



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
PUBLIC HEARINGS/REGULAR MEETING
TUESDAY, MAY 20, 2025 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for Public Hearings/Regular Meeting on Tuesday, May 20, 2025 at 5:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Tom Myers; Commissioners Rick Smith, Tracey Thomas, Page Dyer and Rick Paarfus; Interim Town Manager Christy Ferguson; Town Clerk Heather Fennell; Inspections Director Tim Evans; Police Chief Jeremy Dixon; Finance Director Daniel McRaney; and Town Attorney Sydnee Moore.

PUBLIC HEARINGS: ORDINANCE 25-05, AN ORDINANCE AMENDING HOLDEN BEACH CODE OF ORDINANCES, SECTION 157.006 DEFINITIONS, ORDINANCE 25-06, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, SECTION 157.060 RESIDENTIAL DISTRICT (R-1) AND ORDINANCE 25-07, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, SECTION 157.085 RELOCATION OF BUILDINGS

Inspections Director Evans went over information for the public hearings. Ordinance 25-05 is for parking changes on private property. The idea is to make sure required parking spaces do not change when there are minor changes to the property. Ordinance 25-06 is a text amendment that allows cargo lifts to go in front or rear setbacks, but not both. Folks that need those would no longer need to obtain a variance from the Board of Adjustment. Ordinance 25-07 removes the requirement to go before the Board of Adjustment to move a home on the island.

No comments were made.

Mayor Holden closed the public hearings at 5:05 p.m.

REGULAR MEETING:

Mayor Holden presented the invocation and called the Regular Meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Motion by Commissioner Paarfus to approve the agenda; second by Commissioner Smith; approved by unanimous vote.

CONFLICT-OF-INTEREST CHECK

No conflicts were disclosed.

APPROVAL OF MINUTES

Motion by Commissioner Paarfus to approve as presented (Special Meeting of April 8, 2025, Regular Meeting of April 15, 2025 and Special Meeting of April 17, 2025); second by Mayor Pro Tem Myers; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Joe Utley would like to see more handicap parking.

Jim Bauer would like the Board to look at temporary fixtures (for example the band stand) at Block Q. He said the Lockwood Folly Inlet is a mess. He thinks the Town needs to reach out to see if others can share in the cost to maintain the inlet. Mr. Bauer thinks there should be more public parking. He suggested utilizing private parking for the public parking program.

Becky Greene spoke in favor of the referendum for the purchase of the pier.

Will Carter talked about pier, the process the Town is taking and provided information from a local firm he spoke with.

DISCUSSION AND POSSIBLE ACTION ON SECURING BOND COUNSEL AND FINANCIAL ADVISOR FOR A POSSIBLE REFERENDUM

Interim Town Manager Ferguson said at two previous meetings, a referendum idea came up. She reached out to our financial advisor and bond attorney for information on the process. Scott Leo, Parker Poe is in attendance and Andrew Carter, DEC Associates is attending via Zoom to walk the Board through the process. She said there are two calendars in the packets. The first one is if the Board uses special meetings to meet the deadlines for the referendum. Mr. Leo explained a general obligation bond is a way to issue debt for a capital project. The key to a general obligation bond is when you issue the bond, you are pledging the full faith and credit, the taxing power of the Town. In order to move forward, you need to have a vote of the people to approve the pledging of the taxing power. He provided information on the statutes/steps to move forward. He reviewed the two example calendars in the packets that detail the process. Mr. Leo provided information on the bond order and the language that would be required for the ballot. He detailed the decisions the Board would

make. If the voters do approve the bonds, it means the Town is authorized for the bonds for that purpose, up to the amount; you are not obligated to issue the bonds. You would need to vote again to go forward with the process to issue the bonds. That is a process that is undertaken with the Local Government Commission (LGC). You have seven years to issue the bonds. Mr. Leo explained you would be pledging the taxing power of the Town, but you can pay them back from any source. If there are other funds available, you can mix and match how you pay them. If other funding sources come along, you do not have to issue all the bonds. You can fill in the gaps with other funding sources.

Mr. Leo answered questions from the Board. He confirmed information on the dates in the timeline. Commissioner Thomas asked about the LGC process. Mr. Leo explained currently you would have to make application to LGC. They would add it to the agenda for consideration after the election. He confirmed the full amount that was approved would not need to be used. Commissioner Paarfus asked if the bond order could be canceled if something came up and the LGC already approved the bond order. Mr. Leo responded he has never seen it done, but he thinks there is a process that you could revoke the bond, but if you don't use it, it would eventually expire on its own. Commissioner Paarfus said so if this is approved, it is a financial tool the Town could deploy, but does not have to. The Town could still seek grants or other ways to fund the project. Mr. Leo answered yes within the seven years. Commissioner Paarfus asked if bonds would be issued before or after the project goes out to bid. Mr. Leo said you would typically do it afterwards because you would want to make sure you are issuing the right amount. He provided information on the timeline. Mr. Leo confirmed the process can be stopped at any point before the Board of Elections' deadline. Commissioner Paarfus said he assumes the financial advisor would look at the Town's financial status and see how the Town will go about funding this. Mr. Carter said as part of the process, they look at how the Town might fund the bonds if they were issued. Part of that looks at if there is any room in the current budget to absorb any additional new debt service payments. As part of the process, if the bonds would require some sort of tax increase or revenue increase, they would need to calculate what that amount may be and put that on the ballot as well. It is part of the ballot process. They would look at if there are any current resources to pay for the bond or if it would require new resources. Mr. Carter added you also would have to look at the useful life of the project and match the borrowing to the useful life. Mayor Pro Tem Myers said the Town has engaged with an engineering firm to give an estimate and inquired if the estimate would need to be refined. Mr. Leo said that is a strategic question for the Board to answer. Interim Town Manager Ferguson said the engineering firm did say the Class 3 estimate that they can provide by June 17th is going to be a general cost estimate. The Board would have to add their contingency level.

Commissioner Smith asked how much this would cost. Mr. Leo stated he would charge hourly for the legal process to get the Town from here to the referendum. It depends how much time is spent, but in his engagement letter he estimated \$25,000 – \$30,000 to get to the ballot. If it is approved, there is another process to issue the bonds so there will be further charges. The cost from there would depend on how the bonds are issued. Commissioner Smith asked at what point the LGC would say if this can't be done. Mr. Leo replied if the Board

moves forward, staff will need to have a pre-application conference with the LGC. That will open the discussions on what they are thinking. When there is a referendum, they are fairly differential to the vote of the people. They would defer to the voters. Commissioner Smith explained why he is worried the LGC would turn the application down. Commissioner Dyer reviewed the cost for the letters of engagement. She said the Town is in a situation where a majority of the property owners cannot vote. She inquired at what point there would be a public hearing so all taxpayers could provide input. Mr. Leo responded this is the statutory required process. The Town can do anything it would like in addition to it. Commissioner Paarfus asked if there are any other debt instruments that the Town can consider besides bonds. Mr. Leo said another way would be installment financing. You still would need to go to the LGC for approval. Commissioner Paarfus said his takeaways are any bonds must be voter approved; the Town is not obligated to issue the bonds if approved; the bond approval will expire seven years after approval; the number being talked about is an up to number; and through the process discussions will occur with the LGC. Mr. Leo agreed. Commissioner Paarfus said our financial advisor can begin work on how we can pay for this, taking into account our current financial capability, which may result in a lower bond amount. Mr. Carter said as we work through the process, you would do a not to exceed amount and then you could always do less when you get the bids and decide on the project the Town wants to build.

Motion by Commissioner Thomas to secure the bond counsel and a financial advisor for a possible referendum for the pier rebuild per attachment # 2 schedule; second by Mayor Pro Myers.

Commissioner Thomas said the Board received a report from the engineer that it doesn't make financial sense to try to fix the current pier that is already beyond its life. If we want a pier, we will need to build a new one. She stated the only way to do that is to take on debt. She thinks that the best way to do that is to ask the voters. It seems like the LGC would be likely to approve the debt if the voters are saying they are willing to take on the responsibility. Mayor Pro Tem Myers thinks this is a no regrets action. If we start it now, it will give us more time to prepare and analyze. We will have to borrow money and go to the LGC. If we start now will have some time to address any issues or complications that come up. He said we need to move forward. Commissioner Paarfus said paying for the pier will be challenging. We will probably need to borrow some money and he thinks bonds will most likely be a successful route. He emphasized as we go down this road, we are trying to give ourselves another tool to pay for the pier. He said this is complicated and he thinks we need expert help on this. He understands these guys were instrumental with the financing for the Central Reach Project. Commissioner Smith stated he goes back to the original premise of when the pier was purchased that the Town was going to use the proceeds from parking to make this happen. He said he thinks it will depend on the approach the Board takes if it will be accepted by the voters. Instead of it all being a burden on the taxes, they can make sure they understand it could be deferred based on what we are getting from paid parking and occupancy taxes. He learned in his career it is how you ask the question. He said we are looking at a third of the people who are registered to vote at Holden Beach versus the two thirds of people who pay

the majority of the property taxes. He said we spent a lot of money and had a plan. Now we are going to spend another \$100,000 on this process. He is not sure if he wants to move forward in this particular way. He has always been a proponent of the pier. Commissioner Dyer said the Town hasn't had a public hearing on this property in three years. The engineer at the time was focused on the repair of the pier only. The vote would not include a majority of the taxpayers. It will not include the people who we get the accommodations tax from, the people who would use the pier as part of the accommodations tax. She has a hard time with not knowing how the people who cannot vote feel. She thinks once we start down this road it will be tunnel vision to represent a small percentage of the people who will have to take on this debt. She said it is moving quickly and she is a little uncomfortable with it at this point.

Town Clerk Finnell read the motion. Commissioner Dyer said this doesn't take into consideration the pier building. We still don't have a plan in place for replacing that building.

The motion passed by a 3 – 2 vote with Mayor Pro Tem Myers and Commissioners Thomas and Paarfus voting for the motion and Commissioners Smith and Dyer voting in the negative.

UPDATE ON TOWN MANAGER RECRUITMENT PROCESS FROM S. RENEE NARLOCH

S. Renee Narloch provided an update on the recruitment process. They are in the process of reviewing applications, talking to candidates and beginning to formulate their recommendations. The next meeting would be to talk about their recommendations and for the Board to come to a consensus on which candidates to interview. The dates she is proposing are June 3rd and June 16th. She estimated the Board would interview three - five candidates.

The Board came to a consensus to meet on June 3rd in closed session after the budget meeting and June 16th, time will be determined based on the number of candidates.

POLICE REPORT – CHIEF DIXON

- Picking back up heading into Memorial Day.
- Provided staffing updates.
- Starting today through September 10th - no pets on strand from 9:00 a.m. – 5:00 p.m.
- Governors' Highway Safety Click it or Ticket Campaign is coming up. Wear your seatbelt. There was a wreck on the bridge the other day. It is a reminder why seatbelts are important.

Mayor Pro Tem Myers asked about an incident (armed with gun/knife). Chief Dixon will follow-up. Commissioner Paarfus reviewed a few of the incidents from the report and asked if there has been an uptick in violent crimes. Chief Dixon explained the environment changes as we get closer to the summer.

INSPECTIONS DEPARTMENT REPORT – INSPECTOR DIRECTOR EVANS

- Went over numbers on the report and monetary value on permits.
- Very busy. This doesn't show the number of times they review permits and the guidance given. It just shows the outcome.

FINANCE DEPARTMENT REPORT – FINANCE DIRECTOR MCRAINEY

- Revenues are looking good in the General Fund. Keep in mind a fund balance transfer will be made at the end of the year.
- In the Water and Sewer Fund, the lines merged together. That was from the early payoff of 796 OBW. The expenses and revenues should closely match the rest of the year.
- BPART looking good. Expenses will come closer to revenues in May because the debt payment was made in April last year and May this year.

Commissioner Paarfus asked if anyone is interested in seeing the cumulative curve from last year to see how we are tracking compared to last year. Finance Director McRainey will work on that for next month.

INTERIM TOWN MANAGER'S REPORT – INTERIM TOWN MANAGER FERGUSON

- Greensboro Street Lift Station – The third request for reimbursement has been submitted. Construction is 62% complete based on the timeline, but a new schedule will likely come out where they had some delays from the waivers. We are finding that first the federal side was in the lead when we requested reimbursements. The state has tended to fall behind. We just got email confirmation that the state is going to kick into gear, at the same time we got an email from the federal government that said new justifications will be required for all reimbursement requests. We have received three federal reimbursements and one state.
- Block Q Restroom and Parking – surveyor had the site laid out with a survey. Crews did begin work last week. There is a new completion date of August 20, 2025. We will hold a groundbreaking ceremony on June 4th at 10:00 a.m.
- Ocean Boulevard Stormwater – The Corps planned to be at the meeting this month, but they did have significant changes at the district and some of our project team became dismantled. They will be here in June.
- Pier Site – had our second meeting between HDR and the staff on May 15th.
- FEMA – we did a very successful four storm bundling FEMA project through disaster fund. There was a memo released from FEMA to OMB suggesting the beaches should be removed from eligible disaster assistance. We have responded to that, with letters going to the delegation that say that shouldn't occur and Cat G recreational beaches are important. Understands from where she spoke at the American Shore and Beach Preservation Government Affairs Committee meeting that there is an advisory

committee that is supposed to give an opinion to FEMA. Thinks the consensus across the board is that if FEMA bows out of this category and it goes to the states, the states are not ready. Once you do receive funding from FEMA, you should know that it doesn't always stay. We were told we would need to return \$2,970.48 for digital signs that were purchased during COVID. FEMA follows a disposition schedule and we are required to remit payment based on their closeout timing.

- NCBIWA Spring Meeting – went over groups in attendance and items of specific interest.
- Public Service Appreciation Week – amazing the amount of work that gets done with only 26 current employees. Less than half of the employees have served the Town for five years or more. Suggested looking at longevity pay in the future.
- BIMP Update – It has taken traction and looks like an update will be funded at a state level.
- Concerts begin this Sunday. A new public safety outreach program will occur before the concerts.
- Reviewed objectives status report.

Mayor Pro Tem Myers asked if it is time to panic about FEMA. Interim Town Manager Ferguson doesn't want to comment on the federal level, but she was happy to see the list of people appointed to the advisory committee. We need to keep it on the radar.

DISCUSSION AND POSSIBLE ACTION ON POLICE DEPARTMENT INCENTIVE/RETENTION ITEMS

Chief Dixon explained this is follow up from what was discussed in January. Policies were set up for internal ranks. We are ready to move forward with that if the Board agrees. Based on that criteria there would be three internal positions that would be recognized as ranking officers. Been working with the attorney regarding the cadet program. They talked about a memorandum of understanding that would be used instead of a contract to set the guidelines of what would be expected. The fitness program is included in the next budget. He will work on the commendations program in the fall. Chief Dixon would like to use the cadet program as a tool, but he would give priority to an applicant who is already certified. Cadets would take up a position. The proposed changes are incorporated into the upcoming budget.

Motion by Commissioner Paarfus to approve the internal rank changes; second by Commissioner Thomas; approved by unanimous vote.

CONSIDERATION AND POSSIBLE ACTION ON BLOCK Q PROFESSIONAL SERVICES

Interim Town Manager Ferguson said at the last meeting, the Board voted to move forward with the concert venue part of the master plan. The architect has provided a proposal for the Board's consideration. Commissioner Thomas said she does not see a dance floor listed under Phase 1. Interim Town Manager Ferguson replied if the Board moves forward, she will

make sure he understands he needs to include a dance floor. Commissioner Thomas asked about stormwater. Interim Town Manager Ferguson explained that would need to be taken into consideration. She will make sure they understand the minimum requirements.

Motion by Commissioner Thomas to receive the quote and award the scope of work and allow the town manager to execute; second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON REVISIONS TO HOLDEN BEACH CODE OF ORDINANCES CHAPTER 157, ZONING CODE

Inspections Director Evans said the information was presented at the April meeting, public hearings were held and the proposed ordinances were approved on the Planning & Zoning Board level. The consistency statements from the Planning & Zoning Board were included in last month's packets.

Motion by Commissioner Paarfus to approve Ordinances 25-05 (Amending Section 157.006 Definitions), 25-06 (Amending Section 157.060 Residential District) and 25-07 (Amending Section 157.085 Relocation of Buildings) along with corresponding statements of consistency; second by Commissioner Smith; approved by unanimous vote.

REPORT ON LOCKWOOD FOLLY DREDGING HISTORY AND FUTURE PLANS

Interim Town Manager Ferguson provided history on Lockwood Folly dredging. She provided information on earmarks requested and the Town's Shallow Draft Inlet Permit. The Town is investing a lot, advocating on the federal level and getting funds in place when we can. The inlet is in a state that it needs dredging. We were first told it would be the May timeframe. Now we are being told June/July. The Corps has a program cost of \$744,500. The Shallow Draft Navigation Fund pays 75% of that. The local match is \$186,125. In the past the county paid 50% and then Oak Island and the Town were asked to each pay 25%. Last night the county voted to pay the full amount and then invoice the towns. The Town did budget funds in this fiscal year in the Lockwood Folly line. We stand ready to pass those funds to the county and will be doing that. Since it is already in the budget, there is no action required.

DISCUSSION AND POSSIBLE ACTION ON ADA COMPLETION AGREEMENT

Inspections Director Evans provided background and introduced Martha Myers. Ms. Myers said all items listed in the agreement are now complete. The work the Town has engaged in over the past two years has greatly improved beach accessibility. She said the Town, thanks in large part to the work of Inspections Director Evans, has exceeded what was required by the agreement. Additionally, the Town is about to embark on an ADA self-assessment, which was not part of the agreement but will provide a road map for current and future improvements. She said there must be a plan for monitoring and cleaning the blue mats on a regular basis and suggested using volunteers. Interim Town Manager Ferguson said based

on the liability, she does not think volunteers can do work on mats. They are on a maintenance schedule and beach rangers will also monitor them. Inspections Director Evans added the ADA assessment will address maintenance programs. Mayor Pro Tem Myers said this is a big achievement and suggested the Town should think of a way to celebrate this.

Motion by Commissioner Dyer to accept the agreement; second by Commissioner Paarfus; approved by unanimous vote.

Mayor Holden announced a five-minute recess at 7:03 p.m.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 25-08, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 72: PARKING REGULATIONS

Town Clerk Finnell explained the parking table in the Code of Ordinances needs to be updated to reflect recent changes to the pier and the east end of the island. Mayor Pro Tem Myers inquired why the pier is not showing as off-street. Inspections Director Evans requested two revisions to the proposed table – H42 should be amended to two handicap spots and H52 should be changed to five spots.

Motion by Commissioner Paarfus to approve as amended (Ordinance 25-08, off-street at pier, H42 and H52); second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 25-09, AN ORDINANCE ADOPTING A SUPPLEMENT TO THE HOLDEN BEACH CODE OF ORDINANCES (SUPPLEMENT 18)

Town Clerk Finnell stated the supplement codifies the ordinances the Board has approved since the last supplement.

Motion by Commissioner Paarfus to approve Ordinance 25-09; second by Commissioner Thomas; approved by unanimous vote.

DISCUSSION AND POSSIBLE SELECTION TO HOLD A PUBLIC HEARING ON THE PROPOSED BUDGET FOR FISCAL YEAR 2025 - 2026

The consensus of the Board is to hold the public hearing on June 17th at 5:00 p.m.

CONSIDERATION AND POSSIBLE ACTION TO APPROVE PROPOSALS FOR HARRIS LOCAL GOVERNMENT PRINT AND MAIL SERVICES

Finance Director McRainey said Harris Local Government offers the opportunity to produce and mail the Town's water bills. This should help with more timely billing and solve a long-

standing issue with the folding machine. After we buyout the lease of the folding machine, it saves approximately \$100 per year. Interim Town Manager Ferguson added it will also save money and time for staff resources.

Motion by Commissioner Thomas to approve the contract for Harris Local Government print and mail service; second by Commissioner Paarfus; approved by unanimous vote.

CONSIDERATION AND POSSIBLE ACTION TO APPROVE CONTRACT FOR LCC TELECOM SERVICES

Finance Director McRainey stated LCC Telecom has a spot on the water tower. This is a renewal of the lease for another five years. The renewal reflects a 7.7% monthly increase in rent. Commissioner Paarfus asked if there have been any detrimental affects due to the equipment on the water tower. Town Clerk Finnell said the Town works with a company, Utility Solutions and the Inspections Department regarding equipment placement.

Motion by Commissioner Smith to approve the contract; second by Commissioner Paarfus; approved by unanimous vote.

PUBLIC COMMENTS ON GENERAL ITEMS

Rick McInturf said the HB Community Alliance will sponsor their 2nd Annual Welcome to the Beach Cookout on Saturday. He invited the public.

Will Carter suggested going back to two-year terms for the commissioners.

MAYOR'S COMMENTS

- Hopes everyone has a good Memorial Day. Hopes everyone is safe, weather is supposed to be good and we are expecting a tremendous crowd.
- Asked if Fire Department got the safety stations on the beach. Interim Town Manager Ferguson said the Fire Department contacted her. They are trying for this weekend but it may be a little longer due to a delay in receiving the equipment.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Myers

- Thanks for coming.
- Happy Memorial Day.
- Thinks we had a very productive night.

Commissioner Smith

- We are starting to see an influx in golf carts again. Please be mindful of those. They use the bike lanes a lot. If you see people who aren't using the proper restraints, please ask them to do so to try to save a life.
- Island will be full of kids this weekend. Please watch out for the kids and remember why we have Memorial Day. We have members of our families that have given the supreme sacrifice and others that have sacrificed a lot of their time and effort to keep us free. Let's enjoy Memorial Day, but remember why we are celebrating it.

Commissioner Thomas

- Reminded people that in the last election four seats were turned over and they had an opportunity to put in a majority that supported things they wanted and that's what they did.
- Glad we are moving forward with the pier. That is a huge kudos. We are also moving forward with hopefully getting a new dance platform on Block Q.
- Have a good Memorial Day. Be safe.

Commissioner Dyer

- Was not for the search committee for a town manager. The work that has been done on interim town manager's report – doesn't see how you will bring in a stranger that doesn't know anything about Lockwood Folly; know anything about Block Q; who has not been to Washington pushing and pushing for money. We are getting ready to face this issue with FEMA. Doesn't know why we are spending all this money when we have a perfectly great candidate sitting right here. It scares her to think we will get someone from non-coastal, not from North Carolina and doesn't know our staff. Thinks it is wrong.
- Have a happy Memorial Day.

Commissioner Paarfus

- Thanks for coming out.

Motion to adjourn by Commissioner Paarfus; second by Commissioner Smith; approved by unanimous vote.

J. Alan Holden, Mayor

Attest:

Heather Finnell, Town Clerk