



Minutes
Budget Workshop
Tuesday, April 14, 2026
Kitty Hawk Town Hall, Smith Meeting Room
10:00 a.m. to 1:00 p.m.

1. **Call to order the Budget Workshop Meeting of April 14, 2026** (10:00 a.m. Kitty Hawk Town Hall, 101 Veterans Memorial Drive)
2. **Consideration of Adoption of a Resolution in Support of Mid-Currituck Bridge**
3. **Fiscal Year 2026-2027 Budget Discussion** (10:00 a.m. to 1:00 p.m.)
4. **Adjourn**

Council Members Present: Mayor Charlotte Walker, Mayor Pro Tem Jeff Pruitt, Councilman David Hines, Councilman Peter Mantz, Councilman Dylan Tillett

Staff Members Present: Town Manager Melody Clopton, Finance Director Liliana Noble, PIO/Town Clerk Lauren Garrett, Police Chief Palkovics, Fire Chief Talley, Planning Director Rob Testerman, Public Works Director Willie Midgett, Administrative Services Director Laura Walker

Call to order the Budget Workshop Meeting of April 14, 2026

The Budget Workshop meeting was called to order at 10:00 a.m. by Mayor Charlotte Walker. Before proceeding with the main agenda, Mayor Walker thanked everyone for their participation in the previous day's community program, noting it was a great show of community support and beautifully executed. Town Manager Melody Clopton commended the staff, particularly Lauren Garrett, Laura Walker, and Alsu Lewis, who served as main coordinators and made the event successful.

Consideration of Adoption of a Resolution in Support of Mid-Currituck Bridge

Mayor Walker presented the resolution for adoption to support the Mid-Currituck Bridge. After brief discussion, a motion was made to support the resolution.

Motion: Councilman Peter Mantz moved to support the resolution in support of the Mid-Currituck Bridge. The motion was seconded and passed unanimously.

Fiscal Year 2026-2027 Budget Discussion

Budget Process Overview

Town Manager Melody Clopton began by reviewing the budget process timeline. The goal is to present the draft budget document to council by May 4th, with the statutory requirement being June 1st. The budget must include a budget message, projected revenue and expenses, a summary of annual goals and important activities, and any changes from the previous fiscal year. Once presented, the document must be available for public inspection for 15-25 days according to school of government guidelines, with a public hearing typically scheduled for the first meeting in June.

Clopton reminded council of the priorities established during their visioning exercise: public safety, financial responsibility, coastal resiliency, responsible development, investment in community, and cultural heritage.



Current Budget Status and Fire Apparatus Fund

The council had previously determined to increase the tax rate by one cent, dedicating it to a fire apparatus fund. This would make the total tax rate \$0.23, with \$0.02 dedicated to beach nourishment and \$0.01 to fire apparatus. The one cent increase generates \$244,891 annually and increases projected revenue to \$13,028,342, representing a 3.9% increase versus the previous 1.9%.

Clopton shared information about Duck's recent fire truck loan for \$1.7 million, explaining their RFP process with four banks responding, resulting in an annual payment of approximately \$217,000 over ten years with Towne Bank.

Fire Department Staffing Discussion

Councilman Mantz raised concerns about fire department staffing needs beyond just apparatus. Chief Talley explained that according to a recent study by the International Association of Fire Chiefs covering the research area from Nags Head to Corolla, current staffing levels are not meeting national response standards to any degree. The study recommended that both Kitty Hawk and Kill Devil Hills need adequate staffing and apparatus to meet suburban/urban response requirements.

Chief Talley noted that while they currently have mutual aid agreements, response times from distant stations exceed 20 minutes. The study suggested that a shared approach with strategically placed equipment and staffing could dramatically improve response times and meet national standards.

Council discussed the possibility of regional cooperation with neighboring municipalities. Clopton indicated that at the town manager's level, Duck and Southern Shores have expressed openness to exploring combined services. The council agreed to pursue conversations at the mayor and town manager level to explore forming a steering committee for potential fire service consolidation.

Tax Rate Discussion

The council debated whether to proceed with the previously discussed one cent increase or consider a penny and a half increase to better fund fire apparatus needs. Councilman Mantz noted that with a \$2 million fire truck and a four-year savings timeline, they would ideally need \$500,000 annually. The current one cent generates \$244,891, plus approximately \$150,000 in interest earnings, falling short of the target.

Councilman Mantz expressed support for a penny and a half increase, emphasizing the town's responsibility to ensure proper emergency response. He noted that even with apparatus funding, staffing remains a critical issue that needs addressing through innovative solutions like regional cooperation.

Councilman Hines expressed reluctance to raise taxes, preferring to explore other revenue generation options first. However, after discussion about the fire department's critical needs and the limited impact of alternative revenue sources, he agreed to support the increase under the current circumstances but stated he would not support future tax increases.

Councilman Jeff Pruitt emphasized that fire service is essential and that residents spoke with support not letting the town fall behind on public safety needs.

Budget Reductions

Town Manager Melody Clopton reviewed \$243,000 in budget reductions that had been made to balance the budget, including removing items such as competitive 401K matching, asset management software, firehouse painting, police radar units, records management system, body worn cameras, fire truck transfers, and planning reserve transfers. Council acknowledged the difficult cuts made by



department heads.

Revenue Generation Ideas

Town Manager Melody Clopton presented a comprehensive list of potential revenue generation options, including:

- Rezoning vacant residential land to commercial along the bypass
- Paid parking at beach accesses (met with strong council opposition)
- Leasing space on town facilities for cell towers
- Expedited plan review and inspection fees
- Annual registration fees for food trucks and itinerant merchants
- Beach driving permits
- Fees for horseback riding permits, summer markets, demonstrations, festivals, and parades
- Increased police patch fees
- Fingerprinting services
- Notary service fees
- Commercial trash collection fees
- Business license and home occupation fees
- Facility rental for events
- Expanded merchandise sales
- Various other service fees

Council members showed particular interest in charging fees for demonstrations and events that require police presence, and implementing commercial trash collection fees, since businesses generate significant waste that residents currently subsidize.

Former Police Station Building

Town Manager Melody Clopton provided an update on the former police station building, noting flood compliance requirements and demolition costs. For residential conversion, space must be at or above 8 feet with lower areas limited to parking, storage, or access only. Demolition would cost \$170,000 plus additional costs for concrete removal and potential asbestos abatement.

The staff consensus is to sell the property and earmark proceeds for cultural heritage projects or acquiring historical property. Council discussed various alternatives, including using sale proceeds to build ocean rescue facilities at the fire station location, which would free up space for emergency responder housing.

Final Decisions

After extensive discussion, the council reached consensus on proceeding with a penny and a half tax increase dedicated to the fire apparatus fund, while simultaneously pursuing regional fire service cooperation discussions with neighboring municipalities. Town Manager Melody confirmed she would prepare the budget document based on this direction.

The council agreed to several follow-up actions:



TOWN OF KITTY HAWK

- Pursuing mayor and town manager level discussions about regional fire cooperation
- Explore revenue generation options for future budget cycles
- Continue evaluating options for the former police station building
- Investigate offering tax assistance information sessions for residents

Motion: Councilman Hines moved to adjourn the meeting at 11:44 a.m. Councilman Peter Mantz seconded the motion, and it passed unanimously.

The Minutes of the April 14, 2026, Kitty Hawk Town Council Budget Workshop are approved at the May 4, 2026, Kitty Hawk Town Council Meeting.

Charlotte DeLoatch Walker Lauren Fox Garrett
Charlotte DeLoatch Walker, Mayor Lauren Fox Garrett, Town Clerk

