



DRAFT MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
RECESSED MEETING - BUDGET WORKSHOP
WEDNESDAY, MAY 19, 2021

The Nags Head Board of Commissioners met in person at the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, May 19, 2021 at 9:00 a.m. for a Recessed Meeting - Budget Workshop. The Town continues to adhere to COVID state and local guidelines.

Board members Present: Mayor Ben Cahoon; Mayor Pro Tem Michael Siers; Comr. Renée Cahoon; Comr. Webb Fuller (participated via Zoom Platform) and Comr. Kevin Brinkley

Board members Absent: None

Others present: Interim Town Manager Greg L. Sparks; Andy Garman; Michael Zehner; Kelly Wyatt; Amy Miller; Karen Snyder; David Ryan; Phil Webster; Perry Hale; Randy Wells; Shane Hite; and Town Clerk Carolyn F. Morris

CALL TO ORDER

Mayor Cahoon called the meeting to order at 9 am. He announced that this was the continuing recessed session for the purpose of the budget workshop.

Planning and Development Department

Planning Director Michael Zehner summarized his department's operating budget and specifically discussed the YMCA Skate Park renovation project – the amount of \$205,000 would be Stage 1 of the project to renovate the "street side" of the park only; and several other projects make up the difference between last year's and this year's budget. Funds for the skate park included in the FY 21/22 budget are to renovate one side of the park.

Mayor Pro Tem Siers suggested that these funds only affect a limited number of residents and could be used for something else. Mayor Cahoon noted that the previous Board encouraged this project; Comr. Renée Cahoon said that they encouraged the project reluctantly.

Dep Manager Andy Garman said that renovation could take place element to element rather than spending \$250,000 on half the site; Director Zehner agreed but stated that the project would need to be re-evaluated.

It was Board consensus that staff provide a copy of the agreement between the Town and the YMCA re: the Skate Park in order to consider the Town's obligation moving forward and to also provide a scope/cost

figure as a starting point for a safe facility. The Board is to review that information in order to move forward.

Director Zehner also noted that the RFQ for the Decentralized Wastewater Management Plan should be distributed this week.

Finance/Town Manager Departments

Administrative Services - Finance Director Amy Miller pointed out that this budget is higher than last year due to Human Resources being moved from the Town Manager's department.

Pay/Class and Salary Study - Ms. Miller noted that \$100,000 has been added as a placeholder for the pay/classification plan and will be distributed among depts as needed. Comr. Renée Cahoon notified the Board that the amount needed will be much more than the \$100,000 budgeted in order to pay employees appropriately. She asked that Interim Manager Sparks request an "advice" document from The Maps Group, Becky Veazy. Mayor Cahoon thanked Comr. Renée Cahoon and Mayor Pro Tem Siers for taking on this task for the Board.

Cost of Living Allowance - Director Amy Miller pointed out as an FYI that increasing COLA for employees from 1.4% from the January IRS CPI to 2.6% from the March IRS CPI, as mentioned by the Board at last week's Budget Workshop, is an extra \$100,000.

State agreement for background testing - Comr. Brinkley asked about the background checks utilized by Human Resources for potential new employees and for substance testing of employees - this used to be done free via an agreement with the State. Finance Director Amy Miller noted that \$5,500 is budgeted for this task; she will look into this with Human Resources to verify the State agreement.

Fund Balance - Comr. Fuller asked about Fund Balance and where it was last year and where it will be this year - he feels that the Fund Balance should be a lot larger than what is being reflected - especially with revenues expected to be more this year.

It was Board consensus that a spreadsheet identifying Fund Balance and projects, debts, etc. that impacted it be prepared for the Board's information.

It was Board consensus that staff provide the cost figure of how much the Town is paying Shoshin per year for its computers and how many computers are being provided per year. In addition, a copy of the agreement with Shoshin is to be provided to the Board.

Governing Body

Finance Director Miller explained the items making up the Governing Body budget to include July 4th fireworks that were added back into the budget as was the Town Christmas party, and facilitator costs which were based on the most recent retreat that facilitators were used - September 2020.

Town Manager

Finance Director Miller explained the items making up the Town Manager budget to include continuing the within-grade increases, CIP project for building security (in two phases), the Public Works Master Plan, the Bonnett and Barnes Street sidewalks. Grant funds as well as facility fees will be utilized for the sidewalks.

Water Fund

Finance Director Amy Miller stated that the proposed water rate includes a 5% increase – to be used to pay for the CIP project to replace asbestos waterlines in Nags Head Cove Subdivision.

For the Board's information. Ms. Miller pointed out that the American Rescue Plan Act Special Revenue Fund will be requested at the June 2nd Board of Commissioners meeting and will be used to track federal American Rescue Plan Coronavirus funds.

Board discussion and Direction to Town Manager

Direction to the Town Manager included the following:

- Presentation from The Maps Group at the June 2nd Board meeting
- Implement pay/classification plan to provide appropriate pay for employees
Interim Manager Sparks stated that the employee compensation is an ongoing expense and emphasized the need to look at future budgets - he also recommended a \$.02 tax increase for this year.
- Board members understand that a \$.01 or \$.02 tax increase for FY 21/22 may be necessary
- Purchase Demo Quint Fire Truck for a shorter wait time
- It was Board consensus that Staff provide a list of all projects, etc. added to/deleted from the proposed budget in spreadsheet form.

Mayor Pro Tem Siers indicated that he was okay with a tax increase as the Town still has a considerably lower tax rate than other municipalities - he wants to be able to maintain services of a high quality.

Comr. Renée Cahoon stated that The MAPS Group will be making a presentation to the Board. She would like to see the pay/classification plan implemented and therefore a .02 tax increase would be necessary. She also said that she would prefer the Town take the Quint demo version so the Town doesn't have to wait a year or two for a fire truck.

Mayor Cahoon confirmed with Manager Sparks that adequate guidance has been provided for him to move forward.

CLOSED SESSION

MOTION: Comr. Brinkley made a motion to enter Closed Session to discuss a confidential/personnel matter in accordance with GS 143-318.11(a)(6). The motion was seconded by Mayor Pro Tem Siers which passed unanimously. The time was 10:13 a.m.

OPEN SESSION

The Board re-entered Open Session at 10:33 a.m. Mayor Cahoon noted that the Board did discuss a confidential/personnel matter during Closed Session but no action was taken.

ADJOURNMENT

MOTION: Comr. Brinkley made a motion to adjourn. The motion was seconded by Mayor Pro Tem Siers which passed unanimously. The time was 10:33 a.m.

Date Approved: _____

Carolyn F. Morris, Town Clerk

Mayor: _____
Benjamin Cahoon