



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
THURSDAY, MARCH 31, 2022 – 2:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Thursday, March 31, 2022 at 2:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Rick Smith; Commissioners Gerald Brown, Brian Murdock, Page Dyer and Pat Kwiatkowski; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Lieutenant Frank Dilworth; Public Works Director Chris Clemmons; Inspections Director Tim Evans; Fiscal Operations Supervisor Margaret Lancaster; Budget & Fiscal Analyst Daniel McRaney; and Town Attorney Rick Green.

Mayor Holden called the meeting to order.

**PUBLIC COMMENTS**

Nobody was in the audience.

**DISCUSSION AND POSSIBLE AWARD OF CONTRACT FOR ROADWAY WORK (SEAGULL DRIVE)**

Town Manager Hewett explained we received one bid in the amount of \$208,150 for the paving of Seagull. It equates to a \$1,000 increase per 50' lot. Previously it had been communicated to the people on the street that the assessment would be \$1,450 per 50' lot. He went over the Board's options. If the Board chooses to award the contract to Highland it will require approval of the budget amendment to appropriate an additional \$100,000. He reviewed the reasons for the increase in the memo provided by Right Angle Engineering. Highland has done good work for the Town in the past. Town Manager Hewett explained the Town would need to go back through the whole petition process if we contacted the property owners to see if they still would like to move forward.

*Motion by Commissioner Brown that we move forward with the paving of Seagull; second by Commissioner Kwiatkowski; approved by unanimous vote.*

*Motion by Mayor Pro Tem Smith to approve Ordinance 22-06; second by Commissioner Brown; approved by unanimous vote.*

## **DISCUSSION AND POSSIBLE ACTION ON SETTING 2022 BOARD OF COMMISSIONERS' OBJECTIVES**

Commissioner Brown said at the end of Heron Landing Wynd Drive, he would like the Town to work and get an easement to get into the dyke area for the Town and put a dog park there. Mayor Holden said the dog park is already in the goals. The Board agreed to add the item under infrastructure. Mayor Holden suggested wording it as easement from east end of Heron Landing Wynd. Commissioner Brown said there is an easement from Heron Landing Wynd 1 and 2. He would like the Town to gravel or do something to open it up. It ties the two subdivisions together. Commissioner Kwiatkowski asked if this area was one of dog park locations mentioned in the Parks & Recreation Master Plan. Assistant Town Manager Ferguson doesn't believe that was evaluated, but she would need to look in the plan. The Parks & Recreation Advisory Board did discuss a dog park as an objective, it is just the point of finding a property to do it.

Commissioner Brown said at the end of Swordfish the Town owns a chunk of property. He asked if we could put a public walkway to have access to the waterway. He suggested we apply for a grant. After discussion, Assistant Town Manager Ferguson condensed the request to be added as passive recreations pursuits at street ends and walking connectivity.

Commissioner Kwiatkowski saw how many of the objectives have to do with four main projects, pier property, parking, infrastructure and 796 Ocean Boulevard West. She pulled together descriptions of each one, with assumptions of what she thinks will be done before the end of this fiscal year so the objectives for next year are based on what needs to be done. She explained it could be a start to have a more thorough description of these objectives. She reviewed the page she provided to the Board (hereby incorporated into the minutes).

Town Manager Hewett explained for the pier we are awaiting the underwater inspection response from the dive crew back to the consultant engineer. He thinks the Board will see something in May. An approved site plan for the building and access lot should be around the same timeframe. Assistant Town Manager Ferguson is working on CAMA and PARTF grants that will require site plans to be developed. Assistant Town Manager Ferguson said both grants will be on the April agenda for the Board's consideration. PARTF is due May 1<sup>st</sup> and the access grant is due to DCM on April 22<sup>nd</sup>. Conceptual plans will be developed that will be suitable for the grant applications. Town Manager Hewett said as far as temporary restroom facilities, it depends on what the Board would like to do. We have run the preliminary numbers. Basically, some type of three fixture trailer would be about \$6,000 a month. On an annual basis that is above \$50,000. That type of money could be better leveraged for making the permanent improvements to the real restrooms. Temporary restroom facilities for this season would be defined as porta-potties. There will be an ordinance amendment coming to the Board at the April meeting. The vendor has been onsite with the Police Department and Public Works to lay the parking lot out. He said he has gathered from the Board it is acceptable with getting food trucks vendors lined up. Town Manager Hewett said the infrastructure is in place and with help from the Public Works Department, it could be operational by Memorial Day. Making the RV slots would be a question of the utilities. We have not done a full operational assessment of those utilities yet, but we think we have enough to work with. There should be five or six spots there. That is also part of the operational assessment. A system would need to be put in place on how we would manage the rentals.

Town Manager Hewett said he didn't see anyone shaking their head no when he mentioned the porta-potties. He asked for a consensus to affirm the willingness to develop the vendor relationship on placing food trucks so it could be set into motion. He said there is a lot that will go into pulling this together, other things will need to be put aside. Mayor Pro Tem Smith asked if the RV spots could be used for food spots. The other members would like to keep that area as RV. Putting the trucks somewhere else and getting revenue from the food trucks and RV spots was discussed. The Board did not mention any issues on moving forward.

The Board talked about the access at the pier.

Bathrooms were discussed. Moving forward would depend on any permits that would be necessary. Using an architect to design the bathrooms was discussed. Inspections Director Evans suggested having an engineer design the bathrooms. How to move forward was discussed. Town Manager Hewett reminded the Board we need to get the results of the underwater inspection first. It will determine what can be done, in relation with the building. Inspections Director Evans needs to do a formal safety inspection of the inside of the building. We understand these things need to be done, but it is probably prudent for the staff to bring back the best mechanism to do that.

Commissioner Kwiatkowski said she wrote a number of things under fiscal year 22/23 for the Board to look at. She reviewed the items on her list.

Assistant Town Manager Ferguson explained the grants that will be before the Board in April. There will be the PARTF grant which will be \$500,000 for land acquisition management and a DCM grant for improvement. That one is for a Hatteras ramp construction and a walkway. She provided details on the grants and the process. Timing of construction/reimbursement was discussed. Lieutenant Dilworth went over the plan for handicap spaces at the pier. Commissioner Kwiatkowski said for the compliant access on her list, the best thing would be to change it from prior to the 2023 season to be completed as soon as possible, which would feed into the grant approval.

Town Manager Hewett asked about the item creating a specific budget section within BPART for the pier property. Commissioner Kwiatkowski used when Oak Island was doing a project as an example. She would like to have line items so the costs go against what the remediation/renovation is. She would like the costs to be clear. She said it would be a good idea to have subsets.

Commissioner Kwiatkowski said the Capital Improvement Plan would be laying out the multiyear best guesses for the whole project.

Commissioner Kwiatkowski said these are her thoughts but she is assuming the commissioners think it is reasonable. Commissioner Murdock agreed and would like to prove it is not a revenue mistake. Commissioner Brown said the main thing is to apply and get all the grant money we can. He said go ahead and start making money with parking, the food and the RV spots. He said get it up and running on the things we can do and keep moving. Commissioner Dyer agreed to get some activity while waiting on the grants. Town Manager Hewett said we want to get all the grants we can qualify for but at some point, looking at grants as the solve all is equivalent to being pennywise and pound foolish. If there is a need to develop the public access, he believes we could do a shorter-term solution for emergency access, but it wouldn't be a full-blown Hatteras ramp and it wouldn't be a fancy structure. He said Mr.

Bass has indicated we could use the existing access for the next year or so. Mayor Holden suggested Mr. Bass could be the Town's agent to lease the RV spots.

Commissioner Kwiatkowski went over the parking section of her writeup. Town Manager Hewett mentioned the budget amendment the Board will see at the April meeting concerning parking.

Commissioner Kwiatkowski talked about her infrastructure grouping.

Town Manager Hewett went back to parking where it says includes bulkheading the marsh side streets and 800 block lots. It is clear to him that the 800 block lots are a very clear candidate for that. To what degree the marsh side streets are he does not know. Commissioner Kwiatkowski said it could be changed to includes preparing marsh side streets and 800 block lots for parking. Then any step necessary to do that would fall under that. Commissioner Murdock said bulkhead may be the wrong word, but if we don't do something the delineation will be different a year from now. Commissioner Kwiatkowski said it could be changed to include stabilizing marsh side streets and 800 block lots for parking. Town Manager Hewett stated he wanted to point it out, but we could leave it. We have a wetland delineation coming that will hopefully clarify it.

Town Manager Hewett asked about a complete master e-map. Commissioner Kwiatkowski would like an electronic version of parking on the island to be created. Lieutenant Dilworth is already working on it. Commissioner Kwiatkowski said that can be taken off if it is being worked on.

Town Manager Hewett talked about the item concerning meet presumed Corps' requirements. He cautioned the Board to not engage in hyper speculation on where the Corps' required parking for the recommended beach might be. That is a black hole that will consume time and energy. Without having the Corps' evaluation, it is an exercise in futility. Commissioner Kwiatkowski stated there is enough guidance that we can see where we don't meet the requirements and think about what needs to be done. Town Manager Hewett stated his position is the Corps will make their determination as to what the fit of the beach is and that is what will determine it. We were told that it would be done within a year. Whether or not this is the case he is not sure. One of the prime directives we get for participation in a 50-Year Project is don't buy any real estate until you are well down the road for being signed, sealed and delivered.

Assistant Town Manager Ferguson said that she and Town Manager Hewett talked to Mr. McIntyre and his associates last week. They will be sending over some paperwork. We are trying to get congressional spending. Congressman Rouzer can put forth three projects for us. At this time what we highlighted is to make sure the Corps includes their portion of the beach project for the 50-year study, the sewer lift station and for stormwater. If the beach project was already taken care of, the alternate would go to body cameras for the Police Department.

Assistant Town Manager Ferguson asked if the Board wants to not include grant money for the pier bathrooms. She explained how a PARTF grant works. You need to have four elements. If you take the public restrooms away and construct them ahead of time, she is not sure if there would be a 4<sup>th</sup> element for that grant. How to proceed was discussed. Commissioner Kwiatkowski said it would be renovate building (to include ADA restrooms) and lease out – target completion no later than calendar year Q1 2023 if grant is not available. Town Manager Hewett said if the Town gets the grant for land acquisition,

he does not think we would also get one for development. Commissioner Kwiatkowski said she would write it to say if grant is not a consideration.

Commissioner Kwiatkowski went back to infrastructure. She said in the upcoming year the Board needs to make a decision if the Town will move forward with lift station 2. Town Manager Hewett said for lift station 2, it is a matter of calling Leo Green and saying to put it out to bid. The heavy lifting is done, it is a timing issue. Mr. Green is working on a proposal for financing.

Mayor Pro Tem Smith asked about American Rescue Plan funds. Town Manager Hewett replied the Town has a \$200,000 appropriation. The first half came in this past year and the second will come in the next fiscal year. The \$200,000 was budgeted for the projected stormwater fix on Ocean Boulevard.

Commissioner Kwiatkowski stated there is the second water tower needs assessment that needs to be done before any decisions are made. Town Manager Hewett said that was specifically addressed in the Land Use Plan. The plan was discussed. Inspections Director Evans recommended amending the plan if there are changes to language that need to be made. He plans on bringing some proposed changes to the July meeting. Town Manager Hewett said in the meantime they will put funds in the budget for the assessment.

Commissioner Kwiatkowski said the Board has to confirm what they expect 796 to turn into before planning can be done. Whether the work gets done next fiscal year will depend on money.

Commissioner Kwiatkowski said those are the four projects that she pulled out. It removed items from the objectives list that the Board needs to score. The Board discussed how to proceed. They went through list and what to cross out based on Commissioner Kwiatkowski's document.

The Board talked about waste stations. They discussed crosswalks and meeting dates.

Town Manager Hewett asked about the item that reads expand detail in budget lines covering Professional Services to enable understanding of which firm has received reimbursement and for what purpose. Commissioner Kwiatkowski said the Professional Services line doesn't say who the contract is with. Town Manager Hewett asked if she means showing a line item in the budget for each firm the Town contracts with. That is not a GAAP acceptable practice, you organize by function. Commissioner Kwiatkowski said you could have subsets for clarity. She said it is a question you frequently get. Town Manager Hewett said he has not received any questions. He had one question in 10 years on a budget line item. If there are questions related to line-item budgets, the detail is available. This is creating a process that is not necessary. He said if there are questions, they can be relayed to him, instead of creating a whole separate accounting system to answer a question.

Town Clerk Finnell will send a revised list to the Board to score. Commissioner Kwiatkowski will make the changes on the consolidated objectives and send it.

Assistant Town Manager Ferguson asked for clarification on adding bike racks. She explained the current program. The need to increase the amount of bike racks was further discussed.

Commissioner Kwiatkowski asked if the Town would need to increase the budget for our share of the bike lanes. Town Manager Hewett responded that if there should be an increase in the portion of the bike lane that we are signed up for, GSATS should pick up the delta on that.

Town Manager Hewett explained that regarding the FEMA project, the heavy lifting on the administrative side now begins. He wants to make sure the Board is cognizant of the fact that the Town has the equivalent of a three-year balloon note that is tied to the interest rate. Until we get the FEMA reimbursements to pay back PNC, we are on the hook for \$27 million. It takes a lot in the background to work the four storm reimbursements. He explained we are attempting to have FEMA pay the interest costs on the note, but do not have an answer. It is a concern and could impact a number of things going forward.

Mayor Holden said Town Clerk Finnell will revise the list of objectives. The Board will score the sheets and return them to her.

**EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(6), TO DISCUSS QUALIFICATIONS, COMPETENCE, PERFORMANCE OF A PUBLIC EMPLOYEE AND NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(5), TO INSTRUCT THE STAFF OR AGENT CONCERNING THE NEGOTIATION OF THE PRICE AND TERMS OF CONTRACTS CONCERNING THE ACQUISITION OF REAL PROPERTIES**

*Motion by Commissioner Brown to let Attorney Green add negotiation of Block Q to the Executive Session; second by Mayor Pro Tem Smith; approved by unanimous vote.*

Town Clerk Finnell read the reason for Executive Session.

The Board went into Executive Session at 3:54 p.m.

**OPEN SESSION**

The Board went back into Open Session at 4:26 p.m.

Attorney Green advised the Board on comments made by Mr. Bass regarding the pier. He also mentioned looking into sound system adjustments that helps with hearing aids.

**ADJOURNMENT**

*Motion by Commissioner Brown to adjourn at 4:27 p.m.; second by Mayor Pro Tem Smith; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk