



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
FRIDAY, MAY 21, 2021 – 4:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Friday, May 21, 2021 at 4:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Gerald Brown; Commissioners Brian Murdock, Mike Sullivan, Pat Kwiatkowski and Rick Smith; Town Manager David W. Hewett; Town Clerk Heather Finnell; Police Chief Jeremy Dixon; Assistant Town Manager Christy Ferguson; Inspections Director Tim Evans; Fiscal Operations Supervisor Margaret Lancaster; Budget & Fiscal Analyst Daniel McRaney; and Public Services Crew Leader Scott Cunningham.

PUBLIC COMMENTS

No comments were made.

BUDGET WORKSHOP

Town Manager Hewett reviewed the budget schedule. The Board has the updated and scrubbed draft budget documents before them. He reviewed changes. The Isaias money is now reflected in the FEMA Capital Grants Fund. The \$700,000 for the bike path is in the proposed year budget. The Board did a Resolution to Reimburse for the lift station upfit for stations 3 and 2. The interest payment for that loan, which he is estimating at \$3.8 - \$4 million, will become due before the end of the fiscal year. That interest will need to be accommodated in the annual sewer assessment. We have adjusted the annual assessment. We are estimating \$50,000. That will take the annual sewer assessment from \$370 to \$385. This is not the System Development Fee. The \$500,000 transfer from the General Fund of Unassigned Fund Balance to the Beach and Inlet Capital Reserve Fund has been made. This nets \$240,000 as Available to Appropriate under Governing Body and an estimated General Fund Balance ratio of 41%. There is no need to update the Fund Balance Policy.

The Town will receive dispersals of the American Recovery Plan (ARP) money, \$96,000 around June 15th and another \$96,000 at the same time next year. The funds are good until 2024. Generally, resiliency related projects qualify for those expenses. The Board had asked to look at stormwater that goes along with the bike path. During that discussion, the public works director raised the issue of the 300-block chronic problem area and the east end. We engaged with Shane Lippard from Right Angle Engineering. The best we could get is that it could go between \$200,000 - \$500,000 to look at the 300 block, with an unknown of what the cost may be for stormwater along the bike path. We didn't have enough detail or time to engage with DOT to find out the specifics. We need to get a Professional

Engineering Report (PER) of the whole thing and engage with DOT as that project moves forward to get a better idea of what those expenses will be. Town Manager Hewett said the Board needs to talk about where to fund those improvements from, the bike path in particular. He proposed that the Board consider that when we write the budget document, it be crafted to set up a special revenue fund that escrows the \$192,000 and couple those ARP funds with up to the \$240,000 that the Board has in the Available to Appropriate line to provide potential stormwater solutions on the bike path, the 300 block and the east end based on an engineer PER.

Commissioner Kwiatkowski said she likes how Town Manager Hewett put the stormwater together. She thinks it is a good use of where we have the money. Town Manager Hewett said it seems like a good fit for the ARP funds. Commissioner Smith asked if there are more trouble spots. He suggested fixing it all before we pave it. Town Manager Hewett replied the intention is to execute a suite of stormwater solutions, coincidental with the bike path. He proposed to pay for it with a combination of the Special Revenue Fund and the General Fund, by just holding that money in the Available to Appropriate line. It doesn't need to be designated as the stormwater solution. He can put it over in Streets and show it as a stormwater solution. It is the Board's discretion how they would like to portray that. He would consider that as the Board's designation as what they would want to do with that money. Commissioner Kwiatkowski would like to say the intent is to use the money for the stormwater solution. Town Manager Hewett said unless the Board tells him otherwise, that is what he is going to do. The consensus is that is fine.

Town Manager Hewett said when we did our special obligation bond, we had to give the county the first-year payment. Every year the payment comes down. They give us the difference, plus the interest. He recognized that on the revenue side, not the expense side. Our Fiscal Policy says we will take that money and put it in the Beach and Inlet Capital Reserve Fund. That is an administrative fix that he can handle easily.

Commissioner Sullivan asked if the county's current communication system allows them to hear what is going on at Holden Beach. Chief Dixon responded the county operates on one channel and the local police departments on a separate channel, divided into the northern and southern ends of the county. That is just the radio communications. Right now, we have no computer automated communications with them. This will integrate that all into one system. The other agencies we work with around here are on the system. Chief Dixon said the equipment budget is for body cameras. He said it is for an integrated car and body camera system together. Commissioner Sullivan said the body cameras that are used in most of the cities who use them are \$700 apiece. Chief Dixon said there are cheaper options. The car systems we use now are very dated. This system records from the car and body. Communications are seamless between the two during any incident. AEDS are not included in the budget. He changed the directive and the officers are rotating through the defibrillators, instead of spending \$15,000 - \$20,000 on equipment. When a car is on patrol, one of them will have a defibrillator. Commissioner Sullivan said in budget year 2019 – 2020, we had a budget of \$708,000. This year we are considering a budget of \$1,310,000; that is an increase of 84%. He suggested that the Police Department choose between upgrading communications this year and the body cameras. Chief Dixon said they used to be getting funds from BPART. Town Manager Hewett said we used to pay for an equivalent of a fulltime position out of the BPART Fund. That is not reflected in this budget. Since then, we are paying for all of the police expenses from the General Fund. Commissioner Sullivan said instead of 84%, it is 75%. Commissioner Kwiatkowski agreed that one of the expenses should be selected and

the other be considered next year. Chief Dixon said both are crucial. He would like to weigh the negative and positives of both before making a decision.

Commissioner Sullivan stated last year when they discussed hiring two additional officers, one of the selling points was that it would decrease overtime. When you look at the budget, it didn't decrease. Town Manager Hewett explained it takes an extended period of time to fill two positions. There is an extreme lag time built in there. Any expenses we incurred so far is that he is still running short. We are to the point that we will be full. Chief Dixon said there are a lot of factors that go into it. He is doing everything he can to keep the numbers down. Commissioner Kwiatkowski asked if there is a baseline that goes in. Town Manager Hewett replied yes. We budget high, but do not spend it all. He explained we need to have that to be able to affect capability when hurricanes come. If you don't put it in there, don't expect the capability to exist for emergency response. Commissioner Smith asked if some of the overtime money could be used to have one of the existing officers do some detective work on a part-time basis. Chief Dixon said his officers do an excellent job on patrol. It takes a different skill set to do investigations. Commissioner Smith asked if we could upgrade the training of some of the officers we have now. Chief Dixon replied it is possible.

Town Manager Hewett stated Chief Dixon will free up \$100,000 in the Police Department when he makes his decision. He inquired where the Board wants the money appropriated from. The Board agreed to add it to the Available to Appropriate line.

Mayor Pro Tem Brown asked how much fuel the Police Department uses. Fiscal Operations Supervisor Lancaster said as of April it was \$18,220, then maybe another \$2,000. Chief Dixon added that includes oil changes, tires. Fiscal Operations Supervisor Lancaster said she would need to look at the fuel invoice. Mayor Pro Tem Brown asked her to.

The Board decided to talk about the objectives at a later point.

ADJOURNMENT

Motion by Mayor Pro Tem Brown to adjourn at 4:35 p.m.; second by Commissioner Smith; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk Finnell