



**MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
BUDGET WORKSHOP
WEDNESDAY, MAY 18, 2022**

The Nags Head Board of Commissioners met in person at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, May 18, 2022 at 9:00 a.m. for a Budget Workshop. The Town continues to adhere to COVID state and local guidelines.

Board members Present: Mayor Ben Cahoon; Mayor Pro Tem Michael Siers; Comr. Renée Cahoon; Comr. Kevin Brinkley; and Comr. Bob Sanders

Board members Absent: None

Others present: Town Manager Andy Garman; Amy Miller; Kelly Wyatt; David Ryan; Phil Webster; Perry Hale; Jan Mielke; Nancy Carawan; Michelle Gray; and Town Clerk Carolyn F. Morris

Call To Order

Mayor Cahoon called the recessed meeting to order at 9 am. He then turned the meeting over to Town Manager Andy Garman to conduct the Budget Workshop.

Budget Workshop

Manager Garman reported that he presented his recommended budget to the Board at the May 4th Regular Meeting. At today's workshop he and staff will go through the budget in more detail and address any questions/concerns from Board members.

Budget Amendment

Manager Garman asked for Board consideration of a budget amendment for a sidewalk extension from Old Cove Road in Nags Head Cove to Danube Street. He noted that contingency from other sidewalk projects can be applied to this project. He displayed on screen the budget amendment requesting \$26,713 to extend the sidewalk from Old Cove Road to Danube Street.

Mayor Cahoon appreciated this being brought forward when it is more efficient with current sidewalk projects taking place.

MOTION: Comr. Brinkley made a motion to approve Budget Amendment #13.1 for the sidewalk extension on Old Cove Road as presented on screen. The motion was seconded by Comr. Renée Cahoon which passed unanimously.

Budget Amendment #13.1, as approved, is attached to and made a part of these minutes as shown in Addendum "A".

Capital Investment Fund Review

Overview of Recommended Financial Policies

Deputy Manager Miller presented a review of the following financial policies:

- Fund Balance Policy
- Capital Investment Fund Policy
- Debt Management Policy

Comr. Renée Cahoon asked to see a chart of projected costs/distribution of costs – to review models for each major project.

Mayor Cahoon said that he appreciated looking at real numbers and assumes that staff has looked at the next few years and still has confidence in their models. Deputy Manager Miller agreed but noted that going too far out is not feasible.

Mayor Pro Tem Siers likes the suggestions but wants to make sure other areas of the operational budget and employees are taken care of.

Overview of Employee Recommendations/ Organizational Changes

- Review of pay / benefit recommendations
- Review of new positions
- Review of organizational changes/ position reclassifications

Comr. Brinkley appreciated the recommendations but questioned if there was more that could be done and should be done for employees.

After discussion, it was Board consensus that the Town's contribution to employees' 401K be reduced to 4% which is still 1% more than the 3% that is currently in place; that the COLA be increased from 6% to 7%; and that the lifeguard base pay rate be increased to \$16/hour. Board members felt the suggestions were the right things to do for employees.

Mayor Cahoon confirmed extension of patrols on the beach in the fall is being proposed - due to the extended summer season; Manager Garman noted that the Town of Kill Devil Hills is looking at doing the same thing.

Personnel Recommendations (continued):

- Sanitation - Additional crew leader positions
- Sanitation - Create sanitation trainee position
- Sanitation - Additional facilities maintenance tech position
- Sanitation - Change grades of sanitation supervisors to superintendent
- Planning - Make Event Planner a full time position
- Administration - Staff is to draft a cell phone policy, with the Town Attorney's review, for the Board's consideration.

Comr. Renée Cahoon suggested development of a Fund Raising policy - she doesn't want to see any type of commercialization on the Town's beaches and streets, etc.

- Lifeguard Pay Plan - Manager Garman presented a Lifeguard Pay Plan - their pay is based on number of years of experience and whether they are a supervisor or not.

CIP Modifications in Recommended Budget/ Capital Outlay

Review of changes to CIP items from CIP workshop

Review of other capital outlay not in CIP

Major Changes to CIP Items

- Dog park improvements
- Beach access maintenance
- Multi-use path maintenance

- Stormwater project area #4 – Engineer Ryan provided some explanation that the \$60,000 is enough to take care of the S Nags Head multi-use path and still focus on non-compliant areas. Comr. Renée Cahoon expressed concern about the entire multi-use path maintenance, she doesn't want to see something constructed if it can't be maintained.

- Manager Garman explained that there are funds in public works for maintenance and that staff is preparing a long-term maintenance plan for the multi-use path (Line item: Beach Road multi-use path maintenance) - after determining what needs to be done for the entire path on an annual basis. Mayor Cahoon suggested this as a discussion item for the Fall 2022 Retreat.

- Emergency floodwater pump
- Water grants for smart meters

Review of Consolidated Fee Schedule Recommendations / Beach Driving Discussion

Beach Driving - Residents/property owners can come to Town Hall to receive a \$50 beach driving permit - others would need to go to local tackle shops to purchase a \$100 permit. Recommended a more distinctive sticker be obtained that would be more easily discerned as a Nags Head sticker. Mayor Cahoon is to speak to the Kill Devil Hills Mayor about this. It was Board consensus for a July ordinance change after a June adoption of the Consolidated Fee Schedule. The Public Information Officer is to provide information on the Town's web site, Facebook, etc. with the upcoming changes to beach driving.

Trash cart rollback fee – it's less about the budget and more about getting carts off the street. Manager Garman is to look into this more re: civil citations, etc. for those who do not participate legally.

Consolidated Fee Schedule - Remove cable franchise fee, beer/wine deliveries after verification; Review false alarm policy as Comr. Brinkley said he has never known the Town to issue a bill. It was Board consensus that staff review/clean up the entire fee schedule prior to Board consideration.

Amendments to Recommended Budget

- GEACC - Use of Government Education Access Channel Committee grant funds for Board Room improvements
- Impact of GASB 87 on financial statements - staff to discuss with auditors
- Impact of land transfer/occupancy taxes

Questions

Comr. Renée Cahoon:

- Discussion of sanitation positions
- Soundside Boardwalk location - From the Soundside Event Site to the Outlet Mall
- Pg 69 – Cost reimbursement – Funds come from the Water Fund
- Employee Assistance Program - Budget funded program to assist employees
- Staff is to provide information on crashes per intersection

Comr. Brinkley:

- Increase in Fire Dept – As a result of the Pay/Class Study

Mayor Cahoon:

- Pg 87 – Additional services – brokerage services – Regulated by the LGC
- Pg 99 – Upcoming projects – digitizing building permits – Staff explained this is for old records.
- Page 99 – Requested inventory of short-term rentals
- Page 125 - Noted the gas prices as budgeted
- Page 166 – Requested one-page summary of the Decentralized Wastewater Management project
- Page 166 – Contracting work/septic inspections; Revised Septic Policy to address some concerns
- Page 171 – Recent accomplishments – Eighth Street Water Plant window replacements

Mayor Cahoon asked staff to prepare the budget for consideration after the Public Hearing at the June 1st Board meeting.

All slides presented by Town Manager Garman and Deputy Town Manager Miller are attached to and made a part of these minutes as shown in Addendum "A".

ADJOURNMENT

MOTION: Comr. Brinkley made a motion to adjourn. The motion was seconded by Comr. Sanders which passed unanimously. The time was 11:30 a.m.

Carolyn F. Morris, Town Clerk

Date Approved: **June 1, 2022**

Mayor: _____
Benjamin Cahoon