



Minutes
Recessed Budget Workshop
Monday, March 23, 2026
Kitty Hawk Police Department, Training Room
9:00 a.m. to 12:00 p.m.

1. Call to order the Recessed Meeting of March 20, 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 12:00 pm)

3. Adjourn

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

Council Members Absent: Councilman David Hines

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

Call to Order

Mayor Walker called the meeting to order at 9:00 a.m. in the Kitty Hawk Police Department Training Room.

Planning & Strategic Alignment

Council discussed aligning:

- Budget decisions with mission, vision, and values
- Existing plans (CAMA land use, resilience, pedestrian plans)
- Interest in developing a formal strategic plan

Consensus that:

- Budget development should proceed first
- Strategic planning to follow

Additional Considerations

Exploration of:

- Funding options for capital projects
- Use of fund balance vs. ongoing revenue

Emphasis on:

- Maintaining adequate staffing
- Ensuring public safety service levels

Capital Needs

- Recommendation made to order a new fire truck
- Proposed funding options discussed:



TOWN OF KITTY HAWK

- Use of interest earnings (Approximate projection at year end \$150K)
- General Fund contribution
- Potential dedicated penny tax for long-term funding
- Consideration whether funding should be program-based (fire) vs. truck-specific

Funding & Financing Discussion

Discussion of borrowing options, including:

- Loans similar to beach nourishment financing
- Use of unrestricted funds or reserves

Questions raised regarding:

- Loan terms and interest rates
- Use of internal vs. external financing
- Suggestion that older equipment replacement could be offset within 2–3 years

Fire Department Needs & Standards

Chief Talley reported:

- Aging apparatus increasing maintenance costs and reliability concerns
- Some equipment approaching non-functional status, raising safety issues

Staffing discussion:

- Currently 4 firefighters per shift
- Approximately 15 needed to meet standards

Standards & evaluation factors:

- NFPA guidelines
- Insurance ratings
- Water supply, equipment, and response performance

Tax & Revenue Considerations

Council expressed reluctance to raise taxes, but acknowledged need to:

- Identify sustainable funding sources
- Maintain service levels
- Interest income projected to contribute approximately \$150K this year

Budget Adjustments

Budget balanced with removal of approximately \$547,000 in items identified:

- Future needs not yet funded across multiple departments
- Health insurance and retirement cost increases

Budget characterized as:

- Revenue neutral overall
- Approximate 1.9% increase from prior year
- Capital outlay reduced (fire truck not yet included in base budget)

Policy & Asset Discussions

Discussion regarding:



- Potential sale of Police Department building
- Use of proceeds (e.g., coastal reserve)
- Some council members expressed opposition to selling key assets

Key Takeaways


- Immediate need to address fire apparatus replacement
- Ongoing challenge balancing capital needs and tax impacts
- Recognition of staffing and safety requirements
- Importance of aligning financial decisions with long-term planning

Adjourn

Motion: At 10:44 a.m., Councilman Mantz moved to adjourn. Councilman Tillett seconded. Motion passed unanimously.

The Minutes of the March 23, 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



