



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
TUESDAY, JANUARY 13, 2015 – 7:18 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, January 13, 2015 at 7:18 p.m. (the meeting was called to order late due to the Public Hearing ending at 7:17 p.m.). Present were Mayor J. Alan Holden; Mayor Pro Tem Ken Kyser; Commissioners Sandy Miller, Sheila Young and Gina Martin; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Wally Layne; Building Official Tim Evans; CAMA Official Rhonda Wooten; Shoreline Protection and Recreation Manager Christy Ferguson; and Fiscal Operations Clerk Mandy Lockner. Commissioner Dennis Harrington was not in attendance.

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

**PLEDGE OF ALLEGIANCE**

**AGENDA APPROVAL**

*Motion by Mayor Pro Tem Kyser to approve the agenda as presented; second by Commissioner Miller; approved by unanimous vote.*

**APPROVAL OF MINUTES**

*Motion by Commissioner Young to approve the minutes of the Regular Meeting of December 9, 2014 as written; second by Mayor Pro Tem Kyser; approved by unanimous vote.*

**PUBLIC COMMENTS ON AGENDA ITEMS**

No comments were made.

**BRUNSWICK COUNTY TOURISM DEVELOPMENT AUTHORITY UPDATE, MITZI YORK, EXECUTIVE DIRECTOR**

Mitzi York stated the numbers for January through October show that 2014 is about 4.2 percent over 2013. In 2014, the TDA generated 106,000 requests for their visitor guides. That doesn't include downloaded copies. From their website, they sent 71,000 visits to their partners. She provided the Board with copies of the new guide. They also print a golf guide and wedding planner. Ms. York talked about additions/ improvements to their website. She provided information about their marketing and public relations campaigns. Ms. York went over statistics for tourist income for the county.

**POLICE REPORT – POLICE CHIEF WALLY LAYNE**

- Fortunately we remain fairly quiet on the island. There have been a few break-ins. Keep an eye out for each other. Call the Police Department if you see something that doesn't look right.
- All of the new vehicles are in service. That includes the vehicle that replaced the one that was wrecked.
- Detective Dixon is currently at school for instructor training. Needs another firearms instructor.

- Commissioner Miller stated she heard a rumor that the Police Department caught a couple of the people responsible for the break-ins. Chief Layne stated the Southend Task Force has been working diligently. He is sure they have caught a couple of them.
- Dolly Mitchell referred to the crime report in the Beacon. She asked where the break-ins are reflected in the Town's report. Chief Layne stated that they are scattered. Commissioner Young asked if most of the break-ins are oceanfront. Chief Layne stated they are scattered around and in no particular area of the island.

#### **DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 15-01, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 157: ZONING (BUILDING HEIGHT)**

Commissioner Young thinks that the clarification Jay Holden requested at the public hearing might be good to add to the ordinance. Mayor Holden asked Building Official Evans if he has any problem with that. Building Official Evans replied no. He recommends it be added to the definitions in the flood damage prevention section. It should read DFE is the base flood elevation, plus two feet. Commissioner Young stated the Board needs to assure people the envelope of the house isn't changing a lot. Building Official Evans stated he thinks this makes the playing field level. He explained the difference in the current and proposed methods.

*Motion by Mayor Pro Tem Kyser to approve Ordinance 15-01, with the addition of the DFE definition and X zone measurement exemption, second by Commissioner Miller.*

Commissioner Young asked if there is anything else that hasn't been explained or answered. Mayor Holden stated the public had the opportunity to speak. Mayor Holden stated he and the staff are satisfied.

*The motion passed by unanimous vote.*

#### **DISCUSSION AND POSSIBLE APPROVAL OF REFINANCING OF THE EMERGENCY OPERATIONS CENTER LOAN**

Fiscal Operations Clerk Lockner explained the terms of the current USDA loan. The Town contacted BB&T and was given two financing options. The first option is a 10 year loan with a yearly payment of \$96,016.86 and a 2.42% interest rate. The second option is a 12 year loan, with a yearly payment of \$83,462.59 and a 2.74% interest rate. She reviewed the spreadsheet in the packets that compares all three options. Commissioner Young asked if it was correct that there are 20 years left to pay for the current loan. Fiscal Operations Clerk Lockner stated it would be 2034/2035. Commissioner Young stated it looks good, but asked if it would be a budget issue. Town Manager Hewett explained that this year's payment is due in May. Next year's payment is due in July. One thing that isn't reflected in this spreadsheet is the \$6,500 that the USDA requires the Town to put aside for 10 years. At the end of this fiscal year, we will have close to \$32,000 escrowed. So for at least next year, depending on the payment plan the Board chooses, the Town would be obligated next year for less money than we would be in this year's payment. There would be an increase after that. Under the current structure, with the debt covenant we are obligated to \$73,000 a year. Commissioner Young asked if there is a refinance fee. Fiscal Operations Clerk Lockner stated just the underwriting fee and the lawyer fee. The contract is only good until the end of January.

Mayor Pro Tem Kyser stated it is \$23,000 difference between what the Town is paying now and the highest payment. He thinks we can find a way to come up with that payment to reduce it to a 10 year loan. It would reduce significantly the total amount the Town would pay. Commissioner Young stated her concern is the Town might lose something else if we need to spend the additional money each year.

*Motion by Mayor Pro Tem Kyser to approve the 10 year BB&T loan; second by Commissioner Miller; approved by unanimous vote.*

## **DISCUSSION AND POSSIBLE APPROVAL OF FISHING TOURNAMENT FUNDING**

Rube McMullan provided information on king mackerel tournament fishing. He provided background on the national circuit that fishes from North Carolina to Texas. It is operated by the Southern Kingfish Association. They are the sanctioning body for the tournaments on the circuit. There is a national championship that is usually held in Biloxi, Mississippi each year. Teams come from all over the country for the tournament. It attracts national media attention. The Southern Kingfish Association was recently purchased by a large company in Florida called NBOA. Mr. McMullan stated he was approached to see if there would be an interest in holding the national championship here instead of Biloxi. Mr. McMullan stated there would be national exposure brought to this area if it is hosted here. Ocean Isle Beach has agreed to participate in funding the event. The Chamber of Commerce has indicated they would too. One of great things here is the boat accesses at houses. He stated this is a family event so there would be a lot of crossover events that would help the economy. In Biloxi, the event was held the first weekend of November. They acknowledged it would be better to have it here in October.

Mayor Pro Tem Kyser asked how much support they are looking for. Mr. McMullan indicated they need about \$25,000, but he is hoping a bunch of communities would chip in. Commissioner Young asked if this would help or hurt the festivals. Mr. McMullan stated they are targeting the weekend of the Holden Beach festival. He thinks it would be a benefit; families could attend the festival during the tournament. The headquarters would be at Ocean Isle Beach. The spillover affect would be housing. He stated most people would make a week trip out of it. He spoke with the county. They are excited about the event, but no formal request has been made to them at this point. He named a few more groups who might be approached. Mayor Holden stated any money the Board chooses to spend would come from BPART money, not tax. We are required to spend a certain amount on promotions.

*Motion by Commissioner Miller to contribute \$5,000 to the fishing tournament, second by Mayor Pro Tem Kyser; approved by unanimous vote.*

## **DISCUSSION AND POSSIBLE APPROVAL OF CONTRACT TO AUDIT ACCOUNTS BETWEEN THE TOWN AND THOMPSON, PRICE, SCOTT, ADAMS AND CO.**

Town Manager Hewett stated this is for the audit for the year ending June 30, 2015. The terms are the same as the last year. The due date to the Local Government Commission (LGC) is October 31<sup>st</sup>. The cost is \$12,750.

*Motion by Commissioner Miller to approve the contract; second by Mayor Pro Tem Kyser.*

Commissioner Young stated her concern is the first year the audit was late, the second year it was later and the past year it was very late. She stated the Audit Committee did not even get a chance to look at it. She would like to see the contract put out to bid. Town Manager Hewett stated he thinks there is some misunderstanding of the responsibilities of the auditor and his obligation to report to the LGC. The LGC is the one that sets the timeline on the submission of the audit. The auditor works for the Board, but the audit is submitted to the secretary of the LGC. The timeframe is set by the secretary. That date is October 31<sup>st</sup> of each year. They did meet that date last year. Commissioner Young stated it took awhile after that for the Board to receive it. Mayor Holden stated we are at the mercy of the state returning it.

Commissioner Miller stated the motion was to approve the contract to audit accounts between the Town and Thompson, Price, Scott, Adams and Co.

*The motion passed by a 3 – 1 vote, with Mayor Pro Tem Kyser and Commissioners Miller and Martin voting for the motion and Commissioner Young voting in the negative.*

## **DISCUSSION OF AUDIT COMMITTEE – COMMISSIONER YOUNG**

Commissioner Young stated the Audit Committee never had a chance to look at the audit last time. She thanked the current and past members of the Audit Committee. She stated they serve at the pleasure of the Board and have the business background to be an independent third party to look at the audit. She said any group needs checks and balances. Commissioner Young believes as elected officials, the Board has fiduciary responsibility. She stated some neighboring towns have been questioned about their finances and the Town doesn't want to be. She believes the Town needs the committee and they need lead time to do their job properly. Mayor Pro Tem Kyser stated the Board hires an independent contractor who audits the Town's finances. They collect all of the information. The LGC reviews the auditor's work. The Audit Committee takes the report the auditor completes and reviews it. They don't see additional information. He doesn't think there is a need for that. Mayor Pro Tem Kyser stated he does appreciate what they have done. Commissioner Young stated that the auditor suggested there should be someone designated if there isn't an audit committee. Mayor Pro Tem Kyser stated he believes the auditor should go to the Mayor and the Board if there is a problem. Commissioner Miller asked if the Audit Committee goes over Town records. Town Manager Hewett replied no. Commissioner Miller asked how they would find fault. Commissioner Young suggested that the committee chair or town manager could provide input. Town Manager Hewett stated his opinion is that LGC has enforcement authority of law. If there is a problem they would address it. Commissioner Martin stated the Town is paying someone \$12,000 to do a review, which is required by state law. The auditor does that and then files it in a timely manner. The state then checks it for compliance. She stated if there is a problem, it should be brought to the Board. She thinks in the past it served a purpose, but she is not sure it does right now. She stated that is not to downgrade anyone, she appreciates every person in this room that donates their time and energy.

*Motion by Mayor Pro Tem Kyser to do away with the Audit Committee, second by Commissioner Martin; approved by a 3 – 1 vote with Mayor Pro Tem Kyser and Commissioners Miller and Martin voting for the motion and Commissioner Young voting in the negative.*

Mayor Holden stated on behalf of the citizens and Town he thanks everyone who has served.

## **DISCUSSION AND POSSIBLE APPROVAL OF AMENDMENT TO THE HOLDEN BEACH PARKS & RECREATION MASTER PLAN (SWORDFISH PROPERTY)**

Shoreline Protection and Recreation Manager Ferguson stated that based on Board direction at the December meeting, the resolution in the packets was prepared by staff and reviewed by the Parks & Recreation Advisory Board (PRAB). The change would occur on page 19 of the packets (page 14 of the Master Plan). She reviewed the proposed change. There was a zero omitted from the parcel number in the original resolution. She provided the correct parcel number as 246ae07202.

*Motion by Commissioner Miller to approve the amendment; second by Mayor Pro Tem Kyser.*

Commissioner Young stated that although Commissioner Harrington isn't in attendance, she wanted to make sure the proposed changes were reviewed with him. Shoreline Protection and Recreation Manager Ferguson stated that he had some suggestions that staff worked from before it was presented to the PRAB.

*The motion was approved by unanimous vote.*

**DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 15-02, RESOLUTION STATING THE INTENT OF THE TOWN TO ANNEX PROPERTY OWNED BY THE TOWN OF HOLDEN BEACH WHICH IS NOT CONTIGUOUS TO THE EXISTING MUNICIPAL BOUNDARIES (TURKEY TRAP ROAD)**

Town Manager Hewett stated the property we are talking about annexing is Turkey Trap Road, which has all of the necessary permits to conduct a beach nourishment project if the Town needs to. Annexing the property would streamline a project by reducing the amount of interagency coordination required. The Resolution of Intent is the first step of a simple process. It announces the Town's intent to annex and sets a public hearing on the matter. Subsequent to the public hearing, an ordinance may be adopted effecting the annexation. He recommends the Board adopt the resolution, which sets the public hearing for 6:45 p.m. on February 10<sup>th</sup>. Mayor Holden explained where the property is located.

*Motion by Mayor Pro Tem Kyser to approve the Resolution 15-02; second by Commissioner Miller; approved by unanimous vote.*

**DISCUSSION AND CONSIDERATION OF TOWN PARTICIPATION/ FUNDING OF MARKER FIFTY-FIVE AND BRUNSWICK AVENUE STORM IMPROVEMENTS**

Building Official Evans explained the drainage project is proposed by the Marker Fifty-Five Property Owners Association (POA) in an effort by the subdivision to relieve the impact of its stormwater as it relates to the Town's easement area along Brunswick Avenue and directly across from the Marker Fifty-Five subdivision. The project consists of grading 745 linear feet of new swell from the east end of Brunswick Avenue West to the outlet on the east side of High Point, removing dirt to the low area of the tennis court, cutting a concrete entrance and removing 12" of steel culvert pipe and replacing it with concrete pipe. The total cost of construction is totaled out at \$21,098.20. Building Official Evans stated the action on the agenda is to consider a contribution of the cost based on the benefits to both the Town's drainage system and to the surrounding properties. The request is from the POA for cost sharing consideration up to \$10,000. Michael Norton from Compass Pointe Engineering explained the process they used to come up with the solution they would like to implement. Mayor Holden stated his concerns regarding the area.

*Motion by Commissioner Young to have the Town do cost sharing to the maximum of \$10,000 in order to solve the problem on Brunswick Avenue West; second by Mayor Pro Tem Kyser.*

Mayor Holden asked if the \$10,000 is subject to a minimum amount the POA needs to contribute. Town Manager Hewett suggested that the motion could be to provide half of the funds, up to a maximum of \$10,000.

*Commissioner Young changed her motion to say to provide matching funds up to a maximum of \$10,000. Mayor Pro Tem Kyser agreed to the amendment. The motion passed by unanimous vote.*

**DISCUSSION AND POSSIBLE ACTION ON A REQUEST FOR AN EASEMENT ACROSS HILLSIDE DRIVE FOR 232 OCEAN BOULEVARD EAST**

Mayor Holden explained it has been the practice of the Town to control the access to the ocean across from Hillside Drive by way of making the property owners on the north side of Hillside Drive ask for an easement across Hillside Drive. The packets show what Dr. Norman Duncan is requesting. This is consistent with the others the Town has approved.

*Motion by Mayor Pro Tem Kyser to approve the request for an easement across Hillside Drive; second by Commissioner Young; approved by unanimous vote.*

## TOWN MANAGER'S REPORT

- Will grade the unpaved streets as soon as it dries up. We have stockpiled some coquina.
- Doing some core borings under the water tower to make sure with all the cell antennas on it we haven't compromised the loading capability. It will establish a baseline for us.
- Public Works has been in the sewer vaults doing some impellor work. Next week they will install rails in the wet wells.
- The new backhoe should be here by the end of the week.
- Sewer generator issues – we continue to evaluate our options. The idea is to recycle some old assets to help with the funding of that expense.
- Water meter system – everything is running. Have about 1/3 of the customer base that aren't picking up in an automated real time scenario. Having someone check it out. According to the study, everything should be covered. We still have the capability to capture the data, but have to do it by a ride-by method.
- Showed slideshow of water meter data. Can break it down by day or hour. Admin is setting alarms for when there is unusual consumption. Taken care of about 50 leaks like that.
- Public Works Director Clemmons is looking at pedestrian signage issues. Working with DOT on the proper requirements.
- Recycling subscriptions are down about 15 - 17 percent. We sent renewal notices out. There are 161 participants, down from 193.
- Showed an overview of budget performance for the first six months. As of December 31<sup>st</sup> we collected about 62% of the General Fund revenue, about 64% of the Water Fund revenue and 51% of the BPART Fund revenue. The BPART Fund has some grants in it that will not be reflected until the grants are executed. For the expense side, the General Fund is about 42% spent, the Water Fund is about 48%, and the BPART Fund is at about 21%. The BPART Fund is where the shoreline protection projects are housed and we have not executed anything this year. The FEMA project and park expenses have also not been spent yet. Showed information on Revenues vs. Expenses.
- The insurance commissioner's homeowners' insurance rate setting hearing order – a 35% rate increase was requested. It looks like a negative 5.6% average was approved. We were involved in the process the whole way. Hopes it affected the outcome.
- The Coastal Resources Commission chair has initiated a look at the static vegetation line. Holden Beach doesn't have a static line; it is on a lot by lot basis. Will be integrating ourselves into that process.
- Trying to finish our obligation to the Corps on repairs to the spoil area.
- Park – restroom designs have been initiated. The site CAMA permit is at Morehead City, awaiting release. Received the Division of Water Resources water quality certification for the site for the piece that will provide the docking.
- PARTF grant application effort is underway. There are several point sections in the application. Shoreline Protection and Recreation Manager Ferguson is meeting with groups to make sure they are familiar with the proposed project. There is a public forum prior to the next PRAB meeting.
- The terminal groin preliminary draft has been submitted to the Corps. Will get an update at the February meeting.
- The Shallow Draft Inlet 5 permit application has been drafted by the state contractor and is earnestly underway.
- Brunswick County Soil and Water Conservation Grant - it is a total of about \$9,500, representing a 75% burden share from the County for the purchase of doggie waste stations and a portion of the Sailfish Bulkhead expenses.
- Beach Vitex – participated with the N.C. Aquarium Conservation horticulturist to do an inventory of sites that have Beach Vitex. The grant has come through. The horticulturist is going to begin herbicide application at several sites. There are about 12 sites on the island. He showed an example. Contact Town Hall if you have some so we can make arrangements to get rid of it.
- February 14<sup>th</sup> is the Town's birthday.

## **MAYOR'S COMMENTS**

- A gentleman from Ocean Isle Beach called earlier in the week with a major concern. His flood insurance notification from his insurance company has the words consent to rate on it. He understands it that when you sign a document with that on it, they will rate your property the way they want to. If you get paperwork with that on it, contact your insurance agency and make sure you understand what you are signing.
- Coming across the bridge you might have seen thousands of birds between the bridge and old ferry. He saw a swarm of birds. Has never seen anything like that. Called Cathy and Roy Slack who are specialists in that kind of stuff. When Mrs. Slack got there they were gone. Her theory was the cold weather stunned small fish and the birds were feeding on them.

## **BOARD OF COMMISSIONERS' COMMENTS**

Mayor Pro Tem Kyser

- Thanked everyone that was on Audit Committee. Thanked everyone who volunteers. It takes a lot of people to do all of the things we do. Appreciates it.
- The weather is supposed to be cold again. Be careful, dress warm.

Commissioner Miller

- Thanked the people who came tonight that don't normally attend. Thinks they have seen it can be an interesting way to spend an evening. Hopes they come back.

Commissioner Young

- Thanked everyone who attended, hopes they come back.
- Possibly the recycling number is down because some people may be discouraged when it isn't always picked up.
- Requests the Town send thank you notes to the current Audit Committee members.

Commissioner Martin

- Thanked everyone for attending.
- Glad we were able to move forward with the height ordinance. Looking forward to seeing some new looking houses with nice roof pitches so we can improve the appearance of the beach and increase our tax base with new homes.

## **PUBLIC COMMENTS ON GENERAL ITEMS**

James Lutz saw someone taking building materials. He called 911 to report it. He ran into a local officer and was told they never received the call. He stated when you call 911, Brunswick County should be notifying the local police.

## **EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(5), TO ESTABLISH OR INSTRUCT STAFF OR AGENT CONCERNING THE NEGOTIATION OF THE PRICE AND TERMS OF A CONTRACT CONCERNING THE ACQUISITION OF 246CE0006 (567 OBW), OWNED BY ROBERT AND MARY BEACH**

Town Clerk Finnell read the permitted reason for going into Executive Session.

*Motion by Mayor Pro Tem Kyser to go into Executive Session at 9:09 p.m.; second by Commissioner Miller; approved by unanimous vote.*

**OPEN SESSION**

The Board went back into Open Session at 9:22 p.m. Mayor Holden announced no action was taken.

**ADJOURNMENT**

*Motion by Mayor Pro Tem Kyser to adjourn at 9:22 p.m.; second by Commissioner Miller; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk