



TOWN OF
NAGS HEAD

TOWN OF NAGS HEAD BOARD OF COMMISSIONERS
NAGS HEAD MUNICIPAL COMPLEX - BOARD ROOM
WEDNESDAY, APRIL 23, 2019

BUDGET WORKSHOP MINUTES

A. April 23, 2019 Budget Workshop Minutes

Documents:

[19-APR-23 BOC BUDGET WORKSHOP MINS.PDF](#)

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**MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
BUDGET WORKSHOP
TUESDAY, APRIL 23, 2019**

The Nags Head Board of Commissioners met in the Board Room of the Nags Head Municipal Complex located at 5401 S Croatan Highway in Nags Head, North Carolina on Tuesday, April 23, 2019 at 9:00 a.m.

Board members Present: Mayor Ben Cahoon; Mayor Pro Tem Susie Walters; Comr. Renée Cahoon; Comr. Webb Fuller; and Comr. Michael Siers

Board members Absent: None

Others present: Town Manager Cliff Ogburn; Andy Garman; Amy Miller; David Ryan; Hunter Freeman; and Town Clerk Carolyn Morris

CALL TO ORDER

Mayor Cahoon called the Budget Workshop to order at 9:00 a.m.

Town Manager Ogburn reviewed the agenda with Board members.

Review of Personnel Recommendations (pay and class, benefits, positions, 401K, etc.)

Comr. Renée Cahoon asked about the 2.5% merit increase - Town Manager Ogburn explained that if below grade, it's to get an employee to mid-grade within eight to ten years – he would like to commit to an amount in order to keep employees the Town wants to keep. Town Manager Ogburn said that he bases a lot of it on the evaluation but to support that the Personnel Policy should include a quantifying statement. He asked if only including COLA and not the merit increase, then how does the Town advance employees?

Comr. Renée Cahoon stated that she is willing to vote in favor of the request by reducing the Town's match amount for 401K because the 2.5% affects everyone and the 401K does not. She feels that the plan should be more thorough.

Board members agreed that the Finance Officer and Human Resources Director need to work together and analyze the personnel situation every year such as by comparing salaries to competitors.

Mayor Cahoon questioned 1) Are we paying employees the right amount, and 2) are we staffed correctly or are we over staffed?

In response to Comr. Fuller, Town Manager Ogburn stated that in the past the Town's budget was balanced on the employees' backs, but now he wants to put them first. Board members agreed with Town Manager Ogburn that human capital is the Town's most important asset.

Board members agreed with the 2.5% increase but would like to see the process include annual reviews with the Finance Officer; it was noted that the current 401K process should remain as is.

Stormwater CIP Presentation from WithersRavenel (to include follow-up items from the previous workshop)

Updated stormwater project information was distributed to Board members by Town Engineer David Ryan.

Hunter Freeman of Withers/Ravenel summarized new and updated information for the listed projects:

Project 4 – Wrightsville Ave – a pumping system is proposed; includes repaving of Bonnett Street Beach Access to provide for as much infiltration as possible probably with the use of turfstone; awaiting grant approval.

Project #5 – North Ridge Subdivision - Revised design focuses on pumping systems on Lookout Road and Buccaneer Drive

Project #9 – Carolinian Circle/Nags Head Pond – A pumping system to dispose into the outfall area near Carolinian Circle is not an option as previously thought; now being proposed to pump to the Gallery Row outfall.

Project #10 – Nags Head Cove – The addition of storm drainage alignment on Danube Street.

Projects #12 and #13 – Mileposts 18 and 19.5 in S Nags Head – Staff met with NCDOT who indicated that they would review the proposed designs and respond re: viability of cost sharing with the Town by the end of April 2019. At the meeting with NCDOT there were no initial concerns.

In response to Mayor Cahoon, Town Manager Ogburn and Finance Officer Miller stated that for budgeting purposes, \$100,000 can be utilized from the Stormwater Capital Reserve Fund – the Stormwater Capital Reserve Fund was created just for the Stormwater Fund.

It was noted that a breakdown for Project #4 was needed as well as information from NCDOT re: cost sharing for Projects #12 and #13.

Reimbursement funds received from NCDOT

Finance Officer Amy Miller reported on a proposed budget amendment for Board consideration at the May 1, 2019 Board of Commissioners meeting re: NCDOT contribution of \$90,000 towards stormwater improvements for the Red Drum Ocean Outfall, Nags Head Acres/Vista Colony Subdivision, and the Village at Nags Head project areas.

Ms. Miller explained that the Town received a \$90,000 refund from NCDOT towards the S Nags Head Ocean Outfall project, a project that was a 50% split with Dare County with the County having paid \$150,000 to the Town for the project. The NCDOT refund was provided to the Town as part of reimbursement of stormwater work the Town is doing to roads NCDOT is responsible for maintaining.

NCDOT gave the Town a \$90,000 refund towards the McCall Court Ocean Outfall, which is being constructed from the Beach Nourishment Capital Project Fund. Staff is requesting this reimbursement to go back into the Stormwater Capital Reserve Fund, although the revised agreement refers to the ocean outfall project. Staff has been communicating with Dare County, as well as explaining the reimbursement to the Town's audit firm,

and the County agrees with the money being placed into the Stormwater Capital Reserve as long as the transactions are transparent, and the flow of funds are documented and approved by the Board of Commissioners.

The Town and Dare County have agreed that this is to be considered a full stormwater reimbursement, and as such, there would be no refund given to Dare County for their cost share of the ocean outfall project as that is considered part of the Beach Nourishment Capital Project Fund.

Discussion of establishing municipal service districts for stormwater management

Mayor Cahoon spoke with Board members concerning separate municipal service districts for stormwater projects such as Stormwater Project Area #4 Wrightsville Avenue. It was noted that this would be difficult because the cost-benefit is for a small group.

Comr. Fuller said the Board has to consider whose problem is it – the Town's or the property owner's. Town Engineer David Ryan said that there are definite opportunities to enhance a project that would be helpful. Mayor Cahoon expressed concern that some of the resulting communities would be too small when calculating per lot cost of each project.

It was Board consensus that more information was needed on a mechanism that would deal more with the payment of projects by property owners.

Budgetary Projections - 5/10/15 years

Comr. Fuller expressed his appreciation for the information provided by Finance Officer Amy Miller (budgetary projections for the next five, 10 and 15 years) as a good prediction of where the Town will be in the future.

Short-Term Rental Compliance Software/Services

Comr. Fuller stated that the Board has asked staff to accept another responsibility related to short term rentals but did not give them the tools to do the job. He spoke highly of the program described in the package by staff. Staff may not be able to accomplish this without an additional person/resource; by the end of the year he would like to have a list of what businesses have registered. He feels that the program as identified previously by staff deserves consideration by the Board.

Mayor Pro Tem Walters suggested an educational newsletter to get the short term rental information out to everyone. Town Manager Ogburn stated that many are in favor of the program and want to register.

It was Board consensus to revisit what was said at the April 3, 2019 Board meeting and to move forward by instituting a volunteer short term rental registration program and charging a \$25 annual fee. It was noted by staff that the revenue from this fee has been budgeted.

Beach Nourishment Project Scheduling info

Beach Nourishment Project Scheduling information was distributed to Board members.

Adjournment

MOTION: Comr. Fuller made a motion to adjourn. The motion was seconded by Comr. Siers which passed unanimously. The time was 12:01 p.m.

Carolyn F. Morris, Town Clerk

Date Approved: **June 5, 2019**

Mayor: _____
Benjamin Cahoon