



# FISCAL YEAR 2025-2026 BUDGET

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*Defining a path forward*

**Elected Officials:**

Mayor  
Mayor Pro Tem  
Councilman  
Councilman  
Councilwoman

D. Craig Garriss  
Jeff Pruitt  
David Hines  
Dylan Tillett  
Charlotte Walker

Town Attorney

Casey Varnell

**Leadership Team:**

Town Manager  
Administrative Services Director  
Finance Director  
Fire Chief  
Planning & Inspections Director  
Police Chief  
Public Works Director  
Town Clerk

Melody Clopton  
Laura Walker  
Liliana Noble  
Mike Talley  
Rob Testerman  
Mike Palkovics  
William Midgett  
Lauren Garrett

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## MISSION STATEMENT

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The Town of Kitty Hawk emphasizes community involvement, family values, and responsible use of Town resources. Our top priorities include preserving the town's rich history, enhancing natural resources, and promoting resilience. We are committed to striking a balance between the needs of our year-round residents, property owners and visitors, while continuously improving the quality of coastal living.

## VISION STATEMENT

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We are committed to maintaining the tradition of persistence and innovation that has been the foundation of our community for centuries. We aim to be highly skilled, adaptable, and resilient so that we can successfully navigate through any challenges that come our way. We will follow our TIDES to create abundant opportunities for our team and community.

## CORE VALUES

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- Teamwork
- Integrity
- Dedication
- Engagement
- Service

We are guided by our TIDES





May 5, 2025

Honorable Mayor, Craig Garriss

Esteemed Members of Kitty Hawk Town Council, Mayor Pro Tempore, Jeff Pruitt, Councilman David Hines, Councilman Dylan Tillett, and Councilwoman Charlotte Walker

Mayor Garriss and members of the Kitty Hawk Town Council,

As we look to the future with confidence and responsibility, I am pleased to present the Fiscal Year 2026 budget. This year's budget, a joint effort between Council and staff, has been carefully crafted to balance the need for high-quality services for our community with a focus on efficiency and long-term sustainability. Our goal is to continue to ensure a stable financial foundation that will support growth, enhance public safety, and provide essential services without burdening our residents.

This budget has been prepared and balanced in accordance with the North Carolina Local Government Budget and Fiscal Control Act, as mandated by North Carolina General Statute Chapter 159-11.

As we enter Fiscal Year 2026, I am pleased to report that the Town remains in a strong strategic and financial position. The Town Council and staff are committed to carrying out the Town's mission and providing exceptional services and opportunities for our staff and community.

### BUDGET SUMMARY

We have maintained a favorable financial position through prudent spending policies and effective oversight of the Town's funds. Over the past five years, our occupancy tax revenues have consistently exceeded budget expectations, and in the last two years, we have seen higher-than-anticipated interest earnings. This financial success has allowed us to navigate rising operational costs and support several key initiatives, such as paying the Fire Department building loan off early, purchasing a new fire engine, acquiring the future site for the Police Department, funding its renovation, and partnering with NCDOT on a townwide sidewalk project.

However, the cost of doing business continues to rise steadily. For the first time in many years, revenue from occupancy, sales, and land transfer taxes has fallen below projections. This shift means that expenses are now outpacing revenue, and we must remain mindful of these changing dynamics. Additionally, according to information from the North Carolina Capital Management Trust, we expect a decline in interest earnings in FY 2025. Another factor this year is that Dare County has completed its quinquennial property revaluation, and as a result, property values in Kitty Hawk have increased by an average of 74%.

Our Council and staff have worked diligently to address these challenges, focusing on prioritizing operational needs. We remain committed to proactively serving our citizens and visitors, striving



to exceed their expectations even in the face of uncertainty. We are confident that by continuing to work together, we can navigate these challenges, demonstrate resilience, and foster innovation.

Looking ahead, the proposed budget for the Fiscal Year 2026 projects total revenues of \$12,539,727. These projections are conservative, based on data from the state, the NC League of Municipalities, and Dare County. The budget is balanced, and no funds from the unrestricted fund balance are required to meet its requirements. As of the Fiscal Year 2024 audit, the unrestricted available fund balance was \$4,681,920, in addition, the Town's emergency fund of \$3,500,000 remains intact.

This budget has been carefully crafted to ensure fiscal responsibility and accountability to Kitty Hawk's taxpayers. Given the increased property values following the revaluation, we have adjusted the townwide property tax rate to twenty-two (22) cents per \$100 of value, down from thirty (30) cents per \$100, this includes the townwide beach nourishment tax, which has been lowered to two (2) cents per \$100 of value. The Municipal Service District Tax has been adjusted from ten (10) cents per \$100 of value to six (6) cents per \$100 of value. While we are confident this adjustment is in the best interest of our community, we must also acknowledge that the overall financial landscape requires us to look for ways to boost revenue streams in the future to maintain and enhance our services.



As we continue to manage these challenges with prudence and foresight, we are optimistic that our collective efforts will keep Kitty Hawk on a successful path.

**Budget Highlights:**

- Townwide tax rate of twenty (20) cents per \$100 of value
- Townwide Beach Nourishment tax rate of two (2) cents per \$100 of value



- Municipal Service District tax rate of six (6) cents per \$100 of value
- Utilizes no unrestricted fund balance to balance operating expenditures
- Includes a 3% pay plan adjustment and an additional one-step pay increase for all staff
- Adds two full-time sworn Police Officers
- Change in Health Insurance Broker and provider leaves the cost of the Town Health Insurance plan flat. Maintaining the employee contribution rate to keep employee premiums flat
- Replace roof and paint exterior siding on the Beach Medical and Bear Drug side of Town Building located at 5200 N. Croatan HWY
- Authorizes an additional Ocean Rescue Stand on the beach south of Bleriot Street
- Adding 2 vehicles and replacing 4 vehicles for Police and Fire
- Purchase of replacement playground equipment
- Capital reserve funding for financial software, future firetrucks and equipment

## TOWN PROJECTS

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### Police Station Building Project

Acquiring the former Regional Medical Center located at 5200 N. Croatan Highway in 2022 was a wise financial decision for the Town. The southern portion of the building is fully leased, generating rental income for the Town. We are pleased to have Beach Medical and Bear Drugs as our tenants, as they provide essential services to our residents and visitors.

The northern end of the property will be the site of the Town's new Police Station, which we expect to occupy by the end of fiscal year 2025. The renovated facility is designed to meet the needs of a modern Police Department. It will include dedicated areas for evidence, drugs and gun storage, ample records storage, a training and emergency command center, as well as a workout facility for officers.

The project bid was \$3,540,000, which covers 8,140 square feet of renovations, a 940 square foot addition, and a 125 kW diesel generator. Additionally, the Town has established a contingency fund and allocated resources for furniture, fixtures, security and camera systems, as well as special agent inspections. The funds for this project have come from the Town's fund balance.



The original timeline for the project estimated that completion would take 270 days. However, due to unforeseen issues, an additional 75 days will now be required. Fortunately, the project has remained within budget. Once finished, the station will stand as a visible symbol of the town's commitment to public safety for both our community and visitors passing through the area.

### Multi-Use Path

In FY 2025, the Town entered into an agreement with the North Carolina Department of Transportation (NCDOT) to construct a multi-use path along the west side of Highway 158. Initially, the 4-mile path was projected to cost \$1,600,000, with the Town's portion set at 20% of the total. However, as the design process progressed, it became evident that the total cost of the project had been significantly underestimated, with the current estimate rising to \$7,200,000. As a result, the Town's portion of the cost increased from \$320,000 to \$1,440,000.

After careful consideration, the Town Council decided it was in the best interest of the community to proceed with the project, appropriating an additional \$1,220,000. The Council strongly believes that this project is invaluable for public safety and will serve as a wonderful asset to the community. Furthermore, it aligns with the requests of our citizens outlined in the updated Land Use Plan. We anticipate that the project will commence in the fall of 2025.

## OTHER TOWN PRIORITIES

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### Mission Focused

The Town of Kitty Hawk has worked diligently to assemble an exceptional and productive team, dedicated alongside our Council to fulfill the Town's Mission, Vision, and Values. Together, we confront challenges, achieve new milestones, and lay a foundation for a brighter future. Our focus is on our residents and visitors, providing opportunities for community involvement while continuously enhancing the quality of life in Kitty Hawk. We are committed to preserving the Town's history, responsibly managing our resources, and protecting our natural environment.

One of our main challenges and goals this fiscal year is to align Town practices, ordinances, and policies with contemporary standards.

### Personnel

The Fiscal Year 2026 Budget prioritizes the Town's most valuable asset: our staff. To attract and retain exceptional team members, we focus on maintaining competitive pay, recognizing outstanding performance, and offering training and professional development opportunities. Additionally, we provide a comprehensive benefits package and foster a culture centered on



employee well-being, growth, and development. These initiatives are essential for fulfilling the Town's mission and supporting our community.

This budget funds a three percent adjustment for all pay ranges and an additional one-step increase within grade for all staff as well as up to 2% performance merit pay.

The Town will continue to support training initiatives for all departments, townwide training programs, and supervisory management development.

The Town's Police Department has experienced a high turnover rate since 2013. While this issue is not unique to Kitty Hawk, the costs associated with recruiting, outfitting, and training new officers are very high. Additionally, having officers who are overworked and working alone is neither safe for our officers nor supportive of our community.

The Town Council has encouraged Town Staff to be proactive and supported Town Police and Human Resources staff, in revising the recruitment process. These dedicated efforts resulted in the screening of 114 applicants, interviews with 15 candidates, and the hiring of two lateral transfer officers and four Police Officer Trainees, who are currently attending Basic Law Enforcement Training at the College of the Albemarle. At this time, the department is fully staffed.

Furthermore, the Council approved a pay range adjustment that brought the Town's pay ranges into the competitive market and retention bonuses for all current officers serving the Town.

The budget includes funding for two additional sworn police officer positions. The police department has faced challenges for many years in providing adequate community coverage under the current staffing model. Shift vacancies arise due to officer turnover, court appearances, training, vacation, and sick leave. Even with a fully staffed team, it is impossible to cover all open shifts. The two new officers will have flexible schedules and will be able to step in as needed to address specific policing tasks and respond to community needs.

For the second consecutive year, the Town has experienced unusually high health insurance claims utilization during the current fiscal year. This trend has resulted in a double-digit increase in health insurance premiums. In response, we have decided to change brokers and join a Health Insurance pool. This change is advantageous because it combines our small group with 29 other government entities, totaling 15,000 members. This larger group provides a buffer against the impact of significant claims. Additionally, we can maintain the same high-deductible plan design. The Town has also decided to keep dependent premiums unchanged for the upcoming fiscal year.

### Community Engagement

The 2024-25 fiscal year budget launched the Town's first-ever Community Engagement initiative, designed to foster connection, pride, and participation among residents through inclusive, family-friendly events and activities. To continue to build on the programming established with last year's budget, the proposed 2025-26 fiscal year budget includes the same funding of \$10,000.



The following four programs represent a diverse mix of seasonal, recreational, and service-oriented gatherings that reflect the town's values and community spirit.

- **Outdoor Movie Night:** This event will feature a free, public screening of a family-friendly movie in a central outdoor location, complete with a rented movie screen, sound system, public performance rights, and promotional materials. Budget also includes logistical support.
- **Santa Motorcade:** A festive, townwide motorcade will bring seasonal joy to neighborhoods through decorated vehicles, music, and appearances by holiday characters. This event is designed to be mobile, accessible, and celebratory for all ages.
- **Biannual Community Trash Clean-Ups:** These two community clean-up days, held in spring and fall, will encourage civic pride and environmental stewardship. The funds will provide necessary materials, promotional support, and volunteer recognition.
- **Police Department Open House:** To welcome residents into the new Police Department building, this open house event will promote transparency, community-police relationships, and public education.

These events are designed to create meaningful connections between residents and their local government while cultivating a greater sense of belonging, civic pride, and collaboration. In addition to events, the budget includes software upgrades and funds for print campaigns to help educate residents on community programs and emergency communications. The \$10,000 in Community Engagement funding represents a strategic investment in the town's long-term social fabric, with the potential to build enduring traditions and increase resident participation in public life.

### Ocean Rescue

The Town is continually evaluating its Ocean Rescue program, focusing on resource utilization and service quality. To attract and retain qualified staff, the Town began recruitment early this year, ensuring that personnel were in place before spring. To maintain competitiveness, starting pay has been increased, and we continue to offer incentives for those who sign on early and complete the season, further enhancing our recruitment efforts. Moreover, the Town-provided housing has significantly helped in recruiting lifeguards.

To bolster the safety of our beachgoers this season, the Town Council has decided to place an additional Ocean Rescue Stand on the beach south of Bleriot Street.



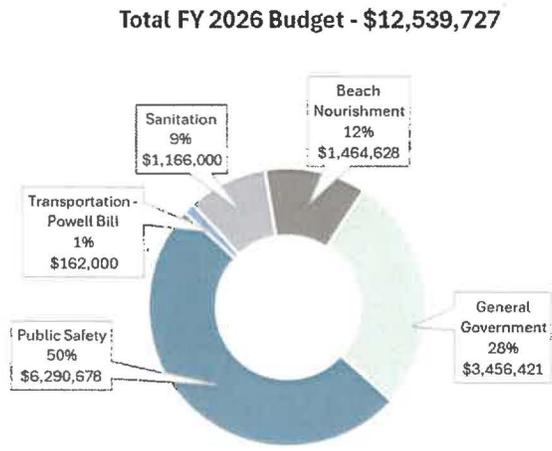
**FISCAL YEAR 2025 BUDGET OVERVIEW**

**TOWN GENERAL FUND**

The Town's General Fund supports essential services through five key functional categories:

1. **General Government – \$3,456,421**  
This category includes administrative functions such as the Town Council, Town Manager, Finance, Legal, and Human Resources. These departments ensure effective governance and day-to-day operations.
2. **Public Safety – \$6,290,678**  
Funding supports Police, Fire, and Emergency Services, prioritizing the safety and security of our residents and visitors.
3. **Transportation (Powell Bill) – \$162,000**  
These funds are dedicated to maintaining and repairing town streets and sidewalks, helping ensure safe and accessible transportation infrastructure.
4. **Sanitation – \$1,166,000**  
This includes waste collection, recycling services, and debris removal, helping to maintain public health and community cleanliness.
5. **Beach Nourishment – \$1,464,628**  
Funds support coastal protection efforts, including sand replenishment and shoreline maintenance, preserving our beaches for future generations.

Together, these investments reflect our continued commitment to providing high-quality services and maintaining a vibrant, safe, and sustainable community.





### Beach Renourishment Fund

According to North Carolina General Statutes, funds collected and spent for the Beach Nourishment project must be accounted for as part of the Town's General Fund. The initial Beach Nourishment project was completed in 2017, followed by the first renourishment project in 2022. Since these projects were completed, both the Town and property owners have continued to benefit from the stability they provide. The Municipal Service District and the townwide dedication are expected to remain in place to fund future beach renourishment projects.

The budget allocates two cents of the townwide tax rate of twenty-two (22) cents specifically for the beach renourishment project. Properties situated in the Municipal Service District will continue to pay an additional six (6) cents, which is exclusively designated for expenditures related to beach renourishment. The Fiscal Year 2026 budget includes a transfer of \$217,959 to this fund.

### Capital Reserve Overview

The Capital reserve consists of funds that have been set aside in previous budget years for specific future capital purchases. These reserves are "banked" funds and can be utilized when needed to fund capital projects. The most significant item in the capital reserve is the money collected and set aside for beach renourishment.

### ***Capital Outlay Expenditures and Funding***

This budget continues to plan for critical capital purchases that account for \$1,176,073.91 of total budget expenditures. These expenditures include current-year purchases of \$680,860.00 and future reserve funding of \$495,213.91.

The capital purchases included in the Fiscal Year 2026 budget consist of the following:

#### **Capital Purchases in Fiscal Year 2026**

- Building Roof Repair - \$100,000
- Replacement Playground Equipment - \$50,000
- Police Vehicle and Equipment Replacement (5) - \$333,860
- Police Equipment - \$40,500
- Fire Vehicle Replacement and Equipment - \$60,000
- Fire Bunker Gear Replacement - \$45,000
- Fire Equipment/Radios - \$31,500
- Street Resurfacing (Powell Bill Funds) - \$172,000
- Ocean Rescue UTV Purchase - \$20,000



**Fiscal Year 2026 Capital Reserve Funding \$493,959.00 (Funds being set aside for future years):**

- IT Equipment Replacement and Development - \$20,000
- Finance Software Upgrade - \$10,000
- HVAC Replacement – Fire Station - \$10,000
- Caterpillar Backhoe Replacement - \$8,000
- Rehab Fire House Galley - \$5,000
- Land Use Plan Update - \$3,000
- Police In Car Radios - \$20,000
- Fire Truck Replacement - \$200,000
- Storm Damage Reduction - \$217,959

The current chart summarizes the Capital reserve available for future projects:

CAPITAL RESERVE FUND BALANCE						
RESERVE FUND -21						
DEPARTMENT	PROJECT DESCRIPTION	Actual FY 23-24	Projected FY 24-25	FISCAL YEAR 2025-2026		
				Transfer In	Transfer Out	Ending Balance
4100	IT Equipment Replacement & Development	49,071	33,471	20,000		53,471
4100	Phone System Replacement	13,000	13,000			13,000
4130	Finance Software Upgrades	-	-	10,000		10,000
4270	Board Walks and Dock Repairs	94,000	104,000		-	104,000
4270	Town Park & Recreation Develop.	174,735	174,735		-	174,735
4270	HVAC Replacement at Fire Station	15,000	12,400	10,000	-	22,400
4270	Caterpillar Backhoe replacement	31,000	39,000	8,000	-	47,000
4270	Upgrade Public Works Building	25,000	50,000		-	50,000
4270	Dump Trailer Replacement	10,000	10,000			10,000
4270	Rehab Fire House Galley		15,000	5,000		20,000
4310	Police in car- radios	12,000	32,000	20,000	-	52,000
4340	Fire Truck & Equipment	200,000	575,827	200,000	-	775,827
4340	800 mhz- Radio Replacements	6,500	6,500		(6,500)	-
4410	Storm Damage/Beach Nourishment	3,123,074	3,373,374	217,959	(140,399)	3,451,333
4910	Land Use Plan Update	3,000	6,000	3,000	-	9,000
<b>Total</b>		<b>3,756,380</b>	<b>4,445,307</b>	<b>493,959</b>	<b>(146,500)</b>	<b>4,792,766</b>

**Financial Stability**

The Fiscal Year 2026 budget maintains the Emergency Fund in the amount of \$3,500,000 in accordance with the Council fund balance policy. The Fiscal Year 2026 budget does not utilize any of the Town’s unrestricted fund balance for operating expenditures.



## **Conclusion**

This document serves as the culmination of several months of diligent effort contributed by our Town Council and dedicated staff. It offers a comprehensive analysis of our revenue projections and expenditures, derived from an extensive review of our operational activities. Additionally, it outlines the ongoing projects and initiatives aimed at enhancing the future well-being of our citizens and the community at large.

I would like to take this moment to extend my sincere appreciation to our staff and to the Town Council for their invaluable time, insights, and contributions throughout the budget discussions and processes.

The Town stands strong in its financial position and is committed to managing resources responsibly. Together, we are excited to elevate our services for citizens in the upcoming fiscal year.

Respectfully,

*Melody C. Clopton*

Melody C. Clopton  
Town Manager, Town of Kitty Hawk



**Town of Kitty Hawk  
FY 2025-2026 Budget Ordinance No. 25-02**

**BE ORDAINED** by the Town Council of the Town of Kitty Hawk, North Carolina, that:

**GENERAL FUND BUDGET**

**ESTIMATED GENERAL FUND REVENUES:** It is estimated that the following General Fund Revenues will be available during the fiscal year beginning July 1, 2025, and ending June 30, 2026, to meet appropriations approved by the Town Council herein:

Source	Amount
Ad Valorem Tax (20 cents)	\$4,952,317
Ad Valorem Tax (2 cents) Beach Nourishment Town Wide	\$494,984
Ad Valorem Tax MSD (6 cents) Beach Nourishment	\$566,046
Prior Years Taxes	\$10,000
Penalties/Interest	\$6,000
Motor Vehicle Tax (20 cents)	\$174,426
Motor Vehicle Tax (2 cents) Beach Nourishment Town Wide	\$17,434
Motor Vehicle Tax (6 cents) MSD	\$10,300
Local Option Sales Tax	\$1,871,064
Local Option Sales Tax – BN & MSD	\$219,214
Land Transfer Tax	\$480,000
Occupancy Tax	\$2,033,259
Beer and Wine Tax	\$20,000
Telecom Tax	\$14,800
Electric Utility Tax	\$512,799
Cable Franchise Tax	\$65,000
Piped Natural Gas Tax	\$3,000
PEG Channel Tax	\$25,600
Solid Waste Disposal Tax	\$2,900
Mixed Beverage Tax (ABC)	\$88,000
Building Permits	\$,000
Homeowner Recovery Fee	\$191,000
CAMA Permits	\$3,500
Planning Permits and Fees	\$17,000
Board of Adjustment Fees	\$100
Site Plan Reviews	\$100
Sanitation Fees (Garbage Carts)	\$10,000
Dept of Justice Asset Forfeiture Program	\$0
Powell Bill Allocation	\$144,263
NCDOR Unauthorized Sub-Tax Distribution	\$3,000
Dare County Sand Fencing	\$24,000



Source	Amount
Dare County Payment to Obligation Bonds	\$150,950
County Court Fees	\$1,500
Code Enforcement Fines and Parking Violations	\$1,500
Fines and Forfeitures	\$500
Interest Earnings	\$75,934
Town Merchandise Sales	\$500
General Donations	\$8,000
Building Rentals	\$165,237
Sale of Surplus Property	\$10,000
Miscellaneous Revenue	\$15,000
Icarus International	\$3,000
Transfer in from Capital Reserve Beach Nourishment	\$140,000
Transfer in from Capital Reserve Radios	6,500
<b>Total</b>	<b>\$12,539,727</b>

**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, 2025, and ending June 30, 2026.

Function	Budget
General Government	\$3,456,421
Public Safety	\$6,290,678
Transportation – Powell Bill	\$162,000
Sanitation	\$1,166,000
Beach Nourishment	\$1,464,628
<b>Total</b>	<b>\$12,539,727</b>



### Capital Reserve Fund Budget

**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, 2025, and ending June 30, 2026, to meet appropriations approved by the Town Council herein.

Function	Budget
Transfer in from the General Fund for Future Capital	\$276,000
Transfer in from the General Fund Excess Beach Nourishment	\$217,959
<b>Total</b>	<b>\$493,959</b>

**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, 2025, and ending June 30, 2026

Function	Budget
Reserves	\$493,959
<b>Total</b>	<b>\$493,959</b>



**2025 REAL PROPERTY REAPPRAISAL**

The January 2025 Dare County revaluation of real properties produced a tax base of \$2,485,609,090 for the Town of Kitty Hawk. Using the formula mandated by North Carolina General Statue 159-11(e), the revenue-neutral tax rate for the Town of Kitty Hawk is nineteen (19) cents. The real property tax base within the Municipal Service District (MSD) is \$950,061,120. The revenue-neutral tax rate for the Municipal Service District (MSD) is six (6) cents. State law requires that in the year in which a general reappraisal of real property has been conducted, a revenue-neutral property tax rate statement shall be included in the budget.

**ESTABLISHED TAX RATES**

The following tax rates have been adopted for the Town. They are expressed in cents per \$100 of assessed value and will be used to calculate the respective tax levies for the 2025 tax year. The rates apply to all real estate, personal property, corporate utilities, and registered motor vehicles:

- The Townwide Ad Valorem tax rate is twenty (20) cents
- The Townwide Beach Nourishment tax rate is two (2) cents
- The Municipal Service District (MSD) tax rate is six (6) cents

The Townwide Beach Nourishment and Municipal Service District taxes are restricted to beach nourishment purposes, including debt payment on bonds issued for beach nourishment projects.

Tax	Value	Tax rate	Levy	Collection rate	Budgeted Levy
Townwide Ad Valorem	2,485,609,090	0.20	4,973,704	99.57%	4,952,317
Townwide Beach Nourishment	2,485,609,090	0.02	497,122	99.57%	494,984
Municipal Service District	950,061,120	0.06	570,037	99.30%	566,046

A penny of townwide Property Tax is projected to generate approximately \$248,674.  
 A penny of the Municipal Service District Tax is projected to generate approximately \$95,006.

The following tax rates per hundred-dollar valuation and collection levied on all vehicles in the Town of Kitty Hawk as levied by the North Carolina Department of Revenue throughout the fiscal year ending June 30, 2026:

Tax	Value	Tax rate	Levy	Collection rate	Budgeted Levy
Townwide Motor Vehicle	87,169,387	0.20	174,426	100%	174,426
Townwide Beach N. Motor Vehicle	87,169,387	0.02	17,434	100%	17,434
Municipal Service District Motor Vehicle	11,763,026	0.06	7,058	100%	10,300



Budgeted tax levies are based on the certified collection rates for the fiscal year ending June 30, 2024.

### **ENCUMBERED OPERATING FUNDS REAPPROPRIATED**

The operating funds encumbered on the financial records as of June 30, 2025, are hereby re-appropriated to this budget.

### **BUDGET OFFICER AUTHORIZATION**

The Town Manager is the Budget Officer, authorized to transfer amounts between objects of expenditure not adopted in the Capital Improvements Program (CIP) within a department without limitation, and a report is requested. The Budget Officer is authorized to reallocate appropriations between departments among the various objects of expenditures as necessary. Such changes should be reported to the Town Council at the next regular meeting or in the following monthly budget transfer report.

In case of an emergency threatening the public's lives, health, and safety, the Town Manager may execute contractual documents and authorize expenditures in the amount necessary to meet the emergency, so long as such an amount does not exceed the amount in contingency nor exceed \$50,000. The spending is reported to the Town Council as soon as possible, and the appropriate budget amendments are submitted at the next regular meeting.

### **AUTHORIZATION TO EXECUTE CONTRACTUAL DOCUMENTS**

The Town Manager, or in their absence, their designated representative, is hereby authorized to execute contractual documents under the following conditions:

The Town manager may execute contracts for:

- a. Purchases of apparatus, supplies, materials, and equipment which are within budgeted departmental appropriations, where a formal bid is not required.
- b. Leases of personal property for one year or less which are within budgeted departmental appropriations.
- c. Services and service contracts which are within budgeted departmental appropriations
- d. Formal bids involving purchase contracts, including rejecting bids and re-advertising to receive bids. This delegation cannot be applied to construction or repair contracts.
- e. Contracts for design consultant services, where consultant fees are estimated to be less than \$50,000.
- f. Contracts for construction and repair projects that do not require formal competitive bid procedures.



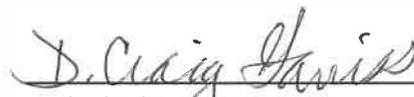
The Town manager may execute change orders or amendments to construction contracts for up to \$50,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but encumbered funds.

#### **UTILIZATION OF THE BUDGET AND BUDGET ORDINANCE**

This ordinance and the budget document shall be the basis of the financial plan for the Town of Kitty Hawk during the Fiscal Year 2025-2026. The Budget Officer shall administer the budget and ensure that operating officials are provided with guidance and sufficient details to implement their appropriate budget portion.

Copies of the FY 2025-2026 Budget shall be furnished to the Town Council members, Town Manager, Town Finance Director, 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 on this 2nd day of June 2025.

  
\_\_\_\_\_  
D. Craig Garriss, Mayor

  
\_\_\_\_\_  
Lauren Fox Garrett  
Town Clerk/Public Information Officer





**Capital Project Ordinance Fund 41  
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 adopted initially on September 6<sup>th</sup> of 2022, and amended on May 1<sup>st</sup>, 2023, May 6<sup>th</sup>, 2024, and August 5<sup>th</sup>, 2024 is hereby amended as follows:

**Section 1:** The project authorized is remodeling the property located at 5200 N. Croatan Highway for the relocation of the Police Department. The project is to be funded by various sources. The project life is estimated to be through July 2025; it can be amended from time to time throughout the project as deemed necessary by the Town.

**Section 2:** The authorized officers of the Town are hereby directed to proceed with the capital project within the appropriate amounts and utilizing the proposed funding sources named directly below.

**Section 3:** The following amounts are appropriated for the project:

Maintenance and Repairs Building	\$236,481
Pre-Construction Schematic Design	\$49,872
Design and Construction Management	\$354,679
Special Agent Inspections	\$32,574
Capital Outlay Land Purchase	\$4,107,622
Capital Outlay Equipment (Security System)	\$159,079
Capital Outlay Equipment (Furniture)	241,662
Capital Outlay Building Remodeling	\$3,540,000
<u>Budgetary Contingency</u>	<u>212,400</u>
<b>Total Appropriations Expenses</b>	<b>\$8,934,369</b>

**Section 4:** The following revenues and funding sources are available to complete this project:

Transfer from Capital Reserve Fund designated for Police	\$1,203,583
Transfer from Capital Project Fund 40	\$2,620,274
<u>Transfer from General Fund</u>	<u>\$5,110,512</u>
<b>Total Estimated Revenues</b>	<b>\$8,934,369</b>

**Section 5:** The Finance Director is directed to report quarterly on the financial status of each project element in Section 3 and the total revenues received or claimed.



**Ordinance No. 24-12**

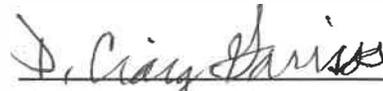
**Section 6:** The Finance Director is directed to include a detailed analysis of past and future costs and revenues on this capital project in every budget submission to this Council.

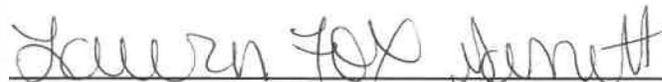
**Section 7:** The Town Manager, with the appropriate staff input, may execute change orders or contract amendments in amounts up to \$50,000 when the capital project ordinance contains a project contingency or available budget from other project line items.

**Section 8:** The Town Manager will report to the Council if and how the additional \$30,000 requested for furniture not included in the bid package is used.

**Section 9:** Copies of this capital project ordinance shall be furnished to the Clerk, the Governing Board, and the Finance Director for direction in this project.

Adopted by the Kitty Hawk Town Council on this 6<sup>th</sup> day of January 2025.

  
D. Craig Garriss, Mayor

  
Lauren Fox Garrett, Town Clerk & Public Information Officer





**Budget Calendar  
FY 2025-2026**

2025	Calendar Item
February, 2025	Budget Work Sessions with Department Heads
March & April 2025	Budget Work Sessions with Council
May 5, 2025	Town Manager files proposed Budget with Town Clerk
June 2, 2025	Council Holds Public Hearing on Proposed Budget and adoption of FY 2025-2026 Budget Ordinance
July 1, 2025	Approved FY 2025-2026 budget becomes effective
<p>For information regarding meeting times and locations, visit <a href="http://www.townofkittyhawk.org">www.townofkittyhawk.org</a></p>	

The Town's budget is adopted by ordinance in accordance with the North Carolina Local Government Budget and 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 no later than July 1 of each year. The budget ordinance covers a fiscal year that begins on July 1 and ends on June 30 of the following year. State law requires that the budget be balanced, meaning that the total estimated revenues and appropriated fund balances must equal the total appropriations. The budget is developed using the modified accrual basis of accounting.

According to General Statute Chapter 159, Department Heads are required to submit their budget requests to the designated budget officer along with a list of anticipated expenditures by April 30 of each year. The budget officer then compiles all the department requests to create a balanced budget. Once the fiscal year begins, staff members prepare monthly reports that compare budgeted revenues and expenditures to the actual amounts. Management uses these reports to monitor spending and plan for the following year's budget.

**Budget Amendments**

Expenses or transfers that exceed appropriations throughout the year must be approved in advance by the Council. These approvals are formally recognized by the Town Council through budget amendments. The budget is prepared on a line-item basis, and compliance with the budget is monitored at the Department level.



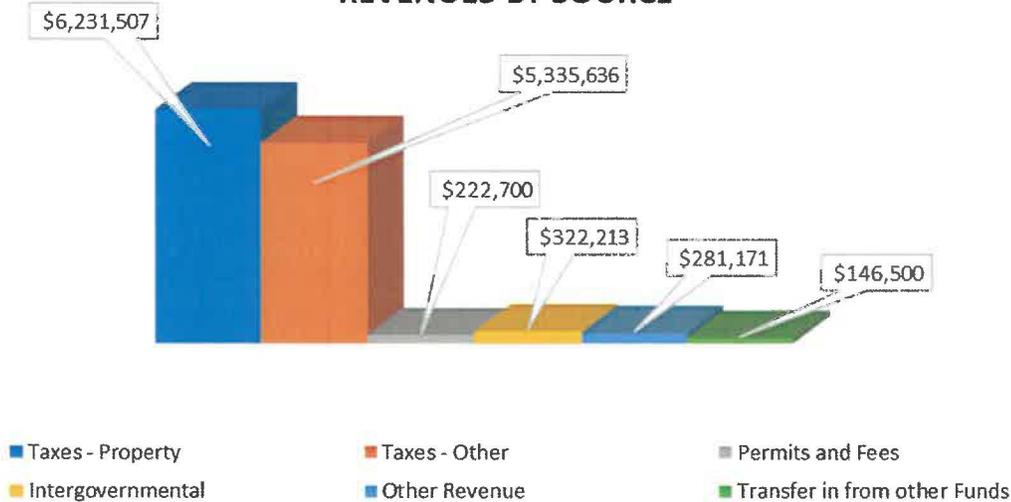
## General Fund Revenue Summary

### Summary of General Fund Revenues by Category

#### Percentage of Revenues by Source

REVENUES CLASIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised Budget FY 24/25	ESTIMATED 6/30/2025	BUDGET proposed FY 25/26	% Total Revenues
Taxes- Property	5,118,146	5,209,731	5,224,670	5,230,928	6,231,507	49.69%
Taxes- other	5,477,390	5,542,569	5,534,897	5,090,504	5,335,636	42.55%
Permits and Fees	261,602	192,754	204,050	219,668	222,700	1.78%
Intergovernmental	592,962	369,902	347,872	378,178	322,213	2.57%
Fines and Forfeits	4,233	3,154	3,500	3,148	3,500	0.03%
Interest Earnings	451,702	668,627	159,724	454,000	75,934	0.61%
Other Revenue	160,536	224,957	215,987	221,083	201,737	1.61%
Fund Balance Appropriated	-	-	1,894,019	0	-	
Fund Balance Appropriated Powell Bill	-	-	-	0	0	0.00%
Transfer in From Capital Reserve Fund	97,735	349,000	278,200	249,801	146,500	1.17%
Transfer In from Special Revenue Fund	1,138,069	-	-	0	-	
<b>Total Revenues</b>	<b>13,302,374</b>	<b>12,560,695</b>	<b>13,862,919</b>	<b>11,847,311</b>	<b>12,539,727</b>	<b>100.00%</b>

#### REVENUES BY SOURCE



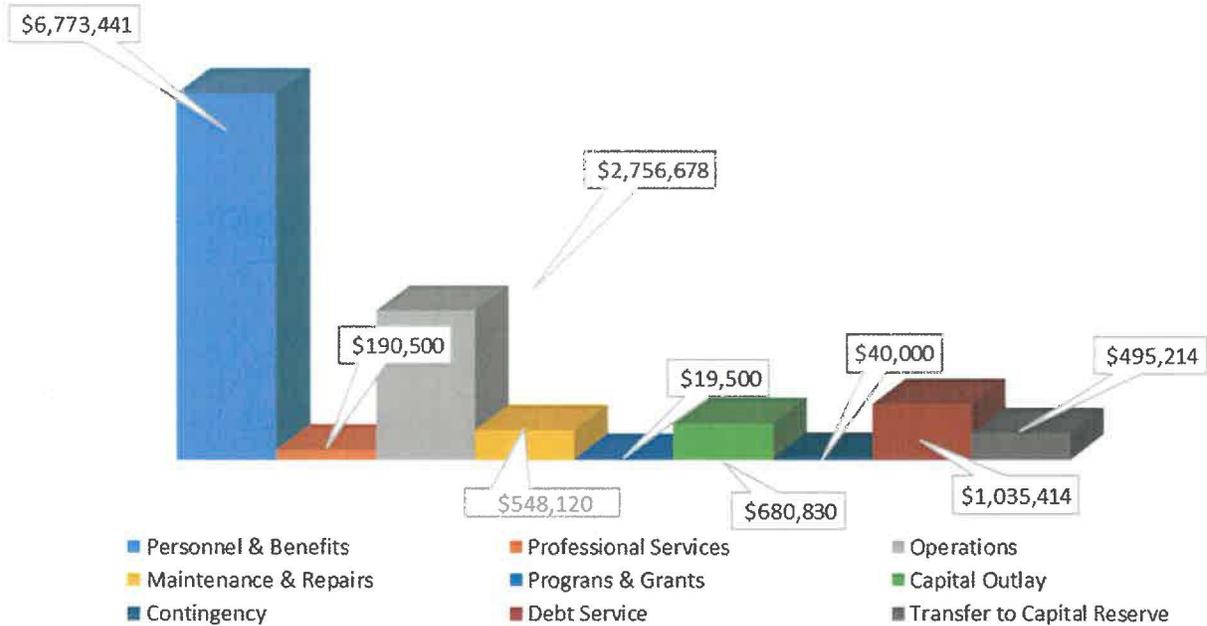


## General Fund Expense Summary

### Summary of General Fund Expenditures by Category

EXPENDITURES BY CATEGORIES	Percentage of Expenditures by Function					
	ACTUAL FY 22/23	ACTUAL FY 23/24	Amended Budget FY 24/25	Estimated Actual FY 24/25	Proposed Budget FY 25/26	% of Total Expenses
Personnel & Benefits	4,932,530	5,272,328	6,265,441	5,739,928	6,773,441	54.02%
Professional Services	117,757	159,055	188,900	147,955	190,500	1.52%
Operations	2,474,627	2,513,570	2,970,715	2,763,047	2,756,678	21.98%
Maintenance and Repairs	555,796	500,087	459,282	395,762	548,120	4.37%
Programs and Grants	2,667	34,853	34,340	6,035	19,500	0.16%
Capital Outlay	578,381	764,863	1,963,646	1,754,510	680,860	5.43%
Contingency	-	-	27,063	0	40,000	
Debt Service	1,098,068	1,077,183	1,056,298	1,056,298	1,035,414	8.26%
Transfer Out to Capital Reserve	5,966,501	1,003,524	897,234	894,234	495,214	3.95%
<b>Total Expenditures</b>	<b>15,726,329</b>	<b>11,325,464</b>	<b>13,862,919</b>	<b>12,757,769</b>	<b>12,539,727</b>	<b>100%</b>

### EXPENDITURES BY FUNCTION





## Revenue Sources and Trends

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

### Property Tax

The proposed property tax, budgeted at \$6,231,507, is the town's largest revenue source, accounting for 48.08% of general fund revenues. The property tax is calculated according to the gross taxable value assessment certified by the Dare County Tax Office, which is based on the Town's property tax rate.

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 the Council after the Property Appraiser certifies the gross taxable value. The proposed budget uses the tax rate of twenty-two (22) cents per \$100 of property valuation townwide and budgets based on a 99.57% collection rate. Of the twenty-two (22) cent property tax, two (2) cents of this tax rate are specifically dedicated to the beach nourishment fund. Residents within the beach nourishment Municipal Service District also pay six (6) cents in addition to the townwide property tax of twenty-two (22) cents per \$100 of property valuation.

A penny of the property tax rate, townwide, is projected to generate approximately \$248,674, and a penny of the Municipal Service District is projected to generate roughly \$95,006. The Town receives a significant 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 the heart of the Town's financing and is heavily affected by property values and new construction. The January 2025 Dare County revaluation of real properties produced a tax base of \$2,485,609,090, and the revenue-neutral tax rate was calculated at nineteen (19) cents. For the Municipal Service District, the property tax base produced is \$950,061,120, and the neutral revenue tax rate was calculated at six (6) cents. Dare County has scheduled the next tax revaluation in 5 years.

### Motor Vehicle Tax

North Carolina residents must 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 \$202,160 for FY 2025-2026, representing 1.61% of the General Fund Revenues.



### **Local Option Sales Tax**

The State of North Carolina implements a 6.75% sales tax rate on all qualifying sales within Dare County. Two (2%) percent of this sales tax is 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 are distributed utilizing the Ad Valorem Distribution formula. Using 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 significant tax increase of one unit in one year may distort the following 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. They may even be lower than the previous year.

The local option sales tax and occupancy tax are the second-largest revenue sources. The sales tax will generate an estimated \$2,090,278, representing 16.67% of General Fund Revenues.

### **Occupancy Tax**

Dare County collects a six percent tax (6%) on gross receipts from rental rooms, lodging, campsites, or similar accommodations furnished by any hotel, motel, inn, including private residences and cottages rented to transients. Half of the 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 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 to fund beach nourishment (2% tax) and (1% tax), promoting tourism in Dare County.

The Occupancy Tax will generate an estimated \$2,033,259, representing 16.21% 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 particular interests in real property. The tax imposed is \$1 per \$100 or fraction thereof the total consideration of the value of the interest conveyed. Currently, the County receives 65% of the proceeds while the Towns receive 35% in proportion to the ad valorem taxes each town levied for the preceding fiscal year.



The Land Transfer Tax fluctuates based on the housing market environment. After the recent revaluation, the housing market is predicted to remain stable; this tax is expected to stay consistent.

The Land Transfer Tax will generate an estimated \$480,000, representing 3.83% 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 where 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.

The Electric Utility Tax will generate an estimated \$512,799, representing 4.09% of General Fund Revenues.

#### **Building Permits**

The Town of Kitty Hawk requires permits for new construction, additions to pre-existing structures, and other renovations for properties within the Town limits. The fees generated from the building permits provide the resources for the building department to inspect and ensure compliance with national, regional, and local building codes.

Building Permits revenues will generate an estimated \$191,000, representing 1.59% of General Fund Revenues.

#### **Powell Bill**

The Powell Bill Funds come 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 is 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 used primarily for resurfacing streets within the corporate limits of the municipality. Still, they may also be used for maintaining, repairing, constructing, reconstructing, or widening any street or public thoroughfare within the municipal limits or for planning, constructing, and maintaining bikeways, greenways, or sidewalks.

The funds generated are expected to remain consistent with the previous year's allocations because of slow population growth and no additional streets planned for construction.

Powell Bill revenues will generate an estimated \$144,263, representing 1.15% of General Fund Revenues.



### **Grants**

The Town of Kitty Hawk has proactively relieved residents' financial burdens for particular projects and programs when grant funding is available through other governmental agencies. The Town will actively pursue grant funding; however, in many instances, these grants are applied for during the fiscal year, and as they become available.

Grant funding anticipated in advance of the fiscal year will generate an estimated \$24,000 from Dare County for the Sand Fencing project. The Town expects this revenue to increase as grants are applied for and awarded throughout the year.

### **Interest Earnings on Investments**

The Town has legal limitations on investments allowed under NC General Statute 159-30; however, it does make investments to maximize the return of available funds. The Town has experienced very high interest rate returns over the past few years because of the Federal Treasury rates; it's expected to change moving forward, and the interest earnings might not be as high as we have seen in the last three years. The Town is consistently analyzing the investment funds available through the North Carolina Capital Management Trust to maximize return on investments.

The interest earnings projected on investments are expected to generate an estimated \$75,934.

### **Office Rental**

The Town leases office space at the building located at 5200 N Croatan Hwy, and the revenues from the rent are expected to generate \$165,237.

### **Transfers from Capital Reserve and Fund Balance**

These revenues typically represent funds transferred into the current year's budget from Town reserves. These funds are usually 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 when the capital purchase is to be funded. In addition, funds may also be transferred from the Town Fund Balance to balance the budget.

The FY 2025-2026 budget identifies transfers of \$146,500 from the Capital Reserve.



## General Fund Revenue – Detailed

### General Fund Revenues- Detailed

#### GENERAL FUND - 10

ACCOUNT NUMBER	REVENUE SOURCE	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised Budget FY 24/25	Estimated 06/30/2025	BUDGET FY 25/26
<b>TAXES - PROPERTY</b>						
10-0000-3100-2024	Ad Valorem Tax (\$20 cents )	3,846,310	3,883,897	3,890,205	3,869,996	4,952,317
10-0000-3172-2024	Ad Valorem (\$2 cents)Beach N Town Wide	505,509	513,522	513,801	513,801	494,984
10-0000-3174-2024	Ad Valorem (\$6 cents ) MSD	538,950	548,133	552,521	552,487	566,046
10-0000-3100-0000	Ad Valorem Prior Years	-17,666	4,292	15,000	10,000	10,000
10-0000-3100-4170	Ad valorem and Vehicle Penalties ,Fees, Interest	4,943	4,045	6,000	5,000	6,000
10-0000-3280-4121	Motor Vehicle Tax (\$20 cents)	202,923	216,438	208,473	236,472	174,426
10-0000-3280-4123	Motor Vehicle Tax (\$2 cents)Beach N Town Wide	26,795	28,587	27,534	31,309	17,434
10-0000-3280-4125	Motor Vehicle Tax (\$6 cents ) MSD	10,382	10,817	11,136	11,863	10,300
	Subtotal	5,118,146	5,209,731	5,224,670	5,230,928	6,231,507
<b>TAXES - OTHER</b>						
10-0000-3230-0000	Local Option Sales Tax	1,873,410	1,899,513	1,955,670	1,883,854	1,871,064
10-0000-3230-0012	Local Option Sales Tax - BN MSD	225,649	227,601	234,330	0	219,214
10-0000-3245-0000	Land Transfer Tax	528,799	484,976	480,000	487,675	480,000
10-0000-3270-0000	Occupancy Tax	2,205,522	2,245,442	2,217,697	1,992,413	2,033,259
10-0000-3322-0000	Beer and Wine Tax	16,955	18,318	16,000	18,317	20,000
10-0000-3324-4001	Telecom Tax	14,836	14,010	14,800	13,513	14,800
10-0000-3324-4002	Electric Utility Tax	426,818	470,447	426,800	492,088	512,799
10-0000-3324-4003	Cable Franchise Tax	71,131	64,615	71,200	74,902	65,000
10-0000-3324-4004	Piped Natural Gas Tax	4,073	2,736	3,900	2,713	3,000
10-0000-3324-4005	PEG Channel	25,641	25,806	25,600	25,811	25,600
10-0000-3471-0000	Solid Waste Disposal Tax	3,016	2,934	2,900	2,900	2,900
10-0000-3837-0000	Mixed Beverage Tax (ABC)	81,540	86,170	86,000	96,318	88,000
	Subtotal	5,477,390	5,542,569	5,534,897	5,090,504	5,335,636
<b>PERMITS AND FEES</b>						
10-4910-3343-4010	Building Permits	230,485	160,581	175,000	176,191	191,000
10-4910-3343-4011	Homeowner Recovery Fee	1,580	1,285	1,265	1,380	1,000
10-4910-3343-4012	CAMA Permits	2,845	3,465	2,585	4,930	3,500
10-4910-3343-4013	Planning Permit and Fees	15,702	17,460	15,000	26,939	17,000
10-4990-3345-4020	Board of Adjustment Fees			100	0	100
10-4990-3345-4021	Site Plan Review Fees			100	0	100
10-0000-3470-0000	Sanitation Fees (Garbage Carts)	10,990	9,963	10,000	10,228	10,000
	Subtotal	261,602	192,754	204,050	219,668	222,700
<b>INTERGOVERNMENTAL</b>						
10-0000-3311-4091	Dept of Justice Asset Forfeiture Program	10,395	0	1,000	0	0
10-0000-3316-0000	Powell Bill Allocation (pass through)	119,297	131,725	131,724	144,263	144,263
10-0000-3317-4092	NCDOR Unauthorized Sub Tax Distribution	2,900	912	3,000	526	3,000
10-0000-3431-0000	Grants -Other	1,500	5,000	2,000	2,000	0
10-0000-3432-0000	Dare County - Sand Fencing (pass through)	24,000	10,919	24,000	3,324	24,000
10-0000-3496-0000	Grants- Dare County Tourism Board	-	-		41,917	-
10-0000-3623-0000	Federal Grant Revenue (pass through)	3,885	-		0	-
10-0000-3633-0000	State Grant Revenue (pass through)	174,440	-		0	-
10-4310-3431-0000	Gov. Crime Commission Grant (pass through)	-	-		0	-
10-4410-3333-0000	Dare County Payment to Obligation Bonds	256,545	221,346	186,148	186,148	150,950
	Subtotal	592,962	369,902	347,872	378,178	322,213



## General Fund Revenue – Detailed (Continued)

General Fund Revenues - Detailed						
GENERAL FUND - 10						
ACCOUNT NUMBER	REVENUE SOURCE	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised Budget FY 24/25	Estimated 06/30/2025	BUDGET FY 25/26
<b>FINES &amp; FORFEITS</b>						
10-0000-3330-0000	Dare County Court Fees	1,083	1,264	1,500	2,223	1,500
10-0000-3331-0000	Code Enforcement Fines & Parking Violations	1,750	1,690	1,500	825	1,500
10-0000-3332-0000	Fines and Forfeitures	1,400	200	500	100	500
	Subtotal	4,233	3,154	3,500	3,148	3,500
<b>INTEREST EARNINGS</b>						
10-0000-3831-1004	Interest on Investments	451,702	668,627	159,724	454,000	75,934
	Subtotal	451,702	668,627	159,724	454,000	75,934
<b>OTHER REVENUE</b>						
10-0000-3412-0000	Town Merchandise Sales	559	531	500	500	500
10-0000-3434-0000	General Donations	10,350	8,450	9,750	8,750	8,000
10-0000-3834-0000	Office Rental - Beach Medical & Bear Drugs	64,646	134,670	165,237	165,237	165,237
10-0000-3835-0000	Sale of Surplus Property	20,610	24,865	10,000	15,000	10,000
10-0000-3835-0002	Sale of Asset program 1033 Dept of Defense	7,925	-	-	-	-
10-0000-3839-0000	Miscellaneous Revenue	52,397	32,839	15,000	16,096	15,000
10-4270-3839-0110	Icarus International	4,050	23,603	15,500	15,500	3,000
	Subtotal	160,536	224,957	215,987	221,083	201,737
<b>FUND BALANCE</b>						
10-0000-3991-0000	Fund Balance-Appropriated	-	-	1,894,019	-	-
10-0000-3991-0000	Fund Balance Appropriated-Powell Bill	-	-	-	-	-
	Subtotal	-	-	1,894,019	-	-
<b>TRANSFER IN FROM CAPITAL RESERVE</b>						
10-0000-3900-0000	Phone System Replacement	22,000			-	
10-0000-3900-0000	Fire Station replace A/C unit			12,600	12,600	-
10-0000-3900-0000	800mhz Radio replacement				-	6,500
10-0000-3900-0000	Future Side Walk USA 158 payment to DOT		289,000			-
10-0000-3900-0000	Fire Truck	55,735				-
10-0000-3900-0000	IT - Fire and Police Website updates			15,600	15,600	-
10-0000-3900-0000	Land Use Plan Update Reserve	20,000				-
10-0000-3900-0000	Document imaging		20,000			-
10-0000-3900-0000	Beach Nourishment (Kitty Hawk Rd acces)		40,000	250,000	221,601	140,000
	Subtotal	97,735	349,000	278,200	249,801	146,500
10-0000-3982-0000	<b>TRANSFER IN FROM SPECIAL REVENUE FUND</b>	1,138,069	-	-	-	-
	Subtotal	1,138,069	-	-	-	-
<b>TOTAL REVENUES</b>		<b>13,302,374</b>	<b>12,560,695</b>	<b>13,862,919</b>	<b>11,847,311</b>	<b>12,539,727</b>



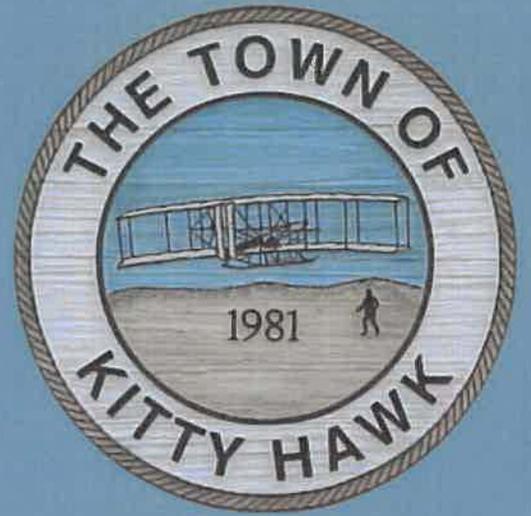
# NON-DEPARTMENTAL

## FY 2025-2026



**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4100**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>OPERATING</b>						
10-4100-5005-0000	PEG Government Channel (pass through)	26,600	26,765	27,000	26,974	25,600
10-4100-5006-0000	Tax Collection Fees to Dare County	57,942	58,405	58,353	58,262	75,000
10-4100-5007-0000	Collection Fees -NCVTS	7,644	7,891	9,045	6,775	8,000
10-4100-5220-0000	Employee Relations and Events	16,572	10,582	11,000	10,000	13,000
10-4100-5250-0000	Vehicle Supplies	450	104	300	100	400
10-4100-5299-0000	Departmental Supplies	9,457	17,986	4,000	3,985	4,000
10-4100-5310-0000	Travel and Training Development Town wide	177	26,184	15,000	13,000	16,489
10-4100-5321-0000	Telephone, Communications , Email	39,867	30,666	53,100	53,000	9,454
10-4100-5325-0000	Postage	-	-	300	0	0
10-4100-5330-0000	Utilities	4,440	4,837	4,500	5,367	5,000
10-4100-5340-0000	Printing	-	12	500	10	400
10-4100-5350-0000	Merchandise for sale					2,000
10-4100-5370-0000	Advertising	2,359	3,359	2,500	6,500	2,500
10-4100-5383-0000	IT Services	118,362	84,190	105,980	104,380	110,000
10-4100-5440-0000	Service & Maintenance Contracts	13,306	13,747	11,000	22,602	28,101
10-4100-5450-0000	Insurance & Bonding	250,466	288,645	319,000	297,567	319,000
10-4100-5451-0000	Employee Assistance Program	1,999	1,499	1,800	2,000	2,100
10-4100-5455-0000	Unemployment Compensation Contribution	-	3,231	4,000	3,231	4,000
10-4100-5456-0000	Fines and Forfeitures	417	200	400	200	200
10-4100-5491-0000	Dues & Subscriptions	2,873	3,902	8,000	7,456	10,608
	Subtotal	552,932	582,205	635,778	621,409	635,852
<b>MAINTENANCE &amp; REPAIRS</b>						
10-4100-5353-0000	Maintenance and Repairs - Vehicle	-	1,519	500	1,283	800
	Subtotal	0	1,519	500	1,283	800
<b>PROGRAMS AND GRANTS</b>						
10-4100-5090-0000	Grant - Gov. Education Access Channel	-	-	-	-	-
	Subtotal	-	-	-	-	-
<b>CONTINGENCY</b>						
10-4100-5991-0000	Budgetary Contingency	-	-	27,063	-	38,000
	Subtotal	-	-	27,063	-	38,000
<b>CAPITAL OUTLAY</b>						
10-4100-5540-0000	Capital Outlay Vehicles	43,059			-	
10-4100-5550-0000	Capital Outlay Equipment	104,599			-	
10-4100-5570-0000	Capital Outlay Land Purchase		800		-	
	Subtotal	147,658	800	-	-	-
<b>TRANSFER TO CAPITAL RESERVE</b>						
10-4100-5921-0000	IT Equipment Replacement & Development	-	-	-	-	20,000
	Subtotal	-	-	-	-	20,000
<b>TOTAL NON-DEPARTMENTAL EXPENDITURES</b>		<b>700,590</b>	<b>584,524</b>	<b>663,341</b>	<b>622,692</b>	<b>694,652</b>



# TOWN COUNCIL

## FY 2025-2026



**GOVERNING BODY ( TOWN COUNCIL) OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4110**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4110-5121-0000	Council Compensation	27,850	30,600	30,000	30,600	30,000
10-4110-5181-0000	FICA	2,314	2,525	2,295	2,524	2,500
	Subtotal:	30,164	33,125	32,295	33,124	32,500
<b>OPERATING</b>						
10-4110-5310-0000	Travel and Training	512	160	512	500	5,000
10-4110-5321-0000	Telephone, Communications, Email	2,400	2,928	2,400	2,966	2,400
10-4110-5491-0000	Dues and Subscriptions		5,323	4,685	4,685	-
10-4110-5492-0000	Contract Services - Dare Co. Board Elections	4,685	5,746	-		5,800
10-4110-5499-0000	Miscellaneous	1,305	1,444	1,304	1,000	1,305
	Subtotal:	8,902	15,601	8,901	9,151	14,505
<b>TOTAL GOVERNING BODY EXPENDITURES</b>		<b>39,066</b>	<b>48,726</b>	<b>41,196</b>	<b>42,275</b>	<b>47,005</b>



# RECREATION COMMITTEE

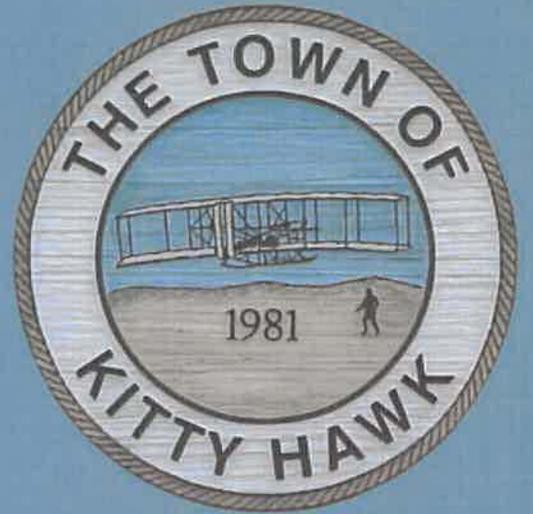
## FY 2025-2026



**RECREATION COMMITTEE OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4111**

<b>ACCT. NO.</b>	<b>EXPENDITURE CLASSIFICATION</b>	<b>ACTUAL FY 22/23</b>	<b>ACTUAL FY 23/24</b>	<b>Revised BUDGET FY 24/25</b>	<b>ESTIMATED 6/30/2024</b>	<b>BUDGET FY 25/26</b>
<b>OPERATING</b>						
10-4111-5370-0000	Advertising	75	-	200	-	-
10-4111-5396-0000	Contracter Services - Transcriptions	-	-	200	-	240
10-4111-5499-0000	Miscellaneous	-	-	10,000	5,000	-
10-4111-5499-0000	Trails and Recreation Opportunities	-	9,242	-	-	16,000
	Subtotal:	75	9,242	10,400	5,000	16,240
<b>TOTAL RECREATION EXPENDITURES</b>		<b>75</b>	<b>9,242</b>	<b>10,400</b>	<b>5,000</b>	<b>16,240</b>



# ADMINISTRATION

FY 2025-2026



**ADMINISTRATIVE SERVICES OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4120**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4120-5121-0000	Salaries & Wages	363,939	355,212	382,701	369,333	405,560
10-4120-5121-0000	Salaries & Wages- Merit Pay					10,061
10-4120-5181-0000	FICA	27,030	26,491	29,057	27,559	31,163
10-4120-5182-0000	Retirement Contribution	40,648	46,052	51,791	50,651	58,198
10-4120-5183-0000	Health Insurance	51,877	56,149	84,763	67,261	69,878
10-4120-5184-0000	401K	5,925	5,746	7,561	6,205	8,111
	Subtotal	489,419	489,650	555,873	521,009	582,971
<b>PROFESSIONAL SERVICES</b>						
10-4120-5192-0000	Professional Services -Legal	47,887	48,482	50,000	31,042	50,000
10-4120-5199-0000	Professional Services - Other	-	-	1,000	3,850	-
	Subtotal	47,887	48,482	51,000	34,892	50,000
<b>OPERATING</b>						
10-4120-5299-0000	Supplies Departmental	4,192	5,862	5,000	1,128	5,000
10-4120-5310-0000	Travel & Training	4,440	8,945	8,000	13,225	9,000
10-4120-5321-0000	Telephone, Communications , Email	1,932	2,669	5,000	3,392	2,500
10-4120-5325-0000	Postage	187	419	400	400	400
10-4120-5349-0000	Printing Codification of Ordinances	3,282	1,340	3,200	8,380	5,000
10-4120-5370-0000	Advertising	2,029	817	2,500	-	-
10-4120-5396-0000	Contract Services Video & Transcription	9,975	11,600	14,500	12,000	14,500
10-4120-5440-0000	Service & Maintenance Contracts	1,864	1,885	8,500	1,000	1,000
10-4120-5491-0000	Dues and Subscriptions	2,417	2,891	3,800	3,479	2,044
	Subtotal	30,319	36,428	50,900	43,004	39,444
<b>PROGRAMS AND GRANTS</b>						
10-4120-5497-0000	Community Engagement	-	-	10,000	2,500	9,500
	Subtotal	-	-	10,000	2,500	9,500
<b>CAPITAL OUTLAY</b>						
10-4120-5520-0000	Capital Outlay-Document Management Scan	-	20,825	-	-	-
	Subtotal	-	20,825	-	-	-
<b>TOTAL ADMIN SERVICES EXPENDITURES</b>		<b>567,625</b>	<b>595,385</b>	<b>667,773</b>	<b>601,405</b>	<b>681,915</b>



# FINANCE

## FY 2025-2026



**FINANCE DEPARTMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4130**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4130-5121-0000	Salaries & Wages	137,166	140,312	158,207	156,269	168,374
10-4130-5121-0000	Salaries & Wages- Merit Pay					4,177
10-4130-5181-0000	FICA	9,797	10,245	12,001	11,428	12,926
10-4130-5182-0000	Retirement Contribution	16,753	19,114	21,410	21,430	24,162
10-4130-5183-0000	Health Insurance	29,080	30,258	35,599	37,687	39,564
10-4130-5184-0000	401K	2,384	2,125	3,126	3,200	3,367
	Subtotal	195,180	202,055	230,343	230,014	252,570
<b>PROFESSIONAL SERVICES</b>						
10-4130-5191-0000	Prof. Services Auditor & Actuaries	29,358	42,976	40,000	40,000	49,400
	Subtotal	29,358	42,976	40,000	40,000	49,400
<b>OPERATING</b>						
10-4130-5299-0000	Supplies	1,260	2,512	1,500	1,200	1,500
10-4130-5310-0000	Travel & Training	7,468	5,201	6,000	4,500	5,500
10-4130-5321-0000	Telephone, communications , Email	1,322	1,294	1,500	1,160	1,000
10-4130-5325-0000	Postage	481	539	500	400	500
10-4130-5340-0000	Printing	-	15	200	300	200
10-4130-5440-0000	Service & Maintenance Contracts	25,320	28,378	30,000	28,688	30,000
10-4130-5491-0000	Dues and Subscriptions	176	307	400	500	500
	Subtotal	36,027	38,246	40,100	36,748	39,200
<b>TRANSFER TO CAPITAL RESERVE</b>						
10-4130-5921-0000	Future Software upgrades	-	-	-	-	10,000
	Subtotal	-	-	-	-	10,000
<b>TOTAL FINANCE EXPENDITURES</b>		<b>260,566</b>	<b>283,276</b>	<b>310,443</b>	<b>306,762</b>	<b>351,170</b>



# PUBLIC WORKS

## FY 2025-2026



**PUBLIC WORKS DEPARTMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4270**

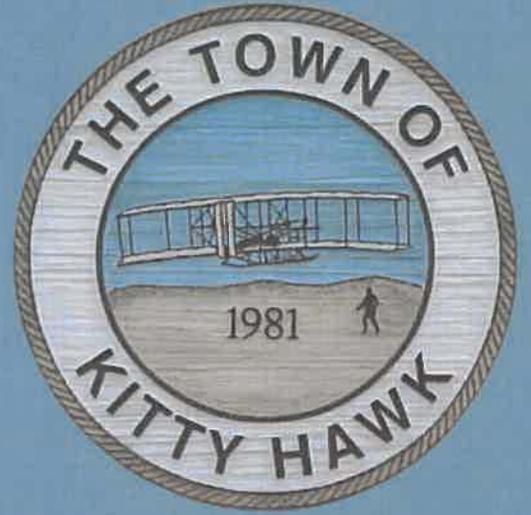
ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4270-5121-0000	Salaries & Wages	295,218	306,754	392,033	355,560	404,058
10-4270-5121-0000	Salaries & Wages - Merit Pay			4,854		9,880
10-4270-5122-0000	Overtime	-	-	5,000	-	5,000
10-4270-5181-0000	FICA	21,842	22,642	30,648	26,302	31,293
10-4270-5182-0000	Retirement Contribution	33,211	36,585	50,403	45,215	52,204
10-4270-5183-0000	Health Insurance	63,454	60,815	124,207	80,018	92,715
10-4270-5184-0000	401K	4,899	4,598	7,358	4,581	7,621
	<b>Subtotal</b>	<b>418,625</b>	<b>431,394</b>	<b>614,503</b>	<b>511,676</b>	<b>602,771</b>
<b>OPERATING</b>						
10-4270-5212-0000	Uniforms	4,475	3,012	4,300	3,500	3,000
10-4270-5250-0000	Vehicle Supplies- Fuel	15,270	11,794	15,000	15,000	18,000
10-4270-5260-0000	Shop Tools & Equipment	4,510	4,606	3,000	4,154	3,000
10-4270-5293-0000	Supplies Signs	2,697	2,111	5,000	3,598	5,000
10-4270-5299-0000	Departmental Supplies	6,455	2,936	8,500	6,032	3,000
10-4270-5310-0000	Travel & Training	3,403	4,649	6,600	5,550	6,000
10-4270-5321-0000	Telephone, Communications , Email	8,024	8,619	10,000	10,327	11,000
10-4270-5330-0000	Utilities	33,349	42,970	45,000	43,200	45,000
10-4270-5433-0000	Rent vehicle / Equipment	8,503	8,270	6,000	3,000	6,000
10-4270-5440-0000	Service & Maintenance Contracts	49,062	112,727	116,100	115,000	96,000
10-4270-5491-0000	Dues and Subscriptions	436	229	1,500	800	750
	<b>Subtotal</b>	<b>136,183</b>	<b>201,923</b>	<b>221,000</b>	<b>210,161</b>	<b>196,750</b>
<b>MAINTENANCE AND REPAIRS</b>						
10-4270-5295-0000	Building and Grounds	380,528	310,104	259,782	264,000	204,320
10-4270-5295-0000	Icarus	-	-	12,500	3,500	10,500
10-4270-5352-0000	Equipment	6,070	20,478	25,000	21,812	18,000
10-4270-5353-0000	Vehicle	5,385	7,159	7,000	8,182	7,000
10-4270-5599-0000	Sand Fence - (pass through)	25,377	10,919	24,000	3,324	24,000
	<b>Subtotal</b>	<b>417,359</b>	<b>348,660</b>	<b>328,282</b>	<b>300,818</b>	<b>263,820</b>
<b>CAPITAL OUTLAY</b>						
10-4270-5540-0000	Vehicles	37,072	-	155,000	128,497	-
10-4270-5550-0000	Street Sweeper			29,314	29,314	
10-4270-5550-0000	Mower Blower	17,224		-	-	
10-4270-5595-0000	Building & Grounds Building Roof Repair	-	-	-	-	100,000
10-4270-5595-0000	Pruitt Park Playground Replacement	-	23,663	-	-	50,000
	<b>Subtotal</b>	<b>54,296</b>	<b>23,663</b>	<b>184,314</b>	<b>157,811</b>	<b>150,000</b>
<b>TRANSFER TO CAPITAL RESERVE</b>						
10-4270-5921-000	Dump trailer Replacement		10,000			-
10-4270-5921-0000	Town Parks and Recreation Development	-	30,000			-
10-4270-5921-0000	US 158 Sidewalk	-	25,000			-
10-4270-5921-0000	Town Wide Boardwalk and Dock Repairs	10,000	50,000	10,000	10,000	-
10-4270-5921-0000	Future HVAC Fire House replacement	10,000	10,000	10,000	10,000	10,000
10-4270-5921-0000	Replacement Caterpillar Backhoe	8,000	8,000	8,000	8,000	8,000
10-42470-5921-0000	Upgrade Public Works Building	-	25,000	25,000	25,000	-
10-4270-5921-0000	Rehab Fire House Galley			15,000	15,000	5,000
	<b>Subtotal</b>	<b>28,000</b>	<b>158,000</b>	<b>68,000</b>	<b>68,000</b>	<b>23,000</b>
	<b>Public Works Subtotal</b>	<b>1,054,463</b>	<b>1,163,640</b>	<b>1,416,099</b>	<b>1,248,466</b>	<b>1,236,341</b>



**PUBLIC WORKS DEPARTMENT OPERATING EXPENDITURES (Continued)**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4510 & 4710**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>TRANSPORTATION (4510)</b>						
10-4510-5195-0000	Engineering Services	9,209	-	20,000	-	-
10-4510-5199-0000	Prof. Services Engineering (pass through PB)	12,550	4,093	-	-	10,000
10-4510-5293-0000	Street Signs	-	157	2,000	685	2,000
10-4510-5295-0000	Street Maintenance and Repairs	-	-	-	-	-
10-4510-5590-0000	Street Maint. & Repairs (pass through PB)	114,152	127,111	150,000	15,000	150,000
10-4510-5595-0000	Capital outlay Infrastructure	-	320,000	1,120,000	1,120,000	-
	Subtotal	135,911	451,362	1,292,000	1,135,685	162,000
<b>ENVIRONMENTAL SERVICES (4710)</b>						
10-4710-5690-0000	Chipping Contracted Services	14,129	13,140	16,000	16,000	16,000
10-4710-5691-0000	Solid Waste Collection	1,179,644	1,064,807	1,250,000	1,160,000	1,150,000
	Subtotal	1,193,773	1,077,947	1,266,000	1,176,000	1,166,000
<b>TOTAL PUBLIC WORKS EXPENDITURES</b>		<b>2,384,147</b>	<b>2,692,948</b>	<b>3,974,099</b>	<b>2,311,685</b>	<b>2,564,341</b>



# POLICE DEPARTMENT

## FY 2025-2026



**POLICE DEPARTMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4310**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4310-5121-0000	Salaries & Wages	1,096,855	1,141,771	1,361,619	1,256,788	1,587,614
10-4310-5121-0000	Salaries & Wages- Merit Pay					41,395
10-4310-5122-0000	Overtime	10,776	15,691	15,000	15,000	15,000
10-4310-5181-0000	FICA	78,725	82,486	111,046	85,093	122,600
10-4310-5182-0000	Retirement Contribution	137,818	156,365	205,477	170,087	258,021
10-4310-5183-0000	Health Insurance	297,188	294,208	378,092	314,429	425,898
10-4310-5184-0000	401K-State Mandate 5%	-	-	-	-	74,060
10-4310-5184-0000	401K 2%	67,474	74,343	93,536	73,395	32,052
	Subtotal	1,688,836	1,764,863	2,164,770	1,914,792	2,556,639
<b>PROFESSIONAL SERVICES</b>						
10-4310-5193-0000	Medical & Physicals	7,091	4,088	7,500	12,565	7,500
	Subtotal	7,091	4,088	7,500	12,565	7,500
<b>OPERATING</b>						
10-4310-5212-0000	Uniforms	14,126	19,415	28,000	26,582	30,000
10-4310-5212-0001	Uniforms Allowance	-	-	1,000	1,000	1,000
10-4310-5220-0000	Employee Engagement	2,215	-	5,150	1,000	5,250
10-4310-5250-0000	Vehicle Supplies- Fuel	47,325	46,371	53,000	48,000	53,000
10-4310-5299-0000	Supplies Departmental	8,862	10,764	14,100	10,123	14,100
10-4310-5310-0000	Travel & Training	23,384	15,428	33,100	26,183	36,000
10-4310-5321-0000	Telephone, Communications , Email	26,930	27,159	33,000	27,448	30,000
10-4310-5325-0000	Postage	856	673	1,300	1,000	1,000
10-4310-5330-0000	Utilities	5,692	6,469	6,500	6,657	11,000
10-4310-5340-0000	Printing	1,492	688	1,500	800	1,000
10-4310-5440-0000	Service & Maintenance Contracts	72,204	144,101	90,828	80,000	102,932
10-4310-5491-0000	Dues and Subscriptions	1,517	2,287	2,200	1,800	2,500
10-4310-5495-0000	Dept. Of Justice Assesst Forfeiture	-	-	-	-	-
10-4310-5498-0000	Controlled Substances Tax- Restricted	1,760	1,147	-	-	-
	Subtotal	206,364	274,502	269,678	230,593	287,782
<b>MAINTENANCE AND REPAIRS</b>						
10-4310-5352-0000	Equipment	24,051	14,227	26,000	8,325	26,000
10-4310-5353-0000	Vehicle	22,589	27,332	27,000	27,000	30,000
	Subtotal	46,640	41,560	53,000	35,325	56,000
<b>PROGRAMS AND GRANTS</b>						
10-4310-5497-0000	Community Outreach Programs	2,667	8,500	8,500	3,535	5,000
	Subtotal	2,667	8,500	8,500	3,535	5,000



**POLICE DEPARTMENT OPERATING EXPENDITURES (Continued)**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4310**

<b>ACCT. NO.</b>	<b>EXPENDITURE CLASSIFICATION</b>	<b>ACTUAL FY 22/23</b>	<b>ACTUAL FY 23/24</b>	<b>Revised BUDGET FY 24/25</b>	<b>ESTIMATED 6/30/2025</b>	<b>BUDGET FY 25/26</b>
<b>CAPITAL OUTLAY</b>						
10-4310-5540-0000	Vehicles	71,852	45,178	200,956	200,956	229,460
10-4310-5550-000	Equipment for Vehicles	33,502	39,462	185,743	185,743	104,400
10-4310-550-0000	Equipment for the Department	-	-	-	-	40,500
	Subtotal	105,354	84,640	386,699	386,699	374,360
<b>TRANSFER TO CAPITAL RESERVE</b>						
10-4310-5921-0000	Future Police Department Building	1,083,583	-	-	-	-
10-4310-5921-0000	Future In car radios	-	12,000	20,000	20,000	20,000
10-4310-5940-0000	Transfer out to capital project fund 41	4,426,143	230,307	454,062	454,062	-
	Subtotal	5,509,726	242,307	474,062	474,062	20,000
<b>SEPARATION ALLOWANCE</b>						
10-4311-5131-0000	Separation Allowance	111,016	130,902	89,100	87,750	79,554
10-4311-5181-0000	FICA Separation Allowance	8,453	9,937	6,816	6,709	6,086
	Subtotal	119,469	140,839	95,916	94,459	85,640
<b>TOTAL POLICE DEPARTMENT EXPENDITURES</b>		<b>7,686,148</b>	<b>2,561,299</b>	<b>3,460,125</b>	<b>3,152,030</b>	<b>3,392,921</b>



# **FIRE DEPARTMENT**

## **FY 2025-2026**



**FIRE DEPARTMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4340**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4340-5121-0000	Salaries & Wages	1,060,743	1,174,606	1,199,902	1,267,620	1,287,791
10-4340-5121-0000	Part time Salaries	-	-	85,145	-	85,145
10-4340-5121-0000	Volunteer Incentive Pay	-	-	12,000	-	12,000
10-4340-5121-0000	Salaries & Wages - Merit Pay	-	-	15,186	-	31,503
10-4340-5122-0000	Overtime	29,331	28,802	24,000	19,185	24,000
10-4340-5181-0000	FICA	81,441	91,639	101,335	90,451	124,176
10-4340-5182-0000	Retirement Contribution	125,599	148,751	169,319	156,471	188,242
10-4340-5183-0000	Health Insurance	223,805	228,971	255,882	246,933	281,504
10-4340-5184-0000	401 K	14,125	17,746	23,998	17,287	26,236
10-4340-5185-0000	Firefighter Pension Fund	800	2,590	5,310	1,590	3,770
	<b>Subtotal</b>	<b>1,535,844</b>	<b>1,693,106</b>	<b>1,892,077</b>	<b>1,799,537</b>	<b>2,064,366</b>
<b>PROFESSIONAL SERVICES</b>						
10-4340-5193-0000	Medical & Physicals	9,326	9,972	14,500	12,000	14,500
	<b>Subtotal</b>	<b>9,326</b>	<b>9,972</b>	<b>14,500</b>	<b>12,000</b>	<b>14,500</b>
<b>OPERATING</b>						
10-4340-5212-0000	Uniforms & Personal Protective Equipment	23,510	21,785	22,500	25,179	23,000
10-4340-5250-0000	Vehicle Supplies- Gas & Oil	21,151	18,823	17,500	17,281	18,000
10-4340-5299-0000	Supplies Departmental	16,336	19,668	18,600	17,482	18,600
10-4340-5310-0000	Travel & Training	17,084	19,409	20,000	18,000	20,000
10-4340-5321-0000	Telephone, Communications, Email	18,520	23,723	24,000	23,000	9,717
10-4340-5325-0000	Postage	99	69	250	100	250
10-4340-5330-0000	Utilities	10,841	14,213	14,000	13,535	14,000
10-4340-5440-0000	Service & Maintenance Contracts	6,924	4,883	4,408	5,383	20,688
10-4340-5491-0000	Dues and Subscriptions	2,224	2,653	2,500	2,737	2,500
	<b>Subtotal</b>	<b>116,689</b>	<b>125,226</b>	<b>123,758</b>	<b>122,697</b>	<b>126,755</b>
<b>MAINTENANCE AND REPAIRS</b>						
10-4340-5352-0000	Equipment	21,023	14,717	17,000	11,676	17,000
10-4340-5353-0000	Vehicle	66,737	89,556	50,000	41,000	50,000
	<b>Subtotal</b>	<b>87,760</b>	<b>104,273</b>	<b>67,000</b>	<b>52,676</b>	<b>67,000</b>
<b>PROGRAMS AND GRANTS</b>						
10-4340-5497-0000	Emergency Management Plan	-	26,353	15,840	-	5,000
	<b>Subtotal</b>	<b>-</b>	<b>26,353</b>	<b>15,840</b>	<b>-</b>	<b>5,000</b>
<b>CAPITAL OUTLAY</b>						
10-4340-5540-0000	Vehicle	55,803	-	97,633	50,000	50,000
10-4340-5550-0000	Equipment for Vehicle	37,600	37,397	25,000	25,000	10,000
10-4340-5550-0000	Equipment - Bunker Gear Replacement	-	-	-	-	45,000
10-4340-5550-0000	Equipment- various, includes radios	-	-	-	-	31,500
	<b>Subtotal</b>	<b>93,403</b>	<b>137,397</b>	<b>122,633</b>	<b>75,000</b>	<b>136,500</b>
<b>TRANSFER TO CAPITAL RESERVE</b>						
10-4340-5921-0000	Future Fire Truck Reserve	25,000	200,000	200,000	200,000	200,000
10-4340-5921-0000	800 mhz - Radio Replacement	-	6,500	-	-	-
	<b>Subtotal</b>	<b>25,000</b>	<b>206,500</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>TOTAL FIRE DEPARTMENT EXPENDITURES</b>		<b>1,868,021</b>	<b>2,302,827</b>	<b>2,435,808</b>	<b>2,261,910</b>	<b>2,614,121</b>



# OCEAN RESCUE

FY 2025-2026



**OCEAN RESCUE DEPARTMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4370**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4370-5121-0000	Salaries & Wages	122,500	119,474	170,721	160,000	211,877
10-4370-5181-0000	FICA	9,371	9,140	13,061	13,000	16,209
	Subtotal	131,872	128,614	183,782	173,000	228,086
<b>PROFESSIONAL SERVICES</b>						
10-4370-5193-0000	Medical & Physicals	2,335	900	1,600	1,500	1,600
	Subtotal	2,335	900	1,600	1,500	1,600
<b>OPERATING</b>						
10-4370-5212-0000	Uniforms	4,180	4,897	5,000	5,627	5,150
10-4370-5250-0000	Vehicle Supplies- Gas & Oil	3,068	1,718	3,500	3,000	3,500
10-4370-5299-0000	Departmental Supplies	2,994	5,149	5,400	1,500	5,400
10-4370-5310-0000	Travel & Training	1,519	756	3,200	681	1,200
10-4370-5321-0000	Telephone, Communications , Email	299	1,212	1,000	1,875	3,000
10-4370-5340-0000	Printing	-	136	700	-	700
10-4370-5433-0000	Rent of Equipment -ATV Lease	6,345	11,852	9,500	8,000	7,000
10-4370-5491-0000	Dues and Subscriptions	150	-	-	-	-
	Subtotal	18,555	25,720	28,300	20,683	25,950
<b>MAINTENANCE AND REPAIRS</b>						
10-4370-5352-0000	Equipment	948	1,874	5,500	5,000	5,500
10-4370-5353-0000	Vehicle	3,014	1,179	2,500	410	2,500
	Subtotal	3,962	3,053	8,000	5,410	8,000
<b>CAPITAL OUTLAY</b>						
10-4370-5540-0000	Vehicle	46,831	50,427	-	-	20,000
10-4370-5550-0000	Equipment	16,688	-	-	-	-
	Subtotal	63,518	50,427	-	-	20,000
<b>TOTAL OCEAN RESCUE DEPARTMENT EXPENDITURES</b>		<b>220,242</b>	<b>208,714</b>	<b>221,682</b>	<b>200,593</b>	<b>283,636</b>



# BEACH NOURISHMENT

## FY 2025-2026



**BEACH NOURISHMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4410**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PROFESSIONAL SERVICES</b>						
10-4410-5195-0000	Beach Profile Survey	-	47,135	50,000	46,998	53,000
	Subtotal	-	47,135	50,000	46,998	53,000
<b>OPERATING</b>						
10-4410-5006-0000	Dare County Collection Fee - (BN and MSD)	16,576	17,369	17,000	17,164	17,000
10-4410-5598-0000	Beach Maintenance	45,430	54,602	250,000	221,601	140,000
	Subtotal	62,006	71,971	267,000	238,765	157,000
<b>DEBT SERVICE</b>						
10-4410-5710-0000	Principal	1,004,086	1,004,086	1,004,086	1,004,086	1,004,086
10-4410-5720-0000	Interest	93,982	73,097	52,212	52,212	31,328
	Subtotal	1,098,068	1,077,183	1,056,298	1,056,298	1,035,414
<b>TRANSFER TO CAPITAL RESERVE</b>						
10-4410-5921-0000	Excess Beach Nourishment Collections	403,775	393,717	152,172	152,172	219,214
	Subtotal	403,775	393,717	152,172	152,172	219,214
<b>TOTAL BEACH NOURISHMENT EXPENDITURES</b>		<b>1,563,849</b>	<b>1,590,006</b>	<b>1,525,470</b>	<b>1,494,233</b>	<b>1,464,628</b>



# PLANNING AND INSPECTIONS

## FY 2025-2026



**PLANNING & INSPECTIONS DEPARTMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4910**

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2025	BUDGET FY 25/26
<b>PERSONNEL</b>						
10-4910-5121-0000	Salaries & Wages	227,786	273,884	337,998	313,346	239,756
10-4910-5121-0001	Salaries & Wages - Merit Pay					5,917
10-4910-5122-0000	Salaries & Wages - Over Time			3,500		-
10-4910-5181-0000	FICA	16,771	20,043	25,679	25,763	18,433
10-4910-5182-0000	Retirement Contribution	27,822	35,502	45,741	42,972	32,847
10-4910-5183-0000	Health Insurance	43,869	48,295	69,288	69,455	59,286
10-4910-5184-0000	401K	4,074	5,093	6,678	5,916	4,795
	Subtotal	320,323	382,816	488,884	457,452	361,033
<b>PROFESSIONAL SERVICES</b>						
10-4910-5195-0000	Professional Services- Engineering	-	1,410	2,000	-	2,000
10-4910-5199-0000	Prof . Serv.- contracted Inspections Services	-	-	800	-	1,000
	Subtotal	-	1,410	2,800	-	3,000
<b>OPERATING</b>						
10-4910-5212-0000	Uniforms	463	344	450	350	450
10-4910-5250-0000	Vehicle Supplies and Fuel	1,475	2,157	3,000	1,617	3,300
10-4910-5299-0000	Supplies Departmental	1,086	1,494	2,000	2,575	2,000
10-4910-5310-0000	Travel & Training	7,419	15,294	9,000	12,000	11,000
10-4910-5321-0000	Telephone, communications, Email	1,409	2,147	1,500	2,347	2,000
10-4910-5325-0000	Postage	116	1,107	3,000	150	3,000
10-4910-5340-0000	Printing	-	1,299	2,000	2,457	2,000
10-4910-5370-0000	Advertising	612	-	800	587	800
10-4910-5440-0000	Service & Maintenance Contracts	90,765	27,278	21,000	23,500	23,150
10-4910-5441-0000	Condemnation & Demolition	6,265	-	-		-
10-4910-5491-0000	Dues and Subscriptions	1,194	1,148	1,500	1,108	1,500
10-4910-5693-0000	Homeowner Recovery Fees	1,269	486	1,000	1,460	1,000
	Subtotal	112,073	52,754	45,250	48,151	50,200
<b>MAINTENANCE AND REPAIRS</b>						
10-4910-5353-0000	Maintenance and Repairs Vehicle	76	864	2,500	250	2,500
	Subtotal	76	864	2,500	250	2,500
<b>TRANSFER TO CAPITAL RESERVE</b>						
10-4910-5921-0000	Land Use Plan Update	-	3,000	3,000	3,000	3,000
		-	3,000	3,000		3,000
<b>TOTAL PLANNING &amp; INSPECTIONS EXPENDITURES</b>		<b>432,472</b>	<b>440,845</b>	<b>542,434</b>	<b>505,853</b>	<b>419,733</b>



# PLANNING BOARD

FY 2025-2026



**PLANNING BOARD OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4980**

<b>ACCT. NO.</b>	<b>EXPENDITURE CLASSIFICATION</b>	<b>ACTUAL FY 22/23</b>	<b>ACTUAL FY 23/24</b>	<b>Revised BUDGET FY 24/25</b>	<b>ESTIMATED 6/30/2025</b>	<b>BUDGET FY 25/26</b>
<b>PERSONNEL</b>						
10-4980-5121-0000	Member Compensation	2,600	5,300	5,000	3,900	5,300
10-4980-5181-0000	FICA	199	405	383	300	450
	Subtotal	2,799	5,705	5,383	4,200	5,750
<b>OPERATING</b>						
10-4980-5310-0000	Travel & Training	-	-	500	-	500
10-4980-5396-0000	Contracted Services Transcriptions	730	1,806	-	-	-
	Subtotal	730	1,806	500	-	500
<b>TOTAL PLANNING BOARD EXPENDITURES</b>		<b>3,529</b>	<b>7,511</b>	<b>5,883</b>	<b>4,200</b>	<b>6,250</b>



# BOARD OF ADJUSTMENT

## FY 2025-2026



**BOARD OF ADJUSTMENT OPERATING EXPENDITURES**

**GENERAL FUND - 10 / DEPARTMENT DETAIL - 4990**

<b>ACCT. NO.</b>	<b>EXPENDITURE CLASSIFICATION</b>	<b>ACTUAL FY 22/23</b>	<b>ACTUAL FY 23/24</b>	<b>Revised BUDGET FY 24/25</b>	<b>ESTIMATED 6/30/2025</b>	<b>BUDGET FY 25/26</b>
<b>PERSONNEL</b>						
10-4990-5121-0000	Member Compensation	-	150	1,500	600	1,000
10-4990-5181-0000	FICA	-	11	115	65	115
	Subtotal	-	161	1,615	665	1,115
<b>PROFESSIONAL SERVICES</b>						
10-4990-5192-0000	Professional Services Legal	-	-	1,500	-	1,500
	Subtotal	-	-	1,500	-	1,500
<b>OPERATING</b>						
10-4990-5310-0000	Travel & Training	-	-	250	-	250
10-4990-5370-0000	Advertising	-	-	150	-	250
10-4990-5396-0000	Contracted Services Transcriptions	-	-	750	-	-
	Subtotal	-	-	1,150	-	500
<b>TOTAL BOARD OF ADJUSTMENT EXPENDITURES</b>		<b>-</b>	<b>161</b>	<b>4,265</b>	<b>665</b>	<b>3,115</b>



# CAPITAL RESERVE FUND

FY 2025-2026



**CAPITAL RESERVE FUND REVENUES VS EXPENDITURES**

**RESERVE FUND - 21 / DEPARTMENT DETAIL**

DEPARTMENT	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	BUDGET FY 25/26
<b>REVENUES</b>				
<i>TRANSFER IN FROM THE GENERAL FUND BY DEPARTMENTS FOR THE FUTURE</i>				
4100 IT Equipment System Replacement			-	20,000
4130 Finance Software Upgrades				10,000
4270 Town Parks & Recreation Development		30,000		
4270 Town Board Walks and Dock Repairs	10,000	50,000	10,000	
4270 HVAC replacement at Fire Station		10,000	10,000	10,000
4270 Caterpillar Backhoe replacement	8,000	8,000	8,000	8,000
4270 Future side walk US 158	10,000	25,000		
4270 Upgrade Public Works Building		25,000	25,000	
4270 Dump Trailer replacement		10,000		
4270 Rehab Fire House Galley			15,000	5,000
4310 Police Department Building	1,083,583			
4310 Police In car radios		12,000	20,000	20,000
4340 Future Fire Truck Replacement	25,000	200,000	200,000	200,000
4340 800 mhz - Radio Replacements		6,500		
4410 Storm Damage/ Beach Nourishment	509,477	393,717	471,900	217,959
4910 Land Use Plan Update		3,000	3,000	3,000
Interest Earnings		175,827		
Capital Reserve Appropriated				
<b>TOTAL RESERVE FUND REVENUES</b>	<b>1,646,060</b>	<b>949,044</b>	<b>762,900</b>	<b>493,959</b>
<b>EXPENSES</b>				
<i>TRANSFER OUT TO THE GENERAL FUND FROM THE RESERVE</i>				
4100 Phone System Replacement	22,000		-	-
4100 IT Development			15,600	
4100 Document Imaging software	-	20,000		-
4270 Fuel Storage Tank Replacement	-		-	-
4270 HVAC replacement at Fire Station			12,600	
4310 Police Department Building	1,203,583		-	-
4340 Fire Department Truck	55,735		-	-
4340 800 MHz radio replacements				6,500
4510 Future Sidewalk USA 158		289,000		
4410 Storm Damage/Beach Nourishment	-	40,000	-	140,000
4910 Land Use Plan Update	20,000		-	
<i>TRANSFER TO THE RESERVE FUND FOR FUTURE CAPITAL PROJECTS</i>				
4100 IT Equipment System Replacement				20,000
4130 Finance Software Upgrades				10,000
4270 Town Parks & Recreation Development	-	-		-
4270 Town Wide Boardwalk & Dock Repairs	-	-	10,000	-
4270 HVAC replacement at Fire Station	-	-	10,000	10,000
4270 Caterpillar Backhoe replacement	-	-	8,000	8,000
4270 Upgrade Public Works Building	-	-	25,000	
4270 Dump Trailer Replacement	-	-		
4270 Rehab Fire House Galley			15,000	5,000
4310 New Police Department Station	-	-		
4310 Police In car radios	-	-	20,000	20,000
4340 Future Fire Truck Replacement	-	-	200,000	200,000
4340 800 mhz - Radio Replacements	-	-		
4410 Storm Damage/Beach Nourishment	-	-	471,900	217,959
4910 Land Use Plan Update	-	-	3,000	3,000
<b>TOTAL RESERVE FUND EXPENDITURES</b>	<b>1,301,318</b>	<b>349,000</b>	<b>762,900</b>	<b>493,959</b>



## Debt Policy and Schedule

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

Furthermore, the current Town Council has made every effort to avoid debt service when paying 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. The Town has taken the “pay as you go” approach.

The Beach Renourishment 2022 Project was established by adopting Capital Project Ordinance No. 21-01, in which all funds are derived from the special obligation bond and repaid by dedicated revenue sources. This debt is shared between Dare County and the Town of Kitty Hawk through an interlocal agreement with Dare County. Dare County contributes approximately 31% of the principal and interest payments yearly. The final payment for the 2022 Beach Nourishment project will be made in 2026.

FISCAL YEAR 2025-2026						
Fund	Project	Loan Origination Date	Original Loan Amount	FY 25/26 Principal & Interest Payments	Outstanding Principal Balance	Expected Pay-Off Date
Beach Nourishment Fund	2022-Beach Nourishment	12/14/21	\$ 5,020,429.00	\$ 1,035,413.27	\$ 1,004,085.80	12/14/26

**Total Payments by Fund**

Beach Nourishment Fund      \$ 1,035,413.00



## Statistical Data

**Year Incorporated:** Kitty Hawk was established in the early 18<sup>th</sup> century as Chickahawk. The Town was 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 the 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 Town is surrounded by the Atlantic Ocean to the East and the Albemarle Sound to the West. The Town is nestled between the Town of Southern Shores to the North and Kill Devil Hills to the South.

**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) are water.

**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  $\frac{3}{4}$  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 mid 80's and during winter months temperatures tend to be in the mid 50'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 low temperature of 35.80 degrees Fahrenheit.

The annual average precipitation at Kitty Hawk is 51.61 Inches. Rainfall is evenly distributed throughout the year. The wettest month of the year is August with an average rainfall of 5.64 Inches.



## Demographics

According to the 2020 United States Census the Town's total population was 3,689.

### Population by Age Range

- Under 5 years - 3.6 %
- Under 18 years - 18.3%
- 18 years and over - 81.7%
- 65 years and over - 23.4%

### Older Population

- 65 to 74 years - 15.8%
- 75 to 84 years - 6.1%8%
- 85 years and over - 1.5%

### Ancestry

- English - 21.8%
- French - 1.6%
- German – 9.5%
- Irish - 9.6%
- Italian - 11%
- Norwegian - 0.4%
- Polish - 4.4%
- Scottish - 1.4%

### Language Spoken at Home

- English Only - 92.5%
- Spanish - 6.8%
- Other Indo- European Language - 0.7%

### Education

Bachelor's Degree or Higher - 36.8%

### Housing

Total housing units 3,207

### Families and Living Arrangements

Total households 1,571

### Income

Median Household Income \$80,172



## General Statute Requirements

### **G.S. 159-8. Annual balanced budget ordinance.**

- (a) Each local government and public authority shall operate under an annual balanced budget ordinance.
- (b) A local government unit's budget ordinance covers 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 with a 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 the governing board.
- (b) The budget and a budget message shall be submitted to the governing body no later than June 1. The budget and budget message should, but need not, be submitted at the board's formal meeting.
- (c) The governing body may authorize or request the budget officer to submit a budget containing recommended appropriations in a manner that will reveal to 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 in the clerk's office 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 any person who wishes 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. No later than July 1, the governing board shall adopt a budget ordinance making appropriations and levying taxes for the budget year in sums the board may consider sufficient and proper, whether greater or less than the sums recommended by the budget.



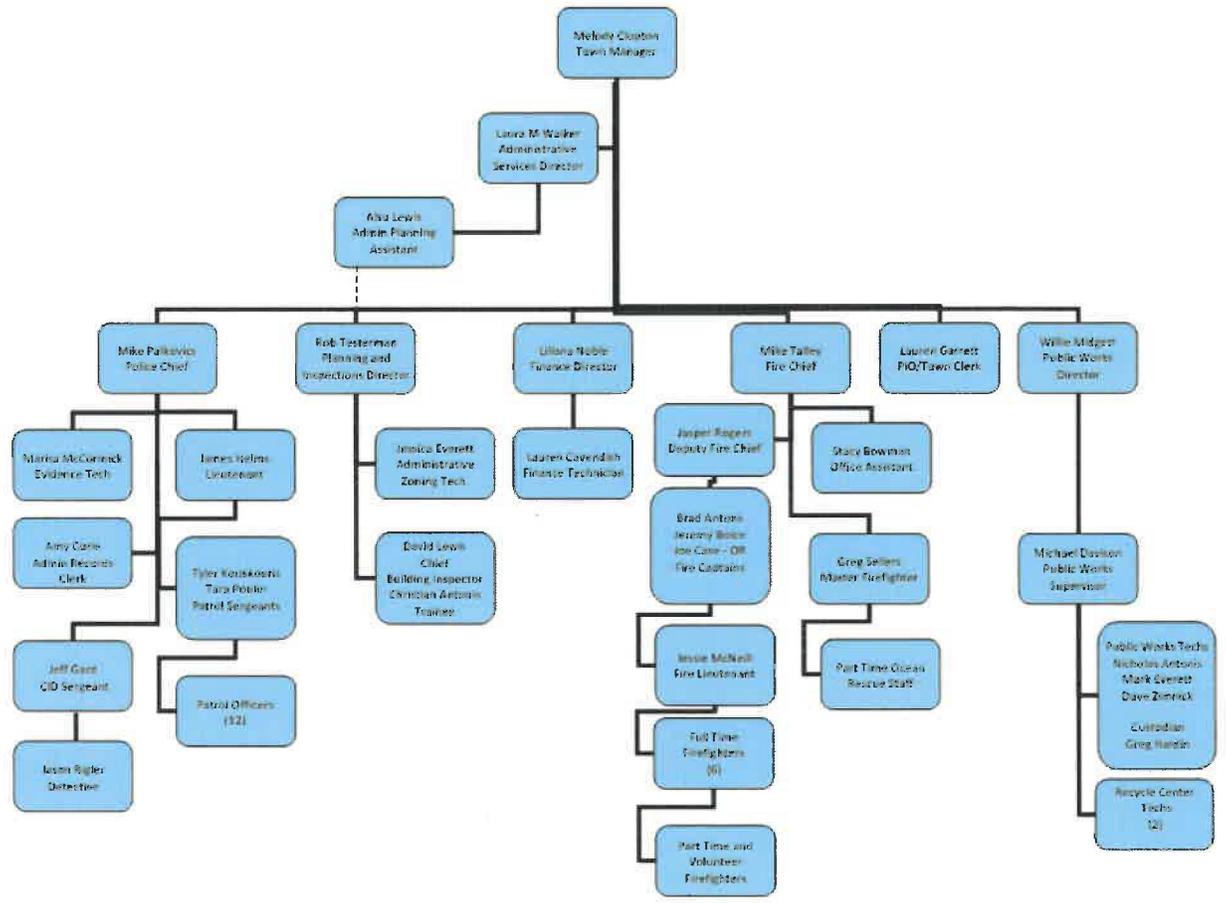
## Fund Types

**The Town's budget addresses three 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.
3. **Capital Project Fund**, established for the construction or acquisition of capital assets (capital projects) or for projects that are financed in whole or at least in part by bonds, notes, or debt instruments.



## Personnel Overview Organizational Chart





### General Employee Classifications

<u>Grade</u>	<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
55	Public Works Technician/Custodian Evidence & Logistics Technician	\$41,385.32	\$65,628.11
56	Public Works Technician II	\$43,563.49	\$69,082.22
57	Public Works Crew Leader	\$45,856.31	\$72,718.13
58	Firefighter Trainee	\$48,269.80	\$76,545.40
59	Administrative Planning Assistant Firefighter I Public Works Supervisor	\$50,810.31	\$80,574.10
60	<b>Building Inspector &amp; Code Enforcement Trainee</b>  Firefighter Engineer Administrative Zoning Technician Administrative Records Technician Finance Technician	\$53,484.54	\$84,814.85
61	Master Firefighter	\$56,299.51	\$89,278.79
62	Fire Lieutenant	\$59,262.65	\$93,977.67
63	Fire Captain Ocean Rescue Director	\$62,381.73	\$98,923.86
64	Chief Building Official Public Information Officer & Town Clerk**	\$65,664.98	\$104,130.38
65		\$69,121.03	\$109,610.93
66		\$72,758.98	\$115,379.92



<u>Grade</u>	<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
67		\$76,588.40	\$121,452.55
68		\$80,619.37	\$127,844.79
69	Finance Director** Administrative Services Director** Deputy Fire Chief **	\$84,862.50	\$134,573.47
70	Director of Planning and Inspections** Public Works Director**	\$89,328.94	\$141,656.28
71	Police Chief ** Fire Chief**	\$94,030.47	\$149,111.87
72		\$98,731.99	\$156,567.47

*\*Position starting pay is above Step 1 on Pay Scale*

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



### Sworn Police Officer Classifications

<u>Grade</u>	<u>Position</u>	<u>Minimum</u>	<u>Maximum</u>
PD57	Police Officer Trainee	\$51,183.89	\$95,933.14
PD59	Police Officer I	\$56,713.45	\$106,287.11
PD60	Police Officer II	\$59,698.37	\$111,891.69
PD61	Police Officer III Master Police Officer	\$62,840.39	\$117,780.73
PD62	Detective I & II	\$66,147.78	\$123,979.72
PD63	Police Sergeant I & II	\$69,629.24	\$130,504.97

Approved by the Kitty Hawk Town Council on this 2nd day of June 2025.

(SEAL)



*D. Craig Garriss*  
D. Craig Garriss, Mayor

*Lauren Fox Garrett*

Lauren Fox Garrett, Public Information Officer/Town Clerk



**Approved Positions for  
FY 2025-2026**

Department	Full-Time	Part-Time
Administration	4	0
Finance	2	0
Planning & Inspections	3	0
Public Works	6	2
Police	20	0
Fire	16	9
<b>Total</b>	<b>51</b>	<b>11</b>

**Longevity Awards**

<b>Total</b>	<b>\$5,500</b>
<b>Last Year Longevity Award</b>	<b>\$5,000</b>

**Retiree Insurance**

**Retiree Health Insurance Payments for FY 2025-2026**

	Health	Life	Total
<b>Total</b>	<b>\$133,940.88</b>	<b>\$288.00</b>	<b>\$134,228.88</b>

**Separation Allowance**

	Monthly	Annual
<b>Total</b>	<b>\$6,629.52</b>	<b>\$79,554.28</b>



### Proposed Fee Schedule

Item	Fee
<b>Credit Card Processing Fees</b>	
A service fee of 3.5% on the bill or \$2(two) dollars minimum if the invoice is under \$57.	
<b>Town Merchandise</b>	
Town of Kitty Hawk Hats - Baseball	\$12.50
Town of Kitty Hawk Hats - Trucker	\$17.50
Town of Kitty Hawk License Plates	\$7.50
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
<b>Town Documents</b>	
Copies from Town Copy Machine	\$0.25 per page
Zoning Maps	\$3.25
Town Budget Copy	\$10.00
Fire Incident Report (First Copy Free)	\$0.10/page for additional copies
<b>Town Miscellaneous Fees</b>	
Smith Room Rental Fee	\$50.00
Fire Department Meeting Room	\$50.00
Special Meeting /Town Council	\$825.00
Horse Registration Initial Fee (per horse)	\$50.00
Horse Registration Annual (per horse)	\$20.00
Horse Registration Late Fee (per horse)	\$50.00
Dune Sign	\$31.00
Road Sign Repair	\$250.00
Christmas Tree Lot Permit	\$100.00 Refundable Permit
Kayak Permits (Annually)	\$300.00
<b>Police Department</b>	
Accident Report \$5.00	\$5.00
False Alarm -1 <sup>st</sup> Call in a Month	No charge
False Alarm -2 <sup>nd</sup> Call in a Month	\$50.00
False Alarm- 3 <sup>rd</sup> Call in a Month and subsequent calls	\$100.00
Annual Fee for Precious Metal Permit	\$180.00
Employee Permit for Precious Metal (initial)	\$10.00
Employee permit for Precious Metal (annual)	\$3.00



Item	Fee
Special Occasion Permit	\$180.00
Video from In Car Camera	\$15.00
Handicapped Parking Violation	\$100.00
All other Parking Violations	\$25.00
<b>Fire Department</b>	
Fire Inspection-1 <sup>st</sup> Inspection	No Charge
Fire Inspection-1 <sup>st</sup> Follow-up	No Charge
Fire Inspection-2 <sup>nd</sup> Follow-up	\$50.00
Fire Inspection- 3 <sup>rd</sup> and subsequent follow-ups	\$100.00
False Alarm-1 <sup>st</sup> Call in a Month	No Charge
False Alarm-2 <sup>nd</sup> Call in a Month	\$50.00
False Alarm-3 <sup>rd</sup> 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
Sprinkler System	\$100.00
Fire Suppression	\$100.00
Battery Systems	\$75.00
Compressed Gasses	\$75.00
Fire Alarm & Detection Systems and Related Equipment	\$100.00
Fire Pumps and Related Equipment	\$100.00
Flammable and Combustible Liquids	\$75.00
Hazardous Materials	\$75.00
Industrial Ovens	\$75.00
Private Fire Hydrants	\$75.00
Spraying or Dipping	\$75.00
Standpipe Systems	\$100.00
Irrigation Systems Building Permit	\$100.00
<b>PLANNING PERMIT AND FEES</b>	
<b>General Planning Fees</b>	
Zoning Compliance Verification Letter - Residential	\$75.00
Zoning Compliance Verification Letter – Commercial	\$100.00
Type I Home Occupation Fee	\$75.00
Type II Home Occupation Permit	\$150.00
Outdoor Gathering Permit Fee	\$75.00
Outdoor Gathering Permit Fee with Tent	\$100.00
Planning Board Special Meeting	\$825.00
Short Term Business Registration	\$50.00



Item	Fee
<b>Pre-application Conference</b>	
Pre-Planning Application	\$255.00
PCD/PUD	\$535.00
BC3	\$0.15/sq ft of building
<b>Site Plans Review / Zoning Permit Fees</b>	
Commercial	\$150 minimum, or: calculated area of proposed change
Heated Area	\$0.50 /sq ft
Unheated area	\$0.30 /sq ft
Parking Lot	\$0.02 /sq ft
All other new development not included elsewhere, excluding open decks and walkways	\$0.30/sq ft
<b>Single-Family Residence &amp; Duplex</b>	
New construction or substantial improvement	\$150 per unit up to 3,000 sq ft Structures over 3,000 sq ft is \$150 + \$0.05 for each additional sq. ft. over 3,000 (heated space)
Accessory Dwelling Units	\$150.00
Additions for existing SFR and duplex (less than 50% of structure value)	\$75.00
Pools, driveways, decks and deck additions, accessory structures when not associated with new construction or substantial improvement	\$50.00
Multifamily/Townhouse/Hotel/Motel	\$150/unit
<b>Garbage/Trash can fee</b>	1 Can (<3 br)-\$125.00 2 Cans (4 to 6 br)-\$215.00 3 Cans (7 to 9 br)-\$300.00
<b>Special Use Permits</b>	
Special Use Permit	\$300.00
SUP-Family Day Care	\$75.00
SUP-Residence in a Commercial Zone	\$25.00
<b>Subdivision Plan Review</b>	
Subdivision	\$100.00/lot
Exempt Subdivision	\$150.00
<b>Erosion and Sediment Control</b>	
Land Disturbance Permit (less than 5,550 sq ft of disturbance)	\$75.00



Item		Fee
	Residential Erosion and Sedimentation Control Permit (5,500 sq. ft. or greater)	\$100.00
	Commercial Erosion and Sedimentation Control Permit (5,500 sq. ft. or greater)	\$0.05/sq ft of disturbed area, \$1,000 maximum
<b>Signs</b>		
Zoning	New Sign (per site)	\$100.00
	Temporary Sign /Banner	\$25.00+\$50.00 deposit
	Change of Sign Face	\$40.00
Building	New Sign w/o electric	\$75.00
	New Sign w/electric	\$150.00
<b>Zoning Text/Map Amendment</b>		
	Zoning Text Amendment	\$350.00
	Map Amendment (Rezoning)	\$400.00
<b>Wireless Communication Facility Review</b>		
	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
<b>Board of Adjustment</b>		
	Variance Request	\$500.00
	Appeal of Zoning Decision	\$350.00
<b>CAMA</b>		
	CAMA Minor Permit	\$100.00
<b>Refund Schedule – Planning</b>		
	Pre-Planning Board Review	\$75% refund
	If planning Board has begun review	\$50% refund
	Pre-Council Review	\$25% refund
<b>Miscellaneous Permits and Fees</b>		
<b>NOTE: Double fees will apply to all permits if work has commenced before an application approval.</b>		
<b>Building Permit Fees</b>		
Building permit valuations shall include cost of the job (including materials and labor) such as building, electrical, plumbing, mechanical, gas, fire protection and other service systems. If a job appears to be underestimated, the inspector may estimate the proposed work at fair market rates. One and/or two-family dwellings shall be estimated at a minimum of \$245.00 per square foot, for permitting purposes. Minimum 24 hours requested for inspections.		



Item	Fee
1. First \$1,000 of estimated cost (minimum fee) \$100.00, plus per \$1,000 after the first (round up to the next (\$1,000) (\$5.00/\$1,000)	
2. Above-ground Swimming Pool/Hot Tub (includes electric outside of service change	\$100.00
3. Building Demolition – Per Building	Residential \$100.00 Commercial \$200.00
4. Day Care, ABC License, inspections, etc.	\$75.00
5. Moving a Building and/or approved, labeled Modular Unit	\$500.00
6. Manufactured mobile home (includes building, electrical, plumbing, and mechanical fees	Single Wide \$250.00 Double Wide \$300.00
<b>Insulation</b>	
1. The minimum permit fee applies to each dwelling	\$75.00/unit and/or tenant space
<b>Plumbing</b>	
1. Minimum Permit fee applies to each dwelling unit and/or tenant space	\$75.00, plus \$10.00 per fixture, trap or similar device.
<b>Gas</b>	
1. Minimum permit fee applies to each dwelling unit/or tenant space	\$75.00, plus \$5.00 per gas outlet/connection
<b>Mechanical</b>	
1. Walk-in cooler or freezer; Commercial cooking	\$75.00/hood
2. Heating, air conditioning, and /or combination unit Change Out	\$100.00 per unit, plus per fire, radiation, and/or smoke damper-\$5.00
3. New HVAC Installation (Not New Construction)	\$55.00 plus electrical
3. Minimum Permit Fee	\$75.00 plus Non-walk-in cooler, freezer, and/or other equipment
<b>Electrical</b>	
1. Temporary Service	\$75.00
2. Temporary Service with w/construction site trailer	\$150.00
3.Approved/Labeled Modular (per service size)	Per service size
4.0-200 Ampere Service	\$125.00 plus \$0.50 per ampere above 200
5. Electrical Trade Permit up to (5) 120-Volt circuits	\$125.00
6. Minimum permit fee	\$75.00, plus (waive minimum permit fee, if associated work is performed in conjunction with new service and /or service change)



Item	Fee
6a. Openings 1-100 receptacles, switches, or fixtures	\$50 plus \$0.10 for each additional opening over 100
6b. Sub-panel, Transformer, Disconnect	\$75.00 each
6c. Baseboard heaters (per thermostat) Signs, Fuel dispensers, "freestanding" per parking light poles, Manufactured Home Pedestals	Minimum +\$10.00 each
6d. In-ground swimming pools & solar panels	\$250.00
6e. Exhaust fans/hood, range, oven, dryer, dishwasher, garbage disposal, water heater, spa, mini split, whirlpool, window A/C, through-the-wall heat pump, motor, and other equipment/machinery, etc.	\$10.00 each
6f. The generator includes a subpanel	\$100.00 each
6g. Elevator includes subpanel	\$100.00 each
6h EV charging station	\$150.00 per unit + \$10 for each additional circuit

**NOTE: In addition to each individual service, applicable items a-e also apply to each dwelling unit and/or tenant space.**

**Administrative and/or Negligence Fees - Building**

Permit Refund	\$55.00 processing fee
Permit Renewal	\$100.00
Permit Transfer	\$100.00
Re-Inspections Fee	\$55.00
Negligence Fee	\$100.00/trade
Work Without Permit	\$Double Permit Fees
Stop Work Order Fee	\$50.00
Homeowner Recovery Fee	\$10.00
Commercial Change of Use	\$55.00
Flood Insurance Certification	\$25.00 each
Condemnation Inspection in Association with NFIP	\$75.00
Change of Contractor Fee	\$100.00/trade



## ***Glossary***

(See list of acronyms used in this document at end of glossary.)

**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

**GCC** – Governor’s Crime Commission

**HDHP** – High Deductible Health Plan

**IT** – Information Technology

**NCVTS** – North Carolina Vehicle Transportation System

**NCLGERS** – North Carolina Local Governmental Employees’ Retirement System

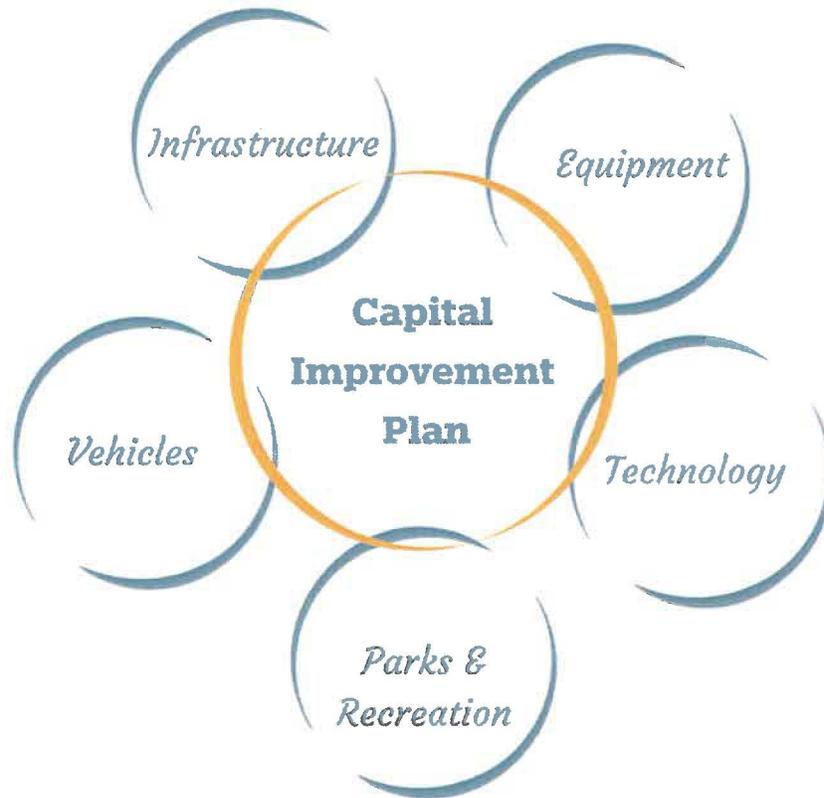
**MSD** – Municipal Service District

**RMS** – Records Management System

**SCBA** - Self Contained Breathing Apparatus



**Town of Kitty Hawk Five-Year Capital Improvements  
Plan FY 2025 to 2030**



<b><u>Section</u></b>	<b><u>Page No.</u></b>
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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 significant 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.

**Master Plans** - Master plans are another way to determine the 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 terms 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 the 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

CAPITAL RESERVE FUND BALANCE

RESERVE FUND -21

DEPARTMENT	PROJECT DESCRIPTION	Actual FY 23-24	Projected FY 24-25	FISCAL YEAR 2025-2026		
				Transfer in	Transfer Out	Ending Balance
4100	IT Equipment Replacement & Development	49,071	33,471	20,000		53,471
4100	Phone System Replacement	13,000	13,000			13,000
4130	Finance Software Upgrades	-	-	10,000		10,000
4270	Board Walks and Dock Repairs	94,000	104,000		-	104,000
4270	Town Park & Recreation Develop.	174,735	174,735		-	174,735
4270	HVAC Replacement at Fire Station	15,000	12,400	10,000	-	22,400
4270	Caterpillar Backhoe replacement	31,000	39,000	8,000	-	47,000
4270	Upgrade Public Works Building	25,000	50,000		-	50,000
4270	Dump Trailer Replacement	10,000	10,000			10,000
4270	Rehab Fire House Galley		15,000	5,000		20,000
4310	Police in car- radios	12,000	32,000	20,000	-	52,000
4340	Fire Truck & Equipment	200,000	575,827	200,000	-	775,827
4340	800 mhz- Radio Replacements	6,500	6,500		(6,500)	-
4410	Storm Damage/Beach Nourishment	3,123,074	3,373,374	217,959	(146,000)	3,451,333
4910	Land Use Plan Update	3,000	6,000	3,000	-	9,000
<b>Total</b>		<b>3,756,380</b>	<b>4,445,307</b>	<b>493,959</b>	<b>(146,500)</b>	<b>4,792,766</b>

The spreadsheet above is a detailed description of funds set aside in previous years for future capital purchases and a projection of ending fund balances in FY 2025/2026. These funds are restricted for the identified purpose listed. They help offset the cost of large capital purchases and provide a financial planning tool for the Town. These funds can be reassigned, however, and would require approval by the Town Council.



**5 YEAR CAPITAL IMPROVEMENTS PLAN**

Department Project Description	Funding	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30
<b>Non-Departmental (4100)</b>						
IT Equipment Replacement & Development	Transfer to Reserve	20,000	20,000	20,000	20,000	20,000
<b>Total</b>		<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Administration (4120)</b>						
No Requests		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Finance (4130)</b>						
Future Software Upgrades	Transfer to Reserve	10,000	10,000	10,000	10,000	10,000
<b>Total</b>		<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Public Works (4270)</b>						
5200 N Croatan Hwy Medical Roof Replacement	Operating	100,000				
Pruitt Park Playground Replacement	Operating	50,000			30,000	-
Town Hall Septic Replacement		-	20,000	-	-	-
Fire Department - Exterior Paint		-	30,000	-	-	-
Vehicle Replacement(s)		-	-	50,000	-	50,000
Boardwalk and Docks Repair		-	10,000	-	-	-
Upgrade Public Works Building		-	25,000	-	-	-
Mower Replacement		-	12,000	-	12,000	-
HVAC Replacements Fire Station	Transfer to Reserve	10,000	8,000	8,000	8,000	8,000
Replacement Caterpillar Backhoe	Transfer to Reserve	8,000	8,000	8,000	8,000	8,000
Police Department Impound Lot		-	10,000	-	-	-
5200 N Croatan Hwy Parking		-	-	20,000	20,000	20,000
Rehab Fire House Galley	Transfer to Reserve	5,000	10,000	10,000	-	-
<b>Total</b>		<b>173,000</b>	<b>133,000</b>	<b>96,000</b>	<b>78,000</b>	<b>86,000</b>
<b>Police (4310)</b>						
Police Equipment (ATV)		-	22,000	-	-	-
In car radios	Transfer to Reserve	20,000	20,000	20,000	20,000	20,000
Ballistic Rifle Plates		-	-	-	9,000	9,000
Other Equipment for the Department	Operating	40,500	-	-	-	-
Vehicles Replacement(s) with Equipment	Operating	333,860	222,962	234,111	245,816	258,107
<b>Total</b>		<b>394,360</b>	<b>264,962</b>	<b>254,111</b>	<b>274,816</b>	<b>287,107</b>
<b>Fire (4340)</b>						
Self Contained Breathing Apparatus		-	35,000	-	-	40,000
Gym Equipment		-	-	-	6,000	-
Bunker Gear Replacement	Operating	45,000	-	-	-	-
Replacement Fire Truck	Transfer to Reserve	200,000	200,000	200,000	200,000	200,000
Fire Equipment	Operating	25,000	-	60,000	25,000	-
Vehicle Replacement	Operating	50,000	55,000	-	-	-
<b>Total</b>		<b>320,000</b>	<b>290,000</b>	<b>260,000</b>	<b>231,000</b>	<b>240,000</b>
<b>Ocean Rescue (4370)</b>						
Truck Replacement		-	-	55,000	55,000	-
UTV Purchase	Operating	20,000	-	-	-	-
Jet Ski Replacement		-	-	20,000	20,000	-
<b>Total</b>		<b>20,000</b>	<b>-</b>	<b>75,000</b>	<b>75,000</b>	<b>-</b>
<b>Planning (4910)</b>						
Update Land Use Plan	Transfer to Reserve	3,000	3,000	3,000	3,000	-
<b>Total</b>		<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>
<b>Powell Bill Funds</b>						
Streets Resurfing Project	Operating	162,000	130,000	130,000	130,000	130,000
<b>Total</b>		<b>162,000</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>
<b>TOTAL 5 YEAR CIP EXPENDITURES</b>		<b>1,102,360</b>	<b>850,962</b>	<b>848,111</b>	<b>821,816</b>	<b>773,107</b>



## FY 2025-2026 Request by Departments

### Non - Departmental

**Description of the Project or Item(s): IT Equipment Replacement & Development.**

**Justification:** Replacement of computers, they are scheduled to be updated every 5-7 years.

**Estimated Cost:** Starting in FY 2025-2026, the Town will transfer \$20,000 to the Reserve to save funds for the project.

**Funding:** Transfer to the Reserve

### Administration

**No Request**

### Finance Department

**Description of the Project or Item(s): Future Software Upgrade**

**Justification:** The Finance Department relies heavily on computers and financial software, which require upgrades.

**Estimated Cost:** Starting FY 2025-2026, the Finance Department will transfer \$10,000 to the reserve for future financial software upgrades.

**Funding:** Transfer to the Reserve

### Public Works Department

**Description of the Project or Item(s): 5200 N Croatan Hwy South End Roof Replacement.**

**Justification:** The Roof needs new shingles.

**Estimated Cost:** \$100,000

**Funding:** Operation Revenue

**Description of the Project or Item(s): Pruitt Park Playground Replacement**

**Justification:** The playground gets damaged by the weather conditions throughout the year. The Town is committed to providing a good condition and safe playground.

**Estimated Cost:** \$50,000

**Funding:** Operation Revenue

**Description of the Project or Item(s): Fire Station HVAC replacement**

**Justification:** The Fire Station HVAC system is original to the building and has been repaired numerous times.

**Estimated Cost:** We have been transferring to reserve \$8,000

**Funding:** Transfer to Reserve

**Description of the Project or Item(s): Rehabilitation of the Fire House Galley**

**Justification:** Replace failing kitchen equipment.

**Estimated Cost:** We have been transferring to reserve \$5,000

**Funding:** Transfer to Reserve

The Public Works Department has scheduled additional projects for which it is planned to continue funding in future years. Those projects are listed below:

1. **Town Hall Pump Station / Drain Field**
2. **Fire Department Exterior Paint**
3. **Vehicle Replacement**
4. **Boardwalk and Docks repair**
5. **Upgrade Public Works Building**
6. **Mower Replacement**
7. **Police Department Impound Lot**
8. **5200 N Croatan Hwy Medical Building Parking**

**Police Department****Description of the Project or Item(s): Police Patrol Vehicle Rotation**

**Justification:** The current policy for replacement of police vehicles is based upon one or more of the following criteria: (1) Mileage exceeds 80,000 miles; (2) Exceeds eight (8) years of age; and /or (3) High Vehicle maintenance and repairs. It is anticipated that as many as three (3) vehicles can be replaced annually. The amounts include decals, the cost of installing equipment, and laptops. 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 an efficient and operational fleet exists to provide maximum public safety.

**Estimated Cost:** \$333,860

**Funding:** Operation Revenue

**Description of the Project or Item(s): Other Equipment for the Department**

**Justification:** The Department requests the purchase of Gym equipment (\$10,000), Computer replacement (\$21,000), two rifles, two handguns (\$5,000), and two handheld radios (\$4,500) for the two new officers.

**Estimated Cost:** \$40,500

**Funding:** Operation Revenue

The Police Department has scheduled additional projects for which it is planned to continue funding in future years. Those projects are listed below:

- 1. Police Equipment ATV**
- 2. Ballistic Rifle Plates**

**Fire Department****Description of the Project or Item(s): Bunker Gear Replacement**

**Justification:** The replacement of bunker gear is requested due to ageing and low inventory of bunker gear for current members, with the anticipation that several more sets will need to be purchased due to a new volunteer recruitment effort. The bunker gear has a ten (10) year life expectancy, so the gear must be replaced before expiration.

**Estimated Cost:** \$45,000

**Funding:** Operation Revenue

**Description of the Project or Item (s): Fire Truck Replacement.**

**Justification:** The reserve is being established to replace fire engines more routinely and ensure funds are available when equipment is beyond its useful life.

**Estimated Cost:** \$200,000

**Funding:** Transfer to the Reserve

**Description of the Project or Item(s): Fire Equipment**

**Justification:** Purchase items such as new fire hoses, personal protection, vehicle extrication equipment, and air masks.

**Estimated Cost:** \$25,000

**Funding:** Operation Revenue

**Description of the Project or Item(s): Vehicle Replacement**

**Justification:** Replace the fire inspector 2015 Chevrolet Silverado 1500, Mileage over 110,000 miles.

**Estimated Cost:** \$50,000

**Funding:** Operation Revenue



The Fire Department has scheduled additional projects. For which it is planned to continue funding in future years. Those projects are listed below:

1. **Self-contained breathing apparatus**
2. **Gym Equipment**

### Ocean Rescue

#### Description of the Project or Item(s): UTV purchase

**Justification:** Purchase of the UTV Honda 1000 Deluxe (side by Side) instead of leasing will save money for the Town.

**Estimated Cost:** \$20,000

**Funding:** Operating Revenue

The Ocean Rescue Department has scheduled additional projects. For which it is planned to continue funding in future years. Those projects are listed below:

1. **Truck Replacement**
2. **Jet Ski Replacement**

### Planning Department

#### Description of the Project/Item (s): Future Land Use Plan Update

**Justification:** The Plan is required to be updated every 5-10 years; budgeting \$3,000 per year in the CIP for the next 10 years will have \$30,000 set aside to be dedicated to a 2032/2033 future land use plan update.

**Estimated Cost:** \$3,000

**Funding:** Transfer to Reserve



Powell Bill Funds

Description of the Project or Item(s): Road Resurfacing

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

**Estimated Cost:** \$162,000

**Funding:** State Funded (Powell Bill)

Adopted by the Kitty Hawk Town Council on this 2<sup>nd</sup> day of June 2025



D. Craig Garriss, Mayor

Lauren Fox Garrett

Town Clerk & Public Information Officer