



**Town of Holden Beach**

**Budget Message**

**Fiscal Year 2026**

**27 May 2025**

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## **Part I**

### **A: Executive Summary**

The following document presents the proposed annual budget for the upcoming fiscal year beginning July 1, 2025 and ending June 30, 2026, in accordance with the Local Government Budget and Fiscal Control Act. The document shows a balanced budget that totals \$31,743,027. It is meant to serve the public in understanding the Town's spending plan for next fiscal year and the process by which it was developed.

With the family beach moniker, the Town prides itself on proposing and adopting an annual budget that provides services for all those who enjoy the beautiful island, both resident and visitor alike. Budget preparation each year involves evaluation and analysis of existing services and identification of cost-effective ways to improve or broaden them. Department heads supply revenue and expenditure input which is evaluated by the finance officer and manager and refined to try to balance resources. The following is a culmination of what has been expressed in previous budget discussions and updates provided to staff from outside entities since that time.

### **Main Points**

The total budget is \$31,743,027 and provides for the following initiatives to improve or maintain service delivery.

- Proposed tax rate is fourteen cents: no change from prior year
- Satisfies all debt service and capital obligations
- Continuation of Lift Station 2 Upfit
- Initiation of stormwater design/permitting
- Initiation of police restructuring for recruitment and retention
- Continuation of pier engineering evaluation and initiation of next level design work
- Implementation of cooling solution for Lift Station 1/ventilation for Lift Station 4
- Completion of Block Q restroom and parking
- Continuation of annual streets resurfacing program
- Phasing in new playground equipment
- Construction of a new concert venue
- Implementation of Lockwood Folly Inlet/AIWW Crossing Project
- Significant transfers to the Beach and Inlet Capital Reserve Fund
- \$3.90 increase in base rate for sewer/elimination of free gallons
- Additional certification pursuits for personnel
- 2.5% Cola/2.5% merit for personnel

The proposed budget sets forth four main governmental funds (General; Water & Sewer; Beach, Parks, Access, and Recreation Tourism (BPART); and Canal Dredging). Additionally, it outlines three Capital Reserve Funds and one Capital Project Fund. Each fund is represented in the following pages with detailed revenues and expenditures proposed for the upcoming fiscal year.

## **Fund Descriptions**

General Fund- Includes administration, the police department, building and inspections, sanitation and streets and serves to finance daily and long-term operations and infrastructure of the Town.

Water and Sewer Fund- An enterprise, business type fund that finances the daily administration and operations of the water and sewer department.

Beach, Parks, Access and Recreation Tourism Fund (BPART)- Special revenue fund enabled by local legislation for the purpose of funding beach preservation and tourism related expenses.

Canal Dredging Fund-Special revenue fund authorized through local legislation for the purpose of maintaining navigability of the island's 25,000 linear feet of canals.

Capital Reserve Funds-The Water and Sewer Capital Charge Fund accounts for debt elements of the Sewer System. The Water Capital Reserve Fund and the Sewer Capital Reserve Fund were established in accordance with the Water and Sewer System Development Fee Act of 2017 as amended and will be used to fund water and sewer infrastructure capital improvement projects in the coming years.

Beach and Inlet Management Capital Reserve Fund-Serves to provide funding for future year sand projects.

Capital Project Fund- Sewer Lift Station Project Fund required to be established by the grants that will remain open across budget years until the project is complete.

## **B. Budget Schedule**

The Board of Commissioners committed to the following budget calendar as part of their budget process.

- March 13<sup>th</sup>- Goals and Objectives/Revenues/Major Expenditures-Updates and Outlook
- April 8<sup>th</sup>- Expenditures
- April 17<sup>th</sup>- Combined Revenues and Expenditures
- NLT May 29<sup>th</sup>- Budget Message
- June 3<sup>rd</sup>- Revisions
- June 17<sup>th</sup>- Public Hearing/Pass Budget

## **C. BOC Goals and Objectives/Budget Priority Areas**

The Board of Commissioners developed and submitted goals individually and those were compiled into like categories by staff. The board used the March 13, 2025 meeting to refine the goals (See Attachment A- Part III). The list has several common themes including:

Sewer Lift Station  
LWF Inlet  
Stormwater

Pier Property  
Communications  
Block Q

Staff Recruitment and Retention  
Beach Nourishment  
Other Facilities

These common themes revolved around four budget priority areas: **High Quality Infrastructure, Community Improvements/Accessibility, Communications, and Growing Human Capital.**

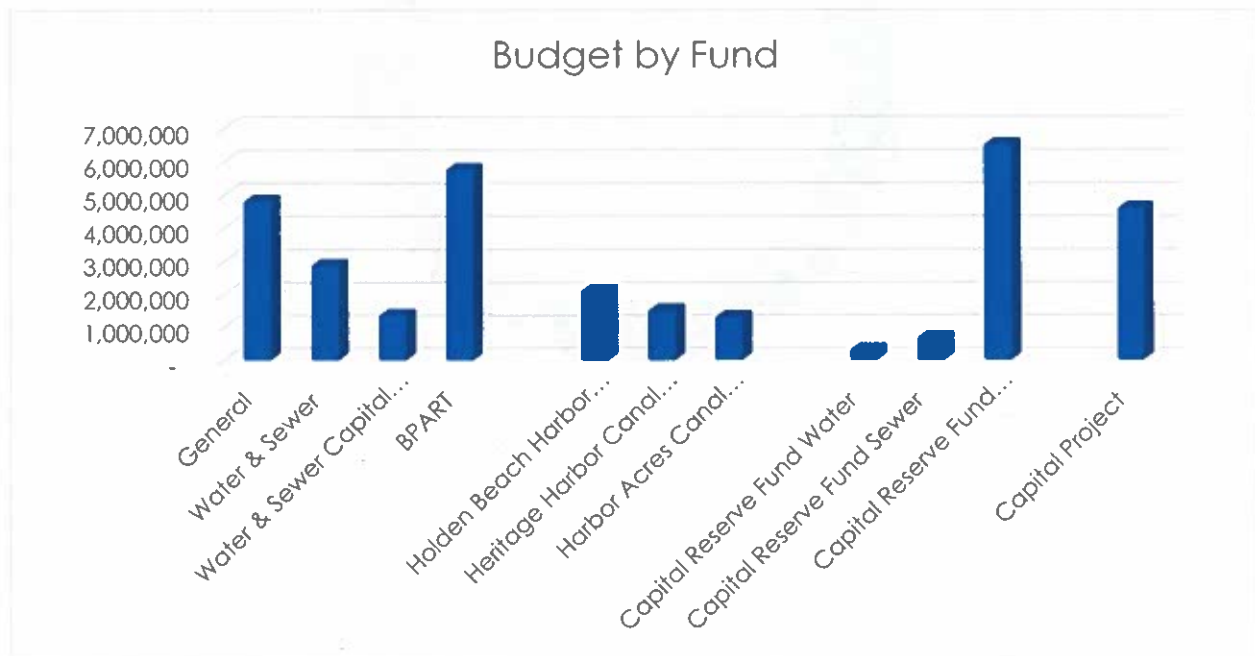
#### D. FY 25-26 Proposed Budget by Fund

The following table and chart represent the proposed budget by fund:

General	4,802,398
Water & Sewer	2,873,651
Water & Sewer Capital Charge Fund	1,352,662
BPART	5,757,489
Holden Beach Harbor Canal Dredging	2,099,359
Heritage Harbor Canal Dredging	1,497,659
Harbor Acres Canal Dredging	1,292,825
Capital Reserve Fund Water	303,056
Capital Reserve Fund Sewer	675,440
Capital Reserve Fund Beach and Inlet Management	6,507,152
Capital Project	4,581,336

**Total Budget**

**\$ 31,743,027**

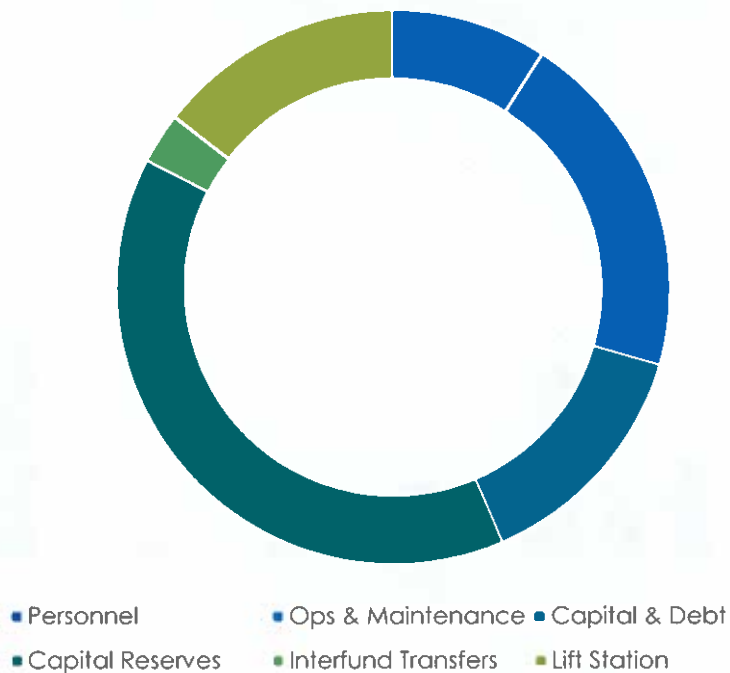


### E. FY 25-26 Proposed Budget Government Wide Expenses

The following table and chart show proposed government wide expenses:

Personnel	\$ 2,886,141
Ops & Maintenance	\$ 6,477,190
Capital & Debt	\$ 4,470,362
Capital Reserves	\$ 12,375,491
Interfund Transfers	\$ 952,507
Lift Station	\$ 4,581,336
Total	\$ 31,743,027

By Category Government Wide



## PART II

### Proposed Budget Details

The Town of Holden Beach budget for fiscal year beginning July 1, 2025 and ending June 30, 2026 is presented in accordance with the North Carolina Local Government Budget and Fiscal Control Act.

#### Tax Rate

A tax rate of fourteen cents per hundred dollars of valuation is proposed to be levied at a ninety-nine point zero eight percent collection rate on an estimated tax base of two billion four hundred fifty two million one hundred ten thousand seven hundred seventy dollars. The collection rate of 99.08% used to calculate the estimated tax revenue is the actual rate during the prior fiscal year ending June 30, 2024.

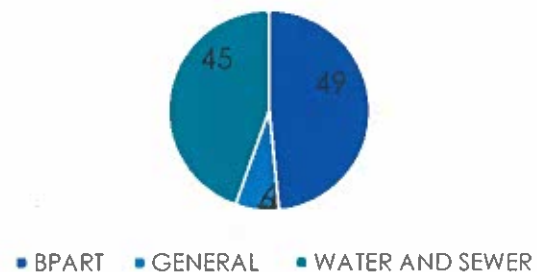
#### Debt Service

- The outstanding net debt cannot exceed the NC Statutory Limit of 8% of the total assessed value of taxable property within the Town's official limits.
- The legal debt margin for the Town of Holden Beach estimated for June 30, 2025 is \$192,357,023.
- Estimated June 30, 2025 total outstanding debt obligation amount is \$10,897,226.
- The proposed fiscal year budget has debt obligations of \$3,102,618.

The following table and chart illustrate FY 26 required debt service payments by fund:

BPART	1,506,263
GENERAL	214,933
WATER AND SEWER	1,381,422
TOTAL	\$3,102,618

Percent of Debt By Fund



## **Employee Compensation**

The proposed FY 26 budget provides for a 2.5% merit pay program and 2.5% cost-of-living adjustment per employee. It also considers incentives for achieving pre-programmed certifications through continuing education. Effective July 1, 2025 employer contributions through the North Carolina Governmental Employees' Retirement System will increase. Holden Beach's new rate contribution requirements will be 14.35% for non-law enforcement and 16.08% for law enforcement.

## **Outside Agency Funding**

Outside agency funding refers to financial support that the Town provides to local organizations and non-profits whose missions contribute to the well-being and development of the community. This funding provides essential resources which complement the Town's services and enhance quality of life for the residents. There is a total contribution anticipated of \$11,250 (General Fund).

The list includes Brunswick Literacy Council, Brunswick Community College, Brunswick Novant Medical Center Foundation, Brunswick Search and Rescue, Brunswick Family Assistance, and the Holden Beach Women's Club.

## **By Fund Revenues and Expenses**

### ***General Fund Balance***

"Fund Balance Available" is the statutory concept that describes the amount of funds local governments have available at the end of a fiscal year to be appropriated in the next fiscal year. It is constructed to prevent units of government from appropriating funds that they have not yet received in cash form. It is essential that the Town, as an ad valorem tax-levying entity, maintain an adequate amount of fund balance to meet its cash flow needs during the months in its revenue cycle when outflows exceed inflows. Property tax revenues are a major source of revenue in the General Fund and are typically not received until the latter months of the calendar year. Therefore, the Town must maintain reserves on hand in the form of fund balance available for appropriation at June 30<sup>th</sup> to prevent it from experiencing cash flow difficulties during the first two quarters of the next fiscal year. The estimated Fund Balance available at June 30, 2025 is \$3,463,462 which represents an estimated available fund balance ratio of 95%.

### ***General Fund Revenues***

General Fund Revenues are comprised of several revenues that fall into the following categories: Property Taxes, State Collected Revenues, Town Collected Revenues, and Interfund Transfers.

- ❖ Property Taxes-Proposed FY 26 levy at 14 cents per hundred dollars of valuation.
- ❖ State Collected Revenues- state distributed revenues including Powell Bill Distribution, utilities' franchise distributions, and beer and wine are other sources of revenue but show little to no growth
- ❖ Town Collected Revenues- Building and Inspection fees are trending slightly down with more remodel than new builds expected



- ❖ Interfund transfers-transfers from canal dredging funds totaling \$92,507 to the General Fund are programmed in recognition of program support costs incurred by the General Fund.

The following table represents estimates of the projected revenues based on the proposed tax rate, proposed fees, and the most recent actual revenues received to date.

CREDIT CARD SITE FEE GENERAL	3,750
AD VAL TAXES - CURRENT	3,335,278
AD VAL TAXES - PRIOR	36,000
VEHICLE TAXES	35,000
PNLTY & INT - AD VAL TAX	15,000
VEHICLE STICKERS	1,500
INTRST ON SAV & INVEST	100,000
TAX PMTS TO BE REFUNDED	100
MISCELLANEOUS	3,000
SIDEWALK DEPOSIT	500
HOUSE MOVING SECURITY DEP	2,000
BRIDGE FEE	200
PLUMBING SCREEN SALES	300
BLUE CAN HOME RECYCLING	65,854
DONATIONS	500
UTILITIES FRANCHISE TAX	228,454
SALES ON TELECOMM-UTIL FR	4,000
SALES TAX ON VIDEO PROGRM	37,000

BEER &/OR WINE TAX	3,000
POWELL BILL	50,000
DOT SWEEPING	31,480
LOCAL SALES & USE TAX	400,000
CAMA CONTRACT	2,800
COURT COSTS	200
PARKING VIOLATIONS	3,000
ORDINANCE VIOLATIONS	1,200
MOSQUITO CONTRACT	4,000
BUILDING PERMITS	219,445
CAMA PERMITS	5,247
ZONING FEES	10,550
ELECTRICAL INSPECTION	32,317
MECHANICAL INSPECTION	34,486
PLUMBING INSPECTIONS	18,643
ADMINISTRATIVE FEE-INSP	2,087
HOMEOWNERS RECOVERY FUND	1,500
REINSPECTION FEE	7,000
SALES TAX REFUND	7,500
DEMOLISH PERMIT	2,000

SALE OF FIXED ASSETS	5,000
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Transfers from SRF Canal Dredging	92,507
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<b>Total Revenue</b>	<b>\$4,802,398</b>
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### ***General Fund Expenditures***

The following table illustrates General Fund departmental expenses.

Governing Body	634,414
Admin	979,481
Police	1,559,672
Inspections	508,486
Public Works	883,503
Sanitation	236,842
<b>Total</b>	<b>\$4,802,398</b>

A brief description of anticipated expenses within each department precedes the expense table.

**Governing Body-** A minimal amount of funding is being proposed this year to complete upgrades to the camera system for meetings. Most of the upgrades were completed in FY 25. There is an increase in the "Public Relations" line secondary to it being an election year and costs involved with that process. There is also an increase in the "Professional Services" line in anticipation of outside services needed by our financial advisor and bond attorney in relation to the election. Finally, a transfer of \$100,000 is programmed to be moved to the Beach and Inlet Capital Reserve Fund.

SALARIES - MAYOR AND COMMISSIONERS	7,800
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PROFESSIONAL SERVICES	185,000
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GOVERNING BODY - FICA	599
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COMMUNICATIONS	7,644
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CAMERA SYSTEM	5,000
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PUBLIC RELATIONS	4,500
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COMMUNITY EVENTS	1,500
TRAVEL	2,000
AB-TRAVEL & TRAINING	1,250
HURRICANE PREPARATION	2,100
DECORATIONS	500
ADVERTISING	1,500
AB-ADVERTISING MEETINGS	500
HOLDEN BEACH FLAG	500
AB-SUPPLIES & MATERIALS	5,000
OPERATIONAL CONTINGENCIES	5,367
NEW TOWN HALL DEBT SERVICE	200,000
New Town Hall Ops, Maint and Repair	94,904
CONTRIBUTIONS	8,750
TRANSFER TO BEACH RE-NOURISHMENT FUND	100,000
<b>Total Expenses</b>	<b>\$634,414</b>

**Administration-** Two new employees will prompt some training and continuing education initiatives under "Travel and Training" and a new requirement for flood insurance for town hall necessitates an increase to the "Insurance and Bonds" line.

SALARIES	439,883
SALARIES – OVERTIME	5,070
FICA	34,039
GROUP INSURANCE	87,037

RETIREMENT	63,851
401K EMPLOYERS MATCH	19,852
COMMUNICATIONS	52,000
PRINTING	6,000
SOFTWARE	25,000
TRAVEL & TRAINING	10,000
M & R – EQUIPMENT	3,500
ADVERTISING	1,000
DEPT SUPPLIES & MATERIALS	8,000
UNIFORMS	1,000
REWARDS AND WELLNESS PRGR	2,000
SAFETY PROGRAMS ALL DEPTS	1,500
CONTRACTED SERVICES	20,000
DUES & SUBSCRIPTIONS	4,000
INSURANCE & BONDS	155,815
EQUIPMENT	25,000
DEBT INTEREST	14,934
<b>Total Expenses</b>	<b>\$979,481</b>

**Police Department**-The budget takes into account a restructuring initiative as well as recruitment and retention strategies. It also accounts for ballistic vest replacement which is required and located in the “Uniforms” line and training and leadership development under “Travel and Training.”

SALARIES	817,185
SALARIES – OVERTIME	105,951
PROFESSIONAL SERVICES	16,500
FICA	71,640
GROUP INSURANCE	173,299
RETIREMENT	148,440
PD EMPLOYER'S 401K CONT.	46,157
COMMUNICATIONS	45,000
TRAVEL & TRAINING	18,500
COMMUNITY WATCH	3,500
M & R – EQUIPMENT	6,000
M & R – VEHICLES	10,000
Federal L.E.S.S.	10,000
GAS, OIL & TIRES	40,000
DEPT SUPPLIES & MATERIALS	3,500
UNIFORMS	20,000
POLICE INOCULATIONS	4,000
EQUIPMENT	20,000
<b>Total</b>	<b>\$1,559,672</b>

**Planning and Inspections Department-** Budget increases over last fiscal year represent anticipated incentive increases for reaching required training certificate levels. The department has set a goal for six classes to be accomplished this fiscal year.

SALARIES	289,324
SALARIES OVERTIME	6,500
FICA	22,631

GROUP INSURANCE	63,018
RETIREMENT	42,451
401K EMPLOYERS MATCH	13,843
COMMUNICATIONS	17,580
PRINTING	2,000
TRAVEL/TRAINING	7,000
M & R - VEHICLES	4,000
ADVERTISING	2,000
GAS, OIL & TIRES	5,000
DEPT SUPPLIES & MATERIALS	5,000
BUILDING INSP - UNIFORMS	2,500
CONTRACTED SERVICES	15,339
DUES & SUBSCRIPTIONS	2,000
HOMEOWNERS' RECOVERY FUND	1,300
EQUIPMENT PURCHASE	7,000
<b>Total</b>	<b>\$508,486</b>

**Public Works, Streets, Building, & Grounds (SBG) Department-** The proposed budget estimates \$300,000 in the "Street Drainage Projects" line to accommodate engineering designs and permitting for a phased stormwater initiative. The line also includes completion of the additional areas of concern study. Expenses take into account the yearly paving of streets as identified in the street conditions survey and the costs for bike lane sweeping.

SALARIES	100,636
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SALARIES OVERTIME	3,500
PROFESSIONAL SERVICES	10,000
FICA	7,966
GROUP INSURANCE	23,632
RETIREMENT	14,944
401K EMPLOYERS MATCH	4,889
UTILITY - STREET LIGHTS	50,000
BUILDINGS UTILITY PAYMENT	1,250
TRAVEL	500
BLDINGS&GROUNDS MAINT/SUP	33,572
M & R EQUIPMENT	15,000
M & R VEHICLES	4,000
MAINT & REP STREETS	59,480
MAINT & REPAIR BULKHEADS	35,000
STREET DRAINAGE PROJECTS	320,390
STREET SIGN REPLACEMENT	3,500
ADVERTISING	150
GAS, OIL & TIRES	10,000
DEPT SUPPLIES & MATERIALS	15,000
UNIFORMS	800
STREET PAVING PROJECTS	157,294
SIDEWALK MAINTENANCE	12,000



<b>Total</b>	<b>\$883,503</b>
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**Sanitation-** Increases include vector control training for one employee along with standard personnel costs.

SALARIES FULL TIME	61,553
SALARIES OVERTIME	5,600
FICA	5,137
GROUP INSURANCE	19,693
RETIREMENT	9,636
401K EMPLOYERS MATCH	3,415
TRAVEL & TRAINING	1,500
MAINT & REPAIRS EQ.	300
DEPT SUPPLIES & MATERIALS	23,000
SANITATION UNIFORMS	1,500
CONTRACTED SERVICES	40,049
BLUE CAN HOME RECYCLING	64,958
SOLID WASTE TIPPING FEES	500

<b>Total</b>	<b>\$236,842</b>
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### ***Water/Sewer Fund Enterprise Fund Revenues***

The Water and Sewer Fund is defined as a stand-alone Enterprise Fund supported by Water and Sewer user fees. Increased revenues this year are expected because of a \$3.90 increase in the base charge on sewer and an elimination of the free 2000 gallons per customer usage on both the water and sewer side. This will offset increased expenses and allow planning initiatives for the future.

The following table represents estimates of the projected revenues based on proposed fees and the most recent actual revenues received to date.

CREDIT CARD SITE FEE WATER	2,500
INTEREST ON INVESTMENTS	4,000
RENTS & CONCESSIONS	118,000
ADMINISTRATIVE FEES WATER	26,940
SEWER CAPACITY CHARGE	100,000
SALES TAX REFUND WATER	35,000
WATER CAPACITY CHARGE	60,000
WATER USE CHARGES	1,395,661
SPECIAL CHARGES FOR UTIL	300
SEWER USE CHARGES	1,023,000
TAP & CONNECTION FEES	95,000
RECONNECTION FEES	250
PNLTY & INTRST - BILLINGS	13,000
<b>Total Revenue</b>	<b>\$ 2,873,651</b>

### ***Water and Sewer Enterprise Fund Expenditures***

The following table summarizes the Water and Sewer Enterprise Fund departmental expenses.

<b>Administration</b>	<b>\$171,207</b>
<b>Operations</b>	<b>\$2,702,444</b>
<b>Total Water and Sewer Expenses</b>	<b>\$2,873,651</b>

Changes for expenses in this fund include a cooling fix for Lift Station 1 and ventilation for Lift Station 4 which will provide for more robust environmental protection of both the infrastructure and the digital equipment. Funding for procurement and installation of water system repair parts (\$120,000) and new tap construction (\$70,000) is also included in the budget.

Transfers of \$60,000 and \$100,000 are programmed to be made as may be collected to Water Capital Reserve and Sewer Capital Reserve Funds respectively in accordance with System Development Fee legislation.

The following expense table represents all projected expenses for administration in the water and sewer fund:

SALARIES	47,851
SALARIES-OVERTIME	747
FICA	3,718
GROUP INSURANCE	15,754
RETIREMENT	6,974
401K EMPLOYERS MATCH	2,200
COMMUNICATIONS	67,363
PRINTING	4,000
TRAVEL & TRAINING	5,000
M & R - EQUIPMENT	4,000
DEPT. SUPP/ MATERIALS	1,200

CONTRACTED SERVICES	6,000
DUES & SUBSCRIPTIONS	6,400
<b>Total Expenses</b>	<b>\$171,207</b>

The following expense table represents all projected expenses for operations:

SALARIES	226,291
SALARIES-OVERTIME	10,906
PROFESSIONAL SERVICES	42,500
Professional Services Irrigation Inspect	25,900
FICA	18,146
GROUP INSURANCE	55,141
RETIREMENT	34,038
401K EMPLOYERS MATCH	5,051
COMMUNICATIONS	4,250
UTILITIES	4,000
UTILITIES-PUMPING STATION	77,000
TRAVEL	2,000
M & R WATER TANK	22,400
M & R EQUIPMENT	15,000
OPERATION & MAINT VAC SYS	49,500
M & R VEHICLES	5,000
M & R WATER SYSTEM	120,000
GAS, OIL & TIRES	12,000

DEPT SUPPLIES & MATERIALS	5,000
O&M VACUUM STATIONS	258,000
METERS (NEW CONSTRUCTION)	70,000
UNIFORMS	4,000
CONTRACTED SERVICES	50,000
PURCHASES FOR RESALE	962,625
COUNTY O&M CHARGE SEWER	318,511
CAPITAL OUTLAY- VALVE PITS	65,000
AVAILABLE FOR APPROPRIATION	17,686
CONTRIBUTION TO CRF WATER	60,000
CONTRIBUTION TO CRF SEWER	100,000
EOC Ops, Maint and Repair	62,500
Ops TOTAL	2,702,444
<b>Total Expenses</b>	<b>\$2,873,651</b>

### ***Water and Sewer Capital Charge Fund***

This fund was established in FY 24 to account for sewer capital charges. Required debt service obligations of \$1.35 million are programmed for the upcoming fiscal year. The FY 26 sewer capital charge which is assessed annually on Town tax bills is calculated to be \$422. The expense side of the budget accounts for the last vac truck payment.

CAPITAL CHARGES CTY-SEWER	1,352,662
<b>Total Revenue</b>	<b>\$1,352,662</b>

CTY CAPITAL COSTS SEWER	1,044,012
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WATER CAP OUTLAY-VEHICLES	63,438
DEBT INTEREST	96,698
DEBT SERVICE SEWER	148,514
<b>Total Expenses</b>	<b>\$1,352,662</b>

### ***Beach, Parks, Access and Recreation Tourism Fund (BPART)***

#### ***BPART Revenues***

The Beach, Parks, Access and Recreation Tourism Fund is a Special Revenue Fund authorized by an act of the General Assembly that allows the Town to collect six cents of an accommodations tax for the purposes of funding beach preservation and tourism related expenses. Of the collections, one cent net of allowances for administration goes to Brunswick County for the Tourism Development Authority, two cents are for beach and inlet maintenance and three cents for various tourism related expenses. This comprises the largest component of fund revenue and remains at a consistent rate as compared to last fiscal year.

Other revenues that comprise the BPART fund include fees collected from programs and facility rentals, campsite rentals categorized as 441 OBW rents, interest earnings, paid parking, and other governmental revenue. Total parking revenue estimate for FY 26 is \$916,255.

The timeline on the CAMA grant of \$420,000 has been extended to correspond with the completion of construction and the revenues will be recognized in FY 26. There is also an anticipated \$32,000 debt refund of Brunswick County Special Obligation Bond escrowed funds.

Fund Balance Appropriated in the amount of \$225,384 corresponds to an expense accomplishing engineering design at the pier which aligns with the BOC's objective of only appropriating fund balance for capital project expenditures.

The following table represents anticipated revenues:

CREDIT CARD SITE FEE BPART	250
ACCOM TAX	4,050,000
BRUNSWICK CO REFUND CRP	32,000
ACCOM TAX PENLTY	500
INTEREST ON INVESTMENTS	60,000

BPART CAP RES INTEREST	100
441 OBW RENTS	22,000
MISCELLANEOUS BPART	15,000
RECREATION PROGRAMS	14,000
CAMA GRANTS	420,000
SALES TAX REFUND	2,000
PARKING REVENUE	787,980
OFF STREET PARKING	128,275
FUND BALANCE APPROPRIATED	225,384
<b>Total for Revenue</b>	<b>5,757,489</b>

### ***BPART Expenses***

Total debt service appropriations of \$1.51 million are made for annual payments on the Central Reach Project and 441 OBW Pier property.

Expenses for this year include a significant transfer of \$600,000 to the Beach and Inlet Capital Reserve Fund. Additionally, three capital projects including the completion of the Block Q restroom, engineering services to move toward design for the pier, and the construction of a concert venue on Block Q are included.

With the major ADA initiatives accomplished in FY 24 & 25, expenses in this fiscal year include an estimated \$25,000 to address items identified in the self-assessment included in "ADA Projects" line. There is also \$150,000 for beach access improvements in terms of repairs and rebuild of walkways included as part of the "Access & Recreation" line. Twenty-two thousand dollars has been included to undertake renewal of the SDI-5 permit and further exploration/verification of possible sand borrow sources identified in the Corps Storm Damage Reduction Study by our coastal engineer. Anticipated expenses also include phasing in new playground equipment for Bridgeview Park and an estimated \$250,000 for the AIWW/Bend Widener Crossing project.

The following are anticipated expenses in the BPART fund:

TRANSFER COUNTY ACCOM TAX	664,875
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DEBT SERVICE CENTRAL REACH	1,200,000
SALARIES - RECREATION	106,244
FICA - RECREATION	8,128
GROUP INSURANCE	15,754
RETIREMENT REC	15,246
401K EMPLOYERS CONTRIBUTION	2,539
INTERNSHIP	6,240
PROFESSIONAL SERVICES	62,000
WARD & SMITH	141,000
PROFESSIONAL SRV-MAINLAND	2,000
PROFESSIONAL SERVICES- BEACH	15,000
RECREATION PROGRAMS	12,500
BEAUTIFICATION CLUB	2,200
Jordan Blvd Ops, Mx and Repair	42,000
PARK AND REC UTILITIES	1,500
DOG PARK	750
COMMUNICATIONS	12,500
GAS, OIL, AND TIRES	8,000
Starfish Fire Substation Ops, Mx, Rpr	5,000
TRAVEL & TRAINING	20,000
PUBLIC REST ROOMS	50,000
BEACH EQUIPMENT MAINTENAN	1,000



BEACH VEGETATION	30,000
SHORELINE MONITORING	30,000
DEBRIS REMOVAL	40,000
FESTIVAL & SECURITY	2,800
CONCERTS	43,000
HOLDEN BEACH PROMOTION	32,000
ACCESS & RECREATION	176,000
ADA PROJECTS	25,000
WASTE IND 2ND PICK-UP	138,780
SAND FENCE PROJECT	30,000
POCKET PARK 628OBW	500
HALSTEAD PARK	5,000
Rothschild Davis Park	185,000
CONCERT VENUE	406,875
BLOCK Q PROJECTS	404,575
BLOCK Q PROFESSIONAL SERVICES	34,000
PIER RENO AND REPAIR	60,000
441 PROFESSIONAL SERVICES	225,000
441 UTILITIES & INSURANCE	47,000
DEBT SERVICE 441 OBW	191,072
Lockwood Folly Dredging	250,000
DEBT INTEREST	115,192

SALARIES BEACH PROJECT	80,883
OVERTIME - BEACH PROJECT	5,601
FICA BEACH PROJECT	6,616
RETIREMENT BEACH PROJECT	12,410
401K EMPLOYERS BEACH PRJT	4,137
Group Insurance Beach Project	27,570
CONTRACT SERVICES SANITATION	105,000
BEACH RANGER SALARIES	20,000
BEACH RANGER SUPPLIES & EQUIPMENT & MAINTENANCE	25,000
BEACH RANGER GAS, OIL, TIRES	2,500
FICA	1,500
transfer to beach inlet crf	600,000
<b>Total</b>	<b>\$5,757,489</b>

### **Canal Dredging Special Revenue Funds**

In accordance with the General Assembly's enabling legislation, the Town manages three autonomous and distinct canal dredging districts. The Town facilitates discussions with a working group of representatives from each canal dredging district to plan and program dredging requirements backed by surveying data and engineering analysis. Administration of these districts is achieved via separate special revenue funds in accordance with the General Accounting Standards Board guidance as supplemented by North Carolina Local Government Commission memorandum 2010-23 (revised). No scheduled maintenance is anticipated in FY 26. Permitting updates were accomplished in FY 25 for Holden Beach Harbor and Heritage Harbor and are in process for Harbor Acres as we move through the summer. Proposed Canal Dredging Special Revenue Funds are:

### **Harbor Acres Canal Dredging Special Revenue Fund**

An assessment of \$390 per lot is proposed to fund the FY 26 program for Harbor Acres.

#### **REVENUES**

SRF HA ASSESSMENTS	113,743
BALANCE FORWARD	1,179,082
<b>TOTAL</b>	<b>\$ 1,292,825</b>

#### **EXPENSES**

SRF Administration - HA	12,620
SRF Legal Fees - HA	12,620
SRF Construction - HA	946,493
SRF Surveying - HA	63,100
SRF Permitting CAMA - HA	31,550
SRF Permitting ACE & Other Agencies - HA	31,550
SRF Designs - HA	37,860
SRF Contract Docs, Plans, Specs - HA	63,100
SRF Construct Management, Insp, Close - HA	63,100
SRF Transfer to General Fund- HA	30,834
<b>Total</b>	<b>\$1,292,825</b>

### **Holden Beach Harbor Canal Dredging Special Revenue Fund**

An assessment of \$400 per lot is proposed to fund the FY 26 program for Holden Beach Harbor

#### **REVENUES**

SRF HBH ASSESSMENTS	140,070
BALANCE FORWARD HBH	1,959,289

<b>TOTAL</b>	<b>\$2,099,359</b>
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#### **EXPENSES**

SRF Administration - HBH	20,685
SRF Legal Fees - HBH	20,685
SRF Construction - HBH	1,551,393
SRF Surveying - HBH	103,426
SRF Permitting CAMA - HBH	51,713
SRF Permitting ACE & Other Agencies	51,713
SRF Designs - HBH	62,056
SRF Contract Docs, Plans, Specs - HBH	103,426
SRF Construct Management, Insp, Close - HBH	103,426
SRF Transfer to General Fund- HBH	30,836

<b>Total</b>	<b>\$2,099,359</b>
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#### **Heritage Harbor Canal Dredging Special Revenue Fund**

An assessment of \$400 per lot is proposed to fund the FY 26 program for Heritage Harbor.

#### **REVENUES**

SRF HBH ASSESSMENTS	137,293
BALANCE FORWARD HBH	1,360,366

<b>Total</b>	<b>\$1,497,659</b>
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## EXPENSES

SRF Administration - HH	14,668
SRF Legal Fees - HH	14,668
SRF Construction - HH	1,100,117
SRF Surveying - HH	73,341
SRF Permitting ACE & Other Agencies HH	36,671
SRF Permitting CAMA - HH	36,671
SRF Designs - HH	44,005
SRF Contract Docs, Plans, Specs - HH	73,341
SRF Construct Management, Insp, Closet - HH	73,341
SRF Transfer to General Fund- HH	30,836
<b>Total</b>	<b>\$1,497,659</b>

## Water Capital Reserve Fund

The Water Capital Reserve Fund is established to escrow system development fees that will be used for future water system expansion. Transfers of Water System Development Fees are estimated at \$60,000 to be collected in and transferred from the Water and Sewer Fund to the Water Capital Reserve Fund.

## REVENUES

TRANSFER FROM CRF WATER	\$ 60,000
CRF WATER INTEREST	\$ 243,056
<b>TOTAL FOR FUND</b>	<b>\$ 303,056</b>

## EXPENSES

Cap Res Miscellaneous Exp	\$ 303,056
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<b>TOTAL FOR FUND</b>	<b>\$ 303,056</b>
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### **Sewer Capital Reserve Fund**

The Sewer Capital Reserve Fund is established to escrow system development fees that will be used for future sewer system expansion. Transfers of Sewer System Development Fees are estimated at \$100,000 to be collected in and transferred from the Water and Sewer Fund to the Sewer Capital Reserve Fund.

#### **REVENUES**

TRANSFER FROM CRF SEWER	\$ 100,000
CRF SEWER INTEREST	\$ 575,440

<b>TOTAL FOR FUND</b>	<b>\$ 675,440</b>
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#### **EXPENSES**

CAP RES MISCELLANEOUS EXP	\$ 675,440
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<b>TOTAL FOR FUND</b>	<b>\$ 675,440</b>
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### **Beach and Inlet Capital Reserve Fund**

A transfer of \$100,000 from the General Fund and \$600,000 from the BPART fund to the Beach and Inlet Capital Reserve Fund is anticipated.

#### **REVENUES**

CRF BEACH INTEREST	179,971
Transfer from other Funds	6,327,181

<b>TOTAL FOR FUND</b>	<b>\$6,507,152</b>
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#### **EXPENSES**

CAP RES MISCELLANEOUS EXP	5,992,152
Transfer to other funds	515,000

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**TOTAL FOR FUND****\$6,507,152**

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**Capital Project Fund**

The BOC established a Capital Project Fund for the Sewer Lift Station 2 project during the 2025 fiscal year via a capital project ordinance as required by one of our granting agencies. Advantages of capital project funds include the fact that expenses and corresponding project revenues can be tracked separately than the operations budget and for the lifespan of the project across fiscal years, as many capital projects can span. The below outlines the budget as contained in this project fund.

**REVENUES**

GRANT REVENUE

4,581,336

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**Total for Revenue****\$4,581,336**

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**EXPENSES**

ADMINISTRATION

45,000

ENGINEERING

235,386

CONSTRUCTION

4,300,950

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**Total for EXPENSE****\$4,581,336**

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## **PART III-Attachments**

### **A. BOC Goals and Objectives**

The BOC met March 13, 2025 and refined individual goals and objectives into a unified document to serve as the guide to spending for the proposed budget. The list is included as Attachment A.

### **B. Capital Improvement Plan (CIP)**

This year's capital improvement plan attempts to illuminate longer-term large-scale projects, activities, and equipment procurement through a ten-year lens that includes anticipated expenses and corresponding revenues. The total ten-year investment is estimated at \$15,600,508. The plan outlines activities involving street maintenance, vehicle acquisition, water/sewer improvements, equipment acquisition, shoreline stabilization and canal dredging as well as community facility upgrades. The plan is included as Attachment B.

### **C. Beach and Inlet Capital Improvement Plan**

Building on the BOC's expressed desire to see a fifteen-year savings plan for beach nourishment, the Beach and Inlet Capital Improvement Plan has been updated this year to include an interest component and funding that can be added in lieu of debt service payments in future years. The savings plan can be found at Attachment C.

### **D. Consolidated Debt Schedule**

This schedule at Attachment D serves as a quick reference guide to where the Town stands with debt.

### **E. Conclusion**

The preparation of the budget to meet the Town's needs requires a collaborative effort between the commissioners, the staff, and the public and is time intensive. Administration appreciates the efforts that were made by all involved to develop this roadmap for spending. As we proceed into the next fiscal year, the Town must navigate challenges including inflation and unknown assistance from other levels of government. The proposed budget is the Town's spending plan for the next fiscal year that specifically aligns with the targeted budget priority areas outlined earlier in this document and with the commissioners' stated Goals and Objectives for the fiscal year. Additionally, the budget is balanced with revenues equaling expenditures as required by the Local Government Budget and Fiscal Control Act and focuses on meeting obligations while advancing goals. In so doing, the Town is positioned to meet current needs while also demonstrating some forward thinking.

Sincerely,



Christy W. Ferguson

Interim Town Manager/Assistant Town Manager



## **Goals**

1. No tax increase
2. No long-term borrowing
3. Maintain required reserves in General Fund
4. Assess water and sewer reserve funds to ensure they can satisfy short and long-term needs
5. Efficient budget execution excluding contingency items
6. Fund balance appropriations limited to capital projects

## **Objectives**

### **Sewer Lift Station**

Complete the sewer station upgrades. (#1 goal for most)

### **Beach Nourishment**

Adequately fund beach nourishment (i.e., develop long-term CIP and review fund balance policy).

Transfer money from General Fund to the BICRF.

### **LWF Inlet**

Explore long-term solutions for Fund Lockwood Folly dredging and lobby for Holden Beach to receive sand.

### **Stormwater**

Proceed with stormwater projects (i.e., take next steps, identify and pursue external funding).

### **Pier Property**

Proceed with pier property plan (i.e., complete engineering analysis, evaluate alternatives for a new building, develop cost estimates, consider potential funding partnerships).

### **Communications**

Improve Town communications (i.e., website, meeting audio/video, emails).

## **Block Q**

Develop new site plan for Jordan Boulevard and Block Q area that addresses bathroom, pickleball, concerts, boat parking, etc. New bandstand, dance floor and lawn seat area. Stage should be able to be used during festivals

Complete bathrooms Block Q.

## **Staff**

Identify plans/options to assist all departments in recruiting for vacant positions within the Town. Identify benefits and needs to help retain current employees.

Succession Planning- critical positions are difficult to fill. Address in planning.

## **Other Facilities**

Develop plan for new fire station- plan to include 24-hour shifts, basic requirements, equipment size to be housed. Evaluate current construction numbers as comparison.

Parks and recreation facilities repair/improvement

Complete ADA compliance study/correct any deficiencies or concerns, upgrade/construct needed changes. Identify opportunities for improvement.



Capital Improvement Plan													
	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	Total
	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	Expenses		
Water and Sewer Expenses													
Lift Station 2 (Greensboro) Hazard Mitigation	4,000,000										4,000,000		
Truck		55,000		55,000		55,000	75,000	55,000	75,000		275,000		
vac truck	64,773				75,000		75,000		75,000		439,773		
FIRE HYDRANT REPLACEMENT	7,600	7,650	7,700	7,750	7,800	7,850	7,900	7,950	8,000	8,050	78,250		
Lift Station Genset replacement Program	85,000		85,000		85,000		85,000		85,000		425,000		
Water and Sewer Fund Expense Total	4,157,373	62,650	92,700	62,750	167,800	137,850	167,900	137,950	168,000	63,050	5,218,023		
Water and Sewer Revenue													
Water Sewer Fund - Operating Revenues	2,407,373	62,650	92,700	62,750	167,800	137,850	167,900	137,950	168,000	63,050	3,468,023		
WS Fund Balance											-		
EPA STAG											-		
STATE APPROPRIATION	1,750,000										1,750,000		
Water Capital Reserve Funds											-		
Water Sewer Fund - Revenues total	4,157,373	62,650	92,700	62,750	167,800	137,850	167,900	137,950	168,000	63,050	5,218,023		
Beach Parks Access Rec Tourism Expenses													
Playground Equip./ Parks&rec facilities	120,000	85,000	120,000	95,000	35,000	20,000	75,000	50,000	50,000	25,000	675,000		
Partf											-		
Walkways	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000		
Public restroom					75,000						75,000		
Sand Search	15,000										15,000		
Block Q Development	404,575										404,575		
concert venue	406,875										406,875		
BPART vehicle				55,000		55,000					110,000		
441 Acquisition and Improvements	60,000										60,000		
441 Professional Services	225,000										225,000		
lockwood Folly (Maintenance&Crossing)	250,000	83,096	383,096	83,096	250,000	83,096	383,096	83,096	250,000	83,096	1,931,672		
BPART Total	1,631,450	318,096	653,096	383,096	510,000	308,096	608,096	283,096	450,000	258,096	5,403,122		
Beach Parks Access Rec Tourism Revenue													
CAMA grant	420,000										420,000		
BPART Fund balance											-		
BPART Operating revenues	1,211,450	318,096	653,096	383,096	510,000	308,096	608,096	283,096	450,000	258,096	4,983,122		
Beach&Inlet Management fund											-		
BPART TOTAL	1,631,450	318,096	653,096	383,096	510,000	308,096	608,096	283,096	450,000	258,096	5,403,122		



Capital Improvement Plan

	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	Total
	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	Expenses
General Fund Expenses											
Streets Resurfacing:											
Swordfisf, Tuna	157,294										157,294
Lois, Lumberton		95,580									95,580
Charlotte, Heron Landing Wynd			112,482								112,482
Burlington, Gerda, Fayetteville				158,814							158,814
Greensboro					179,820						179,820
Cole S. Cole, Clippership						83,629					83,629
Ferry							120,344				120,344
Marker 55, Shell								86,400			86,400
Stormwater Programs	300,000	1,900,000									2,200,000
Inspection Vehicle					55,000	55,000	55,000				165,000
Police Vehicle		170,000	170,000	255,000	255,000	85,000	170,000		170,000	170,000	1,445,000
Sanitation Dump Truck											-
Backhoe		120,000									120,000
Streets/Sanitation truck			55,000								55,000
General Fund Expense Total	457,294	2,285,580	337,482	413,814	489,820	223,629	345,344	86,400	170,000	170,000	4,979,363
General Fund Revenue											
General Fund - Operating Revenues	457,294	2,285,580	337,482	413,814	489,820	223,629	345,344	86,400	170,000	170,000	4,979,363
Streets Assessment											-
Direct Appropriations Fed/State											-
Stormwater FB Appropriation											-
General Fund Revenue Total	457,294	2,285,580	337,482	413,814	489,820	223,629	345,344	86,400	170,000	170,000	4,979,363

Attachment C

BEACH INLET CIP

PROJECT COST/15 YEARS	51,000,000
TOWNS SHARE= 1/2 OF PROJECT COST	25,500,000

YEAR	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40
BEACH INLET CRF BALANCE	4,439,730	5,228,525	5,333,095	6,939,757	8,578,552	10,250,123	11,955,126	13,694,228	15,468,113	17,277,475	19,123,024	21,005,485	22,925,595	24,884,107	26,881,789
TRANSFER FROM GENERAL FUND	100,000														
TRANSFER FROM BPART	600,000		-	-	-	-	-	-	-	-	-	-	-	-	-
CENTRAL REACH REFUND			1,200,000												
IN LIEU OF DEBT SERVICE			300,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
INTEREST 2%	88,795	104,570	106,662	138,795	171,571	205,002	239,103	273,885	309,362	345,549	382,460	420,110	458,512	497,682	537,636
TOTAL	5,228,525	5,333,095	6,939,757	8,578,552	10,250,123	11,955,126	13,694,228	15,468,113	17,277,475	19,123,024	21,005,485	22,925,595	24,884,107	26,881,789	28,919,424

Attachment D

Debt Service	Interest rate	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38
VAC TRUCK 2021 Capital lease	2.100%	64,770.40	-	-	-	-	-	-	-	-	-	-	-	-
2005 Sanitary Sewer Revolving Loan	2.205%	170,341.67	-	-	-	-	-	-	-	-	-	-	-	-
2004 Sanitary Sewer Revolving Loan	2.205%	415,821.66	-	-	-	-	-	-	-	-	-	-	-	-
CENTRAL REACH 2016 Note - Flood and Erosion Control	2.180%	1,239,240.00	1,213,080.00	-	-	-	-	-	-	-	-	-	-	-
TOWN HALL 2008 Note - Real Estate	3.810%	214,933.45	199,267.48	-	-	-	-	-	-	-	-	-	-	-
2019B Taxable Enterprise Systems Revenue Refunding Bonds	2.347%	519,176.31	519,505.64	520,152.04	517,583.78	-	-	-	-	-	-	-	-	-
LS REIMBURSEMENT 2021 Note - Sanitary Sewer	1.920%	145,574.54	143,285.03	140,995.53	136,706.02	136,416.51	134,127.00	131,837.49	129,547.99	127,258.48	124,968.97	122,679.46	120,389.95	-
LS REIMBURSEMENT 2021A Note	2.290%	65,737.33	64,545.75	63,354.16	62,162.58	60,971.00	59,779.41	58,587.82	57,396.24	56,204.66	55,013.08	53,821.50	52,629.92	194,109.84
PIER 2022 Installment Financing Contract	3.180%	267,022.95	260,946.86	254,870.78	248,794.69	242,718.60	236,642.52	230,566.44	224,490.35	218,414.26	212,338.18	206,262.09	200,186.00	-
Annual Debt Payment		3,102,618.31	2,400,630.76	979,372.51	967,247.07	440,106.11	430,548.93	420,991.75	411,434.58	401,877.40	392,320.23	382,763.05	373,205.87	194,109.84