



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING/ PUBLIC HEARING
TUESDAY, JUNE 19, 2018 – 7:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting/ Public Hearing on Tuesday, June 19, 2018 at 7:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Mike Sullivan; Commissioners Pat Kwiatkowski, Joe Butler, John Fletcher and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; Planning Director Tim Evans; Police Chief Wally Layne; Public Works Director Chris Clemmons; Assistant Town Manager Christy Ferguson; Fiscal Operations Clerk Mandy Lockner; and Town Attorney Noel Fox.

PUBLIC HEARING: PROPOSED ORDINANCE TO INCORPORATE NEW FLOOD INSURANCE RATE MAPS INTO THE HOLDEN BEACH CODE OF ORDINANCES (ORDINANCE 18-11, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 154: FLOOD DAMAGE PREVENTION, SECTION 154.05, BASIS FOR ESTABLISHING THE SPECIAL FLOOD HAZARD AREAS) AND AN UPDATE TO THE TOWN'S OFFICIAL ZONING MAP TO REFLECT THE NEW FEMA APPROVED FLOOD ZONES

Attorney Fox said her legal recommendation to the Board when they adopt the agenda will be to remove items 9 and 10 that deal with the flood maps from the agenda. She explained there are significant inconsistencies across coastal communities on how they are adopting these ordinance. We have the time available to make sure the citizens are not harmed due to a rush to have a public hearing and adopt the ordinances, so her recommendation is to remove the two items. She explained the Board should have the public hearing tonight, but the Town will need to have another one. She said the hearing will have no impact on what will be adopted.

Irvin Woods stated he and his wife own two properties. They are both currently zoned VE. The new maps moves his property to AE. He wants the Board to do it right, but promptly.

Motion by Commissioner Fletcher to close the Public Hearing at 7:07 p.m.; second by Commissioner Butler; approved by unanimous vote.

REGULAR MEETING

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

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Town Manager Hewett stated as requested by the attorney, he recommends removing items 9 and 10 from the agenda.

Motion by Commissioner Fletcher that items 9 and 10 be deleted; second by Commissioner Freer; approved by unanimous vote.

Motion by Commissioner Kwiatkowski to approve the amended agenda; second by Commissioner Fletcher; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Commissioner Freer to approve all three sets of minutes (Special Meeting of May 3, 2018, Regular Meeting of May 8, 2018 and Special Meeting of May 23, 2018); second by Commissioner Butler; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.

DISCUSSION AND POSSIBLE ACTION – CONSTRUCTION MANAGEMENT SERVICES OF THE VACUUM SEWER SYSTEM #4 UPGRADE STATUS REPORT

Public Works Director Clemmons said the total budget for the upgrade was \$1,413,000. The Board approved a budget amendment at the May 23rd meeting in the amount of \$283,000. Four invoices have been paid and we have one in the process. He explained we only had two responsive bidders the first time, so it needed to be bid twice. The bids came in higher than we anticipated, which was the reason for the budget amendment. T.A. Loving was awarded the contract on May 23rd. We have a pre-construction meeting scheduled for June 28th. Hopes to get a handle on a start date at the meeting.

POLICE REPORT – CHIEF WALLY LAYNE

- Typical summer so far. Managed to survive Memorial Day and the first few concerts without any major incidents.
- The new officer is now on board and is doing field training.
- Don't leave valuables in the car and don't leave your vehicles unlocked. We had a rash of car break-ins early on. Since the suspect was arrested, haven't had any more so far.
- It's hurricane season. Have your plans in place.

Dolly Mitchell said she understands a car was stolen on Swordfish and a GPS was stolen from another car. Chief Layne confirmed the suspect was arrested. The stolen vehicle and property were recovered.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 18-04, RESOLUTION ADOPTING SYSTEM DEVELOPMENT FEES REPORT

Public Works Director Clemmons stated that last year House Bill 436 passed. It set certain standards and limitations before a town may adopt system development fees for water and sewer. He reviewed the resolution. We are required to have this in order before July 1st.

Motion by Commissioner Fletcher to adopt Resolution 18-04, Resolution Adopting System Development Fees Report.

Commissioner Kwiatkowski said in the Now Therefore be it Resolved line, resolved is misspelled.

Commissioner Kwiatkowski seconded the motion. They both agreed as corrected. The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 18-05, RESOLUTION AMENDING THE FEE SCHEDULE FOR THE TOWN OF HOLDEN BEACH

Town Manager Hewett stated in paragraph 6 on the attachment it should read water and sewer capacity charges.

Motion by Commissioner Fletcher that Resolution 18-05, Resolution Amending the Fee Schedule be approved as amended; second by Commissioner Freer; approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 18-10, AN ORDINANCE TO APPROPRIATE REVENUES AND AUTHORIZE EXPENSES FOR THE FISCAL YEAR BEGINNING JULY 1, 2018 AND ENDING JUNE 30, 2019

Town Manager Hewett explained that the ordinance has been prepared in accordance with the Board's direction last week to reinsert the two cents into the tax rate and to move the two cents equivalent over to the Beach Capital Reserve Fund and to back out the 3% merit pool in the Admin Salary line.

Motion by Commissioner Kwiatkowski to accept Ordinance 18-10 as presented; second by Commissioner Fletcher.

Mayor Pro Tem Sullivan said when the Budget Message was issued there was a two cents reduction in the current tax rate from \$0.22 to \$0.20. It was based on the fact that the \$0.22 tax rate resulted from the Central Reach Project (CRP). In order to finance the CRP when it was proposed the prior Board had to raise taxes seven cents. He said after that budget was accepted, Hurricane Matthew came through and did extensive damage to the beach. As a result of that damage, FEMA awarded over \$4 million to fix the damage that was created by Hurricane Matthew. That damage coincided with the CRP damage and in effect reduced the cost of the CRP. Mayor Pro Tem Sullivan stated he thought it would be appropriate that the people who footed the bill would get a reduction in their taxes. After discussion the reduction was taken out. We now have more money in BPART than we did before the CRP because the Board set aside \$3 million for nourishment. He would like the people of the Town to be able to decide which way they

want to go in the future. Mayor Pro Tem Sullivan said some of the Board thought the money returned would be insignificant and you would only be getting back \$100 on a \$500,000 house. He asked you to look at it differently. It would be a two cents reduction on a seven cents increase, which is a 28% reduction in the new tax rate. He hopes people take a little more interest in things that happen in this Town when it comes to taxing and expenditures.

Commissioner Freer said FEMA uses the word reimbursement; they don't give us anything, they reimburse us after an event. He said part of that is an extra \$1 million of sand that was put on for CRP. We were estimating the sand was going to last 10 years. He doesn't think it will last 10 years because \$1 million dollars of it was eroded from Matthew. Commissioner Freer stated in regards to the bond the Town is paying for the CRP (the \$12 million for CRP) we are paying that from both the General Fund and the BPART Fund. We are taking money from BPART every year to pay for part of that CRP bond. He said it's not just the seven cents, we are taking BPART funding every year. Commissioner Freer said we are not adequately funding our General Fund Balance; we are making some small progress. We are not adequately funding our BPART Fund Balance for maintaining our beach. He said we don't want to be in a position again to have very little funding for a sand event we know is coming. He said we are trying to correct things that were done improperly. It should be a balance of people who are enjoying it now and in the future. He thinks we should strive for a 50% savings. He estimates the next project may cost \$20 million, so the Board asked for a 10 year, \$10 million sand fund so we aren't left with nothing in the future.

Mayor Pro Tem Sullivan stated it is good to set goals and have aspirations, but if you do the math if you want to get \$10 million in another seven years, it means we will need to raise taxes \$1 million a year. If you do the math it is eight cents more. We just raised the taxes seven cents. To reach the goal, we would have to double the taxes from what it was before we began the CRP. He said he is all in favor of being prepared, but we need to set realistic goals and let the people know exactly what they are paying for. Commissioner Freer stated that part of realistic goals is we have loans and debt that is being rolled off and we should come closer to that goal. He asked do you set a goal and not even bother to try or do you strive for what you can. Commissioner Butler stated the reason why the Board put money in the fund is we talk about the CRP, it is not until 2026 until the debt is paid off. We get no help from the outside. He said if anyone is sitting here thinking CRP 2 isn't around the corner, he would rather be prepared and have a cushion to go to. He said let's at least build this fund, so we can tap this fund. That's where the \$241,000 went to, into the fund.

Mayor Holden inquired how much money was paid to the environmental attorney so far this year and asked where there is money in this budget. He is of the opinion we spent about \$50,000 in five months in the current budget for the environmental attorney. Town Manager Hewett responded that \$50,000 is pretty close without checking. We didn't know what to expect for the environmental attorney in the existing budget. There is a line item titled Professional Services Beach. It is \$15,000, but it includes non-beach monitoring type surveys, residual permit monitoring and any post storm engineering services we would need to do in order to file for FEMA reimbursements, plus any legal expenses that would be the result of the environmental attorney. It would be inaccurate if we experience the same type of expenses as was associated with the terminal groin process. Mayor Holden asked if he is still on the payroll. Town Manager Hewett said he is the Board's environmental attorney. Commissioner Freer said he hasn't billed for any activity since the terminal groin. Commissioner Fletcher said the Board would need to amend the budget. Fiscal Operations Clerk Lockner said there is no money appropriated.

The motion to adopt the budget passed by a 4 – 1 vote, with Commissioners Kwiatkowski, Butler, Fletcher and Freer voting for the motion and Mayor Pro Tem Sullivan voting in the negative.

DISCUSSION AND POSSIBLE NOMINATION OF MEMBERS TO THE INLET AND BEACH MANAGEMENT BOARD

Town Clerk Finnell advised the Board that in addition to the people interviewed earlier today, Dean Thomas and Ronda Dixon were interested in serving, but were unable to attend the meeting. The Board voted by written ballot. Mayor Holden stated he will announce the results once they are tallied.

DISCUSSION AND POSSIBLE SCHEDULING OF A DATE TO HOLD INTERVIEWS FOR UPCOMING VACANCIES ON TOWN BOARDS

Town Clerk Finnell explained that each year there are terms that expire on the boards. Most of the people whose terms are expiring are eligible to serve again. She said if the Board would like she could contact the members and see if they are willing to serve again. If we do need to advertise, we can schedule a meeting for 6:45 p.m. on the day of the next Board meeting. The Board came to a consensus to do that.

DISCUSSION OF SUGGESTED RULES OF PROCEDURE AND CONSIDERATION OF APPROPRIATENESS TO CREATE AN AMENDED ORDINANCE

Commissioner Kwiatkowski explained the process so far and the proposed amendments. She included a “cheat sheet” of what changed in the Suggested Rules of Procedure document that came from the state. She said we chose to have an executive secretary. In Rule 13 there is more clarification about procedures to be followed by commissioners, the town clerk and the executive secretary on creating the agenda for meetings. There are also specific days that are associated with agenda activity. She said in Rule 15 there were some things that were put in to blend agenda items from members of the public, as well as public address to the Board. Much of that came from the existing Town ordinance so she has pretty much just taken what has been put in place for two years and created a substantial section of how we proceed. Commissioner Kwiatkowski said in addition in Rules 30 and 31, we put in some time limits for debate, which surprisingly we never had in place. We will also have an increase for our public comments. Speakers will be given three minutes, but may request six minutes at the time of sign-up if they know that three minutes will not be adequate. She explained those are the major changes. She asked if anyone had any questions.

Commissioner Fletcher said he recommended that on Rule 2, that after the words constitutes a quorum we add the sentence “a quorum exists when three or more commissioners are present, with or without the mayor.” Attorney Fox explained it is fine as long as it is consistent with Town ordinance. Commissioner Freer said he knows it is a lot of work and thanked Commissioner Kwiatkowski. He thinks the intent was to let the community absorb this and then have action to accept it at the next meeting. Commissioner Kwiatkowski confirmed that was her intent. She asked about the adoption process. Town Clerk Finnell explained it is usually adopted by resolution, it is a separate document from the Code Book. She offered to draft a resolution to adopt it if the Board would like. Commissioner Kwiatkowski proposed that next time the Board can examine accepting this by resolution.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 18-06, RESOLUTION DESIGNATING JULY AS PARK AND RECREATION MONTH

Assistant Town Manager Ferguson explained that July is National Park & Recreation Month. The resolution will be read at the park grand opening if passed.

Motion by Commissioner Freer to accept Resolution 18-06, Designation of July as Park & Recreation Month; second by Commissioner Butler; approved by unanimous.

TOWN MANAGER'S REPORT

- Marlin and Boyd Street paving is finished, along with the Pointe West drainage fixes. We do have some residual swell maintenance that we need to do.
- Scotch Bonnet - on the north end we had drainage pipe work completed that should help out a small situation in that location. Also at the spoil site we had some activity doing some surveying and prep work for the probable use of that area for the canal dredging project. That is primarily driven by recent Corps' policy changes that will potentially impact the Town's ability to use our historic placement areas in other locations.
- We had a lot of visibility on our sewer lift station project. Wants to point out the canal dredging project is about \$2.5 million and affects almost nine miles of property along those canals. It's every bit as big as the sewer project. That project is getting ready to kick off in the late summer/ early fall.
- Recycling subscriptions are up to 450.
- Public Works Director Clemmons has been wrapping up flushing for the water mains.

MAYOR'S COMMENTS

- In regards to flood insurance, he is building a house at 256 McCray. The flood insurance was to be over \$6,000 a year. Thank goodness on August 28th it will go to \$1,200.
- We are in hurricane season. We will be making everyone aware as we get further into the summer; we will be providing information and guidance and offering opportunities to help you plan your activity in case we have a storm. There is nothing excitedly new or different this year in the way we will approach the season. Keep praying. We have been mighty fortunate in the recent years.
- Showed the turtle sculpture, a gift to the Town from Mr. Witchger. It will be the Town's responsibility to decide how and where to display the sculpture. We will be recognizing the homeowners that donated it in the near future.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Sullivan

- Thanked the other commissioners for all of their hard work on the budget. This was his first time going through the process. Learned a lot. Appreciates all of the hard work and all of the give and take there was when going through it.
- Complimented the Town. Impressed every day by the condition of the Town.

- Thanked everyone who comes to the meetings. That's why we are here. We are here to do what you wish us to do, what you hope we can do and do it to the best of our ability.

Commissioner Kwiatkowski

- Agrees with Mayor Pro Tem Sullivan, she really appreciates the Town staff walking the newbies through the budget process and the amount of rework that happened at times because of all of their questions. One of the things working through this has shown her is there will need to be some extra meetings as they hammer out the planning for next year. Now that they have been through it she thinks they can see where certain areas need more investigation. Will probably be asking for more special meetings. Looks forward to everyone's participation in those and the Tuesday night meetings.

Commissioner Butler

- Thanked everyone for attending. Great to see so many people attending on such a hot day.
- Thanked the candidates that expressed their interest in the Inlet and Beach Protection Board.
- Thanked staff for the additional budget work and answering questions. The last message he saw with the management summary report helped him get to the numbers quickly, appreciates that. Looks forward to starting the process earlier next year.

Commissioner Fletcher

- Recognizes new faces tonight. Hopefully there are potential board members of the future. We had eight or nine people step up this time. We now have four major boards. A lot of people on the island participate. They do a lot of work, a lot of research. They are big jobs; it takes time and dedication. Hopes that some who haven't done it before will step up and contribute to the work of the boards. It helps the Board a lot to have that kind of support.
- Loves turtles, he and his wife are riders so they are up at 4:00 a.m. looking for tracks. As of today we have 13 nests and about 13 false crawls. Hopefully more are coming. Tomorrow at 7:00 p.m. is Turtle Talk. It is held during the summer months. It's about an hour long program that gives a lot of information about turtles. The head of our program is Tony Marwitz and Pat Cusack is the North Carolina Coordinator. Come early if you want a seat, the numbers are increasing. If you are out at night and you see a turtle lay eggs, call the stranding team. It's a pleasure to see the turtles lay their eggs.

Commissioner Freer

- Appreciate all of effort from the board members and staff related to putting the budget together.
- This is kind of an unusual meeting, 8:00 p.m., but most of the agenda items were like the budget. A lot of work went into some of these agenda items; tonight was really just putting a bow on them and voting on them.

DISCUSSION AND POSSIBLE NOMINATION OF MEMBERS TO THE INLET AND BEACH MANAGEMENT BOARD

Mayor Holden announced that Vicki Myers, Mike Pearson, Richard Rice, Dean Thomas and Ronda Dixon were selected as the members to the Inlet and Beach Management Board. (The votes were as followed: Vicki Myers – Mayor Pro Tem Sullivan and Commissioners Kwiatkowski, Butler, Fletcher and Freer, Mike

Pearson – Mayor Pro Tem Sullivan and Commissioners Kwiatkowski, Butler, Fletcher and Freer, Richard Rice – Mayor Pro Tem Sullivan and Commissioners Kwiatkowski, Butler, Fletcher and Freer, Dean Thomas – Commissioners Kwiatkowski, Butler, Fletcher and Freer, Ronda Dixon – Commissioner Butler, Fletcher and Freer, Irvin Woods – Mayor Pro Tem Sullivan and Commissioner Kwiatkowski and Tony Marwitz – Mayor Pro Tem Sullivan.)

PUBLIC COMMENTS ON GENERAL ITEMS

Tony Marwitz said if you see a turtle on the beach please call them, otherwise turn your lights off. We had one leatherback in the history of Turtle Patrol until last year, but someone scared it off. Please don't shine a light or take pictures.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(3), TO CONSIDER THE PERFORMANCE OF AN EMPLOYEE

Town Clerk Finnell read the reason for Executive Session.

Motion by Commissioner Fletcher to go into Executive Session at 8:06 p.m.; second by Commissioner Butler; approved by unanimous vote.

OPEN SESSION

Motion by Commissioner Fletcher to go back into Executive Session at 9:53 p.m.; second by Commissioner Butler; approved by unanimous vote.

Mayor Holden announced no action was taken.

ADJOURNMENT

Motion by Commissioner Fletcher to adjourn at 9:53 p.m.; second by Commissioner Butler; approved by unanimous vote.

ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk