



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, JANUARY 16, 2018 – 9:00 A.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, January 16, 2018 at 9:00 a.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden (arrived at 9:04 a.m.); Mayor Pro Tem Mike Sullivan; Commissioners Pat Kwiatkowski, Joe Butler, John Fletcher and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Wally Layne; Public Works Director Chris Clemmons; Shoreline Protection & Recreation Manager Christy Ferguson, Building Official Tim Evans; Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner; and Town Attorney Noel Fox.

Mayor Pro Tem Sullivan called the meeting to order and explained Fran Way was not at the meeting and suggested Wes MacLeod be moved up.

Motion by Commissioner Butler to reflect the change; second by Commissioner Kwiatkowski; approved by unanimous vote.

BUDGET WORKSHOP

LAND USE PLAN – WES MACLEOD, CAPE FEAR COUNCIL OF GOVERNMENTS

Mr. MacLeod explained what a comprehensive plan is. It is a policy document, not a regulatory document. It is based on public input and establishes guiding principles. He said if the Board chooses to update the Town's, he recommends they do one similar to the one we currently have. The plan presents long-term vision and goals for the future and strategies to achieve them. It guides short-term land use and development approval decisions. The plan includes recommendations to revise regulatory documents, enhance recreational facilities, and/ or transportation networks. It should balance competing needs such as permanent residents vs. seasonal visitors and environmental protection vs job creation. A plan should be updated every five – seven years. Mr. MacLeod recommends getting as many people as possible to participate in the process. Public engagement is important. He suggested the process be driven by a committee or board and supplemented by public engagement. The plan helps determine where/ what do we want to be in 25 years.

Mr. MacLeod reviewed the community vision statement from the 2009 plan and discussed growth trends. He explained why it is important to look at seasonal activity. He asked the Board what they would want to protect. Commissioner Freer said our brand is a family beach. Commissioner Fletcher said the feedback is to keep minimal commercial activity. Commissioner Kwiatkowski thinks the island needs to be more non-car friendly. Mr. MacLeod provided his example guiding principles. Plans include a vision, objectives

and policies. The plan would have an implementation matrix for each year. Mr. MacLeod went over typical plan elements.

The Town is required by law to make a statement of planning consistency when amending our zoning ordinance or zoning map. If the amendment is found to be inconsistent, your plan is automatically amended. Attorney Fox said it was subject to review by the Coastal Resources Commission (CRC).

Mr. MacLeod explained the difference between an update and an amendment. He said when you amend an existing plan, there doesn't have to be significant public input. You would need to have a public hearing. An update would in a sense rewrite your plan. An amendment would just be updating a policy. It would be adopted locally and sent to the CRC. An update would also need to be sent to the CRC.

The planning horizon is typically for 20 – 30 years. Updates are generally needed every five to seven years. The planning process typically takes 12 – 24 months. The cost of the process for similar beach towns was in the neighborhood of \$35,000.

Commissioner Freer said the Town has been presented with information on AARP, Aging in Place and asked how he sees the two working together. Mr. MacLeod said it could be an element in the plan. He added it could be put into the proposal if the Town is interested.

DISCUSSION AND POSSIBLE ACTION ON CITIZEN ADVISORY COMMITTEE'S REPORT ON PARKING RELATED TO 2017 – 2018 BUDGET

Mayor Holden said he thinks action-wise parking should be done at the regular meeting. He stated people on both ends of the island have strong feelings on parking and the public should be able to address their concerns tonight. Commissioner Freer said the item is on tonight's agenda too. This was for budget purposes. Commissioner Butler said the purpose here was to identify potential opportunities and their cost to the Town. He would like to discuss them at tonight's meeting.

BUDGET SCHEDULE

Town Manager Hewett said everyone provided their calendars to him. His proposed schedule parrots last year's. He reviewed his proposed schedule based on the Board's availability. The Board was okay with the schedule.

Town Manager Hewett reviewed Fund Balance as of June 30th. We have four funds – the General Fund, the Water Fund, the BPART Fund and the Canal Dredging Fund. He reviewed the amounts in the funds. Of the BPART Fund, there is \$1.4 million that is escrowed with the County. He went over the funds as of November 30th versus the June 30th amounts. The end of the year Fund Balance is the important one for the Board. That is what is used to base budget decisions on.

Mayor Pro Tem Sullivan asked if this quarter shows the least amount in the General Fund traditionally. Town Manager Hewett said the least amount is probably December 10th. It goes up after that because of the amount of taxes collected at the end of the year. Commissioner Freer said the message he sees is that 40% is an important number. Town Manager Hewett said the Town was able to fund expenditures with FEMA reimbursement money this year. Commissioner Butler inquired if he could point out any risks compared to previous years. Town Manager Hewett replied that there is always a risk of a hurricane

wiping out the tax base. The Local Government Commission recommends you benchmark 8%, and recommends looking at other communities. Commissioner Freer said the Town can't rely on the BPART Fund to supplement that. He added the Town is making progress. He said there is a balance.

Town Manager Hewett explained how the goals are grouped on the handout. A homeowner, Lou Cutajar also submitted his goals; he provided a copy to the Board and in the back for the public. He stated the goal is to figure out what the goals of the leadership are in order to execute them into a plan for the Board's review. Commissioner Kwiatkowski said this is the first time everyone will see everyone else's goals. She thinks it is important to prioritize them and suggested scheduling a meeting to review how everyone categorizes the goals. Commissioner Fletcher asked if there are any that are in conflict with what we think we can do. Town Manager Hewett explained he didn't go through them in detail yet. There probably are some things that he would like to have elaboration on. He said obviously there is a desire to reduce sewer vulnerability. Working on the four lift stations only addressed 80% of the problem. We have missed fixing the snorkels on the candy canes. He said the fix would be to take them to base flood elevation. He thinks as a policy decision the Board will need to address if the Town will pay to retrofit snorkel assemblies or adopt something that it would be the responsibility of the property owners. The worst case scenario is the Town is looking at \$1.2 million expense. It will impact the consideration of the tweaking of our water/ sewer rate structure for HB 436. The other thing he didn't see addressed is the second water tower. In order to bring the rate structure into compliance, the law requires the process to be defensible in the public realm. He is recommending going outside and securing professional services on the market. Attorney Fox provided information on the new law. She said the general consensus of other municipalities is to use an outside consultant. Town Manager Hewett contacted Michael Norton of McGill and Associates to set up an introductory meeting to see what the requirements are to scope what the rate setting process is. They can do it for about \$7,500. They are doing the work for Sunset Beach and Ocean Isle Beach. He proposed this happens concurrently with the budget process. There is conflicting guidance that our enabling legislation could be overturned by the law. He would like to employ the Audit Committee, as authorized to conduct special studies as needed, to avail their skill set in reviewing whatever the external consultant comes up with. Attorney Fox provided information on the process. The expert will tell the Board this is the rate you can impose. The process needs to start now to meet deadline. Mayor Pro Tem Sullivan asked if future expenses get factored in (sewer). Attorney Fox replied yes. Town Manager Hewett said this will impact the Water and Sewer Fund in crafting the revenues and the expenses.

Commissioner Butler would like to get with Town Manager Hewett and review his goals with him. Commissioner Freer said that it might help doing in it a setting with everyone. The Board agreed to January 19th at 1:00 p.m. Town Manager Hewett asked if it is okay to reschedule Fran Way if he is available. The Board agreed. Commissioner Kwiatkowski confirmed the Board would be prioritizing the goals.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(3) TO CONSULT WITH THE TOWN ATTORNEY

Motion by Commissioner Butler to go into Executive Session at 10:31 a.m.; second by Commissioner Freer; approved by unanimous vote.

OPEN SESSION

Motion by Commissioner Freer to go back into Open Session 12:09 p.m.; second by Commissioner Fletcher; approved by unanimous vote.

DISCUSSION WITH CLARK WRIGHT OF DAVID HARTMAN WRIGHT, LEGAL ADVISOR TO THE BOARD WITH RESPECT TO BEACH PROTECTION AND OTHER ENVIRONMENTAL ISSUES

Mr. Wright discussed the Holden Beach Terminal Groin Fact/ Status Sheet (hereby incorporated into the minutes). He talked about the current permitting process. He said Town expenditures to-date total over \$637,000, the two largest items being the consultant Dial Cordy and for outside legal counsel that was retained by the Town to help in the application process. He views his role as one of providing a second opinion. He reviewed actions to-date. The Final Environmental Impact Study (EIS) is expected to be issued by the Corps within roughly 30 days. Once it is published, there is an additional 30 day comment period required by the Federal rules. It will generally have the selection of the preferred alternative. The Final EIS is not a permit. The Section 10/404 Federal Permit and CAMA permits are usually processed concurrently once the Final EIS is out and the 30 day comment period has passed. Attorney Fox clarified that after the EIS is issued, there is still a 30 day period for comment and then a period after that where the final agencies' decisions are made. Mr. Wright said he could get clarification on if the Town could not formally start the CAMA permit process until after the Record of Decision (ROD) is made for the Federal permit. Town Manager Hewett said that was his understanding of the process. Mr. Clark has been tracking Federal litigation filed by NC Audubon and SELC against the Corps and Ocean Isle. He talked about how it could affect the Town and other potential litigation. The ROD is the permitting decision on the Federal permit. He will get clarification on if the ROD and CAMA processes concurrently. He talked about possible related issues. He talked about potential effects of a terminal groin on the Town and homeowners. Attorney Fox talked about the upcoming process for the east end easements.

The Board would like Mr. Wright to provide them with a written product when the Final EIS is published.

Mr. Wright stated he thinks the idea of the establishment of a standing committee or board that looks at all pieces of the puzzle would be beneficial. He encouraged the Board to bring in people with varying points of view.

RECESS

At 12:54 p.m., Commissioner Kwiatkowski made a motion to recess until Friday, January 19th at 1:00 p.m. in this location; second by Commissioner Fletcher; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk