



TOWN OF KILL DEVIL HILLS
Land Where Flight Began

MEMORANDUM

June 10, 2020

TO: KDH Board of Commissioners

FROM: Debora P. Díaz, Town Manager

REF: General Worksession

1. Town Manager's Recommended Budget Fiscal Year 2020/2021 and Possible Adoption (Attached WS-1)

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 the June 8, 2020, meeting, and also established this recessed meeting for the worksession and potential action.

A. Adoption as Presented

If adoption as presented is selected, then a motion will be in order for the Board of Commissioners to adopt the Budget for Fiscal Year 2020/2021 as presented and summarized in the original Budget Message dated May 27, 2020, and the consolidated fee schedule.

B. Adoption as Amended

If adoption as amended is selected, then a motion will be in order for the Board of Commissioners to adopt the Budget for Fiscal Year 2020/2021 by the Town Manager as amended as follows, along with the consolidated fee schedule:

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.

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

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).

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

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 ¹
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

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

¹ 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.

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

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)	

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

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.

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.

SEAL _____
Benjamin A. Sproul
Mayor of Kill Devil Hills

ATTEST:

Mary E. Quidley, Town Clerk

APPROVED AS TO FORM:

Casey C. Varnell, Town Attorney

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.

Mary E. Quidley, Town Clerk

General Fund - Fee Schedule (Non-refundable)

Attachment 1

Development Review Fees

Additions for existing single-family and duplex dwellings (less than 50% of the value of the structure). Heated space only.	\$75 per addition.
Additions for existing single-family and duplex dwellings (less than 50% of the value of the structure) and accessory structures to single-family and duplex dwellings (excluding pools and hot tubs). Unheated space only.	Exempt from the development review fee schedule provided it is in compliance with the National Flood Insurance Program and Dare County Health Department. A building permit shall be required with appropriate building permit fees paid.
New or substantially improved one and two family dwellings.	\$150 per unit up to 3,000 square feet. Structures over 3,000 square feet is \$150 plus 5 cents for each additional square foot over 3,000 (heated space).
Commercial, warehouse, motel, hotels, multi-family dwellings, condominiums, townhouses and apartment buildings. Heated space only.	50 cents per square foot, minimum fee of \$150
Commercial, warehouse, motel, hotels, multifamily dwellings, condominiums, townhouses and apartment buildings. Unheated space only.	30 cents per square foot, minimum fee of \$150
Commercial parking spaces; commercial, business and multi-family accessory parking areas excluding single-family residences.	This fee is in addition to required review fees - \$20 per space
All other new development not included elsewhere in the fee schedule excluding open decks and walkways.	30 cents per square foot, minimum fee of \$150
Lots in proposed subdivision.	\$100 per lot
Exempt plat fees.	\$150 each
Review for private development of public right of way.	\$150 each
Inspection prior to moving a structure.	Within town - \$100 each Outside town - \$250 each
Administrative site plan review fee.	\$150 each
Certificates of Appropriateness review fee.	\$50 each
Conditional Use Application - Multi-family dwellings, workforce housing, wastewater treatment facilities, planned unit development, body piercing and sexually oriented businesses.	\$250 in addition to required review fees
Conditional Use Application - Private lifeguard services, outdoor recreational activities, wind turbine, event gardens and outdoor dining areas	\$200 in addition to required review fees
Conditional Use Application - All others not previously listed	\$150 in addition to required review fees

1 Subject to NC sales tax

General Fund - Fee Schedule (Non-refundable)

Building Permit Fees. Prior to the issuance of any permit, all building permit fees shall be paid, along with all other required town fees. All permits shall be consistent with the North Carolina Uniform Building Code.

All new structures and additions including covered decks and all structures moved within or into town, excluding those structures relocated on the same lot. This fee includes plumbing, electrical and mechanical permits in one joint permit.	Residential heated space - 75 cents per square foot, Residential unheated space - 40 cents per square foot, Commercial heated and unheated space - 80 cents per square foot, minimum fee of \$150.
Piers, bulkheads, open decks, new roofs and any activity which requires a building permit not addressed in this schedule.	\$150 each
Fences, demolition and land disturbance.	\$100 each
Certificate of Occupancy	\$50 each
Signs	\$100 per sign
Banners	\$50 each
Renovation/remodeling and relocation (on same lot) of existing structures without a change in the footprint including electrical, plumbing and/or mechanical upgrades.	45 cents per square foot, minimum fee of \$100
Electrical permits, plumbing permits, mechanical permits.	\$150 each
Pool and hot tub	\$200 each
Accessory use structure (excluding pools, hot tub and heated space).	Residential - 30 cents per square foot, minimum fee of \$100 Commercial - 45 cents per square foot, minimum fee of \$150
Temporary poles, phone booths and CATV amplifiers.	\$50 per installation
Re-inspection fee for all required re-inspections.	\$100 each
Homeowner recovery fee.	\$10
Temporary electric service (prior to occupancy).	\$100 per unit
A penalty fee shall be charged for starting work without a permit.	Amount equal to the permit fee in addition to the permit fee.
Driveway permit	\$50 each
Permit Reinstatement Fee	One-half the cost of the original permit with a minimum fee of \$100. (Reinstated permits will be inspected under the applicable codes in effect at the time of reinstatement).

Miscellaneous Fees. Miscellaneous fees shall include but not be limited to the following

Cook Book - \$5.00 to McCown Scholarship Fund, \$20.00 subject to NC sales tax ¹	\$25.00
License plates (regular) ¹	\$5.00
Birdhouse/Bird Feeder ¹	\$10.00
Paws Park T-Shirt ¹	\$14.99
Sunshine list	\$10.00
Windsock ¹	\$8.43

¹ Subject to NC sales tax

General Fund - Fee Schedule (Non-refundable)

Attachment 1

Miscellaneous Fees (con't). Miscellaneous fees shall include but not be limited to the following

Animal adoption fee	\$10.00
Animal shelter boarding fee – per day	\$50.00
Dog tag fee; male or female intact, or without proof of being spayed or neutered	\$5.00
Dog tag fee (issuance) with proof of being spayed or neutered	\$2.50
Dog tag fee (replacement tags)	\$2.50
Rabies inoculation	\$7.00
Comprehensive Annual Financial Report ¹	\$25.00
Copies B/W ¹	6 cents per page
Copies Color ¹	9 cents per page
Copies (large format sheets 18" and above) B/W ¹	\$5.00 per sheet
Copies (large format sheets 18" and above) Color ¹	\$50.00 per sheet
Photography Copies - Printed ¹	\$2.00 per sheet
Photography Copies - Digital ¹	\$10 per CD
Video copy fee ¹	Actual cost of media
Recycle bag ¹	\$2.81
Return check fee	\$25.00
Town budget ¹	\$25.00
Fingerprint fee	\$10.00
Police or accident reports	\$5.00
Precious Metals: NC 66-165	
Annual permit fee	\$180.00
Employee permit (initial)	\$10.00
Employee permit (renewal)	\$3.00
Taxi cab companies application review fee	\$50.00
Taxi cab driver permit	\$15.00
Taxi cab driver renewal fee	\$5.00
Business registration fee	\$25.00
Application for Town Code Amendment (no more than 2 revisions per application)	\$250.00
Application to Board of Adjustment (variances and appeals)	\$300.00

1 Subject to NC sales tax

General Fund - Fee Schedule (Non-refundable)

Attachment 1

Miscellaneous Fees (con't). Miscellaneous fees shall include but not be limited to the following

Daycare, retirement daycare, adult daycare inspection fee (annual or initial)	\$100.00
Town Code book ¹	\$125.00
Zoning Ordinance (small map included) ¹	\$20.00
Zoning compliance letters	\$75.00
Beach driving permit - seasonal	\$25.00
Beach driving permit - short-term (up-to-14-day time period)	\$10.00
Commercial dumpster container ¹	Cost plus \$75 administrative fee
Commercial dumpster lid for baker containers ¹	\$45.00
Commercial dumpster lid rod and hardware ¹	\$18.00
Commercial dumpster lid limiters ¹	\$50.00
Residential refuse containers (new and replacement) ¹	\$100.00
Residential refuse containers (overflow - winter only) ¹	Cost plus 10% administrative fee
Residential refuse container replacement axle ¹	\$10.00
Residential refuse container replacement lid ¹	\$25.00
Residential refuse container replacement wheel ¹	\$10.00
No trespassing Sign ¹	\$27.17

¹ Subject to NC sales tax

Water Fund - Fee Schedule

Attachment 2

Miscellaneous Fees

Turn off fee (winterizing)	\$25.00
Administrative service penalty (non-payment)	\$50.00
Reconnect fee (non-payment of application)	\$50.00
Re-read fee/in-house calibration (if nothing is wrong with the meter)	\$25.00
Return check fee	\$25.00
Locks	\$100.00
Angle valve (includes lock)	\$250.00
Coppersetter (includes lock and angle valve)	\$350.00
Meter – 5/8" (includes lock, angle valve and coppersetter)	\$500.00
Drop-in fee (existing tap but no meter)	Cost of materials plus 25%
Radio-read adapter	\$150.00
Meter box and/or lid (5/8" and 1")	\$100.00
Service line	\$100.00
Penalty – (late payment of water bill)	10 percent

Distribution System – any damage to our Distribution System (meters larger than 5/8", hydrants, water mains, main line valves, fire hydrants, etc. - the fee will be a total of actual costs for labor, materials, equipment, water loss, plus an administrative charge equal to 25 percent of the costs for labor, materials, equipment and water loss).