



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, OCTOBER 23, 2018 – 4:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Tuesday, October 23, 2018 at 4:00 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; Planning Director Tim Evans; and Town Attorney Noel Fox.

Mayor Holden called the meeting to order at 4:05 p.m.

POYNER SPRUILL LLP PRESENTATION CONCERNING CONSULTING SERVICES

Mayor Holden welcomed former Congressman Mike McIntyre. Mr. McIntyre introduced Glenn Dunn from his law firm in Raleigh and Roger Gwinn from the Ferguson Group which is a research and legislative monitoring group that they work with in Washington so they have eyes and ears on the ground at all times. Mr. McIntyre provided background on his firm and their relationships with agencies and groups. The law firm is a statewide law firm, but they are part of a national network. Former Governor Jim Hunt was a partner in the firm. He was the founder of a national network of attorneys that has a selected law firm in each state capital. The group is called SCG, State Capital Group. SGC has key law firms in each state and also in over 30 countries. Mr. McIntyre is the gatekeeper for that nationally and internationally. Over the last three years since he retired from Congress they have been doing legal work for many communities in many different capacities.

Mr. McIntyre said some of the areas they have helped with are negotiations, discussions and obtaining funds as appropriate depending on what the issue/ project is with federal, state and county entities. They work with the Corps quite regularly. They also work with state agencies like CAMA. Glenn Dunn was the former general counsel for DENR, which is now DEQ. He named other entities and individuals they work closely with.

Mr. McIntyre explained that he had worked with Town Manager Hewett, who presented them with a wish list of all types of projects. He talked about the list and said they would need to know the Board's priorities.

Mr. McIntyre provided information on legislative language they worked on and had approved; different projects they took part in; and relationships they have. He talked about different funding/ grant programs they have knowledge of and how they helped communities obtain the funding.

Mr. Gwinn provided information on the Ferguson Group, their staff and some of their experience. They have been around for 36 years and focus on public agencies. They are a bipartisan group. They are the folks on the ground in Washington, D.C. He said it is a great partnership. They provide information to help understand what the opportunities are in terms of securing federal assistance. That will help the Board in setting priorities. In terms of support, they also provide support on the grant side. He provided examples.

Mr. Gwinn said they provided a packet of information and wanted to touch on one issue to show the kind of information they provide. He referred to the packet that showed where we are on the process and the challenges of the Brunswick County Beaches Project. There is \$550,000 left to complete the General Revaluation Report (GRR). That report is necessary to move forward on the project. They are being told by the Corps that the amount will need to come from non-federal money because there is an imbalance in the federal/ non-federal cost share. He talked about potential issues. He said they would work with the Town to narrow down and develop solutions. He said the last money that went to the project was \$947,000, earmarked by former Congressman McIntyre in the FY 2011 Appropriations Bill.

Mr. Dunn provided information on the first time he came to Holden Beach. He is primarily a regulatory attorney and worked on quite a bit of coastal projects and with local governments. In addition to the CAMA program, he was also general counsel for the Department of Environment and Natural Resources. He talked about his experience and projects he worked on. Most of his work has been consultation and helping things stay moving in the permitting area and in the environmental documentation area. He talked about contacts he has. Mr. McIntyre stated Mr. Dunn was chosen by the state, the feds and all of the environmental groups as the mediator for the Bonner Bridge. He moved people toward the solution.

Mr. McIntyre provided information on additional grants they worked on. They stay involved in the NC Beaches, Inlet and Waterways Association and the American Shore Beach Preservation Association.

Commissioner Freer asked how they work with our current house representatives. Mr. McIntyre said they work regularly with them. The work he is doing currently involves Congressman Rouzer and Congressman Walter Jones. They also work with Senator Tillis and Senator Burr. He talked about his working experience with them.

Commissioner Freer said they work with other coastal communities and sometimes the Town competes with them. He asked how they handle that. Congressman McIntyre said legally and ethically they don't want to be in a conflict of interest. If the Town is the client, their duty would be to us and not to whoever comes along. Right now they don't work with either direct neighbor.

Commissioner Butler said he doesn't know how much history he was told. He is sure Mayor Holden and Town Manager Hewett presented them with a list of the issues we currently have and what our priorities are, but he wasn't privy to them. When he attended a meeting with the Corps he had his eyes opened that someone above made a decision that the Town would be losing sand that we normally, traditionally obtained. He explained how critical sand is to us. He doesn't want to go back to where we were in 2005 when we tried to protect the east end of the island with sandbags. He thinks the Town has done an outstanding job throughout the years working with the Corps and federal agencies to obtain sand on the east end. The other project we had that was a tremendous impact to the island was the Central Reach Project. The funding for that was primarily on the backs of the residents of the

Town. He talked about going through Florence and Michael. Without having sand on the beach and without having a preventative action program in place we are in trouble. Especially because over the past years the sand that came out of the Lockwood Folly Inlet came to Holden Beach and the decision has been made that we would not be getting the sand. We weren't even communicated with. Mr. McIntyre said that is why he said he knows tourism is the number three industry in North Carolina. That's his message as he works with people that need to know how important it is that we sustain tourism. He agrees sand is critical. Commissioner Freer said he thinks we are unique to other communities because we stop at the bridge. They are interested in restaurants and other types of economic development because they go off the bridge. Sand is our economic development. Mr. Dunn said he is not familiar with all of the facts on the decision to put the sand on Oak Island instead of Holden Beach, but he is surprised to hear that it sounds the decision was made without an environmental assessment or some sort of document with public hearings. That is atypical for a governmental decision.

Commissioner Kwiatkowski asked how they derive support from the municipality they represent. She inquired if they get involved in organizing a grassroots group or does he find those don't resonate much with the kind of focused work they need to do. She asked what kind of informational background documents they request or how they request information. She said it's nice to understand the level of participation and what the expectation for support is. Mr. McIntyre said because of legal duty and client relationships there are certain essential things they need to know and who they answer to. One thing they make sure is they answer to the person who has hired them to help them. If that is a town council, then they represent the council, not an individual, but the town as a whole. They work with who has been given the authorization. Generally, they do a monthly legislative report. They do visits only when necessary. The answer is to the group or body that hired them. If you want to generate support for a concern or issue that is great, but that would be between the Board and the public. They would answer to the Board and the staff assigned to work with them. If they need information, they would rely on staff to provide it. Mr. Gwinn understands that putting information together can be a challenge. They look for ways to reduce the effort to assist. It is helpful to have resolutions adopted. Part of what they do is provide draft resolutions and letters. Congressman McIntyre said the Ferguson Group can pull research information together. He explained anytime you can package information and get other people in similar situations together that will get more support for your concern.

Commissioner Fletcher asked about the financial relationship. Mr. McIntyre said the amount would depend on what the Board decides. They would be glad to negotiate that. There would be a monthly retainer, billed monthly. It would be agreed upon for a year's time, depending when the relationship started. Then both parties can evaluate. Expenses are a separate item. Any proposal will include the Ferguson Group's fees so you don't need to worry about two firms. The expenses are itemized and separated out. Grant writing is a separate expense. There are some specialized expenses.

Mayor Holden asked Mr. McIntyre to touch on their relationship in the Topsail area. Mr. McIntyre said they were hired two and half years ago. Initially they focused on a handful of key coastal issues. Topsail was very pleased with their work so they expanded their services. In the third year, they expanded more. When they do their monthly legislative report they report on what occurred on the issues. They bring them up to speed on the current issues. They started at three issues and are up to about seven or eight. They now asked for a two year extension to lock in the rates.

Mayor Holden echoed what Commissioner Butler was discussing about the Lockwood Folly Inlet. He said if we had someone with ears in the background we would not have been ambushed. In the world

of politics having people knowing what is going on is what it takes to get things done. He thinks the most meaningful thing is their firm has the ability to lobby and go after funding and permits. It is not just one or two services, it is like a buffet. We pay for the services as we need them.

Ashley Royal was on the Board the first time the firm came. We now have the benefit of the memory of what happened since then to now. He thinks we are seeing the effect of that. Mr. Royal believes we have evidence that the Town needs to take some action. He said he doesn't look at securing services that you need as an expense. It is an expense, but if you look at the future of the Town it is an investment. The reality is we can maintain the family beach atmosphere only if they take action to protect and preserve the family beach. He said he doesn't think the Town has the expertise or relationships necessary to influence other decision makers.

ADJOURNMENT

Motion by Commissioner Fletcher to adjourn at 5:28 p.m.; second by Commissioner Freer; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk