



**MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
RECESSED MEETING - BUDGET WORKSHOP
WEDNESDAY, MAY 12, 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 12, 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; and Comr. Kevin Brinkley

Board members Absent: Comr. Webb Fuller

Others present: Interim Town Manager Greg L. Sparks; Andy Garman; Amy Miller; Michael Zehner; Randy Wells; Phil Webster; Eric Claussen; Mike Norris; Karen Snyder; Stacey Reichler; David Ryan; and Town Clerk Carolyn F. Morris

CALL TO ORDER

Mayor Cahoon called the meeting to order at 9 am.

Introduction – Interim Town Manager Sparks

NEW EMPLOYEE – Town Manager Sparks introduced new Public Works Director Eric Claussen who provided some information on himself and a status of the current fuel capacity in Public Works.

Interim Manager Sparks followed the agenda as provided to Board members. He summarized his Manager’s Message and proposed budget.

Overview of Projected Revenues – Finance Director Amy Miller

Finance Director Amy Miller summarized her memo. She stated that the CIP Policy, as the Board directed to be prepared, she has included in Section 7 of the Budget Ordinance.

The Land Transfer Tax revenue is almost 104% above budget - last year at this time the Town was 79% above budget; she anticipates \$1.3 million in revenues over budgeted amount. Included in the budget are capital reserve projects such as beach access maintenance and the Public Works Complex. A \$.01 cent tax increase is being proposed.

MSD's and Proposed Tax Rates – Dep Town Manager Andy Garman/Finance Director Amy Miller

Dep Manager Garman presented several slides – he pointed out that the four new MSD's cannot be used to pay off the project already completed - the 2019 project. A nominal tax could be charged just to make sure Fund Balance is not reduced such as \$.01 for the new MSD's and \$.025 town-wide.

It was Board consensus to implement the following in the FY 21/22 Budget:

- MSD District 4 (all of S Nags Head) - One full cent
- MSD Districts 3 and 6 (east of S Croatan Hwy to Gulfstream) - Half cent
- Town-wide - Quarter cent

Mayor Cahoon also noted that he and Public Information Officer Roberta Thuman will be conducting YouTube and Facebook Live interviews to discuss/answer questions re: the MSD's and paying for future projects. He is to follow up with Ms. Thuman on these plans.

Personnel Costs and Impact of Pay and Classification Study/Staffing Projections - Interim Town Manager Greg Sparks/Finance Director Amy Miller/Human Resources Coordinator Stacey Reichler

Interim Manager Sparks reported that staff received the draft report from the MAPS Group on Friday afternoon and are developing questions to present back to them. The recommendation initially contains 3 options for implementation with an upfront salary cost (not including benefits) of Option 1 \$238,487, Option 2 \$111,271, and Option 3 \$174,879. Staff is preparing to discuss the pros and cons of the three options. It should be noted that the MAPS Group did not perform an organization analysis but they have made recommendations to reclassify certain positions with updated job descriptions.

Interim Manager Sparks suggested two Board members and two staff members prepare a proposal for Board consideration at the July Board meeting.

With their concurrence, Mayor Cahoon appointed Comr. Renée Cahoon and Mayor Pro Tem Siers to meet with staff, on behalf of the Board, to move the Pay and Classification Study forward - for presentation at the July 7th Board meeting.

Follow-up from CIP Issues/Stormwater-Old Nags Head Place Subdivision/Other

Town Engineer David Ryan summarized the Old Nags Head Place stormwater issues – numerous deficiencies are found throughout the subdivision – swales have been interrupted with various homeowner improvements.

Interim Manager Sparks pointed out that it has been emphasized that the subdivision property owners should contribute to the project - although not all of them agree.

Town Engineer David Ryan summarized issues in the subdivision: an infiltration mechanism would be needed at an approximate cost of \$200,000; separate projects (phases 3 and 4) would include installation of culvert pipes. He would like to first take care of the worst flooding situations.

It was Board consensus to authorize \$255,000 in FY 21/22 for roadway drainage improvements in the Old Nags Head Place (ONHP) Subdivision for the re-establishment of swales, culverts and associative infrastructure with the understanding that the ONHP Property Owners' Association contribute towards the driveway culverts for a total estimated project value of \$355,000 +/-.

Departments (Directors provided short presentations of their budgets - changes from previous year, primary issues.)

Fire Dept – Fire Chief Randy Wells – summarized his slides as provided in the Budget package. He distributed latest Quint Fire Truck cost figures – he had reached out to two vendors.

Comr. Brinkley questioned why a Quint truck is necessary - Fire Chief Wells stated that it is needed for the height of buildings and to maintain current service – it is better than a ladder truck for this area.

Police Dept – Police Chief Phil Webster – he described career progression objectives; some training is State-mandated; he is seeing problems with police officer pools to choose from; he is looking at staffing increases due to increased growth.

Public Works – Public Works Director Eric Claussen / Dep Town Manager Andy Garman
Director Claussen, while new on the job, has noticed that there is no shortage of work to be done and that there is a constant shuffling of staff to get the work done; updates on each project/line item was provided; Facilities Maintenance Supervisor Mike Norris provided an update on recycling. Dep Manager Garman reported on the Town Hall Recycling Center being revamped - he is working with a contractor and staff on the Public Works Master Plan; the Bulk Collection Site and the Recycling site at Public Works is also being discussed/revamped; In response to Comr. Brinkley, Dep Manager Garman explained that those who purchased a recycling cart will be refunded or the Town will swap with them.

Mayor Pro Tem Siers questioned the proposed 1.4% COLA increase - this is the lowest proposed COLA increase of all local towns; it was suggested to use the higher March IRS rate.

CLOSED SESSION

MOTION: Mayor Pro Tem Siers 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 Comr. Brinkley which passed 4 – 0 (Comr. Fuller was not present.). The time was 12:05 p.m.

OPEN SESSION

The Board re-entered Open Session at 12:20 p.m.

MOTION: Comr. Brinkley made a motion to appoint Dep Town Manager Andy Garman as Interim Town Manager for the period June 1st through June 30th with the additional compensation of \$1,000. The motion was seconded by Mayor Pro Tem Siers which passed 4 – 0 (Comr. Fuller was not present.).

ADJOURNMENT

MOTION: Comr. Brinkley made a motion to recess to Wednesday, May 19th at 9 am. The motion was seconded by Comr. Renée Cahoon which passed 4 - 0 (Comr. Fuller was not present.). The time was 12:22 p.m.

Date Approved: June 2, 2021

Carolyn F. Morris, Town Clerk

Mayor: Benjamin Cahoon