

TOWN OF KITTY HAWK, NORTH CAROLINA OPERATING BUDGET

FISCAL YEAR
2019-2020



'Going Forward Together'



Elected Officials:

Mayor

Mayor Pro Tem

Councilwoman

Councilman

Councilwoman

Gary Perry

Craig Garriss

Lynne McClean

Jeff Pruitt

Tina M. Tice

Leadership Team:

Town Manager

Management Assistant

Finance Director

Fire Chief

Planning & Inspections Director

Police Chief

Public Works Director

Town Clerk

Andy Stewart

Melody Clopton

Liliana Noble

Mike Talley

Rob Testerman

Joel Johnson

William Midgett

Lynn Morris

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April 29, 2019

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

In accordance with Section 159-11 of the North Carolina General Statutes it is my privilege to present for your review and consideration the FY 2019-2020 balanced budget for the Town of Kitty Hawk. This document represents months of work by dedicated staff and reflects revenues estimates and expenditures based upon an ongoing review of operations.

Summary

The proposed budget recommends a total spending level of \$10,152,437. The current Town budget represents a 4.6% increase in revenues as compared to the previous FY 2018-2019 budget. The increase in revenues is due to readjusting revenue estimates to more accurately reflect Occupancy Tax collections (\$130,000) and transferring in funds (\$145,000) from the Capital Reserve Fund to offset capital purchases being proposed in the budget. The Town is also accounting for higher interest earned on investments as a result of transferring funds to a higher earning investment account as recommended by the NC Capital Management Trust. The funds remain in a low-risk investment account to ensure liquidity and protection of tax payer dollars.

The proposed budget maintains the existing tax rate of .34 cents per \$100 valuation. It is important to note that this will be the fourth consecutive year that the tax rate has remained constant. Maintaining the existing tax rate can be attributed to the fiscal responsibility of the Town Council and the employees who are ultimately responsible for delivering quality services to the residents within the confines of the Town Budget document.

The proposed budget continues to project revenues conservatively and requires no use of funds from the general fund reserve. The budget maintains the \$3,500,000 emergency reserve and the general fund continues to operate on a debt ratio of \$0 for capital purchases and operations. In addition to the emergency reserve the Town also maintains a strongly funded un-restricted reserve fund balance of \$1,430,961 and capital reserve fund balance of \$2,952,880.

Prepared responsibly and conservatively to ensure accountability to the taxpayers of Kitty Hawk the budget is balanced with total revenues and expenditures of \$10,152,437.

Budget Highlights:

- The budget is balanced at a tax rate of .34 cents per \$100 valuation. Properties located in the Beach Nourishment District (MSD) pay an additional .12 cents
- Establishes a contingency line item of \$130,293 for unforeseen expenses throughout the year and/or unexpected shortfall in revenue

- Maintains the \$3,500,000 emergency reserve
- The budget funds no new full/part-time positions
- One-step increase (2%) for all full-time Town employees
- 5% increase in Health Insurance Premiums
- Increase in Local Government Employer Retirement Contribution
 - Law Enforcement 8.50% to 9.70% of payroll
 - General Employees 7.75% to 8.95% of payroll
- Funds critical capital needs and reserves consistent with the Town's five-year Capital Improvements Program in the amount of \$943,000
- Continues to fund reserves for future police station in the amount of \$200,000. Funds future fire truck replacement in the amount of \$100,000
- Funds renovation to Bath House in the amount of \$100,000

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 salary ranges in the local market and attracting qualified employees the budget funds a one-step adjustment for all positions. The budget continues to fund 100% for health, dental, life and vision insurance for full-time employees. The budget includes a 5% increase percent increase for health insurance premiums. The health insurance

plan for all employees was changed to a partially self-funded plan through CIGNA which has saved the Town and employees a considerable amount since it was implemented in 2016.

Although no new positions were funded in the budget it should be noted that several departments requested new positions that may need to be considered in the future. These positions that were requested but not funded include a Deputy Fire Chief, additional Police Officer, and part-time position in Public Works.

A summary of full-time, part-time, and seasonal positions is provided below.

Budgeted	Full-Time	Part-Time	Seasonal	Total
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
FY 19/20	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 and operational efficiency. Operational costs and equipment highlights in the FY 2019-2020 budget by Department include:

Non-Departmental

- Budget contingency in amount of \$130,293

Administrative Services

- No highlights

Finance Department

- No highlights

Planning & Inspections

- Corrects rank/file pay compression Planning Director

Public Works Department

- Increase to Maintenance & Repairs line item for Town Hall improvements (i.e. carpet, wood floors, etc.)

Police Department

- Corrects two (2) employee rank/file pay compression issues

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 2019-2020 identifies a total of \$943,000 in capital reserves and expenditures. Of the total capital budgeted, \$613,000 is being expended in the budget year while the remaining \$330,000 is funding future reserves for capital projects.

The capital purchases and future reserves included in the FY 2019-2020 budget consists of the following:

Capital Purchases in FY 2019-2020:

- Financial Software - \$90,000
- Bath House Repairs - \$100,000
- Equipment – 8” Dewatering Pump - \$75,000
- Police Department Equipment - \$36,000
- Purchase (3) patrol vehicles - \$115,000
- Fire Department on-site training equipment - \$15,000
- Fire Department Equipment - \$40,000
- Street Resurfacing - \$142,000

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

- Fiber Optic Phone system replacement - \$5,000
- Fuel Storage Tank replacement - \$12,000
- Boardwalk and dock repairs - \$8,000
- Future Police Department Station - \$200,000
- Purchase of future fire truck - \$100,000
- Land Use Plan Update - \$5,000

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 2019-2020 budget continues to aggressively set aside reserves for future capital projects in the amount of \$330,000. Existing

Capital Reserves are being utilized for the purchase of an 8” dewatering pump (\$75,000), Fire Department Equipment (\$40,000), Bath House Repairs (\$20,000) and a new finance/payroll software (\$10,000).

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

CAPITAL RESERVE FUND BALANCE						
Project Code	Description	FY 16/17	FY 17/18	FY 18/19	FY 19/20	Ending Balance FY 19-20
0000	Interest in investments (Estimate)	1,944	5,258	751	0	12,527
105	Bathhouse Repairs/Replacement			20,000	(20,000)	0
113	Storm Damage /Beach Nourishment	924,292	(87,519)	0	50,964	2,067,387
1003	Dump /Grapple Truck	20000	(20,000)			0
1004	Fire Truck & Equipment		20000	80,000	100,000	204,161
1005	Fuel Storage Tank Replacement		5,000	12,000	12,000	29,000
1009	Town Park & Recreation Development					144,735
1041	Fire Department Air Compressor				(40,000)	0
1081	Fiber Optic Phone System Replacement	15,000	5,000	5,000	5,000	30,000
1082	Town Website	2,500	(2,500)	0	0	0
1083	IT Development		(27,832)	0	0	54,071
1084	Document Imaging System			20,000	0	20,000
1085	Finance Software Upgrade		5,000	5,000	(10,000)	0
1086	Board Walks			8,000	8,000	16,000
1088	Fire Department Training Equipment			15,000	15,000	30,000
1089	Land Use Plan Update			15,000	5,000	20,000
1090	Police Department Building			125,000	200,000	325,000
TOTAL CAPITAL RESERVE FUND BALANCES						2,952,880

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. Since the completion of the project, property owners have made improvements to their properties near the ocean and the Town has experienced an increase in new construction. This secondary benefit of the Beach Nourishment project will increase property values for the Town for future years to come.

The Town of Kitty Hawk and Dare County will be required to pay for the debt service of this project until FY 2021-2022.

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 third debt service payment (Payment 3 of 5) in the amount of \$2,094,791 is due in FY 2019-2020. Of this payment the Town will receive \$1,169,681 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.

Financial Stability

The FY 2019-2020 budget maintains the Emergency Fund in the amount of \$3,500,000 and in accordance with Council fund balance policy. The FY 2019-2020 budget utilizes no fund balance to balance day-to-day operating expenditures in the budget and funds a contingency in the amount of \$130,293. The contingency will only be utilized if there are any unexpected expenditures or revenue reductions during the fiscal year. The unrestricted fund balance as of June 30, 2019 is estimated to be approximately \$1,430,961.

Conclusion

This budget document remains the same in format, layout and content as the previous three budgets. This format has proven effective over the past three years and intended to be easily interpreted by the general public.

I would like to thank the hard-working Town employees for the jobs they do every day. Our employees are always ready to serve when called upon no matter what the circumstances. On behalf of myself and our employees, I would also like to thank the Town Council for their unselfish willingness to serve the Town and the professionalism displayed while serving in this capacity. Building a resilient community is a team effort and requires each and every one of us working together for the common good.

It is my pleasure to present to you the budget document for FY 2019-2020.

Sincerely,



Andy Stewart

Town Manager, Town of Kitty Hawk

**Town of Kitty Hawk
Budget Ordinance - FY 2019-2020**

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, 2019 and ending June 30, 2020 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)	\$3,383,695
Ad Valorem Tax (\$.04) Debt Service Beach Nourishment	\$451,159
Ad Valorem Tax MSD (\$.12) Beach Nourishment	\$500,115
Prior Years Taxes	\$25,000
Penalties/Interest	\$8,000
Motor Vehicle Tax	\$160,000
Motor Vehicle Tax (\$.04) Beach Nourishment	\$20,000
Motor Vehicle Tax (\$.12) MSD	\$8,000
Local Option Sales Tax	\$1,283,000
Local Option Sales Tax – BN & MSD	\$160,000
Land Transfer Tax	\$360,000
Occupancy Tax	\$1,450,000
Beer and Wine Tax	\$15,700
Telecom Tax	\$27,900
Electric Utility Tax	\$402,000
Cable Franchise Tax	\$84,500
Piped Natural Gas Tax	\$2,200
PEG Channel Tax	\$27,000
Solid Waste Disposal Tax	\$2,300
Mixed Beverage Tax (ABC)	\$57,817
Building Permits	\$135,000
Homeowner Recovery Fee	\$770
CAMA Permits	\$3,500
Planning Permits and Fees	\$13,000
Board of Adjustment Fees	\$500
Site Plan Reviews	\$1,000
Sanitation Fees (Garbage Carts)	\$7,000
Powell Bill Allocation	\$106,000
Dept of Justice Asset Forfeiture Program	\$1,000
NCDOR Unauthorized Sub Tax Distribution	\$1,000
Grants Others – NC Community Conservation	13,000
Dare County Sand Fencing	\$24,000

Source	Amount
Governor's Crime Commission Grant	\$24,000
Dare County Payment to Obligation Bonds	\$1,169,681
Enforcement Fines & Parking Violations	\$3,500
Court Fees	\$3,000
Fines and Forfeitures	\$1,000
Interest on Investments	\$50,000
Town Merchandise Sales	\$300
Office Rental- DNR NC	\$4,800
Sale of Surplus Property	\$10,000
Miscellaneous Revenue	\$1,000
Icarus International	\$6,000
Fund Balance Appropriated	\$0
Transfer in from Capital Reserve	\$145,000
Total	\$10,152,437

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, 2019 and ending June 30, 2020.

Function	Budget
General Government	\$2,508,809
Public Safety	\$4,014,673
Transportation – Powell Bill	\$142,000
Sanitation	\$1,191,000
Beach Nourishment	\$2,295,955
Total	\$10,152,437

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, 2019 and ending June 30, 2020 to meet appropriations approved by the Town Council herein.

Function	Budget
Capital Reserve Appropriated	\$145,000
Transfer from General Fund – Future Capital	\$345,000
Transfer from General Fund – Excess Beach Nourishment	\$125,964
Total	\$615,964

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, 2019 and ending June 30, 2020.

Function	Budget
Transfer to General Fund	\$145,000
Reserves	\$470,964
Total	\$615,964

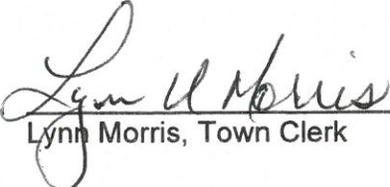
TAXES AND FEES LEVIED: There is hereby levied a tax rate of 34 cents (\$0.34) on each one hundred dollars (\$100.00) valuation of taxable property in the Town of Kitty Hawk, as listed for taxes for the current tax year by the Dare County Tax Department. The Municipal Service District (MSD) is established 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 \$1,139,291,231 with the MSD portion representing \$420,972,636 of the total property tax base. The total property tax levies are anticipated to produce \$ 4,334,969 in revenue based on a 99% collection rate. A penny on the tax rate is projected to generate approximately \$156,026.38.

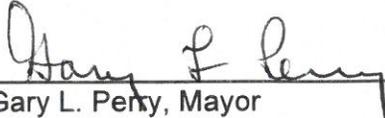
ENCUMBERED OPERATING FUNDS REAPPROPRIATED: The operating funds encumbered on the financial records as of June 30, 2019 are hereby re-appropriated to this budget.

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 2019-2020 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 3rd day of June 2019.


Lynn Morris, Town Clerk


Gary L. Perry, Mayor

2019 Date	Action Item
April 29	Budget work session with Town Council
May 22	Public Hearing Advertised for Budget Ordinance
May 23	Town Manager files proposed Budget with Town Clerk
June 3	Council Holds Public Hearing on Proposed Budget and adoption of FY 2019-2020 Budget Ordinance
July 1	Approved FY 2019-2020 budget becomes effective

For information regarding meeting times and locations, visit www.townofkittyhawk.org

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.

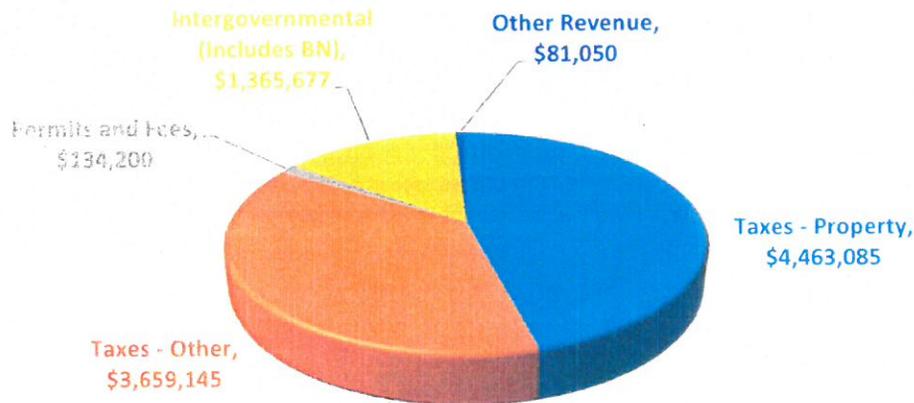
Summary of General Fund Revenues by Percentage

Percentage of Revenues by Source

General Fund

CLASSIFICATION	ACTUAL		BUDGET		% of Total Revenues
	FY 16/17	FY 17/18	FY 18/19	PROPOSED FY 19/20	
REVENUES					
Taxes- Property	4,457,549	4,548,212	4,463,085	4,555,969	44.88%
Taxes- Other	3,721,151	3,980,834	3,659,145	3,872,417	38.14%
Permits and Fees	133,724	163,558	134,200	160,770	1.58%
Intergovernmental	723,896	1,718,941	1,365,677	1,338,681	13.19%
Fines and Forfeits	15,488	7,887	7,750	7,500	0.07%
Interest Earnings	38,455	94,702	20,000	50,000	0.49%
Other Revenue	88,846	83,971	22,300	22,100	0.22%
Fund Balance Appropriated				0	0.00%
Transfer in From Capital Reserve	55,400	50,332	31,000	145,000	1.43%
Total Revenues	9,234,509	10,648,437	9,703,157	10,152,437	100.00%

TOP FIVE REVENUES BY SOURCE

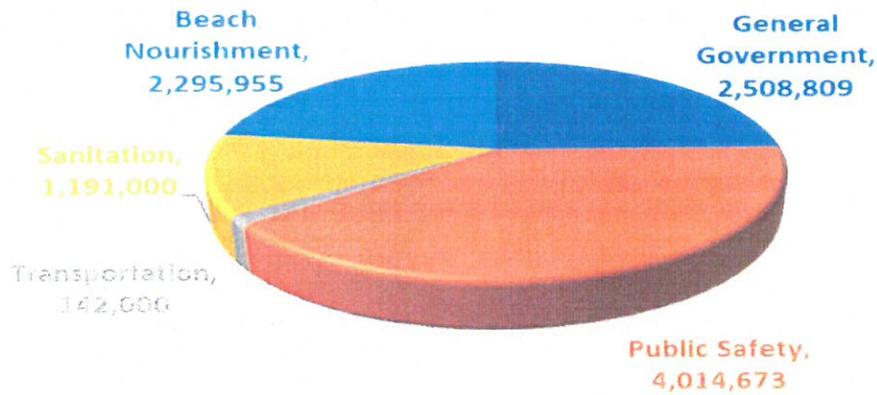


Summary of General Fund Expenditure by Percentage

Percentage of Expenditures by Function

ACC #	CLASSIFICATION	ACTUAL FY 16-17	ACTUAL FY 17-18	BUDGET FY 18-19	BUDGET FY 19-20	% of Total Expenditures
EXPENDITURES						
4100	Non- Departmental	684,771	502,998	507,409	568,193	5.60%
4110	Governing Body (Town Council)	15,199	18,602	26,700	27,500	0.27%
4111	Recreation Committee	3,493	3,885	14,700	3,700	0.04%
4120	Administration Services	442,693	423,784	466,455	476,896	4.70%
4130	Finance Department	183,994	203,696	211,849	309,425	3.05%
4270	Public Works Department	1,137,675	891,272	808,829	803,095	7.91%
4310	Police Department	1,715,143	1,838,346	2,054,781	2,213,629	21.80%
4340	Fire Department	2,069,499	2,698,176	1,529,350	1,648,503	16.24%
4370	Ocean Rescue	107,201	131,487	185,054	152,540	1.50%
4410	Beach Nourishment	1,131,040	2,403,017	2,327,861	2,295,955	22.61%
4510	Transportation (Powell Bill)	79,523	80,972	137,000	142,000	1.40%
4710	Sanitation	994,833	914,295	1,116,000	1,191,000	11.73%
4910	Planning & Inspection Department	287,088	268,062	300,359	303,205	2.99%
4980	Planning Board	4,750	5,684	12,545	12,543	0.12%
4990	Board of Adjustment	-	-	4,265	4,252	0.04%
Total Expenditures		8,856,902	10,384,275	9,703,157	10,152,437	100%

EXPENDITURES BY FUNCTION



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 44.88% of General Fund revenues is the proposed property tax, budgeted at \$4,555,969—approximately .7% more than FY 18/19. 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 \$156,026. 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.

The Town has maintained the existing property tax rate since 2015-2016.

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 \$188,000 for FY 19/20 and represents 1.8% 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 \$1,443,000 and represents 14.21% 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 \$1,450,000 and represents 14.28% 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 \$402,000 and represents 3.96% 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 \$360,000 and represents 3.54% 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 18/19 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 \$135,000 and represents 1.33% 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 be 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 1.04% 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. In addition, the Town is consistently analyzing the investment funds available to the Town through the North Carolina Capital Management Trust to maximize return on investments. Several investment changes were made in FY 2018-2019 which have resulted in higher interest earnings for the Town.

The interest earnings on investments is expected to generate an estimated \$50,000.

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.

FISCAL YEAR 2019/2020 Revenue Sources and Trends

The FY 2019-2020 budget being transfers funds from the Capital Reserve Fund in the amount of \$145,000. The funds will be utilized for the purchase of an 8" dewatering pump, Fire Department Equipment, Financial Software, and repairs to the Bath House.

There are no funds being transferred from the unrestricted fund balance for FY 19/20.

The Transfers from the Capital Reserve Fund will generate an estimated \$145,000.

The Town of Kitty Hawk anticipates the unrestricted general fund balance to remain the same as in FY 18/19. The FY 19/20 proposes no utilization of unrestricted fund balance.

The Capital Reserve Fund is projected to increase by an estimated \$472,678 in FY 2019-2020 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 2019-2020.

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

General Fund Balance

Fiscal Year Ending	Actual FY 16/17	Actual FY 17/18	Estimated FY 18/19	Estimated FY 19/20
Non-spendable:				
Prepaid Items	\$ 23,533	\$ 25,050	\$ 40,283	\$ 40,283
<u>RESTRICTED:</u>				
Restricted for:				
Stablization by State Statute	\$ 1,097,512	\$ 1,067,740	\$ 1,097,521	\$ 1,097,521
Street - Powell Bill	\$ 320,405	\$ 351,182	\$ 289,405	\$ 253,405
Public Safety	\$ 6,057	\$ 7,007	\$ 7,082	\$ 7,082
Capital Reserve Fund	\$ 2,415,576	\$ 2,317,983	\$ 2,480,202	\$ 2,952,880
LEO Special Separation Allowance	\$ 35,295	\$ 28,628	\$ 29,144	\$ 29,144
Assigned:				
Subsequent Year's Expenditures	\$ 235,000	\$ -	\$ -	\$ -
Committed Emergency Reserve	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000
Total Restricted:	<u>\$ 7,633,378</u>	<u>\$ 7,297,590</u>	<u>\$ 7,443,637</u>	<u>\$ 7,880,315</u>
<u>UNRESTRICTED:</u>				
Total Unrestricted:	<u>\$ 2,555,482</u>	<u>\$ 3,057,841</u>	<u>\$ 1,430,961</u>	<u>\$ 1,430,961</u>
Unassigned:	\$ 6,055,482	\$ 6,557,841	\$ 1,430,961	\$ 1,430,961
Total Fund Balance at Fiscal Year End:	<u>\$ 10,188,860</u>	<u>\$ 10,355,431</u>	<u>\$ 8,874,598</u>	<u>\$ 9,311,276</u>

General Fund Revenues - Detailed

GENERAL FUND - 10 / DEPARTMENT DETAIL

ACCOUNT NUMBER	REVENUE SOURCE	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
TAXES - PROPERTY					
10-9000-3100-2019	Ad Valorem Tax (\$.30)	3,320,685	3,357,632	3,344,001	3,383,695
10-9000-3275-2019	Ad Valorem (\$.04) BN	442,756	451,600	445,867	451,159
10-9000-3274-2019	Ad Valorem (\$.12) MSD	495,967	504,613	497,217	500,115
10-9000-3100-0000	Ad Valorem Prior Years	13,313	32,221	5,000	25,000
10-9000-3100-4170	Ad valorem and Vehicle Penalties/Interest	2,551	8,261	3,000	8,000
10-9000-3280-4121	Motor Vehicle Tax	154,441	163,617	140,000	160,000
10-9000-3280-4123	Motor Vehicle Tax - (\$.04)BN	20,477	21,801	20,000	20,000
10-9000-3280-4125	Motor Vehicle Tax - (\$.12)MSD	7,359	8,467	8,000	8,000
	Subtotal	4,457,549	4,548,212	4,463,085	4,555,969
TAXES - OTHER					
10-9000-3230-0000	Local Option Sales Tax	1,222,917	1,286,597	1,283,000	1,283,000
10-9000-3230-0012	Local Option Sales Tax - BN MSD	162,354	170,808	149,100	160,000
10-9000-3245-0000	Land Transfer Tax	333,266	375,581	305,000	360,000
10-9000-3270-0000	Occupancy Tax	1,388,871	1,532,919	1,320,000	1,450,000
10-9000-3322-0000	Beer and Wine Tax	15,747	15,229	15,904	15,700
10-9000-3324-4001	Telecom Tax	29,135	26,716	27,900	27,900
10-9000-3324-4002	Electric Utility Tax	395,074	399,754	382,000	402,000
10-9000-3324-4003	Cable Franchise Tax	86,756	84,252	87,624	84,500
10-9000-3324-4004	Piped Natural Gas Tax	1,537	2,168	1,500	2,200
10-9000-3324-4005	PEG Channel	27,586	26,757	27,000	27,000
10-9000-3471-0000	Solid Waste Disposal Tax	2,337	2,336	2,300	2,300
10-9000-3837-0000	Mixed Beverage Tax (ABC)	55,571	57,717	57,817	57,817
	Subtotal	3,721,151	3,980,834	3,659,145	3,872,417
PERMITS AND FEES					
10-4910-3343-4010	Building Permits	117,353	133,981	110,000	135,000
10-4910-3343-4011	Homeowner Recovery Fee	920	770	700	770
10-4910-3343-4012	CAMA Permits	4,855	3,375	3,500	3,500
10-4910-3839-0000	Planning Permit and Fees	5,196	18,732	13,000	13,000
10-4990-3345-4020	Board of Adjustment Fees	-	-	500	500
10-4990-3345-4021	Site Plan Review Fees	-	-	1,000	1,000
10-9000-3470-0000	Sanitation Fees (Garbage Carts)	5,400	6,700	5,500	7,000
	Subtotal	133,724	163,558	134,200	160,770
INTERGOVERNMENTAL					
10-9000-3316-0000	Powell Bill Allocation (pass through)	106,072	106,118	106,000	106,000
10-9000-3317-4091	Dept of Justice Asset Forfeiture Program	2,280	-	1,000	1,000
10-9000-3317-4092	NCDOR Unauthorized Sub Tax Distribution	3,566	10,538	1,000	1,000
10-9000-3431-0000	Grants- Gov Access Channel Video	-	10,000	-	-
10-9000-3431-0000	Grants - Others (NC Community Conservation)	-	57,722	-	13,000
10-9000-3431-0000	Grants- KH Landing Association(pass through)	209,580	-	-	-
10-9000-3431-0001	KH Landing Association contribu(pass through)	106,440	-	-	-
10-9000-3633-0000	FEMA- Federal Grant Revenue(pass through)	197,652	-	-	-
10-9000-3633-0000	FEMA - State Grant Revenue (pass through)	65,884	-	-	-
10-9000-3633-0000	Grant- NC Dept Agriculture & Consumers (pass)	-	201,236	-	-
10-4270-3839-0519	Dare Co. - Sand Fencing (pass through)	10,228	24,000	24,000	24,000
10-4310-3431-0000	Gov. Crime Commission Grant (pass through)	6,227	17,672	24,000	24,000
10-4310-3431-5060	GHSP Grants (pass through)	15,967	45,983	2,000	-
10-4410-3271-0000	Dare County Payment to Obligation Bonds	-	1,245,673	1,207,677	1,169,681
	Subtotal	723,896	1,718,941	1,365,677	1,338,681

General Fund Revenues - Detailed

GENERAL FUND - 10 / DEPARTMENT DETAIL

ACCOUNT NUMBER	REVENUE SOURCE	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
FINES & FORFEITS					
10-9000-3331-0000	Code Enforcement Fines & Parking Violations	4,300	3,670	3,500	3,500
10-9000-3330-0000	Court Fees	5,138	2,967	4,000	3,000
10-9000-3332-0000	Fines and Forfeitures	6,050	1,250	250	1,000
	Subtotal	15,488	7,887	7,750	7,500
INTEREST EARNINGS					
10-9000-3831-0000	Interest on Investments	38,455	94,702	20,000	50,000
	Subtotal	38,455	94,702	20,000	50,000
OTHER REVENUE					
10-9000-3412-0000	Town Merchandise Sales	275	324	500	300
10-9000-3434-0000	General Donations	200	600	-	-
10-9000-3834-0000	Office Rental - DNR NC	4,800	4,800	4,800	4,800
10-9000-3835-0000	Sale of Surplus Property	16,839	21,795	10,000	10,000
10-9000-3839-0000	Miscellaneous Revenue	15,350	51,946	1,000	1,000
10-9000-3839-4025	Local Cable Franchise Fees- Chater Riverside	23,284	-	-	-
10-4270-3839-0110	Icarus International	28,098	4,506	6,000	6,000
	Subtotal	88,846	83,971	22,300	22,100
FUND BALANCE					
10-9000-3991-0000	Fund Balance-Appropriated	-	-	-	-
	Subtotal	-	-	-	-
TRANSFER IN FROM CAPITAL RESERVE					
10-9000-9500-0000	Powell Bill Reserves	-	-	31,000	-
10-9000-9500-0000	Bath House Repairs/ Replacement (0105)	-	-	-	20,000
10-9000-9500-0000	Grapple/Dump Truck (project code 1003)	55,400	20,000	-	-
10-9000-9500-0000	Town Website (project code 1082)	-	2,500	-	-
10-9000-9500-0000	IT Development (project code 1083)	-	27,832	-	-
10-9000-9500-0000	Financial Software Upgrade (1085)	-	-	-	10,000
10-9000-9500-0000	Air Compressor Funds Reserve -FD Equipment	-	-	-	40,000
10-9000-9500-0000	Storm Water Damage Pump Purchase	-	-	-	75,000
	Subtotal	55,400	50,332	31,000	145,000
TOTAL REVENUES		9,234,509	10,648,437	9,703,157	10,152,437

Non-Departmental

NON-DEPARTMENTAL OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4100

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
OPERATING						
5005		PEG Government Channel (pass through)	27,586	26,757	32,400	30,000
5006		Tax Collection Fees to Dare County	50,047	51,316	50,160	52,000
5007		Collection Fees -NCVTS	7,110	5,766	8,000	8,000
5220		Employee Relationships and Events	2,885	5,161	6,000	6,000
5250		Vehicle Supplies	381	338	400	400
5299		Departmental Supplies	4,571	4,124	4,500	4,500
5321		Telephone, Communications , Email	3,781	5,105	4,000	5,500
5325		Postage	259	166	500	300
5330		Utilities	5,073	6,217	5,200	6,700
5340		Printing	-	600	400	600
5370		Advertising	-	-	500	500
5383		IT Services (includes PD Laptop)	2,361	101,869	70,000	70,000
5440		Service & Maintenance Contracts	7,853	6,734	9,500	6,000
5440		Serv. & Maint. Contracts New Town Website	-	5,000	-	-
5450		Insurance & Bonding	214,069	199,504	231,000	231,000
5491		Dues & Subscriptions	341	356	250	400
5455		Special Liabilities/Unemployment Compensa.	3,010	6,766	-	10,000
5456		Fines and Forfeitures	6,100	1,250	-	-
		Subtotal	335,427	427,030	422,810	431,900
MAINTENANCE & REPAIRS						
5353		Maintenance and Repairs - Vehicle	205	627	1,000	1,000
		Subtotal	205	627	1,000	1,000
PROGRAMS AND GRANTS						
5090		Kitty Hawk Landing Association	314,370	59,518	-	-
		Subtotal	314,370	59,518	-	-
CONTINGENCY						
5991		Budgetary Contingency	-	-	58,599	130,293
		Subtotal	-	-	58,599	130,293
CAPITAL OUTLAY						
5520	1083	IT Development	14,269	10,823	-	-
		Subtotal	14,269	10,823	-	-
TRANSFER TO CAPITAL RESERVE						
5520	1083	IT Development	3,000	-	-	-
5520	1082	Town Website Reserve	2,500	-	-	-
5520	1084	Document Imaging Reserve	-	-	20,000	-
5520	1081	Fiber Optic Town Wide Phone System Replace	15,000	5,000	5,000	5,000
		Subtotal	20,500	5,000	25,000	5,000
TOTAL NON-DEPARTMENTAL EXPENDITURES			684,771	502,998	507,409	568,193

Governing Body Town Council

Councilman
Jeff Pruitt

Mayor Pro Tem
Craig Garriss

Mayor
Gary Perry

Councilwoman
Lynne McClean

Councilwoman
Tina Tice



GOVERNING BODY (TOWN COUNCIL) OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4110

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL					
5121	Council Compensation	6,825	6,725	9,450	9,450
5181	FICA	556	545	750	750
	Subtotal:	7,381	7,270	10,200	10,200
OPERATING					
5192	Prof.Services- Dare Co.Board Elections	-	3,685	3,500	-
5310	Travel and Training	486	150	5,000	5,000
5321	Telephone, Communications, Email	888	825	1,000	1,000
5396	Contract Services - Dare Co. Board Elections	-	-	-	4,300
5491	Dues and Subscriptions	6,259	6,131	6,000	6,000
5499	Miscellaneous	185	541	1,000	1,000
	Subtotal:	7,818	11,332	16,500	17,300
TOTAL GOVERNING BODY EXPENDITURES		15,199	18,602	26,700	27,500

Recreation Committee



RECREATION COMMITTEE OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4111

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
OPERATING					
5370	Advertising	-	-	200	200
5499	OBX Marathon	-	-	500	500
5499	Pruitt Parks (Playground Repairs)	3,493	3,885	1,000	3,000
5499	Sandy Run Park Improvements	-	-	13,000	-
	Subtotal:	3,493	3,885	14,700	3,700
TOTAL GOVERNING BODY EXPENDITURES		3,493	3,885	14,700	3,700

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 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Salaries & Wages	286,793	269,812	280,980	287,494
5181		FICA	21,243	19,939	21,569	22,067
5182	0901	Retirement Contribution	21,385	20,840	22,282	29,181
5182	0902	401K	5,320	5,380	5,619	5,750
5183		Health Insurance	44,310	46,603	50,755	51,505
		Subtotal	379,051	362,575	381,205	395,996
PROFESSIONAL SERVICES						
5192		Legal Service	35,713	39,075	45,000	42,000
5199		Prof. Services - Other	6,618	363	11,500	11,500
5396		Video & Transcription	6,200	7,600	8,000	8,000
		Subtotal	48,531	47,038	64,500	61,500
OPERATING						
5299		Departmental Supplies	1,968	1,289	2,500	2,500
5310		Travel & Training	2,460	1,068	3,500	3,000
5321		Telephone, communications , Email	2,234	1,964	2,800	2,800
5325		Postage	200	195	350	300
5349		Printing Codification of Ordinances	2,975	1,871	5,000	3,000
5370		Advertising	2,504	3,744	3,200	3,200
5440		Service & Maintenance Contracts (Pre- Employment)	1,925	3,552	2,400	4,000
5491		Dues and Subscriptions	845	488	1,000	600
		Subtotal	15,111	14,171	20,750	19,400
TOTAL ADMINISTRATIVE SERVICES EXPENDITURES			442,693	423,784	466,455	476,896

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 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Salaries & Wages	106,234	105,610	107,588	111,000
5181		FICA	7,320	7,260	8,267	8,528
5182	0901	Retirement Contribution	7,844	8,231	8,532	11,267
5182	0902	401K	1,536	1,855	2,152	2,220
5183		Health Insurance	28,853	28,499	36,810	36,910
		Subtotal	151,787	151,454	163,349	169,925
PROFESSIONAL SERVICES						
5191		Prof. Services Auditor & Actuaries	18,785	22,109	22,500	27,800
		Subtotal	18,785	22,109	22,500	27,800
OPERATING						
5299		Departmental Supplies	1,698	1,164	2,000	1,700
5310		Travel & Training	2,929	11,786	5,000	5,000
5321		Telephone, communications , Email	749	675	850	850
5325		Postage	365	314	400	400
5340		Printing	281	785	1,000	1,000
5440		Service & Maintenance Contracts	7,107	10,174	11,500	12,500
5491		Dues and Subscriptions	293	235	250	250
		Subtotal	13,422	25,133	21,000	21,700
CAPITAL OUTLAY						
5520		Capital Outlay Financial Software	-	-	-	90,000
		Subtotal				90,000
TRANSFER TO CAPITAL RESERVE						
5550	1085	Financial Software Upgrade	-	5,000	5,000	-
		Subtotal	-	5,000	5,000	-
TOTAL ADMINISTRATIVE SERVICES EXPENDITURES			183,994	203,696	211,849	309,425

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 public trust.



PUBLIC WORKS DEPARTMENT OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4270

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Salaries & Wages	205,112	200,736	182,401	186,042
5121		Seasonal/Part time	-	-	38,900	39,216
5122		Overtime	4,922	-	3,000	-
5181		FICA	15,684	14,799	17,077	17,417
5182	0901	Retirement Contribution	13,433	13,571	14,464	18,934
5182	0902	401K	3,136	3,173	3,649	3,731
5183		Health Insurance	35,983	43,713	53,838	54,005
		Subtotal	278,270	275,993	313,329	319,345
OPERATING						
5212		Uniforms	3,179	2,716	3,000	3,000
5250		Vehicle Supplies- Fuel	9,379	7,770	15,000	15,000
5260		Shop Tools & Equipment	1,620	1,514	1,500	2,000
5293		Supplies- Street Name Signs	4,831	1,974	1,500	1,500
5299		Departmental Supplies	1,474	1,235	1,500	2,000
5310		Travel & Training	2,148	1,104	3,500	3,500
5321		Telephone, Communications , Email	2,927	2,786	4,000	4,000
5330		Utilities	11,053	13,249	13,000	14,000
5433		ATV Rental	2,943	5,728	4,000	4,000
5440		Service & Maintenance Contracts	8,829	16,912	20,000	20,000
5491		Dues and Subscriptions	470	200	500	750
		Subtotal	48,853	55,187	67,500	69,750
MAINTENANCE AND REPAIRS						
5295	0000	Maintenance & Repairs - Bldg and Grounds	373,364	78,598	126,000	155,000
5295	0114	Maint. & Repair. Storm Debris Removal Canals/Ditches	-	201,236	-	-
5295	0110	Maintenance & Repairs - Icarus	29,684	2,242	6,000	6,000
5352		Maintenance & Repairs- Equipment	4,254	7,165	11,000	12,000
5599		Sand Fence Project- (Pass Through)	10,228	24,585	24,000	24,000
5353		Maintenance & Repairs - Vehicle	5,122	5,296	9,000	7,000
		Subtotal	422,652	319,122	176,000	204,000
CAPITAL OUTLAY						
5540		Vehicles	-	-	32,000	-
5550	0113	Equipment - 8" PUMP	61,930	-	-	75,000
5550		Grapple /Dump Truck	-	132,044	-	-
5550		Riding Mower	-	7,387	-	-
5580	0105	Bath House Repairs	-	-	-	100,000
5580		Building Structures -Metal Storage	-	20,480	-	-
5593		Police Department permeable pavement	-	-	-	15,000
5593		Install Fence/Screen @ Police Department	7,656	-	-	-
5594		Storm Water Improvements Tateway /Rabbit Hollow	298,314	76,060	-	-
5595		Living Shoreline Project (Moor Shore Rd)	-	-	180,000	-
		Subtotal	367,900	235,971	212,000	190,000
TRANSFER TO CAPITAL RESERVE						
5550	1003	Dump/Grapple Truck Reserves	20,000	-	-	-
5550	1005	Fuel Storage Tank Replacement	-	5,000	12,000	12,000
5550	1086	Town- Wide Boardwalk and Dock Repairs	-	-	8,000	8,000
5550	0105	Future Bath House Replacement	-	-	20,000	-
		Subtotal	20,000	5,000	40,000	20,000
		Public Works Subtotal	1,137,675	891,272	808,829	803,095

PUBLIC WORKS DEPARTMENT OPERATING EXPENDITURES (Continued)

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4510 & 4710

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
STATE STREET AID POWELL BILL - (4510)						
5293		Transportation Signs	1,665	-	-	-
5295		Street Maintenance and Repairs	300	-	-	-
5195	E102	Professional Services Engineering	5,373	-	2,000	5,000
5591	E117	Street Maintenance (pass through)	61,428	80,475	10,000	12,000
5591	E101/109	Roadway Improvements (pass through)	10,757	497	125,000	125,000
Total State Street Aid Powell Bill			79,523	80,972	137,000	142,000
ENVIRONMENTAL SERVICES (4710)						
5690		Contract Services Chipping	10,030	14,053	16,000	16,000
5691		Contract Services Solid Waste Collection	984,803	900,242	1,100,000	1,175,000
Total Environmental Services			994,833	914,295	1,116,000	1,191,000
TOTAL PUBLIC WORKS EXPENDITURES			2,212,031	1,886,539	2,061,829	2,136,095

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 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Salaries & Wages	941,449	948,876	999,410	1,018,893
5121		Part time Salaries	-	720	5,000	5,000
5122		Overtime	147	3,585	5,000	10,000
5131		Separation Allowance	72,777	65,627	54,879	54,879
5181		FICA	66,257	72,283	81,754	83,961
5182	0901	Retirement Contribution	74,575	78,726	84,852	111,033
5182		401K- State Mandate 5%	42,523	-	46,347	47,477
5182	0902	401K 2%	17,474	59,170	20,372	20,862
5183		Health Insurance	243,314	246,602	287,267	294,225
		Subtotal	1,458,516	1,475,589	1,584,881	1,646,329
PROFESSIONAL SERVICES						
5193		Professional Services- Medical	5,120	4,925	6,000	6,000
		Subtotal	5,120	4,925	6,000	6,000
OPERATING						
5212		Uniforms	8,423	9,179	13,000	13,000
5220		Employee Events	-	-	-	2,500
5250		Vehicle Supplies- Fuel	30,690	34,256	38,000	37,000
5299		Departmental Supplies	7,550	8,063	8,000	8,000
5310		Travel & Training	10,581	13,259	13,000	13,000
5321		Telephone, communications , Email	18,575	20,501	21,000	21,000
5325		Postage	1,786	1,738	1,700	1,800
5330		Utilities	4,780	5,477	6,500	6,500
5340		Printing	1,125	1,216	1,500	1,500
5380		Controlled Substance Enforcement	655	130	1,000	1,000
5433		Special Operations	1,400	251	1,500	1,000
5440		Service & Maintenance Contracts	29,056	31,385	31,000	32,000
5491		Dues and Subscriptions	958	783	1,000	1,000
5498		Controlled Substances Tax- Restricted	2,538	9,287	1,000	1,000
5499		Dept. Of Justice Assest Forfeiture	4,543	300	1,000	1,000
		Subtotal	122,660	135,824	139,200	141,300
MAINTENANCE AND REPAIRS						
5352		Maintenance & Repairs- Equipment	11,343	20,483	16,000	15,000
5353		Maintenance & Repairs - Vehicle	30,658	21,731	28,000	28,000
		Subtotal	42,001	42,213	44,000	43,000

POLICE DEPARTMENT OPERATING EXPENDITURES (Continued)

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4310

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PROGRAMS AND GRANTS						
5060		Grant- NCGHSP	17,404	45,983	2,000	-
5070		Grant- Gov. Crime Commision	6,227	17,672	24,000	25,000
5497		Community Outreach	997	999	1,000	1,000
		Subtotal	24,628	64,653	27,000	26,000
CAPITAL OUTLAY						
5540		Vehicles	62,218	104,011	120,000	115,000
5550		Equipment	-	11,130	8,700	36,000
		Subtotal	62,218	115,141	128,700	151,000
TRANSFER TO CAPITAL RESERVE						
5580	1090	Future Police Department Building	-	-	125,000	200,000
		Subtotal	-	-	125,000	200,000
TOTAL POLICE DEPARTMENT EXPENDITURES			1,715,143	1,838,346	2,054,781	2,213,629

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 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Salaries & Wages	818,068	762,020	803,523	817,388
5121		Part time Salaries	-	42,654	49,200	65,280
5121		Volunteer Incentive Pay	-	7,200	15,000	25,000
5122		Overtime	25,832	29,827	25,000	24,000
5181		FICA	62,329	61,742	68,174	70,355
5182	0901	Retirement Contribution	60,568	61,302	65,702	85,502
5182	0902	401K	11,315	13,141	17,321	17,598
5182	0903	Firefighter Pension Fund	3,260	3,545	5,075	5,075
5183		Health Insurance	150,397	178,175	207,105	220,805
		Subtotal	1,131,769	1,159,606	1,256,100	1,331,003
PROFESSIONAL SERVICES						
5193		Professional Services- Medical Physicals	8,335	7,444	13,500	13,500
		Subtotal	8,335	7,444	13,500	13,500
OPERATING						
5212		Uniforms	16,807	17,612	18,500	18,500
5250		Vehicle Supplies- Fuel	7,859	12,193	13,000	13,000
5299		Departmental Supplies	11,072	13,557	13,500	14,000
5310		Travel & Training	10,862	13,992	15,000	15,000
5321		Telephone, Communications , Email	9,748	15,796	12,500	15,000
5325		Postage	145	124	250	250
5330		Utilities	14,836	13,824	14,500	15,000
5440		Service & Maintenance Contracts	4,663	8,047	8,500	9,000
5491		Dues and Subscriptions	1,917	2,052	2,000	2,250
		Subtotal	77,909	97,198	97,750	102,000
MAINTENANCE AND REPAIRS						
5352		Maintenance & Repairs- Equipment	7,297	10,948	11,500	12,000
5353		Maintenance & Repairs - Vehicle	36,083	17,855	20,000	35,000
		Subtotal	43,380	28,803	31,500	47,000
CAPITAL OUTLAY						
5540		New Copier	5,761	-	-	-
5550		Equipment	-	10,928	20,000	40,000
5550		Replace Rescue 13	-	34,503	-	-
5550		Air Packs	16,663	13,852	-	-
5550		Replace Gym Equipment	3,785	6,954	5,500	-
5550	1087	Dry Hydrants KH Landing - Engineer	-	-	10,000	-
		Subtotal	26,209	66,237	35,500	40,000
DEBT SERVICE						
5710		Firehouse Loan Principal	719,292	1,284,350	-	-
5720		Firehouse Loan Interest	62,605	34,538	-	-
		Subtotal	781,897	1,318,888	-	-
TRANSFER TO CAPITAL RESERVE						
5550	1004	Future Fire Truck Reserve	-	20,000	80,000	100,000
5550	1088	Training Equipment	-	-	15,000	15,000
		Subtotal	-	20,000	95,000	115,000
TOTAL FIRE DEPARTMENT EXPENDITURES			2,069,499	2,698,176	1,529,350	1,648,503

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 DEPARTMENT OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4370

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Salaries & Wages	83,617	95,739	120,102	120,102
5181		FICA	6,397	7,324	9,188	9,188
		Subtotal	90,014	103,063	129,290	129,290
PROFESSIONAL SERVICES						
5193		Professional Services- Medical Physicals	280	1,040	700	1,400
		Subtotal	280	1,040	700	1,400
OPERATING						
5212		Uniforms	3,124	3,593	3,700	4,000
5250		Vehicle Supplies- Fuel	2,120	2,458	3,000	3,000
5299		Departmental Supplies	4,690	2,816	4,000	5,200
5310		Travel & Training	273	1,039	750	750
5321		Telephone, communications , Email	322	372	1,000	1,000
5340		Printing	538	538	600	650
5433		ATV Lease	3,891	3,900	4,164	4,400
5491		Dues and Subscriptions	-	30	100	100
		Subtotal	14,958	14,746	17,314	19,100
MAINTENANCE AND REPAIRS						
5352		Maintenance & Repairs- Equipment	746	496	1,250	1,250
5353		Maintenance & Repairs - Vehicle	1,203	714	1,500	1,500
		Subtotal	1,949	1,209	2,750	2,750
CAPITAL OUTLAY						
5540		Jet ski	-	-	-	-
5540		Replace 2006 Ocean Rescue Truck	-	11,429	35,000	-
		Subtotal	-	11,429	35,000	-
TOTAL OCEAN RESCUE DEPARTMENT EXPENDITURES			107,201	131,487	185,054	152,540

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 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
OPERATING						
5006		Dare County Collection Fee - (BN and MSD)	14,128	15,083	15,000	15,200
5599		Beach Maintenance	-	7,068	20,000	-
5195		Prof. Services Engineer Annual Beach Profile Survey	-	-	41,058	60,000
		Subtotal	14,128	22,151	76,058	75,200
DEBT SERVICE						
5710		Special Bonds Loan Principal		1,999,800	1,999,800	1,999,800
5720		Special Bonds Loan Interest	192,620	170,983	132,987	94,991
		Subtotal	192,620	2,170,783	2,132,787	2,094,791
TRANSFER TO CAPITAL RESERVE						
5591	0113	Excess Beach Nourishment Collections	924,292	210,083	119,016	125,964
		Subtotal	924,292	210,083	119,016	125,964
TOTAL PLANNING BOARD EXPENDITURES			1,131,040	2,403,017	2,327,861	2,295,955

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.



PLANNING & INSPECTIONS DEPARTMENT OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4910

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Salaries & Wages	194,180	184,136	182,153	190,210
5181		FICA	14,848	13,943	14,008	14,625
5182	0901	Retirement Contribution	14,435	14,272	14,445	19,306
5182	0902	401K	3,229	3,218	3,643	3,804
5183		Health Insurance	33,524	35,375	39,860	40,660
		Subtotal	260,216	250,944	254,109	268,605
PROFESSIONAL SERVICES						
5195	0115	Professional Services- Engineering	498	495	3,500	2,500
5199	0115	Contracted Inspections Services	875	195	2,500	1,250
		Subtotal	1,373	690	6,000	3,750
OPERATING						
5212	0115	Uniforms	349	181	200	200
5250	0115	Vehicle Supplies- Fuel	1,291	1,219	2,200	2,200
5299		Departmental Supplies	1,806	1,668	2,300	2,300
5310		Travel & Training	5,358	5,132	5,500	5,500
5321		Telephone, communications , Email	1,189	1,252	1,250	1,250
5325		Postage	2,027	423	2,300	2,300
5340		Printing	1,644	1,328	2,600	2,000
5370		Advertising	50	90	800	800
5440		Service & Maintenance Contracts	3,000	2,000	4,000	4,000
5491		Dues and Subscriptions	943	984	2,000	2,000
5693		Homeowner Recovery Fees	558	639	600	800
		Subtotal	18,215	14,916	23,750	23,350
MAINTENANCE AND REPAIRS						
5353	0115	Maintenance & Repairs - Vehicle	820	1,511	1,500	2,500
		Subtotal	820	1,511	1,500	2,500
CAPITAL OUTLAY						
5550		Equipment - Copier	6,464	-	-	-
		Subtotal	6,464	-	-	-
TRANSFER TO CAPITAL RESERVE						
5520	1089	Land Use Plan Update Reserve	-	-	15,000	5,000
		Subtotal	-	-	15,000	5,000
TOTAL PLANNING & INSPECTIONS EXPENDITURES			287,088	268,062	300,359	303,205

Planning Board



PLANNING BOARD OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4980

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Member Compensation	3,200	4,100	8,400	8,400
5181		FICA	245	314	645	643
		Subtotal	3,445	4,414	9,045	9,043
PROFESSIONAL SERVICES						
5396		Transcription	1,305	1,270	3,000	3,000
		Subtotal	1,305	1,270	3,000	3,000
OPERATING						
5310		Travel & Training	-	-	500	500
		Subtotal	-	-	500	500
TOTAL PLANNING BOARD EXPENDITURES			4,750	5,684	12,545	12,543

Board of Adjustment



BOARD OF ADJUSTMENT OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4990

ACCT. NO.	Project Code	EXPENDITURE CLASSIFICATION	ACTUAL FY 16/17	ACTUAL FY 17/18	BUDGET FY 18/19	BUDGET FY 19/20
PERSONNEL						
5121		Member Compensation	-	-	1,500	1,500
5181		FICA	-	-	115	102
		Subtotal	-	-	1,615	1,602
PROFESSIONAL SERVICES						
5192		Legal Fees	-	-	1,500	1,500
5396		Transcription	-	-	750	750
		Subtotal	-	-	2,250	2,250
OPERATING						
5310		Travel & Training	-	-	250	250
5370		Advertising	-	-	150	150
		Subtotal	-	-	400	400
TOTAL PLANNING BOARD EXPENDITURES			-	-	4,265	4,252

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 FUND REVENUES VS EXPENDITURES

RESERVE FUND - 21 / DEPARTMENT DETAIL

ACCT. NO.	Project Code		ACTUAL 17/18	BUDGET FY 18/19	BUDGET FY 19/20
REVENUES					
<i>TRANSFER IN FROM THE GENERAL FUND BY DEPARTMENTS FOR THE FUTURE</i>					
4100	1081	Fiber Optic Phone System Replacement	5,000	5,000	5,000
4100	1082	Town website	-	-	-
4100	1083	IT Development	-	-	-
4100	1084	Document Imaging System	-	20,000	-
4130	1085	Finance Software Upgrade	5,000	5,000	-
4270	1003	Grapple/Dump Truck	-	-	-
4270	1005	Fuel Storage Tank	5,000	12,000	12,000
4270	1086	Town Board Walks and Dock Repairs	-	8,000	8,000
4310	1090	Police Department Building	-	125,000	200,000
4340	1004	Fire Truck and Equipment	20,000	80,000	100,000
4340	1088	In - House Training Equipment	-	15,000	15,000
4410	0113	Storm Damage/ Beach Nourishment	210,083	119,016	125,964
4910	1089	Land Use Plan Update	-	15,000	5,000
	0000	Interest Earnings	5,258	-	-
		Capital Reserve Appropriated	-	-	145,000
TOTAL RESERVE FUND REVENUES			250,341	404,016	615,964
EXPENSES					
<i>TRANSFER TO THE GENERAL FUND FROM THE RESERVE</i>					
4100	1082	Town website	2,500	-	-
4100	1083	IT Development	27,832	-	-
4270	0105	Bathhouse Repairs/Replacement	-	-	20,000
4270	1003	Grapple / Dump Truck	20,000	-	-
4130	1085	Finance Software Upgrade	-	-	10,000
4340	1041	Fire Air Compressor	-	-	40,000
4410	0113	Storm Damage/Beach Nourishment	297,601	-	75,000
<i>TRANSFER TO THE RESERVE FUND FOR FUTURE CAPITAL PROJECTS</i>					
4100	1081	Fiber Optic Phone System Replacement	-	5,000	5,000
4100	1082	Town Website	-	-	-
4100	1083	IT Development	-	-	-
4100	1084	Document Imaging System	-	20,000	-
4130	1085	Finance Software Upgrade	-	5,000	-
4270	1003	Grapple/Dump Truck	-	-	-
4270	1005	Fuel Storage Tank Replacement	-	12,000	12,000
4270	1086	Town Wide Boardwalk & Storage Repair	-	8,000	8,000
4310	1090	New Police Department Station	-	125,000	200,000
4340	1004	Future Fire Truck Replacement	-	80,000	100,000
4340	1088	In - House Training Equipment	-	15,000	15,000
4410	0113	Storm Damage/Beach Nourishment	-	119,016	125,964
4910	1089	Land Use Plan Update	-	15,000	5,000
TOTAL RESERVE FUND EXPENDITURES			345,433	404,016	615,964

CAPITAL EXPENDITURES DETAIL EXPENDITURES BY DEPARTMENT

CAPITAL EXPENDITURES/ DEPARTMENT DETAIL - AS SHOWN

CAPITAL PURCHASE	SOURCE	DESCRIPTION	JUSTIFICATION	FY 19/20
Fiber Optic Town Wide Phone System Replacement	Operating	NO - DEPARTMENTAL (4100) Continuing Establishing a Reserve for the Replacement of the Town Phone system	Moving to Fiber Optic	5,000
		GOVERNING BODY (4110) No capital Funded	Subtotal	5,000
		ADMINISTRATIVE SERVICES (4120) No capital Funded		
		FINANCE DEPARTMENT (4130)		
Financial Software	Operating	Acquire a Financial Software designed for Government	It's necessary to have software that will meet the Challenges Governments Agencies requires for Reporting	90,000
		PUBLIC WORKS (4270)	Subtotal	90,000
Purchase of Pump	Reserve	Purchase a 8" Pump	Town needs to have it's own pumps for Hurricane preparation	75,000
Fuel Storage Tank Replacement	Operating	Replace existing Fuel/Gasoline Storage Tanks	The existing tank is corroding and will need to be replaced in the future	12,000
Boardwalk & Dock Repairs	Operating	Establishes reserve for future replacement/repair of boardwalk /docks throughout Town	Boardwalks/docks throughout the Town will need to be eventually repaired and replaced	8,000
Bath House Update /Renovations	Operating /Re:	Bathhouse mayor repairs	The bathhouse will need upgrades and repairs due the age of the building. The environment also accelerates this need.	100,000
			Subtotal	195,000

POLICE DEPARTMENT (4310)					
Vehicles	Operating	Replace 3 patrol Vehicles as needed	Excess 100,000 miles. Identified in Five -Year CIP	115,000	
In Car Cameras/Bullet Proof Vest	Operating	Bullet Proof Vest/Cameras	Replace outdated bullet proof vests and purchase in-car cameras Existing Police Department Building is at capacity	36,000	
Future Police Department Building	Operating	Establishes a reserve for future Police Department Station		200,000	
				Subtotal	351,000
FIRE DEPARTMENT (4340)					
Air Compressor Reserve Funds to be Used in Equipment	Reserve	Equipment Update	Some Equipment requires immediate replacement Aids in maintaining practical firefighting skills while reducing expenses related to off-site training in the future	40,000	
In- House Training Equipment	Operating	Establish a reserve for additional in-house training equipment		15,000	
Future Fire Truck	Operating	Continues funding reserves for purchase of future Fire Truck	The Town recognizes that a fire truck will be needed in the future	100,000	
				Subtotal	155,000
POWELL BIL (4510)					
Roadway Improvements	State Funds /Reserve	Annual Overlay of Town Streets	Deterioration of streets requires overlay program	142,000	
				Subtotal	142,000
PLANNING & INSPECTIONS (4910)					
Land Use Plan Update	Operating	Provides a reserve for outside consultant to update Land Use Plan	Plan was last updated in 2004	5,000	
				Subtotal	5,000
Total Capital Expenditures				943,000	

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.

The FY 2019-2020 budget sets aside operating revenues of \$200,000 per year for the construction of a future Police Department and \$100,000 for the purchase of a future fire truck. While this type of financial capital planning does not guarantee that debt service may be utilized in the future as a funding source, it does however reduce the possible debt exposure in the future.

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.

Fund	Project	Loan Origination Date	Original Loan Amount	FY 19/20 Principal & Interest	Outstanding Principal Balance	Expected Pay-Off Date
Beach Nourishment Fund	Beach Nourishment	04/01/16	10,185,309	2,094,791	3,999,600	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 Town is surrounded by the Atlantic Ocean to the East and the Albemarle Sound to the West. The Town is nestled between the Town of Southern Shores to the North and Kill Devil Hills to the South.

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 Another 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

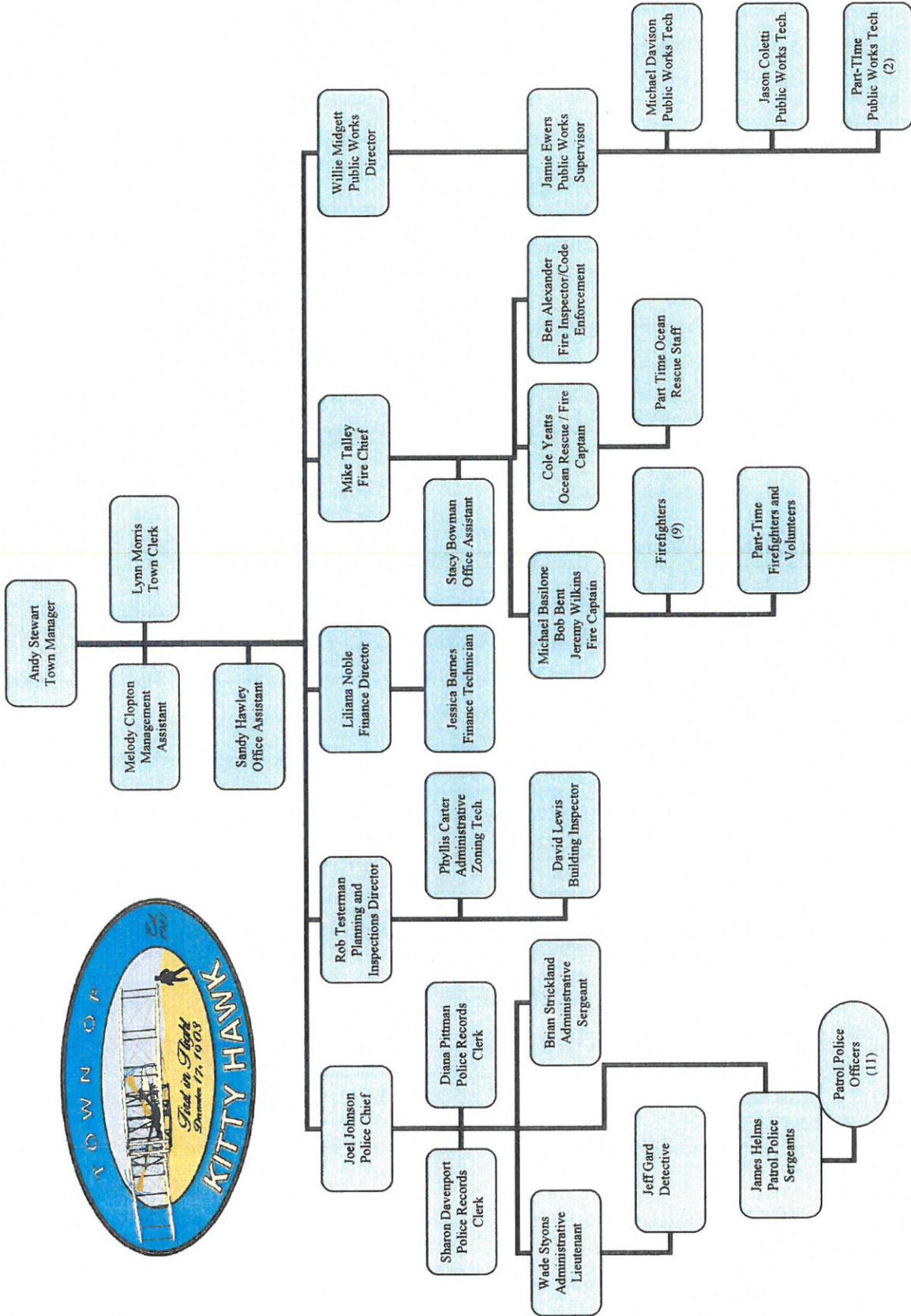
- (a) Not earlier than 10 days after the day the budget is presented to the board and not later than July 1, the governing board shall adopt a budget ordinance making appropriations and levying taxes for the budget year in such sums as the board may consider sufficient and proper, whether greater or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



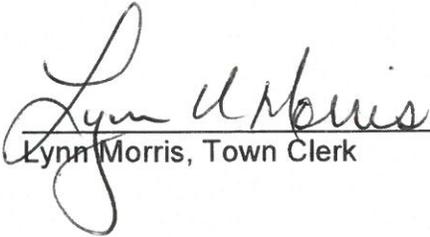
<u>Grade</u>	<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
52		\$27,364.06	\$48,886.82
53		\$28,732.25	\$51,331.15
54		\$30,168.87	\$53,897.70
55	Public Works Technician Police Records Clerk Office Assistant/Receptionist	\$31,677.30	\$56,592.57
56		\$33,261.18	\$59,422.22
57		\$34,924.23	\$62,393.32
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

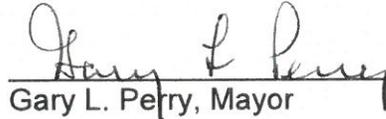
<u>Grade</u>	<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
65		\$51,599.01	92,183.38
66	Management Assistant*	\$54,178.94	\$96,792.52
67		\$56,887.89	\$101,632.14
68		\$59,732.29	\$106,713.77
69	Finance Director* Public Works Director*	\$62,718.90	\$112,049.45
70	Director of Planning and Inspections*	\$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 3rd day of June 2019.

(SEAL)


 Lynn Morris, Town Clerk


 Gary L. Peery, Mayor

Approved Positions for
FY 2019-2020

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
Jamie Ewers	01/05/2015	\$500.00
Chris Simpson	11/05/2014	\$500.00
Total		\$1,000.00
Last Year Longevity Award		\$4,500.00
Total Change		-\$3,500.00

Retiree Health Insurance Payments			
Retiree Health Insurance Payments for FY 2017-2018			
Name	Health Benefit	Life Insurance	Total Year
Doris Pruitt	\$1,650.00		\$1,650.00
Bob Nicholl	\$4,500.00		\$4,500.00
Richard Reid	\$4,500.00		\$4,500.00
Mike Eubank	\$900.00		\$900.00
Bob Morris	\$9,640.00	\$105.00	\$9,745.00
Eugene McLawhorn	\$5,500.00	\$105.00	\$5,605.00
Mike Carver	\$9,640.00		\$9,640.00
Tony Garrett	\$3,000.00		\$3,000.00
David Ward	\$9,640.00		\$9,640.00
Jimmy Ray Watts	\$7,000.00		\$7,000.00
Lavelle Jenkins	\$6,750.00		\$6,750.00
JP Askew	\$7,300.00		\$7,300.00
Total	\$70,020.00	\$210.00	\$70,230.00

Separation Allowance			
Name	Monthly Separation Allowance	Annual Separation Allowance	Date of Retirement
Mike Carver	\$1,471.10	\$17,953.22	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 Dare 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. Openings 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