



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
MONDAY, JUNE 15, 2015 – 10:00 A.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Monday, June 15, 2015 at 10:00 a.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Ken Kyser; Commissioners Sandy Miller, Sheila Young, Dennis Harrington and Gina Martin; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Wally Layne; Building Official Tim Evans; Shoreline Protection and Recreation Manager Christy Ferguson; Public Works Director Chris Clemmons; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner. Present from the public were Lou Cutjar and Vicki Myers.

BUDGET WORKSHOP

Town Manager Hewett stated he wanted to revisit the merit pay information discussed last week. After researching it, he came to the conclusion that the proposal made has great potential for an Equal Employment Opportunity claim. He suggests that the Board follow the existing policy as laid out in the Personnel Policy. Commissioner Harrington stated he would like a legal opinion. Town Manager Hewett stated you could get differing opinions. When you go into an employment claim, the burden of proof would be on the employer. Our existing Personnel Policy came from the N.C. League of Municipalities. That is who our insurance is from. Town Manager Hewett's opinion is that the Town wouldn't be provided legal coverage since we would be deviating from the policy.

Town Manager Hewett has a handout regarding the pavement condition survey. It is the readers' digest version of the matrix in the final three pages of the paving assessment. The plan is from 2008. It lays out the conditions of the streets based on many different factors. He explained how to read the handout. To fix streets A – D on the handout, the group cost would be \$97,818. To make those repairs, it would be a one cent tax addition. That tax addition would yield \$115,459. He went through each grouping. It would be easy to translate this into a capital program. It is based on 2008 numbers. An example the Board might want to consider is adding one cent to the tax rate to fix streets A – D and in the interim update the survey to ensure the priority listing is still correct. His logical choice would be to use Right Angle Engineering to update the study since they performed the original one.

Shoreline Protection and Recreation Manager Ferguson explained that she, along with Town Manager Hewett and Building Official Evans went to Lumberton to look at their trailers. PVI gave a quote of \$750 plus tax for two units with cleaning three times a week. That doesn't include any of the lattice work on the outside to make it more attractive. She stated that after looking at the trailers, the fabrication of the trailers seems to be a little more than what was expected. Building Official Evans stated that he is not sure the Town can duplicate them once he saw them. Shoreline Protection and Recreation Manager Ferguson has requested a quote on buying a used trailer unit, but the price is not in yet. She stated staff is still looking at locations where portable units can be placed. It would be \$250 to have a unit cleaned twice a week. She would have to find out if the Town can request certain days for the units to be cleaned. It would \$1,000 plus tax to rent a unit for four months and have it cleaned twice a week. Commissioner Harrington stated he tried to identify locations to place the unit. He stated they felt one could go at the sewer station at Greensboro Street. The next suggestion is one

at Mayor Holden's property. Commissioner Harrington suggested that a couple could be placed at the dead end street there. Town Manager Hewett stated the units can't be put in the right-of-way. Commissioner Young added they looked to see where they felt the best places to put them would be. Mayor Holden stated he suggests the Board decide if the Town can afford it first. Commissioner Harrington stated he thinks the Town could afford spending \$8,000 without increasing taxes. He thinks the Board should start with the least expensive method. Mayor Pro Tem Kyser stated \$8,000 is a quarter of a cost of purchasing a brand new portable unit. If the Board decides to purchase them, you may be able to finance them. Commissioner Harrington stated those units take a lot more room so the Town would be limited where you could place them. Town Manager Hewett stated the Board needs to keep in mind that you do need to have an area where the truck can come service the portable units. Commissioner Harrington stated he is disappointed the Board hasn't talked about this until now. Commissioner Miller asked who decided the Town needed eight. Commissioner Harrington replied that he did. Commissioner Young explained they looked at spaces where it would be balanced throughout the island. Mayor Holden asked if the Board could decide on an amount for the budget process, then move forward with location. Building Official Evans reminded the Board that \$8,000 seems to cover the units only and advised them not to forget about aesthetics. The Board came to a consensus to allocate \$10,000 for bathrooms.

Commissioner Harrington stated he drove on practically all of the streets on the island yesterday and looked at the study. He feels there are only a couple of streets that are in bad need of repair. He thinks the list is an overkill list and is to bring everything up to Class A. He thinks Sunshine looks like half was paved and the other side was left bare. Commissioner Harrington stated Ocean Boulevard is probably the worst street on the island. Town Manager Hewett stated that is a state road and the state maintains it. Commissioner Harrington stated the patches on it are horrible. He stated the bad streets are Brunswick Avenue and High Point Street. He would like to get an estimate to repair Brunswick Avenue and High Point. He also encourages putting additional money into the budget so the Town can do some patchwork. He stated the sewer agreement will be paid in 2020. He stated we have been paying \$673,000. That amount can go towards repairing the roads. He stated if streets can go for seven years since the study without being in major need of repair, they can go five more. Mayor Pro Tem Kyser stated that he doesn't think you can use that assessment to pave the roads. Town Manager Hewett explained there was special legislation passed so the Town could collect the sewer money. Mayor Pro Tem Kyser stated that the only way to do that would be to add another \$500 fee onto the taxes since the Town received special legislation to levy the current fee for a specific purpose. He feels it would be better to just add a penny now and do it slowly, instead of adding \$500 at a time. Commissioner Young stated after riding the streets yesterday, she doesn't see the urgency she thought there was. She stated if the Board does start a fund, it should be a small amount to start with. Commissioner Young asked about painting the crosswalks on Ocean Boulevard. Town Manager Hewett stated that is the state's responsibility. The state has certain protocol that needs to be followed. Commissioner Young asked if it is possible to paint the poles that hold signs a bright color if the Town cannot paint crosswalks. The Board discussed regulations that would apply to that. Town Manager Hewett stated he is meeting with Department of Transportation representatives later this week and will address the Board's concerns with them.

Commissioner Harrington stated as elected officials, they took an oath to observe the Town ordinances and to do the best they can on behalf of the people who elected the Board into office. He encourages the commissioners to join with him. He has not spoken with anyone who is favor of changing the rate for the Town's tax revenues. He stated the Town has had excess revenue in the budget year after year. He stated the Town needs to make up \$68,000, which is the difference that the rate increase provides for the Town. He stated the difference can be taken from the General Fund to cover it. He is proposing the Board send the budget back to Town Manager Hewett and have him recalculate it based on the rate of the current year. Mayor Pro Tem Kyser stated he understands what Commissioner Harrington is saying, but the way the Board didn't increase the budget in the past was to take money from the BPART Fund to pay part of the wages of certain employees and for some other things. He understands that there is some money in the General Fund, but the Town doesn't have anything near what the Local Government Commission says the Town should have. He stated the Town isn't raising what is being collected, it is staying revenue neutral, which means the Town is collecting the same amount of money as

we did last year. Mayor Pro Tem Kyser stated he wouldn't want to find out that there is a shortfall and then have to raise taxes even more next year. He stated if the Board does anything, he would like to not see anything taken from the BPART Fund. Commissioner Harrington stated the Board will end up with a working capital fund of \$559,000. That is more than adequate to operate the Town in a state of emergency. He stated that once the rate is increased, you will never see it come back down. Mayor Pro Tem Kyser stated the Board has managed to make enough cuts over the years to not raise the rates.

The Board discussed employee compensation over the past few years and how to address it in the upcoming budget.

Mayor Pro Tem Kyser stated he would like to make decisions on the topics discussed today. Public Works Director Clemmons reviewed some of his concerns with the streets. Mayor Holden stated that when Town Hall was built, the elected officials at the time had to make up over \$600,000 to survive. Now, the Town has more people to serve and the cost of living is going up. The Board is trying to operate and find more fat, when the fat was already cut. At some point, the streets will start falling apart. That is a big concern of his. He hates to see taxes go up, but the Town has to operate. He is not sure what else can be cut. Mayor Holden provided examples of some potential issues. He thinks the Board has done a good job, but the road ahead is critically important. Mayor Pro Tem Kyser stated he lives on a fixed income. Any increase would hit him as hard as it would anyone else, but looking ahead he thinks the Town would be better off putting in a one cent increase to start to maintain the roads. He would be in favor of a small tax increase now instead of waiting and doing it all at one time. Commissioner Young asked how much longer people would be paying \$500 for the sewer plant. Town Manager Hewett stated that amount is for the collection system on the island. That ends in 2020. Commissioner Harrington stated he would be interested in what the cost of the recent paving of Marker Fifty-Five was. Town Manager Hewett stated he would be hesitant to use a contractor's estimate. For public infrastructure, he recommends using a professional. Commissioner Harrington stated people are getting squeezed for money from more places, other than in taxes. He stated it is hard for people on fixed incomes. Mayor Pro Tem Kyser stated he understands, he is on a fixed income, but the Board needs to make the decisions based on what is best for the Town. He stated nobody wants to see a tax increase. He stated the Town has kept it the same over the past eight years by being frugal. Commissioner Young stated there are some things in the budget that the Board should have thought twice over spending.

Motion by Commissioner Martin that the Board go from \$0.133 to \$0.15; take one cent out to start the special fund for the roads and take \$0.007 and put it into a fund for Town Manager Hewett to allocate out, that gives him about \$75,000 to bring the salaries of our employees up to somewhere near where they should be; second by Commissioner Miller.

Commissioner Harrington stated he can't believe a motion would be put forth without any facts. Commissioner Martin stated that Commissioner Harrington wanted to continue having people pay \$500 after the five years is over. She stated that \$0.02 is nowhere near that a year and the Town will be able to do something going forward now, instead of waiting. The Town has some issues now that need to be taken care of. Commissioner Martin stated a number of people have said they wouldn't mind an increase if they were able to have better services, people got paid what they should be paid and the Town worked on the roads. Commissioner Harrington asked what roads. He stated some people might not know Ocean Boulevard is a state maintained road. Commissioner Martin stated she believes there is a sign. He stated he would rather in 2020 take the money people are paying for the sewer and assess them a couple of cents more at that time if you can show where the money should be spent. Commissioner Martin stated the Board would be starting a plan and would assess the needs based on Right Angle Engineering's data.

Commissioner Miller called the question. There were no objections from the Board.

The motion passed by a 3 – 2 vote, with Mayor Pro Tem Kyser and Commissioners Miller and Martin voting for the motion and Commissioners Young and Harrington voting in the negative.

ADJOURNMENT

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

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk