Town of Holden Beach
Board of Commissioners
Regular Meeting

Tuesday, March, 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 February 5, 2019 (Pages 1 – 10)
   b. Minutes of the Special Meeting of February 15, 2019 (Pages 11 – 19)
   c. Minutes of the Special Meeting of February 19, 2019 (Page 20)
   d. Minutes of the Regular Meeting of February 19, 2019 (Pages 21 – 34)

6. Public Comments on Agenda Items

7. Request by the Brunswick County Chamber of Commerce to Ask Permission to Host a Kids Expo at the Holden Beach Pavilion – Robyn Beliveau (Assistant Town Manager Ferguson) (Page 35)


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

10. Discussion and Possible Selection of Engineering Firm for Engineering Design and Construction Management Services of the Vacuum Sewer System Station #3 Upgrade – Public Works Director Clemmons (Pages 38 – 44 & Separate Packets)

11. Discussion and Possible Approval of Ordinance 19-03, An Ordinance Amending the Holden Beach Code of Ordinances, Chapter 50: Solid Waste – Town Clerk Finnell (Pages 45 – 49)

12. Discussion and Possible Approval of Ordinance 19-04, An Ordinance Amending Ordinance 18-10, The Revenues and Appropriations Ordinance for Fiscal Year 2018 – 2019 (Amendment No. 5) – Assistant Town Manager Ferguson (Pages 50 – 51)

13. Discussion and Possible Action on Holden Beach Bridge Maintenance and Repairs Schedule and Timeline – Town Manager Hewett (Commissioner Freer)

a. Discussion and Possible Scheduling of a Date to Hold a Public Hearing on Proposed Changes to Section 157.062: Commercial District

15. Discussion and Possible Action on Matters Discussed in the March 8th Audit Committee Meeting – Mayor Pro Tem Fletcher (Page 56)

16. Discussion and Possible Approval of Updated Records Retention and Disposition Schedule: General Records Schedule for Local Government Agencies – Town Clerk Finnell (Page 57 & Separate Packet)

17. Town Manager’s Report

18. Mayor’s Comments

19. Board of Commissioners’ Comments

20. Public Comments on General Items

21. Adjournment
TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
TUESDAY, FEBRUARY 5, 2019 – 10:00 A.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, February 5, 2019 at 10:00 a.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; Police Chief Wally Layne; Detective Jeremy Dixon; Public Works Director Chris Clemmons; Planning & Inspections Director Tim Evans; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner.

Mayor Holden called the meeting to order.

Motion by Commissioner Sullivan that the Board remove the language from #4 on the agenda from Discussion and Possible Action on Solid Waste Program to simply Discussion.

Commissioner Sullivan said he knows that according to their Rules of Procedure it needs the agreement of the two commissioners who called the special meeting. He believes that is Commissioners Butler and Freer. Commissioner Freer asked if the agenda is available to modify. Town Clerk Finnell replied in this circumstance it would be allowed, but if you do that you won’t be able to give direction to staff. She explained you couldn’t approve an ordinance today since one is not available, but you could take action by giving staff direction. Commissioner Freer said he thinks that was the intent. It wasn’t to vote on things, but it is an action to instruct staff to update the ordinance for example. Commissioner Sullivan said he sent an email to Commissioner Freer when the agenda came out stating his concern about having a meeting that we are going to make a decision on this when we would have less people than we would at a normal meeting. He said he was told there was no problem if it wasn’t discussed and it was moved to the 19th. He is not saying to not discuss it; he is asking to not take any votes. It can be discussed again and voted on at the meeting on the 19th. Commissioner Freer said he has no intention of voting on the 19th. He would like to make it so everyone has a clear view on what the updated ordinance is. Commissioner Kwiatkowski inquired if he meant the current updated ordinance. She said if the Board is discussing and laying out all points that are open for possible change and getting to the stage for February 19th, to her that should be fully accurate so that can be put in the packet and the Board can get the feedback before they do anything on a document that may just have to be changed again. She said if the Board discusses all of the points open to discussion and the thoughts of the Board are fully captured in the minutes to put in the packet for the 19th the public can comment on it. That should give the Board direction on where the ordinance needs to be tweaked. Commissioner Kwiatkowski said she is not sure if it is necessary before the 19th to ask the staff to do anything to amend the ordinance, but she thinks laying all of the concerns out in a clear way is appropriate. Commissioner Freer stated his preference is for the public to see it as
the staff interprets it in an ordinance, rather than in the notes. He agreed the Board should get feedback on the 19th, make any changes they want and put it on the March agenda for a vote. Commissioner Sullivan read Commissioner Freer’s note. Commissioner Freer said he doesn’t intend to have the vote at today’s meeting, but his intention is to make it available in a draft ordinance view for the public and Board to see. Commissioner Butler said he has provided the Board with copies of his statement. He outlined information based on the emails he received from eighty plus percent of homeowners on Holden Beach. The commissioners have the information and he will read the comments he has when they get to the subject. His intent today is not to vote, but to have a clear understanding of the input and consideration for the ordinance to be updated accordingly.

Motion by Commissioner Sullivan to amend the agenda to remove the language; second by Commissioner Kwiatkowski. The motion did not pass. Commissioners Sullivan and Kwiatkowski voted for the motion and Mayor Pro Tem Fletcher and Commissioners Butler and Freer voted in the negative.

Mayor Holden announced the agenda stays as presented.

PUBLIC COMMENT

Rich Massey said he is not sure where the ordinance stands, but it seems like a bad idea. He is a part-time resident that is not here often. He will comply with the regulations, but it means his trash may sit around for weeks at a time. He said animals will get it, it will be spread around and stink. Mr. Massey said for the people who rent they will just build a fee into the rental contract.

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

Town Manager Hewett said he provided the Board with his attempt at assembling a proposed budget season schedule. He wanted to propose a series of five commissioner workshops where staff will provide the Board with both revenues and expense worksheets and we can dialogue with the end product resulting in a secretarial rendition Budget Message of what the proposed ordinance will be. He reviewed the meeting dates. The Budget Message is projected the week of May 6th – 10th. His intent is to provide the message early in May. The public hearing is soft at this point. He needs to make sure we are meeting the statutory requirements. The regular June meeting is where the formal consideration is proposed to take place. You have to adopt the budget by July 1st. Town Manager Hewett asked the Board to check their schedules to make sure the dates will fit in to their schedules. He asked the Board to affirm this is what generally meets with their expectations on how they want to carry out budget season. Commissioner Freer said he is comfortable with the schedule. It the Board has a conflict they can provide the information to Town Clerk Finnell. Mayor Pro Tem Fletcher asked that when Town Manager Hewett produces the material on expenses and revenues that he provide the Board with a copy in Excel format. Town Manager Hewett responded the spreadsheets will be developed in Excel. He would hope the staff work is presented to the Board and the material is coming from staff as the source document because he doesn’t want to run into a circumstance where commissioners are handing out spreadsheets. The premise is that the dialogue takes place with commissioners as the Board and any changes will be performed by the staff for the next meeting.
Town Manager Hewett explained we have some current events that have really focused for him some of the practicalities. He thinks the Town has before it a half a dozen critical issues that will ultimately be all consuming.

1- Eastern Reach Deeper Wider Project – we are going to have a proposal from the county to move forward with the Eastern Reach Deeper Wider Project in terms of an interlocal agreement that will probably be a project that is 18 months to two years in the making.
2- With the President’s declaration approval of FEMA funds for Hurricane Michael, the combination of Florence and Michael storm damage mitigation repairs will result in approximately $20 million of project for the Board to consider how to deal with.
3- We will have the Lift Station 3 upgrade in the works. We are wrapping up on the Lift Station 4 upgrade.
4- Land Use Plan
5- Beach and Inlet Management Plan being created
6- Implementation on service configuration decisions on solid waste and enforcement
7- Lobbying

Town Manager Hewett sees those seven issues as top tier for the Board’s consideration as far as prioritizing workload.

Commissioner Kwiatkowski said when we create objectives, objectives are generally something laid out where there is a desire and you see there is a measurable you could have. Quite a few of what is presented are cryptic and it is not really clear what you want. She provided some examples and said she is confused what people want on some of the items. Commissioner Kwiatkowski said she thinks behind the ideas, we need to have a better idea of what the actual objective is. She asked if the Board could take time to flesh out exactly what the objective is. She inquired if the Board should take some time and they could address it again on the 15th to make sure they have an objective behind all of these pieces of data. She is fine with putting words on where she thinks the Board wants to go and sending it to everyone for discussion. She wants to make sure it is not all data and in the end there is not a clear analysis of where we are going with the data.

Motion by Commissioner Kwiatkowski to stand back until the 15th, make sure that an objective type statement is built around the different requests that seem to be more about information and to then take some time for discussion.

Commissioner Kwiatkowski said let’s try to get this a little bit clearer on what the intent is in terms of objectives, not just budget. The objectives should ideally then drive the topics the Board is discussing at meetings. Mayor Pro Tem Fletcher said he thought the Board was to rank the items and give them to Town Clerk Finnell, which he did. Commissioner Kwiatkowski said they haven’t finished going through all of the pages yet to see if people needed additional understanding. Mayor Pro Tem Fletcher said these are titles of concepts or ideas, it would be nice to have expansion of what we expect to come out of it. Commissioner Kwiatkowski stated she will make a shot of that and send it to Town Clerk Finnell to send out to everyone. Then the Board can decide when they want to discuss it further. Commissioner Freer said he agrees with that, but said there are some that he doesn’t understand. Commissioner Kwiatkowski said the Board can still go through them. Commissioner Sullivan suggested running through it and let the person who thought of it expand on it while the Board is here.
Commissioner Kwiatkowski said there is an item that reads Beach renourishment, $10 million in 10 years. She said that to her is a wish and it appears later in financial. She inquired what was meant by that item. Town Manager Hewett said he would like to answer the question if the $3 million plus $241,000 has been paid into the fund. Those funds have been escrowed into the fund. Mayor Pro Tem Fletcher said two/three years ago the Board set a policy that they would try to achieve $10 million within 10 years for beach nourishment and inlet management. Town Manager Hewett said the Capital Reserve Fund was officially established with the adoption of the budget last year. It lays out the $10 million in 10 years as the policy statement. He said it may have been talked about before that, but officially the fund was established July 1, 2018. Mayor Pro Tem Fletcher said he believes in the policy that was set in 2017 the Board expected that future boards would have the authority to do what they wanted to, but they would do what they could to put money into a separate fund to preserve for the future. They hoped to achieve it in 10 years, but knew it was an almost impossible task. Commissioner Freer said he doesn’t agree with the last part. Commissioner Kwiatkowski asked if it is really about revisiting and updating the General Fund Policy/overall financial policy to make sure it is clear what the Board is expecting, not hoping for and to also make it clear that the expectations are possible, given a number of things that appear later about tax reduction, no new taxes, no new borrowing, no new debt. She said an objective has a rational chance of being achieved if you are diligent about it versus a wish list or dream list that could also be created. Commissioner Freer added a goal. Commissioner Butler said goals need to be doable, achievable and realistic. Commissioner Kwiatkowski added, with Commissioner Butler in agreement, that they also need to be measurable. Commissioner Freer said some are long term objectives. Commissioner Butler said you could set terms. Commissioner Freer said he thinks it is pretty clear, $10 million in 10 years is the policy in place right now. Commissioner Kwiatkowski asked if that is the correct policy or is it a policy that ideally in the absence of storms and severe erosion you would want to save $10 million in 10 years, however what is absolutely needed is adequate reserves to be able to initiate projects when disaster funding happens as a reimbursement rather than the money in your pocket. In an ideal world where Mother Nature is good and we don’t have any disasters we expect to repeat the Central Reach Project every 10 years and for that we want $10 million. She asked if after three years when you’re faced with hurricanes and gales that have wiped you out, isn’t it the point to have enough money to have operating expenses to get ourselves going and be able to progress. She inquired about the target to always have on hand in case of disasters. Commissioner Kwiatkowski said she thinks it is a little overly simplistic to simply say our objective is $10 million in 10 years because that is the ideal. She said it comes down to saving $1 million a year. That is based on having half of the money necessary for Central Reach. Commissioner Freer said there is long range and that is a long range plan. There is short range and there is event driven planning. He said event driven planning is mixed within the long range and short range. Commissioner Kwiatkowski said she thinks the $1 million a year needs to be looked at to see if it is the right number. She said that comes back to making sure the overall policy on all of the funds is correct.

The Board discussed the item about having a minimum fund ratio of 100% unassigned Fund Balance in the General Fund. Commissioner Freer explained it was in the 30% range. They didn’t want to put an unachievable goal out there, so the Board did 70%. He stated that now we are getting close to 70%, which was a stepping stone. Now we will give a more realistic 100% goal. Commissioner Kwiatkowski asked what happens until we achieve 100%. Commissioner Freer said the Board is giving a policy to the budget manager to have as an overriding goal to achieve that objective. Commissioner Kwiatkowski asked what the timeframe is. Commissioner Freer responded that he doesn’t want to micromanage the town manager, but you could have an estimate within that goal. If he can get to 100% this year, great, but if not
he would like to know why and the objective is still out there for a long range plan. Commissioner Kwiatkowski said these are the discussions that are supposed to happen between the Board and the town manager. She explained that open ended items are difficult. She wants to know the growth per year that would be acceptable. Town Manager Hewett suggested that on that particular item as far as budget guidance, that he will take 100% Unassigned Fund Balance into consideration and do the math through the spreadsheets to attempt to show the Board what the implications are. From the budget side of the house, we can develop that information with projections on how things might play out. Where it ends up will ultimately be the fiscal policy that is decided on. He will tell the Board the consequences of trying to implement that. Commissioner Freer said when they set 70% it was the same concept. It was a multiyear goal. They didn’t dictate how much per year. To him it is as soon as possible and the Board makes decisions within the budget framework to get there.

Commissioner Freer asked about the item that says expedite year-end trial balance preparation and CAFR. Mayor Pro Tem Fletcher explained the Town puts together a trial balance for the auditor. He said this year we didn’t have the trial balance six weeks after the close of the year. He is suggesting the Town do whatever we can to get the trial balance done earlier. He asked when the Town can reasonably get it done. Fiscal Operations Clerk Lancaster said you can run it June 30th, but there are other things that take place. The auditors know that and the updates are given to them as things change. She said she sends information to them through the portal. Mayor Pro Tem Fletcher said he would like to get it done earlier than six weeks so the auditor can start the audit. He said CAFR is the combined annual financial report.

Commissioner Kwiatkowski asked if advocacy items are if the commissioners believe they should have greater involvement or Town staff or a combination. Commissioner Freer replied both. Mayor Pro Tem Fletcher said he also believes it should be all board members.

Commissioner Kwiatkowski stated she thinks everyone should rank them and get them to Town Clerk Finnell. Town Manager Hewett said there are several pages of things that the commissioners have brought to light. The most common theme is more. The only thing he saw for less was no tax increase and fee reduction.

Commissioner Kwiatkowski said she doesn’t believe when looking at the law that employee training records can be released. She said when the Board is doing these kinds of things they need to take into consideration that everything being asked for is legally appropriate. Training records are part of personnel files. She said you cannot project retirement. That is illegal. She would go to the Town attorney as necessary to make sure those items are legally acceptable, but she doesn’t think they are. Commissioner Freer agreed.

**DISCUSSION AND POSSIBLE ACTION ON SOLID WASTE PROGRAM**

Commissioner Butler said with the input provided from the public and his previous concerns regarding the eighty plus percent of homeowners he has provided information to the Board. He read his statement titled “Talking Points Statement for the February 5th Special Meeting Regarding the Trash Ordinance” (hereby incorporated into the minutes). He would like to have discussion today, update the ordinance and then have the draft ordinance available for the next meeting so the public can see the revisions and make comments. He does not recommend voting on the ordinance at the next meeting. He recommends they consider the input from the public and then vote at the March Regular Meeting.
Town Manager Hewett said he would like to add “paid for by occupancy tax” to Commissioner Butler’s last sentence in paragraph two that ends “with the expense paid for this service provided by the Town”. That is where the service is currently paid for. He inquired about the last sentence in Rollout of Trash and Recycling Containers. Commissioner Butler said he is recommending that an island wide rollback program be put in place. Town Manager Hewett stated there is a disconnect between the RFP that was put out for rollback and the statement about empty cans only being rolled back. The RFP was to roll everything back, full and empty. He said as those bids come in it can be discussed, but he wanted to point it out. Commissioner Freer said what is being proposed would be less work. Town Manager Hewett replied he is not sure because of complication of enforcement. Commissioner Butler said that is a valid point, but he doesn’t see an issue. He said rolling back a full can creates other complications that have been brought to his attention.

Commissioner Kwiatkowski stated basically you just want to take it back to what it was where you can leave your trash out as long as you want, which was what was objected to and one of the things the Solid Waste Committee commented on. She said for a year we have been discussing this and you are not improving the situation. It is just adding cost to the Town by adding island wide rollback, but not mitigating the issues that were identified as needing improvement by the committee that worked on this. Commissioner Butler said it does improve the situation because it takes the cans off the street and rolls them back to the house. He is against rolling full cans back to the house. He said they have deer and other animals at his house and he doesn’t want them getting into the trash and spilling it all over the place.

Town Manager Hewett said the RFP envisioned the implementation the last six weeks of the fiscal year to coincide with the season starting and from then on to accommodate the trash pickup schedule in response to Mayor Holden’s question on the timeline for rollback. Mayor Pro Tem Fletcher asked if it is clear to them that they won’t have nearly as much rollback in the winter as they will in the summer. Town Manager Hewett explained we have identified the houses, number of cans, workload associated with it and the calendar. That is what the bid will be predicated on. Commissioner Sullivan said we all know that this is a topic that before this Board came into play there was a community board that made a lot of recommendations concerning solid waste. As the ordinance now stands we took a lot of those suggestions into consideration. Commissioner Sullivan stated the current Board discussed this on numerous occasions before voting for the current ordinance. He said he is sure the Board can fix this and make some adjustments to it, but he would prefer to leave the current ordinance in place. They were thrown a curveball when Waste Industries declared they would change pickup dates, which would adversely affect the ordinance as written. He would rather not do things piecemeal. His suggestion is to leave the ordinance as it is and not enforce it, which was the Board’s plan. The Board was going to have a time for people to get educated before we started enforcement measures. Commissioner Sullivan stated we should wait until the final decision on a pick-up date is made by Waste Industries. He said the Board should wait until they have all of the information, sit down and discuss it and then come up with the plan they think is best for the entire island.

Commissioner Butler asked if education was addressed to the public on this. Town Manager Hewett said his dialogue with the staff is the staff has significant concerns on what enforcement actually entails. Until we get to that and some of the other variables, we are lost on how to enforce it. Planning Director Evans stated he doesn’t think the ordinance is enforceable. It doesn’t designate who will enforce it. He talked about challenges with the ordinance. He also added there is no appeals process. He said the manpower
will not be there to enforce it. Commissioner Kwiatkowski asked if he talked to the Town attorney; she worked with staff and the Board on wording. The next step was for everyone to figure out an enforcement policy and how it would work. Attorney Fox worked through the ordinance to where she felt it could be enforced. We do still need to know how it will be enforced and with what manpower. She said Attorney Fox said you don’t need to lay everything out in the ordinance. She encouraged him to talk to Attorney Fox with his concerns. Planning Director Evans stated he doesn’t think it is enforceable and thinks there are multiple facets as to why. Commissioner Kwiatkowski said there were fines in the original, but explained it was unclear what enforcement applied to. Town Manager Hewett said once we found out from Waste Industries that there would be a change in the date we stopped working on it. There has been no announced change in the date. It is an intended change that we have taken grave exception to and they are doing a flyby to relook at it. We met with the county and Waste Industries and they seem to have taken a step back and are looking at it.

Commissioner Kwiatkowski said the one thing to think about is that we currently have that there will be no fines until May 2019. If we are concerned we can alter that date and make it 2020 so that fines are not going to be imposed to allow us to go through a season of seeing where things are. She said you could issue a warning. She said she and Mayor Pro Tem Fletcher were going to sit down with staff and go through enforcement. She said they stopped after finding out about the possible day change. Commissioner Butler said we have an enforcement group that can’t enforce it. We have eighty plus percent of the residents in this Town that cannot comply with the ordinance. Commissioner Kwiatkowski said we have 2,400 people here and she has received less than 100 emails. She stated she is listening and thinking on every one of them, but please don’t make it seem like we have feedback from eighty percent of our residents and that it is all negative. She said she has received a couple of positive ones. She stated they don’t all have an issue with every one of the points. Many of the concerns can be fixed if we have a rollout option. She said the Board can easily move the enforcement part. Let’s try to keep the ordinance we would like to see happen in place to improve the situation that this committee identified and she thought they were all in agreement on when they started this last winter to see if with some education and some monitoring we can get people to follow it. She compared it to the situation on limiting beach equipment.

Commissioner Sullivan said he is a little surprised at Planning Director Evan’s position because he sits in all of the meetings and to his recollection has never said he thought it was unenforceable. Planning Director Evans responded that up until a few days ago he didn’t know he was going to enforce it. Commissioner Sullivan replied so you aren’t questioning the legality of the ordinance, just the ability to enforce it. Planning Director Evans said other staff agrees it is not enforceable. Commissioner Sullivan said the Board voted on this, there was an opportunity for anyone to comment that it wasn’t enforceable before the ordinance was passed. Town Manager Hewett said the enforcement methodology was going to be a discussion with a couple of commissioners. He believes we arranged a meeting on the 12th to do that. When the ordinance was voted on, enforcement was identified as an issue. Commissioner Kwiatkowski explained when putting together the ordinance the intent was not to turn this into a revenue stream. It was going to be about education and behavior modification to try and get the people to do what the intent is, which is to get the island looking better. She said this is a continuing effort. Commissioner Butler said we have an ordinance that is in place and we have people who can’t comply. He said it is eighty plus percent of homeowners. He said let’s work with these folks. Commissioner Sullivan asked if it means people in Winding River can leave their cans out if Commissioner Butler’s proposed changes are made. Commissioner Butler responded that has to do with covenants in Winding River. It does not have to do with the Town. He knew the covenants when he purchased the property. Those people had an opportunity
and these folks don’t. Commissioner Sullivan said there was always an ordinance on the book that said you had to have your trash out at 6:00 p.m. and back the next day. He asked why it is impossible for the people outside of Winding River to comply, but the people who live there are able to comply with it. Commissioner Butler said these people have no way to comply, which is why it is important to have rollback. Commissioner Sullivan said the Board already agreed that would be part of the plan. He said the problem is where it says containers should be located at the street no earlier than 6:00 p.m. during designated collections days during the summer rental season. For the rest of the year containers will be located street side no earlier than 48 hours before. He said nothing else is in dispute. Commissioner Sullivan said before we start tinkering with this, we should have a rollout plan and should address what Planning Director Evans is concerned with. At the end of the day the Board can take everything into consideration and decide what the ordinance should be, rather than making piecemeal changes to it as we go along since we are not enforcing it. Commissioner Kwiatkowski said she is seeing more bins are being stored under houses instead of in corrals.

Commissioner Freer stated he agrees that the Board could wait before they implement any more changes. He thinks the Board put a stake in the ground and received a lot of feedback. There are also a group of people that wouldn’t use or need this service, but would be paying for it. That was his argument. He doesn’t know what the cost is and thinks the Board should not have done anything without the cost. He said it is the same problem for rollout, even more the case. He said rollout is not simple, it would have to be optional because we would be paying for something that most people would not use. He is anxiously looking forward to see the price for rollback. He would like to know the price for the options of rollout and rollback. Commissioner Kwiatkowski said she thinks the Board needs to at this point figure out what an optional rollout would look like. Commissioner Freer said he is not happy that the trash will sit out there for a couple of days, but he doesn’t think we will ever have a perfect system because the Town is very diverse. He talked about the difference between us and other communities. Commissioner Kwiatkowski reminded everyone that one of the reasons for rollback of full cans is that too many times renters miss the rollout. It was predominately an in season problem. When the full bins are left at the road and a new family comes in, it starts to be a problem with heaping bins by the road rather than calling the management company. She said if you roll them back they would call the management company. Commissioner Butler said some homes don’t rent every week. If you have the full cans rolled back you would create an environmental issue, animals tearing into the garbage. He listened to Mayor Holden last time when he spoke about rental companies. He is against rolling full trash cans back.

Mayor Pro Tem Fletcher said we fortunately have received lots of feedback, both positive and negative. The positives he thinks were all from resident owners. He knew when he walked out of the building after the last meeting that he voted incorrectly. He understand that the Board was doing a draft mode and was not going to enforce it until a future date when they saw if it worked. The word went out that it was an ordinance and that it was going to be enforced. It hit him because he was a non-resident owner who rented and paid $10,000 a year in taxes to the Town. He said that is more than most residents do because most residents don’t rent their house. If 90% of our people are non-residents, we are blessed that they are paying 90% of our expenses. They are allowing us to keep the beach in the condition it is in. They are allowing us to have the Police that we have and all of the services we have. He said as a commissioner he needs to think about them. Mayor Pro Tem Fletcher said he realized he shouldn’t have supported an ordinance that is extremely difficult to comply with. He said as a homeowner he can’t get people to do work for him and he is mayor pro tem and lives on the beach. He talked about how difficult it is to get people. Mayor Pro Tem Fletcher said he thinks he is different as a buyer than the people at Winding River.
When they sign a contract to buy they are signing an agreement to follow certain rules. When he bought his house, he had no idea about the Code of Ordinances. He said this is a problem for people who live a distance away. He said the Board set really difficult rules and we are going to put fines on them if they do not comply. He stated that isn’t fair. He said we have been dealing with this for years and we don’t have a solution. Mayor Pro Tem Fletcher stated he doesn’t think we should have an ordinance until we have a complete solution in hand. He added he would prefer to have a second reading in this case and to let the POA send out what is being proposed. Commissioner Kwiatkowski asked if the Board remembers that there were draft ordinances out in August or September that were delayed because of the hurricane. She said something has been out for months. She appreciates all of the second homeowners who have commented. She said she took them into account as best as she could because she was a second homeowner for years. She tried to figure out the best way to get the trash picked up without issues. It takes planning. She thinks to make it sound like the Board didn’t consider everyone is a disservice to the Board. Mayor Pro Tem Fletcher said he thinks what the Board put out needs significant repair. Commissioner Butler stated this is all about people not being able to comply; we have a problem today. May will be here before we know it. Commissioner Kwiatkowski said it is an easy thing to amend the ordinance with a new enforcement date. Commissioner Sullivan said if the Board is willing to leave the ordinance dormant and not enforce it we don’t have a problem. He said there would be no fines and the Board would look at all of the various aspects. He said he believes Commissioner Freer was going to take on rollout. He said Commissioner Freer was right, the Board shouldn’t have made any decision until that was incorporated into the ordinance. He said the Board should wait and do this in a conscientious manner rather than jumping in and doing things piecemeal. Mayor Pro Tem Fletcher said he is in agreement. The only issue he has is if we don’t put out a notice that this is a trial and the Town is not going to fine, it will cause anguish. He thinks it should be announced. Commissioner Sullivan said he has no problem with that. The Board talked about changing the date.

The Board talked about the Waste Industries’ contract. The Town’s current pickup is the second pickup, which is on Saturdays. Commissioner Freer said we have a timeout from Waste Industries, they could have a timeout from proposed changes and he also thinks the Board is in agreement to change the current ordinance penalty date. He asked if the Board could direct staff to do that to be presented to the Board on the 19th. Commissioner Sullivan added that it would need to be in conjunction with Attorney Fox. Commissioner Butler inquired if rollback is included. Commissioner Kwiatkowski said it is not in the ordinance; it is an agreed service the Board voted on and instructed the town manager to get bids on. Commissioner Butler said the other part of the equation is if we are proposing rollback for everyone, Commissioner Kwiatkowski said yes. Commissioner Sullivan said he thinks there would be no changes except for the enforcement component.

Mayor Pro Tem Fletcher said one of major issues is rentals. When he has a doctor’s appointment, he gets a message telling him the day of or before to remind him of it. He said if the rental agencies had that sort of a service on a Friday night it would probably significantly increase the number of renters that put their cans out. Commissioner Kwiatkowski stated she understands there was a company that did that last year. She assumes it helped.

Town Manager Hewett clarified that we will need to quantify the way to word the deferment of enforcement. He said he is assuming staff will still meet with the two commissioners to discuss enforcement issues in the meantime. Commissioner Kwiatkowski agreed.
Mayor Holden said he has a problem with having an ordinance on the books with the intent of not enforcing it. He thinks it confuses the whole thing. Commissioner Kwiatkowski said she and Mayor Pro Tem Fletcher will be meeting about enforcement. There are ways of having certain sections enforced and others where it will be delayed. Commissioner Freer said Mayor Holden has a good point and suggested it should be changed to May 1, 2020. Planning Director Evans agreed that Mayor Holden is correct when you talk about enforcement. He also explained that once the code book designates someone to enforce an ordinance, it is that person’s responsibility. Town Manager Hewett agreed that Planning Director Evans is correct. Planning Director Evans stated code enforcement and building officials are not covered under public trust laws. Whenever they are given a job to do, the Board’s input has a possibility of creating problems. He said the months we are talking about enforcing this is the busiest time of the year. He said to keep that in mind as well. He is concerned with how this ordinance came about. He said it was developed at the commissioners’ level. Commissioner Kwiatkowski said this was developed with staff and the Town attorney at the table. There was discussion that there would be an enforcement component. In the end it is up to the town manager and staff to decide how it will be enforced, but it doesn’t mean they can’t provide suggestions. She said they are trying to be part of a process that is very complicated.

The Board talked about the process of passing ordinances.

ADJOURNMENT

Motion by Commissioner Kwiatkowski to adjourn at 12:16 p.m.; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
FRIDAY, FEBRUARY 15, 2019 – 10:00 A.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Friday, February 15, 2019 at 10:00 a.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners Mike Sullivan, Pat Kwatkowski, 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; Detective Jeremy Dixon; Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner; and Town Attorney Noel Fox.

Mayor Holden called the meeting to order.

*Motion by Commissioner Sullivan to reverse items #2 and #3 on the agenda; second by Mayor Pro Tem Fletcher; approved by unanimous vote.*

DISCUSSION AND POSSIBLE ACTION – INTERNAL CONTROL REPORT AND PROPOSAL PRESENTED BY RSM

Robbie Bittner from RSM introduced himself and Landon Vick. He provided background information on his firm. They were approached last June to do an internal control review. The process covered six areas: overall financial reporting, accounts payable process, fixed assets process, payroll process, accounts receivable and debt. They did not perform an audit. Procedures included what Town staff does on a regular basis, observations of individual processes and inquiries to Town staff. Page six has a matrix of the individual controls they were looking for. Mr. Bittner said areas in green are controls that they feel are in place and are operating effectively. There could be errors in the yellow area, deficiencies in internal control. Being yellow there are also compensating controls in that area. Red areas indicate areas where there are deficiencies in internal control. They came up with several recommendations from their procedures.

1 – Currently the Town is setup that the town manager is also the finance manager. They are recommending the Town hire a fulltime finance director. He said this would allow the town manager to focus his efforts on higher level talent activities as well as bring in a finance director that has the qualifications to better move the Town forward from a financial prospective. He said there is a Q&A section of the report that specifically outlines the items having a separate finance officer would help alleviate.

2 – Segregation of duties would also be helped by having a separate finance officer. You would have multiple people over a specific area, that way one person doesn’t have control over initiation, authorization and disbursement.
3 – Vendor listing: currently the Town doesn’t have a set policy or procedure related to how vendors are approved or how they are listed. They are recommending that a full scale review be performed of the current vendor listing, as well as a review of policies and procedures.

4 – Payroll: they are recommending involving a second party to ensure one person doesn’t have control over the payroll. He said currently there is no set job descriptions for individual levels. The job descriptions would allow the Town to understand the qualifications needed and also what the compensation range should be. They are recommending the Town hire a third party to perform a compensation study to determine that people are being paid within acceptable terms based on industry averages.

5 – Capital Assets: the listing currently doesn’t have all the details it should have. They are recommending it be updated. They are also recommending that an asset review policy/procedure be put into place. They are recommending that a physical count of assets be conducted at least every two years.

Mr. Bittner said their recommendations came directly from their observations and inquiries at the Town, as well as their overall firm best practices.

Mayor Pro Tem Fletcher asked for comment on the environment we are in today in small municipalities in terms of internal control issues. Mr. Bittner replied that one of reasons they were approached to perform the review was nationwide and in North Carolina there has been an outbreak of fraud in municipalities. The environment is that you should have a look at internal controls as it relates to fraud and opportunity to commit fraud. It doesn’t necessarily mean that these controls would prevent all frauds, but it takes away some of the opportunity that would be there. The other aspect is the Government Accounting Standards Board (GASB) is requiring more and more to be reported every year in the financial statements and more and more controls to be in place. It’s constantly changing. What was okay eight – nine years ago is not the same today. It’s becoming more complex. Mayor Pro Tem Fletcher inquired how much was regarding executive override in cases where they saw fraud in North Carolina. Mr. Bittner responded he hasn’t done a ton of research on each fraud case. When his firm performs an external audit, the main risk you have is management override controls. Anything you can do to help mitigate that risk by having policies and procedures in place is beneficial. When they are performing an external audit that is something they consider.

Mayor Holden asked what an additional hired person as a financial officer would be able to do and/ or do better than what is being done now. Mr. Bittner answered there is a listing of all of the individual controls of the Town that having a separate officer will help mitigate. The biggest thing is the problem of segregation of duties. By adding a person you will be able to split the duties amongst other people. The second thing is to help alleviate some of previous issues with significant deficiencies with financial reporting. The third thing besides allowing the town manager to have more availability for more Town functions, the finance officer would be able to prepare financial statements. Yellow book standards currently allows for external auditors to draft the financial statements of their clients. That is a very common practice. There is a large push for that to no longer be allowed, the Town would have to draft their own financial statements or hire an outside firm.

Mayor Holden asked Mr. Bittner to explain so everyone understands what the Town’s significant deficiencies are. Mr. Bittner said they didn’t perform the Town’s audit, but he will speak in terms of when performing an audit since the significant deficiencies and material weaknesses were issued by the Town’s external auditors and not RSM. When you are performing an audit under Government Auditing Standards you are required to be cognizant of internal controls and compliance of laws and regulations. Internal
control deficiencies have three categories. A material weakness is a weakness in a control where a material misstatement could be allowed to pass through the control process or has passed through the process. A significant deficiency while not as severe as a material weakness, is still severe enough that it warrants attention and is required to be reported. A deficiency is an error in operation control or a minor issue where a control failed or isn’t in place, but there are other mitigating or compensating controls in place. They looked back to the 2011 internal control and compliance reports. The Town from 2013 – 2016 was not required to issue a report under Government Auditing Standards so there is no compliance section reporting and significant deficiencies or material weaknesses in internal control. In 2011, two material weaknesses were issued. One was on insufficient technical expertise to prepare financial statements and the other was related to audit adjustments identified. In 2012, there were three material weaknesses. They were insufficient technical expertise, audit adjustments identified and limited resources related to the year-end close process. 2013 – 2016 did not have a compliance report, the financial report is not required to have findings in them so they do not have record of that. In 2017, there were two significant deficiencies issued. The first one was related to insufficient technical expertise and the second one was audit adjustments identified. Mr. Bittner said the listing of that is available in the back of the room. Commissioner Freer asked if he would expect to see insufficient technical expertise on each one of the reports. He said wouldn’t you expect to correct it if you have a material weakness. Mr. Bittner said when there is a material weakness there is a required corrective action plan that needs to be put in place in how the agency would mitigate that risk going forward. Mr. Vick said he didn’t obtain one. Mr. Bittner said a corrective action plan is a required part of the report. He believes it is only required to be published if the audit is being performed under a single audit. Typically you can see deficiencies in internal control year after year, especially in smaller communities. Mr. Bittner explained that typically, you see segregation of duties continue because you have to weigh the cost benefit of hiring an additional person. As related to insufficient technical expertise, from their experience you typically will see maybe a material weakness the next year and maybe a significant deficiency or some sort of alleviation. That could be through more training, hiring somebody or hiring a third party to assist in the process. Commissioner Butler inquired if the mitigation plans have to be presented to the governing body if you have a material weakness. Mr. Bittner answered the corrective action plan is required to be in the report. The management responses of a corrective action plan would be required to be presented in the AU-C 260 or formal assessment for team auditor’s communication of those charged with governance. He cannot speak to what other firms do.

Commissioner Kwiatkowski said as she looks at the different items that having a separate finance officer would help to mitigate a lot of these look to be putting processes in place, changing procedures and having checklists. These are certain things that bring better management of the overall function. These could be done as an improvement plan that once in place, is in place and doesn’t need the continuing financial officer to be there to make sure these things are followed. It can still be done by a combined person. She looks at hiring a financial officer as bringing expertise that is needed long term and a fulltime function, not just a checklist, management function. She asked what specifically, other than doing a CAFR that can still be done by an outside firm, will a financial officer’s added technical ability bring that our current system cannot intellectually or capability wise bring. Mr. Bittner said a third party can come in and do that, it is an option. He stated one of biggest problems is segregation of duty and expertise. The finance officer will bring the alleviation of segregation of duties.

Commissioner Kwiatkowski inquired about other towns that have both a finance director and an assistant. Mr. Bittner said having two people depends on the size of the entity and amount of services the town provides. It’s based on the capabilities of the finance officer to perform the work and the growth aspects.
Commissioner Kwiatkowski inquired about the period of time spent in observation and the number of interactions spent with the town manager as town manager or as finance officer. It doesn't have much detail to give confidence that there was a significant amount of time covered. Mr. Bittner said Mr. Vick was onsite for a week speaking to different folks, as well as observing the processes. Commissioner Kwiatkowski asked how many meetings were actually held with the town manager to understand and request documents and background information. Mr. Vick said it was ongoing throughout the week. He would take on a cycle per day, work through the process with the finance team and then send it to the town manager for review. Commissioner Kwiatkowski asked how much back and forth there was getting clarifications needed post observation period. Mr. Vick said communications at that point were usually by email. Mr. Bittner said once they left the office, Mr. Vick put together a draft. Mr. Bittner reviewed it, along with one of their internal review specialists. The drafts were sent to Town Manager Hewett for review of the matrix.

Commissioner Kwiatkowski asked if all documents were received by the town manager or town clerk. Mr. Bittner replied that documentation of the observations they had, everything went back to the manager or clerk. Mr. Vick said everything they received came from the town manager, town clerk or the finance team. Commissioner Kwiatkowski stated she didn't see the draft. She inquired if any changes were made to the matrix after the town manager was sent it for his review. Mr. Bittner replied there were limited changes to the drafts, maybe changes to misspellings of words, but there were no change in observations and documentations.

Commissioner Kwiatkowski said everything was in line with what she was expecting until she got to overall job responsibilities and compensation rates. It doesn't appear to be part of the original scope of work. Mr. Bittner said one of the things they look at is everything from hiring to termination, along with payroll action. That came up during that process. They were looking for a policy on how raises are initiated and approved. He said that is part of the overall control environment with the payroll cycle. Commissioner Kwiatkowski stated she was surprised to see the statement that there were no set job descriptions for each position because she recalled that earlier in the year that information was forwarded to the commissioners. Mr. Bittner said they were not provided with the information.

Commissioner Sullivan said when Mr. Bittner was just asked about what a finance officer would bring, it appears to him a large part of it would be oversight. Mr. Bittner agreed that is correct. Commissioner Sullivan said the other part would be the financial reports. Mr. Bittner stated you should have someone with the skills, knowledge and experience of what they are looking at. Commissioner Sullivan asked if it would require a CPA or if you could train someone to do that as long as they are being trained to recognize what they are being asked to do. Mr. Bittner said you could potentially train someone to do that, however you are talking about a significant amount of training to get the skills and knowledge. He said it is possible. They currently have people on staff without an accounting degree that are some of the best auditors they have. They came up through it and have been appropriately trained. A CPA license is not everything. Commissioner Sullivan said as far as the financial oversight, we are forecasting that the current policy of having external auditors do the report is going to be changed and it will be required to be in-house at some point. Mr. Bittner stated they have members of their firm that are heavily involved in these processes and everything they are saying is the next iteration is to change it. Commissioner Sullivan asked if there will be a time period to implement the requirement when that determination is made. Mr. Bittner said yellow book standards would release a proposed draft that would be available for comment. There
will be a timeframe, but he can’t speak to the length of that. He said once the yellow book standards are issued they are effective for the next audit period.

Commissioner Sullivan said Mr. Bittner mentioned his firm does this type of internal auditing and risk analysis on large cities, small municipalities, etc. He asked if the deficiencies noted in their report for Holden Beach are common to other similar sized municipalities. Mr. Bittner said segregation of duties is common. There are ways to help segregation of duties issues. Typically they recommend splitting duties out or having another person come in to help alleviate some of the problems. To speak to individual issues, he would need to go back and research individual reports.

Commissioner Sullivan stated he saw a good number of the deficiencies noted had to do with the absence of checklists. He asked if that is common for a municipality. Mr. Bittner explained that a checklist is indicative there is a policy or procedure to follow. Commissioner Sullivan read an example from the report. Mr. Bittner stated if you have people to perform those duties on a regular basis you are probably okay. The risk is if someone was hit by a bus, where the Town would be in that situation. If you don’t have the policies and procedures documented on what should be done and somebody wins the lottery, all of your institutional knowledge walks out at one time. It is having the policies and procedures in place for Town continuity. He said that is part of the equation. The other part is people forget things. Having a list of items or procedures helps people. Commissioner Butler said even if you have a checklist you still would need exposure to exactly what is going on. He talked about his previous experience with putting a progressive program in place so that if something would happen, somebody else would be put into an individual position. He said that is critical.

Commissioner Butler said he dealt with regulatory agencies. When he had to submit a plan for a deficiency he would put the plan together. The regulatory agency would check the plan and see what progress was made against the plan. If there was no progress there were penalties. He asked what is in place for municipalities, if there is any follow up by a regulatory group. Mr. Bittner said there is no specific follow-up by any specific regulatory group. The external auditor is required to follow up per auditing standards. Reports in North Carolina are submitted to the Local Government Commission (LGC). The LGC reviews and approves every financial report. If they see consistent issues when it goes to issuances of debt or anything of that nature, they will look at those items. He is not sure what kind of weight they put on those items. As for other regulatory bodies it could have effects on grant funding. The reporting of material weaknesses and significant deficiencies of internal control are designed to be reported to the Board to show where your municipality is deficient. Commissioner Kwiatkowski said she looked for compliance sections in three reports. In all three reports, the corrective action was that management concurs that it is an issue; based on analysis of cost benefit has chosen to engage the external auditor to perform the function. She said in the future, based on her conversation with Mr. Bittner when the yellow book changes you will still have the option to have your year-end report be prepared by an outside firm, but not by the same firm that audits you. The important part is to have the internal expertise to look at what is provided by a third party consultant to determine it is correct. Mr. Bittner agreed. Commissioner Kwiatkowski stated it’s not a case that it will be a mandate where you need to do your year-end report internally, but you need to have internal expertise to take something from another firm and confirm it is correct. Mr. Bittner agreed. Commissioner Kwiatkowski asked if the Town has that internal capability. Mr. Bittner responded he can’t speak to that because there is a third party hired. Commissioner Kwiatkowski said currently internally we are taking on that this is correct, so do we not have the internal capability to know that a year-end report prepared by the outside is an accurate representation? Mr. Bittner replied that based on the readings of
findings in the audit reports you have to have someone with the skills, knowledge and experience to take ownership. The representation letter that is required to be signed should have that representation that the Town has someone with the skills, knowledge and experience to do that. He said if it didn’t he would be very surprised, but he cannot speak to that because he hasn’t read the representation letter. Based on the findings, it is saying the Town doesn’t have the expertise to do that because they are relying on the auditor to do that. The audit has to stay independent. He cannot speak to what would happen if the Town were to hire a third party, other than the third party could be considered a link of management. They perform this function for multiple clients. It is a possibility to have it hired as a third party. He can’t speak to it because the Town hasn’t performed that function in the past. Commissioner Kwiatkowski stated many municipalities haven’t because it has been allowed to do as we are doing. It will be a change when the separation is demanded. She is of the opinion that you can have someone besides your own internal expert prepare your year-end report, as long as you have a person in place as the finance officer who can validate that it was done correctly. It is the same as using a consultant to do a report in industry. You have a manager to say it was done correctly; they could have done it themselves if it wasn’t decided that it was more timewise and appropriate for cost benefit to do outside, rather than inside. Mr. Bittner stated the question would be does the person taking responsibility have the skills, knowledge and expertise to do it themselves.

Mayor Pro Tem Fletcher said the last audit they got suggested that the Town’s auditor must prepare the financial statements, additionally any reports provided to the commissioners cannot be relied on because of other adjustments. He said he went back to the only year since 2007 that the auditor listed the adjustments he had to make at the end of the year and they were based on known and likely misstatements during the year. They totaled $4.8 million. He said if they don’t have the skillset, during the year he cannot rely on those statements. He is not comfortable waiting until the end of the year to find out that the Town has issues. Mr. Bittner replied that is his prerogative. He said if you are saying the person does not have the skills, knowledge or experience to do it on a monthly basis you could be receiving misinformation.

Commissioner Sullivan said in relation to the discussion on the insufficient technical expertise, Mr. Bittner’s statement is we need someone internal who has the knowledge and the expertise. He asked what this kind of finding would be based upon if they were doing an audit. Mr. Bittner stated if they were performing this it could have multiple aspects, but he will do it through the six areas they reviewed. From a financial reporting prospective this would be the person is not able to prepare financial statements with the appropriate disclosures. Potentially the accounts payable sub ledger was materially different than the actual trial balance or what the internal software says it should be. Fixed assets could be if assets are not being depreciated appropriately because the person responsible for them didn’t understand how they were supposed to be depreciating those assets. It’s based not necessarily on that there is an error because errors occur, but based on why the error occurred, why the control failed. The way they approach it when they find issues is to bring it to an open question as to why. If it is recorded as it is because the person has a complete misunderstanding, that is the issue. If it is an error and they understand how it is supposed to be done that is different. They didn’t review any prior auditors’ work papers and that wasn’t in the scope of work.

Commissioner Sullivan said in response to the question on governmental review, Mr. Bittner said the reports do get sent to North Carolina and at some point they might come back. Mr. Bittner explained the LGC has the authority to come back and look at anything happening in any government in the state. In his
knowledge they have not come back, but they didn’t go into any follow-up the LGC had on any particular findings. Town Manager Hewett said the Town has never been issued the white letter. Mayor Pro Tem Fletcher asked about the team that was sent down a couple of years back to look at controls. Town Manager Hewett explained that a couple of years back as an outreach service that they provided to local governments in general their coach team came by for a visit, not in specific to any issue that was identified to us. Mayor Pro Tem Fletcher said there are two people that cover the state for the follow-up. Commissioner Sullivan agreed that the Town does not want them to come here, but the question was if it rose to the level that would bring them here to do that and the answer is no. Mr. Bittner said to his knowledge the LGC has only taken over one government in the state.

Commissioner Freer said Mr. Bittner was talking about procedures, he highlighted it said informal can be verbal in the approval of vendors. Mr. Bittner said typically the best practice for vendor listing is you have a set policy or procedure for approving vendors and the steps you are going to take to verify there are no conflicts of interest. You then would have a set listing of formalized, approved vendors. He talked about the process involved with the list. Commissioner Freer asked if the 2,700 were approved vendors. Mr. Vick said he thinks the system keeps a rolling list, so it would be considered all vendors that have been paid at some point in the past. Commissioner Freer asked if some incident happened would you expect an organization to do a self-assessment or bring in someone to help them with a procedure. Mr. Bittner said he can’t speak to people’s preferences. Best practice would be if you have an incident you would have it investigated. Commissioner Kwiatkowski provided an example of a purge in a company she worked for. It is a process that has to be put in place, but it is not something that we need an outside source to do. Commissioner Freer said you need to recognize that is an issue and do that. It’s something that hasn’t been done. Commissioner Kwiatkowski said if it is something that is agreed should be done, it isn’t massively complicated to do.

Town Manager Hewett stated he noted the contract stipulates that after the final is submitted if there aren’t any substantive changes after 30 days it is in stone. He finds that the study offers some salient prospective on our processes and has good value in terms of things that need to be worked on. He hopes that the staff’s participation with RSM facilitated identifying those in a substantive way. He thinks there are good takeaways and lessons to come out of it. We had three hurricanes in the middle of it and there was some going back and forth. He was under the impression that we would have a final draft to be reviewed by the Audit chair and himself before we went to a published document. He said that didn’t occur. Town Manager Hewett stated staff provided comments on development interactions, then the draft for review was provided to staff. He fed comments to Mr. Vick, but there are some specifics in there that are conspicuously absent. One was the piece about debt where there was a recommendation that debt loads were a function of the town manager’s recommendation. That was a specific comment that he made that he thought was beyond RSM’s sphere of influence and was an overstepping of management’s authority in how much debt load the Board and the Town should assume within the realm of authorized debt limits. It was somewhat disappointing that the feedback wasn’t included. One of the things that came back that was not in the draft was provided with, but was in the final proposal was the piece on staff pay increases and the inference that there is no classification pay plan. The inference was that pay raises are handed out willy nilly. That was an addition that was not in the draft that came for his review. It would have been provided to the program officer should that have come up. Town Manager Hewett said there is a Classification and Pay Chart and there are position descriptions. They may be out of date, but there is a structure and review process that is religiously adhered to and is part of the annual evaluation cycle. That’s an omission.
Town Manager Hewett said he has some questions of the fiduciary nature regarding the split of the town manager and finance officer. He is assuming this was couched from an unlimited resources prospective because it infers it is an additional person. That implies there are additional resources that would be required over and above what is currently in place. Mr. Bittner said their recommendation is that you have someone in the finance officer position separate from the position he is in. Whether the Town decides to do that by studying other folks to see if they are capable or if they want to create a new position would be the decision of the Town. Town Manager Hewett inquired if there was any consideration about the type of facility accommodations that would be necessitated by the addition of a staff member. Mr. Bittner replied no. Town Manager Hewett asked if it is the recommendation for the finance officer to report to the town manager like in other council manager forms of government. Mr. Bittner said they didn’t include that in the recommendation.

Commissioner Sullivan said earlier Mr. Bittner said the only differences between the final and the draft were spelling errors, but Town Manager Hewett brought up data that wasn’t included in what he thought was the draft. Mr. Bittner said there were several drafts passed back and forth. He is 99.9% sure everything was included; if not it was an oversight. It was his understanding that the town manager reviewed the final draft. He would have to go back to look. Town Manager Hewett said there were three hurricanes. It could have been on either end, he just wanted to register that it is not right. Commissioner Kwiatkowski asked if there will be a corrective report done since there seems to be a discrepancy between the report saying the Town doesn’t have something and the town manager saying we do have it and it would alter what was written as a conclusion. Mr. Bittner said they haven’t broached the subject from that prospective. This is the first he is hearing of it. Commissioner Freer said the report was published a month ago. He asked if there were other communications since it was issued. Mr. Bittner said there hasn’t been anything since the report has been issued.

Commissioner Freer asked if there is any recommended follow-up. Mr. Bittner said they mentioned third party compensation and third party help with the vendor listing. Other than that they are sticking to the recommendations that were made based on their observations made in this report. They are not prepared to speak on any other recommendations at this point.

Commissioner Butler said when it comes to payroll there seems to be a missing link somewhere, yet we have a final report. The situation is that we have something current and in place. It may have been misunderstood or not presented, but he thinks we should resolve that issue. He asked how we should do that. Mr. Bittner said they would need to modify the report and obtain additional documentation. Commissioner Butler said if we have a process in place we should recognize it.

PUBLIC COMMENTS

Mark Fleischhauer said he is here for two perspectives. He believes he is the only remaining member of the Audit Committee that goes back to the prior Audit Committee and he recalls some of those audits. His other prospective is he has been fortunate enough to sit in the auditor’s shoes and Town Manager Hewett’s shoes. He thinks as part of the process his experience is it is not really a conclusive thing. Mr. Fleischhauer stated this report isn’t meant to be final. It is meant to be the basis for moving forward. One of the critical missing pieces was the corresponding next steps, what we are going to do to remediate. As part of that process clearly the cost benefit issues need to be taken into account. He said he hopes there
isn't any haste to reach a quick conclusion, but recognize this as an initiation process that can hopefully be carried forward constructively and not too hastily.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(6) TO DISCUSS A PERSONNEL MATTER AND NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(3) TO CONSULT WITH THE TOWN ATTORNEY

Town Clerk Finnell read the reason for Executive Session.

Motion by Commissioner Freer to go into Executive Session at 11:30 a.m.; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

OPEN SESSION

No action was taken.

ADJOURNMENT

Motion to adjourn by Commissioner Butler at 12:51 p.m.; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, FEBRUARY 19, 2019 – 6:45 P.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, February 19, 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 Christy Ferguson; Fiscal Operations Clerk Mandy Lockner; and Planning Director Tim Evans.

Mayor Holden called the meeting to order.

INTERVIEWS FOR VACANCY ON THE PARKS & RECREATION ADVISORY BOARD

The Board interviewed Candace Vick and Stu Atwell for the vacancy on the Parks & Recreation Advisory Board.

ADJOURNMENT

Motion to adjourn by Mayor Pro Tem Fletcher at 6:51 p.m.; second by Commissioner Freer; approved by unanimous vote.

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, FEBRUARY 19, 2019 – 7:00 P.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, February 19, 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; Planning Director Tim Evans, Public Works Director Chris Clemmons; Detective Jeremy Dixon; Fiscal Operations Clerk Mandy Lockner; 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 Mayor Pro Tem Fletcher to accept the agenda as presented; second by Commissioner Freer; approved by unanimous vote.

APPROVAL OF MINUTES

Commissioner Freer stated that on page 6, the third paragraph should read that Commissioner Butler said he is still concerned about the 80 plus percent that are part-time residents.

Motion by Mayor Pro Tem Fletcher to approve the minutes as modified (minutes of the Special Meeting of January 15, 2019, minutes of the Regular Meeting of January 15, 2019 and minutes of the Special Meeting of January 16, 2019); second by Commissioner Freer; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.

RECEIPT OF INLET AND BEACH PROTECTION BOARD (IBPB) REPORT

Commissioner Freer said this is the receipt of the IBPB report. He thanked the IBPB for their hard work. He wanted to note that a letter was sent to the county expressing our interest in the Deeper – Wider Project. They are working on the framework for a long-term plan.

RECEIPT OF WATER TOWER MEMO FROM THE PLANNING & ZONING BOARD (P&Z)

Commissioner Freer explained this is the receipt of the water tower memo from P&Z. P&Z 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. They 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. Commissioner Freer said he will put this item on a future agenda to address the recommendation. Commissioner Kwiatkowski asked for a more complete report of the discussions that lead to the recommendations when the item is added to the agenda. Commissioner Freer will ask for that when it is put on the agenda.

LOCKWOOD FOLLY INLET NAVIGATION PROJECT UPDATES

Assistant Town Manager Ferguson explained the county received a grant that was discussed at the IBPB and Board meetings. Staff attended a meeting on January 30th where some of the Town’s concerns and comments were addressed with Deputy County Manager Steve Stone and the county’s engineer. The county does not foresee doing modeling at this time. They view this as a pilot project and a test source for data for later, larger scale projects. This project will require a major modification to our SDI-5 permit. The county views this as a one-time test. While the county wants to implement a fiscal policy regarding projects at a 75/25 split, there was mention that they would entertain the Board sending a request for additional funding. The project as proposed in the county’s grant application will depend on dredge plant availability. The Town made a request that if the project is voted on to move forward, 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 for that area. Staff is of the opinion based on an email from Oak Island’s town manager that they are not interested in this cycle of the project. She referred to the figures in her memo for the project.

Assistant Town Manager Ferguson said the Town has made several attempts to find out information on the possible piggybacking of the AIWW Crossing. On February 6th she had a conversation with Brennan Dooley from the Corps. They don’t have the headroom financially in their permit authorization. The Town would need to contract independently with Southwind if we wanted to do this. It would be about 200,000 cubic yards, including the north widener. We would have to use our SDI-5 permit and it would not be available for Deeper - Wider. The contractor confirmed to our engineer that based on environmental windows, they would be completing the bend widener in April or possibly May. It would require a separate mobilization/ demobilization. The timeframes would require us to seek modifications because of environmental windows. Monitoring for turtles and birds were not included in the estimates, but would most likely be required. We would need to have at least a five week turnaround on a grant. The Town attorney would need to certify that easements would be in place in order to sign contract documents. Oak Island is to our knowledge interested in this, but that could be a permitting issue. The cost for that project is estimated in the memo. Timing is an issue for all of the elements to come together.

The Merritt was performing maintenance and was scheduled to be here until February 25th, but on Sunday the Murden showed up. Assistant Town Manager Ferguson was advised that if conditions remain favorable they will be here until February 25th. Unless the staff receives other guidance from the Board they will pursue working with the county on drafting an interlocal agreement for the Board to look at in March.

Commissioner Freer asked about the SDI-5 permit. Assistant Town Manager Ferguson said we could request for extension after we use it, but it says one time use. If we do a modification of the permit for Deeper - Wider, the county is going to request that it doesn’t count against our permit, but she can’t guarantee that. Mayor Pro Tem Fletcher inquired if she has a feel how long it takes to expand the SDI-5 permit to multiple use. Assistant Town Manager Ferguson replied it says you can request additional
uses after the first time, but she doesn't know a timeframe. Town Manager Hewett added the way the permit is written is it as general as it can be. When we go for a major modification it would get tighter. Usually when the permits are issued for execution, it is really for a specific one time. They are normally issued for periods of five years. There is a window. Mayor Pro Tem Fletcher said he was wondering if it was possible if the east end and the west end could be drawn together under the permit and use it more than one time. Town Manager Hewett said that would require a major permit modification and he doesn't know if that would make it need to be a whole new permit. That is a multi-year endeavor and might be something best considered after including it in our master plan update and review. He said we are trying to get through what to do right now. We have two projects that we need to make decisions on. His opinion is that the inlet crossing project with all of the variables involved is not the way we want to go about doing beach nourishment. We want to have a more definite and methodical approach to setting up our program. Town Manager Hewett thinks the Town needs to back away from this and make the decision on the Deeper - Wider project. Assistant Town Manager Ferguson said 250,000 cubic yards is the amount in the Deeper - Wider project.

**DISCUSSION AND POSSIBLE ACTION ON RSM REPORT AND PROPOSALS**

Commissioner Freer explained the Board had a special meeting with the internal control report and proposals being delivered to the Board on February 15th. RSM presented the report. This accounting firm was hired as a result of the 2017 audit that called out a need for an internal control review. There was an executive summary that talked about the objectives of financial reporting, accounts payable, fixed assets, payroll and accounts receivable. There was a recommendation section that included finance officer, segregation of duties, vendor listing, payroll and capital assets. If you look at details that were included, there were color coded risks. What he expected was a proposal from the firm to address the things that came out around the organization, compensation and the accounts payable. Commissioner Freer said he would call for a RFP around those areas to dive into some recommendations on how to address the deficiencies called out in the report. He said the Board could separate the efforts and it could be different firms. He said he also would call for the finance director to identify an action plan to eliminate the internal control deficiencies and work with the Audit Committee to review the corrective actions that the finance director would identify.

Commissioner Kwiatkowski said there seemed to be a disconnect between the town manager having received requests for compensation information, etc. It was acknowledged there may have been something missed. The town manager said we do have the information that RSM said they did not receive. Somehow the request was not received, but the information could be provided and that area reevaluated to see how it stands. She said she was going to recommend that this get reopened with the information getting passed on to RSM to make corrections if necessary based on what the town manager provides. She is not sure that pay raises, compensation should be thought about until that aspect of the report is reevaluated and reassessed with the information provided. Commissioner Freer asked if it was just job descriptions. Town Manager Hewett said there was an entire section that eluded to the manner in which classification was administered, in addition to pay raises and those kinds of things being handled. He thought the report wasn't final and there was some indication that there was a desire to have it revisited. Commissioner Kwiatkowski said it wasn't just pay raises, it was a section. She thinks that is an outstanding area that should be fixed by opening the study with RSM, passing them the information and then having them do the evaluation in that area to see if there is a different conclusion. She said it may cost a little bit more money to do it, but she doesn't think the Board should have an inaccurate report because there was confusion. Town Manager Hewett said he reviewed the working drafts and that information wasn't in there. It wasn't in the program manager's notes or in the draft. Commissioner Freer said they need to readdress that section. Town Manager Hewett stated he would be glad to contact RSM to address that. He said he does not think the Board should pay them...
any more money. Town Manager Hewett said he will need to contact them and they will need to be agreeable to reopening it.

Commissioner Freer said there are two other areas they are making recommendations on, organization and accounts payable/vendor listing. Commissioner Kwiatkowski said she thinks vendor listing is part of the overall thing Town Manager Hewett should be putting together to bring to the Board to say here is the improvement plan that he would propose. She thinks that is an aspect of a plan like the one Commissioner Freer suggested that Town Manager Hewett should be working on. Mayor Pro Tem Fletcher thinks the League of Municipalities (NCLM) is likely to support Town Manager Hewett with working on that. He asked them already what they could do at no cost to us. He doesn’t have an answer back yet, but he said Town Manager Hewett knows Ann White and he thinks she is prepared to help as much as she can. Town Manager Hewett stated we need to develop an improvement plan that addresses all of the risks, red, yellow and green. Green is low risk, but you still have to stay vigilant in keeping those types of things on the burner. That study took eight or nine months to develop. He said we do need to prepare an improvement plan, not only for hot topic items. We can do that, but we will need some time to do it. We are still wrapping up the 2018 audit at this particular time. The hurricanes have upset the apple carts all through North Carolina, it is not just Holden Beach’s audit that is late. Town Manager Hewett said he would be interested in what that audit shows to see if there is any correlation to the internal control audit. The internal control audit has identified things that need to be remedied. The NCLM is the first weapon of choice in assisting with some of the specific financial processes that we can put into place. It is also an excellent source for compensation plan studies. He has some information for the Board that can be taken up in a different forum. Town Manager Hewett stated we need to develop an improvement plan and will work on that forthwith. He will need some time to delve into some of the fixes that will be required. He doesn’t see anything too horrible about putting a plan in place.

Commissioner Freer said he thinks the vendor listing is a big exposure. He would like to make sure to address it. Town Manager Hewett stated if the Board has some specific bothers within the study, it would help refine it for him. He would tease that out first. Commissioner Freer said he thinks that would be a high priority.

POLICE REPORT – DETECTIVE JEREMY DIXON

- Numbers are still good for the Police Report. Officers are focusing on preventive maintenance and patrols. Have taken a few incident reports in January. There was another construction site that had tools taken from it and some mailboxes were damaged. Been very fortunate.
- Commissioners blessed the Police Department with money for AEDs in this budget. Have those in. Coordinating with the EMS director for training. Officers should be carrying them soon. Will rotate them for the shifts.

Irvin Woods asked why there are three categories relating to suspicious items. Detective Dixon doesn’t like the way it is reported currently. There are currently three categories; he explained how they work and provided examples. He said as time progresses hopefully there will be some changes in the reporting.

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

Public Works Director Clemmons stated that since the last meeting the system is 100% switched over. There are no major issues. SCADA is up and running. It is a wonderful thing. The building has its first
coat of paint. It pretty much resembles what you see at Town Hall. He will try to get pictures next month. The big hatch removal for the tank was solved. They have been demolishing the old equipment. We have some special order items that has caused some snags. The stairs showed up today and will go in this week. The other thing is louvres. They are scheduled for delivery on March 8th. The hurricane shutters are scheduled for March 10th. We have a generator plug that has been ordered and is supposed to be in this week. Providing there are no issues when we do a final inspection, he is hoping by the next meeting they will be pretty close to being done. Public Works Director Clemmons thinks the Town will come in where we budgeted; there have not been any add-ons to date.

Mayor Pro Tem Fletcher inquired about lessons learned now that we have done Station 4. Public Works Director Clemmons replied that there were a few scary moments. He feels a lot safer knowing it can be done. Station 3 won't have the wet well to contend with. Town Manager Hewett said one of the specific lessons we learned from this is regarding the rent or buy decision we have been faced with on the vacuum skid. It appears we have an opportunity to make the purchase for the piece of equipment. He believes we will end up purchasing the skid because it gives us redundant contingency capability, in addition to being a more economical solution during the construction of the total program. We are scrubbing the budget to see if it can be accommodated within existing resources. If it can't, staff may come back to the Board in March for an additional appropriation. He said in our initial review, we think we can accommodate it in the annual budget. Public Works Director Clemmons added we could save $45,000 - $50,000 by owning that piece of equipment and it would be a wonderful thing to have. Town Manager Hewett said it will help with a Plan B. Commissioner Butler stated everyone has been on the edge of their seats. He said Public Works Director Clemmons handled it extremely well and his communication to the Board has been excellent. Mayor Pro Tem Fletcher said Public Works Director Clemmons has done a great job with keeping it on budget. Commissioner Kwiatkowski stated it will do a lot to improve the skyline once all of the stations are in. In addition to being well engineered and taking care of a big problem, the aesthetics are nice.

DISCUSSION AND POSSIBLE NOMINATION OF MEMBER TO SERVE ON THE PARKS & RECREATION ADVISORY BOARD

Mayor Holden said he is extremely impressed with the two candidates the Board is about to consider. He asked Assistant Town Manager Ferguson if there is any way to consider putting both people on the board. Assistant Town Manager Ferguson replied it is a working board, the more people they have the better. They work actively behind the scenes. Town Manager Hewett said it is currently limited by ordinance. Commissioner Freer stated they are both highly qualified and he hopes the one not selected stays interested.

The Board voted by ballot and unanimously selected Candace Vick to fill the vacancy.

DISCUSSION AND POSSIBLE ACTION TO HAVE THE TOWN INCORPORATE THE RECOMMENDED CHANGES TO CHAPTER 50: SOLID WASTE

Commissioner Butler said he continues to be concerned about the eighty plus percent of homeowners that are part-time residents not being able to comply with the trash ordinance and as a result of not being able to comply, potentially receiving a civil fine. Trash containers being left at the street side is not a new concern for homeowners. A number of years ago this was recognized as an issue on Ocean Boulevard. The solution to resolve the visibility of containers being left out, along with other concerns to include safety and environmental were addressed. The Town resolved this issue by organizing a container rollback service for homeowners on Ocean Boulevard only, with the expense for this service provided through occupancy tax. Over the years there have been many new homes built. There are
new houses all over the place. Commissioner Butler said if we were concerned years ago regarding the negative appearance and potential safety concerns he is recommending we focus on implementing the same rollback process rationale that was implemented for homeowners on Ocean Boulevard throughout the island. Commissioner Butler reviewed his recommendations.

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 will 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 will still apply to those not following the yard waste requirements and those placing trash on the ground or on top of trash containers.

Commissioner Butler said there were two other items discussed.

1. Examine the possibility of providing a rollout program, in addition to rollback.
2. Enforcement and communication. He suggests that the means of enforcement and communication resides with Town staff to determine as it is their responsibility to do that.

Commissioner Butler said the initial goal was to provide a rollback program island wide. The scope of work for the current package doesn’t include rollout. It does include rolling back empty and full containers to a location under or beside a residence. At this time he recommends proceeding with rollback service only and that the statement of work be revised to eliminate the rollback of full containers. In order to provide sufficient time to investigate all of the ideas regarding the possibility of offering a rollout program to those property owners that need it he is suggesting it be handled as a phase two separate item. If it is determined to be feasible it can be implemented at a future date.

Motion by Commissioner Butler to direct Town staff to incorporate the changes outlined in the summary section of the statement letter that includes enforcement and it is also in today’s meeting package, to update Ordinance 18-16, Chapter 50: Solid Waste accordingly and to make the ordinance available at the next scheduled BOC meeting; second by Commissioner Freer.

Commissioner Sullivan asked for clarification. Commissioner Butler reviewed his motion. Commissioner Kwiatkowski said going back to last October at the meeting the Board outlined their objectives, some of the more important ones had to do with cans being secured under or up around houses, not in corrals and not to leave full cans at the roadside for days on end. Rolling back full containers was going to be a means to get them away from the road. It was felt that a majority of those cans were rental properties where they missed the pickup on Saturday and if they were up by the house it is likely the new renter would call the management company and say something needs to be done. She said if you leave them at the road, the bags start to accumulate. Commissioner Kwiatkowski is particularly unhappy about leaving full cans at the road until the next pickup. We will have a lot more bins this year because we had the audit done where there will be additional bins for the rental properties. If people don’t get it out there Saturday morning, you will have more bins sitting by the street. She doesn’t understand the logic of leaving the full bins down there when you have rollback. Commissioner Sullivan stated the Board had a special meeting where this was discussed for an hour and a half to two hours. His understanding at the end of the meeting was that the Board was not going to make piecemeal changes. By amending the enforcement part of it, the Board would have time to amend the ordinance once. By doing that the Board would take all of the input and decide what to do when it comes to rollout. He said the Board is taking care of rollback; everyone’s can will be rolled back.
and there will be no fines for cans left at the curb. He said the one item the Board needs to work on is rollout. Commissioner Sullivan stated if the Board leaves this and changes the enforcement they will have time to come up with something that works for the most people. He said it doesn’t seem logical that the Board is willing to have someone leave their cans at the curb for three or four days. The idea is to remove the can and put it back for safety and aesthetics. He said the Board made a mistake without having the rollout portion settled. The Board shouldn’t make a mistake by changing it now while they work on the one component, the rollout portion. Commissioner Sullivan said the Board sat here and discussed these issues a few days ago. When he left he was sure the Board decided to change the enforcement date and work on the issues that needed to be addressed. He doesn’t think what is being proposed is what was agreed to or should be done.

Commissioner Freer said the issue is the Board has a decision to make on the contract for the rollback. We know we have a rollout issue as well. He said we should have included everything a couple of months ago. We have a solution to rollback that the Board can pass. He agrees it is tough to make a perfect decision on trash. It gives us an opportunity to develop ideas on rollout. He thinks rollout is much more complex than rollback. He reviewed some of the complexities. He thinks it makes sense to get the experience of rollback under our belt and then work on rollout. Commissioner Freer said what he was doing a timeout for at the last meeting was that we didn’t know if Waste Industries was going to change the Town’s pickup dates. It has been decided they will not make that change and we will continue to stay on Tuesdays. That was a large unknown that is not there anymore. He said it isn’t perfect, but he thinks it is a big step forward.

Mayor Pro Tem Fletcher said he listened to Mayor Holden at the last meeting. He has a lot of history here. He has rented a house and has heard from a lot of people. He received a lot of negatives and some positives. When he finished studying it, he realized about 90% of people don’t rent or they come here periodically and rent. For half of those he thinks the issue will only happen on Saturday. If the people leaving Saturday don’t get their trash cans out on time, it will be picked up Tuesday. He thinks if the Town works with the rental units to get their cans out on Friday night, it will take a major issue off. He thinks given the feedback he received, those people who pay about 90 – 95% of the income on the island deserve to be listened to. Mayor Pro Tem Fletcher said we cannot make it right for everybody, but we can make it difficult for 2,000 homeowners and he doesn’t see himself doing that. He said what Commissioner Butler put together may not be perfect, but right now he thinks it’s the right way to go. Commissioner Sullivan stated he agrees with most of what Mayor Pro Tem Fletcher said except the last couple of sentences. He thinks what is being proposed is less favorable than what we had before, which was an ordinance that wasn’t being enforced. He said we will have no rules, but we are going to take on the cost of putting cans back. If there aren’t enforceable rules he is not sure why we are going to pay to put all of the cans back.

Commissioner Kwiatkowski said everyone is going to react to a change, but what was put together was thought through carefully for all types of owners. She was a second homeowner that didn’t rent. She said you plan. She never had an animal break into a can. She kept her cans in Raleigh in the woods for 25 years. She doesn’t think when the bins are stored properly and not overflowing that you would have a preponderance of animals breaking in. This was meant to solve every problem at once and she agrees that is ambitious. She said given that the Board is willing to delay enforcement, if we give it a chance we might see with effort and education that the situation improve and things get worked out. Commissioner Kwiatkowski said if we don’t give it a chance we will never see how much of it we can make work. She is firmly for pushing full cans back. We bid full and empty back to the house and she thinks it is important to give it a shot this year.
The motion passed with a 3 – 2 vote with Mayor Pro Tem Fletcher and Commissioners Butler and Freer voting for the motion and Commissioner Sullivan and Kwiatkowski voting in the negative.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 19-02, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 50: SOLID WASTE

Town Clerk Finnell explained the ordinance was prepared in response to the last meeting. She recommends ignoring the ordinance since another will now be prepared for consideration.

DISCUSSION AND POSSIBLE SELECTION OF CONTRACTOR TO PERFORM ROLLBACK SERVICES FOR THE TOWN

Town Manager Hewett asked for a couple of minutes to speak to Attorney Fox before the Board takes this item under consideration.

The Board took a recess from 8:14 p.m. – 8:19 p.m.

Attorney Fox said her recommendation is to strike #16 from the agenda because the scope of work included the proposed number of rollbacks and the ordinance provisions that were just voted on included corrals being allowed. The Board will need to re bid it. The proposals submitted were based on perimeters that have changed based on the Board’s last action. The Town will re-advertise and ask for bids to make certain the bidders know what they are bidding on. Attorney Fox confirmed there are two inconsistencies. The scope of work was for empty or full cans. The proposed changes include that corrals are allowed. Mayor Holden asked how the bidders will know how many cans to roll back. Attorney Fox replied that is not for her to answer tonight. She thinks Town Manager Hewett and Public Works Director Clemmons will need to figure that out. Commissioner Freer said both items result in fewer cans being rolled back. Attorney Fox stated yes, potentially, which could change if one of the bidders would have submitted a bid. Mayor Holden said there is nothing to prevent people from adding corrals. If the bidders counted them today, there may be a dozen more tomorrow. Mayor Pro Tem Fletcher asked if it would be okay if the Board voted on this if the winning bidder was here and accepted the changes. Attorney Fox replied no.

STAFF REPORT ON GOLF CART SPECIFIC PARKING SPACES

Planning Director Evans explained low speed vehicles (LSV) are legal modes of transportation and already have access to park anywhere where regular cars can park. Currently parking is allowed along those marsh streets for LSVs that are registered for road use. All parking restrictions, both state and local, would apply. He said there appears to be three access points near marsh streets. He said they swagged the distances from the end of the street so they are 100 feet short. Swordfish would have a travel distance of 450 feet from its access, Sailfish would be 1,000 feet and Scotch Bonnet would have a travel distance of 900 feet to its access. There would need to be a text amendment in the current parking ordinance, designating those streets for LSVs only. There would also need to be signage placed. This would only be available in the summer months. After talking to Detective Dixon, LSVs are not allowed when the speed limit is increased. Attorney Fox said there is a difference between golf carts and LSVs. LSVs are defined by statute and have their own restrictions.

Mayor Pro Tem Fletcher asked how many spaces are being discussed and if there are enough golf carts to take the spaces. Planning Director Evans responded that he has that number, but not with him. He is not sure if there are enough to take the spaces. Commissioner Kwiatkowski said she is the one that made the request to the Board and it was not to use all of the marsh streets. It was to use
the front part of marsh streets for an appropriate number of special golf cart parking spots. Last summer we were seeing a lot of golf carts illegally parking. She wanted to see if it was worthwhile to look into taking some of the marsh streets and sectioning off the first section of it for a few golf carts so people still could deliver items and passengers and then wouldn’t have a long drive to park and walk back. Commissioner Kwiatkowski added this was an accommodation to give them an incentive. Mayor Pro Tem Fletcher asked for confirmation that they can park there now. Planning Director Evans replied yes they can park anywhere there are available parking space. Commissioner Butler stated he sees a golf cart as a legal vehicle and everyone has an opportunity to park where they want to legally. Planning Director Evans said under the current ordinance golf carts can legally park where cars can. Commissioner Butler said golf carts parked illegally are a whole other issue and should be addressed through enforcement. Planning Director Evans suggested that golf cart regulations may need to be clarified and it may be an education issue.

**DISCUSSION AND POSSIBLE ACTION ON TEXT AMENDMENT FOR COMMERCIAL SETBACKS AND BUFFERING REQUIREMENTS**

Planning Director Evans explained that this is P&Z instigated; staff worked with them. We have some circumstances where we are really relaxed in commercial zoning. He reviewed the proposed changes and why they are recommending them. Currently our front yard setbacks are 25 feet. They are recommending they change to 50 feet. The minimum required for the side yard setback is five feet. They are recommending it to be increased to 20 feet. Open porches, steps or overhangs shall not encroach into the established setbacks. Side yard setbacks minimum required shall be 10 feet where landscape buffering meets the requirements of 157.062(l). The minimum required for rear yard setbacks is five feet, except that if a commercial use abuts a residential district there should be a rear yard of 20 feet. They are recommending changing it to 25 feet, landscaping buffering required. They are suggesting that required buffers must have the approved landscaping under lot coverage. Under landscaping required they would like to add areas required to be landscaped buffered under 157.062(C) 1 – 3 shall be a minimum of six feet high on the sides of the property with spacing no less than three feet. Buffering must be maintained so as to be perpetual in its functioning for the life of its use. Staff has reviewed this and concurs. P&Z has written a consistency statement saying they agree. Planning Director Evans said if the Board would like to see the changes, he can carry them back to P&Z if they want to look further or they can request staff amend the text and do a public hearing. He reviewed section E. They took out “per the NC Department of Health”. We have a sanitary sewer system. He will fix that text for the Board to review. Commissioner Kwiatkowski inquired if it is worth putting it through before the revised Land Use Plan. Planning Director Evans replied he is assuming if the new Land Use Plan does anything it would address the deficiencies. He thinks the changes would be consistent with the new one, but we still need to work under the old one at this time. He said the Board can review this and then decide if they want to bring it back in ordinance form for a public hearing. Attorney Fox said this sounds like it was initiated by P&Z. She explained the process for adopting this. Town Clerk Finnell added that the Board can set the public hearing date now or if they prefer Planning Director Evans could prepare the ordinance for the Board to review next month and they can set the public hearing at that time.

Mayor Holden stated he thinks it would be in order to make the property owners of the commercial property aware of what is being considered. We will have some angry people. The financial aspects of doing business on Holden Beach is driving commercial investments off the island. He thinks most of us agree we want a residential, family beach, but there are some needs that need to be met. Mayor Holden stated you will need to combine multiple lots to meet the setbacks. You are talking about millions of dollars for a four of five month business. He cautioned for the sake of publicity to be careful
of moving too fast. Mayor Pro Tem Fletcher inquired if this is time sensitive. Planning Director Evans replied not that he is aware of.

Town Manager Hewett recommended that Planning Director Evans come back with a final draft at the March meeting at which time the Board will set a public hearing for April. In the meantime staff will make special effort to contact commercial owners. Planning Director Evans suggested notifying the adjacent property owners too. The Board came to a consensus to move forward with the suggestion.

DISCUSSION AND POSSIBLE ACTION ON AT&T CELL SITE LEASE PROPOSAL

Fiscal Operations Clerk Lockner explained AT&T would like to negotiate the terms of their water tower lease agreement. They submitted two proposals. She confirmed that last time the request was made the Town didn’t respond. Commissioner Sullivan asked Attorney Fox what right to termination in their contract means. Attorney Fox responded that she is not sure what it means to them, but under no circumstances would she suggest the Board enter into any of the proposed terms in the packet. She said they do not make sense under North Carolina law. If the Board wants to consider lowering the price, we should consider entering into a discussion with them regarding a lease that would be upheld in North Carolina. Commissioner Sullivan said he is not in favor of it, but he wanted to know what their rights are. Attorney Fox suggested it may be beneficial to look into the exiting lease.

ADDITION TO CLASSIFICATION AND PAY PLAN: WATER DISTRIBUTION/ WASTEWATER COLLECTION SYSTEM TECHNICIAN AND EQUIPMENT OPERATOR POSITIONS

Town Manager Hewett said he is requesting that the position classification for water distribution/ wastewater collection system technician and equipment operator be added to our existing Classification and Pay Plan. The existing Classification and Pay Plan doesn’t include specific provisions for either position. Those individuals currently providing the services are considered general laborers. The nature of our Town’s utility work, specifically vacuum sewer and heavy equipment operations to include those requiring Commercial Drivers’ Licensure have evolved far beyond the skills, knowledge and abilities of individuals performing general labor type work. The proposed additions to the Classification Pay Plan are a minimum of $31,821, with a maximum of $44,453 for water distribution/ wastewater collection system technician and a range of $33,158 - $45,790 for equipment operator. Adding these two classes of employee will provide for existing employee growth, recognize actual work being accomplished and can be accomplished 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%, which is approximately $1,700 apiece annually. He recommends that the Board approve the proposed additions to the Classification and Pay Plan, which was left out of the packets and distributed at the meeting.

Mayor Pro Tem Fletcher asked if this is giving two people who have worked here and have learned things a small promotion. Town Manager Hewett replied he would classify this as not a promotion, but recognizing what they are doing. It is woefully overdo.

_Motion by Mayor Pro Tem Fletcher for the Board to approve proposed additions to the Classification and Pay Plan; second by Commissioner Butler._

Commissioner Freer asked if the Classification and Pay Plan is what they were talking about earlier. Town Manager Hewett responded yes, that is the actual plan. There is another piece of it that includes the Personnel Policy and job descriptions.
The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 19-02, RESOLUTION AUTHORIZING ADVERTISEMENT BY ELECTRONIC MEANS FOR FORMAL BIDDING

Town Manager Hewett explained this resolution would allow our advertising for different contracting requests to be accomplished by electronic means for formal bids. It meets all of the requirements of the existing law.

Motion by Mayor Pro Tem Fletcher to approve the resolution; second by Commissioner Butler.

Commissioner Sullivan stated the language is pretty ambiguous to him. He said he is wondering if there is criteria that can be used if you are going to say electronic means is as effective and more efficient so you cannot be questioned later on. He asked if there are subjective things to look at in making the determination. Attorney Fox replied this is consistent with resolutions authorizing advertising by electronic means across the state. She said perimeters could be set by a different policy. She said there are things to consider. Town Manager Hewett stated specifically there has been occasions where we needed to publish a notice and because of the timing issue we were compromised in our ability to bring the project to bear. It is a force multiplier in what it brings to our abilities. He said if we want to continue to publish in papers we can. When we were doing the Central Reach Project and windows were constricted, this would have been advantageous. Attorney Fox said the statutes allow the Board to authorize electronic advertising. She provided an example of when electronic advertising would be more efficient. You are trusting the town manager or finance officer to determine when it would be more efficient and effective.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 19-03, DESIGNATION OF APPLICANT’S AGENT (HURRICANE MICHAEL RESOLUTION)

Assistant Town Manager Ferguson said FEMA held a Public Assistance Applicant Briefing on February 11th that staff attended. The municipalities involved will have to pass a resolution. The request is to designate Town Manager Hewett as the primary contact on the resolution and Fiscal Operations Clerk Lockner as the secondary contact.

Motion by Commissioner Sullivan that the Board designates Town Manager David Hewett as the primary applicant designee and Fiscal Operations Clerk Lockner as the secondary contact on the FEMA resolution; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

TOWN MANAGER’S REPORT

- Thanked everyone who participated in the 50th Anniversary events last week, the social and gala. Over the course of the next year we will be collecting memorabilia for the time capsule. It will be locked on the next birthday.
- Governor Cooper announced a $16,000 award for Holden Beach to construct a public access grant down at 289.5 Ocean Boulevard. Currently awaiting paperwork with the intent that the Town will construct that access this year with current appropriation.
- The Holden Beach Renourishment Association (HBRA) has a program in place. $40,000 worth of planting and fertilization is going to be placed in the Central Reach area. The effort will be extended
throughout late springtime when it is the right time to fertilize. Thanks to the HBRA for augmenting the Town’s resources and efforts in the beach management area.

- **FEMA & Hurricanes:** We still have $335,000 pending for Matthew, back to our Central Reach Project. We are waiting on it. Feels a lot of the uproar with recent federal events may have something to do with it. We continue to work Florence, providing additional surveys and engineering requested by the FEMA Program Manager in order to develop the required project worksheet. Currently the engineered sand losses for Florence are estimated at close to one million cubic yards, 990,000 cubic yards inlet to inlet. 560,000 cubic yards of those losses are within the Town’s engineered portion of the Central Reach Project. President Trump’s declaration for Hurricane Michael is going to allow North Carolina and Brunswick County to participate in the same type of FEMA mitigation of storm damages that we have for previous hurricanes. The kickoff Assistant Town Manager Ferguson referred to occurred last week. Now we will work on developing a project worksheet for Michael damages, which at this time are estimated at over half a million cubic yards inlet to inlet, with 300,000 cubic yards of that laying within the Central Reach Project. We have about 860,000 cubic yards, which is better than half of the volume in our Central Reach Project. The total volume loss is about 1.4 million cubic yards from both storms, inlet to inlet. We have taken some hits this year. Collectively, those two hurricane events have the potential to become one major project. From a contracting and mobilization standpoint that makes logical sense, but he doesn’t know how FEMA will be able to accommodate that through the federal contracting process. We are in the $20 million range for both of those projects. It will drive the need to alter our approach to the modification of the Central Reach Project 2 permit. We need to find some more sand. We think there is only half a million cubic yards in the existing sand source. We will need to work on obtaining some more sand.

- **Canal Dredging – the project is going well.** We are about 75% complete. Holden Beach Harbor and Heritage Harbor are done. The dredge surveys for Heritage Harbor were completed today. The engineer will probably review them a few days before the contractor is released to move to Harbor Acres. Anticipating that will occur later this week. That gives us about six more weeks on our permit. Reimbursements through the state grant are coming through like clockwork. Pleased with the way we are getting the money returned to us.

- **Engineering Services Request for Qualifications for the Lift Station #3 Project is on the street.** Intent is to receive those and have them back for the March Board meeting. Anticipating everything will be good with the closeout of Lift Station #4. This is just for the engineering services provision for the design work. Contracting will come subsequently to the design being finished by the engineer. Commissioner Freer asked if there was any analysis to combining stations #2 and #3. Town Manager Hewett replied that the existing programming in the budget didn’t provide for that. The process we used was to take them down one per year. Based on the realities that we have seen with just doing one station he thinks that is the best way to proceed, especially with the tight quarters on that site.

**MAYOR’S COMMENTS**

- Trout are biting. Catching a lot of big shrimp. The shrimp boat under the water is still being remembered by the county commissioners. Promises are still being made and some action is ongoing about the possibility of doing some work in the direction of moving that. Over the last several weeks he has been getting complaints about the dredge boat anchored across from Canal Drive. Doesn’t know of any violations that it is doing. Mayor Pro Tem Fletcher asked if the law was passed by the county that you cannot abandon a boat more than three days unless it is on your property. Town Manager Hewett said it is not within our corporate limits. Mayor Holden said it is maritime law. Town Manager Hewett said the Town’s limits only go to the high tide mark.
• Sales are ahead of last year at this point. Rentals are ahead of last year. Doesn’t ever remember seeing this amount of activity in construction and maintenance. Overall the island is going to look great this summer.

BOARD OF COMMISSIONERS’ COMMENTS

Mayor Pro Tem Fletcher
• Thanked everyone. You can’t give too much feedback. If you see something on the agenda and you know it is an issue, let everyone know what you think. The Board can add it all up and get a good feel of where to go.
• Hopes the dredge boat gets done quickly. He asked about the sand from it. Town Manager Hewett said the sand from the Murden is being put in the near shore.

Commissioner Sullivan
• Echoed Mayor Pro Tem Fletcher’s comment; appreciates everyone’s input on solid waste. On any issue it is good to hear from people who will be affected. It is better to hear about it before the Board votes, rather than after, but any input is appreciated.
• Wanted to thank Town staff, especially Assistant Town Manager Ferguson for the 50th anniversary celebration. Anyone who went to either event had a good time. Thanked the members of the Parks & Recreation Advisory Board for all of the work they put into it building up to the event. They also made the majority of the desserts. Thanked Mayor Holden and his brother Lyn Holden for the entertaining and fact filled presentation on the history of Holden Beach.

Commissioner Kwiatkowski
• Won’t repeat everyone’s comments on the anniversary celebrations. They were great.
• Thanked everyone for coming. Thanked Town Clerk Finnell for keeping up with the minutes over the past six months on a slew of special meetings, along with the regular meetings. Makes it easier to track history having all of the stuff up-to-date and thorough.

Commissioner Butler
• Thanked staff for the preparation and planning that went into the events. Mayor Holden and his brother did an outstanding job providing the history. If you were there you learned something about Holden Beach. Thanked the Chapel. We couldn’t have pulled it off without the use of the Chapel and Town Hall at the same time.

Commissioner Freer
• Had the opportunity to go to both events. Both were flawless. A lot of people and planning was involved. Mayor Holden and Lynn Holden did a great job, Assistant Town Manager Ferguson and Town Clerk Finnell and he is sure other staff were involved. The Parks & Recreation Board did a great job. The food was great. The desserts were very good.

PUBLIC COMMENTS ON GENERAL ITEMS

Pete Schwaiger asked if any kind of material was sent out to get feedback from the property owners on the rollback issue. Town Manager Hewett replied nothing has been finalized. Mr. Schwaiger asked if someone could explain to him the comments on negative appearance and potential safety. Commissioner Butler replied that some of the input the Board received is there seems to be more cans left on the street as the years progress. Also, that cans rollover and you have to dodge cans in the street. He said sometimes in the area of safety you try to prevent things from happening. He said if he
turns the corner and has to dodge a can, he is unsure if there is a child near it or people. Sometimes it is a matter of prevention. Mr. Schwaiger said he has lived here for 15 years and never had a problem with cans. He asked where the visibility, environmental and safety issues are if you have a corral and it is past the right-of-way. Mayor Pro Tem Fletcher said there probably isn’t for that, but there is for one sitting by the street. A grandchild of one of his neighbors was out on a tricycle and he rode from behind the garbage can and he barely missed him. It is a safety issue when you can’t see beyond it. Mr. Schwaiger asked who is liable to the rollback provider if something happens to them. Mayor Holden said he has a point of order from the side. The Board is supposed to listen during public comments. It is not to be a discussion, it is the opportunity for people to express their opinions.

Pat Schwaiger asked why the Town doesn’t have mandatory recycling. She said recycling went up $30 this year probably because enough people aren’t recycling on the island. She thinks it is poor we don’t have enough participants.

**EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(6) TO DISCUSS A PERSONNEL MATTER**

Town Clerk Finnell read the reason for executive session.

*Motion by Mayor Pro Tem Sullivan to go into Executive Session at 9:31 p.m.; second by Commissioner Sullivan; approved by unanimous vote*

**OPEN SESSION**

*Motion by Mayor Pro Tem Fletcher to go into Open Session at 9:46 p.m.; second by Commissioner Butler; approved by unanimous vote.*

No action was taken.

**ADJOURNMENT**

*Motion by Mayor Pro Tem Fletcher to adjourn at 9:46 p.m.; second by Commissioner Butler; approved by unanimous vote.*

______________________________
J. Alan Holden, Mayor

**ATTEST:**

______________________________
Heather Finnell, Town Clerk
February 27, 2019

To the Town of Holden Beach

The Brunswick County Chamber of Commerce request permission to host a Kids Expo on Saturday, August 17th, 2019 by the Holden Beach NC Pavilion.

This event, the Building Brusnco Kids Expo is the culmination of workshops and other preparation for a one day pop-up-shop in which kids ages 7 – 17 create, brand, market and sell a product or service that they create. The effort was engaged by the Brunswick County Chamber to encourage entrepreneurship in our county’s youth.

We would ask the Board to approve the event and allow the kids to sell their products and services on this one day. The event is from 10am – 1pm with set-up from 7am – 9:30am. Immediately following the event we provide lunch to the kid vendors and then have an awards ceremony under the Pavilion. No other businesses aside from the Kid Vendors are allowed to sell at the event. Sponsors are promoted through signage.

We are excited to host an event in Holden Beach and hope you will approve this activity.

Kind Regards,

[Signature]

Robyn Beliveau, Membership Engagement Director  
Brunswick County Chamber of Commerce
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Total Incidents: 1
Date: March 11, 2019

To: Commissioners and Mayor Holden

From: Chris Clemmons, Public Works Director

Re: Request for Qualifications – Vacuum Sewer System Station #4 Upgrade

In accordance with North Carolina General Statute §143-64.31, the Town advertised a Request for Qualifications (RFQ) for the Engineering Design and Construction Management Services of the Vacuum Sewer System, Station #3 Upgrade (Attachment 1).

We received three Statements of Qualifications in response to the RFQ, Green Engineering, McGill and Associates and East Engineering and Surveying. Copies of their responses are enclosed for your review (separate packets).

In order to proceed and make the first step in the improvement process, the Board needs to select a firm.

Attachments:
RFQ
Statements of Qualifications
Town of Holden Beach

Vacuum Sewer System
Station #3 Upgrade

Request for Qualifications
Engineering Design

February 2019
I. Introduction

The Town of Holden Beach hereby requests qualified firms to submit Statements of Qualifications for planning, design, permitting, bidding and construction services related to improvements to the Town’s Sewer Pump Station #3 as outlined in Alternative #2 of the Holden Beach Sewer Study completed by McGill Associates in April 2017 and as modified/constructed in recent Lift Station 4 upgrades by Green Engineering and T.A. Loving to include engineering services for evaluation and design of potential bypass intercept of pump station #3 at intersection of Seagull Street and Ocean Boulevard West.

The original pump station #3 was constructed in 2005 as part of the Holden Beach sewer system. The vacuum portion of the pump station and related electrical equipment is located fully below the base flood elevation. The Town desires to modify the pump station to reduce vulnerability due to flooding and improve employee safety by constructing an above the ground structure to house the vacuum pumps and all related electrical equipment above the base flood elevation.

The design of the new structure will include the necessary aesthetic improvements to be consistent with the Town’s expectations.

Attachment A is a map locating the pump station.

II. Scope of Services

The following is a general description of the work required. This description is not intended to be all-inclusive; a more detailed description of the work requirements will be developed in negotiations with the successful firm.

A. Surveying

Surveying services will include location and level surveys, as well as site investigations required to complete the engineering design for the project. All surveys will be tied to North Carolina State Plan Coordinates (NAD 83 feet).

B. Preliminary Design

The preliminary design shall consist of structural/geotechnical verification for construction of a new above ground structure, architectural planning for the new above ground structure and schematic design of the proposed improvements.

The preliminary design will consist of the plans, specifications and detailed cost estimates. These documents will conform to the North Carolina statutes for construction, where applicable.

C. Final Design

Final design will include the preparation of technical specifications and contract documents for the bidding and construction phases of the project.

D. Permitting

The Engineer will be responsible for preparing and submitting standard and customary permits as required by all regulatory agencies.
E. Bidding and Award

The Engineer shall assist the Town with formally advertising for bids, conducting pre-bid meeting and bid opening, review bids and bidder qualifications and make a recommendation for award.

F. Construction

Construction phase services shall generally consist of conducting a preconstruction meeting, review shop drawing submittals, review and recommend processing applications for payment, observe construction for compliance with the construction plans and specifications and respond to requests for information.

III. Submittal Requirements

The statement of qualifications from each engineering firm must be limited to 30 typewritten pages. Each firm should include a project work plan in their submittal. The project work plan will include information on the project, team organization, project schedule, scope of work, progress reporting procedures and a schedule of all required permits.

Each submittal should state in detail the qualifications of the individuals who will be working on the project. The submittal should describe the individuals professional and management qualifications, relevant project experience, as well as the firm’s logistical and financial capabilities. Additionally, previously completed, relevant projects involving a predominance of the proposed team for this submittal should be highlighted.

Costs for developing the statement of qualifications in response to this request for qualifications and of any preliminary assessments deemed necessary by your firm are entirely the obligation of the proposer and shall not be chargeable in any manner to the Town of Holden Beach.

Three (3) copies of your sealed submittal must be received at the following location no later than noon on Friday, March 8, 2019:

Town of Holden Beach
Attn: Heather Fin nell, Town Clerk
110 Rothschild Street
Holden Beach, NC 28462

IV. Selection Process

All submittals will be evaluated based on:

A. Content

Each proposal received will be evaluated to determine how the respondent addressed the scope of services. Review will include a look for clarity, as well as project understanding.
B. Performance Review

Proposals will be reviewed and reference calls made to assess past performance on projects of relevant size and scope.

C. Qualifications

Submittals will be evaluated for past experience on relevant projects. The qualifications of individual team members will be reviewed, as well as prior time spent working as a project team.

D. Logistics

Proposals will be evaluated to determine the firm’s ability to have key team members respond appropriately to issues that may require onsite assessments.

E. Innovation

Proposals will be evaluated for innovative or alternative project approaches, solutions and delivery methods.

V. Miscellaneous Information

A. Incurring Costs

This request for qualifications does not commit the Town of Holden Beach to award a contract to any company, to pay any costs incurred by any company in the preparation of its request for qualifications response or to contract for any of the services referenced herein. Additionally, the Town of Holden Beach reserves the right to accept or reject any or all statement of qualifications received as a result of this request for qualifications process if it is in the best interest of the Town of Holden Beach to do so.

B. Any additional inquiries regarding this request for qualifications should be directed to:

Chris Clemmons
Public Works Director
Town of Holden Beach
110 Rothschild Street
Holden Beach, NC 28462
(910) 842-6488
pworks@hbtownhall.com

Written questions will be accepted via email until March 1, 2019. Scheduling of optional site visits can be coordinated via email.

Respondents are hereby prohibited from contacting any other staff member or Board member during this procurement process and doing so will be grounds for immediate disqualification.
C. Insurance

See Attachment B for Contractual Insurance Requirements for the selected firm.

D. Confidentiality

All statements will become public information and part of the official file on this matter without obligation to the Town of Holden Beach. The statements will be public information.
Attachment B - Contractual Insurance Requirements

These guidelines are not all inclusive and scopes and limits could change due to the nature of the service provided. However, minimum standards are illustrated below.

A vendor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the contractor, his agents, representatives, employees or subcontractors, if applicable.

Minimum Scope of Insurance:
- General Liability
- Auto Liability, if applicable
- Workers’ Compensation Insurance
- Professional Liability, when applicable

Minimum Limits of Insurance:
General Liability – No less than $1,000,000 with $2,000,000 being the preferred limit per occurrence for bodily injury, personal injury and property damage. General aggregate limit shall apply separately to each project/ location and limit shall not be less than the required occurrence limit.

Auto Liability:
No less than $1,000,000 with $2,000,000 being the preferred limit per occurrence combined single limit per accident for bodily injury and property damage.

Workers’ Compensation and Employers’ Liability:
Workers’ Compensation as required by the State of North Carolina and Employers’ Liability limits of no less than $1,000,000 for bodily injury per accident.

Deductible and Self-Insured Retention: Any deductible or self-insured retention must be declared to and approved by the Town.

OTHER INSURANCE PROVISIONS
The policy or policies are to contain, or be endorsed to contain, the following provisions:

1. Contractor insurance to be considered primary for losses that occur as a direct result of the contractor’s actions. The policy should cover the Town for any liability arising out of the activities performed by or behalf of the contractor, including products and completed operations of the contractor; or automobiles owned, leased, hired or borrowed by the contractor. The coverage shall contain no special limitations on the scope of protection afforded to the Town, its officers, officials, employees or volunteers.
2. Any insurance maintained by the Town shall be in excess of the contractor’s insurance.
3. Coverage shall state that the contractor’s insurance shall not be suspended, voided, canceled, reduced in coverage or in limits except after 30 days written notice.

VERIFICATION OF COVERAGE
The contractor shall furnish the Town with certificates of insurance and with original endorsements. The certificates and endorsements for each policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate and/ or endorsements are to be provided to the Town on a standard form before a contract is valid.
TOWN OF HOLDEN BEACH
ORDINANCE 19-03

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 or alongside of the house except prior to 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. Trash corrals are an acceptable alternative method of storage. 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. Through a town contract for island wide rollback, empty trash and recycling containers will be rolled back to the street side of the house, under the house or to a corral if available. Full containers will stay curbside until emptied by the next pickup.

(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 homes 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. Property owners who are found in violation of Chapter 50 may receive written notice from the town that they are in violation of town ordinance in that regard. 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 day 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 20th day of March, 2019.

Adopted this the 19th day of March, 2019.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk
Date: March 9, 2019

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

From: Christy Ferguson, Assistant Town Manager

Re: New Sand Search

As discussed in the budget workshop on Thursday, March 7, 2019, the Town will need to find a new sand source in order to construct a project to mitigate Hurricane Florence and Michael damages. The volume of sand loss exceeds the Town’s current sand source. The commissioners decided they would like to begin the sand search process this budget year. The engineer’s cost estimate for the project is $170,000. The sand search will be a lengthy process and costs not expended this fiscal year will need to be carried forward to the next fiscal year. The attached budget amendment would need to be adopted in order to appropriate funds.

Attachment 1
TOWN OF HOLDEN BEACH

ORDINANCE NO. 19-04

AN ORDINANCE AMENDING ORDINANCE NO. 18-10, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2018-2019 (Amendment No. 5)

BE IT ORDAINED BY the Mayor and Board of Commissioners of the Town of Holden Beach, North Carolina, that Ordinance No. 18-10 appropriating funds for the Fiscal Year 2018-2019 be amended as follows:

PART I
SECTION I: REVENUE

ACCOUNT#  DESCRIPTION               AMOUNT      ACTION
50.0399.0000  FUND BALANCE APPROPRIATED  $170,000    Decrease

PART II
SECTION I: EXPENSE

ACCOUNT #  DESCRIPTION               AMOUNT      ACTION
50.0710.0902  PROFESSIONAL SERVICES-BEACH  $170,000    Increase

This the 19th day of March, 2019.

ATTEST:

Heather Finnell, Town Clerk

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

TO: Commissioners and Mayor Holden

From: Tim Evans, Planning & Inspections Director

After further review, staff would like to send the proposed changes to Section 157.062: Commercial District back to the Planning & Zoning Board for additional discussion before the Board of Commissioners takes any action.

Tim Evans

Timothy D. Evans, Director of Planning & Inspections
inspector@hbtownhall.com

CFM, CZO, LPO, CPM
Rhonda Wooten
rwooten@hbtownhall.com

Administrative Asst.
PlanningInspections@hbtownhall.com
TOWN OF HOLDEN BEACH
ORDINANCE 19-05

AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES,
SECTION 157.062 COMMERCIAL DISTRICT (C-1)

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, §157.062 Commercial District (C-1)
be amended as follows:

Section One: Amend §157.062 Commercial District (C-1) to read as follows (Changes in red):

§ 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 (l).

(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 a 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 six 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

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 _____ day of ________________, 2019.

Adopted this the ____ day of ______________________, 2019.

ATTEST:

______________________________
J. Alan Holden, Mayor

______________________________
Heather Finnell, Town Clerk
Discussion and Possible Action on Matters Discussed in the March 8th Audit Committee Meeting
- Mayor Pro Tem Fletcher

(1) Request to organize a 2 hour workshop, provided by LGC or NCLM staff, to improve Board of Commissioners and Audit Committee's understanding of municipal financial accounting.

(2) Recommendation to gain a complete explanation from the audit firm, Rives & Associates, LLC, LLP, as to the causes for the significant delay in the completion of the 2018 annual audit.

(3) Request to have the monthly financial statements prepared for the Board and the Audit Committee in excel format and to show each fund individually with Revenue followed by Expenses for each fund.

(4) Confirmation to the Town Manager/Finance Director that any proposed internal control changes, including those resulting from the RSM internal control evaluation, would initially be presented to the Audit Committee by Town Manager/Finance Director for review and comment. The Audit Committee would then provide their recommendation to the Board of Commissioners.
Date: March 12, 2019

To: Commissioners and Mayor Holden

From: Heather Finnell, Town Clerk

Re: 2019 General Schedule for Local Records

The new General Schedule for Local Government Agencies is now available for adoption. According to NCGS §121-5(b) and NCGS §132-3, you may destroy public records only with the consent of the Department of Natural and Cultural Resources (DNCR). The State Archives of North Carolina is a division of DNCR charged with administering a records management program. The proposed schedule is the primary way the State Archives gives its consent. If we do not approve the schedule, we are obligated to obtain the State Archive’s permission to destroy any record, no matter how insignificant.

The new schedule (included packet) requires each local government to define when the reference value ends for many types of records. There is plenty of guidance available that provides information about records retention and public law, including training opportunities and tips for maintaining records. I recommend the Board approve the schedule and allow the staff to establish and enforce internal policies setting minimum retention periods for the records that DNCR has scheduled with the disposition instruction “destroy when reference value ends.”