



AGENDA

TOWN OF NAGS HEAD BOARD OF COMMISSIONERS
NAGS HEAD MUNICIPAL COMPLEX – BOARD ROOM

WEDNESDAY, JUNE 3, 2026; 9:00 AM

REGULAR SESSION

A. CALL TO ORDER/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE

B. ADOPTION OF AGENDA

C. RECOGNITION

1. NEW EMPLOYEE – Water Distribution Technician Johnnie Basinger – April 28, 2026
NEW EMPLOYEE – Sanitation Equipment Operator Jamie Wentz – May 20, 2026

PRESENTATION – 2026 Town Lightkeeper and Nags Header Awards

D. PUBLIC COMMENT

E. CONSENT AGENDA

1. Consideration of Budget Amendment #12 to FY 2025/26 Budget
2. Consideration of Tax Adjustment Report
3. Approval of Minutes
4. Annual Write-Off of Uncollectible Water Accounts
5. Consideration of FY 2025/26 Water Capital Project Ordinance
6. Consideration of Update to Sunshine List Policy
7. Consideration of Capital Project Ordinance Amendment #13

F. PUBLIC HEARINGS

1. Public Hearing to Consider Citizen Comments on the Town Manager's Recommended Operating Budget for July 1, 2026 – June 30, 2027, Recommended CIP Requests for FY 2026/27 through FY 2030/31, and Updated Consolidated Fee Schedule.

Consideration of Adoption of:

- FY 2026/27 Budget Ordinance
- Pay Plan and Organizational Charts
- Recommended Capital Improvement Program (CIP)
- Consolidated Fee Schedule

G. REPORTS AND RECOMMENDATIONS FROM THE PLANNING BOARD AND THE PLANNING AND DEVELOPMENT DIRECTOR

1. Update from Planning Director

H. NEW BUSINESS

1. Committee Reports
2. Consideration of Disaster Debris Removal Bids and Debris Monitoring Contract Renewal
3. Consideration of Appointment/Reappointment to Board/Committee
- Board of Adjustment

I. ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN ATTORNEY

J. ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN MANAGER

1. 2026 Town Fireworks Display Update
2. Discussion of Group Demonstrations Ordinance: Chapter 4, Article II Town Code
3. 2026 Beach Nourishment Project Update

K. BOARD OF COMMISSIONERS AGENDA

L. MAYOR'S AGENDA

1. Discussion of Legislative Efforts

M. CLOSED SESSIONS

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

N. OTHER BUSINESS

O. ADJOURNMENT/RECESS TO FY 2026/27 BUDGET WORKSHOP (IF NEEDED)



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM C.1.

NEW EMPLOYEE – Water Distribution Technician Johnnie Basinger – April 28, 2026

NEW EMPLOYEE – Sanitation Equipment Operator Jamie Wentz – May 20, 2026

PRESENTATION – 2026 Town Lightkeeper and Nags Header Awards

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

Welcome and congratulations!

Specific Action Requested

This item is provided for board recognition.

Summary

Recognition at the June 3rd Board of Commissioners meeting will include the above-listed items.

Attachments

None



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM E.1.

Consideration of Budget Amendment #12 to FY 2025/26 Budget

Prepared by

Amy Miller, Deputy Town Manager/Finance Officer

Reviewed by

Amy Miller
Brittany Phillips
Andy Garman

Staff Comments/Recommendation

There is a justification included under the budget amendment which explains the purpose of the amendment.

Specific Action Requested

This item is provided for Board review and approval.

Summary

Attached please find Budget Amendment #11 to the FY 25/26 Budget which is provided for Board review and approval at the 6/3/2026 Board of Commissioners meeting. Budget Amendment #11 is in accordance with the FY 25/26 Budget Ordinance, adopted at the June 11, 2025 meeting.

Attachments

1. 6 E1 Budget amend 12 to FY25-26



**BUDGET AMENDMENT REQUEST
FY 2025-2026**

BUDGET AMENDMENT NO. 12
Amendment 12.1
USE OF FUNDS

SOURCE OF FUNDS

CODE	ACCOUNT	AMOUNT		CODE	ACCOUNT	AMOUNT
961-599900	<u>Water Fund Expenses</u> Manager's contingency	23,473.00		961-590083	<u>Water Fund Transfers</u> Transfer-Capital Project Fund	25,000.00
720-555100	<u>Water Fund Water Administration Expenses</u> Bad debt expense	1,527.00				
TOTAL CHARGES		\$ 25,000.00		TOTAL CREDITS		\$ 25,000.00

JUSTIFICATION

Septic loans

Use Manager's contingency-advance Septic Health loan repayment.
Use available funds for water write offs for the additional funds needed.

ADMINISTRATIVE SERVICES 5/15/2026
RECOMMENDED BY DATE

APPROVED BY BOC: DATE



**BUDGET AMENDMENT REQUEST
FY 2025-2026**

BUDGET AMENDMENT NO. 12
Amendment 12.2

SOURCE OF FUNDS

USE OF FUNDS

CODE	ACCOUNT	AMOUNT		CODE	ACCOUNT	AMOUNT
61-460000	Water Fund Revenues Septic loan principal paid	16,000.00		725-578400	Water Fund Septic Health Expenses Septic loan program	16,000.00
TOTAL CHARGES		\$ 16,000.00		TOTAL CREDITS		\$ 16,000.00

JUSTIFICATION

Account for actual revenues to cover loan overages and build in a contingency for any June loans.

ADMINISTRATIVE SERVICES 5/26/2026
RECOMMENDED BY DATE

APPROVED BY BOC: DATE



**BUDGET AMENDMENT REQUEST
FY 2025-2026**

BUDGET AMENDMENT NO. 12
Amendment 12.3

SOURCE OF FUNDS

USE OF FUNDS

CODE	ACCOUNT	AMOUNT		CODE	ACCOUNT	AMOUNT
580-520700	General Fund Sanitation Expenditures Group Health Insurance	14,000.00		490-520700	General Fund Planning Expenditures Group Health Insurance	14,000.00
580-510200	Salaries	15,000.00		555-520700	Fleet Maintenance Expenditures Group Health Insurance	15,000.00
TOTAL CHARGES		\$ 29,000.00		TOTAL CREDITS		\$ 29,000.00

JUSTIFICATION

Budget for benefit changes (overages and lapses).

ADMINISTRATIVE SERVICES
RECOMMENDED BY _____ DATE 5/26/2026

APPROVED BY BOC: _____ DATE _____



**BUDGET AMENDMENT REQUEST
FY 2025-2026**

BUDGET AMENDMENT NO. 12
Amendment 12.5
USE OF FUNDS

SOURCE OF FUNDS

CODE	ACCOUNT	AMOUNT		CODE	ACCOUNT	AMOUNT
440-510200	<u>General Fund Expenditures</u> Salaries-Admin. Services	5,000.00		441-510200	<u>General Fund Expenditures</u> Salaries-IT	5,000.00
500-510200	Salaries-Public Services Admin.	27,000.00		530-510200	Salaries-Facilities Maintenance	29,000.00
500-520800	Retirement-Public Services Admin.	2,000.00				
720-510200	<u>Water Fund</u> <u>Water Admin. Expenditures</u> Salaries	10,000.00		818-510200	<u>Water Fund</u> <u>Distribution Expenditures</u> Salaries	10,000.00
TOTAL CHARGES		\$ 44,000.00		TOTAL CREDITS		\$ 44,000.00

JUSTIFICATION

Merit/salary distribution across divisions to cover salaries and benefits

ADMINISTRATIVE SERVICES
RECOMMENDED BY _____ DATE 5/26/2026

APPROVED BY BOC: _____ DATE _____



**BUDGET AMENDMENT REQUEST
FY 2025-2026**

BUDGET AMENDMENT NO. 12
Amendment 12.4

SOURCE OF FUNDS

USE OF FUNDS

CODE	ACCOUNT	AMOUNT		CODE	ACCOUNT	AMOUNT
11-499000	<u>Capital Investment Fund (CIF)</u> <u>Revenues</u> Appropriated fund balance	725,000.00		911-590083	<u>Capital Investment Fund (CIF)</u> <u>Expenditures</u> Transfer to Capital Project Fund	725,000.00
49-499000	<u>Capital Reserve Fund</u> <u>Revenues</u> Appropriated fund balance (MSD portion of sales tax)	184,380.00		949-590083	<u>Capital Reserve Fund</u> <u>Expenditures</u> Transfer to Capital Project Fund	184,380.00
41-492111	<u>Capital Project Fund</u> <u>Revenues</u> Transfer from CIF	725,000.00		941-590093	<u>Capital Project Fund</u> <u>Expenditures</u> Transfer to the CIF	725,000.00
41-492100	Transfer from the Capital Reserve Fund	184,380.00		941-590082	Transfer to the Capital Reserve Fund	184,380.00
TOTAL CHARGES		\$ 909,380.00		TOTAL CREDITS		\$ 909,380.00

JUSTIFICATION

This corresponds to Capital Project Fund ordinance #13

Use Capital Investment fund balance to cover grant expenditures not yet received.
This will maintain the CIF fund balance. The funds will be reimbursed when grant close out funds are received.
This amount is a conservative estimate and only actual funds needed will be transferred.

Use beach nourishment funds to cover the Juncos Street beach access grant and local portion.
The Town is awaiting as-built surveys for reimbursement which we are in the process of repairing.
The grant portion will be reimbursed back to the Capital Reserve Fund.

ADMINISTRATIVE SERVICES
RECOMMENDED BY _____ DATE 5/26/2026

APPROVED BY BOC: _____ DATE _____



**BUDGET AMENDMENT REQUEST
FY 2025-2026**

BUDGET AMENDMENT NO. 12
Amendment 12.6
USE OF FUNDS

SOURCE OF FUNDS

CODE	ACCOUNT	AMOUNT		CODE	ACCOUNT	AMOUNT
	General Fund Expenditures				General Fund Fire Expenditures	
530-543801	Maint/Repair Parks/Paths-Facilities	4,000.00		730-577400	Capital outlay equipment	11,325.00
610-577500	Maintenance	7,325.00				
	Capital Outlay Vehicles-Police					
TOTAL CHARGES		\$ 11,325.00		TOTAL CREDITS		\$ 11,325.00

JUSTIFICATION

Move capital investment fund money between departments to buy a chest compression system.

ADMINISTRATIVE SERVICES
RECOMMENDED BY _____ DATE 5/26/2026

APPROVED BY BOC: _____ DATE _____



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM E.2.

Consideration of Tax Adjustment Report

Prepared by

Jackie Szymanski, Tax Collector

Reviewed by

Jackie Szymanski
Brittany Phillips
Andy Garman

Staff Comments/Recommendation

N/A

Specific Action Requested

This item is provided for board review and approval.

Summary

Attached please find the list of adjustments to the 2025 Tax Levy (per information received from Dare County) for the monthly Property and MSD valuations.

These reports are submitted for your approval at the June 3, 2026 Board of Commissioners meeting.

Attachments

1. 6 E2 Tax Adj Town-Wide Report
2. 6 E2 Tax Adj MSD Report

Town of Nags Head, North Carolina
ANALYSIS OF CURRENT 2025-2026 TOWN WIDE TAX LEVY
2025 Tax Levy As of May 27 , 2026 for Jun 3, 2026 BOC

	Town-Wide Tax			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current 2025 rate	5,171,302,058	0.002320	11,998,450.08	11,998,450.08	
Registered Motor Vehicles at current 2025 rate	47,653,413	0.002320	110,554.79		110,496.14
Registered Motor Vehicles at 2024 year's rate	15,952,116	0.003300	52,641.98		52,641.99
Registered Motor Vehicles at 2023 year's rate	22,400	0.003300	73.95		73.95
Penalties			5,552.37	5,552.37	
Total	5,234,929,987		12,167,273.18	12,004,002.45	163,212.08
Discoveries & Adjustments:					
Current year discoveries & adjustments tax	41,768		88.55	88.55	
Town wide beach nourishment tax			8.35	8.35	
Corporate Utilities discoveries & tax	24,132,206		51,160.27	51,160.27	
Corporate Utilities beach nourishment tax			4,826.43	4,826.43	
Penalty Discoveries			0.00	0.00	
Total	24,173,974.00		56,083.60	56,083.60	
Releases & Adjustments:					
Current year releases & adjustments	(17,281,192)		(37,846.26)	(37,080.33)	(765.93)
Town wide beach nourishment			(3,498.14)	(3,498.14)	
Penalty Releases			(113.86)	(113.86)	
Total	(17,281,192)		(41,458.26)	(40,692.33)	(765.93)
Write-offs (under \$1.00) or Adjustments:			(0.25)	(0.25)	
Total Property Valuation	5,241,822,769				
Net levy		12,181,839.62		12,019,393.47	162,446.15
Uncollected Taxes & Penalties		(13,315.06)		(13,315.06)	0.00
Uncollected Town Wide Beach Nourishment		(1,248.22)		(1,248.22)	
TOTAL UNCOLLECTED TAXES AS OF 05/27/26:		(14,563.28)		(14,563.28)	0.00
CURRENT YEAR TAXES COLLECTED:		12,167,276.34		12,004,830.19	162,446.15
CURRENT LEVY COLLECTION PERCENTAGE:		99.880%		99.879%	0.000%

Town of Nags Head, North Carolina
ANALYSIS OF CURRENT 2025-2026 MSD TAX LEVY
2025 Tax Levy As of May 27 , 2026 for Jun 3, 2026 BOC

	BEACH NOURISHMENT DISTRICT			MSD Excluding Registered Motor Vehicles	Registered Motor Vehicles
	MSD Valuation	Rate	Total Levy		
Original MSD Levy:					
MSD Beach Nourishment at Current 2025 Dist 1 Rate	966,453,299	0.00090	869,807.94	869,807.94	
MSD Beach Nourishment at current 2025 Dist 2 Rate	826,305,310	0.00090	743,674.87	743,674.87	
MSD Beach Nourishment at Current 2025 Dist 3 Rate	1,764,477,822	0.00005	88,225.53	88,225.53	
MSD Beach Nourishment at Current 2025 Dist 4 Rate	1,181,551,706	0.00010	118,155.31	118,155.31	
MSD Beach Nourishment at Current 2025 Dist 6 Rate	0	0.00000	0.00	0.00	
Registered Motor Vehicles at Current 2025 Dist 1 Rate	2,127,164	0.00090	1,413.16		1,413.16
Registered Motor Vehicles at Current 2025 Dist 2 Rate	1,853,697	0.00090	1,771.64		1,771.64
Registered Motor Vehicles at Current 2025 Dist 3 Rate	6,508,900	0.00005	330.12		330.12
Registered Motor Vehicles at Current 2025 Dist 4 Rate	4,391,211	0.00010	444.57		444.57
Registered Motor Vehicles at Current 2025 Dist 5 Rate	0	0.00000	0.00		0.00
Registered Motor Vehicles at Current 2025 Dist 6 Rate	0	0.00000	0.00		0.00
Registered Motor Vehicles at 2024 Dist 1 Rate	271,252	0.00143	387.89		387.89
Registered Motor Vehicles at 2024 Dist 2 Rate	822,517	0.00143	1,176.20		1,176.20
Registered Motor Vehicles at 2024 Dist 3 Rate	1,783,400	0.00005	89.17		89.17
Registered Motor Vehicles at 2024 Dist 4 Rate	1,618,500	0.00010	161.85		161.85
Registered Motor Vehicles at 2024 Dist 6 Rate	1,342,600	0.00005	67.13		67.13
Registered Motor Vehicles at 2023 rate	0	0.00143	0.00		0.00
Penalties			0.00		
Total	4,759,507,378		1,825,705.38	1,819,863.65	5,841.73
Discoveries & Adjustments:					
Current year discoveries & adjustments	0		0.00	0.00	
			0.00	0.00	
Total	0		0.00	0.00	
Releases & Adjustments:					
DMV Current year valuation adjustments	0		0.00	0.00	0.00
DMV Current year tax releases	(1,394,194)		0.00	0.00	0.00
Real/Personal Current year releases & adjustments	(8,604,956)		(7,986.99)	(7,986.99)	Dist 2,3 & 4
Total	(9,999,150)		(7,986.99)	(7,986.99)	0.00
Write-offs (under \$1.00) or Adjustments:			(0.81)	(0.81)	
Total MSD Valuation	4,749,508,228				
Net levy		1,817,717.58		1,811,875.85	5,841.73
TOTAL UNCOLLECTED MSD AS OF 05/27/26:		(248.94)		(248.94)	0.00
CURRENT YEAR MSD COLLECTED:		1,817,468.64		1,811,626.91	5,841.73
CURRENT MSD COLLECTION PERCENTAGE:		99.986%		99.986%	0.000%



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM E.3.

Approval of Minutes

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

N/A

Specific Action Requested

This item is provided for board review and approval.

Summary

Attached for board review and approval are the following DRAFT Board of Commissioners meeting minutes:

May 6, 2026 Regular Session

May 20, 2026 Budget Workshop

Attachments

1. 6 E3 May 6 2026 DRAFT BOC mins
2. 6 E3 May 20 2026 DRAFT Bud Workshop mins



**DRAFT MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS REGULAR SESSION
WEDNESDAY, MAY 6, 2026**

The Nags Head Board of Commissioners met at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, May 6, 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 John Leidy; Amy Miller; Kelly Wyatt; David Ryan; Perry Hale; Randy Wells; Chris Montgomery; Nancy Carawan; Joe Costello; Roberta Thuman; Karen Snyder; Katie Anzalone; Matt Huntingford; Ben Jadoff; Mike Tatterson; Mike Alvarez; Steven Anderson; Eddie Williams; Raymond Schoonmaker; Josselyn Brown; Buddy Beacham; Melanie Beacham; Caleb Macon; Duke Geraghty; Donna Creef; Jim Leutgens; Mike Strader; Scott Shields; Melissa Shields; Jay Overton; Antwon Pittman; Jason Godaire; and Town Clerk Brittany A. Phillips

Mayor Cahoon called the meeting to order at 09:00 a.m. at Dowdy Park.

GRANT PRESENTATION(TRILLIUM) AT DOWDY PARK - TIME SPECIFIC 09:00 A.M.

Mayor Cahoon welcomed representatives from Trillium Health Resources, Jason Godaire and Antwon Pittman, along with members of the board. He spoke about the original vision for Dowdy Park as an inclusive space designed for people of all ages and mobility levels, and highlighted recent improvements, including irrigation of the west field. He also recalled that the town received a \$750,000 grant from Trillium for Phase 1 of the park in FY 2016/17. At that time, the park's initial wheelchair-accessible swing was purchased and served the community well until it wore out last year. The replacement swing, including installation, cost \$83,520, and the town is grateful that Trillium is covering 100% of the expense.

Mr. Godaire praised the park and its thoughtful inclusion of accessible equipment within the overall park design. He especially appreciated that the equipment was integrated alongside the other playground features, creating a welcoming environment where individuals of all abilities can play together and feel included.

The board participated in a grant check presentation from Trillium Health Resources and held a ribbon-cutting ceremony for the new We-Go-Swing® at Dowdy Park, funded by the grant.

RECESS TO BOARD OF COMMISSIONERS ROOM

Comr. Vaughan moved that the meeting recess and reconvene in the Board of Commissioners room. The motion was seconded by Comr. Sanders, which was unanimously approved. The time was 09:09 a.m.

RECONVENE/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE APPROX. 09:30 A.M.

The board reconvened in the Board of Commissioners Room at 09:29 a.m. A moment of silence was followed by the Pledge of Allegiance.

ADOPTION OF AGENDA

MOTION: Comr. Sanders moved to adopt the May 6th agenda as presented. The motion was seconded by Comr. Vaughan, which passed unanimously.

RECOGNITION

FIFTEEN YEARS – Police Chief Perry Hale introduced Senior Police Officer/K-9 Matthew Huntingford, who was recognized by the board for fifteen years of service.

RETIREMENT – Public Services Director Nancy Carawan introduced former Water Plant Operator Marvin "Buddy" Beacham, who was thanked and congratulated by the board on his retirement.

PROCLAMATION – National Police Officer's Week - May 10 – 16, 2026

Chief Hale addressed the board regarding the significance of National Police Officers Memorial Week, speaking personally about the loss of Sergeant Earl Murray, Jr., who died in the line of duty on May 15, 2009. Chief Hale noted that the department continues to honor Sergeant Murray's memory and his surviving family each year,

including attendance at the State Memorial in Greensboro. He remarked that Sergeant Murray's widow expressed that the Nags Head Police Department has never left her alone in the seventeen years since his passing.

Mayor Cahoon thanked Chief Hale and his officers.

Mayor Cahoon read the proclamation declaring May 10 – 16, 2026 as National Police Officer's week as follows:
"WHEREAS, The Congress and President of the United States have designated May 15th as National Peace Officers Memorial Day, and the week in which May 15th falls as National Police Week; AND

'WHEREAS, The members of the Nags Head Police Department play an essential role in safeguarding the rights and freedoms of the residents and visitors of the Town of Nags Head; AND

'WHEREAS, It is important that all citizens know and understand the duties, responsibilities, hazards, and sacrifices of their law enforcement agency, and that members of our law enforcement agency recognize their duty to serve the people by safeguarding life and property, by protecting them against violence and disorder, and by protecting the innocent against deception and the weak against oppression; AND

'WHEREAS, The men and women of the Nags Head Police Department unceasingly provide a vital public service; AND

'WHEREAS, Let each of us take the time to reflect on the ultimate sacrifice Sgt. Earl Murray, Jr. made for the Town of Nags Head on May 15, 2009 and the rest of the officers that have done so nationwide. And let each of us keep their family, friends, and all fellow officers in our thoughts and prayers.

'NOW, THEREFORE, the Nags Head Board of Commissioners calls upon all citizens of the Town of Nags Head and upon all patriotic, civic, and educational organizations to observe the week of May 10 - 16, 2026 as National Police Week with appropriate ceremonies and observances in which all our people may join in commemorating law enforcement officers, past and present, who, by their faithful and loyal devotion to their responsibilities, have rendered a dedicated service to their community and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

'THEREFORE, we do hereby proclaim the week of May 10 - 16, 2026, as National Police Week and call upon all citizens of Nags Head to observe the 15th day of May 2026, as National Peace Officers Memorial Day in honor of those law enforcement officers who, through their courageous deeds, have made the ultimate sacrifice in service to their community or have become disabled in the performance of duty, and let us recognize and pay respect to the survivors of our fallen heroes."

MOTION: Mayor Pro Tem Lambert moved to adopt the proclamation recognizing National Police Officer's Week as May 10 – 16, 2026 as presented. The motion was seconded by Comr. Harrison, which passed unanimously.

PROCLAMATION – National Public Works Week - May 17 – 23, 2026

Director Carawan presented an overview of the Public Services Department's activities, highlighting the theme "Rooted in Service, Powered by Community." She emphasized that some services, such as maintenance of town buildings, grounds, public accesses, and trash collection, are highly visible, while others, such as public works administration, equipment upkeep, water production and distribution, and stormwater maintenance, remain hidden but are equally essential to community functioning. Director Carawan announced that the department would host an Open House on Tuesday, May 19, 2026, from 1:00 PM to 2:30 PM at the fleet maintenance building.

Mayor Cahoon read the Proclamation declaring May 17 – 23, 2026 as National Public Works Week as follows:
"WHEREAS, public works professionals focus on infrastructure, facilities, and services that are of vital importance to sustainable and resilient communities and to the public health, high quality of life, and well-being of the people of Nags Head; AND

'WHEREAS, these infrastructure, facilities, and services could not be provided without the dedicated efforts of public works professionals, who are responsible for rebuilding, improving, and protecting our town's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; AND

'WHEREAS, it is in the public interest for the citizens, civic leaders, and children in Nags Head to gain knowledge of and maintain an ongoing interest and understanding of the importance of public works and public works programs in their respective communities; AND

'WHEREAS, the year 2026 marks the 66th annual National Public Works Week sponsored by the American Public Works Association.

'NOW, THEREFORE BE IT RESOLVED THAT, the Nags Head Board of Commissioners do hereby designate the week May 17–23, 2026, as National Public Works Week, and further extends its appreciation to our public services department for the vital services they perform. We encourage all citizens to thank and celebrate our public services employees and to recognize the substantial contributions they make to protecting our health, safety, and quality of

life and for making Nags Head a great place to live, work, and visit."

MOTION: Comr. Vaughan moved to adopt the Proclamation declaring May 17 – 23, 2026 as National Public Works Week as presented. The motion was seconded by Comr. Sanders, which passed unanimously.

PUBLIC COMMENT

Town Attorney John Leidy opened public comment at 09:44 a.m.

There was no one present who wished to speak during public comment.

CONSENT AGENDA

The Consent Agenda consisted of the following items:

- Consideration of Budget Amendment #11 to FY 25/26 Budget
- Consideration of Tax Adjustment Report
- Approval of Minutes
- Adoption of the Classification and Compensation Study
- Consideration of Personnel Policy Updates
 - Updated Motor Vehicle Record (MVR) Check Policy
 - Addition of Generative Artificial Intelligence (GenAI) Policy
- Request for Public Hearing to Consider Citizen Comments on the Town Manager’s Proposed Operating Budget for July 1, 2026 – June 30, 2027, Proposed CIP Requests for FY 26/27 through FY30/31, and Updated Consolidated Fee Schedule

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

Budget Amendment #11, 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 April 1, 2026, Regular Session, the April 1, 2026, Budget Workshop, the April 15, 2026, Recessed Session, and the April 15, 2026, Stormwater Master Plan Workshop were approved by the board and are on file in the town clerk’s office and on the town’s website.

The summary sheet for the adoption of the Classification and Compensation Study 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 the Classification and Compensation study are to:

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

'Staff presented the findings of the study and subsequent recommendations at the April 1st board meeting. Staff is requesting the board adopt the final Classification and Compensation Study Report.

'This item was included in the FY 2025/26 budget. Staff recommends the board adopt the final Classification and Compensation Study. The Classification and Compensation presentation and draft report were provided at the April 1st meeting for the board's consideration."

A copy of the Classification and Compensation Study, as approved, is on file in the town clerk's office.

The summary sheet for the Consideration of Personnel Policy updates read in part as follows:

"Motor Vehicle Record Check

The purpose of this policy is to ensure the safe operation of vehicles used for town business by establishing standards for driver eligibility, monitoring driving records, and reducing risk to the town, employees, and the public. This policy applies to all employees who operate town-owned or leased vehicles or equipment requiring a valid operating license, and employees that operate a personal vehicle while conducting official town business. Our current MVR Check Policy allows for “random” checks. Upon adoption of the proposed policy, the town will conduct ongoing MVR checks for all eligible drivers to confirm our drivers maintain safe driving behavior.

'Generative Artificial Intelligence (Gen AI) Policy

The purpose of this policy is to establish standards and responsibilities for the safe, ethical, and secure use of Generative Artificial Intelligence (GenAI) by Town of Nags Head employees. This policy supports innovation while safeguarding sensitive data, maintaining public trust, and ensuring compliance with applicable laws and

regulations. This policy outlines acceptable use and provides guidance on appropriate GenAI use cases. The town currently does not have a GenAI policy and the adoption of this policy aligns with best practices recommended for local governments."

The personnel policy, as approved, is on file in the Town Clerk's office and on the Town's website.

The summary sheet for the Request for Public Hearing to Consider Citizen Comments on the Town Manager's Proposed Operating Budget for July 1, 2026 – June 30, 2027, Proposed CIP Requests for FY 26/27 through FY 30/31, and Updated Consolidated Fee Schedule, as approved, read in part as follows:

"Request that a Public Hearing be scheduled for the June 3, 2026 Board of Commissioner's meeting to consider citizen comments on the following:

- Town Manager's proposed operating budget for fiscal year July 1, 2026 – June 30, 2027
- Proposed Capital Improvement Program (CIP) requests for FY 26/27 through FY 30/31
- Updated Consolidated Fee Schedule

'Staff will provide a presentation on the recommended budget at the May 6th meeting. Board members will be provided a copy of the budget at the meeting. A digital budget will also be available for inspection on the Town's website by the date of the meeting at the following address: <https://www.nagsheadnc.gov/229/Annual-Budgets>."

PUBLIC HEARINGS

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. This Includes a Parking Reduction Request as Allowed by the Town's Unified Development Ordinance.

Notice of the Public Hearing was published in the Coastland Times on Wednesday, April 22, 2026 and on Wednesday, April 29, 2026 as required by law.

Attorney Leidy opened the Public Hearing at 09:46 a.m. He informed the board that their role was to adjudicate how the general laws apply to the specific situation based on the evidentiary record presented during the hearing. He highlighted their responsibilities to determine any contested facts and apply the established legal standards to those facts without changing or modifying these standards during the hearing or in making their decision.

Board members were reminded that they must refrain from participating if the outcome would have a direct and substantial financial impact on them or if they had predetermined opinions or biases. Thus, any member who had developed a preconceived opinion or bias was required to excuse themselves from the decision-making process.

Attorney Leidy emphasized that the board's decision must be based entirely on competent, substantial, and material evidence presented during the hearing, meaning the evidence had to be properly sworn statements made by witnesses. Should any member have had prior conversations or received communications about the application outside of this hearing, such communications had to be disclosed. He then confirmed that none of the board members reported any conflicts of interest or ex parte communications regarding the application.

Town Clerk Brittany Phillips swore in Planning Director Kelly Wyatt, James "Jim" Leutgens, and Mike Strader.

Planning Director Kelly Wyatt summarized her report which read in part as follows:

"General Information

'Applicant: WithersRavenel on behalf of Outer Banks Hospital

'Application Type: Vested Right/Special Use Permit/Site Plan Amendment

'Purpose/Request: Reduce the number of required parking spaces by three (3) to accommodate an approximately 280 square foot expansion of the existing HVAC mechanical area and the reshaping and regrading of the existing stormwater management basin. The additional mechanical equipment is necessary to ensure appropriate working conditions within the Cancer Treatment Center.

'Property Location: 4927 S. Croatan Highway, Nags Head

'Existing Land Use: Medical Office/Cancer Treatment Center

'Zoning Classification of Property: SPD-C, Village Hotel District

'Zoning Classification of Surrounding Properties: Properties to the north of the site are zoned SPD-C/Hotel (OBH Medical Offices). Properties to the south of the site are zoned SPD-C/Hotel (La Fogata Restaurant). Properties to the east, directly across S. Passage Way is zoned SPD-C/SF-2 and developed residentially. Properties to the west, directly across US Highway 158 is zoned SPD-C/Commercial-1 and is developed with the Outer Banks Mall.

'Flood Hazard Zone of Property: This property is located in an X Flood Zone. Per the Town of Nags Head local ordinance, the property is subject to a Regulatory Flood Protection Elevation (RFPE)/Local Elevation Standard (LES) of 9 ft. The proposed new equipment will need to be elevated to 9 ft.local elevation standard.

'Land Use Plan Map/Policies: The 2022 Comprehensive Land Use Plan classifies this property as General Commercial, and it is additionally located within the General Commercial Activity Node. Staff finds the expansion of mechanical HVAC equipment and subsequent site work needed to keep the Cancer Treatment Center operational to be consistent with the land use classification and stated Land Use Policies.

'Specific Information:

'Applicable Zoning Regulations:

'Use Regulations: The existing Medical Office/Cancer Treatment Center Use is permitted within the SPD-C, Village Hotel District and was previously reviewed and approved by the Board of Commissioners at their February 5, 2020, meeting. The current request does not propose any change to the approved use or operational characteristics of the facility. Rather, the applicant is seeking approval of a parking reduction pursuant to Section 10.15.6, Modified and Reduced Parking Standards, of the Unified Development Ordinance (UDO). The details of the request and supporting justification are outlined further in the parking section of this staff report.

'Lot Coverage: The SPD-C Village Hotel District establishes maximum allowable site coverage standards based on the type of improvement. The proposed development complies with these standards as summarized below:

- Maximum Building Coverage: 25% permitted; 20% proposed — Compliant
- Maximum Parking Lot Coverage: 45 permitted; 41% proposed — Compliant
- Minimum Landscaped Area: 30% required; 39% proposed — Compliant

'Height & Architectural Design Standards: These elements are not affected by the proposed scope of work and remain compliant with applicable standards.

'Parking: Section 10.15, Modified and Reduced Parking Requirements, specifically Section 10.15.2.6 of the Unified Development Ordinance (UDO), allows an applicant to seek a Special Use Permit to modify or reduce off-street parking requirements contained within Article 10, Part II, Off-Street Parking and Loading Requirements, as well as applicable provisions of Article 10, Part VI, Commercial Design Standards.

'As part of the original approval of the Outer Banks Hospital Cancer Center in February 2020, the Board of Commissioners granted a Conditional Use Permit (now Special Use Permit) that allowed a reduction in required parking based on the unique operational characteristics of the facility. Because an outpatient infusion center is not specifically identified within Table 10-2, Required Parking by Use, the parking requirement was evaluated using the UDO standard for Medical Office, which requires one parking space per 300 square feet of gross floor area plus one parking space per employee and physician. Application of this standard would have required approximately 72 parking spaces for the combined Radiation Therapy Building and Infusion Center.

'Recognizing that this parking requirement significantly exceeded the operational needs of the outpatient cancer treatment facility, the Board approved a reduced parking plan based on the limited number of treatment spaces, appointment-based scheduling, and anticipated patient volume. A condition of that approval required the applicant to perform parking utilization studies following opening of the facility to confirm that the reduced parking supply remained adequate. The site currently provides 57 off-street parking spaces serving both the Radiation Therapy Building and Infusion Center. As shown on the submitted site plan, the applicant proposes to construct an approximately 280-square-foot expansion of the existing HVAC mechanical area in order to upgrade building systems necessary to maintain appropriate conditions for compounding treatments. In order to accommodate this improvement, three existing parking spaces will be removed, although an existing paved turnaround area within the lot will be restriped to create one additional space. Following these modifications, the total on-site parking supply will be reduced from 57 spaces to 54 spaces.

'The operational characteristics of the Cancer Treatment Center inherently limit peak parking demand. The facility includes an approximately 4,500-square-foot Radiation Therapy Building and a 10,400-square-foot Infusion Center containing ten infusion bays. Due to the nature of infusion therapy, only one patient may occupy each infusion bay at a time, which restricts the number of patients present onsite concurrently. Using a parking methodology comparable to a dialysis-style medical facility, one parking space per treatment bay plus one parking space per staff member, the infusion center generates an estimated parking demand of 25 spaces, based on ten treatment bays and approximately fifteen staff members. When combined with the established 22 parking spaces associated with the Radiation Therapy Building, the total comparable parking demand for the facility is approximately 47 spaces.

'Following the proposed reduction, the site will continue to provide 54 parking spaces, exceeding this comparable demand by seven spaces. Importantly, the proposed HVAC expansion does not increase patient capacity, expand treatment areas, or result in additional staffing, and therefore does not generate additional parking demand.

'Consistent with the conditions of the original approval, a third-party parking assessment was conducted

approximately six months and twelve months after opening of the expanded Cancer Center. The study found that during peak demand periods only 32 parking spaces were occupied, representing approximately 56 percent of the available parking supply, confirming that existing parking capacity has been more than adequate to accommodate daily operations.

'Based on the operational characteristics of the facility, the results of the parking assessment, and the absence of any change in use or patient capacity, staff finds that the proposed reduction of three parking spaces (from 57 to 54 spaces) will continue to provide adequate parking for the Cancer Treatment Center without creating parking shortages, off-site parking impacts, or traffic congestion.

'Section 10.15.2.1 of the UDO establishes required findings for approval of a Special Use Permit for parking reduction. Based on the information provided and staff review, the request meets these findings in that the proposed reduction:

- Will not result in increased traffic congestion or negatively impact vehicular or pedestrian safety;
- Will not create parking impacts for adjacent properties or within town rights-of-way;
- Is consistent with the objectives of the Town's Comprehensive Plan supporting access to healthcare services;
- Is necessary to allow reasonable improvements to the existing facility; and
- Will not adversely impact adjacent properties or the surrounding area

'Based on the analysis above, staff finds that adequate parking will remain available on-site and therefore recommends approval of the requested parking reduction.

'Buffering/Landscaping: The existing buffering and landscaping associated with Section 9.24.10 of the UDO, which requires a 20-foot-wide landscaped or natural buffer where commercial or office uses abut a residential use or designation, has been installed and is functioning as intended. This request will not impact the required buffer.

'Similarly, the required parking buffer pursuant to Section 10.92.6.2 of the UDO, which requires a minimum ten (10) foot landscaped buffer between off-street parking areas and the street right-of-way where parking is located between a building and the street, is currently installed and will not be impacted by the proposed improvements.

'Vegetation preservation requirements will continue to be met, with approximately 11.5% of the lot area remaining vegetated.

'A limited number of plantings required for compliance with Section 10.93.3.7, Interior Parking Lot Landscaping, will be affected by the proposed site modifications. The applicant has indicated that these plantings will be relocated within the general vicinity of the parking area to maintain compliance with the landscaping requirements of the UDO.

'Lighting: No changes to the existing site lighting are proposed.

'Signage: No additional signage is proposed as part of this request.

'Water and Sewage Disposal: While no changes to the use or operation of the building are being proposed, the applicant has provided the original authorization from Carolina Water Service for reference.

'Traffic Circulation: Traffic circulation has been reviewed and approved by the town engineer.

'Stormwater Management: Stormwater Basin #2 is proposed to be reshaped to accommodate the HVAC equipment expansion while maintaining or improving the basin's existing stormwater management function. Revised stormwater management documentation has been reviewed and approved by the town engineer as submitted.

'Fire: The project will be required to comply with all applicable North Carolina Fire Prevention Code requirements. The deputy fire chief has reviewed and approved the proposal as submitted.

'Public Works: The existing dumpster location remains compliant and acceptable for front-load sanitation service. The public services director has reviewed and approved the proposal as submitted.

ANALYSIS

'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.

'Pursuant to Section 3.8.4.6 of the Unified Development Ordinance the Board of Commissioners shall issue a Special Use Permit if it has evaluated an application through a quasi-judicial process and determined that:

1. The use will not materially endanger the public health and safety if located where proposed and developed

- according to the plan as submitted.
2. The use, as proposed, will not overburden the firefighting capabilities and the municipal water supply capacity of the town as such facilities and capabilities will exist on the completion date of the conditional use for which application is made.
 3. The conditional use will be in harmony with the existing development and uses within the area in which it is to be located.
 4. Adequate utilities, access roads, drainage, parking, or necessary facilities have been or are being provided.

'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."

Mr. Strader, with WithersRavenel, had no further evidence to present on behalf of the applicant. James Leutgens, representing ECU Health, testified that the original HVAC system was under-designed, resulting in significant humidity problems in the compounding rooms, to the point where the room experienced rain-like conditions during peak summer months. He noted that the upgrade is necessary, and they are using a temporary fix until it can be completed.

Attorney Leidy asked whether the board wished to receive any additional information. Hearing no response, he stated that the public hearing would be closed and that the board could proceed with deliberations on the proposed amendment. The time was 09:59 a.m.

MOTION: Comr. Harrison moved to approve the Vested Right/Special Use Permit/Site Plan Amendment to reduce parking as presented. The motion was seconded by Comr. Vaughan.

Mayor Pro Tem Lambert noted for the record that the facility is a scheduled business with no walk-in patients, making parking management particularly reliable.

MOTION CONT: The motion passed unanimously.

Public Hearing to Consider a Board of Commissioners Initiated UDO Text Amendment to Establish New Allowable Uses, "Wine Bar" and "Taproom," with Associated Supplemental Regulations.

Notice of the Public Hearing was published in the Coastland Times on Wednesday, April 22, 2026 and on Wednesday, April 29, 2026 as required by law.

Attorney John Leidy opened the Public Hearing at 10:00 a.m.

Planning Director Kelly Wyatt summarized her report which read in part as follows:
"At the April 15, 2026, Board of Commissioners meeting, the Board initiated a text amendment to the Unified Development Ordinance (UDO) to establish new use categories for Wine Bars and Taprooms, along with appropriate supplemental standards.

'The proposed text amendment is intended to establish clear definitions for Wine Bar and Taproom uses, provide a regulatory framework for these lower-intensity alcohol-serving establishments, maintain the Town's longstanding prohibition on stand-alone bars as a principal use, and allow for limited, controlled opportunities for beer and wine-focused establishments in appropriate zoning districts.

'Following review by the Planning Board, several revisions were made to simplify definitions and improve clarity and enforceability of the proposed regulations. These revisions include:

- Simplification of the definition of "Bar, Tavern, or Drinking Establishment" to focus on the primary activity of on-premises alcohol consumption, including beer, wine, and distilled spirits, where food service is clearly subordinate and the use is oriented toward bar service rather than seated dining.
- Simplification of the definitions of "Wine Bar" and "Taproom" to remove references to specific alcohol types (such as fortified or high-alcohol products) and instead rely on the clear prohibition of distilled spirits, with operational characteristics addressed in supplemental regulations rather than definitions.
- Revision of entertainment standards to allow indoor entertainment, provided it complies with Chapter 16, Article III (Noise Ordinance), eliminating the need to define or regulate specific types or frequency of entertainment.
- Clarification of outdoor service provisions to ensure that alcoholic beverages may be consumed in approved outdoor areas, but all ordering, sale, and dispensing of beverages must occur within the enclosed indoor portion of the establishment.

- Amendment to Section 10.16, Required Parking by Use, to propose a parking standard for the new uses, the same as restaurants and microbrewery, at one parking space per 55 square feet of customer service area.

'In reviewing common zoning practices and ordinance language from other jurisdictions, the term "Wine Bar" best reflects establishments focused on the sale and on-site consumption of wine (and beer), while "Taproom" reflects a similar concept oriented toward beer.

'While "taprooms" are often associated with outdoor gathering spaces such as beer gardens, those elements are not inherent to the use itself. The proposed ordinance intentionally distinguishes between the principal indoor use and any accessory outdoor activity to avoid unintended impacts related to noise, intensity, and compatibility with surrounding properties.

'The proposed supplemental standards are designed to clearly differentiate Wine Bars and Taprooms from prohibited bar or nightclub-type uses. Key provisions include:

- Prohibition on the sale and service of distilled spirits.
- Requirement that the use be designed and operated primarily for seated patron service.
- Limitation of hours of operation, with all service ceasing and the premises closed to patrons by 11:00 p.m.
- Allowance of indoor entertainment, provided it complies with the Town's Noise Ordinance.
- Prohibition of outdoor entertainment.
- Regulation of outdoor customer service and patron areas, including size limitations and screening, and requiring that all beverage service occur within the enclosed indoor portion of the establishment

'Collectively, these standards are intended to ensure that the use remains lower in intensity and does not evolve into a bar, nightclub, or event-driven establishment. From a land use and planning perspective, potential impacts associated with alcohol-serving establishments are more closely related to operational characteristics, such as hours of operation, entertainment, and overall intensity of use, than to the specific type of alcohol served. The proposed ordinance addresses these factors through limitations on hours, requirements for indoor service, and controls on outdoor activity, in order to promote compatibility with surrounding properties.

'Per Section 10.93.3.3, microbreweries are currently classified as high-impact uses, requiring increased buffering, due to their combined production, event, and outdoor activity components. By contrast, the proposed wine bar and taproom uses are intentionally structured as lower-intensity establishments. With prohibitions on distilled spirits, outdoor entertainment, and late-night operations, these uses are not anticipated to generate the same level of impact on adjacent residential properties and are therefore not proposed to be classified as high-impact uses. Any new commercial development, including these uses, would still be required to comply with Section 10.93.3.2, Commercial Transitional Protective Yards, which requires a minimum 10-foot buffer with two rows of plantings when adjacent to residentially zoned or developed properties.

'The proposed amendment allows Wine Bars and Taprooms in the same zoning districts where Microbreweries are currently permitted (C-1, C-2, C-4, and C-5). Staff does not recommend expanding these uses into the CR District at this time, as the oceanfront area is more sensitive to intensity and compatibility concerns. This approach is consistent with the intent to introduce these uses in a controlled manner within commercial districts where similar uses are already established.

'Parking requirements for Wine Bars and Taprooms are proposed to be consistent with existing standards for restaurants and microbreweries, requiring one parking space per 55 square feet of customer service area.

'Staff finds that the proposed amendment establishes a clear and enforceable framework for limited, lower-intensity alcohol-serving uses, while maintaining the Town's longstanding prohibition on stand-alone bar uses. The amendment is therefore likely consistent with the policy direction of the Town's adopted Land Use Plan.

'Two draft ordinances are provided for the Board's consideration:

Draft Ordinance A — The most recent revised version incorporating changes discussed and recommended by the Planning Board at their April 21st, 2026 meeting.

Draft Ordinance B — The clean, non-marked-up version of the ordinance as originally reviewed by the Planning Board prior to those revisions.

'If the Board of Commissioners is inclined to adopt this proposed text amendment, please reference Appendix A for the Statement of Consistency with the Town's adopted Comprehensive Land Use Plan requirements (attached).

'STAFF RECOMMENDATION

'Staff recommends approval of the proposed text amendment to the Unified Development Ordinance to establish the use categories of "Wine Bar" and "Taproom," with the associated definitions and supplemental regulations as

presented.

'The proposed amendment provides a clear regulatory framework that distinguishes these uses from prohibited bar or nightclub-type establishments and incorporates operational limitations intended to maintain compatibility with surrounding properties. The amendment is consistent with the Town's existing approach to managing the intensity of commercial uses and aligns with the general policy direction of the Land Use Plan.

'PLANNING BOARD RECOMMENDATION

'At their April 21, 2026, meeting, the Planning Board voted unanimously to recommend adoption of the proposed text amendments establishing the new use categories for "Wine Bar" and "Taproom". Areas of discussion are noted within the staff report and represented in the draft ordinance for the Board of Commissioner's consideration."

In response to a question from Mayor Pro Tem Lambert about the potential for outdoor patron areas to expand under proposed state legislation that could eliminate parking standards, Director Wyatt confirmed that the outdoor area cap in the supplemental regulations of 500-square-foot or 25 percent of indoor customer service area provides a regulatory limit independent of parking requirements.

Comr. Harrison asked about the rationale behind prohibiting outdoor entertainment. Director Wyatt explained that outdoor activity, entertainment, and service were identified as characteristics most likely to generate noise complaints and neighborhood compatibility concerns, and that the Planning Board chose to keep these elements limited and simple. She also noted that, in light of proposed state legislation (Senate Bill 382) that could restrict a town's ability to down-zone or roll back newly permitted uses, staff and the Planning Board recommended a more conservative initial approach, with the understanding that regulations could be relaxed in the future if warranted, but potentially could not be made more restrictive.

Attorney Leidy asked whether any members of the public wished to comment or if the board wished to receive any additional information regarding the proposed UDO text amendment. Hearing no response, he stated that the public hearing would be closed and that the board could proceed with deliberations on the proposed amendment. The time was 10:13 a.m.

Comr. Vaughan stated she had no questions at this time and characterized the proposed ordinance as largely a housekeeping measure, noting that the town already permits microbreweries through the special use process. She suggested it may be helpful to clarify how the proposed use differs from a microbrewery and noted that microbreweries already serve beer and wine. She then described the ordinance as a natural progression from existing allowances while remaining a sensible and conservative step for the town. She also expressed appreciation for the marked-up ordinance versions prepared by staff, noting they were helpful in identifying changes and revised definitions, and acknowledged the Planning Board's extensive review of the matter.

Mayor Cahoon asked Director Wyatt to explain the distinction between microbreweries and taprooms for the board's clarification.

Director Wyatt explained that microbreweries are defined by several required components, including on-site brewing and an educational component, along with features such as seating areas and encouraged outdoor spaces. She described microbreweries as a higher-intensity use due to the likelihood of outdoor seating, displays, and other outdoor activities, which can create potential impacts on surrounding properties and therefore require larger transitional buffers. She stated that the proposed ordinance would constitute a less intensive use because it limits outdoor entertainment and customer service areas. She also clarified that, unlike the proposed ordinance, there are currently no restrictions on what microbreweries may sell.

Comr. Harrison asked Director Wyatt to clarify how existing retail establishments in town are currently permitted to offer alcohol tastings. Director Wyatt explained that several businesses, including retail establishments at Outlets Nags Head, operate primarily as retail uses and not as alcohol-serving establishments. She noted that the sale and sampling of alcoholic beverages is only a minor component of their operations and occupies a small portion of their floor space. Mayor Cahoon concurred, emphasizing that alcohol sales and tastings are not the principal use of those businesses.

Comr. Sanders stated that he agreed with Comr. Vaughan's comments. He expressed appreciation for the work staff had done to incorporate safeguards into the ordinance in light of the down-zoning legislation and noted that the matter had been reviewed extensively.

Mayor Pro Tem Lambert stated that she agreed with Comr. Vaughan's comments and similarly viewed the proposed ordinance as a housekeeping measure related to the town's existing allowance of microbreweries. She recalled previously discussing with Manager Garman the rationale for permitting microbreweries, which she understood to be to support craftsmanship and similar business activity within the town. Lambert stated that because the town already permits microbreweries and has not identified significant negative impacts associated with them, she saw no reason not to allow similar establishments to serve beer and wine under the proposed ordinance. She concluded that the ordinance was a logical cleanup and clarification of uses that are already effectively permitted.

Comr. Harrison agreed with the previous comments in support of the ordinance and asked whether the Planning Board had discussed allowing establishments to serve distilled spirits in addition to beer and wine. Director Wyatt responded that some Planning Board members believed distilled spirits could potentially be appropriate if accompanied by sufficient operational standards, such as restrictions on late-night hours and measures to avoid a nightclub atmosphere. However, she noted that the Planning Board generally viewed the proposed beer and wine ordinance as a cautious first step and acknowledged that future amendments could be considered if the ordinance proved successful over time.

Comr. Harrison agreed with the phased approach, stating that the town could revisit the issue in the future if there was broader community support for neighborhood-style bars serving distilled spirits. She expressed comfort with the current proposal allowing only beer and wine establishments and stated that the ordinance's operational parameters aligned with the character of Nags Head by encouraging neighborhood gathering places or a third spaces rather than nightclub-type venues.

MOTION: Comr. Harrison moved to approve the UDO text amendment adding Wine Bar and Taproom as allowable uses as presented in draft ordinance A with the attached statement of consistency. The motion was seconded by Comr. Vaughan, which passed unanimously.

The ordinance, as adopted, is attached to and made a part of these minutes as shown in Addendum "C".

Public Hearing to Consider UDO Text Amendments Submitted by Albemarle & Associates, Ltd on Behalf of Blue Moon Five-2, LLC (Blue Moon Restaurant), to Create a New Accessory Use to Restaurants, "Restaurant Waiting Lounge", with Associated Supplemental Regulations.

Notice of the Public Hearing was published in the Coastland Times on Wednesday, April 22, 2026 and on Wednesday, April 29, 2026 as required by law.

Attorney John Leidy opened the Public Hearing at 10:23 a.m.

Planning Director Kelly Wyatt summarized her report which read in part as follows:

"Following the Board of Commissioners' April 15, 2026, discussion, which included concerns regarding the potential for bar-type uses and the overall scope and applicability of the proposed ordinance, the Planning Board revisited the item at their April 21, 2026, meeting. The purpose of this follow-up review was to consider the Board of Commissioners' feedback and further refine the ordinance language to better align with the Town's intent.

'In coordination with staff, the Planning Board conducted a detailed, line-by-line review of the draft ordinance, focusing on clarifying the accessory nature of the use, limiting its potential intensity, and ensuring consistency with the Town's longstanding approach to prohibiting stand-alone bar-type establishments.

'Through this discussion, the Planning Board reached consensus on several refinements which are incorporated into the current draft ordinance. Key updates include:

- Replacing the term "lounge" with "facility" to avoid varied interpretations; facility more clearly conveys a separate, enclosed structure rather than incidental or outdoor space.
- Aligning definitions of "Bar, Tavern, or Drinking Establishment" with those proposed under the related Wine Bar and Taproom text amendment for consistency across the UDO.
- Removing language prohibiting the use from being a bar, tavern, or drinking establishment, as this distinction is now addressed through clarified definitions.
- Establishing clear hours of operation, requiring the facility to operate only in conjunction with the principal restaurant and to close at 11:00 p.m. or when the restaurant closes, whichever occurs first.
- Removing redundant provisions related to independent operation, as the accessory nature of the use is otherwise clearly established.
- Simplifying entertainment provisions by eliminating subjective standards and requiring compliance with the Town's noise ordinance.
- Limiting signage to wall signage only, consistent with other accessory uses, and prohibiting freestanding signage.

'While the Planning Board did not issue a new formal recommendation following their April discussion, there was clear consensus to continue supporting the ordinance as revised and to move the item forward for Board of Commissioners consideration.

'Two draft ordinances are provided for the Board's consideration:

Draft Ordinance A — The most recent revised version incorporating changes discussed and supported by the Planning Board at their April 21st, 2026 meeting.

Draft Ordinance B — The clean, non-marked up version of the ordinance as originally reviewed by the Planning Board prior to those revisions.

'If the Board of Commissioners is inclined to adopt this proposed text amendment, please reference Appendix A for the Statement of Consistency with the Town's adopted Comprehensive Land Use Plan requirements (attached).

'APRIL 15TH BOARD OF COMMISSIONERS STAFF REPORT

'Albemarle & Associates, Ltd., on behalf of Blue Moon Five 2, LLC (Blue Moon Beach Grill), has submitted the attached request to amend the Town of Nags Head Unified Development Ordinance (UDO) to create a new use category titled "Restaurant Waiting Lounge."

'Blue Moon Beach Grill relocated to its current location at 102 E. Dove Street in 2023 and has experienced significant success and popularity as a dining destination within the Town of Nags Head. While the restaurant's success has been positive for the local economy and community, it has also resulted in operational challenges related to customer waiting areas and parking demand during peak dining periods. During busy service times, patrons often wait outside the restaurant or in nearby areas until seating becomes available. During peak periods, this has contributed to patrons circulating through the parking lot seeking available spaces, parking along nearby roadways where parking is not permitted, and occasionally utilizing adjacent vacant lots. While these issues were largely the result of the restaurant's popularity, they created traffic circulation and parking concerns that needed to be addressed.

'In late 2024, the owners of Blue Moon Beach Grill (the Shields family) purchased the property located at 101 E. Dove Street, directly across the street from the restaurant, at 102 E. Dove Street. The property was already permitted for Indoor Public Assembly (Keepers Galley). Since acquiring the property, the owners have primarily utilized the site to provide additional parking relief for the restaurant.

'Recognizing that ownership of the additional property was helping alleviate many of the overflow parking concerns, the owners began exploring ways the existing structure could be utilized in a manner that would remain operationally connected to the restaurant, while avoiding the creation of a new principal commercial use that could compete for parking.

'In early 2025, the Shields and their engineer, Jay Overton of Albemarle & Associates, met with Town staff to discuss potential options. One concept involved utilizing the existing structure as a waiting and gathering space for patrons awaiting seating at the restaurant, where guests could sit comfortably and potentially purchase a beverage while waiting for their table. However, as discussions progressed, it became apparent that the Town's UDO does not currently contain a provision that would allow this type of arrangement between two properties operating in conjunction with a single restaurant use. Likewise, the UDO does not permit stand-alone bars as principal uses.

'Additionally, the Alcoholic Beverage Control (ABC) licensing structure required for the proposed waiting area concept differs from the licensing associated with the building's existing Indoor Public Assembly use, which has historically been used primarily for catered events.

'Because the ordinance did not provide a mechanism to allow this type of arrangement while maintaining the Town's policy framework, the applicant submitted a text amendment request proposing the creation of a new use category titled Restaurant Waiting Lounge.

'The proposed ordinance amendment would establish a new accessory use category titled "Restaurant Waiting Lounge", along with associated definitions, supplemental regulations, and parking standards. If adopted, the ordinance would allow a restaurant to establish a waiting lounge within a detached structure located on the same parcel or on a contiguous parcel separated only by a town maintained public street or right-of-way, provided the parcels are under common ownership or operational control and approved as part of a unified development plan.

'Importantly, the ordinance is structured so that the waiting lounge remains accessory and subordinate to the principal restaurant use and cannot operate as an independent establishment.

'The Town of Nags Head has historically taken a deliberate approach to limiting bars, nightclubs, and similar alcohol-focused establishments as principal uses due to potential impacts related to public safety, nuisance, and compatibility with nearby residential areas. Establishments primarily oriented toward alcohol service often operate later into the evening and can generate more substantial impacts than traditional restaurants if not properly managed. As a result, the Town's regulatory framework has historically allowed alcohol service primarily as an accessory component of restaurant uses rather than as a stand-alone principal use.

'The proposed amendment establishes two new definitions within the UDO. Restaurant Waiting Lounge, defined as an indoor, detached, and fully enclosed permanent structure accessory to a principal restaurant use that provides waiting or gathering space for patrons of the associated restaurant. The definition was intentionally crafted to avoid confusion with outdoor gathering spaces, patios, bars, stages, tents, or other temporary or unenclosed areas commonly associated with restaurants. The definition ensures that outdoor restaurant spaces remain regulated as part of the principal restaurant use and prevents temporary structures, such as tents, from being used as waiting lounges.

'The ordinance also introduces a definition for "Bar, Tavern, or Drinking Establishment" to provide clarity regarding establishments where the principal activity is the sale and consumption of alcoholic beverages. This definition was

included to clearly distinguish the proposed waiting lounge use from establishments primarily oriented toward alcohol service. The amendment also updates Section 6.5 – Classification and Review of Unlisted Uses to expressly prohibit Bar, Tavern, or Drinking Establishments as principal uses within the Town’s zoning jurisdiction.

'Section 6.6, Table of Uses and Activities is proposed to be amended to include "Restaurant Waiting Lounge – Accessory to Restaurant, Sit Down" within the Accessory Uses category. The use would be allowed by Special Use Permit in the same commercial districts where a Restaurant, Sit Down is permitted. Including the use in the table ensures clarity within the ordinance and confirms that the waiting lounge is only permitted as an accessory use to a restaurant and not as a principal commercial use.

'The proposed ordinance includes several provisions intended to ensure the waiting lounge remains clearly tied to the restaurant and cannot evolve into a separate alcohol-focused establishment. Key safeguards include:

- Approval through a Special Use Permit and Unified Development Plan.
- Requirement that the lounge remain an accessory and subordinate to the restaurant.
- Limiting the restaurant waiting lounge to the same hours of operation as the restaurant.
- Prohibiting the restaurant waiting lounge from operating as an independent bar, tavern, nightclub, or drinking establishment.
- Requiring signage to incorporate the associated restaurant name.
- Requiring that the lounge serve patrons of the restaurant only.

'These provisions are intended to allow restaurants to better manage customer waiting areas while maintaining the Town’s longstanding policy of not allowing stand-alone bars or drinking establishments.

'The ordinance also clarifies how parking for a Restaurant Waiting Lounge would be calculated. The Town’s existing parking standard for Restaurant, Sit Down, requires one parking space for every 55 square feet of indoor customer service area. The amendment updates Section 10.16, Required Parking by Use to specify that the square footage of any Restaurant Waiting Lounge must be included in the calculation of indoor customer service area for the associated restaurant. This ensures that any additional waiting area contributes to the restaurant’s total parking demand and prevents the lounge from creating additional parking impacts without being accounted for.

'As with all Unified Development Ordinance text amendments, the request before the Board is legislative in nature and not site-specific. While the request was prompted by the circumstances surrounding Blue Moon Beach Grill, if adopted, the ordinance would apply to any restaurant within the applicable zoning districts that meets the ordinance requirements and obtains approval through the Special Use Permit process. The Special Use Permit requirement provides an additional level of oversight by allowing the Board of Commissioners to review each proposal individually and impose conditions as necessary to ensure the use remains clearly accessory to the principal restaurant.

'POLICY CONSIDERATIONS

LU-1 — Ensure that the character of Nags Head is preserved as a single-family residential beach community with ties to its natural environment. This character is defined by:

- Commercial development that serves the needs of residents and visitors but respects the goals of the community related to design and appearance.
- Land uses that are compatible with the community and with adjacent properties that don't create excessive noise, light, unsafe conditions, or other nuisances.

LU-5 — Promote contiguous and cohesive nodes of commercial development of appropriate size and massing for the surrounding area.

LU-9 — Encourage land uses that serve the needs of both year-round and seasonal residents in support of the town's overall vision for the community.

LU-10 - Discourage high intensity land uses that produce significant noise, light, heavy vehicle traffic, noxious fumes or poor air quality, are unsightly, encourage unsafe behavior, or require large amounts of land for heavy industrial uses, processing, or storage or material or equipment.

LU-23 — Require sufficient parking for commercial businesses with parking area design regulations that limit impacts on neighbors and surrounding land uses.

EC-6 — Support and foster small, local businesses that preserve and uphold the vision and legacy of the town.

'STAFF RECOMMENDATION

'Based on staff’s review of the request and the proposed ordinance language, staff believes the amendment provides a reasonable regulatory mechanism for restaurants to manage customer waiting areas while maintaining the Town’s longstanding policy of not allowing stand-alone bars or drinking establishments. The ordinance establishes clear definitions, operational safeguards, and parking standards to ensure that a Restaurant Waiting

Lounge remains subordinate to a principal restaurant and cannot operate independently. Staff therefore recommends approval of the proposed Unified Development Ordinance text amendment creating the use category "Restaurant Waiting Lounge" as presented.

If the Board of Commissioners is inclined to adopt this proposed text amendment, please reference Appendix A for the Statement of Consistency with the Town's adopted Comprehensive Land Use Plan requirements (attached).

'STAFF RECOMMENDATION

Staff continues to recommend approval of the proposed amendment as revised. The additional standards and clarifications further define the accessory nature of the use, limit its scale and applicability, and establish operational controls intended to maintain compatibility with surrounding properties. As revised, the ordinance provides a clear and structured framework to ensure the use remains subordinate to a principal Restaurant, Sit Down use and does not function as a bar or independent establishment. These revisions are intended to address concerns raised by the Board and further ensure that the Restaurant Waiting Lounge remains a limited, accessory use that does not function as a bar, tavern, or independent drinking establishment.

'PLANNING BOARD RECOMMENDATION

At their March 17, 2026 meeting, the Planning Board reviewed and discussed this item and voted unanimously to recommend adoption of the proposed text amendment. The recommendation included additional language within the supplemental regulations to address pedestrian connectivity between contiguous lots, which has since been incorporated into the ordinance for the Board of Commissioners' consideration.

'UPDATED: At their March 17, 2026, meeting, the Planning Board provided a formal recommendation of approval for the proposed Restaurant Waiting Facility ordinance, finding it consistent with the requirements of the Unified Development Ordinance. Following the Board of Commissioners' April discussion, the Planning Board revisited the ordinance at their April 21, 2026 meeting to further evaluate specific concerns and refine the proposed text. The Planning Board conducted a detailed, line-by-line review in coordination with staff, focusing on clarity, consistency, and alignment with the Town's longstanding intent regarding bar-type uses. Through this discussion, the Planning Board reached consensus on several key revisions which are incorporated into the current draft ordinance, including:

- Replacing the term "lounge" with "facility" to avoid varied interpretations; facility more clearly conveys a separate, enclosed structure rather than incidental or outdoor space.
- Aligning the definition of "Bar, Tavern, or Drinking Establishment" with the definitions proposed in the related Wine Bar and Taproom ordinance to ensure consistency across the UDO.
- Removing language stating the use "shall not be a bar, tavern, or drinking establishment," as the clarified definitions adequately address this distinction.
- Clarifying hours of operation to establish that the facility may only operate when the principal restaurant is open and must close at 11:00 p.m. or when the restaurant closes, whichever occurs first.
- Removing redundant language regarding independent operation, as the accessory nature of the use is otherwise clearly established.
- Simplifying entertainment provisions by removing subjective language and requiring compliance with the Town's noise ordinance.
- Limiting signage to wall signage only, consistent with other accessory uses, and prohibiting freestanding signage.

"While the Planning Board did not issue a new formal recommendation following the April discussion, there was consensus to continue supporting the ordinance as revised and to move the item forward for Board of Commissioners consideration."

Attorney Leidy opened up the floor for board questions.

Comr. Vaughan asked for clarification regarding Section 7.31.3.2, specifically the provision prohibiting the location of a waiting facility within multi-tenant commercial developments or shopping centers. She noted that the Planning Board had briefly discussed the issue and requested additional background on the origin and rationale for the restriction.

Planning Director Wyatt explained that the restriction on waiting facilities within multi-tenant commercial developments or shopping centers was intended to limit the scope of the proposed amendment. She noted that existing principal sit-down restaurants in shopping centers already have the ability to expand laterally into adjacent vacant units while still meeting restaurant criteria, including kitchen size, full-service seating, and entertainment requirements.

She stated that staff had received mixed public feedback, with some stakeholders viewing the amendment as too narrow and others expressing concern that it could lead to excessive expansion of waiting facilities. Following the Planning Board meeting, staff reviewed restaurants throughout the Town of Nags Head and found that a majority of the approximately 35 restaurants are located within shopping centers. Staff determined that allowing restaurants in shopping centers to establish detached waiting facilities elsewhere onsite would significantly broaden the

amendment's impact.

She explained that the proposed limitation was intended as a more cautious approach in light of Senate Bill 382, while still allowing existing restaurants in shopping centers to expand through current methods. Wyatt concluded that staff was attempting to balance differing concerns by "threading the needle" between requests for broader participation and concerns about overexpansion.

Comr. Harrison asked whether a waiting lounge could instead be located within a contiguous unit of the same shopping center. Planning Director Wyatt responded that a waiting lounge could potentially be located within a contiguous unit of the same shopping center. She stated that if the ordinance language unintentionally precluded that option, staff could address it if the board wished to do so. Wyatt noted that such a proposal would still require approval through the special use permit process, including submission of floor plans demonstrating continued compliance with sit-down restaurant requirements and incorporation into the unified development plan. She clarified that the ordinance language under discussion was primarily intended to address accessory waiting facilities associated with shopping centers.

Comr. Sanders questioned whether a waiting lounge located within a contiguous shopping center unit would qualify as an accessory use or accessory structure under the proposed language. He observed that the ordinance appeared to be written primarily to address detached accessory facilities and suggested that the provision might not apply in the same way to an adjoining tenant space within a shopping center. Director Wyatt gave a hypothetical example involving Dune Street Raw Bar and Grill. It was noted that the business has an adjacent lot to the south where several older structures were recently demolished. She discussed that requiring customers to leave the restaurant and walk to a separate detached waiting facility on the adjacent property would not be practical. This example was cited as part of the rationale behind the restriction on waiting facilities within multi-tenant commercial developments or shopping centers.

Comr. Vaughan asked for clarification on the proposed language, stating that as written it appeared to prohibit such use within a shopping center or multi-tenant commercial development. She noted agreement with concerns about customers leaving a shopping center to access a separate detached structure but questioned whether the current wording unintentionally barred the use entirely within multi-tenant commercial developments.

Director Wyatt stated that, if the board was inclined to move forward, staff could prepare revised language for further consideration. Discussion noted that when a restaurant within a shopping center leases adjacent space, it may either incorporate the space into the principal restaurant use while maintaining applicable criteria, as previously occurred with Blue Moon Beach Grill in Surfside Plaza or potentially designate the space as a restaurant waiting facility. She indicated that staff could revisit the language and requested guidance from the board on whether such allowance should be limited to contiguous spaces or could extend to units located farther away within the development.

Comr. Vaughan clarified that she was not advocating for a particular outcome but was seeking to confirm her understanding of the proposed prohibition. Director Wyatt acknowledged that, as currently written, the language would appear to prohibit the use within a multi-tenant commercial development.

Town Manager Garman noted that the proposed definition of a restaurant waiting facility described it as an "indoor, detached, and fully enclosed permanent structure accessory" use. He stated that this language appeared intended to address situations involving a separate detached building, and clarified his understanding that the provision, as written, would prohibit a detached waiting facility associated with a restaurant in a multi-tenant shopping center. He asked Director Wyatt to confirm whether that interpretation was correct.

Director Wyatt confirmed that the intent of the proposed language was to prohibit detached restaurant waiting facilities associated with multi-tenant shopping centers, while not necessarily preventing a restaurant from leasing an adjacent unit within the same building. Comr. Vaughan noted that this interpretation became clearer when referring back to the definition section. Manager Garman commented that the language appeared confusing because it required cross-referencing between the definition and the operative provision to fully understand the intent.

Mayor Cahoon referenced discussion from earlier public hearings regarding concerns that restaurant waiting facilities could evolve into standalone bars or nightclubs, creating compatibility and intensity-of-use issues. He asked whether it would be fair to characterize the proposed ordinance as providing similarly robust safeguards against those outcomes. Director Wyatt responded that staff and, to her understanding, the Planning Board believed the ordinance included substantial safeguards. She stated that staff continued to recommend approval and that the provisions were intended to ensure any approved waiting facility would operate as part of a unified development plan in conjunction with the principal restaurant, rather than as an independent use.

Jay Overton addressed the board on behalf of the applicant and stated that the proposed ordinance had undergone extensive review and refinement in response to prior Board of Commissioners and Planning Board discussions. He explained that the proposal was intended to support the continued success of restaurant businesses by addressing operational issues such as parking constraints and the need for seating for waiting customers.

Mr. Overton stated that the ordinance was designed to allow expansion of an existing restaurant operation through a special use permit process requiring the involved properties to be under common ownership and control. He noted that these requirements would ensure unified management and operational oversight between the principal restaurant and any ancillary waiting facility.

He further stated that the proposal was intended to solve a specific operational issue rather than create a new use category, drawing comparisons to recently adopted regulations related to wine bars and taprooms. Mr. Overton emphasized that the ordinance included a clear definition of bars and additional definitions for related uses, including the proposed restaurant waiting facility. He also noted that opportunities for such facilities would likely be limited because they would generally apply only to standalone restaurant sites rather than shopping centers, where adjacent tenant spaces could instead be incorporated into the primary restaurant use.

Mr. Overton highlighted that any proposed waiting facility would require special use permit approval by the board, providing an additional level of review and oversight beyond what is required for permitted uses such as wine bars and taprooms. He stated that the facility would remain subject to all restaurant operational standards and acknowledged prior discussion regarding crowd control and operational management, noting that successful operation would depend on responsible management by business operators. He concluded by offering to respond to any specific questions from the board to which there were none.

Attorney Leidy asked whether any members of the public wished to comment or if the board wished to receive any additional information regarding the proposed UDO text amendment. Hearing no response, he stated that the public hearing would be closed and that the board could proceed with deliberations on the proposed amendment. The time was 10:50 a.m.

Comr. Harrison stated that she had carefully reviewed the proposed ordinance from multiple perspectives and expressed a desire to support both the applicant and small businesses within Nags Head. However, she indicated that several aspects of the ordinance continued to raise concerns for her. Harrison noted that she had heard the proposal informally described by members of the public as “the bar that’s not a bar,” and stated that she believed the town should be more direct and transparent if the community desired to allow full bar-type uses. She expressed interest in hearing additional public input regarding whether that direction was supported town-wide. She further stated that, while she could see how the proposal might function effectively in specific cases, including the situation involving Blue Moon Beach Grill, she remained concerned about broader town-wide implications and the potential for unintended future applications. Harrison also raised concerns regarding enforcement and the practical difficulty of monitoring operational details associated with restaurant waiting facilities. She concluded that, despite continued review and consideration, she remained hesitant to support the ordinance in its current form.

Mayor Pro Tem Lambert stated that she believed the proposed ordinance did more than create a new use category and instead established a means of circumventing existing town policies. She emphasized the importance of applying policies consistently and expressed concern that approving the amendment could undermine existing regulations and create inequities for businesses currently operating within established rules. Lambert stated that, although she supported small businesses and viewed the applicant and business positively, the board’s responsibility when considering a text amendment was to evaluate potential impacts town-wide rather than focusing solely on a specific applicant. She expressed concern that a facility where patrons could gather, order drinks, and socialize functioned similarly to a bar regardless of the terminology used, and noted that current regulations limit bar areas associated with restaurants to 15 percent. She stated that the proposed ordinance could effectively allow a separate structure functioning primarily as a bar, which she viewed as inconsistent with current policy. She further stated that, if the town wished to consider allowing standalone bar-type uses more broadly, she believed that discussion should occur through a separate policy conversation with greater public input rather than through the proposed ordinance amendment.

Comr. Sanders stated that he generally agreed with staff and the Planning Board that the proposed ordinance included sufficient safeguards and could function as intended. He disclosed that he owns a business with an adjacent vacant lot that he purchased for parking purposes and noted that the applicants have pursued a similar approach of acquiring nearby property to support their operations. Sanders described the situation as a “good problem” associated with successful, high-demand restaurants that experience overcrowding, limited space, and operational challenges, including congestion and difficulties managing customer flow. He explained that the proposal could help address these issues by providing an indoor waiting area that improves logistics and reduces pressure on the principal restaurant space. He further noted that such waiting areas would likely close when the principal restaurant closes and expressed confidence that the facility would function primarily as a waiting space rather than a standalone bar. Sanders added that the use would remain subject to special use permit approval and ongoing oversight and concluded that he supported the ordinance based on the safeguards included.

Comr. Vaughan stated that she had not substantially changed her position since the previous meeting but had further reviewed planning board discussions and public input. She explained that her opposition to the proposed text amendment is based on the premise that it treats a restaurant and an associated waiting lounge/facility as a unified development, whereas she considers them to be, in practice, two separate buildings and potentially two separate uses. She noted that her concern is not limited to the presence of a road or parcel configuration, but applies broadly, including single-parcel developments. She emphasized that the proposed amendment would have town-wide applicability and could create enforcement challenges. She stated that there is no reliable way to ensure

that individuals entering a waiting facility would also dine in the associated restaurant. She further expressed concern that the amendment could effectively allow alcohol service in a separate building adjacent to a restaurant, including in multi-tenant commercial areas, which she viewed as problematic for small or existing restaurant settings. Vaughan acknowledged the efforts of the applicant, staff, and planning board, but stated she was not comfortable supporting what she characterized as a significant change to the Unified Development Ordinance. She added that such changes should address broader community development needs rather than a narrowly focused request. She concluded by stating that any change of this magnitude should more clearly define the use as a bar and that public input should be directly solicited regarding stand-alone bars prior to consideration of approval.

Mayor Cahoon stated that he believed the previously approved proposal effectively created two categories, Wine Bar and Taproom, where alcohol service is permitted but does not adequately address restaurants' need to manage waiting periods. He expressed concern that the board would be disallowing a facility that is substantially similar in function and regulatory control, which he viewed as intended to help restaurants address waiting issues. He also thanked staff, the Planning Board, and the applicant for their efforts and time spent developing the proposal. He concluded by indicating that he would entertain a motion.

Comr. Harrison stated that there is a distinction between previously approved uses and the current proposal. She noted that the board had previously allowed standalone beer and wine bars, whereas the current amendment would permit full bars. She emphasized that the consideration of approving full bars in Nags Head should proceed cautiously. She concluded by reiterating that, although the matters involve separate ordinances, there is an important distinction between what has been previously permitted and what could be authorized under the proposed amendment.

Mayor Pro Tem Lambert stated that while it is true individuals may enter other restaurants, purchase alcoholic beverages, and leave, those establishments are still subject to existing regulatory limits, including the 15 percent threshold. She noted that the proposed amendment would allow a bar operation that would not be subject to the same limitations, making the comparison not directly equivalent. She further expressed concern that, although the proposal is being discussed in the context of a specific restaurant seeking to address a waiting issue, the amendment would apply town-wide. She stated that not all future applicants would necessarily be intending to solve operational challenges and could instead be used as a means to establish bar uses indirectly. She concluded that this potential for broader application beyond the original intent was her primary concern.

Comr. Sanders stated that he understood the concerns raised but also recognized the applicant's perspective. He noted that the site includes a parking lot and an unused building that could provide an air-conditioned waiting area, which may be particularly beneficial for patrons, including older individuals, who might otherwise have to wait outdoors in uncomfortable conditions such as heat, rain, or insects. He indicated that he believed staff had incorporated sufficient safeguards into the proposal and expressed the view that the amendment could be workable and address a legitimate operational issue for a popular establishment.

Mayor Cahoon reiterated that his remarks were not site-specific and stated that restaurants throughout the town face ongoing waiting challenges. He expressed the view that, if the amendment is not approved, the town would not be providing a regulatory pathway to help restaurants address those waiting-related problems. He then noted that a motion would be in order.

MOTION: Comr. Vaughan moved to deny the UDO text amendment, creating Restaurant Waiting Facility as an accessory use as presented. The motion was seconded by Mayor Pro Tem Lambert, which passed 3-2 with Comr. Sanders and Mayor Cahoon casting the nay votes.

RECESS/RECONVENE – The board took a brief recess at 11:02 a.m. and reconvened at 11:13 a.m.

Public Hearing to consider 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 the Unified Development Plan for Blue Moon Restaurant and a Proposed Restaurant Waiting Lounge Pursuant to the Supplemental Standards Proposed in Section 7.31.3 of the UDO. The Subject Properties are Zoned C-5, Historic Character Commercial District, and Located at 101 & 102 E. Dove Street.

Notice of the Public Hearing was published in the Coastland Times on Wednesday, April 22, 2026 and on Wednesday, April 29, 2026 as required by law.

This item was not taken up, as the denial of the text amendment creating a new accessory use, "Restaurant Waiting Lounge" rendered the site-specific special use permit application moot.

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, May 6, 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 April:

- Wednesday, April 1st — Board of Commissioners Meeting and 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 and Stormwater Master Plan Workshop
- 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

'Planning Board — Pending Applications and Discussions

The Planning Board most recently met on Tuesday, April 21, 2026. At that meeting, the Board took the following actions:

- Considered a Board of Commissioners–initiated UDO text amendment to establish new allowable uses for “Wine Bar” and “Taproom,” together with associated supplemental regulations. The Planning Board voted unanimously to recommend approval of the proposed text amendment, with several revisions that have been incorporated into the ordinance now before the Board of Commissioners for consideration at their May 6, 2026, meeting.
- Considered revised language for a previously submitted UDO text amendment by Albemarle & Associates, Ltd., on behalf of Blue Moon Five-2, LLC (Blue Moon Restaurant), to establish a new use titled “Restaurant Waiting Facility,” together with associated supplemental regulations, parking requirements, and definition clarifications. While the Planning Board did not issue a new formal recommendation following its April discussion, there was consensus on a number of revisions and general support for the ordinance as revised, with direction to move the item forward for Board of Commissioners consideration.

'The next Planning Board meeting is scheduled for Tuesday, May 19, 2026. At this time, the agenda is anticipated to include consideration of a Site Plan Review submitted by Michael Robinson, P.E., on behalf of Tar Heel Motel of OBX, LLC (The Tar Heel Motel), for construction of a two-story, 26-guest room hotel. The property is zoned C-2, General Commercial, is located within the Hotel Overlay District, and is addressed as 7001 S. Croatan Highway, Nags Head. The agenda is also expected to include an update on the Strategic Plan following the February 2026 Board of Commissioners Retreat, specifically addressing action items related to Planning.

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

'Additional Updates

- DWMP/Septic Health Advisory Committee — The Septic Health Advisory Committee met on Monday, April 27th. The committee continues to advance implementation of the Town's septic health initiatives, with a strong focus on outreach, participation, and program expansion. A new combined Septic Health and Dark Skies mailer was recently distributed to Nags Head property owners and has already generated a measurable response, with approximately 30 new inspection requests attributed to the mailing and five pump-out credits requested to date. Overall program participation remains steady, with over 138 inspections completed, 117 pump-outs performed, and eight loans issued, with additional applicants currently in discussion.

'The Committee continues to explore additional outreach strategies to further expand participation, including updates to existing materials, targeted engagement with property owners, and consideration of expanded marketing efforts. The Committee and staff are also preparing to roll out the Division of Water Infrastructure (DWI) zero-interest loan program following formal approval of the scope of work.

- Estuarine Shoreline Management Plan — Work continues to advance on multiple components of the Estuarine Shoreline Management Plan (ESMP), with several projects progressing through design, permitting, and coordination phases.
 - The Harvey/Soundside Event Site Living Shoreline project remains in the permitting phase, with a revised design submitted following wetland delineation updates. Due to permitting timelines, approvals are now anticipated in Fall 2026, with construction expected to begin in early 2027.
 - For the Villa Dunes Drive project area, the Town has engaged Environmental Professionals, Inc. to

work directly with property owners to better understand site-specific concerns and identify feasible implementation strategies.

- At the Soundside Road project area, staff has requested a scope modification to focus on a resiliency berm and associated stormwater improvements in lieu of offshore breakwaters. Project kickoff has occurred, with easement development and initial stakeholder engagement anticipated this spring and summer. Design and permitting are expected to continue into 2027.
- Staff has also proposed a scope revision to include a living shoreline project at the Catfish Farm/Causeway area as an alternative priority location. This effort would focus on protecting critical infrastructure and environmentally sensitive areas through nature-based shoreline stabilization approaches.
- Sand Relocation and Dune Management Cost Share Program – The application deadline for Sand Relocation Authorizations was April 15, with all authorized work required to be completed by April 30 and equipment removed from the beach in advance of the sea turtle nesting moratorium. Staff issued 270 Sand Relocation Authorizations and approximately 10 CAMA Repair and Maintenance permits for work outside the nourishment area (north of Bonnett Street). To date, approximately \$363,000 of the \$400,000 allocated for these programs has been committed. With an estimated 17 applications still pending, total demand is expected to meet or exceed available funding this season, underscoring the continued need for this program.
- Dowdy Park Events/Farmers Market/Holiday Markets/Art & Culture — Preparation for the 2026 summer season at Dowdy Park is largely complete, with the Farmers Markets, Summer Concert Series, and fitness programming all scheduled and ready to launch. Staff is currently finalizing promotional materials, including posters for both the market and concert series, and coordinating details for upcoming Family Fun events, with programming to include partners such as the Corolla Wild Horse Fund and Ascension Music.

In advance of the season, two informational meetings were held with Farmers Market vendors to review expectations, clarify rules, and provide an opportunity for questions. These meetings were well received and are intended to support a smooth and well-coordinated start to the season.

Additionally, the Town was awarded \$2,000 through the SAFE Monarch Habitat Grant Program to support enhancements to the Dowdy Park pollinator garden. Rachel Veal with the NC Aquariums has assisted with the grant application and will continue to support project preparation, with planting anticipated in October.

'Upcoming Meetings and Other Dates

- Tuesday, May 5th — Technical Review Committee Meeting
- Tuesday, May 5th — Conner Twiddy attending and presenting at Septic Health Think Tank in Columbia, SC
- Wednesday, May 6th — Board of Commissioners Meeting
- Wednesday, May 13th — Committee for Arts and Culture Meeting
- Thursday, May 14th — Board of Adjustment Meeting (no hearings)
- Monday, May 18th — Discuss DWI Loan Roll Out Meeting
- Tuesday, May 19th — Planning Board Meeting
- Wednesday, May 20th — Board of Commissioners Mid-Month Meeting

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

Mayor Cahoon and the board thanked Director Wyatt for her efforts and complimented the recent mailer which combined Septic Health and Dark Skies information.

Lights down, stars up.

Five Lighting Principles for Nags Head's Dark Skies Bright Stars Initiative

**USEFUL**

Use light only if it is needed. Every light should serve a purpose. Consider impacts on neighbors, wildlife, and nesting sea turtles.

**TARGETED**

Direct light downward where it is needed. Use fully shielded fixtures that prevent glare and light spill onto neighboring properties, the beach, or into the night sky.

**LOW LEVEL**

No brighter than necessary. Excess light reflects off surrounding surfaces such as sand, driveways, and buildings, contributing to sky glow.

**CONTROLLED**

Set it and forget it. Install timers or motion sensors. Dim lights when possible and turn them off when not in use.

**WARM-COLORED**

Use warmer color lighting. Limit blue-white light. Warmer tones are better for wildlife and protect our coastal night sky.



To learn more about the Dark Skies, Bright Stars Initiative contact Chris Trembly at 252-449-6045 or chris.trembly@nagsheadnc.gov. You can also visit nagsheadnc.gov/DarkSkies or scan the code.

Town of Nags Head
Nags Head, NC 27959

Protect your home. Protect our water.

Approximately 80% of properties in Nags Head rely on septic systems. These systems can fail due to age, high occupancy, or improper maintenance, and repairs can cost thousands. The Town of Nags Head offers affordable solutions to help maintain a healthy septic system.

Don't let this happen to you!

Routine inspection and pumping helps prevent failure.



Preventative maintenance typically costs \$300-\$500. Full system replacement can cost thousands.

How the Town can help:

- FREE On-Site Septic Inspection
- \$250 Water Bill Credit with pump-out
- Low-Interest Loans for repairs
- Staff assistance locating and evaluating your system

Inspections are focused solely on your septic system and are educational and preventative in nature.



TOWN OF NAGS HEAD
Todd D. Krafft
Septic Health Initiative

To take advantage of this voluntary program, contact Conner Twiddy at 252-449-6047 or conner.twiddy@nagsheadnc.gov. You can also visit the Town's website at nagsheadnc.gov or scan the code at right to learn more.



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OLD BUSINESS/ITEMS TABLED FROM PREVIOUS MEETINGS

Actions Necessary to Approve Financing of the 2026 Beach Nourishment Project

- Consideration of Interlocal Agreement with Dare County to Provide Funding for the Project
- Consideration of Special Obligation Bond Issuance Resolution
- Consideration of Beach Nourishment Capital Project Ordinance Amendment #19
- Consideration of Budget Amendment #11.4

Deputy Town Manager/Finance Officer Amy Miller introduced this item. The summary sheet read in part as follows: "These items are necessary to provide to the Local Government Commission as part of their approval for the 2026 beach nourishment special obligation bonds. They will be approving this financing on May 5, and we will be closing May 12. We will be financing \$13,000,000 and the Webster Public Finance Corporation has agreed to purchase the bonds at an interest rate of 3.657%. Attached as the last item is the 2026 Special Obligation Bond financing document sent to the LGC for your information.

"The interlocal agreement with Dare County solidifies the cash amount Dare County will be providing towards this project. The Special Obligation Bond Issuance resolution is required as part of the financing package approval. It was prepared by the Town's bond attorney, and was agreed upon by Hornthal, Riley, Ellis, and Maland as well as Webster Public Finance Corporation. The financing has been bid and the Webster Public Finance Corporation was selected due to providing the least cost financing option. The capital project ordinance and budget amendment are necessary to establish the final project budget and transfer the Town's cash contribution from the Capital Reserve Fund to the Capital Project Fund. Staff recommends approval of these items to proceed with the project."

MOTION: Comr. Vaughan moved to approve the Interlocal Agreement with Dare County to provide funding for the 2026 Beach Nourishment Project as presented. The motion was seconded by Comr. Sanders, which passed unanimously.

The Interlocal Agreement with Dare County is on file in the town clerk's office.

MOTION: Mayor Pro Tem Lambert moved to approve the Special Obligation Bond Issuance Resolution as presented. The motion was seconded by Comr. Harrison, which passed unanimously.

The resolution, as adopted, read in part as follows:

"WHEREAS, the Town of Nags Head, North Carolina (the "Town") is authorized by Article 7A of Chapter 159 of the General Statutes of North Carolina (the "Authorizing Statute") to issue its special obligation bonds for beach erosion control and flood and hurricane protection works provided in a municipal service district;

"WHEREAS, the Board of Commissioners of the Town (the "Board") has created a Municipal Service District (the "District"), in accordance with Article 23 of Chapter 160A of the North Carolina General Statutes, in which the Town has determined to provide beach nourishment for the purpose of beach erosion control and flood and hurricane protection works (the "2026 Project");

"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;

"WHEREAS, the Board has determined that it is necessary and advisable at this time to issue the Town's Special Obligation Bond, Series 2026 (the "2026 Bond") in an aggregate principal amount not to exceed \$13,000,000 to provide financing for (1) the 2026 Project and (2) the costs of issuing the 2026 Bond;

"WHEREAS, Webster Public Finance Corporation (the "Purchaser"), a subsidiary of Webster Bank, National Association, has agreed to purchase the 2026 Bond as set forth in its Term Sheet dated March 26, 2026 (the "Term Sheet");

"WHEREAS, the Town has applied to the Local Government Commission of North Carolina (the "Commission") for approval of its application relating to the 2026 Bond as required by Section 159-146(k) of the Authorizing Statute and of the issuance and private sale of the 2026 Bond, which approvals are expected to be granted at the Commission's meeting on May 5, 2026 (the "Commission Approval");

"WHEREAS, the Board now desires to provide for the terms, form and issuance of the 2026 Bond in an amount not to exceed \$13,000,000; and

"WHEREAS, the Board has determined that the Town will issue the 2026 Bond on or about May 12, 2026 (the "Closing Date");

'NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF NAGS HEAD, NORTH CAROLINA, AS FOLLOWS:

Section 1. Acceptance of Term Sheet, Issuance of Bond. The Board hereby accepts and approves the Term

Sheet offered by the Purchaser; provided, however, such Term Sheet shall not represent the final terms of the transaction, which shall be only in this Resolution, the 2026 Bond, and any closing documents. The Term Sheet is not incorporated herein. The Town shall issue in accordance with and pursuant to the Authorizing Statute and this Resolution, its 2026 Bond in an aggregate principal amount not to exceed \$13,000,000 for the purpose of providing funds, together with other available funds, to finance (1) the 2026 Project and (2) the costs of issuing the 2026 Bond. The period of usefulness of the capital projects to be financed by the issuance of the 2026 Bond is not less than five years, computed from the date of the issuance of the 2026 Bond. The Town will set forth the final aggregate principal amount of the 2026 Bond in a closing certificate delivered upon the issuance of the 2026 Bond.

Section 2. Form of Bond. The 2026 Bond shall be designated "Town of Nags Head, North Carolina Special Obligation Bond, Series 2026" and shall be issued in fully registered form. The 2026 Bond shall be issued as a single bond, shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. The Finance Director of the Town, or her designee, is appointed to be the registrar of the 2026 Bond (the "Registrar") and is directed to maintain the appropriate registration records with respect thereto.

Section 3. Details of Bond.

- (a) The 2026 Bond shall be dated the date of its issuance, shall bear interest at a rate equal to 3.657% per annum, and shall be stated to mature (subject to the right of prior redemption) on June 1, 2031.
- (b) The 2026 Bond is not subject to optional redemption on or before April 30, 2027. Beginning on and after May 1, 2027, the 2026 Bond shall be subject to optional redemption prior to its stated maturity at the option of the Town in whole or in part on any date upon giving the Purchaser not less than 30 days' prior written notice thereof. The redemption price of such 2026 Bond shall be equal to 100% of the principal amount of the 2026 Bond, plus interest accrued to the redemption date, plus, if so required, a redemption premium calculated as a percentage of the outstanding principal amount of the 2026 Bond as follows:

REDEMPTION PERIOD (DATES INCLUSIVE)	REDEMPTION PREMIUM
May 1, 2027 through April 30, 2029	1%
May 1, 2029 and thereafter	No premium due

Any partial redemption shall (i) occur no more than once during any consecutive 12-month period, (ii) be in a principal amount of not less than \$300,000, and (iii) be applied in inverse order of principal portions of the 2026 Bond coming due. Upon any optional redemption in part, the Purchaser shall provide the Town with a new amortization schedule which reflects such redemption.

- (c) The 2026 Bond is subject to mandatory sinking fund redemption prior to maturity in part on June 1 of each year at the redemption price of 100% of the principal amount thereof, without premium, in the amounts and on dates which shall be set forth in a closing certificate delivered upon the issuance of the 2026 Bond. The Town will pay the mandatory sinking fund redemption amounts to the Purchaser without prior notice of redemption.
- (d) Interest on the outstanding principal amount of the 2026 Bond shall be payable on each June 1 and December 1, beginning December 1, 2026 (each, an "Interest Payment Date") until all principal has been paid in full. Interest on the 2026 Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of, premium, if any, and interest on the 2026 Bond shall be payable to the registered owner appearing on the registration records of the Registrar by wire transfer or by check, mailed to such registered owner at its address as it appears on such registration books and shall be received by the registered owner on the date such payment is due.
- (e) The Town may modify the provisions of this Section 3 pursuant to a closing certificate delivered in connection with the issuance of the 2026 Bond with the consent of the Purchaser.

Section 4. Security for the Bond. The 2026 Bond shall be a special obligation of the Town and the principal of, redemption premium, if any, and interest on the 2026 Bond shall be payable solely from the following sources:

(a) that portion of the 3% Room Occupancy Tax authorized by House Bill 532, 1985 Session, General Assembly of North Carolina (Session Law 1985 449), effective June 24, 1985, levied by the County and distributed to the Town; and

(b) one or more additional sources of funds identified by the Board in future proceedings of the Board, so long as (i) the pledge of such sources does not constitute a pledge of the taxing power of the Town and (ii) the pledge of such sources is first approved by the Commission as set forth in the Authorizing Statute.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE TOWN ARE PLEDGED FOR THE PAYMENT

OF THE PRINCIPAL OF, INTEREST, OR ANY PREMIUM ON, THE 2026 BOND, AND NO OWNER OF THE 2026 BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE TOWN IN CONNECTION WITH ANY DEFAULT THEREON.

Section 5. Application of the Bond Proceeds; Creation of Funds. On or before the date of the initial issuance of the 2026 Bond, the Town will create an account with a financial institution of the Town's choosing known as the "Nags Head Beach Nourishment 2026 Project Fund" (the "Project Fund"). On the Closing Date, the Purchaser shall deposit the proceeds of the 2026 Bond into the Project Fund. The money in the Project Fund will be invested, with the approval of the Town, in investments authorized by Section 159-30 of the General Statutes of North Carolina. Amounts in the Project Fund shall be applied solely to pay for the costs of the 2026 Project and the costs of issuing the 2026 Bond. The Town shall consult with its bond counsel regarding the disposition of any money remaining in the Project Fund after the completion of the 2026 Project, and, if so permitted by the Internal Revenue Code of 1986, as amended (the "Code"), such amount shall be used for any lawful purpose.

Section 6. Execution of the Bond. The 2026 Bond, issued as a single bond, shall be executed in the name of the Town by manual or facsimile signatures of the Town's Mayor or the Town Manager and the Town Clerk, and the Certificate of Approval of the Commission shall bear a facsimile or manual signature of the Secretary or Deputy Secretary of the Commission or their designated assistant.

Section 7. Private Sale of Bond. The Board requests that the Commission sell the 2026 Bond at private sale without advertisement to the Purchaser in the form of a single registered bond containing such provisions as set forth above.

Section 8. Authorization for Delivery of Bond. The Mayor, the Town Manager, the Finance Director, and the Town Clerk (individually or collectively, the "Authorized Officers") are authorized and directed to cause the 2026 Bond to be prepared and, when it shall have been duly sold by the Commission, to execute the 2026 Bond and deliver the same to the Purchaser.

Section 9. Arbitrage and Tax Covenants. The Town covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipient thereof for federal income tax purposes of interest on the 2026 Bond and, if it should take or permit, or omit to take or cause to be taken, any such action, the Town will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The Town acknowledges that the continued exclusion of the 2026 Bond from the owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code.

The Town covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2026 Bond or other funds under its control to be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2026 Bond to be "arbitrage bonds" for purposes of Section 148 of the Code. The Town covenants that it will comply with the investment instructions in the Tax Certificate executed and delivered with respect to the 2026 Bond.

Section 10. Authorization for Other Acts. The Authorized Officers are further authorized and directed to take such action and to execute and deliver any such documents, deeds, certificates, undertakings, agreements or other instruments as they, with the advice of counsel, may deem necessary and appropriate to effect the transactions contemplated by this Resolution. Such officers are hereby directed to take all actions necessary to effectuate the transaction set forth above, including taking any such actions or making any such changes as may be required by the Commission Approval, and for the on-going administration of this Resolution and the 2026 Bond.

Section 11. Transfer Restrictions. Notwithstanding any other provisions of this Resolution to the contrary, the 2026 Bond will be non-transferable, except to an affiliate of the Purchaser, a bank, insurance company or other financial institution or any other entity approved by the Commission. The Town will have no obligation to pay any amounts due on the 2026 Bond to anyone other than the Purchaser of the 2026 Bond as shown on the registration books kept by the Registrar. Nothing herein shall limit the right of the Purchaser to sell participation interests in the 2026 Bond to one or more entities listed in this Section.

Any reference to the Purchaser in this Resolution will include its successors or assigns made in accordance herewith.

The provisions of this paragraph may not be amended without the prior written consent of the Commission.

Section 12. Reporting Requirements for the Town. The Town will furnish to the Purchaser of the 2026 Bond current audited financial statements in reasonable detail, with supporting schedules (the "Audit"), as soon as practicable after the Town's acceptance thereof and in any case within 270 days after the end of each Fiscal Year, which may be in electronic .PDF format. In the event that the Audit is not available within 270 days of the

end of a Fiscal Year, the Town will furnish unaudited financial statements to the Purchaser of the 2026 Bond in the manner described in this paragraph within such period, and will then supply the Audit immediately upon the availability thereof. Upon request, the Town will furnish to the Purchaser of the 2026 Bond such other additional information, reports or schedules (financial or otherwise) as the Purchaser of the 2026 Bond may reasonably request. The electronic audited financial statements, and other financial information may be sent to the Purchaser at the following email address (or such other email address as the Purchaser supplies to the Town in writing): PublicFinance@WebsterBank.com.

Notwithstanding the foregoing, the Town may satisfy the reporting requirement of this Section 12 by filing the Audit on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system website, or its successor (“EMMA”).

Section 13. Governing Law. This Resolution and the 2026 Bond are governed by and to be construed in accordance with the laws of the State of North Carolina without regard to conflict of law principles.

Section 14. Repealer. All orders and resolutions and parts of orders and resolutions in conflict with this Resolution, if any, shall be and the same are hereby repealed to the extent the conflict exists.

Section 15. Effectiveness of Resolution. This resolution shall be effective immediately upon its adoption by the Board."

EXHIBIT A
FORM OF 2026 BOND
THIS BOND IS SUBJECT TO CERTAIN TRANSFER RESTRICTIONS AS DESCRIBED HEREIN.
No. R-1 \$13,000,000
UNITED STATES OF AMERICA
STATE OF NORTH CAROLINA
TOWN OF NAGS HEAD, NORTH CAROLINA
SPECIAL OBLIGATION BOND,
SERIES 2026

INTEREST RATE	MATURITY DATE	DATED DATE
3.657%	June 1, 2031	May 12, 2026

REGISTERED OWNER: WEBSTER PUBLIC FINANCE CORPORATION

PRINCIPAL SUM: THIRTEEN MILLION AND NO/100 DOLLARS

"THE TOWN OF NAGS HEAD, NORTH CAROLINA (the "Town") acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, on the Maturity Date specified above, on surrender hereof, the Principal Sum shown above and to pay to the Registered Owner hereof interest thereon from the date of this Bond until it shall mature at the Interest Rate per annum specified above, such interest to be payable on each June 1 and December 1, beginning December 1, 2026, until the Maturity Date or earlier date on which all principal is paid. Interest on this Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and interest on this Bond are payable in immediately available funds to the Registered Owner. All capitalized terms used in this Bond and not otherwise defined herein have the meanings assigned to them in the issuance resolution adopted by the Board of Commissioners of the Town (the "Board") on May 6, 2026 and effective on the date of its adoption related to this Bond (the "Issuance Resolution").

'This Bond is issued in accordance with the Registered Public Obligations Act, Chapter 159E of the General Statutes of North Carolina, and pursuant to Article 7A of Chapter 159 of the General Statutes of North Carolina and the Issuance Resolution. This Bond is being issued to finance the provision of beach nourishment for the purpose of beach erosion control and flood and hurricane protection works and to pay issuance costs relating to this Bond.

'This Bond is not subject to optional redemption on or before April 30, 2027. Beginning on and after May 1, 2027, this Bond shall be subject to optional redemption prior to its stated maturity at the option of the Town in whole or in part on any date upon giving the Registered Owner not less than 30 days’ prior written notice thereof. The redemption price of this Bond shall be equal to 100% of the principal amount of this Bond, plus interest accrued to the redemption date, plus, if so required, a redemption premium calculated as a percentage of the outstanding principal amount of this Bond as follows:

REDEMPTION PERIOD (DATES INCLUSIVE)	REDEMPTION PREMIUM
May 1, 2027 through April 30, 2029	1%
May 1, 2029 and thereafter	No premium due

'Any partial redemption shall (i) occur no more than once during any consecutive 12-month period, (ii) be in a principal amount of not less than \$300,000, and (iii) be applied in inverse order of principal portions of this Bond coming due. Upon any optional redemption in part, the Registered Owner shall provide the Town with a new amortization schedule which reflects such redemption.

'This Bond is subject to mandatory sinking fund redemption prior to maturity in part at the redemption price of 100% of the principal amount thereof, without premium, in amounts and on the dates as follows:

REDEMPTION DATE (JUNE 1)	PRINCIPAL AMOUNT
2027	\$2,600,000
2028	2,600,000
2029	2,600,000
2030	2,600,000
2031*	2,600,000

* Maturity.

'The Town will pay the mandatory sinking fund redemption amounts as set forth above to the Registered Owner without prior redemption notification.

'This Bond shall be a special obligation of the Town and the principal of, and interest and premium on, such Bond shall be secured solely by the sources set forth in the Issuance Resolution (such sources being defined herein as the "Pledged Sources"), which are as follows:

- (a) that portion of the 3% Room Occupancy Tax authorized by House Bill 532, 1985 Session, General Assembly of North Carolina (Session Law 1985 449), effective June 24, 1985, distributed by the County of Dare, North Carolina to the Town; and
- (b) one or more additional sources of funds identified by the Board of Commissioners of the Town (the "Board") in future proceedings of the Board, so long as (i) the pledge of such sources does not constitute a pledge of the taxing power of the Town and (ii) the pledge of such sources is first approved by the Local Government Commission of North Carolina as set forth in Article 7A of Chapter 159 of the General Statutes of North Carolina.

'The uses of the Pledged Sources do not constitute a pledge of the Town's taxing power and the Town is not obligated to pay the principal of, or interest or any premium on, this Bond except from the sources set forth in the Issuance Resolution and above.

'NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE TOWN ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST OR ANY PREMIUM ON, THIS BOND, AND NO OWNER OF THIS BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE TOWN IN CONNECTION WITH ANY DEFAULT THEREON.

'It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of North Carolina to exist, be performed or happen precedent to or in the issuance of this Bond, exist, have been performed and have happened.

'This Bond is not valid or obligatory for any purpose until the certification hereon has been signed by an authorized representative of the Local Government Commission of North Carolina.

'This Bond shall not be transferred to any person other than a bank, insurance company or similar financial institution unless such transfer is permitted pursuant to the Issuance Resolution.

'IN WITNESS WHEREOF, the Town has caused this Bond to bear the signatures of the Town Manager and the Town Clerk of the Town, each acting on behalf of the Town and this Bond to be dated as of the Dated Date above."

MOTION: Comr. Sanders moved to adopt the Beach Nourishment Capital Project Ordinance Amendment #19 as presented. The motion was seconded by Comr. Vaughan, which passed unanimously.

The Beach Nourishment Maintenance Capital Project Ordinance Amendment #19, as adopted, is attached to and made a part of these minutes as shown in Addendum "D".

MOTION: Mayor Pro Tem Lambert moved to approve Budget Amendment #11.4 as presented. The motion was seconded by Comr. Harrison, which passed unanimously.

Budget Amendment #11.4, as approved, is attached to and made a part of these minutes as shown in Addendum "E".

NEW BUSINESS

Committee Reports

Comr. Vaughan –reported on the April 16th meeting of the Dare County Tourism Board. They welcomed new member Dillon Heikens, the newly elected Kill Devil Hills commissioner, which increases municipal representation on the board. Their draft FY 2026–2027 budget was reviewed, and a public hearing on the budget is scheduled for May 21, 2026. She also noted the recent ribbon cutting ceremony for the Soundside Event Site boardwalk, describing the event as well attended and the facility as a valuable addition to Nags Head.

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

Mayor Pro Tem Lambert – acknowledged Planning Director Wyatt's report on the Septic Health Committee and complimented the work staff is doing.

Comr. Harrison – reported that the GEACC will not meet again until June. In the meantime, members are continuing work on developing videos and sharing ways to represent their respective towns through local television programming.

Mayor Cahoon – reported that Jennette's Pier has finished its renovation project.

Discussion of Dare Housing Foundation Appointment

The summary sheet for this item read in part as follows:

"At the May 6, 2026 Board of Commissioners meeting, board members will discuss appointing an elected official to replace Manager Garman on the Dare Housing Foundation."

The board discussed the recent formation of the Dare Housing Foundation and its ongoing efforts to support affordable housing initiatives in Dare County. Board members noted that it would be appropriate for an elected member of the board to replace Manager Garman as the Town's representative.

MOTION: Mayor Pro Tem Lambert moved to appoint Comr. Sanders to the Dare Housing Foundation. The motion was seconded by Comr. Vaughan.

Comr. Sanders confirmed his willingness to serve.

MOTION CONT.: The motion passed unanimously.

Consideration of Water Operations/Distribution Floater Position

Public Services Director Nancy Carawan introduced this item. The summary sheet read in part as follows:

"Under the current organizational structure, Water Operations is staffed with one Superintendent and three Plant Operators, and Water Distribution consists of one Superintendent, one Crew Lead, and three Technicians. Water Distribution staffing was reduced by one Technician position in 2011. Additionally, a long-tenured Plant Operator has retired effective May 1, 2026.

'Staff recommends creating a hybrid "floater" position to support both Water Operations and Water Distribution, rather than filling the vacant Water Plant Operator role. This position would provide leadership with greater flexibility to allocate resources between divisions based on operational needs. While this approach results in a reduction of staff at the Water Plant, Water Operations can leverage existing SCADA infrastructure to safely manage off-hours tank monitoring.

'This change enhances support for Water Distribution by increasing capacity for preventative maintenance and repairs, without increasing headcount. Overall, this change improves operational flexibility while managing our water system responsibly.

'The position would have a matrix reporting relationship to both the Water Distribution Superintendent and the Water Operations Superintendent.

'Staff recommends approving this revision to the pay plan and organizational chart in order to backfill a recently vacated Water Plant Operator role with a new floater position supporting both Water Operations and Water Distribution Divisions."

Mayor Cahoon confirmed for the record that water safety, distribution, and availability would not be negatively impacted by this change. Director Carawan responded, stating that the current system already operates from midnight to 8:00 a.m. without being manned and emphasized that there are personnel and monitoring systems in place to handle any issues during unmanned hours, ensuring continued water safety and service reliability.

MOTION: Comr. Sanders moved to approve the proposed organization chart change. The motion was seconded by Comr. Vaughan, which passed unanimously.

MOTION: Comr. Harrison moved to approve revising the pay plan to reflect the Water Distribution Technician Operator position. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

Consideration of Appointments/Reappointments to Board/Committee

- Planning Board
- Personnel Grievance Panel

The agenda summary sheet read in part as follows:
"At the May 6, 2026 Board of Commissioners meeting, request Board consideration of the following appointments/reappointments:

'Planning Board:
- David Elder's term expires June 7, 2026. He is interested in being reappointed.

'Personnel Grievance Panel:
- Jean Flanigan's term expires June 7, 2026. She is interested in being reappointed.

'Attached please find the current Rosters and Candidate Charts."

MOTION: Comr. Harrison moved to reappoint David Elder to the Planning Board. The motion was seconded by Comr. Vaughan, which passed unanimously.

MOTION: Mayor Pro Tem Lambert moved to reappoint Jean Flanigan to the Personnel Grievance Panel. The motion was seconded by Comr. Sanders, which passed unanimously.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN ATTORNEY

Attorney Leidy provided an update on the litigation brought by Cherry, Inc. against the town related to the 2023 removal of an oceanfront cottage. The lawsuit was dismissed last summer and is now under appeal before the North Carolina Court of Appeals, with briefing currently underway and a decision expected sometime between this fall and next spring.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN MANAGER

Presentation of Town Manager’s Recommended Budget for July 1, 2026 – June 30, 2027, the Proposed Capital Improvement Program Requests for FY 26/27 through FY 30/31, and Updated Consolidated Fee Schedule
Town Manager Garman introduced the FY 2026/27 recommended budget, noting it has been published on the Town's website. He mentioned that the six-month budget process begins in November, and that the priorities created during February's strategic planning retreat were considered in the budget. The board and staff were thanked for their diligent work. A budget workshop is scheduled for May 20th, with a public hearing set for June 3rd. He emphasized that the budget reflects the ongoing commitment to responsible stewardship of Nags Head's strategic planning goals, aiming to protect the natural environment, achieve responsible adaptive development, promote a sustainable economy, and maintain efficient, high-quality government. This comprehensive approach balances fiscal management with investments in infrastructure, public safety, environmental stewardship, and the town's personnel.

Some highlights of the recommended budget are as follows, including project grants received and ongoing grant application efforts:

- Multi-Use Path: Design is underway for a path linking Carolista Drive to West Soundside Road, funded in part by a \$100,000 state trails grant and a \$750,000 Outer Banks Visitors Bureau grant. The estimated project cost is approximately \$1,600,000.
- Beach Nourishment: The 2026 project, approximately 2,500,000 cubic yards of sand along 10 miles of shoreline, at a cost of approximately \$38,000,000, is a major initiative for the year. This budget includes the first debt service payment of five.
- Beach Accesses: Two beach walkovers, located at Albatross Street and Glidden Street, are slated for replacement. Grant funding is being pursued for the Glidden Street project. A \$50,000 design allocation is included for the Hargrove Bathhouse replacement, anticipated in FY 2027/28 and funded in part by a \$400,000 grant already received.
- Streets and Stormwater: Year 7 of Nags Head's 20-year Streets/Stormwater Plan includes resurfacing multiple east-west streets and installing a new drainage collection system in Project Area 4, around Wrightsville Avenue and Dowdy Park, funded by a \$2,360,000 state grant.
- Equipment: Replacement of the stormwater culvert cleaner, police drone, three police vehicles, and the Knox key management system. A new forcible entry training prop for fire. A \$66,000 vacuum trailer is

proposed to support water main repairs and stormwater operations.

- **Water and Septic:** A 5-percent water rate increase is recommended. Water main extensions are planned between Finch and Forbes Streets and Dune St to E. Soundside Rd. A 10-percent increase in funding for the water credits for tank pumping is recommended. A \$10,000 marketing campaign for the septic health program and implementation of NCDWI funded 0% interest loan for septic repair/replacement is included.
- **Facilities:** A \$50,000 for schematic design of a new fire station (Phase 2 of Town Hall Campus Master Plan) and funding to update the Parks and Recreation Master Plan.
- **Personnel:** The implementation of the Classification and Compensation Study. A 3-percent cost-of-living adjustment based on CPI. Continuation of employee within-grade increases, career progression programs, performance-based merit structure, and 401K contributions at 5% with no match requirement. Health insurance premiums continue to be covered at 100 percent for employees and 80 percent for families, with an 8-percent renewal increase budgeted. Mental Health counseling services will be added for staff. A new heavy equipment operator position for facilities maintenance, a part-time year-round event planning position, and reconfiguration of existing roles to create a Human Resources Assistant.
- **Tax Rate:** No tax rate increase is proposed for FY 2026/27.

The board received hard copies of the Town Manager's Recommended Budget.

Deputy Town Manager/Finance Officer Amy Miller presented the board with information on revenue, tax rates, and forecasting. She noted the town is submitting this budget to the Government Finance Officers Association (GFOA) for its distinguished budget award program. According to the GFOA's website, the Town of Nags Head is among approximately 1,900 budgets submitted, underscoring the focus on transparency and best practices.

Miller highlighted several cost pressures affecting the budget. Key among these was a \$180,000 increase in health insurance premiums, marking an 8 percent uptick. Such a rise in health insurance costs was viewed positively by the town's broker, considering the potential for double-digit increases. Another significant pressure stemmed from continuing growth in contributions to the Local Government Employees Retirement System, with the town's required contribution now totaling approximately \$1,800,000. This contribution rate is set by the state treasurer's office and is consistent with rates applied across North Carolina.

She noted the flat nature of shared revenues, including sales tax, occupancy tax, and land transfer tax. These revenue streams are projected cautiously due to recent underperformance relative to economic predictions. She explained that the town must rely on several one-time revenue sources, such as fund balance appropriations and the drawdown of Powell Bill fund balance, to achieve a balanced budget. This reliance indicates a structural gap between recurring revenues and recurring expenditures, which signals a potential need to adjust fiscal strategies. Because of that, there is a proposed 2-cent tax increase in the plan year, FY2027/28, which the board will consider next year.

Expanding on external fiscal pressures, Miller referenced similar challenges faced by neighboring municipalities. Dare County and Southern Shores, for instance, are indicating likely tax increases in FY 2027/28. Presently, Kitty Hawk has proposed a 1.5-percent tax increase, and the Town of Manteo suggested a 3-cent increase in the current budget cycle. If these jurisdictions raise their tax levies while Nags Head does not, the town's share of distributed shared revenues would decrease, impacting the available resources for municipal services and initiatives.

The FY 2026/27 general fund budget totals \$35,000,691.30, a rise from approximately \$32,000,000 the prior year. A significant factor contributing to this increase is \$3,100,000 in debt service allocated for the beach nourishment project, essential for protecting and maintaining the town's shoreline.

Miller provided supplementary insights regarding future capital improvements. She indicated several major projects on the horizon, notably engineering costs for asbestos cement pipe replacements in FY 2027/28, as well as water station improvements for Gull Street and Eighth Street. Although the engineering for these projects are not included in the current CIP due to uncertainties in cost estimation, they represent significant future fiscal considerations.

Town Manager Garman concluded the fiscal discussion by emphasizing the need to revisit the Capital Improvement Plan (CIP). He noted that rising costs associated with implementing the stormwater master plan, water system master plan, and 20-year streets plan will place additional pressure on the town's budget. As a result, Garman indicated that more frequent mid-year budget planning sessions may be needed to address evolving fiscal needs and priorities. This approach is intended to help maintain the town's financial stability while supporting infrastructure and community service needs.

Mayor Cahoon added that there are some financial pressures coming down the pike. He agreed with the manager's approach to taking a mid-year look at the budget as being prudent. While the local tourism economy seems robust, inflation, and the reluctance of higher government tiers to implement necessary taxation and share revenues with

municipalities, are increasing the financial burden on towns.

2026 Beach Nourishment Project Update

The summary sheet for this item read in part as follows:

"At the May 6, 2026 Board of Commissioners meeting, Town Engineer Ryan will provide an update on the 2026 Beach Nourishment Project."

Town Engineer Ryan reported that pre-construction activity is well underway, with a subline already landed at Camelot Street in South Nags Head and a second subline landing anticipated south of Nags Head Pier by the end of the week. Equipment has been delivered to Conch St, NPS Ramp 1, and additional equipment mobilization is expected at Juncos Street the following week. A pre-construction survey has been completed and is being reviewed by coastal engineers to refine the design, including placement recommendations for the add-alternates, which included the additional 200,000 cubic yards of sand.

The hydraulic (cutter) dredge is anticipated on station approximately May 20th to begin pumping operations in South Nags Head. A hopper dredge is expected on station approximately May 23rd to begin work in the north end of town. During pumping, sand fencing and sprigging will be installed concurrently. Anticipated project completion is mid-July 2026.

Operations will proceed 24/7. Active work area closures will range from 1,500 to 2,000 feet during daytime hours and 1,000 feet during nighttime hours. Sand ramps will be placed at 500-foot intervals and at public beach accesses. Beach fill operations in any one area are expected to last approximately 2 to 4 days, with the north end of town seeing shorter fill periods (1–2 days) and the larger-volume south end seeing longer periods (3–4 days).

Engineer Ryan described the sequencing in detail, noting that sequencing was modified from the contractor's original plan at the town's request, in order to minimize disruption to the Fourth of July holiday period. In the south end of town, the initial pipeline landing point for the cutter dredge will be located at Camelot Street. Beach fill operations will first proceed northward toward Juncos Street, which will serve as one of the project staging areas. Upon completion of that section, operations will reverse direction and proceed southward from the landing point area. Additional staging will occur near NPS Ramp 1. In the north end of town, the primary staging area will be located at the Conch Street beach access. The landing point will be situated between Curlew Street and Nags Head Pier. From that location, beach fill operations will proceed northward toward Bonnett Street before reversing direction and proceeding southward.

Following completion of the initial sections, the hopper dredge will relocate to a landing point in the 4200 block of South Virginia Dare Trail, near St. Andrew's Church. From that location, beach fill operations will proceed northward and then southward toward Enterprise Street, which will serve as an additional staging area.

The final hopper dredge landing point will be located south of the Epstein Street bathhouse. Operations there will follow the same sequencing pattern, proceeding northward first and then southward. While the hopper dredge conducts operations in the northern sections, the cutter dredge will continue work in the southern areas. They will relocate to a subsequent landing point near the Hargrove Street beach access. Operations from that location will also proceed northward and southward. The beach fill areas associated with the hopper dredge and cutter dredge operations are anticipated to merge near Glidden Street.

Mayor Pro Tem Lambert asked about the determination of alternate sand placement. Engineer Ryan explained that once the pre-construction survey is analyzed, the engineers will identify any areas within the design template that do not meet the required level of protection. If all areas meet protection levels, the town will then determine the best location for recreational beach width enhancement.

The presentation is attached to and made part of these minutes as Addendum "F".

MAYOR'S AGENDA

Mayor Cahoon introduced Josselyn Brown, who will be shadowing him this summer through an informal internship focused on public policy and town government operations. She will attend meetings, study town documents, and work with staff to gain a broader understanding of local government.

He then reported that he, the town manager, and other board members will travel to Raleigh next week for meetings with state legislators, scheduled by the town's lobbyist, to discuss key legislative priorities. He outlined several key issues of concern for the town, including proposed downzoning legislation that has impacted ongoing planning efforts, continued legislative attempts to limit local authority (such as parking standards), and a proposed change to eliminate the prohibition on hardened structures on the beach. He also noted concerns regarding state funding requests, including support for waterline projects, and broader budget challenges related to state fiscal policy. Mayor Cahoon emphasized that the town will continue advocating for its priorities while remaining fiscally prudent and focused on the best interests of the community.

Mayor Cahoon reported on attendance at the North Carolina Beaches, Inlets and Waterways Association (NCBIWA) meeting held in Emerald Isle, where sustainable beach nourishment was a key topic of discussion and Dare County projects were prominently featured. He noted that sustainable beach nourishment depends on several factors,

including sand availability, contractor capacity, and most significantly, funding, which continues to become more expensive and increasingly critical to the economic stability of coastal communities. He further reported that federal and state participation in funding such projects appears limited, placing a greater long-term financial responsibility on local governments. The mayor noted that the Town of Nags Head has positioned itself to address these challenges through the establishment of municipal service districts to broaden its funding base but emphasized that future beach nourishment needs are expected to rely more heavily on local resources.

Mayor Cahoon reported on his attendance at the Coastal Leadership Institute, where the focus was on sustainable shorelines, including presentations from scientists and agency representatives, field observations via boat tour, and follow-up discussions on coastal infrastructure, costs, and long-term implications. He noted that the experience provided valuable context for Nags Head’s own upcoming shoreline projects. He also reported that, following recent board discussions on improving public communication, he had spoken with staff about potential outreach opportunities, such as hosting informal public engagement events during shoreline project activity. These could include inviting residents and school groups to observe project work, hear from engineers, and learn about the value and purpose of shoreline protection efforts, with the goal of strengthening public understanding and highlighting the town’s leadership in sustainable coastal management.

CLOSED SESSIONS

Mayor Cahoon – Request for Closed Session to Consider Applications for the Nags Head Lightkeeper and Nags Header Awards Pursuant to GS 143-318.11(a)(2)

MOTION: Mayor Cahoon moved to enter Closed Session to consider applications for the Nags Head Lightkeeper and Nags Header Awards pursuant to GS 143-318.11(a)(2). The motion was seconded by Comr. Sanders, which passed unanimously. The time was 12:17 p.m.

OPEN SESSION

The Board re-entered Open Session at 12:26 p.m. Attorney Leidy reported that the board had discussed and taken action regarding the Lightkeeper and Nags Header Awards, but no actions needed to be disclosed at this time.

ADJOURNMENT/RECESS TO MID-MONTH FOLLOWED BY FY 26/27 BUDGET WORKSHOP

MOTION: Comr. Sanders moved to recess to the mid-month Meeting followed by the FY 26/27 Budget Workshop on Wednesday, May 20, 2026 at 9:00 a.m. The motion was seconded by Comr. Vaughan, which passed unanimously. The time was 12:27 p.m.

Brittany A. Phillips, Town Clerk

Date Approved: _____

Mayor: _____
Benjamin Cahoon



**DRAFT MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
BUDGET WORKSHOP
WEDNESDAY, MAY 20, 2026**

The Nags Head Board of Commissioners met at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, May 20, 2026 at 9:00 a.m. for a FY 2026/27 Budget Workshop

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; Amy Miller; Kelly Wyatt; David Ryan; Perry Hale; Randy Wells; Chris Montgomery; Nancy Carawan; Roberta Thuman; Shane Hite; Jan Mielke; Josselyn Brown; Katie Anzalone; and Town Clerk Brittany A. Phillips

CALL TO ORDER

Mayor Cahoon called the Budget Workshop to order at 09:01 a.m. and immediately turned the floor over to Town Manager Andy Garman.

DISCUSSION OF RECOMMENDED BUDGET

Discussion of the Fiscal Year 2026/27 Town Manager's Recommended Budget and 2027/28 Financial Plan

Town Manager Garman opened by noting that the recommended budget had been formally presented at the May regular meeting, and that the purpose of the workshop was to provide a more in-depth opportunity for discussion with the board. He reminded those present that a prior workshop had been held in April covering the Capital Improvement Program (CIP) and proposed organizational changes and new positions. He acknowledged that, once the process of balancing the budget was completed, a number of items that had been discussed in April did not survive into the final recommended document. He indicated that Deputy Town Manager/Finance Officer Amy Miller would begin with a presentation providing general background on the budget's structure for the benefit of all in attendance, including newer commissioners and members of the public, before the discussion turned to the specifics of the recommended budget and the changes made since April.

How to Read the Budget

Deputy Town Manager/Finance Officer Miller took the floor and briefly navigated the budget document as published on the town's website to orient the board to its layout. She acknowledged that the document is lengthy by design, as the town submits it annually to the Government Finance Officers Association (GFOA) for evaluation against that organization's high standards for transparency and best practices. She noted that some of the language in the opening sections is necessarily technical and accounting-oriented to satisfy GFOA requirements, but that the town believes the effort is worthwhile in demonstrating its commitment to transparency.

Ms. Miller walked through the document's organization, noting that it begins with the Town Manager's message and a sample budget ordinance, followed by the town's financial policies (required by GFOA), a community profile, the debt schedule, the Capital Improvement Program schedule, and a schedule of the Capital Investment Fund (CIF). She drew the board's attention to the layout of individual departmental budgets, each of which contains a description, an organizational chart, accomplishments from the prior year, goals and upcoming projects tied to the town's strategic plan, and a line-item budget broken down by personnel, operations, and capital — with comparisons to prior adopted and amended budgets, year-end projections, and two years of actuals. She also noted that the budget includes a fee schedule reflecting proposed changes that will be part of the formal adoption process, as well as a glossary of terms and acronyms. Ms. Miller added that she had, after the printed version was distributed to the board, incorporated strategic plan icons into each departmental section in response to a GFOA suggestion, which she felt was a worthwhile addition.

What are the Capital Reserve Funds?

Deputy Town Manager/Finance Officer Miller then addressed the structure of the town's capital reserve funds, noting that these represent a significant portion of the overall budget figure and can be a source of confusion. She explained that by statute and accounting standards, the capital reserve funds — specifically the original Capital Reserve Fund (used for beach nourishment, funded by beach nourishment taxes and facility fees) and the Capital Investment Fund — are legally consolidated into the general fund, but can only hold money and record transfers in and out. As a result, the budget includes a department called "Interfund," which captures the general fund's contribution to the CIF, beach nourishment taxes, Municipal Service District (MSD) taxes, and facility fees. The

beach nourishment debt service and all CIF expenditures similarly flow back into the general fund as revenue under "other financing sources." Ms. Miller cautioned that this accounting treatment effectively double-counts certain revenues and expenditures, making the overall budget figure appear larger than what the town is actually spending on direct services, capital, and personnel.

Fund Balance

Deputy Town Manager/Finance Officer Miller reviewed the fund balance section of the budget, noting that it is included to provide greater transparency regarding revenue projections and fund balance estimates. She summarized the board's financial policies, stating that the General Fund unassigned audited fund balance is required to remain between 25% and 35% of General Fund expenditures, with any amount above 35% transferred to the Capital Improvement Fund (CIF), consistent with board policy and GFOA best practices.

Ms. Miller reported that no transfer to the CIF was made last year and one is not currently anticipated this year, though both the General Fund and CIF are projected to remain within policy guidelines. Current estimates indicate the General Fund balance may increase slightly, while the CIF balance is projected to be approximately 40% of audited expenditures, above its 20% policy requirement. She noted that these figures are preliminary estimates based on April data and may change before year-end.

Ms. Miller further explained that the FY2028 budget planning assumptions include the use of fund balance and a placeholder for a proposed \$4 million NC Land and Water Fund grant to help balance the budget, emphasizing that these items are intended as planning assumptions and discussion starting points.

Town Manager Garman clarified the treatment of interfund transfers within the budget, explaining that interfund revenues and expenditures can create the appearance of double counting in the overall budget total. He noted that while the total budget is approximately \$35 million, this figure includes interfund transfers between the General Fund and capital funds and does not reflect actual operating expenditures alone.

Ms. Miller added that a simple way to estimate actual spending is to subtract the interfund transfer amounts from the total budget. Mr. Garman explained that, after accounting for approximately \$7 million in interfund transfers, actual expenditures are closer to \$28 million. He emphasized the importance of understanding this distinction when reviewing the budget and during future strategic and financial planning discussions, where focus should be placed on actual personnel, operating, and capital costs rather than reserve fund transfers.

Discussion continued regarding the town's fund balance policies and reserve requirements. Ms. Miller explained that the Local Government Commission (LGC) recommends municipalities maintain a minimum fund balance of approximately 8% to provide coverage for emergencies or unexpected events. She noted that Nags Head's higher policy target is based on Government Finance Officers Association (GFOA) best practices and reflects the town's exposure to hurricane and coastal storm risks.

Manager Garman stated that the town has historically maintained fund balances well above the LGC minimum and previously considered a 50% target, though that level was determined to be unnecessarily high. The current General Fund policy establishes a target range of 25% to 35% of expenditures, allowing for annual fluctuations while maintaining financial stability. He explained that any General Fund balance exceeding 35% is automatically transferred to the Capital Improvement Fund (CIF) to support future capital expenses and noted that no such transfer is anticipated this year because fund balance levels are expected to remain within the established range.

Manager Garman further explained that annual budget variances, including conservative budgeting practices and unexpected increases in shared revenues, can affect fund balance levels from year to year. He also noted that future financial planning discussions may include reevaluation of the CIF fund balance policy, particularly whether maintaining a 20% reserve remains necessary given the challenges of balancing the budget. He explained that the CIF reserve is intended primarily to smooth funding for major capital purchases rather than serving as an emergency reserve.

Ms. Miller added that the CIF reserve target was previously reduced from 25% to 20% by board action for similar reasons and agreed that the policy would be appropriate for future board discussion. Mayor Cahoon noted that the financial policies adopted in 2022 and 2024 are included in the budget document for public reference. Ms. Miller stated that the policies are listed on page 34 of the budget document.

Mayor Cahoon asked for clarification regarding the use of State Street Aid funds, commonly referred to as Powell Bill funds, for capital projects. Amy Miller confirmed that State Street Aid is the same as Powell Bill funding and explained that, pursuant to state statute, Powell Bill revenues must be separately accounted for within a restricted fund balance and may only be used for eligible street-related projects. She noted that the town reports the use of those funds to the state annually and that the restricted balance is identified separately within the town's financial statements.

Ms. Miller explained that the town plans to use accumulated Powell Bill fund balance reserves, along with annual Powell Bill appropriations, to fund FY2026 street projects rather than using General Fund or Capital Improvement Fund (CIF) resources. She further noted that Powell Bill funding was incorporated into the strategy to help balance the proposed budget.

Ms. Miller also clarified that the proposed budget includes a total fund balance appropriation of approximately \$685,000, consisting of \$500,000 from the General Fund balance and approximately \$185,000 from the restricted Powell Bill fund balance. She emphasized that, although both are categorized as fund balance appropriations in the financial statements, they represent two separate funding sources subject to different restrictions and uses.

Ms. Miller stated that the proposed budget relies on using more Capital Improvement Fund (CIF) fund balance than is being contributed, resulting in a gradual reduction of CIF reserves to help balance the budget. She confirmed that the CIF fund balance is still projected to remain within policy requirements during FY2026 through FY2028, although reserve levels are expected to continue declining over time.

Ms. Miller noted that increasing personnel costs, rising capital costs, and accumulated debt obligations are reducing the town's long-term financial flexibility and its capacity to fund additional capital projects. She explained that while many recently added projects align with town goals, the growing debt burden underscores the need for more strategic long-term planning regarding the timing and financing of future projects. She emphasized the importance of developing a multi-year financial and capital planning strategy, particularly for major future projects such as a potential fire station. She noted that some existing debt obligations will phase out over time, while other obligations, including debt associated with the new public services facility, extend for as long as 20 years.

Highlights

Capital

Deputy Town Manager/Finance Officer Miller reviewed the key capital items included in the recommended budget. These include two traffic signals — one of which is being partially funded by the Outer Banks Visitors Bureau — beach access improvements funded through the capital reserve fund using beach nourishment taxes and MSD sales tax revenues, design work for the Hargrove Bathhouse (supported by a \$400,000 CAMA construction grant, with the balance to be sought from the Visitors Bureau in the fall), a sanitation truck, a culvert cleaner, police vehicles, a CIF contingency reserve, water system improvements including a water main, an excavator, and a vacuum trailer. Town Manager Garman noted that the centralized CIF contingency replaces the prior practice of budgeting contingencies for every individual project, which he said was leading to duplicative reserves.

A brief exchange followed regarding the age of the outgoing culvert cleaner. The mayor noted he had assumed the equipment was newer, and Town Manager Garman confirmed it was approximately 10 years old, explaining that this type of equipment simply does not have a longer service life given the nature of its operation. Mr. Garman also noted the recent addition of a Ventrac multi-use path edging machine — showcased at the public services open house the prior day — which he described as transforming a task that previously required four employees over two days to a one-person, one-day operation.

Debt

Deputy Town Manager/Finance Officer Miller summarized the town's current debt obligations, noting that excluding beach nourishment debt, the town carries approximately \$2.5 million in annual debt service, equivalent to roughly 5 cents on the tax rate. Major obligations include the Public Services Complex (a 20-year note shared between the general fund and water fund), workforce housing units and the fitness facility, the Jockey's Ridge multi-use path project, two fire pumpers, recently acquired land, and IT subscriptions. She noted that current accounting standards (GASB) require cloud-based IT contracts, such as body-worn cameras and license plate readers, to be recorded as debt service obligations. The town's first beach nourishment debt service payment is scheduled for December 2026.

Personnel

Ms. Miller presented personnel-related budget recommendations to the board, including a proposed 3% cost-of-living adjustment for employees. She also reviewed projected health insurance increases and noted that no changes were recommended to the current coverage structure, which provides 100% employer-paid employee coverage and an 80/20 split for dependent coverage.

She presented a request for a new Facilities Maintenance Heavy Equipment Operator position. In addition, she explained that Planning staff and administration were recommending converting the current seasonal Event Assistant position into a year-round part-time position due to the continued growth of town events. The position would remain limited to 1,000 hours annually and would not include benefits.

Additional personnel recommendations included changing the Ocean Rescue Captain position to exempt status and transitioning the role to a full-time salaried position within Ocean Rescue. She also presented a request for additional hours for part-time firefighters.

She further reviewed recommendations stemming from the employee engagement survey, including a proposal to double the flat-rate longevity pay amounts. She clarified that employees hired prior to July 1, 2008, who receive percentage-based longevity pay, would remain grandfathered under the current system with no changes.

She also discussed the inclusion of a mental health counseling retainer service intended primarily to provide emergency support following traumatic incidents involving police or fire personnel, while remaining available for broader employee use if needed.

Additionally, she presented a non-budgetary recommendation to add a mental health day leave benefit. She noted that the recommendation responded both to employee engagement survey feedback and to findings from the compensation and classification study, which indicated that Nags Head currently offers fewer leave days than comparable peer organizations.

Items Discussed at April Workshop vs. Recommended Budget

Deputy Town Manager/Finance Officer Miller reviewed changes made since the April Budget Workshop to achieve a balanced budget. She explained that the fiber build-out project at Bonnett Street and Dowdy Park was removed, with the possibility of reconsideration in the future. She also noted that the purchase of a sanitation knuckle boom was cut. She stated that these were the primary items removed, while other reductions were achieved through cost-saving measures and value engineering efforts completed with assistance from Town Engineer David Ryan.

She further explained that costs associated with the multi-use path project were reduced through design modifications. Funding for the Parks and Recreation Plan was also reduced; however, she noted that \$20,000 had been carried forward from the previous fiscal year and that Capital Reserve Fund monies would also be available to support the project, reducing the impact on the Capital Improvements Fund.

Ms. Miller also reviewed reductions made to the streets and stormwater project budget, noting that the recommendations were developed in consultation with staff and that all available Powell Bill funding would still be utilized.

Manager Garman provided additional detail regarding the streets and stormwater program, explaining that the town remains in Year 7 of its long-term 20-year roadway repaving and infrastructure improvement plan, which coordinates paving, drainage, and water projects. He stated that staff reviewed the planned projects and prioritized work that did not require extensive stormwater engineering, focusing primarily on swale improvements to reduce costs.

He further explained that two street projects, Gray Eagle Street and Lone Cedar Court, were deferred after additional review. Gray Eagle Street had been paved approximately 10 years ago and was determined not to require immediate resurfacing, while Lone Cedar Court, in one of the town's newer subdivisions, was also identified as suitable for deferral to a later phase of the plan. The town manager stated that these adjustments significantly reduced project costs while still maintaining the town's long-term infrastructure goals.

Manager Garman also discussed the proposed multi-use path project along Jockey's Ridge. He noted that the town had received a \$750,000 grant from the Visitors Bureau to assist with the project and that the original estimated cost of approximately \$1.9 million had been reduced by more than \$200,000 through redesign efforts. He explained that the town had coordinated with both the North Carolina Department of Transportation (NCDOT) and Jockey's Ridge State Park staff regarding the project. While the town has generally maintained a 10-foot width standard for multi-use paths, staff is evaluating a slightly narrower width in this section to reduce costs associated with concrete installation and bulkheading. The revised design would also help minimize impacts outside the existing right-of-way and avoid additional permitting challenges associated with working within park property.

He noted that sand migration from Jockey's Ridge would continue to require ongoing maintenance of the path area and that discussions with state officials regarding grading and right-of-way limitations were ongoing. He stated that drainage improvements would also be incorporated into the project and that final costs would not be known until design completion and the bidding process. The town still aims to complete the design and bidding process and begin construction in the fall, tentatively targeting an October 1 start date.

Comr. Sanders asked about the projected width of the proposed multi-use path if the design were reduced from the standard 10-foot width. Manager Garman explained that the path would remain 10 feet wide where feasible, with some constrained sections reduced to 8 feet and limited portions, totaling approximately 1,000 feet, reduced to 6 feet wide. He noted that while a 6-foot width is narrower than typical for two-way traffic, it would still function adequately within the constrained area.

Mayor Cahoon expressed concern that reducing the width could affect the town's ability to drive maintenance equipment along the path. Manager Garman responded that the design would still include curb and gutter infrastructure and additional clear space between the curb and the path, resulting in an overall corridor width of approximately 10 to 15 feet that should continue to accommodate maintenance equipment.

Comr. Harrison asked about the proposed separation from the highway. Manager Garman explained that curb and gutter would be required by NCDOT in sections where the path is located within a specified distance of the roadway, similar to existing path sections in the northern part of town. He added that the curb and gutter would provide an additional barrier between the path and traffic and would also discourage roadside parking in those constrained areas. He stated that staff could return to the Board with the draft design for further review before completion.

Comr. Harrison requested an explanation of Powell Bill funding. Staff explained that Powell Bill funds are provided by the NCDOT to municipalities for the maintenance of publicly maintained local streets and may not be used for

private streets or state-maintained roads such as U.S. 158, N.C. 12, and N.C. 1243. Eligible uses include street paving, drainage improvements associated with streets, signage, and other approved transportation-related purposes in accordance with state policy. It was reported that Nags Head receives approximately \$120,000 annually in Powell Bill funds to help maintain approximately 37.5 miles of local streets, noting that the funding is insufficient to cover all paving and maintenance needs and must be supplemented with local funds. It was further noted that Powell Bill allocations are distributed proportionately based on the mileage of streets maintained by each municipality, resulting in larger municipalities receiving greater allocations.

Deputy Town Manager/Finance Officer Miller reported that the town will realize significant cost savings through in-house engineering work performed by Town Engineer David Ryan. It was noted that he will complete the design work for the remaining Beach Road multi-use path project, resulting in an estimated savings of approximately \$100,000 over two years. In addition, he will design the Finch St. to Forbes St. water main project in-house, generating further savings. Manager Garman explained that funds had originally been budgeted for outside consulting engineering services for these projects. Board members expressed appreciation for the cost-saving efforts.

Manager Garman reviewed previously discussed long-term goals for the town's ocean rescue program, including transitioning the Ocean Rescue Captain position to a full-time, year-round role rather than a seasonal assignment. Staff also discussed the need for a second support position to assist the Ocean Rescue Captain during the summer season, noting that the town has historically relied on seasonal personnel for that role. Due to budget constraints, the additional position was not included in the proposed budget, though staff indicated it may be considered in future budget discussions.

Manager Garman also referenced a prior staffing study conducted by the Fire Department, Town Manager's Office, and a committee regarding additional staffing needs at Station 16. The study recommended adding three full-time positions to support fire department operations. In lieu of adding full-time personnel, the town has continued to budget for part-time firefighter staffing hours. He explained that certified firefighters employed by other local agencies are used to fill shifts and supplement staffing levels as needed. Additional funding for part-time staffing was included in the current budget, and staff noted that continued increases in part-time staffing needs may eventually justify consideration of additional full-time positions.

Manager Garman discussed the addition of a Human Resources Assistant position as part of the budget and organizational restructuring. It was noted that the position is intended to reorganize and support existing staff functions rather than increase overall staffing levels, and that the associated cost impact is minimal. Staff advised that the proposed position would appear in the organizational chart and pay plan presented for board consideration during the June budget adoption process. The position would be located within Administrative Services under the Director of Human Resources.

Manager Garman then provided an update regarding the Water Department, noting that the board recently approved a modification to an existing water operations position to create a floater position intended to improve operational efficiency. He stated that the change had already been implemented and did not result in any additional cost. He further advised that additional organizational and operational changes within the Water Department are currently under consideration and that further information and recommendations may be presented in June.

Manager Garman discussed proposed customer service and organizational changes associated with the Administrative Services reorganization. As part of the restructuring to accommodate the Human Resources Assistant position, certain staff responsibilities will be reassigned internally. Staff explained that the existing full-time customer service position at Public Works would transition to a part-time position, while Town Hall would continue to maintain a full-time customer service representative at the front desk. He stated that the changes are intended to maintain customer service levels and support Public Works operations while improving organizational efficiency. The decision was based in part on operational needs and the lower volume of public traffic at the Public Works facility compared to Town Hall.

Additional background was provided regarding operations at the Public Works brush yard, which expanded from three days per week to five days per week following the opening of the new Public Services facility. He noted that a part-time employee currently staffs the brush yard three days per week, with office personnel covering the remaining days on a rotating basis, and that this arrangement would continue under the proposed changes. He indicated that the organizational adjustments are intended to improve efficiency and manage budget constraints.

Manager Garman discussed the proposed addition of a Facilities Maintenance Heavy Equipment Operator position, noting that it was the primary new position recommended in the budget. He explained that the Facilities Maintenance Department has experienced a significant increase in workload due to the growing number of Town facilities and associated maintenance demands. While the department has implemented efficiency measures, including the use of specialized equipment such as the Ventrac, staff indicated that operational needs continue to exceed current staffing capacity.

He stated that the additional heavy equipment operator position is needed to support ongoing maintenance operations and improve the town's emergency response capabilities during storms and other weather events. The

position would help ensure that qualified personnel are available to provide immediate service during snowstorms, hurricanes, and similar emergencies. He concluded by noting that the discussion summarized the position changes that were either recommended or not recommended as part of the proposed budget.

Deputy Town Manager/Finance Officer Miller reported that a survey of other local government finance officers was conducted regarding anticipated tax rate changes and budget planning. She shared that, based on proposed FY 2026-2027 budgets, Manteo was considering a three-cent tax increase and Kitty Hawk was considering a 1.5-cent increase intended to build reserves for future fire apparatus purchases. She noted that Nags Head was the only jurisdiction identified as currently utilizing a two-year budget approach for this budget cycle, and that most other municipalities had not yet determined their plans for FY 2027-2028.

Additional discussion referenced Dare County's budget outlook, which indicated that a future tax increase may be necessary if current financial conditions continue. Southern Shores also indicated that a tax increase in the range of two to three cents may be needed in FY 2027-2028. Staff further noted that municipal leaders continue to discuss budget conditions regionally and that other towns have suggested additional financial adjustments may be forthcoming in future budget cycles.

Mayor Cahoon discussed the broader impacts of inflation on municipal operations and acknowledged that local governments may ultimately need to either increase revenues or reduce service levels in response to rising costs.

The town's recycling service contract and the anticipated renewal process scheduled for the following year was discussed. Manager Garman noted that proposals for continued recycling service are expected to be received around the beginning of the year and acknowledged that future contract costs are likely to increase.

Discussion included the town's current recycling subsidy program for participating residents. Staff explained that the town currently subsidizes approximately \$6 per customer per month for recycling service. Under the existing arrangement, the recycling vendor bills customers directly for the service cost less the town subsidy, while the town is billed separately for the subsidized amount.

Manager Garman noted that the current cost of service has increased significantly under the existing contract and that limited vendor availability on the Outer Banks continues to present challenges in obtaining competitive service options. It was also noted that the current vendor serves only a limited number of municipalities in the area and that Dare County does not contract for the same service. He indicated that the town would continue exploring available service options as part of the upcoming contract renewal process.

FY27/28 Considerations

Manager Garman discussed long-range financial planning considerations and noted that the current financial plan is intended as a planning tool beyond the single fiscal year budget formally adopted by the Board. He explained that a number of evolving factors make long-term budget forecasting challenging, including rising personnel costs, increasing debt obligations, and relatively flat shared revenues, all of which affect the town's future financial capacity.

He advised that the current financial plan includes a placeholder assumption of a two-cent tax increase in FY 2027-2028 to address anticipated revenue needs, though additional analysis and planning will be required before future budget decisions are made.

Manager Garman also reviewed several ongoing studies that may significantly impact future capital improvement planning and budget priorities, including the stormwater master plan, water system master plan, potential updates to the streets and stormwater plan, and a future water rate study. He noted that the results of these studies could substantially alter future capital improvement planning needs and expenditures.

Given the number of financial and infrastructure factors under review, he indicated that additional financial planning discussions with the board are anticipated during the fiscal year in order to better prepare for future budget development.

Mayor Cahoon asked what portion of the town's capital project expenditures are funded through state grants originating from federal sources. Ms. Miller responded that while a complete breakdown was not immediately available, several of the town's largest current projects are funded through federal American Rescue Plan Act (ARPA) funds passed through the state. These projects include the multi-use path project, South Old Oregon Inlet Road project areas 12 and 13, the Water System Master Plan, and the Stormwater Master Plan.

She explained that other major projects are funded through state or local sources, including the Bonnett Street stormwater project, which is supported by state funding, as well as projects receiving funding assistance from the Visitors Bureau. Additional examples of state-funded initiatives discussed included CAMA grants, the NC Land and Water Fund grant, conservation easement projects, RCCP grants, and living shoreline projects.

Mayor Cahoon expressed concern regarding the long-term availability of federal funding and the potential impact of future federal budget constraints on pass-through grant opportunities. Staff acknowledged that uncertainty remains regarding how future federal budget decisions could affect state funding programs but noted that many of the

town's major federally funded projects are currently nearing completion.

Comr. Sanders asked how much the town has historically needed to utilize the Capital Improvement Fund (CIF). Ms. Miller responded that while a precise historical drawdown amount was not available during the meeting, the fund was initially established with approximately \$3 million in surplus funds. Staff noted that the CIF fund balance has generally declined in recent years as expenditures have exceeded contributions.

She further explained that projected fund balance levels in the current financial plan indicate approximately 40% in FY 2026, declining into the low 20% range in FY 2027 and FY 2028. She noted that this trend is largely the result of reducing annual contributions to the fund in order to balance other budgetary priorities, as well as ongoing capital expenditures.

Ms. Miller added that the CIF and other capital reserve funds earn interest, which is allocated monthly based on each fund's proportional balance. Manager Garman also provided context that prior years saw significant increases in shared revenue collections, rising from approximately \$6 million in earlier years to over \$10 million in subsequent years, which contributed to higher fund balances and occasional one-time expenditures, including capital purchases during periods of higher-than-anticipated revenues.

Mayor Cahoon stated that he had reviewed his questions during the discussion and noted that, aside from departmental sections not yet reviewed in detail, he had no additional concerns or questions regarding the proposed budget or changes since the previous presentation.

Manager Garman discussed a proposed new program under consideration by the Planning Department to support implementation of the Estuarine Shoreline Management Plan. He explained that while the town has focused primarily on large shoreline and infrastructure projects supported by grant funding, the majority of shoreline along the sound is privately owned, limiting the town's ability to directly assist property owners through traditional capital projects.

He proposed establishing a pilot technical assistance program to help private property owners interested in implementing living shoreline solutions. The program would provide access to a consultant to assist with project design consistent with the Estuarine Shoreline Management Plan and to help property owners identify and pursue available grant opportunities, including programs such as those offered through Dare Soil and Water Conservation District.

He noted that approximately \$10,000 in Town funds has been budgeted for the pilot program, which would likely support approximately ten properties at an estimated \$1,000 per property. The intent of the program is to evaluate community interest and effectiveness on a limited basis before considering expansion.

Manager Garman clarified that this program would be funded with town funds, similar to existing town-funded grant programs such as the dune planting and sand relocation program supported through the municipal service district and beach nourishment funding sources.

Manager Garman noted that the budget includes an additional \$10,000 allocation for septic system health outreach and marketing efforts, as recommended by the Septic Health Advisory Committee. He explained that the intent is to develop a more structured and consistent annual outreach strategy, potentially supported by a professional consultant.

He also highlighted the continued inclusion of the town's dune management and sand relocation cost-share program, noting that it remains highly utilized and represents a significant ongoing expenditure. Staff indicated that this program, along with broader beach nourishment planning and efforts to build fund balance reserves for future projects, are interconnected components of the town's long-term coastal management strategy and capital planning priorities.

Mayor Cahoon provided an update on two legislative matters before the General Assembly. On the funding side, the town has submitted requests for project funding and characterized initial conversations with legislators as encouraging, with the town's lobbyist having placed the requests on every relevant list. On the policy side, he expressed concern over legislation, HB369, that would remove municipal authority to set parking standards — effectively preventing the town from assigning minimum parking space requirements to any land use. The legislation advanced through a key committee with only one dissenting vote. The town intends to again coordinate a joint opposition letter from all Outer Banks municipalities and Dare County, as was done in the prior year, and to build a broader coalition including the NC League of Municipalities and other allies. Mayor Pro Tem Lambert noted that Senator Hanig had voted against the bill and thanked him for his support, adding that several other elected officials from neighboring towns had also contacted Senator Hanig in opposition.

Deputy Town Manager/Finance Officer Miller confirmed that a public hearing on the budget is scheduled for the June 3rd regular meeting, with an additional tentative workshop available if warranted by public comment. She indicated she would prepare a budget ordinance for possible adoption at the June meeting, consistent with standard practice. The board indicated support for that approach, noting that public comment on the budget is historically limited and often supportive of the recommended direction.

Ms. Miller confirmed that presentation slides from the workshop would be made available to the board. The slides are attached to and made a part of these minutes as shown in Addendum “A”.

ADJOURNMENT

Mayor Cahoon adjourned the workshop at 10:14 a.m.

Brittany A. Phillips, Town Clerk

Date Approved: _____

Mayor: _____
Benjamin Cahoon



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM E.4.

Annual Write-Off of Uncollectible Water Accounts

Prepared by

Shannon Beatty, Water Billing Specialist

Reviewed by

Shannon Beatty
Brittany Phillips
Andy Garman

Staff Comments/Recommendation

N/A

Specific Action Requested

Approve write-off of 2 uncollectible accounts totaling \$225.94.

Summary

Per the Board of Commissioners' Water Receivables: Bad Debt Policy, it is requested that the board approve the write-off of all water accounts currently considered to be uncollectible. The policy and a detailed list of the accounts are attached.

The requested write-off for water accounts over \$50.00 includes two accounts totaling \$225.94. Additionally, one account with a balance of \$50.00 or less has been written off, totaling \$14.40.

In the past 12 months (5/20/2025-5/19/2026) the total water utility sales are \$4,317,451.64. The Town currently has over 5,000 active water meters.

In accordance with Town Policy, every effort is made to collect on account balances.

Attachments

1. 6 E4 Water Receivables-Bad Debt policy
2. 6 E4 Bad Debt Write-Off



Town of Nags Head

Post Office Box 99
Nags Head, North Carolina 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

Board of Commissioners Policy

Water Receivables: Bad Debt Policy

Adoption Date: March 7, 1988

Updated: June 4, 2003; May 19, 2010

Water accounts that are 90 days past due are considered delinquent. Water accounts that are 120 days past due are classified as uncollectible. At that time the meter is pulled, and the deposit is applied unless a written request from the customer is received.

In the case of foreclosure, the account may remain active if notified by the financial institution holding the property that they will assume responsibility for the account making current payment of the required deposit and all charges for water used. If no one assumes responsibility for the account, the meter may be pulled and deposit applied without waiting for the full 120-day period above.

At the time an account becomes uncollectible (reaches 120 days), a credit adjustment to the Water Receivables account should be made for the full amount of the past-due account, charging, or debiting a reserve account entitled Allowance for Bad Debt. This adjustment will ensure a more accurate, less inflated accounts receivable total. Amounts greater than \$50 require the approval of the Board of Commissioners.

At least annually, the Finance Officer will present the Board of Commissioners with a list of uncollectible accounts in excess of \$50, requesting the board's approval for a formal write-off of such accounts. Staff will have the authority to write-off lesser amounts without board approval which will be reported to the board at that same time Staff will report to the board summarizing total write-offs during a fiscal year and commenting on efforts to collect these accounts. The Town will use all available means to collect these accounts to include but not be limited to: reporting to the Credit Bureau, debt set-off, etc.

Responsible for Update: Finance Officer

TOWN OF NAGS HEAD			
FISCAL YEAR 2025-2026			
BAD DEBT WRITE-OFFS OF GREATER THAN \$50.00			
ACCOUNT NUMBER	NAME	AMOUNT	REASON
2243280010	OBX LONE STAR 2, LLC	\$ 116.19	UNPAID FINAL BILLING/LAST CONTACT 5/19/26 EVERY EFFORT WILL BE MADE TO COLLECT ON THESE ACCOUNTS
2243290010	OBX LONE STAR 2, LLC	\$ 109.75	
TOTAL BAD DEBT GREATER THAN \$50.00		\$ 225.94	
TOTAL W/O \$225.94			

TOWN OF NAGS HEAD FISCAL YEAR 2025-2026 BAD DEBT/ WRITE-OFFS OF LESS THAN \$50.00			
ACCOUNT NUMBER	NAME	AMOUNT	REASON
6621320011	ROSS VENTURI	\$ 14.40	UNPAID FINAL BILL OVER 120 DAYS/no response
TOTAL BAD DEBT/WRITE-OFFS LESS THAN \$50.00		\$ 14.40	EVERY EFFORT WILL BE MADE TO COLLECT ON ACCOUNT BALANCES > \$1.00 *POLICY STATES W/O FINAL BILL BALANCE <\$1.00



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM E.5.

Consideration of FY 2025/26 Water Capital Project Ordinance

Prepared by

Amy Miller, Deputy Town Manager/Finance Officer

Reviewed by

Amy Miller
Brittany Phillips
Andy Garman

Staff Comments/Recommendation

This ordinance is to establish a budget for the 0% Septic Health loans awards from the State Revolving Funds.

Specific Action Requested

Adoption of the ordinance as presented.

Summary

This ordinance is to record the multi-year activity that will be occurring for the 0% septic health loans awarded by NC Department of Environmental Quality. The initial loan repayment of \$25,000 is due in fiscal year 25/26. Since the homeowner loan repayments have not started yet, the money for the loan repayment will be transferred from the water fund and then repaid once the homeowners have started making their loan payments. There will be a separate budget amendment to record the transfer of money between these two funds.

Attachments

1. 6 E6 Cap Proj water ord



**WATER CAPITAL PROJECT ORDINANCE for
APPROVED FISCAL YEAR 2025/2026 WATER PROJECTS**

BE IT ORDAINED by the Governing Board of the Town of Nags Head, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The projects authorized are those approved by the Board of Commissioners.

Section 2. The following budget shall be conducted within the Water Capital Projects Fund (fund #65).

Section 3. The officers of this unit are hereby directed to proceed with the capital projects within the terms of the budget contained herein.

Section 4. The following amounts are appropriated for the project:

Septic Health loans	\$ 500,000
Septic Health loan debt service	500,000
Transfer to water fund	<u>25,000</u>
Total Water Capital Project Fund Expenses	<u>\$ 1,025,000</u>

Section 5. The following revenues are anticipated to be available to complete this project:

Septic Health loan – State Revolving Funds	\$ 500,000
Septic Health loan repayments	500,000
Transfer from water fund	<u>25,000</u>
Total Water Capital Reserve Fund Revenues	<u>\$ 1,025,000</u>

Section 6. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy federal, state, and local regulations.

Section 7. The Finance Director is directed to report, on a quarterly basis, on the financial status of each project element.

Section 8. Copies of this project ordinance shall be furnished to the Clerk of the Governing Board, and to the Budget Officer and Finance Officer for direction in carrying out this project.

Adopted this 3rd day of June 2026.

Benjamin Cahoon, Mayor

ATTEST:

Brittany A. Phillips, Town Clerk



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM E.6.

Consideration of Update to Sunshine List Policy

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

I concur with staff's recommendation.

Specific Action Requested

Approve updates to Sunshine List Policy.

Summary

At the June 3, 2026 Board of Commissioners meeting, request board consideration of updates to the Sunshine List Policy that clarify the distinction between US Mail and email subscribers. Due to the prevalence of email in today's society, the option to receive notices by fax has been removed. A signature line has also been added to the form.

Attachments

1. 6 E7 BOC Sunshine List policy



Town of Nags Head

PO Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

SUNSHINE LIST POLICY

(Adoption Date: June 6, 2001)
(Updated: June 4, 2003, June 3, 2026)

The North Carolina General Statutes require the Town to provide notice of meetings and public hearings to anyone who requests the information. The list of individual and organizations who have requested this service is commonly called the Sunshine List. Regulations concerning notices of meetings of public bodies are addressed in NCGS 143-318.12 which states: "The public body shall charge a fee to persons other than the media, who request notice, of ten dollars (\$10.00) per calendar year,"

The following Sunshine List policy is adopted:

Sunshine List subscribers receive notification of all public meetings and public hearings scheduled by the Town of Nags Head. Individuals wishing to subscribe to the Sunshine List shall complete the form below specifying the type of service requested and the delivery address ~~(see below)~~.

The completed form and ~~the required~~ fee, if applicable, shall be presented to the Town. The \$10.00 annual fee will not be prorated. There is no fee for email subscribers.

All US Mail Sunshine List subscriptions shall expire on June 30 of each calendar year. Email subscriptions shall not expire unless requested by recipient. Annual renewal notices will be mailed by the town clerk in June.

SUNSHINE LIST REQUEST FORM

Date: _____

Name: _____

Phone Number: _____

Email Address: _____

Method of Receipt (please choose one)

☐ US Mail Address: _____

☐ ~~Fax~~ Fax Number: _____

☐ Email Email Address: _____

Signature _____



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM E.7.

Consideration of Capital Project Ordinance Amendment #13

Prepared by

Amy Miller, Deputy Town Manager/Finance Officer

Reviewed by

Amy Miller
Brittany Phillips
Andy Garman

Staff Comments/Recommendation

This corresponds to budget amendment 12.4, transferring funds between the capital reserve funds and the capital project fund. This will cover grant reimbursements expended but not yet received. The funds will be transferred back when they are received.

Specific Action Requested

Adoption of Capital Project Ordinance Amendment #13 as presented.

Summary

The Capital Investment Fund will transfer funds to the Capital Project Fund to cover grant expenditures not yet reimbursed at fiscal year-end to stay within budget and audit compliance. This will still maintain our fund balance policy. The funds will be transferred back when received. The amount is a conservative estimate and only actual funds needed at fiscal year-end will be transferred. Additionally, the Juncos St. beach access improvements are funded through the beach nourishment capital reserve (excess funds generated through MSD sales tax) and will be transferred back when we are eligible to receive our distribution upon completion of the as-built survey.

Attachments

1. 6 E7 Cap Proj amend 13 ord



CAPITAL PROJECT ORDINANCE
(Amendment #13)

BE IT ORDAINED by the Governing Board of the Town of Nags Head, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance as adopted January 5, 2022, amended August 3, 2022, amended March 1, 2023, amended April 3, 2024, amended August 7, 2024, amended October 2, 2024, amended January 8, 2025, amended March 5, 2025, amended April 2, 2025, amended October 1, 2025, amended November 5, 2025, amended February 4, 2026, amended April 1, 2026, is hereby further amended as follows:

- Section 1. This ordinance is to establish a budget for Capital Projects.
- Section 2. The following budget shall be conducted within the Capital Projects Fund (fund #41).
- Section 3. The officers of this unit are hereby directed to proceed with the capital project within the terms of the budget contained herein.
- Section 4. The following amounts are appropriated for the Public Services Complex project:

Construction design and oversight	\$ 1,311,269
Building	12,081,269
Equipment	1,339,096
Professional fees	264,415
Improvements	172,382
Contribution to Capital Investment Fund	<u>489,950</u>
Total Expenditures	<u>\$ 15,658,381</u>

Section 5. The following revenues are anticipated to be available to complete Public Services Complex project:

Contribution from General Fund	\$ 489,950
Interest Income	792,177
Intergovernmental Grant	4,000
Bond Proceeds, Limited Obligation Bonds, Series 2023	<u>14,372,254</u>
Total revenues	<u>\$ 15,658,381</u>

Section 6. The following amounts are appropriated for the Harvey/Soundside Event sites living shoreline project:

Improvements	\$600,000
Total Expenditures	<u>\$ 600,000</u>

Section 7. The following revenues are anticipated to be available to complete Harvey/Soundside Event sites living shoreline project:

Intergovernmental Grant	\$ 600,000
Total revenues	<u>\$ 600,000</u>

Section 8. The following amounts are appropriated for the NC Department of Environmental Quality/Division of Water Infrastructure Project Area 12/13 S. Old Oregon Inlet Road Stormwater Improvements:

Infrastructure	\$ 2,310,323
Improvements	<u>184,380</u>
Total Expenditures	<u>\$ 2,494,703</u>

Section 9. The following revenues are anticipated to be available to complete NC Department of Environmental Quality/Division of Water Infrastructure Project Area 12/13 S. Old Oregon Inlet Road Stormwater Improvements:

Intergovernmental Grant	\$ 2,494,703
-------------------------	--------------

Section 10. The following amounts are appropriated for the NC Department of Environmental Quality/Division of Water Infrastructure Project Area 4 Bonnett Street Stormwater Pump Station:

Infrastructure	\$233,624
----------------	-----------

Section 11. The following revenues are anticipated to be available to complete NC Department of Environmental Quality/Division of Water Infrastructure Project Area 4 Bonnett Street Stormwater Pump Station:

Intergovernmental Grant	\$ 233,624
-------------------------	------------

Section 12. The following amounts are appropriated for the NC Department of Environmental Quality/Division of Water Infrastructure Stormwater Master Plan Update project:

Infrastructure	\$ 251,291
----------------	------------

Section 13. The following revenues are anticipated to be available to complete the NC Department of Environmental Quality/Division of Water Infrastructure Stormwater Master Plan Update project:

Intergovernmental Grant	\$ 251,291
-------------------------	------------

Section 14. The following amounts are appropriated for the NC 12 multi-use path repair project:

Capital Outlay Improvements	\$235,430
-----------------------------	-----------

Section 15. The following revenues are anticipated to be available to complete the NC 12 multi-use path repair project:

Intergovernmental Grant	\$ 235,430
-------------------------	------------

Section 16. The following amounts are appropriated for the Living Shoreline Projects at Sugar Creek and West Soundside Road:

Capital Outlay Improvements	\$ 345,852
-----------------------------	------------

Section 17. The following revenues are anticipated to be available to complete the Living Shoreline Projects at Catfish Farm/Sugar Creek Causeway and West Soundside Road:

Intergovernmental Grant	\$ 336,873
Transfer-General Fund	<u>8,979</u>
Total Expenditures	\$ 345,852

Section 18. The following revenues are anticipated to be available to cover grant reimbursements not yet received:

Transfer from Capital Investment Fund	\$ 725,000
Transfer from Capital Reserve Fund	<u>184,380</u>
	\$ <u>909,380</u>
Transfer to Capital Investment Fund	\$ 725,000
Transfer to Capital Reserve Fund	<u>184,380</u>
	\$ <u>909,380</u>

Section 19. The Finance Officer is hereby directed to maintain within the Capital Project Fund sufficient detailed accounting records to satisfy federal, state, and local regulations.

Section 20. The Finance Officer is directed to report, on a quarterly basis, on the financial status of each project element.

Section 21. Copies of this project ordinance shall be furnished to the Clerk of the Governing Board, and to the Budget Officer and Finance Officer for direction in carrying out this project.

Adopted this 3rd day of June 2026.

Benjamin Cahoon, Mayor

ATTEST: _____

Brittany A. Phillips, Town Clerk



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM F.1.

Public Hearing to Consider Citizen Comments on the Town Manager's Recommended Operating Budget for July 1, 2026 – June 30, 2027, Recommended CIP Requests for FY 2026/27 through FY 2030/31, and Updated Consolidated Fee Schedule.

Consideration of Adoption of:

- FY 2026/27 Budget Ordinance
- Pay Plan and Organizational Charts
- Recommended Capital Improvement Program (CIP)
- Consolidated Fee Schedule

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

I appreciate the hard work of staff and the Board of Commissioners in preparing the FY 2026/27 budget. We welcome comments from the public and feedback and direction from the Board of Commissioners. Thank you!

Specific Action Requested

Public Hearing to be conducted on the FY 26/27 proposed budget. If the board would like to adopt the budget, we request approval/adoption of attached documents listed above.

Summary

At the May 6th Board of Commissioners meeting, Town Manager Andy Garman presented highlights of his recommended FY 26/27 Budget. At that time, the proposed budget was distributed to board members. A digital budget is available for inspection on the town's website and can be found [here](#). A workshop was held on May 20th to discuss the recommended budget. A discussion of the changes to the Manager's Recommended Budget is attached. All changes are reflected in the budget ordinance. If the Board does not adopt the budget at the June 3, 2026 meeting, a mid-month meeting will be held June 17, 2026. A workshop has been scheduled at the conclusion of the upcoming meeting, if necessary, to discuss the budget.

Attachments

1. 6 F1 PH FY 26/27 Adopted Budget changes from the Recommended Budget
2. 6 F1 PH FY26/27 Budget ord
3. 6 F1 PH Pay Scale 7.1.2026
4. 6 F1 PH Organizational Charts
5. 6 F1 PH CIP FY 26/27 budget
6. 6 F1 PH CFS July 1, 2026
7. 6 F1 PH FY 26-27 Budget pn

Benjamin Cahoon
Mayor

Megan Lambert
Mayor Pro Tem

Andy Garman
Town Manager



Town of Nags Head

Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

Bob Sanders
Commissioner

Megan Vaughan
Commissioner

Molly Harrison
Commissioner

June 3, 2026

To: Board of Commissioners

From: Andy Garman, Town Manager

RE: Changes to fiscal year 2026/2027 recommended budget resulting from organizational changes and changes to the pay plan

At the May 20, 2026, budget workshop, an overview of organization restructuring was discussed, which resulted in new positions on the pay plan without adding any head count. These include:

- Moving the part-time position in Admin. Services to Public Services Administration.
- Moving the full-time office assistant position in Public Services Admin. to Admin. Services to create the HR assistant position.
- Adjusting the pay and associated benefits for the part-time events assistant position in the Planning Department.
- Result is no new positions, but the general fund budget ordinance increases by \$1,728 to account for the actual salary and benefit changes between departments. This is accounted for as a \$1,728 increase to unassigned fund balance appropriated, a \$69,956 increase in Admin Services, a \$3,379 increase in the Planning Department, and a (\$71,607) decrease in Public Services Administration.

In the water fund, the net position was increased by \$6,494 to account for the salary and benefits of the person moving into the customer services position in Admin. Services, since it is split between the general fund and Water Admin. Department. The Water Operations and Distribution departments are being consolidated into one department, the Water Services Department. This does not result in any budgetary changes; it does result in changes to the organization chart and the budget ordinance.

The Board request is to adopt the budget ordinance and organizational changes as outlined in this memo and as presented in the Board packet. Staff is available to answer any questions.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina, meeting in session this the 3rd day of June 2026, that the budget ordinance adopted on June 3rd, 2026, effective July 1, 2026, to read as follows:

SECTION I GENERAL FUND

Revenues Anticipated:	
Current year ad valorem taxes	\$ 10,951,595
Municipal Service District taxes	1,814,209
Current town wide beach nourishment ad valorem taxes	1,033,169
Penalties and interest	10,100
DMV Taxes	170,441
Other taxes and licenses	10,548,900
Unrestricted intergovernmental revenues	1,062,900
Restricted intergovernmental revenues	394,175
Permits and fees	600,100
Sales and services	56,000
Investment earnings	400,000
Other revenues	515,371
Transfer from Capital Reserve Fund	3,487,102
Transfer from Capital Investment Fund	3,931,068
Sale of capital assets	20,000
Unassigned Fund Balance Appropriated	696,728
Total General Fund Revenues	<u>\$ 35,691,858</u>

SECTION I GENERAL FUND

Expenditures Authorized:	
Governing Body	\$ 201,362
Bond Debt	4,311,102
Town Manager	2,074,494
Administrative Services	1,479,075
Information Technology	716,574
Legal Services	128,713
Planning and Development	1,517,163
Public Services Administration	672,931
Facilities Maintenance	2,692,694
Garage	545,678
State Street Aid - Powell Bill	335,000
Sanitation	2,253,281
Solid Waste Disposal	828,288
Streets and Stormwater	186,680
Police	4,885,855
Fire	5,149,221
Ocean Rescue	1,145,592
Transfer to Capital Reserve Fund	3,695,438
Transfer to Capital Investment Fund	2,722,717
Contingency	150,000
Total General Fund Expenditures	<u>\$ 35,691,858</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

Section II WATER FUND

Revenues Anticipated:	
Charges for utilities	\$ 4,520,250
Taps/connection fees	26,000
Non-payment fees	5,000
System development fees	25,000
Interest on investments	100,000
Penalties and interest	25,000
Septic loan repayments	38,500
Miscellaneous revenues	2,000
Transfer from Water Capital Reserve Fund	21,500
Appropriated Net Position	<u>316,598</u>
Total Water Fund Revenues	<u>\$ 5,079,848</u>
Expenses Authorized:	
Administration	\$ 1,038,975
Septic Health Initiative	259,647
Water Services	3,706,226
Transfer to Water Capital Reserve Fund	25,000
Contingency	<u>50,000</u>
Total Water Fund Expenses	<u>\$ 5,079,848</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

Section III CAPITAL RESERVE FUND

Revenues Anticipated:	
Transfer from General Fund	\$ 3,695,438
Appropriations	<u>3,487,102</u>
Total Revenues	<u>\$ 7,182,540</u>
Expenditures Authorized:	
Transfer to General Fund	\$ 3,487,102
Contributions to Fund Balance	<u>3,695,438</u>
Total Expenditures	<u>\$ 7,182,540</u>

Section IV CAPITAL INVESTMENT FUND

Revenues Anticipated:	
Transfer from General Fund	\$ 2,722,717
Appropriations	<u>3,931,068</u>
Total Revenues	<u>\$ 6,653,785</u>
Expenditures Authorized:	
Transfer to General Fund	\$ 3,931,068
Contributions to Fund Balance	<u>2,722,717</u>
Total Expenditures	<u>\$ 6,653,785</u>

Section V WATER CAPITAL RESERVE FUND

Revenue Anticipated:	
Transfer from Water Fund	\$ 25,000
Appropriations/System development fees	<u>21,500</u>
Total Revenues	<u>\$ 46,500</u>
Expenses Authorized:	
Transfer to Water Fund	21,500
Contributions to Net Position	<u>\$ 25,000</u>
Total Expenses	<u>\$ 46,500</u>
TOTAL BUDGET FISCAL YEAR 2026-2027	<u>\$ 54,654,531</u>



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

SECTION VI TAX RATES ESTABLISHED

A Town wide tax rate of twenty three and two tenths (\$.232) cents per hundred dollar valuation is hereby levied on all real estate, corporate utilities, and personal property in the Town of Nags Head as of January 1, 2026. The estimated valuation of said property is five billion, one hundred seventy eight million, seven hundred ninety three thousand, five hundred and three dollars (\$5,178,793,503). The estimated collection rate is ninety-nine and three quarters percent (99.75%). A tax rate of nine (\$.9) cents per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service districts 1 and 2 with an estimated value of one billion, seven hundred ninety million, two hundred sixty one thousand eight hundred ninety five dollars (\$1,790,261,895). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one (\$.01) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 4 with an estimated value of one billion one hundred eighty eight million, five hundred sixty three thousand, seven hundred forty five dollars (\$1,188,563,745). The estimated collection rate is ninety-nine and three quarters percent (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of one half (\$.005) cent per hundred dollar valuation is hereby levied on all real estate, personal property, and motor vehicle property located in municipal service district 3 with an estimated value of one billion, seven hundred seventy three million, two hundred eighty one thousand, one hundred twenty seven dollars (\$1,773,281,127). The estimated collection rate is ninety-nine and three quarters (99.75%) on all real estate and personal property and one hundred percent (100%) on all motor vehicle property. A tax rate of twenty three and two tenths (\$.232) cents per hundred dollar valuation is hereby levied on all motor vehicle property in the Town of Nags Head as renewed throughout the State during the year. The estimated valuation of said property is seventy three million, four hundred sixty five thousand, seven hundred ninety six dollars (\$73,465,796). The estimated collection rate is hundred percent (100%). All estimated collection rates are based on the collection rates for the fiscal year ended June 30, 2026.

SECTION VII, SPECIAL AUTHORIZATION - BUDGET OFFICER

The Budget Officer shall be authorized to transfer amounts between objects of expenditures not adopted in the Capital Improvements Program (CIP) within a department without limitation and without a report being requested. The Budget Officer is authorized to reallocate appropriations between departments among the various objects of expenditures as (s)he believes necessary. Such changes shall be reported to the Finance Officer immediately and to the Governing Body at the next regular meeting or on the next succeeding monthly budget transfer report.

SECTION VIII, RESTRICTION-BUDGET OFFICER

The use of any contingency appropriations shall be accomplished only with prior authorization from the Board of Commissioners.

Salary increases, beyond those set forth in the budget document, shall not exceed 5% without Board approval. Promotional or merit increase are excluded and shall be administered in accordance with the Personnel Policy. The use of appropriations established for Capital Reserve may be accomplished only with the approval of the Board.

Interfund transfers, not established in the budget document, may be accomplished only with prior authorization from the Board.

In case of emergency which threatens the lives, health, and safety of the public, the Town Manager may execute contractual documents and authorize expenditures in an amount necessary to meet the emergency so long as such amount does not exceed the amount in contingency accounts not to exceed \$125,000 and the expenditure is reported to the Board of Commissioners as soon as possible, and the appropriate budget amendments are submitted at the next regular meeting.



**Town of Nags Head
Budget Ordinance
Fiscal Year 2026-2027**

SECTION IX - AUTHORIZATION TO EXECUTE CONTRACTUAL DOCUMENTS

The Town Manager, or in his absence his designee, is hereby authorized to execute contractual documents under the following conditions:

- (a) The Town Manager may execute contracts for: (1) Purchases or apparatus, supplies and materials, or equipment which are within budgeted department appropriations where formal bid is not required; (2) Leases of personal property for durations of one year or less which are within budgeted departmental appropriations; (3) Services and service contracts which are within budgeted departmental appropriations; and (4) formal bids involving purchase contracts, including rejecting bids and re-advertising to receive bids. This delegation can not be applied to construction or repair contracts.
- (b) The Town Manager may execute contracts, as the lessor or lessee of real property, which are of a duration of one year or less which are within budgeted departmental appropriations not to exceed an annual amount of \$20,000.
- (c) The Town Manager may execute contracts for design consultant services, where consultant fees are estimated to be less than \$50,000.
- (d) The Town Manager may execute contracts for construction or repair projects which do not require formal competitive bid procedures.
- (e) The Town Manager may execute change orders or amendments to construction contracts in amounts up to \$50,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
- (f) The Town Manager may execute grant agreements to or from public nonprofit organizations which are within budgeted appropriations unless the grantor organization requires execution by the Board of Commissioners.

SECTION X, UTILIZATION OF BUDGET AND BUDGET ORDINANCE

This ordinance and the budget document shall be the basis of the financial plan for the Town of Nags Head, North Carolina Municipal Government during the 2026-2027 fiscal year. The Budget Officer shall administer the Budget and (s)he shall insure that operating officials are provided guidance and sufficient details to implement their appropriate portion of the Budget. The Accounting Section shall establish records which are in accordance with the Budget and this Ordinance and the appropriate statutes of the State of North Carolina.

ADOPTED THIS 3rd DAY OF **JUNE 2026**.

Benjamin Cahoon, Mayor

Attest:

Brittany A. Phillips, Town Clerk

Motion to Adopt by Commissioner
Motion Seconded By Commissioner
Vote _____ Ayes _____ Noes
Recorded in Minute Book _____, Page _____

Town of Nags Head
Salary Schedule 7/1/2026 - 6/30/2027

Grade	Minimum	Market Reference Point	Maximum	Grade
1	\$46,572	\$56,818	\$73,584	1
2	\$48,960	\$59,731	\$77,357	2
3	\$51,470	\$62,794	\$81,323	3
4	\$54,109	\$66,013	\$85,493	4
5	\$56,884	\$69,398	\$89,876	5
6	\$59,800	\$72,956	\$94,484	6
7	\$62,866	\$76,697	\$99,328	7
8	\$66,089	\$80,629	\$104,421	8
9	\$69,478	\$84,763	\$109,775	9
10	\$73,040	\$89,109	\$115,403	10
11	\$76,785	\$93,677	\$121,320	11
12	\$80,722	\$98,480	\$127,540	12
13	\$84,860	\$103,530	\$134,079	13
14	\$89,211	\$108,838	\$140,954	14
15	\$93,785	\$114,418	\$148,181	15
16	\$98,594	\$120,284	\$155,778	16
17	\$103,649	\$126,451	\$163,765	17
18	\$114,549	\$139,750	\$180,988	18
19	\$126,597	\$154,448	\$200,023	19
20	\$139,911	\$170,691	\$221,059	20
21	\$154,626	\$188,643	\$244,308	21
22	\$170,888	\$208,483	\$270,003	22

Grade List
7/1/2026 - 6/30/2027

Grade	Classification	Minimum	MRP	Maximum
2	Sanitation Equipment Operator Trainee	48,960	59,731	77,357
3	Administrative Specialist I	51,470	62,794	81,323
4	Accounts Payable Specialist	54,109	66,013	85,493
	Administrative Specialist II			
	Customer Service Representative			
	Facilities and Grounds Maintenance Technician			
5	Permit Specialist	56,884	69,398	89,876
6	Deputy Town Clerk	59,800	72,956	94,484
	Facilities Maintenance / Heavy Equipment Operator			
	Firefighter/EMT			
	Permitting Coordinator			
	Sanitation Equipment Operator			
	Senior Facilities and Grounds Maintenance Technician			
	Water Billing Specialist			
	Water Services Technician			
7	Administrative Supervisor	62,866	76,697	99,328
	Code Compliance Officer			
	Environmental Planner			
	Facilities and Grounds Maintenance Crew Leader			
	Fleet Mechanic			
	Human Resources Assistant			
	Office Manager			
	Payroll and Benefits Specialist			
	Police Officer			
	Sanitation Equipment Crew Leader			
	Tax Collector			
8	Building Inspector I	66,089	80,629	104,421
	Facilities Maintenance / Stormwater Crew Leader			
	Police Technology Coordinator			
	Senior Fleet Mechanic			
9	Building Inspector II	69,478	84,763	109,775
	Events Program Manager			
	Fire Engineer			
	Fleet Crew Leader			
	Planner			
	Police Detective			

Grade List
7/1/2026 - 6/30/2027

Grade	Classification	Minimum	MRP	Maximum
10	Building Inspector III	73,040	89,109	115,403
12	Assistant Water Services Manager	80,722	98,480	127,540
	Facilities and Grounds Maintenance Superintendent			
	Fire Lieutenant			
	Fleet Maintenance Superintendent			
	Public Information Officer			
	Sanitation Superintendent			
13	Chief Building Inspector	84,860	103,530	134,079
	Fire Captain			
	Police Sergeant			
	Town Clerk			
14	Water Services Manager	89,211	108,838	140,954
15	Police Lieutenant	93,785	114,418	148,181
16	Ocean Rescue Captain/Firefighter	98,594	120,284	155,778
17	Deputy Director - Planning and Development	103,649	126,451	163,765
	Deputy Finance Director			
	Deputy Fire Chief			
	Deputy Police Chief			
	Information Technology Manager			
18	Director - Human Resources	114,549	139,750	180,988
19	Director - Planning and Development	126,597	154,448	200,023
	Director - Public Services			
	Fire Chief			
	Police Chief			
	Town Engineer			
22	Deputy Town Manager/Finance Director	170,888	208,483	270,003

Nags Head Class List
7/1/2026 - 6/30/2027

Grade	Classification	Minimum	MRP	Maximum
4	Accounts Payable Specialist	54,109	66,013	85,493
3	Administrative Specialist I	51,470	62,794	81,323
4	Administrative Specialist II	54,109	66,013	85,493
7	Administrative Supervisor	62,866	76,697	99,328
12	Assistant Water Services Manager	80,722	98,480	127,540
8	Building Inspector I	66,089	80,629	104,421
9	Building Inspector II	69,478	84,763	109,775
10	Building Inspector III	73,040	89,109	115,403
13	Chief Building Inspector	84,860	103,530	134,079
7	Code Compliance Officer	62,866	76,697	99,328
4	Customer Services Representative	54,109	66,013	85,493
17	Deputy Finance Director	103,649	126,451	163,765
17	Deputy Fire Chief	103,649	126,451	163,765
17	Deputy Planning Director	103,649	126,451	163,765
17	Deputy Police Chief	103,649	126,451	163,765
6	Deputy Town Clerk	59,800	72,956	94,484
22	Deputy Town Manager/Finance Officer	170,888	208,483	270,003
18	Director - Human Resources	114,549	139,750	180,988
19	Director - Planning and Development	126,597	154,448	200,023
19	Director - Public Services	126,597	154,448	200,023
7	Environmental Planner	62,866	76,697	99,328
9	Events Program Manager	69,478	84,763	109,775
7	Facilities and Grounds Maintenance Crew Leader	62,866	76,697	99,328
12	Facilities and Grounds Maintenance Superintendent	80,722	98,480	127,540
4	Facilities and Grounds Maintenance Technician	54,109	66,013	85,493
6	Facilities Maintenance / Heavy Equipment Operator	59,800	72,956	94,484
8	Facilities Maintenance / Stormwater Crew Leader	66,089	80,629	104,421
13	Fire Captain	84,860	103,530	134,079
19	Fire Chief	126,597	154,448	200,023
9	Fire Engineer	69,478	84,763	109,775
6	Fire Fighter/EMT	59,800	72,956	94,484
12	Fire Lieutenant	80,722	98,480	127,540
9	Fleet Crew Leader	69,478	84,763	109,775
12	Fleet Maintenance Superintendent	80,722	98,480	127,540
7	Fleet Mechanic	62,866	76,697	99,328

Nags Head Class List
7/1/2026 - 6/30/2027

Grade	Classification	Minimum	MRP	Maximum
7	Human Resources Assistant	62,866	76,697	99,328
17	Information Technology Manager	103,649	126,451	163,765
16	Ocean Rescue Captain/Firefighter	98,594	120,284	155,778
7	Office Manager	62,866	76,697	99,328
7	Payroll and Benefits Specialist	62,866	76,697	99,328
5	Permit Specialist	56,884	69,398	89,876
6	Permitting Coordinator	59,800	72,956	94,484
9	Planner	69,478	84,763	109,775
19	Police Chief	126,597	154,448	200,023
9	Police Detective	69,478	84,763	109,775
15	Police Lieutenant	93,785	114,418	148,181
7	Police Officer	62,866	76,697	99,328
13	Police Sergeant	84,860	103,530	134,079
8	Police Technology Coordinator	66,089	80,629	104,421
12	Public Information Officer	80,722	98,480	127,540
7	Sanitation Equipment Crew Leader	62,866	76,697	99,328
6	Sanitation Equipment Operator	59,800	72,956	94,484
2	Sanitation Equipment Operator Trainee	48,960	59,731	77,357
12	Sanitation Superintendent	80,722	98,480	127,540
6	Senior Facilities and Grounds Maintenance Technician	59,800	72,956	94,484
8	Senior Fleet Mechanic	66,089	80,629	104,421
7	Tax Collector	62,866	76,697	99,328
13	Town Clerk	84,860	103,530	134,079
19	Town Engineer	126,597	154,448	200,023
6	Water Billing Specialist	59,800	72,956	94,484
14	Water Services Manager	89,211	108,838	140,954
6	Water Services Technician	59,800	72,956	94,484

Town of Nags Head Seasonal Lifeguard Pay Plan

	Lifeguard	Lifeg/EMT	Supervisor	Supv/EMT	ActingCap	AC/EMT
Base Starting Salary	\$20.50	\$21.50	\$23.00	\$24.00	\$25.50	\$26.50
1 returning year	\$21.00	\$22.00	\$23.50	\$24.50	\$26.00	\$27.00
2 returning year	\$21.50	\$22.50	\$24.00	\$25.00	\$26.50	\$27.50
3 returning year	\$22.00	\$23.00	\$24.50	\$25.50	\$27.00	\$28.00
4 returning year	\$22.50	\$23.50	\$25.00	\$26.00	\$27.50	\$28.50
5 returning year	\$23.00	\$24.00	\$25.50	\$26.50	\$28.00	\$29.00

Full Seasonal Bonus	
<i>Requirement: Minimum 600 hours worked during season</i>	Amount
Non-Supervisory Positions	\$600
Part-Time Supervisors (at least 100 hours of the 600 as supervisor)	\$750
Full-Time Supervisor (at least 500 hours of the 600 as a supervisor)	\$1,000

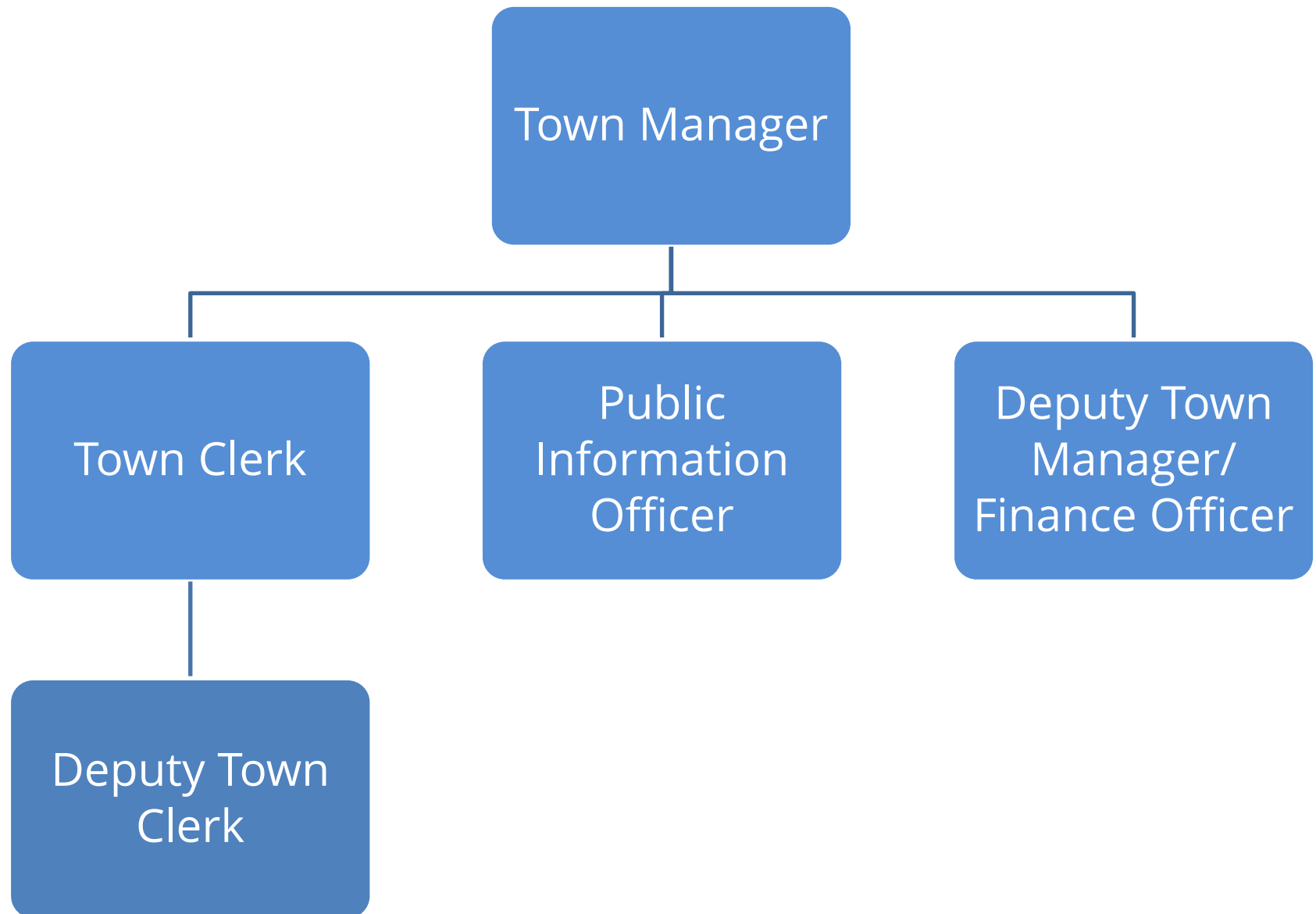
Half Seasonal Bonus	
<i>Requirement: Minimum 400 hours worked during season</i>	Amount
Non-Supervisory Positions	\$300
Part-Time Supervisors (at least 100 hours of the 400 as supervisor)	\$375
Full-Time Supervisor (at least 300 hours of the 400 as supervisor)	\$500

Labor Day Incentive Pay
Ocean Guards are eligible for an additional bonus equivalent to \$2.00/hour for every hour worked between the dates of August 15th and Labor Day. This amount will be paid as a bonus aligning with their last paycheck, or paycheck corresponding with Labor Day, whichever is sooner. The \$2.00/hour is not used to increase the hourly rate. It is solely used to determine the bonus amount.

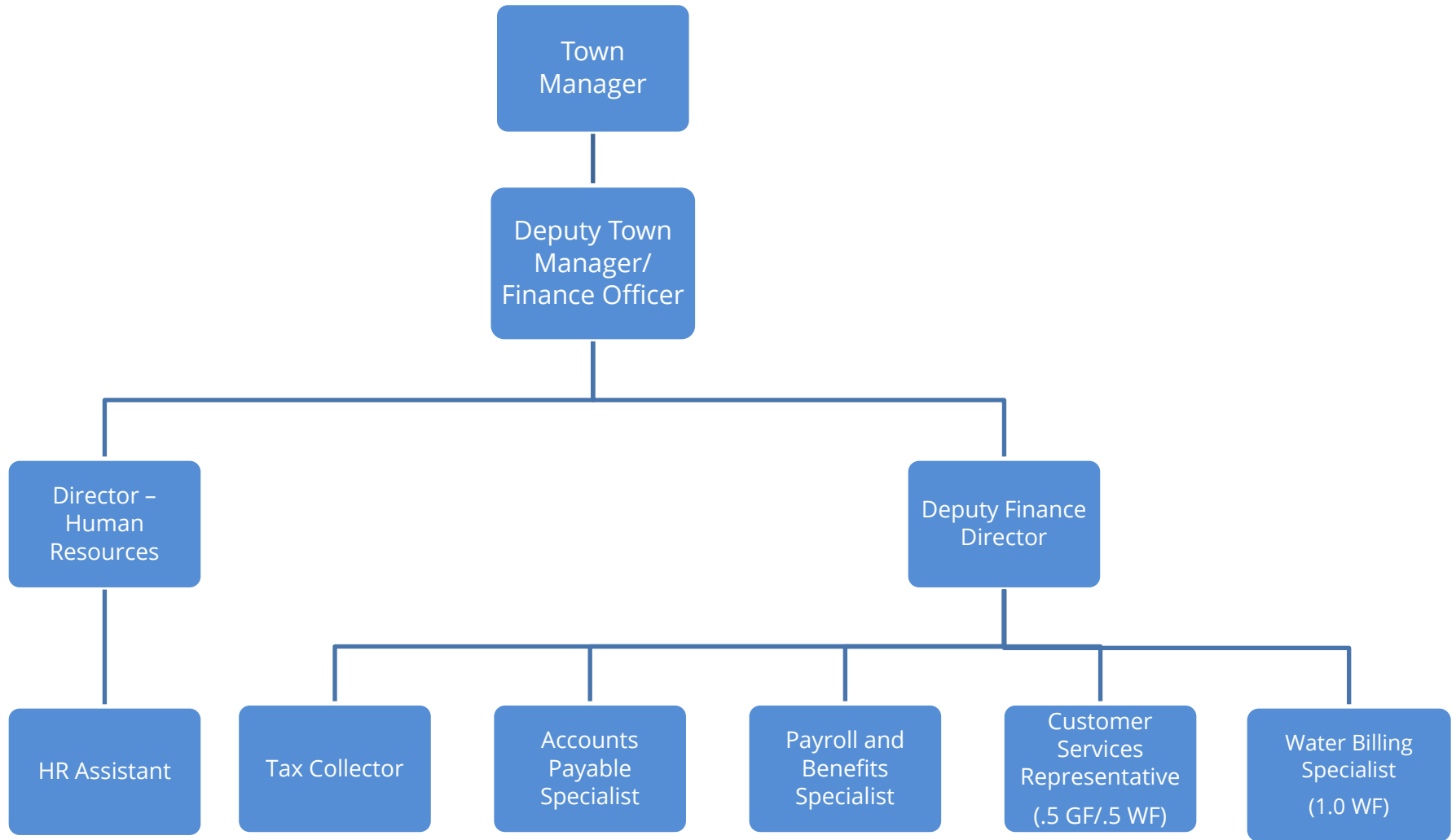
Returning Ocean Guards Treatment of Pay
Ocean Guards are eligible for a \$.50 increase for each returning season, up to 5 seasons. They must have worked a minimum of 600 hours the preceding seasons to be eligible for the increase. The increase is maxed out at 5 returning seasons (6th season with Ocean Rescue) for a maximum increase of \$2.50/hour.



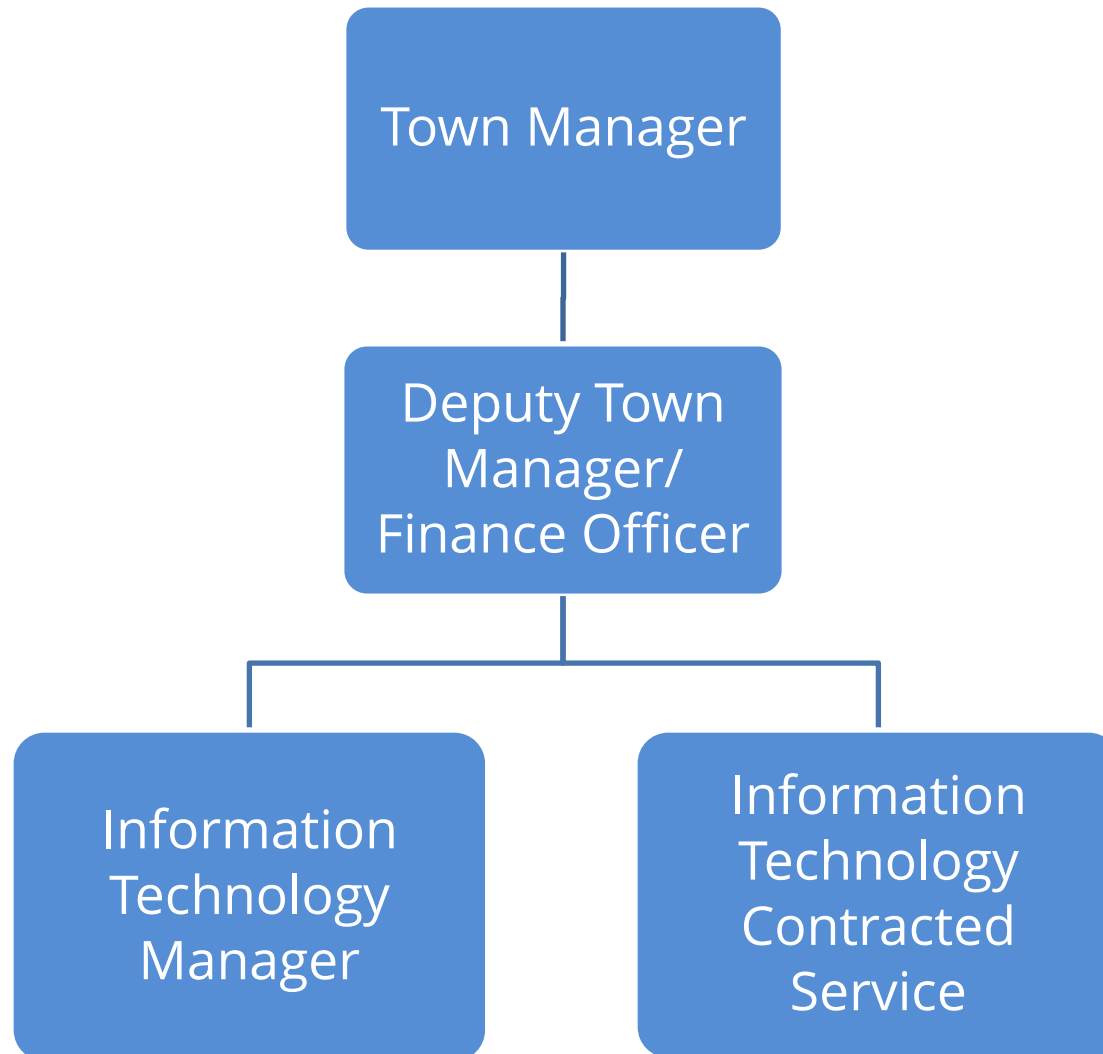
TOWN MANAGER ORGANIZATION AND STAFFING



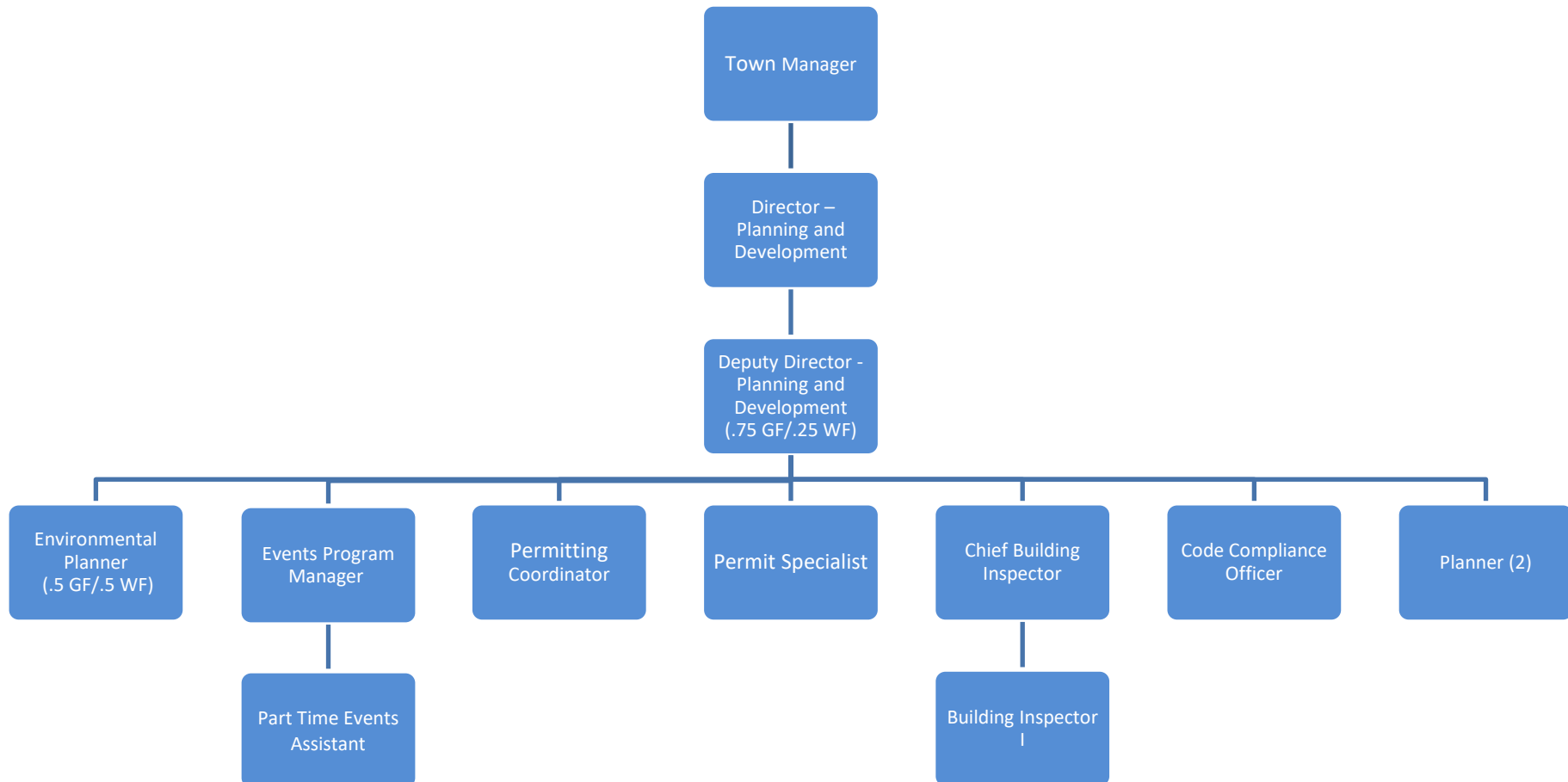
ADMINISTRATIVE SERVICES ORGANIZATION AND STAFFING



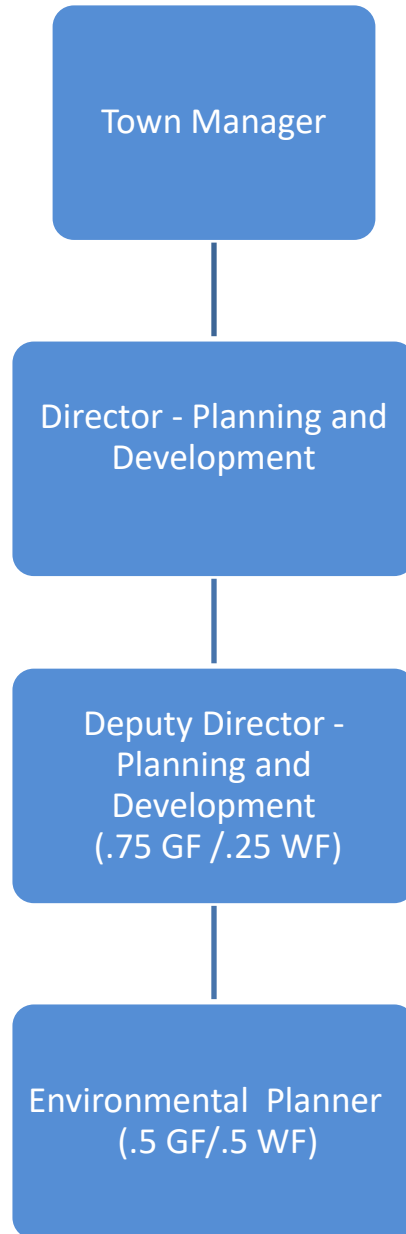
INFORMATION TECHNOLOGY ORGANIZATION AND STAFFING



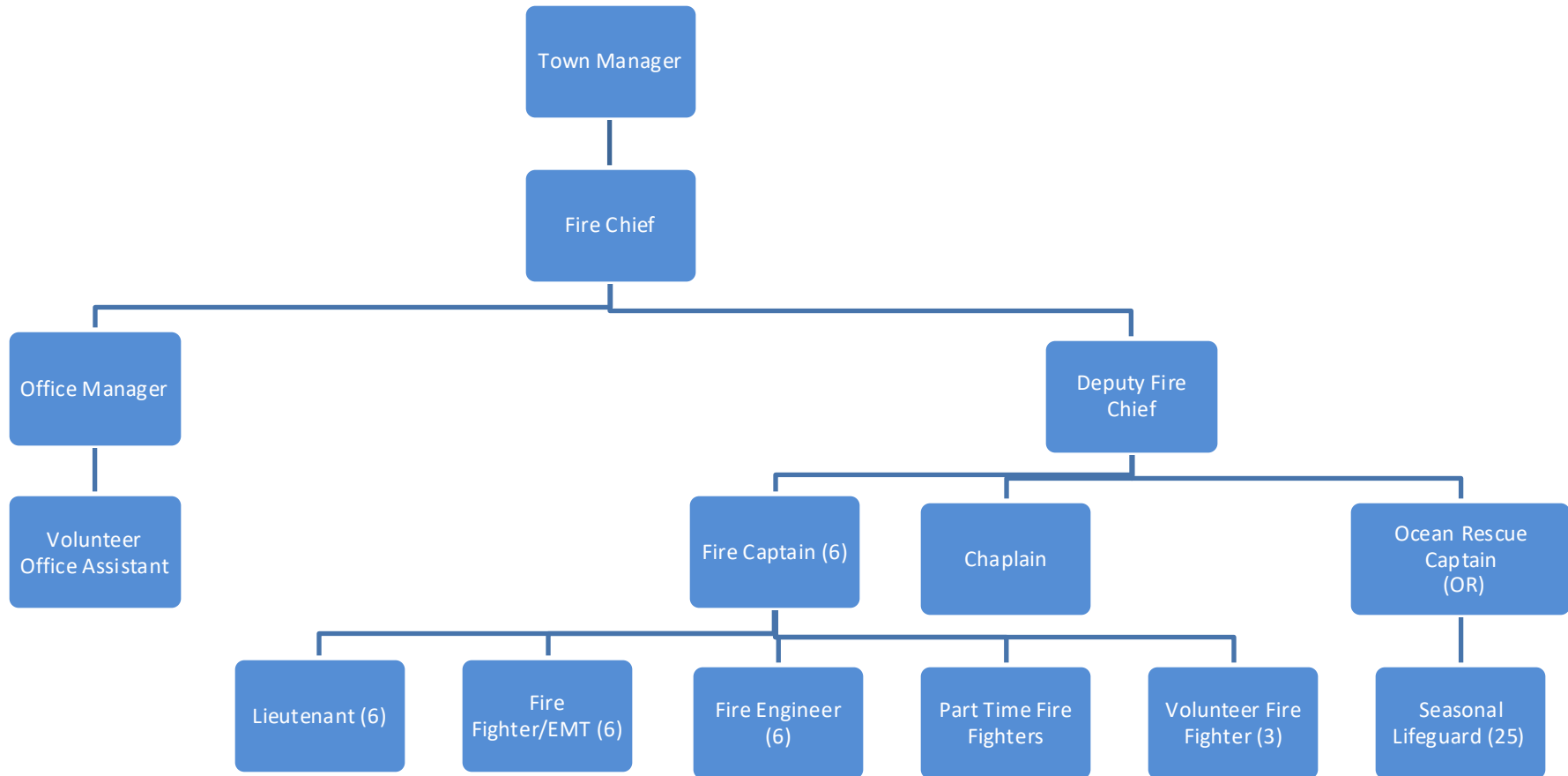
PLANNING & DEVELOPMENT ORGANIZATION AND STAFFING



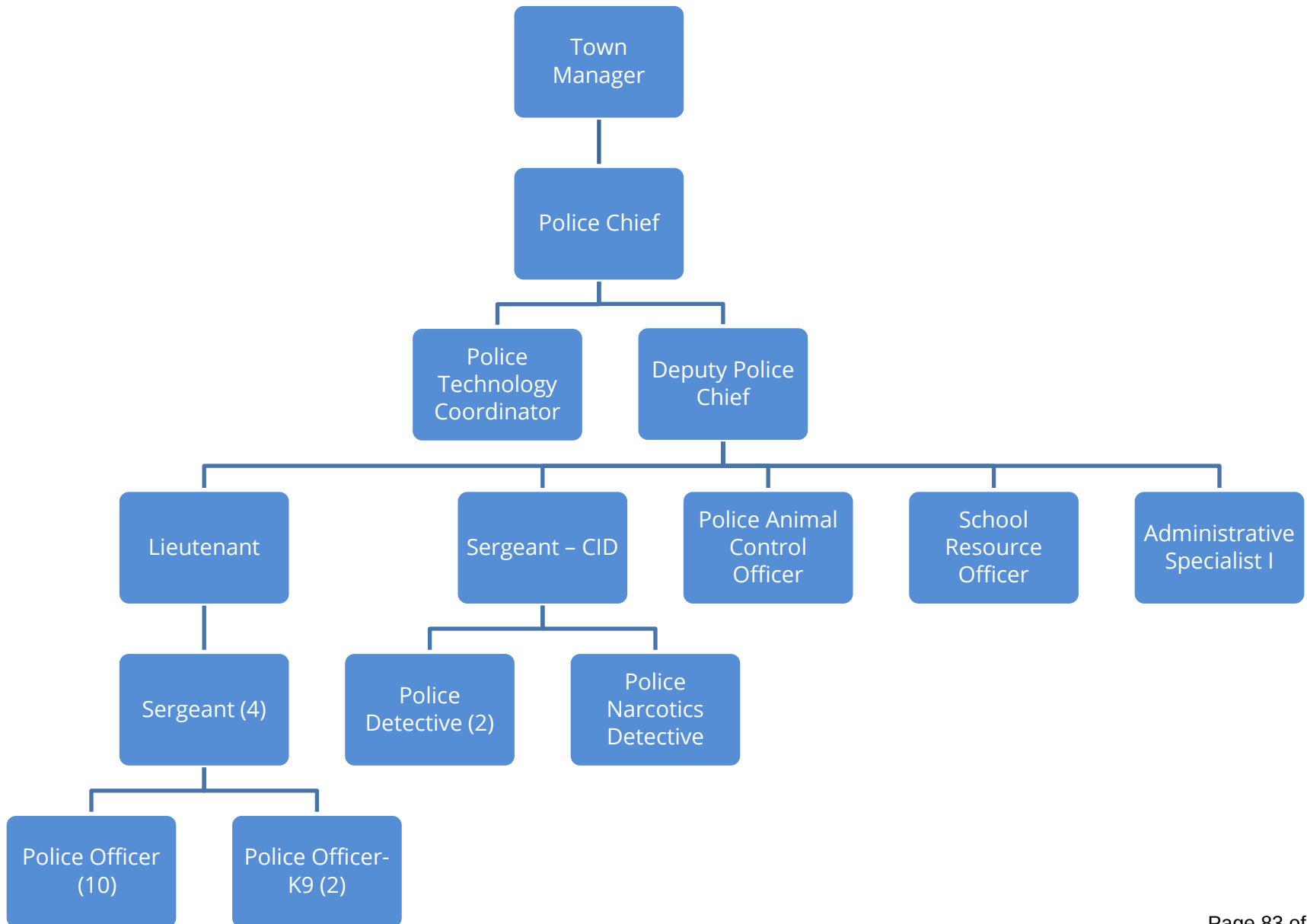
Septic Health Organization and Staffing



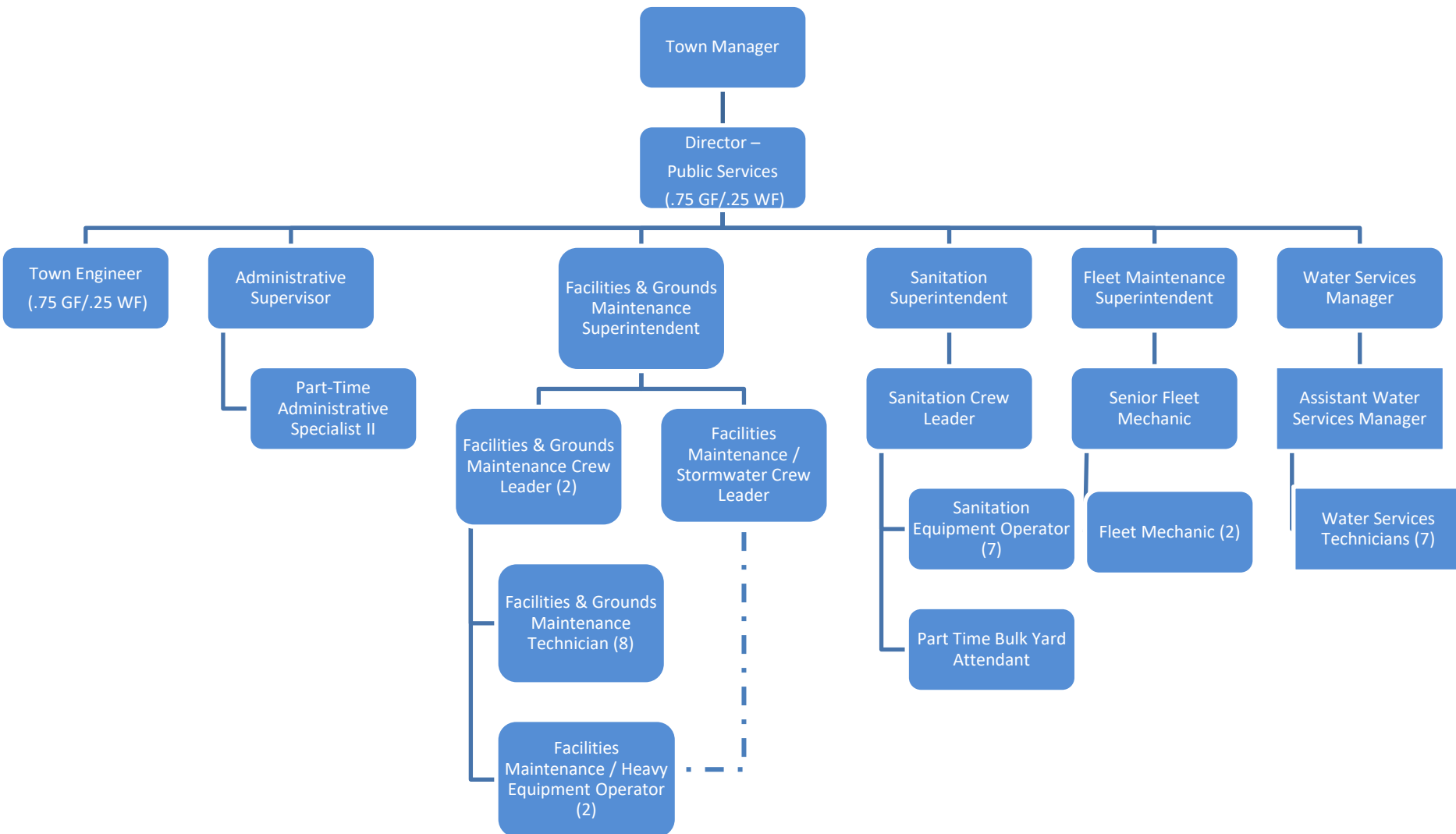
FIRE & OCEAN RESCUE ORGANIZATION AND STAFFING



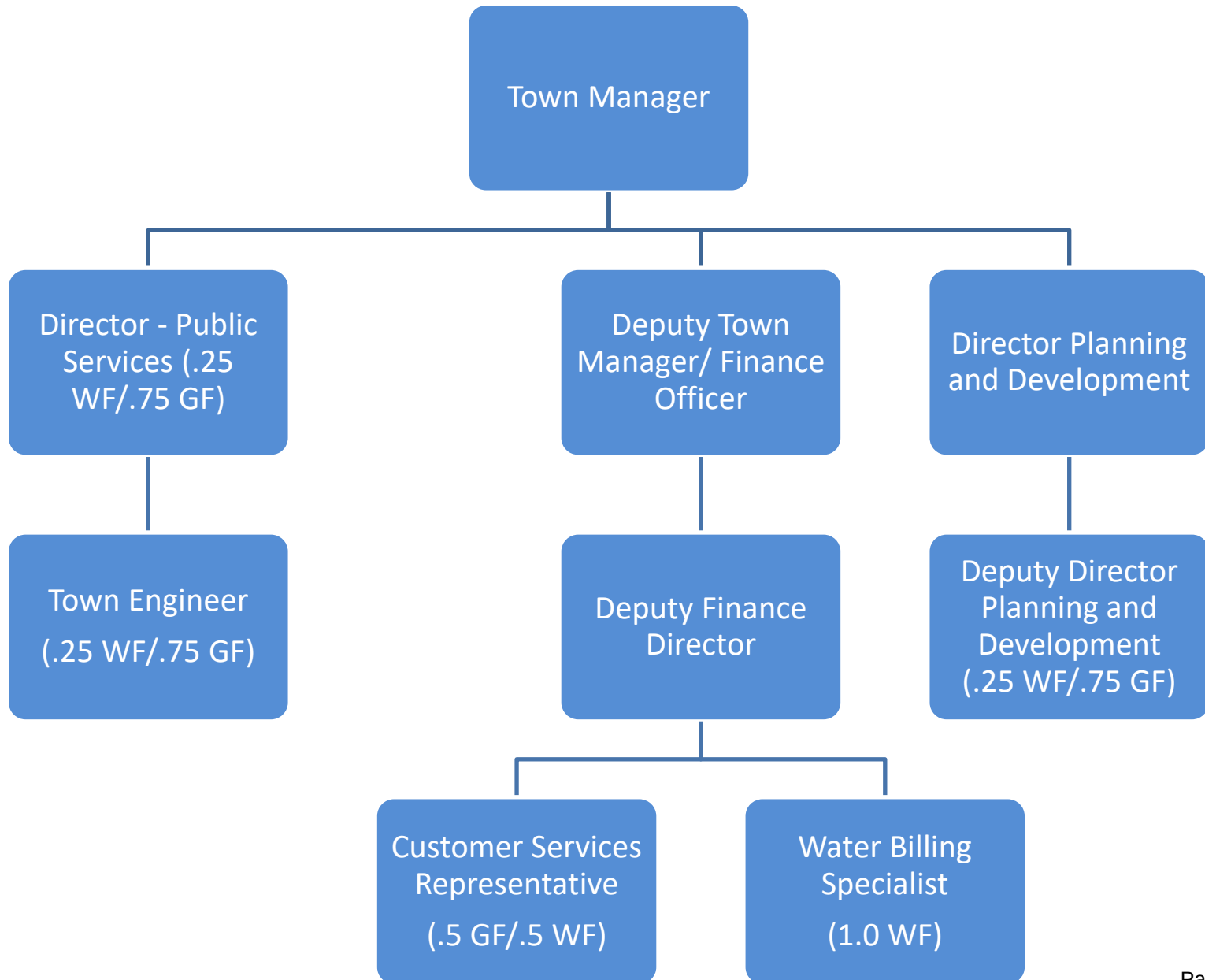
POLICE ORGANIZATION AND STAFFING



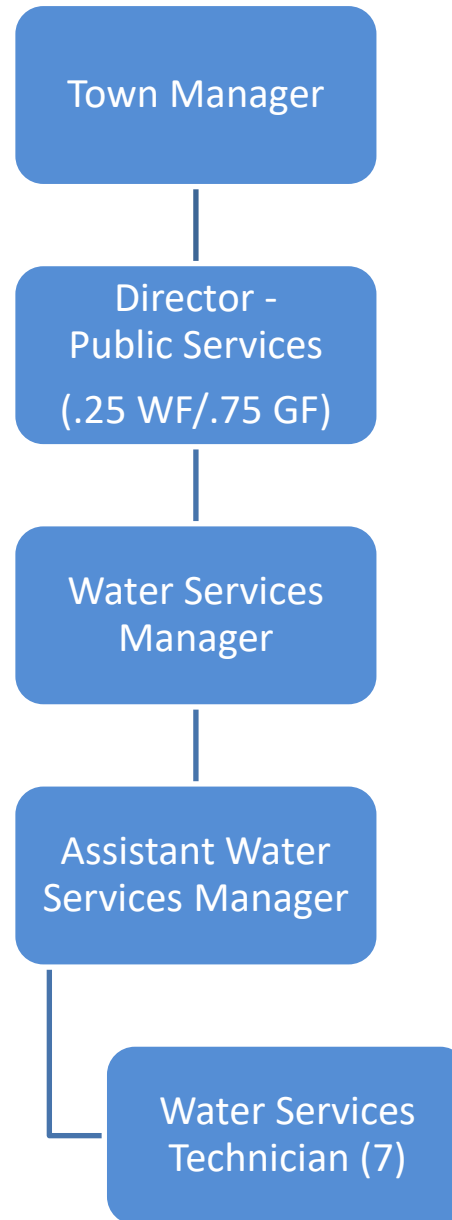
PUBLIC SERVICES ORGANIZATION AND STAFFING



Water Administration Organization and Staffing



Water Services Organization and Staffing



Yellow highlights indicate items on the Adopted Fiscal Year 2025-2026 CIP Schedule																	
Description General Fund	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	Capital Investment Fund Impact											Total Cost to Town (including interest)
						FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032 And Beyond						
Town Manager:																	
Conceptual design for a new fire station	2027	\$ 48,867	\$ -	\$ -	\$ 48,867	\$ 48,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	48,867
Soundside boardwalk - Phase I design	2028	100,000	-	-	100,000	-	100,000	-	-	-	-	-	-	-	-	-	100,000
Town Code/UDO recodification	2028	26,000	-	-	26,000	-	26,000	-	-	-	-	-	-	-	-	-	26,000
Board of Commissioners building audio/visual equipment	2029	64,500	-	-	64,500	-	-	64,500	-	-	-	-	-	-	-	-	64,500
Soundside boardwalk - Phase I construction	2029	500,000	500,000	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-
Soundside boardwalk - Phase II design	2029	100,000	-	-	100,000	-	-	100,000	-	-	-	-	-	-	-	-	100,000
Soundside boardwalk - Phase II construction	2030	514,000	514,000	-	514,000	-	-	-	-	-	-	-	-	-	-	-	-
		\$ 1,353,367	\$ 1,014,000	\$ -	\$ 1,353,367	\$ 48,867	\$ 126,000	\$ 164,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	339,367
Admin. Services/Information Technology:																	
Fiber build out - Dowdy Park and Bonnett Street	2029	\$ 52,800	\$ -	\$ -	\$ 52,800	\$ -	\$ -	\$ 52,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	52,800
Budget cycle management software	2029	241,422	-	-	241,422	-	-	64,860	56,007	58,807	61,748	241,422					
		\$ 294,222	\$ -	\$ -	\$ 294,222	\$ -	\$ -	\$ 117,660	\$ 56,007	\$ 58,807	\$ 61,748	\$ 294,222					
Planning:																	
Parks and recreation plan update	2027	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					-
Public Services Administration:																	
Carolista Dr./W. Soundside Rd.-west side multi-use path construction*	2027	\$ 1,688,935	\$ 750,000	\$ -	\$ 1,900,196	\$ 93,894	\$ 136,147	\$ 131,452	\$ 126,758	\$ 122,063	\$ 539,882	\$ 1,150,196					
E. Barnes St./Blue Jay St. pedestrian project	2028	78,000	50,000	-	78,000	-	28,000	-	-	-	-	28,000					
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St. multi-use path survey/design update	2029	20,000	-	-	20,000	-	-	20,000	-	-	-	20,000					
Villa Dunes Dr./S. Wrightsville Ave. pedestrian project	2029	152,500	68,750	-	152,500	-	-	83,750	-	-	-	83,750					
W. Seachase Dr./W. Baymeadow Dr./W. Gull St./W. Gray Eagle St.-west side multi-use path construction*	2030	2,140,750	642,225	-	2,477,919	-	-	-	149,853	217,287	1,468,554	1,835,694					
W. Woodhill Dr. pedestrian project	2031	143,500	92,625	-	143,500	-	-	-	-	50,875	-	50,875					
S. Wrightsville Ave. pedestrian project	2031	628,250	281,625	-	628,250	-	-	-	-	346,625	-	346,625					
		\$ 4,851,935	\$ 1,885,225	\$ -	\$ 5,400,365	\$ 93,894	\$ 164,147	\$ 235,202	\$ 276,611	\$ 736,850	\$ 2,008,436	\$ 3,515,140					
Public Works Facilities Maintenance :																	
Hargrove bath house design	2027	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000					
Albatross Street beach access maintenance	2027	80,000	-	80,000	80,000	-	-	-	-	-	-	-					
Glidden Street beach access maintenance	2027	171,600	134,925	36,675	171,600	-	-	-	-	-	-	-					
Enclosed utility trailer	2027	13,000	-	-	13,000	13,000	-	-	-	-	-	13,000					
Town Hall elevator replacement*	2027	143,900	-	-	143,900	14,390	20,866	20,146	19,427	18,707	82,742	176,278					
Hargrove bath house construction	2028	852,500	826,250	-	852,500	-	26,250	-	-	-	-	26,250					
Barnes Street beach access maintenance	2028	115,000	-	115,000	115,000	-	-	-	-	-	-	-					
Grouse Street beach access maintenance	2028	160,000	120,000	40,000	160,000	-	-	-	-	-	-	-					
Flail mower	2028	150,000	-	-	150,000	-	150,000	-	-	-	-	150,000					
Town Hall generator replacement	2029	101,467	-	-	101,467	-	-	101,467	-	-	-	101,467					
Beach road multi-use path maintenance construction	2029	500,000	-	-	500,000	-	-	500,000	-	-	-	500,000					
Eighth Street beach access maintenance	2029	132,000	66,000	66,000	132,000	-	-	-	-	-	-	-					
Ida Street beach access maintenance	2029	80,000	-	80,000	80,000	-	-	-	-	-	-	-					
4x4 tractor	2029	230,000	-	-	230,000	-	-	230,000	-	-	-	230,000					
Tandem dump truck	2030	250,000	-	-	250,000	-	-	-	250,000	-	-	250,000					
Indigo Street beach access maintenance	2030	180,000	-	180,000	180,000	-	-	-	-	-	-	-					
Islington Street beach access maintenance	2030	85,000	-	85,000	85,000	-	-	-	-	-	-	-					
Grader	2030	267,000	-	-	267,000	-	-	-	267,000	-	-	267,000					
Forrest Street beach access maintenance	2031	150,000	-	150,000	150,000	-	-	-	-	-	-	-					
Loader	2031	350,000	-	-	350,000	-	-	-	-	350,000	-	350,000					
Sweep truck	2031	195,000	-	-	195,000	-	-	-	-	195,000	-	195,000					
		\$ 4,256,467	\$ 1,147,175	\$ 832,675	\$ 4,256,467	\$ 77,390	\$ 197,116	\$ 851,613	\$ 536,427	\$ 563,707	\$ 82,742	\$ 2,308,995					

Yellow highlights indicate items on the Adopted Fiscal Year 2025-2026 CIP Schedule

Description General Fund	Fiscal Year	Cash Cost	Grant Funding	Capital Reserve Funding	Total Cost	Capital Investment Fund Impact					FY 2032 And Beyond	Total Cost to Town (including interest)	
						FY 2027	FY 2028	FY 2029	FY 2030	FY 2031			
Public Works Sanitation:													
Replacement front load truck	2027	\$ 400,000	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000
Replacement residential truck	2028	410,000	-	-	410,000	-	410,000	-	-	-	-	-	410,000
Dump truck - 2.5 ton (addition to fleet)	2029	139,916	-	-	139,916	-	-	139,916	-	-	-	-	139,916
Replacement knuckle boom/roll off truck	2029	275,000	-	-	275,000	-	-	275,000	-	-	-	-	275,000
Replacement residential truck	2029	415,000	-	-	415,000	-	-	415,000	-	-	-	-	415,000
Replacement residential truck	2030	415,000	-	-	415,000	-	-	-	415,000	-	-	-	415,000
Replacement front load commercial dumpster truck	2031	415,500	-	-	415,500	-	-	-	-	415,500	-	-	415,500
Replacement dump truck	2031	145,000	-	-	145,000	-	-	-	-	-	145,000	-	145,000
Replacement residential truck	2032	415,000	-	-	415,000	-	-	-	-	-	-	415,000	415,000
		\$ 3,030,416	\$ -	\$ -	\$ 3,030,416	\$ 400,000	\$ 410,000	\$ 829,916	\$ 415,000	\$ 560,500	\$ 415,000	\$ -	\$ 3,030,416
Streets and Stormwater:													
Streets-Stormwater Year 7 paving-resurfacing east/west streets	2027	\$ 300,000	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culvert cleaner	2027	115,280	-	-	115,280	115,280	-	-	-	-	-	-	115,280
Streets-Stormwater Year 8 paving-Vista Colony neighborhood	2028	589,762	115,000	-	589,762	-	474,762	-	-	-	-	-	474,762
Streets-Stormwater Year 9 paving-W. Villa Dunes Dr./W. Woodhill Dr.	2029	743,700	115,000	-	743,700	-	-	628,700	-	-	-	-	628,700
Streets-Stormwater Year 6 paving-Juncos St. to southern corporate town imits/S. Colony South fire flow upgrade	2030	483,364	115,000	-	483,364	-	-	-	368,364	-	-	-	368,364
Streets-Stormwater Year 10 paving-Links Dr./W. Seachase Dr./W. Baymeadow Dr. and connecting side streets	2031	715,000	115,000	-	715,000	-	-	-	-	600,000	-	-	600,000
		\$ 2,947,106	\$ 760,000	\$ -	\$ 2,947,106	\$ 115,280	\$ 474,762	\$ 628,700	\$ 368,364	\$ 600,000	\$ -	\$ -	\$ 2,187,106
Police:													
Drone	2027	\$ 14,870	\$ -	\$ -	\$ 14,870	\$ 14,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14,870
Subscription - CAD/Records Management System	2028	140,000	-	-	140,000	-	140,000	12,000	12,000	12,000	12,000	12,000	188,000
Command vehicle	2029	395,000	395,000	-	-	-	-	-	-	-	-	-	-
		\$ 549,870	\$ 395,000	\$ -	\$ 154,870	\$ 14,870	\$ 140,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 202,870
Fire:													
Forcible entry training prop	2027	\$ 9,110	\$ -	\$ -	\$ 9,110	\$ 9,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	9,110
Knox box key secure system	2027	39,300	-	-	39,300	39,300	-	-	-	-	-	-	39,300
Pumper*	2029	1,448,807	-	-	1,448,807	-	-	178,693	178,693	178,693	1,250,847	-	1,786,926
		\$ 1,497,217	\$ -	\$ -	\$ 1,497,217	\$ 48,410	\$ -	\$ 178,693	\$ 178,693	\$ 178,693	\$ 1,250,847	\$ -	\$ 1,835,336
Contingency	2027	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 50,000
Total General Fund Debt Payments and Capital Outlay						\$ 848,711	\$ 1,562,025	\$ 3,068,284	\$ 1,893,102	\$ 2,760,557	\$ 3,880,773	\$ -	\$ 13,763,452

Costs are estimates
*ten years at 5%, payment in advance

Yellow highlights indicate items on the Adopted Fiscal Year 2025-2026 CIP Schedule														
Description Water Fund	Fiscal Year	Cash Cost	Grant			Total Cost	Water Fund Impact					FY 2032 And Beyond	Total Cost to Town (including interest)	
			Funding				FY 2027	FY 2028	FY 2029	FY 2030	FY 2031			
Septic Health:														
Water quality data loggers	2029	\$ 93,100	\$ -	\$ -	\$ 93,100	\$ -	\$ -	\$ 93,100		\$ -	\$ -	\$ 93,100		
Water Services:														
Finch St. to Forbes St./Dune St. to E. Soundside Rd. watermain extensions	2027	\$ 168,000	\$ -	\$ -	\$ 168,000	\$ 168,000		\$ -	\$ -	\$ -	\$ -	\$ 168,000		
Vacuum trailer	2027	66,078	-	-	66,078	66,078	-	-	-	-	-	66,078		
Vista Colony AC water main planning costs	2028	200,000	-	-	200,000	-	200,000		-	-	-	200,000		
Back hoe loader	2028	175,000	-	-	175,000	-	175,000		-	-	-	175,000		
Villa Dunes AC water main planning costs	2028	120,000	-	-	120,000	-	120,000		-	-	-	120,000		
Vista Colony waterline replacements debt service*	2028	1,783,538	-	-	2,006,481	-	178,354	258,614	249,696	240,778	1,257,393	2,184,835		
South Nags Head AC water main planning costs	2029	220,000	-	-	220,000	-	-	220,000		-	-	220,000		
Villa Dunes Dr. 8" diameter water main installation	2029	825,000	-	-	825,000	-	-	825,000		-	-	825,000		
Water system master plan update	2030	284,900	-	-	284,900	-	-	-	284,900		-	284,900		
Old Nags Head cove water main replacements design	2030	235,000	-	-	235,000	-	-	-	235,000		-	235,000		
South Nags Head water main replacements*	2030	1,708,630	-	-	1,708,630	-	-	-	170,863	247,751	1,674,458	2,093,072		
Grouse to Glidden Street tie-in	2031	177,500	-	-	177,500	-	-	-	-	177,500	-	177,500		
		\$ 5,963,646	\$ -	\$ -	\$ 6,186,589	\$ 234,078	\$ 673,354	\$ 1,303,614	\$ 940,459	\$ 666,029	\$ 2,931,851	\$ 6,749,385		
Total Water Fund Debt Payments and Capital Outlay						\$ 234,078	\$ 673,354	\$ 1,396,714	\$ 940,459	\$ 666,029	\$ 2,931,851	\$ 6,842,485		
Costs are estimates														
*ten years at 5%, payment in advance														

Administration

Town Code Bound		\$100
Town Code Unbound		\$50
Town Code Supplements	per year	\$50
Unified Development Ordinance (UDO)		\$30
Unified Development Ordinance (UDO) Supplements	per year	\$15
Copies	per page	.15
Copy of digital information	(Purchase of USB flash drives/DVDs, etc., mailing envelopes, mapping service, copy service, etc. – does not include paper copies)	Actual cost (minimum \$10)
Sunshine List	per year	\$10
Use of public building	Refundable clean-up deposit	\$50
Town lapel pin		\$2 + tax
50th Anniversary Cookbook		\$13 + tax
Multi-Use Path Adopt-a-Bench (No more than two (2) benches per individual/family)	per bench Staff-supplied bench. Made to match existing benches, for placement along the Town's multi-use path on S Va Dare Tr and Old Oregon Inlet Rd and S Croatan Hwy	\$620
Dowdy Park Adopt-a-Bench	per bench Vendor-supplied bench. Made with engineered wood to withstand a lot of activity and to match existing benches, for placement within Dowdy Park	\$1,800
Electric Vehicle Charger Use EvoCharge will also charge an additional credit card processing fee of 3.9% + 0.30 cents per transaction.		.16 per kilowatt hour

Administration (cont.)

Permits

Crowd Gathering Activity Application Fee		
Tier I		\$100
Tier II		\$200
Tier III		\$300
Crowd Gathering Activity Application Fee	assoc w/Group Demonstrations with attendance over 100 people	\$25
Vendor Fee	assoc w/Crowd Gathering permit	\$25 each or \$200 for all
Tent inspection (if applicable)	assoc w/Crowd Gathering permit A permit shall be issued for tents, membrane structures, and temporary stage canopies based on the requirements of the 2018 NC Fire Prevention code and shall be determined by the Fire Chief or designee.	\$75
Electrical inspection (if applicable)	assoc w/Crowd Gathering permit	\$75
Placement of message boards and/or tower lights for events by Police Dept staff		\$150
Precious metal dealer permit, special occasion permit, and employee requirements. In accordance with Town Code Ch. 12, Article IX, Precious Metals Businesses		
Precious metal dealer permit	Annual	\$180
Precious metal employee certificate of compliance	Initial	\$10
	Annual Renewal	\$3
Special Occasion Permit	Annual	\$180

Administrative Services

<u>Tax Rate</u>	\$0.232 per \$100 value
Tax Rate - Municipal Service Districts 1 and 2 - additional tax	\$0.09 per \$100 value
Tax Rate - Municipal Service District 4 - additional tax	\$.01 per \$100 value
Tax Rate - Municipal Service District 3 - additional tax	\$.005 per \$100 value
Return Check Fee (Excl. Tax Payment) G.S. 25-3-506.	\$35
Return Check Fee (Tax Payment)	\$25 /check or 10% of check, whichever is greater

Delinquent Taxes – Per G.S. 105-360 (a):

Interest accrues on taxes paid on or after January 6 as follows:

- (1) For the period January 6 to February 1, interest accrues at the rate of two percent (2%).
- (2) For the period February 1 until the principal amount of the taxes, the accrued interest, and any penalties are paid, interest accrues at the rate of three-fourths of one percent (3/4%) a month or fraction thereof.

<u>Cart Roll Fees*</u>	<u>No. of bedrooms</u>	<u>Per property cost</u>
Not required to be in rental program	4 or less	\$100
	5-6	\$250
	7 or more	\$425

Permits

Beach driving permit - Resident/Property Owner	only available for purchase at Town Hall	\$50
- Non-resident		\$100
Beach driving permit	Duplicate decal	\$2
Bonafide fishing tournament permit	NH Surf Fishing Tournament OB Association of Realtor Fraternal Order of Eagles	N/C
Beach Equipment Vendor	Annual	\$75

Administrative Services (cont.)

Applications

<u>Massage Therapy Business</u>	Application	\$150
Zoning Permit Business Establishment	Business Location	\$50
Zoning Permit Business Owner/Operator	Business Owner/Operator	\$50
Business Registration	w/verification of State license	N/C

Vehicle for Hire (business)

Taxicab or Limousine	Application	\$50
Driver permit	Application includes fingerprint fee	\$90
	Driver permit annual renewal	\$7.50

Dowdy Park

Sponsorship	Movie & licensure (includes set up/tear down; equipment; popcorn treat)	\$650
Music in the Park	Includes fee for band and professional sound	
	Level I	\$1,100
	Level II	\$1,500
	Level III	\$2,000
T-shirts		\$17.50 + tax
General donations accepted for Dowdy Park events		
Farmers Market Membership Fee	<u>Annual</u>	\$240
Farmers Market Drop-In Fee	Per market date	\$25
Holiday Market	Per market date	\$25
Winter Market	Per market date	\$25
Family Fun Night	Per event date	\$25
Use of Dowdy Park for Crowd Gathering Event	\$200 (events 3 hours or less) \$100 per hour for each additional hour	

Administrative Services (cont.)

Fees for Privilege License/Business Registration

Per G.S. 105-113.77:

Privilege License Tax

City Beer On and Off Premises	per location	\$15
City Beer Off Premises only	per location	\$5
City Wine On and Off Premises	per location	\$15
City Wine Off Premises only	per location	\$10

Per G.S. 20-97(d):

Privilege License Tax

Taxicabs	per vehicle annually	\$15
Limousines	per vehicle annually	\$15

Business Registration:

Business Registration	per location	\$25
Businesses who are licensed by the State of NC are registered at no charge.		N/C

Privilege Licenses/Business Registrations not renewed by September 1st shall be considered delinquent.

- Business Registrations are subject to a civil penalty of \$50.
- Privilege Licenses are subject to a penalty of 5%.

Penalties will be assessed on September 2nd.

Miscellaneous

Town License Plate	Current year	\$8 + tax
	Prior years	\$3 + tax
Budget or Audit documents		\$10

Administrative Services (cont.)

Town Flag		\$125 + tax
Street (Powell Bill) map		\$2
Zoning map		\$17
Notary public service		N/C
Catamaran Rack Storage at Harvey Sound Access	Nags Head resident	\$25
Season runs from June 1 until November 1	Non-resident	\$45
	Monthly	\$10
	Weekly	\$5

Facility Fees Town Code Sec. 10-337

(1) Police facility fee:

Single-family/duplex, per unit; private dock	\$154.32
Multifamily, including hotel/motel, per unit	\$155.00
Commercial/industrial, per 1,000 square feet	\$445.66

(2) Fire facility fee:

Single-family/duplex, per unit; private dock	\$153.23
Multifamily, including hotel/motel, per unit	\$95.08
Commercial/industrial, per 1,000 square feet	\$246.10

(3) Solid waste collection:

Single-family/duplex, per unit; private dock	\$83.04
Commercial/industrial, incl. multifamily and hotel/motel, per cy of dumpster required	\$357.20

(4) Administration facility fee:

All uses, per unit; private dock	\$382.99
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(5) Recreation facility fee:

New single-family/multifamily/hotel/motel construction, per dwelling unit; private dock	\$286.00
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Administrative Services (cont.)

Credit card convenience fee: (charged by a third-party vendor)

Tax, utility, and all other payments	VISA, MasterCard, Discover (AMEX not accepted)	3.95% of total charge \$2.50 minimum
Pit Fire and Beach Driving Permits	Use of credit card to pay online	\$1.15 (flat fee)
E-check convenience fee		\$1.95 (flat fee)

Fire Department

Pit Fire Permits		\$10
- Credit card fee to pay online (charged by a third-party vendor)		\$1.15 (flat fee)
Structure Burn Permit	water use additional cost	\$1,500/day burn
Tent inspection	A permit shall be issued for tents, membrane structures, and temporary stage canopies based on the requirements of the 2018 NC Fire Prevention code and shall be determined by the Fire Chief or designee	\$75
Electrical inspection	associated w/large tent or event	\$75
Vehicle use for events	Pickup truck (1/2 ton) – per day	\$12.30
	Mobile command vehicle – per day	\$19.00
	Fire truck – per day	\$78.90
Copy of Incident Report		\$5
Residential Reflective Address Sign	Without post With post	\$30 + tax \$40 + tax

Fire Department (cont.)**Fire Inspection Business**

First inspection	N/C
First re-inspection	N/C
Second re-inspection	\$25
Third re-inspection	per day \$50

New Construction

Standpipe system inspection	\$50
Fire Sprinkler system inspection	\$75
Fire Alarm system acceptance testing	\$75
Kitchen suppression system acceptance testing	\$75
2-Hr Hydrostatic test witness	\$100

False Alarms

First False Alarm of calendar month	N/C
Second False Alarm of calendar month	\$25
Third False Alarm of calendar month	\$50

Fire Hydrant Testing

Flow testing required for sprinkler system installation or upgrades	\$250
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Planning & Development

New Construction

Residential (per sq. ft.)	heated non-living	0.75 0.40
Commercial (per sq. ft.)	heated & non-living	0.80
Pool		\$250
Electric		\$75
HVAC	\$40/unit + \$5 electrical	min \$75
Plumbing		\$75
Gas		\$75
Sprinkler		\$75
Refrigeration		\$75
Sign		\$75
Multi-family (per sq. ft.)	\$100/unit + heated & non-living	0.80
Hotel (per sq. ft.)	\$50/unit + heated & non-living	0.80

Building permit fees

Building re-inspection		\$50
Proceeding work w/o a building permit		2x permit cost
Proceeding work w/o required inspection		½ permit cost

Demolition

Single Family		\$150/building
Duplex		\$150/building
Hotel	\$50/unit	min \$250
Multi-family	\$100/unit	min \$250
Commercial (per sq. ft.)	0.75	min \$250

Planning & Development (cont.)

Moving

Single Family		\$500/building
Duplex		\$600/building
Hotel	\$150/unit	min \$1,000
Multi-family	\$300/unit	min \$1,000
Commercial (per sq. ft.)	\$1.00	min \$1,000

Clean Up Deposits

Demolition within AEC

Single family		\$1,000/building
Duplex		\$1,250/building
Hotel	\$100/unit	min \$1,000
Multi-family	\$500/unit	min \$1,000
Commercial (per sq. ft.)	\$1.00	min \$1,000

Demolition outside AEC

Single family		\$500/building
Duplex		\$600/building
Hotel	\$75/unit	min \$900
Multi-family	\$75/unit	min \$900
Commercial		\$900/permit

Move Within AEC

Single family		\$500/building
Duplex		\$600/building
Hotel	\$150/unit	min \$1,000

Planning & Development (cont.)

Move Within AEC (cont.)

Multi-family	\$300/unit	min \$1,000
Commercial (per sq. ft.)	\$1.00	min \$1,000

Move Outside AEC

Single family		\$500/building
Duplex		\$600/building
Hotel	\$75/unit	min \$1,000
Multi-family	\$75 unit	min \$1,000
Commercial (per sq. ft.)	0.50	min \$1,000

Miscellaneous Permit Fees

Bulkhead, dock, pier	See Alteration, Additions, Remodeling section
Commercial towers/new tower	\$1.00 Lin. Ft. + \$100 for subs
Electrical inspection	assoc. w/large tent or event \$75
Fuel pumps	\$25 per pump min \$50
Fuel storage tank	Per tank \$200
Hood/duct	\$100

Planning & Development (cont.)

Alterations, Additions, Remodeling (based on actual cost)		
<u>Residential, Commercial, Accessory structures, Storage</u>		
From	To	
0	\$2,500	minimum \$100
\$2,501	\$5,000	\$130
\$5,001	\$10,000	\$160
\$10,001	\$20,000	\$190
\$20,001	\$30,000	\$220
\$30,001	\$40,000	\$250
\$40,001	\$50,000	\$280
\$50,001	\$60,000	\$310
\$60,001	\$70,000	\$340
\$70,001	\$80,000	\$370
\$80,001	\$90,000	\$400
\$90,001	\$100,000	\$430
\$100,001	\$110,000	\$460
\$110,001	\$120,000	\$490
\$120,001	\$130,000	\$520
\$130,001	\$140,000	\$550
\$140,001	\$150,000	\$580
\$150,001	\$160,000	\$610
\$160,001	\$170,000	\$640
\$170,001 and over		\$640 + \$1.50 per \$1,000 valuation above \$170,001 or fraction thereof

Planning & Development (cont.)

Service Unit Fees

Gallons per Day (GPD)

To calculate Gallons per Day, refer to the NC Administrative Code – 15A NCAC 02T .0114

\$2.79

Small Wireless Facility Review

per application \$100 per facility – first 5 facilities
\$50 each – next 20 facilities

Miscellaneous Administrative and Zoning Fees

Site Plan, Major	0.50/sf
Site Plan, Minor (without or less than 250 sq. ft. of new floor area or lot coverage)	\$75 Waived for eligible Temporary Use Permits
Site Plan, Minor (with 250 sq. ft. or greater of new floor area or lot coverage)	\$400 Waived for eligible Temporary Use Permits
Variance or Appeal	\$500 Variance \$300 Appeal
Conditional Use	\$500
Erosion & Sedimentation Control (commercial projects only)	\$50/up to 1 acre + \$40/additional acre and revision
Floodplain Review (not associated with building permit)	\$50
Zoning Permit for new single family/duplex	\$150 single; \$275 duplex
Zoning Permit associated with single family/duplex with no building permit (i.e., driveway, land disturbance, etc.)	\$25
Zoning Permit for commercial/multifamily in conjunction with building permit	No charge
Zoning Permit for commercial/multifamily in conjunction with no building permit (i.e., change of occupancy or use)	\$50
Zoning review fee for signage	\$75 (per application, inclusive of all signs)
Zoning permit for home occupation	\$50
Zoning map amendment	\$750 + \$500/acre or fraction thereof

Planning & Development (cont.)

Unified Development Ordinance (UDO) text amendment	\$750
Application/Investigation of Sexually Oriented Business (SOB)	\$300
Subdivision, Minor or Major	\$75 per lot
Exempt subdivision/Recombination	\$50 per lot
GIS maps 11x17	\$5/parcel data only \$10/aerial photography
GIS maps 17x22	\$10/parcel data only \$25/aerial photography
GIS maps 22x34 through 36x48	\$25/parcel data only \$50/aerial photography
Zoning or Flood Determination Letter	\$50

Police Department

Town Ordinance Violation	\$50
Permit 24-hr parking at beach accesses for fishing Sep 1 - Feb 1	\$25
Copies of Accident Reports (non-victim/involved others)	\$5
Copies of Investigative Reports (non-victim/involved others)	\$5 or 0.15/pg. < 33 pgs.
Off-Duty Security Vehicle Use	\$19.75 per day
Fingerprint charges	\$5/set
Use of public building	Refundable clean-up deposit
	\$50

Civil Penalties as listed below: **\$50 each**

Traffic Violations **\$50 each**

Section 42-41	Failure to obey traffic control devices
Section 42-92	Prohibited riding coasters, roller skates, or similar devices
Section 42-92	Motorized vehicles prohibited on multi-use/pedestrian path
Section 42-132	Obstructing passage of other vehicles
Section 42-138	Prohibited parking in certain places

Police Department (cont.)

Section 42-139	Parking in front of driveway or fire hydrant
Section 42-140	Parking in Fire Lane
Section 42-141	Parking on certain streets

Taxi Cab Violations**\$50 each**

Section 46-8	Exceed maximum number of passengers
Section 46-9	Failure to properly mark taxi cab
Section 46-11	Failure to post rates and fares
Section 46-13	Failure to maintain daily manifest
Section 46-81	Taxi cab drivers permit required
Section 46-89	Failure to display taxi cab drivers permit

Animal Violations**\$50 each**

Section 6-2	Owner responsibility violation
Section 6-3	Dog must wear identification and rabies tags
Section 6-6	Mandatory removal of feces

Beach Violations**\$50 each**

Section 8-1	Surfing without a leash/within 300 ft. of a pier
Section 8-2	Swimming prohibited (red flags posted)
Section 8-4	Personal watercraft
Section 8-62	Driving on sand dune

Noise Violation**\$50 each**

Section 16-76	Prohibited noise
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Street Numbering

Section 36-46	Failure to display proper street nos. front/rear of structure
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Police Department (cont.)

Other		\$50 each
Section 26-1	Disorderly conduct/urinating in public	
Section 12-103	Peddler/itinerant merchant license required	
Section 12-104	Peddler/itinerant merchant-regulations generally	

Alarms		
Alarm Protection System Permit-Initial		\$50
Alarm Protection System Permit-Renewal		\$25
A - First False Alarm of Calendar Month		N/C
B - Second False Alarm of Calendar Month		\$25
C - Third False Alarm of Calendar Month		\$50
D - Fourth False Alarm of Calendar Month		\$50
E - Fifth False Alarm of Calendar Month		\$50
Towing of automobiles, vans, pick-up trucks, motorcycles	\$300 (during business hours) + 10% (after-hours)	
Responding to tow request where no hook-up is rendered	1/2 the corresponding rate above	
Storage charges until owner/operator takes possession	\$50 per day	
Excavation application permit		\$50

Police Escort to move house/commercial building	\$100 first 2 hours
	\$50/hour additional hours

Public Services

Sanitation Dept.

Dumpsters

4 yd side load	\$1,830 + tax
6 yd front load	\$1,705 + tax
8 yd front load	\$2,095 + tax

Trash Carts

Trash cart	\$85 <u>\$90</u> + tax
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Trash cart repair parts

Lid (Toter lids only)		\$35 + tax
Thru-hole Town wheel system	(2 wheels, 1 rod)	\$50 + tax
Wheel	Separate	\$15 + tax
Rod	Separate	\$15 + tax
300-gallon trash cart		\$785 <u>\$800</u> + tax

Rental

Trash carts		\$15 <u>\$18</u> / day
4 yd side load dumpster	Minimum 1-week rental fee	\$366 / week
6 yd front load dumpster	Minimum 1-week rental fee	\$341 / week
8 yd front load dumpster	Minimum 1-week rental fee	\$419 / week
30 yd roll-off dumpster	Minimum 1-week rental fee	\$887 <u>\$1,400</u> / week
40 yd roll-off dumpster	Minimum 1-week rental fee	\$1,715 / week

Miscellaneous

"No Trespassing" signs	two (2) styles	\$30 + tax
"Keep Off the Dunes" signs		\$30 + tax
Town Parks reservation (excluding Dowdy Park)		\$25 + \$50 Refundable clean-up deposit
Review of plans for improvements for existing streets		\$200 < 250 linear ft
		\$200 > 250 linear ft
		+ \$50 per linear ft over 250

Water Rates

Water Meter Deposit

Residential	\$25 per bedroom	\$50 min.
Motel/Hotel/Cottage Court	\$25 per bedroom	\$100 min. \$750 max.
Restaurant	\$10 per seat	\$100 min. \$750 max.
Commercial		\$100
Hydrant (for use at Town of Nags Head Public Works/Nags Head Water Distribution)		\$500
Hydrant (for use at locations not maintained by Nags Head Water Distribution)		\$450

Hydrant Deposit

Hydrant 2 1/2" meter with RPZ	\$6,480 \$7,150
Hydrant	\$4,040 \$4,080

Excessive water consumption

Water leaks - if undetected water loss is due to a broken or damaged water line, valve, or water heater (toilet valve N/A)
- bill adjustment can be made in accordance with Town Policy

Installation of water meter - drop in

3/4" meter	\$410 \$420
1" meter	\$605 \$680
1 1/2 " meter	\$2,205 \$2,240
2" meter	\$1,350 \$1,395

Repair Charges

Charges on repairs by the Town to meters, meter boxes, hydrants, and valves	Cost of materials + 20% per incident \$50 min
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Water Rates (cont.)

Water Tap Connection

¾" tap	\$1,080 <u>\$1,110</u> + meter dep
1" tap	\$1,245 <u>\$1,340</u> + meter dep
1 ½ "tap	\$6,480 <u>\$6,540</u> + meter dep
2" tap	\$6,125 <u>\$6,170</u> + meter dep
Over 2" tap	Cost of materials + 20% + meter dep

Water Rates/Usage – Billed bi-monthly

Year-Round Rate

Minimum 0 - 3,000 gallons	\$46.95 <u>\$49.30</u> (¾" meter)
3,001 - 15,000 gallons	\$8.20 <u>\$8.60</u> /thousand gallons
15,001 - 40,000 gallons	\$9.20 <u>\$9.65</u> /thousand gallons
40,001 – 75,000 gallons	\$9.80 <u>\$10.30</u> /thousand gallons
75,001 - 200,000 gallons	\$10.80 <u>\$11.35</u> /thousand gallons
200,001 + gallons	\$11.30 <u>\$11.85</u> /thousand gallons

Penalty

Late fee applied after due date	10% of balance
Non-Payment Fee	\$50

Meter Size – Billed bi-monthly

Minimum

¾ " meter	\$46.95 <u>\$49.30</u>
1" meter	\$70.35 <u>\$73.85</u>
1 ½ " meter	\$135.15 <u>\$141.90</u>
2" meter	\$257.25 <u>\$270.10</u>
2 ½ "meter	\$371.85 <u>\$390.45</u>
3" meter	\$488.25 <u>\$512.65</u>
4" meter	\$796.30 <u>\$836.10</u>
6" meter	\$1984.85 <u>\$2,084.10</u>

Water Rates (cont.)

Miscellaneous Water

Meter test

\$25

(N/C if meter fails - bill will be adjusted)

The customer will be responsible for the repair or replacement cost of damage done by tampering with Town of Nags Head water meters. Criminal and/or civil charges can be filed under G.S. 14-151

Septic Health

Septic Loan Interest Rate

Prime less 2.5%, minimum of 2.5%

Benjamin Cahoon
Mayor

Megan Lambert
Mayor Pro Tem

Andy Garman
Town Manager



Town of Nags Head
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Bob Sanders
Commissioner

Megan Vaughan
Commissioner

Molly Harrison
Commissioner

**TOWN OF NAGS HEAD - PUBLIC HEARING NOTICE
PROPOSED OPERATING BUDGET FOR FY 2026– 2027,
PROPOSED CAPITAL IMPROVEMENT PLAN (CIP) REQUESTS
FOR FY 2026/2027 THROUGH FY 2030/2031, AND
UPDATED CONSOLIDATED FEE SCHEDULE**

Notice is hereby given that the Town Manager's proposed operating budget for fiscal year July 1, 2026 - June 30, 2027, has been presented to the Governing Body. The Town of Nags Head Board of Commissioners will conduct a PUBLIC HEARING on the proposed budget in the Board Room of the Nags Head Municipal Complex located at 5401 S. Croatan Highway on **Wednesday, June 3, 2026**, at 9:00 a.m.

The Public Hearing is to consider citizen comment on the Town Manager's proposed operating budget for July 1, 2026 – June 30, 2027, Proposed CIP requests for FY 26/27 through FY 30/31, and updated Consolidated Fee Schedule.

A copy of the proposed budget, CIP requests, and updated Consolidated Fee Schedule are available for public inspection in the Town Clerk's Office, Monday through Friday from 8:30 a.m. until 5:00 p.m. Copies of the proposed budget may be purchased at \$10.00 each. The documents may also be viewed on the Town's web site at www.nagsheadnc.gov.

All interested persons are invited/urged to make written or oral comments. A summary of the proposed budget follows:

REVENUES

TAXES (Ad Valorem)	\$	13,979,514
OTHER TAXES & LICENSES		10,548,900
INTERGOVERNMENTAL REVENUE		1,457,075
PERMITS & FEES		600,100
INVESTMENT EARNINGS		400,000
OTHER/MISCELLANEOUS REVENUE		571,371
OTHER FINANCE SOURCES		7,438,170
APPROPRIATION/FUND BALANCE		695,000
WATER FUND REVENUE		5,073,354
TOTAL REVENUES	\$	40,763,484

EXPENDITURES

GOVERNING BODY	\$	201,362
BOND DEBT		4,311,102
TOWN MANAGER/CLERK		2,074,494
LEGAL		128,713
ADMINISTRATIVE SERVICES		1,409,119
IT		716,574
PLANNING AND DEVELOPMENT		1,513,784
PUBLIC WORKS		7,064,479
STREETS AND STORMWATER		521,680
PUBLIC SAFETY – Police		4,885,855
PUBLIC SAFETY - Fire/Ocean Rescue		6,294,813
CONTINGENCY		150,000
INTERFUND TRANSFERS		6,418,155
WATER FUND		5,073,354
TOTAL EXPENDITURES	\$	40,763,484

This is the 7th day of May 2026.
Brittany A. Phillips, Town Clerk



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM G.1.

Update from Planning Director

Prepared by

Kelly Wyatt, Planning Director

Reviewed by

Kelly Wyatt
Brittany Phillips
Andy Garman

Staff Comments/Recommendation

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

Specific Action Requested

This item is provided for Board information and update.

Summary

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, June 3, 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 May:

- Tuesday, May 5th — Technical Review Committee Meeting
- Tuesday, May 5th — Conner Twiddy attending and presenting at Septic Health Think Tank in Columbia, SC
- Wednesday, May 6th — Board of Commissioners Meeting
- Wednesday, May 13th — Committee for Arts and Culture Meeting
- Thursday, May 14th — Board of Adjustment Meeting (no hearings)
- Monday, May 18th — Discuss DWI Loan Roll Out Meeting
- Tuesday, May 19th — Planning Board Meeting
- Wednesday, May 20th — Board of Commissioners Mid-Month Meeting

Planning Board — Pending Applications and Discussions

The Planning Board most recently met on Tuesday, May 19, 2026. At that meeting, the Board took the following actions:

- Considered a Vested Rights/Special Use Permit/Site Plan Review application submitted by Michael Robinson, P.E., on behalf of Tar Heel Motel of OBX, LLC, for the construction of a two-story, 26-room hotel as an expansion of the existing Tar Heel Motel. The subject property is located at 7001 S. Croatan Highway, is zoned C-2, General Commercial, and is within the Hotel Overlay District. Following review, the Planning

Board voted unanimously to recommend approval of the requested Vested Rights/Special Use Permit/Site Plan Review as submitted. At the applicant's request, this item is anticipated to be placed on the Board of Commissioners' July 2026 Consent Agenda with a Public Hearing tentatively scheduled for August 2026, to allow additional time for completion and evaluation of the engineered septic system design to ensure project viability prior to Board consideration.

- Planning staff provided an update regarding Planning-related initiatives identified during the Board of Commissioners' February 2026 Strategic Planning Retreat. Staff reviewed each initiative with the Planning Board and noted that these items will collectively serve as a general work plan to help guide larger planning efforts and policy initiatives throughout the coming year.

The next Planning Board meeting is scheduled for Tuesday, June 16, 2026. At this time, the agenda is anticipated to include consideration of a text amendment request submitted by Mrs. Suzanne Baer on behalf of BIPA, LLC regarding the potential allowance of water-dependent recreational uses within Commercial Mixed Use developments, such as Shopping Centers. Staff will provide any additional updates or agenda modifications as requested.

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

Additional Updates

- DWMP/Septic Health Advisory Committee — Staff and the Septic Health Advisory Committee continue advancing implementation of the Town's septic health initiatives, with ongoing emphasis on outreach, education, and program participation. The recently distributed combined Septic Health and Dark Skies mailer continues to generate additional inspection requests and public interest in the program. Staff is also preparing targeted outreach letters to property owners identified within higher-risk and environmentally vulnerable areas as part of the upcoming rollout of the Division of Water Infrastructure (DWI) zero-interest loan program. Additionally, with the return of the Dowdy Park Farmers Markets beginning in June, Environmental Planner Conner Twiddy will again maintain a regular outreach and educational presence at the weekly events to provide information regarding septic health, answer questions, and encourage participation in the Town's septic programs and initiatives.
- Estuarine Shoreline Management Plan — Staff continues to advance implementation efforts associated with the Estuarine Shoreline Management Plan (ESMP), with ongoing coordination related to several project areas.
 - The Harvey/Soundside Event Site Living Shoreline staff is working through conservation easement-related coordination and associated project details prior to advancing the project further through permitting and implementation phases. The permit application has been resubmitted with an updated wetlands survey as requested by DCM on 5/21.
 - For the Villa Dunes Drive & Catfish Farm/Causeway there are no significant changes or updates at this time.
 - For the Soundside Road project area, draft easement language has been prepared, and staff, in coordination with the Town's environmental consultant, George Wood, will begin outreach and engagement with affected property owners as efforts continue to advance the resiliency berm and stormwater improvement project components.
 - For the Catfish Farms project area, staff has coordinated with the Dare County Soil and Water Conservation District to use a drone to collect the locations of SAV for the project area. The data collection will take place in the month of June
- Dowdy Park Events/Farmers Market/Holiday Markets/Art & Culture — Summer programming and community

events are beginning to ramp up at Dowdy Park, with several recurring wellness and community activities now underway or scheduled to begin in June.

- Tuesday morning Yoga, sponsored by Coastal Carolina Vacations and Sales, has officially resumed and has already seen strong participation, with approximately 25–28 attendees during the initial sessions.
- The Dowdy Park Farmers Market will return beginning Thursday, June 11th. Environmental Planner, Conner Twiddy will also be there maintaining a regular educational and outreach presence related to the Town's Todd D. Krafft Septic Health Initiative.
- Additional wellness programming will begin in early June, including “Wake Up Wednesday” on June 3rd, sponsored by The Studio and OBX Beach Glo, featuring a rotating series of activities such as Tai Chi, Core & Stretch, and Resistance Band workouts. “Fitness Friday,” sponsored by Tortugas’ Lie, will begin June 5th.
- The 2026 Dowdy Park Summer Concert Series will kick off on June 10th and will feature 13 weeks of live music throughout the summer season. The opening performance will feature local band Stereo in Words. “Waggin’ Wednesdays” will also return beginning June 17th with a new start time of 9:00 a.m.
- Staff also welcomed Bobbisue Louvros as the Town’s part-time seasonal events staff member assisting with summer programming and event coordination. Looking ahead, staff has also begun preliminary discussions and brainstorming efforts related to Dowdy Park’s upcoming 10th Anniversary in 2027.
- The Committee for Art & Culture continues working with artist Julie Moye regarding concepts and preliminary sketches for the proposed Dowdy Park walkway art project, with initial concept sketches anticipated later this summer. Additionally, a new art panel designed by local artist Brent Nultemeier has recently been completed and will be showcased at one of our beach accesses.

Upcoming Meetings and Other Dates

- Tuesday, June 2nd — Technical Review Committee Meeting
- Tuesday, June 2nd — Staff meeting with NEST re: lighting
- Wednesday, June 3rd — Board of Commissioners Meeting
- Wednesday, June 10th — Committee for Arts and Culture Meeting
- Thursday, June 11th — Board of Adjustment Meeting (no hearings)
- Tuesday, June 16th — Planning Board Meeting
- Wednesday, June 17th — Board of Commissioners Mid-Month Meeting



Attachments

1. 6 G1 Planning Monthly Report

TOWN OF NAGS HEAD PLANNING AND DEVELOPMENT
MONTHLY REPORT
APRIL 2026

DATE SUBMITTED: May 7, 2026

	Apr-26	Apr-25	Mar-26	2025-2026 FISCAL YTD	2024-2025 FISCAL YTD	FISCAL YEAR INCREASE/ DECREASE
BUILDING PERMITS ISSUED - RESIDENTIAL						
New Single Family	1	2	1	12	17	(5)
New Single Family, 3000 sf or >	0	1	1	5	9	(4)
Duplex - New	0	0	0	0	0	0
Sub Total - New Residential	1	3	2	17	26	(9)
Miscellaneous (Total)	65	59	59	467	443	24
<i>Accessory Structure</i>	6	4	2	27	39	(12)
<i>Addition</i>	1	1	2	16	13	3
<i>Demolition</i>	1	0	0	7	5	2
<i>Move</i>	0	0	0	2	1	1
<i>Remodel</i>	11	14	13	102	98	4
<i>Repair</i>	46	40	42	313	287	26
Total Residential	66	62	61	484	469	15
BUILDING PERMITS ISSUED - COMMERCIAL						
Multi-Family - New	0	0	0	0	0	0
Motel/Hotel - New	0	0	0	0	1	(1)
Business/Govt/Other - New	0	0	0	0	1	(1)
Subtotal - New Commercial	0	0	0	0	2	(2)
Miscellaneous (Total)	9	9	9	85	72	13
<i>Accessory Structure</i>	3	4	2	21	25	(4)
<i>Addition</i>	0	0	0	2	0	2
<i>Demolition</i>	0	0	0	0	0	0
<i>Move</i>	0	0	0	3	0	3
<i>Remodel</i>	5	1	5	35	18	17
<i>Repair</i>	1	4	2	24	29	(5)
Total Commercial	9	9	9	85	74	11
Grand Total	75	71	70	569	543	26
SUB-CONTRACTOR PERMITS						
Electrical	83	66	90	500	493	7
Gas	3	2	3	21	16	5
Mechanical	66	47	56	340	331	9
Plumbing	13	13	19	93	97	(4)
Fire Sprinkler	0	0	2	5	1	4
VALUE						
New Single Family	\$341,000	\$1,360,000	\$570,000	\$6,103,030	\$8,266,157	(\$2,163,127)
New Single Family, 3000 sf or >	\$0	\$300,000	\$1,773,049	\$9,217,982	\$7,633,200	\$1,584,782
Duplex - New	\$0	\$0	\$0	\$0	\$0	\$0
Misc (Total Residential)	\$1,837,986	\$1,389,609	\$2,158,904	\$17,367,079	\$14,035,411	\$3,331,668
Sub Total Residential	\$2,178,986	\$3,049,609	\$4,501,953	\$32,688,091	\$29,934,768	\$2,753,323
Multi-Family - New	\$0	\$0	\$0	\$0	\$0	\$0
Motel/Hotel - New	\$0	\$0	\$0	\$0	\$18,000,000	(\$18,000,000)
Business/Govt/Other - New	\$0	\$0	\$0	\$0	\$1,400,000	(\$1,400,000)
Misc (Total Commercial)	\$536,160	\$396,350	\$561,318	\$12,699,083	\$4,391,205	\$8,307,878
Sub Total Commercial	\$536,160	\$396,350	\$561,318	\$12,699,083	\$23,791,205	(\$11,092,122)
Grand Total	\$2,715,146	\$3,445,959	\$5,063,271	\$45,387,174	\$53,725,973	(\$8,338,799)

**TOWN OF NAGS HEAD PLANNING AND DEVELOPMENT
MONTHLY REPORT
APRIL 2026**

DATE SUBMITTED: May 7, 2026

	Apr-26	Apr-25	Mar-26	2025-2026 FISCAL YTD	2024-2025 FISCAL YTD	FISCAL YEAR INCREASE/ DECREASE
ZONING						
Zoning Permits	77	73	72	604	562	42
Soil & Erosion	2	1	1	17	28	N/A
Stormwater Plans	1	1	0	14	18	N/A
CAMA						
CAMA LPO Permits	3	4	3	31	20	11
CAMA LPO Exemptions	15	13	15	100	72	0
Sand Relocations	44	19	65	279	210	N/A
CODE COMPLIANCE						
Cases Investigated	16	30	33	209	299	63
Warnings	4	10	14	68	46	13
NOVs Issued	12	20	19	141	234	50
Civil Citations (#)	0	0	0	0	0	0
Civil Citations (\$)	\$0	\$0	\$0	\$0	\$0	\$0
SEPTIC HEALTH						
Tanks inspected	36	12	25	147	106	28
Tanks pumped	17	12	20	122	73	28
Water quality sites tested	1	1	2	156	117	125
Personnel Hours in Training/School	50	24	50	522	308	126


Kelly Wyatt, Planning Director



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM H.1.

Committee Reports

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

N/A

Specific Action Requested

This item is provided for board information and update.

Summary

At the June 3, 2026 Board of Commissioners meeting, board members will provide reports from meetings they have attended on behalf of the town.

Attachments

None



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM H.2.

Consideration of Disaster Debris Removal Bids and Debris Monitoring Contract Renewal

Prepared by

David Ryan, Town Engineer

Reviewed by

David Ryan
Brittany Phillips
Amy Miller
Andy Garman

Staff Comments/Recommendation

Staff recommends that the Board of Commissioners authorize the Town Manager to enter into a pre-positioned agreement with DRC Emergency Services for disaster debris management and removal services and authorize the Town Manager to renew the agreement for debris monitoring services with DebrisTech, LLC.

Specific Action Requested

Authorize the Town Manager to enter into a pre-positioned agreement with DRC Emergency Services and execute the renewal agreement with DebrisTech, LLC for debris monitoring services.

Summary

Annually, the Town enters into pre-positioned agreements for Disaster Debris Removal Services in addition to Debris Monitoring Services. The existing agreement for debris removal services has expired. In response, The Town of Nags Head solicited Requests for Proposals (RFPs) for disaster debris management and removal services to establish pre-positioned contracts for post-storm response. Proposals were received from multiple qualified firms and evaluated in accordance with the criteria outlined in the RFP.

A comprehensive Unit Price Cost Analysis Matrix was developed to evaluate each proposal. The analysis included four primary components: (1) Schedule 1 – debris clearance, haul, and reduction unit prices, (2) Schedule 2 – hourly equipment rates, (3) Schedule 2 – hourly labor rates, and (4) mobilization costs. The compiled totals and rankings are summarized in Debris Removal Cost and Evaluation Summary.

Based on the evaluation, the lowest total cost proposal was submitted by DRC Emergency Services in the amount of \$5,301,951.08, followed closely by CTC at \$5,364,229.85. SDR and Aftermath Disaster Recovery Services ranked third and fourth in total cost, respectively. When considering both cost and qualitative scoring criteria, DRC Emergency Services achieved the highest overall ranking score of 89 and was ranked first among the evaluated firms. CTC ranked second with a score of 87, followed by Aftermath Disaster Recovery Services with a score of 86.

The evaluation demonstrates that DRC Emergency Services provides the most advantageous combination of cost competitiveness and overall proposal quality. Their submission reflects a balanced approach across unit pricing, equipment and labor rates, and demonstrated experience in disaster response services.

Based on the results of the evaluation and ranking criteria, it is recommended that the Board of Commissioners

authorize the Town Manager to enter into a pre-positioned agreement with DRC Emergency Services for disaster debris management and removal services.

In addition, we are requesting a renewal with DebrisTech, LLC to provide continued pre-positioned debris monitoring services for the Town. This agreement would be extended for a 1- year period through June 30, 2027.

Attachments

1. 6 H2 Debris Removal Bid Tabulation
2. 6 H2 Debris Cost and Evaluation Summary
3. 6 H2 Debris Monitoring Renewal



Bid- Disaster Debris Management/Removal Services - Bid Opening May 21, 2026 2:00 PM

NO.	VENDOR	ADDRESS	SUBMITTED ON-TIME	BID FORM COMPLETED	ADDENDA ACKNOWLEDGED	FORMS EXECUTED	GOOD FAITH EFFORTS	COPIES + ELEC	RESPONSIVE BID
1	CTC Disaster Response	4051 Veterans Memorial Blvd Suite 408 Metairie, LA, 70005	✓	✓	✓	✓	✓	✓	✓
2	TFR Enterprises, Inc.	601 Leander Dr. Leander, TX 78641	✓	✓	✓	✓	✓	✓	✓
3	DRC Emergency Services	111 Veterans Memorial Blvd Suite 1420 Metairie, LA, 70005	✓	✓	✓	✓	✓	✓	✓
4	Rapid Response Disaster Services, LLC	6515 Old Orchard Avenue Sebring, Florida 33876	✓	✓	✓	✓	✓	✓	
5	Aftermath Disaster Recovery, Inc.	1826 Honeysuckle Lane Prosper, TX 75078	✓	✓	✓	✓	✓	✓	✓
6	Looks Great Services of MS, Inc.	1501 Highway 13 North Columbia, MS 39429	✓	✓		✓	✓	✓	
7	LTS Disaster Response, Inc.	12930 Worldgate Dr. Suite 300 Hendon, VA 20170	✓	✓	✓	✓	✓	✓	✓
8	SDR	93 Sonia Drive Greer, SC 29650	✓	✓	✓	✓	✓	✓	✓

Completed bid form received after bid opening

	TFR Enterprises	CTC	DRC Emergency	Rapid Response Disaster	Aftermath Disaster Recovery	Looks Great Services of MS	LTS	SDR
Category								
Schedule 2 - Hourly Equipment Cost Schedule Totals	\$400,750.00	\$408,100.00	\$409,500.00	\$376,526.50	\$395,150.00	\$578,900.00	\$747,331.90	\$290,395.00
Schedule 2 - Hourly Labor Cost Schedule Totals	\$75,631.00	\$65,820.00	\$74,900.01	\$68,516.00	\$80,171.00	\$86,105.00	\$132,025.00	\$63,329.00
Schedule 1 - Debris Clearance & Removal Unit Price Totals & Removal	\$6,533,354.50	\$4,890,309.85	\$4,817,551.07	\$5,339,621.42	\$5,272,673.50	\$5,566,330.50	\$6,972,663.50	\$5,516,977.10
Mobilization (Category 2)	\$0.00	\$0.00	\$0.00	\$5,000.00	\$50,000.00	\$1.00	\$22,500.00	\$4,000.00
Town of Nags Head-Total	\$7,009,735.50	\$5,364,229.85	\$5,301,951.08	\$5,789,663.92	\$5,797,994.50	\$6,231,336.50	\$7,874,520.40	\$5,874,701.10

Town of Nags Head-Ranked	6	2	1	7	3	8	5	4
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Town of Nags Head-Final Scoring	80	87	89	75	86	70	82	83
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Benjamin Cahoon
Mayor

Megan Lambert
Mayor Pro Tem

Andy Garman
Town Manager



Town of Nags Head
Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

Bob Sanders
Commissioner

Megan Vaughan
Commissioner

Molly Harrison
Commissioner

AGREEMENT RENEWAL

TO: DebrisTech, LLC
FROM: The Town of Nags Head, North Carolina
DATE: May 29, 2026
SUBJECT: **Town of Nags Head Contract Renewal for Disaster Debris Monitoring Services**

.....

DebrisTech, LLC is currently providing Disaster Debris Monitoring Services to the Town of Nags Head per the annual agreement which became effective on August 11, 2023. The terms of the agreement indicated an initial one (1) year period and may be extended annually under its existing terms, conditions, and rates, in the Town's sole discretion, for up to three (3) additional one (1) year periods. The Town would like to extend your firm's services under this agreement.

If your firm is interested in continuing services under the existing agreement, please sign and date the renewal acceptance below and return one (1) original copy to the Town of Nags Head promptly. Upon execution of this acknowledgement, the agreement will continue under the terms, conditions and rates for approximately one (1) year in duration from July 1, 2026 to June 30, 2027. A copy of the executed agreement will be forwarded to you for your records.

Agreement Renewal Acceptance

DebrisTech, LLC

Town of Nags Head

Signature

Signature

Name/Title

Name/Title

Date

Date



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM H.3.

Consideration of Appointment/Reappointment to Board/Committee

- Board of Adjustment

Prepared by

Katie Anzalone, Deputy Town Clerk

Reviewed by

Katie Anzalone

Brittany Phillips

Andy Garman

Staff Comments/Recommendation

N/A

Specific Action Requested

This item is provided for Board appointment/reappointment.

Summary

At the June 3, 2026 Board of Commissioners meeting, request Board consideration of the following appointment/reappointment:

Board of Adjustment:

- Angelina Lowe's term as an alternate expires July 5, 2026.

Attached please find the current roster and candidate chart.

Attachments

1. 6 H3 Bd-Comm ROSTER BOA
2. 6 H3 Bd-Comm CANDIDATE BOA

Town of Nags Head **CURRENT** Board of Adjustment

Meeting Date: June 3, 2026

<i>Name of Board/Committee</i>	<i>Current members</i>	<i>Contact Info</i>	<i>Last appointed date</i>	<i>Seat expires</i>	<i>Eligible for Re-appointment</i>	<i>Notes</i>
Board of Adjustment 2 nd Thursday at 9AM as necessary 5 Regular Members 3 Alternate Members 3-year term	Margaret Suppler Chair	Phone/email on file	12/4/24	12/4/27	Term not expired	
	Bobby Gentry Vice-Chair	Phone/email on file	1/3/24	1/3/27	Term not expired	
	Judy Burnette	Phone/email on file	5/7/25	5/7/28	Term not expired	
	Alice Coffey	Phone/email on file	10/2/24	10/2/27	Term not expired	
	Tina Adderholdt	Phone/email on file	5/7/25	5/7/28	Term not expired	
	Angelina Lowe (ALT)	Phone/email on file	7/5/23	7/5/26	Term expiring	
	Dru Ferrence (ALT)	Phone/email on file	1/3/24	1/3/27	Term not expired	
	Robert T. Snyder (ALT)	Phone/email on file	1/8/25	1/8/28	Term not expired	

Applicant Name	Bd/Comm Interested in Serving	Yrs of Residency	Location of Residency	Role in Community	Attributes to offer Bd/Comm	Special Interest in Bd/Comm	Currently serving on Town Bd/Comm
Barbara Ayars (11/20/24)	BOA/Arts & Culture/ Planning Bd	10 yrs	Gallery Row	Retired attorney	Knowledge of environmental law	Assist w/maintaining a balance between ecosystem protection and use	No, (was previous member of NH Focus Technical Committee)
Mary K Gay (3/10/25)	BOA/Planning Bd/PGP	1 yr	NH Cove	NH Cove HOA, Board of Directors Hampton Roads Youth Vol Corp, ACS Fundraising Committee	Leader with skills in technology and business processes, excelling in strategic planning, financial operations, engineering, process analysis, product management, financial controls, and program delivery	Servant leadership is part of core values as an Army veteran. Have now retired and want to share experience.	No
William Simmonds (7/3/25)	BOA/Planning Bd	10 yrs	NH Pond	Retired construction project manager and environmental engineer, Beach Food Pantry Volunteer	Chaired committee responsible for decision making for land use and development at Kennedy Space Center.	Desire to help shape the future of NH and serve the community by being involved in decision process for land use, zoning, and community development.	No, (was previous member of NH DWMP and Pedestrian Project Advisory Committees)
Michael Rogers (9/25/25)	BOA/ Planning Bd/PGP/DAAB	1 yr	NH Cove	Retired construction business owner	Served on boards outside NH; experienced in construction management, budgeting, financials and project management.	Has young children and has a vested interest in future of community, and desire to serve in community with gained experience.	NH Volunteer Firefighter

Applicant Name	Bd/Comm Interested in Serving	Yrs of Residency	Location of Residency	Role in Community	Attributes to offer Bd/Comm	Special Interest in Bd/Comm	Currently serving on Town Bd/Comm
Adonis Osekere (12/11/25)	BOA/Arts & Culture/Planning Bd	12 yrs	NH Cove	Park Ranger with NPS, Leadership OBX cohort 2025-26, Chair – Friends of the Outer Banks History Center, Public Speaker for Dare County Events and Cultural Institutions, Substitute teacher for Dare County Schools	20+ yrs of experience as public history interpreter with the US Capitol and NPC, Chair of Friends of the Outer Banks History Center, Skilled public speaker, event planner, and community connector	Cares deeply about cultural life and creative spirit of NH, brings experience in public history, storytelling, and civic engagement, wants to foster community.	No



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM J.1.

2026 Town Fireworks Display Update

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

TM: I appreciate the efforts of the fire department to work with our vendor and the owner of Nags Head Pier to arrange for this annual celebration!

Specific Action Requested

This item is provided for board information and update.

Summary

At the June 3, 2026 Board of Commissioners meeting, Deputy Fire Chief Shane Hite will provide a brief update on the 2026 Town Fireworks display, scheduled for July 4th at 9:00 p.m. at the Nags Head Fishing Pier.

Attachments

1. 6 J1 2026 Fireworks Poster



TOWN OF
NAGS HEAD

**THE TOWN OF NAGS HEAD &
NAGS HEAD FISHING PIER**

FIREWORKS SPECTACULAR

SATURDAY, JULY 4, 2026 | 9 PM

**NAGS HEAD FISHING PIER
3335 S. VIRGINIA DARE TRAIL, MP 11.5**

RAIN DATE - SUNDAY, JULY 5, 2026

NagsHeadNC.gov

The Outer Banks[®]
OF NORTH CAROLINA
outerbanks.org

**Funded in part by the Outer Banks Visitors Bureau
outerbanks.org**



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM J.2.

Discussion of Group Demonstrations Ordinance: Chapter 4, Article II Town Code

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips

John Leidy

Andy Garman

Staff Comments/Recommendation

Manager Garman: Staff recommends discussion/consideration of the attached ordinance to address public input regarding the group demonstrations ordinance.

Attorney Leidy: The revisions to allow for spontaneous gatherings/demonstrations without requiring a permit are satisfactory as to form. I am still reviewing the overall text of this proposal and may have additional comments at the meeting.

Specific Action Requested

Discussion/consideration of the revised crowd gathering/group demonstrations ordinance.

Summary

As the board is aware, the town adopted a revised crowd gathering and group demonstrations ordinance in December of 2025. Subsequent to the adoption of the ordinance, the town continued to receive comments from the public regarding specific requirements, including the permitting threshold which is based on the number of anticipated attendees as well as how the ordinance addresses spontaneous demonstrations.

Staff has received specific suggestions from members of the community, and has prepared a draft ordinance to address these concerns. The revised ordinance changes the requirement for a permit to 100 or more expected attendees. Demonstrations expected to have fewer than 30 persons are still exempt from any requirements. Demonstrations expected to have between 30 and 99 attendees now only require a 48-hour notification (not a permit). This would mean that the person holding the event no longer needs to wait for the town to issue something. Once the notification is provided, the demonstration can occur.

The revision also attempts to define and acknowledge spontaneous demonstrations. It includes a definition of a spontaneous demonstration, and states the town shall work to accommodate these events, even without notice. However, a spontaneous demonstration would not include events that are planned, organized, and/or advertised in advance by groups or individuals.

While our revised ordinance is still based on numbers, for smaller demonstrations, the process is greatly simplified with the basic purpose to give the town some form of notice. Staff believes having triggers based on expected attendance gives organizers better guidance on when they need to consider obtaining a permit. It also acknowledges the impacts we have seen when larger groups hold events, which largely involve parking issues on

public and private property.

Please note that the board could adopt the revised ordinance at the next meeting, since no public hearing is required. Alternatively, the board may consider other changes and/or defer any adoption to another meeting.

Attachments

1. 6 J2 Group Demonstrations ord



**AN ORDINANCE AMENDING OF CHAPTER 4, CROWD GATHERING ACTIVITIES
AND GROUP DEMONSTRATIONS, SECTIONS 4-5 THROUGH 4-85, OF
THE CODE OF ORDINANCES OF THE TOWN OF NAGS HEAD, NORTH CAROLINA**

WHEREAS, pursuant to Article 8 of Chapter 160A of the North Carolina General Statutes, a town may by ordinance define, prohibit, regulate, or abate acts, omissions, or conditions, detrimental to the health, safety, or welfare of its citizens and the peace and dignity of the town; AND

WHEREAS, in furtherance of the public's health, safety and welfare it is necessary to regulate certain activities upon the lands, waterways, beaches, and dune areas of the Town.

NOW THEREFORE BE IT ORDAINED by the Board of Commissioners of the Town of Nags Head, North Carolina:

PART I. General Provisions

The Code of Ordinances of the Town of Nags Head, North Carolina, Chapter 4, Crowd Gathering Activities and Group Demonstrations, Sections 4-5 through 4-85, is hereby amended to read as follows:

ARTICLE I. - CROWD GATHERING ACTIVITIES

Sec. 4-5. Permit Application Requirements.

b) *Submittal Timeframe.* Crowd gathering activity applications must be submitted no later than the dates specified below and will be accepted no more than one year prior to the date of the activity. Submission of an application does not guarantee the issuance of a permit. Applications are not considered submitted until the application fee has been received.

(1) Tier I: No later than 15 days prior to the event;

(2) Tier II: No later than 60 days prior to the event;

(3) Tier III: No later than 90 days prior to the event;

(4) In no instance shall an application for a group demonstration, in accordance with Article II of this Chapter, be required to be submitted more than 30 days from the date of the event.

Secs. 4-13—4-~~5049~~. - Reserved.

ARTICLE II. - GROUP DEMONSTRATIONS

Sec. 4-50. Purpose and Contruction.The purpose of this Article is to regulate group demonstrations, processions, and picket lines in a manner that protects public safety and the orderly use of public spaces, while fully respecting the rights of free speech, assembly, and petition guaranteed by the United States Constitution and the North Carolina Constitution.

This Article shall be applied in a content-neutral manner and shall not be interpreted or enforced based on subject matter or viewpoint of any demonstration. Where a provision of this Article is susceptible to more than one reasonable interpretation, it shall be construed to avoid undue burden on protected expressive activity.

Sec. 4-51. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Spontaneous demonstration means a demonstration that arises in immediate response to a recent or unforeseen event, that was not planned or organized in advance of the event, and that was not promoted or publicly advertised prior to the occurrence of the demonstration.

Sec. 4-53. - Interference with activity conducted under authority of permit.

No person shall hamper, obstruct, impede or interfere with any procession, picket line or group demonstration being conducted under the authority of a permit duly issued by the ~~police chief or their designee~~ crowd permit review team.

Sec. 4-55. Permit required and notification requirements.

~~It shall be unlawful for any person to organize, conduct or participate in any procession, picket line or group demonstration in or upon any street, sidewalk, alley or other public place within the town unless a permit therefor has been issued by the Town in accordance with the provisions of this article; provided that groups of less than thirty individuals engaging in processions, picketing, or group demonstrations need not obtain a permit.~~

(a) Notification required for groups of fewer than one hundred (100) participants. Any person organizing a procession, picket line, or group demonstration reasonably expected to involve fewer than one hundred (100) participants shall provide notice to the police chief or their designee at least forty-eight (48) hours in advance of the event. Such notice shall include: (1) the name and contact information of the organizer; (2) the proposed date, time, and location; and (3) the estimated number of participants. Notification under this subsection is for planning and coordination purposes only and shall not be used as a basis for denial or restriction of any lawful demonstration. Activities involving fewer than thirty (30) participants are exempt from the notification requirement.

(b) Permit required for groups of one hundred (100) or more participants. It shall be unlawful for any person to organize, conduct, or participate in a procession, picket line, or group demonstration in or upon any street, sidewalk, alley, or other public place within the town that is reasonably expected to involve one hundred (100) or more participants unless a crowd gathering activity permit has been issued by the Town in accordance with the provisions of Article I of this chapter.

(c) Spontaneous demonstrations. Where a demonstration arises in immediate response to a recent or unforeseen event and the nature of that event does not reasonably permit advance notice or permit application, the requirements of subsections (a) and (b) shall not apply. Any individual or group involved in encouraging participation in a spontaneous demonstration shall make a good faith effort to notify the police chief or their designee as soon as practicable. The Town shall make reasonable efforts to accommodate spontaneous demonstrations.

Sec. 4-56. - Powers and duties of police chief; contents of permit.

~~The police chief or their designee is authorized to issue permits as required in this division, and in the issuance thereof they shall:~~

~~(a) *Application.* Require a written application for such permit to be filed not less than 72 hours in advance of such procession, picket line, or group demonstration. Such application shall be on a form prescribed by the police chief, shall require the application to be signed by the applicant, and shall require that the applicant show the applicant's name, address, affiliated organization, if any, phone number, and email address, the proposed time, place, purpose and size of such procession, picket line or group demonstration and whether or not any minor below the age of 18 years shall participate. Gatherings or demonstrations which are open to the public and drawing or likely to draw more than 100 participants must also obtain a crowd gathering activity permit as required under Article I of this chapter. In no instance shall an application for a group demonstration be required to be submitted more than 30 days from the date of the event. Failure to obtain a crowd gathering activity permit, if applicable, shall be grounds for the police chief or their designee to refuse to issue a permit.~~

~~(b) *Refusal to issue.* Refuse to issue such permit when the activity or purpose stated in the application would violate any law or ordinance of the town or state law.~~

~~(c) *Participation of minors.* Specify in the permit whether or not minors below the age of 18 years will be permitted to participate.~~

~~(d) *Person in charge of activity.* Require that the application for a permit shall specify and the permit shall designate the person in charge of the activity. Such person shall be required to accompany the procession, picket line or other group demonstration and shall carry such permit with them at all times. Such permit shall not be valid in the possession of any other person.~~

~~(e) The police chief or their designee shall determine whether the applicant has provided all information required in this Section and complied with other applicable provisions of federal, state, and local laws and, if so, shall issue the permit without undue delay, but in no event less than 48 hours after receipt of the application. The police chief or their designee shall only deny a permit sought in accordance with this Section if the application is incomplete, the applicant has furnished false or untrue information in his application, or~~

~~the applicant has failed to comply with another provision of federal, state, or local law governing permit requirements or the proposed activity.~~

~~(f) *Contents.* The permit issued by the police chief or their designee shall set the starting time, duration, speed of travel and space between persons or vehicles in the procession, picket line or group demonstration, shall prescribe the portions or areas of streets, alleys, sidewalks or other public places to be used, and shall impose such other reasonable requirements as the police chief or their designee may prescribe for the control and free movement of pedestrian and vehicular traffic, or for the health, safety and property rights of the participants and the general public.~~

Sec. 4-576. Revocation and appeal.

The police chief shall revoke any permit granted for a procession, picket line or group demonstration for any of the following causes:

(a) The violation by any participant of sections 4-52 or 4-53 of this Article, or other any other applicable federal, state, or local law; or

(b) The failure of the applicant to furnish a copy of the permit issued by the ~~police chief or their designee~~ crowd permit review team in response to a lawful request by law enforcement or a Town official.

~~(c) *Appeal.* Any denial or revocation of a permit shall be provided in writing, stating the specific reasons for the decision. An applicant may appeal a denial or revocation to the Town Manager or their designee, who shall provide a prompt written decision. The pendency of an appeal shall not prevent a demonstration from proceeding unless the police chief determines there is a specific and articulable threat to public safety.~~

Sec. 4-587. - Enforcement.

It shall be unlawful to violate any provision of this Article. Violations shall be a misdemeanor and punishable as provided in G.S. 14-4 in the discretion of the presiding judge. In addition to or in lieu of any criminal enforcement, the Town or any aggrieved person may pursue applicable civil remedies deemed appropriate and necessary.

Secs. 4-598—4-85. - Reserved.

PART II. Severability.

All Town ordinances or parts of ordinances in conflict with this ordinance amendment are hereby repealed. Should a court of competent jurisdiction declare this ordinance amendment or any part thereof to be invalid, such decision shall not affect the remaining provisions of this ordinance amendment nor the Unified Development Ordinance or Town Code of the Town of Nags Head, North Carolina which shall remain in full force and effect.

PART III. Effective Date

All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed. This ordinance shall be in full force and effect from and after the 3rd day of June 2026.

Benjamin Cahoon, Mayor
Town of Nags Head

ATTEST:

Brittany A. Phillips, Town Clerk

APPROVED AS TO FORM:

John Leidy, Town Attorney

Date adopted: _____

Motion to adopt by Commissioner _____

Motion seconded by Commissioner _____

Vote: _____ AYES _____ NAYS _____



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM J.3.

2026 Beach Nourishment Project Update

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

N/A

Specific Action Requested

This item is provided for Board information and update.

Summary

At the June 3, 2026 Board of Commissioners meeting, Town Engineer Ryan will provide an update on the 2026 Beach Nourishment Project.

Attachments

None



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM L.1.

Discussion of Legislative Efforts

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

Staff will continue to assist the board in advancing the town's legislative agenda, in consultation with the town's lobbyist, Ward and Smith, P.A.

Specific Action Requested

This item is provided for board discussion.

Summary

The board and staff have been working this spring to advance the town's legislative agenda, to include a trip to Raleigh and communicating with other local towns and various organizations to provide input on bills of interest.

The board finalized its legislative agenda (attached) at the April regular meeting. The town's lobbyist has worked to review the town's goals with various legislators and provide them with more detailed information on key priorities. Mayor Ben Cahoon, Mayor Pro Tem Megan Lambert, Commissioner Megan Vaughan, and Town Manager Andy Garman went to Raleigh on May 13th to meet with legislators. In total there were six meetings. There have been a number of action items accomplished since this visit, including organizing the drafting of several letters with the other Dare County Towns to provide input on House Bill 369 and Senate Bill 445 (attached).

At the June 3, 2026 Board of Commissioners meeting, Mayor Cahoon will provide an update on the town's legislative efforts and engage the board on any additional efforts needed to advance the town's priorities.

Attachments

1. 6 L1 2026 Legislative Agenda
2. 6 L1 H369 Parking Lot Reform letter
3. 6 L1 S445 Regulatory Reform Act letter

Benjamin Cahoon
Mayor

Megan Lambert
Mayor Pro Tem

Andy Garman
Town Manager



Town of Nags Head
Post Office Box 99
Nags Head, NC 27959
Telephone 252-441-5508
Fax 252-441-0776
www.nagsheadnc.gov

Bob Sanders
Commissioner

Megan Vaughan
Commissioner

Molly Harrison
Commissioner

2025 – 2026 Biennial State Legislative Agenda

Revised March 4, 2026

Key Priorities:

- Seek funding to replace the Town's asbestos cement water lines. The replacement can be undertaken in segments or in its entirety. Total project cost is estimated between \$7 to \$10 million.
- Seek funding for public safety infrastructure improvements, including replacement of a fire station experiencing persistent mold and moisture issues and with insufficient living quarters as well as funding for a police station.
- Collaborate with other local government stakeholders to protect local government planning authority and to repeal or improve the 2024 down zoning legislation authorized by Session Law 2024-57.
- Seek legislation to increase the threshold for informal versus formal bidding requirements to reflect recent increases in the cost of construction and inflation. Also look at modifying other construction/contracting related statutory requirements that would have the effect of reducing costs for construction procurement and/or increasing interest in government projects.

Appropriations:

- Seek opportunities for expansion of existing beach nourishment funding sources including, but not limited to, expansion of the Coastal Storm Damage Mitigation (CSDM) program, establishment of additional state beach nourishment programs, and expansion of local government authority to raise revenue for beach nourishment projects.
- Seek approximately \$400,000 in funding to replace the public safety mobile command center currently utilized by Nags Head Public Safety during and after storms, search and rescue operations, checkpoints, and public events.
- Seek approximately \$60,000-\$80,000 in funding to replace outdated audio and video equipment at Town Hall.

Policy:

- Work with other local government stakeholders to seek policy changes to allow for the use of public dollars for the construction of local government employee housing.
- Seek and clarify local government authority to remove hazardous residential structures from the beach before they collapse.

Other Priorities:

Appropriations:

- Seek full or partial funding for the Town's pedestrian plan which includes multi-use paths and sidewalks for residents and tourists. The plan can be funded incrementally or in segments.
- Support recurring funding for the Transportation Infrastructure Resiliency Fund (TIRF), the Resilient Coastal Communities Program (RCCP), the Local Assistance for Stormwater Infrastructure Investments Program (LASII), the Stormwater Retrofit Pilot Program (SRPP) and seek recurring state funding resources to make the Town's flood prone primary, secondary and local roadways more resilient to future heavy rain events.
- Advocate for the advancement of the US 158 Corridor study within the STIP.

Policy:

- Oppose proposed changes to the Building Code and Fire Code that would erode local government authority to keep their communities safe.
- Oppose legislation that would limit local government authority over the regulation of short-term rental properties and accessory dwelling units.
- Expand recent legislation providing cancer and other health screenings to volunteer fire departments to also provide screenings for first responders serving at career and combined fire departments.
- Support state initiatives and funding related to pedestrian safety and seek changes to allow local governments to apply for non-infrastructure Transportation Alternatives Program (TAP) funding for pedestrian improvements directly through the state.
- Support the addition of cost-sharing factors as a new STIP criteria for project prioritization.



May 26, 2026

Senate Agriculture, Energy, and Environment Committee
Attn: Co-Chairs Senator Brent Jackson, Senator Norman Sanderson, and Senator Lisa Barnes
North Carolina General Assembly
16 West Jones Street
Raleigh, NC 27601

Re: Comments from Dare County Municipalities regarding H369 – Parking Lot Reform

Dear Members of the North Carolina General Assembly,

We represent the towns within Dare County, including Duck, Kill Devil Hills, Kitty Hawk, Manteo, Nags Head, and Southern Shores. We write to express significant concerns about House Bill 369. While we understand the bill was motivated by legitimate concerns about excessive parking at large commercial developments, it creates a one-size-fits-all solution that would seriously harm communities like ours.

Why H369 is Wrong for the Outer Banks

The northern Outer Banks is a barrier island community and a premier drive-to tourist destination. Tourism is our primary economic engine, and our ability to manage land use is essential to maintaining the character that sustains it. We have a significant number of large vacation rental homes, many with eight or more bedrooms, and our current parking standard is largely based on the number of bedrooms and/or the size of the home, to reflect the intended number of occupants. With the number of vehicles brought by our visitors, often large families or groups, even that standard is often insufficient. We have no on-street parking or public parking beyond our already-congested beach accesses. When vehicles cannot be accommodated on private property, they block roadways and interfere with emergency vehicle access. H369 would eliminate our ability to prevent this entirely.

We would collectively request that one and two-family dwellings be excluded from the proposed parking legislation.

A Better Approach

We recognize the concern about overparking at large commercial sites and are not opposed to reform. However, eliminating all local minimum parking authority is too blunt an instrument. We urge the General Assembly to instead require that local governments offer flexible, demand-responsive alternatives, such as:

- Allowing a developer or property owner to submit a parking demand analysis, prepared in accordance with an accepted professional standard such as the Institute of Transportation Engineers (ITE) Parking Generation methodology, in lieu of meeting a prescribed minimum. This gives applicants a direct path to demonstrate what parking their project actually requires, which in many cases may be less than a local minimum standard. Ideally, a well-informed developer would pursue this option even in the absence of a parking requirement;
- Requiring parking reductions for large lots above a defined threshold;
- Allowing shared parking arrangements among complementary uses;

- Permitting in-lieu fee arrangements for developments that cannot meet on-site requirements;
- Requiring local governments to adopt parking maximums, which is becoming more commonplace, to limit impervious surfaces.

These approaches address legitimate overparking concerns without stripping communities like ours of the minimum standards necessary to protect public safety and manage the real impacts of vehicle-dependent tourism.

Conclusion

Our planning and zoning authority is the primary tool we use to shape our communities in a way that reflects what our citizens desire and what draws visitors back year after year. The Outer Banks is one of the state's greatest tourism assets. We implore you to work with us toward solutions that address the problems motivating this legislation without eliminating local authority for communities that depend on it. In the absence of such amendments, we urge you to vote no on H369.

Thank you for your time and consideration and your service to our great state.

Sincerely,



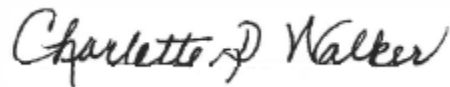
Tod Clissold, Mayor
Town of Manteo



Ben Cahoon, Mayor
Town of Nags Head



John Windley, Mayor
Town of Kill Devil Hills



Charlotte Walker, Mayor
Town of Kitty Hawk



Elizabeth Morey, Mayor
Town of Southern Shores



Monica Thibodeau, Mayor
Town of Duck

Cc: Whitney Campbell Christensen, Ward & Smith



May 26, 2026

The Honorable Steve Jarvis
Room 525, Legislative Office Building
North Carolina General Assembly
300 N. Salisbury Street
Raleigh, NC 27603

The Honorable Amy Gale
Room 311, Legislative Office Building
North Carolina General Assembly
300 N. Salisbury Street
Raleigh, NC 27603

The Honorable Ralph Hise
Room 300-A, Legislative Office Building
North Carolina General Assembly
300 N. Salisbury Street
Raleigh, NC 27603

The Honorable Tom McInnis
Room 314, Legislative Office Building
North Carolina General Assembly
300 N. Salisbury Street
Raleigh, NC 27603

The Honorable Tim Moffitt
Room 520, Legislative Office Building
North Carolina General Assembly
300 N. Salisbury Street
Raleigh, NC 27603

Re: Comments from Dare County Municipalities regarding S445 – Regulatory Reform Act of 2026

Dear Members of the North Carolina General Assembly,

We write on behalf of the towns within Dare County, including Nags Head, Kill Devil Hills, Kitty Hawk, Southern Shores, Duck, and Manteo, to express significant concerns with two sections of Senate Bill 445, the Regulatory Reform Act of 2026. As we have shared in prior correspondence, our communities on the northern Outer Banks are uniquely situated: tourism is our primary economic driver, our communities rely largely on on-site wastewater systems rather than centralized sewer, and the low-density residential character that defines the Outer Banks is the product of decades of careful local planning. Legislation that removes local land use authority without regard for these conditions creates serious risks. We wish to address two provisions in particular.

Residential Uses in Commercial Zoning Districts (Section 13)

Section 13 would require all local governments to permit residential uses, including large multifamily structures, in every commercial, industrial, or business-zoned area, with a minimum allowable height of 60 feet. We strongly oppose this provision. Our commercial districts are scaled and located to serve the needs of a resort community; introducing unrestricted residential density into those areas would alter their character in ways our communities have not planned for and cannot readily accommodate. The 60-foot height minimum is particularly incompatible with the Outer Banks, where height restrictions are a foundational planning tool.

Beyond character concerns, this mandate ignores real infrastructure constraints. Most of the Outer Banks relies on on-site septic systems. Concentrating residential density in commercial zones without

regard for wastewater capacity would undermine public health protections that our minimum lot size and density standards were specifically designed to preserve.

We request that this provision be removed from S445, or that an exemption be provided for communities primarily served by on-site wastewater systems.

Accessory Dwelling Units (Section 14)

We are not opposed to ADU development in principle, but Section 14 would strip local governments of the regulatory tools needed to manage ADUs responsibly. The bill prohibits local governments from requiring parking for ADUs, setting size limits, restricting utility connections, or limiting where ADUs may be sited. Each of these restrictions removes a tool our communities rely on. The ability to regulate ADU size relative to the primary dwelling unit, allows us to maintain scale appropriate to our neighborhoods. Parking requirements for ADUs are essential to ensure that parking, particularly at vacation rentals, does not spill into our narrow streets and block access to emergency services.

We ask that local governments retain the ability to:

- Apply parking requirements to ADUs where local conditions warrant;
- Regulate ADU size as a percentage of the primary dwelling, and also a fixed square footage cap;
- Designate specific zoning districts where ADUs are permitted rather than mandating them across all residential zones;
- Require that ADUs meet wastewater capacity standards applicable to primary dwellings;
- Maintain other development standards, setbacks, height, design, appropriate to local conditions.

We are also deeply concerned by the provision that if a local government fails to adopt implementing regulations by July 1, 2027, ADUs will be allowed "without any limitations." This outcome would be untenable and we request that this deadline and its consequences be removed or substantially revised.

S445 is the latest in a series of bills that, taken together, would erode the land use authority the General Assembly granted to local governments under Chapter 160D. We believe local governments, with input from their citizens, are best positioned to make land use decisions for their communities. We implore you to work with us toward solutions that address statewide goals without imposing uniform mandates that may not be appropriate given local circumstances. We respectfully request the incorporation of the amendments above into S445. Without these changes, our communities oppose the legislation.

Thank you for your time and consideration and your service to our great state.

Sincerely,



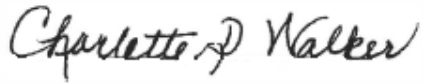
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Town of Kill Devil Hills



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Town of Kitty Hawk



Elizabeth Morey, Mayor
Town of Southern Shores



Monica Thibodeau, Mayor
Town of Duck

Cc: Whitney Campbell Christensen, Ward & Smith



AGENDA ITEM SUMMARY

Town of Nags Head Board of Commissioners

REGULAR SESSION: June 3, 2026

AGENDA ITEM M.1.

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

Prepared by

Brittany Phillips, Town Clerk

Reviewed by

Brittany Phillips
Andy Garman

Staff Comments/Recommendation

N/A

Specific Action Requested

Provided for Board discussion.

Summary

At the June 3, 2026 Board of Commissioners meeting, a Closed Session will be requested to consider a Personnel Matter Pursuant to 143-318.11(a)(6).

Attachments

None