



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
SPECIAL MEETING  
MONDAY, JUNE 3, 2024 – 5:30 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Special Meeting on Monday, June 3, 2024 at 5:30 p.m. Present were Mayor J. Alan Holden; Mayor Pro Tem Tom Myers; Commissioners Rick Smith, Tracey Thomas, Page Dyer and Rick Paarfus; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Inspections Director Tim Evans; Public Works Director Chris Clemmons; Police Chief Jeremy Dixon; Finance Officer Daniel McRainey and Fiscal Operations Supervisor Margaret Lancaster.

Mayor Holden called the meeting to order.

**PUBLIC COMMENTS**

Sylvia Pate encouraged the Board to not let the \$1.1 million in the current budget for the pier project revert back to the General Fund. She said the Board should establish a separate fund for the project and move those funds there.

**INTERVIEW FOR LEGAL SERVICES**

The Board interviewed Sydnee Moore for legal services.

**BUDGET WORKSHOP**

Town Manager Hewett said on page 15 of the Budget Message, the total under the line titled Professional Services should be \$1,667,171. On page 34, on the bottom part of the page, the line titled CRF Beach Interest under revenues should be \$2,058,171. That changes the total to \$2,152,671. Likewise in the expenses, it should be \$2,152,671. Town Manager Hewett provided a summary of the Budget Message. The tax rate is presented at fourteen cents, which is no change from the previous year. The county is increasing the sewer treatment rate by \$1 so we need to pass that through to the Town's retail customers. The implementation of year-round paid parking is an item to deal with. The lift station 2 upfit is also listed under the Greensboro lift station upfit under main points. The pier professional services appropriation for site specificity is in there. Block Q site improvements to include the bathrooms and stormwater as limited by the Board are in the proposed budget. The ADA compliant initiatives and self-assessment are included. The money for the Coastal Storm Damage Reduction Study is also in there, along with a \$200,000 appropriation for streets resurfacing. As required by the Fiscal Control Act, we have to organize the budget into

funds. The funds are the General Fund, the Water & Sewer Fund and the BPART Fund, in addition to Canal Dredging. We have three capital reserve funds, which are Water, Sewer and Beach & Inlet Management. He said we drafted a budget that is balanced and in accordance with what we think are the directives of the Board. All of our debt services are paid for.

Mayor Pro Tem Myer's provided a spreadsheet he prepared that listed the objectives, if the item is in the budget and budgeted amount. The Board reviewed the information on the list by ranking order. Highlights are below.

1. ADA Compliance Projects - Assistant Town Manager Ferguson explained when you subtract the other items from the Access and Rec line of \$475,000, the amount for the ADA projects is \$334,000. ADA compliance projects were discussed. Commissioner Thomas suggested having a separate line item for the Key Bridge line items. After discussion, Town Manager Hewett agreed staff could add a line for ADA Compliance.
2. ADA Self-Assessment – Commissioner Thomas would like to see a separate line item for this item too. She thinks it is important to track the Board's goals.
3. Sewer Station #2 Upgrade - Town Manager Hewett explained before the Town can go to construction, the numbers will need to be extracted into a capital project ordinance. We don't know the difference between what the bids will come in at and what is budgeted. Funding and the project were discussed.
4. Fund Beach and Inlet Special Reserve – Town Manager Hewett explained there were two separate transfers. The first is a \$94,500 transfer from the BPART Fund (Brunswick County Refund CRP and a portion of occupancy tax). Occupancy taxes were discussed. There is also a surplus in the Available to Appropriate line of \$312,000. That is basically a contingency fund. By law you can only have a 5% contingency fund in a fund. \$75,211 is the estimated surplus that could be transferred to the Beach & Inlet Capital Reserve Fund if the Board would like.
5. Stormwater Study Implementation Plan – this is coming to the Board at the June meeting. There is no need for funding in the budget this year. The Board needs to review the information first.
6. ADA Bathroom for Block Q – Assistant Town Manager Ferguson suggested removing the word study from the notes. It is not a study; it is to implement the stormwater construction. The architect is still working on stormwater design. We do not have the quote yet. Stormwater for the Block Q site was discussed. The plan would be for whatever is required to permit the bathroom.
7. Plans for New Fire Station – there are no budgeted funds for a new fire station. Town Manager Hewett said there needs to be coordination between the Fire Department and the Inspections Department to determine exactly what can go over there. Inspections Director Evans provided an update on the status.
8. Meeting Audio/Video Improvements - \$50,000 is listed under Communications in Governing Body. Commissioner Thomas requested the amount be broken out into a new line.

9. Water System Assessment Plans – Town Manager Hewett said that is the inventory that will be done. The Board should receive that in July.
10. 796 OBW – Town Manager Hewett said the Board will decide what to do with the revenue if it sells. The debt service is in the budget. Offers on the property are due on June 4<sup>th</sup>.
11. Include Beach Nourishment in CIP – Town Manager Hewett said staff didn't include that in the CIP because he doesn't know how to do that with an undefined cost. The 15-year plan created for a previous meeting was a hybrid sketch that staff put together. He doesn't think we are ready to put something in the CIP yet. Giving visibility to the plan was discussed. Town Manager Hewett expressed his concerns with adding beach nourishment to the CIP.
12. Revise Fund Balance Policy for Beach Nourishment – this is not a budget related item.
13. Pavilion – the structure is gone. Assistant Town Manager Ferguson provided feedback on holding concerts at Bridgeview Park.
14. Block Q - the only money in the budget is for the bathroom and associated stormwater.
15. Lobbyist Cost/Benefit Analysis – Town Manager Hewett said the Board would need to decide if they want to continue that. We are right in the middle of three federal programs. Commissioner Thomas would like to see that item broken out.
16. Lockwood Folly Inlet Access – there is \$83,000 in there for a one-time sidecaster operation. Sand on the beach is not included this year because this is Oak Island's turn.
17. Inlet Hazard Area Changes – that is not a budget item.
18. Improved Website and Communications – other than the meeting improvements, there is no money for website improvements.
19. Pier Structure/Pier Building – The only money included is for the Professional Services to do the evaluation on the pier structure and building. Town Manager Hewett said he is supposed to meet with Commissioner Paarfus and Inspections Director Evans next Monday to sketch out the path forward for creating a request for proposals.
20. Pier Building - See Above
21. Revised Budget Message – not discussed.
22. Repair Parcourse – there is money in the Access and Recreation line.

23. Additional Pickleball Courts – there are no plans for this.

24. Parks & Recreation Facilities Repair/Improvements – Assistant Town Manager Ferguson explained the \$50,600 listed under Rothschild and Davis Park is not the correct amount for this line. It is part of it. She explained why the cost in that line went up. There are other numbers throughout the budget. Other items that should be included in that line were discussed.

25. Changes to Paid Parking – that is completed.

26. Sewer Vacuum Bypass System - not in the budget.

Town Manager Hewett asked if the Board would like to make the transfer mentioned on page 12 of the Budget Message under the Governing Body relating to the surplus. The Board would like to wait to make the decision.

Commissioner Thomas would like to remove the detective position and related expenses. She does not feel the amount and type of crime being seen on the island can justify the expense. Commissioner Paarfus would like to defer the item for consideration midyear. He would like to have one, but he isn't sure there is a full-time workload. Removing the position was discussed. Mayor Holden talked about his experience being a victim. There is a lot of stuff the general public doesn't know about. He asked that the Board give strong consideration to adding a detective. Commissioner Smith said in the Police Report, the ones in process are ones that need a detective. He said the Town needs to have someone on the force to get stuff back. He thinks the position needs to remain in the budget. Commissioner Dyer said this is something Chief Dixon has been asking to get for years. She thinks it is an essential position. Mayor Pro Tem Myers agreed with the points being made, he would just like to know if there is enough to justify a new fulltime resource. Chief Dixon provided more information. Town Clerk Finnell will provide the Board with copies of the information. Police vehicles were discussed. The detective position will be revisited on Friday. A copy of the Vehicle Replacement Policy will be provided to the Board.

Future meetings were discussed.

Commissioner Dyer inquired about the money set aside for Block Q for the paved boat parking in the current budget. Town Manager Hewett responded the money was appropriated in the BPART Fund. The money will revert back to fund balance at the end of year.

The chart prepared by Finance Officer McRainey in the packets, interfund transfers and restricted funds were discussed.

Town Manager Hewett did the parking revenue estimate based on conversations with Jim Varner from Otto Connect, history of what we have taken in and best estimates. Having the revenue in the BPART Fund was a decision made last year. The underlying premises was the visiting public is more tourism related. Parking revenues were further discussed.

**RECESS**

*Motion by Commissioner Thomas at 7:16 p.m. to recess the meeting to June 7, 2024 at 3:00 p.m.; second by Commissioner Paarfus.*

Commissioner Smith cannot attend the meeting on Friday.

*The motion passed by a 4 – 1 vote with Mayor Pro Tem Myers and Commissioners Thomas, Dyer and Paarfus voting for the motion and Commissioner Smith voting in the negative.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk