



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, MARCH 18, 2025 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, March 18, 2025 at 5:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Myers; Commissioners Rick Smith, Tracey Thomas, Page Dyer and Rick Paarfus; Interim Town Manager Christy Ferguson; Town Clerk Heather Finnell; Inspections Director Tim Evans, Finance Officer Daniel McRainey; Fiscal Operations Specialist Penny King; Police Chief Jeremy Dixon; Sergeant Adam Milligan; Fire Chief Doug Todd; Assistant Fire Chief David Ward; and Town Attorney Sydnee Moore.

Mayor Holden presented the invocation and then called the meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

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

CONFLICT OF INTEREST CHECK

No conflicts were disclosed.

APPROVAL OF MINUTES

Motion by Mayor Pro Tem to approve (a. Special Meeting of February 18, 2025 and b. Regular Meeting of February 18, 2025); second by Commissioner Paarfus; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Rick McInturf spoke on behalf of the HB Alliance. He said they have been advised by the Town attorney that the alliance will not be granted access by the Town to obtain the items they deemed to be of historical importance. They were directed to work directly with the demolition contractor. Mr. McInturf said they intend to comply but asked that the Town notify the contractor of their request to remove the items from the building.

Jim Bauer expressed his approval for the demolition of the pier building. He agreed the HB Alliance should be able to get the items out of the pier building. He thinks it is a fantastic idea to have pickleball courts at Block Q.

Will Carter said when he heard that the fire station was going to be torn down to build a new station, he did some research. The Town owns the three lots at the corner of Greensboro and Ocean Boulevard. He would like the Town to write a letter to CAMA requesting a variance for the three lots so a fire station could be built in the future.

Maria Surprise said in her opinion a thorough engineering review of the pier property's assets was not completed prior to the purchase. She said we now have an engineering report and it is time to rid our Town of this public safety liability and begin fresh. She suggested that the community have a discussion on how to move forward with the property.

DISCUSSION AND POSSIBLE ACTION TO ACCEPT RECOMMENDATIONS FROM HDR REGARDING THE CONDITION ASSESSMENT OF THE PIER

Interim Town Manager Ferguson explained HDR was hired to engage in an engineering analysis of the pier. The condition assessment of the pier structure has been initiated by their structural lead. Will Fuller and Bill Kincannon are in attendance to present their preliminary findings. Mr. Fuller said they wanted to provide a timely notice of the findings to allow the Town to have the opportunity to curtail the scope given their recommendations. The bottom line is the repair does not have a good chance of being cost effective in the end. There are a lot of structural deficiencies up and down, ranging from the superstructure basically needing entirely to be replaced, to the substructure having numerous amounts of pilings that have a known issue; along with the pilings all being at the end of their service life or well beyond their service life. That is how they arrived at their assessment. The full report will be presented in the next several weeks that will expand beyond the initial findings. Mr. Kincannon the substructure is in poor condition, the deck is in poor condition, the cross bracings are in poor condition. Ultimately while you could conceivably do it, it would take a significant effort. He said he thinks the service life would be questionable. He said the Town may want to consider looking at the cost for reconstruction instead of the repair. It is his understanding that if the Town went with the repair, the preference is a top-down methodology, where you would have equipment on the pier. Based on the condition, he wouldn't recommend a top-down methodology.

Commissioner Paarfus said his understanding is overall the condition of the pier is poor and we would have to resort to floating plant to do any repairs, which based on his experience is expensive. Mr. Fuller explained their proposed deadline for the final report. He explained the next step for the repair option would be the underwater inspection. The findings presented tonight wouldn't even include any below water issues. He believes the fee is about \$25,000 so they wanted to present the recommendation before they started spending dollars. Mr. Kincannon explained it should shave off a good month and a half to two months of the process if they remove the repair option. Commissioner Smith asked what kind of investigation they did and if they noticed that past where the pier rises up it is in better condition than the part that is over land. Mr. Fuller answered that it was in relatively better condition, but still not great condition. The investigation was a full top side. He provided details on the testing and inspections. Commissioner

Smith provided information on his observations the last time he was on the pier. Mr. Fuller said they did use information from the last contractor. Commissioner Smith stated he doesn't understand how there can be such a variance between one engineering group and another. He showed the engineers information from the previous drawings of the pier. Mr. Kincannon explained they are providing the Board with the information they came up with. He said he did not say that there isn't a way to repair the pier, but the Board needs to decide if it is cost effective to move forward. Commissioner Thomas read findings from the first report. She doesn't think the reports are that far off. Mr. Kincannon talked about construction costs. Commissioner Thomas said she appreciates HDR bringing this to the Board's attention so the Town doesn't go down a path that doesn't make financial sense. Commissioner Paarfus said it is important to note that the two firms were asked different questions.

Motion by Commissioner Paarfus to accept HDR's recommendation to pursue the pier replacement option only; second by Commissioner Thomas.

Mayor Pro Tem Myers said he read the reports. He explained it is a deep money pit. He is glad they brought it to the Board's attention now so the Town can save money. Commissioner Smith said the original plan included work to the pier house itself. That was something the Board didn't want in the original scope. He believes if the Town would have started at that point and asked for a different scope, we could have probably kept it somewhere around \$1.5 million. With the increased rates, the Town would be ahead of the ballgame if we kept on the path we were going. He said it would probably be opened up and usable by now. Commissioner Smith provided information on additional costs due to delays in the project.

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.

POLICE REPORT – CHIEF DIXON

- Getting into springtime. Starting to see more people and more traffic. Ramping up and getting ready for the summer. We have a meeting this month with the Merchants Association regarding the festival which is next month.
- We have talked about some ideas for their staffing shortage at the last meeting that he is working on. Found out this morning they have another officer on medical leave so on top of the four vacancies, there are three officers on medical leave. Still providing 24/7 coverage but they are stretched thin.

Commissioner Paarfus asked if the department could get temporary help or relief. Chief Dixon replied he has reached out to other chiefs and he is looking at options. Commissioner Thomas asked if there is any outlook on when people will return. Chief Dixon didn't provide an answer since it was medical information. Mayor Pro Tem Myers asked about the sexual offense and rape items on the report. Chief Dixon explained it was a domestic situation and not a threat to community. Commissioner Smith thanked the Police Department for keeping an eye on Holden Beach.

INSPECTIONS DEPARTMENT REPORT – INSPECTIONS DIRECTOR EVANS

- Went over numbers on report.
- ADA Projects – feels like they are 95 – 100% complete. Went over the projects and what was completed. Showed drone footage of the improvements.
- Presented CRS letter showing CRS Class 7 changing to CRS Class 6. He reviewed standards that helped achieve the change, that include the department's education, knowledge, experience and how they enforce the rules.
- Hoping will be finalizing the mediation agreement soon. Ms. Myers sent out an email that had a few minor items on it. Started working on it today.

Commissioner Smith said he received the email from Ms. Myers also. It seems to be items that can be easily rectified. Inspections Director Evans said he responded to Ms. Myers. He thinks the list is legitimate, but it is not anything major. Quite a bit of it is not part of the agreement, but she and the staff want the same thing, ADA compliance. Interim Town Manager Ferguson stated the Planning Department did a phenomenal job. She talked about the process. She provided additional information on their work on the CRS rating. The Planning Department has been working hard and deserve to have all respect for what they have done.

FINANCE REPORT – FINANCE OFFICER MCRAINEY

- Went over numbers on report. The February revenues look like they are down, but it is due to more taxes being collected in November – December this year as opposed to the previous year. Some postings have not been done yet so they will be updated on next month's report. The Water Sewer Fund revenues are up but it is due to bill timing. BPART is trending close to the prior year as we approach the tourist season.
- Fiscal Operations Specialist King said according to the NCGS 105-369, the governing body must order the tax collector to advertise the tax liens on real property.

Motion by Commissioner Smith that we approve (the advertisement); second by Commissioner Paarfus; approved by unanimous vote.

Commissioner Thomas asked about the timeline. Finance Officer McRainey said they typically do that in the May/June timeline. Mayor Pro Tem Myers asked if the list also gets posted on the Town's bulletin board. Interim Town Manager Ferguson replied yes.

FIRE DEPARTMENT UPDATE – ASSISTANT FIRE CHIEF DAVID WARD

- Went over staffing, training, response times and call history.
- Would like to enhance our relationship. Over the years we've had a great relationship.
- Would like to continue being part of the discussion in working toward the upgrade of the on-island station. Thanked the Town for the use of the Emergency Operations Center.
- Asked the Town to continue looking for ways to keep areas around emergency accesses and the pier open so emergency vehicles can traverse.

- Requested the Town consider acquiring an emergency access further west than the 801 OBW access.
- Would like to deliver a weekly public education to our community.
- Would like to partner with the Town to provide water safety stations along the beach. He provided information on local areas who currently have stations. They have about \$12,000 they can spend on the project. There would be 72 stations at 62 feet.

After discussion, Mayor Holden announced the consensus is to ask the manager to work with the Fire Department to bring back a further proposal in regard to this.

Commissioner Paarfus is interested in the requirements for the fire station on the island so the Town can start looking at a number. He also would like requirements for a new beach access. Inspections Director Evans said what he is talking about is a needs assessment. Moving forward was discussed. Commissioner Dyer asked if the requested beach access needs to be past the gate or if there is a particular distance from 801 OBW they are looking at. Assistant Fire Chief Ward replied the more the better. After discussion, Inspections Director Evans said from the planning standpoint, it is critical to get an access as close to the west end as possible. There is some NC State property at the end. Commissioner Dyer said further down there are some private deeded accesses. She asked if an emergency access could be put there, and if it would take away their private access and make it public if it was put there. Inspections Director Evans said the attorney could answer that. Commissioner Smith expressed his concern that you would need to go through the gate. Assistant Fire Chief Ward explained the gate is siren activated and they also have a code.

Mayor Pro Tem Myers stated it is becoming clear that the fire station is a multiyear project and asked if we could start laying that out. He would like to know the milestones/steps.

INTERIM TOWN MANAGER'S REPORT – INTERIM TOWN MANAGER FERGUSON

- Greensboro Street Lift Station – the first disbursement was applied for to NCDEQ on December 20th. The funding was not received until March 3rd. The turnaround of funding request timeline is of concern. We did receive the first EPA disbursement yesterday for the payroll portion of the invoice. We are still waiting to hear back on the Buy America Build America waivers that have been requested by the engineers.
- Final Key Bridge Items – mats did arrive yesterday. Public Works will be working to get those out as they can.
- Recycling Program – renewals are due by April 1st. if you do not renew by that time there will be penalty costs.
- Employee Updates – Penny King was named the fiscal operations specialist. We are now in the process of interviewing for the reception position.
- Ocean Boulevard Stormwater – met with Ward & Smith on March 6th to navigate the federal approach to funding. Received a call from the Wilmington District acknowledging they have the funds in their budget, but they want to meet to discuss the process. Met with the Department of Natural and Cultural Resources regarding possible state assistance, which seemed promising on not only this project, but two pages of projects presented to them. The grant cycle mentioned in last month's report is open for the survey that DWR requested. Have

started on that grant application to try to get state assistance to be a subsidy to the federal assistance.

- Pier Site – HDR conducted structural inspections on March 3rd. The staff kickoff meeting happened on March 12th. We were able to dive into the timeline.
- Canal Dredging Site – Heritage Harbor CAMA permit was renewed.
- Budget Adjustments - \$5,367 was moved from Operational Contingencies in the General Fund to Professional Services. \$26,000 was moved from the Camera System to Professional Services for the town manager executive search.
- Reviewed the information on page 2.

CONSIDERATION AND POSSIBLE ACTION TO AWARD BIDS FOR THE DEMOLITION OF THE PIER BUILDING

Interim Town Manager Ferguson explained the Town received four responses. The proposals are included in the packets. After reviewing the proposals, staff deemed follow-up conversations were needed, specifically regarding the environmental testing and how that played into price. She stated based on those, if the Board chooses to move forward, her recommendation is Jessie Myers Construction Company. That can be sourced from Available to Appropriate in BPART.

Motion by Commissioner Thomas to approve the bid for Jessie and Myers and authorize the interim manager to execute the associated paperwork. The funds will be sourced from available to appropriate in BPART; second by Commissioner Paarfus.

Commissioner Smith said working with this Board, there have been several instances where the staff has made suggestions and it was always deemed very important that we take the lowest bid. He doesn't see why this instance is any different and asked why the Board wouldn't take the lowest bid. Commissioner Smith stated he doesn't know why the Board is tearing the building down without a plan to put one back. He said he wasn't allowed to bring up the subject of a public private partnership (PPP) with the Town. He said people have agreed to tear down the pier building for free. He presented a rendering of a design for a new building. He thinks the Town should wait and get a plan to replace it before it is torn down. Mayor Pro Tem Myers asked the rationale for the recommendation on the bid. Interim Town Manager Ferguson explained in what is deemed the lowest bid, there is a line that talks about change orders at cost plus 15%. Everything in the procurement classes says to stay away from cost plus. Mayor Pro Tem Myers said the building is a liability and a safety risk. The faster we can get it out the better. He said it doesn't preclude us from doing anything. Commissioner Thomas stated the motion was to do what staff recommended. As far as the PPP, she said she sees the proposal says they were going to demolish the pier building and save the Town \$200,000, when the actual cost is only \$46,500 so she is not sure anything in it could be relied on for being factual since that is so far off the mark. She thinks taking the building down is the first step in moving forward. Commissioner Thomas said she wants to make sure the HB Alliance's request does not slow the process down. Interim Town Manager Ferguson has not talked to the vendors yet, but the information will be provided to the person who is awarded the contract. Commissioner Paarfus said it seems to him that if the building is taken down, it is more advantageous to the people interested in the PPP. He thinks the building does need to go. Commissioner Dyer said she thinks a PPP is a good idea and the main thing was trying

to save the Town money. She asked the Fire Department if there is a possibility they could do a controlled burn for training. Fire Chief Todd responded that it would need to be evaluated. An asbestos inspection would need to be done and then environmental would need to look at it to see if there is some feasible training before a permit could be issued. If they approve it, they could get some good training out of it. Commissioner Dyer asked what the problem with removing the items of historical value from the building is. Attorney Moore replied that the bids had already been submitted when the list was submitted. She wanted the contractor to work with the HB Alliance in case some of the items were considered when formulating the bid. Commissioner Dyer said she thinks they just want historical items, nothing of any value like equipment. She thinks they should be allowed to get the historical memorabilia out of the building. Interim Town Manager Ferguson said the contractor has not been told this yet because she was not sure if the Board would award the contract. Once a contract has been awarded, the contractor will be communicated with.

The motion passed by 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.

CONSIDERATION AND POSSIBLE ACTION TO AWARD CONTRACT FOR THE CONSTRUCTION OF THE RESTROOM FACILITY AND ASSOCIATED PARKING/SIDEWALKS AT BLOCK Q

Interim Town Manager Ferguson explained the Board accepted the bid and request for a grant extension for Block Q last month. The contract has been reviewed by the attorney and is before the Board. The bid was for \$543,200.

Motion by Commissioner Smith that we award the contract to Kowen Construction and authorize the town manager to execute the associated paperwork; second by Commissioner Paarfus; approved by unanimous vote.

CONSIDERATION AND POSSIBLE ACTION TO ACCEPT THE PARKS AND RECREATION ADVISORY BOARD'S (PRAB) RECOMMENDATION ON PICKLEBALL COURTS

Mike Pearson, Vice Chair of the PRAB went over the tasker to evaluate Town properties that could be used as a location for permanent pickleball courts and reviewed their recommendations. They looked at proximity to bathrooms, available parking and sidewalks, site preparation, proximity to residences, layout on property, lighting and fencing. The PRAB benchmarked other communities. He provided information on the four potential sites, Sand Dollar, Jordan Boulevard, Block Q and the 800 block. The consensus of the PRAB was to recommend construction of up to four pickleball courts on Block Q, two being permanent pickleball courts, and one combination tennis/pickleball. The cost based on construction of other courts looks like \$150,000. Mr. Pearson said the PRAB proposes that the specifics of the court placement on the site coincide with the overall master planning process that the PRAB recommended for the entire Jordan Boulevard/Block Q area. Commissioner Thomas asked if the recommendation is in addition to the previous recommendation of putting the bandstand at Block Q. Mr. Pearson said that would be a Board decision. Commissioner Dyer asked about the surface. Interim Town Manager Ferguson explained it would depend. Commissioner Dyer asked if the original stormwater plan for that area was discarded. Inspections Director Evans answered that as far as he knows the stormwater plan is still intact, but we haven't done anything that would engage the full plan. The original permit was

not invalidated. He talked about modifying the stormwater plans. Commissioner Dyer said she appreciates the work but the reason the parking was not completed was because of stormwater and people were against the amount of pervious surface. She said now we are back at putting impervious surface which everyone was against before. Commissioner Thomas said they were against using Block Q for boat parking versus something that is recreational use for the community. Impervious surface was further discussed. Commissioner Paarfus asked if it was \$150,000 for all four courts. Mr. Pearson replied that is for two courts. Commissioner Paarfus would like the stormwater to be underground so we don't lose real estate to work on.

Motion by Commissioner Paarfus that we receive this report and consider your tasker complete; second by Commissioner Thomas.

Mayor Pro Tem Myers asked about the existing courts with this plan. Mr. Pearson replied they would be designated for basketball.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 25-02, AN ORDINANCE AMENDING ORDINANCE 24-11, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2024 – 2025 (AMENDMENT NO. 7)

Interim Town Manager Ferguson said this is for a fund balance appropriation that will cover additional anticipated legal fees through the end of the end of the year.

Motion by Commissioner Thomas to approve the amendment; second by Commissioner Paarfus.

Commissioner Smith asked who is getting the money. Interim Town Manager Ferguson answered the extensiveness of the amendment was discussed in closed session. She doesn't know if it is in her purview to say more than anticipated legal fees. Attorney Moore said the Board could discuss it closed session, but it would not be discussed in open session. Commissioner Smith asked if the Board is approving to spend money, but we don't know how much. Interim Town Manager Ferguson responded it is \$50,000. Commissioner Smith asked if it would be any more. Interim Town Manager Ferguson said she cannot say if it will be more. In general, when the Town gets into legalities, the length of those are unknown, but if additional budget amendments are needed they would come back before the Board. Commissioner Dyer inquired if this includes the fees of the attorney that was approved a couple of months ago for the personnel issue. Interim Town Manager Ferguson replied that was separate. She believes the cost for that attorney was through funds that were currently in the budget. It was through a budget adjustment. Commissioner Dyer asked if that issue was resolved. Attorney Moore answered she is still waiting on a written opinion.

The motion passed unanimously.

DISCUSSION AND POSSIBLE APPROVAL OF AUDIT CONTRACT BETWEEN THE TOWN AND MARTIN STARNES AND ASSOCIATES FOR FISCAL YEAR 2024/2025

Finance Director McRainey said the contract is for the auditor. The Audit Committee met today and they recommended that the Board approve the contract as drafted.

Motion by Mayor Pro Tem Myers to accept the contract as drafted; second by Commissioner Thomas; approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF 25-03, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 154: FLOOD DAMAGE PREVENTION

Inspections Director Evans explained this is housekeeping in reference to the CRS. Our ordinance doesn't have an AO zone. We need to add the zone. It will not affect properties on Holden Beach. This is just for shallow flooding. Although, we have some, we have regulations that say every house needs to be built to the strictest standards. The Board also needs to consider the consistency statement. He reviewed the details of an AO zone.

Motion by Commissioner Paarfus to approve the consistency statement; second by Commissioner Thomas; approved by unanimous vote.

Motion by Commissioner Paarfus to approve Ordinance 25-03; second by Commissioner Thomas; approved by unanimous vote.

PUBLIC COMMENTS ON GENERAL ITEMS

Martie Arrowood asked for more trash cans to be added on the east end.

Will Carter said the Board should hire Interim Town Manager Ferguson as the permanent manager. He doesn't think you should burn anything on the beach. He provided feedback on what he thinks a new fire station would need. He urged the Board to consider his comments on a variance from earlier.

Lisa Ragland said the lawsuit filed against the Town regarding the quorum and Rules of Procedure could be resolved outside of court. She provided information from the lawsuit and asked people to reach out to ask the Board to resolve the legal action without the involvement of other attorneys.

MAYOR'S COMMENTS

- Seems like tornadoes are becoming more numerous across our nation. In the last few weeks, it seems like we have needed to send out some weather emergency blasts. Sometimes as the emergency director, he gets a notice that is something that needs to be done quick because it is something that is unexpected. Talked about a tornado event from when he was a kid on the island. The Town will do the best we can to notify you during emergency situations. Please pay attention. Things do happen here.

- Will be out of town the rest of week. In the morning, he will be in Raleigh begging for some things for the Town and the college.
- Thanked everyone for being here. Is enjoying this weather and the longer days.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Myers

- Thanked everyone for coming and attending online. Thanks for your involvement.

Commissioner Smith

- Disappointed in the direction we are moving at the pier. Seems to be part of a strategy or set of things that were cast before they even became members of the Board. It is a shame and it is sad. Hates to see this stuff go. Feels like it will be hard to get a pier and building back in place. If you don't have a plan going in, it is hard to have a plan after the fact.
- Chief Dixon has done a great job, but it seems like warmer days have brought back out the golf carts. Provided feedback on issues he has seen. Be mindful of folks in golf carts. Seems they want to ride in the bike lanes or on the sidewalk. Hopes we can get information out to renters and rental agencies.
- Signed up for Town's emergency notifications. Brunswick County has the same thing. You can go online and get on their list. They will call and text you. It is good that we can have a little notification ahead of time.
- Good to see everyone. It has been a tough couple of months. Apologized to the people for not being able to be here. Will do his absolute best not to miss any more.

Commissioner Thomass

- Happy to see the Board is moving forward on some of our priorities and objectives despite a lot of efforts to slow us down and a lot of resistance coming from a lot of different places.
- Thanks for being here and have a great night.

Commissioner Dyer

- Thanked the fire chief and his assistant for being here. Thinks we need to continue to work together and move forward with the ideas they brought forward. If we save one life, that's well done. They have done a great job. They are doing a great job while building a new building. It will look nice.
- Wished everyone in the Police Department a speedy recovery. Knows they are working hard.
- The rest of the staff is doing a great job, Interim Town Manager Ferguson doing her two jobs. Appreciates it.
- Thanks for coming out.

Commissioner Paarfus

- Thanks for everybody coming out. Hopes you have a great evening.

ADJOURNMENT

Motion by Commissioner Paarfus to adjourn at 7:26 p.m.; second by Commissioner Smith; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk