



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, MAY 26, 2015 – 10:00 A.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, May 26, 2015 at 10:00 a.m. in the Town Hall Public Assembly. Present were Mayor H. Alan Holden; Mayor Pro Tem Ken Kyser; Commissioners Sandy Miller, Dennis Harrington and Gina Martin; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Wally Layne; Building Official Tim Evans; Shoreline Protection & Recreation Manager Christy Ferguson; Public Works Director Chris Clemmons; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner. Present from the public were Lou Cutajar, Vicki Myers, John Fletcher and John Whitten. Commissioner Sheila Young had a conflict and was unable to attend.

Mayor Holden called the meeting to order.

Town Manger Hewett explained the he needs to have the budget message to the Board no later than June 1st. The budget cannot be adopted any earlier than 10 days after it is submitted, but needs to be before the 1st of July. The budget is the spending plan.

Commissioner Harrington stated this is an important meeting the board is participating in and that he is very concerned that all of the commissioners are not at the meeting. The Board discussed if the meeting should be postponed.

Motion by Commissioner Harrington to recess the meeting and reconvene tomorrow at 10:00 a.m. There was no second made.

Town Manager Hewett went over the input he received which included increase salaries for Town personnel; someone in the Police Department during the day; no property tax increase if possible; finish current projects; restrooms, not necessarily construct, just figure out location and design; and lift stations, get them to a place where they are prepared for storms.

Mayor Holden asked for clarification if the items were goals, objectives or budget items. Mayor Pro Tem Kyser stated the lift stations could be a goal or budget item. The restroom item is a goal to get information so it can be put in a future budget. He stated finishing current projects is a goal. Commissioner Miller said the increased salaries and having someone in the Police Department are budget items. No increase in taxes is a goal. Commissioner Harrington stated he prepared a list of his goals for 2015 – 2016. Copies of his list were made.

Increased Salaries

Commissioner Harrington asked what justifies an increase and what it is based on. Town Manager Hewett stated the Town has a personnel policy that says we have a merit salary increase program. In order to comply with that you would have to budget those awards. Commissioner Harrington stated that in looking at some salaries there are a whole host of items that could be addressed when you say increase salaries. There are some entry level ones that are extremely low and some that have exceeded the cap. Commissioner Miller stated she feels there are some that are below what they should be. She thinks it is up to department heads and town manager to determine who should receive an

increase. Chief Layne gave the example of a sergeant that has been here for seven years that makes what a starting patrolman in Shallotte makes. Public Works Director Clemmons stated it takes a good staff to keep up with increasing workload. He feels like they are doing a good job and they should be rewarded for it. The Public Works Department currently has five employees, plus the Public Works director. They used to have one more employee. Public Works Director Clemmons stated he wouldn't need a fulltime person, it would be helpful during the summer. Commissioner Harrington stated the Town may need to look at two tiers, where you would appropriate different increases based on current salary ranges. Town Manager Hewett stated there have been several reiterations of increases over the past few years. He stated that administering something in variance to the policy is challenging. Commissioner Harrington stated the issue is you reach a point where some people are making a lot and some aren't gaining any ground. Commissioner Martin asked if the Town has a salary range for each person and what increases are based on. Town Manager Hewett stated the policy is merit based, it is not based on longevity. The department heads make a recommendation within the constraints of what is in the budget.

Personnel in the Police Department

Chief Layne explained they had an intern a couple of years ago and they determined it was more customer friendly to have someone at the window. He would like to hire two part time folks that would cover six days a week. The Town wouldn't need to pay benefits because they would be part-time. He thinks Town Manager Hewett could find money to accommodate that so the budget wouldn't need to be increased. He thinks it would be a benefit to the Town. He would like to keep year round. Commissioner Miller stated at a previous meeting, the community seemed to be concerned that nobody is in the office. Chief Layne stated he has two people picked out and ready to go. They would answer phones, enter reports and everything else an administrative clerk would do. It would save substantial amounts of the officers' time. Commissioner Harrington asked if he explored sharing administrative support with the administrative department. Chief Layne replied that he thinks they have a full plate. Mayor Holden asked if have money to fill position for rest of year. Town Manager Hewett stated there has been a vacancy in the Public Works Department for two years. Whenever they have needed additional manpower they have done it on a contracted or temporary basis. He stated that position could be used for an admin/ receptionist for the Police Department. They didn't want to do that without some sort of long term commitment from the Board. When he first came here, the Town had 10 officers. Most departments do have a support specialist when you get to a certain amount of officers. The complaints are that there is nobody at the window and that people can't get a report. He stated that administratively, we are thinking this puts the officers back on the streets where they need to be. Mayor Holden stated that his immediate concern is that one third of the summer would be behind us if the Board waits to pass the budget. Town Manager Hewett stated he thinks from what we are hearing, we will have a big summer. He would like to put someone there. He believes the need and demand is there. Commissioner Harrington would like to see a job description before the decision is made. He would like to capitalize on existing resources.

Motion by Commissioner Martin to take the money already in this year's budget and use it to hire two part time people for the Police Department in the interim of now and the new budget; second by Commissioner Miller.

Commissioner Harrington stated he still would like to see a job description. Chief Layne stated he will get one when he has one.

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

No Property Tax Increase if Possible

Town Manager Hewett explained that the calculation of revenue neutral is a statutory requirement. The calculation has to be shown in the budget message. The revenue neutral tax rate is the tax rate to be charged in order to collect the same amount of ad valorem taxes you did the year before. So when you have a decrease in the tax base, you need

to increase the tax rate to get the same amount of revenue. The tax base based on the most current information from the county is down about 3%. The tax rate would have to increase a little to produce the same amount of revenue. Mayor Holden stated the theory is that the increased amount of homes should cover increase cost of Town operations. Commissioner Harrington asked if there is no other option. Town Manager Hewett stated that the law says that the revenue neutral rate has to be published for discussion purposes. He stated you can set the rate at whatever the Board likes. Commissioner Harrington stated that when the property values go up, you never see the tax rate go down, When it goes down, it increases. He stated he is looking at last year's budget where the Board appropriated \$150,000 that doesn't need to be done this year and we are looking at a \$40,000 shortfall. He thinks we can keep the rate where it is and still cover all of the needs of the people. Lou Cutajar asked if you calculate the collection rate into the revenue neutral rate. Town Manager Hewett replied yes.

Mayor Holden asked the Board if it is okay to toss questions to the audience since there are only a few people in attendance. The Board agreed it was okay.

Finish Current Projects

Mayor Pro Tem Kyser stated he would just like to finish the projects we that are already scheduled and are budgeted for. Town Manager Hewett stated current projects include the terminal groin, Shallow Draft Inlet 5 permit, the Boating Infrastructure Grant and the offshore sand financing.

Restrooms

Mayor Pro Tem Kyser stated that he thinks the Board needs to find a location that is suitable for bathrooms and come up with a low cost design. Once that is completed, the Board can put it in the budget next year to construct them. He stated that if the Board needed to put money in the budget to procure the services, they can look at that. He would like to see a reasonable design. Commissioner Harrington stated he has checked into temporary restrooms. He has seen port-a-potties in various parks that are secured. He stated the Town would probably need this for the 100 days of summer. He thinks portable ones would be the most cost effective.

Lift Stations

Mayor Pro Tem Kyser stated his concern is that the Town will have a storm that overwashes one or more of the lift stations and the stations are put out of service, which would drastically affect the economy of the island. He thinks the Town needs to look at that and figure out what needs to be done. Public Works Director Clemmons stated they have been doing a good job of having most parts in stock, but some you can't keep in stock. He stated there are probably a couple of different approaches to look at preventing an overflow. He would love to look into possible solutions. Mayor Holden asked him to put some rough numbers with some options together for the Board to look at. Town Manager Hewett stated the service level expectation of the public is to be on full time and to be able to come across the bridge after a major overflow. The operators have grave concerns of the system performing to those design standards. When you are looking at making a change to the design standards, you are looking at hard core engineering. Anything like that would have to be amended in our operation permit. That would take time and it isn't going to be cheap. He stated he doesn't want to get hung up on the staff making estimates on engineering and construction costs. Mayor Holden stated he doesn't think this potential problem was understood when the system was being put in. Public Works Director Clemmons stated they never had one completely submerged up to this point. Town Manager Hewett stated the ones that are most apt to be inundated from storm surge are at the two historical inlets. Mayor Pro Tem Kyser stated he thinks if people knew at the time the sewer was being put in that they would be at risk of being away from their homes for an extended amount of time because the system isn't working, they may have designed something else. He thinks the Board can spend the engineering money now to come up with a solution to keep them from flooding. Commissioner Harrington stated that in Omaha, they had flooding and would put sand bags out to protect electrical boxes. He thinks there are some items of that type that the Town can do as preventive methods to protect them from

overwash. Building Official Evans stated in terms of disaster recovery, the Town would be looking at long term effects also. It could be a disaster for someone who retired here.

Commissioner Martin's List

Commissioner Martin stated she feels like the Police Department could benefit from having another officer. She feels they are stretched to the max. Chief Layne stated the consensus the last several years is work with what you have. He wouldn't turn one down.

Commissioner Harrington's List

Commissioner Harrington doesn't want to see an increase in the tax rate. He look forward to looking at the budget and finding the opportunities are to avoid raising the rate.

Commissioner Harrington stated the Board hasn't sat down as a board and determined a cost structure to build a reserve fund for the water system. He thinks we need to look at that based on the results of the study. Public Works Director Clemmons would like to test a couple more lines from different locations this year. Commissioner Harrington stated he thinks installing the new meter system was a major milestone. Mayor Pro Tem Ksyer stated he believes there are rules to meet before the Town can have a reserve fund. Town Manager Hewett stated you need a project specific capital reserve fund with estimates costs and time period. You need to define a project and hang a cost on it. You can amend the project.

Commissioner Harrington would like to take steps to set up a reserve fund so we can advance towards street repairs.

Commissioner Harrington would like to see a boat launch on the north side of the waterway to relieve congestion at the Town boat ramp. Mayor Holden stated the Town has tried, but it is the County and they were not interested. Mayor Holden stated the Town can write a letter that encourages the county since it is outside our jurisdiction.

Commissioner Harrington would like to explore options for beach patrol using part time personnel and/ or EMTs. He thinks the Board should look at strongly as a matter of safety and to enforce ordinances. He stated other islands use part time people to help patrol. That would free up an officer.

Commissioner Harrington stated that as far as beach nourishment he would like to continue on with the current plans. He asked for an update on the finance group that was hired for the offshore project. Town Manager Hewett explained that the idea is to take the summer and develop scaled options on what the financing mechanisms might be. Then to present that information to the Board in the late fall, early winter.

Commissioner Harrington would like to investigate and make recommendations to limit the construction of mega homes. He sees them as a serious threat to the family atmosphere of the beach. The West End Property Owners Association has taken some effective and drastic steps to control problems. He thinks the time to act is now. Commissioner Harrington stated the Town need to investigate limitations and what we can be done to address this growing concern around the island.

Mayor Holden's List

Mayor Holden stated the Board has done a remarkable job in purchasing in purchasing some critical land parcels that will benefit the island in many ways. He stated the Board should have in mind a method of raising funds for whenever an opportunity comes our way. He asked for a summary of funding for acquisition of recent property purchases. Town Manager Hewett stated that he can't remember any purchases since he has been here from anything but the BPART Fund.

Mayor Holden stated in the past there was a pipeline from the east end of the beach to Oak Island. That was out water source. There is an old set of pilings and pipe still hanging at the east end. He thinks those items should be pulled up.

Mayor Holden stated there has been a lot of discussion of beautifying the entrance on the north side of bridge, which is county property. He stated it would be nice to figure out a way to make it more attractive. Commissioner Harrington stated he understands that Gayle with the Beautification Club has got the Department of Transportations to enjoin with the Beautification Club to make some changes. He heard they were willing to put up \$100,000 to work on it. If that is true, it is really good news.

Mayor Holden stated the county keeps wanting us to contribute money to help remove the sinking shrimp boat. As much as he doesn't like it, it is not in the Town of Holden Beach.

Mayor Holden stated that the one source he has the most complaints about is the Inspections Department. Their responsibilities have continued to grow over the years. They only have one inspector and he already works on the weekends. He is not sure what needs to be done. Mayor Holden would love to receive some guidance from Building Official Evans and Town Manager Hewett. He knows a lot of the criticism is not justified. He stated the Town needs to improve the public relations with that department.

RECESS

Motion by Commissioner Harrington at 11:41 a.m. to recess the meeting until March 27, 2015 at 3:00 p.m.; second by Mayor Pro Tem Kyser; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk