



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
TUESDAY, NOVEMBER 17, 2020 – 7:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, November 17, 2020 at 7:00 p.m. in the Town Hall Public Assembly. 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; Police Chief Jeremy Dixon; Inspections Director Tim Evans; and Fiscal Operations Supervisor Margaret Lancaster. The meeting was streamed on the Town's Facebook page and an opportunity for public 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 Mayor Pro Tem Brown to approve the agenda as presented; second by Commissioner Murdock; approved by unanimous vote.*

**APPROVAL OF MINUTES**

*Motion by Commissioner Sullivan to approve the minutes of the Regular Meeting of October 20, 2020 as written; second by Commissioner Kwiatkowski; approved by unanimous vote.*

**PUBLIC COMMENTS ON AGENDA/GENERAL ITEMS**

No comments were made.

**PRESENTATION OF FISCAL YEAR 2019 – 2020 AUDIT RESULTS – ELSA WATTS, MARTIN STARNES AND ASSOCIATES**

Town Manager Hewett reported the audit was submitted on time. It was reviewed by individual members of the Audit Committee, with their comments being provided to Ms. Watts. We received word late last week that the audit was approved by the Local Government Commission (LGC). He introduced Elsa Watts.

Ms. Watts said the Town received an unmodified opinion; this is a clean audit opinion. There were no findings in the audit this year. There were two findings in the 2019 audit; both were corrected. She thanked the staff for their working relationship with Martin Starnes.

Ms. Watts explained there are five classifications of fund balance, which is the measure of financial resources available. There is non-spendable fund balance which is not in cash form; restricted fund balance, which is subject to external restrictions by laws or grantors; committed fund balance which requires Board action; assigned fund balance which has lower level of constraints than committed; and unassigned fund balance which has no constraints. The LGC defines available fund balance as total fund balance, less non-spendable items, less items restricted by state statute. They use this calculation to compare the Town to other units. The general fund has a total fund balance of \$3.2 million. There was stabilization by state statute of \$127,000. This gives the Town an available fund balance of \$3.1 million. This is an increase of available fund balance of \$616,000. Looking at the available fund balance as a percent of expenditures for the general fund, it was at 122%. The LGC requires a minimum of 8%. This means the Town has approximately 15 months of fund balance that can cover general fund expenditures. Total fund balance for the general fund was at \$3.2 million, this is an increase of \$619,000. You can see there has been steady increases since 2018. Revenues for the year in the general fund total \$3.6 million. This is a slight decrease of about 2%. Expenditures remain flat at \$2.5 million. The top three revenues of the general fund were comprised of property taxes at 75%, permits and fees at 8% and unrestricted intergovernmental revenues at 7%. Other revenues made up 10%. Property taxes remain steady at \$2.7 million. The tax collection rate was 98%. Unrestricted intergovernmental revenues were at \$265,000. This is a decrease of about 8% due to some decreases in utility franchise taxes. Permits and fees were at \$296,000. This is an increase of about 4%. The top three expenditures in the general fund were general government which made up 33%; public safety which made up 38%; and transportation at 13%. Other expenditures made up 16%. General government expenditures were up about 5%, up to \$833,000. Public safety expenditures were down 5%, about \$975,000. Transportation expenditures were up 8% due to more street paving and equipment. That was \$324,000.

In the water and sewer fund there was required debt service of \$744,000; charges for services of \$1.8 million; and unrestricted net position of \$2.9 million. The quick ratio measures your ability to meet your short-term obligations with your most liquid assets. The Town had current assets of \$2.8 million, divided by the current liabilities of \$199,000 for a quick ratio of 14.35. For cash flow for water and wastewater, the Town has cash flow of operations of \$680,000, debt service of \$744,000. This gives a cash flow less debt service of -\$63,000.

Ms. Watts confirmed that she answered the questions of the Audit Committee and that none of the questions were material questions. Commissioner Tyner said it is a big accomplishment and asked if Ms. Watts feels comfortable that the two deficiencies have been addressed. Ms. Watts agreed. The Board thanked Town Manager Hewett, Fiscal Operations Supervisor Lancaster and the rest of the Finance Department for their work.

## **POLICE REPORT – CHIEF DIXON**

Chief Dixon said in the beginning of October we had a string of car b&e's that started around the city streets. Officers were able to quickly apprehend those two suspects. Chief Dixon talked about business checks and keep checks.

## **DISCUSSION AND POSSIBLE ACTION ON EMPLOYEE HEALTH BENEFITS**

Commissioner Sullivan reviewed the background of the MAPS Study. The Board didn't address the fringe benefit for insurance premiums when the study was reviewed. In the study, most of the towns pay full cost of benefit for their employees. He said the difference is in family insurance. The chart shows it ranges from 0% to 80%. He asked the Board if they would like to discuss whether to change the contribution that the Town makes towards the health benefits for employees.

*Motion by Commissioner Sullivan that he would like to discuss the issue. No second was made.*

## **DISCUSSION AND POSSIBLE ACTION ON LEGAL SERVICES PROPOSALS**

Town Clerk Finnell explained that the Town received two proposals in response to our Request for Proposals for legal services. They were from the Law Firm of Richard F. Green and the Brough Law Firm. Commissioner Kwiatkowski inquired if the Board could solicit for more responses before they proceed. Mayor Holden suggested that the Board could see if Noel Fox would provide interim service as needed. He would also like to have more than two responses to consider. Mayor Pro Tem Brown said Mr. Green is a taxpayer and he is right here. He suggested he might serve as interim attorney. Mayor Holden added he has served in the past. Commissioner Kwiatkowski said Ms. Fox could step right in because it is a continuation of things she was doing for a couple of years.

*Motion by Commissioner Kwiatkowski that we put out a request again to see if we can get some more proposals from additional legal firms; second by Commissioner Tyner.*

Town Manager Hewett said that Ms. Fox has expressed willingness in the past and recently to assist the Town on an interim basis if the Board is so inclined. We are using her to work on the Central Reach Project easements already. He has not reached out to anyone else at this time. The Board discussed soliciting additional responses since the current workload is high for attorneys and it is the holiday season.

*The motion passed by unanimous vote.*

Commissioner Sullivan said it makes sense to use someone that is familiar with the Town, familiar with the issues we are facing and who is already working on some of those issues.

*Motion by Commissioner Sullivan that we ask Noel Fox if she will fill in as the interim Town attorney as needed; second by Commissioner Kwiatkowski; approved by a vote of 4 – 1 with Commissioners Tyner, Murdock, Sullivan and Kwiatkowski voting for the motion and Mayor Pro Tem Brown voting in the negative.*

## **DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 20-13, DESIGNATION OF APPLICANT AGENT FOR ISAIAS**

Assistant Town Manager Ferguson said the Town was recently informed by the NC Department of Public Safety that it is time for us to complete the Designation of Applicant Agent form. The Town has to designate a primary and secondary agent. She stated we found out this was required to go before boards

before, but they are not requiring board approval with moving to the all digital portal system. In the future it may not come before the Board.

*Motion by Commissioner Sullivan that we designate Town Manager David Hewett as the primary applicant agent and Assistant Town Manager Ferguson as the secondary agent on the FEMA resolution; second by Commissioner Tyner; approved by unanimous vote.*

## **DISCUSSION AND POSSIBLE ACTION ON A REQUEST FOR A NEW AUDIT ON TRASH CAN NUMBERS AT RENTAL PROPERTIES**

Commissioner Kwiatkowski said rental properties are supposed to have at least one bin per two bedrooms. There were problems a couple of years ago. An audit was completed, letters were sent out and the situation improved.

*Motion by Commissioner Kwiatkowski that the Town conduct another audit of the rental properties and the number of trash bins they have and then take action as necessary for compliance so that we go into the next rental season with enough trash bins again; second by Commissioner Sullivan.*

Town Manager Hewett said the enforcement agent is Rhonda Wooten, the code enforcement officer. Inspections Director Evans provided information on the last audit conducted. There was a lot of negative feedback from the letters. They do monitor the situation during the summer. They take action when they find a situation where someone isn't in compliance. Inspections Director Evans stated that they do not get a lot of complaints about trash cans and trash. He said the problem with doing an audit is that we are basing our numbers off someone else's information. The only other way to get it is to go on people's properties and he doesn't think you can trespass to tell if they have enough trash cans. Some people have the correct amount of trash cans but may not be using them. It is a difficult task with two people to audit the entire beach to determine if they are meeting the ordinance. Inspections Director Evans suggested putting a message on the water bills. Mayor Holden said at this time of the year a lot of the rental homes have some of their trash cans in storage or in garages. Commissioner Kwiatkowski suggested asking the rental companies to send a letter and remind their owners of the requirements.

*Commissioner Kwiatkowski withdrew her motion, with Commissioner Sullivan in agreement.*

Commissioner Kwiatkowski asked if the Town could send out a reminder of the requirements in the water bill. Town Manager Hewett said staff will take care of that.

## **DISCUSSION AND POSSIBLE ACTION TO APPROVE THE FORMATION OF A PARKING WORK GROUP**

Commissioner Tyner said he and Commissioner Murdock prepared a document that explains why they want to look at parking (hereby incorporated into the minutes).

*Motion by Commissioner Tyner that they would like the Board to approve them forming a parking committee or parking work group that would be staffed by him, Commissioner Murdock and the appropriate town staff members to look at parking, second by Commissioner Murdock.*

Commissioner Tyner explained that they would like the parking committee to look at: 1) paid parking opportunities, 2) improving Jordan Boulevard, 3) boat trailer parking and 4) Avenue A. He said this is not an all-inclusive list. He reviewed their document that included history of prior committees and several events that have occurred that prompted the need to revisit the parking issues. Commissioner Murdock added as a Town, we have taken for granted there will always be a place to park. Privately owned tracts of land have been used for public parking for years. As properties are being developed, those are going away. Various tracts of land that people have parked on for years have gone away. People are not going to stop coming. The Town does incur a substantial expense in providing services for police, trash and restroom facilities. The technology has improved where an attendant would not need to sit on a lot, you could use an app. We need to cover the expense of the people who come to enjoy the beach. Commissioner Murdock said the Town needs to designate some areas and possibly acquire additional property while it is available. He wants people to enjoy the beach and they need a place to park.

Commissioner Kwiatkowski stated she doesn't believe the Town needs to purchase additional property. We do have additional land on the west end. People on the east end have complained that the parking was all concentrated in their area. She is all for taking the land we have and creating parking lots. She is all for maximizing what the Town has. She is not convinced paid parking will help the police. She doesn't see spending money on parking, even if it is paid parking, as a good use of Town funds. Commissioner Kwiatkowski suggested maximizing what the Town has first before getting a paid parking estimate. Commissioner Tyner said he doesn't disagree with anything said, other than he does think the Town needs to look at paid parking. We won't know until we go through the business case. He thinks with the technology changes that the Town needs to look at it. He agreed the Town needs to organize existing parking. Commissioner Kwiatkowski said until you have the number and locations of spots, she doesn't know how you could do a business plan. Commissioner Sullivan said he thinks Inspections Director Evans could provide a number of how many spaces the Town has because of what was done a couple of years ago.

Commissioner Sullivan asked about having residents on the committee since the study would affect the whole Town. Commissioner Tyner said because of COVID restrictions he doesn't think public members could be on the committee. Commissioner Sullivan stated he is all for paid parking if the business model shows the Town will make money instead of spending it. In order to possibly be able to make it economically viable, you would need to do away with free parking. He thinks we need input from the people who live on the island. Town Manager Hewett suggested if the Board has an item they want to investigate, they should have the professional staff gather the information and bring it back to Board. You get feedback from citizens when information is put forth for a decision to be made. Commissioner Sullivan said he was on the Sewer Advisory Committee. Everything being done now came as a result of that committee. The Board decided to get a second opinion and it was the exact same as the first. He said there are times when citizens don't have as much expertise as the staff, but the Town did benefit from the Sewer Advisory Committee. He said before we have a committee comprised of anybody, we should find out if the people of the Town want it. If the people think it is beneficial, then we will let the experts in the Town do the work to formulate a plan. Commissioner Kwiatkowski agreed with Commissioner Sullivan that finding out if the public wants paid parking is important. She doesn't think that would stop the Town from maximizing parking on the properties the Town currently owns before next season. Commissioner Murdock said paid parking was a small piece of this. We need to designate parking. Paid parking is just on the table. He wants to maximize what we have. People are parking on private property. The Board further discussed parking, to include parking for the boat ramp and resident parking.

Commissioner Tyner would like to look at maximizing parking, a proposal for paid parking and the cost benefit of it. Inspections Director Evans said both previous committees came to the conclusion that paid parking was not viable at the time. He provided information from the previous committees and the Planning & Zoning Board. The report from the previous committee was discussed.

*The motion passed by unanimous vote.*

## **TOWN MANAGER'S REPORT**

- Central Reach Permit Status – Held the CAMA scoping meeting the last week of October with various state and federal agencies in response to our submittal of the permit modification. Several items came out of it, but the big one is we will have to look at regrading sand samples from our previously permitted project in 2016 and the most recently collected samples. Fran Way is performing that service for us. We conducted the initial discussion with the easements attorney for the expanded template properties. That sets the stage for the attorney to meet with the Board in January to discuss any required actions by the Board.
- Federal Advocacy – yesterday was filled with virtual meetings to conduct advocacy briefings with our Congressional delegation and federal agencies. He, along with Commissioners Sullivan and Kwiatkowski and Assistant Town Manager Ferguson were chaperoned by Mike McIntyre from Ward and Smith and Stephanie Missert and Roger Gwinn from the Ferguson Group and engaged with the offices of Senator Tillis, Senator Burr and Congressman Rouzer, in addition to David Leach, Corps Assistant Secretary for Project Planning & Review, Sue Wilcox, Corps Senior Water Resources Planner and Gary Waxman, General Attorney, Office of Management and Budget. Thinks it was positive on all fronts.
- Street Petition Status – sent out the first letters to Deal, Seagull and Canal property owners mid-September. Just recently sent a second request out as a friendly reminder. The return by date is December 5<sup>th</sup>. Affirmative response: Seagull – 14, Deal – 4 and Canal – 2. If there is an opportunity to take advantage of low fuel prices and paving being able to be done at an economical cost now is the time to do it. There is a NCDOT paving pause due to their overspending. Now is the time to get good prices and a favorable bid climate. The maintenance we are continually having to do is not cost effective, especially on Seagull. As it continues to be developed, it will be unrealistic to have the road graded all the time. It will not be cost effective. If you are so inclined get the petitions into us.
- Parks & Rec Master Plan Requests for Proposals – has been advertised and is out on the street for solicitation.
- Sewer Lift Station 3 – Currently in operational test mode subject to final completion and inspections. Major items completed or nearly complete include the pump station building including insulation, drywall, siding, metal roofing and interior stairs; ground level breakaway walls; elevated pressure-treated decking; vacuum pump skid including existing system modifications; electrical including vacuum station equipment and gas monitoring system; HVAC units; and access hatches and roof scuttle. Ongoing work includes existing equipment and electrical demolition, installation of light fixtures, unit heaters, doors and sound absorbing panels, interior and exterior finishes and site restoration. Contractor remains on schedule to complete on time and is within budget. It sets up for the next evolution for the engineering of lift station 2, with the engineering RFP and package to be developed after the new year.
- Renter for 796 OBW is in.

- Surveying for the canal subdivisions began last week in anticipation of gaging the canal conditions by new year.

Commissioner Murdock asked if there were any negative responses to the petition process. Town Manager Hewett answered there are a couple. If someone doesn't turn their petition in it does not count.

## **MAYOR'S COMMENTS**

- Is sure everyone is aware of the governor making an announcement today in regard to future dealings with the COVID matter. Those in the tourism business are really interested and concerned about what the future holds. We all remember what happened in the spring when we had to close the island to reservations. There are a lot of rumors going around that we might see that in the near future again. Concerned about reservations for the upcoming season. Will all keep our eyes and ears open and deal with it as we have to.
- We talked about paving the streets. Disappointed with the amount of conversations had with different owners in consideration. For those who live on those streets, please let your voices be heard. Realize that it is expensive to grade and haul coquina to continue to try to maintain these streets, versus the one long-term solution.
- This Wednesday we have a meeting at the county complex concerning the inlet waters, beach nourishment programs and inlet maintenance. Continuing to hear more and more complaints about the Lockwood Folly Inlet. The Town is doing the best we can thanks to the town manager, the assistant town manager and others that are staying in touch with the powers to be. This is something we are paying attention to. To his knowledge we are doing everything we can in the environment we are dealing with. The Town is continuing to stay on top of that.
- Received a letter from an oceanfront owner in regard to beach vitex. If anyone thinks they might have it, let the Town know and we will do what we can.
- Thanksgiving – is sure the other rental companies are enjoying reservations being made for Thanksgiving. Encouraged residents and property owners to be mindful of the potential announcements and directives from the governor in regard to events over the holiday period.
- Happy Thanksgiving to everyone. Thanks for being here.

## **BOARD OF COMMISSIONERS' COMMENTS**

Mayor Pro Tem Brown

- Thanked Chief Dixon and the police. One of his neighbors thought she lost her dog. Thanked the officer for his assistance. He was very good and reassuring. He really did a great job.
- Coming up on Thanksgiving, with travels be safe. Stay out of big crowds. Be thankful for our time together and let's have a great Thanksgiving.

Commissioner Tyner

- Wished everyone a happy Thanksgiving. Particularly with his health challenges during August and September he is especially thankful for this Thanksgiving.

Commissioner Murdock

- Wished everyone a happy Thanksgiving. Use your heads, stay safe.
- Thanked staff for their hard work and the Board. They are doing the best they can up here.

- Would like to hear from people on parking.
- Urged the people of Seagull, Deal and Canal to turn their petitions in while we can do something about this. Fear is the Town can't maintain the streets as people are accustomed to.

#### Commissioner Sullivan

- Thanked all veterans on Holden Beach. Last week was Veterans Day. Usually the Town has a luncheon to show our appreciation. We couldn't do the luncheon because of COVID-19. Rest assured that he, the Board and the Town are greatly appreciative of your service. We are very thankful for everything you have done for us.
- COVID-19 - If you watch tv or read the paper you realize it is increasing. Even here in beautiful Holden Beach, even though it is less populated than it was a couple of weeks ago, be careful. Try to protect yourself and everyone you love.
- Chief Dixon mentioned the arrest made. Spoke to the arresting officer. In addition to apprehending the people, the officers were able to recover a revolver that was stolen from one of the cars. Very good police work. Appreciates that.
- Yesterday he and Commissioner Kwiatkowski, along with Town Manager Hewett and Assistant Town Manager Ferguson spent a long day having video conferences with the people who can influence what is done in the Lockwood Folly and for beach nourishment. It was interesting to see how you need to maneuver. You can't dance with this group if you don't know the steps. Good to see how former Congressman McIntyre was able to lead in the dance. Spoke to both senators and Congressman Rouzer. The three of them are going to send a joint letter supporting the positions Holden Beach is asking for. At this point we are doing everything that can be done and are doing it in the right way to accomplish what has to be accomplished to keep Holden Beach viable and beautiful for as long as we are here and our grandchildren are here.

#### Commissioner Kwiatkowski

- Thanked everybody who listened in today. It has been a really good meeting with a lot of discussion.
- The beneficial use of sand from the Lockwood Folly Inlet dredging was discussed a lot at the meetings yesterday. Doesn't think there is any question that the people in the meetings believe that the way it has traditionally been done, the way we say it should continue to be done is the best way to do it. There are things in the system they need to work through. Thinks given time it will come back to where it needs to be. The Corps was very complementary on how organized we are and how aware we are of the proper steps to take. We have a very professional lobbyist and Town staff that know what they are doing and how to proceed. The Corps is listening to us and giving advice on how to do the next steps better; they don't have to tell us the steps to do. Was there last year as well as this year. Felt very encouraged in one area in particular. We have been trying to get proactive funding established for beach maintenance/beach nourishment activities. If you spend a dollar now it can save \$6 in disaster relief. This Town spends close to a half million dollars a year on routine maintenance. It was encouraging that Congressman Rouzer said there is some traction on the idea that there needs to be stuff done to help prevent the disaster, for resiliency. He said it will take time, but there is a consistent murmur about this making sense. We need to be in this for several years. We are doing a good job.
- Wished everyone a happy Thanksgiving.

**ADJOURNMENT**

*Motion by Mayor Pro Tem Brown to adjourn at 6:38 p.m.; second by Commissioner Murdock; approved by unanimous vote.*

---

J. Alan Holden, Mayor

Attest:

---

Heather Finnell, Town Clerk