MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
REGULAR SESSION
WEDNESDAY, JULY 2, 2025

The Nags Head Board of Commissioners met at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, July 2, 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; Roberta Thuman; Karen Snyder; Shane Hite; Chris Sawin; Ashleigh Dillon; Paige Dillon; Duke Geraghty; Megan Vaughan; Jackie Hart; Paulette Mathews; and Town Clerk Brittany A. Phillips

Mayor Cahoon called the meeting to order at 09:02 a.m. A moment of silence was followed by the Pledge of Allegiance.

ADOPTION OF AGENDA
MOTION: Comr. Sanders moved to approve the July 2nd Agenda as presented. The motion was seconded by Mayor Pro Tem Siers, which passed unanimously.

RECOGNITION
FIFTEEN YEARS – Fire Chief Randy Wells introduced Fire Engineer Anthony Dillon who was recognized by the Board for fifteen years of service.

PUBLIC COMMENT
Town Attorney John Leidy opened Public Comment at 09:06 a.m.

Chris Sawin - CEO Outer Banks Community Foundation addressed the board regarding a new disaster recovery initiative called the Trusted Partners Program. Sawin described the program's purpose as community outreach and buy-in during "blue skies" to prepare for potential future disasters. He explained that the program aims to build a network of contacts who can be quickly mobilized for fundraising and information dissemination in the event of a disaster. Sawin invited board members and the public to sign up for the program at obcf.org/trusted.

There being no one else present who wished to speak, Attorney Leidy concluded Public Comment at 09:12 a.m.

CONSENT AGENDA
The Consent Agenda consisted of the following items:
- Consideration of Budget Amendment #1 to FY 25/26 Budget
- Consideration of Tax Adjustment Report
- Consideration of Order to Collect Taxes
- Consideration of Business License/Registration Fee Debt Release/Write-Offs
- Approval of Minutes
- Consideration of Resolution Authorizing Higher Federal Micro-Purchase Thresholds
- Consideration of Town-Wide Multi-Year Copier Contract

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

Budget Amendment #1, 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 Order to Collect Taxes, as approved, is attached to and made a part of these minutes as shown in Addendum

"C".

The Business License/Registration Fee Debt Release/Write-offs summary sheet, as approved, read in part as follows:
"As per section 12-32(c) and 12-33 of the Town of Nags Head Code of Ordinances, see below, the current outstanding balance that was released for businesses that were no longer active in the Town of Nags Head for the year 2022 is attached.

'2022 Business Licenses/ Registration Fees $575.00

'Sec. 12-32. Collection of deficiency or delinquent taxes. (c) Any business/privilege license or registration invoice older than three years, regarding a business that the town no longer regards as active, may be removed from the list of receivable accounts in the town's financial statement. At least annually, the tax collector will present the board of commissioners with a list of uncollectible accounts, requesting the board's approval for a formal write-off of such accounts. The town will use all available means to collect these accounts to include but not be limited to: bank attachment and payroll garnishment where applicable, debt set-off, etc.

'Sec. 12-33 - Releases. If it is determined that upon the issuance date of a renewal license or registration the business has been discontinued, the finance director may release a tax of less than $100.00. The tax collector shall annually report to the board of commissioners releases made pursuant to this section and the tax collector's annual report shall be recorded in the minutes of the board of commissioners. This report will be included with the annual request to the board to write off uncollectible accounts pursuant to section 12-32.

'Attached please find a list of businesses for license/registration fee release. This report is provided for the Board's information and is in accordance with Town Code 12-32(c) Collection of deficiency or delinquent taxes and Sec. 12-33 Releases.

'Requesting Board's approval for a formal write-off of uncollectible accounts."

The list of businesses for license/registration fee release, as approved, is attached to and made a part of these minutes as shown in Addendum "D".

The minutes from the June 11, 2025, Regular Session meeting were approved by the Board and are on file in the Town Clerk's office and on the Town's website.

The Resolution authorizing higher federal micro-purchase thresholds, as adopted, read in part as follows:
"WHEREAS, from time to time, the Town of Nags Head purchases goods and services using federal funding subject to the procurement standards in 2 C.F.R. Part 200, Subpart D; and

'WHEREAS, the Town of Nags Head's procurement of such goods and services is subject to the Town of Nags Head's purchasing and bid requirements policy, as most recently amended on January 30, 2025; and

'WHEREAS, the Town of Nags Head is a non-Federal entity under the definition set forth in 2 C.F.R. § 200.1; and

'WHEREAS, pursuant to 2 C.F.R. § 200.320(a)(1)(ii), a non-Federal entity may award micro- purchases without soliciting competitive price or rate quotations if the non-Federal entity considers the price to be reasonable based on research, experience, purchase history or other information and documents that the non-Federal entity files accordingly; and

'WHEREAS, pursuant to 2 C.F.R. § 200.320(a)(1)(iii), a non-Federal entity is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures; and

'WHEREAS, pursuant to 2 C.F.R. § 200.320(a)(1)(iv), a non-Federal entity may self-certify on an annual basis a micro-purchase threshold not to exceed $50,000 and maintain documentation to be made available to a Federal awarding agency and auditors in accordance with 2 C.F.R. § 200.334; and

'WHEREAS, pursuant to 2 C.F.R. § 200.320(a)(1)(iv), such self-certification must include (1) a justification for the threshold, (2) a clear identification of the threshold, and (3) supporting documentation, which, for public institutions, may be a "higher threshold consistent with State law"; and

'WHEREAS, G.S. 143-129(a) and G.S. 143-131(a) require the Town of Nags Head to conduct a competitive bidding process for the purchase of (1) "apparatus, supplies, materials, or equipment" where the cost of such purchase is equal to or greater than $30,000, and (2) "construction or repair work" where the cost of such purchase is greater than or equal to $30,000; and

'WHEREAS, North Carolina law does not require a unit of local government to competitively bid for purchase of services other than services subject to the qualifications-based selection process set forth in Article 3D of Chapter 143 of the North Carolina General Statutes (the "Mini-Brooks Act"); and

'WHEREAS, G.S. 143-64.32 permits units of local government to exercise, in writing, an exemption to the qualifications-based selection process for services subject to the Mini-Brooks Act for particular projects where the aggregate cost of such services do not exceed $50,000; and

'WHEREAS, pursuant to 2 C.F.R. § 200.320(a)(1)(iv), the Board of Commissioners of the Town of Nags Head now desires to adopt higher micro-purchase thresholds than those identified in 48 C.F.R. § 2.101.

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

1. In accordance with 2 C.F.R. § 200.320(a)(1)(iv) and the applicable provisions of North Carolina law, the Town of Nags Head hereby self-certifies the following micro-purchase thresholds, each of which is a "higher threshold consistent with State law" under 2 C.F.R. § 200.320(a)(1)(iv)(C) for the reasons set forth in the recitals to this resolution:
   A. $30,000, for the purchase of "apparatus, supplies, materials, or equipment"; and
   B. $30,000, for the purchase of "construction or repair work"; and
   C. $50,000, for the purchase of services not subject to competitive bidding under North Carolina law; and
   D. $50,000, for the purchase of services subject to the qualifications-based selection process in the Mini-Brooks Act; provided that such threshold shall apply to a contract only if the Unit has exercised an exemption to the Mini-Brooks Act, in writing, for a particular project pursuant to G.S. 143-64.32. If the exemption is not authorized, the micro-purchase threshold shall be $0.

2. The self-certification made herein shall be effective as of the date hereof and shall be applicable until June 30, 2026, but shall not be applicable to Federal financial assistance awards issued prior to November 12, 2020, including financial assistance awards issued prior to that date under the Coronavirus Aid, Relief, and Economic Support (CARES) Act of 2020 (Pub. L. 116-136).

3. In the event that the Town of Nags Head receives funding from a federal grantor agency that adopts a threshold more restrictive than those contained herein, the Unit shall comply with the more restrictive threshold when expending such funds.

4. The Unit shall maintain documentation to be made available to a Federal awarding agency, any pass-through entity, and auditors in accordance with 2 C.F.R. § 200.334.

5. The Town Manager, or in their absence designee, of the Town of Nags Head is hereby authorized, individually and collectively, to revise the Purchasing Policy of the Unit to reflect the increased micro-purchase thresholds specified herein, and to take all such actions, individually and collectively, to carry into effect the purpose and intent of the foregoing resolution."

<u>The summary sheet for the Town-wide Multi-Year copier contract, as approved, read in part as follows</u>:
"Attached please find a proposed Town-wide five-year copier contract with Systel. This is a pure cost-per-copy contract and the pricing is from the state contract.

'This represents state contract pricing, as referenced in the Statement of Work.

'Authorize the Town Manager to execute a contract with Systel to provide a managed print services program from July 1, 2025 through June 30, 2030."

The Town-wide five-year copier contract, as approved and executed, is on file in the Town Clerk's office.

PUBLIC HEARINGS

<u>Actions necessary to approve FY 2026 Project - Phase I of a Town Hall Campus Master Plan – Employee Wellness Facility and Apartments</u>

- Consideration of Construction Bids for Employee Wellness Facility/Workforce Housing
- Public Hearing on the Financing Contract for the Construction of the Phase I Town Hall Campus Master Plan - Employee Wellness Facility and Apartments
- Resolution Approving Financing Terms-Phase I of a Town Hall Campus Master Plan – Employee Wellness Facility and Apartments
- Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement-Phase I of a Town Hall Campus Master Plan – Employee Wellness Facility and Apartments
- Reimbursement Resolution - Phase I of a Town Hall Campus Master Plan – Employee Wellness Facility and Apartments
- Associated Budget Amendment

Town Engineer David Ryan summarized the information related to the construction bid award. The summary sheet read as follows:
"At the July 2, 2025, Board of Commissioners meeting, approval is requested to award Phase I of a Town Hall

Campus Master Plan – Employee Wellness Facility and Apartments, also referred to as the FY 2026 Project, to A.R. Chesson Construction and authorize the Town Manager to execute the construction contract upon attorney review. A Public Hearing will be held to consider an installment financing contract with a principal amount not to exceed $2,700,000 to finance the FY 2026 Project and associated costs.

'Construction Bid Award Summary – Wellness Center Project
Formal bids were recently solicited for the construction of a new multi-use, two-story Employee Wellness Facility and Apartments. The project scope includes:

- A 3,200 square foot wellness center
- Two four-bedroom residential workforce units
- Parking lot improvements
- Pedestrian walkways
- Associated infrastructure improvements

'The bid package consisted of a base bid and three additive alternates:

- G-1: Second Floor Buildout
- G-2: Gravel Parking Lot & Fence
- G-3: Complete Sprinkler System & Spray Foam Attic

'The initial advertisement for bids was issued in May; however, only two bids were received. In accordance with NC General Statute 143-132, a minimum of three bids is required for formal construction contracts. As a result, the project was re-advertised.

'Following the second solicitation, three bids were received from the following contractors:

- AR Chesson Construction
- Base Bid: $1,807,000
- Total Bid (with all alternates): $2,355,219 *(Lowest overall bid)*
- Sussex Development Corporation
- Total Bid (with all alternates): $2,397,112.99
- Todd Coyle Construction
- Total Bid (with all alternates): $4,170,320

Based on the submitted bids, AR Chesson Construction is the lowest responsive and responsible bidder for both the base scope and the full project scope of work, including all additive alternates."

<u>MOTION</u>: Mayor Pro Tem Siers moved to approve the AR Chesson Construction bid as presented; the base bid amount, additive alternate G-1: Second Floor Buildout and G-3: complete sprinkler system & spray foam attic for a total award amount of $2,338,000 and to authorize the Town Manager to execute the construction contract amount contingent upon the Town Attorney's review. The motion was seconded by Comr. Lambert. Mayor Cahoon noted that the bid is half a million less than what was budgeted and that AR Chesson is the same contractor that successfully completed our new Public Services Complex. Then the motion passed unanimously.

Atty. Leidy opened the Public Hearing to consider the proposed financing for FY 2026 project (Phase I Town Hall Campus Master Plan - Employee Wellness Facility and Apartments.) The time was 09:17 a.m.

Notice of the Public Hearing was published in the Coastland Times on Wed, June 18, 2025, and on Wed, June 25, 2025, as required by law.

Deputy Town Manager/Finance Officer Amy Miller introduced the Public Hearing required by statute for LGC financing approval – the agenda summary sheet read in part as follows:
"Approve the final amount to be financed:

'• Phase I of a Town Hall Campus Master Plan – Employee Wellness Facility and Apartments - not to exceed $2,700,000, for 10 years, payment in advance, with annual payments (level principal/declining interest), interest rate not to exceed 4.17%. The financing is non-taxable, bank qualified.

'The financed amount includes the total award amount of $2,338,000 and:

- Contingency
- Furnishings, fixtures, and equipment
- Landscaping, irrigation, and exterior lighting
- Security, alarm system, and associated networking infrastructure

'The financing will be approved at the August 5, 2025, North Carolina Local Government Commission meeting with closing to occur shortly thereafter.

'Specific actions requested are:
Public Hearing on the Financing Contract for the Construction of the Phase I Town Hall Campus Master Plan - Employee Wellness Facility and Apartments.
Board adoption of the Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement.
Board adoption of the Resolution Approving Financing Terms.
Board adoption of the associated Reimbursement Resolution.
Board adoption of the associated budget amendment."

There being no one present who wished to speak, Attorney Leidy closed the Public Hearing at 09:20 a.m.

MOTION: Comr. Sanders moved to adopt the Resolution Approving Financing Terms with First National Bank - Phase I Town Hall Campus Master Plan - Employee Wellness Facility and Apartments, as presented. The motion was seconded by Comr., Lambert, which passed unanimously.

The Resolution Approving Financing Terms as adopted, read in part as follows:
"WHEREAS, the Town of Nags Head, NC ("Borrower") has previously determined to finance, including through reimbursement, the construction and equipping, via Reimbursement Resolution, of an Employee Wellness Facility and Addition of Workforce Housing on town-owned property located at 5401 S. Croatan Highway, Nags Head, NC, 27959, (the "Project"); and

'WHEREAS, the Finance Officer has now presented a proposal for the financing of the Projects.

'BE IT THEREFORE RESOLVED, as follows:
1. The Borrower hereby determines to finance the Projects through First National Bank ("Lender") in accordance with the proposal dated June 24, 2025, or as such proposal may be supplemented or amended by Lender and the Borrower verbally or in writing. The amount financed for the construction and equipping of the Project shall not exceed $2,700,000, the annual interest rate shall not exceed 4.17%, and the financing term shall not exceed ten (10) years from the date of closing.

2. To the extent that interest on the obligations of the Borrower under the Financing Contract (as hereinafter defined) will be exempt from federal income tax, the Borrower hereby designates such obligations as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

3. All financing contracts and all related documents for the closing of the financing (the "Financing Documents") shall be consistent with the foregoing terms. All officers and employees of the Borrower are hereby authorized and directed to execute and deliver any Financing Documents, and to take all such further action as they may consider necessary or desirable, to carry out the financing of the Project as contemplated by the proposal and this resolution. The "Financing Documents" shall include an Installment Financing Contract (the "Financing Contract") and Deed of Trust and such other documents as Lender may request. Pursuant to the Financing Contract and Deed of Trust, (a) Lender will advance moneys to the Borrower to pay the costs of the Project and the financing costs related thereto, and the Borrower will repay such advance in installments, and (b) the Borrower will grant a lien all or a portion of the sites of the Projects, or portions thereof, together with all fixtures and improvements located thereon, to Lender as security for such advance.

4. The Finance Officer is hereby authorized and directed to hold executed copies of the Financing Documents until the conditions for the delivery of the Financing Documents have been completed to the Finance Officer's satisfaction. The Finance Officer is authorized to approve changes to any Financing Documents previously signed by Borrower officers or employees, provided that such changes shall not substantially alter the intent of such documents or certificates from the intent expressed in the forms executed by such officers. The Financing Documents shall be in such final forms as the Finance Officer shall approve, with the Finance Officer's release of any Financing Document for delivery constituting conclusive evidence of such officer's final approval of the Document's final form.

5. The Borrower intends that the adoption of this resolution will be a declaration of the Borrower's official intent to reimburse expenditures for the Project that are to be financed from the proceeds of the Lender financing described above. The Borrower intends that funds that have been advanced, or that may be advanced, from the Borrower's general fund or any other Borrower fund related to the Project, for costs of the Project may be reimbursed from the financing proceeds.

6. All prior actions of Borrower officers in furtherance of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict. This resolution shall take effect immediately."

MOTION: Mayor Pro Tem Siers moved to adopt the Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement - Phase I Town Hall Campus Master Plan - Employee Wellness Facility and

Apartments, as presented. The motion was seconded by Comr. Sanders, which passed unanimously.

The Resolution Authorizing the Filing of an Application for Approval of a Financing Agreement, as adopted, read in part as follows:
"WHEREAS, the Town of Nags Head, North Carolina desires to finance, including through reimbursement, the construction and equipping, via Reimbursement Resolution, of an Employee Wellness Facility and Addition of Workforce Housing on town-owned property located at 5401 S. Croatan Highway, Nags Head, NC, 27959, as identified at the July 2, 2025, Board of Commissioners meeting, and in the fiscal year 2025-2026 amended budget (the "Project"). The Town Campus Master Plan has identified needs and recommends constructing an employee wellness facility to better serve employees. The existing Town fitness facility has been closed due to issues with a compromised building envelope/moisture, which resulted in mold and the need for repair and remediation beyond the value of the building. To better serve the homeowners, residents, and visitors of Nags Head, the Town of Nags Head wishes to construct seasonal workforce housing to ensure adequate staffing for our summer Ocean Rescue service; and

'WHEREAS, The Town of Nags Head desires to finance the Project by the use of an installment financing contract authorized under North Carolina General Statute 160A, Article 3, Section 20; and

'WHEREAS, findings of fact by this governing body must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in North Carolina General Statute 159, Article 8, Section 151 prior to approval of the proposed contract.

'NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Nags Head, North Carolina, meeting in regular session on the 2nd day of July 2025, make the following findings of fact:

1. The proposed contract is necessary because the Town has determined this town-owned location can accommodate a fitness facility with workforce housing on the second floor. The cost to repair and remediate the closed fitness facility exceeds the value of the building.

2. The proposed contract is necessary because the Town wishes to construct seasonal housing for certain staff members. This is a long-term strategy to ensure continuity in the Ocean Rescue program.

3. The Project involves the construction of a new 6,000 square foot facility (3,200 square feet for the fitness center) on the site where Town Hall is located, including associated site work, furnishings, and contingency. The Project includes single-phase, two-story construction and a 2,800 square foot apartment that includes two 4-bedroom apartments that could be used for seasonal housing.

4. The contract, under the circumstances, is preferable to a bond issue for the same purpose because the time and cost involved in a bond issue are not justified for the amount financed and the duration of the installment financing contract.

5. The sums to fall due under the contract are adequate and not excessive for the proposed purpose as in accordance with the amended budget for FY 2025-2026 and the Reimbursement Resolutions approved at the July 2, 2025, Board of Commissioners meeting.

6. The Town of Nags Head's debt management procedures and policies have been carried out in strict compliance with the law, and assurance is provided that debt management will hence forth be so carried out.

7. That the increase in taxes next fiscal year, if any, necessary to meet the sums to fall due under the contract will not be excessive.

8. The Town of Nags Head is not in default in any of its debt service obligations.

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

'NOW, THEREFORE, BE IT FURTHER RESOLVED that the Manager is hereby authorized to act on behalf of the Town of Nags Head in filing an application with the North Carolina Local Government Commission for approval of the Project and the proposed financing contract and other actions not inconsistent with this resolution."

MOTION: Mayor Pro Tem Siers made a motion to adopt the Reimbursement Resolution to declare the intention to reimburse the cost of certain expenditures as presented. The motion was seconded by Comr. Sanders which passed unanimously.

The resolution, as adopted, read in part as follows:
"WHEREAS, The Town Manager and the Finance Officer have described to the Board of Commissioners the desirability of adopting a resolution, as provided under federal tax law, to facilitate the Town's use of financing proceeds to restore Town funds when the Town makes capital expenditures prior to closing on installment

financing.

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

Section 1. The projects are the financing of building construction and associated professional costs (including but not limited to design, engineering, surveying, etc.) for projects identified in the fiscal year 2025/2026 adopted budget:

- Phase I of a Town Hall Campus Master Plan (Fitness Center/Workforce housing) located at 5401 S. Croatan Highway, Nags Head

Section 2. The project is to be financed. The currently expected type of financing (which is subject to change) is an installment finance contract(s). The currently expected maximum amount to be financed for the projects is $2,700,000.

Section 3. The Town presently intends, and reasonably expects, to reimburse itself for the original expenditures incurred and paid by the Town from the General Fund within 60 days of adoption of this Resolution from a portion of the financing proceeds.

Section 4. This Resolution shall become effective immediately upon the date of its adoption."

MOTION: Comr. Sanders moved to approve the budget amendment request as presented. The motion was seconded by Mayor Pro Tem Siers, which passed unanimously.

Budget Amendment #1.2, as approved, is attached to and made a part of these minutes as shown in Addendum "E".

Public Hearing To Consider North Carolina Public Beach And Coastal Waterfront Access Grant Application to Fund the Replacement of the Hargrove Street Bathhouse

Atty. Leidy opened the Public Hearing to consider North Carolina Public Beach And Coastal Waterfront Access Grant Application to Fund the Replacement of the Hargrove Street Bathhouse. The time was 09:23 a.m.

Deputy Town Manager/Finance Officer Amy Miller introduced the Public Hearing. The summary sheet read as follows:

"Staff is requesting to apply for a NC Public Beach and Coastal Waterfront Access grant to replace/upgrade the bathhouse at the Hargrove Street Public Beach Access. Attached please find a grant pre-application prepared by Planning staff which was submitted earlier this year. The Town has now been invited to submit a final grant application for this project. A brief description of the proposed improvements is as follows: - The Town proposes replacing the bathhouse and dune walkover. The new bathhouse will be designed similarly to the recently constructed Epstein Street Bathhouse. The dimensions of the new bathhouse will be approximately 24' x 41' and will contain a second story. The first story will contain restrooms, ocean rescue vehicle and general storage, and a plumbing access area. The second story will contain an open multi-purpose room. The building will have a finished floor elevation of approximately 12' mean sea level (MSL) and the building will be approximately 24' tall. Decking will be installed on the south and west sides of the structure.

'For the purpose of the grant, the total budget for the bathhouse is estimated at $834,665. The town will be revising its original grant application to request $400,000 from the North Carolina Division of Coastal Management (DCM) with this application. The Town will also apply for a Dare County Tourism Impact Grant in the amount of $250,000 to supplement funding for the project. Based on recent project estimates, $185,782 in town funds will be requested in the FY 2027/28 budget to provide the remaining funds needed.

'The Town anticipates receiving notification of these grant awards in November of 2025. If funded, engineering/design would take place in FY 2026/27 with construction occurring in FY 2027/28.

'This grant would assist in funding this project which is included in the town's Capital Improvement Program."

Deputy Town Manager/Finance Officer Amy Miller thanked Deputy Planning Director Joe Costello for his work on this grant.

Notice of the Public Hearing was published in the Coastland Times on Wed, June 18, 2025, and on Wed, June 25, 2025, as required by law.

There being no one present who wished to speak, Attorney Leidy closed the Public Hearing at 09:25 a.m.

MOTION: Mayor Pro Tem Siers moved to grant permission to apply for a NC Public Beach and Coastal Waterfront Access grant to replace/upgrade the bathhouse at the Hargrove Street Public Beach Access. The motion was seconded by Comr. Sanders, which passed unanimously.

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, July 2, 2025.

'Monthly Activity Report
Attached for the Board's review is the Planning and Development Monthly Report for May 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 June:

- Tuesday, June 3rd - Technical Review Committee Meeting
- Wednesday, June 11th - Board of Commissioners Meeting
- Wednesday, June 11th - Committee for Arts and Culture Meeting
- Thursday, June 12th - Board of Adjustment Meeting (no hearings scheduled)
- Tuesday, June 17th - Planning Board Meeting (canceled)
- Tuesday, June 24th - Meet with Mount Pleasant, SC staff regarding Septic Health Initiative
- Tuesday, June 24th - Meet with Dominion Energy regarding fixtures and lighting within Town
- Thursday, June 26th - Crisis Track Training
- Dowdy Park Farmers Market - June 12th, 19th, and 26th
- Summer Concert Series - June 18th and 25th

'Planning Board - Pending Applications and Discussions - The Planning Board did not meet in June.

'The Board's next meeting is scheduled for July 15, 2025. The anticipated agenda includes consideration of a text amendment request submitted by TW's Outdoor Outfitters, LLC, proposing to amend Section 10.86.2.4.2 of the Unified Development Ordinance to reduce the required building separation from 20 feet to 10 feet. The Board is also expected to continue its discussion and evaluation of the Commercial Outdoor Recreation Overlay District.

'Board of Adjustment – Recent and Pending Applications - There were no items for Board of Adjustment consideration in June 2025.

'Additional Updates

- DWMP/Septic Health Advisory Committee- The Septic Health Advisory Committee (SHAC) will hold its next quarterly meeting during the last week of July 2025. In the meantime, staff are continuing to develop the scope and framework for implementing the $500,000 zero-interest loan awarded by the Division of Water Infrastructure (DWI). This work includes establishing a process to pre-qualify contractors to ensure compliance with the Davis-Bacon Act wage requirements and American Iron and Steel requirements. Deputy Town Manager Amy Miller has also coordinated to place this DWI loan on the agenda for review and approval at the Local Government Commission (LGC) meeting on August 5th.

- 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. Dare County Soil and Water has assisted by collecting drone imagery of the area to determine the locations of subaquatic vegetation. Field verification surveying of the subaquatic vegetation took place on June 23rd and June 24th. The drone imagery was 98% accurate. Residents were mailed a notice giving them information with regards to the upcoming work planned. Coastal Hydrodynamic Modeling and design will be conducted during the month of July, and the Town will receive the Basis of Design Report which is scheduled for completion on August 1st. The first community engagement workshop will be scheduled sometime in August or September 2025. Staff are applying for a NFWF Grant which is due on July 17th for funds to complete the final design documents for sites one and two.

  'For the Harvey Estuarine Site/OBVB site, staff are waiting on NCLWF for finalization of the contract for the $500k funding awarded for design and construction. 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 has recently applied for a phase 4 RCCP Grant for the gap in funding to deliver the project.

- Sand Relocation and Dune Management Cost Share Program - In order to successfully reimburse applicants under the Dune Management Cost Share Program, all paperwork was required to be processed through the Finance Department by Thursday, June 26th. Upon the close of this season's program, we awarded 94 dune grants totaling $213,000.

- Hargrove Street CAMA Access Grant - A public hearing has been scheduled for the Board of Commissioners' July 2, 2025, meeting to consider the NC Public Beach and Coastal Waterfront Access Grant Application to fund the replacement of the Hargrove Street Bathhouse (Item F-2). The final grant application is due by July 31, 2025, and staff are actively working on preparing the submittal.

- Dowdy Park Events/Farmers Market/Holiday Markets/Art & Culture - The Committee for Art and Culture met on Wednesday, June 11, to discuss the exciting lineup of summer events and to begin brainstorming and planning for the upcoming holiday season. June activities were very well attended, despite the heat. Our June yoga sessions matched previous July numbers, with an average of 42 participants each morning. The first Family Fun Times event, held in the morning, was very successful. Children and parents alike enjoyed Ascension Music. The first Waggin Wednesday took place on June 25th, with six dogs and 23 people in attendance. Although attendance was lower due to the heat, all were visitors from out of town who had positive experiences and great interactions.

  'July will be a busy month. See below for a summary of scheduled activities in Town:

  - Yoga at Dowdy Park is held every Tuesday from 7:30 – 8:30 a.m. and will continue through the end of October.
  - Fitness Fridays at Dowdy Park – Every Friday from 7:30 to 8:15 a.m., running through August 22. These sessions include tai chi, Pilates, and core, balance, and stretching activities.
  - Summer Concert Series at Dowdy Park – Every Wednesday from 6:30 to 8 p.m.
    Upcoming performances include: Partly Crowdy on July 2nd, British Invaders on July 9th, Dalchord on July 16th, Ten Feet Tall on July 23rd, and Justin Trawick & The Common Good on July 30th.
  - Family Fun Times at Dowdy Park – Every Tuesday from 10 to11:30 a.m. through August 19. This free event features Ascension Music Academy, J.R. Shanty Storytellers, a visit from Riptide of the Corolla Wild Horse Fund, and an interactive theater show.
  - Kids Move More at Dowdy Park – Kicking off on Friday, July 4, from 10 to 11 a.m. This free event will include fun kid-friendly games, obstacle courses, bubbles, and more.
  - Waggin' Wednesdays – Every Wednesday from 10 to 11 a.m. at Satterfield Landing Park.

'Upcoming Meetings and Other Dates

- Tuesday, July 1st - Technical Review Committee Meeting
- Wednesday, July 2nd - Board of Commissioners Meeting
- Wednesday, July 9th - Committee for Art & Culture Meeting (No July meeting)
- Thursday, July 10th - Board of Adjustment Meeting (no hearings scheduled)
- Tuesday, July 15th - Planning Board Meeting
- Wednesday, July 16th - Board of Commissioners mid-month meeting (if scheduled)
- Wednesday, July 30th - Septic Health Advisory Committee
- Dowdy Park Farmers Market - July 3rd, 10th, 17th, 24th, and 31st
- Summer Concert Series - July 2nd, 9th, 16th, 23rd, 30th "

Director Wyatt noted that the band for tonight at Dowdy Park has changed to Pier Pressure but the weather may hinder the performance.

Mayor Cahoon requested an update on Whalebone Park. Public Services Director Nancy Carawan described the progress as ongoing, with drywall, trim, and painting currently underway. The flood-proofing process, which requires custom fabrication, is expected to take 10 to 14 weeks. Despite some delays, the project is advancing, with upcoming steps including final concrete work and installation of picnic tables. Mayor Cahoon noted that because of the bidding conditions and thresholds, it was hard to get local contractors for small projects like this one, making it the town's first effort at managing construction projects internally.

In response to a question from Mayor Pro Tem Siers regarding the sand relocation program, Director Wyatt explained that more applications are expected in FY26 as the first cycle of applicants becomes eligible to reapply. Mayor Pro Tem Siers inquired if the town is budgeting appropriately for the anticipated increase in applications, to which Wyatt responded affirmatively, explaining that although they didn't use the entire budget in FY25, the current budget figure remains appropriate. Siers further asked whether the town has an actual count of how many oceanfront properties have taken advantage of the program. While Wyatt didn't have the exact number on hand, Town Manager Garman agreed to compile a detailed report on the program's utilization, including a map or calculation of the number of properties, permits, and applications since the completion of the three-year cycle, to be presented at the August meeting.

NEW BUSINESS

Committee Reports

Mayor Pro Tem Siers – Reported that last month was Dare County Tourism Bureau's budget month, and they are still working on the stoplight at the Soundside event site. He noted that the Dare Community Housing Task Force has voted to move forward as a non-profit,and they have identified properties to build housing on.

Comr. Lambert – Reported on the Government Access Channel meeting noting an extension on an LDPI grant and continued discussions about a potential film festival. She then reminded citizens of the upcoming premiere of the Nags Head lifeguard film on July 15th at 7:00 p.m. at Jennette's Pier.

Consideration of Appointment to Board/Committee: Arts & Culture
The agenda summary sheet read in part as follows:
"At the July 2, 2025 Board of Commissioners meeting, request Board consideration of the following appointment:

'Arts and Culture Committee:
- Replacement of Molly Vaughan, who has moved out of the area.

'At this time, there are seven (7) members (including one (1) staff member). On September 7, 2022, the BOC approved flexibility in the number of members - no more than nine (9) and no less than seven (7) members.

'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 Roster and Candidate Chart."

MOTION: Mayor Cahoon moved to appoint Genevieve Stewart to the Arts & Culture Committee for a three-year term. The motion was seconded by Comr. Lambert, which passed unanimously.

BOARD OF COMMISSIONERS AGENDA
The Board of Commissioners wished everyone a Happy and safe Fourth of July and noted special appreciation to those who will be working.

MAYOR'S AGENDA
Mayor Cahoon informed the board that he would be in Washington, D.C. the following week to participate in discussions regarding offshore oil leasing plans. He will be meeting with members of Congress alongside representatives from Oceana and other organizations.

CLOSED SESSIONS
Request for Closed Session to Consider Jan 2025 – Jun 2025 Closed Session Minutes and Their Disposition Pursuant to GS 143-318.11(a)(1)

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

MOTION: Mayor Cahoon moved to enter Closed Session to consider Jan 2025 – Jun 2025 Closed Session Minutes and their disposition pursuant to GS 143-318.11(a)(1) and to consider a personnel matter pursuant to GS 143-318.11(a)(6). The motion was seconded by Comr. Sanders, which passed unanimously. The time was 09:38 a.m.

OPEN SESSION
The Board re-entered Open Session at 09:56 a.m. Attorney Leidy reported that the Board approved Jan 2025 – Jun 2025 Closed Session Minutes and their disposition as presented, then discussed personnel matters but no other actions were taken.

ADJOURNMENT
MOTION: Mayor Pro Tem Siers moved to adjourn. The motion was seconded by Comr. Lambert, which passed unanimously. The time was 09:57 a.m.

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Brittany A. Phillips, Town Clerk

Date Approved: August 6, 2025

Mayor: ________________________________
Benjamin Cahoon