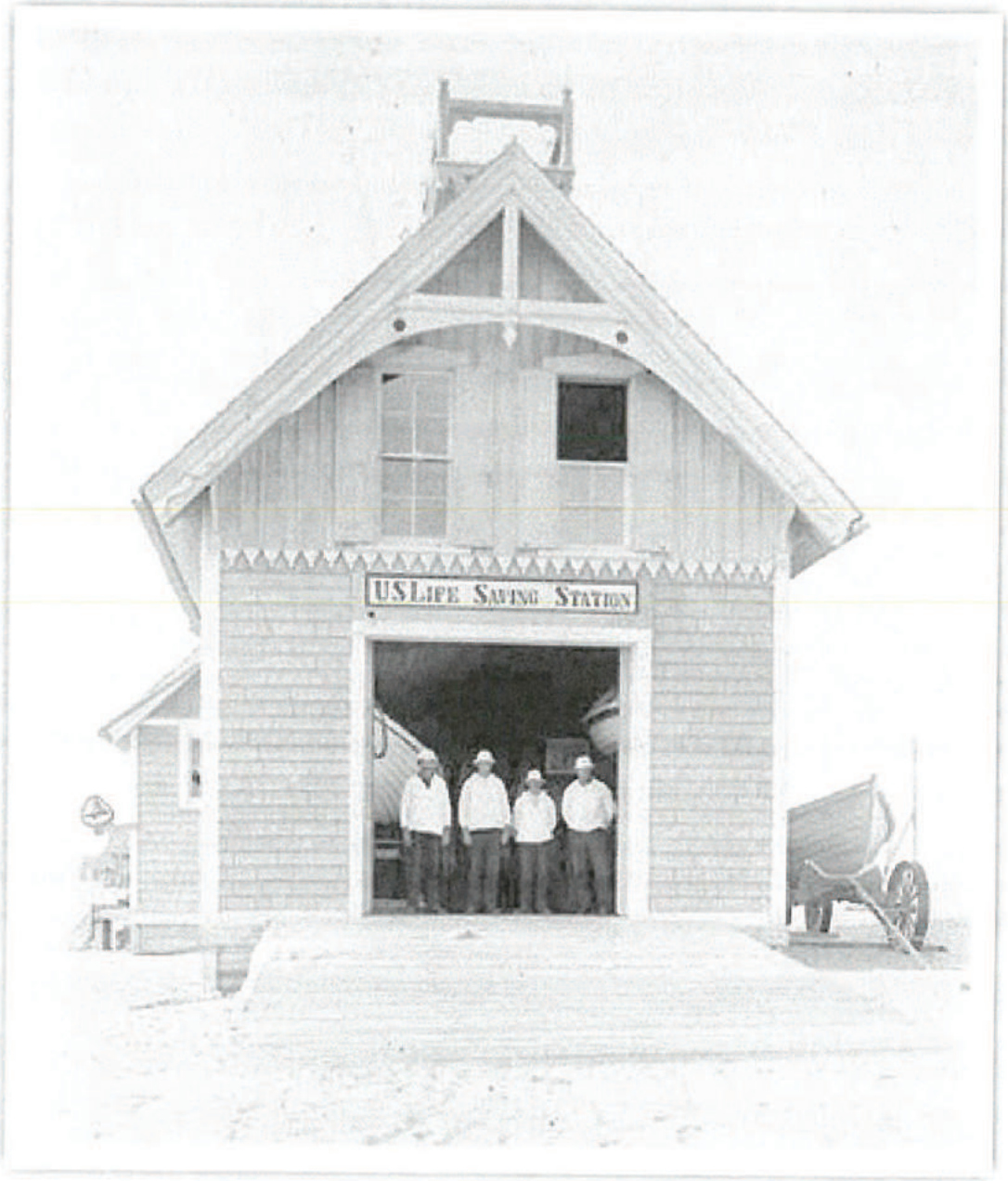
TOWN OF KITTY HAWK, NORTH CAROLINA

FY 2016-2017 ANNUAL BUDGET



A community where the past protects our future.....

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	Lowell Spivey
Planning & Inspections Director	Rob Testerman
Police Chief	Joel Johnson
Public Works Director	William Midgett
Town Clerk	Lynn Morris

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June 6, 2016

Honorable Mayor
Members of Town Council
Residents of Kitty Hawk, North Carolina

As required by Section 159-11 of the North Carolina General Statutes, I present the proposed budget for FY 2016/17 for your review and consideration. Prepared responsibly and conservatively to ensure accountability to the taxpayers of Kitty Hawk, the budget is balanced with total revenues and expenditures of $7,949,281 with no proposed increases to the tax-rate.

The proposed budget was drafted with several underlying objectives:

- Create an environment that fosters and encourages investment in our Town;
- Continue providing affordable services that improve the quality of life for our residents;
- Maintain and sustain existing equipment, infrastructure, and facilities; and
- Continuing the growth and development of Town employees.

General Fund Revenues Overview:

The proposed FY 2016/17 General Fund budget is balanced at a tax rate of 34 cents per $100 valuation, the same tax rate levied last fiscal year (FY 2015/16). By maintaining the existing tax rate, the net ad valorem revenues are projected to be $4,185,174 as compared to $4,147,079 in FY 2015/16. A penny of the tax rate generates approximately $109,779 as compared to $107,846 in FY 2015/16. The FY 2016/17 budget continues to dedicate 4 cents of the 34 cents town wide tax to the Beach Nourishment Project scheduled for the summer of FY 2016/17. Properties located in the Municipal Service District pay an additional 12 cents that will go directly to the payment of debt service of the Beach Nourishment Project.

The total budget for FY 2016/17 is approximately $691,838 or 8.7% more than FY 2015/16. A large portion of the budget increase is as a result of the first interest only payment due of $192,620 in FY 16/17 for the Beach Nourishment Bond issue in the amount of $9,999,000. The remaining payments become due in FY 2017/18 over a five year period with the final payment due in FY 2022/23. The other significant increases in the budget can be attributed capital purchases and the cost of replacing a portion of part-time firefighter positions with six full-time positions in the Fire Department. The net effect of this personnel change in the Fire Department represents a $154,370 increase from FY 15/16.

In addition, the Town will receive a larger portion of those taxes that are disbursed from the County based on an ad valorem distribution due to the creation of the Municipal Service District and the additional 4 cent tax rate established in 2015. Revenues that increased as a result of

this ad valorem distribution consist of the Occupancy Tax, Local Option Sales Tax, and the Land Transfer Tax.

Overall revenues are slightly higher than FY 2015/16, however, it has always been a budgeting practice of the Town to budget conservatively on projected revenues. In previous years this philosophy has aided the Town in establishing a healthy reserve. Budgeting conservatively helps reduce the risk of "spending what you don't have" at year end.

General Fund Expenditures Overview:

Beach Nourishment

The largest increase to expenditures in FY 2016/17 is the scheduled debt service payment for the Beach Nourishment project. The total cost of the project is projected to be $18,941,128. The Dare County Occupancy Tax Fund will contribute $8,930,878 upfront and the remaining $9,999,000 will be financed over a five year period. Dare County will pay $5,848,403 towards the principal and interest payments over five years.

The first debt service payment on the proposed bond issuance to finance the project is scheduled in FY 2016/17. The first required payment is interest only in the amount of $192,620. The interest and principal payments are budgeted in accordance with the current Capital Project Ordinance.

Personnel

- **Two Step Pay Plan Adjustment**

The Town of Kitty Hawk utilizes a step based Position Pay and Classification Plan. It is designed to incrementally increase employees' pay through the salary range related to their job titles. This year's budget proposes a two-step pay plan adjustment. This adjustment would apply to all full-time employees and increase the starting pay for all town positions by two steps on the classification plan. This adjustment helps the Town's Pay and Classification plan stay competitive in the market.

- **Fire Department Personnel Requests**

The largest impact on the personnel budget for FY 16-17 is the funding of six full-time firefighters. The Fire Department is currently staffed with two full-time and two-part time firefighters on each of the three shifts. The Town currently has 11 active part-time firefighters. Five of the eleven part-time firefighters become eligible for health insurance benefits in July 2016 under the Affordable Care Act. By adding six full time positions, the Town reduces the risk of turnover among the part-time firefighters and experiences a reduction in the part-time salary line item.

The total training and equipment costs in the first year to train and outfit a firefighter is approximately $10,071.99. Seventy-five percent of this investment is attributed to training costs associated with new part-time firefighters. The initial training costs are reduced after the first year, however, expenses are still incurred for training and equipment throughout a firefighter's career. Thus far in FY 2015/16 the Town lost two part-time firefighters to other employment opportunities which equates to a 15% turnover rate.

The cost to fund six full-time positions in FY 2016/17 is a lesser impact on the budget than in previous years due to the requirement of being required to offer health benefits under the Affordable Care Act. The cost of providing health insurance to the five part-time firefighters in FY 16/17 would represent an additional $58,209 as compared to FY 15/16. The cost to eliminate the part-time firefighter positions and add full-time represents a total cost of $154,370 a total net effect for FY 16/17 of $96,161.

The creation of full time positions helps the Town protect its' investment in training and equipment costs expended on each fire fighter and will aid in reducing costly turnover in the Department. The Department would have more continuity and experienced firefighters in the future.

- **Chief of Police Step Adjustment**

The Chief of Police is currently responsible for the largest staffed Department in the Town and has been with the Town since 2001. The promotion to Chief of Police occurred in 2013 and was hired at Pay Grade 71 Step 1 given the fact he had no experience as a Chief of Police. The Chief will have completed three and one half years of service in the position of Chief of Police in July 2016. The proposed budget provides moving the Chief from a Step 4 to a Step 9 in the pay plan. This adjustment recognizes the responsibility level of this position and recognizes a portion of his total years of experience with the Town of Kitty Hawk.

- **Employee Position Allocation**

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

- **Five Year Staffing Plan**

In FY 2016/17 a five year staffing plan is being developed to allow Departments to properly plan and identify future staffing that may or may not be needed to meet demands. This will provide

another planning tool for Department Heads requesting staffing changes or additions within their Department. The staffing plan specifies what positions, jobs and/or roles will be needed by the organization over a five year period and provide better succession planning within the Town. The implementation of this plan will depend on Town Council approval and will assist in controlling future personnel costs. The plan will be presented to the Town Council during FY 2016/17 and developed in-house.

- **Health, Dental, Life Insurance**

There have been no changes in other benefits budgeted for FY 2016/17. The Town will continue to offer the High Deductible Health Plan (HDHP) for medical insurance supplemented by a Health Savings Account. The budget includes a 15% increase for the health insurance premiums as a buffer depending on our premium renewal rates. The Town does not expect to receive a 15% increase in health insurance premiums and any savings in the premiums will provide an additional buffer in the FY 2016/17 budget. The budget continues to pay for 100% of the health insurance premiums for employees and 50% of the premium for family coverage.

In addition to providing medical insurance the Town is continuing to provide dental and life insurance for all of the Town's active full-time employees.

- **Retirement Benefits**

General Employees and sworn law enforcement personnel are participants in the North Carolina Employees' Retirement System (NCLGERS). The Town contribution into the Retirement System is 7.25% of pay for general and fire employees and 8.0 % for sworn law enforcement officers. The State also requires the Town to make a 5% 401K contribution to all sworn law enforcement officers as well as separation allowance payments to retired law enforcement officers who have not yet reached the federal retirement age.

All employees are also eligible to contribute to a 401k plan and the Town matches up to 2% for those that participate. A 457 Deferred Compensation Plan is available at the employee's expense.

Property, Liability and Worker's Compensation Premiums

The Town has experienced minimal increase in property and liability insurance for FY 2016/17, however, has received a substantial increase to the Worker's Compensation premium. The premium has increased 81% since FY 2015/16 as a result of several large claims experienced over the past three years. The current premium is budgeted at $93,654 for FY 2016/17 as compared to $51,810 in FY 2015/16. Staff is in the process of requesting proposals from other workers compensation carriers in an effort to reduce the budget impacts for FY 2016/17. However, the full increase has been budgeted for FY 2016/17 until proposals can be received and analyzed.

Capital Expenditures

The budget continues to fund Capital purchases and funds additional reserves for future Capital purchases. Responsible financial planning by the Town Council has historically eliminated the need to acquire debt in order to make large Capital purchases. The Town has budgeted to expend $378,600 in Capital purchases and the funding of future capital reserves. A portion of these expenditures in the budget are funded through state funds and also set aside funding during the current fiscal year for future projects.

Some of the major capital expenditures included in the FY 2016/17 budget consist of the following:

- Broom Tractor Replacement ($83,100; *$54,400 set aside in Capital Reserve*)
- Annual Street Overlay ($90,000 – State Funded)
- Replace (2) Patrol Vehicles ($63,000)
- Purchase (3) SCBA Breathing Apparatus ($18,500)

A change that should be noted in FY 2016/17 is the budgeting for and purchasing of Information Technology related items. In the past the Town budgeted a lump sum reserve for future Information Technology and desk top computer purchases. In FY 2016/17 these purchases are being planned and budgeted as individual line items and identified in the Five Year Capital Improvement Plan. This will allow for upgrades as needed and provide a pro-active approach to updating the Town's technology. In the Information Technology environment it is important to remain proactive and identify problems before they occur to prevent downtime among users and reduces technology maintenance costs.

Capital Reserve Budget

The FY 2016/17 budget also identifies a separate Capital Reserve Budget at the request of the Town auditor. This fund tracks capital reserves and identifies transfers from the capital reserve fund balance to fund Capital purchases identified in the FY 2016/17 General Fund Budget.

The Town has budgeted $70,000 from the Storm Reduction Capital Reserve Fund to assist with the costs of the legal process for easement condemnation proceedings related to the Beach Nourishment Project.

The current following chart summarizes the Capital Reserve Fund Balance for future projects:

	FY 14-15	FY 15-16	FY 16/17	Expenditures FY 16/17	Ending Balance FY 16/17
Air Compressor - FD	20,000	20,000	-	-	**40,000**
Beach Nourishment	-	926,421	862,039	-	**1,788,460**
Broom Tractor	27,700	27,700	27,700	(83,100)	**-**
Fire Truck & Equipment	4,161	-	-	-	**4,161**
Grapple/Dump Truck	-	-	20,000	-	**20,000**
Information Technology	75,803	20,300	-	-	**96,103**
Laptop Replacment Program	-	-	3,000	-	**3,000**
Parks and Trails	144,735	-	-	-	**144,735**
Phone System Replacement	-	-	15,000	-	**15,000**
Storm Damage Reduction (2 cent)	224,904	-	-	(70,000)	**154,904**
Town Website Updates	-	-	2,500	-	**2,500**
Interest (Estimate)	741	741	741	-	**2,223**
Total Capital Reserve Fund Balance:					**2,271,085**

Town Fund Balance

The FY 2016/17 budget maintains the Emergency Fund in the amount of $3,500,000 and in accordance with Council fund balance policy. The budgeted utilizes $120,797 of the unrestricted fund balance to balance the budget as compared to $131,732 in FY 15/16. As of FY June 30, 2015 the audited unrestricted fund balance totaled $1,392,927. The Town Council through fiscally responsible practices and policies has established a healthy fund balance and these practices are continued in the FY 2016/17 budget.

In conclusion our Leadership Team is excited about the challenges and opportunities for the upcoming fiscal year. The proposed budget lays the framework for FY 2016/17 and also seeks to take a fiscally responsible approach to providing expected and quality services while also being mindful of the taxpayer paying for these services.

With input from all Town Departments, a balanced budget for FY 2016/17 is hereby submitted to Town Council for approval. The budget is being presented utilizing the highest principles of governmental budgeting in accordance with the Government Finance Officers Association. I would like to thank the Mayor and Council for their support. I would also like to thank all our Town employees for the outstanding job they do every day in providing quality service delivery to our residents.

Sincerely,

Andy Stewart, Town Manager

Town of Kitty Hawk
Budget Ordinance - FY 2016-17

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, 2016 and ending June 30, 2017 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.

Source	Amount
Ad Valorem Tax ($.30)	$3,260,435
Ad Valorem Tax ($.04) Debt Service Beach Nourishment	$434,354
Ad Valorem Tax MSD ($.12) Beach Nourishment	$490,385
Prior Years Taxes	$5,000
Penalties/Interest	$1,000
Motor Vehicle Tax	$110,000
Motor Vehicle Tax Beach Nourishment MSD	$16,000
Telecom Tax	$34,000
Electric Utilities Tax	$280,841
Piped Natural Gas	$2,500
Cable Franchise Tax	$90,000
PEG Channel Tax	$32,400
Occupancy Tax	$1,175,000
Local Option Sales Tax	$971,080
Local Option Sales Tax Beach Nourishment MSD	$128,920
Land Transfer Tax	$290,000
Mixed Beverage Tax	$53,831
Beer and Wine Tax	$13,500
Building Permits	$80,000
Town Merchandise Sales	$500
CAMA Permit Fees	$3,500
Homeowner Recovery Fee	$300
Interest on Investments	$11,038
Office Rental – NC Department of Environment and Natural Resources	$4,800
Miscellaneous Revenue	$5,000
Powell Bill	$102,000
Board of Adjustment Revenue	$500
Court Fees	$3,100
Sanitation Fees (Garbage Cans)	$3,500
Solid Waste Disposal Tax	$2,100
Code Enforcement Fines	$500
Site Plan Review Fees	$1,500
Sale of Surplus Property	$8,000

Source	Amount
Planning Permits and Fees	$12,000
GHSP Grants	$20,000
Icarus International	$3,500
Dare County Sand Fencing Fund	$7,000
Transfer from Capital Reserve	$125,400
Transfer from Powell Bill Reserve	$45,000
Fund Balance - Appropriated	$120,797
Total	**$7,949,281**

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, 2016 and ending June 30, 2017.

Function	Budget
General Government	$2,026,003
Public Safety	$3,620,619
Transportation	$147,000
Sanitation	$1,016,000
Beach Nourishment	$1,139,659
Total	**$7,949,281**

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, 2016 and ending June 30, 2017 to meet appropriations approved by the Town Council herein.

Function	Budget
Fund Balance – Broom Tractor	$55,400
Fund Balance – Storm Damage Reduction	$70,000
Transfer from General Fund – Future Capital	$40,500
Transfer from General Fund – Excess Beach Nourishment	$862,039
Total	**$1,027,939**

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, 2016 and ending June 30, 2017.

Function	Budget
Transfer to General Fund	$125,400
Reserves	$902,539
Total	**$1,027,939**

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 $1,097,789,506 with the MSD portion representing $412,782,233 of the total property tax base. The total property tax levies are anticipated to produce $ 4,185,174 in revenue based on a 99% collection rate. A penny on the tax rate is projected to generate approximately $109,779.

ENCUMBERED OPERATING FUNDS REAPPROPRIATED: The operating funds encumbered on the financial records as of June 30, 2016 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 2016-17 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 6th day of June, 2016.

Gary L. Perry, Mayor

Lynn Morris, Town Clerk

FISCAL YEAR 2016/2017 Budget Calendar & Process

2016 Date		Action Item
February 1		Council Approves Proposed Budget Calendar
April 18		Budget work session with Town Council
May 24		Public Hearing Advertised for Budget Ordinance
May 24		Town Manager files proposed Budget with Town Clerk
June 6		Council Holds Public Hearing on Proposed Budget and adoption of FY 2016-2017 Budget Ordinance
July 1		Approved FY 2016-2017 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 Statutes 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.

FISCAL YEAR 2016/2017 Revenue & Expenditures Budget Summary

Summary of General Fund Revenues by Percentage

Percentage of Revenues by Source
GENERAL FUND

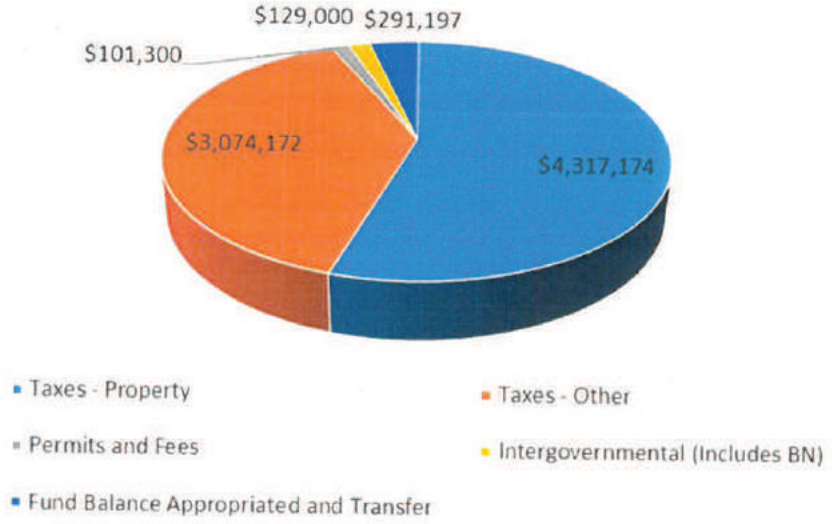
ACCT. NO.	CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET 16/17	Percentage of Revenues
	REVENUES				
	Taxes - Property	3,623,348	4,231,499	4,317,174	54.31%
	Taxes - Other	2,927,193	2,615,012	3,074,172	38.67%
	Permits and Fees	123,745	104,600	101,300	1.27%
	Intergovernmental (Includes BN)	660,255	122,000	129,000	1.62%
	Fines and Forfeits	3,342	3,600	3,600	0.05%
	Interest Earnings	8,912	10,000	11,038	0.14%
	Other Revenue	50,784	21,800	21,800	0.27%
	Fund Balance Appropriated and Transfer	-	148,932	291,197	3.66%
	Total Revenues:	7,397,579	7,257,443	7,949,281	100.00%

Summary General Fund Expenditures by Percentage

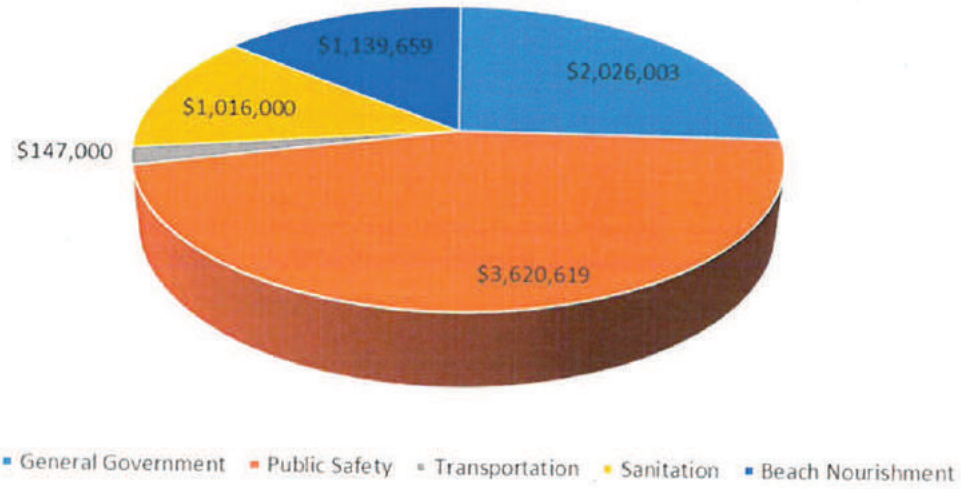
Percentage of Expenditures by Function
GENERAL FUND

ACCT. NO.	CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	Percentage of Expenditures
	EXPENDITURES				
4110	Governing Body(Town Council)	15,537	25,810	22,810	0.29%
4100	Non-Departmental	354,049	357,985	396,050	4.98%
4120	Administrative Services	405,788	469,875	479,415	6.03%
4130	Finance Department	183,602	193,763	198,090	2.49%
4910	Planning & Inspections Department	271,082	302,982	318,153	4.00%
4270	Public Works Department	1,641,562	1,613,742	1,751,427	22.03%
4310	Police Department	1,641,833	1,754,635	1,825,193	22.96%
4340	Fire Department	1,962,716	1,475,013	1,674,781	21.07%
4370	Ocean Rescue	105,209	116,960	120,645	1.52%
4980	Planning Board	10,587	15,777	15,777	0.20%
4990	Board of Adjustment	616	3,780	3,780	0.05%
4111	Recreation Committee	1,258	700	3,500	0.04%
	Beach Nourishment	-	926,421	1,139,659	14.34%
	Total Expenditures:	6,592,580	7,257,443	7,949,281	100.00%

Top Five Revenues by Source



EXPENDITURES BY FUNCTION



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

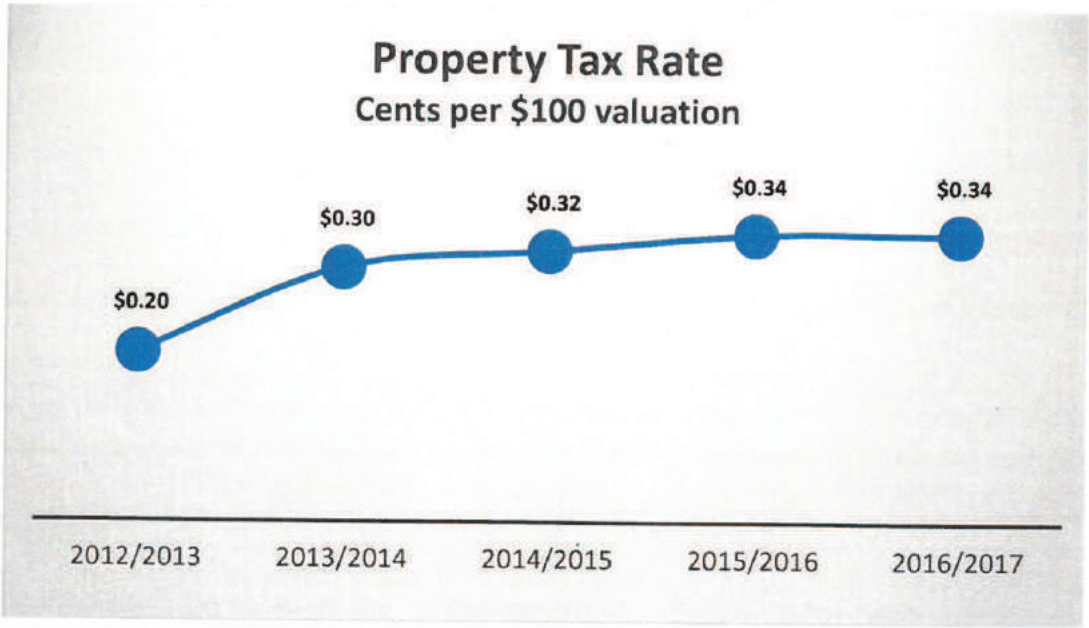
Property Tax

The Town's largest revenue source at 52.65% of General Fund revenues is the proposed property tax, is budgeted at $4,185,174—approximately .92% more than FY 2015/16. 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 $109,779. 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 $110,000 for FY 2016/17 and represents 1.38% 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. It is anticipated that the local option sales tax revenues will increase slightly over the next five years as a result of the increase in ad valorem taxes levied to fund Beach Nourishment.

The local option sales tax will generate an estimated $1,100,000 and represents 13.84% 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 Occupancy Tax will generate an estimated $1,175,000 and represents 14.78% 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 $280,841 and represents 3.53% 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 $290,000 and represents 3.65% 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 of Kitty Hawk expects building permits to remain relatively neutral with increases/or decreases experienced as the housing market fluctuates.

Building Permits revenues will generate an estimated $80,000 and represents 1% 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 $102,000 and represents 1.28% of General Fund Revenues.

Interest Earnings on Investments

The Town has legal limitations on investments allowed under NC General Statue 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 $11,038 and represents only .01% of General Fund Revenues.

Transfers from Other Funds

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.

For FY 16/17 the Town has budgeted a $70,000 transfer to the General Fund from the Storm Damage Reduction reserve to assist with legal fees associated with the condemnation of easements related to the Beach Nourishment Project.

The Transfers from Other Funds will generate an estimated $291,197 and represents 3.66% of General Fund Revenues.

Fund Balance (Town Reserves)

The Town of Kitty Hawk anticipates no major changes in Fund Balance with the exception of an increase in the Capital Reserve Fund. The Capital Reserve Fund is projected to increase by $329,182 in FY 16/17 mainly as a result of revenues collected in the municipal service district for Beach Nourishment exceeding the debt service payment in the Beach Nourishment Fund. These beach nourishment funds are restricted and are required to be set aside and used specifically for beach nourishment.

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 16/17.

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

Fund Balance

Fiscal Year Ending	Actual FY 14/15	Estimated FY 15/16	Estimated FY 16/17
RESTRICTED:			
Non-spendable:			
Prepaid Items	$ 23,467	$ 23,467	$ 23,467
Restricted for:			
Stablization by State Statue	$ 977,052	$ 822,941	$ 822,941
Street - Powell Bill	$ 258,721	$ 258,721	$ 213,721
Public Safety	$ 6,288	$ 6,288	$ 6,288
Capital Reserve Fund	$ 498,043	$ 1,492,464	$ 1,821,646
Appropriated Fund Balance	$ 131,732	$ 193,656	$ 241,197
Emergency Reserve	$ 3,500,000	$ 3,500,000	$ 3,500,000
Total Restricted:	**$ 5,395,303**	**$ 6,297,537**	**$ 6,629,260**
UNRESTRICTED:			
Committed:			
Emergency Reserve	$ -	$ -	$ -
Assigned:			
For Reserves	$ -	$ -	$ -
Unassigned:	$ 1,392,927	$ 1,331,003	$ 1,089,806
Total Unrestricted:	**$ 1,392,927**	**$ 1,331,003**	**$ 1,089,806**
Total Fund Balance at Fiscal Year End:	**$ 6,788,230**	**$ 7,628,540**	**$ 7,719,066**

General Fund Revenues - Detailed

GENERAL FUND - 10 / DEPARTMENT DETAIL - 000

ACCT. NO.	REVENUE SOURCE	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	TAXES - PROPERTY				
	Ad Valorem Tax ($.30)	3,238,555	3,235,378	3,260,435	3,260,435
	Ad Valorem Tax ($.02)	224,904	-	-	-
	Ad Valorem ($.04) BN	-	431,384	434,354	434,354
	Ad Valorem ($.12) BN MSD	-	480,317	490,385	490,385
	Ad Valorem Prior Year	17,975	5,000	5,000	5,000
	Penalties/Interest	6,384	1,000	1,000	1,000
	Motor Vehicle Tax	135,530	63,700	110,000	110,000
	Motor Vehicle Tax - BN MSD	-	14,720	16,000	16,000
	Subtotal:	3,623,348	4,231,499	4,317,174	4,317,174
	TAXES - OTHER				
	Local Option Sales Tax	978,713	942,357	971,080	971,080
	Local Option Sales Tax - BN MSD	-	-	128,920	128,920
	Occupancy Tax	1,092,381	1,050,099	1,175,000	1,175,000
	Land Transfer Tax	275,364	211,916	290,000	290,000
	Mixed Beverage Tax (ABC)	53,298	42,540	53,831	53,831
	Telecom Tax	34,557	34,000	34,000	34,000
	Electric Utility Tax	356,241	194,000	280,841	280,841
	Cable Franchise Tax	89,457	90,000	90,000	90,000
	Piped Natural Gas Tax	248	2,500	2,500	2,500
	PEG Channel	28,481	32,000	32,400	32,400
	Beer and Wine Tax	16,254	13,500	13,500	13,500
	Solid Waste Disposal Tax	2,199	2,100	2,100	2,100
	Subtotal:	2,927,193	2,615,012	3,074,172	3,074,172
	PERMITS AND FEES				
	CAMA Permits	3,640	3,500	3,500	3,500
	Building Permits	99,799	80,000	80,000	80,000
	Planning Permit and Fees	10,555	15,000	12,000	12,000
	Site Plan Review Fees	4,236	1,500	1,500	1,500
	Board of Adjustment Fees	300	800	500	500
	Sanitation Fees (Garbage Carts)	4,875	3,500	3,500	3,500
	Homeowner Recovery Fee	340	300	300	300
	Subtotal:	123,745	104,600	101,300	101,300
	INTERGOVERNMENTAL				
	Powell Bill Allocation (pass through)	106,787	102,000	102,000	102,000
	GHSP Grants (pass through)	36,507	20,000	20,000	20,000
	NCDENR Grant - Beach Access	51,818	-	-	-
	Controlled Substance Distribution	3,042	-	-	-
	Dare Co. Tourist Bureau - Beach Access	17,273	-	-	-
	Dare Co. - Sand Fencing (pass through)	4,769	-	7,000	7,000
	Dare Co. - BN Fund (pass through)	440,059	-	-	-
	Subtotal:	660,255	122,000	129,000	129,000

General Fund Revenues - Detailed

GENERAL FUND - 10 / DEPARTMENT DETAIL - 000

ACCT. NO.	REVENUE SOURCE	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	FINES & FORFEITS				
	Code Enforcement Fines	300	500	500	500
	Court Fees	3,042	3,100	3,100	3,100
	Subtotal:	3,342	3,600	3,600	3,600
	INTEREST EARNINGS				
	Interest on Investments	8,912	10,000	11,038	11,038
	Subtotal:	8,912	10,000	11,038	11,038
	OTHER REVENUE				
	Office Rental - DNR NC	4,800	4,800	4,800	4,800
	Sale of Surplus Property	10,818	8,000	8,000	8,000
	Town Merchandise Sales	889	500	500	500
	Icarus International	3,506	3,500	3,500	3,500
	Miscellaneous Revenue	11,411	5,000	5,000	5,000
	Local Cable Franchise Fees	19,360	-	-	-
	Subtotal:	50,784	21,800	21,800	21,800
	TRANFERS - OTHER FUNDS				
	Fund Balance-Appropriated	-	131,732	120,797	120,797
	Powell Bill Reserves (Byrd St. Drainage)	-	-	45,000	45,000
	Capital Reserves (Broom Truck & BN Legal)	-	17,200	125,400	125,400
	Subtotal:	-	148,932	291,197	291,197
		7,397,579	7,257,443	7,949,281	7,949,281

Governing Body
Town Council
Mayor
Gary Perry
Mayor Pro Tem
Craig Garriss
Councilman
Ervin Bateman
Councilwoman
Lynne McClean
Councilman
Jeff Pruitt

Governing Body (Town Council) Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4110

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Council Compensation	8,200	9,450	9,450	9,450
5181	FICA	646	750	750	750
	Subtotal:	8,846	10,200	10,200	10,200
	OPERATING				
5192	Elections	-	3,000	-	-
5310	Travel and Training	279	5,000	5,000	5,000
5321	Telephone, Communications, Email	526	960	960	960
5491	Dues and Subscriptions	5,886	5,650	5,650	5,650
5499	Miscellaneous	-	1,000	1,000	1,000
	Subtotal:	6,691	15,610	12,610	12,610
	TOTAL GOVERNING BODY EXPENDITURES:	15,537	25,810	22,810	22,810

Non-Departmental

Non-Departmental Operating Expenditrues

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4100

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	OPERATING				
5005	PEG Government Channel (pass through)	28,481	32,400	32,400	32,400
5006	Tax Collection Fees - Dare County	52,216	50,000	56,000	56,000
5007	Collection Fees - NCTVS	5,319	-	-	-
5220	Employee Events	1,452	2,400	2,400	2,400
5250	Vehicle Supplies	352	500	500	500
5299	Departmental Supplies	4,403	4,500	4,500	4,500
5321	Telephone, Communication, Email	3,468	3,500	3,500	3,500
5325	Postage	132	500	500	500
5330	Utilities	5,565	4,900	5,200	5,200
5340	Printing	367	400	400	400
5370	Advertising	-	800	800	800
5383	IT Services	772	3,000	3,300	3,300
5440	Service & Maintenance Contracts	7,924	6,500	12,500	12,500
5450	Insurance & Bonding	164,483	180,000	220,000	220,000
5491	Dues & Subscriptions	214	-	250	250
5455	Unemployment Compensation	-	13,585	16,000	16,000
	Subtotal:	275,148	302,985	358,250	358,250
	MAINTENANCE & REPAIRS				
5352	Maintenace & Repairs - Equipment	-	500	500	500
5353	Maintenance & Repairs - Vehicle	63	1,000	1,000	1,000
	Maintenance & Repairs - IT	-	-	1,800	1,800
	Subtotal:	63	1,500	3,300	3,300
	CAPITAL OUTLAY				
5540	Administrative Vehicle Replacement	-	16,000	-	-
5550	PD Server Replacement	13,266	17,200	-	-
	PD Records Management Server (RMS)	-	-	6,000	6,000
	Computer Replacement	65,572	-	8,000	8,000
	Subtotal:	78,838	33,200	14,000	14,000
	TRANSFERS				
	Phone System(s) Replacement Reserve	-	-	15,000	15,000
5550	Computer Replacement Reserve	-	20,300	-	-
	Town Website Reserve	-	-	2,500	2,500
	Laptop Replacement Program Reserve	-	-	3,000	3,000
	Subtotal:	-	20,300	20,500	20,500
	TOTAL NON-DEPARTMENTAL EXPENDITURES:	354,049	357,985	396,050	396,050

Administrative Services

Mission:

Administrative Services conducts the overall administration of the Town as prescribed by the North Carolina General Statues. 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.	EXPENDITURE CLASSIFICATION		ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL					
5121	Salaries & Wages		266,745	290,505	296,090	296,090
5122	FICA		20,468	22,674	22,761	22,761
5182	Retirement		24,247	18,955	21,467	21,467
**82	401 K		-	4,911	5,298	5,298
5183	Health Insurance		40,745	54,527	61,437	61,437
5310	Vehicle Allowance		4,440	4,440	-	-
		Subtotal:	356,645	396,012	407,052	407,052
	PROFESSIONAL SERVICES					
5192	Legal Services		31,405	37,000	40,000	40,000
5199	Profesional Services - Other		300	-	-	-
5396	Video & Transcription		5,600	10,050	10,050	10,050
		Subtotal:	37,305	47,050	50,050	50,050
	OPERATING					
5299	Departmental Supplies		1,175	1,000	1,200	1,200
5310	Travel		604	10,000	5,000	5,000
5321	Telephone, Communications, Email		2,561	2,913	2,913	2,913
5325	Postage		106	400	400	400
5370	Advertising		3,239	2,400	3,200	3,200
5440	Service & Maintenance Contracts		1,679	2,400	2,400	2,400
5491	Dues & Subscriptions		1,031	1,700	1,200	1,200
		Subtotal:	10,395	20,813	16,313	16,313
	CAPITAL OUTLAY					
5349	Codification of Ordinances		1,443	6,000	6,000	6,000
		Subtotal:	1,443	6,000	6,000	6,000
	TOTAL ADMINISTRATIVE SERVICES EXPENDITURES:		405,788	469,875	479,415	479,415

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

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4130

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Salaries & Wages	107,466	109,235	105,818	105,818
5181	FICA	7,283	8,393	8,132	8,132
5182	Retirement Contribution	9,443	7,516	7,672	7,672
**82	401K	-	2,185	2,116	2,116
5183	Health Insurance	27,097	32,430	36,738	36,738
	Subtotal:	151,289	159,759	160,475	160,475
	PROFESSIONAL SERVICES				
5191	Auditor & Actuaries	19,172	16,550	20,000	20,000
	Subtotal:	19,172	16,550	20,000	20,000
	OPERATING				
5299	Departmental Supplies	3,518	2,500	2,600	2,600
5310	Travel & Training	1,101	4,616	3,500	3,500
5321	Telephone, Communications, Email	620	841	840	840
5325	Postage	550	800	800	800
5340	Printing	558	1,000	1,000	1,000
5440	Service & Maintenance Contracts	6,496	7,218	8,375	8,375
5491	Dues & Subscriptions	299	479	500	500
	Subtotal:	13,142	17,454	17,615	17,615
	TOTAL FINANCE DEPARTMENT EXPENDITURES:	183,602	193,763	198,090	198,090

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 activites in the Kitty Hawk community.

Planning and Inspections Department

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4910

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Salaries & Wages	179,985	182,880	195,309	195,309
5181	FICA	12,811	14,064	15,015	15,015
5182	Retirement Contribution	15,946	12,582	14,160	14,160
**82	401K	-	3,658	3,906	3,906
5183	Health Insurance	35,119	45,948	47,813	47,813
	Subtotal:	243,862	259,132	276,203	276,203
	PROFESSIONAL SERVICES				
5192	Legal Services	180	-		
5195	Engineering	2,100	5,000	5,000	5,000
5199	Contracted Inspection Services	5,100	1,200	2,500	2,500
	Subtotal:	7,380	6,200	7,500	7,500
	OPERATING				
5212	Uniforms	-	200	200	200
5250	Motor Vehicle Fuel	1,403	2,400	2,200	2,200
5299	Departmental Supplies	858	2,300	2,300	2,300
5310	Travel & Training	4,438	6,500	5,000	5,000
5321	Telephone & Communications	1,127	1,250	1,250	1,250
5325	Postage	2,072	2,300	2,300	2,300
5340	Printing	2,474	2,300	2,300	2,300
5370	Advertising	-	800	800	800
5440	Service & Maintenance Contracts	5,079	6,000	6,000	6,000
5491	Dues & Subscriptions	1,257	2,000	2,000	2,000
5693	Homeowner Recovery Fees	369	300	300	300
	Subtotal:	19,077	26,350	24,650	24,650

Planning & Inspections Department

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4910

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	MAINTENANCE & REPAIRS				
5353	Maintenance & Repairs	763	800	800	800
	Subtotal:	763	800	800	800
	CAPITAL OUTLAY				
5540	Vehicle for Code Enforcement	-	10,500	-	
	Copier	-	-	9,000	9,000
	Subtotal:	-	10,500	9,000	9,000
TOTAL PLANNING & INSPECTIONS EXPENDITURES:		271,082	302,982	318,153	318,153

Public Works Department

Mission:

The mission of the Public Works Department is to provide an maintain the highest level of public work services and facilicites 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,

Public Works Department Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4270

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Salaries & Wages	206,915	175,049	183,435	183,435
**21	Seasonal/Part-Time	-	40,530	37,400	37,400
5122	Overtime	1,047	2,550	2,550	2,550
5181	FICA	15,730	16,834	17,236	17,236
5182	Retirement Contribution	16,691	12,246	13,484	13,484
**82	401 K	-	3,552	3,720	3,720
5183	Health Insurance	35,762	42,630	50,952	50,952
	Subtotal:	276,145	293,391	308,777	308,777
	OPERATING				
5212	Uniforms	2,210	2,000	2,500	2,500
5220	Food and Provisions	739	-		
5250	Motor Vehicle Fuel	13,219	20,000	20,000	20,000
5260	Supplies & Equipment	2,708	2,000	2,500	2,500
5293	Signage	1,502	-	2,000	2,000
5299	Departmental Supplies	400	-		
5310	Travel & Training	796	2,500	2,500	2,500
5321	Telephone, Communications, Email	3,679	4,222	4,300	4,300
5330	Utilities	11,580	12,480	13,000	13,000
5433	ATV Rental	-	1,400	1,400	1,400
5440	Service & Maintenance Contract	6,481	15,000	15,000	15,000
5491	Dues and Subscriptions	184	350	350	350
5630	Inmate Labor Program	143	-		
	Subtotal:	43,640	59,952	63,550	63,550
	MAINTENANCE & REPAIRS				
5295	Maintenance & Repairs - Bldg & Grounds	69,513	63,500	63,500	63,500
**95	Maintenance & Repairs - Icarus	3,554	3,500	3,500	3,500
5352	Maintenance & Repairs - Equipment	13,084	14,000	14,000	14,000
5353	Maintenance & Repairs - Vehicle	5,886	11,000	10,000	10,000
	Subtotal:	92,037	92,000	91,000	91,000
	ENVIRONMENTAL SERVICES (4710)				
5690	Chipping	15,565	16,000	16,000	16,000
5691	Solid Waste Collection	985,218	984,699	1,000,000	1,000,000
	Subtotal:	1,000,783	1,000,699	1,016,000	1,016,000

Public Works Department Operating Expenditures (Cont.)

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4270

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	TRANSPORTATION - POWELL BILL (4510)				
5591	Street Maintenance (pass through)	99,841	12,000	10,000	10,000
**91	Roadway Improvements (pass through)	-	88,000	90,000	90,000
5591	Drainage Imp. Byrd and Lindbergh (pass through)	-	-	45,000	45,000
5293	Signage	-	2,000	2,000	2,000
	Subtotal:	99,841	102,000	147,000	147,000
	CAPITAL OUTLAY				
5543	Service Truck	-	28,000	-	-
5591	Lillian Street Grant	68,728	-	-	-
5593	Fence Replacement - Byrd St.	-	-	-	-
5510	Replace Mower	-	10,000	-	-
5580	Paint - Interior Fire Department	-	-	-	-
	Broom Tractor	-	-	83,100	83,100
	Install Fence/Screen @ Police Department	-	-	8,000	8,000
	Sewage Pump and Drainfield @ Police Department	-	-	7,000	7,000
5591	Parking Improvement	27,920	-	-	-
5599	Sand Fence Projects (pass through)	4,769	-	7,000	7,000
	Subtotal:	101,417	38,000	105,100	105,100
	TRANSFERS				
5550	Broom Tractor Reserves	27,700	27,700	-	-
	Dump/Grapple Truck Reserves	-	-	20,000	20,000
	Subtotal:	27,700	27,700	20,000	20,000
	TOTAL PUBLIC WORKS EXPENDITURES:	1,641,562	1,613,742	1,751,427	1,751,427

Police Department

Misson:

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.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Salaries & Wages	884,898	900,851	932,268	932,268
**21	Part Time Salaries	-	5,000	5,000	5,000
5122	Overtime	556	5,000	5,000	5,000
5181	FICA	61,725	75,121	77,986	77,986
5182	Retirement Contribution	120,255	69,173	74,231	74,231
**82	401 K - State Mandated 5%	-	41,806	43,160	43,160
**82	401 K	-	18,379	19,029	19,029
5183	Health Insurance	251,950	337,140	328,095	328,095
5980	Seperation Allowance	58,021	63,818	72,777	72,777
	Subtotal:	1,377,406	1,516,288	1,557,546	1,557,546
	PROFESSIONAL SERVICES				
5193	Professional Services - Medical	6,270	7,000	7,000	7,000
5199	Professional Services - Other	225	-	-	-
	Subtotal:	6,495	7,000	7,000	7,000
	OPERATING				
5212	Uniforms	10,867	8,000	10,000	10,000
5250	Motor Vehicle Fuel	36,133	51,000	51,000	51,000
5299	Departmental Supplies	7,555	7,000	8,000	8,000
5310	Travel & Training	11,195	11,000	11,000	11,000
5321	Telephone, Email, & Communications	17,213	22,547	22,547	22,547
5325	Postage	1,523	1,500	1,600	1,600
5330	Utilities	6,592	6,600	6,800	6,800
5340	Printing	1,336	1,500	1,500	1,500
5380	Controlled Substances	1,500	-	1,500	1,500
5433	ATV Rental	2,623	1,400	1,400	1,400
5440	Service & Maintenance Contracts	18,393	27,300	27,300	27,300
5491	Dues & Subscriptions	947	1,000	1,000	1,000
5498	Special Investigations	3,216	-	-	-
	Subtotal:	119,092	138,847	143,647	143,647
	MAINTENANCE & REPAIRS				
5352	Maintenance & Repairs - Equipment	7,431	11,000	12,000	12,000
5353	Maintenance & Repairs - Vehicle	20,713	20,000	21,000	21,000
	Subtotal:	28,144	31,000	33,000	33,000

Police Department Operating Expenditures (Cont.)

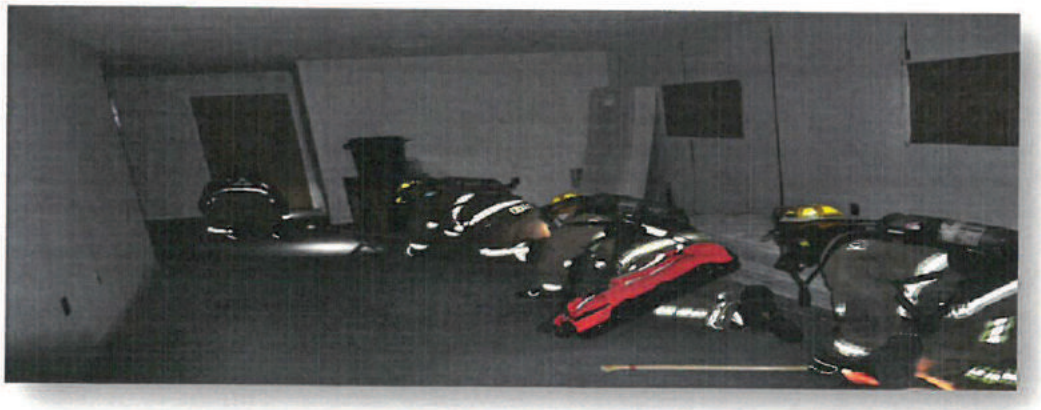
GENERAL FUND - 10 / DEPARTMENT DETAIL - 4310

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PROGRAMS & GRANTS				
5060	Grant - NCGHSP	27,499	20,000	20,000	20,000
5070	Grant - Weapons Replacement	9,231	-	-	-
5497	Community Outreach	1,001	1,000	1,000	1,000
	Subtotal:	37,730	21,000	21,000	21,000
	CAPITAL OUTLAY				
5540	Vehicles	53,942	26,900	63,000	63,000
5550	Equipment	19,024	-	-	-
**50	In Car Camera Maintenance	-	2,600	-	-
**50	Balistic Vest	-	2,400	-	-
**50	Office Copier	-	-	-	-
**50	Cabinets, desks, & Counter tops	-	8,600	-	-
	Subtotal:	72,965	40,500	63,000	63,000
	TOTAL POLICE DEPARTMENT EXPENDITURES:	1,641,833	1,754,635	1,825,193	1,825,193

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.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Salaries & Wages	751,017	533,037	775,548	775,548
**21	Part-Time Salaries	-	194,647	40,460	40,460
**21	Volunteer Incentive Pay	-	12,000	12,000	12,000
5122	Overtime	14,340	16,100	14,800	14,800
5181	FICA	56,567	57,817	64,475	64,475
5182	Retirement Contribution	61,814	51,173	60,029	60,029
**82	401 K	-	10,983	15,807	15,807
**82	Fireman's Relief Fund	3,110	4,440	2,280	2,280
5183	Health Insurance	103,023	131,816	239,785	239,785
	Subtotal:	989,872	1,012,013	1,225,184	1,225,184
	PROFESSIONAL SERVICES				
5193	Medical Physicals	9,175	12,250	12,250	12,250
	Subtotal:	9,175	12,250	12,250	12,250
	OPERATING				
5212	Uniforms	9,870	17,000	17,000	17,000
5250	Motor Vehicle Fuel	11,369	13,000	13,000	13,000
5299	Departmental Supplies	11,931	13,200	13,200	13,200
5310	Travel & Training	9,061	10,000	11,000	11,000
5321	Telephone, Communication, Emails	8,573	8,000	8,500	8,500
5325	Postage	136	250	250	250
5330	Utilities	12,939	14,000	14,500	14,500
5340	Printing	-	-	-	-
5433	ATV Lease	-	-	-	-
5440	Service & Maintenance Contracts	7,196	8,300	8,500	8,500
5491	Dues and Subscriptions	1,683	2,000	2,000	2,000
	Subtotal:	72,757	85,750	87,950	87,950
	MAINTENANCE & REPAIRS				
5352	Maintenance & Repairs - Equipment	9,985	11,500	11,500	11,500
5353	Maintenance & Repairs - Vehicle	19,621	23,000	23,000	23,000
	Subtotal:	29,606	34,500	34,500	34,500
	CAPITAL OUTLAY				
5540	New Fire Truck	537,535	-	-	-
5550	Equipment	21,875	-	-	-
**50	Breathing Apparatus	-	18,000	18,500	18,500
**50	Code Enforcement/Fire Insp. Vehicle	-	10,500	-	-
**50	Replace Ford F350	-	-	-	-
**50	Replace Copy Machine	-	-	9,000	9,000
**50	Replace Gym Equipment	-	-	5,500	5,500
	Subtotal:	559,410	28,500	33,000	33,000
	DEBT SERVICE				
5710	Firehouse Loan Principal	187,343	214,659	221,392	221,392
5720	Firehouse Loan Interest	94,553	67,341	60,505	60505
	Subtotal:	281,896	282,000	281,897	281,897
	TRANSFER				
5550	Air Compressor Replacement Reserve	20,000	20,000	-	-
	Subtotal:	20,000	20,000	-	-
TOTAL FIRE DEPARTMENT EXPENDITURES:		1,962,716	1,475,013	1,674,781	1,674,781

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 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Salaries & Wages	84,865	91,556	93,911	93,911
5181	FICA	6,492	7,004	7,184	7,184.19
	Subtotal:	91,357	98,560	101,095	101,095
	PROFESSIONAL SERVICES				
5193	Professional Services Medical	180	800	800	800
	Subtotal:	180	800	800	800
	OPERATING				
5212	Uniforms	2,914	3,000	3,000	3,000
5250	Supplies & Materials - Vehicle	2,262	3,000	3,000	3000
5299	Departmental Supplies	2,419	2,600	5,000	5,000
5310	Travel & Training	190	750	750	750
5321	Telephone, Communication, & Emails	735	800	800	800
5340	Printing	549	600	600	600
5433	ATV Lease	3,700	4,000	4,000	4,000
5491	Dues & Subscriptions	-	100	100	100
	Subtotal:	12,768	14,850	17,250	17,250
	MAINTENACE & REPAIRS				
5352	Maintenance & Repairs - Equipment	404	750	750	750
5353	Maintenance & Repairs - Vehicle	500	2,000	750	750
	Subtotal:	905	2,750	1,500	1,500
	TOTAL OCEAN RESCUE DEPARTMENT EXPENDITURES:	105,209	116,960	120,645	120,645

Planning Board

Planning Board Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4980

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	PERSONNEL				
5121	Member Compensation	7,800	11,200	11,200	11,200
5181	FICA	597	857	857	857.00
	Subtotal:	8,397	12,057	12,057	12,057
	PROFESSIONAL SERVICES				
5396	Transcription	2,190	3,220	3,220	3,220
	Subtotal:	2,190	3,220	3,220	3,220
	OPERATING				
5310	Travel & Training	-	500	500	500
	Subtotal:	-	500	500	500
	TOTAL PLANNING BOARD EXPENDITURES:	10,587	15,777	15,777	15,777

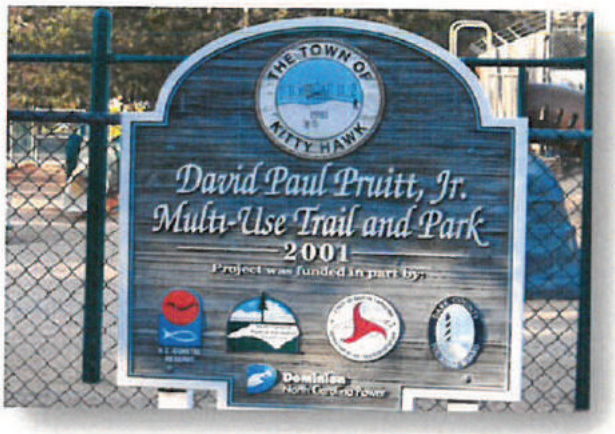
Board of Adjustment

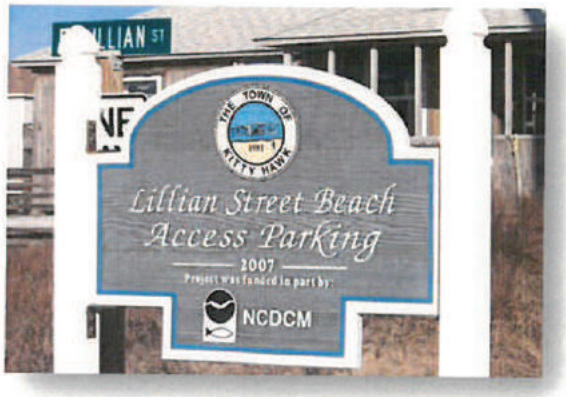
Board of Adjustment Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4990

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	ADOPTED BUDGET FY 16/17
	PERSONNEL				
5121	Member Compensation	300	1,050	1,050	1,050
5181	FICA	23	80	80	80.00
	Subtotal:	323	1,130	1,130	1,130
	PRESESSIONAL SERVICES				
5192	Legal Fees	-	1,500	1,500	1,500
5396	Transcription	215	750	750	750
	Subtotal:	215	2,250	2,250	2,250
	OPERATING				
5310	Travel & Training	-	250	250	250
5370	Advertising	78	150	150	150
	Subtotal:	78	400	400	400
	TOTAL BOARD OF ADJUSTMENT EXPENDITURES:	616	3,780	3,780	3,780

Recreation Committee





Recreation Committee Operating Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4111

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	OPERATING				
5370	Advertising	-	200	200	200
5499	OBX Marathon	1,258	500	500	500
	Pruitt Park (Repairs to Playground)	-	-	2,800	2,800
	Subtotal:	1,258	700	3,500	3,500
	TOTAL RECREATION COMMITTEE EXPENDITURES:	1,258	700	3,500	3,500

Beach Nourishment

Mission:

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

Beach Nourishment Expenditures

GENERAL FUND - 10 / DEPARTMENT DETAIL

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	OPERATING				
	Dare Co. Collection Fee (BN Portion)	-	-	15,000	15,000
	Legal Services (BN)	-	-	70,000	70,000
	Subtotal:	-	-	85,000	85,000
	DEBT SERVICE				
	Bond Issuance Repayment (Interest Only)	-	-	192,620	192,620
	Subtotal:	-	-	192,620	192,620
	TRANSFER				
	Excess Beach Nourishment - Capital Reserve	-	926,421	862,039	862,039
		-	926,421	862,039	862,039
	TOTAL BEACH NOURISHMENT FUND EXPENDITURES	-	926,421	1,139,659	1,139,659
	TOTAL GENERAL FUND EXPENDITURES:	**6,593,838**	**7,257,443**	**7,949,281**	**7,949,281**

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

ACCT. NO.	REVENUE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	TRANSFERS				
	Fund Balance - Broom Tractor	-	-	55,400	55,400
	Fund Balance - Storm Damage Reduction	-	-	70,000	70,000
	From General Fund - Future Capital Reserves	-	-	40,500	40,500
	From General Fund - Excess Beach Nourishment	-	926,421	862,039	862,039
	Subtotal:	-	926,421	1,027,939	1,027,939
	CAPITAL RESERVE FUND REVENUES	-	926,421	1,027,939	1,027,939

Capital Reserve Fund Expenditures

GENERAL FUND / DEPARTMENT DETAIL

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 14/15	BUDGET FY 15/16	PROPOSED BUDGET FY 16/17	APPROVED BUDGET FY 16/17
	TRANSFERS				
	To General Fund (Broom Tractor & Legal)	-	-	125,400	125,400
	Subtotal:	-	-	125,400	125,400
	RESERVES				
	Laptop Replacement -PD	-	-	3,000	3,000
	Town Website	-	-	2,500	2,500
	Phone System Replacement - Townwide	-	-	15,000	15,000
	Grapple/Dump Truck - PW	-	-	20,000	20,000
	Beach Nourishment Excess	-	926,421	862,039	862,039
	Subtotal:	-	926,421	902,539	902,539
	TOTAL CAPITAL RESERVE FUND EXPENDITURES:	-	926,421	1,027,939	1,027,939

Capital Expenditures Summary FY 2016-2017

CAPITAL EXPENDITURES / DEPARTMENT DETAIL - AS SHOWN

CAPITAL PURCHASE	SOURCE	DESCRIPTION	JUSTIFICATION	FY 16/17
		GOVERNING BODY (4110)		
		No Capital Funded		
		NON-DEPARTMENTAL (4100)		
Computer Replacement	Operating	Funding for Desktop Computer Replacement	Implementation of Computer Replacement Program	8,000
PD RMS Server	Operating	Update server that stores Records for PD	Current Technology standards not being met	6,000
Phone System Replacement	Reserves	Establishes a reserve for future phone system replacement	The Town will need to upgrade the phone system in near future	15,000
Town Website	Reserves	Establishes a reserve for future website improvements	The Town will need to update the website in the future	2,500
Laptop Replacement(s)	Reserves	Establishes a reserve for future PD Laptop replacements	The Town will need to update the PD labtops in the future	3,000
			Subtotal:	**34,500**
		ADMINISTRATIVE SERVICES (4120)		
Codification of Ordinances	Operating	Municipal Code Update	Required to keep published code current	6,000
			Subtotal:	**6,000**
		FINANCE (4130)		
		No Capital Funded		
		PLANNING & INSPECTIONS (4910)		
Copy Machine	Operating	Replace Copier/Printer	Aged and oudated	9,000
			Subtotal:	**9,000**

CAPITAL EXPENDITURES / DEPARTMENT DETAIL - AS SHOWN

CAPITAL PURCHASE	SOURCE	DESCRIPTION	JUSTIFICATION	FY 16/17
		PUBLIC WORKS (4270)		
Broom Tractor Replacement	Operating $55,400 Prior Yr. Reserves	Relacement of 2004 Kubota L4330	11 years old & underpowered	83,100
Fence/Screen PD Station	Operating	Install Fence/Screen at PD	Increased OPTEMPO; Shield rear of building	8,000
Replace Drainfield and Pumping Station @ PD	Operating	Add sewage pump and elevated drainfield	Current system not draining properly	7,000
			Subtotal:	**98,100**
		POWELL BILL		
Roadway Improvements	State Funds	Annual overlay of Town streets	Deterioration of streets requires overlay program	90,000
Drainage Improvement	State Funds	Improvement to Byrd and Lindbergh	Drainage Improvements identified in Stormwater Master Plan	45,000
			Subtotal:	**135,000**
		POLICE DEPARTMENT (4310)		
Vehicles	Operating	Replace two (2) Patrol Vehicles	Maintenance costs and excess mileage	63,000
			Subtotal:	**63,000**
		FIRE DEPARTMENT (4340)		
Breathing Apparatus	Operating	Purchase (3) SCBA Breathing Apparatus	Meet OSHA Standards	18,500
Copy Machine	Operating	Replace Copier/Printer	Outdated copier in place since 2007	9,000
Gym Equipment	Operating	Replace rowing machine, bench press, and incline bench	Wear and tear of existing equipment	5,500
			Subtotal:	**33,000**
		OCEAN RESCUE (4370)		
		No Capital Funded		
			TOTAL CAPITAL EXPENDITURES FY 16/17:	**378,600**

Ordinance No. 16-06

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 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	$17,559,176
Construction Management	$223,152
Turtle Monitoring	$39,540
Permitting	$870,000
Preconstruction	$164,010
Cost of the Bond Issuance	$85,250
Total appropriations	**$18,941,128**

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 Cap. Reserve Fund - Beach Nourishment	$11,250
Total estimated revenues	**$18,941,128**

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. 16-06

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 6th day of June 2016.

Gary L. Perry, Mayor

ATTEST:

Lynn U. Morris, Town Clerk

Debt Policy & Schedule

The Town's formal debt policy is consistent with that contained in North Carolina General Statues 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.

In addition, it has always been the Town's practice not to use 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.

Currently the only debt in the Town's general fund was issued in 2005 for the construction of a new Firehouse. The Town's current debt principal balance in the general fund totals $2,007,292, with FY 2016/17 principal and interest obligations of $281,897. The yearly payment represents 2.13% of the Town's general fund revenues.

GENERAL FUND

Fund	Project	Loan Origination Date	Original Loan Amount	FY 16/17 Principal & Interest	Outstanding Principal Balance	Expected Pay-Off Date
General Fund	New Firehouse Construction	Oct-05	4,000,000	281,897	2,007,292	6/30/24

In FY 16/17 the Town is scheduled to issue debt service for the construction of the Beach Nourishment Project. The project will be funded through the issuance of special obligation bonds that will be repaid by utilizing funding from the Dare County Beach Nourishment Fund and through a dedicated town-wide property tax of $.04 (per $100) and $.12 (per $100) within the municipal service district.

The Beach Nourishment Project was established by the adoption of Capital Project Ordinance No. 15-03, therefore all funds are derived by the special obligation bond and repaid by the dedicated revenue sources.

BEACH NOURISHMENT

Fund	Project	Loan Origination Date	Original Loan Amount	FY 16/17 Principal & Interest	Outstanding Principal Balance	Expected Pay-Off Date
Beach Nourishment Fund	Beach Nourishment - *Projected	Jun-16	9,999,000	192,620	9,999,000	6/30/22

In accordance with an inter-local agreement adopted June 6, 2016 Dare County will reimburse the Town for 55% of the total principal interest payments over a five year period

Statistical Data & Demographics

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 ¾ 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 City'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.

Fund Types

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

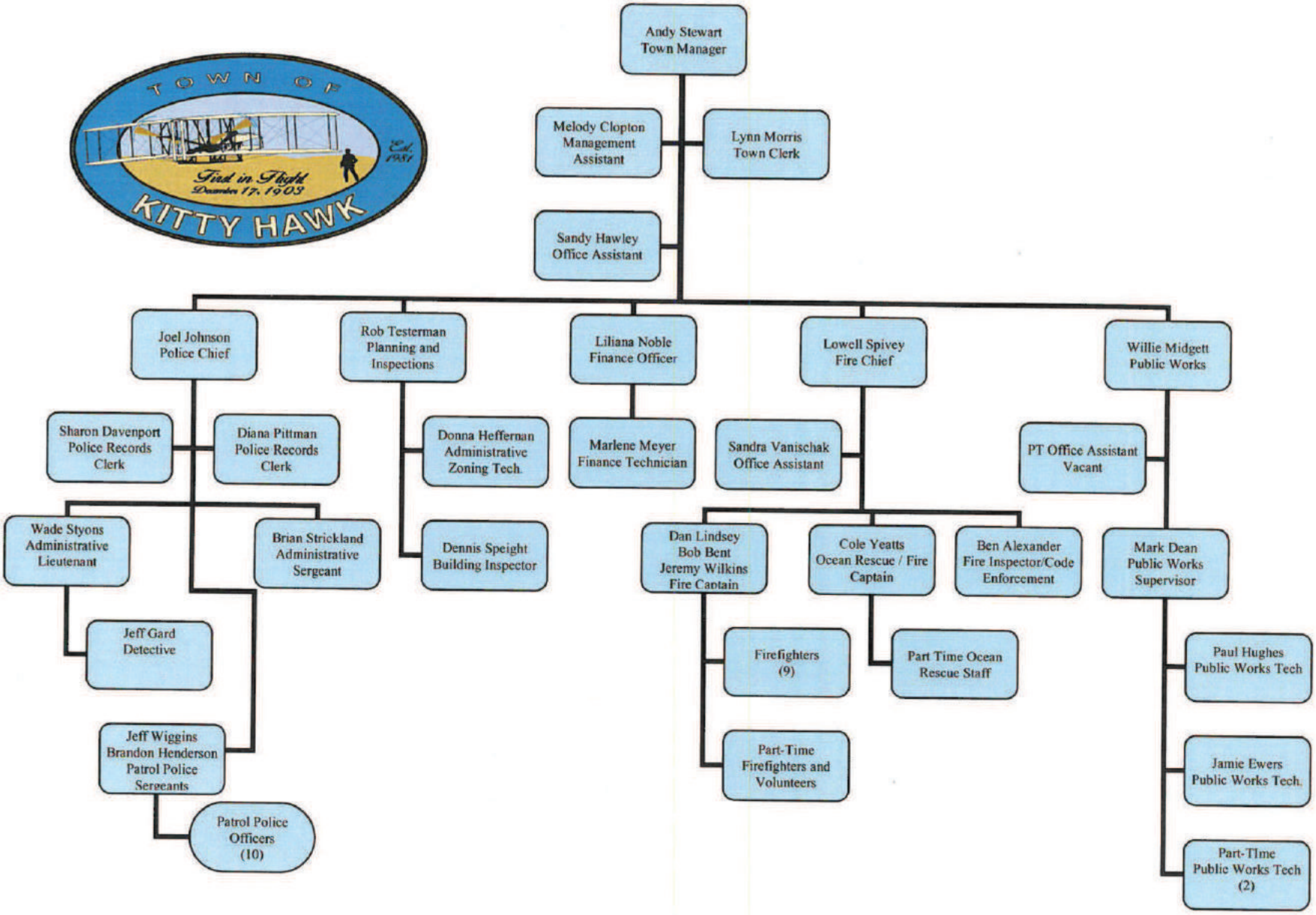
1. **General Fund**, the Town's primary operating fund, containing all financial resources of the general government except those required to be accounted for in another fund.

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 Dare County beach nourishment project. The project is to be financed by special obligation bonds and contributions from Dare County beach nourishment occupancy tax fund.

FISCAL YEAR 2016/2017 ORGANIZATION CHART (DEPARTMENT LEVEL)



A. Functional Area: Public Safety

1. Police/Law Enforcement

(a) Provide services, prevent crimes and protect persons and property within the Town of Kitty Hawk in a "customer/user-friendly" manner.

(b) Maintain high visibility of Police in the community through business and residence checks along with aggressive foot patrols.

(c) Work with neighborhoods and citizen groups to initiate and maintain Community Outreach Programs.

(d) Continue to promote a professional, well-trained police, adequately paid workforce that is courteous, friendly, and helpful to residents, corporate citizens, and visitors to the Town, and whom constituents trust.

(e) Maintain Police Department web page with current information.

(f) Publicize, educate, and expand community-oriented programs, such as Shop-with-a-Cop, Bank Alarm Response, Project Lifesaver, and Community Outreach Programs.

(g) Encourage law enforcement personnel to be involved in the community, as well as civic organizations in the Town.

(h) Provide information and reports to the Town Manager for inclusion in the Manager's Report, the Town Newsletter, and the Town web site.

(i) Coordinate with NC Highway Patrol, Currituck Sheriff's Department, as well as the Southern Shores and Duck Police Departments to enhance safety and traffic flow at the intersection of US 158 and Ocean BLVD in Kitty Hawk during seasonal weekend peak periods.

2. Building Inspections/Code Enforcement

(a) Review all building plans in an efficient and customer-friendly manner.

(b) Administer the local CAMA program in an efficient and customer-friendly manner.

(c) Inform and educate the general public on development issues, processes, and projects within the Town of Kitty Hawk.

(d) Respond to all public inquiries in a timely and accurate manner.

(e) Notify impacted property owners about significant Town improvement projects (could include an informational meeting, website, e-newsletter, letters, or other means as necessary).

(f) Update the Town's website with FAQ's, additional information, and online application forms.

(g) Continue under a general policy of pursuing violations according to the Town's policy, working with owners on alternative solutions and allowing a reasonable amount of time for compliance to be achieved.

(h) Provide equitable enforcement of sign violations in accordance with the adopted sign ordinance as detected during normal course of business.

(i) Ensure a well-trained Planning and Inspections Department:

1. Building Inspector to attend required continuing education courses in each of the five trades in order to maintain State certifications.

2. CAMA Local Permit Officer (LPO) to attend required continuing education courses in order to maintain State certification and the Town's participation in the CAMA local permitting program.

3. Code Enforcement Officer to attend required continuing education courses to maintain NCAZO certification.

(j) Provide information for the Town Newsletter, Manager's Report, and Town Website that reflects the activities of the Planning & Inspection Department.

3. **Fire Service**

(a) Continue daily staffing of four (4) firefighters on duty using full time and part-time personnel to meet NCDOI standards and assuring that assigned tasks are accomplished effectively and safely.

(b) Continue to recognize firefighters for their service to the Town of Kitty Hawk at Town Council meetings for three years, five years, and each five-year increment afterwards.

(c) Make progress toward achieving five- (5) minute response times for fire and medical calls for service, 90% of the time.

(d) Make progress toward achieving nine- (9) minute response times for full first alarm assignments for fire emergencies, 90% of the time.

(e) Conduct required Fire Code Compliance Inspections in sufficient number to meet NCGS 160A-411.

(f) Continue Pre-Incident Surveys in order to visit each business and target hazard in Kitty Hawk on an annual basis.

(g) Maintain open lines of communication between elected officials, Town Manager, and all other town departments and fire department.

(h) Work towards lowering the fire department's Fire Protection Rating to Class 4.

4. **Ocean Rescue**

(a) Continue to monitor and evaluate the beach populations to determine the need for an additional positions and/or stationary lifeguard stands.

(b) Conduct weekly education programs to time-share occupancies from Memorial Day – Labor Day, educating weekly visitors in water safety and the dynamics of the ocean.

(c) Maintain open lines of communication between elected officials, Town Manager, and all other town departments.

(d) Educate beachgoers regarding the importance of removing all beach items each day and the safety hazards of leaving items unattended overnight. Include information in tide brochure.

5. **Emergency Preparedness**

(a) In concert with Dare County's plans, update the Town's Emergency Preparedness, Response, and Recovery Plan before the beginning of Hurricane Season.

(b) In concert with Dare County's plans, complete all of the preparations for Hurricane Season as laid out by the Town's Emergency Preparedness, Response, and Recovery Plan prior to Hurricane Season.

(c) Maintain a liaison to the Dare County EOC.

(d) Complete all training necessary to remain compliant with the National Incident Management System (NIMS).

B. Functional Area: Transportation

1. Regional Transportation

(a) Continuously evaluate Kitty Hawk's level of participation and commitment to various surface transportation planning initiatives in the region.

(b) Continue participation in the TCC/TAC meetings and make recommendations relative to transportation in the RPO.

2. Multi-Use Paths, Beach/Sound Access Points & Parking

(a) Include public input as a key component throughout the planning process.

(b) Evaluate the location and design of such facilities with the intention of not degrading the aesthetics and quality of life for neighboring property owners.

(c) Focus on providing public beach access toward the southern end of the Town.

(d) Work with property owners on acquiring suitable property or easement by voluntary means for such purposes as multi-use paths, beach accesses, and parking areas.

(e) Identify and pursue grants and other funding sources for multi-use paths, access points, and parking areas identified in the Recreation Master Plan.

(f) Evaluate life cycle costs to determine the Town's ability to maintain new amenities within the constraints of existing requirements and resource priorities.

(g) Plan and maintain access points with environmentally sensitive crossovers that meet CAMA and other State and Federal requirements, consistent with Beach Nourishment sustainability and Recreation Master Plan priorities, when compatible.

3. Streets

(a) Maintain street and directional signage to standards as prescribed by the Manual of Uniform Traffic Control Devices (MUTCD).

(b) Routinely maintain Highway 12 at a level greater than that maintained by the North Carolina Department of Transportation by sweeping sand build-up from the street and shoulders bi-monthly or as often as necessary for safe travel by pedestrians, bikes, and vehicles.

(c) Continue to maintain all streets in Kitty Hawk while properly utilizing Powell Bill funds.

C. Financial Policies

(a) Insure that the Town Council's adopted policies are strictly enforced.

(b) Insure the immediate execution of budgetary and fiscal decisions and to provide financial data, records, contracts, and files for needed fiscal decision-making.

(c) Provide monthly reports for the Town's financial condition to the Town Council, all departments, and State and Federal agencies.

(d) Look for ways to further automate accounting functions in order to streamline and operate more efficiently.

(e) Promptly pay submitted reimbursable expenses and payments to vendors so as to take advantage of any discounts that would be in the Town's best interest.

(f) Maximize cash flow and investment earnings in accordance with Town policies and NC General Statutes.

(g) Insure the accurate and prompt collection of Town revenues, including monitoring receipt and use of State and Federal grant funds.

(h) Monitor expenditures in accordance with budget and ensure cost effective purchasing.

(i) Accurately and promptly process departmental payrolls and employ systems to track use of sick leave, vacation leave, and compensatory time off.

(j) Keep all Town departments informed on a "real time" basis of their financial condition and to coordinate and approve purchases by all Town departments and functions.

(k) Review and integrate current and historical financial data into formats reflecting our changing financial condition toward fulfillment of the Town's Financial Policy goals in accordance with GASB, state, and federal reporting requirements.

(l) Administer the Town's financial accounting system in accordance with generally accepted accounting principles and applicable statutory requirements and provide accurate and timely financial reports.

D. Economic and Community Development

1. Ordinance/Plan Review

(a) Update the zoning ordinance and other development standards as necessary to address the changing needs of residents and businesses in the community.

(b) Conduct thorough review and update of the Town's adopted CAMA land use plan using the Planning Board and in-house resources consistent with revised state standards, when published.

2. Development Review

(a) Select and utilize well qualified professional consulting engineers with coastal experience as needed during the site plan review process.

(b) Select well qualified professional consulting architects or engineers for special projects for the Town on a case-by-case basis.

(c) Review all site plans, plats, and other development applications for conformance with Town regulations in a timely, consistent, and customer- friendly manner.

(d) Provide training opportunities for Planning Board and Board of Adjustment members to better understand their roles and responsibilities as appointed boards for the Town of Kitty Hawk.

E. Environmental and Aesthetic Concerns

1. Dunes

(a) Monitor beach and dune erosion and take immediate steps to remedy situations that compromise public safety.

(b) Continue to explore, develop and implement strategies to initiate an appropriate dune stabilization program on public property such as sprigging with beach grasses, installing sand fences, and/or environmentally sensitive dune crossovers, and installing "keep off the dune" signs visible from both sides of the dune.

(c) Provide beach access in areas where dunes are vulnerable and provide walkways with appropriate signage to direct foot traffic to less sensitive areas.

(d) Complete Beach Nourishment Project construction in FY 2016/17.

2. Stormwater Management

(a) Continue implementation of cost effective recommendations presented in the 2012 Stormwater Management Plan.

(b) Maintain adopted stormwater management standards for new commercial, institutional, and multi-family residential development.

3. Beach Nourishment

(a) In cooperation with Dare County, Kill Devil Hills and Duck, implement the Kitty Hawk portion of the Beach Nourishment project in 2016/17 Fiscal Year, with funding from occupancy tax revenue in the Dare County Beach Nourishment Fund, and property tax revenue from town-wide and Municipal Service District tax collection.

(b) Monitor the effectiveness of the beach nourishment project in satisfying the town's goals for the project, as outlined in "Beach Nourishment Project Town of Kitty Hawk North Carolina" by Coastal Planning and Engineering North Carolina, dated November 3, 2014. Evaluate cost benefit for continuation beyond the five year project life span.

(c) Develop a program for Beach Nourishment Maintenance to provide funding for required sand replenishment following the projected five year life span of a successfully constructed project.

4. Solid Waste

(a) Ensure that the Town's solid waste management opportunities and requirements are consistent with needs and expectations of the general public in a user-friendly manner.

5. Beautification

(a) Emphasize the continued maintenance and enhancement of beautification efforts along the Town's key entryways and corridors.

6. Flood Damage Protection

(a) Review all development projects in a fair and reasonable manner for compliance with the standards of the Town's flood damage prevention ordinance and FEMA regulations.

(b) Offer a variety of educational opportunities for local residents to learn about improving personal safety.

(c) Conduct flood damage prevention activities in a manner that increases the Town's score in the Community Rating System, thus reducing insurance rates in Kitty Hawk.

F. Leisure-Time Activities

1. Parks and Recreation

(a) Work with property owners on acquiring suitable property or easements by voluntary means.

(b) Evaluate the location and design of recreational facilities with the intention of not degrading the aesthetics and quality of life for neighboring property owners.

(c) Identify and pursue grants and other funding sources for recreational improvements.

(d) Conduct public information sessions prior to the construction stage of recreational projects.

G. Administrative Policies

1. Personnel

(a) Conduct all of the Town's personnel functions in a cost effective, efficient, and user-friendly manner

1. Maintain staffing levels at a ratio proportionate to the population and needs of the Town.

2. Make every effort to hold down employee benefit insurance costs.

(b) Develop and operate a personnel system that will recruit and retain high quality employees for the Town of Kitty Hawk.

2. Town Management

(a) Enforce the Town's Personnel Policy and other personnel related policies fairly and equitably to all Town employees.

(b) Fulfill the statutory requirements of the Town Manager's office consistent with the North Carolina General Statutes

(c) Direct and supervise the administration of all Town departments and divisions.

(d) Ensure that all Department Heads maintain a staffing level that does not require excessive amounts of overtime or compensatory time.

(e) Attend all meetings of the Town Council and make professional recommendations as appropriate.

(f) Ensure that all laws of the State of North Carolina, Town Charter, ordinances, resolutions, and regulations of the Town Council are faithfully executed.

(g) Prepare and submit the annual budget and Capital Improvement Plan to the Town Council.

(h) Annually submit to the Town Council, and make a copy available for public inspection a complete audit on the finances and administrative activities of the Town as of the end of the fiscal year.

(i) Perform any other duties that may be required or authorized by the Town Council, consistent with State and Federal laws.

(j) Communicate all areas of concern with the Town Council either in a formal Council venue or via memo or email.

(k) Promptly return all phone calls and emails from members of the Town Council and the general public.

(l) Meet with individual members of the Town Council as needed.

(m) Represent the Town at local, regional, and state meetings that will enhance the knowledge of the policies and economic conditions.

(n) Educate new and existing employees about the Town policies and procedures:

1. Conduct orientation for all new Town employees to inform them of the Town's policies and procedures, their department's policies, and procedures, the benefits that they receive for being a Town employee, and to answer any of their questions so that their transition into their new position is smooth.

2. Notify all employees of new policies when existing policies are amended or new policies are adopted by town council. Hold workshops as needed.

(o) Keep all Town policies and procedures updated and in accordance with State and Federal law.

1. Review each Town Policy on annual basis in conjunction with the Town Attorney. Update as required with Town Council concurrence.

2. Develop new policies as needed, in conjunction with the Town Attorney, and implement following Town Council approval.

(p) Conduct exit interviews for all employees leaving the Town service to make them aware of the possibility of continued health insurance through COBRA, to provide them with information about additional insurance and retirement programs that will be ending and to obtain information about why they are leaving the Town service so that the Town can improve itself as an employer.

(q) Attend conferences and training sessions related to personnel management, safety, insurance, and municipal administration.

3. Connecting Citizens with the Town

(a) Communicate effectively with all of the Town's citizens.

(b) Publish the Manager's Newsletter and direct readers to the Town's web site where more information can be provided.

(c) Increase the number of recipients of the Manager's Newsletter by email.

(d) Update the general information on the Town's web site weekly or as needed.

(e) Post all meeting minutes on the Town's web site.

(f) Post the monthly building activity report on the Town's web site.

(g) Post all meeting agenda's on the web site.

(h) Update Channel 191 as necessary with useful and timely information.

(i) Develop programs for Channel 191 depicting Town services to develop a community awareness of the operation and function of the Town government.

(j) Send press releases to local media outlets when warranted.

(k) Maintain an open door policy. Greet all visitors with courtesy as they arrive at Town Hall. Assist citizens and other visitors with or without an appointment.

(l) Promptly return all customer phone calls and emails

(m) Conduct informational workshops to increase the awareness and understanding of important issues by the general public, as needed.

(n) Utilize media opportunities by creating informational videos and posting on web site and YouTube.

4. Special Notification

(a) Provide newspaper and email notification to citizens when the day services, such as solid waste collection, change or special services, such as large item pick-up or chipping service are offered.

(b) Provide up-to-date public information on the bulletin board located in Town Hall.

5. Boards and Committees

(a) Develop means for recruiting citizens to serve on the Town's boards and committees and to provide adequate training for citizen volunteers appointed to the boards and committees.

6. Council Workshops

(a) Plan and conduct Council workshops as requested.

7. Revenue Policy

(a) The tax rate shall be reviewed and set each year based on the estimated cost of providing general government services and future capital requirements.

(b) The Town will set fees that will optimize user charges for identifiable services. To the extent practical, any Town service that is of a higher level to or benefits specific recipients shall be supported by user fees designed to recover costs from those recipients. Examples are certain recreation activities, programs that may be funded through user fees and registration charges, and building and code enforcement activities funded through permit fees.

8. Operating Budget Policy

(a) Current operating revenues will be sufficient to support current operating expenditures. Typically the available fund balance appropriated shall not exceed an amount that management can reasonably expect to save during the year except as authorized by Council action during periods of abnormal events or economic conditions.

(b) It is the policy of the Town that the operating budget must be prepared in accordance with Generally Accepted Accounting Principles as required by the North Carolina Local Government Budget & Fiscal Control Act (N.C.G.S. 159)

9. Accounting Policy

(a) An independent certified public accounting firm will audit and issue an official opinion on the Town's annual financial statements to the Town Council annually.

10. Debt Policy

(a) Capital improvements financed through the issuance of bonds or through an installment purchase contract (NCGS 160-A. 20) shall be financed for a period not to exceed the anticipated useful life of the project.

11. Fund Balance Policy

(a) The Town will strive to maintain a targeted minimum Fund Balance in the amount of $3.5 million for emergency purposes related to extraordinary or catastrophic events.

12. Capital Reserve Fund

(a) The Town will maintain a Capital Reserve Fund for the purposes of long range funding for specific future capital improvements necessary for the continued high level of service in areas of public safety, technology development, recreational facilities and beach nourishment.

Adopted this 6th day of June, 2016 by the Kitty Hawk Town Council.

(SEAL)

Gary L. Perry, Mayor

Lynn U. Morris, Town Clerk

FISCAL YEAR 2016/2017 **Position Classification Plan and Salary Scale**

Grade	Position	Minimum	Maximum
52		$26,816.78	$39,317.87
53		$28,157.61	$41,283.74
54		$29,565.49	$43,347.93
55	Public Works Technician Police Records Clerk Office Assistant/Receptionist	$31,043.75	$45,515.31
56		$32,595.95	$47,791.10
57		$34,225.75	$50,180.64
58	Public Works Supervisor	$34,513.93	$50,643.67
59	Finance Technician Police Officer I Firefighter I	$37,733.88	$55,324.15
60	Police Officer II Firefighter Engineer Administrative Zoning Technician Administrative Records Technician	$39,620.57	$58,090.35
61	Detective Police Officer III Master Firefighter	$41,588.32	$60,975.27
62	Police Sergeant Fire Captain Management Assistant	$43,681.69	$64,044.64
63	Ocean Rescue Director * Fire Inspector/Code Enforcement	$45,865.79	$67,246.88
64	Building Official Town Clerk* Police Lieutenant	$48,159.06	$70,609.20

Grade	Position	Minimum	Maximum
65		$50,567.03	$74,139.68
66		$53,095.36	$77,846.65
67		$55,750.13	$81,738.97
68		$58,537.65	$85825.94
69	Finance Officer* Public Works Director*	$61,464.52	$90,117.23
70	Director of Planning and Inspections*	$64,537.75	$94,623.08
71	Police Chief * (1) Fire Chief* (1)	$67,764.64	$99,354.25
72	Town Manager*	$71,152.87	$104,321.95

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

Approved by the Kitty Hawk Town Council this 6th day of June 2016.

(SEAL)

Gary L. Perry, Mayor

Lynn Morris, Town Clerk

Approved Positions and Longevity

Approved Positions for FY 2016-2017		
Department	**Full-Time**	**Part-Time**
Administration	4	1
Finance	2	0
Planning & Inspections	3	0
Public Works	4	4
Police	18	2
Fire	16	6
Total	**47**	**13**

Longevity Awards		
Name	**Date of Hire**	**Amount**
Lynn Morris	03/05/1987	$2,000
Willie Midgett	06/25/2006	$1,000
Sharon Davenport	07/06/1996	$2,000
Joel Johnson	07/10/2001	$1,500
Michael Basilone	02/05/2012	$500
Jesse McNeil	01/22/2012	$500
Lowell Spivey	04/22/1997	$2,000
Total		**$10,500**
Last Year Longevity Award		**$6,500**
Total Change		**$4,000**

Retiree Health Insurance Payments			
Retiree Health Insurance Payments for FY 2016-2017			
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	$8,775.32	$94.50	$8,775.32
Eugene McLawhorn	$4,662.40	$94.50	$4,662.40
Mike Carver	$8,775.32		$8,775.32
Tony Garrett	$3,000.00		$3,000.00
David Ward	$8,775.32		$8,775.32
Jimmy Ray Watts	$4387.66		$4,387.66
Lavelle Jenkins	$6,582.00		$6,582.00
JP Askew	$6,582.00		$6,582.00
Total	**$64,849.60**	**$189.00**	**$61,440.021**

Separation Allowance			
Name	**Monthly Separation Allowance**	**Annual Separation Allowance**	**Date of Retirement**
Bob Morris	$1,491.43	$17,897.10	4/1/04
Mike Carver	$1,471.10	$17,653.22	10/1/10
David Ward	$1,872.53	$22,470.36	1/1/13
Jimmy Ray Watts	$1,182.55	$14,190.54	2/1/2016
Total	**$5,315.86**	**$63,817.29**	

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	$0.10 per page
Copies from Town Copy Machine > 100	$0.15 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
Police Report	$5.00
Planning	
Zoning Compliance - Residential	$35.00
Zoning Compliance - Commercial	$75.00
Type I Home Occupation Permit	$ 50.00
Type II Home Occupation Permit	$100.00
Outdoor Gathering Permit	$ 50.00
Outdoor Gathering Permit w/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
BC - 3	$0.15/square foot of building
Site Plans *(site plan amendment fees shall be based on the following, whichever is greatest)*	
a. Based on the calculated area of change being proposed:	

Item	Fee
Heated area	$0.15/square foot
Unheated area	$0.10/square foot
Parking Lot	$0.02/square foot
b. Multi-family/Townhouse	$125/Unit
c. If no change in units or square footage of commercial, than $150.00 to be charged for the (1) acre of affected area; review of any previously approved site plan for any conceptual plan, preliminary plan, final plan which involves less than $150 per acre for each acre over the minimum.	
d. Minimum $410 (one half charge of special meeting)	
If no site plan change is required	$50.00
If site plan change required	$100.00
Conditional Use Permit	$300.00
CUP - Family Day Care	$50.00
Residential in a Commercial Zone (Conditional Use)	$ 25.00
Subdivision Plat Review	
Subdivision	$100.00 per lot
Exempt	$50.00 per lot
Variance Request	
Board of Adjustment	$300.00 Plus Legal Advertising Charge
Planning Board	$300.00
Variance After the Fact (Board of Adjustment)	$510.00
Variance After the Fact (Planning Board)	$510.00
Appeal of Zoning Decision	$ 75.00
Land Disturbance/Grading	
Lot Disturbance Permit (less than 5,500 sq. ft. of disturbance)	$35.00
Residential Erosion & Sedimentation Control Permit (5,500 sq. ft. of disturbance or greater)	$150.00
Commercial Erosion & Sedimentation Control Permit (5,500 sq. ft. of disturbance or greater)	$ 0.01/square foot of disturbed area $1,000 Maximum
Signs	
New Installation	$50.00 per sign
Temporary Sign/Banner	$25.00+$50.00 Deposit
Change of Sign Face	$25.00
Zoning Text/Map Amendment	
Zoning Text Amendment	$ 250.00

Item	Fee
Map Amendment	$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
Refund Schedule	
Pre-Planning Board Review	75% Refund
If Planning Board has begun review	50% Refund
Pre-Council Review	25% Refund
CAMA	
CAMA Minor Permit	$100.00
Police Department	
False Alarm - 1st Call a Month	No Charge
False Alarm - 2nd Call in a Month	$50.00
False Alarm - 3rd 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 (annually)	$3.00
Special Occasion Permit	$180.00
Video from In Car Camera	$15.00
Handicapped Parking Violation	$100.00
All Other Parking Violations	$25.00
Fire Department	
Fire Inspection – 1st Inspection	No Charge
Fire Inspection – 1st Follow-up	No Charge
Fire Inspection – 2nd Follow-up	$50.00
Fire Inspection – 3rd and All Subsequent Follow-ups	$100.00
False Alarm – 1st Call in a Month	No Charge
False Alarm – 2nd Call in a Month	$50.00
False Alarm – 3rd 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
Building Permit Fees	
General (these fees apply to all new construction)	

Item	Fee
Electrical	$50.00 Residential $100.00 Commercial
Plumbing	$50.00 Residential $100.00 Commercial
Fuel Piping (Gas)	$50.00 Residential $100.00 Commercial
Heating/Air (Mechanical)	$50.00 Residential $100.00 Commercial
Irrigation System	$50 Residential $100 Commercial
Reinspection	1st - $50.00 2nd - $100.00 3rd & sub. - $150.00
Pier/Dock	$0.50/Square Foot $75.00 Minimum
Tennis Court	$100.00
Sprinkler System	$100.00
Bulkhead	$$0.75/Linear Foot $75.00 Minimum
Sign	$50.00
Sign with Electricity	$100.00
Courtesy Inspections	$50.00
Residential	
Heated Area	$0.55/Square Foot
Unheated Area	$0.30/Square Foot
House Moving	$100/out $250.00 within/$350.00 into
Demolition	$50.00
Flood Insurance Certification	$25.00 per certificate
Condemnation Inspection in Association with NFIP	$75.00
Multi-Family Dwellings & Townhouses	$0.55/Square Foot
Hot Tub (above ground)	$50.00
Swimming Pool/In Ground Hot Tub	$100.00
Remodeling	$0.40/Square Foot $50.00 Minimum
Homeowners Recover Fee	$10.00
Garbage/Trash Can Fee	$125.00 per home $200.00 4 bedroom

Item	Fee
	& up (2 cans)
Commercial	
Heated Area	$0.70/Square Foot
Unheated Area	$0.35/Square Foot
Parking Lot	$0.05/Square Foot
Fuel Dispensing Device	$25.00 per Pump
Hotels, Motels	$125.00/Unit
Minimum Permit Fee	$25 + $25/Add'l Insp.
Swimming Pool/Hot Tub	$200.00
Remodeling	$0.50/Square Foot $100.00 Minimum
Sprinkler System	$100.00
Fire Suppression System	$100.00
Battery Systems	$50.00
Compressed Gasses	$50.00
Fire Alarm and 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
Note: Double fees shall be applied to all permits if work has commenced prior to application approval	
Miscellaneous Fees	
Smith Room Rental Fee (after business hours)	$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

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
HDHP – High Deductible Health Plan
IT – Information Technology
KDH – Kill Devil Hills
NCTVS –
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 2016 to 2021

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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

	FY 14-15	FY 15-16	FY 16/17	Expenditures FY 16/17	Ending Balance FY 16/17
Air Compressor - FD	20,000	20,000	-	-	**40,000**
Beach Nourishment	-	926,421	862,039	-	**1,788,460**
Broom Tractor	27,700	27,700	27,700	(83,100)	**-**
Fire Truck & Equipment	4,161	-	-	-	**4,161**
Grapple/Dump Truck	-	-	20,000	-	**20,000**
Information Technology	75,803	20,300	-	-	**96,103**
Laptop Replacment Program	-	-	3,000	-	**3,000**
Parks and Trails	144,735	-	-	-	**144,735**
Phone System Replacement	-	-	15,000	-	**15,000**
Storm Damage Reduction (2 cent)	224,904	-	-	(70,000)	**154,904**
Town Website Updates	-	-	2,500	-	**2,500**
Interest (Estimate)	741	741	741	-	**2,223**
Total Capital Reserve Fund Balance:					**2,271,085**

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 16/17. 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 IMROVEMENTS PLAN

Project Name	Funding Source	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Police Department (4310)						
In Car Cameras	Operating	$ -	$ 12,000	$ 18,000	$ 18,000	$ 18,000
Vehicles	Operating	$ 63,000	$ 96,820	$ 99,725	$ 102,716	$ 105,798
TOTAL POLICE		**$ 63,000**	**$ 108,820**	**$ 117,725**	**$ 120,716**	**$ 123,798**
Fire Department (4340)						
Vehicles	Operating	$ -	$ 35,000	$ -	$ -	$ -
Breath Apparatus	Operating	$ 18,500	$ 19,000	$ 19,500	$ 20,000	$ 20,500
Thermal Camera	Operating	$ -	$ 6,000	$ -	$ -	$ -
Gym Equipment	Operating	$ 5,500	$ 5,500	$ -	$ -	$ -
Copier	Operating	$ 9,000	$ -	$ -	$ -	$ -
Genrator Engine 13	Operating	$ -	$ 16,000	$ -	$ -	$ -
MAKO Air Compressor (40K Reserves)	Operating	$ -	$ 60,000	$ -	$ -	$ -
TOTAL FIRE		**$ 33,000**	**$ 141,500**	**$ 19,500**	**$ 20,000**	**$ 20,500**
Ocean Rescue (4370)						
Replace 2006 Ocean Rescue Truck	Operating	$ -	$ -	$ 30,000	$ -	$ -
Jet Ski	Operating	$ -	$ 12,000	$ -	$ -	$ -
TOTAL OCEAN RESCUE		**$ -**	**$ 12,000**	**$ 30,000**	**$ -**	**$ -**

Project Name	Funding Source	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Planning & Inspections (4910)						
Copy Machine	Operating	$ 8,000	$ -	$ -	$ -	$ -
TOTAL PLANNING & INSPECTIONS		**$ 8,000**	**$ -**	**$ -**	**$ -**	**$ -**
Public Works (4270)						
Copier	Operating	$ -	$ 10,000	$ -	$ -	$ -
Vehicles	Operating	$ -	$ 30,000	$ -	$ 30,000	$ -
Public Works Building - Paint	Operating	$ -	$ 27,500	$ -	$ -	$ -
Fence/Screen - Police Department	Operating	$ 8,000	$ -	$ -	$ -	$ -
Riding Mower	Operating	$ -	$ 10,000	$ -	$ -	$ -
Septic Replacement - Town Hall	Operating	$ -	$ 20,000	$ -	$ -	$ -
Septic Replacement - Police Department	Operating	$ 7,000	$ -	$ -	$ -	$ -
Fence - Byrd Street	Operating	$ -	$ 9,000	$ -	$ -	$ -
Paint Fire Department Exterior	Operating	$ -	$ -	$ 25,000	$ -	$ -
P.D. Roof	Operating	$ -	$ 20,000	$ -	$ -	$ -
Dump Truck/Grapple	Reserves	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
Broom Tractor Replacement ($55K in Reserves)	Reserves	$ 83,100	$ -	$ -	$ -	$ -
TOTAL PUBLIC WORKS		**$ 118,100**	**$ 146,500**	**$ 45,000**	**$ 50,000**	**$ 20,000**
Administrative Services (4120)						
Codification of Ordinances	Operating	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000
TOTAL ADMINISTRATIVE SERVICES		**$ 6,000**	**$ 6,000**	**$ 6,000**	**$ 6,000**	**$ 6,000**

Non-Departmental (4100)							
PD Records Management Server (RMS)	Operating	$ 6,000	$ -	$ -	$ -	$ -	$ -
Replace Town Hall Servers	Operating	$ -	$ 8,000	$ -	$ -	$ -	$ -
Computer Replacements	Operating	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000	$ 8,000
Replace FD Server	Operating	$ -	$ -	$ 6,500	$ -	$ -	$ -
Town Website	Reserves	$ 2,500	$ 2,500	$ 2,500	$ -	$ -	$ -
Phone System - Town Hall, PD, FD	Reserves	$ 15,000	$ 15,000	$ 15,000	$ -	$ -	$ -
PD Laptop Replacment Program	Reserves	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
TOTAL NON-DEPARTMENTAL		**$ 34,500**	**$ 36,500**	**$ 35,000**	**$ 11,000**	**$ 11,000**	
TOTAL CAPITAL EXPENDITURES		**$ 262,600**	**$ 451,320**	**$ 253,225**	**$ 207,716**	**$ 181,298**	

Project Name	Funding Source	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Powell Bill Funds						
Powell Bill Street Resurfacing Project	Powell Bill	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ -
Total Powell Bill Funds		**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ 100,000**	**$ -**

Capital Improvements Plan
Department Project Requests

Fiscal Year 2016/2017 to 2020/2021

Non – Departmental

Phone System Replacement

Description: Replace Phone System

Justification: The current phone system at the police department is used to accept incoming calls, make outgoing calls, receive messages after office hours and store voicemail messages for staff in their absence. The phones at each workstation were placed into operation in 1997. The voicemail portion of the phone system was part of a prior system in operation at the Town Hall. When the Town Hall purchased their new system around 2000 the police department was given the old one. Due to technological advances in telephonic communications the existing phones and voicemail system have outlived their life expectancy. The manufacturer no longer produces parts or repairs any of the components of the existing system.

Estimated Cost:	FY 2016-2017	$15,000
	FY 2017-2018	$15,000
	FY 2018-2019	$15,000

Funding Source(s): Capital Reserve Fund

Police Laptop Replacement Program

Description of the Project or Item(s): Replace patrol vehicle laptops

Justification: Recommend to modify the existing schedule of replacement from all at once to 2-3 laptops per year. This modification in rotation will minimize the risk within the department by having a variable of system age within the department. This will alleviate system issues all occurring at the same period of time due to system age. Overall goal is to increase departmental performance

Estimated Cost:	FY 2016-2017	$3,000
	FY 2017-2018	$3,000
	FY 2018-2019	$3,000
	FY 2019-2020	$3,000
	FY 2020-2021	$3,000

Funding Source(s): Capital Reserve Fund

Desktop Computer Replacement Program

Description: Implement a town-wide desk top replacement program.

Justification: The IT technician recommends to modify the existing schedule of replacement from all at once to 8 per year. This modification in rotation will minimize the risk within the town by having a variable of system age within the department. This will alleviate system issues all occurring at the same period of time due to system age. Overall goal is to increase departmental performance.

Estimated Cost:	FY 2016-2017	$8,000
	FY 2017-2018	$8,000
	FY 2018-2019	$8,000
	FY 2019-2020	$8,000
	FY 2020-2021	$8,000

Funding Source(s): Operating Revenue

RMS Server Police Department

Description of the Project or Item(s): Purchase new Records Management Server for Police Department.

Justification: The existing server was last replaced 6 years ago. Current technology standards are not being met with the existing server. This sub-standard capability creates inefficient performance for the requirements of the department. Server life-expectancies are 5 years. This server is mission critical for the police department records retention and is therefore considered high priority.

Estimated Cost:	FY 2016-2017	$6,000

Funding Source(s): Operating Revenue

Town Website Reserve

Description of the Project or Item(s): Upgrade Town website

Justification: A reserve for the Town's website is being established to upgrade the existing website in FY 2018-2019. Technology is a constantly changing environment and websites must

be updated to quickly and effectively provide citizens with information, including agendas and minutes from meetings. The website is a reflection and the "face" of our Town in today's technology driven environment.

Estimated Costs:	FY: 2016-2017	$2,500
	FY: 2017-2018	$2,500
	FY: 2018-2019	$2,500

Funding Source(s): Capital Reserve Fund

Administrative Services

Codification of Ordinances

Project/Item Description : The Town Clerk updates the Town Code with supplements or an annual or semi annual basis via a contract with Muni-Code.

The supplements reflect all ordinances adopted by the Council during the fiscal year.

Justification: This update ensures accurate ordinances are available to persons searching the Town's website.

Estimated Cost:	FY 2016-2017	$6,000
	FY 2017-2018	$6,000
	FY 2018-2019	$6,000
	FY 2019-2020	$6,000
	FY 2020-2021	$6,000

Funding Source(s): Operating Revenue

Finance Department

No Requests at this time

Planning and Inspections Department

Copy Machine

Project/Item Description: Replace existing copier

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

Estimated Cost: FY 2016-2017 $9,000

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 2017-2018 $10,000

Funding Source(s): Operating Revenue

Road Resurfacing

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

Estimated Cost:

FY 2016-2017	$100,000
FY 2017-2018	$100,000
FY 2018-2019	$100,000
FY 2019-2020	$100,000
FY 2020-2021	$100,000

Funding Source(s): State Funded

Sidewalk Projects

Projected/Item Description: Sidewalk Projects

Justification: Sidewalk projects Council approved by resolution. These projects are contingent upon NCDOT funding.

Estimated Cost:	Worthington Lane to KDH	FY 2016-2017	$81,075
	Cypress Knee to Bennett	FY 2017-2018	$56,400
	Bennett to Worthington Lane	FY 2018-2019	$56,400
	West Kitty Hawk Road	FY 2019 -2020	$32,400
	(The Woods Road & Twiford St)		
	(To Be Determined)	FY 2021-2022	

Funding Source(s): State Funded

Paint Exterior of Public Works Building

Project/Item Description: Paint the exterior of the Public Works Building

Justification: The exterior of the Public Works building has never been painted. It will need repainting for the protection of the metal and also the appearance of the building. This will also require some repair on metal siding and the metal trim and gutters, as a result of corrosion (rust).

Estimated Cost: FY 2017-2018 $27,500

Funding Source(s): Operating Revenue

Broom Tractor Replacement

Project/Item Description: Replace the 2004 Kubota L4330 tractor and attachments. Attachments include broom, bush hog, spreader box and grading blade.

Justification: The current tractor is 12 years old. It is underpowered to perform the tasks that we would like to use it for. A replacement will allow us to perform additional sweeping on NC-12 and Town roadways.

Estimated Cost: FY 2016-2017 $27,700

Funding Source(s): Operating Revenue ($55,400 currently in Capital Reserves)

Riding Mower Replacement

Project/Item Description: Replace mower purchased in 2006

Justification: These mowers are used heavily in a sandy environment seven (7) months out of the year and need to be replaced at least every five (5) years

Estimated Cost: FY 2017-2018 $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 2017-2018 $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 2018-2019 $25,000

Funding Source(s): Operating Revenue

Police Department Roof Replacement

Project/Item Description: Remove and replace existing shingles on roof of Police Department.

Justification: The roof will be 20 years old in 2017. Due to the weather extremes, the shingles will require replacement.

Estimated Cost: FY 2017-2018 $20,000

Funding Source(s) – Operating Revenue

Replace Fence at Byrd Street

Project/Item Description: Replace the split-rail fencing at the Byrd Street Parking Area.

Justification: Current fence is the original fence installed in the late 90's. The posts are rotting at the ground level. The rails are brittle and bowing. The rails come out of the posts on a regular basis as a result of the condition of the fence.

Estimated Cost:	FY 2017-2018	$9,000

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.

Estimated Cost:	FY 2017-2018	$30,000 (Replace 2008 Dodge Dakota)
	FY 2019-2020	$30,000 (Replace 2010 Ford F150 Truck)

Funding Source(s): Operating Revenue

Dump/Grapple Truck

Description of the Project or Item(s): Purchase a new Dump/Grapple Truck

Justification: The current dump truck is 21 years old. It has 200,000 miles on it. Mechanically the truck is in good shape, however, rust has started taking over the cab and chassis. Efforts have been made to slow down the corrosion, however, a new replacement will be eminent at some point in the future.

Estimated Cost:	FY 2016-2017	$20,000
	FY 2017-2018	$20,000
	FY 2018-2019	$20,000
	FY 2019-2020	$20,000
	FY 2020-2021	$20,000

Funding Source: Capital Reserve Fund

Police Department

In-Car Camera Rotation

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

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. The future expenditures below are based on this rotation. However 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 2017-2018	$12,000	(2 systems)
FY 2018-2019	$18,000	(3 systems)
FY 2019-2020	$18,000	(3 systems)
FY 2020-2021	$18,000	(3 systems)

Funding Source(s): Operating Revenues

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 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.

Estimated Cost:

FY 2016-2017	$ 63,000 (2 patrol vehicles; 1 purchased in FY 15/16)
FY 2017-2018	$ 96,820 (3 patrol vehicles)
FY 2018-2019	$ 99,725 (3 patrol vehicles)
FY 2019-2020	$ 102,716 (3 patrol vehicles)
FY 2020-2021	$ 105,798 (3 patrol vehicles)

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 2016-2017	$ 18,500
	FY 2017-2018	$ 19,000
	FY 2018-2019	$ 19,500
	FY 2019-2020	$ 20,000
	FY 2020-2021	$ 20,500

Funding Source(s): Operating Revenue

Thermal Camera

Description of the Project or item(s): Purchase of one MSA 5200 HD Thermal Imaging Camera.

Justification: This camera will replace the camera that is currently on Truck 13, which will be 10 years old in FY 17-18. Technology and improvements are made annually in thermal imaging, which will make this camera outdated in a few years. This camera has required repair twice since being placed in service and is used for both automatic and mutual aid responses. A more updated camera will enhance the safety of our firefighters and increase our capabilities during operations.

Estimated Cost:	FY 2017-2018	$6,000

Funding Source(s): Operating Revenue

Copy Machine

Description of the Project or Item(s): Replace fire department copy machine.

Justification: Replacement year was identified by the copier manufacturer when purchased in FY 07/08. This was based on the length of lease terms, technology changes and improvements, and

set at a 5 year replacement schedule. Due to printing and copying costs, the fire department uses this computer as the primary copier, fax, printer, etc., so it gets the most use from all users in the department. The copier has exceeded it's useful life.

Estimated Cost: FY 2016-2017 $9,000

Funding Source: Operating Revenue

Generator for Engine 13

Description of the Project or item (s): Purchase One Onan 7.5 KW fixed mounted Diesel driven generator.

Justification: The existing Diesel generator is 13 years old and has over 450 hours of use on it. The Fire Department has had issues with the generator breaking down in the past. The generator is exposed and open on top of the apparatus and over the years corrosion has deteriorated the condition of the generator. This generator is on our first out line engine and needs to be functional at all times when needed. Generator power is a critical component to have on hand in an emergency situation. Uses consist of lights at night for scene safety, electrical power for emergency rescue tools and equipment, and emergency electrical power for structures.

Estimated Cost: FY 2017-2018 $16,000

Funding Source: 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. The treadmill will need to be replaced because of the use of this equipment.

Justification: Some of the exercise equipment being used in the fire department on a daily basis are beginning to show significant signs of wear and tear. The Volunteer Association, which assisted in purchasing the equipment in use now, also maintains and funds the preventive maintenance program we currently use to keep our equipment in good condition. Some pieces, such as the treadmill, receive considerable use since physical fitness is required by department rules and regulations on a daily basis.

Although OSHA does not actually require a physical fitness program, they do require that our employees demonstrate the ability to perform the physical applications specific to interior firefighters and the duties they are expected to perform. Other benefits of a health program demonstrate less sick time, fewer injuries on the job, and healthier employees who return to work more quickly when they do suffer an injury.

Estimated Cost:	FY 2016-2017	$5,500
	FY 2017-2018	$5,500

Funding Source(s): Operating Revenue

Replacement Truck for Rescue 13 (2005 F350 Heavy Duty Ford)

Description of the Project or Item(s): Replace the current 2005 F350 Heavy Duty 4x4 Ford with a new SUV or smaller truck.

Justification: The primary use of the vehicle is for medical response emergencies, saving wear and tear on larger, more expensive fire apparatus. It is also used to tow either the boat or Jet Ski to water related emergencies when needed.

Estimated Cost: FY 2017-2018 $35,000

Funding Source: Operating Revenue

Replace MAKO Air Compressor

Description of the Project or Item(s): Replace the MAKO air compressor

Justification: Current compressor has been in service since the early 90's. The compressor block has been changed once and is working as it should. We experience minor electrical and valve problems that require repair. Most repairs require a certified technician because of the Town's liability concerning breathing air quality; and repairs, therefore, are expensive. As with most items, we will continue to use this unit until repair cost and wear and tear dictate replacement, but due to the cost, which rises each year, we feel obligated to include in our replacement plan. The current compressor is located against the southern wall of the bay area and is listed as part of the building for insurance purposes. This compressor is used to fill breathing air bottles for use on emergency scenes and IDLH atmospheres where breathing air is required. This is the only compressor in the department that can fill our breathing air bottles and during emergencies where additional bottles are required, bottles are shuttled back to the station for filling, then back to the scene if necessary.

The replacement unit will be similar in design to the unit we now have, allowing the filling of both low and high pressure cylinders. The unit is UL listed, meeting all OSHA and NFPA recommendations.

Estimated Cost: FY 2017-2018 $20,000

Funding Source: Operating Revenue ($40,000 currently in Capital Reserve)

Ocean Rescue Department Capital Requests

Kawasaki STX 15 Jet Ski with Rescue Sled

Description of the Project or item (s): This will replace a 2008 Kawasaki STX with High Surf Rescue Sled. The 2008 Jet Ski is starting to show signs of wear and tear from use and deterioration from salt and sand. Maintenance cost is presently $1,415.64.

Justification: The jet ski is a critical tool used for rescue in the ocean, sound, and has been used during flooding after hurricanes.

Estimated Cost: FY 2017-2018 $12,000

Funding Source: Operating Revenue

Beach Nourishment Capital Project

Beach Nourishment Project

Project/item Description: This is a project that will span over several years and includes funding from Dare County and Town funding via debt service. The present scenario includes the Legal, Engineering, Financial, Operations, Construction Services, and Construction costs.

Justification: Due to beach erosion it is necessary to develop and implement a beach nourishment project. A Municipal Service District (MSD) was adopted on April 7, 2015 to move forward with the project funding.

Estimated Cost: FY 2016–FY 2021 $18,941,128

Funding Source(s): Dare County Occupancy Tax Revenue, Capital Reserve, Municipal Service District (MSD), and Town Wide Ad Valorem Tax.

Adopted by the Kitty Hawk Town Council this 6th day of June, 2016

(SEAL)

The Town of 1981 Kitty Hawk

Gary L. Perry, Mayor

Lynn Morris