25.00	25.00	25.00	25.00	25.00
Total, Full Time Equivalent	107.25	107.25	107.25	108.25	108.25
Total, Part Time	2.00	2.00	2.00	3.00	3.00
Total, Seasonal	26.00	26.00	26.00	25.00	25.00



Full Time Equivalent Personnel Summary - Water Fund

	Adopted FY 2024-2025	Adopted FY 2025-2026	Existing FY 2025-2026	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Water Administration	2.25	2.25	2.25	2.25	2.25
Septic Health	0.50	0.50	0.50	0.50	0.50
Water Operations	4.00	4.00	4.00	3.00	3.00
Water Distribution	5.00	5.00	5.00	6.00	6.00
Total, Full Time Equivalent	11.75	11.75	11.75	11.75	11.75



GRANT FUNDED PROJECTS

Project Funding Sources and Cost			
		Recommended FY 2026-2027	Financial Plan FY 2027-2028
<u>Outer Banks Visitors Bureau Grant</u>	<u>Total Project Cost:</u>	\$32,500	\$110,500
	<u>Funding Sources:</u>		
Pedestrian projects	Grant Revenue	-	\$50,000
	Local Funding	-	\$28,000
Fourth of July fireworks display	Grant Revenue	\$16,250	\$16,250
	Local Funding	\$16,250	\$16,250
<u>N.C. Department of Natural and Cultural Resources</u>	<u>Total Project Cost:</u>	-	\$3,883,016
	<u>Funding Sources:</u>		
Conservation easement - Nags Head Woods	Grant Revenue	-	\$3,883,016
	Local Funding	-	-
<u>NC Coastal Areas Management Grant</u>	<u>Total Project Cost:</u>	\$171,600	\$160,000
	<u>Funding Sources:</u>		
Glidden Street beach access walkover	Grant Revenue	\$134,925	-
	Local Funding	\$36,675	-
Grouse Street beach access walkover	Grant Revenue	-	\$120,000
	Local Funding	-	\$40,000
Total Grant Project Costs		\$204,100	\$4,153,516

CAPITAL IMPROVEMENT PROGRAM

Yellow highlights indicate items on the Adopted Fiscal Year 2025-2026 CIP Schedule															
Description General Fund	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	Capital Investment Fund Impact				FY 2032 And Beyond			Total Cost to Town (including interest)		
						FY 2027	FY 2028	FY 2029	FY 2030	FY 2031					
Town Manager:															
Conceptual design for a new fire station	2027	\$ 48,867	\$ -	\$ -	\$ 48,867	\$ 48,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,867	
Soundside boardwalk - Phase I design	2028	100,000	-	-	100,000	-	100,000	-	-	-	-	-	-	100,000	
Town Code/UDO recodification	2028	26,000	-	-	26,000	-	26,000	-	-	-	-	-	-	26,000	
Board of Commissioners building audio/visual equipment	2029	64,500	-	-	64,500	-	-	64,500	-	-	-	-	-	64,500	
Soundside boardwalk - Phase I construction	2029	500,000	500,000	-	500,000	-	-	-	-	-	-	-	-	-	
Soundside boardwalk - Phase II design	2029	100,000	-	-	100,000	-	-	100,000	-	-	-	-	-	100,000	
Soundside boardwalk - Phase II construction	2030	514,000	514,000	-	514,000	-	-	-	-	-	-	-	-	-	
		\$ 1,353,367	\$ 1,014,000	\$ -	\$ 1,353,367	\$ 48,867	\$ 126,000	\$ 164,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 339,367	
Admin. Services/Information Technology:															
Fiber build out - Dowdy Park and Bonnett Street	2029	\$ 52,800	\$ -	\$ -	\$ 52,800	\$ -	\$ -	\$ 52,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,800	
Budget cycle management software	2029	241,422	-	-	241,422	-	-	64,860	56,007	58,807	61,748			241,422	
		\$ 294,222	\$ -	\$ -	\$ 294,222	\$ -	\$ -	\$ 117,660	\$ 56,007	\$ 58,807	\$ 61,748	\$ -	\$ -	\$ 294,222	
Planning:															
Parks and recreation plan update	2027	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	
Public Services Administration:															
Carolista Dr./W. Soundside Rd.-west side multi-use path construction*	2027	\$ 1,688,935	\$ 750,000	\$ -	\$ 1,900,196	\$ 93,894	\$ 136,147	\$ 131,452	\$ 126,758	\$ 122,063	\$ 539,882	\$ -	\$ -	1,150,196	
E. Barnes St./Blue Jay St. pedestrian project	2028	78,000	50,000	-	78,000	-	28,000	-	-	-	-			28,000	
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St. multi-use path survey/design update	2029	20,000	-	-	20,000	-	-	20,000	-	-	-			20,000	
Villa Dunes Dr./S. Wrightsville Ave. pedestrian project	2029	152,500	68,750	-	152,500	-	-	83,750	-	-	-			83,750	
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St.-west side multi-use path construction*	2030	2,140,750	642,225	-	2,477,919	-	-	-	149,853	217,287	1,468,554			1,835,694	
W. Woodhill Dr. pedestrian project	2031	143,500	92,625	-	143,500	-	-	-	-	50,875	-			50,875	
S. Wrightsville Ave. pedestrian project	2031	628,250	281,625	-	628,250	-	-	-	-	346,625	-			346,625	
		\$ 4,851,935	\$ 1,885,225	\$ -	\$ 5,400,365	\$ 93,894	\$ 164,147	\$ 235,202	\$ 276,611	\$ 736,850	\$ 2,008,436	\$ -	\$ -	\$ 3,515,140	
Public Works Facilities Maintenance :															
Hargrove bath house design	2027	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	50,000	
Albatross Street beach access maintenance	2027	80,000	-	80,000	80,000	-	-	-	-	-	-			-	
Glidden Street beach access maintenance	2027	171,600	134,925	36,675	171,600	-	-	-	-	-	-			-	
Enclosed utility trailer	2027	13,000	-	-	13,000	13,000	-	-	-	-	-			13,000	
Town Hall elevator replacement*	2027	143,900	-	-	143,900	14,390	20,866	20,146	19,427	18,707	82,742			176,278	
Hargrove bath house construction	2028	852,500	826,250	-	852,500	-	26,250	-	-	-	-			26,250	
Barnes Street beach access maintenance	2028	115,000	-	115,000	115,000	-	-	-	-	-	-			-	
Grouse Street beach access maintenance	2028	160,000	120,000	40,000	160,000	-	-	-	-	-	-			-	
Flail mower	2028	150,000	-	-	150,000	-	150,000	-	-	-	-			150,000	
Town Hall generator replacement	2029	101,467	-	-	101,467	-	-	101,467	-	-	-			101,467	
Beach road multi-use path maintenance construction	2029	500,000	-	-	500,000	-	-	500,000	-	-	-			500,000	
Eighth Street beach access maintenance	2029	132,000	66,000	66,000	132,000	-	-	-	-	-	-			-	
Ida Street beach access maintenance	2029	80,000	-	80,000	80,000	-	-	-	-	-	-			-	
4x4 tractor	2029	230,000	-	-	230,000	-	-	230,000	-	-	-			230,000	
Tandem dump truck	2030	250,000	-	-	250,000	-	-	-	250,000	-	-			250,000	
Indigo Street beach access maintenance	2030	180,000	-	180,000	180,000	-	-	-	-	-	-			-	
Islington Street beach access maintenance	2030	85,000	-	85,000	85,000	-	-	-	-	-	-			-	
Grader	2030	267,000	-	-	267,000	-	-	-	267,000	-	-			267,000	
Forrest Street beach access maintenance	2031	150,000	-	150,000	150,000	-	-	-	-	-	-			-	
Loader	2031	350,000	-	-	350,000	-	-	-	-	350,000	-			350,000	
Sweep truck	2031	195,000	-	-	195,000	-	-	-	-	195,000	-			195,000	
		\$ 4,256,467	\$ 1,147,175	\$ 832,675	\$ 4,256,467	\$ 77,390	\$ 197,116	\$ 851,613	\$ 536,427	\$ 563,707	\$ 82,742	\$ -	\$ -	\$ 2,308,995	



Yellow highlights indicate items on the Adopted Fiscal Year 2025-2026 CIP Schedule

Description General Fund	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	Capital Investment Fund Impact							Total Cost to Town (including interest)	
						FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032 And Beyond			
Public Works Sanitation:														
Replacement front load truck	2027	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	
Replacement residential truck	2028	410,000	-	-	410,000	-	410,000	-	-	-	-	-	410,000	
Dump truck - 2.5 ton (addition to fleet)	2029	139,916	-	-	139,916	-	-	139,916	-	-	-	-	139,916	
Replacement knuckle boom/roll off truck	2029	275,000	-	-	275,000	-	-	275,000	-	-	-	-	275,000	
Replacement residential truck	2029	415,000	-	-	415,000	-	-	415,000	-	-	-	-	415,000	
Replacement residential truck	2030	415,000	-	-	415,000	-	-	-	415,000	-	-	-	415,000	
Replacement front load commercial dumpster truck	2031	415,500	-	-	415,500	-	-	-	-	415,500	-	-	415,500	
Replacement dump truck	2031	145,000	-	-	145,000	-	-	-	-	-	145,000	-	145,000	
Replacement residential truck	2032	415,000	-	-	415,000	-	-	-	-	-	415,000	-	415,000	
		\$ 3,030,416	\$ -	\$ -	\$ 3,030,416	\$ 400,000	\$ 410,000	\$ 829,916	\$ 415,000	\$ 560,500	\$ 415,000	\$ -	\$ 3,030,416	
Streets and Stormwater:														
Streets-Stormwater Year 7 paving-resurfacing east/west streets	2027	\$ 300,000	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Culvert cleaner	2027	115,280	-	-	115,280	115,280	-	-	-	-	-	-	115,280	
Streets-Stormwater Year 8 paving-Vista Colony neighborhood	2028	589,762	115,000	-	589,762	-	474,762	-	-	-	-	-	474,762	
Streets-Stormwater Year 9 paving-W. Villa Dunes Dr./W. Woodhill Dr.	2029	743,700	115,000	-	743,700	-	-	628,700	-	-	-	-	628,700	
Streets-Stormwater Year 6 paving-Juncos St. to southern corporate town limits/S. Colony South fire flow upgrade	2030	483,364	115,000	-	483,364	-	-	-	368,364	-	-	-	368,364	
Streets-Stormwater Year 10 paving-Links Dr./W. Seachase Dr./W. Baymeadow Dr. and connecting side streets	2031	715,000	115,000	-	715,000	-	-	-	-	600,000	-	-	600,000	
		\$ 2,947,106	\$ 760,000	\$ -	\$ 2,947,106	\$ 115,280	\$ 474,762	\$ 628,700	\$ 368,364	\$ 600,000	\$ -	\$ -	\$ 2,187,106	
Police:														
Drone	2027	\$ 14,870	\$ -	\$ -	\$ 14,870	\$ 14,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,870	
Subscription - CAD/Records Management System	2028	140,000	-	-	140,000	-	140,000	12,000	12,000	12,000	12,000	12,000	188,000	
Command vehicle	2029	395,000	395,000	-	-	-	-	-	-	-	-	-	-	
		\$ 549,870	\$ 395,000	\$ -	\$ 154,870	\$ 14,870	\$ 140,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ -	\$ 202,870	
Fire:														
Forcible entry training prop	2027	\$ 9,110	\$ -	\$ -	\$ 9,110	\$ 9,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,110	
Knox box key secure system	2027	39,300	-	-	39,300	39,300	-	-	-	-	-	-	39,300	
Pumper*	2029	1,448,807	-	-	1,448,807	-	-	178,693	178,693	178,693	1,250,847	-	1,786,926	
		\$ 1,497,217	\$ -	\$ -	\$ 1,497,217	\$ 48,410	\$ -	\$ 178,693	\$ 178,693	\$ 178,693	\$ 1,250,847	\$ -	\$ 1,835,336	
Contingency	2027	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	
Total General Fund Debt Payments and Capital Outlay						\$ 848,711	\$ 1,562,025	\$ 3,068,284	\$ 1,893,102	\$ 2,760,557	\$ 3,880,773	\$ -	\$ 13,763,452	

Costs are estimates
*ten years at 5%, payment in advance



Yellow highlights indicate items on the Adopted Fiscal Year 2025-2026 CIP Schedule												
Description Water Fund	Fiscal Year	Cash Cost	Grant		Total Cost	Water Fund Impact				FY 2031	FY 2032 And Beyond	Total Cost to Town (including interest)
			Funding			FY 2027	FY 2028	FY 2029	FY 2030			
Septic Health:												
Water quality data loggers	2029	\$ 93,100	\$ -	\$ -	\$ 93,100	\$ -	\$ -	\$ 93,100		\$ -	\$ -	\$ 93,100
Water Distribution:												
Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain extensions	2027	\$ 168,000	\$ -	\$ -	\$ 168,000	\$ 168,000		\$ -	\$ -	\$ -	\$ -	\$ 168,000
Vacuum trailer	2027	66,078	-	-	66,078	66,078	-	-	-	-	-	66,078
Vista Colony AC water main planning costs	2028	200,000	-	-	200,000	-	200,000		-	-	-	200,000
Back hoe loader	2028	175,000	-	-	175,000	-	175,000		-	-	-	175,000
Villa Dunes AC water main planning costs	2028	120,000	-	-	120,000	-	120,000		-	-	-	120,000
Vista Colony waterline replacements debt service*	2028	1,783,538	-	-	2,006,481	-	178,354	258,614	249,696	240,778	1,257,393	2,184,835
South Nags Head AC water main planning costs	2029	220,000	-	-	220,000	-	-	220,000		-	-	220,000
Villa Dunes Dr. 8" diameter water main installation	2029	825,000	-	-	825,000	-	-	825,000		-	-	825,000
Water system master plan update	2030	284,900	-	-	284,900	-	-	-	284,900		-	284,900
Old Nags Head cove water main replacements design	2030	235,000	-	-	235,000	-	-	-	235,000		-	235,000
South Nags Head water main replacements*	2030	1,708,630	-	-	1,708,630	-	-	-	170,863	247,751	1,674,458	2,093,072
Grouse to Glidden Street tie-in	2031	177,500	-	-	177,500	-	-	-	-	177,500	-	177,500
		\$ 5,963,646	\$ -	\$ -	\$ 6,186,589	\$ 234,078	\$ 673,354	\$ 1,303,614	\$ 940,459	\$ 666,029	\$ 2,931,851	\$ 6,749,385
Total Water Fund Debt Payments and Capital Outlay						\$ 234,078	\$ 673,354	\$ 1,396,714	\$ 940,459	\$ 666,029	\$ 2,931,851	\$ 6,842,485

Costs are estimates
*ten years at 5%, payment in advance



DEBT SCHEDULE

Description		Replace Year	Opening Principal	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	Fiscal Year 2030-2031	FY 2032 and Beyond
General Fund									
Special Obligation Bonds:									
Limited Obligation Bonds Series 2023-									
Public Services Complex - Principal	23/24	\$	12,404,000	\$ 656,000	\$ 656,000	\$ 652,000	\$ 652,000	\$ 652,000	\$ 7,824,000
Interest				554,600	521,800	489,000	456,400	423,800	2,542,800
Special Obligation Bonds Series 2026-									
Beach Nourishment - Principal	25/26		13,000,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	-
Interest				500,502	380,328	285,246	190,164	95,082	-
		\$	25,404,000	\$ 4,311,102	\$ 4,158,128	\$ 4,026,246	\$ 3,898,564	\$ 3,770,882	\$ 10,366,800
Town Manager:									
Workforce housing - Principal	24/25	\$	1,402,192	\$ 155,800	\$ 155,800	\$ 155,800	\$ 155,800	\$ 155,800	\$ 467,400
Interest				53,844	47,113	40,383	33,652	26,922	40,381
Town Hall Campus Master Plan-Fitness Center* - Principal	25/26		2,700,000	270,000	270,000	270,000	270,000	270,000	1,080,000
Interest		\$	4,102,192	115,797	102,930	90,311	77,198	64,332	128,769
				\$ 595,441	\$ 575,843	\$ 556,494	\$ 536,650	\$ 517,054	\$ 1,716,550
Administrative Services:									
Subscription - software - Principal	25/26	\$	76,779	\$ 10,631	\$ 11,510	\$ 12,445	\$ 12,413	\$ 13,445	\$ 14,406
Interest				658	342	-	654	275	-
				\$ 11,289	\$ 11,852	\$ 12,445	\$ 13,067	\$ 13,720	\$ 14,406
Public Works Administration:									
Carolista Dr./Soundside Rd.-west side multi-use path* -									
Principal	26/27	\$	938,935	\$ 93,894	\$ 93,894	\$ 93,894	\$ 93,894	\$ 93,894	\$ 469,468
Interest				-	42,253	37,558	32,864	28,169	70,414
W. Seachase Dr./W. Baymeadow Dr.-west side multi-use path*	29/30		1,498,525	-	-	-	149,853	149,853	1,198,824
Interest				-	-	-	-	67,434	269,730
		\$	2,437,460	\$ 93,894	\$ 136,147	\$ 131,452	\$ 276,611	\$ 339,350	\$ 2,008,436
Public Works Facilities Maintenance :									
Town Hall elevator - Principal	26/27	\$	143,900	\$ 14,390	\$ 14,390	\$ 14,390	\$ 14,390	\$ 14,390	\$ 71,950
Interest				-	6,476	5,756	5,037	4,317	10,793
Town Hall transfer switch - Principal	26/27		93,693	9,370	9,370	9,370	9,370	9,370	46,850
Interest				-	4,216	3,748	3,279	2,811	7,019
		\$	237,593	\$ 23,760	\$ 34,452	\$ 33,264	\$ 32,076	\$ 30,888	\$ 136,612
Police:									
Subscription - Record Management System - Principal	22/23	\$	49,766	\$ 10,183	\$ -	\$ -	\$ -	\$ -	\$ -
Interest				241	-	-	-	-	-
Subscription - In-Car/Body-Worn cameras - Principal	22/23		227,270	46,504	-	-	-	-	-
Interest				1,100	-	-	-	-	-
Subscription - License Plate Readers - Principal	25/26		70,795	34,917	-	-	-	-	-
Interest				1,083	-	-	-	-	-
Subscription - License Plate Readers - Principal	27/28		72,000	-	34,923	34,917	-	-	-
Interest				-	1,077	1,083	-	-	-
Subscription - In-Car/Body-Worn cameras - Principal	27/28		238,260	-	43,397	44,425	45,475	46,551	47,652
Interest				-	4,255	3,227	2,177	1,101	-
Subscription - Record Management System - Principal	27/28		77,245	-	14,070	14,403	14,744	15,092	15,449
Interest				-	1,379	1,046	705	357	-
		\$	735,336	\$ 94,028	\$ 99,101	\$ 99,101	\$ 63,101	\$ 63,101	\$ 63,101
Fire:									
Pumper - Principal	18/19	\$	697,620	\$ 73,361	\$ 74,718	\$ -	\$ -	\$ -	\$ -
Interest				2,740	1,383				
Pumper/Quint - Principal	21/22		1,358,079	133,544	137,256	141,072	144,994	149,025	153,167
Interest				23,882	20,170	16,354	12,432	8,401	4,259
4222 S. Croatan Highway - Principal	24/25		1,541,604	154,161	154,161	154,161	154,161	154,161	616,642
Interest				59,938	53,278	46,618	39,958	33,299	66,597
Pumper* - Principal	28/29		1,448,807	-	-	178,693	115,187	120,947	1,033,980
Interest				-	-	-	63,506	57,746	216,867
		\$	5,046,110	\$ 447,626	\$ 440,966	\$ 536,898	\$ 530,238	\$ 523,579	\$ 2,091,512
Total General Fund Debt Payments				\$ 5,577,140	\$ 5,456,489	\$ 5,395,900	\$ 5,350,307	\$ 5,258,574	\$ 16,397,417

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Description	Replace Year	Opening Principal	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	Fiscal Year 2030-2031	FY 2032 and Beyond
Water Fund								
Water Administration								
Limited Obligation Bonds Series 2023- Public Services Complex - Principal	23/24	\$ 3,101,000	\$ 164,000	\$ 164,000	\$ 163,000	\$ 163,000	\$ 163,000	\$ 1,956,000
Interest			138,650	130,450	122,250	114,100	105,950	635,700
Limited Obligation Bonds Series 2023- Advanced Metering Infrastructure - Principal	23/24	<u>1,605,000</u>	60,000	60,000	65,000	65,000	70,000	1,180,000
Interest			75,000	72,000	69,000	65,750	62,500	416,750
		\$ 4,706,000	\$ 437,650	\$ 426,450	\$ 419,250	\$ 407,850	\$ 401,450	\$ 4,188,450
Water Distribution:								
Vista Colony waterline replacements* - Principal	27/28	\$ 1,783,538	\$ -	\$ 178,354	\$ 178,354	\$ 178,354	\$ 178,354	\$ 1,070,124
Interest			-	-	80,260	71,342	62,424	187,269
South Nags Head waterline replacements*	29/30	<u>1,708,630</u>	-	-	-	170,863	170,863	1,366,904
Interest			-	-	-	-	76,888	307,554
		\$ 3,492,168	\$ -	\$ 178,354	\$ 258,614	\$ 420,559	\$ 488,529	\$ 2,931,851
Total Water Fund Debt Payments			\$ 437,650	\$ 604,804	\$ 677,864	\$ 828,409	\$ 889,979	\$ 7,120,301

Replacement costs are estimates
Estimated interest rate of 5% for:
*ten year payment in advance; possible cash down payment on some lessening future year lease payments

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

Description	Replace Year	Estimated Cost	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	Fiscal Year 2030-2031	FY 2032 and Beyond
Special Obligation Bonds:								
Limited Obligation Bonds Series 2023-Public Services Complex	23/24	\$ 12,404,000	\$ 1,210,600	\$ 1,177,800	\$ 1,141,000	\$ 1,108,400	\$ 1,075,800	\$ 10,366,800
Special Obligation Bonds Series 2026-Beach Nourishment	26/27	13,000,000	3,100,502	2,980,328	2,885,246	2,790,164	2,695,082	-
		\$ 25,404,000	\$ 4,311,102	\$ 4,158,128	\$ 4,026,246	\$ 3,898,564	\$ 3,770,882	\$ 10,366,800
Town Manager:								
Workforce housing	24/25	\$ 1,402,192	\$ 209,644	\$ 202,913	\$ 196,183	\$ 189,452	\$ 182,722	\$ 507,781
Town Hall Campus Master Plan-Fitness Center**	25/26	2,700,000	385,797	372,930	360,311	347,198	334,332	1,208,769
Conceptual design for a new fire station	26/27	48,867	48,867	-	-	-	-	-
Lakeside Street traffic signal	26/27	175,000	175,000	-	-	-	-	-
Soundside Event Site traffic signal	26/27	175,000	175,000	-	-	-	-	-
Soundside boardwalk - Phase I design	27/28	100,000	-	100,000	-	-	-	-
Board of Commissioners building audio/visual equipment	28/29	64,500	-	-	34,500	-	-	-
Soundside boardwalk - Phase I construction	28/29	500,000	-	-	500,000	-	-	-
Soundside boardwalk - Phase II design	28/29	100,000	-	-	100,000	-	-	-
Soundside boardwalk - Phase II construction	29/30	514,000	-	-	-	514,000	-	-
		\$ 5,779,559	\$ 994,308	\$ 675,843	\$ 1,190,994	\$ 1,050,650	\$ 517,054	\$ 1,716,550
Administrative Services:								
Subscription - software	25/26	\$ 76,779	\$ 11,289	\$ 11,852	\$ 12,445	\$ 13,067	\$ 13,720	\$ 14,406
Budget cycle management software	28/29	241,422	-	-	64,860	56,007	58,807	61,748
		\$ 318,201	\$ 11,289	\$ 11,852	\$ 77,305	\$ 69,074	\$ 72,527	\$ 76,154
Information Technology (IT):								
Fiber build out - Dowdy Park and Bonnett Street	28/29	\$ 52,800	\$ -	\$ -	\$ 52,800	\$ -	\$ -	\$ -
Planning:								
Pickup	27/28	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ -
Pickup	28/29	45,000	-	-	45,000	-	-	-
Pickup	29/30	45,000	-	-	-	45,000	-	-
		\$ 135,000	\$ -	\$ 45,000	\$ 45,000	\$ 45,000	\$ -	\$ -
Public Services Administration:								
Carolista Dr./Soundside Rd.-west side multi-use path*	26/27	\$ 1,688,935	\$ 843,894	\$ 136,147	\$ 131,452	\$ 126,758	\$ 122,063	\$ 539,882
Pickup	27/28	49,000	-	49,000	-	-	-	-
E. Barnes St./Blue Jay St. pedestrian project	27/28	78,000	-	78,000	-	-	-	-
Pickup	28/29	50,000	-	-	50,000	-	-	-
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St.-west side multi-use path design	28/29	20,000	-	-	20,000	-	-	-
Villa Dunes Drive pedestrian project	28/29	152,500	-	-	152,500	-	-	-
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St.-west side multi-use path construction*	29/30	2,140,750	-	-	-	792,078	217,287	1,468,554
W. Woodhill Dr. pedestrian project	30/31	143,500	-	-	-	-	143,500	-
S. Wrightsville Ave. pedestrian project	30/31	628,250	-	-	-	-	628,250	-
		\$ 4,950,935	\$ 843,894	\$ 263,147	\$ 353,952	\$ 918,836	\$ 1,111,100	\$ 2,008,436



Description	Replace Year	Estimated Cost	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	Fiscal Year 2030-2031	FY 2032 and Beyond
Public Works Facilities Maintenance :								
HVAC maintenance agreement	26/27	\$ 63,000	\$ 63,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000
Multi-use path repairs	26/27	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Hargrove bath house design	26/27	50,000	50,000	-	-	-	-	-
Albatross Street beach access maintenance**	26/27	80,000	80,000	-	-	-	-	-
Glidden Street beach access maintenance**	26/27	171,600	171,600	-	-	-	-	-
Mower	26/27	16,800	16,800	-	-	-	-	-
Enclosed utility trailer	26/27	13,000	13,000	-	-	-	-	-
Town Hall elevator replacement*	26/27	143,900	14,390	20,866	20,146	19,427	18,707	82,742
Town Hall transfer switch*	26/27	93,693	9,370	13,586	13,118	12,649	12,181	53,870
Barnes Street beach access maintenance**	27/28	115,000	-	115,000	-	-	-	-
Grouse Street beach access maintenance**	27/28	160,000	-	160,000	-	-	-	-
Flail mower	27/28	150,000	-	150,000	-	-	-	-
Pickup	27/28	47,000	-	47,000	-	-	-	-
Trailer	27/28	15,000	-	15,000	-	-	-	-
Equipment trailer	27/28	35,500	-	35,500	-	-	-	-
Beach road multi-use path maintenance	28/29	500,000	-	-	500,000	-	-	-
4x4 tractor	28/29	230,000	-	-	230,000	-	-	-
Town Hall generator replacement	28/29	101,467	-	-	101,467	-	-	-
Pickup	28/29	49,000	-	-	49,000	-	-	-
Mower	28/29	17,750	-	-	17,750	-	-	-
Eighth Street beach access maintenance**	28/29	132,000	-	-	132,000	-	-	-
Ida Street beach access maintenance**	28/29	80,000	-	-	80,000	-	-	-
Indigo Street beach access maintenance**	29/30	180,000	-	-	-	180,000	-	-
Grader	29/30	267,000	-	-	-	267,000	-	-
Pickup	29/30	50,500	-	-	-	50,500	-	-
Islington Street beach access maintenance**	29/30	85,000	-	-	-	85,000	-	-
Tandem dump truck	29/30	250,000	-	-	-	250,000	-	-
Forrest Street beach access maintenance**	30/31	150,000	-	-	-	-	150,000	-
Diesel truck	30/31	70,000	-	-	-	-	70,000	-
Loader	30/31	350,000	-	-	-	-	350,000	-
Sweep truck	30/31	195,000	-	-	-	-	195,000	-
		\$ 3,922,210	\$ 478,160	\$ 685,952	\$ 1,272,481	\$ 993,576	\$ 924,888	\$ 265,612
Public Works Garage:								
Diagnostic tool	26/27	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -

Description	Replace Year	Estimated Cost	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	Fiscal Year 2030-2031	FY 2032 and Beyond
Public Works Sanitation:								
Front Load Truck	26/27	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -
Roll off	26/27	8,000	8,000	-	-	-	-	-
Residential Truck	27/28	410,000	-	410,000	-	-	-	-
Dump Truck (new)	28/29	139,916	-	-	139,916	-	-	-
Knuckle Boom Truck	28/29	275,000	-	-	275,000	-	-	-
Residential Truck	28/29	415,000	-	-	415,000	-	-	-
Residential Truck	29/30	415,000	-	-	-	415,000	-	-
Pickup	29/30	45,000	-	-	-	45,000	-	-
Trailer	29/30	10,000	-	-	-	10,000	-	-
Front Load Truck	30/31	415,500	-	-	-	-	415,500	-
Dump Truck	30/31	145,000	-	-	-	-	145,000	-
		\$ 2,678,416	\$ 408,000	\$ 410,000	\$ 829,916	\$ 470,000	\$ 560,500	\$ -
Streets and Stormwater:								
Culvert cleaner	26/27	\$ 115,280	\$ 115,280	\$ -	\$ -	\$ -	\$ -	\$ -
Streets-Stormwater Year 8 paving-Vista Colony neighborhood	27/28	474,762	-	474,762	-	-	-	-
Streets-Stormwater Year 9 paving-W. Villa Dunes Dr./W. Woodhill Dr.	28/29	628,700	-	-	628,700	-	-	-
Streets-Stormwater Year 6 paving-Juncos St. to southern corporate town limits/S. Colony South fire flow upgrade	29/30	368,364	-	-	-	368,364	-	-
Streets-Stormwater Year 10 paving-Links Dr./w. Seachase Sr./W. Baymeadow Dr. and connecting side streets	30/31	600,000	-	-	-	-	600,000	-
		\$ 2,187,106	\$ 115,280	\$ 474,762	\$ 628,700	\$ 368,364	\$ 600,000	\$ -
State Street Aid (Powell Bill funding):								
Streets-Stormwater Year 7 paving-resurfacing east/west streets	26/27	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -
Streets-Stormwater Year 8 paving-Vista Colony neighborhood	27/28	115,000	-	115,000	-	-	-	-
Streets-Stormwater Year 9 paving-W. Villa Dunes Dr./W. Woodhill Dr.	28/29	115,000	-	-	115,000	-	-	-
Streets-Stormwater Year 6 paving-Juncos St. to southern corporate town limits/S. Colony South fire flow upgrade	29/30	115,000	-	-	-	115,000	-	-
Streets-Stormwater Year 10 paving-Links Dr./w. Seachase Sr./W. Baymeadow Dr. and connecting side streets	30/31	115,000	-	-	-	-	115,000	-
		\$ 760,000	\$ 300,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ 115,000	\$ -
Police:								
Subscription - Record Management System	22/23	\$ 49,766	\$ 10,424	\$ -	\$ -	\$ -	\$ -	\$ -
Subscription - In-Car/Body-Worn cameras	22/23	227,270	47,604	-	-	-	-	-
Subscription - License Plate Readers	25/26	70,795	36,000	-	-	-	-	-
Police Vehicles (3)	26/27	214,503	214,503	-	-	-	-	-
Drone	26/27	14,870	14,870	-	-	-	-	-
Subscription - License Plate Readers	27/28	72,000	-	36,000	36,000	-	-	-
Subscription - Record Management System	27/28	201,796	-	140,000	15,449	15,449	15,449	15,449
Subscription - In-Car/Body-Worn cameras	27/28	244,500	-	53,892	47,652	47,652	47,652	47,652
Police Vehicles (3)	27/28	210,561	-	210,561	-	-	-	-
Police Vehicles (3)	28/29	208,509	-	-	208,509	-	-	-
Police Vehicles (4)	29/30	278,012	-	-	-	278,012	-	-
		\$ 1,792,582	\$ 323,401	\$ 440,453	\$ 307,610	\$ 341,113	\$ 63,101	\$ 63,101



Description	Replace Year	Estimated Cost	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	Fiscal Year 2030-2031	FY 2032 and Beyond
Fire:								
Pumper	18/19	\$ 697,620	\$ 76,101	\$ 76,101	\$ -	-	\$ -	\$ -
Pumper/Quint	21/22	1,358,079	157,426	157,426	157,426	157,426	157,426	157,426
4222 S. Croatan Highway	24/25	1,541,604	214,099	207,439	200,779	194,119	187,460	683,239
Forcible entry training prop	26/27	9,110	9,110	-	-	-	-	-
Knox box key secure system	26/27	39,300	39,300	-	-	-	-	-
Pickup	26/27	56,650	56,650	-	-	-	-	-
Pumper	28/29	1,448,807	-	-	178,693	178,693	178,693	1,250,847
Pickup	29/30	70,000	-	-	-	70,000	-	-
		\$ 5,221,170	\$ 552,686	\$ 440,966	\$ 536,898	\$ 530,238	\$ 523,579	\$ 2,091,512
Ocean Rescue:								
Four-wheelers for beach patrol (3 replacements)	26/27	\$ 23,050	\$ 23,050	\$ -	\$ -	\$ -	\$ -	\$ -
Pickup	27/28	70,000	-	70,000	-	-	-	-
Wave Runner	27/28	16,676	-	16,676	-	-	-	-
Four-wheelers for beach patrol (2 replacements)	27/28	16,000	-	16,000	-	-	-	-
Pickup	28/29	47,895	-	-	47,895	-	-	-
Wave Runner	29/30	16,676	-	-	-	16,676	-	-
	30/31	-	-	-	-	-	-	-
		\$ 190,297	\$ 23,050	\$ 102,676	\$ 47,895	\$ 16,676	\$ -	\$ -
Contingency	26/27	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Transfer-Capital Project Fund - Hargrove bath house construction	27/28	\$ 26,250	\$ -	\$ 26,250	\$ -	\$ -	\$ -	\$ -
Total Transfers to the General Fund			\$ 8,418,170	\$ 7,900,029	\$ 9,534,797	\$ 8,867,091	\$ 8,308,631	\$ 16,638,166

Replacement costs are estimates
*ten years at 5%, payment in advance
**full or partial funding source is capital reserve fund



WATER FUND CAPITAL OUTLAY

Description	Replace Year	Estimated Cost	Fiscal Year 2026-2027	Fiscal Year 2027-2028	Fiscal Year 2028-2029	Fiscal Year 2029-2030	Fiscal Year 2030-2031	FY 2032 and Beyond
Water Operations:								
South Nags Head tower mixer	26/27	\$ 31,000	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ -
Eighth Street replacement pumps	26/27	27,500	27,500	-	-	-	-	-
SCADA computer replacements	26/27	16,500	16,500	-	-	-	-	-
Pickup	27/28	49,440	-	49,440	-	-	-	-
Eighth Street tower mixer	27/28	34,000	-	34,000	-	-	-	-
Gull Street ground tank mixer	28/29	38,000	-	-	38,000	-	-	-
		\$ 196,440	\$ 75,000	\$ 83,440	\$ 38,000	\$ -	\$ -	\$ -
Water Distribution:								
Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain	26/27	\$ 168,000	\$ 168,000	\$ -	\$ -	\$ -	\$ -	\$ -
Excavator	26/27	86,524	86,524	-	-	-	-	-
Vacuum trailer	26/27	66,078	66,078	-	-	-	-	-
Vista Colony water main planning costs	27/28	200,000	-	200,000	-	-	-	-
Villa Dunes water main planning costs	27/28	120,000	-	120,000	-	-	-	-
Back hoe loader	27/28	175,000	-	175,000	-	-	-	-
Pickup	27/28	49,440	-	49,440	-	-	-	-
Air compressor	28/29	39,000	-	-	39,000	-	-	-
Villa Dunes Dr. 8" diameter water main line	28/29	825,000	-	-	825,000	-	-	-
South Nags Head water main planning costs	28/29	220,000	-	-	220,000	-	-	-
Old Nags Head cove water main replacements design	29/30	235,000	-	-	-	235,000	-	-
Water system master plan update	29/30	284,900	-	-	-	284,900	-	-
Trailer	29/30	5,000	-	-	-	5,000	-	-
Pickup	29/30	55,000	-	-	-	55,000	-	-
Grouse to Glidden Street tie-in	30/31	177,500	-	-	-	-	177,500	-
Pickup	30/31	50,380	-	-	-	-	50,380	-
		\$ 2,756,822	\$ 320,602	\$ 544,440	\$ 1,084,000	\$ 579,900	\$ 227,880	\$ -
Septic Health:								
Water quality data loggers	28/29	\$ 93,100	\$ -	\$ -	\$ 93,100	\$ -	\$ -	\$ -
Total Water Fund Capital Outlay			\$ 395,602	\$ 627,880	\$ 1,122,000	\$ 579,900	\$ 227,880	\$ -

Replacement costs are estimates



GENERAL FUND SUMMARY

REVENUES AND EXPENDITURES SUMMARY

Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual 2025-2026	Actual 2024-2025	Actual 2023-2024
REVENUES								
Ad Valorem Taxes	\$ 15,042,493	\$ 13,979,514	13,979,514.00	\$ 13,317,615	\$ 13,317,615	\$ 14,001,269	\$ 12,106,637	\$ 12,037,602
Other Taxes & Licenses	10,548,955	10,548,900	10,548,900.00	10,592,350	10,592,350	10,586,764	10,756,634	10,230,266
Unrestricted Intergovernmental	1,081,500	1,062,900	1,062,900.00	1,427,900	1,427,900	1,057,511	1,197,491	1,085,828
Restricted Intergovernmental	4,288,266	394,175	394,175.00	621,398	1,183,185	721,433	2,147,498	1,992,912
Permits & Fees	649,475	600,100	600,100.00	599,130	599,130	621,821	702,674	694,374
Sales & Services	62,000	56,000	56,000.00	70,000	70,000	62,259	71,555	78,450
Investment Earnings	400,000	400,000	400,000.00	250,000	250,000	350,000	404,270	725,384
Other Revenue	445,948	515,371	515,371.00	374,098	639,099	652,231	406,678	443,859
Other Finance Sources	8,571,743	9,763,910	8,133,170.00	4,828,180	9,915,603	7,614,593	12,844,322	8,423,142
TOTAL	\$ 41,090,380	\$ 37,320,870	\$ 35,690,130	\$ 32,080,671	\$ 37,994,882	\$ 35,667,881	\$ 40,637,759	\$35,711,817
EXPENDITURES								
Interfund	\$ 10,752,095	\$ 6,568,155	6,568,155.00	\$ 7,059,909	\$ 7,828,982	\$ 7,817,283	\$ 9,395,967	\$ 10,361,528
Governing Body	213,566	201,362	201,362.00	206,517	206,517	183,980	162,757	199,338
Bond Debt	4,158,128	4,311,102	4,311,102.00	1,243,400	1,243,400	1,243,400	1,276,200	3,086,300
Town Manager	1,802,349	2,074,494	2,074,494.00	1,696,903	5,278,853	5,191,567	2,114,210	966,186
Administrative Services	1,436,432	1,471,471	1,409,119.00	1,764,501	1,772,801	1,353,374	1,214,735	1,129,300
Information Technology	692,693	769,374	716,574.00	847,248	656,042	635,456	538,819	575,467
Legal	128,713	128,713	128,713.00	130,657	138,157	123,869	123,017	68,672
Planning	1,561,894	1,543,784	1,513,784.00	1,312,483	1,499,407	1,427,366	1,713,783	1,259,932
Public Services Administration	944,587	775,738	744,538.00	718,787	1,119,587	1,069,857	559,318	672,003
Public Works Facilities	2,924,891	3,173,178	2,692,694.00	2,538,433	2,803,142	2,870,393	3,726,963	3,678,968
Public Works Garage	557,865	545,678	545,678.00	499,964	499,964	498,651	457,008	407,264
Street Aid	150,000	335,000	335,000.00	150,000	197,145	179,038	72,646	120,171
Public Works Sanitation	2,313,884	2,689,601	2,253,281.00	2,394,221	2,396,586	2,291,811	2,302,021	2,160,757
Public Works Solid Waste	828,288	860,260	828,288.00	828,148	828,148	782,117	799,199	797,479
Streets and Stormwater	549,312	521,755	186,680.00	203,730	652,682	640,896	1,816,981	1,092,599
Police	5,630,896	4,934,507	4,885,855.00	4,608,327	4,648,416	4,576,219	4,261,199	4,145,576
Police - Drug Forfeitures	-	-	-	-	23,500	23,500	23,400	1,175
Fire	5,206,362	5,271,107	5,149,221.00	4,899,619	5,212,563	5,198,244	7,110,681	3,805,376
Ocean Rescue	1,238,426	1,145,592	1,145,592.00	977,825	988,990	946,876	974,763	983,942
TOTAL	\$ 41,090,380	\$ 37,320,871	35,690,130.00	\$ 32,080,672	\$ 37,994,882	\$ 37,053,896	\$ 38,643,668	\$35,512,034



REVENUES

	Financial Plan 2027-2028	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Revenues 2025-2026	Actual Revenues 2024-2025	Actual Revenues 2023-2024
AD VALOREM TAXES							
AD VALOREM REVENUES CURRENT	\$ 11,996,749	\$ 10,951,595	\$ 10,463,087	\$ 10,463,087	\$ 10,963,521	\$ 9,432,897	\$ 9,399,222
AD VALOREM TAXES PRIOR YEARS	-	-	-	-	1,353	-	2
AD VALOREM REVENUES SOB/MSD CURRENT	1,809,872	1,808,064	1,696,525	1,696,525	1,807,570	1,647,962	1,642,346
CURRENT TOWNWIDE BEACH NOURISH	1,034,202	1,033,169	987,084	987,084	1,033,962	772,367	769,836
PRIOR YR TOWNWIDE BEACH NOURISH	-	-	-	-	109	-	-
TAX PENALTIES/INTEREST	9,000	9,000	9,000	9,000	13,136	10,918	10,976
DMV REVENUES CURRENT	185,319	170,441	155,150	155,150	174,045	231,622	205,617
DMV SOB/MSD CY REVENUES	6,151	6,145	5,669	5,669	6,264	8,615	7,838
DMV INTEREST	1,200	1,100	1,100	1,100	1,309	2,256	1,765
Subtotal Ad Valorem Taxes	\$ 15,042,493	\$ 13,979,514	\$ 13,317,615	\$ 13,317,615	\$ 14,001,269	\$ 12,106,637	\$ 12,037,602
OTHER TAXES & LICENSES							
OCCUPANCY TAXES	\$ 4,402,000	\$ 4,402,000	\$ 4,569,000	\$ 4,569,000	\$ 4,578,223	\$ 4,694,231	\$ 4,673,981
LAND TRANSFER TAXES	1,078,000	1,078,000	1,112,000	1,112,000	1,077,970	1,158,115	1,009,498
LOCAL GOVT SALES TAX	2,997,000	2,997,000	2,910,000	2,910,000	2,923,000	2,921,984	2,700,798
ONE HALF SALES TAX (40)	688,000	688,000	647,000	647,000	653,201	643,521	584,889
ONE HALF SALES TAX (42)	1,308,000	1,308,000	1,279,000	1,279,000	1,257,612	1,265,803	1,182,603
ONE HALF SALES TAX (44)	-	-	-	-	(16)	-	(61)
BUSINESS LICENSE REVENUES	1,855	1,800	1,800	1,800	2,148	1,955	1,815
BUSINESS REGISTRATION FEES	17,750	17,750	17,750	17,750	22,754	19,350	19,050
PRIVILEGE LICENSE PENALTIES	2,800	2,800	2,800	2,800	5,648	4,050	2,825
MIXED BEVERAGE TAX	53,550	53,550	53,000	53,000	66,225	47,625	54,868
Subtotal Other Taxes and Licenses	\$ 10,548,955	\$ 10,548,900	\$ 10,592,350	\$ 10,592,350	\$ 10,586,764	\$ 10,756,634	\$ 10,230,266
UNRESTRICTED INTERGOVERNMENTAL							
UTILITIES SALES TAX	\$ 868,000	\$ 850,000	\$ 815,000	\$ 815,000	\$ 868,000	\$ 987,218	\$ 865,982
TELECOMMUNICATIONS SALES TAX	18,000	18,000	18,000	18,000	18,000	18,558	19,385
NATURAL GAS TAX	5,500	5,000	5,000	5,000	4,989	12,103	6,004
SOLID WASTE DISPOSAL TAX	2,500	2,400	2,400	2,400	2,214	2,489	2,524
VIDEO PROGRAMMING TAX	86,000	86,000	86,000	86,000	74,000	83,917	93,341
VIDEO PROGRAMMING TAX-PEG FUNDS	58,000	58,000	58,000	58,000	45,744	51,871	51,530
SALES AND USE TAX REIMBURSEMENT	-	-	400,000	400,000	-	-	-
BEER AND WINE	14,500	14,500	14,500	14,500	13,000	12,894	15,760
ABC REVENUE	29,000	29,000	29,000	29,000	31,563	28,440	31,302
Subtotal Unrestricted Intergovernmental	\$ 1,081,500	\$ 1,062,900	\$ 1,427,900	\$ 1,427,900	\$ 1,057,511	\$ 1,197,491	\$ 1,085,828



Account Description	Financial Plan 2027-2028	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Revenues 2025-2026	Actual Revenues 2024-2025	Actual Revenues 2023-2024
RESTRICTED INTERGOVERNMENTAL							
STATE STREET AID/POWELL BILL	150,000	150,000	150,000	150,000	158,408	159,955	146,696
FEMA GRANT	-	-	-	-	-	-	74,466
DEPARTMENT OF JUSTICE GRANT	-	-	-	-	-	-	843
HOMELAND SECURITY GRANT	-	-	-	-	-	-	9,713
NATIONAL FISH AND WILDLIFE GRANT	-	-	-	-	-	-	14,219
DRUG ENFORCEMENT SHARED REVENUE	-	-	-	-	-	-	5,246
DRUG ENFORCEMENT FED FUNDS	-	-	-	-	-	-	32,103
US DEPARTMENT OF TREASURY GRANT	-	-	-	-	-	-	92,690
VISITORS BUREAU GRANT	66,250	16,250	65,000	354,224	127,000	74,227	358,400
GOVERNMENT ACCESS CHANNEL GRANT	5,000	5,000	5,000	5,000	5,000	5,000	5,000
WELLNESS GRANT	-	-	-	-	-	4,479	7,170
TRILLIUM GRANT	-	-	-	83,520	83,520	-	-
NC DEPT NATURAL AND CULTURAL RESOURCES	3,883,016	-	-	68,100	14,000	-	-
NC DEQ GRANTS	-	-	135,730	180,673	292,839	1,094,093	103,200
NC COASTAL AREAS MANAGEMENT GRANT	120,000	134,925	207,668	207,668	-	-	204,500
NC PARKS AND REC GRANT	-	-	-	100,000	-	-	-
GOLDEN LEAF GRANT	-	-	-	-	-	353,096	250,000
NC DEPARTMENT OF COMMERCE	-	-	-	-	-	391,982	-
CONTRIBUTION FROM DARE COUNTY	24,000	48,000	24,000	-	-	24,000	648,000
NC GRANT- SCHOOL RESOURCE OFFICER	36,000	36,000	30,000	30,000	36,666	36,666	36,666
CONTRIBUTIONS - FIRE RANGE	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Subtotal Restricted Intergovernmental	\$ 4,288,266	\$ 394,175	\$ 621,398	\$ 1,183,185	\$ 721,433	\$ 2,147,498	\$ 1,992,912



Account Description	Financial Plan 2027-2028	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Revenues 2025-2026	Actual Revenues 2024-2025	Actual Revenues 2023-2024
PERMITS & FEES							
AUTOMOBILE LICENSES	\$ 1,000	\$ 1,000	\$ 880	\$ 880	\$ 2,068	\$ 999	\$ 1,755
BEACH DRIVING PERMITS	21,000	21,000	21,000	21,000	21,052	22,952	25,902
BUILDING PERMITS	275,000	250,000	250,000	250,000	269,835	287,363	248,075
CAMA PERMITS	3,200	3,200	3,000	3,000	4,462	3,200	3,900
MINOR PERMIT REIMBURSEMENT NC	3,300	3,250	3,250	3,250	2,887	3,295	3,800
CART ROLL BACK FEE	250,525	227,750	227,750	227,750	229,200	230,900	226,250
REVIEW FEES	15,000	15,000	14,850	14,850	28,417	13,200	36,910
INITIAL ALARM FEES	-	-	-	-	-	-	50
RENEWAL ALARM FEES	25	25	25	25	-	50	75
ADMIN FACILITY FEE	10,000	10,000	10,000	10,000	9,351	43,278	8,426
FIRE FACILITY FEE	10,000	10,000	10,000	10,000	5,169	11,643	2,605
POLICE FACILITY FEE	10,000	10,000	10,000	10,000	5,182	16,880	2,623
SANITATION FACILITY FEE	10,000	10,000	10,000	10,000	4,374	7,542	1,412
RECREATION FACILITY FEE	10,000	10,000	10,000	10,000	6,674	31,174	4,862
FIRE NEW CONSTRUCTION FEES	300	300	300	300	670	375	900
FIRE TENT FEE	1,575	1,575	1,575	1,575	850	975	2,025
FIRE HYDRANT TESTING FEES	750	500	500	500	172	750	500
PIT FIRE FEES	16,000	15,000	15,000	15,000	13,967	12,990	17,440
COURT COST, FEES, CHARGES	2,800	2,700	2,700	2,700	3,901	3,928	2,759
CIVIL PENALTIES	-	-	-	-	-	-	95,500
CIVIL PENALTIES PUBLIC SAFETY	4,000	3,800	3,800	3,800	5,888	4,450	4,450
CROWD GATHERING PERMIT FEE	5,000	5,000	4,500	4,500	7,704	6,730	4,155
Subtotal Permits & Fees	\$ 649,475	\$ 600,100	\$ 599,130	\$ 599,130	\$ 621,821	\$ 702,674	\$ 694,374
INVESTMENT EARNINGS							
INTEREST ON CASH/INVESTMENTS	\$ 400,000	\$ 400,000	\$ 250,000	\$ 250,000	\$ 350,000	\$ 404,270	\$ 725,384



Account Description	Financial Plan 2027-2028	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Revenues 2025-2026	Actual Revenues 2024-2025	Actual Revenues 2023-2024
OTHER REVENUE							
RENTS	\$ 289,000	\$ 247,000	\$ 220,727	\$ 220,727	\$ 240,705	\$ 336,516	\$ 271,703
PURCHASE DISCOUNTS	4,000	3,500	3,500	3,500	3,870	10,550	6,351
CONTRIBUTIONS	100,000	215,000	100,000	365,000	365,000	-	100,000
CONTRIBUTIONS FIRE/RESCUE	6,186	6,185	6,185	6,186	6,186	15,848	9,971
DONATIONS - ADOPT A BENCH	-	-	-	-	-	-	5,150
MISCELLANEOUS REVENUES	14,412	13,686	13,686	13,686	8,853	8,929	17,089
MISC REVENUES - RECYCLABLES	10,000	8,000	8,000	8,000	9,107	13,550	8,220
SPONSORSHIPS	-	-	-	-	-	1,300	3,000
SPECIAL EVENTS	22,350	22,000	22,000	22,000	18,510	19,985	22,375
Subtotal Other Revenue	\$ 445,948	\$ 515,371	\$ 374,098	\$ 639,099	\$ 652,231	\$ 406,678	\$ 443,859
SALES & SERVICES							
SALE OF MATERIALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300
SALE OF DUMPSTERS	30,000	26,000	45,000	45,000	29,350	41,920	49,435
SALE OF AUTOMATED CARTS	32,000	30,000	25,000	25,000	32,909	29,635	28,355
SALE OF SIGNS	-	-	-	-	-	-	360
Subtotal Sales & Services	\$ 62,000	\$ 56,000	\$ 70,000	\$ 70,000	\$ 62,259	\$ 71,555	\$ 78,450
OTHER FINANCE SOURCES							
PROCEEDS FROM LOAN	\$ -	-	-	2,700,000	2,700,000	2,943,796	-
TRANSFERS CAP RESERVE FUND	3,255,328	3,487,102	365,958	365,958	275,600	141,392	2,790,923
TRANSFERS CAPITAL INVESTMENT FUND	4,398,910	3,931,068	4,075,176	4,356,502	4,455,631	7,440,570	5,517,446
SALE OF CAPITAL ASSETS	20,000	20,000	10,000	10,000	79,634	2,318,564	22,346
INSURANCE RECOVERY	-	-	-	-	-	-	21,632
OTHER FINANCE SOURCES	387,505	-	327,218	104,686	103,728	-	70,795
APPROPRIATED FUND BALANCE	510,000	695,000	49,828	2,378,457	-	-	-
Subtotal Other Finance Sources	\$ 8,571,743	\$ 8,133,170	\$ 4,828,180	\$ 9,915,603	\$ 7,614,593	\$ 12,844,322	\$ 8,423,142
TOTAL	\$ 41,090,380	\$ 35,690,130	\$ 32,080,671	\$ 37,994,882	\$ 35,667,881	\$ 40,637,759	\$ 35,711,817



EXPENDITURES BY ACCOUNT

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
ADMINISTRATIVE								
<i>Subtotal Administrative</i>	\$ 49,244	\$ 47,810	\$ 47,810	\$ 46,417	\$ 46,417	\$ 42,871	\$ 39,548	\$ 43,332
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 10,316,957	\$ 10,103,042	\$ 10,030,285	\$ 9,199,401	\$ 9,408,145	\$ 9,327,259	\$ 8,713,912	\$ 8,237,849
SALARIES - LONGEVITY PAY	281,139	274,849	274,910	218,021	218,021	218,021	209,234	-
SALARIES/WAGES - PARTTIME	959,570	939,443	939,442	841,596	852,760	843,163	727,527	683,465
OVERTIME PAY	82,381	90,784	79,981	49,641	-	-	-	-
HOLIDAY PAY	177,004	172,132	172,132	159,103	-	-	-	-
FICA TAX	908,540	887,164	880,744	803,830	803,830	763,994	701,611	648,626
GROUP HEALTH INSURANCE	2,532,232	2,387,978	2,353,864	2,101,403	2,101,403	2,057,706	1,526,244	1,467,602
RETIRES GROUP HEALTH INSUR	111,036	119,419	119,419	113,105	113,105	113,022	151,495	144,521
RETIREMENT	1,293,335	1,205,755	1,196,778	1,024,816	1,024,816	1,019,686	904,903	782,019
RETIREMENT LAW ENFORCEMENT	467,359	444,720	440,509	389,249	389,249	389,140	329,791	293,932
UNEMPLOYMENT	7,500	7,500	7,500	7,500	7,500	2,575	4,470	2,580
401 K	406,710	398,202	395,237	357,079	357,079	355,299	331,580	304,942
401 K LAW ENFORCEMENT	132,772	130,036	128,804	122,098	122,098	125,321	109,541	104,404
EMPLOYEE WELLNESS	20,105	20,105	20,105	18,000	18,000	13,051	18,482	12,293
POLICE SEPARATION ALLOWANCE	87,895	46,288	46,288	37,448	37,448	39,990	42,834	42,834
IMPLEMENTATION OF PAY PLAN	-	25,000	-	-	-	-	-	-
<i>Subtotal Personnel Services</i>	\$ 17,784,535	\$ 17,252,416	\$ 17,085,998	\$ 15,442,289	\$ 15,453,454	\$ 15,268,227	\$ 13,771,624	\$ 12,725,067
OPERATIONS								
PLANNING BOARD FEES	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,316	\$ 6,920	\$ 7,080
BOARD OF ADJUSTMENT FEES	2,500	2,500	2,500	2,500	2,500	1,301	860	1,130
TRAINING	163,569	183,489	180,489	146,729	146,179	101,641	122,036	87,618
COMPUTER TRAINING	3,500	3,500	3,500	3,500	3,500	3,500	-	-
SAFETY TRAINING	5,569	5,569	5,569	4,869	4,869	2,546	3,704	3,461
OSHA COMPLIANCE COSTS	4,465	4,465	4,465	4,465	4,465	2,552	4,332	2,332
BUILDING/EQUIPMENT RENTAL	48,652	48,274	48,274	41,999	46,999	45,035	38,145	38,476
TELEPHONE	38,673	38,673	38,673	39,061	39,061	31,692	34,028	30,734
INTERNET COSTS	12,200	12,200	12,200	12,680	12,680	10,950	10,950	10,950
UTILITIES	328,000	330,345	328,000	294,440	294,440	316,642	299,764	235,875
POSTAGE	14,750	15,250	14,750	14,750	15,080	12,500	11,296	14,191
ADVERTISING	12,550	12,550	12,550	12,425	12,425	7,548	6,782	7,342
PRINTING	20,045	21,045	21,045	20,370	20,370	16,650	5,623	7,769



Account Description	Financial	Departmental	Manager's	Adopted	Amended	Estimated	Actual	Actual	Actual
	Plan	Requested	Recommended	Budget	Budget	Actual	Expenditures	Expenditures	Expenditures
	2027-2028	2026-2027	2026-2027	2025-2026	2025-2026	2025-2026	2024-2025	2023-2024	
TIPPING FEES	828,288	860,260	828,288	828,148	828,148	782,117	799,199	797,479	
FUEL COSTS	334,450	334,600	334,600	278,100	278,100	278,050	244,573	309,626	
STREET SUPPLIES	35,000	35,000	35,000	50,000	50,000	31,893	29,890	27,128	
DEPARTMENT SUPPLIES	342,882	374,327	340,627	332,719	355,685	358,180	298,994	413,643	
OTHER SUPPLIES	69,322	75,102	72,102	76,128	76,128	58,594	72,033	53,718	
OTHER SUPPLIES - COMPUTER	56,265	72,265	72,265	35,990	35,990	27,139	67,924	118,995	
MAINT/REPAIR BUILDINGS	113,735	222,735	120,735	114,535	151,284	129,299	171,615	148,934	
MAINT/REPAIR EQUIPMENT	129,830	189,305	149,730	137,599	143,651	124,246	111,894	75,785	
MAINT/REPAIR FIRING RANGE	4,000	4,000	4,000	4,000	21,884	21,665	2,729	4,838	
VEHICLE MAINTENANCE	240,370	378,565	237,245	230,235	228,409	201,481	266,259	197,815	
MAINT/REPAIR OTHER	69,000	124,000	69,000	69,000	125,825	117,981	47,066	89,646	
UNIFORMS	97,945	99,178	96,178	94,928	98,619	72,235	83,172	80,175	
PROFESSIONAL FEES	400,396	401,059	396,559	419,020	525,549	452,168	332,115	239,014	
FINES & FORFEITURES BOC	14,000	14,000	14,000	9,500	9,500	3,262	13,619	9,191	
PROF FEES/WATER QUALITY TESTING	2,200	2,200	2,200	2,200	2,200	2,249	1,740	1,740	
INCENTIVE PAY	6,500	6,500	6,500	6,500	6,500	4,979	5,203	3,112	
SIGNS	42,000	60,000	41,000	30,050	30,050	35,436	9,684	36,060	
SPECIAL PROJECTS SAND FENCING	24,000	48,000	48,000	24,000	-	-	24,000	48,000	
CONTRACTED SERVICES	778,183	883,695	790,484	705,942	716,384	654,492	572,329	632,941	
CONTRACTED SERVICES - WEBSITE	24,716	24,241	24,241	18,304	18,304	16,638	16,211	8,253	
CONTRACTED SERVICES - GIS	11,880	11,880	11,880	11,415	11,415	11,033	8,270	11,518	
CONTRACTED ANNUAL SUPPORT/MAIN	276,852	271,733	271,733	148,605	148,605	144,629	153,048	131,455	
SPECIAL CONTRACTED SERVICES	8,500	8,500	8,500	8,500	8,500	19,620	5,902	7,773	
PURCHASES FOR RESALE	74,600	99,300	68,600	62,500	62,500	72,229	66,900	69,170	
RECYCLING	109,870	129,870	109,870	131,716	131,716	94,545	97,737	90,191	
SPECIAL EVENTS	32,500	32,500	32,500	33,400	35,975	38,673	31,061	20,426	
SPECIAL EVENTS - ART MASTS	-	-	-	-	-	-	-	2,580	
SUPPLEMENTAL PENSION FUND	5,580	5,580	5,580	5,580	5,580	3,847	4,180	3,020	
DUES AND SUBSCRIPTIONS	45,500	45,980	45,980	41,371	41,371	32,562	29,682	27,021	
SALES AND USE TAX	-	-	-	400,000	400,000	-	-	-	
INSURANCE	465,000	465,000	465,000	455,000	455,000	455,000	444,226	416,088	
SPECIAL INVESTIGATIONS	8,000	8,000	8,000	8,000	8,000	8,000	5,876	7,175	
CONTRIBUTION GOVT ACCESS CHANNEL	59,000	59,000	59,000	59,000	59,000	46,744	52,871	52,530	
CONTRIBUTIONS MISCELLANEOUS	10,600	10,600	10,600	10,450	10,450	10,450	10,100	25,250	
DOWDY PARK	-	73,700	-	-	101,265	101,265	5,523	17,814	
Subtotal Operations	\$ 5,382,677	\$ 6,115,775	\$ 5,459,252	\$ 5,447,463	\$ 5,791,394	\$ 4,970,576	\$ 4,630,067	\$ 4,625,061	



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
COST REIMBURSEMENT FROM THE WATER FUND								
COST REIMBURSEMENT	\$ (1,089,455)	\$ (1,089,455)	\$ (1,089,455)	\$ (870,693)	\$ (870,693)	\$ (870,283)	\$ (763,173)	\$ (844,329)
<i>Subtotal Cost Reimbursement from the Water Dept</i>	<i>\$ (1,089,455)</i>	<i>\$ (1,089,455)</i>	<i>\$ (1,089,455)</i>	<i>\$ (870,693)</i>	<i>\$ (870,693)</i>	<i>\$ (870,283)</i>	<i>\$ (763,173)</i>	<i>\$ (844,329)</i>
NON-CAPITAL OUTLAY								
BUILDINGS	\$ -	\$ 104,000	\$ -	\$ 37,901	\$ 66,527	\$ 55,813	\$ 127,356	\$ -
PROFESSIONAL FEES	-	-	-	-	20,000	6,867	13,698	26,958
PROFESSIONAL FEES IMPROVEMENTS	60,000	80,000	60,000	80,000	121,994	115,934	28,848	71,246
EQUIPMENT	-	-	-	-	-	-	11,375	19,305
CONTRACTED SERVICES	69,000	63,000	63,000	53,560	202,715	200,742	51,999	-
<i>Subtotal Non-Capital Outlay</i>	<i>\$ 129,000</i>	<i>\$ 247,000</i>	<i>\$ 123,000</i>	<i>\$ 171,461</i>	<i>\$ 411,236</i>	<i>\$ 379,356</i>	<i>\$ 233,276</i>	<i>\$ 117,509</i>
CAPITAL OUTLAY								
LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -
BUILDING	-	-	-	-	-	-	-	-
BUILDINGS	-	98,867	98,867	100,000	3,418,794	3,422,794	1,164,633	952,611
OTHER	-	-	-	-	-	-	-	-
IMPROVEMENTS	353,000	301,600	251,600	467,958	1,020,731	985,731	1,006,495	651,578
EQUIPMENT	233,176	596,610	596,610	242,100	464,712	645,209	189,937	238,343
SUBSCRIPTION ASSET	518,296	-	-	333,817	105,891	103,729	-	105,595
INFRASTRUCTURE	689,762	678,800	300,000	235,730	731,827	725,525	1,837,567	1,092,215
VEHICLE	831,561	926,153	671,153	931,308	1,230,491	1,229,637	1,029,983	1,178,785
<i>Subtotal Capital Outlay</i>	<i>\$ 2,625,795</i>	<i>\$ 2,602,030</i>	<i>\$ 1,918,230</i>	<i>\$ 2,310,913</i>	<i>\$ 6,972,445</i>	<i>\$ 7,112,625</i>	<i>\$ 8,228,614</i>	<i>\$ 4,219,127</i>
DEBT SERVICE								
PRINCIPAL	\$ 4,269,490	\$ 4,262,755	\$ 4,262,755	\$ 1,723,016	\$ 1,608,225	\$ 1,578,870	\$ 2,410,384	\$ 3,357,481
INTEREST	1,186,999	1,314,385	1,314,385	749,897	753,422	754,372	697,361	907,259
<i>Subtotal Debt Service</i>	<i>\$ 5,456,489</i>	<i>\$ 5,577,140</i>	<i>\$ 5,577,140</i>	<i>\$ 2,472,913</i>	<i>\$ 2,361,647</i>	<i>\$ 2,333,242</i>	<i>\$ 3,107,745</i>	<i>\$ 4,264,740</i>
INTERFUND								
TRANSFER TO CAPITAL RESERVE FUND	\$ 3,683,374	\$ 3,695,438	\$ 3,695,438	\$ 3,624,909	\$ 3,624,909	\$ 3,557,252	\$ 3,373,540	\$ 3,747,009
TRANSFER TO CAPITAL PROJECT FUND	26,250	-	-	-	8,979	8,979	-	-
TRANSFER TO CAPITAL INVESTMENT FUND	6,892,471	2,722,717	2,722,717	3,285,000	4,119,897	4,251,052	6,022,427	6,614,519
CONTINGENCY	150,000	150,000	150,000	150,000	75,197	-	-	-
<i>Subtotal Interfund</i>	<i>\$ 10,752,095</i>	<i>\$ 6,568,155</i>	<i>\$ 6,568,155</i>	<i>\$ 7,059,909</i>	<i>\$ 7,828,982</i>	<i>\$ 7,817,283</i>	<i>\$ 9,395,967</i>	<i>\$ 10,361,528</i>
Total	\$ 41,090,380	\$ 37,320,871	\$ 35,690,130	\$ 32,080,672	\$ 37,994,882	\$ 37,053,896	\$ 38,643,668	\$ 35,512,034



DEPARTMENTAL BUDGETS

GOVERNING BODY

DESCRIPTION

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

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

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

RECENT ACCOMPLISHMENTS

- In February 2026, the Board and staff reconvened to update the adopted 2024 Strategic Plan to guide the town's direction. The implementation process includes comprehensive objectives and action items to meet the town's goals, many of which are highlighted in each department's goals and projects. Detailed information on the plan and the update can be found at NagsHeadNC.gov/StrategicPlan.
- During the past year, we continued to participate in the Dare Community Housing Task Force as it transitioned its efforts into the nonprofit organization, the Dare Housing Foundation, establishing a dedicated entity to advance local housing initiatives.
- Completed construction of the town's first workforce housing project for Ocean Rescue on West Health Center Drive.
- Began construction of Phase 1 of the town's Master Plan with the combined Wellness Center/Ocean Rescue Housing at the town's municipal complex.
- As part of our long-term commitment to maintaining a healthy beach environment for storm protection, habitat preservation, and recreational use, we will implement a beach nourishment project during the summer of 2026. This effort is consistent with and directly supports our Beach Nourishment Master Plan.



- Through collaboration with legislators, we have supported efforts to prevent state-level regulation of development and to ensure that local governments maintain decision-making authority over development matters.

GOALS AND UPCOMING PROJECTS

- Implementation of the strategic plan, including plans for capital projects, enhanced services, employee total rewards, and quality of life initiatives.
- Continue to work with legislators to oppose regulating development at the state level and continuing to allow local governments to maintain that control at the local level.
- State-level budget challenges, including delays in the adoption of a State budget, have impacted funding availability; however, we remain committed to continuing to request appropriations from the State to support town projects and initiatives.
- Maintain active participation in the [Our State, Our Homes program](#), an 18-month initiative by Carolina Across 100, to enhance local capacity, address affordable housing challenges, and implement data-driven strategies in collaboration with regional partners.
- Following approval of \$4 million in conservation easements on over 250 acres of maritime forest in Nags Head Woods, we are completing land surveying to begin recording the conservation easements.
- Implement Phase 2 of the town's Master Plan to include preliminary plans for a Public Safety Building.

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

DEVELOPMENT



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

ECONOMY



To promote a sustainable economy that supports residents and visitors.

ENVIRONMENT



To safeguard our critical natural resources and coastal ecosystem.



FY 2026-2027 BUDGET HIGHLIGHTS

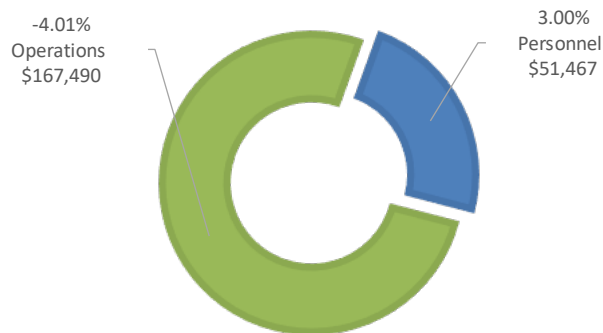
- Funds are included for the Government Access cable TV channel.
- Contributions reflect \$10,000 for environmental education/programming in Nags Head Woods in partnership with The Nature Conservancy.
- Funds of \$32,500 are included for a 4th of July fireworks display. Grant funds of \$16,250 from the Outer Banks Visitors Bureau are included to assist with costs associated with the display.
- Government Access Channel Local Programming Development Initiative grant funds will be used to create public service announcement videos that are also entertaining.
- The cost reimbursement of \$1,089,455 from the water fund to the general fund for indirect administrative costs is budgeted departmentally.



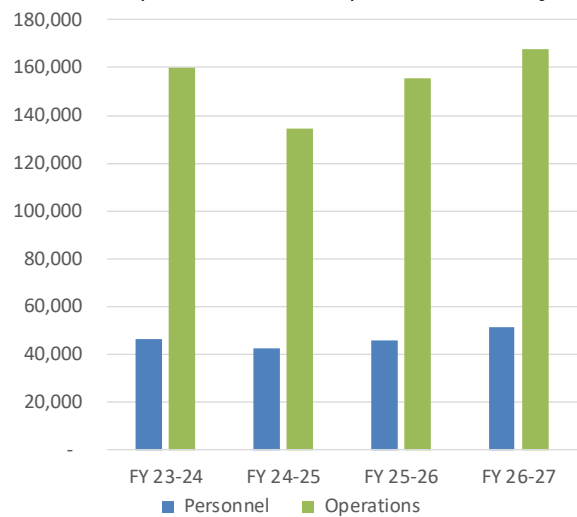
BUDGET SUMMARY GOVERNING BODY

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 46,151	\$ 49,968	\$ 51,467	3.00%
Operations	155,758	174,478	167,490	-4.01%
Capital Outlay	-	-	-	0.00%
Subtotal	201,909	224,446	218,957	-2.45%
Cost Reimbursement	(17,929)	(17,929)	(17,595)	
Total	\$ 183,980	\$ 206,517	\$ 201,362	-2.50%

Recommended
Expenditures by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET GOVERNING BODY

Account Description	Financial Plan		Departmental Requested		Manager's Recommended		Adopted Budget		Amended Budget		Estimated Actual Expenditures	Actual Expenditures	Actual Expenditures
	2027-2028		2026-2027		2026-2027		2025-2026		2025-2026		2025-2026	2024-2025	2023-2024
ADMINISTRATIVE													
FEES PAID - ELECTED OFFICIALS	\$ 49,244	\$	47,810	\$	47,810	\$	46,417	\$	46,417	\$	42,871	\$ 39,548	\$ 43,332
FICA TAX	3,767		3,657		3,657		3,551		3,551		3,280	3,025	3,315
Subtotal Administrative	\$ 53,011	\$	51,467	\$	51,467	\$	49,968	\$	49,968	\$	46,151	\$ 42,573	\$ 46,647
OPERATIONS													
TRAINING	\$ 3,900	\$	3,900	\$	3,900	\$	3,600	\$	3,600	\$	3,002	\$ 1,529	\$ 1,887
BUILDING/EQUIPMENT RENTAL	-		-		-		-		-		-	3	2
ADVERTISING	-		-		-		-		-		-	-	87
PRINTING	3,675		3,675		3,675		3,000		3,000		1,030	1,470	3,331
DEPARTMENT SUPPLIES	11,650		7,350		7,350		15,050		15,050		15,050	7,432	5,605
CONTRACTED SERVICES	75,500		69,200		69,200		68,700		68,700		68,361	48,516	59,011
SPECIAL EVENTS	3,000		3,000		3,000		4,300		4,300		2,321	3,105	3,853
DUES AND SUBSCRIPTIONS	10,825		10,765		10,765		10,378		10,378		8,800	9,308	8,503
CONTRIBUTION GOVT ACCESS CHANNEL	59,000		59,000		59,000		59,000		59,000		46,744	52,871	52,530
CONTRIBUTIONS MISCELLANEOUS	10,600		10,600		10,600		10,450		10,450		10,450	10,100	25,250
Subtotal Operations	\$ 178,150	\$	167,490	\$	167,490	\$	174,478	\$	174,478	\$	155,758	\$ 134,333	\$ 160,059
COST REIMBURSEMENT FROM THE WATER FUND													
COST REIMBURSEMENT	\$ (17,595)	\$	(17,595)	\$	(17,595)	\$	(17,929)	\$	(17,929)	\$	(17,929)	\$ (14,150)	\$ (16,487)
CAPITAL OUTLAY													
CAPITAL OUTLAY EQUIPMENT	\$ -	\$	-	\$	-	\$	-	\$	-	\$	-	\$ -	\$ 9,120
Totals	\$ 213,566	\$	201,362	\$	201,362	\$	206,517	\$	206,517	\$	183,980	\$ 162,757	\$ 199,338



BOND DEBT

DESCRIPTION

In 2023, debt was incurred to pay for the design and construction of the Public Services Complex. Financing was provided through the town's first public offering of a limited obligation bond (LOB), achieving Nags Head's first ever bond rating status. The financed cost of the project is \$15,505,000, with 80% funding from the general fund and 20% funding from the water fund. The general fund portion being financed is \$12,404,000, with an all-in true interest cost of 3.548410% on a 20-year principal repayment schedule. The water fund portion being financed is \$3,101,000.

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

In 2026, a \$13,000,000 debt was incurred to pay for beach nourishment construction. Financing was provided through a special obligation bond, which is secured by the town's occupancy tax revenue. Five annual principal payments of \$2,600,000 plus accrued interest at 3.657% will be made beginning in fiscal year 2027. Both town-wide beach nourishment and municipal service district taxes will be used to fund the debt service payments. The total project cost is \$38 million, with \$13,067,426 provided by Dare County, NC, and the remainder paid as a cash contribution from the town's beach nourishment fund balance

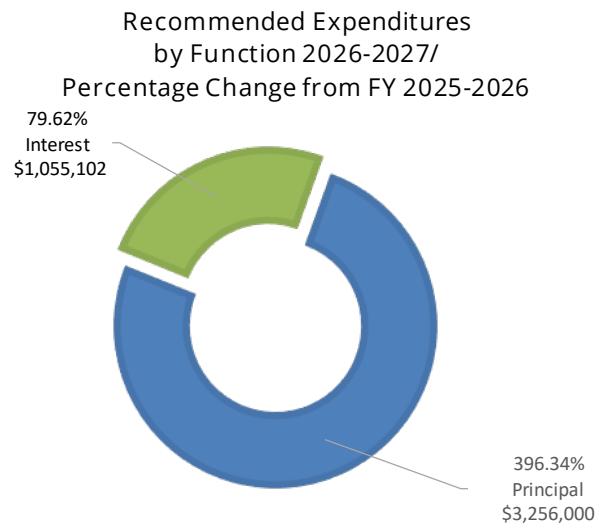
RECENT ACCOMPLISHMENTS

- Continued to use full-service financial advisors to plan for strategic long-term fiscal health and guidance through all aspects of the capital planning process.
- Used the Capital Investment Fund (CIF), a capital reserve fund consolidated within the general fund, as a long-term planning tool to account for capital items and debt service payments, including the annual general fund portion of the LOBs financing. The CIF has allowed the town to strategically plan for long-term capital expenditures and growth, while staying within its fund balance policy, to cover years with greater expenditures that exceed the town's annual contribution.
- Maintained an Aa1 issuer rating from Moody's Investors Service. The Aa1 issuer rating reflects the town's strong financial position, with environmental risks mitigated by the town's robust finances and manageable long-term liabilities.
- Met arbitrage targets and maintained compliance for the past three years, spending 100% of LOB proceeds plus accrued interest.



BUDGET SUMMARY BOND DEBT

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Principal	\$ 656,000	\$ 656,000	\$ 3,256,000	396.34%
Interest	587,400	587,400	1,055,102	79.62%
Total	1,243,400	1,243,400	4,311,102	246.72%





LINE-ITEM BUDGET BOND DEBT

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
DEBT SERVICE								
PRINCIPAL	\$ 2,600,000	\$ 2,600,000	\$ 2,600,000	\$ -	\$ -	\$ -	\$ -	\$ 2,276,000
INTEREST	380,328	500,502	500,502	-	-	-	-	35,050
Subtotal Debt Service	\$ 2,980,328	\$ 3,100,502	\$ 3,100,502	\$ -	\$ -	\$ -	\$ -	\$ 2,311,050
Capital Investment Fund Transfers								
DEBT SERVICE								
PRINCIPAL	\$ 656,000	\$ 656,000	\$ 656,000	\$ 656,000	\$ 656,000	\$ 656,000	\$ 656,000	\$ -
INTEREST	521,800	554,600	554,600	587,400	587,400	587,400	620,200	775,250
Subtotal Debt Service	\$ 1,177,800	\$ 1,210,600	\$ 1,210,600	\$ 1,243,400	\$ 1,243,400	\$ 1,243,400	\$ 1,276,200	\$ 775,250
TOTAL	\$ 4,158,128	\$ 4,311,102	\$ 4,311,102	\$ 1,243,400	\$ 1,243,400	\$ 1,243,400	\$ 1,276,200	\$ 3,086,300



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Debt Service					
Public Services Complex	23/24	\$ 12,404,000	\$ 1,210,600	\$ 1,210,600	\$ 1,177,800
Special Obligation Bonds Series 2026-Beach Nourishment*	25/26	13,000,000	3,100,502	3,100,502	2,980,328
		\$ 25,404,000	\$ 4,311,102	\$ 4,311,102	\$ 4,158,128

*funding source is capital reserve fund



TOWN MANAGER

DESCRIPTION

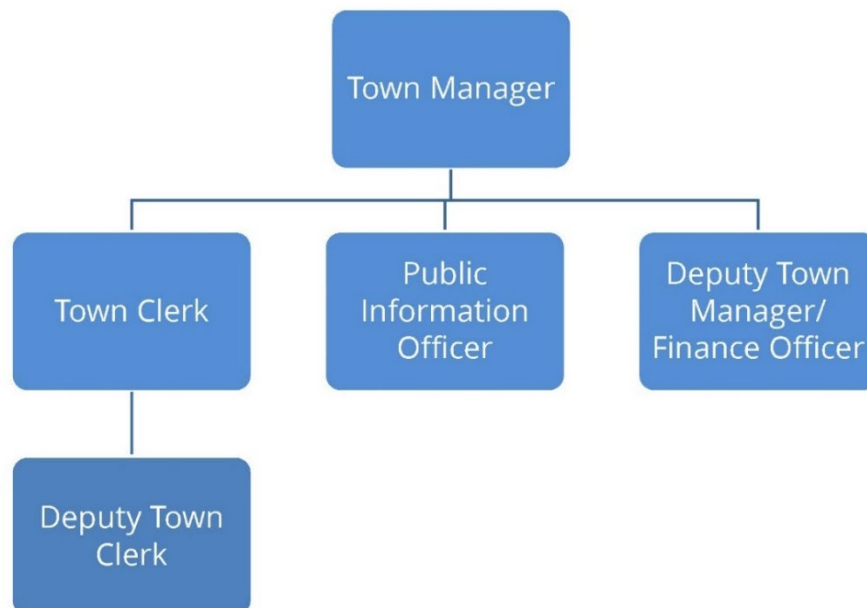
The town manager, appointed by the Board of Commissioners, is responsible for implementing the policies and programs set forth by the governing body, and ensuring compliance with state and federal laws and regulations. This department exercises management control over all operational departments, except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

The town clerk, operating under the town manager, is responsible for the duties established by North Carolina General Statutes, specifically to maintain the official records of the town and to provide required public notice of all official meetings. Additionally, the town clerk is responsible for coordinating the staffing of all Board-appointed committees, updating the town's code of ordinances/unified development ordinance (UDO), and recording the minutes for all board and committee meetings.

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

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- In February 2026, the Board and staff reconvened to update the 2024 Strategic Plan, which was adopted in February 2024, to guide the town's direction. The implementation process includes comprehensive objectives and action items to meet the town's goals, many of which are highlighted in each department's goals and projects. Detailed information on the plan and the update can be found at NagsHeadNC.gov/StrategicPlan.
- To comply with federal permitting, the necessary access and construction rights for the 2026 beach nourishment project were obtained.
- Dare County has made the first two payments to purchase the town's portion of the Soundside Event Site, for which the town is being reimbursed over ten years.
- Successfully hosted the premiere of the Ocean Rescue short film, significantly expanding educational outreach on ocean and beach safety through accessible and engaging programming.
- Cross-trained staff in the department to maintain service continuity and efficiency.

GOALS AND UPCOMING PROJECTS

- Continue to progress through the initiatives outlined in the Strategic Plan.
- Continue to work with the Board of Commissioners and the town's lobbyist to further the town's legislative priorities.
- Transform the orientation package for new Board members into a comprehensive workbook for all Board members, with broader content relevant to the entire Board.
- Further the development of a digital inventory of town records to preserve vital town information, streamline the fulfillment of public records requests, and improve accessibility for staff.

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

DEVELOPMENT



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

ECONOMY



To promote a sustainable economy that supports residents and visitors.

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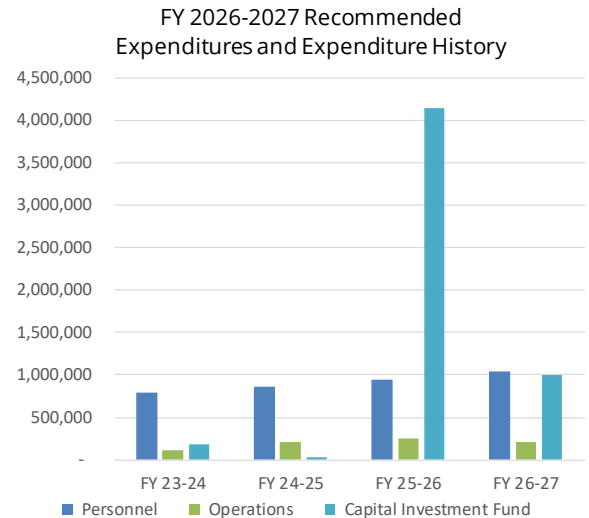
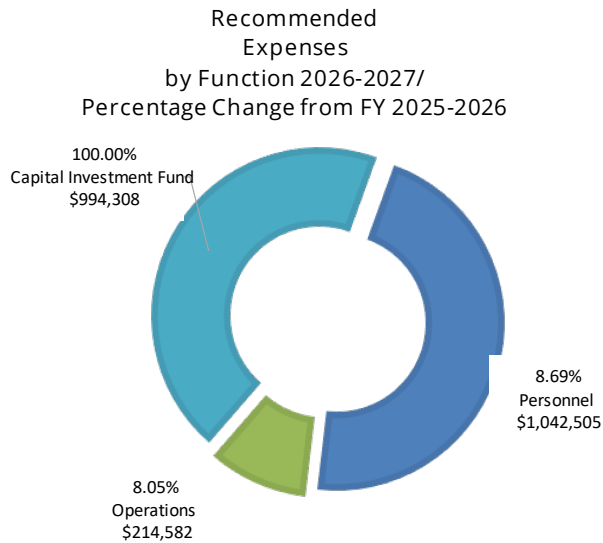
FY 2026-2027 BUDGET HIGHLIGHTS

- Departmentally funded salary and benefit costs include:
 - Implementation of classification and compensation study recommendations.
 - A 3.0% cost of living adjustment (COLA). Salary ranges will be adjusted for the COLA.
 - Doubling the flat-rate longevity pay.
 - To move team members up the salary range, a performance-based within-grade-increase pay plan continues to be implemented. Employees whose salaries fall below the midpoint of their pay grade will receive a 2.5% increase and employees whose salaries fall above the midpoint of their pay grade will receive a 1.25% increase.
 - Funding is included to implement career progression programs, developed for all departments.
 - Aligning with our strategic plan, funds are included to implement a performance-based merit structure.
 - We received an 8% increase in health insurance premiums. Health insurance is covered by the town at 100% for employees and 80% for dependents.
 - Funds are included to continue the town's non-law enforcement officer 401(k) contribution to 5% with no required match. By state statute, the sworn law enforcement officer 401(k) contribution from the town is 5% with no required match.
- Professional fees include consulting assistance for design and legislative advisory services.
- The town manager's contingency is budgeted at \$150,000, with \$100,000 for the general fund and \$50,000 for the capital investment fund.
- Capital outlay includes:
 - Per an NC Department of Transportation Agreement, \$350,000 is budgeted for traffic signals at Lakeside Steet and the Soundside Event Site. To pay for a portion of the light at the Soundside Event Site, \$115,000 is budgeted as revenue from the Outer Banks Visitors Bureau.
 - Conceptual design for a new fire station.
- Debt service for building construction and design, as part of strategic plan implementation, includes:
 - Housing for town staff, with a focus on ocean rescue.
 - Phase One of the Town of Nags Head Campus Master Plan, which includes a town fitness facility and additional housing for Ocean Rescue.



BUDGET SUMMARY TOWN MANAGER

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 951,254	\$ 959,173	\$ 1,042,505	8.69%
Operations	250,197	198,603	214,582	8.05%
Capital Investment Fund	4,144,289	693,300	994,308	100.00%
Subtotal	5,345,740	1,851,076	2,251,395	21.63%
Cost Reimbursement	(154,173)	(154,173)	(176,901)	
Total	\$ 5,191,567	\$ 1,696,903	\$ 2,074,494	22.25%





LINE-ITEM BUDGET TOWN MANAGER

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 714,078	\$ 693,562	\$ 693,562	\$ 642,410	\$ 642,410	\$ 639,476	\$ 630,983	\$ 596,836
SALARIES - LONGEVITY PAY	13,378	13,164	13,164	9,524	9,524	9,524	-	-
FICA TAX	55,471	53,885	53,885	49,694	49,694	45,975	46,831	43,937
GROUP HEALTH INSURANCE	136,015	129,297	129,297	119,916	119,916	119,916	89,706	94,408
RETIREE'S GROUP HEALTH	-	10,734	10,734	11,932	11,932	11,932	15,150	14,731
RETIREMENT	115,294	106,644	106,644	93,217	93,217	92,443	85,138	76,174
401 K	36,256	35,219	35,219	32,480	32,480	31,988	31,172	29,677
Subtotal Personnel Services	\$ 1,070,492	\$ 1,042,505	\$ 1,042,505	\$ 959,173	\$ 959,173	\$ 951,254	\$ 898,979	\$ 855,763
OPERATIONS								
TRAINING	\$ 21,025	\$ 24,525	\$ 24,525	\$ 14,525	\$ 13,975	\$ 7,492	\$ 14,710	5,562
BUILDING/EQUIPMENT RENTAL	1,628	1,550	1,550	1,550	1,550	1,788	937	1,799
TELEPHONE	600	600	600	1,200	1,200	795	557	557
POSTAGE	1,000	1,000	1,000	1,000	1,000	383	315	151
ADVERTISING	7,725	7,725	7,725	7,600	7,600	4,399	4,361	5,627
PRINTING	8,200	8,200	8,200	8,200	8,200	10,453	-	375
FUEL COSTS	550	550	550	550	550	500	136	29,626
DEPARTMENT SUPPLIES	10,800	15,800	15,800	15,800	27,633	30,714	10,664	142,397
PROFESSIONAL FEES	123,506	123,506	123,506	122,000	212,729	170,364	100,912	-
CONTRACTED SERVICES	51,203	24,448	24,448	19,750	20,300	20,256	23,369	17,640
DUES AND SUBSCRIPTIONS	6,678	6,678	6,678	6,428	6,428	3,053	6,309	4,768
Subtotal Operations	\$ 232,915	\$ 214,582	\$ 214,582	\$ 198,603	\$ 301,164	\$ 250,197	\$ 162,270	\$ 208,501



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
COST REIMBURSEMENT FROM THE WATER FUND								
COST REIMBURSEMENT	\$ (176,901)	\$ (176,901)	\$ (176,901)	\$ (154,173)	\$ (154,173)	\$ (154,173)	\$ (125,164)	\$ (123,670)
Capital Investment Fund Transfers								
NON-CAPITAL OUTLAY								
PROFESSIONAL FEES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,492	\$ 25,592
CAPITAL OUTLAY								
EQUIPMENT	\$ -	\$ 350,000	\$ 350,000	\$ 175,000	\$ 350,000	\$ 350,000	\$ -	\$ -
BUILDING	-	48,867	48,867	-	3,304,389	3,304,389	1,164,633	-
INFRASTRUCTURE	100,000	-	-	-	-	-	-	-
Subtotal Capital Outlay	\$ 100,000	\$ 398,867	\$ 398,867	\$ 175,000	\$ 3,654,389	\$ 3,654,389	\$ 1,164,633	\$ -
DEBT SERVICE								
PRINCIPAL	\$ 425,800	\$ 425,800	\$ 425,800	\$ 457,725	\$ 454,200	\$ 425,800	\$ -	\$ -
INTEREST	150,043	169,641	169,641	60,575	64,100	64,100	-	-
Subtotal Debt Service	\$ 575,843	\$ 595,441	\$ 595,441	\$ 518,300	\$ 518,300	\$ 489,900	\$ -	\$ -
TOTAL	\$ 1,802,349	\$ 2,074,494	\$ 2,074,494	\$ 1,696,903	\$ 5,278,853	\$ 5,191,567	\$ 2,114,210	\$ 966,186



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Lakeside Street traffic signal	26/27	\$ 175,000	\$ 175,000	\$ 175,000	\$ -
Soundside Event Site traffic signal	26/27	175,000	175,000	175,000	-
Conceptual design for a new fire station	27/28	48,867	48,867	48,867	-
Board of Commissioners building audio/visual equipment	27/28	64,500	64,500	-	-
Soundside boardwalk - Phase I design	27/28	100,000	-	-	100,000
		\$ 563,367	\$ 463,367	\$ 398,867	\$ 100,000
Debt Service					
Ocean Rescue housing-Outer Banks Medical Center	24/25	\$ 1,402,192	\$ 209,644	\$ 209,644	\$ 202,913
Town Hall Campus Master Plan (Fitness Center)*	25/26	2,700,000	385,797	385,797	372,930
		\$ 4,102,192	\$ 595,441	\$ 595,441	\$ 575,843

*\$85,000 of funding source is capital reserve fund



LEGAL

DESCRIPTION

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

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



LINE-ITEM BUDGET LEGAL

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
OPERATIONS								
PROFESSIONAL FEES	\$ 145,000	\$ 145,000	\$ 145,000	\$ 145,000	\$ 152,500	\$ 138,212	\$ 140,056	\$ 98,586
COST REIMBURSEMENT FROM THE WATER FUND								
COST REIMBURSEMENT	\$ (16,287)	\$ (16,287)	\$ (16,287)	\$ (14,343)	\$ (14,343)	\$ (14,343)	\$ (17,039)	\$ (29,914)
TOTAL	✓ \$ 128,713	✓ \$ 128,713	✓ \$ 128,713	✓ \$ 130,657	✓ \$ 138,157	✓ \$ 123,869	✓ \$ 123,017	✓ \$ 68,672



ADMINISTRATIVE SERVICES

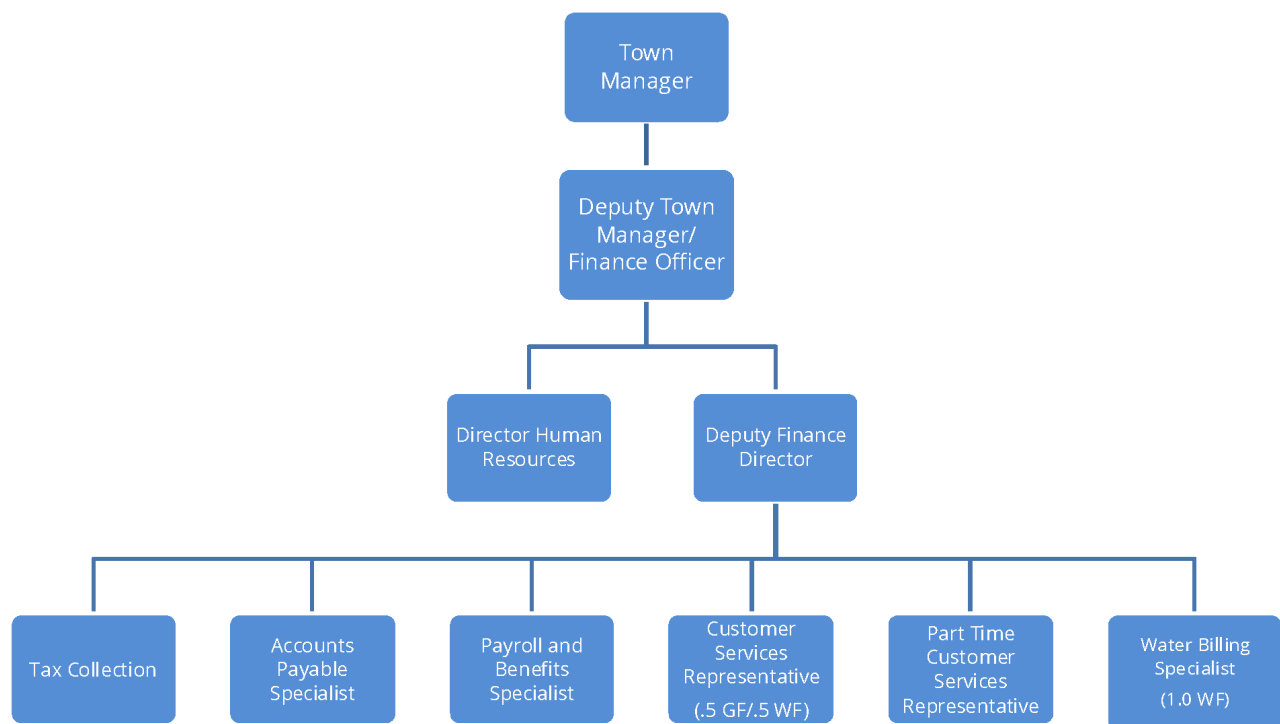
DESCRIPTION

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

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

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

ADMINISTRATIVE SERVICES

- Recognized by the Government Finance Officers Association (GFOA) for the Administrative Services Department's fiscal year 2024 reporting. A Certificate of Achievement for Excellence in Financial Reporting was awarded for the fiscal year 2024 Annual Comprehensive Financial Report (ACFR) for the ninth consecutive year, as well as an Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for fiscal year 2024 for the eighth consecutive year.
- Recognized by the Government Finance Officers Association with the Distinguished Budget Presentation Award for the fiscal year 2026 budget for the fourth consecutive year.
- For the fourth time, received the GFOA Triple Crown, which recognizes governments that have received the GFOA's Certificate of Achievement for Excellence in Financial Reporting, the Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award.
- Included a concise two-page "Budget in Brief" to accompany the FY 25/26 adopted budget document, highlighting key initiatives and major takeaways to enhance transparency and public understanding.
- Fiscal Year 2025 audited unassigned fund balance was above our fund balance policy minimum of 25%.

HUMAN RESOURCES

- Implemented new merit-based pay program. This rewards and motivates our highest performers, demonstrating to staff that *Our People Matter* (one of our core values).
- Joined the Carolina Public Entity Cooperative (CPEC) as an inaugural member of the Board of Trustees. As a benefits cooperative with multiple public entities, CPEC gives the town greater leverage and buying power with vendors than we would have on our own. It also increases stability and predictability in renewals while promoting transparency through a shared governance model.
- The 2025 Staff Engagement Survey results were very strong with an 87% response rate. Most notably, 98% of respondents indicated they are proud to work for the town, and 87% would recommend it as a great place to work. This reflects a highly engaged workforce that is committed to serving the community and contributing to the town's success.
- Maintained low staff regrettable turnover at 6% for calendar year 2025.

GOALS AND UPCOMING PROJECTS

ADMINISTRATIVE SERVICES

- Receive the GFOA's Triple Crown for the fifth year in a row.



- Maintain the town's Aa1 issuer rating from Moody's Investor Service.
- Continue to monitor Key Performance Indicators that align goals and priorities with those of the town to ensure community needs are being met. Establish new metrics as necessary to facilitate informed decision making.
- Continue to partner with consultants to evaluate grant strategies and identify funding opportunities that leverage resources.
- Work with a brokerage firm for all insurance types to ensure the town is receiving the best solutions for its specific needs.

HUMAN RESOURCES

- Complete a comprehensive classification and compensation study that involves a thorough job evaluation, market study for pay range and benefits competitiveness, development of new pay structure, updating pay policies, and implementation of recommendations.
- Incorporate feedback from the engagement survey and recommendations from classification and compensation study to develop thoughtful benefit enhancements and organizational initiatives.
- Develop an organizational development roadmap with initial focus on leadership development, succession planning, and team building.

Metrics Description	FY23-24	FY24-25	FY25-26 Projection	FY26-27 Goal
Administrative Services:				
General Government Bond rating for Moody's	Aa1	Aa1	Aa1	Aa1
GFOA distinguished budget presentation award	Yes	Yes	Yes	Yes
GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting	Yes	Yes	Yes	Yes
Human Resources:				
Voluntary Turnover	8%	5%	5%	7%
New/enhanced technology (count)	1	1	1	-
Engagement Survey Favorable :				
Proud to work for the town	96%	No Survey	98%	95%
Recommend Town as a great place to work	94%	No Survey	97%	95%
Satisfaction with medical, dental & vision benefits	81%	No Survey	84%	80%

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STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

ECONOMY



To promote a sustainable economy that supports residents and visitors.

FY 2026-2027 BUDGET HIGHLIGHTS

- The General Fund proportionate share of insurance, including workers' compensation, general property and liability, and flood, are centrally budgeted at \$465,000 in Administrative Services.
- Professional fees include recurring annual services for the audit, trustee and ratings fees associated with the local obligation bond rating, other post-employment benefits, and law enforcement officer special separation allowance actuarial valuations.
- Funds are included for Team Advocacy Group initiatives such as team member activities and events and town-wide staff meetings.
- Contracted services include pre-employment screenings, financial safekeeping services, and an Employee Assistance Program. New services include:
 - An on-call therapist for employees.
 - Management of the Ocean Rescue housing.
- Debt service and capital outlay include a subscription-based information technology arrangement for debt, lease, and subscription management software in compliance with GASB 87 and 96.
- Budgeted as interfund transfers:
 - The General Fund transfer to the Capital Investment Fund is \$2,722,717, consisting of a \$2,507,717 general fund contribution and \$215,000 in grant funding.
 - General Fund transfers to the Capital Reserve Fund total \$3,695,438 and include townwide and municipal service district (MSD) beach nourishment taxes, sales tax received resulting from the MSD levy, facility fees, and [grants](#) towards beach access improvements.

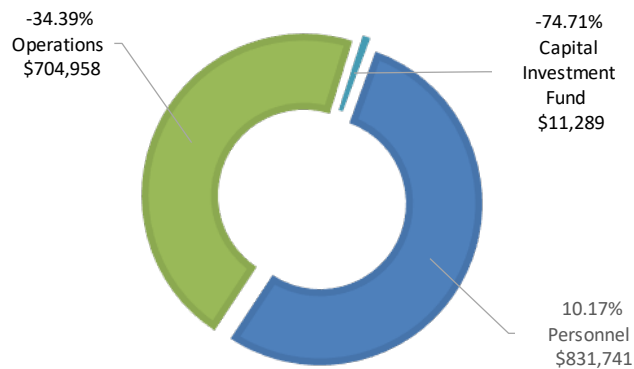
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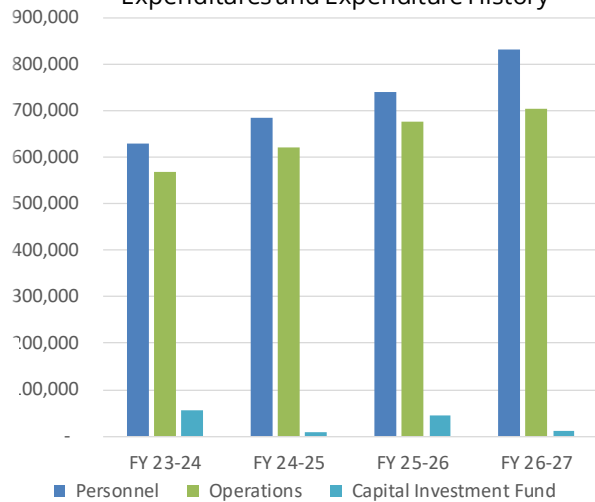
BUDGET SUMMARY ADMINISTRATIVE SERVICES

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended	Percent Change
Personnel	\$ 741,234	\$ 754,992	\$ 831,741	10.17%
Operations	677,090	1,074,457	704,958	-34.39%
Capital Investment Fund	44,639	44,641	11,289	-74.71%
Subtotal	1,462,963	1,874,090	1,547,988	-17.40%
Cost Reimbursement	(109,589)	(109,589)	(138,869)	
Total	\$ 1,353,374	\$ 1,764,501	\$ 1,409,119	-20.14%

Recommended Expenditures
by Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET ADMINISTRATIVE SERVICES

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Financial Plan 2024-2025	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES									
SALARIES/WAGES - REGULAR	\$ 530,582	\$ 515,376	\$ 515,376	\$ 470,971	\$ 477,221	\$ 477,221	\$ 473,069	\$ 453,942	\$ 430,868
SALARIES - LONGEVITY PAY	7,511	7,354	7,354	4,353	5,758	5,758	5,758	6,495	-
SALARIES/WAGES - PARTTIME	25,920	25,165	25,165	18,931	25,165	25,165	25,560	21,735	22,016
FICA TAX	43,028	41,795	41,795	36,183	38,754	38,754	37,619	35,859	33,414
GROUP HEALTH INSURANCE	139,592	129,587	129,587	75,083	107,439	107,439	104,508	75,983	63,778
RETIREMENT	85,309	78,905	78,905	52,272	69,084	69,084	68,296	62,505	55,460
UNEMPLOYMENT	7,500	7,500	7,500	10,000	7,500	7,500	2,575	4,470	2,580
401 K	26,827	26,059	26,059	18,119	24,071	24,071	23,848	22,902	21,626
IMPLEMENTATION OF PAY PLAN	-	25,000	-	-	-	-	-	-	-
Subtotal Personnel Services	\$ 866,269	\$ 856,741	\$ 831,741	\$ 685,912	\$ 754,992	\$ 754,992	\$ 741,234	\$ 683,891	\$ 629,741
OPERATIONS									
EMPLOYEE WELLNESS	\$ 20,105	\$ 20,105	\$ 20,105	\$ 20,105	\$ 18,000	\$ 18,000	\$ 13,051	\$ 18,482.05	\$ 12,293
TRAINING	11,515	21,515	21,515	11,515	10,515	10,515	9,931	6,982	5,730
BUILDING/EQUIPMENT RENTAL	12,025	12,025	12,025	12,025	10,325	10,325	9,658	9,051	7,206
POSTAGE	6,500	6,500	6,500	6,500	6,500	6,500	7,608	5,887	11,167
ADVERTISING	1,000	1,000	1,000	1,000	1,000	1,000	405	939	370
FUEL COSTS	550	550	550	550	550	550	550	151	352
DEPARTMENT SUPPLIES	11,050	11,050	11,050	11,050	11,050	11,050	8,553	10,895	7,100
MAINT/REPAIR EQUIPMENT	1,000	1,000	1,000	1,000	1,000	1,000	1,177	789	385
VEHICLE MAINTENANCE	1,000	1,000	1,000	1,000	1,000	1,000	427	22	58
PROFESSIONAL FEES	80,422	79,700	76,200	80,422	104,400	112,700	111,202	53,590	46,332
FINES & FORFEITURES BOC	14,000	14,000	14,000	14,000	9,500	9,500	3,262	13,619	9,191
CONTRACTED SERVICES	59,460	95,312	61,460	59,460	32,532	32,532	31,967	45,805	40,245
SPECIAL CONTRACTED SERVICES	8,500	8,500	8,500	8,500	8,500	8,500	19,620	5,902	7,773
PURCHASES FOR RESALE	2,600	2,600	2,600	2,600	2,600	2,600	2,589	1,290	3,398
DUES AND SUBSCRIPTIONS	2,453	2,453	2,453	2,453	1,985	1,985	2,091	1,849	1,760
SALES AND USE TAX	-	-	-	-	400,000	400,000	-	-	-
INSURANCE	465,000	465,000	465,000	465,000	455,000	455,000	455,000	444,226	416,088
Subtotal Operations	\$ 697,180	\$ 742,310	\$ 704,958	\$ 697,180	\$ 1,074,457	\$ 1,082,757	\$ 677,090	\$ 619,479	\$ 569,447



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Financial Plan 2024-2025	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
<i>COST REIMBURSEMENT FROM THE WATER FUND</i>									
COST REIMBURSEMENT	\$ (138,869)	\$ (138,869)	\$ (138,869)	\$ (138,869)	\$ (109,589)	\$ (109,589)	\$ (109,589)	\$ (98,873)	\$ (126,097)
Capital Investment Fund Transfers									
<i>CAPITAL OUTLAY</i>									
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,065
SUBSCRIPTION ASSET	-	-	-	-	33,891	33,891	33,889	-	-
VEHICLE	-	-	-	-	-	-	-	-	43,394
Subtotal Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 33,891	\$ 33,891	\$ 33,889	\$ -	\$ 46,459
<i>DEBT SERVICE</i>									
PRINCIPAL	\$ 11,510	\$ 10,630	\$ 10,630	\$ -	\$ 10,750	\$ 10,750	\$ 10,750	\$ 10,019	\$ 9,327
INTEREST	342	659	659	-	-	-	-	219	423
Subtotal Debt Service	\$ 11,852	\$ 11,289	\$ 11,289	\$ -	\$ 10,750	\$ 10,750	\$ 10,750	\$ 10,238	\$ 9,750
TOTAL	\$ 1,436,432	\$ 1,471,471	\$ 1,409,119	\$ 1,244,223	\$ 1,764,501	\$ 1,772,801	\$ 1,353,374	\$ 1,214,735	\$ 1,129,300



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Debt Service					
Subscription - software	25/26	\$ 76,779	\$ 11,289	\$ 11,289	\$ 11,852



INTERFUND TRANSFERS – GENERAL FUND

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
TRANSFER TO CAPITAL RESERVE FUND	\$3,683,374	\$3,695,438	\$3,695,438	\$ 3,624,909	\$ 3,624,909	\$ 3,557,252	\$ 3,373,540	\$ 3,747,009
TRANSFER TO CAPITAL INVESTMENT FUND	\$6,892,471	\$2,722,717	2,722,717	3,285,000	4,119,897	4,251,052	6,022,427	6,614,519
TRANSFER TO CAPITAL PROJECT FUND	26,250	-	-	-	8,979	8,979	-	-
CONTINGENCY	150,000	150,000	150,000	150,000	75,197	-	-	-
TOTAL	\$ 10,752,095	\$ 6,568,155	\$ 6,568,155	\$ 7,059,909	\$ 7,828,982	\$ 7,817,283	\$ 9,395,967	\$ 10,361,528



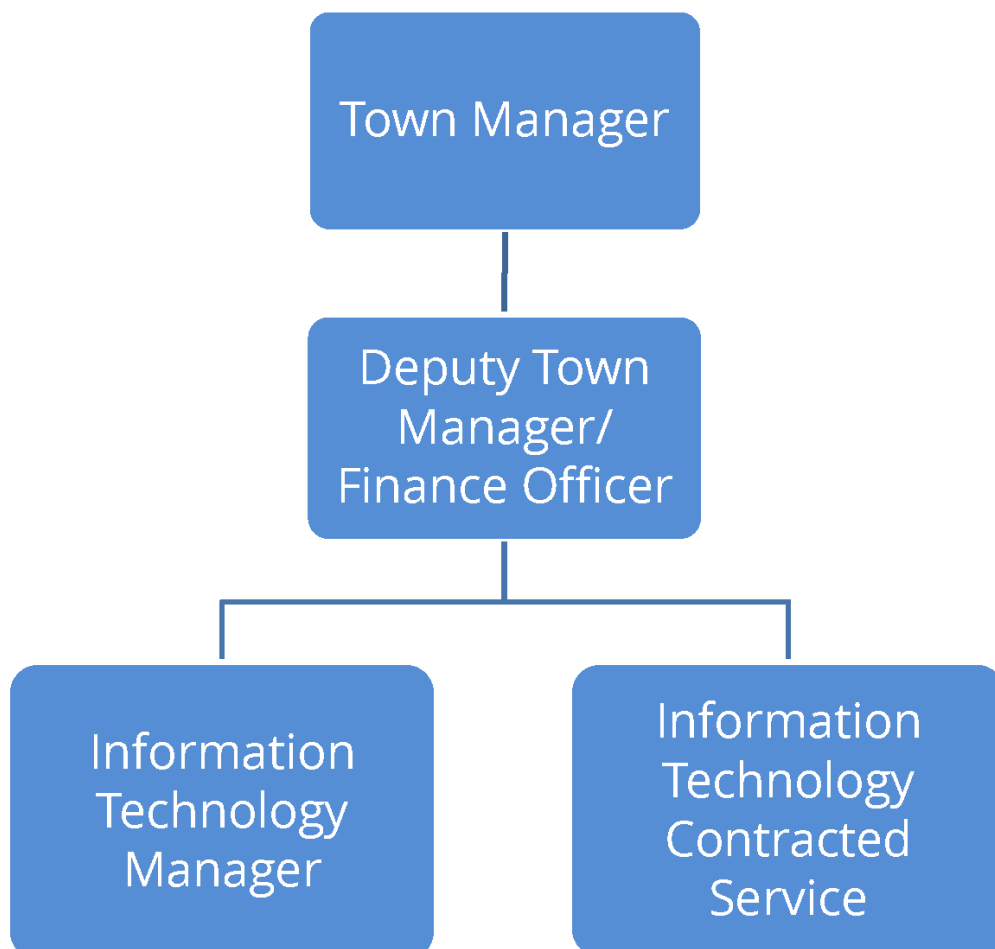
INFORMATION TECHNOLOGY

DESCRIPTION

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

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Replaced eight laptops, two tablets, two monitors and one PC at their end-of-warranty lifecycle through State contract pricing.
- Developed the town's Generative AI acceptable use policy and guidelines.
- Installed internet connectivity/WiFi and security cameras at Whalebone Park, the new Workforce Housing facility near Town Park, and the new Wellness Center.
- Expanded use of SharePoint and the town's intranet with the addition of 380 digitized and indexed residential building plans for the Planning Department.
- Upgraded battery backup system at town hall for network link to Fire Station 21.
- Launched a new cybersecurity awareness training program for all employees through NCLM.
- Upgraded the town's GIS system to a modernized, mobile-enhanced ESRI platform, including an updated layer for signs.

GOALS AND UPCOMING PROJECTS

- Complete the migration of our Enterprise Resource Planning system from on-premise to a cloud-based hosting platform for increased security and enhanced performance and system upgrades.
- Achieve the federally mandated accessibility compliance standards for the town's website and social media communication through enhanced software and employee training.
- Initiate the subsequent phase of workstation replacements as per lifecycle management protocols.
- Implement new features of our Enterprise Resource Planning (ERP) system to include Text-to-Pay options for Tyler Payments and a new module for Employee Expense Reimbursements.
- Continue to enhance GIS parcel data mapping using GeoAdapter to leverage data spatially, layering information from databases for both internal and external use.
- Investigate training opportunities on the role of Artificial Intelligence in local government services to streamline administrative processes and enhance citizen engagement.
- Initiate a public safety plan with Starlink to provide back-up internet connectivity.



STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

FY 2026-27 BUDGET HIGHLIGHTS

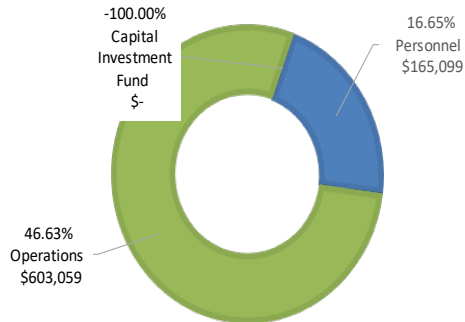
- Throughout the town-wide network, cloud-based storage fees are budgeted, as we retire on-premise physical servers.
- Continued annual funding is included for our professional information technology services contract, with bundled security services.
- Lifecycle replacement for computer workstations is included with North Carolina government contract pricing.
- Funding is included for team member educational learning and cybersecurity training opportunities.
- Employee Expense Reimbursement ERP module is budgeted.
- Cloud-based hosting is included for town-wide Enterprise Resource Planning subscription software and disaster recovery and security services.
- Annual service maintenance support agreements are included for the 3CX Phone System, DocuSign, Zoom, NeoGov, CivicPlus, SeeClickFix, ArcGIS, Adobe, and Microsoft 365.
- Service contracts for security cameras and access control service contracts are budgeted.
- Funding is included for website accessibility compliance software per federal mandate.



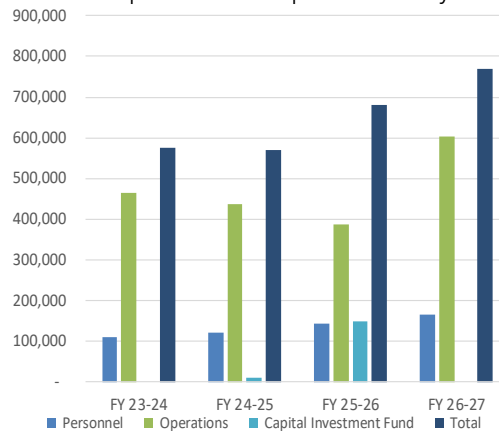
BUDGET SUMMARY INFORMATION TECHNOLOGY

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 144,235	\$ 141,535	\$ 165,099	16.65%
Operations	387,996	411,282	603,059	46.63%
Capital Investment Fund	147,986	339,192	-	-100.00%
Subtotal	680,217	892,009	768,158	-13.88%
Cost Reimbursement	(44,761)	(44,761)	(51,584)	
Total	\$ 635,456	\$ 847,248	\$ 716,574	-15.42%

Recommended Expenditures by
Function 2026-2027
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET INFORMATION TECHNOLOGY

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 110,407	\$ 107,220	\$ 107,220	\$ 91,387	\$ 91,387	\$ 93,613	\$ 85,442	\$ 80,357
LONGEVITY	1,000	1,000	1,000	500	500	500	500	-
FICA TAX	8,463	8,219	8,219	6,970	6,970	6,969	6,388	6,096
GROUP HEALTH INSURANCE	29,123	27,022	27,022	25,049	25,049	25,106	13,687	9,348
RETIREMENT	17,590	16,266	16,266	13,074	13,074	13,390	11,622	10,280
401 K	5,531	5,372	5,372	4,555	4,555	4,657	4,258	4,009
Subtotal Personnel Services	\$ 172,114	\$ 165,099	\$ 165,099	\$ 141,535	\$ 141,535	\$ 144,235	\$ 121,897	\$ 110,090
OPERATIONS								
TRAINING	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 2,892	\$ 4,616	\$ 7,094
COMPUTER TRAINING	3,500	3,500	3,500	3,500	3,500	3,500	-	-
BUILDING/EQUIPMENT RENTAL	12,024	12,024	12,024	12,024	12,024	11,609	11,379	11,689
TELEPHONE	9,900	9,900	9,900	9,700	9,700	9,355	9,247	8,034
INTERNET COSTS	12,200	12,200	12,200	12,680	12,680	10,950	10,950	10,950
DEPARTMENT SUPPLIES	5,830	5,830	5,830	5,830	5,830	3,043	4,359	4,732
OTHER SUPPLIES - COMPUTER	53,785	69,785	69,785	33,550	33,550	25,890	65,969	111,120
MAINT/REPAIR EQUIPMENT	11,216	31,706	31,706	23,809	23,809	22,172	26,411	10,599
CONTRACTED SERVICES	146,260	146,260	146,260	127,865	127,865	126,285	126,770	149,209
CONTRACTED SERVICES - WEBSITE	24,716	24,241	24,241	18,304	18,304	16,638	16,211	8,253
CONTRACTED SERVICES - GIS	11,880	11,880	11,880	11,415	11,415	11,033	8,270	11,518
CONTRACTED ANNUAL SUPPORT/MAIN	276,852	271,733	271,733	148,605	148,605	144,629	153,048	131,455
Subtotal Operations	\$ 572,163	\$ 603,059	\$ 603,059	\$ 411,282	\$ 411,282	\$ 387,996	\$ 437,231	\$ 464,653
COST REIMBURSEMENT FROM THE WATER FUND								
COST REIMBURSEMENT	\$ (51,584)	\$ (51,584)	\$ (51,584)	\$ (44,761)	\$ (44,761)	\$ (44,761)	\$ (37,258)	\$ (30,482)



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
<i>COST REIMBURSEMENT FROM THE WATER FUND</i>								
COST REIMBURSEMENT	\$ (51,584)	\$ (51,584)	\$ (51,584)	\$ (44,761)	\$ (44,761)	\$ (44,761)	\$ (37,258)	\$ (30,482)
Capital Investment Fund Transfers								
<i>NON-CAPITAL OUTLAY</i>								
CONTRACTED SERVICES FROM THE CIF	\$ -	\$ -	\$ -	\$ -	\$ 147,986	\$ 147,986	\$ -	\$ -
<i>CAPITAL OUTLAY</i>								
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,285	\$ -
SUBSCRIPTION ASSET	-	-	-	227,926	-	-	-	-
INFRASTRUCTURE	-	52,800	-	-	-	-	-	-
	\$ -	\$ 52,800	\$ -	\$ 227,926	\$ -	\$ -	\$ 10,285	\$ -
<i>DEBT SERVICE</i>								
L/P PRINCIPAL	\$ -	\$ -	\$ -	\$ 111,266	\$ -	\$ -	\$ 6,646	\$ 31,035
L/P INTEREST	-	-	-	-	-	-	18	171
<i>Subtotal Debt Service</i>	\$ -	\$ -	\$ -	\$ 111,266	\$ -	\$ -	\$ 6,664	\$ 31,206
TOTALS	\$ 692,693	\$ 769,374	\$ 716,574	\$ 847,248	\$ 656,042	\$ 635,456	\$ 538,819	\$ 575,467



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Fiber build out - Dowdy Park and Bonnett Street	26/27	\$ 52,800	52,800	\$ -	\$ -



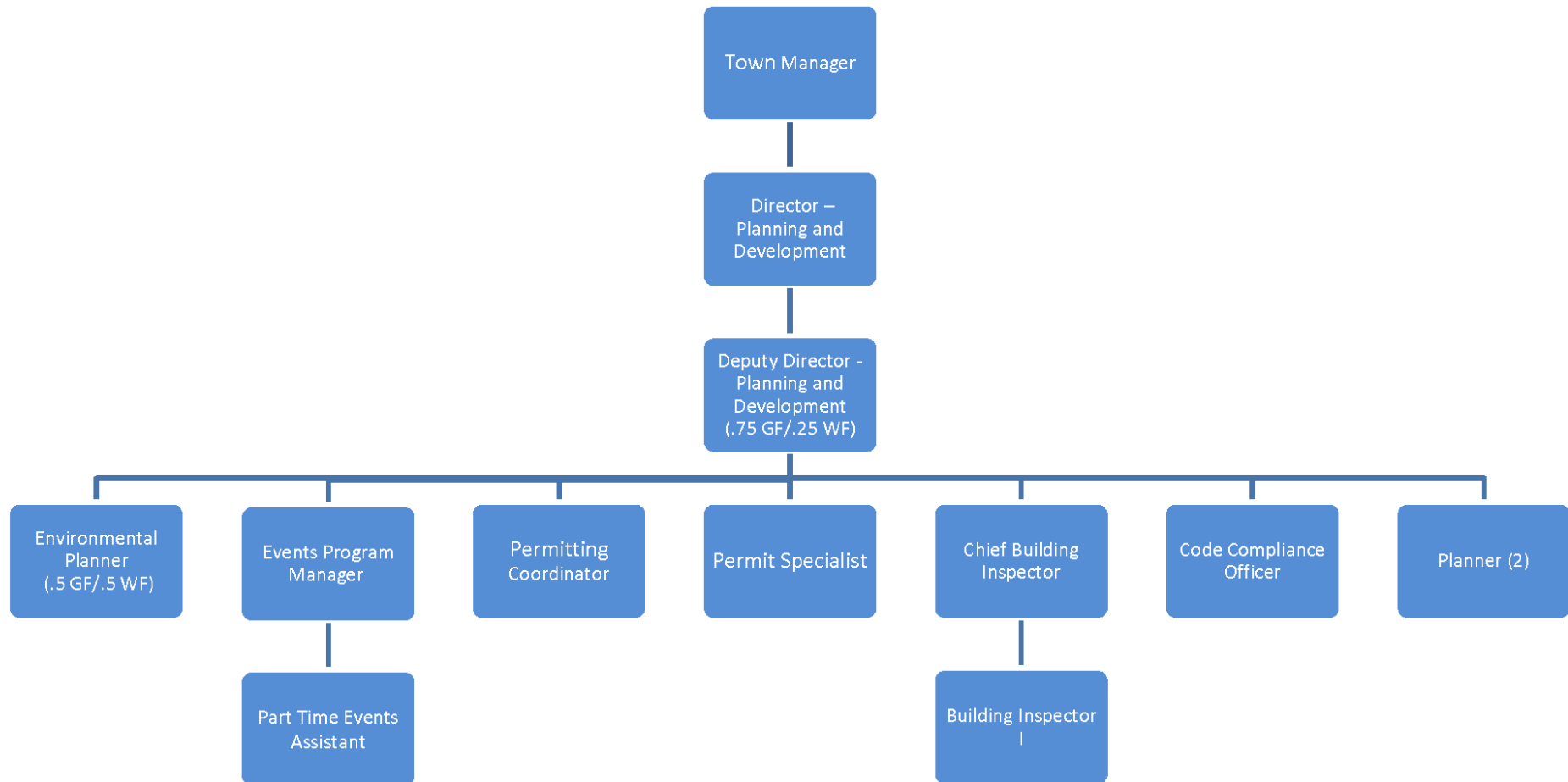
PLANNING AND DEVELOPMENT

DESCRIPTION

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



ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Reviewed and processed site plans for several notable development projects, including the Employee Wellness Facility with associated workforce housing units, Nags Head Church expansion, Outer Banks Sports Club expansion, TW's Group Development expansion, Dare County EMS Station, and other commercial improvements.
- Continued implementation of the Estuarine Shoreline Management Plan (ESMP), advancing multiple priority project areas including Villa Dunes, Soundside Road, Harvey Street/Soundside Event Site, and the Catfish Farm/Causeway living shoreline. Over the past year, staff progressed projects from concept into design and permitting phases through geotechnical investigations, submerged aquatic vegetation (SAV) mapping, development of a Basis of Design Report, and coordination with consultants, agencies, and property owners, including ongoing easement discussions. A major CAMA permit application was submitted for the Harvey Street/Soundside Event Site Living Shoreline Project and is currently under review, while project scopes were refined to emphasize nature-based and resilient solutions, including a resiliency berm and integrated stormwater features along Soundside Road and the advancement of a living shoreline pilot at the Catfish Farm/Causeway site.
- Applied for additional funding and continued coordination with state and regional partners to support implementation of shoreline stabilization and resiliency projects.
- Continued administration of the Sand Relocation Program and Dune Management Cost-Share Program, both of which saw significant participation during the 2025–2026 season and required substantial staff coordination and support.
- Completed the Hargrove Street CAMA Public Beach and Coastal Waterfront Access Project, improving public access to the town's oceanfront resources. Staff is currently working on the submission of Glidden Street CAMA Public Beach and Coastal Waterfront Access Grant.
- Advanced discussions with the Planning Board regarding updates to the Commercial Outdoor Recreation Overlay District. In light of North Carolina Senate Bill 382 (downzoning legislation), staff focused on strategies to enhance and refine permitted uses rather than remove them, including exploration of a soundside boardwalk concept.
- Continued expansion and community engagement for the Dark Skies, Bright Stars Initiative, including:
 - Partnered with the Network for Endangered Sea Turtles (NEST) to distribute "Lights Out for Sea Turtles" educational materials and light switch clings to oceanfront properties and rental management companies.
 - Developed interactive educational tools, including a lighting demonstration diorama illustrating the negative effects of shielded versus unshielded light fixtures.
 - Hosted a well-attended community stargazing event at Dowdy Park.



- Ongoing outreach efforts promoting responsible residential lighting through educational materials, giveaways (including red-light flashlights), and public engagement.
- Processed multiple Unified Development Ordinance (UDO) text amendments, including revisions to building separation standards, parking stall dimensions, flood damage prevention (freeboard requirements to support Community Rating System compliance), and updates to the town's Crowd Gathering Permit process in coordination with other departments.
- Maintained strong permitting efficiency, with quarterly reports indicating an average permit turnaround time of approximately three days.
- Supported the Board of Commissioners' strategic planning retreat, including updates to the Strategic Plan and identification of Planning Department work program priorities for the upcoming year.
- Continued coordination and programming support for the Committee for Art and Culture, including:
 - Administration and refinement of the Dowdy Park Farmers Market rules, conducted an anonymous survey of all market vendors to enhance operations, held a vendor meeting to gather input and answer questions.
 - Planning and implementation of the seasonal events including markets, concerts, fitness programming, and family-oriented events and activities.
 - Expansion of community programming with the introduction of Wellness Wednesday's.
 - Revitalization of the town's holiday tree lighting ceremony.
 - Ongoing management of the Art Mast Program and installation of a Free Little Art Gallery (FLAG) at Dowdy Park.
- Updated Memoranda of Agreement (MOAs) with key partner agencies, including the Network for Endangered Sea Turtles (NEST) and the North Carolina Sedimentation Control Commission, ensuring continued collaboration and program compliance.
- Supported community awareness initiatives through preparation of official proclamations, including Dark Sky Awareness and Tick-Borne Disease Awareness.
- Continued digitization efforts with scanning large format plan sets that were taking up notable space within the department.
- Compiled and mapped sand relocation permit data by year to track trends and develop a web map.
- As part of the Dark Skies, Bright Stars Initiative, compiled Sky Quality Readings each month, on the new moon, and created a publicly accessible web map of this data.



- Managed the transfer of ownership of the Electronic Vehicle Chargers at the municipal building from EVO to Epic Charging and ensured continuation of service.

GOALS AND UPCOMING PROJECTS

- Continue planning for future growth and development that will support a quality and balanced mix of land uses, while preserving our unique coastal environment and heritage of Nags Head.
- Continue implementing the Estuarine Shoreline Management Plan, which includes moving forward with several “living shoreline” projects, using natural materials to reduce erosion and flooding, at key sites with grants, partnerships, and designs already in progress. Goal is to develop an advisory service to property owners interested in completing nature-based shoreline stabilization projects on their private property.
- Undertake a comprehensive update of the existing parks and recreation plan.
- Continue to develop and enhance educational campaigns for planning related items such as tree preservation, stormwater management, lighting, and sign requirements.
- Continue digitizing permitting records.
- Continue improving the Unified Development Ordinance through periodic review and regulation clarification.
- Explore future options for enhancing commercial recreation and pedestrian connectivity, including a potential boardwalk extension in the town’s Commercial Outdoor Recreation Overlay District (CORD).
- Initiate regular communication with the building community, local commercial businesses, and the public through online tools and updates on general departmental business.
- Continue expanding education and community engagement efforts for the Dark Skies, Bright Stars Initiative through outreach, events, and partnerships. Evaluate potential minor amendments to the Unified Development Ordinance (UDO) to encourage or require fully shielded, downward-directed lighting fixtures for residential applications.
- Continue growing the events and opportunities through the Committee for Arts and Culture, including new events for the 2026/2027 season, and discussion and proposal of community events and gatherings at Whalebone Park.



Metrics Description	FY23-24	FY24-25	FY25-26 Projection	FY26-27 Goal
Residential Building Permits Issued	520	544	536	540
Commercial Building Permits Issued	85	87	101	98
Sub-Contractor Permits Issued	1,262	1,195	936	975
Zoning Permits Issued	711	664	683	685
Code Compliance				
Cases Investigated	349	372	240	305
Warnings	40	62	75	70
NOVs Issued	304	291	165	225
Civil Citations	1	-	-	-

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

DEVELOPMENT



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

ECONOMY



To promote a sustainable economy that supports residents and visitors.

ENVIRONMENT



To safeguard our critical natural resources and coastal ecosystem.

FY 2026-27 BUDGET HIGHLIGHTS

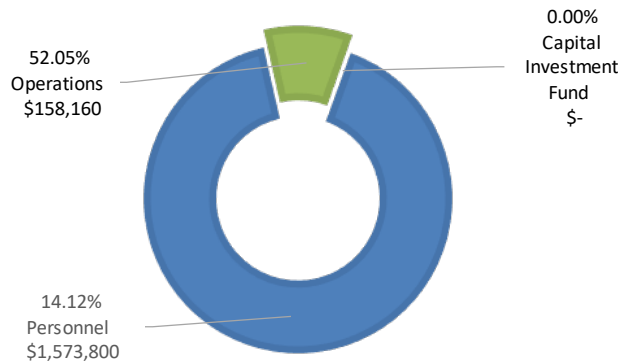
- Recommending \$10,000 to provide technical assistance to soundfront property owners through a partnership with a coastal consultant. This effort will offer site specific guidance on shoreline erosion issues and dynamics, and the feasibility of nature-based stabilization solutions. This continues implementation of the ESMP.
- Funding to complete a comprehensive update of the town's Parks and Recreation Plan, which is over 14 years old. The updated plan will be implementation-focused, aligned with NC Parks and Recreation Trust Fund (PARTF) criteria, and will position the town to compete for effectively for grant funding and guide future park and recreation investments.
- Funding for a part-time, year-round position to support event planning and programming. This position will improve consistency and reliability, help expand community offerings, and enhance the long-term sustainability and growth of town events.



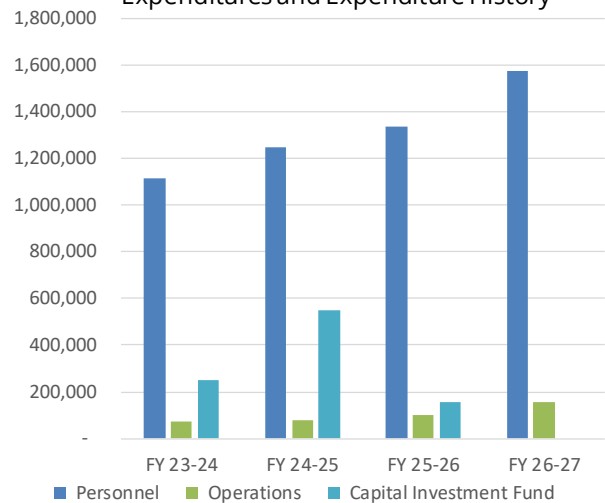
BUDGET SUMMARY PLANNING AND DEVELOPMENT

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 1,336,494	\$ 1,379,083	\$ 1,573,800	14.12%
Operations	102,031	104,020	158,160	52.05%
Capital Investment Fund	159,102	-	-	0.00%
Subtotal	1,597,626	1,483,103	1,731,960	16.78%
Cost Reimbursement	(170,260)	(170,620)	(218,176)	
Total	\$ 1,427,366	\$ 1,312,483	\$ 1,513,784	15.34%

Adopted Expenditures by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Adopted
Expenditures and Expenditure History





LINE-ITEM BUDGET PLANNING AND DEVELOPMENT

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 999,633	\$ 981,771	\$ 981,771	\$ 897,634	\$ 897,962	\$ 870,851	\$ 841,542	\$ 775,404
SALARIES - LONGEVITY PAY	31,384	30,579	30,579	26,325	26,325	26,325	26,325	-
SALARIES/WAGES - PARTTIME	24,102	23,400	23,400	4,200	4,200	1,442	-	-
OVERTIME PAY	1,147	1,114	1,114	-	-	-	-	-
HOLIDAY PAY	3,253	3,158	3,158	328	-	-	-	-
FICA TAX	80,745	79,254	79,254	70,748	70,748	66,834	63,678	56,137
GROUP HEALTH INSURANCE	271,885	252,325	252,325	201,709	201,709	198,662	153,266	147,966
RETIREMENT	163,991	152,001	152,001	132,108	132,108	127,816	117,465	98,159
401 K	51,570	50,198	50,198	46,031	46,031	44,564	43,054	38,218
Subtotal Personnel Services	\$ 1,627,710	\$ 1,573,800	\$ 1,573,800	\$ 1,379,083	\$ 1,379,083	\$ 1,336,494	\$ 1,245,330	\$ 1,115,884
OPERATIONS								
PLANNING BOARD FEES	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,240	\$ 7,316	\$ 6,920	\$ 7,080
BOARD OF ADJUSTMENT FEES	2,500	2,500	2,500	2,500	2,500	1,301	860	1,130
TRAINING	8,500	8,500	8,500	8,500	8,500	7,869	5,526	7,360
BUILDING/EQUIPMENT RENTAL	6,200	6,000	6,000	3,300	3,300	5,569	4,395	2,819
TELEPHONE	4,800	4,800	4,800	4,800	4,800	4,212	4,000	4,227
POSTAGE	4,500	4,500	4,500	4,500	4,500	1,846	4,295	1,849
ADVERTISING	1,500	1,500	1,500	1,500	1,500	1,903	979	128
PRINTING	4,000	5,000	5,000	5,000	5,000	2,463	2,302	1,192
FUEL COSTS	6,000	6,000	6,000	5,000	5,000	5,000	4,400	4,752
DEPARTMENT SUPPLIES	7,500	7,500	7,500	7,500	7,500	5,995	5,054	7,462
OTHER SUPPLIES	1,500	1,500	1,500	1,500	1,500	1,215	1,127	1,019
OTHER SUPPLIES - COMPUTER	2,480	2,480	2,480	2,440	2,440	1,249	1,955	1,015
VEHICLE MAINTENANCE	1,440	1,440	1,440	1,440	1,440	1,559	1,534	1,695
UNIFORMS	2,500	2,500	2,500	2,500	2,500	2,230	1,399	969
PROFESSIONAL FEES	2,700	2,700	2,700	2,700	2,700	927	4,875	4,280
CONTRACTED SERVICES	10,000	90,000	60,000	10,000	19,892	12,411	1,281	5,895
SPECIAL EVENTS	29,500	29,500	29,500	29,100	31,675	36,352	27,956	16,572
SPECIAL EVENTS - ART MASTS	-	-	-	-	-	-	-	2,580
DUES AND SUBSCRIPTIONS	4,500	4,500	4,500	4,500	4,500	2,612	2,253	1,270
Subtotal Operations	\$ 107,360	\$ 188,160	\$ 158,160	\$ 104,020	\$ 116,487	\$ 102,031	\$ 81,111	\$ 73,294



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
Capital Investment Fund Transfers								
NON-CAPITAL OUTLAY								
PROFESSIONAL FEES	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 6,867	\$ 206	\$ 1,366
CAPITAL OUTLAY								
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ 3,384	\$ 1,162	\$ 16,960	\$ 18,733
IMPROVEMENTS	-	-	-	-	151,073	151,073	294,911	24,000
VEHICLE	45,000	-	-	-	-	-	44,807	-
Subtotal Capital Outlay	\$ 45,000	\$ -	\$ -	\$ -	\$ 154,457	\$ 152,235	\$ 356,678	\$ 42,733
DEBT SERVICE								
PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,845	\$ 196,365
INTEREST	-	-	-	-	-	-	4,522	9,255
Subtotal Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,366	\$ 205,620
TOTAL	\$ 1,561,894	\$ 1,543,784	\$ 1,513,784	\$ 1,312,483	\$ 1,499,407	\$ 1,427,366	\$ 1,713,783	\$ 1,259,932



Description		Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay						
Pickup		27/28	\$ 45,000	\$ -	\$ -	\$ 45,000

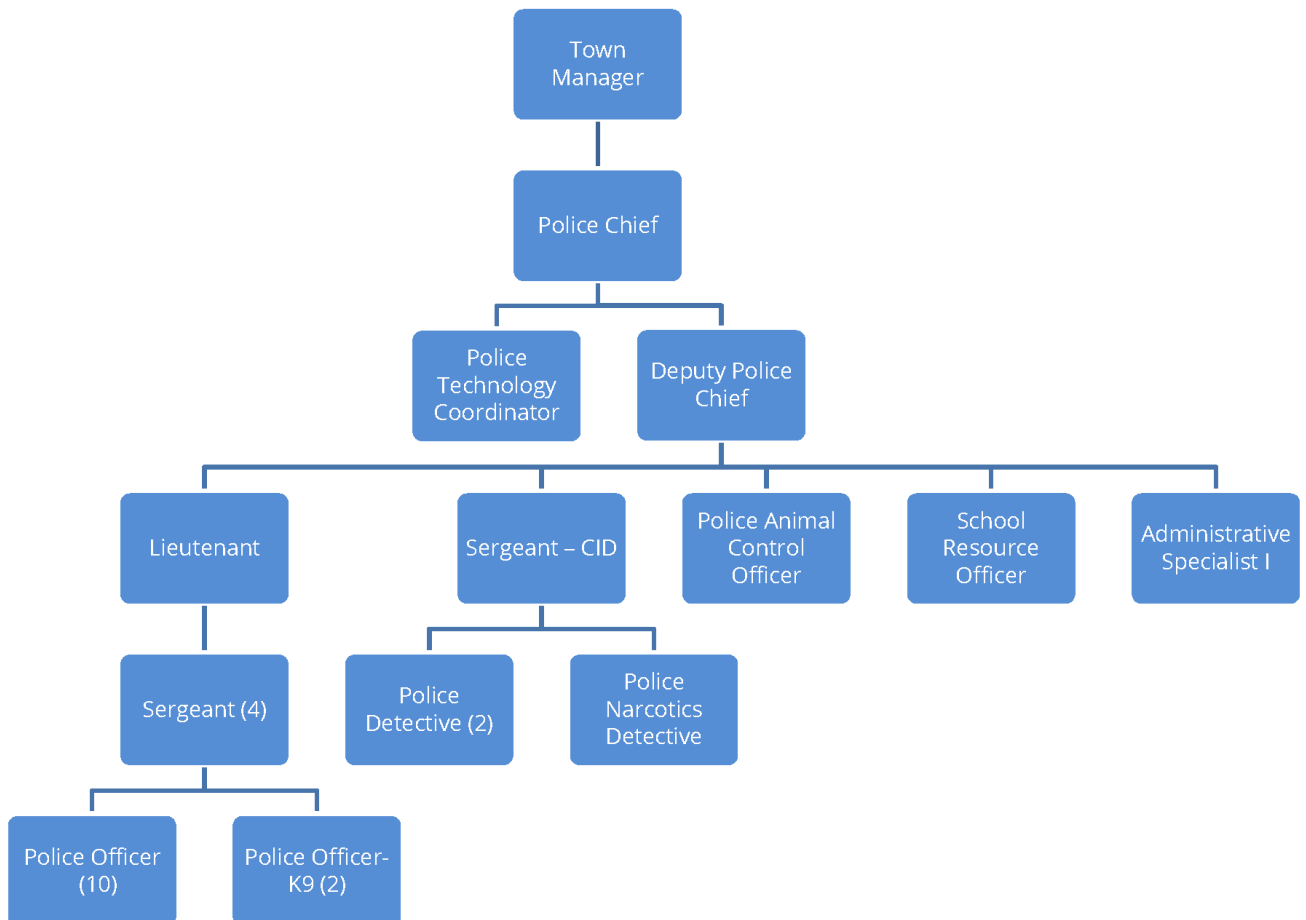


POLICE

DESCRIPTION

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Reported a five-year analysis of traffic crash data, which shows a decline in motor vehicle collisions.
- Received three federal convictions for narcotics and firearms cases directly related to our jurisdiction.
- Initiated a new officer wellness program based off years of service with the town focusing on improving officers' mental wellness.
- Completed annual review and updates to the department's Policy and Procedure Manual.
- Continued using the town's SharePoint collaboration software for scheduling, departmental forms, and certain data-based systems.
- First utilization of previously implemented police recruit program.
- Equipment that provides power to all traffic lights in the town in response to unexpected outages has been used at three locations for a total of 35 hours.
- Revamped the agency's response techniques for rapid deployment training to meet new standards and conducted agency-wide training.

GOALS AND UPCOMING PROJECTS

- Maintain a highly trained, professional team of law enforcement officers to ensure Nags Head remains one of the safest communities in eastern North Carolina.
- Satisfy Training and Standards requirements to conduct in-house training in collaboration with the NC Justice Academy.
- Implement additional resources focusing on mental wellness for team members.
- Continue partnership with federal agencies to combat narcotics coming to our area on the federal level.
- Research grant options for replacement of the department's mobile command vehicle.
- Continue to monitor and assist with five cases pending in federal court involving a multi-state fraud case, narcotics, and firearm violations.
- Build a succession plan for upcoming retirements across mid-level and upper-level management.



Metrics Description	FY23-24	FY24-25	FY25-26 Projection	FY26-27 Goal
Motor Vehicle Collisions (Reported in Calendar Years 2023, 2024 & Budget 2025)	218	209	220	210
Total Arrests	2,081	1,871	1,850	1,950
Total Non-Traffic Arrests	562	378	375	425
Total Traffic Arrests	1,519	1,493	1,475	1,525

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

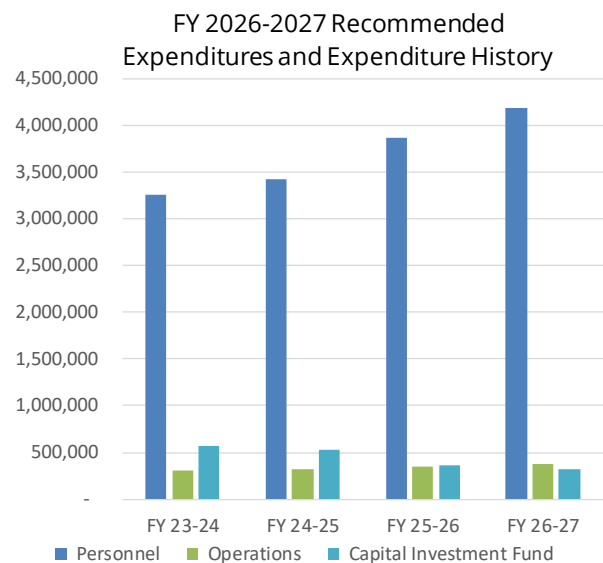
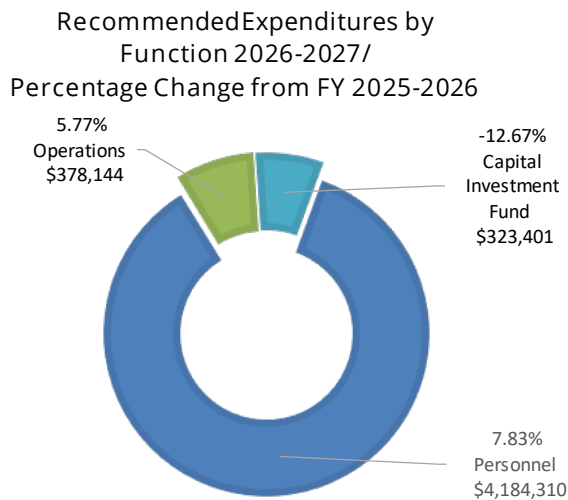
FY 2026-27 BUDGET HIGHLIGHTS

- Capital Investment Fund expenditures include:
 - Three police vehicles.
 - A replacement drone to conduct accident investigations, search for missing person/swimmers, photograph crime scenes, and assist with beach surveys following storms.
 - Information technology subscription-based debt service for the Records Management System, in-car/body-worn cameras, and license plate readers.
- Funding is included for Law Enforcement Officer Special Separation Allowance for four retired officers, as well as their health insurance.



BUDGET SUMMARY POLICE

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 3,864,808	\$ 3,880,471	\$ 4,184,310	7.83%
Operations	343,235	357,520	378,144	5.77%
Capital Investment Fund	368,176	370,336	323,401	-12.67%
Subtotal	4,576,219	4,608,327	4,885,855	6.02%
Cost Reimbursement	-	-	-	-
Total	\$ 4,576,219	\$ 4,608,327	\$ 4,885,855	6.02%





LINE-ITEM BUDGET POLICE

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES- REGULAR PAY	\$ 2,692,467	\$ 2,626,791	\$ 2,612,908	\$ 2,463,805	\$ 2,544,464	\$ 2,534,454	\$ 2,281,908	\$ 2,222,250
SALARIES - LONGEVITY PAY	75,415	73,568	73,629	57,050	57,050	57,050	57,050	-
OVERTIME PAY	31,157	41,053	30,250	23,775	-	-	-	-
HOLIDAY PAY	61,202	59,419	59,419	56,884	-	-	-	-
FICA TAX	222,488	214,760	212,876	200,596	200,596	197,136	177,390	168,045
GROUP HEALTH INSURANCE	540,509	501,985	501,985	462,170	462,170	453,044	338,081	351,461
RETIRES GROUP HEALTH INSUR	69,204	45,352	45,352	39,773	39,773	41,348	60,598	58,772
RETIREMENT	26,234	24,274	24,274	20,485	20,485	20,250	17,932	15,323
RETIREMENT LAW ENFORCEMENT	467,359	444,720	440,509	389,249	389,249	389,140	329,791	293,932
401 K	8,250	8,016	8,016	7,138	7,138	7,075	6,568	5,981
401 K LAW ENFORCEMENT	132,772	130,036	128,804	122,098	122,098	125,321	109,541	104,404
POLICE SEPARATION ALLOWANCE	87,895	46,288	46,288	37,448	37,448	39,990	42,834	42,834
Subtotal Personnel Services	\$ 4,414,952	\$ 4,216,262	\$ 4,184,310	\$ 3,880,471	\$ 3,880,471	\$ 3,864,808	\$ 3,421,694	\$ 3,263,002
OPERATIONS								
TRAINING	\$ 38,613	\$ 41,613	\$ 38,613	\$ 38,223	\$ 38,223	\$ 28,714	\$ 30,066	\$ 24,811
BUILDING/EQUIPMENT RENTAL	9,615	9,615	9,615	9,515	14,515	11,460	7,115	8,219
TELEPHONE	17,600	17,600	17,600	17,600	17,600	11,556	15,055	12,858
POSTAGE	1,450	1,950	1,450	1,450	1,780	1,327	558	333
ADVERTISING	525	525	525	525	525	276	-	31
PRINTING	1,770	1,770	1,770	1,770	1,770	608	162	315
FUEL COSTS	95,000	95,000	95,000	78,000	78,000	78,000	73,533	76,880
DEPARTMENT SUPPLIES	51,316	51,116	44,916	44,291	55,424	49,278	44,411	44,321
OTHER SUPPLIES	8,660	11,660	8,660	8,660	8,660	8,774	11,363	6,848
OTHER SUPPLIES, COMPUTER	-	-	-	-	-	-	-	6,860
MAINT/REPAIR BUILDING	-	-	-	-	-	-	-	6,786
MAINT/REPAIR EQUIPMENT	35,844	35,554	35,554	33,925	35,977	26,517	28,060	26,887
MAINT/REPAIR FIRING RANGE	4,000	4,000	4,000	4,000	21,884	21,665	2,729	4,838
VEHICLE MAINTENANCE	34,600	33,075	33,075	34,725	34,725	28,922	34,922	28,911
UNIFORMS	31,319	32,752	29,752	29,502	33,193	20,910	30,248	24,365
PROFESSIONAL FEES	16,818	17,818	16,818	16,218	16,218	12,992	8,591	9,728



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
CONTRACTED SERVICES	28,388	28,288	28,288	26,713	26,713	30,409	21,785	21,355
DUES AND SUBSCRIPTIONS	4,468	4,508	4,508	4,403	4,403	3,827	1,705	2,870
SPECIAL INVESTIGATIONS	8,000	8,000	8,000	8,000	8,000	8,000	5,876	6,000
Subtotal Operations	\$ 387,986	\$ 394,844	\$ 378,144	\$ 357,520	\$ 397,609	\$ 343,235	\$ 316,179	\$ 313,218
Capital Investment Fund Transfers								
CAPITAL OUTLAY								
EQUIPMENT	\$ -	\$ 14,870	\$ 14,870	\$ -	\$ -	\$ -	\$ 62,631	\$ 12,781
SUBSCRIPTION ASSET	518,296	-	-	72,000	72,000	69,840	-	105,595
VEHICLE	210,561	214,503	214,503	204,308	204,308	204,308	317,857	307,352
Subtotal Capital Outlay	\$ 728,857	\$ 229,373	\$ 229,373	\$ 276,308	\$ 276,308	\$ 274,148	\$ 380,488	\$ 425,727
DEBT SERVICE								
PRINCIPAL	\$ 92,390	\$ 91,604	\$ 91,604	\$ 91,255	\$ 91,255	\$ 90,300	\$ 137,031	\$ 136,742
INTEREST	6,711	2,424	2,424	2,773	2,773	3,728	5,806	6,888
Subtotal Debt Service	\$ 99,101	\$ 94,028	\$ 94,028	\$ 94,028	\$ 94,028	\$ 94,028	\$ 142,837	\$ 143,630
TOTALS	\$ 5,630,896	\$ 4,934,507	\$ 4,885,855	\$ 4,608,327	\$ 4,648,416	\$ 4,576,219	\$ 4,261,199	\$ 4,145,576



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Debt Service					
Subscription - Record Management System	22/23	\$ 49,766	\$ 10,424	\$ 10,424	\$ -
Subscription - In-Car/Body-Worn cameras	22/23	227,270	47,604	47,604	-
Subscription - License Plate Readers	25/26	70,795	36,000	36,000	-
Subscription - License Plate Readers	27/28	72,000	-	-	36,000
Subscription - Record Management System	27/28	77,245	-	-	15,449
Subscription - In-Car/Body-Worn cameras	27/28	238,260	-	-	47,652
		\$ 735,336	\$ 94,028	\$ 94,028	\$ 99,101
Capital Outlay					
Police Vehicles (3)	26/27	\$ 214,503	\$ 214,503	\$ 214,503	\$ -
Drone	26/27	14,870	14,870	14,870	-
Police Vehicles (3)	27/28	210,561	-	-	210,561
Subscription - License Plate Readers	27/28	72,000	-	-	72,000
Subscription - In-Car/Body-Worn cameras	27/28	6,240	-	-	6,240
Subscription - Record Management System	27/28	124,551	-	-	124,551
		\$ 642,725	\$ 229,373	\$ 229,373	\$ 413,352

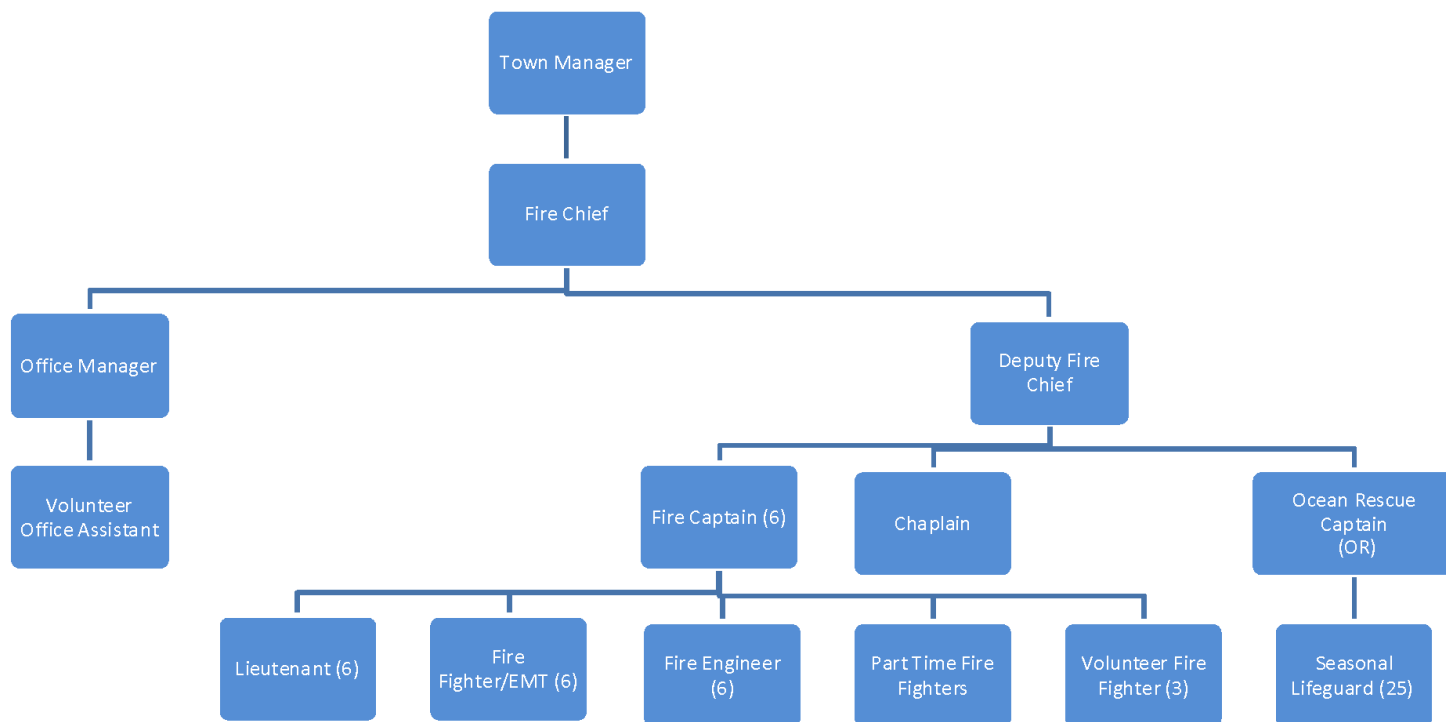


FIRE AND OCEAN RESCUE

DESCRIPTION

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Over the past year the town successfully exercised its Emergency Operations Plan (EOP) through both a dedicated training drill and several real-world weather events. These incidents provided critical opportunities to utilize and validate our emergency protocols, ensuring the town remains prepared for various contingencies.
- Emergency generators at both fire stations are currently being upgraded. The grant-funded installation at Fire Station 21 has reached completion, and the replacement at Fire Station 16 is now underway.
- Continued screening of firefighters for specific cancers using state-of-the-art blood testing. Provided cancer screening ultrasounds and additional cardiovascular screening for fire staff.
- To enhance our data-driven services, we have upgraded the records management systems for both the Fire and Ocean Rescue departments. These enhancements will facilitate superior record-keeping and more robust data analysis.
- Ocean Rescue Workforce Housing: Completed the development of dedicated seasonal housing at West Health Center Drive to accommodate up to 16 lifeguards. This strategic investment enhances recruitment and retention efforts while ensuring the long-term operational stability of ocean rescue services.
- In the 2025 competition season Nags Head again came away with the victory in our local competition series! We successfully hosted the SALA Regional Championships; with a record number of competitors (over 300). Nags Head had a very strong showing competing in the large beach division (over 50 guards) with 2nd overall behind the large beach champs Wrightsville Beach.
- In July 2025 we proudly premiered the short film “Service and Heroism: The Nags Head Ocean Rescue Story”, you can catch it home on YouTube at <https://www.youtube.com/watch?v=VBHHxH1sdWU&t=367s>.

GOALS AND UPCOMING PROJECTS

- Provide highly trained emergency responders to match the response needs of the community.
- Replace our legacy Knox Box key control systems with a modern, long-term solution. This upgrade will ensure continued secure and efficient emergency access to commercial occupancies throughout the town for many years to come.
- Delivery of the new 103-foot aerial ladder truck. Upon arrival, the department will launch a comprehensive training program to ensure the unit is mission-ready for the upcoming year.
- Begin the process of planning for a new Fire Station 16.
- Continue to enhance water rescue training for fire personnel.



- Educate citizens and visitors about water safety and ocean hazards through informational programs and interactions between Ocean Rescue staff and beachgoers. Continue to participate in the "Love the Beach respect the Ocean" initiative.
- Continue to fine-tune and refine our new universal flag system by working with neighboring agencies, Dare County Emergency Management and the National Weather Service. Additionally we will be upgrading our record keeping and reporting with the online reporting system for lifeguards' "Watchtower" that launched nationally in 2021.
- Additional lifeguard housing will be completed in late 2026 for use by the lifeguards in 2027.

Metrics Description	FY23-24	FY24-25	FY25-26 Projection	FY26-27 Goal
Fire Department:				
Training Hours	4,639	6,651	5,496	7,000
Calls for Service	1,166	1,118	1,178	1,138
Average Response Time:				
Overall - First on Scene	6:25	5:58	5:31	5:30
Station 16	6:17	5:55	5:00	5:30
Station 21	6:48	6:07	6:00	5:30
Ocean Rescue:				
Estimated Beach Population	1,082,430	886,425	900,000	1,000,000
Educational Advisories	396,532	229,610	250,000	250,000
Total Incidents	309	173	150	200
People Rescued	288	63	70	100
Watercraft Assisted	1	4	2	5
Lost Person/Search	11	21	10	15

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

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FY 2026-27 BUDGET HIGHLIGHTS

FIRE

- Increased funding for part-time hours is included.
- Capital Investment Fund expenditures include:
 - Knox box key secure system, allowing first responders to enter businesses instantly during emergencies without forced entry- \$39,300.
 - Forcible entry training prop - \$9,110.
 - Replacement pickup truck - \$56,650.
 - Debt payments on two fire apparatuses purchased in fiscal years 2019 and 2022.
 - Debt payment on land purchased at 4222 South Croatan Highway.
- Funding of \$10,000 is included to outsource maintenance on fire apparatuses.
- Funding for stress tests and cancer screening for career firefighters are included.
- Funding of \$51,000 is included for ten sets of turnout gear.
- In contracted services, the cost of emergency reporting software is \$10,200.

OCEAN RESCUE

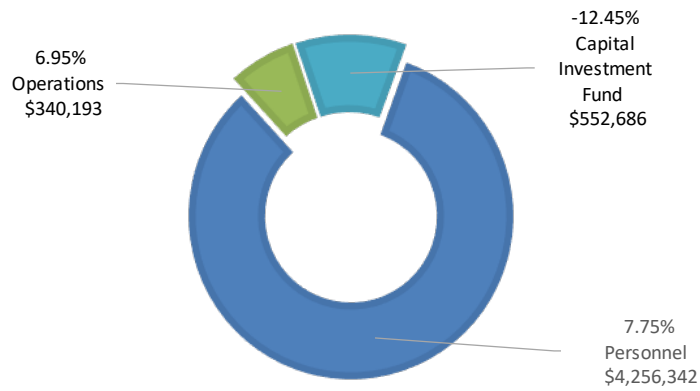
- To aid in recruiting summer lifeguards, the pay plan includes a minimum base starting salary at \$20.50 per hour, seasonal bonuses, and Labor Day incentive pay.
- Capital Investment Fund expenditures include three all-terrain vehicle replacements for beach patrol - \$23,250.



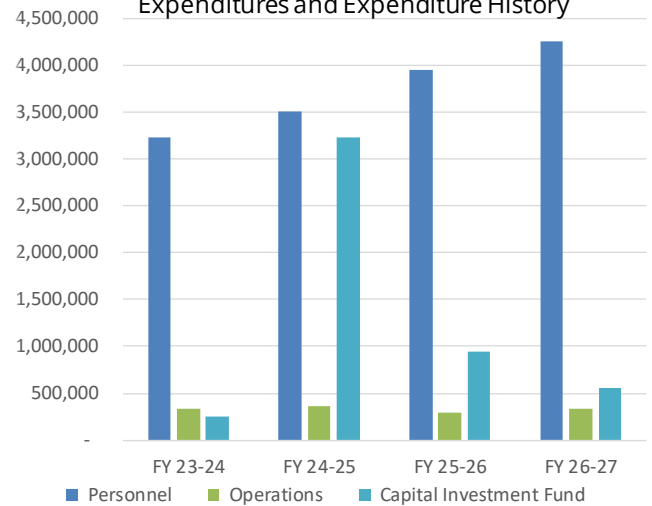
BUDGET SUMMARY FIRE

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 3,951,515	\$ 3,950,258	\$ 4,256,342	7.75%
Operations	299,720	318,075	340,193	6.95%
Capital Investment Fund	947,009	631,286	552,686	-12.45%
Subtotal	5,198,244	4,899,619	5,149,221	5.09%
Cost Reimbursement	-	-	-	-
Total	\$ 5,198,244	\$ 4,899,619	\$ 5,149,221	5.09%

Recommended Expenses
by Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET FIRE

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 2,600,687	\$ 2,585,103	\$ 2,525,809	\$ 2,369,328	\$ 2,461,994	\$ 2,461,994	\$ 2,326,493	\$ 2,216,098
SALARIES - LONGEVITY PAY	92,294	90,398	90,398	73,312	73,312	73,312	73,312	-
SALARIES/WAGES - PARTTIME	78,490	76,495	76,495	69,588	69,587	69,587	-	-
OVERTIME PAY	22,255	21,607	21,607	10,885	-	-	-	-
HOLIDAY PAY	89,890	87,272	87,272	81,781	-	-	-	-
FICA TAX	219,327	217,587	213,051	198,750	198,750	197,414	177,154	162,839
GROUP HEALTH INSURANCE	707,377	690,751	656,637	619,825	619,825	614,536	448,821	412,444
RETIRES GROUP HEALTH INSUR	27,888	37,570	37,570	37,536	37,536	36,376	45,449	44,079
RETIREMENT	444,966	420,556	411,579	362,832	362,832	369,480	320,028	282,644
401 K	139,926	138,889	135,924	126,422	126,422	128,816	117,282	110,279
Subtotal Personnel Services	\$ 4,423,100	\$ 4,366,228	\$ 4,256,342	\$ 3,950,258	\$ 3,950,258	\$ 3,951,515	\$ 3,508,538	\$ 3,228,383
OPERATIONS								
TRAINING	\$ 28,630	\$ 30,530	\$ 30,530	\$ 21,956	\$ 21,956	\$ 17,453	\$ 21,274	\$ 20,836
SAFETY TRAINING	5,569	5,569	5,569	4,869	4,869	2,546	3,704	3,461
OSHA COMPLIANCE COSTS	4,465	4,465	4,465	4,465	4,465	2,552	4,332	2,332
BUILDING/EQUIPMENT RENTAL	3,860	3,860	3,860	3,535	3,535	3,326	4,171	4,289
TELEPHONE	2,881	2,881	2,881	2,881	2,881	2,555	2,281	2,281
POSTAGE	700	700	700	700	700	349	69	394
PRINTING	400	400	400	400	400	137	-	36
FUEL COSTS	21,000	21,000	21,000	20,500	20,500	20,500	16,360	19,064
DEPARTMENT SUPPLIES	101,385	99,285	99,285	85,317	85,317	93,082	77,855	76,141
OTHER SUPPLIES	5,370	5,550	5,550	5,050	5,050	6,386	5,077	5,445
MAINT/REPAIR BUILDINGS	26,060	38,060	26,060	26,060	27,281	23,602	38,454	19,054
MAINT/REPAIR EQUIPMENT	7,680	7,680	7,680	6,680	6,680	5,974	10,278	9,181
VEHICLE MAINTENANCE	30,100	29,500	29,500	29,000	29,000	27,905	40,106	36,203
UNIFORMS	16,056	16,056	16,056	16,056	16,056	10,842	14,998	17,856
PROFESSIONAL FEES	26,900	27,285	27,285	23,652	23,652	15,917	20,772	77,148
INCENTIVE PAY	6,500	6,500	6,500	6,500	6,500	4,979	5,203	3,112
CONTRACTED SERVICES	46,348	44,480	44,480	52,062	52,062	56,254	33,781	29,200
SUPPLEMENTAL PENSION FUND	5,580	5,580	5,580	5,580	5,580	3,847	4,180	3,020
DUES AND SUBSCRIPTIONS	2,812	2,812	2,812	2,812	2,812	1,512	2,016	1,903
Subtotal Operations	\$ 342,296	\$ 352,193	\$ 340,193	\$ 318,075	\$ 319,296	\$ 299,720	\$ 304,911	\$ 330,956



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
Capital Investment Fund Transfers								
NON-CAPITAL OUTLAY								
BUILDINGS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,704	\$ -
CAPITAL OUTLAY								
LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ -
BUILDINGS	-	-	-	100,000	114,405	118,405	-	-
EQUIPMENT	-	48,410	48,410	-	-	-	-	12,510
VEHICLE	-	56,650	56,650	77,000	374,318	374,318	-	-
Subtotal Capital Outlay	\$ -	\$ 105,060	\$ 105,060	\$ 177,000	\$ 488,723	\$ 492,723	\$ 3,000,000	\$ 12,510
DEBT SERVICE								
PRINCIPAL	\$ 366,136	\$ 361,067	\$ 361,067	\$ 356,122	\$ 356,122	\$ 356,122	\$ 197,138	\$ 192,434
INTEREST	74,830	86,559	86,559	98,164	98,164	98,164	36,389	41,093
Subtotal Debt Service	\$ 440,966	\$ 447,626	\$ 447,626	\$ 454,286	\$ 454,286	\$ 454,286	\$ 233,527	\$ 233,527
Totals	\$ 5,206,362	\$ 5,271,107	\$ 5,149,221	\$ 4,899,619	\$ 5,212,563	\$ 5,198,244	\$ 7,110,681	\$ 3,805,376



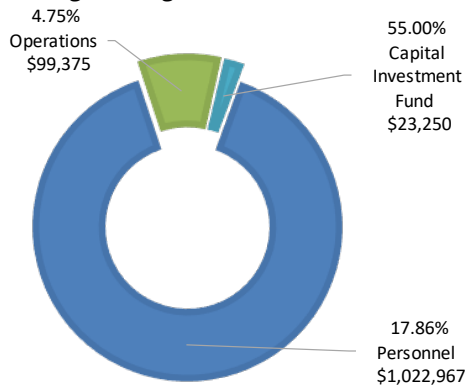
Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Debt Service					
Pumper	18/19	\$ 697,620	\$ 76,101	\$ 76,101	\$ 76,101
Pumper/Quint	21/22	1,358,079	157,426	157,426	157,426
4222 S. Croatan Highway	24/25	1,541,604	214,099	214,099	207,439
		\$ 3,597,303	\$ 447,626	\$ 447,626	\$ 440,966
Capital Outlay					
Pickup	26/27	\$ 56,650	\$ 56,650	\$ 56,650	\$ -
Forcible entry training prop	26/27	9,110	9,110	9,110	-
Knox box key secure system	26/27	39,300	39,300	39,300	-
		\$ 105,060	\$ 105,060	\$ 105,060	\$ -



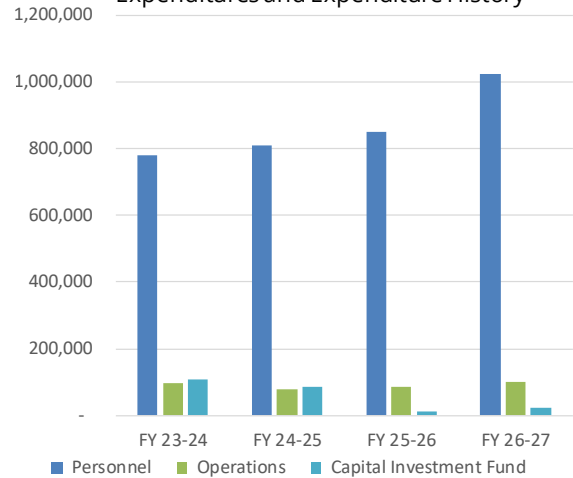
BUDGET SUMMARY OCEAN RESCUE

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 849,329	\$ 867,960	\$ 1,022,967	17.86%
Operations	84,670	94,865	99,375	4.75%
Capital Investment Fund	12,878	15,000	23,250	55.00%
Subtotal	946,876	977,825	1,145,592	17.16%
Cost Reimbursement	-	-	-	0.00%
Total	\$ 946,876	\$ 977,825	\$ 1,145,592	17.16%

Recommended Expenditures by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET OCEAN RESCUE

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 112,423	\$ 109,171	\$ 109,171	\$ 59,468	\$ 59,468	\$ 57,717	\$ 59,665	\$ 59,954
SALARIES - LONGEVITY PAY	7,815	7,587	7,587	4,127	4,127	4,127	4,127	-
SALARIES/WAGES - PARTTIME	807,563	791,572	791,572	719,832	730,997	723,869	688,018	661,449
FICA TAX	70,917	69,428	69,428	59,893	59,893	40,939	37,008	38,957
GROUP HEALTH INSURANCE	23,530	21,851	21,851	12,156	12,156	10,893	8,999	9,466
RETIREMENT	18,994	17,559	17,559	9,258	9,258	8,742	8,695	7,720
401 K	5,973	5,799	5,799	3,226	3,226	3,041	3,176	3,019
Subtotal Personnel Services	\$ 1,047,215	\$ 1,022,967	\$ 1,022,967	\$ 867,960	\$ 879,125	\$ 849,329	\$ 809,688	\$ 780,566
OPERATIONS								
TRAINING	\$ 10,220	\$ 11,140	\$ 11,140	\$ 9,700	9,700	4,342	9,402	\$ 11,100
TELEPHONE	1,440	1,440	1,440	1,440	1,440	1,442	1,416	1,488
POSTAGE	300	300	300	300	300	867	42	62
ADVERTISING	1,000	1,000	1,000	1,000	1,000	343	-	599
PRINTING	2,000	2,000	2,000	2,000	2,000	1,959	1,689	2,520
FUEL COSTS	15,000	15,000	15,000	13,000	13,000	13,000	9,728	13,042
DEPARTMENT SUPPLIES	20,355	30,775	30,775	30,055	30,055	33,279	25,055	33,059
MAINT/REPAIR EQUIPMENT	5,900	5,900	5,900	5,900	5,900	5,729	5,097	6,085
VEHICLE MAINTENANCE	4,600	3,600	3,600	3,600	3,600	3,961	4,845	4,414
UNIFORMS	15,500	15,500	15,500	15,500	15,500	15,500	15,186	16,380
PROFESSIONAL FEES	3,000	3,000	3,000	3,150	3,150	1,082	3,120	2,820
CONTRACTED SERVICES	7,120	7,120	7,120	7,120	7,120	2,445	1,640	1,637
DUES AND SUBSCRIPTIONS	2,100	2,600	2,600	2,100	2,100	721	2,080	2,520
Subtotal Operations	\$ 88,535	\$ 99,375	\$ 99,375	\$ 94,865	\$ 94,865	\$ 84,670	\$ 79,301	\$ 95,726



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
Capital Investment Fund Transfers								
<i>CAPITAL OUTLAY</i>								
EQUIPMENT	\$ 32,676	\$ 23,250	\$ 23,250	\$ 15,000	\$ 15,000	\$ 12,878	\$ 12,879	\$ 24,018
VEHICLE	70,000	-	-	-	-	-	52,614	46,885
<i>Subtotal Capital Outlay</i>	\$ 102,676	\$ 23,250	\$ 23,250	\$ 15,000	\$ 15,000	\$ 12,878	\$ 65,493	\$ 70,903
<i>DEBT SERVICE</i>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ -	-	-	19,953	\$ 35,738
INTEREST	-	-	-	-	-	-	329	1,009
<i>Subtotal Debt Service</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,282	\$ 36,747
TOTALS	\$ 1,238,426	\$ 1,145,592	\$ 1,145,592	\$ 977,825	\$ 988,990	\$ 946,876	\$ 974,763	\$ 983,942



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Four-wheelers for beach patrol (3 replacements)	26/27	\$ 23,050	\$ 23,050	\$ 23,050	\$ -
Pickup	27/28	70,000	-	-	70,000
Wave Runner	27/28	16,676	-	-	16,676
Four-wheelers for beach patrol (2 replacements)	27/28	16,000	-	-	16,000
		\$ 125,726	\$ 23,050	\$ 23,050	\$ 102,676



PUBLIC SERVICES

DESCRIPTION

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

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

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

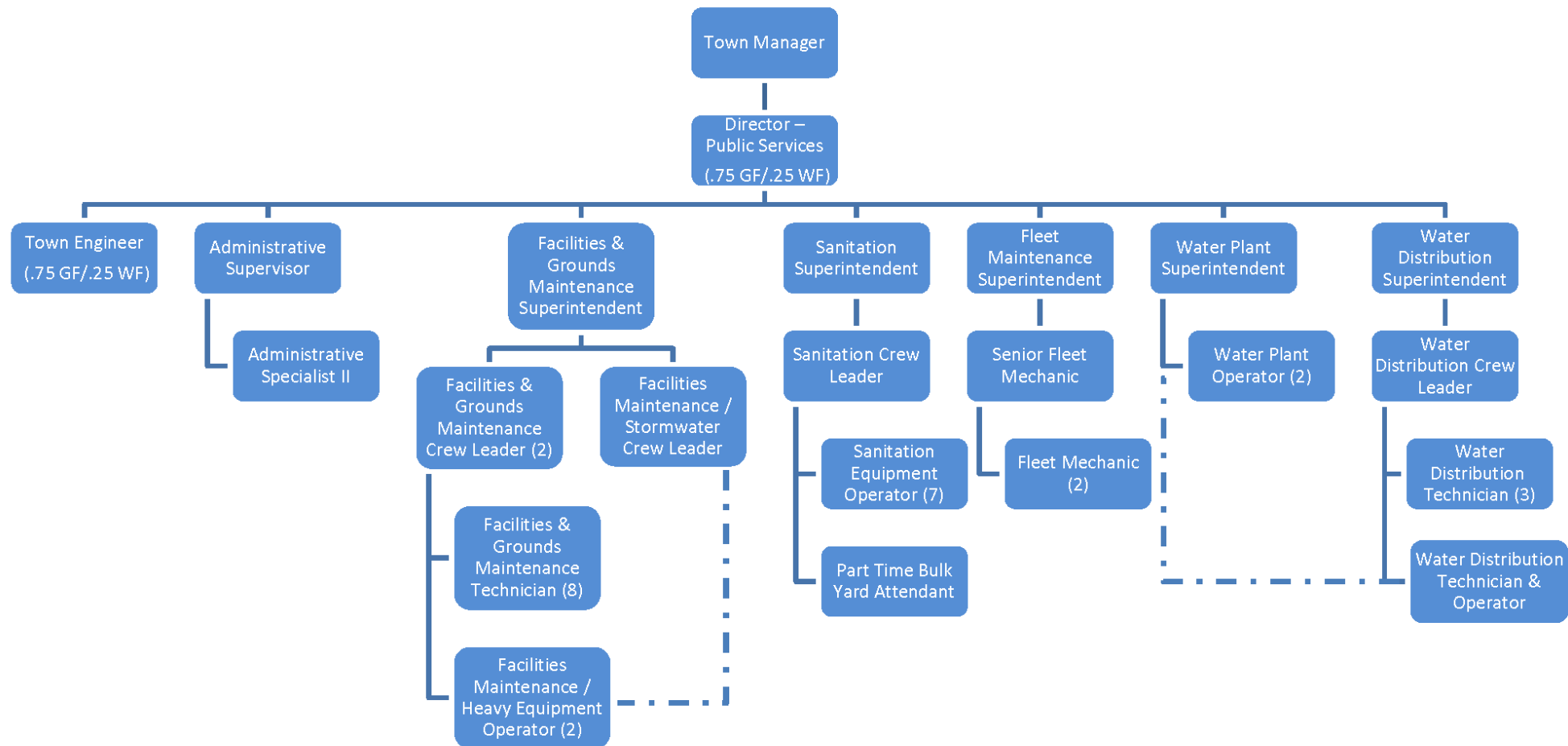
Fleet Maintenance maintains, repairs, and services town vehicles and heavy equipment. Efficient, cost-effective maintenance of equipment is essential to providing uninterrupted service.

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

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



ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Completed a pavilion with bathrooms at Whalebone Park. Added eight picnic tables and replaced two benches.
- Built and installed five memorial benches along the multi-use path.
- Installed two memorial benches at Dowdy Park.
- Replaced five sections of multi-use path bulkhead in the 4100 block of South Virginia Dare Trail.
- Replaced the accessible wheelchair swing at Dowdy Park.
- Installed irrigation at the field at Dowdy Park.
- Replaced three air conditioning units at town hall.
- Replaced windows and shutters at town hall.
- Six radar signs were installed in the west side neighborhoods. Two each are on Villa Dunes Drive, Barnes Street, and Deering Street.
- Followed a regular schedule of culvert and ditch maintenance to protect infrastructure, prevent flooding, preserve water quality, and ensure a healthy overall coastal ecosystem.
- Enhanced pedestrian safety and improved the overall appearance of the town through a partnership with rental property managers that addresses sanitation issues through the sanitation cart rollout service for South Virginia Dare Trail and South Old Oregon Inlet Road.
- Diverted 220 tons of cardboard from the landfill, resulting in a cost savings of approximately \$19,793.
- Transported approximately 68 tons of Alternative Daily Cover recyclable glass (post-consumer glass used as landfill cover material rather than being recycled into new glass products) to Bay Disposal at an estimated cost of \$9,400, following Dare County's discontinuation of glass recycling on July 1, 2025.
- Processed seven new vehicles and four new pieces of equipment into the town's fleet, safeguarding and optimizing employee productivity and performance.
- Concluded the second and third phases of asphalt resurfacing on the South Virginia Dare Trail multi-use path, improving pavement conditions, adjacent drainage, and overall usability for pedestrians and bicyclists. A fourth phase is scheduled for Spring 2026 to extend improvements north from Dune Street toward Conch Street.
- Finalized construction of a two-story, dormitory-style lifeguard housing facility at 425 West Health Center Drive to support seasonal ocean rescue personnel, providing housing for up to 16 lifeguards. Completed in September 2025, the facility also supports offseason use for temporary town staff housing during emergencies.



- Completed the planning, design, permitting and bidding of the dune walkover replacements at Gulfstream Way, June Street, and Gray Eagle Street. Construction of Gulfstream Way, Juncos Street, and June Street walkover replacements are currently in progress.
- Prepared the planning, design, and permitting for the multi-use wellness center/ ocean rescue housing project on the town hall campus. The project is currently under construction with a planned completion date of September 2026.
- Executed planning, permitting, and bidding for the 2026 beach re-nourishment project. Project construction is tentatively scheduled for May-July 2026.
- Finalized the construction plans for the following pedestrian improvement projects: West Bay Meadow Drive, East Grouse Street, West Windjammer Road, East Admiral Street, and Dowdy Park.
- Initiated the planning process of the next phase of the west side multi-use path along South Croatan Highway between Carolista Drive and West Soundside Road.
- Upgraded amenities, such as a new volleyball court, at the Bonnett Street beach access. Resurfaced the popular pickleball courts at Dowdy Park.

GOALS AND UPCOMING PROJECTS

- Continue pedestrian and traffic safety improvements, including enhancing crosswalk safety through additional lighting and adding traffic calming features on South Virginia Dare Trail and throughout the neighborhoods.
- Maintain and improve the town's public infrastructure systems including streets, stormwater, water distribution, and supporting facilities, to ensure safe, reliable, and efficient service delivery.
- Continue inspecting and renovating town-owned infrastructure, including bulkhead replacement and concrete repairs on South Virginia Dare Trail.
- Deliver quality, efficient, and effective solid waste sanitation services that encourage the reduction of solid waste through recycling and remain flexible and readily adaptable to the complexities of growth, change, and community needs.
- Complete the wellness center/ ocean rescue housing project on the town hall campus.
- Begin construction on the South Wrightsville Avenue/Bonnett Street (Project Area #4) drainage improvement project.
- Begin construction of the next phase of the west side multi-use path along South Croatan Highway between Carolista Drive and West Soundside Road.
- Complete the 2026 beach renourishment project safely and efficiently.



Metrics Description	FY 23-24	FY 24-25	FY25-26 Projection	FY 26-27 Goal
Facilities Maintenance:				
Crosswalk Safety Upgrades	20	-	-	10
Bulkhead Replacements	2	-	5	2
Town Hall Exterior Upgrades	1	1	2	-
Sanitation:				
Tons of Residential and Commercial Refuse Collected	8,104	7,940	7,600	8,000
Tons of Recycling Collected	579	663	750	800

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

DEVELOPMENT



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

ENVIRONMENT



To safeguard our critical natural resources and coastal ecosystem.

FY 2026-27 BUDGET HIGHLIGHTS

PUBLIC SERVICES ADMINISTRATION

- The public services director and town engineer positions are budgeted at a 75% general fund/25% water fund split.
- Trash carts and dumpsters are purchased for resale and are budgeted as purchases for resale.
- Implement the next phase of pedestrian projects along South Croatan Highway between Carolista Drive and West Soundside Road. Grant funding of \$750,000 has been secured through the Outer Banks Visitors Bureau. The total estimated construction cost for the project is \$1,688,935, with the local portion of \$938,935 being financed over 10 years. The first year of debt service is budgeted at \$93,894.

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PUBLIC SERVICES FACILITIES MAINTENANCE

- An additional heavy equipment operator position is budgeted.
- Construction of dune walkover replacements at the Albatross and Glidden Street beach accesses are included. A Division of Coastal Management grant application will be submitted in the amount of \$134,925 for funding assistance for the replacement at Glidden Street.
- Funds are included for routine building, park, and beach access maintenance.
- The general fund portion of town-wide utilities are centrally budgeted in this department.
- Sand fencing is budgeted at \$48,000 in conjunction with the 2026 beach nourishment project, which will be reimbursed by Dare County.
- Capital Investment Fund expenditures include:
 - Multiuse Path maintenance and repairs-\$60,000
 - Hargrove Street bath house design- \$50,000
 - HVAC service contract agreement at all town buildings - \$63,000
 - Debt service of \$23,760 on a transfer switch and elevator replacement at town hall.

PUBLIC SERVICES GARAGE

- Fuel prices are calculated and budgeted on average usage for the prior twelve months and are reflected departmentally. For fiscal year 2026-2027, prices are budgeted at \$3.0901 per gallon for regular unleaded and \$4.5885 per gallon for diesel.
- Capital outlay includes a replacement diagnostic tool - \$7,000.

PUBLIC WORKS STATE STREET AID

- Powell Bill funds will be used to address a significant portion of the Year 7 street paving program through resurfacing of multiple east-west streets, including the Indigo Street, June Street, Holden Street, Curlew Street, and Forrest Street beach accesses, as well as Ida Street, James Street, Tides Drive, West Hargrove Street, Holden Street, East Epstein Drive, Dowitcher Street, and Sandpebble Court. In addition, Wrightsville Avenue is proposed to be resurfaced from Bark Street to East Bonnett Street post construction of Project Area #4.

PUBLIC WORKS SANITATION

- Tipping fees are budgeted at \$769,760 for an estimated 8,000 residential and commercial tons at \$96.22 per ton.
- Construction and demolition fees are budgeted at \$58,528 for an estimated 800 tons estimated at \$73.16 per ton.

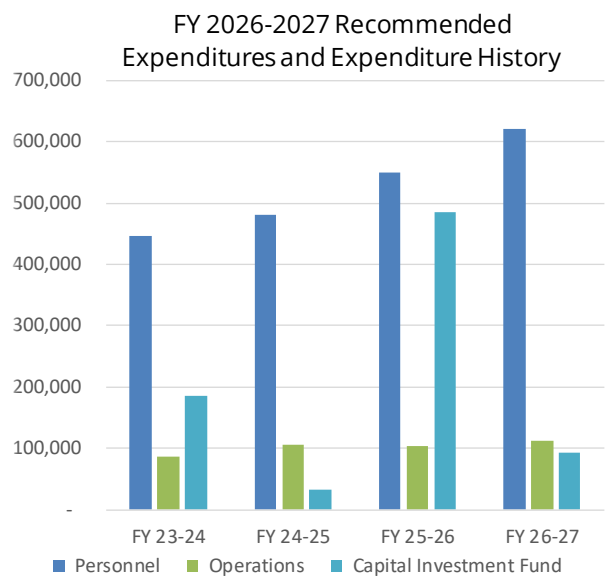
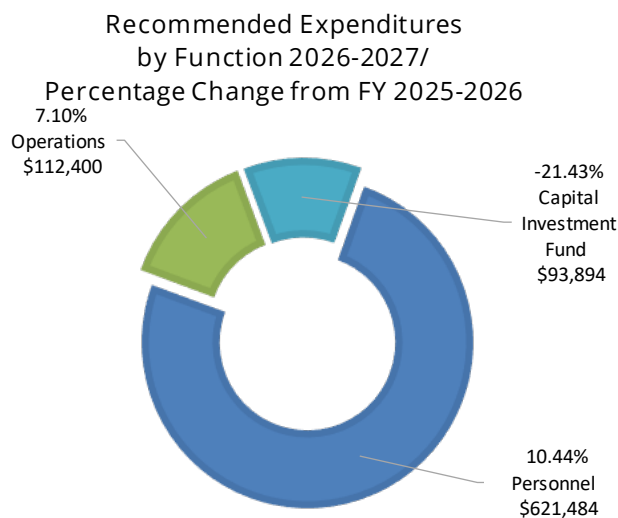


- Funding is included for recycling at 45 recycling-contracted cart locations including public beach accesses, parks, and town buildings, totaling \$11,520.
- A recycling supplement of \$78 per year is included for an estimated 775 customers using curbside recycling services, totaling \$60,450.
- Contracted services are included for six months of enhanced cart rollout services on South Virginia Dare Trail and South Old Oregon Inlet Road, totaling \$207,648. This cost is offset by an annual cart rollout fee.
- Capital Investment fund expenditures include a replacement commercial garbage truck - \$400,000.



BUDGET SUMMARY PUBLIC SERVICES ADMINISTRATION

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 549,046	\$ 562,757	\$ 621,484	10.44%
Operations	103,926	104,945	112,400	7.10%
Capital Investment Fund	485,300	119,500	93,894	-21.43%
Subtotal	1,138,272	787,202	827,778	5.15%
Cost Reimbursement	(68,415)	(68,415)	(83,240)	
Total	\$ 1,069,857	\$ 718,787	\$ 744,538	3.58%





LINE-ITEM BUDGET PUBLIC SERVICES ADMINISTRATION

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 424,485	\$ 412,299	\$ 412,299	\$ 375,395	\$ 375,395	\$ 365,933	\$ 326,641	\$ 311,511
SALARIES - LONGEVITY PAY	15,401	15,029	15,029	12,687	12,687	12,687	12,687	-
FICA TAX	33,562	32,601	32,601	29,599	29,599	28,091	24,743	22,467
GROUP HEALTH INSURANCE	81,590	75,727	75,727	70,208	70,208	69,334	53,414	56,670
RETIREMENT	69,756	64,520	64,520	55,522	55,522	54,128	46,138	40,086
401 K	21,936	21,308	21,308	19,346	19,346	18,873	16,880	15,626
Subtotal Personnel Services	\$ 646,730	\$ 621,484	\$ 621,484	\$ 562,757	\$ 562,757	\$ 549,046	\$ 480,502	\$ 446,360
OPERATIONS								
TRAINING	\$ 7,500	\$ 8,050	\$ 8,050	\$ 7,300	7,300	3,452	8,432	\$ 1,266
BUILDING/EQUIPMENT RENTAL	3,300	3,200	3,200	1,750	1,750	1,625	1,094	2,194
TELEPHONE	1,452	1,452	1,452	1,440	1,440	1,777	1,472	1,289
POSTAGE	300	300	300	300	300	119	130	235
ADVERTISING	300	300	300	300	300	103	-	-
FUEL COSTS	2,500	2,500	2,500	2,000	2,000	2,000	1,550	2,153
DEPARTMENT SUPPLIES	8,500	9,000	8,500	12,500	12,500	7,402	7,469	5,744
VEHICLE MAINTENANCE	5,250	5,250	5,250	4,850	4,850	2,316	11,107	930
UNIFORMS	2,550	2,550	2,550	2,550	2,550	1,188	458	338
CONTRACTED SERVICES	5,460	5,460	5,460	5,980	5,980	5,658	3,775	3,000
PURCHASES FOR RESALE	72,000	96,700	66,000	59,900	59,900	69,640	65,611	65,772
DUES AND SUBSCRIPTIONS	8,838	8,838	8,838	6,075	6,075	8,647	3,953	3,174
Subtotal Operations	\$ 117,950	\$ 143,600	\$ 112,400	\$ 104,945	\$ 104,945	\$ 103,926	\$ 105,050	\$ 86,095



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
<i>COST REIMBURSEMENT FROM THE WATER FUND</i>								
COST REIMBURSEMENT	\$ (83,240)	\$ (83,240)	\$ (83,240)	\$ (68,415)	\$ (68,415)	\$ (68,415)	\$ (59,765)	\$ (46,660)
<i>CAPITAL OUTLAY</i>								
CAPITAL OUTLAY IMPROVEMENTS	\$ 78,000	\$ -	\$ -	\$ 119,500	\$ 520,300	\$ 485,300	\$ 5,500	\$ 157,515
CAPITAL OUTLAY VEHICLE	49,000	-	-	-	-	-	-	-
	\$ 127,000	\$ -	\$ -	\$ 119,500	\$ 520,300	\$ 485,300	\$ 5,500	\$ 157,515
Capital Investment Fund Transfers								
<i>DEBT SERVICE</i>								
PRINCIPAL	\$ 93,894	\$ 93,894	\$ 93,894	\$ -	\$ -	\$ -	\$ 27,368	\$ 27,368
INTEREST	42,253	-	-	-	-	-	662	1,325
<i>Subtotal Debt Service</i>	\$ 136,147	\$ 93,894	\$ 93,894	\$ -	\$ -	\$ -	\$ 28,030	\$ 28,693
TOTALS	\$ 944,587	\$ 775,738	\$ 744,538	\$ 718,787	\$ 1,119,587	\$ 1,069,857	\$ 559,318	\$ 672,003



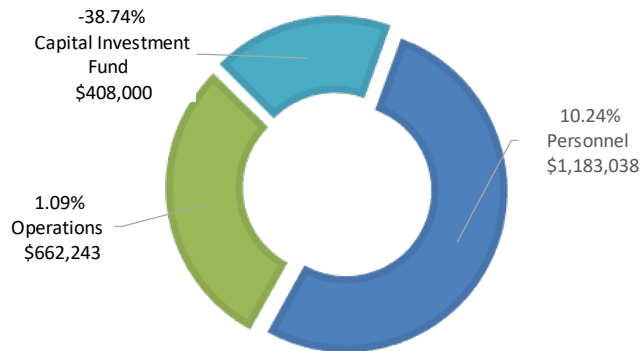
Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
E. Barnes St./Blue Jay St. pedestrian project	27/28	\$ 78,000	\$ -	\$ -	\$ 78,000
Pickup	27/28	49,000	-	-	49,000
		\$ 127,000	-	\$ -	\$ 127,000
Debt Service					
Carolista Dr./Soundside Rd.-west side multi-use path	26/27	\$ 938,935	\$ 93,894	\$ 93,894	\$ 136,147



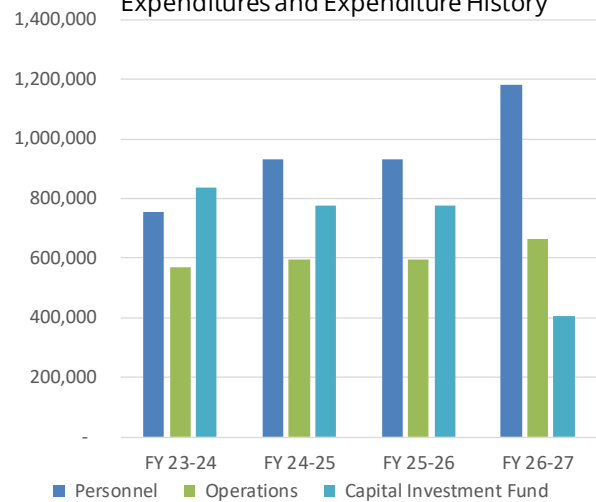
BUDGET SUMMARY PUBLIC WORKS FACILITIES MAINTENANCE

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 929,884	\$ 1,073,103	\$ 1,183,038	10.24%
Operations	597,449	655,118	662,243	1.09%
Capital Investment Fund	774,688	666,000	408,000	-38.74%
Total	\$ 2,302,021	\$ 2,394,221	\$ 2,253,281	-5.89%

Recommended Expenditures by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET PUBLIC WORKS FACILITIES MAINTENANCE

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 1,020,491	\$ 991,319	\$ 991,739	\$ 838,814	\$ 856,458	\$ 857,641	\$ 785,209	\$ 748,619
SALARIES - LONGEVITY PAY	16,745	16,354	16,354	13,268	13,268	13,268	13,268	-
OVERTIME PAY	22,814	22,149	22,149	10,650	-	-	-	-
HOLIDAY PAY	9,183	9,183	9,183	6,994	-	-	-	-
FICA TAX	81,319	79,039	79,039	66,089	66,089	64,810	59,157	55,376
GROUP HEALTH INSURANCE	303,984	282,319	282,319	230,347	230,347	223,982	163,703	157,362
RETIREE HEALTH INSURANCE	-	12,881	12,881	11,932	11,932	11,683	15,150	7,347
RETIREMENT	169,016	156,424	156,424	123,971	123,971	124,051	108,107	95,988
401 K	53,150	51,659	51,659	43,195	43,195	43,251	39,633	37,423
Subtotal Personnel Services	\$ 1,676,702	\$ 1,621,327	\$ 1,621,747	\$ 1,345,260	\$ 1,345,260	\$ 1,338,686	\$ 1,184,227	\$ 1,102,115
OPERATIONS								
TRAINING	\$ 17,750	\$ 18,300	\$ 18,300	\$ 18,500	18,500	12,697	\$ 15,117	\$ 1,415
BUILDING/EQUIPMENT RENTAL	-	-	-	-	-	-	-	259
UTILITIES	324,000	326,345	324,000	291,440	291,440	314,975	298,607	234,940
FUEL COSTS	45,000	45,000	45,000	34,000	34,000	34,000	30,123	34,900
DEPARTMENT SUPPLIES	35,168	42,168	35,168	35,500	35,500	37,498	45,722	36,112
OTHER SUPPLIES	38,000	38,000	38,000	44,138	44,138	27,956	38,029	27,739
MAINT/REPAIR BUILDINGS	87,675	184,675	94,675	88,475	124,003	105,698	133,162	123,094
MAINT/REPAIR EQUIPMENT	43,900	76,900	43,900	40,095	44,095	48,650	36,983	19,856
VEHICLE MAINTENANCE	25,880	25,880	25,880	18,120	16,294	13,682	21,789	11,346
MAINT/REPAIR OTHER	69,000	124,000	69,000	69,000	125,825	117,981	47,066	89,646
UNIFORMS	16,000	16,000	16,000	15,000	15,000	7,773	9,987	9,954
PROFESSIONAL FEES	350	350	350	300	300	249	200	-
SIGNS	42,000	60,000	41,000	30,050	30,050	35,436	9,684	36,060
SPECIAL PROJECTS SAND FENCING	24,000	48,000	48,000	24,000	-	-	24,000	48,000
CONTRACTED SERVICES	100,000	126,859	100,000	114,284	114,284	75,415	58,086	77,886
DUES AND SUBSCRIPTIONS	1,874	1,874	1,874	1,750	1,750	635	209	252
DOWDY PARK	-	73,700	-	-	101,265	101,265	5,523	17,814
Subtotal Operations	\$ 870,597	\$ 1,208,051	\$ 901,147	\$ 824,652	\$ 996,444	\$ 933,909	\$ 774,288	\$ 769,273



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
COST REIMBURSEMENT FROM THE WATER FUND								
COST REIMBURSEMENT	\$ (308,360)	\$ (308,360)	\$ (308,360)	\$ (228,381)	(228,381)	\$ (228,331)	\$ (195,908)	\$ (236,088)
Capital Investment Fund Transfers								
NON-CAPITAL OUTLAY								
BUILDINGS	\$ -	\$ 104,000	\$ -	\$ 37,901	66,527	55,813	\$ 63,652	\$ -
IMPROVEMENTS	60,000	80,000	60,000	80,000	121,994	115,934	28,848	71,246
EQUIPMENT	-	-	-	-	-	-	11,375	19,305
CONTRACTED SERVICES	69,000	63,000	63,000	53,560	54,729	52,756	51,999	-
Subtotal Operations	\$ 129,000	\$ 247,000	\$ 123,000	\$ 171,461	\$ 243,250	\$ 224,503	\$ 155,874	\$ 90,551
CAPITAL OUTLAY								
BUILDINGS	\$ -	\$ 50,000	\$ 50,000	\$ -	-	\$ -	\$ -	\$ 952,611
IMPROVEMENTS	275,000	301,600	251,600	348,458	349,358	349,358	706,084	470,063
EQUIPMENT	200,500	29,800	29,800	36,100	56,328	211,390	63,782	127,415
VEHICLE	47,000	-	-	-	-	-	-	134,897
Subtotal Capital Outlay	\$ 522,500	\$ 381,400	\$ 331,400	\$ 384,558	\$ 405,686	\$ 560,748	\$ 769,866	\$ 1,684,986
DEBT SERVICE								
PRINCIPAL	\$ 23,760	\$ 23,760	\$ 23,760	\$ 39,898	39,898	39,898	1,011,998	\$ 237,552
INTEREST	10,692	-	-	985	985	980	26,619	30,579
Subtotal Debt Service	\$ 34,452	\$ 23,760	\$ 23,760	\$ 40,883	\$ 40,883	\$ 40,878	\$ 1,038,617	\$ 268,131
TOTAL	\$ 2,924,891	\$ 3,173,178	\$ 2,692,694	\$ 2,538,433	\$ 2,803,142	\$ 2,870,393	\$ 3,726,963	\$ 3,678,968



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Non-Capital Outlay					
HVAC maintenance agreement	26/27	\$ 63,000	63,000	\$ 63,000	\$ 69,000
Station 21 paint and shutters	26/27	59,000	59,000	-	-
Station 21 AC replacement (bay heaters not included)	26/27	45,000	45,000	-	-
Multi-use path repairs	26/27	60,000	80,000	60,000	60,000
		\$ 227,000	\$ 247,000	\$ 123,000	\$ 129,000
Debt Service					
Town Hall transfer switch	26/27	\$ 93,693	\$ 9,370	\$ 9,370	\$ 13,586
Town Hall elevator replacement	26/27	143,900	14,390	14,390	20,866
		\$ 237,593	\$ 23,760	\$ 23,760	\$ 34,452
Capital Outlay					
Beach road multi-use path maintenance design	26/27	\$ 100,000	\$ 50,000	\$ -	\$ -
Hargrove bath house design	26/27	50,000	50,000	50,000	-
Enclosed utility trailer	26/27	13,000	13,000	13,000	-
Albatross Street beach access maintenance*	26/27	80,000	80,000	80,000	-
Glidden Street beach access maintenance*	26/27	171,600	171,600	171,600	-
Mower	26/27	16,800	16,800	16,800	-
Barnes Street beach access maintenance*	27/28	115,000	-	-	115,000
Grouse Street beach access maintenance*	27/28	160,000	-	-	160,000
Flail mower	27/28	150,000	-	-	150,000
Pickup	27/28	47,000	-	-	47,000
Trailer	27/28	15,000	-	-	15,000
Equipment trailer	27/28	35,500	-	-	35,500
		\$ 953,900	\$ 381,400	\$ 331,400	\$ 522,500

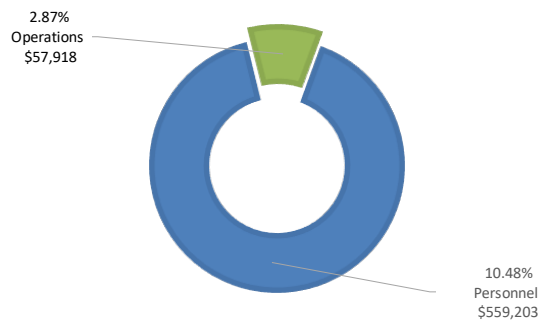
*funding source is capital reserve fund



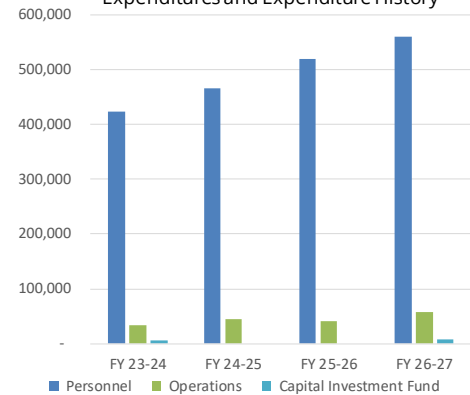
BUDGET SUMMARY PUBLIC WORKS GARAGE

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 519,860	\$ 506,146	\$ 559,203	10.48%
Operations	41,273	56,300	57,918	2.87%
Capital Investment Fund	-	-	7,000	0.00%
Subtotal	561,133	562,446	624,121	10.97%
Cost Reimbursement	(62,482)	(62,482)	(78,443)	
Total	\$ 498,651	\$ 499,964	\$ 545,678	9.14%

Recommended Expenditures by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET PUBLIC WORKS GARAGE

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 381,879	\$ 371,306	\$ 371,306	\$ 343,178	\$ 344,330	\$ 354,132	\$ 326,695	\$ 303,440
SALARIES - LONGEVITY PAY	12,415	12,199	12,199	9,403	9,403	9,403	9,403	-
OVERTIME PAY	1,113	1,080	1,080	576	-	-	-	-
HOLIDAY PAY	590	590	590	576	-	-	-	-
FICA TAX	30,294	29,466	29,466	27,061	27,061	27,555	25,461	22,825
GROUP HEALTH INSURANCE	72,136	66,988	66,988	56,904	56,904	58,446	41,251	42,597
RETIREMENT	62,963	58,315	58,315	50,761	50,761	52,150	45,871	39,200
401 K	19,800	19,259	19,259	17,687	17,687	18,174	16,805	15,277
Subtotal Personnel Services	\$ 581,190	\$ 559,203	\$ 559,203	\$ 506,146	\$ 506,146	\$ 519,860	\$ 465,486	\$ 423,339
OPERATIONS								
TRAINING	\$ 5,916	\$ 5,916	\$ 5,916	\$ 3,910	\$ 3,910	\$ 1,615	\$ 1,804	\$ 201
FUEL COSTS	1,500	2,000	2,000	1,500	1,500	1,500	955	1,600
DEPARTMENT SUPPLIES	18,250	18,250	18,250	18,250	18,250	14,544	21,703	12,470
OTHER SUPPLIES	15,792	18,392	18,392	16,780	16,780	14,263	16,437	12,667
MAINT/REPAIR EQUIPMENT	3,840	3,840	3,840	6,440	6,440	3,142	548	2,412
VEHICLE MAINTENANCE	2,500	2,500	2,500	2,500	2,500	866	769	1,329
UNIFORMS	4,400	4,200	4,200	4,200	4,200	3,125	2,338	2,225
PROFESSIONAL FEES	1,700	1,700	1,700	1,600	1,600	1,223	-	-
CONTRACTED SERVICES	1,220	1,120	1,120	1,120	1,120	994	1,076	1,292
Subtotal Operations	\$ 55,118	\$ 57,918	\$ 57,918	\$ 56,300	\$ 56,300	\$ 41,273	\$ 45,631	\$ 34,196
COST REIMBURSEMENT FROM THE WATER FUND								
COST REIMBURSEMENT	\$ (78,443)	\$ (78,443)	\$ (78,443)	\$ (62,482)	\$ (62,482)	\$ (62,482)	\$ (54,108)	\$ (55,966)
Capital Investment Fund Transfers								
CAPITAL OUTLAY								
CAPITAL OUTLAY EQUIPMENT	\$ -	\$ 7,000	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 5,695
TOTAL	\$ 557,865	\$ 545,678	\$ 545,678	\$ 499,964	\$ 499,964	\$ 498,651	\$ 457,008	\$ 407,264



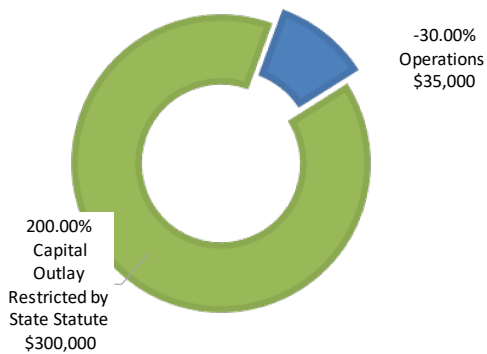
Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Diagnostic tool	26/27	\$ 7,000	\$ 7,000	\$ 7,000	\$ -



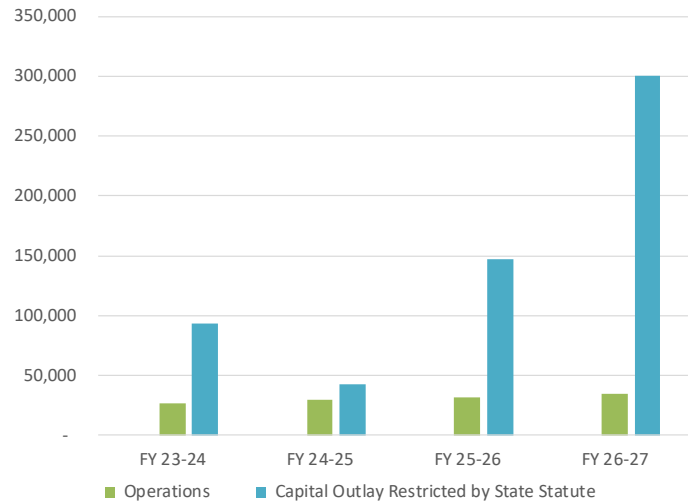
BUDGET SUMMARY STATE STREET AID (POWELL BILL)

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Operations	31,893	50,000	35,000	-30.00%
Capital Outlay Restricted by State Statute	147,145	100,000	300,000	200.00%
Total	\$ 179,038	\$ 150,000	\$ 335,000	123.33%

Recommended Expenditures by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET STATE STREET AID (POWELL BILL)

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
OPERATIONS								
STREET SUPPLIES	\$ 35,000	\$ 35,000	\$ 35,000	\$ 50,000	\$ 50,000	\$ 31,893	\$ 29,890	\$ 27,128
CAPITAL OUTLAY								
INFRASTRUCTURE	\$ 115,000	\$ 300,000	\$ 300,000	\$ 100,000	\$ 147,145	\$ 147,145	\$ 42,756	\$ 93,043
Subtotal Capital Outlay	\$ 115,000	\$ 300,000	\$ 300,000	\$ 100,000	\$ 147,145	\$ 147,145	\$ 42,756	\$ 93,043
TOTAL	\$ 150,000	\$ 335,000	\$ 335,000	\$ 150,000	\$ 197,145	\$ 179,038	\$ 72,646	\$ 120,171



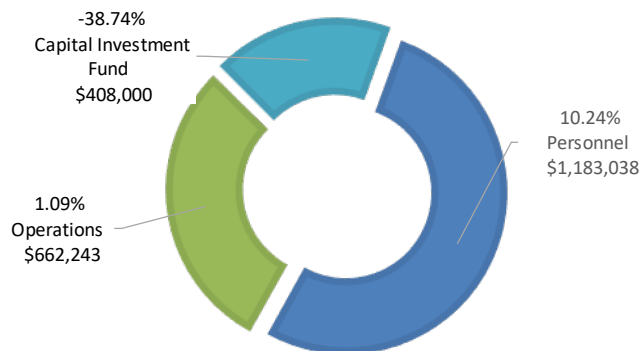
Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Streets-Stormwater Year 7 paving-resurfacing east/west streets	26/27	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Streets-Stormwater Year 8 paving-Vista Colony neighborhood	27/28	115,000	-	-	115,000
		\$ 415,000	\$ 300,000	\$ 300,000	\$ 115,000



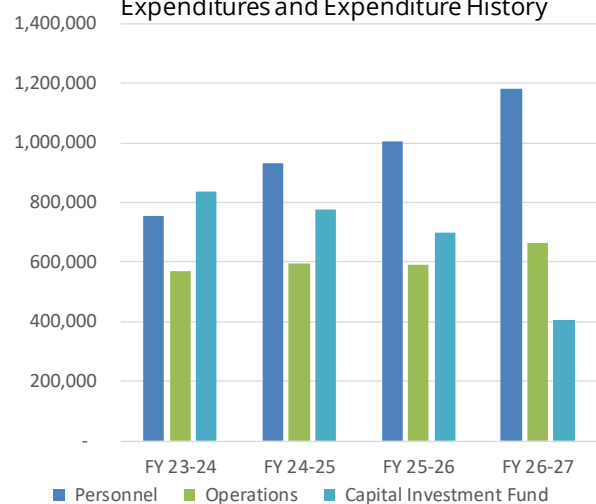
BUDGET SUMMARY PUBLIC WORKS SANITATION

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 1,005,434	\$ 1,073,103	\$ 1,183,038	10.24%
Operations	589,086	655,118	662,243	1.09%
Capital Investment Fund	697,290	666,000	408,000	-38.74%
Total	\$ 2,291,811	\$ 2,394,221	\$ 2,253,281	-5.89%

Recommended Expenditures by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET PUBLIC WORKS SANITATION

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 729,825	\$ 709,124	\$ 709,124	\$ 640,761	\$ 657,056	\$ 618,379	\$ 595,391	\$ 492,512
SALARIES - LONGEVITY PAY	7,781	7,617	7,617	6,067	6,067	6,067	6,067	-
SALARIES/WAGES - PARTTIME	23,495	22,811	22,811	22,811	22,811	22,705	17,774	-
OVERTIME PAY	3,895	3,781	3,781	3,755	-	-	-	-
HOLIDAY PAY	12,886	12,510	12,510	12,540	-	-	-	-
FICA TAX	59,159	57,473	57,473	52,125	52,125	47,372	44,916	35,218
GROUP HEALTH INSURANCE	226,491	210,126	210,126	195,680	195,680	179,277	139,332	122,102
RETIREES GROUP HEALTH INSURANCE	13,944	12,881	12,881	11,932	11,932	11,683	15,150	19,591
RETIREMENT	119,222	110,291	110,291	94,504	94,504	88,939	81,403	60,985
401 K	37,491	36,424	36,424	32,928	32,928	31,013	29,849	23,807
Subtotal Personnel Services	\$ 1,234,189	\$ 1,183,038	\$ 1,183,038	\$ 1,073,103	\$ 1,073,103	\$ 1,005,434	\$ 929,884	\$ 754,215
OPERATIONS								
TRAINING	\$ 6,000	\$ 5,500	\$ 5,500	\$ 6,000	6,000	2,183	2,577	\$ 357
ADVERTISING	500	500	500	500	500	118	504	500
FUEL COSTS	140,000	140,000	140,000	117,500	117,500	117,500	102,860	123,610
DEPARTMENT SUPPLIES	49,528	64,653	44,653	41,026	41,026	49,041	29,916	31,993
MAINT/REPAIR EQUIPMENT	8,500	8,500	8,500	9,500	9,500	6,100	2,533	-
VEHICLE MAINTENANCE	135,000	276,320	135,000	135,000	135,000	121,844	151,165	112,928
UNIFORMS	9,620	9,620	9,620	9,620	9,620	10,668	8,557	8,088
CONTRACTED SERVICES	209,724	207,648	207,648	203,316	203,316	186,423	201,600	200,530
RECYCLING	109,870	129,870	109,870	131,716	131,716	94,545	97,737	90,191
DUES AND SUBSCRIPTIONS	952	952	952	940	940	665	-	-
Subtotal Operations	\$ 669,694	\$ 843,563	\$ 662,243	\$ 655,118	\$ 655,118	\$ 589,086	\$ 597,449	\$ 568,197



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
Capital Investment Fund Transfers								
<i>CAPITAL OUTLAY</i>								
VEHICLE	\$ 410,000	\$ 655,000	\$ 400,000	\$ 650,000	651,865	\$ 651,011	614,705	\$ 592,202
EQUIPMENT	-	8,000	8,000	16,000	16,500	46,279	-	25,007
<i>Subtotal Capital Outlay</i>	\$ 410,000	\$ 663,000	\$ 408,000	\$ 666,000	\$ 668,365	\$ 697,290	\$ 614,705	\$ 617,209
<i>DEBT SERVICE</i>								
PRINCIPAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	157,386	\$ 214,920
INTEREST	-	-	-	-	-	-	2,597	6,216
<i>Subtotal Debt Service</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,983	\$ 221,136
TOTAL	\$ 2,313,884	\$ 2,689,601	\$ 2,253,281	\$ 2,394,221	\$ 2,396,586	\$ 2,291,811	\$ 2,302,021	\$ 2,160,757



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Front Load Truck	26/27	\$ 400,000	\$ 400,000	\$ 400,000	\$ -
Knuckle boom (new)	26/27	255,000	255,000	-	-
Roll off	26/27	8,000	8,000	8,000	-
Residential Truck	27/28	410,000	-	-	410,000
		\$ 1,212,916	\$ 663,000	\$ 408,000	\$ 410,000



LINE-ITEM BUDGET SOLID WASTE DISPOSAL

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2022-2023
OPERATIONS									
TIPPING FEES	\$ 828,288	\$ 860,260	\$ 828,288	\$ 828,288	\$ 828,148	828,148	782,117	799,199	\$ 797,479
TOTAL	\$ 828,288	\$ 860,260	\$ 828,288	\$ 828,288	\$ 828,148	\$ 828,148	\$ 782,117	\$ 799,199	\$ 797,479



STREETS AND STORMWATER

DESCRIPTION

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

RECENT ACCOMPLISHMENTS

- Received a funding order modification of \$453,219 from NCDEQ, Division of Water Infrastructure in support of the construction of Project Area #12 and #13.
- Currently finishing Project Area #12, which covers storm system installation, pump station setup, dune infiltration, and parking upgrades at Juncos Street beach access. The project is approximately 85% complete, with anticipated completion in late spring 2026. This project is funded by the NCDEQ LASII grant program and a Water Resources Development grant.
- Completed construction on Project Area #13, located between Hargrove Street and East Tides Drive with the implementation of a storm pipe collection system, pump station, force main and the installation of an infiltration basin immediately north of Fire Station 21. This project is funded by the NCDEQ LASII grant program.
- Completed design and permitting for Project Area #4, which includes implementation of a discrete stormwater pipe collection system along the southern portion of South Wrightsville Avenue, connecting to a pump station that conveys runoff to an underground infiltration gallery at the Bonnett Street beach access. The project is currently undergoing construction plan review with NCDENR–Division of Water Infrastructure in advance of advertisement for bid, with construction tentatively anticipated in Fall 2026.
- The Stormwater Master Plan update is underway, with initial phases completed including system inventory, condition assessment, identification of flooding problem areas, and public and stakeholder engagement. Current efforts are focused on preparing the draft master plan report, completing watershed and hydraulic analyses, and developing a prioritized Stormwater Capital Improvement Program to guide future infrastructure investments and funding decisions.
- Completed construction of a combined streets, water, and stormwater infrastructure project focused along the South Memorial Avenue corridor. Stormwater improvements included replacement and upgrades at the intersections of Albatross Street, Atlas Street, Driftwood Street, Gallery Row, Abalone Street, Bonnett Street, and Bittern Street, with the project

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partially funded by a \$478,850 Golden LEAF Flood Mitigation Grant. In conjunction with these improvements, water main replacements were completed along South Memorial Avenue between East Eighth Street and Atlas Street, as well as along Ario Street, Atlas Street, and Albatross Street. Street resurfacing was completed following the infrastructure work, encompassing South Memorial Avenue between East Eighth Street and East Bittern Street, Gallery Row, Driftwood Drive, Ario Street, Albatross Street, Gannett Street, and the beach access streets at Abalone Street and Albatross Street.

- Implemented drainage infrastructure improvements along South Wrightsville Avenue and East Gallery Row, extending to South Memorial Avenue. The project reroutes drainage from an existing private property connection to the public right-of-way where the town can operate and maintain the proposed facilities.
- Developed and implemented a stormwater structure identification program that assigns unique post identifiers to key infrastructure assets.
- Performed drainage improvements along the west side of South Old Oregon Inlet Road, Bonnett Street, and West Danube Street.
- Conducted several rounds of town-wide preventative drainage infrastructure maintenance activities to include sediment, vegetation, and debris removal.
- Completed an aquatic weed spray on the ditch along South Old Oregon Inlet Road, Red Drum Ocean Outfall ditch, Nags Head Golf Links, Finch Street and Glidden Street.

GOALS AND UPCOMING PROJECTS

- A combined streets and stormwater project will address a significant portion of the Year 7 street paving program through resurfacing of multiple east-west streets, including the Indigo Street, June Street, Holden Street, Curlew Street, and Forrest Street beach accesses, as well as Ida Street, James Street, Tides Drive, West Hargrove Street, Holden Street, East Epstein Drive, Dowitcher Street, and Sandpebble Court. In addition, Wrightsville Avenue is proposed to be resurfaced from Bark Street to East Bonnett Street post construction of Project Area #4.
- Complete construction and closeout of the Project Area #12 and #13. Continue to monitor performance and conduct maintenance.
- Complete the Stormwater Master Plan process. This will include a comprehensive update to the 2006 Stormwater Master Plan, encompassing asset inventory, capital improvement planning, review of policies and procedures, ordinance review, and watershed planning. A presentation with a progress update was provided to the Board of Commissioners in association with a project prioritization update provided in early Fall 2026. This project is



funded entirely through an NCDEQ LASII Local Assistance for Stormwater Infrastructure Investments (LASII) planning grant in the amount of \$400,000.

- Finalize the planning process for the NCDEQ Local Assistance for Stormwater Infrastructure Investments (LASII) Program construction grant for Project Area #4, (South Wrightsville Avenue/Bonnett Street), focusing on meeting Division of Water Infrastructure requirements, bidding, and contract administration before construction.
- Reduce flooding risk and improve drainage performance through data-driven stormwater planning, system modeling, and targeted capital improvements identified in the Stormwater Master Plan and Stormwater Capital Improvement Program.
- Maintain an integrated approach to planning, design, and construction that combines streets, stormwater, and water system improvements to maximize efficiency, minimize disruptions, and extend pavement life.
- Continue to pursue state and federal grant funding to leverage external resources for infrastructure planning, design, and construction, reducing the financial burden on local taxpayers.
- In-house engineering will be done for the remaining beach road multi-use path repairs as well as for the water line tie-in project.

STRATEGIC PLAN GOAL OBJECTIVES

ENVIRONMENT



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

FY 2026-27 BUDGET HIGHLIGHTS

- Replacement of the 10-year-old culvert cleaner at a cost of \$115,280.
- Funding of \$35,000 is budgeted for storm drain repair work and existing pump maintenance.



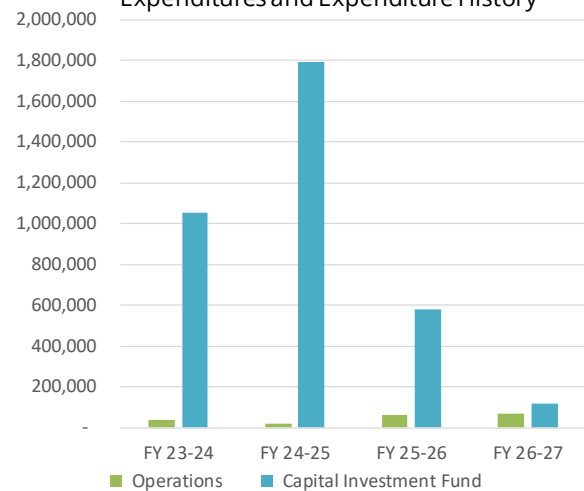
BUDGET SUMMARY STREETS AND STORMWATER

Expenditures By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ -	\$ -	\$ -	
Operations	62,516	68,000	71,400	5.00%
Capital Investment Fund	578,380	135,730	115,280	-15.07%
Subtotal	640,896	203,730	186,680	-8.37%
Cost Reimbursement	-	-	-	
Total	\$ 640,896	\$ 203,730	\$ 186,680	-8.37%

Recommended Expenditures
by Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenditures and Expenditure History





LINE-ITEM BUDGET STREETS AND STORMWATER

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenditures 2023-2024
OPERATIONS								
UTILITIES	\$ 4,000	\$ 4,000	\$ 4,000	\$ 3,000	\$ 3,000	\$ 1,667	\$ 1,156.49	\$ 935
FUEL COSTS	7,350	7,000	7,000	5,500	5,500	5,500	4,778	3,648
DEPARTMENT SUPPLIES	11,550	11,550	11,550	10,550	10,550	10,700	8,458	6,507
MAINT/REPAIR EQUIPMENT	11,950	18,225	11,650	10,250	10,250	4,785	1,194	381
PROFESSIONAL FEES	-	-	-	-	-	-	-	120
PROF FEE/WATER QUALITY TESTING	2,200	2,200	2,200	2,200	2,200	2,249	1,740	1,740
CONTRACTED SERVICES	37,500	37,500	35,000	36,500	36,500	37,615	4,844	26,041
Subtotal Operations	\$ 74,550	\$ 80,475	\$ 71,400	\$ 68,000	\$ 68,000	\$ 62,516	\$ 22,170	\$ 39,372
Capital Investment Fund Transfers								
CAPITAL OUTLAY								
EQUIPMENT	\$ -	\$ 115,280	\$ 115,280	\$ -	\$ -	\$ -	\$ -	\$ -
INFRASTRUCTURE	474,762	326,000	-	135,730	584,682	578,380	1,794,811	999,172
VEHICLE	-	-	-	-	-	-	-	54,055
Subtotal Capital Outlay	\$ 474,762	\$ 441,280	\$ 115,280	\$ 135,730	\$ 584,682	\$ 578,380	\$ 1,794,811	\$ 1,053,227
TOTAL	\$ 549,312	\$ 521,755	\$ 186,680	\$ 203,730	\$ 652,682	\$ 640,896	\$ 1,816,981	\$ 1,092,599



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Streets-Stormwater Year 7 paving-resurfacing east/west streets	26/27	\$ 326,000	\$ -	\$ -	\$ -
Culvert cleaner	26/27	115,280	115,280	115,280	-
Streets-Stormwater Year 8 paving-Vista Colony neighborhood	27/28	474,762	-	-	474,762
		\$ 916,042	\$ 115,280	\$ 115,280	\$ 474,762



WATER FUND SUMMARY

REVENUES AND EXPENSES SUMMARY

Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual 2025-2026	Actual 2024-2025	Actual 2023-2024
	3							
REVENUES								
Water Utility Sales	\$ 4,520,250	\$ 4,520,250	\$ 4,520,250	\$ 4,305,000	\$ 4,305,000	\$ 4,325,000	\$ 4,143,997	\$ 4,175,187
Other Operating Revenue	81,000	81,000	81,000	94,500	94,500	83,993	126,436	96,029
Restricted Intergovernmental	-	-	-	-	-	-	167,167	89,480
Investment Earnings	103,500	103,500	103,500	73,500	73,500	95,202	99,554	166,042
Other Revenue	2,000	2,000	2,000	2,000	2,000	2,021	9,360	2,592
Other Finance Sources	803,181	480,991	366,604	506,178	860,609	117,252	101,833	38,526
TOTAL	\$ 5,509,931	\$ 5,187,741	\$ 5,073,354	\$ 4,981,178.00	\$ 5,335,609	\$ 4,623,467	\$ 4,648,346	\$ 4,567,856
EXPENSES								
Interfund	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 23,066	\$ 55,464	\$ 24,775
Water Administration	1,008,277	1,037,481	1,032,481	934,946	936,614	911,203	851,490	634,157
Septic Health	262,011	262,497	259,647	279,417	283,156	256,915	287,070	294,858
Water Operations	2,174,756	2,190,348	2,145,151	2,253,458	2,278,873	2,160,707	1,949,190	1,815,102
Water Distribution	1,989,887	1,622,415	1,561,075	1,438,357	1,761,966	1,756,591	1,437,859	1,439,296
TOTAL	\$ 5,509,931	\$ 5,187,741	\$ 5,073,354	\$ 4,981,177.63	\$ 5,335,609	\$ 5,108,482	\$ 4,581,073	\$ 4,208,188



REVENUES

	Financial Plan 2027-2028	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Revenues 2025-2026	Actual Revenues 2024-2025	Actual Revenues 2023-2024
OPERATING REVENUES							
WATER UTILITY SALES	\$ 4,520,250	\$ 4,520,250	\$ 4,305,000	\$ 4,305,000	\$ 4,325,000	\$ 4,143,997	\$ 4,175,187
10% LATE PAYMENT PENALTY	25,000	25,000	26,000	26,000	26,000	26,679	27,219
SYSTEM DEVELOPMENT FEES	25,000	25,000	25,000	25,000	23,066	55,465	24,775
AMMONS DARE FEES	-	-	-	-	-	-	-
TAPS AND CONNECTION FEES	26,000	26,000	40,000	40,000	26,000	37,743	40,585
NON-PAYMENT FEES	5,000	5,000	3,500	3,500	8,927	6,550	3,450
Subtotal Operating Revenues	\$ 4,601,250	\$ 4,601,250	\$ 4,399,500	\$ 4,399,500	\$ 4,408,993	\$ 4,270,433	\$ 4,271,216
RESTRICTED INTERGOVERNMENTAL							
GRANTS-AMERICAN RESCUE PLAN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTERGOVERNMENTAL GRANTS	-	-	-	-	-	167,167	89,480
Subtotal Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,167	\$ 89,480
INVESTMENT EARNINGS							
INTEREST ON CASH/INVESTMENTS	\$ 100,000	\$ 100,000	\$ 70,000	\$ 70,000	\$ 90,000	\$ 94,705	\$ 163,062
SEPTIC LOAN INTEREST PAID	3,500	3,500	3,500	3,500	5,202	4,849	2,980
Subtotal Investment Earnings	\$ 103,500	\$ 103,500	\$ 73,500	\$ 73,500	\$ 95,202	\$ 99,554	\$ 166,042
OTHER REVENUE							
CONTRIBUTIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MISCELLANEOUS REVENUES	2,000	2,000	2,000	2,000	2,021	9,360	2,592
Subtotal Other Revenue	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,021	\$ 9,360	\$ 2,592
OTHER FINANCE SOURCES							
SEPTIC LOAN PRINCIPAL PAID	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 57,252	\$ 46,833	\$ 38,526
TRANSFER FROM WATER CAPITAL RESERVE	-	21,500	60,000	60,000	60,000	55,000	-
APPROPRIATED NET POSITION	768,181	310,104	411,178	765,609	-	-	-
Subtotal Other Finance Sources	\$ 803,181	\$ 366,604	\$ 506,178	\$ 860,609	\$ 117,252	\$ 101,833	\$ 38,526
TOTAL	\$ 5,509,931	\$ 5,073,354	\$ 4,981,178	\$ 5,335,609	\$ 4,623,467	\$ 4,648,346	\$ 4,567,856



EXPENSES BY ACCOUNT

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenses 2025-2026	Actual Expenses 2024-2025	Actual Expenses 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 946,605	\$ 919,754	\$ 919,754	\$ 842,577	\$ 854,674	\$ 861,794	\$ 800,404	\$ 755,314
SALARIES - LONGEVITY PAY	16,789	16,504	16,504	15,959	15,959	15,959	15,959	-
OVERTIME PAY	5,468	5,402	5,402	4,292	-	-	-	-
HOLIDAY PAY	9,509	9,232	9,232	7,805	-	-	-	-
FICA TAX	74,592	72,490	72,490	66,355	66,355	65,326	59,892	55,166
GROUP HEALTH INSURANCE	237,505	222,177	222,177	203,279	203,279	204,013	148,488	156,585
RETIREES GROUP HEALTH INSURANCE	-	-	-	7,955	7,955	10,606	15,150	14,693
RETIREMENT	155,035	143,465	143,465	124,469	124,469	125,210	109,947	97,019
401 K	48,753	47,379	47,379	43,370	43,370	43,682	40,305	37,814
IMPLEMENTATION OF PAY PLAN	-	5,000	-	-	-	-	-	-
Subtotal Personnel Services	\$ 1,494,256	\$ 1,436,403	\$ 1,436,403	\$ 1,316,061	\$ 1,316,061	\$ 1,326,590	\$ 1,190,146	\$ 1,116,591
OPERATIONS								
TRAINING	16,910	18,310	16,310	16,200	16,200	13,870	6,663	10,811
BUILDING/EQUIPMENT RENTAL	700	700	700	250	250	667	626	217
TELEPHONE	5,550	8,550	5,550	5,550	5,550	4,775	4,350	3,374
UTILITIES	66,200	81,200	66,200	86,400	86,400	63,637	63,636	58,649
POSTAGE	19,500	19,500	19,500	19,000	19,000	14,951	16,993	15,553
ADVERTISING	2,100	2,100	2,100	2,100	2,100	721	240	160
PRINTING	2,300	2,300	2,300	2,300	2,300	790	-	4,818
FUEL COSTS	24,200	24,200	24,200	18,500	18,500	18,500	15,869	18,851
STREET SUPPLIES	3,240	3,240	3,240	3,240	3,240	1,112	2,934	2,681
DEPARTMENT SUPPLIES	65,810	76,207	65,810	71,960	74,700	75,063	74,130	44,722
OTHER SUPPLIES	25,000	25,000	25,000	25,000	25,000	18,393	26,331	22,197
MAINT/REPAIR BUILDINGS	3,300	3,300	1,500	1,500	1,500	685	-	-
MAINT/REPAIR EQUIPMENT	37,300	49,300	37,300	37,300	37,300	39,887	35,795	14,369
VEHICLE MAINTENANCE	8,200	9,540	8,200	6,200	6,200	6,377	6,095	3,452
MAINT/REPAIR OTHER	20,000	30,000	20,000	20,000	20,000	13,942	20,979	10,375



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenses 2025-2026	Actual Expenses 2024-2025	Actual Expenses 2023-2024
UNIFORMS	8,200	8,200	8,200	8,200	8,200	6,942	5,405	5,718
PROFESSIONAL FEES	42,931	77,500	67,500	39,580	39,580	22,787	21,707	24,970
PROF. FEES H2O QUALITY TESTII	27,180	30,000	27,150	30,000	30,980	16,858	7,210	7,770
CONTRACTED SERVICES	164,366	203,935	162,935	182,991	208,406	187,638	142,972	139,364
PURCHASES FOR RESALE	900,000	900,000	900,000	955,000	955,000	836,833	957,318	983,229
INSPECTIONS	10,000	10,000	10,000	10,000	10,000	5,995	2,788	3,300
PUMPING CREDIT FOR WATER L	41,250	41,250	41,250	37,500	37,500	35,535	14,550	18,000
BAD DEBT EXPENSE	2,500	2,500	2,500	2,500	2,500	858	-	-
DUES AND SUBSCRIPTIONS	10,799	10,799	10,799	10,358	10,358	10,026	5,166	4,913
INSURANCE	81,000	81,000	81,000	75,000	75,000	75,000	74,504	70,000
Subtotal Operations	\$ 1,588,536	\$ 1,723,631	\$ 1,609,244	\$ 1,666,629	\$ 1,695,764	\$ 1,471,841	\$ 1,506,261	\$ 1,467,493
COST REIMBURSEMENT								
COST REIMBURSEMENT	1,089,455	1,089,455	1,089,455	870,693	870,693	870,693	763,173	844,331
Subtotal Cost Reimbursement	\$ 1,089,455	\$ 1,089,455	\$ 1,089,455	\$ 870,693	\$ 870,693	\$ 870,693	\$ 763,173	\$ 844,331
CAPITAL OUTLAY								
OTHER	-	-	-	-	42,615	42,615	-	46,083
IMPROVEMENTS	-	-	-	232,000	232,000	232,000	-	-
EQUIPMENT	209,000	227,602	227,602	-	1,687	43,527	73,479	278,219
INFRASTRUCTURE	320,000	168,000	168,000	248,500	529,494	518,823	417,348	9,300
AMERICAN RESCUE PLAN	-	-	-	-	-	-	-	-
VEHICLE	98,880	-	-	98,695	98,695	97,925	46,298	70,196
Subtotal Capital Outlay	\$ 627,880	\$ 395,602	\$ 395,602	\$ 579,195	\$ 904,491	\$ 934,890	\$ 537,125	\$ 403,798
DEBT SERVICE								
PRINCIPAL	402,354	224,000	224,000	219,000	219,000	219,000	220,291	6,290
INTEREST	202,450	213,650	213,650	224,600	224,600	224,600	235,452	294,430
SEPTIC LOAN PROGRAM	30,000	30,000	30,000	30,000	30,000	37,801	73,162	50,480
Subtotal Debt Service	\$ 634,804	\$ 467,650	\$ 467,650	\$ 473,600	\$ 473,600	\$ 481,401	\$ 528,905	\$ 351,200
INTERFUND								
TRANSFER TO WATER CAP RESEI	25,000	25,000	25,000	25,000	25,000	23,066	55,464	24,775
CONTINGENCY	50,000	50,000	50,000	50,000	50,000	-	-	-
Subtotal Interfund	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 23,066	\$ 55,464	\$ 24,775
Grand Total	\$ 5,509,931	\$ 5,187,741	\$ 5,073,354	\$ 4,981,178	\$ 5,335,609	\$ 5,108,482	\$ 4,581,073	\$ 4,208,188



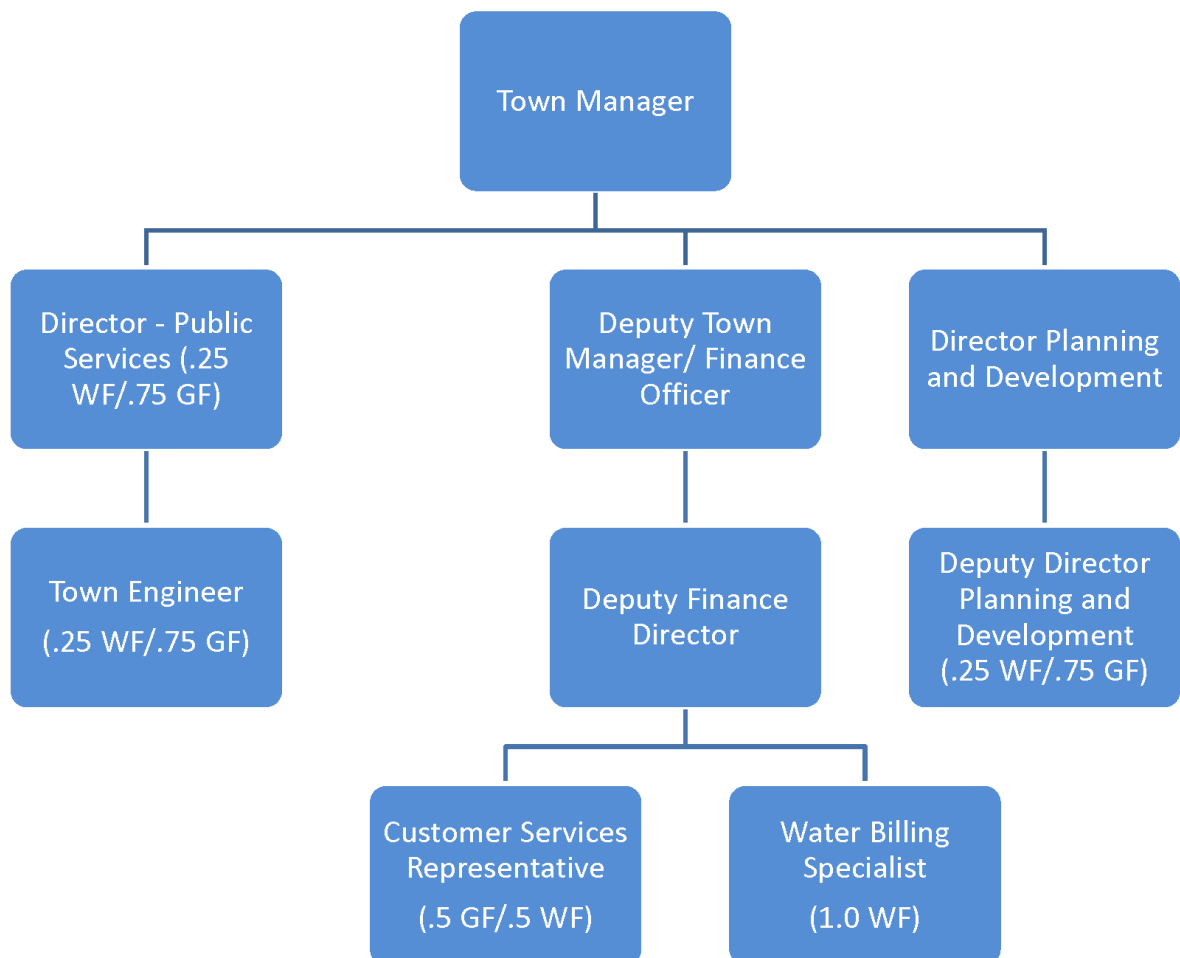
DEPARTMENTAL BUDGETS

WATER ADMINISTRATION

DESCRIPTION

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Implemented a text-to-pay option for paying utility bills.

GOALS AND UPCOMING PROJECTS

- Use the new digital water meters and accompanying software to offer comprehensive insights into water consumption.
- Continue to assess the town's water rate and structure, and suggest any adjustments and refinements, as needed, which align with the recommendations of the capital improvement program outlined in the Water System Master Plan.
- Empower customers to receive text messages for new bills or upcoming due dates, allowing them to easily make payments.

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

ENVIRONMENT



To safeguard our critical natural resources and coastal ecosystem.

FY 2026-27 BUDGET HIGHLIGHTS

- The cost reimbursement of \$1,089,455 from the water fund to the general fund for indirect administrative costs is budgeted departmentally in both the general and water fund.
- Principal and debt payment for the Public Services Complex is budgeted at \$302,650. The financed cost of the project is \$15,505,000, with 80% funding from the general fund and 20% funding from the water fund. The water fund portion being financed is \$3,101,000 with an all-in true interest cost of 3.548410% on a 20-year principal repayment schedule.
- Advanced metering infrastructure was also included in the financing package with the Public Services Complex. This fiscal year's debt payment is \$135,000 and is solely funded through the water fund. The total financed for the meters was \$1,605,000, with the same rate and structure.



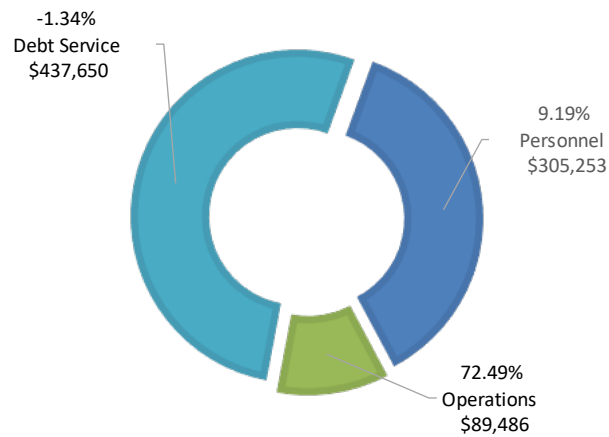
- Professional fees are included for consulting assistance for legal fees and professional services performed for the town's annual audit.
- The inter-fund expense is the transfer of system development fee revenue to the water capital reserve fund, per state statute.
- Professional fees are included for an updated system development fee study, per state statute.
- A \$50,000 water fund contingency is budgeted.



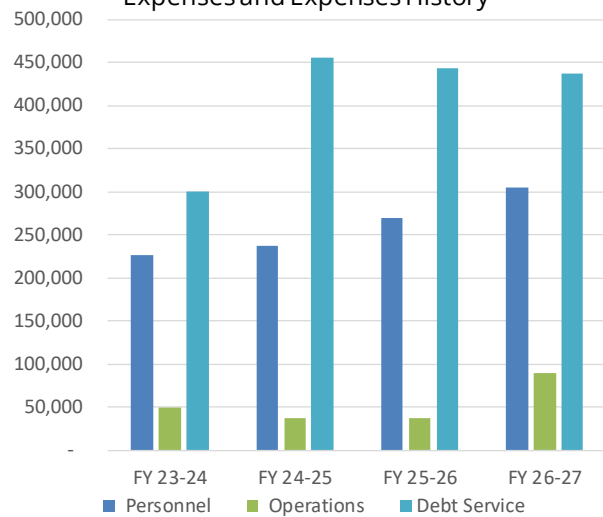
BUDGET SUMMARY WATER ADMINISTRATION

Expenses By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 269,772	\$ 279,554	\$ 305,253	9.19%
Operations	37,919	51,880	89,486	72.49%
Debt Service	443,600	443,600	437,650	-1.34%
Subtotal	751,291	775,034	832,389	7.40%
Cost Reimbursement	159,912	159,912	200,092	
Total	\$ 911,203	\$ 934,946	\$ 1,032,481	10.43%

Recommended Expenses by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenses and Expenses History





LINE-ITEM BUDGET WATER ADMINISTRATION

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenses 2025-2026	Actual Expenses 2024-2025	Actual Expenses 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 210,776	\$ 204,707	\$ 204,707	\$ 188,311	\$ 188,311	\$ 180,897	\$ 164,511	\$ 156,316
SALARIES - LONGEVITY PAY	3,011	2,938	2,938	2,685	2,685	2,685	2,685	-
FICA TAX	16,310	15,840	15,840	14,567	14,567	13,706	12,281	11,203
GROUP HEALTH INSURANCE	43,165	40,066	40,066	37,146	37,146	37,126	26,715	31,633
RETIREMENT	33,899	31,349	31,349	27,324	27,324	26,207	22,625	20,142
401 K	10,660	10,353	10,353	9,521	9,521	9,150	8,284	7,847
IMPLEMENTATION OF PAY PLAN	-	5,000	-	-	-	-	-	-
Subtotal Personnel Services	\$ 317,821	\$ 310,253	\$ 305,253	\$ 279,554	\$ 279,554	\$ 269,772	\$ 237,101	\$ 227,141
OPERATIONS								
TRAINING	\$ 2,100	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 1,202	\$ 825	\$ 5,416
POSTAGE	15,500	15,500	15,500	15,000	15,000	13,577	15,273	13,868
DEPARTMENT SUPPLIES	4,950	4,950	4,950	3,700	5,368	4,371	998	3,703
MAINT/REPAIR EQUIPMENT	-	-	-	-	-	-	-	1,444
PROFESSIONAL FEES	30,531	55,100	55,100	27,180	27,180	17,912	17,667	23,059
CONTRACTED SERVICES	8,333	7,936	7,936	-	-	-	1,951	2,568
BAD DEBT EXPENSE	2,500	2,500	2,500	2,500	2,500	858	-	-
Subtotal Operations	\$ 63,914	\$ 89,486	\$ 89,486	\$ 51,880	\$ 53,548	\$ 37,919	\$ 36,714	\$ 50,058
COST REIMBURSEMENT TO THE GENERAL FUND								
COST REIMBURSEMENT	\$ 200,092	\$ 200,092	\$ 200,092	\$ 159,912	\$ 159,912	\$ 159,912	\$ 121,932	\$ 56,238
DEBT SERVICE								
PRINCIPAL	\$ 224,000	\$ 224,000	\$ 224,000	\$ 219,000	\$ 219,000	\$ 219,000	\$ 220,291	\$ 6,290
INTEREST	202,450	213,650	213,650	224,600	224,600	224,600	235,452	294,430
Subtotal Debt Service	\$ 426,450	\$ 437,650	\$ 437,650	\$ 443,600	\$ 443,600	\$ 443,600	\$ 455,743	\$ 300,720
Total	\$ 1,008,277	\$ 1,037,481	\$ 1,032,481	\$ 934,946	\$ 936,614	\$ 911,203	\$ 851,490	\$ 634,157



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Debt Service					
Limited Obligation Bonds Series 2023-Public Services Complex	23/24	\$ 3,101,000	\$ 302,650	\$ 302,650	\$ 294,450
Advanced Metering Infrastructure	23/24	<u>1,605,000</u>	<u>135,000</u>	<u>135,000</u>	<u>132,000</u>
		\$ 4,706,000	\$ 437,650	\$ 437,650	\$ 426,450



INTERFUND TRANSFERS – WATER FUND

Account Description							Estimated			
	Financial	Departmental	Manager's	Adopted	Amended	Actual	Actual	Actual		
	Plan	Requested	Recommended	Budget	Budget	Expenditures	Expenditures	Expenditures		
	2027-2028	2026-2027	2026-2027	2025-2026	2025-2026	2025-2026	2024-2025	2023-2024		
TRANSFER TO WATER CAP RESERVE FUND	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 23,066	\$ 55,464	\$ 24,775		
CONTINGENCY	50,000	50,000	50,000	50,000	50,000	-	-	-		
TOTAL	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 23,066	\$ 55,464	\$ 24,775		



SEPTIC HEALTH

DESCRIPTION

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

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



ORGANIZATIONAL CHART



RECENT ACCOMPLISHMENTS

- As part of the Division of Water Infrastructure (DWI) Scope staff finalized property selection methodology, compliance procedures to ensure fulfillment of Davis Bacon and American Steel Acts, and contractor authorization to deploy awarded \$500,000 from the State Water Infrastructure Authority to use for 0% interest repayable loans for septic repair and replacement projects for failing, vulnerable, or at risk of failing septic systems.
- Received approval from DWI on environmental assessment exemption.
- Increased the Septic Health Program pump out credit from \$150 to \$250.
- Updated and sent a mailer to all town businesses and residents highlighting the \$250 water bill credit, free septic inspection, and filter cleaning services that the town offers.
- Four additional water quality loggers were installed throughout the town and are providing data through the Hydromet Cloud.



- Partnered with East Carolina University (ECU) and installed two water level loggers to test the capability of utilizing ECU as an alternative or backup to Hydromet for water level data and use of Message Queuing Telemetry Transports (MQTTs) as a way to have communication from loggers to ArcGIS online environment.
- Added new signage at water quality logger locations with a QR code linking to our Septic Health Initiative/Water Quality webpage for more detailed information on the water logger project.
- Continue public outreach by providing information about the Todd D. Krafft Septic Health Initiative Program at well-attended Dowdy Park Farmer's Markets.
- Continued to maintain the Septic Health Initiative website, including updating the list of active septic pumping and repair contractors in the area.
- Continue to maintain a water logger project webpage that includes a map showing existing surface water, ground water and water quality sites and information about the initiative. Stickers with QR codes were installed on the ground water level and water quality logger lids for improved community awareness.
- Continue to build out a Septic Health Web Map using ArcGIS online to collect and display related data and allow for robust analysis of septic data as it relates to topography, parcels, permit data and other relevant layers as determined.
- Hand sampled 22 sites on a biweekly basis from May-October for water quality and received reports from EnviroChem. Data added to spreadsheet that will be updated into an interactive web map.
- Created short video that shows the environmental planner's inspection process. This was viewed thousands of times across multiple media platforms.
- Created an updated door hanger, yard sign, flyer and developed Instagram posts to improve the Septic Health Initiative public outreach.
- Spoke at the 2025 Water Quality for Fisheries Symposium in Beaufort, NC, and received state-wide-recognition for the Septic Health Program.
- Hosted Mount Pleasant, SC, Waterworks for a day long Q&A and field visit to help better understand the town's Septic Health Program and how it operates as they were preparing to launch a similar program.
- Escalated ongoing issues with Hydromet's water level loggers to appropriate company leadership. Bringing all loggers into full operation is still in process.

GOALS AND UPCOMING PROJECTS

- Continue to encourage homeowners, through incentives and educational resources, to have their onsite conventional septic systems inspected and pumped on a regular basis.



- Follow up with the Hydromet team to ensure they properly recalibrate/reinstall the groundwater level and water quality data loggers to ensure they are reporting real-time data correctly.
- Rollout the zero-interest DWI loan with an emphasis of targeted outreach and funding of high-risk /vulnerable properties septic improvements
- Create a cutsheet booklet that documents each DWI funded septic health installation. It will include before and after pictures, a description of the price, location and other important details to showcase how the zero interest loan funds were spent.
- Continue working on outreach and educational efforts to the community and visitors, including attending various events such as the markets at Dowdy Park, YouTube Videos, short videos, mailers, CURRENTtv videos, and the Outer Banks Association of Realtors meetings to discuss the components of the Septic Health Initiative.
- Participate in a one-day Septic Health workshop or “think-tank” to help communities share ideas and feel empowered to implement strategies for septic management and environmental awareness.
- Continue to develop more refined and automated processes to compile and maintain water quality, ground water level, and septic infrastructure data in an accessible and public facing format.
- Develop a connect via MQTTs that will add Hydromet data automatically to the ArcGIS online environment in real time.
- Continue to develop the interactive web map application that integrates locations of septic system components, permitting information, inspection reports and ground water level and water quality loggers. This data collection effort will provide the opportunity for further analysis and understanding of how decentralized wastewater interacts with and affects the town’s water quality. Further analysis can further inform targeted interventions to include identifying specific problem areas and accurately tailor policy changes and infrastructure investments as needed.
- Create a dashboard for internal and external informational purposes.
- Create an ArcGIS online story map highlighting the Town of Nags Head’s Septic Health Initiative.



Metrics Description	FY23-24	FY24-25	FY25-26 Projection	FY26-27 Goal
Tanks Inspected	110	116	150	165
Tanks Pumped	119	94	120	165
Water Quality Sites Tested	133	215	215	215

STRATEGIC PLAN GOAL OBJECTIVES

ENVIRONMENT



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

FY 2026-27 BUDGET HIGHLIGHTS

- Funding has been included to continue implementing recommendations outlined in the updated Decentralized Wastewater Management Plan:
 - Allocate \$30,000 for septic system repair/replacement loans for homeowners not participating in the zero-interest loan program.
 - Septic system pump-out water bill credits are budgeted at \$41,250, estimating 165 participants, which is a 10% increase from the previous year and acknowledges recommendations by the town's Decentralized Wastewater Management Plan.
 - \$27,150 is budgeted for water quality testing.
 - \$10,000 is included for pumping out the town's septic systems.
 - \$10,000 is funded in contracted work for septic inspections.
 - \$10,000 is set aside for professional promotion and marketing of the town's Septic Health Initiative, concentrating on the zero-interest loans being offered for septic repairs and replacements.

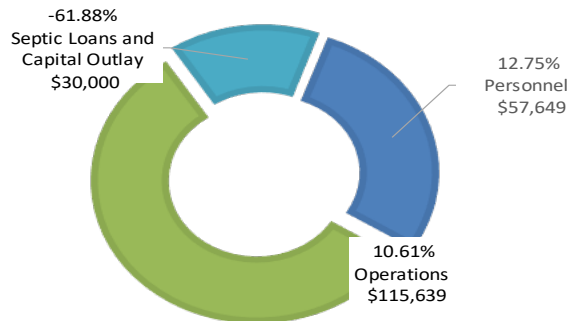
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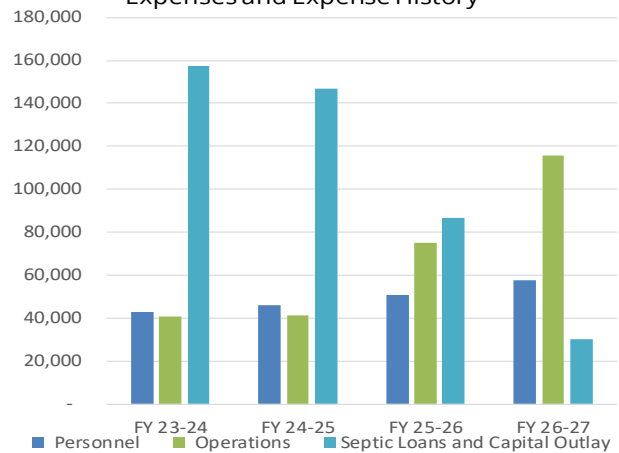
BUDGET SUMMARY SEPTIC HEALTH

Expenses By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Adopted Budget	Percent Change
Personnel	\$ 50,584	\$ 51,131	\$ 57,649	12.75%
Operations	74,792	104,548	115,639	10.61%
Septic Loans and Capital Outlay	86,496	78,695	30,000	-61.88%
Subtotal	211,872	234,374	203,288	-13.26%
Cost Reimbursement	45,043	45,043	56,359	
Total	\$ 256,915	\$ 279,417	\$ 259,647	-7.08%

Adopted Expenses
by Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Adopted
Expenses and Expense History





LINE-ITEM BUDGET SEPTIC HEALTH

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenses 2025-2026	Actual Expenses 2024-2025	Actual Expenses 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 40,696	\$ 39,517	\$ 39,517	\$ 35,257	\$ 35,257	\$ 34,950	\$ 32,598	\$ 30,564
LONGEVITY	500	500	500	250	250	250	250	-
FICA TAX	3,135	3,045	3,045	2,700	2,700	2,531	2,475	2,310
GROUP HEALTH INSURANCE	7,077	6,570	6,570	6,094	6,094	6,084	4,446	4,643
RETIREMENT	6,517	6,027	6,027	5,065	5,065	5,024	4,453	3,921
401 K	2,049	1,990	1,990	1,765	1,765	1,745	1,632	1,529
Subtotal Personnel Services	\$ 59,974	\$ 57,649	\$ 57,649	\$ 51,131	\$ 51,131	\$ 50,584	\$ 45,854	\$ 42,967
OPERATIONS								
TRAINING	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 436	-	\$ 1,169
POSTAGE	3,200	3,200	3,200	3,200	3,200	1,099	-	6
ADVERTISING	1,800	1,800	1,800	1,800	1,800	618	-	-
PRINTING	1,500	1,500	1,500	1,500	1,500	515	-	512
FUEL COSTS	1,200	1,200	1,200	1,000	1,000	1,000	514	896
DEPARTMENT SUPPLIES	800	800	800	800	1,872	1,105	3,930	796
VEHICLE MAINTENANCE	500	500	500	500	500	1,230	-	375
PROF. FEES H2O QUALITY TESTING	27,180	30,000	27,150	30,000	30,980	16,858	7,210	7,770
CONTRACTED SERVICES	26,848	26,839	26,839	16,848	16,848	10,263	12,238	7,810
INSPECTIONS	10,000	10,000	10,000	10,000	10,000	5,995	2,788	3,300
PUMPING CREDIT FOR WATER USE	41,250	41,250	41,250	37,500	37,500	35,535	14,550	18,000
DUES AND SUBSCRIPTIONS	400	400	400	400	400	137	51	-
Subtotal Operations	\$ 115,678	\$ 118,489	\$ 115,639	\$ 104,548	\$ 106,600	\$ 74,792	\$ 41,282	\$ 40,634



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenses 2025-2026	Actual Expenses 2024-2025	Actual Expenses 2023-2024
<i>COST REIMBURSEMENT TO THE GENERAL FUND</i>								
COST REIMBURSEMENT	\$ 56,359	\$ 56,359	\$ 56,359	\$ 45,043	\$ 45,043	\$ 45,043	\$ 53,293	\$ 53,668
<i>CAPITAL OUTLAY</i>								
EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ 1,687	\$ -	\$ 73,479	\$ 107,109
VEHICLE	-	-	-	48,695	48,695	48,695	-	-
<i>Subtotal Capital Outlay</i>	\$ -	\$ -	\$ -	\$ 48,695	\$ 50,382	\$ 48,695	\$ 73,479	\$ 107,109
<i>DEBT SERVICE</i>								
SEPTIC LOAN PROGRAM	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 37,801	\$ 73,162	\$ 50,480
TOTAL	\$ 262,011	\$ 262,497	\$ 259,647	\$ 279,417	\$ 283,156	\$ 256,915	\$ 287,070	\$ 294,858



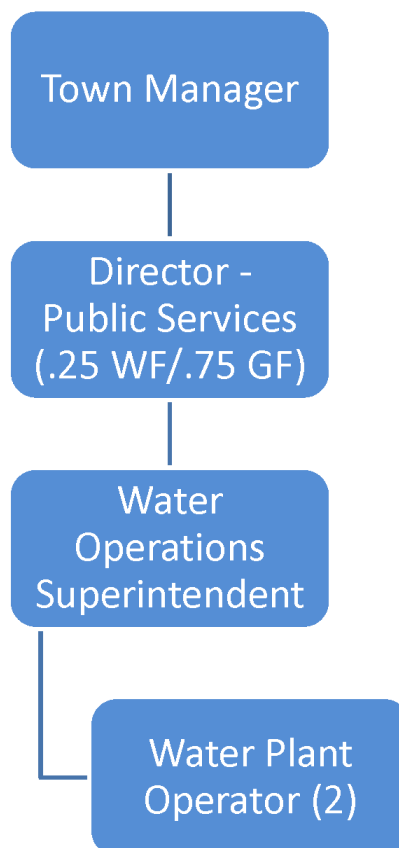
WATER OPERATIONS

DESCRIPTION

Water Operations is responsible for monitoring water quality distributed from Nags Head's water plant and pump station into the town's distribution system.

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Replaced the Supervisory Control and Data Acquisition (SCADA) antenna on Eighth Street tower.
- Completed and passed the annual Quality Control testing for certified lab.
- Collected compliance THM/Haa5 samples.
- Stripped and painted the south Nags Head water tower.
- Cleaned and painted the exterior of Gull Street ground storage tank.
- Replaced a bearing in pump #2 at the Gull Street pump station.
- Completed the update of the 2018 Water System Master Plan, along with an inventory assessment and GIS mapping, funded through a \$244,000 NCDEQ Asset Inventory and Assessment grant.
- Completed engineering for the Eighth Street and Gull Street pump station improvements.
- Purchased equipment for chlorine gas to sodium hypochlorite disinfection conversion at Eighth Street water plant and Gull Street pump Station.

GOALS AND UPCOMING PROJECTS

- Replace floor drain sump pumps and check valves at Eighth Street water plant.
- Replace PAX mixer in the south Nags Head water tower.
- Replace SCADA computers at Eighth Street water plant and Gull Street pump station.

STRATEGIC PLAN GOAL OBJECTIVES

COMMUNITY SERVICES



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

ENVIRONMENT



To safeguard our critical natural resources and coastal ecosystem.



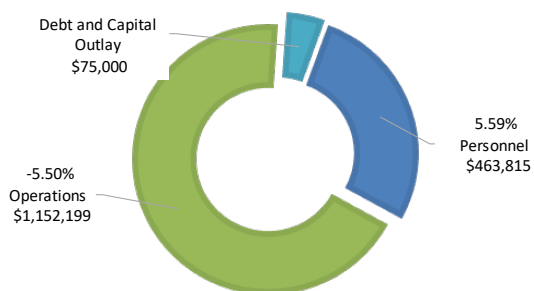
FY 2026-27 BUDGET HIGHLIGHTS

- Funding of \$900,000 is included for purchasing wholesale water from Dare County. The budget is based on 422 million gallons purchased at the current wholesale rate of \$2.1336 per thousand gallons.
- Capital outlay replacements include:
 - Mixer at the Gull Street ground tank - \$31,000
 - SCADA computers - \$16,500
- Sump pumps and check valves in the Eights Street pump room - \$27,500
- The Water Fund proportionate share of utilities and insurances are budgeted in Water Operations including:
 - Workers' compensation, general property and liability, and flood insurance are centrally budgeted at \$81,000.
 - Water Fund utilities are centrally budgeted at \$66,200.

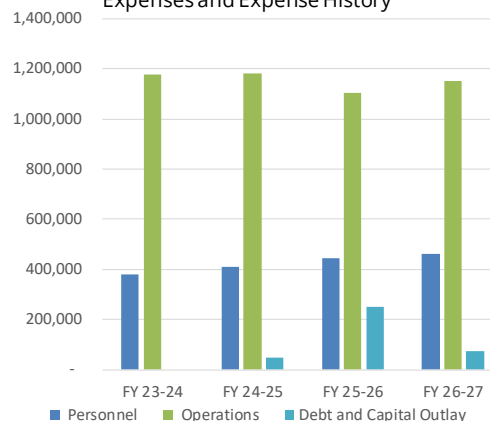
BUDGET SUMMARY WATER OPERATIONS

Expenses By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 446,269	\$ 439,243	\$ 463,815	5.59%
Operations	1,102,491	1,219,268	1,152,199	-5.50%
Debt and Capital Outlay	249,000	232,000	75,000	
Subtotal	1,797,760	1,890,511	1,691,014	-10.55%
Cost Reimbursement	362,947	362,947	454,137	
Total	\$ 2,160,707	\$ 2,253,458	\$ 2,145,151	-4.81%

Recommended Expenses by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenses and Expense History





LINE-ITEM BUDGET WATER OPERATIONS

Account Description	Financial Plan 2027-2028	Departmental Recommended 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenses 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 300,644	\$ 292,025	\$ 292,025	\$ 277,875	\$ 286,655	\$ 292,677	\$ 278,254	\$ 265,768
SALARIES - LONGEVITY PAY	9,278	9,066	9,066	11,024	11,024	11,024	11,024	-
OVERTIME PAY	2,226	2,161	2,161	1,144	-	-	-	-
HOLIDAY PAY	8,346	8,103	8,103	7,636	-	-	-	-
FICA TAX	24,458	23,759	23,759	22,713	22,713	22,795	21,463	19,734
GROUP HEALTH INSURANCE	69,408	66,151	66,151	61,401	61,401	61,280	45,135	49,073
RETIREMENT	50,834	47,021	47,021	42,605	42,605	43,360	39,136	34,228
401 K	15,986	15,529	15,529	14,845	14,845	15,132	14,357	13,347
Subtotal Personnel Services	\$ 481,180	\$ 463,815	\$ 463,815	\$ 439,243	\$ 439,243	\$ 446,269	\$ 409,369	\$ 382,150
OPERATIONS								
TRAINING	\$ 5,330	\$ 5,330	\$ 3,330	\$ 3,220	\$ 3,220	\$ 3,082	\$ 259	\$ 589
BUILDING/EQUIPMENT RENTAL	700	700	700	250	250	667	626	217
TELEPHONE	2,550	5,550	2,550	2,550	2,550	1,807	1,528	1,259
UTILITIES	66,200	81,200	66,200	86,400	86,400	63,637	63,636	58,649
POSTAGE	800	800	800	800	800	275	1,720	1,679
ADVERTISING	300	300	300	300	300	103	-	-
PRINTING	-	-	-	-	-	-	-	3,806
FUEL COSTS	8,000	8,000	8,000	6,500	6,500	6,500	4,410	7,817
DEPARTMENT SUPPLIES	29,660	40,057	29,660	29,660	29,660	32,781	37,986	21,398
OTHER SUPPLIES	10,000	10,000	10,000	10,000	10,000	4,870	3,154	7,209
MAINT/REPAIR BUILDINGS	3,300	3,300	1,500	1,500	1,500	685	-	-
MAINT/REPAIR EQUIPMENT	19,650	23,650	19,650	19,650	19,650	19,102	20,175	5,212
VEHICLE MAINTENANCE	2,700	2,700	2,700	2,700	2,700	1,626	1,504	744
UNIFORMS	3,200	3,200	3,200	3,200	3,200	1,922	2,283	2,121
PROFESSIONAL FEES	4,000	7,000	4,000	4,000	4,000	1,991	720	1,911
CONTRACTED SERVICES	14,960	20,960	14,960	14,905	40,320	47,374	8,150	9,017
PURCHASES FOR RESALE	900,000	900,000	900,000	955,000	955,000	836,833	957,318	983,229
DUES AND SUBSCRIPTIONS	3,649	3,649	3,649	3,633	3,633	4,235	3,067	3,017
INSURANCE	81,000	81,000	81,000	75,000	75,000	75,000	74,504	70,000
Subtotal Operations	\$ 1,155,999	\$ 1,197,396	\$ 1,152,199	\$ 1,219,268	\$ 1,244,683	\$ 1,102,491	\$ 1,181,042	\$ 1,177,874



Account Description	Financial Plan 2027-2028	Departmental Recommended 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenditures 2025-2026	Actual Expenditures 2024-2025	Actual Expenses 2023-2024
<i>COST REIMBURSEMENT TO THE GENERAL FUND</i>								
COST REIMBURSEMENT	\$ 454,137	\$ 454,137	\$ 454,137	\$ 362,947	\$ 362,947	\$ 362,947	\$ 312,482	\$ 255,078
<i>CAPITAL OUTLAY</i>								
IMPROVEMENTS	\$ -	\$ -	\$ -	\$ 232,000	\$ 232,000	\$ 232,000	\$ -	\$ -
EQUIPMENT	34,000	75,000	75,000	-	-	17,000	-	-
VEHICLE	49,440	-	-	-	-	-	46,298	-
<i>Subtotal Capital Outlay</i>	\$ 83,440	\$ 75,000	\$ 75,000	\$ 232,000	\$ 232,000	\$ 249,000	\$ 46,298	\$ -
TOTAL	\$ 2,174,756	\$ 2,190,348	\$ 2,145,151	\$ 2,253,458	\$ 2,278,873	\$ 2,160,707	\$ 1,949,190	\$ 1,815,102



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
South Nags Head tower mixer	26/27	\$ 31,000	\$ 31,000	\$ 31,000	\$ -
Eighth Street replacement pumps	26/27	27,500	27,500	27,500	-
SCADA computer replacements	26/27	16,500	16,500	16,500	-
Pickup	27/28	49,440	-	-	49,440
Eighth Street tower mixer	27/28	34,000	-	-	34,000
		\$ 158,440	\$ 75,000	\$ 75,000	\$ 83,440



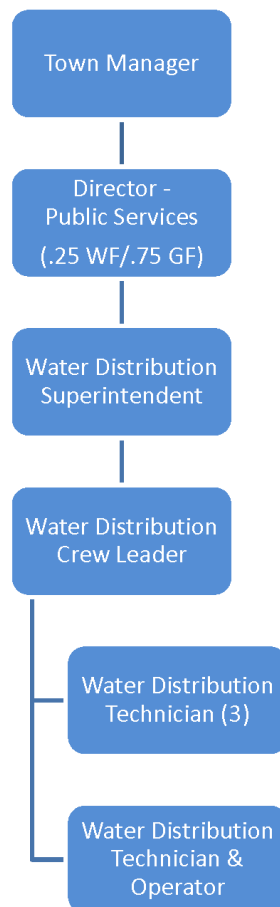
WATER DISTRIBUTION

DESCRIPTION

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

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

ORGANIZATIONAL CHART





RECENT ACCOMPLISHMENTS

- Installation of taps/road bores/meters for Albatross beach access shower.
- Installed a 6" valve at Windjammer Street and Buccaneer Street.
- Replaced hydrants at the Villas Club House and Virginia Dare Trail and Albatross Street.
- Replacing water line for Forrest Street beach access shower.
- Repaired seven water main breaks.
- Connected 22 taps from July 2025-March 2026.
- Completed design, permitting, bidding and construction of approximately 1584' feet of 8-inch PVC water line from Driftwood St to OBX Sports Club on US Highway 158.
- Replacement of asbestos cement water line on:
 - South Memorial Avenue between Ario Street and Atlas Street
 - Atlas Street between South Wrightsville Avenue and South Memorial Avenue
 - Albatross Street between South Wrightsville Avenue and South Virginia Dare Trail
 - Atlas Steet between South Wrightsville Avenue and South Memorial Avenue

GOALS AND UPCOMING PROJECTS

- Relocate 2" water lines on Whitecap and Ciltvaira Streets.
- Continue to improve customer service repairs and requests including communications with the public, businesses, and other town departments.

Metrics Description	FY23-24	FY24-25	FY25-26 Projection	FY26-27 Goal
NC 811 Locate Requests	2,030	2,925	2,000	2,000
Number of Water Repairs	65	100	60	75
Number of After Hour Call Outs	15	18	15	20

**STRATEGIC PLAN GOAL OBJECTIVES****COMMUNITY SERVICES**

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

ENVIRONMENT

To safeguard our critical natural resources and coastal ecosystem.

FY 2026-27 BUDGET HIGHLIGHTS

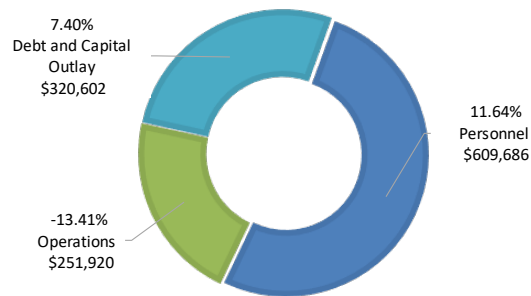
- A water operator position will become a floater position mainly assisting distribution in-season and the shoulder months and working at the water plant in the winter.
- Capital outlay includes:
 - Installation of approximately 255 feet of 8-inch PVC water line from Forbes Street to Finch Street to complete tie- \$168,000. Engineering will be done for this project by the town engineer.
 - A replacement of the mini-excavator - \$86,524
 - A vacuum trailer to assist with water main breaks and other town projects - \$66,078
- Annual contracted water tower and tank maintenance is included at \$85,000.
- Funding is budgeted to replace fire hydrants and install two new flushing hydrants.
- Annual fees for advanced metering infrastructure are budgeted at \$20,500.



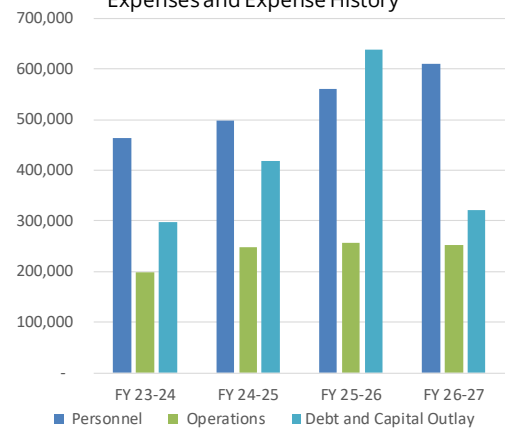
BUDGET SUMMARY WATER DISTRIBUTION

Expenses By Type				
Type	FY 25-26 Estimated Actual	FY 25-26 Adopted Budget	FY 26-27 Recommended Budget	Percent Change
Personnel	\$ 559,965	\$ 546,133	\$ 609,686	11.64%
Operations	256,640	290,933	251,920	-13.41%
Debt and Capital Outlay	637,195	298,500	320,602	7.40%
Subtotal	1,453,800	1,135,566	1,182,208	4.11%
Cost Reimbursement	302,791	302,791	378,867	
Total	\$ 1,756,591	\$ 1,438,357	\$ 1,561,075	8.53%

Recommended Expenses by
Function 2026-2027/
Percentage Change from FY 2025-2026



FY 2026-2027 Recommended
Expenses and Expense History





LINE-ITEM BUDGET WATER DISTRIBUTION

Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenses 2025-2026	Actual Expenses 2024-2025	Actual Expenses 2023-2024
PERSONNEL SERVICES								
SALARIES/WAGES - REGULAR	\$ 394,489	\$ 383,505	\$ 383,505	\$ 341,134	\$ 344,451	\$ 353,269	\$ 325,042	\$ 302,666
SALARIES - LONGEVITY PAY	4,000	4,000	4,000	2,000	2,000	2,000	2,000	-
OVERTIME PAY	3,242	3,241	3,241	3,148	-	-	-	-
HOLIDAY PAY	1,163	1,129	1,129	169	-	-	-	-
FICA TAX	30,689	29,846	29,846	26,375	26,375	26,293	23,673	21,919
GROUP HEALTH INSURANCE	117,855	109,390	109,390	98,638	98,638	99,523	72,192	71,236
RETIREES GROUP HEALTH INSUR	-	-	-	7,955	7,955	10,606	15,150	14,693
RETIREMENT	63,785	59,068	59,068	49,475	49,475	50,619	43,733	38,728
401 K	20,058	19,507	19,507	17,239	17,239	17,654	16,032	15,091
Subtotal Personnel Services	\$ 635,281	\$ 609,686	\$ 609,686	\$ 546,133	\$ 546,133	\$ 559,965	\$ 497,822	\$ 464,333
OPERATIONS								
TRAINING	\$ 8,480	\$ 8,480	\$ 8,480	\$ 8,480	\$ 8,480	\$ 9,151	\$ 5,579	\$ 3,637
TELEPHONE	3,000	3,000	3,000	3,000	3,000	2,968	2,822	2,115
ADVERTISING	-	-	-	-	-	-	240	160
PRINTING	800	800	800	800	800	275	-	500
FUEL COSTS	15,000	15,000	15,000	11,000	11,000	11,000	10,945	10,138
STREET SUPPLIES	3,240	3,240	3,240	3,240	3,240	1,112	2,934	2,681
DEPARTMENT SUPPLIES	30,400	30,400	30,400	37,800	37,800	36,806	31,215	18,825
OTHER SUPPLIES	15,000	15,000	15,000	15,000	15,000	13,523	23,177	14,988
MAINT/REPAIR EQUIPMENT	17,650	25,650	17,650	17,650	17,650	20,784	15,620	7,713
VEHICLE MAINTENANCE	5,000	6,340	5,000	3,000	3,000	3,522	4,591	2,333
MAINT/REPAIR OTHER	20,000	30,000	20,000	20,000	20,000	13,942	20,979	10,375
UNIFORMS	5,000	5,000	5,000	5,000	5,000	5,020	3,122	3,597
PROFESSIONAL FEES	8,400	15,400	8,400	8,400	8,400	2,884	3,320	-
CONTRACTED SERVICES	114,225	148,200	113,200	151,238	151,238	130,000	120,633	119,969
DUES AND SUBSCRIPTIONS	6,750	6,750	6,750	6,325	6,325	5,653	2,047	1,896
Subtotal Operations	\$ 252,945	\$ 313,260	\$ 251,920	\$ 290,933	\$ 290,933	\$ 256,640	\$ 247,223	\$ 198,927



Account Description	Financial Plan 2027-2028	Departmental Requested 2026-2027	Manager's Recommended 2026-2027	Adopted Budget 2025-2026	Amended Budget 2025-2026	Estimated Actual Expenses 2025-2026	Actual Expenses 2024-2025	Actual Expenses 2023-2024
<i>COST REIMBURSEMENT TO THE GENERAL FUND</i>								
COST REIMBURSEMENT	\$ 378,867	\$ 378,867	\$ 378,867	\$ 302,791	\$ 302,791	\$ 302,791	\$ 275,466	\$ 479,347
<i>CAPITAL OUTLAY</i>								
INFRASTRUCTURE	\$ 320,000	\$ 168,000	\$ 168,000	\$ 248,500	\$ 529,494	\$ 518,823	\$ 417,348	\$ 9,300
OTHER	-	-	-	-	42,615	42,615	-	46,083
EQUIPMENT	175,000	152,602	152,602	-	-	26,527	-	171,110
VEHICLE	49,440	-	-	50,000	50,000	49,230	-	70,196
<i>Subtotal Capital Outlay</i>	\$ 544,440	\$ 320,602	\$ 320,602	\$ 298,500	\$ 622,109	\$ 637,195	\$ 417,348	\$ 296,689
<i>DEBT SERVICE</i>								
PRINCIPAL	\$ 178,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 1,989,887	\$ 1,622,415	\$ 1,561,075	\$ 1,438,357	\$ 1,761,966	\$ 1,756,591	\$ 1,437,859	\$ 1,439,296



Description	Fiscal Year	Estimated Cost	Requested FY 2026-2027	Recommended FY 2026-2027	Financial Plan FY 2027-2028
Capital Outlay					
Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain extensions	26/27	\$ 168,000	\$ 168,000	\$ 168,000	\$ -
Excavator	26/27	86,524	86,524	86,524	-
Vacuum trailer	26/27	66,078	66,078	66,078	-
Vista Colony water main planning costs	27/28	200,000	-	-	200,000
Villa Dunes water main planning costs	27/28	120,000	-	-	120,000
Back hoe loader	27/28	175,000	-	-	175,000
Pickup	27/28	49,440	-	-	49,440
		\$ 865,042	\$ 320,602	\$ 320,602	\$ 544,440
Debt Service					
Vista Colony waterline replacements debt service	27/28	\$ 1,783,538	\$ -	\$ -	\$ 178,354

CONSOLIDATED FEE SCHEDULE

Town of Nags Head

Consolidated Fee Schedule

1

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

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Administration (cont.)

Permits

Crowd Gathering Activity Application Fee		
Tier I		\$100
Tier II		\$200
Tier III		\$300
Crowd Gathering Activity Application Fee	assoc w/Group Demonstrations with attendance over 100 people	\$25
Vendor Fee	assoc w/Crowd Gathering permit	\$25 each or \$200 for all
Tent inspection (if applicable)	assoc w/Crowd Gathering permit A permit shall be issued for tents, membrane structures, and temporary stage canopies based on the requirements of the 2018 NC Fire Prevention code and shall be determined by the Fire Chief or designee.	\$75
Electrical inspection (if applicable)	assoc w/Crowd Gathering permit	\$75
Placement of message boards and/or tower lights for events by Police Dept staff		\$150
Precious metal dealer permit, special occasion permit, and employee requirements. In accordance with Town Code Ch. 12, Article IX, Precious Metals Businesses		
Precious metal dealer permit	Annual	\$180
Precious metal employee certificate of compliance	Initial	\$10
	Annual Renewal	\$3
Special Occasion Permit	Annual	\$180

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Administrative Services

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

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

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

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

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

Permits

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

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Administrative Services (cont.)

Applications

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

Vehicle for Hire (business)

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

Dowdy Park

Sponsorship	Movie & licensure (includes set up/tear down; equipment; popcorn treat)	\$650
Music in the Park	Includes fee for band and professional sound	
	Level I	\$1,100
	Level II	\$1,500
	Level III	\$2,000
T-shirts		\$17.50 + tax
General donations accepted for Dowdy Park events		
Farmers Market Membership Fee	Annual	\$240
Farmers Market Drop-In Fee	Per market date	\$25
Holiday Market	Per market date	\$25
Winter Market	Per market date	\$25
Family Fun Night	Per event date	\$25
Use of Dowdy Park for Crowd Gathering Event	\$200 (events 3 hours or less) \$100 per hour for each additional hour	

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Administrative Services (cont.)

Fees for Privilege License/Business Registration

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

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

Business Registration:

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

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

- Business Registrations are subject to a civil penalty of \$50.
- Privilege Licenses are subject to a penalty of 5%.

Penalties will be assessed on September 2nd.

Miscellaneous

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

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Administrative Services (cont.)

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

Facility Fees Town Code Sec. 10-337

(1) Police facility fee:

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

(2) Fire facility fee:

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

(3) Solid waste collection:

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

(4) Administration facility fee:

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

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

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

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

Fire Department

Pit Fire Permits		\$10
- Credit card fee to pay online (charged by a third-party vendor)		\$1.15 (flat fee)
Structure Burn Permit	water use additional cost	\$1,500/day burn
Tent inspection	A permit shall be issued for tents, membrane structures, and temporary stage canopies based on the requirements of the 2018 NC Fire Prevention code and shall be determined by the Fire Chief or designee	\$75
Electrical inspection	associated w/large tent or event	\$75
Vehicle use for events	Pickup truck (1/2 ton) – per day	\$12.30
	Mobile command vehicle – per day	\$19.00
	Fire truck – per day	\$78.90
Copy of Incident Report		\$5
Residential Reflective Address Sign	Without post With post	\$30 + tax \$40 + tax

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Fire Department (cont.)**Fire Inspection Business**

First inspection	N/C
First re-inspection	N/C
Second re-inspection	\$25
Third re-inspection	per day \$50

New Construction

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

False Alarms

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

Fire Hydrant Testing

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

New Construction

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

Building permit fees

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

Demolition

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

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Planning & Development (cont.)

Moving

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

Clean Up Deposits

Demolition within AEC

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

Demolition outside AEC

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

Move Within AEC

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

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Planning & Development (cont.)

Move Within AEC (cont.)

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

Move Outside AEC

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

Miscellaneous Permit Fees

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

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Planning & Development (cont.)

Alterations, Additions, Remodeling (based on actual cost)

Residential, Commercial, Accessory structures, Storage

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

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Planning & Development (cont.)

Service Unit Fees

Gallons per Day (GPD)

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

Small Wireless Facility Review

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

Miscellaneous Administrative and Zoning Fees

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

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Planning & Development (cont.)

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

Police Department

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

Civil Penalties as listed below:	\$50 each
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Traffic Violations	\$50 each
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Section 42-41	Failure to obey traffic control devices
Section 42-92	Prohibited riding coasters, roller skates, or similar devices
Section 42-92	Motorized vehicles prohibited on multi-use/pedestrian path
Section 42-132	Obstructing passage of other vehicles
Section 42-138	Prohibited parking in certain places

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Police Department (cont.)

Section 42-139	Parking in front of driveway or fire hydrant
Section 42-140	Parking in Fire Lane
Section 42-141	Parking on certain streets

Taxi Cab Violations \$50 each

Section 46-8	Exceed maximum number of passengers
Section 46-9	Failure to properly mark taxi cab
Section 46-11	Failure to post rates and fares
Section 46-13	Failure to maintain daily manifest
Section 46-81	Taxi cab drivers permit required
Section 46-89	Failure to display taxi cab drivers permit

Animal Violations \$50 each

Section 6-2	Owner responsibility violation
Section 6-3	Dog must wear identification and rabies tags
Section 6-6	Mandatory removal of feces

Beach Violations \$50 each

Section 8-1	Surfing without a leash/within 300 ft. of a pier
Section 8-2	Swimming prohibited (red flags posted)
Section 8-4	Personal watercraft
Section 8-62	Driving on sand dune

Noise Violation \$50 each

Section 16-76	Prohibited noise
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Street Numbering

Section 36-46	Failure to display proper street nos. front/rear of structure
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Police Department (cont.)**Other** **\$50 each**

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

Alarms

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

Police Escort to move house/commercial building**\$100 first 2 hours****\$50/hour additional hours**

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Public Services**Sanitation Dept.****Dumpsters**

4 yd side load	\$1,830 + tax
6 yd front load	\$1,705 + tax
8 yd front load	\$2,095 + tax

Trash Carts

Trash cart	\$85 \$90 + tax
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Trash cart repair parts

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

300-gallon trash cart	\$785 \$800 + tax
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Rental

Trash carts	\$15 \$18 / day
4 yd side load dumpster	Minimum 1-week rental fee \$366 / week
6 yd front load dumpster	Minimum 1-week rental fee \$341 / week
8 yd front load dumpster	Minimum 1-week rental fee \$419 / week
30 yd roll-off dumpster	Minimum 1-week rental fee \$887 \$1,400 / week
40 yd roll-off dumpster	Minimum 1-week rental fee \$1,715 / week

Miscellaneous

"No Trespassing" signs	two (2) styles	\$30 + tax
"Keep Off the Dunes" signs		\$30 + tax
Town Parks reservation (excluding Dowdy Park)		\$25 + \$50 Refundable clean-up deposit

Review of plans for improvements for existing streets	\$200 < 250 linear ft
	\$200 > 250 linear ft
	+ \$50 per linear ft over 250

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Water Rates

Water Meter Deposit

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

Hydrant Deposit

Hydrant 2 1/2" meter with RPZ	\$6,480 \$7,150
Hydrant	\$4,040 \$4,080

Excessive water consumption

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

Installation of water meter - drop in

3/4" meter	\$410 \$420
1" meter	\$605 \$680
1 1/2 " meter	\$2,205 \$2,240
2" meter	\$1,350 \$1,395

Repair Charges

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

¾" tap	\$1,080 <u>\$1,110</u> + meter dep
1" tap	\$1,245 <u>\$1,340</u> + meter dep
1 ½ "tap	\$6,480 <u>\$6,540</u> + meter dep
2" tap	\$6,125 <u>\$6,170</u> + meter dep
Over 2" tap	Cost of materials + 20% + meter dep

Water Rates/Usage – Billed bi-monthly**Year-Round Rate**

Minimum 0 - 3,000 gallons	\$46.95 <u>\$49.30</u> (¾" meter)
3,001 - 15,000 gallons	\$8.20 <u>\$8.60</u> /thousand gallons
15,001 - 40,000 gallons	\$9.20 <u>\$9.65</u> /thousand gallons
40,001 – 75,000 gallons	\$9.80 <u>\$10.30</u> /thousand gallons
75,001 - 200,000 gallons	\$10.80 <u>\$11.35</u> /thousand gallons
200,001 + gallons	\$11.30 <u>\$11.85</u> /thousand gallons

Penalty

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

Meter Size – Billed bi-monthly**Minimum**

¾ " meter	\$46.95 <u>\$49.30</u>
1" meter	\$70.35 <u>\$73.85</u>
1 ½ " meter	\$135.15 <u>\$141.90</u>
2" meter	\$257.25 <u>\$270.10</u>
2 ½ "meter	\$371.85 <u>\$390.45</u>
3" meter	\$488.25 <u>\$512.65</u>
4" meter	\$796.30 <u>\$836.10</u>
6" meter	\$1984.85 <u>\$2,084.10</u>

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Water Rates (cont.)

Miscellaneous Water

Meter test

\$25

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

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

Septic Health

Septic Loan Interest Rate

Prime less 2.5%, minimum of 2.5%

APPENDIX

PROPERTY TAX HISTORY

Fiscal Year		Tax Rates	Net Levy	Collected at June 30	Percent Collected
2024-2025	Ad Valorem Tax	\$0.305	\$9,435,511	\$9,432,137	99.96%
2024-2025	Beach Nourishment	\$0.025	\$773,402	\$773,126	99.96%
2024-2025	MSD 1 and 2	\$0.143	\$1,517,919	\$1,517,871	99.99%
2024-2025	MSD 4	\$0.010	\$67,449	\$67,449	99.99%
2024-2025	MSD 3 and 6	\$0.005	\$71,258	\$71,257	99.99%
2024-2025	NCDMV	\$0.330	\$231,622	\$231,622	100.00%
2025-2026	Ad Valorem Tax	\$0.212	\$10,983,903	\$10,950,176 (1)	99.69%
2025-2026	Beach Nourishment	\$0.020	\$1,036,218	\$1,033,035 (1)	99.69%
2025-2026	MSD 1 and 2	\$0.090	\$1,609,353	\$1,604,284 (1)	99.69%
2025-2026	MSD 4	\$0.010	\$118,621	\$118,247 (1)	99.69%
2025-2026	MSD 3	\$0.005	\$88,560	\$88,281 (1)	99.69%
2025-2026	NCDMV	\$0.232	\$155,150	\$155,150 (3)	100.00%
2026-2027	Ad Valorem Tax	\$0.212	\$10,979,042	\$10,951,595 (2)	99.75%
2026-2027	Beach Nourishment	\$0.020	\$1,035,759	\$1,033,169 (2)	99.75%
2026-2027	MSD 1 and 2	\$0.090	\$1,611,236	\$1,607,208 (2)	99.75%
2026-2027	MSD 4	\$0.010	\$118,856	\$118,559 (2)	99.75%
2026-2027	MSD 3	\$0.005	\$88,664	\$88,442 (2)	100.00%
2026-2027	NCDMV	\$0.232	\$170,441	\$170,441 (3)	100.00%
2027-2028	Ad Valorem Tax	\$0.232	\$12,026,816	\$11,996,749 (2)	99.75%
2027-2028	Beach Nourishment	\$0.020	\$1,036,795	\$1,034,202 (2)	99.75%
2027-2028	MSD 1 and 2	\$0.090	\$1,612,847	\$1,608,815 (2)	99.75%
2027-2028	MSD 4	\$0.010	\$118,975	\$118,677 (2)	99.75%
2027-2028	MSD 3	\$0.005	\$88,753	\$88,531 (2)	100.00%
2027-2028	NCDMV	\$0.252	\$185,319	\$185,319 (3)	100.00%
(1) As of March 24, 2026					
(2) Budgeted at 99.75% collection					
(5) Levy per the North Carolina Vehicle Tax System budgeted at 100% collection					

STRATEGIC PLAN

2026 Town of Nags Head Strategic Plan

Introduction

Welcome to the 2024–2026 Town of Nags Head Strategic Plan. A strategic plan is a formal document that describes where an organization wants to go and how it intends to get there. It is not a day-to-day operations guide; rather, it defines the most important priorities and long-term goals that will shape the community's future over the coming years.

This plan was developed collaboratively with input from community members, and through a joint effort of the Board of Commissioners and town staff. The starting point was the mission, vision, and goals from the 2021 Strategic Plan. We are grateful to everyone who contributed to that earlier work and to this updated version.

Strategic Plan Process

Community Involvement

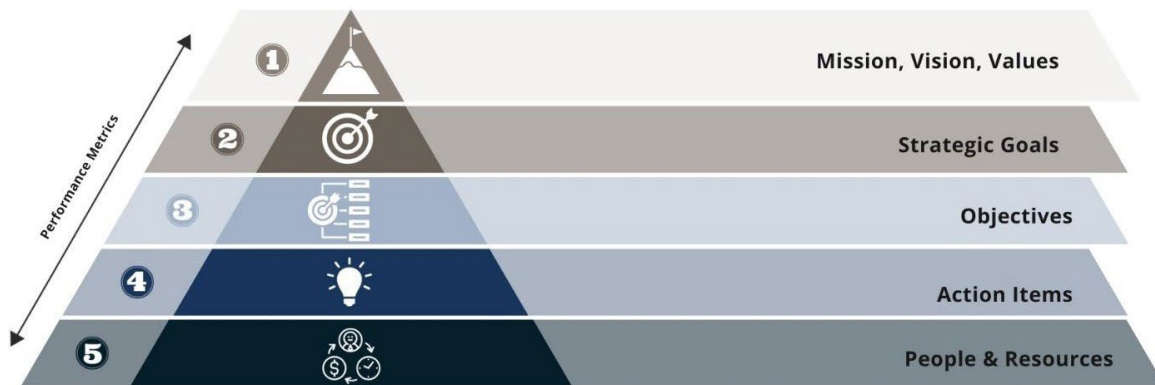
The foundation of this plan lies in the collective wisdom of Nags Head's residents and property owners. In addition to reviewing strategic guidance from prior plans, the Town actively sought community input through the 2023 Community Survey to better understand residents' needs, concerns, and aspirations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

Joint Board and Staff Retreat

To ensure alignment between community expectations and administrative resources, the Board of Commissioners and Town staff held a planning retreat on November 16–17, 2023. The retreat gave the Board and staff the opportunity to review Community Survey results and other data, share ideas, and work collaboratively to set priorities.

The result is a strategic plan that reflects a shared vision and commitment to the town's future. Staff and Board met again on October 18, 2024, and on February 27, 2026, to review progress and make updates to the plan.

What's Included in the Plan



Goals, Objectives, and Strategic Action Items

The strategic plan goes beyond routine day-to-day operations. It defines a specific set of goals, objectives, and action items that guide the Town's longer-term direction. These are forward-thinking and designed to address both current challenges and future opportunities.

Think of it this way: Goals are the broad outcomes the Town wants to achieve. Objectives are more specific areas of focus within each goal. Action items are the concrete steps the Town will take to make progress toward those objectives.

Beyond Business as Usual

The strategic plan intentionally focuses on action items that go beyond routine government functions, things that require dedicated resources, planning, and leadership to accomplish. This helps ensure that the Town channels its energy efficiently and makes a lasting impact on Nags Head's future.

This does not mean that daily operations are unimportant. The work that Town staff perform every day, maintaining roads, providing public safety, managing utilities, and serving residents, is the essential foundation that everything else is built upon.

Conclusion

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

Mission, Vision, and Goals

As part of the strategic planning process, the Board of Commissioners reviewed and revised the Town's foundational statements. These statements provide the philosophical underpinning for everything in this plan.

MISSION

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

VISION

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

Vision Statement — In Full

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

Legacy

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

Goals Overview

The following goals reflect the Town's highest-level strategic priorities. Each goal is broken down into specific objectives and action items in the section that follows. The four strategic goal areas are:

ENVIRONMENT



To safeguard our critical natural resources and coastal ecosystem.

DEVELOPMENT



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

ECONOMY



To promote a sustainable economy that supports residents and visitors.

COMMUNITY SERVICES



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

Town of Nags Head Core Values

Core values define how the Town of Nags Head conducts itself, the principles and behaviors that guide our staff in serving the community every day. These values were developed collaboratively and reflect a shared commitment to excellence, integrity, and community service.

Attitude is Key • The right attitude is critical to our success • We recognize that positivity is a force multiplier • We treat our community and each other with kindness and respect • We are honest and transparent with each other, even when it is uncomfortable	Our People are in the Know • We share relevant and timely information at all levels of the organization • Our community deserves to know what we are doing • We actively seek and value feedback • We communicate and follow-up; this is how we establish credibility
We Do What's Right, for the Right Reasons • Accountability and integrity are principles we hold dearly • We honor our commitments and do what we say we are going to do • Each team member participates in decision making and takes ownership of the outcomes • We operate with a sense of urgency and get things done	We Are Community Stewards • Our goal is to provide top-tier community services • Our Town assets, our environment, and our people deserve our greatest effort and undivided attention • Nags Head has a legacy of strong leadership and values, and we carefully consider how this can be strengthened and upheld
Our People Matter • We recognize that the Town's workforce, our team, is the Town's greatest asset • We value different backgrounds, perspectives, and cultures • We create an environment where people can do their best work	Excellence Requires Innovation & Curiosity • Growth is accomplished by challenging the status quo • We encourage new ideas that positively impact how we do things

Goals, Objectives, and Action Items

The following section outlines each strategic goal area in detail. For each goal, you will find a brief explanation of why that area matters to Nags Head, a set of specific objectives that define what success looks like, and a list of action items, the concrete steps the Town will take to make progress.

Action items are divided into two groups: Active items currently in progress and Completed & Ongoing items that have been accomplished or are now part of regular Town operations.

GOAL AREA 1: ENVIRONMENT

Nags Head's natural environment, its beaches, dunes, estuaries, and water systems, is not only what makes the town beautiful, it is the economic engine that drives tourism and the quality of life that residents value. Protecting these resources requires proactive planning, public education, and significant infrastructure investment. This goal area focuses on the stewardship of Nags Head's natural assets for current and future generations.

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

Objectives

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

Active Action Items

#	Action Item	Description	Related Objectives
1.1	Create water rates that incentivize water stewardship	The Town engaged a consultant to complete a cost of service and water rate study, to determine an appropriate rate structure to fund both operating and capital costs to sustain the town's water service. The consultant has suggested several scenarios for the Board's consideration, including separating residential and non-residential customer classes, creating a seasonal rate structure, and charging irrigation at the peak rate. The rate study was conducted as part of the Water Master Plan Asset and Inventory Assessment (AIA) grant. Staff is working to complete the project in conjunction with a water system master plan with the goal of finalizing recommendations for the FY 2027-28 budget.	#1
1.2	Implement the Estuarine Shoreline Management Plan	The Town is moving forward with several "living shoreline" projects, using natural materials to reduce erosion and flooding, at key sites, with grants, partnerships, and designs already in progress. The town is also considering offering an advisory service to property owners interested	#1, #2, #4

#	Action Item	Description	Related Objectives
		in completing nature-based shoreline stabilization solutions.	
1.3	Complete Stormwater Management Plan and develop an implementation plan with a list of projects for the annual Capital Improvement Program (CIP)	The Town is updating its stormwater plan to assess drainage systems and create a long-term strategy for managing flooding and water runoff, funded by a state grant from the NC DEQ Division of Water Infrastructure. Early assessment work is complete, and the next steps include finalizing improvement plans, prioritizing projects, and gathering public input before presenting recommendations.	#1, #2, #4
1.4	Complete Water System Master Plan and develop an implementation plan with a list of projects for the annual Capital Improvement Program (CIP)	The Town is creating a Water System Master Plan to assess its water infrastructure and prioritize needed upgrades, with ongoing fieldwork to map pipe sizes and materials. This information will help guide future improvement projects once the study is completed.	#1, #2, #4
1.5	Implement the Decentralized Wastewater Management Plan with guidance from the Septic Health Advisory Committee	The Town is working on a plan to better manage septic systems to protect local water quality, including preparing a zero-interest repair loan program with support from the NC DEQ Division of Water Infrastructure and identifying the highest-risk properties for early action. At the same time, officials are increasing public awareness, improving system mapping, and gathering data to guide future septic improvements.	#1, #2, #4
1.6	Develop creative strategies to increase participation in the Septic Health Initiative	The Town's Septic Health Initiative encourages residents to maintain their septic systems through education, outreach, and incentives, like water bill credits for septic tank pump outs, to help protect local water quality. Staff is expanding awareness through events, media, and targeted outreach, especially as they prepare to roll out additional support programs with the NC DEQ Division of Water Infrastructure.	#3, #4
1.7	Create an education program including a video series on the major threats to water quality in Nags Head (e.g., stormwater and wastewater)	The Town created short educational videos to help residents understand water quality issues like runoff and failing septic systems and shared them on social media where they have gotten strong engagement. The videos will continue to be used online as part of ongoing outreach efforts.	#3

#	Action Item	Description	Related Objectives
1.8	Update the One Water philosophy, an integrated approach to managing all water resources (drinking water, stormwater, and wastewater) as a unified system	The Town is updating its One Water philosophy, which takes an integrated approach to managing drinking water, stormwater, and wastewater as a single, coordinated system. This update will help guide long-term planning, improve resource efficiency, and support sustainable water management across all Town infrastructure.	#1, #2, #4

Completed & Ongoing Items

The items below have been completed or are now part of the Town's regular business operations. They are recognized here as achievements and ongoing commitments.

Action Item	Status	Related Objectives
Complete and implement Beach Nourishment Master Plan, including an engineering plan, a financial plan with recommended tax rates and revenues, and sprigging in all future plans	Completed	#1, #2, #4
Consider the impacts of sea level rise and climate change in policies, ordinances, and planning studies	Ongoing	#1, #2, #3

GOAL AREA 2: DEVELOPMENT

How and where development occurs in Nags Head has lasting consequences for the town's character, safety, and livability. This goal area addresses land use planning, infrastructure resilience, public spaces, and transportation. The aim is to ensure that development decisions reflect the community's values and protect both the built and natural environment.

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

Objectives

Objective #1 Proactively balance appropriate types of land uses	Objective #2 Ensure resilient development and infrastructure	Objective #3 Ensure public spaces are preserved and maintained equitably	Objective #4 Ensure efficient traffic movement and pedestrian safety
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#	Action Item	Description	Related Objectives
2.1	Identify and correct areas of land use incompatibility within the town; correct inconsistencies between the Comprehensive Plan and the Unified Development Ordinance.	Staff have begun reviewing mismatches between its long-term plan and zoning rules, but progress has largely been paused after Senate Bill 382 limited its ability to reduce or change property uses. Some of these inconsistencies included: revisiting the Hotel Overlay District, identifying areas where zoning and existing development patterns are misaligned, examining Beach Road vs US 158 corridor uses, and reviewing allowable uses within the Commercial Outdoor Recreation District.	#1
2.2	Review the character areas set forth in the Comprehensive Plan and suggest strategies for implementation	The town's Comprehensive Plan describes several planning areas within the town with specific strategies to achieve a desired character. The Town is focusing first on improving the Whalebone Junction and Commercial Outdoor Recreation District areas by coordinating several projects, including shoreline restoration, a soundside boardwalk, park upgrades, and efforts to improve walkability and connections to nearby destinations like Jennette's Pier and the Soundside Event site. This area is a priority because multiple related projects are already underway, with plans to review other areas later as time and resources allow.	#1, #2
2.3	Develop and present an accessory dwelling unit (ADU) ordinance	The Town has explored creating an ordinance for accessory dwelling units (ADUs), which are smaller secondary homes on the same property as a main house, with public input showing support, especially for long-term rentals and attached units, while noting concerns about neighborhood character. The ordinance would include a menu of optional provisions covering zoning districts allowed, minimum lot size, maximum square footage, height limits, deed restrictions, and parking requirements.	#1, #2
2.4	Recommend non-regulatory approaches to minimize residential lighting impacts	This may include education on dark sky benefits, a program to provide residents with free light shields, a 'keep it dark' campaign, turtle-friendly lighting guidelines, and education on security lighting that avoids nuisance impacts on neighbors. Currently the town has developed a Dark Skies, Bright Stars initiative. Staff is educating the public through demonstrations, the Town's website, local partnerships, and tracking sky quality. Future work may also consider limited regulations for residential lighting.	#1
2.5	Explore and pursue grant opportunities to leverage Town resources for	The Town actively pursues grants to support infrastructure projects, having secured millions for stormwater improvements, shoreline restoration, beach access, and conservation initiatives. Staff continue to explore	#2

#	Action Item	Description	Related Objectives
	infrastructure planning, maintenance, and enhancements	upcoming opportunities for beach access, boardwalks, solar projects, disaster relief, and coastal resilience programs, while maintaining flexibility to pursue additional grants that align with Board priorities.	
2.6	Advocate to NCDOT (NC Department of Transportation) for a corridor study of US 158 to improve safety while considering access, function, and efficiency	The Town is advocating for a corridor study to improve safety and traffic flow along US 158. This would analyze safety and efficient traffic movement within the town and could involve creating a median divided facility. This was a recommendation from the Dare County Comprehensive Transportation Plan. This study would be funded through the NCDOT State Transportation Improvement Program. State funding through the STIP is not yet confirmed. This effort may require legislative assistance to affect the timeline and priority of this project.	#4
2.7	Update the Town's Parks and Recreation Plan	The Town seeks to update its Parks and Recreation Plan, replacing the 2012 version to reflect community growth, recent park improvements, and evolving needs. The process will involve a consultant team with coastal expertise, community engagement, and a focus on practical, implementable strategies, including ocean and sound access, beach parking, and Whalebone Park amenities, resulting in a community-driven plan that guides future investments and strengthens eligibility for PARTF grants.	#1, #3
2.8	Determine if the Board wants to pursue a boardwalk; work to implement strategies to activate the Commercial Outdoor Recreation Overlay District (CORD)	The Town is exploring future options for enhancing commercial recreation and pedestrian connectivity, including a potential boardwalk extension in the town's Commercial Outdoor Recreation Overlay District (CORD). This action item includes refining and implementing strategies to achieve the development goals as described for these areas in the town's Comprehensive Plan.	#1

Completed & Ongoing Items

The items below have been completed or are now part of the Town's regular business operations.

Action Item	Status	Related Objectives
Place conservation easements on Town-owned properties, ensuring equitable public access to these lands	Completed	#3
Implement the current model for streets, water, and stormwater Capital Improvement Program (CIP) projects; incorporate projects resulting from infrastructure planning studies	Completed	#2
Develop and recommend a process for handling neighborhood requests for traffic calming measures	Completed	#4
Discuss the existing Pedestrian Plan priorities with the Board	Completed	#4
Develop an initiative to improve pedestrian safety at crosswalks and reduce user conflicts on multi-use paths	Completed	#4

GOAL AREA 3: ECONOMY

Nags Head's economy is largely driven by tourism. Maintaining a healthy local economy means supporting the businesses that depend on that tourism while also ensuring that the workforce who serve both residents and visitors have access to housing and stable employment. This goal area also addresses protecting the beach itself, the Town's most valuable economic asset, from over-commercialization.

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

Objectives

Objective #1 Provide workforce housing for Town employees	Objective #2 Support and encourage small businesses	Objective #3 Maintain a free, family-friendly, non-commercial, well-maintained beach
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Active Action Items

#	Action Item	Description	Related Objectives
3.1	Create strategies to connect the Town to local businesses, including exploring ways to strengthen communication, resources, and partnerships	This could include new communication methods such as a newsletter for businesses, establishing a staff liaison to the business community, exploring new partnerships, enhancing sponsorship programs, collaborating on events, and continuing programs and services for businesses through police, fire and other departments.	#2
3.2	Create clarity in Town Code regarding the prohibition of beach commercialization, ensuring the beach remains a free, accessible, and family-friendly resource	The Town is reviewing and updating its code to reinforce the long-standing policy of keeping the ocean and estuarine beaches free, family-friendly, and non-commercial. Staff have completed an internal review of rules on rentals, concierge services, and other commercial activities, with plans to finalize and present proposed amendments to the Board.	#3

Completed & Ongoing Items

The items below have been completed or are now part of the Town's regular business operations.

Action Item	Status	Related Objectives
Participate in Dare County's Housing Taskforce; apply a menu of strategies from the Taskforce to the Town's housing needs. The town is currently participating in the Dare Housing Foundation.	Completed	#1
Evaluate optimal housing options for Ocean Rescue staff within the Town Campus Master Plan, and explore opportunities to accommodate additional employees	Completed	#1
Continue to monitor and facilitate educational opportunities regarding over-occupancy issues (including wastewater, traffic, sanitation, and noise), engaging local real estate agencies, the Outer Banks Association of Realtors, and local event planners	Ongoing	#2

GOAL AREA 4: COMMUNITY SERVICES

The quality of services delivered by the Town of Nags Head, from public safety and beach operations to administration and communications, directly shapes the experience of every resident and visitor. This goal area focuses on building the internal capacity of Town government to deliver excellent services, communicate effectively, and collaborate with partner agencies to expand what the Town can offer.

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

Objectives

Objective #1 Maintain a work environment where people feel valued, appreciated, and respected	Objective #2 Provide friendly, accommodating, and responsive customer service	Objective #3 Provide the highest quality services possible and review the needs of the community to ensure resources are available	Objective #4 Enhance internal and external communication that reflects the Town's goals, values, and heritage	Objective #5 Collaborate with other local and state agencies to align or expand services
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Active Action Items

#	Action Item	Description	Related Objectives
4.1	Develop strategies to integrate the Town's Total Rewards philosophy into daily operations	The Town's Total Rewards Program supports employees through pay, benefits, recognition, and development, aiming to create a positive, competitive, and fiscally responsible work environment. Recent updates include a new evaluation system, merit-based pay, service awards, updated health insurance, and participation in a cooperative for better medical cost management, with ongoing improvements to mental health, longevity, and wellness benefits.	#1
4.2	Discuss what department performance data is most meaningful to the Board, and determine the best way to regularly report that data	The Town has developed draft Key Performance Indicators (KPIs) for all departments to track progress and align with strategic goals. Staff will work to update and/or create new reporting mechanisms for the board and the community to track progress and provide information on town services and initiatives.	#2, #3
4.3	Develop Phase 2 of the Town Campus Master Plan, which guides the long-term development and use of Town-owned facilities and properties	The Town Campus Master Plan is guiding development of Town facilities to meet current and future needs, with construction underway on a combined Wellness Center and Ocean Rescue housing facility set for completion in September 2026. Additionally, the Town purchased property for a potential future fire station and is planning improvements to the Board meeting room and other facilities as part of long-term campus development.	#3
4.4	Create a communication campaign highlighting Town accomplishments, staff, and services to keep the community informed and engaged	This initiative involves developing a coordinated communication campaign to showcase the Town's achievements, recognize staff contributions, and explain available services, helping residents stay informed, feel connected, and engaged with local government activities.	#1, #3
4.5	Create formal mechanisms to work with other local or state agencies to align initiatives, including the National Park Service and NC Department of Transportation	The Town is working to strengthen collaboration with local and state agencies to address regional challenges more effectively. Current efforts include coordinating with NCDOT, participating in county housing and legislative initiatives, engaging in interagency groups on shoreline and coastal management, and identifying opportunities, like resuming quarterly regional shoreline meetings, to improve coordinated planning and communication.	#5
4.6	Create Organizational Development strategies	Human Resources is creating a structured approach to strengthen the workforce and leadership. Talent reviews	#1, #3

#	Action Item	Description	Related Objectives
	including talent review, succession planning, team building, and leadership training	and succession planning ensure critical roles are filled smoothly and future leaders are prepared, team-building initiatives improve collaboration and morale, and leadership training equips staff with skills to manage teams effectively, adapt to change, and deliver services more efficiently to the community.	
4.7	Enhance Ocean Rescue services and staffing to ensure the highest level of beach safety for residents and visitors	The Town is working to strengthen Ocean Rescue services by making the current captain position year-round and considering adding a lieutenant to replace the existing hybrid summer/fall-firefighting role, ensuring consistent leadership and maintaining the highest level of beach safety for residents and visitors.	#3
4.8	Consider restructuring the Water Department to improve efficiency and service delivery	The Town is considering restructuring the Water Department to improve efficiency and service. The town will evaluate strategies to most effectively utilize staff in water operations and water distribution and may even consider a long-term plan to combine the divisions.	#2, #3
4.9	Enhance the Arts & Culture program to celebrate and promote Nags Head's unique heritage and community identity	Consideration is being given to adding a part-time, year-round support position for the Arts & Culture program to help with event coordination, logistics, communications, and on-site operations. The goal would be to provide continuity beyond seasonal staff, reduce reliance on a single coordinator, and support the growing year-round event schedule, improving program efficiency, sustainability, and community engagement.	#3, #4
4.10	Continue legislative advocacy at the state and federal level to advance Nags Head's interests	The Board and staff will continue to engage in state and federal legislative advocacy, working with lobbyists and traveling to government offices to represent Nags Head's interests. These efforts help advance funding, policy, and regulatory priorities that support the Town's infrastructure, services, and long-term goals.	#3, #5

Completed & Ongoing Items

The items below have been completed or are now part of the Town's regular business operations.

Action Item	Status	Related Objectives
Highlight high-performing employees and accomplishments to the Board and the public throughout the year	Ongoing	#1
Design and implement a performance-based merit structure as part of the FY 2024–25 budget process	Completed	#1, #2

New Action Item Priorities

At the planning retreat, the Board and staff were asked to identify the action items they considered most important and most urgent. The items below represent those top priorities, listed in ranked order. These will receive focused attention and resources in the near term.

Rank	Action Item	Item #
1	Update the Town's Parks and Recreation Plan	2.7
2	Determine if the Board wants to pursue a Boardwalk in the Commercial Outdoor Recreation Overlay District	2.8
3	Complete Stormwater Management Master Plan and develop an implementation plan with a list of projects for the annual Capital Improvement Program	1.3
4	Complete Water System Master Plan and develop an implementation plan with a list of projects for the annual Capital Improvement Program	1.4
5	Develop Phase 2 of the Town Campus Master Plan	4.3
6	Develop strategies to increase participation in the Septic Health Initiative	1.6
7	Create a communication campaign highlighting Town accomplishments, staff, and services	4.4
8	Continue legislative advocacy	4.10
9	Create Organizational Development Strategies	4.6

Plan Implementation

A strategic plan is only as valuable as its implementation. To ensure that this plan drives real results, the Town has established clear accountability and tracking mechanisms.

Champions & Timelines

For each action item, Town staff have identified a responsible 'champion,' a staff member who will oversee progress and coordinate efforts. Most action items are designed to be implemented within two years. Some items are ongoing and will be addressed through the Town's annual Capital Improvement Program (CIP) and budget process.

Progress Reporting

Formal updates on the progress of implementation will be provided to the Board of Commissioners twice per year. Staff will develop tracking mechanisms to monitor each action item. The strategic plan will continue to be updated annually, typically in the fall, so that action items can be considered in the upcoming budget cycle, which begins in February/March each year.

COMMON ACRONYMS

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

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

Bond Rating: A grade indicating a governmental unit's investment qualities. Generally, the higher the bond rating, the less risk investors assume resulting in a more favorable interest rate and lower cost of financing capital projects for the governmental unit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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event of a natural or financial emergency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Powell Bill Funds: Funding from state-shared gasoline taxes that are restricted for use on

maintenance of local streets and roads.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Surplus: The amount by which revenues exceed expenditures.

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

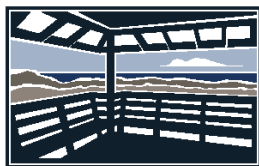
Tax Levy: The resultant product when the tax rate per one-hundred dollars valuation is multiplied by the total taxable valuation, or tax base.

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

Transfer: Movement of cash or other resources between funds.

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

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



TOWN OF NAGS HEAD



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5401 SOUTH CROATAN HIGHWAY, NAGS HEAD, NC 27959

Capital Improvement Program

Fiscal Years 2026/2027 Through 2030/2031



TOWN OF
NAGS HEAD

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Town of Nags Head Fiscal Year 2026/2027 through 2030-2031 Recommended Capital Improvement Program

Yellow highlights indicate items on the Adopted Fiscal Year 2026-2027 CIP Schedule

													Total Cost to Town (including interest)		
Rank	Page	Description	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032 And Beyond	Capital Investment Fund	
General Fund															
11	7	Town Manager: Conceptual design for a new fire station	2027	\$ 48,867	\$ -	\$ -	\$ 48,867	\$ 48,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,867	
	10	Soundside boardwalk - Phase I design	2028	100,000	-	-	100,000	-	100,000	-	-	-	-	100,000	
	12	Town Code/UDO recodification	2028	26,000	-	-	26,000	-	26,000	-	-	-	-	26,000	
	13	Board of Commissioners building audio/visual equipment	2028	64,500	-	-	64,500	-	64,500	-	-	-	-	64,500	
	10	Soundside boardwalk - Phase I construction	2029	500,000	500,000	-	500,000	-	-	-	-	-	-	-	
	10	Soundside boardwalk - Phase II design	2029	100,000	-	-	100,000	-	-	100,000	-	-	-	100,000	
	10	Soundside boardwalk - Phase II construction	2030	514,000	514,000	-	514,000	-	-	-	-	-	-	-	
				\$ 1,353,367	\$ 1,014,000	\$ -	\$ 1,353,367	\$ 48,867	\$ 190,500	\$ 100,000	\$ -	\$ -	\$ -	\$ 339,367	
Admin. Services/Information Technology:															
17	14	Fiber build out - Dowdy Park and Bonnett Street	2027	\$ 52,800	\$ -	\$ -	\$ 52,800	\$ 52,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,800	
	15	Budget cycle management software	2028	306,257	-	-	306,257	-	64,860	56,007	58,807	61,748	64,835	306,257	
					\$ 359,057	\$ -	\$ -	\$ 359,057	\$ 52,800	\$ 64,860	\$ 56,007	\$ 58,807	\$ 61,748	\$ 64,835	\$ 359,057
Planning:															
16	16	Parks and recreation plan update	2027	\$ 80,000	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000	
	17	Solar implementation at municipal complex	2028	250,000	75,000	-	250,000	-	175,000	-	-	-	-	175,000	
					\$ 330,000	\$ 75,000	\$ -	\$ 330,000	\$ 80,000	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 255,000
Public Services Administration:															
7	20	Carolista Dr./W. Soundside Rd.-west side multi-use path construction*	2027	\$ 1,911,000	\$ 750,000	\$ -	\$ 2,172,225	\$ 116,100	\$ 168,345	\$ 162,540	\$ 156,735	\$ 150,930	\$ 667,575	\$ 1,422,225	
	21	E. Barnes St./Blue Jay St. pedestrian project	2028	78,000	50,000	-	78,000	-	28,000	-	-	-	-	28,000	
	22	path survey/design update	2029	20,000	-	-	20,000	-	-	20,000	-	-	-	20,000	
	23	Villa Dunes Dr./S. Wriohstville Ave. pedestrian project	2029	152,500	68,750	-	152,500	-	-	83,750	-	-	-	83,750	
	22	side multi-use path construction*	2030	2,140,750	642,225	-	2,477,919	-	-	-	149,853	217,287	1,468,554	1,835,694	
	24	W. Woodhill Dr. pedestrian project	2031	143,500	92,625	-	143,500	-	-	-	-	-	50,875	50,875	
	25	S. Wriohstville Ave. pedestrian project	2031	628,250	281,625	-	628,250	-	-	-	-	-	346,625	346,625	
					\$ 5,074,000	\$ 1,885,225	\$ -	\$ 5,672,394	\$ 116,100	\$ 196,345	\$ 266,290	\$ 306,588	\$ 765,717	\$ 2,136,129	\$ 3,787,169
	Public Works Facilities Maintenance :														
	8 9 5 28 6 10 4 26 27 28 28 28 31 32 26 28 28 31 33 34 28 28 35 28 36 37	26	Beach road multi-use path design	2027	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
27		Hararove bath house design	2027	50,000	-	-	50,000	50,000	-	-	-	-	-	50,000	
5		Albatross Street beach access maintenance**	2027	80,000	-	80,000	80,000	-	-	-	-	-	-	-	
28		Glidden Street beach access maintenance**	2027	171,600	128,700	42,900	171,600	-	-	-	-	-	-	-	
10		Enclosed utility trailer	2027	13,000	-	-	13,000	13,000	-	-	-	-	-	13,000	
4		Town Hall elevator replacement*	2027	143,900	-	-	143,900	14,390	20,866	20,146	19,427	18,707	82,742	176,278	
26		Beach road multi-use path maintenance design	2028	50,000	-	-	50,000	-	50,000	-	-	-	-	50,000	
26		Beach road multi-use path maintenance construction	2028	250,000	-	-	250,000	-	250,000	-	-	-	-	250,000	
27		Hararove bath house construction	2028	852,500	826,250	-	852,500	-	26,250	-	-	-	-	26,250	
28		Barnes Street beach access maintenance**	2028	115,000	-	115,000	115,000	-	-	-	-	-	-	-	
28		Grouse Street beach access maintenance**	2028	160,000	120,000	40,000	160,000	-	-	-	-	-	-	-	
31		Flail mower	2028	150,000	-	-	150,000	-	150,000	-	-	-	-	150,000	
32		Town Hall qenerator replacement	2029	101,467	-	-	101,467	-	-	101,467	-	-	-	101,467	
26		Beach road multi-use path maintenance construction	2029	250,000	-	-	250,000	-	-	250,000	-	-	-	250,000	
28		Eighth Street beach access maintenance**	2029	132,000	66,000	66,000	132,000	-	-	-	-	-	-	-	
28		Ida Street beach access maintenance**	2029	80,000	-	80,000	80,000	-	-	-	-	-	-	-	
33		4x4 tractor	2029	230,000	-	-	230,000	-	-	230,000	-	-	-	230,000	
34		Tandem dump truck	2030	250,000	-	-	250,000	-	-	-	250,000	-	-	250,000	
28		Indiqo Street beach access maintenance**	2030	180,000	-	180,000	180,000	-	-	-	-	-	-	-	
28		Islington Street beach access maintenance**	2030	85,000	-	85,000	85,000	-	-	-	-	-	-	-	
35		Grader	2030	267,000	-	-	267,000	-	-	-	267,000	-	-	267,000	
28		Forrest Street beach access maintenance**	2031	150,000	-	150,000	150,000	-	-	-	-	-	-	-	
36		Loader	2031	350,000	-	-	350,000	-	-	-	-	350,000	-	350,000	
37		Sweep truck	2031	195,000	-	-	195,000	-	-	-	-	195,000	-	195,000	
				\$ 4,356,467	\$ 1,140,950	\$ 838,900	\$ 4,356,467	\$ 127,390	\$ 497,116	\$ 601,613	\$ 536,427	\$ 563,707	\$ 82,742	\$ 2,408,995	

Town of Nags Head Fiscal Year 2026/2027 through 2030-2031 Recommended Capital Improvement Program

Yellow highlights indicate items on the Adopted Fiscal Year 2026-2027 CIP Schedule

Rank	Page	Description	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032 And Beyond	Total Cost to Town (including interest)
Capital Investment Fund Impact														Capital Investment Fund
Public Works Sanitation:														
12	38	Knuckle boom truck	2027	\$ 255,000	\$ -	\$ -	\$ 255,000	\$ 255,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,000
1	38	Replacement front load truck	2027	400,000	-	-	400,000	400,000	-	-	-	-	-	400,000
	39	Dump truck - 2.5 ton (addition to fleet)	2028	139,916	-	-	139,916	-	139,916	-	-	-	-	139,916
	38	Replacement residential truck	2028	410,000	-	-	410,000	-	410,000	-	-	-	-	410,000
	38	Replacement knuckle boom/roll off truck	2029	275,000	-	-	275,000	-	-	275,000	-	-	-	275,000
	38	Replacement residential truck	2029	415,000	-	-	415,000	-	-	415,000	-	-	-	415,000
	38	Replacement residential truck	2030	415,000	-	-	415,000	-	-	-	415,000	-	-	415,000
	38	Replacement front load commercial dumpster truck	2031	415,500	-	-	415,500	-	-	-	-	415,500	-	415,500
	38	Replacement dump truck	2031	145,000	-	-	145,000	-	-	-	-	145,000	-	145,000
	38	Replacement residential truck	2032	415,000	-	-	415,000	-	-	-	-	-	415,000	415,000
				\$ 3,285,416	\$ -	\$ -	\$ 3,285,416	\$ 655,000	\$ 549,916	\$ 690,000	\$ 415,000	\$ 560,500	\$ 415,000	\$ 3,285,416
Streets and Stormwater:														
2	40	Streets-Stormwater Year 7 paving-resurfacing east/west streets	2027	\$ 626,000	\$ 100,000	\$ -	\$ 626,000	\$ 526,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 526,000
3	41	Culvert cleaner	2027	115,280	-	-	115,280	115,280	-	-	-	-	-	115,280
	42	Streets-Stormwater Year 8 paving-Vista Colony neighborhood	2028	589,762	100,000	-	589,762	-	489,762	-	-	-	-	489,762
	43	Streets-Stormwater Year 9 paving-W. Villa Dunes Dr./W. Woodhill Dr.	2029	743,700	100,000	-	743,700	-	-	643,700	-	-	-	643,700
	44	Streets-Stormwater Year 6 paving-Juncos St. to southern corporate town limits/S. Colony South fire flow upgrade	2030	483,364	100,000	-	483,364	-	-	-	383,364	-	-	383,364
	45	Streets-Stormwater Year 10 paving-Links Dr./W. Seachase Dr./W. Baymeadow Dr. and connecting side streets	2031	715,000	100,000	-	715,000	-	-	-	-	615,000	-	615,000
				\$ 3,273,106	\$ 500,000	\$ -	\$ 3,273,106	\$ 641,280	\$ 489,762	\$ 643,700	\$ 383,364	\$ 615,000	\$ -	\$ 2,773,106
Police:														
13	46	Drone	2027	\$ 14,870	\$ -	\$ -	\$ 14,870	\$ 14,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,870
	47	Subscription - CAD/Records Management System	2028	140,000	-	-	140,000	-	140,000	12,000	12,000	12,000	12,000	188,000
	48	Command vehicle	2029	395,000	395,000	-	-	-	-	-	-	-	-	-
				\$ 549,870	\$ 395,000	\$ -	\$ 154,870	\$ 14,870	\$ 140,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 202,870
Fire:														
15	49	Forcible entry training prop	2027	\$ 9,110	\$ -	\$ -	\$ 9,110	\$ 9,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,110
14	50	Knox box key secure system	2027	39,300	-	-	39,300	39,300	-	-	-	-	-	39,300
	51	Pumper*	2029	1,448,807	-	-	1,448,807	-	-	178,693	178,693	178,693	1,250,847	1,786,926
				\$ 1,497,217	\$ -	\$ -	\$ 1,497,217	\$ 48,410	\$ -	\$ 178,693	\$ 178,693	\$ 178,693	\$ 1,250,847	\$ 1,835,336
Contingency				2027	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Total General Fund Debt Payments and Capital Outlay								\$ 1,834,717	\$ 2,353,499	\$ 2,598,303	\$ 1,940,879	\$ 2,807,365	\$ 4,011,553	\$ 15,296,316

Costs are estimates

*ten years at 5%, payment in advance

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

Town of Nags Head Fiscal Year 2026/2027 through 2030-2031 Recommended Capital Improvement Program

Yellow highlights indicate items on the Adopted Fiscal Year 2026-2027 CIP Schedule

														Grant		Water Fund Impact						Total Cost to Town (including interest)	
Rank	Page	Description	Fiscal Year	Cash Cost	Funding		Total Cost	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032 And Beyond	Water Fund									
		Septic Health:																					
	52	Water quality data loggers	2029	\$ 93,100	\$ -	\$ -	\$ 93,100	\$ -	\$ -	\$ 93,100	\$ -	\$ -	\$ -	\$ 93,100									
		Water Distribution:																					
1 2	53	Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain extensions	2027	\$ 261,000	\$ -	\$ -	\$ 261,000	\$ 261,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,000									
	54	Vacuum trailer	2027	66,078	-	-	66,078	66,078	-	-	-	-	-	66,078									
	55	Grouse to Glidden Street tie in	2028	177,500	-	-	177,500	-	177,500	-	-	-	-	177,500									
	53	Vista Colony AC water main planning costs	2028	200,000	-	-	200,000	-	200,000	-	-	-	-	200,000									
	56	Back hoe loader	2028	250,000	-	-	250,000	-	250,000	-	-	-	-	250,000									
	42	Villa Dunes AC water main planning costs	2028	120,000	-	-	120,000	-	120,000	-	-	-	-	120,000									
	42	Vista Colony waterline replacements debt service*	2028	1,783,538	-	-	2,006,481	-	178,354	258,614	249,696	240,778	1,257,393	2,184,835									
	43	South Nags Head AC water main planning costs	2029	220,000	-	-	220,000	-	-	220,000	-	-	-	220,000									
	43	Villa Dunes Dr. 8" diameter water main installation	2029	825,000	-	-	825,000	-	-	825,000	-	-	-	825,000									
	57	Water system master plan update	2030	284,900	-	-	284,900	-	-	-	284,900	-	-	284,900									
	44	Old Nags Head cove water main replacements design	2030	235,000	-	-	235,000	-	-	-	235,000	-	-	235,000									
	44	South Nags Head water main replacements*	2030	1,708,630	-	-	1,708,630	-	-	-	170,863	247,751	1,674,458	2,093,072									
				\$ 6,131,646	\$ -	\$ -	\$ 6,354,589	\$ 327,078	\$ 925,854	\$ 1,303,614	\$ 940,459	\$ 488,529	\$ 2,931,851	\$ 6,917,385									
Total Water Fund Debt Payments and Capital Outlay								\$ 327,078	\$ 925,854	\$ 1,396,714	\$ 940,459	\$ 488,529	\$ 2,931,851	\$ 7,010,485									

Costs are estimates

*ten years at 5%, payment in advance

Scope

The CIP is an intentional, long-term planning tool that promotes effective planning and connects long-range planning processes in serving as the primary guide for capital investments. Feasibility studies, reports and strategic plans guide the timing, scope and location of capital investments required to sustain and improve consistent reliable operations. The CIP links specific strategies to organization-wide goals and aligns resources to achieve results. As part of the CIP, each department is tasked with reviewing their future needs and identifying all significant new requests for a five-year period. The CIP is designed to reference how requests implement the Town's vision, goals, and strategic plan.

Priority Setting

Any priority setting methodology needs to be based on how closely the proposed project meets specific established criteria. The criteria can be based on a wide range of conditions and needs. Evaluation of projects is not a simple or easy matter. Careful consideration of numerous factors must be addressed in evaluating each project. CIP project requests will fall into at least one category:

1. Corrects an unsatisfactory level of service
2. Maintains a current level of service
3. Provides a new level of service
4. Increases/Enhances/Expands a current level of service
5. Represent a Board [vision/mission/goal](#)
6. Is tied to the [Strategic Plan](#)

Staff will review the CIP requests and rank/recommend them to the Board of Commissioners based on alignment with Board initiatives and level of service expectations. The following criteria will be considered in developing funding recommendations:

I. Level of Service

This category reflects how the proposed project affects the Town's level of service. Level of service refers to typical services that all the various Town departments perform, such as trash collection, street repair, fire and police protection and recreation. The level of benefits the project provides to the Town is correlated to its rank. A base assumption is that the Town's current level of service is satisfactory (except for those projects which the working group felt corrected an unsatisfactory level of service).

II. General Criteria Relating to the Overall Strategic Plan and Community Goals

What follows are some general questions related to how each proposed project fulfills overall community goals as set forth in the Strategic Plan and what fiscal impacts can be anticipated.

A. Town of Nags Head Vision

Does the project reaffirm the Town's vision in preserving and protecting the Nags Head character, environment, tourism-based economy, and sense of place to ensure a high quality of life for residents and a memorable family vacation experience for present and future generations?

[Does the project support the Strategic Direction of the Town as set forth in the Strategic Action Items?](#)

B. Department Goal

Will the project accomplish an established goal as set forth in the strategic plan or [budget document](#)?

C. Fiscal Impact

Is the project cost effective? What is the return on investment? What are the long-term fiscal impacts?

D. Project Dependent

Is the success of the project dependent upon another project? Will an economy of scale be realized upon project implementation?

E. Deferability

What is the imminent need of the project? What long-term implications result if the project is deferred?

F. Other

Did the previous criteria did not accurately address all the merits of the project? Are there intangible benefits? Does the benefit outweigh the cost?

[Instructions](#)

A CIP form is required for all new capital assets. The Town maintains policies describing what constitutes both [capital assets](#) and [capital improvements that must be considered as part of the CIP](#). A CIP form must be filled out for each separate capital improvement request, regardless of [if the project is currently included in the FY 2025/2026 adopted CIP](#). This includes new vehicles and equipment over \$5,000 and replacement vehicles and equipment over \$100,000. The vehicle replacement schedule will be used as a basis of integration for the CIP. The first year of the adopted fiscal year 2026/2027 CIP will be integrated into the capital budget.

Drop Down boxes are incorporated into the CIP for uniformity. In Section 6., one row under "Project Category" is required to be selected with the corresponding implementation year. More than one project category can be selected (for example, planning and design, construction, and maintenance).

A base assumption is the project will be paid for in cash, with Town funds. Please provide the estimated one-time cash cost and any continuing annual costs. Only if the project requires a personnel request, please select from the drop down the number Full-Time Equivalent (FTE) positions requested. Admin. Services will calculate the cost of the FTE.

Please fill out Section 8 if your project will be partially or fully funded through an alternate funding source. Additional funding sources include grants, contributions, or Capital Reserve Funding. Note you do not need to fill this section out if additional funds will not be used in conjunction with or in lieu of Town funds.



1. Project Title:	New Fire Station 16 Conceptual Design	2. Department	Town Manager	3. Rank (Completed by CIP Committee)	11
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4. The requested project: (Choose at least One)

☐	Corrects an unsatisfactory level of service	☐	Maintains a current level of service
☒	Provides a new level of service	☒	Increases/Enhances/Expands a current level of service
☒	Represents a Board vision/mission/goal	☒	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This scope of service is to provide conceptual planning and design to determine a building size and layout as well as a magnitude of costs to relocate Fire Station 16 to 4222 South Croatan Highway. Deliverables include a programming and needs assessment, and a conceptual design, and project budget. This aligns with the Board's strategic plan in developing Phase 2 of the Campus Master Plan.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Planning and Design	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$48,867			\$48,867
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$48,867						\$48,867
							\$0
							\$0
							\$0
Total:	\$48,867	\$0	\$0	\$0	\$0	\$0	\$48,867



February 19, 2026

Mr. Andy Garman, Town Manager
Town of Nags Head
5401 S. Croatan Highway
Nags Head, NC 27959

RE: Architectural Design Fee Proposal – Programming & Conceptual Design for a new Fire Station

Andy,

Thank you for the opportunity to submit our proposal for this phase of the project. OCA proposes to provide conceptual planning & design for the new Fire Station.

CONCEPTUAL PLANNING & DESIGN:

The scope of services requested is to provide conceptual planning and design services in order to determine a building size and layout as well as a magnitude of costs for the project. The OCA team will provide the following services and deliverables for the project:

Programming & Needs Assessment:

- Staff Meetings with the potential user group assigned to the new facility in order to review and determine needs and required needs;
- Programming document summarizing the required needs and assigned square footages

Conceptual Design:

- Conceptual floor plan
- Conceptual site plan
- Exterior renderings of the proposed building

Conceptual Project Budget, to include:

- Estimated Construction & Site Costs
- Projected Project Soft Costs, including surveys, geotechnical investigations, environmental reports, special inspections, advertising costs, project permitting costs, regulatory fees, etc...
- Projected Design & Engineering Fees
- Owner's Contingency
- Projected Furniture, Fixtures & Equipment (FFE)

Our estimated time to complete the conceptual design work described shall be 2 months, depending on the user's availability for meetings.

PROFESSIONAL FEES:

The proposed professional fees for the conceptual design will be \$48,867.00. Reimbursable expenses shall be included in the proposed fee. After your review of this proposal, please don't hesitate to call should you have any questions or concerns. Once approved, we will prepare a service order based on this proposal.

Thank you very much – we look forward to continuing the good work with the Town of Nags Head!



Timothy D Oakley, AIA

Acceptance of Proposal

Name

Date



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Soundside Boardwalk Design and Construction (per Joe Costello email 2/20 1028 lf phase 1 998 lf phase 2)	2. Department	Town Manager	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☒ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☒ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

For several years there has been interest and investigation into developing a boardwalk along the sound as part of the commercial outdoor recreation overlay district. Most recently, this project was incorporated into our Strategic Plan. The concept was originally identified in the Town's 2012 Parks and Recreation Plan. The area includes the Outer Banks Event site, the Harvey public sound access, and several commercial recreational businesses and restaurants. In 2013/2014, the Town allocated planning funds to conduct outreach to key property owners, to research environmental permitting, and to develop a feasible alignment. A conceptual level alignment was drafted, which excluded some properties, due to ongoing negotiations with property owners. The Town of Nags Head Comprehensive Plan includes policies to support the boardwalk - PR-3 Expand and develop public access to ocean and estuarine shorelines that accommodate different user types, age groups, and needs. PR-3d Develop a Master Plan for a sound side boardwalk. This request involves the planning, design, and construction of a soundside boardwalk connecting to the Soundside Event site boardwalk at 6800 South Croatan Highway. The boardwalk would extend from the right-of-way north of the Outlets at 7100 South Croatan and connect to the Event Site Boardwalk, providing pedestrian access to the commercial and public properties along its length. We anticipate there would be multiple opportunities for estuarine public access and recreation as part of this facility. This request includes construction of the first phase (Event Site south) in FY 2029. North of the former Pamlico Jack's restaurant site would be phase II, which would be scheduled for a later year. Staggering the phases provides opportunities for additional grants to be received. Phase I and II are 998 and 1,028 linear feet, respectively. The construction cost is estimated at \$500/linear foot based on pricing the Tourism Board received for the Event Site Boardwalk.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Planning and Design	☐	☒	☒	☐	☐	☐
Construction (New)	☐	☐	☒	☒	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28: Design	\$100,000			\$100,000
FY 28/29: Construction	\$500,000			\$500,000
FY 29/30: Design	\$100,000			\$100,000
FY 30/31: Construction	\$514,000			\$514,000
Beyond FY 31/32:				\$0

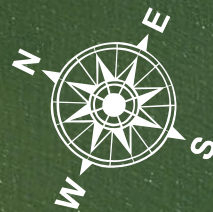
8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$100,000					\$100,000
Grant			\$500,000				\$500,000
Cash			\$100,000				\$100,000
Grant				\$514,000			\$514,000
Total:	\$0	\$100,000	\$600,000	\$514,000	\$0	\$0	\$1,214,000

Soundside Boardwalk Proposed CIP Concept Plan

0.25

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Miles



Legend

Event Site Boardwalk

Boardwalk Phase 1

Boardwalk Phase 2

Planned Sidewalks

Parcels

2-19-2026
11



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Recodification - 2004 Town Code/UDO with Legal Review	2. Department	Town Manager	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This project involves a comprehensive recodification of the municipal code originally adopted in 2004. Since its adoption, numerous ordinances of a general and permanent nature have been enacted, amended, or repealed. As a result, the existing code may contain outdated provisions, organizational challenges, and potential inconsistencies with current state law.

Recodification is necessary to:

- Ensure legal compliance with current state statutes and regulatory requirements.
- Eliminate outdated or obsolete provisions that may no longer reflect current policy or law.
- Resolve internal inconsistencies created by amendments and stand-alone ordinances adopted over time.
- Improve organization and usability of the Town Code for staff, elected officials, legal counsel, and the public.
- Enhance transparency and accessibility by publishing a clear and searchable municipal code online.
- Support effective governance and enforcement by providing a single, authoritative source for municipal regulations.

Updating and reorganizing the Town Code will strengthen the Town's regulatory framework and ensure that municipal laws remain clear, enforceable, and aligned with current policy priorities and statutory requirements.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$26,000			\$26,000
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$26,000					\$26,000
							\$0
							\$0
							\$0
Total:	\$0	\$26,000	\$0	\$0	\$0	\$0	\$26,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Audio Visual Equipment Replacement for Board of Commissioners Room	2. Department	Town Manager	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☒	Corrects an unsatisfactory level of service	☐	Maintains a current level of service
☒	Provides a new level of service	☐	Increases/Enhances/Expands a current level of service
☐	Represents a Board vision/mission/goal	☐	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The Board of Commissioners Room's audio/visual (A/V) equipment is in need of a comprehensive upgrade. Over the years, components have been added in a piecemeal fashion as grant funding through the CurrentTV Local Programming Development Initiative (LPDI) became available and as technology needs evolved. As a result, the system has been installed by multiple vendors over the past 14 years, creating a fragmented setup that has led to compatibility challenges and inefficiencies.

In addition to integration challenges, we have experienced occasional equipment failures, possibly due to electrical surges. Given our increasing reliance on A/V technology to enhance transparency and public engagement, we would like to transition to a unified, reliable system.

We are requesting \$64,500 to systematically replace and upgrade the A/V equipment, wiring, and cabling. This investment will ensure system compatibility, improve reliability, and reduce the risk of future technical issues. As a side note, LPDI funding over the years has been reduced from \$20,000 to \$5,000 annually. Also, to develop more video programming, CurrentTV now only allows up to 25% of an entity's LPDI funding to be spent on equipment over a four year period. In 2023-2024, we used the \$5,000 grant to help improve the room's overall audio.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$64,500			\$64,500
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$64,500					\$64,500
							\$0
							\$0
							\$0
Total:	\$0	\$64,500	\$0	\$0	\$0	\$0	\$64,500



1. Project Title:	Fiber build-out at Dowdy Park and Bonnett Street	2. Department	Information Technology	3. Rank (Completed by CIP Committee)	17
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☒ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

Staff is requesting an internet fiber build out at Dowdy Park and Bonnett Street to tie into our existing MCNC connection. We would be able to drop two internet bills at these locations, totaling \$4,320 a year meaning there would be a return on investment in 12 years. The cost of the Bonnett Street build out is \$30,800 and the Dowdy Park build out is \$22,000. This would provide more reliable internet connectivity at these locations in addition to saving money.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2024/2025 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$52,800			\$52,800
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$52,800						\$52,800
							\$0
							\$0
							\$0
Total:	\$52,800	\$0	\$0	\$0	\$0	\$0	\$52,800



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Cloud-Based Budget Cycle Management Software	2. Department	Information Technology	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☒ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☒ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☒ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

Staff would like to leverage technology to automate the annual budget, with a focus on streamlining the process and centralizing data. Spreadsheets have become inefficient and an integrated platform would improve the planning, building, and budget presentation process. Solutions include budget books for the operating, personnel, and capital aspects of the budget. This quote includes those aspects but can be further customized. A cloud-based budget cycle management suite would modernize budgeting and strategic planning processes and is able to produce award-winning Government Finance Officers Association budget books. This solution for collaborative, full-featured budgeting has become an industry standard in modernized budgeting. There are many products available that provide this technology. Some offer priority-based budgeting that ties requests to goals and can help prioritize budget revenue that can be reallocated to higher priorities. Product demonstrations are currently being reviewed and the final recommendation would be based on what would provide the most value to the Town.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2024/2025 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$64,860			\$64,860
FY 28/29:	\$56,007			\$56,007
FY 29/30:	\$58,807			\$58,807
FY 30/31:	\$61,748			\$61,748
Beyond FY 31/32:	\$64,835			\$64,835

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$64,860	\$56,007	\$58,807	\$61,748	\$64,835	\$306,257
							\$0
							\$0
							\$0
Total:	\$0	\$64,860	\$56,007	\$58,807	\$61,748	\$64,835	\$306,257



1. Project Title:	Parks and recreation plan update	2. Department	Planning & Development	3. Rank (Completed by CIP Committee)	16
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4. The requested project: (Choose at least One)

☒ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☒ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

Our current parks & recreation master plan was adopted in 2012, 14 years ago. The Town has evolved since, including developments at Dowdy and Whalebone Parks. Staff is requesting updated guidance aligned with the current needs of the community in order to plan for sustainable growth. To complete this plan, staff proposes to engage with a qualified consultant team with experience in coastal communities and prior work in the area, a strong record in community engagement, and the ability to work closely with an engaged staff and Boards. A goal would be to develop a practical, implementation-focused plan aligned with PARTF grant criteria. Expanded scope considerations could include evaluation of ocean and sound access opportunities, access parking needs, potential property acquisition, and Whalebone Park amenities. The outcome would be an updated, community-driven plan to guide future investments that would position the Town for successful PARTF and grant funding.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Planning and Design	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$80,000			\$80,000
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$80,000						\$80,000
							\$0
							\$0
							\$0
Total:	\$80,000	\$0	\$0	\$0	\$0	\$0	\$80,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Solar Panel Installation at Town Hall	2. Department	Planning & Development	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☒ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

Through the current Energy Transitions Initiative Partnership Project (ETIPP) program, solar power has been identified as a cost savings energy system and could provide 100% of the annual energy requirements of the Town's municipal complex. This project is for the installation of solar panels on town hall. This project does not include battery storage. Currently there is a 30% IRS rebate available to municipalities towards solar panels, ending in 2027. Town Hall is 20,709 square feet, estimated at \$10.75/ square foot based on the cost at the Public Services Complex. The budget includes additional funding since it is requested in FY 28. We are able to track the amount of solar power generated at the Public Services Complex and, based on that, anticipate a return on investment (ROI) for this item of 12-13 years. These solar panels have a 30-year lifespan.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (New)	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$250,000			\$250,000
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

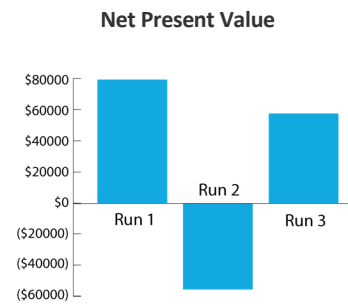
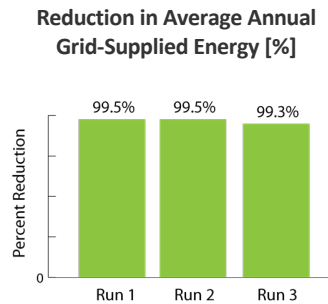
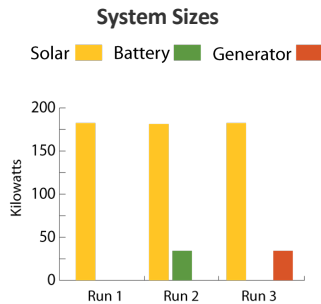
	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Grant		\$75,000					\$75,000
Cash		\$175,000					\$175,000
							\$0
							\$0
Total:	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000

Municipal Complex

Run 1: Cost Savings

Run 2: Resilience (PV-battery only)

Run 3: Resilience (PV-battery-new generator)

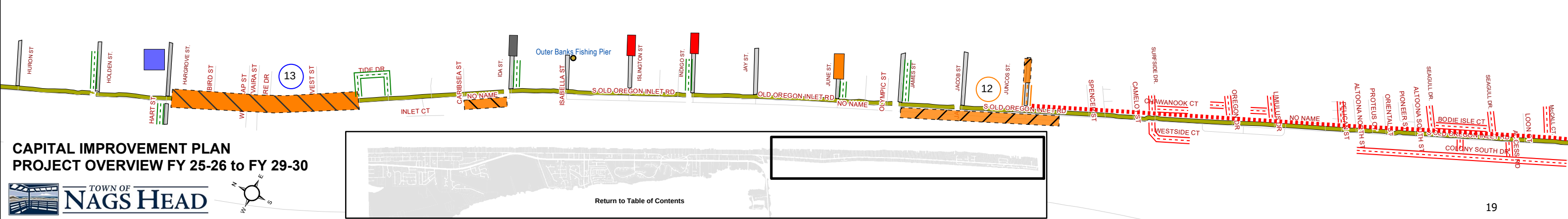
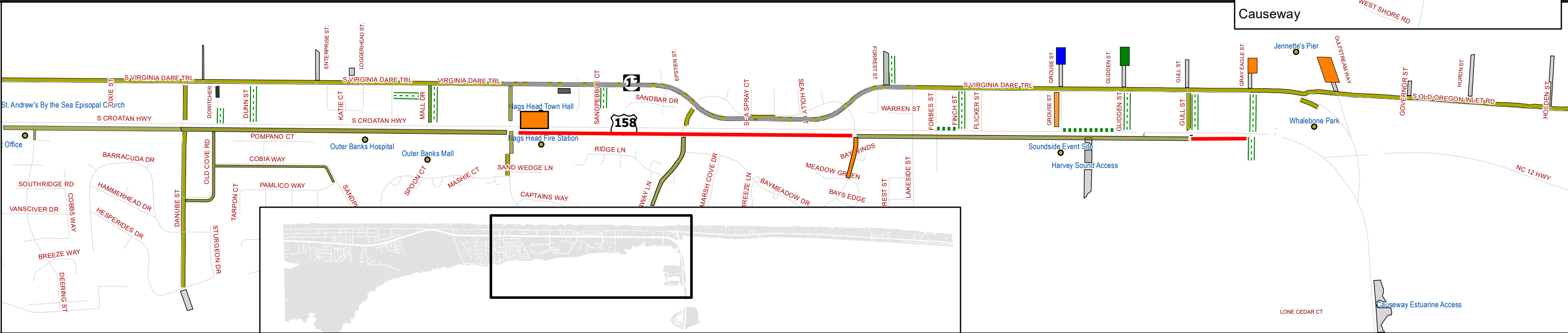
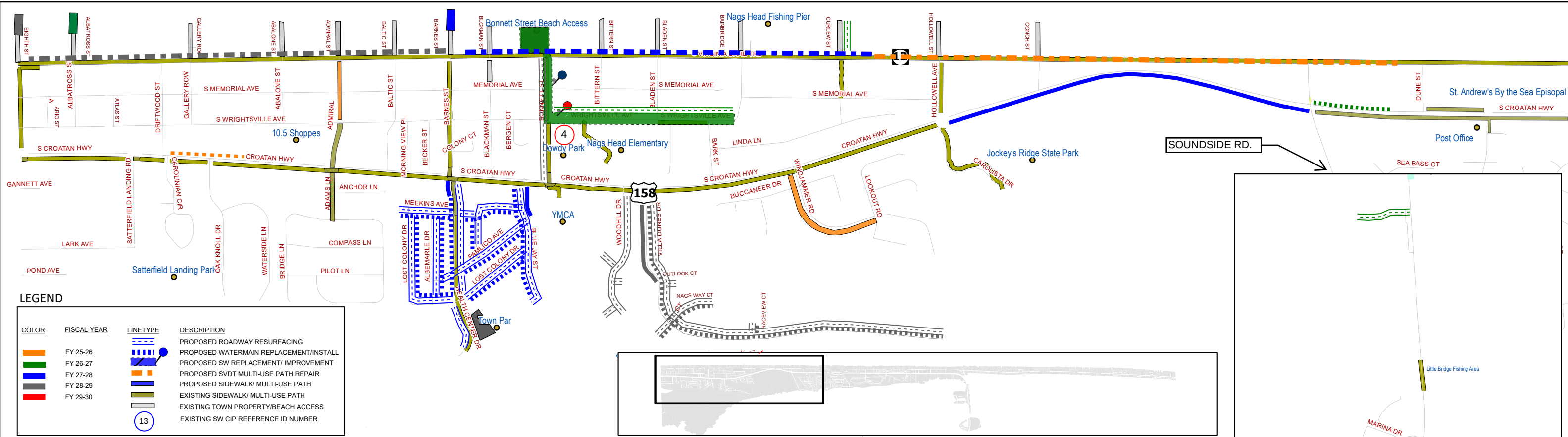


9

ENERGY TRANSITIONS INITIATIVE
PARTNERSHIP PROJECT

Preliminary results suggest that:

- Solar power appears cost effective at all sites. Battery storage appears cost effective at the public works facility, water treatment plant, and fire department, but not at the municipal complex.
- The Cost Savings system could provide 100% of the Municipal Complex's annual energy requirements with solar and provides \$50,000 to \$75,000 in cost savings. However, cost-optimal systems do not provide significant resilience value on their own.
- The Resilience system adds a battery or backup generation to ensure the site can operate 50% of its typical energy requirements during a grid outage. This system is more expensive, but some or all the system's capital costs can be recouped through electricity bill savings.
- The cost difference between the Cost Savings system and the Resilience system can be considered the **cost of resilience** and can be compared to the **value of resilience** – or the value of having this site remain operational during a grid outage.



CAPITAL IMPROVEMENT PLAN
PROJECT OVERVIEW FY 25-26 to FY 29-30



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Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Prioritized Pedestrian Projects- Westside Multi-use Path - Carolista Drive	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	7
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

A Pedestrian Project Advisory Committee was formed in August 2022 to assist with prioritizing future pedestrian project improvements. The findings of the committee provide the basis for future capital improvement program requests for sidewalk and pathway implementation. It should be noted that the larger and more costly projects may need additional funding support, i.e. grants, in conjunction with additional time to complete necessary surveying, planning and design services, to move forward towards construction. This process may take several years to achieve. This request is for the top-ranked project, which will establish a missing link between Carolista Drive and West Soundside Road. Several options were explored by the committee. Option 1 includes an alignment from Carolista Drive to the Jockey's Ridge signalized pedestrian crossing, and a six foot-wide sidewalk section through to Dune Street, to complete a continuous link to West Deering Street and the pedestrian signalized intersection at that location. Option 2 considers a continuous connection between Carolista Drive and West Soundside Road along the western South Croatan Highway right-of-way margin. Option 2 is being considered for construction. For this to occur, removal of encroaching sand on the southeast corner of Jockey's Ridge would need to be addressed as part of the planning process. Initial planning is occurring in FY 25-26 with survey and design followed by construction in FY 26/27. Grant funding of \$750,000 was awarded through the Outer Banks Visitors Bureau with the Town providing the balance of construction, survey, and design costs.

6. Implementation/Acquisition Schedule						
Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (New)	☒	☐	☐	☐	☐	☐
Planning and Design	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☐	☐	☐	☐	☐

7. Estimated Costs				
	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$1,911,000			\$1,911,000
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources							
	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Grant	\$750,000						\$750,000
Installment Finance	\$116,100	\$168,345	\$162,540	\$156,735	\$150,930	\$667,575	\$1,422,225
Cash							\$0
Total:	\$866,100	\$168,345	\$162,540	\$156,735	\$150,930	\$667,575	\$2,172,225



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Prioritized Pedestrian Projects- East Barnes Street and Blue Jay Street	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

A Pedestrian Project Advisory Committee was formed in August 2022 to assist with prioritizing future pedestrian project improvements. The findings of the committee provide the basis for future Capital Project Improvement requests for sidewalk and pathway implementation. It should be noted that the larger and more costly projects may need additional funding support, i.e. grants, in conjunction with additional time to complete necessary surveying, planning and design services, to move forward towards construction. This process may take several years to achieve. Staff is recommending several smaller level sidewalk projects. For FY 27/28, East Barnes Street and West Blue Jay Street are being proposed. This will establish links internally to the Vista Colony subdivision and US 158. Grant funding would be requested through the Outer Banks Visitors Bureau for \$50,000 of the construction costs, with the Town providing a \$16,000 match and survey and design costs. Approximately \$12,000 are allocated for surveying and design of these facilities. The estimated cost for sidewalk construction is \$66,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (New)	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$78,000			\$78,000
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$28,000					\$28,000
Grant		\$50,000					\$50,000
							\$0
							\$0
Total:	\$0	\$78,000	\$0	\$0	\$0	\$0	\$78,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Prioritized Pedestrian Projects- Westside Multi-use Path - West Seachase Drive/West Baymeadow Drive/West Gull Street/West Gray Eagle Street	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

A Pedestrian Project Advisory Committee was formed in August 2022 to assist with prioritizing future pedestrian project improvements. The findings of the committee provide the basis for future Capital Project Improvement requests for sidewalk and pathway implementation. It should be noted that the larger and more costly projects may need additional funding support, i.e. grants, in conjunction with additional time to complete necessary surveying, planning and design services, to move forward towards construction. This request is to establish missing links between West Seachase Drive to West Baymeadow Drive and West Gull Street to West Gray Eagle Street. Initial planning would occur in FY 28/29 with survey and design followed by construction in FY 29/30. Grant funding would be requested through the Outer Banks Visitors Bureau towards the overall construction costs with a grant providing the balance of survey, and design costs. Construction costs are estimated at \$2,140,750: West Seachase Drive/West Baymeadow Drive at \$1,501,750 and West Gull Street/West Gray Eagle Street at \$639,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (New)	☐	☐	☐	☒	☐	☐
Planning and Design	☐	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☒	☒	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:	\$20,000			\$20,000
FY 29/30:	\$2,140,750			\$2,140,750
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Grant				\$642,225			\$642,225
Installment Finance				\$149,853	\$217,287	\$1,468,554	\$1,835,694
Cash			\$20,000				\$20,000
Total:	\$0	\$0	\$20,000	\$792,078	\$217,287	\$1,468,554	\$2,497,919



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Prioritized Pedestrian Projects- Villa Dunes Drive	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

A Pedestrian Project Advisory Committee was formed in August 2022 to assist with prioritizing future pedestrian project improvements. The findings of the committee provide the basis for future Capital Project Improvement requests for sidewalk and pathway implementation. It should be noted that the larger and more costly projects may need additional funding support, i.e. grants, in conjunction with additional time to complete necessary surveying, planning and design services, to move forward towards construction. This process may take several years to achieve. Staff is recommending sidewalk project length along Villa Dunes Drive for FY 28/29. This will establish a link internally from the Villa Dunes neighborhood to the existing multi-use path along South Croatan Highway. This cost is estimated at \$137,500. Design services are estimated at \$15,000. Grant funding would be requested through the Outer Banks Visitors Bureau for 75% of the construction costs, with the Town providing a 25% match and survey and design costs.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (New)	☐	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☒	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:	\$152,500			\$152,500
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash			\$83,750				\$83,750
Grant			\$68,750				\$68,750
							\$0
							\$0
Total:	\$0	\$0	\$152,500	\$0	\$0	\$0	\$152,500



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Prioritized Pedestrian Projects - West Woodhill Drive	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

A Pedestrian Project Advisory Committee was formed in August 2022 to assist with prioritizing future pedestrian project improvements. The findings of the committee provide the basis for future Capital Project Improvement requests for sidewalk and pathway implementation. It should be noted that the larger and more costly projects may need additional funding support, i.e. grants, in conjunction with additional time to complete necessary surveying, planning and design services, to move forward towards construction. This process may take several years to achieve. For FY 30/31, West Woodhill Drive is being proposed. This will establish a link from this neighborhood to the existing west side multi-use path network along South Croatan Highway. The project is #16 on the prioritized list. Grant funding would be requested through the Outer Banks Visitors Bureau for 75% of the \$123,500 total construction cost, with the Town providing a 25% match. Survey and design fees are estimated at \$20,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (New)	☐	☐	☐	☐	☒	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:	\$143,500			\$143,500
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash					\$50,875		\$50,875
Grant					\$92,625		\$92,625
							\$0
							\$0
Total:	\$0	\$0	\$0	\$0	\$143,500	\$0	\$143,500



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Prioritized Pedestrian Projects - South Wrightsville Avenue	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

A Pedestrian Project Advisory Committee was established in August 2022 to assist in prioritizing future pedestrian improvement projects. The committee's findings serve as the foundation for future Capital Improvement Project (CIP) requests related to sidewalk and pathway implementation. It should be noted that larger, higher-cost projects may require additional funding sources—such as grant assistance—as well as additional time to complete required surveying, planning, and design work prior to construction. As a result, implementation of these projects may span several years.

For Fiscal Year 2030/31, the South Wrightsville Avenue pedestrian project is proposed. This project would create a continuous pedestrian connection from Bonnett Street south along South Wrightsville Avenue to South Virginia Dare Trail. The project ranks third on the committee's prioritized list. Grant funding would be sought through the Outer Banks Visitors Bureau to cover 50 percent of the estimated \$563,250 construction cost, with the Town providing the required 50 percent local match. Surveying and design services are estimated at \$65,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (New)	☐	☐	☐	☐	☒	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☒	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:	\$628,250			\$628,250
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash					\$346,625		\$346,625
Grant					\$281,625		\$281,625
							\$0
							\$0
Total:	\$0	\$0	\$0	\$0	\$628,250	\$0	\$628,250



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Maintaining the NC 12/South Virginia Dare Trail/South Old Oregon Inlet Road Multi-Use Path	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	8
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☒ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

In the early 2000s, an at-grade asphalt path was constructed to follow the natural contours of the land. Over time, sections of the path have deteriorated, necessitating ongoing maintenance. Additionally, drainage concerns and ADA compliance issues have been identified along the route.

To address these challenges, a comprehensive maintenance plan has been developed. This plan includes a four-year phased construction approach to restore and enhance the path. The first phase—resurfacing the asphalt multi-use path along South Virginia Dare Trail—was successfully completed in early 2024. In 2025 resurfacing was completed between Jennette's Pier and to just north of Dune Street. The next section is scheduled for resurfacing in early 2026. By the end of 2026, we anticipate the multi-use path resurfacing will extend to Conch Street beach access. The remaining 2.0-mile section, extending to the northern corporate limits, will be completed in two phases.

The estimated annual construction cost is \$250,000, with an additional \$50,000 allocated for design services in each of the remaining phases.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Planning and Design	☒	☒	☐	☐	☐	☐
Construction (Replacement)	☐	☒	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☒	☒	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$50,000			\$50,000
FY 27/28:	\$300,000			\$300,000
FY 28/29:	\$250,000			\$250,000
FY 29/30:				
FY 30/31:				
Beyond FY 31/32:				

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$50,000	\$300,000	\$250,000				\$600,000
							\$0
							\$0
							\$0
Total:	\$50,000	\$300,000	\$250,000	\$0	\$0	\$0	\$600,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Hargrove Bathhouse Replacement - Construction	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	9
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4. The requested project: (Choose at least one)

☐	Corrects an unsatisfactory level of service	☐	Maintains a current level of service
☐	Provides a new level of service	☒	Increases/Enhances/Expands a current level of service
☒	Represents a Board vision/mission/goal	☐	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The request is to demolish the Hargrove Street bathhouse and replace it with a new structure as per the architectural concept plans previously developed. The anticipated planning and design cost is approximately \$50,000, construction costs are estimated at \$822,500, and annual maintenance is projected at \$4,500 beginning in fiscal 2028. Of the \$852,500 construction cost, \$400,000 is estimated to be funded by a CAMA grant, with the remaining \$250,000 funded by an Outer Banks Visitors Bureau grant. The estimated project cost is derived from recent project costs with a \$30,000 allowance for bidding and construction administration services. An existing condition survey has been completed in the amount of \$4,200.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Planning and Design	☒	☐	☐	☐	☐	☐
Construction (Replacement)	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$50,000			\$50,000
FY 27/28:	\$852,500	\$4,500		\$857,000
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$50,000	\$26,000					\$76,000
Grant		\$826,250					\$826,250
							\$0
							\$0
Total:	\$50,000	\$852,250	\$0	\$0	\$0	\$0	\$902,250



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Beach Access Replacements-Multi Year	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	5/6
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

Town staff has been continually monitoring the condition of existing dune walkovers considering many of the walkways are over 20 years old and reaching the end of their lifecycle. Staff has developed a multi-year plan to replace older and deteriorated walkovers at a rate of two replacements per year due to the extensive number of improved beach accesses throughout the town and the escalating costs for replacement. Staff will work with Planning and Development to pursue grants where possible although in most cases grant agencies will consider this maintenance, which is unlikely to receive funding. The CIP includes the first five years of recommended walkover replacements. Grant funds for the coming five years, primarily CAMA and OBVB, are suggested for larger projects such as bathhouse replacements. In most instances the proposed walkover replacements are shown as a full capital reserve fund impact (MSD restricted sales tax). The proposed Town paving plan accounts for paving of accesses to coincide with street work, where applicable. In some cases, adjustments will need to be made to account for turfstone or concrete surfacing. Improvements to accessibility will also be considered as these projects are scoped and completed. Nags Head is a leader in North Carolina in providing public access to the beach. The Town is committed to maintaining these improvements and addressing the lifecycle of beach access structures. Nags Head has numerous policies in its Vision Statement, Comprehensive Plan, and Parks and Recreation Plan that support continued maintenance and improvements to beach accesses.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☒	☒	☒	☒	☒	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☒	☒	☒	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27: Albatross/Glidden	\$251,600			\$251,600
FY 27/28: Barnes/Grouse	\$275,000			\$275,000
FY 28/29: Eighth/Ida	\$212,000			\$212,000
FY 29/30: Islington/Indigo	\$265,000			\$265,000
FY 30/31: Forrest	\$150,000			\$150,000
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Capital Reserve							
Funding	\$122,900	\$155,000	\$146,000	\$265,000	\$150,000		\$838,900
Grant	\$128,700	\$120,000	\$66,000				\$314,700
							\$0
							\$0
Total:	\$251,600	\$275,000	\$212,000	\$265,000	\$150,000	\$0	\$1,153,600



1. Project Title:	Enclosed Utility Trailer for Dowdy Park	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	10
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

**5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.**

This request is for a 8.5' by 24' enclosed utility trailer for Dowdy Park. The trailer would be used for storage of the decorations for Dowdy Park and Town Hall, keeping all the pieces in one location. This will enable more efficient set up of the seasonal decorations.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$13,000		-	\$13,000
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$13,000						\$13,000
							\$0
							\$0
							\$0
Total:	\$13,000	\$0	\$0	\$0	\$0	\$0	\$13,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Town Hall Elevator Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	4
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This is a request to replace the Town Hall elevator, which is the original unit. Some parts on the original elevator are no longer available in case of any future repairs or issues that may arise. Note, this will need to be financed with the Carolista Dr./W. Soundside Road multi-use path to collateralize Town Hall.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (Replacement)	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$143,900			\$143,900
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Installment Finance	\$14,390	\$20,866	\$20,146	\$19,427	\$18,707	\$82,742	\$176,278
							\$0
							\$0
							\$0
Total:	\$14,390	\$20,866	\$20,146	\$19,427	\$18,707	\$82,742	\$176,278



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	6021 John Deere Flail Mower Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is for a John Deere flail mower to replace the current equipment, asset 6021. The estimated life expectancy in a coastal environment is 8 to 10 years. This equipment will be used to cut back and mow our right of ways and ditches. The estimated cost \$150,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$150,000			\$150,000
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$150,000					\$150,000
							\$0
							\$0
							\$0
Total:	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Town Hall Generator Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☒	Corrects an unsatisfactory level of service	☐	Maintains a current level of service
☐	Provides a new level of service	☐	Increases/Enhances/Expands a current level of service
☐	Represents a Board vision/mission/goal	☐	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This is to replace the current generator and cabinet with a new system, which was replaced in 2018.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (Replacement)	☒	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☒	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:	\$101,467			\$101,467
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash			\$101,467				\$101,467
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$101,467	\$0	\$0	\$0	\$101,467



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	6009 John Deere 4X4 Tractor Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is for a John Deere 4X4 tractor to replace the current equipment, asset 6009. The estimated life expectancy in a coastal environment is eight to ten years. This equipment will be used to cut back and mow our right of ways and ditches. The estimated cost \$230,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☒	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:	\$230,000			\$230,000
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash			\$230,000				\$230,000
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$230,000	\$0	\$0	\$0	\$230,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	4560 Freightliner Tandem Dump Truck Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is for a Freightliner tandem dump truck to replace the current truck, asset number 4560. The age and maintenance of the current truck is projecting it to be replaced in 2029-2030. The cost, when purchased, was \$146,548; with inflation, the projected cost in 29/30 is \$250,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (Replacement)	☐	☐	☐	☒	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:	\$250,000			\$250,000
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash				\$250,000			\$250,000
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$0	\$250,000	\$0	\$0	\$250,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	#6015 Lee Boy Grader Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is for a Lee Boy grader to replace the current piece of equipment, asset number 6015. The age and maintenance of the current truck is projecting it to be replaced in 2029-2030. The purchase cost was \$177,900. With inflation, the projected cost in 2029-2030 is \$267,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (Replacement)	☐	☐	☐	☒	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☒	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:	\$267,000			\$267,000
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
				\$267,000			\$267,000
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$0	\$267,000	\$0	\$0	\$267,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	#6071 2022 Caterpillar 926 Loader Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☒ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is to replace asset#6071, a Caterpillar 926 loader. The estimated life expectancy in a coastal environment is 8 to 10 years. The estimated cost is \$350,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☐	☐	☐	☒	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:	\$350,000			\$350,000
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
					\$350,000		\$350,000
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$0	\$0	\$350,000	\$0	\$350,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	6073 Sweeper Truck Replacement	2. Department	Facilities Maintenance	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☒ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is for a sweeper truck to replace the current 2022 sweeper truck, asset #6073. The estimated life expectancy in a coastal environment is 8 to 10 years. This equipment will be used to maintain our paths and highways. The estimated cost \$195,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (Replacement)	☐	☐	☐	☐	☒	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:	\$195,000			\$195,000
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash					\$195,000		\$195,000
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$0	\$0	\$195,000	\$0	\$195,000

RANK	VEHICLE NUMBER	MILEAGE	ANNUAL AVG MILES	DEPARTMENT	MODEL YEAR	DESCRIPTION (<i>ONLY REPLACEMENT not NEW/additional</i>)	Type	DATE PLACED IN SERVICE	AGE (YRS)	REPLACEMENT COST (EST)	REPLACEMENT YEAR ENDING	REPLACEMENT DATE	AGE WHEN REPLACED
12 1	6005	36,227	5,175	P.W. SANITATION	2018	FREIGHTLINER KNUCKLE BOOM	Knuckle Boom	2/21/2018	7	\$255,000.00	2026-2027	7/1/2026	8.00
	6049	58,928	11,786	P.W. SANITATION	2021	PETERBILT 520 FRONT LOADER	Commercial	6/10/2020	5	\$400,000.00	2026-2027	7/1/2026	6.00
	6066	53,042	17,681	P.W. SANITATION	2022	PETERBILT 520 RESIDENTIAL	Residential	1/10/2022	3	\$410,000.00	2027-2028	3/15/2028	6.00
	6067	41,938	13,979	P.W. SANITATION	2022	PETERBILT 520 RESIDENTIAL	Residential	1/10/2022	3	\$415,000.00	2028-2029	3/15/2029	7.00
	6058	21,329	5,332	P.W. SANITATION	2022	PETERBILT 348 COMBO TRUCK	Knuckle Boom	9/8/2021	4	\$275,000.00	2028-2029	3/15/2029	7.00
	6068	45,008	15,003	P. W. SANITATION	2022	PETERBILT 520 RESIDENTIAL	Residential	2/14/2022	3	\$415,000.00	2029-2030	3/15/2030	8.00
	6075	42,800	14,267	P. W. SANITATION	2022	PETERBILT 520 FRONT LOADER	Commercial	7/7/2022	3	\$415,500.00	2029-2031	3/15/2031	8.00
	6044	33,842	6,768	P. W. SANITATION	2021	PETERBILT 337 DUMP TRUCK	Dump Truck	6/9/2020	5	\$145,000.00	2030-2031	3/15/2031	10.00
	6087	27,735	13,868	P.W. SANITATION	2024	PETERBILT 567 SIDE DUMPSTER	Commercial - side	9/21/2023	2	Goal to not replace this truck		3/15/2030	6.00
	6119	14,056	14056	P.W. SANITATION	2024	PETERBILT 520 RESIDENTIAL	Residential	9/27/2024	1	\$415,000.00	2031-2032	3/15/2032	7.00

Goal - replace one frontline sanitation vehicle per year creating an eight-year cycle. Vehicle condition will be reviewed each year to move schedule if necessary.

The knuckle boom trucks, dump trucks, and other sanitation vehicles run on a different schedule.



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	New Dump Truck - 2.5 ton	2. Department	Sanitation	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is for a new vehicle that will be used for: delivery and pick up of 300 gallon trash carts, collection and removal of items around dumpster corrals, and bulk pick up. The cost is \$139,916.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$139,816			\$139,816
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
		\$139,816					\$139,816
							\$0
							\$0
							\$0
Total:	\$0	\$139,816	\$0	\$0	\$0	\$0	\$139,816



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Streets-Stormwater-Water	2. Department	Streets/Stormwater	3. Rank (Completed by CIP Committee)	2
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The following considers a more holistic approach to planning, design, and construction of combined streets, stormwater, and watermain project work. The approach synthesizes the various utility and infrastructure plans and prioritization into a single combined project plan. For FY 26-27, street resurfacing will be a significant portion of the **YR 7** street paving work by resurfacing east/west streets to include; Indigo Street beach access, Ida Street, James Street, Tides Drive, June Street beach access, Holden Street beach access, West Hargrove Street, East and West Gray Eagle Street, Gull Street, Curlew Street beach access, Dunn Street, Dowitcher Street, Lone Cedar Court, Glidden Street, Finch Street, Forrest Street beach access, Sandpebble Court, Mall Drive and Passage Way. Additionally, in anticipation of the construction of Project Area#4, Wrightsville Avenue is proposed to be resurfaced from Bark Street to East Bonnett Street. Consulting services of \$65,000 are included for design and construction services. Drainage is mainly comprised of shoulder scraping and roadway swale restoration to coincide with the street work. This cost is estimated at \$57,500. The following is a breakdown of the individual infrastructure segments: drainage construction - \$57,500 and street resurfacing- \$503,500. The total projected cost is \$626,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$626,000			\$626,000
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash-CIF	\$526,000						\$526,000
Grant-Powell Bill	\$100,000						\$100,000
							\$0
							\$0
Total:	\$626,000	\$0	\$0	\$0	\$0	\$0	\$626,000



1. Project Title:	Culvert Cleaner Replacement	2. Department	Streets/Stormwater	3. Rank (Completed by CIP Committee)	3
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The culvert cleaner is essential to maintaining the town's stormwater drainage infrastructure. Routine cleaning of culverts and drainage pipes reduces flooding, improves roadway safety, protects adjacent properties, and supports the overall performance of the stormwater system. The current culvert cleaner remains operational but has reached the end of its expected useful life. As the existing unit continues to age, maintenance costs, downtime, and the risk of mechanical failure are increasing. A failure during or immediately following a major rainfall would significantly impair the Town's ability to respond to drainage issues in a timely manner, potentially resulting in roadway flooding, property impacts, and increased reliance on outside contractors. Replacing the culvert cleaner at this time represents a proactive investment in infrastructure maintenance, resiliency, and operational efficiency.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$115,280			\$115,280
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$115,280						\$115,280
							\$0
							\$0
							\$0
Total:	\$115,280	\$0	\$0	\$0	\$0	\$0	\$115,280



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Streets-Stormwater-Water	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The following considers a more holistic approach to planning, design, and construction of combined streets, stormwater, and watermain project work. The approach synthesizes the various utility and infrastructure plans and prioritization into a single combined project plan. For FY 27-28, the focus is centered on asbestos cement (AC) waterline replacements within the entirety of the Vista Colony neighborhood. Street resurfacing shall follow the utility installations and complete the balance of the **YR 8** street paving work. Drainage work will mainly be comprised of shoulder grading, swale restoration and select drainage pipe installations. Additionally, surveying and design services are proposed to commence for the Villa Dunes AC watermain replacements at a cost of \$120,000. The following is a breakdown of the individual infrastructure segments: water construction and design - \$1,903,538, drainage construction - \$75,000 and street resurfacing- \$514,762. The total projected cost is \$2,613,300.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$2,613,300			\$2,613,300
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash-CIF		\$489,762					\$489,762
Grant-Powell Bill		\$100,000					\$100,000
Installment Finance		\$178,354	\$258,614	\$249,696	\$1,498,171		\$2,184,835
Cash		\$120,000					
Total:	\$0	\$888,116	\$258,614	\$249,696	\$1,498,171	\$0	\$2,774,597



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Streets-Stormwater-Water	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The following considers a more holistic approach to planning, design, and construction of combined streets, stormwater, and watermain project work. The approach synthesizes the various utility and infrastructure plans and prioritization into a single combined project plan. For FY 28-29, the focus is centered on the installation of a eight inch diameter water main along the length of West Villa Dunes Drive in conjunction with street resurfacing along West Villa Dunes Drive and connecting street segments along with West Woodhill Drive and East Bonnett Street from South Croatan Highway to South Wrightsville Avenue. Street resurfacing will follow the utility installations and complete the balance of the **YR 9** street paving work. Drainage construction will be focused on roadway swale construction along West Villa Dunes Drive and West Woodhill Drive and establishing connectivity to the existing drainage infrastructure along South Croatan Highway. Surveying and design services will commence for the asbestos-cement (AC) watermain replacements in south Nags Head. The cost for this scope of work is \$220,000. The following is a breakdown of the individual infrastructure segments: water construction and design - \$1,045,000, drainage construction - \$250,000, and street resurfacing- \$493,700. The total projected cost is \$1,788,700.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☐	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☒	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:	\$1,788,700			\$1,788,700
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash-CIF			\$643,700				\$643,700
Grant-Powell Bill			\$100,000				\$100,000
Cash-Water Fund			\$1,045,000				\$1,045,000
							\$0
Total:	\$0	\$0	\$1,788,700	\$0	\$0	\$0	\$1,788,700



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Streets-Stormwater-Water	2. Department	Public Services Admin.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The following considers a more holistic approach to planning, design, and construction of combined streets, stormwater, and watermain project work. The approach synthesizes the various utility and infrastructure plans and prioritization into a single combined project plan. For FY 29-30, the focus is centered on the replacement for asbestos-cement (AC) watermain replacements spanning from Juncos Street to the southern corporate town limits and a fire flow upgrade in South Colony South subdivision, and construction administration services. Street resurfacing will follow the utility installations and complete the balance of the YR 6 street paving work. Drainage construction will be focused on roadway restoration and shoulder scraping. Surveying and design services will commence for the AC watermain replacements in Old Nags Head Cove neighborhood. The cost for this scope of work is \$235,000. The following is a breakdown of the individual infrastructure segments: water construction and design - \$1,943,630, drainage construction - \$100,000, and street resurfacing- \$383,364. The total projected cost is \$2,426,994.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☐	☐	☐	☒	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☒	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:	\$2,426,994			\$2,426,994
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash-CIF				\$383,364			\$383,364
Grant-Powell Bill				\$100,000			\$100,000
Cash-Water Fund				\$235,000			\$235,000
Installment Finance				\$170,863	\$247,751	\$1,674,458	\$2,093,072
Total:	\$0	\$0	\$0	\$889,227	\$247,751	\$1,674,458	\$2,811,436



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Streets-Stormwater-Water, Village at Nags Head	2. Department	Streets/Stormwater	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least one)

☐	Corrects an unsatisfactory level of service	☒	Maintains a current level of service
☐	Provides a new level of service	☐	Increases/Enhances/Expands a current level of service
☐	Represents a Board vision/mission/goal	☒	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The following considers a more holistic approach to planning, design, and construction of combined streets, stormwater, and watermain project work. The approach synthesizes the various utility and infrastructure plans and prioritization into a single combined project plan. For FY 30-31, proposed **YR 10** street work covers the west side of the Village at Nags Head spanning along Links Drive and all of the connecting streets, West Seachase Drive and the connecting side streets and West Baymeadow Drive, and all of the connecting side streets. Consultant surveying, design and construction administration services are accounted for in the project costs. For drainage improvements, shoulder scraping and swale restoration, where applicable, will accompany the street resurfacing work. The following is a breakdown of the individual infrastructure segments: drainage construction - \$65,000 and street resurfacing- \$650,000. The total projected cost is \$715,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☐	☐	☐	☐	☒	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☒	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:	\$715,000			\$715,000
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash-CIF					\$615,000		\$615,000
Grant-Powell Bill					\$100,000		\$100,000
							\$0
							\$0
Total:	\$0	\$0	\$0	\$0	\$715,000	\$0	\$715,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Drone Replacement	2. Department	Police	3. Rank (Completed by CIP Committee)	13
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This project will allow the Police Department to continue to operate our drone program. Our first drone was donated to the department from a property owner back in 2017 and has been replaced on an insurance claim back in 2019. Since acquiring a drone, the department relies on this technology to conduct accident reconstructions, search for missing persons / swimmers, photograph crime scenes, and assist the town with beach surveys before and after storms for mapping purposes with nourishment claims. Our current drone is past end of life expectancy and parts are difficult to find being the make and model is no longer in production. We also use assisting agencies for the above-related incidents as well.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$14,870			\$14,870
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
	\$14,870						\$14,870
							\$0
							\$0
							\$0
Total:	\$14,870	\$0	\$0	\$0	\$0	\$0	\$14,870



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Report Management System Extension/Replacement	2. Department	Police	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☒	Corrects an unsatisfactory level of service	☒	Maintains a current level of service
☐	Provides a new level of service	☐	Increases/Enhances/Expands a current level of service
☐	Represents a Board vision/mission/goal	☐	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The Town merged with Dare County and other municipalities in 2022 for a new CAD / RMS system with Motorola Solutions. This contract ends in July of 2027, and we are expecting a new contract with Motorola if we extend the service provided. With a new county sheriff coming into the office, and issues that have occurred over the past three and a half years with our current system, there has been a consensus of moving away from Motorola and going to Central Square reporting systems.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$140,000			\$140,000
FY 28/29:		\$12,000		\$12,000
FY 29/30:		\$12,000		\$12,000
FY 30/31:		\$12,000		\$12,000
Beyond FY 31/32:		\$12,000		\$12,000

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
							\$0
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Command Vehicle	2. Department	Police	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request would replace vehicle 993, a 2005 trailer style command unit, with a command vehicle that will allow for easier maneuverability as it is self-contained. The unit now is ending its service life, with numerous repairs needed each year.

A self-contained unit will allow easier and faster set up as it is not pulled by a vehicle. The command vehicle is used at numerous events held in town at the Event Site, and as an on-scene EOC during storms or other emergencies in which an extended police presence is required. The options of a grant will be looked at due to the high cost of this unit.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				
FY 27/28:				
FY 28/29:	\$395,000			\$395,000
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Grant			\$395,000				\$395,000
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$395,000	\$0	\$0	\$0	\$395,000



1. Project Title:	Forcible Entry Training Prop	2. Department	Fire	3. Rank (Completed by CIP Committee)	15
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is to purchase a prop that can be used to assist with training fire staff on techniques used to make entry into homes or businesses during fire or other emergency situations. This prop allows the use of tools to force open doors, utilize saws for cutting locks and other security features and can be re-used many times without buying additional equipment or causing damage.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (New)	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$9,110		-	\$9,110
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$9,110						\$9,110
							\$0
							\$0
							\$0
Total:	\$9,110	\$0	\$0	\$0	\$0	\$0	\$9,110



1. Project Title:	KNOX Key Secure System Upgrade	2. Department	Fire	3. Rank (Completed by CIP Committee)	14
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

Nags Head Fire and Rescue uses a system to secure a master key that can open lock boxes at businesses in town. This system eliminates the need for numerous keys that are kept in fire apparatus that are sometimes needed during an emergency. The current system uses an electronic box in each fire vehicle that will record the identification of a user who removes the included master key. This system is no longer supported by the KNOX company and no additional vehicle master key storage systems are available. The new system is cloud based and instantly tracks when the master key is removed from a fire vehicle. It will also allow us to upgrade each key box that is installed at local businesses, tracking who unlocked the key box, how long the keys were used, and when the key box was locked. This provides a layer of security for business owners that is more comprehensive than what we currently use. This upgrade would also allow additional electronic key fobs to be purchased by police if desired, to allow them access to certain facilities, such as the Nags Head Elementary School, during an active threat. There are currently 60 businesses that have purchased and installed the key box, giving the our department access to their facilities. This project could be completed in one or more phases with the switch to the cloud-based software and new vehicle boxes in the first phase, and upgrading the lock boxes in the second phase. Alternatively, the price in this request includes completing the entire project at one time. The system requires an annual fee to support the cloud based software.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$38,000	\$1,300	-	\$39,300
FY 27/28:		\$1,300		\$1,300
FY 28/29:		\$1,300		\$1,300
FY 29/30:		\$1,300		\$1,300
FY 30/31:		\$1,300		\$1,300
Beyond FY 31/32:		\$1,300		\$1,300

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash	\$38,000	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$44,500
							\$0
							\$0
							\$0
Total:	\$38,000	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300	\$44,500



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Fire Engine with Equipment	2. Department	Fire	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)	
☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.). If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This fire pumper will replace a 2007 fire pumper located at Station 21. This was ordered in October of 2024 due to a four-year delivery time. The original contract included the replacement pumper without equipment. This request is to add the needed equipment that will be used to outfit the pumper once it arrives, enabling the fire department to place the pumper in service. The pumper was approved at the October 2024 Board of Commissioners meeting. The original contract price was \$1,348,807. This will add \$100,000 for equipment.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
	☐	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:	\$1,448,807			\$1,448,807
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Installment Finance			\$178,693	\$178,693	\$178,693	\$1,250,847	\$1,786,926
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$178,693	\$178,693	\$178,693	\$1,250,847	\$1,786,926



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Water Quality Data Loggers	2. Department	Septic	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐	Corrects an unsatisfactory level of service	☐	Maintains a current level of service
☒	Provides a new level of service	☒	Increases/Enhances/Expands a current level of service
☐	Represents a Board vision/mission/goal	☐	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This request is to complete implementation of the Decentralized Wastewater Management Plan's recommendation of purchasing seven remote water quality data loggers. The loggers will provide increased frequency of water quality sampling of nitrate nitrogen (NO3) and Enterococci samples throughout the town. Enterococci is the primary indicator to septic failures and is specifically used as an indicator for beach closures. Each remote water quality data logger is approximately \$13,300, including installation for a 2" well. The data loggers have remote sensing capabilities powered via a solar panel. Upon project completion, the Town will have eight ground water and 16 water quality data loggers that will be remotely monitored via a cloud-based platform. This request includes loggers at the wells ECU installed, as staff sees value in including them in our remote logger install. This information can be shared with the Coastal Studies Institute and other research institutions.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (New)	☐	☐	☒	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:	\$93,100			\$93,100
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash			\$93,100				\$93,100
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$93,100	\$0	\$0	\$0	\$93,100



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Streets-Stormwater-Water	2. Department	Streets/Stormwater	3. Rank (Completed by CIP Committee)	1
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The following considers a more holistic approach to planning, design, and construction of combined streets, stormwater, and watermain project work. The approach synthesizes the various utility and infrastructure plans and prioritization into a single combined project plan. For FY 26-27, watermain extensions are proposed between Finch Street and Forbes Street along South Croatan Highway, and from north of Dune Street to East Soundside Road. Consultant surveying, design and construction administration services are accounted for in the project costs. In addition consulting survey and design services will proceed for the Vista Colony Subdivision AC watermain replacement project in FY 27-28. The individual cost for this is \$200,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Construction (Replacement)	☒	☐	☐	☐	☐	☐
Planning and Design	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☒	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$261,000			\$261,000
FY 27/28:	\$200,000			\$200,000
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
							\$0
							\$0
Cash-Water Fund	\$261,000	\$200,000	\$0				\$461,000
							\$0
Total:	\$261,000	\$200,000	\$0	\$0	\$0	\$0	\$461,000



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Vacuum Trailer	2. Department	Water Dist.	3. Rank (Completed by CIP Committee)	2
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☒ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).

If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

The Water Distribution Department routinely performs water main repairs, valve and hydrant maintenance, system flushing, and emergency response activities that require safe and efficient excavation and sediment removal around buried utilities. A vacuum trailer would allow staff to non-destructively expose water mains, valves, and appurtenances, reducing the risk of utility strikes, minimizing surface disturbance, and improving worker safety during maintenance and emergency repairs. The equipment would also support proactive system maintenance by facilitating removal of sediment from valve boxes, meter pits, and associated drainage structures, improving system reliability and response times. Owning this equipment would reduce reliance on contracted services, lower long-term maintenance costs, and allow faster response during leaks or breaks where groundwater, sand, and limited access often complicate traditional excavation methods. Additionally, the trailer can be used across multiple divisions, including stormwater, maximizing its value as a shared operational asset while strengthening the Town's ability to maintain essential water and stormwater infrastructure.

This request is for the purchase of a vacuum trailer to provide the Town with an additional and essential tool for water and stormwater system maintenance. The cost of the vacuum trailer is \$66,078.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (New)	☒	☐	☐	☐	☐	☐
Planning and Design	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:	\$66,078			\$66,078
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
	\$66,078						\$66,078
							\$0
							\$0
							\$0
Total:	\$66,078	\$0	\$0	\$0	\$0	\$0	\$66,078



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Grouse to Glidden Street Waterline Tie-In	2. Department	Water Dist.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least One)

☐ Corrects an unsatisfactory level of service	☐ Maintains a current level of service
☐ Provides a new level of service	☒ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This project entails installation of 830 feet of eight-inch water line to tie in a missing link on the east side of South Croatan Highway to create a loop once the new line is put in on Glidden Street for the new Tar Heel Motel.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (New)	☒	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☐	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$177,500			\$177,500
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$177,500					\$177,500
							\$0
							\$0
							\$0
Total:	\$0	\$177,500	\$0	\$0	\$0	\$0	\$177,500



Capital Improvement Program Request
Fiscal Years 2026-2027 through 2030-2031

1. Project Title:	Backhoe Replacement	2. Department	Water Dist.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least one)

☐	Corrects an unsatisfactory level of service	☒	Maintains a current level of service
☐	Provides a new level of service	☐	Increases/Enhances/Expands a current level of service
☐	Represents a Board vision/mission/goal	☐	Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

This project requests the replacement of the Water Distribution backhoe, which will replace the JCB equipment bought in 2013. The estimated cost is \$250,000.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Acquisition (Replacement)	☐	☒	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2025/2026 Adopted CIP, indicate which year.	☐	☒	☐	☐	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:	\$250,000			\$250,000
FY 28/29:				\$0
FY 29/30:				\$0
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 31/32	Total:
Cash		\$250,000					\$250,000
							\$0
							\$0
							\$0
Total:	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000



1. Project Title:	Water System Master Plan Update	2. Department	Water Dist.	3. Rank (Completed by CIP Committee)	
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4. The requested project: (Choose at least one)

☐ Corrects an unsatisfactory level of service	☒ Maintains a current level of service
☐ Provides a new level of service	☐ Increases/Enhances/Expands a current level of service
☐ Represents a Board vision/mission/goal	☐ Is tied to the Strategic Plan

5. Project Description/Justification (Provide necessary additional documentation-narratives, maps, specifications, illustrations ,etc.).
If tied to the Strategic Plan, identify the Strategic Direction Action Implementation.

It is recommended to update the Water System Master Plan every five years. We are completing an update in 2025. The estimated cost is \$284,900.

6. Implementation/Acquisition Schedule

Project Category	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32 and Beyond
Planning and Design	☐	☐	☐	☒	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
If the requested project is included in the FY 2024/2025 Adopted CIP, indicate which year.	☐	☐	☐	☒	☐	☐

7. Estimated Costs

	Project Cost	Continuing/Annual Costs:	Full-Time Equivalent Positions Requested:	Total:
FY 26/27:				\$0
FY 27/28:				\$0
FY 28/29:				\$0
FY 29/30:	\$284,900			\$284,900
FY 30/31:				\$0
Beyond FY 31/32:				\$0

8. Additional or Alternate Funding Sources

	FY 26/27:	FY 27/28:	FY 28/29:	FY 29/30:	FY 30/31:	Beyond 30/31	Total:
Cash				\$284,000	\$0		\$284,000
							\$0
							\$0
							\$0
Total:	\$0	\$0	\$0	\$284,000	\$0	\$0	\$284,000



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(252) 441-5508

5401 SOUTH CROATAN HIGHWAY, NAGS HEAD, NC 27959