



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
THURSDAY, MARCH 21, 2019 – 10:00 A.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Thursday, March 21, 2019 at 10:00 a.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; and Fiscal Operations Clerks Margaret Lancaster and Mandy Lockner.

**PUBLIC COMMENT**

No public comments were made.

**BUDGET WORKSHOP**

Town Manager Hewett explained the documents provided to the Board for the meeting.

Town Manager Hewett said we had pointed out the budgetary entry for the returned monies from the county's interlocal agreement was budgeted at \$26,000 in the Capital Reserve Fund for the Beach Fund. The actual entry was \$36,000, with the delta being the interest. In the amended Fund Balance Policy the Board said when the surety money comes back to put it in the Beach Reserve Fund. He said unless the Board has objection he will interpret the policy that he will add the interest to the fund. The Board agreed.

Town Manager Hewett said there was an entry of \$43,000 in Miscellaneous Revenues in the General Fund. We budgeted \$7,000. That is sales tax money the Town receives on various things we buy. When we get a check we deposit it into that line item and then parse it out to the different funds. The disbursements have now been made. It's an annual task. The Water Fund might be quite heavy because of the sales tax on the lift station upgrade.

Town Manager Hewett stated we sent information on videoconferencing to the Board. He is not sure if they had an opportunity to review it, but we haven't pushed it further because we have not heard back from the Board yet. The live meetings are recorded and indexed with a digital agenda. There is no current cost because we do it through YouTube. Mayor Pro Tem Fletcher said he would be in favor of paying the fee to be able to livestream it and save it. It is a big transparency act for the public, most of who don't live

on the island. Commissioner Kwiatkowski said she suggested we try to reach out to owners to see if this would make it more likely that they would stay abreast of issues. Town Manager Hewett said we could send a blast, but he doesn't know how representative that is of everyone. The water bills just went out. Commissioner Freer stated he thinks this is part of a communications plan. He thinks the Board needs to take a whole look at how they communicate with the public. He said in his opinion there is something broke with how the Town communicates with the public. Town Manager Hewett said we could send a separate letter to water bill customers. Commissioner Sullivan explained he thinks it is a valid idea, but he is not sure how much we will gain from asking public opinion since we don't always get a response. He thinks for \$27,000 we can see how it works. If we don't like it we don't need to continue it. He thinks we should take the opportunity to try it. Mayor Pro Tem Fletcher asked if we could track how many people watch it. Town Manager Hewett replied that he believes so. He thinks there is a feedback mechanism, in addition to counting how many views there are.

Commissioner Freer asked who is responsible for communications. Town Manager Hewett replied that the technical side of it goes through the town clerk. He functions as the gatekeeper of the material that goes out. Police operations are a function of the chief. Commissioner Freer asked about the track record of the company. He said he wants to take a step back and look at establishing a plan. He doesn't know of any rhyme or reason to how we communicate. Mayor Holden said there are several things he would suggest the Board think about. Previous boards have talked about this and other towns have tried this. Some think it is great and some quickly stopped. Some towns found the attendance of the meetings went down. Town Clerk Finnell confirmed the Town has minutes and the audio online. Mayor Holden said the information is there, the difference is this would be live. He said he thinks the clerk puts a lot of things in the minutes that are not necessary in an attempt to be overly providing of information. Minutes are generally more condensed. He said that in his mind it is an attempt to go overboard with information to our property owners that have an interest in what is going on. He asked if it is worth a quarter of a penny to provide live stream if it is there to listen to and there to read. He said they cannot be recognized at home; \$27,000 is a lot of money. Town Manager Hewett stated that includes the first year's cost of the equipment. The annual cost is about \$12,000. Mayor Holden advised the Board to communicate with other towns who have done this to get feedback from them. We have a very active POA. He represents about 350 homes so he has the opportunity to hear their feelings. He is not for or against it. He said he is just saying if the audio is available he is not sure if it is worth going the extra mile. Commissioner Kwiatkowski stated she sees pluses and minuses. She can see that an evaluation of our overall communication methodology would be beneficial before making decisions on what the priorities are. She suggested the Board make that a priority objective over the next year. It could be taken by a commissioner to lead that for the new fiscal year to make decisions before the next budget. She does have Mayor Holden's reservation that we would have fewer people here and fewer public comments. Commissioner Freer asked if there is technology to index audio. He said organizationally maybe we should have someone with the total communications capability. Commissioner Butler thinks the indexing would be a huge benefit. Commissioner Kwiatkowski said she doesn't think it would be a bad idea to ask the question of people if they would be interested in the service. Commissioner Sullivan said the only way we will know if it is beneficial is to test it out. The Board agreed to ask for the public's feedback in the next water bill. Commissioner Kwiatkowski suggested that the solicitation for feedback ask if they are a fulltime resident. Commissioner Kwiatkowski said she agrees with Commissioner Freer that this could be part of an overall communications strategy and making that a priority for the rest of the year. The Board talked about putting it in the budget, but not acting on it until the Board receives more information.

Fiscal Operations Clerk Lockner reviewed the budget schedule. Commissioner Butler notified the Board he will be absent on the 28<sup>th</sup> because he is having minor surgery.

Fiscal Operations Clerk Lockner explained that in the General Fund revenues the only thing that changed is we received a preliminary number from the county on our tax base. It is only a little lower than what she used last time so it didn't really change the \$2.8 million if you keep 22 cents. That could still change.

In the Governing Body expenses Fiscal Operations Clerk Lockner will keep the live streaming for now. She updated the transfers at the bottom to represent the tax numbers she put in there. She explained she based the split on what the Board did last year.

Town Manager Hewett provided the Board with organization charts.

Fiscal Operations Clerk Lockner stated Admin really hasn't changed from the last meeting. She put a note that the salaries reflect the five employees that get paid out of that fund. Group insurance went up 10.75%. Town Manager Hewett explained that is the most recent quote we received. We solicit quotes annually. Town Clerk Finnell explained how the insurance plans work. This is the quote for the same plan. Commissioner Fletcher asked if we know how much of the cost is employee related, versus family related. Town Clerk Finnell said she is working on the costs now. The Town pays 80% and the employee pays 20% of dependent coverage. Town Manager Hewett said he will get the number of how much of the total pot is attributable to family insurance. The Town covers 100% of employees.

Commissioner Sullivan inquired about the \$100,000 expense of hiring an officer. Town Manager Hewett replied you need to equip them, buy uniforms and the vehicle. He talked about the Vehicle Replacement Policy. Detective Dixon wants to retool the uniforms this year.

Fiscal Operations Clerk Lockner explained in Inspections they are anticipating their training going up a little to get more continuing education. The \$30,000 under Contracted Services is for the Land Use Plan and a fill-in inspector as needed. Planning Director Evans added they also pay for any needed engineering from that line item. Fiscal Operations Clerk Lockner said the new expense this year is a vehicle for Zoning Official Wooten. Commissioner Kwiatkowski said that is something that was deferred last year. Planning Director Evans explained the truck is past due the mileage and the years of the Vehicle Replacement Plan. It goes on the beach daily and the maintenance budget is high. Town Manager Hewett said on the revenue side, when we dispose of old assets, we don't budget for the sale of it. It goes into Fund Balance for appropriation.

Commissioner Sullivan asked about the two lines for Police uniforms. Fiscal Operations Clerk Lockner explained she split the items from when it was given to her. It is an old memo; the uniforms moved up to another line. Commissioner Sullivan inquired about the cost. Fiscal Operations Clerk Lockner said it is not just the uniforms, it also includes the belts, vests and other items. Commissioner Kwiatkowski said Detective Dixon could walk the Board through the item next week.

Commissioner Freer said the Maintenance line is still high in Inspections. Planning Director Evans explained that his truck is 10 years old. It has 60,000 miles, but it goes on the beach daily. He has done

what he could, but it is rusting. He talked about maintenance costs. Public Works Director Clemmons added that in his new model Ford pickup a set of spark plugs are \$800. Planning Director Evans stated that there is statutory law that doesn't allow them to be out over two and a half days for an inspection so they can't be down. He said the quality of the truck we are keeping is nowhere near the one we kept so long. Zoning Official Wooten's vehicle also serves a training and travel purpose. Mayor Pro Tem Fletcher asked if the Town is tracking the maintenance cost in the later years to see if it would be cheaper to purchase another vehicle. Town Manager Hewett responded that's why the Town established the Vehicle Replacement Policy. He explained the preferable method of procurement is state contract. Mayor Holden stated the Community College is in the process of buying a new vehicle for the new president. He explained it can take a few months to purchase a vehicle through the state contract process. If Planning Director Evan's truck dies and the Town would like to purchase one through state contract it could take a few months.

Fiscal Operations Clerk Lockner said in the Streets Department it has half of two positions. They are requesting a truck to replace the 2009 vehicle. At the bottom it shows paving. Mayor Pro Tem Fletcher asked if we will be able to do half of Brunswick Avenue West for \$120,000. Town Manager Hewett replied that is the engineer's estimate. The Board discussed what would be paved. Mayor Pro Tem Fletcher asked if we are correcting standing water issues. Town Manager Hewett replied yes. Public Works Director Clemmons talked about the schedule. Public Works Director Clemmons will check the report to verify what is to be paved.

Fiscal Operations Clerk Lockner said new safety gear is requested under Sanitation. Recycling is at about 353 subscriptions right now. Fiscal Operations Clerk Lancaster said there have been a few that canceled recycling and some new that added after the fee was increased. She said most of the cans are from rental units, but she doesn't know the exact number. Town Manager Hewett said we do have an inventory on that.

Fiscal Operations Clerk Lockner said she did add some notes to the revenues in the Water and Sewer Fund. She put in placeholders for the Water and Sewer Capacity Charges. They are based on the interim fees that were set. She said to get better numbers that would need to be addressed. Commissioner Freer asked about the Water Use Charges and why it is going down. Public Works Director Clemmons said it is a projected number. New houses are more efficient. Also, they have added a lot of second meters. That changes the charge on the sewer side and they tie together. He said he doesn't think the last month is reflected in the current charges and service was down for a week due to the storm. Town Manager Hewett explained there are several years previous to that. It is a weighted average number. He said the Fund Balance Appropriation for the lift station has not been done yet.

Mayor Pro Tem Fletcher asked about retirement. Fiscal Operations Clerk Lockner said there are changes in each department. Part of that is due to personnel changes. Town Manager Hewett added the overall increase across the board is mostly attributable to the fact that the contribution to the system was increased by about a point. That is mandatory.

Fiscal Operations Clerk Lockner explained the salaries in Operations is for six employees, plus the one new employee being requested. Public Works Director Clemmons said two half positions come out of Streets. There are five employees in that line. He said the figures he used for the new employee was based on

hiring someone at \$12 per hour. He might want to bump that up to \$15 per hour. He thinks that is what is needed to get someone qualified. Commissioner Butler asked if it is competitive. Mayor Holden said in his company people laugh at him if you offer \$12 per hour. The Board talked about the request and why it is needed. Public Works Director Clemmons stated he needs to find someone who is willing to do multiple tasks. He explained that under Equipment Purchase Water the requested GPS equipment will help out in a lot of different ways. He would like to get Chris Stanley to do mapping of valve pits and sewer lines. It would help in storms. FEMA now wants GPS coordinates for each location. Mayor Holden stated we have talked about having that availability for years. Public Works Director Clemmons stated they have started mapping. This is for purchasing different equipment. Chris Stanley, the surveyor is going to help out. Mayor Holden explained this is something that has been needed for years. He talked about what it looks like after a storm and how it affects service. Public Works Director Clemmons said it may be possible to find some funding to start incorporating some of this now. The more that could be done before storm season the better. Mayor Holden asked if the Town could incorporate a requirement to show GPS locations of the water meter and shutoff on as-built surveys. Planning Director Evans stated the Town could require that, but it would be an extra charge to the property owner. The Board talked about moving forward with that. Planning Director Evans could write an ordinance requiring it. The Town could also have them identify the sewer cleanouts. Town Manager Hewett said the entry is for the purchase of equipment. We need to go back to the Communications line and scale what will be the back shop cost of hosting the data. He thinks it is just a procurement cost. Whenever we have done FEMA projects, we need to go out and secure GPS data points. It is a good thing to have that information upfront. It will be critical to the time to reconstitute the island after a major hurricane. Public Works Director Clemmons said there is contracted services for Chris Stanley in there. Commissioner Sullivan asked how that line item is less if he is requesting new equipment. Fiscal Operations Clerk Lockner explained what is in the current budget. Public Works Director Clemmons pointed out we are paying the last debt payment. Town Manager Hewett said we do need to look at the establishing legislation for the revenue side.

Fiscal Operations Clerk Lockner said under BPART revenues she changed the Transfer from the General Fund to five cents from the Governing Body. Mayor Holden asked what department the truck used for concerts, etc. is charged to. Assistant Town Manager Ferguson replied this one. It doesn't have the mileage on it as some of the others do. It does meet our age requirements. If it comes down to one being cut she would rather see one of her counterparts get the truck. It's on the beach a lot and she won't take it on long trips at this point. Mayor Holden said the body of the truck seems to look okay. He was wondering if it would be better to pass it along and then get another one. He said it might serve a good purpose for Public Works and their construction work. He thinks when the Police Department passed vehicles down it worked pretty well. Public Works Director Clemmons said yes and no. He talked about his past experience. Town Manager Hewett said the vehicle is used for a lot of public relations work. A lot of dignitaries ride the beach and it would be embarrassing for it to breakdown. Mayor Holden said if there is any possibility to look at switching vehicles around it would make sense to him.

Commissioner Freer asked if it is true that recreational programs pay for themselves. Assistant Town Manager Ferguson responded we have been doing real well in that. Mayor Holden said you may remember the grief that some of us took when we hired that position. Now the accolades that are coming from it are pleasing. Assistant Town Manager Ferguson said not all of the activities are revenue producing, but they all work out. Commissioner Freer asked about the dog park. Assistant Town Manager Ferguson said she doesn't know if we will get to the point that we can use the park at the current spot so we could

take the maintenance out. Town Manager Hewett suggested leaving the line because the intention is to dry up that site and reconstitute a portion of it. He doesn't know how long it will be to get it to where it needs to be. The \$500 is for dog waste bags for the waste stations. In regards to alternate locations, we don't own any property that would be conducive to that type of situation. The only place that could be a possibility is at the Heron Landing Wynd dredge spoil site. The limiting factor is there is a small piece of property that has us landlocked. Town Manager Hewett said if the Board wants to pursue it and develop it as a potential option with a list of things that can be done, we can do that. He said it will take a while and he may need to get the attorney involved, but we can pull that together. Commissioner Butler said he would like to see that.

Commissioner Kwiatkowski asked about the Lockwood Folly Dredging number. Assistant Town Manager Ferguson explained that in prior years the Board looked at having everything in the budget upfront, instead of doing budget amendments. The number equals to the Deeper-Wider Project at \$1,033,013 and the possibility of another AIWW contract at \$1,280,000. The rest would be some engineering for ATM to go along with the Deeper - Wider Project. It would also include some Merritt/ Murden work. Commissioner Kwiatkowski said that would be the most robust thing that has happened in decades. Town Manager Hewett stated we developed this budget assuming the guidance from the Board in the past of getting sand whenever and however we can get it. Those are the two scenarios that have presented themselves so we went ahead and programmed them both. Commissioner Freer asked if we just said no thanks to the current budget year. Assistant Town Manager Ferguson explained yes based on the timing of accomplishing it.

Fiscal Operations Clerk Lockner said salaries are a little higher due to reclassification of employees. The amount for equipment for the beach rangers went down. Mayor Holden asked about the group insurance in that section. Fiscal Operations Clerk Lockner explained that is the cost for the Public Works Department people paid for out of the fund.

Fiscal Operations Clerk Lockner said there are not many comments under canal dredging. They are getting ready to finish up.

The Capital Reserve Fund and the Capital Improvement Plan are not in there yet.

Town Manager Hewett said the canal dredging budgets are programmed to the extent that we preposition those with escrowed funds and current permits so it is a programmatic dredging budget, but they do stand shovel ready with money and current permits. In the eventuality there is a storm that fills them up, we would be ready to execute a project. You have to keep permits current, you need to do post-construction surveys and maintenance activities on the spoil sites. You need to be able to manage the Scotch Bonnet site. We need to get it dried out and may need to do some topographic grading. Also, the idea is to have the project pay for the reconstitution of the dog park. He said the management of the program has ongoing expenses. Town Manager Hewett confirmed the Town will still have the money to be shovel ready after a storm once the project is complete. Town Manager Hewett explained there are other management activities that will need to happen in this program.

Commissioner Sullivan asked where the money for the Renourishment Fund on page 11 is reflected in expenses. Fiscal Operations Clerk Lockner that will be reflected in the Capital Reserve Funds that are not set up yet.

Fiscal Operations Clerk Lockner said this is the budget we have. If the Board wants her to make changes, cut or add things, it would be good to let her know now. Commissioner Kwiatkowski said the Board should be thinking about Budget Message components and be ready to pass them onto Town Manager Hewett at one of these meetings soon.

Commissioner Butler talked about the progress and technology at the lift station. He said we need documentation for the systems. He said we need formalized procedures for startup and shutdown. He inquired if an intern could help with those procedures. Public Works Director Clemmons said he could work on the startup process and operation procedures. Air Vac will probably give him a parts list when they give him the operating manuals. He likes the idea and will keep an open mind about that. He thinks his department learned a lot about reconstitution in dealing with Hurricane Florence last year. He will put something on paper. Commissioner Freer said one of the biggest challenges to any project is capturing the knowledge and documenting it. Commissioner Sullivan said since it is new and complex he is not sure how an intern could prepare that type of document for us. He talked about needing someone with the skill and knowledge to put something that technical together to benefit us. Public Works Director Clemmons will give an intern some thought.

Commissioner Butler appreciated everyone received the scope of work for the Pay Classification Study. Town Manager Hewett said the length of the process will be three – four months. We executed the contract and sent an inquiry on the timeline.

Mayor Holden reminded everyone about Chief Layne's retirement party. He said he sent the commissioners an email asking the Board to consider a meeting. He hopes the Board can come up with a date.

## **ADJOURNMENT**

*Motion by Commissioner Freer to adjourn at 12:00 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