



**MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
RECESSED MEETING
WEDNESDAY, JUNE 17, 2020; 9:00 A.M.**

The Nags Head Board of Commissioners met in Recessed Session in the Board Room of the Nags Head Municipal Complex located at 5401 S Croatan Highway in Nags Head, North Carolina on Wednesday, June 17, 2020 at 9:00 a.m.

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

Board members Absent: None

Others present: Town Manager Cliff Ogburn; Attorney John Leidy; Andy Garman; Amy Miller; Roberta Thuman; and Town Clerk Carolyn Morris

CALL TO ORDER

Mayor Cahoon called the recessed meeting of the Board of Commissioners to order at 9 am.

ADOPTION OF AGENDA

MOTION: Mayor Pro Tem Siers made a motion to adopt the June 17th agenda as presented. The motion was seconded by Comr. Brinkley which passed unanimously.

PUBLIC COMMENT

Attorney John Leidy announced Public Comment open; there being no one present who wished to speak, he concluded Public Comment at 9:02 a.m.

CONSENT AGENDA

The Consent Agenda consisted of the following items:

- Consideration of Budget Adjustment #12 to FY 19/20 Budget
- Consideration of revised Septic Health Initiative Program Policy
- Annual write-off of uncollectible water accounts
- Consideration of Town-wide copier contract
- From Jun 3rd Board meeting - Consideration of resolution authorizing additional hour for tent vendors
- Consideration of resolution to commit firing range funds in Fund Balance

Consideration of storm debris removal/monitoring contracts

MOTION: Comr. Brinkley made a motion to approve the Consent Agenda as presented. The motion was seconded by Mayor Pro Tem Siers.

Comr. Brinkley clarified with Town Manager Ogburn that the firing range account funds were earmarked in the General Fund - and with the adoption of the budget they move directly into the line item for the Police Firing Range beginning July 1, 2020.

CONTINUATION OF MOTION: The motion passed unanimously.

Budget Adjustment #12, as approved, is attached to and made a part of these minutes as shown in Addendum "A".

The Septic Health Initiative Program Policy, as approved, read in part as follows:

"Septic Tank Inspection and Pumping Program - Staff is to contract with independent inspectors to perform septic tank inspections. The inspection form will document the condition of the septic system. Staff will contact the homeowner and advise them of the results of the inspection and the need to pump the tank.

'Staff is to "open up" the program to all septic tank pumpers and expand the pumping program from 8 months (September - April) to an 11 month program (July - May). In order to receive a \$45 30.00 water credit, the homeowner is only to send to the Town proof that the tank was pumped. Water credits are valid for 90 days from issuance.

'Repair/Replacement Loan Program - The cost for repair/replacement loans is increased to \$7,500. For both owner occupied homes and non-owner occupied homes, the loan rate is prime less 2.5% but the resultant loan rate shall not be less than 2.50%. Loans are to be repaid at least monthly and for up to three (3) years. Loans shall only be made to homeowners who have no delinquent debts to the Town.

'Septic system repairs under the Loan Program - Upon request from the Deputy Director of Planning and Development, or his or her designee, the Town shall issue the loan repair check made out to the contractor who performed the work.

'It shall be a policy of the Town of Nags Head not to offer loans to homeowners for the repair or replacement of septic systems on oceanfront or estuarine properties where the septic system has been storm damaged or damaged as a result of erosion."

The summary sheet re: the annual write-off of uncollectible water accounts, as approved, read in part as follows:

"The annual write-off of water accounts is being requested at this time; these accounts are considered to be uncollectible. A detailed list of these accounts is attached. Total amount requesting to be written off for FY 19/20 is \$18.36. Request Board approval of the write-off of all water accounts currently considered to be uncollectible - as shown in the attached list. Every effort is made to recover the bad debt - Currently, the balance in allowance for doubtful accounts is more than enough to cover the requested write-off amount of \$18.36."

The summary sheet for the Town-wide copier contract, as approved, read in part as follows:

"Attached please find a proposed Town-wide five-year copier contract with Ricoh. It mirrors the Town's existing contract with updated pricing and switch outs/upgrades. There will not be any printer reductions."

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

The Resolution authorizing additional hour for tent vendors during times of declared emergencies, as adopted, read in part as follows:

"WHEREAS, pursuant to applicable provisions of Chapter 14, Emergency Management, of the Nags Head Town Code, and N.C.G.S. § 166A, the Town, through the Mayor, has the authority to declare the existence of state of emergency; AND

'WHEREAS, a State of Emergency was declared by the Mayor on March 16, 2020 in order to limit the spread of the Coronavirus Disease 2019, and such State of Emergency continues to be in effect; AND

'WHEREAS, the Board of Commissioners finds that it is necessary and consistent with the intent of the declared State of Emergency to afford beach equipment concierge services additional time to remove and sanitize equipment during the duration of the declared State of Emergency.

'NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners directs staff during the duration of the declared State of Emergency to not enforce the removal of beach equipment by 6:00 pm, pursuant to Section 12-226 (1), unless such equipment has not been removed by 7:00 pm of the same day, and further, to not enforce the removal of trash and debris by 6:00 pm, pursuant to Section 12-226 (6), unless such trash and debris has not been removed by 7:00 pm of the same day."

The Resolution to commit firing range funds in Fund Balance, as adopted, read in part as follows:

"WHEREAS, the Government Standards Accounting Board (GASB) has issued Statement No. 54 establishing a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; AND

'WHEREAS, the Board of Commissioners is the highest level of decision-making authority, and has the authority to commit, assign, or evaluate existing fund balance classifications and identify the intended uses of committed or assigned funds; AND

'WHEREAS, the committed fund balance classification reflects amounts subject to internal constraints self-imposed by the Board of Commissioners; AND

'WHEREAS, once the committed fund balance constraints are imposed, it requires the constraint to be removed by the Board of Commissioners prior to redirecting the funds for other purposes; AND

'WHEREAS, the Board of Commissioners has determined it will annually budget cumulative excess firing range contributions above expenditures in the firing range maintenance and repair line item for the sole

purpose of necessary purchases, repairs, or any items required to maintain upkeep of the firing range;
AND

‘WHEREAS, the Board of Commissioners has determined each fiscal year it will commit additional fund balance after fiscal year end, representing excess firing range contributions above expenditures that fiscal year for the sole purpose of necessary purchases, repairs, or any item required to maintain upkeep of the firing range.’”

The storm debris removal/monitoring contracts summary sheet, as approved, read in part as follows:

“Debris Removal Services: On May 13, 2020 Town staff issued Requests for Proposals (RFP’s) to provide disaster debris management/removal services for the period from July 2, 2020 through June 30, 2021. An evaluation of the proposals submitted was conducted to determine the proposal deemed to be the most advantageous to the Town.

‘Attached, please find a memorandum discussing the Request for Proposals submissions, subsequent evaluation and recommendations for disaster debris management/removal services. The proposed staff recommendation is to proceed with an agreement with Santee Modular Homes, Inc. (Santee, SC), the vendor with the lowest submitted cost proposal. The proposed contract term shall be for the initial one-year period with an option to renew the contract for up to three (3) additional (1) year periods at the same terms, conditions and rates. These contracts will only activate once a “Notice to Proceed” has been issued by the Town.

‘Debris Monitoring Services: The Town has an active agreement with Tetra Tech, Inc of Maitland, FL. Under the agreement, staff requests to extend Tetra Tech Inc monitoring services for FY 20-21.’”

The storm debris removal/monitoring contracts memo, as approved, read in part as follows:

“On May 13, 2020, the Town of Nags Head Department of Administration issued Requests for Proposals (RFP’s) to provide disaster debris management and removal services for the initial period of July 2, 2020, through June 30, 2021. Advertisements for RFP’s were placed in the Coastland Times, on the Town of Nags Head website, on the North Carolina Department of Administration Interactive Purchasing website, North Carolina Historically Underutilized Business website in addition to being forwarded to North Carolina’s Small Business and Technology Development Center. Two (2) addenda were issued for the Debris Removal RFP to clarify proposal requirements.

‘Proposals for Disaster Debris Management/Removal Services were received from nine firms. The firms submitting proposals for debris removal included Santee Modular Homes. (Santee, SC), Crowder Gulf, (Theodore, AL), Custom Tree Care Disaster Response, (Topeka, KS), DRC Emergency Services, LLC (Mobile, Alabama), Southern Disaster Recovery, (Simpsonville, SC), TFR Enterprises, Inc. (Leander, TX), KDF Enterprises, Springville, AL, Graham County Land Company, (Robbinsville, NC) and Ceres Environmental, (Sarasota, FL).

‘Once the lowest responsive, responsible bidder is determined, the Town will enter into an initial 1-yr agreement in the form of a pre-positioned contract for the provision of disaster debris removal services as needed. This approach eliminates the need for an emergency procurement and permits an expedited process to commence with debris services immediately after a storm generating event. This contract does not guarantee any amount of work or cost with the contractor and will be activated via a Notice to Proceed with a defined scope of work should the need arise.

Disaster debris clearance and removal services are divided into several categories; Phase 1-initial 70-hour period for roadway clearance which is referred to as the "push and shove" period and Phase 2-which is the long-term debris removal and management services. Phase 1 work is performed to eliminate the immediate threat to lives, public health, and safety. This work usually occurs immediately after the disaster event. This work is generally done within the public right-of-way and performed on a time and materials basis. Unit prices for hourly wage and equipment rates are requested to project anticipated costs.

Once the roads are open and passable, debris operations shift to Phase II recovery for loading, hauling, reduction, and disposal. These debris removal operations should not be performed by a time-and-materials contract, but instead should be based on unit prices (e.g., per cubic yard, per ton, per leaning tree, per hanging limb, per stump extracted, per unit of white goods, etc.)

The bid form provided in the RFP included a list of all anticipated services, equipment, material, and labor costs that would be necessary for the Phase II portion post-storm disaster recovery work. Estimated quantities provided in the bid form reflect the anticipated amount of debris expected to be generated for the associative storm event category. Debris estimates from a Category Three storm event were calculated utilizing the U.S. Army Corps of Engineers Debris Estimating Model for each of the municipalities. Bidders were required to provide unit pricing for the individual service line items and multiply by the estimated debris estimates to calculate a total price for each item.

According to FEMA procurement guidelines, a cost analysis is required as part of the procurement process to determine a fair and reasonable price for a contract. One of the different methods in accomplishing this is through a comparative analysis of costs proposed by contractors. A copy of the Unit Price Cost Analysis Matrix is attached for your reference which summarizes the unit prices noted in the Bid Form to assist in the evaluation of submitted fees. The Unit Price Cost Analysis Matrix is separated into four separate parts; (1) Schedule 1- removal hauling and reduction unit prices, (2) Schedule 2- equipment hourly rates, (3) Schedule 2-labor hourly rates and (4) an aggregate pricing summary.

To complete the evaluation process, each proposal was reviewed, scored, and ranked according to the four main Evaluation Criteria: Pricing, Qualifications/Resources, Technical, and other weighted criteria. Of the nine proposals submitted, the top two ranked offerors score totals were equal; Santee Modular Homes Inc. (Santee, SC) and Custom Tree Care Inc. (Topeka, KS). Each contractor has recent experience with post-disaster responses in southeastern North Carolina with positive references from those communities/agencies they have provided services for. Each contractor has indicated a mobilization time of 24-48 hrs. from Notice to Proceed.

The main difference between the two proposals is that Santee Modular Homes Inc. provided a lower cost proposal when considering the aggregate of bid proposal items. This is consistent with FEMA guidance which indicates that the contract shall be secured based upon the vendor that provides the most advantageous and reasonable cost proposal.

For post-storm debris monitoring services, the Town has an active agreement with Tetra Tech, Inc. of Maitland, FL. Tetra-Tech, Inc. was the selected vendor for Debris Monitoring and Recovery Services advertised in May 2019. The terms of the agreement indicated an initial (1) year period and may be extended annually under its existing terms, conditions, and rates for up to (3) additional one-year periods. Staff would request to extend Tetra Tech Inc. services under this agreement.

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 in two (2) separate agreements; one (1) with Santee

Modular Homes, Inc. for Debris Removal Services and one (1) with Tetra Tech Inc. for FY 20/21.”

NEW BUSINESS

FY 20/21 Budget

- Adoption of Budget Ordinance
- Resolution for Committed Fund Balance LEO Separation Allowance
- Resolution - Amendment #1 - to the Water Capital Reserve Fund
- Consideration of Consolidated Fee Schedule

The summary sheet presenting the FY 20/21 Budget and associated documents read in part as follows:

“At the May 20th Board of Commissioners meeting, Town Manager Ogburn presented highlights of his recommended FY 21 Budget via a powerpoint presentation. At that time the proposed budget was distributed to Board members. A Public Hearing was subsequently held at the June 3rd Board meeting; Budget Workshops were held on May 27th and June 9th.

For Board consideration at the June 17th Board of Commissioners meeting are the following:

- Staff memo
- FY 20/21 Budget Ordinance
- Resolution for Committed Fund Balance for Law Enforcement Officer (LEO) Separation Allowance for FY 21
- Resolution - Amendment #1 - to the Water Capital Reserve Fund (Established by Resolution No. 18-08-018)
- Consolidated Fee Schedule

Request Board consideration of attached FY 20/21 Budget Ordinance, Resolution for Committed Fund Balance for LEO, Resolution for Water Capital Reserve Fund Amendment #1, and Consolidated Fee Schedule.”

Town Manager Ogburn presented this item reporting on two budget workshops and a public hearing that were held. The original budget focused on conservative cuts made in response to COVID-19 – funds are being recommended to be put back into the budget – items are in the packet.

Comr. Brinkley confirmed with Town Manager Ogburn that the budget still contains conservative figures used for this summer and no Fund Balance is being utilized.

Comr. Renée Cahoon asked for clarification of the funds for Dowdy Park. Town Manager Ogburn explained that the amount of \$5,000 is used for procuring bands and different events for Dowdy Park but no personnel. He noted that the part-time staff employee funds come from a different fund in the amount of \$16,000. Comr. Renée Cahoon confirmed that the Town can require masks which may be appropriate even if events are allowed on Town property. She also emphasized that she would prefer this task to be in-house and to not hire part-time staff.

Comr. Fuller confirmed with Town Manager Ogburn that underperforming employees will not receive the 2.5% increase to get to mid-grade nor the 1.25% if already at mid-grade.

MOTION: Comr. Fuller made a motion to add a within grade increase of 2.5% or 1.25% for employees whose salaries fall below, or above, the mid-point of their grade range. The motion was seconded by Comr. Renée Cahoon.

Attorney Leidy explained differences between permanent (no longer temporary) and full-time employees.

WITHDRAWAL OF MOTION: Comr. Fuller and Comr. Renée Cahoon withdrew their motion/second to the motion.

MOTION: Mayor Cahoon made a motion to approve adding within grade increases of 2.5% to those below mid-point range and 1.25% to those above mid-point range in accordance with the applicable Pay and Classification Study. The motion was seconded by Comr. Renée Cahoon which passed unanimously.

MOTION: Comr. Brinkley made a motion to adopt the FY 20/21 Budget Ordinance as presented. The motion was seconded by Comr. Fuller.

Some points were made:

Comr. Renée Cahoon questioned the need for the \$16,000 part-time employee for Dowdy Park events. Mayor Pro Tem Siers questioned firing range funds being added back; Comr. Brinkley explained that the funds were moved and now are being put back into the correct line item.

There was also some discussion re: the budget ordinance not being the same as the budget.

WITHDRAWAL OF MOTION: Comr. Brinkley/Comr. Fuller withdrew their motion/second to the motion.

MOTION: Comr. Renée Cahoon made a motion to adopt the FY 20/21 Budget Ordinance with the freezing of the \$16,000 for the part-time Dowdy's Park employee in the Planning Department. The motion died for lack of a second.

MOTION: Comr. Renée Cahoon made a motion to freeze the \$16,000 line item in the Planning Dept until further action is taken. The motion was seconded by Comr. Fuller which passed unanimously.

MOTION: Comr. Renée Cahoon made a motion to adopt the FY 20/21 Budget Ordinance as presented. The motion was seconded by Comr. Brinkley which passed unanimously.

The FY 20/21 Budget Ordinance, as adopted, is attached to and made a part of these minutes as shown in Addendum "B".

MOTION: Comr. Renée Cahoon made a motion to adopt the Committed Fund Balance for Law Enforcement Officer Special Separation Allowance Resolution as presented. The motion was seconded by Comr. Brinkley which passed unanimously.

The Resolution, as adopted, read in part as follows:

"WHEREAS, the Government Standards Accounting Board (GASB) has issued Statement No. 54 establishing a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; AND

'WHEREAS, the Board of Commissioners is the highest level of decision-making authority, and has the authority to commit, assign, or evaluate existing fund balance classifications and identify the intended uses of committed or assigned funds; AND

'WHEREAS, the committed fund balance classification reflects amounts subject to internal constraints self-imposed by the Board of Commissioners; AND

'WHEREAS, once the committed fund balance constraints are imposed, it requires the constraint to be removed by the Board of Commissioners prior to redirecting the funds for other purposes; AND

'WHEREAS, the Board of Commissioners has determined it will commit \$69,017 of fund balance from the Law Enforcement Officer Special Separation Allowance committed fund balance for the year ending June 30, 2021 for the purpose of funding the Law Enforcement Officer Special Separation Allowance."

MOTION: Comr. Renée Cahoon made a motion to adopt the Resolution with Amendment #1 to the Water Capital Reserve Fund as presented. The motion was seconded by Comr. Brinkley which passed unanimously.

The Resolution, as adopted, read in part as follows:

"WHEREAS, There is a need in the Town of Nags Head, North Carolina to set aside funds for future capital projects related to its water system, and to make debt service payments on existing and future debt related to past and future capital projects for is water system; AND

'WHEREAS, NCGS 159-18 authorizes the creation of a capital reserve fund; AND

'WHEREAS, NCGS 162A, Article 8 requires that all system development fee proceeds be accounted for in a capital reserve fund; AND

'WHEREAS, Within the Town of Nags Head, various fees and funds are generated and used as follows:

'System development fees are generated by construction occurring within the Town and are transferred from the Water Fund and designated by the Board to be spent for future capital projects related to its water system and for debt service payments and existing and future debt relating to past and future capital needs; AND

'WHEREAS, These fees and funds generated are to be set aside / accumulated in a Water Capital Reserve Fund.

'NOW THEREFORE BE IT RESOLVED that pursuant to NCGS 159-18 the Town of Nags Head Board of Commissioners hereby establishes a Water Capital Reserve Fund for the purpose of accumulating ~~approximately \$50,000 each fiscal year in revenues~~ system development fee revenues each fiscal year as listed above by direct appropriation from the Water Fund, which revenues shall then be spent for future capital projects related to the Town of Nags Head's water system and for debt service payments and existing and future debt relating to past and future capital needs of said water system.

'The Water Capital Reserve Fund is to remain operational for a period not to exceed ten years (beginning August 1, 2018 and ending June 30, 2028), and unless terminated sooner, shall automatically renew for each succeeding year following June 30, 2028 until terminated by the Nags Head Board of Commissioners."

MOTION: Comr. Brinkley made a motion to approve the Consolidated Fee Schedule (CFS) as presented. The motion was seconded by Comr. Renée Cahoon which passed unanimously.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN ATTORNEY

Town Attorney Leidy - Request for Closed Session

Mayor Cahoon noted Town Attorney Leidy's request for a Closed Session which will take place at the end of today's meeting.

ITEMS REFERRED TO AND PRESENTATIONS FROM TOWN MANAGER

Town Manager Ogburn - Discussion of removal of crosswalk located at the Melvin Daniels Bridge

Town Manager Ogburn summarized his information concerning the crosswalk at the Melvin Daniels Bridge on his summary sheet which read in part as follows:

"At the June 17th Board of Commissioners meeting, Town Manager Ogburn will discuss with Board members the removal of the crosswalk located at the Melvin Daniels Bridge.

'Attached you will find a letter from Division 1 Engineer, Sterling Baker, outlining NCDOT's plans for removing the pedestrian crossing. Part of DOT's plan is to remove the flashing light pedestrian sign that the Town cost shared in the amount of \$10,000. These lights can be relocated to another crosswalk. Also attached is a map depicting the change in speed limit along this section of US 64."

He wanted to share this information from NCDOT so that the public would be aware.

It was Board consensus to relocate the lights to the crosswalk at the Whalebone Junction/Jennette's Pier access.

Comr. Renée Cahoon pointed out that people will still do what they want to do which includes parking and fishing from the north side of the bridge even if DOT closes it; the Town can only offer as much safety as possible. Comr. Brinkley pointed out that the issues on that roadway all occurred after the crosswalk was installed.

Mayor Cahoon stated that there was no action to take today and Town Manager Ogburn agreed saying that he wanted to make sure residents/visitors were aware of the upcoming changes at the Melvin Daniels Bridge site. He also said that staff will be alerting NCDOT with any issues that may arise.

BOARD OF COMMISSIONERS AGENDA

Comr. Renée Cahoon - Suggestion to Outer Banks Visitors Bureau

MOTION: Comr. Renée Cahoon made a motion, in light of the Outer Banks visitors here this summer and the fact that the Outer Banks is still in the middle of a health crisis, to ask that the Outer Banks Visitors Bureau use their advertising funds to have face coverings/masks made up with the Outer Banks logo to be provided to hotels/rental businesses in the area; this would hopefully encourage people to

wear the face coverings/masks and would be a souvenir for visitors to take back home with them which would then act as advertisement for the Outer Banks. The motion was seconded by Comr. Fuller which passed unanimously.

MAYOR'S AGENDA

Presentation to Town Manager Cliff Ogburn

On behalf of the Board, Mayor Cahoon thanked Town Manager Ogburn for his years of service and presented him with a plaque of appreciation.

Town Manager Ogburn thanked this and previous Boards for giving him the opportunity to serve the Town for the past 12 years stating that he has appreciated the patience, guidance, and direction given to him. Town Manager Ogburn said that working as Town Manager of Nags Head has been a very proud part of his life with a great town and great staff and many exciting opportunities. He said that he looks forward to being a citizen of the Town.

CLOSED SESSION

MOTION: Mayor Cahoon made a motion to enter Closed Session to discuss a personnel matter in accordance with GS 143-318.11(a)(6) and an attorney/client privilege matter in accordance with GS 143-318.11(a)(3). The motion was seconded by Mayor Pro Tem Siers which passed unanimously. The time was 9:55 a.m.

OPEN SESSION

The Board re-entered Open Session at 10:45 a.m. Attorney Leidy reported that during Closed Session the Board did confer with the attorney re: a personnel matter but no actions were taken.

APPOINTMENT OF INTERIM TOWN MANAGER

MOTION: Comr. Brinkley made a motion to appoint Mr. Greg Sparks as Interim Town Manager effective Friday, June 19, 2020 at 10:00 a.m. The motion was seconded by Comr. Renée Cahoon which passed unanimously.

ADJOURNMENT

MOTION: Comr. Renée Cahoon made a motion to adjourn. The motion was seconded by Comr. Brinkley which passed unanimously. The time was 10:48 a.m.

Carolyn F. Morris, Town Clerk

Date Approved: July 1, 2020

Mayor: _____
Benjamin Cahoon