



# Town of Southern Shores

6 Skyline Road, Southern Shores, North Carolina 27949

Phone 252-261-2394 | Fax 252-255-0876

info@southernshores-nc.gov

[www.southernshores-nc.gov](http://www.southernshores-nc.gov)

Southern Shores Town Council  
Town of Southern Shores, North Carolina  
Regular Meeting  
May 17, 2005  
9:00 a.m.-Pitts Center

## MINUTES

The Southern Shores Town Council met on May 17, 2005, at the Pitts Center.

The following members were present: Mayor Hal Denny, Council Members: Jodi Hess, Dan Shields, David Sanders, and Brian McDonald

Also present were: Carl Classen, Town Manager and Carrie Gordin, Town Clerk;

### OPENING

Mayor Denny called the meeting to order at 9:00 a.m., led the Pledge of Allegiance and held a moment of silence.

### APPROVAL OF AGENDA

Mayor Denny requested that the agenda be amended by moving Item C. Town Budget FY2005-06 to the end of the agenda preceding Item VII. Public Comment and that the meeting be recessed due to the fact that Council is attending the Kitty Hawk Elementary School groundbreaking ceremony at 1:30. Council Member Shields moved to approve agenda as amended. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Shields, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent.

### PUBLIC COMMENT

Joe Boldiga, Duck Woods Country Club manager, requested that the Town consider allowing temporary parking for the club at Mallard Cove during the construction of parking lots at the tennis court.

Jon Kenton, 120 Tall Pine Lane, thanked the Council, Town Manager and Police Chief for providing a police officer to direct traffic at Kitty Hawk Elementary School in the mornings and afternoons. He stated that he is chairman of the Town Cemetery Police Advisory committee if some of the recommendations made by that committee could be enacted, specifically the

construction of the road. He feels he is obligated to inquire about the maintenance and clean up and asks that Council consider moving ahead on those items.

## **REPORTS**

### **Planning Board**

Jim Groff, Planning Board-Chairman stated that a meeting has been scheduled for June 10 to discuss the PUD/Subdivision issues. He stated that the Cove Subdivision site plan is still under review as well as the Sandy Ridge Shopping Center. He stated that the issue on Home Occupations were discussed and will continue to the next meeting. He stated that the Board reviewed the draft ordinance written by the Town of Kill Devil Hills regarding screening of apperuntances as part of the Natural gas franchise and recommends it to Council for approval.

Mayor Denny stated that the submitted draft ordinance regarding shielding of Natural gas facilities needs to be set for public hearing on June 7 and a pubic hearing for the second reading of the Natural gas franchise will also be held at the June 7 Council meeting.

## **SPECIAL RECOGNITION**

- 1) Police Chief Pledger presented Sgt. Matt Anderson with two certificates: Advanced Law Enforcement; 2) NC Justice Academy Criminal Investigation. Chief Pledger stated that Lt. Paul Terry and himself also have the Advance Law Enforcement certificates and it takes many training hours to achieve.

Mr. Classen introduced Karen Costello, Administrative Support Assistant.

Glenn Alexander, Public Works Supervisor introduced Tim Gregory, Maintenance Worker.

## **OLD BUSINESS**

### **Ordinance #2005-04-01-Moratorium-Planned Unit Development (PUD)**

Mayor Denny stated that Council voted following the public hearing on Ordinance 2005-04-01 at the May 3 meeting with a 3-2 vote. He stated that inn accordance to NCGS §160A-75 approval at the same meeting during which an ordinance is introduced requires an affirmative vote by 4/5ths of the entire Town Council. Mayor Denny moved to adopt Ordinance 2005-04-01. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess and Shields voting aye; no Council Members McDonald and Sanders voting no; and no Council Member absent. (3-2 vote). The ordinance is attached hereto as Exhibit A and made part of these minutes.

### **Beech Tree Trail/E. Holly Trail Spring Road Project Contract**

Mayor Denny reported that Mr. Classen and he met with the residents from Beech Tree Trail on May 12 to discuss the proposed street improvements. He stated that there are several options; such as not to do the project and use the funds on another street project, build it as designed, or make modifications to the project to accommodate as many of the objections expressed by the residents as could be. He stated that the bids received were higher than expected but that money is available to do the project.

After discussion Council Member Hess moved to accept and approve the 2005 Spring Improvement Project bid from Barnhill as the lowest responsible bid (\$263,980), but to direct that a pre-construction change order be submitted that would: (a) delete the northern section of the Beech Tree Trail road improvement project from the 10+50 mark on the engineer's plans (approximately the border of 154 and 10+156 Beech Tree) to East Dogwood; (b) minimize the size and scope of the swales along the Beech Tree Trail revised improvement project; (c) install natural vegetation in lieu of grass seeding along the Beech Tree Trail revised improvement project; and (d) repair the asphalt and base material (if necessary) at the large "dip" on Beech Tree Trail at East Dogwood and further moved to authorize the Town Manager, Town Clerk and other appropriate officials to sign and execute all documents to implement this motion. Council Member Sanders seconded. The motion passed with Mayor Denny and Council Members Hess, Shields, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent.

Mr. Classen stated that the reason for this change was to reflect budgetary limitations and expressed public interest but still also reflect generally accepted roadway standards.

Mr. Classen asked that Council direct the Duck Woods Country Club to come before the Planning Board on their request for temporary parking. Mayor Denny asked Mr. Classen to meet with Mr. Boldiga.

### **NEW BUSINESS**

#### **Preliminary Flood Map Insurance Study (FIS) and Rate Map (FIRM)**

Mr. Classen stated that all the Town managers have discussed this issue which will have a major impact on all of the towns and the county.

Mike Hejduk stated that all the town's planners have scheduled a meeting to review and discuss this issue. He presented a memo of explanation to Council and gave a very informative presentation. He stated that a public forum will be set at a later date.

#### **Modify Town Traffic Map**

Mayor Denny stated that the Town's Traffic Map needs to be modified by replacing a "Yield" sign at the "T" on Gravey Pond. He stated that the sign was not a matter of record and a request has been presented to install the sign and that Council needs to formally approve the request. Council Member Shields moved to approve the installation of the yields sign as requested in accordance to Section 5-67 of the Town Code. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Shields, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent.

### **OTHER ITEMS**

#### **Council Members Items-None**

#### **Mayor Items**

Mayor Denny stated that improvements to the cemetery are delayed until Duck Woods Country Club construction is completed.

Mr. Classen stated that the landscaping maintenance of the cemetery is now on a monthly schedule.

#### Town Manager Items

Mr. Classen presented documents from the NC Community Foundation pertaining to the Town's cemetery becoming a perpetual care fund for Council's review.

Mayor Denny hearing no objection tabled this issue until the June 7 meeting.

Mr. Classen presented a lease agreement providing space for the Town's Ocean Rescue Service to construct a storage building on property located at the East Fire Station on Duck Road. Mayor Denny moved to approve the lease as presented. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Shields, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent.

Mr. Classen stated that the Public Works Department is investigating the possibility of using old fire hose for pumping stormwater and that the Town provide funds for the Southern Shores Volunteer Fire Department to purchase new fire hose.

Mr. Classen recognized Police Officer Ben Lobdell with a commendation at the request of Fire Chief Bakken regarding Officer Lobdell's help during a fire in which he removed a resident safely.

#### Town Budget FY2005-2006

Mayor Denny recommends beginning discussion on the proposed budget but that this meeting be recessed until May 27 at 8:00 a.m. Hearing no objection so ordered.

Mr. Classen introduced his proposed FY 2005-2006 Budget Message to Council. The document is attached hereto as Exhibit B and made part of these minutes. He stated with the County's re-evaluation this is a challenging budget to prepare. He is proposing a 9.5 cent tax rate with 7 cents to be used for the operating funds and 2.5 cents for the Capital Improvement Plan. He discussed the goal for the amount of the undesignated fund balance. He stated that his proposed budget provides for an 83% undesignated fund balance. He stated that he would provide the budget ordinance for the next meeting and urged Council to set the public hearing for the budget ordinance for the June 7 Council meeting.

Mr. Classen and Mike Hejduk submitted a draft revised fee schedule for Council review. Council will review at a later date.

Mayor Denny called for a 5 minute recess at 11:40 a.m. and Council reconvened at 11:45 a.m.

Council Member McDonald inquired if the Town charges a trash can maintenance fee. Mr. Classen stated that the Town does not at this time. He stated that most damage of cans comes from the contractor and the Public Works Department puts together new cans and makes all repairs to cans as needed. He stated that there is a charge to the resident for purchasing additional cans.

Council Member Sanders thanked Mr. Classen and staff for providing user-friendly budget worksheets this year.

**PUBLIC COMMENT**

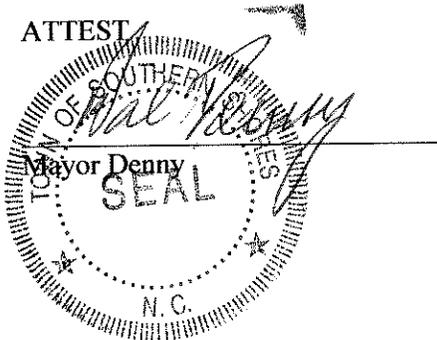
Don Hammett, 148 Beech Tree Trail, thanked Council for their considerations on the Beech Tree Trail Road Project. He also asked that Council be mindful during the budget process to consider the County re-evaluation, the Capital Improvement Plan (CIP) and the Undesignated Fund. He stated that he hopes Council is not going to consider an increase in the fees as applied to the citizens as a way to increase revenue.

Ed Cowell, 134 Beech Tree Trail, thanked Council for approving the contract for the needed road repairs to Beech Tree and that Council consider the impact of the County's re-evaluation when considering the budget process.

Mayor Denny announced that Council Member Hess attended a DOT Transportation meeting and submitted a letter to them in support of the construction of the Mid-Currituck Bridge.

Mayor Denny moved that Council will begin reviewing the summary of revenue and expenses on the proposed FY 2005-2006 budget at a reconvened meeting at 8:00 a. m. on May 27, 2005 in the Pitts Center and hearing no other business recessed the meeting at 12:00 p.m. Council Member Hess seconded. The motion passed with Mayor Denny and Council Members Hess, Shields, Sanders, and McDonald voting aye; no Council Member voting no; and no Council Member absent.

ATTEST



Respectfully submitted:

*Carrie Gordin*  
 Carrie Gordin, Town Clerk

EXHIBIT A

Ordinance No. 2005-04-01  
*Revised 05-03-2005*

**AN ORDINANCE OF THE  
SOUTHERN SHORES TOWN COUNCIL RELATING TO  
PLANNED UNIT DEVELOPMENT APPLICATIONS**

**Dare County, North Carolina**

**BE IT ORDAINED BY THE SOUTHERN SHORES TOWN COUNCIL AS FOLLOWS:**

**Article I: Purpose**

The purpose of this Ordinance is to place a six month moratorium on the acceptance of any applications or other requests approving new planned unit developments or amending existing planned unit developments.

**Article II. Findings**

The Town Council makes the following findings:

- A. The existing planned unit development language in the Southern Shores Zoning Ordinance was approved on or about October 11, 1998.
- B. The one example of a planned unit development approved in the Town of Southern Shores has not turned out as envisioned with problems ranging from wastewater system compliance, housing style inconsistency, building footprints different from the approved site plan(s) and with the recorded overall site plan, inadequate parking for dwellers, lack of coordinated infrastructure installation, and other problems.
- C. The Town Planning Board and Town Council wish to have the existing language reviewed by a professional in a timely manner, but do not wish to allow any applications to proceed towards approval until local law is thoroughly reviewed as such could cause undue expense to the applicant and cause the Town to approve an application not necessarily in the best interest of the community.

**Article III. Moratorium on Accepting Planned Unit Development Applications**

Effective May 17, 2005, the Town of Southern Shores shall accept no applications for a new Planned Unit Development, as provided for in the Southern Shores Zoning Ordinance and Town Code until or after 8:30 AM on November 2, 2005.

**Article IV. Severability**

If any words, phrases, language, section or other portion of this Ordinance is held invalid by a court of competent jurisdiction, then all remaining words, phrases, language, section or other portion of this Ordinance shall remain in full force and effect.

**Article V: Effective Date**

This Ordinance is effective immediately upon adoption.

Adopted this the 17th day of May 2005.

\_\_\_\_\_  
Mayor Hal Denny

ATTEST:

\_\_\_\_\_  
Carrie Gordin, Town Clerk

S E A L

Approved as to form:

\_\_\_\_\_  
Ike McRee, Town Attorney

Date Introduced: 4/5/2005

Dates of Publication: 4/14/2005 and 4/21/2005

Date of Public Hearing: 5/3/2005

## EXHIBIT B

TO: Town Council

FROM: Carl Classen, Town Manager

DATE: May 17, 2005

**RE: FY2005-06 Budget Message**

The Town Manager's recommended budget for the Fiscal Year beginning July 1, 2005 and ending June 30, 2006 is hereby submitted.

## GENERAL

The format of the FY2005-06 budget is similar to last year, except for the Capital Improvement Plan that Council directed as part of its 2004 and 2005 Retreat Goals. In future years, this Capital Improvement Plan will be presented to Council well ahead of the budget process so that separate public hearings can be held. After the Capital Improvement Plan is approved by Council, the cost is included within the budget, which is presented in May. This is similar to the process used in most communities.

Effective with the revaluation, State law requires that a "revenue neutral tax rate" be included within the budget message in the year when a revaluation becomes effective. As per information provided to the Town Council in February 2005 (Exhibit A), the "revenue neutral tax rate" is 7.50 cents.

In presenting this budget, the use of undesignated reserves in the General Fund is ended in FY2005-06. That decision was necessary due to the Town drawing down its undesignated reserve by over \$1 million (32%) in two fiscal years (FY2003-04 and FY2004-05). The Town Manager feels the undesignated reserve is now below a threshold prudent for the Town - \$1 million for emergencies plus 50% of operating expenses. In keeping with the normal practice of funding a capital improvement plan with identifiable revenue, 75% of the cuts to accomplish this cessation of using undesignated reserves came from the operating budget. For FY2005-06, the operating budget is cut 9.1% from FY2004-05. Implementation of this budget will require fiscal discipline on the part of the Town Council, Town Manager and staff. The budget allows for ongoing operations to continue (assuming relatively normal conditions).

## REVENUES

The proposed FY2005-06 budget reflects the 2005 property revaluation and lowers the tax rate to seven (7) cents for operating expenses and two and one-half (2.5) cents for the capital improvement program, for a total tax rate of 9.5 cents. This will increase the property tax levy from \$1,159,125 to \$1,554,860. All of the increase (\$395,735), plus an additional \$5,082, is allocated to the Capital Improvement Fund. Reducing the property

tax rate also applies to vehicle tax revenue, which is not subject to reappraisal. Hence, that revenue source drops from estimated FY2004-05 revenue of \$45,150 to estimated FY2005-06 revenue of \$22,909 (a 49.3% reduction). According to the county manager, it is his understanding that the property tax rate for real and personal property and for vehicles needs to be equal.

It is important to note that, if the Town's share of the countywide property tax levy or its share of the total municipal property tax levy decreases, then the revenues from the Sales Tax, Occupancy Tax, and Transfer Tax will decrease accordingly. The proposed FY2005-06 budget presumes a constant share and increases each amount 7% from the FY2004-05 estimated actual collections. **These major revenue sources will need to be monitored closely and cuts in either the operating expenditures or capital projects may need to be made accordingly during the fiscal year.**

Exhibit B is a list of assessed values for Dare County by Tax District.

ABC Revenues have been increased from \$11,000 in FY2004-05 to \$30,000 in FY2005-06 to reflect the results of the recent special election on the sale of Mixed Beverages.

A proposed fee schedule will be at the May 17 meeting will for increasing fees so that fee revenue is sufficient to cover the expenses involved.

**EXPENDITURES**

The two biggest expenditure changes in the FY2005-06 budget are:

- (1) Cease dipping into undesignated fund balance; and,
- (2) Fund capital improvements.

Cease Dipping into Undesignated Fund Balance: The undesignated fund balance has been reduced from \$3.3 million on 6/30/2003 to an estimated \$2.1 million on 6/30/2005. The Town Manager is suggesting an undesignated fund balance policy of \$1 million for emergencies (e.g., Isabel cost the Town \$700,000 to clean-up and it took about a year to get fully reimbursed), plus 50% of the annual operating budget (50% of \$3.0 million). The proposed FY2005-06 budget gets the Town to approximately 82.9% of that goal.

The following is a recent history of changes in the undesignated fund balance:

**Use of Undesignated Fund Balance**

FY2000-01	\$ 0 (revenues exceeded expenses by \$385,604)
FY2001-02	\$ 253,688
FY2002-03	\$ 0 (revenues exceeded expenses by \$195,569)
FY2003-04	\$ 572,260
FY2004-05	\$ 495,465

FY2005-06

\$ 0

Reducing the use of the fund balance from \$495,465 to zero dollars is equivalent to a 3-cent cut in property tax revenue (post-revaluation values). As the Town Council raised the tax rate 2 cents (pre-revaluation; 0.7 cents post-revaluation) in FY2004-05 to help fund capital improvements, the remaining 2.3 cent property tax revenue loss must come from operating expenses. Those cuts have been made and the proposed FY2005-06 operating budget has been reduced by 9.1% from the FY2005-06 amended budget and 7.2% from the FY2004-05 estimated actual expenses.

For FY2005-06 salaries, a 3% cost of living adjustment (COLA) and a 2% in-service increase are included to be effective in December, 2005. The April 2004 – March 2005 CPI (all urban southern) increased by 2.89%. Medical and dental insurance costs are expected to increase 9% - which is below the inflation/utilization trend increase of 14% -- plus, the Town's medical expenses remain below the actual costs in FY2003-04. These lower medical and dental costs reflect changes made working with other Dare County towns in 2004 and further changes leading to continued price restraint are being investigated (better Blue Cross Blue Shield participation in the group, use of Health Savings Accounts, self-insurance for part of the deductible, other measures).

Exhibit C is a department-by-department summary of expenditure changes:

Funding Capital Improvements: The Capital Improvement Fund contains a total of \$6.6 million of previously-identified projects to be addressed through FY2011-12, including expenditures for replacement of existing vehicles (as per the Vehicle Replacement Plan).

The Capital Improvement Fund is balanced for FY2005-06 and provides resources for the following projects:

- Bridge Repairs (as per 2004 engineering report)
- Chicahawk Trail Drainage Project (engineering)
- Duck Woods Drive Stormwater Improvement Project
- Hickory Trail: East Dogwood to Hillcrest (engineering)
- Pintail Trail Drainage Project
- South Dogwood Multi-Use Path (KHES to DWCC; \$50,000 grant from Tourist Bureau)
- South Dogwood/US158 Road Improvement (in conjunction with KHES Renovations)
- Southern Shores Canal Dredging Project (first phase)

The South Dogwood Trail Multi-Use Path and the Southern Shores Canal Dredging Project are dependent upon receipt of adequate grant funds.

## BUDGET ORDINANCE AND HEARING

A copy of the proposed Budget Ordinance will be developed following the May 17 Council meeting discussion. This is the legal document that must be advertised and set for public hearing. Staff recommends that after amendment of the budget worksheets by the Council that staff be directed to draft the Budget Ordinance and set the Ordinance for public hearing in conjunction with the Town Council's regular meeting scheduled for Tuesday, June 7, 2005, beginning at 7:00 PM in the Pitts Center.

## OUR TOWN

Southern Shores is a vibrant community with ever-changing demographics. The Long Range Plan Advisory Committee recently completed a survey that quantifies those changing demographics and the Land Use Plan update in 2006-07 will further quantify those changes. These changes – most noticeably from nearly all retirees to more families – will impact services demanded and the availability of volunteers (e.g., fire department) to assist in service delivery. The Long Range Plan Advisory Committee is scheduled to release its report in late-2005 and that report may suggest changes in services and/or service delivery – both of which may affect future budgets.

Over 2,500 year-round residents live in Southern Shores; thus making our town the third largest Dare County town (tied with Nags Head after Kill Devil Hills and Kitty Hawk). Between 50 to 70 new homes are completed each year, and over 80% of the Town's existing lots are already developed. The Town remains approximately 70% year-round residents and 30% part time/rentals.

Southern Shores provides most of the same year-round services as Kill Devil Hills, Kitty Hawk and Nags Head, except water service (which is provided through Dare County). The big difference is that Southern Shores has elected – where possible<sup>1</sup> - to provide services through contracts with various private and public agencies rather than hiring Town employees to provide these services in-house. This service delivery method allows Southern Shores to have just 21 full time employees, while Kill Devil Hills and Nags Head each have over 80 comparable employees. That comparison doesn't make Southern Shores any better; just different.

This service delivery model puts great stress on the small staff to manage the various contracts requiring the staff to be resourceful in meeting the needs of the Council and citizens by working with these other agencies. The Town staff is an excellent group of employees who strive to provide quality professional and friendly services each and every day.

Being a Town that provides services through contract is not the reason the tax rate has remained so low in Southern Shores. Rather, the tax rate has been low due to lower need

---

<sup>1</sup> Notably, Police and Code Enforcement services do not lend themselves to service contracts and service demand/delivery is driven by factors out of staff control (e.g., number of crimes, speeders or number of permit applications).

for capital projects in earlier Town years and the use of undesignated reserves for capital project financing in recent years. In FY2005-06, with reserves getting too low in the Town Manager's opinion, the Town needs to look at another approach to funding capital projects.

I am proud to be able to salute Southern Shores and to offer this budget for FY2005-06.

Carl Classen  
Town Manager

Exhibit A**“Revenue-Neutral” Tax Rate and Revaluation Issues**

The 2003 General Assembly amended NCGS 159-11 requiring each taxing unit to publish a revenue-neutral tax rate as part of its budget for the fiscal year following year revaluation. In 2003-04, Dare County conducted a revaluation and the new values became effective for the January 1, 2005 lien date. Therefore, each taxing unit in Dare County must publish a revenue-neutral rate for the FY2005-06 budget year, which begins July 1, 2005.

Using guidance published by the University of North Carolina Institute of Government Local Finance *Bulletin* published in November, 2004, the Town Manager has preliminarily determined the revenue-neutral rate for Southern Shores to be \$0.075, or 8 cents, if rounded to nearest cent.

*The revenue-neutral rate is completely theoretical/political and has absolutely no legal or financial bearing on any person's tax levy nor any bearing on the Town's budget deliberations. Only in the most unusual circumstance could anyone use this rate to accurately estimate their taxes.* Rather, the sole purpose of stating the revenue-neutral rate is to fulfill the requirements of State law.

The County received over 2,000 property valuation appeals, which represents approximately 5% of all parcels in the County, and this will potentially have a substantial impact on assessed values in Southern Shores. When the appeals are concluded, a final valuation will be released in April by the County.

The final tax rate for Southern Shores will not be established until the Town Council has completed its budget deliberation, which usually happens in mid- to late-June. This year, the Council has set a goal to establish and fund a Capital Improvement Plan and to fund such a Plan at some level. The Capital Improvement Plan will contain street improvement projects, bike path extensions/improvements, and other major community projects. This – along with all other budget deliberations – could significantly impact the Town tax levy.

Should you have any questions regarding revaluation, please contact Dare County Assessor Greta Skeen at 252-475-5945. For questions about Southern Shores tax rates and budgeting issues, please contact Town Manager Carl Classen at 252-261-2394.

Exhibit B**Dare County Assessed Value by Tax District**  
May 13, 2005

<b>District</b>	<b>Name</b>	<b>Parcels</b>	<b>Land</b>	<b>Misc</b>	<b>Building</b>	<b>Total Value</b>
01	Avon	2147	580,403,700	8,856,700	293,057,900	<b>882,318,300</b>
02	Buxton	1080	200,091,500	4,046,900	102,402,500	<b>306,540,900</b>
03	Colington	2661	359,882,800	7,979,400	277,136,400	<b>644,998,600</b>
04	East Lake	134	4,536,300	350,600	2,666,100	<b>7,553,000</b>
05	Frisco	1567	318,366,400	6,399,300	160,014,500	<b>484,780,200</b>
06	Hatteras	1259	327,655,600	17,093,900	159,714,100	<b>504,463,600</b>
07	Kill Devil Hills	7154	1,472,688,000	55,020,100	821,857,300	<b>2,349,565,400</b>
08	Kitty Hawk	3548	739,909,400	43,348,600	481,533,600	<b>1,264,791,600</b>
09	Manns Harbor	418	44,395,700	1,799,200	24,199,700	<b>70,394,600</b>
10	Manteo Inside	1503	298,084,100	20,658,200	257,118,000	<b>575,860,300</b>
11	Manteo Outside	2588	382,207,800	10,609,500	264,025,400	<b>656,842,700</b>
12	KDH Out	175	26,034,800	1,145,400	25,308,700	<b>52,488,900</b>
13	Mashoes	51	5,140,700	52,300	1,151,400	<b>6,344,400</b>
14	Nags Head	5459	1,851,875,400	61,915,200	965,998,900	<b>2,879,789,500</b>
15	Rodanthe	738	206,915,800	5,729,000	95,902,500	<b>308,547,300</b>
16	Stumpy Point	214	16,910,900	356,500	8,641,700	<b>25,909,100</b>
17	Wanchese	996	78,272,000	3,463,700	61,393,200	<b>143,128,900</b>
18	Salvo	866	285,593,700	4,911,800	114,694,600	<b>405,200,100</b>
19	Waves	455	150,845,300	4,506,700	77,469,100	<b>232,821,100</b>
20	Southern Shores	2924	1,009,713,400	25,645,500	590,986,600	<b>1,626,345,500</b>
21	Duck	2764	1,272,772,500	91,487,100	663,698,400	<b>2,027,958,000</b>
22	Martins Point	359	141,897,400	5,867,200	114,653,800	<b>262,418,400</b>

Totals	39060	9,774,193,200	381,242,800	5,563,624,400	15,719,060,400
--------	-------	---------------	-------------	---------------	----------------

Note: Totals do not include 153 "unknown ownership" parcels, with a total value of 4,840,600.

Values shown include assessment revisions as a result of 2005 Informal Appeals.

Exhibit C

**Department-by-Department Expenditure Changes**

Account Name	<b>FY2004-05 Budget (Amended)</b>	<b>FY2004-05 Estimated Actual</b>	<b>FY2005-06 Proposed Budget</b>	
Administration Department	641,276	642,955	556,173	-13.27%
Police Department	907,109	876,728	823,930	-9.17%
Sanitation Department	464,500	463,500	474,500	2.15%
Ocean Rescue	130,000	130,000	125,000	-3.85%
Fire Department	234,410	234,410	238,105	1.58%
Public Works Department	562,037	542,362	423,500	-24.65%
Inspections Department	328,710	313,925	329,150	0.13%
Grounds & Beautification	0	0	0	
Pitts Center	21,200	19,299	20,950	-1.18%
Transfers				
<b>Subtotal</b>	3,289,242	3,223,178	2,991,308	-9.06%
Cemetery Fund	6,000	6,000	1,360	
Capital Improvement Fund	518,750	518,750	400,817	-22.73%
<b>Total</b>	<b>\$3,813,992</b>	<b>\$3,747,928</b>	<b>\$3,393,485</b>	<b>-11.03%</b>