



Budget Message for FY 2025-2026

Delivered Wednesday, May 21, 2025

9 am - Hyde County Government Center, Ocracoke Community Center



Hyde County NC
Kris Cahoon Noble, County Manager

Hyde County Government
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Copies of the recommended budget will be available in the Clerk to the Board's office (Swan Quarter) and the Ocracoke Liaison's Office (Ocracoke) for public review. Individuals desiring a personal copy may download a copy from the County Website, www.hydecountync.gov. Supporting documents will also be provided on the website and in person. Notice of this submission will be given to the media and the public.



May 21, 2025

To the Honorable Chair, Board of Commissioners, and the tax payers of Hyde County,

I am pleased to present to you the proposed budget for the fiscal year beginning July 1, 2025, and ending June 30, 2026, prepared per North Carolina General Statute 159 and the Local Government Budget and Fiscal Control Act. This budget document fulfills the statutory requirement to present a balanced budget.

All funds in the FY 2025-2026 budget are balanced. The property tax rate will remain 92 cents per \$100 valuation with no ad valorem tax increase. No appropriations from our General Fund Balance will be required to balance the budget.

I would like to thank our staff and board members for their contributions to this draft budget. Our Department Heads have worked strategically to define their departmental goals and have presented those departmental goals to our Board of Commissioners at a budget retreat prior to developing the budgets. Our Finance, Accounting, and Tax Departments have worked diligently to forecast our projected revenues in order to support those shared goals.

Each Department Head, along with other External Agencies, submitted budget requests to the Manager. Each departmental request and external request was considered carefully, given Hyde County's projected revenue forecast. Some departmental requests and outside agency requests were not included in the recommended budget in order to balance the budget without tax increases or appropriations from the General Fund.

The FY 2025-2026 budget was created around each department's shared goal of serving the citizens of Hyde County to the highest standard possible and utilizing our resources effectively and efficiently.

I appreciate the opportunity to serve the Board of Commissioners and the citizens of Hyde County. I look forward to working with the Board to review these recommendations and adopt a budget ordinance for FY 2025-2026. With your insight and direction, this document will represent a continuation of services provided to Hyde County citizens in a responsible and cost effective manner.



A Public Hearing shall be held with a proposed date of Monday, June 2, 2025, in conjunction with the regular monthly meeting of the Hyde County Board of Commissioners beginning at 6 p.m. Public comments can be made in person at the Hyde County Government Center Multipurpose Room, Swan Quarter, or the Ocracoke Community Center. Public comments may also be submitted by submitting a public comment form on our [county website](#).

The Board of Commissioners has set June 3 and 4 as budget workshops, which will begin at 9 am and last up until 4 pm. Additional dates may be scheduled as needed. On Thursday, June 5th, beginning at 9 a.m. there will be a final public hearing. The adoption of this budget and setting of the tax rate for the 2025-2026 fiscal year is slated for Thursday, June 12, 2025, at 9 a.m.

The recommendations contained herein are those of the County Manager. I appreciate the opportunity to serve the Board of Commissioners and the citizens of Hyde County. I look forward to working with the Board to review these recommendations and adopt a budget ordinance for FY 2025-2026.

Sincerely,

Kris Cahoon Noble
County Manager



The proposed budget for Fiscal Year 2025-2026 is presented for your consideration. This budget is based on a property tax rate of 92 cents per \$100 valuation that yields a budget that is balanced. This budget message is divided into several sections:

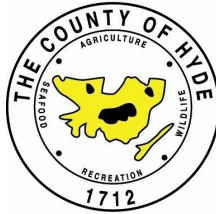
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Budget Objectives

This budget has been created to ensure Hyde County meets its strategic goals to the greatest of its capacity in the areas of:

- Public Safety Services, including Emergency Medical Services, Sheriff’s Office, Emergency Management, and Fire Services;
- Innovative and comprehensive water/flood control and stormwater management;
- Advocating and partnering to actively ensure transportation access along roadways and through our waterways;
- Economic and community development projects are funded creatively from federal and state resources, including but not limited to grants, and leveraged cooperatively with other agencies.



Budget Challenges

The costs associated with maintaining and sustaining Hyde County's current level of citizen services have increased steadily due to current economic conditions. Most departmental budgets have seen increases due to continued inflation, rising costs of property and liability insurance, and cost increases associated with employee health insurance, required retirement rate increases, and state health plan contribution increases.

Economic Trends

According to the US Congress Joint Economic Committee Inflation Update December 2024, North Carolina's Consumer Price Index (CPI) inflation rate was 7.7% over the last 12 months, exceeding the Federal Reserve's 2% target. This factor increases Hyde County's costs to serve our citizens with the same level of services as traditionally received.

The Census Division where North Carolina is located has seen cumulative inflation of 22.4 percent since January 2021. This is 1.7 percentage points higher than the national cumulative inflation since January 2021 of 20.7 percent.

The US Bureau of Labor & Statistics reports the Consumer Price Index for all items rose 2.9 percent from December 2023 to December 2024. Overall, material costs experienced an increase, but some specific materials saw more significant price changes. Labor costs continued to rise, with wage increases outpacing overall private sector growth. Health, auto, property, and liability insurance rates have significantly increased. Economists predict that prices will not come down anytime soon.

According to the NC Department of Revenue, North Carolina local governments are expected to receive \$416 million in sales tax distributions, a 3.83% increase statewide compared to last year.

The FY 2025-2026 Manager's Recommended Budget takes into consideration the following impacts:

- Continued and sustained inflation coupled with continuing supply chain issues.
- A higher demand on health and human services, specifically in the areas of food insecurity, foster care, and mental health.
- Increases in regional local government jobs and wage market competition.



Demographic Trends

This information was provided in the NCACC County Map Book 2024.

- Over the past 20 years, Hyde County has ranked 99th of 100 North Carolina counties in population percentage change, with a loss of 17.1% of its population.
- The median age of Hyde County's population is 46.4. The population of children under the age of 18 is 17%, ranking Hyde County 87th of 100 in percentage of children under 18. 25% of Hyde County's population is aged 65 or older.
- 31.6% of Hyde County's population received Medicaid coverage at some point during the 2023 calendar year, ranking Hyde County as 51st of 100 counties in percentage of population receiving Medicaid. The percentage of residents without health insurance in Hyde County is 19.5%, making it rank 96th of 100 counties in uninsured residents.
- Hyde County ranks 9 of 100 counties in percentage of each county's households experiencing food insecurity at some time during the year, with 17% of residents being affected. Hyde County's children living in poverty in 2020 was 28%.
- Hyde County remains a Tier One economically distressed county.

Budget Trends

Hyde County is in good financial condition, however, some effects of the economy, including continued inflation, rising costs, and potentially decreasing tourism dollars, remain a concern. This budget contains conservative revenue projections and cautionary spending.

Fund Balance

Gradually increasing our Fund Balance should be a priority to ensure adequate funds are available when disasters strike. Hyde County has come out of a period where the Fund Balance was being gradually eroded each year. The 2023-2024 Audit showed a small increase in Fund Balance. Hyde County should ensure its fund balance remains healthy to adequately address



unforeseen emergencies and disasters. No appropriations from our General Fund Balance is recommended in the budget.

General Fund

The FY 2025-2026 proposed General Fund budget is \$19,044,012, an increase from the FY 2024-2025 adopted General Fund budget of \$18,581,397. The primary increases consist of continued employee benefit costs, including salary adjustments to enhance staff retention and recruitment efforts, significant increases in general operational costs, and the rising costs to provide public safety services, including but not limited to law enforcement and emergency medical services.

General Property Tax Rate

The property tax rate will remain 92 cents per \$100 valuation with no ad valorem tax increase. It is the goal of the County Manager to maintain this rate with no increases for the FY 2025-2026, with a multiyear goal to decrease the tax rate by utilizing other sources of revenue while also streamlining and creatively consolidating services for cost savings.

This budget is based on the following values:

Current Estimated 2025 Taxable Values

\$1,199,935,032.00	Real property only
62,192,455.00	Estimated Public Service Utilities (2025)
35,413,692.00	Personal and Business Personal Properties (2025)
\$1,297,541,179.00	Total Taxable Value Estimated before DMV
67,441,055.00	DMV Estimated (2025)
\$1,364,982,234.00	Total Taxable Value Estimated

Other Sources of Revenue

These other sources of revenue recommended include user fees, to ensure costs of services are more fairly distributed to those utilizing the services, and special sources of revenue, including but not limited to Land Transfer Taxes and an additional ¼ cent Sales Tax.

As local governments struggle with tough budgetary considerations, many are increasingly looking for ways to lessen the burden on the local tax base.



Solid Waste

Determining how Hyde County should fund its solid waste services is a complicated issue involving a mix of legal, policy, and strategic considerations. North Carolina counties are authorized to provide solid waste collection and disposal services under a public enterprise authority - G.S. 153A, Article 15.

Hyde County currently funds all Solid Waste Expenses with property tax revenue. The benefits of financing solid waste services with property tax revenue are the predictability of the revenue stream. The drawbacks include the taxes being levied on all real and personal property, except when statutorily exempt, regardless of whether and to what extent the property benefits from the service.

This budget recommends and reflects revenues from implementing user fees for solid waste services in a multiyear effort to create a Solid Waste Public Enterprise Fund. A Public Enterprise Fund, like the Hyde County Utilities Department, would have self-sustaining revenues to support solid waste services. This will more fairly distribute the cost of solid waste services to the users, creating a more stable tax rate for property owners.

Particularly in regard to Solid Waste, one effective way to lessen the burden on the local tax base is to assess user fees or charges on individuals and business entities that voluntarily use certain government services. User fees have the advantage, at least over property taxes, of aligning service provision directly with payment. The drawback of using fees to fund solid waste is the revenue may not be as steady or reliable as property tax revenue.

The Board of County Commissioners may impose a fee for the collection and disposal of solid waste. The fee may not exceed the costs of collection and disposal. The Board of County Commissioners may also impose a fee for the availability of a disposal facility provided by the county. A fee for availability may not exceed the cost of providing the facility and may be imposed on all improved property in the county that benefits from the availability of the facility.

This budget implements an availability fee of \$180 per year for improved residential structures and \$400 per year for improved commercial structures. An availability fee



authorized by the NC General Statutes may be used to cover the cost of waste management programs in the jurisdiction.

While this method is not the most precise way to assign cost to users, the implementation of this method this year coupled with detailed analysis of our fee structure options and public input meetings in the fall will lead to a fee structure being implemented in the next fiscal year that should be based on usage and should relieve the tax burdens to those individuals that are not heavy users of solid waste services. This will be the first step towards a more equitable distribution of solid waste expenses that reflect usage of the services.

The county should adopt an ordinance providing that any fee imposed may be billed with property taxes, may be payable in the same manner as property taxes, and, in the case of nonpayment, may be collected in any manner by which delinquent personal or real property taxes can be collected. A draft Solid Waste Ordinance will be prepared prior to the budget workshops and sent to the Board of Commissioners and placed on the county webpage with these budget materials for examination.

This budget further assumes revenues for the implementation of other fees for services based on use and adjusting outdated fee schedules to reflect market conditions. A Master Fee Schedule will be prepared prior to the budget workshops and sent to the Board of Commissioners and placed on the county webpage with these budget materials for examination. It is recommended that the Solid Waste Ordinance and Master Fee Schedule be adopted with the approved budget.

Consolidating Services for Cost Savings

Consolidation of county services is often used by local governments to achieve cost savings. The 2025-2026 budget proposes the unprecedented consolidation of all public safety services under one umbrella in order to achieve economies of scale and cost savings, and additionally create a synergy between the different branches of public services, resulting in the most affordable and reliable public safety services available.

Consolidation of all Public Safety Services

2023-2024 was a year for the repair and restoration of our EMS services countywide. The 2023-2024 fiscal year began with a complete change of leadership and structure for the Hyde County EMS system. FY 2024-2025 continued the path of repair and restoration for Hyde



County EMS, as they made great improvements towards coming together as a team, which was reflected by their quality of care delivered to the citizens.

The most significant change in the FY 2024-2025 budgetary expenditures was a result of organizational restructuring of staffing. That organizational structure hired 4 Shift Supervisors, which has proven to be an effective management style, especially given our remote locations and challenges with funding.

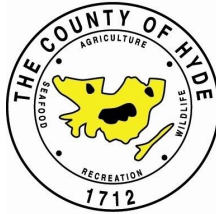
After operating for one full fiscal year under the Shift Supervisor organizational structure, we have the data needed for analysis. We have identified that 4 additional EMS positions are needed to ensure there are no instances where coverage is not adequate and to eliminate overtime from our budget, stabilizing work schedules and expenditures.

Over the 2024-2025 Fiscal Year, the Hyde County Sheriff's Office, Emergency Management Office, and Fire Services have worked hand in hand with Hyde County EMS to provide support, mutual aid, programming, and educational opportunities. This budget proposes a consolidation of all public safety services under the umbrella of the Sheriff's Office to create a Public Safety Department.

This concept was presented on our Budget Retreat, and further supporting materials will be provided in the Budget Narratives that will be posted for review with other budget material in advance of our Budget Workshops.

Hyde County has completed the repavement and refurbishment of the Hyde County Airport and has received additional appropriations of \$1.5 M for a Drone Advancement project. Under this newly implemented management approach, the Hyde County Airport will be operated by the Hyde County Sheriff's Office. That office will complete the construction and implement the Drone Advancement project, further refining the use of drone technology in delivering Public Safety services. The additional manpower offered by this management style will enhance fuel services, further building revenues and enhancing communications technologies offered at the airport for our traditional users as well as a new user group focused on public safety, while decreasing the overall cost of operations.

The Hyde County Government and Sheriff's Office will work in tandem to aggressively seek state funding through the legislature to achieve our goals. The Hyde County Sheriff's Office has been very successful in obtaining special appropriations for vehicles and equipment over the last



fiscal year placing Hyde County in a much better financial position and giving us the vehicle fleet needed to provide service. These appropriations eliminated a huge portion of what would have been needed locally. It is expected that this new pilot management style of Public Safety Services will be supported by the NC General Assembly, and the potential for special appropriations and grants will be richer given the unique nature of this management style and what it can mean for small, rural counties.

Restructuring of Grant Administration, Economic Development, and Planning Services

Staff restructuring in 2018 combined the Planning and Economic Development Director Position, which oversees the Grant Administration Department, with the position of County Manager. This structure has often left unmet needs in the areas of planning and economic development, and has potentially left economic opportunities unrealized during this time.

One of Hyde County's established goals from the 2024-2025 year, continuing to grow services and opportunities for Hyde County through Federal, State, and Foundational Grant Opportunities, remains a top priority. Hyde County's shared goal of increasing our broadband and connectivity footprint across the county, mainland and island, was accomplished. Under this similar goal, we will enhance other service areas and achieve more economic growth for the county.

The reestablishment of the Planning and Economic Development Department can be achieved through restructuring existing resources without an overall cost to the county. Combining resources devoted to grant administration, planning, and revolving loan activities enables Hyde County to restructure without cost increases while receiving the benefits of reestablishing this department.

Tax Collection

Just as Hyde County has restructured and refined the Accounting/Finance Departments and EMS Department over the last two years with a focused approach, Hyde County should focus on the Tax Department this fiscal year to enhance tax collections and improve this department's collection rate, capacity, and services to the taxpayers.

The management structure of the Hyde County Tax Office, since the retirement of its long-term Tax Administrator, has been completed by the IT Administrator/Public Information Officer. This



management structure served its purpose for that time, however, we can no longer delay providing the needed resources to this department to make it fully functional.

The management approach foregoes a Tax Administrator position for two positions, the Tax Collector and Tax Assessor, to achieve our goals in the most efficient and effective manner possible. Hyde County currently has an unacceptable amount of prior year tax collections that must be addressed under this restructuring. Initial work with staff has resulted in great improvements to collections, and plans to accelerate these efforts in the upcoming year will result in a higher collection rate, more flexible payment options for taxpayers, and a more efficient tax collection process.

Further developing the Tax Assessor position, which originally began within our recent revaluation, will result in better tax data, land records, and a reduced cost for revaluations, as much of this work comes in-house instead of being completed under outside contract.

Hyde County is excited to partner with the NCACC through the NCACC Strategic Member Services (SMS) project to receive assistance, including the placement of a Strategic Project Coordinator to assist Hyde County with our efforts to restructure and improve our tax office this fiscal year. This assistance will come at no cost to Hyde County and will help transform the department.

This new management approach and additional resources will further the growth of our tax office, with a goal of structuring a tax assessment and collection program that promotes fair and equitable tax assessment and collection processes. Hyde County's revaluations will come more frequently and at a lower cost, reducing the burden on taxpayers and the collections process will evolve to make paying taxes in Hyde County as convenient as possible.

Funding Education and Partnering with Hyde County Schools

Hyde County will continue to partner with Hyde County Schools to achieve our shared goals. In partnership, we have completed the \$8.3 million Industrial Technology Center through a needs-based school construction and repair grant from NC Department of Public Instruction.

Hyde County Schools and the Hyde County Board of Commissioners are proud to partner on a \$36 million grant for the Mattamuskeet Rising project. This transformative investment represents a historic moment for Hyde County and will significantly enhance educational opportunities,



community engagement, and infrastructure at Mattamuskeet School. The Mattamuskeet Rising initiative aims to revitalize the Mattamuskeet School campus, modernizing its facilities and expanding its capabilities to serve as a hub for both students and the community. The comprehensive project includes upgrades to the school's physical infrastructure, increased access to cutting-edge educational resources, and athletic facilities designed to foster economic, academic, and social development in, now, all of Hyde County as we recently opened a brand new campus for our school on Ocracoke Island.

Hyde County Schools and the Sheriff's Department will continue to partner to fund and employ a School Resource Officer, which has been a great partnership. Hyde County Schools and Cooperative Extension have now partnered to further our parks and recreation goals to enhance youth athletic opportunities at the Mattamuskeet campus with the Brandon Marshall Ballfield Complex.

Further, Hyde County and Hyde County Schools will continue to support each other to appeal to the NC General Assembly to provide special funding for our unique school system to overcome the challenges of operating two campuses with such unique needs and geographical challenges.

External Agency Requests

In an effort to balance the budget without fund balance appropriation or a tax increase, no external agency requests were made in this budget as presented. These external agency requests will be made available to the Board of Commissioners and the public through supplemental materials provided on the county website prior to the Budget Workshops and can be reexamined at that time for funding. While we realize this funding helps our external partners meet their goals, it is felt that the county must operate in a sustainable manner and encourage other organizations to explore new revenue streams and opportunities to operate sustainably as well.