



Town of Southern Shores

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8 **Meeting Minutes**

9 Pitts Center – 5375 N. Virginia Dare Trail, Southern Shores, NC

10 Date: Tuesday, October 7, 2025

11 Time: 1:00 PM

12 **Attendance**

13 Present:

14 - Mayor Morey

15 - Mayor Pro Tem Neal

16 - Council Member Sherlock

17 - Council Member Neilson

18

19 Absent:

20 -Council Member Batenic

21 **Call to Order**

22 Mayor Morey called the meeting to order at 1:00 PM.

23 The Council and public stood for the Pledge of Allegiance followed by a Moment of
24 Silence.

25 **Amendments to / Approval of Agenda**

26 Mayor Morey called for a motion or amendment to the agenda.

27 **MOTION:** Motion to approve the agenda as presented by Council Member Sherlock,
28 Seconded by Council Member Neilson. Motion carried unanimously.

29 **Consent Agenda**

30 The consent agenda consisted of the minutes from August 5, 2025, and September 2,
31 2025, and Budget Amendments #13 and #14.

32 **MOTION:** Motion to approve the consent agenda made by Council Member Sherlock,
33 seconded by Council Member Neilson. Motion carried unanimously.

Presentations

Annual Audit Presentation

Finance Officer Bonnie Swain introduced Reid Parker from Carl, Riggs, and Ingram CPA firm who presented the audit for fiscal year 2024-2025. Mr. Parker reported this was the firm's third year conducting the audit for Southern Shores.

Mr. Parker presented that the financial statements were fairly presented in all material respects with no internal control deficiencies. He reported that the town's net position at year-end was \$24,649,950, which represented a decrease of approximately \$1,860,000 from the previous year. This decrease was attributed to approximately \$400,000 in paving expenses, \$115,000 for new computer service charges, and increases in salaries particularly in public safety.

The fund balance at year-end closed at \$11,317,989, a decrease of \$2,275,000 related to capital outlay expenditures in infrastructure. The Juniper Trail Bridge went into service this year, along with cemetery driveway and NC 12 bike path improvements totaling about \$500,000 in capital outlays. The unassigned fund balance was \$6,200,000, well above the town's fund balance policy of 3.5.

Mr. Parker noted there was a prior period adjustment of about \$87,000 due to a change in accounting principles related to accrued compensation (GASB statement 101), not because of any errors.

Council Member Neilson asked about challenges municipalities might face in the next five years. Mr. Parker identified staffing as the most significant problem, noting high turnover in finance positions at small municipalities creates sustainability issues.

Council Member Sherlock inquired about the impact of the fire department transition on the audit. Mr. Parker explained that the accounting impact would primarily occur in fiscal year 2026 rather than the current audit.

Staff Reports

Planning Director/Deputy Town Manager

Planning Director/Deputy Town Manager Wes Haskett reported:

- 52 permits were issued in September: 12 zoning permits, 21 building permits, 18 trade permits, and 1 sign permit
- Total fees collected were \$11,451.77
- Two warning citations were mailed for solid waste ordinance violations

Mr. Haskett updated the Council on Paul Gamiel's Hill Life Saving Station discussion from the previous meeting, noting he had spoken with the Historic Landmarks Commission about potentially designating the Hillcrest Beach site as a historic landmark. The Commission agreed it was a good candidate. He also spoke with the SSCA president who was open to discussing the designation and placing a new marker at the site.

Mayor Morey and Council Members expressed interest in moving forward with establishing a committee consisting of two Council members, two Landmarks Commission members, an SSCA representative, Mr. Bob Moir, and town staff to discuss next steps. Council Members Neilson and Sherlock volunteered to serve as the Council representatives.

Mayor pro tem Neal **nominated** Council Member Sherlock and Neilson to serve as council representatives on the Paul Gamiel's life Saving Station historic designation committee, Mayor Morey seconded the nomination. Following the vote, the nomination of Council Member Sherlock and Council Member Neilson was passed.

Mr. Haskett also mentioned that the Planning Board would meet on October 20th to consider ZTA-25-06, which would address:

- Consider removing the requirements for reconsideration of disapproved development and amendment requests (as promised now that HB 926 has become law)
- Town Code Section 6-5 to clarify when permits are required for walls and to remove the requirement to obtain a building permit for fences
- Town Code Section 36-297(a)(3) to establish that new building permits and zoning permits are required following expiration.

Fire Chief

Fire Chief Limbacher reported the department responded to 82 calls in September.

The Chief reported that all four captain positions have now been filled, with the last captain starting on Thursday. He also reported on a successful fire prevention event at Kitty Hawk Elementary the previous day, which included participation from Southern Shores, Kitty Hawk, KDH, and Dare County EMS.

Town Manager

Town Manager Cliff Ogburn presented the first quarter budget report, highlighting:

- Clean audit with no findings
- Unassigned fund balance of \$6,222,000 or 55% of general fund expenditures
- Property values increased 2.07% (the year before revaluation)
- The town had spent about \$44,000 more than it had brought in during the first quarter, but this was significantly better than previous years due to the timing of revenue collection
- The town had collected 18.71% of anticipated revenues to date, which was \$231,000 more than the same time last year
- The town had spent 17.99% of the budgeted expenditures, which was \$94,000 less than the same period last year

Mr. Ogburn reviewed the beach nourishment reserve status, explaining that after the final debt payment next fiscal year in June of 2027, the town would have approximately \$2,100,000 in the beach nourishment fund.

Mr. Ogburn reported on continued cemetery improvements and mentioned that a budget amendment would likely be needed for additional improvements including irrigation, fence replacement on the north end, and landscaping.

Mr. Ogburn asked if the Council wanted to discuss the speed limit on NC 12 at the November meeting, as follow-up to a March workshop. Council Member Sherlock noted concerns about driving safety with increased speed limits, especially for residents with driveways on NC 12. The Council agreed to add this item to the November agenda.

Mayor Morey suggested considering an annual contribution to the cemetery fund similar to the canal fund structure.

Town Attorney

Town Attorney Philip Hornthal had no report.

General Public Comment

Dave Traub of 172 Ocean Boulevard addressed the Council regarding trash cans left along public roads, particularly on Ocean Boulevard. He described it as an unsightly and chronic problem, especially with rental properties, where tenants have little knowledge of local rules or incentive to follow them. He suggested several solutions including:

- A fee system for rental companies to fund town services for bin retrieval
- Direct responsibility for rental agencies or their staff to return bins after collection
- Financial penalties for chronic violations
- Expanding rollback service to areas like Ocean Boulevard

New Business

Discussion of Dare Housing Foundation and Councilmember Appointment

Mayor Pro Tem Neal explained that the Dare County Housing Task Force is establishing a nonprofit foundation (Dare Housing Foundation) to address housing needs in the county. The foundation will be governed by a 13-member board including representatives from each municipality, 4 private sector members, 2 county commissioners, and a Dare County Board of Education representative.

Mayor Morey noted that she served on the nonprofit subcommittee and Mayor Pro Tem Neal served on the site selection subcommittee of the Housing Task Force. Both emphasized the importance of public and private collaboration to address housing issues. The nonprofit will seek grant funding, offer sponsorships to various

stakeholders, focus outreach to non-resident property owners, and develop sketch plans for housing development.

Council Member Neilson questioned whether the private sector would contribute financially to the foundation, as they would also benefit from the housing solutions. Mayor Pro Tem Neal indicated that all funding sources would be considered as the foundation establishes itself.

MOTION to appoint Mayor Pro Tem Matt Neal to serve as the Town's representative on the Dare Housing Foundation made by Mayor Morey, seconded by Council Member Sherlock. Motion carried unanimously.

6. Public Hearing-Consider LDA-25-01, a Landmark Designation Application submitted by Perrin Gardner to designate 39 Ocean Blvd. as a Historic Landmark

Town Attorney Phillip Hornthal opened the public hearing.

Planning Director Haskett presented the application to designate the property and structure (a flat top) at 39 Ocean Boulevard as a historic landmark. He reported that the Historic Landmarks Commission had unanimously recommended approval at their September 4th meeting.

Mr. Haskett presented details about the property:

- Historic and current name: Drop Anchor
- Built in 1952 by Moonlight Enterprises Inc.
- 1,504 square foot structure originally used as a vacation home, now a year-round residence
- Features vertical wood unpainted T1-11 siding and is constructed on a concrete slab
- Has been modernized over the years but maintains its original design
- Similar in construction to the flat top design Frank Stick brought to Dare County in the late 1940s

Sally Gudas spoke in support of the application, noting that the property satisfies all criteria for designation. She mentioned that it would be one of only two historic landmark flat tops remaining in the original family, the other being the Pipkin Cottage. She added that the owner, Perrin Gardner, is an excellent resource on the history of Southern Shores.

Hearing no further comments, Town Attorney Phillip Hornthal closed the public hearing.

Council was in support of designating 39 Ocean Blvd. as a Historic Landmark and had no questions for the applicant.

MOTION to approve the ordinance designating the property and structure which is a flat top at 39 Ocean Boulevard as a historic landmark made by Mayor Morey, seconded by Council Member Neilson. Motion carried unanimously.

184 **Council Business**

185 Council Member Neilson reported on his participation in the 250th anniversary of the
186 signing of the Declaration of Independence committee. He noted that 13 Skyline Drive
187 (Historic flat top) in Southern Shores will be one of the stops on the Passport Trail, with
188 a plaque, description, and QR code for visitors. He also mentioned his recent interview
189 with Current TV for their "Behind the Board" segment.

190 Mayor Pro Tem Neal updated the Council on the Corridor Committee's progress,
191 reporting they are close to completing a draft to present to Council in November or
192 December. He added that the annual Parade of Homes sponsored by the Outer Banks
193 Home Builder Association will have two homes in Southern Shores.

194 Council Member Sherlock expressed continued interest in improving the town
195 cemetery.

196 Mayor Morey emphasized that the Corridor Committee consists of volunteers and
197 invited residents to attend meetings to learn more about the work. She announced that
198 the next council meeting would be on Wednesday, November 5, 2025, at 1:00 PM
199 (instead of Tuesday) due to Election Day. She added that the next Flat Top Tour will be
200 scheduled for April 25, 2026.

201
202 **Adjourn**

203 Hearing no further business, **Motion** to adjourn made by Mayor pro tem Neal, Seconded
204 by Council Member Neilson. Motion carried unanimously. The time was 2:14 P.M.

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206 ATTEST:

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209 _____
210 Elizabeth Morey, Mayor
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Respectfully submitted,

Sheila Kane, Town Clerk