



Town of Holden Beach  
Board of Commissioners  
Regular Meeting

Tuesday, May 16, 2017  
7:00 PM

Holden Beach Town Hall  
Public Assembly



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS' REGULAR MEETING  
HOLDEN BEACH TOWN HALL – PUBLIC ASSEMBLY  
TUESDAY, MAY 16, 2017 - 7:00 P.M.**

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1. Invocation
2. Call to Order/ Welcome
3. Pledge of Allegiance
4. Agenda Approval
5. Approval of Minutes
  - a. Minutes of the Regular Meeting of April 18, 2017 (Pages 1 – 8)
  - b. Minutes of the Special Meeting of April 24, 2017 (Pages 9 – 15)
6. Public Comments on Agenda Items
7. Guest Speaker: Senior Resident Superior Court Judge Ola M. Lewis – Opioid Abuse Crisis/ Opioid Task Force (Mayor Pro Tem Fletcher, Commissioner Royal and Commissioner Freer) (Page 16)
8. Guest Speaker: Ava Pailthorp – Restrict Parking on Elizabeth Street and Private Walkway Access and Change Vehicle Decal Policy for Residents to Access Holden Beach After Major Storm/ Disaster (Mayor Pro Tem Royal and Commissioner Freer)
9. Discussion and Possible Action Related to Restricting Parking on Elizabeth Street and the Private Walkway Access – Mayor Pro Tem Fletcher
10. Discussion and Possible Action to Revise Vehicle Decal Policy and/ or Ordinance for Accessing Beach After Bridge Reopening After Major Storm/ Disaster – Mayor Pro Tem Fletcher (Page 17)
11. Police Report – Chief Wally Layne (Page 18)
12. Discussion and Possible Action to Amend Town Ordinance and/ or Charter to Change Board of Commissioner Term to Staggered Four Year Terms – Commissioner Royal (Page 19)
13. Discussion and Possible Action on Lockwood Folly Inlet Funding – Shoreline Protection and Recreation Manager Ferguson (Page 20)
  - a. Ordinance 17-07, An Ordinance Amending Ordinance No. 16-12, The Revenues and Appropriations Ordinance for Fiscal Year 2016 – 2017 (Amendment No. 5) (Page 21)

14. Town Manager's Report

15. Mayor's Comments

16. Board of Commissioners' Comments

17. Public Comments on General Items

18. Adjournment



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

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

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

**PLEDGE OF ALLEGIANCE**

**AGENDA APPROVAL**

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

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

**APPROVAL OF MINUTES**

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

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

**PUBLIC COMMENTS ON AGENDA ITEMS**

No comments were made.

**SEWER SYSTEM VULNERABILITY ASSESSMENT – MICHAEL NORTON, MCGILL ASSOCIATES**

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

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

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

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

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

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

#### **DISCUSSION AND POSSIBLE AWARD OF CONTRACT FOR ROADWAY WORK**

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

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

#### **POLICE REPORT – CHIEF WALLY LAYNE**

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

#### **CONFIRMATION OF AUDIT COMMITTEE MEMBER**

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

*The Board agreed by consensus.*

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

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

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

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

#### **FISCAL YEAR 2016 – 2017 BUDGET UPDATE**

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

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

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

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

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

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

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

#### **DISCUSSION AND POSSIBLE ACTION ON YARD WASTE PICK-UP**

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

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

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

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

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

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

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

*The motion was approved by unanimous vote.*

#### **DISCUSSION AND POSSIBLE ACTION ON LOCKWOOD FOLLY INLET FUNDING**

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



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

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

## **TOWN MANAGER'S REPORT**

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

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

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

### **MAYOR'S COMMENTS**

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

### **BOARD OF COMMISSIONERS' COMMENTS**

#### **Mayor Pro Tem Fletcher**

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

#### **Commissioner Royal**

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

#### **Commissioner Freer**

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

#### **Commissioner Isenhour**

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

Commissioner Kyser

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

#### **PUBLIC COMMENTS ON GENERAL ITEMS**

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

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

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

#### **ADJOURNMENT**

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

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
MONDAY, APRIL 24, 2017 – 9:00 A.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Monday, April 24, 2017 at 9:00 a.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners Ashley Royal, Peter Freer, Kim Isenhour and Ken Kyser; Town Manager David W. Hewett; Town Clerk Heather Finnell, Police Chief Wally Layne, Public Works Director Chris Clemmons; Shoreline Protection and Recreation Manager Christy Ferguson; Building Official Tim Evans; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner.

**BUDGET WORKSHOP - EXPENSES**

Fiscal Operations Clerk Lockner reviewed the budget schedule and explained she will go through the expenses by each fund. Commissioner Freer asked to start with the BPART Fund.

BPART Fund - Fiscal Operations Clerk Lockner explained the easements for the east end are included in the numbers. The line item for Professional Services has increased due to monitoring requirements for the Central Reach Project. The Beautification line item has increased significantly for project requests, excluding their five year plan. Vegetation expenses have been placed back in this year's budget. Commissioner Freer said he is not comfortable adding a budget item for easements for the Lockwood Folly area since we do not have a plan in place yet. Town Manager Hewett explained we have the SDI-5 permit. A requirement to execute that is that we need to have easements to put sand on the beach. He said without the easements the permit is invalid. He said the permit goes from the LWF crossing out to basically the sea buoy. He provided an example of not being able to do the piggyback effort on the last project if the Corps wasn't able to do it under their authorization. Shoreline Protection and Recreation Manager Ferguson explained why it seems best to get the easements if the Town plans on putting any sand down in that area. Town Manager Hewett said the SDI-5 permit is a federal and state issued permit to the Town. The environmental piece utilizes SARBO and is a portion of the federal permit. He confirmed if we use the Corps' federal authorization, the Town doesn't need easements. Mayor Pro Tem Fletcher asked if the Town can get the Corps to get an independent contractor. Town Manager Hewett said they did the inlet crossing with a separate contractor, but his advice is to not put all our eggs in the Corps' basket. The Board discussed modifying the language in the Central Reach easement to reflect the narrow purpose of the Lockwood Folly project. Town Manager Hewett said that is an attorney product and we can't put her to work to craft an easement without funding. Mayor Pro Tem Fletcher asked if the Town is budgeting for the inlet. Town Manager Hewett replied he doesn't know what to budget for. He said they put the \$50,000 in the Lockwood Folly Dredging line item for convenience, but it is for easement procurement that is tied directly to the Lockwood Folly Shallow Draft Inlet Permit. Town Manager Hewett

confirmed the \$76,000 for the line item this year was for the actual crossing project that was completed through the Corps' authorization.

Shoreline Protection and Recreation Manager Ferguson stated that in the previous year's budget the Beautification line item said \$500, which was a donation to them. If this proposed expense goes forward, they would still only get \$500. In the past their other projects were scattered throughout the budget. Now their projects are focused in that line item. Commissioner Freer inquired if the bulkhead in the budget was the one on Beautification's list. Public Works Director Clemmons said no, he budgets one per year to replace as needed. Shoreline Protection and Recreation Manager Ferguson listed what Beautification's line item consists of.

Fiscal Operations Clerk Lockner stated the increase in Professional Services is due to the Central Reach Project. Shoreline Protection and Recreation Manager Ferguson added that is for the required monitoring. Jordan Blvd Ops, Maintenance and Repair is increased because the Town needs to take over maintenance this year for the DOT bridge project. The East End Shore Protection line item is the remainder of the cost for Dial Cordy, the third party contractor for the terminal groin.

Commissioner Freer asked about line items that weren't spent this year, but the amount is still budgeted. He asked what happens to that money. Town Manager Hewett said the amount goes back into Fund Balance. Fiscal Operations Clerk Lockner explained we still have three months left in the budget, so the lines will hit closer to their mark. Staff answered questions on specific line items. Town Manager Hewett said in regard to Travel and Training, staff couldn't go this year because of the Central Reach Project and the hurricane. He said he hasn't given these numbers a hard scrub from the manager's prospective. These are department heads' inputs and he is not sure the amount proposed for that is enough. The FEMA money is not budgeted under expenses this year, but the Town will still seek reimbursements. Shoreline Protection and Recreation Manager Ferguson explained the Shoreline Monitoring is for the transacts where we survey the beach. Part of that was incorporated in to the CRP this year so we were able to save on that. Town Manager Hewett said \$2,500 - \$3,000 in the Debris Removal line item goes to things like tires that wash up on the beach. You have to pay tipping fees to dispose of it.

Commissioner Royal said he thinks the Board owes it to the public to show they are sensitive to the fact that taxes were raised significantly last year. He wants to make sure we can justify what is there and when we can't it should be cut back. He thinks it is in the best interest of the Town to set aside money for beach nourishment. Town Manager Hewett said the occupancy tax legislation lays out exactly how it is supposed to be apportioned. It is 3% tourism, 2% beach nourishment. He did a quick review and we are upside down on that ratio. Commissioner Royal said that doesn't prevent the Town from apportioning a portion of the General Fund for sand.

Mayor Holden stated he needed to meet with the County Manager and passed his gavel to Mayor Pro Tem Fletcher at 9:36 a.m.

The Board discussed the Budget Message. Mayor Pro Tem Fletcher asked why the Sanitation Salary is no longer budgeted from the BPART Fund. Town Manager Hewett said it is garbage collection on the beach and it has been moved to Contracted Services. Fiscal Operations Clerk Lockner said staff is proposing that that service be changed to Contracted Services and the employee be moved to the Water Fund. Public

Works Director Clemmons stated he has been utilizing Water and Sewer staff for trash collection on the strand and explained why he thinks it would be beneficial to contract that service out. He did solicit bids to perform this service. Commissioner Royal asked if this would be an example of what can be charged to tourism. Town Manager Hewett replied that is in his calculation. Public Works Director Clemmons said this would be filling in the gaps from Memorial Day – Labor Day. Town Manager Hewett explained the last three items on page 22 are the salary items for manpower for things like installing sand fence and working on accessways.

Fiscal Operations Clerk Lockner said the Chamber of Commerce line item is part of a program of giving donations to non-profits. Parks & Rec Utilities includes water, sewer and lights for the parks. Town Manager Hewett said he will double check to make sure we are not double billing for the bridge project area. Shoreline Protection and Recreation Manager Ferguson added she believes it also includes part of the port a johns. She explained the Starfish Fire Station Upgrade line item is based on a quote for a new roof. Fiscal Operations Clerk Lockner explained the line item below it is the expenses of running the fire station. Town Manager Hewett stated they run a substation on the island during the summer. Last year the expense was run from the upgrade line item. Shoreline Protection & Recreation Ferguson said she will double check about the Public Restrooms line item. In the past, she believes part of the port a johns was included in that line item. Commissioner Royal inquired if the Town was going to evaluate the fees for the park. Shoreline Protection and Recreation Manager Ferguson replied we can; the only one we cannot change is the \$5 for the sewer pump-out that is state mandated. She said we are keeping a spreadsheet on what people have paid. Shoreline Protection and Recreation Manager Ferguson said the Beach Vegetation line item would be representative of the area west of the CRP. If funding for the east end is not approved in the current budget and the Board elects to do it, that amount would go up. The Board discussed if it is a tourist or sand expense. We would need to get permission from the property owners in that area before sand fence and vegetation is placed in that area.

Commissioner Royal asked if a line item could be added that is a transfer from the General Fund to the BPART Fund as means of funding a line item for nourishment. Town Manager Hewett responded this is the expense side, if you transfer money it would be a revenue line item. He said that is already there. It is \$800,000 and represents about half of the debt service payment for the CRP. Commissioner Royal asked if you could have a line item that represents 5% of the operating budget being set aside for beach nourishment. He would like to set aside money each year to avoid having to raise taxes for a major project. Town Manager Hewett said that sounds like he is talking about setting up a capital reserve account. He said there is Undesignated Fund Balance in the BPART Fund. A way to do that would be to appropriate the Undesignated Fund Balance, equal to an amount and set it aside in the Capital Reserve Account. It would be subject to an annual appropriation. In the creation of the account, you have to specify what it is to be used for, how it is anticipated to be funded and how long it will be in existence. He asked what the 5% is representative of. He said 5% of occupancy taxes would be about \$90,000. 5% of the operating budget would be about \$1.8 million. Commissioner Royal read the goal from a previous workshop. He said he was thinking 5% of revenue would go to a sand, nourishment line item per year. He clarified the ad valorem revenue. Commissioner Kyser said the only problem he sees is that it would be competing with Fund Balance. The only way to put 5% more would be to raise taxes or cut services. Commissioner Freer added or cut expenses. Town Manager Hewett explained Fund Balance in the General Fund. He said the Board could appropriate a number certain from the BPART Fund Balance, instead of a percentage. Commissioner Freer said they want to make the BPART Fund and General Fund Balance healthier. Mayor Pro Tem

Fletcher asked if we have a handle on what percentage of occupancy taxes is being used for operating expenses. Town Manager Hewett said that would be hard to define without knowing what the Board is considering operating expenses. The Board talked about the occupancy tax law. Commissioner Freer said he thinks the goal is to move some of the expenses out of the BPART Fund so there is more of a sand reserve. Town Manager Hewett said some of the expenses are directly tourism related. He said if they are moved to the General Fund, they will still be expenses. Commissioner Kyser said what this boils down to is when the new Town Hall and Emergency Operations Center were put into service. It was the same time the economy tanked. They could have raised taxes then, but they chose not to and to take it out of the BPART Fund. He said the only way to do this is to raise taxes or cut expenses, which would cut services. He said if money is made so tight, Town Manager Hewett will need to come to the Board for all of the bills he needs to pay. Mayor Pro Tem Fletcher said \$100,000 of the budget wasn't spent last year. Commissioner Kyser said the Town is still not at where the Local Government Commission would like us to be with Fund Balance. Commissioner Freer said the Town needs to put a plan in place and address the problem. He added some of the items need to be looked at.

The Board took a recess from 10:24 a.m. – 10:30 a.m.

Shoreline Protection & Recreation Manager Ferguson explained that she shares the Access and Recreation line item with Public Works Director Clemmons. She explained what that line consists of.

Commissioner Freer said he knows we went through the revenue, but without the expenses you don't know what you need. He said this year there is no increases in the revenue. He thinks the Board needs to readdress revenue and look at ways of covering some of these costs. Commissioner Freer said Holden Beach is one of the only ones that doesn't charge for parking. Town Manager Hewett said we could work on that, but there wouldn't be anything definitive before the budget needs to be adopted. He said this is a huge endeavor. He said another initiative would be an ABC store. Town Manager Hewett said those are two initiatives that could be investigated for the upcoming year. Commissioner Royal said he likes the idea that it spreads the costs away from the property owners.

Fiscal Operations Clerk Lockner advised the Board that the HB Promotion line item is where the Beach Ranger will come out of. Shoreline Protection & Recreation Manager Ferguson explained she cut her line item to accommodate that.

Governing Body/ Admin – Fiscal Operations Clerk Lockner explained the highlights of this section are that there is a decrease in debt service; the budgeted salaries include a 5% merit increase and 2.5% COLA; and funding for a new computer software program. The Board discussed the administration of increases, the recent salary equalization and past raises. Fiscal Operations Clerk Lockner said she also has information on other percentages. How the proposed percentages will affect the other line items was discussed. There was discussion on turnover rates. After discussion, the Board agreed to a 3% merit pool to be awarded based on performance. The Board talked about excluding the manager's salary from the calculations. Commissioner Royal asked about the Rewards and Wellness line item. Town Clerk Finnell explained that line item has not been used for that in a while and provided examples of what it is being used for. Commissioner Royal encouraged the Town to use this line item by looking at rewards for targeted accomplishments that deserve a reward.

Town Clerk Finnell explained the increased cost of insurance was due to a rate increase. In the past, the increase was managed by altering services. The Town pays for the full employee and a portion of family coverage. The Board talked about insurance costs and what the Town pays for. Commissioner Freer said he would like to know where the Town falls with other communities in terms of compensation and benefits. Town Manager Hewett replied the Town is at about midpoint for compensation and in line with people with benefits.

Town Manager Hewett said the Retirement line item is a fractional relationship with the salary line item. Also, the mandatory contribution went up a couple of basis points. Unemployment Compensation is now based on claims made.

Police – Mayor Pro Tem Fletcher asked about the line items that aren't spent in the Police budget. Chief Layne said he didn't ask for anything, he kept his numbers the same. Chief Layne said he sees items that can be cut. Town Manager Hewett used bullets needed for training not being purchased yet as an unused expense.

Commissioner Freer said the expectation is to make a realistic budget based on the budget that is three quarters spent. Commissioner Royal said the best way to manage a budget is to allocate what you need month by month, plan your expenses out so you can spend safely and efficiently.

Building & Inspections – Building Official Evans said Contracted Services was cut in half. He explained what it has been used for in the past. He budgeted for what specific items he knows are upcoming. It may be more than that. Town Manager Hewett said in Inspections there are specific legal expenses that we incur. When we consult with our attorney on specific items related to Inspections, those items are billed to the Inspections line item. Building Official Evans said the Advertising line item is for lots of things, including the flood program, the contractor's informational meeting and when they post a piece of property. His budget is based on a five year trend. He said right now they are trending up. Travel and Training is higher. Building Official Evans explained that in the past he always volunteered to teach and a portion of his expenses was paid for. He is not doing that this year. He said Zoning Official Wooten didn't do as much training as he would have liked because she couldn't go since he was sick last summer. M&R Vehicles – the average age of vehicles in his department is nine years. That item will be pretty close, there was just a major repair to a vehicle. Gas, Oil and Tires is based on trends. The Equipment Purchase line item is because he has been planning on getting a plotter.

Public Works, Street, Buildings and Ground Expenses – Public Works Director Clemmons explained the street paving project in the upcoming year costs less than this year, which accounts for some of the difference in his current versus projected amounts. Commissioner Royal asked if the Pointe West flooding issue was coming out of his department. Public Works Director Clemmons replied not as far as he knows. Mayor Pro Tem Fletcher said it is a \$365,000 budget and only \$140,000 is spent. He asked if the difference is anticipated to be spent. Public Works Director Clemons used bulkhead repair as an example of work that still needs to be done. Commissioner Kyser added that the street paving project still needs to be done. Town Manager Hewett said we will end up spending about \$100,000 when you add engineering services and contract administration to the cost of the work. Public Works Director Clemmons said he still has some patching to do which will fall under Maintenance and Repair Streets. Town Manager Hewett said Street Drainage Projects will probably pay for a couple of culverts. Travel is in Public Works and Sanitation



because it is for different employees. Commissioner Freer questioned where Ranger falls on the priority listing of the Street Paving Conditions Assessment. Town Manager Hewett said it is included on the Powell Bill map. We have be going right down the list for the Capital Improvement Plan. Mayor Pro Tem Fletcher explained the condition of Boyd. Town Manager Hewett said it looks like Boyd is scheduled for about three years from now. Commissioner Freer would like to move Ranger down the list. Public Works Director Clemmons said he can look at it to see if he can find something that is comparable to replace it with. The Board agrees. Town Manager Hewett talked about the Town's Powell Bill appropriation.

Sanitation- Public Works Director Clemmons thinks the Contracted Services line item was recycling. He will get back to the Board to confirm what the line item consists of. The Board talked about blue can recycling. Town Manager Hewett said the mosquito control program is also run out of sanitation. Commissioner Royal would like to look at the overall collection. He said we are paying for one service (yard debris) that is far less utilized than recycling. Town Manager Hewett said he intends to bring that back once we have a year's worth of data on the recycling bin being removed. He wants to get stakeholders involved. Commissioner Royal said recycling reduces waste, but Waste Industries doesn't factor that in. He asked if we can find out if they are charged on a tonnage basis for the waste they dump. Town Manager Hewett said we can ask, but he is not sure if they are willing to answer. The Board further discussed recycling and yard debris collection.

Operations –Town Manager Hewett said after discussion that he believes the Professional Services line item in the current year budget is for McGill and Associates. Public Works Director Clemmons said we need to figure out if the Town wants to make appropriations for the sewer in the upcoming year. He said in about two years, \$673,000 of debt will be paid off. That is for the sewer transmission lines. We will still have the loan for the treatment plant. The Board talked about the pipe testing program. This would be year three of a three year program. Commissioner Freer asked what the intent of the transfer to the General Fund is. Fiscal Operations Clerk Lockner answered that the number listed is not a completely accurate number at this moment. She used it as a placeholder until we had this workshop. She was trying to see what it will take to balance the fund. Town Manager Hewett added for sure there is a cost for the Emergency Operations Center that is funded out of the General Fund, but it is a Water and Sewer building. He said it is an expense to the Water/ Sewer Fund and it will show in the General Fund as a revenue.

Commissioner Freer said the direction is that he would like the Town to be really cognizant of the Water and Sewer Fund because of what we know is in front of us. He said the same with the BPART Fund.

Town Manager Hewett said the one thing that is not in the budget is the Capital Improvement Plan, specifically the lift station upgrades. The workshop won't be until after the Budget Message. He plans to take the results of the study, working west to east and use the programming factors for the lift stations on a year by year basis and put an appropriation from Fund Balance from the Water and Sewer Fund that equals the cost to do the first station. He will then update the Capital Improvement Plan. The Board can make changes as they please. He needs to put something in as a placeholder. Commissioner Royal asked if his recommendation is for Recommendation 2 from the study. Town Manager Hewett replied yes.

Shoreline Protection and Recreation Manager Ferguson said there is not funding for a lobbyist currently included in the proposed numbers.

The Board agreed May 19<sup>th</sup> at 9:00 a.m. is preferable for a Sewer Vulnerability Workshop.

**ADJOURNMENT**

*Motion by Commissioner Royal to adjourn at 12:26 p.m.; second by Commissioner Isenhour; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk

**Heather Finnell**

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**From:** Cranfill, Kristin N. <Kristin.N.Cranfill@nccourts.org>  
**Sent:** Wednesday, April 19, 2017 3:13 PM  
**To:** Heather Finnell  
**Subject:** Commissioner's Meeting

Good Afternoon,

Per our recent conversation, I am writing this email on behalf of Senior Resident Superior Court Judge Ola M. Lewis. Upon approval, Judge Lewis would like the opportunity to speak to the Holden Beach Commissioners at an upcoming meeting about our county's overwhelming opioid abuse crisis. She has recently formed an Opioid Task Force in our county as well and would like to share that information. Thank you in advance for your assistance, and we look forward to hearing from you very soon.

Respectfully,  
Kristin Cranfill

**Kristin Cranfill**  
Superior Court Judicial Assistant  
District 13B  
310 Government Center Drive, Suite 3  
Bolivia, NC. 28422  
(910) 253-4428 office  
(910) 253-3917 fax

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**Discussion and possible action to revise Vehicle Hurricane Decals policy and/or ordinance for accessing beach after bridge reopening after major storm/disaster. - Mayor Pro Tem Fletcher**

backup - Propose the Board Of Commissioners revise/establish the Town of Holden Beach policy and/or Ordinance that owners and permanent residents be allowed back after storm related Bridge closing with other than a Town Hurricane Decal. Propose a driver's license with a Holden Beach address is full qualification as is a water or tax bill from the Town. Also propose the 3<sup>rd</sup> and 4<sup>th</sup> stickers for owners/residents are free as they were before.

# Activity Log Event Summary (Cumulative Totals)

HOLDEN BEACH POLICE DEPT.

(04/01/2017 - 04/30/2017)

<No Event Type Specified>	4	911 Hang Up/Open Line	3
Alarm Activation	12	Animal Complaint	14
Arrest	1	Assist Motorist	5
Assist Other Agency	19	Attempt to Locate-ATL	9
Disturbance/Fight	7	EMS/Medical Call	7
Fire Call	1	Found Property	2
Incident Report	12	Investigation	1
Keep Check	15	Lost Property	3
Maintenance/Water Leaks(HB Only)	9	Meet with Complainant	10
Missing Person	1	Motor Vehicle Crash (Property Damage Only)	1
Noise/Nuisance Complaint	3	Open Door	2
Parking	3	Phone Call (requested to call subject)	22
Public Assist	1	Residence Check	2
Supplemental ( to prior report - use original OCA)	2	Suspicious Activity	4
Suspicious Person	1	Suspicious Vehicle	2
Water Rescue	3	Welfare Check	1

**Total Number Of Events: 182**

**Discussion and possible action to amend Town Ordinance and/or Charter to change Board of Commissioner term to staggered 4 year terms. - Commissioner Royal**

backup - Propose changing the related Ordinance and/or Town of Holden Beach Charter that designates the Board of Commissioners term of office. An option would be that the 2017 election would elect 5 Board members with the 3 candidates receiving the most votes would serve a 4 year term and the other 2 elected candidates would serve a 2 year term. Then the 2019 election would put the 2 year Commissioners positions up for a 4 year term. And then there would be 4 year terms in staggered elections (3 Board openings in 2021 election and 2 Board openings in 2023 elections). Other options are welcomed from the Town Attorney or Staff.



Date: May 5, 2017

To: Commissioners and Mayor Holden

From: Christy Ferguson, Shoreline Protection and Recreation Manager 

Re: Lockwood Folly Navigation Dredging and East End Sand Fence and Vegetation

We received correspondence from Steve Stone, Deputy County Manager, that the Brunswick County Board of Commissioners appropriated \$140,000 for the Lockwood Folly Inlet Project at their meeting on May 3, 2017. This is the current estimate for the local burden share for the project given to the county by Jim Medlock, Shallow Draft Inlet Project Manager with the Corps. It is anticipated that Brunswick County will ask Holden Beach and Oak Island to reimburse \$35,000 each. The state has already agreed to pay their two-thirds portion, (\$280,000) of the overall project cost, \$420,000. This inlet maintenance effort will be performed by the sidecaster dredge, Merritt, and will not put sand on the beach.

The Town's most recent piggyback on the Corps AIWW Inlet crossing project placed sand on the beach from approximately 240 OBE to 335 McCray Street. Sand fence and vegetation is now required to stabilize the shoreline there. Estimated cost to do so is \$30,000; to be funded from existing resources, \$15,000, and an additional fund balance appropriation of \$15,000. Total budget amendment for both the inlet maintenance and the east end stabilization is \$50,000.

#### 1. Budget Amendment

## TOWN OF HOLDEN BEACH

## ORDINANCE NO. 17-07

AN ORDINANCE AMENDING ORDINANCE NO 16-12, THE REVENUES AND APPROPRIATIONS  
ORDINANCE FOR FISCAL YEAR 2016-2017 (Amendment No. 5)

BE IT ORDAINED BY the Mayor and Board of Commissioners of the Town of Holden Beach, North Carolina, that Ordinance No. 16-12 appropriating funds for the Fiscal Year 2016-2017 be amended as follows:

## PART I

## SECTION I: REVENUE

<u>Account#</u>	<u>Title</u>	<u>Amount</u>	<u>Action</u>
50.0399.0000	FUND BALANCE APPROPRIATED	\$50,000	INCREASE

## PART II

## SECTION I: EXPENSE

<u>Account #</u>	<u>Title</u>	<u>Amount</u>	<u>Action</u>
50.0710.7200	LOCKWOOD FOLLY DREDGING	\$35,000	INCREASE
50.0710.4700	SAND FENCE PROJECT	\$15,000	INCREASE

This the 16<sup>th</sup> day of May, 2017.

\_\_\_\_\_  
J. Alan Holden, Mayor

ATTEST:

\_\_\_\_\_  
Heather Finnell, Town Clerk