



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, OCTOBER 20, 2020 – 5:00 P.M**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, October 20, 2020 at 5:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Gerald Brown; Commissioners Woody Tyner, Brian Murdock, Mike Sullivan and Pat Kwiatkowski; Town Manager David W. Hewett; Town Clerk Heather Finnell; Inspections Director Tim Evans; Assistant Town Manager Christy Ferguson; and Police Chief Jeremy Dixon. The meeting was streamed on the Town's Facebook page and an opportunity for comments was provided prior to the meeting due to the restrictions in place for COVID-19.

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

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Motion by Commissioner Tyner to approve the agenda; second by Mayor Pro Tem Brown; approved by unanimous vote.

APPROVAL OF MINUTES

Motion by Commissioner Sullivan to approve the minutes (Special Meeting of September 3, 2020, Public Hearing/Regular Meeting of September 15, 2020 and the Public Hearing/Regular Meeting of September 18, 2020, Recessed from September 15, 2020); second by Commissioner Murdock; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA/GENERAL ITEMS

No comments were received.

ANNUAL MONITORING REPORT – FRAN WAY, APPLIED TECHNOLOGY AND MANAGEMENT

Assistant Town Manager Ferguson introduced Fran Way. Mr. Way showed a slide with the transects taken. There are a few new ones in Shallotte that will be taken from now on. For the annual monitoring analysis, they look at volume and shoreline change. They look back to about 2001, when the beach nourishment activity in the Town really stepped up. The monitoring is done for nourishment, planning and for FEMA. The annual monitoring includes the last hurricane season. Since Isaias was so early, they were able to

calculate that as well. For Dorian, they calculated about 550,000 cubic yards of material lost. Isaias was about 67,000 cubic yards. Mr. Way explained the volume analysis slide and showed volume change. The beach lost volume over the last year. The east end gained because of the Lockwood Folly nourishment. On the west end the beach is wide, but we are seeing a little more erosion there. It was accretional before. They are watching the west end. Mr. Way showed central reach volumes since 2017. He said the beach is doing well and the Town's nourishment system is keeping up with erosion and hurricanes. For ongoing beach activities, they have submitted the permit application for the next major nourishment. That is the Florence/Michael mitigation. He explained we may be able to group Dorian in there. He is not sure about Isaias. They are continuing to follow the Lockwood Folly Inlet and bend widener projects and the Lockwood Folly outer channel dredging and navigation.

Mayor Holden said the old cut through between Monk Island and the extreme west end is reopening. He asked how it is impacting the west end. He said it appears Ocean Isle seems to be migrating eastward towards Holden Beach. Mr. Way replied it is something to keep an eye on. It usually takes a lot of energy to open an inlet permanently versus having a washout and having to heal itself. He said they have noticed there is a long-term migration of the shorelines over there and that is one of the reasons for extra surveys in the area to quantitatively look at what is going on. Mayor Holden said it appears to him that the channel is getting closer to the Town than Ocean Isle. It wasn't long ago that Ocean Isle did a major borrowing event in that inlet. Mr. Way answered in 2001 or 2002, Ocean Isle took about 1.8 million cubic yards of material from that area. There were some detrimental effects to Holden Beach's shoreline at that time. Now they are taking about 600,000 cubic yards every four or five years. When they take a permit application out, we want to make sure they stay a significant distance from the shoreline. Mayor Holden said in Holden Beach West, it is not unusual to see water going back and forth to the ocean. Mr. Way stated he thinks all the nourishment activity will end up on the west end in a few years. He would love to get the dunes higher and more robust from inlet to inlet. The dune system is nice and wide, but it is not high. They are going to try and work on that.

Commissioner Sullivan said when we did the Central Reach Project (CRP) four years ago, roughly 1.3 million cubic yards of sand was put on the beach. He asked on average how far that extended the beach at that point. Mr. Way answered about 100 to 125 feet. Commissioner Sullivan said since the end of that we lost 20 – 25%. He asked on average how much of the 100 to 125 feet we lost. Mr. Way answered conservatively about half of it. Commissioner Sullivan said we could have another 1.5 million cubic yards from the upcoming projects. From where we are today, we are going to put out the same amount of sand, but we are going to start from 50 – 70% further out. Mr. Way agreed. Commissioner Sullivan said we are in better shape now than we were four years ago. When we finish the project, we will be in even better shape than we were at the end of the CRP.

DISCUSSION AND POSSIBLE ACTION ON EMPLOYEE HEALTH BENEFITS

Commissioner Sullivan explained the Town had a classification and pay study done. The Board incorporated a lot of the recommendations of the study. They didn't address the Town's insurance coverage. He said if you look at the study, we are in line with most towns for the insurance for the employee; when it comes to family coverage we afford more of a benefit to our employees. He questioned if the Town wants to continue or make an adjustment to the benefits.

The Board came to a consensus to put this on the agenda for the next meeting to make a decision.

DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 20-10, RESOLUTION AUTHORIZING THE TOWN MANAGER TO COMMUNICATE THE TOWN’S OPPOSITION TO FEMA’S CURRENT POLICIES FOR DISASTER DEBRIS IN GATED COMMUNITIES

Town Manager Hewett explained at the last meeting, developing a policy that would attempt to put forth the Town’s position on picking up disaster debris in gated communities was proposed. This resolution attempts to do that. He needs more time for the second resolution which is to develop a policy for the Town that we would pick it up regardless of if there are reimbursements. He reviewed the proposed resolution.

Motion by Commissioner Sullivan to approve Resolution 20-10; second by Commissioner Tyner.

Commissioner Kwiatkowski proposed that the Board work economics in for the last whereas. When she looks at FEMA information, they talk about threats to life, public health or safety or to the economic recovery to the community at large. She suggested that everything they talk about be put into the one line.

Commissioner Sullivan changed his motion to approve it as amended; second by Commissioner Tyner; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 20-11, RESOLUTION AMENDING THE TOWN OF HOLDEN BEACH CAPITAL IMPROVEMENT PLAN BY ESTABLISHING A FIRE HYDRANT POLICY

Town Manager Hewett said at the Goals’ Workshop the Board requested we develop a fire hydrant replacement policy. That is what this resolution does. It establishes a target of funding and repairing 10 fire hydrants a year. This year’s budget has enough money to do five. This resolution modifies the Capital Improvement Plan. There are 150 hydrants on the island.

Motion by Mayor Pro Tem Brown to approve the resolution.

Commissioner Murdock said there are more than 10 currently that need attention. Town Manager Hewett stated we are only going to do five between now and June 30th. This says 10 is the target. The Board will control that by what is put in the budget. If 12 need to be done, the Board will put that in the budget.

The motion was seconded by Commissioner Murdock; and approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 20-12, RESOLUTION OF THE TOWN OF HOLDEN BEACH DECLARING THE INTENT TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES FROM THE PROCEEDS OF CERTAIN TAX-EXEMPT OBLIGATIONS

Town Manager Hewett said this resolution allows the Town to reimburse ourselves for expenses that we will incur for the improvement of lift stations 3 and 2 and also the potential reimbursement of expenses associated for the second water tower. This is not the finance package that the Board will have to approve in order to go to the Local Government Commission and borrow money from the bank. This is just saying you will reimburse for the cash expenses that are already laid out. Commissioner Kwiatkowski inquired

about the wording of the water tower portion of the resolution. Town Manager Hewett explained the water tower is in the Capital Improvement Plan. The water tower and the lift station upgrades will be pieces that will go into the Raftelis development fee analysis. Town Manager Hewett explained adopting this resolution does not mean the Town will finance the three facilities.

Motion by Commissioner Kwiatkowski to adopt Resolution 20-12 as written; second by Commissioner Tyner; approved by unanimous vote.

DISCUSSION AND POSSIBLE SCHEDULING OF A DATE TO HOLD A PUBLIC HEARING TO HEAR PROPOSED COMMENTS ON THE LAND USE PLAN

Inspections Director Evans explained the background of this item. After the hearing, the Board will be able to approve the document. The Land Use Plan will be the driving document for all new development.

The Board came to a consensus to hold the public hearing on December 15th at 5:00 p.m.

DISCUSSION AND POSSIBLE ACTION ON PROPOSED LEASE OF 796 OCEAN BOULEVARD WEST

Assistant Town Manager Ferguson said the Town purchased 796 Ocean Boulevard West for sound attenuation with the sewer lift station upgrade. It has been vacant since that time excluding serving as a laydown yard for the contractor. We were approached by David Wright in the Public Works Department about the possibility of renting the structure. That would place a Public Works' employee next door to the lift station. The lease in the packet is for six months, with an option for continuing on a monthly basis. Staff did check with the North Carolina League of Municipalities (NCLM) as far as our insurance. Under item 20, we would need to make sure he purchases personal property insurance. Town Manager Hewett confirmed Mr. Wright does work on the sewer system.

Commissioner Tyner asked about exposure to the Town. Town Manager Hewett said currently the facility costs the Town \$1,000 a year for property and liability insurance. Having someone live there increases the cost by \$300. The exposure to the Town is the same as other facilities' exposure. Commissioner Sullivan asked if the NCLM recommended personal injury insurance as well. Town Manager Hewett replied the NCLM's only advice was to get renter's insurance before entering into a lease. Commissioner Sullivan suggested the renter's insurance includes personal injury protection. Commissioner Tyner said he thinks the concern is that if something happens at the house, the Town is not exposed. Mayor Holden asked if the Board would be satisfied if the staff reviewed the insurance requirements with the NCLM. They agreed.

The Board discussed if the house is in the condition to be rented and if it should be inspected before renting it. The Board talked about determining what the long-term use for the house will be.

Motion by Commissioner Tyner to at least have it inspected so we know if there is something major and we need to stop this, if not let it go. No second was made.

Motion by Mayor Pro Tem Brown to put this on the agenda next month. The motion was not seconded.

Motion by Commissioner Sullivan that pending the potential renter's continued interest in renting the property, we can have an inspection done to make sure that the house is habitable and reasonably safe prior to entering into any agreement; second by Commissioner Murdock.

Inspections Director Evans suggested that if the concern is the safety of the house, he can give a report to the Board on the condition of the structure and then a decision can be made.

Commissioner Sullivan withdrew his motion, with Commissioner Murdock in agreement.

Motion by Commissioner Sullivan that the Town inspector inspect the premise to see if it is reasonably safe and habitable and contingent upon his report, we would approve leasing it to the intended tenant; second by Commissioner Murdock; approved by unanimous vote.

Town Manager Hewett asked if the Board would like the report to come back or if they are delegating it to him. The Board agreed that if the report comes back that it is safe, Town Manager Hewett can enter into the lease. The additional insurance will also be added to the lease agreement.

REQUEST TO CHANGE DELIVERABLE DATE FOR THE POLICE COMMITTEE

Commissioner Sullivan explained in June, the Board set up an advisory committee having to do with the hiring of seasonal law enforcement. At that point, a date to report back to the Board was set for December.

Motion by Commissioner Sullivan to ask the Board to extend the time to submit the report to the full Board to March 2021 as opposed to the current date in the tasker of December 2020; second by Commissioner Kwiatkowski.

Commissioner Tyner inquired if it would be too late to hire seasonal workers for next year if the Board gets the report in March. Chief Dixon replied it would be difficult but agreed with the request so the Board could have all the facts before making a decision.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON THE CRITERIA, QUALIFICATIONS AND SERVICE ARRANGEMENT FOR A LEGAL SERVICES PROVIDER FOR THE BOARD OF COMMISSIONERS

Commissioner Tyner provided background. As we are approaching a year of service, he thought the Board should discuss what they are looking for from a legal services provider. The next item is to see if the current provider meets the criteria. Commissioner Tyner provided some examples. Commissioner Murdock said he has seen the bills and thinks an attorney on an as needed basis would be great. He mentioned travel time. He thinks a knowledgeable local attorney would be sufficient. Mayor Pro Tem Brown and Commissioner Murdock agreed that the attorney should only be at meetings the Board requests they attend. Commissioner Sullivan said from the time he was on the Board, they always had an attorney present. You never know when an issue will arise. He agrees a majority of the time they are not needed, but when they are it helps to have them here. He said the issue is the cost to have someone here for each meeting. If it is a reasonable cost, it is doing business. Commissioner Kwiatkowski agreed it is good to have them at the meeting and that the Board needs to look at the cost. Commissioner Tyner said from what he

heard, the Board would like an experienced attorney; would like to look at the cost; and they are 50/50 on attendance. He thinks the cost and travel time would help decide that. Commissioner Sullivan said as a Town we need an attorney who is familiar with municipal corporations and land use.

DISCUSSION AND POSSIBLE ACTION ON THE BOARD OF COMMISSIONERS' RELATIONSHIP WITH THE LAW OFFICE OF G. GRADY RICHARDSON JR.

Commissioner Tyner said the Town is approaching the one-year anniversary with the current firm. He asked if the current relationship matches the criteria from item 15. He thinks there is some concerns on the amount of money the Town is spending on legal services. Some of the current charges relate to the distance they have to travel to get here. Some of the charges have to do with that the attorney has to consult with a more experienced attorney.

Motion by Commissioner Tyner to terminate our relationship with the Law Offices of G. Grady Richardson Jr., second by Mayor Pro Tem Brown.

Commissioner Sullivan commented that in fairness to the firm, they billed the Town and did exactly what they said they would do in the RFP. In the meetings we had with the firm, Mr. Richardson has indicated that he was willing to discuss the travel fee. Commissioner Murdock said the Board will establish new criteria for the Town's needs and they will have the opportunity to come back if they choose. Commissioner Tyner agreed.

The motion passed by unanimous vote.

Commissioner Tyner asked Mayor Holden to send a letter to the firm. The Board would like Town Manager Hewett to solicit for new legal services. Town Manager Hewett said those are pretty straight forward. He said he thinks the Board would have one put out and as the Board selects firms for an interview, they would refine the criteria. He will try to get the responses in time for the next meeting.

TOWN MANAGER'S REPORT

Town Manager Hewett included slides as part of the end of the first quarter report. The report is as of October 5th. Highlights from the four operational funds were included. This is the time of the year when we run in the red. We don't take a lot of revenue in, but it exemplifies why you need to have a strong fund balance. The revenues in the General Fund that are collected like a tax (ad valorem, sewer capital and canal dredging funds) are goose eggs. The tax bills are going out soon. The major NC distributed revenues are down somewhat. Sales tax is at 21% and the utilities franchise tax is at 17%. Building Inspections revenues holds steady at 35%. We are seeing the "COVID Refugees Syndrome". Our water and sewer use charges are at 38% which is about right for this time of year. Occupancy tax is way ahead of what was budgeted. That is probably because we only budgeted half of a normal year. The 150% as compared to last year is ahead, but it is not 150% as compared to last year. Town Manager Hewett reviewed a chart of actual and encumbered expenses versus budget amounts. The slide shows the cash position being ahead. We are deficit spending this time of year. The delta doesn't include interfund transfers or fund balances being used. The monthly budget to actual is posted to the website.

- Tuesday, November 3rd is voting day. The Emergency Operations Center is a polling site.

- New Town Hall generator is installed and inspected. It is in service. Now just need to add it into our Emergency Preparedness Plan actions.
- Central Reach Permit Status – the application has been made. CAMA has let us know we will need to have a scoping meeting. The meeting will be held this Friday.
- Hurricane Isaias had a federal declaration made. Our engineered beach estimate is in the neighborhood of 67,000 cubic yards. \$5 million is represented by a standalone mobilization cost. The Turkey Trap debris muster site had all debris removed. Haven't seen the bill yet.
- Hurricane Matthew – It has been four years and the state is going to come down to inspect some of the improvements that we made on our closeouts.
- Lockwood Folly Inlet Status – buoys still an issue. The Corps is supposedly developing the cost of a quarterly dredging schedule for local government and the state's amounts of contributions. County has fronted the money for the most recent upcoming Lockwood Folly Merritt effort that will happen in November. The Town appropriated money in the budget for this one cycle.
- Federal Advocacy – Mike McIntyre has changed law firms from Poyner Spruill to Ward and Smith. Executed the change of agent forms accordingly. In the process of scheduling virtual Capital Hill visits for November.
- NC Division of Water Resources has made Coastal Storm Damage Mitigation Grant notification to us in the amount of \$106,000. That is for sand fence and vegetation to build dunes. It is subject to contract execution between the Town and state. Assistant Town Manager Ferguson applied for the grant.
- Lift Station 3 – cut in/startup is underway. Not aware of any issues at this time. Still anticipating completion ahead of schedule.
- COVID – received first expense reimbursement in the amount of almost \$40,000 for initial supplies. It continues to impact operations across all Town services. Adapting the best we can. Staff will be doubling down on precautions. Have an emergency management meeting with the county tomorrow.
- Scott Cunningham received his Wastewater Collection II Operator certificate.
- Our new Personnel Policy says if you have over 30 days of vacation, on January 1st you lose half the balance. Does not intend to penalize people who have been marooned to their job because of COVID. He asked the Board to tell him if they have a problem with that. Commissioner Kwiatkowski explained the intent was to allow staff to bank all of their excess as sick leave the first year and then follow the policy. Town Manager Hewett said he believes we can get everyone to how the policy is written, we just need another year.
- Street Petition Status – Letters went out with a December 5th return by date. On Seagull there are seven yes and one no response, on Deal four yes and one no and on Canal one yes. Urged people to get their petitions in so action can be taken if that is what people desire to happen.
- Water Contract with Brunswick County – it has expired this year, after 40 years. The county is developing a draft proposal. Looks like it will be coming forward at the first of the year and possibly be effective at the beginning of the fiscal year.
- Development Fees Revision Effort – staff met with Raftelis and provided them with administrative documents and background. They are aiming for an early January deliverable to the Board.
- Information Technology – changed our cloud provider. New cameras have been added in the Bridgeview Park/Town Hall/water tower area.

Commissioner Sullivan asked about the adjustment to the Town's CRS rating. Inspections Director Evans responded that the Town received a new rating from the CRS evaluators. We have a reduction of one

point. He provided information on the process. We have implemented changes that have culminated in a reduction. We are now entitled to a 15% reduction in our flood insurance premiums.

MAYOR'S COMMENTS

- The island is extremely busy. Doesn't remember it being this busy in October, so late in the season. Rentals continue to be strong. The boat dock seems to be used more than before.
- Looks like will make it through the hurricane season. Keep your fingers crossed. Pray for the people in the Golf Coast who had more than their share of activity this year.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Brown

- Stay safe, wear your mask and vote.

Commissioner Tyner

- Been out for about a month with health challenges. Appreciates all the calls. You don't know what life will bring. Appreciates the thoughts and prayers.
- Thanked staff for all the hard work. Congratulated Assistant Town Manager Ferguson on the grant. Appreciates the efforts.

Commissioner Murdock

- Glad to have Commissioner Tyner back. Glad everything went well.
- Thanks to the staff for the continued hard work and facing the challenges we still face.
- Wants to be of service to the citizens of the Town. Wants input from people on things people would like to see on the agenda. Feel free to contact him.
- Asked residents to return the paving petitions as soon as possible. You have until December 5th.
- Stay safe. We have a good crowd here still. Holiday season is approaching; everybody have a good time.

Commissioner Sullivan

- Echoed everyone's sentiment to wear your mask and stay safe. It's pretty crowded down here so you want to take care of yourself. Enjoy the good weather we've had down here.

Commissioner Kwiatkowski

- Two years ago, she and Town Manager Hewett looked into how to participate in the NCLM advocacy efforts at a state level and discovered there is a way that you can enter into the prioritization process for setting goals. Last Friday she, along with Town Manager Hewett participated in a NCLM zoom meeting. They were directed to focus on goals shared across municipalities, either statewide or regionally. The meeting went into smaller groups. Each municipality put forward proposed goals. They addressed disaster aid, debris pickup in gated communities, tax revenue disbursements to small municipalities, unfunded mandates and their impacts on small municipalities, shoreline maintenance, intercoastal waterway inlet maintenance and federal stimulus aid. NCLM advocacy goals for the upcoming 2021 session will be finalized in early 2021. There is a prioritization committee. Town Manager Hewett is a member of that. They will review and discuss the objectives from all the

meetings and will put together a proposal for the NCLM board to consider. Town Manager Hewett will keep us informed.

- Thanked everyone for listening in. Stay well.

ADJOURNMENT

Motion by Mayor Pro Tem Brown to adjourn at 6:52 p.m.; second by Commissioner Murdock; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk