



**MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
RECESSED MEETING (COVID-19)
WEDNESDAY, JANUARY 20, 2021**

Due to the high COVID-19 numbers, the Nags Head Board of Commissioners met virtually, via the Zoom platform, on Wednesday, January 20, 2021 at 11:00 a.m. for a Recessed Meeting.

Board members Present virtually: Mayor Ben Cahoon; Mayor Pro Tem Michael Siers; Comr. Renée Cahoon; Comr. Webb Fuller; and Comr. Kevin Brinkley

Board members Absent: None

Others present Virtually: Interim Town Manager Greg L. Sparks; Attorney John Leidy; Andy Garman; Karen Snyder; Amy Miller; Randy Wells; Phil Webster; David Ryan; Michael Zehner; Developmental Associates Steve Straus; Roberta Thuman; Perry Hale; Terry Haugen; Michelle Gray; and Town Clerk Carolyn F. Morris

CALL TO ORDER

Mayor Cahoon called the meeting to order at 9 am. A moment of silence was held in memory of the over 400,000 who have died of COVID including those in our own community.

ADOPTION OF AGENDA

MOTION: Comr. Brinkley made a motion to approve the January 20th agenda as presented. The motion was seconded by Comr. Fuller. Each Board member was polled by the Town Clerk and the motion passed unanimously.

PUBLIC COMMENT

Mayor Cahoon confirmed with the Town Clerk that no public comments were received.

CONSENT AGENDA

The Consent Agenda consisted of the following items:

Budget Adjustment #9 to FY 20/21 Budget

Consideration of waiver of credit card fees/charges during Town Hall closures

Consideration of waiver of late fees for Cycle 4 water bills; Consideration of extension of Cycle 4 cutoff to coincide with Cycle 6 cutoff

Request for Public Hearing to consider a Conditional Use Permit and Major Site Plan review submitted by Ralph Buxton of RDB Holdings, LLC for the construction of approximately 196 feet of new dock for Kitty Hawk Water Sports, located at 6920 S. Croatan Highway, Nags Head, NC. The property is zoned C-2, General Commercial and is located within the Commercial-Outdoor Recreational Uses Overlay District and the Ocean and Sound Waters District

MOTION: Comr. Renée Cahoon made a motion to approve the Consent Agenda as presented. The motion was seconded by Comr. Brinkley. Each Board member was polled by the Town Clerk and the motion passed unanimously.

Budget Adjustment #9, as approved, is attached to and made a part of these minutes as shown in Addendum "A".

The agenda summary sheet re: the waiver of credit card fees, as approved, read in part as follows:

"At the January 20th Board of Commissioners meeting, staff is requesting that the Board authorize waiving credit card fees/charges during times of unforeseen and unscheduled Town Hall closures to the public. Currently, Town Hall is temporarily closed due to confirmed employee COVID cases.

'If approved, this would allow those who would normally pay their taxes/water/permit bills by cash or check to not be penalized by having to use a credit card. This authorization is only requested during times of unforeseen and unscheduled Town Hall closures to the public.

'Additionally, this action is requested to be retroactively approved beginning on January 12, 2021, at 11:00 am, at which time the Town Manager gave emergency authorization to waive these fees during an unscheduled emergency Town Hall closure."

The agenda summary sheet re: the waiver of late fees, as approved, read in part as follows:

"At the January 20th Board of Commissioners meeting, staff is requesting that the Board authorize the waiving of late fees associated with Cycle 4 water bills, for those customers that did not receive their bill in the mail. Due to the 2020 Post Office problems, the majority of property owners (over 700 out of almost 1100) received their water bills in the mail after their bill was due and penalties had been applied. The bills were mailed December 10, 2020, and staff received notifications about these bills either not being received at all or being received after they were considered late on January 5, 2021.

'In addition, staff is requesting to extend the Cycle 4 cutoff to coincide with the Cycle 6 cutoff (February 5, 2021) to give these customers sufficient time to mail a check to Town Hall."

The Request for Public Hearing, as approved, read in part as follows:

"Conditional Use Permit and Major Site Plan review submitted by Ralph Buxton of RDB Holdings, LLC for construction of approximately 196 feet of new dock for Kitty Hawk Water Sports, located at 6920 S.

Croatan Highway, Nags Head. The property is zoned C-2, General Commercial and is located within the Commercial-Outdoor Recreational Uses Overlay District and the Ocean and Sound Waters District.

‘Staff Recommendation/Planning Board Recommendation

Planning staff is finalizing their memorandum and recommendation to the Planning Board and will copy the Board of Commissioners on materials that are provided to the Planning Board for their upcoming January 19th, 2021 meeting.”

OLD BUSINESS

From Jan 6th Board meeting - Consider VW Settlement Phase 1-Level 2 Charger Program

Planning Director Michael Zehner summarized his memo which read in part as follows:

“As previously relayed to the Board, Staff has been made aware that approximately \$1.15 million in funds associated with the Volkswagen Settlement are being made available as part of a “Phase 1 for the Light Duty Zero Emission Vehicle Level 2 Charging Infrastructure Rebate Program. This program is designed to expand the state's light duty ZEV charging infrastructure network.” (<https://deq.nc.gov/volkswagen-settlement/level-2>) Staff participated in a webinar to learn more about the program and the application process, which opens on January 25, 2021. Under the program, for Level 2 chargers installed on government-owned property and accessible to the public, the Town could be reimbursed up to \$5,000 per charging port or 100% of the project costs (whichever is less) for the installation.

‘Based upon preliminary estimates received, upfront vendor costs would total between \$7,000 to \$11,000 for a two-port charging unit, depending on the vendor and equipment; varying costs include the cost of equipment, system commissioning, and pre-payments for warranty and software.

‘Please visit <https://www.chargepoint.com/products/commercial/ct4000/> for one example of equipment that could be available. It is also important to note that many of the systems require annual maintenance and software service fees (again, some vendors include pre-payment of these costs as part of upfront costs). Complete installation of a charger (including Town labor and materials to extend electrical service and install a concrete base for the charger) is estimated to total \$11,000 to \$15,000. With the potential reimbursement of \$10,000, actual cost to the Town is expected to be \$1,000 to \$5,000.

‘As discussed at the Board’s January 6, 2021 meeting, it is also possible to assess fees to users for charging. The Board asked Staff to provide additional information with respect to how fees are charged, whether there is a cost associated with charging fees to customers (such as credit card fees), and whether annual costs include those fees. As noted, there are several equipment options, and several vendor options, some of which source the same equipment. Some equipment relies on the use of credit card processing companies to process payments, who would assess a processing fee for payments, with the Town receiving those revenues, less the processing fees; Staff has been unable to determine the exact amount of these expected fees.

‘In at least two other cases, Staff has learned that payment processing is integral to the system and platform; specifically, one collects 7% per transaction, while the other 10% per transaction, sending the remaining revenues to the Town. At least with respect to the former, there is also a \$200 per year network fee per charger, but also the ability to assess both a charging fee and a separate transaction fee at the

time of sale. With respect to the later, Staff understands that the network fee for 5 years would be paid up front, as part of the equipment purchase, so there would be no additional annual fees collected (at least in the initial 5 years) beyond the 10% per transaction.

`In terms of costs, Dominion's bill rates for the Town's service are as follows:

- For billing months of June through September:
 - First 800 kWh @ 9.4529¢ per kWh
 - Next 2200 kWh* @ 9.3823¢ per kWh
 - Additional kWh @ 7.2780¢ per kWh

- For billing months of October through May:
 - First 800 kWh @ 8.7024¢ per kWh
 - Next 2200 kWh* @ 8.6328¢ per kWh
 - Additional kWh @ 6.5436¢ per kWh

`As an example, the fee for the charger at the Hatteras Ferry Terminal is \$1.85 per hour. This charger provides 6.6 kW per hour, so the maximum actual electricity cost per hour for a 6.6 kW charge would be \$0.62 from June through September and \$0.57 from October through May. Staff believes this system is subject to the 10% per transaction fee, so the return on the \$1.85 per hour charge, accounting for electricity cost, would be no less than \$1.04 or \$1.09 depending on the month.

`Should the Board wish to move forward, a budget amendment to allocate \$15,000 for this project is attached for the Board's review. Staff understands that this project would be contingent on the Town successfully being approved for the reimbursement. If not successful, Staff will return to the Board for further direction.

`Alternative Consideration

So that the Board is considering the full range of options for the installation of an electric vehicle charger, it may be helpful to relay that Staff has learned of an alternative to the purchase of a charger unit, which is a requirement under the Settlement program. At least one vendor has contacted Staff to make them aware of their "subscription" and "hybrid" services, where the charger equipment is provided by the vendor at no up-front cost to the Town, beyond extension and installation of electrical service to the charger location. Under the subscription service option, the Town would enter into a 5-year agreement and pay \$99.00 a month per charger port; the Town would still be able to charge and control the amount of fees, and receive the revenue from these fees. Under this option, the subscription would total \$11,880 for a two-port charger over the five years, which is at the high-end of the range to purchase equipment. Under the hybrid option, the Town would also enter into a 5-year agreement, but there would be no monthly fee paid by the Town; instead, the vendor would control the fee pricing for charging, there would be a 60/40 revenue share, and the Town would be reimbursed for all electricity costs. Neither of these options would be eligible for the reimbursement."

Board members spoke in favor of the hybrid alternative option which provides a service to the public but the Town is not responsible for the care and maintenance of the equipment – which would mean not applying for the grant. Location for the charger can be discussed at a later time.

MOTION: Comr. Brinkley made a motion to direct staff to proceed with the alternative option where the charger equipment is provided by the vendor at no up-front cost to the Town beyond installation of electrical service to the charger location. The motion was seconded by Mayor Pro Tem Siers. Each Board member was polled by the Town Clerk and the motion passed unanimously.

From Jan 6th Board meeting - Consideration of Board of Adjustment appointments

The agenda summary sheet read in part as follows:

"At the January 6th Board of Commissioners meeting, the Board appointed Margaret Suppler to serve as BOA Chair and Angelina Lowe to fill the vacant regular position.

'At the January 20th mid-month meeting, request appointment of Vice-Chair, in accordance with Town Code Sec. 48-592.

'Staff has confirmed that BOA member Bobby Gentry would like to be reappointed (his term expires February 2021) and he is also interested in serving as Vice-Chair. Please note that John Mascaro has also expressed interest in being appointed Vice-Chair.

'Attached please find an updated Tracking chart with the current roster for the Board of Adjustment."

MOTION: Comr. Brinkley made a motion to reappoint Bobby Gentry to another three-year term on the Board of Adjustment and to appoint Mr. Gentry as Board of Adjustment Vice-Chair. The motion was seconded by Comr. Renée Cahoon. Each Board member was polled by the Town Clerk and the motion passed unanimously.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN ATTORNEY

Attorney Leidy had nothing new to report.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN MANAGER

Interim Town Manager Sparks – 2021 Fourth of July Fireworks

Interim Manager Sparks asked Board members what their thoughts were concerning this year's Fourth of July Fireworks.

Mayor Cahoon said that there's no way to judge at this time if visitors will have been vaccinated for COVID-19 or not but we can be optimistic and have a reasonable expectation.

Board members agreed to plan for a Fourth of July Fireworks display and asked to know the date the fireworks can be terminated without penalty – such as 30 to 60 days out. At that time, everyone should have a better idea of how the vaccine is working.

It was Board consensus to proceed with planning for the Fourth of July Fireworks display; when the date to pull out of the contract is determined, staff is to inform the Board – prior to the February 3rd Board meeting.

Interim Town Manager Sparks - Beach Nourishment Funding workshop

Interim Manager Sparks spoke with Board members about the upcoming Beach Nourishment Funding workshop. Board members wanted to keep the date of January 27th for the workshop.

Board members would like information re: revenue projection of proposed municipal service districts - numbers based on property values, and information re: alternative projects.

Finance Officer Amy Miller stated that staff does have some of the numbers necessary and has received some of the answers from FEMA that they were waiting on.

It was Board consensus to get the background information related to Beach Nourishment Funding/MSD's to Board members by close of business on Friday, January 22nd – in preparation for the workshop on Wednesday, January 27th at 9 am.

NEW BUSINESS

Town Manager Recruit Discussion with Developmental Associates - Time Specific 11:30 am

Steve Straus of Development Associates summarized the Town Manager recruit process with Board members. He presented his original proposal and summarized the steps as displayed on screen. In addition, he requested input from Board members on what was desired in a Town Manager to include specific core competencies, expectations of the position, and salary range.

February 1st will begin posting of the job advertisement – recruitment is to take place throughout the month of February via several methods.

What would Board members like to see in a Town Manager - Specific core competencies looking for:
Customer service; holds employees accountable for actions - serious and non-serious actions; managerial experience; high expectations of themselves and their employees; not a micromanager but aware of issues and hold employees for their work product; passion for the job; someone adaptable to situations; innovative and able to come up with solutions that are proactive; good communicator with information going back and forth to the Board; more involved with Planning and Development; manager that is a leader and also a manager of a high performing organization; commitment.

A manager who understands efficiency, energetic, strong willed; confident; strategic; charismatic and inspiring; high degree of emotional intelligence; strong personality and deference should be to the Board and willing to carry out Board decisions; needs to be a high degree of trust between manager and Board.

Mr. Straus asked about the expectations of the position - he said that he typically finds expectations are a bachelors degree, masters preferred; at least 3 - 5 years experience; a deputy town manager if not a manager.

Board members asked for high expectations – a manager with some “wow” factor - someone driven; experience of more than five years but that should not limit a candidate; someone with a passion for the position.

Board members spoke in favor of a salary range of \$140,000 to \$165,000.

Mr. Straus thanked Board members for their time and their input; he said that he has what he needs to move forward; he pointed out that the job advertisement would be provided to Board members for review by close of business on Monday, January 25th.

BOARD OF COMMISSIONERS AGENDA

Comr. Fuller - Letter from Old Nags Head Place Subdivision

Comr. Fuller asked about the response to the letter from the Old Nags Head Place Homeowner’s Association concerning drainage issues; he noted that it was briefly discussed at the January 6th Board meeting. It was pointed out that an email to Interim Manager Sparks had been sent from the association.

Manager Sparks said that he would follow-up with staff on this and will make sure a response is provided.

Comr. Fuller asked that staff provide an update at the Board’s February 3rd meeting.

ADJOURNMENT

MOTION: Comr. Renée Cahoon made a motion to recess to Wednesday, January 27th at 9 am for a Beach Nourishment Funding Workshop. The motion was seconded by Mayor Pro Tem Siers. Each Board member was polled by the Town Clerk and the motion passed unanimously. The time was 1:02 p.m.

Carolyn F. Morris, Town Clerk

Date Approved: February 3, 2021

Mayor: _____
Benjamin Cahoon