



Recommended Budget

FY 2025-2026

Kathryn Adams, Town Manager
Helen Brank, Finance Director
May 13, 2025





Budget Focus Areas of Improvement

This budget is set to Develop and Align a Balanced Budget that follows the Town of Oak Island Strategic Plan.

- Maintain a Well-Run & Efficient Government
- Preserve Our Community's Coastal Lifestyle
- Protect Natural Resources and Coastal Ecosystems
- Build a Sustainable Economy
- Plan for Orderly, Sustainable Growth
- Create a Safe Community

Ensure Compliance with Codes, Ordinances, Rules

- New Stormwater Inspector to maintain NCDEQ MS4 permit requirements and reporting.
- Additional Stormwater maintenance crew to expand coverage for repairs and maintenance.
- An additional Facilities Technician

Improve Public Safety

- Three additional firefighters and moves one supervisor position from part-time to full-time.



Overview of the Recommended Budget

- Balanced Budget with No Tax Increase.
- Increases in Stormwater from \$7 to \$10 per month and minor increases in the Solid Waste rates that do not affect all citizens to pass through the Town's direct costs.
- Of the \$0.16 tax rate, \$0.13 is designated for the Town's General Operations. The remaining \$0.03 is accounted for in the Beach Nourishment Fund (47) established for beach nourishment projects.
- Recommends changing the fee structure to a tax structure for Fire. Currently the Fire Fee equals \$0.04 equivalent on the tax rate. If the fire tax was to be approved, it would be to a revenue neutral \$0.07.

The Fund Balance continues to remain strong at 92% for the General Fund. The Town's General Fund Balance is in compliance with NCGS 159-8 and well over the Town's internal policy to maintain a minimum total fund balance of 40%.



Recommended Budget FY 2025-2025

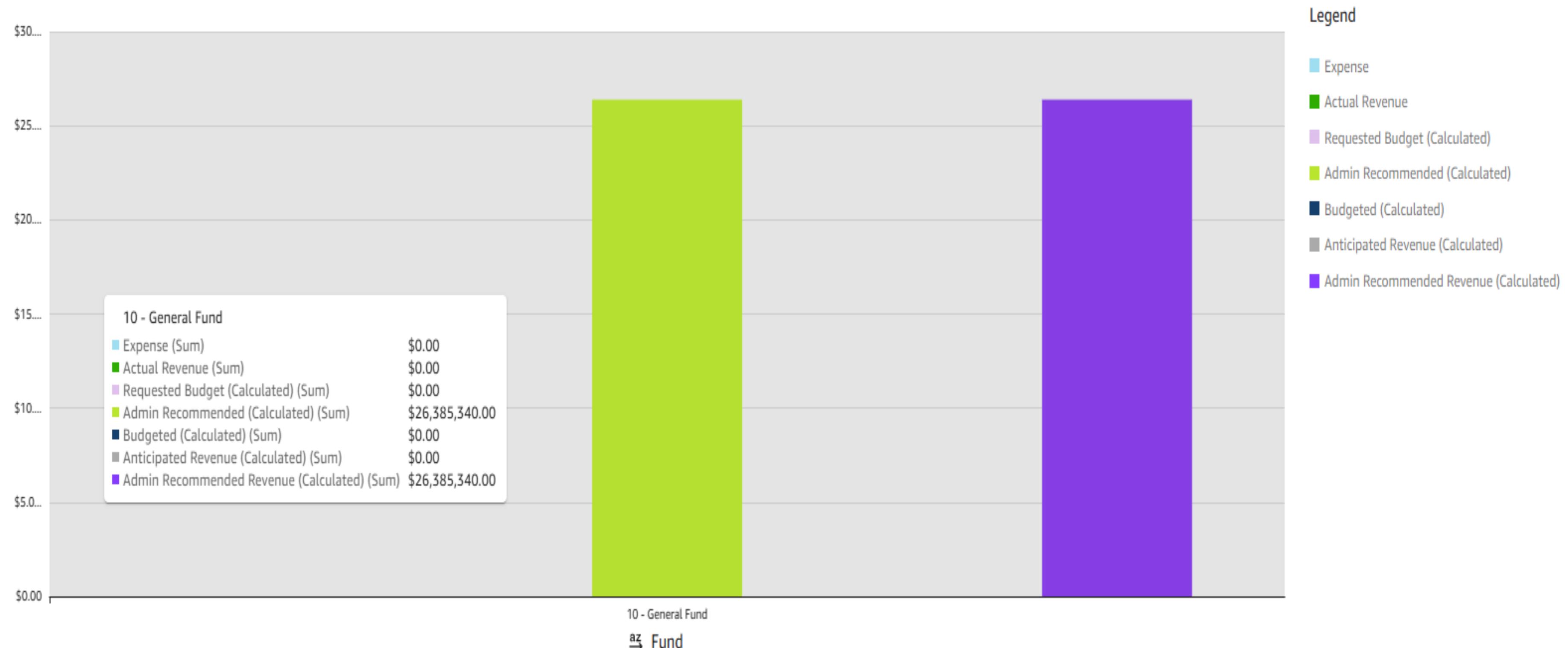
General Fund

- The General Fund is balanced at \$26,385,340.
- Revenues are estimated with an average 1.5% growth rate in property and sales taxes in anticipation of a slower economic growth.
- The Budget only recommends using \$607,740 of the General Fund's Fund Balance for one-time capital outlay.
- The Budget recommends using a one-time transfer of \$5,000,000 for Beach Nourishment.
- The Budget recommends a transfer of \$300,000 to the Golf Fund.
- The Budget includes moving \$300,000 from the Parking Fund to cover three additional Fire Fighters.



General Fund FY26 Expense and Revenue

Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Recommended Budget FY 2025-2026

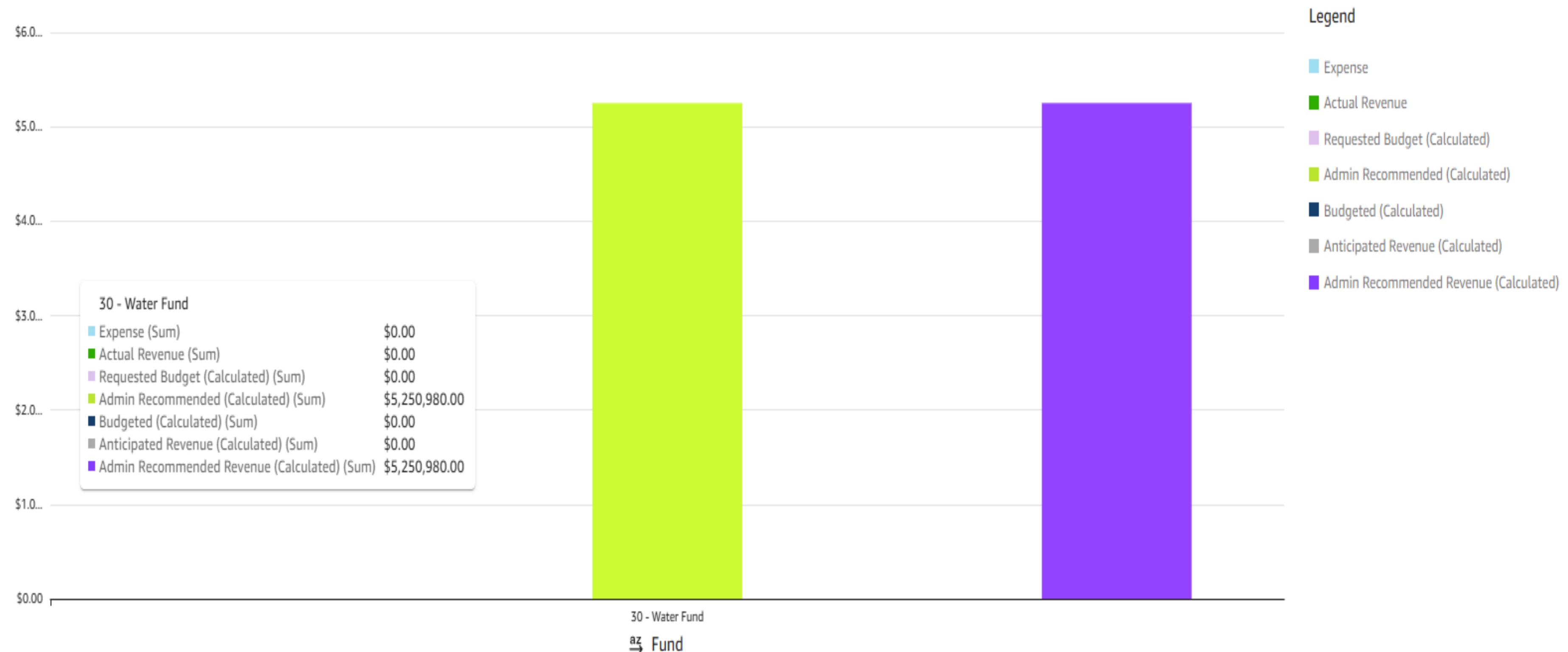
Public Utilities Funds

- The town will be combining Water and Wastewater to form Public Utilities.
- The Town's Water Fund is balanced at \$5,250,980 with no increase in rates. The Base Rate remains at \$25.22/month with the volume-based rate structure per 2,000 gallons.
- The Town's Wastewater Fund is balanced at \$15,812,000 with no increase in rates. The Base Rates remain at \$38.41/month and \$8.33 per 1000 gallons over 4,000 gallons.
- The Sewer District Fee remains unchanged at \$601.78.



Water Fund FY26 Expense and Revenue

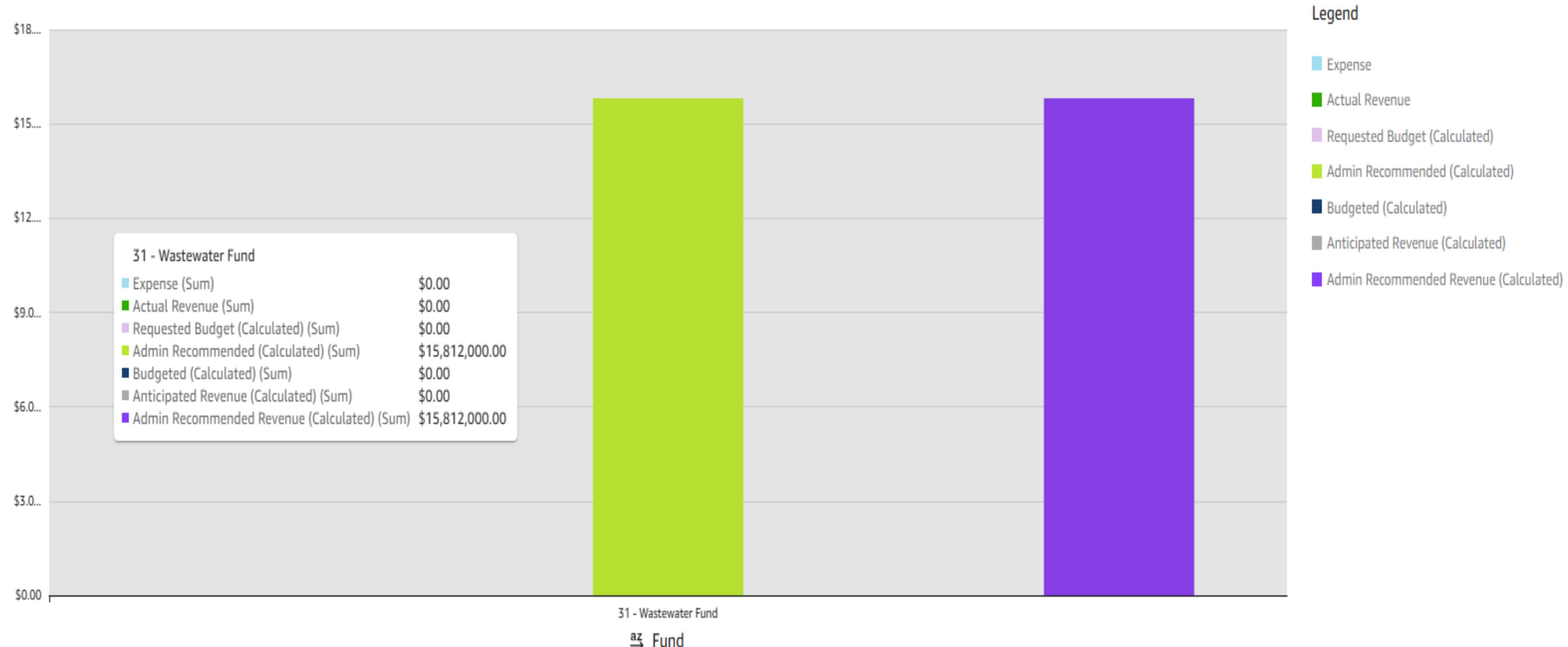
Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Wastewater Fund FY26 Expense and Revenue

Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Recommended Budget FY 2025-2026

Stormwater Fund

The Stormwater Fund is broken down into two divisions to simplify the budgeting and monitoring of expenses. There is a Stormwater Permitting division and a Stormwater maintenance division. The Stormwater Fund is balanced at \$1,877,400 with an increase of rates from \$7.04/month to \$10.00/month for residential and \$11.80/month to \$14.80/month for commercial.

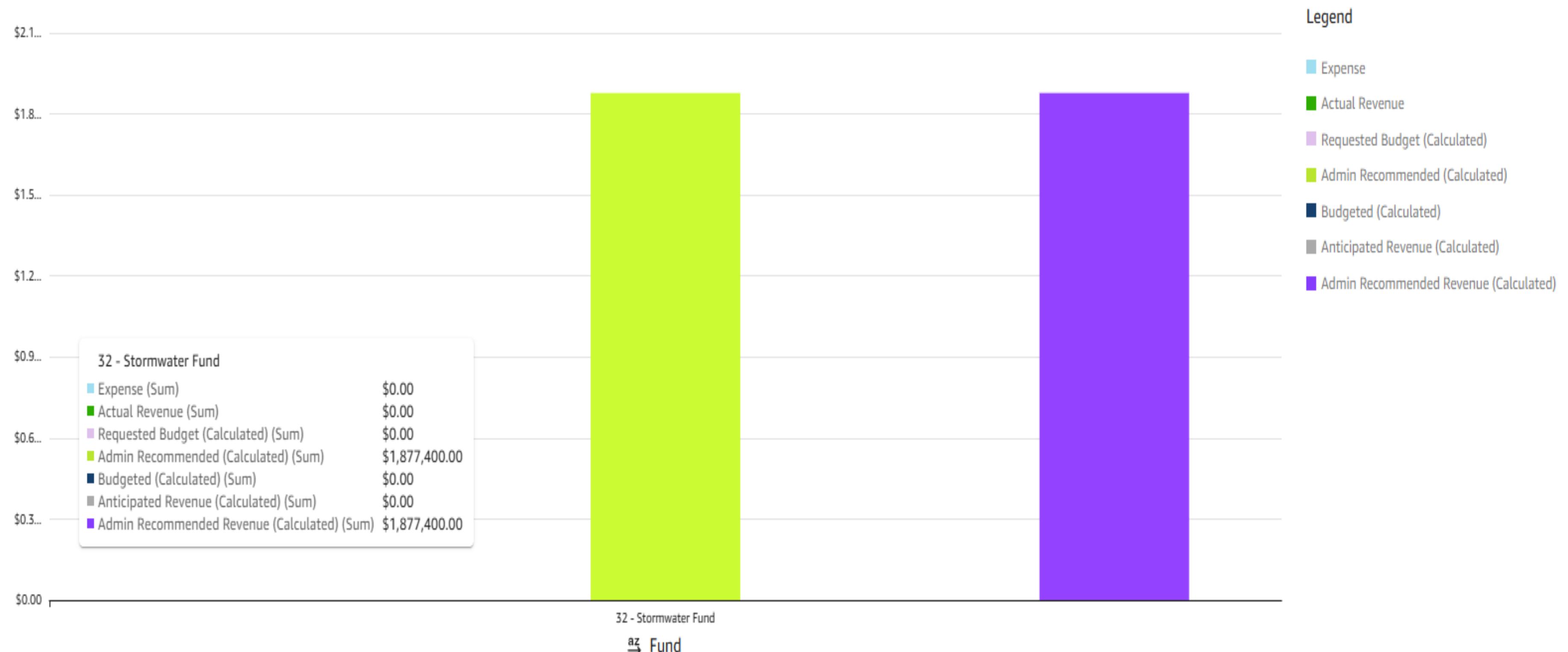
Solid Waste Fund

The Solid Waste Fund is balanced at \$2,219,090 with increases only to Beachfront rentals and for extra cart fees to cover costs from GFL. All other rates remain unchanged for household refuse, recycling, yard debris and the utilization of the Town's Convenience site. (See Fee Schedule for more details)



Stormwater Fund FY26 Expense and Revenue

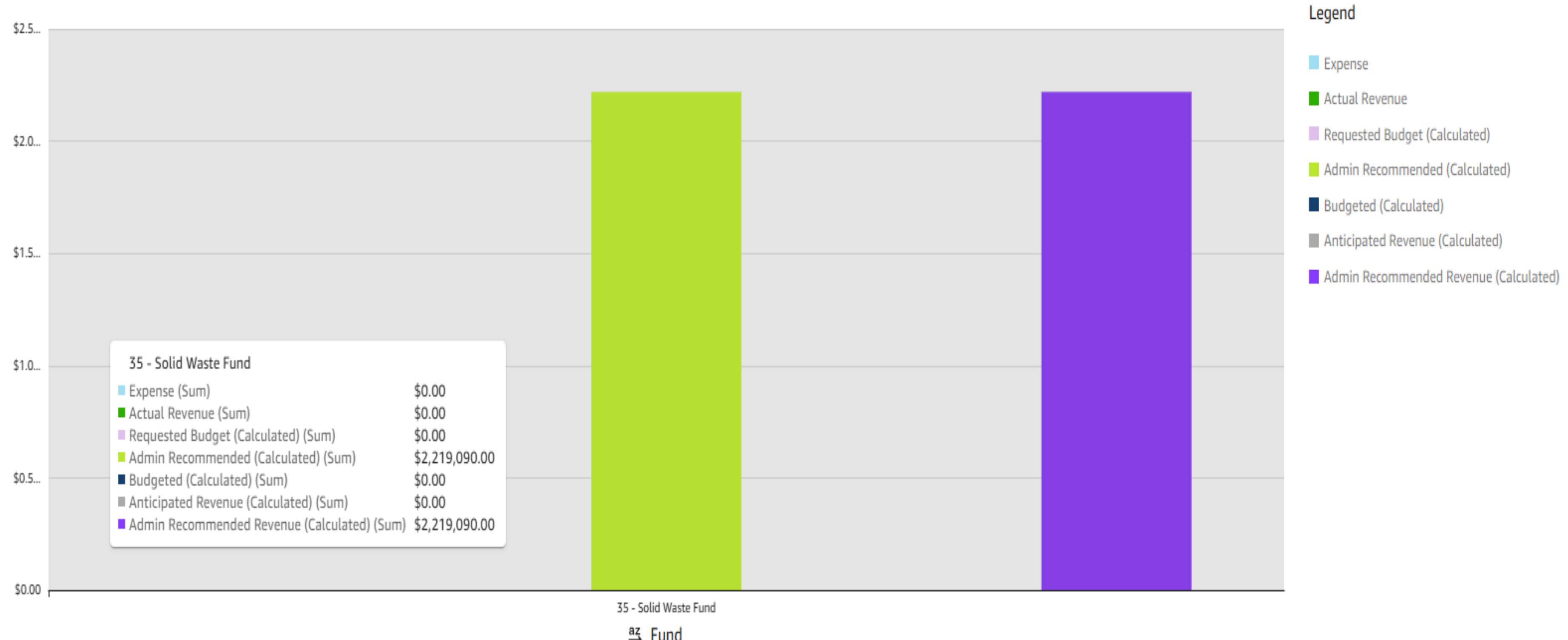
Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Solid Waste Fund FY26 Expense and Revenue

Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Recommended Budget FY 2025-2026

Accommodations Tax Fund

The FY 2025-2026 estimated revenue from the 3% of the total Room Occupancy tax is \$4,598,300. This fund is intended to fund the budgeted tourist related activities for the town and the Beach Nourishment Fund.

Beach Tax Fund

The FY 2025-2026 estimated revenue from the 2% Room Occupancy tax is \$2,800,000. The budgeted expenses in this fund are to pay for dune maintenance expenses and the Beach Nourishment Fund.

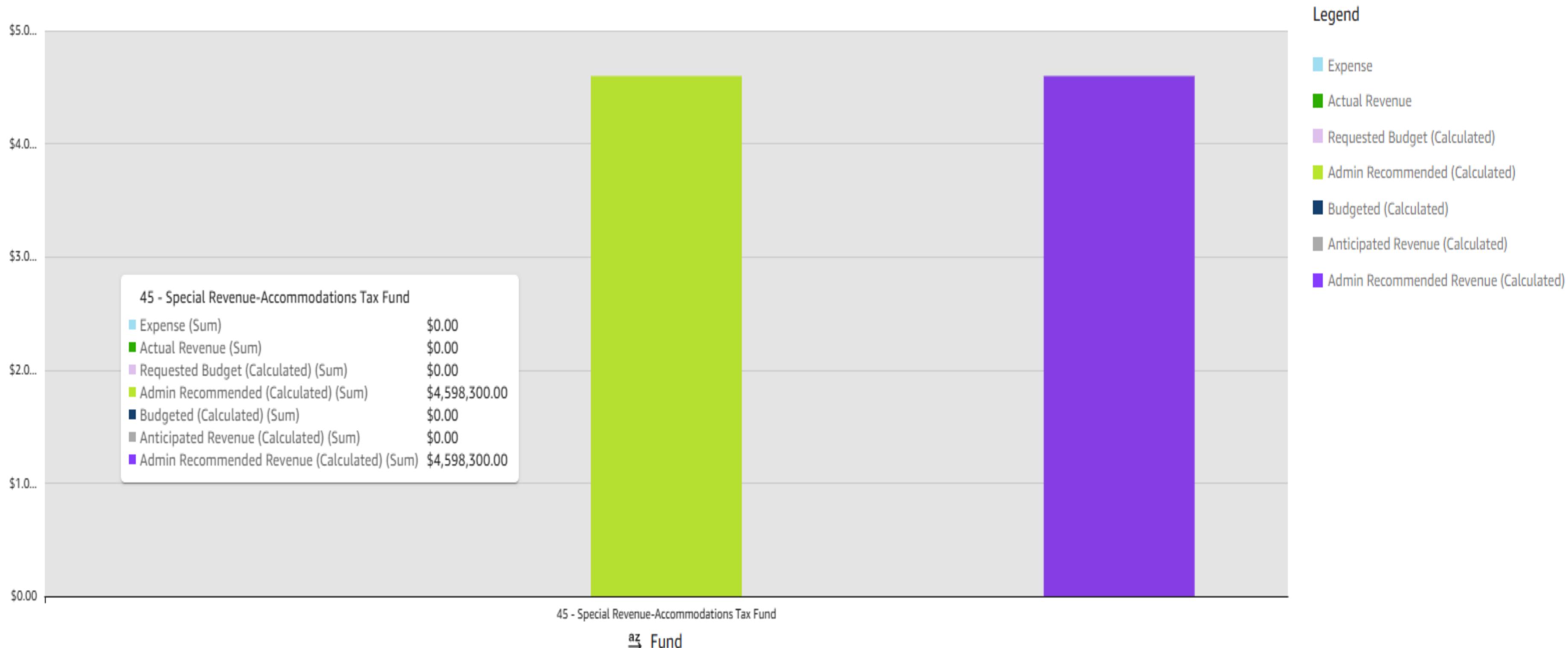
Beach Nourishment Fund

This Fund is balanced at \$40,550,000. It is utilized as a Capital Project Fund for the continue activity of the beach nourishment including upcoming sand replenishment project which is scheduled for FY 2025-2026.



Accommodation Tax Fund FY26 Exp and Rev

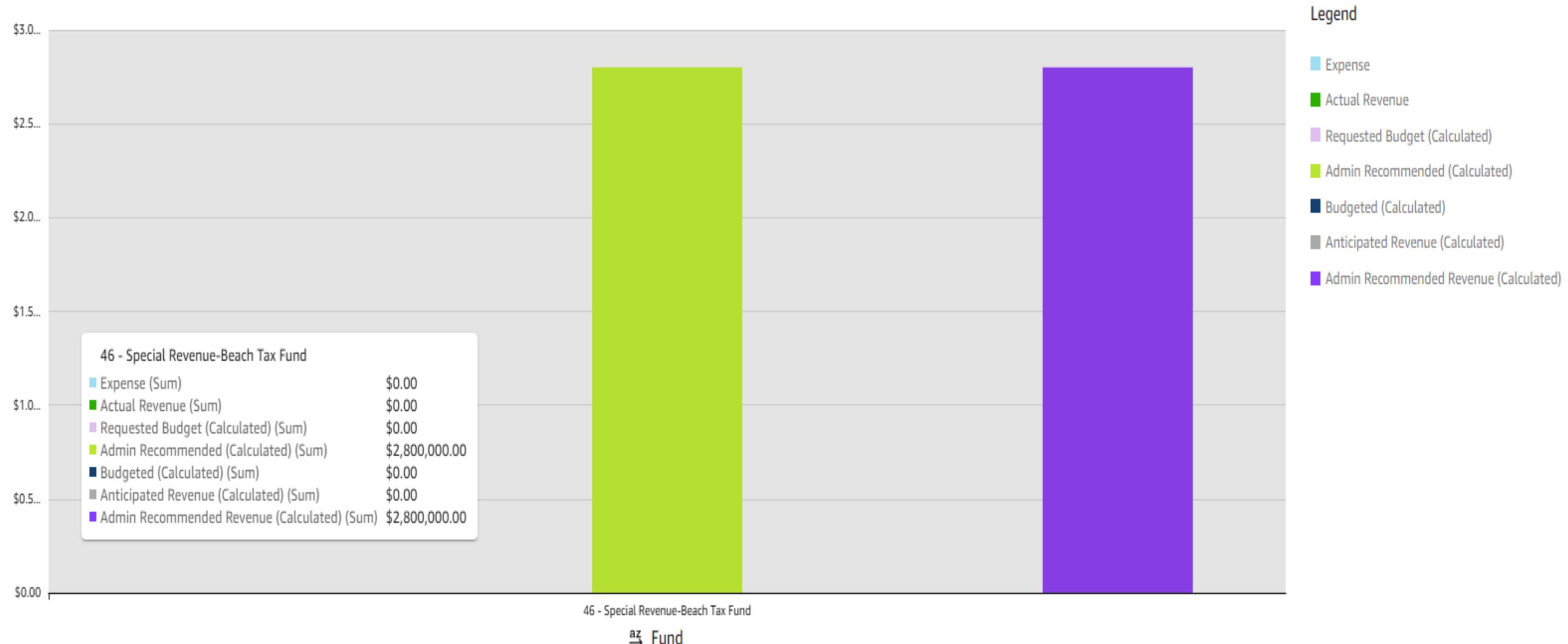
Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Beach Tax Fund FY26 Expenses and Revenues

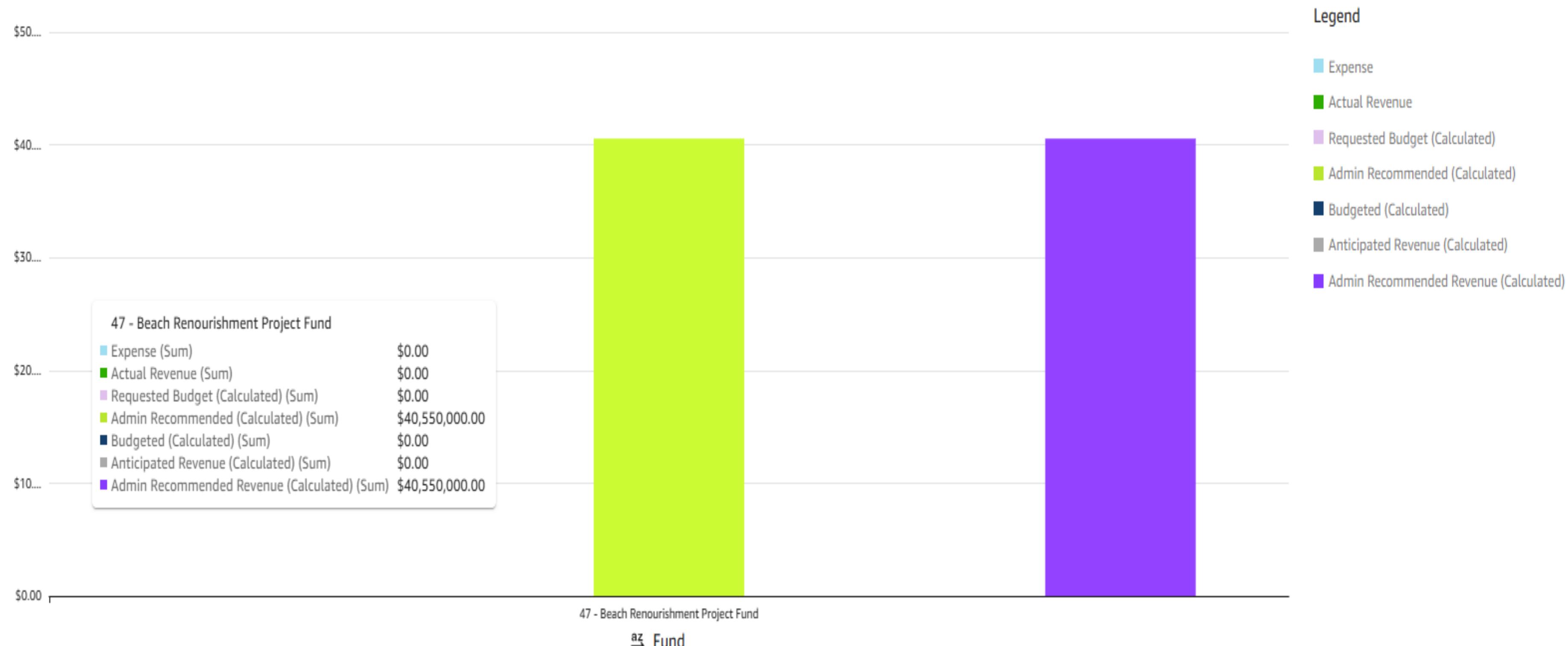
Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Beach Nourishment Fund FY26 Rev and Exp

Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Recommended Budget FY 2025-2026

Golf Course Fund-balanced at \$545,110 with a new schedule of fees and a transfer from the General Fund of \$300,000.

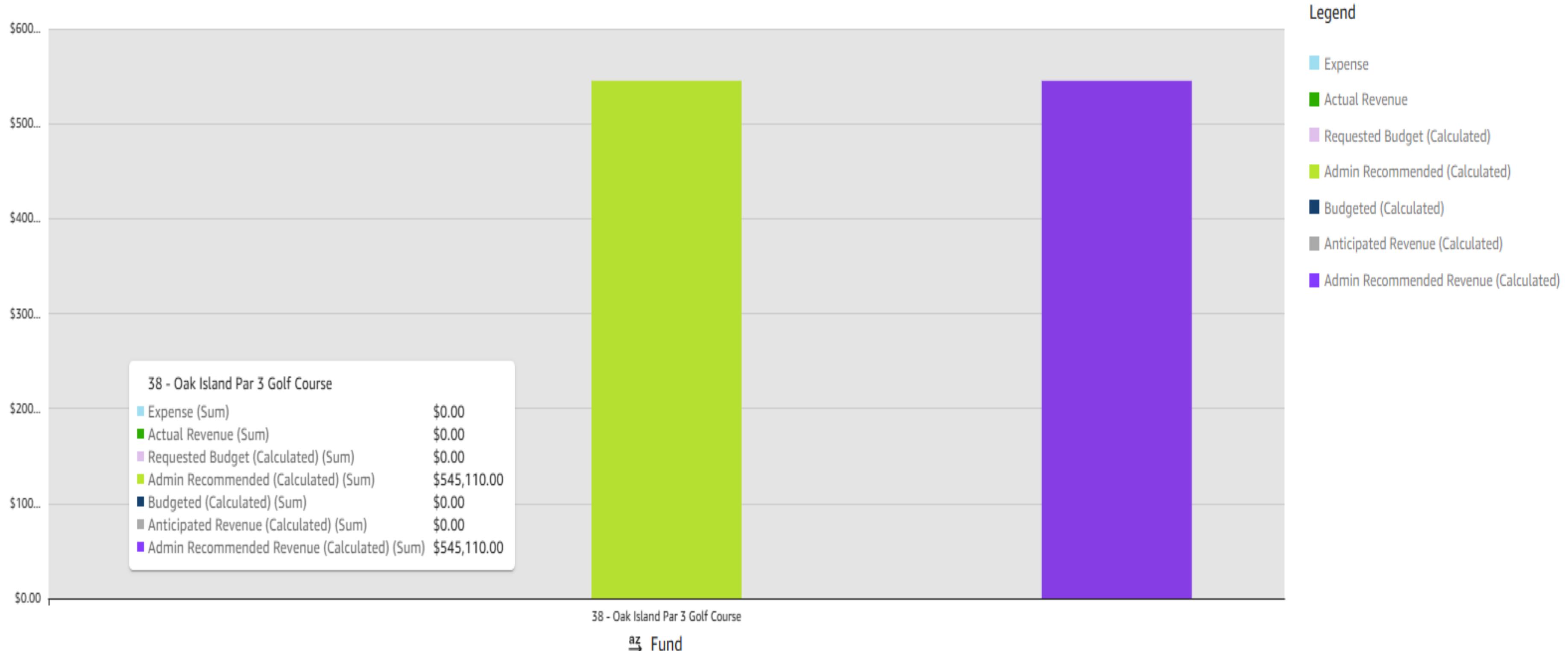
Pier Complex Fund-balanced at \$650,815 with a new schedule of fees for the rental of the 801 facility. There are no fee increases for the use of the Pier and no transfer from the General Fund.

Parking Fund-balanced with an anticipated \$1,050,000 in revenues with no change in fees and expenditures in the percentages previously authorized by Council.



Golf Course Fund FY26 Expenses and Revenues

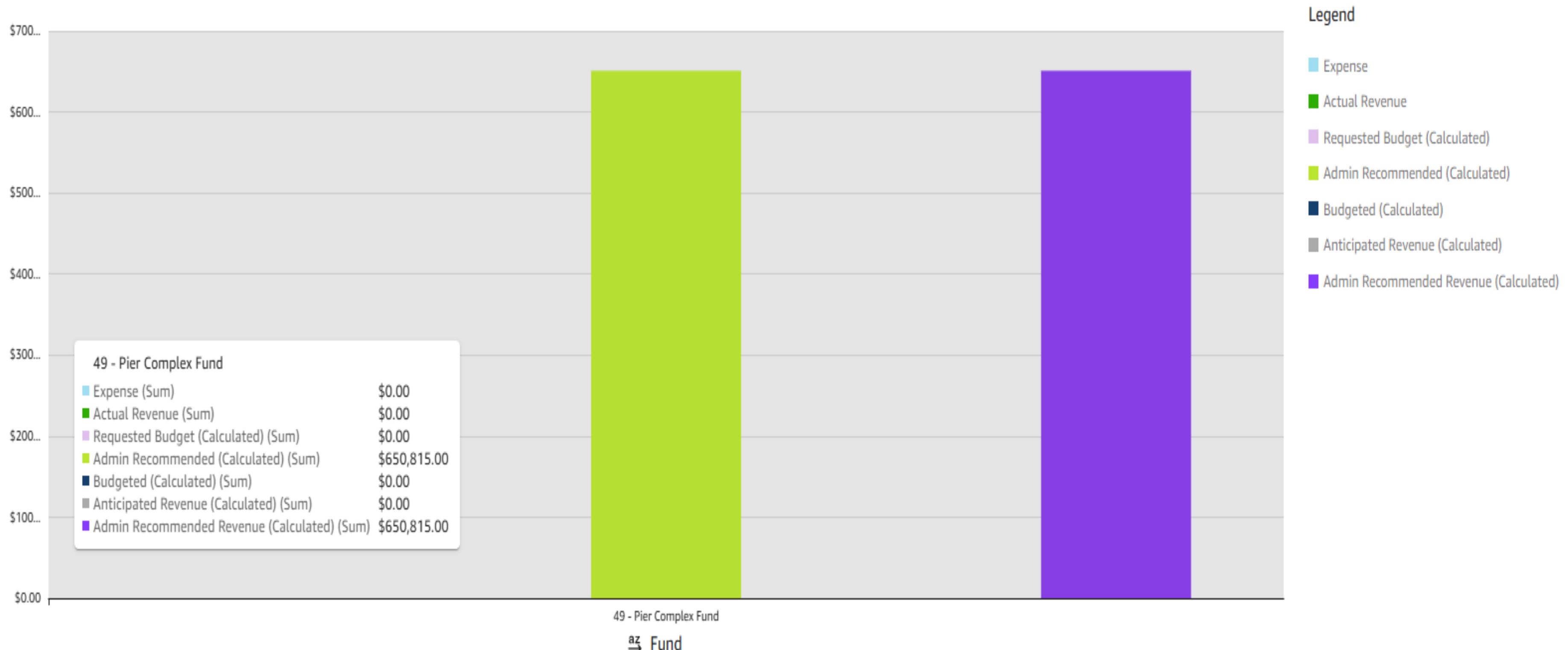
Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Pier/801 Fund FY26 Expenses and Revenues

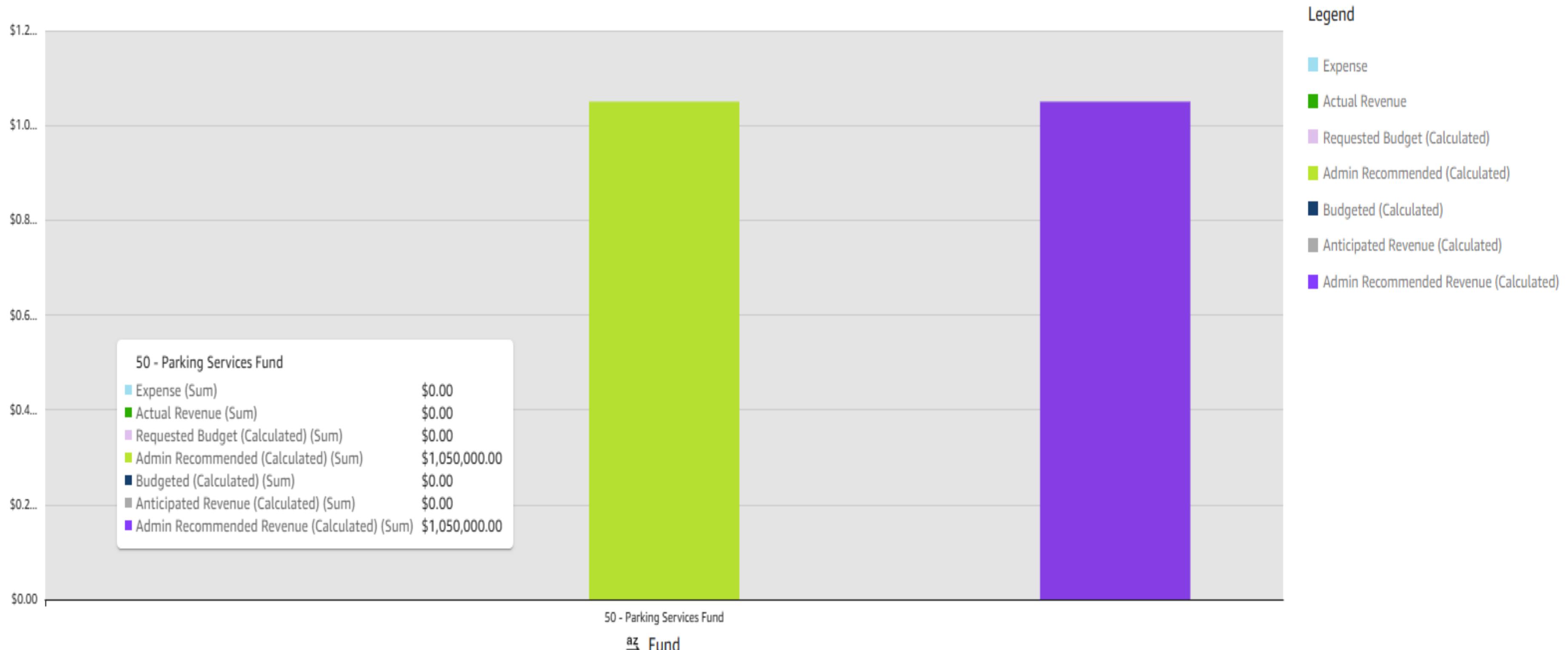
Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Parking Fund FY26 Expenses and Revenues

Budget Prep Year 2026 Expense vs Revenue Comparison by Fund





Recommended Budget FY 2025-2026

Capital Project Highlights

- Street Paving \$ 652,620
- Recreation Center architecture and engineering and design \$1,000,000
- Cybersecurity Upgrades recommended by NCLM \$ 20,000
- Year 3 of the Computer Replacement Program \$ 30,000
- Working with UNCW for Natural Shoreline initiatives \$ 30,000
- Continuation of the Business Façade Grant Program \$ 50,000
- Facilities Assessment \$ 50,000



Recommended Budget FY 2025-2026

Capital Outlay Highlights for the General Fund

- Additional placements of lifesaving AED devices.
- Updating Surveillance Cameras
- New vehicles for the Police Department
- New vehicle for the Fire Department
- New fencing for the Pickleball courts
- New vehicle for Public Works Facilities
- New vehicle for Public Works Fleet Maintenance
- Pedestrian Crosswalk systems for E & W Beach Drive
- New vehicle for Public Works Streets
- Two Replacement Mosquito Sprayers



Recommended Budget FY 2025-2026

Capital Outlay Highlights for the Enterprise Funds

- Wastewater Fish Factory Treatment plant upgrades phase II: Valves, grating/catwalk improvements, air treatment and air flow measurement, piping rehab, separation of treatment air and air lift pumps, and area velocity flow meters.
- Wastewater dewatering pump to move treated water between spray ponds during high flow situations and heavy rain events.
- Continue with another phase of vacuum pit monitoring system.
- Water improvements include another round of replacing up to 25 fire hydrants and maintenance of 776 fire hydrants.
- Stormwater Masterplan and Live Oak Tree plantings
- New Grapple Truck for Public Works yard waste pickup.



Recommended Budget FY 2025-2026

Additional Staffing Recommended-9 Total

- 1 Part-time Firefighter moving to Full-time
- 3 new Full-Time Firefighters
- 1 Stormwater Inspector
- 1 Stormwater Heavy equipment operator
- 1 Stormwater equipment operator
- 1 Stormwater maintenance worker
- 1 Public works facilities maintenance worker

Other

Reorganizations include consolidation of the Water and the Wastewater Departments into one Public Utilities Department, and the consolidation of Parks and Recreation back into one Department. An IT position will be created from within existing positions. None of these reorganizations result in an increase in positions.



Recommended Budget FY 2025-2026

Debt Service

- The outstanding utility debt continues to decrease annually with payoff in FY 2035-2036. All debt principal and interest payments are fully funded for FY 2025-2026 as required by NC State Law. A complete detail of the remaining principal and interest payments of each loan can be found in the Supplemental Information section of the recommended budget.
- The only other debt for the Town is for two fire trucks previously purchased and a commitment was made on a future ladder truck for FY 2026-2027.
- The debt schedules can be found in the back of the Recommended Budget.



Recommended Budget FY 2025-2026

Employee Wages/Salaries and Benefits

- The Town provides a level of pay to its employees that Town Management feels is fair and equitable in comparison to other similarly sized municipalities.
- The Recommended budget includes a potential for a merit increase of up to 4% for Full Time Town employees.
- The Town's contribution to the retirement plan LGERs has increased from 13.66% to 14.40% for all employees except for the Police. The LEO contribution has increased from 15.04% to 16.08%.
- The Budget overview shows no decreases in Public services but does include increases in Stormwater and Fire Services.



Recommended Budget FY 2024-2025

We would like to thank all the Department Directors and the hard-working staff of this Town for their continued effort to produce valued services at a low cost to our citizens. A special thank you to Hallie Willis and Rose Braam for their tremendous production help.

Mayor and Council, we appreciate the effort that each of you have put in during this long process that began in December, included strategy sessions, working through and developing a Strategic Plan for the coming years, and 6 budget workshops with all the departments, and culminated in the Recommended Budget before you tonight. Thank you for your continued leadership and support for the betterment of our beautiful Town.