



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
THURSDAY, JUNE 1, 2023 – 5:30 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Thursday, June 1, 2023 at 5:30 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Rick Smith; Commissioners Brian Murdock, Page Dyer and Gerald Arnold; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Police Chief Jeremy Dixon; Public Works Director Chris Clemmons; Inspections Director Tim Evans; Finance Officer Daniel McRaney; and Fiscal Operations Supervisor Margaret Lancaster.

Mayor Holden called the meeting to order.

**PUBLIC COMMENT**

Keith Smith said he knows the proposed tax rate is 14 cents. It would affect his family by \$200. He would prefer a revenue neutral tax rate, but if he has to pay the increase, he said it would be money well spent.

Town Clerk Finnell said there were a couple of comments that she provided to the Board and posted online.

**BUDGET WORKSHOP**

Town Manager Hewett explained the budget message attempts to turn what staff perceived as the Board's priorities into a game plan for the upcoming year. When the budget is put together, we take the most pessimistic/worst case scenario. The Board went through the budget message.

Merit and COLA increases were discussed. Commissioner Murdock suggested moving the pay grade rates. Town Clerk Finnell recommended using the amount agreed upon for COLA to move the pay grades. The Board agreed to an up to 4% merit increase, 3.5% COLA and move the pay grades.

The Board agreed to leave the 14 cents tax rate.

Commissioner Murdock asked about inspections fees. Town Manager Hewett said what is in the budget is the estimate of what we think will happen.

Mayor Pro Tem Smith said he doesn't think we need to take money out of the general tax fund. Town Manager Hewett explained that not all General Fund revenues are tax dollars. Mayor Pro Tem Smith said there was a fund balance policy put in place and read from the policy. He stated if we take any out of the General Fund, it needs to go to beach nourishment, not the BPART Fund. He suggested not transferring the \$1 million listed under Fund Balance Appropriated.

Town Manager Hewett explained what Advertising Meetings funds are used for.

Mayor Pro Tem Smith talked about the \$1,283,083 under Transfer to BPART Fund. He said he told the LGC the Town was going to use revenue from parking and from occupancy tax to take care of the pier property. He doesn't think the transfer is necessary.

Mayor Pro Tem Smith asked about the lines for Vehicle and Equipment under Planning & Inspections. Town Manager Hewett said the Equipment line is separate from the vehicle purchase. Inspections Director Evans explained the equipment purchase is where the funds are for a portal to modernize the Inspections Department. The contract to go with it will be under Contracted Services.

Mayor Pro Tem Smith inquired about the \$1 million on page 21. Town Manager Hewett replied that the grant has been appropriated federally, but we still need to go through the application process. It is the match plus the delta between what we are getting from grant funds and the total costs. The EPA grant specifics and timeline were discussed.

On Page 27, Mayor Pro Tem Smith asked about the CAMA Grant. Town Manager Hewett answered that is for the Hatteras ramp. Mayor Pro Tem Smith suggested not doing the Transfer from the General Fund on that page. He also inquired about the Transfer from the Beach Inlet CRF. Town Manager Hewett responded that is for the next project the Corps does in the inlet that will put pipe out to get sand on the beach. Dredging was discussed.

Assistant Town Manager Ferguson said Professional Services includes funds for Ward and Smith, annual monitoring from ATM and attorney fees we may need for variances.

Mayor Pro Tem Smith asked about the \$225,000 for Public Restrooms. Assistant Town Manager Ferguson replied it is \$100,000 each for two more restrooms, one at 114 Ocean Boulevard East and another at Avenue E. \$25,000 is for restroom cleaning and maintenance. Inspections Director Evans provided information on the status for bathrooms and handicapped parking. Staff is looking at two permanent bathrooms, not trailers. Bathrooms and handicapped parking were discussed. Assistant Town Manager Ferguson said the Town has been invited to put in a final application for Block Q.

Town Manager Hewett provided information on Holden Beach Promotions.

Assistant Town Manager explained that the Access and Recreation line on page 30 includes coquina for parking lots, it is where we do our beach access repair and rebuilds from. There is \$60,000 as an estimate for the east end access and \$60,000 for other walkways. \$75,000 is for the ADA mats we need to order.

Town Manager Hewett said a soil analysis is being completed for Block Q. The \$300,000 is an estimate for the first phase of adding parking. The Block Q area was discussed.

Mayor Pro Tem Smith said he doesn't think the \$2.1 million for pier repair and project is necessary this year. He thinks the Town should hold off until we get a plan. He said once we get a plan, we can go after funds. Town Manager Hewett stated we have plans for construction based on the concept the Board approved. We have enough information to apply for permits. Inspections Director Evans added he has a full set of plans on all of the repairs, including the design of the repairs. He has everything he needs to get CAMA permits to go forward with the pier repair. The decking area is also going to be applied for with CAMA based off the plans and the ADA walkway and Hatteras ramp. He explained what staff is working on and that he needs direction. The Board discussed how to move forward with the pier repair. Costs, grants, timing and phasing were discussed. The \$500,000 from the grant we received today is not reflected in the budget. Town Manager Hewett explained the \$500,000 will go into fund balance. Town Manager Hewett explained the \$2.1 million is the projected amount Chip Hemingway provided. His understanding is that the Board approved the conceptual plan and to move forward with what we can make happen. We obtained the architect's estimate and Inspections Director Evans has a set of plans to get a CAMA permit for. He asked the Board to let him know if there is a different path or timeframe that they would like him to follow because we have been operating under the impression it was full speed ahead. We set this up in a manner that if the Board would like to move ahead full speed, this is what it is going to take. If the Board's perception is that it will not leave enough savings, the Board can tell staff what makes them feel comfortable. Assistant Town Manager Ferguson advised the Board to keep in mind that the line being discussed does include the Hatteras ramp and beach access. About \$66,000 is for that. The corresponding revenue is on page 27, where the state would pay us back \$50,239. Commissioner Murdock said he thinks this needs to be done in phases. He said in a couple of years, the debt service to the Town will drop drastically. He suggested getting the building up and running and then the pier. Mayor Pro Tem Smith would like cost estimates for phasing. He would like the cost to get the building up and running. Commissioner Dyer said the Board needs to consider public interest. People want to use the pier. She doesn't think the building is the priority.

Commissioner Murdock suggested having a workshop with Mr. Hemingway to look at it again. Bringing the structure into compliance with the new firm maps was discussed. Inspections Director Evans said he needs to know what the Board would like to do in order to obtain permits. He suggested isolating both sides of the structure, fixing the entrance and the pier. That could be the first phase. He said the Town has 18 months to do the Hatteras ramp and access. He recommended that we take a look at getting the pier repaired and getting those ADA compliance things in place. You could get estimates for the ground decking over to the side. Mayor Holden inquired when a decision would be made between revitalizing the old building versus elevating a new building. The quicker the decision is made, the more money will be saved. Moving forward was discussed.

Commissioner Murdock suggested for now having a \$500,000 transfer to have some money to work with, plus the \$500,000 we are getting to put it to the best possible use and the Board can revisit it later. The Board would like to meet with the architect to determine the best way to move forward. Town Manager Hewett said what he heard for now is to use the same design, \$1.1 million, \$500,000 from the General Fund and \$500,000 from the BPART Fund. Mayor Pro Tem Smith said \$500,000 of that is the grant money. Assistant Town Manager Ferguson reminded the Board that whatever number Mr.

Hemingway provides, we are adding \$66,000 for the Hatteras ramp and access. Inspections Director Evans said he will apply for the CAMA permit.

Town Manager Hewett advised the Board that there are three payments left for the debt service on Central Reach Project. We really have only two payments. The third payment will be satisfied by the escrow money the county is holding. The county has one year payment that is part of our bond agreement. He also pointed out that we had put \$60,000 for furniture in that line for the outside section.

Mayor Pro Tem Smith would like to take all recommendations that by consensus the Board agreed on and make a motion to approve those.

Town Clerk Finnell reviewed the proposed changes: up to 4% merit, 3.5% COLA, move the pay grade, to leave the 14 cents tax rate and \$1.1 million for the pier. Town Manager Hewett added, with Town Clerk Finnell in agreement that for the pier it was whatever those details of the cabbage would be, plus the CAMA \$67,000.

*Motion by Mayor Pro Tem Smith that we approve those changes to the budget; second by Commissioner Murdock; approved by unanimous vote.*

Commissioner Murdock asked if there are any hiccups on the ADA work. Inspections Director Evans replied he doesn't think there are any issues. At 801, the property owner across the road is asking about stormwater issues.

The next budget meeting is the public hearing on June 15<sup>th</sup> at 5:30 p.m. Staff will check with Mr. Hemingway to see if he could attend the meeting.

## **ADJOURNMENT**

*Motion to adjourn by Mayor Pro Tem Smith at 7:15 p.m.; second by Commissioner Arnold; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk