**MINUTES**
**TOWN OF NAGS HEAD**
**BOARD OF COMMISSIONERS**
**REGULAR SESSION**
**WEDNESDAY, APRIL 1, 2026**

The Nags Head Board of Commissioners met at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, April 1, 2026 at 9:00 a.m. for a Regular Meeting.

Board Members Present: Mayor Ben Cahoon; Mayor Pro Tem Megan Lambert; Comr. Bob Sanders Comr. Megan Vaughan; and Comr. Molly Harrison

Board Members Absent: None

Others Present: Town Manager Andy Garman; Attorney Lauren Arizaga-Womble; Amy Miller; Kelly Wyatt; David Ryan; Perry Hale; Randy Wells; Chris Montgomery; Nancy Carawan; Joe Costello; Roberta Thuman; Karen Snyder; Katie Anzalone; Jan Mielke; Matthew Swain; Rebecca Swain; Chris Braddy; Sarah Radcliff; Paige Griffin; Skyla Lamberto-Egan; Trey Simmons; Chris Trembly; Jackie Hart; Paulette Mathews; John Kenny; Mike Kelly; Mary Ann Newman; Jeff Bellantine; Donna Creef; Corinne Saunders; Lory Patrick; Crystal Miscio; Harold Tuberville; and Town Clerk Brittany A. Phillips

Mayor Cahoon called the meeting to order at 09:01 a.m. A moment of silence was followed by the Pledge of Allegiance.

**ADOPTION OF AGENDA**
MOTION: Comr. Sanders moved to adopt the April 1st agenda as presented. The motion was seconded by Comr. Vaughan, which passed unanimously.

**RECOGNITION**
FIFTEEN YEARS – Fire Chief Randy Wells introduced Fire Captain Matthew Swain, who was recognized by the board for fifteen years of service.

TWENTY YEARS – Police Chief Perry Hale introduced Police Sergeant Chris Braddy, who was recognized by the board for twenty years of service.

RECESS/RECONVENE – The board took a brief recess at 09:08 a.m. to correct an audio issue. They reconvened at 09:10 a.m.

PROCLAMATION – April 10, 2026 - Local News Day
Mayor Cahoon acknowledged local news reporter, Corinne Saunders, who was in the audience, and then read the proclamation designating Local News Day as follows:
"WHEREAS, Americans overwhelmingly say local news and information is the most important and most trusted source of news; and

'WHEREAS, local journalism is a foundational element of a functioning and healthy democracy; and

'WHEREAS, local journalism equips communities for civic engagement and action; and

'WHEREAS, communities across the state are joining together to recognize and celebrate the importance of local news during the second week of April; and

'WHEREAS, the Town of Nags Head community relies on trusted local news for reliable, vetted information, both in daily living and in moments of crisis; and

'WHEREAS, the Town of Nags Head is served by several news outlets; and

'WHEREAS, the Town of Nags Head recognizes the critical importance of local news in many forms;

'THEREFORE, we, the Town of Nags Head Board of Commissioners, do hereby proclaim April 10, 2026 as "Local News Day" in the Town of Nags Head and commend its observance to all residents."

MOTION: Comr. Vaughan moved to adopt the Proclamation declaring April 10, 2026 as Local News Day presented. The motion was seconded by Comr. Sanders, which passed unanimously.

PROCLAMATION – Dark Sky Week - April 13-20, 2026
Planner Chris Trembly spoke on the progress of the Town's Dark Skies, Bright Stars initiative. He invited the community to attend the Dark Skies, Bright Stars event on April 18, 2026, from 7:30 p.m. - 9:30 p.m., at Town Park. The board was presented with a red flashlight, lanyard, and cup.

Mayor Cahoon read the proclamation designating Dark Sky Week as follows:
"WHEREAS, the Town of Nags Head recognizes that the preservation of the night sky is essential for the protection of the natural environment, human health, safety, and the quality of life of its residents and visitors; and

'WHEREAS, excessive and misdirected artificial light contributes to light pollution, which negatively impacts wildlife, disrupts ecosystems, wastes energy, and obscures views of the stars and planets; and

'WHEREAS, dark skies are essential for the health of nocturnal species, including sea turtles, migratory birds, and other wildlife that rely on natural darkness for survival; and

'WHEREAS, scientific research indicates that exposure to artificial light at night can disrupt human circadian rhythms, contributing to sleep disorders and other health issues; and

'WHEREAS, the preservation of dark skies contributes to tourism, recreational activities, and the overall enjoyment of the natural environment, which are vital to the town's economy and community identity; and

'WHEREAS, the Town of Nags Head has launched the Dark Skies, Bright Stars Initiative to raise awareness about the importance of reducing light pollution and to encourage responsible outdoor lighting practices; and

'WHEREAS, the Town of Nags Head is committed to promoting public education, voluntary residential light evaluation, and sky quality monitoring, particularly on new moon nights, to better understand and mitigate the effects of light pollution; and

'WHEREAS, the town encourages businesses, residents, and visitors to be respectful neighbors and allow others the peaceful enjoyment of their property, and to utilize fully shielded outdoor lighting fixtures, use lighting only when necessary, and choose warmer color temperature lighting (3000 Kelvin or less) to minimize glare and light trespass.

'THEREFORE, we, the Town of Nags Head Board of Commissioners, do hereby proclaim support for the town's Dark Skies, Bright Stars Initiative and Dark Sky Week, April 13-20 2026, and encourages the community to join in efforts to protect and preserve the beauty and integrity of the night sky.

'BE IT FURTHER RESOLVED, that the town will continue to work with local organizations, businesses, and residents to promote best lighting practices, enhance public education, and support efforts aimed at reducing light pollution."

MOTION: Comr. Harrison moved to adopt the Proclamation declaring April 13-20, 2026 as Dark Sky Week as presented. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

PROCLAMATION – April 2026 - Tick-Borne Disease Awareness Month
Mayor Cahoon read the proclamation designating Tick-Borne Disease Awareness Month as follows: "WHEREAS, tick-borne diseases, including Lyme disease, Rocky Mountain spotted fever, ehrlichiosis, and other vector-borne illnesses, pose significant public health risks in North Carolina; and

'WHEREAS, the State of North Carolina has recognized April as Tick and Mosquito Awareness Month to promote prevention, early detection, and education regarding vector-borne illnesses; and

'WHEREAS, certain tick-borne diseases, including Lyme disease, are serious bacterial infections that can affect the joints, heart, nervous system, and other organs if left untreated; and

'WHEREAS, tick bites may go unnoticed due to their small size, and symptoms may not always include a recognizable rash, increasing the importance of vigilance and medical evaluation when illness occurs; and

'WHEREAS, early diagnosis and prompt medical treatment significantly reduce the risk of long-term health complications associated with tick-borne disease; and

'WHEREAS, prolonged or untreated tick-borne illness can result in significant physical hardship and may also contribute to emotional and mental health challenges for affected individuals and their families; and

'WHEREAS, the Town of Nags Head's coastal and maritime forest environment creates conditions where tick exposure may occur through outdoor work, recreation, and daily activities among residents, visitors, and employees; and

'WHEREAS, awareness, personal protective measures, routine tick checks, and proper tick removal techniques are effective tools in reducing the risk of infection; and

'WHEREAS, fostering an informed and supportive community encourages individuals to seek timely medical care and helps reduce stigma associated with tick-borne illness and related health challenges;

'THEREFORE, we, the Town of Nags Head Board of Commissioners, do hereby proclaim April 2026 as Tick-Borne Disease Awareness Month and encourages all residents, visitors, and employees to practice preventive measures, remain vigilant when engaging in outdoor activities, and support continued education regarding tick-borne diseases."

MOTION: Comr. Sanders moved to adopt the Proclamation declaring April 2026 as Tick-Borne Disease Awareness Month as presented. The motion was seconded by Comr. Vaughan, which passed unanimously.

PROCLAMATION – April 2026 - Child Abuse Prevention Month
Mayor Cahoon read the proclamation designating Child Abuse Prevention Month as follows:
"WHEREAS, children are vital to our state's future success, prosperity, and quality of life, as well as being our most vulnerable assets; AND

'WHEREAS, all children deserve safe, stable, and nurturing homes and communities that foster their healthy growth and development; AND

'WHEREAS, child abuse and neglect are community responsibilities, affecting both the current and future quality of life of our communities; AND

'WHEREAS, communities that provide parents with social support, knowledge of parenting and child development, and the resources they need to cope with stress and nurture their children help ensure that all children grow to their full potential; AND

'WHEREAS, effective child abuse prevention strategies succeed because of partnerships among citizens, human service agencies, schools, faith communities, health care providers, civic organizations, law enforcement agencies, and the business community.

'THEREFORE, we, the Town of Nags Head Board of Commissioners, do hereby proclaim April 2026 as Child Abuse Prevention Month and call upon all citizens, community agencies, faith groups, medical facilities, elected leaders, and businesses to increase their participation in our efforts to support families, thereby preventing child abuse and strengthening the communities in which we live."

MOTION: Comr. Vaughan moved to adopt the Proclamation declaring April 2026 as Child Abuse Prevention Month as presented. The motion was seconded by Comr. Harrison, which passed unanimously.

**PUBLIC COMMENT**
Town Attorney Lauren Arizaga-Womble opened Public Comment at 09:22 a.m.

Lory Patrick - Nags Head property owner - Addressed safety concerns regarding a deteriorating boardwalk on her Pelican Park property, noting rotted boards, splintered handrails, and exposed nails. She expressed an opinion of a lack of town ordinance enforcement since December 2025 and requested prompt action to secure and remove the structure she views as unsafe and non-compliant.

Mike Kelly - Nags Head resident - Spoke on behalf of the 35th Annual Kelly's St. Patrick's Day parade organizers, thanking the town for its support. He recognized town staff, commissioners, the mayor, and public works for their contributions, and acknowledged Bob Muller's 28 years of managing the parade. He then showed a brief video highlighting the parade.

Jeff Bellantine - Kelly's staff member - Provided additional details on the Kelly's St. Patrick's Day parade, noting strong community engagement with nearly 30,000 Facebook users reached and approximately 15,000 in-person attendees. He highlighted AI-analyzed aerial footage for attendance estimates and expressed appreciation for the town's support, noting plans to discuss the parade's future with the town and Dare County Tourism Board.

Corinne Saunders - Outer Banks Insider - Invited the board and residents to Local News Day on Friday, April 10, from 9–11 AM at Waveriders in Nags Head. She explained the initiative, launched by Montana Free Press and now statewide, will feature casual conversations, free coffee, and participation from seven news organizations. The event provides an opportunity for the community to meet local journalists.

There being no one else present who wished to speak, Attorney Womble concluded Public Comment at 09:40 a.m.

**CONSENT AGENDA**
The Consent Agenda consisted of the following items:
- Consideration of Budget Amendment #9 to FY 25/26 Budget

- Consideration of Tax Adjustment Report
- Approval of Minutes
- Consideration of Fair Housing Month Proclamation
- Request for Public Hearing to consider a Vested Right/Special Use Permit/Site Plan Amendment submitted by WithersRavenel on behalf of Outer Banks Hospital, for the Cancer Treatment Center located at 4927 S. Croatan Highway. The applicant is requesting a reduction in required parking spaces in order to utilize the spaces for other required infrastructure.

MOTION: Comr. Sanders moved to approve the Consent Agenda as presented. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

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

The Tax Adjustment Report, as approved, is attached to and made a part of these minutes as shown in Addendum "B".

The minutes from the March 4, 2026, Regular Session, the March 4, 2026, Budget Workshop, and the March 18, 2026, Recessed Session were approved by the board and are on file in the Town Clerk's office and on the town's website.

The Fair Housing Month Proclamation, as adopted, read in part as follows:
"WHEREAS, The Fair Housing Act, enacted on April 11, 1968, enshrined into federal law the goal of eliminating racial segregation and ending housing discrimination in the United States; and

'WHEREAS, The Fair Housing Act prohibits discrimination in housing based on race, color, religion, sex, familial status, national origin, and disability, and commits recipients of federal funding to affirmatively further fair housing in their communities; and

'WHEREAS, The Town of Nags Head is committed to the mission and intent of Congress to provide fair and equal housing opportunities for all; and

'WHEREAS, Our social fabric, the economy, health, and environment are strengthened in diverse, inclusive communities; and

'WHEREAS, More than fifty years after the passage of the Fair Housing Act, discrimination persists, and many communities remain segregated; and

'WHEREAS, Acts of housing discrimination and barriers to equal housing opportunity are repugnant to a common sense of decency and fairness.

'THEREFORE, we, the Town of Nags Head Board of Commissioners do hereby proclaim April 2026 as Fair Housing Month in the Town of Nags Head as an inclusive community committed to fair housing, and to promoting appropriate activities by private and public entities to provide and advocate for equal housing opportunities for all residents and prospective residents of the Town of Nags Head. "

The summary sheet concerning the request for Public Hearing to consider a Vested Right/Special Use Permit/Site Plan Amendment submitted by WithersRavenel on behalf of Outer Banks Hospital, for the Cancer Treatment Center located at 4927 S. Croatan Highway, as approved, read in part as follows:
"The applicant, WithersRavenel on behalf of Outer Banks Hospital, requests approval of a Vested Right/Special Use Permit/Site Plan Amendment to allow a reduction of three (3) parking spaces at the Cancer Treatment Center located at 4927 S. Croatan Highway. The reduction is necessary to accommodate an approximately 280-square-foot expansion of the existing HVAC mechanical area and associated stormwater improvements, which are required to support ongoing operational needs and maintain appropriate treatment conditions within the facility.

'The proposed modification will reduce on-site parking from 57 to 54 spaces. Based on the operational characteristics of the facility, including appointment-based scheduling and a limited number of treatment bays, as well as findings of a third-party parking analysis/utilization study, staff finds that the existing and proposed parking supply exceeds the actual demand. The expansion does not increase patient capacity or staffing and will not generate additional parking demand.

'The request remains consistent with all applicable use and development standards, including lot coverage, landscaping, stormwater management, and traffic circulation. The proposal satisfies the required findings for a parking reduction under Sections 10.15.2.1 and 10.15.2.6 of the UDO and supports continued access to critical healthcare services without creating adverse impacts to adjacent properties or public infrastructure.
'Staff finds that the proposal remains consistent with the applicable use and development standards, as well as relevant land use policies. Additionally, staff finds that the criteria necessary to allow a reduction in parking pursuant to Sections 10.15.2.1 and 10.15.2.6 of the UDO, in conjunction with the submitted parking analysis, have been satisfied. Based upon staff's review of the proposal, staff recommends approval of the Vested Right/Special Use Permit/Site Plan Amendment as presented.

'PLANNING BOARD RECOMMENDATION
At their March 17, 2026, meeting, the Planning Board voted unanimously to recommend approval of the Vested Right/Special Use Permit/Site Plan Amendment as presented.

'Schedule the Public Hearing for the Vested Right/SUP/Site Plan Amendment at the Board of Commissioners May 6, 2026, meeting."

**REPORTS AND RECOMMENDATIONS FROM THE PLANNING BOARD AND THE PLANNING AND DEVELOPMENT DIRECTOR**
Update from Planning Director
Planning Director Kelly Wyatt summarized her report which read in part as follows:
"This memo provides an overview of selected Planning and Development Department activities, projects, and initiatives. If requested, staff will be prepared to discuss any of this information in detail at the Board of Commissioners meeting on Wednesday, April 1, 2026.

'Monthly Activity Report
In addition to permitting, inspections, code enforcement, and Todd D. Krafft Septic Health Initiative activities, staff were involved in the following meetings or activities of note during the month of March:

- Tuesday, March 3rd — Technical Review Committee Meeting
- Wednesday, March 4th — Board of Commissioners Meeting
- Wednesday, March 11th — Committee for Arts and Culture Meeting
- Thursday, March 12th — Board of Adjustment Meeting (no hearings)
- Saturday, March 14th — Dowdy Park Winter Market 9am - noon
- Tuesday, March 17th — Planning Board Meeting
- Wednesday, March 18th — Board of Commissioners Mid-Month
- Tuesday, March 24th — All-Hands Staff Meeting

'Planning Board — Pending Applications and Discussions
The Planning Board most recently met on Tuesday, March 17, 2026. At that meeting, the board took the following actions:

- Consideration of a Vested Right/Special Use Permit/Site Plan Amendment submitted by WithersRavenel on behalf of Outer Banks Hospital, requesting a reduction in required parking spaces to accommodate a 280-square-foot expansion of the existing HVAC mechanical area and redesigned stormwater management infrastructure. The expansion is necessary to support ongoing operational and equipment needs of the existing Cancer Treatment Center. The property is zoned SPD-C, Village Hotel, and is located at 4927 S. Croatan Highway. The Planning Board voted unanimously to recommend approval of the Special Use Permit/Site Plan Amendment as presented.

- Consideration of text amendments submitted by Albemarle & Associates, Ltd., on behalf of Blue Moon Five-2, LLC (Blue Moon Restaurant), to create a new use titled "Restaurant Waiting Lounge," together with associated supplemental regulations, parking requirements, and definitional clarifications. The Planning Board voted unanimously to recommend approval of the proposed text amendment, with additional language to address pedestrian connectivity between contiguous lots.

- Consideration of a Special Use Permit/Site Plan Amendment submitted by Albemarle & Associates, Ltd., on behalf of Blue Moon Five-2, LLC (Blue Moon Restaurant), seeking approval of a unified development plan for the principal restaurant and a proposed Restaurant Waiting Lounge pursuant to the supplemental standards outlined in Section 7.31.3 of the UDO. The subject properties are zoned C-5, Historic Character Commercial District, and are located at 101 and 102 E. Dove Street. Approval of this request is contingent upon adoption of the proposed "Restaurant Waiting Lounge" use. The Planning Board voted unanimously to recommend approval of the Special Use Permit/Site Plan Amendment with the condition that pedestrian connectivity be provided between the principal restaurant and the Restaurant Waiting Lounge.

- Deputy Planning Director, Joe Costello provided updates on the Estuarine Shoreline Management Plan and the ongoing review of the Commercial Outdoor Recreation Overlay District.

'The next Planning Board meeting is scheduled for Tuesday, April 21, 2026. At this time, no formal action items are anticipated, and the meeting will provide an opportunity to focus on staff updates and ongoing departmental initiatives.

'Board of Adjustment – Recent and Pending Applications — There were no items for the Board of Adjustment's consideration in March 2026.
'Additional Updates

- DWMP/Septic Health Advisory Committee — The next meeting of the Septic Health Advisory Committee (SHAC) is scheduled for Monday, April 27th. Staff have worked with Access Design to update a townwide mailer postcard aimed at increasing awareness of and participation in the town's Septic Health Initiative. The updated mailer emphasizes that the program is voluntary and intended solely to provide education, resources, and support related to septic system health and maintenance. Staff recognize that some property owners may be hesitant to participate due to concerns about regulatory implications; however, the initiative is focused exclusively on septic system function and water quality, not broader code enforcement. The mailer is anticipated to be distributed in the coming week.

In addition, the town has officially received approval for the scope of work associated with the DWI zero-interest loan program. Staff will provide a brief presentation at the meeting with additional details regarding program implementation and next steps.

- Estuarine Shoreline Management Plan — Work continues to advance multiple priority project areas identified in the ESMP, with several projects moving through design, coordination, and permitting phases.

  *Harvey/Soundside Event Site Living Shoreline Project* — The major permit application was submitted to the Division of Coastal Management on January 14th and is currently under review. Construction is anticipated to occur in fall 2026.

  *Villa Dunes Drive Project Area* —The town has contracted with Environmental Professionals, Inc. to coordinate directly with Villa Dunes Drive property owners to better understand site-specific concerns and identify feasible, implementable solutions for this area.

  *Soundside Road Project Area* — Staff have requested a scope modification to the RCCP grant to remove the previously proposed offshore breakwaters and instead focus funding on the design of a resiliency berm along Soundside Road. The request also includes expanding the scope to incorporate stormwater management design as part of the project. A project kickoff meeting was held on March 26th. This effort is focused on developing a nature-based shoreline stabilization approach that reduces wave overtopping, enhances habitat, and protects public infrastructure. Public engagement and due diligence will continue through the summer, with permit application anticipated in January 2027 and design development and permitting targeted for completion by April 2027.

  *Catfish Farm/Causeway Living Shoreline Project* — Staff have also requested a scope modification to redirect RCCP funding toward the design of a living shoreline project at the Catfish Farm/Causeway area, identified in the ESMP as an alternative pilot site. This location includes critical public infrastructure and environmentally sensitive areas that are experiencing ongoing erosion. The project area presents opportunities for nature-based solutions, including potential oyster reef establishment and other habitat-enhancing stabilization techniques, which may provide both erosion control and water quality benefits. The town-owned Catfish Farm parcels, which are under conservation easement and confirmed to allow living shoreline treatments, are included within the proposed design scope along with adjacent properties.

  Staff have submitted all requested scope and location modifications to the RCCP grant team, and all project areas remain active and moving forward.

- Sand Relocation and Dune Management Cost Share Program – Planning staff continue to process a high volume of applications for both the Sand Relocation and Dune Management Cost Share programs. As of March 27, 2026, the town has received a total of 235 sand relocation applications (nearly 70 of which have been submitted since last month's update) as well as 115 dune management cost share applications. To date, approximately $340,000 of the $400,000 allocated for these programs has been committed.

- Dowdy Park Events/Farmers Market/Holiday Markets/Art & Culture — The Committee for Art & Culture met in March and continued preparations for the upcoming event season. The Committee voted to maintain the current Farmers Market structure, including retaining all returning full-time vendors and continuing the rotating vendor program without advancing additional vendors to full-time status at this time. This approach reflects a desire to maintain a consistent and manageable market size given space and operational considerations.

  The Committee also reviewed and approved updates to the market rules, including the establishment of a Vendor Compliance and Progressive Enforcement Policy. The policy introduces a clear, tiered approach to enforcement, ranging from warnings to suspension and potential removal, and is intended to address challenges related to vendor compliance. The goal is to ensure a consistent, well-managed market environment while maintaining flexibility to respond to more serious or safety-related concerns. The policy will be reviewed by the town attorney prior to implementation.

  Event Coordinator Paige Griffin has finalized planning for the upcoming summer season, including a 14-week Summer Concert Series, Farmers Markets, fitness and wellness programming, family and children's events, and other recurring offerings such as Waggin' Wednesdays. While much of this work occurs behind the scenes, the coordination required to schedule, staff, and manage a full season of programming is substantial and continues to be a significant undertaking.

Additional public art initiatives are also moving forward. Two new art panels have been received as part of the Art Mast project, one by Dawn Gray Moraga ("RedDawn") honoring Kerry Oaksmith Sanders, to be installed at the Bittern Street beach access, and one by Noah Snyder, to be installed at the June Street beach access in coordination with ongoing walkway improvements. Two additional panels are expected in the coming months for placement at Forrest Street and Curlew Street. At Dowdy Park, the Peek-A-Boo Wall has been rebuilt by Public Services, and staff are exploring opportunities for a local artist to complete a mural installation on the newly restored surface. Staff also met with local artist Julie Moye to discuss incorporating artistic elements, such as tile mosaic installations, into the new walking path extension at Dowdy Park as a way to further integrate public art into park improvements.

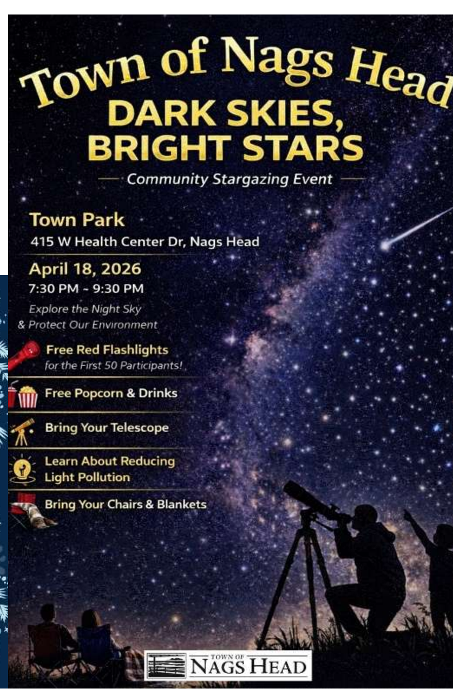
The final Winter Market of the season is scheduled for Saturday, April 11th from 9:00 a.m. to 12:00 p.m. This season of Winter Markets has been very well received, particularly by local residents who have expressed strong appreciation for the opportunity to access fresh, locally sourced goods during the off-season. The smaller, more relaxed market atmosphere and consistent presence of core vendors continue to make the Winter Markets a valued and well-attended community offering.

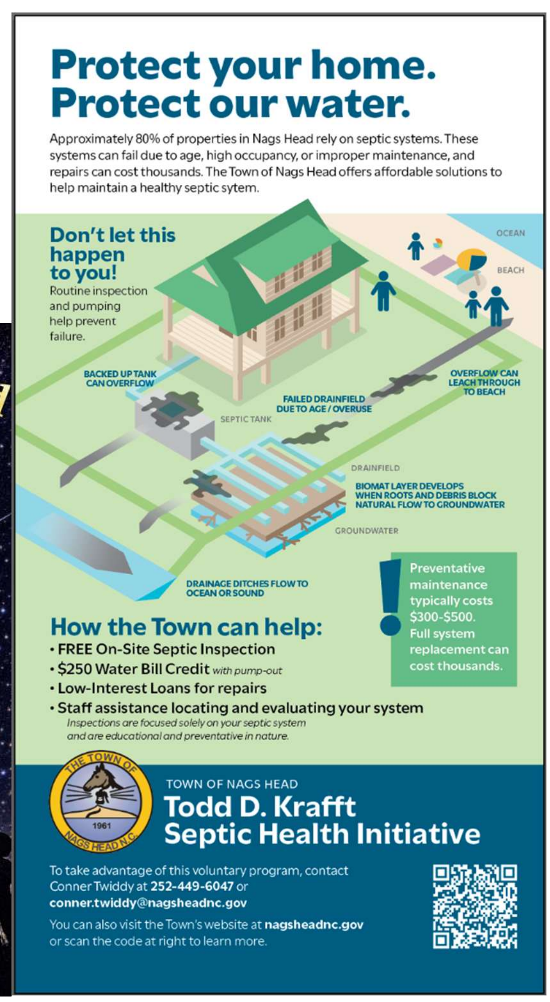
'Upcoming Meetings and Other Dates

- Wednesday, April 1st — Board of Commissioners Meeting (Budget Workshop)
- Tuesday, April 7th — Technical Review Committee Meeting
- Wednesday, April 8th — Committee for Arts and Culture Meeting
- Thursday, April 9th — Board of Adjustment Meeting (no hearings)
- Saturday, April 11th — Dowdy Park Winter Market 9am - noon
- Wednesday, April 15th — Board of Commissioners Mid-Month Meeting
- Saturday, April 18th - Dark Skies, Bright Stars Stargazing Event, Barnes Street Town Park 7:30pm - 9:30pm
- Tuesday, April 21st — Planning Board Meeting
- Monday, April 27th — Septic Health Advisory Committee Meeting

'Please find attached a monthly update from Planning Director Kelly Wyatt that includes permitting and code enforcement data through February 2026."

Mayor Cahoon and the board thanked Director Wyatt for her efforts. In addition to Director Wyatt, the mayor thanked the town manager and staff for their work on the new crowd gathering and event rules, noting that the recent St. Patrick's Day parade was the first under these new regulations and that it proceeded very smoothly.


<u>Update on North Carolina Division of Water Infrastructure Septic Health Grant and Zero Interest Loan Program</u>
Planning Director Kelly Wyatt introduced this item. The summary sheet read in part as follows:
"DWI Zero-Interest Loan Program – Status Update

'The town has received approval from the Division of Water Infrastructure (DWI), North Carolina Department of Environmental Quality, for the proposed scope of work associated with a zero-interest loan program of up to $500,000 for septic repair. The program is intended to function as a revolving loan fund, similar to the town's existing Septic Health Initiative, to assist property owners with septic system repairs and maintenance. Staff are proceeding with initial planning and coordination efforts to support program rollout. This includes anticipated outreach to previously identified "high-risk" properties, coordination with the Septic Health Advisory Committee, and engagement with local contractors regarding program participation requirements.

'Staff will provide a brief status update to the Board of Commissioners outlining next steps and implementation strategy."

Planning Director Wyatt presented details about the town's approved $500,000 zero percent interest septic repair loan program through the Division of Water Infrastructure. The program builds on the existing low-interest septic loan program but offers up to $20,000 per property with a five-year payback at zero percent interest.

Staff identified 283 properties presenting higher risk due to proximity to sensitive water bodies, mapping properties adjacent to marsh, sound, and large drainage areas. The list was refined by removing properties with recent septic maintenance, newer or non-conventional systems, and those already participating in the existing loan program.

The outreach approach will be direct and personalized, with each identified property owner receiving a letter explaining their selection, the opportunity, and its importance. The town will also reach out to rental management companies where applicable. The program is designed as a straightforward process with Environmental Planner Twiddy guiding applicants through applications, Dare County Health Department permits, and contractor selection from a pre-qualified list.

Implementation preparation is underway even while awaiting formal funding confirmation. Staff is connecting with interested contractors to ensure their ability to work within funding parameters, particularly regarding Davis Bacon Act prevailing wage requirements and American Iron and Steel Act compliance. The planning and finance departments are coordinating internal workflows to launch as soon as funding is confirmed.

Director Wyatt's presentation is attached to and made a part of these minutes as shown in Addendum "C".

The board thanked Director Wyatt for her efforts and she extended thanks to Deputy Town Manager Miller, Deputy Planning Director Costello, Environmental Planner Twiddy, and the Septic Health Advisory Committee.

**OLD BUSINESS/ITEMS TABLED FROM PREVIOUS MEETINGS**

Review of Town Legislative Agenda

Manager Garman introduced this item. The summary sheet read in part as follows:
"Staff met virtually with our lobbying firm, Ward and Smith, P.A. on January 13, 2026 to review the status of the Legislative Agenda established in 2025. Based on the status and feedback from staff, a DRAFT Legislative Agenda for 2026 has been created.

'Whitney Campbell Christensen and Marley Peterson from Ward and Smith, P.A. attended the March 4, 2026 Board of Commissioners meeting and advised the board on the upcoming short session. At that meeting, the board voted to remove the terminal groin item from the DRAFT legislative agenda and to bring the item back for later review.

'Attached is the draft legislative agenda for the upcoming year as well as the legislative agenda from last year with status updates on each item.

'Largely, this is a continuation of the town's legislative agenda from last year, since very little was accomplished by the legislature during the last session. We acknowledge that there are several new board members who may have questions/comments regarding these items. Staff will present the items and answer questions for the board.

'Request board feedback/modifications and approval to move forward with the updated 2026 Legislative Agenda."

MOTION: Comr. Harrison moved to approve the updated 2026 Legislative Agenda as presented. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

The draft legislative agenda, revised March 4, 2026, for the upcoming year and the legislative agenda from last year with status updates on each item are attached to and made part of these minutes as Addendum "D".

**NEW BUSINESS**

Committee Reports

Comr. Harrison – Reported that she attended the meeting of the Current TV(GEACC) Committee, in anticipation of replacing Mayor Pro Tem Lambert. Public information officers from nearby local towns discussed upcoming programming initiatives.

Mayor Pro Tem Lambert – Acknowledged Planning Director Wyatt's comprehensive report on the Septic Health Committee and then initiated a motion for Comr. Harrison to replace her on the GEACC.

MOTION: Mayor Pro Tem Lambert moved to appoint Comr. Harrison to the GEACC. The motion was seconded by Comr. Vaughan, which passed unanimously.

Comr. Sanders – Stated he had no additional updates beyond what Director Wyatt reported regarding the Estuarine Shoreline Committee.

Comr. Vaughan – Reported that she was unable to attend last week's rescheduled Tourism Board meeting due to a conflict. She noted the upcoming ribbon cutting for the new boardwalk in April and committed to keeping the board informed on developments.

Presentation of Classification and Compensation Study Report

Human Resources Officer Jan Mielke presented this item. The summary sheet read in part as follows:
"The Town of Nags Head selected the Archer Company to conduct a Classification and Compensation Study that began in October.

'The primary objectives of this effort are to evaluate our total rewards program to:

- Promote internal equity
- Ensure market competitiveness
- Establish clear and consistent position classifications
- Align our total rewards with current best practices

'Staff will present the findings of this study and recommendations for the board to consider for adoption.

'This item was included in the FY 2025/26 budget. Staff invites the board to review the Draft Classification and Compensation Study Report and provide any questions or comments. The board will receive the final Classification and Compensation Study Report for adoption at the May board meeting."

Human Resources Officer Mielke acknowledged the comprehensive work provided by partner Archer and Company, particularly consultant Marianne Oyaas. She explained that classification and compensation studies are conducted every five years to examine current total rewards (pay and benefits), compare with market practices, and establish internal market positioning.

The process included thorough job evaluations with position descriptions review, comprehensive position questionnaires, and interviews with every position. Archer used their proprietary Matrix Point System to assign values to positions. A market survey was designed for 53 benchmark positions, soliciting pay ranges and benefit information from peer organizations.

Key findings showed the town at or above market in several areas: the pay structure moved up 7% compared to peers' 6.7% over the last two fiscal years; the town offers competitive benefit plan options with significantly higher premium contributions than peer average; 5% 401k contributions are very competitive; paid parental leave is offered while most peers do not provide this; longevity programs (both dollar amount and percentage-based) are above market; and the town offers 100% coverage for unlimited counseling and therapy, which is highly unusual.

Outside of market offerings include: gap time (offered only by Duck and Manteo among peers); night shift differential for police (offered by about half of peers but town's rate is less competitive); designated holidays are about one day below market; tuition reimbursement is not offered while most peers provide this; and promotion pay policy is not competitive.

The updated pay structure features 22 grades instead of the current 26, with each grade having a 58% range width compared to the current 55%. The structure uses market reference points based on average market midpoints rather than traditional midpoints, allowing staff to reach market-based pay within six years instead of the current approximate twelve years.

Implementation will place employees at target salaries based on length of time in role and placement in the new range, reducing compression by allocating more dollars to employees with greater tenure. The approach aligns with the budgeted $250,000 and affects approximately 87 employees. A 3% COLA will be applied July 1st, subject to board approval.

The study also includes updated position descriptions, salary administration policies for board consideration, and development of a formal compensation philosophy. Next steps include board review of the draft study with feedback due by April 15th and consideration of formal study adoption at the May 6th meeting.

Mayor Cahoon inquired about the level of staff interaction with the consultant. Mielke explained that Archer was chosen specifically for their high level of employee engagement, conducting preliminary kickoff meetings, interviewing 85-90% of staff either individually or in small groups, and participating in a board retreat presentation. Additional staff meetings are planned for April 26th to present findings and implementation steps. Staff feedback indicated appreciation for being heard and having their positions thoroughly understood.

Comr. Sanders asked for clarification about market reference points being derived from average midpoints of surveyed towns, which Officer Mielke confirmed. No other commissioners had questions, but they all expressed appreciation for the comprehensive work.

The Classification and Compensation Study presentation is attached to and made a part of these minutes as shown in Addendum "E".

RECESS/RECONVENE – The board took a brief recess at 10:23 a.m. and reconvened at 10:32 a.m.

**OLD BUSINESS CONT.**

Update and Discussion of the 2026 Beach Nourishment Project — Moffatt & Nichol - Time Specific 10:30 a.m.

- Presentation of Project Schedule and Logistics
- Request Approval of McKim & Creed Proposal to Conduct Post-Nourishment Monitoring Survey

Town Engineer David Ryan introduced the presentation, which would cover project schedule, sequencing, and logistics, followed by a request for annual beach condition survey approval. The summary sheet read in part as follows:

"Beach Nourishment Update Presentation
Presentation by Dr. Beth Sciaudone and Dr. Ayse Karanci of Moffatt & Nichol providing an informational update on the upcoming 2026 Beach Nourishment Project. The presentation will review the preliminary construction schedule, beach fill sequencing, and the logistical coordination required to successfully complete the project.

'Annual Beach Survey Data Collection
Each year, the town conducts an annual beach condition survey extending from the northern corporate limits southward into the Cape Hatteras National Seashore. The resulting data are incorporated into a monitoring report that provides a valuable dataset for evaluating beach conditions and supporting planning for future nourishment cycles.

'This annual monitoring effort will be disrupted this summer due to the beach nourishment project, which includes its own survey data collection within the project area and slightly beyond the limits of fill. While this construction-related data is critical for monitoring sand placement, it does not provide the full spatial coverage necessary to meet FEMA requirements for potential reimbursement or to maintain consistency with the town's long-term annual monitoring program.

'McKim & Creed has submitted a proposal in the amount of $71,980 to perform a post-nourishment annual beach survey.

'Staff recommends proceeding with a full annual beach survey to preserve continuity in the town's coastal monitoring database. Although a separate annual monitoring evaluation is not anticipated this year due to the nourishment project and its associated reporting, completing the full survey will ensure consistency in the dataset for future analyses. A similar approach was taken in 2019, when a full post-nourishment survey was conducted.

'Staff recommends proceeding with the post-nourishment survey to maintain continuity with its annual monitoring program.

'Authorize the town manager to execute the Post Nourishment Beach Monitoring Survey with McKim & Creed in the amount of $71,980."

Dr. Beth Sciaudone from Moffatt & Nichol presented the project update. Pre-construction preparation is underway, with NV5 survey company scheduled to perform cultural resources surveys and pre-construction beach condition surveys either later this week or early next week. The surveys will help determine placement locations for the 200,000 cubic yards of additional material awarded by the town, targeting areas of greatest need. The updated project schedule shows mobilization beginning April 19th with shore side work and equipment delivery. In-water pipeline installation will occur from April 23rd through May 4th, followed by dredge mobilization.

The project will utilize two dredges operating simultaneously: the hopper dredge Magdalen and the hydraulic (cutter) dredge RS Weeks. Dredging and beach fill operations are scheduled from May 4th through July 6th, with potential for earlier completion given the dual-dredge approach. Dune planting and sand fencing will occur from June 20th through July 20th, followed by demobilization.

The hopper dredge will primarily work in Reach 1 (northern part of town), while the cutter dredge will work in the borrow area using two sub-lines pumping first to the south then moving north. Regarding the July 4th celebration, Dr. Sciaudone acknowledged concerns about completing work near the Nags Head Pier during this period. The town has initiated discussions with the contractor to explore options for adjusting the schedule to start work south from C7 to C5, thus attempting to lessen the project's impact on the celebration.

Access and staging areas include Gulf Stream Way, Juncos St., and Ramp 1 (with National Park Service cooperation) for the cutter dredge, and Forrest St., Enterprise St., and Conch St. for the hopper dredge. Traffic control plans will be coordinated with NCDOT, with intermittent closures expected during operations.

The beach experience will include 24/7 operations with active work area closures of approximately 1,500-2,000 feet during the daytime and 1,000 feet at night. Sand ramps will provide beach access every 500 feet and at public access points. Operations in specific areas should not exceed 2–4 days. Additionally, the project will consider impacts on beach structures including homes, sandbags, dune walkovers, and ocean outfalls. Coordination with NCDOT will ensure that ocean outfalls are not adversely impacted, and plans are underway to address and accommodate any structures potentially affected by the operations.

Environmental commitments include comprehensive turtle monitoring with nighttime monitors at both work areas, morning clearance surveys by nest organizations, relocation trawling during hopper dredge operations, escarpment monitoring and leveling of any escarpments over 18 inches high for more than 100 feet, sediment quality monitoring with daily visual checks and weekly lab samples, and post-project compaction monitoring with beach tilling if necessary.

Staff emphasized the schedule is likely to change as we get closer to the project. The public is encouraged to check the Town and/or the Project website for the most recent information. Public information updates will include weekly progress plans from the contractor, daily work area updates communicated to the town, daily website updates, and a progress tracking map showing both work areas updated daily.

Comr. Harrison asked about the recovery time for sandbars and sloughs after beach nourishment. Dr. Sciaudone indicated this depends on weather and wave conditions, estimating that a rough winter could restore conditions by the following year, though she noted this varies significantly based on project cross-sections and placement volumes.

Town Manager Garman noted the different cross-sections throughout the project, comparing South Nags Head to the northern part of town. Dr. Sciaudone confirmed that South Nags Head will see much more impact due to the dune construction and wide berm, though this area has also experienced significant erosion.

Mayor Pro Tem Lambert expressed appreciation for the coordination with NEST for turtle monitoring and other environmental measures, adding that it was reassuring to hear about all the steps being taken to protect wildlife and educate the public.

Comr. Sanders asked about beach access for oceanfront property owners during active work. Dr. Sciaudone explained that residents may need to drive to different access points when active pumping occurs directly in front of their homes, prioritizing safety while making efforts to provide walkways around work areas where safe to do so.

The board thanked Dr. Sciaudone for her presentation.

Town Engineer Ryan requested approval for an annual beach condition survey by McKim & Creed for $71,980.

MOTION: Comr. Harrison moved to authorize the town manager to execute the contract for the post-nourishment annual beach survey with McKim & Creed for $71,980. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

Dr. Sciaudone's report slides are attached to and made a part of these minutes as shown in Addendum "F". The McKim & Creed contract is on file in the Town Clerk's office.

Actions Necessary to Approve 2026 Beach Nourishment Project
- Consideration of Findings Resolution

Deputy Town Manager/Finance Officer Amy Miller introduced this item. The summary sheet read in part as follows:
"This resolution is required for approval by the North Carolina Local Government Commission of the town's beach nourishment financing. The resolution states the reason the beach nourishment project is necessary and has a "not to exceed" (NTE) amount to be financed. The town can always finance less but it cannot finance more than the amount stated in the resolution. Therefore, the NTE amount has a cushion built in as we lock down the financing. The LGC will approve the financing at their May 5, 2026, meeting.

'This is the initial resolution prepared by our financing team."

MOTION: Comr. Sanders moved to approve the Findings Resolution. The motion was seconded by Comr. Vaughan, which passed unanimously.

The resolution, as adopted, read in part as follows:
"WHEREAS, the Town of Nags Head, North Carolina (the "Town") is a validly existing municipal corporation, existing as such under and by virtue of the Constitution, statutes and laws of the State of North Carolina (the "State"); and

'WHEREAS, it is necessary to provide beach nourishment for the purpose of beach erosion control and flood and hurricane protection works (the "2026 Project"); and

'WHEREAS, the Town has created a Municipal Service District (the "MSD"), in accordance with Article 23 of Chapter 160A of the North Carolina General Statutes, in which the 2026 Project will be located; and

'WHEREAS, it is in the best interest of the Town to issue its special obligation bond (the "Bond") pursuant to N.C. Gen. Stat. § 159-146 in an aggregate principal amount not to exceed $15,000,000 and sell the Bond to a financial institution to be determined (the "Purchaser") to finance the 2026 Project; and

'WHEREAS, a portion of the costs of the 2026 Project is expected to be paid from other Town funds and from funds to be provided by Dare County, North Carolina (the "County") through its beach nourishment fund program, which program is supported by a dedicated portion of the County's occupancy tax and is used to assist beach nourishment projects within the County; and

'WHEREAS, the Board of Commissioners of the Town (the "Board") wishes to retain Parker Poe Adams & Bernstein LLP, as bond counsel, and DEC Associates Inc., as municipal advisor (collectively, the "Financing Team"); and

'WHEREAS, the Board desires that the Finance Officer of the Town file with the Local Government Commission of North Carolina (the "Commission") an application for its approval of the 2026 Bond on a form prescribed by the Commission, requesting that the Commission approve the negotiation of the sale of the 2026 Bond to the Purchaser and the Town's use of the Financing Team; and

'WHEREAS, in connection with such application, the Board authorizes the Finance Officer to (1) provide the Commission with such facts and information regarding the 2026 Bond and the Town and its financial condition as the Commission may require and (2) take all other action necessary for the issuance of the 2026 Bond; and

'WHEREAS, the Town will incur and pay certain expenditures (the "Original Expenditures") in connection with the 2026 Project prior to the date of issuance of the 2026 Bond, such Original Expenditures to be paid for originally from a source other than the proceeds of the 2026 Bond, and the Town intends, and reasonably expects, to be reimbursed for such Original Expenditures from a portion of the proceeds of the 2026 Bond; and

'NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Nags Head, North Carolina, as follows:

1. The Town shall issue the 2026 Bond to (1) finance a portion of the costs of the 2026 Project and (2) pay the costs of issuing the 2026 Bond, as set out fully in the documents attached to the Town's application to the Commission. The use of the proceeds of the 2026 Bond, as described, is necessary to provide for beach erosion control and flood and hurricane protection works in the MSD.

2. The use of the Financing Team in connection with the Town's issuance of the 2026 Bond is approved and ratified. The Finance Officer is authorized to retain the services of other professionals as she deems necessary and appropriate to complete the transactions contemplated by this Resolution.

3. The Finance Officer, or her designee, with advice from the Town Manager, the Town Attorney, and the Town's municipal advisor and bond counsel, is authorized, directed, and designated to file an application with the Commission for its approval of the issuance of the 2026 Bond.

4. The Board requests that the Commission sell the 2026 Bond to the Purchaser pursuant to the plan of finance described in this Resolution.

5. The Board finds and determines and asks the Commission to find and determine from the Town's application and supporting documentation that:

(1) the issuance of the 2026 Bond is necessary or expedient;
(2) the not to exceed stated principal amount of the 2026 Bond will be sufficient but is not excessive, when added to other money available to the Town, for the proposed 2026 Project;
(3) the proposed 2026 Project is feasible;
(4) the Town's debt management procedure and policies are good; and
(5) the 2026 Bond can be marketed at a reasonable interest cost to the Town.

6. The Mayor, the Town Manager, the Finance Officer, the Town Clerk, and their respective designees (collectively, the "Authorized Officers") are authorized, individually and collectively, to do any and all other things necessary to complete the steps for the issuance of the 2026 Bond.

7. The Town presently intends, and reasonably expects, to reimburse itself for Original Expenditures in an amount not to exceed $15,000,000 on or after the date occurring 60 days prior to the date of adoption of this Resolution from a portion of the proceeds of the 2026 Bond. The Town adopts this Resolution as a declaration of official intent under Section 1.150-2 of the Treasury Regulations promulgated under Section 103 of the Internal Revenue Code of 1986, as amended, to evidence the Town's intent to reimburse itself for the Original Expenditures from proceeds of the 2026 Bond. The Authorized Officers, with advice from the Town's bond counsel, are authorized, directed, and designated to act on behalf of the Town in determining and itemizing all of the Original Expenditures incurred and paid by the Town in connection with the 2026 Project during the period commencing on the date occurring 60 days prior to the date of adoption of this Resolution and ending on the date of issuance of the 2026 Bond.

8. All motions, orders, resolutions and parts thereof in conflict herewith are hereby repealed.

9. This Resolution is effective on the date of its adoption. The attorney for the Town of Nags Head has rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina."

**NEW BUSINESS CONT.**

Consideration of Resolution Supporting Continued Direct Local Citizen Input in Municipal Property Tax Program

Manager Garman introduced this item. The summary sheet read in part as follows:
"Staff has prepared the attached resolution to provide feedback to the North Carolina General Assembly on proposals currently being considered which would impact/limit local government authority to levy property taxes. Other local communities are currently considering similar resolutions. "

Town Manager Garman explained that neighboring communities were circulating resolutions regarding legislative discussions about property taxes. Various proposals in both houses of the legislature could affect municipal authority to levy property taxes, including potential ballot measures for voters to weigh in on municipal tax authority. The town views this as problematic since property taxes are the primary mechanism to raise revenue for government services, and placing such authority on the ballot could undermine municipal operations.

Mayor Cahoon spoke to the resolution, emphasizing that while nobody likes paying taxes, local government is where citizens have direct access to their representatives. Citizens can voice concerns and make changes at the local level if they disagree with spending decisions. He noted that Nags Head does a good job spending tax dollars wisely in ways that provide visible public benefits, citing beach nourishment as an example. During budget public hearings, citizens typically support the town's work and encourage continued efforts. The Mayor noted state-level political posturing that could put the state in a precarious financial position, suggesting the state should learn from local government efficiency.

MOTION: Comr. Vaughan moved to approve the resolution supporting continued direct local citizen input in the municipal property tax program as presented. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

The resolution, as approved, read in part as follows:
"WHEREAS, Section 2 of Article V of the North Carolina Constitution states, in part, that "The General Assembly shall not authorize any county, city or town, special district, or other unit of local government to levy taxes on property, except for purposes authorized by general law uniformly applicable throughout the State, unless the tax is approved by a majority of the qualified voters of the unit who vote thereon;" and

'WHEREAS, Nags Head property tax revenues help to fund town operations for the safety and welfare of our citizens, including every police officer dispatch, every fire fighter call for assistance, every ocean rescue lifeguard response, and every public safety equipment such as police and fire vehicles, radios, and gear that protects them while they protect our citizens; and

'WHEREAS, property tax revenues provide residential and commercial trash collection, street maintenance, stormwater management, and planned pedestrian opportunities through sidewalks and multi-use paths, serving our community with a healthy and safe environment; and

'WHEREAS, Nags Head's property tax revenues are integral to its Shoreline Protection Program, including beach nourishment projects that protect the town's streets, water, power, sewer infrastructure and improved properties, which greatly decrease the potential damage from hurricanes and nor'easters and potentially lessen the need for limited state and uncertain federal aid. The town's current tax rate dedicates 2 cents per $100 of assessed value specifically for beach nourishment, with a $40 million beach nourishment project tentatively scheduled for fiscal year 2026–2027; and

'WHEREAS, in response to its citizens, Nags Head has utilized property tax revenues to develop a wide scope of community-centered recreational opportunities and to maintain and improve parks and recreational facilities that enhance the quality of life for residents and visitors; and

'WHEREAS, Nags Head's property tax revenues support critical stormwater and drainage infrastructure improvements, including innovative nature-based flood mitigation projects, drainage upgrades in south Nags Head, and capital investments that reduce flooding risks for both residential and commercial properties; and

'WHEREAS, our residents directly choose their municipality's representatives in the Mayor and Board of Commissioners positions in regular elections; and

'WHEREAS, a municipality's property tax rates, along with scheduled fees, services, and capital projects are presented as part of an annual operating budget that is adopted by the voters' representatives following public hearings in which our town's residents and citizens provide direct input; and

'WHEREAS, Nags Head's revenue from property taxes (ad valorem taxes) as a percentage of general fund revenues in Fiscal Year 2025-2026 is approximately 41.5%, and any limitation on our ability to set those rates would create a financial challenge for our town, threatening essential services and the long-term infrastructure investments our community depends upon; and

'WHEREAS, the Town of Nags Head is directly responsible to its citizens and must have the flexibility to adjust property tax revenues with the input and support of the people who directly benefit from the services and amenities provided by the town: its citizens;

'THEREFORE, BE IT RESOLVED, that the Board of Commissioners for the Town of Nags Head supports the current property tax revenue program outlined by the Constitution of the State of North Carolina, which places ultimate authority with a municipality's citizens on property tax rate changes; and

'BE IT FURTHER RESOLVED, that the Board of Commissioners asks the General Assembly not to support a ballot referendum for any Constitutional amendment that would alter the current system, as such changes would greatly limit our town's ability to be directly responsive to its citizens, their health and safety, and their vision for our community."

**ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN ATTORNEY**
Attorney Womble noted that she had nothing to present today.

**ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN MANAGER**
Financial Update
Deputy Town Manager/Finance Officer, Amy Miller presented a financial update to the board, the summary sheet read in part as follows:
"At the April 1,2026 Board of Commissioners meeting, Deputy Town Manager/Finance Officer, Amy Miller, will provide a financial update to the board.

'For shared revenues (sales, occupancy, land transfer taxes), we are projected to be approximately $53,000 over budget. This covers through January of fiscal year 2026. Land transfer tax is 5% higher than this time last fiscal year, while sales tax is the same and occupancy tax is 2% lower.

'We have collected 99.69% of our ad valorem taxes.

'For water utility sales, we have collected 77.9% of budgeted revenues through March, which is tracking about the same compared to last March at 76.2%. Regarding wholesale water purchased from Dare County, we are at 51.7% of our budget through February, compared to 67.3% for the same time last year. This year the wholesale water rate was reduced to $2.032/thousand gallons delivered from $2.109/thousand gallons delivered. Total gallons delivered (in millions) have also decreased from 275 to 262, or 5%.

'Tipping fees are at 62.8% of the budget through February, which is tracking just slightly higher than this time last fiscal year at 59.7%. We did reduce the budget by 6% this year as we forecasted a drop in tipping fees.

'We appreciate the board's confidence and support and staff are available to answer any questions. We will continue to provide a financial update to the board on a quarterly basis. This will allow the board to have a better understanding throughout the year of where we stand and make adjustments, if necessary, before the entire year has passed."

Mayor Cahoon asked whether changes in the town's water sales and purchasing trends are related to the implementation of smart meters and leak response efforts. Deputy Town Manager/Finance Officer Miller indicated that smart meters have likely contributed by enabling quicker identification of leaks, with both homeowners and staff actively monitoring and addressing issues through a prioritized response process. Comr. Sanders shared an example of a significant underground leak detected through the system that otherwise may have gone unnoticed, noting the system's effectiveness. Mayor Pro Tem Lambert also reported personal experience with two leaks identified through the smart meter program.

The board thanked Amy for her efforts.

<u>Consideration of Unspent Capital Improvement Program Funds From Public Services Financing</u>
-Approval of Capital Project Ordinance Amendment #12
-Approval of Water Capital Project Ordinance Amendment #6
-Approval of Budget Amendments #9.3 and #9.4

Deputy Town Manager/Finance Officer Amy Miller provided an overview of this item. The summary sheet read in part as follows:
"The town has met its arbitrage benchmarks for the Public Services Complex financing. We would like to use what is left for:

- Paying for part of the sanitation knuckle boom from the remaining general fund portion of the Public Services Complex. The amount remaining in the general fund is $159,684. This frees up $159,684 from the general fund/capital investment fund this fiscal year if we can shift that funding amount from the Public Services Complex.
- Purchase a replacement excavator this fiscal year rather than FY 26/27. The cost is $155,565. We are able to get a trade in value of $75,000 for the excavator we are trading in. The net cost is $80,565.
- Purchase a new side-by-side for sanitation cart rollbacks. The cost is $30,675. They are offering a trade-in of $47,500 for a skid-steer that we no longer need or use. The net cost of this transaction is we receive $16,825.
- By shifting Public Services money for the knuckle boom, leveraging trade-in offers, and purchasing items now to lock in pricing and avoid any cost increases, we have enough funds budgeted this year in the capital investment fund (CIF) to cover the funding we need for the excavator. The leftover money that was budgeted and not used will roll back into the CIF.
- There is additional funding of $40,069 from the water fund portion of the Public Services Complex. The cost of the inserta valve identified as a need that would provide a ROI is $66,596, and we can identify additional funding from the water fund.

'Approve use of Public Services Complex financing for a knuckle boom, rather than it being totally funded from the general fund/capital investment fund. This would allow us to purchase a side-by-side and an excavator this year and we can take advantage of trade in offers vendors have made. There is additional funding of $40,069 from the water fund portion of the Public Services Complex. They recommend purchasing an inserta valve, saving us $15,000 per valve we would have to pay to have installed. There is an ROI on this, having identified 2 locations as well as hydrants that need valves. The cost is $66,596 and we can identify additional funding from the water fund.
-Approval of Capital Project Ordinance Amendment #12
-Approval of Water Capital Project Ordinance Amendment #6
-Approval of Budget Amendments #9.3 and #9.4"

<u>MOTION</u>: Mayor Pro Tem Lambert moved to adopt the Capital Project Ordinance Amendment #12 as presented. The motion was seconded by Comr. Harrison, which passed unanimously.

<u>MOTION</u>: Comr. Harrison moved to adopt the Water Capital Project Ordinance Amendment #6 as presented. The

motion was seconded by Comr. Sanders, which passed unanimously.

MOTION: Comr. Sanders moved to adopt Budget Amendments #9.3 and #9.4 as presented. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

The ordinances and budget amendments, as approved, are attached to and made part of these minutes as shown in Addendum "G".

Discussion of Upcoming Budget Preparation Meetings Schedule
Manager Garman outlined the budget schedule. The summary sheet read in part as follows:
"At the April 1, 2026 Board of Commissioners meeting, Manager Garman will discuss the upcoming budget preparation meetings schedule."

Manager Garman noted that today's workshop includes discussion of the Capital Improvement Program (CIP) and departmental requests. The Manager's Recommended Budget will be presented at the May 6 regular meeting. The mid-month April meeting will focus on stormwater masterplan updates, while a mid-month May workshop will provide an opportunity for the board to offer input on the recommended budget. The June regular meeting will include a public hearing and may also include potential budget adoption, with final action possible at the mid-month June meeting depending on the level of board discussion and any remaining needs for deliberation.

**BOARD OF COMMISSIONERS AGENDA**
Mayor Pro Tem Lambert – Wished everyone a Happy Easter and expressed appreciation to police, fire, and public works personnel for their service during the holiday.

Comr. Harrison – Commended Town Clerk Brittany Phillips and Deputy Town Clerk Katie Anzalone on their excellent work on the detailed minutes from the previous quasi-judicial hearing meeting.

**MAYOR'S AGENDA**
Consideration of Board of Directors Voting Delegate for the North Carolina League of Municipalities (NCLM)
The agenda summary sheet read in part as follows:
"Mayor Cahoon has requested appointment as the town's Voting Delegate for the North Carolina League of Municipalities (NCLM) upcoming election for Board of Directors. Please find below the information provided by the League for this purpose."

The NC League of Municipalities has launched our Board of Directors Elections Process. On April 13th, the voting period will open for member cities and towns to cast their vote for the 2026-2027 Board of Directors. **Each member municipality must designate one voting delegate in order to vote on the proposed slate from the NCLM Nominating Committee; voting is done by voting delegates.**

**To designate your municipality's voting delegate,** please complete this Voting Delegate Form. When voting opens in mid-April, voting delegates will receive instructions and an electronic ballot via email.

MOTION: Comr. Vaughan moved to appoint Mayor Cahoon to represent the town as NCLM Board of Directors voting delegate. The motion was seconded by Comr. Sanders, which passed unanimously.

**CLOSED SESSIONS**
Request for Closed Session to Consult with the Town Attorney Regarding Matters Protected by the Attorney/Client Privilege and to Preserve that Privilege, to include the Cherry, Inc Litigation Pursuant to GS 143-318.11(a)(3)

Request for a Closed Session to Consider a Personnel Matter Pursuant to 143-318.11(a)(6)

MOTION: Mayor Cahoon moved to enter closed session to confer re: a matter of attorney/client privilege and to preserve that privilege to include the Cherry Inc. litigation, and other matters protected by attorney/client privilege pursuant to GS 143-318.11(a)(3). The motion was seconded by Comr. Lambert, which passed unanimously. The time was 11:19 a.m.

**OPEN SESSION**
The board re-entered Open Session at 11:21 a.m.

**CLOSED SESSIONS**
MOTION: Mayor Cahoon moved to enter closed session to confer re: a matter of attorney/client privilege and to preserve that privilege to include the Cherry Inc. litigation, and other matters protected by attorney/client privilege pursuant to GS 143-318.11(a)(3). and to consider a personnel issue pursuant to 143-318.11(a)(6). The motion was seconded by Comr. Lambert, which passed unanimously. The time was 11:22 a.m.

**OPEN SESSION**
The board re-entered Open Session at 12:07 p.m. Mayor Cahoon reported that the board heard a report on manager compensation but took no action. Attorney Womble reported that the board discussed confidential litigation matters and other matters within the attorney/client privilege including in relation to this morning's public

comment regarding the walkway.

**ADJOURNMENT/RECESS TO FY 26/27 BUDGET WORKSHOP**
MOTION: Comr. Sanders moved to recess to the FY 26/27 Budget Workshop. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously. The time was 12:08 p.m.

__________________________
Brittany A. Phillips, Town Clerk

Date Approved: May 6, 2026

Mayor: _________________________
Benjamin Cahoon

**MINUTES**
**TOWN OF NAGS HEAD**
**BOARD OF COMMISSIONERS**
**BUDGET WORKSHOP**
**WEDNESDAY, APRIL 1, 2026**

The Nags Head Board of Commissioners met in the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, April 1, 2026 for a FY 26/27 Budget Workshop that followed the Regular Meeting.

| | |
|---|---|
| Board members Present: | Mayor Ben Cahoon; Mayor Pro Tem Megan Lambert; Comr. Bob Sanders Comr. Megan Vaughan; and Comr. Molly Lambert |
| Board members Absent: | None |
| Others present: | Town Manager Andy Garman; Amy Miller; Roberta Thuman; Nancy Carawan; Perry Hale; Chris Montgomery; Kelly Wyatt; Joe Costello; David Ryan; Stephen Panaro; Randy Wells; Karen Snyder; Katie Anzalone; and Town Clerk Brittany A. Phillips |

**CALL TO ORDER**
Mayor Cahoon called the Budget Workshop to order at 12:08 p.m.

**CIP PROJECT REVIEW**
• Streets/Stormwater/Water
• Facilities
• Vehicles and Equipment
• Planning/Design
• Grant Projects

Manager Garman introduced the Budget/CIP workshop noting that the session would review the Capital Improvement Program, benefits, as well as some positional, organizational, and programmatic changes. The board was provided with both digital and hard copies of the CIP.

He explained that CIP items proposed for FY 2026–2027 are ranked by priority, while projects in future years are not ranked. The ranking methodology prioritizes essential operational needs, particularly maintenance and replacement of equipment required for core services, over new or expansion projects. The board was invited to provide feedback on these priorities.

The highest-ranked item remains the replacement of a sanitation truck. Manager Garman outlined the current fleet management strategy, which includes maintaining eight frontline trucks and following a six- to eight-year replacement cycle, with the goal of replacing one truck per year. Improvements in maintenance practices, including indoor storage, are expected to extend the useful life of the vehicles. In related discussion, staff confirmed that conversion from side-load dumpsters to front-load and/or cart-based collection is ongoing but not yet complete.

The second-ranked item is Year 7 of 20 out from the street paving plan. The proposed work includes a one-inch surface overlay across various streets throughout the town, coordinated with drainage and utility improvements where possible. Staff noted that costs have increased significantly since the plan's inception—from approximately $300,000 per year covering nearly two miles, to roughly $300,000 per mile today—making it difficult to maintain the original 20-year schedule. Future reevaluation of the plan will be necessary, particularly in light of potential impacts from stormwater planning efforts, water system improvements, and funding opportunities.

Additional CIP items were reviewed, including the continued use and planned replacement of a culvert cleaner, which staff identified as a valuable and frequently used piece of equipment. Staff also outlined a proposed financing strategy to bundle several projects, including a multi-use path, the replacement of the Town Hall elevator, and an electrical transfer switch. The elevator replacement was emphasized as a priority due to its age and the increasing difficulty of obtaining parts and service.

Beach access improvements remain a recurring priority, with a goal of completing two projects annually. For the upcoming fiscal year, staff identified the Albatross and Glidden Street accesses, with the latter expected to include ADA-related upgrades supported by grant funding. Similarly, staff discussed ongoing and planned pedestrian and multi-use path projects, including efforts to connect West Soundside Road to Carolista Drive and the phased completion of the Beach Road multi-use path, with design and construction spread across multiple fiscal years.

The board also reviewed several facility and operational support projects, including design work for a future bathhouse at Hargrove, the purchase of an enclosed trailer to support Dowdy Park holiday events, and initial planning and schematic design for a future fire station. Staff emphasized the importance of advancing design work to improve readiness for grant funding opportunities.

Operational equipment needs were also discussed, including the acquisition of an additional knuckle boom truck to support the town's extensive brush collection program. Staff agreed to provide additional data on usage trends. Public safety needs included the proposed replacement of a department drone nearing the end of its useful life, which is utilized for crash reconstruction, emergency response, and interdepartmental support. The board also reviewed the need to replace the town's outdated Knox access system, which enables non-destructive entry for emergency responders, as well as the acquisition of training equipment to improve forced-entry response capabilities.

Staff presented a proposal to update the Parks and Recreation Master Plan, noting that the current plan is approximately 14 years old and no longer reflective of current facilities or community needs. A consultant-led process was recommended to support a comprehensive update with community engagement.

Staff also discussed a proposed fiber infrastructure project to connect key facilities to the town's network, improving reliability, security, and long-term cost efficiency for internet services.

Discussion turned to the water fund, where staff outlined two proposed water line connections intended to improve system reliability. One project would connect Finch Street to Forbes Street (approximately 255 feet), and another would extend from Dune Street to Soundside Road (approximately 1,500 feet). These connections would create system loops, allowing sections to be isolated during breaks and reducing the number of customers affected by service disruptions. Staff noted that these projects are part of an ongoing effort to address gaps in the system, particularly on the east side of Highway 158, with approximately eight similar connections remaining on the priority list.

Staff also described the proposed purchase of a vacuum trailer, which would support water distribution operations by assisting with water main breaks, dewatering, and maintenance of valve cans and hydrants. The equipment could also be utilized by the stormwater division and for tasks such as cleaning along multi-use paths. The need for this equipment was reinforced by staff as a means to expedite repairs and improve operational efficiency.

*Non-CIP items- Capital Outlay*
Staff presented a summary slide outlining various capital outlay items that are not formally part of the Capital Improvement Program (CIP) but will be included in the budget. These items primarily consist of routine equipment replacements and operational infrastructure needs. Notable items include replacement of police vehicles, remaining funding allocations for the Lakeside Street and Soundside Event Site traffic signal projects upon completion, and a Town Hall transfer switch replacement (to be financed). Additional proposed expenditures include a South Nags Head water tower mixer and replacement pumps at Eighth Street, as well as the acquisition of an excavator. It was noted these items are standard capital replacements rather than standalone CIP projects.

*Soundside Boardwalk*
Staff introduced a discussion item related to future boardwalk improvements, noting that it had been included in the Capital Improvement Program (CIP) for future years as a placeholder to support ongoing planning and discussion. Using recent pricing information from the Visitors Bureau related to similar work, staff estimated that proposed boardwalk extensions would cost approximately $500,000 per segment. The concept includes a southern extension connecting the Soundside Event Site to the Outlets and a northern extension extending toward the Full Throttle Speedway. Preliminary planning envisions design work beginning in FY2028, with construction in FY2029, resulting in an approximate three-year gap from recent related improvements. Staff emphasized that these projects would likely be pursued as grant-funded opportunities and are intended to support broader pedestrian connectivity goals in the area, with the timing and scope remaining subject to future board direction.

Mayor Cahoon confirmed that the town owned the soundfront property just north of the project area.

Manager Garman clarified that the CIP had been ranked and that inclusion of projects would depend on affordability within the upcoming budget. The board was encouraged to provide feedback on priorities either after the meeting or during upcoming budget workshops, with the understanding that adjustments could still be made during the budget development process, including at the mid-May budget workshop.

**OPERATING BUDGET PLANNING**
• Organizational/Position Changes
- HR Assistant
- Part-Time Events Coordinator Assistant
- Water Operations/Distribution Floater
- Facilities Maintenance Equipment Operator
- Ocean Rescue/Fire
• Benefit Recommendations
• Program Recommendations

*Organizational/Position Changes*
Staff presented organizational staffing considerations for the board's review, noting that some proposals do not involve creating new full-time positions but rather reallocating existing resources to improve efficiency and support evolving operational needs.

Human Resources Officer Mielke proposed the addition of an HR Assistant position to the pay plan; however, this would not increase overall headcount. Instead, the position would be created by reallocating duties with existing staff. The HR Assistant would focus on day-to-day administrative and operational responsibilities, allowing the HR leadership role to concentrate more fully on organizational development initiatives and strategic priorities identified during the Board Retreat. Staff emphasized that this approach is intended to strengthen HR capacity and maintain existing services while enhancing the town's ability to support broader organizational performance in a cost-effective manner.

Planning Director Wyatt requested consideration of a part-time, year-round support position (20 hours per week) to assist the department's Events Coordinator, with an estimated annual budget of $21,000. The position would provide support with event coordination, logistics, communications, on-site operations, and social media. It was noted that the Events Coordinator is currently a single-employee function within the Planning Department and manages a growing workload as town events become increasingly year-round rather than seasonal. Staff explained that while limited support can occasionally be provided by other planning personnel, there is no dedicated backup, creating operational vulnerability when the coordinator is unavailable due to illness or emergencies. The proposed position is intended to provide consistent, institutional support that improves continuity, reduces strain on existing staff, and enhances event execution and planning efficiency. It was further noted that the current seasonal staffing model presents challenges in training and maintaining institutional knowledge, reinforcing the need for a more stable, year-round support role.

Public Services Director Carawan presented a request for the addition of a Heavy Equipment Operator position within Facilities Maintenance. She explained that the Facilities Maintenance division currently consists of 13 employees, with only three staff members qualified to operate heavy equipment. The proposed position is intended to expand capacity to support a growing workload, particularly given the increase in town-maintained rights-of-way since 2008, as well as additional responsibilities such as cleaning beach accesses after storms, grading beaches for driving access, and responding to marine strandings including turtles and whales. In addition to heavy equipment operation, the position would also perform general facilities maintenance duties, including plumbing, painting, carpentry, and cleaning tasks when not operating equipment. Staff emphasized that the intent of the position is to enhance operational flexibility, improve response capability, and support the overall upkeep, safety, and appearance of town facilities and public spaces for both residents and visitors.

Public Services Director Carawan presented a proposed staffing adjustment within the Water Department. It was noted that the water distribution team has been reduced over time from four technicians to three, while responsibilities have continued to increase, including ongoing work associated with automated meter infrastructure (AMI) systems. Staff explained that although AMI meters are often perceived as self-operating, they generate frequent alerts requiring daily review and ongoing maintenance, in addition to standard meter-related duties. To help address staffing needs and improve operational flexibility, the Water Plant Operator position scheduled for retirement on May 1st of this year is proposed to be restructured into a "floater" role. This position would support both the water operation and distribution as needed, providing additional coverage and assistance across functions. Staff indicated that this adjustment is intended to improve overall departmental efficiency and responsiveness without necessarily expanding the workforce, and that the concept would be refined further prior to implementation.

Fire Chief Wells presented a request for an additional position to help fulfill the year-round demands of ocean rescue operations. He explained that Captain Motz currently serves as the primary leader for ocean rescue, a role that remains active throughout the year, not only during the summer season. In addition to managing lifeguard operations during peak beach season, he is responsible year-round for recruitment, training development, coordination of certifications and testing, attendance at job fairs, and ongoing operational planning for the lifeguard program. It was noted that these responsibilities are continuous and significant, requiring sustained focus even during the off-season, when he is currently assigned to fire operations. To better align responsibilities and workload, the proposal would transition Captain Motz into a full-time ocean rescue leadership role. This would allow him to concentrate fully on that division while maintaining its operational readiness and development needs. He noted that a similar position previously existed but was eliminated during past budget reductions, and the current proposal is aimed at restoring necessary operational support in a more efficient structure.

Chief further proposed restructuring internal fire operations coverage by creating a lieutenant-level position that would share responsibilities across fire and ocean rescue functions. They would promote internally for this position if appropriate. This approach is intended to improve organizational efficiency, support career progression within the department, and strengthen overall staffing capacity. This transition could possibly be done in phases.

*Benefits Recommendation*
Human Resources Officer Mielke presented several proposed employee benefit enhancements developed in response to feedback from the staff engagement survey and findings from the recent pay and classification study, with the goal of improving competitiveness and employee retention.

The first proposal is the creation of a Lifestyle Reimbursement Account, providing a $250 annual allowance per employee, which would replace previously offered complimentary alternative medicine benefits and could be used for services such as massage therapy and acupressure, among others.

Additional proposed benefits include the establishment of a designated mental health day, reflecting survey feedback indicating a need for additional time off and alignment with peer agencies. Rather than adding an additional holiday, Human Resources Officer Mielke suggested developing a policy to formalize this benefit. She also introduced the concept of a work-related trauma or crisis therapy program, intended to provide rapid access (within 24 to 48 hours) to counseling services for employees experiencing job-related trauma or critical incidents, particularly for first responders. This concept is still in development and will be further evaluated based on discussions with service providers.

Finally, she proposed revising the town's longevity pay structure. Currently, two different longevity systems exist based on hire date, with the post July 1, 2008 structure not having been updated since its implementation. The proposal would effectively double longevity payments for employees hired after July 1, 2008, at an estimated annual cost of approximately $43,000, in order to address equity concerns and remain competitive in the labor market.

*Program Recommendations*
Planning Director Wyatt presented a proposed Property Owner Technical Assistance Program under the Estuarine Shoreline Management Plan intended to provide guidance and support to private property owners seeking nature-based shoreline stabilization solutions while minimizing direct town involvement in on-site work. The program, developed collaboratively by staff, would allocate up to $10,000 in the budget to establish an on-call consulting arrangement to assist eligible property owners.

Under the proposed structure, soundfront property owners could apply on a first-come, first-served basis to receive assistance in exploring options such as living shorelines, natural erosion control measures, and "green" enhancements to existing shoreline structures. Participating property owners would be eligible for up to $1,000 in consultant support to help evaluate options and navigate permitting processes if they choose to proceed with a project. The program would be limited to nature-based shoreline solutions and would not apply to traditional hard stabilization measures such as bulkheads. Staff noted that interest in shoreline management alternatives has been increasing modestly and that the initiative is intended to expand educational and technical support while promoting environmentally sustainable shoreline practices.

**BEACH NOURISHMENT PLANNING**
Manager Garman raised a discussion regarding long-term funding strategy for the town's beach nourishment program, noting that current project costs are being significantly supported by cash reserves and that future project funding may become more constrained depending on available fund balance. It was explained that without additional dedicated revenue, future beach nourishment projects could require substantial tax rate increases at the time of implementation, particularly as project costs continue to rise.

To address this, he suggested the potential consideration of a future adjustment to the beach nourishment fund tax rate to gradually build reserves over time. This would be intended to maintain a more sustainable fund balance, support future project costs, and provide greater financial resilience for both planned nourishment cycles and potential emergency needs, such as storm-related impacts where FEMA participation may be limited or delayed. He noted that Dare County is maintaining limited reserves for similar purposes.

The board acknowledged the need for more proactive long-term planning and agreed that the concept warrants further discussion at a future workshop, including the possible inclusion of a placeholder tax rate adjustment in a future budget cycle. Manager Garman indicated he would return with additional analysis and options for board consideration.

Today's presentation is attached to and made a part of these minutes as shown in Addendum "A".

**ADJOURNMENT**
Comr. Vaughan moved to recess to a mid-month meeting on Wednesday April 15, 2026 at 9:00 a.m. in the Board of Commissioners Room. The motion was seconded by Comr. Sanders, which passed unanimously. The time was 1:19 p.m.

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Brittany A. Phillips, Town Clerk

Date Approved: May 6, 2026

Mayor: __________________________
Benjamin Cahoon