



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, AUGUST 20, 2019 – 7:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, August 20, 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; Planning Director Tim Evans; Assistant Town Manager Christy Ferguson; Police Chief Jeremy Dixon; 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

Mayor Pro Tem Fletcher would like to add item 6a – Discussion and Possible Action on Appointment of Alternate Member Anne Arnold as a Regular Member to the Board of Adjustment to Fill the Seat Brought About by the Resignation of Regular Member Larry Reinhart.

Motion by Mayor Pro Tem Fletcher to amend the agenda; second by Commissioner Freer; approved by unanimous vote.

Motion by Commissioner Butler to add another agenda item, Discussion & Possible Action to Revise Paragraph k of Chapter 72: Parking Regulations as item 8a; second by Commissioner Freer.

Mayor Holden asked if this is a new subject being added to the agenda. Commissioner Kwiatkowski inquired if it is something that could wait until September since the Board does not have any paperwork on the topic. Commissioner Butler replied he noticed there has been quite an increase of citations issued for parking in the rights-of-way between 2:00 a.m. and 5:00 a.m. Commissioner Sullivan objected to adding the item to the agenda. He has no objection to the earlier item because there was a mistake made that the Board would rectify. He stated there is no urgency for this item. It was discussed at the last meeting and if the Board wanted to add it they should have made the motion then or in the interim when the Board would have time to read and discuss it. Mayor Pro Tem Fletcher said he would normally agree, but he is getting a number of complaints from people who have received citations. He would like to do something more quickly than a month from now. Commissioner Sullivan said the Board discussed this ordinance three or four times. They discussed with the attorney the necessity for posting signs and they were told there is not a need for signs. Commissioner Sullivan stated if it took the Board three meetings to get the ordinance in place, he doesn't think they would

want to rush to change it. Mayor Pro Tem Fletcher stated he doesn't know if he would change it, but maybe explain how it is supposed to be implemented. Commissioner Sullivan said if the item is changed to discuss and not take action on, he would not object to it.

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

APPROVAL OF MINUTES

Commissioner Sullivan said on page 22, in the middle paragraph, 4th line, the word “not” should be added.

Motion by Commissioner Sullivan to approve the minutes with the correction (Special Meeting of July 8, 2019, Special Meeting of July 8, 2019 [2nd meeting], Special Meeting of July 16, 2019, Regular Meeting of July 16, 2019 and Special Meeting of August 6, 2019); second by Mayor Pro Tem Fletcher; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Mayor Holden said nobody signed up, but he asked if anyone wanted to speak about one of the two items added.

Marlene Barz stated for 25 years her family has been visiting her. They have always parked their cars across the street on a lot she owns or on the edge of the property of a vacant lot next door. Her son was issued a parking ticket for parking between 2:00 a.m. and 5:00 a.m. last Saturday. She said there are no signs notifying people of the restriction and she finds the ordinance too restrictive. Ms. Barz was told by the Police that they needed to issue a \$75 ticket because it is a violation of an ordinance. She thinks it makes sense for the Police to check with residents nearest a parked vehicle to see if it belongs to them before issuing the citation. She would like signs to be put up immediately if the ordinance is not changed. She said the ordinance is unfair to fulltime residents and their visitors.

DISCUSSION AND POSSIBLE ACTION ON APPOINTMENT OF ALTERNATE MEMBER ANNE ARNOLD AS A REGULAR MEMBER OF THE BOARD OF ADJUSTMENT TO FILL SEAT BROUGHT ABOUT BY THE RESIGNATION OF REGULAR MEMBER LARRY REINHART

Motion by Mayor Pro Tem Fletcher that the Board appoint Board of Adjustment alternate member, Ms. Anne Arnold as a regular member of the Board of Adjustment to fill the vacancy brought about with the resignation of regular member Larry Reinhart; second by Commissioner Freer.

Mayor Pro Tem Fletcher explained why Ms. Arnold would be a good choice. Mayor Holden said he was at the Board of Adjustment meeting when the homeowner had to sit and wait because the board did not have the members there to proceed. He also had a hard time understanding why someone like Ms. Arnold, who put in so much time, has been continually pushed to the end of the line for the appointment. He is glad to see the Board is moving in that direction.

The motion passed by unanimous vote.

POYNER SPRUILL UPDATE – MIKE MCINTYE & ROGER GWINN

Mr. McIntyre stated a major breakthrough has finally occurred to help move the fiscal year 2020 appropriations bill across the finish line before the September 30th deadline. There has been a Bipartisan Budget Act passed on August 1st. The Senate is now ready to move forward through its Appropriations Committee. The House Appropriations Committee has already approved most of its bills and was waiting on this situation to move forward. They anticipate the Energy and Water bill, which provides funding to the Corps, will be approved by September 30th. The Senate appropriators have indicated it would be one of the first out of the gate.

Mr. McIntyre stated there has been continual discussion about reauthorizing the National Flood Insurance Program (NFIP) before it is set to expire on September 30th. There are NFIP reauthorization bills pending in both the House & the Senate, however the bills differ substantially. If the program is not reauthorized by September 30th, another short-term extension will be required. If so, this will be the 13th extension of the program in the last two years.

Mr. McIntyre explained that on July 30th, the National Ocean and Coastal Security Improvements Act was introduced. This bill would support coastal communities' ability to prepare for and respond to a variety of coastal threats. This would allow for a fund to be set up for national and state block grants and national competitive grant programs.

A transportation infrastructure bill that focuses on resilience has come forward. This is a long-awaited reauthorization bill. On July 29th, the America's Transportation Infrastructure Act of 2019 to authorize funding and give direction to the US Department of Transportation for fiscal years 2021 – 2025 has been put in place. The bill is being referred to as the most substantial highway legislation in history. Mr. McIntyre reviewed several provisions that are included in the bill that will be of interest to coastal communities.

On August 13th, the Economic Development Administration (EDA) announced that it is now accepting applications from eligible entities, which include local governments that serve communities impacted by Hurricanes Florence or Michael, as well as other natural disasters that occurred in 2018 and 2019. Funds can be used for a wide variety of activities related to disaster recovery. Mr. McIntyre said it will be a flexible resource and generally expects to fund up to 80% of eligible costs. In some cases, up to 100%. They are happy to talk with staff about possibilities for some of the potential areas.

Mr. McIntyre explained they were looking forward to announcements to be made in terms of how the awards would come out under the Disaster Relief Act. They were all anticipating that would occur by the end of August. In recent days the Corps has said they need additional time. They may make some announcements in different categories, but they will not roll out an announcement of every single award at one time. The Town should not be concerned if we don't hear anything by the end of the month. It looks like it will be several more weeks.

In mid-July, they worked with the Congressional delegation in Washington to advocate for the Town. In July, they worked with the Town's congressional delegation to secure two support letters. The first letter is a joint letter from Senator Burr, Senator Tillis and Congressman Rouzer urging the Corps to

direct investigation funding to North Carolina specifically. The other letter was from Congressman Rouzer to the Corps in supporting Holden Beach's request to make sure that the Town has the opportunity to pursue a Corps' feasibility study. Mr. McIntyre said there was also another letter sent to the Corps that expressed the Town's strong interest in pursuing a feasibility study. He knows the Corps has met with the Town and they have been working with the Corps behind the scenes as well. All three letters were shared with key contacts at the South Atlantic Division and the Corps' headquarters. Also, they have been staying in regular contact with the Congressional delegation.

They listened to the recording of the last meeting. Mr. McIntyre wanted to clarify that by entering into an agreement with the Corps for a feasibility study, the Town will not lose its eligibility to receive FEMA funding for post-disaster nourishment activities. The only way FEMA funds would not be available if the Town proceeds on this would be if all of the elements are met. The feasibility study needs to be done and identify a project that is found to be technically feasible, economically justified and environmentally acceptable. It would need to be signed off by the Chief in the engineers' office. The project would need to be provided new construction funding and the project would then need to be successfully constructed. Unless all four elements are met, the Town would still be eligible for FEMA. Mr. McIntyre said it would only be after a project goes to full construction and is successfully completed that the definition would then shift to a Corps' constructed project. If there was a storm at that point it would be on the Corps' approved list and the Corps would be the one fighting to make sure the Town received money. With a Corps' feasibility study under the Disaster Relief Act, if the Corps approves the project it will be at no cost to Holden Beach. Holden Beach does not need to accept it. There is no risk to the Town. If it goes to construction, it is a 65/35 split. Congress has the liberty to approve a cost sharing waiver. After that if a construction project is done, you get the benefit of maintenance at a 50/50 share. The Town would have ongoing maintenance with the federal government paying 50%. If there is a disaster or a storm, repairs to Corps' constructed beach projects damaged by a storm are eligible to receive 100% federal funding to restore to them to their pre-storm profile. With regard to FEMA post disaster activities, it is typically cost shared, usually 75/25.

Commissioner Freer said he and Commissioner Butler had a meeting with Town Manager Hewett last Friday where they discussed this. He explained he thinks the Town will need to enlist their continual assistance if more questions arise. Mr. McIntyre said Holden Beach is in a unique position. Out of the eight projects statewide that would be eligible for funding, Holden Beach is the only one that has had the General Reevaluation Report done, except for a watershed project. That puts the Town in a prime position. That is why they need to keep pushing every button and they encourage the Town to do so as well. Commissioner Freer stated the Town is also in a unique position because we did a big project ourselves a couple of years ago. We need to understand how that works with this new initiative. He said we have to do our due diligence and the information Poyner Spruill can provide would be invaluable. He appreciates the information.

Mayor Pro Tem Fletcher stated the Town had a representative from the Corps come and talk. His feeling when she left was that the funding for the Corps was precarious. He asked if FEMA or the Corps is more likely to fall short and not have money for a project. Mr. McIntyre replied that because Congress operates year to year for any appropriations that is hard to predict. He explained there is a real focus on FEMA because of all of the horrible storms that have occurred, but there is more emphasis now on the Corps than there has been in a long time. It's hard to predict, he advised to push every button that you can, which is what they are trying to do. Commissioner Sullivan asked if he is aware of any projects

that the Corps did that weren't funded to do the repairs if there was a subsequent storm. Mr. McIntyre responded not off the top of his head. He stated the difference is in the interim if there is not a storm, the feds pay 50% of the ongoing maintenance. Mr. Gwinn said he was an associate staff person for the Energy & Water Appropriations Committee. He has never seen a situation that the Corps has not had their funding needs met for a post disaster situation. There may be a delay in terms of getting money appropriated, but other agencies would face the same delay. Mr. Gwinn confirmed Commissioner Sullivan's statement that it is as if the Corps substitutes for FEMA and will eventually take care of a rebuild after a disaster. When you have a Corps' constructed project, the repairs are a 100% government responsibility. There is no 25% cost share like you would have to commit to for the FEMA money. Town Manager Hewett added as far as the 75/25% for the FEMA money, remember that North Carolina is the only state that does the 25% match on beach fixes. The 75% is federal and 25% is state. Mayor Pro Tem Fletcher asked if the state and county is likely to diminish the amount of support they give for the sharing. Mr. McIntyre stated the people he knows and works with in the state legislature are extremely conscientious about post disaster. He couldn't answer for future legislators. He recommended staying in touch with elected officials. They have been doing it for the Town, but there is no substitute for them hearing directly from constituents.

Commissioner Butler asked if it was correct that the Corps' structured projects would only include the central reach area. Town Manager Hewett said the GRR is pretty much the length of the island, it is not just limited to the Central Reach Project. Commissioner Butler thanked Mr. McIntyre for the information provided. Commissioner Freer asked if it is correct the Corps' project would exclude the inlet hazard areas. Town Manager Hewett verified that is correct; that is why we don't like the proposed areas.

POLICE REPORT – CHIEF JEREMY DIXON

- Happy July is behind us. They had a busy month. Ordinance complaints was a big number at 63. Had 10 incident reports. There were a few larcenies from construction sites, a few bikes were stolen and the HB West gate was damaged. He reviewed the ordinance violation summary and citations.
- We are getting to the heart of hurricane season. If the Town issues an order, there is a NC General statute that says a government can impose curfews, evacuation orders, etc. If the Town does that, it is for your safety. It is a Class 2 misdemeanor to violate it. If you are ordered to evacuate or a curfew is issued, please heed those warnings.

Larry Blume asked if the Police Department would issue a ticket if someone passed a golf cart. Chief Dixon explained technically it is a violation, they are entitled to the same rights as any other motor vehicle.

Commissioner Butler asked if the 23 parking violations were in the rights-of-way (ROW) or if any tickets were issued in municipal parking lots. Chief Dixon replied he would need to go through them individually. From the feedback he received the majority of them are from side streets, not the municipal parking areas. Ms. Barz said when it is written in the Beacon it says 300 incidents. She wishes there was a better word. Chief Dixon said they show as service calls, he is not sure why they print it that way. He will point that out the next time he speaks with a representative from the paper.

DISCUSSION AND POSSIBLE ACTION TO REVISE PARAGRAPH K OF CHAPTER 72: PARKING REGULATIONS

Commissioner Butler reviewed paragraph k from the previous ordinance and what it was revised to. One of the issues he had a problem with when he went back and researched his information from a year ago was the term public. He found himself over a year ago saying the designated public parking areas. He has learned we have municipal designated parking areas and the ROW. They did discuss ROW and he thinks they did a good job of taking care of that ordinance. He is still hung up on the definition between public and municipal. Commissioner Butler provided background information that he found. He said the original intent was to prevent parking in the municipal parking lots, which he referred to as public parking areas, from 2:00 a.m. – 5:00 a.m. Mayor Pro Tem Fletcher said he had the same conclusion; he didn't think the Town would penalize residents for parking overnight in their yard or on the lot next door. He thought it was clearly municipal parking lots. If not, he thinks it should be that way. Commissioner Sullivan stated his recollection is the Board had a robust discussion and Wally, who was the chief at the time, assured them that his people could differentiate. The discussion the Board had was do you prefer to have someone park under the bridge or would you want someone to park alongside your house at 2:00 a.m. listening to the radio. He said they decided as a group they didn't want people parking in the ROW, next to somebody's home. That is why they asked the attorney to draft the language. Commissioner Sullivan said he also asked the attorney about posting signs because he doesn't think it is fair to issue tickets if there is not proper notice. He said it was discussed. The Board may have made a mistake, but they knew exactly what they were voting on. He said if the Board wants to change that, they should forget what they did and decide what they want to do.

Commissioner Sullivan suggested utilizing stickers for residents. The Board talked about having the Police Department use discretion when enforcing the ordinance. Town Manager Hewett said it would be hard to identify residents versus visitors. He said that is something we should not attempt to do. Mayor Pro Tem Fletcher said if it is a vacant car, he doesn't think they are playing music overnight. If you park in your neighbor's lot and nobody is in it, he doesn't see it as an issue. He thinks it can be sorted out somehow. Commissioner Butler stated as far as he was concerned what the Board agreed to do was the municipal parking lots only. Commissioner Freer stated he thinks in the meantime the Police Department can focus on the municipal lots while the Board resolves that. Commissioner Sullivan said he has no problem with that. Town Manager Hewett cautioned the Board in instructing the chief on how to enforce ordinances. He thinks if there is a desire to amend the ordinance, the Board should task the staff to develop an ordinance that would achieve the end state of demarking the nine municipal lots and delineate that ROW parking is okay. Commissioner Kwiatkowski said she doesn't want residents to be penalized, but Commissioner Sullivan is right. The Board had a long discussion about ROW parking because it is not easy when cars are parking in the ROW, particularly in the offseason. That's when you end up with people who are sassing places out or there is thievery. She agrees there needs to be a way to fix this, but she doesn't think that going to municipal lots is the way to address it. She has been going through and has had a few emails with Town Manager Hewett to find a way so that residents have a way of identifying it is their car that they are parking in the ROW. She explained this had to do with security too. Commissioner Kwiatkowski suggested that the Board gather their thoughts and for the September meeting everyone can bring their ideas of how to achieve what the Board wants to and not penalize property owners who need to park in the ROW when they have extra cars. Mayor Pro Tem Fletcher stated he likes Town Manager Hewett's idea of the staff putting something together for the Board. He is especially empathetic for residents who get a ticket. He said

when he looks at the 11 bedroom house on Ocean Boulevard he sees four or five cars parked in the ROW every night. It is illegal parking on Ocean Boulevard. Mayor Pro Tem Fletcher said he hasn't seen a ticket on one of them. He sees lots on his street. He said all of a sudden he is getting too many calls from homeowners that feel they have been picked out for some reason. He thinks it would be healthy if the Town could come up with something that the Board can deal with at the next meeting.

Town Manager Hewett stated he would prefer to have a consensus on his understanding which is to have draft ordinance language prepared that would in essence identify the nine municipal lots and make it not okay for parking from 2:00 a.m. – 5:00 a.m. and ROW parking from 2:00 a.m. – 5:00 a.m. is okay. Mayor Pro Tem Fletcher agreed. Commissioner Sullivan stated he thinks what the Board wants to do is to allow renters and homeowners to park in the ROW, not everyone. Commissioner Freer said identify a mechanism to do that. Commissioner Kwiatkowski agreed that is what the Board needs, the possible mechanisms to identify cars that are okay to be in the ROW because they are either renting or are residents. Planning Director Evans explained if you are renting your property you should have enough spots for parking without needing the ROW. They make sure on every site plan that you have enough parking for your house. He said ROW usage restrictions had nothing to do with parking; it had to do with protecting your property. He stated we need to focus on what the Board wants to do, which is prohibiting parking in the municipal lots from 2:00 a.m. – 5:00 a.m. You could talk about having enough spots for a party or having a family over, but you should recognize that when you rent you should have enough spots. He talked about prohibited parking and adding the municipal lots to that section. Commissioner Sullivan said he understands, but the intent was not only to stop the overnight parking, it was to ensure that people didn't park next to other people's houses overnight. We can easily prevent parking in municipal lots, but then you would be forcing the people who use them to the ROW. If you want to throw up your hands and say it is okay to park in the ROW, that is the option, otherwise it is the sticker so only people who live here can do it. Commissioner Kwiatkowski said there was a lot of discussion on if we were just pushing the parking to Brunswick Avenue, Quinton and streets like that and how people would feel if the people who would stay in municipal lots from 2:00 a.m. – 5:00 a.m. would move to the side streets. If that is no longer a concern than focusing on the municipal lots is fine. Planning Director Evans said everyone has an opportunity to prevent people from parking next to their house if they want to. Commissioner Sullivan said if he is renting his house he wants the people who come here to be able to park their cars. If he limits the parking for the renters, that is not good for business. One of the things the Town does is try to find balance.

Mayor Holden gave an example of a grandpa and grandma that rents a house with four bedrooms and invites their four grandsons to stay with them for a week. They each drive their own car because they come from different colleges across the state. He asked where he should tell them to tell their grandkids to park. Planning Director Evans talked about the enforcement side of the problem. Commissioner Kwiatkowski said this is the reason the Board needs time to go through everything to see what they are actually trying to achieve. She suggested the best way to address this is to put the time in during the September meeting to put everything on the table and try to solve it once and for all. Commissioner Sullivan said he thinks they are trying to do that, but Town Manager Hewett needs direction to draft the ordinance. Commissioner Butler asked if a moratorium on issuing tickets could be added in the meantime.

After further discussion, the Board agreed to deal with it in September.

DISCUSSION AND POSSIBLE ACTION ON PARTICIPATING IN THE MULTI-JURISDICTIONAL DISASTER DEBRIS MANAGEMENT CONTRACT

Town Manager Hewett explained the Town is party to a multijurisdictional disaster debris agreement with the county; we piggyback on their contract. We have the opportunity to piggyback on their new contract with a new disaster debris contractor. Previously it was Crowder Gulf. Now they are going with Southern Disaster Recovery, with a backup of Ceres Environmental.

Town Manager Hewett recommends the Board approve the piggyback arrangement on the multijurisdictional disaster debris agreement and authorize the manager to execute the appropriate paperwork, subject to the attorney's review.

Motion by Commissioner Butler to do the piggyback process as Town Manager Hewett stated; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

DISCUSSION AND POSSIBLE SCHEDULING OF A DATE TO REVIEW THE PAY & CLASSIFICATION STUDY WITH THE MAPS GROUP

Town Clerk Finnell explained the MAPS Group is ready to present their findings so the Board needs to set a date for the meeting. She will send the Board an email requesting availability.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 19-13, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 91: FIRE PREVENTION

Planning Director Evans said the Board tasked staff with taking a look at the issue of people cooking on the beach. We went into the fire ordinance. We just amended it and the new part of the ordinance did not get codified. He reviewed the proposed amendment. When the original change was discussed the Planning & Zoning Board wished to help alleviate some of the cooking on back decks. During the subsequent discussions that was not done. We recently had a situation where a grill on a back deck on a second floor with no access caught on fire. He recommended passing the ordinance as written or considering striking 91.17, the exception that allows gas grills on decks. Planning Director Evans stated he thinks Chief Dixon thinks it is a good idea and the Fire Department is the one who pushed to get the grills off the deck before.

Town Manager Hewett asked since 91.18 is the change, shouldn't that be added to the civil penalty? Planning Director Evans explained it was left off, the penalty section should include 91.17 and 91.18. Commissioner Freer said if we eliminate 91.17 that would turn 91.18 into 91.17. Commissioner Sullivan said he is not in favor of removing 91.17. He understands it could create a problem, but the problem is not that frequent. People want convenience.

Motion by Mayor Pro Tem Fletcher to approve 91.18, second by Commissioner Butler; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 19-14, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 154: FLOOD DAMAGE PREVENTION

Planning Director Evans explained that when the Town did the flood ordinance he said there would be some housecleaning that would need to be done. The new NC Building Code came out. He said this will bring everything into order with what we have. Our floodplain management ordinance had language in it that required us to go out and find areas that met their requirements for coastal A zones. This eliminates any questions about that. Adding the new language will help us. There is some language added for clarification and protection for our citizens and language added that we feel is necessary to keep us from having to do things other places do. He said the language if added is almost 420 points on next the CRS evaluation. It will make insurance go down in the future. Planning Director Evans stated we have petitioned based on what we currently have to get credit for this, but he didn't get the information back yet. This is already being done, it puts the language in to guarantee the Town gets credit for it. The language that is being added that isn't part of that is to require that safety devices be in above the floodplain. He reviewed the meter base language.

Motion by Commissioner Kwiatkowski to approve Ordinance 19-14 as written; second by Mayor Pro Tem Fletcher; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON PROPOSALS TO PROVIDE LEGAL SERVICES

Town Manager Hewett said staff published a Request for Proposals for legal services in the paper and on the League of Municipalities' website. We received four proposals subject to that and also an additional one. The firms who responded are Grady Richardson, the Brough Law Firm, Matthew Nichols, Richard Green and Huey Marshall. Commissioner Sullivan suggested having an interview process before the Board makes a decision on who to hire. He hired and dismissed attorneys as part of his job and never hired an attorney without interviewing the principals of the firm. He suggested having another special meeting to interview the firms. The Board agrees. Mayor Holden asked Town Clerk Finnell to send an email to get availability for this meeting.

DISCUSSION AND POSSIBLE ACTION TO ALLOW THE MEETING AGENDA TO BE PROVIDED A WEEK BEFORE THE BOARD OF COMMISSIONERS' MEETINGS

Commissioner Kwiatkowski stated she does a lot of homework when she understands what is coming up for a meeting. She said sometimes the Board doesn't get the packet until later. She would like it to be the norm that a week before the meeting when the agenda is finalized the Board receives the agenda. It would be accessible to the public if they want it. Town Clerk Finnell will send the Board the agenda when it is finalized and the public can request it if they would like a copy of it before the packet is available.

DISCUSSION AND POSSIBLE CLARIFICATION OF THE AUDIT COMMITTEE ESTABLISHMENT, POWERS AND DUTIES AND POSSIBLE ACTION TO REVISE THE AUDIT COMMITTEE ORDINANCE (SECTION 30.26 AUDIT COMMITTEE OF THE BOC)

Commissioner Kwiatkowski said there has been a number of discussions about the Audit Committee ordinance. She went into the Audit Committee background. She feels there hasn't been a clear charge to them lately. She went through the ordinance and her paper in the packet. The paper makes

suggestions of how she would reword the ordinance in different sections, in addition to a number of the powers and duties she believes would need to be developed by the Audit Committee or the Board. She thinks there needs to be a more clear process and transparency to how decisions get reached and recommendations get made. She provided examples. Commissioner Kwiatkowski stated she thinks an audit committee can bring a great deal of value if they have processes in place and decision making becomes transparent. The three pages are a combination of what she thinks the ordinance should be reworded to say and in many places what she believes the Audit Committee or Board should focus on to define processes and checklists that allow the Audit Committee to follow a procedure to deliver decisions and recommendations.

Commissioner Kwiatkowski said she would move that the Board approve putting together an ordinance that follows a lot of these recommendations so that they can clearly examine and out of this there is a list created of what the Board requests the Audit Committee to develop for their deliverables and their recommendations and that we can come to agreement on this so that the Audit Committee going into next year doesn't have the confusion she is sensing at some of the meetings. Commissioner Freer said he doesn't disagree with most of what was said. He would focus on passing this to the Audit Committee and getting their understanding of the process. Commissioner Kwiatkowski said they are the board for improving the ordinance. Commissioner Freer stated the Board spent six months doing the ordinance. It started different and they were very fluid in making changes. He thinks the Audit Committee should have the autonomy to develop processes. They can come to the Board for approval. They have lots of things in there about process that they are just starting to do. He thinks they are just now getting to a point where they are focusing on a process and trying to figure out a way that they will move forward. Commissioner Kwiatkowski said she thinks it would be helpful if the Board created what it means to the ordinance and pull out what a list is of what the Board would be putting to the Audit Committee and what they think needs to be done. She thinks that would be giving useful direction. Commissioner Kwiatkowski agrees they have a lot of responsibility and knowledge. She thinks there are places where they are not sure exactly what they need to do. Commissioner Freer stated the Board built that into the ordinance. Number 10 says to review and assess the adequacy of the charter at least every two years. It has been less than two years. It is built in to do what Commissioner Kwiatkowski is talking about, but he thinks it is a little too soon. They haven't had an opportunity to do what is already in the ordinance. Commissioner Kwiatkowski stated she has sat through at least two meetings where members ask how to do something they are supposed to do. She thinks the Board can provide suggestions or direction when multiple members are asking questions. The Audit Committee is at the pleasure of the Board; when people are asking for clarification, she thinks it doesn't matter if it is less than a year, the Board should give clarification and direction.

Mayor Pro Tem Fletcher thinks the Town has a very qualified Audit Committee. From his experience it takes a year or two to become an effective Audit Committee member. CPAs need to learn municipal accounting. He recommended leaving it as it is and at the end of another year if they don't bring a checklist to the Board then the Board might take more aggressive action. He said it takes time to be able to do this. Commissioner Kwiatkowski said one of the first things she raised is it seems odd that Audit Committee members only have a one year term. She thinks that it should be a longer service like the other committees. Mayor Pro Tem Fletcher said he can't disagree with that. He explained nobody has been asked to get off of the committee in a number of years. He doesn't think the Board would need to do anything now other than if they choose to change the tenure. Commissioner Kwiatkowski stated she thinks the Board should rewrite the ordinance and take a look at it based on what she is

recommending to see if it provides more clarity and also more of what a committee is supposed to do in terms of oversight. Commissioner Butler said he thinks that he is at a particular point and time that he doesn't want to do anything to micromanage a great group of CPAs. They need more experience in working with the current ordinance than what they have been given. If they have a problem with a specific item in the ordinance they would bring it forward. He said from the meetings he attended there are a couple of things that Commissioner Kwiatkowski recommended that he can agree with, but he doesn't want to send the wrong message.

Commissioner Sullivan stated there are two things that are not addressed in Commissioner Kwiatkowski's memo that he would like to address as a group. The Audit Committee is the only committee that doesn't have public comment and they should. He also thinks that the committee should speak to the Board as a committee. He shouldn't be getting memos from individuals on any committee. If you want to speak on any topic that you are not a committee member, feel free. On a topic you are a committee member you should go through the Audit Committee chair or designee. He shouldn't get memos from various people on the committee; we have had that. Commissioner Sullivan said after the first time he asked the Audit Committee chair if he thought that was appropriate and the answer was he is on the committee. He thinks that it should be put in there that they speak as a committee. Mayor Pro Tem Fletcher said he agrees with that and adding public comment. He said he will make sure both are in effect at the next meeting.

DISCUSSION AND POSSIBLE ACTION TO REDUCE THE NUMBER OF AGENDA ITEMS BY REDUCING THE FREQUENCY OF MANDATED RECURRING REPORTS

Commissioner Kwiatkowski suggested that in the interest of keeping agendas a bit shorter a couple of items that have been reoccurring items be changed. She thinks the Board had requested a monthly update during the completion of Lift Station 4. As we get into Lift Station 3, a quarterly update or an update as needed should be enough. She trusts if something comes up staff would tell the Board. The second is when the Inlet & Beach Protection Board was started and they were charged to do a summary at the end of the meeting it was stated it doesn't have to be a formal agenda item. She said it can be included in the packet, but doesn't need to be a line item. If anything critical is happening, someone from that board would give a presentation. Commissioner Freer asked if the Board can talk about it if it is in the packet and not an agenda item. Commissioner Sullivan said it can be added. Commissioner Freer stated the reason they did it was because the items were important. He is comfortable with a quarterly or as needed sewer report. Town Manager Hewett suggested that the manager cover items like that in his report. Commissioner Butler said he thinks everyone was on the edge of their seat for Lift Station 4. Now that we have experienced it, he has no problem with what Town Manager Hewett is recommending. Commissioner Freer added they can ask Public Works Director Clemmons questions as needed. Commissioner Kwiatkowski agreed she would be satisfied if Town Manager Hewett made it part of his report.

TOWN MANAGER'S REPORT

- The Local Government Commission has approved the audit ending June 2018. They also approved the contract for the upcoming year. We are moving forward with the auditor selected, Jay Sharpe of Rives and Associates, to get the schedule mapped out to get the audit completed in a timely fashion.

- Planning Director Evans has been handpicked to attend the NC Insurance Commissioner's Code College the last week of September. He explained that is a big deal.
- We on-boarded David Wright, the new Public Works employee last week. He is sure Public Works Director Clemmons is glad he has another qualified person on the job.
- Lockwood Folly Bend Widener Navigation Project is part of the alternate bid for the Lockwood Folly Crossing Maintenance Dredging Project. He showed a slide and explained the project. The bid opening on the contract is scheduled for Friday at 2:00 p.m. Still waiting to hear the results of the Biological Opinion from Fish and Wildlife before the widener option can be awarded. The word from the program manager is there is a low risk of not receiving the biological opinion in time to award the option for the bend widener. The county is committed to reimburse the Town for 25% of the local share. They are supposed to give us just shy of \$100,000. Meanwhile, the east end is changing. He showed a picture. Hasn't seen the east end do this since he has been here. Something is going on. We are seeing changes that have not been seen on the east end in the last decade or so.
- Florence and Michael – Environment and Historic section of FEMA is still holding up our project worksheets, as with all coastal projects. We provided additional information. As of right now those two projects are held up in environmental.
- Had a pending \$330,000 reimbursement request in for Matthew that has been held up for some time. We have been denied approximately \$180,000 of that request. Through working with the project manager, we believe the \$180,000 that was denied under Matthew could possibly be approved as an Irene reimbursement. We are reopening the Irene file in order to attempt to qualify those expenses. We are currently working four hurricane reimbursement projects simultaneously.
- Still looking for sand. Had some weather over the course of the last couple of weeks that have delayed the hydrographic survey. Will be proceeding next week.
- Central Reach Project – Proud to announce that Holden Beach has been selected as a spotlight presentation at the October meeting of the American Shore and Beach Preservation Association in Myrtle Beach.
- We are two weeks away from the anniversary of Hurricane Florence. There are still people that are in recovery mode. We were back up in operation, with our sewer system within two – three days. There were some issues to deal with, but all in all people were back in their homes fairly soon. We had a staff member that is just now moving back into her home after being displaced for a year. Get your decals. Have your plan in place, know what you are going to do when a voluntary evacuation takes place. Encouraged everyone to sign up for the automated blast system.

MAYOR'S COMMENTS

- Also know what to do when a mandatory evacuation takes place.
- In regards to what was said earlier if you are ordered to stay on your property, listen carefully. The order may be to stay on the property that you live. One of the problems in the past is someone saying they will stay on their property, but they have other properties and they ride up and down the beach. Be sure to listen to the situation that we are in. Have your plan.
- Moving along in hurricane season. We have been lucky. The big concern is water temperatures up and down the coast. That is what hurricanes consider food and makes them bad and dangerous. We have been lucky so far. Hopes the good Lord gives us a break this year.

- We have two concerts left. If you have never been to one you still have two chances. It is amazing how Assistant Town Manager Ferguson and her staff does a good job with that. It is amazing how we don't have problems at the concerts. People enjoy the family atmosphere. Kids jump up and down with their parents, dancing and having a good time. We don't have fights and disruptions thanks to the good work of the Police Department and the quality of people who live at and enjoy Holden Beach. It is a wonderful thing. Overall thinks we had a good season. Looks forward to finishing up that way.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Fletcher

- Impressed that not one person left the meeting tonight. Great to have people stay through the meeting to hear all of the discussion.
- 2013 was the year the Turtle Patrol had the highest nests at 73. Topped off this year with 104. Had a lot of nests that they didn't know were there. Those are called wild nests. There were seven or eight nests that showed up out of nowhere. It has been really busy on the beach. We are about halfway through that program. A lot of that has to do with the heat in the water. It is up and down the coast. If you get a chance when they have a closing you can see the babies. One nest had 75 and one over 100.
- Thanks for being here.

Commissioner Sullivan

- Thanked everyone who comes.

Commissioner Kwiatkowski

- Thanks for your attendance and everything you do to try and keep us on track.

Commissioner Butler

- Thanked everyone for attending this evening. Thanked his fellow colleagues and staff pertaining to a difficult subject on parking. Looks forward to the next discussion.

Commissioner Freer

- Thanks to everyone.

PUBLIC COMMENTS ON GENERAL ITEMS

No comments were made.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(6), TO DISCUSS A PERSONNEL MATTER, NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(5), TO ESTABLISH OR INSTRUCT STAFF OR AGENT CONCERNING THE NEGOTIATION OF THE PRICE OR TERMS OF A CONTRACT CONCERNING THE ACQUISITION OF REAL PROPERTY AND NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(3), TO CONSULT WITH THE TOWN ATTORNEY

Town Clerk Finnell read the reasons for entering Executive Session.

Motion by Mayor Pro Tem Fletcher to go into Executive Session at 9:25 p.m.; second by Commissioner Butler; approved by unanimous vote.

OPEN SESSION

Motion by Mayor Pro Tem Fletcher to come out of Executive Session at 9:53 p.m.; second by Commissioner Butler; approved by unanimous vote.

ADJOURNMENT

Motion by Mayor Pro Tem Fletcher to adjourn at 9:54 p.m.; second by Commissioner Freer; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk