



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
TUESDAY, JULY 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, July 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 Brian Murdock, Page Dyer and Pat Kwiatkowski; Town Manager David W. Hewett; Town Clerk Heather Finnell; Inspections Director Tim Evans; Budget & Fiscal Analyst Daniel McRaney; Police Chief Jeremy Dixon; Lieutenant Frank Dilworth and Town Attorney Rick Green. Assistant Town Manager Ferguson joined the meeting by conference call.

Mayor Holden asked for a moment of silence in honor of former Commissioner Gerald Brown and then called the meeting to order.

**PLEDGE OF ALLEGIANCE**

**AGENDA APPROVAL**

Town Manager Hewett requested that the Board add budget amendment #19, to recognize water and sewer capacity charges and a closed session at the end of tonight's agenda for the Board to consult with the attorney. He agreed the closed session could be added as 23a and suggested item 7a for the budget amendment.

*Motion by Mayor Pro Tem Smith to approve the agenda with the addition of the two items from the town manager; second by Commissioner Murdock; approved by unanimous vote.*

**APPROVAL OF MINUTES**

*Motion by Commissioner Kwiatkowski to approve all three sets of minutes (Special Meeting of May 31, 2022, Special Meeting of June 10, 2022 and Regular Meeting of June 21, 2022); second by Mayor Pro Tem Smith; approved by unanimous vote.*

**PUBLIC COMMENTS ON AGENDA ITEMS**

James Bauer said he was nearly involved in an accident with a golf cart due to the battery dying. He said they are dangerous and have no protection. People are not using child safety seats and precautions. He suggested having a policy where they need to yield to other vehicles. Mr. Bauer added

lithium-ion batteries are inherently unsafe when they are exposed to water and salt. If they have to be charged, they should be charged out from under the house. They are a very difficult fire to put out.

Tracey Thomas read a letter she sent to the commissioners. She inquired why we are discussing the speed limit on Ocean Boulevard again. She said there is no data to support there is a safety issue. She said the state recently conducted a speed limit engineering study; the Town should accept the science on the correct speed limit and not change it on opinions and speculation. She stated if we get crosswalks in the area, perhaps the speed limit would need to be revisited. She said crosswalks will also hopefully be determined by a study. She provided statistics from a previous study.

Town Clerk Finnell said there were a couple of comments submitted online. They were provided to the Board and are online for anyone to review.

### **DISCUSSION AND POSSIBLE ACTION ON NATIONAL PARK AND RECREATION MONTH PROCLAMATION**

Assistant Town Manager Ferguson explained the background and read the proclamation.

*Motion by Mayor Pro Tem Smith to adopt the proclamation for July to be National Park & Recreation Month here at Holden Beach and to instruct our staff to share that on our social media outlets; second by Commissioner Kwiatkowski; approved by unanimous vote.*

### **DISCUSSION AND POSSIBLE ACTION ON BUDGET AMENDMENT #19, TO RECOGNIZE WATER AND SEWER CAPITAL CHARGES**

Town Manager Hewett said as part of closing the fiscal year that just ended, we need to make final transfers of collected system development fees from our operations to our capital reserves in order to comply with House Bill 486 and the Fiscal Control Act. Since the Town collected water and sewer system development fees in excess of what had initially been forecasted, the Board has to amend the budget effective June 30, 2022 in order to provide the proper carrying out of those administrative actions. This is housekeeping and will facilitate accounting for approximately \$26,000 in water capacity fees and \$115,000 in sewer capacity fees in the reserve accounts.

*Motion by Commissioner Kwiatkowski to approve Ordinance 22-18, Amending Ordinance 21-13, Revenues and Appropriations Ordinance for Fiscal Year 21/22; second by Mayor Pro Tem Smith; approved by unanimous vote.*

### **DISCUSSION AND POSSIBLE SETTING OF PUBLIC HEARING FOR NC PUBLIC BEACH AND COASTAL WATERFRONT ACCESS GRANT APPLICATION**

Assistant Town Manager Ferguson stated based on the Board's direction to pursue grant opportunities around the development of the pier, staff submitted a pre-application to the Division of Coastal Management for the development of the 50-foot lot for beach access to include a Hatteras ramp and walkway for a total project cost of \$63,535. The pre-application was approved. As part of the final application, a public meeting or public hearing is required. The final application is due in September. If awarded the grant, the Board would still have to accept or decline the funds.

*Motion by Mayor Pro Tem Smith to set a public hearing for 5:00 p.m. on August 16th, right before our regular meeting and ask Town Clerk Finnell to properly advertise it for us; second by Commissioner Murdock; approved by unanimous vote.*

## **POLICE REPORT – CHIEF DIXON**

- It's summertime, we are wide open. Still two officers short.
- In July, there was a tropical storm that developed over 4<sup>th</sup> of July weekend. It kept everything wet. We didn't have a lot of fireworks calls. It is a reminder of how quickly these things can show up. Have your plans together for the season.

Commissioner Kwiatkowski asked if improperly parked vehicles included Otto's citations as well as the Town's. Chief Dixon responded that this report is just for the police. Commissioner Kwiatkowski inquired if we have data from Otto. Town Manager Hewett answered that we do, but he would need to check the numbers. Commissioner Kwiatkowski suggested he bring it to next meeting. Chief Dixon explained how their numbers work.

## **DISCUSSION AND POSSIBLE ACTION ON GOLF CART VIOLATION REPORTING TASKER**

Mayor Pro Tem Smith said golf cart parking and moving vehicle violations have become highly visible with the increasing number of golf carts. In order to judge whether the Town's increased communication and Police Department's efforts are improving golf cart safety and compliance, he would like a monthly report on violations. He would like to task the town manager to provide the Board with a report on parking, underage drivers, seatbelt infractions, child safety seats and unlicensed vehicles. Mayor Pro Tem Smith said yesterday he passed eight golf carts; he saw two with seatbelts being worn. He talked about his experiences with golf carts. He thinks getting a count of what is going on is how the Board needs to move forward.

Town Manager Hewett asked the Board not to task him with putting together Police statistics. He doesn't have access to that information. Chief Dixon thinks we are getting into a bad practice if we give reports to determine what enforcement actions are needed. He said the other issue is that he thinks we are headed down a slippery slope with discrimination. They enforce all laws on all vehicles and for all the occupants of those vehicles. Charges are made to people, not to vehicles. If they begin to target specific vehicles, he is afraid they are headed down a road of targeting and discrimination. He provided information about a current lawsuit in Delaware that is over the same topic. Chief Dixon agreed they are a safety issue and they are trying to enforce them. Motorcycles and other motor vehicles are also dangerous. We need to treat low speed vehicles (LSVs) the same as any other vehicle. Commissioner Kwiatkowski said she views this as giving the Board information to see if the efforts being made to communicate are helping. They are not targeting anyone. She asked what kind of data they can give to show if the programs are making a difference. If they are not making a difference, then over the winter they need to think about what to do. Commissioner Kwiatkowski said it is measurement metrics that prove that you are making a difference in the attempts. Chief Dixon said he is not sure how accurate the metrics would be. There are many times they speak to a driver of a LSV and it is not documented. He could give the Board a number of citations that they wrote, but the citations are written to a driver, not to a vehicle. It is not how they enforce laws and isn't the data they track and maintain. Mayor Pro Tem Smith asked Chief Dixon to come back with how he can make it happen. He explained they want

to be part of the solution. Lieutenant Dilworth talked about the crash reporting system they use. The federal government sets what is tracked. They decide the classifications used. Those classifications do not include golf carts or LSVs. Chapter 20 of the NC Motor Vehicle Code has a statewide uniformity clause that says the laws apply across the state and towns cannot change the laws. He said there is not much the Town can do in ordinances to make this any safer except lobby the General Assembly. Mayor Pro Tem Smith suggested using a notepad so they can get an idea of what is going on. They would like to see if the enforcement is the issue; maybe that will help curb the non-use of the safety equipment. Commissioner Kwiatkowski has a feeling the Town still needs to come up with more ways to get the word out. Chief Dixon reviewed the concerns he shared. He said he would like it on record that the Police Department does not discriminate against LSVs. They write tickets to all occupants of all vehicles.

Commissioner Kwiatkowski asked if there is a way that they can come up with that is not a major inconvenience that can help the Board and Police Department understand if our efforts are helping. Chief Dixon replied he can capture the data; he doesn't know if that will give insight on if it is working. Mayor Pro Tem Smith said if it isn't worth the time and effort, they will discontinue it.

### **DISCUSSION AND POSSIBLE ACTION ON SPEED LIMIT ON OCEAN BOULEVARD**

Commissioner Dyer stated she knows the speed limit issue has been addressed before and that there was an engineering report completed in 2020. Her concern is that the number of fulltime residents has increased since the report. Also, the report was done during COVID. She thinks that area of the island has become very congested in the offseason. Commissioner Dyer talked about her driving experiences on the island and her concerns on safety. With the upcoming paving, we can't get crosswalks marked unless the speed limit is 35 MPH or below. She provided information about the traffic in the Starfish area on Saturdays. She is concerned there will be a problem at that speed, with all the distracted drivers and the addition of bike lanes. She stated she believes it is a minute faster to get to the bridge with the 45 MPH speed limit.

Inspections Director Evans stated his understanding is that we don't have any official crosswalks. We did make application a few years ago and were approved for four. It was dropped due to the paving project because they were supposed to be incorporated at that time. Unless the criteria for crosswalks has changed, it is required that the speed limit has to be 35 MPH or lower. Chief Dixon agreed that was his understanding.

*Motion by Commissioner Kwiatkowski that the speed limit be lowered to 35 MPH all year round; second by Commissioner Dyer.*

Commissioner Kwiatkowski explained when the bike lanes go in, she thinks we need to go to 35 MPH. They will be going in during the first part of next year. We may as well start the 35 MPH before we have the bike lanes so people can get used to it. She added if the Town is going to reduce the speed limit, she asked that the Town go to DOT to let them know we have reduced the speed limit and ask if they can incorporate a couple more official crosswalks heading west. Mayor Pro Tem Smith said the speed limit has been 45 MPH in the offseason as long as he has been here; we polled the public in 2019 and 80% said no. He cannot support changing the speed limit. After we get the bike lanes in it may be a different story. He stated that's what people wanted and what the state said was appropriate for the area. Commissioner Kwiatkowski reminded the Board that when the study was done, bike lanes were

not in the picture. Commissioner Murdock said he is the last person that would want to reduce the speed limit with all of his years living here, however with the addition of the bike lanes a Board in the future will have to revisit this just for concern of public safety. If we as a community lose track of public safety over getting somewhere in another minute, then there will be bigger fish to fry. He would like to make it clear that they want the crosswalks to be pursued if the speed limit is reduced. Commissioner Murdock said he talked to the chief and lieutenant, all of whom want to see it stay 35 MPH year-round. The last thing he wants is someone to get hurt. If you go to the other islands, they don't have 45 MPH. He said he is taking a step forward because it is coming in the near future. He agreed it would help people get used to it. There has been a ton of development on the island since the survey. He will vote to change it based on the advice of the staff and the people in the Town who have to enforce it.

*The motion passed by a 3-1 vote, with Commissioners Murdock, Dyer and Kwiatkowski voting for the motion and Mayor Pro Tem Smith voting in the negative.*

Town Clerk Finnell will have an ordinance reflecting the vote at the next meeting.

## **INSPECTIONS DEPARTMENT REPORT**

- Last month was a busy month. Had a lot of development going on. There were almost 70 zoning applications that were reviewed, with an almost equal number of CAMA applications. There was a total of 265 permits issued, with a total value of \$4 million. The amount for the permits was a little over \$63,000. They did 356 inspections over the same period. He talked about the turn down rate. With two inspectors, it is giving them more time to look at the houses which is making the houses safer.
- They are down a person. Right now, they have a person helping that used to work in the department. She will only be with them for another week. They are interviewing to find a replacement. It may affect turnaround times.
- The months of July and August typically slow down and then pick up after Labor Day and reach its apex around May.

Inspections Director Evans answered questions from the Board and talked about stop work orders. He warned people to not pay contractors upfront without a contract or use people who are unlicensed.

## **DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 22-17, AN ORDINANCE AMENDING TOWN OF HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 112: PEDDLERS**

Inspections Director Evans said at the last meeting he was tasked to prepare an ordinance for the Board to review. He reviewed the process he went through and the proposed ordinance. The ordinance is designed to allow only those merchants with established businesses to conduct such business remotely on the strand with specific guidelines, locations and dates by permit only. Open vending and peddling are not allowed. It basically states that unless you have four walls and can meet the conditions for the cart, you won't be allowed to have off premises sales. It is only for businesses that are established and allowed under permitted uses. The ordinance needs dates, times and the liability amount.

The Board talked about the dates and times they should use. They agreed Drew Sellers from Sunset Slush could speak. Mr. Sellers said they like to start Easter and it would be great to be able to go through the festival. He talked about the hours they use their push carts on other islands.

The Board agreed to use 6:00 p.m. – 10:00 a.m. and April 1<sup>st</sup> – November 1<sup>st</sup> for the dates/times in the ordinance.

Inspections Director Evans reviewed the fees. The fee for the permit is \$250 and then \$1,000 per each pushcart, with a maximum of five. The fees were discussed. Town Manager Hewett asked if the text could be changed to read per pushcart, maximum of five per off premises sales permit issued. The Board agreed to the revised wording.

After discussion, the Board agreed to using \$1 million as the general liability number.

Commissioner Kwiatkowski asked if the attorney has any reservations. Attorney Green replied he does not, he has reviewed it. The Board discussed how to proceed. Mayor Holden suggested the attorney review the ordinance in its final form. He also clarified this ordinance is for anyone who qualifies, not just the business here tonight.

*Motion by Commissioner Dyer to accept Ordinance 22-17, with the corrections we made tonight and the fee schedule.*

Having the attorney review the final ordinance and moving forward was discussed.

*Motion by Commissioner Dyer to accept Ordinance 22-17 with the changes for the time and the dates as reviewed by the attorney and go into effect August 1, 2022.*

The attorney's review and the proposed effective date was discussed.

*Commissioner Murdock seconded the motion. The motion passed by unanimous vote.*

*Motion by Commissioner Dyer to accept the fee schedule with the changes for the permits and the charges for the carts; second by Commissioner Kwiatkowski.*

Town Clerk Finnell verified she understood the change.

*The motion passed by unanimous vote.*

## **DISCUSSION AND POSSIBLE ACTION ON STATUS UPDATE FOR WETLAND DELINEATION OF MARSH AND 800 BLOCK LOTS**

Inspections Director Evans said they determined the number of spaces at the marsh streets. They received an email from NCDEQ that said if they are pervious now and in the wetlands, you cannot park there. They marked the streets and determined the following spots: Sailfish – 9, Sand Dollar – 4

Greensboro – none, Scotch Bonnet – none and Swordfish – none. Commissioner Dyer asked about the concrete blocks at the Town-owned land on Scotch Bonnet. Inspections Director Evans would need to look at it. Scotch Bonnet has no parking, the wetlands are delineated right next to the road.

Inspections Director Evans reviewed the information provided by Shane Lippard from Right Angle Engineering in the 800 block. Town Manager Hewett added we don't know if the layout can be permitted. It has not undergone any permitting review. Inspections Director Evans said it looks like you could get about 24 spaces. He said if we bulkhead it, we may be able to open an access in the middle and make room for golf cart parking. He would like to look at it more as far as fully utilizing it. Some of the space may be needed for other amenities to support the parking. The Town needs to try and protect the property and do what's allowed under the law, which would be to put up a bulkhead. Inspections Director Evans went over the 700 block layout. He said no matter what the Town does there, he thinks it is important the Town consider exercising our right to bulkhead those as an important factor for the future. Commissioner Murdock said he is in agreeance with bulkheading the 800 block to preserve the property. He is happy he directed the wetlands to be delineated. He is glad to see there is not much there. He said looking at the maps, whether we utilize those, the Town should have some input from the residents of the streets and the proximity of the accesses. He said kudos to protecting those wetlands and to let them be. He talked about the need to protect those streets. He said the water is getting close to the fitness trail. The water is coming up, we need to look at that. Inspections Director Evans agreed and talked about bulkheads. Commissioner Kwiatkowski said they can say it is a priority when there is money.

#### **DISCUSSION AND POSSIBLE APPROVAL OF RESOLUTION 22-07, RESOLUTION OF INTENT TO PERMANENTLY CLOSE A PORTION OF CAROLINA AVENUE**

Town Clerk Finnell explained at the May meeting, the Board instructed staff to move forward with the process to close a portion of Carolina Avenue between Quinton Street and Jordan Boulevard. A survey for the area has been completed and a description has been added to the draft resolution. Staff is proposing the required public hearing be held at the September 20<sup>th</sup> meeting. That allows staff time to advertise the hearing, post the property and mail any required notices.

*Motion by Mayor Pro Tem Smith to approve resolution 22-07, To Close Carolina Avenue and for Town Clerk Finnell to schedule a public hearing for September 20<sup>th</sup> at 5:00 p.m.; second by Commissioner Dyer; approved by unanimous vote.*

#### **DISCUSSION AND POSSIBLE ACTION ON STATEMENTS OF QUALIFICATIONS RECEIVED FOR BLOCK Q AND THE PIER PROPERTIES**

Town Manager Hewett said we only had one response to provide comprehensive engineering and architectural services for the development of the Block Q and pier properties. McGill and Associates was the only firm that submitted a response. If the Board would like to move forward, we would need to come back with a contract proposal for the Board's consideration. The Request for Qualifications (RFQ) process is based on qualifications, more than one response is not required.

Commissioner Murdock would like to see more than one company weigh in on this. He suggested we put it back out again. Mayor Pro Tem Smith agreed. He suggested searching and trying to find someone

to respond. Mayor Holden stated the company does enjoy a good reputation and does a lot of work in the area so he doesn't think that is the question, it is just business. Commissioner Kwiatkowski agreed she would like to see it out there again and suggested the Town reach out to companies that have done similar work. Town Manager Hewett asked the Board to provide him with names they would like him to solicit. Commissioner Kwiatkowski said to reach out to the firm that did the Oak Island pier property.

Commissioner Kwiatkowski asked about the public restroom for Block Q listed in the Request for Proposals (RFQ). Town Manager Hewett said he put that in there because there are issues with the Jordan Boulevard bathrooms. Commissioner Kwiatkowski said the Board needs to agree with what they are going to start with. Town Manager Hewett responded that would be subject to any contract considerations the Board would like to have developed. What they try to do is broadcast as wide a net as possible. Inspections Director Evans provided information about the current bathrooms and problems associated with them. Town Manager Hewett said he was directed to put out a RFQ. It was vetted by the planning director. The Board will have approval of the site-specific elements. This is a starter kit for obtaining professional services. Commissioner Kwiatkowski thinks something about meeting ADA compliance should be mentioned. Town Manager Hewett said those are design build requirements that are part and parcel of the building code. Those are public facilities that those accommodations have to be made. Inspections Director Evans said you would not be able to build public facilities without meeting ADA requirements. You won't even get out of the planning review phase. He said he is a level III building official who is required to know the information, you won't get a permit regardless of what is in the RFQ until it passes the reviews. Mayor Pro Tem Smith said if staff has already put together design plans, it would be nice to share them with the Board. Town Manager Hewett responded that we haven't put together anything except for rudimentary sketches of a parking plan for the Block Q properties about two years ago. That was the whole rationale behind preparing a RFQ for both of the properties, to have a professional engineer come in and do a design. Inspections Director Evans said the Planning Department has made comments on what would be good fits, but outside of that they can't design it. He can't design it and inspect it.

Commissioner Murdock said the Board will get some names and get it back out. Mayor Pro Tem Smith said we need to keep in mind that for the grants available, a lot of the agencies want to be in on the planning stages. Town Manager Hewett stated he believes one of the qualifications asked for is evidence and experience in procuring grants and grants administration.

## **DISCUSSION OF POST AND ROPE DEFINITIONS AND OTHER CONSIDERATIONS RELATED TO SECTION 95.05 STREETS RIGHTS-OF-WAY AND DETERMINATION OF NEXT STEPS**

Commissioner Kwiatkowski suggested doing a better job of defining what is allowed with post and rope. She said it was discussed in January that it would probably benefit the Town to come back with some better definitions. She put together three pages that had ideas of directions the Board may take. She is not proposing to rush ahead. She would like to do it right. Commissioner Kwiatkowski went over her information and reviewed possible changes to the ordinance. She recommended that either a couple of commissioners work with representatives from the Police Department and Inspections to put together an ordinance to bring to the community or there could be a special meeting for the Board to work on it. Mayor Pro Tem Smith volunteered to work with staff and then present the findings to the Board at a special meeting. Town Manager Hewett said a committee of the Board would be a formal body and would need to go through the formal meeting protocols.

Town Manager Hewett said he doesn't recall if we ever asked our insurance company if there is an assumptive liability by allowing this kind of thing. Commissioner Kwiatkowski said other towns have written in their ordinances that the liability has to be accepted by the owner. Town Manager Hewett would like to be able to provide the Board with an opinion. Commissioner Dyer asked if there was discussion that with paid parking the need for post and ropes would go away. Commissioner Kwiatkowski responded post and rope are being used by people for different reasons, not just parking. Commissioner Murdock said he was not here when post and rope was put into effect. It is all over the island. He doesn't have a suggestion on how to fix it. If it is going to remain, he would like to see consistency. If you put it on the property line, you can do what you want. If it is going to stay, it needs to be looked at, some of it isn't safe.

The Board talked about waiting until they get legal and insurance advice. The Board asked Town Manager Hewett to get information on liability for the Town to have items in the ROW and to discuss it with the Town attorney to make sure we can proceed.

## **DISCUSSION AND POSSIBLE SELECTION OF MEMBERS TO SERVE ON TOWN BOARDS**

The Board voted by ballot.

Keith Smith and Peggy Schiavone were selected as the members for the Parks & Recreation Advisory Board. The votes were as follows: Keith Smith – unanimous, Peggy Schiavone – Mayor Pro Tem Smith and Commissioner Kwiatkowski, Rick McInturf – Commissioners Murdock and Dyer. The Board voted again to attempt to break the tie and the results were Peggy Schiavone – Commissioners Murdock and Kwiatkowski, Rik McInturf – Mayor Pro Tem Smith and Commissioner Dyer. Mayor Holden broke the tie and announced Peggy Schiavone was chosen.

John Cain was selected as the regular member to the Planning & Zoning Board. Votes were as follows: John Cain – Mayor Pro Tem Smith and Commissioner Kwiatkowski, Aldo Rovito – Commissioner Dyer, Gerald Arnold – Commissioner Murdock. Marks Francis and Aldo Rovito were selected to serve as alternate members of the Planning & Zoning Board. Votes were as follows: Mark Francis was unanimously selected, Aldo Rovito – Mayor Pro Tem Smith and Commissioners Dyer and Kwiatkowski, Gerald Arnold – Commissioner Murdock.

Richard Griffin was unanimously selected to serve as Regular Member on the Board of Adjustment. Gerald Arnold and Rick McInturf were unanimously selected to serve as alternate members to the Board of Adjustment.

## **DISCUSSION AND POSSIBLE ACTION ON MONTHLY FINANCIAL REPORT CONTENT**

Commissioner Kwiatkowski would like the monthly financial report to include a column that shows the fixed budget numbers from the budget ordinance. She also would like to consult with the finance officer on the appropriate level of detail for the financials of the pier project. She thinks we should have several lines.

The consensus of the Board is to add the column. Commissioner Kwiatkowski said next month Town Manager Hewett can bring forward his recommendations for the appropriate level of detail for the pier property project.

## **PUBLIC COMMENTS ON GENERAL ITEMS**

Paula Woods is concerned about the lack of lifeguards. People are paying for parking and should be paying for some sort of protection.

Keith Smith said nobody wants anyone to get hurt on golf carts, on Ocean Boulevard, the beach, the pier or anywhere. He asked the previous owner of the pier how many times someone got hurt over the last 20 – 40 years. He was told one person. He understands there are safety concerns, but he doesn't know if you can legislate safety any more than you can legislate morality. Mr. Smith stated the responsibility is on the parents/family unit to educate children and family on how to be safe. You can't prevent accidents from happening. He talked about the reporting for LSVs.

## **TOWN MANAGER'S REPORT**

- FEMA Storm Damage Repair Project (CRP2) – we have rolled over the special obligation bond into year two, in an amount of \$4.82 million at a new rate of 3.84%. That amount represents those amounts that have been submitted to FEMA, which we are waiting for reimbursement on and the final estimated construction closeout costs. Final reimbursement for the payoff will be subject to how fast FEMA gets the money back to us and conducting their final inspections. Looks like we will incur \$617,000 of interest expense, depending how long it takes FEMA to reimburse us for the last expenses. The eligibility of the \$617,000 as a FEMA reimbursement has not been determined yet. The funding for that will have to be provided from existing cash or fund balance if the interest costs are deemed ineligible. Over the course of the last three weeks, we have answered three federal requests for information concerning the interest payment's eligibility.
- Seagull Street Paving Status – paving has been completed. We are awaiting the final inspection. Anticipates on a per 50' lot cost share basis, it would be about \$2,800 per lot. If you have a bigger lot it will be prorated accordingly. The process for assessments will be accomplished over the next several months. The time lag between incurring the construction costs, paying the bills and collecting the assessments will impact the General Fund Balance Available by an equivalent of a penny on the tax rate.
- Personnel – manning, recruitment and retention continue to be challenging. Of 29 fulltime equivalent positions, only 24 are filled with regular fulltime employees. Two of the remaining five positions are filled with temporary hires. We are actively recruiting for two police officers, one Public Works technician and two administrative assistants in the front office.
- We recently received enabling legislation that amends the rules for how parking revenues are made. The legislation has been defined for Holden Beach to be used as any public purpose. It has been ratified by the General Assembly.
- Lift Station 1 – over the last three years during the 4<sup>th</sup> of July week what we are seeing with the performance of Lift Station 1 is giving him and the public works director cause for concern. Believes we will need to go in upfit mode to increase the capacity, the design improvements for access and odor control. Doesn't think we will last three more years with the capacity that exists. The 20-year-

old assumptions that the design was predicated on have been impacted by buildout, redevelopment and new development. Will bring forward suggestions for an approach so the Board can consider proper engineering evaluations and consideration of a capital project.

- The Local Government Commission has modified its debt issuance calendar. It will require accelerated audit submissions for the November and December meetings and probably also the January meetings. Based on the dovetailing of potential federal budget timings of sewer and stormwater appropriations, not anticipating the need to alter our local audit schedule. The Town probably won't be in the position to borrow any funds until after the new year.

Commissioner Kwiatkowski inquired if we have a target of when we expect to hear if we get any of the federal earmark approvals. Town Manager Hewett replied he will need to get back to the Board. Commissioner Kwiatkowski said she read the state budget and was disappointed we didn't get anything for our lift station. She asked if there is anything else at the state level we can put in for. Town Manager Hewett suggested now is the perfect time for the Board to start working with our local legislators to get ready for an ask for the next session of the General Assembly. He encouraged the Board to think about the ask they would like to make. Commissioner Kwiatkowski asked about the need to look at lift station 1. Town Manager Hewett said we are building out vacant lots, homes are being redeveloped and there will be new development. Commissioner Kwiatkowski asked about the developer's part in new development. Town Manager Hewett said some of it will need to be paid for, but the capacity that has already been paid for, has been paid for and used for other purposes.

## **MAYOR' COMMENTS**

- Some may have heard there was a proposed shark fishing tournament. When word got out, people started calling to ask what the Town thought about it. Looked into it and made a decision to notify the other mayors in the county. They took action to try to prevent that event from taking place. Town Manager Hewett delivered legal documents that Attorney Green prepared for the Town to formally object through the court system. When the paperwork was presented, we got what we asked for. The bait and tackle shop that was sponsoring the event changed the dates and moved it over to October. There has been some blowback from fishermen that thought the Town was trying to stop all fishing from our oceanfront shoreline. We are not opposed to people fishing from our beach, but we do have a major problem with people fishing for sharks around our swimmers. It is not the kind of publicity we need. Thanked Attorney Green and the others involved and the commissioners' for their support. Thinks we headed that off for a while. Doesn't think it's over with.
- It is hurricane season. Staff will be meeting and making plans as we do every year. Through the years we have been able to come together with ideas. Reassured the public that the Town is aware it is hurricane season and we will be prepared as we always are.
- Addressed the fine job the Police Department has been doing with traffic this year, weekends especially. Coming onto the island, doesn't think we have had a year as good as this year. Been able to make the traffic flow better.
- Have observed at the concerts that we are seeing more little kids on the dance floor having a big time with their families. Thinks the overall behavior of the crowds is the best he has remembered seeing. Hasn't had any major issues that he is aware of. Thinks a lot of that is promoting the family atmosphere there we have, but it is also due to the Police Department. Thanked everyone involved

with that program, Assistant Town Manager Ferguson and her staff and everyone involved. Thinks it is marvelous.

## **BOARD OF COMMISSIONERS' COMMENTS**

### Mayor Pro Tem Smith

- Agreed with the concert comments. The crowds have been bigger than he can ever remember and the quality of the bands has been outstanding.
- Thanked everyone who came out and offered their services to work on our boards. They are quite the asset to Holden Beach. Knows there are some that didn't get on the boards they wanted. We are blessed with some really talented and intelligent people. Having them come forward has helped us a bunch and we appreciate it.
- Thanked the Police Department. They have done a great job. We need to do something with LSVs. Glad to help. Need to figure out something to educate people.
- Tough evening. We have an empty chair. It will be hard to fill. The spirit of Gerald Brown will always be in his heart. The things he helped him through as an early commissioner will never be forgotten, his ideals and love for the Town. Will try to carry the torch as best as he possibly can. He will be dearly missed. Will do the best we can to carry on.

### Commissioner Murdock

- Echoed his appreciation for people willing to serve on boards. Appreciates their time. It is a valuable help to the community.
- Thanked Chief Dixon, Lieutenant Dilworth and their staff. Anyone who knows anybody who would like to work here, please pass the word on that our staff has a few holes and we desperately need them filled. They can be trained, we have some talented people that can help them get off the ground, especially in administrative positions.
- Appreciates everyone coming out, as well as the emails.
- Congratulated Sunset Slush and all the people who wanted to enjoy the product on the beach strand. Wishes them the best and hopes it puts smiles on a lot of people's faces.
- Getting chocked up because of the empty seat. Knows everyone at the beach misses him. He still has family here. Keep those people in your prayers. Will do the best we possibly can to make sure they are well taken care of. He loved this town. Talked about his experience signing up to run as a commissioner with him. Gerald was one to get you riled up. At the end of the day, he had that way of calming you right back down and letting you know that life is precious. Everyone needs to slow down. He loved the Town, loved Janie, his family, his dog. Hallelujah, like he always said. Keep him in your hearts and his family in your prayers. We will all miss him.

### Commissioner Dyer

- Thanked Inspections Director Evans, Chief Dixon and Lieutenant Dilworth for helping with the ordinances that we were able to iron out today. Appreciates all the extra work on that, knows it was a lot of time and effort.
- Thanked everyone who volunteered to work on our committees. If it wasn't for the committees, we wouldn't get a lot of this done. It is a thankless job. Thanks for getting involved. The involvement of the public is necessary, just like all the emails.

- With the numerous emails about Sunset Slush, thinks we will make a lot of people happy. With paid parking you don't have to leave the beach to get something cool and refreshing. Wished them the best of luck, hope it works out.
- Had the pleasure of sitting right next to Gerald. Didn't know him that long, but it's been a tough night. He always had a smile. Condolences to the family. He will be missed.

Commissioner Kwiatkowski

- Thanked all the volunteers who offered to serve on boards. Encouraged those who didn't get selected to try and come to the meetings. It is interesting and a good way to learn. You also get to make public comments at those meetings. You can give input even if you are not sitting up front.
- Had a number of people send messages about water on the street. Reminded everybody that we have plans in the works to work on drainage. Thinks the downpours we have had are just a reminder that it needs to stay a priority and we will move forward on it.
- Didn't always agree with what Gerald wanted to do, but did like him as a person. He will be missed.

**EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(3), TO CONSULT WITH THE TOWN ATTORNEY**

Town Clerk Finnell read the reason for Executive Session.

*Motion by Mayor Pro Tem Smith that we go into Executive Session at 8:05 p.m.; second by Commissioner Murdock; approved by unanimous vote.*

**ADJOURNMENT**

*Motion by Commissioner Kwiatkowski to adjourn at 8:31 p.m.; second by Commissioner Murdock; approved by unanimous vote.*

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J. Alan Holden, Mayor

ATTEST:

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Heather Finnell, Town Clerk