



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
SPECIAL MEETING
FRIDAY, JUNE 10, 2022 – 9:00 A.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Friday, June 10, 2022 at 9:00 a.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; Public Works Director Chris Clemmons; Inspections Director Tim Evans; Police Chief Jeremy Dixon; Lieutenant Frank Dilworth; Fiscal Operations Supervisor Margaret Lancaster; and Budget & Fiscal Analyst Daniel McRaney.

PUBLIC COMMENT

No comments were made.

PUBLIC HEARING – PROPOSED BUDGET FOR FISCAL YEAR 2022 – 2023

Town Manager Hewett reviewed the schedule the Board followed in developing the budget. The total budget is a little over \$96 million. The General Fund houses \$4.3 million, augmented by the American Recovery Plan at \$211,000. The Water & Sewer Fund proposed budget is proposed at \$7.4 million. The BPART Fund is just shy of \$5 million at \$4.9 million. Canal dredging accrues to \$3.2 million. There is an estimated \$150,000 in the Water Capital Reserve Fund, along with the Sewer Capital Reserve Fund at \$301,000. The Beach & Inlet Reserve Fund is scaled at \$2.2 million. The FEMA Capital Project Fund is at \$73.6 million.

The budget proposes to keep the 20 cents tax rate that estimates in a resulting 66% available fund balance; contributes two cents of ad valorem tax to the BPART Fund to subsidize the Central Reach 1 debt service; funds financial software replacement in administration; and resurfaces Pointe West, Tide Ridge and Ranger streets. It also proposes to fund a replacement vehicle for the Police Department and one in the Sanitation Department. Funding for a town wide stormwater study is proposed. It also proposes the use of the American Recovery Plan to improve stormwater issues in the 300 block of Ocean Boulevard West.

The budget also provides for employee bonus and merit pay across all funds.

The Water & Sewer Capital fee will increase to \$467 for the increase in the collection system debt. The proposed budget programs borrowed funds for the Greensboro lift station upfit and programs capital

outlays for valve pits, water meters and a replacement genset, in addition to funding a second water tower needs assessment.

The BPART Fund uses Beach & Inlet reserve funds to pay the larger portion of the Central Reach debt service; satisfies debt services for the pier and Block Q properties recently acquired; and proposes funding year two of the Corps' storm damage study. It also funds permitting required for future Town sponsored beach projects, along with the engineering assessments. There are some residual strand maintenance activities required of the most recent Central Reach Project. The BPART Fund is programmed to support those efforts. It provides for strand and waterway access enhancements (beach mats, kayak launch, parking lots and walkway repairs), in addition to proposing funds for initial pier repairs, Jordan Boulevard public restrooms and 796 Ocean Boulevard West improvements.

The FEMA Fund is the vehicle that we administer the financial transactions associated with the repair costs of hurricanes. It houses the Central Reach Project Special Obligation Bond. We are going into year two of a three-year short-term variable rate debt instrument. The fund will remain open until closed out by FEMA.

The canal dredging fees accrue at the same rates. There is no active project programmed for the upcoming year, but preparations are being made to have a shovel ready project if needed. It is proposed to fund the disposal site policy development and permitting requirements.

We have three capital reserve funds. Water & Sewer Capital Reserve Funds were established by act of the General Assembly and are the home for the system development fees that are to be used for water and sewer capital expansion. The estimated accrual in the water fund is \$151,000 and the sewer side is \$301,000. With the transfer of the \$871,000 contribution to the BPART Fund to pay for a large portion of the Central Reach Project 1 Special Obligation Bond debt, we estimate the balance remaining in the fund will be \$1.375 million.

Town Manager Hewett said the budget as presented is balanced in accordance with the Fiscal Control Act.

Mayor Pro Tem Smith asked about audio and visual funds for the budget. Town Manager Hewett said the Facebook solution was a temporary measure to accommodate COVID. If the Board wants to go virtual, he needs clarification on how the Board wants to do business. Obtaining an updated quote on streaming the meetings so property owners who are not in town could listen was discussed.

Town Manager Hewett explained he forgot to mention that the interrogation room, body cameras, car cameras and back shop are an all-in-one system. The entire system was deleted from the proposed budget. Commissioner Kwiatkowski asked if you could do things stepwise. Chief Dixon replied it is possible, it is not ideal. Just to do the room upstairs you are looking at \$20,000 - \$22,000. Town Manager Hewett said you wouldn't be able to use the new system with the current cameras. Chief Dixon said we are required to have audio and visual for the interrogation room. We currently have a system that meets the standard, but is not reliable. Commissioner Kwiatkowski asked Chief Dixon's preference on if he would like to keep his existing cameras or go to the new system for the interrogation room. Chief Dixon said he would like to move forward with the interrogation room if taking steps is the only way to do it. They will need all of it eventually. He explained how the systems work and that they

would be maintaining two different systems. Mayor Pro Tem Smith said he thinks we need to move forward with the new system, get it started so we can add to the system next year and get the rest of the equipment.

Commissioner Murdock said he thinks the YouTube feed is perfect. The Facebook feed depends on what you are listening to it on. If you want video, we can do that. He is not in favor of doing anything else right now because we are tight in the budget and there are more important things the money can be used for at this point. He stated the minutes can be read. They are on the website. He suggested turning the camera around. He is not for spending \$50,000 right now. Commissioner Kwiatkowski would like a current cost estimate. If there continues to be pressure, the Board will have the current cost. Town Manager Hewett said we can get an estimate. Mayor Pro Tem Smith agreed to getting a cost and would like to turn the camera around. Microphones were discussed.

Commissioner Kwiatkowski said she thinks what was agreed was to get a current cost estimate for audio visual and that the Police Department should go forward with the interrogation room upgrade.

Commissioner Murdock said that for all of the department heads that are looking at the 5% merit raises, unless there is a reason they shouldn't get them, it needs to be all Town wide employees gets that merit raise. He added there is a scale that was done a few years ago that employees can be moved around in. If we are not at the level to hire people and retain the people we do have, that needs to be looked at in a case-by-case basis by the town manager. For the merit raise, if employees are showing up for work and doing what they are supposed to do, he would hope that they would all get that without hesitation or question. Town Manager Hewett said the budget includes what the Board directed, the \$1 per hour for all employees, 5% pool and the \$750 bonus in January for anyone working in September.

Town Manager Hewett said he had an error in the Capital Improvement Plan (CIP). He included an extra vehicle in Inspections, but it is not in the budget. There is a new rule that whatever you are bringing in for inspections, needs to be spent in the Inspections Department. The Board may be looking at an instance where we need to spend some money in Inspections and there may be an additional vehicle in the budget, but he will delete it from the CIP. We will be in a better position to make that call when we get further into the year. Currently we will use the existing vehicle.

Mayor Holden verified that nobody wanted to speak during the public hearing.

ADJOURNMENT

Motion by Mayor Pro Tem Smith to adjourn at 9:35 a.m.; second by Commissioner Kwiatkowski; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk