

TOWN OF KITTY HAWK, NORTH CAROLINA
OPERATING BUDGET

FISCAL YEAR 2018-2019



'Paving the Way for Future Generations'



Elected Officials:

Mayor	Gary Perry
Mayor Pro Tem	Craig Garriss
Councilmember	Ervin Bateman
Councilmember	Lynne McClean
Councilmember	Jeff Pruitt

Leadership Team:

Town Manager	Andy Stewart
Management Assistant	Melody Clopton
Finance Director	Liliana Noble
Fire Chief	Mike Talley
Planning & Inspections Director	Rob Testerman
Police Chief	Joel Johnson
Public Works Director	William Midgett
Town Clerk	Lynn Morris

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April 23, 2018

Honorable Mayor, Town Council and Citizens
Town of Kitty Hawk, North Carolina

It is my pleasure to submit the Town Manager's FY 2018-19 balanced budget as required by Section 159-11 of the North Carolina General Statutes. The Town of Kitty Hawk continues to strive to meet the needs of our residents with a focus on core services: public safety, infrastructure investment, and community and economic development. The budget continues to build upon accomplishments in FY 2017-2018 such as the newly constructed Beach Nourishment project, the construction of new stormwater pumping stations along NC 12, removal of vegetative debris from the canal and ditch network, and the early payoff of the Fire Department loan. These accomplishments should be recognized and acknowledged as the Town begins to prepare for the 2018-2019 fiscal year. The budget continues to focus on superior and affordable service delivery to the residents of the Town while placing a stronger emphasis on funding future capital needs by setting aside operating revenues in the FY 2018-19 budget. Planning financially for large projects combined with carefully monitoring departmental expenditures will continue to place the Town in a strong financial position and reduce the need to finance larger capital projects in the future. Continuing to promote a strong capital reserve effort and a healthy general fund balance will position the Town to better handle any unforeseen economic downturns or unexpected expenditures without placing an additional burden on the residents.

Prepared responsibly and conservatively to ensure accountability to the taxpayers of Kitty Hawk, the budget is balanced with total revenues and expenditures of \$9,703,157.

Budget Highlights:

- The budget is balanced at a tax rate of .34 cents per \$100 valuation and requires **no** tax-rate increase for FY 2018/19. Properties located in Beach Nourishment MSD additional .12 cents.
- Establishes a contingency line item of \$73,599 for unforeseen expenses throughout the year and/or unexpected shortfall in revenue.
- Utilizes no fund balance to balance the budget.
- Maintains the \$3,500,000 emergency reserve.
- The budget provides for no new full-time positions.
- Provides a one-step pay plan adjustment and a one-step increase for all full-time Town employees.

Budget Highlights continued.....

- Funds Moore-Shore Road Living Shoreline project carryover in the amount of \$180,000.
- Funds critical capital needs and reserves consistent with the Town's five-year Capital Improvements Program in the amount of \$893,200. Establishes aggressive future Capital funding in the amount of \$345,000.
- Increases reserve funding from \$20,000 to \$80,000 for a future fire truck purchase.
- Funds an annual beach profile survey in the amount of \$41,058.

The total budget for FY 2018-19 is approximately \$285,457 or 2.8% less than FY 2017-18. A large portion of the budget decrease is attributed to grant revenue & expenditures that were received and budgeted in FY 2017-18 for various projects. It should also be noted that expenditures have decreased as a result of the Town's early payoff of debt service on the Fire Department Loan in the amount of \$281,896.

General Fund:

The General Fund provides the necessary funding for the operations of Public Safety (Police and Fire Departments), Town Council, Administration, Finance, Planning & Inspections as well as, Public Works. The Town of Kitty's Hawks General Fund can primarily be separated into four major spending categories. These categories include Personnel, Departmental Operating Expenses, Capital Purchases and Beach Nourishment.

Personnel:

Personnel expenditures are always the largest expenditure in the Town's General Fund budget. Town employees are considered one of the Town's greatest assets and are responsible for ensuring professional and quality service delivery to our residents. The Town of Kitty Hawk utilizes a step based Position Pay and Classification Plan. The Town's pay plan is intended to provide equitable compensation for all positions, reflecting differences in duties and responsibilities, the comparable rates of pay for positions in private and public employment in the area, changes in the cost of living, the financial condition of the Town, and other factors.

In an effort to maintain competitive starting salary ranges within the local market and effort to continue hiring qualified employees. The budget reflects adjusting starting salaries by one-step in addition to moving employees one-step within the Town's pay scale. The budget also reclassifies the Management Assistant position to accurately reflect the level of job responsibilities. The overall increase in payroll and benefits as compared to the FY 2017-18 budget is 2.1%. This is a direct result of attrition and hiring new employees within the minimum pay ranges where applicable.

The budget continues to fund 100% for health, dental, life and vision insurance for full-time employees. The budget includes a ten percent buffer for any premium increases that may arise during the Town’s renewal period which typically takes place in late May.

There are no additional positions proposed and a summary of full-time, part-time, and seasonal positions is provided below.

Budgeted	Full-Time	Part-Time	Seasonal	Total
FY 14/15	41	18	11	70
FY 15/16	41	16	13	70
FY 16/17	47	8	13	68
FY 17/18	47	7	14	68
FY 18/19	47	7	14	68

Operating Expenditures

Operating expenditures provide the means necessary for each Department within the Town to carry out the day-to-day services provided to Town residents. These expenses are reviewed thoroughly each year by Town Department Heads and management to ensure accountability operational efficiency. Operational costs and equipment highlights included the FY 2018-19 budget by Department include:

Non-Departmental

- Funds \$65,000 for third party information technology administration and equipment. This includes all IT hardware and support in all Departments.

Administrative Services

- No highlights

Finance Department

- Reduction to Travel & Training line item

Planning & Inspections

- No highlights

Public Works Department

- Increase to Service and Maintenance line item \$27,500. This increase is a result of a one-time expense for painting the exterior of the Public Works Building.

Police Department

- Reduction to Governor's Highway Safety Grant as a result of required travel time outweighing benefits of program participation.

Fire Department/Ocean Rescue

- No highlights

Capital Expenditures

The budget continues to fund critical capital purchases and focuses primarily on planning for the future. Responsible financial planning by the Town Council has historically eliminated the need to acquire debt in order to make large capital purchases. The FY 2018-19 identifies a total of \$853,200 in capital reserves and expenditures. Of the total capital budgeted, \$548,200 is being expended in the budget year while the remaining \$305,000 is funding future reserves for capital projects. In essence, the Town is setting aside \$305,000 of operating revenues in the FY 2018-19 budget to fund future projects.

The capital purchases and future reserves included in the FY 2018-19 budget consist of the following:

Capital Reserve Funding (Funds set aside for future years):

- Document imaging reserve - \$20,000
- Phone system replacement reserve - \$5,000
- Financial software upgrades - \$5,000
- Land Use Plan Update - \$15,000
- Fuel Storage Tank replacement - \$12,000
- Boardwalk replacement - \$8,000
- Bathhouse upgrades/renovation - \$20,000
- Future Police Department Station - \$125,000
- Fire Department on-site training equipment - \$15,000
- Purchase of future fire truck - \$80,000

Capital Purchases in FY 2018-19:

- Public Works pickup truck - \$32,000
- Living shoreline project on Moore Shore Road - \$180,000
- Road resurfacing (Powell Bill) - \$137,000
- Fire Department Bunker Gear - \$20,000

- Purchase (3) patrol vehicles - \$120,000
- Police Department equipment (Bullet Proof Vests) - \$8,700
- StairMaster Step Mill - \$5,500
- Kitty Hawk Landing Dry Stand Pipes Engineering/Study- \$10,000
- Ocean Rescue replacement truck - \$35,000

Total funded Capital Projects in FY 2018-19: \$853,200

Capital Reserve Overview

The Capital reserve consists of funds that have been set aside in previous budget years for specific future capital purchases. These reserves are “banked” funds and can be utilized when needed to fund capital projects. The largest makeup of the capital reserve are funds that have been collected and set aside for Beach Nourishment. The FY 2018-19 budget continues to aggressively set aside reserves for future capital projects in the amount of \$305,000 and utilizes only \$31,000 from the Powell Bill reserve funds for additional resurfacing to Town maintained roads.

The current chart summarizes the Capital reserve available for future projects:

	<u>FY 15-16</u>	<u>FY 16/17</u>	<u>FY 17/18</u>	Budget <u>FY 18/19</u>	<u>Ending Balance FY 18/19</u>
Air Compressor - FD	20,000	-	-	-	40,000
Bath House Upgrades/Renovations	-	-	-	20,000	20,000
Beach Nourishment	926,421	862,039	(241,049)	119,016	1,666,427
Boardwalk Replacement/Repair	-	-	-	8,000	8,000
Broom Tractor	27,700	(55,400)	-	-	-
Document Imaging	-	-	-	20,000	20,000
Fire Department Training Equipment	-	-	-	15,000	15,000
Fire Truck & Equipment	-	-	20,000	80,000	104,161
Financial Software	-	-	5,000	5,000	10,000
Fuel Storage Tank Replacement	-	-	5,000	12,000	17,000
Grapple/Dump Truck	-	20,000	(20,000)	-	-
Information Technology	20,300	-	(27,832)	-	68,271
Land Use Plan Update	-	-	-	15,000	15,000
Laptop Replacement Program	-	3,000	-	-	3,000
Parks and Trails	-	-	-	-	144,735
Phone System Replacement	-	15,000	5,000	5,000	25,000
Police Department Station	-	-	-	125,000	125,000
Storm Damage Reduction (2 cent)	-	(70,000)	-	-	154,904
Town Website Updates	-	2,500	(2,500)	-	-
Interest (Estimate)	741	741	741	741	3,705
Total Capital Reserve Fund Balance:					<u>2,440,202</u>

Beach Nourishment

In accordance with North Carolina General Statute funds collected and expended for the Beach Nourishment project must be accounted for as part of the Town's General Fund. The Beach Nourishment project was completed in 2017. The Town of Kitty Hawk and Dare County will be required to pay for the debt service of this project until FY 2021-22.

The budget continues to dedicate .04 cents of the .34 cents town wide tax to the Beach Nourishment Project. Properties located in the Municipal Service District will continue to pay an additional .12 cents that is restricted specifically for Beach Nourishment.

The second debt service payment (Payment 2 of 5) in the amount of \$2,132,787 is due in FY 2018-19. Of this payment the Town will receive \$1,207,677 from the Dare County Occupancy Tax Fund while the remaining balance will be paid from the annual collection of property taxes restricted for Beach Nourishment. Revenues generated for Beach Nourishment in excess of the yearly debt service payment will remain restricted and can be utilized for beach maintenance and other costs related to beach nourishment.

A new expenditure in the Beach Nourishment Fund in the amount of \$41,058 is being budgeted for the one year post construction beach profile survey. Surveying will include a topographic survey of the dune, berm and foreshore section of the beach while a bathymetric survey is conducted for the offshore portion of the beach profile. The survey will also be utilized in updating the Town's Maintenance Plan that is required by FEMA to receive Disaster Assistance Recovery funding. The budget also continues to fund routine maintenance and repair such as beach grass plantings and sand fencing where appropriate.

Financial Stability

The FY 2018-19 budget maintains the Emergency Fund in the amount of \$3,500,000 and in accordance with Council fund balance policy. The FY 2018-19 budget utilizes no fund balance to balance day to day operating expenditures in the budget and funds a contingency in the amount of \$73,559. The contingency will only be utilized if there are any unexpected expenditures or revenue reductions during the fiscal year.

As of FY June 30, 2017 the audited unrestricted fund balance totaled \$2,555,482. It is projected that the unrestricted fund balance as of June 30, 2018 will be approximately \$1,430,961. A large portion of this decrease is a direct result of the payoff of the Fire Department loan in FY 17/18.

Conclusion

The budget document remains the same in format, layout and content as the previous two years budgets. At the broadest level, it remains easy to read so everyone has a better idea of how

taxpayer dollars are being used. The budget is presented utilizing the highest principles of governmental budgeting in accordance with the Government Finance Officers Association.

With input from all Town Departments, a balanced budget for FY 2018-19 is hereby submitted to Town Council for consideration and approval. The budget will continue providing our Staff the resources to provide the very best service delivery to our residents. I would like to thank the Mayor and Council for their continued support and all Town employees for the outstanding job they continue to do on a daily basis.

The theme of this year's budget is ***"Paving the Way for Future Generations"*** as a result of the FY 2018-19 budget placing emphasis on the long range planning for the Town of Kitty Hawk. The budget emphasizes financial responsibility by setting aside funds for future projects, facilities, and capital that will affect generations to come.

It is with great pleasure I submit to the Mayor and Town Council the balanced FY 2018-19 budget document.

Sincerely,

Andy Stewart
Town Manager, Town of Kitty Hawk

**Town of Kitty Hawk
Budget Ordinance - FY 2018-19**

BE IT ORDAINED by the Town Council of the Town of Kitty Hawk, North Carolina that:

ESTIMATED GENERAL FUND REVENUES: It is estimated that the following General Fund Revenues will be available during the fiscal year beginning July 1, 2018 and ending June 30, 2019 to meet appropriations approved by the Town Council herein. The property tax revenue estimate is based on a projected collection rate of 99% by the Dare County Tax Department.

GENERAL FUND BUDGET

Source	Amount
Ad Valorem Tax (\$.30)	\$3,344,001
Ad Valorem Tax (\$.04) Debt Service Beach Nourishment	\$445,867
Ad Valorem Tax MSD (\$.12) Beach Nourishment	\$497,217
Prior Years Taxes	\$5,000
Penalties/Interest	\$3,000
Motor Vehicle Tax	\$140,000
Motor Vehicle Tax (\$.04) Beach Nourishment	\$20,000
Motor Vehicle Tax (\$.12) MSD	\$8,000
Telecom Tax	\$27,900
Electric Utilities Tax	\$382,000
Piped Natural Gas	\$1,500
Cable Franchise Tax	\$87,624
PEG Channel Tax	\$27,000
Occupancy Tax	\$1,320,000
Local Option Sales Tax	\$1,283,000
Local Option Sales Tax Beach Nourishment MSD	\$149,100
Land Transfer Tax	\$305,000
Mixed Beverage Tax	\$57,817
Beer and Wine Tax	\$15,904
Building Permits	\$110,000
Town Merchandise Sales	\$500
CAMA Permit Fees	\$3,500
Homeowner Recovery Fee	\$700
Interest on Investments	\$20,000
Office Rental – NC Department of Environment and Natural Resources	\$4,800
Dare Co. – Sand Fencing	\$24,000
Miscellaneous Revenue	\$1,000
Powell Bill	\$106,000
Board of Adjustment Fees	\$500
Court Fees	\$3,500
Sanitation Fees (Garbage Cans)	\$5,500

Source	Amount
Solid Waste Disposal Tax	\$2,300
Code Enforcement Fines & Parking Violations	\$4,000
Fines and Forfeitures	\$250
Site Plan Review Fees	\$1,000
Sale of Surplus Property	\$10,000
Planning Permits and Fees	\$13,000
GHSP Grants	\$2,000
Governor's Crime Commission Grant	\$24,000
Controlled Substance Distribution	\$1,000
Dept. of Justice Asset Forfeiture	\$1,000
Icarus International	\$6,000
Transfer from Capital Reserve	\$31,000
Dare County Payment to BN Obligation Bonds	\$1,207,677
Fund Balance – Appropriated	\$0
Total	\$9,703,157

GENERAL FUND APPROPRIATIONS: The following amounts are hereby appropriated for the operation of the Town government and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

Function	Budget
General Government	\$2,353,111
Public Safety	\$3,769,185
Transportation – Powell Bill	\$137,000
Sanitation	\$1,116,000
Beach Nourishment	\$2,327,861
Total	\$9,703,157

CAPITAL RESERVE FUND BUDGET

ESTIMATED CAPITAL RESERVE FUND REVENUES: It is estimated that the following Capital Reserve Fund Revenues will be available during the fiscal year beginning July 1, 2018 and ending June 30, 2019 to meet appropriations approved by the Town Council herein.

Function	Budget
Capital Reserve	\$31,000
Transfer from General Fund – Future Capital	\$305,000
Transfer from General Fund – Excess Beach Nourishment	\$119,016
Total	\$455,016

CAPITAL RESERVE FUND APPROPRIATIONS: The following amounts are hereby appropriated for the operation of the Capital Reserve Fund and its activities for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

Function	Budget
Transfer to General Fund	\$31,000
Reserves	\$424,016
Total	\$455,016

TAXES AND FEES LEVIED: There is hereby levied a tax rate of 34 cents (\$0.34) on each one hundred dollars (\$100.00) valuation of taxable property in the Town of Kitty Hawk, as listed for taxes for the current tax year by the Dare County Tax Department. The Municipal Service District (MSD) is established with a tax rate of an additional 12 cents (\$.12) for each one hundred dollars (\$100) valuation of taxable property in the Town of Kitty Hawk for the purpose of a Beach Nourishment Capital Project to repay debt service on special obligation bonds, as listed for taxes for the current tax year by the Dare County Tax Department. The total property tax base is estimated by the Dare County Tax Office to be \$1,125,926,704 with the MSD portion representing \$418,533,026 of the total property tax base. The total property tax levies are anticipated to produce \$ 4,287,085 in revenue based on a 99% collection rate. A penny on the tax rate is projected to generate approximately \$154,446.31.

ENCUMBERED OPERATING FUNDS REAPPROPRIATED: The operating funds encumbered on the financial records as of June 30, 2018 are hereby re-appropriated to this budget.

TOWN MANAGER TRANSFER AUTHORIZATION: The Town Manager is hereby authorized to transfer amounts between functional areas, including contingency appropriations, within the same fund. He must make an official report of such transfers at the next regular meeting of the Town Council.

ANNUAL BUDGET COPIES: Copies of the Budget for FY 2018-19 shall be furnished to the Town Council members, Town Manager, Town Finance Officer, and Town Clerk to be kept on file by them for their direction in the disbursement of funds.

Adopted by the Kitty Hawk Town Council this 4th day of June 2018.

Gary L. Perry, Mayor

Lynn Morris, Town Clerk

2018 Date	Action Item
April 23	Budget work session with Town Council
May 23	Public Hearing Advertised for Budget Ordinance
May 24	Town Manager files proposed Budget with Town Clerk
June 4	Council Holds Public Hearing on Proposed Budget and adoption of FY 2018-2019 Budget Ordinance
July 1	Approved FY 2018-2019 budget becomes effective
For information regarding meeting times and locations, visit www.townofkittyhawk.org	

Budget Process

The Town budget is adopted by ordinance in accordance with the North Carolina Local Government Budget & Fiscal Control Act (N.C.G.S. 159). It must be adopted no earlier than 10 days after the budget is presented to the Council and not later than July 1 of each year. The budget ordinance shall cover a fiscal year beginning July 1 and ending June 30 of each fiscal year. State law requires a balanced budget, i.e., a budget when the sum of estimated revenues and appropriated fund balances is equal to appropriations. The budget is developed on the modified accrual basis of accounting.

In accordance with General Statute Chapter 159 Department Heads transmit their budget requests to the designated budget officer with a list of expected expenditures before April 30 of each year. The budget officer then compiles all Department requests and develops a balanced budget. After the fiscal year begins, staff prepares monthly reports of budgeted-versus-actual revenues and expenditures. These reports are used by management to monitor spending and plan for the next year's budget.

Budget Amendments

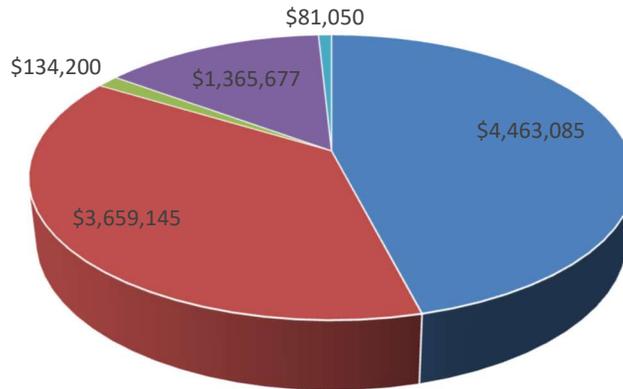
Expenses or transfers incurred throughout the year in excess of appropriations must have prior Council approval. These approvals are formally acknowledged by the Town Council in the form of budget amendments. The budget is prepared on a line-item basis and budgetary compliance is maintained on the Department level.

Summary of General Fund Revenues by Percentage

Percentage of Revenues by Source
GENERAL FUND

ACCT. NO.	CLASSIFICATION	GENERAL FUND			PROPOSED	Percentage of Revenues
		ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET 18/19	
REVENUES						
	Taxes - Property	4,396,770	4,457,550	4,416,312	4,463,085	46.00%
	Taxes - Other	3,217,703	3,721,152	3,531,478	3,659,145	37.71%
	Permits and Fees	130,036	133,723	132,300	134,200	1.38%
	Intergovernmental	163,385	723,897	1,586,723	1,365,677	14.07%
	Fines and Forfeits	2,782	15,488	7,500	7,750	0.08%
	Interest Earnings	17,948	38,455	15,000	20,000	0.21%
	Other Revenue	55,101	88,847	41,800	22,300	0.23%
	Fund Balance Appropriated	-	-	235,000	-	0.00%
	Transfer in from Capital Reserve	17,200	55,400	22,500	31,000	0.32%
	Total Revenues:	8,000,925	9,234,512	9,988,613	9,703,157	100.00%

Top Five Revenues by Source

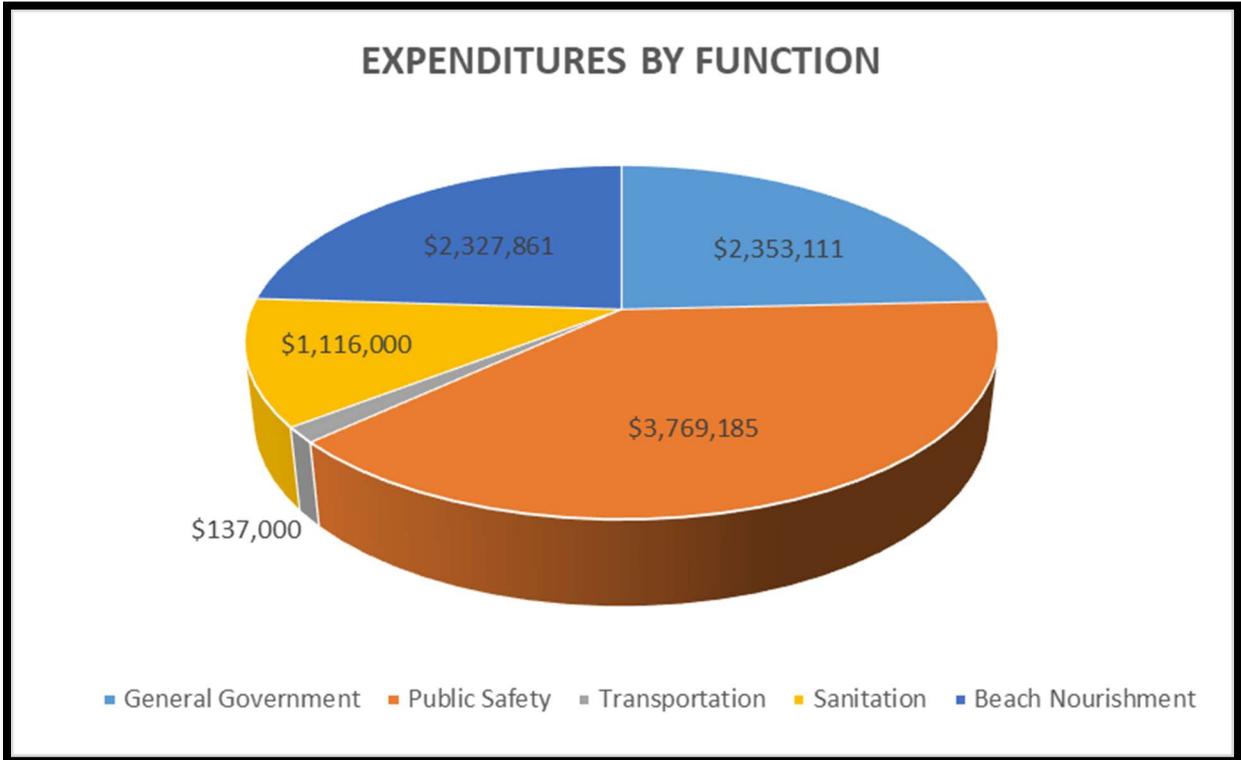


- Taxes - Property
- Taxes - Other
- Permits and Fees
- Intergovernmental (Includes BN)
- Other Revenue

Summary General Fund Expenditures by Percentage

Percentage of Expenditures by Function

		GENERAL FUND			PROPOSED	
ACCT. NO.	CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19	Percentage of Expenditures
EXPENDITURES						
4110	Governing Body(Town Council)	19,734	15,199	26,700	26,700	0.28%
4100	Non-Departmental	331,256	684,771	430,377	522,409	5.38%
4120	Administrative Services	421,572	442,693	440,000	466,455	4.81%
4130	Finance Department	177,356	183,995	213,534	211,849	2.18%
4910	Planning & Inspections Department	284,442	287,088	293,183	300,359	3.10%
4270	Public Works Department	1,566,891	2,210,063	2,410,264	2,046,829	21.09%
4310	Police Department	1,660,154	1,715,144	1,899,408	2,054,781	21.18%
4340	Fire Department	1,419,142	2,069,499	1,734,271	1,529,350	15.76%
4370	Ocean Rescue	100,979	107,201	159,704	185,054	1.91%
4980	Planning Board	8,664	4,750	15,777	12,545	0.13%
4990	Board of Adjustment	583	-	3,780	4,265	0.04%
4111	Recreation Committee	505	3,493	4,200	14,700	0.15%
4410	Beach Nourishment	954,746	1,131,039	2,357,416	2,327,861	23.99%
Total Expenditures:		5,990,773	8,854,935	9,988,614	9,703,157	100.00%



The following revenue sources represent larger revenue sources that have a significant impact on the Town’s operating budget:

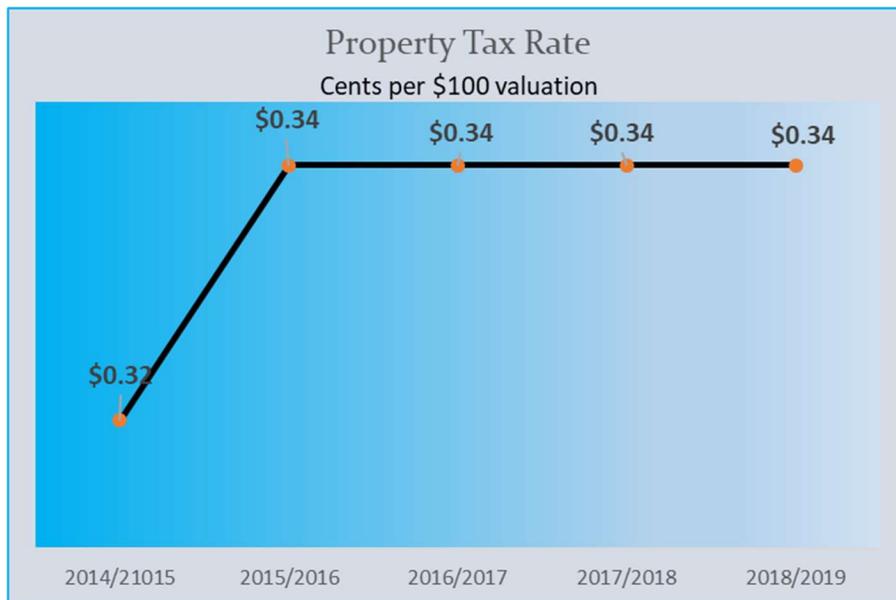
Property Tax

The Town’s largest revenue source at 44.18% of General Fund revenues is the proposed property tax, budgeted at \$4,287,085—approximately .07% more than FY 17/18. This increase is derived mainly from new construction and improvements, according to the gross taxable value assessment certified by the Dare County Tax Office.

Collected by the Dare County Tax Office, the property tax amount is calculated by multiplying the Town’s assessed property values by the property tax rate set by Council after the Property Appraiser certifies the gross taxable value. The proposed budget uses the tax rate of 34 cents per \$100 of property valuation town wide and budgets based on a 99%-collection rate. Of the 34 cent property tax 4 cents is specifically dedicated to the beach nourishment fund. Residents located within the beach nourishment Municipal Service District also pay an additional 12 cents in addition to the town wide property tax of 34 cents per \$100 of property valuation.

A penny of property tax rate is projected to generate approximately \$154,446. The Town receives a large portion of its property tax revenues from October through February, as the tax bills go out in July and become due on September 1.

As indicated above, property tax revenue is heavily affected by property values as well as new construction. Based on market indicators for Kitty Hawk properties, staff predicts property values will remain constant or rise at a slow pace over the next several years.



***Graph does not include .12 cent additional tax rate within the Municipal Service District*

Motor Vehicle Tax

Residents in North Carolina are required to register their motor vehicles with the state. These motor vehicles are taxed at the same rate as the Town's property tax rate. Motor vehicles are valued by year, make and model in accordance with the North Carolina Vehicle Valuation Manual. Values are based on the retail level of trade for property tax purposes.

The Motor Vehicle Tax will generate an estimated \$168,000 for FY 18/19 and represents 1.73% of the General Fund Revenues.

Local Option Sales Tax

The State of North Carolina currently implements a 6.75% sales tax rate on all qualifying sales within Dare County. 2% of this sales tax consists of a Dare County local sales tax while the remaining 4.75% is the North Carolina State Sales Tax.

The proceeds from the sales tax collected is distributed utilizing the Ad Valorem Distribution formula. Utilizing this method, the proceeds must be divided between the county and the municipalities in proportion to the total amount of ad valorem taxes levied by each. Therefore, a large tax increase by a unit in one year may distort the next year's allocations. When a county increases tax rates each year and municipalities in that county hold the line on tax increases or keep the increase at a minimum, it is possible for municipalities in ad valorem distribution counties to find their sales tax revenues not increasing at the statewide average, and they may even be lower than the previous year.

In the Town of Kitty Hawk, the total amount of ad valorem taxes levied has remained consistent in past fiscal years with gradual increases. However, it is anticipated that the local option sales tax revenues may slightly decrease in future years as a result of surrounding municipalities beginning to re-establish Municipal Service District tax rates to pay for Beach Nourishment projects. However, if economic spending increases these expected decreases could be offset as a result of larger sales tax revenue.

The local option sales tax will generate an estimated \$1,432,100 and represents 14.76% of General Fund Revenues.

Occupancy Tax

Dare County collects a total of six percent tax (6%) on gross receipts derived from the rental of room, lodging, campsite, or similar accommodation furnished by any hotel, motel, inn, tourist camp including private residences and cottages rented to transients. – 3%. Half of revenues collected from this tax are distributed to the County and the six municipalities within Dare County for tourist-related purposes, including construction and maintenance of public facilities and buildings, garbage, refuse, solid waste collection and disposal, police protection and emergency services. The six municipalities split two thirds of this revenue in proportion to the amount of ad valorem tax levied by each Town

for the preceding fiscal year and the County gets the remaining one third. The remaining half of the tax is used for funding beach nourishment (2% tax) and (1% tax) promoting tourism in Dare County.

The Town of Kitty Hawk could see a slight decrease in revenues received from this tax in future years as a result of the formula for disbursement being based on total ad valorem. It is anticipated the one or several municipalities in Dare County will implement a higher tax rate to fund Beach Nourishment projects in the near future.

The Occupancy Tax will generate an estimated \$1,320,000 and represents 13.6% of General Fund Revenues.

Electric Utility Tax

The State of North Carolina levies a 7 percent (7%) franchise tax on the total gross receipts of all businesses within the State that furnish electricity. An amount equal to 3.09 % of the total gross receipts of electricity service derived from the sale within the municipality is distributed to the municipality in which these gross sales are made.

The municipal distributions of the utility franchise tax on electricity gross receipts are on September 15, December 15, March 15, and June 15. Electric Utility Taxes are projected to remain consistent over the next several years and are dependent on utility usage and rates.

The Electric Utility Tax will generate an estimated \$382,000 and represents 3.93% of General Fund Revenues.

Land Transfer Tax

The Land Transfer Tax for Dare County is 1%. The tax is an excise tax on instruments conveying certain interests in real property. The tax imposed is \$1 per each \$100 or fraction thereof of the total consideration of value of the interest conveyed. Currently the County receives 65% of the proceeds while the Towns receive 35% in proportion to the amount of ad valorem taxes levied by each town for the preceding fiscal year.

The Land Transfer Tax fluctuates based on the housing market environment. The housing market is predicted to remain neutral over the next several years, therefore, this tax is expected to remain consistent over the next several years.

The Land Transfer Tax will generate an estimated \$305,000 and represents 3.14% of General Fund Revenues.

Building Permits

The Town of Kitty Hawk requires permits for new construction, adding onto pre-existing structures, and other renovations to properties located within the Town limits. The fees generated from the

building permits provides the resources for the building department to inspect and ensure compliance with national, regional, and local building codes.

The Town expects building permits to remain consistent with the FY 17/18 fiscal year. Any other increases or decreases are driven by the economy and fluctuations in the housing market.

Building Permits revenues will generate an estimated \$110,000 and represents 1.13% of General Fund Revenues.

Powell Bill

Powell Bill Funds comes from revenues generated by the state gas tax and other highway user fees. The formula requires 75 percent of the funds to be awarded based on population, while the remaining 25 percent are based on the number of street miles each municipality maintains.

In accordance with G.S. 136-41.1 through 136-41.4 Powell Bill funds shall be expended primarily for the purposes of resurfacing streets within the corporate limits of the municipality but may also used for maintaining, repairing, constructing, reconstructing or widening of any street or public thoroughfare within the municipal limits or for planning, construction, and maintenance of bikeways, greenways or sidewalks.

Funds generated are expected to remain consistent to previous year's allocations as a result of slow population growth and no additional streets planned for construction.

Powell Bill revenues will generate an estimated \$106,000 and represents 1.09% of General Fund Revenues.

Grants

The Town of Kitty Hawk has been proactive at relieving the financial burden of residents for certain projects and programs when grant funding is available through other governmental agencies. The Town of Kitty Hawk in FY 17/18 received approximately \$350,000 in non-matching in grant funding. The Town will actively pursue grant funding, however, in many instances these grants are applied for during the fiscal year and as they become available.

Grant funding that can be anticipated in advance of the fiscal year will generate an estimated \$26,000 The Town expects this revenue to increase as grants are applied for and awarded throughout the year.

Interest Earnings on Investments

The Town has legal limitations on investments allowed under NC General Statute 159-30, however, does make investments in an effort to maximize the return of available funds. The Town has experienced very low interest rate returns over the past several years as a result of the Federal

Treasury rates, however, continues to receive revenue from investments. It is expected that interest rates will increase gradually over the next five years.

The interest earnings on investments is expected to generate an estimated \$20,000.

Transfers from Capital Reserve and Fund Balance

These revenues typically represent funds transferred into the current year budget from Town reserves. These funds are typically not collected throughout the fiscal year and have been set aside in previous years to fund large capital projects. These funds are transferred into the budget in the year in which the capital purchase is to be funded. In addition, funds may also be transferred from the Town Fund Balance to balance the budget.

The only funds for the FY 18/19 budget being transferred into the General Fund from the Capital Reserve Fund are Powell Bill funds restricted from previous year collections. These funds are received from the State of North Carolina for Town maintained roadways.

There are no funds being requested from the unrestricted fund balance for FY 18/19.

The Transfers from Other Funds will generate an estimated \$31,000.

The Town of Kitty Hawk anticipates the unrestricted general fund balance to remain the same as in FY 17/18. The FY 18/19 proposes no utilization of unrestricted fund balance.

The Capital Reserve Fund is projected to increase by an estimated \$320,000 in FY 18/19 as a result of funds being reserved for future projects.

In 2011 the Town Council adopted a fund balance policy for the general fund which sets aside \$3,500,000 for unanticipated expenditures, revenue shortfalls and emergencies. The Emergency Reserve is anticipated to remain at the levels identified in the policy for FY 18/19.

Overall, the Town is continuing to maintain healthy fund balances and is financially stable.

General Fund Balance

Fiscal Year Ending	Actual FY 15/16	Actual FY 16/17	Estimated FY 17/18	Estimated FY 18/19
<u>RESTRICTED:</u>				
Non-spendable:				
Prepaid Items	\$ 40,283	\$ 23,533	\$ 40,283	\$ 40,283
Restricted for:				
Stablization by State Statute	\$ 758,570	\$ 1,097,512	\$ 1,097,521	\$ 1,097,521
Street - Powell Bill	\$ 290,323	\$ 320,405	\$ 320,405	\$ 289,405
Public Safety	\$ 7,292	\$ 6,057	\$ 7,082	\$ 7,082
LEO Special Separation Allowance	\$ 40,018	\$ 35,295	\$ 29,144	\$ 29,144
Capital Reserve Fund	\$ 1,504,240	\$ 2,415,576	\$ 2,159,963	\$ 2,480,202
Appropriated Fund Balance	\$ 120,797	\$ 235,000	\$ -	\$ -
Emergency Reserve	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Total Restricted:	<u>\$ 6,261,523</u>	<u>\$ 7,633,378</u>	<u>\$ 7,154,398</u>	<u>\$ 7,443,637</u>
<u>UNRESTRICTED:</u>				
Committed:				
	\$ -	\$ -	\$ -	\$ -
Assigned:				
For Reserves				
Unassigned:	\$ 2,639,332	\$ 2,555,482	\$ 1,430,961	\$ 1,430,961
Total Unrestricted:	<u>\$ 2,639,332</u>	<u>\$ 2,555,482</u>	<u>\$ 1,430,961</u>	<u>\$ 1,430,961</u>
Total Fund Balance at Fiscal Year End:	<u>\$ 8,900,855</u>	<u>\$ 10,188,860</u>	<u>\$ 8,585,359</u>	<u>\$ 8,874,598</u>

General Fund Revenues - Detailed

GENERAL FUND - 10 / DEPARTMENT DETAIL - 000

ACCT. NO.	REVENUE SOURCE	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
TAXES - PROPERTY					
10-9000-3100-0000	Ad Valorem Tax (\$.32)	3,278,919	3,320,685	3,318,129	3,344,001
10-9000-3275-0000	Ad Valorem (\$.04) BN	436,746	442,756	442,417	445,867
10-9000-3274-0000	Ad Valorem (\$.12) MSD	494,135	495,967	494,784	497,217
10-9000-3100-0000	Ad Valorem Prior Years	23,215	13,313	5,000	5,000
10-9000-3100-4170	Ad valorem and Vehicle Penalties/Interest	7,360	2,551	2,500	3,000
10-9000-3280-4121	Motor Vehicle Tax	133,580	154,441	130,000	140,000
10-9000-3280-4123	Motor Vehicle Tax - (\$.04)BN	17,766	20,477	17,969	20,000
10-9000-3280-4125	Motor Vehicle Tax - (\$.12)MSD	5,049	7,359	5,513	8,000
	Subtotal	4,396,770	4,457,550	4,416,312	4,463,085
TAXES - OTHER					
10-9000-3230-0000	Local Option Sales Tax	1,134,374	1,222,917	1,148,940	1,283,000
10-9000-3230-0012	Local Option Sales Tax - BN MSD	-	162,354	151,060	149,100
10-9000-3270-0000	Occupancy Tax	1,183,530	1,388,871	1,319,209	1,320,000
10-9000-3245-0000	Land Transfer Tax	295,507	333,266	290,000	305,000
10-9000-3837-0000	Mixed Beverage Tax (ABC)	59,175	55,571	56,560	57,817
10-9000-3324-4001	Telecom Tax	29,413	29,135	27,734	27,900
10-9000-3324-4002	Electric Utility Tax	383,782	395,074	401,958	382,000
10-9000-3324-4003	Cable Franchise Tax	85,345	86,756	89,922	87,624
10-9000-3324-4004	Piped Natural Gas Tax	1,344	1,537	1,400	1,500
10-9000-3324-4005	PEG Channel	27,972	27,586	28,000	27,000
10-9000-3322-0000	Beer and Wine Tax	15,044	15,747	15,195	15,904
10-9000-3471-0000	Solid Waste Disposal Tax	2,217	2,337	1,500	2,300
	Subtotal	3,217,703	3,721,152	3,531,478	3,659,145
PERMITS AND FEES					
10-4910-3343-4010	Building Permits	99,954	117,353	110,000	110,000
10-4910-3343-4011	Homeowner Recovery Fee	690	920	300	700
10-4910-3343-4012	CAMA Permits	5,425	4,855	3,500	3,500
10-4990-3345-4020	Board of Adjustment Fees	600	-	500	500
10-4990-3345-4021	Site Plan Review Fees	-	-	1,000	1,000
10-4910-3839-0000	Planning Permit and Fees	18,118	5,196	12,000	13,000
10-9000-3470-0000	Sanitation Fees (Garbage Carts)	5,250	5,400	5,000	5,500
	Subtotal	130,036	133,723	132,300	134,200
INTERGOVERNMENTAL					
10-9000-3316-0000	Powell Bill Allocation (pass through)	106,555	106,072	106,000	106,000
10-9000-3317-4091	Dept of Justice Asset Forfeiture Program	-	2,280	-	1,000
10-9000-3317-4092	NCDOR Unauthorized Sub Tax Distribution	7,292	3,566	1,000	1,000
10-9000-3431-0000	Grants- KH Landing Association(pass through)	-	209,580	-	-
10-9000-3431-0001	KH Landing Association contribution(pass through)	-	106,440	-	-
10-9000-3633-0000	FEMA - State Grant Revenue (pass through)	-	263,537	-	-
10-9000-3633-0000	NC Soil and Water Grant (pass through)	-	-	190,050	-
10-4270-3839-0000	Dare Co. - Sand Fencing (pass through)	11,446	10,228	-	24,000
10-4310-3431-0000	Gov. Crime Commission Grant (pass through)	-	6,227	24,000	24,000
10-4310-3431-5060	GHSP Grants (pass through)	38,092	15,967	20,000	2,000
10-4410-3271-0000	Dare County Payment to Obligation Bonds	-	-	1,245,673	1,207,677
	Subtotal	163,385	723,897	1,586,723	1,365,677

General Fund Revenues - Detailed

GENERAL FUND - 10 / DEPARTMENT DETAIL - 000

ACCT. NO.	REVENUE SOURCE	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
FINES & FORFEITS					
10-9000-3330-0000	Court Fees	2,782	5,138	3,500	3,500
10-9000-3331-0000	Code Enforcement Fines & Parking Violations	-	4,300	4,000	4,000
10-9000-3332-0000	Fines and Forfeitures	-	6,050	-	250
	Subtotal:	2,782	15,488	7,500	7,750
INTEREST EARNINGS					
10-90000-3831-1004	Interest on Investments	17,948	38,455	15,000	20,000
	Subtotal:	17,948	38,455	15,000	20,000
OTHER REVENUE					
10-9000-3412-0000	Town Merchandise Sales	511	275	500	500
10-90000-3434-0000	General Donations	1,155	200	-	-
10-9000-3834-0000	Office Rental - DNR NC	4,800	4,800	4,800	4,800
10-9000-3835-0000	Sale of Surplus Property	10,271	16,839	10,000	10,000
10-9000-3839-0000	Miscellaneous Revenue	14,485	15,350	1,000	1,000
10-9000-3839-4025	Local Cable Franchise Fees- Charter Riverside	20,403	23,284	22,000	-
10-4270-3839-0110	Icarus International	3,476	28,098	3,500	6,000
	Subtotal:	55,101	88,847	41,800	22,300
FUND BALANCE					
10-9000-3991-0000	Fund Balance Appropriated	-	-	235,000	-
	Subtotal:	-	-	235,000	-
TRANSFER IN FROM CAPITAL RESERVE					
10-9000-9500-0000	Powell Bill Reserves	-	-	-	31,000
10-9000-9500-0000	Capital Reserves (Grapple/Dump Truck)	17,200	55,400	20,000	-
10-9000-9500-0000	Town Website (project code 1082)	-	-	2,500	-
	Subtotal:	17,200	55,400	22,500	31,000
TOTAL REVENUES		8,000,925	9,234,512	9,988,613	9,703,157

Governing Body Town Council

Councilman
Jeff Pruitt

Mayor Pro Tem
Craig Garriss

Mayor
Gary Perry

Councilwoman
Lynne McClean

Councilman
Ervin Bateman



Governing Body (Town Council) Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4110

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL					
5121	Council Compensation	8,625	6,825	9,450	9,450
5181	FICA	694	556	750	750
	Subtotal:	9,319	7,381	10,200	10,200
OPERATING					
5192	Professional Services	3,072	-	3,500	3,500
5310	Travel and Training	451	486	5,000	5,000
5321	Telephone, Communications, Email	814	888	1,000	1,000
5491	Dues and Subscriptions	6,078	6,259	6,000	6,000
5499	Miscellaneous	-	185	1,000	1,000
	Subtotal:	10,415	7,818	16,500	16,500
	TOTAL GOVERNING BODY EXPENDITURES:	<u>19,734</u>	<u>15,199</u>	<u>26,700</u>	<u>26,700</u>

Planning & Inspections Department

Mission:

To establish an attractive, safe, and functional community with a high "quality of life" for residents and visitors through planning and facilitating development activities in the Kitty Hawk community.



Non-Departmental

Non-Departmental Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4100

ACCT. NO.	Project code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
OPERATING						
5005		PEG Government Channel (pass through)	27,972	27,586	32,400	32,400
5006		Tax Collection Fees - Dare County	49,665	50,047	50,000	50,160
5007		Collection Fees - NCVTS	5,139	7,110	9,200	8,000
5220		Employee Relationship/Events	2,274	2,885	3,000	6,000
5250		Vehicle Supplies	183	381	400	400
5299		Departmental Supplies	4,814	4,571	4,500	4,500
5321		Telephone, Communication, Email	3,704	3,781	3,500	4,000
5325		Postage	385	259	500	500
5330		Utilities	4,483	5,073	5,200	5,200
5340		Printing	-	-	400	400
5370		Advertising	-	-	800	500
5383		IT Services (Include PD Laptop)	2,718	2,361	35,000	70,000
5440		Service & Maintenance Contracts	6,902	7,853	8,000	9,500
5440		Serv & Maint. Contracts New Town Website	-	-	10,000	-
5450		Insurance & Bonding	165,455	214,069	231,000	231,000
5491		Dues & Subscriptions	268	341	250	250
5455		Special Liabilities/Unemployment Compens.	2,178	3,010	10,000	-
5456		Fines and Forfeitures	-	6,100	-	-
		Subtotal:	276,140	335,428	404,150	422,810
MAINTENANCE & REPAIRS						
5352		Maintenance & Repairs - Equipment	-	-	-	-
5353		Maintenance & Repairs - Vehicle	1,350	205	1,000	1,000
		Maintenance & Repairs - IT	-	-	-	-
		Subtotal:	1,350	205	1,000	1,000
PROGRAMS & GRANTS						
5090		Kitty Hawk Landing Association	-	314,370	-	-
		Subtotal:	-	314,370	-	-
CONTINGENCY						
5991		Budgetary Contingency	-	-	5,227	58,599
		Subtotal:	-	-	5,227	58,599
CAPITAL OUTLAY						
5520	1081	PD Server Replacement	17,565	-	-	-
5520	1083	PD Records Management Server(RMS)	-	-	-	-
5520	1083	IT Development	-	14,269	15,000	-
5540		Vehicles	15,901	-	-	-
5550		Equipment -Town Hall new copier	-	-	-	-
		Subtotal:	33,466	14,269	15,000	-
TRANSFER TO CAPITAL RESERVE						
5520	1083	IT Development	20,300	3,000	-	-
5520	1082	Town Website Reserve	-	2,500	-	-
5520	1084	Document Imaging Reserve	-	-	-	20,000
5550	1081	Phone System	-	15,000	5,000	5,000
		Subtotal:	20,300	20,500	5,000	25,000
TOTAL NON-DEPARTMENTAL EXPENDITURES:			331,256	684,771	430,377	507,409

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Administrative Services

Mission:

Administrative Services conducts the overall administration of the Town as prescribed by the North Carolina General Statutes. Coordinates personnel and activities in accordance with the adopted Goals and Objectives of the Town Council and implements all policies and actions of the Town Council.

Administrative Services Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4120

ACCT. NO.	Project code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL						
5121		Salaries & Wages	274,374	286,793	265,338	280,980
5181		FICA	20,447	21,243	20,372	21,569
5182	0901	Retirement Contribution	18,848	21,385	19,237	22,282
5182	0902	401 K	4,040	5,320	5,307	5,619
5183		Health Insurance	44,853	44,310	56,546	50,755
Subtotal:			362,562	379,051	366,800	381,205
PROFESSIONAL SERVICES						
5192		Legal Services	33,616	35,713	40,000	45,000
5199		Professional Services - Other (Town Hall Improvements)	-	6,618	1,500	11,500
5396		Video & Transcription	5,400	6,200	8,000	8,000
Subtotal:			39,016	48,530	49,500	64,500
OPERATING						
5299		Departmental Supplies	5,304	1,968	3,500	2,500
5310		Travel	3,149	2,460	5,000	3,500
5321		Telephone, Communications, Email	2,631	2,234	3,000	2,800
5325		Postage	233	200	400	350
5349		Printing Codification of Ordinances	2,614	2,975	5,000	5,000
5370		Advertising	2,758	2,504	3,200	3,200
5440		Service & Maintenance Contracts (Pre-Employment)	1,898	1,925	2,400	2,400
5491		Dues & Subscriptions	1,407	845	1,200	1,000
Subtotal:			19,994	15,112	23,700	20,750
TOTAL ADMINISTRATIVE SERVICES EXPENDITURES:			421,572	442,693	440,000	466,455

Finance Department

Mission:

The mission of the Finance Department is to administer and provide fiscally responsible control and guidance for all financial matters of the Town while complying with all applicable Town, State and Federal mandates. The Finance Department, in accordance with adopted Town Council policies, handles all Town-related financial matters in accordance with the North Carolina Budget and Fiscal Control Act. The department manages the Town's investment program, receipts, payables, payroll, and is responsible for coordinating and preparing for the annual independent audit at the close of each year.



Finance Department Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4130

ACCT. NO.	Project code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL						
5121		Salaries & Wages	102,317	106,234	108,978	107,588
5181		FICA	6,885	7,320	8,374	8,267
5182	0901	Retirement Contribution	7,028	7,844	7,901	8,532
5182	0902	401K	1,274	1,536	2,180	2,152
5183		Health Insurance	27,504	28,853	32,401	36,810
Subtotal:			145,008	151,787	159,834	163,349
PROFESSIONAL SERVICES						
5191		Auditor & Actuaries	18,998	18,785	20,000	22,500
Subtotal:			18,998	18,785	20,000	22,500
OPERATING						
5299		Departmental Supplies	2,378	1,698	2,600	2,000
5310		Travel & Training	2,609	2,929	12,000	5,000
5321		Telephone, Communications, Email	642	749	850	850
5325		Postage	317	365	400	400
5340		Printing	450	281	1,000	1,000
5440		Service & Maintenance Contracts	6,600	7,107	11,500	11,500
5491		Dues & Subscriptions	354	293	350	250
Subtotal:			13,350	13,422	28,700	21,000
TRANSFER TO CAPITAL RESERVE						
5550	1085	Financial software upgrade	-	-	5,000	5,000
Subtotal:			-	-	5,000	5,000
TOTAL FINANCE DEPARTMENT EXPENDITURES:			<u>177,356</u>	<u>183,995</u>	<u>213,534</u>	<u>211,849</u>

Planning & Inspections Department Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4910

ACCT. NO.	Project code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL						
5121		Salaries & Wages	184,332	194,180	190,953	182,153
5181		FICA	13,141	14,848	14,681	14,008
5182	0901	Retirement Contribution	12,663	14,435	13,844	14,445
5182	0902	401K	3,047	3,229	3,819	3,643
5183		Health Insurance	39,948	33,524	38,236	39,860
		Subtotal:	253,131	260,215	261,533	254,109
PROFESSIONAL SERVICES						
5195		Engineering	-	498	5,000	3,500
5199		Contracted Inspection Services	672	875	2,500	2,500
		Subtotal:	672	1,373	7,500	6,000
OPERATING						
5212		Uniforms	-	349	200	200
5250		Motor Vehicle Fuel	1,076	1,291	2,200	2,200
5299		Departmental Supplies	970	1,806	2,300	2,300
5310		Travel & Training	3,973	5,358	5,000	5,500
5321		Telephone & Communications	1,274	1,189	1,250	1,250
5325		Postage	2,087	2,027	2,300	2,300
5340		Printing	1,944	1,644	2,300	2,600
5370		Advertising	-	50.00	800	800
5440		Service & Maintenance Contracts	5,333	3,000	4,000	4,000
5491		Dues & Subscriptions	1,223	943	2,000	2,000
5693		Homeowner Recovery Fees	711	558	300	600
		Subtotal:	18,591	18,216	22,650	23,750
MAINTENANCE & REPAIRS						
5353		Maintenance & Repairs	1,172	820	1,500	1,500
		Subtotal:	1,172	820	1,500	1,500
CAPITAL OUTLAY						
5540		Vehicle for Code Enforcement	10,876	-	-	-
5550		Equipment	-	6,464	-	-
		Subtotal:	10,876	6,464	-	-
TRANSFER TO CAPITAL RESERVE						
5520	1089	Land Use Plan Update Reserve	-	-	-	15,000
		Subtotal:	-	-	-	15,000
TOTAL PLANNING & INSPECTIONS EXPENDITURES:			<u>284,442</u>	<u>287,088</u>	<u>293,183</u>	<u>300,359</u>

Public Works Department

Mission:

The mission of the Public Works Department is to provide and maintain the highest level of public work services and facilities for residents and businesses in the Town of Kitty Hawk. Public Works is committed to providing reliable and responsive services to the community in a safe, respectful, and cost-effective manner, being ever mindful of the the public trust.



Public Works Department Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4270

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL						
5121		Salaries & Wages	207,849	205,112	187,354	182,401
5121		Seasonal/Part-Time	-	-	37,350	38,900
5122		Overtime	687	4,922	-	3,000
5181		FICA	15,755	15,684	17,337	17,077
5182	0901	Retirement Contribution	12,303	13,433	13,584	14,464
5182	0902	401 K	3,461	3,136	3,747	3,649
5183		Health Insurance	42,425	35,983	51,642	53,838
Subtotal:			282,480	278,269	311,014	313,329
OPERATING						
5212		Uniforms	2,192	3,179	2,500	3,000
5250		Vehicle Supplies - fuel	7,502	9,379	15,000	15,000
5260		Shop Tools & Equipment	1,868	1,620	1,500	1,500
5293		Supplies-Street Name Signs	2,406	4,831	2,000	1,500
5299		Departmental Supplies	495	1,474	1,500	1,500
5310		Travel & Training	-	2,148	3,000	3,500
5321		Telephone, Communications, Email	3,942	2,927	5,000	4,000
5330		Utilities	10,354	11,053	13,000	13,000
5433		ATV Rental	1,696	2,943	2,800	4,000
5440		Service & Maintenance Contract	7,225	8,829	20,000	20,000
5491		Dues and Subscriptions	189	470	400	500
Subtotal:			37,869	48,852	66,700	67,500
MAINTENANCE & REPAIRS						
5295	0000	Maintenance & Repairs - Bldg. & Grounds	71,380	373,364	83,500	126,000
5295	0114	Maint & Rep. Storm Debris Removal Canals/Ditches	-	-	190,050	-
5295	0110	Maintenance & Repairs - Icarus	847	29,684	3,500	6,000
5352		Maintenance & Repairs - Equipment	14,331	4,254	12,500	11,000
5599		Sand Fence Projects (pass through)	11,446	10,228	-	24,000
5353		Maintenance & Repairs - Vehicle	4,482	5,122	10,000	9,000
Subtotal:			102,486	422,651	299,550	176,000
CAPITAL OUTLAY						
5540		Vehicles	28,224	-	-	32,000
5550	1002	Equipment- Broom Tractor	8,982	61,930	-	-
5580		Buildings/ Structures- Metal Storage	-	-	15,000	-
5593		Install Fence/Screen @ Police Department	-	7,656	-	-
5594		Storm Water improvements Tateway/Rabbit Hollow	-	298,314	165,000	-
5595		Living Shoreline Project (Moore Shore Rd)	-	-	180,000	180,000
5550		Grapple/Dump Truck	-	-	140,000	-
5550		Riding Mower	-	-	10,000	-
Subtotal:			37,206	367,900	510,000	212,000
TRANSFERS TO CAPITAL RESERVE						
5550	1003	Dump/Grapple Truck Reserves	27,700	20,000	-	-
5550	1005	Fuel Storage Tank Replacement	-	-	5,000	12,000
5550	1086	Town-wide Boardwalk and Dock Repairs	-	-	-	8,000
5550	0105	Future Bath House Replacement	-	-	-	20,000
Subtotal:			27,700	20,000	5,000	40,000

Public Works Department Operating Expenditures (Cont.)

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4270

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
STATE STREET AID POWELL BILL - (4510)						
5293		Transportation Signs	2,264	1,665	-	-
5295		Street Maintenance and Repairs	300	300	-	-
5195	E102	Professional Services- Engineering	1,031	5,373	2,000	2,000
5591	E117	Street Maintenance (pass through)	74,692	61,428	10,000	10,000
5591	E101/109	Roadway Improvements (pass through)	-	10,757	90,000	125,000
		Subtotal:	75,723	77,558	102,000	137,000
ENVIRONMENTAL SERVICES (4710)						
5690		Contract services Chipping	14,920	10,030	16,000	16,000
5691		Contract Services Solid Waste Collection	959,594	984,803	1,100,000	1,100,000
		Subtotal:	974,514	994,833	1,116,000	1,116,000
TOTAL PUBLIC WORKS EXPENDITURES:			<u>1,566,891</u>	<u>2,210,063</u>	<u>2,410,264</u>	<u>2,061,829</u>

Police Department

Mission:

In cooperation with our community, the mission of the Kitty Hawk Police Department, is to protect life and property, and enhance the quality of life for all our customers. We will respond to the changing needs of our vacation community by implementing and sustaining compassionate, creative and comprehensive law enforcement programs, which focus on prevention, as well as apprehension.



Police Department Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4310

ACCT. NO.	Project code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL						
5121		Salaries & Wages	889,706	941,449	962,236	999,410
5121		Part Time Salaries	-	-	5,000	5,000
5122		Overtime	-	147	5,000	5,000
5131		Separation Allowance	63,818	72,777	63,828	54,879
5181		FICA	62,181	66,257	79,594	81,754
5182	0901	Retirement Contribution	63,364	74,575	76,623	84,852
5182	0902	401 K - State Mandated 5%	-	42,523	44,619	46,347
5182		401 K 2%	55,567	17,474	19,629	20,372
5183		Health Insurance	255,262	243,314	290,479	287,267
Subtotal:			1,389,898	1,458,515	1,547,008	1,584,881
PROFESSIONAL SERVICES						
5193		Professional Services - Medical	4,873	5,120	6,000	6,000
5199		Professional Services - Other	125	-	-	-
Subtotal:			4,998	5,120	6,000	6,000
OPERATING						
5212		Uniforms	7,891	8,423	10,000	13,000
5250		Vehicle Supplies Fuel	27,884	30,690	45,000	38,000
5299		Departmental Supplies	11,000	7,550	8,000	8,000
5310		Travel & Training	9,405	10,581	13,000	13,000
5321		Telephone, Email, & Communications	17,823	18,575	20,000	21,000
5325		Postage	1,665	1,786	1,600	1,700
5330		Utilities	5,761	4,780	6,500	6,500
5340		Printing	1,846	1,125	1,500	1,500
5380		Controlled Substances Enforcement	1,000	655	1,000	1,000
5433		Special Operations	1,400	1,400	3,500	1,500
5440		Service & Maintenance Contracts	23,642	29,056	29,000	31,000
5491		Dues & Subscriptions	953	958	1,000	1,000
5498		Controlled Substances tax -Restricted	6,363	2,538	1,000	1,000
5499		Dept of Justice Asset Forfeiture	-	4,543	-	1,000
Subtotal:			116,633	122,662	141,100	139,200
MAINTENANCE & REPAIRS						
5352		Maintenance & Repairs - Equipment	15,247	11,343	16,000	16,000
5353		Maintenance & Repairs - Vehicle	25,104	30,658	28,000	28,000
Subtotal:			40,352	42,001	44,000	44,000

Police Department Operating Expenditures (Cont.)

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4310

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16/	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PROGRAMS & GRANTS					
5060	Grant -NCGHSP	22,569	17,404	20,000	2,000
5070	Grant - Gov. Crime Commission	15,000	6,227	24,000	24,000
5497	Community Outreach	958	997	1,000	1,000
	Subtotal:	38,527	24,628	45,000	27,000
CAPITAL OUTLAY					
5540	Vehicles	56,769	62,218	105,000	120,000
5550	Equipment	4,540	-	11,300	8,700
5580	Building Improvements	8,437	-	-	-
	Subtotal:	69,746	62,218	116,300	128,700
TRANSFER TO CAPITAL RESERVE					
5580	1090 Future Police Department	-	-	-	125,000
	Subtotal:	-	-	-	125,000
TOTAL POLICE DEPARTMENT EXPENDITURES:		<u>1,660,154</u>	<u>1,715,144</u>	<u>1,899,408</u>	<u>2,054,781</u>

Fire Department

Mission:

It is the mission of the Kitty Hawk Fire Department to exceed our citizen's expectations and provide safe, quick, and effective lifesaving service to the community of Kitty Hawk



Fire Department Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4340

ACCT. NO.	Project code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL						
5121		Salaries & Wages	743,380	818,068	796,353	803,523
5121		Part-Time Salaries	-	-	45,000	49,200
5121		Volunteer Incentive Pay	-	-	12,000	15,000
5122		Overtime	18,274	25,832	25,000	25,000
5181		FICA	56,073	62,329	67,414	68,174
5182	0901	Retirement Contribution	49,771	60,568	62,552	65,702
5182	0902	401 K	8,215	11,315	16,427	17,321
5182	0903	Firefighter pension Fund	3,360	3,260	5,220	5,075
5183		Health Insurance	107,628	150,397	198,509	207,105
		Subtotal:	986,701	1,131,769	1,228,475	1,256,100
PROFESSIONAL SERVICES						
5193		Medical/Physicals	7,660	8,335	12,250	13,500
		Subtotal:	7,660	8,335	12,250	13,500
OPERATING						
5212		Uniforms	16,931	16,807	18,000	18,500
5250		Motor Vehicle Fuel	7,391	7,859	13,000	13,000
5299		Departmental Supplies	11,885	11,072	13,500	13,500
5310		Travel & Training	9,866	10,862	12,000	15,000
5321		Telephone, Communication, Emails	8,235	9,748	12,500	12,500
5325		Postage	145	145	250	250
5330		Utilities	13,606	14,836	14,500	14,500
5440		Service & Maintenance Contracts	6,145	4,663	8,500	8,500
5491		Dues and Subscriptions	1,843	1,917	2,000	2,000
		Subtotal:	76,047	77,910	94,250	97,750
MAINTENANCE & REPAIRS						
5352		Maintenance & Repairs - Equipment	6,856	7,297	11,500	11,500
5353		Maintenance & Repairs - Vehicle	12,300	36,083	20,000	20,000
		Subtotal:	19,156	43,380	31,500	31,500
CAPITAL OUTLAY						
5540		New copier	-	5,761	-	-
5550		Equipment (Bunker Gear)	16,805	-	-	20,000
5550		Breathing Apparatus (3 SCBA)	-	-	18,000	-
5550		Code Enforcement/Fire Insp. Vehicle	10,876	-	-	-
5550		Replace Rescue 13	-	-	35,000	-
5550		Powertraxx Stair Chair	-	-	6,900	-
5550		Replace Thermal Camera	-	-	6,000	-
5550		Air packs	-	16,663	-	-
5550		Replace Gym Equipment	-	3,785	-	5,500
5550	1087	Dry Hydrants KH Landing -Engineer	-	-	-	10,000
		Subtotal:	27,681	26,208	65,900	35,500
DEBT SERVICE						
5710		Firehouse Loan Principal	215,080	719,292	243,939	-
5720		Firehouse Loan Interest	66,817	62,605	37,957	-
		Subtotal:	281,897	781,897	281,896	-
TRANSFERS TO CAPITAL RESERVE						
5550	1004	Future Fire Truck Reserve	-	-	20,000	80,000
5550		Air Compressor Replacement	20,000	-	-	-
5550	1088	Training Equipment	-	-	-	15,000
		Subtotal:	20,000	-	20,000	95,000
TOTAL FIRE DEPARTMENT EXPENDITURES:			1,419,142	2,069,499	1,734,271	1,529,350

Ocean Rescue

Mission:

It is the mission of the Kitty Hawk Ocean Rescue to exceed our customer's expectations and provide safe, immediate, and effective lifesaving services to the community of Kitty Hawk.



Ocean Rescue Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4370

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL					
5121	Salaries & Wages	80,795	83,617	120,102	120,102
5181	FICA	6,181	6,397	9,188	9,188
	Subtotal:	86,976	90,013	129,290	129,290
PROFESSIONAL SERVICES					
5193	Medical/Physicals	210	280	700	700
	Subtotal:	210	280	700	700
OPERATING					
5212	Uniforms	3,133	3,124	3,200	3,700
5250	Supplies & Materials - Vehicle	1,851	2,120	3,000	3,000
5299	Departmental Supplies	2,243	4,690	3,000	4,000
5310	Travel & Training	190	273	750	750
5321	Telephone, Communication, & Emails	314	322	800	1,000
5340	Printing	511	538	600	600
5433	ATV Lease	3,950	3,891	4,164	4,164
5491	Dues & Subscriptions	30	-	100	100
	Subtotal:	12,222	14,959	15,614	17,314
MAINTENANCE & REPAIRS					
5352	Maintenance & Repairs - Equipment	627	746	1,250	1,250
5353	Maintenance & Repairs - Vehicle	945	1,203	850	1,500
	Subtotal:	1,571	1,949	2,100	2,750
CAPITAL OUTLAY					
5540	Jet Ski	-	-	12,000	-
5540	Replace 2006 Ocean Rescue Truck	-	-	-	35,000
	Subtotal:	-	-	12,000	35,000
TOTAL OCEAN RESCUE DEPARTMENT EXPENDITURES:		100,979	107,201	159,704	185,054

Planning Board

Planning Board Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4980

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL					
5121	Member Compensation	5,800	3,200	11,200	8,400
5181	FICA	444	245	857	645
	Subtotal:	6,244	3,445	12,057	9,045
PROFESSIONAL SERVICES					
5396	Transcription	2,420	1,305	3,220	3,000
	Subtotal:	2,420	1,305	3,220	3,000
OPERATING					
5310	Travel & Training	-	-	500	500
	Subtotal:	-	-	500	500
TOTAL PLANNING BOARD EXPENDITURES:		8,664	4,750	15,777	12,545

Board of Adjustment

Board of Adjustment Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4990

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
PERSONNEL					
5121	Member Compensation	300	-	1,050	1,500
5181	FICA	23	-	80	115
	Subtotal:	323	-	1,130	1,615
PRESESSIONAL SERVICES					
5192	Legal Fees	-	-	1,500	1,500
5396	Transcription	260	-	750	750
	Subtotal:	260	-	2,250	2,250
OPERATING					
5310	Travel & Training	-	-	250	250
5370	Advertising	-	-	150	150
	Subtotal:	-	-	400	400
TOTAL BOARD OF ADJUSTMENT EXPENDITURES:		583	-	3,780	4,265

Recreation Committee

Recreation Committee Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4111

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
OPERATING					
5370	Advertising	-	-	200	200
5499	OBX Marathon	505	-	500	500
5499	Pruitt Park (Repairs to Playground)	-	3,493	3,500	1,000
5499	Sandy Run Park Improvements	-	-	-	13,000
	Subtotal:	505	3,493	4,200	14,700
TOTAL RECREATION COMMITTEE EXPENDITURES:		505	3,493	4,200	14,700

Beach Nourishment

Mission:

The Beach Nourishment department is established in order to reduce the vulnerability of public infrastructure, reduce flooding, and reduce vulnerability of ocean front homes within the Town.



Beach Nourishment Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL -4410

ACCT. NO.	Project code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	BUDGET FY 18/19
OPERATING						
5006		Dare Co. Collection Fee NCVT (BN & SMD)	-	14,128	15,000	15,000
5599		Beach Maintenance (Sand Fence, Vegetation)	-	-	20,000	20,000
5592		Annual Beach Profile Survey	-	-	-	41,058
		Subtotal:	-	14,128	35,000	76,058
DEBT SERVICE						
5710		Special Bonds Loan Principal	-	-	1,999,800	1,999,800
5720		Special Bonds Interest	-	192,620	170,983	132,987
		Subtotal:	-	192,620	2,170,783	2,132,787
TRANSFER TO CAPITAL RESERVE						
5591	0113	Excess Beach Nourishment Collections	954,746	924,292	151,633	119,016
			954,746	924,292	151,633	119,016
TOTAL BEACH NOURISHMENT FUND EXPENDITURES:			954,746	1,131,039	2,357,416	2,327,861

Capital Reserve Fund

Mission:

The capital reserves funds account for funds set aside for projects that present a long-term capital investment, or that may be related to some sort of capital expense in the future.



Capital Reserve Revenues

GENERAL FUND / DEPARTMENT DETAIL

DEPT No.	Project Code	REVENUE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	PROPOSED BUDGET FY 18/19
		TRANSERS IN FROM CAPITAL RESERVE FUND				
		Broom Tractor	-	55,400	-	-
		Grapple/Dump Truck Reserve			20,000	-
1004		Website Reserve			2,500	-
		Storm Damage Reduction	-	70,000	-	-
		Powell Bill Reserve	-	-	-	31,000
		Subtotal	-	-	22,500	31,000
		TRANSFER IN FROM GENERAL FUND				
		Future Capital Reserves	-	40,500	35,000	305,000
4410	0113	Excess Beach Nourishment	926,421	862,039	151,633	119,016
		Subtotal:	926,421	1,027,939	186,633	424,016
		CAPITAL RESERVE FUND REVENUES	<u>926,421</u>	<u>1,027,939</u>	<u>209,133</u>	<u>455,016</u>

Capital Reserve Fund Expenditures

GENERAL FUND / DEPARTMENT DETAIL

DEPT NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 15/16	ACTUAL FY 16/17	BUDGET FY 17/18	PROPOSED BUDGET FY 18/19
TRANSFERS TO GENERAL FUND						
1004		To General Fund (Website)	-	-	2,500	-
		To General Fund (Grapple/Dump Truck)	-	125,400	20,000	-
		To General Fund (Powell Bill)	-	-	-	31,000
		Subtotal:	-	125,400	22,500	31,000
TO CAPITAL RESERVE						
		Laptop Replacement -PD	-	3,000	-	-
4100	1082	Town Website	-	2,500	-	-
4100	1084	Document Imaging System	-	-	-	20,000
4100	1081	Phone System Replacement - Townwide	-	15,000	5,000	5,000
4130	1085	Finance Software Upgrade	-	-	5,000	5,000
4910	1089	Land Use Plan Update	-	-	-	15,000
4270	1003	Grapple/Dump Truck - PW	-	20,000	-	-
4270	1005	Fuel Storage Tank Replacement	-	-	5,000	12,000
4270	1086	Town-wide Boardwalk & Storage Repair	-	-	-	8,000
4270	0105	Bathhouse Repairs/Replacement	-	-	-	20,000
4310	1090	New Police Department Station	-	-	-	125,000
4340	1004	Future Fire Truck Replacement	-	-	20,000	80,000
4340	1088	In-house Training Equipment	-	-	-	15,000
4410	113	Beach Nourishment Excess	926,421	862,039	151,633	119,016
		Subtotal:	926,421	902,539	186,633	424,016
TOTAL CAPITAL RESERVE FUND EXPENDITURES:			<u>926,421</u>	<u>1,027,939</u>	<u>209,133</u>	<u>455,016</u>

Capital Expenditures Summary FY 2018/2019

CAPITAL EXPENDITURES / DEPARTMENT DETAIL - AS SHOWN

CAPITAL PURCHASE	SOURCE	DESCRIPTION	JUSTIFICATION	FY 18/19
		GOVERNING BODY (4110)		
		No Capital Funded		
		NON-DEPARTMENTAL (4100)		
Document Imaging	Operating	Establishes a Reserve for Document Imaging of Town Records	Reduces storage of excess paper documents & allows for easier retrieval of records	20,000
Phone System Replacement	Operating	Continues to fund reserve for future phone system replacement	The current phone system is outdated	5,000
			Subtotal:	25,000
		ADMINISTRATIVE SERVICES (4120)		
		No Capital Funded		
		FINANCE (4130)		
Software Upgrade	Operating	Continues funding reserve for future accounting software	Department will need to new accounting software at some point in future	5,000
			Subtotal:	5,000
		PLANNING & INSPECTIONS (4910)		
Land Use Plan Update	Operating	Provides a reserve for outside consultant to update Town Master Plan	Plan was last updated in 2004	15,000
			Subtotal:	15,000
		PUBLIC WORKS (4270)		
Fuel storage Tank	Operating	Establishes reserve for future fuel storage tank	The existing tank is corroding and will need to be replaced in future	12,000
Vehicles	Operating	Replace 2008 Dodge Dakota	Body Rust and Undercarriage Rust	32,000
Board Walks	Operating	Establishes a reserve for future replacement/repair of boardwalk/docks throughout Town	The Town will need to eventually begin repairing and replacing wooden boardwalks/docks throughout Town	8,000
Moore Shore Road Living Shoreline	Operating	A living shoreline will provide erosion protection along Moore Shore Road	Project originally slated for FY 17-18, however, Staff believes this project will be delayed to the 18-19 fiscal year	180,000
Bath House Upgrade/Renovations	Operating	Establishes a reserve for future substantial repairs and potential replacement of bathhouse	The bathhouse will need upgrades and repairs due to the age of the building. The environment also accelerates this need.	20,000
			Subtotal:	252,000

CAPITAL EXPENDITURES / DEPARTMENT DETAIL - AS SHOWN

CAPITAL PURCHASE	SOURCE	DESCRIPTION	JUSTIFICATION	FY 18/19
		POWELL BILL		
Roadway Improvements	State Funds/Reserves	Annual overlay of Town streets	Deterioration of streets requires overlay program	137,000
			Subtotal:	137,000
		POLICE DEPARTMENT (4310)		
Vehicles	Operating	Replace three (3) Patrol Vehicles as needed	Excess 100,000 miles. Identified in Five-Year CIP	120,000
In Car Cameras	State Funds	Bullet Proof Vests/Cameras	Replace outdated Bullet Proof Vests & purchase in-car cameras	8,700
Future Police Department	Operating	Establishes a reserve for Future Police Department Station	Existing Police Department is at capacity	125,000
			Subtotal:	253,700
		FIRE DEPARTMENT (4340)		
Gym Equipment	Operating	Purchases StairMaster Step Mill	Machine is CPAT Rated (Candidate Physical Ability Testing)	5,500
Bunker Gear (10 yr life span)	Operating	Provides funding for purchase of bunker personal protective equipment	Additional bunker gear is needed for increasing number of volunteers and existing bunker gear expiring.	20,000
Training Equipment	Operating	Establishes a reserve for additional in-house training equipment	Aids in maintaining practical firefighting skills while reducing expenses related to off-site training in the future.	15,000
Dry Hydrants KH Landing - Engineer	Operating	Funds engineering/study to address water pressure issues in the KH Landing area	Dry stand pipes provides greater water pressure in the Kitty Hawk Landing area for fire suppression.	10,000
Future Fire Truck	Operating	Continues funding reserves for purchase of future Fire Truck	Town recognizes that a fire truck in the future will be needed	80,000
			Subtotal:	130,500
		OCEAN RESCUE (4370)		
Replace 2006 Ocean Rescue Truck	Operating	Replace the 2006 Truck	Undercarriage has substantial rust. Meets 10 year requirement	35,000
			Subtotal:	35,000
			TOTAL CAPITAL EXPENDITURES FY 17/18:	<u>853,200</u>

Capital Project Ordinance

For the Town of Kitty Hawk

BE IT ORDAINED by the Governing Board of the Town of Kitty Hawk, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance originally adopted on May 4th, 2015 and amended on June 6, 2016, July 10, 2017 today, January 12, 2018 is hereby amended as follows:

Section 1: The project authorized is Beach nourishment project to be financed by special obligation bonds, contributions from Dare County beach nourishment occupancy tax fund, ad valorem revenues, or other sources of revenue. The project life is estimated to be through December 31, 2017.

Section 2: The officers of the Town are hereby directed to proceed with the capital project within the terms of the Municipal Service District (MSD) Resolution, Dare County Inter-local agreement, bond resolution, and budget contained herein.

Section 3: The following amounts are appropriated for the project:

Dredging	\$17,929,472
Construction Management	\$223,152
Turtle Monitoring	\$39,540
Permitting	\$870,000
Preconstruction	\$164,010
Cost of the Bond Issuance	\$85,250
Beach Maintenance Plan	\$11,136
Total appropriations	\$19,322,560

Section 4: The following revenues are anticipated to be available to complete this project:

Proceeds from special obligation bonds	\$9,999,000
Contribution from Dare County-Project	\$8,930,878
Contribution from Capital Reserve Fund Beach N.	\$392,682
Total estimated revenues	\$19,322,560

Section 5: The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient specific detailed accounting records to satisfy the requirements of the grantor agency, the grant agreements, and federal regulations. The terms of the bond resolution also shall be met.

Section 6: Funds may be advanced from the Capital Project Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

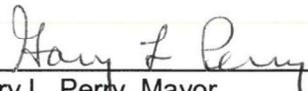
Ordinance No. 18-01

Section 7: The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element in Section 3 and on the total revenues received or claimed.

Section 8: The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission made to this Council.

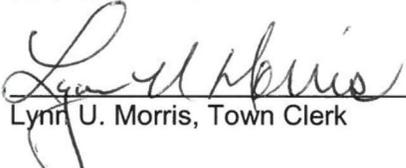
Section 9: Copies of this capital project ordinance shall be furnished to the Clerk to the Governing Board and to the Budget Officer and Finance Officer for direction in carrying out this project.

Adopted the 12th day of January 2018.



Gary L. Perry, Mayor

ATTEST:



Lynn U. Morris, Town Clerk

The Town’s formal debt policy is consistent with that contained in North Carolina General Statutes 160-A. 20. This policy states that the issuance of bonds through an installment purchase contract shall be financed for a period not to exceed the anticipated useful life of the project.

Furthermore, it has been the current Town Council’s practice to make every effort to avoid debt-service to pay for capital projects or operating expenses in the General Fund. The Town has historically planned and set aside capital reserve funds for the purchase of large capital projects to avoid debt service. The Town has taken the “pay as you go” approach.

In 2005 the Town made purchase of land and issued debt to construct a new Firehouse in the amount of \$4,000,000. The loan was to be payable until January of 2022. In 2016 the Town Council utilized a portion of the Town’s prior year’s budget surpluses to reduce this debt and in 2017 satisfied the full balance of the debt. The loan was paid off five years early resulting in a savings of approximately \$141,000 in future interest payments. This action by the Town Council eliminated all long term debt in the General Fund without a dedicated funding source.

The Town’s only debt obligation is the Beach Nourishment Project which was established by the adoption of Capital Project Ordinance No. 15-03, in which all funds are derived by the special obligation bond and repaid by dedicated revenue sources.

This debt is shared between Dare County and the Town of Kitty Hawk through an inter-local agreement with Dare County. Dare County is contributing approximately 55% of the principal and interest payments yearly.

BEACH NOURISHMENT						
Fund	Project	Loan Origination Date	Original Loan Amount	FY 17/18 Principal & Interest	Outstanding Principal Balance	Expected Pay-Off Date
Beach Nourishment Fund	Beach Nourishment	Apr-16	10,185,309	2,132,787	5,999,400	12/15/21

Year Incorporated: Kitty Hawk was established in the early 18th century as Chickahawk. The Town incorporated in 1981.

Form of Government: A five-member Town Council, including a Mayor, is elected at-large to establish policy for the Town. A Town Manager appointed by Council implements that policy in running the Town's government.

Geography/Location: Kitty Hawk is a Town in Dare County North Carolina and is part of what is known as North Carolina's Outer Banks. Kitty Hawk is located on the East Coast of the United States and is part of a string of barrier islands. The city is surrounded by the Atlantic Ocean to the East and the Albemarle Sound to the West.

Size: The Town's corporate boundary encompasses 5,248 acres (8.2 square miles), of which 5,235 acres (8.18 square miles) are land and 30.46 acres (.0476 square miles).

Topography: The topography of Kitty Hawk is relatively flat, with elevations ranging from 4 to 38 feet above mean sea level (MSL) per the North American Vertical Datum of 1988. The Town is approximately 3 miles wide from the Atlantic Ocean to the Currituck Sound at the widest point and approximately $\frac{3}{4}$ of a mile wide at its narrowest point.

Shoreline: There are approximately 10.7 miles of shoreline in the Town, including 3.6 miles of Atlantic Ocean beach, 3.3 miles of Kitty Hawk Bay shoreline, and 3.8 miles of shoreline fronting the Albemarle Sound.

Climate: Kitty Hawk, NC climate is warm during summer when temperatures tend to be in the 70's and cold during winter when temperatures tend to be in the 40's.

The warmest month of the year is July with an average maximum temperature of 86.40 degrees Fahrenheit, while the coldest month of the year is January with an average minimum temperature of 35.80 degrees Fahrenheit.

The annual average precipitation at Kitty Hawk is 51.61 Inches. Rainfall in is fairly evenly distributed throughout the year. The wettest month of the year is August with an average rainfall of 5.64 Inches.

Population: According to the 2010 United States Census the population was 3,272.

Demographics (2010 U.S. Census):

- Of the Town's total population (3272):
 - 4.28% are younger than 4 years old;
 - 14.23% between ages of 5 to 17 years old;
 - 66.38% between ages of 18 to 64 years old;
 - 14.91% are 65 years and over.

Income in 2014 (2010-2014 American Community Survey 5-Year Estimates): Median household income was \$52,975

- 5.4% of families made less than \$10,000
- 42.6% of families made between \$10,000 and \$50,000.
- 39.9% of families made between \$50,000 and \$100,000.
- 17.6% of families made more than \$100,000.

Race/Ethnicity (2010 U.S. Census)

- 96.3 % White
- 1.1 % Black or African American
- .2% American Indian and Alaska Native
- .8% Asian
- .1% Native Hawaiian and Other Pacific Islander
- .5% Some Other Race

G.S. 159-8. Annual balanced budget ordinance.

- (a) Each local government and public authority shall operate under an annual balanced budget ordinance.
- (b) The budget ordinance of a unit of local government shall cover a fiscal year beginning July 1 and ending June 30.

G.S. 159-9. Budget officer.

- (a) Each local government and public authority shall appoint a budget officer to serve at the will of the governing board. In counties or cities having the manager form of government, the county or city manager shall be the budget officer.

G.S. 159-10 Budget Requests

- (a) Before April 30 of each fiscal year (or an earlier date fixed by the budget officer), each department head shall transmit to the budget officer the budget requests and revenue estimates for his/her department for the budget year.

G.S. 159-11 Preparation and submission of budget and budget message

- (a) Upon receipt of the budget requests and revenue estimates and the financial information supplied by the finance officer and department heads, the budget officer shall prepare a budget for consideration by the governing board in such form and detail as may have been prescribed by the budget officer of governing board.
- (b) The budget, together with a budget message, shall be submitted to the governing body not later than June 1. The budget and budget message should, but need not, be submitted at the formal meeting of the board.
- (c) The governing body may authorize or request the budget officer to submit a budget containing recommended appropriations in a manner that will reveal for the governing board the nature of the activities supported by the expenditures that exceed estimated revenues.
- (d) The budget officer shall include in the budget a proposed financial plan for each intragovernmental service fund, and information concerning capital projects.
- (e) The budget shall include a statement of the revenue neutral property tax rate for the budget.

G.S. 159-12 Filing and publication of the budget; budget hearings

- (a) On the same day that he/she submits the budget to the governing board, the budget officer shall file a copy of it in the office of the clerk to the board where it shall remain available for public inspection until the budget ordinance is adopted.
- (b) Before adopting the budget ordinance, the board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear.

G.S. 159-13 The budget ordinance

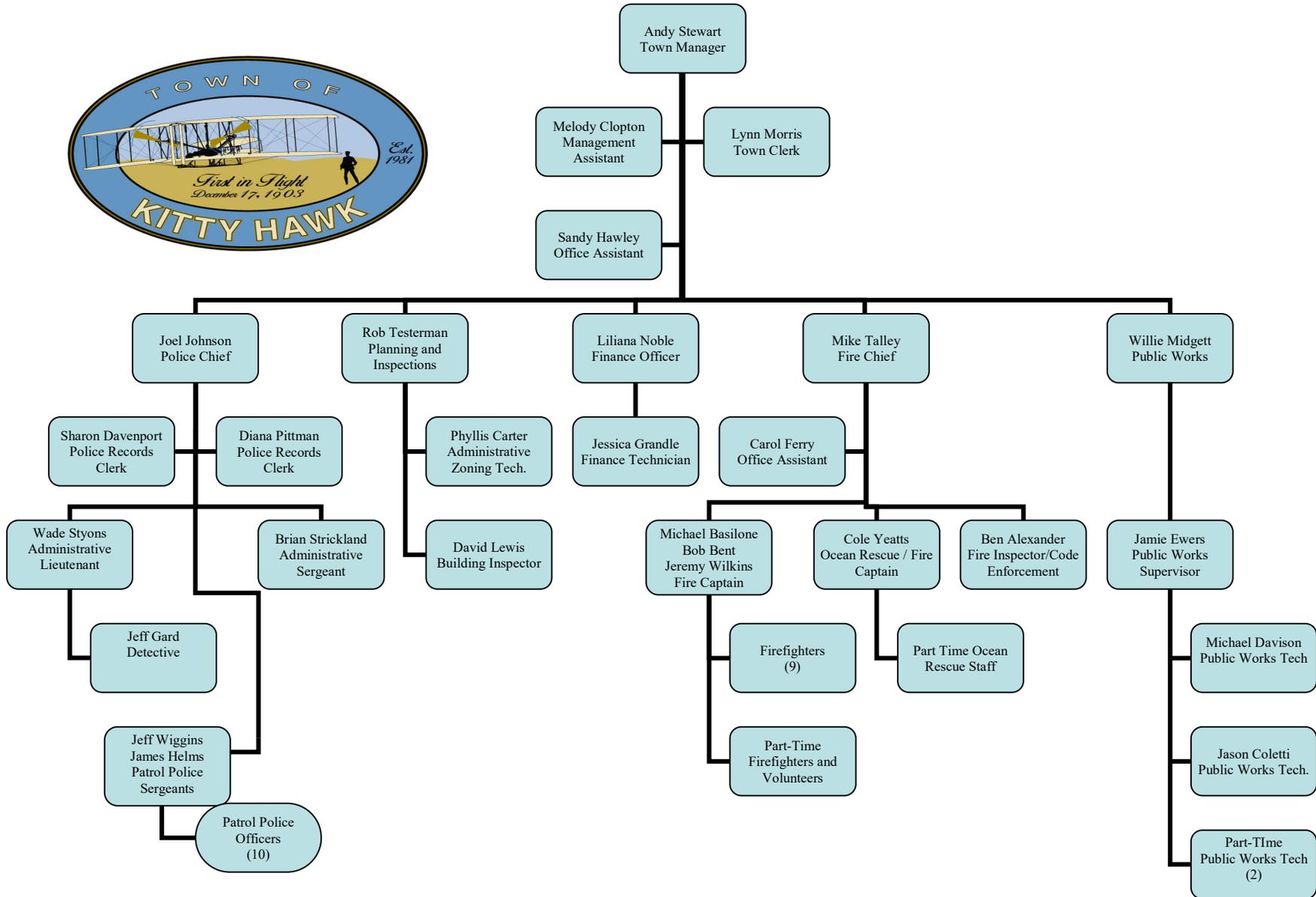
- (a) Not earlier than 10 days after the day the budget is presented to the board and not later than July 1, the governing board shall adopt a budget ordinance making appropriations and levying taxes for the budget year in such sums as the board may consider sufficient and proper, whether greater or less than the sums recommended by the budget.

The Town's budget addresses two main types of governmental funds:

1. **General Fund**, the Town's primary operating fund, containing all financial resources of the general government except those required to be accounted for in another fund.
2. **Capital Reserve Fund**, established to account for long-term capital investment projects and other large purchases anticipated in the future.

The Town also adopted a Capital Projects Ordinance that is a multi-year fund adopted in May 2015:

Capital Projects Fund, this fund was established in May 2015 for the purpose of accounting for the Kitty Hawk beach nourishment project. The project is to be financed by special obligation bonds and contributions from Dare County beach nourishment occupancy tax fund.



<u>Grade</u>	<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
52		\$27,364.06	\$48,886.82
53		\$28,732.25	\$51,331.15
54		\$30,168.87	\$53,897.70
55	Public Works Technician Police Records Clerk Office Assistant/Receptionist	\$31,677.30	\$56,592.57
56		\$33,261.18	\$59,422.22
57		\$34,924.23	\$62,393.32
58	Public Works Supervisor	\$36,670.44	\$65,512.99
59	Finance Technician Police Officer I Firefighter I	\$38,503.96	\$68,788.62
60	Police Officer II Firefighter Engineer Administrative Zoning Technician Administrative Records Technician	\$40,429.15	\$72,228.05
61	Detective Police Officer III Master Firefighter	\$42,436.97	\$75,815.08
62	Police Sergeant Fire Captain	\$44,573.16	\$79,631.46
63	Ocean Rescue Director * Fire Inspector/Code Enforcement	\$46,801.82	\$83,613.04
64	Building Official Town Clerk* Police Lieutenant	\$49,141.90	\$87,793.67

<u>Grade</u>	<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
65		\$51,599.01	92,183.38
66	Management Assistant* (Reclass)	\$54,178.94	\$96,792.52
67		\$56,887.89	\$101,632.14
68		\$59,732.29	\$106,713.77
69	Finance Officer* Public Works Director*	\$62,718.90	\$112,049.45
70	Director of Planning and Inspections*	\$65,854.84	\$117,651.91
71	Police Chief * (1) Fire Chief* (1)	\$69,147.59	\$123,534.52
72	Town Manager*	\$72,604.97	\$129,711.24

** Exempt position as defined by the Fair Labor Standards Act (FLSA)*

Approved by the Kitty Hawk Town Council this 4th day of June 2018.

(SEAL)

Gary L. Perry, Mayor

Lynn Morris, Town Clerk

**Approved Positions for
FY 2018-2019**

Department	Full-Time	Part-Time
Administration	4	0
Finance	2	0
Planning & Inspections	3	0
Public Works	4	4
Police	18	2
Fire	16	6
Total	47	12

Longevity Awards		
Name	Date of Hire	Amount
Garrett Driver	03/06/2014	\$ 500.00
Wade Styons	05/21/1999	\$2,000.00
Justin Langley	04/01/2014	\$ 500.00
Jeff Wiggins	09/12/2003	\$1,500.00
Total		\$4,500.00
Last Year Longevity Award		\$7,000.00
Total Change		-\$2,500.00

Retiree Health Insurance Payments			
Retiree Health Insurance Payments for FY 2018-2019			
Name	Health Benefit	Life Insurance	Total Year
Doris Pruitt	\$1,500.00		\$1,500.00
Bob Nicholl	\$3,800.00		\$3,800.00
Richard Reid	\$3,800.00		\$3,800.00
Mike Eubank	\$800.00		\$800.00
Bob Morris	\$8,000.00	\$105.00	\$8,105.00
Eugene McLawhorn	\$4,662.40	\$105.00	\$4,767.40
Mike Carver	\$8,000.00		\$8,000.00
Tony Garrett	\$3,000.00		\$3,000.00
David Ward	\$8,000.00		\$8,000.00
Jimmy Ray Watts	\$6,000.00		\$6,000.00
Lavelle Jenkins	\$6,000.00		\$6,000.00
JP Askew	\$6,800.00		\$6,800.00
Total	\$60,362.40	\$210.00	\$60,572.40

Separation Allowance			
Name	Monthly Separation Allowance	Annual Separation Allowance	Date of Retirement
Mike Carver	\$1,471.10	\$17,653.22	10/1/10
David Ward	\$1,872.53	\$22,735.70	1/1/13
Jimmy Ray Watts	\$1,182.55	\$14,190.54	2/1/2016
Total	\$6,017.61	\$54,579.46	

Item	Fee
Town Merchandise	
Town of Kitty Hawk Hats	\$14.00
Town of Kitty Hawk License Plates	\$8.50
Town of Kitty Hawk Police Patch	\$5.00
Town of Kitty Hawk Fire Department Patch	\$5.00
Town Flag	\$85.00
Town 25th Anniversary Cookbook	\$9.00
Town Documents	
Copy of Town Meeting DVD	\$10.00
Copies from Town Copy Machine	\$0.25 per page
Zoning Book (Chapter 42)	\$25.00
Zoning Maps	\$3.25
Town Code Book	\$130.00
Town Budget Copy	\$10.00
Fire Incident Report (First Copy Free)	\$0.10/page for additional copies
Town Miscellaneous Fees	
Smith Room Rental Fee	\$30.00
Fire Department Meeting Room	\$30.00
Special Meeting /Town Council	\$825.00
Horse Registration Initial Fee	\$25.00
Horse Registration Annual	\$5.00 per horse
Dune Sign	\$31.00
Road Sign Repair	\$250.00
Christmas Tree Permit	\$100.00 Refundable Permit
Police Department	
Accident Report \$5.00	\$5.00
False Alarm -1 st Call in a Month	No charge
False Alarm -2 nd Call in a Month	\$50.00
False Alarm- 3 rd Call in a Month and subsequent calls	\$100.00
Kayak Permits(Annually)	\$300.00
Annual Fee for Precious Metal Permit	\$180.00
Employee Permit for Precious Metal (initial)	\$10.00
Employee permit for Precious Metal (annual)	\$3.00
Special Occasion Permit	\$180.00

Item	Fee
Video from In Car Camera	\$15.00
Handicapped Parking Violation	\$100.00
All other Parking Violations	\$25.00
Fire Department	
Fire Inspection-1 st Inspection	No Charge
Fire Inspection -1 st Follow –up	No Charge
Fire Inspection-2 nd Follow –up	\$50.00
Fire Inspection- 3 rd and subsequent follow-ups	\$100.00
False Alarm- 1 st Call in a Month	No Charge
False Alarm- 2 nd Call in Month	\$50.00
False Alarm -3 rd Call in a Month and Subsequent Calls	\$100.00
Hazardous Materials Fee (per Hour)	\$190.00
Water Flow Test	\$250.00
Witness Water Flow Test	\$50.00
Planning Permit and Fees	
General Planning Fees	
Zoning Compliance - Residential	\$35.00
Zoning Compliance – Commercial	\$75.00
Type I Home Occupation Fee	\$50.00
Type II Home Occupation Permit	\$100.00
Outdoor Gathering Permit Fee	\$50.00
Outdoor Gathering Permit Fee with Tent	\$75.00
Planning Board Special Meeting	\$825.00
Short Term Business Registration	\$10.00
Pre-application Conference	
Pre- Planning Application	\$255.00
PCD/PUD	\$535.00
BC3	\$0.15/sq. ft. of building
Site Plans	
Commercial	\$150 minimum, or: calculated area of proposed change
Heated Area	\$0.50 /sq ft
Unheated area	\$0.30 /sq ft
Parking Lot	\$0.02 /sq ft
All other new development not included elsewhere, excluding open decks and walkways	\$0.30/sq ft

Item	Fee
Multifamily/Townhouse/Hotel/Motel	\$125/unit
Garbage / Trash can fee	\$125/home;\$200 for 4 bedrooms \$ up (2 cans)
Conditional Use Permits	
Conditional Use Permit	\$300.00
CUP- Family Day Care	\$50.00
CUP- Residence in a Commercial Zone	\$25.00
Subdivision Plan Review	
Subdivision	\$100.00/lot
Exempt Subdivision	\$50.00/lot
Erosion and Sediment Control	
Land Disturbance Permit(less than 5,550 sq ft of disturbance)	\$35.00
Residential Erosion and Sedimentation Control Permit(5,500 sq. ft. or greater)	\$150.00
Commercial Erosion and Sedimentation Control Permit(5,500 sq. ft. or greater)	\$0.01/sq. ft. of disturbed area,\$1,000 maximum
Signs	
New Sign	\$50.00
Temporary Sign /Banner	\$25.00+\$50.00 deposit
Change of sign Face	\$25.00
Zoning Text/Map Amendment	
Zoning Text Amendment	\$250.00
Map Amendment(Rezoning)	\$300.00
Wireless Communication Facility Review	
Concealed attached WCF	\$4,500.00
Collocated or combined WCF	\$4,500.00
Freestanding Concealed WCF	\$5,000.00
Non-concealed Freestanding WCF	\$6,000.00
Board of Adjustment	
Variance Request	\$300+ Advertising Cost
Variance after the fact	\$510.00
Appeal of Zoning Decision	\$300.00
CAMA	

Item	Fee
CAMA Minor Permit	\$100.00
Refund Schedule	
Pre- Planning Board Review	\$75% refund
If planning Board has begun review	\$50% refund
Pre-Council Review	\$25% refund
Miscellaneous Permits and Fees	
Sprinkler System	\$100.00
Fire Suppression	\$100.00
Battery Systems	\$50.00
Compressed Gasses	\$50.00
Fire Alarm & Detection Systems and related Equipment	\$100.00
Fire Pumps and Related Equipment	\$100.00
Flammable and Combustible liquids	\$50.00
Hazardous Materials	\$50.00
Industrial Ovens	\$50.00
Private Fire Hydrants	\$50.00
Spraying or Dipping	\$50.00
Standpipe Systems	\$100.00
Irrigation Systems Building Permit	\$100.00
Type I Home Occupation Fee	\$50.00
NOTE : Double fees should applied to all permits if work has commenced prior to an application approval	
Building Permit Fees	
Building permit valuations shall include cost of the job (including materials and labor) such as building, electrical, plumbing, mechanical, gas, fire protection and other service systems. If a job appears to be underestimated, the inspector may estimate the proposed work at fair market rates. One and /or two family dwellings shall be estimated at a minimum \$65.00 square foot, for permitting purposes. Minimum 24 hours requested for inspections.	
1.First \$1,000 of estimated cost(minimum fee)-\$50.00, plus per \$1,000 after the first(round up to the next\$1,000) (\$5.00/\$1,000)	
2.Above –ground Swimming Pool	\$40.00
3.Building Demolition	\$75.00
4.Day Care, ABC License, inspections, etc.	\$50.00
5.Moving a Building and /or Approved, labeled Modular Unit	\$250.00
6.Manufactured mobile home (includes building, electrical, plumbing and mechanical fees	\$250.00
Insulation	
1.Minimum permit fee applies to each dwelling	\$50.00/unit and /or tenant space
Plumbing	

Item	Fee
1.Minimum Permit fee applies to each dwelling unit and /or tenant space	\$50.00, plus \$5.00 per fixture, trap or similar device.
Gas	
1.Minimum permit fee applies to each dwelling unit/or tenant space	\$35.00, plus \$5.00 per gas outlet/connection
Mechanical	
1.Walk –in cooler or freezer; Commercial cooking	\$50.00/hood
2.Heating, air- conditioning and /or combination unit	\$50.00 per unit, plus per fire, radiation and/or smoke damper-\$5.00
3.Minimum Permit Fee	\$40.00 plus Non-walk in cooler, freezer, and/or other equipment
Electrical	
1.Temporary Service	\$40.00
2.Temporary Service w/construction site trailer	\$50.00
3.Approved/Labeled Modular(per service size)	Per service size
4.0-200 Ampere Service	\$75.00 plus \$0.50 per ampere above 200.00
5.Minimum permit fee	\$40.00, plus (waive minimum permit fee, if associated work is [performed in conjunction with new service and /or service change)
5a.Openinings 1-100 receptacle, switches or fixtures	\$25 plus \$0.10 for each additional opening over 100
5b. Sub-panel , Transformer, Generator	\$40.00 each
5c. Baseboard heaters(per thermostat) Signs, Fuel dispensers, “freestanding” per parking light poles, Manufactured Home Pedestals	\$6.00 each
5d. In- ground swimming pools	\$10.00
5e. Exhaust fans,/hood, range, oven, dryer, dishwasher, garbage disposal, water heater, spa, hot tub, whirlpool, window A/C, Thru the wall heat pump, motor and other equipment/ machinery, etc.	\$6.00 each
NOTE: In addition to each individual service, applicable items a-e also apply to each dwelling unit and / or tenant space.	
Administrative and /or Negligence Fees	
Permit Refund	\$50.00
Permit Transfer	\$100.00
Negligence fee and /or re-inspection	\$50.00/trade

Item	Fee
Starting work without permit	\$Double Permit Fees
Homeowner Recovery fee	\$10.00
Flood Insurance Certification	\$25.00 each
Condemnation Inspection in Association with NFIP	\$75.00

See list of acronyms used in this document at end of glossary.

Affordable Care Act - The Patient Protection and Affordable Care Act (PPACA) – also known as the Affordable Care Act or ACA, and generally referred to as Obamacare – is the landmark health reform legislation passed by the 111th Congress and signed into law by President Barack Obama in March 2010.

Appropriation – Funds authorized by Town Council for a specific use.

Assessed Value – The value set by the County Property Appraiser on taxable real property as a basis for levying property taxes.

Balanced Budget – A budget in which total revenues available from taxes and other sources, including amounts carried over from prior fiscal years, equal total expenditures and reserves. North Carolina Law requires municipalities to have balanced budgets.

Beach Nourishment - is the process of dumping or pumping sand from elsewhere onto an eroding shoreline to create a new beach or to widen the existing beach. Beach nourishment does not stop erosion, it simply gives the erosional forces (usually waves) something else to "chew on" for a while.

Budget – A financial plan estimating proposed expenditures for the fiscal year and proposed means of financing such expenditures.

Budget Calendar – A schedule of dates the Town follows in preparing and adopting the budget.

Capital Expenditures – Expenditures over \$5,000 which acquire or add to capital assets, such as land, buildings, improvements other than buildings, machinery, furniture, equipment, etc.

Capital Improvements Plan (CIP) – A financial plan for the construction or purchase of infrastructure, facilities, equipment, vehicles, and technology assets needed over the next five years.

Capital Reserve Fund – A fund used to account for long-term Capital Projects

Classification Plan - A tool in implementing a compensation system that helps ensure equal pay for substantially equal work.

Fund – A separate set of accounts with revenues and expenditures for a defined purpose.

Fund Balance – The amount of revenues exceeding expenditures in a governmental fund. The fund balance in the Town's General Fund constitutes the Town's reserves.

Fund Balance Policy – Funds in the City’s reserves committed to unforeseen emergencies (e.g., natural disasters) and other non-routine expenditures formally approved by Council.

General Fund – The Town’s primary operating fund, containing all financial resources of the general government except those required to be accounted for in another fund.

Municipal Service District - A municipal service district, commonly referred to as a Business Improvement District, is a financing mechanism used to provide revenue for a variety of services that enhance, not replace, existing Town services

Operating Expenses – Expenditures for goods and services needed to run the Town’s day-to-day operations.

Ordinance – A formal legislative enactment by the Town Council which has the full force and effect of law within the Town’s boundaries, provided it does not conflict with any higher-level law such as a statute or constitutional provision.

Personnel Expenditures – Salaries and wages, overtime, shift differential, Social Security and retirement contributions, life and health insurance, workers’ compensation, unemployment compensation, and State-mandated training.

Property (Ad Valorem) Tax – A tax levied on the tax-assessed value of real property.

Reserves – Funds set aside for emergencies, unforeseen necessary expenditures, or identified for a specific purpose.

Revenues – Money coming in from various sources to fund expenditures.

Tax Rate – A tax levied on the assessed value of real property and personal property located within the Town, determined by multiplying the tax-assessed value by the tax rate set by the Town Council.

Transfers – Monies shifted from one fund (where it is shown as an expenditure) into another fund (where it is shown as revenue).

Acronyms Used Throughout This Document:

ABC - Mixed Beverage Tax

BN – Beach Nourishment

BN MSD – Beach Nourishment Municipal Service District

CAMA – Coastal Area Management Act

CIP – Capital Improvements Plan

DNR NC – Department of Natural Resources North Carolina

FY – Fiscal Year

FICA – Federal Insurance Contributions Act (federal payroll tax)

GHSP – Governors Highway Safety Program

GCC – Governor’s Crime Commission

HDHP – High Deductible Health Plan

IT – Information Technology

NCVTS – North Carolina Vehicle Transportation System

NCLGERS – North Carolina Local Governmental Employees’ Retirement System

MSD – Municipal Service District

RMS – Records Management System

SCBA - Self Contained Breathing Apparatus

Town of Kitty Hawk Five-Year Capital Improvements Plan FY 2018 to 2023



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Capital Project Requests by Department.....	6-16

Introduction

What is a Capital Asset/Project

For Kitty Hawk's purposes, a capital asset/project is an asset/project or item that costs over \$5,000 and has an expected useful life of more than two years. Projects and items exceeding this threshold are considered to be outside of day-to-day operating expenditures for the Town's departments. These are major projects or purchases and need to be planned for by the Town.

The Importance of Capital Budgeting

Capital budgeting is an extremely important planning tool in the overall budgeting process of any organization. Capital budgeting requires foresight and encourages each department, and the organization as a whole, to think about and plan for future needs and resources. In the atmosphere of shrinking resources and growing demand on those resources that many local governments are now facing, capital budget planning is more important than ever.

Identifying Capital Projects

The Town of Kitty Hawk uses a variety of means to determine what projects are included and funded as capital projects. Most often, the Town's staff identifies capital projects based on projected growth or anticipated outcomes. The Town also uses master plans to identify capital projects. Each of these sources is discussed below in greater detail.

Staff - Each year prior to the Town's budget development process, each department submits a five-year capital improvement plan identifying needed capital projects.

Vehicle Replacements are identified according to the Town's vehicle replacement policy. The vehicle replacement policy is the vehicle has to meet one or more of the following criteria: (1) Mileage exceeds 100,000 miles; (2) Exceeds ten (10) years of age; and/or (3) High vehicle maintenance and repair.

Master Plans - Master plans are another way to determine future needs of a department or of the Town as a whole. These plans can be prepared by consulting firms or by Town staff often with significant input from citizens. Once the plans are completed, they are forwarded to the Town Council for consideration and adoption.

Funding for Capital Needs

The Town has several options to pay for capital projects. The Town may use operating revenues, grant funds, capital reserves, installment purchase contracts, or available fund balance. While this is not an exhaustive list of funding options, as projects are needed other funding sources may need to be identified and explored. Each of these options is discussed below in greater detail.

1. **Operating Revenues** - Operating revenues are revenues that are generated on an annual basis and are expended by the Town for day-to-day operations.
2. **Grants** - Grant funds, when available and applied for, are a way to pay for capital projects. There are a multitude of grant opportunities for a wide variety of projects.
3. **Capital Reserves** - Capital reserves are monies that are set aside specifically for future funding of larger capital items. These funds may be assigned for capital needs, or unassigned, which means that they may be used for any capital expenditure upon approval by Council. To establish a Capital Reserve, the Council will need to pass a resolution.
4. **Capital Project and Grant Project Ordinances** - A Capital Project is financed in whole or part by bond proceeds, notes, or other debt instruments or a project involving the construction or acquisition of a capital asset. A grant project is one which is “financed in whole or in part by revenues received from the federal and/or State government for operation or capital purposes as defined by the grant contract” [G.S. 159-13.2(s)(2)]. A grant or project ordinance is a budget ordinance covering the revenue and expenditures related to a particular project without regard to time.

These types of ordinances, which take the place of an annual budget ordinance for the activities in question, are best suited for large, complex projects that will take more than one fiscal year to complete or are not part of the unit’s recurring operations and expenditures.

5. **Installment Purchase Contracts** - Installment purchase contracts are a local government’s means to finance the purchase of equipment or infrastructure. The Town borrows money from a lender in order to pay for a project and then pays the principal plus any interest back to the lender. The term of the contract will typically depend on the size and cost of the project.
6. **Fund Balance** - The Town may also decide to allocate available fund balance in order to fund a project. Fund balance represents the Town’s “savings account”. It is important that the use of fund balance to pay for projects is closely monitored along with cash flows for the Town to maintain an adequate percentage of annual expenses in fund balance. Maintaining a healthy fund balance is essential to the overall financial condition of the Town and its financial ratings. The availability and use of fund balance is also critical to recovering from natural disasters when the need for resources and services is at its highest and revenues from FEMA or state agencies are not reimbursed until a later date. The Town’s policy is to maintain at least \$3.5 million in the fund balance for natural disasters or extraordinary events.

Capital Reserve Fund Balance

	<u>FY 15-16</u>	<u>FY 16/17</u>	<u>FY 17/18</u>	<u>Budget FY 18/19</u>	<u>Ending Balance FY 18/19</u>
Air Compressor - FD	20,000	-	-	-	40,000
Bath House Upgrades/Renovations	-	-	-	20,000	20,000
Beach Nourishment	926,421	862,039	(241,049)	119,016	1,666,427
Boardwalk Replacement/Repair	-	-	-	8,000	8,000
Broom Tractor	27,700	(55,400)	-	-	-
Document Imaging	-	-	-	20,000	20,000
Fire Department Training Equipment	-	-	-	15,000	15,000
Fire Truck & Equipment	-	-	20,000	80,000	104,161
Financial Software	-	-	5,000	5,000	10,000
Fuel Storage Tank Replacement	-	-	5,000	12,000	17,000
Grapple/Dump Truck	-	20,000	(20,000)	-	-
Information Technology	20,300	-	(27,832)	-	68,271
Land Use Plan Update	-	-	-	15,000	15,000
Laptop Replacement Program	-	3,000	-	-	3,000
Parks and Trails	-	-	-	-	144,735
Phone System Replacement	-	15,000	5,000	5,000	25,000
Police Department Station	-	-	-	125,000	125,000
Storm Damage Reduction (2 cent)	-	(70,000)	-	-	154,904
Town Website Updates	-	2,500	(2,500)	-	-
Interest (Estimate)	741	741	741	741	3,705
Total Capital Reserve Fund Balance:					2,440,202

The spreadsheet above is a detailed description of funds that have been set aside in previous years for future capital purchases and a projection of ending fund balances in FY 17/18. These funds are restricted for the identified purpose listed. These funds help offset the cost of large capital purchases and provide a financial planning tool for the Town. These funds can be reassigned, however, would require approval by the Town Council.

5 YEAR CAPITAL IMPROVEMENTS PLAN

Project Name	Funding Source	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Non-Departmental (4100)						
Phone System - Town Hall, PD, FD	Operating	\$ 5,000	\$ -	\$ -	\$ -	\$ -
TOTAL NON-DEPARTMENTAL		\$ 5,000	\$ -	\$ -	\$ -	\$ -
Administrative Services (4120)						
Document Imaging	Operating	\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -
TOTAL ADMINISTRATIVE SERVICES		\$ 20,000	\$ 10,000	\$ -	\$ -	\$ -
Planning & Inspections (4910)						
Land Use Plan Update	Operating	\$ 15,000	\$ 15,000	\$ 10,000	\$ -	\$ -
TOTAL PLANNING & INSPECTIONS		\$ 15,000	\$ 15,000	\$ 10,000	\$ -	\$ -
Finance (4130)						
Financial Software	Operating	\$ 5,000	\$ 10,000	\$ 10,000	\$ -	\$ -
TOTAL FINANCE		\$ 5,000	\$ 10,000	\$ 10,000	\$ -	\$ -
Public Works (4270)						
Copier	Operating	\$ -	\$ 10,000	\$ -	\$ -	\$ -
Riding Mower	Operating	\$ -	\$ -	\$ -	\$ -	\$ -
Septic Replacement - Town Hall	Operating	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Fire Department - Paint Exterior	Operating	\$ -	\$ 30,000	\$ -	\$ -	\$ -
Vehicles	Operating	\$ 32,000	\$ -	\$ 32,000	\$ -	\$ 32,000
Fuel Storage Tank Replacement	Operating	\$ 12,000	\$ 12,000	\$ 12,000	\$ -	\$ -
Living Shoreline Project - Moore Shore Road	Operating	\$ 180,000	\$ -	\$ -	\$ -	\$ -
Boardwalk & Dock Repairs	Operating	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Bath House Repair and Replacement	Operating	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
Sidewalk Projects	Operating	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PUBLIC WORKS		\$ 252,000	\$ 100,000	\$ 72,000	\$ 28,000	\$ 40,000
Police Department (4310)						
In Car Cameras/Bullet Proof Vests	Operating	\$ 8,700	\$ 24,000	\$ 38,000	\$ 19,000	\$ 19,000
Vehicles	Operating	\$ 120,000	\$ 122,000	\$ 124,000	\$ 126,000	\$ 128,000
Future Police Department Station	Operating	\$ 125,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
TOTAL POLICE		\$ 253,700	\$ 346,000	\$ 362,000	\$ 345,000	\$ 347,000
Fire Department (4340)						
Breath Apparatus	Operating	\$ -	\$ 20,000	\$ -	\$ 20,500	\$ -
Gym Equipment	Operating	\$ 5,500	\$ -	\$ -	\$ 5,500	\$ -
Vehicles	Operating	\$ -	\$ -	\$ 30,000	\$ -	\$ -
Bunker Gear Replacement	Operating	\$ 20,000	\$ -	\$ -	\$ -	\$ 25,000
Kitty Hawk Landing Dry Hydrants Engineering/Study	Operating	\$ 10,000	\$ 100,000	\$ -	\$ -	\$ -
Fire Department Training Equipment	Operating	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -
Establish Reserve for Future Fire Truck	Operating	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
TOTAL FIRE		\$ 130,500	\$ 235,000	\$ 130,000	\$ 126,000	\$ 125,000
Ocean Rescue (4370)						
Replace 2006 Ocean Rescue Truck	Operating	\$ 35,000	\$ -	\$ -	\$ -	\$ -
Jet Ski	Operating	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OCEAN RESCUE		\$ 35,000	\$ -	\$ -	\$ -	\$ -
Powell Bill Funds						
Powell Bill Street Resurfacing Project	Powell Bill/Reserves	\$ 137,000	\$ 106,000	\$ 106,000	\$ 106,000	\$ 106,000
Total Powell Bill Funds		\$ 137,000	\$ 106,000	\$ 106,000	\$ 106,000	\$ 106,000
TOTAL CAPITAL EXPENDITURES		\$ 853,200	\$ 822,000	\$ 690,000	\$ 605,000	\$ 618,000

Planning and Inspection Department

Land Use Plan Update

Description: Provides a funding source for outside consultation for updating the Town’s CAMA Land Use Plan.

Justification: Over time, concerns, goals and objectives regarding the growth patterns and growth management within a locality may change. The last time the CAMA Land Use Plan was updated was in 2003/2004, 15 years ago. Over the past 15 years conditions related to population, housing trends, land development, etc. have changed significantly. As such, it may be in the Town's best interest to update the plan to ensure that the Town's vision is consistent with what the future land use plan states.

Estimated Cost:	FY 2018-2019	\$15,000
	FY 2019-2020	\$15,000
	FY 2020-2021	\$5,000

Funding Source(s): Operating Revenue

Finance Department

Project/Item Description: Update Financial Accounting Software Program

Justification: The current accounting system is adequate, however, looking to the future it may be necessary to update this software as technology and system efficiencies improve. In addition, the Town payroll portion of the current accounting software lacks support and is cumbersome compared to newer systems.

Estimated Cost:	FY 2017-2018	\$5,000
	FY 2018-2019	\$5,000
	FY 2019-2020	\$10,000
	FY 2020-2021	\$10,000

Funding Source(s): Operating Revenue

Public Works Department

Copy Machine

Description of the Project or Item(s): Replace existing copier.

Justification: IT Technician is recommending replacement based on the age of the machine.

Estimated Cost: FY 2019-2020 \$10,000

Funding Source(s): Operating Revenue

Town Hall Pump Station/Drain Field

Project/Item Description: Rebuild/replace existing sewage pumps and replace drain field.

Justification: The current pumps/drain field have been in service since 1989. They are inspected two (2) times annually. The figures for the pump tests have been decreasing annually and will be below requirements within 1-2 years.

Estimated Cost: FY 2019-2020 \$20,000

Funding Source(s): Operating Revenue

Paint Exterior of Firehouse

Project/Item Description: Paint the exterior of the Firehouse.

Justification: The exterior of the Firehouse will need painting due to the extremes of the salt air. The steel roof supports have already been repainted by the Public Works Dept. Rust is beginning to show on the steel.

Estimated Cost: FY 2019-2020 \$30,000

Funding Source(s): Operating Revenue

Truck Replacement(s)

Project/Item Description: Replace the 2008 Dakota truck.

Justification: Projected high mileage and maintenance costs indicate a need to replace the vehicle. In addition, the vehicles usually have substantial rust due the environment by the 10-year policy replacement threshold.

Estimated Cost: FY 2018-2019 \$32,000 (Replace 2008 Dodge Dakota)
 FY 2020-2021 \$30,000 (Replace 2010 Ford F150 Truck)

Funding Source(s): Operating Revenue

Fuel Tank Storage Replacement

Project/Item Description: Replace the existing Emergency Fuel/Gasoline Storage Tanks.

Justification: The frame for these tanks has started to corrode. Also, the cofferdam where these tanks are housed is not in compliance with environmental requirements. In addition to these issues, in an emergency situation where electrical power has been lost, we require a portable generator and an extension cord to operate the pumps. This is not the safest nor most desirable way to operate for emergency fuel dispensing.

Estimated Cost: FY 2018-2019 \$12,000
 FY 2018-2019 \$12,000
 FY 2019-2020 \$12,000

Funding Source(s): Operating Revenue

Living Shoreline Project – Moore Shore Road

Description of the Project or Item(s): This project will create a living shoreline that will provide erosion protection for Moore Shore Road. This living shoreline will be constructed of a low profile, off shore sill and marsh grass plantings. The low profile structure will help to dissipate wave energy and the marsh grasses will create shoreline habitat while further minimizing erosion.

Justification: Moore Shore Road connects residents living along Kitty Hawk Bay to Highway 158 and it is an important emergency access route for the town of Kitty Hawk. It also serves as a route for public events like the annual marathon, and as a mixed walk and bike path connecting to Tateway Park (a CAMA access point). The stretches of marsh along Moore Shore Rd. are very narrow in some places, and in fact have eroded to a point where the road, is threatened. A living shoreline is a creative approach to stabilizing the shoreline while providing important estuarine habitat.

The project was originally scheduled for FY 2017-2018 however it is not expected to be completed until the 2018-2019 fiscal year.

Estimated Cost: FY 2018-2019 \$180,000

Funding Source (s): Coastal Federation, NOAA, Dare Soil and Water Conservation District, private entities, NC DOT (pending)

Boardwalk & Dock Repairs

Description of the Project or Item(s): Boardwalk & Dock Repairs.

Justification: The Town has multiple parks that are constructed of wood material that are beginning to age. These structures will need to be repaired or replaced at some point in time in the future as needed. The budgeting for this reserve recognizes that these repairs will be a budgetary concern in the future.

Estimated Cost:	FY 2018-2019	\$8,000
	FY 2019-2020	\$8,000
	FY 2020-2021	\$8,000
	FY 2021-2022	\$8,000
	FY 2022-2023	\$8,000

Funding Source (s): Operating Revenue

Bath House Repair and Replacement

Description of the Project or Item(s): Bath House Repair and Replacement

Justification: The Town Bath House is highly utilized in the summer months. The current facility is becoming weathered and will need extensive repairs in the future. The plumbing is also in need of upgrading in addition to the restroom facilities/showers.

Estimated Cost:	FY 2018-2019	\$20,000
	FY 2019-2020	\$20,000
	FY 2020-2021	\$20,000
	FY 2021-2022	\$20,000

Funding Source (s): Operating Revenue

Police Department

Police Equipment (In Car Cameras/Bullet Proof Vests)

Description of the Project or Item(s): Replacement of In-car Camera Systems & Bullet Proof Vests

Justification: The Kitty Hawk Police Department's In-Car Camera Systems are currently on a five- year replacement rotation. This rotation is due to the extreme environment of heat, cold, salt and sand that these systems are exposed to, as well as the periodic technological updates in hardware and software. It is in the best interest of the Town from a liability, as well as financial standpoint, to maintain this rotation schedule. Also, the Town must also replace bullet proof vests that have expired. It should be noted that these expenditures may be deferred by funds received from the Governor's Highway Safety Program LEL Grant and GHSP's Points for Equipment incentive program.

Estimated Cost:	FY 2018-2019	\$8,700
	FY 2019-2020	\$24,000
	FY 2020-2021	\$38,000
	FY 2021-2022	\$19,000
	FY 2022-2023	\$19,000

Funding Source(s): Operating Revenue

Police Patrol Vehicle Rotation

Description of Project: Replacement of Police Vehicles

Justification: The present policy for replacement of Police vehicles is based upon the vehicle has to meet one or more of the following criteria: (1) Mileage exceeds 100,000 miles; (2) Exceeds ten (10) years of age; and/or (3) High vehicle maintenance and repair. It is anticipated that as many as three (3) vehicles can be replaced on an annual basis. The amounts include decals and cost of installing equipment. The cars will also include a laptop computer to be used during the life of the car.

The Police Department evaluates the condition of the vehicles with the Town Manager on an annual basis and desires to maintain the rotation of the vehicles so that there exists an efficient and operational fleet that will provide the maximum amount of public safety.

Vehicles to be replaced include:

2010 Dodge Charger 88,500 miles
2012 Dodge Charger 81,000 miles

2005 F-150 61,000 miles

Estimated Cost:	FY 2018-2019	\$ 120,000 (3 patrol vehicles)
	FY 2019-2020	\$ 122,000 (3 patrol vehicles)
	FY 2020-2021	\$ 124,000 (3 patrol vehicles)
	FY 2021-2022	\$ 126,000 (3 patrol vehicles)
	FY 2022-2023	\$ 128,000 (3 patrol vehicles)

Funding Source(s): Operating Revenue

Future Police Department Station

Description of Project: Establishes a reserve for a future Police Department

Justification: The Town of Kitty Hawk Police Department has occupied the existing building since 1996. The lot size allows little room for expansion. There is currently a need for some major improvements to the existing station such as sewage system replacement, driveway repairs from standing water, remodeling restroom facilities, and other improvements. The Police Department has outgrown the existing station.

By establishing the reserve the Town Council is recognizing the potential need for a future Police Department Station in the future or major renovations to the existing station.

Estimated Cost:	FY 2018-2019	\$ 125,000
	FY 2019-2020	\$ 200,000
	FY 2020-2021	\$ 200,000
	FY 2021-2022	\$ 200,000
	FY 2022-2023	\$ 200,000

Funding Source(s): Operating Revenue

Fire Department

Self Contained Breathing Apparatus (SCBA) Replacement Program

Description of the Project or Item(s): Annually replace three 4.5 psi air-packs with integrated PASS alarms, voice amplification, buddy-breathing system, visual low air warning devices, and thirty-minute carbon-fiber bottles.

Justification: This replacement schedule is to meet current and future employer requirements specified in OSHA standards for respiratory protection and safety of employees and negates having to replace approximately 35 breathing apparatus and 70 bottles at one time.

Estimated Cost:	FY 2019-2020	\$ 19,500
	FY 2021-2022	\$ 20,500

Funding Source(s): Operating Revenue

Gym Equipment

Description of the Project or Item (s): The Fire Department has a health maintenance program that is supported by gym equipment.

Justification: Add a StairMaster StepMill which is CPAT rated. CPAT stands for Candidate Physical Ability Test. Fire departments utilize various versions of CPAT each year to ensure their firefighters are maintaining the required physical fitness necessary for the job. This particular piece of equipment has a custom firefighter test (CPAT) that measures cardiopulmonary endurance and muscular strength. This piece of equipment has proven highly beneficial to meeting the needs of other fire departments and I feel will greatly aid KHFD and town employees toward meeting its fitness and health goals.

Estimated Cost:	FY 2018-2019	\$5,500
	FY 2021-2022	\$5,500

Funding Source(s): Operating Revenue

Bunker Gear Replacement

Description of the Project or Item(s):

Justification: The replacement of bunker gear is requested due to aging and low inventory of The request funds 3 sets of bunker gear for current members with the anticipation that several more sets will need to be purchases as a result of a new volunteer recruitment effort. The Town is anticipating the need to replace 2-3 sets of gear for current members and anticipant the need for more gear due to volunteer recruitment efforts. The bunker gear has a life expectancy of 10 years.

Estimated Cost:	FY 2018-2019	\$20,000
	FY 2022-2023	\$25,000

Funding Source: Operating Revenue

Kitty Hawk Dry Hydrants Engineering/Study

Description of the Project or Item(s): Funds the engineering of constructing dry hydrants in the Kitty Hawk Landing area.

Justification: Fire suppression and pressure are known issues in the Kitty Hawk Landing area. The construction of dry hydrants that pump from canals may aid in additional pressure. The funding for the project would be scheduled in the FY 2019-2020 budget.

Estimated Cost:	FY 2018-2019	\$35,000
	FT 2019-2020	\$100,000

Funding Source: Operating Revenue

In-House Training Equipment

Description of the Project or Item(s): Funds the construction and/or purchase of inhouse training equipment.

Justification: Training Equipment will consist of various firefighting training props to assist with maintaining practical firefighting skills. The various training props will consist of equipment both purchased and constructed. Examples of the props: forcible entry, roof ventilation, Denver drill, and SCBA maze. Each of the props will be portable and not affixed to a site.

Currently, the fire department does not have routine convenient access to a training facility containing the various training resources toward maintaining firefighting practical skills. The closest regional fire training facility is located in Buxton which is over an hour away. Purchasing and constructing training equipment will greatly aid maintaining critical skills and prevent travel time and costs in utilizing the Buxton fire training facility.

Estimated Cost:	FY 2018-2019	\$15,000
	FT 2019-2020	\$15,000

Funding Source: Operating Revenue

Future Fire Truck Reserve

Description of the Project or Item(s): Establish reserves for a future fire truck.

Justification: The Town will continue utilizing the existing fire apparatus but understands that a replacement fire truck will be needed at some point in the future. The establishment of the reserve recognizes and plans for this large expense at some future date.

Estimated Cost:	FY 2018-2019	\$80,000
	FY 2019-2020	\$100,000
	FY 2020-2021	\$100,000
	FY 2021-2022	\$100,000
	FY 2022-2023	\$100,000

Funding Source: Operating Revenue

Ocean Rescue Department Capital Requests

Replace 2006 Ocean Rescue Truck

Description of the Project or item (s): Replace oldest vehicle (half ton, 4x4) in the Ocean Rescue Division with a new half ton, 4x4 truck equipped with new emergency lights, winch, bumper guard, and tool box. The radios in the replacement vehicle will be removed and reinstalled in the new vehicle.

Justification: This vehicle will replace a 2006 Chevrolet Silverado 4x4 with 56,684 miles. Due to the harsh environmental conditions that are encountered on the ocean and the demands that are placed on this vehicle during emergency response.

Estimated Cost:	FY 2018-2019	\$35,000
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Funding Source: Operating Revenue

Powell Bill

Road Resurfacing

Project/Item Description: Annual resurfacing program as determined by Public Works Director.

Estimated Cost:	FY 2017-2018	\$137,000
	FY 2018-2019	\$106,000
	FY 2019-2020	\$106,000
	FY 2020-2021	\$106,000
	FY 2021-2022	\$106,000

Funding Source(s): State Funded

Adopted by the Kitty Hawk Town Council this 4th day of June, 2018

(SEAL)

Gary L. Perry, Mayor

Lynn Morris