

Item Summary: Capital Budget Adjustments for Land Transfer Tax Decreases

Fiscal year 2007 land transfer tax collections are now projected to be 36.5% lower than that of the prior fiscal year (following a 29.14% decrease in fiscal year 2006). That level of collections in combination with the currently approved 2007 CIP, would result in negative fund balances of (\$1,337,660) in FY 2009, (\$1,582,608) in FY 2010 and (\$1,703,533) in FY 2011.

The following adjustments are recommended for current and prior capital projects:

- Reduce the current year transfer to the School Capital Reserve Fund from \$1,250,000 to \$500,000.
 - The minimum fund balance (FY 2013) would be reduced to \$2.2 million.
- Reduce the existing appropriation (FY 2005 & 2006) for EMS Station #1 from \$560,000 to \$250,000.
 - The real solution for the project is to construct a new building.
 - Due to FEMA and Town of KDH rules, remodeling costs can not exceed 50% of the building value.
 - No work has been performed.
- Eliminate the FY 2007 appropriation of \$100,000 for the General Land Bank and the future amounts in the CIP.
 - FY 2008 = \$100,000; FY 2009 = \$100,000; FY 2010 = \$50,000.
- Eliminate the remaining, uncommitted balances of the Parks and Recreation Land Bank.
 - \$154,440 in FY 2008, \$31,556 in FY 2009, \$212,671 in FY 2010, and \$210,787 in FY 2011.
- Eliminate the remaining appropriation for planning studies (from FY 2003 CIP) of \$47,160.
- Eliminate the remaining unused appropriations for the following completed capital projects, for a total of \$111,144:
 - FY 2002 Voting machines \$3,302
 - FY 2003 Aerial photography \$3,356
 - FY 2005 Programming studies \$540
 - FY 2005 Helo major maintenance \$2,624
 - FY 2004 C&D landfill cell #4 \$722
 - FY 2007 Farm tractor \$600
 - FY 2006 Alternative school \$100,000

Total adjustments listed above are \$2,177,758. With these changes the Capital Reserve Fund ending fund balances (with the adjusted 2007 CIP) are projected to be:

- 2007 \$2,213,797
- 2008 \$1,530,323
- 2009 (\$142,783)
- 2010 (\$89,214)
- 2011 \$245,662

The negative balances will have to be addressed through the new CIP.

Attachments following this summary are:

1. The Capital Reserve Fund 5 Year Proforma with the currently approved FY 2007 CIP.
2. The currently approved FY 2007 CIP with the changes above incorporated.
3. The Capital Reserve Fund 5 Year Proforma with the changes above incorporated.
4. The School Debt Repayment Plan with the above change (as well as the General Fund change from 4/2/07) incorporated.

County of Dare
Capital Reserve Fund
5 Year Plan

4.50%	3.50%	3.00%	2.50%	2.50%
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Interest Rate

Updated: 4/9/2007

With FY 07 Changes

	Actual		Actual		Estimate		Projected				
	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012		
Beginning fund balance	\$7,393,301	\$9,448,210	\$9,977,462	\$695,153	\$1,474,158	\$502,960	(\$1,337,660)	(\$1,582,608)	(\$1,703,533)		
Revenues (change):											
Gross Revenue less cost of collection	12,548,063	15,129,331	10,742,605	6,836,733	6,836,733	7,178,570	7,537,499	7,914,374	8,310,092	5.00%	
LTT revenue to County	8,156,242	9,834,065	6,956,693	4,417,877	4,417,877	4,640,071	4,873,374	5,118,343	5,375,560	5.00%	
Interest	28,999	362,094	232,632	150,000	66,337	17,604	(40,130)	(39,565)	(42,588)		
Other											
Total Revenues	8,185,241	10,196,159	7,189,325	4,567,877	4,484,214	4,657,674	4,833,244	5,078,778	5,332,972		
Uses:											
Schools - Land	290,000	118,000									
Land payment to DCAA for CSI			140,640		140,640	140,640	140,640	140,640	140,640		
ABC land - 06GO DS			54,718		53,025	51,352	49,640	49,640	49,640		
General Government		781,000									
Schools - Capital Outlay		2,522,015	5,236,000								
Public safety & DCAA	36,000	73,047									
Culture & Recreation			105,000								
Environmental Protection - SWTS			1,775,636								
Environmental Protection - Jennettes Pier			700,000								
Environmental Protection - St Pt Sewer		551,570									
Environmental Protection - C&D Cell #3			170,000								
Human Services	693,600										
Public safety - cash into courthouse	100,000										
FY 2000 CIP - debt service (to Gen Fund) S91 COPs	250,000	0	0	0	0	0	0	0	0		
FY 2000 CIP - debt service (to Gen Fund) S93/03 GOs	375,000	350,000	325,000	300,000	275,000	250,000	250,000	250,000	250,000		
FY 2000 CIP - debt service (to Gen Fund) S98 COPs	125,000	310,000	250,000	225,000	200,000	175,000	175,000	175,000	175,000		
FY 2001 CIP - debt service (to Gen Fund) S01 COPs	650,000	635,000	0	0	0	0	0	0	0		
FY 2002 CIP - capital projects											
FY 2002 CIP - debt service (to Gen Fund) S02 COPs+	818,000	703,775	389,033	386,508	388,148	385,008	385,008	385,008	385,008		
FY 2002 CIP - land											
FY 2003 CIP - capital projects											
FY 2003 CIP - C&D Cells											
CIP FY 2004 - 2008	2,792,732										
CIP FY 2005 - 2009		3,622,500									
CIP FY 2006 - 2010			7,520,963								
Total Uses	6,130,332	9,666,907	16,471,634	3,788,872	5,455,412	6,498,294	5,078,192	5,199,703	2,593,210		
Net for the year	2,054,909	529,252	(9,282,309)	779,005	(971,198)	(1,840,620)	(244,948)	(120,925)	2,739,762		
Ending fund balance	\$9,448,210	\$9,977,462	\$695,153	\$1,474,158	\$502,960	(\$1,337,660)	(\$1,582,608)	(\$1,703,533)	\$1,036,229		

County of Dare, NC

07/17/06

Approved Projects for Capital Improvements Plan 2007 - 2011

#	Description	Source	Gross Project Amount	Comment	Planned As	Year Approved					Comments
						2007	2008	2009	2010	2011	
1	Administration Building & Old Courthouse	Administration	\$17,750,000	In 2006 CIP	Debt - 20	\$0	\$723,888	\$694,246	\$664,604	\$634,962	Net of \$615,000 debt service in General Fund
2	Hatteras Satellite Office	Health, DSS, Sheriff	\$2,063,069	In 2006 CIP	Debt - 20	0	209,711	205,068	200,425	195,783	
4	Schools - Local Capital Outlay	Finance	\$1,850,000	In 2006 CIP	Cash	200,000	375,000	400,000	425,000	450,000	
5	Additional Local Capital Outlay Schools	Bd of Education	\$2,135,000	In 2006 CIP	Cash	750,000	500,000	250,000	500,000	500,000	
6	Schools - School Capital Reserve/Debt Repayment Plan	Finance	\$3,000,000	In 2006 CIP	Cash	300,000	1,000,000	750,000	500,000	250,000	Reduced. See School Debt Repayment Plan.
7	Executive Information System	Finance	\$75,000	NEW	Cash	75,000	0	0	0	0	
8	Land Acquisition - Recreation	Recreation	\$0	In 2006 CIP	Cash	0	95,560	93,444	87,229	89,213	Added by CIPFC
8a	Land Acquisition/Bank	CIPFC	\$365,546	NEW	Cash	0	0	0	0	0	
9	Farm Tractor	Public Works	\$79,000	In 2006 CIP	Cash	79,000	0	0	0	0	
10	Roanoke Island Senior Center	Older Adult Services	\$2,160,000	In 2006 CIP	Debt - 15	0	250,000	245,000	240,000	235,000	@ 12,000 sq. ft. Does not include site
11	COA - Old MMS	COA	\$5,000,000	In 2006 CIP	Debt - 15	0	495,000	485,000	475,000	465,000	
12	Aerial Photography	Tax Assessment	\$224,750	In 2006 CIP	Cash	224,750	0	0	0	0	
13	New Roll-Off Truck	Public Works	\$110,000	In 2006 CIP	Cash	0	110,000	0	0	0	
14	Helo Major Maintenance	EMS	\$702,000	In 2006 CIP	Cash	0	702,000	0	0	0	
15	Major Repairs to C&D Mauler	Public Works	\$80,000	In 2006 CIP	Cash	0	80,000	0	0	0	
16	Replace Excavator	Public Works	\$195,000	In 2006 CIP	Cash	0	200,000	0	0	0	
17	D6 Tractor	Public Works	\$300,000	In 2006 CIP	Cash	0	0	195,000	300,000	0	
18	Replace Dump Trucks	Public Works	\$97,875	In 2006 CIP	Cash	0	0	60,000	30,000	25,000	
20	Jail Surveillance System Upgrade	Jail	\$300,000	NEW	Cash	95,000	90,000	60,000	30,000	208,670	
22	Playground Restoration	Parks & Recreation	\$208,670	NEW	Cash	0	0	0	0	0	
23	Jail - HVAC Control System Replacement	Jail	\$195,000	NEW	Cash	0	195,000	0	0	0	
24	Improvements at Old Manteo Middle School	Parks & Recreation	\$656,000	NEW	Cash	257,601	0	0	0	0	\$398,399 of construction fund interest available
25	Improvements at New Manteo Middle School	Parks & Recreation	\$703,820	NEW	Cash	229,320	0	1,200,000	100,000	1,300,000	\$116,470 for recycling + \$112,523 for help pad = County share
26	Rodanthe Helicopter Pad & Recycling Center	County Manager	\$2,700,000	NEW	Cash	0	100,000	1,200,000	100,000	1,300,000	
27	C&D Cells #5 & #6	CIPFC	\$2,410,671	NEW	Cash	\$2,410,671	\$4,144,159	\$5,364,758	\$3,815,233	\$3,988,628	
Totals by fiscal year											

\$605,321
191140

87098

\$796,461

Projects Not Approved

3	EMS Station #1 Refurbishment - Additional #2	EMS	\$655,000	NEW							Remodel as much as possible with \$540,000 available
21	EMS - Kitty Hawk Station	EMS	\$960,750								Not approved in 3 prior CIPs. See operating costs.
19	Not used										

totals less Admin & HSO \$2,410,671 \$3,210,560 \$4,465,444 \$2,950,204 \$3,157,883

County of Dare
Capital Reserve Fund
5 Year Plan

4.50%	3.50%	3.00%	2.50%	2.50%
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Interest Rate

Updated: 4/9/2007

With FY 07 Changes

	Actual		Actual		Actual		Estimate		Projected				
	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011	6/30/2012	6/30/2010	6/30/2011	6/30/2012	6/30/2012
Beginning fund balance	\$7,393,301	\$9,448,210	\$9,977,462	\$695,153	\$2,213,797	\$1,530,323	(\$142,783)	(\$89,214)	\$245,662				
Revenues (change):													
Gross Revenue less cost of collection	12,548,063	15,129,331	10,742,605	6,836,733	6,836,733	7,178,570	7,537,499	7,914,374	8,310,092	5.00%	5.00%	5.00%	5.00%
LTT revenue to County	8,156,242	9,834,065	6,956,693	4,417,877	4,417,877	4,640,071	4,873,374	5,118,343	5,375,560				
Interest	28,999	362,094	232,632	150,000	99,621	53,561	(4,284)	(2,230)	6,142				
Other													
Total Revenues	8,185,241	10,196,159	7,189,325	4,567,877	4,517,498	4,693,632	4,869,091	5,116,112	5,381,702				
Uses:													
Schools - Land	290,000	118,000		(468,304)									
Land payment to DCAA for CSI													
ABC land - 06GO DS			140,640	140,640	140,640	140,640	140,640	140,640	140,640				140,640
General Government		781,000											
Schools - Capital Outlay		2,522,015	5,236,000										
Public safety & DCAA	36,000	73,047											
Culture & Recreation			105,000										
Environmental Protection - SWTS			1,775,636										
Environmental Protection - Jetties Pier			700,000										
Environmental Protection - St Pt Sewer													
Environmental Protection - C&D Cell #3			170,000										
Human Services	693,600												
Public safety - cash into courthouse	100,000												
FY 2000 CIP - debt service (to Gen Fund) S91 COPs	250,000	0	0	0	0	0	0	0	0	0	0	0	0
FY 2000 CIP - debt service (to Gen Fund) S93/03 GOs	375,000	350,000	325,000	300,000	275,000	250,000	250,000	250,000	250,000				250,000
FY 2000 CIP - debt service (to Gen Fund) S98 COPs	125,000	310,000	250,000	225,000	200,000	175,000	175,000	175,000	175,000				175,000
FY 2001 CIP - debt service (to Gen Fund) S01 COPs	650,000	635,000	0	0	0	0	0	0	0				0
FY 2002 CIP - capital projects													
FY 2002 CIP - debt service (to Gen Fund) S02 COPs+	818,000	703,775	389,033	386,508	388,148	385,008	385,008	385,008	385,008				385,008
FY 2002 CIP - land													
FY 2003 CIP - capital projects													
FY 2003 CIP - C&D Cells													
Total Uses	6,130,332	9,666,907	16,471,634	3,049,233	5,200,972	6,366,738	4,815,521	4,781,237	1,796,749				
Net for the year	2,054,969	529,252	(9,282,309)	1,518,644	(683,474)	(1,673,106)	53,570	334,875	3,584,953				
Ending fund balance	\$9,448,210	\$9,977,462	\$695,153	\$2,213,797	\$1,530,323	(\$142,783)	(\$89,214)	\$245,662	\$3,830,614				

County of Dare, NC
School Debt Repayment Plan
School Capital Reserve Fund

Property Tax Increase in FY 05-06 **1.00** **Max Deficit** **\$2,273,512**

Fiscal Year Ending	6/30/2002	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009
Beginning balance	\$0	\$2,954,233	\$6,913,307	\$9,577,360	\$10,526,882	\$12,195,489	\$9,422,247	\$7,325,035
Additions:								
Net transfer of property taxes @ 3.5 cents (see below)	\$2,933,594	\$3,515,572	\$3,537,681	\$2,769,130	\$3,810,293	\$3,132,686	\$4,377,655	\$4,614,788
Article 44 Sales Tax (gain only)		\$816,297	\$2,358,463	\$2,545,007	\$2,766,100	\$2,830,000	\$2,872,450	\$2,915,537
Lottery Money						\$156,926	\$325,000	\$335,000
ADM Money		\$0	\$0	\$0	\$250,000	\$350,000	\$350,000	\$325,000
County CIP / Capital Reserve Fund			\$125,000	\$250,000	\$1,500,000	\$500,000	\$1,000,000	\$750,000
Misc			\$40,836					
General Fund UR&UDFB > 27%	\$552,137	\$377,099	\$0	\$0	\$0	\$0	\$0	\$0
Interest income	\$62,502	\$120,375	\$39,606	\$244,683	\$380,491	\$600,000	\$282,667	\$219,751
Total sources	\$3,548,233	\$4,829,343	\$6,101,586	\$5,808,820	\$8,706,884	\$8,469,612	\$9,207,772	\$9,160,076
Uses:								
Transfer to School Capital Projects for:								
Interim requirements - MMS, MES & CHS	\$594,000	\$25,000						
S05 COPs (MHS, KHES, HSS, MHS) Debt service					\$1,120,378	\$5,546,705	\$5,441,355	\$5,336,005
S04 COPs (MMS, NHES) Debt Service			\$1,464,465	\$2,418,378	\$2,418,378	\$2,399,628	\$2,627,128	\$2,597,128
S02 COPs (FFHS, MES) Debt Service		\$845,269	\$3,437,533	\$3,394,833	\$3,351,546	\$3,296,521	\$3,236,501	\$3,189,716
Total uses	\$594,000	\$870,269	\$3,437,533	\$4,859,298	\$7,038,277	\$11,242,854	\$11,304,984	\$11,122,849
Funding Balance	\$2,954,233	\$6,913,807	\$9,577,360	\$10,238,882	\$12,195,489	\$9,222,247	\$7,325,035	\$5,362,262

Cents of Property Tax for Annual Amount Short		(1.062)	1.721	1.270	1.160
Annual Overage/(Shortage)	\$2,954,233	\$3,959,074	\$2,664,053	\$949,522	\$1,816,582
One Cent Property Tax	\$519,465	\$559,903	\$563,270	\$577,352	\$1,651,439
					(\$1,962,773)

General Fund Transfer to School Capital Reserve Fund:

3.5 cents of property tax (after REVAL 2006)	\$3,828,630	\$5,595,948	\$4,828,841	\$5,985,310	\$6,134,943
General Fund change in GO debt service		\$83,845	\$173,345	\$261,845	\$349,345
Less: Operating costs from new facilities - FFHS approved		-\$1,059,500	-\$1,059,500	-\$1,059,500	-\$1,059,500
Less: Operating costs from new facilities - NHES approved		\$0	-\$810,000	-\$810,000	-\$810,000
Net transfer to School Capital Reserve Fund	\$2,769,130	\$3,810,293	\$3,122,686	\$3,776,115	\$3,114,788

From School Capital Reserve Fund:

Transfer to General Fund for Debt Service (103090-492900)	\$3,437,533	\$4,859,298	\$6,890,302	\$11,242,854	\$11,304,984
ADM Balance - Reserve	\$970,755	\$1,012,984	\$1,253,085	\$826,383	\$801,381
Lottery Balance - Reserve			\$165,388	\$178,987	\$193,089

County of Dare, NC
 School Debt Repayment Plan
 School Capital Reserve Fund

(no deficit)

Fiscal Year Ending	6/30/2010	6/30/2011	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Beginning balance	\$5,362,262	\$3,437,249	\$2,704,607	\$2,375,030	\$2,273,512	\$2,491,969	\$3,183,561
Additions:							
Net transfer of property taxes @ 3.5 cents (see below)	\$4,854,661	\$6,062,369	\$6,564,757	\$6,729,924	\$6,899,220	\$7,072,748	\$7,250,614
Article 44 Sales Tax (gain only)	\$2,959,270	\$3,003,659	\$3,048,714	\$3,094,444	\$3,140,861	\$3,187,974	\$3,235,794
Lottery Money	\$345,000	\$355,000	\$365,000	\$375,000	\$350,000	\$325,000	\$300,000
ADM Money	\$300,000	\$300,000	\$300,000	\$275,000	\$250,000	\$225,000	\$200,000
County CIP / Capital Reserve Fund	\$500,000	\$250,000	\$250,000		\$0	\$0	\$0
Misc							
General Fund UR&UDFB > 27%	\$125,000	\$125,000	\$125,000				
Interest income	\$160,868	\$103,117	\$81,138	\$71,251	\$68,205	\$74,759	\$95,507
Total sources	\$9,244,799	\$10,199,146	\$10,734,609	\$10,670,619	\$10,708,286	\$10,885,481	\$11,081,915
Uses:							
Transfer to School Capital Projects for:							
Interim requirements - MMS, MES & CHS							
S05 COPs (MHS, KHES, HSS, MHS) Debt service	\$5,226,893	\$5,114,018	\$4,993,618	\$4,860,618	\$4,710,818	\$4,569,518	\$4,423,568
S04 COPs (MMS, NHES) Debt Service	\$2,814,628	\$2,765,628	\$3,082,803	\$3,018,253	\$2,949,253	\$2,864,328	\$2,784,165
S02 COPs (FFHS, MES) Debt Service	\$3,128,291	\$3,052,141	\$2,987,766	\$2,893,266	\$2,829,758	\$2,760,043	\$2,682,087
Total uses	\$11,169,812	\$10,931,787	\$11,064,187	\$10,772,137	\$10,489,829	\$10,193,889	\$9,889,820
Ending Balance	\$3,172,490	\$3,704,607	\$3,770,030	\$3,775,112	\$3,491,893	\$3,183,561	\$3,183,561

Cents of Property Tax for Annual Amount Short	1.109	0.412	0.181	0.054	(0.114)	(0.352)	(0.592)
Annual Overage(Shortage)	(\$1,925,013)	(\$732,641)	(\$329,578)	(\$101,518)	\$218,457	\$691,592	\$1,192,094
One Cent Property Tax	\$1,735,043	\$1,778,419	\$1,822,879	\$1,868,451	\$1,915,162	\$1,963,041	\$2,012,118

General Fund Transfer to School Capital Reserve Fund:

3.5 cents of property tax (after REVAL 2006)	\$6,288,316	\$6,445,524	\$6,606,662	\$6,771,829	\$6,941,125	\$7,114,653	\$7,292,519
General Fund change in GO debt service	\$435,845	\$1,486,345	\$1,827,595	\$1,827,595	\$1,827,595	\$1,827,595	\$1,827,595
Less: Operating costs from new facilities - FFHS approved	-\$1,059,500	-\$1,059,500	-\$1,059,500	-\$1,059,500	-\$1,059,500	-\$1,059,500	-\$1,059,500
Less: Operating costs from new facilities - NHES approved	-\$810,000	-\$810,000	-\$810,000	-\$810,000	-\$810,000	-\$810,000	-\$810,000
Net transfer to School Capital Reserve Fund	\$4,844,661	\$5,062,369	\$5,564,757	\$5,729,924	\$5,899,220	\$6,072,748	\$6,250,614

From School Capital Reserve Fund:

Transfer to General Fund for Debt Service (103090-492900)	\$11,169,812	\$10,931,787	\$11,064,187	\$10,772,137	\$10,489,829	\$10,193,889	\$9,889,820
ADM Balance - Reserve	\$864,520	\$928,878	\$1,006,228	\$1,121,928	\$1,270,760	\$1,454,086	\$1,673,319
Lottery Balance - Reserve	\$208,014	\$224,102	\$241,716	\$261,245	\$318,100	\$414,122	\$551,233