



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, FEBRUARY 19, 2019 – 7:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, February 19, 2019 at 7:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem John Fletcher; Commissioners Mike Sullivan, Pat Kwiatkowski, Joe Butler and Peter Freer; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Planning Director Tim Evans, Public Works Director Chris Clemmons; Detective Jeremy Dixon; Fiscal Operations Clerk Mandy Lockner; 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 Mayor Pro Tem Fletcher to accept the agenda as presented; second by Commissioner Freer; approved by unanimous vote.

APPROVAL OF MINUTES

Commissioner Freer stated that on page 6, the third paragraph should read that Commissioner Butler said he is still concerned about the 80 plus percent that are part-time residents.

Motion by Mayor Pro Tem Fletcher to approve the minutes as modified (minutes of the Special Meeting of January 15, 2019, minutes of the Regular Meeting of January 15, 2019 and minutes of the Special Meeting of January 16, 2019); second by Commissioner Freer; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.

RECEIPT OF INLET AND BEACH PROTECTION BOARD (IBPB) REPORT

Commissioner Freer said this is the receipt of the IBPB report. He thanked the IBPB for their hard work. He wanted to note that a letter was sent to the county expressing our interest in the Deeper – Wider Project. They are working on the framework for a long-term plan.

RECEIPT OF WATER TOWER MEMO FROM THE PLANNING & ZONING BOARD (P&Z)

Commissioner Freer explained this is the receipt of the water tower memo from P&Z. P&Z voted to recommend a phased approach to the issue. The first phase would consist of a study to be done by an

engineering firm which specializes in water systems and has experience performing water supply studies to determine at what point a second water tower may be needed. They also recommend that if it is determined that a second tower is needed in the near future that the county be contacted about potential cost sharing. Commissioner Freer said he will put this item on a future agenda to address the recommendation. Commissioner Kwiatkowski asked for a more complete report of the discussions that lead to the recommendations when the item is added to the agenda. Commissioner Freer will ask for that when it is put on the agenda.

LOCKWOOD FOLLY INLET NAVIGATION PROJECT UPDATES

Assistant Town Manager Ferguson explained the county received a grant that was discussed at the IBPB and Board meetings. Staff attended a meeting on January 30th where some of the Town's concerns and comments were addressed with Deputy County Manager Steve Stone and the county's engineer. The county does not foresee doing modeling at this time. They view this as a pilot project and a test source for data for later, larger scale projects. This project will require a major modification to our SDI-5 permit. The county views this as a one-time test. While the county wants to implement a fiscal policy regarding projects at a 75/25 split, there was mention that they would entertain the Board sending a request for additional funding. The project as proposed in the county's grant application will depend on dredge plant availability. The Town made a request that if the project is voted on to move forward, the county engineer and the Town's engineer work together to create a design template that could potentially qualify the Town for FEMA funds in the future for that area. Staff is of the opinion based on an email from Oak Island's town manager that they are not interested in this cycle of the project. She referred to the figures in her memo for the project.

Assistant Town Manager Ferguson said the Town has made several attempts to find out information on the possible piggybacking of the AIWW Crossing. On February 6th she had a conversation with Brennan Dooley from the Corps. They don't have the headroom financially in their permit authorization. The Town would need to contract independently with Southwind if we wanted to do this. It would be about 200,000 cubic yards, including the north widener. We would have to use our SDI-5 permit and it would not be available for Deeper - Wider. The contractor confirmed to our engineer that based on environmental windows, they would be completing the bend widener in April or possibly May. It would require a separate mobilization/ demobilization. The timeframes would require us to seek modifications because of environmental windows. Monitoring for turtles and birds were not included in the estimates, but would most likely be required. We would need to have at least a five week turnaround on a grant. The Town attorney would need to certify that easements would be in place in order to sign contract documents. Oak Island is to our knowledge interested in this, but that could be a permitting issue. The cost for that project is estimated in the memo. Timing is an issue for all of the elements to come together.

The Merritt was performing maintenance and was scheduled to be here until February 25th, but on Sunday the Murden showed up. Assistant Town Manager Ferguson was advised that if conditions remain favorable they will be here until February 25th. Unless the staff receives other guidance from the Board they will pursue working with the county on drafting an interlocal agreement for the Board to look at in March.

Commissioner Freer asked about the SDI-5 permit. Assistant Town Manager Ferguson said we could request for extension after we use it, but it says one time use. If we do a modification of the permit for Deeper - Wider, the county is going to request that it doesn't count against our permit, but she can't guarantee that. Mayor Pro Tem Fletcher inquired if she has a feel how long it takes to expand the SDI-5 permit to multiple use. Assistant Town Manager Ferguson replied it says you can request additional

uses after the first time, but she doesn't know a timeframe. Town Manager Hewett added the way the permit is written is it as general as it can be. When we go for a major modification it would get tighter. Usually when the permits are issued for execution, it is really for a specific one time. They normally are issued for periods of five years. There is a window. Mayor Pro Tem Fletcher said he was wondering if it was possible if the east end and the west end could be drawn together under the permit and use it more than one time. Town Manager Hewett said that would require a major permit modification and he doesn't know if that would make it need to be a whole new permit. That is a multi-year endeavor and might be something best considered after including it in our master plan update and review. He said we are trying to get through what to do right now. We have two projects that we need to make decisions on. His opinion is that the inlet crossing project with all of the variables involved is not the way we want to go about doing beach nourishment. We want to have a more definite and methodical approach to setting up our program. Town Manager Hewett thinks the Town needs to back away from this and make the decision on the Deeper - Wider project. Assistant Town Manager Ferguson said 250,000 cubic yards is the amount in the Deeper - Wider project.

DISCUSSION AND POSSIBLE ACTION ON RSM REPORT AND PROPOSALS

Commissioner Freer explained the Board had a special meeting with the internal control report and proposals being delivered to the Board on February 15th. RSM presented the report. This accounting firm was hired as a result of the 2017 audit that called out a need for an internal control review. There was an executive summary that talked about the objectives of financial reporting, accounts payable, fixed assets, payroll and accounts receivable. There was a recommendation section that included finance officer, segregation of duties, vendor listing, payroll and capital assets. If you look at details that were included, there were color coded risks. What he expected was a proposal from the firm to address the things that came out around the organization, compensation and the accounts payable. Commissioner Freer said he would call for a RFP around those areas to dive into some recommendations on how to address the deficiencies called out in the report. He said the Board could separate the efforts and it could be different firms. He said he also would call for the finance director to identify an action plan to eliminate the internal control deficiencies and work with the Audit Committee to review the corrective actions that the finance director would identify.

Commissioner Kwiatkowski said there seemed to be a disconnect between the town manager having received requests for compensation information, etc. It was acknowledged there may have been something missed. The town manager said we do have the information that RSM said they did not receive. Somehow the request was not received, but the information could be provided and that area reevaluated to see how it stands. She said she was going to recommend that this get reopened with the information getting passed on to RSM to make corrections if necessary based on what the town manager provides. She is not sure that pay raises, compensation should be thought about until that aspect of the report is reevaluated and reassessed with the information provided. Commissioner Freer asked if it was just job descriptions. Town Manager Hewett said there was an entire section that eluded to the manner in which classification was administered, in addition to pay raises and those kinds of things being handled. He thought the report wasn't final and there was some indication that there was a desire to have it revisited. Commissioner Kwiatkowski said it wasn't just pay raises, it was a section. She thinks that is an outstanding area that should be fixed by opening the study with RSM, passing them the information and then having them do the evaluation in that area to see if there is a different conclusion. She said it may cost a little bit more money to do it, but she doesn't think the Board should have an inaccurate report because there was confusion. Town Manager Hewett said he reviewed the working drafts and that information wasn't in there. It wasn't in the program manager's notes or in the draft. Commissioner Freer said they need to readdress that section. Town Manager Hewett stated he would be glad to contact RSM to address that. He said he does not think the Board should pay them

any more money. Town Manager Hewett said he will need to contact them and they will need to be agreeable to reopening it.

Commissioner Freer said there are two other areas they are making recommendations on, organization and accounts payable/ vendor listing. Commissioner Kwiatkowski said she thinks vendor listing is part of the overall thing Town Manager Hewett should be putting together to bring to the Board to say here is the improvement plan that he would propose. She thinks that is an aspect of a plan like the one Commissioner Freer suggested that Town Manager Hewett should be working on. Mayor Pro Tem Fletcher thinks the League of Municipalities (NCLM) is likely to support Town Manager Hewett with working on that. He asked them already what they could do at no cost to us. He doesn't have an answer back yet, but he said Town Manager Hewett knows Ann White and he thinks she is prepared to help as much as she can. Town Manager Hewett stated we need to develop an improvement plan that addresses all of the risks, red, yellow and green. Green is low risk, but you still have to stay vigilant in keeping those types of things on the burner. That study took eight or nine months to develop. He said we do need to prepare an improvement plan, not only for hot topic items. We can do that, but we will need some time to do it. We are still wrapping up the 2018 audit at this particular time. The hurricanes have upset the apple carts all through North Carolina, it is not just Holden Beach's audit that is late. Town Manager Hewett said he would be interested in what that audit shows to see if there is any correlation to the internal control audit. The internal control audit has identified things that need to be remedied. The NCLM is the first weapon of choice in assisting with some of the specific financial processes that we can put into place. It is also an excellent source for compensation plan studies. He has some information for the Board that can be taken up in a different forum. Town Manager Hewett stated we need to develop an improvement plan and will work on that forthwith. He will need some time to delve into some of the fixes that will be required. He doesn't see anything too horrible about putting a plan in place.

Commissioner Freer said he thinks the vendor listing is a big exposure. He would like to make sure to address it. Town Manager Hewett stated if the Board has some specific bothers within the study, it would help refine it for him. He would tease that out first. Commissioner Freer said he thinks that would be a high priority.

POLICE REPORT – DETECTIVE JEREMY DIXON

- Numbers are still good for the Police Report. Officers are focusing on preventive maintenance and patrols. Have taken a few incident reports in January. There was another construction site that had tools taken from it and some mailboxes were damaged. Been very fortunate.
- Commissioners blessed the Police Department with money for AEDs in this budget. Have those in. Coordinating with the EMS director for training. Officers should be carrying them soon. Will rotate them for the shifts.

Irvin Woods asked why there are three categories relating to suspicious items. Detective Dixon doesn't like the way it is reported currently. There are currently three categories; he explained how they work and provided examples. He said as time progresses hopefully there will be some changes in the reporting.

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

Public Works Director Clemmons stated that since the last meeting the system is 100% switched over. There are no major issues. SCADA is up and running. It is a wonderful thing. The building has its first

coat of paint. It pretty much resembles what you see at Town Hall. He will try to get pictures next month. The big hatch removal for the tank was solved. They have been demolishing the old equipment. We have some special order items that has caused some snags. The stairs showed up today and will go in this week. The other thing is louvres. They are scheduled for delivery on March 8th. The hurricane shutters are scheduled for March 10th. We have a generator plug that has been ordered and is supposed to be in this week. Providing there are no issues when we do a final inspection, he is hoping by the next meeting they will be pretty close to being done. Public Works Director Clemmons thinks the Town will come in where we budgeted; there have not been any add-ons to date.

Mayor Pro Tem Fletcher inquired about lessons learned now that we have done Station 4. Public Works Director Clemmons replied that there were a few scary moments. He feels a lot safer knowing it can be done. Station 3 won't have the wet well to contend with. Town Manager Hewett said one of the specific lessons we learned from this is regarding the rent or buy decision we have been faced with on the vacuum skid. It appears we have an opportunity to make the purchase for the piece of equipment. He believes we will end up purchasing the skid because it gives us redundant contingency capability, in addition to being a more economical solution during the construction of the total program. We are scrubbing the budget to see if it can be accommodated within existing resources. If it can't, staff may come back to the Board in March for an additional appropriation. He said in our initial review, we think we can accommodate it in the annual budget. Public Works Director Clemmons added we could save \$45,000 - \$50,000 by owning that piece of equipment and it would be a wonderful thing to have. Town Manager Hewett said it will help with a Plan B. Commissioner Butler stated everyone has been on the edge of their seats. He said Public Works Director Clemmons handled it extremely well and his communication to the Board has been excellent. Mayor Pro Tem Fletcher said Public Works Director Clemmons has done a great job with keeping it on budget. Commissioner Kwiatkowski stated it will do a lot to improve the skyline once all of the stations are in. In addition to being well engineered and taking care of a big problem, the aesthetics are nice.

DISCUSSION AND POSSIBLE NOMINATION OF MEMBER TO SERVE ON THE PARKS & RECREATION ADVISORY BOARD

Mayor Holden said he is extremely impressed with the two candidates the Board is about to consider. He asked Assistant Town Manager Ferguson if there is any way to consider putting both people on the board. Assistant Town Manager Ferguson replied it is a working board, the more people they have the better. They work actively behind the scenes. Town Manager Hewett said it is currently limited by ordinance. Commissioner Freer stated they are both highly qualified and he hopes the one not selected stays interested.

The Board voted by ballot and unanimously selected Candace Vick to fill the vacancy.

DISCUSSION AND POSSIBLE ACTION TO HAVE THE TOWN INCORPORATE THE RECOMMENDED CHANGES TO CHAPTER 50: SOLID WASTE

Commissioner Butler said he continues to be concerned about the eighty plus percent of homeowners that are part-time residents not being able to comply with the trash ordinance and as a result of not being able to comply, potentially receiving a civil fine. Trash containers being left at the street side is not a new concern for homeowners. A number of years ago this was recognized as an issue on Ocean Boulevard. The solution to resolve the visibility of containers being left out, along with other concerns to include safety and environmental were addressed. The Town resolved this issue by organizing a container rollback service for homeowners on Ocean Boulevard only, with the expense for this service provided through occupancy tax. Over the years there have been many new homes built. There are

new houses all over the place. Commissioner Butler said if we were concerned years ago regarding the negative appearance and potential safety concerns he is recommending we focus on implementing the same rollback process rationale that was implemented for homeowners on Ocean Boulevard throughout the island. Commissioner Butler reviewed his recommendations.

1. Island wide rollback. Empty trash and recycling containers will be rolled back to the street side of the home, under the home or to a corral if available.
2. Trash corrals are allowed.
3. Full containers will stay at the curb until emptied.
4. Containers can be rolled to the curb early. Eliminate the 48 hour street side requirement before the designated collection day.
5. Enforcement fines will still apply to those not following the yard waste requirements and those placing trash on the ground or on top of trash containers.

Commissioner Butler said there were two other items discussed.

1. Examine the possibility of providing a rollout program, in addition to rollback.
2. Enforcement and communication. He suggests that the means of enforcement and communication resides with Town staff to determine as it is their responsibility to do that.

Commissioner Butler said the initial goal was to provide a rollback program island wide. The scope of work for the current package doesn't include rollout. It does include rolling back empty and full containers to a location under or beside a residence. At this time he recommends proceeding with rollback service only and that the statement of work be revised to eliminate the rollback of full containers. In order to provide sufficient time to investigate all of the ideas regarding the possibility of offering a rollout program to those property owners that need it he is suggesting it be handled as a phase two separate item. If it is determined to be feasible it can be implemented at a future date.

Motion by Commissioner Butler to direct Town staff to incorporate the changes outlined in the summary section of the statement letter that includes enforcement and it is also in today's meeting package, to update Ordinance 18-16, Chapter 50: Solid Waste accordingly and to make the ordinance available at the next scheduled BOC meeting; second by Commissioner Freer.

Commissioner Sullivan asked for clarification. Commissioner Butler reviewed his motion. Commissioner Kwiatkowski said going back to last October at the meeting the Board outlined their objectives, some of the more important ones had to do with cans being secured under or up around houses, not in corrals and not to leave full cans at the roadside for days on end. Rolling back full containers was going to be a means to get them away from the road. It was felt that a majority of those cans were rental properties where they missed the pickup on Saturday and if they were up by the house it is likely the new renter would call the management company and say something needs to be done. She said if you leave them at the road, the bags start to accumulate. Commissioner Kwiatkowski is particularly unhappy about leaving full cans at the road until the next pickup. We will have a lot more bins this year because we had the audit done where there will be additional bins for the rental properties. If people don't get it out there Saturday morning, you will have more bins sitting by the street. She doesn't understand the logic of leaving the full bins down there when you have rollback. Commissioner Sullivan stated the Board had a special meeting where this was discussed for an hour and a half to two hours. His understanding at the end of the meeting was that the Board was not going to make piecemeal changes. By amending the enforcement part of it, the Board would have time to amend the ordinance once. By doing that the Board would take all of the input and decide what to do when it comes to rollout. He said the Board is taking care of rollback; everyone's can will be rolled back

and there will be no fines for cans left at the curb. He said the one item the Board needs to work on is rollout. Commissioner Sullivan stated if the Board leaves this and changes the enforcement they will have time to come up with something that works for the most people. He said it doesn't seem logical that the Board is willing to have someone leave their cans at the curb for three or four days. The idea is to remove the can and put it back for safety and aesthetics. He said the Board made a mistake without having the rollout portion settled. The Board shouldn't make a mistake by changing it now while they work on the one component, the rollout portion. Commissioner Sullivan said the Board sat here and discussed these issues a few days ago. When he left he was sure the Board decided to change the enforcement date and work on the issues that needed to be addressed. He doesn't think what is being proposed is what was agreed to or should be done.

Commissioner Freer said the issue is the Board has a decision to make on the contract for the rollback. We know we have a rollout issue as well. He said we should have included everything a couple of months ago. We have a solution to rollback that the Board can pass. He agrees it is tough to make a perfect decision on trash. It gives us an opportunity to develop ideas on rollout. He thinks rollout is much more complex than rollback. He reviewed some of the complexities. He thinks it makes sense to get the experience of rollback under our belt and then work on rollout. Commissioner Freer said what he was doing a timeout for at the last meeting was that we didn't know if Waste Industries was going to change the Town's pickup dates. It has been decided they will not make that change and we will continue to stay on Tuesdays. That was a large unknown that is not there anymore. He said it isn't perfect, but he thinks it is a big step forward.

Mayor Pro Tem Fletcher said he listened to Mayor Holden at the last meeting. He has a lot of history here. He has rented a house and has heard from a lot of people. He received a lot of negatives and some positives. When he finished studying it, he realized about 90% of people don't rent or they come here periodically and rent. For half of those he thinks the issue will only happen on Saturday. If the people leaving Saturday don't get their trash cans out on time, it will be picked up Tuesday. He thinks if the Town works with the rental units to get their cans out on Friday night, it will take a major issue off. He thinks given the feedback he received, those people who pay about 90 - 95% of the income on the island deserve to be listened to. Mayor Pro Tem Fletcher said we cannot make it right for everybody, but we can make it difficult for 2,000 homeowners and he doesn't see himself doing that. He said what Commissioner Butler put together may not be perfect, but right now he thinks it's the right way to go. Commissioner Sullivan stated he agrees with most of what Mayor Pro Tem Fletcher said except the last couple of sentences. He thinks what is being proposed is less favorable than what we had before, which was an ordinance that wasn't being enforced. He said we will have no rules, but we are going to take on the cost of putting cans back. If there aren't enforceable rules he is not sure why we are going to pay to put all of the cans back.

Commissioner Kwiatkowski said everyone is going to react to a change, but what was put together was thought through carefully for all types of owners. She was a second homeowner that didn't rent. She said you plan. She never had an animal break into a can. She kept her cans in Raleigh in the woods for 25 years. She doesn't think when the bins are stored properly and not overflowing that you would have a preponderance of animals breaking in. This was meant to solve every problem at once and she agrees that is ambitious. She said given that the Board is willing to delay enforcement, if we give it a chance we might see with effort and education that the situation improve and things get worked out. Commissioner Kwiatkowski said if we don't give it a chance we will never see how much of it we can make work. She is firmly for pushing full cans back. We bid full and empty back to the house and she thinks it is important to give it a shot this year.

The motion passed with a 3 – 2 vote with Mayor Pro Tem Fletcher and Commissioners Butler and Freer voting for the motion and Commissioner Sullivan and Kwiatkowski voting in the negative.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 19-02, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 50: SOLID WASTE

Town Clerk Finnell explained the ordinance was prepared in response to the last meeting. She recommends ignoring the ordinance since another will now be prepared for consideration.

DISCUSSION AND POSSIBLE SELECTION OF CONTRACTOR TO PERFORM ROLLBACK SERVICES FOR THE TOWN

Town Manager Hewett asked for a couple of minutes to speak to Attorney Fox before the Board takes this item under consideration.

The Board took a recess from 8:14 p.m. – 8:19 p.m.

Attorney Fox said her recommendation is to strike #16 from the agenda because the scope of work included the proposed number of rollbacks and the ordinance provisions that were just voted on included corrals being allowed. The Board will need to rebid it. The proposals submitted were based on perimeters that have changed based on the Board's last action. The Town will re-advertise and ask for bids to make certain the bidders know what they are bidding on. Attorney Fox confirmed there are two inconsistencies. The scope of work was for empty or full cans. The proposed changes include that corrals are allowed. Mayor Holden asked how the bidders will know how many cans to roll back. Attorney Fox replied that is not for her to answer tonight. She thinks Town Manager Hewett and Public Works Director Clemmons will need to figure that out. Commissioner Freer said both items result in fewer cans being rolled back. Attorney Fox stated yes, potentially, which could change if one of the bidders would have submitted a bid. Mayor Holden said there is nothing to prevent people from adding corrals. If the bidders counted them today, there may be a dozen more tomorrow. Mayor Pro Tem Fletcher asked if it would be okay if the Board voted on this if the winning bidder was here and accepted the changes. Attorney Fox replied no.

STAFF REPORT ON GOLF CART SPECIFIC PARKING SPACES

Planning Director Evans explained low speed vehicles (LSV) are legal modes of transportation and already have access to park anywhere where regular cars can park. Currently parking is allowed along those marsh streets for LSVs that are registered for road use. All parking restrictions, both state and local, would apply. He said there appears to be three access points near marsh streets. He said they swagged the distances from the end of the street so they are 100 feet short. Swordfish would have a travel distance of 450 feet from its access, Sailfish would be 1,000 feet and Scotch Bonnet would have a travel distance of 900 feet to its access. There would need to be a text amendment in the current parking ordinance, designating those streets for LSVs only. There would also need to be signage placed. This would only be available in the summer months. After talking to Detective Dixon, LSVs are not allowed when the speed limit is increased. Attorney Fox said there is a difference between golf carts and LSVs. LSVs are defined by statute and have their own restrictions.

Mayor Pro Tem Fletcher asked how many spaces are being discussed and if there are enough golf carts to take the spaces. Planning Director Evans responded that he has that number, but not with him. He is not sure if there are enough to take the spaces. Commissioner Kwiatkowski said she is the one that made the request to the Board and it was not to use all of the marsh streets. It was to use

the front part of marsh streets for an appropriate number of special golf cart parking spots. Last summer we were seeing a lot of golf carts illegally parking. She wanted to see if it was worthwhile to look into taking some of the marsh streets and sectioning off the first section of it for a few golf carts so people still could deliver items and passengers and then wouldn't have a long drive to park and walk back. Commissioner Kwiatkowski added this was an accommodation to give them an incentive. Mayor Pro Tem Fletcher asked for confirmation that they can park there now. Planning Director Evans replied yes they can park anywhere there are available parking space. Commissioner Butler stated he sees a golf cart as a legal vehicle and everyone has an opportunity to park where they want to legally. Planning Director Evans said under the current ordinance golf carts can legally park where cars can. Commissioner Butler said golf carts parked illegally are a whole other issue and should be addressed through enforcement. Planning Director Evans suggested that golf cart regulations may need to be clarified and it may be an education issue.

DISCUSSION AND POSSIBLE ACTION ON TEXT AMENDMENT FOR COMMERCIAL SETBACKS AND BUFFERING REQUIREMENTS

Planning Director Evans explained that this is P&Z instigated; staff worked with them. We have some circumstances where we are really relaxed in commercial zoning. He reviewed the proposed changes and why they are recommending them. Currently our front yard setbacks are 25 feet. They are recommending they change to 50 feet. The minimum required for the side yard setback is five feet. They are recommending it to be increased to 20 feet. Open porches, steps or overhangs shall not encroach into the established setbacks. Side yard setbacks minimum required shall be 10 feet where landscape buffering meets the requirements of 157.062(l). The minimum required for rear yard setbacks is five feet, except that if a commercial use abuts a residential district there should be a rear yard of 20 feet. They are recommending changing it to 25 feet, landscaping buffering required. They are suggesting that required buffers must have the approved landscaping under lot coverage. Under landscaping required they would like to add areas required to be landscaped buffered under 157.062(C) 1 – 3 shall be a minimum of six feet high on the sides of the property with spacing no less than three feet. Buffering must be maintained so as to be perpetual in its functioning for the life of its use. Staff has reviewed this and concurs. P&Z has written a consistency statement saying they agree. Planning Director Evans said if the Board would like to see the changes, he can carry them back to P&Z if they want to look further or they can request staff amend the text and do a public hearing. He reviewed section E. They took out “per the NC Department of Health”. We have a sanitary sewer system. He will fix that text for the Board to review. Commissioner Kwiatkowski inquired if it is worth putting it through before the revised Land Use Plan. Planning Director Evans replied he is assuming if the new Land Use Plan does anything it would address the deficiencies. He thinks the changes would be consistent with the new one, but we still need to work under the old one at this time. He said the Board can review this and then decide if they want to bring it back in ordinance form for a public hearing. Attorney Fox said this sounds like it was initiated by P&Z. She explained the process for adopting this. Town Clerk Finnell added that the Board can set the public hearing date now or if they prefer Planning Director Evans could prepare the ordinance for the Board to review next month and they can set the public hearing at that time.

Mayor Holden stated he thinks it would be in order to make the property owners of the commercial property aware of what is being considered. We will have some angry people. The financial aspects of doing business on Holden Beach is driving commercial investments off the island. He thinks most of us agree we want a residential, family beach, but there are some needs that need to be met. Mayor Holden stated you will need to combine multiple lots to meet the setbacks. You are talking about millions of dollars for a four of five month business. He cautioned for the sake of publicity to be careful

of moving too fast. Mayor Pro Tem Fletcher inquired if this is time sensitive. Planning Director Evans replied not that he is aware of.

Town Manager Hewett recommended that Planning Director Evans come back with a final draft at the March meeting at which time the Board will set a public hearing for April. In the meantime staff will make special effort to contact commercial owners. Planning Director Evans suggested notifying the adjacent property owners too. The Board came to a consensus to move forward with the suggestion.

DISCUSSION AND POSSIBLE ACTION ON AT&T CELL SITE LEASE PROPOSAL

Fiscal Operations Clerk Lockner explained AT&T would like to negotiate the terms of their water tower lease agreement. They submitted two proposals. She confirmed that last time the request was made the Town didn't respond. Commissioner Sullivan asked Attorney Fox what right to termination in their contract means. Attorney Fox responded that she is not sure what it means to them, but under no circumstances would she suggest the Board enter into any of the proposed terms in the packet. She said they do not make sense under North Carolina law. If the Board wants to consider lowering the price, we should consider entering into a discussion with them regarding a lease that would be upheld in North Carolina. Commissioner Sullivan said he is not in favor of it, but he wanted to know what their rights are. Attorney Fox suggested it may be beneficial to look into the exiting lease.

ADDITION TO CLASSIFICATION AND PAY PLAN: WATER DISTRIBUTION/ WASTEWATER COLLECTION SYSTEM TECHNICIAN AND EQUIPMENT OPERATOR POSITIONS

Town Manager Hewett said he is requesting that the position classification for water distribution/ wastewater collection system technician and equipment operator be added to our existing Classification and Pay Plan. The existing Classification and Pay Plan doesn't include specific provisions for either position. Those individuals currently providing the services are considered general laborers. The nature of our Town's utility work, specifically vacuum sewer and heavy equipment operations to include those requiring Commercial Drivers' Licensure have evolved far beyond the skills, knowledge and abilities of individuals performing general labor type work. The proposed additions to the Classification Pay Plan are a minimum of \$31,821, with a maximum of \$44,453 for water distribution/ wastewater collection system technician and a range of \$33,158 - \$45,790 for equipment operator. Adding these two classes of employee will provide for existing employee growth, recognize actual work being accomplished and can be accomplished within existing manpower budgets. Two general laborers will be reclassified as a result of the proposed action and will receive modest market pay increases of 5%, which is approximately \$1,700 apiece annually. He recommends that the Board approve the proposed additions to the Classification and Pay Plan, which was left out of the packets and distributed at the meeting.

Mayor Pro Tem Fletcher asked if this is giving two people who have worked here and have learned things a small promotion. Town Manager Hewett replied he would classify this as not a promotion, but recognizing what they are doing. It is woefully overdo.

Motion by Mayor Pro Tem Fletcher for the Board to approve proposed additions to the Classification and Pay Plan; second by Commissioner Butler.

Commissioner Freer asked if the Classification and Pay Plan is what they were talking about earlier. Town Manager Hewett responded yes, that is the actual plan. There is another piece of it that includes the Personnel Policy and job descriptions.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 19-02, RESOLUTION AUTHORIZING ADVERTISEMENT BY ELECTRONIC MEANS FOR FORMAL BIDDING

Town Manager Hewett explained this resolution would allow our advertising for different contracting requests to be accomplished by electronic means for formal bids. It meets all of the requirements of the existing law.

Motion by Mayor Pro Tem Fletcher to approve the resolution; second by Commissioner Butler.

Commissioner Sullivan stated the language is pretty ambiguous to him. He said he is wondering if there is criteria that can be used if you are going to say electronic means is as effective and more efficient so you cannot be questioned later on. He asked if there are subjective things to look at in making the determination. Attorney Fox replied this is consistent with resolutions authorizing advertising by electronic means across the state. She said perimeters could be set by a different policy. She said there are things to consider. Town Manager Hewett stated specifically there has been occasions where we needed to publish a notice and because of the timing issue we were compromised in our ability to bring the project to bear. It is a force multiplier in what it brings to our abilities. He said if we want to continue to publish in papers we can. When we were doing the Central Reach Project and windows were constricted, this would have been advantageous. Attorney Fox said the statutes allow the Board to authorize electronic advertising. She provided an example of when electronic advertising would be more efficient. You are trusting the town manager or finance officer to determine when it would be more efficient and effective.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 19-03, DESIGNATION OF APPLICANT'S AGENT (HURRICANE MICHAEL RESOLUTION)

Assistant Town Manager Ferguson said FEMA held a Public Assistance Applicant Briefing on February 11th that staff attended. The municipalities involved will have to pass a resolution. The request is to designate Town Manager Hewett as the primary contact on the resolution and Fiscal Operations Clerk Lockner as the secondary contact.

Motion by Commissioner Sullivan that the Board designates Town Manager David Hewett as the primary applicant designee and Fiscal Operations Clerk Lockner as the secondary contact on the FEMA resolution; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

TOWN MANAGER'S REPORT

- Thanked everyone who participated in the 50th Anniversary events last week, the social and gala. Over the course of the next year we will be collecting memorabilia for the time capsule. It will be locked on the next birthday.
- Governor Cooper announced a \$16,000 award for Holden Beach to construct a public access grant down at 289.5 Ocean Boulevard. Currently awaiting paperwork with the intent that the Town will construct that access this year with current appropriation.
- The Holden Beach Renourishment Association (HBRA) has a program in place. \$40,000 worth of planting and fertilization is going to be placed in the Central Reach area. The effort will be extended

throughout late springtime when it is the right time to fertilize. Thanks to the HBRA for augmenting the Town's resources and efforts in the beach management area.

- FEMA & Hurricanes: We still have \$335,000 pending for Matthew, back to our Central Reach Project. We are waiting on it. Feels a lot of the uproar with recent federal events may have something to do with it. We continue to work Florence, providing additional surveys and engineering requested by the FEMA Program Manager in order to develop the required project worksheet. Currently the engineered sand losses for Florence are estimated at close to one million cubic yards, 990,000 cubic yards inlet to inlet. 560,000 cubic yards of those losses are within the Town's engineered portion of the Central Reach Project. President Trump's declaration for Hurricane Michael is going to allow North Carolina and Brunswick County to participate in the same type of FEMA mitigation of storm damages that we have for previous hurricanes. The kickoff Assistant Town Manager Ferguson referred to occurred last week. Now we will work on developing a project worksheet for Michael damages, which at this time are estimated at over half a million cubic yards inlet to inlet, with 300,000 cubic yards of that laying within the Central Reach Project. We have about 860,000 cubic yards, which is better than half of the volume in our Central Reach Project. The total volume loss is about 1.4 million cubic yards from both storms, inlet to inlet. We have taken some hits this year. Collectively, those two hurricane events have the potential to become one major project. From a contracting and mobilization standpoint that makes logical sense, but he doesn't know how FEMA will be able to accommodate that through the federal contracting process. We are in the \$20 million range for both of those projects. It will drive the need to alter our approach to the modification of the Central Reach Project 2 permit. We need to find some more sand. We think there is only half a million cubic yards in the existing sand source. We will need to work on obtaining some more sand.
- Canal Dredging – the project is going well. We are about 75% complete. Holden Beach Harbor and Heritage Harbor are done. The dredge surveys for Heritage Harbor were completed today. The engineer will probably review them a few days before the contractor is released to move to Harbor Acres. Anticipating that will occur later this week. That gives us about six more weeks on our permit. Reimbursements through the state grant are coming through like clockwork. Pleased with the way we are getting the money returned to us.
- Engineering Services Request for Qualifications for the Lift Station #3 Project is on the street. Intent is to receive those and have them back for the March Board meeting. Anticipating everything will be good with the closeout of Lift Station #4. This is just for the engineering services provision for the design work. Contracting will come subsequently to the design being finished by the engineer. Commissioner Freer asked if there was any analysis to combining stations #2 and #3. Town Manager Hewett replied that the existing programming in the budget didn't provide for that. The process we used was to take them down one per year. Based on the realities that we have seen with just doing one station he thinks that is the best way to proceed, especially with the tight quarters on that site.

MAYOR'S COMMENTS

- Trout are biting. Catching a lot of big shrimp. The shrimp boat under the water is still being remembered by the county commissioners. Promises are still being made and some action is ongoing about the possibility of doing some work in the direction of moving that. Over the last several weeks he has been getting complaints about the dredge boat anchored across from Canal Drive. Doesn't know of any violations that it is doing. Mayor Pro Tem Fletcher asked if the law was passed by the county that you cannot abandon a boat more than three days unless it is on your property. Town Manager Hewett said it is not within our corporate limits. Mayor Holden said it is maritime law. Town Manager Hewett said the Town's limits only go to the high tide mark.

- Sales are ahead of last year at this point. Rentals are ahead of last year. Doesn't ever remember seeing this amount of activity in construction and maintenance. Overall the island is going to look great this summer.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Fletcher

- Thanked everyone. You can't give too much feedback. If you see something on the agenda and you know it is an issue, let everyone know what you think. The Board can add it all up and get a good feel of where to go.
- Hopes the dredge boat gets done quickly. He asked about the sand from it. Town Manager Hewett said the sand from the Murden is being put in the near shore.

Commissioner Sullivan

- Echoed Mayor Pro Tem Fletcher's comment; appreciates everyone's input on solid waste. On any issue it is good to hear from people who will be affected. It is better to hear about it before the Board votes, rather than after, but any input is appreciated.
- Wanted to thank Town staff, especially Assistant Town Manager Ferguson for the 50th anniversary celebration. Anyone who went to either event had a good time. Thanked the members of the Parks & Recreation Advisory Board for all of the work they put into it building up to the event. They also made the majority of the desserts. Thanked Mayor Holden and his brother Lyn Holden for the entertaining and fact filled presentation on the history of Holden Beach.

Commissioner Kwiatkowski

- Won't repeat everyone's comments on the anniversary celebrations. They were great.
- Thanked everyone for coming. Thanked Town Clerk Finnell for keeping up with the minutes over the past six months on a slew of special meetings, along with the regular meetings. Makes it easier to track history having all of the stuff up-to-date and thorough.

Commissioner Butler

- Thanked staff for the preparation and planning that went into the events. Mayor Holden and his brother did an outstanding job providing the history. If you were there you learned something about Holden Beach. Thanked the Chapel. We couldn't have pulled it off without the use of the Chapel and Town Hall at the same time.

Commissioner Freer

- Had the opportunity to go to both events. Both were flawless. A lot of people and planning was involved. Mayor Holden and Lynn Holden did a great job, Assistant Town Manager Ferguson and Town Clerk Finnell and he is sure other staff were involved. The Parks & Recreation Board did a great job. The food was great. The desserts were very good.

PUBLIC COMMENTS ON GENERAL ITEMS

Pete Schwaiger asked if any kind of material was sent out to get feedback from the property owners on the rollback issue. Town Manager Hewett replied nothing has been finalized. Mr. Schwaiger asked if someone could explain to him the comments on negative appearance and potential safety. Commissioner Butler replied that some of the input the Board received is there seems to be more cans left on the street as the years progress. Also, that cans rollover and you have to dodge cans in the street. He said sometimes in the area of safety you try to prevent things from happening. He said if he

turns the corner and has to dodge a can, he is unsure if there is a child near it or people. Sometimes it is a matter of prevention. Mr. Schwaiger said he has lived here for 15 years and never had a problem with cans. He asked where the visibility, environmental and safety issues are if you have a corral and it is past the right-of-way. Mayor Pro Tem Fletcher said there probably isn't for that, but there is for one sitting by the street. A grandchild of one of his neighbors was out on a tricycle and he rode from behind the garbage can and he barely missed him. It is a safety issue when you can't see beyond it. Mr. Schwaiger asked who is liable to the rollback provider if something happens to them. Mayor Holden said he has a point of order from the side. The Board is supposed to listen during public comments. It is not to be a discussion, it is the opportunity for people to express their opinions.

Pat Schwaiger asked why the Town doesn't have mandatory recycling. She said recycling went up \$30 this year probably because enough people aren't recycling on the island. She thinks it is poor we don't have enough participants.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(6) TO DISCUSS A PERSONNEL MATTER

Town Clerk Finnell read the reason for executive session.

Motion by Mayor Pro Tem Sullivan to go into Executive Session at 9:31 p.m.; second by Commissioner Sullivan; approved by unanimous vote

OPEN SESSION

Motion by Mayor Pro Tem Fletcher to go into Open Session at 9:46 p.m.; second by Commissioner Butler; approved by unanimous vote.

No action was taken.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 9:46 p.m.; second by Commissioner Butler; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk