



MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
REGULAR SESSION
WEDNESDAY, MAY 7, 2025

The Nags Head Board of Commissioners met at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, May 7, 2025 at 9:00 AM for a Regular Meeting.

Board Members Present: Mayor Ben Cahoon; Mayor Pro Tem Michael Siers;
Comr. Bob Sanders; and Comr. Megan Lambert

Board Members Absent: None (One vacancy)

Others Present: Town Manager Andy Garman; Attorney John Leidy; Amy Miller; Kelly Wyatt; David Ryan; Perry Hale; Randy Wells; Nancy Carawan; Joe Costello; Roberta Thuman; Karen Snyder; Shane Hite; Katie Anzalone; Eddie Williams; Steven Saunders; Steven Anderson; Charlie Bliven; David Thompson; Megan Vaughan; Bob Muller; Barry Brockway; and Town Clerk Brittany A. Phillips

Mayor Cahoon called the meeting to order at 09:00 a.m. A moment of silence was followed by the Pledge of Allegiance.

ADOPTION OF AGENDA

MOTION: Comr. Sanders moved to approve the May 7th agenda as presented. The motion was seconded by Mayor Pro Tem Siers, which passed unanimously.

RECOGNITION

NEW EMPLOYEE - Town Clerk Brittany Phillips introduced Deputy Town Clerk Katie Anzalone who was welcomed by the Board to Town employment.

PRESENTATION - Police Chief Perry Hale presented Lt. Steven Anderson for recognition of completing the Administrative Officers Management Program.

PROCLAMATION – National Police Officer's Week - May 11 – 17, 2025

Chief Hale spoke about the significance of Police Week for the Nags Head Police Department. He mentioned that it was particularly meaningful due to the tragic loss of Sergeant Earl Murray on May 15, 2009. Chief Hale asked everyone to keep the Murray family in their thoughts and prayers as the anniversary of his untimely death approaches. Mayor Cahoon noted a letter received from Sgt. Murray's widow, Kim, in which she expressed gratitude for Chief Hale and the officers' continued remembrance of Earl.

Mayor Cahoon read the proclamation declaring May 11 – 17, 2025 as National Police Officer's week as follows:

'WHEREAS, The Congress and President of the United States have designated May 15th as 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 11 - 17, 2025 as 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 11 - 17, 2025, as Police Week and call upon all citizens of Nags Head to observe the 15th day of May 2025, as 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 Siers moved to adopt the proclamation recognizing National Police Officer's Week as May 11 – 17, 2025 as presented. The motion was seconded by Comr. Lambert, which passed unanimously.

Mayor Cahoon thanked Chief Hale and his officers.

PROCLAMATION – National Public Works Week - May 18 – 24, 2025

Public Services Director Nancy Carawan spoke about the theme for this year's Public Works Week: "People, Purpose, and Presence." She thanked each superintendent and their divisions for their daily work for the town.

Mayor Cahoon acknowledged the essential role of public works professionals in maintaining sustainable and resilient communities. He emphasized the significance of public services, noting that safe drinking water, well-maintained streets, and effective sanitation are crucial for ensuring the safety and quality of life for all residents.

He then read the Proclamation declaring May 18 – 24, 2025 as National Public Works Week as follows:

"Proclamation - National Public Works Week - "People, Purpose, Presence"

'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 2025 marks the 65th 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 18–24, 2025, 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. Sanders moved to adopt the Proclamation declaring May 18 – 24, 2025 as National Public Works Week as presented. The motion was seconded by Mayor Pro Tem Siers, which passed unanimously.

Director Carawan invited the Board, town staff, and the public to an open house at their new facility on May 20th from 9 AM to 12 PM.

Mayor Cahoon recognized former Mayor Bob Muller who was in the audience.

PUBLIC COMMENT

Town Attorney John Leidy opened Public Comment at 09:14 a.m.

Barry Brockway- Nags Head homeowner - expressed his gratitude to the Board of Commissioners for implementing the Dune Management Cost Share Program, from which he has been a recipient multiple times. He emphasized his dedication to dune stewardship over the years, noting his proactive efforts in beach pushes, sand fencing, and planting beach grass both before and since the beach nourishment project. However, Mr. Brockway raised concerns about a growing trend he observed: the placement of permanent seating on the dunes in South Nags Head, which could potentially lead to larger structures like lifeguard chairs or playground equipment, opening a metaphorical "can of worms" for further developments on the dunes. He provided a picture to the Board to

illustrate his concern.



Mr. Brockway highlighted the distinction between current practices and the Town of Southern Shores' beach and dune management ordinance 34-55, which includes specific prohibitions on certain activities within the dune system, such as walking outside designated access areas. He argued that, due to beach nourishment effects, the ordinance language might need updating, particularly concerning the boundary line extent—suggesting the static vegetation line over the natural vegetation line. Mr. Brockway indicated his willingness to collaborate on drafting such regulations and hoped the town would consider these changes to prevent misuse of dune spaces and avert potential negative impacts on local wildlife, such as the effects of solar lights on sea turtles.

Attorney Leidy concluded Public Comment at 9:19 a.m.

CONSENT AGENDA

The Consent Agenda consisted of the following items:

- Consideration of Budget Amendment #13 to FY 24/25 Budget
- Consideration of Tax Adjustment Report
- Approval of Minutes
- Consideration of Fourth Amendment to New Cingular Wireless (AT&T) Lease Agreement for Space on South Nags Head Water Tank.
- Request Approval of McKim & Creed and Moffatt & Nichol Proposals to Conduct Annual Beach Monitoring Surveys and Analysis and associated Capital Project Ordinance Amendment.
- Request for Public Hearing to Consider Citizen Comments on the Town Manager's Proposed Operating Budget for July 1, 2025 – June 30, 2026, Proposed CIP Requests for FY 25/26 through FY 29/30, and Updated Consolidated Fee Schedule
- Request for Public Hearing for a Zoning Map Amendment for a Portion of the Nags Head Municipal Complex Property (5401 S Croatan Highway - Parcel #026404000) from R-3 (High-Density Residential) to SPD-C (Village) Institutional
- Request for Public Hearing for a Zoning Text Amendment to the UDO - Section 9.36, Table of Uses and Activities for the SPD-C District, to Modify the List of Accessory Uses in Conjunction with the "Municipal Building" use within the Village Institutional Zoning Classification

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

Budget Amendment #13, 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 2, 2025, Regular Session meeting, the April 2, 2025, Budget Workshop, the April 16, 2025, Recessed Session, and the April 16, 2025, Budget Workshop were approved by the Board and are on file in the Town Clerk's office and on the Town's website.

The summary for the consideration of fourth amendment to New Cingular Wireless (AT&T) lease agreement for space on south Nags Head water tank read in part as follows:

"AT&T has used our engineers for the design and the National Park Service has agreed to equipment modification. A building permit will be issued, and a post-construction inspection will be done by TEP. Our current lease with AT&T is expiring June of 2025. The proposed equipment upgrades have been approved by the National Park Service. TEP engineers have done the modification equipment design to make sure the tower is properly engineered. AT&T does have a current right-of-way agreement with the National Park Service for this agreement. Staff recommends approval of the lease amendment."

The fourth amendment, as approved, is on file in the Town Clerk's Office.

The summary sheet for the McKim & Creed and Moffatt & Nichol proposals to conduct annual beach monitoring surveys and analysis and associated Capital Project Ordinance Amendment, as approved, read in part as follows: "Annually, the Town subcontracts surveying services to perform an annual beach condition survey in accordance with the Town's Beach Monitoring & Maintenance Plan. The survey scope of work includes the base project data acquisition of 174 profiles in conjunction with additional transect data acquisition north of the project area, south of the project area and within reaches 3 and 4. The additional data acquisition was authorized to be added to the work plan in June 2020.

'A fee proposal in the amount of \$69,880 has been submitted by McKim & Creed to complete the base bid work in addition to options 1, 2, and 3. The fees have increased by \$880.00 from FY 24/25. Field data acquired by McKim & Creed will be provided to the coastal engineer, Moffatt & Nichol, and will be analyzed to review annual shoreline changes, annual volume changes, project performance, background erosion rates, dune behavior and evaluation of long-term trends. This information will be synthesized into a report format and submitted to the Town by mid-September.

'A fee proposal, Task 20, in the amount of \$63,485 for the monitoring and analysis has been submitted by Moffatt & Nichol. They will analyze the annual survey data and prepare their report for the Board. The fee for Task 20 did not increase from FY 24/25. Optional Tasks 20.2 and 20.3 have been included in the fee proposal and will only be authorized by the Town in the case of a federally declared storm event.

'Town Engineer: Staff recommends acceptance of the total scope of work presented in the McKim & Creed fee proposal and acceptance of Task 20 of the Moffatt & Nichol proposal. If the Board of Commissioners is in agreement with the staff recommendation, a motion will be in order to authorize the Town Manager to execute contracts for McKim & Creed, Town of Nags Head Beach Monitoring Surveys, Summer 2025 and the Moffatt & Nichol Town of Nags Head 2025 Beach Monitoring and Analysis, Task 20. An additional motion will be needed to approve the capital project ordinance amendment #16."

The Capital Project Ordinance Amendment #16, as adopted, is attached to and made a part of these minutes as shown in Addendum "C".

The summary sheet for the Request for Public Hearing to Consider Citizen Comments on the Town Manager's Proposed Operating Budget for July 1, 2025 – June 30, 2026, Proposed CIP Requests for FY 25/26 through FY 29/30, and Updated Consolidated Fee Schedule, as approved, read in part as follows:

"Request that a Public Hearing be scheduled for the June 11, 2025 Board of Commissioner's meeting to consider citizen comments on the following:

- Town Manager's proposed operating budget for fiscal year July 1, 2025 – June 30, 2026
- Proposed Capital Improvement Program (CIP) requests for FY 25/26 through FY 29/30
- Updated Consolidated Fee Schedule

'Staff will provide a presentation on the recommended budget at the upcoming 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>."

The summary sheet for the Request for Public Hearing for a Zoning Map Amendment for a Portion of the Nags Head Municipal Complex Property (5401 S Croatan Highway - Parcel #026404000) from R- 3 (High-Density Residential) to SPD-C (Village) Institutional, as approved, read in part as follows: "Following the Planning Board's initiation of this text amendment at their March meeting, planning staff is requesting consideration of a zoning map amendment to rezone the southernmost portion of the Nags Head Municipal Complex from R-3 (High Density Residential) to SPD-C (Village at Nags Head) Institutional. This change would resolve the existing split-zoning of the property and align the zoning designation with the current and planned municipal uses. The Nags Head Municipal Complex contains various municipal operations within several buildings including:

- Municipal Building - Police Department on the first floor and Administrative Offices on the 2nd floor.
- Board of Commissioners meeting room.
- Employee Fitness Center (to be replaced with a new facility and employee housing).
- Public Services Annex Garage/Storage.
- Telecommunications Tower (formerly the water tower location).

"Text amendments have also been initiated to ensure that the Village Institutional District includes appropriate language to support existing and future uses of the property.

'Staff recommends that the property be rezoned in its entirety to SPD-C, Village Institutional, to ensure consistency with its current use and facilitate future site improvements. Currently, the portion of the property south of the main driveway is zoned R-3 High-Density Residential.

PLANNING BOARD RECOMMENDATION

At their April 15, 2025, meeting, the Planning Board voted unanimously to recommend approval of the map amendment as proposed."

The summary sheet for the Request for Public Hearing for a Zoning Text Amendment to the UDO - Section 9.36, Table of Uses and Activities for the SPD-C District, to Modify the List of Accessory Uses in Conjunction with the "Municipal Building" use within the Village Institutional Zoning Classification, as approved, read in part as follows:

"In conjunction with the proposed rezoning of the Nags Head Municipal Complex, planning staff is recommending a text amendment to Section 9.36, Table of Uses and Activities, of the Unified Development Ordinance (UDO) to clarify and expand the list of allowable accessory uses associated with the "Municipal Building" use within the SPD-C, Village Institutional zoning classification.

'Section 9.36 currently lists "Municipal building, including fire station, police station, administrative office, and County EMS Station" as a permitted use in the Village Institutional District. However, with the expansion of the Village Institutional zoning designation to include the southern portion of the Municipal Complex property, staff recommends updating the table to expressly include certain accessory uses already present on the site to include detached accessory structures, such as the employee fitness facility, telecommunication tower, and detached board/meeting room, when associated with a municipal building use. This ensures these structures are recognized as compliant with the Village Institutional designation and supports the implementation of the Town Hall Campus Master Plan. This language is intentionally limited and does not authorize new standalone principal uses within the Village. The amendment reinforces the intent that such uses remain directly tied to and as an accessory to municipal operations.

'Planning staff finds that the proposed text amendment is consistent with the 2022 Comprehensive Land Use Plan and recommend adoption of the amendment as presented.

'PLANNING BOARD RECOMMENDATION

At their August 15, 2025, meeting, the Planning Board voted unanimously to recommend adoption of the text amendments as presented, contingent upon adoption of the proposed rezoning to resolve the split zoning of the Town Hall Municipal Campus."

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

Update from Planning Director

Planning Director Kelly Wyatt summarized her update 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 7, 2025. Monthly Activity Report Attached for the Board's review is the Planning and Development Monthly Report for March 2025. 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:

- Tuesday, April 1st - Technical Review Committee Meeting
- Wednesday, April 2nd - Board of Commissioners Meeting
- Wednesday, April 9th - Committee for Arts and Culture Meeting
- Thursday, April 10th - Board of Adjustment Meeting (no hearings scheduled)
- Tuesday, April 15th - Planning Board Meeting
- Wednesday, April 16th - Board of Commissioners mid-month meeting
- Wednesday, April 30th - Septic Health Advisory Committee Meeting
- Dowdy Park Winter Market - Saturday, April 12th from 9 a.m. - noon.

'Planning Board - Pending Applications and Discussions - The Planning Board's most recent meeting was held on Tuesday, April 15, 2025. The following items were heard:

'Consideration of a map amendment to rezone the southernmost portion of the Nags Head Municipal Complex from R-3 (High-Density Residential) to SPD-C (Village at Nags Head) Institutional to resolve the existing split-zoning of the property. The Planning Board voted unanimously to recommend approval. This item will be on the Board of Commissioners' May 7th Consent Agenda.

'Consideration of a text amendment to Section 9.36, Table of Uses and Activities for the SPD-C District, to clarify and expand the list of allowable accessory uses associated with the "Municipal Building" use within the Village Institutional zoning classification, in response to the proposed municipal complex rezoning. The Planning Board voted unanimously to recommend adoption, contingent upon approval of the rezoning. This item will be on the Board of Commissioners' May 7th Consent Agenda.

'Staff and the Planning Board continued their discussion of Action Item 2.2 from the Town's Strategic Plan,

focusing on the review of allowable uses within the Commercial Outdoor Recreation Overlay District.
'Staff provided an update on the current legislative activity through the Town's Bill Tracking Report.

'The Planning Board's next meeting is scheduled for Tuesday, May 20, 2025. The agenda is expected to include consideration of a Site Plan Amendment for the purpose of constructing a new employee fitness facility at Town Hall, located at 5401 S. Croatan Highway. Additionally, the Board will continue its discussion and evaluation of allowable uses within the Commercial Outdoor Recreation Overlay District, as outlined in Action Item 2.2 of the Strategic Plan.

'Board of Adjustment – Recent and Pending Applications - There were no items brought before the Board of Adjustment in April 2025. However, a variance hearing is scheduled for Thursday, May 8, 2025, to consider a request to exceed the maximum lot coverage allowance to accommodate the placement of an above-ground pool and access stairs at 109 E. Lakeside Street, Nags Head.

'Additional Updates

- DWMP/Septic Health Advisory Committee - The Septic Health Advisory Committee met on April 30, 2025. Staff provided a program update, noting that 108 septic tank inspections have been completed to date, 74 water credits have been issued, and 9 low-interest loans for septic system maintenance have been processed.

The committee discussed strategies to increase public engagement and outreach, particularly efforts to educate homeowners, property managers, and contractors about the importance and benefits of the Septic Health Program. In addition to Environmental Planner Conner Twiddy's presence at the Dowdy Park Farmers Markets, they discussed hosting an informal social event for contractors and residents to attend, requesting the Dare County Health Department as well as contractors have brochures to hand out to Nags Head customers. Staff also shared that a representative from OTT Hydromet will be on-site in the coming weeks to finalize the installation and calibration of four new water quality monitoring loggers.

Lastly, the committee reviewed and discussed the draft scope and framework for implementing the \$500,000 zero-interest loan awarded by the Division of Water Infrastructure. A brief presentation on this proposed program structure will be provided to the Board of Commissioners at their May 7, 2025, meeting.

- Estuarine Shoreline Management Plan - Geotechnical work and bathymetric data collection have been completed for the estuarine marsh stabilization projects along Villa Dunes Drive and W. Soundside Road. The town has received survey maps and a geotechnical report. Subaquatic vegetation (SAV) surveying is to take place between mid-May and mid-June. Residents have been mailed a notice giving them information with regard to the upcoming work planned. Once this assessment is complete, Coastal Hydrodynamic Modeling will be conducted, and the Town will receive the Basis of Design Report as part of the agreed-upon deliverables. The first community engagement workshop will be scheduled sometime in June or July 2025.

For the Harvey Estuarine Site/OBVB site, staff are finalizing the contract with NC Land and Water Fund for the \$500K funding awarded. McAdams has provided a scope of work for both design and construction. Due to rising material and installation costs, additional funding is needed to complete the project. Staff have recently applied for a Resilient Coastal Communities Program (RCCP) Phase 4 Grant and a National Fish and Wildlife Foundation Grant to close the funding gap and deliver the project.
- Sand Relocation and Dune Management Cost Share Program - As of May 2, 2025, a total of \$180,000 in Dune Management Cost Share Program funding has been allocated to 80 approved applicants. The 2025 Sand Relocation Program season concluded on April 30th, with no additional equipment permitted on the beach beyond this date. Staff issued 200 Sand Relocation Authorizations, along with approximately 13 CAMA Exemptions for sand relocation activities that fell outside the program's standard parameters but were determined to be necessary. Several staff members are currently conducting final inspections and closing out completed sand relocation projects. Overall, staff reported a successful season with minimal compliance issues.
- Hargrove Street CAMA Access Grant - Staff have completed and submitted the pre-application for the Hargrove Street CAMA Access Grant, requesting \$400,000 in funding to support the construction of a new bathhouse and dune walkover. We expect to receive notification by early June regarding whether we have been invited to submit a full application.

<u>Planning Department 3rd Quarter Permit Turnaround</u>		
Month	Total Permits	Average Turnaround
January	68	2.4 days
February	80	2.75 days

March

95

2.5 days

- Dowdy Park Events/Farmers Market/Holiday Markets/Art & Culture - The Winter Markets have ended and, as in years past, were a great success. Many local residents expressed appreciation for the continued access to fresh goods during the off-season. Event Coordinator Paige Griffin is now fully focused on executing a full calendar of summer events. She will be joined this season by Emma Ortega, a rising senior at East Carolina University majoring in Hospitality Management with a concentration in Event Planning. While on summer break, Emma will assist Paige and gain valuable hands-on experience in her field. Yoga in the Park returns on May 6th and will be held every Tuesday through the end of September from 7:30 a.m. to 8:30 a.m. We extend our gratitude to Coastal Carolina Vacations and Sales for sponsoring this season's yoga sessions and to Kerry Sanders for coordinating the full schedule of instructors. Outer Banks Health is sponsoring a *Movie in the Park* on June 6th; more details will be announced soon. The Dowdy Park Farmers Market season kicks off on June 12th with 60 full-time vendors and three rotating vendor spaces. Finally, our summer concert highlight will feature Will Overman performing on June 18th at 6:30 p.m. at Dowdy Park.

'Upcoming Meetings and Other Dates

- Tuesday, May 6th - Technical Review Committee Meeting
- Tuesday, May 6th - Meeting with OTT Hydromet on Water Quality Installation
- Wednesday, May 7th - Board of Commissioners Meeting
- Thursday, May 8th - Board of Adjustment Meeting - Schroeder Property Variance, 109 E. Lakeside Street
- Wednesday, May 14th - Committee for Arts and Culture Meeting (no May meeting)
- Tuesday, May 20th - Planning Board Meeting
- Wednesday, May 21st - Board of Commissioners mid-month meeting - Budget Workshop"

The Board thanked Director Wyatt for her efforts.

Update on On-Site Wastewater Loan - Establishment of Zero Percent Interest Septic Loan Program Planning

Director Kelly Wyatt introduced this item - the agenda summary sheet read in part as follows:

"At the May 7, 2025 Board of Commissioners meeting, staff will provide an update on the on-site wastewater loan and the establishment of a zero-percent interest septic loan program to Nags Head homeowners.

'Earlier this year, the Town was awarded \$500,000 through the North Carolina Department of Environmental Quality - Division of Water Infrastructure to support the repair and replacement of residential septic systems via a repayable 0% interest loan. At their April 30th meeting, the Septic Health Advisory Committee discussed the establishment of a program to make this funding available. The Committee would like to target the replacement of systems in areas vulnerable to poor water quality as discussed in the town's Decentralized Wastewater Management Plan. Staff will provide a brief presentation at the upcoming meeting to review the requirements of the award and the scope of work the committee would like to propose.

'Staff will update the Board on the Septic Health Advisory Committee's discussions on how to use the loan funds we received from the state to augment the town's septic health program."

Director Wyatt's presentation - draft scope and framework for implementing the \$500,000 zero- interest loan awarded by the Division of Water Infrastructure is attached to and made a part of these minutes as shown in Addendum "D".

Mayor Pro Tem Siers asked Director Wyatt if any bottomless tanks had been found in the town. Director Wyatt stated that none had been encountered yet, but she was certain some were present. She expressed hope that the current process would help identify such tanks. Manager Garman noted that the town had previously undertaken an effort to locate and replace bottomless tanks. Former Mayor Muller remarked that he wasn't sure if we got them all at that time.

Mayor Cahoon inquired about the town's bandwidth to administer the program, to which Director Wyatt confirmed that the planning staff had the capacity to manage it effectively. Comr. Sanders noted that he liked the direction that this is going and thanked the committee for their work. Mayor Cahoon stated that the prioritization was on point.

Presentation on House Elevations/Acquisitions through the Hazard Mitigation Grant Program (HMGP)

- Consideration of Participation in the State-Centric Program

Deputy Planning Director Joe Costello introduced this item - the agenda summary sheet read in part as follows:

"Nags Head has received inquiries from oceanfront property owner(s) about acquiring properties through the Hazard Mitigation Grant Program (HMGP). The HMGP is a FEMA-funded program designed to reduce or eliminate future damages and loss following a disaster. Currently, there are HMGP funds available under disaster declaration DR-4827, which is related to Tropical Storm Helene. Although much of the damage occurred in the western part of

the state, funds are available across the state for qualifying properties. The types of projects funded through the hazard mitigation grant program include:

- Home elevations above the base flood and to the local elevation standard, in special flood hazard areas
- Acquiring homes and demolishing them and keeping the flood-prone area as open space
- Generators that protect critical facilities such as shelters, hospitals and emergency response locations, (funding limited)
- Projects that mitigate the risk of a natural hazard to public infrastructure.

'Projects are funded 75% with FEMA funds and 25% with state funds – it doesn't cost the local government or the private property owner anything.

- Home elevation projects are to elevate homes above the base flood and to the local elevation standard in special flood hazard areas. Homes receiving an HMGP elevation grant must maintain flood insurance once the project is complete. Elevations in the SFHA are approved per structure up to \$355,522 under the pre-calculated benefits schedule.
- Acquisitions are considered cost-effective via the pre-calculated benefits of up to \$775,411 based on the fair market value of the property the day before the disaster for properties located in a SFHA or if they are a repetitive loss property outside the floodplain. This includes the costs to acquire, close and demolish. Home acquisition projects include demolishing and keeping the flood-prone area as open space into perpetuity through a deed-restriction.
- This is a voluntary program and requires voluntary participation from the property owner.
- Primary homes are prioritized, but the state expects available funding will be sufficient to extend beyond priority one project types and counties.
- Second homes and commercial properties can be mitigated by this grant, pending available funding.
- The program does not have an income requirement and is intended to assist all of those impacted by the disaster.

'The Town has formally asked Dare County to process elevation grants letters of interest submitted to them by Nags Head property owners and to manage the Town of Nags Head's elevation grants awarded through the HMGP. This is a service Dare County provides to other towns in Dare County as well. The state-centric program is administered through the North Carolina Division of Emergency Management and authorizes the NCDDEM staff to manage bidding, procurement, and project management, for grant-awarded elevation and acquisition projects. Dare County won't manage the town's acquisition projects as this would result in the county owning open-space areas within the towns. Dare County participates in the state-centric administration program and utilizes it to elevate properties across the county and is pursuing it to acquire properties in areas such as Rodanthe.

'To take advantage of the streamlined process for both homeowners and staff, the Town of Nags Head has to submit opt-in paperwork. The Town will still decide what acquisition projects to submit to the state. If a qualified project is submitted and eventually awarded by FEMA, under this agreement, the state would then obtain the contractors, oversee all project work, pay all invoices and close out the projects on the town's behalf. The state will also direct contractors to hire local as much as possible, so funds are directed into our community. The state will still provide management costs to the town for any work staff does to assist the state. This partnership with the state is a win- win for everyone because the state will use its contracting powers to complete work quickly. Since the state will be managing the contracts, the town will not need to budget money to pay contractors and won't have to wait for reimbursements. The state will do all the project management, reducing project management burdens on staff. The town will still be reimbursed as necessary for staff time dedicated to the project.

'Recommend Board approval for the Town to opt into the state-centric Hazard Mitigation Grant Program administration agreement."

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

Commissioner Sanders asked for clarification about the program's case-by-case basis and the criteria involved, confirming the project duration of 4–5 years for elevations and approximately 2–3 years for acquisitions. Mayor Cahoon inquired whether the program could have previously helped address homes on the beach that were in similar poor conditions, indicating the potential benefits for future candidates.

MOTION: Mayor Cahoon moved for the Town to opt into the state-centric Hazard Mitigation Grant Program administration agreement for acquisitions. The motion was seconded by Mayor Pro Tem Siers, which passed unanimously.

NEW BUSINESS

Committee Reports

Comr. Sanders – Reminded everyone of the Jockey's Ridge State Park 50th Anniversary Celebration, which will take place June 5th-8th at the park and is free to the public. Visit www.jockeysridge50.com for more information.

Mayor Cahoon – Noted that the Jennette's Pier Advisory Committee has not met but will be meeting soon.

Mayor Pro Tem Siers – The Dare Housing Task Force (Plans Subcommittee) has met multiple times. They are continuing to work on locating properties and builders who may be willing to mass build at a lower cost structure while possibly receiving funding from the State. The Dare County Tourism Board is currently working on their budget.

Comr. Lambert – Noted that Government Access Channel has not met but will meet soon, and acknowledged the report given by Planning Director Wyatt regarding the Septic Health Advisory Committee.

Consideration of Appointments/Reappointments to Boards/Committees

- Board of Adjustment
- Arts and Culture Committee

The agenda summary sheet read in part as follows:

"At the May 7, 2025 Board of Commissioners meeting, request Board consideration of the following appointments/reappointments:

'Board of Adjustment:

- Judy Burnette's and Tina Adderholt's terms expire May 4, 2025. Both are interested in being reappointed.

'Arts and Culture Committee:

- Molly Vaughan has moved out of the area.

'Arts and Culture Program Criteria: Committee members will be selected by the Board of Commissioners through the application process and should have a background/experience that demonstrates a knowledge, education, or experience in the arts or designing and/or promoting cultural activities. Individuals should have a relationship to the community either through business ownership, property ownership, residency, or through demonstrated contribution to the Town's art and/or cultural resources. The committee may also include representatives from selected non-profit partners or educators that support arts and culture.

'Attached please find Current Rosters and Candidate Charts."

MOTION: Mayor Pro Tem Siers moved to reappoint both Judy Burnette and Tina Adderholt to the Board of Adjustment. The motion was seconded by Comr. Lambert, which passed unanimously.

The Board decided to defer the consideration of appointment to the Arts and Culture Committee until the June 11th meeting to allow more time for review of the candidates.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN ATTORNEY

Request for Closed Session to Confer with the Board of Commissioners re: a Matter of Attorney/Client Privilege and to Preserve that Privilege Regarding 309 W Soundside Rd BOA Appeal Pursuant to GS 143-318.11(a)(3)
Town Attorney John Leidy requested a closed session to discuss a recently filed Board of Adjustment appeal and the Cherry Inc. litigation. This item was deferred until the end of the meeting.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN MANAGER

Presentation of Town Manager's Recommended Budget for July 1, 2025 – June 30, 2026, the Proposed Capital Improvement Program Requests for FY 25/26 through FY 29/30, and Updated Consolidated Fee Schedule
Dep Town Manager Amy Miller distributed the Town Manager's Recommended Budget to Board members.

Manager Garman thanked Finance Officer Miller, Dep Finance Officer Brooke Norris, Human Resources Coordinator Jan Mielke, Public Information Officer Roberta Thuman, Town Clerk Brittany Phillips and all dept heads and staff who worked on the budget as it was a team effort. He noted that a Budget Workshop is scheduled for May 21st to review the recommended budget.

Town Manager Garman summarized some highlights of his recommended budget as follows:

- Revenue neutral tax rate 20.84 cents per \$100 of assessed value
- Recommended tax rate 22.00 cents per \$100 of assessed value – Key reasons for difference:
 - o Decline in shared revenues
 - o Inflationary trends that impact our ability to replace equipment and maintain infrastructure
 - o Significant increase in health insurance costs due to NCLM dissolving the Health Benefits Trust forcing us to seek a new provider and higher claims from the past year

- Moving servers to cloud based on IT recommendations
- Next Beach Nourishment Project - will be bid in the fall to determine if nourishing in the summer of 2026 or 2027 will be most cost efficient
- Joint Fitness Center/Workforce Housing as first phase of Campus Master Plan
- Continuing with pedestrian projects and beach access improvements
- New residential sanitation truck and knuckle boom truck for bulk items
- Pay & Class Study
- COLA scheduled at 3%; Continue with employee within-grade increases, career progression programs, and implementation of performance-based merit
- Continuing with employee 401K contributions at 5% with no match requirement
- Health insurance coverage to remain at 100% for employees and 80% for dependents
- Grant applications and grant project completion to continue
- Septic Health - pump out credit of \$250 once every three years
- 5% water rate increase
- Implementation of DWI 0% interest loan for septic repair/replacement
- Chlorine conversion from gas to liquid; 8th and Gull St. plants

He thanked the staff again and the Board of Commissioners.

Mayor Cahoon asked Andy to speak to the legislative requests that had been submitted. Manager Garman noted that we have made some appropriation requests to the state with the number one goal being the replacement of a/c water lines. This work could cost between five and ten million dollars. Without the help from the state and without significant water rate increases, the work would take a long time.

Mayor Cahoon reflected on the high level of services provided by the Town and recounted past budget decisions, particularly during the onset of COVID-19, when expenditures were cut and later reinstated. He asked whether any “want to do” projects — those that enhance quality of life but are not essential — might be deferred in upcoming budgets due to a more cautious fiscal approach.

Town Manager Garman responded by highlighting how the Town continues to invest in both essential services and quality-of-life improvements. He noted that a significant focus right now is on long-term facility planning. The Town has a facilities master plan that spans 10 to 20 years, and the current priority is the replacement of Fire Station 16, which represents a major investment.

Garman pointed out that one of the biggest new expenses the Town is taking on is housing for ocean rescue staff. This is something the Town hasn't had to do in the past but staffing needs have made it a priority. Between two current housing projects in the community, the Town is investing around \$3 million. Whether housing continues to be a long-term need is still unclear, but it's something likely to be considered in the coming years.

To support this effort, the Town is asking for help at the state level — specifically, for expanded authority to provide employee housing, not just for the Town, but across Dare County. Garman noted this is a regional issue that affects many municipalities.

He also reminded the Board that the Town has long been responsible for major recurring costs, such as beach nourishment, and that spending on drainage and stormwater infrastructure continues to grow — partly due to development, but also due to changes in the environment. The Town is also beginning to look more seriously at estuarine shoreline planning and the potential construction of these projects, which are new areas of investment.

Overall, Garman said the Town has moved beyond just providing basic services. It's now doing more things that improve the overall quality of life and community resilience. He stressed that grant funding has played a key role in making these projects possible, helping the Town take on more without relying entirely on local funds.

The Board thanked the staff for their work on the budget.

Consideration of No-Cost Lease for the Use of 105 W Seachase Drive

Town Manager Garman summarized the agenda summary sheet which read in part as follows:

"At the May 7, 2025 Board of Commissioners meeting, Board members will consider no-cost lease for the use of 105 W Seachase Drive. As the Board is aware, Dare County purchased 105 W Seachase Drive on February 7, 2025. As part of the purchase agreement, Dare County has agreed to let the town continue to use the building as an employee fitness facility until such time that the county is ready to demolish the building to construct an EMS station. The County Manager has prepared a no-cost lease for the town's review and approval. The town will continue to maintain the grounds and pay for any utilities associated with using the facility. The town will also maintain liability insurance for the duration of occupancy.

'Staff would recommend approval of the lease. The lease has been reviewed by the town's attorney and all recommended changes have been incorporated into the attached document."

MOTION: Mayor Pro Tem Siers moved to approve the No-Cost Lease for the use of 105 W Seachase Dr. The motion was seconded by Comr. Sanders, which passed unanimously.

BOARD OF COMMISSIONERS AGENDA

Mayor Pro Tem Siers requested Attorney Leidy review the property issue that was brought to our attention during public comment and report back.

MAYOR'S AGENDA

Consideration of Resolution Recognizing the Significance of Jockey's Ridge State Park and Honoring Its 50th Anniversary Celebration

Mayor Cahoon read the resolution recognizing the significance of Jockey's Ridge State Park and honoring its 50th Anniversary Celebration, which will be celebrated June 5-8, 2025 as follows:

"WHEREAS, Jockey's Ridge State Park, established in 1975, is home to the tallest living sand dune system on the East Coast and serves as one of North Carolina's most treasured natural landmarks; and

"WHEREAS, the preservation of Jockey's Ridge was made possible by the grassroots efforts of dedicated citizens, most notably Carolista Baum, whose activism led to the creation of the state park, ensuring the protection of this iconic landscape for generations to come; and

"WHEREAS, Jockey's Ridge State Park provides invaluable recreational, environmental, and economic benefits to Nags Head, attracting over one million visitors annually who enjoy its scenic beauty, outdoor activities, and educational opportunities; and

"WHEREAS, the Friends of Jockey's Ridge, a nonprofit organization dedicated to the park's preservation and enhancement, has played a vital role in supporting the park's programs, improvements, and community engagement efforts; and

"WHEREAS, from June 5–8, 2025, Jockey's Ridge State Park and the Friends of Jockey's Ridge will host a 50th Anniversary Celebration, featuring a historic lineup of events, including the Outer Banks' first-ever drone light show, a live concert on the dunes, a sunset toast and flag-raising ceremony, and interactive family-friendly activities, all designed to honor the park's legacy and its importance to the community; and

"WHEREAS, the Town of Nags Head recognizes and appreciates the significance of Jockey's Ridge State Park as a cornerstone of the town's natural heritage, economy, and identity, and wishes to express its full support for the 50th Anniversary Celebration;

"NOW, THEREFORE, BE IT RESOLVED, that the Nags Head Board of Commissioners formally recognizes and honors the 50th Anniversary of Jockey's Ridge State Park and commends the efforts of the Friends of Jockey's Ridge and the park staff for their dedication to preserving and celebrating this cherished natural treasure.

"BE IT FURTHER RESOLVED, that the Town of Nags Head encourages residents and visitors alike to participate in the 50th Anniversary Celebration events and join in commemorating the history, beauty, and significance of Jockey's Ridge State Park."

MOTION: Comr. Sanders made a motion to adopt the resolution Recognizing the Significance of Jockey's Ridge State Park and Honoring Its 50th Anniversary Celebration as presented. The motion was seconded by Mayor Pro Tem Siers, which passed unanimously.

Mayor Cahoon noted that he and former Mayor Muller spoke at the CRC meeting last week to restore the AEC protections back to Jockey's Ridge.

Discussion of Legislative Correspondence re: Opposition to HB 765 and Similar Legislation to Strip Municipalities of Planning and Zoning Authority

The agenda summary sheet for this item reads in part as follows:

"At the May 7, 2025 Board of Commissioners meeting, Mayor Cahoon will provide an update on local efforts to voice opposition to HB 765 and similar legislation to strip municipalities of planning and zoning authority. The attached letter has been jointly submitted on behalf of all Dare County municipalities to not only our local representatives, but also to the whole NC General Assembly. The Mayors are also planning two meetings in May, with legislators - one in person and one virtual - to discuss these bills."

Mayor Cahoon delivered a comprehensive update on ongoing efforts to oppose House Bill 765 and associated legislative measures aimed at stripping municipalities of their planning and zoning authority. He highlighted a critical series of actions undertaken to combat this aggressive legislative effort. A unified letter of opposition, endorsed by all Dare County municipal mayors, was sent to the state legislature, capturing attention with all the included town logos being noted by Senator Sanderson's legislative aide as an impressive collective statement. Additionally, the town has engaged Ward and Smith in lobbying efforts, ensuring the town's concerns are effectively communicated at the state level.

The update further detailed a strategic approach involving direct engagement with legislative sponsors. A virtual meeting with the bill sponsors, Zenger, Brody, and Winslow, is scheduled for the following Monday, representing a significant chance to convey the town's and region's opposition directly to those advocating for the bill. This virtual meeting is being followed by an upcoming in- person session with notable senators, including Republican joint caucus leader Senator Carl Ford, planned for May 29th in Raleigh. The timing of these discussions aligns with the legislative crossover period, which is anticipated to shift the battle against the bill from the House to the Senate.

Mayor Cahoon also mentioned collaboration with Dare County Commissioners, who will carry a unified message of resistance to these legislative initiatives during their meetings at the legislature next week. In this effort, Mayor Cahoon emphasized the importance of presenting viable alternative solutions to address housing problems, as simply opposing legislation without offering constructive ideas for solving the underlying issues is likely to carry less weight. Mayor Cahoon highlighted Mayor Pro Tem Siers' and Manager Garman's participation with the Dare Community Housing Task Force and the Town's work on Ocean Rescue housing. He would like the legislature to consider a cautious approach to the imposition of state-driven density standards, which may not be suitable for regions without comprehensive sewer systems.

Mayor Cahoon noted that he will be attending the NCBIWA conference on May 8th where Cape Hatteras National Seashore Superintendent, Dave Hallac, will be presenting on Threatened Oceanfront Structures and Town Engineer, David Ryan, will be presenting on Implementing Dune Infiltration Systems.

Mayor Cahoon noted that he will be meeting with local folks opposed to offshore oil-drilling and then will be meeting with Congressman Greg Murphy to express the town's views.

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)

Mayor Cahoon noted that the published request for a Closed Session to Consider a Personnel Matter Pursuant to 143-318.11(a)(6) was being deferred until the June 11th meeting.

MOTION: Mayor Cahoon moved to enter Closed Session to confer re: a matter of attorney/client privilege and to preserve that privilege regarding 309 W Soundside Rd BOA Appeal, Cherry Inc. litigation, and other matters protected by attorney/client privilege pursuant to GS 143-318.11(a)(3) and 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 Mayor Pro Tem Siers, which passed unanimously. The time was 10:35 a.m.

OPEN SESSION

The Board re-entered Open Session at 11:12 a.m. Atty. Leidy reported that the board had considered and taken action regarding the Lightkeeper and Nags Header Awards, but no other actions were taken during the closed session.

ADJOURNMENT/RECESS TO FY 25/26 BUDGET WORKSHOP ON MAY 21, 2025

MOTION: Comr. Sanders moved to recess to the FY 25/26 Budget Workshop on Wednesday, May 21, 2025 at 9:00 a.m. The motion was seconded by Mayor Pro Tem Siers, which passed unanimously. The time was 11:12 a.m.

Date Approved: June 11, 2025

Mayor: Benjamin Cahoon

Brittany A. Phillips, Town Clerk