Town of Holden Beach
Board of Commissioners
Regular Meeting

Tuesday, February 19, 2019
7:00 PM

Holden Beach Town Hall
Public Assembly
1. Invocation

2. Call to Order/ Welcome

3. Pledge of Allegiance

4. Agenda Approval

5. Approval of Minutes
   a. Minutes of the Special Meeting of January 15, 2019 (Page 1)
   b. Minutes of the Regular Meeting of January 15, 2019 (Pages 2 - 11)
   c. Minutes of the Special Meeting of January 16, 2019 (Pages 12 - 15)

6. Public Comments on Agenda Items

7. Receipt of Inlet and Beach Protection Board Report – Commissioner Freer (Page 16)

8. Receipt of Water Tower Memo from Planning & Zoning Board – Commissioner Freer (Page 17)

9. Lockwood Folly Inlet Navigation Project Updates - Assistant Town Manager Ferguson (Pages 18 – 19)

10. Discussion and Possible Action on RSM Report and Proposals – Commissioner Freer (Pages 20 – 42)


12. Discussion and Possible Action – Construction Management Services of the Vacuum Sewer System #4 Upgrade Status Report – Public Works Director Clemmons

13. Discussion and Possible Nomination of Member to Serve on the Parks & Recreation Advisory Board - Town Clerk Fin nell (Pages 44 – 47)

14. Discussion and Possible Action to Have the Town Incorporate the Recommended Changes to Chapter 50: Solid Waste – Commissioner Butler (Pages 48 – 54)

15. Discussion and Possible Approval of Ordinance 19-02, An Ordinance Amending the Holden Beach Code of Ordinances, Chapter 50: Solid Waste – Town Clerk Fin nell (Page 55)

16. Discussion and Possible Selection of Contractor to Perform Rollback Services for the Town – Public Works Director Clemmons (Pages 56 – 59)

BOC Agenda 2/19/19
17. Staff Report on Golf Cart Specific Parking Spaces – Planning Director Evans  (Pages 60 – 61)

18. Discussion and Possible Action on Text Amendment for Commercial Setbacks and Buffering Requirements – Planning Director Evans  (Pages 62 – 66)

19. Discussion and Possible Action on AT&T Cell Site Lease Proposal – Fiscal Operations Clerk Lockner  (Pages 67 – 73)

20. Addition to Classification and Pay Plan: Water Distribution/ Wastewater Collection System Technician and Equipment Operator Positions – Town Manager Hewett  (Page 74)

21. Discussion and Possible Approval of Resolution 19-02, Resolution Authorizing Advertisement by Electronic Means for Formal Bidding – Town Manager Hewett  (Pages 75 – 76)

22. Discussion and Possible Action on Resolution 19-03, Designation of Applicant’s Agent (Hurricane Michael Resolution) - Assistant Town Manager Ferguson  (Pages 77 – 78)

23. Town Manager’s Report

24. Mayor’s Comments

25. Board of Commissioners’ Comments

26. Public Comments on General items

27. Executive Session Pursuant to North Carolina General Statute 143-318.11(A)(6) To Discuss a Personnel Matter – Commissioner Freer

28. Adjournment
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, JANUARY 15, 2019 – 6:45 P.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, January 15, 2019 at 6:45 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners Mike Sullivan, Pat Kwiatkowski, Joe Butler and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Planning Director Tim Evans; and Detective Jeremy Dixon.

Mayor Holden called the meeting to order.

INTERVIEWS FOR THE AUDIT COMMITTEE

Mayor Pro Tem Fletcher said that Ron Skubic is not going to serve again. The existing members would like to be interviewed again. The Board interviewed Mark Fleischhauer, Tom Myers, Anthony Chavonne and Woody Tyner for the positions on the Audit Committee.

ADJOURN

Motion by Mayor Pro Tem Fletcher to adjourn at 6:56 p.m.; second by Commissioner Freer; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, JANUARY 15, 2019 – 7:00 P.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, January 15, 2019 at 7:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners Mike Sullivan, Pat Kwiatkowski, Joe Butler and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Public Works Director Chris Clemmons; Planning Director Tim Evans; Detective Jeremy Dixon; 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

Motion by Commissioner Freer to approve the agenda as presented; second by Commissioner Kwiatkowski; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Commissioner Kwiatkowski to approve the minutes of the Special Meeting of December 18, 2018 and the minutes of the Regular Meeting of December 18, 2018 as written; second by Commissioner Freer; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.

RECEIPT OF THE INLET AND BEACH PROTECTION BOARD REPORT

Commissioner Freer thanked the Inlet and Beach Protection Board for their work and the report. He said we are looking at a comprehensive long-term plan. He is of the opinion we need a short-term plan as well to understand how we will react to the FEMA reimbursement money. He said the Board can get into that at a later time.
POLICE REPORT – DETECTIVE JEREMY DIXON

Detective Dixon said there were very low numbers on the report this month. There were two incidents. One was construction materials and the other was yard decorations. We have been very blessed this winter. Officers are doing a good job.

Mayor Pro Tem Fletcher said their prevention techniques must be working.

DISCUSSION AND POSSIBLE ACTION – CONSTRUCTION MANAGEMENT SERVICES OF THE VACUUM SEWER SYSTEM #4 UPGRADE STATUS REPORT – PUBLIC WORKS DIRECTOR CLEMMONS

Public Works Director Clemmons said the contractor is continuing to make steady progress. They have the siding on the building and metal on the roof. They finished insulation inside the building. Sheetrock has been hung, but it is not done yet. There were a lot of loose ends that needed to be tied up for electrical; they have done that. He spent most of the day with the folks from AirVac. They are doing testing to make sure everything goes well with the switchover. The switchover will probably be sometime Thursday.

Commissioner Freer asked if there will be impact on the people in the area. Public Works Director Clemmons is hopeful it will go smoothly. They will do some test runs before they make the switch.

DISCUSSION AND POSSIBLE NOMINATION OF A BOARD OF COMMISSIONERS MEMBER TO SERVE AS AUDIT COMMITTEE CHAIR

Motion by Commissioner Freer to select the current chair, Mayor Pro Tem Fletcher, to continue in that capacity as chair of the Audit Committee; second by Commissioner Kwiatkowski; approved by unanimous vote.

DISCUSSION AND POSSIBLE NOMINATION OF MEMBERS TO SERVE ON THE AUDIT COMMITTEE

Mayor Holden said we have four candidates and four spots available (Mark Fleischhauer, Tom Myers, Woody Tyner and Anthony Chavonne).

Motion by Commissioner Freer to appoint the four candidates; second by Commissioner Butler; approved by unanimous vote.

Mayor Pro Tem Fletcher explained the Town now has an Audit Committee that is one of the most highly qualified in the country. We have four CPAs and a treasury expert. He welcomed the members to the committee.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 19-01, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES CHAPTER 151: BUILDING AND HOUSING REGULATIONS (IMPACT FEES)

Planning Director Evans said the Town removed fees a couple of months back based on Session Law 2018-34, which was triggered by a case that ruled towns couldn’t collect impact fees; fees had to be tied directly to something. We have a section in our Ordinance Book that refers to collecting fees. This is an acknowledgement of the removal of the section so we can comply with the session law.
Motion by Commissioner Kwiatkowski to remove the Town of Holden Beach Ordinance 19-01 as presented in the package; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

PLANNING & ZONING BOARD (P&Z) REPORT ON REQUESTED ORDINANCE CHANGE FOR CARGO LIFTS

Vicki Myers, P&Z Chair, explained that after research and discussion P&Z would like to recommend that no changes be made to the existing ordinance.

DISCUSSION AND POSSIBLE APPROVAL OF PROCLAMATION RECOGNIZING THE TOWN OF HOLDEN BEACH’S 50TH ANNIVERSARY OF INCORPORATION

Assistant Town Manager Ferguson said the Parks & Recreation Advisory Board (PRAB) and staff have been working on events for the 50th anniversary, which is February 14th. The PRAB wanted to look at a proclamation to commemorate the upcoming activities. She reviewed the proclamation.

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

DISCUSSION AND POSSIBLE ACTION TO ACCEPT BUDGET SCHEDULE

Commissioner Freer said he is introducing a budget schedule for the 2019/2020 budget. He reviewed it with Town Manager Hewett already. The calendars are not specific. It is more of a timeframe of the items they would like to see happen. He would like to ask that Town Manager Hewett work with Town Clerk Finnell to schedule the Board accordingly. Town Manager Hewett said it is his understanding that this is a spitball attempt. They would need to get the Board’s calendars to lay against the items and see how the items can be worked into the availability. Commissioner Kwiatkowski stated she thinks shooting for the beginning of April for a draft budget message might be a little early. She suggested that the middle of April may be a little better and then everything will push back a little bit. Commissioner Freer agreed and said he is trying to avoid a rush at the end. Town Manager Hewett said he thinks there is a misconception that the budget message is what gets adopted. The message is really a draft ordinance. He said let’s just do the budget message and recognize that it is just a draft proposed ordinance and then the Board goes to work on it. Commissioner Freer said the Board wants to have some input on the message. He said the Board can do revenues and expenses separate but then they need to be put them together, however it is more efficient. Town Manager Hewett stated at the revenue workshop where the Board was discussing ways to come up with new revenues somehow it sidetracked to doing something akin for expenses. He said he should have spoken up at the workshop. He has been talking to Mayor Pro Tem Fletcher on expenses and sending files back and forth, but it dawned on him that is in the manager’s wheelhouse as far as expenses and making projections in terms of capital. He would suggest to the Board to bring that back into center. If there is a desire of the Board to do a three year projection, let’s do it as part of the normal budget process. Commissioner Kwiatkowski and Freer said they are okay with that.

FOLLOW-UP AND REVIEW OF POYNER SPRUILL FINAL CONTRACT/AGREEMENT

Commissioner Butler explained he wanted everyone to have the revisions in front of them. He added the Board had discussion on the retainer fee and it is the $6,975 monthly retainer.
REVIEW OF THE FINAL ENGINEERING REPORT TO BE SUBMITTED TO FEMA PERTAINING TO HURRICANE FLORENCE STORM DAMAGES TOTALING $7.7 MILLION

Commissioner Butler stated this is the ATM engineering report on Holden Beach Hurricane Florence coastal damage assessment. He said this is great stuff and encouraged everyone to go through the document. It mentions the losses and damages. It provides a number of key facts that outlines our losses from Hurricane Florence. He asked Town Manager Hewett to review the highlights of the report. Town Manager Hewett said on an annual basis we do 53 transects that are about 1,000 feet long that allows us to monitor where our sand comes and goes on an annual basis. When we have a storm event we go out there as soon as practical and replicate the surveys to see the before and after conditions. That allows us to calculate the losses for storm events. Since we have an engineered beach according to FEMA, with a design template and nourishment program we qualify for reimbursements. This report quantifies the losses due to Hurricane Florence. Once the report is reviewed by FEMA there will be a project worksheet done on it and hopefully an approved project will come back our way to be determined by the Board on how we want to proceed with making fixes to the beach.

Commissioner Freer inquired if this is only addressing central reach since that is our engineered beach. Town Manager Hewett responded that the actual report goes from inlet to inlet. The central reach is teased out of that and is the portion that would qualify as the engineered beach for FEMA reimbursements. Commissioner Butler said what he looks for in the future is trying to divide the island. He would like to show the east end, central reach and the west end of the island. He will recommend the Town have a simplistic view of pre-storm and post-storm. He encourages the Town to do that.

DISCUSSION AND POSSIBLE ACTION TO BEGIN A PROCESS FOR REMOVAL OF EXISTING WASTE BIN CORRALS THAT WERE BUILT FORWARD OF HOUSES

Commissioner Kwiatkowski stated as everyone knows the Town will be instituting a rollback process in the season. The waste bin corrals were built with the idea that people would leave their bins there and Waste Industries would pick them up, dump them and put them back. Waste Industries doesn’t do that anymore so the corrals don’t serve a purpose. The ordinance now says the waste bins need to be under or alongside a house so corrals won’t be used in the future if they have been built forward of the house. She would like the Town to communicate encouraging owners to take the opportunity to remove the corrals so there is no confusion about where trash cans should be. When rollback starts it will be back to the house. She is concerned if we leave corrals out at rental properties, renters may decide that is where trash cans go and that will be a violation of the ordinance. There are a couple that have been built in the right-of-way and she would like to encourage those people to remove them more quickly. Commissioner Kwiatkowski said instead of trying to have a program regarding coral removal she would like the Town to communicate encouraging people to take the opportunity this spring to remove their corrals. She would like to see where we can get by encouraging people rather than mandating it. Mayor Pro Tem Fletcher said one of the things he became aware of this morning is that if you require bins to be against the house there are a number of cases of red ants that go into the house from there. A doctor told him this morning about a number of cases that kids have died. A two star general told him he had a grandson that woke up screaming. His bed was full of red ants. If a homeowner wants to build near the house instead of up against or under the house he doesn’t think the Town can mandate that. Commissioner Freer said he thinks that is what Commissioner Kwiatkowski is saying, it’s not mandatory. Commissioner Kwiatkowski
explained the new ordinance is to try to get the cans back to the house line as much as possible. That is what rollback will be. Commissioner Freer said he is fine with encouraging people. Mayor Pro Tem Fletcher agreed. Commissioner Kwiatkowski said if the Board finds a lot of corals by the road, the Board can explore steps to get them to take them down. Town Manager Hewett said it sounds like the Board is looking for a public service announcement or social media statement that would communicate or suggest that. Commissioner Kwiatkowski volunteered to write a draft. Commissioner Butler thinks the Board should also have an opportunity to look at it. Commissioner Kwiatkowski said it wouldn’t go out until mid-March, but if he wants to review it, it can be brought to the February meeting.

**DISCUSSION AND POSSIBLE ACTION ON DEFINING THE WASTE ORDINANCE ENFORCEMENT POLICY**

Commissioner Kwiatkowski proposed that two commissioners work with staff that Town Manager Hewett designates to work on enforcement so they can try to put together what they think is an appropriate education and enforcement policy to bring to the next meeting. She is happy to be one of the commissioners. Mayor Pro Tem Fletcher said he would be happy to work on it. Town Manager Hewett doesn’t have a problem with staff interfacing with commissioners for a work session. He is of the opinion it will cost something. When it gets to that point he would like to be involved as the budget officer. It will be Planning Director Evans and Zoning Official Wooten and we will need police officer prospective. Mayor Pro Tem Fletcher and Commissioner Kwiatkowski will pass their availability to Town Clerk Finnell.

Commissioner Butler said he is still concerned about the 80 plus that are part-time residents. The Board continues to receive emails and the HBPOA has received communications as well. He said it is easy for the Town to say the owners will contract directly with a provider. He said the Town needs to identify a process that will help these homeowners with rollout support and a process that will enable them to comply without the potential of being put in a position of receiving civil fines. He said until the Board can resolve the issue and identify a process for these homeowners he is recommending we delay the penalty enforcement date of May 1st. Mayor Pro Tem Fletcher said he has had more calls on this issue than any other issue during the three years he has been a commissioner. It is a major change. He stated we have some great owners, but they are all over the world. He would be very supportive if the Board doesn’t issue any penalties for the first year the program is run. Commissioner Sullivan asked Commissioner Butler about the requirements in Winding River. Commissioner Butler explained that everyone signs covenants when they buy their property. He explained the covenants and the process. Commissioner Sullivan asked why the Board wouldn’t expect other people to adhere to rules if it is okay to fine people in Winding River and they have to live by rules. Commissioner Butler said they sign an agreement when they buy their property. Commissioner Sullivan agreed, but said that doesn’t change the difficulty of adhering to the policy. Mayor Pro Tem Fletcher said when they buy the house they know the rules. We have some people that have fifty years here and this is a new rule. Commissioner Kwiatkowski suggested having the meeting to talk about enforcement and then see if something should be done to delay in February. Commissioner Freer said he put the next agenda item on the agenda because he sees it that the Board addressed half of the problem. He thinks the Board needs to address rollout sooner rather than later. He would like to address that to solve the entire issue. He supports waiting until both options are available before implementing the fines. Mayor Pro Tem Fletcher said he also sees this as a single package. If the package is finished then the Board can be more solid on deciding where to go.

Commissioner Kwiatkowski said the Board can close out item 19 agreeing that she and Mayor Pro Tem Fletcher will work with the staff to try to come up with something for a possible education and
enforcement program. She suggested tabling any other discussion on changing the date of enforcement until February. Commissioner Butler said he is okay with waiting. He just wants the Board to remember the silent voices of people who don’t have the ability to be here. It is a large percentage of homeowners.

DISCUSSION AND POSSIBLE ACTION TOINCLUDE FEE BASED ROLLOUT OF WASTE AND RECYCLE CONTAINERS IN ORDINANCE 18-16, CHAPTER 50: SOLID WASTE

Commissioner Freer stated he thinks the Board should wait for the penalties until we have an opportunity to offer the service. It can be fee based so you don’t have to accept the service if you don’t need it. He said the Board can work on the details of that. Commissioner Kwiatkowski said there are additional complications, but the Board needs to understand what percentage of property owners would want rollout. Without a scope of properties she does not know how they would find providers because they would need to know the level of work. She asked if the HBPOA could help with a quick mail out. Town Manager Hewett would question having a third party provide a Town function. Commissioner Kwiatkowski said the Town could send it out with the water bill. She said we need to get a decent estimate. Town Manager Hewett said he believes rollback is fairly defined as to what that is. He is not convinced that rollout has much definition to it. There is a general feel for it, but there is a level of detail that is missing in that. Commissioners Butler and Freer agree. Commissioner Freer said the Board needs to discuss those details. Commissioner Kwiatkowski said someone needs to take the lead and push this. Commissioner Freer volunteered to take the lead on this and will arrange a special meeting. Town Manager Hewett said per the Board’s direction the advertisement for rollback is out. Staff intends to bring that to the Board for discussion at the February meeting.

DISCUSSION AND POSSIBLE MONITORING OF PETS DURING OFFSEASON/ HOLIDAYS OR OTHER ACTIONS THAT MAY REDUCE ORDINANCE VIOLATIONS

Commissioner Kwiatkowski stated she had a number of people talk to her about the number of free ranging dogs on the beach and the amount of dog waste people left on the beach. A lot of it has to do with the offseason. Holiday weekends exasperated the situation. She asked what the Town can try to do in the offseason because it is a more noticeable issue in the offseason. Commissioner Kwiatkowski looked at Brunswick Islands’ website to try and get ideas of what other beaches are doing. A number of other beaches do allow dogs to be off the leash. She would like public input on this. She inquired if there is a possibility of giving dog lovers a limited number of hours of a day in the offseason where they can have pets off the leash, but under control and have certain hours that pets aren’t allowed. She added or should the Town just leave it as it is, even though we know we have a significant percentage of people not following the ordinance. Mayor Pro Tem Fletcher stated he goes on the beach every day with two dogs and sees an awful lot of people that enjoy the beach with their dogs off of the leash. They put the dogs on a leash when people get close. He said a lot of people get enjoyment from that and if we told people they couldn’t go on the beach it would damage the marketability for the Town.

Commissioner Freer said he doesn’t have a dog and he knows lots of people aren’t dog people. He said we have the rangers and need to manage that a little better rather than changing the ordinance to accommodate people who don’t adhere to it. He said the reason we have the rangers is to supplement the Police Department. He would ask the Police Department to patrol the beach more in the offseason. Detective Dixon explained they do not spend a lot of time on the beach this time of the year. He suggested if people see something they should call. Commissioner Freer encouraged them to patrol. He is not in
favor of relaxing the ordinance. He is in favor of getting the message out to follow the rules because he thinks it is an infringement on a lot of people's freedom on the beach that do not want to encounter a dog. Commissioner Kwiatkowski asked if there could be some additional patrolling of the beach on holiday weekends. Detective Dixon understands and wants to try to accommodate that, but asked that the Board remember the Police Department only has one officer scheduled at a time. They can make passes, but the more time they spend on the beach it is less time for the side with the houses.

Commissioner Kwiatkowski asked if there are other alternatives. Town Manager Hewett replied none that are free. He said even though we had a dog park, it has not alleviated this issue. To what degree it mediated it he doesn't know, but it does give the ranger a credible alternative when someone is on the beach with their dog. The dog park is out of commission. It may be for longer than Memorial Day depending how long it takes until the material dries out. Commissioner Freer said he thinks they just got a commitment that the Police Department will try to patrol offseason on the beach. Detective Dixon said they will definitely try to step up their efforts, but they won’t be able to be out there all of the time. Commissioner Kwiatkowski said that random is better. Commissioner Butler suggested stopping at beach access points and maybe it will send a message. Commissioner Kwiatkowski said there will be no change to the ordinance and we will try to have random enforcement that will encourage following the ordinance.

DISCUSSION AND POSSIBLE AGREEMENT ON METHODOLOGY TO BE USED FOR BOC OBJECTIVES SETTING MEETING

Commissioner Kwiatkowski said the objectives setting meeting is set for tomorrow. She suggested that everyone comes with their list of objectives tomorrow and everyone could agree on the categories at this meeting. Then you put the objectives on sticky notes, put them in a category, group the sticky notes and put the list together. You would then give them point rankings.

Commissioner Kwiatkowski suggested four categories (Policies/Procedures/Resolutions, Ordinance Related, Financial/Budget, Long-term Plans) and suggested a fifth one could be Advocacy. She agreed to lead the meeting and do the tallying.

DISCUSSION AND POSSIBLE SCHEDULING OF DATE FOR INTERVIEWS FOR VACANCY ON THE PARKS & RECREATION ADVISORY BOARD

Town Clerk Finnell said a Parks & Recreation Advisory Board member resigned so the Board will need to interview to fill the vacancy. The Board agreed to hold the interviews at 6:45 p.m. on the day of the next Board meeting.

TOWN MANAGER'S REPORT

- Internal Control Review – the program manager has communicated they are about ready to issue the final. They are shooting for the 15th. Today is the 15th and he hasn’t seen it.
- Annual Audit – as of last week they were wrapping up the audit files and starting the financial report process. Indication is they should finish the audit in a couple of weeks. They will be in touch to review the draft. The hurricanes have knocked everybody out of whack and the Local Government Commission recognizes that everyone is out of sync.
• Still working three hurricanes in different phases. Crime Control and Public Safety finalized the report to FEMA, about $335,000 for Matthew. For Florence we have completed the additional surveys FEMA required. The engineering report is not finalized yet. There is no federal declaration for Michael yet. The governor has requested it, but we are into the federal government shutdown. Is not sure how that will impact any of the FEMA items.

• Rollback statement of work was advertised last week. January 31st is a mandatory pre-bid conference, with bids due on February 12th. Intends to bring the decision package for the Board’s consideration at the regular February meeting.

• There are new proposed rules for inlet hazard areas. This was briefed at the Coastal Resources Meeting in December. In looking at the material, the potential for impact for Holden Beach triples the acreage included in the inlet hazard areas, both ends cumulatively. It quintuples the number of parcels affected. On the west end it extends the inlet hazard area 1.7 miles to the east and on the east end it comes back westward four tenths of a mile. The potential for impacts is there. That proposal is a function of the Coastal Resources Commission Science Panel report that will be finalized and presented to the Coastal Resources Commission in February. If you have a real estate interest you need to get your ears up for what may be coming. Six of the 13 members of the Coastal Resources Commission terms expire June 30th, including two of our local reps. Commissioner Freer asked where you can look up the current impact of being in an inlet hazard area. Town Manager Hewett said it is an overlay of regulations. He would defer to Planning Director Evans to answer that. Commissioner Freer said at this time it is a third of the size. It would be nice to know what is being expanded. Town Manager Hewett replied that staff intends to be present at the February meeting. Commissioner Freer asked if there is a link to an overview. Town Manager Hewett said it is on the Coastal Resources Commission’s website, under Minutes and Agenda for the December meeting.

• Canal dredging is moving right along. Proceeding with no significant issues. There are some minor issues, but no mechanical breakdowns and the levy is holding up fine.

• Upcoming Events – Run HB is this Saturday. Look for traffic issues. There will be 1,750 registered runners. Expect traffic and bridge issues. The 50th anniversary is coming up. There will be a cake and ice cream social to initiate the creation of the time capsule on February 14th. On February 16th there is a dinner social with a presentation on Town history. Weather permitting there will be a bonfire. Clerks’ Academy will be held here for the second time in three years on the 5th of April. We are acting as the host site for the North Carolina Municipal Clerks Association. We will be hosting the Battle at the Beach Pickleball Tournament May 3rd – 5th.

MAYOR’S COMMENTS

• Scares him when we talk about changing inlet hazard areas. It impacts insurance, setbacks, right to build as people in the audience were mentioning. If some of the houses that are in place today were to get burned or washed away, if they pass the changes the way they have in recent years, those homes may possibly not be able to be put back. Depends on what they pass. Not knowing what they are going to pass, he is scared to death. With a stroke of a pen they can make your lot worth nothing. Encouraged everyone to talk to their friends that own property and stay on top of this. If you would like to protect your property, pay attention, be involved and let your voices be heard. There are organized groups that are pushing to let nature take its course on the island. If you would like to protect your property and be involved, pay attention. Doesn’t want to come down on one side or the
other. If you have an interest in beach property pay attention. If you are a diehard environmentalist you should pay attention too because it will come to a battle.

- Agrees with Mayor Pro Tem Fletcher, received lots of emails and phone calls the last 45 days. Provided examples. The list goes on and on. It’s a no win situation, never will get everyone happy. Trying to remember how many times we have been through this, how many times we have plowed this field. We are going to wear the dirt out. It’s the same arguments, just different people and different times. Sure the Board will work hard on it.
- Had more complaints about dogs running on the beach.

BOARD OF COMMISSIONERS’ COMMENTS

Mayor Pro Tem Fletcher
- Thanked everyone for coming tonight. Hopes people appreciate the challenges the Board faces. They are not all simple. In no way can the Board do things that will please everybody. We have permanent residents, people who rent their houses out, people who come here on vacation. We have a lot of people to please. A lot of them are not here to represent themselves. Finding people to work on your houses when you are here is difficult, if you are away it is really difficult. Knows the Board will do the best they can and work hard at it. Hopes they please a lot of people and hopes they make the best decisions.

Commissioner Sullivan
- Glad to see a number of people show up tonight. Should get more people to come so they can get involved and give the Board their input so they can make smarter and wiser decisions that will benefit the most people.

Commissioner Kwiatkowski
- Glad everyone came.
- Thinks the one thing we all agree on is we don’t want to see more and more trash at the end of road, sitting for days. Trying to do the best the Board can to find the solution for the most people possible. It is impossible to get 100%, but hopefully we can get 90%. Won’t do anything that will unfairly burden anyone if they can help it.

Commissioner Butler
- Happy New Year to you and your families. Thanks for coming out. Looks forward to future meetings.

Commissioner Freer
- Thanks to everybody for coming. Looks forward to working with everyone to come to a positive resolution on the trash and the dogs.

PUBLIC COMMENTS ON GENERAL ITEMS

Mel Amos stated her garbage can coral has been in the same position for 60 years. It is a burden to even think about having to hire someone to remove these. She thinks the ones that are there should be grandfathered in. She thinks it is harder to take the cans all the way back to the house instead of to the coral.
Lewis Mitchell stated he knows we have been talking about dogs and trash for 40 years. They go on the beach three or four times a week. He does frequently sees people with dogs off of a leash. He has never had a problem with it. He said that this time of the year he doesn’t think dogs off of the leash are a problem.

Betty Dewees said she understands why you want trash cans pulled back and you don’t want people to see trash. She asked why it is a big deal on the side streets. She has neighbors who leave theirs out. She said if it isn’t broke, don’t fix it. Ms. Dewees said the Town has talked about trash every which way. Commissioner Kwiatkowski said it not just the aesthetics and hygiene along Ocean Boulevard, we have visitors that are on any street. If there are cans and there is a storm they are just as likely to get blown over if you are on a side street as if you are on Ocean Boulevard. She said bicyclists go everywhere. She walks and bikes and they have lots of visitors. Renters were commenting saying this isn’t nice, it smells. Commissioner Kwiatkowski said it makes sense to do it everywhere. That is one of the reasons for island wide rollback. She said the Board will try their best to find a solution for rollout. Mrs. Dewees said it is not just the permanent residents with their dogs, it is people from all over the place and they won’t get Town notices. She said the Board won’t win with this trash thing.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(6) TO CONSIDER THE PERFORMANCE OF AN EMPLOYEE AND NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(3) TO CONSULT WITH TOWN ATTORNEY

Town Clerk Finnell read the reasons for Executive Session.

Motion by Commissioner Kwiatkowski to go into Executive Session at 8:35 p.m.; second by Commissioner Freer; approved by unanimous vote.

OPEN SESSION

Motion by Mayor Pro Tem Fletcher to go back into Open Session at 9:48 p.m.; second by Commissioner Freer; approved by unanimous vote.

Motion by Commissioner Freer to accept Resolution 19-01, Resolution of the Town of Holden Beach Authorizing Filing of Condemnation Actions to Acquire Perpetual Easements for the Town’s Eastern Reach Shore Protection Project; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 9:49 p.m.; second by Commissioner Butler; approved by unanimous vote.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
WEDNESDAY, JANUARY 16, 2019 – 4:00 P.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Wednesday, January 16, 2019 at 4:00 p.m. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners Mike Sullivan, Pat Kwiatkowski, Joe Butler and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Planning Director Tim Evans; Public Works Director Chris Clemmons; and Detective Jeremy Dixon.

Mayor Holden called the meeting to order.

DISCUSSION AND POSSIBLE ACTION ON SETTING OF 2019 BOARD OF COMMISSIONERS' OBJECTIVES WITH TOWN MANAGEMENT

Commissioner Kwiatkowski explained the process for the meeting. She also mentioned that Waste Industries is changing the trash pickup day so the Board will need to revisit the newly revised ordinance.

The Board posted their ideas to each of the five categories (Policies/Procedures/Resolutions, Ordinance Related, Financial/Budget, Long-term Plans and Advocacy). The Board members made lists for each based on everyone’s input. Commissioner Kwiatkowski explained that the scoring system is 3 points for must have, 2 points for should have, 1 point for nice to have and 0 points for not important.

The Board reviewed the suggestions (hereby incorporated into the minutes) and clarified any questions on the topics. The items clarified were as followed.

Policies/Procedure/Resolutions

- Cross train finance staff: Mayor Pro Tem Fletcher said the topic is meant to cross train the staff within the three functions. If one is sick, the other can fill in. He said it would be so they know each other’s’ jobs.
- Better communication among elected officials: Mayor Holden said he isn’t contacted by some of the Board and he isn’t made aware of what is going on. He said a lot of times he comes to meetings where most of the decisions are made before the Board gets there and a lot of the times he doesn’t have a clue. He used trash as an example. He feels like he is a whipping post. Mayor Holden stated it is frustrating for him because in his 20 years as an elected official, he
has never been left out like he is now. He said he doesn’t get any input, just the votes. He said it would be nice to have some communication or warning on some of the stuff coming. Commissioner Butler asked if he has any ideas or suggestions. He always had a management team and has been able to communicate with the team, but in a public environment you can’t do that. Mayor Holden asked to be included in what is going on.

- Use pre & post beach sand data (east, central reach, west sections) to include a crisis point: Commissioner Butler said it’s kind of like throwing up a red flag as mentioned in a previous meeting.
- Improve community rating system score: Commissioner Sullivan clarified that he is talking about the flood score.
- Update communication plan and website: Commissioner Freer explained he is referring to a general communication plan. He said for emergencies we do a good job. Town Manager Hewett explained we don’t have a formal communication plan. He said we communicate in a lot of different ways and inconsistently. Commissioner Kwiatkowski said the item could be establish a general communication plan. She asked if he means a website update. Commissioner Freer replied yes. Commissioner Kwiatkowski said she believes that was going to be looked at this year.

Long Range Planning

- Organizational analysis: Commissioner Kwiatkowski said the Board received copies of that last year. Mayor Pro Tem Fletcher questioned if they were updated. He said as technology changes, jobs change.
- Stage II Sewer Pump Station upgrade is also in Policies and Procedures. Commissioner Kwiatkowski inquired where the Board would like to put the item. The Board will take out this item (#4) in Policies/ Procedures/ Resolutions.

Ordinances

- Update ordinances – Commissioner Freer said there are ordinances that are old and outdated, that are wrong or conflict with others. Mayor Pro Tem Fletcher asked if the Planning & Zoning Board was going to look at that. Planning Director Evans said the Planning & Zoning Board wanted him to pass along that one of their top priorities would be to update the commercial zoning ordinance. Town Manager Hewett stated that is a good example of a specific item, but he would shy away from a whole review of the ordinances. He suggested if there were specific items they could be looked at. Commissioner Freer said he could ask why the whole thing hasn’t been updated.
- Enforcement of ordinances – Commissioner Freer stated in general our ordinances aren’t enforced uniformly. Commissioner Kwiatkowski said we just had a discussion on the dog ordinance. It was clear that nobody wanted to change it and that we would never have regular enforcement of that ordinance. Commissioner Freer said he thinks he talked to the Police Department on that. Commissioner Kwiatkowski said the Board did agree on some things, but asked what ordinances in particular he would like to focus on to develop something that is robust and will get meaningful results. She said this is broad. Commissioner Sullivan agreed that
the ordinances are not enforced uniformly. He said there is a reason for that, there are season and manpower issues. He suggested the Town could prioritize. He used parking as an example. He explained he spoke to Attorney Fox to find out if the Police Department can enforce the trash ordinances. She is going to look into it. He said the Board can discuss what they specifically hope the Police Department could help out with. Commissioner Butler added it would be like the suggestion from last night. He said visibility will hopefully help resolve issues. Commissioner Kwiatkowski asked if it should be enforcement of ordinances, prioritization and actions to develop enforcement policy as needed. Commissioner Freer agreed that is okay. Town Manager Hewett said he doesn’t think it is the Board’s role to get into how things are done. It is the Board’s role to talk about what they would like to see and it is the executive staff that is responsible for responding to the desires of the Board. Commissioner Kwiatkowski responded that the Board would be giving their inputs so staff knows what the Board is thinking when staff does their final program. Town Manager Hewett said he hears what the Board is saying, but he doesn’t think it is okay for the Board to develop specific actions. It is staff’s responsibility to determine the tactics and techniques to be employed to affect the desired outcome. Commissioner Butler explained that what he said last night was a suggestion.

- Trash related: Commissioner Kwiatkowski said she thinks we need to back up and figure out where we are going now.
- Organization analysis: Commissioner Kwiatkowski questioned the category this item is in. Town Manager Hewett stated on the Finance and Budget page there are some personnel issues that should probably all be grouped together. He said that should probably be moved, along with the next item, employee training and advancement. Those sections should be combined under personnel.
- Committee and volunteer recognition event: Assistant Town Manager Ferguson explained the Town has a luncheon once a year to do that. The Board will cross that item out.

Finance/ Budget

Commissioner Sullivan asked if the Board was going to take this home and categorize it. Commissioner Kwiatkowski said it will be scored, tallied up and a list will be prepared by total. It would still be open to discussion.

Commissioner Sullivan inquired where the number came from under the item that reads $10 million dedicated sand fund over 10 years. He wants to know if that is feasible. Commissioner Kwiatkowski said she is the one that put revisit and update General Fund Policy/ overall financial policy. At one of the meetings when the Board had to say it was okay to put money into the sand reserve fund even though the General Fund has not hit the target it was mentioned that the Board may need to revisit how they wrote things so it is not the case of having to vote to not follow policy if the Board wants to put money into the reserve fund. She thinks it has a lot has to do with discussing how these numbers came up and if they are the right numbers. Mayor Pro Tem Fletcher said the $10 million is not a calculated number. It is a goal to shoot for and get as close as you can to it.

Commissioner Kwiatkowski stated it is 5:15 p.m. The Board hasn’t gone through discussion on the whole list. She suggested another workshop to finish this up. She said the Board should agree on
their top choices and divvy them up to see who will be the point person on each topic. She asked the Board to provide their availability to Town Clerk Finnell.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 5:16 p.m.; second by Commissioner Kwiatkowski; approved by unanimous vote.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk
Date: January 24, 2019

To: Holden Beach Board of Commissioners

From: Vicki Y. Myers, Inlet and Beach Protection Board Chair

Re: January Meeting Update

The Inlet and Beach Protection Board (IBPB) met January 24 and the following issues and topics were addressed:

**Status of the Beach and Inlets:** Staff provided an overview of conditions and issues relative to the beach strand and inlets. The Board was updated on the new Proposed Inlet Hazard Area modifications and will monitor the situation. Fran Way of ATM gave a status update on the storm damage and the modeling work on the Lockwood Folly Inlet. A letter was sent to the County expressing our interest in the Wider and Deeper project. It was noted that the project was not on the County Commissioners’ January agenda.

**Comprehensive Long-Term Plan:** A working framework for the long-term plan was discussed and details were added to last month’s outline. The plan will address each unique section of the beach:
- Lockwood Folly Inlet
- Eastern Reach
- Central Reach
- Western Reach
- Shallotte Inlet

ATM will be working with us to help facilitate the report. We plan to complete the deliverable within six months.

**Budget Items for FY 19-20:** Board Members discussed projects and items they would like to see included in the upcoming budget. Plantings and Fertilization options were discussed. Mats will be covered next month. Replacement of signs, collaboration with UNCW and other items are still under discussion as recommendations.

**Meetings:** Members of the Board plan to attend the Brunswick County Shoreline Protection meeting January 30.
Date: January 16, 2019

To: Holden Beach Board of Commissioners

From: Vicki Y. Myers, Planning and Zoning Board Chairman

Re: Second Water Tower Analysis

At the October 23, 2018 BOC meeting the Planning and Zoning Board was asked to further analyze the potential need for a second water tower.

The preliminary report prepared by Right Angle Engineering was reviewed and further research was done with input from staff, Tri-Beach Fire Department Chief and Right Angle Engineering.

The Planning and Zoning Board voted to recommend a phased approach to the issue. The first phase would consist of a study to be done by an engineering firm which specializes in water systems and has experience performing water supply studies to determine at what point a second water tower may be needed.

We also recommend that if it is determined that a second tower is needed in the near future that the County be contacted about potential cost sharing.
Date: February 12, 2019

To: Mayor Holden and Board of Commissioners
   Town Manager-IN TURN

From: Christy Ferguson, Assistant Town Manager

Re: Lockwood Folly Inlet Navigation Project Updates

As discussed in previous meetings of both the Inlet and Beach Protection Board and the Board of Commissioners, Brunswick County received a grant from NCDEQ/DWR for a Lockwood Folly Navigation Project that would involve dredging the inlet deeper and wider. The Town of Holden Beach provided feedback as well as concerns in a letter to the County dated January 4, 2019. The letter addressed possible accelerated erosion, feasibility and cost of the project, permitting and long-term maintenance concerns, how the project will be evaluated for effectiveness, and cost sharing of the project. At the county’s request Town staff attended a meeting on January 30th at the Brunswick County Complex where Deputy County Manager Steve Stone and the county’s engineer Ken Wilson addressed some of the Town’s comments. The county agreed to draft an interlocal agreement for the Town to consider and that could potentially be reviewed at the March County Commissioners Meeting. The following information was supplied to the Town:

- Modeling will likely not be provided. The county views this pilot project as a test and source of data for later large-scale projects that may be proposed for permitting.

- The project will require a major modification to the Town’s SDI-5 permit.

- The county views this as a one-time test and is not looking into the future at this time in regard to alternating between communities. A major objective is to see if the number of required dredging cycles is reduced by the effort.

- While the county wants to implement/achieve a fiscal policy regarding projects at a 75/25 split, they are open to having the BOC make a separate request to the county for partial financial reimbursement toward the project at an undetermined amount.

- The project as proposed in the county’s grant application will depend on dredge plant availability.

- The Town made a request, if the project is voted to move forward, that the county engineer and the Town’s engineer work together to create a design template that could potentially qualify the Town for FEMA funds in the future as an engineered beach.
Staff is of the opinion, based on existing knowledge, that Oak Island is not interested in being the recipient of the sand for this cycle of the project.

According to an email from Deputy County Manager Steve Stone, this project is projected to cost a total of $4,132,000 with $2,754,650 being supplied through State funding and $1,377,350 being supplied locally ($344,338 Brunswick County/ $1,033,013 Town).

The Town made several attempts to find out the feasibility of piggybacking on the LWF Inlet Crossing Project for the bend widener sand. On February 6, 2019 the Town received a call from Brennan Dooley with the Corps to say that the Corps does not have the ability to modify their authorization for this project and any additional work to place sand from the bend widener would require the Town to contract independently with Southwind. The following is the information we have regarding that project:

- Survey information shows approximately 200,000 cy (with the north widener) of material available in the widener.
- The Town’s SDI-5 permit would have to be used and it is a one-time permit, complicating having a permit available for use with deeper-wider.
- The contractor confirmed to our engineer that based on environmental windows, he would be completing the bend widener in April or possibly May and would require a separate mobilization/demobilization.
- The timeframe of April or May would require the Town to seek a permit modification because of environmental windows.
- Town staff assumes the Town would seek grant funding through the state and the process is a minimum of a five week review process in a best case scenario per conversation with the state.
- The Town Attorney would need to certify that easements would be in place to proceed with contract documents.
- Oak Island is interested in the bend widener but permitting may be an issue.

Total cost for the project is estimated at $3,840,000. The project would provide approximately 200,000 cy of material (with north widener) this year for placement on the east end but would require mobilization and demobilization, as well as, cubic yardage price to fall to the Town unless the project meets grant eligibility and receives funding. In that scenario, the cost would be approximately $2,560,000 state and $1,280,000 local. Timing is an issue.

The Merritt is currently here through February 25, 2019 doing a test run after the recent repair. Unless staff receives a different directive from the Board of Commissioners, we will pursue working with the county to draft the interlocal agreement for the deeper/wider project.
Town of Holden Beach

Internal Control Report to the
Board of Commissioners

January 15, 2019
January 15, 2019

The Board of Commissioners
Town of Holden Beach

We are pleased to present this report related to our internal control review of the Town of Holden Beach (the Town). This report summarizes certain matters identified during our review and recommencements of control and process implementations to further strengthen the Town’s control environment.

We look forward to meeting with the Board of Commissioners to report on the results of the internal control review and will be pleased to answer any questions you may have.

This report is intended solely for the information and use of the Board of Commissioners, audit committee and management. It is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the opportunity to be of service to the Town of Holden Beach.

RSM US LLP
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EXECUTIVE SUMMARY

We were engaged to assist the Town in developing an internal control risk matrix over its main transaction cycles. In developing a risk matrix for the Town, we considered internal controls relevant to the Town's preparation and fair presentation of the financial statements in order to design assurance procedures that are appropriate in the circumstances. Our risk assessment procedures were designed to evaluate the effectiveness of the controls that are in place and to evaluate potential gaps in internal control that could lead to fraud or error in the below noted transaction cycles. Gaining an understanding of the internal controls assisted us in identifying types of potential deficiencies in internal control and factors that affect the risks of material misstatement as assessed by your external auditors. We also drew on this understanding to provide feedback in internal control risk matrix about opportunities you may have to strengthen controls or streamline processes.

Our objectives were to review the follow transaction cycles:

- Financial Reporting
- Accounts Payable
- Fixed Assets
- Payroll
- Accounts Receivable/Revenue
- Debt

We approached the engagement with procedures that include:

- Inquiries of appropriate entity personnel regarding the design and/or application of a relevant internal control policy or procedure, including the classes of transactions to which the policy or procedure applies, how it is applied and by whom, and the disposition of exceptions detected by the policy or procedure.
- Inspection of documents and/or reports evidencing the design and/or application of the relevant policy or procedure by entity personnel, noting how the policy or procedure is applied and by whom, the classes of transactions to which it applies, and the disposition of exceptions detected by the policy or procedure.
- Observation by the performance of the relevant policy or procedure by entity personnel, noting how the policy or procedure is applied and by whom, the classes of transactions to which it applies, and the disposition of exceptions detected by the policy or procedure.
Financial Reporting

The financial reporting process is an essential process within any government unit and is important in order to stay in compliance with pre-established accounting standards. We noted through our procedures that the Town's external auditor writes the annual Comprehensive Annual Financial Report (CAFR), which is in accordance with current standards, however the Government Auditing Standards (Yellowbook), issued by the Comptroller General of the United States, is leaning towards abolishing this practice as it implies independence issues. This will require government units to write their CAFR or outsource the project. The Town currently relies heavily on the external auditor related to the financial statements and should begin setting up processes and procedures to accumulate a set of basic financial statements, footnotes, and required supplementary information for future periods.

Accounts Payable

The process of vendor approval and subsequent payment for services to approved vendors has inherent risks for any operation as cash is heavily involved. The Town has detectable controls over the cash disbursement process, which include dual signature on all checks, preapproved purchase order stamps, and review of the Schedule of Expenditures, Encumbrances and Appropriations at the appropriate level. Vendor set up is limited to appropriate personnel however the overall process can be informal as an email or verbal approval is current practice.

Fixed Assets

Fixed assets, which include property, equipment, and infrastructure assets, are reported in the government-wide and proprietary fund financial statements, typically arising from large purchases, and remain on the books for a period greater than one year. Capital purchase discussions come by way of the Board, management, and the department heads and are usually due to the need to replace a current fully depreciated asset. Once purchased, the process and corresponding internal controls follow the normal accounts payable cycle to ensure proper payment. Finance personnel track assets on an asset manager spreadsheet used to document in-service date, estimated useful life and net book value. The Town currently capitalizes assets using management discretion however, a formal written policy binding asset purchases over a certain threshold would help to reduce the risk of incorrect capital asset reporting.

Payroll

The payment of wages and benefits to personnel has inherent risks associated with overpayment of wages or payment to ghost employees. The Town’s controls over payroll include department-head approved timesheets, comparison of the number of timesheets to payroll reports, and analysis of payroll expenditures to budget variance reports. While the payroll cycle has built in controls, one person within the finance office conducts the overall payroll processing with review of the expenditures conducted after the process is complete. Changes to an employee’s rate of pay is to be approved by the Town Manager and included as part of the individual’s human resource file, however, the payroll software allows for a change to an employee’s rate of pay without a secondary review or signoff.
Accounts Receivable / Revenue

Revenue and accounts receivable for the Town are primarily tax revenues and water and sewer utility payments. Controls over the processing of cash payments in place at the Town to mitigate the risk of material misstatement whether due from error or fraud. A number of finance personnel are included in the billing and collections process, which includes a daily review of the payments received, matching of reconciliation to posted payments within the accounting software, and overall review of the Budget to Actual schedule. Actual cash on hand at the Town’s finance office is limited to a de minimis amount, reviewed and counted by two to three individuals and taken to the bank on a daily basis.

Debt

The long-term debt process coincides largely with the budget and capital asset cycles. During the annual Budget Development Process, an assessment of general needs of the town is discussed in order to ascertain debt service needs or options. Resolutions passed by the Board of Commissions provide authorization for finance staff to issue debt or purchase assets through financing options. All debt service schedules are published online under the Finance Department page of the Town Hall website. Debt service payments are paid in accordance with the cash disbursement cycle previously noted.
1. Finance Officer

While the Town is not required by standards to have a separate Town Manager and Finance Officer, based on our internal control review, we believe it prudent and we recommend you separate the two roles. Separating the two responsibilities would allow the Town Manager to devote the entire day towards high-level Town objectives and the Finance Officer to financial reporting, budgeting and accounting tasks. Having another experienced individual specific to the government accounting arena would allow the Town to implement specific policies and procedures to strengthen the controls around many of the transaction cycles, including mitigation of numerous segregation of duties weaknesses as noted below. As Government Auditing Standards progress towards removing the allowability of the external auditors to also draft the financial statements, having an additional seasoned individual would allow for drafting of the financial statements to occur in-house versus relying on outsourcing. It is also worth noting that several times within the past eight years the Town has received a material weakness as it relates to technical expertise in full-accrual accounting and drafting full disclosure financial statements which would help to strengthen the concerns for separating the roles of Town Manager and Finance Officer.

2. Segregation of Duties

Transaction cycles have a number of objectives or tasks to move a transaction from start to finish. Having these objectives split between multiple individuals is the best way for entities to mitigate the risk of material misstatement due to fraud or error. Segregation of duties is not an absolute fix for any transaction cycle however splitting the duties is a productive way to reduce possible risk of error or fraud. Entities with limited staff makes segregating duties very difficult however it is important to cross-train individuals across all cycles so that transactions can be processed and reviewed by a number of individuals prior to its completion. Cross-training personnel is also helpful if a member of finance is out for a long period of time. This enables someone to come in and complete the assigned tasks seamlessly with little downtime. The addition of a separate Finance Officer, as noted in recommendation #1 would help alleviate most of the segregation of duties issues noted in the Internal Control Matrix.

3. Vendor Listing

Currently vendor setup in the financial accounting system is limited to appropriate personnel, Fiscal Operations II and Fiscal Operations III. Vendor set ups are reviewed by the Town Manager, however this process is informal and can be verbal in nature or with an email approval. While the subsequent payment to the vendor is then signed by the Town Manager, which constitutes a review, it does not mitigate all risks that an invalid vendor is entered into the system. A potential fraud perpetrator could easily set up fake vendors by slightly changing the name of one of the Town's common vendors, setting up a P.O. Box and sending a fake invoice. Lack of strong controls over the vendor approval and maintenance process, can lead to falsified invoices being paid without detection. We recommend setting up a formal review process of vendors whereby the vendor information is accumulated and provided to management who then initials approving the vendor to be set up in the system. The vendor approval information should be maintained as long as the Town is utilizing the vendor. The financial accounting system is currently set up to print a report of all vendors. Currently the report lists over 2,700 vendors. Management has not reviewed the list of vendors for potential errors, potential conflicts of interest or obsolescence. We recommend the Town examine their vendor list to reduce the list to only current, active vendors. We also recommend the vendor list be examined for potential conflicts of interest and/or potential debarment by federal or State authorities for previous improprieties. Once a current list is established, we recommend annual reviews of the vendor listing performed by appropriate personnel to mitigate the potential for payments to unauthorized persons.
4. Payroll

The payroll transaction cycle is very important to the overall business of the Town and carries an inherent risk of overpayment of wages or payments to an unknown or "ghost" employee. Currently, one individual conducts the processing of payroll. Noted above, we believe it relatively prudent to involve more than one individual in the processing of payroll with a level of detail review to verify accuracy of payments. The payroll system is also set up, that when entering payroll the rate of pay can by manually updated without a system generated approval or lock function. Rates of pay that can be updated or changed at any point increases the risk that an individual could be paid an incorrect amount and an overpayment of wages could occur. We recommend the Town contact their payroll software provider and inquire of the possibility of adding a system control whereby all pay rate changes require a secondary review.

Currently, Town staff pay increases are at the discretion of the Town Manager. This practice can lead to the overpayment and/or underpayment of employees at their respective positions based on their job function. While the Town Manager should approve all pay raises, we recommend the Town establish set job descriptions for each position, by function and establish a compensation range for the position based on the position's responsibilities and current market conditions. To establish the scales, we recommend hiring a third-party consultant to conduct a total compensation study, to compare compensation rates of personnel relative to other government units of comparable size, functionality, and general economic conditions. We recommend these rate studies be performed periodically after the ranges are initially established at least every five years.

5. Capital Assets

Capital assets are essential to government units for the overall support of the public whether through police vehicles, signage, or heavy equipment. Capital assets are tracked on an Excel spreadsheet, which is a common practice as many units see the purchase of capital asset tracking software to be impractical when the number of overall assets is limited. We noted that the information on the listing to track the assets was limited to the asset’s tag number, service date of the asset, description, and cost. Since the listing omits information about the depreciation of the assets, the omission increases the risk that depreciation at year-end is calculated incorrectly, potentially overstating assets and understating expenses. We recommend expanding on this listing to add information on the depreciation of each of the assets, which would include the annual depreciation expense, the accumulated depreciation total, and the calculated net book value. This list should be reviewed at least annually to determine the proper useful lives have been assigned to assets and that depreciation is being properly calculated.

Additionally, the Town issues asset tags for each of its capital asset purchases in order to properly track the asset on a periodic basis. Currently the Town does not perform an inventory count of tangible property using the asset tags. We recommend the Town develop a written policy and procedure over the physical inventory of capital assets on an at least a biannual basis with a reconciliation to the capital asset listing. This will ensure all capital assets owned by the town are accounted for appropriately and assets that have been disposed are properly removed from the fixed assets ledger.
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<th>Current Practice</th>
<th>Desired Control</th>
<th>Design Gap</th>
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<tr>
<td>Scenario 1</td>
<td>Access and segregation of duties are not monitored for ongoing appropriateness on an annual basis.</td>
<td>Access and segregation of duties are monitored at least annually for ongoing appropriateness.</td>
<td>Yes</td>
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<tr>
<td>Scenario 2</td>
<td>General ledger access is appropriately restricted to persons within Finance.</td>
<td>General ledger access is appropriately restricted to persons within Finance.</td>
<td>No</td>
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<td>Scenario 3</td>
<td>Fiscal Operations II and III have edit access to all components in the Accounting applications.</td>
<td>Edit access within the accounting applications system is appropriate. For example, the Town Manager’s access is limited to read only.</td>
<td>No</td>
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<tr>
<td>Scenario 4</td>
<td>Monthly/Quarterly/Year-End close is performed based on the team knowledge of what is required for completion.</td>
<td>The close process is performed by the Finance Department per the &quot;Monthly/Quarterly/Year-End Closing&quot; Checklist, which outlines the step by step process of the closing process to ensure steps are completed (including the format, timeline, preparers and reviewers) for year-end and periodic financial reporting based on the specific characteristics of the organization and reporting agencies.</td>
<td>Yes</td>
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<td>Scenario 5</td>
<td>Monthly/Quarterly/Year-End close is performed based on the team knowledge of what is required for completion.</td>
<td>The close process is performed by the Finance Department per the &quot;Monthly/Quarterly/Year-End Closing&quot; Checklist, which outlines the step by step process of the closing process to ensure steps are completed (including the format, timeline, preparers and reviewers) for year-end and periodic financial reporting based on the specific characteristics of the organization and reporting agencies.</td>
<td>Yes</td>
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<td>Scenario 6</td>
<td>Non-routine transactions that rise to the level of disclosure, material subsequent events and new pronouncements and application of GASB are heavily relied upon by the Town for guidance from the external accounting.</td>
<td>Non-routine transactions that rise to the level of disclosure, material subsequent events and new pronouncements and application of GASB, if applicable, are reviewed in detail by an Accounting Manager or above.</td>
<td>Yes</td>
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<td>Scenario 7</td>
<td>A methodology application memo is not prepared each year during the preparation of the CAFR to document significant judgments and estimates included in the financial records and an independent review of the memo and underlying assumptions is performed by an appropriate party.</td>
<td>A methodology application memo is prepared each year during the preparation of the CAFR to document significant judgments and estimates included in the financial records and an independent review of the memo and underlying assumptions is performed by an appropriate party.</td>
<td>Yes</td>
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<td>5</td>
<td>What ensures that journal entries are reviewed, authorized, and properly recorded in the appropriate accounting period?</td>
<td>There is no formal journal entry approval process. Journal entries are approved by someone independent of preparation and depending on threshold, approved accordingly to policy</td>
<td>Yes</td>
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<td>6</td>
<td>What ensures that the trial balance and financial statements are in balance for monthly and annual reporting?</td>
<td>Budget to Actual reports are posted on the Town website on a monthly basis. Financial data is scanned and emailed to the respective departments for review.</td>
<td>No</td>
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<td>7</td>
<td>What ensures that the financial statements and disclosures are complete, accurate, and in accordance with Governmental Fund Accounting?</td>
<td>The close process is performed by the Finance Department per the “Month/Quarter/Year End Closing” Checklist, which outlines the step-by-step process of the utility process to ensure steps are completed (including the format, timeline, preparers and reviewers) for year-end and periodic financial reporting based on the specific characteristics of the organization and reporting agencies.</td>
<td>Yes</td>
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A GFOA Certificate Program general preparer checklist is completed and reviewed for each set of annual financial statements. The purpose of the checklist is to assist with CAFR preparation and certifies are issued by the GFOA to any entity that has prepared their CAFR in accordance with the checklist. The checklist incorporates GASB and GAGAS and is updated annually to capture new and upcoming pronouncements.

Yes

The Town Manager reviews the final financial statements for completeness and accuracy, including confirmation that all adjustments are correctly recorded in the financial statements, and performs an overall analytical review of year-to-date operations and a comparison to the budget and prior year. Evidence of review is documented.

Yes

As part of the annual financial reporting process, Finance does not utilize the GFOA Certificate program preparer checklist to assist in the CAFR presentation. CAFR preparation is based on team knowledge.
<table>
<thead>
<tr>
<th>8</th>
<th>What ensures the published financial statements (in print and electronic form) do not have publishing, printing, or electronic conversion errors?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to the release of the financial statements, the Board of Commissioners are not presented with annual financial statements including the adopted budget amounts, budget amendments and year-to-date operations for their review and acceptance.</td>
<td>The Town Manager reviews the final financial statements for completeness and accuracy, including confirmation that all adjustments are correctly recorded in the financial statements, and performs an overall analytical review of year-to-date operations and a comparison to the budget and prior year. Evidence of review is documented.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9</th>
<th>What ensures that the financial statements are not mistated because all departments are not identified and appropriately included in the consolidated process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>As part of the annual financial reporting process, Finance does not utilize the GFOA Certificate Program preparer checklist to assist in the CAFR presentation. CAFR preparation is based on team knowledge.</td>
<td>A GFOA Certificate Program general preparer checklist is completed and reviewed for each set of annual financial statements. The purpose of the checklist is to assist with CAFR preparation and indicate how the GFOA checklist relates to any entity that has prepared their CAFR in accordance with the checklist. The checklist incorporates GASB standards and is updated annually to capture new and upcoming pronouncements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10</th>
<th>What ensures that changes made to the financial closing and reporting process are valid and properly authorized?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to the entity's financial closing and reporting process (e.g., changes to the chart of accounts, including addition and deletion of general ledger accounts) are monitored and any significant changes made are independently reviewed and approved.</td>
<td>Changes to the entity's financial closing and reporting process are valid and properly authorized.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11</th>
<th>What ensures that Management and Financial closing and reporting personnel identity all applicable generally accepted accounting principles affecting the entity and that the entity’s accounting policies reflect the most recent, applicable authoritative guidance and are properly documented and communicated to achieve consistency across business units and accounting periods?</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Town Manager attains CPE and trains employees on new authoritative guidance and disseminates information to the fund accountants and departments as necessary and relevant.</td>
<td>Personnel at the management level regularly attend CPE and receive new authoritative guidance and dissemination information to the fund accountants and departments as necessary and relevant. Knowledgeable personnel monitor changes in authoritative guidance and regulations that affect the entity and make the appropriate changes to the entity's accounting policies on a timely basis.</td>
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</tr>
<tr>
<td>12</td>
<td><strong>What ensures that accounts are properly consolidated into Fund Financial Statements and Government-wide Financial Statements?</strong></td>
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<td></td>
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<td></td>
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<tr>
<td>13</td>
<td><strong>What ensures there is adequate monitoring of progress toward goals, controls spending, and prediction of cash flow?</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Inherent Risk</td>
<td>Current Practice</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
</tr>
<tr>
<td>1. What ensures that there are proper segregation of duties?</td>
<td>Access and segregation of duties are not monitored for ongoing appropriateness on an annual basis.</td>
</tr>
<tr>
<td></td>
<td>Fiscal Operations II and III have edit access to all components in the Accounting application. Both of which are cross trained and authorized to process payments, update vendors and approve PO's. Fiscal Operations II is also an authorized check signer. Check signing requires at least the Town Manager's signature at all times.</td>
</tr>
<tr>
<td></td>
<td>Check processing: - Check stock is stored in safe within locked room. Access to the safe is limited to Town Manager and Fiscal Operations III. However, there is a small portion of checks located in the Fiscal Operations III office who keeps her office locked. - Town Manager's signature is to be included on all checks along with one of three other approved signers (Fiscal Operations II, Mayor, or Mayor pro-tem). - Fiscal Operations III matches checks to invoices and mails out.</td>
</tr>
<tr>
<td>2. What ensures that amounts posted to accounts payable represent authorized and valid goods received and/or services rendered?</td>
<td>Access to vendor additions/changes/cancellations is restricted to Fiscal Operations I and III who have access to all components of the accounting system and are included in the payment processing process.</td>
</tr>
<tr>
<td></td>
<td>Purchases, where applicable, are supported by authorized Purchase Orders. Purchase orders are required to be stamped as pre-audited as authorization and approval.</td>
</tr>
<tr>
<td></td>
<td>All purchase orders are approved by Fiscal Operations II. Approvals of PO are based on a dollar amount threshold whereby the higher the dollar amount on the PO, the higher the position of the secondary approval.</td>
</tr>
<tr>
<td>3. What ensures that disbursements are only made for goods and services received?</td>
<td>Check processing: - Check stock is stored in safe within locked room. Access to the safe is limited to Town Manager and Fiscal Operations III. However, there is a small portion of checks located in the Fiscal Operations III office who keeps her office locked. - Town Manager's signature is to be included on all checks along with one of three other approved signers (Fiscal Operations II, Mayor, or Mayor pro-tem). - Fiscal Operations III matches checks to invoices and mails out.</td>
</tr>
<tr>
<td></td>
<td>The list of disbursements are reviewed against the Schedule of Expenditures, Encumbrances, and Appropriations to verify correct amount, vendor, fund and budget amounts by both the Fiscal Operations II and Town Manager before checks are signed.</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>All disbursements must be supported by an approved invoice, which is the indication from the appropriate department authorizer that the good/service has been received/rendered.</td>
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</tr>
<tr>
<td>Budget to Actual statements are posted on the Town website on a monthly basis. Financial detail is scanned and emailed to the respective departments for review.</td>
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</tr>
<tr>
<td>The needs of the Department and changes to budget are discussed during weekly department status meetings when applicable.</td>
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</tr>
<tr>
<td>Open purchase orders are monitored at year-end.</td>
<td>Open purchase orders are monitored at year-end.</td>
</tr>
<tr>
<td>Bank reconciliations are performed on a monthly basis with second party review. Unusual items and exceptions in analyses and reconciliations are documented upon identification. Resolution and treatment of unusual items identified are documented and reviewed independently for appropriateness on a timely basis. Evidence of review is documented.</td>
<td>Bank reconciliations are performed on a monthly basis with second party review. Unusual items and exceptions in analyses and reconciliations are documented upon identification. Resolution and treatment of unusual items identified are documented and reviewed independently for appropriateness on a timely basis. Evidence of review is documented.</td>
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<tr>
<td>All disbursements are supported by an approved invoice, which is the indication from the appropriate department authorizer that the good/service has been received/rendered.</td>
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<tr>
<td>Credit memos and other adjustments are reviewed by the Town Manager.</td>
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<td>The needs of the Department and changes to budget are discussed during weekly department status meetings when applicable.</td>
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</tr>
<tr>
<td>The Finance department does not review vendor additions/ changes/ deletions periodically to supporting documentation.</td>
<td>The Vendor Master File is reviewed by the Town Manager and someone outside the payment process for vendor additions/changes/deletions on a periodic basis to supporting documentation.</td>
</tr>
<tr>
<td>Access to vendor additions/changes/deletions is restricted to Fiscal Operations II and III who have access to all components of the accounting system and are included in the payment processing process.</td>
<td>Access to vendor additions/changes/deletions is restricted to someone outside the payment processing process.</td>
</tr>
<tr>
<td>The Town does not have a process in place to ensure payment discounts have been taken.</td>
<td>Payment terms are entered into the accounts payable system when invoice is processed and payables report is printed weekly to monitor for maximization of payment terms.</td>
</tr>
<tr>
<td>Inherent Risk</td>
<td>Current Practice</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Property Control - Fixed Assets</td>
<td></td>
</tr>
<tr>
<td>1 What ensures that there is proper segregation of duties?</td>
<td>The authorization, custody and record-keeping of property are performed by separate individuals. User access within the accounting system is limited based on function.</td>
</tr>
<tr>
<td></td>
<td>The Town does not have a formal Asset Management procedure, to include identification (tagging) of assets, frequency and procedures for inventory, and the disposal/surplus process.</td>
</tr>
<tr>
<td>2 What ensures that all capital additions are accurately and appropriately recorded in accordance with Town policies?</td>
<td>After review of the applicable proposal it is up to the Town Manager's discretion as to whether a purchased asset will be capitalized. Currently no formal policy in place.</td>
</tr>
<tr>
<td></td>
<td>Access to recording capital assets in Accounting Module is limited to Finance Personnel.</td>
</tr>
<tr>
<td>3 What ensures that capital asset additions are authorized? What ensures that recorded capital asset acquisitions represent capital assets acquired by the Town?</td>
<td>All capital expenditures are reviewed and approved per the by the Fiscal Operations II during the PO process. Evidence of approval is maintained on the PO.</td>
</tr>
<tr>
<td></td>
<td>Capital additions are inspected and tagged by the Finance Department, descriptions and information is updated an ongoing additions spreadsheet by Fiscal Operations III.</td>
</tr>
<tr>
<td></td>
<td>Additions are added to the Capital Asset spreadsheet. Currently the Town does not prepare the fixed asset roll forward however, the asset spreadsheet is reconciled to the GL annually.</td>
</tr>
<tr>
<td>4 What ensures fixed asset additions are recorded in the appropriate period?</td>
<td>The Town does not have a formal Asset Management procedure, to include identification (tagging) of assets, frequency and procedures for inventory, and the disposal/surplus process.</td>
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<td>All capital expenditures are reviewed and approved per the by the Fiscal Operations II during the PO process. Evidence of approval is maintained on the PO.</td>
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<td>Additions are added to the Capital Asset spreadsheet. Currently the Town does not prepare the fixed asset roll forward however the asset spreadsheet is reconciled to the GL annually.</td>
</tr>
<tr>
<td>6</td>
<td>What ensures that depreciation is correctly calculated/recorded; valid and recorded in the proper period?</td>
</tr>
<tr>
<td>7</td>
<td>What ensures that fixed asset disposals are authorized?</td>
</tr>
<tr>
<td>8</td>
<td>What ensures that fixed asset disposals are accurately calculated and recorded and in the correct time period?</td>
</tr>
</tbody>
</table>

**Notes:**
- Coding of asset and its useful life are not reviewed by a second party prior to the property being put into use to ensure proper classification and depreciation rate.
- Depreciation expense is calculated only annually based on the asset schedule that currently only lists asset number, date in service, description and cost. The Capital Asset spreadsheet should be detailed enough to calculate straight-line depreciation expense based on the approved useful life category. The expense should be booked on a monthly basis and reviewed by a second reviewer as part of the monthly close process.
- Disposals and transfers are tracked by the Town Clerk and provided to the Finance Department for update based on supporting documentation provided by departments. The Capital Asset Spreadsheet is updated annually.
- Annual inventory of all tangible property is not performed. Finance verifies new asset purchases through the issuance of property tags, however ongoing inventory each year does not occur. Some departments do inventory the assets within their responsibility, such as fleet (which monitors the vehicles and heavy equipment through the preventive maintenance process) and IT (which verifies all IT equipment). But there is no reconciliation of these counts to the Town's assets records and discrepancies are not formally monitored and may not be reported.
- At least annually, the Town performs an inventory count to identify any discrepancies between the perpetual records and property on hand. Discrepancies are investigated and asset records updated.
- The Capital Asset Master file is maintained and updated by the Fiscal Operations III. It is limited in the amount of information included within and no second review of the Master file is performed or documented.
- Disposals and transfers are tracked by the Town Clerk and provided to Finance for update based on supporting documentation provided by departments. The Capital Asset Spreadsheet is updated annually.
- Annual inventory of all tangible property is not performed. Finance verifies new asset purchases through the issuance of property tags, however ongoing inventory each year does not occur. Some departments do inventory the assets within their responsibility, such as fleet (which monitors the vehicles and heavy equipment through the preventive maintenance process) and IT (which verifies all IT equipment). But there is no reconciliation of these counts to the Town's assets records and discrepancies are not formally monitored and may not be reported.
- At least annually, the Town performs an inventory count to identify any discrepancies between the perpetual records and property on hand. Discrepancies are investigated and asset records updated.
<table>
<thead>
<tr>
<th>Question</th>
<th>Description</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>What ensures that the fixed asset master file is maintained and</td>
<td>The Capital Asset Master file is maintained and updated by the Fiscal Operations III. It is limited in the amount of information included within and no second review of the Master file is performed or documented.</td>
<td>Yes</td>
</tr>
<tr>
<td>updated by the Fiscal Operations III?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Capital Asset Master file is maintained by the Finance Department and</td>
<td>The Capital Asset Master file is maintained by the Finance Department and reviewed on a quarterly basis by the Town Manager. The File should include all pertinent information in order to determine where the asset is and the amount of depreciation taken on a monthly basis.</td>
<td></td>
</tr>
<tr>
<td>reviewed on a quarterly basis by the Town Manager. The File should</td>
<td></td>
<td></td>
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<tr>
<td>include all pertinent information in order to determine where the asset</td>
<td></td>
<td></td>
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<tr>
<td>is and the amount of depreciation taken on a monthly basis.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What ensures that an annual inventory count is performed in compliance</td>
<td>Annual inventory of all tangible property is not performed. Finance verifies new asset purchases through the issuance of property tags, however ongoing inventory each year does not occur. Some departments do inventory the assets within their responsibility, such as fleet (which monitors the vehicles and heavy equipment through the preventive maintenance process) and IT (which verifies all IT equipment). But there is no reconciliation of these counts to the Town’s assets records and discrepancies are not formally monitored and may not be reported.</td>
<td>Yes</td>
</tr>
<tr>
<td>with the Town’s formal policy?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least annually, the Town performs an inventory count to identify any</td>
<td></td>
<td></td>
</tr>
<tr>
<td>discrepancies between the perpetual records and property on hand.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discrepancies are investigated and asset records updated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town of Holdens Beach - Desired Key Controls</td>
<td>Current Practice</td>
<td>Desired Control</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>Finance / Payroll</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1  What ensures that there is proper segregation of duties?</td>
<td>Access and segregation of duties are not monitored for ongoing appropriateness on an annual basis</td>
<td>Access and segregation of duties are monitored at least annually for ongoing appropriateness</td>
</tr>
<tr>
<td>What ensures that only valid changes (hiring, terminations, and pay rates) are made to the payroll master files and the master files remain pertinent?</td>
<td>Access to request changes to make employee additions/changes/deletions in payroll master files is limited to the authorized individuals. Payroll processing, and the ability to make changes to rate differential pay, is limited to the Payroll Accountant. (Note: The rate changes aren't reviewed for approval; this is documented as a gap elsewhere.)</td>
<td>Access to request changes to make employee additions/changes/deletions in payroll master files is limited to the Human Resources. The exception of changes made to rate differential pay. Payroll processing, and the ability to make changes to rate differential pay is limited to the Payroll Accountant. (Note: The rate changes aren't reviewed for approval; this is documented as a gap elsewhere.)</td>
</tr>
<tr>
<td>Segregation of duties over check processing is limited to one individual.</td>
<td>Segregation of duties over check processing is appropriate</td>
<td>Yes</td>
</tr>
<tr>
<td>2  What ensures that payroll and manual changes payments (including compensation and withholdings) are accurately calculated and recorded?</td>
<td>During Payroll processing, the Earnings Register, which shows total pay per person and further differentiates between those who receive paper checks (Beach Rangers and Commissioners) and those who receive direct deposit, is printed and tied back to the timesheets and reviewed for proper payment. Although this form is not reviewed and approved by a second independent reviewer</td>
<td>During Payroll processing, the Earnings Register, which shows total pay per person and further differentiates between those who receive paper checks (Beach Rangers and Commissioners) and those who receive direct deposit, is printed and tied back to the timesheets and reviewed for proper payment. The Earnings register is reviewed by a second independent review to ensure proper time entry and pay rates.</td>
</tr>
<tr>
<td>3  What ensures that time and attendance data recorded reflects actual time worked and is authorized?</td>
<td>Timecards are reviewed and approved by Department Heads and Town Manager prior to time entry and payroll processing</td>
<td>Timecards are reviewed and approved by Department Heads and Town Manager prior to time entry and payroll processing</td>
</tr>
<tr>
<td>4  What ensures that time worked is accurately input and processed?</td>
<td>Once hours are entered for each employee payroll processor prints the Pay Date Worksheet and reconciles the total hours worked per the timesheets to the total displayed at the bottom of the Pay Date Worksheet and attaches the report as backup for the timesheets</td>
<td>Once hours are entered for each employee, payroll processor prints the Pay Date Worksheet and reconciles the total hours worked per the timesheets to the total displayed at the bottom of the Pay Date Worksheet and attaches the report as backup for the timesheets</td>
</tr>
<tr>
<td>5  What ensures all new hire and merit/COLA/bonus increase payroll information is legitimate and approved?</td>
<td>The Town Manager, Department head and HR Director will evaluate candidates, interview and eventually decide on a new hire. At that point, the Town Clerk, prepares offer letter to be signed by the Town Manager, and prepares new hire package (I-9 form, withholdings, information sheet, etc.) which is maintained in an employee's personnel file at Town Hall.</td>
<td>The Town Manager, Department head and HR Director will evaluate candidates, interview and eventually decide on a new hire. At that point, the Town Clerk, prepares offer letter to be signed by the Town Manager, and prepares new hire package (I-9 form, withholdings, information sheet, etc.), which is maintained in an employee’s personnel file at Town Hall.</td>
</tr>
<tr>
<td>The payroll processor is responsible for adding employees to payroll system, where she enters full/part time status, supervisor, pay and compensated absence information, job title and brief description. Changes in the payroll system are limited to only the payroll processor. Any subsequent changes to an employee's personnel file would be made via a payroll change memorandum which the Town Clerk prepares and keeps a paper copy of.</td>
<td>The payroll processor is responsible for adding employees to payroll system, where she enters full/part time status, supervisor, pay and compensated absence information, job title and brief description. Changes in the payroll system are limited to only the payroll processor. Any subsequent changes to an employee’s personnel file would be made via a payroll change memorandum, which the Town Clerk prepares and keeps a paper copy of</td>
<td>No</td>
</tr>
<tr>
<td>Question</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>-------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Changes made to the payroll master files are supported by personnel action forms (PAFs) required the Town Manager signature authorizing such changes (i.e. merit/COLA and bonus pay approval) and kept in the employee file located in the secure area of the Town Hall</td>
<td>No</td>
<td></td>
</tr>
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<td>Changes made to the payroll master files are supported by personnel action forms (PAFs) required the Town Manager signature authorizing such changes (i.e. merit/COLA and bonus pay approval) and kept in the employee file located in the secure area of the Town Hall</td>
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<td></td>
</tr>
<tr>
<td>Access to request changes to make employee additions/deletions/changes in the payroll system is limited to the Town Clerk who states FLUID IT to initiate the change Payroll processing, and the ability to make changes is not limited to the Payroll Accountant.</td>
<td>No</td>
<td></td>
</tr>
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<td>Access to request changes to make employee additions/deletions/changes in the payroll system is limited to the Town Clerk who states FLUID IT to initiate the change Payroll processing, and the ability to make changes is not limited to the Payroll Accountant.</td>
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<td></td>
</tr>
<tr>
<td>What ensures that fictitious positions may not be created?</td>
<td>No</td>
<td></td>
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<td>Changes made to the payroll master files are supported by personnel action forms (PAFs) required the Town Manager signature authorizing such changes (i.e. merit/COLA and bonus pay approval) and kept in the employee file located in the secure area of the Town Hall</td>
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<td>No</td>
<td></td>
</tr>
<tr>
<td>What ensures that PTO taken is authorized and recorded?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>What ensures that PTO payees at termination are accurate?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Timecards are reviewed and approved by Department Heads and Town Manager prior to time entry and payroll processing</td>
<td>No</td>
<td></td>
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<td>Timecards are reviewed and approved by Department Heads and Town Manager prior to time entry and payroll processing</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>PTO balances are maintained through a running total within the payroll processing system. There are no manual calculations</td>
<td>No</td>
<td></td>
</tr>
<tr>
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<td>No</td>
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<td>No</td>
<td></td>
</tr>
<tr>
<td>What ensures that payroll remittances are timely and appropriate?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Fiscal Operations II is responsible for reconciling the Town bank statements related to payroll disbursements to be reviewed by the Town Manager. On a bi-weekly basis, the Town Manager performs an informal analysis on payroll expenditures comparing the recorded amount to a calculated estimate based on the number of employees in each department and estimated salary per employee. The Town Manager also performs random reviews of payroll a couple times per quarter to compare what was actually worked per the timesheet was properly paid out on the paycheck.</td>
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</tr>
<tr>
<td>What ensures employees pay increases are in accordance with Town policies?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>All positions should have a documented job description outlining the responsibilities of the position. Pay rate ranges are established for each defined job description based on job responsibilities and current market conditions. Pay increases are reviewed and approved by the department head and the Town Manager.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>All positions should have a documented job description outlining the responsibilities of the position. Pay rate ranges are established for each defined job description based on job responsibilities and current market conditions. Pay increases are reviewed and approved by the department head and the Town Manager.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>All positions should have a documented job description outlining the responsibilities of the position. Pay rate ranges are established for each defined job description based on job responsibilities and current market conditions. Pay increases are reviewed and approved by the department head and the Town Manager.</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

16
<table>
<thead>
<tr>
<th>Inherent Risk</th>
<th>Current Practice</th>
<th>Desired Control</th>
<th>Design/Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial-Accounts Receivable- Governmental Activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Access and segregation of duties are not monitored for ongoing appropriateness on an annual basis.</td>
<td>Access and segregation of duties are not monitored at least annually for ongoing appropriateness.</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Access to post cash receipts to customer files is limited to appropriate personnel.</td>
<td>Access to post cash receipts to customer files is limited to appropriate personnel.</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Access to accounts receivable (AR) is limited to just those with AR responsibilities, Fiscal Operations II and III.</td>
<td>Access to AR is limited to just those with AR responsibilities, Fiscal Operations II and III.</td>
<td>No</td>
</tr>
<tr>
<td>2</td>
<td>Access to AR is limited to just those with AR responsibilities, Fiscal Operations II and III.</td>
<td>Access to AR is limited to just those with AR responsibilities, Fiscal Operations II and III.</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Adjustments to customer accounts require a second approver outside the person making the adjustment as well as a reason for the adjustment.</td>
<td>Adjustments to customer accounts require a second approver outside the person making the adjustment as well as a reason for the adjustment.</td>
<td>No</td>
</tr>
<tr>
<td>3</td>
<td>Statements for Water and Sewer are sent to customers on a monthly basis for collection. Collections for taxes are the responsibility of the Town. Subsequent requests are administered after non-payments.</td>
<td>Statements for Water and Sewer are sent to customers on a monthly basis for collection. Collections for taxes are the responsibility of the Town. Subsequent requests are administered after non-payments.</td>
<td>No</td>
</tr>
<tr>
<td>4</td>
<td>Access in the accounting system to record master file changes is limited to appropriate personnel.</td>
<td>Access in the accounting system to record master file changes is limited to appropriate personnel.</td>
<td>No</td>
</tr>
<tr>
<td>5</td>
<td>Bills are entered into the applicable system by Fiscal Operations I, with the help of the Administrative Assistant who also confirms the proper customer account is being processed. Once the bills have been processed for the day the listing is provided to the Fiscal Operations III who integrates the Water/Sewer postings into the GL and ties that to the listing obtained from the Fiscal Operations II.</td>
<td>Bills are entered into the applicable system by Fiscal Operations I, with the help of the Administrative Assistant who also confirms the proper customer account is being processed. Once the bills have been processed for the day the listing is provided to the Fiscal Operations III who integrates the Water/Sewer postings into the GL and ties that to the listing obtained from the Fiscal Operations II.</td>
<td>No</td>
</tr>
<tr>
<td>6</td>
<td>Cash receipts are reconciled via Cash Receipts Update on a daily basis.</td>
<td>Cash receipts are reconciled via Cash Receipts Update on a daily basis.</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Bank reconciliations are performed on a monthly basis, with second party review. Unusual items and exceptions in analyses and reconciliations are documented upon identification. Resolution and treatment of unusual items identified are documented and reviewed independently for appropriateness on a timely basis. Evidence of review is documented.</td>
<td>Bank reconciliations are performed on a monthly basis, with second party review. Unusual items and exceptions in analyses and reconciliations are documented upon identification. Resolution and treatment of unusual items identified are documented and reviewed independently for appropriateness on a timely basis. Evidence of review is documented.</td>
<td>No</td>
</tr>
<tr>
<td>Question</td>
<td>Yes/No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>----------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 What ensures that factors affecting the bad debt provision are identified, evaluated, and appropriate and the provision is correctly calculated and recorded?</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The assumptions used to analyze and record an allowance for doubtful accounts are evaluated for relevance, include historic and current collections, and are updated as needed are not documented.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A retrospective lookback that compares actual write-offs of customer balances to reserved amounts is not performed annually.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 What ensures that all receivables activity is recorded, recorded accurately, and recorded in the proper period in the General Ledger?</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to AR is limited to just those with AR responsibilities, Fiscal Operations II and III.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bills are entered into the applicable system by Fiscal Operations I, with the help of the Administrative Assistant who also confirms the proper customer account is being processed. Once the bills have been processed for the day the listing is provided to the Fiscal Operations III who integrates the Water/Sewer postings into the GL and ties that to the listing obtained from the Fiscal Operations II.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Inherent Risk</td>
<td>Current Practice</td>
<td>Desired Control</td>
<td>Design Gap</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>1. What ensures that there are proper segregation of duties?</td>
<td>Access and segregation of duties are not monitored for ongoing appropriateness on an annual basis.</td>
<td>Access and segregation of duties are monitored at least annually for ongoing appropriateness.</td>
<td>Yes</td>
</tr>
<tr>
<td>2. What ensures that debt and/or derivative activities are properly authorized?</td>
<td>Management and Board of Commissioners approval is required for all debt and/or derivative transactions and this approval is appropriately documented.</td>
<td>Management and Board of Commissioners approval is required for all debt and/or derivative transactions and this approval is appropriately documented.</td>
<td>No</td>
</tr>
<tr>
<td>3. What ensures that recorded debt represents a valid liability of the Town?</td>
<td>The Town has a schedule of all debt in the that they use for monitoring when payments are due and whether they are being made timely and properly allocated between principal and interest. This schedule is posted to the Town website annually as well as the CAFR.</td>
<td>The Town has a schedule of all debt in the that they use for monitoring when payments are due and whether they are being made timely and properly allocated between principal and interest. This schedule is posted to the Town website annually as well as the CAFR.</td>
<td>No</td>
</tr>
<tr>
<td>4. What ensures that payments are made in accordance with the loan and are valid?</td>
<td>Debt and lease payments are processed as part of the regular accounts payable system and supporting documentation is agreed to the payment prior to being released. (See Accounts Payable process)</td>
<td>Debt and lease payments are processed as part of the regular accounts payable system and supporting documentation is agreed to the payment prior to being released. (See Accounts Payable process)</td>
<td>No</td>
</tr>
<tr>
<td>5. What ensures that all borrowings and repayments are recorded, recorded accurately, and recorded in the proper period?</td>
<td>Bank statements are reconciled to the general ledger and independently reviewed. Transactions that have occurred but not recorded, or vice versa, would be detected during this process.</td>
<td>Bank statements are reconciled to the general ledger and independently reviewed. Transactions that have occurred but not recorded, or vice versa, would be detected during this process.</td>
<td>No</td>
</tr>
<tr>
<td>6. What ensures that all interest is accurately calculated and recorded in the proper period?</td>
<td>The Town has a schedule of all debt in the that they use for monitoring when payments are due and whether they are being made timely and properly allocated between principal and interest. This schedule is posted to the Town website annually as well as the CAFR.</td>
<td>The Town has a schedule of all debt in the that they use for monitoring when payments are due and whether they are being made timely and properly allocated between principal and interest. This schedule is posted to the Town website annually as well as the CAFR.</td>
<td>No</td>
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</tbody>
</table>

If Journal entries are made by Fiscal Operations II they are to be reviewed by Fiscal Operations III and vice versa. If Journal entries are made by Fiscal Operations II they are to be reviewed by Fiscal Operations III and vice versa.
<table>
<thead>
<tr>
<th></th>
<th>What ensures that debt covenants are not violated?</th>
<th>Compliance with debt covenants is monitored quarterly to detect any potential non-compliance prior to year-end, and then reported annually in the CAFR.</th>
<th>Compliance with debt covenants is monitored quarterly to detect any potential non-compliance prior to year-end, and then reported annually in the CAFR.</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>What ensures that liabilities and debt agreements have proper accounting treatment (i.e., identification of derivatives, changes in terms and other such financing vehicles/agreements)?</td>
<td>New financing agreements are analyzed by the Town Manager for accuracy and the Finance Department for proper accounting treatment. The loan documents are used as support for the journal entries.</td>
<td>New financing agreements are analyzed by the Town Manager for accuracy and the Finance Department for proper accounting treatment. The loan documents are used as support for the journal entries.</td>
<td>No</td>
</tr>
<tr>
<td>9</td>
<td>What ensures that the Town’s long-term financial plan is monitored for fiscal responsibility and sustainability?</td>
<td>The Town Manager uses the NC Treasurers website to benchmark other municipalities against the Town to monitor the fiscal responsibility on an annual basis.</td>
<td>The Town Manager uses the NC Treasurers website to benchmark other municipalities against the Town to monitor the fiscal responsibility on an annual basis.</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Per NC GS 150-55, the aggregate limit of debt cannot exceed 8% of the total assessed value of taxable property within the Town’s official limits. The Town Manager reviews on an annual basis the amount of debt the Town has outstanding in accordance with the General Statute.</td>
<td>Per NC GS 150-55, the aggregate limit of debt cannot exceed 8% of the total assessed value of taxable property within the Town’s official limits. The Town Manager reviews on an annual basis the amount of debt the Town has outstanding in accordance with the General Statute. However, due to the fact that the assessed level of personal property within the Town Limits is over $1 billion, an approximately limit of $80 million of debt is not a meaningful benchmark. The Town Manager should set a more relevant benchmark or limitation for example 15% of total revenues.</td>
<td>Per NC GS 150-55, the aggregate limit of debt cannot exceed 8% of the total assessed value of taxable property within the Town’s official limits. The Town Manager reviews on an annual basis the amount of debt the Town has outstanding in accordance with the General Statute. However, due to the fact that the assessed level of personal property within the Town Limits is over $1 billion, an approximately limit of $80 million of debt is not a meaningful benchmark. The Town Manager should set a more relevant benchmark or limitation for example 15% of total revenues.</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Management and board approval is required for all debt and/or derivative transactions and this approval is appropriately documented.</td>
<td>Management and board approval is required for all debt and/or derivative transactions and this approval is appropriately documented.</td>
<td>Management and board approval is required for all debt and/or derivative transactions and this approval is appropriately documented.</td>
<td>No</td>
</tr>
</tbody>
</table>
Activity Log Event Summary (Totals)
HOLDEN BEACH POLICE DEPT.
(01/01/2019 - 01/31/2019)

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;No Event Type Specified&gt;</td>
<td>1</td>
</tr>
<tr>
<td>Animal Complaint</td>
<td>5</td>
</tr>
<tr>
<td>Assist Motorist</td>
<td>2</td>
</tr>
<tr>
<td>Business Check</td>
<td>82</td>
</tr>
<tr>
<td>Domestic Disturbance</td>
<td>1</td>
</tr>
<tr>
<td>Fire Call</td>
<td>1</td>
</tr>
<tr>
<td>Incident Report</td>
<td>5</td>
</tr>
<tr>
<td>Keep Check</td>
<td>21</td>
</tr>
<tr>
<td>Meet with Complainant</td>
<td>3</td>
</tr>
<tr>
<td>Parking</td>
<td>3</td>
</tr>
<tr>
<td>Public Assist</td>
<td>1</td>
</tr>
<tr>
<td>Suspicous Activity</td>
<td>4</td>
</tr>
<tr>
<td>Suspicous Vehicle</td>
<td>5</td>
</tr>
<tr>
<td>Welfare Check</td>
<td>1</td>
</tr>
<tr>
<td>Alarm Activation</td>
<td>11</td>
</tr>
<tr>
<td>Arrest</td>
<td>2</td>
</tr>
<tr>
<td>Attempt to Locate-ATL</td>
<td>3</td>
</tr>
<tr>
<td>Disturabnce/Fight</td>
<td>1</td>
</tr>
<tr>
<td>EMS/Medical Call</td>
<td>2</td>
</tr>
<tr>
<td>Gun Fire</td>
<td>1</td>
</tr>
<tr>
<td>Intoxicated Subject</td>
<td>1</td>
</tr>
<tr>
<td>Maintenance/Water Leaks(HB Only)</td>
<td>3</td>
</tr>
<tr>
<td>Other Ordinance Complaint</td>
<td>1</td>
</tr>
<tr>
<td>Phone Call (requested to call subject)</td>
<td>9</td>
</tr>
<tr>
<td>Supplemental ( to prior report - use original OCA)</td>
<td>1</td>
</tr>
<tr>
<td>Suspiscous Person</td>
<td>4</td>
</tr>
<tr>
<td>Traffic Stop</td>
<td>1</td>
</tr>
</tbody>
</table>

Total Number Of Events: 175
Date: February 12, 2019
To: Commissioners and Mayor Holden
From: Heather Finnell, Town Clerk
Re: Parks & Recreation Advisory Board

Dr. Candace Vick and Stu Atwell are interested in filling the vacancy on the Parks & Recreation Advisory Board. They are both scheduled to be interviewed at the February 12th special meeting and their information is in the meeting packet. No other applications have been submitted.

Please let me know if you have any questions.
TOWN OF HOLDEN BEACH
Application for Town Board Membership

Personal Information:

Name: Candace Vick

Address: 138 Carolina Avenue, Holden Beach

Phone #: 919 - 621 - 9945

Email: evick@nesu.edu

Occupation: Assoc. Professor

Interest & Ability:

Board or Committee you are interested in serving on: Parks & Recreation Board

Why are you interested in serving in this capacity?

What do you feel you can contribute to the position?

Background:

School(s) Dates Area of Study Degree

North Carolina State Univ. 1971-74 Parks & Recreation Admin. BS, MS

Indiana University 1981-84 Parks & Recreation Ph.D.

Previous Residences: 2117 Carroll Dr Raleigh, NC 27608

Prior/current involvement in Town Government or related activities: -

Specific experiences, training or interests you have that you feel would be useful in the work of the Board/Committee:

Certification of Eligibility:

I am a resident of the Town of Holden Beach.

No person shall be appointed by the BOC or pursuant to any authority delegated by the BOC who is a member of the BOC; the Town Manager, Town Attorney, Town Clerk, Police Chief or any full or part-time employee of the Town who reports to any of the foregoing; a contractor, consultant or other person providing goods or services to the Town in consideration of cash or other thing valued at more than $1,000 in any one year or an officer or material owner thereof; or the spouse, domestic partner, child, parent or sibling of any of the foregoing. I am not in conflict with this regulation.

Signature of Applicant: Candace Vick Date: 2/7/2019
Town of Holden Beach
Application for Parks and Recreation Board
Dr. Candace Vick

Why are you interested in serving in this capacity?

I have been involved in some aspect of public parks and recreation since I began my undergraduate degree in 1971. I have seen the expansion of recreation opportunities at Holden Beach and would like to be a part of the group of citizens that continues that work. The current members of the Parks and Recreation Board are very active and enthusiastic about their role. I was impressed with the award they received at the state level last year.

What do you feel you can contribute to the position?

My expertise in the management and operations of public parks and recreation departments.

Prior/current involvement in Town Government or related activities: I have not been involved in any aspect of Town Government at Holden Beach. However, I have served on the City of Raleigh Parks, Recreations and Cultural Resources Board and have been a member of the National Parks and Recreation Association and the North Carolina Recreation and Parks Association.

Specific experiences, training or interest you have that you feel would be useful in the work of the Parks and Recreation Board.

I have been on the faculty in the Department of Parks, Recreation and Tourism Management, NCSU for 33 years. Oversee the Recreation Resources Service, a statewide consultant office for parks and recreation. I also coordinate the Department’s professional development schools. I have dealt with not only the academic side of our profession but the professional side.

Beyond to my professional experience, I am passionate about the role recreation and parks can play in the overall health and development of a community. Holden Beach is a wonderful community and I would like to be a part of seeing the community continues to offer outstanding recreation opportunities.
TOWN OF HOLDEN BEACH
Application for Town Board Membership

Personal Information:
Name: Sue Atwell
Address: 127 Crab Street, Holden Beach, NC 28462
Phone #: 910-842-7655
Email: Satwell@carolina.rr.com
Occupation: Gym Owner/Trainer

Interest & Ability:
Board or Committee you are interested in serving on: Rec/Sports
Why are you interested in serving in this capacity? Any
What do you feel you can contribute to the position? Wealth of knowledge about fitness sports programming

Background:
School(s) Dates Area of Study Degree
UNCC Grad '85 Fitness/Art/Illustration BFA

Previous Residences: Huntersville, NC

Prior/current involvement in Town Government or related activities: None

Specific experiences, training or interests you have that you feel would be useful in the work of the Board/Committee: Gym owner, Sports and Fitness Trainer, Post-Rehab Personal Trainer/Med. Exercise Specialist 30 yrs +

Certification of Eligibility:
I am a resident of the Town of Holden Beach.

No person shall be appointed by the BOC or pursuant to any authority delegated by the BOC who is a member of the BOC; the Town Manager, Town Attorney, Town Clerk, Police Chief or any full or part-time employee of the Town who reports to any of the foregoing; a contractor, consultant or other person providing goods or services to the Town in consideration of cash or other thing valued at more than $1,000 in any one year or an officer or material owner thereof; or the spouse, domestic partner, child, parent or sibling of any of the foregoing. I am not in conflict with this regulation.

Signature of Applicant: [Signature]
Date: 2/12/19
Talking Points Statement For The Feb. 5th Special Meeting Regarding The Trash Ordinance

As I previously stated at the Dec. special meeting and our January commissioners public meeting, I continue to be concerned about the 80 plus percent of home owners that are part time residents not being able to comply with the revised Trash Ordinance, and as a result of not being able to comply potentially receiving a civil fine.

Trash containers being left at street side after trash collection days is not a new concern for the home owners of Holden Beach. A number of years ago this was apparently identified as a concern that was recognized as an issue on Ocean Boulevard, and the solution to resolve the visibility of containers from being left out for weeks at a time, along with other concerns to include safety was addressed. The town resolved this issue by organizing a container roll back service to home owners on Ocean Boulevard only, with the expense for this service provided by the town.

Over the years there have been many new homes built; along with new construction underway throughout the island.

If we were concerned a number of years ago regarding the negative appearance and potential safety concerns pertaining to trash cans being left out at street side after a trash collection day, I am recommending we focus on implementing the same rollback process rational that was implemented for home owners on Ocean Boulevard throughout the island. This will help to address the 80 plus percent of home owners that currently have a problem in complying with the revised Trash Ordinance.

Roll Back of Trash and Recycling Containers: Empty containers will be rolled back to the street side of the home, under the home or to a corral if available.

I also completely understand that this suggestion will not totally resolve all of the issues. There will still be times when an individual home does not roll their container to street side in time for trash collection. In that particular case I recommend the container remain at the street, and not rolled back to the home. After the next trash collection day, or rental agency involvement that container will be rolled back to the street side of the home, under the home or to a corral if available.

There will also be times that a part time home owner frequents their home and will need to roll their trash container street side for collection that might be a number of days before the actual collection day. To accommodate these individual needs, eliminate the 48 hour street side requirement before the designated collection day.

With the implementation of island wide roll back of containers after the collection day the majority of containers will be removed from street side and help to resolve the visibility, environmental and safety issues.

Roll Out of Trash and Recycling Containers: Based on numerous potential liability unknowns and other logistical issues, I recommend a Roll Back island wide program only.
50.99 Penalty

The issue of Penalties in the Ordinance should also be revised to be consistent with the wording currently outlined in 50.06. (The penalty/ fine for early Roll Out is eliminated) Property owners who are found in violation of this ordinance may receive written notice from the town that they are in violation of the ordinance. Those so affected will be asked to correct the situation so they come into compliance with the code or receive a civil fine of $50 per day per offense.

February 11, 2019

Summary regarding the highlights of the recommended changes outlined in the statement letter read by Commissioner Butler during the February 2nd Special Meeting:

1. Island wide rollback. Empty Trash and Recycling Containers will be rolled back to the street side of the home, under the home or to a corral if available.
2. Trash corrals are allowed.
3. Full containers would stay at the curb until emptied.
4. Containers can be rolled to the curb early. Eliminate the 48 hour street side requirement before the designated collection day.
5. Enforcement fines would still apply to those not following the yard waste requirements and those placing trash on the ground or on top of trash containers.
CURRENT ORDINANCE

TOWN OF HOLDEN BEACH
ORDINANCE 18-16

AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES,
CHAPTER 50: SOLID WASTE

BE IT ORDAINED BY the Mayor and Board of Commissioners of the Town of Holden Beach,
North Carolina that the Holden Beach Code of Ordinances, Chapter 50: Solid Waste be amended
as follows:

Section One: Amend Chapter 50: Solid Waste to read as follows:

CHAPTER 50: SOLID WASTE

Section

50.01 Definitions
50.02 Container specifications
50.03 Burning or burying of garbage regulated
50.04 Accumulation and collection
50.05 Collections prohibited
50.06 Yard waste
50.07 Transporting waste materials; covering during transport
50.08 Rental homes
50.99 Penalty

§ 50.01 DEFINITIONS.

For the purpose of this chapter, the following definitions shall apply unless the context
clearly indicates or requires a different meaning.

BUILDING MATERIAL SCRAP. All scrap material from the construction, reconstruction,
remodeling or repair of a building, walkway, driveway, sign or other structure, including, but not
limited to, excavated earth, tree stumps, rocks, gravel, bricks, plaster, concrete, lumber, insulation,
fixtures (e.g., commodes, sinks) or wrappings for materials or any other materials necessary for
the construction, reconstruction, remodeling or repair of a building.

GARBAGE. All animal, fruit and vegetable matter, all small cans, glassware, crockery, bags, and
other small containers in which matter has been left or stored.

LARGE HOUSEHOLD ITEMS. Accessories or fittings for a particular use inside, outside or
around a house including but not limited to tables and chairs; sofas and recliners; bed frames;
dressers; mattresses and box springs; small electronics such as computers and televisions; refrigerators; ovens and microwave ovens; washing and drying machines.

PUTRESCIBLE WASTE. Solid waste that contains organic matter capable of being decomposed by microorganisms and of such a character and proportion as to cause obnoxious odors and to be capable of attracting or providing food for birds or animals.

REFUSE. All other types and kinds of materials intended to be discarded, scrapped, or otherwise disposed of.

RECYCLABLE REFUSE. Types and kinds of materials intended to be discarded, scrapped or otherwise disposed of that are defined as recyclable material under the current waste collection contract, e.g., cardboard; newspaper; magazines; small metal and glass containers and certain type of plastic containers in which matter has been stored and possibly residues left.

SUMMER RENTAL SEASON. The period of time that garbage collection occurs twice weekly per town contract.

YARD WASTE. All wastes pertaining to a landscaped/managed property, including but not limited to tree limbs, leaves, shrubbery, weeds, plants or grass.

(‘85 Code, § 9-1.1) (Ord. 5, passed - - ; Am. Ord. 10-90, passed 5-15-90)

§ 50.02 CONTAINER SPECIFICATIONS.

(A) Residential requirements.

(1) Garbage will be kept only in contractor-owned and provided standard, 90-gallon capacity roll-out containers. Each residence is authorized one container; however, additional containers are available for a set monthly fee.

(2) Recyclable refuse can be disposed of in standard garbage containers. Alternatively, 90 gallon capacity containers for recyclable materials only are available by contract through the town for a set annual fee. They will be provided to a property in addition to, not in replacement of, the required number of garbage containers.

(3) Property owners are responsible to assure they have sufficient 90-gallon containers to properly contain refuse prior to collection. Garbage placed on top of or beside the container(s) will not be picked up by the contractor, nor will garbage placed in non-standard containers.

(B) Commercial requirements.

(1) All commercial establishments catering to the public in such a manner as to create refuse shall be required to place an adequate number of refuse containers in such positions and locations as to encourage their use.

(2) All such commercial related containers shall be maintained in a sound and presentable condition.
(C) No person shall throw, place, or deposit any garbage or refuse of any kind, in any place or in any public or private property, except in approved containers or as otherwise provided in accordance with the provisions of this section.

(D) Containers on town-owned property and other public areas are for the use of the town and for the general use of residents and visitors using the public areas. It shall be unlawful for anyone otherwise to place commercial or residential waste or refuse into such containers.

(‘85 Code, § 9-1.2) (Ord. 5, passed - - ; Am. Ord. 93-18, passed 10-20-93; Am. Ord. 94-02, passed 2-7-94; Am. Ord. 95-06, passed 2-22-95) Penalty, see § 50.99

§ 50.03 BURNING OR BURYING OF GARBAGE REGULATED.

It shall be unlawful to burn or bury garbage or trash for the purpose of disposal unless a special permit has been issued by the Town Police Department.

(‘85 Code, § 9-1.3) (Ord. 5, passed - - ; Am. Ord. 10-90, passed 5-15-90) Penalty, see § 50.99

§ 50.04 ACCUMULATION AND COLLECTION.

(A) All garbage and household refuse shall be kept in proper containers as required by this chapter and it shall be unlawful for any person to permit garbage to accumulate or remain on any premises longer than is reasonably necessary for its removal. It is the intent of the town that all containers be secured in such a manner either next to non-elevated or underneath elevated houses, except on collection days when they are to be placed at street side, so that the town street right-of-way remains clear of empty containers, and so that containers are not damaged or overturned by high winds or other occurrences. Containers will be located at street side no earlier than 6:00 p.m. the evening before designated collection days during the summer rental season. For the rest of the year containers will be located at street side no more than 48 hours before the designated collection. All containers should be returned to the normal house-side storage location by 6:00 p.m. the day after collection.

(B) It shall be the duty of every owner or occupant of every building or premises where garbage or refuse exists, to reasonably and regularly clean the 90-gallon containers and other legal refuse collection containers.

(C) The owners, occupants and lessees of all property, jointly and severally, are required to control all refuse, placing such refuse in proper containers and/or arranging for collection or other disposal disposition in accordance with the provisions of this chapter.

(D) Garbage and household refuse will be collected and removed from the aforesaid containers or cans in accordance with the schedule set forth in the garbage collection service contract, executed independently from this chapter.

(E) This chapter shall be enforced by the town either by civil proceedings or by removing and disposing of litter according to the provisions and procedures for abatement of litter as provided in this chapter and as prescribed by G.S. 160A-174, 160A-175, 160A-193, and 160A-303.1, including the provisions for notice and hearings provided or referred to therein.
§ 50.05 COLLECTIONS PROHIBITED.

All matter, refuse, and materials such as industrial refuse, building materials and scraps, tree trimmings, walkway scraps, or any other refuse from building or remodeling, large containers, or large household items shall not be accepted or picked up as part of the regular garbage collection service contract.

('85 Code, § 9-1.5) (Ord. 5, passed - - ; Am. Ord. 10-90, passed 5-15-90) Penalty, see § 50.99

§ 50.06 YARD WASTE

Yard waste will be accepted under certain conditions and at defined times under a contract separate from the standard waste collection contract. Permissible, properly bundled or bagged, yard waste must not be placed at roadside for collection more than two weeks prior to a scheduled collection. Property owners who are found in violation may receive written notice from the town that they are in violation of town ordinance in that regard. Those so affected will be asked to correct the situation so they come into compliance with the code or receive a civil fine of $50 per day per offense.

§ 50.07 TRANSPORTING WASTE MATERIALS; COVERING DURING TRANSPORT.

All persons transporting waste material, construction material, or any manner of loose materials over the public or private roadways in the town shall insure that such materials are not lost or scattered on or along the rights-of-way of such roadways. These materials shall be securely covered during transit in such manner as to prevent the loss thereof from the transporting vehicle.

('85 Code, § 9-1.7) (Ord. 10-90, passed 5-15-90) Penalty, see § 50.99

§ 50.08 RENTAL HOMES.

(A) Rental homes, as defined in Chapter 157, that are rented as part of the summer rental season, are subject to high numbers of guests, resulting in large volumes of trash. This type of occupancy use presents a significantly higher impact than homes not used for summer rentals. In interest of public health and sanitation and environmental concerns, all rental home shall have a minimum of one trash can per two bedrooms. Homes with an odd number of bedrooms shall round up (for examples one to two bedrooms - one trash can; three to four bedrooms - two trash cans; five - six bedrooms - three trash cans, and the like). In instances where three trash cans or more are required, one can may be substituted with a contractor approved recycling bin.

(B) Any property found in violation of division (A) above shall be subject to the penalties listed in § 50.99.

(Ord. 07-13, passed 11-27-07)

§ 50.99 PENALTY.

(A) Criminal. Violators of Chapter 50 will not be subject to a criminal penalty.

(B) Civil. In accordance with § 10.99(B) of this code of ordinances, the civil fine for violation of any provision of this chapter shall be $50 per offense.
('85 Code, § 9-1.8) (Ord. 5, passed - - ; Am. Ord. 7-87, passed 6-1-87; Am. Ord. 10-90, passed 5-15-90; Am. Ord. 93-11, passed 9-7-93; Am. Ord. 99-02, passed 2-8-99)

Section Two: The Town Clerk is directed to forward this ordinance to American Legal Publishing for inclusion in the next published supplement to the Holden Beach Code of Ordinances.

Section Three: This ordinance shall be effective the 19th day of December, 2018. Penalties will not be enforced until May 1, 2019.

Adopted this the 18th day of December, 2018.

ATTEST:

Heather Finnell, Town Clerk

J. Alan Holden, Mayor
TOWN OF HOLDEN BEACH
ORDINANCE 19-02

AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES,
CHAPTER 50: SOLID WASTE, § 50.99 PENALTY

BE IT ORDAINED BY the Mayor and Board of Commissioners of the Town of Holden Beach,
North Carolina that the Holden Beach Code of Ordinances, Chapter 50: Solid Waste be amended
as follows:

Section One: Amend § 50.99 PENALTY to read as follows (Changes in italics):

§ 50.99 PENALTY.

(A) Criminal. Violators of Chapter 50 will not be subject to a criminal penalty.

(B) Civil. In accordance with § 10.99(B) of this code of ordinances, the civil fine for
violation of any provision of this chapter shall be $50 per offense.

(C) Penalties for violations of Chapter 50 will not be assessed until May 1, 2020.

('85 Code, § 9-1.8) (Ord. 5, passed -- ; Am. Ord. 7-87, passed 6-1-87; Am. Ord. 10-90, passed
5-15-90; Am. Ord. 93-11, passed 9-7-93; Am. Ord. 99-02, passed 2-8-99)

Section Two: The Town Clerk is directed to forward this ordinance to American Legal Publishing
for inclusion in the next published supplement to the Holden Beach Code of Ordinances.

Section Three: This ordinance shall be effective the 20th day of February, 2019.

Adopted this the 19th day of February, 2019.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk
Date: February 12, 2019

To: Commissioners and Mayor Holden

From: Chris Clemmons, Public Works Director

Re: Rollback Services

We received four bids in response to our solicitation of bids for a contractor to perform rollback services. The prices on an annualized basis are as follows:

- Fullwood’s Lawn Service Plus $52,416
- Mermaid Resort Services $67,414
- Coastal Transplants $78,000
- Lyons Contract Service $65,520

The apparent low bidder is Fullwood’s Lawn Service Plus. The Board of Commissioners would need to select a contractor and make the award of contract contingent on review of the contract documents by the Town Attorney.
CERTIFICATION: I hereby certify this to be a true and correct tabulation of bids taken on this project, to the best of my knowledge and belief.

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Total Price</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>Fullwood's Lawn Service Plus</td>
<td>$52,416</td>
<td></td>
</tr>
<tr>
<td>Mermaid Resort Services</td>
<td>$67,414</td>
<td></td>
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<tr>
<td>Coastal Transplants</td>
<td>$78,000</td>
<td></td>
</tr>
<tr>
<td>Lyons Contract Service</td>
<td>$65,520</td>
<td></td>
</tr>
</tbody>
</table>

Heather Finnell, Town Clerk  2/12/19
The Town of Holden Beach seeks qualified contractors to submit bids for the job of rolling back sanctioned household trash containers within town limits. The following is the statement of work.

The Town of Holden Beach has approximately 3,900 90 gallon refuse containers (450 recycle and 3,450 waste provided by Waste Industries) at private residences and commercial and municipal properties located along approximately 25 miles of roads within the town limits. After the containers have been serviced by the town's contracted waste removal company, it is the responsibility of the rollback contractor to move all containers (empty or full) to a location under or beside a building/residence. During the Summer Schedule, the waste removal contractor may not run a recycle truck until after all refuse containers have been emptied. This will require a second trip by the rollback contractor to rollback recycle containers.

The work will be performed each time a garbage pickup is made by the waste removal company and will follow the following schedule:

**WINTER SCHEDULE**
October 1 through Memorial Day ----- every Tuesday with one Saturday pickup the Saturday before Easter
Recycling will be every other Tuesday

**SUMMER SCHEDULE**
Memorial Day through September 30 ---- every Tuesday and Saturday
Recycling will be every Tuesday

Due to safety concerns, during the summer schedule, rollback will start on both sides of Ocean Boulevard West at the bridge and proceed west until reaching the pier. This work will be performed prior to 9:00 a.m. unless delayed by the waste removal contractor. The remainder of the work may proceed at the contractor's discretion.

All containers will be rolled back prior to 6:00 p.m. on each service day.

The rollback contractor will provide everything necessary to perform the above task including, but not limited to transportation, labor, employee personal protective equipment, fuel and insurance as required by the town.

It is anticipated that bids will be evaluated by the Holden Beach Board of Commissioners at their meeting of February 19, 2019, with a subsequent contract award. The original terms of which shall be for two years and six weeks starting in mid-May 2019, with an additional three year option period upon completion of the original term. The price submitted by the
contractor can be modified effective June 30th of each year with a 90-day notice based on an increase/decrease in containers greater than 10%.

All bidders shall attach qualifications and reference, as well as similar or related work experience when submitting bid.

There will be a mandatory pre-bid conference on Thursday, January 31, 2019 at 11:00 a.m. at the Holden Beach Town Hall. Questions shall be submitted to the address below no later than Monday, January 28, 2019. Sealed bids are due to the address below no later than Tuesday, February 12, 2019 at noon.

Town of Holden Beach  
Attn: Heather Finnell  
110 Rothschild Street  
Holden Beach, NC 28462  
heather@hbtownhall.com
Monday, February 11, 2019

Memo:

Subject: Golf Cart Parking along Marsh Streets

To: Town Manager, David Hewett

From: Planning and Inspections Director, Timothy D. Evans

David,

At the Boards request staff has looked into the feasibility of (Low Speed Vehicle), Golf Carts having exclusive parking along Marsh Streets.

The staff has come to the following conclusions:

1. LSV’s are legal modes of transportation and already have access for parking anywhere regular cars can park.
2. Currently the parking along those marsh street is allowed for LSV that are registered for road use, as those are available parking.
3. All parking restrictions both state and local would still apply, (100 feet from intersections no parking).
4. It would appear that there are three access points near Marsh streets.
5. Swordfish would have a travel distance of 350’ to access at 915 OBW, Sailfish would have a travel distance of 900’ to Access at 915 OBW, Scotch Bonnet Would Have a travel distance of 800’ to access at 567 OBW.

6. There would need to be a Text amendment in the current parking ordinances designating Low speed Vehicles only (Golf Cart) for those streets.

7. There will also need to be signage for clarity.

8. This would be available only in the summer months as LSV’s are not allowed when the speed limit is increased. (Per Acting Police Chief).
2/13/2019
Memo:

Subject: Commercial Zoning Setback and Buffer Requirements

To: Mayor, and Town Commissioners, Manager

From: Planning and Inspections Director, Timothy D. Evans

Recently the Planning Board asked staff to look into the adequacies of the C1 zoning rules. Staff found what appeared to be some major deviances’ in the setbacks/buffers and presented text amendments for review.

The planning Board approved the amendment’s and has found the changes to be consistent with the Current LUP (Land Use Plan).

Staff also Concurs that these changes will make Holden Beach a Better place to visit and live, and recommend that in the interest of life safety health and welfare that these changes be implemented.
§ 157.062 COMMERCIAL DISTRICT (C-1).

(A) The Commercial District is established as the district in which a variety of sales and service facilities may be provided to the general public. The specific intent is to encourage the construction of and the continued use of land and buildings for commercial and service uses that are compatible with the family beach character of Holden Beach and serve to enhance the services available to residents and visitors. All commercial activities shall be conducted from a permanent structure, shall comply with the town's noise ordinance, and meet or exceed the parking requirements of this chapter.

(B) Refer to the Table of Permitted Uses, § 157.054, for permitted uses in this district.

(C) Dimensional requirements C-1.

(1) Front yard. Minimum required: 25 feet.

Front Yard setbacks 50 feet

(2) Side yard. Minimum required: five feet. Open porches, steps, or overhangs shall not be within five feet of the property line.

Side Yard. Minimum required: 20 feet. Open Porches, steps, or Overhangs shall not encroach into the established setbacks, Side Yard setbacks minimum required shall be ten feet where Landscape Buffering Meets the Requirements of 157.062 (1)

(3) Rear yard. Minimum required: five feet, except that if a commercial use abuts a residential district there shall be a rear yard of 20 feet.


(4) Buildings constructed or converted to commercial use after the effective date of this chapter shall provide off-street parking and loading space as required in §§ 157.075 through 157.088 of this chapter.

(5) All signs and billboards must meet the requirements set forth in § 157.079 of this chapter.

(6) Building height. No building shall exceed a maximum height of 31 feet measured from design flood elevation to the highest point of the structure.

(7) Lot coverage. Driveways, parking lots, parking spaces, parking areas, patios and other similar areas and surfaces located outside of the building footprint shall be gravel, grass or of an approved pervious product. Required Buffers must have the required approved landscaping

(D) Screening shall be required to conceal from public view HVAC equipment, utility equipment, accessory structures, and other accessory facilities accessory to a commercial use.

(E) Solid waste disposal containers to be screened. Screening for solid waste disposal (dumpsters) shall be of comparable material and color as the structure they are accessory to. The height of the screen shall be equal to or greater than the height of the container being screened. The width shall be sufficient to permit two feet clearance between the receptacle and the screen to facilitate cleaning and maintenance. A concrete pad with drain to sanitary sewer or dry well is required by the
**NC State Board of Health.** The opening shall have a gate or slide that can be held in place while being serviced. All other refuse containers, such as cans or bins, shall be adequately screened from the view of adjacent properties or the street right-of-way.

(F) Outside material storage. Outside storage shall be within a fully enclosed accessory structure or shall be screened from view of all adjacent properties and the street right-of-way by a perpetually maintained vegetative buffer or fence of comparable material and color that matches the primary structure. Only material, goods, wares, etc. that are incidental to that business are permitted to be stored.

(G) Outside display of items for sale. The display of any goods, material, or items for sale may be displayed outside of a business so long as they are contained or secured to prevent blowing off site, and are not encroaching upon the required pedestrian way or reduce the required number of parking spaces established by this chapter. All displays shall be of the same product line sold by the occupant in the primary use of the lot.

(H) Sidewalks required. It is the intent of the town to require safe pedestrian access along all commercial properties. If the developer of commercial property does not install sidewalks at the time the property is developed, the town reserves the right and the property owner shall agree to pay an assessment sufficient to construct public sidewalks along the street adjacent to the development at a later date.

(I) Landscaping required. All commercial structures shall have landscaping installed, by the property owner, to soften the impact of the bare walls to adjacent properties and the streets. Areas required to be landscaped buffered under 157.062 (C) 1-3, shall be a minimum of 6 feet high on the sides of property with spacing no less than three feet. Buffering must be maintained so as to be perpetual in its functioning for the life of the use.

(J) Clubhouses. Clubhouses shall provide the following:

1. Post the Town of Holden Beach adopted beach regulations within the clubhouse facility;
2. Provide restroom facilities for their guests;
3. Provide showers for their guests;
4. Provide a first aid kit;
5. Provide phone for 911 use;
6. Provide adequate trash containers to prevent litter;

('85 Code, § 15-5.9) (Ord. 33, passed 10-5-81; Am. Ord. 17-87 passed 9-14-87; Am. Ord. 93-05, passed 2-17-93; Am. Ord. 95-05, passed 2-22-95; Am. Ord. 01-08, passed 7-23-01; Am. Ord. 02-12, passed 10-14-02; Am. Ord. 06-01, passed 1-9-06; Am. Ord. 06-13, passed 11-14-06; Am. Ord. 06-14, passed 11-14-06; Am. Ord. 15-01, passed 1-13-15) Penalty, see § 157.999
shall apply to every building, lot, tract, or parcel of land within the corporate limits of the town and within its satellite or extraterritorial area as same is controlled by the
Town of Holden Beach Planning & Zoning Board
Statement of Consistency and Zoning Recommendation

The Town of Holden Beach Planning & Zoning Board hereby recommends approval of the text amendment to §157.062 COMMERCIAL DISTRICT C-1 of the Holden Beach Code of Ordinances.

As required by G.S. 153A-344 and 160A-387, the Planning and Zoning Board has reviewed the proposed changes and finds them to not be inconsistent with the adopted 2009 CAMA Land Use Plan, specifically goals, objectives and policies in section 9.1. Land Use and Development. In addition, the Planning and Zoning Board feels the changes are in the public’s interest because they will promote public health, safety, and general welfare within our community.

Upon approval by the Board of Commissioners the Comprehensive Plan will be deemed amended and shall not require any additional request or application for amendment.

The statement and motion was adopted by a unanimous vote this 12 day of February, 2019.

[Signature]
Vicki F. Myers, Chair
Date: February 1, 2019

To: Commissioners and Mayor Holden

From: Mandy Lockner, Fiscal Operations II

Re: AT&T Contract

AT&T (Black Dot Wireless) has put forth an effort to amend its cell tower lease agreements citing that tower rents are significantly higher than the AT&T Cluster/Target Rent. They have proposed two different lease agreements for the Board’s consideration (see attached). The Town’s current yearly revenue from AT&T is $29,208/ $2,419.

Option A: Rent is $2,022 per month with a 10% increase every five years with a total term of 360 months (30 years) and a rent guarantee of 84 months (7 years). Rent guarantee value for 7 years is $174,700.80 and total 30 year lease value is $936,057.

Option B: Rent is $2,207 per month with a 10% increase every five years with a total term of 360 month (30 years) and a rent guarantee of 60 months (5 years). Rent guarantee value for 5 years is $132,420 and total 30 year lease value is $1,021,701.

Please advise staff on the Board’s desired action.

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<thead>
<tr>
<th>SUMMARY ITEMS</th>
<th>EXISTING</th>
<th>OPTION A</th>
<th>OPTION B</th>
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<td>ESCALATION</td>
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<td>10% TERM</td>
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<tr>
<td>30 YEAR LEASE VALUE</td>
<td>$936,057.00</td>
<td>$1,021,701.00</td>
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</tbody>
</table>
AT&T Lease Optimization Program

c/o Black Dot Wireless (as agent for AT&T and its subsidiaries)
27271 Las Ramblas, Suite 200
Mission Viejo, California 92691

12/14/2018

Mandy Lockner
Town of Holden Beach
110 Rothschild Street
Holden Beach NC 28462

Re: AT&T Cell Site Lease

Dear Landlord,

By now you may have heard news regarding AT&T’s efforts to amend its leases, reduce its rents, and improve its business terms. Over the past three years, the growth of AT&T’s total annual cell-site rent has outpaced the growth of its sales revenue. Senior executives have made addressing this issue a priority and as our strategic partner, it is important we notify you that your site is one of many under review.

During our review, we’ve evaluated the costs of operating the site (i.e. rent), proximity to other sites, and the ability to modify and/or expand the site. It has been determined that AT&T must take immediate steps to reduce expenses and improve operational flexibility by amending our current agreement. Without your participation, AT&T may consider alternative site solutions that help accomplish the same objectives.

Black Dot Wireless, LLC (“Black Dot”), a national lease management firm, has been directed to discuss your lease options and help you through the process. Depending on those discussions, your site may qualify for a long-term rental guarantee. Such a rent guarantee would create a secure financial instrument while safeguarding the long-term future of your site.

AT&T values its association with you and looks forward to continuing this partnership for years to come.

Sincerely,

Gregory D. Ohmer
Director Network Planning
AT&T Mobility

Black Dot Wireless Contact Information:
AT&T Lease Optimization Program
27271 Las Ramblas, Suite 200
Mission Viejo, California 92691
Toll free: 866-712-8135
Fax: 866-712-8136
www.attlandlords.com
info@attlandlords.com

FOCUS ID: WS-222400 .1FA #: 13087772
PLEASE REFERENCE YOUR FOCUS ID AND FA NUMBER WHEN CALLING.

**AT&T’s Lease Optimization Program is optional and participation is not required. AT&T will continue to abide by the terms of your original Lease Agreement, including exercising its termination rights where they exist.**
I would like to thank you for the many years that you have been a landlord with AT&T or its predecessors. We have shared a mutually beneficial relationship which AT&T has truly appreciated.

AT&T is actively reviewing its portfolio of sites to determine ways to make its network more efficient and economical. Specifically, AT&T is requesting a rent reduction for the site located at:

120 Rothschild Avenue, Holden Beach, North Carolina, 28462

Date of New Amendment: 3/1/2019

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<th>New Rent</th>
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<td>C. New Escalation</td>
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<td>D. New Escalation Frequency</td>
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<td>$2,670.47</td>
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</table>

Other

A. Verify or write in the correct legal ownership for this Site.
   Town of Holden Beach
   Is this correct? Yes / No

B. Verify or write in the correct physical address for this Site.
   120 Rothschild Avenue, Holden Beach, North Carolina, 28462
   Is this correct? Yes / No

C. Verify or write in the correct address for notice and correspondence.
   110 Rothschild St., Holden Beach, North Carolina, 28462
   Is this correct? Yes / No

**This proposal is not a binding commitment and is subject to review and approval of documentation by all parties. Participating in this program is not required and AT&T will continue to abide by the terms of your original Lease Agreement, including exercising termination rights where they exist.**
SITE SUMMARY

Black Dot Wireless has been retained by your tenant AT&T to give specific recommendations on sites where rents are significantly higher than the market average. Upon this review, Black Dot Wireless has identified that your cell site rent is well above the market averages for your region. Because of this, AT&T is exploring various options that will help bring costs down to market levels. If the relocation of the site is determined to be the best option, AT&T will abide by the termination rights as provided for in the current lease and begin the process of relocation.

PERFORMANCE INDEX

- Current Site Current Rent: $2,419
- Cluster Average: $839
- Target Rent: $797

CURRENT LEASE CONSSENSUS on 12/17/2018

- 5 Relocation of Site
- 4 Relocation Analysis
- 3 Rent & Escalator Reduction
- 2 Rent Reduction
- 1 Hold

SITE LOCATION INFO

- Site Name: Holden Beach W/478-078
- Site Type: Southeast
- Site Address: 120 Rothschild Avenue
- Site City: Holden Beach
- Site State: North Carolina
- Site Zip Code: 28462

CURRENT LEASE INFO

- Agreement Type: Water Tower
- Landlord Type:
- FA #: 13087772
- Lease ID: 13087712-172309
- Rent Commence Dt: 1/1/2005
- Lease Exp. Date: 12/31/2035
- Initial Term Length (mo): 80
- # of Renewal Terms: 2
- Renewal Term Length (mo): 80
- Total Term Length (mo): 180
- Termination Rights: Yes - AT-WIll Tenant Only
- Term Fee Type: 6 months rent
- Term Fee:
- Initial Base Rent: $1,800.00
- Current Base Rent: $2,419.05
- Rent Freq: Monthly
- Esc. Type: Fixed
- Esc. Value: 3,000.00
- Esc. Freq: Annually

Important Information: The information above has been obtained from sources believed reliable. While we do not doubt its accuracy we have not verified it and make no guarantee, warranty or representation about it.
I would like to thank you for the many years that you have been a landlord with AT&T or its predecessors. We have shared a mutually beneficial relationship which AT&T has truly appreciated.

AT&T is actively reviewing its portfolio of sites to determine ways to make its network more efficient and economical. Specifically, AT&T is requesting a rent reduction for the site located at:

120 Rothschild Avenue, Holden Beach, North Carolina, 28462

<table>
<thead>
<tr>
<th>Date of New Amendment:</th>
<th>3/1/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Rent</td>
<td></td>
</tr>
<tr>
<td>A. New Base Rent</td>
<td>$2,022.00</td>
</tr>
<tr>
<td>B. New Rent Frequency</td>
<td>Monthly</td>
</tr>
<tr>
<td>C. New Escalation</td>
<td>10.00%</td>
</tr>
<tr>
<td>D. New Escalation Frequency</td>
<td>Term</td>
</tr>
<tr>
<td>New Term</td>
<td></td>
</tr>
<tr>
<td>A. New Initial Term (mo)</td>
<td>60</td>
</tr>
<tr>
<td>B. Number of Renewal Terms</td>
<td>5</td>
</tr>
<tr>
<td>C. Additional Term Length (mo)</td>
<td>60</td>
</tr>
<tr>
<td>D. Total Term (mo):</td>
<td>360</td>
</tr>
<tr>
<td>Rent Guarantee</td>
<td></td>
</tr>
<tr>
<td>A. Rent Guarantee (mo)</td>
<td>84</td>
</tr>
<tr>
<td>B. Rent Guarantee Value</td>
<td>$174,700.80</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Year(s)</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yr 1</td>
<td>$2,022.00</td>
</tr>
<tr>
<td>Yr 2</td>
<td>$2,022.00</td>
</tr>
<tr>
<td>Yr 3</td>
<td>$2,022.00</td>
</tr>
<tr>
<td>Yr 4</td>
<td>$2,022.00</td>
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<tr>
<td>Yr 5</td>
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<tr>
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<td>$2,224.20</td>
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<tr>
<td>Yr 11</td>
<td>$2,446.62</td>
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<tr>
<td>Yr 12</td>
<td>$2,446.62</td>
</tr>
<tr>
<td>Yr 13</td>
<td>$2,446.62</td>
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<tr>
<td>Yr 14</td>
<td>$2,446.62</td>
</tr>
<tr>
<td>Yr 15</td>
<td>$2,446.62</td>
</tr>
</tbody>
</table>

Other
A. Verify or write in the correct legal ownership for this Site. Town of Holden Beach

Is this correct? Yes / No

B. Verify or write in the correct physical address for this Site. 120 Rothschild Avenue, Holden Beach, North Carolina, 28462

Is this correct? Yes / No

C. Verify or write in the correct address for notice and correspondence. 110 Rothschild St., Holden Beach, North Carolina, 28462

Is this correct? Yes / No

**This proposal is not a binding commitment and is subject to review and approval of documentation by all parties. Participating in this program is not required and AT&T will continue to abide by the terms of your original Lease Agreement, including exercising termination rights where they exist.**
Additional Language

Modification of Tenant’s Obligation to Pay – Rent Guarantee. Notwithstanding Tenant’s obligations to pay Rent set forth under the Agreement, for a ________ month period commencing ________ and ending ________ (“Rent Guarantee Period”), Tenant’s obligation to pay Rent is guaranteed and such obligation will not be subject to offset or cancellation by Tenant, except as due to loss from casualty or condemnation. Notwithstanding the foregoing, if Landlord exercises any of Landlord’s rights to terminate the Agreement, if any, other than the Landlord’s right to terminate the Agreement due to the default of Tenant under the terms of the Agreement beyond any applicable grace period, Tenant will be released from any and all of its obligations to pay Rent during the Rent Guarantee Period as of the effective date of the termination. In addition, Tenant shall be released from any and all of its obligations to pay Rent during the Rent Guarantee Period if any of the following shall occur: (a) Landlord is in breach of the Agreement, including but not limited to any default under the terms of the Agreement/Lease/License beyond any applicable grace and cure period; (b) there is a foreclosure of the Property which results in a termination of the Agreement; (c) the Landlord shall require Tenant to relocate Tenant’s equipment and facilities to a location that is not acceptable to Tenant in its reasonable business judgment if allowed for in the Agreement, or (d) any existing government permits and/or approvals cannot be obtained or maintained, at no fault of the Tenant or (e) Tenant terminates the Agreement pursuant to the terms of the Expansion of Permitted Use section as modified below. If the Agreement is further modified in the future with an obligation for Tenant to pay additional Rent, the payment of Rent guarantee established in this paragraph will not be diminished or limited, but such Rent guarantee will not extend to that future additional Rent obligation.

Permitted Use. Tenant, its personnel, invitees, contractors, agents, subtenants, or its authorized sublessees, or assigns may use the Premises, at no additional cost or expense, for the transmission and reception of any and all communications signals and to modify, supplement, replace, upgrade, expand, including but not limited to the number and type(s) of antennas, or refurbish the equipment and/or improvements thereon, or relocate the same within the Premises at any time during the term of this Agreement for any reason, or in order to be in compliance with any current or future federal, state or local mandated application, including but not limited to emergency 911 communication services or for any other reason. Landlord shall reasonably cooperate in obtaining governmental and other use permits or approvals necessary or desirable for the foregoing permitted use. If Landlord does not comply with the terms of this section, in addition to any other rights it may have at law, Tenant may terminate this Agreement and shall have no further liability to Landlord. If Landlord does not comply with the terms of this section, Tenant will have the right to exercise any and all rights available to it under law and equity, including the right to cure Landlord’s default and to deduct the costs of such cure from any monies due to Landlord from Tenant.

Right of First Refusal. Notwithstanding any other provisions contained in the Agreement, if at any time after the Effective Date, Landlord receives a bona fide written offer from a third party seeking any sale, conveyance, assignment or transfer, whether in whole or in part, of any property interest in or related to the Premises, including without limitation any offer seeking an assignment or transfer of the Rent payments associated with this Agreement or an offer to purchase an easement with respect to the Premises (“Offer”), Landlord shall immediately furnish Tenant with a copy of the Offer. Tenant shall have the right within ninety (90) days after it receives such copy to match the financial terms of the Offer and agree in writing to match such terms of the Offer. Such writing shall be in the form of a contract substantially similar to the Offer, but Tenant may assign its rights to a third party. If Tenant chooses not to exercise this right or fails to provide written notice to Landlord within the ninety (90) day period, Landlord may sell, convey, assign or transfer such property interest in or related to the Premises pursuant to the Offer, subject to the terms of this Agreement. If Landlord attempts to sell, convey, assign or transfer such property interest in or related to the Premises without complying with this Section ___, the sale, conveyance, assignment or transfer shall be void. Tenant shall not be responsible for any failure to make payments under this Agreement and reserves the right to hold payments due under this Agreement until Landlord complies with this Section ___. Tenant’s failure to exercise the right of first refusal shall not be deemed a waiver of the rights contained in this Section __ with respect to any future proposed conveyances as described herein.

Sale of Property.

(a) Landlord shall not be prohibited from the selling, leasing or use of any of the Property or the Surrounding Property except as provided below.

(b) If Landlord, at any time during the Term of this Agreement, decides to rezone or sell, subdivide or otherwise transfer all or any part of the Premises, or all or any part of the Property or Surrounding Property, to a purchaser
other than Tenant, Landlord shall promptly notify Tenant in writing, and such rezoning, sale, subdivision or transfer shall be subject to this Agreement and Tenant’s rights hereunder. In the event of a change in ownership, transfer or sale of the Property, within ten (10) days of such transfer, Landlord or its successor shall send the documents listed below in this subsection (b) to Tenant. Until Tenant receives all such documents, Tenant shall not be responsible for any failure to make payments under this Agreement and reserves the right to hold payments due under this Agreement.

i. Old deed to Property
ii. New deed to Property
iii. Bill of Sale or Transfer
iv. Copy of current Tax Bill
v. New IRS Form W-9
vi. Completed and Signed AT&T Payment Direction Form
vii. Full contact information for new Landlord including phone number(s)

(c) Landlord agrees not to sell, lease or use any areas of the Property or Surrounding Property for the installation, operation or maintenance of other wireless communications facilities if such installation, operation or maintenance would interfere with Tenant’s Permitted Use or communications equipment as determined by radio propagation tests performed by Tenant in its sole discretion. Landlord or Landlord’s prospective purchaser shall reimburse Tenant for any costs and expenses of such testing. If the radio frequency propagation tests demonstrate levels of interference unacceptable to Tenant, Landlord shall be prohibited from selling, leasing or using any areas of the Property or the Surrounding Property for purposes of any installation, operation or maintenance of any other wireless communications facility or equipment.

(d) The provisions of this Section shall in no way limit or impair the obligations of Landlord under this Agreement, including interference and access obligations.
Memo To: Board of Commissioners

RE: Additions of Water Distribution/Waste Water Collection System Technician and Equipment Operator Classifications to the Classification and Pay Plan

FROM: Town Manager

This memo requests the position classifications of Water Distribution/Wastewater Collection System Technician and Equipment Operator be added to the existing Classification & Pay Plan.

The existing Classification & Pay Plan (Atch 1) doesn't include specific provisions for Equipment Operators or Water Distribution/Wastewater Collection System Technicians as individuals performing these duties are currently classified as General Laborers. The nature of Town Utilities work; specifically vacuum sewer and heavy equipment operations to include those requiring Commercial Drivers' Licensure (CDL) in the Public Works department has evolved far beyond the skills, knowledge and abilities of individuals performing General Labor type work.

The proposed additions to the Classification Pay Plan follow:

<table>
<thead>
<tr>
<th></th>
<th>Min</th>
<th>Mid</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Distribution/Wastewater Collection System Technician</td>
<td>31821</td>
<td>38137</td>
<td>44453</td>
</tr>
<tr>
<td>Equipment Operator</td>
<td>33158</td>
<td>39474</td>
<td>45790</td>
</tr>
</tbody>
</table>

Addition of these two classes of employee will provide for existing employee growth, recognize actual work being accomplished and can be accomplished from within existing manpower budgets. Two General Laborers will be reclassified as a result of the proposed action and will receive modest market pay increases of 5% (approximately $1700 apiece annually).

RECOMMENDATION: Board of Commissioners approve proposed additions to the Classification & Pay Plan.

Atch: Classification and Pay Plan
Date: February 12, 2019

To: Commissioners and Mayor Holden

From: David W. Hewett, Town Manager

Re: Advertisement by Electronic Means for Formal Bidding

North Carolina General Statute §143-129(b) authorizes the governing board to allow the use of electronic advertisement as an alternative to advertisement in a newspaper of general circulation. In some cases, advertisement by electronic means may be a more effective and efficient method of reaching prospective bidders.

Resolution 19-02 authorizes the town manager or his designee to advertise using electronic means whenever it is determined to be the most effective and efficient method of obtaining competition for a contract. Staff recommends approval of the resolution.
RESOLUTION 19-02
RESOLUTION ALLOWING ADVERTISEMENT BY ELECTRONIC MEANS FOR FORMAL BIDDING

WHEREAS, contracts for construction or repair work, and for the purchase of apparatus, supplies, materials, and equipment that meet the monetary threshold established in North Carolina General Statute §143-129 must be publicly advertised; and

WHEREAS, North Carolina General Statute §143-129(b) authorizes the governing board to allow the use of electronic advertisement as an alternative to advertisement in a newspaper of general circulation; and

WHEREAS, in some cases, advertisement in the newspaper may be the most efficient method of obtaining competition, but in other cases, advertisement by electronic means may be a more effective and efficient method of reaching prospective bidders; and

WHEREAS, it is in all cases important to provide citizens an opportunity to obtain information about major contracts to be awarded by the Town of Holden Beach;

NOW THEREFORE BE IT RESOLVED that:

The Town Manager or his or her designee is authorized to advertise using electronic means as an alternative to placing an advertisement in a newspaper of general circulation whenever he or she determines it to be the most effective and efficient method of obtaining competition for a contract.

Advertisement by newspaper and electronic means may be used together or in the alternative, and the requirements of G.S. 143-129 (b) shall be met as long as one of the methods used meets the minimum time for advertisement.

When electronic advertisement is used, information about the bid solicitation shall be made available to the public either by published notice, posting in a place in which similar notices are placed, or electronically on the official website of the Town of Holden Beach.

This the 19th day of February, 2019.

ATTEST:

Heather Finnell, Town Clerk

J. Alan Holden, Mayor
Date: February 12, 2019

To: Mayor Holden and Board of Commissioners
   Town Manager-IN TURN

From: Christy Ferguson, Assistant Town Manager

Re: FEMA Applicant Designee Resolution

In attending the Hurricane Michael FEMA Public Assistance Applicant Briefing, the Town was advised that a resolution would need to be passed to appoint an applicant designee from the Town. The applicant designee will be responsible as signatory for the FEMA application process and formation of project worksheets. A primary and secondary designee is required. This memo requests the BOC designate Town Manager David Hewett as the primary contact and Fiscal Operations Clerk Lockner as the secondary contact on the FEMA Resolution.

Suggested motion: The BOC hereby designates Town Manager David Hewett as the primary applicant designee and Fiscal Operations Clerk Lockner as the secondary contact on the FEMA Resolution.
## RESOLUTION
### DESIGNATION OF APPLICANT’S AGENT
North Carolina Division of Emergency Management

<table>
<thead>
<tr>
<th>Organization Name (hereafter named Organization)</th>
<th>Disaster Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant’s State Cognizant Agency for Single Audit purposes (If Cognizant Agency is not assigned, please indicate):</td>
<td></td>
</tr>
<tr>
<td>Applicant’s Fiscal Year (FY) Start</td>
<td>Month: Day:</td>
</tr>
<tr>
<td>Applicant’s Federal Employer’s Identification Number</td>
<td></td>
</tr>
<tr>
<td>Applicant’s Federal Information Processing Standards (FIPS) Number</td>
<td></td>
</tr>
</tbody>
</table>

### PRIMARY AGENT
<table>
<thead>
<tr>
<th>Agent’s Name</th>
<th>Agent’s Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization</td>
<td>Organization</td>
</tr>
<tr>
<td>Official Position</td>
<td>Official Position</td>
</tr>
<tr>
<td>Mailing Address</td>
<td>Mailing Address</td>
</tr>
<tr>
<td>City, State, Zip</td>
<td>City, State, Zip</td>
</tr>
<tr>
<td>Daytime Telephone</td>
<td>Daytime Telephone</td>
</tr>
<tr>
<td>Facsimile Number</td>
<td>Facsimile Number</td>
</tr>
<tr>
<td>Pager or Cellular Number</td>
<td>Pager or Cellular Number</td>
</tr>
</tbody>
</table>

### SECONDARY AGENT

BE IT RESOLVED BY the governing body of the Organization (a public entity duly organized under the laws of the State of North Carolina) that the above-named Primary and Secondary Agents are hereby authorized to execute and file applications for federal and/or state assistance on behalf of the Organization for the purpose of obtaining certain state and federal financial assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act, (Public Law 93-288 as amended) or as otherwise available. BE IT FURTHER RESOLVED that the above-named agents are authorized to represent and act for the Organization in all dealings with the State of North Carolina and the Federal Emergency Management Agency for all matters pertaining to such disaster assistance required by the grant agreements and the assurances printed on the reverse side hereof. BE IT FINALLY RESOLVED THAT the above-named agents are authorized to act severally. PASSED AND APPROVED this ______ day of ______, 20______.

### GOVERNING BODY
<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name and Title</td>
<td>Official Position</td>
</tr>
<tr>
<td>Name and Title</td>
<td>Daytime Telephone</td>
</tr>
</tbody>
</table>

### CERTIFYING OFFICIAL

CERTIFICATION

I, _______________________, (Name) duly appointed and _______________________, (Title) of the Governing Body, do hereby certify that the above is a true and correct copy of a resolution passed and approved by the Governing Body of _______________________, (Organization) on the _______ day of _______________________, 20______.

Date: ______________________, 20______

Signature: ________________________