



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
PUBLIC HEARINGS/REGULAR MEETING
TUESDAY, JUNE 18, 2024 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for Public Hearings/Regular Meeting on Tuesday, June 18, 2024 at 5:00 p.m. in the Town Hall Public Assembly. 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; Public Works Director Chris Clemmons; Inspections Director Tim Evans; Police Chief Jeremy Dixon; Lieutenant Frank Dilworth; Finance Officer Daniel McRaney; Fiscal Operations Supervisor Margaret Lancaster; Fire Chief Doug Todd; and Town Attorney Sydnee Moore.

PUBLIC HEARING: ORDINANCE 24-10, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, SECTION 94.03 FRONTAL DUNE POLICIES AND REGULATIONS AND CHAPTER 157: ZONING CODE

Inspections Director Evans provided background information on the proposed changes. This ordinance will now give every property owner the option to go out to the last line of stable vegetation if it meets the frontal dune requirements and a section is being moved to Section 157.

No comments were made.

Mayor Holden closed the public hearing and called the next public hearing to order at 5:06 p.m.

PUBLIC HEARING: ORDINANCE 24-08, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 154: FLOOD DAMAGE PREVENTION

Inspections Director Evans explained this is an ordinance amending our NFIP guidelines. The NFIP guidelines are essentially those that guide our flood zone construction. We receive CRS points relating to this. The amendments are housekeeping. They were recommended by the NC Department of Public Safety and FEMA.

Jim Bauer asked if the items listed in red are being removed. Inspections Director Evans explained how the revisions were shown.

Phil Caldwell thanked Inspections Director Evans for his work on the dune ordinance.

Mayor Holden closed the public hearing and called the next public hearing to order at 5:10 p.m.

PUBLIC HEARING: PROPOSED BUDGET FOR FISCAL YEAR 2024 - 2025

Town Manager Hewett reviewed the schedule the Board followed. The draft budget was reviewed and the Board directed the deletion of the detective position. Revenue accruals also were updated for Harbor Acres Canal Dredging to include a recent grant reimbursement. Those revisions result in the surplus shown on page 3 under Transfer to Beach Inlet Capital Reserve Fund in the amount of \$223,095. The proposed budget pays all debt services at close to \$3.6 million, provides all services at the current levels and provides a 3.4% COLA and a 1.8% merit raise. This year's budget is right at \$24.7 million. The General Fund includes a thirteen cents tax rate. It funds an ADA assessment, meeting technology improvements, a to be determined street paving estimated at \$200,000 and two replacement Police vehicles. It transfers \$223,095 to the Beach and Inlet Capital Reserve Fund. The Water and Sewer Fund includes a sewer capital fee of \$474; and provides for the Greensboro lift station upfit and capital outlays for valve pits and water meters. In the BPART Fund, there is an appropriation to take care of the remaining Key Bridge ADA projects. It funds a reconnaissance level relook for the pier assessment, the CAMA restroom facility at Block Q and one Lockwood Folly sidecast dredging event. It also funds the Town's portion of the Corps' Coastal Storm Damage Reduction Study, along with engineering and permitting required for future Town shovel ready beach projects and transfers \$94,500 to the Beach and Inlet Capital Reserve Fund. The Canal Dredging funds sets forth the capability to execute canal dredging in all three canal districts. It also funds disposal site policy development and permit update requirements. The Water and Sewer Capital Reserve Funds are the home for system development fees. On the water side, we are projecting a \$244,000 accrual and on the sewer side \$579,000. The Beach and Inlet Capital Reserve Fund is expected to accrue to \$2.3 million. The budget as presented reflects the dialogues the Board has engaged in to-date, is balanced in accordance with the Fiscal Control Act and is scheduled to be considered by the Board later on the agenda.

Phil Caldwell would like the budget as originally written that includes the detective position to be approved. He provided information on his personal experience.

Mike Felmlly spoke in opposition to adding the detective position at this time.

Brent Shaver urged the Board to fund the detective position.

Jim Bauer said the Board always is thinking of plans, but never seems to do planning or research. He would like to know if there is justification for a detective. He said we still don't know what we will do with the pier and the Town should ask the taxpayers what they want.

Lisa Ragland spoke in support of what was originally presented to the Board with the detective. She recommended keeping the merit increase at 5%. She talked about the Town's debt margin.

Sylvia Pate doesn't think now is the time to lower the tax rate. There are a lot of projects that will need to be addressed in the near future. She spoke in support of a detective and of an increased merit increase.

Will Carter would like the Board to write a letter of support for the pier to send to Representative Miller to seek funding.

Regina Martin spoke in support of the original budget with the proposed merit increase and detective position.

Maria Surprise explained she has not seen the data in support of a fulltime detective.

Sally Caldwell said it was noted that no decisions were supposed to be made at the budget meetings. She doesn't think the detective position should have been removed.

Mayor Holden closed the public hearing at 5:41 p.m.

REGULAR MEETING

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

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Motion by Commissioner Thomas to amend, to move item 16 to after item 8; second by Mayor Pro Tem Myers.

Commissioner Thomas agreed the motion could be to approve the agenda as amended. Mayor Pro Tem Myers agreed.

Commissioner Smith asked if there is a reason to move it. Commissioner Thomas responded she feels it would be a more appropriate place to have it.

The motion passed unanimously.

CONFLICT OF INTEREST CHECK

No conflicts were disclosed.

APPROVAL OF MINUTES

Town Clerk Finnell will change the minutes of May 2, 2024 to say close to the end of May on the bottom of page 1.

Motion by Commissioner Thomas to approve the minutes as amended (Special Meeting of May 2, 2024, Regular Meeting of May 21, 2024, Special Meeting of May 29, 2024 and Special Meeting of June 3, 2024); second by Commissioner Paarfus; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

Jim Bauer said the Town should put 796 Ocean Boulevard West up for sale publicly.

Maria Surprise encouraged the Board to work with Chief Dixon and Chief Todd to implement a solution that keeps the emergency beach access points clear of obstructions. She also encouraged people to fill the vacancies on various boards.

Regina Martin thinks the Board should go back to the original budget. It was a balanced budget that funded the things the Town needs.

Lisa Ragland recommended the Board select the Brough Law Firm for legal services. She thinks the initial offer on 796 Ocean Boulevard West is low and hopes it goes up if the Board proceeds with the upset bid process. She talked about soliciting realtor services.

Will Carter talked about a proposed location for the Fire Department.

DISCUSSION AND POSSIBLE ACTION ON STORMWATER MASTER PLAN REPORT – MCGILL ASSOCIATES

Public Works Director Clemmons introduced Michael Hansen and Michael Norton from McGill Associates to present their slideshow. Mr. Norton provided background information. He explained the scope and the items they were focusing on. Mr. Hanson provided details on the analysis for the areas of concern. Throughout the process, the Town identified an opportunity for potential participation in a 5113 Environmental Infrastructure Assistant Grant through the Corps so they did shift a little bit of their activities at that time into supporting some additional information that they were looking for to support their further evaluation of the projects. Of the six areas, five were identified projects that were brought forward to the 5113 grant potentially. There is a 6th area that was requested to be looked at by staff. Mr. Hanson reviewed the information shown for each area. He explained what they look at in areas of concern. He provided details on the areas of concern and reviewed an example of a probable cost of construction estimate. He reviewed a chart that included the selected alternative for each project area that included cost estimate ranges. Mr. Hanson explained they did an evaluation of the entire island, as well as the individual problem areas. He provided details on how the island-wide analysis was conducted. Outside of the areas of concerns, there are opportunities for other projects that the Town may consider in future years.

Mr. Hanson said the stormwater utility feasibility assessment provides a conceptual evaluation of establishing a stormwater utility to address a stormwater capital improvement plan, annual maintenance, sinking fund, rate study and ordinance and policy development. He said essentially a stormwater utility is an enterprise fund. There are specific services that are being provided and there is a specific cost associated with those services. You try to balance the revenues generated by the fund and the expenses of running the fund and all the other services you are trying to offset the cost of. One of the things they typically look at is a managed fund balance that has a minimum of 90 days cash on hand. They looked at two different alternatives. One is assuming that 100% of the projects discussed were funded by the stormwater utility, as well as all the other costs he mentioned. Scenario B would be if the Town is successful in acquiring some or all of the funds

available through the 5113 grant. He reviewed the two alternatives provided. Mr. Hanson said if the Town would like to move forward, their recommendation would be to go with Scenario A. The rate could be reevaluated in the future if the Town receives grant funding.

Commissioner Paarfus asked if the report takes into account the paving that was recently done and any stormwater features that the DOT may have added. Mr. Hansen replied it is current. They took into account the plans for paving during their study. The impervious area was included in the overall evaluation for the changes that occurred with the new paving. Commissioner Paarfus inquired if they have an idea of engineering costs to put together a bid packet for this. Mr. Hanson responded right now, the contingency included is a 30% contingency. They hope that would be inclusive of the engineering fees. They would need to look at that at the time the Town decides to implement the projects. Commissioner Paarfus asked how challenging it is to get a major CAMA permit. Mr. Norton answered that the most dominant challenge they see is related to timing. He provided information about the typical process in obtaining a permit and potential technical issues. Commissioner Paarfus asked which items the Town may want to look at first. Mr. Norton said these hit the top of the list. They were not the only concerns on the island. Funding would affect the priorities. He thinks each of these play an important role in their area. The size and magnitude to properties are different. That could also play a part. Mayor Pro Tem Myers asked if canals were out of the scope of analysis. Mr. Hanson explained it was not an area that was identified as one of the six areas of concern at the initial outset of the project. Mayor Pro Tem Myers asked what a 10-year event on the maps is. Mr. Hanson explained 2-year and 10-year events are typical rainfall events. He provided details on both. They looked at the king tide, non-rainfall events and the 2 and 10-year rainfall events. Tide gates were discussed. Commissioner Thomas asked if these are still the five critical areas now that the boulevard has been paved. Public Works Director Clemmons said he thinks those are still the key areas. He said we haven't had a big rain event since paving.

DISCUSSION AND POSSIBLE SELECTION OF TOWN ATTORNEY

The Board voted by ballot. Votes were as follows: Moore Law: Mayor Pro Tem Myers and Commissioners Thomas and Paarfus, Brough Law Firm: Commissioners Smith and Dyer.

Moore Law was selected to serve as the Town attorney.

POLICE REPORT – POLICE CHIEF DIXON

- We are in full summer swing. Reviewed the report. Has been focusing on low-speed vehicles and bike lanes this summer. Thinks we are making progress and moving in the right direction. A big issue in May was parking.
- 4th of July will be before the next meeting. Holden Beach doesn't put on a fireworks display and we ask you not to put one on for us. They are dangerous to dunes, neighbors' houses and yourself. Do not light fireworks. If you light them, we write them.

INSPECTIONS DEPARTMENT REPORT – INSPECTIONS DIRECTOR EVANS

- Went over numbers in the report.
- Still really busy.

FINANCE DEPARTMENT REPORT – FINANCE OFFICER MCRAINEY

- Everything is pretty much in line with last year. Parking revenue is showing in the BPART Fund now, instead of the General Fund. When you take that into account, it is in line with last year.

Mayor Pro Tem Myers asked if the Town will drop money into fund balances based on the reports for the end of May. Finance Officer McRaine said there might be some big expenses maybe for the Corps' study, by the end of the year, but that may go into next year.

TOWN MANAGER'S REPORT – TOWN MANAGER HEWETT

- Greensboro Street Lift Station – got the go aheads in hand from EPA and DEQ in order to bid the project. We have a meeting with the project development team tomorrow to work on the timeline. EPA is conducting advanced monitoring on our project. One desktop review has already been performed on our current status. We have been told to expect on-site EPA officials during construction work.
- Harbor Acres Canal Dredging – we received the grant reimbursement from the Department of Water Quality for almost \$150,000.
- The Corps has finished the navigation maintenance work in the Lockwood Folly Inlet.
- 441 OBW Walkway and Emergency Ramp – we have a \$41,000 grant reimbursement that has been applied for.
- 329.5 Walkway Redo – work is underway. The estimated completion date is June 30th.
- Water System Asset Inventory and Streets Assessment – both have been received and are undergoing internal review.

Designs that the engineer has prepared for the lift station will be what is put out to bid.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 24-08, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 154: FLOOD DAMAGE PREVENTION

Inspections Director Evans said this is the second time it has been presented. The Board needs to take into account the consistency statement.

Motion by Commissioner Thomas to accept the ordinance as amended (Ordinance 24-08) and the consistency statement; second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 24-10, AN ORDINANCE AMENDING THE HOLDEN BEACH CODE OF ORDINANCES, SECTION 94.03 FRONTAL DUNE POLICIES AND REGULATIONS AND CHAPTER 157: ZONING CODE

Inspections Director Evans said the ordinance is basically deleting the sections from Section 94.03 and adding them to Chapter 157, which also requires consideration of a consistency statement.

Motion by Commissioner Smith to approve Ordinance 24-10, Amending 94.03 on the frontal dunes; second by Commissioner Paarfus.

Mayor Pro Tem Myers said it sounds like you can now extend your walkway to the CAMA frontal dune, which is the one out there, versus the Town's frontal dune, which is closer to the house. Inspections Director Evans said that is correct, but there are still dune regulations in Section 94.03 that talk about unnecessary damage and the CAMA officer can assess it. Mayor Pro Tem Myers said he wants to make sure he is interpreting Section 157.024 right about structures; you can build a deck, gazebo or sitting area forward of the Town dune. Inspections Director Evans said it is limited to the width; it didn't change. What it did was add it to accessory structures so it would have to meet the CAMA setbacks.

Commissioner Smith and Paarfus agreed to add approve of the consistency statement to the motion. The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 24-11, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2024 - 2025

Town Manager Hewett said the proposed budget is balanced in accordance with the Fiscal Control Act and is the result of numerous engagements with the Board through the budget workshops. We held the required public hearing at the beginning of the meeting. Commissioner Paarfus would like to see three changes made.

Motion by Commissioner Paarfus to amend the proposed ordinance to change the tax rate back to the current rate of 14 cents per \$100 of assessed value, provide for a detective position and increase the merit pool to 2.5%, second by Commissioner Smith. The motion passed by a 3 – 2 vote with Commissioners Smith, Dyer and Paarfus voting for the motion and Mayor Pro Tem Myers and Commissioner Thomas voting in the negative.

Motion by Commissioner Paarfus to approve the budget ordinance as amended; second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE ACTION ON INITIAL OFFER TO PURCHASE 796 OCEAN BOULEVARD WEST

Town Manager Hewett said for the upset bid process, you need to accept an initial bid to establish it as a baseline in order to advertise the upset bid process. By acceptance of the resolution, it establishes the bid of \$345,000 as the baseline and lays out the process for the clerk to advertise

and engage in the upset bid process. This process could take months. At the end, if it is not high enough, the Board can throw everything out and start over. This is the protocol that we follow from the general statutes. Commissioner Thomas asked if the Town is allowed to list it with a realtor. Town Manager Hewett said we had gone over the Board's preferred process. He is not sure if that is okay, but the Town would have to procure a realtor just like you do for other services. We would need to deconflict if that is allowed. The Board discussed moving forward.

Motion by Mayor Pro Tem Myers that we accept the bid and start the process of upset bid; second by Commissioner Thomas.

Town Manager Hewett said he is unable to verify if the Town can use a realtor at this time, unless the attorney has the information.

Mayor Pro Tem Myers withdrew his previous motion and made a motion to accept Resolution 24-06, which is authorizing the upset bid process; second by Commissioner Thomas.

Town Clerk Finnell confirmed the Board was approving the amended wording from Attorney Moore. She read the amended wording.

The motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION ON EMERGENCY BEACH ACCESS

Chief Dixon said he and Chief Todd are seeing issues where the officers and Fire Department are having trouble getting out there because people are setting up their beach equipment around accesses. Chief Todd said they are having issues getting onto the beach and there is nowhere to travel once they get onto the beach. He explained why they feel a travel lane is necessary. The request and where the potential emergency lane could be located was discussed.

The Board came to a consensus to ask staff to bring a proposal back to the next meeting. Chief Dixon said he is not sure they can have it ready for the next meeting.

Assistant Town Manager Ferguson said the beach patrol members could ask people to not block the emergency accesses, but there is not an ordinance to back it up.

DISCUSSION AND POSSIBLE SCHEDULING OF A DATE TO HOLD INTERVIEWS FOR VACANCIES ON TOWN BOARDS

The Board agreed to hold interviews at 4:45 p.m. on July 16th.

PUBLIC COMMENTS ON GENERAL ITEMS

Melanie Ross recommended the Town hire lifeguards and implement a flag system to warn people of the water conditions.

Lisa Ragland wanted to make sure the Town is still looking into the viability of a public/private relationship and working on creating a request for proposals for the Board to review to move forward with the pier plan.

Will Carter said he would like to see a letter from the Board requesting money for the pier. He talked about moving forward with a fire station.

MAYOR'S COMMENTS

- Tonight's action by the Board reflects that there were no financial discrepancies having been found. Let's work together to move forward and show that the people and the Board appreciate and support the Town staff and all the Town volunteers. We are all in this together. Let's move on down the road and work with facts and less loose talk.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Myers

- Thanked everyone for coming and those who participated virtually.
- Thanks to everyone who sent in comments, letters and advice. It is truly appreciated and he is glad they are engaged and involved with the Town.
- Have a good night.

Commissioner Smith

- Really nice to see a room full of folks tonight. Shows how many people are concerned about the health and well-being of this beautiful place we live in. We have all the amenities we could ask for.
- As far as civility goes, thinks we had a nice meeting. Agreed to disagree on a few things. It is our right per the constitution that we have the freedom of speech and expression. It is good we could all talk and express our feelings.
- Thanked all Town employees for all their hard work and dedication. He individually thanked Town Manager Hewett, Finance Officer McRainey, Assistant Town Manager Ferguson, Town Clerk Finnell, Public Works Director Clemmons and his staff, Chief Dixon, office staff, Inspections Director Evans and his staff and the accounting staff.
- For anyone to say they don't trust our staff is absolutely ridiculous. It was thought that we have a revenue problem. At the end of the year, we will have a surplus. The budget has been gone through with a fine-toothed comb and nothing has been spent or misappropriated and there was no 30 – 40% variance. After nine workshops that put a burden on some members, the votes that were taken during the workshops when we were told there weren't going to be any were not appreciated. We are all in this together. We need to move Holden Beach forward.
- Golf carts were one of his pet peeves. The percentage of people wearing seatbelts has flipped flopped. The issue is the bike lanes.
- Have a safe and fun 4th of July. Remember, no fireworks.

Commissioner Thomas

- Thanked the staff for all their hard work and help with the budget. Knows it was a big learning curve for some of us and they had to do a lot of extra meetings. Really appreciates that. They never said they wouldn't make decisions when presented with a balanced budget. When they had the workshops is when they were prepared to make some changes and that's what they did. Those meetings were on the calendar for six months. People should have cleared their calendars so they could attend them.
- Thanked the Beautification Club. They have done a wonderful job at the Fire Station. They have great stuff when you come over the bridge. There are some pocket parks that they have done a wonderful job with. The island looks beautiful.
- Have a great 4th of July.

Commissioner Dyer

- Thanked Town employees. We have an excellent staff. They work hard and are very appreciated.
- The budget presented on June 3rd was a balanced budget that Town Manager Hewett and Finance Officer McRainey and the whole staff worked hard on. Appreciates the hard work. It is a good budget and she is glad we were able to get it approved and move forward.
- Appreciative of all comments received in support of detective. We have an excellent chief. He wouldn't ask for anything if he didn't need it. Glad we got that and can move forward. It is greatly appreciated.
- There is a reason we have an ordinance to keep pets off the beach from 9:00 a.m. – 5:00 p.m. There are dangers to your pet this time of year. Reminded everyone if you are wearing flipflops because your feet are being burned or you are carrying your child because their feet are being burned, dogs are affected too. Dogs get sunburned, salt poisoning and salt impaction. The ordinance is to keep dogs safe. The closest emergency clinic is an hour away.
- Hopes everyone has a safe 4th of July.
- Was able to listen to a concert on her jet ski. Assistant Town Manager Ferguson and staff have done an excellent job of making due with what we have. Thinks everyone is enjoying it. Appreciates you taking a bad situation and making it excellent.
- Thanked everyone for coming out.

Commissioner Paarfus

- Thanked staff for working with us to get through the budget process. Glad we got that done tonight. Looking forward to moving forward on other important Town business. There is a lot we need to get in to.
- Hopes everyone will consider serving on a committee. That is important work. We need the help.
- Hopes everyone has a happy and safe 4th.

ADJOURNMENT

Motion by Commissioner Smith to adjourn at 7:46 p.m.; second by Commissioner Paarfus; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk