



DRAFT MINUTES
TOWN OF NAGS HEAD
BOARD OF COMMISSIONERS
BUDGET WORKSHOP
WEDNESDAY, MARCH 6, 2024

The Nags Head Board of Commissioners met in the Board Room located at 5401 S Croatan Highway, Nags Head, North Carolina on Wednesday, March 6, 2024 for a FY 24/25 Budget Workshop that followed the Regular Meeting.

Board members Present: Mayor Ben Cahoon; Mayor Pro Tem Michael Siers; Comr. Kevin Brinkley; Comr. Bob Sanders; and Comr. Megan Lambert

Board members Absent: None

Others present: Town Manager Andy Garman; Amy Miller; Kelly Wyatt; Joe Costello; David Ryan; Nancy Carawan; Brittany Phillips; and Town Clerk Carolyn F. Morris

CALL TO ORDER

Mayor Cahoon called the Budget Workshop to order at 10:55 a.m.

PRE-BUDGET OVERVIEW

Town Manager Garman reported that, as done in the past, staff will start with a pre-budget session – to look for some general feedback from the Board to help with the Capital Improvement Program (CIP) review in April 2024.

Finance Officer Amy Miller summarized the following slides titled as follows:

Process

The Budget Calendar was presented.

Major Considerations (FY 24-25)

Municipal Service District (MSD) rates; Water rates; Continued implementation of CIP;

- Financial planning using the Capital Investment Fund (CIF)

Employee costs and initiatives to include COLA and Health insurance

Shared revenues

Grants Planning – Grants submitted

- Grants are constantly being researched by staff/consultants

Priorities

Public Services Debt

General Fund Split 80% - Water Fund Split 20%

Revenue

Occupancy, land transfer, and sales tax (shared revenues) estimated to come in 9% over budget

- One cent tax increase approximately \$315,000
- One percent in water rates approximately \$40,000
- Sales and occupancy taxes may be budgeted \$1 million over FY 24 projected amounts
 - Approximately 75% of the increase is due to increased shared revenue allocation
- Growth – 3% sales and occupancy taxes, 1% land transfer

Total Rewards

- Strategic initiative – performance-based merit structure including evaluation component
- Three percent (3%) health insurance increase
 - Approximately \$56,400 budget impact
 - Transition to Aetna from MedCost
- January consumer price index (CPI) 3.1%
 - CPI historically tied to the COLA for the budget
- Capital Planning

Grants Submitted

- Commercial cardboard dumpsters
- Juncos St Beach Access improvements
- SaaS IT security grant
- LWF acquisition NH Woods conservation easement
- LWF restoration Event Site
- CSDM FY 27 nourishment engineering
- Golden Leaf FY 24 drainage S Memorial
- Golden Leaf FY 25 drainage Wrightsville/Memorial
- Local Assistance for Stormwater Infrastructure Investments Program (LASII PA#4)

Future Grants

- Solar panel rebate
- Sidewalk and Event site shoreline
- April 15th – CAMA pre-application June Street
- Estuarine Shoreline Master Plan – WRDG, CCAP, NC Coastal Fed, NFWF NCR

Town Manager Garman briefly summarized the following:

- Future Fitness opportunities - For the old CID Building across from Town Hall
- Ocean Rescue housing
- Employee items such as Cost of Living increase
- Golden Leaf Grant from the Golden Leaf Foundation

MAJOR INITIATIVES

Town Manager Garman requested Board feedback on several major initiatives:

Parks and Recreation - Whalebone Park

Town Manager Garman summarized the project to build a restroom facility in a small portion of the Whalebone Park parking lot – currently looking at design plans for this area. Need to update the Town's Park and Recreation Master Plan.

Mayor Cahoon confirmed with staff that the Master Plan update can be done in-house. He would like to see the improvements made at this park site – restrooms and shelter/shade are very much needed. It was pointed out that the Town of Kill Devil Hills had to dedicate an employee to their Splash Pad the first year.

It was Board consensus that while not opposed to the work on the Splash Pad, to look for planning next year with some grant assistance. Comr. Lambert suggested that business owners may be interested in sponsoring some of these updates/projects.

Estuarine Shoreline Initiatives

Finance Officer Amy Miller summarized staff’s request to apply for a grant to implement recommendations from the Estuarine Shoreline Management Plan to include protection of the sound side shoreline with specific “islands” in the sound right off the shoreline. She requested Board input on plans to apply for a grant to research shoreline easements from private property owners. Manager Garman said that he is not sure yet of what exactly will be designed and constructed; he is also not sure yet of how it will be permitted. He said that if grants were received, this would be a pilot site and would be groundbreaking for our area. A funding match (\$40,000 was noted) by the Town would be helpful for the grant approval.

It was Board consensus to agree to utilize \$40,000 to move forward on the Estuarine Shoreline Initiatives grant.

Land and Water Fund Restoration Grant – Finance Officer Amy Miller reported that the grant application incorporates 50’ buffer on the sound side; staff has applied for \$600,000 – resolutions for the conservation easement on the buffer will be presented to the Board at an upcoming meeting for consideration. Board members concurred.

CCAP Grant – Dare County Community Conservation Assistance Program Grant - Finance Officer Amy Miller discussed Town funds to move this project forward. The program is to reduce pollution into the water by installing best management practices (BMPs) on developed lands. Mayor Cahoon questioned if staff is spreading itself too thin; Comr. Brinkley wants to see what is going on in other parts of the Town. It was Board consensus to move this project into the future for consideration and to make no commitment at this time.

Workforce Housing for Ocean Rescue – Staff is working on conceptual plans to provide housing for Ocean Rescue staff at the former Outer Banks Medical Center (OBMC) site and will seek feedback on adding a project to the CIP. Mayor Pro Tem Siers pointed out that modular units can be done quicker with a lot less money; he feels staff should explore going three stories instead of just two. Board members spoke in favor of going back to the architect and asking about the costs for modular units – and three stories.

Pedestrian Plan Prioritization – Town Engineer David Ryan explained that last year the Board approved a five-year CIP for pedestrian projects – there are 20 different projects identified; he pointed out that the W Blue Jay Street / W Bay Meadow Drive pedestrian path was proposed for FY 25 along with the multi-use path survey; after discussion Windjammer will be moved up to FY 25 and substituted for one of the proposed projects; he will also see about applying for grant funding.

Town Hall Campus Master Plan – Staff will be working on this more and plan on bringing it back for the April 2024 Budget Workshop.

Board members thanked staff for their work and input on today’s budget workshop.

ADJOURNMENT

The Board adjourned at 12:15 p.m.

Carolyn F. Morris, Town Clerk

Date Approved: _____

Mayor: _____
Benjamin Cahoon