Town of Holden Beach
Board of Commissioners
Regular Meeting

Tuesday, May 21, 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 28, 2019 (Pages 1 - 5)
   b. Minutes of the Special Meeting of April 12, 2019 (Pages 6 - 14)
   c. Minutes of the Regular Meeting of April 16, 2019 (Pages 15 - 27)
   d. Minutes of the Special Meeting of April 19, 2019 (Pages 28 - 35)

6. Public Comments on Agenda Items

7. Recognition of PAR Course Eagle Scout Project, Todd Robbins - Christy Ferguson (Page 36)

8. Recognition of International City/ County Management Association (ICMA) Award of Credentialed Manager Status to Town Manager Hewett – Tommy Combs, ICMA Senior Advisor


10. Fire Department Update – Fire Chief Doug Todd (Pages 37 - 38)
    a. Letter of Support for West End Access
    b. Letter of Support for Second Water Tower


12. Discussion and Possible Action on Status of 2018 Audit – Mayor Pro Tem Fletcher

13. Discussion and Possible Action – Review of Fiscal Year 2019 – 2020 Budget Message – Commissioner Freer (Separate Packet)

14. Receipt of Inlet and Beach Protection Board Report – Commissioner Freer (Page 43)

BOC Agenda 5/21/19
15. Discussion and Possible Action – Construction Management Services of the Vacuum Sewer System #4 Upgrade Status Report – Public Works Director Clemmons

16. Discussion and Possible Action on Proposed Ordinance for Maximum House Size Construction – Planning Director Evans (Pages 44 – 50)

17. Discussion and Possible Scheduling of a Date for Interviews for Inlet & Beach Protection Board Vacancy – Town Clerk Finnell (Pages 51 – 52)

18. Discussion and Possible Action on Ordinance 19-08, An Ordinance Enacting and Adopting a Supplement to the Code of Ordinances of the Town of Holden Beach – Town Clerk Finnell (Pages 53 – 54, Separate Packet)

19. Town Manager’s Report

20. Mayor’s Comments

21. Board of Commissioners’ Comments

22. Public Comments on General Items

23. Adjournment
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
THURSDAY, MARCH 28, 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 28, 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 Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Planning Director Tim Evans; Public Works Director Chris Clemmons; Detective Jeremy Dixon; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner. Commissioner Joe Butler was unable to attend the meeting.

Mayor Holden called the meeting to order.

PUBLIC COMMENT

No public was present to comment.

BUDGET WORKSHOP

Town Manager Hewett explained he went to the Shallow Draft Users Group meeting yesterday. Events have transpired and the Corps has changed the rules on beach placement of beneficial spoil material. Attorney Fox would like to call a Special Meeting, preferably on April 3rd to discuss the Shallow Draft Users Group meeting feedback.

Town Manager Hewett said following up from the last meeting, the Town paid portion of dependent insurance is about 1/3 of the total health insurance budget. The insurance lines in the spreadsheet reflect research and adjustment on our part with the quotes we have in hand. Looking at the most recent quote, based on the programmed employee structure it is actually a decrease of about $6,000. The increase reflected in the spreadsheets is directly attributed to the added positions that are requested in the proposed budget.

Town Manager Hewett explained that what is reflected in the spreadsheets is one major project coming from the Beach Capital Reserve Fund, being executed through the BPART Fund. For consistency, he will recommend that both major projects (Inlet Crossing Project and the Deeper-Wider Project) come from the Capital Reserve Fund and the minor project (sidecaster Murden, projected estimate) come from the operations account in BPART. Unless the Board has guidance to the contrary, that is what will be reflected in the next spreadsheets. What is shown today is just one major project. Assistant Town Manager
Ferguson explained that if the Corps does the Inlet Crossing Project next year, the Town would have the opportunity to piggyback on the bend widener as we have done in the past. Town Manager Hewett said there is some federal AIWW money, but the bend widener is where most of that sand is and where we have piggybacked. It’s still up in the air if it will be executed through the Corps’ authorization or the Town’s. He explained what is occurring with Oak Island this year. Deeper-Wider is pumping sand on the beach. It is about a quarter million cubic yards of sand. Commissioner Freer asked if the 75/25 split is still in negotiation. Town Manager Hewett answered that the Town has communicated our desire for something else.

Town Manager Hewett stated that administratively, Detective Dixon has a couple of late entries. We need to add another $5,400 on the Maintenance and Repair Vehicle line. The equipment line is plus another $6,000. Fiscal Operations Clerk Lockner said the new Police budget is $825,587.

Town Manager Hewett said he didn’t receive anything about the elements of the Budget Message the Board would like to see. We can defer that to later in this discussion. We are four weeks out from needing a deliverable. He needs the Board’s input soon in order to be able to incorporate those type of things in the message.

Mayor Pro Tem Fletcher asked if Town Manager Hewett has a feeling on the 18/19 budget if the Town will come in on budget, over budget or under budget for the year. Town Manager Hewett replied there are still several FEMA reimbursements coming in. He explained we only ring in revenues that we make deposits on in the budget. We have received information that we have approval on a couple of FEMA reimbursements. The Board will see a budget amendment for about $90,000, which is basically salaries and overtime work for Florence. We will not break the budget. There may be some lines overspent, but bottom line we will not be over budget, unless on the water side, which is an enterprise function. We might treat more water or buy more water than anticipated. There are corresponding revenue lines that go along with those service deliveries. He doesn’t look at that as busting the budget because you have an offset revenue there. He is projecting the Town will be under budget for the General Fund. Any unexpended appropriations automatically will fall to Fund Balance. Fund Balance is a relative measure calculated at the end of the fiscal year. It is an amount available for appropriation as a function of the following year’s expenses. We will have that calculated as part of the Budget Message. He said he still doesn’t have the audit from the year ending 2018 yet. That is a piece of making that calculation. Town Manager Hewett said he won’t be in a position to say what the estimated Fund Balance will be until the Budget Message is delivered.

Fiscal Operations Clerk Lockner reviewed the budget schedule. There will be another workshop on April 12th at 10:00 a.m. The spreadsheets have not changed drastically since the last time we were here other than Detective Dixon’s additions and recalculating some of the insurance and salaries to reflect merit increases that have not been done for employees yet. She said if the Board has questions, now is the time to ask. We did receive a tax base number back. It was a little lower, but it really didn’t change too drastically from our last meeting.

Detective Dixon provided the Board with a breakdown on the uniforms. He wants to redo everything. They have had the current gear since he started here. There are officers whose duty belts are held together with tie wraps. His original quote was $30,000. His final number is closer to $23,000. This doesn’t account for getting the uniforms fitted to each officer. The low end for the vehicles he is replacing will be about
$49,000, the high end $59,000. He still needs to research what will work best. The price list is based on everything they are offering for Police Departments on state contract. The cheapest quote is for a truck and the high end would be a SUV. He explained he needs to replace one vehicle and the other vehicle he is requesting is for if they hire another officer. Commissioner Freer said he thought the policy was for patrol officers to have trucks. Detective Dixon said he still wants to go with trucks, he is researching all options. He does like trucks for patrol, he thinks they work well. Town Manager Hewett added unless there is a special need for a different vehicle. Detective Dixon stated they have eight vehicles and a spare. He explained the spare will be cycled out. Under Maintenance and Repair Vehicles he is requesting to restripe the vehicles. He doesn’t have the hard price at this time. Under the Equipment line, the request for $6,000 is for a Computerized Voice Stress Analysis (CVSA). He would like to explore the option of getting one for the Town. The amount will cover the equipment and training. It would be a beneficial tool for the department. They can also use it for background investigations. Town Manager Hewett stated it is his opinion that we need to add another $5,000 to add an Investigations line item. It was very apparent over the last couple of weeks that budget wise we were ill equipped to handle the type of event we had. He needs an operational line item to be able to react in real time to similar things. Commissioner Freer asked if Detective Dixon anticipates doing a lessons learned from the recent case. Detective Dixon said they are already working on that in-house and also with the other agencies involved. Town Manager Hewett explained that due to the nature of some of the information, it may not be public.

Town Manager Hewett said there is still some pushing around staff will do with all of the numbers.

Fiscal Operations Clerk Lockner explained the delta sheet is a sheet she likes to keep for herself. She explained how she uses it. Commissioner Freer said he would like a column added on the far right showing projected fund balances. Town Manager Hewett said that is a Budget Message piece of information that we will come forward once we get closer to how we push this stuff around. We do have the treasury balance by fund. That will be about two months in arrears based on outstanding encumbrances. We could provide that information by fund, but it would not be directly linked in real time to the delta. Fiscal Operations Clerk Lockner explained it is really hard to do Fund Balance calculations without having an audit.

Mayor Pro Tem Fletcher asked about purchasing capacity for the sewer from the county. Town Manager Hewett said through an interlocal agreement we pay the county for the capacity in the plant. There is an annual obligation to pay the bond debt that the county has underwritten. We have a contractual obligation to annually pay to the county about $1.1 million for the sewer capacity until 2026. At that time, the debt service falls off to about $500,000 a year. In addition to the debt we pay to the county, we also have Town debt for the sewer collection lines. The obligation to the county is capacity and transmission lines. This year is the last payment on the debt for the collection lines. Our interlocal agreement with the county is that the county manages the capacity in the plant. The county is facilitating the expansion of the regional plant for Southport’s benefit. They have been paying the county a rent for the excess capacity. In the budget there is a Miscellaneous revenue line. Those are not budgeted revenues; they are received revenues because there is some flux on the actual programming of the improvements. The county has told us not to count on that money. We are not budgeting for it next year because the county is using those funds to fix some major issues at the plant, to the tune of about $1 million. Public Works Director Clemmons provided information on the work being completed at the plant.
Town Manager Hewett explained attorney fees are scattered throughout the budget. We try to apportion those costs according to the function that creates them. Primarily, in the Governing Body there is an expense item there under Professional Services. The work that gets done on the beach is in the BPART Fund. Planning Director Evans also has a small Professional Services line.

Commissioner Kwiatkowski said she knows the Board needs to have a discussion in the near future about the objectives. Looking at the ones that are over 10 points, she said she wants to make sure we didn’t miss anything that might need a study or have a cost of some sort. One of the things at 13 points was addressing the water retention issue on Ocean Boulevard. She said she wonders where stuff like that fits. Town Manager Hewett said that particular one is a DOT road and he is not sure what we can do with it. Public Works Director Clemmons stated DOT does not have a solution for the road. He did leave a message for DOT this week to see if we can get an update on the paving schedule for Ocean Boulevard. At that time he communicated his concerns to them and did not receive anything encouraging back from them. Planning Director Evans said he did talk to Iris McCombs from DOT and she said she would take a look. He also told her about the hole in the road by Town Hall. Town Manager Hewett said if the commissioners have specific locations they would like staff to direct attention to there is an administrative process that we would need to follow if we are going to do improvements in the DOT right-of-way. From past experience there is not a lot of right-of-way to work with. We don’t have enough area to handle the impervious surface that is required. He said they are setting up an unrealistic expectation with a grade of 13 to fix the flooding on Ocean Boulevard. Planning Director Evans talked about flooding and areas of environmental concern. Commissioner Kwiatkowski said if the public understands the situation and what is available when there is a true safety issue that is addressing the Ocean Boulevard water retention issues. She said it doesn’t have to be an engineering study, but if there is something that needs an expense now is the time to address it. Town Manager Hewett explained that in Public Works Director Clemmons’ budget he has an additional bypass pump in the Water and Sewer Fund for the lift stations. That pump could also be transformed into a stormwater control device on an as needed basis. Public Works Director Clemmons talked about areas that flood, concerns and how he addresses them.

Commissioner Kwiatkowski said the Board is overdue on addressing the interim development fees. If part of that is another study, something should be put into the budget if the Board isn’t going to do it under this year’s budget. The other thing to look at would be if the Board is going to look at a second water tower. Town Manager Hewett said the water tower shows up in year two of the Capital Improvement Plan (CIP), which the Board does not have yet. Mayor Pro Tem Fletcher asked about the expense showing in the budget for the water tower. Public Works Director Clemmons explained that is for the work that was recently completed; that was financed over a few years. Commissioner Kwiatkowski asked if the Board believes it would be a good decision for money to be put into the budget for a second development fee study and further evaluation for a water tower. Commissioner Freer said he thinks for sure for the development fee. He is not too convinced on the water tower. The Board talked about if it was better to do the study this current year or in the next budget. Town Manager Hewett stated it will require a budget amendment. He needs a consensus so we can program the amendment with whoever will sponsor the action. Commissioner Freer offered to put it on the agenda. Town Manager Hewett said in the CIP, the programmed construction cost for a second water tower is in year two. He said what Commissioner Kwiatkowski is talking about is the professional services report to make the evaluation that would enable the Board to make a decision on proceeding with a second water tower. He doesn’t know what the amount would be. If the Board decides that is the way they want to go, we will scope what we think and make an Engineering Services line for an upcoming budget meeting.
Commissioner Sullivan asked if there are any days in the last year or two when the island was unmanned with the current police manpower. Detective Dixon replied that they have never let that happen. It has been tough. He is currently the on call officer. Commissioner Sullivan asked if they needed to pay overtime to man the island for every tour. Detective Dixon responded yes, he would have to research the amount of tours. Commissioner Sullivan asked if we anticipate that the overall overtime budget would be reduced if we hire another officer. Detective Dixon answered yes, excluding hurricanes and things like that. He calculated his numbers for the uniforms at plus one so that they have extra equipment in case something breaks. His plan is to implement a completely different uniform than what is worn today. The ones they are wearing now are functional, but there are ones that are more professional that still provide safety.

Commissioner Freer said he is trying to look back on the Board’s goals to make sure they are meeting the goals. His opinion is if you have three pages of goals, you have none because it is way too much. Commissioner Kwiatkowski said she pulled out a list of everything over ten points on everything but the financials since they were already discussed. She also listed the policies/procedures/resolutions with 10 points to take a look at it, figuring that is where the Board would want to focus their attention. She would be happy to provide it to the clerk to send to everyone so they could discuss it as a group. Commissioner Freer thinks it makes sense for everyone to look at what they view as the top priorities. He suggested two or three per section. The Board talked about discussing that at the next meeting.

Mayor Holden asked about scheduling. Town Manager Hewett said Attorney Fox is available to meet on April 3rd. The Board agreed to set the meeting at 2:00 p.m. Mayor Holden asked if they could piggyback on the meeting for Town Manager Hewett’s review.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 11:16 a.m.; second by Commissioner Freer; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
FRIDAY, APRIL 12, 2019 – 10:00 A.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Friday, April 12, 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; Public Works Director Chris Clemmons; Planning Director Tim Evans; Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner and Police Chief Jeremy Dixon.

Mayor Holden called the meeting to order.

PUBLIC COMMENTS

No comments were made.

BUDGET WORKSHOP

Commissioner Freer suggested reviewing the Board’s goals. Commissioner Kwiatkowski explained in the back of the packet is the list of the Board’s goals that she condensed down to items that received scores of greater than 10. She explained it is for everyone to take a look at and to make sure if there are activities the Board is committed to there is appropriate funding. Commissioner Freer said he would like to see a top five, or six to eight. The Board talked about what they selected and how to proceed.

Commissioner Freer stated his number one is no new taxes. The Board agreed that is one of the top five. Town Manager Hewett asked if they mean no new tax rate or new taxes. The Board agreed it is the same tax rate.

Commissioner Freer stated no annual debt and no tax increase was the goal he ranked as number two. He said he is looking at annual debt as long-term. He understands there could be a bridge loan for FEMA reimbursement, but no additional long-term debt. Mayor Holden asked if he is including assessments in that. Commissioner Freer replied no. Mayor Pro Tem Fletcher said his view of the topic would be no long-term borrowing for expenses we won’t be reimbursed for; trying to manage the Town without any new long-term debt. Town Manager Hewett explained a type of assessment could be street paving. That is a separate and distinct process from the annual budget process that goes along with that.
Mayor Holden said when you say no tax increases, those in government may understand more than an average person who may think nothing will increase. He is looking for clarity if the Board is looking at taking money from the public’s pocket in any way other than the tax rate. Mayor Pro Tem Fletcher said if the tax values go up significantly people will pay more taxes. The rate doesn’t change, but the bill would go up. Commissioner Freer said the values are going up, but the Town is having a zero balance, you are not paying more. Town Manager Hewett said individuals could. Commissioner Kwiatkowski said some properties in the reassessment went up in their tax value, others may have dropped. It balances in the end, but there will be individuals who pay more. Others may pay less and some will pay the same. Town Manager Hewett explained with the same tax rate the greatest majority will pay very close to what they paid before. His experience is that if in a revaluation year a tax bill goes up it is a consequence of discovery of something like a swimming pool. Commissioner Freer said the intent is to stay revenue neutral. The Board talked about revenue neutral.

Commissioner Sullivan said having no long-term debt is a good aspiration, but the Town is also a growing community. He asked if the Town will be capable if the Town decides to build a second tower to pay for the tower with the funds that we have or if we are going to need borrow. He is not sure if we want to make a definitive statement that we are not going to take on any long-term debt. Commissioner Freer said it is a goal. Our long-term debt is going down, but it is still healthy. Mayor Pro Tem Fletcher said he thinks everyone understands something could happen where the Town would need to borrow something that needs to be done to keep the island the way we want it. Commissioner Sullivan said that is the intent of the Board, he doesn’t think we need to state that. Nobody wants to and we would only do it under circumstances that require it. Commissioner Kwiatkowski agreed, the goals should be something the Board needs to actively manage. There is nothing in the budget or in the Capital Improvement Plan (CIP) for this upcoming fiscal year that is endangering our intent to have no long-term borrowing. If the desire is to keep it to a handful of objectives she would make them something that takes activity, not passivity on the Board’s part. Commissioner Freer stated it is a goal we are applying to the budgeting process. He wants to apply it to everything the Board does. Commissioner Butler said the Board already talked about the need of a bridge loan, but he thinks the long-term debt is something we need to consider. Town Manager Hewett said the issuance of debt is such a deliberative process. Any type of project that would require debt would take fairly intense deliberation and action by the Board to do that. Commissioner Freer stated he believes it will be an easy goal to meet, but something that needs to be stated. Mayor Pro Tem Fletcher said if Carolina Beach decided to do this a couple of years ago they wouldn’t be in the trouble they are in now. Commissioner Sullivan said he agrees, but his view is they all agree on this topic so there really is no need to put it on the list.

Commissioner Freer said his next one is to increase BPART/ Fund Balance and the General Fund Balance. He said we don’t want to subtract from the fund balances. Commissioner Sullivan said last year the Board had a large discussion because of the FEMA reimbursement. The Town allocated two cents of that money into increasing the BPART Fund. We now have more money in the BPART Fund than we did prior to the Central Reach Project (CRP) and we set $3 million aside. He said that was done because we wanted to prepare for the next CRP. If you look at where we are today, we will have a project that will only require us to put money up and we will be reimbursed. He stated we don’t need to have $15 million to $20 million to accomplish the project. He thinks it is time that the Board start looking at how to use some of that money, not to tap into the BPART Fund, but we don’t need to worry about contributing more money into a fund that hopefully we will not need to use other than making the initial down payment and then we
will be reimbursed. Commissioner Sullivan said his position is the same as it was last year; we should reduce taxes by two cents. Commissioner Freer said the Town took a ten year loan out for $12 million. He said the CRP was for 1.31 million cubic yards and now we are hoping to be reimbursed for 1.1 million cubic yards. Commissioner Sullivan said despite the fact we will not get 1.3 million cubic yards, if we add 1.1 million cubic yards, we will still have more beach than we did when the CRP was completed. The Board talked about the amount of sand on the beach. Town Manager Hewett explained that when FEMA does the lost estimation and the engineering behind it, the 1.3 million cubic yards was a dry sand beach placement. When FEMA does the calculations on the sand losses, they go to 20 feet depth of closure. The losses that qualify are wet; the methodology used is to our benefit. If you put the losses back on the beach, you will end up further out to sea with a dry sand berm. Commissioner Freer asked if the Town is required from FEMA to put the 1.1 million cubic yards we are being reimbursed on the beach. Town Manager Hewett replied it has to go in the permitted template, which is a dry berm template, in accordance with the permit design. Mayor Pro Tem Fletcher asked if the current BPART balance is projected to grow, shrink or stay the same. Fiscal Operations Clerk Lockner said the total is the same, it is balanced. Mayor Pro Tem Fletcher said he loves the idea of giving a refund, but it means we will bleed down the BPART Fund $250,000 a year. Commissioner Sullivan said we put in an extra $250,000 out of the FEMA reimbursement. He said we put $3 million in a lump sum. Mayor Pro Tem Fletcher said the Board took it out of the money charged in taxes. Commissioner Sullivan said the Town would not have the money without the money from FEMA. He said he isn’t talking about the seven cents the Town receives from tourists. FEMA gave us a reimbursement. Out of that extra money, the Board took $3 million and put it into the sand fund. Commissioner Sullivan said then there was $250,000, which he argued should be a tax reduction. That was taken and put into the BPART Fund last year, instead of giving a tax refund. He said the Board did that because they were worried about Central Reach 2. He thinks they can say that concern is not as strong of a concern as it was before so the Board can take that money and allocate it in a different way. Mayor Pro Tem Fletcher said the money that would go into Fund 90 this year is coming from the tax revenue. He said from the $800,000 tax increase the Board gave them, about $600,000 goes into the BPART Fund and the balance goes to Fund 90. BPART still needs to pay the bill and they don’t take in enough to do that. Commissioner Butler stated he is glad they put $3 million into a dedicated sand fund, a capital reserve fund. Mayor Pro Tem Fletcher agreed and explained he would prefer to have money in savings than plan on future taxation. Commissioner Sullivan said the first 15 minutes of discussion today was that the Board did not want to increase debt or taxes, but what the Board is doing in effect is taking money that is capable of being used for a reduction in taxes, which was discussed that we won’t need based on the current situation with FEMA and in effect we are taxing the current property owners the two cents. He thinks the people who agreed to take on the $15 million debt are entitled to have a reduction in the tax rate. He said it seems logical to him that if the Board doesn’t want to raise taxes that they should do that. Commissioner Butler said there is $3.241 million that was put into a dedicated sand fund. He doesn’t know what Mother Nature has in store for us. There are two other ends of the island. He said the Board should be concerned about the east end with everything going on.

Commissioner Freer said his number 4 is creating a short-term beach re-nourishment plan. He said that is what we are working on with the two FEMA named storms. Town Manager Hewett stated that short-term beach nourishment plan operationally with FEMA and some of the current issues right now is in play. Additionally as part of the beach management master plan, that is a leg on that stool too.
Commissioner Freer stated his number five is the $10 million for 10 years - Central Reach. We have a little over $3 million and are going into the third year so we are on schedule for that. Mayor Pro Tem Fletcher stated that continues to be one of his goals.

Commissioner Freer stated that is his top five. He could keep going, but five is a good number.

Mayor Pro Tem Fletcher stated that his other one that was a major one is to look at a communications plan. One that shares information with the public, not just for our residents, but all of the taxpayers. He said we had too many events that the Board ends up making a decision that they find out the public isn’t very happy with. He feels like he represents all taxpayers. He would love to see a communications system that gets developed that can send out the information easily. He thinks we could use a better information flow. Commissioner Freer said he agrees with that. On Tuesday there is an organizational study analysis and it should be part of that.

Commissioner Butler stated he agrees with the ones stated. The one area that really seems to be of concern to him is number 15 advocacy – sand fund strategy and supporting documents. He said the more information we obtain and the more meetings we go to, the further south we go. He said we need to get our feet going. Commissioner Butler said things are happening behind our backs and we don’t know what’s going on. He said starting with the county and the Corps, there seems to be massive confusion. Commissioner Kwiatkowski stated if you look at the wrap-up she did, almost everything in the advocacy section received a 15 or 14 points. She said the section is something the Board needs to have as a priority. It is not just going to meetings. It is coming back with what is going on and a plan on how to fix it. She explained that was a good part of what the D.C. meetings were about. She said we need to focus on advocacy in general, where we are going, what we are producing and what we are trying to achieve. She said this takes several years. Commissioner Kwiatkowski would disagree that we haven’t made some progress. It may not be apparent yet, but she thinks there has been some progress. She thanked Commissioner Butler for pointing that out. She thinks the Board needs to take advocacy on as a major objective. Commissioner Butler described some of the confusion he feels is out there. Sand is our number one commodity.

Commissioner Sullivan stated the Board has to look at and come up with a plan about the long-term expenditures for all of the various dredging projects in the Lockwood Folly. We have gone from paying roughly $78,000 and now they are talking about $1.2 million. We cannot sustain that type of nourishment program so we need to address that. He said the Board needs to make some hard decisions and try to figure out a way to nourish the east end, but at a cost we can absorb. Commissioner Freer said he said short term and Town Manager Hewett extended it to long-term, but he thinks Commissioner Sullivan is right. It’s planning. Commissioner Sullivan said he is talking specifically for the Lockwood Folly. The Board talked about current issues relating to the inlet and the financing involved. Commissioner Kwiatkowski said the Deeper - Wider Project was one the Town wasn’t on board with; we simply said if you are going to do this we need the sand. She said we are now back to square one that the Town needs the sand that comes from the normal dredging and the crossing. Commissioner Freer agrees. He asked how the Town is advocating to the county. Town Manager Hewett said Poyner Spruill is working for the Town on federal issues. Mr. McIntyre will be on the agenda in May for an update.
Commissioner Kwiatkowski stated she thinks the Board should put improving the community rating score on their objectives. She doesn’t think it is unreasonable to say that in this fiscal year steps start to be taken to get the effort underway to improve the score. Right now we are at an eight and we get 10% off of our flood insurance. We may be able to get to 20. Commissioner Freer stated he does not disagree with that.

Commissioner Freer stated we are up to eight. Commissioner Kwiatkowski said a lot of these are not new efforts, but they are continuations. She looks at it as what the Board is taking on that is new and more effort is necessary by staff and the commissioners. She stated she doesn’t disagree with the objectives we are stating, but she doesn’t think the Board needs to limit themselves. Commissioner Freer said he views it as a guideline for the budget so Town Manager Hewett could understand the guidelines a little clearer.

Commissioner Sullivan said he is in favor of a tax reduction and others are not. Commissioner Kwiatkowski said like last year, she agrees. She would like the Board to give the two cents back and play it year to year. If there isn’t agreement on it, she thinks the best idea would be to put it into the sand fund. Commissioner Freer stated the Town is close, but not to where the General Fund Balance should be. He would rather put it in savings than give it back. Commissioner Butler said he is neutral. He wants to keep the tax rate where it is. Mayor Pro Tem Fletcher said he doesn’t think there is any surplus in any of the funds. He would love it, but if they don’t put it in the sand fund he thinks it should be put in the General Fund to improve our financial statements. He said we are not far from Carolina Beach and they are being warned by the Local Government Commission. Mayor Holden asked about the interest rate on the original $10 million loan. Town Manager Hewett replied he would need to look.

Fiscal Operations Clerk Lockner reviewed the schedule. Next Friday is the last workshop. There is a Budget Message deliverable between the 6th and 10th of May.

Fiscal Operations Clerk Lockner said not much has changed in the General Fund. We did change some expenses in the Governing Body. Commissioner Sullivan said looking at the numbers for ad valorem, we are anticipating getting about $215,000 more than this current year. Fiscal Operations Clerk Lockner agreed. Commissioner Sullivan asked about the difference in Miscellaneous. Fiscal Operations Clerk Lockner said $43,000 was the sales tax that was put in Miscellaneous and then was distributed to the various funds. Town Manager Hewett stated it does not show $43,000 now. He explained the numbers are benchmarked at February 19th. Fiscal Operations Clerk Lockner said the Budget Message will show what we are proposing for the upcoming year. It doesn’t show the spreadsheets.

Mayor Pro Tem Fletcher said when you look at the next to last line in the funds where you are appropriating, it means you are taking out of the fund. It is only $35,000, it is pretty much a balanced budget, but it isn’t growing the fund. It would lower the fund ratio. Town Manager Hewett explained staff still have some tweaks and they understand the Board’s guidance.

Commissioner Kwiatkowski said on page 11 when you look at the transfers to BPART and the Beach nourishment fund two weeks ago they were higher and were expressed at two cents and five cents. She would like to understand the change in numbers. Town Manager Hewett explained last year we transferred a total of $806,000. When we ran the numbers for this year we did use the two/ five split. Both of those amounts were more. In order to accommodate fund balance, we decided to project a total of $806,000 transfer, so it is a little lower than a seven cents total. The transfer to the BPART Fund is the
five cents, which is the debt service on the special obligation bond. The other two cents equivalent is the contribution to the Capital Reserve Fund.

Commissioner Kwiatkowski said she was comparing against the last meeting and based on those numbers the salaries went up about $30,000. She asked if there was refinement to the item. Fiscal Operations Clerk Lockner said she would need to go back and look. Town Manager Hewett said it is the inclusion of the part time administrative assistant, the auxiliary police and there is an offset in differentials between the upcoming budget force structure as opposed to last year's. Commissioner Kwiatkowski stated the overtime budget has remained constant. It is not being reflected that an extra officer could reduce the amount of overtime. Chief Dixon said that is his goal, but there are hurricanes, festivals, sick days, etc. Commissioner Kwiatkowski states she knows there is a lot the Police Department wants and needs. She asked if there are some things that can be looked at to see if they can fund part this year and part next year and still achieve the overall objective given that we are looking for $35,000 – $40,000. Chief Dixon replied he has looked at that and explained why for professional appearances it will be best to roll it out together. Commissioner Freer said he is a big supporter, but he thinks the overtime should be reduced. If you are adding one and not reducing the other, it doesn't make sense to him. Mayor Holden stated that 12 years ago, the Board at the time wanted to go to a 10 member department. We are potentially at nine; someone is doing good with the purse strings.

Commissioner Sullivan said when he looks at group insurance and compares the cost of the salaries to the insurance, it is different by department. He asked how it varies. Fiscal Operations Clerk Lockner explained it is a different workforce in each department. There are different dependents based on who is in the department. The Town pays 100% for employees, 80% for dependents. Commissioner Freer asked if we will have the compensation plan report back before the Budget Message. Town Manager Hewett replied no, he is thinking it will not be available until July or August. He said the 80/20% split has been a practice the Town has evolved over many years. Commissioner Freer said the practice has evolved in the rest of the world differently. Commissioner Kwiatkowski said not everywhere. There is great latitude in how different organizations do it. Commissioner Freer said the Town is flipped from most municipalities. He said the state teachers are flipped as well. Commissioner Butler asked about the total of insurance for single and family coverage. Town Manager Hewett stated he provided that information at the last meeting when he wasn't there. He will get it to him.

Commissioner Butler talked about the New Jersey State Troopers' uniforms.

Commissioner Kwiatkowski inquired about the rollback number. Public Works Director Clemmons said the number will reflect the new bids because he used some of the information from the new figures.

Mayor Pro Tem Fletcher asked if the Fund Balance appropriated in the Water and Sewer Fund is primarily for the upgrade to Station #3. Fiscal Operations Clerk Lockner replied yes. Commissioner Sullivan said there seems to be a $150,000 difference in the Water Capacity Charge line; it went from $170,000 - $15,000. Fiscal Operations Clerk Lockner said that is related to the capital reserve fund and the sewer study. We had a budget of $170,000 last year and the Board made some changes. We have moved about $15,000 over to the capital reserve fund. The amount was budgeted because we have not made any new decisions and that was the amount we received. Town Manager Hewett explained the delta is directly attributable to the fact that the $173,000 was predicated on a high capacity charge last year and what we
have received is a lot less based on the commissioners adopting a reduced fee schedule. We don’t have an updated fee schedule for the fee so we budgeted pessimistically on that. He confirmed it is in relation to the sewer capacity fee charge being changed. The fee schedule was changed after the budget was adopted and we didn’t go back to it.

Assistant Town Manager Ferguson said the county requested a special meeting with the staff on April 3rd. The county is concerned about liability and no longer wants to take the lead on the Deeper- Wider Project. If the Board wants to do the project, the Town will need to handle the initial cost. They are still willing to give the part that they suggested. The Town would need to take the lead on the full amount and then apply for and receive a grant. The county de-obligated the grant funding with the state. It is a major modification of our permit. That does cause concern because we were also going to try to do the AIWW Crossing Project. If we were to do this major modification, we don’t want our permit to be tied up. Staff talked to the Town’s engineer, Fran Way. He said it is very similar to option 4 of the terminal groin study. Assistant Town Manager Ferguson provided details on the concerns in the similar scenario. A similar project in New River Inlet just cost $80,000 in permitting. The county’s grant application showed $60,000 in permitting. Mr. Way is concerned about the shipwrecks out there. A possible full Environmental Impact Statement (EIS) may be required because of archeological and essential fish habitat. There is up to one year for permitting. Assistant Town Manager Ferguson said this would put the sole liability back on the Town. What we were saying in the interlocal draft that went to the county was based on the resolution that the Board passed the Town would like to see modeling. Now it falls to the Town.

Commissioner Butler said he looked at the report last night. Everything has changed. He goes to a meeting and hears one thing. Then staff goes to meetings and everything changes. Commissioner Freer asked if this reflects the direction of the county. Town Manager Hewett replied yes, the county is walking away from this project. The county is the one that applied for the grant. We protested the application of the grant in the beginning. We didn’t feel like some of the concerns were adequately addressed. Commissioner Freer asked if he thinks this reflects a wider direction of the county as far as Lockwood Folly dredging. Town Manager Hewett explained he does not know what the county will do as a follow up to this. Commissioner Kwiatkowski stated this project was positioned as an experiment. She said a lot of times when an agency puts out an experimental idea they are hoping to get positive feedback from different informed bodies who have been through things, saying it is a good idea. She doesn’t think they received that from anyone. She thinks the liability concerns suddenly hit them so they didn’t want to take the lead. Commissioner Kwiatkowski said a year ago the Board was dead set against this and our caveat was if they are going to do this, we need the sand. She said she thinks they have come to the conclusion that this is an experiment and they are not prepared to go out on a limb like you have to for an experiment with possible severe consequences. Mayor Pro Tem Fletcher asked if we anticipate that there would need to be extensive environmental studies to get the permit. Town Manager Hewett responded that this is a modification to a Corps’ existing authorized template. He thinks the statement about up to one year for permitting may be optimistic. A full blown EIS is probable. We have said all along we want modeling whenever there is anything that is a modification to the current modus operandi out there. Assistant Town Manager Ferguson stated the staff’s interpretation is the Board is not interested in the Deeper-Wider Project, they don’t want a grant applied for and they don’t want to move forward with the project. The Board agreed. Town Manager Hewett explained that is what this budget reflects. The amount was pulled out.
Assistant Town Manager Ferguson said regarding the AIWW Crossing and Piggyback Project, for the current fiscal year, the Corps announced they are planning to do a contract on that. The total cost estimate based on this year’s numbers for piggyback was $3,840,000. Mr. Way thinks more sand may be available if Oak Island doesn’t get to the sand this year for the piggyback portion. Based on the numbers we have, we would need to apply for the grant from DWR. She doesn’t think the funds should be appropriated from the Capital Reserve Fund until there is notification of grant award and we have confirmation from the Corps that we are the ones getting the sand. $1,280,000 is the Town’s share. We can request the county participates in that. This involves using our permit. 200,000 yards is what Mr. Way is anticipating as the amount. Commissioner Freer stated we don’t know what Oak Island is being charged. Assistant Town Manager Ferguson said we are still following up with the Corps on that question. Town Manager Hewett stated the piggyback project is not in this budget either. The Board would have to adopt a project ordinance once a grant contract is in place. Commissioner Freer stated he is surprised there is not a line where the Town will work with the county as we have done in previous years. Town Manager Hewett said that is the Lockwood Folly Dredging line, which is basically the operations account for the Corps’ dredge plant. We try to discriminate what goes into the operations budget based on there being a contract document in place versus ongoing maintenance. Assistant Town Manager Ferguson stated in the budget the recommendation is to leave the $1,280,000 in the capital reserve fund and don’t bring it over until there is a project. Commissioner Freer said we are assuming the county is not participating. Town Manager Hewett said we will need to take it up with the county if we receive a grant award. The application process has become more finite now that the SDI-5 Fund has become a reality. Commissioner Freer said it seems like the county is hands off and we need to change that.

Assistant Town Manager Ferguson said in this fiscal year we were awarded a CAMA access grant. We do not have the grant documents at this time. We don’t have time to build a walkway before the season. The grant needs to slide to the next fiscal year. The admin vehicle has been removed from the budget.

Commissioner Freer asked about Professional Services. He inquired how the decision for choosing two of the four projects for the collaboration with UNCW was made. Assistant Town Manager Ferguson replied in discussions with Mr. Way based on what he thought would complement what the Town was already doing. She explained the Inlet & Beach Protection Board (IBPB) heard the presentation. The minutes show that staff would go back to talk to Mr. Way and see what he thinks would work best. There were some things that he needed to give us information on. On some of the cameras and other monitoring, he was a little skeptical of spending money at this point in time until the technology came along a bit. It is up to the Board if they want to go for the full amount. The full amount was $32,200 as an estimate. The recommendation is $15,400. It was $7,700 for dune vegetation mapping and monitoring and $7,700 for Lockwood Folly and Shallotte Inlet history map and track. Commissioner Freer said he views the process as staff and Mr. Way bring the information to the IBPB and they bring it to the Board. Town Manager Hewett said the budget process is a staff process. The IBPB reviewed that and his understanding is it was couched in terms of what the operators would think would be the utility in that. That is what this budget reflects. Vicki Myers (IBPB Chair) said she believes the IBPB recommended going forward with all of them. Assistant Town Manager Ferguson said her understanding was staff was supposed to get with the engineer and find what would complement the Town best. Commissioner Freer said it makes sense because we want Mr. Way and UNCW to be collaborative, but he doesn’t think it went back through the process. He had the opportunity to look at the camera and it is being used. He encouraged Mr. Way to look into it a little further. Assistant Town Manager Ferguson asked if the Board wants the number to be changed to
$32,200 and all of the possibilities be put in. Commissioner Freer replied no he is okay; he is just talking about the process.

Commissioner Kwiatkowski asked if she remembers correctly from the last meeting that finding a new sand source that will apply to CRP 2 is a possible reimbursement. Assistant Town Manager Ferguson replied yes. Commissioner Butler stated he thinks the Board will discuss this Tuesday, but rather than using Central Reach, he used hurricane names. He said FEMA reimbursement is a direct result as a loss of the sand due to the hurricane. He would like to keep Central Reach separate from FEMA. Ms. Myers stated the IBPB discussed it. It was 50/50. She agreed they are different funding sources so it probably would be clearer for the public to use Florence/ Michael Remediation. Commissioner Kwiatkowski suggested the Board could use Central Reach Reimbursement (CRR), instead of project. Town Manager Hewett stated this is a permitting expense that is a direct reimbursable function of a storm. Commissioner Butler doesn’t want to confuse the two. Town Manager Hewett explained we don’t have an approved project worksheet or project budget. Until that happens it is not a reimbursable expense.

Commissioner Kwiatkowski stated she sees there is another $10,000 for Board Travel. She asked what is expected for that. Assistant Town Manager said it is not all Board travel. The line went up because we are not getting a new truck. It includes money for travel costs.

Commissioner Freer explained in reference to the money for the heaters at the Fire Substation, they need to keep the trucks heated all winter. Assistant Town Manager Ferguson explained that the line also includes taking care of rot issues at the substation.

Fiscal Operations Clerk Lockner explained the last slide is the capital reserve funds. We have gotten a little closer to the numbers on page 37. The Capital Reserve Fund Water includes what is currently in there, plus the amount you see in the budget in the Water Fund, as well as sewer. The Beach Re-nourishment and Inlet Management Fund shows what is in there now at $3.2 million, plus the amount $2.6 million that will be transferred.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 11:50 a.m.; second by Commissioner Butler; approved by unanimous vote.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, APRIL 16, 2019 – 7:00 P.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, April 16, 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; Fiscal Operations Clerk Mandy Lockner; and Police Chief Jeremy Dixon.

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

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Commissioner Kwiatkowski said the Board had a discussion at the budget meeting on the Board’s priority objectives, which is item 19 and asked to take the item off of today’s agenda. The decisions will appear in the minutes of the budget meeting and if any citizens have any comments or questions once they read the minutes they can address the Board at the next meeting.

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

APPROVAL OF MINUTES

Motion by Commissioner Kwiatkowski to approve all four sets of minutes (Special Meeting of March 7, 2019, Regular Meeting of March 19, 2019, Special Meeting of March 21, 2019 and Special Meeting of April 3, 2019); second by Mayor Pro Tem Fletcher; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.
DISCUSSION AND POSSIBLE AWARD OF CONTRACT FOR ROADWAY WORK (SAND SPUR, SAND DUNE AND SAND PIPER)

Public Works Director Clemmons stated we have a streets conditions survey and we budget money for paving streets on a yearly basis. We advertised for bids for road paving for Sand Spur, Sand Dune and Sand Piper. The bids came in Friday. The low bidder was Highland Paving. They have done paving for us in the past.

Motion by Commissioner Kwiatkowski that we go forward with Highland Paving’s bid for the work that needs to be done on the three streets this year so we can proceed with the contract, second by Mayor Pro Tem Fletcher; and approved by unanimous vote.

POLICE REPORT – CHIEF JEREMY DIXON

- Trying to work on some of the numbers with the reporting. He attached a copy of the reports taken. In the adjustment period of trying to get these numbers accurate there is one discrepancy you may notice on the first sheet. It shows four incident reports, but when you look at the log there were six reports taken. He doesn’t have an answer right now, but they are working on it.
- March is starting to pick up a little bit. Have taken a few reports.

Chief Dixon presented Officer Jessica Camara with her Intermediate Law Enforcement Certification.

RECEIPT OF INLET AND BEACH PROTECTION REPORT

Commissioner Freer said this is accepting the February update. He stated this will come up later, but we had an interesting debate about the name of the work that will be forthcoming at the Central Reach area. He asked if the Board settled on Florence/ Michael Central Reach FEMA Reimbursement Project. Commissioner Kwiatkowski answered that she suggested CRR, Central Reach Reimbursement. Commissioner Freer is okay with that, the Board just wants to clarify it is not Central Reach 2; it is reimbursement of monies for Michael and Florence. Assistant Town Manager Ferguson explained the Inlet & Beach Protection Board (IBPB) will need to tell the facilitator at their next meeting that the change has been made.

Mayor Holden announced that by consensus the name is changed to CRR.

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

Public Works Director Clemmons introduced Leo Green. Mr. Green stated they received a Certificate of Occupancy today. The project started July 9th. They had 180 days to complete the job and put it in operation. They missed that target by about 10 or 12 days as far as putting it into operation. For the last 45 – 60 days they were working with subcontractors. The system has been operational. He said he is proud of the system for the Town. He thinks it will be an asset.

Commissioner Butler stated as the progress in the project continued to take place, there were some challenges. He complimented Public Works Director Clemmons for his communication. Commissioner
Butler and Commissioner Freer looked at the project. Commissioner Butler said he was extremely impressed with the project. Mr. Green said they enjoyed working with staff throughout the process. They learned a lot about these types of systems.

Mayor Pro Tem Fletcher asked where we are in regard to Station #3. Town Manager Hewett responded that he intends to add that to the agenda for April 19th as discussed previously.

Commissioner Butler talked about how Public Works Director Clemmons can monitor the system from his phone, which is a great feature to have. Mr. Green added that Public Works Director Clemmons would like to add something about hydrogen sulfate monitoring.

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

Public Works Director Clemmons explained the process. The low bidder was Fullwood’s Lawn Service. He recommended the Board select a contractor for that service.

*Motion by Commissioner Freer to choose Fullwood’s Lawn Service Plus as the contractor; second by Mayor Pro Tem Fletcher.*

Commissioner Sullivan said but for the fact that the Board included the rollback in the ordinance, he would vote against it. He doesn’t see the utility in allowing people to put cans out whenever they want, so they can lay at the curb for up to a week, but then the Town will pay $50,000 a year to roll the cans back. Any problems the Town has with health, hygiene, beauty and aesthetics will be on the front end, as well as the back end. He doesn’t see the benefit and why it is worth spending $50,000 of the taxpayers’ money. Commissioner Butler said he believes the price of what is paid currently to roll cans back on Ocean Boulevard is about $35,000. Commissioner Sullivan said the idea is there would be no rollback, so they wouldn’t spend any money.

*The motion passed by unanimous vote.*

**PLANNING INSPECTIONS REPORT – PLANNING DIRECTOR EVANS**

Planning Director Evans stated he has never seen money used in a way that has benefited a community better than the money the Board decided to spend to make the lift stations more resilient against storms. The work that was performed is excellent. He doesn’t think people understand the amount of staff work that went into that project and the amount of community work and work the Board put in during the process. He talked about the process and the work down there.

Planning Director Evans showed books with permits issued and inspections made this year. The inspections book doesn’t include CAMA visits, visits to take pictures or consultations. Commissioner Butler said he knows it isn’t just the final inspection, their time is spent in certain phases and steps. It is a whole bunch of numbers. Planning Director Evans stated their core responsibility is code enforcement, building inspections and planning. Last year they issued 361 building permits, 47 single family residents, 121 of them were major renovations (they went above the 30% mark for value of construction). They issued 357 mechanical, 531 electrical and 371 plumbing permits. They did 3,420 inspections. Of those 2,394 passed.
1,026 were re-inspected. The total inspections number was 4,446. They issued 95 CAMA permits and 180 zoning permits. There were 475 hours in CAMA and 350 in zoning. They tallied, based on an average of 30 days, 1,260 phone calls, 240 hours spent on meeting minutes, 108 hours on committees, 320 hours on continuing education, 280 hours on other training events, and an estimated amount of 2,609 hours for plan review. Planning Director Evans said they have been busy. He said the numbers from Leland when he left were staggering. He imagines the 10 year numbers from here are also staggering. It has been steady since 2008.

Planning Director Evans stated building inspections is here to protect the public. When he got here within the first few months the Town had five decks collapse. To his knowledge none have collapsed since. There were 26 structures that were condemned. The CRS was not a focus until about 2012. Since that time we have the toughest National Flood Insurance programs which will help us with our CRS. He talked about our program, including freeboard limitations, dune protection and height restrictions. He said each example he provided were all baby steps. They would have been an enormous economic impact if we tried to do them in a fast fashion. Planning Director Evans said they can’t take credit for the new FEMA maps, but they can for all of the work it took to get them to the public. They are currently working with a subcommittee for the Land Use Plan. The Inspection Department works every day for the public and the public’s interest. They have a really good department and he is proud of it.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 19-06, AN ORDINANCE AMENDING ORDINANCE 18-10, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2018 – 2019 (AMENDMENT NO. 6)

Fiscal Operations Clerk Lockner said recently the Town received a FEMA Florence reimbursement check for Category B, Emergency Protective Measures in the amount of approximately $95,000. It is recommended to adopt the budget amendment in order to reimburse the expense lines affected during the storm.

Motion by Commissioner Freer to accept the reimbursements and appropriations as listed on pages 51 and 52; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

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 stated the Board discussed this several times. He said this agenda item is in response to our attorney’s recommendation to redo the fees that are required by NC House Bill 436 and Item a is to obligate the financial dollars to engage a financial firm to perform the analysis and report.

Motion by Commissioner Freer that the Board instruct the town manager to obtain bids for the development of a cost-justified water and wastewater system development fees report; second by Commissioner Kwiatkowski.

Commissioner Sullivan said he would like to point out that the necessity to do this arose because after the Board developed the fee schedule there was pushback in the community and members of the Board decided we should rescind the new developmental fees as they were voted in and revert back to the fees in existence before. He said that vote was taken in a special meeting. He said he asked at that time not to
take the action without giving it some due consideration, but we did. He said we are in a place now, eight months later, where we could have been in August if we took the time to look at the issues and proposals to fix the issues. Commissioner Sullivan stated when looking at the budget there is a $157,000 difference in revenue based on what the fees were when they were implemented as opposed to what they are today. He said this is not because the attorney said we had to do it; this is because of the actions that the Board took in August. He talked about the process.

Mayor Pro Tem Fletcher asked Attorney Fox to confirm that the reason they are doing this is because some of the Board didn’t think that all of the numbers were correct in the study and when they made that public the Town is now at risk of being sued if we don’t have confirmation of the results of the study. Attorney Fox replied that she did advise the Board that there was potential liability as a result of the fact that some of the Board opined in public forums that they believed the fees were illegal. She does not believe the fees are illegal. She believes they were adopted pursuant to the statute, but she thinks the comments of individual commissioners have put the Town at risk and therefore she thinks they should go back through the process. Commissioner Sullivan said just to be clear it wasn’t because the numbers were wrong, it was because people on the Board said it was illegal, that is why it has to be done again. Attorney Fox agreed that was part of the discussion the Board had. She said it is not one thing, it is many things. Commissioner Kwiatkowski said the Board wasn’t quite as diligent as they should have been during the 90 days. She said getting this rolling is what they promised the public they would do.

Commissioner Freer stated last time they used an engineering firm and he thinks they want to use a financial firm this time. He said the other two inputs to discuss are a need for a water tower and the sewer capacity from the county. We can have that discussion between now and the start of this engagement. Commissioner Sullivan said he remembers discussing the issue of whether it should be an engineer or financial firm, but he doesn’t recall a decision being made. Mayor Pro Tem Fletcher stated he thinks it would be a good idea knowing the big issue was whether the money we pay to the county to buy capacity should or should not be included in the calculation. He said we have the water tower still in question. He thinks an accountant can be more solid at judging. Attorney Fox explained the statute requires one of two people to perform the analysis. Her suggestion would be that the Board instruct the town manager to obtain bids from qualified individuals pursuant to HB 436. That way the Board will get both and can decide who they want to do it. Commissioner Freer said he would want to make sure the Board include both engineering and financial.

The motion passed by unanimous vote.

Motion by Commissioner Freer for approval of Ordinance 19-07, An Ordinance Amending Ordinance 18-10, The Revenues and Appropriations Ordinance for Fiscal Year 2018 – 2019 (Amendment No. 7); second by Mayor Pro Tem Fletcher; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION TO INSTRUCT TOWN MANAGER TO OBTAIN BIDS TO EVALUATE AND PROPOSE OPTIMUM HOLDEN BEACH TOWN GOVERNMENT ORGANIZATION

Motion by Commissioner Freer to instruct the town manager to obtain bids to evaluate and propose optimum Holden Beach Town government organization.
Commissioner Freer said this is from the RSM internal control report dated January 15, 2019. It says that while the Town is not required by standards to separate the town manager and finance officer...based on our internal control review, we believe it prudent and we recommend you separate the two roles.

Commissioner Freer repeated that he made the motion and said it will be Finance Department focused for the evaluation and proposal. Mayor Pro Tem Fletcher asked for confirmation that the motion qualifies that we are only looking at the finance function. Commissioner Freer agreed. Mayor Pro Tem Fletcher seconded the motion.

Commissioner Kwiatkowski said she disagrees. The Board has been through the RSM report and have discussed it at least three times. She said they have acknowledged there are deficiencies in internal controls that need to be addressed. She said they have discussed having the improvement plan developed and actions taken, some of which are already underway, to address the individual deficiencies. She continued the Board has said they should take this slow to try to do what they can to get the improvements in place and then to evaluate whether changes need to be made. She doesn’t understand spending more money on an evaluation of something because there is a recommendation made from a consultant. She doesn’t understand why the Board cannot let the steps be taken that they have discussed, to have the plan in place, the corrections made, evaluate the new performance and then if something needs to be done the Board can see what needs to be done. Commissioner Kwiatkowski said this to her seems like another waste of a few thousand dollars for a study that she honestly doesn’t understand what will come out of it that will benefit the running of the Town.

Mayor Pro Tem Fletcher stated what he thinks will come out of a study is the Board would know exactly what the positions in the finance/ accounting function are supposed to do and what their qualifications need to be. He said for 12 years we have been told that nobody in the finance/ accounting function has the ability to keep the records the way the Government Accounting Standards Board requires them to be kept. He would like to know what the job descriptions and those requirements are before they pass on someone’s recommendation to have somebody to be a finance director that is qualified to be a finance director and separate from the town manager and separate from the staff. He said he would be more comfortable if someone who knows what they are doing looks at those jobs and says this is what you need to have in that position and what qualifications they should have. Mayor Pro Tem Fletcher said his opinion is that what the Town has now is not going to be changed by a seminar or a couple of days of training, but needs someone who is qualified now to keep the books on the accrual basis that is required by the Government Accounting Standards Board. It has been recognized by the auditors since 2007 as far as he knows. He would imagine this year would be the same. He stated it tells us we don’t have anyone qualified to keep the books the way they are supposed to be kept. He said as the Audit Committee Chair that is important to him.

Commissioner Sullivan stated he doesn’t believe the Board should incur the cost of having another survey or audit done. His recollection is the Board had the person in charge of the internal audit team here. He did say that we don’t have a qualified person, but the vast majority of the municipalities in the state don’t have a qualified person so you send it out to have it done. He believes the Town does that so we do in fact have a qualified person do it for a fee. The other thing he recalls them saying was that the deficiencies that were found here in the way the Town is run, a lot of it is because of scale. Most small communities don’t have the capability or the amount of personnel to provide that. Commissioner Sullivan stated one of the things they have asked the administration to do is to keep the number of personnel as small as
possible and to cross train the personnel so they would be able to step in for one another so you may not have the separation of duties as you would in a larger community. He said do we have a concern, do we have a legitimate idea of how we want things done, absolutely. He asked if the Board should implement what the audit team said, absolutely, but he doesn’t think the Town needs to spend the money to have someone come in and say that we don’t have someone qualified. He said we know that, most municipalities don’t. Commissioner Sullivan doesn’t know if the Board wants to incur not only the cost of the review, but also the cost of hiring someone who is capable. That person won’t walk through the door cheaply. His position is he would be against this motion.

Commissioner Butler stated where we stand on the 2018 audit is later on the agenda. He has the audit results from 2017. He said as a result of those audit results that is why the Board went to RSM to look at and investigate the internal controls processes. They gave the Town their recommendations. He said there is one missing element that he still would like to see, the 2018 audit. He said do I think we need additional support and help, yes he is not arguing that. He is cautious; he doesn’t know the dollar amount we are talking about, so it is difficult to comprehend whether he is for it or against it. He might be swayed once he sees the new audit results. Commissioner Freer stated we don’t know the dollar amount so it would be a matter of seeing what the bid would be. He said it was a recommendation from RSM to do it.

Commissioner Freer said pertaining to a plan addressing the RSM items, he doesn’t have a plan. He has been waiting for a plan. Commissioner Kwiatkowski said as the Board they should formally request as part of the year’s objectives that the town manager commit to the plan of addressing the RSM internal control report, that the Board monitor that for its progress and that it becomes a critical part of the performance appraisal for next year. She said all the Board has to do is formally request that it be a major part of the objectives and they expect to see a complete action plan to address the report. The Board is responsible for the town manager’s, who is also the finance officer, performance appraisal and setting objectives for the fiscal year. Commissioner Kwiatkowski said it is in his contract and the Board has not been doing that to the dates they agreed. She said the year is going to be half over before they get to this very important item. Commissioner Kwiatkowski recommends that the Board make a motion to formally ask the town manager to present an action plan for addressing the internal control deficiencies and that be a major part of his objectives when the Board agrees to the objectives document. Commissioner Freer said we had the RSM report; the Board talked about it and discussed it. He was under the impression that we had full agreement to implement what was in the report. He said it has been almost a year since they started working on the report. Those issues have been out there. He said to him there was no discussion on whether the Board had to formally request that the town manager act upon the report. To him it was obvious that the deficiencies were identified and were going to be addressed as soon as possible.

Mayor Pro Tem Fletcher said he has the accounting background so he is sensitive to the Board’s responsibility to watch over the finances. He said the Town spends a quarter million dollars a year for accountants and the auditors for 12 years have told us we don’t have the accountants on the staff that can put the records together the way they need to be kept. He said for a quarter million dollars, we should be able to afford an accountant on the staff, maybe separate from a finance director. He would like to see what the job descriptions look like from someone who knows how this should be done and what kind of qualifications we need to have in those positions. Mayor Pro Tem Fletcher said maybe we don’t need different people, but he thinks we do. He thinks the Town needs an accountant on the staff that can put the records together or the LGC says we need to go out and hire somebody each month to put our records
together. He thinks that will cost more than hiring an accountant for the staff. He would love to have someone who is an expert at this look at those positions and say what the best deal is for Holden Beach.

Commissioner Kwiatkowski explained if you look at job descriptions for what a finance officer should be they all make it clear it doesn’t have to be a certified public accountant. It doesn’t even have to be someone with an accounting background, a business background, etc. There are other positions that make up a Finance Department. With some searching you can look up qualifications that are necessary for different positions. She said you are asking if our Finance Department functions almost and you want an assessment. She stated we are going to get a compensation and a basic organization report, we have job descriptions. She doesn’t know what this is being asked for at this point in time when the Board has different activities already in place, as well as the improvement of the overall department. She said they are asking for something that to her doesn’t bring any benefit. Commissioner Kwiatkowski said the Town has a town manager/finance officer by contract. That will not change without significant steps by the Board. She said the Board should be looking at how to improve the systems and get the people who we have the extra training, which has started as she understands it and then evaluate the performance of the department over a year or so and see the improvements that happen. If improvements don’t happen that are to everyone’s satisfaction, then you can look at what needs to be done. Commissioner Butler stated he would like to see what has been done so far.

Town Manager Hewett stated even though no definitive timeline was identified by the Board regarding the things in the report that were deemed shortcomings, we haven’t been standing by, sitting on our hands waiting to be told to move forward. He said this is informal because he was under the impression that the Town was going to wait until we received the report back from RSM and get through the budget before proceeding formally.

The Classification & Pay Plan information that was questioned during the brief was sent within three or four days to Robbie Bittner, the program manager, followed by a telecom inquiring on when that specific item would be revised in the report. That feedback was inconclusive as he believes he reported to the Board. He believes we just heard from Landon, the project manager, requesting some follow-on information.

Town Manager Hewett stated we have made inquiries to Greg Allen, the Chief Accountant at the School of Government regarding the vendor listing. He has not received a response affirming or denying that item. The Records Retention Schedule that was recently adopted by the Board does seem to conflict in some degree. Until that matter is adjudicated with the Records Retention specialist or at least an opinion issued on that, he thinks we are somewhat stymied on if we can go in and amend the status of a vendor in our software system.

Town Manager Hewett said the Board directed to move forward with the Classification and Pay Plan Study at a budget workshop. The status of that is on the agenda later. It has been initiated and he will provide more details when we get to that agenda item.

Town Manager Hewett had a discussion with Sharon Edmundson, from the State and Local Government Finance Division regarding best practices for internal control and other best management practices that were previously made available through the Local Government Commission (LGC) through training and/or the LGC website. Those policies have now been removed and are under review by the State & Local
Government Fiscal Control Section. They are reworking their entire suite of guidance, best management practices. It will be several months before they are available for consumption by local governments, but Town Manager Hewett has been invited to contact her directly for drafts of them. He will follow-up with her depending on the desired timeframe, if any, for implementation of the several items in the report.

CAFR training for the two staff members is scheduled for May 21\textsuperscript{st} at the School of Government.

Personnel Action Forms were implemented before the report was rendered. Vacation and leave have been amended to our administrative policies.

Commissioner Butler stated he appreciates that Town Manager Hewett brought that to the Board’s attention. He would like to see the process more formalized. Town Manager Hewett stated he would be glad to do that. Town Manager Hewett would like to be able to get through the rendering of the Budget Message and then have at least a couple of weeks to formally address the items in order to do it adequately. Commissioner Kwiatkowski inquired if it would be possible to have the full report on the plan and the progress against each item for the June meeting. Town Manager Hewett responded if that is the timeline the Board desires he would be glad to attempt to meet that. Commissioner Freer said he would like to see a plan. As expected Town Manager Hewett did jump on some things that could be addressed immediately. The Board agreed to the June meeting.

*Commissioner Freer, with Mayor Pro Tem Fletcher in agreement, withdrew the motion.*

Mayor Holden stated he would like to add that in all of the reports nothing has been stated that the Town has lost a penny.

**DISCUSSION AND POSSIBLE ACTION PERTAINING TO SALARY AND BENEFITS EXTERNAL REVIEW**

Town Manager Hewett stated the MAPS (Management & Personnel Services) Group, the subcontractor to the NC League of Municipalities, was brought on board a couple of weeks back. The employees have been briefed on the process. Part of that process is that they will interact and engage with the development of their work center and job descriptions. They will be completing those inputs by Thursday. He, along with the Department Heads, will review those for about a week. The goal is to be able to transition those inputs to the MAPS Group by the next Thursday. It probably will take a total of about three months. Once the MAPS Group assimilates the staff’s inputs they will develop updated work center descriptions, job descriptions and perform an analysis on the benefits. After the job descriptions are reviewed there will be a series of interrogatories with the MAPS Group and staff. Based on that a draft report will be provided to the Board and a formal out brief prior to the Board’s consideration. Three to four months from a couple of weeks ago is what we anticipate. He thinks it will be the end of July – mid-August. Commissioner Butler asked if the Board can make an adjustment during the year if the MAPS Group sees something that will work in the employee’s favor. Town Manager Hewett replied absolutely, the Board has budget authority.

**DISCUSSION AND POSSIBLE ACTION PERTAINING TO ATM PROJECTS**

Commissioner Butler talked about the reason he believes the Town asked ATM to conduct modeling in the Lockwood Folly Inlet. Assistant Town Manager Ferguson said the $47,000 that the Town spent for the
Lockwood Folly Inlet modeling was as a result of the Town not receiving the sand this time, it went to Oak Island. We wanted to have a solid argument on why sand should be placed on Holden Beach’s east end, instead of Oak Island’s west end for the crossing project. We had hoped Mr. Way from ATM would be presenting that before now, but he was tied up with some of our FEMA information. They are actively working on this and plan to present their findings at the May Board meeting. Modeling is complete and analysis and data driven arguments for sand placement are being finalized. ATM has been working with us behind the scenes.

Florence/ Michael Remediation which is now CRR – Assistant Town Manager Ferguson explained we are currently up to 1.13 million cubic yards lost in the Central Reach area from both storms. Remediation will be in the $25 million range based on current estimates. Mr. Way and staff remain engaged with FEMA. We anticipate project worksheets coming forward soon. It looks like FEMA plans to combine the storms into one project, but we are waiting on confirmation of that. Current information is we have the same NC contact for these storms as we did for Matthew, which Assistant Town Manager Ferguson believes will be a plus.

Assistant Town Manager Ferguson reviewed the Lockwood Folly Inlet Deeper and Wider slides from the budget workshop on Friday. The county is currently declining the lead on the project and the Town would need to take the lead on applying for a grant. Upfront the Town would need to pay $4,132,000 based on the numbers in the engineer’s report and then submit for reimbursements upon grant approval. That is if the numbers don’t change, but we are thinking it would be more than that. The county had significant concerns with the project, to the point they had the state de-obligate funding. Permitting was always uncertain and could tie up our permit when we get ready to do the crossing project. Staff spoke with the Town’s engineer and found out a similar project just cost $80,000 in permitting alone. It could invoke a full Environmental Impact Statement (EIS). Based on Option 4 of the terminal groin EIS, which is the closest modeling we have to go on, it could cause negative impacts to the east end. The Board decided at the workshop that they didn’t want to move forward with this project this budget year.

Commissioner Butler stated that the one area that continues to be a concern is the inlet crossing. That historically happens once every two years. The Town was advised that easements were an issue at a meeting with the Corps. He stated we have that process under control. Attorney Fox explained that pursuant to the motion the Board made at the April 3rd meeting, all of the notices of intent, except for four went out today. The other four will go out tomorrow. She received contacts about ownership of property from folks since that meeting. Attorney Fox stated some property owners don’t understand they still own a portion of the dry sand beach. The AIWW Crossing Dredge is a federal mandate. She thinks the question we will see is what will happen to the sand if we don’t get the easements. In this particular situation you have Oak Island who is willing to take the sand. In the next 30 days, prior to filing condemnation complaints for any folks we have not obtained an easement for, they will be digging extremely deep into family trees to figure out who may own that property. The cost of those proceedings will exceed the cost of the condemnation complaints that were filed for the Central Reach Project because there will likely need to be a Guardian Ad Litem appointed for unknown heirs in many cases. In the May 15th – 17 timeframe, the Town will obtain the remaining via quick take condemnations and will report back to the Corps. They have sent every easement to the Corps that has been recorded. The Corps has not had any comments in response to the easements sent to them. Commissioner Butler said he understands we have until May 31st to accomplish that. Attorney Fox replied yes. From her experience they want to be able to put out an RFP and want to have certainty that the easements are in place so they know where
they are placing the pipes. The Corps approved the easement before they sent it out. She said they are confident they will have the easements in place by the deadline.

Commissioner Butler asked about the bend widener. Town Manager Hewett replied that what is referred to as the inlet crossing also technically encompasses what is called the bend widener. The bend widener is actually that portion of the Intracoastal Waterway that is east of the inlet crossing proper. That expansion of the borrow area was primarily due to it gives barges a larger radius to make the turn around the corner. Collectively, the term inlet crossing also includes the bend widener. It is a reference point for the area east of Brown’s Landing, southeast on the Oak Island side of the waterway. Assistant Town Manager Ferguson said we are hoping we can get the bend widener as part of the project and piggyback as we have done in the past. Commissioner Butler stated the Town cannot afford to lose another two year cycle on the east end.

DISCUSSION AND POSSIBLE ACTION REGARDING THE 2018 AUDIT REPORT

Mayor Pro Tem Fletcher stated when he asked for this item to be placed on the agenda he assumed we would have the audit report. Town Manager Hewett explained the auditor has provided a rough draft as of late last week. There are several data elements that are not in the draft to include some obvious omissions on behalf of the audit firm. Additionally, Management’s Discussion and Analysis has not been drafted. He said he has been apprised that this year that totally falls to him. They are working with the auditor to provide the few elements that remain back to them. Town Manager Hewett stated he is unsure of what their turnaround time will be. Their feedback to him is a couple of weeks. In the past the auditor has developed significant portions of the Management’s Discussion and Analysis to include much of the input that goes into that. That involves top line review of the audit and then forecasting in the future as relates to the information provided in the audit as to how the Town will move forward with those results. It’s a forward look in terms of the information that the audit represents.

Town Manager Hewett will let Mayor Pro Tem Fletcher know as soon as he knows more.

TOWN MANAGER’S REPORT

- The last of six budget workshops the Board has engaged in over the last several months is scheduled for Friday at 10:00 a.m. He invited everyone to come out.
- The canal dredging project is finished. Operations wrapped up before the permit expired. Tickled that we were able to get that done before the permit expired, especially in light of some of the consequences of the Corps’ decisions that have a national scope to them.

Mayor Pro Tem Fletcher asked how long it will take to recover the spoil area to its original condition. Town Manager Hewett replied he doesn’t know at this point. One of the initiatives the Board inquired about is to investigate the possibilities of other dog park sites. Planning Director Evans will be developing a protocol that we will be working back to the Board. We asked the county if they would include a provision in their Master Plan for a dog park. They have agreed to include that as one of the elements. He doesn’t foresee a quick fix and doesn’t think we will have a solution ready for this summer. He hasn’t closed the loop with Planning Director Evans. There are some access issues for some of the Town owned properties.
MAYOR’S COMMENTS

- Hopes everyone has a wonderful Easter. Don’t forget the Egg Hunt.
- Activity is almost unbelievable from one end of the island to the other. Construction, utility construction, renovations, improvements, it’s like a big ant hill. Something is going on everywhere you look. It seems to him that property owners are taking more pride than ever before in the appearance of the island. It is a great thing to see. Who believed we would be looking this good after the storm last fall.

BOARD OF COMMISSIONERS’ COMMENTS

Mayor Pro Tem Fletcher

- Only has had property here for 10 years. In those 10 years the quality of the homes, the appearance is phenomenal. The Town is doing a great job of maintaining it, making sure it is built property. The island is looking better and better to him.
- Didn’t get as many people as he hoped for at the meeting tonight. Didn’t have anyone at the budget meeting last week. The budget is a big issue for the Town so if you have a chance come and sit in. He said there was one person at the meeting.
- Thanks for coming tonight. Have a great Easter.

Commissioner Sullivan

- Asked for someone to show up at the budget meeting.
- When you see what happened in the last month - the lift station went without a hitch; the Police did a great job during a tragic time. He received two letters about canal dredging that outlined how far the Town has come to be able to do the dredging from what it was in the past. He thinks a lot of hard work goes on and there is no problem so it is not noticed, but it should be. He acknowledged everyone who works for the Town. They are doing a terrific job which is one of the reasons why when you ride down Ocean Boulevard it looks the way it does and why there is so much building here. People recognize this is a hell of a place to be and you can thank the people who do the hard work for that.

Commissioner Kwiatkowski

- Really appreciates how hard the staff has been working and to the level of expertise and professionalism that they operate. It really shows. Has been really impressed when she goes to meetings where staff is interacting with authorities. They are recognized for their knowledge, behavior and willingness to cooperate, yet to stand firm on what we need. They do a very good job.
- Appreciates the public coming to the meeting. Would like to see more at the last budget meeting if possible. This is the time if you want to have something discussed or included. This is the last minute, but the Board can still listen to what some of our owners would like to see. If you don’t come, she understands. Have a happy Easter.

Commissioner Butler

- Thanked those who attended the meeting this evening. Too bad there are not more people who could come out.
- Gave special thanks to staff and the attorney for their hard work. It’s not fun going to some of the meetings and getting discouraged. The April 3rd meeting Town Manager Hewett and Assistant Town
TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
FRIDAY, APRIL 19, 2019 – 10:00 A.M.

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Friday, April 19, 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; Public Works Director Chris Clemmons; Planning Director Tim Evans; Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner; and Police Chief Jeremy Dixon.

Mayor Holden called the meeting to order.

PUBLIC COMMENT

Mayor Holden announced there was no public in attendance.

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

Public Works Director Clemmons explained we are at the point we need to make a selection for the upgrades to Station #3. We received three proposals, McGill and Associates, East Coast Engineering and Leo Green. A certificate of occupancy (CO) has been issued for the work on Station #4. Mayor Pro Tem Fletcher asked for a recommendation. Public Works Director Clemmons replied he prefers working with Mr. Green. He explained he is knowledgeable and has experience. He said even if the Board selects Green he doesn’t know if we will end up with the same contractor as before when we go out to bid. Town Manager Hewett added even though we have a CO, we haven’t processed the final bills, but it is appropriate if the Board desires to make a decision today.

Commissioner Butler asked about the possibility of eliminating the wet well on page 9. Public Works Director Clemmons said the contract says to investigate the possibility and costs associated. We do not know that is the direction we will definitely go. If it looks like something that can be done at a reasonable price and it benefits the project that is something that will need to be taken into consideration at the time. He added the only thing he doesn’t have at Station #4 is the price for permanent gas monitoring. Mr. Green is working up the price. It looks like it is $11,000 – $12,000 in parts and he does not know the installation cost yet. Town Manager Hewett explained that is an example of a cost that is in addition to the existing contract.
Motion by Commissioner Freer to award Green Engineering the contract for the engineering design and construction management services for the Vacuum Sewer System Station #3 Upgrade; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

BUDGET WORKSHOP

Fiscal Operations Clerk Lockner stated the next deliverable will be the Budget Message between May 6th and 10th. June 18th will be ordinance consideration and it has to be adopted no later than June 30th.

Fiscal Operations Clerk Lockner said that based on the Board’s comments at the last meeting, in the General Fund staff took down the overtime in the Police budget from about $58,000 to about $30,000. We kept the transfers the same from the Governing Body. It is balanced at $3,695,576.

Commissioner Freer asked about the $38,915, Fund Balance Appropriated. Fiscal Operations Clerk Lockner explained that amount represents a vehicle. Commissioner Freer inquired about the General Fund Balance. Town Manager Hewett replied it is not at the 100% target, but they ran the calculation and they think it is at the 58% range. Commissioner Freer asked if the dollar amount is greater than last year. Fiscal Operations Clerk Lockner thinks the number last year was about 63%. Our working capital is $1.4 million, last year it was $1.6 million. The estimated Fund Balance as of June 30 is $1.7 million, but you have to take some things out of that number. You have to take out government debt, Powell Bill and stabilization by statute so that brings you to $1.4 million. Town Manager Hewett explained that Fund Balance is a measure at a point in time that is tied to the end of the year, whether it is actual or projected, as of June 30th. Mayor Pro Tem Fletcher said it is really just the money you have available to pay bills in the event something happens. Town Manager Hewett confirmed that and added it is a construct, as opposed to the actual cash balances in the different accounts. You can’t always spend that freely because of cash flow dynamics. Commissioner Freer said it is less than last year, which is not the right direction. Town Manager Hewett stated it reflects the realities of the budget requirements that have been put forth and the goals of the Board. We put forward the things in the budget that are requirements. If the reality of that is it brings Fund Balance down, you need to cut things in order to bring the projected expenses down or come up with new revenues. We have been fairly liberal in the revenue projections this year. Commissioner Kwiatkowski said if we are going to add to staff, upgrade equipment, you want to stick to the amount that you want to transfer to the sand fund and you don’t want to raise taxes it is rather remarkable it is just under $40,000. Town Manager Hewett stated this is a revaluation year. The revenue generated increases values and the little bit of growth we had does offset any further degradation of the Fund Balance. That is already in there. Commissioner Freer stated there are a lot of things that we budget and never spend. He bets they equal $38,000 easily. Town Manager Hewett stated his position is we budget for capability and the ability to accomplish, sometimes those things do or do not occur. He said $38,000 in terms of a $3.6 million budget is one tenth of one percent. If you ask Anne Hardy, she will tell you that you are lucky if you are accurate to a six percent degree on expense estimations, in terms of the delta in between expenses and revenues. In his opinion the $38,000 is a small detail and it’s administrative in nature.

Mayor Pro Tem Fletcher asked about Transfers for SRF Canal Dredging under General Fund revenues. Town Manager Hewett replied those are programmatic transfers and are only made when there is a project. This year we did execute a project and there will be a year-end transfer. It probably will not be the entire amount. They only make the transfer based on the actual total cost of the project.
Town Manager Hewett said on any given summer day in Brunswick County there are four hours of water available between having enough water countywide and spigots going dry if the water supply is interrupted. Something the commissioners and the public at large is probably not aware of is the water supply interruption during the hurricane was as large of a consideration for allowing people to come back onto the island as the sewer system. It is not just the sewer system that impacts the sanitation and public safety issues. Planning Director Evans said P&Z looked at all of that. Town Manager Hewett said that they were not standing at the foot of the bridge having to confront the irate public because they couldn’t get back on the island. Mayor Holden asked what we will do if it happens when the houses are full of people; we have four hours. He thinks there is a lot of discussion left that needs to be had. He said the reality is four hours of water supply is what the county has. A lot of the county stuff is networked, we are a little more limited in our access than some of the other places in the county. Mayor Holden stated if you look at neighboring towns, it puts us as the only one that believes in not needing another. Commissioner Sullivan asked how having a second water tower would benefit the Town with the four hours. Town Manager Hewett explained on a high day, you use about one million gallons. If you bought a 300,000 gallon water tank, you would have six more hours. Mayor Holden added that you could limit what goes out. Town Manager Hewett said during the water supply interruption we were the first one cut off and the last one turned back on when the county reestablished water service. He confirmed that was because of the Town’s population. Planning Director Evans said if you don’t have water you can’t stay in the houses, but that report was based on the fact there wasn’t enough water getting to the houses for fire suppression. He said P&Z’s main focus was not to see if we would have enough static pressure to maintain water supply.

Public Works Director Clemmons stated the current tower is 300,000 gallons. Adding another would give the Town 600,000 gallons of storage. He and Mayor Pro Tem Fletcher talked about how long that might provide water to the Town. Town Manager Hewett said perhaps that is one of the specifics that can be teased out as part of having an engineering services study performed. Commissioner Sullivan said in the budget the Board has done a couple of things to improve the safety of the community. He thinks it will be money well spent to see if both the capacity is adequate and if the safety of the people on the west end is protected. He thinks the Board should allocate the funds to do the study. Planning Director Evans said P&Z discussed why the Town would pick up the full cost of the tower when they are still taxpayers in the county. Town Manager Hewett said the point of this is to have an engineering services analysis, not a build decision. Mayor Pro Tem Fletcher agreed with doing a report. Commissioner Freer would also like to get an understanding because a lot of work and analysis has been done and the recommendation was not to build it. Commissioner Sullivan said the Board is just allocating money so it is there in case the Board decides it needs to be done.

Commissioner Freer said he thinks there is a little bit of urgency because the water tower number plays into the impact fees. Town Manager Hewett said by virtue of having the second water tower in the Capital Improvement Plan (CIP), you do have coverage on the logic behind the existing plan. You can’t charge those fees without having a program or plan in place. Commissioner Freer questioned if it should be put in the plan. We have one analysis that says we don’t need it. He is fine with having another analysis, but asked why it is in the CIP if we don’t have an analysis that says do it. Town Manager Hewett stated P&Z’s analysis doesn’t qualify as expert opinion per HB 436. The analysis that McGill did does qualify. Mayor Pro Tem Fletcher said McGill didn’t decide if the tower should be put in. Town Manager Hewett stated it is a
study they made an analysis on. He said a capital plan by definition is a projection of out year requirements. He agreed it was not based on an analysis. Commissioner Freer said he would argue to take it out. Commissioner Kwiatkowski said she likes data and information to make a decision. The Board didn’t discuss anything technical. It was moved to P&Z. She expects to get a true report back on how P&Z came to the decision. All she has is a recommendation that if we move forward there should be an analysis done by a firm that specializes in this area. Commissioner Freer agreed with getting more information from P&Z and with budgeting for another report. He asked what data went into putting a second water tower into the CIP. Town Manager Hewett stated if you delete the second tower from the CIP you would need to rescind the capital reserve fund that established the holding pot for the Water Capital Reserve Fund. You would also need to delete the fee schedule that allows you to make those collections. The law reads if you have it in a capital plan it allows you to make an assessment. He said if the Board makes the decision to delete it from the CIP they would be invalidating the fees for the water fee schedule. They would need to delete the capital reserve fund and return the money back. We have collected the fees under the legal framework that established the provision that allows the Town to collect the fees. The Board would also need to amend the fee schedule. Commissioner Freer asked if that is the only thing that is justifying the water fee under HB 436. Mayor Pro Tem Fletcher said they included the cost of the existing water system. Town Manager Hewett said that doesn’t total the fee. The cost of the system is not what the fee was predicated on when it was established. He thinks this is a decision that could be made later. Mayor Pro Tem Fletcher said we currently have about 2,400 people and inquired how much the population would increase if the Town was built out completely. Planning Director Evans said right now we estimate there are about 1,000 available lots, but that doesn’t mean it will cover you with build out based on the type of construction you have. It is hard to determine. The 1,000 available lots could end up being duplexes. He said you could estimate it. The rate of growth was discussed. Planning Director Evans reviewed Fire Chief Todd’s concerns.

Commissioner Freer asked if everyone agreed that the Board should get a better report back and put in the budget the recommendation to do a report with a firm that is familiar with water towers. Commissioner Butler said he doesn’t have a problem with that. He thought the Board made the decision to move forward a while ago. Public Works Director Clemmons said you can guarantee that at some point the Town will need to add one. He doesn’t know if that is in 10 or 15 years, but at least with the study you will know in advance. He said we are hanging our hat on what the county can supply us, but you don’t know how they will keep up with the demand the way the county is growing. Town Manager Hewett said administratively we can scale an approximation on what it will take to provide those kinds of services and we will work that in through the Budget Message. Public Works Director Clemmons inquired if it would include replacing the existing tower due to its age. Town Manager Hewett said what we are talking about is an engineering cost associated with an engineering services consultant to provide a recommendation on whether a second water tower is warranted. As part of that, we can also work in there an evaluation of the existing services. Administratively, we will detail out an estimate, work it back through the Water Fund budget and include that as part of the Budget Message. The award of the contract would be brought back to the Board some time during the fiscal year.

Mayor Pro Tem Fletcher inquired about the FEMA Matthew item on the revenue side. Town Manager Hewett explained what you don’t see is the previous year’s budget. Matthew was a hurricane award that happened in 16/17. The 17/18 number is a roll forward budget and the $700,000 is the portion of the $6
million we received in 17/18. The lion’s share of that money received was in the 16/17 budget. The $5.9 million is the programmatic budget that was established by FEMA in terms of project worksheets. We were not comfortable with knowing exactly what to estimate on the reimbursements, since the reimbursements are made on actual revenues, we just rolled the gross program forward into the existing budget. There is a corresponding expense line.

Public Works Director Clemmons said on page 20, under the Capital Outlay Major Equipment it includes monies for Station #3 upgrades. The numbers are based off of the McGill study. He said when we put a contract in place last year the numbers came in high and we needed to do a $283,000 amendment to cover the cost. He wouldn’t be surprised if the same thing happens again. There are some access and design issues that Green identified that McGill didn’t take into account. He said don’t be shocked if when we go out for bids it comes in higher and we need to do an appropriation to cover the cost. Commissioner Kwiatkowski asked if it would be appropriate to reconsider and do it based on our experience with #4, rather than on the McGill Report. Public Works Director Clemmons feels that at this time it would be better to do it like in the past. He talked about the process and the pros and cons of leaving the amount as it is. Town Manager Hewett said the McGill report stands for capital budgeting. When you have the design services in hand is when the actual current year costs are ratcheted down tighter and ultimately the marketplace determines what that budget becomes.

Fiscal Operations Clerk Lockner explained staff moved some things in BPART, but the bottom line didn’t change. Assistant Town Manager Ferguson said last week in the packet you saw the new sand source was in ATM Contract Fees, but it moved to Professional Services Beach because ATM will have subcontractors.

Commissioner Freer asked about Fund Balance Appropriated. Assistant Town Manager Ferguson said that includes the added sand source, the lobbyist, financial services for Doug Carter as far as the bridge loan, the walkway, the increased travel and the repairs at the Fire House. Most of the other lines went down because she tried to make cuts since we were incurring new costs. Commissioner Freer asked the status of the BPART Fund Balance compared to last fiscal year. Fiscal Operations Clerk Lockner replied as of March 30th, the total of Fund 50 is $5.8 million, which includes the sand fund. She said to keep in mind these are not reconciled numbers. She said it was $5 million when she did it in December. Town Manager Hewett said to remember fund balance is a measure at the end of the last year. What we are talking about now is a cash balance. Only the fund balance for the General Fund is in the Budget Message. Fiscal Operations Clerk Lockner explained they don’t typically do fund balance calculations for Fund 50. Commissioner Freer said one of the Board’s goals was to not lower the BPART Fund Balance. Town Manager Hewett said you can’t run a sand search with $170,000 expense, which is a new requirement and do those types of things without hitting that revenue, which is what it is for. He said you have competing interests. Commissioner Sullivan asked what the Fund Balance was at the end of the year. Fiscal Operations Clerk Lockner replied that she doesn’t have that. Mayor Pro Tem Fletcher stated that when the Board said don’t reduce the BPART Fund it is one thing to spend general expenses that will never be reimbursed, it’s another to spend $170,000 that will be reimbursed. He said borrowing against the fund for money that will be reimbursed is not the same as having new expenses. Commissioner Sullivan said the Board needs to be reasonable and understand that the money that comes into BPART, based on the occupancy tax is spent to provide services for the people who come here. The Board is going to hire another officer and they will provide services to everybody that comes. He doesn’t see how you would
think it is incorrect to allocate some of the money for the officer’s salary and benefits. Mayor Pro Tem Fletcher stated he doesn’t think it is incorrect, it was intended that way. Commissioner Sullivan stated everything is predicated at building up the BPART Fund, almost at the exclusion of looking at the realities of running the Town. He said we got $3.5 million that we didn’t know we were going to get back and it has been put aside. Mayor Pro Tem Fletcher said 60% of the revenue we get in BPART is designed for taking care of the beach. Town Manager Hewett stated it is the other way around. In the enabling legislation, with the 3/2 split, 2% is dedicated to beach nourishment. Commissioner Sullivan asked how much actually goes to beach nourishment. Town Manager Hewett stated we have run that, depending how one wants to interpret it, it is upside down. Assistant Town Manager Ferguson said we are spending more money on sand related items, than tourism related items.

Commissioner Freer asked if we have a bottom line on how much business we do with ATM and other firms. Town Manager Hewett responded it is a separate run that staff can provide. Commissioner Freer said he is interested in attorney fees. Town Manager Hewett explained how Attorney Fox’s bill is divided. He inquired if he was interested in a year’s worth of data. Commissioner Freer replied yes, maybe on the top five contracted services.

Mayor Pro Tem Fletcher asked who organizes it when Lockwood Folly gets dredged. Assistant Town Manager Ferguson explained the county has taken a larger role in trying to schedule routine maintenance, but for the larger projects where we are trying to be a recipient of the sand with the piggyback project, the Town would be coordinating with the Corps and the contractor so it depends if you are talking a Murden/ Merritt type project or a large scale project. Mayor Pro Tem Fletcher asked if there are times when the Town doesn’t have to pay at all. Assistant Town Manager Ferguson replied yes, if it is in the Corps’ budget. Mayor Pro Tem Fletcher asked who organizes the 60/30 split. Assistant Town Manager Ferguson responded that is through the state. We would apply for a grant through the state if we were going to piggyback. Mayor Pro Tem Fletcher inquired if the county applied for the grants previously when we did a shared project. Assistant Town Manager Ferguson said it has worked two different ways. If it was under the Corps’ authorization then grant funds may not have been used. If there were grant funds used it was probably the local municipality that the sand was going to. She is unsure if Oak Island applied for any grant funds on this last one. She said the Town would apply for grant funds if we are doing the piggyback portion. The federal portion should pay for the other section. Town Manager Hewett stated the Corps is responsible for maintaining the inlet. Normally, when they run out of money they approach the state and local government. Mayor Holden said there are no rules requiring certain payments by any entities. His observations over decades is federal, state, county and local governments all agree that the inlet, the waterway and the beach strand are all critically important. They all agree to band together as needed to get things done. What causes complications is you never know if there will be funds available because of hurricanes or budgets. These things are always moving. He provided examples. Mayor Holden said the bottom line is there is no set way of doing this, we all have to come together at any given time. We have to react as best we can, communicate and keep good relationships with all of the parties. Commissioner Butler said he just wants to get back on track, he is uncomfortable with the whole process.

Mayor Pro Tem Fletcher asked if he was correct that each group establishes their own payment into the dredging fund. Town Manager Hewett responded that technically the Board setting of the fee is a product of enabling legislation. It is set like the tax rate. The Board sets the rate by ordinance and assessment. The
assessment that is put forward to the Board is a product of the working group making a recommendation based on how they would like their canal subdivisions managed and permitted. This is a fee supported district. The Board talked about the current project.

Mayor Pro Tem Fletcher said the expenses match the revenues in the capital reserve funds. He asked if they do an income statement. Town Manager Hewett replied that is a budgetary requirement. It is strictly an administrative requirement that the budget equals zero.

Commissioner Sullivan asked about the amounts under the Operating Revenues for the Sewer Fund in the CIP. Fiscal Operations Clerk Lockner explained the amount in 20/21 is higher due to the vacuum truck payment and two trucks being requested.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 11:33 a.m.; second by Commissioner Butler; approved by unanimous vote.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk
Date: May 14, 2019

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

From: Christy Ferguson, Assistant Town Manager

Re: Eagle Scout Recognition

At the May 13, 2019 meeting of Troop 262, Todd Robbins was awarded his Eagle Scout award. After meeting with staff to discuss options for Town projects, Todd chose to make improvements to the PAR Course along Ocean Boulevard. The process involved several months of planning, establishment of a project budget, and the implementation of project management and leadership skills.

The Town would like to recognize Todd Robbins for his hard work and improvements in our community.
Date: 04/19/2019

Dear Mayor:

I am writing to let you know that the Fire Department would support the town in trying to get an area at the west end of the island for emergency vehicles to be able to access the beach strand. The closest access that we have currently is at the 800 block of the island. It takes a lot longer to drive on the strand from that location than it would if we could drive down the highway and get on the strand closer to the west end of the island. The higher number of calls for water rescue that we have are at the two ends of the island. We have a great access at the east end of the island, and it would be a great help to have one closer to the west end. Any help that the town could give us with this matter would be greatly appreciated.

Sincerely,

Douglas Todd, Fire Chief
Dear Mayor:

I am writing to let you know that the Fire Department is in support of a second water tank on the island. We have had several times in the last few years when there have been problems with the county water system that could have infected the amount of water that was available to the island. I have been told several times that the demand on the water system in the summer time is just about to the maximum.

I think that the Town would be making a great proactive move for the future of the island to move forward with building a second water tank on the island. This could help with drinking water as well as water for the protection of the island in case of a fire.

Sincerely,

Douglas Todd, Fire Chief
# Activity Log Event Summary (Totals)

HOLDEN BEACH POLICE DEPT.
(04/01/2019 - 04/30/2019)

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>911 Hang Up/Open Line</td>
<td>2</td>
</tr>
<tr>
<td>Assist Motorist</td>
<td>6</td>
</tr>
<tr>
<td>Attempt to Locate-ATL</td>
<td>8</td>
</tr>
<tr>
<td>Debris Removal</td>
<td>3</td>
</tr>
<tr>
<td>Domestic Disturbance</td>
<td>3</td>
</tr>
<tr>
<td>Fire Call</td>
<td>4</td>
</tr>
<tr>
<td>Keep Check</td>
<td>24</td>
</tr>
<tr>
<td>Motor Vehicle Crash</td>
<td>2</td>
</tr>
<tr>
<td>Ordinance Complaint</td>
<td>9</td>
</tr>
<tr>
<td>Public Works/Water Leak</td>
<td>4</td>
</tr>
<tr>
<td>Suspicious Activity</td>
<td>2</td>
</tr>
<tr>
<td>Welfare Check</td>
<td>1</td>
</tr>
<tr>
<td>Alarm Activation</td>
<td>23</td>
</tr>
<tr>
<td>Assist Other Agency</td>
<td>3</td>
</tr>
<tr>
<td>Business Check</td>
<td>27</td>
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<tr>
<td>Disturbance/Fight</td>
<td>5</td>
</tr>
<tr>
<td>EMS/Medical Call</td>
<td>1</td>
</tr>
<tr>
<td>Incident Report</td>
<td>14</td>
</tr>
<tr>
<td>Lost/Found Property</td>
<td>3</td>
</tr>
<tr>
<td>Open Door</td>
<td>3</td>
</tr>
<tr>
<td>Public Assist</td>
<td>22</td>
</tr>
<tr>
<td>Special Assignment</td>
<td>4</td>
</tr>
<tr>
<td>Traffic Stop</td>
<td>15</td>
</tr>
<tr>
<td>Wildlife Complaint</td>
<td>5</td>
</tr>
</tbody>
</table>

Total Number Of Events: 193
### Arrest Details (Arrestee/Location/Officer/Offense)

**HOLDEN BEACH POLICE DEPT.**

(04/01/2019 - 04/30/2019)

<table>
<thead>
<tr>
<th>Incident - Arr. #:</th>
<th>Arrest Date:</th>
<th>Arrest Address/Location:</th>
<th>Arreestee:</th>
<th>Arresting Officer:</th>
<th>Offense:</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-047002 - 1</td>
<td>04/25/2019</td>
<td></td>
<td>Luna, Ivan</td>
<td>3314 - Lt. Frank Dilworth</td>
<td>90Z - WARRANT FOR ARREST-PAROLE VIOLATION</td>
</tr>
<tr>
<td>19-048957 - 1</td>
<td>04/30/2019</td>
<td>obw and roger st</td>
<td>LUCAS, MICHAEL</td>
<td>6785 - Officer Colton L. Robinson</td>
<td>90D - Driving Under the Influence</td>
</tr>
</tbody>
</table>

**Total Arrests:** 2
# Incident Media Log

**HOLDEN BEACH POLICE DEPT.**

<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>19-036707</td>
<td>04/03/2019</td>
<td>16:30</td>
<td>131 SeaGull Street, Holden Beach, NC 28462</td>
<td>90Z - Breaking and Entering 290 - Destruction/Damage/Vandalism of Property</td>
<td>50, W, F</td>
<td>8404 - Sgt. Adam C. Milligan</td>
<td></td>
</tr>
<tr>
<td>19-039679</td>
<td>04/10/2019</td>
<td>10:05</td>
<td>154 BRUNSWICK AVE EAST, Holden Beach, NC 28462</td>
<td>290 - Destruction/Damage/Vandalism of Property</td>
<td>44, W, F</td>
<td>3314 - Lt. Frank Dilworth</td>
<td></td>
</tr>
<tr>
<td>19-041874</td>
<td>04/15/2019</td>
<td>10:27</td>
<td>333 OCEAN BLVD EAST, Holden Beach, NC 28462</td>
<td>20H - Larceny</td>
<td>DANS GOLF CAR AND TRAILER SALES</td>
<td>3314 - Lt. Frank Dilworth</td>
<td></td>
</tr>
<tr>
<td>19-044642</td>
<td>04/20/2019</td>
<td>11:00</td>
<td>East End Public Beach Access, Holden Beach, NC 28462</td>
<td>20H - Larceny</td>
<td></td>
<td>0897 - Chief Jeremy C. Dixon</td>
<td></td>
</tr>
<tr>
<td>19-044786</td>
<td>04/20/2019</td>
<td>15:45</td>
<td>210 GERDA AVE, Holden Beach, NC 28462</td>
<td>290 - Destruction/Damage/Vandalism of Property</td>
<td>45, W, M</td>
<td>3314 - Lt. Frank Dilworth</td>
<td></td>
</tr>
<tr>
<td>19-047346</td>
<td>04/26/2019</td>
<td>11:34</td>
<td>156 Tuna Drive, Holden Beach, NC 28462</td>
<td>23H - All Other Larceny</td>
<td>76, W, F</td>
<td>8404 - Sgt. Adam C. Milligan</td>
<td></td>
</tr>
</tbody>
</table>

Date: 05/14/2019 – Time: 10:55
### Incident Media Log

**HOLDEN BEACH POLICE DEPT.**

<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>
</table>

Total Incidents: 14

Date: 05/14/2019 – Time: 10:55
Date: April 25, 2019

To: Holden Beach Board of Commissioners

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

Re: April Meeting Update

The Inlet and Beach Protection Board (IBPB) met April 25 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, recently renamed the Central Reach Reimbursement Project, (CRR Project) including sand sourcing was discussed. The Wider-Deeper project has been canceled. Work continues on obtaining easements from East End property owners to allow sand placement in the future.

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. Excellent progress has made on the plan and a first draft is expected at our next meeting.

Meetings: The IBPB was represented at the Brunswick County Shoreline Protection meeting April 3. Members will attend the NC Beach Inlets and Waterways Association meeting April 29, 30. The next IBPB meeting is May 23.

IBPB Member Richard Rice has submitted his resignation from the Board, effective April 30. Richard is moving to FL for a new position. We wish him the best in his new endeavors and thank him for his efforts and insights on the IBPB.
New Home Regulations

Building A Better Community Through Progressive Ideas
Proposed Zoning Ordinances Changes

- Maximum House Size Of 6000 Square feet
- Progressive Setbacks
- Protection of Storm water Discharge through Reduction
- Traffic Reduction
- Reduced Parking Density
- Reduction of Trash refuse
- Improve Quality Of Life
- Increase Lot Open Space
- Decrease Potential Secondary Storm Debris
Current Lot Coverage, Setbacks, Parking Requirements

- Current Ordinance allows for 30 percent lot coverage
- Setbacks for Residential dwellings 25 feet Front, 20 feet Rear 5 feet Sides
- Parking Currently is 9x20, Spaces required are 1 per Bedroom
Proposed Regulations Based On Home Size

<table>
<thead>
<tr>
<th>Setbacks</th>
<th>Home Size (sqft)</th>
<th>Front</th>
<th>Rear</th>
<th>Side</th>
<th>Storm water%</th>
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<tr>
<td>&lt; 4000</td>
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<td>5000 &lt; 6000</td>
<td></td>
<td>35</td>
<td>30</td>
<td>10</td>
<td>20</td>
</tr>
</tbody>
</table>

Current Required Parking is 9x20
Proposed is 10x20
Additional Possible Regulations

- Buffers from parking when more than 5 Parking Spots at dwellings.
- 10 percent of unbuildable areas in front of dwelling to be designated landscaping only.
- Parking only allowed in travel areas used for seaward most parking spot.

Staff has not looked into the possible economic impact of these Regulations.
Date: May 14, 2019

To: Commissioners and Mayor Holden

From: Heather Finnell, Town Clerk

Re: Inlet & Beach Protection Board

Richard Rice has resigned from the Inlet & Beach Protection Board. Staff recommends the Board schedule a Special Meeting to hold interviews for the vacancy on June 18, 2019 at 6:45 p.m., prior to the next Board meeting.

Please let me know if you have any questions.
Hi Heather,

I sent this to Peter to add to the agenda.

Thanks!

Vicki Myers

Begin forwarded message:

From: Richard Rice <rice008@gmail.com>
Subject: Resignation from Beach and Inlet Protection Board
Date: April 17, 2019 at 2:53:06 PM EDT
To: Vicki Myers <vymyers@gmail.com>

Vicki,

It is with regret that I must tender my resignation from the Beach and Inlet Protection Board effective 30 April 2019.

I have accepted a position with a company in Jacksonville Beach, Florida and will be moving there shortly.

It has been a pleasure and an educational experience to to associated with you and the other members of the board over the last few months. I've made friends with many and will always cherish my time at Holden Beach.

Best of Luck to you and all of the board members for all the important work you do now and in the future.

Richard Rice
Date: May 13, 2019
To: Commissioners and Mayor Holden
From: Heather Finnell, Town Clerk
Re: Supplement #16 to the Code of Ordinances

The latest supplement to the Holden Beach Code of Ordinances is listed on the agenda as item 18. The supplement codifies the ordinances the Board approved since the last supplement.

If you approve Ordinance 19-08 that adopts the supplement at Tuesday’s meeting, please follow the instruction sheet and replace the old pages in your Code books. If you prefer, you could bring me your book and the supplement and I will do it for you.

Let me know if you have any questions.
ORDINANCE 19-08

AN ORDINANCE ENACTING AND ADOPTING A SUPPLEMENT TO THE CODE OF ORDINANCES OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA (Supplement 16)

WHEREAS, American Legal Publishing Corporation of Cincinnati, OH, has completed the 16th supplement to the Code of Ordinances of the Town of Holden Beach, which supplement contains all ordinances of a general and permanent nature enacted since the prior supplement to the Code of Ordinances of the Town of Holden Beach; and

WHEREAS, it is necessary to provide for the usual daily operation of the municipality and for the immediate preservation of the public peace, health, safety and general welfare of the municipality that this ordinance take effect.

NOW, THEREFORE BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE TOWN OF HOLDEN BEACH, NORTH CAROLINA:

Section 1. That the 16th supplement to the Code of Ordinances of the Town of Holden Beach as submitted by American Legal Publishing Corporation of Cincinnati, OH, and as attached hereto, be and the same is hereby adopted by reference as if set out in its entirety.

Section 2. Such supplement shall be deemed published as of the day of its adoption and approval by the Board of Commissioners and the Clerk of the Town of Holden Beach is hereby authorized and ordered to insert such supplement into the copy of the Code of Ordinances kept on file in the office of the Clerk.

PASSED AND ADOPTED by the Board of Commissioners of the Town of Holden Beach, North Carolina, on this 21st day of May, 2019.

ATTEST:  

J. Alan Holden, Mayor

Heather Finnell, Town Clerk