



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
THURSDAY, MARCH 7, 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 7, 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 and Joe Butler; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Planning Director Tim Evans; Public Works Director Chris Clemmons; Fiscal Operations Clerk Mandy Lockner; and Detective Jeremy Dixon. Commissioner Peter Freer was unable to attend the meeting.

Mayor Holden called the meeting to order.

**PUBLIC COMMENT**

No public comment was made (no public was in attendance).

**BUDGET WORKSHOP – ROUGH DRAFT REVENUES AND EXPENSES**

Town Manager Hewett explained the budget schedule remains very similar to what was originally put forth. Previously we had a Public Hearing scheduled for June 12<sup>th</sup>. Due to availability issues we will need to move the Public Hearing to the Regular Meeting on June 18<sup>th</sup>. That still leaves 12 days from that date until when it has to be adopted. It can also be adopted at that meeting. He said what's before the Board today is a rough assemblage of staff inputs. The picture you see is nothing like where we will end up. He would like clarity on some of the goals from the Board.

In terms of a sand source, we are in the middle of attempting to get approval for projects related to Florence and Michael. We are anticipating a project being approved that will exceed the existing sand source that we have currently permitted. Town Manager Hewett explained the concern is the required time it will take to do the work and get the sand source secured in the context of acquiring a permit and meeting the deadline that we have to execute the FEMA project. He said our fear is it may take up to a year to find the sand. Town Manager Hewett said staff will need to come to the Board for a budget. He believes it will be in the \$150,000 range and that it will be a reimbursable expense, but that is undefined currently.

Town Manager Hewett said there are several areas in the goals where it addressed personnel and a compensation study. The North Carolina League of Municipalities has secured a contractor that provides those types of things for local governments. It is about \$7,500 and will take about three months. It might

be done before the budget has to be adopted if the Board wants to proceed this year. It has been in excess of 15 years since we did a full review. We did do a Classification and Pay Plan review a couple of years ago, but our Personnel Policy and benefits package has not been reviewed in quite a while.

Town Manager Hewett asked about the comment in the goals about no new borrowing. He said he is assuming that is predicated on a mentality that we will not borrow money for operations and borrowing in terms of floating general obligation bonds for projects. The amounts associated with FEMA losses will far exceed our capital reserves' ability to bring forward a project. He has cash flow concerns with the amount of FEMA project expense we are anticipating to come in. He is forecasting that the Town will probably need to secure some type of a bridge loan in order to handle the cash flow for the large FEMA expenses. That would be a year or two down the road.

Town Manager Hewett said it is conspicuously obvious that advocacy is high on the Board's agenda. There was no mention of anything relating to emergency response or the types of things that go on during a hurricane operation. He said it is a concern of his as to how we take care of the staff. We need to make sure that doesn't fall off the table when we go through the budget exercise.

Town Manager Hewett asked if the Board wants him to go forth with the sand source this fiscal year. Commissioner Butler said he thinks it is a great idea. He inquired if it will include parallel paths with the area we originally harvested sand from or if we will have to look somewhere else. Town Manager Hewett replied we would have to look somewhere else because there is only half a million cubic yards left. We are anticipating we would do a project of equal size to the Central Reach Project, which was about 1.3 million cubic yards. We need to get a permit anyway to have a shovel ready project. The storms have necessitated a bit more urgency. Mayor Pro Tem Fletcher inquired if other sites were identified in the previous process or if that was the only source they found. Town Manager Hewett responded that generally there are three levels of reconnaissance that has to take place. We have a general search area, but depending on what the second and third level reconnaissance reveal we may need to go to other locations, specifically further offshore. That would take the price up. The distance you go is strictly a matter of economics. The further you go, the more the cost will go up. Mayor Pro Tem Fletcher queried if anyone else is harvesting along the east coast. Town Manager Hewett answered that Bald Head Island and North Myrtle Beach are the two closest. He explained the Town has been successful in the past in getting all of the permit related type expenses back. FEMA is still holding onto \$335,000 of ours, but that could be that they hold back until everything is finished. He is not sure what that holdup is. We have been successful in getting expenses reimbursed for legal, easements and the offshore sand search before. Commissioner Sullivan inquired if it is strategically better to do it alone or partner with someone for the search. Town Manager Hewett said it is based on need. We will need to get a permit and will have a project that has a requirement. He explained he is trying to take the shortest path to that. He doesn't know the answer to Commissioner Sullivan's question. Mayor Pro Tem Fletcher asked if we get priority over the sand if we get a permit. Town Manager Hewett stated that if you get a permit for sand placement it has to have a sand source. He is not sure how the permitting agencies would proceed if we had a permit and another municipality was trying for the same spot. The government permits sites in terms of identifying a particular site related to having a permit. There are a number of requirements that go into that. He doesn't know if two islands can get a permit for the same source. Mayor Pro Tem Fletcher said he would like to look at this as soon as possible. Town Manager Hewett stated that we will get a hard estimate from our consultant on what the search will entail in terms of cost, time and effort. We have an estimate included

in the draft budget. We will back it out of the upcoming budget and present it to the Board in this year's budget with a budget amendment.

Mayor Pro Tem Fletcher asked if we are active in getting a permit for the west end, as well as the east end. Town Manager Hewett replied the Central Reach Project (CRP) ends at 781 OBW and we have not entertained any expansion of the limits east or west of the CRP. If the Board wants to go there it will be a major modification to the existing permit and is another order of magnitude in terms of expense. If the Board wants to do that he needs to know so it can be programmed into the projected budget. The existing limits of the CRP are predicated on the Corps' analysis for the 50-Year Project and it is no coincidence that it has been engineered as the sweet spot for beach nourishment for Holden Beach. That type of dialogue will not be short or sweet and it will take a lot of money in order to go through the engineering process. He knows that the west end has erosion and that there is an Inlet Hazard Area in play now, but if the Board wants to see how far west the CRP can extend, we are in another evolution of developing the permit. The FEMA project will not pay for anything west of 781 OBW because it is just for the engineered beach. Commissioner Butler said it sounds like the Board's primary focus should be the losses we had over the last storms. Mayor Pro Tem Fletcher asked what the Town needs to do to make it an engineered beach. Town Manager Hewett answered the Town would need to ask ATM for an engineered recommendation on if it would make sense to extend it west of 781 OBW. Commissioner Kwiatkowski said the Board is discussing two separate projects. One is to start the work that would replenish our Central Reach, which is reimbursable because it is an engineered beach. There are perhaps two separate projects. One about the possibility and practicality of extending our engineered beach further west and another for going east into the inlet. Town Manager Hewett stated we are insisting that an accommodation be made in the Deeper-Wider Project so that there is a design beach fill template from Blockade Runner going east that will potentially meet the requirements to establish that reach as an engineered beach. That may be one way to approach that; let that be the initial foray into getting that established as an engineered beach. We do have the SDI-5 Permit. That might satisfy the engineered beach requirement when that project is upgraded through the major permit modification process and we get a design template that meets the requirements.

Commissioner Kwiatkowski said we would still be talking about a separate project to evaluate extending west. Town Manager Hewett said that can be done and asked if the Board wants that put into the July 1<sup>st</sup> budget because we don't have money dedicated to that without reprogramming it. Commissioner Kwiatkowski said her personal opinion is that goes into the July 1<sup>st</sup> budget and it becomes a next year priority. It is more important to expedite the sand search and a Central Reach fix because that is a known and is a reimbursable. Town Manager Hewett asked if what he is hearing is that the Town is going to move forward with a sand search this year. We will do an appropriation and pull it out of the upcoming budget. The sand search would primarily be oriented towards CRP 2. We will need to get an engineer's estimate for evaluating what/ if any expansion west might be. Commissioner Kwiatkowski said it makes sense to her. Mayor Pro Tem Fletcher said his input would be to start the search for the sand immediately and as quickly as possible, June 1<sup>st</sup>, knowing what is involved in making the east end and west end part of the engineered beach. Commissioner Butler said he thinks Town Manager Hewett is saying the east end will be incorporated into the project and we do not want to do anything to confuse that. He said the third recommendation is the west end. Mayor Holden said it hasn't been many years since the high tide line was up closer to the houses on the west end. The accretion factor has been wonderful to the west end over the last few decades. He encouraged the Board to consider a policy to determine where, when and how to put sand on the beachfront, not just from a whim to say let's add to our program. You would have

a public relations problem from the property owners not on the west end. He said those people that are more at risk will question why you would spend a lot of money down there where it is not as threatened as elsewhere on the island. He said the Board may need to have a policy before we leap forward. Commissioner Kwiatkowski said she is thinking of everything west of where the engineered beach ends, not just past the gate. We still have some skinny areas between 800 and 1100 OBW. She said she thinks of it as an evaluation of end to end. She likes his idea of having a policy of when to act. She said reexamining if the sweet spot is right seems to be a legitimate question. Town Manager Hewett said we will ask if 781 OBW is the right place. Commissioner Sullivan stated we know homes have been lost on the east end and he doesn't think we lost any on the west end. We had a lot of discussion about dunes being so large and extending walkways so it seems to him there is an adequate buffer on the west end. Commissioner Sullivan said it is something the Board needs to consider, but is it something we need to worry about in next year's budget or is it something to look at to just get a rough estimate of the cost to do the work. He doesn't think we would want to restrict what we already have. Town Manager Hewett said he will ask the consultant engineer to include that type of analysis in the evaluation. Mayor Holden stated if we do have a real hurricane when that water comes out of the Shallotte River it will go straight out to the ocean and is going to flatten everything from the backside like it did in Hazel. He asked if there is a possibility of reimbursement for that.

Town Manager Hewett said we can probably get the compensation plan review done within this budget. It will probably take about three months. He doesn't know if it can be done before the end of the fiscal year. He asked how the Board would like to proceed. Commissioner Sullivan said it seems to him it would be money well spent. There have been questions by the Board and it will help address one of the issues pointed out in the recent internal audit review. He thinks for \$7,500 we will have independent people look at the issues and help rectify it if there are any problems noted. Town Manager Hewett added the subcontractor for the NCLM does not limit their comparisons to just government employees. They also look at private sector like jobs. Commissioner Kwiatkowski asked if it would be better to do it next year because we will have the new budget with the most current benefits and salaries. It will be fresh data. She can see it either way. Mayor Pro Tem Fletcher said he is in favor of getting it done as soon as possible. Commissioner Butler said the fact that we haven't done it in a period of time would say we should get it done as soon as possible. Commissioner Kwiatkowski said this is the busiest time of the year for everyone. They are trying to put the budget together and get ready for the season. Town Manager Hewett said he looks at it in a different light. Whenever we ask people to talk to a consultant for a classification and pay study they would probably be eager to engage. He said we have been busy for a long time and will be busier for a longer period of time trying to get on track from these storms. He knows the storms were five months ago, but we will be burdened for another three years. He is glad it appears the Board wants to get it done. The price tag can be put back in front of the Board. He thinks we are pretty close in terms of what we did with the classification and pay plan piece of it a couple of years back, but there may be some change from the benefits evaluation. He anticipates there to be an increase that comes out of it. He doesn't forecast a reduction in the results. Commissioner Kwiatkowski said she is fine expediting it and getting it done under this year's budget. Commissioner Butler would like to see the scope of work. Town Manager Hewett asked if the Board prefer he bring that back to the Board or to move forward with it and share the scope of work. Commissioner Butler suggested we move forward.

Town Manager Hewett said regarding the bridge loan his intent is to make sure the Board isn't predisposed against taking a loan out in the short term to order to meet what he anticipates to be some cash flow issues when we have to get to fronting \$30 million over the course of six months. He is not sure the Local

Government Commission (LGC) will allow us to contract for that size of project without some type of bridge financing. This is not anything new. It is a mechanism the LGC is familiar with. When we get to that point we will have a better handle on it. He understands the Board's desire to not take on any new debt, but this is separate. Mayor Pro Tem Fletcher said this is short term. It is something that we will pay and get back. Town Manager Hewett said we still would need the LGC to approve it and to find a lender. We will be in a better position to bring the specifics forward once we get a FEMA project approved. Commissioner Sullivan said we have money in BPART. When we get a FEMA project and work is done we pay up front for the work and then submit to FEMA to reimburse us. He asked if that works on a rolling scale. Town Manager Hewett replied it does. For a \$30 million project once we get into cash flow analysis, we may only need \$12 million in a bridge loan. He said we will need to walk around that.

Town Manager Hewett said this is probably the longest lived hurricane duration this past fall that he has been a part of. There are some practical things we need to make sure are taken care of during that time. Things ranging from shelter, food and those sorts of things. He will be looking at those types of things to make sure there are accommodations for the staff.

## **REVENUES**

Fiscal Operations Clerk Lockner explained this is a rough first draft. Revenues by fund include General, Water, BPART, Dredging, Capital Reserve Funds and our Beach Nourishment Fund. State distribution taxes are the same. We get about the same each year. Some go up and some go down, depending how the market is going. Town generated revenues are property tax, building fees, recycling fees and rents and concessions.

Fiscal Operations Clerk Lockner stated we did have a reappraisal in the county this year. When that happens, we need to calculate a revenue neutral tax. She explained we don't have a lot of hard numbers to work with, but she did some calculations. Commissioner Butler asked if taxes will go up for Holden Beach residents based on the revaluation of homes. Fiscal Operations Clerk Lockner replied that the Board sets the tax rate, this is just an exercise that needs to be done each reappraisal year. The Board doesn't have to adopt that amount. It looks like from what Town Manager Hewett received it is an 8.89% increase. Mayor Holden said the county has not adopted their rate yet. Fiscal Operations Clerk Lockner explained it is very early and none of these numbers are set in stone. Mayor Pro Tem Fletcher said so a \$100,000 increase in overall value wouldn't change the \$0.22 rate. Fiscal Operations Clerk Lockner said it doesn't really look like it from the spreadsheets she worked with. The numbers might change when she gets better estimates. Right now these are the numbers she put together from the last audits. We don't have this year's audit numbers to work with so she had to inflate them 8.8%. Commissioner Kwiatkowski said on the island there will be people whose assessments go down and some that go up. Assuming we stay close to \$0.22 some will go up and some will go down, the island stays neutral. They are going through the same discussions about the rates at the county level. Commissioner Butler said the residents who have seen an increase in the assessment value of their home could potentially see an increase in their taxes. Commissioner Kwiatkowski agreed that is correct if the rate stays at \$0.22. Town Manager Hewett stated the collection rate is the other variable. There are three pieces that we are still juggling. Fiscal Operations Clerk Lockner reviewed her estimated number for property tax, but that could change. The estimated revenue is \$2,897,180. Town Manager Hewett explained that is the revenue projection we are currently using in the spreadsheet.

Fiscal Operations Clerk Lockner said recycling fees went up this year. We get about \$29,000, but we do need to pay the fee. We get about \$105,000 in rents and concessions annually. This changes each year depending on what the cell companies decide to do. There was discussion at the last meeting where Attorney Fox talked about reviewing the contracts so she is not sure if this will stay the same.

In the Water and Sewer Fund revenue is generated from water and sewer billings and capital sewer charges. We have not changed the water rate structure or the sewer rate structure, so it is the same as last year.

In the BPART Fund occupancy tax is estimated at \$1.8 million. We added some programs like tai chi and shag lessons so that will bring a little bit of revenue.

Town Manager Hewett pointed out that rents and concessions are in the Water Fund. We are pulling down about \$100,000 a year. That is a penny in tax right there. Commissioner Sullivan asked if anyone canceled their contract in response to not being given a lower rate as requested. Town Manager Hewett replied no. Fiscal Operations Clerk Lockner explained we moved some money to higher investment entities so we are getting a higher return than we have in the past. It is all going to Fund 50 right now.

The Capital Reserve Fund/ Beach Nourishment Fund was set up in July. There is \$3,241,877 in the fund. Town Manager Hewett said this will come up later, but he knows one of the goals was talking about updating fund balance policies. We put a rider clause in our interlocal agreement with the county on our special obligation bond that as the obligation reduces, the county remits the delta each year to the Town. They also remit the interest to us. We budgeted \$26,000, which was the delta reduction. In the revenue line on the spreadsheet we got about \$10,000 more in actual proceeds. We will look to see if the Fund Balance Policy specifically addresses the interest.

Fiscal Operations Clerk Lockner explained the canal dredging working group gave the Town their estimates a couple of weeks ago. Harbor Acres went down to \$150 and the others stayed the same.

Fiscal Operations Clerk Lockner stated that the Capital Reserve Funds and the Capital Improvement Plan are not included at this point. She asked if the Board has any questions on the spreadsheets. Town Manager Hewett stated we have revenues and expenses, but we haven't done the revenues equals expenses part of the equation yet.

Commissioner Kwiatkowski suggested that the Miscellaneous line item on page 24 needs to be better defined, it seems to be a catchall. Fiscal Operations Clerk Lockner thinks that could be the sales tax reimbursement that has not been moved to the funds yet. Town Manager Hewett added that a piece of that is early FEMA reimbursements. We received confirmation today that our Category B, in terms of \$90,000 has been approved. We wanted to get that approved before we came back officially with a budget amendment to put the money in the correct funds. When we received the first reimbursements we stuck them under Miscellaneous, knowing that we will need to put them into the right accounts. He is assuming that is what is showing from last year. He will double check. Commissioner Sullivan asked where that amount would go if they were reimbursements. Town Manager Hewett replied we would have a FEMA reimbursement line.

Mayor Pro Tem Fletcher inquired about the number showing for 2019 – 2020 under ad valorem taxes. Fiscal Operations Clerk Lockner explained that is not the revenue neutral tax rate number. That is the number calculated at 22 cents. Town Manager Hewett added the revenue neutral is published, but it also incorporates a growth figure that has to be accommodated in there. Fiscal Operations Clerk Lockner said it is a four year average. Town Manager Hewett stated that this is not a recommended number, it is a working number. This is what our calculation at 22 cents is projecting. It is real rough, there are three variables involved.

Commissioner Kwiatkowski noticed that there isn't anything put in for 2019 – 20120 for Matthew. Town Manager Hewett said we will close that out if we get it this year. He explained revenues are different than expenses. He doesn't need to have a budgeted revenue to accept it. Mayor Pro Tem Fletcher said we have a \$6 million budget for 2017 – 2018. He asked if it is a cash flow budget. Town Manager Hewett said we carried what in essence is a capital project over multiple years and carried the total budgets on the revenue and expense side forward.

## **EXPENSES**

Fiscal Operations Clerk Lockner reviewed that Fund 10 includes Governing Body, Administration, Police Department, Building and Inspections and Streets and Sanitation.

Under Governing Body there was a decrease in debt service. There is an increase in Communications for live streaming capabilities and an increase for satellite phones.

The Police Department has requested an additional officer and an increase in training opportunities. They requested two new vehicles and new uniforms for nine officers. Town Manager Hewett said we have adopted a Vehicle Replacement Policy. One of the requested vehicles is a replacement in accordance with the policy and the other is a vehicle to go with the officer requested.

Fiscal Operations Clerk Lockner said the Inspections Department is requesting a new vehicle. The vehicle is within the limits of the policy. They are also requesting an increase in Travel and Training. The Beach Ranger Program Equipment line is decreasing. That line is in the BPART Fund, but she put it with Inspections because Planning Director Evans would answer any questions.

Under Streets and Sanitation there is about \$127,000 included to pave half of Brunswick Avenue. They would like a vehicle. The last one they purchased was a 2009. Town Manager Hewett said the paving is for the eastern part of Brunswick Avenue West. Fiscal Operations Clerk Lockner said there is an increase in the contracted services line due to the new ordinance and rollback island wide. There is also a request to increase the Uniform line due to cost adjustments. Town Manager Hewett said the intent is to resurface the entire length of Brunswick Avenue West and move it to the front of the line in our streets priority system. It will take care of the first half in the upcoming budget and the second half in the subsequent budget. He believes that is what the Board's direction was at the October meeting. Commissioner Butler said he thinks the Board wanted to make sure the first phase works before we spend the money on the whole thing.

Fund 30 is the Water and Sewer Fund. Fiscal Operations Clerk Lockner said there is an increase in Communications for SCADA and Sensus annual support and a compatible cell phone. There is a request

for one additional laborer in the Water Department and they would like to replace a vehicle with 140,000 miles. The Capital Outlay line includes capital improvements to Lift Station #3, but that amount can change based on what we get back. Public Works Director Clemmons stated we are pretty close to wrapping up the project for Lift Station #4. A request for bids for engineering services are due tomorrow at noon. There will be something put in the Board's packets about proceeding with engineering for Station #3. He thinks by the end of the month the current project will be complete. Public Works Director Clemmons said he hated to request for additional help in the Water Department, but they have been stretched thin for a number of years. In 2003 they had six employees and they didn't even have a working sewer system. If we have a storm it is a big burden on the department with the amount of employees they have trying to get the island to where people can come back. He hopes the Board will take that into consideration and they can get some additional help. Public Works Director Clemmons said he has six including himself, but he has one that has been out for a year. It has been six for the past few years. They cut a position three – four years ago. He didn't think they needed it at the time, but he has rethought that. The sewer system is getting older. With the service level that is expected they are stretched thin. Commissioner Butler said thin equates to risk. Public Works Director Clemmons said he would love to have people trained to fill in the next tier. Town Manager Hewett said he would be glad to provide the Board with hire dates.

Fiscal Operations Clerk Lockner said that in Fund 50 the Sand Source Borrow Site item will be removed from her list based on earlier discussion. Additional funds for a lobbyist and UNCW collaboration were added. The Training line is increased due to board travel and training. They are looking at the possibility of securing an intern for the summer months. The Deeper – Wider Project is on here. The Board will need to make a decision on that. The Parks & Rec vehicle is also within the Vehicle Replacement Policy.

Assistant Town Manager Ferguson said as Fiscal Operations Clerk Lockner mentioned the sand source borrow site was moved to this year since the Board wanted to expedite it. The Professional Services line is accounting for a whole year of the lobbyist group if the Board decides to continue that. The Inlet and Beach Protection Board entertained listening to UNCW last month. That includes a recommendation that they wanted to see some of those. It didn't include all. It was about \$15,400 for them. She thinks the total was around \$32,200. Fran Way from ATM doesn't think they can complement the Town in all of the areas presented. It was thought the money could be better spent if two areas were selected so that is what the Board is looking at. The boards want to travel more as far as attending meetings. The number of \$1,033,000 the Board received for Deeper-Wider is correct. The reason the Lockwood Folly line gets to \$2 million is it also takes into account if the Board wants to do an AIWW Crossing Project if it presents itself with the bend widener again. She is using the numbers she gave the Board in her February memo because that is all we have to go on at this point. Assistant Town Manager Ferguson said if the Board wants to back that out and do a budget amendment if it comes out we would need to know that. The line right now accounts for the Deeper – Wider, one AIWW crossing project and a Merritt/ Murden project. Town Manager Hewett said the most important question is the funding stream on that. \$2.3 million is not in the current year's collection for occupancy tax. He asked if the Board wants to source this from the Capital Reserve Beach and Inlet Fund because it is nourishment for the east end. Commissioner Butler asked if the projects were spelled out somewhere. Town Manager Hewett replied that a comment line is one thing we didn't do in this, but will include in the next spreadsheets. Fiscal Operations Clerk Lockner covered it well in the slides, but staff will add a comment line out to the right to spell things out. Commissioner Butler said he sees \$2.3 million, but he know it is not that. It is a number based on different projects that potentially are available to us. Mayor Pro Tem Fletcher asked if we have that much in the BPART Fund already. Town Manager Hewett stated the Town has a little over \$3 million in the sand reserve fund and

about \$3 million in undesignated BPART. It is the Board's decision on how they want to qualify what is erosion control and tourism related.

Fiscal Operations Clerk Lockner said Fund 60 is Canal Dredging. They should be finishing up the dredge project this spring. The budget remains a program ready project. They continue ongoing maintenance to the spoil site, surveys and contingency response.

Town Manager Hewett said the question of where the Board wants to fund projects from will not go away. Commissioner Sullivan said the Board had vigorous discussion last year. He said if we are going to spend \$1 million on the project the Board approved, it should come out of the \$3.2 million Beach Fund. That was the purpose for setting it aside. He said it is an expense for what the fund was set up for. Commissioner Kwiatkowski said she agreed with that. Commissioner Butler would like some time to think about it. Town Manager Hewett stated from a technical administrative prospective if that is what the Board would like to do we would need to transfer it back into the operational budget and then expense it out. You don't spend money from a capital reserve fund. He said the Board has time to make that decision, but staff needs guidance on how to proceed.

Mayor Pro Tem Fletcher said on page 39 we have a transfer from the General Fund to the BPART Fund. He said we did \$806,000, but we are only doing \$564,000 this year. Fiscal Operations Clerk Lockner said it is a decision for the Board, but she did it based on what the Board did last year.

Commissioner Kwiatkowski asked about the increase for live streaming capabilities. She inquired if the idea is that this will get more public awareness and participation. Town Manager Hewett responded he sees it both ways. There is a lot of value in having interpersonal interactions. We have 2,400 homes and 500 residents. The majority live somewhere else. He doesn't know if it will work, but we included the cost. It would be up to the Board to decide if they want to provide that type of capability. Commissioner Sullivan said he discussed that with Town Manager Hewett because the Board has discussed that people who don't live here don't have as much opportunity for involvement. The initial cost was a \$50,000 investment, plus \$1,000 a meeting, which seemed excessive. After further review they came up with a more palatable solution. Commissioner Sullivan said we would still need to evaluate it after a while. Town Manager Hewett said Town Clerk Finnell has the website of the group we checked with to see the capability. We can share that so the Board can go online and see exactly what it would do. It livestreams the movie and then saves the movie so you can review it at your leisure. It also syncs with the agenda. Commissioner Kwiatkowski suggested asking people if they would be interested in the service. Town Manager Hewett suggested having staff send the link and then look at sending it to the public.

Assistant Town Manager Ferguson said on page 48 the Starfish Fire Upgrade line shows \$10,500 because they need two heaters there. That should be closer to \$20,000 because there was a gutter damaged in Florence. When the contractor went to get an estimate, they found rot underneath. The estimate is between \$6,000 and \$12,000. The contractor will not know how bad it is until they get in there. We do not have the money to do it this budget year. Fiscal Operations Clerk Lockner said it is \$25,500; the number just didn't transfer. Mayor Pro Tem Fletcher asked if the Town is in any way responsible towards the Fire Department's pensions. Town Manager Hewett replied the Town pays for the house. Our contract with the Fire Department is that they provide emergency services to the Town in exchange for the ability to collect our fire fees.

Commissioner Butler asked if the 19/ 20 numbers include the recommendations from staff. Fiscal Operations Clerk Lockner replied yes.

Commissioner Sullivan asked about the group insurance numbers on page 40. Fiscal Operations Clerk Lockner explained those numbers didn't get transferred and provided them to the Board.

## **ADJOURNMENT**

*Motion to adjourn by Mayor Pro Tem Fletcher at 11:44 a.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