

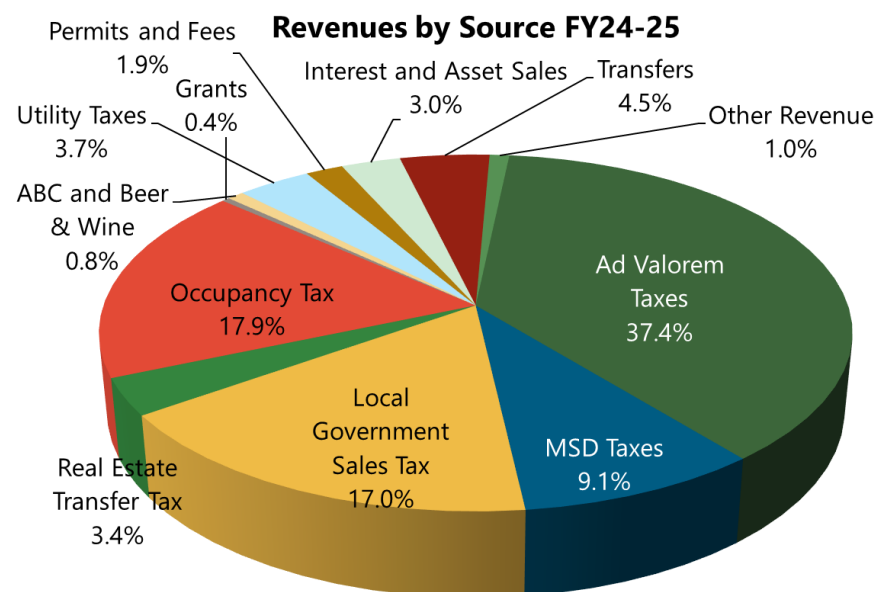
## Revenue Summary

This table shows revenue from different sources in our budget and includes a full-year actual revenue, the current fiscal year budget and year-end estimate, and the current draft budget for FY 2024-25.

Revenues by Source							
Source	FY22-23 Actual	FY23-24 Budget	FY23-24 Estimate	FY24-25 Recommend	Variance v. CY	% Change	% of GF Total
Ad Valorem Taxes	4,149,036	4,141,643	4,139,500	4,741,190	34,265	0.8%	40.04%
MSD Taxes	1,013,347	1,009,030	1,009,000	1,012,675	3,644	0.4%	8.55%
Local Government Sales Tax	2,124,121	1,900,000	1,900,000	1,900,000	0	0.0%	16.04%
Real Estate Transfer Tax	535,483	425,000	430,000	375,000	(50,000)	-6.1%	3.17%
Occupancy Tax	2,233,398	2,000,000	2,100,000	2,000,000	0	0.0%	16.89%
Grants	213,701	3,057,683	3,057,633	42,549	(3,015,134)	-1430.9%	0.36%
ABC and Beer & Wine	84,985	91,800	92,000	92,500	700	0.8%	0.78%
Utility Taxes	419,868	405,000	410,000	410,000	5,000	1.3%	3.46%
Permits and Fees	253,133	206,500	208,575	208,000	1,500	0.7%	1.76%
Interest and Asset Sales	427,604	405,000	480,000	330,000	(75,000)	-99.5%	2.79%
Transfers	0	566,868	566,868	496,764	(70,104)	-21.3%	4.19%
Debt Proceeds	0	0	0	124,762	124,762	19.3%	1.05%
Fund Balance Appropriated	0	1,555,050		0	(1,555,050)		0.00%
Other Revenue	186,123	109,160	149,050	109,160	0	0.0%	0.92%
<b>Total</b>	<b>11,640,798</b>	<b>15,872,734</b>	<b>14,542,626</b>	<b>11,842,599</b>	<b>(4,595,417)</b>	<b>-29.0%</b>	<b>100.00%</b>

Of note, in terms of changes from the FY 2023-24 budget, are decreases in grant revenue due to the NC 12 project being complete, and the reduction in interest revenue due to no longer having the proceeds of beach nourishment bond sales invested and earning interest. This table also reflects the revenue increase associated with the proposed increase in the tax rate. We predict no increases in Sales and Occupancy Tax revenue due to current trends as modified by assumptions that the rate of growth in these will be dampened by the current economic climate. We remain aware of and seek any other sources of revenue, whether through grants or other sources, as deemed appropriate.

It is important to note that historically less than half of our revenue comes from Ad Valorem and MSD taxes. In FY 2024-25 we anticipate that 46.5% of revenue will derive from these sources. The percentage of each source is depicted in this graph.

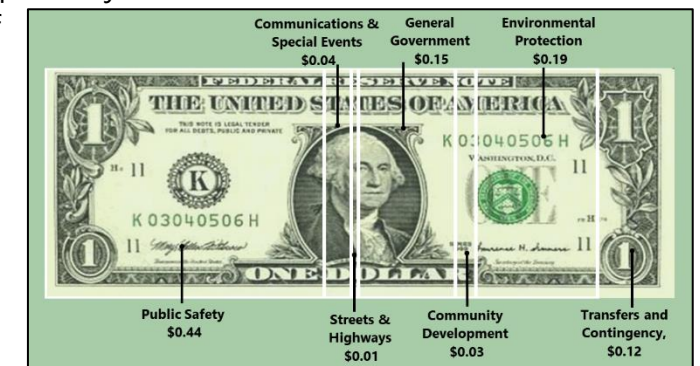


## Expenditure Summary

Expenditures are broken down into fifteen functional departments and two other expenditure groupings to account for transfers and contingency. These departments are identified as follows:

- **Governing Body:** Expenses related to the Town Council including election expenses.
- **Administration:** Expenses related to the general administration and management of the Town.
- **Finance and Human Resources:** Expenses for financial services such as financial statement preparation, preparation of the annual audit, and other related services provided by outside professionals. Also, expenditures related to employee engagement, tuition reimbursement, and other Human Resources related expenses. New for FY 2024-25, the Finance and Human Resources Manager's salary and benefits were moved to this department from Administration.
- **Public Facilities:** This department accounts for expenses related to the maintenance of our buildings, playground, park, boardwalk and others with the exception of sidewalks/Duck Trail which are accounted for in the Streets & Highways Department.
- **Information Technology:** Expenses for our contracted IT support, licenses, subscriptions, etc. for our Information Technology infrastructure.
- **Police:** Expenses related to the Duck Police Department.
- **Fire:** Expenses, including a direct allocation, for the operation of the Duck Fire Department.
- **Inspections:** Expenses related to our enforcement of the NC Building Code including the issuance of permits and inspections to ensure Code compliance.
- **Ocean Rescue:** Expenses, directly to a contractor, to provide ocean rescue services on the beach in Duck.
- **Streets & Highways:** While we own no streets, this department accounts for expense related to the maintenance of Duck Trail, sidewalks, crosswalks (including lights), and for projects related to improving this infrastructure.
- **Sanitation:** Expenses, paid to our contractors, for the collection of trash and recycling.
- **Environmental Protection:** Formerly Beach Protection, this department accounts for expenses related to Beach Nourishment, beach grass planting, soundside shoreline protection, etc.
- **Community Development:** Expenses related to planning, code enforcement, etc.
- **Communications & Special Events:** Expenses for communication platforms, graphic design, and the production of on-line and print communication materials. Also, expenses related to the conduct of special events, such as Jazz Festival, 4<sup>th</sup> of July, etc. and advertising and marketing for these events and the Town of Duck in general. Salary and benefit expenditures for the Public Information and Events Director and Community Engagement Coordinator were moved to this department from the Administration Department.
- **Transfers:** Transfers to the Beach Nourishment Capital Project fund.
- **Contingency:** A small percentage (1%) of budgeted expenditures to allow for unexpected expenditures during the year.

This graphic shows how each dollar of revenue is budgeted. Public Safety (Police and Fire) will remain one of our largest expenses due to how personnel-intensive they are. Environmental Protection includes annual debt service payments for Beach Nourishment.





## Fiscal Year 2024-25 Draft Budget

This document contains information related to the preparation of the Fiscal Year 2024-25 Budget for the Town of Duck. A more in-depth presentation of this information was made to the Town Council at their meeting on April 17, 2024 during which staff received guidance from the Town Council relative to their priorities in order to prepare a balanced budget to present for a Public Hearing on May 1, 2024.

Revenue is estimated based upon trends and economic conditions, and expenditures are estimated based upon fixed costs, personnel costs, and capital projects and purchases following the draft Capital Improvement Plan. After some significant (\$2.3 million) initial reductions, and further reductions during the conversation with Town Council, the draft budget is balanced and includes a **three-cent increase in the property tax rate**, the first such increase since 2022.

This graph shows the trend in expenditures, by type, over the past several years. Of note is that the "capital" portion of what is shown FY 2023-24 contains just over \$4.5 million for the, partially grant-funded, NC 12 elevation project which will be completed in FY 2023-24.

This table shows each of the fifteen departments and two additional lines as mentioned above and provides actual expenditures for the one prior complete fiscal year, the current year's budget, the estimate of the year end expenditures, and the FY 2024-25 recommended budget. The large decrease in expenditures is driven by the NC 12 project being completed in FY 2023-24.

Expenditures by Department						
Department Expenditures	FY22-23 Actual	FY23-24 Budget	FY23-24 Estimate	FY24-25 Recommend	Variance v. CY	% Change
Governing Body	140,647	153,231	149,777	154,751	1,520	0.99%
Administration	695,325	773,590	773,061	427,390	(346,200)	-44.75%
Finance & Human Resources	124,089	122,119	132,000	251,261	129,142	105.75%
Legal	66,859	90,460	95,000	65,460	(25,000)	-27.64%
Public Facilities	713,154	536,799	538,515	670,362	133,562	24.88%
Information Technology	133,686	194,352	190,000	178,111	(16,240)	-8.36%
Police	2,216,895	2,025,177	2,117,773	2,238,842	213,665	10.55%
Fire	1,960,252	1,983,719	2,014,301	2,065,851	82,132	4.14%
Inspections	204,158	237,479	231,157	253,479	16,000	6.74%
Ocean Rescue	580,069	628,100	628,000	764,500	136,400	21.72%
Streets & Highways	381,833	4,715,811	4,705,824	137,634	(4,578,177)	-97.08%
Sanitation	1,146,553	1,347,410	1,280,000	1,442,775	95,366	7.08%
Environmental Protection	2,383,896	1,017,451	901,000	845,604	(171,847)	-16.89%
Community Development	330,636	374,358	353,808	391,069	16,711	4.46%
Communications & Special Events	217,589	227,000	234,400	511,405	284,405	125.29%
Transfers	1,425,167	1,384,288	1,389,000	1,348,855	(35,433)	-2.56%
Contingency	647	61,389	60,000	95,251	33,862	55.16%
<b>Total</b>	<b>12,721,455</b>	<b>15,872,733</b>	<b>15,793,616</b>	<b>11,842,599</b>	<b>(4,000,612)</b>	<b>-25.4%</b>

Expenditures by Type						
Type	FY22-23 Actual	FY23-24 Budget	FY23-24 Estimate	FY24-25 Recommend	Variance v. CY	% Change
Personnel	4,087,487	4,367,233	4,474,747	4,771,795	404,562	11.1%
Operating	5,547,434	4,296,220	4,258,225	4,416,307	120,087	2.9%
Capital	489,791	4,780,449	4,618,714	356,731	(4,423,719)	-437.6%
Debt Service	1,170,929	983,154	1,006,286	853,662	(129,492)	-7.1%
Transfers and Contingency	1,425,814	1,445,677	1,449,000	1,444,106	15,319	1.2%
<b>Total</b>	<b>12,721,455</b>	<b>15,872,733</b>	<b>15,806,972</b>	<b>11,842,599</b>	<b>(4,030,133)</b>	<b>-33.9%</b>

In order to have a clearer picture of how funds are used, we look at types of expenditures that are common across operational departments.

- **Personnel** – accounts for salaries, overtime, FICA, retirement, 401k, medical insurance, and workers' compensation insurance. Of note is a proposed 6% merit increase pool based upon outcomes in annual performance evaluations.
- **Operating** – accounts for all expenses for contracted services, professional services, supplies and materials, and small item purchases.
- **Capital** – accounts for large capital purchases (greater than \$5,000) and small "capital" purchases that, while they do not meet our \$5,000 capitalization threshold, are items we like to capture in a separate category due to their one-time nature for a specific purpose.
- **Debt Service** – accounts for principal and interest on outstanding debt issued by the Town.
- **Transfers and Contingency** – transfer of MSD tax revenue to the Beach Fund and a small Contingency amount for unexpected expenditures.

