



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, NOVEMBER 21, 2023 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, November 21, 2023 at 5:00 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; Inspections Director Tim Evans; Finance Officer Daniel McRainey; and Town Attorney Rick Green.

Mayor Holden asked for a moment of silence and called the meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Motion by Mayor Pro Tem Smith to approve the agenda as written; second by Commissioner Murdock; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Commissioner Murdock to approve the minutes of the Regular Meeting of October 17, 2023; second by Mayor Pro Tem Smith; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Martie Arrowood congratulated staff on the audit. She said the Local Government Commission's (LGC) findings should quell any concerns and misinformation that has been floating around. She provided the reasons she supports accepting the bids for Phase I of Block Q.

Jim Bauer provided information on a petition that he had signed at the HB Property Owners Association Meeting. The petition requests that the Block Q agenda item be tabled.

Rick Paarfus requested that action on the Block Q agenda item be tabled until the incoming commissioners, the architect and the two sitting commissioners can go over the project. He reviewed the reasons for his request.

Tom Myers asked the Board to defer the decision on Block Q until after a public information session can be held. He detailed the reasons for his request.

Cane Faircloth spoke in favor of preserving Block Q.

Ryan Williams talked about the importance of having boat ramp parking in the Block Q area.

Tracey Thomas requested as a newly elected commissioner that the Board not vote on the paving of Block Q and provided her reasons for the request.

Mike Felmly stated he would like the Board to provide taxpayers with free parking on the island. He talked about a rule for pool fencing. He said a strategy needs to be developed for Block Q before moving forward. He said there is no reason to close Carolina Avenue. Mr. Felmly provided his concerns on the lobbyist contract.

Lisa Belcher-Ragland explained why she is confident that a complaint filed regarding the closure of Block Q would have no merit. She encouraged the Board to accept the bid for Block Q and provided the reasons why she felt the Board should move forward.

Sylvia Pate questioned the petition presented for Block Q. She explained the reasons she supported the Board taking the necessary actions to move forward with the Block Q project. She encouraged the Board to move forward with the Ward and Smith engagement letter. She thanked the Board, Commissioner Murdock and Commissioner Arnold.

Maria Surprise provided her concerns with the paving of Block Q and encouraged everyone to work together.

PRESENTATION OF FISCAL YEAR 2022 – 2023 AUDIT RESULTS – ELSA SWENSON, MARTIN STARNES AND ASSOCIATES

Elsa Swenson explained the Town received an unmodified opinion; this is a clean audit opinion. The audit was submitted timely and has been approved. Ms. Swenson explained how to calculate Available Fund Balance. The Total Fund Balance for the General Fund was \$5.5 million. The Available Fund Balance was \$5.1 million, an increase of \$1.2 million. Available Fund Balance as a Percent of Expenditures for the General Fund was 140.9%. This means the Town could cover 18 months' worth of expenditures with the fund balance. Total Fund Balance for the General Fund increased by \$1 million. Revenues continued to exceed expenditures. The top three revenues for the General Fund were property taxes at 62%, permits and fees at 17% and other taxes and licenses at 11%. Other revenues were 10%. Property taxes were \$2.8 million. Permits and fees were \$787,000. Other taxes and licenses were \$525,000. The top three expenditures in the General Fund were general government at 32%, public safety at 37% and transportation at 17%. Other expenditures were 14%. Public safety expenditures were \$1.3 million. General government expenditures were \$1.1 million. Transportation was \$626,000.

The quick ratio for the Water Sewer Fund is 3.67. The LGC would be concerned if it was less than one. The performance indicator for Water and Sewer was at 20.47%. The minimum required is 16%. There was an operating loss of \$403,000. Adding in the depreciation and backing out the debt service gives

an operating performance indicator of \$-284,000. Factors that caused the decrease were an increase in maintenance for materials and parts, an increase in debt service and two trucks that were purchased. Since this is a negative performance indicator, the LGC does require a letter from the Board and the Finance Department to explain the reason and the remediations going forward. That is due within 60 days of today's presentation.

END OF SEASON PARKING UPDATE - JIM VARNER

Mr. Varner reviewed the revenue for the 2023 season. Total revenue for 2023 was \$682,933. The number of parked vehicles they recorded was 80,000. Over the last two years, they have delivered \$1.1 million to the Town. Mr. Varner went over permits/violation payments for 2023. In 2024 some signage is needed for customer education. Mayor Pro Tem Smith thanked Mr. Varner and his staff and said this summer seemed smoother than the first. Commissioner Dyer said in the past when they talked about parking, there still could be parallel parking at Block Q. Mr. Varner confirmed there could still be boat and trailer parking on the sides.

POLICE REPORT – CHIEF DIXON

- Everything is going good. Finished in-service training for 2023. He and Lieutenant Dilworth are headed to Salemburg next week to start 2024 in-service training. When they get back, they will start to implement the training.
- Provided information on how to avoid scams.

INSPECTIONS DEPARTMENT REPORT – INSPECTIONS DIRECTOR EVANS

- Went over numbers.
- The Inspections Department is very busy. Working on lots of projects. They constantly need to monitor those.

DISCUSSION AND POSSBLE SELECTION OF LOWEST APPARENT BIDDER FOR BLOCK Q AND ASSOCIATED PAPERWORK

Town Manager Hewett said the Town received two bids at the second scheduled bid opening for the Block Q work, one from J.P. Russ and Sons and the other from Wells Brothers Construction Company. The most responsive bid appears to be Wells Brothers Construction Company at \$325,831.91, which has been certified by the architect. If the Board would like to move forward with awarding the contract to Wells Brothers Construction Company, a budget amendment, the Letter of Intent and the Order to Close Carolina Avenue would also need to be adopted.

Motion by Commissioner Murdock to approve Ordinances 23-14 and 23-15 and to instruct the town manager to complete the associated documents; second by Commissioner Arnold.

Commissioner Murdock stated he and the previous Board started working on the purchase of Block Q at his 2nd meeting. They have been on this for four years. He said to try to clear up some misinformation, he doesn't care if you put gravel or pavement down, the stormwater plan will be there and it will be

the same because it is state mandated stormwater. We don't lose boat trailer parking except for where the bathrooms will go. Commissioner Murdock explained you can still park around Block Q. He said they did take the pavilion into consideration because they all read that report so they decided to leave green space there. A new pavilion will fit in the green space. This took a lot of hard work and has been thought through.

Mayor Pro Tem Smith said this is not something that they are trying to rush through, that they didn't think all the way through. You need to remember why you live here. It is a great place because we have tourists come in to help the property owners pay our taxes. He said if we didn't have occupancy taxes and parking we could hardly afford to live here. Boat parking is a must to keep our tourists coming back. Mayor Pro Tem Smith said having proper parking for the boats is great. He said 50% is not going to be paved. He believes only 28% of it will be paved. Inspections Director Evans stated if you look at the stormwater plan it tells you the built upon area includes the gravel areas and rights-of-way area around the outside since it is affected by stormwater. He said it should be about 30% inside that will be paved for Phase 1 and the exterior. Mayor Pro Tem Smith mentioned the petition.

Commissioner Dyer said this is something that has been very well thought out. There are multiple reasons why Block Q was purchased. They are trying to accommodate the boats. There will be pull-through parking, parallel parking and some green spaces. Putting the Pavilion there has been discussed but it needs to be done properly. Commissioner Dyer said handicap bathrooms were not in the mediation agreement because this plan was already in place before the mediation agreement. We are getting grants. If we start turning those grants down, we won't get grants anymore. We are trying to accommodate boat parking and have green space.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 23-12, WATER RESOURCES DEVELOPMENT GRANT

Assistant Town Manager Ferguson explained each year in the April timeframe the canals are surveyed. The results came back. The Harbor Acres working group was not happy with the shoaling situation that is happening at the entrance canal and some hotspot areas within the finger canals. We are applying for a grant through the NC Division of Water Resources to assist with navigation maintenance of Harbor Acres. The required resolution is in the agenda packet. The engineer's estimate is \$343,800. She said we will ask the state for \$257,850.

Motion by Mayor Pro Tem Smith to approve Resolution 23-12, Water Resources Development Grant to move forward; second by Commissioner Murdock.

Commissioner Dyer asked if the grant would decrease the amount homeowners pay. Assistant Town Manager Ferguson explained the estimated 25% would be \$85,950 for the homeowners. The state would be picking up 75% of the engineer's cost.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF WARD AND SMITH, P.A. ENGAGEMENT LETTER

Mayor Holden explained Mr. McIntyre has brought millions of dollars to this town. The relationship goes back over 20 years. Town Manager Hewett explained the proposed agreement updates the existing Ward and Smith agreement. It updates the agreement by extending it through this fiscal year at the existing rate and then adds in for an extra term of 12 months from July 1st at a rate that is \$500 more a month, up to \$9,725.

Motion by Commissioner Arnold to approve; second by Commissioner Murdock.

Commissioner Murdock said it is undeniable what they have done for this town. It has been a great relationship. They have provided massive help this year. Mayor Pro Tem Smith agreed; with the millions of dollars they have pointed in our direction, it is hard to deny a small increase.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE AMENDMENT TO QUARTERLY MEETING DATES

Commissioner Dyer said at the beginning of the year, quarterly meetings were set up. A meeting was scheduled for December 21st. With it being that close to the holidays, it doesn't appear there is any business required.

Motion by Commissioner Dyer to cancel the December 21st meeting and to schedule any future special meetings in January; second by Commissioner Arnold; approved by unanimous vote.

PUBLIC COMMENTS ON GENERAL ITEMS

Ryan Williams said it is greatly appreciated what the Board is doing with the parking. He said the signage is confusing. He provided examples.

Irvin Woods said the east end is doing very well. The dredging of the inlet took care of the navigation issues and put a lot of sand on the east end. The east end is building out and is generating revenue, both property and occupancy taxes.

Tom Myers states he is disappointed that the Board decided to move ahead with the contract for Block Q. He said as an incoming commissioner he has learned some valuable experiences from this. He provided details on information sessions that Ocean Isle holds. He would like the public to weigh in on the Town holding open forums.

TOWN MANAGER'S COMMENTS

- Coastal Storm Damage Reduction Study - the Energy and Water Development and Related Appropriations Act recently authorized another \$425,000 for the fiscal year 2024 federal portion of the Corps' study. Additionally, it looks like there was \$750,000 in the state budget that was appropriated to cover the rest of the non-federal sponsor costs for the study.
- Block Q - \$420,000 grant has been awarded to the Town for the CAMA Public Access Bathroom.

- Sewer Lift Station Improvements – we have been in contact with our EPA regional project representative last week. The grant package commitment notice has been finalized and hopefully it will come out of the EPA headquarters some time within the next month. We have received guidance and made our initial application for the state’s Division of Water Resources \$2 million appropriation. After that we can reengage on the bidding process.
- Ocean Boulevard Resurfacing and Bike Lane Project – the contractor is on scene to carry out some stormwater fixes.
- Turkey Trot – on Thursday we are expecting 300 people based on preregistration.
- Tree Lighting – November 30th, entertainment begins at 5:00 p.m., with the tree lighting at 6:00 p.m.

MAYOR’S COMMENTS

- Hopes everyone has a happy Thanksgiving.
- It was a pleasure to hear a good report on our financial status. It is a good time of reflection in regards to not only is the Town in a good financial position but we have money thanks to the staff and to all those who participated in their own capacity. There is money in the pipeline. Our public officials above and beyond Holden Beach have been cooperatively working with this Board and staff and helping us get the money coming this way. Has no reason to believe that the money won’t be delivered and help carry us further down the road of financial stability. It takes a lot of work and cooperation from everybody. Looking back, we had some time we didn’t have any representation in Washington, helping us get these funds. Have the wheels turning in the right direction. Hope we continue to see the money come in the upcoming years. If everybody works hard and works together that will be the case.
- Overall thinks the Town is in good condition. There are some that don’t think it is and that’s what America is all about. Hopes everyone works together and continues to make this the best family beach in America.

BOARD OF COMMISSIONERS’ COMMENTS

Mayor Pro Tem Smith

- This weekend we have a lot to be thankful for. We should be thankful for this beautiful island that we get to live on. We need to be thankful for our staff that works as hard as they do to make sure everything runs right. We need to be thankful for our Police Department. It is a wonderful place to be. We need to be thankful to our commissioners. Commissioner Arnold, you are a true gentleman and professional and it has been a pleasure working with you. Commissioner Murdock you have a rough exterior, but a great big heart. It has been a pleasure working with you. Glad Mayor Holden and Commissioner Dyer will still be with us. We all are thankful to have the ability to have a wonderful Thanksgiving with our family and friends. Hope you all enjoy this weekend and stay safe.

Commissioner Murdock

- Thanked everyone for coming out. Have a happy and safe Thanksgiving. Spend some time with your family and eat some good food.
- Hopes you guys that are incoming, that will sit in this chair that is currently mine will work together, will have some transparency, will not continue with the barrage of threats and accusations that are

untrue, that are unfounded. Three years ago, you attacked me on the pier. I told you how we would pay for it, what we would do. We managed to pull it off. It is not just the pier, it is the pier, parking lot, property preserved for decades to come. Block Q is the same way. You say we didn't put any thought into it, that's not true. You guys are working with an agenda, working as a team. Asked how you could serve on the POA and represent the Town as a commissioner. Even with the negative energy, we have managed to move forward with these projects. Wants to see the projects come to fruition. Appreciates every vote that he got. Enjoyed serving this town. Lives here. Has a great life here. This is not an easy task. Wishes you guys would acknowledge the success and progress this Board has made. There is no reason for the attacks. Hopes you guys work together for the good of the Town and keep pushing these projects forward for the people who need them and the people who enjoy them. There are a lot of people you need to consider. This is not a platform for a personal agenda.

Commissioner Dyer

- Congratulated Finance Officer McRainey and staff on the audit.
- Thanked Town Manager Hewett and Assistant Town Manager Ferguson. Doesn't think people realize the importance of the grants we are getting. One example is the money to help the homeowners with dredging. Lives on a canal and to get a grant to help the homeowners is greatly appreciated. Some of the grants come with stipulations. Knows when she asked her mom and dad for money, there were stipulations, a chore or something. Some of these grants do have stipulations but you are not going to expect the state to give you free money. Two years ago, when we talked about doing these projects and buying the land, we said we would work hard to get whatever grants we could. Thinks the staff has gone above and beyond that. The amount of money we have gotten is surprising but much appreciated.
- Learned in the last two years that some of these projects don't run as fast as you want them to run. That's how government works. Knows when we started talking about parking, we were meeting for four hours a meeting. Now, everyone on the east end is thanking us and parking is organized. The other islands are following suit. There are three projects that are important, the pier, Block Q and the sewer. We have to do it in a step situation. Just because Block Q is up now, it doesn't mean we don't think the sewer system or pier are important. It is just the way the ball falls. We want to keep these projects moving forward, we have worked hard on them. We have had public hearings; we talk about them at meetings. If you remember Block Q started off at 288 paid parking spaces and some of the commissioners said no. You start with a plan and then make changes. Thinks we have come up with a good plan.
- Thanked Commissioner Arnold for his service. You came on and helped us out when we needed it. Learned a lot from Commissioner Murdock sitting up here the past two years. Knows you are passionate about the Town. You can't make everyone happy all the time, but we try to make the most people happy. Thanked both for their service. Hopes the new Board can work together and continue to push these projects forward.
- Hopes everyone has a happy and safe Thanksgiving.

Commissioner Arnold

- Is the newbie here. Has over 50 years in law and government, politics, easily the oldest rat in this barn. Was very much involved with the group when we thought the stars had aligned and we got the bridge here. Has seen this beach since he was a boy. Remembers 1945 when all the soldiers

came home. It's a great town. It's his hometown and he is very proud of it. Very humbled that he got to serve for the short time. Commends all the Board and all that were elected. The election is over, the people have spoken. Sincerely wishes personal success and achievement and success for this town which we all love. There is an old, unwritten rule that has prevailed in this country for years and years. Hopes we are not losing it, but all the evidence shows that we are. The winners and the losers came together after an election, came together and said it's over, together we can make things a little bit better. It is not this group or that group, it is together. Remembers his wife Sue during the time he was chief judge. Was on a tirade and he made the announcement that he was the chief judge of this state and shouldn't have to put up with it. She said do you know what the difference between a four-year-old and the chief judge is; height. Everyone can tell you how to run the courthouse and the town hall except the poor people sitting up here doing it. Wishes everyone God speed, is praying for them.

ADJOURNMENT

Motion to adjourn at 6:45 p.m.; second by Mayor Pro Tem Smith; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk