



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
PUBLIC HEARING/REGULAR MEETING
TUESDAY, JUNE 17, 2025 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Public Hearing/Regular Meeting on Tuesday, June 17, 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 Finnell; Police Chief Jeremy Dixon; Public Works Director Chris Clemmons; Inspections Director Tim Evans; Finance Director Daniel McRainey; and Town Attorney Sydnee Moore.

PUBLIC HEARING: PROPOSED BUDGET FOR FISCAL YEAR 2025 - 2026

Interim Town Manager Ferguson explained the proposed budget is balanced in accordance with the North Carolina Budget and Fiscal Control Act. The Board held four meetings prior to this and made recommendations. The total budget is \$31,791,435. It focuses on the Board's goals and budget priority areas. The differences you see from the last meeting are calculations for ad valorem tax have been updated to match the county's scroll; and it gives the Board Available to Appropriate in the General Fund. The Board voted that the \$3.90 increase on the sewer base charge would remain, but we did take out the proposal to charge for the first 2,000 gallons on both sides. The leases for the water tower were also updated to reflect the contract approved at the last meeting.

No comments were made.

Mayor Holden closed the Public Hearing at 5:05 p.m.

REGULAR MEETING

Mayor Holden asked for a moment of silence and then called the Regular Meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

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

CONFLICT-OF-INTEREST CHECK

No conflicts were disclosed.

APPROVAL OF MINUTES

Motion to approve (Minutes of the Public Hearings/Regular Meeting of May 20, 2025) by Commissioner Paarfus; second by Commissioner Thomas; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Sylvia Pate asked the Board to seek input from property owners who are not registered to vote in the Town when considering the referendum. She suggested having an additional public hearing on Saturday, August 16th. She asked about Section E in the Statements of Fact and would hope more specific information would be provided on a proposed property tax increase.

Jim Bauer said after seeing the HDR report, he would like to see a figure to just remove the pier. He suggested adding gravel for parking spots to the area at the pier where the buildings were to generate revenue.

Will Carter said he attended the Holden Beach Property Owners (HBPOA) Association meeting and suggested that a survey be sent to all property owners regarding the referendum. He provided feedback on the last survey sent out from the HBPOA. He suggested the Town send out a survey to get the taxpayers' input.

CONSIDERATION AND POSSIBLE ACTION ON HDR REPORT

Interim Town Manager Ferguson said \$7.3 million is the Not-to-Exceed (NTE) number. They were asked to provide this number before their draft report was due in order to move forward with the referendum process. Will Fuller provided information on the NTE cost. The amount is the final number, after contingencies are applied. The number uses a trestle approach. The trestle approach would double, if not more the cost of the pier. It is where you build out a steel platform to work off of as opposed to doing the top down or barge and land-based approach. The trestle did provide the most expensive, upfront bid cost. The rationale also included that they wouldn't know what the contractors would want to bid on.

Commissioner Paarfus said as we move down the road from 30% design to 60%, you will have an opinion of probable cost for construction of the pier. At that time, you would

probably have done more homework and have an idea of what the most likely construction method will be, which in his opinion will be a barge. This is the ceiling that we are going forward with because once we establish this number, we cannot ask for more. He said it is a conservative number. Mr. Fuller agreed it is a conservative number. He agreed the trestle method is the most expensive upfront. You have to keep in mind that if you go with a barge or land-based approach, you are at the mercy of the conditions. There is a lot of variability. He provided examples of things that could affect the timeline. Permitting for the trestle method would be another layer to the timeline. Commissioner Smith asked how the trestle process works. Mr. Fuller said it is where you are basically building a second pier. They will drive steel piles into the ground, build a steel deck and ramp and that is what the construction equipment will work off. That is the same workspace they would use for the demolition. With permitting, you shoot for having the pier moved to the other side of the trestle. The trestle would be in the middle so you could construct the new pier on one side and demolish it from the other side. Commissioner Smith provided information about construction of the current pier and asked if that wouldn't be the most economical way to do it. Mr. Fuller said that is the top-down approach. He explained when the Board decided to go with pedestrian loading, that precluded a top-down approach. Commissioner Paarfus said when you do the design, you are telling a contractor what you want built, not giving him the methods of construction. He may find an alternative method. He said they are just saying this is the most expensive way upfront in order to determine the NTE number. Commissioner Smith said in his opinion it just puts out a high number. He asked Mr. Fuller what the real cost would be in his professional opinion. Mr. Fuller replied he cannot speak to that, it would come down to the contractors. They do not dictate methods. If they will be doing the inspections, they will want to see a workplan to approve.

Commissioner Smith said this will not all be taxpayers' dollars. When the Board started this, they implemented paid parking to help pay for this. In bringing in \$1 million a year, he thinks it is a doable project. Commissioner Thomas said paid parking was implemented a year before the Town bought the pier to pay for expenses the Town has related to parking. That money is already allocated in the budget. Commissioner Smith said he understands her point of view, but she was not on the Board at the time. Commissioner Dyer said to say the tax increase would be the only way to pay is not fair. The Board can consider public private partnership, donations. She thinks it is doable without it being just a tax increase. Commissioner Paarfus said the Town hired a financial advisor that will look at the Town's resources to see if there is some revenue that could be applied towards paying for this. Once we have 30% plans and a cost estimate, we can go looking for grants. He doesn't think it will all fall to a tax increase. He said what the Board is essentially trying to do is asking for permission to have a line of credit, that we may never use or only use a small part of. Commissioner Paarfus said bonds will not be issued until after we receive bids. Bond debt can also be paid with other revenue sources. We are just trying to get the process going. He provided information on what the form of the referendum will be. The pier is not insurable, so he doesn't think the Town would find a commercial lender to give the Town money unless there is collateral so our choices are limited. Commissioner Paarfus said we are looking for

a tool that we may deploy to get the job done. We are planning for the worst and hoping for the best.

The Board agreed by consensus to accept the report.

REVIEW AND UNDERTAKE REQUIRED INITIAL BOARD ACTIONS TO PURSUE A 2025 GO REFERENDUM

Scott Leo, Parker Poe and Andrew Carter, DEC Associates joined by telephone. Interim Town Manager Ferguson said \$7.3 million is the NTE number from HDR. If the Board starts this process and a number that is too small is put on the documents, the whole process will need to start over. The number can always be lowered. The supplement with the actual figures was sent on Monday. She said the Town had a pre-scoping meeting with the Local Government Commission (LGC). At the meeting, she was advised that at every public hearing or meeting that the Town has where the item is discussed, the public must be told that construction of a new pier is uninsurable. It can be insured for things like fire and vandalism, but wind and water events cannot be insured. A GO Bond pledges the taxing power of the Town, so if an event happens in the future and the pier is gone, there is potential you will still be paying the tax on that until the debt is paid.

Mayor Pro Tem Myers inquired about the word excessive in Section E on page 18. Mr. Leo responded that the findings track with the statute that the LGC will need for their approval of the bond. The language comes right from the statute. The way he interprets it is the tax rate will be whatever is necessary to pay the bonds but won't be more than is necessary to pay back the bonds. He confirmed the referendum is required for issuance of a GO Bond. In order to pledge the full faith and credit of the Town for this particular purpose it requires a vote of the people. Commissioner Dyer asked if they had any suggestions on the uniqueness of the Town's situation that the majority of the people who pay taxes are not able to vote. Mr. Leo explained the calendar that he laid out for the Board is the minimum to get through the process. The Board can choose to hold more public hearings. The Board talked about having another public hearing, possibly on a Saturday. Mr. Leo reviewed the timeline/requirements for moving forward to get the information to the Board of Elections by September 5th.

Mayor Pro Tem Myers said it would be helpful to provide information on life cycle/maintenance costs at a public hearing. Mr. Fuller said the final report that would include that information is due by August 4th.

Motion by Commissioner Thomas to approve Resolutions 25-03 (Resolution Directing the Publication of Notice of Intention to Apply to the Local Government Commission for Approval of Bonds) and 25-04 (Resolution Making Certain Statements of Fact Concerning Proposed Bond Issue and Authorizing the Application to the Local Government Commission); second by Mayor Pro Tem Myers. Commissioner Thomas amended her motion to add allow staff to execute paperwork; Mayor Pro Tem Myers agreed with the amendment. The amended motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION ON PURSUING \$2.2 MILLION IN ENVIRONMENTAL INFRASTRUCTURE FUNDING THROUGH THE CORPS

Interim Town Manager Ferguson provided background and introduced Bob Keistler from the Corps. Mr. Keistler provided an overview on the Section 5113 Program. The non-federal sponsor leads and the Corps reimburses and provides QA. The cost share is 75% Corps and 25% Town. A Project Partnership Agreement (PPA) is required to move forward. The PPA specifies the cost share ratio. They used the approved Stormwater Master Plan to come up with a budget. The PPA sets a ceiling for the total amount of federal funds available for the federal share of project costs. The Corps has \$2.2 million to put towards the project. It also explains the roles and responsibilities; provides guidance for invoice submittals; and establishes expectations with records management and auditing. The Town would manage the work. The Corps reimburses eligible project costs and provides QA throughout the process. Any project costs that exceed the ceiling established in the PPA have to be paid 100% by the Town. The Town would own the infrastructure upon completion and be responsible for all maintenance responsibilities.

Mr. Keistler provided information on the Town's project. The information came from the Stormwater Master Plan which contains a strategy to address increasing risks to life and property due to recent flooding events. The plan prioritized the hot spots on the island. The two locations that were identified were the 300 block of Ocean Boulevard West (location 1) and the east end of Mullet Street and Avenue A (location 2). Next steps include the Corps finalizing a Letter Report. The information came from the Town's plan. With the information coming from 2024, they put some contingency on it. Once the Letter Report is approved, the PPA can be signed and executed. Upon execution of the PPA, work can begin. Throughout the project, it must stay within the scope established in the Letter Report.

Commissioner Thomas asked if there is any risk that the money could be taken away. Mr. Keistler explained he doesn't think so. They expressed the capability and received the money. It is in the Wilmington District. Interim Town Manager Ferguson said in the past, some of the earmarks that have passed through from Congress to the Corps were on a yearly basis and some of the matches had to be appropriated yearly. This has been frontloaded on their side. Mayor Pro Tem Myers asked about the timeline. Mr. Keistler said the schedule came from the Town's plan and the timing the Town provided for getting the budgeted money. They are estimating executing a PPA this summer and a year's worth of NEPA coordination. It is 2.5 years from the time the PPA is executed through completion. He reviewed key dates and the path forward. Interim Town Manager Ferguson explained that what is proposed for the Town's funds is \$300,000 in the next fiscal year and \$1.9 million for the following year (shown in the Capital Improvement Plan). The Town has to budget for all of it and then the Corps reimburses 75%.

Motion by Commissioner Paarfus to approve the model agreement and direct the interim town manager to have all paperwork executed based on the July 1 budget start date for the

financial certification subject to the final agreement being identical to the one presented to us tonight; second by Commissioner Smith.

Commissioner Dyer commended the staff for their work on the plan.

The motion passed unanimously.

POLICE REPORT – CHIEF DIXON

- Provided information on the armed subject call from last month. He answered questions about drones and advised people to call them with problems.
- Went over report. He will check on the shots fired call but explained it most likely was fireworks.
- Responded to a water rescue yesterday. All evidence is presumed drowned but they are still looking.

Commissioner Smith explained the importance of operating a golf cart safely. Chief Dixon provided information on the community outreach program before concerts.

INSPECTIONS DEPARTMENT REPORT – INSPECTIONS DIRECTOR EVANS

- Going steady. Inspections seem to be flowing well.
- They have the glitch in the report worked out.
- Went over numbers.
- Bulkhead/floating dock assessment was completed. Letters are being sent out. Talked about the need for house numbers to be placed on the canal side. He thinks they are getting ready to require all new permits issued for canals to have numbers on the canal side. The Town doesn't have an ordinance, but it can be addressed by an internal policy. He reviewed requirements that would need to be met. He thinks it should be mandatory for new structures moving forward.
- Working on the ADA assessment. Thinks will have an update for the Board in September.
- Working on the fire station. They have done a needs assessment and a site plan. They are counting houses and verified that the location of the current station is where it should be. Will talk to the Chief Todd and Assistant Chief Ward. Hoping to give a cost analysis. He also wants to get with the Office of State Fire Marshall to see if they have recommendations for future needs.

Commissioner Paarfus would like the fire station information to be added to the action tracker in the manager's report. Mayor Pro Tem Myers asked about departments moving from a fire fee to a fire tax. Inspections Director Evans said the Town will need to look at that. Commissioner Dyer asked if they looked at increasing handicap parking across the street at Quinton. Inspections Director Evans explained if you put handicap parking you need an accessway. He thinks Quinton is grass. They have not looked at that.

FINANCE DEPARTMENT REPORT – FINANCE DIRECTOR MCRAINEY

- As we are approaching the fiscal year end, you see lines starting to plateau off. The General Fund has a pretty decent gap between revenues and expenditures. That reflects an increase in Fund Balance. After end of year transfers, those will collide.
- Water and Sewer Fund – May posting has not happened yet. They will be close, but we will be in the positive.
- BPART – the Block Q debt payment came out May 1st this year instead of April.

Commissioner Paarfus thanked Finance Director McRaine for putting last year's curves on the report.

INTERIM TOWN MANAGER'S REPORT – INTERIM TOWN MANAGER FERGUSON

- Greensboro Street Lift Station – there is a meeting that is supposed to occur on June 26th with the engineer, contractor and staff. The fourth application for payment came in from the contractor. The state still lags in sending payments. We are still waiting on disbursements two and three. Staff has followed up on several occasions. The information we received back from DEQ is there was an internal glitch in their system that showed payments were going out and they were just sitting in the system. Since the last report on construction, the contractor installed most of the cold-formed metal framing for the second-floor pump and electrical room; has started installation of wall sheathing; installed some of the ductile iron and PVC piping for the vacuum pump skid; and installed electrical conduit. Roof trusses were expected to be delivered the week of June 9th. The contractor has been in communication with the engineer and have asked for a time extension on being able to complete their final construction and payout because they had such a delay with the Buy America, Build America waivers. The engineer reached out to the EPA to see if they were agreeable. They granted that extension. It gives the contractor 72 more days. The agreed upon dates are a revised substantial completion date of October 1st and a revised final payment date of October 31st.
- Block Q Restrooms and Parking – plumbing has been installed as of the time of this report. New project superintendent is taking over. Talked about work currently completed. Explained concerns staff has had with the work completed. May have to do a budget amendment if scheduled work isn't completed by the end of the budget year. Staff is engaged with the architect on the issues.
- Stormwater Project – held meeting with Division of Coastal Management and our engineer regarding potential future permitting for additional areas of concern.
- Pier Site – held the third meeting with HDR on June 11th.
- FEMA – no word yet regarding what the advisory committee for FEMA recommended concerning Cat G Beaches. Understands President Trump has made some remarks that after this hurricane season, disaster declaration funding would fall to the states. Met

with Grayson Overholt from Senator Tillis' office on June 3rd. He stated that Senator Tillis had submitted some reform recommendations including pulling FEMA out from under Homeland Security, but those are still being considered at the federal level.

- Employee Updates – John Bajkowski was sworn in on May 28th as our newest officer. Conditional Offer of Employment has gone out to Austin Bell, a graduating student of BLET. Brice Tripp started work with the Public Works Department the week of June 9th.
- Went over Objectives Tracker information.
- Water Billing Announcement Request - Board agreed by consensus to waive late penalty fees on utility bills in June since they would be mailed late due to the transition to our new billing method.
- Received word from Ward and Smith that Representative Rouzer did submit Holden Beach's Lockwood Folly Inlet Navigation Maintenance Project for \$1.2 million as one of his requested earmarks. Will wait to hear how that plays out.

Commissioner Paarfus asked if the extension on Pump Station 2 is a no cost change order. Interim Town Manager Ferguson replied yes. Commissioner Paarfus suggested removing the audio-visual item from the tracker list. Mayor Pro Tem Myers said he thinks the list needs to be refreshed since we are moving to a new year. He inquired if stormwater should be added. Commissioner Paarfus suggested a future discussion on this item.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 25-10, AN ORDINANCE AMENDING ORDINANCE 24-11, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2024 – 2025 (AMENDMENT NO. 8)

Finance Director McRainey said the purpose of the transfer is to be in compliance with the Fund Balance Policy that the Board set forth and to finish the partial transfer that was made in December.

Motion by Commissioner Thomas to approve Ordinance 25-10 (An Ordinance Amending Ordinance 24-11, The Revenues and Appropriations Ordinance for Fiscal Year 2024 – 2025, Amendment No. 8) and instruct staff to make the transfer; second by Commissioner Paarfus; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 25-11, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2025 - 2026

Interim Town Manager Ferguson stated the Board held the required public hearing tonight and it is before the Board for consideration of action.

Motion by Commissioner Thomas to approve Ordinance 25-11 (The Revenues and Appropriations Ordinance for Fiscal Year 2025 – 2026); second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 25-05, RESOLUTION AMENDING THE TOWN OF HOLDEN BEACH FEE SCHEDULE

Town Clerk Finnell explained increased wastewater revenues are needed to offset expenses. Based on research, comparative analysis of neighboring communities and feedback from the Board, an increase of \$3.90 is proposed, increasing the wastewater base charge to \$20 per month. The fee schedule needs to be updated to reflect the proposed fee.

Motion by Commissioner Paarfus to approve Resolution 25-05 (Resolution Amending the Town of Holden Beach Fee Schedule); second by Commissioner Thomas; approved by unanimous vote.

CONSIDERATION AND POSSIBLE ACTION ON WARD AND SMITH CONTRACT FOR UPCOMING YEAR

Interim Town Manager Ferguson said the Ward and Smith contract is in the packet. They did not change their fee this year over the previous year. A rundown of items they have helped the Town with is also included in the packets.

Motion by Commissioner Smith that we receive the proposal and instruct the interim town manager to execute the contract; second by Commissioner Paarfus; approved by unanimous vote.

CONSIDERATION AND POSSIBLE ACTION ON CAROLINA CREATIONS LANDSCAPING AND IRRIGATION CONTRACT

Interim Town Manager Ferguson explained this is a contract that comes before the Board yearly. The Board received a supplement to clarify a few things. The Beautification Club had some concerns. They work closely with the contractor. The first proposal that went out in the packet listed annual flower plantings that were optional, but that is something the Beautification Club does. They did not intend to take over the plantings, it was just if it was something the Town needed. We were not being charged for them in the new contract. In the supplement that went out, that language was removed. The cover sheet was updated to a 12-month agreement. The Beautification Club may want to go out to bid after this year. Maintenance for landscaping did go up 2%, which is standard. Irrigation did go down.

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

DISCUSSION AND POSSIBLE SCHEDULING OF A DATE TO HOLD INTERVIEWS FOR VACANCIES ON TOWN BOARDS

The Board came to a consensus to hold interviews on July 15th at 4:45 p.m.

Interim Town Manager Ferguson provided the Board with information on a social media event.

PUBLIC COMMENTS ON GENERAL ITEMS

Will Carter spoke in support of a concrete pier. He wished the Town wouldn't waste money on a wooden pier.

MAYOR'S COMMENTS

- Four members of the family involved with the incident with the missing person came to his office. It is a sad time, please keep them in your prayers.
- Hurricane season is upon us. Encouraged everyone to review your hurricane plans.
- A good number of our oceanfront houses do not have numbers that can be read from the ocean side. They need to be large enough to read them from the high tide line.
- Fire Tax – has been communicating with county commissioners in their fire meeting. It is a very perplexing problem to try to figure out. This county is one of a few counties in the state that still is using the system we are using here. Not sure where it will go in the future.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Myers

- Thanked everyone for coming or those listening online, thank you for participating.
- Happy Independence Day. Have a good rest of the month.

Commissioner Smith

- Thanked staff. People don't understand how we get as much done as we do with this size staff. You can't say enough about how the staff works together and keeps this island moving.
- Golf Carts – let us all be mindful of golf carts.
- Blessed to have such a beautiful place to live.
- In turtle season. Thinks we have some nests already. Be mindful to keep your lights off at night. It is a distraction for the turtles. There is an ordinance in place.
- Have a happy and safe 4th of July. Be proud of the anniversary of the founding of our country.

Commissioner Thomas

- Agree with mayor about oceanfront numbers. She inquired about numbers for the new posts from the Fire Department.
- Thanked everyone for coming. Have a great 4th of July.

Commissioner Dyer

- Thanked the first responders. It is barely the middle of June and they have had a busy season. It is a hard thing they had to go through yesterday and continuing the search. Prayers go out to the friends and family involved.
- Thanked staff for their hard work on the budget. Doesn't think people realize what it takes to put a budget together.

Commissioner Paarfus

- Thanked everyone for coming out.
- Hopes everyone has a happy, safe and enjoyable 4th.
- Thanked staff for all the hard work for the budget. Thanked the commissioners for all the work they have completed recently.

ADJOURNMENT

Motion by Commissioner Paarfus to adjourn at 6:58 p.m.; second by Commissioner Smith; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk