



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
TUESDAY, APRIL 21, 2020 – 7:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting in the Town Hall Public Assembly on Tuesday, April 21, 2020 at 7:00 p.m. Present were Mayor J. Alan Holden; Mayor Pro Tem Gerald Brown; Commissioners Woody Tyner, Brian Murdock, Mike Sullivan and Pat Kwiatkowski; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; and Inspections Director Tim Evans. The meeting was streamed on the Town's Facebook page and opportunity for comments was provided prior to the meeting due to the restrictions in place for COVID-19.

Mayor Holden asked for a moment of silence and then called the meeting to order.

**PLEDGE OF ALLEGIANCE**

**AGENDA APPROVAL**

*Motion by Commissioner Sullivan to approve the agenda; second by Mayor Pro Tem Brown; approved by unanimous vote.*

**APPROVAL OF MINUTES**

*Motion by Commissioner Tyner to approve both sets of minutes (Special Meeting of March 11, 2020 and Regular Meeting of March 17, 2020); second by Mayor Pro Tem Brown; approved by unanimous vote.*

**PUBLIC COMMENTS**

After discussion on how to address public comment, Town Clerk Finnell read the comments submitted (hereby incorporated into the minutes). Comments were submitted by Pat Crews, Dean and Tracey Thomas and Irvin Woods. Comments will be posted on the Town's website.

**QUARTERLY FINANCIAL UPDATE**

Town Manager Hewett explained the budget report would normally be through the third quarter, but he included two more weeks through April 13, 2020 because that was the day we made our final debt service payment for the entire year. All debt services are paid, that is \$3.54 million across all of the funds. We are in the black for this point in time in the year once we make our fund balance appropriations and account for our interfund transfers. The capital and debt services paid include the Town Hall, EOC, and the BB&T sewer loan. The BB&T sewer loan was retired this year so that is \$661,000 that will not need to be paid in

the upcoming year. The county sewer debt has also been paid; as has the special obligation bond debt service. Town Manager Hewett stated he doesn't know what will happen the rest of the year, but property tax collections are over 98% and accommodations tax collections are above 97%. Interest earnings are strong at \$145,000 spread across all of our funds. All state distributed revenues are on or ahead of schedule. The building inspections revenues are above or on track for what we budgeted. Commissioner Tyner inquired if Town Manager Hewett is saying the Town collected 97% of what was projected for accommodations tax this year. Town Manager Hewett replied yes.

Town Manager Hewett showed a slide and explained the financial information up until April 13<sup>th</sup> (hereby incorporated into the minutes). He explained the red numbers on the slide are because we have larger capital projects that we have encumbered the expense for, but we also appropriated fund balance. Fund balance is not brought into the picture until the end of the year. All of the funds are in the black once you take the end of the year transfers into consideration.

Commissioner Tyner asked for confirmation that the FEMA money is going to BPART. Town Manager Hewett responded yes. Commissioner Sullivan inquired if we will use 40% of the budget in the last quarter of the year. Town Manager Hewett answered that he hasn't gone back to see what it looked like historically for expenses. You have to remember we have some debt services that have been paid. He can tease that data out. He said we are \$900,000 ahead now, but as we go into the last three months our expenses will be eating into that. In the situations where we do have a fund balance appropriation, the net effect if we do come in under budget is we won't appropriate the whole thing. Town Manager Hewett stated right now he believes the Town is in good shape. If you are interested in getting into all line items, we post the monthly budget to actual on our website.

Commissioner Tyner asked if it is correct that in the general fund, a majority of the revenue is ad valorem taxes and other fees. Town Manager Hewett agreed. Commissioner Tyner said so the Town probably collected a majority of what we will get this year. The revenues will probably slow for the next quarter, but expenses will continue so it will probably come out close to zero. Town Manager Hewett said any excess will fall into undesignated fund balance. Commissioner Tyner asked if he agreed that in water and sewer we may have a hit due to a lack of rentals. Town Manager Hewett agreed, but said we have collected a majority of the water revenues. Water consumption pretty much tracks to occupancy tax collection.

## **REPORT ON TOWN HALL GENERATOR**

Town Manager Hewett explained there is a memo in the agenda packets. Inspections Director Evans has been the point man on this. Inspections Director Evans reviewed the tasker from the Board at the March meeting. He has talked to several engineering companies and several generator companies. He also engaged with the NC Department of Insurance. This should be a critical facility. The letter explains why it should be. It goes to the heart of what the NC Building Code requires, the life/safety measures within the Town and what the Town has historically done with the building. It does need to be permanent and we do need it. It appears from all of the technical data that we have and the research done that the original generator was sized almost 100% larger than it needed to be. We need one along the lines of 150 KW. Inspections Director Evans said he thinks the biggest thing for the Board to consider is that the structure was designed with an outside shell, accommodating 100% of the power source and the main feeds. There are numerous panels in the building. To try to isolate them for life/safety and to ignore the critical facility or operations component would not be cost effective. His recommendation would be to get a generator

at 150 KW and if we can, either rebuild or reuse the switching gear that is on the outside and refeed the building at 100% and keep it as a critical facility. We are getting points from the CRS because we designated it as a critical facility.

Mayor Pro Tem Brown said there is a substantial difference in cost from 150KW to 200KW. He asked roughly how much we are looking at. Town Manager Hewett said less than \$100,000 is what the informal solicitation is telling us. That is for turnkey and includes replacing the transfer switch. He said that is probably about half of what the Board saw last month. Mayor Pro Tem Brown asked if the one being looked at is soundproof. Inspections Director Evans replied it will have a sound attenuation. Town Manager Hewett added it also will have some other moisture fighting components. Inspections Director Evans confirmed it can be set up to have its test run period at any time. It doesn't need to be during the day. Mayor Pro Tem Brown suggested having fresh water put on it every 30 days. Town Manager Hewett said we will need to do a better job with maintaining the generator than we did in the past. Inspections Director Evans said he thinks there are components that will make them more weather resistant. Town Manager Hewett explained the informal solicitations included a turnkey set up and to remove the other one. He did not get into if there is a salvage value for the one out there now.

Town Manager Hewett said at this point he has informal solicitations. He recommended that the Board by consensus allow him to proceed with procuring it. The Board already made the budget appropriations. We want to make sure we follow proper contracting procedures. He is worried that there is at least a 12-week lead time in getting the equipment in place after we get the final specs on the design. 12 weeks puts us into August, that's six weeks into hurricane season. We had a power outage the other day that knocked us offline. We are pushing out services digitally and rely on power to do that. Going into hurricane season without having this is a concern. Inspections Director Evans said he does support this. Right now, we have a temporary backup generator in a building that doesn't allow that. It is supposed to be permanently attached. Town Manager Hewett said the temporary one has been procured for 10 more weeks. Commissioner Sullivan asked if the Town needs to send out for bids. Town Manager Hewett responded that he can do it informally. We need to do three. Commissioner Murdock asked if he could include maintenance agreements. Town Manager Hewett replied yes. The informal solicitations included a year's worth of what should be done for maintenance. Commissioner Murdock asked him to have the availability of extended warranties included. He said he doesn't want to buy another one 10 years from now. He said we need to take care of it. He said it needs to be quiet so we don't need to relocate it. Town Manager Hewett said they want to do field visits to determine what is being recommended will work. Commissioner Sullivan asked if the bids will be presented to the Board, along with the contract so they can make the determination. Town Manager Hewett said he would ask the Board to allow him to make the decision on his authority. The Board can delegate contracting authority. The Board agreed they wanted the information to be presented to them.

#### **DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 20-09, AN ORDINANCE AMENDING ORDINANCE 19-10, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2019 – 2020 (AMENDMENT NO. 12)**

Assistant Town Manager Ferguson explained this is a three-part budget amendment. The first part is to recognize overtime funds that were expended during Dorian that will be coming back into the budget. The second part is for Category Z Management Costs for Florence and Michael. We get up to five percent of

the total of the PWs. That will require monthly reporting. The suggested motion is at the bottom of the memo.

*Motion by Commissioner Sullivan to accept it (Approval of Ordinance 20-09, An Ordinance Amending Ordinance 19-10, the Revenues and Appropriations Ordinance for Fiscal Year 2019 – 2020, Amendment No. 12); second by Commissioner Tyner; approved by unanimous vote.*

#### **DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 20-03, DESIGNATION OF APPLICANT'S AGENT (4487-DR-NC, COVID-19)**

Assistant Town Manager Ferguson said in the FEMA world, the COVID-19 Pandemic is looked at like a hurricane. In order to submit paperwork and apply for reimbursements, the Board would need to designate an applicant's agent. She stated the suggested motion has Town Manager Hewett as the primary agent and herself as the secondary agent.

*Motion by Commissioner Tyner that we accept the recommendation naming the town manager as primary agent and the assistant town manager as the secondary agent; second by Mayor Pro Tem Brown.*

Commissioner Sullivan inquired if the Town has incurred any expenses for COVID-19. Town Manager Hewett and Assistant Town Manager Ferguson both replied yes. Commissioner Sullivan asked if the Town has applied for any PPE. Town Clerk Finnell answered yes and we received hand sanitizer and gloves. They do not have masks to provide the Town. Town Manager Hewett explained the Town has not been able to find any masks. He explained the problems with the current supply chain.

*The motion passed by unanimous vote.*

#### **DISCUSSION AND POSSIBLE RATIFICATION OF DECISIONS MADE BY STAFF CONCERNING PAID SICK LEAVE AND EXPANDED FAMILY AND MEDICAL LEAVE UNDER FAMILIES FIRST CORONAVIRUS RESPONSE ACT (FFCRA)**

Town Clerk Finnell explained the FFCRA allows employers to exclude employees who are emergency responders from the leave requirements under the acts. Staff recommended that the Police Department, Public Works Department, inspections director, town manager, town clerk and assistant town manager be deemed as emergency responders. If you need to take leave to care for a child due to COVID-19 you can do that under the Emergency Family and Medical Leave Expansion Act. Emergency responders are excluded from this new qualifying reason of the act. The Emergency Paid Sick Leave Act entitles an employee to take leave related to COVID-19 if the employee is unable to work, including telework because of 1) the employee is subject to a federal, state or local quarantine or isolation order related to COVID-19, 2) the employee has been advised by their healthcare provider to self-quarantine because they are infected with or have been exposed to COVID-19 or because they are at high risk of complications from COVID-19, 3) the employee is showing symptoms of COVID-19 and is seeking, but has not yet received a medical diagnosis; 4) the employee is caring for someone subject to a federal, state or local quarantine or isolation order related to COVID-19, 5) the employee is caring for his son or daughter because the child's school or childcare facility has been closed and 6) the employee is experiencing any other substantially-similar condition. Staff has determined that employees deemed emergency responders are excluded from provisions 1, 4 and 5. Town Clerk Finnell said staff would like the Board to ratify the decisions which are:

The Police Department, Public Works Department, inspections director, town manager, town clerk and assistant town manager are deemed emergency responders; employees deemed emergency responders are excluded from the new qualifying reason in the Emergency Family and Medical Leave Expansion Act; and employees deemed emergency responders are excluded from provisions 1, 4 and 5 of the Emergency Paid Sick Leave Act.

*Motion by Commissioner Sullivan that we accept the recommendation; second by Commissioner Tyner.*

Commissioner Sullivan commended staff for digging into this and for limiting the potential benefit they would get from the bill.

*The motion passed by unanimous vote.*

## **TOWN MANAGER'S COMMENTS**

- Inlet Hazard Areas - has been tabled. The CRC's April meeting has been canceled. The June meeting is TBD. We still have our eyes on it and we will not let it get by us.
- Personnel – The vacant police officer position created by John Duncan's resignation was filled by Brandon Doshier. Brandon was previously employed with us as an officer and was on our reserve force. The vacant fiscal analyst position has been filled by Daniel McRainey. He is a local product of West Brunswick High School. He graduated last year from Wingate University with a BS in Accounting. He is a couple of courses shy of obtaining his Masters. He is currently working part-time until August 1<sup>st</sup> when he will move to fulltime.
- The audit for fiscal year ending June 30<sup>th</sup> is underway.
- Budget for Fiscal Year Beginning July 1, 2020 - Department heads have submitted requests. Worksheets are roughed in. Will need to have abbreviated process this year.
- Lift Station 3 Status – Columns are formed up. Will be poured this week. They appear to be on schedule.
- Brunswick Avenue Paving – The contractor is anticipating a site visit tomorrow, with an April 27<sup>th</sup> start. Still on schedule to do it between Easter and Memorial Day.
- Lockwood Folly Inlet Crossing Maintenance Project – Project is finished. Vegetation and sand fence repair should have started today. If you saw trucks on the beach, they are either the vegetation/sand fence contractor or East Coast Engineering that has started the annual beach survey monitoring.
- Submitted a \$100,000 grant through the Coastal Storm Damage Mitigation Fund for sand fence and vegetation.
- FEMA Dorian – We are now on our 8<sup>th</sup> FEMA program manager. Still waiting approval for the project worksheets for almost \$15 million. There is the \$24 million for Florence/Michael, coupled with Dorian. The idea is to try and do them all as one project.
- Special Obligation Bond – The enabling legislation that we used as the vehicle for the funding of our Central Reach Project was removed, we believe inadvertently at the last session of the General Assembly. There are efforts to reinstate that capability for local governments to use it when the General Assembly meets again.
- Five FEMA projects – We have four hurricanes and COVID-19. It is an ongoing everyday administrative effort to keep the FEMA projects straight. Assistant Town Manager Ferguson is probably the most versed in how to use the federal grants portal.

Commissioner Tyner asked how much money we have outstanding for all of the FEMA projects. Town Manager Hewett said it is \$24 million for Florence/Michael. For Dorian it is another \$14/\$15 million, so the total collective is in the \$40 million range. Commissioner Tyner said that makes it very important that Assistant Town Manager Ferguson work on that stuff. He stated he has had a couple of residents asked if there is anything T.A. Loving can do to park their trucks off of the sidewalks. Town Manager Hewett replied he will look into that.

## **MAYOR'S COMMENTS**

- Thanked citizens, residents, staff and commissioners. All had experiences in the last couple of weeks that we haven't been through before. Overall the comradery has been far better than it could have. It is disappointing to see those who try to sneak around and do things they know they should not be doing. There is so much more good than bad. Today at 12:00 p.m. it was heartwarming to see people out enjoying the beach strand again. The big question is what changes to make our island more friendly to others and when that will happen. Right now, we still don't know what Governor Cooper will do regarding his Stay at Home Order. Understanding is there are hot spots in North Carolina that will peak later in the next few weeks. That makes him feel we may be sitting here a few more weeks without being open to renters. That call will be made after the leaders in Raleigh. We all want to get back to normalcy. Appreciates the tolerance people have shown. Appreciates the criticisms, has received a lot of them. Thank you all for comments, those that are supportive and those with suggestions to make things better. Will take all of those comments and inputs and try to move forward the best we can. The commissioners and staff seem to be running in unison with things that we have done. Hopes we can continue that relationship through the next few weeks as we look forward to seeing an end come to this situation.

## **BOARD OF COMMISSIONERS' COMMENTS**

Mayor Pro Tem Brown

- A lot like Mayor Holden, feels like people have been pretty considerate. Will catch it from some, that is the job. At the rate we are going, we want to be safe above all else. Has some pretty good friends in the rental business. Took a pretty good lashing and that's okay. At the end of the conversation we were still friends. Explained this is nothing personal, we understand. We need to stay focused on life right now. Would love to sit in a restaurant, but it will be awhile. Has to accept that. We are here to serve the good of people. Let's stay together, stay the course, we will be fine.

Commissioner Tyner

- Thanked staff. Knows they have been working very hard over the last few weeks as we have thrown new things at them like closing the beach that they needed to figure out how to enforce it. Unfortunately, we will still probably need to deal with this for another two - three weeks before it gets better. Has also received a ton of emails, calls and texts. Nobody has been particularly ugly and he appreciates the conversations with them. Most of the time people are friendly. Appreciates the feedback. Encouraged people to give feedback. Appreciates the input and cooperation everyone has shown.

#### Commissioner Murdock

- Thanked Mayor Holden, knows he has bore the brunt of this whole thing. Thinks they have all tried to stand behind him on the decisions that he made. Town staff has been great keeping this place open. There were days we didn't know if we would be able to do that or not. Inspections Director Evans has been doing inspections and continuing the economy that we actually have left. Employees still show up every day, although it is not normalcy. To the residents, property owners and general public, pray this ends quickly. Everyone is in his thoughts and prayers every day. Wishes he could fix it and make it go away. Wants everyone to know he feels the pain. Will listen to people complain and pat them on their backs. Keep it coming. None of us want to make these decisions. Hopes and prays that in the short weeks to come this will end and we can get some normalcy. Thanked all for their patience while we push through this.

#### Commissioner Sullivan

- Doesn't think he has anything to add to what the four people before him have said. Appreciates all of the hard work the staff has done. Appreciates the cooperation we have had from visitors and residents. Walks every day on the sidewalk. Didn't see any problems when the beach strand was closed. People were considerate of each other. Loves the beach as much or more than most, but we had to live without it for a while. Now we can live with it. If you look at this month's water bill, if you have a problem paying your bill there will not be a penalty and the Town will not stop service. We appreciate if you do pay, but if you have a problem, don't be concerned because you have a grace period.

#### Commissioner Kwiatkowski

- Echoed everybody's appreciation of the patience people have shown. On the whole, was pleased at the county and beaches, everyone's messages to owners to please stay home for the holiday. Let's get on top of this. It was not a normal Easter. We didn't have that many people come. 95% of the people on the island were staying off the beach. People who were going on the beach were at least moving on the beach. On a whole, thinks there was really good cooperation. Hopes this will be behind us soon. If we are going to see a repeat in the fall, we have a lot of experience in what to look for and different steps that we can take as necessary. We just need to watch how this develops and hope it doesn't come back up. We have certainly built experience if we have to do some things again.

### **EXECUTIVE SESSION PURSUANT TO N.C.GS. 143-318.11(A)(6) TO DISCUSS A PERSONNEL MATTER**

Town Clerk Finnell read the reason for Executive Session.

*Motion by Commissioner Kwiatkowski that we go into an Executive Session, Closed Session at 8:07 p.m., pursuant to the rules of N.C.GS. 143-318.11(A)(6); second by Commissioner Murdock; approved by unanimous vote.*

### **OPEN SESSION**

The Board went into Open Session at 8:12 p.m. No action was taken.

**ADJOURNMENT**

*Motion by Commissioner Tyner to adjourn at 8:13 p.m.; second by Mayor Pro Tem Brown; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk