



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
THURSDAY, APRIL 17, 2025 – 5:30 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Thursday, April 17, 2025 at 5:30 p.m. Present were Mayor Pro Tem Tom Myers; Commissioners Rick Smith, Tracey Thomas, Page Dyer and Rick Paarfus; Interim Town Manager Christy Ferguson; Town Clerk Heather Finnell; Public Works Director Chris Clemmons; Public Works Superintendent Chris Benton; Inspections Director Tim Evans; Police Chief Jeremy Dixon; and Finance Director Daniel McRaney. Mayor J. Alan Holden was unable to attend the meeting.

Mayor Pro Tem Myers called the meeting to order.

**PUBLIC COMMENT**

No comments were made.

**BUDGET WORKSHOP**

Interim Town Manager Ferguson reviewed the budget calendar, common themes for objectives and budget priority areas. The budgets for the General Fund, BPART and Canal Dredging are shown as balanced. The expenses in the Water and Sewer Fund are currently outpacing revenues. Public Works Director Clemmons has suggestions towards rate structure discussion. Challenges for this budget include unknown assistance from other levels of government and inflation. The budget aligns with the Board's outlined priority areas.

The proposed General Fund budget is at \$4.8 million. Highlights include \$300,000 stormwater design and permitting towards the two areas discussed previously; police restructuring; additional certifications for personnel; annual street paving; \$100,00 transfer to the Beach Inlet Capital Reserve Fund (BICRF); \$69,396 as Available to Appropriate and ballistic vests for the Police Department.

The BPART number has changed as far as Available to Appropriate and what there is to transfer to the sand fund because we were waiting on the number for what will not be accomplished for the Block Q bathroom this year and the \$90,000 the Board discussed at the last meeting to have HDR take the pier project to design. HDR said the number would be \$175,000, not \$90,000. Highlights to be accomplished in the proposed BPART budget are

new playground equipment; dock dredging; concert venue; finish Block Q restroom; and start pier design bathroom. It was \$600,000 transfer to the BICRF and \$94,581 Available to Appropriate. Now, there is no Available to Appropriate.

Dredging at the boat dock and the transient boat dock were discussed. We can look for grant funds to complete the dredging.

The Canal Dredging Fund budget stays shovel ready by canal subdivision.

The Water and Sewer Fund has a deficit. Highlights include decreased collection for new builds; a cooling solution for lift station 1; a ventilation solution for lift station 4; decreased amount of water taps for new homes; the sale of 796 OBW; and projection in sewer use charges going down.

Public Works Director Clemmons explained he thinks the Town needs to look at a rate structure to see what we need to account for the shortfall. He has looked at nearby communities. There are several ways it can be done. Current projections, changing the rates and future needs to include a water tower were discussed. Public Works Director Clemmons said we do not need a new generator this year. Inspections Director Evans provided information on high flow fixtures that will now be allowed by executive order. Public Works Director Clemmons said we also need to look at sewer rates. Adding an inflation factor was discussed. The proposed rates for the next meeting will reflect charging for the 2,000 gallons that is currently included in the base charge.

Water and Sewer Fund revenues and expenses were discussed.

Under General Fund, the tax collection rate and Interest on Savings and Investments were discussed. Parking violations were discussed. Staff will review that number. Building revenues were reviewed. Fund Balance Appropriation was the transfer to the Beach & Inlet Fund.

Under Governing Body Expenses, Professional Services were increased a little but not enough to cover a lawsuit. Available to Appropriate is available if needed. This is an election year, so the expense to have the Board of Elections conduct the election is shown. Available to Appropriate and the terminated contract obligation were reviewed. Certifications and staffing in the Inspections Department were discussed.

Public Works Director Clemmons detailed what is taken from the Communications line in the Water Admin Expenses.

Under the BPART Fund, parking and occupancy tax revenues were discussed. For expenses, the Rothschild Davis Park line was discussed. Expenses and replacement options for the playground were reviewed. Interim Town Manager Ferguson will explore options for grants for playground equipment. There are also playground funds in Capital Improvement Plan (CIP). Block Q Professional Services expenses are to do the next part of the master plan for Block Q. This fiscal year we are starting with the planning for concerts. The contractor for Block Q

thinks only 60% of the bathroom project will be completed this year. The new number that will be needed for that line in the proposed budget will be \$278,575 to complete the bathrooms and to pay the sewer share fee back. Interim Town Manager Ferguson said that change, along with the other she is going to talk about will wipe out Available to Appropriate and change the transfer to the BICRF to \$472,381. The other number that will change is 441 Professional Services. The Board had estimated \$90,000 to take it to the next level of design. The number is actually \$175,000. The Board debated how to move forward. If a referendum on the pier is added to the next ballot, there are things that need to occur before meeting the election deadline. Interim Town Manager Ferguson explained the procedure to proceed with the referendum. She will follow up to find out additional information on how to proceed. How to move forward was further discussed.

*Motion by Commissioner Paarfus to keep the \$180,000 in the 441 Professional Services line.*

Interim Town Manager Ferguson said that is the number from the packet. The number would be \$225,000 for Professional Services

*Commissioner Paarfus revised his motion to keep \$225,000 in the 441 Professional Services line; second by Commissioner Dyer. The motion passed by a 3 – 2 vote with Commissioners Smith, Dyer and Paarfus voting for the motion and Mayor Pro Tem Myers and Commissioner Thomas voting the negative.*

Mayor Pro Tem Myers said now the \$180,000 under that line will go to \$225,000. Commissioner Thomas said Block Q is going from \$101,000 to \$278,000 so that is an additional \$178,000 being taken out of the sand fund. Interim Town Manager Ferguson added Available to Appropriate will go down to \$0.

Under Lockwood Folly Dredging – it is the Town's turn to get sand from the dredging of the crossing. It is a best estimate. Until the Corps lets the contract, we do not know the amount. In the past dredging has come from the BICRF, but it was budgeted from revenues.

Pier Reno and Repair is a new line based on information from the HDR report. This would allow the pier to be stabilized if necessary.

Commissioner Thomas said what she is hearing is on page 37, Available to Appropriate is being taken down to \$0 and the Transfer to the BICRF is being taken to \$472,000 based on the two changes. Interim Town Manager Ferguson confirmed \$472,381.

*Motion by Commissioner Thomas that we move that \$128,000 from the BPART savings into this budget so that it stays at \$600,000.*

Commissioner Thomas confirmed she is saying to do a fund balance appropriation.

*Commissioner Paarfus seconded the motion.*

Commissioner Paarfus asked if there was an issue with that. Mayor Pro Tem Myers said no, other than they had a goal to not do that.

*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.*

Beach & Inlet Capital Improvement Plan (CIP) – Finance Director McRainey explained how to read the plan. The condition of the beach and funding were considered. Interest is not accounted for in the plan. Amending the Beach Inlet CIP format and what is needed to achieve the goal of \$25,500,000 was discussed. Staff will work on amending the plan based on the Board’s feedback and will send the revised version to the Board.

Capital Improvement Plan – the stormwater program funds were discussed. The Corps pays the Town back up to 75% of the \$2.2 million if the Town partners with them. Interim Town Manager Ferguson explained the earmark is for the Corps. She checked with Ward and Smith and there is a potential to go through the EPA, but it is a harder road to travel and it is not guaranteed. The funding through the Corps has been allotted through the Congressional budget. The Corps will be attending the May meeting. If the Board decides to partner with the Corps, the corresponding revenue source will be shown in the CIP. How to move forward was discussed. Interim Town Manager Ferguson reviewed the detailed background on the Corps’ funding and provided information on the grant application she is working on that the Board approved at the regular meeting.

Mayor Pro Tem Myers provided feedback on the format of the CIP.

Fire hydrants – covers cost of about two hydrants per year.

## **ADJOURNMENT**

*Motion by Commissioner Paarfus to adjourn at 7:38 p.m.; second by Commissioner Thomas; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk