



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
TUESDAY, AUGUST 21, 2018 – 7:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, August 21, 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, Assistant Town Manager Christy Ferguson; Public Works Director Chris Clemmons; Police Chief Wally Layne; Planning Director Tim Evans; and Town Attorney Noel Fox.

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

**PLEDGE OF ALLEGIANCE**

**AGENDA APPROVAL**

*Motion by Commissioner Fletcher to approve the agenda as presented; second by Commissioner Butler; approved by unanimous vote.*

**APPROVAL OF MINUTES**

*Motion by Commissioner Kwiatkowski to approve all of the minutes (Special Meeting of July 10, 2018, Regular Meeting of July 10, 2018, Special Meeting of July 24, 2018 and Special Meeting of August 10, 2018); second by Commissioner Freer; approved by unanimous vote.*

**PUBLIC COMMENTS ON AGENDA ITEMS**

Anne Arnold said she is deeply troubled by the decision of the Board to accept the recommendation by the town manager to adopt the highest possible system development fees allowed by the engineer report. She stated the details weren't examined closely before making the decision to adopt Resolution 18-05 and that the fee is based on flawed information. She said the Board has the ability to rectify the problem and they should do it now. Ms. Arnold suggested that the commissioners need to get rid of the fee and form a citizens' advisory committee to be involved in the process to fix it. She asked people who agreed with her to stand up. Numerous people stood up.

Tyler Newman works for BASE (Business Alliance for a Sound Economy), an advocacy organization. He sent the Board a letter Friday expressing their concerns with the system development fees. He thinks it will be a trickle-down effect when you have such a high fee. He encouraged the Board to take a look at it. Mr. Newman asked that the Board revert the fees back to where they were on June 30<sup>th</sup> and then engage a second opinion for the water and sewer fee study. He said the Town's was done by an engineering firm, a lot of other localities around the state used an accounting firm. Mr. Newman said the purpose of the study was to establish the maximum fee; you can set any amount below that. He thinks there are some duplicative costs in the study.

Tim Minton with the NC Homebuilders Association stated he was one of folks who worked on House Bill 436 and House Bill 826, which was to make some clarifications to the system development fees. He explained he worked with the League and the County Commissioners Association and their goal was to come up with a statewide system that all types of water systems and authorities could use. He talked about their goals. Mr. Minton received reports from all over the state. He provided information on average numbers he has seen.

David Bond said he recently bought an oceanfront lot with the intention of having Jerry Baker build a spec house, however with the new fees he is not going to build it unless the Town reverts back to the old system. He said he did assessments of other towns and we will price ourselves out of the market. Mr. Bond stated that building is the backbone of the island. He asked the Board to reconsider the fees.

Brian Murdock said he is a builder and these fees cannot be sustained. He said he is unsure if the Board knew what they were when they passed them or who it would affect. He stated this will benefit 95 – 100 people who are lot owners on the island that never paid the original sewer share fee. He isn't sure why it wasn't mandatory to pay. On June 30<sup>th</sup> it was \$13,500. If the Town collected that from the 100 people it would be \$1.3 million. Mr. Murdock said the fees implemented are not sustainable. He hasn't pulled a permit since this passed and he won't.

Gerald Brown stated the fees came out of nowhere; when you are going to set those kind of fees the public needs to be more aware of what is going on. He advised the Board to have as many meetings as they need to work it out. He said the town manager works for the Board and the Board works for the people. He wants the people to look at it and to be able to have a say. He talked about the cost of building since the new fees were adopted. Mr. Brown said the Town has a great Inspections Department and the Town should listen to its director.

Ronda Dixon said all of her points were already covered.

#### **GUEST SPEAKER, FRAN WAY, ATM – UPDATE ON PROGRESS OF THE ANNUAL BEACH MONITORING REPORT AND ASSOCIATED LOCKWOOD FOLLY INLET INFORMATION**

Fran Way from Applied Technology and Management explained that about one and a half years ago, the Town had two nourishment projects, the Central Reach Project and the East End Project. We put about 1.5 million cubic yards of material on the beach. It helped a lot, especially since Matthew and the amount of damage associated with the storm. This year in the annual monitoring it showed the

beach equilibrated as we expected. We did lose some upper beach, but it went into the near shore. In terms of total volume, with no nourishments, we calculated a gain of about 400,000 cubic yards. This is a good indicator that some of the sand lost offshore from Matthew is coming back onshore. They are still working on the annual monitoring report. It was a nice surprise to see about 400,000 cubic yards moving back into the system.

Mr. Way said there has been lots of articles about several different operations in the Lockwood Folly Inlet. They are trying to stay on top of that. They firmly believe the Town should have priority to that sand. The east end was the only section of the beach that lost material this year. It needs more attention than the rest of the beach. Any changes to the system, with moving sand and putting it elsewhere can further damage the east end. They will work with the Town to make sure we are the highest priority.

Commissioner Butler said Mr. Way mentioned the articles. It is very concerning to him where all this stands. He is not sure the information being put out is accurate. He said there is a legitimate concern concerning the mouth of the inlet and the 200,000 cubic yards of sand that is permitted. Mr. Way stated he coordinates with Town Manager Hewett and Assistant Town Manager Ferguson quite a bit and they coordinate with other municipalities. It seems most of the articles have been pretty accurate, the numbers do change. There are three different projects. They will talk about it at the meeting on Thursday. They are trying to follow all three. Mayor Pro Tem Sullivan asked if the 400,000 cubic yards was for the length of the entire island or in the central reach. Mr. Way replied it was the entire island. The central reach showed a majority of the gain at about 80%. It was pretty even on the shoreline, except for on the east end. The east end gets a little more complicated.

#### **POLICE REPORT – CHIEF WALLY LAYNE**

- It's been a fairly typical summer other than we did have a drowning a few weeks ago. A young man from Charlotte was in the water when the rip currents were bad. Two other people went in after him and one of those folks ended up going to the hospital as well.
- Detective Jeremy Dixon is a few short weeks from finishing up at the FBI Academy. He graduates September 14<sup>th</sup>. Will be glad to get him back.
- No major crime waves on the island.
- Two more weeks until his favorite holiday, Labor Day.

Commissioner Freer said last month we had about 100 parking events, this month only 22. Chief Layne said traffic has slowed down and schools up north have started back so it hasn't been as bad. Commissioner Freer stated this report is for the month of July. Chief Layne explained that the numbers given to the Board last time was for everything from Memorial Day to the 4<sup>th</sup> of July. It is posted on the sign and we have done a lot to educate people.

## **DISCUSSION AND POSSIBLE ACTION – SYSTEM DEVELOPMENT FEES FOR PUBLIC WATER AND SEWER SYSTEM**

Commissioner Freer thanked everyone who addressed this. He has received a lot of emails and calls. He said the adoption of the ordinance proposing a substantial increase to the Town's sewer and water fee needs to be reevaluated and highly likely replaced. He inquired if the Town could return the fees to the status quo before July 1<sup>st</sup>. Attorney Fox explained if you were going to charge system development fees you were required to do so by July 1<sup>st</sup> per House Bill (HB) 436. You can repeal what the Board adopted, but you can't reinstate the previous fees charged. Commissioner Freer stated the Board needs to consider all of the issues, review all of the options and listen to the public comments based on all of the facts. He thinks that necessitates calling a special meeting as soon as possible. The Town was required to use a professional engineer to calculate a maximum fee, but it isn't required to impose the maximum fee. Commissioner Freer said he didn't know the current development fee so he didn't know how big the increase adopting the calculated maximum fee was. He assumed the proposed increase wasn't as significant as it was. He said it didn't occur to him that the Board would be presented a nearly threefold increase in a very significant fee, without pointing out that fact to the Board and the public. Commissioner Freer said that fact wasn't apparent from the report or the ordinance voted on. He said they should not have assumed, they should have asked the hard questions and demanded answers. He stated this mistake can be revised, but the implications of the maximum fee were not understood and no other options were presented.

Commissioner Butler said hopefully everyone could hear the attorney because he was going to have the attorney explain why it is not possible to convert back to the previous fee prior to July 1<sup>st</sup>. He said the implementation process for rollout of the water and sewer fee requirements outlined in HB 436 was skewed for a number of reasons that were already stated. He added that looking back in hindsight there were a number of issues that surfaced from the commissioners and the public after the commissioners voted. The information outlined in the engineer's report was not an easy read. He thinks that during the meeting, the engineer indicated that the calculations were a difficult calculation. Commissioner Butler said he read the report about twelve different times and every time he read it he learned something different. At the time of presentation there was a lot of information to digest in the session. He said it may have been more helpful to provide alternatives that better helped to understand and justify the rationale of identifying the development fees. He has since learned a number of steps within the process could have been handled differently. Commissioner Butler said he has a few suggestions: 1) there should have been more time and a process implementation plan identified that would have helped for a successful implementation, 2) finalize a question and answer document that will help explain HB 436. That is currently underway and we will check the status of that. When we have that we need to call a special meeting, 3) what original information was given to McGill identifying the basis for calculating the development fees, to include a full understanding of what the numbers mean, 4) plan to have a special meeting that would be dedicated to explaining and reviewing the contents and highlights of HB 436. This would also include how the equivalent unit (ERU) of \$20,577 was calculated for a three bedroom dwelling, 5) remember if an individual didn't pay the required sewer fee, his understanding is it has to be paid before the building permit would be issued, 6) Town staff needs to be involved on the front end of the development process so they can provide expertise to help with a smoother implementation and 7) based on previous input there needs to be clarification

or an understanding of what habitable living area is defined as in HB 436. Commissioner Butler said it is our responsibility to implement the bill and the expectation is that the inspector will receive the correct information. Habitable living area is defined as a room or enclosed floor space used or intended to be used for living or sleeping. He thanked everyone for expressing their views.

Commissioner Kwiatkowski stated she understood the report, understood what the numbers were and understood what an added bedroom would be. She doesn't understand why during the public comment period nothing was said, nobody asked questions. She said in the absence of comment, in the absence of reservations, silence is consent. She said she comes from business; she has gone to the government before when they proposed something and said this isn't going to work because it is her job to say you put something out there that isn't going to work. So you also bear some responsibility for where we are today because it was out there. Commissioner Kwiatkowski said the Board will go through it again with everyone, listen and do the right thing, but when you are confronted with something like this in the future stand up and speak during the public comment period. Let the Board know what you are thinking before the decision is made.

Mayor Pro Tem Sullivan said he agrees with Commissioner Kwiatkowski. He knew what he was voting on and you would too if you read the report. He said there are three clear instances in the report where it tells you it will cost \$20,577. Even if you don't know how they got to the calculation, if someone told him that a cost he was paying at \$13,000 was going to become \$20,577 he would have asked questions. It was posted and you had 45 days to read it. He said people need to take some responsibility on themselves. It is a lot easier for the Board to look at something when people come in with their professional ability and give him the advantage of that. Mayor Pro Tem Sullivan said he is willing to look at it again, he doesn't say it is perfect. He knew what he was voting on and people should have known too.

Commissioner Fletcher said obviously you can see we have some disagreements. In the last meeting, he made a comment, but he was misinformed. He stated he owed an apology to the inspector because it suggested he did something he hadn't done. He believes the inspector, his honesty and integrity are not in question. If he mislead you with his comment about his involvement in the process, please disregard it. Commissioner Fletcher said while you may be at fault for not showing up, he was elected to look after your material for you. He said it is his fault. He has been at it for 65 years and should have known better. He stated he didn't ask enough questions and didn't understand what the impact would be. Commissioner Fletcher said if you came earlier and shared that he would have known and taken action, but he didn't understand how big of an impact it would be on the building. He views his job as making the finances of the Town solid. That means we need building to go on so we get more taxes from building. A lot of those will be rental incomes that we depend on to pay our bills. He will do everything he can to make sure we don't have a fee that will have a detrimental impact on the property values, on the work environment for the builders and for people's desire to build a house. He thinks the Board will repeal the decision. They will have a meeting to do that and replace it with something else. He will endeavor to keep it as reasonable as it can be and get what we need done, but have no adverse impact on the builders that work here or the property values and tax income.

Commissioner Freer stated the action item won't happen tonight. They will schedule a special meeting and make it known to the community. They want everyone involved in the special meeting. We have the FAQs started. We will dive much deeper, look at options and the impact and will do it as soon as possible.

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

Public Works Director Clemmons stated the sewer system construction is underway. The contractor mobilized at the end of July. The columns for the upper level have been poured. By the end of the week placement of the forms for the elevated slab should be complete. According to the engineer's schedule, the upper level building will start mid-September, with a completion date in October. The scheduled delivery for the pump station equipment to go in the upper level is mid-October. The engineer doesn't see any issues or delays at this time. He is surprised we got as far as we did with the weather we are having.

Commissioner Butler asked about the potential issue pertaining to steel raised at the last meeting. Public Works Director Clemmons thinks that is behind us. Commissioner Freer said it is worth a few minutes to get an update each month. Commissioner Kwiatkowski drives by it every day and can see progress.

Public Works Director Clemmons said when McGill did the sewer study and they identified potential problems it spoke about candy canes. He believes that people think if we elevate the candy canes it will give us the ability to be on the island when we have 36" of water on the ground. Being the operator he doesn't see that as possible. In the report it identified it would cost about \$1.5 million to elevate them, with very little return. He will still need to shut the system down. We do require people to elevate them for all new construction. Public Works Director Clemmons doesn't think you should try raising all those vents at this point.

#### **DISCUSSION AND POSSIBLE ACTION ON ITEMS RELATING TO SOLID WASTE MANAGEMENT**

Commissioner Kwiatkowski explained the Board had a special meeting on August 6<sup>th</sup> to go over all of the open points on the overall trash issues. The intent was to come to some decisions on August 6<sup>th</sup>, but to bring them to this meeting so the public would have a chance to comment. She hasn't received any messages and nobody made any comments at the meeting today. If the Board is still in agreement, the memo on page 61 is what the Board should have the town manager and staff work on. Commissioner Kwiatkowski went over the memo. The recycle program will remain voluntary. To make it more attractive to rental properties in particular, recycling needs to be picked up weekly during the season. Offseason pickup will still occur every other Tuesday. Town staff has a new estimate of the cost if the Town goes to the new pickup schedule. The yard waste program was shown to be utilized more than we previously thought. The decision was made to continue the program through the fall and continue to monitor it. It can be discussed again in the first quarter of 2019. For rental house properties, there is an audit of the number of solid waste containers currently underway. It is anticipated that the audit should be completed around October. Once we get the findings, we can discuss if there are

enough out of sync houses that it is reasonable to think that it is one of the causes of having so much trash on the island this year. If we don't see many deviations, we will see if there is another way to measure how many trash cans people have. The Town will notify non-compliant property owners to obtain the right number of bins as they identify properties are out of compliance. The rollback program remains under consideration. Options can be discussed in the first quarter of 2019. Commissioner Kwiatkowski stated we need to find some sort of solution so the cans get back to where they need to be. The rollback for next year should be for both full and empty cans. Leaving full cans at the curb is not serving any purpose. Commissioner Freer wanted to clarify if the intent for item 6 is to continue rollback only for Ocean Boulevard. Commissioner Kwiatkowski confirmed yes, it will stay how it is and will be a 2019 challenge to work through how to solve the problem without significantly changing the cost.

Commissioner Kwiatkowski said the existing solid waste ordinance is old and out of date. It needs to be updated to a standard that is more representative of the island today, not the island 20 years ago. We also need to make clarity around what is out of compliance, fines and how it will be done. Town staff will be leading this. She asked the Board to please send their ideas to the clerk by the end of August. It's possible we might have something by September, definitely by October. The Town will provide a summary of the changes to be enacted in 2019 to property owners and rental property management companies in time for the information to be included in the 2019 rental packages.

Commissioner Kwiatkowski inquired if everyone still agreed this is what the Board wants. Commissioner Butler replied his only question is on the rollback program, but that's not until the first quarter. When he drives down Ocean Boulevard or Brunswick Avenue, sometimes he needs to dodge garbage cans. He said let's have a Phase 1 and a Phase 2 because this is something he would like to see taken care of. Commissioner Fletcher said he thinks one of issues will be education, especially for people who own property and are only here for the weekend. Commissioner Kwiatkowski asked if there is a way to implement rollback of full cans now. Public Works Director Clemmons answered that he will find out. Commissioner Kwiatkowski said we will do what we can, but 2019 will be full and empty. She said everyone agrees so this is the proposal and marching orders. Town Manager Hewett explained the Board can't take action on the updated contract tonight because of the change of the price and the need to pre-audit the contract. We need to amend the fee schedule, which will drive a corresponding budget amendment. We will bring it back to the September meeting if the Board desires. The Board agreed.

## **DISCUSSION AND POSSIBLE ACTION ON AUDIT COMMITTEE BYLAWS**

Commissioner Fletcher said at the last meeting the Board asked him as Audit Committee chair to go back to the Audit Committee and have them approve their bylaws. They made revisions and the vote on the proposed bylaws was 5 – 0. He reviewed the proposed bylaws.

Attorney Fox said by statute the external auditors must give their report to the Board. The Board is charged with the sole responsibility of making certain that requirements by statute are adhered to. That doesn't mean the Audit Committee can't participate in the process. It is important that the Audit Committee is a conduit of information. She sent an email to the Board about how other communities

are using these Audit Committees as tools to assist the Board. Her concerns include that the outside accountants are going to report through the Audit Committee to the Board. The independent auditor will be required to come directly to the Board. That doesn't mean the Audit Committee can't receive a copy of the report. The Audit Committee can't make a presentation to the Board on the outside auditor's report.

Attorney Fox inquired about investigating an irregularity in paragraph 2. Commissioner Fletcher explained if something is identified as going wrong with the billing system, they could go to the Board and ask permission to initiate an investigation. Attorney Fox stated what scares her as a lawyer is it may make someone reading the bylaws think that they have the ability to conduct their own investigation. The Board is charged with that responsibility. If the Audit Committee made the Board aware of an irregularity, the Board should take action. She thinks she understands the intent, but being a lawyer she doesn't want to leave anything up for interpretation. Commissioner Fletcher stated if the Audit Committee received a report that something is array, they would check it out first and if possible say everything is fine. If there is an issue, they would come to the Board. Attorney Fox said generally bylaws of Audit Committees across the state aren't so specific with the requests being made in these bylaws. The goal of the Audit Committee should be to facilitate communications through staff to the auditor, to make certain that the Board's reports are obtained in a timely fashion, and that the Town is on track to provide the information the auditor is required to look at. Attorney Fox talked about the audit process. If the auditor thinks something is wrong they will tell the state. That's part of the checks and balances.

Commissioner Butler stated that the Town currently has an internal control audit underway. He hasn't heard anything about it. Attorney Fox stated she thinks the Board can tell the Audit Committee that they want an update on the internal control audit and the Audit Committee can make certain that takes place. That means they should work with staff to make certain all of the information is available.

Commissioner Kwiatkowski said in Part C she thinks they have the right to receive answers to questions. She stated that providing feedback sounds like you would be making suggestions, interfering with the independent accountants. She thinks that they would have the right to receive answers to questions on anything in the draft report. She doesn't think we want it considered that the Audit Committee is trying to influence something. Also, she was hoping to see in the bylaws information about reviewing quarterly results, which the Audit Committee does. She thinks there could be a meeting schedule proposed since there are quarterly results. She said you could probably set an appropriate meeting to coincide discussion on draft findings in the audit process. Commissioner Kwiatkowski stated she would have liked to see something about calling a special meeting. She thinks a special meeting could be called by the chair and also by two members. Commissioner Fletcher said he thinks the Audit Committee would be happy to amend it going forward. Commissioner Kwiatkowski stated she agrees with everything Attorney Fox said about the information flow, but the decision making rests with the Board. Commissioner Fletcher said the auditor always comes to the Board with the final report. What he is hoping is that what they present to the Board isn't wrong. Attorney Fox stated she would be happy to give Commissioner Fletcher some of the adopted bylaws from audit committees across the state so he can use them as a guide if that would be helpful. Commissioner Fletcher agreed.

Commissioner Freer said he is okay with doing another draft of the bylaws, but his only issue is that we currently have an internal control audit taking place and we are not getting anything back on it. Commissioner Fletcher said that is on him as the chair to the Audit Committee, but he didn't get invited to the first meetings. He was advised there wouldn't be any phases. Attorney Fox asked what information the Board wants. Commissioner Fletcher replied that the Board doesn't want to see a final report. They want the Audit Committee to be involved in the process, understand the process and get reports back in a timely manner, not after the fact. Commissioner Kwiatkowski added they are looking if there are any findings of concern. Attorney Fox suggested scheduling a meeting to have the auditor come and provide an update. Commissioner Fletcher said he could do that as long as the Board said it's under his authority. The Board agreed it is okay.

Mayor Pro Tem Sullivan read #2 and asked if having the majority of the Board is in some way outside the Open Meetings Law. Commissioner Fletcher said it is recognized that if it is more than two, it is an open meeting. Mayor Pro Tem Sullivan said it doesn't say that. Attorney Fox stated she thinks that is why you want the bylaws to say when the regular meetings are, who can call a special meeting and have some overview making it apparent that this advisory board will operate in accordance with the rest of the Town's committees. She talked about how other communities' committees are comprised. She thinks the Audit Committee needs to be meeting regularly and have guidelines, which will help with reports and scheduling meetings. Mayor Pro Tem Sullivan said the last time the Board discussed this Attorney Fox pointed out there is a different set of guidelines that can be used. Attorney Fox said she would be happy to share them. Mayor Pro Tem Sullivan said he thinks it would be beneficial to see how other municipalities do it, rather than private enterprises. She confirmed the Audit Committee does not need to have the bylaws in place to schedule a meeting with the internal auditor.

The Board will table this item until the next meeting.

## **DISCUSSION AND POSSIBLE APPROVAL OF A NORTH CAROLINA PUBLIC BEACH AND COASTAL WATERFRONT GRANT APPLICATION SUBMISION**

Assistant Town Manager Ferguson explained that in the early part of this year, the Parks & Recreation Advisory Board (PRAB) did an exercise where they evaluated Town owned property for beach accesses and rated those for development. There was an opportunity for a pre-application of a grant through the NC Public Beach and Coastal Waterfront Access program. We made it through the pre-application phase. She said to move to the next level, it requires the Board to give their consent to send in a final application. The proposed access is at 289.5 OBW. Based on the estimate we received the total project cost would be \$21,780 and we are requesting that this program pay \$16,355. It's a 75/25 split. The PRAB did make a motion to send it to the Board and they support the submission of the final grant. It is due by September 7<sup>th</sup>.

*Motion by Commissioner Kwiatkowski to move forward; second by Commissioner Freer.*

Town Manager Hewett asked if the PRAB looked at just beach accesses or if they thought about waterway accesses too. Assistant Town Manager Ferguson replied just the beach.

*The motion passed by unanimous vote.*

## **DISCUSSION AND POSSIBLE APPROVAL OF DESIGNATION OF PLANNING & ZONING BOARD, WITH THE ADDITION OF PUBLIC MEMBERS, AS THE LAND USE PLAN STEERING COMMITTEE**

Planning Director Evans explained he is asking the Board to approve P&Z as the steering committee for the Land Use Plan. He is also asking for permission to add stakeholders from the community. They would like a minimum of three stakeholders to join P&Z on the committee. He discussed the schedule and explained this committee would need to be in existence longer than 90 days.

Commissioner Freer would like to see plans and feedback to the Board every once in a while, the Board can figure out the details later. Planning Director Evans stated that there is a survey that P&Z will be looking at. He will probably be bringing reports back with the progress since it is a long process. There are a lot of steps required by statute. Commissioner Freer asked who the survey will go to. Planning Director Evans responded that the contractor will send the surveys to all property owners. The committee's job is to review it and make sure it meets any requirements we have. He said it would be an online survey.

*The Board came to a consensus to extend the 90 days and to add stakeholders as required. Planning Director Evans asked that P&Z be allowed to determine the amount of stakeholders to add.*

*Mayor Holden verified the consensus was in agreement with both issues and P&Z could determine the number of members.*

## **RECOGNITION OF 2018 PELICAN AWARD FROM THE NORTH CAROLINA COASTAL FEDERATION TO THE TOWN OF HOLDEN BEACH BOARD OF COMMISSIONERS FOR OUTSTANDING LEADERSHIP AND DEDICATION TO KEEP OUR COAST ACCESSIBLE AND PUBLIC**

Commissioner Freer said he wanted to recognize the Pelican Award. He has a plaque that he will bring to the next meeting. HBPOA and the Dunescape POA were also recognized for the Pelican Award. The award was around not doing the terminal groin. Commissioner Butler said the HBPOA was also recognized, so we really walked away with three awards. He said the work these people do up and down the coast is incredible. There are a bunch of unsung heroes in North Carolina protecting the beaches and waterways. He said there was about 450 people who attended. Commissioner Freer added that he and Commissioner Butler represented the Town at the event.

## **TOWN MANAGER'S REPORT**

- The Inlet and Beach Protection Board's orientations are almost complete. There is one member of that Board that needs to be briefed by staff.
- Recently completed open meetings and public records training for all of the boards. Had a conversation with Anne Arnold several months ago about needing training for different boards. Hopes to bring that different subject matter training forward to the different boards in the future as a long term goal.

- Canal Dredging Project - solicitations and advertisements are on the street. Had a pre-bid conference last week with four contractors showing up. Looks like we are on track for a September let date. Need to make sure we have sufficient responses back in time to meet the next meeting in September. Depending how it plays out, may need a little tolerance to jam it in at the September meeting. Otherwise the Board will need to call a special meeting and he would hate to lose the time.
- Received the Department of Water Quality permit for the Scotch Bonnet site. Should start having construction there after Labor Day. Will require the closing of the dog park during the construction and the time the dredge spoils are being placed. It will probably take a while to dry out. The earliest he forecasts the area being open to the public is after Memorial Day.
- Kendra McDonald has resigned from the administrative assistant position. Will cover the window with a temporary service until a longer term solution occurs. Officer Michael Hamilton has announced his retirement, effective November 1<sup>st</sup>. He is the longest serving Town employee. He has been with us since 1988. Will have a going away event and will get the word out to the community once it is scheduled.
- As we start to ramp up for budget exercises one of the takeaways from this year was to take a look at the compensation packages. Started compiling some information. If there are specifics the Board would like included, please feed the information to him and he will make sure to incorporate the inputs.
- FEMA Matthew – still working on \$350,000 on the closeout for the project. They visited with us.
- 50 Year Project – haven't heard back from Wilmington District Commander. Mayor Holden sent a letter asking for an update on the status of the project.
- All the rain lately has illuminated the shortcomings in the stormwater system town-wide. There are some reoccurring hotspots. Have finished the work in Pointe West with the outfall ditch. There is some final grading we need to do, along with some grading on Coquina Drive. Whenever staff intervenes with pumping water it has to be a safety hazard.

## **MAYOR'S COMMENTS**

- Had a training event with staff this month in regards to emergency planning. Thinks we are prepared as good as we can be. People know their roles. Pray to keep the storms away.
- Been in public service for this town for about two decades. Never had the complaints he has had in the recent weeks. Hopefully after tonight some of these issues will go away. Thanked everyone for making him aware of the situation they feel so strongly about. Will figure out how to come out of this. We have some good commissioners that will bring resolution to it.

## **BOARD OF COMMISSIONERS' COMMENTS**

Mayor Pro Tem Sullivan

- Thanked everyone for coming.
- Appreciates the input, all the notes and letters. Would have appreciated it if he had the benefit of the information before they voted. Would hope the realtors and builders will be as involved in many of the issues on the island as they have been tonight. Hopes to see them at more meetings, expressing what they think is the best way for the Town to go. Took this job to do some good for

the Town. He thinks they all love the Town. His vote after listening to all of the information is what he believes is the best for the most people that own property and live on the island. If his vote changes, it will be because someone brought him information he didn't have, not information that he failed to consider when he voted the first time.

#### Commissioner Kwiatkowski

- Agrees with everything Mayor Pro Tem Sullivan said.
- Reminded everyone the Board will have a special meeting in September to try to do some three to five year projections and planning, looking at costs and also revenues and what we can do to increase revenues. We have an objective for our sand fund and have to figure out how we can do that over the next five – ten years. Hopes everyone who is interested in how we can make this island stay a great place to live, keep the beaches up, keep the infrastructure and the economy strong will be able to come to the meeting and offer opinions. If anyone has ideas on ways we could increase revenues or ways to control costs, shoot her an email. Will be having that discussion and doesn't think it will be the last one the Board has.

#### Commissioner Butler

- Thanked everyone for attending. Especially those folks that took the time to express their views. Appreciates that. Will not be able to attend the Inlet and Beach Protection Board meeting, but if you want to, get involved in that. We are in the sand business and it is important for everyone to stay involved and be apprised of what information we have. If you are not doing anything this Thursday, the Inlet and Beach Protection Board would welcome you to be in attendance.

#### Commissioner Fletcher

- Thanked all of the people that wrote their views on this issue we are dealing with now. They were extremely well written. They were effective, to the point and polite. They made very good points and he confirmed them. They will make a difference. In the future if you need to get information to the commissioners, send them those emails. Think it through, give your inputs and all the facts you can so the Board can make decisions with all of the information they need. Thanked people for the support, for coming out and sharing with the Board.

#### Commissioner Freer

- Appreciates the input, but remember this is the start. Still have work to do to revise this fee structure. We will call the special meeting. Encouraged input. Please come, will try to make it as interactive as possible. Wanted to clarify as of today, as we are told by the law, the fee is what the Board enacted at this time. It's important to address that as quickly as possible.

### **PUBLIC COMMENTS ON AGENDA ITEMS**

David Bond asked how people can help get Ocean Boulevard paved. He asked if anyone has called the governor. Mayor Holden explained this is not supposed to be back and forth, but with the commissioners' permission he would answer. He said at his GSATS meetings (the committee that works with the DOT) he is being told it is scheduled for March 2019. Mr. Bond asked why the Town doesn't

have recycling and solid waste at the end of public walkways. Mayor Holden explained public comments aren't an exchange. We can take notes and take it under advisement.

Ronda Dixon stated she understands that technically the process was followed for the system development fees. She questioned how anyone could vote in favor of the resolution if they truly understood the impact. She said they would all appreciate it if the Board could have a special meeting where a vote takes place to resolve this as quickly as possible. Ms. Dixon also wanted to talk about the 96 parcel owners who never paid the original sewer share fee. She said there are over 2,000 parcels that paid the fee in the early 2000s. Interest and fines were assessed. She stated that whatever fees are decided, those parcel owners should be required to pay the fees.

George Stout thanked Commissioners Fletcher, Freer and Butler for their comments. He said everyone makes mistakes. Mr. Stout was unhappy with Mayor Pro Tem Sullivan and Commissioner Kwiatkowski's comments on the development fees.

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

Town Clerk Finnell read the reason for Executive Session.

*Motion by Commission Freer to go into Executive Session at 8:46 p.m. second by Mayor Pro Tem Sullivan; approved by unanimous vote.*

**OPEN SESSION**

*Motion by Commissioner Fletcher to go back into Open Session at 9:17 p.m.; second by Commissioner Kwiatkowski; approved by unanimous vote.*

Mayor Holden announced no action was taken.

**ADJOURNMENT**

*Motion by Commissioner Fletcher to adjourn at 9:17 p.m.; second by Commissioner Butler; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk