

Minutes
KITTY HAWK TOWN COUNCIL
Recessed Meeting
Monday, April 27, 2015
Kitty Hawk Town Hall, 10 a.m.

Agenda

1. Call to Order/Reconvene from the April 7, 2015 council meeting
2. Approval of Agenda
3. Winks: Council to make decision on offer
4. Proposed Fiscal Year 2015-16 Budget:
 - Revenues
 - Expenditures
5. Adjourn

COUNCIL MEMBERS PRESENT:

Mayor Gary Perry, Mayor Pro Tem Ervin Bateman, Councilman Craig Garriss, Councilwoman Emilie Klutz and Councilman Jeff Pruitt

STAFF MEMBERS PRESENT:

Town Manager John Stockton, Town Clerk Lynn Morris, Town Attorney Steve Michael, Finance Officer Charlene Allen, Management Assistant Melody Clopton, Town Planner Rob Testerman, Police Chief Joel Johnson, Fire Chief Lowell Spivey, Public Works Director Willie Midgett, Information Technology Technician Mark Bernard

1. Call to Order/Reconvene from the April 7, 2015 Council Meeting

Mayor Perry reconvened this meeting from April 7, 2015 at 10 a.m.

2. Approval of Agenda

Councilman Garriss made a motion to approve the agenda. It was seconded by MPT Bateman and passed unanimously, 5-0.

3. Winks: Decision on Offer

Following a brief discussion Mayor Perry made a motion, seconded by MPT Bateman, to reject the offer made by Winks.

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Mayor Perry then asked council if they would like to discuss this matter in a closed session during a regular meeting. Councilmembers replied they would.

Council did not vote on the motion and agreed to put it on the agenda for the next meeting.

(At this time Attorney Michael left the meeting.)

4. Proposed Fiscal Year 2015-16 Budget

- Revenues

Finance Officer Charlene Allen reviewed with council the shared revenue distributions, fund balance, capital reserve funds and legislative updates.

Projected revenues for FY 15-16, including the additional taxes in the MSD, totals \$7,365,381. Break down is 60% in ad valorem taxes, 15% in Occupancy taxes, 13% in Sales taxes, 7% other taxes, 3% Land Transfer taxes and 2% other revenues. Fund balance remaining FY 14-15: \$306,558; Working Capital/Fund Balance Policy: \$3,500,000; Unassigned Fund Balance: \$3,806,558.

Capital Reserve balance for Information Technology, Powell Bill, Parks and Trails totals \$468,002. Not included is the 2 cents in FY 14-15 set aside for Storm Damage Reduction and was budgeted at \$211,000.

Council discussed the sales tax and legislation (SB 369 and SB 608) on the proposal to convert local sales tax revenues to a state source of revenue that will be shared with local governments through state appropriations. Everyone agreed this would have a huge impact on Dare County and for all the towns in the county.

Councilwoman Klutz said it does not look as if it will be approved because the governor is against it but if it were approved local governments would be funded through state appropriations. Appropriations can be zero.

Mayor Perry offered it does not look like the Brown Bill will pass but it does look like the Rucho Bill will pass. That is according to the Chairman of the Dare County Board of Commissioners and others and it would be the state deciding whether towns get any of it or the state keeps all of the 2%.

Councilwoman Klutz asked about Dare County's quarter cent sales tax and if passed could they take that also?

Mayor Perry answered the quarter cent tax is different and would be dedicated by the county for dredging.

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FO Allen ended with a slide on HB 616 concerning the local government employees' contribution rate.

Mayor Perry said he thought this was a good overview and gave him a good perspective on the revenues.

- **Expenditures**

Stockton: *We are going to talk about the expenditure requests and let me emphasize this is still a draft budget. We do not have all the final figures yet.*

As Charlene mentioned our general fund totals are going to be \$7,365,381 and that is what we are working with. That equates to a \$379,748 dollar increase from this year's budget. Right now it includes \$144,670 from the General Fund and \$17,200 from Capital Reserve.

The current tax rate of 32 cents will go to 34 cents town wide with an additional 12 cents increase within the MSD. Of the 34 cents, 4 cents will be dedicated to beach nourishment and the previous 2 cents for Storm Damage Reduction goes away.

Klutz: *Does the money collected so far go into the Beach Nourishment Project Capital Fund?*

Allen: *The funds collected thus far are set aside for storm damage projects.*

Klutz: *The same fund that the beach nourishment project is in?*

Allen: *It is a separate fund for accounting purposes. We need to separate that out for the Capital Project Ordinance.*

Klutz: *So there are going to be two separate funds. One for the 4 cents that we will be collecting starting in July and then the money collected so far for the storm damage reduction is going to be in another fund and would stay there.*

Allen: *And it will end.*

Klutz: *It will end as far as collections and will not be used for the beach nourishment project. It can be but right now you are not looking at it in that way.*

Allen: *That is right.*

Stockton: *The five year debt service for the beach nourishment, \$10,185,309, will be paid through a Special Obligation Bond. As I mentioned before this is a draft budget and we may have adjustments due to retirement percentages and insurance. We do not have the final figures on those.*

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Some other highlights on the budget is we are requesting a 2% step increase for eligible employees. There are some employees that are at the top of their grade and are not eligible for an increase.

Perry: *Let's talk about that. There are two correct?*

Stockton: *As far as I know yes sir.*

Perry: *We have held the line on the pay scale. Before this council there were people who had reached a max due to no fault of their own but from previous administrations and managers. Now we have a situation where that is under control and should not happen again. There is a pay scale with an entry level and council has a say over whether someone is hired at a higher level. What is happening now is we are beginning to penalize some folks that got caught up into something not of their own making. I would like to suggest to council something that has been suggested twice to me and that is those employees that are not eligible for a 2% increase in pay be given a 2% cash lump sum. This will not impact the pay scale by raising it. It is becoming a fairness issue to me and it seems to me we ought to do something of that nature for those two people. That should take care of it until they retire or leave.*

Klutz: *It has gone on for a long time particularly in the case of one person. I think the important aspect of what you say is we still have a pay scale that indicates what we think a particular job is worth in terms of taxpayer dollars. I agree we should change that.*

Perry: *Are we all in agreement those two employees should be included in something that is cash and does not change the scale?*

Pruitt: *Because this is new to me, people who have reached the top level, either by promotions or being here a long time, they have not gotten a raise in a very long time. Is that what ...*

Perry: *They had a pay adjustment in FY 13-14 and that changed the whole scale up but when you do a step increase ... when we did the pay scale there was a way to get a step increase or pay adjustment or both if the economy allowed it. In this case it has not so we have a pay scale with step increases except for the folks we are talking about. They were already so high up on it because of previous council policy and other things they got caught up into. They have been maxed out with the exception of a pay scale adjustment which we are not doing this year.*

Klutz: *The other thing that happened was over the years there had been so many different pay changes and there were people getting 11 to 15% pay raises in a year. There was also longevity that was paid every year, performance awards and even though there was actually a low range and a high range there was no way, unless you were part of that and most were ... when we went to the pay scale that kind of evened out. For instance the longevity awards now are on the anniversary of five years, ten years, etcetera, but not every year. We had people who had already exceeded the high point so it was trying to clean that up but it's been going on now for a while and there are people that have not received any raises at all so ...*

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Pruitt: *I understand. It is certainly not their fault.*

Bateman: *Just for clarification this is just for this year and is not retroactive.*

Perry: *It is for this year. Some people were making as high as 13% per year and everybody would like to have that but I am sorry this town cannot afford it.*

Pruitt: *So the year we do an adjustment then they will get the adjustment and no cash alternative. Is that what we're talking about? But if we do a step we need to do something else. Is that what we're doing? I got it. Thank you.*

Perry: *Are we clear for the record Lynn?*

Morris: *Yes. Thank you.*

Perry: *John take that for action please.*

Stockton: *We ask to continue with a 2% 401(k) match for all employees and we have an additional mandated 5% contribution for law enforcement officers. We are also asking to continue to offer employees a high deductible health insurance plan and we anticipate an increase of approximately 15%. We do not have the final percentage and maybe it will be less and save a few dollars.*

Perry: *And it still allows for a health savings account.*

Klutz: *The amount for the HSA payment is the same as last year correct?*

Clopton: *Correct.*

Stockton: *We are recommending we establish our own email system. This would provide unlimited archival storage of emails to insure we meet the state email records retention guidelines. Our present cost is about \$366 per month and the new cost would be about \$490 a month for 49 accounts spread among all of the departments.*

Klutz: *I have questions on this. Why isn't the county doing that for us? I would like to know what the county is not doing to measure up to all of this.*

Stockton: *Mark Bernard the town's IT tech is here if you want to get into the nitty-gritty of everything.*

Klutz: *I am concerned about any additional IT services that will be required and if we are going to need additional equipment.*

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Bernard: *To answer those two questions directly there will not be any additional IT services required internal to the town nor will we need additional equipment. What this actually does is give us the ability to enhance the services that we are offering employees as well as you and the citizens.*

The county has their own IT set of policies. We want to implement something from the system called Google for Government or Google Apps. There are facets within that email system that allow enhancements to us. To give you an example we would like to set up a time and attendance system with spreadsheets already set up for every employee. They come in at "x" hour, leave at "x" hour, then we send it to John or to the department heads for approval. It is a labor intensive process and we would like to implement a work flow process. In order to implement the process google has supplied programing which is included in our accounts to make the process very streamlined, almost from an automated standpoint. It will take some efficiencies to a much greater level than we currently have. We cannot implement that system because the county does not use it and therefore the county is not going to allow us to use that facet inside the system. As a town we do not have the ability to make our own decisions. We are limited by what the county allows us to do. This is just one example and it goes much further than that.

Klutz: *Is the county's rationale for not allowing some of these things have to do with security?*

Bernard: *It's based on their research. For instance if there is something they want to do they would take the time do the research and make that implementation.*

Klutz: *Sometimes these apps, etcetera, are denied because of security considerations.*

Bernard: *This would not have any breach of security potential whatsoever.*

Klutz: *If something does not turn out well can we go back to the county?*

Bernard: *Yes of course. The system is not changing. What we would actually be doing is implementing another domain name. I have recommended to the town manager that we use kittyhawknc.gov. We would transition and move each individual email from the existing google account to the new google account. The actual system is one and the same with the ability for us to control those enhancements versus the county having full control. Then we can utilize all of the pieces that are part of the system including the google drive which we use heavily.*

Klutz: *That implies we have to have a level of talent here and that kind of what worries me.*

Mark: *The talent that is required to do that aspect of it would be literally changing a password. There's no technical experience required in order to control those systems. Now if we were going to bring in an exchange system, which I would never recommend considering we operate information technology on a part time basis, it would give us massive amounts of ability*

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but it would actually be very crippling as well as financially crippling from an IT standpoint. This does not have that facet whatsoever.

Klutz: *Okay. So if it's going to give you some advantages and the cost differential isn't terrible ... I just don't want to think that we're going to wind up with additional equipment, additional requirements ...*

Bernard: *That would not be a part of this whatsoever.*

Perry: *So we're spending more money to get better production. How does it save us money in the long run?*

Bernard: *In the long run it's going to minimize the amount of effort required to do certain things. We can implement that work flow process. It is going to take less hands to implement things. Employees take care of their time sheet, send it through the automated system, and if everything matches our guidelines, it will go straight to John for final approval. It minimizes the administrative work and that is just one example. There are quite a bit of other things we can do based on needs as we move forward such as building an intranet environment that is more enhanced. It would put forms and so forth all in one location that you and employees can access on an immediate basis and take care of. It will minimize the amount of hunting for things and will minimize the ability for things to get out of whack is the best way I can put it. It is an enhancement.*

Perry: *It says \$490 per month for 49 accounts spread among all departments. How does that affect what we do as councilmembers sending and getting emails, responding to the manager and others?*

Bernard: *We would take your existing account and run a migration. When the migration occurs all of your emails currently in the existing email account would just simply move from that one to your new one. When they move over you would log in to your new system. If you want to use the same password we can set the accounts up identically and you would log into them the same way. Your new data would actually be migrated right into it. Ultimately you would not see any difference at that point.*

Perry: *And if we go to this system are we able to control the spam compartment a lot better?*

Bernard: *Yes. It puts us in control of that.*

Perry: *I'm averaging 20 to 30 per day and they are in Chinese or Japanese characters. Is anybody else getting that?*

Bernard: *It would give us the ability to act on our own behalf.*

Perry: *Filter it a lot better?*

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Bernard: *Absolutely.*

Perry: *I do not have a problem with this. Anybody else?*

Stockton: *Under **Town Council** we have a stipend for the mayor's phone since he uses that so much for communications. We also added \$3,000 for the upcoming election.*

Perry: *I was paying out of pocket for just a regular flip phone until beach nourishment came along and I said this has to stop. This gives me the ability to respond more timely to the manager and council.*

Stockton: *Under **Administration** we increased salary and wages to provide extra funds for a new town manager since I will be retiring. The town's contribution for each general employee into the retirement system has decreased to 6.88% and that is estimated. There is an increase for telephone and communications by \$213 per year for the change to emails and increased travel and training to allow for funding relocation of the new manager if it is needed.*

*The **Finance Department** had an increase of \$60.72 per year for the new email and had a decrease in service contracts due to the finance officer obtaining RFP's for banking services. Thanks to the finance office for going to an automated payment of invoices. Basically it amounts to not having to sign checks individually and that saves time and money.*

***Planning and Inspections** has a reduction of salaries due to staffing changes. There is also a reduction of engineering by \$1,500, reduction of travel and training by \$900 and then an increase in telephone and communications by \$91.08 to cover the requested new email system. An increase in postage by \$200 and an increase for service and maintenance contracts by \$2,020 due to the increased cost of software maintenance. That seems to be a reoccurring thing. Once you get the software they have you locked in.*

Klutz: *Under planning and inspections it has inspection contract for inspection services when town inspector not available. Don't we have an agreement with Duck for this service?*

Stockton: *The inspector with Duck may not always be available and this is to pay an inspector if we have to bring in somebody else to do the work.*

Klutz: *Is this the way we're going to do it from now on just for the reliability of having someone?*

Stockton: *It is not that often it happens and this is just in case we have to pay someone. We are requesting the replacement of a vehicle for the code enforcement/fire inspection position in the amount of \$10,500. This cost would be shared with the fire department. The existing vehicle has 99,290 miles and is 16 years old.*

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Perry: *This gives me an opportunity to ask a question I've long had and it deals with the Crown Vic that is at the fire department painted fire house red. I seldom ever see it move. I don't know what it is used for and I don't know how it interfaces with this.*

Spivey: *We use it for travel to schools and seminars. We also use it as a backup vehicle to our rescue response because when the rescue truck is down, instead of having to put the whole crew on a fire engine that costs \$600,000 to respond to a medical call, we respond in a cheaper vehicle.*

Perry: *Since we are no longer using vehicles from other departments, and I understand that because we've stretched out the replacement schedule, are we going to buy fuel efficient, smaller vehicles?*

Stockton: *I believe they are asking for a pickup truck because they have to carry signs around and it makes it a lot easier. They have to post the signs for zoning and it makes it a lot easier if they have a pickup truck to do that.*

Bateman: *What kind of sign do you have to post that you have to put it in the back of a pickup truck?*

Perry: *We have a lot of pickup trucks. The building inspector and the police have pickup trucks. Why can't we start thinking a little more about fuel efficient? A vehicle that makes more sense.*

Klutz: *Even a used vehicle. I mean a one year old used vehicle that is still under warranty.*

Perry: *My recent experience with that is they don't cost that much less but if you do it right the first time it will last a long time. Does everybody think that's the way it should be done?*

Stockton: *This would be a small pickup which would be more fuel efficient than the Crown Vic.*

Midgett: *It is a Colorado that is on state contract.*

Perry: *A 4 cylinder?*

Pruitt: *It's a very nice truck. My wife has one with over 150,000 miles on it and it's great on gas.*

Perry: *All right. As long as you're thinking about it. We do not want to have to replace these things anytime in the near future and we want them to be more fuel efficient. Gas will go back up.*

Stockton: *Public Works is requesting a new seasonal employee position because they cannot use the Department of Corrections labor. Salary and wages was reduced by \$15,053 because of an employee retiring and part time was increased by \$14,399. Is council clear on why we are not DOC anymore?*

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Perry: *We lost transportation. In addition, my dealings in working with people is you deal in man hours. You have man hours and you have productive man hours. If you are spending two hours or more a day running to Manteo looks to me like a seasonal employee without benefits, is a better, more efficient way to go. It saves on wear and tear on vehicles and you do not have to deal with prisoners and all the training that goes with it. I am okay with this. I think it's more efficient man hour wise.*

Councilwoman Klutz brought up the sharing arrangement of an ATV between the public works department and police department and if it is a good idea because both departments need one for post-storm events. Staff responded the town already owns an ATV and UTV and additional ATV's can be rented following a storm if need be.

Stockton: *Continuing on with public works there is an increase for equipment and maintenance of \$1,500 and as was mentioned the sharing of the ATV. They are also requesting the replacement of a service truck for \$28,000. The existing vehicle has 113,000 miles and is 11 years old and meets the replacement criteria. Continue on with Capital Reserve at \$27,700 for the purchase of a broom tractor and there is also replacement of the fence at Byrd Street for \$9,000, replacing a mower for \$10,000 and painting the interior of the firehouse for \$8,000.*

Perry: *Painting of the fire house upset me but I need to back up a minute. Reduce the Icarus line item by \$14,500. Why is that?*

Midgett: *Those are pass through funds to start with and that extra money was for resealing the pylons at the monument. It did not get done this year because they want to take care of it themselves. The Icarus Trust will pay for it directly instead of us paying for it. We will still do our general maintenance but we won't do the big overhauls.*

Klutz: *How often is that done Willie?*

Midgett: *Every five or six years.*

Perry: *The C&D dumpster. How much is that costing us?*

Midgett: *I do not have that right in front of me.*

Perry: *You had it originally at \$20,000.*

Midgett: *It's less than that. We're doing much better.*

Perry: *The reason I'm asking is one of the things the county is looking at is possibly closing some of the recycling centers. With the exception of the C&D it could happen here because we have the ability to pick up curbside. Have you heard whether that is possibly coming or not?*

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Midgett: *It looks like at this time it is not going to happen. Last word I got is they are able to continue by not filling a couple of vacancies.*

Perry: *Ours does not cost them anything right?*

Midgett: *They make money off of ours.*

Perry: *We are manning the station and all they do is supply the dumpster so if it comes to that ours would probably be the last closed.*

Midgett: *I would think so.*

Perry: *It is awfully handy. Bath house lot paving. What is going on there?*

Midgett: *They assured me it would be done within the next week or so. I've been keeping an eye on the traffic at the bath house and right now it's not too bad. They are aware if it gets to a certain point they will have to hold off until after the season.*

Perry: *I was wondering. Anybody look out there at the beach lately? I'm talking about the bad spot. Pretty soon you're going to be able to excavate from the road.*

Midgett: *I took pictures this morning. I let the state know it's getting closer to the road. I don't know what they're going to do.*

Perry: *Each of you need to go out there and have a look so you understand. I went out yesterday and looked at it. There is not a thing there to stop it. It's like there is a river underneath.*

Pruitt: *It wants to be an inlet there.*

Stockton: *Also in public works the inmate labor line item was reduced and the vehicle maintenance and repair was reduced by \$2,000. Under **Planning Board** there was a slight increase of \$370 for transcription, **Board of Adjustment** had no change and the **Recreation Committee** has a decrease of \$2,000. They have no capital outlay requested for this coming fiscal year. **Non-departmental** has major reductions including insurance by \$40,000, a reduction of county collection fee by \$1,664 due to collection being charged to beach nourishment. There is an increase of office equipment by \$1,200 and a request from the police department for a video server in the amount of \$17,200. There is a request of \$16,000 for a vehicle to replace a 2005 Crown Vic that has a leaking windshield, paint peeling on the body, electrical problems and bad brakes. The mileage is 80,046 but it's having all these other problems and it is my recommendation that we have at least one good vehicle for town hall staff to drive to seminars and conferences. Sometimes they have to go to Asheville, Charlotte and Raleigh for their meetings. I believe we are looking at a Ford Focus which would get quite a bit better gas mileage than a Crown Vic.*

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Perry: *This is the way we will be going because as we have stretched out the other departments and their vehicle replacements. Their vehicles won't be useable and why should the general staff have to ride in third hand equipment? As long as we're buying something fuel efficient I don't have a problem with this.*

Stockton: *Next is the **Police Department** with an increase in telephone and communications by \$547 to switch to the new email service. There is a maintenance contract increase of \$3,800 for the maintenance of software, equipment maintenance and repair increase of \$2,000 for a paper shredder and the ATV rental reduced by \$1,400 because of the sharing with public works. There is a request to replace one vehicle for \$26,900. They have an existing vehicle with only 71,000 miles but is 10 years old and it needs a transmission. I believe they said this is the second transmission for this vehicle so we need to try and replace it.*

Garriss: *A quick question for both chiefs. Do you have a regular replacement rotation for uniforms or is it on an as needed basis?*

Chief Johnson and Spivey replied it is on an as needed basis.

Stockton: *We have created another category for Ocean Rescue therefore you will see reductions in line items for the **Fire Department**. Telephone and communications reduced by \$2,793, uniforms reduced by \$4,000, departmental supplies reduced by \$3,400, vehicle supplies reduced by \$3,500, equipment maintenance and repair reduced by \$2,500, vehicle maintenance and repair reduced by \$1,000. The ATV lease has been transferred to the Ocean Rescue category and then in Capital they are requesting \$18,000 for breathing apparatus. That is an on-going request to keep the breathing apparatus up to date. There is also \$10,500 requested for the replacement of a code enforcement/fire inspection vehicle which we mentioned before would be shared with the Planning and Inspections. There is continuation of Capital Reserve for replacement of an air compressor that is \$20,000 and continuation of the debt service for the fire house at \$282,000. The chief has also recommended the removal of Level I, II and III fire service fees. The present arrangement they have with a contractor is unsatisfactory.*

Perry: *We're paying someone that's unresponsive?*

Spivey: *The problem is there are no checks and balances. We have not received anything in two and half years. When we have an incident they can charge and bill the insurance company. The insurance company pays and we get 75% on what's paid after fees. All of a sudden we stopped getting any money and I have no way of knowing whether the insurance companies are paying or not.*

Klutz: *It seems like every one of the departments has had pretty substantial increases in the service and maintenance contracts. In the case of the fire department it is almost double. What is causing that?*

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Spivey: *We moved some of our maintenance and repair of equipment and maintenance and repair of apparatus.*

Klutz: *So they are in the right category now?*

Spivey: *Yes.*

Perry: *I am going to ask for a motion on the removal of Level I, II and III fire service fee.*

MPT Bateman “so moved” for the removal of Level I, II and III fire service fees. Councilman Garriss provided a second and it passed unanimously, 5-0.

Stockton: *For **Ocean Rescue** the telephone and communications is reduced by \$200, departmental supplies reduced by \$150, vehicle supplies reduced by \$500 and the overall budget is reduced by \$6,329.*

The next item has to do with making the ocean Rescue director position exempt. If council approves then the position would not be eligible for comp time while performing director of ocean rescue duties. I think there was a concern about that.

Councilman Garriss made a motion to make the ocean rescue director position exempt effective immediately. Councilwoman Klutz seconded the motion and asked if the position is just going to be exempt during the season.

Clopton: *It will always be exempt. However the law allows you to provide some type of incentive or compensation when doing something totally different than normal duties. When he helps the fire department out, covers a shift, works 24 hours and it sends him into overtime, he will get comp time but only for that.*

Klutz: *So when he is acting in the fire department he is still exempt but this is what we are choosing to do in terms of compensation.*

Clopton: *Yes.*

Vote was unanimous, 5-0.

Stockton: *The next category is **Storm Damage Reduction** and is going to be replaced by **Beach Nourishment Capital Project**. It is a new category. Are there any questions about the expenditures for that particular category?*

Perry: *For the record. The current storm damage of \$211,287 will remain in that category but if we need the money for something other than damage reduction the council could move it over to beach nourishment. Correct?*

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Stockton: *That is correct.*

Klutz: *We could move it anywhere?*

Perry: *We could move it anywhere but there will be two separate categories. This does not blend in at the moment. I just want to make sure the record is clear because it might ... some new people will need to understand that.*

Klutz: *We haven't gone over the Beach Nourishment Capital Project. One of my questions has to do with the wording in the budget on page 52. It says the Special Obligation Bonds will be repaid with funding from the Dare County Beach Nourishment Fund and through a town wide tax increase of 4 cents and 12 cent increase in one Municipal Service District which was created by the Town of Kitty Hawk Council through an April 7, 2015 resolution. There is not a town wide tax increase of 4 cents. There is a town wide tax increase of 2 cents and I recommend we change the wording. It should say the obligation bonds will be repaid with funding from Dare County Beach Nourishment Fund and through dedication of 4 cents of the town wide ad valorem tax and a 12 cent tax in a new Municipal Service District which was created by the town council.*

Perry: *The next question is are we ready to put this to a public hearing on June 1st? The only reason I see we would need another workshop is if the legislature does something.*

Klutz: *I know all of you do eye rolls when I do this but if the budget is going to be published there are substantive issues in it. Separate fire and ocean rescue, update the storm damage reduction to reflect the beach nourishment project, administrative policies that look like the manager sets them and does not require any council input. There are administrative and editorial corrections that look like they did not transfer properly from the previous budget. I think those things should be corrected and added. I'm not saying we shouldn't schedule the public hearing but I would really like to work with John to get this right.*

Stockton: *Yes. That's fine.*

Perry: *There are some areas in there that we have taken action on. That needs to be corrected. Bottom line is it seems department heads did not go through the work sheets and change them to reflect the current.*

Stockton: *I send these out to the department heads and ask them to review them.*

Perry: *Do I hear a motion to set a public hearing on June 1st?*

MPT Bateman so moved to set a public hearing on the budget for June 1, 2015, 6 p.m. Councilwoman Klutz provided a second and it passed unanimously, 5-0.

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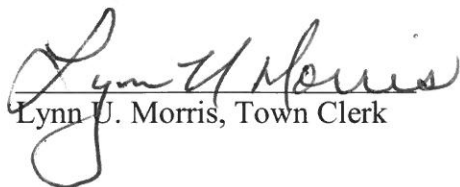
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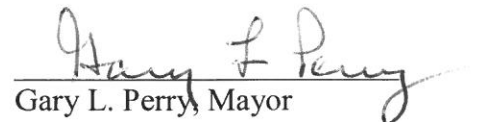
Councilman Garriss asked that future morning meetings be scheduled at 9 a.m. instead of 10 a.m. if possible. There was a council consensus for this suggestion.

5. Adjourn

Councilman Garriss made a motion to adjourn. Councilman Pruitt seconded the motion and it passed unanimously, 5-0. Time was 11:28 a.m.

These minutes were approved at the July 7, 2015 council meeting.


Lynn U. Morris, Town Clerk


Gary L. Perry, Mayor