



Minutes
KITTY HAWK TOWN COUNCIL
Monday, March 20, 2026
Kitty Hawk Police Department Training Room
9:00 AM

- 1. Call to order the Recessed Meeting of March 6, 2026** (9:00 am; Kitty Hawk Police Department, 5200A North Croatan Highway)
- 2. Fiscal Year 2026-2027 Budget Presentation and Discussion** (9:00 am to 3:00 pm; break for lunch 12:00 pm to 12:30 pm)
- 3. Recess to March 23, 2026. Budget Workshop** (9 am at Kitty Hawk Police Department at 5200A North Croatan Highway, Kitty Hawk, NC 27949)

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, Finance Technician Lauren Cavendish

Meeting called to order at 9:03 a.m. by Mayor Charlotte Walker

Opening & Workshop Purpose

- Safety briefing provided by Chief Palkovics

Workshop to focus on:

- Aligning Council and staff on budget priorities
- Establishing a shared long-term vision
- Strengthening governance and high-performing leadership practices

Strategic Vision & Governance

- Discussion of effective council–manager relationships
- Emphasis on strategic vision paired with execution
- Organizational performance and accountability
- Innovation, quality service delivery, and empowered staff

Community Vision Exercise (10-Year Outlook)

Council discussed the desired state of the community, including:

- Strong schools and family-oriented environment
- Safe, walkable, and pedestrian-friendly town
- Expanded multi-use paths and bike infrastructure
- Vibrant town center and public gathering spaces
- Preservation of small-town character
- Access to recreation (parks, indoor facilities, farmers' markets)
- Infrastructure improvements, including utilities
- High quality of life and strong sense of community

Community Values & Assets

- Coastal environment, beaches, and waterways



- Outdoor recreation opportunities
- Cultural and historic heritage
- Small-town character and community identity

Tourism and local economic drivers

Key challenges identified:

- Infrastructure needs (roads, drainage, utilities, stormwater)
- Coastal erosion and environmental resilience
- Affordable housing and development pressures
- Traffic and congestion
- Workforce retention
- Homeowners insurance and economic uncertainty
- Wetlands loss and environmental impacts

Priority Areas

Council identified several priority focus areas:

- Public safety and emergency access
- Financial stability and responsible budgeting
- Coastal resiliency and environmental stewardship
- Aligned development
- Investment in community
- Cultural heritage and historic preservation

Budget Overview

- FY budget balanced without using unassigned fund balance
- Approximately \$3.5 million restricted (requires Council approval)
- Projected revenue: \$12.78 million (approximate 1.9% increase)
- Budget includes funding for beach nourishment projects

Revenue & Tax Discussion

- Municipal Service District tax rate: 6 cents (1 cent is equal to \$44,891 in revenue)
- Property tax: Approximately 49% of total revenue
- Current tax rate is twenty-two (22) cents (includes two (2) cents to Beach Nourishment)
- Discussion of proposed property tax adjustments
- Ad valorem tax base showing growth in projections

Collections, Appeals & Trends

- Overview of tax appeal process (Board of Taxation; approximately 5% appeals)
- Increase in delinquent accounts noted; varies annually
- Discussion of collection rate variability

Shared & External Revenues

Shared revenues decreased (approx. \$4.238M to \$4.193M)

Impacts include:

- Sales tax
- Occupancy tax
- Land transfer revenues

Development & Economic Trends

- Increase in larger residential homes and restaurant activity
- Short-term rental trends
- Larger homes generate stronger occupancy performance
- Discussion of regional competition for development and revenue



- Emphasis on aligning growth with adopted land use plans

Expenditures

- Projected expenditures align with revenues (Approximately \$12.78M)
- Focus on maintaining service levels while addressing growth and infrastructure needs

Presentations were given by each department head:

- Police- Chief Michael Palkovics
- Public Works- Public Works Director Willie Midgett
- Finance- Finance Director Liliana Noble
- Human Resources- Administrative Services Director Laura Walker
- Fire Rescue- Chief Michael Talley
- Community Engagement- Public Information Officer/Town Clerk Lauren Garrett
- Planning and Inspections- Planning Director Rob Testerman

Governance & Process

- Interest in additional budget work sessions outside regular meetings
- Desire for increased public engagement opportunities
- Budget identified as a key policy responsibility of Council

Key Takeaways

- Stable but constrained financial outlook
- Continued reliance on property tax and tourism-related revenues
- Need to balance growth, infrastructure, and environmental protection
- Strong public safety performance with focus on property crime trends
- Importance of aligning budget decisions with long-term vision

Next Steps

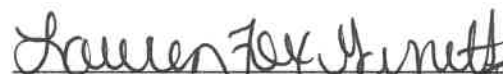
- Refine strategic priorities
- Aligning upcoming budget decisions with Council goals
- Schedule additional work sessions as needed
- Continue financial monitoring and reporting

Recess to March 23, 2026. Budget Workshop, 9 am at Kitty Hawk Police Department at 5200A North Croatan Highway, Kitty Hawk, NC 27949

Motion: At 5 p.m., Councilman Pruitt moved to recess until Monday, March 23rd at 9 a.m. at the Kitty Hawk Police Department to continue the budget workshop discussion. Councilman Mantz seconded. Motion passed unanimously.

The Minutes of the March 20, 2026, Kitty Hawk Town Council Budget Workshop are approved at the May 4, 2026, Kitty Hawk Town Council Meeting.


Charlotte DeLoatch Walker, Mayor


Lauren Fox Garrett, Town Clerk



