



# TOWN OF KILL DEVIL HILLS

*Land Where Flight Began*

MEMORANDUM

June 8, 2020

TO: KDH Board of Commissioners

FROM: Debora P. Díaz, Town Manager

REF: Public Hearings

## **2. Town Manager's Recommended Budget Fiscal Year 2020/2021 (Attached PH-2)**

The Town Manager's Recommended Budget for Fiscal Year 2020/2021 was presented to the Board on May 27, 2020, for consideration in accordance with the Local Government and Fiscal Control Act. At that meeting, the Board scheduled the public hearing for this evening's meeting.

The recent enactment of SB 704 by the N.C. General Assembly requires electronically conducted public hearings to receive public comment any time between the notice of the public hearing up to 24 hours after the hearing. As a result, the Board can discuss the public hearing item, but cannot take action until a subsequent meeting, which is set for June 10, 2020, at 6:00 p.m., at which time the Board will hold a worksession on the budget and potentially take action on it, either as presented or amended.

**Town of Kill Devil Hills, North Carolina**  
**Recommended Budget Ordinance**  
**For the Fiscal Year 2020-2021**

Budget Ordinance Number 17-22

BE IT ORDAINED by the Honorable Mayor and Board of Commissioners of the Town of Kill Devil Hills, North Carolina:

*Section 1.*

The following amounts are hereby appropriated in the General Fund for the operation of the Town government and its activities for the fiscal year beginning July 1, 2020 and ending June 30, 2021, in accordance with the chart of accounts heretofore established for this town:

Administration	\$	1,241,595
Administration – Buildings and Grounds		1,937,320
Finance and Taxes		1,591,282
Finance – Management Information Systems		346,622
Finance – Fleet Maintenance		482,671
Planning and Development		918,625
Planning and Development – Beach Nourishment		1,222,434
Police		3,798,627
Police – Animal Control		165,565
Fire – Station 14		2,576,342
Fire – Ocean Rescue		691,556
Public Works – Streets		1,846,901
Public Works – Powell Bill		240,000
Public Works – Solid Waste		2,853,112
	<u>\$</u>	<u>19,912,652</u>

It is estimated that the following revenues will be available to the General Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Ad valorem taxes	\$	9,510,709
Tax penalties and interest		8,000
Other taxes and licenses		5,825,580
Unrestricted intergovernmental revenues		1,081,815
Restricted intergovernmental revenues		348,125
Permits and fees		348,400
Sales and services		72,540
Investment earnings		140,000
Other revenues		171,561
Cost Allocation - Water Fund		437,727
Undesignated Fund Balance Appropriated		1,968,195
	<u>\$</u>	<u>19,912,652</u>

*Section 2.*

The following amounts are hereby appropriated in the Capital Reserve Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Reserved for future projects – Streets	\$	700,000
Reserved for future projects – Sidewalk		100,000
	<u>\$</u>	<u>800,000</u>

It is estimated that the following revenues will be available in the Capital Reserve Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Transfer from General Fund to Street Construction CRF	\$	700,000
Transfer from General Fund to Sidewalk Construction CRF		100,000
	<u>\$</u>	<u>800,000</u>

*Section 3.*

The following amounts are hereby appropriated in the Water Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water Administration	\$	843,740
Water Treatment Plant		1,966,943
Water Systems		788,331
Cost Allocation - General Fund		437,727
	<u>\$</u>	<u>4,036,741</u>

It is estimated that the following revenues will be available in the Water Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water sales	\$	3,877,491
Taps and connections		50,000
Interest on investments		75,000
Miscellaneous revenues		15,500
Wastewater Debt repayment		18,750
	<u>\$</u>	<u>4,036,741</u>

**Town of Kill Devil Hills, North Carolina**  
***Recommended Budget Ordinance***  
***For the Fiscal Year 2020-2021***

***Section 4.***

The following amounts are hereby appropriated in the Water Capital Reserve Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water System Development – Expansion and Replacement	\$ 324,000
	<u>\$ 324,000</u>

It is estimated that the following revenues will be available in the Water Capital Reserve Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Water System Development Fees	\$ 324,000
	<u>\$ 324,000</u>

***Section 5.***

The following amounts are hereby appropriated in the Wastewater Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Wastewater System	\$ 221,615
	<u>\$ 221,615</u>

It is estimated that the following revenues will be available in the Wastewater Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Wastewater charges	\$ 215,045
Taps and connections	6,570
	<u>\$ 221,615</u>

***Section 6.***

The following amounts are hereby appropriated in the Wastewater Capital Reserve Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Wastewater System Development - Expansion and Replacement	\$ 18,750
	<u>\$ 18,750</u>

It is estimated that the following revenues will be available in the Wastewater Capital Reserve Fund for the fiscal year beginning July 1, 2020 and ending June 30, 2021:

Wastewater System Development Fees	\$ 18,750
	<u>\$ 18,750</u>

***Section 7.***

There is hereby levied a tax at the rate of .32 per one hundred dollars (\$100) valuation of property listed for taxes as of January 1, 2020, for the purpose of raising the revenue listed as “Taxes - Current Year” in the Annual Budget Estimate-Revenue section of this proposed budget.

The rate of tax is based on an estimated total valuation of property for the purpose of taxation of \$2,857,517,255 and an estimated collection rate of 98.5 percent.

There is hereby levied an additional tax at the rate of .24 per one hundred dollars (\$100) valuation of property listed in the Municipal Service District (MSD) for taxes as of January 1, 2020, for the purpose of raising the revenue listed as “Taxes – Municipal Service District” in the Annual Budget Estimate-Revenue section of this proposed budget.

The rate of tax is based on an estimated total valuation of property in the Municipal Service District for the purpose of taxation of \$209,532,410 and an estimated collection rate of 98.5 percent.

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***Section 8.***

The budget officer is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

- A. He/she may transfer amounts between objects of expenditure (line item) within a department without limitation and without a report being requested.
- B. He/she may not transfer any amounts between departments of the same fund with the following exceptions:
  - 1. Amounts may be transferred between the following departments:  
Administration  
Administration - Buildings and Grounds
  - 2. Amounts may be transferred between the following departments:  
Finance  
Finance - Management Information Systems  
Finance - Fleet Maintenance
  - 3. Amounts may be transferred between the following departments:  
Planning  
Planning – Beach Nourishment
  - 4. Amounts may be transferred between the following departments:  
Police  
Police - Animal Control
  - 5. Amounts may be transferred between the following departments:  
Fire – Station 14  
Fire - Ocean Rescue
  - 6. Amounts may be transferred between the following departments:  
Public Works - Streets  
Public Works - Solid Waste

- 7. Amounts may be transferred between the following departments:  
Water Administration  
Water Plant  
Water Systems

These departments are accounted for individually for reporting purposes. However, only one department head presides over Administration; one over Finance; one over Planning; one over Police; one over Fire; one over Public Works and one over the Water department. Transfers between a single department head's programs may become necessary and may be expended through approval by the budget officer. Any such transfers shall be reported to the governing board at its next meeting and shall be entered into the minutes.

- C. He/she may not transfer any amount between funds nor from any contingency appropriation within any fund.

***Section 9.***

The budget is presented in object of expenditure (line item form) for detail purposes only. The budget is adopted on a departmental appropriation basis.

***Section 10.***

Fees. (Non-refundable)

Charges for services and fees by town departments, excluding those established by state statute, are levied in the amounts set forth in the attached fee schedule (see attachment 1).

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**Section 11.**

**Water Rates**  
**Quarterly Minimum Charge for the**  
**First 5,000 Gallons**

Meter Size	Rate
5/8 inch	\$ 69.00
1 inch	126.00
1 ½ inch	290.00
2 inch	539.00
3 inch	1,037.00
4 inch and up	1,965.00

**Tap Fees**  
**(Installation Charges)**

Meter Size	Fee
5/8 inch	\$ 1,090.00
1 inch	1,410.00
1 ½ inch	3,760.00 **
2 inch	4,095.00 **
3 inch and up	***

\*\* Additional fees apply if a Road bore is needed  
\*\*\* Cost (materials, labor, equipment, engineering, etc.)

Water meter service size shall be determined by the Public Services Director or his/her designee based on American Waterworks Standards.

**Commodity Rate**  
**(Per 1,000 Gallons)**

Gallonage	Kill Devil Hills Customers	Out of Town Customers <sup>1</sup>
6,000 – 40,000	\$ 7.75	\$ 8.25
41,000 – 250,000	8.25	8.75
251,000 – 1,000,000	8.75	9.25
1,001,000 and over	9.25	9.75

<sup>1</sup> The basic 5/8 inch meter rate for Out of Town customers is \$86.00 for the first 5,000 gallons and the commodity rate shown here.

**System Development Fees**

\$4,000 per 5/8 inch meter unit. A meter unit shall equal one 5/8 inch system development fee charges as follows:

Single Family Residence - one 5/8 inch system development fee (SDF) per unit.

Multifamily -

1. Condos, town houses, cottage courts, apartments, duplexes, mobile homes and other types of multifamily units – one system development fee per unit.

2. Hotel, motels, assisted living, and nursing homes –  
a. One system development fee per each unit that provides independent living accommodations including separate areas for 1. Sleeping (bedroom); 2. Bathing and waste disposal (bathroom); and, 3. Food preparation with cooking facilities (kitchen or kitchenette).

b. Efficiency or kitchenette unit including hotel or motel units that provide an area for food preparation with cooking facilities (kitchen or kitchenette) but without a separate sleeping area (bedroom) calculated at one system development fee for every two units.

**Surety Deposits**

Meter Size	Rate
5/8 inch	\$ 100.00
1 inch	200.00
1 ½ inch	350.00
2 inch	550.00
3 inch	1,100.00
4 inch and up	2,200.00
Hydrant Meter	1,000.00

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c. Standard room without food preparation and cooking facilities (kitchen) calculated at one system development fee for every three units.

3. Per §51-35 of the KDH Town Code, "The town reserves the right in all cases to stipulate the size, type, and make of the meter to be used on any connection." Meters other than ordinary 5/8 inch single-family residences shall be sized according to the American Waterworks Association (AWWA) Manual M-22, latest edition. Once the meter size has been calculated and approved by the Town, the SDF shall be determined by the meter size in accordance with the following table:

1" Meter...	\$ 6,900	3" Meter.....	20,300
1 ½" Meter...	10,500	4" Meter.....	27,600
2" Meter.....	13,900	6" Meter.....	41,800

Miscellaneous Fees – are levied in the amounts set forth in the attached fee schedule (see attachment 2).

Section 12.

Wastewater Rates  
**Quarterly Minimum Charge for the  
 First 4,000 Gallons**

Minimum (0-4,000 Gallons) . . . . .	\$	72.00
Commodity rate (Per 1,000 Gallons) . . . . .		17.70
Surety deposits (Double the quarter minimum) . . . . .		144.00
Connection fee (All meter sizes) . . . . .		1,160.00
System Development fee (based on design flow) . . . . .		12.31/gal
Reconnection fee (for non-payment of application) . . . . .		50.00
Penalty – 10 percent (late payment of bills)		

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Section 13.

Copies of the Budget Ordinance shall be furnished to the Budget Officer, the Finance Officer and the Tax Collector for direction in the carrying out of their duties.

APPROVED AS TO FORM:

Adopted this \_\_\_\_ day of June, 2020, upon motion by \_\_\_\_\_, seconded by \_\_\_\_\_, the KILL DEVIL HILLS BOARD OF COMMISSIONERS BUDGET ORDINANCE FOR THE FISCAL YEAR 2020-2021 was passed by a vote of \_\_\_\_ in favor and \_\_\_\_ opposed.

\_\_\_\_\_  
Casey C. Varnell, Town Attorney

SEAL      \_\_\_\_\_  
Benjamin A. Sproul  
Mayor of Kill Devil Hills

I, Mary E. Quidley, Town Clerk of the Town of Kill Devil Hills, do hereby certify that the foregoing entitled KILL DEVIL HILLS BOARD OF COMMISSIONERS BUDGET ORDINANCE FOR THE FISCAL YEAR 2020-2021 was placed in the Town Code on the \_\_\_\_ day of June, 2020, at \_\_\_\_ o'clock \_\_ m.

ATTEST:

\_\_\_\_\_  
Mary E. Quidley, Town Clerk

\_\_\_\_\_  
Mary E. Quidley, Town Clerk