Town of Holden Beach
Board of Commissioners
Regular Meeting

Tuesday, April 16, 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 March 7, 2019 (Pages 1 - 10)
   b. Minutes of the Regular Meeting of March 19, 2019 (Pages 11 - 24)
   c. Minutes of the Special Meeting of March 21, 2019 (Pages 25 - 31)
   d. Minutes of the Special Meeting of April 3, 2019 (Pages 32 - 33)

6. Public Comments on Agenda Items

7. Discussion and Possible Award of Contract for Roadway Work (Sand Spur, Sand Dune and Sand Piper) – Shane Lippard, Right Angle Engineering (Public Works Director Clemmons) (Page 34)


9. Receipt of Inlet and Beach Protection Board Report – Commissioner Freer (Pages 37 - 38)

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

11. Discussion and Possible Selection of Contractor to Perform Rollback Services for the Town – Public Works Director Clemmons (Pages 39 - 49)

12. Planning Inspections Report – Planning Director Evans

14. Discussion and Possible Action to Instruct Town Manager to Obtain Bids for the Development of a Cost-Justified Water and Wastewater System Development Fees Report – Commissioner Freer

   a. Discussion and Possible Approval of Ordinance 19-07, An Ordinance Amending Ordinance 18-10, The Revenues and Appropriations Ordinance for Fiscal Year 2018 - 2019 (Amendment No. 7)  (Page 53)

15. Discussion and Possible Action to Instruct Town Manager to Obtain Bids to Evaluate and Propose Optimum Holden Beach Town Government Organization – Commissioner Freer  (Page 54)

16. Discussion and Possible Action Pertaining to Salary and Benefits External Review – Commissioner Butler

17. Discussion and Possible Action Pertaining to ATM Projects – Commissioner Butler

   a. Lockwood Folly Inlet Modeling
   b. Florence/ Michael Remediation
   c. Lockwood Folly Inlet Deeper and Wider Dredging

18. Discussion and Possible Action Regarding the 2018 Audit Report – Mayor Pro Tem Fletcher

19. Review and Agreement of Board 2019 Priority Objectives – Commissioner Kwiatkowski  (Pages 55 - 57)

20. Town Manager’s Report

21. Mayor’s Comments

22. Board of Commissioners’ Comments

23. Public Comments on General Items

24. Adjournment
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
THURSDAY, MARCH 7, 2019 – 10:00 A.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Thursday, March 7, 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 and Joe Butler; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Planning Director Tim Evans; Public Works Director Chris Clemmons; Fiscal Operations Clerk Mandy Lockner; and Detective Jeremy Dixon. Commissioner Peter Freer was unable to attend the meeting.

Mayor Holden called the meeting to order.

PUBLIC COMMENT

No public comment was made (no public was in attendance).

BUDGET WORKSHOP – ROUGHT DRAFT REVENUES AND EXPENSES

Town Manager Hewett explained the budget schedule remains very similar to what was originally put forth. Previously we had a Public Hearing scheduled for June 12th. Due to availability issues we will need to move the Public Hearing to the Regular Meeting on June 18th. That still leaves 12 days from that date until when it has to be adopted. It can also be adopted at that meeting. He said what’s before the Board today is a rough assemblage of staff inputs. The picture you see is nothing like where we will end up. He would like clarity on some of the goals from the Board.

In terms of a sand source, we are in the middle of attempting to get approval for projects related to Florence and Michael. We are anticipating a project being approved that will exceed the existing sand source that we have currently permitted. Town Manager Hewett explained the concern is the required time it will take to do the work and get the sand source secured in the context of acquiring a permit and meeting the deadline that we have to execute the FEMA project. He said our fear is it may take up to a year to find the sand. Town Manager Hewett said staff will need to come to the Board for a budget. He believes it will be in the $150,000 range and that it will be a reimbursable expense, but that is undefined currently.

Town Manager Hewett said there are several areas in the goals where it addressed personnel and a compensation study. The North Carolina League of Municipalities has secured a contractor that provides those types of things for local governments. It is about $7,500 and will take about three months. It might
be done before the budget has to be adopted if the Board wants to proceed this year. It has been in excess of 15 years since we did a full review. We did do a Classification and Play Plan review a couple of years ago, but our Personnel Policy and benefits package has not been reviewed in quite a while.

Town Manager Hewett asked about the comment in the goals about no new borrowing. He said he is assuming that is predicated on a mentality that we will not borrow money for operations and borrowing in terms of floating general obligation bonds for projects. The amounts associated with FEMA losses will far exceed our capital reserves’ ability to bring forward a project. He has cash flow concerns with the amount of FEMA project expense we are anticipating to come in. He is forecasting that the Town will probably need to secure some type of a bridge loan in order to handle the cash flow for the large FEMA expenses. That would be a year or two down the road.

Town Manager Hewett said it is conspicuously obvious that advocacy is high on the Board’s agenda. There was no mention of anything relating to emergency response or the types of things that go on during a hurricane operation. He said it is a concern of his as to how we take care of the staff. We need to make sure that doesn’t fall off the table when we go through the budget exercise.

Town Manager Hewett asked if the Board wants him to go forth with the sand source this fiscal year. Commissioner Butler said he thinks it is a great idea. He inquired if it will include parallel paths with the area we originally harvested sand from or if we will have to look somewhere else. Town Manager Hewett replied we would have to look somewhere else because there is only half a million cubic yards left. We are anticipating we would do a project of equal size to the Central Reach Project, which was about 1.3 million cubic yards. We need to get a permit anyway to have a shovel ready project. The storms have necessitated a bit more urgency. Mayor Pro Tem Fletcher inquired if other sites were identified in the previous process or if that was the only source they found. Town Manager Hewett responded that generally there are three levels of reconnaissance that has to take place. We have a general search area, but depending on what the second and third level reconnaissance reveal we may need to go to other locations, specifically further offshore. That would take the price up. The distance you go is strictly a matter of economics. The further you go, the more the cost will go up. Mayor Pro Tem Fletcher queried if anyone else is harvesting along the east coast. Town Manager Hewett answered that Bald Head Island and North Myrtle Beach are the two closest. He explained the Town has been successful in the past in getting all of the permit related type expenses back. FEMA is still holding onto $335,000 of ours, but that could be that they hold back until everything is finished. He is not sure what that holdup is. We have been successful in getting expenses reimbursed for legal, easements and the offshore sand search before. Commissioner Sullivan inquired if it is strategically better to do it alone or partner with someone for the search. Town Manager Hewett said it is based on need. We will need to get a permit and will have a project that has a requirement. He explained he is trying to take the shortest path to that. He doesn’t know the answer to Commissioner Sullivan’s question. Mayor Pro Tem Fletcher asked if we get priority over the sand if we get a permit. Town Manager Hewett stated that if you get a permit for sand placement; it has to have a sand source. He is not sure how the permitting agencies would proceed if we had a permit and another municipality was trying for the same spot. The government permits sites in terms of identifying a particular site related to having a permit. There are a number of requirements that go into that. He doesn’t know if two islands can get a permit for the same source. Mayor Pro Tem Fletcher said he would like to look at this as soon as possible. Town Manager Hewett stated that we will get a hard estimate from our consultant on what the search will entail in terms of cost, time and effort. We have an estimate included...
in the draft budget. We will back it out of the upcoming budget and present it to the Board in this year’s budget with a budget amendment.

Mayor Pro Tem Fletcher asked if we are active in getting a permit for the west end, as well as the east end. Town Manager Hewett replied the Central Reach Project (CRP) ends at 781 OBW and we have not entertained any expansion of the limits east or west of the CRP. If the Board wants to go there it will be a major modification to the existing permit and is another order of magnitude in terms of expense. If the Board wants to do that he needs to know so it can be programmed into the projected budget. The existing limits of the CRP are predicated on the Corps’ analysis for the 50-Year Project and it is no coincidence that it has been engineered as the sweet spot for beach nourishment for Holden Beach. That type of dialogue will not be short or sweet and it will take a lot of money in order to go through the engineering process. He knows that the west end has erosion and that there is an Inlet Hazard Area in play now, but if the Board wants to see how far west the CRP can extend, we are in another evolution of developing the permit. The FEMA project will not pay for anything west of 781 OBW because it is just for the engineered beach. Commissioner Butler said it sounds like the Board’s primary focus should be the losses we had over the last storms. Mayor Pro Tem Fletcher asked what the Town needs to do to make it an engineered beach. Town Manager Hewett answered the Town would need to ask ATM for an engineered recommendation on if it would make sense to extend it west of 781 OBW. Commissioner Kwiatkowski said the Board is discussing two separate projects. One is to start the work that would replenish our Central Reach, which is reimbursable because it is an engineered beach. There are perhaps two separate projects. One about the possibility and practicality of extending our engineered beach further west and another for going east into the inlet. Town Manager Hewett stated we are insisting that an accommodation be made in the Deeper Wider Project so that there is a design beach fill template from Blockade Runner going east that will potentially meet the requirements to establish that reach as an engineered beach. That may be one way to approach that; let that be the initial foray into getting that established as an engineered beach. We do have the SDI-5 Permit. That might satisfy the engineered beach requirement when that project is upgraded through the major permit modification process and we get a design template that meets the requirements.

Commissioner Kwiatkowski said we would still be talking about a separate project to evaluate extending west. Town Manager Hewett said that can be done and asked if the Board wants to see into the July 1st budget because we don’t have money dedicated to that without reprogramming it. Commissioner Kwiatkowski said her personal opinion is that goes into the July 1st budget and it becomes a next year priority. It is more important to expedite the sand search and a Central Reach fix because that is a known and is a reimbursable. Town Manager Hewett asked if what he is hearing is that the Town is going to move forward with a sand search this year. We will do an appropriation and pull it out of the upcoming budget. The sand search would primarily be oriented towards CRP 2. We will need to get an engineer’s estimate for evaluating what/ if any expansion west might be. Commissioner Kwiatkowski said it makes sense to her. Mayor Pro Tem Fletcher said his input would be to start the search for the sand immediately and as quickly as possible, June 1st, knowing what is involved in making the east end and west end part of the engineered beach. Commissioner Butler said he thinks Town Manager Hewett is saying the east end will be incorporated into the project and we do not want to do anything to confuse that. He said the third recommendation is the west end. Mayor Holden said it hasn’t been many years since the high tide line was up closer to the houses on the west end. The accretion factor has been wonderful to the west end over the last few decades. He encouraged the Board to consider a policy to determine where, when and how to put sand on the beachfront, not just from a whim to say let’s add to our program. You would have
a public relations problem from the property owners not on the west end. He said those people that are more at risk will question why you would spend a lot of money down there where it is not as threatened as elsewhere on the island. He said the Board may need to have a policy before we leap forward. Commissioner Kwiatkowski said she is thinking of everything west of where the engineered beach ends, not just past the gate. We still have some skinny areas between 800 and 1100 OBW. She said she thinks of it as an evaluation of end to end. She likes his idea of having a policy of when to act. She said reexamining if the sweet spot is right seems to be a legitimate question. Town Manager Hewett said we will ask if 781 OBW is the right place. Commissioner Sullivan stated we know homes have been lost on the east end and he doesn’t think we lost any on the west end. We had a lot of discussion about dunes being so large and extending walkways so it seems to him there is an adequate buffer on the west end. Commissioner Sullivan said it is something the Board needs to consider, but is it something we need to worry about in next year’s budget or is it something to look at to just get a rough estimate of the cost to do the work. He doesn’t think we would want to restrict what we already have. Town Manager Hewett said he will ask the consultant engineer to include that type of analysis in the evaluation. Mayor Holden stated if we do have a real hurricane when that water comes out of the Shallotte River it will go straight out to the water and is going to flatten everything from the backside like it did in Hazel. He asked if there is a possibility of reimbursement for that.

Town Manager Hewett said we can probably get the compensation plan review done within this budget. It will probably take about three months. He doesn’t know if it can be done before the end of the fiscal year. He asked how the Board would like to proceed. Commissioner Sullivan said it seems to him it would be money well spent. There have been questions by the Board and it will help address one of the issues pointed out in the recent internal audit review. He thinks for $7,500 we will have independent people look at the issues and help rectify it if there are any problems noted. Town Manager Hewett added the subcontractor for the NCLM does not limit their comparisons to just government employees. They also look at private sector like jobs. Commissioner Kwiatkowski asked if it would be better to do it next year because we will have the new budget with the most current benefits and salaries. It will be fresh data. She can see it either way. Mayor Pro Tem Fletcher said he is in favor of getting it done as soon as possible. Commissioner Butler said the fact that we haven’t done it in a period of time would say we should get it done as soon as possible. Commissioner Kwiatkowski said this is the busiest time of the year for everyone. They are trying to put the budget together and get ready for the season. Town Manager Hewett said he looks at it in a different light. Whenever we ask people to talk to a consultant for a classification and pay study they would probably be eager to engage. He said we have been busy for a long time and will be busier for a longer period of time trying to get on track from these storms. He knows the storms were five months ago, but we will be burdened for another three years. He is glad it appears the Board wants to get it done. The price tag can be put back in front of the Board. He thinks we are pretty close in terms of what we did with the classification and pay plan piece of it a couple of years back, but there may be some change from the benefits evaluation. He anticipates there to be an increase that comes out of it. He doesn’t forecast a reduction in the results. Commissioner Kwiatkowski said she is fine expediting it and getting it done under this year’s budget. Commissioner Butler would like to see the scope of work. Town Manager Hewett asked if the Board prefer he bring that back to the Board or to move forward with it and share the scope of work. Commissioner Butler suggested we move forward.

Town Manager Hewett said regarding the bridge loan his intent is to make sure the Board isn’t predisposed against taking a loan out in the short term to order to meet what he anticipates to be some cash flow issues when we have to get to fronting $30 million over the course of six months. He is not sure the Local
Government Commission (LGC) will allow us to contract for that size of project without some type of bridge financing. This is not anything new. It is a mechanism the LGC is familiar with. When we get to that point we will have a better handle on it. He understands the Board’s desire to not take on any new debt, but this is separate. Mayor Pro Tem Fletcher said this is short term. It is something that we will pay and get back. Town Manager Hewett said we still would need the LGC to approve it and to find a lender. We will be in a better position to bring the specifics forward once we get a FEMA project approved. Commissioner Sullivan said we have money in BPART. When we get a FEMA project and work is done we pay up front for the work and then submit to FEMA to reimburse us. He asked if that works on a rolling scale. Town Manager Hewett replied it does. For a $30 million project once we get into cash flow analysis, we may only need $12 million in a bridge loan. He said we will need to walk around that.

Town Manager Hewett said this is probably the longest lived hurricane duration this past fall that he has been a part of. There are some practical things we need to make sure are taken care of during that time. Things ranging from shelter, food and those sorts of things. He will be looking at those types of things to make sure there are accommodations for the staff.

REVENUES

Fiscal Operations Clerk Lockner explained this is a rough first draft. Revenues by fund include General, Water, BPART, Dredging, Capital Reserve Funds and our Beach Nourishment Fund. State distribution taxes are the same. We get about the same each year. Some go up and some go down, depending how the market is going. Town generated revenues are property tax, building fees, recycling fees and rents and concessions.

Fiscal Operations Clerk Lockner stated we did have a reappraisal in the county this year. When that happens, we need to calculate a revenue neutral tax. She explained we don’t have a lot of hard numbers to work with, but she did some calculations. Commissioner Butler asked if taxes will go up for Holden Beach residents based on the revaluation of homes. Fiscal Operations Clerk Lockner replied that the Board sets the tax rate, this is just an exercise that needs to be done each reappraisal year. The Board doesn’t have to adopt that amount. It looks like from what Town Manager Hewett received it is an 8.89% increase. Mayor Holden said the county has not adopted their rate yet. Fiscal Operations Clerk Lockner explained it is very early and none of these numbers are set in stone. Mayor Pro Tem Fletcher said so a $100,000 increase in overall value wouldn’t change the $0.22 rate. Fiscal Operations Clerk Lockner said it doesn’t really look like it from the spreadsheets she worked with. The numbers might change when she gets better estimates. Right now these are the numbers she put together from the last audits. We don’t have this year’s audit numbers to work with so she had to inflate them 8.8%. Commissioner Kwiatkowski said on the island there will be people whose assessments go down and some that go up. Assuming we stay close to $0.22 some will go up and some will go down, the island stays neutral. They are going through the same discussions about the rates at the county level. Commissioner Butler said the residents who have seen an increase in the assessment value of their home could potentially see an increase in their taxes. Commissioner Kwiatkowski agreed that is correct if the rate stays at $0.22. Town Manager Hewett stated the collection rate is the other variable. There are three pieces that we are still juggling. Fiscal Operations Clerk Lockner reviewed her estimated number for property tax, but that could change. The estimated revenue is $2,897,180. Town Manager Hewett explained that is the revenue projection we are currently using in the spreadsheet.
Fiscal Operations Clerk Lockner said recycling fees went up this year. We get about $29,000, but we do need to pay the fee. We get about $105,000 in rents and concessions annually. This changes each year depending on what the cell companies decide to do. There was discussion at the last meeting where Attorney Fox talked about reviewing the contracts so she is not sure if this will stay the same.

In the Water and Sewer Fund revenue is generated from water and sewer billings and capital sewer charges. We have not changed the water rate structure or the sewer rate structure, so it is the same as last year.

In the BPART Fund occupancy tax is estimated at $1.8 million. We added some programs like tai chi and shag lessons so that will bring a little bit of revenue.

Town Manager Hewett pointed out that rents and concessions are in the Water Fund. We are pulling down about $100,000 a year. That is a penny in tax right there. Commissioner Sullivan asked if anyone canceled their contract in response to not being given a lower rate as requested. Town Manager Hewett replied no. Fiscal Operations Clerk Lockner explained we moved some money to higher investment entities so we are getting a higher return than we have in the past. It is all going to Fund 50 right now.

The Capital Reserve Fund/ Beach Nourishment Fund was set up in July. There is $3,241,877 in the fund. Town Manager Hewett said this will come up later, but he knows one of the goals was talking about updating fund balance policies. We put a rider clause in our interlocal agreement with the county on our special obligation bond that as the obligation reduces, the county remits the delta each year to the Town. They also remit the interest to us. We budgeted $26,000, which was the delta reduction. In the revenue line on the spreadsheet we got about $10,000 more in actual proceeds. We will look to see if the Fund Balance Policy specifically addresses the interest.

Fiscal Operations Clerk Lockner explained the canal dredging working group gave the Town their estimates a couple of weeks ago. Harbor Acres went down to $150 and the others stayed the same.

Fiscal Operations Clerk Lockner stated that the Capital Reserve Funds and the Capital Improvement Plan are not included at this point. She asked if the Board has any questions on the spreadsheets. Town Manager Hewett stated we have revenues and expenses, but we haven’t done the revenues equals expenses part of the equation yet.

Commissioner Kwiatkowski suggested that the Miscellaneous line item on page 24 needs to be better defined, it seems to be a catchall. Fiscal Operations Clerk Lockner thinks that could be the sales tax reimbursement that has not been moved to the funds yet. Town Manager Hewett added that a piece of that is early FEMA reimbursements. We received confirmation today that our Category B, in terms of $90,000 has been approved. We wanted to get that approved before we came back officially with a budget amendment to put the money in the correct funds. When we received the first reimbursements we stuck them under Miscellaneous, knowing that we will need to put them into the right accounts. He is assuming that is what is showing from last year. He will double check. Commissioner Sullivan asked where that amount would go if they were reimbursements. Town Manager Hewett replied we would have a FEMA reimbursement line.
Mayor Pro Tem Fletcher inquired about the number showing for 2019 – 2020 under ad valorem taxes. Fiscal Operations Clerk Lockner explained that is not the revenue neutral tax rate number. That is the number calculated at 22 cents. Town Manager Hewett added the revenue neutral is published, but it also incorporates a growth figure that has to be accommodated in there. Fiscal Operations Clerk Lockner said it is a four year average. Town Manager Hewett stated that this is not a recommended number, it is a working number. This is what our calculation at 22 cents is projecting. It is real rough, there are three variables involved.

Commissioner Kwiatkowski noticed that there isn’t anything put in for 2019 – 20120 for Matthew. Town Manager Hewett said we will close that out if we get it this year. He explained revenues are different than expenses. He doesn’t need to have a budgeted revenue to accept it. Mayor Pro Tem Fletcher said we have a $6 million budget for 2017 – 2018. He asked if it is a cash flow budget. Town Manager Hewett said we carried what in essence is a capital project over multiple years and carried the total budgets on the revenue and expense side forward.

EXPENSES

Fiscal Operations Clerk Lockner reviewed that Fund 10 includes Governing Body, Administration, Police Department, Building and Inspections and Streets and Sanitation.

Under Governing Body there was a decrease in debt service. There is an increase in Communications for live streaming capabilities and an increase for satellite phones.

The Police Department has requested an additional officer and an increase in training opportunities. They requested two new vehicles and new uniforms for nine officers. Town Manager Hewett said we have adopted a Vehicle Replacement Policy. One of the requested vehicles is a replacement in accordance with the policy and the other is a vehicle to go with the officer requested.

Fiscal Operations Clerk Lockner said the Inspections Department is requesting a new vehicle. The vehicle is within the limits of the policy. They are also requesting an increase in Travel and Training. The Beach Ranger Program Equipment line is decreasing. That line is in the BPART Fund, but she put it with Inspections because Planning Director Evans would answer any questions.

Under Streets and Sanitation there is about $127,000 included to pave half of Brunswick Avenue. They would like a vehicle. The last one they purchased was a 2009. Town Manager Hewett said the paving is for the eastern part of Brunswick Avenue West. Fiscal Operations Clerk Lockner said there is an increase in the contracted services line due to the new ordinance and rollback island wide. There is also a request to increase the Uniform line due to cost adjustments. Town Manager Hewett said the intent is to resurface the entire length of Brunswick Avenue West and move it to the front of the line in our streets priority system. It will take care of the first half in the upcoming budget and the second half in the subsequent budget. He believes that is what the Board’s direction was at the October meeting. Commissioner Butler said he thinks the Board wanted to make sure the first phase works before we spend the money on the whole thing.

Fund 30 is the Water and Sewer Fund. Fiscal Operations Clerk Lockner said there is an increase in Communications for SCADA and Sensus annual support and a compatible cell phone. There is a request
for one additional laborer in the Water Department and they would like to replace a vehicle with 140,000 miles. The Capital Outlay line includes capital improvements to Lift Station #3, but that amount can change based on what we get back. Public Works Director Clemmons stated we are pretty close to wrapping up the project for Lift Station #4. A request for bids for engineering services are due tomorrow at noon. There will be something put in the Board’s packets about proceeding with engineering for Station #3. He thinks by the end of the month the current project will be complete. Public Works Director Clemmons said he hated to request for additional help in the Water Department, but they have been stretched thin for a number of years. In 2003 they had six employees and they didn’t even have a working sewer system. If we have a storm it is a big burden on the department with the amount of employees they have trying to get the island to where people can come back. He hopes the Board will take that into consideration and they can get some additional help. Public Works Director Clemmons said he has six including himself, but he has one that has been out for a year. It has been six for the past few years. They cut a position three – four years ago. He didn’t think they needed it at the time, but he has rethought that. The sewer system is getting older. With the service level that is expected they are stretched thin. Commissioner Butler said thin equates to risk. Public Works Director Clemmons said he would love to have people trained to fill in the next tier. Town Manager Hewett said he would be glad to provide the Board with hire dates.

Fiscal Operations Clerk Lockner said that in Fund 50 the Sand Source Borrow Site item will be removed from her list based on earlier discussion. Additional funds for a lobbyist and UNCW collaboration were added. The Training line is increased due to board travel and training. They are looking at the possibility of securing an intern for the summer months. The Deeper – Wider Project is on here. The Board will need to make a decision on that. The Parks & Rec vehicle is also within the Vehicle Replacement Policy.

Assistant Town Manager Ferguson said as Fiscal Operations Clerk Lockner mentioned the sand source borrow site was moved to this year since the Board wanted to expedite it. The Professional Services line is accounting for a whole year of the lobbyist group if the Board decides to continue that. The Inlet and Beach Protection Board entertained listening to UNCW last month. That includes a recommendation that they wanted to see some of those. It didn’t include all. It was about $15,400 for them. She thinks the total was around $32,200. Fran Way from ATM doesn’t think they can complement the Town in all of the areas presented. It was thought the money could be better spent if two areas were selected so that is what the Board is looking at. The boards want to travel more as far as attending meetings. The number of $1,033,000 the Board received for Deeper-Wider is correct. The reason the Lockwood Folly line gets to $2 million is it also takes into account if the Board wants to do an AIWW Crossing Project if it presents itself with the bend widener again. She is using the numbers she gave the Board in her February memo because that is all we have to go on at this point. Assistant Town Manager Ferguson said if the Board wants to back that out and do a budget amendment if it comes out we would need to know that. The line right now accounts for the Deeper – Wider, one AIWW crossing project and a Merritt/ Murden project. Town Manager Hewett said the most important question is the funding stream on that. $2.3 million is not in the current year’s collection for occupancy tax. He asked if the Board wants to source this from the Capital Reserve Beach and Inlet Fund because it is nourishment for the east end. Commissioner Butler asked if the projects were spelled out somewhere. Town Manager Hewett replied that a comment line is one thing we didn’t do in this, but will include in the next spreadsheets. Fiscal Operations Clerk Lockner covered it well in the slides, but staff will add a comment line out to the right to spell things out. Commissioner Butler said he sees $2.3 million, but he know it is not that. It is a number based on different projects that potentially are available to us. Mayor Pro Tem Fletcher asked if we have that much in the BPART Fund already. Town Manager Hewett stated the Town has a little over $3 million in the sand reserve fund and
about $3 million in undesignated BPART. It is the Board’s decision on how they want to qualify what is erosion control and tourism related.

Fiscal Operations Clerk Lockner said Fund 60 is Canal Dredging. They should be finishing up the dredge project this spring. The budget remains a program ready project. They continue ongoing maintenance to the spoil site, surveys and contingency response.

Town Manager Hewett said the question of where the Board wants to fund projects from will not go away. Commissioner Sullivan said the Board had vigorous discussion last year. He said if we are going to spend $1 million on the project the Board approved, it should come out of the $3.2 million Beach Fund. That was the purpose for setting it aside. He said it is an expense for what the fund was set up for. Commissioner Kwiatkowski said she agreed with that. Commissioner Butler would like some time to think about it. Town Manager Hewett stated from a technical administrative prospective if that is what the Board would like to do we would need to transfer it back into the operational budget and then expense it out. You don’t spend money from a capital reserve fund. He said the Board has time to make that decision, but staff needs guidance on how to proceed.

Mayor Pro Tem Fletcher said on page 39 we have a transfer from the General Fund to the BPART Fund. He said we did $806,000, but we are only doing $564,000 this year. Fiscal Operations Clerk Lockner said it is a decision for the Board, but she did it based on what the Board did last year.

Commissioner Kwiatkowski asked about the increase for live streaming capabilities. She inquired if the idea is that this will get more public awareness and participation. Town Manager Hewett responded he sees it both ways. There is a lot of value in having interpersonal interactions. We have 2,400 homes and 500 residents. The majority live somewhere else. He doesn’t know if it will work, but we included the cost. It would be up to the Board to decide if they want to provide that type of capability. Commissioner Sullivan said he discussed that with Town Manager Hewett because the Board has discussed that people who don’t live here don’t have as much opportunity for involvement. The initial cost was a $50,000 investment, plus $1,000 a meeting, which seemed excessive. After further review they came up with a more palatable solution. Commissioner Sullivan said we would still need to evaluate it after a while. Town Manager Hewett said Town Clerk Finnell has the website of the group we checked with to see the capability. We can share that so the Board can go online and see exactly what it would do. It livestreams the movie and then saves the movie so you can review it at your leisure. It also syncs with the agenda. Commissioner Kwiatkowski suggested asking people if they would be interested in the service. Town Manager Hewett suggested having staff send the link and then look at sending it to the public.

Assistant Town Manager Ferguson said on page 48 the Starfish Fire Upgrade line shows $10,500 because they need two heaters there. That should be closer to $20,000 because there was a gutter damaged in Florence. When the contractor went to get an estimate, they found rot underneath. The estimate is between $6,000 and $12,000. The contractor will not know how bad it is until they get in there. We do not have the money to do it this budget year. Fiscal Operations Clerk Lockner said it is $25,500; the number just didn’t transfer. Mayor Pro Tem Fletcher asked if the Town is in any way responsible towards the Fire Department’s pensions. Town Manager Hewett replied the Town pays for the house. Our contract with the Fire Department is that they provide emergency services to the Town in exchange for the ability to collect our fire fees.
Commissioner Butler asked if the 19/20 numbers include the recommendations from staff. Fiscal Operations Clerk Lockner replied yes.

Commissioner Sullivan asked about the group insurance numbers on page 40. Fiscal Operations Clerk Lockner explained those numbers didn’t get transferred and provided them to the Board.

**ADJOURNMENT**

*Motion to adjourn by Mayor Pro Tem Fletcher at 11:44 a.m.; second by Commissioner Butler; approved by unanimous vote.*

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**ATTEST:**

______________________________  J. Alan Holden, Mayor

______________________________  Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, MARCH 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, March 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; Public Works Director Chris Clemmons; Planning Director Tim Evans; and Town Attorney Noel Fox.

Mayor Holden asked everyone to take a moment for reflection and to keep in mind the Brock family, the Police Department and others that are helping in solving the mystery. He asked people to pray for the best results possible. He then called the meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

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

APPROVAL OF MINUTES

Motion by Mayor Pro Tem Fletcher to approve the minutes as a group (Special Meeting of February 5, 2019, Special Meeting of February 15, 2019, Special Meeting of February 19, 2019 and Regular Meeting of February 19, 2019); second by Commissioner Freer; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.

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 explained the Chamber contacted the Town about the Kids Expo. They are interested holding the event in Holden Beach this year. It is for kids ages 7 – 17. The proposed date is
Saturday, August 17th. This would require an exemption to the ordinance because of vending. Ms. Beliveau explained last year was the first year for the event. It’s an opportunity for kids to share their entrepreneurial spirit. They create, market, brand and sell a market or service. The kids do workshops and other activities leading up to the event. Adults are not allowed to help in booths. It is a great exercise for them in understanding sales. The event is open to Brunswick County residents. There is no cost to the Town. Ms. Beliveau said last year they had 33 kids, with 25 booths. They are expecting close to 50 booths this year. Assistant Town Manager Ferguson stated she communicated with the Police Department and they feel it can be accommodated. Ms. Beliveau said this is a non-profit event through the Chamber. They do take sponsorships to primarily help with tables/ tents and other supplies. It would strictly be the kids vending, not the sponsors. Planning Director Evans said he doesn’t have to do an inspection for this event. Town Manager Hewett said the Town is a member of the Chamber of Commerce. Commissioner Kwiatkowski stated that 10:00 a.m. is a big time for services on the island so the traffic in the beginning might be a little dicey.

Motion by Commissioner Freer to approve this; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

POLICE REPORT – DETECTIVE DIXON

Mayor Holden explained that Detective Dixon is exceptionally busy. The reports are in the packet.

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

Public Works Director Clemmons said at the last meeting he announced that he thought the Station #4 upgrades would be complete, but unfortunately there were a few issues and the contractor wasn’t able to make that happen. He met onsite today with the engineer and all of the contractors involved in the project to come up with a punch list. He doesn’t see anything major on there. He reviewed the list. We still haven’t had a final inspection yet because it hasn’t been called in. The system is fully operational.

Commissioner Freer stated that Public Works Director Clemmons gave him and Commissioner Butler a tour. It is very impressive. He asked if the Town is holding funds. Public Works Director Clemmons replied yes, until we get the certificate of occupancy and documentation in hand.

DISCUSSION AND POSSIBLE SELECTION OF ENGINEERING FIRM FOR ENGINEERING DESIGN AND CONSTRUCTION MANAGEMENT SERVICES OF THE VACUUM SEWER SYSTEM #3 UPGRADE

Public Works Director Clemmons stated the Town advertised for bids for qualified engineering services for Station 3 upgrades. We have three responsive bidders, McGill & Associates, East Coast Engineering and Green Engineering. Some people might be skeptical about selecting an engineer at this time since #4 is not complete. He does not see anything major that will come up at this time that would change the decision on who to choose. Public Works Director Clemmons said we are on a tight schedule. The quicker we can select a firm, the quicker we can get started on the plans and get something going for next year. Commissioner Freer inquired if he had a recommendation. Public Works Director Clemmons responded that they all qualify. If you look at past experience we have one that just worked on one. Mayor Pro Tem
Fletcher asked if he is happy with Green’s service over the past year. Public Works Director Clemmons answered that he cannot say that he isn’t. He said it is a complicated project and there could have been some disasters. Commissioner Kwiatkowski said she noticed that Green said they would finish up in March of next year, similar to this year’s project deadline. East Coast Engineering has pushed it back into April. That one month is pretty important. They are all qualified. After reading she is as impressed with Mr. Green’s team as she was last year. Commissioner Freer added that McGill’s timeline also goes to April. Mayor Pro Tem Fletcher asked if Green had a good amount of learning during this project that would carry forward. Public Works Director Clemmons talked about the learning curve with the project. Our original deadline was March 1st. We have been operational since January. He thinks they learned a great deal. He talked about the electrical contractor and the good job he did.

Commissioner Freer said Green has an interesting proposal to eliminate the existing wet well. Public Works Director Clemmons said he would look at the pros and cons of it. He said if it could be done it would be money well spent. Commissioner Butler said taking a look at the wet well, if we can do anything to eliminate that it would be a major step in the right direction. He explained he looked at the document and it really makes sense to do that. He talked about the potential. Commissioner Butler thanked Public Works Director Clemmons for his communication during the process. He talked about technology.

Town Manager Hewett said he wanted to voice his concern that we are not finished with the project yet. The Board may wish to consider deferring a decision on the selection until we have a certificate of occupancy and documentation. He said the Board’s opinion on an engineer may change. Public Works Director Clemmons said the contractor thinks they can wrap up and have a certificate of occupancy in two weeks. Town Manager Hewett and the Board talked about having a special meeting if necessary. Commissioner Butler said the only other thing is the potential for fugitive gases and making sure we have ways to detect that. Public Works Director Clemmons said the contractor is supposed to be getting pricing.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 19-03, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 50: SOLID WASTE

Town Clerk Finnell explained the ordinance was prepared based on the feedback from the last meeting. Commissioner Butler said he reviewed Ordinance 19-03, Chapter 50: Solid Waste and determined Town staff has incorporated the changes outlined in the summary section of the statement letter and in the motion approved at last month’s meeting.

Motion by Commissioner Butler to approve the changes as outlined in 19-03, Chapter 50: Solid Waste as written starting on page 45; second by Mayor Pro Tem Fletcher.

Attorney Fox said she is recommending after a conversation with Commissioner Sullivan that the civil penalty language be revised to reflect consistency with the rest of the Town’s ordinances. It should say that any person who violates any provision of the chapter shall be subject to a $50 per day civil fine in accordance with §10.99(B) of this code of ordinances.

Commissioner Butler revised his motion to include the consistency statement that was just said pertaining to the penalty. Mayor Pro Tem Fletcher agreed with the change.
Commissioner Sullivan said he will speak to how the Board got to this point and as he goes through the analysis he would like the Board to consider why it is deemed so important to revise the current ordinance at this time. He said there were a lot of issues that were identified to the Town. With the prior Board, the town manager suggested that they form a Solid Waste Working Group to address all of the issues, rather than doing things piecemeal. That group was formed in August 2017. They worked independently and came before this Board in February of last year. He stated that Commissioner Kwiatkowski stepped forward to lead this so we could get a unified solid waste program in place. She worked with Town staff and the Town attorney and then presented a wide ranging plan with some suggestions and options to the Board in September. In September the Board discussed some of the issues and decided to expand the twice a week pickup to accommodate the growing season. Commissioner Sullivan said the Board also decided if you need to have three trash cans, one could be replaced by a recycling bin. In October there was an initial draft done. Everyone looked at it, discussed it and had the opportunity to make revisions. In November the Board had a chance to look at the second revised ordinance. In December the Board voted on it. He stated the Board looked at it at least three times before voting on it. Commissioner Sullivan said almost immediately after the Board voted, some of his colleagues decided they wanted to change the ordinance that they had worked on for over a year and a half. He stated on February 5th, the Board had a special meeting. He thought the Board agreed to change the enforcement date at that meeting. Two weeks later on February 19th, the Board had a proposal to change the entire ordinance. The result of that proposal is what the Board has before them tonight. Commissioner Sullivan said the Board didn’t just vote on the ordinance without giving a lot of due diligence and consideration, but the Board is trying to revise it without giving it the due diligence and consideration it deserves. He said it is not perfect, but he doesn’t believe we should take 18 months of work and discard it. He stated if we adopt this ordinance tonight, they won’t discuss this again. He said the Board has one component to workout, the rollout. Commissioner Sullivan said he believes if the Board leaves the ordinance in place and changes the enforcement date to May 2020, they can work out the rollout issue in that timeframe. Commissioner Sullivan stated this ordinance takes us back and puts us in a position that is worse than when we started 18 months ago. He said it won’t accomplish anything and the Town will be paying an extra $50,000 - $78,000, depending who the vendor is for the service. Commissioner Sullivan said the proposed revisions do not solve the problems identified by the Solid Waste Working Group and results in increased expenditure of tax dollars without any return on that expenditure, while actually making the situation worse. Every city, town and village he has ever lived in has some sort of regulation on when you can put out a trash can and when it has to be rolled back to the home, so it is not overly harsh or unusual to have those restrictions. He said there is a provision about leaving full cans at the curb. He said people shouldn’t be the ones to suffer because someone else doesn’t do what they are supposed to do. Commissioner Sullivan stated the Town will never know if it can be complied with if we don’t have this time period where it is in place and we see if it can work. People in Winding River give him hope because they have rules there. He asked if the people in Winding River are more conscientious, more civil minded, more law abiding than the rest of the people on the island. He said the answer is no, but somehow they abide by the rules. He said he has been told the reason there is a difference is because they have covenants. That doesn’t go to the ability of what a person can do.

Commissioner Sullivan said the Board all agreed to the rollback provision in the proposed ordinance because it was an integral part of the whole plan. He said it makes no sense to him to spend $50,000 - $70,000 to make sure the cans go back when cans can lay out there for a week. Without having the rollout provision, he doesn’t see why the Town should pay for the rollback provision. He said this is a problem
that the Board can solve by extending the period with no enforcement. Within the next year the Board should be able to come up with a solution to rollout and have a comprehensive plan. Commissioner Kwiatkowski said one of the things to do with rolling all of the cans back had to do with the concern about kids playing by the cans. They wanted the cans away from the street for the majority of the week. She said it was interesting that at the end of the last meeting there was a comment and it was acknowledged by some of the Board that it could be a risk to have cans at the curb; children can dart out from behind them. She said getting the cans, whether empty or full, away from the street was one of biggest points of the whole program, yet it is being undone. She explained the cans could be sitting there for up to a week. It is a hiding hazard and she doesn’t understand not rolling all of the cans back away from the end of the street.

Commissioner Freer stated it was a lot of work, the Board learned and a lot of the provisions were included in the ordinance. For example replacing a can with a recycling can and whole island rollback. He said we passed the ordinance and then received an immense amount of public feedback. That has happened many times. He said there was a tremendous amount of feedback from people who don’t live on the island. That is what they are reacting to. He thinks the Town should do better; this is a systemic problem. Commissioner Freer said we need to correct our communication plan, how we do business so we do not need to go through this process over and over. The development fee was another issue. Hopefully we do not have this problem with other things going forward. Commissioner Freer said he never lived in a community where they rolled back trash cans. We are unique. Commissioner Sullivan asked him to explain why it is necessary to change the ordinance now when all we need to do is change the enforcement date to give ourselves time to make a better ordinance to address the rollout, rather than disregarding all of the work that was done. He said the one issue is the rollout issue. He said the Board was elected to take care of some problems and they are not taking care of a problem tonight. Commissioner Butler said he is going to remember the 80 plus percent of people on the island, many of which who do not rent their homes, but come here to enjoy the island. They don’t take trash with them, they put their cans out when they leave. Cans will be emptied on Tuesday and then per the new provisions will be taken back to the house or to a corral. Corrals are another issue that the Board has confused people on. He said in December he was not aware that 80 percent plus of the taxpayers of this Town are homeowners that visit their home on a part-time basis. He asked why we are going to penalize these people.

Commissioner Butler called for a vote.

*The motion passed by a 3 – 2 vote with Mayor Pro Tem Fletcher and Commissioners Butler and Freer voting for the motion and Commissioners Sullivan and Kwiatkowski voting in the negative.*

Commissioner Kwiatkowski inquired if anyone that voted for the motion is going to do anything to ensure we have a rollback service. Commissioner Freer asked if it has been rebid. Town Manager Hewett said staff didn’t rebid it because we didn’t know the statement of work to craft in order to advertise. He said if it is the wish of the Board we would now need to do that. Mayor Holden asked for a consensus. Commissioner Sullivan was not in agreement. He doesn’t see the utility of rolling the cans back if there isn’t a timeframe to rollback. He said most people don’t have that; rollback is unique. Commissioner Butler said the Town does have a rollback program for the people on Ocean Boulevard. That has been in place since prior to 2007. Back then when they decided to roll the cans back it was probably for an aesthetics and safety concern. He explained homes continue to be built so if we were concerned prior to 2007, then why don’t we provide that to the entire Town.
Motion by Commissioner Freer to instruct the town manager to put the bids out for the rollback of the entire island; second by Mayor Pro Tem Fletcher. The motion passed by a 4 – 1 vote with Mayor Pro Tem Fletcher and Commissioners Kwiatkowski, Butler and Freer voting for the motion and Commissioner Sullivan voting in the negative.

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 said at the workshop on March 7th, one of things discussed was the need to find a new sand source in order to construct a project to mitigate Hurricane Florence and Hurricane Michael damages. The current volume for those damages exceed our permitted volume for our existing sand source. If the Board wishes to move forward, the cost estimate is $170,000. There is a budget amendment on page 51. On the ordinance, Fund Balance Appropriated should say increase instead of decrease. She did follow up with the engineer because when the numbers were presented last year, the cost estimate the engineer gave was $132,000. The increase was that the updated effort includes an additional subcontractor for imagery, which is required, as well as ATM’s effort for processing and analyzing the data and driving the effort.

Commissioner Kwiatkowski stated we know this all won’t get done before the start of the next fiscal year. She asked why the entire amount for the project is being requested to be moved, instead of making a split, with the remainder being in next year’s budget. Town Manager Hewett responded that it is a programmatic approach. He explained what doesn’t get obligated will be rolled forward and a second appropriation will be made in the upcoming year. Town Manager Hewett explained the line items are in the BPART Fund. Commissioner Freer stated that is very appropriate to him. It is required to address what the Town lost in the engineered section of the beach. He said it is the first step of FEMA reimbursement of the Central Reach. Commissioner Kwiatkowski asked if it could have been taken from the reserve fund. Town Manager Hewett replied it could, but that is not what is proposed here. Commissioner Freer agreed. Commissioner Kwiatkowski said the Board is doing this so we can replenish the beach, but this cost associated with looking for the sand could also be considered a reimbursable cost from FEMA. Town Manager Hewett responded it is a direct permitting requirement and would qualify as a reimbursable expense.

Motion by Mayor Pro Tem Fletcher to approve Ordinance 19-04, An Ordinance Amending Ordinance 18-10, The Revenues and Appropriations Ordinance for Fiscal Year 2018 – 2019 (Amendment No. 5), with the correction Mrs. Ferguson made; second by Commissioner Butler; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON HOLDEN BEACH BRIDGE MAINTENANCE AND REPAIRS SCHEDULE AND TIMELINE

Planning Director Evans met with NCDOT last Thursday. There will not be a bike path on the bridge. It is not wide enough. In the discussions had, the Town got our point across. They will work at the bathroom area and boat ramp so they can open those as fast as they can. They volunteered to move the laydown area so the boats can move in and out when they are not working there. We allow parking in the public
rights-of-way. Although you can use the ramp, you might not be able to park there. He said we want to encourage people to park in the public rights-of-way that the parking committee identified as areas to park in. Planning Director Evans reviewed their contract and the hours they will be working. They will not be working holidays and during special events. The only conflict we know of now is the concerts. Their comment was they won’t start until Tuesday nights because they need to mobilize by 7:00 p.m. on Sundays, but the concerts go until 9:00 p.m. Planning Director Evans will verify that at the next meeting. He explained there should be a clear use of one lane at all times.

Commissioner Freer asked if we can put the information on our website. Commissioner Butler suggested putting together our understanding of the times to confirm the times before posting them. Planning Director Evans answered questions from the audience. Assistant Town Manager Ferguson said there may be impacts to some of the areas for staging for the festival, but she has been communicating with the Merchants Association and they are aware of the situation.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 19-05, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, SECTION 157.062: COMMERCIAL DISTRICT

Planning Director Evans stated he started to receive feedback and it was productive and insightful. He is recommending to send the ordinance back to the Planning & Zoning Board (P&Z) to vet it more. The public hearing would be held after they review it. He will bring every piece of property back to P&Z. By sending it back it gives the public another opportunity to give feedback. Town Manager Hewett stated staff sent notification letters to the people in those areas.

Motion by Commissioner Freer to send it back to the P&Z Board for further consideration; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON MATTERS DISCUSSED IN THE MARCH 8TH AUDIT COMMITTEE MEETING

Mayor Pro Tem Fletcher said the Audit Committee asked that we organize a two hour workshop. He suggested it be provided by the LGC or the NC League of Municipalities’ (NCLM) staff to improve the Board and the Audit Committee’s understanding of municipal financial accounting. He said two members are new to the committee. His recommendation is he will contact the NCLM and he will see if they can do that at the next Audit Committee meeting, which will be public. It would detail how municipal finance is different from corporate finance or non-profit finance.

Mayor Pro Tem Fletcher said he has received recommendations to gain a complete explanation from Rives and Associates as to the cause for the significant delay in the completion of the 2018 annual audit. If the Board agrees he will contact the auditor from Rives and Associates and ask them to provide a document to the Board and to the Audit Committee. Commissioner Kwiatkowski asked if they would be giving a justification on why it is so late in the report itself since it is going to be so late. Town Manager Hewett said there is a public presentation to the Board after they are given the report. Mayor Pro Tem Fletcher said it may not include that information, but the Board can always question them at that meeting. The Audit Committee was asking why it is so late. He said they will need to pick a new auditor and if it is the auditor’s fault, they may choose not to pick that auditor.
Motion by Commissioner Freer to gain a complete explanation from the audit firm as to the cause for the significant delay in the completion of the 2018 annual audit; second by Mayor Pro Tem Fletcher.

Commissioner Kwiatkowski stated she thinks it might be more effective that when they come to give their presentation, the Board follow up and ask for full clarification which will allow all five commissioners to be included. Commissioner Freer said the Board can ask them to do it at that time.

Town Clerk Finnell read the motion.

Mayor Pro Tem Fletcher said he thinks by asking them for the explanation now it may enhance the acceleration of the completion of the audit. The Audit Committee needs to know as soon as possible so they can make a decision for next year.

The motion passed by unanimous vote.

Mayor Pro Tem Fletcher said the Audit Committee asked to have the monthly financial statements prepared for the Board and the Audit Committee to be done in excel format, with formulas and to show each fund individually with revenue followed by expenses for each fund. He said that has been done to some extent, but without formulas. The accountants on the committee are pretty good at analysis and they would like to have it in excel format. He added he thinks the Board would also want it. Commissioner Kwiatkowski asked if it would cause any more work. Town Manager Hewett answered it causes more work in that it has to be converted from the existing software over to the excel format. That is a manual process and it also requires an additional formatting step in order to make sure the columns are readable. It also requires quality control to make sure nothing is lost in the translation between the two programs. It’s a matter of going through the entire budget line by line to make sure everything is okay. He said the amount of time it takes depends on how much risk is acceptable in terms of the documents. The software is where the conversion takes place, but when the conversion takes place often times there are formatting inconsistencies that make the document unreadable. You have to go back and clean it up.

Commissioner Kwiatkowski stated she understands looking at the data in a different way, however if the purpose is to look at the data in a different way and then bring it to a meeting for discussion in the different way, it then needs to be audited by a second person to make sure it is accurate. Town Manager Hewett stated that fundamentally the budget officer is the responsible agent to provide budget information to the Board. When we provide information out and it comes back he cannot confirm the integrity of the data. Commissioner Kwiatkowski said if a committee wants to look at data a different way and then bring it for discussion, it would need to be double checked by someone, not necessarily by staff. Mayor Pro Tem Fletcher asked if it is an unreasonable request. Town Manager Hewett replied no, but when it leaves he is not responsible for what happens when it comes back. He inquired what the Audit Committee’s function is regarding budget information. He said they are not a budget committee. It is an advisory committee on process and controls. He doesn’t think it is in their charter if there is a desire to make them responsible for budgetary compilations. Mayor Pro Tem Fletcher said it is the monthly and quarterly financial statements. Town Manager Hewett stated those are budget to actual runs. The budget statement is an ordinance and is as the Board adopted it. It is as accurate when it is parlayed on a monthly basis as it was the day it was adopted. Mayor Pro Tem Fletcher asked if the to-date numbers aren’t to be questioned.
Town Manager Hewett said they could be questioned, but now you are talking a process review type function, instead of a manipulation of data into a different way of looking at things. Mayor Pro Tem Fletcher said that would be an accountant’s view on how to analyze it. He said the Audit Committee does have the responsibility for looking at the content and judging if there are issues with it. Town Manager Hewett said that is not bringing different formats of data back to the Board. That is a review of budget to actual information and querying the authenticity of the transactions that have taken place. He said we can provide the spreadsheets. It will take some time. He was understanding that the reason behind that was to manipulate the data in order to portray it differently to the Board. Mayor Pro Tem Fletcher said no, it is for their own personal use in understanding things better. Commissioner Kwiatkowski said she doesn’t see that an excel format rather than the current format allows you to evaluate the current status against budget any more accurately. Mayor Pro Tem Fletcher said it is not against budget. If he wants to know what the total expenses are they are spread over three different funds. If he wants to drag salaries out of two funds to understand the total expense you need to have excel to do that.

Motion by Mayor Pro Tem Fletcher to 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.

Town Manager Hewett asked if that could be posted to the website. Town Clerk Finnell said she doesn’t believe so, but she could check. Commissioner Kwiatkowski said from her industry experience they would never do anything like that. She said that could be taken down, manipulated and misrepresented by someone too easily. Town Manager Hewett said you have to realize that once you put an open source document out that now becomes a public record and it can be obtained by request. Right now it is locked down as a PDF. Commissioner Sullivan asked if it would behoove the Board to go to the firm that did the internal audit to ask if it is wise to put this out there in a form that can be manipulated and see if this is worth the risk. Mayor Pro Tem Fletcher explained he can already convert it now. He just thought if the Town could do it, it would be easier.

The motion was seconded by Commissioner Freer.

Town Manager Hewett asked if what is being talked about is the budget to actual statements that comes out of our accounting system, which is the logic software. Mayor Pro Tem Fletcher replied yes. Town Manager Hewett said he knows he requested specifically to have the formulas, but that data doesn’t contain formulas in the budget to actual software in the accounting system. Mayor Pro Tem Fletcher said they will need to validate the numbers themselves.

Mayor Pro Tem Fletcher called for the vote.

The motion passed by unanimous vote.

Mayor Pro Tem Fletcher said the Audit Committee discussed it, he discussed it individually with many people and the town manager and they would like to have confirmation be given 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 the town manager/finance director for review and comment. The Audit Committee would then provide their
recommendations to the Board. Attorney Fox explained there are statutorily prescribed internal control procedures that the finance officer does not have the ability to not engage. It wouldn’t matter if the Audit Committee agreed, the finance officer is charged by statute with certain things. Commissioner Kwiatkowski said she does not agree. She believes it is the Board’s duty to make sure the Town’s finances are run appropriately. The Audit Committee is there to give advice as needed. This report is indicating that there are some things that need an improvement plan. The plan should be between the Board and the town manager, who is also the budget officer and also the finance director to set up an improvement plan that is measured and watched as a major objective. If the Audit Committee’s input is necessary, they are there. She said this is a performance issue between the Board and the town manager. The report was between the Board and RSM. Mayor Pro Tem Fletcher stated the report was, but it pointed out we have significant weaknesses in internal control. He said the Board put together a committee of five financial experts and he wonders why we would have an Audit Committee if we don’t use their skills. Commissioner Kwiatkowski said you are there to confirm the systems are in place and implemented and confirm that management implements audit report recommendations, however the improvement plan that has to be put together is between the town manager/ budget officer/ finance director and the Board to come to agreement on. That should be the first place it is presented and discussed. She said if further information or clarification is needed then the Board can get the advice of the Audit Committee. Commissioner Kwiatkowski thinks this is an improvement plan, rather than a deep detail in CPA auditing knowledge. Commissioner Butler stated he has no problem utilizing the expertise we have on the Audit Committee. He said they are well qualified and he would appreciate any comments, suggestions or recommendations. Commissioner Freer agreed. He wouldn’t know what to ask. He would like them to look at it as a whole and review it from their expertise. He does not have a background in finance.

Commissioner Sullivan stated when he reads this and compares it to the report received, many of the deficiencies noted were the absence of having a checklist. Before the town manager could take a simple move of instituting a checklist, he couldn’t do that until he came to the Audit Committee to get their approval. This seems to be overreaching. He said it would be much simpler to say the town manager/ finance officer makes those decisions and if the Board has a question, they can then ask the Audit Committee at that point. He said to need to get approval from the Audit Committee seems to be expanding the charter of the Audit Committee into areas that no other committee on the island has. Commissioner Freer said they not approving anything. Mayor Pro Tem Fletcher said they are looking at the internal control measure that the town manager is putting in place. Commissioner Sullivan said they are discussing any proposed changes. He said if the proposal is that he looked at the report and there are five instances where it is identified that a checklist is not there, before he can go to staff and say we are using the checklist, he would need to go to the Audit Committee. Mayor Pro Tem Fletcher said no, he could do that. Attorney Fox agreed that is how it appears; that is how it is drafted. Mayor Pro Tem Fletcher said it is the proposed solution to the RSM report, but he is free to do it right now without coming to anyone. Attorney Fox said from what is written in the packet it appears that any proposed internal control procedures would initially be presented to the Audit Committee by the town manager. He would need to present it in advance of being able to do it the way it is written. Commissioner Freer said he doesn’t see a problem with that. Commissioner Kwiatkowski said the Board has duties and it seems the duties are being pushed to the Audit Committee. Attorney Fox said the Audit Committee’s charter does include some internal control. Her concern if she was the Board is that you are requiring a person who is required by statute to exist (finance officer) to if he sees something tomorrow that needs to be addressed, he would first need to get a meeting of the Audit Committee so he can propose something so it can then come to
the Board. He is required to do certain things. He is also a bonded officer that is required by state statute to be the finance officer. If he saw something that needed him to take immediate attention he would need to have an emergency meeting of the Audit Committee and then would need to have them have an emergency meeting of the Board. We are handicapping the finance officer from addressing something that may need to be taken care of immediately. She said it is adding two layers. Mayor Pro Tem Fletcher said it may be his wording. If he does his job and implements a change, he would bring it to the Audit Committee and say how he solved the problem. They would then say it makes sense. He wants him to decide how he wants to fix the problem and implement it. Mayor Pro Tem Fletcher would like to amend it to any improvements in internal control that he has implemented because you wouldn't want to wait for a meeting to do a control that needs to be implemented.

Motion by Mayor Pro Tem Fletcher that confirmation to town manager/ finance director that any implemented internal control improvements, including those resulting from the RSM internal control evaluation would be presented to the Audit Committee by the town manager/ finance director for review and comment. The Audit Committee would then provide their recommendation to the Board of Commissioners; Commissioner Freer agreed to the motion.

Mayor Pro Tem Fletcher said this would make it so that they would not slow Town Manager Hewett down in making the improvements he needs to make. He would just say how he changed it and the Audit Committee would judge it and then tell the Board.

Town Clerk Finnell read the motion. Commissioner Kwiatkowski asked for confirmation that once it is put in place the Audit Committee reviews it and presents it to the Board. Mayor Pro Tem Fletcher agreed.

Mayor Pro Tem Fletcher called for the vote.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF UPDATED RECORDS RETENTION AND DISPOSITION SCHEDULE: GENERAL RECORDS SCHEDULE FOR LOCAL GOVERNMENT AGENCIES

Town Clerk Finnell explained the new General Schedule for Local Government Agencies is now available for adoption. We can only destroy public records with the consent of the Department of Natural and Cultural Resources. If we don’t adopt the schedule we are obligated to obtain approval for every document we destroy, no matter how insignificant. The new schedule requires each local government to define when the reference value ends for many types of records. She recommended that the Board approve the schedule and allow the staff to establish and enforce internal policies setting minimum retention periods for the records

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

Commissioner Kwiatkowski said there are certain points where there is a discretionary period that the Town can define. She asked that once those are defined, the Board be advised as to what they are. Town Clerk Finnell agreed.
Commissioner Butler, with Mayor Pro Tem Fletcher in agreement withdrew his motion.

Motion by Commissioner Kwiatkowski that we have the staff to develop the new schedule, including the discretionary time periods and inform the Board of what those discretionary time periods are when they have been decided; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

TOWN MANAGER’S REPORT

• As required by the Local Government Budget and Fiscal Control Act he is obligated to tell the Board that we have moved approximately $15,000 from our vinyl fencing account in the Sewer Fund over to the Operations account in order to obtain the vector sled that we talked about previously. In the Lift Station Upgrade we were going to incur a cost of approximately $13,000. We would have that same cost for the second phase. We were able to buy the asset for less than two cycles of lease. We are assuming we can use the asset in an emergency, interim capacity also. The asset is here.

• Hurricanes: We still have $335,000 out for Matthew. Haven’t heard back on that. Hurricane Florence - approximately $100,000 in protective measures and debris has been quantified and he is under the impression those have been approved. Will be bringing a budget amendment to the Board to recognize the funds. Utilities reimbursements are still a work in progress. The draft has been submitted, but will need to requalify some of the expenses. Engineered beach damages have been quantified and submitted. That number is in excess of 700,000 cubic yards. The engineer’s estimate on mitigating the damage is in the $17 million range. Hurricane Michael - our reimbursable eligible sand losses are calculated at almost 400,000 cubic yards. We have not submitted that yet. We are working through the mechanics of logically executing one project for two events. Administratively on the federal side we are working to understand how that will work on a reimbursement basis. The feds are driving the process. There is a lot of work involved in it. We believe we are ultimately dealing with a project in the mid $20 million range. As evidenced by Board action tonight, we will be able to move forward with the fundamental requirement to update our Central Reach Project permit by finding an adequate sand source to replace potentially what is in the order of magnitude of about 1.2 million cubic yards.

• Hurricane decals went out in the water bills.

• Canal dredging – looks like we are about 90% complete on that project. Have two – three canals left in Harbor Acres. Believes we are on target. The plan is to remedy any dock problems at the end. We want to make sure the dredging operations are finished before we start on any cosmetic type fixes.

• Upcoming events – Budget workshop on Thursday at 10:00 a.m. It would be great to see this many people there. There are a series of upcoming workshops, in addition to the required public hearing. Chief Layne’s retirement dinner is Thursday. Jeremy Dixon’s swearing in as the new chief of police follows on April 1st. There is a volunteer luncheon on April 11th.

MAYOR’S COMMENTS

• Appreciates everyone being here.
BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Fletcher
- Thanked everyone for being here.
- If you are religious, pray that Judy Brock is found safe. If you see something in the media don’t repeat it; wait until you here from a Town source. Pray the mystery is solved successfully.

Commissioner Sullivan
- Thanked everyone for coming. Pointed out that he appreciates all of the feedback prior to the Board voting on the suggested changes to commercial property because it makes life a little easier to get it right the first time around. He hopes everyone has learned a lesson when it comes to that.

Commissioner Kwiatkowski
- Thanked everyone for coming.
- Echoed Town Manager Hewett’s invitation to come to as many of the budget sessions as you can. There are four more. They get more interesting as it gets more refined. If you can’t make this one, try to make one of the last three.

Commissioner Butler
- Please keep the family of Judy in your thoughts and prayers. A special thanks to the volunteers and the Police Department. Knows there has been a lot of people from the Fire Department searching and looking as well.
- Thanks for attending this evening’s meeting.

Commissioner Freer
- Echoed the thanks.
- Saw lots of activity with Detective Dixon and the Sheriff’s Department. He knows they are working hard to have a good outcome for this incident.

PUBLIC COMMENTS ON GENERAL ITEMS

Dolly Mitchell said she didn’t want to mention anyone by name, but thanked the female commissioner for starting the process on talking about trash. Over the last couple of years, it has gotten considerably worse. She said in the past couple of years Helping Hands moved off of the island to help with congestion on Saturday mornings. Mrs. Mitchell said there was a move to pick up trash at 6:00 a.m. on Ocean Boulevard to help the renters get off of the island. Her perception is renters don’t want to wake up early to move the trash cans, so they are leaving them later. She suggested that as the contract is issued, maybe the time should be delayed. She hopes the Town can take some steps forward.

Ryan Williams said shutting the boat ramp down was brought to his attention. He said the prospect of getting a new boat ramp has been talked about for years. He has made many calls over the last couple of weeks and found that the need for a boat ramp hasn’t been brought up with the Wildlife Resource Commission. Mr. Williams said the first step is to see if the use and demand for the ramp is there. He said the engineering section was looking at logistics of where to put a ramp. He said the current ramp has eight
spots. He said the process of getting a ramp starts with a county or a municipality purchasing a property, then the state would put the ramp in and maintain it for life. He said there is not enough room on the island for a ramp. Mr. Williams said he is asking the Town to formally ask the county for help in obtaining a ramp in this area. He said the park across the bridge will not work.

Mayor Holden asked if the Board would like to extend Mr. Williams’ time. Mayor Pro Tem Fletcher said Mr. Williams is a captain and he is speaking for five or six other captains. The Board agreed to the extension.

Mr. Williams said the state is seriously considering having a ramp in this area. He said there needs to be a hard push from the Town, with the county. He said the use of the ramp and what it provides to the public is domino effect. Mr. Williams said there is a desperate need for a boat ramp in this area.

A homeowner from Old Ferry Connection said he exercises on the island. He said it is a safe, pretty island. He wanted to say thanks and that he enjoys the area.

**ADJOURNMENT**

*Motion by Mayor Pro Tem Fletcher to adjourn at 9:10 p.m.; second by Commissioner Butler; approved by unanimous vote.*

________________________________________
J. Alan Holden, Mayor

**ATTEST:**

________________________________________
Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
THURSDAY, MARCH 21, 2019 – 10:00 A.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Thursday, March 21, 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; Planning Director Tim Evans; Public Works Director Chris Clemmons; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner.

PUBLIC COMMENT

No public comments were made.

BUDGET WORKSHOP

Town Manager Hewett explained the documents provided to the Board for the meeting.

Town Manager Hewett said we had pointed out the budgetary entry for the returned monies from the county’s interlocal agreement was budgeted at $26,000 in the Capital Reserve Fund for the Beach Fund. The actual entry was $36,000, with the delta being the interest. In the amended Fund Balance Policy the Board said when the surety money comes back to put it in the Beach Reserve Fund. He said unless the Board has objection he will interpret the policy that he will add the interest to the fund. The Board agreed.

Town Manager Hewett said there was an entry of $43,000 in Miscellaneous Revenues in the General Fund. We budgeted $7,000. That is sales tax money the Town receives on various things we buy. When we get a check we deposit it into that line item and then parse it out to the different funds. The dispersions have now been made. It’s an annual task. The Water Fund might be quite heavy because of the sales tax on the lift station upgrade.

Town Manager Hewett stated we sent information on videoconferencing to the Board. He is not sure if they had an opportunity to review it, but we haven’t pulsed it further because we have not heard back from the Board yet. The live meetings are recorded and indexed with a digital agenda. There is no current cost because we do it through YouTube. Mayor Pro Tem Fletcher said he would be in favor of paying the fee to be able to livestream it and save it. It is a big transparency act for the public, most of who don’t live
on the island. Commissioner Kwiatkowski said she suggested we try to reach out to owners to see if this would make it more likely that they would stay abreast of issues. Town Manager Hewett said we could send a blast, but he doesn't know how representative that is of everyone. The water bills just went out. Commissioner Freer stated he thinks this is part of a communications plan. He thinks the Board needs to take a whole look at how they communicate with the public. He said in his opinion there is something broke with how the Town communicates with the public. Town Manager Hewett said we could send a separate letter to water bill customers. Commissioner Sullivan explained he thinks it is a valid idea, but he is not sure how much we will gain from asking public opinion since we don't always get a response. He thinks for $27,000 we can see how it works. If we don't like it we don't need to continue it. He thinks we should take the opportunity to try it. Mayor Pro Tem Fletcher asked if we could track how many people watch it. Town Manager Hewett replied that he believes so. He thinks there is a feedback mechanism, in addition to counting how many views there are.

Commissioner Freer asked who is responsible for communications. Town Manager Hewett replied that the technical side of it goes through the town clerk. He functions as the gatekeeper of the material that goes out. Police operations are a function of the chief. Commissioner Freer asked about the track record of the company. He said he wants to take a step back and look at establishing a plan. He doesn't know of any rhyme or reason to how we communicate. Mayor Holden said there are several things he would suggest the Board think about. Previous boards have talked about this and other towns have tried this. Some think it is great and some quickly stopped. Some towns found the attendance of the meetings went down. Town Clerk Finnell confirmed the Town has minutes and the audio online. Mayor Holden said the information is there, the difference is this would be live. He said he thinks the clerk puts a lot of things in the minutes that are not necessary in an attempt to be overly providing of information. Minutes are generally more condensed. He said that in his mind it is an attempt to go overboard with information to our property owners that have an interest in what is going on. He asked if it is worth a quarter of a penny to provide live stream if it is there to listen to and there to read. He said they cannot be recognized at home; $27,000 is a lot of money. Town Manager Hewett stated that includes the first year's cost of the equipment. The annual cost is about $12,000. Mayor Holden advised the Board to communicate with other towns who have done this to get feedback from them. We have a very active POA. He represents about 350 homes so he has the opportunity to hear their feelings. He is not for or against it. He said he is just saying if the audio is available he is not sure if it is worth going the extra mile. Commissioner Kwiatkowski stated she sees pluses and minuses. She can see that an evaluation of our overall communication methodology would be beneficial before making decisions on what the priorities are. She suggested the Board make that a priority objective over the next year. It could be taken by a commissioner to lead that for the new fiscal year to make decisions before the next budget. She does have Mayor Holden's reservation that we would have fewer people here and fewer public comments. Commissioner Freer asked if there is technology to index audio. He said organizationally maybe we should have someone with the total communications capability. Commissioner Butler thinks the indexing would be a huge benefit. Commissioner Kwiatkowski said she doesn't think it would be a bad idea to ask the question of people if they would be interested in the service. Commissioner Sullivan said the only way we will know if it is beneficial is to test it out. The Board agreed to ask for the public's feedback in the next water bill. Commissioner Kwiatkowski suggested that the solicitation for feedback ask if they are a fulltime resident. Commissioner Kwiatkowski said she agrees with Commissioner Freer that this could be part of an overall communications strategy and making that a priority for the rest of the year. The Board talked about putting it in the budget, but not acting on it until the Board receives more information.
Fiscal Operations Clerk Lockner reviewed the budget schedule. Commissioner Butler notified the Board he will be absent on the 28th because he is having minor surgery.

Fiscal Operations Clerk Lockner explained that in the General Fund revenues the only thing that changed is we received a preliminary number from the county on our tax base. It is only a little lower than what she used last time so it didn’t really change the $2.8 million if you keep 22 cents. That could still change.

In the Governing Body expenses Fiscal Operations Clerk Lockner will keep the live streaming for now. She updated the transfers at the bottom to represent the tax numbers she put in there. She explained she based the split on what the Board did last year.

Town Manager Hewett provided the Board with organization charts.

Fiscal Operations Clerk Lockner stated Admin really hasn’t changed from the last meeting. She put a note that the salaries reflect the five employees that get paid out of that fund. Group insurance went up 10.75%. Town Manager Hewett explained that is the most recent quote we received. We solicit quotes annually. Town Clerk Finnell explained how the insurance plans work. This is the quote for the same plan. Commissioner Fletcher asked if we know how much of the cost is employee related, versus family related. Town Clerk Finnell said she is working on the costs now. The Town pays 80% and the employee pays 20% of dependent coverage. Town Manager Hewett said he will get the number of how much of the total pot is attributable to family insurance. The Town covers 100% of employees.

Commissioner Sullivan inquired about the $100,000 expense of hiring an officer. Town Manager Hewett replied you need to equip them, buy uniforms and the vehicle. He talked about the Vehicle Replacement Policy. Detective Dixon wants to retool the uniforms this year.

Fiscal Operations Clerk Lockner explained in Inspections they are anticipating their training going up a little to get more continuing education. The $30,000 under Contracted Services is for the Land Use Plan and a fill-in inspector as needed. Planning Director Evans added they also pay for any needed engineering from that line item. Fiscal Operations Clerk Lockner said the new expense this year is a vehicle for Zoning Official Wooten. Commissioner Kwiatkowski said that is something that was deferred last year. Planning Director Evans explained the truck is past due the mileage and the years of the Vehicle Replacement Plan. It goes on the beach daily and the maintenance budget is high. Town Manager Hewett said on the revenue side, when we dispose of old assets, we don’t budget for the sale of it. It goes into Fund Balance for appropriation.

Commissioner Sullivan asked about the two lines for Police uniforms. Fiscal Operations Clerk Lockner explained she split the items from when it was given to her. It is an old memo; the uniforms moved up to another line. Commissioner Sullivan inquired about the cost. Fiscal Operations Clerk Lockner said it is not just the uniforms, it also includes the belts, vests and other items. Commissioner Kwiatkowski said Detective Dixon could walk the Board through the item next week.

Commissioner Freer said the Maintenance line is still high in Inspections. Planning Director Evans explained that his truck is 10 years old. It has 60,000 miles, but it goes on the beach daily. He has done
what he could, but it is rusting. He talked about maintenance costs. Public Works Director Clemmons added that in his new model Ford pickup a set of spark plugs are $800. Planning Director Evans stated that there is statutory law that doesn’t allow them to be out over two and a half days for an inspection so they can’t be down. He said the quality of the truck we are keeping is nowhere near the one we kept so long. Zoning Official Wooten’s vehicle also serves a training and travel purpose. Mayor Pro Tem Fletcher asked if the Town is tracking the maintenance cost in the later years to see if it would be cheaper to purchase another vehicle. Town Manager Hewett responded that’s why the Town established the Vehicle Replacement Policy. He explained the preferable method of procurement is state contract. Mayor Holden stated the Community College is in the process of buying a new vehicle for the new president. He explained it can take a few months to purchase a vehicle through the state contract process. If Planning Director Evan’s truck dies and the Town would like to purchase one through state contract it could take a few months.

Fiscal Operations Clerk Lockner said in the Streets Department it has half of two positions. They are requesting a truck to replace the 2009 vehicle. At the bottom it shows paving. Mayor Pro Tem Fletcher asked if we will be able to do half of Brunswick Avenue West for $120,000. Town Manager Hewett replied that is the engineer’s estimate. The Board discussed what would be paved. Mayor Pro Tem Fletcher asked if we are correcting standing water issues. Town Manager Hewett replied yes. Public Works Director Clemmons talked about the schedule. Public Works Director Clemmons will check the report to verify what is to be paved.

Fiscal Operations Clerk Lockner said new safety gear is requested under Sanitation. Recycling is at about 353 subscriptions right now. Fiscal Operations Clerk Lancaster said there have been a few that canceled recycling and some new that added after the fee was increased. She said most of the cans are from rental units, but she doesn’t know the exact number. Town Manager Hewett said we do have an inventory on that.

Fiscal Operations Clerk Lockner said she did add some notes to the revenues in the Water and Sewer Fund. She put in placeholders for the Water and Sewer Capacity Charges. They are based on the interim fees that were set. She said to get better numbers that would need to be addressed. Commissioner Freer asked about the Water Use Charges and why it is going down. Public Works Director Clemmons said it is a projected number. New houses are more efficient. Also, they have added a lot of second meters. That changes the charge on the sewer side and they tie together. He said he doesn’t think the last month is reflected in the current charges and service was down for a week due to the storm. Town Manager Hewett explained there are several years previous to that. It is a weighted average number. He said the Fund Balance Appropriation for the lift station has not been done yet.

Mayor Pro Tem Fletcher asked about retirement. Fiscal Operations Clerk Lockner said there are changes in each department. Part of that is due to personnel changes. Town Manager Hewett added the overall increase across the board is mostly attributable to the fact that the contribution to the system was increased by about a point. That is mandatory.

Fiscal Operations Clerk Lockner explained the salaries in Operations is for six employees, plus the one new employee being requested. Public Works Director Clemmons said two half positions come out of Streets. There are five employees in that line. He said the figures he used for the new employee was based on
hiring someone at $12 per hour. He might want to bump that up to $15 per hour. He thinks that is what is needed to get someone qualified. Commissioner Butler asked if it is competitive. Mayor Holden said in his company people laugh at him if you offer $12 per hour. The Board talked about the request and why it is needed. Public Works Director Clemmons stated he needs to find someone who is willing to do multiple tasks. He explained that under Equipment Purchase Water the requested GPS equipment will help out in a lot of different ways. He would like to get Chris Stanley to do mapping of valve pits and sewer lines. It would help in storms. FEMA now wants GPS coordinates for each location. Mayor Holden stated we have talked about having that availability for years. Public Works Director Clemmons stated they have started mapping. This is for purchasing different equipment. Chris Stanley, the surveyor is going to help out. Mayor Holden explained this is something that has been needed for years. He talked about what it looks like after a storm and how it affects service. Public Works Director Clemmons said it may be possible to find some funding to start incorporating some of this now. The more that could be done before storm season the better. Mayor Holden asked if the Town could incorporate a requirement to show GPS locations of the water meter and shutoff on as-built surveys. Planning Director Evans stated the Town could require that, but it would be an extra charge to the property owner. The Board talked about moving forward with that. Planning Director Evans could write an ordinance requiring it. The Town could also have them identify the sewer cleanouts. Town Manager Hewett said the entry is for the purchase of equipment. We need to go back to the Communications line and scale what will be the back shop cost of hosting the data. He thinks it is just a procurement cost. Whenever we have done FEMA projects, we need to go out and secure GPS data points. It is a good thing to have that information upfront. It will be critical to the time to reconstitute the island after a major hurricane. Public Works Director Clemmons said there is contracted services for Chris Stanley in there. Commissioner Sullivan asked how that line item is less if he is requesting new equipment. Fiscal Operations Clerk Lockner explained what is in the current budget. Public Works Director Clemmons pointed out we are paying the last debt payment. Town Manager Hewett said we do need to look at the establishing legislation for the revenue side.

Fiscal Operations Clerk Lockner said under BPART revenues she changed the Transfer from the General Fund to five cents from the Governing Body. Mayor Holden asked what department the truck used for concerts, etc. is charged to. Assistant Town Manager Ferguson replied this one. It doesn’t have the mileage on it as some of the others do. It does meet our age requirements. If it comes down to one being cut she would rather see one of her counterparts get the truck. It’s on the beach a lot and she won’t take it on long trips at this point. Mayor Holden said the body of the truck seems to look okay. He was wondering if it would be better to pass it along and then get another one. He said it might serve a good purpose for Public Works and their construction work. He thinks when the Police Department passed vehicles down it worked pretty well. Public Works Director Clemmons said yes and no. He talked about his past experience. Town Manager Hewett said the vehicle is used for a lot of public relations work. A lot of dignitaries ride the beach and it would be embarrassing for it to breakdown. Mayor Holden said if there is any possibility to look at switching vehicles around it would make sense to him.

Commissioner Freer asked if it is true that recreational programs pay for themselves. Assistant Town Manager Ferguson responded we have being doing real well in that. Mayor Holden said you may remember the grief that some of us took when we hired that position. Now the accolades that are coming from it are pleasing. Assistant Town Manager Ferguson said not all of the activities are revenue producing, but they all work out. Commissioner Freer asked about the dog park. Assistant Town Manager Ferguson said she doesn’t know if we will get to the point that we can use the park at the current spot so we could
take the maintenance out. Town Manager Hewett suggested leaving the line because the intention is to dry up that site and reconstitute a portion of it. He doesn’t know how long it will be to get it to where it needs to be. The $500 is for dog waste bags for the waste stations. In regards to alternate locations, we don’t own any property that would be conducive to that type of situation. The only place that could be a possibility is at the Heron Landing Wynd dredge spoil site. The limiting factor is there is a small piece of property that has us landlocked. Town Manager Hewett said if the Board wants to pursue it and develop it as a potential option with a list of things that can be done, we can do that. He said it will take a while and he may need to get the attorney involved, but we can pull that together. Commissioner Butler said he would like to see that.

Commissioner Kwiatkowski asked about the Lockwood Folly Dredging number. Assistant Town Manager Ferguson explained that in prior years the Board looked at having everything in the budget upfront, instead of doing budget amendments. The number equals to the Deeper-Wider Project at $1,033,013 and the possibility of another AIWW contract at $1,280,000. The rest would be some engineering for ATM to go along with the Deeper - Wider Project. It would also include some Merritt/ Murden work. Commissioner Kwiatkowski said that would be the most robust thing that has happened in decades. Town Manager Hewett stated we developed this budget assuming the guidance from the Board in the past of getting sand whenever and however we can get it. Those are the two scenarios that have presented themselves so we went ahead and programmed them both. Commissioner Freer asked if we just said no thanks to the current budget year. Assistant Town Manager Ferguson explained yes based on the timing of accomplishing it.

Fiscal Operations Clerk Lockner said salaries are a little higher due to reclassification of employees. The amount for equipment for the beach rangers went down. Mayor Holden asked about the group insurance in that section. Fiscal Operations Clerk Lockner explained that is the cost for the Public Works Department people paid for out of the fund.

Fiscal Operations Clerk Lockner said there are not many comments under canal dredging. They are getting ready to finish up.

The Capital Reserve Fund and the Capital Improvement Plan are not in there yet.

Town Manager Hewett said the canal dredging budgets are programmed to the extent that we preposition those with escrowed funds and current permits so it is a programmatic dredging budget, but they do stand shovel ready with money and current permits. In the eventuality there is a storm that fills them up, we would be ready to execute a project. You have to keep permits current, you need to do post-construction surveys and maintenance activities on the spoil sites. You need to be able to manage the Scotch Bonnet site. We need to get it dried out and may need to do some topographic grading. Also, the idea is to have the project pay for the reconstitution of the dog park. He said the management of the program has ongoing expenses. Town Manager Hewett confirmed the Town will still have the money to be shovel ready after a storm once the project is complete. Town Manager Hewett explained there are other management activities that will need to happen in this program.
Commissioner Sullivan asked where the money for the Renourishment Fund on page 11 is reflected in expenses. Fiscal Operations Clerk Lockner that will be reflected in the Capital Reserve Funds that are not set up yet.

Fiscal Operations Clerk Lockner said this is the budget we have. If the Board wants her to make changes, cut or add things, it would be good to let her know now. Commissioner Kwiatkowski said the Board should be thinking about Budget Message components and be ready to pass them onto Town Manager Hewett at one of these meetings soon.

Commissioner Butler talked about the progress and technology at the lift station. He said we need documentation for the systems. He said we need formalized procedures for startup and shutdown. He inquired if an intern could help with those procedures. Public Works Director Clemmons said he could work on the startup process and operation procedures. Air Vac will probably give him a parts list when they give him the operating manuals. He likes the idea and will keep an open mind about that. He thinks his department learned a lot about reconstitution in dealing with Hurricane Florence last year. He will put something on paper. Commissioner Freer said one of the biggest challenges to any project is capturing the knowledge and documenting it. Commissioner Sullivan said since it is new and complex he is not sure how an intern could prepare that type of document for us. He talked about needing someone with the skill and knowledge to put something that technical together to benefit us. Public Works Director Clemmons will give an intern some thought.

Commissioner Butler appreciated everyone received the scope of work for the Pay Classification Study. Town Manager Hewett said the length of the process will be three – four months. We executed the contract and sent an inquiry on the timeline.

Mayor Holden reminded everyone about Chief Layne’s retirement party. He said he sent the commissioners an email asking the Board to consider a meeting. He hopes the Board can come up with a date.

ADJOURNMENT

Motion by Commissioner Freer to adjourn at 12:00 p.m.; second by Commissioner Butler; approved by unanimous vote.

__________________________
J. Alan Holden, Mayor

ATTEST:

__________________________
Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
WEDNESDAY, APRIL 3, 2019 – 2:00 P.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Wednesday, April 3, 2019 at 2:00 p.m. in the Town Hall Public Assembly. Present were Mayor Pro Tem John Fletcher; Commissioners Mike Sullivan, Pat Kwiatkowski, Joe Butler and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; and Town Attorney Noel Fox. Mayor Holden arrived late.

Mayor Pro Tem Fletcher called the meeting to order at 2:05 p.m.

PUBLIC COMMENTS

No comment was made (no public was present).

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

Town Clerk Finnell read the reason for Executive Session.

Motion by Commissioner Freer to go into Executive Session at 2:05 p.m.; second by Commissioner Butler; approved by unanimous vote.

OPEN SESSION

Motion by Mayor Pro Tem Fletcher to come out of Executive Session at 3:37 p.m.; second by Commissioner Freer; approved by unanimous vote.

Motion by Mayor Pro Tem Fletcher to authorize the Town attorney to send out the notices of intent to those who have not returned the request for the perpetual nourishment easements and be authorized to state in the notice of intent that a sum of $15 will be paid per easement; second by Commissioner Butler; approved by unanimous vote.
ADJOURNMENT

Motion to adjourn by Mayor Pro Tem Fletcher at 3:38 p.m.; second by Commissioner Freer; approved by unanimous vote.

ATTEST:

__________________________
J. Alan Holden, Mayor

__________________________
Heather Finnell, Town Clerk
Date: April 8, 2019

To: Commissioners and Mayor Holden

From: Heather Finnell, Town Clerk

Re: Award of Contract for Street Work

Right Angle Engineering is soliciting bids for roadway work on behalf of the Town. The work includes street paving for Sand Spur, Sand Dune and Sand Piper. Bids are due to the engineer by April 12th. They will need time to qualify the bids once they have been received. We anticipate being able to present the low bidder at the April 16th meeting for the Board’s consideration. We will send a supplemental packet once the information is available.

Please let me know if you have any questions.
Activity Log Event Summary (Totals)
HOLDEN BEACH POLICE DEPT.
(03/01/2019 - 03/31/2019)

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<td>Public Works/Water Leak</td>
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</tr>
</tbody>
</table>

Total Number Of Events: 354
<table>
<thead>
<tr>
<th>Incident Number</th>
<th>Incident Date:</th>
<th>Inc. Time:</th>
<th>Location:</th>
<th>Offense:</th>
<th>Victim:</th>
<th>Offender/ Suspect:</th>
<th>Reporting Officer:</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-0217b3</td>
<td>03/06/2019</td>
<td>8:32</td>
<td>715 OCEAN BLVD WEST, Holden Beach, NC 28462</td>
<td>90J - Trespass of Real Property 23D - Theft From Building</td>
<td>SUMMER SAND CASTLE LLC</td>
<td>00, U, U</td>
<td>3363 - Officer Jessica L. Camara</td>
</tr>
<tr>
<td>19-028649</td>
<td>03/15/2019</td>
<td>15:16</td>
<td>198 GREENSBORO ST, Holden Beach, NC 28462</td>
<td>09A - First Degree Murder</td>
<td>71, W, F</td>
<td>71, W, M</td>
<td>3363 - Officer Jessica L. Camara</td>
</tr>
<tr>
<td>19-029033</td>
<td>03/16/2019</td>
<td>13:26</td>
<td>717 OCEAN BLVD WEST, Holden Beach, NC 28462</td>
<td>23H - LARCENY OF LUMBER</td>
<td>JERRY BAKER</td>
<td>00, W, M</td>
<td>3363 - Officer Jessica L. Camara</td>
</tr>
<tr>
<td>19-030838</td>
<td>03/20/2019</td>
<td>21:18</td>
<td>152 Tuna Drive, Holden Beach, NC 28462</td>
<td>0540 - Breaking or Entering - Non-Forced Entry 23D - Theft From Building</td>
<td>34, W, F</td>
<td>27, W, F</td>
<td>8404 - Sgt. Adam C. Milligan</td>
</tr>
<tr>
<td>19-031110</td>
<td>03/21/2019</td>
<td>14:47</td>
<td>125 STARFISH DR, Holden Beach, NC 28462</td>
<td>0550 - Breaking or Entering Motor Vehicle 90Z - Felony Larceny</td>
<td>77, W, M</td>
<td>00, U, M</td>
<td>3363 - Officer Jessica L. Camara</td>
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<tr>
<td>19-034518</td>
<td>03/29/2019</td>
<td>14:43</td>
<td>313 SAND DUNE LN, Holden Beach, NC 28462</td>
<td>290 - Damage of Property</td>
<td>80, W, M</td>
<td>60, W, M</td>
<td>3363 - Officer Jessica L. Camara</td>
</tr>
</tbody>
</table>

Total Incidents: 6
Date: February 13, 2019

To: Holden Beach Board of Commissioners

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

Re: February Meeting Update

The Inlet and Beach Protection Board (IBPB) met February 13 and the following issues and topics were addressed:

Status of the Beach and Inlets: Staff provided an overview of conditions and issues relative to the beach strand and inlets. Fran Way of ATM gave a status update on the storm damage and the modeling work on the Lockwood Folly Inlet. The Wider-Deeper project is still pending.

Possible Collaboration with UNCW: Dr. Joni “Osku” Backstrom and Dr. Sheri Shiflett discussed the work UNCW is doing and possible areas of collaboration with the Town and ATM.

Comprehensive Long-Term Plan: Work on the plan was kicked off. ATM will be working with us to help facilitate the report. We plan to complete the deliverable within six months. Cathy Foerster, AICP, Senior Planner and Facilitator with ATM was introduced and will facilitate the effort. A schedule and high-level content was provided. Fran Way of ATM discussed the past plan and major initiatives.

Budget Items for FY 19-20: Board Members discussed projects and items they would like to see included in the upcoming budget. Items include additional mats, additional plantings, a regular dune fertilization schedule, replacement of “Keep Off Dunes” signs, and additional monitoring for the West End and both inlets. A collaboration with UNCW and options were also discussed. A motion was passed to recommend these items.

Meetings: Members of the Board attended the Brunswick County Shoreline Protection meeting January 30 and plan to attend the next meeting March 27. The IBPB is following the CRC meeting in Manteo February 27-28 where the Inlet Hazard Area changes will be discussed. Members are also attending a Dune Repair Workshop March 9 in Surf City. The next IBPB meeting is March 28.
Date: March 28, 2019

To: Holden Beach Board of Commissioners

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

Re: March Meeting Update

The Inlet and Beach Protection Board (IBPB) met March 28 and the following issues and topics were addressed:

Status of the Beach and Inlets: Staff provided an overview of conditions and issues relative to the beach strand and inlets. The status of the Florence and Michael remediation project (tentatively called Central Reach Project 2 or CRP2) including sand sourcing was discussed. Fran Way of ATM gave a status update on the modeling work on the Lockwood Folly Inlet. The Wider-Deeper project is still pending.

Comprehensive Long-Term Plan: Work on the Long-Term Plan continues and was the major thrust of the meeting. Cathy Foerster, AICP, Senior Planner and Facilitator with ATM is facilitating the effort.

Meetings: Members of the Board attended a Dune Repair Workshop March 9 in Surf City and visited Coastal Transplants in Bolivia. Members will be attending the Brunswick County Shoreline Protection meeting April 3. The next IBPB meeting is April 25.
Date: April 9, 2019

To: Commissioners and Mayor Holden

From: Chris Clemmons, Public Works Director

Re: Rollback Services

We received four bids by the deadline of April 8th at noon in response to our solicitation of bids for a contractor to perform rollback services. See the attached bid tabulation (Attachment 1) and individual responses (Attachment 2). The Statement of Work is also included for your review (Attachment 3).

The apparent low bidder is Fullwood’s Lawn Service Plus. The Board of Commissioners would need to select a contractor and make the award of contract contingent on review of the contract documents by the Town Attorney.

Attachments:
1 – Bid Tabulation  
2 – Individual Responses  
3 – Statement of Work
CERTIFICATION: I hereby certify this to be a true and correct tabulation of bids taken on this project, to the best of my knowledge and belief.

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Total Price</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fullwood’s Lawn Service Plus</td>
<td>$50,000</td>
<td></td>
</tr>
<tr>
<td>Mermaid Resort Services</td>
<td>$62,414</td>
<td></td>
</tr>
<tr>
<td>Errand Island Management</td>
<td>$54,160</td>
<td></td>
</tr>
<tr>
<td>K&amp;R Home Improvement</td>
<td>$195,187.50</td>
<td></td>
</tr>
</tbody>
</table>

Heather Finnell, Town Clerk     4/8/19
April 8, 2019

Heather Finnell
Town Clerk
Town of Holden Beach
1110 Rothschild Street
Holden Beach, NC 28462

Ms. Finnell:

Fullwood’s Lawn Service Plus is pleased to submit this proposal in response to the Town of Holden Beach Solicitation of Bids for Rollback Services. We have reviewed the documents & fully understand the scope of services to be provided under the contract. Fullwood’s Lawn Service Plus will sign and guarantee performance of duties as required within the contract.

For over 18 years, Fullwood’s Lawn Service Plus has provided various services to the citizens of Brunswick and New Hanover counties. As an employee at Waste Industries, I acquired over 15 years of solid waste management experience which includes the collection of refuse, recycling services to single family, multi-family and commercial customers. Several of those years include rolling back carts on the beach.

Our proposal includes the roll back of approximately 3,900 90-gallon refuse cans (recycle and waste) within the 25 miles of road within the town limits. Refuse cans (empty) will be moved to a location under or beside a building/residence or in a corral after being serviced by the town’s contracted waste removal company.

Fullwood’s Lawn Service Plus agrees to perform roll back services after each garbage pickup on the schedule outlined in the bid solicitation document.

Fullwood’s Lawn Service Plus agrees to provide everything necessary to perform the above task including, but not limited to transportation, labor, employee personal protective equipment, fuel and insurance as required by the town.

<table>
<thead>
<tr>
<th>Proposing Company: Fullwood’s Lawn Service Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Containers</td>
</tr>
<tr>
<td>Recycle Containers</td>
</tr>
<tr>
<td>Total # of Refuse Containers</td>
</tr>
</tbody>
</table>

Proposed Bid: $50,000.00/yr.

Thank you for accepting this proposal from Fullwood’s Lawn Service Plus. We take great pride in the quality services we’ve provided the residents and businesses of Brunswick County for nearly 20 years.

Sincerely,

Gary Fullwood
Fullwood’s Lawn Service Plus
PO Box 85
Supply, NC 28462
910-352-2599
FullwoodsLawnService@gmail.com
CERTIFICATE OF LIABILITY INSURANCE

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by the policies below. This Certificate of Insurance does not constitute a contract between the issuing Insurer(s), Authorized Representative or Producer, and the certificate holder.

Important: If the certificate holder is an additional insured, the policy/ies must have additional insured provisions or be endorsed. If subrogation is waived, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

Producer:
Cheers - Sizemore Insurance
P.O. Box 226
Shallotte, NC 28459
Cheers - Sizemore Insurance

Contact Name: Cheers - Sizemore Insurance
Phone: 910-754-4366
Fax: 910-754-4366

Insured:
Fullwood Lawn Service Plus
Gary Fullwood DBA
P.O. Box 85
Supply, NC 28462

NAIC # 23787

Coverages:

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<th>INSURED LIMIT</th>
<th>TYPE OF INSURANCE</th>
<th>ADD'L SUB JURISDICTION</th>
<th>POLICY NUMBER</th>
<th>POLICY EFF</th>
<th>POLICY EXP</th>
<th>LIMITS</th>
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<tbody>
<tr>
<td></td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>X</td>
<td>ACP GLGC 3028187005</td>
<td>03/16/2019</td>
<td>03/16/2020</td>
<td>EACH OCCURRENCE: $1,000,000</td>
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<td>DAMAGE TO RENTED PREMISES ($1,000,000)</td>
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<td>MED EXP (Any one person)</td>
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<td>PERSONAL &amp; ADV INJURY</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>GENERAL AGGREGATE</td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>PRODUCTS - COM/PART ASSG</td>
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Automobile Liability:

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<tr>
<th>ANY AUTO</th>
<th>OWNED</th>
<th>SCHEDULED AUTOS</th>
<th>NON-OWNED AUTOS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Description of Operations / Locations / Vehicles (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate Holder:
Town of Holden Beach
110 Rothschild Street
Holden Beach, NC 28462

Cancellation:
Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

Authorized Representative:
Cheers - Sizemore Insurance

ACORD 25 (2016/03) © 1988-2015 ACORD CORPORATION. All rights reserved.

The ACORD name and logo are registered marks of ACORD
MerMaid Resort Services
1032 Ocean Blvd West
Holden Beach, NC 28462
Ph 336-462-4146 fax 910-842-9035

Bid Proposal for Town of Holden Beach
Rollback Service

April 8, 2019
February 9, 2019

Project: Island wide rollback service

Per the requirements outlined in the Statement of Work provided by the Town of Holden Beach, MerMaid Resort Services is please to provide the following Bid for the services requested. Rollback services as outline starting May 15, 2019 for an Annual fee of $67,414 with an annual review effective June 30th based on an increase/decrease greater than 10%.

MerMaid Resort Services is a locally owned minority business. It has been providing, cleaning, maintenance, landscaping and pool maintenance services to homeowners since January 2012. We currently employee 3 fulltime and 19 part-time employees. I not only work on the Island but also live on the Island and take great pride in its appearance. I have a vested interest in the community and seeing our trash issues resolved in an efficient, timely and consistent manner.

As an added service our vehicles will be well marked, workers dressed in company shirts and at the end of each day the routes will be re-run for strays that appeared after the initial rollback. We will give a report to Chris Clemmons monthly. We will be readily available for any issues that might arise.

Thank you for the opportunity to service the community.

Regina Gobble Martin, Owner
Town of Holden Beach  
Attn: Heather Finnell  
110 Rothschild Street  
Holden Beach, NC 28462  

April 5, 2019  

Dear Town of Holden Beach:  

Errand Island Management is qualified to perform the role of Rollback Contractor for the Town of Holden Beach. I have the proper labor, personal protection equipment, and insurance in place in order to maintain this contract. It is my responsibility to keep crews on task and performing efficiently and I complete that by being detail oriented, creative, and organized. I am familiar with safety operations guidelines and am capable of implementation of new procedures quickly.  

With over 10 years’ experience in the appliance delivery industry and 20 years’ experience with emergency management skills along with plan formulation and execution, I am qualified to manage and complete this service to the Town of Holden Beach.  

Sincerely,  

Timothy Daniels  
Errand Island Management  

References:  

Michael P. Webster  
1950 Pleasant Farm Rd.  
Bolivia, NC 28422  
(910) 443-0414  

Arthur B. Miller  
PO Box 2327  
Shallotte, NC 28459  
(910) 443-5500
Island Errand Management

WORK ORDER

Date: 4/3/2019
Contact: Timothy Daniels
Contact #: (919) 218-3816 (cell)
Contact email: beachproperty@gmail.com

SHIP TO: Holden Beach Waste Receptacles
BILL TO: Town of Holden Beach

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starting on May 13, 2019 through September 30, 2019, Timothy Daniels will offer trash can retrieval services, which will remove waste industries trash cans from the sidewalks and roadways and place them in a secure location around the appropriate dwelling. These services will be provided twice per week, Tuesdays and Saturdays for 20-weeks during the months listed above. The service expenditure for the 20-weeks will be a total of $36,400. This payment will be broken down to $1,820.00 per week or in accordance with the Town of Holden Beach payment system, acceptable to both parties. Furthermore, the following services will be provided for $17,760 for the following 32-weeks, which trash cans will be removed back from roadways and sidewalks on Tuesdays of every week and one Saturday out of the month. During this period the Town of Holden Beach will be billed $520.00 per week with the additional Saturday week being billed for $800.00. Any modification or variant can be discussed in further detail upon request.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payment Terms:</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$54,160.00</td>
</tr>
</tbody>
</table>

Acceptance of Proposal - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Authorized Signature

Date 4-5-2019
Hello Heather Finnell, I am Katherine Prevatt with K&R Home Improvements and Construction. We are based in Supply NC. We have been doing business here in this area for 14 years. We have reference if you need them. Our company does it all. Randy Prevatt handles the construction portion of the company, I Katherine Prevatt handles the office, cleaning, scheduling and payroll of the company. Our company K&R Home Improvements & Construction has Insurance and all the supply's we would need to get the containers back to the assigned area. We can proved this service to you all at the average of .75 cent a container. We also could keep you informed when a container needs to be replaced do to damage. This keeps our beach looking good. Thank you for your time. Look forward to hearing from you Katherine Prevatt
Heather Finnell

From: Katherine Prevatt <kprevatt1@gmail.com>
Sent: Monday, April 8, 2019 10:27 AM
To: Heather Finnell
Subject: K&R Home Improvements & Const

Hello Heather, I am sending this email to you with our contact information.
K&R Home Improvements & Construction
PO Box 3344
Shallotte, NC 28459
Randy Prevatt (910) 398-4281
Katherine Prevatt (910) 398-1027

As in the previous email I gave the cost to average .75 cents a container. So without the recycle containers would be $2587.50 and with recycle containers it would be $2925.00. Have a blessed day, Katherine
Statement of Work
Town of Holden Beach NC

The Town of Holden Beach seeks qualified contractors to submit bids for the job of rolling back sanctioned household trash containers within town limits. The following is the statement of work.

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

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

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

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

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

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

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

It is anticipated that bids will be evaluated by the Holden Beach Board of Commissioners at their meeting of April 16, 2019, with a subsequent contract award. The original terms of which shall be for two years and six weeks starting in mid-May 2019, with an additional
three year option period upon completion of the original term. The price submitted by the contractor can be modified effective June 30th of each year with a 90-day notice based on an increase/decrease in containers greater than 10%.

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

Sealed bids are due to the address below no later than Monday, April 8, 2019 at noon.

Town of Holden Beach
Attn: Heather Finnell
110 Rothschild Street
Holden Beach, NC 28462
heather@hbtownhall.com
Date: April 16, 2019

To: Commissioners and Mayor Holden

From: Mandy Lockner, Fiscal Operations II

Re: FEMA Florence Reimbursement

The Town received a FEMA check for Category B (Emergency Protective Measures) in the amount of $96,562.57. It is recommended by staff that the Board adopt Ordinance 19-06 in order to reimburse budget lines associated with the expenses accrued during Hurricane Florence.
TOWN OF HOLDEN BEACH

ORDINANCE NO. 19-06

AN ORDINANCE AMENDING ORDINANCE NO. 18-10, THE REVENUES AND APPROPRIATIONS
ORDINANCE FOR FISCAL YEAR 2018-2019 (Amendment No. 6)

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 FUND 10
SECTION I: REVENUE

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0384.0000</td>
<td>Fema Florence Reimbursement</td>
<td>82,981.68</td>
<td>Increase</td>
</tr>
<tr>
<td>10.0353.0000</td>
<td>Mosquito Contract</td>
<td>3,993.56</td>
<td>Increase</td>
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PART II FUND 10
SECTION I: EXPENSE

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.0420.0300</td>
<td>Salaries Overtime</td>
<td>6,314.28</td>
<td>Increase</td>
</tr>
<tr>
<td>10.0510.0300</td>
<td>Salaries Overtime</td>
<td>45,602.28</td>
<td>Increase</td>
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<tr>
<td>10.0510.7000</td>
<td>Equipment</td>
<td>29,640.00</td>
<td>Increase</td>
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<tr>
<td>10.0580.3300</td>
<td>Department Supplies</td>
<td>3,993.56</td>
<td>Increase</td>
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<tr>
<td>10.0410.1500</td>
<td>Hurricane Prep</td>
<td>1,425.12</td>
<td>Increase</td>
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PART I FUND 30
SECTION II: REVENUE

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Action</th>
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<tbody>
<tr>
<td>30.0384.0000</td>
<td>Fema Florence Reimbursement</td>
<td>9,315.74</td>
<td>Increase</td>
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PART II FUND 30
SECTION II: EXPENSE

<table>
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<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.0810.0300</td>
<td>Salaries Overtime</td>
<td>331.44</td>
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<tr>
<td>30.0810.1600</td>
<td>M&amp;R Vehicles</td>
<td>8,984.30</td>
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PART I FUND 50
SECTION III: REVENUE

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>50.0384.0000</td>
<td>Fema Florence Reimbursement</td>
<td>271.59</td>
<td>Increase</td>
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PART II FUND 50
SECTION III: EXPENSE

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
<th>Action</th>
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</thead>
<tbody>
<tr>
<td>50.0610.0300</td>
<td>Salaries Overtime</td>
<td>271.59</td>
<td>Increase</td>
</tr>
</tbody>
</table>

This the 16th day of April 2019

ATTEST:

__________________________
J. Alan Holden, Mayor

__________________________
Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH

ORDINANCE NO. 19-07

AN ORDINANCE AMENDING ORDINANCE NO. 18-10, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2018-2019 (Amendment No. 7)

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

<table>
<thead>
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<th>AMOUNT</th>
<th>ACTION</th>
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<td>30.0399.0500</td>
<td>Fund Balance Appropriated</td>
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PART II
SECTION I: EXPENSE

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<th>DESCRIPTION</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>30.0810.0400</td>
<td>Professional Services</td>
<td>$10,000</td>
<td>Increase</td>
</tr>
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</table>

This the 16th day of April, 2019.

ATTEST:

Heather Finnell, Town Clerk

J. Alan Holden, Mayor
Item 15

As per the Town of Holden Beach Internal Control Reports to the Board of Commissioners, dated January 15, 2019. "While the Town is not required by standards to separate Town Manager and Finance Officer. ".. based on our internal control review, we believe it prudent and we recommend you separate the two roles."
Type in bottom 10 pt policies group. Should read

Improve communications among ELECTED officials.

Sent from my iPad

On Mar 28, 2019, at 9:58 PM, Heather Finnell <heather@hbtownhall.com> wrote:

Dear Commissioners and Mayor Holden,

Please see the information below from Commissioner Kwiatkowski. Have a great weekend.

Heather Finnell, CMC, NCCMC
Town Clerk
Town of Holden Beach, NC
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From: Patty <mailto:pattykwii@gmail.com>
Sent: Thursday, March 28, 2019 5:26 PM
To: Heather Finnell <heather@hbtownhall.com>
Subject: Organization of 2019 calendar year non-financial/budget Commissioner objectives with scores over 10 for Commissioner consideration-I've modified some of the brief statements for discussion

Dear Heather,

Please distribute this message for commissioner discussion at the next budget meeting as agreed today (note I've modified some of the statements provided to try to more completely describe what I believe is intended-if I haven't accurately captured the intent we will amend at the meeting). Quite a few of the priority objectives are already in hand, so it's not as much as it looks.

For finance/budget objectives, I believe we have been discussing and addressing the over 10s.

Pat
Policies/procedures/resolutions

13 pt Address Ocean Blv'd water retention issues
13 pt Improve Community Rating Score

Long Range Planning

12 pt Initiate Stage II Sewer Pump Station Upgrade
12 pt Fully support IBPB and implement strategy (I would propose changing the second half to "and evaluate proposals for plausibility, risk reduction and cost benefit, implementing those which the BOC ultimately determines to be beneficial for Holden Beach.
11 pt Make a decision on the 2nd water tower
11 pt Approve and fund an appropriate near term beach re-nourishment project
11 pt Review proposed Land Use Plan and approve an appropriate final document
(remember to consider AARP community aspects)

Ordinances

15 pt Trash related decisions

13 pt Ensure clear enforcement procedures are in place as appropriate
12 pt Control of large homes (not sure exactly what is wanted here-needs discussion to clarify)

Advocacy

15 pt Promptly address any activity/support and funding requests that result from Poyner Spruill advocacy efforts for short and long term coordination with state, county and federal groups
15 pt Define and fund strategies and supporting documents for starting various levels of government advocacy
15 pt Become more involved in coastal advocacy groups
14 pt Increase participation in NCLM to secure support on objectives most relevant to THB
12 pt Increase involvement in regional planning with other coastal communities
Additional Policies/Procedure/Resolutions Objectives with 10 pt

Prioritize Brunswick Avenue road repair
Cross train finance staff
Improve communication among alerted officials
Use pre and post beach sand data to conclude a crisis point
Establish a communication plan and website
Get more general public involvement

Sent from my iPad