



**MINUTES  
TOWN OF NAGS HEAD  
BOARD OF COMMISSIONERS  
REGULAR SESSION  
WEDNESDAY, JUNE 3, 2026**

The Nags Head Board of Commissioners met at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, June 3, 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; Shane Hite; Katie Anzalone; Jan Mielke; Paige Griffin; Shelli Gates; Renée Cahoon; Webb Fuller; Bob Muller; Susie Walters; Tim Walters; Mike Siers; Samantha Lock; Peggy Saparito; Ginny Flowers; Devin Sanders; Mandy Davis; Bryce Sanders; Jake Raynor; Johnnie Basinger; Jamie Wentz; Josselyn Brown; Becky Nicholas; Sara Patton; Joe Patton; Jenny Ash; Charlene Heroux; Carolyn McCormick; Anna Sadler; and Town Clerk Brittany A. Phillips

Mayor Cahoon called the meeting to order at 09:01 a.m. A moment of silence was followed by the Pledge of Allegiance. He then recognized former elected officials in attendance: Bob Muller, Renée Cahoon, Webb Fuller, Susie Walters, and Mike Siers.

**ADOPTION OF AGENDA**

MOTION: Comr. Sanders moved to adopt the June 3rd agenda as presented. The motion was seconded by Comr. Vaughan, which passed unanimously.

**RECOGNITION**

**NEW EMPLOYEE** – Public Services Director Nancy Carawan introduced Water Distribution Technician Johnnie Basinger who was welcomed by the board to town employment.

**NEW EMPLOYEE** – Public Services Director Nancy Carawan introduced Sanitation Equipment Operator Jamie Wentz who was welcomed by the board to town employment.

**PRESENTATION** – 2026 Nags Header and Lightkeeper Awards

*2026 Nags Header* – Kerry Oaksmith-Sanders was awarded the Nags Header of the Town for 2026 and joined the list of Town Nags Header recipients which began in 2005 with Nellie Myrtle Midgette Pridgen.

Mayor Cahoon spoke the following about the Nags Header Award and Kerry Oaksmith-Sanders:

"The Nags Header award recognizes a person who made, in, of and with their life, whether long or prematurely short, significant contributions to the Town of Nags Head. Most often, those we have acknowledged with this award have been remembered, while fondly and with great respect, somewhat distantly. Perhaps more legendary than someone personal and real. But today is different, and difficult. Today we remember a comrade, a neighbor, and a dear friend.

'She lived her life and served our community, centered around four great passions. First her family – her husband and their two children. Second her friends – church friends, YMCA friends, and well, just friends. There weren't many strangers in her life. Third – art. Art in every form, from a simple business sign to a skillful painting, to art direction in film and television. And, fourth, but not least, fitness. Not just her personal physical fitness, but your fitness, my fitness, teaching fitness, everybody's fitness!

'Her passions for family and friends are manifest in this room this morning. One nominator wrote, "She was my friend for over 30 years. Our children grew up together. We were members of the same church. She was always involved: school, church, youth sports. Whenever help was needed around Nags Head or in the larger community she was always available, and always willing to go the extra mile." In these categories not much more need be said by me.

'Of her art, another nominator wrote, "She has been a driving force in shaping our community's vibrant arts and

culture scene. From her deep involvement in the early years of Artrageous and service to the Dare County Arts Council, to her contributions on the town's Arts and Culture Committee, she consistently shared her talent and passion as an artist. She most notably played a pivotal role in the creation of our community's heart, Dowdy Park."

'And finally, she was described as an "accomplished and fierce athlete"... "she was an inspirational workout and yoga instructor, serving hundreds if not thousands of fitness enthusiasts all over the Outer Banks. Her commitment to community extended to the YMCA even before its doors officially opened. She inspired countless individuals, challenging her class participants to exceed their own expectations, while fostering a welcoming and supportive environment."

'Her energy, radiant spirit, and genuine kindness have left a lasting impact on all who knew her. Her unforgettable smile and the legacy of encouragement and connection she created will continue to inspire Nags Head and the greater Outer Banks for years to come.

'This year's Nags Header is Kerry Oaksmith Sanders."

Board members participated in a photo with Kerry's husband, Bob Sanders, and children, Devin and Bryce, who accepted the award on Kerry's behalf. Mr. Sanders joked that Kerry probably would not have approved of all the attention. He shared that, beyond her passion for fitness, she deeply loved the arts and her community. He emphasized how thankful she was for the support she received from the staff, the community, and everyone present, saying she could not have accomplished what she did without them. He closed by expressing his family's sincere appreciation and thanked everyone for their support.

*2026 Town Lightkeeper* – M. Renée Cahoon was awarded the Lightkeeper of the Town for 2026 and joined the list of Town Lightkeepers which began in 2000 with Carl Nunemaker.

Mayor Cahoon spoke the following about the Nags Head Lightkeeper and M. Renée Cahoon:

"The Lightkeeper award recognizes persons who have shaped the image and direction of Nags Head, making significant contributions to the Town through their time, actions, talents, and dedication. That word "significant" falls far short for this year's nominee. Epic comes somewhat closer, and withholding her name until the end, will be a little like fruitlessly trying to hide an iceberg in the refrigerator.

'She has been a devoted member of the Nags Head and Dare County communities for decades, operating with her family a long-standing grocery market and cottage court. In that capacity she has hosted and served generations of Nags Head visitors and residents. She has been a long-time supporter of the Town's small businesses, led many initiatives supporting the business community, and served as Chair of the Nags Head Local Business Committee. Throughout, she has been a strong advocate for "keeping Nags Head Nags Head", working to preserve the Town's values as a family-oriented beach community.

'In 1991 she was elected Nags Head Mayor, serving until elected as Dare County Commissioner in 2000. In 2005 she was again elected Mayor, serving until 2009, after which she was appointed to the Board as a Commissioner. She served as Commissioner until 2023, concluding over thirty years of public service to the Town and its citizens. Additionally, she has served on the Coastal Resources Commission for what I believe to be almost 25 years – appointed by Governor Cooper as CRC chair in 2017 and serving in that capacity since.

'Her influence is evident in so, so much of what Nags Head has accomplished in the last 30-35 years. Examples include development of the Town's Krafft Septic Health initiative, promotion of small business, improvements to the pedestrian infrastructure including multiuse paths and sidewalks, acquisition of numerous parcels of land for public use and preservation, preservation of Nags Head Woods, development of Town facilities and beach accesses, parks, and bathhouses. And last but not least, dedication to and support for Nags Head's beach nourishment program.

'It is difficult to imagine an individual with a longer record of service to Nags Head, or a legacy more clearly defined. The history, legacy, and future of Nags Head will remain intertwined with her life work, and her presence here will always be felt.

This year's Lightkeeper is M. Renée Cahoon."

Board members congratulated Ms. Cahoon and then participated in a photo with her.

Ms. Cahoon thanked the board and community for the honor, noting that she had not expected to receive the award and had attended expecting to congratulate someone else. She shared her deep passion for the town and appreciation for the support the community has provided to her and her family over the years. She emphasized that her accomplishments were not achieved alone, crediting the many people who helped along the way, including dedicated boards, supportive staff, and family members who made sacrifices to allow her to serve the community. She concluded by thanking everyone for their encouragement and support throughout her years of involvement with the town.

## **PUBLIC COMMENT**

Town Attorney John Leidy opened Public Comment at 09:17 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 #12 to FY 25/26 Budget
- Consideration of Tax Adjustment Report
- Approval of Minutes
- Annual Write-Off of Uncollectible Water Accounts
- Consideration of FY2025/26 Water Capital Project Ordinance
- Consideration of Update to Sunshine List Policy
- Consideration of Capital Project Ordinance Amendment #13

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

Budget Amendment #12, 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 May 6, 2026, Regular Session meeting and the May 20, 2026, Budget Workshop were approved by the board and are on file in the town clerk's office and on the town's website.

#### Annual write-off of uncollectible water accounts

The agenda summary sheet re: the annual write-off, as approved, read in part as follows:

"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."

The FY 2025/26 Water Capital Project Ordinance, as adopted, is attached to and made a part of these minutes as shown in Addendum "C".

#### The summary sheet for the Consideration of Update to Sunshine List Policy read in part as follows:

"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."

The Sunshine List Policy, as approved, is on file in the town clerk's office and on the town's website.

The Capital Project Ordinance Amendment #13, as adopted, is attached to and made a part of these minutes as shown in Addendum "D".

### **PUBLIC HEARINGS**

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

Notice of the Public Hearing was published in the Coastland Times on Sunday, May 10, 2026, as required by law.

Attorney Leidy opened the Public Hearing at 09:19 a.m.

Manager Garman noted that the budget had been presented and discussed extensively at meetings throughout the

spring. He indicated that a final budget ordinance was before the board, and he directed attention to organizational changes incorporated into the budget.

Manager Garman explained that due to recent retirements in the department, staff proposed combining the existing Water Distribution and Water Operations divisions into a single new division to be called "Water Services." Under the current structure, each division had its own superintendent; the new structure would replace that arrangement with one Water Services manager and an assistant manager. He emphasized that this reorganization did not materially change the water department's budget figures but would simplify the structure and provide the manager with greater flexibility in how staff time is allocated between plant operations and field work.

Manager Garman presented the following budget adoption options:

- Approve the full budget package at the current meeting
- Continue discussions during the scheduled workshop
- Postpone adoption until the mid-month meeting

Deputy Town Manager/Finance Officer Miller then addressed minor changes between the recommended and adopted budget. She explained that the town manager had recommended creating a new HR assistant position without adding headcount to the town. This was accomplished by transitioning a part-time position in Administrative Services to Public Services Administration, while the full-time position in Public Services Administration would be moved to the Town Hall position. She acknowledged that this results in slight salary adjustments due to the position being split with the Water Fund. She noted the change to the Water Fund budget ordinance to reflect the combined "Water Services" department name in place of the two previously separate department listings.

Attorney Leidy opened the floor for members of the public who wished to speak at the hearing.

Former Mayor Robert Muller highlighted four primary concerns in the proposed budget that he believed, if three of them were addressed, would eliminate the need to draw \$500,000 from the fund balance. He presented a slideshow and gave the board a handout to describe his concerns, which are on file in the town clerk's office. Mr. Muller's concerns referred to a 3% unexplained increase in the salary line item, the COLA portion of salary increases, the traffic light at the Soundside Event Site, and the multi-use path project from Carolista Dr. to Soundside Rd.

When analyzing the budget, Mr. Muller was unable to identify \$324,240 in salary funding and requested an explanation from staff. He presented the position that the 3% COLA was not necessary as the implementation of the Pay and Classification Study already provides an increase for staff that achieves fair market compensation. While supporting the installation of the traffic signal at the Soundside Event Site, he believes the Visitors Bureau should pay the full cost of the project. Lastly, he suggested delaying the Carolista Dr. to Soundside Rd. multi-use path project.

Mayor Cahoon asked staff to respond to Mr. Muller's concern about the salary funding.

Deputy Town Manager/Finance Officer Miller responded from memory, identifying several likely contributors to the unaccounted salary increase: a new full-time position added in Facilities Maintenance; the conversion of a seasonal planning position for events into a part-time year-round position; a \$40,000 increase in longevity pay; within-grade and career progression increases; the addition of salary costs for three retiring police officers to be funded from the Law Enforcement Officer Separation Allowance; and an increase in Ocean Rescue salaries. She expressed confidence that these factors, taken together, could account for the discrepancy, though she acknowledged she could not verify the precise figure without referring to a detailed spreadsheet.

Mayor Cahoon then asked staff to speak to study and how the COLA was applied.

Deputy Town Manager/Finance Officer Miller clarified that the salary study was conducted in the winter, at a point when no other municipalities had yet announced or applied COLAs for the coming year. The study compared Nags Head's salaries, before any COLA, against those of approximately 18 peer towns, also before any COLA adjustments. She explained that the COLA was applied separately, to employees' salaries as of June, before the pay classification adjustments were implemented.

Manager Garman reinforced this point, noting that the peer communities would theoretically adopt their new salary ranges on July 1, 2026, including their own COLAs. He stated that if Nags Head did not include its own COLA, the town would immediately be behind the market by that percentage. It was noted that local communities were applying COLAs of 3 to 5 percent this year.

Mayor Cahoon asked staff to speak about the project funding, grants received, and the annual debt service costs associated with the multi-use path at Jockey's Ridge, noting that he had received numerous emails from citizens expressing interest in seeing that section developed and constructed. He stated that the project had been included in prior plans.

Ms. Miller responded that the estimated project cost had been reduced to approximately \$1.6 million. She stated that the portion not covered by grant funding would be financed, with the annual debt service estimated at less than \$100,000 per year.

Manager Garman asked for clarification regarding the financing associated with the multi-use path project, noting that the financing package included additional items beyond the multi-use path itself. He requested that staff provide further explanation on the composition of the amount financed.

Deputy Town Manager/Finance Officer Miller explained that the financing package included additional Town Hall improvement projects because state law requires financed projects to be collateralized, and a multi-use path cannot serve as collateral. She stated that the financing package therefore included the replacement of the Town Hall elevator and electrical transfer switch, both of which had been identified as needed capital improvements. Manager Garman noted that the elevator had reached the point where replacement parts were difficult to obtain and that the transfer switch and related electrical equipment also required replacement. Ms. Miller further explained that the Town Hall campus was already pledged as collateral through existing financing arrangements and that including these improvements allowed the project to meet Local Government Commission collateralization requirements.

It was reported that the project received \$750,000 in funding from the Visitors Bureau and a \$100,000 Great Trails State Program grant for design services. Ms. Miller stated that the design grant is being used for the multi-use path alignment around Jockey's Ridge between Carolista Dr. and W. Soundside Rd. Manager Garman added that topographic surveying and preliminary design work are underway and are being used to coordinate discussions with the North Carolina Department of Transportation and Jockey's Ridge State Park regarding permitting requirements. He noted that staff is working toward permit applications and that project bidding is anticipated later in the year.

Comr. Harrison asked for clarification regarding the town's financial commitment to the project, specifically whether the amount of local funding required in addition to the grants had been definitively determined.

Manager Garman responded that the project cost remains an estimate and that refinements have been made to the design to reduce costs, including adjustments to the width of the multi-use path in constrained areas and consideration of required bulkheading. He explained that final project costs will not be known until the project is bid. He noted that staff has used conservative cost estimates and anticipates providing an updated cost projection later in the summer. He added that the actual final bid amount would be used for financing.

In response to Comr. Harrison's question on the pay classification study's reach, Human Resources Director Mielke confirmed that 87 of the town's 119 full-time staff members were impacted by the study. The remaining staff were already paid at or above market.

Mayor Cahoon asked staff to explain the implications of using fund balance to support the budget. He requested information regarding the town's current fund balance position, how it was reached, the relationship with the board's fund balance policy, and the potential effects on future tax rates and long-term financial planning.

Deputy Town Manager/ Finance Officer Miller explained that the town maintains separate fund balance policies for the General Fund and the Capital Investment Fund. She stated that at the end of the previous fiscal year, the town's General Fund balance exceeded the minimum policy threshold and was above 25 percent. However, no contribution was made to the Capital Investment Fund because the fund balance did not exceed the 35 percent threshold required under the town's policy.

Ms. Miller noted that fluctuations in the town's fund balance are significantly affected by the timing of grant reimbursements. She explained that the town must initially pay project expenses and then seek reimbursement from grant agencies, resulting in periods when the fund balance appears lower than it otherwise would. She cited ongoing grant-funded projects, including Project Areas 12 and 13, where the town continues to await final reimbursement payments pending submission of required documentation and project closeout materials.

She further explained that in preparing the proposed budget, staff accounted for the planned use of fund balance as well as anticipated grant reimbursements, investment earnings, and other revenues. Based on those projections, she estimated that the town's fund balance would be approximately 30 percent at year-end. While she did not anticipate the town exceeding the 35 percent threshold that would trigger a transfer to the Capital Investment Fund, she stated that she expected the town to remain comfortably within its adopted fund balance policies.

There being no one else present who wished to speak, Attorney Leidy concluded the Public Hearing at 09:51 a.m.

Mayor Cahoon opened board discussion on the budget and requested input from the board regarding consideration of its adoption. He thanked former Mayor Muller for his analysis of the town's proposed budget and for raising key questions during the process. He emphasized the importance of public understanding of the budget development process, noting that while the board engages in detailed discussions across multiple meetings, a significant portion of the public may not follow all sessions closely. He stated that continued discussion in formal settings is beneficial to help explain critical issues and how the town reached its current financial position.

Comr. Vaughan provided general remarks regarding the proposed budget, stating that she viewed it as proactive in nature and consistent with forward-looking financial planning. She expressed support for continuing to move forward on positive projects, including the multi-use path, and noted that such initiatives are aligned with long-term planning goals. She stated that she did not believe the town was approaching financial difficulty by continuing on its current trajectory and emphasized the importance of addressing deferred maintenance at Town Hall as part of responsible asset management. She also expressed support for the inclusion of the pay study, noting the importance of investing in town staff and demonstrating commitment to employees.

Comr. Sanders stated that he appreciated the questions raised by the former mayor, noting that they encouraged further consideration of the budget. He commended staff for the significant time and effort invested in developing the proposed budget and agreed that it is a proactive budget. He reported receiving numerous emails and community input in support of the Jockey's Ridge multi-use path and stated that he is highly supportive of the project. He noted that this level of investment encourages continued fiscal review and "sharpening of the pencil" in future budget cycles. He acknowledged, however, that the prospect of a two-cent tax increase in the following year was a bit high but could be worked on.

Mayor Pro Tem Lambert expressed appreciation for the work that went into the preparation of the budget and for the engagement and input provided by former Mayor Muller. She echoed comments made by Comr. Vaughan regarding the budget being proactive in nature and stated that the town has taken a forward-looking approach rather than a reactive one. She noted that many of the items included in the budget reflect priorities that have received strong public support and positive feedback. She stated that she believes the proposed budget aligns with the town's established goals and community expectations and that it has been appropriately developed and budgeted.

Comr. Harrison expressed appreciation to former Mayor Muller for his efforts to identify cost savings but raised concerns about altering previously agreed-upon funding arrangements with the Visitors Bureau. She stated that the town should honor existing commitments and noted uncertainty about the implications of renegotiating those funds. She also expressed support for continuing the Jockey's Ridge multi-use path project, citing strong public support and noting that significant grant funding has already been secured. She stated that she would be hesitant to remove the project from the budget, particularly given the relatively modest projected annual debt service. In addition, she conveyed support for salary adjustments, including cost-of-living adjustments for staff, and emphasized the importance of supporting Nags Head's employees. She raised a procedural question regarding an unidentified \$324,000 figure in the budget, asking whether the board should delay action on the budget until the item is publicly clarified.

Mayor Cahoon stated that, based on staff explanations received today, the budget figures reconcile and have been previously presented in a public setting. He expressed general reluctance to draw from savings but noted that the use of fund balance and savings has been part of a long-standing, multi-year financial planning approach established by prior boards and implemented through staff operations consistent with board policy direction. He emphasized that the town utilizes a structured, policy-driven, and goal-oriented budgeting process with a multi-year outlook, including forward capital planning. He noted that while adjustments to individual budget components can have downstream impacts on future costs, he has confidence in the overall structure of the budget and in staff's preparation of it. He stated that the current budget reflects thoughtful planning and is appropriate for the town's current needs and long-term direction, while acknowledging that future fiscal decisions may involve balancing either service reductions or tax adjustments.

Comr. Sanders asked whether items had been removed or cut from the proposed budget, referencing prior discussion at the budget workshop.

Manager Garman responded that several lower-priority Capital Improvement Program (CIP) items were reduced or removed from the proposed budget. He stated that staff prioritized maintenance-related projects, including the replacement schedule for vehicles and the upkeep of existing assets, as these represent necessary ongoing obligations. He noted that grant-funded projects, such as the multi-use path, can affect project prioritization by elevating certain items due to available outside funding. He confirmed that some requested positions and other items presented during the budget workshop were not included in the final proposed budget. He emphasized that staff has worked to balance capital, operating, and personnel costs, and that maintaining this balance is essential to long-term financial sustainability. He further noted that while staff is attempting to manage current priorities responsibly, future budgets may require more difficult trade-offs and reductions to maintain fiscal balance.

**MOTION:** Mayor Pro Tem Lambert moved to adopt the FY 26/27 Budget Ordinance as presented. The motion was seconded by Comr. Vaughan, which passed unanimously.

**MOTION:** Comr. Vaughan moved to approve the Pay Plan and Organizational Charts as presented. The motion was seconded by Comr. Harrison, which passed unanimously.

**MOTION:** Comr. Sanders moved to approve the FY 26/27 through FY 30/31 Capital Improvement Requests as presented. The motion was seconded by Comr. Vaughan, which passed unanimously.

**MOTION:** Comr. Harrison moved to approve the Consolidated Fee Schedule as presented. The motion was seconded by Comr. Sanders, which passed unanimously.

The FY 26/27 Budget Ordinance, as adopted, is attached to and made a part of these minutes as shown in Addendum "E".

The Pay Plan, Organizational Charts, Capital Improvement Plan (CIP) requests, and Consolidated Fee Schedule (CFS), as approved, are on file in the town clerk's office.

## **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, 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 attended and presented 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

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



Mayor Cahoon and the board thanked Director Wyatt for her efforts.

## **NEW BUSINESS**

### Committee Reports

Comr. Harrison – reported that the GEACC committee is not meeting until July but noted that Public Information Officer Thuman is working on producing videos. She raised the possibility of showing short county-produced videos related to Nags Head at future board meetings, a suggestion the board received positively.

Mayor Pro Tem Lambert – reported there was no update from the Septic Health Advisory Committee, as it had not yet met.

Mayor Cahoon – reported that the Jennette's Pier Advisory Committee is scheduled to meet the coming Monday, June 8th, with a walkthrough of recent improvements. He extended an informal invitation to any commissioner who wished to attend, noting that the walkthrough was set to begin at approximately 8:30 a.m.

Comr. Sanders – reported that he had recently been appointed to the Dare County Housing Foundation and briefly noted he had missed the prior Friday's logo reveal event due to being out of town. Mayor Cahoon added that the event was well-attended, with most local mayors present, members of the foundation's board, and a number of exhibits detailing the foundation's direction, including a request for proposals seeking architects to design packages of small homes.

Comr. Vaughan – reported on the May 21st meeting of the Dare County Tourism Board. The board received an update on conservation easement efforts related to the Estuarine Shoreline Project near the event site. The steering committee also reported that the board approved issuing a Request for Proposals (RFP) for development of a three to five-year plan for the Soundside Event Site. The plan will evaluate future uses of the site, including the former Dairy Queen building, vacant land, parking connectivity, and other short-term planning considerations.

She also shared first-quarter tourism figures, noting that countywide meals and occupancy revenues were essentially flat, with a slight increase of less than one percent. She reported that Nags Head accounted for approximately 23% of total occupancy revenue and nearly 19% of meal tax revenue reported countywide during the first quarter. She indicated she would continue providing these comparative figures in future reports.

Consideration of Disaster Debris Removal Bids and Debris Monitoring Contract Renewal

Town Engineer David Ryan summarized his report which read in part as follows:

"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."

In response to Mayor Cahoon 's prompt, Engineer Ryan noted that staff had conducted outreach to four different municipalities for reference checks on DRC Emergency Services and received outstanding responses. He further reported that DRC had committed to 100 percent mobilization within 48 hours, 50 percent mobilization within 24 hours, and had established relationships with local subcontractors, approximately half a dozen, who could provide boots on the ground immediately following a storm event.

MOTION: Comr. Sanders moved to authorize the town manager to enter into a pre-positioned agreement with DRC Emergency Services for disaster debris management and removal services. The motion was seconded by Comr. Vaughan, which passed unanimously.

MOTION: Mayor Pro Tem Lambert moved to authorize the town manager to execute the renewal agreement with DebrisTech, LLC for debris monitoring services. The motion was seconded by Comr. Sanders, which passed unanimously.

The contracts, as approved, are on file in the town clerk's office.

**RECESS/RECONVENE** – The Board took a brief recess at 10:22 a.m. and reconvened at 10:31 a.m. The mayor acknowledged former elected official Anna Sadler, who arrived during the meeting.

Consideration of Appointment/Reappointment to Board/Committee

- Board of Adjustment

The agenda summary sheet read in part as follows:

"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."

MOTION: Comr. Harrison moved to appoint Mary K. Gay to the Board of Adjustment, as an alternate, for a three-year term. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

**ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN ATTORNEY**

Attorney Leidy reported on the status of easement acquisition in connection with the beach nourishment project. He noted that the town initially identified 35 properties from which easement rights needed to be acquired and filed 25 condemnation actions. He reported that several property owners provided easements voluntarily, at the last minute, reducing the number of actions needed. Of the 25 actions filed, several property owners have since

contacted the town indicating their willingness to voluntarily grant the necessary rights. He noted this was a positive development and described the process as ongoing.

He also provided an update on the litigation brought by Cherry, Inc. against the town related to the 2023 removal of an oceanfront cottage. He reported that since the May BOC meeting, two significant developments have occurred. First, an amicus curiae brief was filed by the Southern Environmental Law Center and the Duke Environmental Law and Policy Clinic on behalf of Dr. Robert Young, Dr. Stanley Riggs, the North Carolina Surfrider Foundation, and the North Carolina Land and Water Organization—in support of the town's position. Second, the plaintiffs/appellants filed a reply brief the previous day responding to both the town's brief and the amicus brief. Attorney Leidy noted that the briefing is now complete, and that the Court of Appeals is expected to indicate within approximately 60 days whether oral arguments will be scheduled or whether the case will be decided on the briefs alone.

## **ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN MANAGER**

### 2026 Town Fireworks Display Update

Deputy Fire Chief Shane Hite addressed the board to provide an update on the Nags Head's annual July 4th fireworks display. He noted that Zambelli Fireworks would arrive on July 2nd to begin setup, with inspections and final preparations occurring on July 4th. He expressed appreciation for the coordinated efforts of the police department, fire department, public services, and all support staff involved in the event. He noted that the Nags Head Pier has changed ownership and that the pier will look different this year under the direction of the new owner, Kevin Nielsen.

Deputy Chief Hite encouraged the community to attend the beach-side viewing, noting that Zambelli produces significant water effects in addition to aerial fireworks. He also addressed Comr. Harrison's question regarding the decision to move the start time to 9:00 p.m., explaining that in prior years crews and attendees were waiting approximately 20 to 25 minutes in the dark before the show began. Moving the start time slightly earlier was intended to benefit families with small children, staff, and the public by ending the event and clearing the area at a more reasonable hour.

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

Manager Garman introduced this item. The summary sheet read in part as follows:

"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.

'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."

Manager Garman noted that after including the draft ordinance in the board packet, he had shared it with the primary correspondent on the issue, who had submitted additional comments. Attorney Leidy indicated he was still reviewing certain provisions. Additionally, he noted that during a May meeting between Mayor Cahoon, Comr. Vaughan, and the Dare County Tourism Board concerning the Rod and Custom Festival and the permit process for crowd gatherings, the Tourism Board expressed interest in submitting suggestions to improve the ordinance;

those comments had not yet been received.

Given all of the above, Manager Garman recommended tabling the item until the July meeting to allow time to fully address the outstanding comments, complete the town attorney's review, and incorporate any input from the Tourism Board. The mayor agreed this was the prudent course, noting that one of the correspondents had themselves observed that it was "better right than fast."

**MOTION:** Comr. Vaughan moved to table this item until the July 1, 2026 meeting. The motion was seconded by Mayor Pro Tem Lambert, which passed unanimously.

#### 2026 Beach Nourishment Project Update

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

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

Town Engineer Ryan presented a progress update on the 2026 Beach Nourishment Project, accompanied by a project progress map (see photos below) maintained on the town's website and updated daily by Public Information Officer Thuman.

Engineer Ryan reported that the cutterhead dredge, the RS Weeks, arrived on station on May 19th and began pumping operations in South Nags Head. The discharge line is currently located near Camelot Street, just north of milepost 20. The cutterhead completed fill from Jacob Street Beach Access down to approximately Limulus. It encountered issues with anchor supports over Memorial Day weekend, resumed operations, and was subsequently forced off station again due to heavy wave action earlier in the week. As of the meeting date, the RS Weeks was in Norfolk and expected to return by the end of the week when sea conditions improve.

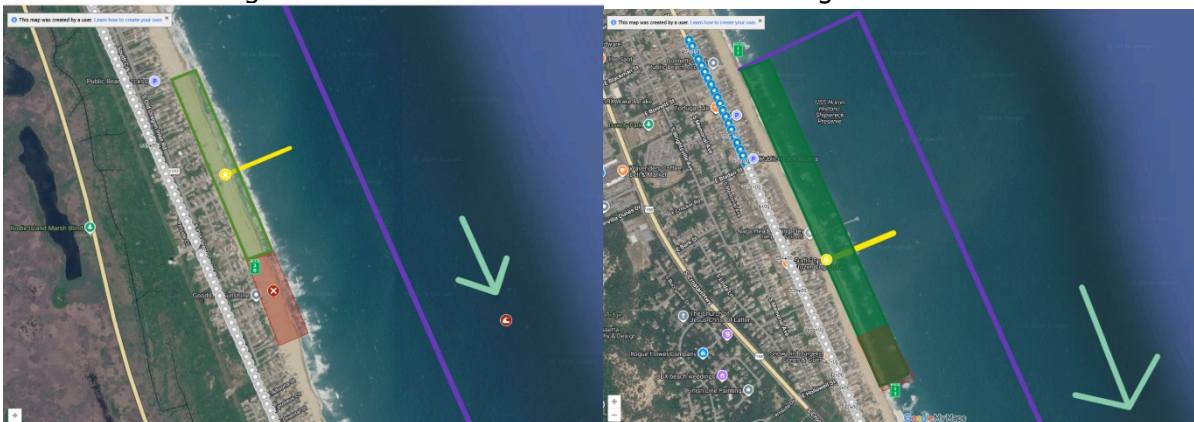
The hopper dredge, the RB Weeks, arrived on station on May 25th and has been working in the northern section of the project area. Its discharge line is located just south of the Nags Head Pier. Engineer Ryan explained that the hopper dredge is more durable in higher wave action than the cutterhead. The hopper dredge completed fill from the sub-line south of the pier to the northern terminus at Bonnett Street, then reversed direction working southward. Its active construction zone is currently centered near Hollowell Street. The hopper dredge also pulled off station earlier in the week due to unsafe wave conditions, but pedestrian corridors have been established on the back side of the active work zone to allow beach access for the public north and south of the equipment.

Engineer Ryan reported that as of the meeting date, approximately 427,000 cubic yards of sand had been placed on the beach, representing roughly 17 percent of the overall project volume. A weekly project meeting with the contractor was scheduled for the following day to receive an updated schedule reflecting the impact of recent weather. As of the prior week, the contractor had been maintaining a projected completion timeline of beginning to mid-July.

The board thanked Engineer Ryan for his presentation.

Southern Beach Progress

Northern Beach Progress



#### **BOARD OF COMMISSIONERS AGENDA**

Comr. Harrison – thanked staff for their work on the budget, and expressed gratitude to staff, fellow commissioners, and community members who helped her navigate the learning curve during her time on the board.

#### **MAYOR'S AGENDA**

##### Discussion of Legislative Efforts

Mayor Cahoon introduced this item. The summary sheet read in part as follows:

"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.

'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."

Mayor Cahoon provided a comprehensive update on the town's ongoing legislative advocacy efforts in Raleigh, noting that the board had been closely engaged throughout and that the update was particularly intended to inform members of the public.

He noted that Nags Head maintains an active lobbyist in Raleigh and operates from a formally adopted legislative agenda. He expressed appreciation to the board for their engagement with correspondence and to Manager Garman for his substantial work on these issues. He also commended the town's "sister towns" on the Outer Banks—Manteo, Kill Devil Hills, Kitty Hawk, Southern Shores, and Duck—for joining the advocacy efforts and submitting coordinated letters, noting that presenting a unified, multi-town front to legislators carries significant weight.

*House Bill 369 (Parking Regulation):* The mayor described HB 369 as legislation that would remove the town's authority to regulate parking requirements for residential, commercial, and restaurant properties. He reported that he, Comr. Vaughan, Comr. Lambert, Manager Garman, and their lobbyist traveled to Raleigh and met directly with the bill's sponsors. They presented arguments for why reasonable parking standards are necessary in a coastal community and found the sponsors to be receptive. The town was also able to secure support from the Home Builders Association for amendments to the bill. As of the meeting, HB 369 is slated to go before the Agriculture, Energy, and one other committee before it can go to the floor. The town has successfully requested that the three co-chairs of that committee hold the bill for discussion purposes only, not a vote, during the current week. The mayor noted that the legislature generally ceases committee work once a budget is in place, and that with the state budget appearing close to adoption, it may be possible to "run out the clock" on HB 369 for this session. He cautioned that the town would need to remain vigilant, as former Mayor Renée Cahoon reminded the board that legislation is sometimes tucked into the budget itself, as occurred previously with down-zoning provisions.

*Senate Bill 445 (Regulatory Reform Act of 2026):* The mayor described SB 445 as legislation that would mandate that municipalities permit residential use in any non-agricultural zone and would require the permitting of accessory dwelling units in any residential zone. He noted the compounding impact this would have had when combined with the potential elimination of parking requirements under HB 369. He reported that town lobbyists were able to work directly with the leadership of the State Senate to raise the population thresholds for applicability of the bill's provisions, such that the Town of Nags Head would no longer be subject to those mandates under the amended version.

*Appropriations for Asbestos Cement Water Lines:* The mayor reported that the town is actively seeking state appropriations to accelerate the replacement of its aging asbestos cement water lines. He noted that the town's legislators have responded affirmatively to this request in meetings and expressed hope that such appropriations could materially affect future budget planning.

*Informal Bidding Threshold Legislation:* The mayor reported the town's own initiative from the prior year—to raise the informal bidding threshold, which would allow smaller, local contractors to more readily compete for town projects without the extensive paperwork burden associated with formal bids. He noted that the threshold was proposed to be raised to \$1,500,000 (confirmed by Manager Garman) and that this legislation is actively moving forward. He stated that this change would significantly benefit the town's ability to attract qualified local contractors for smaller projects.

The mayor concluded by urging continued vigilance once the legislative session ends.

The joint letters regarding HB369 and SB445 are attached to and made a part of these minutes as shown in Addendum "F".

## **CLOSED SESSION**

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

MOTION: Comr. Harrison moved to enter Closed Session to consider a personnel matter pursuant to GS 143-318.11(a)(6). The motion was seconded by Comr. Vaughan, which passed unanimously. The time was 10:56 a.m.

**OPEN SESSION**

The Board re-entered Open Session at 11:26 a.m. Attorney Leidy reported that the board discussed confidential personnel matters and that some action was taken, but that nothing further needed to be reported publicly at that time.

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

Mayor Cahoon noted that a budget workshop was not needed given the board's adoption of the budget during the meeting.

MOTION: Mayor Pro Tem Lambert moved to adjourn. The motion was seconded by Comr. Sanders, which unanimously. The time was 11:27 a.m.

\_\_\_\_\_  
Brittany A. Phillips, Town Clerk

Date Approved:     July 1, 2026

Mayor:                \_\_\_\_\_  
Benjamin Cahoon