



TOWN OF KITTY HAWK

PROPOSED AGENDA
KITTY HAWK TOWN COUNCIL
Monday, June 2, 2025
Kitty Hawk Town Hall, Smith Room
6:00 PM

- 1. Call to Order**
- 2. Moment of Silence/Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Public Comment** – The public is invited to address the Town Council on any topic. Please sign up with the Town Clerk before the meeting and when your name is called, come forward and speak into the microphone at the lectern. Please limit comments to 3 minutes.
- 5. Consent Agenda** – Items on the consent agenda are considered to be non-controversial, routine in nature, or items not requiring a presentation to discuss by the Town Council in order to consider the items(s). Any item may be removed for discussion by the council or by any member of the audience who wants to hear the item presented and discussed.
 - a) **Approval of May 5, 2025, Regular Session Council Minutes** – Approval of the consent agenda will approve these minutes.
 - b) **Town Code Amendment – Sec. 20-54.- Parallel Parking.** Update list of parallel parking areas to reflect Luke St and Bleriot St parking improvements.
 - c) **Resolution of the Town Council of Kitty Hawk-** Declaring the Live Oak as the Official Town Tree.
 - d) **Budget Amendment # 16-** Police Department Donations
 - e) **Budget Amendment # 17-** Contingency allocation to Expense Accounts
 - f) **2025 Annual Beach Monitoring Services Contract**
 - g) **2027 Beach Nourishment Pre-permitting Coordination Contract**
- 6. Items Removed from Consent Agenda:**
- 7. Planning:**
 - a) **Subdivision review. 4106 Bob Perry Rd.** Applicant proposes dividing 3.5 acre parent parcel into two new parcels.
- 8. Schedule Public Hearing:**
 - a) **Zoning Text Amendment – Sec. 42-1 & Residential district regulations.** Clarifying language related to lot coverage, lot coverage physical area, and permeable pavement.
 - b) **Subdivision Ordinance Amendment- Sec. 38-1, 38-5, 38-48.** Proposed language to create definition and review process for “minor subdivisions”.



TOWN OF KITTY HAWK

9. New Business:

- a) Public Hearing Fiscal Year 2025-2026 Budget
- b) Appointment of Planning Board
- c) Appointment of Board of Adjustment
- d) Appointment of Board Trustee to Relief Fund Board of Trustees- Kitty Hawk Fire Department
- e) Appointment to Land Transfer Tax Appeals Board- Dare County

10. Old Business:

11. Reports/General Comments from Town Manager

12. Reports/General Comments from Town Attorney

13. Reports/General Comments from Town Council

14. Closed Session- N.C.G.S. § 143-318.11(a)(3) to consult with the town attorney regarding matters protected within the attorney-client privilege and to preserve that privilege.

15. Adjourn

***To Watch Livestream on YouTube:** https://youtube.com/live/hxZJQ_gFJNU?feature=share

The meeting will also be available to watch on the Town's YouTube channel on demand the next day.

****Send Comments and/or Questions via email:**

You may always send comments or questions at any time to info@kittyhawknc.gov. If you would like your question or comment read at this meeting, please send it by 2:30 PM on June 2, 2025, and note that you would like it to be read at the meeting. Be sure to include your full name and address. Please keep your comments to three minutes.

Si habla español, los servicios de asistencia lingüística están disponibles de forma gratuita. Llame al 252-261-3552 para obtener ayuda.



Draft Minutes
KITTY HAWK TOWN COUNCIL
Monday, May 5, 2025
Kitty Hawk Town Hall, Smith Room
6:00 PM

5A

- 1. Call to Order**
- 2. Moment of Silence/Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Introduction of New Staff-** Marisa McCormick, Evidence and Logistics Technician, Amy Heckhaus, Police Officer
- 5. Public Comment** – The public is invited to address the Town Council on any topic. Please sign up with the Town Clerk before the meeting and when your name is called, come forward and speak into the microphone at the lectern. Please limit comments to 3 minutes.
- 6. Consent Agenda** – Items on the consent agenda are considered to be non-controversial, routine in nature, or items not requiring a presentation to discuss by the Town Council in order to consider the items(s). Any item may be removed for discussion by the council or by any member of the audience who wants to hear the item presented and discussed.
 - a) **Approval of April 7, 2025, Regular Session Council Minutes** – Approval of the consent agenda will approve these minutes.
 - b) **Approval of March 25, 2025, Budget Workshop Minutes**
 - c) **Approval of April 1, 2025, Budget Workshop Minutes**
 - d) **Resolution Authorizing the Participation in the North Carolina Health Insurance Pool**
 - e) **Public Works Recognition Week Proclamation**
 - f) **National Police Week Proclamation**
 - g) **Firefighters Day Proclamation**
 - h) **Budget Memo #15 Grant to Police Department from Walmart**
- 7. Items Removed from Consent Agenda:**
- 8. Planning:**
 - a) **Public Hearing: Special Use Permit** – Parcel #:010399003, 0 The Woods Rd. Mini-warehouse self-storage facility.
- 9. New Business:**
 - a) **Fiscal Year 2025-2026 Budget Presentation and Motion to Schedule Public Hearing for June 2, 2025.**
- 10. Old Business:**
- 11. Reports/General Comments from Town Manager**



12. Reports/General Comments from Town Attorney

13. Reports/General Comments from Town Council

14. Motion to go to Closed Session pursuant to

- a) **N.C. Gen. Stat. 143-318.11(6)**, Town Council will enter into Closed Session to conduct the annual performance evaluation of the Town Manager and to discuss other confidential personnel matters

15. Adjourn

Staff Members Present:

Town Manager Melody Clopton, Finance Officer Liliana Noble, Police Chief Mike Palkovics, Fire Chief Mike Talley, Public Information Officer/Town Clerk, Lauren Garrett, Administrative Services Director, Laura Walker, Lieutenant James Helms.

1. Call to Order

2. Moment of Silence/Pledge of Allegiance

3. Approval of Agenda

Garriss: Council, before we approve tonight's agenda, if you notice you have an updated agenda at your seat. The only addition is after the 2025-2026 Budget Presentation, we need to schedule a public hearing for June 2nd meeting for our budget, and we will vote on it at that meeting, that is the only change. Do I have a motion to approve tonight's agenda?

Pruitt: So, moved.

Garriss: Thank you, Jeff. Second?

Walker: Second.

Garriss: Second by Charlotte. All in favor?

All Council: Aye.

Garriss: All opposed? None. Thank you, Council. Introduction of New Staff, Chief.

4. Introduction of New Staff- Marisa McCormick, Evidence and Logistics Technician, Amy Heckhaus, Police Officer

Chief Palkovics: Yes, sir. Mr. Mayor and Council members, it is my pleasure tonight to introduce our new staff. There were supposed to be two new staff here tonight, but unfortunately one was not able to make it here tonight due to a last-minute obligation. I would like to welcome Amy Heckhaus to the Kitty Hawk family, Amy started back with us two weeks ago following an abbreviated field training. She will be out on the road alone next week. We are very excited to have Amy back on patrol. Secondly, I am proud to introduce Marisa McCormick who started with us just last week. As you know, we created this new Evidence and Logistics Technician position out of a position we had vacant for quite some time. We were excited to fill this position and were very pleased with the response we received. Marisa really stood out with her history working in evidence with the FBI in a lab and in the military. She comes to us from Fredericksburg, Virginia and has a master's degree in Forensics and brings a wealth of knowledge that we are looking to capitalize on and grow the position to become more efficient in what we're doing. So, with that I proudly introduce Marisa McCormick.



McCormick: Thank you. It's great to meet you all and I am very happy to be here and be part of this town and the police department. I'm looking forward to all the things we can accomplish.

Garriss: Thank you Marisa, and we look forward to having you here for a long time. Public Comment, Lauren, has anyone signed up for Public Comment?

5. Public Comment

Garrett: No, sir.

Garriss: Thank you, Lauren. Is there anyone here tonight who would like to speak during Public Comment? Okay, let the record show no one chose to speak tonight. Council, you have the Consent Agenda in front of you. Do I have a motion to approve tonight's Consent Agenda?

6. Consent Agenda

Tillett: Mr. Mayor, I make a motion to approve tonight's Consent Agenda

Garriss: Thank you, Dylan. Second?

Hines: Second.

Garriss: Thank you, David. All in favor?

All Council: Aye.

Garriss: All opposed? None. Thank you, Council. We have no items removed from the Consent Agenda.

7. Items Removed from Consent Agenda

Garriss: Item 8A, Public Hearing. Council, I need a motion to go into Public Hearing.

8. Planning:

- a) **Public Hearing:** Special Use Permit – Parcel #:010399003, 0 The Woods Rd. Mini-warehouse self-storage facility.

Pruitt: So, moved.

Walker: Second.

Garriss: All in favor?

All Council: Aye.

Garriss: All opposed? None. We are in Public Hearing regarding the mini warehouse self-storage facility. Thank you, Rob. Casey, can you start us off, sir?

Varnell: Absolutely. Thank you, Mayor and Council members. I don't know the last time we had a public hearing, so I am going to give a brief overview of the process. Given this is a special use permit application, this is a quasi-judicial hearing so that takes us out of the veil of legislative decisions that you are typically making with text amendments and things of that nature. One of the big differences is the evidence that's going to be submitted is going to be sworn testimony outside of the lawyer. The lawyer is allowed to question his clients but if the applicant presents evidence and any of their experts or witnesses to include anyone from the Town who as citizens must also be sworn in. I will go over some of the considerations for you all as you go through this process. The decision you make needs to be based on competent material and substantial evidence. To go through each of those quickly, competent evidence, for example, any witness speaking must have firsthand knowledge of what they're talking about, not something that someone told them. Another aspect is opinion. Like in a court hearing, opinions about what might happen in the future are not admissible unless they are



given by someone competent to give that opinion, usually this would be from an expert. For example, a citizen would say, I think this might have an impact on traffic. Without an expert to conduct a traffic study, comments like that would be disregarded. Property values, which I do know will be something presented in the exhibits and that's something you will see tonight from a certified appraiser. So that would count as competent evidence, and these are just examples. Material evidence, essentially, attachment two in the materials Rob has presented, Item 8A in your packet specifically the conditions and standards, the conditions you will be considering tonight as you hear the evidence. Any of the evidence that you are taking into consideration needs to relate to the standards. Finally, we've got sufficient evidence which is evidence that tends to support the finding that all the standards that Rob has listed in the attachment to any conditions part of our ordinance that those relevant standards are met by whatever is being presented and then that meets the burden of it being sufficient. Speaking of burden, it is on the applicant to establish that whatever they are proposing meets all the required conditions within the ordinance, but also the standards listed in attachment two of Rob's report. If this is something you are considering it needs to be on the record. You can't have deliberations or what you've discussed outside of this hearing. If it's not presented as evidence, you're not supposed to be taking that into consideration, everything needs to be on record. I'll just note that North Carolina statute 160D-75C when it comes to special uses does allow a governing board to place reasonable and appropriate conditions and safeguards in approving or in making their decision. However, any of these conditions must relate to the standards of the ordinance provides as far as land use impacts the proposed project. All these items that Rob has mentioned in his report and a simple majority as opposed to a variance where you would need four-fifths if you have a full board. A simple majority vote of the Council would result in a decision whether it be approval or denial. It needs to be a simple majority vote. I'm going to stop there. Of course, any questions as this thing goes forward that you might have for me, you likely won't have much for me because you won't hear me talk much. This is about the applicant. Rob is going to give a little bit of background as to what you all are here to consider the application itself, but ultimately the applicant is going to make their presentation for your consideration. Any concerned citizens who are here or any citizens who are in support, anyone may speak. It will be under oath. Just bear in mind the idea of opinion testimony versus having, for example, a traffic study scenario with an expert. I say that because in sitting through these things many times, it's human nature to say, "I think this will affect traffic" and the same goes for the applicant unless they are certified in that the applicant can't say I think this will do something unless it's coming from someone that you guys deem to be an expert in that particular field. I will turn it over to Rob now. For the record, I did speak with Mr. Ellis, the applicant's attorney. Do you stipulate having Rob's materials that he's written up and attached? Do you stipulate having those made part of the record?

Ellis, Hood: Yes, we do.

Varnell, Casey: Thank you, Mr. Ellis. What that means is that you can take Rob's packet and anything attached to it, that can be part of your consideration that something you are entitled to consider in making your decision.

Garriss: Okay, before we start, we will need everyone speaking to be sworn in.

Lauren Garrett, Town Clerk, then swears in Rob Testerman, Hood Ellis, Eddie Goodrich, and Greg Bourne for the Public Hearing.

Garriss: If there is anyone in the audience tonight who wishes to speak during the Public Hearing, you will need to be sworn in at this time. Thank you, Lauren.

Varnell, Casey: Just one more time, if there is anyone in the audience who would like to speak tonight, who did not just get sworn in, if you intend on speaking tonight, you will also need to be sworn in at



this time. Just for the record.

Testerman, Rob: I will go through a brief introduction, I won't read the entire 10 pages. The proposal here, the applicant is requesting approval for a special use permit for a 105,000 square foot mini-warehouse self-storage facility. It has a 35,000 square foot footprint and it is three stories tall. These facilities are permitted in a planned commercial development as a special use with the conditions listed in 42-414B section 42-100B of the zoning ordinance states that special use shall meet all the special use site plan requirements as well as provide a list of all adjacent property owners. In most cases, a special use will require concurrent review of a commercial site plan. Citing the cost associated with developing a full commercial site plan, the applicant has requested to separate the review of the special use permit and the commercial site plan. Should Council grant approval of the special use permit, the applicant would be required to submit the full site plans for review by the Planning Board and Town Council prior to any permits being issued or land disturbance permits. The subject property is zoned BC2 with a plan commercial development overlay. This portion of the site is currently unimproved. The abutting property is a separate parcel that is also a part of the Planned Commercial District zoned BC2 and that contains the gas station and convenience store. There are also two properties zoned BC2 containing a cabinet shop and an auto mechanic which are not part of the Planned Commercial District. To the south that is also zone BC2 and is occupied by Dominion Energy. There are two undeveloped parcels to the west and the north that are owned by the state, and they are part of the coastal reserve. Then across 158 and Southern Shores, there's a residential development. As conditional use findings per the standards of section 42-100B8 to approve the application, Council must make the findings that the proposed conditional uses. Conditional use does not materially endanger public health and safety and does meet all the conditions and specifications, does not injure the value of adjoining property or be a public nuisance and will be in harmony with the area in which it's located and in general conformity with the comprehensive plan. The attachments with the staff report include an aerial view of the subject parcel, the conditions and specifications from the different sections of the zoning ordinance that will apply to this appraisal report that was submitted by this applicant and as well the sketch plan elevations and elevation drawings and renderings that were submitted. With that, I will turn it over.

Garriss: Rob, I have one question for clarification for the public and for us if council was to approve this special use permit, we can impose special conditions as we see fit such as a buffer zone or whatever right I think within reason as within reason.

Testerman, Rob: Yes, within reason.

Varnell, Casey: Yes, the question well here's kind of what you I mean obviously this is it's entirely within your discretion to make decisions tonight as long as those decisions are based on the evidence the competent evidence but also when it comes to additional conditions or restrictions they just need to relate to the purpose and intent if you will of the of the ordinance itself allowing as a special use many warehouses.

Garriss: Thank you. Thank you, Rob. Council, any questions for Rob while he's here? Okay, thank you Rob. The applicant please or his attorney, please come up.

Varnell, Casey: Did anyone have any questions about Rob before Hood Ellis?

Garriss: Rob, can you come up, please?

Ellis, Hood: My name is Hood Ellis, and I represent GHK Development from New Orleans and the owner of the property Mr. Eddie Goodrich. Rob, you are familiar with this project. They've been working with you for over a year, and the planning commission unanimously recommended granting a special



permit, didn't they?

Testerman, Rob: They did.

Ellis, Hood: Again, do you find anything in what you've seen that you think the project materially endangers the public health and safety?

Testerman, Rob: I can't speak to that since I'm not an expert in that area.

Hines: I must interrupt, I'm sorry I can't hear you do you mind speaking a little bit more into the microphone.

Ellis, Hood: I'm sorry, I was asking one of the factors that the Council must rule on is whether the project materially endangers the public health or safety. I was asking Rob for his opinion on that, and Rob has said he doesn't feel confident as an expert, but you guys are entitled to hear his opinion on the question.

Varnell, Casey: Rob has said he doesn't feel confident as an expert, but you guys are entitled to hear his opinion on the question.

Testerman, Rob: Opinion-wise, I would say you know if all the relevant permits and all are pulled and it's done in a safe manner, I don't see it endangering public health and safety and again as far as meeting all the required conditions and specifications.

Ellis, Hood: As far as meeting all the required conditions and specifications you've given an exhaustive report, and you've indicated where there might be some things that have to be picked off on later permit approvals and when they submit their comprehensive plan but as far as anything else you found it complied basically.

Testerman, Rob: There were a few minor things like the requirement in the Planned Commercial Development says bicycle parking devices shall be installed that's not shown on there but that's a minor thing that can be added later and requirement for public restrooms is not indicated on it but that's something I think could be added. The noteworthy pieces you can see on the site plan where or the sketch plan where there's wetlands indicated it does say in all planned commercial developments to the maxim degree reasonably possible practical effort shall be made to preserve the natural environment historic sites scenic points large trees and other desirable natural growths water courses and other water areas and other features worthy of preservation either as portions of public sites or open spaces or in other such form as the neighborhood kind of goes on from there other than showing the wetlands that are not being disturbed there wasn't any identification or of those features.

Ellis, Hood: Are you aware of any?

Testerman, Rob: No, I'm not.

Ellis, Hood: Alright, the other thing that we've got Greg Bourne here is who's our Member Appraisal Institute appraiser who will address the value issue but what about the harmony. Is it in the BC2 zone?

Testerman, Rob: Correct.

Ellis, Hood: That's a permitted use in that it's a special with a special use permit right correct okay so it's in a good zone works zoning is okay.

Testerman, Rob: It's in the appropriate zoning district for special use permit you can see in the staff report the area in which is comprised of maritime forest and wetlands small scale commercial uses. There's a 4500-foot cabinet shop, an auto repair shop, convenience store, elementary school facility, and single-family residence development across 158.



TOWN OF KITTY HAWK

Ellis, Hood: Basically, it is it's consistent with the zoning and in harmony with the neighborhood

Testerman, Rob: It's consistent with the zoning.

Ellis, Hood: How about the harmony of the neighborhood? Do you find that it disturbs that?

Testerman, Rob: I won't go so far as to say that it disturbs it.

Ellis, Hood: The land use plan encourages this type of development in this zone.

Testerman, Rob: The future land use map is part of the land use plan list this, area as the invest and improve which is a designation for areas primarily in height traffic corridors where commercial or employment activity already exists or where conditions create the potential for higher intensity uses development. You've got the page exert attached to your staff report there. Back to the comprehensive plan, so I don't think it lines up with it but that's for Council to decide. As I mentioned in the staff report, community goals identified in the plan reinforce Kitty Hawk's unique low-key coastal identity and sense of community through high quality design, protection of natural and cultural resources, continuing to protect maritime forests, floodplains, marshes and wetlands. These areas are important for biodiversity and habitat ecotourism storm protection functions and so I think there could be arguments made both ways.

Ellis, Hood: Okay but again this is land that's off US highway 158 which is a busy highway and again down the road is a Home Depot and other big stores and this is again over 250 feet off the highway, correct?

Testerman, Rob: Yes, that is correct.

Ellis, Hood: The areas that they've included in the report show that it may be hardly visible from the highway. If there's a harmony problem, it couldn't be much more.

Testerman, Rob: That will be for Council to decide.

Ellis, Hood: Thank you, sir. That's all my questions.

Varnell, Casey: If I may ask a few follow-up questions. Please Rob, just a few not many at all. During Mr. Ellis's examination, you mentioned first you said the site plan and then you said sketch plan. I was just curious, is there any difference in a sketch plan and a site plan?

Testerman, Rob: The applicants requested to separate the commercial site plan review and special use permit. I don't necessarily want to refer to this as a site plan, it's more of a conceptual sketch plan. I suppose, I don't want to put words in their mouth, but if they're holding off or wanting to separate the two then I don't think it should be referred to.

Varnell, Casey: Understood and it was your word, so I just wanted to get your take. Did that in any way affect your not having a commercial site plan, did it in any way affect your ability to review and consider this project?

Testerman, Rob: I mentioned there's a couple of the more minor parts of the zoning requirements that typically will be shown in the commercial site plan like septic areas but again something like that can be addressed. They've got an area circled for storm water management, but we would have more detail in the commercial site plan, but I wanted to make sure there wasn't any huge difference.

Varnell, Casey: Perfect. So, we can keep the record straight and Mr. Ellis also mentioned the Home Depot and to be clear, it's true it's right down the road but is it the same zoning district as where this project is proposed where the Home Depot is located.

Testerman, Rob: No, that's in BC3.



Varnell, Casey: Is there any difference between BC3 and BC2 or strike that would you say would be from a land use perspective the largest differences between BC3 and BC2?

Testerman, Rob: So, the BC3 is kind of set up for shopping center commercial shopping center the kind of big box retail stores more density.

Varnell, Casey: That's all I got, I will open it up to you guys.

Garriss: I don't know if y'all have any questions can I ask any more questions for Rob or Mr. Ellis.

Tillett: I do have a question for Rob. Did you notify the applicant tonight that it was recommended to submit a commercial site plan concurrently with a special use permit.

Testerman, Rob: The discussion we had back and forth was that it's typical that we'll have a commercial site plan attached to it if they could make a valid argument as to why we could separate the two then we can proceed that way. Citing the cost and time associated with it, we allowed them to move forward with the understanding that they had to show all those specifications.

Tillett: Would you agree that one of the only reasons not to submit a commercial site plan would be if you're not proposing any physical improvements to the property?

Testerman, Rob: The special use permits that come in for a use moving into an existing building typically would not require a commercial site plan be attached to it.

Tillett: But if you're proposing physical improvements to the property, I would think that a commercial site plan would be required concurrently with a special use permit is that what your opinion as well?

Testerman, Rob: I think it would give a greater level of review to being able to nail down wastewater areas, fire apparatus turnaround areas, things of that nature. We don't have that level of detail in some areas stuff that may not necessarily be in the ordinance but is typically shown.

Tillett: Thank you.

Pruitt: Rob, has anybody contacted the coastal reserve state of North Carolina to see if they felt like that this would have any effect on their coastal reserve in the maritime forest?

Testerman, Rob: They were sent the adjacent owner adjacent property owner notifications as were all the adjacent properties for this development I did not reach out to them specifically and I haven't heard anything back from them.

Garriss: Mr. Goodrich or was your attorney speaking for you in other words do you have any further for Rob or are you good?

Ellis, Hood: Rob, did they tell you how much money it was going to cost them to do a site plan?

Testerman, Rob: There was reference to full architectural plans, and I don't recall the cost, but they did provide the dollar value estimate.

Ellis, Hood: The cost is \$225,000 for the plans and \$75,000 for the engineering. Again, is this a permissible procedure we're engaging in to get the special use permit before we commit to that level of expenditure?

Testerman, Rob: I think the Council must decide if they can make their decision based on the information provided, typically the commercial site is done with special use permits so that we can ensure that all those specifications and conditions are met.

Ellis, Hood: But is it permissible under the Town or to proceed like this to get a special use permit?



TOWN OF KITTY HAWK

Testerman, Rob: It'd not laid out that it can't be done that way but it's typical that together.

Ellis, Hood: But again, we're talking about mini storage so there's not going to be much waste, but you would have told us that we couldn't be here.

Testerman, Rob: Right.

Ellis, Hood: That's all. Thank you, Mr. Mayor.

Garriss: Any more questions for Rob?

Varnell, Casey: I've got none, Mayor.

Walker: Rob, was it a mini warehouse where we approved a special use in that BC2 40,000 square feet and that's what we approved?

Testerman, Rob: So, the square footage reference is in the BC2 district. It was not part of the text amendment to allow the mini warehouse to use, and it lays out that no owner or tenant shall occupy space greater than 40,000 square feet as shown on commercial site plan. The last time we were here on this the applicants were present with a text amendment to get that changed and then appealed for that interpretation and the Board of Adjustment overruled the staff interpretation that the that 40,000-foot referenced in the ordinance. The board found that it's talking about footprint not the overall size and so that's kind of how we end up back here tonight it's the board of adjustment if I remember right.

Pruitt: Rob, if we disagree with the Board of Adjustment, it does seem kind of I didn't agree on just the footprint. I agreed on the square footage. Somehow, it's been a little bit confusing so if the Board of Adjustment thinks that's what we did then so but that's not what I think many of us thought so is there a method of saying we don't agree with the Board of Adjustment. Is there a procedure, Casey?

Varnell, Casy: It would have been to appeal and there were various reasons that the decision was made not to do that. To answer the question though as for tonight's purposes, no, that can't be a factor in your deliberations, in your findings, or in your conclusions. When I say that can't be a factor, I mean the fact that you disagree with the Board of Adjustment's ruling, there's other standards and things in there, that's not the only thing of course that you get to consider but correct that can't be a basis for a decision tonight of any nature.

Walker: The thing that was argued that night was the definition of square footage that was what was decided that night.

Varnell, Casey: Building area.

Walker: Right, yes and not square footage.

Varnell, Casey: Just for the record, not that this is necessarily material, however what was decided that night the definition of building area meant lot footprint not as you said the entirety of the square footage of the structure. So, however many square feet the lot footprint is and whatever our ordinance requires, the Board of Adjustment's decision was that the number of square feet within our ordinance only applies to the lot footprint not to the entire structure. Does that make sense, Councilwoman Walker?

Walker: Thank you.

Garriss: The proposal has both.

Varnell, Casey: I believe it does, I believe proposal is 35,000 square feet which would be the footprint and then I don't want to speak for the applicant but that would be just since we're talking about the



Board of Adjustment hearing that would be the footprint with the I believe 105 unless it's been modified being the total square footage of the building of the structure itself. That's correct.

Walker: Do we have a definition of "mini"?

Varnell, Casey: Now if it's not found within this ordinance allowing this as a special use if it meets certain conditions then no, we will not have a definition of "mini".

Varnell, Casey: I'm not going to speak for the applicant.

Testerman, Rob: No, our definition for mini storage facility I think mini warehouse facility does not include square footage.

Garriss: Okay, anything else Council?

Tillett: I've got one more question for Rob. If this was submitted to you as a plan a review that was administrative only, I don't even know if we have a process of that nature, do you feel like the items on this plan the what's included on this plan would be enough for you to decide for a site plan approval?

Testerman, Rob: The procedure for that if this was a permitted use by right it would be commercial site plan would go to go to the Planning Board and Council it would be an administrative decision meaning you're just basing it on what they're showing. I think the items that might be kind of lacking in there, like I said the minor things it would in the Council has granted like a conditional approval of the cycling just that they get those corrected. The information shown right before any permits being issued rather than denying and making it make them revise the plan to go back to the Planning Board and back to the Council, it's been handled that way.

Garriss: Are you good, Dylan?

Tillett: For now, yes sir.

Garriss: All right anything else, Council? Alright I'll ask again, is there anyone here tonight that would like to speak during this public hearing if so come up and be sworn in? Please anyone has any questions for Rob or this Council? Okay, we're good Council. Anything else during Public Hearing?

Varnell, Casey: Are you going to present?

Ellis, Hood: We've got two more witnesses, Mayor.

Varnell, Casey: I think the Mayor was referring to you guys too, not just anybody. No problem.

Garriss: I'm waiting for you to come up. Alright, state your name please for the record.

Goodrich, Eddie: My name is George Edward Goodrich

Ellis, Hood: Alright, Mr. Goodrich are you the owner of the property that's in that we're talking about tonight.

Goodrich, Eddie: I am the owner of the property.

Ellis, Hood: Tell me what you understand to be the history of this property.

Goodrich, Eddie: This property was purchased from the estate of Billy Roughton and prior to that it was owned by an oil company and of course as everybody knows there was an old gas station on the property for something like 50 years. Nobody else was able to work through the division of environmental laws, even the state of North Carolina removed what was there and built a new 7-Eleven with the gas pumps and everything and then there the residual property is what we're dealing



with now okay.

Ellis, Hood: How much acreage is there?

Goodrich, Eddie: A little over five acres.

Ellis, Hood: How much acreage do you understand will be developed of that?

Goodrich, Eddie: Less than 50%

Ellis, Hood: Okay, which exceeds the open space requirement of the ordinance.

Goodrich, Eddie: Correct, it does.

Ellis, Hood: Tell me what you understand that Mr. Cobb and GHK are proposing on your property.

Goodrich, Eddie: They're proposing two things, one 10,000 square foot of retail space or office space out near US 168 and a 35,000 ft footprint three stories tall which is a storage facility that's fully enclosed, air conditioned, heated, and totally secure. Quite frankly everybody seems to be concerned about the size of this building, well in reality it's smaller than a food store, than a grocery store and it's no taller than a single-family home in Kitty Hawk. I've been in the real estate business for a long time, and I've seen a lot of things happen and nothing is ever as bad as everybody thinks it's going to be.

Ellis, Hood: How many mini storage units are proposed throughout the property?

Goodrich, Eddie: I'm not sure, I think 250 or something like that.

Ellis, Hood: Okay, but again it's for a homeowner that has extra stuff that they can't fit in their house they can store it in one of these units.

Goodrich, Eddie: The average age of people in Dare County is 10 years older than the average person in the state of North Carolina. The average person in Dare County is 48 or 49 years old and the average person in North Carolina is 39 years old. So, yes it's beginning to happen in real estate industry now, they're downsizing, they're moving from their large house to their small house some of them die, they all do and they have things that they want to store for their children and their grandchildren whether they want it or not but they feel they want to have things that were theirs. This facility is also suited for commercial like a plumber to keep his equipment and keep his materials so they won't be stolen, and he can go once a week and get what he needs, and he doesn't have to keep everything under his house.

Ellis, Hood: It's all accessible from the outside, are the units on the inside?

Goodrich, Eddie: Yes.

Ellis, Hood: Do you believe that this project in any way endangers public health or safety?

Goodrich, Eddie: I can't imagine how it could.

Ellis, Hood: You've owned real property in Dare County for how many years?

Goodrich, Eddie: 40 years.

Ellis, Hood: You've done other commercial developments?

Goodrich, Eddie: Quite a few.

Ellis, Hood: As far as you know based on the architect that prepared these plans that worked closely with Rob, is it your understanding that it meets the conditions and specifications of the Kitty Hawk



ordinance?

Goodrich, Eddie: I agree that it does.

Ellis, Hood: As far as in harmony with the rest of the neighborhood in which it's located what do you say about that?

Goodrich, Eddie: The neighbors are North Carolina Power, the 7-Eleven store, a cabinet shop, car maintenance and repair service. The other neighbors, some of it is the state of North Carolina so that's all open space. I would agree that it's in harmony with where it's located.

Ellis, Hood: Which is in BC2 beach commercial. Anything else you'd like to tell the board?

Goodrich, Eddie: I don't think so.

Ellis, Hood: That's all my questions.

Garriss: Thank you, sir. Council? Casey?

Varnell, Casey: No questions.

Garriss: Alright, thank you, sir. Thank you, gentlemen.

Ellis, Hood: Yes, sir, would you please state your name for the record?

Bourne, Greg: Gregory Lee Bourne.

Ellis, Hood: Mr. Bourne, where do you live?

Bourne, Greg: 4893 The Woods Road in Kitty Hawk North Carolina.

Ellis, Hood: You are resident in Kitty Hawk?

Bourne, Greg: Yes, sir I am.

Ellis, Hood: Is your office also located in Kitty Hawk?

Bourne, Greg: Yes, it is.

Ellis, Hood: How are you employed

Bourne, Greg: I am self-employed as a commercial real estate appraiser

Ellis, Hood: okay so can you tell us your credentials

Bourne, Greg: I have the state of North Carolina general certified license that basically allows me to appraise all property types, residential, commercial, and complex issues. In addition to that I'm a North Carolina broker, I'm a realtor and I hold the Member Appraisal Institute designation which basically is a level above what was required to get state certified. In fact, it was a lot more to get my Member Appraisal Institute than it was to get my state certification that takes more education, more experience, and more effort to get that designation. I have 39 years of appraisal experience in virtually all of it in Northeast North Carolina. I appraise a whole array of properties, I've appraised properties for all the towns, basically all the counties, banks, and individuals. I've dealt with attorneys, I've dealt with various government agencies, I've appraised for almost 40 years.

Ellis, Hood: You got any estimate of how many appraisals you've done?

Bourne, Greg: I've done more than 2500 but my appraisals are not like a residential appraisal, my appraisals are big.

Ellis, Hood: Have you also done work for the town of Kitty Hawk?



Bourne, Greg: Yes, I have.

Ellis, Hood: What type of work have you done for them?

Bourne, Greg: I just recently appraised the police station.

Ellis, Hood: You were employed by GHK and Mr. Cobb and Mr. Goodrich in this case?

Bourne, Greg: Yes, I was.

Ellis, Hood: What were you employed to do?

Bourne, Greg: My problem to solve as an appraiser or the problem that was considered is whether the project here will have an impact on any of the adjoining adjacent or nearby properties. Whether it would be in harmony with the neighborhood and not be a public nuisance and as far as the effect on adjoining properties.

Ellis, Hood: That's to determine if this project would diminish the value of those adjoining properties.

B Bourne, Greg: Yes, it was.

Ellis, Hood: the packet that Rob your report that Rob included in what's been given to the town council was dated 2024 when we first were coming here

Bourne, Greg: Yes, sir.

Ellis, Hood: You've updated that?

Bourne, Greg: Yes, I have.

Ellis, Hood: Mayor, may I introduce this?

Garriss: Yes, sir.

Ellis, Hood: Greg, if you would just sort of take us through your process and how you did this and how you compiled the report.

Bourne, Greg: Basically, what I did was look at the existing projects here primarily. I looked at the US storage chain right up the street here the same folks own all the mini warehouse facilities there right there at the Nags Head and Kill Devil Hills line. I looked at a project in Kitty Hawk that also one on Collington Road going into Kill Devil Hills as part of Kill Devil Hills outside the corporate limits and what I did is to look around those properties and see if there was either an impact either improved properties or vacant properties to see if that facility had an inverse adverse impact or any impact at all on the surrounding properties. I look for sales to show that if there was an impact the data that I gathered indicated that there was no impact on the surrounding properties. This property in its specific position within its neighborhood would have no impact on its adjacent surrounding property

Ellis, Hood: As far as the factor that asked whether this project would substantially damage the value of the adjoining property was your determination was no, correct?

Bourne, Greg: Yes, sir.

Ellis, Hood: In your opinion, was there any negative impact at all on the enjoyment problem?

Bourne, Greg: No, sir, not from the data that I collected would indicate.

Ellis, Hood: What about harmony and public nuisance?

Bourne, Greg: Given the surrounding properties, and you got Dominion a large facility over 10 acres, you have warehouses, you have shops, you have an office, the auto repair place, the cabinet shop,



both pretty old establishments and the fact that it's surrounded by woods on basically three sides, that it would have no adverse impact. You know out front there is 10,000 square feet of retail space which kind of shields the project in the back of the property the woods would remain around the property, so it's screened from the highway, and somewhat visible from the other properties and uses in the area.

Ellis, Hood: Based on your familiarity having lived here for years, worked here for years, in your opinion is there a need for a facility like this?

Bourne, Greg: Yes, there is. I've basically appraised every facility on the Outer Banks and except for maybe during the time of the great recession occupancy has been always very high and there's a reason there's all those facilities across the bridge because there's no place to do it here. From my work on the other projects, it's obvious there's a demand for space here on the beach people would prefer not to drive across the bridge and deal with traffic and so forth.

Ellis, Hood: Thank you, sir. That's all my questions, Mayor, unless somebody else has questions.

Hines: I do. I understand your comparables that you have to use. How many warehouse facilities have you appraised overall?

Bourne, Greg: I would say about five.

Hines: One of them is new. Two of them have switched, the other three have switched hands so when they switched hands. Did you appraise those during the switch?

Bourne, Greg: I appraised one of them for the property owner for tax issues.

Hines: I'm going to go back to my question, overall, how many storage facilities would you say you've done in the last 5 years?

Bourne, Greg: I'd say about probably since we don't have a whole lot of them down here and they don't change hands very often you know maybe three to five something like that.

Hines: You said you used Colington

Bourne, Greg: I used it.

Varnell, Casey: Mr. Goodrich was not tendered as an expert as you were, and the field was what one more time for the record? What field were you tendered in?

Bourne, Greg: As an appraiser.

Varnell, Casey: Do you hold an engineering degree?

Bourne, Greg: I do not.

Varnell, Casey: A law degree?

Bourne, Greg: I do not.

Bourne, Greg: I am not.

Varnell, Casey: The reason I was asking that when you testified as to the harmony with surrounding properties was that and I'll try not to bifurcate this question was your opinion that it was in harmony with the surrounding properties was that based on an impact in value to those surrounding properties?

Bourne, Greg: Yes.



Varnell, Casey: Okay and not in expert opinion as a certified land use planner?

Bourne, Greg: Correct.

Varnell, Casey: Thank you, no further questions.

Pruitt: So, what you were referring to is just the effect on the businesses or the structures not so much the environmental impact part of this, correct? When you say in harmony we're not talking about in with water flow and we're just talking about value. Okay, thank you.

Garriss: Alright Council, anything else? Sorry about that, we have a technical problem going on, I think. Anybody else who would like to speak? Thank you, Mr. Ellis. Thank you, Mr. Bourne. Mr. Goodrich, anything else, council before we go back into regular session?

Varnell, Casey: For clarity, includes questions of anyone that testified tonight I think it's okay if you ask me some opinionated questions. I will tell you I'm not supposed to be asserting my discretion or my opinion or interpretation of any of these considerations or standards in supplanting that for yours so I'm limited I guess as to what I can do but before you close, Mayor, I just wanted to make sure there's no further questions of anybody else that testify of of the by the board. Okay, perfect. Thank you.

Garriss: If not, Council I'll entertain a motion excuse to go back in regular session.

Hines: So, moved.

Garriss: Motion made by David. Second?

Pruitt: I'll second.

Garriss: Second thank you Jeff all in favor?

All Council: Aye.

Garriss: All opposed? None. Alright, we are back in regular session. Council, what would you like to do here? Comments? Questions?

Tillett: I'll comment. Being that the applicant decided to separate the commercial site plan from the standard or special use permit, I'm having trouble agreeing that it meets all the conditions of the ordinance. Casey, do I need to specify what I'm referencing?

Varnell, Casey: Yes, clarify if you would please.

Tillett: The approved comprehensive land use plan is one of the requirements and correct me if I'm wrong is to continue to protect maritime forests, floodplains, marshes, and wetlands from reviewing this submittal. I'm unable to understand how much land disturbance is proposed, how much wetland impacts are proposed, where the wastewater is proposed, what the grading and elevations of the site is supposed to look like. All of that I would consider to be impact on the environment and without that I'm having a hard time being able to say that meets the conditions of the ordinance and approved land use plan.

Varnell, Casey: As I said initially the conditions of the ordinance and then any standards that are imposed upon Planned Commercial Districts or imposed upon by our statute chapter 42 such as the harmony that we were just all those standards and conditions you guys need to be satisfied that they are met.

Tillett: That would be included in the ordinance and specifications that need to be met.

Varnell, Casey: That's correct.



Hines: Would that not be after? Tonight is to move forward with the special use permit so that they can do all that.

Varnell, Casey: I think and correct me if I'm wrong Councilman Tillett, what you're trying to say is based on what you've got here in front of you tonight, you can't get to that step because you can't tell whether all the conditions of the ordinance are met.

Tillett: That's correct. I understand there's a cost associated with the design. I fully understand that however, I think that's the name of the game in development is you put forward a little understanding that you must invest in it I do understand this a significant cost.

Garriss: Anything else, Dylan?

Tillett: That's all I have.

Hines: I'm going to stand and go last.

Pruitt: I'm good.

Garriss: Charlotte?

Walker: I'm good.

Hines: Back to me, I don't personally have a problem with moving it forward you know I voted for it the first time. You know I don't know of any other place for that to go really unless you're heading north, you're not really going to. It's all going to tie into basically looking like one property more or less. I mean you can't ask for a better buffer on the east side of that area right there, in fact it's almost circled around and buffering. I don't disagree with Councilman Tillett it either generally speaking and I had to have some questions answered before I got here today. You know this is a, correct me if I'm wrong, a two-step process that's correct right so we're not approving it to be built tomorrow, we're just allowing it to move forward to get to the step where they spend the \$275,000 and then at that point do we not get to put restrictions on but at that point do we not then get to really comment on what we need to be commenting on?

Varnell, Casey: Are you talking conditions like additional conditions?

Hines: Let me rephrase my words, at that point in time do we not get to critique certain aspects that's where they have to fall in line with anybody else who submits a site plan for commercial development.

Varnell, Casey: The specifics of the site correct is that what you're talking about I see no reason why you couldn't comment at that stage.

Hines: Absolutely, because we're not approving a permit tonight to start construction tomorrow, we're pushing it forward so they can spend more money to get to that point. Is that correct, is that what I'm hearing?

Varnell, Casey: I'm sorry, I missed David, what did you say?

Hines: Tonight, again we're voting to move this forward so that they can start spending the money on this on everything they need to come back to the Council.

Varnell, Casey: Correct, so any monetary amounts that have been discussed tonight that are associated with full commercial site plan review. Yes, they would clearly have to spend that money, I agree as for the second step.

Hines: I agree with Councilman Tillett over here with what he's saying you know you draw site plans for a living so you know more than anybody, but I don't know that I would spend \$300,000.



Tillett: How are we supposed know? Part of the special use permit process of one of four items that need to be met is does that meet all required conditions and specifications. I'm unable to say that it meets all the all of that that I don't disagree with the material at hand.

Hines: That's what I'm saying, I don't disagree with you on that. I'm in favor of moving forward. I might be again the only one sitting up here, I don't know where else it can go in Kitty Hawk personally speaking, I personally have a unit across the bridge that I pay \$200 a month for now. Is it more expensive to be here? I don't know, but I know that there's a shortage of places for people to store their items. I was lucky enough to get one unit across the bridge so there's a need for it. I'm not going to get into the logistics of appraisals and this that and the other. I could care less personally, the fact in my mind, what matters is does it fit the area with flow and I personally believe that it does. I could be in the minority again, but I have no problem with that. I have some things I'd like to suggest on lighting and different things to that effect, but we're not there yet so I can't even get into that side of it yet because it's not been moved forward so that's where I'm at with it. If everybody's done talking about it and there's not any more discussion, then I think at this point there needs to be a motion made.

Garriss: Anything else Council? Any more conversation discussion questions? David, right on. If anyone wants to make a motion now's the time to do it.

Hines: I'm going to make it. I'm sure it's going to end up made the same way as it did before. I move to grant approval of the special use permit to allow mini warehouse storage facility and associated retail building located in the Planned Commercial District at parcel 01 039903. The Town Council finds that the proposal meets the conditions of Section 42-1000B8 as well as Section 42-414B4

Garriss: Thank you, David. Do I have a second?

Garriss: Call again, do I have a second Council?

Garriss: Alright Casey we've got a motion we do not have a second.

Varnell, Casey: So, that matter dies. Now I will say meaning usually that leads to denial then of what's been presented but there's a nuance here in that there are additional conditions and things that you guys could propose that are not currently being shown so if one of you would like to make a vote to include anything additional then I believe that would be in order but if not then I would say that this fails.

Garriss: Charlotte?

Walker: No.

Garriss: Jeff?

Pruitt: I'm good.

Garriss: I don't have anything. Dylan?

Tillett: Explain to me what again what are we talking about?

Garriss: Any conditions that could be placed so that we could go forward.

Varnell, Casey: If there are other reasonable conditions outside of what's listed in the ordinance, for example, those that are tailored or substantially related to the intent of the ordinance itself you can propose those in addition. What I was saying is generally if a motion to deny and or if it was approved vice versa if a motion to deny is made and it dies then it fails thus it's not approved. Does that make sense? However, since you can have the discretion to add additional conditions, I just don't want to



take that off the table if that's something that you guys want to consider because it wouldn't be a flat denial of if you added conditions of what you've got here tonight.

Tillett: No, I don't have any additions to make.

Hines: Okay, so just so I understand it as Councilman Tillett. What question was on 42-100 B8? Is that what he was hung up on? Is that a place for him to bring up his concern?

Varnell, Casey: Is what a place? Help me out.

Hines: Sure, right here.

Varnell, Casey: What he said is that he cannot understand that because it does not meet all required conditions and specifications and then I do believe, and I want to do this for the record and ensure that's what these decisions are based off because there's got to be a rational nexus. Which condition were you referring to?

Tillett: Condition B, does not meet all required conditions and specifications.

Varnell, Casey: And then those conditions and specifications were those the ones you referenced during deliberations?

Tillett: During my deliberations.

Varnell, Casey: Understood yes sir, is that what you were referring to as you were deliberating and you've answered that.

Tillett: That's correct.

Hines: Is that a place to put a condition on it now or not?

Varnell, Casey: I mean if somebody wants to make that motion, yes.

Hines: If I were to retract my motion and include his concern is that okay?

Varnell, Casey: You would be putting words in his mouth.

Hines: I mean I'm not putting words in his mouth.

Varnell, Casey: All I'm stating is make sure you understand the concern. Maybe I'm confused.

Hines: Is that the only thing that you were concerned about?

Tillett: That's correct.

Varnell, Casey: Right but I think what he's saying is he's not able to determine that all the conditions and specifications have been met based on the evidence presented.

Tillett: That is correct.

Varnell, Casey: So, there wouldn't really be a scenario where all right well let's approve now you there could be a continuance and then there could be.

Hines: Can it not be contingent upon satisfying?

Varnell, Casey: According to what I'm hearing, remember what I said in the beginning. We're based on what we got tonight right well and if Councilman Tillett is saying that he doesn't believe there's enough there and that is a basis for his non-vote, I suppose it is you know again within your deliberations. Do you Mayor, Councilman Pruitt, and Councilwoman Walker concur with Mr. Tillett's comments?



Pruitt: I do. Go ahead, Mr. Mayor.

Garriss: Would it be easier to have a second to David's motion do we either approve or deny what we got before us tonight?

Varnell, Casey: I think for the record what would be most clear if, Councilman Tillett, if you would make the motion based on and give the basis for it and let's go.

Tillett: We still have an open floor now that the first motion was not seconded.

Varnell, Casey: Yes, in this there is no closure.

Tillett: Correct.

Hines: Am I retracting mine?

Varnell, Casey: No, yours died.

Pruitt: Can I ask a question, Casey? Can some of these conditions that we're concerned about be done without the expensive site plan? One of my main hang-ups is it in harmony, if somebody said the water's going to flow right with the nature part and it's not going to cause some stormwater. I'm worried more about the flooding and stuff like that. Other than that, I do agree with David that it is a good location for a facility like this, but I don't have the information to know. I would like just to like to know a little bit more about where the water's going and what effect it's going to have on people, that's it with me. I don't know if that details a whole site plan or just an environmental concern.

Hines: I'm just saying we can't even get there until we push it to that place.

Tillett: You can you just have to invest in your project a little bit more.

Hines: Well, that's true correct.

Tillett: You can get there right, and many applicants do in towns all over the place.

Hines: I don't disagree with that.

Tillett: Okay, so you need something, alright. Mr. Mayor, I move to deny the proposed special use permit for a mini warehouse storage facility located at parcel number 010399003 due to not meeting all the required conditions and specifications part of the as per 40 Chapter 42-100BA as per 42-100BA special use permit requirements.

Garriss: Okay, thank you, Dylan. Do I have a second to Dylan's motion?

Walker: Second.

Garriss: Second by Charlotte. Any further discussion? All in favor of the motion to deny please signify by saying, "aye".

Garriss, Tillett, Pruitt, Walker: Aye.

Garriss: All opposed?

Hines: Aye.

Garriss: Motion to deny tonight passes four to one. We finally got there, thank you.

Varnell, Casey: What will happen now guys is I will prepare it has to be a written order generally and I will give it to Mr. Ellis. There's no appeal rights anything of that nature that begin running until there is a written order approved by you guys so between now and next meeting I will present that to Mr. Ellis to see if we can come to an agreement on it with the idea bringing it back to you guys as an agenda



item where you can approve the contents of the order as per your results and decisions just now.

Garriss: Very good, that's what we need. Thank you, sir. Thank you, gentlemen. Folks, thank you.

Varnell, Casey: Yes, sir.

Garriss: Thank you, Council. Item 9A, Fiscal Year Budget.

9. New Business:

a) Fiscal Year 2025-2026 Budget Presentation and Motion to Schedule Public Hearing for June 2, 2025.

Clopton, Melody: Good evening, Council and members of the public. We are here to present our Fiscal Year 2025-2026 Budget. This is the first step in the budget approval process. After today, the budget will be available for public inspection and then we will have a public hearing and a Council vote. We hope to have the first meeting in June. Our budget theme this year is defining a path forward and just to review, a budget is a comprehensive plan outlining anticipated revenues like our tax revenue and proposed expenditures like spending on services for a specific period, often for a fiscal year, that reflects the government's priorities and policies. Our budget reflects our goals from our mission and our vision of community involvement, family values, responsible use of town resources, preserving the town's history, enhancing natural resources, and promoting resiliency, striking a balance between the needs of our year-round residents and our visitors and continuously improving the quality of coastal living. When our lead team sets out to talk about their department budgets and what ultimately becomes the town budget, we consider efficiency, we try to maintain expected services, and we also think about sustainability. What does our future look like? We need to allocate funds for capital improvements and long-term projects and infrastructure so those are the things we consider and the three things I'm going to talk to you about tonight are our reevaluation. Everybody I think knows about the property tax revaluation, our revenue stream, and our expenditures. Dare County did their 2025 property revaluation, their goal is to do it every five years so our townwide property values increased this current fiscal year. The townwide property ad valorem was one and a half billion. With the property revaluation, the property values for this year are \$2.4 billion so what we must do first is calculate a revenue neutral tax what would generate with the new value. What would generate the same amount of taxes, and it was calculated at 19 cents, and the municipal service district was 6 cents using the revenue neutral tax and revenues less requested expenses left a shortfall of \$746,000. In this budget our projected revenue is \$12.5 million, we are proposing a townwide tax rate of 22 cents which includes the two-cent allocated to beach nourishment and the MSD which is revenue neutral at 6 cents. Our current tax rate is 30 cents with three and a half cents dedicated to townwide beach nourishment and the municipal service district tax rate is 10 cents. The proposed tax rate is three cents above revenue neutral, and one penny generates \$248,593. Our projected expenditures and our balance has to be budgeted so it is \$12.539 million, the same as expenses. Personnel benefits are the largest cost for the town. Operations are \$4.1 million, maintenance, and repairs are just close to \$400,000. Our capital outlay this year is \$674,000 and the transfer to capital reserve is \$493,000. That is a 4.8% increase over last year's budget. The budget does not use any fund balance to balance the budget, which means we're leaving our savings alone. Currently as of May 2025, our unassigned fund balance, meaning it's not allocated toward any project, is \$3.1 million and we also have an emergency fund set aside for emergencies at \$3.5 million. Those totals remain intact in our 2025/2026 budget. The highlights are 3% pay plan adjustment and a step increase for all staff, we are adding two new full-time sworn police officers, we are changing our health insurance provider, and we are experiencing a flat renewal because of that change. We are replacing playground equipment at Paul Pruitt Park and staffing an additional lifeguard stand south of Bleriot Street. We are also working to



paint and put a roof on the medical side of the building at 5200 North Croatan Highway. Things that we are going to do with our capital funds, we're going to as I said roof repair at 5200 North Croatan Highway, replace the playground equipment, we need to replace vehicles, \$40,000 of police equipment, fire vehicle replacement, fire bunker gear replacement, fire equipment, street resurfacing, which is comes from the state at \$172,000 and we are purchasing an ocean rescue UTV vehicle. Things we're setting aside money for, we're putting aside \$493,900 for IT equipment, finance software, HVAC replacement at the fire station, our Caterpillar backhoe replacement, rehab of firehouse kitchen, the land use plan update police in-car radios, our fire truck replacement, and then \$217,000 goes into beach nourishment. In conclusion, I just want to say thank you council we have talked about this and not something we take lightly at all. It's been a group effort, everybody's been involved in this, so I really want to thank you, and I thank our lead team and their staff for making this a sound budget. This gives us a sound financial future, the budget aligns with our core values and our goals, and I think it ensures that we meet the needs of our community, so I appreciate everybody's time

Garriss: Thank you, Melody. It's obvious a lot of hard work went into this budget. We've had discussions, I've had discussions with each Council member, some other ideas that came up, but nothing can happen because we're at the 22-cent proposed rate and that's where we're going to stay. If we want to do anything else we're going to have to go above that number and I don't think, there's a whole lot of what I gather interest in doing that. We spoke about a fire truck for the future I think everybody kind of mentioned that that I talked to but I am open for discussion while Liliana and Melody are here. You all have done outstandingly with your work, thank you. Charlotte? Jeff?

Pruitt: I'm good Mr. Mayor, thank you. I think it's a good budget. We tried to work with everybody, we were able to give everybody a step raise and percentage. We're trying to pay off some big items this year and hopefully we can trim some of the things that we're paying for this year and get some things paid off and move forward and the purchase of putting aside for a new truck so that we're not hit all at one time. I've talked with Dylan, and I think both of us talked about the need to go ahead and start setting aside funds which would require raising the taxes and but during the budget the conversation was if we can wait one more year then the possibility that that might happen next year. I don't know but I'm happy with the budget that we've set this year.

Clopton, Melody: I want to point out that it's a second truck, we're almost there with one fire truck but next we must start saving for a ladder truck so that's the next thing that's what they're talking about now.

Garriss: We heard \$2 million. Okay thank you, Jeff. Thank you, Charlotte. Dylan?

Tillett: I agree, I'm happy with where we landed with this budget. The 22-cent tax proposed tonight, I do have some concerns about saving for that \$2 million fire truck. I'm the last one to want to increase taxes. If we were to do such a thing I would want to dedicate that money specifically to a fund for the new fire truck and if we want to revisit it next year that's all right with me as well. I'm a planner, I like to think ahead and that's all that my concern is making sure as of right now it doesn't seem to appear to me that we are going to meet a target goal of \$2 million by the time we need that firetruck. That is my concern that and going like this we will be leaving money on the table and there's shared revenue. I learned this as a new councilman, there's such thing as shared revenue that's a combination of the occupancy tax the land transfer tax and the sales tax in Dare County and that's divided up to each town by the percent of property taxes that the county that each town does so when other towns increase their taxes, our share of property taxes becomes smaller. Which is fine with me, however, that means our share of participation goes down. Very few people know about that, and that was new for me to learn as well.



Garriss: And that's where we've been in years past too everybody around us will go up and we didn't correct, and we suffer.

Tillett: If we can budget that, then I'm okay with it. I have concerns about the fire truck, that's all if we want to visit next year then I'm more than fine with that.

Garriss: David?

Hines: I'm good. Thank you.

Garriss: I'm good, too we need to keep that on the in line for next year.

Tillett: It's also my understanding from Liliana that we if should the need arise that we need that firetruck, we can put a special tax just for the fire truck that disappears once the firetruck is purchased. That could be a great plan to go with if that should need arise

Garriss: Alright any more conversation about this Council?

Walker: I just think it would be better to go up another cent if not two and dedicate that money straight to the fire truck. If we order that truck now, we get it at today's price not two and a half million dollars. We must have it by 2030, and I just think I would rather come back and ask you again, I just think you get what you need. Go ahead and bite the bullet and get what you need and save for that truck. There's not a soul in Kitty Hawk that doesn't want that firetruck to come to their house if they need it.

Pruitt: Do we know what the other towns are doing? Do we know each one?

Clopton, Melody: We don't know specifically but Southern Shores and Duck are both looking at five to six cents. Nags Head is probably a penny and Kill Devil Hills has not disclosed.

Pruitt: We really don't know our shared revenue right now. We're assuming it's going to be lower, but we don't know, correct?

Clopton, Melody: Correct.

Tillett: We're assuming that based on the two towns that you think that that we understand could be going to five or six cents yes and that's now two towns go to.

Clopton, Melody: No, but that's pretty much confirmed, Southern Shores because of their new fire department and Duck has a public safety project that they're trying to work on. That a special tax I don't know the details of it but that's what the town managers have shared.

Tillett: If two towns go five or six, two towns go one or two, and we're at three shared revenues may not change. There's a chance it may not change.

Clopton, Melody: It's hard to predict until it comes out. There's no way you're not going to know until it comes out, it's an unknown but I do think we all have a better understanding of it now and we kind of know what more to expect so I feel good about the progress that we've made this year.

Garriss: Council, keep in mind we're getting ready to set a public hearing for that meeting, we can still discuss some more at that meeting. We need to have it approved at that meeting, though.

Garriss: Council, I need a motion to schedule a public hearing for the budget presentation for our next meeting, please.

Hines: So, moved.

Garriss: Motion made by David to schedule a motion public hearing for June 2, 2025. Do I have a



second?

Tillett: Second.

Garriss: Second by Dylan. All in favor?

All Council: Aye.

Garriss: All opposed? None, thank you. No Old Business, Town Manager.

10. Old Business

11. Reports/General Comments from Town Manager

Clopton, Melody: Yes, sir. I want to remind everybody that May 20th is the last day to schedule a large item pickup and then we go on hiatus for the summer and start back in September. The Dare County hazardous waste event, which is extremely well attended, will be this Thursday here at the Town Hall between 9 and 3. It is free, and you can bring motor oil and paints and varnish and fluorescent light bulbs and all kinds of things and here in the parking lot from 9 to 3. Then to give you an update on the police station, the power's been turned on and the crew is turning on lights on each circuit and electrical panel should be fully lit up tomorrow. All will be tomorrow, flooring will consist of carpet, resilient vinyl tiles, and ceramic tile will begin installation in the next week or two. The inside overhead inspection is scheduled for Thursday so once that's complete, they can start putting in the ceiling panels. We expect the construction trailer to be moved by the end of the week so that the final concrete pour and the grading can begin. We are expecting furniture to arrive and be installed on June the 2nd and tentatively anticipating a mid-June move in date.

Garriss: Wonderful, thank you. Casey has split on us. David?

12. Reports/General Comments from Town Attorney

13. Reports/General Comments from Town Council

Hines: I don't have anything really

Garriss: Dylan?

Tillett: I don't have anything either

Garriss: Charlotte?

Walker: I would like to say a special thank you to the fire department and the police department for the help I received last month, and everybody was timely, and they couldn't have been better. I really appreciate all that help. Thank you

Garriss: Jeff?

Pruitt: Yes, I'd like to thank all the department heads and all the all the staff, Liliana especially, for all your hard work on the budget. As Melody has said it's a tough thing for us to sit down and hash out numbers and we try to do the best we can here to keep your taxes as low as we can but provide you with the services that I think you deserve, and you really need. I hope you all are happy with our budget. That's all I have to say.

Garriss: Thank you, Jeff. Lieutenant Helms and the police department, thank you for the great skate park day. Jeff, you showed up and I think you said one of the biggest turnouts you'd had in a long time. You all did a great job, gave away some good prizes too. While we're on the police it's National Police Week coming up May 15th is National Police Officers Memorial Day. Chief Talley, your firefighter's proclamation, thank you for what you and your staff do too. Wonderful. I've been a member of this council for 12 years, going on for 12 years. Jeff and I came together eight years as Council. This is my



last term as Mayor, I will be up in December. Twelve years is long enough. I will not be filing for reelection as the Mayor of the Town of Kitty Hawk. I will have more to say on this later and there's no further discussion. I need a motion to go into closed session, Council.

Hines: So, moved.

14. Motion to go to Closed Session pursuant to

- a) N.C. Gen. Stat. 143-318.11(6),** Town Council will enter into Closed Session to conduct the annual performance evaluation of the Town Manager and to discuss other confidential personnel matters.

Garriss: Motion made by David we're going into close session to discuss our Town Manager evaluation. Do I have a second?

Pruitt: I'll second.

Garriss: Second by Jeff. All in favor?

All Council: Aye.

Garriss: We are in close session folks, thank you for coming tonight.

Town Council then entered Closed Session to conduct the annual performance evaluation of the Town Manager and to discuss other confidential personnel matters.

Garriss: Anything else, Council? If not, I will entertain a motion to adjourn.

Walker: So, moved.

Garriss: Motion made by David. Second?

Tillett: Second.

Garriss: Second by Dylan. All in favor?

All Council: Aye.

Garriss: Thank you, we are adjourned.

15. Adjourn

Adjourned at 8:25 pm.

The Minutes of the May 5, 2025, Kitty Hawk Town Council Meeting are approved at the June 2, 2025, Kitty Hawk Town Council Meeting.

D. Craig Garriss, Mayor

Lauren Fox Garrett, Town Clerk

Post Office Box 549
101 Veterans Memorial Drive
Kitty Hawk, NC 27949



Phone (252) 261-3552
Fax (252) 261-7900
www.kittyhawknc.gov

MEMORANDUM

TO: Mayor Garriss and Members of the Town Council
FROM: Rob Testerman, AICP, CFM, CZO, Director of Planning & Inspections
DATE: June 2, 2025
RE: Text Amendment: Sec. 20-54

Proposal

Sec. 20-54.- Parallel Parking

- (a) The following areas are designated as parallel parking only zones:
- (1) Both sides of Balchen Street from NC 12 to Lindbergh Avenue.
 - (2) Both sides of Hawk Street from NC 12 to Lindbergh Avenue.
 - (3) Both sides of Wilkins Street from NC 12 to Lindbergh Avenue.
 - (4) ~~Both~~ **South** sides of Bleriot Street from NC 12 to Lindbergh Avenue.
 - ~~(5) North side of Luke Street from NC 12 to Lindbergh Avenue.~~
 - ~~(6)~~ **(5)** Both sides of Bennett Street from NC 12 to Lindbergh Avenue.
 - ~~(7)~~ **(6)** Both sides of Maynard Street from NC 12 to Lindbergh Avenue.
 - ~~(8)~~ **(7)** South side of Fonck Street from NC 12 to Lindbergh Avenue.

Background & Analysis

Section 20-54 specifically defines parallel only parking areas in locations between the highways. Parking improvements to Luke Street and Bleriot Street require an update to the ordinance. All parking on Luke Street is now angled parking on the north side. Bleriot now has angled parking on the north side, and parallel parking on the south side. The proposed revisions reflect this change.

Town Council Recommended Motion

"I move to adopt the proposed amendments to Section 20-54."

Post Office Box 549
101 Veterans Memorial Drive
Kitty Hawk, NC 27949



Phone (252) 261-3552
Fax (252) 261-7900
www.kittyhawknc.gov

5C

MEMORANDUM

TO: Mayor Garriss and Members of the Town Council
FROM: Rob Testerman, AICP, CFM, CZO, Director of Planning & Inspections
DATE: December 2, 2024
RE: Live Oak Resolution

Recently, the Planning Board and Town Council held discussions to consider adopting language into Town Code that would regulate the cutting of live oaks. Council took the position that while the Town should recognize the live oak, it did not want to go so far as putting restrictions on it.

The attached resolution reflects that discussion, declaring the live as the official "Town Tree" of Kitty Hawk, while preserving property owners personal property rights regarding the live oak.

Town Council Recommended Action

"I move to approve the proposed resolution, declaring the Live Oak as the official Town Tree of Kitty Hawk."



Town of Kitty Hawk

Post Office Box 554, 101 Veterans Memorial Dr
Kitty Hawk, North Carolina 27949
Ph: 252-261-3552 Fax 252-261-7900
www.kittyhawknc.gov

Resolution of the Town Council of the Town of Kitty Hawk, North Carolina Declaring the Live Oak as the Official Town Tree

WHEREAS, the Town of Kitty Hawk recognizes the importance of celebrating its natural environment, including the native trees that contribute to the town's unique coastal character and ecological health; and

WHEREAS, the live oak (*Quercus virginiana*) is a native species to the coastal regions of North Carolina and is deeply rooted in the history, culture, and landscape of the Outer Banks; and

WHEREAS, live oaks provide critical environmental benefits, including shoreline stabilization, wind and storm protection, wildlife habitat, and natural beauty that enhances the community's sense of place and scenic quality; and

WHEREAS, the majestic canopy of the live oak represents resilience, strength, and longevity—qualities that reflect the spirit and values of the citizens of Kitty Hawk; and

WHEREAS, many of the live oaks within the Town have stood for generations and are a source of pride and identity for residents and visitors alike;

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of Kitty Hawk, North Carolina, that the **live oak (*Quercus virginiana*)** is hereby declared the **official tree of the Town of Kitty Hawk**.

BE IT FURTHER RESOLVED, that this designation shall serve to promote public awareness, education, and conservation efforts regarding the significance of live oaks within our community and their protection for future generations.

PASSED this 2nd day of June 2025

D. Craig Garriss, Mayor

ATTEST:

Lauren Fox Garrett, Town Clerk

Mayor
Craig Garriss

Mayor Pro Tem
Jeff Pruitt

Councilman
David Hines

Councilman
Dylan Tillett

Councilwoman
Charlotte Walker

Town Manager
Melody Clopton

Town Clerk
Lauren Garrett

Town Attorney
Casey C. Varnell

AGENDA ITEM # Consent 5D

DATE: June 2, 2025

SUBMITTED BY: Finance Director

SUBJECT: Budget Amendment #16- General Fund

REF: Police Department Donation

BACKGROUND:

**This budget amendment appropriates the donation from C.D. Walker to the Police Department \$100 and the donation from Robert Burgess \$101
The donations will be used for employee engagement within the Police Department.**

DISCUSSION:

RECOMMENDED MOTION:

Consent Agenda Item

**Town of Kitty Hawk-Capital General Fund
Budget Amendment Number # 16 (FY 2024-2025)**

[illegible]

Explanation: To appropriate a donation from the C.D Walker \$100 and Robert Burgess \$101.
The donations will be used for Police Department Employee engagement

Recommended by :

y: Liliana Noble
Liliana Noble - Finance Director

Approved by:

D. Craig Garriss- Mayor

Date _____

AGENDA ITEM # Consent 5E

DATE: June 2, 2025

SUBMITTED BY: Finance Director

SUBJECT: Budget Amendment # 17 -Transfer within Departments

REF: This refers to utilizing contingency funds to allocate additional funding to general ledger accounts that are under budget due to unexpected expenses.

BACKGROUND:

The Town Manager is authorized to transfer amounts between functional areas, including contingency appropriations, within the same fund. The town manager must report such transfers at the regular Town Council meeting.

DISCUSSION:

RECOMMENDED MOTION:

Consent Agenda Item

**Town of Kitty Hawk-Capital General Fund
Budget Amendment Number # 17 (FY 2024-2025)**

Account Number	Description	Amount	NOTES
EXPENDITURES			
10-4100-5370-0000	Advertising (Jobs advertising)	\$3,707	
10-4100-5440-000	Service and Maintenance Contracts (MCCI LLC /Laserfiche)	\$9,785	
10-4120-5349-0000	Printing - Codification (Full Service Implementation Subscription)	\$5,200	
10-4370-5433-0000	Rent Vehicles/Equipment (Rent ATV /lease for summer. price increased)	\$2,006	
10-4990-5192-0000	Professional Services Legal (Board of Adjustment- lawyer bill)	\$3,365	
	Total Expenses	\$24,063	
EXPENDITURES			
10-4100-5991-0000	Contingency	\$24,063	
		\$24,063	

Explanation:

To allocate funds from the Contingency to GI accounts short in funds due to unexpected expenses during the fiscal year

Recommended by:


Lilliana Noble - Finance Director

Approved by:

D. Craig Garriss- Mayor

Date

AGENDA ITEM # Consent 5F

DATE: June 2, 2025
SUBMITTED BY: Finance Director
SUBJECT: Annual contract with Coastal Protection Engineering for 2025 annual Beach Monitor REF: Annual beach monitoring services are required to evaluate the project performance and for FEMA requirements
BACKGROUND: Coastal Protection Engineering will conduct the annual beach nourishment monitoring services, evaluate the performance of the 2022 project, and update the Town's Beach Maintenance Plan. The work will be performed for a lump sum fee of \$48,296.25
DISCUSSION:
RECOMMENDED MOTION: Consent Agenda Item

COASTAL PROTECTION ENGINEERING OF NORTH CAROLINA, INC.
SERVICES AGREEMENT
FIXED PRICE BASIS

All in accordance with the following terms and conditions.

1. **SCOPE OF SERVICES:** **COASTAL PROTECTION ENGINEERING OF NORTH CAROLINA, INC.** ("CPE") agrees to perform for the undersigned CLIENT, engineering and consulting ("Services") described in the attached Proposal and/or as follows:

**PROPOSAL: TOWN OF KITTY HAWK,
NORTH CAROLINA: 2025 ANNUAL
BEACH MONITORING SERVICES**

2. **FEES, INVOICES AND PAYMENTS:** The Services associated with Tasks 1 – 3 will be performed for the lump sum fee of **\$48,296.25 (Forty-eight thousand, two hundred ninety-six dollars and twenty-five cents)**.

Invoices will be submitted by CPE no more frequently than every month, with payment due upon CLIENT'S receipt of invoice. Payment shall be in U.S. Dollars. CLIENT shall be responsible for payments (without deduction or offset from the total invoice amount) of any and all sales, use, value added, gross receipts, franchise and like taxes, tariffs and duties levied against CPE or its employees by any government or taxing authority. A service charge equal to one-half percent (1/2 %) per month, or the maximum rate permitted by law, whichever is less, will be added to all accounts which remain unpaid for more than thirty (30) calendar days beyond the date of the invoice. Should there be any dispute as payments to be made on a percent complete basis to any portion of an invoice, the undisputed portion shall be promptly paid.

3. **CLIENTS COOPERATION:** To assist CPE in performing the Services, CLIENT shall (i) provide CPE with relevant material, data, and information in its possession pertaining to the specific project or activity, (ii) consult with CPE when requested,

(iii) permit CPE reasonable access to relevant project sites, (iv) ensure reasonable cooperation of CLIENT's employees in CPE's activities, and (v) notify and report to all regulatory agencies as required by such agencies.

4. **CONFIDENTIALITY:** In the course of performing Services, to the extent that CLIENT discloses to CPE, business or technical information that CLIENT clearly marks in writing as confidential or proprietary, CPE will exercise reasonable efforts to avoid the disclosure of such information to others. Likewise, to the extent that CPE discloses to CLIENT, business or technical information that CPE clearly marks in writing as confidential or proprietary, CLIENT will exercise reasonable efforts to avoid the disclosure of such information to others.

Nothing herein is meant to prevent nor shall be interpreted as preventing either party from disclosing and/or using any information or data (i) when the information or data are actually known to the receiving party before being obtained or derived from the transmitting party, (ii) when information or data are generally available to the public without the receiving party's fault at any time before or after it is acquired from the transmitting party; (iii) where the information or data are obtained or acquired in good faith at any time by the receiving party from a third party who has the same in good faith and who is not under any obligation to the transmitting party in respect thereto; (iv) where a written release is obtained by the receiving party from the transmitting party; (v) three (3) years from the date of receipt of such information; or (vi) when required by process of law; or by North Carolina Public Records Law; provided, however, upon service of such process, the recipient thereof shall use reasonable efforts to notify the other party and afford it an opportunity to resist such process.

5. DELAYS AND CHANGES IN CONDITIONS:

If CPE is delayed or otherwise in any way hindered or impacted at any time in performing the Services by (i) an act, failure to act or neglect of CLIENT or CLIENT's employees or any third parties; (ii) changes in the scope of the work; (iii) unforeseen, differing or changed circumstances or conditions including differing site conditions, acts of force majeure (such as fires, floods, riots, and strikes); (iv) changes in government acts or regulations; (v) delay authorized by CLIENT and agreed to by CPE; or (vi) any other cause beyond the reasonable control of CPE, then 1) the time for completion of the Services shall be extended based upon the impact of the delay, and 2) CPE shall receive an equitable compensation adjustment. Any such equitable adjustment shall be based on CPE's then current Time and Material Rates, as may be provided in a Rate sheet attached hereto.

6. INSURANCE: CPE is presently protected by Worker's Compensation Insurance as required by applicable law and by General Liability and Automobile Liability Insurance (in the amount of \$1,000,000 combined single limit) for bodily injury and property damage. Insurance certificates will be furnished to CLIENT on request. If the CLIENT requires further insurance coverage, CPE will endeavor to obtain said coverage, and CLIENT shall pay any extra costs therefor.

7. INDEMNITIES: CPE shall defend, indemnify and hold harmless CLIENT and its officers and employees from and against loss or damage to tangible property, or injury to persons, to the extent arising from the negligent acts or omissions or willful misconduct of CPE, its borrowed servants and their employer and its subcontractors, and their respective employees and agents acting in the course and scope of their employment. CLIENT shall defend, indemnify and save harmless CPE (including its borrowed servants and their employers and its officers, and employees) from and against, any loss or damage to tangible property, or injury to persons, to the

extent arising from the negligent acts or omissions or willful misconduct of CLIENT, its officers and employees.

8. LIMITATIONS OF LIABILITY:

- a. GENERAL LIMITATION - CLIENT'S SOLE AND EXCLUSIVE REMEDY FOR ANY ALLEGED BREACH OF WARRANTY BY CPE SHALL BE TO REQUIRE CPE TO REPERFORM ANY DEFECTIVE SERVICES. CPE'S LIABILITY AND CLIENT'S REMEDIES FOR ALL CAUSES OF ACTION ARISING HEREUNDER WHETHER BASED IN CONTRACT, WARRANTY, NEGLIGENCE, , OR ANY OTHER CAUSE OF ACTION, SHALL NOT EXCEED EXCEPT FOR THE MUTUAL INDEMNIFICATIONS SET FORTH IN SECTION 7 ABOVE. IN THE CUMULATIVE AGGREGATE (INCLUDING ANY INSURANCE PROCEEDS) WITH RESPECT TO ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHATEVER MINIMUM AMOUNT MAY BE REQUIRED BY LAW OR, IF NONE, THE AMOUNT OF COMPENSATION FOR SUCH SERVICES,
- b. CONSEQUENTIAL DAMAGES: FURTHER AND REGARDLESS OF ANY OTHER PROVISION HEREIN, CPE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOSS OF PROFITS, DECLINE IN PROPERTY VALUE, REGULATORY AGENCY FINES, LOST PRODUCTION OR LOSS OF USE) INCURRED BY CLIENT OR FOR WHICH CLIENT MAY BE LIABLE TO ANY THIRD PARTY OCCASIONED BY THE SERVICES OR BY APPLICATION OR USE OF REPORTS OR OTHER WORK PERFORMED HEREUNDER.

9. GOVERNING LAWS: This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina.

10. **TERMINATION:** Either party may terminate this Agreement with or without cause upon forty five (45) days' written notice to the other party. Upon such termination, CLIENT shall pay CPE for all Services performed hereunder up to the date of such termination. In addition, if CLIENT terminates, CLIENT shall pay CPE all reasonable costs and expenses incurred by CPE in effecting the termination, including, but not limited to non-cancelable commitments and demobilization costs.
11. **ASSIGNMENT:** Neither CPE nor CLIENT shall assign any right or delegate any duty under this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, CPE may, upon notice to CLIENT, assign, pledge or otherwise hypothecate the cash proceeds and accounts receivable resulting from the performance of any Services or sale of any goods pursuant to this Agreement.
12. **MISCELLANEOUS:**
- a. **ENTIRE AGREEMENT, PRECEDENCE, ACCEPTANCE MODIFICATIONS:** The terms and conditions set forth herein constitute the entire understanding of the Parties relating to the provisions of the Services by CPE to the CLIENT. All previous proposals, offers, and other communications relative to the provisions of these Services by CPE, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated by reference herein. In the event of conflict, the three pages of this Agreement shall govern. CLIENT may accept these terms and conditions by execution of this Agreement or by authorizing CPE to begin work. Any modifications or revision of any provisions hereof or any additional provisions contained in any purchase order, acknowledgement or other document issued by the CLIENT is hereby expressly objected to by CPE and shall not operate to modify the Agreement.
- b. **DISPUTES, ATTORNEY FEES –** Any dispute regarding this Agreement or the Services shall be resolved first by exchange of documents by senior management of the parties, who may be assisted by counsel. Any thereafter unresolved disputes shall be litigated in the state whose law governs under Section 9 hereunder. In any litigation, the Prevailing Party shall be entitled to receive, as part of any award or judgment, eighty percent (80%) of its reasonable attorneys' fees and costs incurred in handling the dispute. For these purposes, the "Prevailing Party" shall be the party who obtains a litigation result more favorable to it than its last formal written offer (made at least twenty calendar days prior to the formal trial) to settle such litigation.
- c. **WAIVER OF TERMS AND CONDITIONS -** The failure of CPE or CLIENT in any one or more instances to enforce one or more of the terms or conditions of this Agreement or to exercise any right or privilege in the Agreement or the waiver by CPE or CLIENT of any breach of the terms or conditions of this Agreement shall not be construed as thereafter waiving any such terms, conditions, rights, or privileges, and the same shall continue and remain in force and effect as if no such failure to enforce had occurred.
- d. **NOTICES –** Any notices required hereunder may be sent by orally confirmed US Mail, courier service (e.g. FedEx), orally confirmed telecopy (fax) or orally confirmed email (further confirmed by US Mail) to the addresses set forth below.
- e. **SEVERABILITY AND SURVIVAL -** Each provision of this Agreement is severable from the others. Should any provision of this Agreement be found invalid or unenforceable, such provision shall be ineffective only to the extent required by law, without invalidating the remainder of such provision or the remainder of this Agreement.
- Further, to the extent permitted by law, any provision found invalid or unenforceable shall be deemed automatically redrawn to the extent necessary to render it valid and enforceable

consistent with the parties' intent. The terms and conditions set forth herein shall survive the termination of this Agreement.

CLIENT and CPE agree to the foregoing **(INCLUDING THE LIMITATIONS ON LIABILITY IN SECTIONS herein)** and have caused this Agreement to be executed by their duly authorized representatives as of the date set forth below.

Executed on _____, 2025

**COASTAL PROTECTION ENGINEERING OF
NORTH CAROLINA, INC.**

By (Sign): _____

Print Name: Kenneth Willson

Title: President

Address: 4038 Masonboro Loop Road,

Wilmington, North Carolina, 28409

Phone: (910) 399-1905

Fax: N/A

E-mail: kwillson@coastalprotectioneng.com

**TOWN OF KITTY HAWK, NORTH
CAROLINA**

By (Sign): _____

Print Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

EXHIBIT "A"
SCOPE OF PROFESSIONAL SERVICES
TOWN OF KITTY HAWK, NORTH CAROLINA
2025 ANNUAL BEACH MONITORING SERVICES

Coastal Protection Engineering of North Carolina, Inc. (hereinafter "CPE") proposes to provide professional services to the Town of Kitty Hawk (hereinafter the "TOWN"), associated with annual monitoring of the TOWN's Beach Renourishment Project constructed in 2022. CPE will sub-contract portions of the data acquisition included in Tasks 1 and 2, as described in those respective sections of this scope of work.

This proposal includes 2025 beach monitoring data acquisition and analysis and updating the TOWN's Beach Maintenance Plan. Each Task is described in detail in the following sections.

TASK 1 – 2025 BEACH PROFILE DATA ACQUISITION

The standard method used to monitor beach nourishment projects is to collect topographic and bathymetric data along a series of beach profiles on an annual or bi-annual basis. Comparison of this data can be used to track volumetric changes of sand along the beach and changes in the shoreline position. Furthermore, in order to be eligible for disaster assistance through the Federal Emergency Management Agency (FEMA), local sponsors of beach nourishment projects are encouraged to monitor the beach annually to document conditions of the project prior to the impact of a storm.

2025 beach profile data acquisition will be conducted prior to June 30, 2025 to evaluate project performance. Topographic data will be collected along each beach profile to include the dune, berm, and foreshore section of the beach, while bathymetric data will be collected along the offshore portion of the profile. Beach profile data acquisition will be conducted along nineteen (19) profiles, spaced approximately 1,000 feet apart from station 0+00 (located at the northern Town boundary) to station 179+88 (near E. Sibbern Dr.) within the Town of Kitty Hawk. While data for the beach profile located at the border of Kitty Hawk and Kill Devil Hills (baseline station 189+87) will be used in the analysis of the Kitty Hawk beach, the cost of data acquisition for this profile is included in a separate agreement with the Town of Kill Devil Hills. CPE will sub-contract portions of this work to McKim & Creed.

Costs for mobilization of equipment and personnel to and from the project area will be cost shared with the Towns of Duck, Kill Devil Hills, and Southern Shores as data acquisition for all four towns is planned to be conducted concurrently. Additional mobilization costs may be applied if monitoring data acquisition is conducted independently of the Towns of Duck, Kill Devil Hills, and Southern Shores.

Beach profiles will extend landward from their respective baseline station until a structure is encountered or a range of 25 feet beyond the dune is reached, whichever is seaward. Elevation measurements will also be taken seaward along the profile to a range of 3,000 feet beyond the shoreline or to the -30 NAVD88 contour, whichever is more landward.

Land-based or "upland" data collection will include all grade breaks and changes in topography to provide a representative description of the conditions at the time of the work. The maximum

EXHIBIT "A"
SCOPE OF PROFESSIONAL SERVICES
TOWN OF KITTY HAWK, NORTH CAROLINA
2025 ANNUAL BEACH MONITORING SERVICES

spacing between data points along individual profiles will be 25 feet. The upland work will extend into wading/swimming depths sufficiently to provide a minimum 50-foot overlap with the offshore data. This overlap between the topographic and bathymetric data acquisition provides quality control and quality assurance.

The hydrographic work or "offshore" portions of the beach profiles will be conducted with industry standard depth sounding equipment and real-time kinematic (RTK) global navigation satellite system (GNSS). Tide corrections will be obtained redundantly with RTK GNSS and a local tide gauge verified to meet the requirements for the specific work. Offshore data points shall also be collected with a maximum spacing of 25 feet.

Horizontal and vertical positioning checks will be conducted at the beginning and end of each day of data acquisition to confirm that control is undisturbed and meets the accuracy standards of this project with a horizontal limit of 0.66 feet and a vertical limit of 0.16 ft. for all electronic equipment. Vertical positioning checks for depth measuring equipment will be conducted at 5 ft. increments between -5 ft. and at least -25 ft. NAVD88. Sound velocity casts will be conducted at the project site at the start and end of each day of data acquisition to calibrate the sounding equipment.

As an appendix to the 2025 Post-Construction Monitoring Report described under Task 3, CPE will provide the TOWN with a survey report. This appendix will include methodology, field notes for the data acquisition, control information, profile plots, cross sections, and digital XYZ data.

TASK 2 – 2025 NEARSHORE BATHYMETRIC DATA ACQUISITION

In addition to the 2025 beach profile data acquisition, CPE and its sub-contractor (McKim & Creed) will acquire bathymetric data directly offshore of the Kitty Hawk Project area from baseline station -50+00 (located approximately 5,000 ft. north of the Kitty Hawk/Southern Shores Town line) to baseline station 189+87 (located at the Kitty Hawk/Kill Devil Hills Town Line). The total length of the area is approximately 24,000 ft. (approximately 4.5 miles). Bathymetric data will be collected from approximately the -12 ft. NAVD88 contour out to approximately 3,000 ft. offshore. Unlike the beach profile data acquisition described under Task 1, tracklines along which bathymetric data will be acquired under Task 2 will be laid out in an orientation parallel to shore and spaced approximately 200 ft. apart. The bathymetric data acquisition under Task 2 will utilize the same equipment, methodology, and QA/QC as described under Task 1.

Upon completion of the fieldwork, data will be edited and reduced with *HYPACK Single Beam Editor* or similar and internal software programs. RTK GNSS tide data will be compared to local observed and predicted tides for data verification purposes.

Upon completion of the data reduction, bathymetric data will be used to create a surface from which contours and color-shaded charts can be generated. CPE will use the bathymetric data to

EXHIBIT "A"
SCOPE OF PROFESSIONAL SERVICES
TOWN OF KITTY HAWK, NORTH CAROLINA
2025 ANNUAL BEACH MONITORING SERVICES

determine volume changes in the offshore portion of the project area. CPE will provide as a deliverable: 1) digital copies of the processed data; 2) plan view maps showing the surface elevations within the monitoring area; 3) plan view maps showing the changes measured between June 2024 and the data acquisition proposed for 2025; and 4) volumetric change analysis results. These deliverables will be incorporated into the 2025 Post-Construction Monitoring Report described under Task 3.

TASK 3 – 2025 POST-CONSTRUCTION MONITORING REPORT

CPE will conduct both shoreline and volume change analysis to evaluate project performance. Analysis will focus on the total shoreline and volume change that has occurred since project construction represented by data collected post project in 2022.

Given the contiguous nature of the beach nourishment project constructed from the north end of Southern Shores to approximately Prospect Avenue in Kill Devil Hills, CPE will prepare a comprehensive shoreline and volume change monitoring report that includes the Towns of Southern Shores, Kitty Hawk, and Kill Devil Hills. The report will include details on data collection and methods used as well as results of the various analyses. The results will be reported in terms of the project area in total and broken up into Town-specific sections. The report will also include a discussion section and recommendations based on the findings of the analyses. Deliverables will include two (2) hardcopies of the report with CD or USB drive which will include digital versions of the report, appendices, and data. In addition to the report, one (1) in-person meeting is included to present the findings of the monitoring report to the TOWN.

Costs associated with the 2025 monitoring report will be costs shared with the Towns of Kill Devil Hills and Southern Shores. This not only provides each Town with a broader view of how their Town's project fits into the overall project length, but it also provides cost efficiencies by reducing redundancy. Additional costs may be applied if the Town prefers to have a sperate report prepared that only includes their Town's portion of the project.

CPE will also update the TOWN's Beach Maintenance Plan as needed. The update will include project and planning features to document compliance with FEMA guidance for disaster assistance. The Beach Maintenance Plan will be developed in a way consistent with the Public Assistance Program and Policy Guide –FP-104-009-2 (June 2020). Specifically, the costs and volume of fill placement will be updated along with re-nourishment requirements. CPE will coordinate with TOWN staff to identify current and future funding sources and document these in the maintenance plan. The future cost will be estimated on a 5-year horizon and will be categorized as Planning & Design, Construction, or Monitoring efforts. This task assumes there are no 'new' project initiatives for the TOWN project and assumes the existing maintenance plan is only being updated.

EXHIBIT B:
BREAKDOWN OF COSTS
TOWN OF KITTY HAWK, NORTH CAROLINA
2025 ANNUAL BEACH MONITORING SERVICES

Table 1. Breakdown of the total cost of the 2025 Annual Beach Monitoring Services for the Town of Kitty Hawk (Tasks 1 – 3).

TASK	DESCRIPTION	COST
1	2025 Beach Profile Data Acquisition	\$17,563.25
2	2025 Nearshore Bathymetric Data Acquisition	\$13,448.00
3	2025 Beach Monitoring Report	\$17,285.00
TOTAL:		\$48,296.25

**EXHIBIT C:
LIST OF DELIVERABLES
TOWN OF KITTY HAWK, NORTH CAROLINA
2025 ANNUAL BEACH MONITORING SERVICES**

The following items have been identified by Coastal Protection Engineering of North Carolina, Inc. (hereinafter "CPE") as deliverables to the Town of Kitty Hawk (hereinafter "TOWN") for the completion of this scope of work.

- Monthly Progress Reports
- 2025 Annual Beach Monitoring Report
- 2025 Beach Profile Data Appendix
- Beach Maintenance Plan Update

A detailed description and an individual schedule for each deliverable are provided below.

Monthly Progress Reports: CPE will provide a summary of the project status via e-mail approximately every 30 days during the anticipated 8-month contract period. The letter will describe activities completed throughout the month and update the anticipated schedule of milestones as appropriate.

2025 Annual Beach Monitoring Report: Upon completion of the beach monitoring data acquisition described in Task 1 and 2 of the Scope of Services, CPE will provide a draft beach monitoring analysis report to the TOWN. The monitoring report will include a description of methodology and results of the shoreline change and volume change analysis. Volume change analyses will consider both profile-based and hybrid-based volume calculations. Regarding the nearshore bathymetric data acquisition included under Task 2, CPE will provide as a deliverable: 1) digital copies of the processed data; 2) Plan view maps showing the surface elevations within the project areas; 3) plan view maps showing the changes measured between the June 2024 survey and proposed 2025 survey; and 4) volume change computations.

Barring any unforeseen circumstances, a draft of the 2025 Annual Beach Monitoring Report will be provided within 120 days following completion of data acquisition operations. Within two weeks following receipt of comments by the Town on the draft report, CPE will prepare a final report and provide to the TOWN two hardcopies of the report with CD's/USB drives, which will include digital versions of the report, appendices, and data. In addition to the report, one in-person meeting is included to present the findings of the monitoring report to the TOWN.

2025 Beach Profile Data Appendix: Upon completion of the beach profile data acquisition described under Task 1, CPE will provide a record of the methodology used to acquire the data as well as data acquisition notes, control information, profile plots, cross sections, and digital

EXHIBIT C:
LIST OF DELIVERABLES
TOWN OF KITTY HAWK, NORTH CAROLINA
2025 ANNUAL BEACH MONITORING SERVICES

XYZ data. Barring any unforeseen circumstances, a draft of this appendix will be available within 60 days following completion of data acquisition operations. The final appendix will be provided in both hard copy and digital copy along with the Beach Monitoring Report.

Beach Maintenance Plan Update: An updated Beach Maintenance Plan will be provided to the TOWN as part of the Scope of Services associated with Task 3. The update will include project and planning features to document compliance with FEMA guidance for disaster assistance. Barring any unforeseen circumstances, the draft update will be provided within 120 days following completion of survey operations. Once comments are received from the TOWN on the Draft update, a final update will be provided. The final update will be provided in digital form only.

AGENDA ITEM # Consent 5G

DATE: June 2, 2025

SUBMITTED BY: Finance Director

SUBJECT: Coastal Engineering and Design Services Contract

REF: Pre- Permitting 2027 Beach Nourishment Project

BACKGROUND:

On April 17, 2025, the towns of Kitty Hawk, Duck, Southern Shores, and Kill Devil Hills attended a Zoom presentation from the three companies that submitted the RFQ for the Coastal Engineering and Design Services for the 2027 Beach Nourishment Project. The companies that submitted the RFQ are:

Coastal Protection Engineering of North Carolina (CPE), Coastal Science & Engineering (CSE), and Moffatt & Nichol.

Coastal Protection Engineering of North Carolina (CPE) was selected. The tasks in this contract are the preliminary steps for the 2027 beach nourishment project:

Task 1- Pre- permitting coordination \$3,335

Task 2- Native beach sediment analysis \$16,150

Beach Nourishment Capital reserve funds will be used to pay all expenses related to the preliminary steps for the 2027 project.

DISCUSSION:

RECOMMENDED MOTION:

Consent Agenda Item



COASTAL PROTECTION ENGINEERING OF NORTH CAROLINA, INC
4038 MASONBORO LOOP ROAD
WILMINGTON, NC 28409
910-399-1905

April 30, 2025

Melody Clopton
Town Manager
Town of Kitty Hawk
101 Veterans Memorial Drive
Kitty Hawk, NC 27949

Re: Proposal: Pre-Permitting Coordination and Native Beach Sediment Analysis, Town of Kitty Hawk

Dear Ms. Clopton:

Coastal Protection Engineering of North Carolina, Inc. (CPE) is pleased to provide this proposal for professional services to the Town of Kitty Hawk (TOWN). The proposed services are associated with initial coordination for the permitting of the 2027 Dare County 4-Towns Renourishment project. Task 1, includes services associated with Pre-Permitting Coordination, while Task 2 is associated with recharacterizing the beaches within the Kitty Hawk Project area in terms of grain size. Each task is described in detail in the following sections.

TASK 1 – PRE-PERMITTING COORDINATION

In order to maintain a schedule that will allow the proposed beach nourishment project to be constructed in the Summer of 2027, CPE proposes to initiate pre-permitting coordination with regulatory and resource agencies. This coordination may include discussions with the 4-Towns about various options, internal discussions with CPE staff about various approaches and project specifics, and initial regulatory and resource agency coordination.

As part of Task 1, CPE will coordinate with the 4-Towns as well as State and Federal regulatory and resource agencies to convene an interagency scoping meeting to present the fundamental aspects of the proposed 2026/2027 4 Towns Beach Nourishment Project. In preparation for this meeting, CPE, in consultation with the 4-Towns, will develop a project narrative that will provide overall project history and context and outline the scope of the proposed project. These details will include estimates of volume, length of the various beach fill segments, and proposed borrow sites. The narrative will also present a proposed method for permitting the projects. The narrative will be provided to meeting participants no less than one week prior to the meeting. Representatives from the relevant federal and state regulatory and resource agencies will be invited to the meeting along with representatives from each of the four towns and the County.



During the meeting, CPE will present the scope of the project based on the available information at the time of the meeting. This information will include the preliminary anticipated volume of material that will be placed along each town's oceanfront shoreline, the location of the borrow area(s), preliminary geotechnical data, anticipated impacts to natural and cultural resources, the proposed permitting approach, and other elements of the project. CPE will engage agency representatives to provide feedback and concerns during the meeting. Following the meeting, CPE will prepare meeting minutes. These meeting minutes will then be distributed to all meeting participants.

CPE expects that the work associated with Task 1 will span over the course of approximately 6 to 8 weeks. During that time, CPE will submit a more comprehensive proposal to the TOWN that will cover the additional services to obtain permits and to conduct the engineering analysis associated with the 2027 project. Task 1 of this proposal is intended to facilitate initial coordination while the scope of this more comprehensive proposal is being developed. Once the more comprehensive proposal is approved, CPE will operate under the new proposal. Given the uncertainty of when the new proposal will be approved, and the need to continue coordination on this time sensitive process, ***CPE will complete Task 1 on a Time & Materials basis, not to exceed \$3,335.00***, in accordance with the rate sheet included in Exhibit A.

TASK 2 – NATIVE BEACH SEDIMENT ANALYSIS

Prior to the initial 2017 project, CPE conducted extensive sampling and analysis to determine sediment characteristics of the beach where the beach nourishment project was proposed. The data generated from that initial sampling was used in the permitting and design of the first two projects. While historic data can be used to determine compatibility in accordance with the Technical Standards for Beach Fill Projects in North Carolina (15A NCAC 07H .0312), over repeated beach nourishment events, the sediment characteristics of the recipient beach can change.

In order to update the available data for the native beach sediment characteristics, CPE will collect 13 samples along five (5) profiles within the proposed 2027 project area. Specifically, samples will be collected along profiles at baseline stations 0+00, 50+28, 75+00, 109+99, and 160+00. These are the same transects that were sampled prior to the 2017 beach nourishment project. Sample distribution along the profiles will include six (6) samples landward and six (6) samples seaward of the mean low water (MLW) line and 1 additional sample at the MLW line, in compliance with 15A NCAC 07H .0312. Mechanical sieve analysis will be conducted on each sample and a composite grain size will be calculated for each profile. Furthermore, composite sediment characteristics will be developed for the entire project area using these data.

Results of the analysis completed as part of Task 2 will be provided to the Town in a summary letter report along with composite tables and individual and composite granulometric reports and grain size distribution curves. This information will also be incorporated into the design



report that will be developed for the 2027 project, which will be included in a subsequent proposal.

CPE will complete Task 2 for the lump sum fee of \$16,150.00

CPE's performance of the proposed Services is conditioned upon negotiation of mutually acceptable contract terms and conditions. In that regard, attached to this proposal is our standard Services Agreement for your consideration as the terms and conditions that will govern our performance of the proposed Services.

If this proposal is acceptable to you, please have the attached Services Agreement signed, and return it to me. CPE will then sign the Services Agreement and return a fully executed copy to you for your records.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Willson', written over a horizontal line.

Ken Willson

Senior Program Manager

Coastal Protection Engineering of North Carolina, Inc

Office: 910-399-1905

Mobile: 910-443-4471

kwillson@coastalprotectioneng.com

**COASTAL PROTECTION ENGINEERING OF NORTH CAROLINA, INC.
SERVICES AGREEMENT**

All in accordance with the following terms and conditions.

1. **SCOPE OF SERVICES:** COASTAL PROTECTION ENGINEERING OF NORTH CAROLINA, INC. ("CPE") agrees to perform for the undersigned CLIENT, engineering and consulting ("Services") described in the attached Proposal and/or as follows:

Proposal: Town of Kitty Hawk, North Carolina: Pre-Permitting Coordination & Native Beach Sediment Analysis

FEES, INVOICES AND PAYMENTS: The Services associated with Tasks 1 will be performed on a time and materials basis in accordance with the rate schedule included in Exhibit A, not to exceed **\$3,335.00 (Three thousand, three hundred thirty-five dollars and zero cents).**

The Services associated with Tasks 2 will be performed for the lump sum fee of **\$16,150.00 (Sixteen thousand, one hundred fifty dollars and zero).**

Invoices will be submitted by CPE no more frequently than every month, with payment due upon CLIENT'S receipt of invoice. Payment shall be in U.S. Dollars. CLIENT shall be responsible for payments (without deduction or offset from the total invoice amount) of any and all sales, use, value added, gross receipts, franchise and like taxes, tariffs and duties levied against CPE or its employees by any government or taxing authority. A service charge equal to one-half percent (1/2 %) per month, or the maximum rate permitted by law, whichever is less, will be added to all accounts which remain unpaid for more than thirty (30) calendar days beyond the date of the invoice. Should there be any dispute as payments to be made on a percent complete basis to any portion

of an invoice, the undisputed portion shall be promptly paid.

2. **CLIENTS COOPERATION:** To assist CPE in performing the Services, CLIENT shall (i) provide CPE with relevant material, data, and information in its possession pertaining to the specific project or activity, (ii) consult with CPE when requested, (iii) permit CPE reasonable access to relevant project sites, (iv) ensure reasonable cooperation of CLIENT's employees in CPE's activities, and (v) notify and report to all regulatory agencies as required by such agencies.

3. **CONFIDENTIALITY:** In the course of performing Services, to the extent that CLIENT discloses to CPE, business or technical information that CLIENT clearly marks in writing as confidential or proprietary, CPE will exercise reasonable efforts to avoid the disclosure of such information to others. Likewise, to the extent that CPE discloses to CLIENT, business or technical information that CPE clearly marks in writing as confidential or proprietary, CLIENT will exercise reasonable efforts to avoid the disclosure of such information to others.

Nothing herein is meant to prevent nor shall be interpreted as preventing either party from disclosing and/or using any information or data (i) when the information or data are actually known to the receiving party before being obtained or derived from the transmitting party, (ii) when information or data are generally available to the public without the receiving party's fault at any time before or after it is acquired from the transmitting party; (iii) where the information or data are obtained or acquired in good faith at any time by the receiving party from a third party who has the same in good faith and who is not under any obligation to the transmitting party in respect thereto; (iv) where a written release is obtained by the receiving party from the transmitting party; (v)

three (3) years from the date of receipt of such information; or (vi) when required by process of law; or by North Carolina Public Records Law; provided, however, upon service of such process, the recipient thereof shall use reasonable efforts to notify the other party and afford it an opportunity to resist such process.

4. DELAYS AND CHANGES IN CONDITIONS:

If CPE is delayed or otherwise in any way hindered or impacted at any time in performing the Services by (i) an act, failure to act or neglect of CLIENT or CLIENT's employees or any third parties; (ii) changes in the scope of the work; (iii) unforeseen, differing or changed circumstances or conditions including differing site conditions, acts of force majeure (such as fires, floods, riots, and strikes); (iv) changes in government acts or regulations; (v) delay authorized by CLIENT and agreed to by CPE; or (vi) any other cause beyond the reasonable control of CPE, then 1) the time for completion of the Services shall be extended based upon the impact of the delay, and 2) CPE shall receive an equitable compensation adjustment. Any such equitable adjustment shall be based on CPE's then current Time and Material Rates, as may be provided in a Rate sheet attached hereto.

5. INSURANCE: CPE is presently protected by Worker's Compensation Insurance as required by applicable law and by General Liability and Automobile Liability Insurance (in the amount of \$1,000,000 combined single limit) for bodily injury and property damage. Insurance certificates will be furnished to CLIENT on request. If the CLIENT requires further insurance coverage, CPE will endeavor to obtain said coverage, and CLIENT shall pay any extra costs therefor.

6. INDEMNITIES: CPE shall defend, indemnify and hold harmless CLIENT and its officers and employees from and against loss or damage to tangible property, or injury to persons, to the extent arising from the negligent acts or omissions or willful misconduct of CPE, its borrowed

servants and their employer and its subcontractors, and their respective employees and agents acting in the course and scope of their employment. CLIENT shall defend, indemnify and save harmless CPE (including its borrowed servants and their employers and its officers, and employees) from and against, any loss or damage to tangible property, or injury to persons, to the extent arising from the negligent acts or omissions or willful misconduct of CLIENT, its officers and employees.

7. LIMITATIONS OF LIABILITY:

a. **GENERAL LIMITATION - CLIENT'S SOLE AND EXCLUSIVE REMEDY FOR ANY ALLEGED BREACH OF WARRANTY BY CPE SHALL BE TO REQUIRE CPE TO REPERFORM ANY DEFECTIVE SERVICES. CPE'S LIABILITY AND CLIENT'S REMEDIES FOR ALL CAUSES OF ACTION ARISING HEREUNDER WHETHER BASED IN CONTRACT, WARRANTY, NEGLIGENCE, , OR ANY OTHER CAUSE OF ACTION, SHALL NOT EXCEED EXCEPT FOR THE MUTUAL INDEMNIFICATIONS SET FORTH IN SECTION 7 ABOVE. IN THE CUMULATIVE AGGREGATE (INCLUDING ANY INSURANCE PROCEEDS) WITH RESPECT TO ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHATEVER MINIMUM AMOUNT MAY BE REQUIRED BY LAW OR, IF NONE, THE AMOUNT OF COMPENSATION FOR SUCH SERVICES,**

b. **CONSEQUENTIAL DAMAGES: FURTHER AND REGARDLESS OF ANY OTHER PROVISION HEREIN, CPE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOSS OF PROFITS, DECLINE IN PROPERTY VALUE, REGULATORY AGENCY FINES, LOST PRODUCTION OR LOSS OF USE) INCURRED BY CLIENT OR FOR WHICH CLIENT MAY BE LIABLE TO ANY THIRD PARTY OCCASIONED BY THE SERVICES OR BY APPLICATION OR USE OF**

REPORTS OR OTHER WORK PERFORMED
HEREUNDER.

8. **GOVERNING LAWS:** This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina.
9. **TERMINATION:** Either party may terminate this Agreement with or without cause upon forty five (45) days' written notice to the other party. Upon such termination, CLIENT shall pay CPE for all Services performed hereunder up to the date of such termination. In addition, if CLIENT terminates, CLIENT shall pay CPE all reasonable costs and expenses incurred by CPE in effecting the termination, including, but not limited to non-cancelable commitments and demobilization costs.
10. **ASSIGNMENT:** Neither CPE nor CLIENT shall assign any right or delegate any duty under this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, CPE may, upon notice to CLIENT, assign, pledge or otherwise hypothecate the cash proceeds and accounts receivable resulting from the performance of any Services or sale of any goods pursuant to this Agreement.
11. **MISCELLANEOUS:**
 - a. **ENTIRE AGREEMENT, PRECEDENCE, ACCEPTANCE MODIFICATIONS:** The terms and conditions set forth herein constitute the entire understanding of the Parties relating to the provisions of the Services by CPE to the CLIENT. All previous proposals, offers, and other communications relative to the provisions of these Services by CPE, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated by reference herein. In the event of conflict, the three pages of this Agreement shall govern. CLIENT may accept these terms and conditions by execution of this Agreement or by authorizing CPE to begin work. Any modifications or revision of any provisions

hereof or any additional provisions contained in any purchase order, acknowledgement or other document issued by the CLIENT is hereby expressly objected to by CPE and shall not operate to modify the Agreement.

- b. **DISPUTES, ATTORNEY FEES –** Any dispute regarding this Agreement or the Services shall be resolved first by exchange of documents by senior management of the parties, who may be assisted by counsel. Any thereafter unresolved disputes shall be litigated in the state whose law governs under Section 9 hereunder. In any litigation, the Prevailing Party shall be entitled to receive, as part of any award or judgment, eighty percent (80%) of its reasonable attorneys' fees and costs incurred in handling the dispute. For these purposes, the "Prevailing Party" shall be the party who obtains a litigation result more favorable to it than its last formal written offer (made at least twenty calendar days prior to the formal trial) to settle such litigation.
- c. **WAIVER OF TERMS AND CONDITIONS -** The failure of CPE or CLIENT in any one or more instances to enforce one or more of the terms or conditions of this Agreement or to exercise any right or privilege in the Agreement or the waiver by CPE or CLIENT of any breach of the terms or conditions of this Agreement shall not be construed as thereafter waiving any such terms, conditions, rights, or privileges, and the same shall continue and remain in force and effect as if no such failure to enforce had occurred.
- d. **NOTICES –** Any notices required hereunder may be sent by orally confirmed US Mail, courier service (e.g. FedEx), orally confirmed telecopy (fax) or orally confirmed email (further confirmed by US Mail) to the addresses set forth below.
- e. **SEVERABILITY AND SURVIVAL -** Each provision of this Agreement is severable from the others. Should any provision of this Agreement be found invalid or unenforceable, such provision shall be ineffective only to the extent required by

law, without invalidating the remainder of such provision or the remainder of this Agreement.

Further, to the extent permitted by law, any provision found invalid or unenforceable shall be deemed automatically redrawn to the extent necessary to render it valid and enforceable consistent with the parties' intent. The terms and conditions set forth herein shall survive the termination of this Agreement.

CLIENT and CPE agree to the foregoing **(INCLUDING THE LIMITATIONS ON LIABILITY IN SECTIONS herein)** and have caused this Agreement to be executed by their duly authorized representatives as of the date set forth below.

Executed on _____, 2025

**COASTAL PROTECTION ENGINEERING OF
NORTH CAROLINA, INC.**

By (Sign): _____

Print Name: Kenneth Willson

Title: President

Address: 4038 Masonboro Loop Road,

Wilmington, North Carolina, 28409

Phone: (910) 399-1905

Fax: N/A

E-mail: kwillson@coastalprotectioneng.com

**TOWN OF KITTY HAWK, NORTH
CAROLINA**

By (Sign): _____

Print Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

**EXHIBIT A:
STANDARD RATE SCHEDULE
KITTY HAWK, NORTH CAROLINA
PRE-PERMITTING COORDINATION AND NATIVE BEACH SEDIMENT ANALYSIS**

I. Labor Rates

<u>Labor Classification</u>	<u>Bill Rate</u>
Principal Engineer	\$295.00
Principal Coastal Scientist	\$295.00
Principal Marine Engineer	\$295.00
Program Manager	\$230.00
Senior Project Manager	\$230.00
Senior Civil Engineer	\$210.00
Senior Coastal Scientist	\$210.00
Senior Coastal Engineer	\$210.00
Marine Structural Engineer	\$210.00
Senior Marine Biologist	\$190.00
Project Manager	\$175.00
Senior Coastal Modeler	\$175.00
Coastal Engineer III	\$165.00
Marine Geologist	\$160.00
Coastal Engineer II	\$145.00
Coastal Modeler	\$135.00
Coastal Engineer I	\$130.00
Structural Designer	\$125.00
Coastal Scientist	\$120.00
Junior Coastal Engineer	\$115.00
Junior Coastal Modeler	\$115.00
Environmental Scientist	\$110.00
Junior Marine Biologist	\$110.00
Junior Coastal Scientist	\$105.00
CAD / GIS Operator	\$105.00
Engineering Technician	\$85.00
Clerical	\$85.00
Project Intern	\$75.00

II. Reimbursable Costs*

<u>Cost Classification</u>	<u>Bill Rate</u>
Mileage	\$0.70 / mile
Equipment	Per Purchase Order
Direct Costs	Per Purchase Order
Sub-Consultants	10% of Cost

**Subject to terms and conditions of governing agreement.*

Ta

Post Office Box 549
101 Veterans Memorial Drive
Kitty Hawk, NC 27949



Phone (252) 261-3552
Fax (252) 261-7900
www.kittyhawknc.gov

MEMORANDUM

TO: Mayor Garriss and Members of the Town Council
FROM: Rob Testerman, AICP, Planning Director
DATE: June 2, 2025
RE: Preliminary Plat/Final Plat: Cole Subdivision (2 Lots)

Note: Subdivision reviews are an administrative decision. If all requirements are met, the applicant is entitled to approval.

Proposal

The applicant has submitted an application and preliminary plat for the subdivision of the parcel at 4106 Bob Perry Road. The plat outlines a proposal to subdivide one existing parcel totaling 3.52 acres on Bob Perry Rd into two lots. No new road, or road expansions are proposed as part of this subdivision. Bob Perry Rd splits the parent parcel, with 70,667 (1.62 acres) of marsh/water being located on the east side of Bob Perry Rd, this would remain as part of "Parcel 1".

<i>Lot</i>	<i>Total Sq. Ft.</i>	<i>Contiguous Upland Sq. Ft.</i>
Lot 1	99,073	20,922
Lot 2	48,446	15,141

Because the parent parcel is larger than two acres, this subdivision does not meet the requirements to be considered an "exempt subdivision". The Town currently does not have a process in place to allow staff to approve/deny minor subdivisions such as this, therefore it must go to the Planning Board and Council for approval.

Because there are no improvements proposed, or recommended conditions of approval, the plat is being presented as both the preliminary and final plat. Should there be any conditions of approval which would require a revised plat, the Board can make a separate preliminary plat approval, and require a revised final plat to be submitted at a later date.

Staff Analysis

Zoning: The subject property currently has one single family dwelling and is zoned VR-1, low density village residential.

Minimum Lot Size: 15,000 square feet of contiguous uplands. As noted above, both proposed lots exceed the minimum lot size.

Density: Maximum permitted density is two single-family dwellings per acre. Sec 42-1 states "Marsh and wetland areas, as determined by CAMA and/or CRC regulations, which are contiguous with estuarine waters, sounds and bays, and areas waterward of the oceanfront vegetation line, as determined by CAMA regulations, may not be used for density calculations."

The portion of the parent parcel located west of Bob Perry Rd totals 36,063 sq ft of non-wetland area. However, there is a portion of the parent parcel across Bob Perry Rd. that was not surveyed as part of the plat. The area east of Bob Perry Rd indicates 8,354 sq ft of non-wetland area. The density definition does not require the non-wetland area to be "contiguous, continuous, and connected", as the minimum lot size does. Therefore, the total square footage of uplands may be used for density calculations (44,417 sq ft, or 1.02 acre)

The area to the east of Bob Perry Rd. is to remain as part of Lot 1.

Lot Width: 75' measured at the front building setback.. The plat indicates this requirement is met for both lots.

Road Frontage: Minimum of 50'. Lot 1 provide 115.11 feet of frontage, and Lot 2 provides 146.94 feet of frontage on Bob Perry Rd

Building Setbacks: 25' front and rear, 10' sides. The existing structure on proposed Lot 1 meets minimum setback requirements. The setback lines are provided on Lot 2.

Road Rights-of-Way: There are no new roads proposed as part of this subdivision.

Planning Board Recommendation

At its May 15 meeting, the Planning Board unanimously recommended approval of the proposed two lot subdivision.

Recommended Motion

Should the Town Council decide to recommend approval of the preliminary/final plat, the motion could be worded in the following manner:

"I move to approve of the preliminary/final plat for 4106 Bob Perry Rd, as shown on the submitted plat."

Should Council wish to deny the preliminary plat, the following motion could be made:

"I move to deny approval of the preliminary plat/final for 4106 Bob Perry Rd. The proposed plat is not compliant with the following sections of Town Code: *Cite specific sections of code here*"

Subdivision: 4601 Bob Perry Rd, Cole Subdivision
June 2, 2025
Page 3

Note: Per Sec. 38-50, should the planning board recommend disapproval or conditional approval of the preliminary plat, the reasons for such action shall be noted in the minutes of the board **and reference shall be made to the specific sections of Chapter 38 of town code which the preliminary plat does not comply**, and the subdivider shall be so notified.

Directions to the Subject Property

(from Kitty Hawk Post Office, N. Croatan Highway & Kitty Hawk Road)

Drive west on W. Kitty Hawk Road for 1.8 miles, turn left onto Bob Perry Rd.

Drive south for 0.6 mile

Parent parcel is on both sides of the road.

8A

Post Office Box 549
101 Veterans Memorial Drive
Kitty Hawk, NC 27949



Phone (252) 261-3552
Fax (252) 261-7900
www.kittyhawknc.gov

MEMORANDUM

TO: Mayor Garriss and Members of the Town Council
FROM: Rob Testerman, AICP, CFM, CZO, Director of Planning & Inspections
DATE: June 2, 2025
RE: Text Amendment: Lot coverage/permeable pavement

Note: A zoning text amendment decision is a *legislative decision*. In forming its recommendation, the Board may use public comment and opinion on the matter.

Proposal

Note: red text is proposed new language, black text is existing, strikethrough is proposed for deletion from town code

Sec 42-1.- Definitions

Lot coverage means a measure of the developed intensity of land use. The term "lot coverage" includes, but is not limited to, all areas covered by buildings, accessory structures, improved driveways (gravel used for driveways and parking shall be considered to be improved), roads, sidewalks, decks and any area of concrete or asphalt.

(1) The "wet" or water area of a swimming pool shall be exempt from the lot coverage calculations up to 500 square feet. Any pool water area in excess of 500 square feet will count towards lot coverage calculations.

(2) For single-family residential applications, the following are exempt from lot coverage calculations:

(a) artificial turf, plastic turf reinforcing grids (PTRGs or geocells) shall be exempt from lot coverage calculations, provided that the materials and construction methods have been certified by a state licensed engineer to be 100 percent pervious and will remain so for the life of the installation.

~~(b) Uncovered open-slatted decks that allow water to penetrate through to open, pervious material shall be exempt from lot coverage calculations.~~

~~(c) (b) Gravel or loose stone used for walkways, patios or landscaping shall be exempt from lot coverage calculations.~~

(3) For single-family residential applications, uncovered open-slatted decks that allow water to penetrate through to open, pervious material are calculated as 'lot coverage physical area'.

Lot coverage physical area means the total area of all areas physically covered by buildings, parking areas, accessory structures, driveways, roads, sidewalks, **decks as described in Sec. 42-1**, and any area of concrete or asphalt including impervious areas and permeable coverage. Lot coverage physical area shall not exceed the limits set out in the dimensional requirements of each zoning district.

Permeable pavement means pedestrian or vehicular pavement materials installed, operated, maintained, tested and repaired to permit passage of water through the pavement, including porous concrete, porous asphalt, permeable interlocking concrete pavers, concrete grid pavers (e.g., turfstone), reinforced turf, pavement edge restraints, and other similar proven technologies. All permeable paving systems shall comply with the criteria of the North Carolina Division of Water Quality Stormwater Best Management Practices Manual (current edition); for permeable pavement not evaluated by the NC DEQ Stormwater Design Manual, as confirmed by NC DEQ Stormwater Section upon evaluation. **Documentation verifying that the material and installation methods are consistent with the standards of the Stormwater Design Manual must be submitted in order to be considered permeable pavement or lot coverage physical area.**

Sec. 42-247(d)4; Sec. 42-248(d)4; Sec. 42-249(d)4 ; Sec. 42-273(d)4 ; Sec. 42-274(d)4 ; Sec 42-275(d)4

The maximum allowable lot coverage by principal use and all accessory structures is 30 percent. Maximum lot coverage physical area of 38 percent, provided that any lot coverage physical area in excess of 30 percent is comprised of permeable pavement, **or as otherwise defined in Sec. 42-1**. Permeable pavement failure shall require that the failed permeable pavement is removed and replaced by a pavement meeting the definition of permeable pavement herein with design pavement performance equal to, or better than, the represented performance of the approved pavement.

Background & Analysis

In August 2024, the Town Council approved a staff initiated text amendment to the Zoning Ordinance that provided relief in lot coverage calculations for specific permeable features, including uncovered, open-slatted decks; artificial turf (astroturf); and plastic turf reinforcement grids (PTRGs). These features were excluded from lot coverage calculations to encourage the use of permeable materials and promote stormwater management.

At the time of adoption, staff intended for the uncovered decks to be recognized as part of the "lot coverage physical area"—a broader category that informs how intensely a property is developed. However, the adopted language did not clearly express this intent.

Issue

Due to the lack of clarity in the original amendment, questions have arisen about how these exempted features should be treated. This ambiguity could lead to inconsistent interpretations

during permitting and plan reviews.

Proposed Solution

Staff is proposing a follow-up amendment to clarify that while uncovered, open-slatted decks, with permeable materials below are exempt from lot coverage calculations, they are still to be included in the "lot coverage physical area."

Staff proposes to continue to allow artificial turf, and features such as landscaping gravel to not count towards either lot coverage or 'lot coverage physical area'. It is staffs opinion that these features do not increase the intensity of the development of a lot, while a deck (a physical structure) does increase the intensity of the development of a lot, even if uncovered and permeable beneath.

Rationale

This clarification maintains the original intent of the 2024 amendment:

- To provide flexibility in how property owners develop their lots using permeable, low-impact materials.
- To preserve a consistent and measurable standard for limiting the intensity of development on residential lots.

Recognizing these features in the physical coverage of a lot ensures a balanced approach between usability, environmental considerations, and community development goals.

The following goals and policies relevant to this application are stated in the CAMA Land Use Plan:

Policy 2.4: Require stormwater management systems in new development that mimic pre-development runoff conditions.

»Consider additional incentives for green stormwater infrastructure including pervious pavements, bioswales, rain gardens and green roofs

Policy 3.1 Manage land use and development to minimize primary and secondary impacts on resources and existing residents through standards for developments.

Policy 3.4: Encourage residential that fits Kitty Hawk's character.

» Maintain zoning regulations that protect the character of Kitty Hawk's neighborhoods.

Attachment- August 2024 adopted amendment

Planning Board Recommendation

At its May 15, 2025 meeting the Planning Board unanimously recommended approval of the proposed text amendment.

Town Council Recommended Motion

"I move to set a public hearing at the Town Council meeting on July 7, 2025 to consider the proposed text amendment to Sec 42-1 and specific district regulations as identified in this staff report."

AN ORDINANCE AMENDING THE KITTY HAWK TOWN CODE

WHEREAS, Town Council has recognized the value in the use of permeable materials for stormwater management purposes; and

WHEREAS, Town Council also has opted to incentivize the use of such materials in residential uses with extra lot coverage; and

WHEREAS, the Town Council of Kitty Hawk has found this amendment to be consistent with the Town's adopted CAMA Land Use Plan.

BE IT ORDAINED by the Town Council of Kitty Hawk that Kitty Hawk Town Code be amended as follows:

Sec 42-1.- Definitions

Lot coverage means a measure of the developed intensity of land use. The term "lot coverage" includes, but is not limited to, all areas covered by buildings, parking areas, accessory structures, improved driveways, roads, sidewalks, decks and any area of concrete or asphalt. Permeable pavement (see permeable pavement definition) lot coverage shall be reduced, upon site plan approval by the town, by the built-upon area (BUA) credit established in section C-5, Permeable Pavement, of the NC DEQ Stormwater Design Manual, latest edition, or if a proposed permeable pavement BUA credit has not been assigned by the NCDEQ Stormwater Design Manual, the BUA credit will be as confirmed by NC DEQ Stormwater Section upon evaluation.

(1) The "wet" or water area of a swimming pool shall be exempt from the lot coverage calculations up to 500 square feet. Any pool water area in excess of 500 square feet will count towards lot coverage calculations.

(2) For single-family residential applications:

- (a) artificial turf, plastic turf reinforcing grids (PTRGs or geocells) shall be exempt from lot coverage calculations, provided that the materials and construction methods have been certified by a state licensed engineer to be 100 percent pervious and will remain so for the life of the installation.
- (b) Uncovered open-slatted decks that allow water to penetrate through to open, pervious material shall be exempt from lot coverage calculations.
- (c) Gravel or loose stone used for walkways, patios or landscaping shall be exempt from lot coverage calculations.

Lot coverage physical area means the total area of all areas physically covered by buildings, parking areas, accessory structures, driveways, roads, sidewalks, any area of concrete or asphalt including impervious areas and permeable lot coverage without reduction for built-upon area credits. Lot coverage physical area shall not exceed the limits set out in the dimensional requirements of each zoning district.

Permeable pavement means pedestrian or vehicular pavement materials installed, operated, maintained, tested and repaired to permit passage of water through the pavement, including porous concrete, porous asphalt, permeable interlocking concrete pavers, concrete grid pavers (e.g., turfstone), reinforced turf, pavement edge restraints, and other similar proven technologies.

AN ORDINANCE AMENDING THE KITTY HAWK TOWN CODE

~~Permeable pavement shall be not less than 100 percent pervious or built-upon area credit (lot coverage credit) as established in section C-5, Permeable Pavement, of the NC DEQ Stormwater Design Manual, latest edition, or~~ All permeable paving systems shall comply with the criteria of the North Carolina Division of Water Quality Stormwater Best Management Practices Manual (current edition); for permeable pavement not evaluated by the NC DEQ Stormwater Design Manual, as confirmed by NC DEQ Stormwater Section upon evaluation.

Sec. 42-247(d)4; Sec. 42-248(d)4; Sec. 42-249(d)4 ; Sec. 42-273(d)4 ; Sec. 42-274(d)4 ; Sec 42-275(d)4

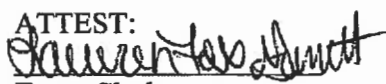
The maximum allowable lot coverage by principal use and all accessory structures is 30 percent. ~~Maximum lot coverage physical area of 38 percent, provided that any lot coverage physical area in excess of 30 percent is comprised of permeable pavement. Permeable pavement failure shall require that the failed permeable pavement is removed and replaced by a pavement meeting the definition of permeable pavement herein with design pavement performance equal to, or better than, the represented performance of the approved pavement.~~

Sec. 42-250(d)5; Sec. 42-251(d)5; Sec. 42-253(d)5; Sec. 42-276(d)8; 42-277(d)5 ; Sec. 42-278(d)(2)d. ; Sec. 42-446(e)

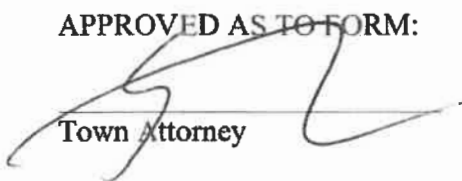
The maximum allowable lot coverage by principal use and all accessory structures is 60 percent. ~~Use of permeable pavement shall allow a m~~Maximum lot coverage physical area of 72 percent, provided that any lot coverage physical area in excess of 60 percent is comprised of permeable pavement. Permeable pavement failure shall require that the failed permeable pavement is removed and replaced by a pavement meeting the definition of permeable pavement herein with design pavement performance equal to, or better than, the represented performance of the approved pavement.

This ordinance amending the Kitty Hawk Town Code shall take effect the 5th day of August, 2024. Passed and adopted at a regular meeting held by the Town Council of Kitty Hawk the 5st day of August 2024, with a unanimous approval vote.


Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:


Town Attorney

The undersigned certifies that the foregoing official ordinance designated ORDINANCE AMENDMENT OF THE TOWN CODE OF KITTY HAWK, NORTH CAROLINA was filed in the Kitty Hawk Ordinance Book on the 16th day of September, 2024, at 9 o'clock am.

Ordinance No. 24-11

AN ORDINANCE AMENDING THE KITTY HAWK TOWN CODE

Lauren Bokunitt
Town Clerk

Post Office Box 549
101 Veterans Memorial Drive
Kitty Hawk, NC 27949



Phone (252) 261-3552
Fax (252) 261-7900
www.townofkittyhawk.org

MEMORANDUM

TO: Mayor Garriss and Members of the Town Council
FROM: Rob Testerman, AICP, CFM, CZO, Director of Planning & Inspections
DATE: June 2, 2025
RE: Text Amendment: Chapter 38.- Subdivisions

Note: A zoning text amendment decision is a *legislative decision*. In forming its recommendation, the Board may use public comment and opinion on the matter.

Proposal

Sec. 38-1.- Definitions

Minor subdivision means the division of a parcel into five (5) or fewer lots, with no new public or private roads and no dedication of new rights-of-way. For review purposes, this definition applies only to subdivisions intended for single-family residential use.

Sec. 38-5. Minor subdivision plat review.

- (a) Minor subdivision applications and plats, as defined by Sec. 38-1, shall be reviewed for general compliance with this Ordinance and other applicable Town ordinances and regulations. The Planning Director shall approve the subdivision plat provided that all requirements of this Ordinance and the appropriate zoning district regulations are met, and the applicant shall be notified in writing of the plat approval.
- (b) In the event the Planning Director disapproves a minor subdivision, the reasons for such action shall be noted in a letter to the applicant. The applicant may appeal such disapproval as provided in Article II of Chapter 42 of Town Code.

Sec. 38-48. Reports from other agencies.

Before acting on a preliminary plat the planning board may request a report from the ~~resident highway engineer~~, the county school superintendent, and U.S. Soil Conservation Service, and other officials or agencies directly affected by the proposed development. The reports shall certify compliance with or note deviations from the requirements of this chapter and include comments on other factors which bear upon the public interest. Additionally, per G.S. § 160D-803, the following agencies shall be provided an opportunity to make recommendations concerning a subdivision plat before approval:

- (a) The district highway engineer as to proposed State streets, State highways, and related drainage systems.

(b) Dare County Water Department as to proposed water systems.

(c) Dare County Environmental Health as to proposed sewerage systems.

Background & Analysis

The proposed amendment to Section 38-1 adds a definition for "minor subdivisions." A new Section 38-5 gives the Planning Director authority to approve or deny plats that meet this definition.

Subdivision reviews in Kitty Hawk—whether by staff, the Planning Board, or Town Council—are administrative decisions, with the approval or denial based on compliance with the standards of Chapters 38 and 42. The proposed change preserves this administrative decision approach but allows staff to approve certain simpler cases.

This change is intended to streamline the review process by allowing staff to review and decide on minor subdivisions—defined as those with five or fewer lots and no new roads or rights-of-way—within a few days, rather than the current process that can take up to two months.

Subdivisions involving more than five lots or proposing new roads would still require review by the Planning Board and Town Council.

The amendment to Section 38-48 also updates the ordinance to align with NCGS 160D-803.

Land Use Plan

The goals and policies listed in the CAMA Land Use Plan are silent on this specific matter.

Attachment -160D-803

Planning Board Recommendation

At its May 15, 2025 meeting, the Planning Board recommended *denial* of the proposed amendments by a vote of 4-1. The Board cited the preference of having an additional layer of review by the Board and Council to catch any potential conflicts with the ordinances, as well as providing the public a chance to voice their opinion on the proposals. It is worth reminding Council that subdivisions are administrative decisions, so public opinion on a specific subdivision proposal cannot factor into the decision making process.

Town Council Recommended Motion

"I move to set a public hearing at the Town Council meeting on July 7, 2025 to consider the proposed text amendments to Chapter 38.- Subdivisions, as identified in this staff report."

§ 160D-803. Review process, filing, and recording of subdivision plats.

(a) Any subdivision regulation adopted pursuant to this Article shall contain provisions setting forth the procedures and standards to be followed in granting or denying approval of a subdivision plat prior to its registration.

(b) A subdivision regulation shall provide that the following agencies be given an opportunity to make recommendations concerning an individual subdivision plat before the plat is approved:

- (1) The district highway engineer as to proposed State streets, State highways, and related drainage systems.
- (2) The county health director or local public utility, as appropriate, as to proposed water or sewerage systems.
- (3) Any other agency or official designated by the governing board.

(c) The subdivision regulation may provide that final decisions on preliminary plats and final plats are to be made by any of the following:

- (1) The governing board.
- (2) The governing board on recommendation of a designated body.
- (3) A designated planning board, technical review committee of local government staff members, or other designated body or staff person.

If the final decision on a subdivision plat is administrative, the decision may be assigned to a staff person or committee comprised entirely of staff persons, and notice of the decision shall be as provided by G.S. 160D-403(b). If the final decision on a subdivision plat is quasi-judicial, the decision shall be assigned to the governing board, the planning board, the board of adjustment, or other board appointed pursuant to this Chapter, and the procedures set forth in G.S. 160D-406 shall apply.

(d) After the effective date that a subdivision regulation is adopted, no subdivision within a local government's planning and development regulation jurisdiction shall be filed or recorded until it shall have been submitted to and approved by the governing board or appropriate body, as specified in the subdivision regulation, and until this approval shall have been entered on the face of the plat in writing by an authorized representative of the local government. The review officer, pursuant to G.S. 47-30.2, shall not certify a subdivision plat that has not been approved in accordance with these provisions nor shall the clerk of superior court order or direct the recording of a plat if the recording would be in conflict with this section. (2019-111, s. 2.4; 2020-3, s. 4.33(a); 2020-25, s. 51(a), (b), (d).)



FISCAL YEAR 2025-2026 BUDGET



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

Table of Contents

Pages:

Budget Message	1-10
Budget Ordinance	11-16
Capital Project Ordinance Fund 41 – Public Safety Building	17-18
Budget Calendar/Process	19

Budget Summary & Graphs

General Fund Revenue and Expenditure Summary	20-21
Revenues Sources and Trends	22-25

General Fund Revenues

General Fund Revenue – Detailed	26-27
---------------------------------	-------

General Fund Expenditures

Non-Departmental	28-29
Governing Body (Town Council)	30-31
Recreation Committee	32-33
Administrative Services	34-35
Finance Department	36-37
Public Works Department	38-40
Police Department	41-43
Fire Department	44-45
Ocean Rescue	46-47
Beach Nourishment	48-49
Planning and Inspections Department	50-51
Planning Board	52-53
Board of Adjustment	54-55

Capital Reserve Fund

56-57

Appendices

Debt Policy & Schedule	58
Statistical Data & Demographics	59-60
General Statutes Requirements	61-62
Fund Types	63
Organization Chart (Department Level)	64
Personnel	65-68
Fee Schedule	69-74
Glossary & Acronyms	75-77

Planning for the Future

Five Year Capital Improvements Program	1-16
--	------



MISSION STATEMENT

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

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

- 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

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

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

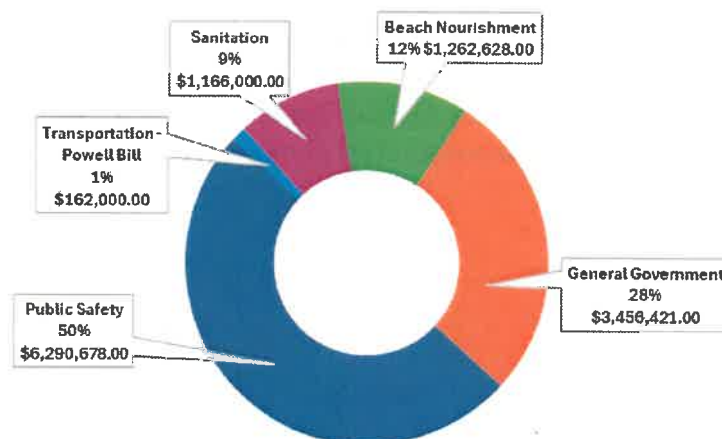
TOWN GENERAL FUND

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.

Total FY 2026 Budget - \$12,539,727





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	(146,500)	3,451,333
4910	Land Use Plan Update	3,000	6,000	3,000	-	9,000
Total		3,756,380	4,445,307	493,959	(146,500)	4,792,766

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
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
Total	\$12,539,727

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
Total	\$12,539,727



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
Total	\$493,959

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
Total	\$493,959



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 Statute 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 his absence, his 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 Garrett
Town Clerk & Public Information Officer



Ordinance No.25-

**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 6th of 2022, and amended on May 1st, 2023, May 6th, 2024, and August 5th, 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>
Total Appropriations Expenses	\$8,934,369

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>
Total Estimated Revenues	\$8,934,369

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. 25-

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 the 6th day of January, 2025

D. Craig Garriss, Mayor

Lauren 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
For information regarding meeting times and locations, visit www.townofkittyhawk.org	

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.



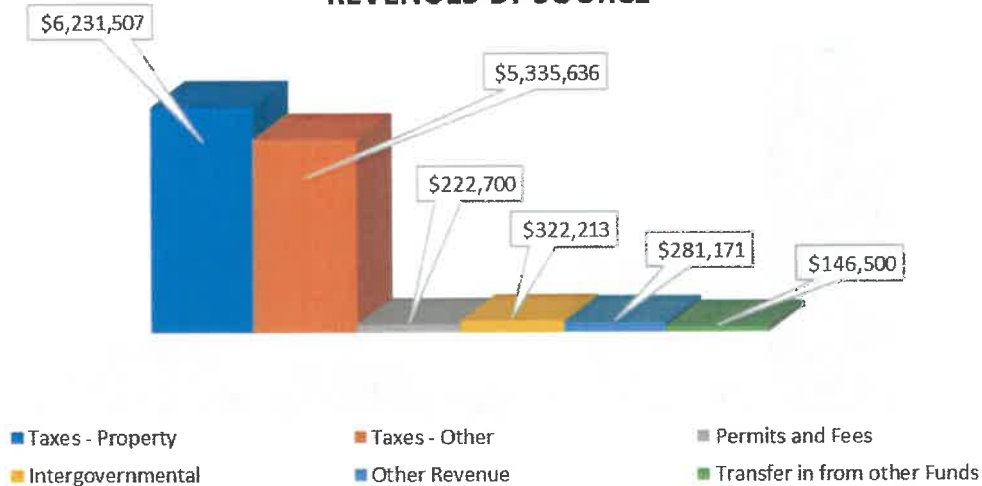
General Fund Revenue Summary

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	-	
Total Revenues	13,302,374	12,560,695	13,862,919	11,847,311	12,539,727	100.00%

REVENUES BY SOURCE





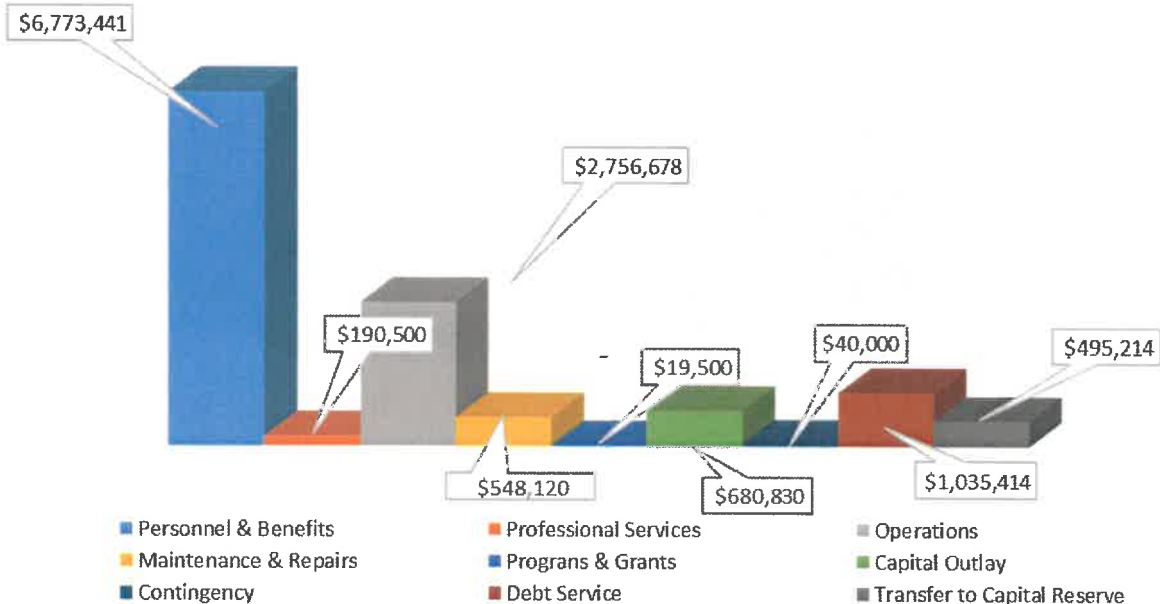
General Fund Expense Summary

Summary of General Fund Expenditures by Category

Percentage of Expenditures by Function

EXPENDITURES BY CATEGORIES	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%
Total Expenditures	15,726,329	11,325,464	13,862,919	12,757,769	12,539,727	100%

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
TAXES - PROPERTY						
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
TAXES - OTHER						
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
PERMITS AND FEES						
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
INTERGOVERNMENTAL						
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
FINES & FORFEITS						
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
INTEREST EARNINGS						
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
OTHER REVENUE						
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
FUND BALANCE						
10-0000-3991-0000	Fund Balance-Appropriated	-	-	1,894,019	-	-
10-0000-3991-0000	Fund Balance Appropriated-Powell Bill	-	-	-	-	-
	Subtotal	-	-	1,894,019	-	-
TRANSFER IN FROM CAPITAL RESERVE						
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	TRANSFER IN FROM SPECIAL REVENUE FUND	1,138,069	-	-	-	-
	Subtotal	1,138,069	-	-	-	-
TOTAL REVENUES		13,302,374	12,560,695	13,862,919	11,847,311	12,539,727



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
OPERATING						
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
MAINTENANCE & REPAIRS						
10-4100-5353-0000	Maintenance and Repairs - Vehicle	-	1,519	500	1,283	800
	Subtotal	0	1,519	500	1,283	800
PROGRAMS AND GRANTS						
10-4100-5090-0000	Grant - Gov. Education Access Channel	-	-	-	-	-
	Subtotal	-	-	-	-	-
CONTINGENCY						
10-4100-5991-0000	Budgetary Contingency	-	-	27,063	-	38,000
	Subtotal	-	-	27,063	-	38,000
CAPITAL OUTLAY						
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	-	-	-
TRANSFER TO CAPITAL RESERVE						
10-4100-5921-0000	IT Equipment Replacement & Development	-	-	-	-	20,000
	Subtotal	-	-	-	-	20,000
TOTAL NON-DEPARTMENTAL EXPENDITURES		700,590	584,524	663,341	622,692	694,652



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
PERSONNEL						
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
OPERATING						
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
TOTAL GOVERNING BODY EXPENDITURES		39,066	48,726	41,196	42,275	47,005



RECREATION COMMITTEE

FY 2025-2026



RECREATION COMMITTEE OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4111

ACCT. NO.	EXPENDITURE CLASSIFICATION	ACTUAL FY 22/23	ACTUAL FY 23/24	Revised BUDGET FY 24/25	ESTIMATED 6/30/2024	BUDGET FY 25/26
OPERATING						
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
TOTAL RECREATION EXPENDITURES		75	9,242	10,400	5,000	16,240



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
PERSONNEL						
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
PROFESSIONAL SERVICES						
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
OPERATING						
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
PROGRAMS AND GRANTS						
10-4120-5497-0000	Community Engagement	-	-	10,000	2,500	9,500
	Subtotal	-	-	10,000	2,500	9,500
CAPITAL OUTLAY						
10-4120-5520-0000	Capital Outlay-Document Management Scan	-	20,825		-	-
	Subtotal		20,825	-	-	-
TOTAL ADMIN SERVICES EXPENDITURES		567,625	595,385	667,773	601,405	681,915



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
PERSONNEL						
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
PROFESSIONAL SERVICES						
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
OPERATING						
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
TRANSFER TO CAPITAL RESERVE						
10-4130-5921-0000	Future Software upgrades	-	-	-	-	10,000
	Subtotal	-	-	-	-	10,000
TOTAL FINANCE EXPENDITURES		260,566	283,276	310,443	306,762	351,170



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
PERSONNEL						
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
	Subtotal	418,625	431,394	614,503	511,676	602,771
OPERATING						
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
	Subtotal	136,183	201,923	221,000	210,161	196,750
MAINTENANCE AND REPAIRS						
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
	Subtotal	417,359	348,660	328,282	300,818	263,820
CAPITAL OUTLAY						
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
	Subtotal	54,296	23,663	184,314	157,811	150,000
TRANSFER TO CAPITAL RESERVE						
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
10-4270-5921-0000	Upgrade Public Works Building	-	25,000	25,000	25,000	-
10-4270-5921-0000	Rehab Fire House Galley			15,000	15,000	5,000
	Subtotal	28,000	158,000	68,000	68,000	23,000
	Public Works Subtotal	1,054,463	1,163,640	1,416,099	1,248,466	1,236,341



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
TRANSPORTATION (4510)						
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
ENVIRONMENTAL SERVICES (4710)						
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
TOTAL PUBLIC WORKS EXPENDITURES		2,384,147	2,692,948	3,974,099	2,311,685	2,564,341



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
PERSONNEL						
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
PROFESSIONAL SERVICES						
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
OPERATING						
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 Assest Forfeiture	-	-	-	-	-
10-4310-5498-0000	Controlled Substances Tax- Restricted	1,760	1,147	-	-	-
	Subtotal	206,364	274,502	269,678	230,593	287,782
MAINTENANCE AND REPAIRS						
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
PROGRAMS AND GRANTS						
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

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
CAPITAL OUTLAY						
10-4310-5540-0000	Vehicles	71,852	45,178	200,956	200,956	229,460
10-4310-5550-0000	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
TRANSFER TO CAPITAL RESERVE						
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
SEPARATION ALLOWANCE						
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
TOTAL POLICE DEPARTMENT EXPENDITURES		7,686,148	2,561,299	3,460,125	3,152,030	3,392,921



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
PERSONNEL						
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
	Subtotal	1,535,844	1,693,106	1,892,077	1,799,537	2,064,366
PROFESSIONAL SERVICES						
10-4340-5193-0000	Medical & Physicals	9,326	9,972	14,500	12,000	14,500
	Subtotal	9,326	9,972	14,500	12,000	14,500
OPERATING						
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
	Subtotal	116,689	125,226	123,758	122,697	126,755
MAINTENANCE AND REPAIRS						
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
	Subtotal	87,760	104,273	67,000	52,676	67,000
PROGRAMS AND GRANTS						
10-4340-5497-0000	Emergency Management Plan	-	26,353	15,840	-	5,000
		-	26,353	15,840	-	5,000
CAPITAL OUTLAY						
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
	Subtotal	93,403	137,397	122,633	75,000	136,500
TRANSFER TO CAPITAL RESERVE						
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	-	-	-
	Subtotal	25,000	206,500	200,000	200,000	200,000
TOTAL FIRE DEPARTMENT EXPENDITURES		1,868,021	2,302,827	2,435,808	2,261,910	2,614,121



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
PERSONNEL						
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
PROFESSIONAL SERVICES						
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
OPERATING						
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
MAINTENANCE AND REPAIRS						
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
CAPITAL OUTLAY						
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
TOTAL OCEAN RESCUE DEPARTMENT EXPENDITURES		220,242	208,714	221,682	200,593	283,636



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
PROFESSIONAL SERVICES						
10-4410-5195-0000	Beach Profile Survey	-	47,135	50,000	46,998	53,000
	Subtotal	-	47,135	50,000	46,998	53,000
OPERATING						
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
DEBT SERVICE						
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
TRANSFER TO CAPITAL RESERVE						
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
TOTAL BEACH NOURISHMENT EXPENDITURES		1,563,849	1,590,006	1,525,470	1,494,233	1,464,628



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
PERSONNEL						
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
PROFESSIONAL SERVICES						
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
OPERATING						
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
MAINTENANCE AND REPAIRS						
10-4910-5353-0000	Maintenance and Repairs Vehicle	76	864	2,500	250	2,500
	Subtotal	76	864	2,500	250	2,500
TRANSFER TO CAPITAL RESERVE						
10-4910-5921-0000	Land Use Plan Update	-	3,000	3,000	3,000	3,000
		-	3,000	3,000		3,000
TOTAL PLANNING & INSPECTIONS EXPENDITURES		432,472	440,845	542,434	505,853	419,733



PLANNING BOARD

FY 2025-2026



PLANNING BOARD OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4980

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
PERSONNEL						
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
OPERATING						
10-4980-5310-0000	Travel & Training	-	-	500	-	500
10-4980-5396-0000	Contracted Services Transcriptions	730	1,806	-	-	-
	Subtotal	730	1,806	500	-	500
TOTAL PLANNING BOARD EXPENDITURES		3,529	7,511	5,883	4,200	6,250



BOARD OF ADJUSTMENT

FY 2025-2026



BOARD OF ADJUSTMENT OPERATING EXPENDITURES

GENERAL FUND - 10 / DEPARTMENT DETAIL - 4990

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
PERSONNEL						
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
PROFESSIONAL SERVICES						
10-4990-5192-0000	Professional Services Legal	-	-	1,500	-	1,500
	Subtotal	-	-	1,500	-	1,500
OPERATING						
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
TOTAL BOARD OF ADJUSTMENT EXPENDITURES		-	161	4,265	665	3,115



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
REVENUES				
<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				
TOTAL RESERVE FUND REVENUES	1,646,060	949,044	762,900	493,959
EXPENSES				
<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
TOTAL RESERVE FUND EXPENDITURES	1,301,318	349,000	762,900	493,959



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 18th 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.



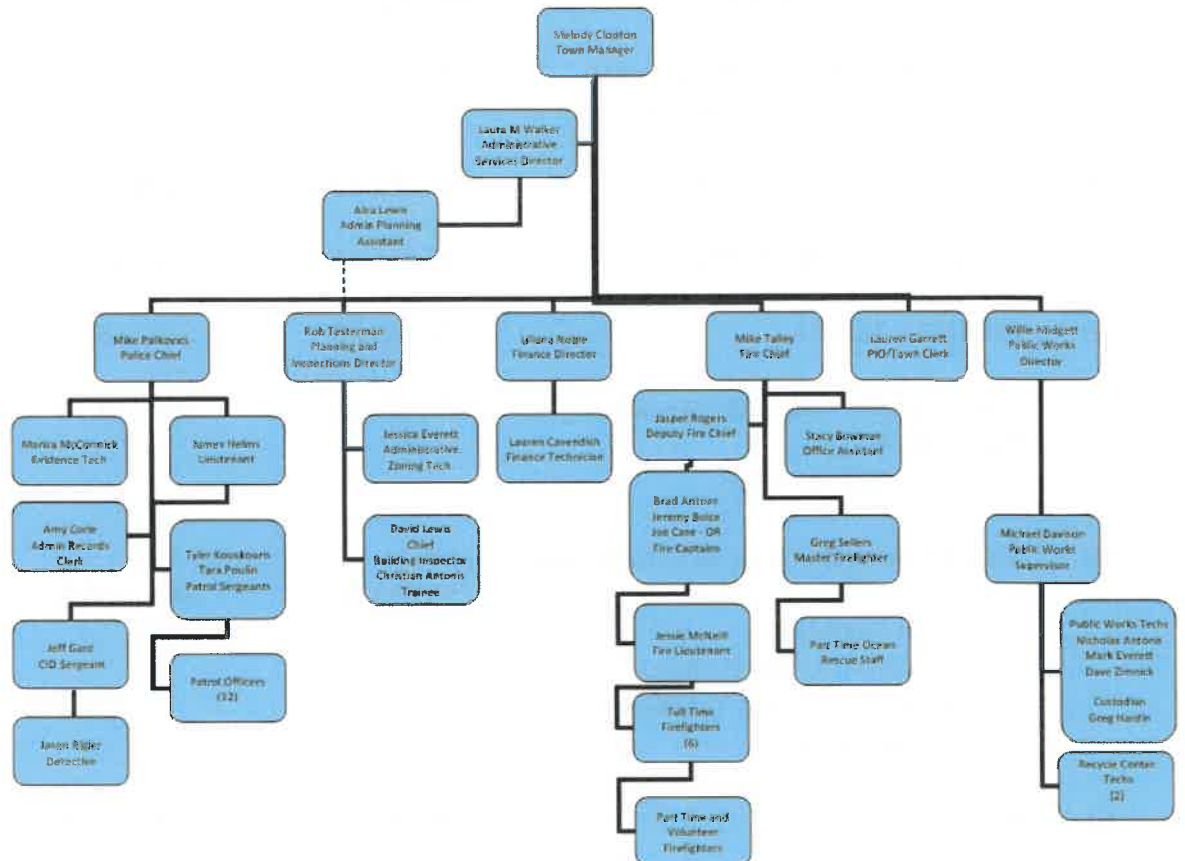
Fund Types

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	Building Inspector & Code Enforcement Trainee 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, Mayor

Lauren 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
Total	51	11

Longevity Awards

Total	\$5,500
Last Year Longevity Award	\$5,000

Retiree Insurance

Retiree Health Insurance Payments for FY 2025-2026

	Health	Life	Total
Total	\$133,940.88	\$288.00	\$134,228.88

Separation Allowance

	Monthly	Annual
Total	\$6,629.52	\$79,554.28



Proposed Fee Schedule

Item	Fee
Credit Card Processing Fees	
A service fee of 3.5% on the bill or \$2(two) dollars minimum if the invoice is under \$57.	
Town Merchandise	
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
Town Documents	
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
Town Miscellaneous Fees	
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
Police Department	
Accident Report \$5.00	\$5.00
False Alarm -1 st Call in a Month	No charge
False Alarm -2 nd Call in a Month	\$50.00
False Alarm- 3 rd 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
Fire Department	
Fire Inspection-1 st Inspection	No Charge
Fire Inspection-1 st Follow-up	No Charge
Fire Inspection-2 nd Follow-up	\$50.00
Fire Inspection- 3 rd and subsequent follow-ups	\$100.00
False Alarm-1 st Call in a Month	No Charge
False Alarm-2 nd Call in a Month	\$50.00
False Alarm-3 rd 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
PLANNING PERMIT AND FEES	
General Planning Fees	
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
Pre-application Conference	
Pre-Planning Application	\$255.00
PCD/PUD	\$535.00
BC3	\$0.15/sq ft of building
Site Plans Review / Zoning Permit Fees	
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
Single-Family Residence & Duplex	
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
Garbage/Trash can fee	1 Can (<3 br)-\$125.00 2 Cans (4 to 6 br)-\$215.00 3 Cans (7 to 9 br)-\$300.00
Special Use Permits	
Special Use Permit	\$300.00
SUP-Family Day Care	\$75.00
SUP-Residence in a Commercial Zone	\$25.00
Subdivision Plan Review	
Subdivision	\$100.00/lot
Exempt Subdivision	\$150.00
Erosion and Sediment Control	
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
Signs		
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
Zoning Text/Map Amendment		
	Zoning Text Amendment	\$350.00
	Map Amendment (Rezoning)	\$400.00
Wireless Communication Facility Review		
	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
Board of Adjustment		
	Variance Request	\$500.00
	Appeal of Zoning Decision	\$350.00
CAMA		
	CAMA Minor Permit	\$100.00
Refund Schedule – Planning		
	Pre-Planning Board Review	\$75% refund
	If planning Board has begun review	\$50% refund
	Pre-Council Review	\$25% refund
Miscellaneous Permits and Fees		
NOTE: Double fees will apply to all permits if work has commenced before an application approval.		
Building Permit Fees		
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
Insulation	
1. The minimum permit fee applies to each dwelling	\$75.00/unit and/or tenant space
Plumbing	
1. Minimum Permit fee applies to each dwelling unit and/or tenant space	\$75.00, plus \$10.00 per fixture, trap or similar device.
Gas	
1. Minimum permit fee applies to each dwelling unit/or tenant space	\$75.00, plus \$5.00 per gas outlet/connection
Mechanical	
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
Electrical	
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

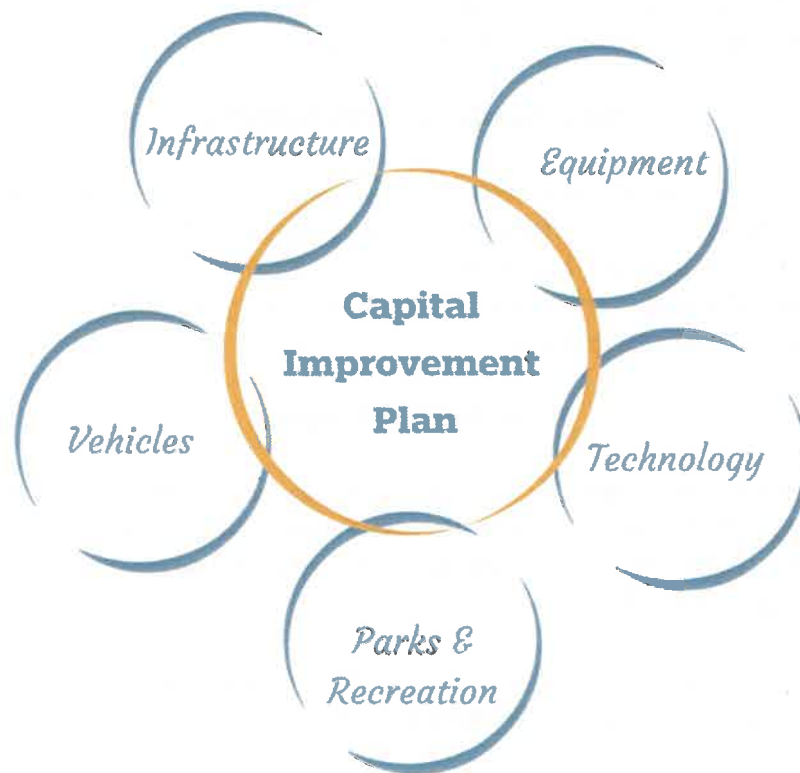
MSD – Municipal Service District

RMS – Records Management System

SCBA - Self Contained Breathing Apparatus



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



Section

Introduction
Capital Reserve Fund Balance
Five-Year Capital Improvement Plan Chart
Capital Project Request By Department

Page No.

2-3
4
5
6-11



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	(146,500)	3,451,333
4910	Land Use Plan Update	3,000	6,000	3,000	-	9,000
Total		3,756,380	4,445,307	493,959	(146,500)	4,792,766

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
Non-Departmental (4100)						
IT Equipment Replacement & Development	Transfer to Reserve	20,000	20,000	20,000	20,000	20,000
Total		20,000	20,000	20,000	20,000	20,000
Administration (4120)						
No Requests		-	-	-	-	-
Total		-	-	-	-	-
Finance (4130)						
Future Software Upgrades	Transfer to Reserve	10,000	10,000	10,000	10,000	10,000
Total		10,000	10,000	10,000	10,000	10,000
Public Works (4270)						
5200 N Croatan Hwy Medical Roof Replacement	Operating	100,000				
Pruit 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	-	-
Total		173,000	133,000	96,000	78,000	86,000
Police (4310)						
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
Total		394,360	264,962	254,111	274,816	287,107
Fire (4340)						
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			
Total		320,000	290,000	260,000	231,000	240,000
Ocean Rescue (4370)						
Truck Replacement		-	-	55,000	55,000	-
UTV Purchase	Operating	20,000				-
Jet Ski Replacement		-	-	20,000	20,000	-
Total		20,000	-	75,000	75,000	-
Planning (4910)						
Update Land Use Plan	Transfer to Reserve	3,000	3,000	3,000	3,000	-
Total		3,000	3,000	3,000	3,000	-
Powell Bill Funds						
Streets Resurfing Project	Operating	162,000	130,000	130,000	130,000	130,000
Total		162,000	130,000	130,000	130,000	130,000
TOTAL 5 YEAR CIP EXPENDITURES		1,102,360	850,962	848,111	821,816	773,107



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 2nd day of June 2025

D. Craig Garriss, Mayor

Lauren Garrett

Town Clerk & Public Information Officer

June 2, 2025

To: Mayor and Town Council

From: Town Clerk, Lauren Garrett

Subj: Appointments to Boards and Committees

Item 9B: PLANNING BOARD

The Planning Board has three regular members with expiring terms. Each member whose term of office is expiring has expressed an interest in being reappointed. They are John Richeson, Jim Geraghty, and Chuck Heath. The motions below may be used.

I make a motion to re/appoint _____ and _____ and _____ as a regular member on the Planning Board with a term of office to expire June 30, 2027.

Chair: John Richeson currently serves as Chair. His office term expires this month.

I make a motion to re/appoint _____ as Chair of the Planning Board for a one-year term to expire June 30, 2026.

Item 9C: BOARD OF ADJUSTMENT

The Board of Adjustment has two regular members and one alternate member with expiring terms. Each member whose term of office is expiring has expressed an interest in being reappointed. They are Timothy Fish, Abby Berquist, and alternate Justin Langley. The motion below may be used.

I make a motion to re/appoint _____ and _____ as a regular member on the Board of Adjustment with a term of office to expire June 30, 2027.

I make a motion to re/appoint _____ as an alternate member on the Board of Adjustment with a term of office to expire June 30, 2027.

Vice-Chair: Timothy Fish currently serves as Vice-Chair. His office term expires this month.

I make a motion to re/appoint _____ as Vice-Chair of the Board of Adjustment for a one-year term to expire June 30, 2026.

Item 9D: RELIEF FUND BOARD OF TRUSTEES- KITTY HAWK FIRE DEPARTMENT

The Kitty Hawk Town Council has one Board Trustee to appoint to the Relief Fund Board of Trustees for the Kitty Hawk Fire Department following a vacancy. The motion below may be used.

I make a motion to appoint _____ as a Board Trustee to the Relief Fund Board of Trustees for the Kitty Hawk Fire Department.

Item 9E: LAND TRANSFER TAX APPEALS BOARD- DARE COUNTY

The Kitty Hawk Town Council must appoint a member to serve on the Land Transfer Appeals Board. The motion below may be used.

I make a motion to appoint _____ to the Land Transfer Tax Appeals Board for Dare County with a term of office to expire June 2029.