



**Town of Holden Beach
Board of Commissioners
Regular Meeting**

**Tuesday, November 16, 2021
5:00 PM**

**Holden Beach Town Hall
Public Assembly**



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS' REGULAR MEETING
HOLDEN BEACH TOWN HALL – PUBLIC ASSEMBLY
TUESDAY, NOVEMBER 16, 2021 - 5:00 P.M.**

1. Invocation
2. Call to Order/ Welcome
3. Pledge of Allegiance
4. Agenda Approval
5. Approval of Minutes
 - a. Minutes of the Regular Meeting of October 19, 2021 (Pages 1 – 7)
6. Public Comments on Agenda Items
7. Presentation of Fiscal Year 2020 – 2021 Audit Results – Elsa Watts, Martin Starnes and Associates (Town Manager Hewett) (Separate Packet)
8. Discussion/Question and Answer on the Audit Committee Message on the External Audit Report to the Board of Commissioners – Commissioner Kwiatkowski (Pages 8 -9)
9. Annual Monitoring Report – Fran Way, ATM (Assistant Town Manager Ferguson) (Pages 10 – 18)
10. Discussion and Possible Action on Audit Committee Proposed Revised Ordinance 30.26, Audit Committee (Ordinance 21-32) – Commissioner Kwiatkowski (Pages 19 – 23)
11. Discussion and Possible Action on Request for Beer Garden and Signage for Run HB – Johnna Terragna (Assistant Town Manager Ferguson) (Pages 24 – 26)
12. Police Report – Chief Dixon
13. Parking Committee's Summary in Response to the Board of Commissioners' Tasker – Commissioners Murdock & Smith (Page 27)
14. Update on Revision of Oceanfront Lighting Ordinance – Attorney Madon (Commissioner Smith)

15. Discussion and Possible Action on Updated Water Fee Schedule – Public Works Director Clemmons (Pages 28 – 31)
16. Discussion and Possible Action on Staff Compensation (Resolution 21-16, Providing COVID-19 Performance Bonuses to Town Staff) – Board of Commissioners (Page 32)
17. Discussion and Possible Action on a Request for Parks & Recreation Committee Suggestions for the Town-Owned 796 Ocean Boulevard West Property – Commissioner Kwiatkowski (Pages 33 – 34)
18. Property Purchase Update & Request for Public Opinion - Commissioners Sullivan & Kwiatkowski (Pages 35 – 39, Separate Packet)
19. Public Comments on General Items
20. Town Manager's Report
21. Mayor's Comments
22. Board of Commissioners' Comments
23. Executive Session Pursuant to North Carolina General Statute 143-318.11(A)(5), To Instruct the Staff or Agent Concerning the Negotiation of the Price and Terms of Contracts Concerning the Acquisition of Real Properties - Commissioners Murdock & Smith
24. Adjournment

* The remote meeting will be livestreamed on the Town's Facebook page. Visit <https://www.facebook.com/holdenbeachtownhall/> to watch the livestream. Public comments can be submitted to heather@hbtownhall.com prior to 3:00 p.m. on November 16, 2021.



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, OCTOBER 19, 2021**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, October 19, 2021 at 5:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Gerald Brown; Commissioners Brian Murdock, Mike Sullivan, Pat Kwiatkowski and Rick Smith; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Inspections Director Tim Evans; Police Chief Jeremy Dixon; and Town Attorney Katie Madon.

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

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Commissioner Smith asked to remove item 13 (Discussion and Possible Action on Amending Holden Beach Code of Ordinances, Section 94.05, Digging of Holes on Strand, to Include a Section on Metal Detecting on the Beach Strand) from the agenda for now.

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

APPROVAL OF MINUTES

Motion by Mayor Pro Tem Brown to approve the minutes (Public Hearing/Regular Meeting of September 21, 2021 and Special Meeting of October 1, 2021); second by Commissioner Smith; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Town Clerk Finnell said nobody signed up. There were two written comments regarding the item that was removed from the agenda. They are posted online and in front of the Board for their review.

POLICE REPORT – CHIEF DIXON

- The season starts winding down in September so the numbers are pretty consistent with what we normally see at this time of the year.
- Reviewed session law regarding mini trucks, low speed vehicles and modified utility vehicles. Answered questions on the law.
- Provided information on the session law on “Carolina Squat” modifications.

Commissioner Kwiatkowski said she is concerned with the number of golf carts that are still on Ocean Boulevard west of Greensboro where they are not supposed to be. Chief Dixon said they are still working on addressing it when they see it.

DISCUSSION AND POSSIBLE ACTION ON PARKING DELIVERABLES, STAFF RESPONSE TO BOC TASKER TO THE PARKING COMMITTEE

Town Manager Hewett said his memo in the packet is an attempt to articulate an answer to the commissioners’ charge. He reviewed the charge. On the big map he attempted to lay out all of the intersecting rules, regulations and variables involved in establishing where parking currently is and where it might be. He explained he showed Town streets and state streets, in addition to the authority that makes the differentiation on how the funding for Town streets is acquired through the Powell Bill. In the memo, Town Manager Hewett detailed the difference between on street and off street parking on our Powell Bill map, to include identifying which properties that are fee simple real estate that the Town owns, as well as what street rights-of-way regulations exist by ordinance and parking regulations. In addition to laying out the streets and the properties that are within the corporate limits, he also made an effort to identify the types of densities that exist. We have taken the county GIS map and overlayed the lots that had a structure on them on our zoning map. It looks like the Town is about 80% built out. In addition to the density, there has been an attempt to identify it by section. Additionally, he included the draft parking plan, previously approved for release by the Board, for Block Q. He also noted the Town is currently under contract to purchase the pier property. The Block Q property is 214 spaces and the pier property is estimated to provide 80 spaces. Town Manager Hewett said the attempt here is how it is today, with the current regulations and does not include what-ifs, with the exception of the Block Q property. He stated he doesn’t believe he answered the tasker to actually ground truth specific lots because of the details associated with some of the constraints in what is defined as parking lots real estate or parking lots street rights-of-way.

Commissioner Smith said he was under the impression the Board would get the number of available parking spaces. Town Manager Hewett responded he wasn’t able to get to that. He thinks there are some variables and there will need to be a judgement call. He provided an example about parking on canal lots. He explained there are decisions the Board would need to make. Commissioner Kwiatkowski stated Otto Connect has provided estimates on where parking is and where there could be easily converted parking. She thinks the Parking Committee could ground truth this. Commissioner Murdock asked if vacant lots with post and rope currently were included. Town Manager Hewett answered that he used GIS. He also didn’t add the houses that are under construction. There is a margin of swag to it. Commissioner Sullivan asked about the Powell Bill funds. Town Manager Hewett explained it is an annual allocation that comes to the Town, about \$33,000 a year. His point in

showing the data was not to show that revenue. It was to show that the depiction of those miles requires that we certify and file a map that shows that the Town maintains those roads. It will go to the on street/off street determination. The money is in the General Fund, executed through the Streets' budget. This is not potential excess money.

DISCUSSION AND POSSIBLE ACTION ON AGREEMENT BETWEEN THE TOWN AND OTTO CONNECT

Town Manager Hewett explained the proposed agreement is in response to the Board's direction to obtain a consulting quote. Otto provided us with a quote of \$5,000 at \$100 an hour per person. The important piece of that is the vendor will credit the amount back out of the proceeds of any parking program.

The Board discussed how to use the consulting services.

Motion by Commissioner Murdock to approve the agreement between the Town and Otto Connect for the consulting services, if you want to limit it to \$5,000 that is fine.

Commissioner Murdock said he thinks the committee needs to have them there. They know more about parking than anyone here. Commissioner Sullivan said he agreed that there is a point during the process that they would need to be utilized. Commissioner Smith said he thinks it is important that they give the Town direction on what they need to implement parking. They can give the Town homework to do without them holding our hands. Commissioner Kwiatkowski asked how Otto came up with their numbers in the proposal. Town Manager Hewett said he is not sure how they came up with their numbers. Commissioner Kwiatkowski said she thinks the numbers need to be verified that they are fairly accurate. What date to use for the contract date was discussed.

Commissioner Smith seconded the motion.

Town Clerk Finnell read the motion. Town Manager Hewett stated that the Fiscal Control Act automatically limits it to \$5,000 without having to come back to the Board.

Commissioner Murdock agreed to the amended motion of to approve the agreement between the Town and Otto Connect for consulting services, with the effective date of October 19th. Commissioner Smith agreed with the amendment. The motion was approved by unanimous vote.

Town Manager Hewett said there is no Professional Services line. He proposed this be paid for out of the Governing Body Available to Appropriate line. He will realign the money out of the appropriate line item if it is the consensus of the Board. The Board agreed.

DISCUSSION AND POSSIBLE ACTION RELATING TO NO WAKE ZONE AND TO THE BOAT RAMP AND TRAILER PARKING

Mayor Holden stated his first intention was to have a lengthy presentation with officials from the state and county being here. As he made some calls, it became a reality that getting people here tonight was not realistic. He is talking about the area from Roger Street to the first marker at LouLou's Waterfront Restaurant. That is an official no wake zone. That is not intended to impede,

limit or otherwise interfere with the current use of commercial traffic. The priority of the waterway is to service commercial traffic. Mayor Holden said they are talking about the safety of the public using the fishing boats, personal watercrafts and jet skis. Those who live on the waterway see it daily. It is just a matter of time before something bad happens. He thanked Dr. Phil Caldwell who assembled a large number of documents concerning this matter on behalf of the Town. He stated when the Town brings in the government officials, agenda item 11 is intertwined (boat ramp and trailer parking) so it would be nice to incorporate their ideas and discussion on those items. In conjunction with the Board's blessing, he would like to move toward discussing this at the January meeting. If the commissioners decide to support the enforcement of the no wake zone, there are certain requirements the Town has to bless and participate in. We would need to have buoys located in the no wake zone. The specifications are clearly outlined if the Board decides to move forward. Hopefully enforcement would come out during the discussion. The Board agreed to put the no wake zone, boat ramp and trailer parking on the January agenda.

Commissioner Murdock stated he remembers when the Town had a Police boat. He inquired if it is possible the Town could enforce it themselves if buoys are put in. Mayor Holden provided history on the previous boat.

DISCUSSION AND POSSIBLE ACTION ON BLOCK Q PROPERTY

Commissioner Murdock said Block Q is a tract of land to the east of the HB bridge near the boat ramp that is used for festivals, trailer parking and overflow for everything you could imagine. Holden Beach Enterprises has let the Town use it for a long time. Two of them have passed away and the property is currently for sale. The property has been offered to the Town numerous times previously. It is property that everyone who lives here has used. Commissioner Murdock said a map with 215 proposed parking spaces was previously prepared. He said the property didn't get purchased when it was affordable. He is letting the public know it is out there for sale now. He has no idea what type of deal we would get at this time. It would provide parking at concerts and allow festival activities. He is very disappointed previous boards let it go. Commissioner Murdock stated if this parcel of land goes away, it will be detrimental to the Town. He wants the public to take a look at it and send in their opinions. He talked about adding boat trailer parking. It is part of a process to secure a reasonable amount of parking on the island, bring in revenue to not be a burden to the taxpayers on the island and to preserve it for the uses the Town would use it for.

POSTING OF DOCUMENTS RELATED TO THE PROPOSED PURCHASE OF THE PIER PROPERTY

Commissioner Sullivan stated the Board has been discussing purchasing a piece of the pier property. One of the main questions and objections that we have all heard is there is not enough information available to the public pertaining to the purchase. He wanted to make it known that we have placed the available documents on the website. Commissioner Sullivan asked everyone who is concerned to take the opportunity to review the documents and to let the Board know their opinions.

DISCUSSION AND POSSIBLE DIRECTION TO STAFF ON OCEANFRONT LIGHTING

Commissioner Smith said in his 50 years as a property owner on the oceanfront, there has never been an issue with this type of lighting on walkways or decks. He provided a photo to the Board of what he

is describing. In the past, issues were usually resolved between property owners. Commissioner Smith said in speaking with the president of the Turtle Patrol, most everyone will comply with what the Turtle Patrol calls light pollution that would cause issues for turtle nesting. He has been contacted by several other oceanfront property owners. Based on this and the Turtle Patrol feedback, he would like to see possible changes in the lighting ordinance to keep oceanfront lighting restricted.

Motion by Commissioner Smith to request our town attorney to look into possible changes to the ordinance that would restrict oceanfront light; second by Mayor Pro Tem Brown.

Commissioner Kwiatkowski asked for more specifics about what should be restricted. Commissioner Smith agreed that what is in the picture is the problem. Attorney Madon would like more information on what the Turtle Patrol defines as light pollution. Inspections Director Evans stated as someone who enforces the ordinance, it is vague and needs to be looked at it.

The consensus of the Board is to have Inspections Director Evans and Attorney Madon review it and get back to the Board.

PUBLIC COMMENTS ON GENERAL ITEMS

Dan Alman asked how much they are asking for Block Q. Commissioner Murdock said for everything combined it is over \$5 million. He is not sure what it would be split up. The zoning and current use was mentioned.

TOWN MANAGER'S REPORT

- The annual audit for the year ending June 30, 2021 has been submitted to the Local Government Commission. That will be coming back to the Board at the November meeting.
- Reviewed the budget to actual highlights as of September 30th (hereby incorporated into minutes).
- Closed on the sewer lift station loan that pays us back for the upgrade to lift station 3, in the amount of \$2.5 million.

MAYOR'S COMMENTS

- Very relieved that though it is still hurricane season on the calendar, he has always said if there is nothing in sight by October 15th, we have made it through the season. Thinks we are safe for this year. Have been very fortunate. Thanked the Good Lord.
- With the sand project that is coming this fall/winter, we will gain a tremendous amount of beachfront. Next spring, we will look the best we have in decades thanks to the efforts of the Board, public and staff. He knows everyone who had a hand in it worked hard, we all appreciate it.
- Festival by the Sea is coming up shortly. That is something we are all looking forward to. Understands we are still not having the parade.
- Bike Path – has a GSATS meeting this Friday. That will be discussed at that meeting. As far as he knows, we are still on track. In 18 – 24 months we should be riding on a new surface on Ocean

Boulevard with a bike path on each side. That will change the entire appearance of the island. It will be a wonderful thing for everyone to enjoy. Doesn't think he ever remembers the homeowners taking the pride in their yards and homes and the conditions they are being maintained on this island. As mayor, he is very proud of this island. Still receives a lot of excellent comments. Saw Public Works working hard preparing things for the festival. There are a lot of things going on that the community works together on. We have a good reputation. Holden Beach is a wonderful place.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Brown

- Thanked the staff for all the good work. Appreciates it.
- Keep it safe.
- Asked Chief Dixon about break-ins. Chief Dixon said there were a couple of construction sites that had stuff stolen from this month. Worked with the Sheriff's Department. They had a suspect. They were able to make an arrest and get most of the property back. Doing everything they can to keep up with it.

Commissioner Smith

- Thanked staff. Did a great job getting all of the parking information together. Thanked Assistant Town Manager Ferguson for the final draft of the Parks & Recreation Plan. Thanked Chief Dixon for the good job they do.
- Glad to see the beach still full of visitors. Fishermen are out. Beaches have been full on the weekends. That is great for occupancy taxes and to see people enjoy the beach. It is understandable why they would want to come and be part of this beautiful place.
- Happy we seem to have squeezed through the tough part of hurricane season.
- Looking forward to the November election and the possibility to serve for four more years. Asked everyone to vote.

Commissioner Murdock

- Glad to put on a long sleeve shirt. Summer has been hot. Glad it cooled off. It is beautiful weather. Everyone needs to get out and enjoy it. Fish are biting and the north wind is blowing. It is a great time to get out and enjoy the place we live.
- While working with the DOT, maybe we can get permission to work on our welcome mat on the other side of the bridge. Maybe they could plant a few flowers and fix that up.
- Appreciates the work of the staff. The parking map start looks awesome. We have a hard road ahead on seeing what we can do about resolving a lot of people's issues and providing the facilities for a reasonable amount of people to come and enjoy this place. Hopefully we can all come together and do that without a lot of trouble.
- Stay safe, take care. There are lots of empty seats. Come to the meetings if you can.

Commissioner Sullivan

- There are a lot of issues that will affect the Town well into the future. Asked people who can't make it to the meetings to listen to the meetings and to tap into the information available on our website.

- Have a good rest of the fall.

Commissioner Kwiatkowski

- Echoed Commissioner Sullivan, lots more people are listening to the meetings than they used to. Appreciates that the public is sending little and big stuff about concerns and questions. Please keep it up. We try to address things we can do something about. Keep up the communication.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(5), TO INSTRUCT THE STAFF OR AGENT CONCERNING THE NEGOTIATION OF THE PRICE AND TERMS OF A CONTRACT CONCERNING THE ACQUISITION OF REAL PROPERTY AND NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(3), TO CONSULT WITH THE ATTORNEY

Town Clerk Finnell read the reasons for Executive Session.

Motion for Commissioner Kwiatkowski to go into Executive Session at 6:20 p.m.; second by Commissioner Sullivan; approved by unanimous vote.

OPEN SESSION

Motion by Mayor Pro Tem Brown to go back into Open Session at 6:48 p.m.; second by Commissioner Smith; approved by unanimous vote.

No action was taken.

ADJOURNMENT

Motion by Mayor Pro Tem Brown to adjourn at 6:48 p.m.; second by Commissioner Murdock; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk

November 5, 2021

To: Holden Beach Board of Commissioners

From: Holden Beach Audit Committee

Re: Audit Comment Message to the Board on the External Audit Report for the Year Ending June 30, 2021

In the auditor's opinion, the individual fund financial statements, budgetary schedules, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP:	Unmodified
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Internal control over financial reporting:

<input type="checkbox"/> Material weakness(es) identified?	No
<input type="checkbox"/> Significant deficiency(ies) identified?	None reported

Non-compliance material to financial statements noted?	No
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2. Financial Statement Findings

None

Financial Highlights of Import from the Audit Report

☐ The assets and deferred outflows of resources of the Town of Holden Beach exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$33,125,393 (net position).

☐ The government's total net position increased by \$2,431,774, primarily due to an increase in the governmental activities of \$2,402,464 and increases in the business-type activities of \$29,310.

☐ As of the close of the current fiscal year, the Town of Holden Beach's governmental funds reported combined ending fund balances of \$13,867,944, an increase of

\$959,559 in comparison with the prior year. Of this amount, \$2,814,661 is available for spending at the government's discretion.

□ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,038,385, or 98%, of total General Fund expenditures for the fiscal year.

AC note: Town Policy is to maintain the general fund balance between 40 and 70%.

Overall Long-Term Debt

As of June 30, 2021, the Town of Holden Beach had total debt of \$10,100,771 (excluding compensated absences). There was a net decrease in total debt of \$875,865. The key factor of this decrease was the scheduled repayment of debt.

Fund Balances (million \$)


	General.	BPART.	Canal.	Beach Renourishment & Inlet Management
July 1, 2020.	3.230.	3.791.	2.934.	3.493
June 30, 2021.	4.012.	*5.225.	2.709.	*2.130

*AC comment: The increase in BPART is almost entirely due to the interfund transfer from BRIM to BPART to pay the Central Reach debt and part of Lockwood Folly inlet dredging (total transfer 1.473 million)



Date: November 8, 2021

To: Mayor Holden and Board of Commissioners
Town Manager-IN TURN

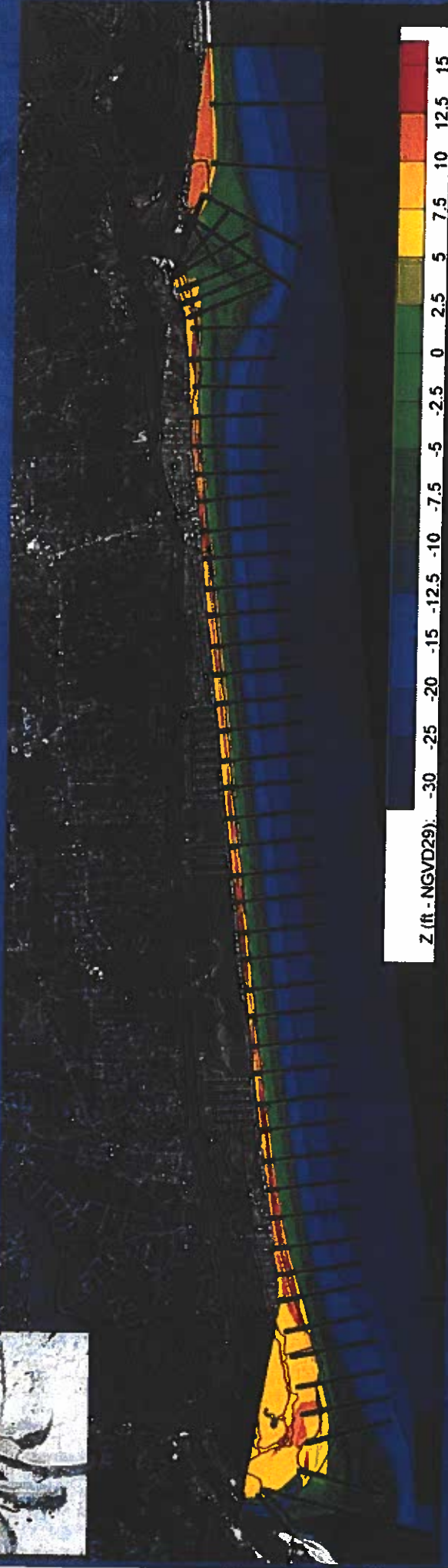
From: Christy Ferguson, Assistant Town Manager 

Re: Annual Beach Monitoring Report

The Town participates in annual beach monitoring to maintain a healthy beach and dune system and to keep our engineered beach status. These reports are also instrumental in serving as a baseline account of sand volume as compared to post-storm surveys. Mr. Fran Way with ATM is here to present data from the annual report and highlight changes since last year.

HOLDEN BEACH ANNUAL MONITORING

November 16, 2021



Marina, Coastal, Environmental
& Water Resources Engineers



Annual Monitoring Analysis

- Volume Change
- Shoreline Change
- Has occurred annually since 2001
- Nourishment Planning & FEMA Eligibility

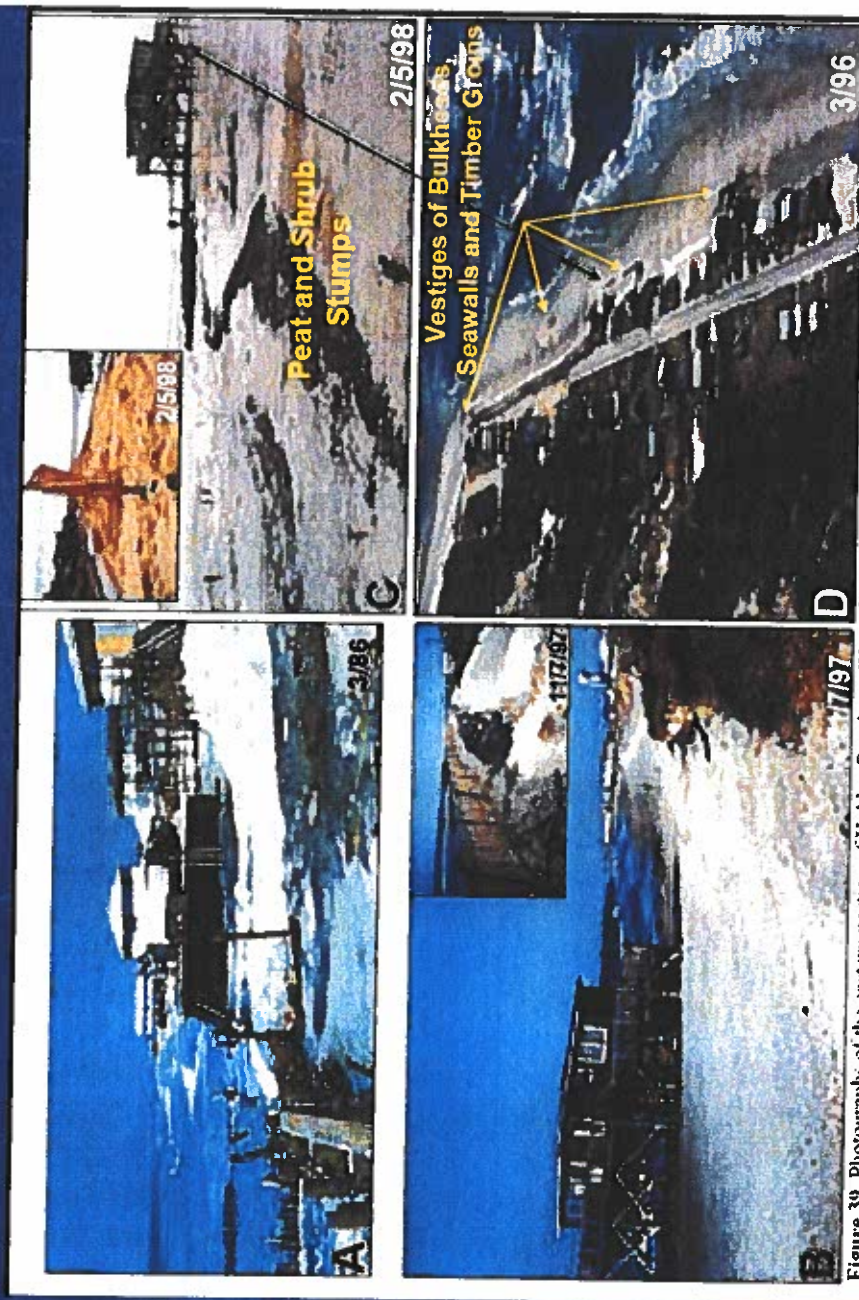


Figure 39. Photographs of the eastern portion of Holden Beach. A. West view (3/86) of eroding shoreline and houses stranded on recreational beach. Note bulkheads, timber groins and vestiges of seawalls that litter the beach. The eastern portion of Holden Beach shoreline near the inlet has been a chronic erosion zone since the late 1970s. B. West view (11/7/97) of same area in "A" retreat of the shoreline, removal of all but one home and a refurbished dune/dike composed of truck hauled sand. C. Aerial photograph of house on beach and peat exposure. Inset depict dike along road. D. Aerial photograph depicting shoreline and chronic erosion zone. Note the homes fronted by bulkheads and remnants of those destroyed.

2020/2021 Hurricane Seasons

2020: Isaias

Isaias Recap

W ISAIAS LANDFALL STATS
MONDAY, AUG. 3

CATEGORY 1
MAX WINDS: 85 MPH

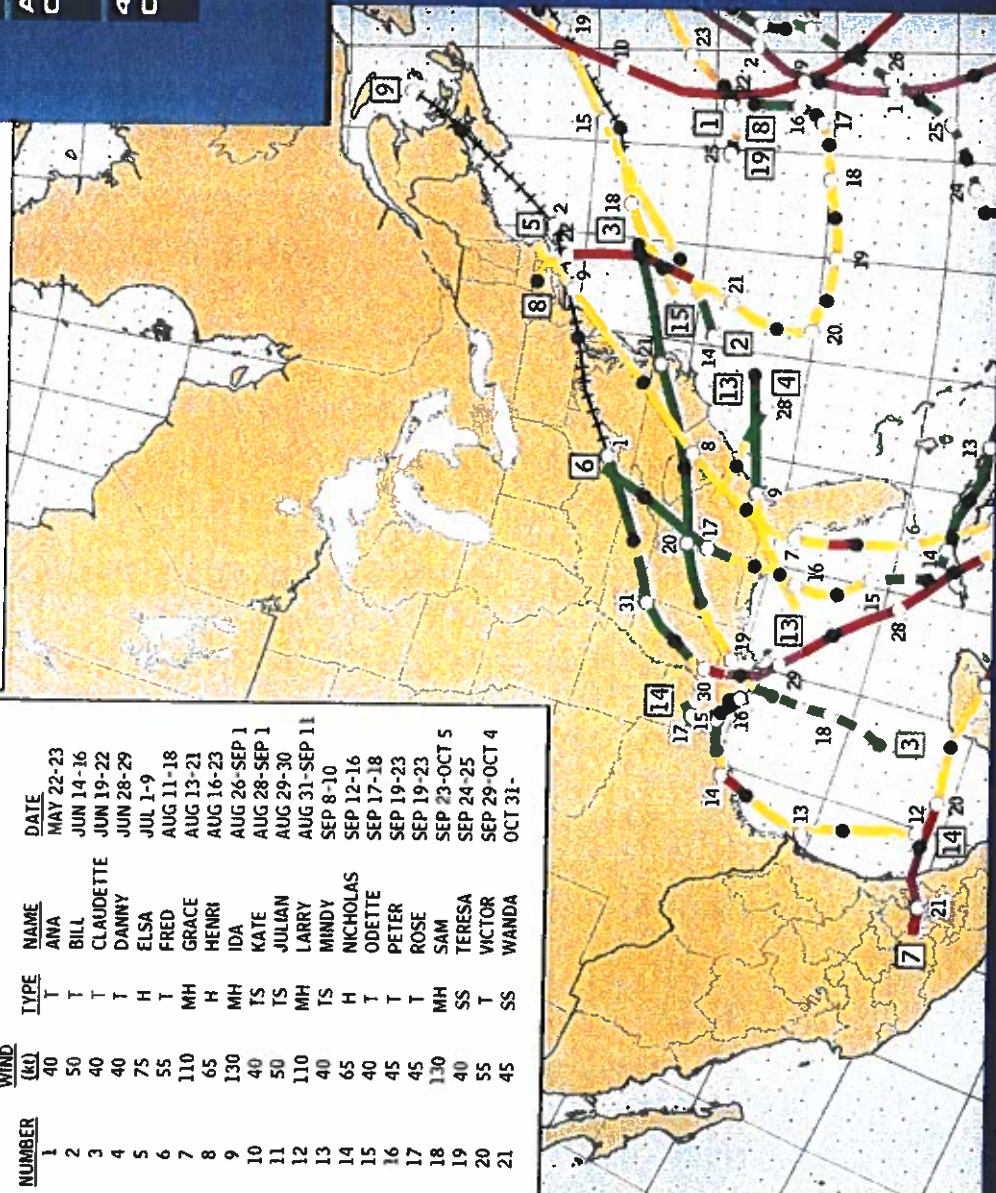
AROUND 11:10 PM ET
OCEAN ISLE BEACH, NC

40 MILES SOUTHWEST
OF WILMINGTON, NC

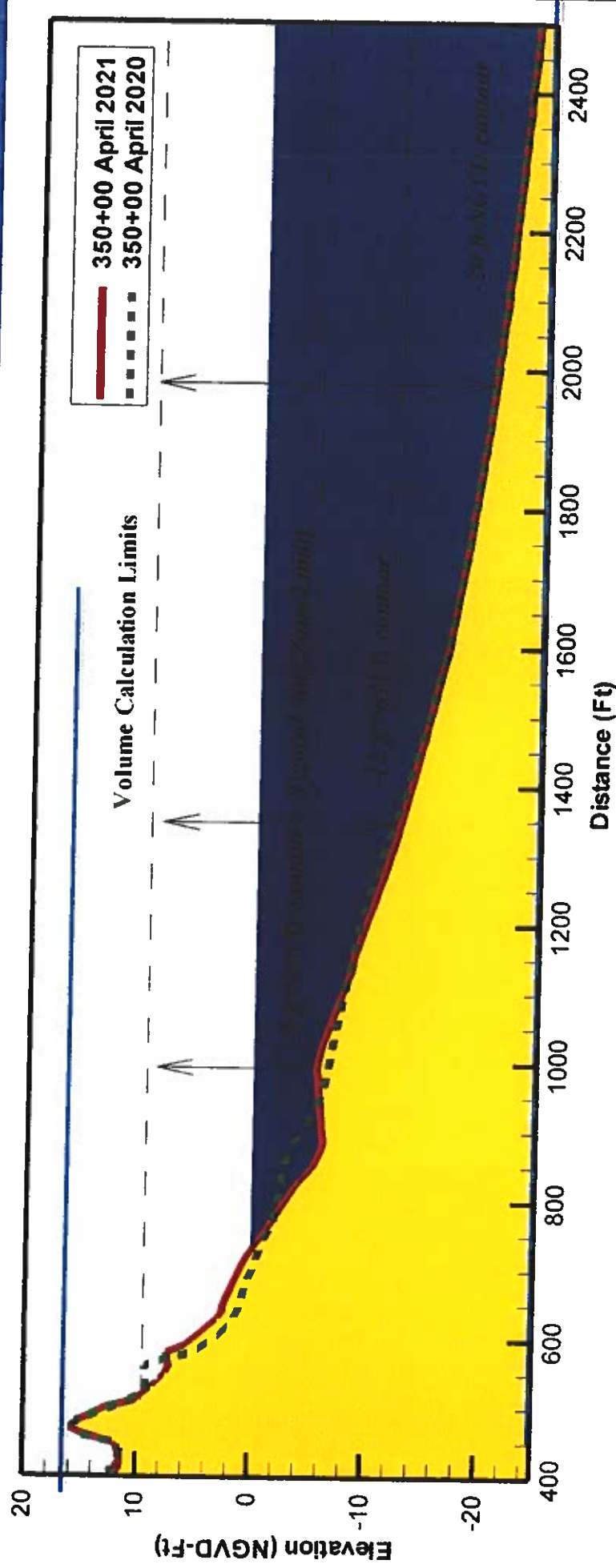
Holden Beach, NC

U.S. DEPARTMENT OF COMMERCE NORTH ATLANTIC HURRICANE

NUMBER	WIND (kt)	TYPE	NAME	DATE
1	40	T	ANA	MAY 22-23
2	50	T	BILL	JUN 14-16
3	40	T	CLAUDETTE	JUN 19-22
4	40	T	DANNY	JUN 28-29
5	75	H	ELSA	JUL 1-9
6	55	T	FRED	AUG 11-18
7	110	MH	GRACE	AUG 13-21
8	65	H	HENRI	AUG 16-23
9	130	MH	IDA	AUG 26-SEP 1
10	40	TS	KATE	AUG 28-SEP 1
11	50	TS	JULIAN	AUG 29-30
12	110	MH	LARRY	AUG 31-SEP 11
13	40	TS	MINDY	SEP 8-10
14	65	H	NICHOLAS	SEP 12-16
15	40	T	ODETTE	SEP 17-18
16	45	T	PETER	SEP 19-23
17	45	T	ROSE	SEP 19-23
18	130	MH	SAM	SEP 23-OCT 5
19	40	SS	TERESA	SEP 24-25
20	55	T	VICTOR	SEP 29-OCT 4
21	45	SS	WANDA	OCT 31-



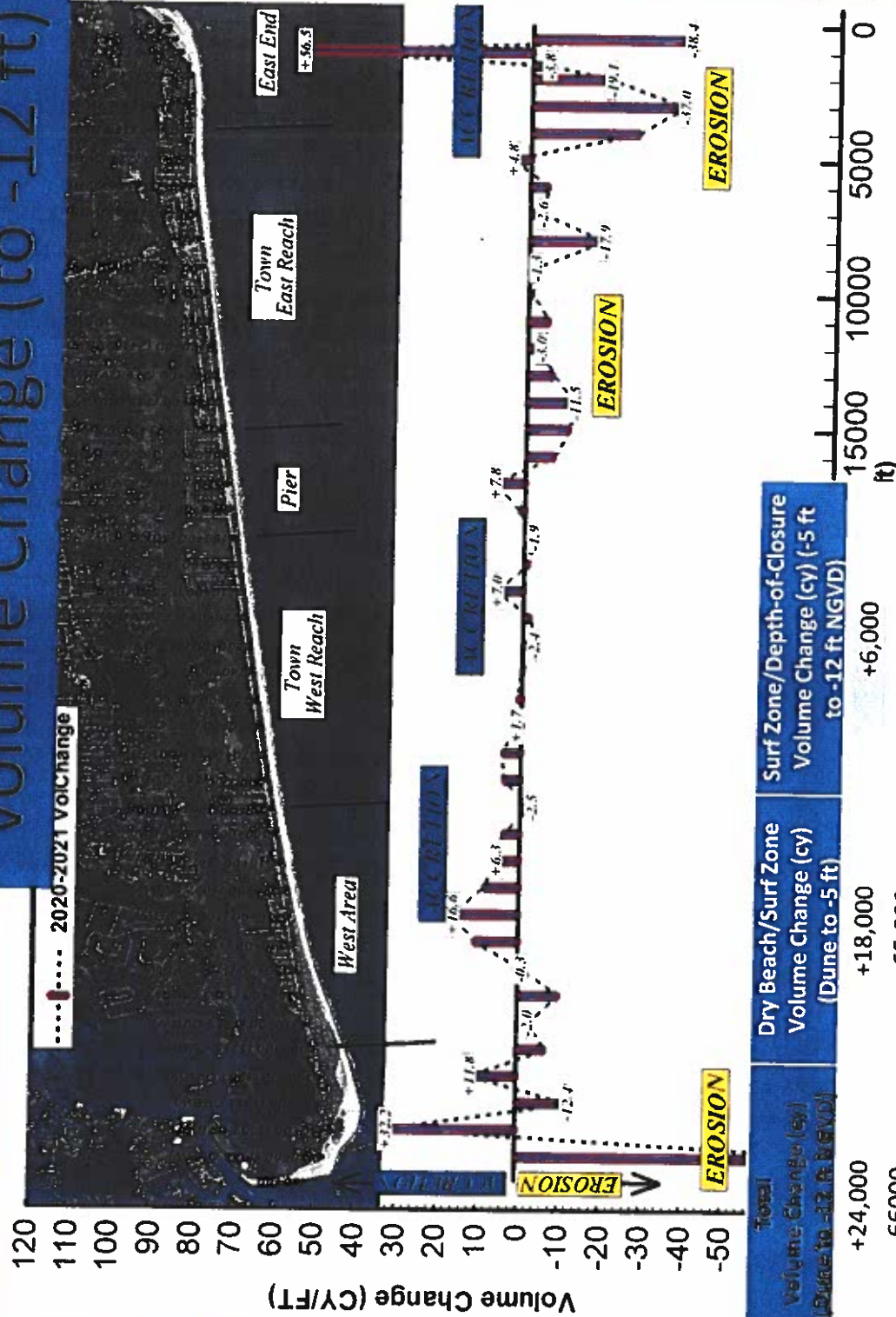
Volume Analysis



Three Volume Calcs. From Dune to
-5 ft, -12 ft and -20 ft

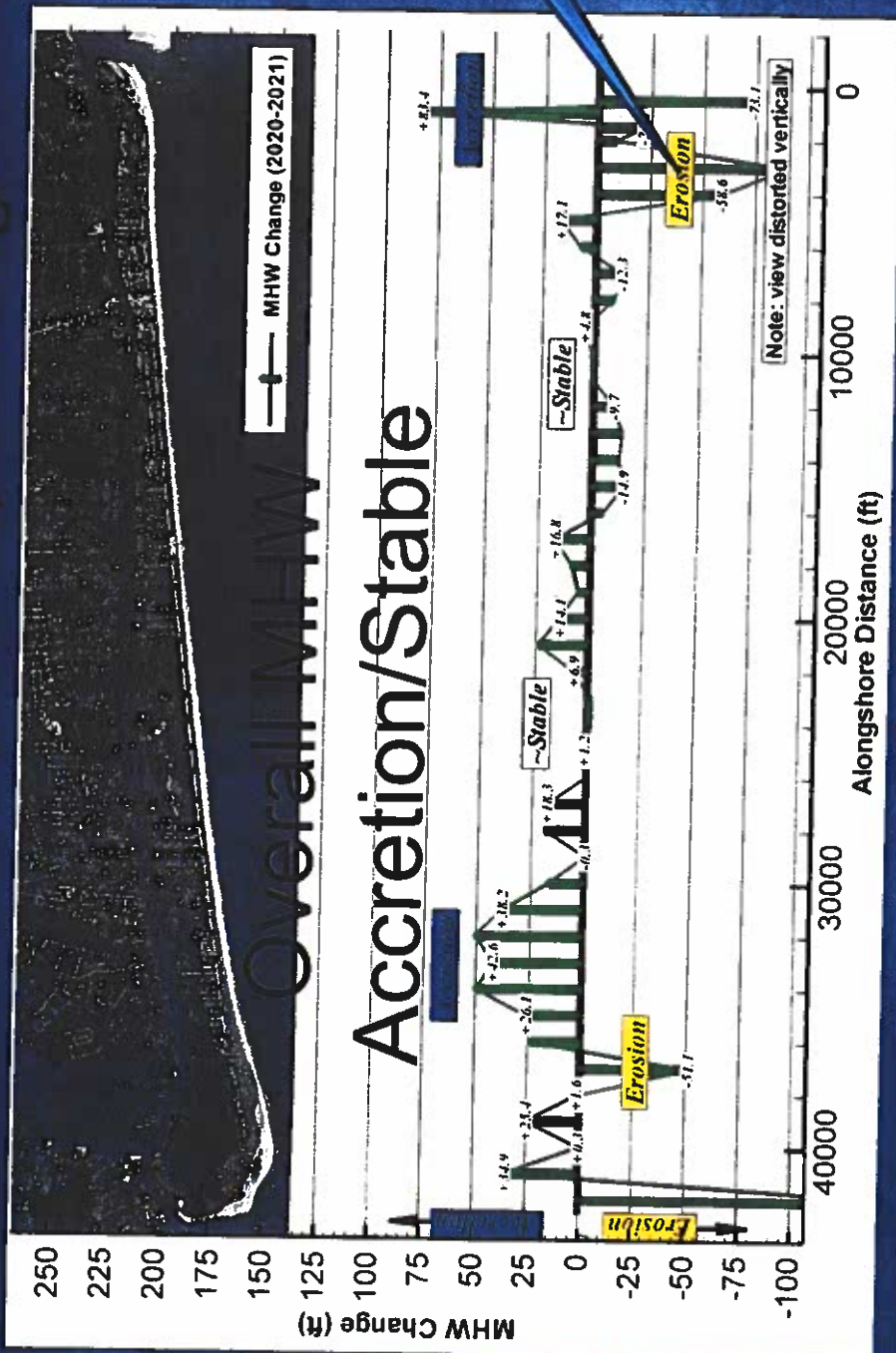
Volume Change (to -12 ft)

..... 2020-2021 VolChange



Reach Averages	Stations Included	Total Volume Change (cy) (Due to -12 ft NGVD)	Dry Beach/Surf Zone Volume Change (cy) (Due to -5 ft)	Surf Zone/Depth-of-Closure Volume Change (cy) (-5 ft to -12 ft NGVD)
LWF Inlet	5 to 15	+24,000	+18,000	+6,000
USACE East	15 to 40	-66,000	-65,000	-1,000
Town East	40 to 150	+4,000	-66,000	+70,000
Pier	150 to 190	+18,000	-4,000	+22,000
Town West	190 to 290	+70,000	+13,000	+57,000
West Area	290 to 380	+17,000	+31,000	-14,000
Shallotte Inlet	380 to 420	-8,000	-16,000	+8,000
	TOTAL	+59,000	-89,000	+148,000
Central Reach	40 to 290	+92,000	-57,000	+149,000

Shoreline (MHW) Change

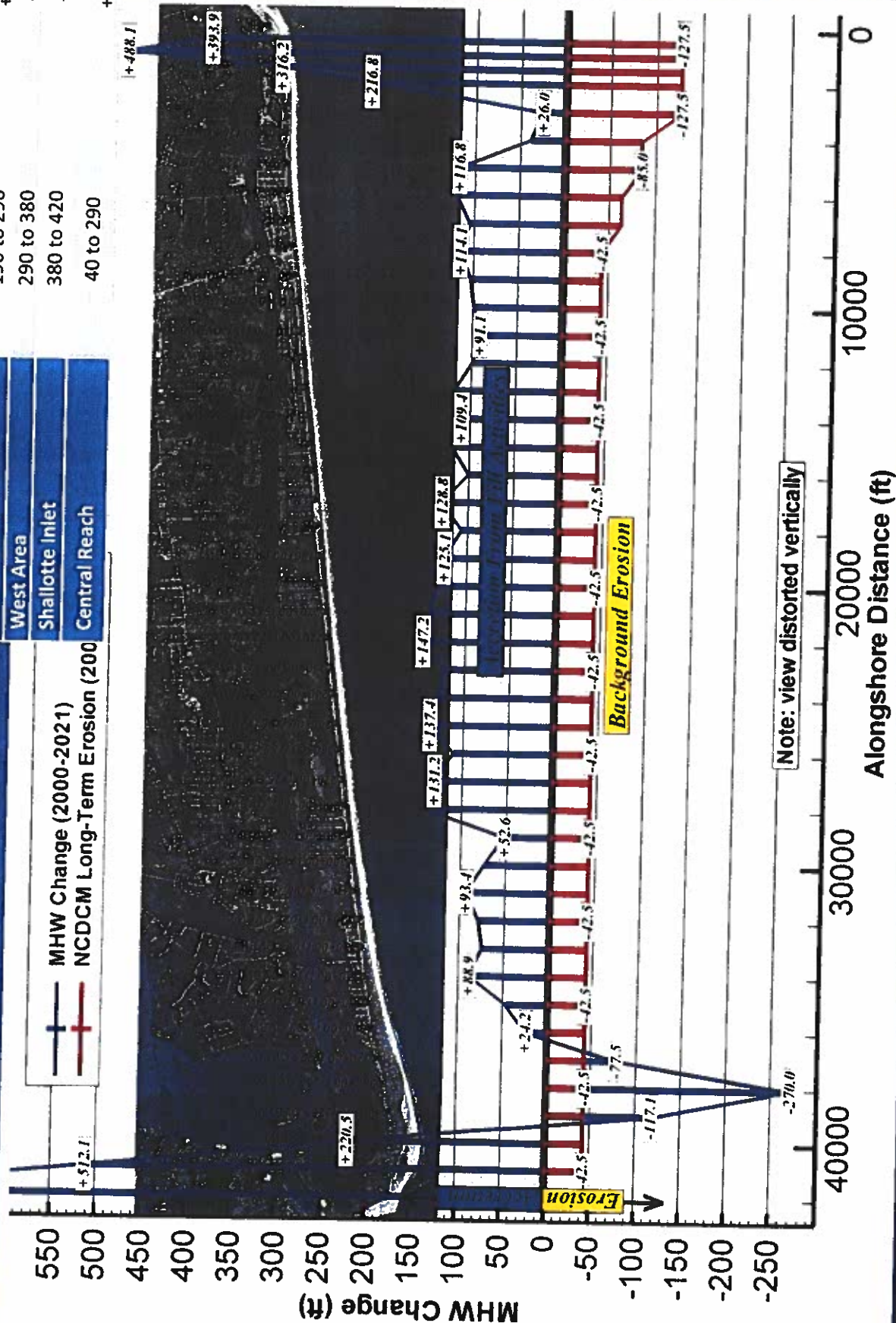


Central Reach Volumes

	2017	2018	2019	2020	2021
Central Reach Change (cy)	1,386,000	231,000	-142,000	-397,000	92,000
Central Reach Total Volume (cy)	1,386,000	1,617,000	1,475,000	1,078,000	1,170,000

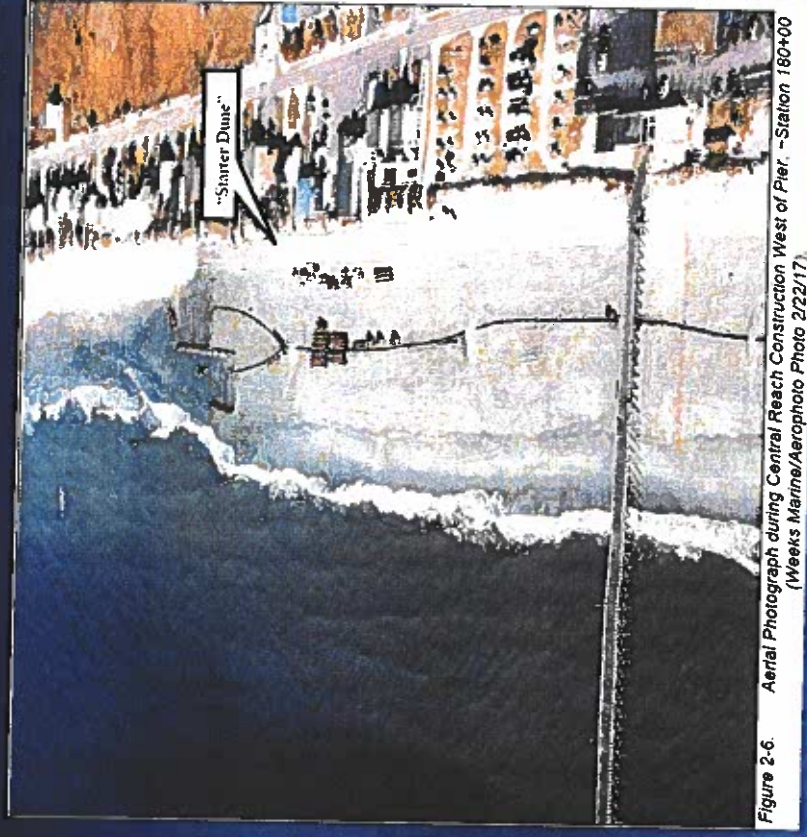
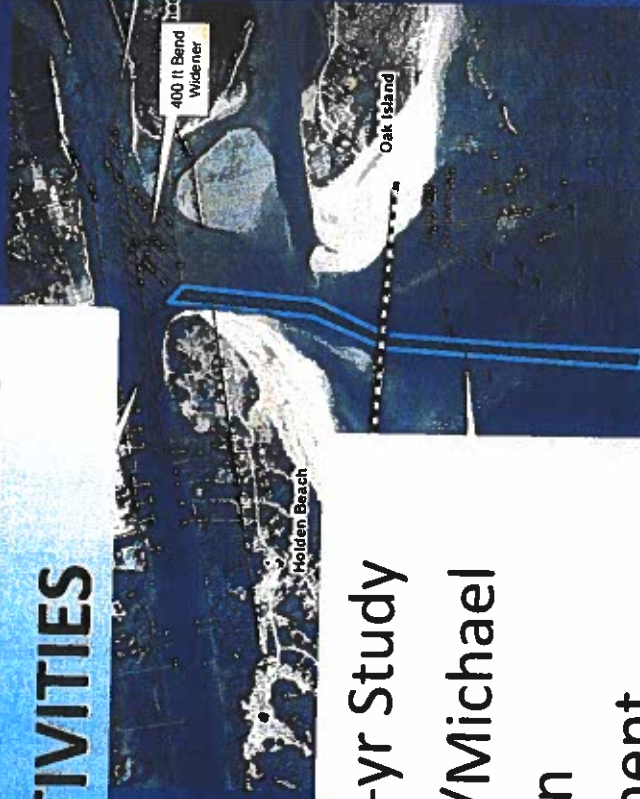
Table 3-4. Historical MHW Shoreline Change by Reach (2000 to 2021)

Reach Averages	Stations Included	Historical MHW Change (2000 to 2021) (ft)
LWF Inlet	5 to 15	+399
USACE East	15 to 40	+94
Town East	40 to 150	+103
Pier	150 to 190	+116
Town West	190 to 290	+124
West Area	290 to 380	+19
Shallotte Inlet	380 to 420	+86
Central Reach	40 to 290	+113



ONGOING HB BEACH MANAGEMENT ACTIVITIES

- Corps 50-yr Study
- Florence/Michael Mitigation Nourishment
- Dorian Mitigation
- Isaias Mitigation
- LWFIX & Bend-Widener
- LWF Outer Channel Dredging/Navigation



ORDINANCE 21-32
AN ORDINANCE AMENDING HOLDEN BEACH CODE OF ORDINANCES, SECTION 30.26: AUDIT COMMITTEE

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BE IT ORDAINED BY the Mayor and Board of Commissioners of the Town of Holden Beach, North Carolina, that Section 30.26: Audit Committee be amended as follows.

Section One: Amend § 30.26 to read as follows:

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§ 30.26 AUDIT COMMITTEE OF THE BOC.

CREATION, NAME AND NUMBER OF MEMBERS

There is hereby established an Audit Committee which shall be comprised of a member of the Board of Commissioners and not less than 2 or more than 4 residents or property owners of the Town of Holden Beach as full members plus 1 alternate member.

POWERS AND DUTIES

The Audit Committee shall

(A) — There is hereby established an Audit Committee of the BOC, which shall be comprised of a Chairman of the BOC Audit Committee and not fewer than two, nor more than four Public Members, as determined by the BOC at the first regular Board of Commissioners meeting in January.

(B) — Powers and duties. The Audit Committee shall:

- (1) — Serve as an advisory board committee for the town's Board of Commissioners (BOC);
- (2) — Assist and advise the BOC in its oversight responsibilities for the town's financial reporting process, systems of internal financial controls and the external audit process;
- (3) — Recommend to the BOC each year the selection of the independent external audit firm to conduct the annual external audit, using a request for proposals selection process when deemed necessary by the Audit Committee;

(4) Monitor the performance of the commercial public accounting firms providing audit services to the Town;

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(45) Evaluate-Monitor the performance of the external audit firm as it relates to the annual audit of the town and its self insurance policies;

(6) Review the annual audit report with the external auditor and provide a written opinion to the BOC;

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(5) — Review, advise and make recommendations to the BOC with respect to the town's treasury management function and its risk management policies and procedures, including without limitation, the town's insurance and self insurance policies;

(76) Confirm-Periodically confirm the suitability of the town's internal control systems and/or policies, are in place and implemented, including information technology security and control;

(78) ~~Confirm. Receive confirmation Town Management implements that audit report recommendations have been acted upon in advance of the commencement of the next external audit;~~

~~(8) Continually evaluate the independence of the external auditors; to audit findings and forward findings to the Board of Commissioners;~~

~~(9) Review the town's CAFR, management letter and management's response;~~

~~(10) Review and reassess the adequacy of this Charter at least every two years, with any revision submitted to the Board of Commissioners for approval;~~

~~(11) Provide an avenue of communication among the Board of Commissioners, Town Management and the external independent auditors;~~

(129) Perform other functions from time to time as shall be delegated or assigned to it by the BOC.

APPOINTMENT, TERMS

The Commissioner shall be appointed by the BOC in January of each year. Other members of the Audit Committee shall be appointed by the BOC for three-year terms, with the exception of 2022 when two members shall be appointed for three years and two members for two years. Appointments shall normally be made in January. Each member of the Audit Committee shall serve at the pleasure of the Board during their appointment.

~~(C) Appointment, terms. The Chairman of the BOC Audit Committee shall be elected by the BOC at the first regular meeting in January. The Chairman of the Audit Committee shall make a recommendation to the Board of Commissioners on who shall serve as Public Members. The Chairman of the BOC Audit Committee, an elected Commissioner, and each of the Public Members shall have a normal term of one year, and shall serve at the pleasure of the BOC.~~

MEETINGS AND ATTENDANCE

~~(D) Meetings.~~

The Audit Committee shall meet quarterly and in addition at least one time per year to review the final audit with the external audit firm. Additional meetings may be called by the Chair as deemed necessary in fulfillment of the duties of the Committee.

~~(1) The Audit Committee will meet at least four times each year (quarterly) to assess the quarterly financial statements. The Committee will also meet at least one additional time a year to review the final audit report from the external auditors. The Chair may call additional meetings as deemed necessary in fulfillment of the role of the Committee.~~

~~(2) The Audit Committee shall comply with the provisions of the North Carolina Open Meetings Law, G.S. §§ 143-318.9 et seq. A quorum shall be in attendance before any action of an official nature can be taken. A quorum shall exist when a majority of the Committee is in attendance, is defined as at least one more than the number absent of the appointed members.~~

The Town Manager or his or her designee shall also be in attendance in addition to staff that he or she invites to provide pertinent information on agenda items. Auditors or other outside specialists may also be invited by the Committee or the Town Manager as appropriate.

An appointed member of the Audit Committee who misses three consecutive regular meetings loses their status as a member.

(3) The Audit Committee may invite the manager, staff, auditors and others to attend the meetings and provide pertinent information, as necessary.

(5) Attendance. All Committee members are expected to attend every meeting. Requests for excused absences due to sickness, death or emergencies of like nature shall be approved by the Committee as approved absences and shall not affect membership, except that in the event of a long illness, or other such cause for prolonged absence, the member may be replaced.

OFFICERS

There shall be a Chair and Vice Chair of the Audit Committee. An annual election of the Chair and Vice Chair shall occur at the first regular meeting of the year.

The Town Manager or his or her designee shall serve as secretary to the Audit Committee.

OFFICERS' DUTIES

The Chair of the Audit Committee shall preside at all meetings and shall appoint all committees.

When the Chair is absent, the Vice Chair shall perform the duties of the Chair. When both the Chair and Vice Chair are absent, a temporary Chair shall be selected by those members who are present.

The Chair shall assemble and provide an agenda to the Secretary at least one week in advance of a scheduled meeting.

The Secretary shall provide to all members copies of agendas, official reports, information relevant to the Committee's duties provided to the Secretary by any committee member and the official minutes of all regular and special meetings at least 3 working days prior to the next scheduled meeting.

(Ord. 16-02, passed 1-12-16, Am. Ord. 18-18, passed 12-18-18, Am. Ord 21-7)

Section Two: The Town Clerk is directed to forward this ordinance to American Legal Publishing for inclusion in the next published supplement to the Holden Beach Code of Ordinances.

Section Three: This ordinance shall be effective the 17th day of November, 2021.

This the 16th day of November, 2021.

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ATTEST:

J. Alan Holden, Mayor

Heather Finnell, Town Clerk

Clean version

§ 30.26 AUDIT COMMITTEE.

CREATION, NAME AND NUMBER OF MEMBERS

There is hereby established an Audit Committee which shall be comprised of a member of the Board of Commissioners and not less than 2 or more than 4 residents or property owners of the Town of Holden Beach as full members plus 1 alternate member.

POWERS AND DUTIES

The Audit Committee shall

- (1) Serve as an advisory committee for the town's Board of Commissioners (BOC);
- (2) Assist and advise the BOC in its oversight responsibilities for the town's financial reporting, systems of internal financial controls and the external audit process;
- (3) Recommend to the BOC each year the selection of the independent external audit firm to conduct the annual external audit, using a request for proposals selection process when deemed necessary by the Audit Committee;
- (4) Monitor the performance of the commercial public accounting firms providing audit services to the Town;
- (5) Monitor the performance of the external audit firm as it relates to the annual audit of the town;
- (6) Review the annual audit report with the external auditor and provide a written opinion to the BOC
- (7) Periodically confirm the suitability of the town's internal control systems and/or policies, including information technology security and control;
- (8) Receive confirmation that audit report recommendations have been acted upon in advance of the commencement of the next external audit;
- (9) Perform other functions from time to time as shall be delegated or assigned to it by the BOC.

APPOINTMENT, TERMS

The Commissioner shall be appointed by the BOC in January of each year. Other members of the Audit Committee shall be appointed by the BOC for three-year terms, with the exception of 2022 when two members shall be appointed for three years and two members for two years. Appointments shall normally be made in January. Each member of the Audit Committee shall serve at the pleasure of the Board during their appointment.

MEETINGS AND ATTENDANCE

The Audit Committee shall meet quarterly and in addition at least one time per year to review the final audit with the external audit firm. Additional meetings may be called by the Chair as deemed necessary in fulfillment of the duties of the Committee.

The Audit Committee shall comply with the provisions of the North Carolina Open Meetings Law, G.S. §§ 143-318.9 et seq. A quorum shall be in attendance before any action of an official nature can be taken. A quorum is defined as at least one more than the number absent of the appointed members.

The Town Manager or his or her designee shall also be in attendance in addition to staff that he or she invites to provide pertinent information on agenda items. Auditors or other outside specialists may also be invited by the Committee or the Town Manager as appropriate.

An appointed member of the Audit Committee who misses three consecutive regular meetings loses their status as a member.

OFFICERS

There shall be a Chair and Vice Chair of the Audit Committee. An annual election of the Chair and Vice Chair shall occur at the first regular meeting of the year.

The Town Manager or his or her designee shall serve as secretary to the Audit Committee.

OFFICERS' DUTIES

The Chair of the Audit Committee shall preside at all meetings and shall appoint all committees.

When the Chair is absent, the Vice Chair shall perform the duties of the Chair. When both the Chair and Vice Chair are absent, a temporary Chair shall be selected by those members who are present.

The Chair shall assemble and provide an agenda to the Secretary at least one week in advance of a scheduled meeting.

The Secretary shall provide to all members copies of agendas, official reports, information relevant to the Committee's duties provided to the Secretary by any committee member and the official minutes of all regular and special meetings at least 3 working days prior to the next scheduled meeting.

(Ord. 16-02, passed 1-12-16; Am. Ord. 18-18, passed 12-18-18; Am. Ord 21-?)



Date: November 8, 2021

To: Mayor Holden and Board of Commissioners
Town Manager-IN TURN

From: Christy Ferguson, Assistant Town Manager 

Re: Coastal Race Productions Request-Run HB

Coastal Race Productions is requesting a banner, vendors, and a beer garden as part of the January 29, 2022 race. These items have been allowed as part of the race for several years, but currently require board action each year. I have spoken with the police chief and no issues were reported with the proposed items at last year's event.

Attachment 1: Letter from Coastal Race Productions
Attachment 2: Diagram-Proposed Beer Garden



To Whom It May Concern,

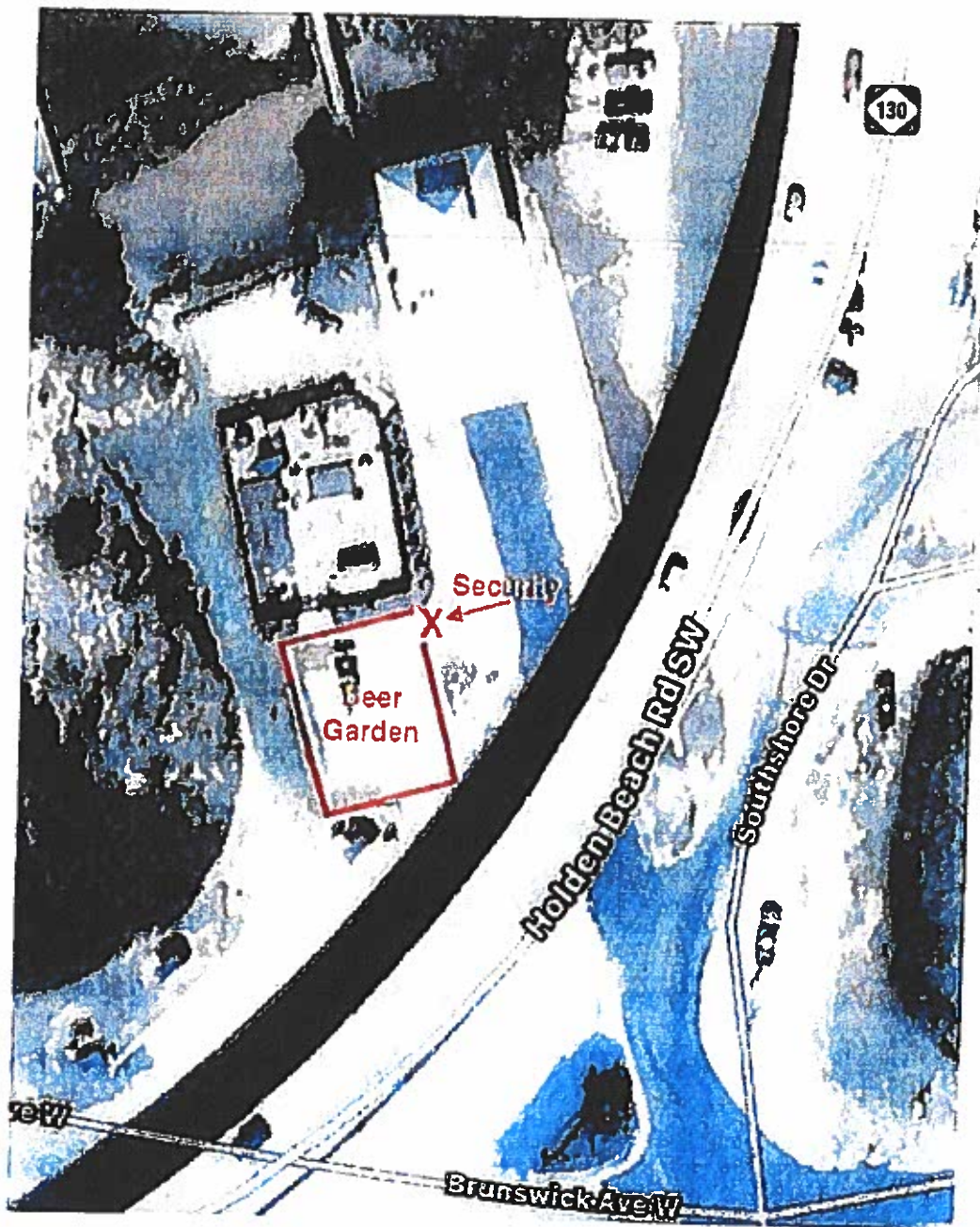
Coastal Race Productions would like to request special considerations for our January 29th, 2022 Run Holden Beach event:

- 1) Permission to place an 8x4 ft banner at the island side base of the bridge on Holden Beach Vacations property with their consent and permission one week prior to the event itself.
- 2) Permission to host a fully contained beer garden requiring us to get a One-Time Special ABC Permit in the gravel lot near the pavilion under the bridge.
- 3) Permission to have up to 10 vendors or less contained to the Start/Finish line area near the Pavilion and under the bridge during the event times. We will be cleaned up and out of the area by 11:30am.

Thank you for your consideration,

The Coastal Race Team;

Johnna (JoJo) Terragna
David Hutnik



Recommendation

- Implement and maximize Paid Parking via:
 - Existing Parking Areas
 - Leverage Town Owned spaces for parking
 - RoW:
 - Leverage open areas where there is public access to the beach (with ¼ mile)
 - Add street end parking (between 25' and 125' of OBW/OBE) for Golf Carts
 - Complete Purchase of the Pier – add to parking
 - Engage owners of Block Q and open lots near Town Hall for Purchase or Lease
 - Consider sale of 800 block properties to fund other purchases
 - Use the Lease approach to avoid significant outlay
 - Shared expense to develop parking lot
 - Shared revenue based on lot usage or fixed fee as determined by the Town
- Net: over 1000 potential Parking Spaces
 - Funds from Parking Fees should be used to develop parking areas, pay for leases, and improve town/beach access and amenities for owners, renters, and visitors alike.
- Update Ordinances as noted



Date: November 8, 2021

To: Commissioners and Mayor Holden

From: Chris Clemmons, Public Works Director
C.C.

Re: Updated Water Fee Schedule

As of January 1, 2022, Brunswick County will increase the Town's wholesale rate by 82%. The current rate is \$2.89 per 1,000 gallons, with the new rate being set at \$5.25 per thousand gallons. This increase by Brunswick County is to cover the cost of the plant capacity from 24 MGD to 48 MGD and to add a low pressure reverse osmosis treatment system.

Staff is proposing the Town increase our water/sewer rates effective January 1, 2022 to reflect the increased amount (Attachment 1). The proposed increase reflects the county's increase only, with no additional profit to the Town (Attachment 2). Our 2021/2022 budget supports this increase.

Suggested motion: Approve the proposed water/sewer rates effective January 1, 2022 and direct staff to update the fee schedule to reflect the new rates.

Attachment 1: Proposed Water/Sewer Rates 2022

Attachment 2: Current Fee Schedule Excerpt



Updated water/sewer rates effective as of January 1, 2022.

Holden Beach Water/Sewer Rates 2022

Base Charges:

Water - \$22.72 for the first 2000 gallons or less
 Sewer - \$14.10 for the first 2000 gallons or less

Additional Charges:

Water - \$5.46 for every 1000 gallons from 2000-6000 gallons
 \$6.46 for every 1000 gallons over 6000 gallons
 Sewer - \$6.45 for every 1000 gallons from 2000-6000 gallons
 \$7.45 for every 1000 gallons over 6000 gallons

Irrigation Rates

Irrigation base charge - \$5.00
 Irrigation inspection fee - \$2.50

Additional Charges:

Irrigation water - \$5.46 for every 1000 gallons from 0-6000 gallons
 \$6.46 for every 1000 gallons over 6000 gallons

These are the rates for both residential and commercial.

WATER RATES

<u>Basic Rates</u>	
Base rate per month per dwelling unit, business or commercial service – includes initial 2,000	\$18.00
Each 1,000 gallons for 2,001 – 6,000 gallons	\$3.10
Each 1,000 gallons over 6,000 gallons	\$4.10
Base rate for meters installed for additional services as defined in §51.03(A)(2) of the Code of Ordinances	\$7.50
Each 1,000 gallons for 0 – 6,000 gallons	\$3.10
Each 1,000 gallons over 6,000 gallons	\$4.10
<u>Tap Fees</u>	
Fees in subdivisions where the water line and meter box have not been installed by the developer:	
Standard ¾ inch tap	\$1,200.00
Standard 1 inch tap	\$1,400.00
Larger diameter taps	Actual cost of equipment, materials and labor + 10%
Meters for Additional Services	
Standard ¾ inch tap	\$1,200.00
Standard 1 inch tap	\$1,400.00
Y-off existing line	\$600.00
Fees in subdivisions where the water line and meter box were installed by the developer	\$350.00
<u>Service Fees</u>	
Cut-off	\$50.00
Reconnect	\$50.00
Suspension of service	\$100.00
Special meter reading	\$5.00
Special meter reading – findings show meter was over-read	\$0.00

WASTEWATER RATES

<u>Basic Rates</u>	
Base charge per month per dwelling unit, individually metered based on water usage, business or commercial service – includes the initial 2,000 gallons	\$14.10
Each 1,000 gallons for 2,001 – 6,000 gallons	\$6.45
Each 1,000 gallons over 6,000 gallons	\$7.45

<u>Tap Fees</u>	
Residential dwelling unit – per bedroom	\$100.00
Commercial unit – Actual fee based upon the peak usage design daily flow per 15A NCAC 18A, 1949 Sewage Flow Rated for Design Units, Laws and Rules for Sewage Treatment and Disposal Systems	\$500.00 minimum
Per gallon flow for each unit or type of operation	\$2.50

WATER AND SEWER SYSTEM DEVELOPMENT FEES

<u>Development Fees</u>	
Water System Development Fee	\$460 per bedroom
Sewer System Development Fee	\$2,240 per bedroom

*Credit for those who have paid already the sewer share fee previously authorized by Town of Holden Beach Ordinance 02-13 dated 10-14-02 "Chapter 52-04 – Share Fees" will be given on a per bedroom basis in an amount equal to \$2,240 per bedroom, up to a maximum five-bedroom house. Houses with more than five bedrooms will be assessed the \$2,240 per bedroom sewer system development fee for each additional bedroom.

These Water and Sewer System Development Fees are effective October 1, 2021. See old schedule for rates prior to October 1st.

RESOLUTION 21-16
PROVIDING COVID-19 PERFORMANCE BONUSES TO TOWN STAFF

WHEREAS, the virus known as COVID-19 has spread worldwide taking lives and wreaking havoc with economies and disrupting local communities; and

WHEREAS, due to the COVID-19 global pandemic a state of emergency has existed in North Carolina and specifically within the Town of Holden Beach since March 23, 2020; and

WHEREAS, municipal operations have been severely tested; requiring intermittent and frequent modifications driven by unknown threats to the public health; and

WHEREAS, the Town staff of the Town of Holden Beach has demonstrated extreme competence and been a steadfast source of providing continuous uninterrupted municipal services throughout the State of Emergency; and

WHEREAS, it is the desire of the Holden Beach Board of Commissioners to recognize and reward the hard work and dedication of the Town staff by virtue of providing compensation for same.

NOW THEREFORE BE IT RESOLVED that the Town Manager is authorized and directed to distribute a sum of \$750 to each regular full time non-probationary employee of the Town of Holden Beach; said distribution estimated to total \$15,750 and to be made from the Governing Body's Departmental line item in the Budget Ordinance titled "Available to Appropriate".

This the 16th day of November, 2021.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk

In the new Parks and Recreation Master Plan potential use of 796 OBW as a community recreation resource is highlighted (page 38) with several options for community use, and a proposed budget with no specifics is given (150K in 23/24). In addition, when the property was purchased, the board and staff brainstormed possible uses.

It would be beneficial for the Board to have input from the Parks and Rec Committee on how they envision using 796 OBW in advance of our budgeting for FY 22/23. A list of the top 2 or 3 more complete. Use descriptions with an estimated time needed to upgrade/renovate and estimated total costs for each by the February 2022 BOCM would be helpful to the Board.

Town of Holden Beach Parks & Recreation
2021 Comprehensive Parks and Recreation Master Plan



Jordan Boulevard Pavilion

- Update parking area (repave)
- Create annual plan to assess gazebo/shelter for needed maintenance/repairs
- Add accessible connection path with Bridgeview Park
- Improve ADA accessibility



Sailfish Drive Park

- Provide accessible canoe/kayak launch
- Construct covered picnic/gathering space (gazebo, shelter structure, etc.)
- Add educational signage about local history or natural resources of Holden Beach
- Add additional picnic facilities (furnishings and shade)
- Delineate parking spaces
- Add restroom facilities (waterless restroom)
- Improve ADA accessibility



796 Ocean Boulevard

- Consider reuse of this structure as a community recreation resource
- Bathhouse (restrooms/showers)
- Classroom or exhibit space
- Rentable meeting space (with kitchen)
- Improve parking layout
- Improve accessibility ADA



Sand Dollar Park

- Consider adding picnic tables/bench swings to the east side of the park
- Consider adding an educational kiosk discussing natural heritage
- Consider adding wayfinding trail signage to connect to existing trails on adjacent property to the east



Property Purchase Update & Request for Public Opinion from Commissioners Sullivan & Kwiatkowski

In July we sent you an email outlining how the BOC had arrived at making an offer to purchase the pier properties, parcels 246DB 001 & 002, (see attached). The original basis for the purchase had been to preserve and use the pier and building much as they have been for many years and maintain both beachgoer and emergency access to the beach. The purpose has become a moving target with, as yet, no proposed use definitively established.

When the original offer was made, it was assumed by a majority of the Board that the purchase could be financed by a combination of grants, paid parking revenue and revenue from leasing the pier and building. How much it would cost to bring the building and pier up to current code and safety standards as well as fair market value for leasing the pier and building were major unknowns flagged in our July message. However, both of us believed we would better understand property value and upgrade costs after due diligence was conducted.

Soon after the contract was sent to the Seller in early July, Commissioner Sullivan proposed that the Board make budgetary arrangements to allow for pier property inspections. Despite the lack of information on the condition of the pier and building, and even though the Commissioners advocating the purchase stated they knew the pier and building were in bad shape, our colleagues were unwilling to do anything until we were under contract. Seller didn't respond to the contract for almost a month, significantly reducing the amount of time that would be available for due diligence activities, the majority of the Commissioners expressed no interest in planning for inspections. In fact, their position was, and still is, that no matter the condition of the property they would still vote to purchase it. Only after the signed contract was received and Commissioner Kwiatkowski provided a report to the Board and Town staff of another island's due diligence pier inspection, conducted according to standards adopted by the American Society of Civil Engineer's, did discussion begin. Two meetings were needed before a budget was proposed adequate to cover inspection of the building and pier, including extra funding to allow at least 2 additional days of underwater investigations if needed. The property assessment had already been budgeted.

Because the Seller delayed signing the contract, arranging inspections was difficult. The Board determined an extension of the due diligence period and a later closing date were necessary. The seller demanded an increase in the due diligence money for permitting the change to the due diligence period and closing date. Commissioners Brown, Murdock and Smith over our objection, voted to increase due diligence money by an additional \$50,000. In closed session one commissioner offered as justification that the Seller will be responsible for more property tax because closing is pushed into next year. This is true, but the extra taxes are a fraction of the increase.

The Town has now received all the property inspection and assessment reports arranged by Town staff and they are available for review on the Town of Holden Beach website. Unfortunately, despite our (Commissioners Sullivan and Kwiatkowski) best efforts, robust information on the property's value and condition are still lacking.

The recommended value estimates in the assessment establish market values derived from recently closed and active residential properties. A number of the properties included in the statistical market comparison may not be truly "comparable", being in gated communities where there is a premium placed on property; three such properties sold for \$1.05 million, \$750,000 and \$620,000. Also questionable is inclusion of the plat next to the pier properties which is being offered by the same seller at \$1.09 million.

More important is the pier inspection report. Despite the importance placed by us (Commissioners Sullivan and Kwiatkowski) on below water assessment of the pier pilings, the Board was given an inspection report at the October 19 Board meeting executive session that does not include the level of investigation expected. The report states "Due to weather conditions at the time of inspection, underwater visual and tactile inspections were limited". Later in the report it is stated the divers "attempted to perform diving operations on the piles, but due to the state of the sea it was unsafe to continue. Alternatively, all upland piles were inspected and a hands-on tactile inspection performed on the accessible piles by wading into the wave break until water depths exceed 5 feet." We do not question the choice to limit the inspection for safety reasons; however, there was no communication to the Board that this was the case between the September 21 inspection date and October 19 when we received the report. This is disappointing, as there has been good weather in October, and it was for the specific possibility of unfavorable weather conditions that we added extra funds to the budget to allow for additional dive days. However, even with limited investigation, the report states that the pier," Based on the available information provided to ATM and the preliminary results of our inspection, the Holden Beach fishing pier has likely surpassed its remaining service life considering it was constructed in 1957, which is 64 years old. Most fixed timber pier structures are constructed for a 50 year life span with regular maintenance." (emphasis added). The report states further, "The nature of the due diligence inspection is to provide a high level condition assessment of the facility, with a limited number of elements inspected only visually and tactilely. Prior to making repairs, future functionality of the facility needs to be determined and a feasibility study performed. Once facility functionality is determined, a design level inspection of the facility should be performed to confirm suitability for future operations." (emphasis added). Based on the above cited sections of the Holden Beach Oceanfront Pier Due Diligence Inspection Report, it is clear that we cannot, at this time, make a reasonable estimate of the full cost to repair and maintain the pier, nor what it can be used for. In addition, based on the current condition of the pier, if the Town makes the purchase, it will need to be closed until repairs to pilings and railings are made which will cost AT LEAST 500-750 thousand dollars (ATM staff believes that the estimated costs for repairs is too low, particularly when considering current construction prices) to extend the lifetime of the pier by 10 to 15 years.

With less than 2 weeks until due diligence closes, it is Commissioners Sullivan and Kwiatkowski's opinion that there is still insufficient information on property value, the pier's condition and the estimated time and money needed to have a functioning pier and building open for business. You as property owners and voters deserve to have a clear presentation of an estimated ultimate cost for both the property purchase and improvements and a fact based proposal of how it will be paid for.

We encourage you to make your thoughts known to the Board. Every member of the Board has asked for input and guidance from the public on this difficult issue. At the September Board of Commissioners Meeting a representative of the Holden Beach Property Owners Association (HBPOA) addressed the Board, he informed the Board that HBPOA conducted a survey and received 345 responses, approximately 82% of which supported HBPOA's position not to support the purchase of the pier absent the inspection results, the intended use, including beach access, a 15 year plan for the estimated revenues and expenses, including repairs, improvements, insurance and operating costs, the impact on taxes. HBPOA did not oppose the purchase, but rather stated it needed the desired information prior to making a decision. Commissioner Murdock took the position that a survey can be skewed in favor of a desired outcome and therefore determined it was not useful for determining the public's true feelings. Therefore, we ask you, whether in favor of or opposed to the purchase under the current circumstances, as interested individuals, to make your thoughts known to the Board by stating your name, address and opinion and/or position in an email to the Town Clerk. Alternatively, you can make a public comment in person at the November 15th Board of Commissioners' Meeting. After November 19, when due diligence closes, the Town is legally obligated to make the purchase unless the Town cannot arrange the financing for the purchase.

The Town of Holden Beach is in the process of negotiating for the purchase of a portion of the property adjacent to the pier. Background to why discussions began and what has transpired as well as current status and state of knowledge are summarized below.

For the past few years, the Town has been granted a license by the owners to use the western most twenty (20) feet of the overall property (west of the RV park) as an emergency vehicle access point to the beach strand. The need for this type of access is important for the health and safety of everyone who uses the beach. The pier property has been listed for sale and of course the sale would include the currently licensed property. Not wanting to lose the vital access to the strand, the Board first focused on purchasing the licensed property; the eventual offer was not accepted by the seller. As a result of additional executive session discussions, a majority decision was taken by the Board to also explore purchasing the property containing the pier and building, specifically parcel 246DB001. After a period of negotiation, during which the owner did not accept the Town's offer for the licensed access, the owner offered to sell the Town the parcel on which the pier and building are situated as well as a parcel adjacent to the building and extending fifty (50) feet west (parcel 246DB002). A verbal agreement on an acceptable price and due diligence and escrow amounts has been reached.

The desired outcome is for the pier, café and land they are situated on to be preserved and used much as they currently are after any necessary improvements to meet code. The Board's objective is that the purchase be financed by revenues generated by the property coupled with available grant money, resulting in no property tax implications, but of course there is no guarantee.

Some key considerations and assumptions made during the negotiation process follow.

1. The purchase of parcel numbers 246DB001 and 246DB002 encompasses approximately 350 feet of ocean front property, containing the pier, building and an estimated 70 parking spaces.
2. There is ample space for an emergency access and ADA compliant walkway.
3. The debt service is approximated to be \$250,000 per year, for 15 years.
4. It is assumed that the purchase can be financed by a combination of paid parking revenue and leasing the pier and cafe building. If available grant monies can be obtained, the debt service will be less than the estimated \$250,000/year. However, each potential revenue stream is merely an assumption and in no way assured.
 - a. There is a question, based on North Carolina statute, whether paid parking can be used for debt service payments. The Town will, as necessary, seek an exception to the statute, but an exception is not guaranteed.
 - b. The proposed conditions of a paid parking program on Holden Beach in 2022 are not yet settled, so currently there is not a reliable revenue estimate for the pier property parking space.
 - c. The fair market value for leasing the pier and cafe is unknown.

d. The grants, which can account for from 0% to 30% of the sale price, can only be applied for after the property is purchased, and of course there is no guarantee any grant money will be received.

5. Prior to taking ownership of the property, both the pier and cafe building need to be inspected to determine if they are reasonably safe for public use and are Americans with Disabilities Act compliant. The cost of any repairs, upgrades or alterations is unknown. Whatever the costs, they will need to be funded, and there will need to be adjustments made to the just completed 2021/2022 budget ordinance. Any necessary work will need to be contracted and accomplished in the off season if the intent is to be up and running in Spring 2022.

There is a Special Meeting of the Board of Commissioners scheduled for July 8, 2021 at 7pm. at Town Hall to inform the public of the details. We encourage your attendance and participation; for those who cannot attend, you can send comments and questions in advance to the Town Clerk Heather Finnell (heather@hbtownhall.gov) for the BOC to consider.