



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, APRIL 18, 2017 – 7:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, April 18, 2017 at 7:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners H. Ashley Royal, Peter Freer, Kim Isenhour and Ken Kyser; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Wally Layne; Public Works Director Chris Clemmons; Building Official Tim Evans; Shoreline Protection and Recreation Manager Christy Ferguson; and Town Attorney Noel Fox.

Mayor Holden asked for a moment of silence and then called the meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Mayor Holden said item #7 should read McGill Associates instead of Compass Pointe.

Motion by Mayor Pro Tem Fletcher to accept the agenda as amended; second by Commissioner Isenhour; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Commissioner Kyser to approve the minutes of the Special Meeting of March 15, 2017 as written; second by Commissioner Freer; approved by unanimous vote.

Motion by Commissioner Kyser to approve the minutes of the Regular Meeting of March 21, 2017 as written; second by Commissioner Royal; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.

SEWER SYSTEM VULNERABILITY ASSESSMENT – MICHAEL NORTON, MCGILL ASSOCIATES

Michael Norton and Doug Chapman were in attendance. Mr. Norton reviewed the scope/ charge. They looked at risks and vulnerability; neighboring communities; critical needs; alternatives and opinions of

costs. Mr. Chapman provided background on how a vacuum sewer system works and how the system is laid out on Holden Beach. He reviewed information on neighboring communities' (Sunset Beach & Oak Island) systems. Mr. Norton talked about flooding and the Town's vulnerability. Station 1 is at a higher elevation and it is in reasonably good condition in relation to flood events. Mr. Chapman said they looked at potential for failure and the risk and vulnerability associated with that. Stations 2, 3 and 4 are all below the base flood elevation. There is great potential for flooding in those pump stations from storm events. He said with all of the electrical components in the station, they are at risk whenever salt water gets in there. Mr. Chapman said even if the system was not operating, you can damage equipment causing risk when turning it back on. There are chances for the valve pits to flood. He said there is a risk of water getting into the vent pipes. He said a day to day risk is equipment failures and electrical failures. Mr. Chapman talked about replacement component availability. They went through inventory, vendor availability, vendor contacts and what the Town keeps as spare parts. Employee safety is a concern. Mr. Chapman reviewed the critical component asset ranking information. Mr. Chapman explained that when they were reviewing mitigation measures they looked at flooding, vacuum pumps, electrical, a SCADA communication system, valve pits and GIS mapping.

Mr. Chapman reviewed the three alternatives they came up with for the pump stations to reduce the risk of flooding. If you make any major changes, you will need to comply with the building code. The building code will not let you put all of the electrical components down in the stations. Anything that is changed will have to raise the components above the base flood level. They are critical infrastructure. They reviewed the alternatives with Town staff. He explained each alternative has its own advantages and disadvantages. Mr. Chapman said nondestructive testing was performed on the tanks. The results show they are in good shape so far. Commissioner Royal asked the design thickness of the tank. Public Works Director Clemmons replied 5/16. He said the tests came back better than he expected. Commissioner Freer asked for verification that the capability to take the tanks out is not included in the design and costing. Mr. Chapman explained they included the cost to be able to cut a hole in the top of the structure so the tanks could be removed, but if the Town goes with Alternative 3, he doesn't think there is a way to get it out. He said if you did Alternative 2, you could get it up to the intermediate level and there could be a rollup door where you could take the tank out. He reviewed the cost estimates for each station for each alternative. He said if you do Alternative 1 it would be more allowances than cost estimates to try and address employee safety. The estimate is \$5.8 million for Alternative 2 for all stations and Alternative 3 is a little over \$6.1 million for all four stations. He explained what the costs include. Commissioner Freer said he is surprised they didn't treat Station 1 different than the others. Mr. Chapman said they didn't include a different diagram, but they would expect that intermediate and upper levels for that station would just be one level. He said there are still issues to look at for Station 1. He said one thing the Board would want to consider is capacity. They didn't look into that, but talking to the operators of the system, Station 1 is the most at risk for not having enough.

Mr. Chapman said they would recommend that the Town consider some kind of mapping strategy. They also recommend developing some strategy on how to proceed for flood protection. They lean towards Alternative 2, but both alternatives work and have their advantages. He said they would recommend as a consideration of strategy to start with the worst station, instead of doing all of the stations at once. Once you have that in place you could put a more definitive cost estimate together. He said they talked extensively about the valve pit vents. They think the best strategy moving forward is for any new construction or remodels they should move them and raise them up. He said there is a disadvantage to

raising them. Sensus is looking at a component to put on vacuum valves to monitor them. He is not sure what that technology looks like or costs, but that is something the Town needs to look at. He said the last recommendation they have is to investigate a portable vacuum system.

Mayor Pro Tem Fletcher said it was an extremely easy to read report. He stated there is a lot of information and proposed holding an independent meeting. Commissioner Freer agrees the Board should have a workshop. He said we have some people who were on the P&Z committee who could contribute as well. Commissioner Royal agreed the report is comprehensive. He would like to use the asset ranking, it could give more detail into decision making. He said you could possibly phase in changes to gradually reduce risks and maybe save costs.

DISCUSSION AND POSSIBLE AWARD OF CONTRACT FOR ROADWAY WORK

Public Works Director Clemmons said staff is seeking approval for paving of Jordan Boulevard, Marsh Walk and Schooner Drive. They are the next streets in line in our annual street paving program. We did skip a couple because of issues. The low bidder is the same group who paved our streets last year. He reviewed the area that will be paved. Town Manager Hewett said we would like to get it started in the next six weeks or so.

Motion by Commissioner Royal to approve the contract for Southern Asphalt; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

POLICE REPORT – CHIEF WALLY LAYNE

- Last weekend was a pretty fair indicator of the season that is coming upon us. Thinks will have a busy summer.
- Speed limit has gone back to 35 MPH west of the General Store.
- Welcome sign is back on the causeway. Hopes it works as good this year as last. This year the PD will collect items left on the beach. Will do it between 10:00 p.m. and 2:00 a.m. Anything left on the strand between those hours will be trashed.

CONFIRMATION OF AUDIT COMMITTEE MEMBER

Mayor Pro Tem Fletcher asked applicant Pat Kwiatkowski to introduce herself. He recommended Ms. Kwiatkowski be added to the Audit Committee.

The Board agreed by consensus.

DISCUSSION AND POSSIBLE APPROVAL OF AUDIT CONTRACT FOR FISCAL YEAR 2016 – 2017 BETWEEN THE TOWN AND THOMPSON, PRICE, SCOTT, ADAMS AND CO, PA.

Town Manager Hewett said this is the audit contract from Thompson, Price, Scott, Adams and Co. The price is \$12,500, plus an additional \$3,500 to cover the expenses associated with the single audit

requirement relating to the FEMA grant. This firm has met with the Audit Committee and it is the committee's recommendation to continue with them.

Motion by Mayor Pro Tem Fletcher to approve the contract; second by Commissioner Isenhour; approved by unanimous vote.

FISCAL YEAR 2016 – 2017 BUDGET UPDATE

Town Manager Hewett reviewed the budget to actual numbers as of the end of the third quarter. He reviewed the highlighted column which represents actual revenues, minus actual expenses plus encumbrances.

Highlights include in the General Fund we are about a quarter percent above our collection rate on our property taxes. Our Water and Sewer Use charges are approximately 75%. We haven't seen any decrease in the amount of water people have appeared to use. Occupancy tax collections are at about 95% of what was budgeted. Debt service for the Emergency Operations Center and Town Hall have been made. The County sewer debt service payment and Central Reach debt services have not been made out of the BPART Fund. We still have significant debt services still outstanding. In the General Fund this is the time of year we take a lot of revenue in. We do post a report monthly online. If folks are interested, there is a budget workshop on April 24th at 9:00 a.m.

Commissioner Freer asked the current balance for Water/ Sewer Fund. Town Manager Hewett replied about \$4 million in fund balance. BPART is at about \$2.5 million. Mayor Pro Tem Fletcher said the Audit Committee reviewed the results with Town Manager Hewett. Town Manager Hewett said the challenge is dealing with Hurricane Matthew expenses.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 17-05, AN ORDINANCE AMENDING HOLDEN BEACH CODE OF ORDINANCES SECTION 92.03, FRONTAL DUNE POLICIES AND REGULATIONS

Building Official Evans proposed changing the language to a maximum width of four feet so it matches what is on the other side of the frontal dune.

Commissioner Royal said it doesn't specify a minimum. Building Official Evans said you could put a minimum, but he never had anyone ask to make one smaller. Commissioner Isenhour asked for clarification on why it specifies lots that have more than 300 feet from the seaward toe of the frontal dune to the last line of stable vegetation. Building Official Evans explained that number was determined by staff weighing the amount of damage and debris versus damage done by walking through.

Motion by Commissioner Royal to approve Ordinance 17-05; second by Commissioner Isenhour; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON YARD WASTE PICK-UP

Public Works Director Clemmons said in the February meeting when the Town renewed the Waste Industries contract, we decided not to continue yard waste pick-up due to the cost increase. He reviewed

the results of the public survey. We did seek bid proposals from other sources and we would be able to provide the service at about the price Waste Industries was charging before the new contract. Commissioner Freer suggested an idea would be to treat this similar to how we treat recycling. He asked if staff could go back to the companies that bid and see if they can give a price if people sign up individually for the service. He said it seems a large percentage doesn't use the service. Town Manager Hewett said if folks want to procure that service that is readily available from just about any landscaper. Mayor Pro Tem Fletcher asked if we were able to determine the amount of pickups in the past. Public Works Director Clemmons replied we don't know. Commissioner Kyser said on his street almost every house used it. Public Works Director Clemmons said you can't put yard debris in the trash cans because Waste Industries won't pick it up. Mayor Pro Tem Fletcher would like to approve it for a year, monitor it and then decide if it is worth it next year. Commissioner Royal suspects more people than the survey response use it and thinks it is a basic service a town our size should provide. He thinks there could be an environmental impact from not collecting. Commissioner Freer said we are a unique community and agrees with the compromise. Town Manager Hewett said we could procure it administratively based on the Board's consensus. Commissioner Freer said Costal Transplants has the low cost. Public Works Director Clemmons said all his experience with them has been positive.

The Board asked Town Manager Hewett to take care of it and assess it again after we captured a year's worth of data.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 17-06, AN ORDINANCE AMENDING HOLDEN BEACH CODE OF ORDINANCES SECTION 50.04, ACCUMULATION AND COLLECTION

Public Works Director Clemmons said this is a housekeeping issue. It is an amendment to our ordinance. The current ordinance was crafted from when Waste Industries took cans from the racks. They won't do it for anyone in the county anymore so the language needs to be removed.

Motion by Commissioner Royal to approve the amended ordinance; second by Mayor Pro Tem Fletcher.

Commissioner Freer said the rack language is still in there. Public Works Director Clemmons responded that you can still have a rack, but Waste Industries won't remove it from the rack.

The motion was approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON LOCKWOOD FOLLY INLET FUNDING

Shoreline Protection and Recreation Manager Ferguson said in regard to the inlet, we received information that the navigation buoys will be pulled. Previous to that, the Chief of Navigation said that the Merritt was the only vessel that could navigate the inlet. Earlier in the season, the Merritt needed repair work that caused its schedule to be moved back. The interpretation the Chief had at the time was if the inlet was navigable when they had time to dredge, they would only be able to work four or five hours a day, at high tide. That wouldn't decrease or prorate the cost. The cost is currently \$15,000 per day, based on a ten hour day. He also said if the buoys were removed, it is hard to get them replaced until the inlet is in such a condition that it is considered safe by the Coast Guard again. Shoreline Protection and Recreation Manager Ferguson reviewed a chart from the Beach Inlet Management Plan. No federal

funding seems to be coming in. We have explored several alternate options. Staff has talked to the County and Oak Island. They have not appropriated anything at this time. Until we can get an update from the Corps, we didn't put any action items in until all avenues can be explored, including using the SDI permit or using private dredging. She reviewed the spreadsheet in the packet and advised that the Town should keep it in mind for the upcoming fiscal year.

Shoreline Protection and Recreation Manager Ferguson stated in regards to the recent project on the east end, the Corps doesn't need easements under their authorizations, but the Town would have. Putting easements in the budget for the east end is one thing to consider for the upcoming year. Commissioner Royal asked if that means the Town can't pursue funding for a private contractor until we receive the easements. Shoreline Protection and Recreation Manager Ferguson said she knows the regulator agencies were standing pretty hard on the fact that we would need to have easements if we used our permit. Commissioner Freer said we could still do a private sidecaster. Shoreline Protection and Recreation Manager Ferguson said you can, but you need to make sure you follow environmental windows. She thinks at this time there are too many unknowns to make any appropriations. Commissioner Freer asked for confirmation that going forward staff will look into using our permits to dredge and to place sand on the east end. Town Manager Hewett replied yes. Shoreline Protection and Recreation Manager Ferguson confirmed the SDI-5 permit requires easements. Mayor Pro Tem Fletcher said his understanding is in late May the Corps will reassess the inlet. Shoreline Protection & Recreation Manager Ferguson said she is reporting on the information from the Chief of Navigation. Commissioner Freer inquired about other reasons why we might want easements. Town Manager Hewett said the dune stabilization measures don't need a formal easement, but we do need some sort of permission from property owners. Attorney Fox talked about best practices for this activity. Mayor Pro Tem Fetcher asked about the Corps using private contractors and their permit. Town Manager Hewett said that did happen on the piggyback project for the inner bar. He said that is in federal contracting, so he would assume that could be done, but it would be in their hands. Commissioner Royal would like to see an assessment of how long it would take to get the easements. Shoreline Protection and Recreation Manager Ferguson thinks there are a little over 90 parcels that it would apply to. She added that if the schedule changes and they don't get here this time, the Merritt is being taken out of commission to get a complete new bottom.

TOWN MANAGER'S REPORT

- Have to call timeout on the water tower painting project. The provider had issues with relocating some of the cell services. The plan is to resume operations after Labor Day.
- Flood Map Status – posted a recent briefing to our website. It was presented by Randy Mundt, the State Floodplain Administrator at a recent meeting he attended. After the meeting, the mayor of Bald Head Island asked when the maps would be ready. Their answer was March of 2018 is a realistic date. We have our resolution drafted for when the letter of final determination is received.
- FEMA Matthew Reimbursements – have been advised walkway and utilities submissions have been reworked. As of today, the federal administrator is heading back to Nevada and we have a new representative.
- Central Reach Project – the project is done. The last pieces of equipment have been taken off the beach. Sand fence and vegetation installation is underway. Anticipate the effort going through mid-June.

- Annual survey work is underway this week. Will be in the water and land. We need this so we can maintain our engineered beach status.
- Decals went out in the mail last week.
- Picnic shelter has received its certificate of occupancy. Waiting for the picnic tables.

Commissioner Royal asked when DOT plans to pave Ocean Boulevard. Mayor Holden replied 2019.

MAYOR'S COMMENTS

- It was a pleasure to hear all of the good comments from property owners and visitors about the Town over Easter. The Egg Hunt was a wonderful time. Doesn't know of any major issues over the week. Thinks we are off to a good start. Very proud of Holden Beach. Thinks the island looks the best it has in years.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Fletcher

- Thanked everyone for a good turnout.
- Welcomed Pat to the Audit Committee.
- Asked Town Manager Hewett to remind people what they can do for sand fencing west of 780. Town Manager Hewett replied they could always come in and get a no charge permit to put their own fence up. Once the Central Reach permit is taken care of, we will assess those areas to the west where we can put fence up, but that will probably be after July 1st. Be patient, will still need some kind of permission.
- Remember we have a celebration on April 28th – 29th. Look forward to seeing you there.

Commissioner Royal

- Grateful for everyone's presence tonight. Sensitive we had a lot to listen to and people couldn't ask questions.
- Impressed with the sewer study. Shows we have a lot of analysis on these recommendations. Clearly very important to the island, but we have a lot of demands for funding. Will be considering, so encourages everyone to give feedback on ideas on how to approach that.
- Very impressed with Bridgeview Park. Looks like it was very well planned and constructed. Something to be proud of on the beach. Thanked staff for their direction and the previous Board for approval of the funding for it.

Commissioner Freer

- Thanked everyone for attending.
- Dittoed Commissioner Royal's comments on the sewer analysis. There is some work to be done. Will do it as soon as possible. Keep in mind we want to do it as smart as possible as well.

Commissioner Isenhour

- Hope you all had a wonderful Easter. Was lovely to see everyone on the beach. Thanked staff for their continuing efforts on Lockwood Folly. Knows there are lots of people concerned about it. Appreciate what has been done to try to find a way to deal with it.

Commissioner Kyser

- Thanked Shoreline Protection and Recreation Manager Ferguson and staff for their hard work on the Easter Egg Hunt, the picnic shelter and the playground.
- The work we are getting ready to probably start on for the sewer will probably take more than the work on the original structure. Engineers are notorious for underestimating costs. He referenced the bathroom in the park. We need to do work and be smart at it. Will take a lot of work.

PUBLIC COMMENTS ON GENERAL ITEMS

Rhonda Dixon said she heard every word today with the sound system.

Sue Kyser thanked the Town for the playground on behalf of her grandson, Christopher.

Mike Sullivan said the sewer report should have been part of the agenda packet. He said he is surprised at the amount of questions the Board had for McGill because nobody asked questions of him when he presented on the Sewer Committee’s report. He said the report almost exactly mirrors the report given 10 months ago. Mr. Sullivan thinks some money should be put in the budget for next year to address the issue.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 9:13 p.m.; second by Commissioner Royal; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk