



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, APRIL 19, 2022 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, April 19, 2022 at 5:00 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Rick Smith; Commissioners Gerald Brown, Brian Murdock, Page Dyer and Pat Kwiatkowski; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Inspections Director Tim Evans; Police Chief Jeremy Dixon; Lieutenant Frank Dilworth; Budget & Fiscal Analyst Daniel McRaney; Public Services Supervisor Scott Cunningham; and Town Attorney Rick Green.

Mayor Holden asked everyone to keep Public Works Director Clemmons in their prayers due to the health of his mother and asked for a moment of silence and then called the meeting to order.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

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

APPROVAL OF MINUTES

Motion by Mayor Pro Tem Smith to approve the minutes of our Regular Meeting on March 8, 2022 as well as our Special Meeting on March 21, 2022; second by Commissioner Brown; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

James Bauer asked what insurance the Town has for the pier, what it covers, the deductible and the total yearly cost.

POLICE REPORT – CHIEF DIXON

Mayor Pro Tem Smith asked about the alarm numbers on the report. Chief Dixon does not recall any of them being an incident.

- April is National Distracted Driver Awareness Month. Been working with the Governor's Highway Safety Program which they routinely do, trying to educate people. Trying to be proactive. Next month is Motorcycle Safety Awareness Month.
- This weekend is Days at the Dock. The Merchants Association has been working on obtaining donations for them and the Fire Department. All the proceeds from the dunking booth will go the Police Department on Saturday and the Fire Department on Sunday.

Mayor Pro Tem Smith asked if we have any plans on how to improve golf cart safety. Chief Dixon replied they are trying to get the education out. The Seatbelt Convincer will be at the festival. He provided details on it. They are trying to do a lot of education this year and get the message out there.

DISCUSSION AND POSSIBLE ACTION ON ITEMS NECESSARY TO UPDATE THE PAID PARKING PROGRAM

Town Manager Hewett explained the proposed ordinance adds the pier to the designated parking table and amends a couple of errors found while placing signage for the program. It also adds an exemption that would authorize parking without a permit at the Pavilion during Town sponsored events for rentals of the facility. The budget amendment is to reduce programmed parking revenues and expenses previously approved from three months to two months since the program is starting in May instead of April. It also provides for additional program revenues and expenses expected to be generated by the acquisition of the pier parking lot. Town Manager Hewett explained that the budget amendment that was approved for on-street and off-street parking last month had the items flipped. That has been remedied.

Town Manager Hewett said Mr. Varner from Otto Connect notified him of potential impacts from people placing post and rope, which they are allowed to do, in areas that are designated paid parking spaces by the Board. The estimated decrease in total spaces is 10, with a total impact unknown if provisions of Section 95.05 Public Rights-of-Way are further implemented by property owners.

Commissioner Kwiatkowski asked how the free parking at the Pavilion would be controlled. Assistant Town Manager Ferguson explained that Mr. Varner was provided with a list of times and dates of the programs. As soon as the program ends, people will know they have to vacate the area immediately.

Commissioner Kwiatkowski questioned the change in the table where Scotch Bonnet went from eastside to westside only. She proposed removing the marsh streets from the table while they are being delineated. She also would like to put signs on those streets to designate no parking at any time until they are delineated. Commissioner Kwiatkowski's proposal was discussed. Enforcement implications of putting no parking signs at those streets was discussed. Town Manager Hewett said he was informed today that the Corps should be doing a site visit for the delineation later this week or next week.

Motion by Commissioner Kwiatkowski to remove the marsh streets from the parking map for the ordinance and approve Ordinance 22-08, The Revenues and Appropriations Ordinance for Fiscal Year 2021 – 2022 (Amendment No. 13); second by Commissioner Dyer.

Commissioner Dyer asked about Dunescape. Mr. Varner explained owners have put in barriers that prevent them from installing signs for the vehicles in the table as it stands today. There are about 10

spaces that are in question at the moment that would require action before he can install signs. H68 is for two low speed vehicles. Town Manager Hewett said there is a conflict between Section 95.05 that allows post and rope and the parking ordinance. Lieutenant Dilworth said what is there is not in compliance with the ordinance. After discussion, Inspections Director Evans said he will take care of notifying the owner.

Commissioner Dyer would like to amend the motion to adjust Starfish to westside only, two spots and for Dunescape to have the non-compliant material removed so he (Mr. Varnier) can place the two that are approved. Commissioner Kwiatkowski agreed to the amendment. The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 22-09, AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021 – 2022 (AMENDMENT NO. 14)

Town Manager Hewett stated the resolution for pier purchasing borrowing provided for up to \$3.3 million in loan proceeds. The existing budget ordinance identified \$3 million in loan proceeds towards the pier purchase. The actual amount borrowed is \$3,057,150 with the increase between the original budget being attributed to the costs of closing. While the authorizing resolution is probably sufficient to increase the amount of loan proceeds in the budget, staff is requesting ratification and approval of the final transactional budget actions to ensure compliance with the Fiscal Control Act.

Motion by Mayor Pro Tem Smith to approve Budget Ordinance 22-09, amending #14 for the pier purchase final financing; second by Commissioner Dyer; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON PARKS & RECREATION TRUST FUND (PARTF) PROJECT GRANT APPLICATION SUBMISSION

Assistant Town Manager Ferguson went through the slideshow she presented at the public input session and the proposed grant application. Staff applied for a waiver from the state in the June timeframe when the Board showed interest in purchasing the pier. If you purchase and don't have a waiver, you are not eligible to apply for a grant. It is good through June 13, 2023. They met with our PARTF consultant for the region the day after closing on the property and found out if we put an application in this year, we would have two chances at it. This is a grant in the amount of \$500,000. The application does include a conceptual plan because if you accept money from the state for land acquisition, you are required to develop it within five years, which the Town plans on doing anyway. You put any ideas on what you think it may be, but you do not need to stick to it. She went over the scoring system. Assistant Town Manager Ferguson provided feedback from yesterday's public input meeting. She provided information on the stipulation about perpetuity. If in the future, the Town decides to sell the property, it is called convergence and you need to mitigate if you accept the funding. She gave the example that if the property is sold in eight years and it were to appraise at \$8 million, you would need to pay back to the state the value at that time. They first ask you to buy another piece of land with similar acreage and use on the island or area for what it appraises at. If that can't happen, you pay the state back. Town Manager Hewett wanted to point out that it is for the amount of the appraisal and in addition, you have taken out a note for 15 years at \$3 million so in the example you

would still be paying on the note. Assistant Town Manager Ferguson said that this is the language with pretty much any land acquisition grant with the state.

The Board discussed if they wanted to move forward. Commissioner Kwiatkowski said the Town would be losing the value of the property as an asset. She said in perpetuity is a serious commitment and we don't have another site to fall back on. Town Manager Hewett talked about other upcoming grants and said they will all layer deed restrictions on the property. He said if the Board doesn't want to pursue grant funding for the property, staff will step back from pursuing it. Assistant Town Manager Ferguson added that development grants are 25 years for PARTF. Commissioner Murdock inquired if there is harm in submitting. Assistant Town Manager Ferguson explained the harm would be you could be looked upon negatively for future grants if you receive the grant and don't accept it. Commissioner Murdock said in his opinion the Town didn't buy it to ever sell it. Assistant Town Manager Ferguson said the consultant said if the Town's intent was that they bought it to never sell, don't be scared away by the stipulation.

Motion by Commissioner Kwiatkowski that we do not go forward on this grant. No second was made.

Motion by Commissioner Brown to move forward with the grant application; second by Commissioner Dyer.

Commissioner Kwiatkowski said she thinks it is a mistake. Mayor Pro Tem Smith said we worked hard to get it purchased. The whole intent was to have it not for just parking. The main thing was to have a place for our guests to be able to visit the beach. There is no other place on the beach available that will have the amenities that we will be able to have there. Commissioner Kwiatkowski said there is no question about that, it is the in perpetuity. She added there are a lot of people who took it to heart that if it doesn't work out, we can always sell the land. She talked about the pier plan. We don't have a report on the underwater condition of the pier. Commissioner Kwiatkowski said if we don't do it now, we can still do it a year from now, it would just be reduced to one chance. Commissioner Murdock stated grants are an awesome opportunity. If we don't continue to go after them, we are making a mistake, but this is scary. We can't replace the property so we would have to mitigate that. He doesn't want anyone to interpret that as we bought the pier to sell it for any reason. He wants it to stay there forever but thinks we may need to put the breaks on this one. He applauded the hard work. It is a lot of money, but he wouldn't want to risk it over \$500,000. Assistant Town Manager Ferguson said she does need direction if the Board decides not to vote for this. There is one with Land and Water Conservation that is dropping this week. It would have the same stipulations. Commissioner Kwiatkowski said there is acquisition and development, development is generally 25 years, acquisition is in perpetuity. Assistant Town Manager Ferguson said development varies. She confirmed the application was for the whole property. She agreed the grant previously accepted was for the 50' portion, but advised the Board there were deed restrictions on it.

The motion failed, Commissioners Brown and Dyer voted for the motion and Mayor Pro Tem Smith and Commissioners Murdock and Kwiatkowski voted in the negative.

Assistant Town Manager Ferguson asked if the Board wanted her to put in the application for the Land and Water Conservation Fund. Town Manager Hewett said unless directed to apply for it, staff will not engage in that effort.

DISCUSSION AND POSSIBLE ACTION ON PUBLIC BEACH AND COASTAL WATERFRONT GRANT 22-23 PREAPPLICATION SUBMISSION

Assistant Town Manager Ferguson explained the next grant is the NC Public Beach and Coastal Waterfront Access. It is for a total cost of \$63,535, of which the Town would be responsible for \$15,884. It is to develop a Hatteras ramp and walkway on the 50' lot. It is through the Division of Coastal Management (DCM). She thanked Inspections Director Evans because he was the person in charge of the budget and they worked together on the grant. Inspections Director Evans explained a Hatteras ramp is basically made up of chains or ropes connecting timbers together so you have something to drive over. It can be maintained by pulling it up or replacing it. It won't be gravel. You can have the Hatteras ramp or you could have a crossover there where you maintain the sand. A Hatteras ramp would make it easier to travel over. He estimated it at the width of a bulldozer blade. It could be rolled up and moved during storms, but they do not become a hazard because they won't be an obstruction. Water would pass through them; they would move out of the way.

Commissioner Kwiatkowski said wood and chain in a marine environment will degrade and this is for the heaviest equipment. Inspections Director Evans stated if you choose not to go with a Hatteras ramp, you can simply install a ramp. Commissioner Kwiatkowski asked about mobi-mats. Inspections Director Evans responded that the grant also includes a walkway access that is handicap. Mobi-mats work well where we have them approved, but he doesn't recommend it to drive over. Commissioner Kwiatkowski inquired if the options were evaluated for the type of traffic we need them for. Inspections Director Evans said he was asked to evaluate for a Hatteras ramp. Assistant Town Manager Ferguson added that she wouldn't bank an investment in the mobi-mats or other brands because last summer the CRC had an interpretation that there is a possibility that they would make every beach community remove them every night because of turtle injuries. That didn't flow, but if we are going to look at development of these, we do not want to sink all of our thought process into mats. If the Board wants to go in that direction, there wouldn't be time to turn the application around for this year because it is due April 22nd. Town Manager Hewett explained we chose the Hatteras type of ramp because those are permitted on a frequent basis. The folks at DCM are very familiar with that type of construction. Given the number of types and kinds in the northern part of the state, especially in light of the feedback on the mats, it was probably the most prudent choice to go with. The lifespan would be like any other wooden walkway that we have. Inspections Director Evans said how it weathers would be based on the kind of materials and quality you use. They can be maintained. People have been using Hatteras ramps and walkways for a long time and they work. He talked about the effects of the mats from a planning standpoint. Assistant Town Manager Ferguson stated this is pre-application. If DCM invites the Town to apply, the application would be due in the August timeframe.

Motion by Mayor Pro Tem Smith for the town manager to go ahead and get the grant prepared and get the paperwork ready and submitted to the Division of Coastal Management; second by Commissioner Murdock; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON LETTERS OF SUPPORT FROM COMMISSIONERS FOR CONGRESSIONAL SPENDING FUNDING REQUEST TO CONGRESSIONAL DELEGATION

Assistant Town Manager Ferguson said what used to be earmarks are now Congressionally Directed Spending. We were contacted by Ward and Smith who appraised us there was going to be some project availability if we had shovel ready projects that we knew we could put together applications for. There are three projects. The first is requesting funding for Coastal Storm Risk Management (CSRM) for our beachfront study with the Corps. Forms are not included because the Corps needs to do its own forms, we just need to do the letters of support. There are also letters for a stormwater fix on the boulevard and the sewer lift station upgrade. If the Town receives funding, the cost share for the CSRM is a 50/50 match, the \$800,000 proposed in this coming year's budget. The others would be a 25% match. They would be picking up 75% of the cost. We have had a little bit of back and forth to tighten up the technical language on the forms. The Board would be approving the letters.

Commissioner Kwiatkowski asked for a description of the scope of the stormwater project. Town Manager Hewett said it is same estimate that was used previously, it is not founded on a specific design. Assistant Town Manager Ferguson said the letters are asking Representative Rouzer, Senator Burr and Senator Tillis to list these projects on their project list for Congressional Directed Spending. Their project list should come out in May. Just because they include it doesn't mean the appropriations committees will fund it, but we should find that out in the September timeframe.

Motion by Commissioner Kwiatkowski to send letters of support to the congressional delegation for the attached three projects; second by Mayor Pro Tem Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF CONTRACT BETWEEN THE TOWN AND HOLDEN BEACH ENTERPRISES FOR THE PURCHASE OF BLOCK Q

Attorney Green said he transmitted a proposed offer to purchase contract for vacant land to Holden Beach Enterprises (HBE). It is for Block Q, Map 4, Page 2. The substance of the offer is on page 14 of the contract. He reviewed the parcels/lots in the proposed contract. The purchase price is listed as \$2.2 million; the seller would gift \$200,000 to the buyer, making the purchase price \$2 million. He spoke to Mark Richardson, a well-known tax attorney and inquired about the donation. The Town would have no involvement beyond getting the reduced price. That is a matter between the IRS and HBE. The buyer would pay \$1 million to the seller at closing. The Board would need to determine a closing date. The remaining balance of \$1 million would be financed by the owner, in three equal payments at a 3.81% interest rate. Attorney Green said the title search on this is mammoth. He will probably be finished this week. In connection with the title search, they received notice from the tax office there is a garnishment levied against HBE. The Town would not pay towards the garnishment. We can't close until the garnishment is paid. Attorney Green doesn't think a survey is needed, he thinks it is okay with the maps we have. He suggested that May 1st is reasonable to close, but he is not willing to close until the title search is done. After discussion it was determined May 1st is a Sunday, so May 2nd was suggested.

Town Manager Hewett said there is a budget amendment attached to this for \$1 million that the Board would need to adopt to move forward for the down payment. They ran an actuary table. The annual

payment for the second, third and fourth years would be \$349,927.20 Attorney Green confirmed the payments would be made on each anniversary date.

Motion by Commissioner Kwiatkowski that we approve the contract as has been discussed with the terms and closing date of May 2nd and that we approve Ordinance 22-10, An Ordinance Amending 21-13, The Revenues and Appropriations Ordinance for Fiscal Year 2021 – 2022 (Amendment No. 15); second by Mayor Pro Tem Smith; approved by a 4 – 1 vote with Mayor Pro Tem Smith and Commissioners Murdock, Dyer and Kwiatkowski voting for the motion and Commissioner Brown voting in the negative.

The Board took a recess from 6:37 p.m. – 6:43 p.m.

DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 22-06, A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE TOWN OF HOLDEN BEACH (REQUESTING STATE ASSISTANCE TO CONSTRUCT A NEW WASTEWATER VACUUM PUMPING STATION TO REPLACE EXISTING STATION) AND WATER & SEWER CAPITAL IMPROVEMENT PLAN

Town Manager Hewett explained that Green Engineering on behalf of the Town intends to apply for grant funding for the work planned on Pump Station #2. This grant funding is basically in the form of a no interest loan and is based on the bid we received in the past. In order to proceed with the application, it would necessitate an update of the Capital Improvement Plan (CIP) that includes 10 years of possible projects and approving the resolution. The CIP is only for the water and sewer plan and is a required component. That is not to say we wouldn't reamend it coincidental with our budget cycle, but because of timing, we find ourselves having to propose a plan. We are applying for two funding streams for the lift station, the federal 75/25 split and this is state money. It is the same project, but we are looking at two different sources.

Town Manager Hewett said the estimate from the previous bid process was used, approximately \$3.3 million. Before the contract is awarded, the Town will need to bid it out again, but this will suffice for the application process. If both avenues fail, we would need to borrow money for the upfit. Commissioner Kwiatkowski said the Town did borrow money back against lift station 3. She asked if it is necessary to borrow the full amount. Town Manager Hewett replied it is based on the fact that the Town's ratios were deemed to be low compared to others. He said that could be assessed at the end of the audit year. Since we already have the attention of the Local Government Commission, his recommendation would be to apply for the full amount at this time. Commissioner Kwiatkowski would like to borrow less. Town Manager Hewett agreed the math needs to be done, but he would like to wait for the end of year numbers. Commissioner Kwiatkowski asked about a clause in the contract about a provision authorizing the state treasurer upon failure of the government to make scheduled payments of the loan to withhold state funds. Town Manager Hewett replied that is standard boiler plate language. The Fiscal Control Act requires the debt service to be the first appropriation in budget.

Motion by Commissioner Dyer to approve the updated Capital Improvement Plan and adopt Resolution 22-06; second by Mayor Pro Tem Smith.

Mayor Pro Tem Smith, with Commissioner Kwiatkowski in agreement said the Town needs to make the improvement to that station sooner rather than later. Commissioner Murdock said we were in hopes costs would go down.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 21-11, AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021 – 2022 (AMENDMENT NO. 16)

Town Manager Hewett explained this is the reciprocal to the budget amendment approved last month for the transfer of funds from the Sewer Capital Reserve Fund over to the Water & Sewer Operational Fund for the purchase of valve pits. We need to do the same on water side from the Water Capital Reserve Fund to fund the purchase of new water meters. Those are two examples of why system development fees were established. Since you can't make expenditures from a capital reserve fund, we need to move money back to into the operational account. The budget amendment is in the amount of \$16,775.

Motion by Commissioner Kwiatkowski to approve Budget Ordinance 22-11, Amendment No. 16; second by Commissioner Murdock; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION/DECISION ON THE PRIORITIZATION OF BOARD OBJECTIVES

Commissioner Kwiatkowski proposed that the Board consider everything with a point total above 14 to be a Board objective for the upcoming fiscal year.

Motion by Commissioner Kwiatkowski to make our objectives for the upcoming fiscal year everything with a point total of 14 and above; second by Commissioner Murdock; approved by unanimous vote.

PUBLIC COMMENTS ON GENERAL ITEMS

Terri Huffstetler said it would be nice to not see a cardboard cutout on Facebook. She doesn't understand why the Town can't invest in a camera. Commissioner Kwiatkowski said improving the audio for the broadcasting of meetings is on the Board's objectives.

Marti Arrowood thanked Assistant Town Manager Ferguson for her work on the grants. She looked at the argument for the pier purchase as trying to buy land, a park for perpetuity. She has been here 33 years and has never seen the commissioners get into difficulty with the Town's money. We have opportunities to mitigate some of the costs. She looks at it as a national park, a land trust. Mrs. Arrowood said we are investing in the future. She looked at it as acquiring it, with the idea we would never get rid of it. She would like to know there is a parcel of land on the oceanfront that will always be greenspace.

Rick Paarfus said with regard to the grant he thinks it is important to hash out the specifics over what the obligations and encumbrances that come with it. He reviewed information that Commissioner

Kwiatkowski sent to him. He talked about conversion. He inquired what would happen if the pier gets destroyed. He said it is vital to know what the obligations are.

TOWN MANAGER'S REPORT

- FEMA Storm Damage Repair Project – Beach fill placement is complete, with in excess of the contracted amount of 1.51 million cubic yards being put on the beach. Had to stop short of the full length of the template due to turtle takes and some incompatible material being put on the beach at the very end. With his understanding of how longshore drift works, the people to the west of the 700 block, down to the 800 block, the offshore drift should fill that in within four – eight weeks. Demobilization is underway. Beach tilling has begun. That is an environmental requirement, along with picking up rocks with a beach sweeper. Sand fence and vegetation installation began on Friday with 100,000 plants in the ground. Looks like they will get 50,000 a day over the next week. Generally speaking, the sand fence will be extended from the seaward end of the existing fences with vegetation being planted mechanically in longshore rows that will vary in lengths of 30' – 50' wide adjacent to the seaward end of the new fence, then hand planted once we get past the May 1st environmental window. There will be variation in the fence/planting geometry based on the berm's profile, damage and repair to the existing fence and back fill of existing plants.
- Finance Side of FEMA Project – We have received the first large reimbursement of our Special Obligation Bond payback money of \$7.6 million. That in effect repays our first draw of the bond money. We are waiting on the second draw reimbursement so we can subsequently pay that back to PNC. Once we pay the third draw to Weeks Marine, hopefully demobilization would have finished, we will have plantings in and we can do the fourth and final draw for the big seven-digit expenses and wait on FEMA. We tried to be administratively efficient, but this first draw took eight weeks to receive. While that lag time is playing out, the interest clock is ticking. We don't know how it will play out in terms of FEMA making the final reimbursement to us because they withhold 25% of the total project expenses until there has been a site inspection. Historically, that has lagged behind. The interest clock is ticking and we do not have an answer back if the interest charges on the special obligation bond will be a reimbursable expense of the project subsidized by the FEMA project. The first interest payment we made was \$250,000. If not, the amount will have to come from other Town funds.
- Corps' Lockwood Folly Inlet Crossing Navigation Maintenance Project – Has been completed in time for the environmental window. We were able to mate the 200,000 cubic yards with the eastern end of our FEMA project. It was beach compatible sand. There were some rocks they hit at the end.
- Wetland Delineation – Draft has been prepared for the Ocean Boulevard property and the marsh streets. We will await the determinations before we move forward doing any further engineering/permitting for the parking.
- We put a Food Truck Request for Proposals for the pier out. They are due back May 6th for possible consideration at the May meeting.
- Seagull Street Paving Status – The contractor is trying to source his materials. Looks like the tentative timeline is for the surveying to begin in May, with the prep work through the second week of May. Still on schedule for paving before Memorial Day. Once paving finishes and we have the final expenses in, the final assessments will go out. Thinks the assessment will go out after the turn of the new fiscal year. The Town will front the money and then will send out an assessment

to recoup the money in a different fiscal year. The audit will show that the Town did not get the revenues in this fiscal year.

- Ocean Boulevard Bike Lanes – Property owners along Ocean Boulevard should have received their CAMA notice from DOT. We had some questions on some of the details. They are going to add seven feet of asphalt to the southside of the existing pavement, three feet to the north side of the existing pavement, recenter the travel lanes in the new pavement width and have two five-foot bike lines on either side of the road. Last week the DOT presented a funding agreement to the Town that basically increased the cost of the bike lanes from a previous estimate of \$1.6 million to \$2.1 million, which is a 30% increase, with the increase of funding being unknown sourced. Worked with DOT and GSATS to proof the new cost estimate, which resulted in a revised estimate of \$1.73 million, which the delta is an increase of \$116,000 that per the director of GSATS will be burden shared at a 80/20 split with the Town. That will cost about \$23,000 more than what we currently programmed in our budget. GSATS is scrambling to get the formal approval for those details through the Transportation Coordinating Committee and the Transportation Advisory Committee. The let date for that contract is May 23rd. In order to get the funding in place and the agreement, will be bringing a budget amendment to the Board at Thursday’s workshop for the Board’s consideration. When it goes to bid, any increases in the cost of fuel, asphalt would need to be reconciled at the end of the project.
- Annual Audit – Has already begun. We have provided the preliminary balances to our auditor. They will be onsite the last week of June. There will be a single point audit requirement this year due to the amount of FEMA and state funds received. Implementation of GASB 87 will impact the balance sheet, undetermined how much at this time. Basically, it requires accounting for our capital leases. Leases will be applied against our balance sheet so that it reflects future year obligation.
- Reviewed the upcoming budget schedule.

MAYOR’S COMMENTS

- Was overwhelming impressed with the crowd at the pier Easter morning. Was a lot of cars from Waters Edge Condos to the General Store on both sides of the boulevard, plus the parking lots and some side street parking. Had a good crowd of people here. Didn’t hear of any major events.
- In Harbor Acres, there is a survey discrepancy about where Ocean Boulevard West is located referencing the asphalt in the right-of-way. It has been ongoing for as long as the Town has been a town. It is causing problems with some of the houses on the second row in regards to setbacks. Would like to ask the staff that as we are working with DOT to find out if we can look at the possibility of them correcting problem there. Would be happy to assist. Knows a lot of survey work has been done. Knows his construction company has had people inquiring about building on the second row in the problem area. He would like to address the setback problem.
- Thanked everyone for being here.

BOARD OF COMMISSIONERS’ COMMENTS

Mayor Pro Tem Smith

- Thanked the Police Department. They have taken time to take on some of the golf cart issues. That is appreciated, as well as working though the parking problems that have come up.

- Thanked Assistant Town Manager Ferguson for working on the grants so hard. That was a tough one, but still have another shot at it so it is not gone forever.
- Thanked Inspections Director Evans for helping him work through some of the stuff on the lighting ordinance that we will try to get on the agenda next month.
- Was good to hear positive feedback on the purchase of the pier yesterday at the grant meeting. It reinforces the thought that this is what most people in the Town want.
- Looking forward to the weekend. Should be a big weekend with Days at the Docks. Has a lot of friends and family coming down. Hopes everyone stays safe.
- Thanks to all that showed up this evening.

Commissioner Brown

- No comment.

Commissioner Murdock

- Thanked everyone for their continuing hard work. Pray for a somewhat decent rollout on May 1st for the parking. Not a social media guy. There is no doubt on the concern for the Town implementing paid parking. Best way he can summarize it is the Board had a consensus to preserve a couple pieces of property that came with a great expense. The residents couldn't bear to sustain the expense alone. We did this to provide everyone a place to come and enjoy the beach for a long time, unfortunately it came with a price. Urged everyone to take a step back and understand we didn't want to charge anyone, but it was really the only choice we have. These properties will be here for everyone to enjoy hopefully from now on. With the acquisition of Block Q, we will have a little boat trailer parking. That also comes at an expense. We will make arrangements to try and accommodate additional boat and trailer parking around Block Q, at least for this year.
- Was at the sunrise service. Was a great experience. Would venture to say 1,000 people there. Saw a smile on everyone's face. The beach is crowded, people are getting out and the weather is getting better.
- Appreciates everyone's comment, good or bad.

Commissioner Dyer

- Thanked Assistant Town Manager Ferguson and the staff, everyone who worked on the grants. Knows that is a lot of work, appreciates it.
- Thanked the Police Department. Knows this weekend was tough, it was Easter weekend and there was a death in the group. Everyone worked hard. Tourist season has started. Will see an increase in people with the festival. Knows the Police Department will be on board. Hopes it is a safe weekend. Hopes everyone who comes to enjoy the beach can enjoy it.
- With the tourist season and paid parking going hand in hand, thinks we will have some bumps in the road, but thinks it is a step in a positive direction.

Commissioner Kwiatkowski

- Thanked staff and the Police Department. Thanked Attorney Green, who has been hanging in there with one thing after the other. Thanked Attorney Green and the Police Department for meeting with someone to discuss handicap parking and to get a meeting of the minds and some cross understanding of what is happening and how things have to happen. Thinks it is extremely valuable to use resources that are available.

- Looking forward to this weekend for the festival. The Beautification Club's Plant Sale is Friday and Saturday at Commissioner Murdock's facility. Understands the plants are excellent. If you are a gardener please come out. The club uses the money to help with their various activities, some of which are keeping many of the public areas beautifully landscaped and decorated.

EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(6), TO DISCUSS QUALIFICATIONS COMPETENCE, PERFORMANCE OF A PUBLIC EMPLOYEE

Motion by Commissioner Kwiatkowski to go into Executive Session at 7:28 p.m.

Town Clerk Finnell read the reason for Executive Session.

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

OPEN SESSION

No action was taken.

ADJOURNMENT

Motion to adjourn by Commissioner Kwiatkowski at 8:26 p.m.; second by Commissioner Murdock; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk