



**TOWN OF HOLDEN BEACH
BOARD OF COMMISSIONERS
REGULAR MEETING
TUESDAY, JULY 20, 2021 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Regular Meeting on Tuesday, July 20, 2021 at 5:13 p.m. in the Town Hall Public Assembly. Present were Mayor J. Alan Holden; Mayor Pro Tem Gerald Brown; Commissioners Brian Murdock, Mike Sullivan, Pat Kwiatkowski and Rick Smith; Town Manager David W. Hewett; Town Clerk Heather Finnell; Assistant Town Manager Christy Ferguson; Inspections Director Tim Evans; Police Chief Jeremy Dixon; and Town Attorney Rick Green.

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

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL

Town Manager Hewett requested that the Board move the Water Agreement with Brunswick County to item 7a and delete item 22, FEMA Gated Community Debris Pickup Update, to be taken up at a later date.

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

APPROVAL OF MINUTES

Motion by Commissioner Smith to approve minutes from those four meetings (Public Hearing/Special Meeting of June 4, 2021, Public Hearing/Regular Meeting of June 15, 2021, Special Meeting of June 28, 2021 and Special Meeting of June 30, 2021); second by Commissioner Kwiatkowski; approved by unanimous vote.

PUBLIC COMMENTS ON AGENDA ITEMS

No comments were made.

PRESENTATION OF MUNICIPAL ADMINISTRATION CERTIFICATE TO ASSISTANT TOWN MANAGER FERGUSON

Town Manager Hewett presented the certificate to Assistant Town Manager Ferguson.

DISCUSSION AND POSSIBLE ACTION ON WATER AGREEMENT WITH BRUNSWICK COUNTY

Town Manager Hewett introduced John Nichols from Brunswick County and provided background on the proposed agreement. Mr. Nichols explained this is a critical point. They are expanding their Northwest Water Treatment Plant. There is a lot going on with the utility system and there is a lot of growth in the county.

Commissioner Kwiatkowski inquired what the county is doing regarding water quality. Mr. Nichols replied that is one of their primary concerns. One of the initiatives with the Northwest Water Treatment Plant is to provide advanced treatment through low pressure reverse osmosis. That is one of the best ways to remove a lot of the pollutants, not just the ones seen in the media, but a wide array of pollutants. They are working hard to ensure the treatment process is the best that we can have in the county. They also look at how to improve the water shed and in what ways they can work with DEQ to make sure that industrial pollutants are not put into the river. There is a lawsuit the county has with the primary industry responsible for the pollutants in the water. Mr. Nichols said if the courts look favorable on that case, they will try to utilize those funds to reimburse in some manner the costs associated with the advanced treatment. The overall project should be complete by the end of 2023.

Motion by Commissioner Smith that we approve the wholesale water agreement with Brunswick County; second by Mayor Pro Tem Brown; approved by unanimous vote.

POLICE REPORT

- May 1st to June 30th – conducted 77 traffic stops, issued 41 state citations. The 41 state citations had 57 total charges on them. They did nine written warnings and 27 verbal warnings. They issued 59 ordinance violation tickets, all being parking related. They made five arrests.
- Over July 4th weekend – conducted 22 traffic stops, with 12 state citations written, with a total of 18 charges. There was one written warning and nine verbal warnings. They issued 35 ordinance related tickets; five tickets were fireworks related and 30 parking violations. Fireworks were down tremendously this year. Participated in the Booze It and Lose It campaign. We did a trial run of closing the left turn lane over the 4th. Tried it again this past weekend. Intend to close the left turn lane on the bridge every Saturday until at least Labor Day. Talked about a conversation with a homeowner regarding the traffic and the change. Most of the congestion is before you get to the stoplight.

Commissioner Kwiatkowski thanked Chief Dixon, Mayor Holden and Town Manager Hewett for the no left turn off of the bridge on Saturdays. She thinks it was a great decision. Commissioner Smith agreed.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 21-18, AN ORDINANCE AMENDING ORDINANCE 20-10, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2020 – 2021 (AMENDMENT NO. 18)

Assistant Town Manager Ferguson explained this is the last part of our funding for the FEMA projects. It is Cat Z for Isaias. This makes us whole on the storms we plan to bundle together for our fall project.

Motion by Commissioner Smith that we approve budget amendment 21-18; second by Mayor Pro Tem Brown; approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 21-19, AN ORDINANCE AMENDING ORDINANCE 20-10, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2020 – 2021 (AMENDMENT NO. 19)

Town Manager Hewett stated this is one of a couple of end-of-year housekeeping budget amendments. We had excess collections, approximately 35% over last year's collections due to the influx of renters associated with Covid-19 and the reopening of the state. Fiscal Operations Supervisor Lancaster has been real busy making sure tax collections are correct. The amendment is to increase the accommodations tax by \$362,648 to reflect actual collections as of the end of June.

Motion by Commissioner Smith to approve Ordinance 21-19, Amending Ordinance 20-10, the Revenues and Appropriations Ordinance for Fiscal Year 2020 – 2021; second by Mayor Pro Tem Brown.

Commissioner Kwiatkowski inquired about the beach vegetation and sand fence increases. Town Manager Hewett responded those are placeholder accounts. The money won't be obligated, it will fall back into fund balance. Commissioner Kwiatkowski said this would be another opportunity to put money back into the sand reserve fund. Town Manager Hewett explained he considered that when he made his recommendation. In an attempt to make sure things are simple and the audit is clean, he recommended that it be housed in Fund 50. It would be more appropriate for the Board to make that type of decision once they see the audit.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 21-20, AN ORDINANCE AMENDING ORDINANCE 21-10, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2020 -2021 (AMENDMENT NO. 20)

Town Manager Hewett stated this is another housekeeping item. GASB 87 requires that whenever you execute a lease purchase agreement that the entire asset be booked on the revenue and expense sides. This case is for the vector truck. We made the down payment and procured the asset. This is enabling us to be able to book the asset to our capital listing.

Motion by Commissioner Kwiatkowski to approve Ordinance 21-20; second by Commissioner Smith; approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 21-21, AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021 – 2022 (AMENDMENT NO. 1)

Town Manager Hewett explained this is required should the pier property offer be accepted by Mr. Bass. We need to be able to preaudit that for the earnest and due diligence money. It proposes to fund the property acquisition at \$3.25 million, with proceeds being provided by a loan of \$3 million and a fund balance appropriation of \$259,000. The \$50,000 is the earnest money and the due diligence, \$9,000 is the amount for the appraisal and the other \$200,000 from fund balance is in effect paid over from the reserves.

Motion by Commissioner Smith to approve Ordinance 21-21, Amending Ordinance 21-13; second by Commissioner Murdock.

Commissioner Sullivan said we determined we need an inspection of the pier and he doesn't see money allocated for that. Town Manager Hewett replied it wasn't clear to him what type of inspection, or how much it would cost. He has not provided for that in this amendment. Commissioner Sullivan asked what approximately the debt service would be on the \$3 million. Town Manager Hewett responded when they calculated that before for \$3.2 million at a low interest rate it was at about \$250,000. If you take \$200,000 off of that it would be less, but he has not done that math. Commissioner Kwiatkowski inquired if the Board should discuss what type of inspection is needed so the money could be allocated. She would like to get the ball rolling. She said as she understands it, it needs both above water and underwater examination of the pilings and possibly an inspection that gives the idea of how deep the pilings are driven. Commissioner Sullivan agreed, he thinks the Board should allocate funds as soon as possible. The Board discussed how to move forward. Mayor Holden said if the Board wants to set money aside for potential expenses, he wouldn't label it for a specific item. If anyone is bidding on the job and knows what is in the bucket, the price would probably be on the high side to get that full amount. He suggested the Board allocate funds to be put aside for costs in general in regards to the potential purchase, rather than a specific part of it. Commissioner Murdock stated he would wait until there is a signed contract before worrying about other funds.

Mayor Holden asked for a point of order. Mayor Pro Tem Brown called for the vote.

The motion passed by a 3 – 2 vote, with Mayor Pro Tem Brown and Commissioners Murdock and Smith voting for the motion and Commissioners Sullivan and Kwiatkowski voting in the negative.

DISCUSSION AND POSSIBLE ACTION TO SELECT THE PRIORITY BOARD OF COMMISSIONERS' OBJECTIVES FOR THE UPCOMING YEAR

Commissioner Kwiatkowski explained how she organized the list.

Motion by Commissioner Kwiatkowski that the Board of Commissioners accepts the priority list as the BOC objectives for fiscal year 2021 - 2022; second by Commissioner Sullivan.

Commissioner Kwiatkowski said she doesn't understand exactly what's behind asking the county for help on the second water tower. Town Manager Hewett stated he was going to concentrate on the

tangible item of completing the needs assessment and bringing that back to the Board. From the manager's perspective he is okay with leaving it as is. Commissioner Kwiatkowski asked if the request to the county to establish off-island parking and a trolley/bus service is still a priority for this year. Town Manager Hewett responded that when we integrate our efforts with the Grand Strand Transportation Committee and communicate with the county, that type of guidance from the Board affords him the backing he needs when he engages with them to evolve opportunities. There is a county site off the island that perhaps a partnership could be formed. We are working that at the GSATS level. It serves to facilitate our transportation needs.

The motion passed by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 21-22, AN ORDINANCE AMENDING HOLDEN BEACH CODE OF ORDINANCES, CHAPTER 35: INLET AND BEACH PROTECTION BOARD (IBPB)

Town Clerk Finnell explained Ordinance 21-22 deletes the IBPB per the Board's direction at the last meeting.

Motion by Commissioner Smith to delete Chapter 35, the Inlet & Beach Protection Board completely from the Holden Beach Code of Ordinances; second by Mayor Pro Tem Brown; approved by unanimous vote.

DISCUSSION AND POSSIBLE APPROVAL OF ORDINANCE 21-23, AN ORDINANCE AMENDING HOLDEN BEACH CODE OF ORDINANCE, CHAPTER 34: PARKS & RECREATION ADVISORY BOARD (PRAB)

Town Clerk Finnell explained the ordinance takes part of the duties from the IBPB and brings it over to the PRAB as directed at the last meeting

Motion by Mayor Pro Tem Brown to approve Ordinance 21-23; second by Commissioner Murdock; approved by unanimous vote.

AUDIT COMMITTEE DEBRIEF TO THE BOARD

Commissioner Kwiatkowski reported that they have started Audit Committee meetings again. At the first meeting they agreed to pick up some business that was in progress. One of the pieces is working on some financial pulls from data that the committee thought might be a useful reporting tool. One of the members was working with the town manager on that. The idea is to present data in a more user-friendly way without causing the Town any more work. She said they also agreed to proceed with amending/modifying the Audit Committee ordinance. Lastly, they started getting prepared for the annual audit.

DISCUSSION AND POSSIBLE ACTION ON PARKING MANAGEMENT SERVICES PROPOSALS

Town Clerk Finnell explained we received four proposals in response to the Request for Proposals. Mayor Holden asked if any of the companies have anything to do with the recent reports by the news. Town Clerk Finnell responded that Pivot is who was on the news. Commissioner Murdock said he read

all of these, but thinks it should be a staff decision as to who would be the best fit if the Town moves forward with it. Commissioner Kwiatkowski inquired if any should be eliminated up front.

The Board agreed to have Town Manager Hewett and his staff review the proposals and come back with a recommendation to the Board.

DISCUSSION AND POSSIBLE ACTION ON GOLF CART VIOLATION REPORTING TASKER

Commissioner Kwiatkowski explained the background of her and Commissioner Smith's tasker. She said unless the Board sees details specific to golf carts, they don't really know if there has been a significant impact. She would like the Board to get violations reported monthly at the meetings so they can have measurements that show things are going in the right direction or they need more work. Chief Dixon stated he understands what they are going for. The problem is they do not data track for types of vehicles. When they make a traffic stop, the violation is documented, but the type of vehicle is not. They need to enforce the law for every vehicle, not just golf carts. Commissioner Smith provided information on golf cart violations he has seen from his yard. Chief Dixon doesn't think the data tracking will solve anything. If grown adults choose not to wear a seatbelt, that is their decision. They will continue to write tickets for it, but it is their decision. They are also seeing children not properly in seats. They will continue to enforce the rules, but he doesn't agree the tasker will help.

DISCUSSION AND POSSIBLE SELECTION OF MEMBERS TO SERVE ON BOARDS

Mayor Holden announced the following:

Board of Adjustment - Jack Lohman was selected as a Regular Member and Aldo Rovito and Richard Roberts were selected as Alternate Members. Votes were Regular Member: Jack Lohman – Commissioners Sullivan, Kwiatkowski and Smith, Aldo Rovito – Mayor Pro Tem Brown and Richard Roberts – Commissioner Murdock, Alternate Members: Aldo Rovito – Commissioners Murdock, Sullivan, Kwiatkowski and Smith, Richard Roberts – Commissioners Sullivan, Kwiatkowski and Smith and Jack Lohman – Commissioner Murdock.

Parks & Recreation Advisory Board - Grace Bannerman, Melanie Champion and Mike Pearson were selected. Votes were Grace Bannerman – Mayor Pro Tem Brown and Commissioners Murdock, Sullivan, Kwiatkowski and Smith, Melanie Champion – Mayor Pro Tem Gerald and Commissioners Murdock, Sullivan and Smith, Mike Pearson – Commissioners Murdock, Sullivan, Kwiatkowski and Smith, Suzannah Tucker – Commissioners Murdock, Sullivan and Kwiatkowski, Rosemarie Rovito – Mayor Pro Tem Brown, and Commissioners Kwiatkowski and Smith and Mark Francis – Mayor Pro Tem Brown. The Board voted between Suzannah Tucker and Rosemarie Rovito for the last position. Suzannah Tucker was selected to serve. The votes were Suzannah Tucker Mayor Pro Tem Brown and Commissioners Murdock, Kwiatkowski and Sullivan and Rosemarie Rovito – Commissioner Smith. (Note: after minutes were approved and votes were verified Commissioner Sullivan voted for Rosemarie Rovito and Commissioner Smith voted for Suzannah Tucker.

Planning & Zoning Board – Regula Members selected were Wade Coleman, Sylvia Pate and Pete Pallas. Votes were Wade Coleman – Mayor Pro Tem Brown and Commissioners Murdock, Sullivan and Smith, Sylvia Pate – Mayor Pro Tem Brown and Commissioners Murdock, Kwiatkowski and Smith, Pete Pallas

– Commissioners Murdock, Sullivan and Kwiatkowski, Tracey Thomas – Commissioners Sullivan and Kwiatkowski, John Cain – Commissioner Smith and Mark Francis – Mayor Pro Tem Brown. Mark Francis was selected as the Alternate. Votes were Mark Francis – Mayor Pro Tem Brown and Commissioner Kwiatkowski, Sylvia Pate – Mayor Pro Tem Brown and Commissioner Sullivan, Anne Freeman – Commissioner Smith, John Cain – Commissioner Kwiatkowski, Richard Roberts – Commissioner Smith, Wade Coleman – Commissioner Sullivan and Shannon Ward – Commissioner Kwiatkowski. The Board voted between John Cain, Anne Freeman and Shannon Ward for the last Alternate Member position. John Cain was selected. Votes were John Cain – Commissioners Sullivan, Kwiatkowski and Smith and Anne Freeman – Mayor Pro Tem Brown and Commissioner Murdock.

DISCUSSION AND POSSIBLE ACTION ON GOLF CART REQUEST TO TOWN ATTORNEY

Attorney Green said Commissioner Smith asked if it would be legal to require that golf cart rental companies purchase a yearly permit, require that they complete a safety compliance inspection and have a rules and regulations form for the renters to sign off on. Attorney Green reviewed NCGS 160a-300.6. If the Town develops an ordinance to regulate golf carts and it is within the purview of the state's statute you are good to go. He said it is getting worse, you see infants sitting in the front, with no car seats. A properly designed Town regulation, coupled with the requirement that the carts be registered can be done within statutes.

The Board allowed Kevin Peak to speak. He is a retired lieutenant with the Division of Motor Vehicles, License and Theft Bureau. They were the agency that regulated manufacturing of low-speed vehicles. Mr. Peak agreed with the statute that was mentioned, but said there is a low speed vehicle statute in North Carolina. He said you are operating under that which requires those vehicles to be licensed, registered, insured and North Carolina State inspections to be performed each year. He also manages a local rental company. They do have contracts in place. They have weekly turnovers. Their contract requires you to be 21 or above. He said violations are personal choices that are made, it has nothing to do with the rental company. He said there is a clear-cut difference between golf carts and low speed vehicles. He offered to work with the attorney or Police Department to come up with a plan to help the situation.

Town Manager Hewett stated he would be interested in following up on how property taxes are collected on those vehicles. Commissioner Sullivan said it seems there are enough regulations on the books. If we enforced the ones we have, we would be successful. He stated if the Police Department gives strict attention to golf carts, it will go a big way to solve the problem.

DISCUSSION AND POSSIBLE ACTION ON TEXT AMENDMENT FOR SWIMMING POOL LOCATIONS

Inspections Director Evans would like the Board to decide if they would like to accept the proposed text amendment. It would prohibit pools in the front yard setbacks. He provided history on the amendment. The text amendment was generated by staff and supported by Commissioner Sullivan and Planning & Zoning Board (P&Z) chair Vicki Myers. P&Z agreed with it and wrote a consistency statement. This amendment would remove the ability to allow pools in the front yard. Staff believes that the proposed amendment would help ensure a healthy, safe environment for the Town. Staff believes that the Town never intended to provide for exemptions for pools in the front yard. Staff has concluded that the ordinance allowing for the use was meant to keep clear front yard setbacks to

secure best-case scenarios for impervious runoff. He explained it is also imperative that the Town recognize the benefits of keeping as much open space as possible for occupants to use for parking. Inspections Director Evans added that staff believes there is a danger in swimming pools being located so close to the street rights-of-way. He provided information on what you could do with combined lots, variances and setbacks.

Motion by Commissioner Sullivan that we accept the amended text of section 157.060(D)(7) and 157.061(D)(6) and set a public hearing for the August meeting; second by Commissioner Kwiatkowski. The motion passed by a 4 – 1 vote with Mayor Pro Tem Brown and Commissioners Murdock, Sullivan and Kwiatkowski voting for the motion and Commissioner Smith voting in the negative.

PUBLIC COMMENTS ON GENERAL ITEMS

No comments were made.

TOWN MANAGER'S REPORT

- FEMA Capital Storm Damage Repair Project - The Local Government Commission approved special obligation bonds in the amount of \$27.7 million last Tuesday. We closed on the financing as of Friday. The Notice of Award was issued to Weeks Dredging earlier today. It looks like we will have a project beginning on or about November 15th.
- Seagull Street Paving – issued the Notice to Proceed to Right Angle Engineering to move forward with the necessary surveying for the design work earlier this month.
- Mr. Green requested a progress meeting next week. He is close to being ready to advertise for the lift station 2 upgrade.

MAYOR'S COMMENTS

- Has a bone to pick with Assistant Town Manager Ferguson. She did not do the no rain dance this past Sunday. We were expecting a tremendous crowd. The Tams are our biggest drawing band. There are a lot of disappointed people.
- Overall, the summer is going extremely well. Never seen as many people here. Never seen so many new boats, umbrellas and Shibumis. Police Department and Public Works - sees everyone working hard. After going through last year and all the problems, we have come so far this year. All the renters and day trippers seem to be in a much better mood this year. Appreciates what everyone is doing.
- Goes up the strand a lot. It is very noticeable how the number of smokers has reduced. You hardly see cigarette butts on the beach. The number of dogs on the strand violating our ordinance have come down. The compliance of our overall strand ordinances is much better. It is amazing how people seem to appreciate Holden Beach over our neighboring beaches. Proud of this place.

BOARD OF COMMISSIONERS' COMMENTS

Mayor Pro Tem Brown

- Congrats to all the new board members. Remember you are working for your town, your home. You always want to do what's best for that.
- Listened real close about golf carts. Woke up one morning about a week ago and the first thing he ran into was a golf cart. Went a little further and two bicycles went in front of him. Then he pulled on Ocean Boulevard and there's the garbage truck. We are in the heat of it. This is summertime. Everyone is coming to the beach. We need to keep that in mind. Has heard it both ways on the golf carts. Staying clear on that one. Hoping when we get Ocean Boulevard paved, it will help. Golf carts are nothing that can't be worked out. We just need to realize it is the heat of summer, slow down a bit. Everybody stay safe, watch out for your neighbors.
- It's good to have a good turnout here. Have a good summer.

Commissioner Smith

- Thanked staff, especially for all of the time spent in all the special meetings we had in the past month. Knows their time is important, but appreciates them putting up with all the meetings and they seem to support them.
- Thanked all the citizens that showed up for the public hearing on the pier. It was nice to see that number of people show up to voice their concerns and appreciated the positive comments.
- Thanked everyone here this evening. We have a lot of smart people here. It is good to have them come and want to work on our committees and boards. Makes him proud of this community.
- Thanked Mayor Holden and Assistant Town Manager Ferguson for their quick response on Sunday. Was geared up for some good music, but we all saw the storm coming. They made a good call quickly, that allowed people to make other plans.
- Thanked staff, commissioners and the police chief for doing all they can to keep the golf carts safe. He has seen what can happen.
- The 4th of July traffic moved as well as you could expect it. The Police Department have been doing a great job, thanks.

Commissioner Murdock

- Thanked everyone for showing up. Greatly appreciates the input of the public. Wants to say a few words about the property available on Holden Beach. The pier is included in that. The whole time he has been coming here since he was a kid, this has been a family beach. He is a contractor, but he thinks we have an obligation to preserve something we can get our hands on to keep some open space available for the public and residents to use. He would be glad to put a house on every lot, but in his heart of hearts, the pier won't go on his watch. There is other property that is valuable, anything we can look at purchasing, making it available to the residents, the vacationers and to everyone in North Carolina and far reaches. We all deserve to use this place. If we put a house on every lot, he doesn't know what will be left to use. No matter what comes of the pier, pilings or shape of the building, is in favor of preserving it as it is for as long as we can for everyone to come and enjoy. It is weighing on him that we would let this slip from under us. When all the lots are built, doesn't know where people will go. Hopefully, he represents most of the town as a whole.
- Thanks for coming out.

- Thanks for volunteering on boards. It is a big help to have everyone's opinion.
- Appreciates staff for all the hard work. This is a time-consuming job for everyone. It doesn't go unnoticed.
- Appreciates the Board, they do the best that they can do together and he appreciates it.

Commissioner Sullivan

- Pointed out that when Town Manager Hewett gave his presentation, he skimmed over the fact that we will be able to do the renourishment for the Central Reach Project for \$27 million. In the past four years since the Central Reach Project was done, the federal government, FEMA estimated and authorized us to spend almost \$46 million on the damages. The reason we won't need to spend that \$46 million and can save almost \$20 million is because of work that Town Manager Hewett, Assistant Town Manager Ferguson and staff do. They were able to consolidate the four storms into one mobilization package. The work it takes to get that accomplished is astronomical. Wants everyone to understand we are very fortunate, the staff does a hell of a job for us. It is hard to thank them enough. A simple way to look at it is we are getting the job for \$20 million less than it was authorized for; where do you get that kind of return or reduction in cost.
- We have an obligation to do what's best for the people who voted for us and live here and we can do as good as we can for the rest of the people. We should try to preserve Holden Beach, but Holden Beach isn't the same beach that everyone who has been coming here for 50 years is familiar with. Everything changes. We don't have an obligation to make it available to people from far and wide. We can try and as long as it is feasible and viable, he is all for it. We have to use common sense and be fiscally responsible in that evaluation.

Commissioner Kwiatkowski

- Pier purchase: everyone has heard the basic terms now. You know the debt service estimate, you know we are up for a period of due diligence that will tell us the state it is in. You have heard it is not the Board's intent to increase taxes to pay for the pier. You have heard about grants possibly being available. We have heard from about 50 of you formally through public comment either written or at the meeting. The majority do seem to support the purchase, but a lot of people have conditions, reservations about potential costs, want the property to support itself and expressed concern that they haven't been shown a plan. At this point she can't say with certainty that the assumptions that she and Commissioner Sullivan listed in their paper are still going to be the plan. You have heard some commissioners say even if the building and pier are in bad condition, we still should purchase the property. Teardowns don't bring in lease income, so we don't have that revenue neutral for a number of years. The rationale for the purchase has been based on land value, but its land value is if the property is shovel ready to build on and that's not what that property is. It is not the intent to raise property taxes to pay, but that doesn't mean we will have the money on hand to fund whatever fixes due diligence turns up. We won't know until we get those assessments. Even paying debt service from the BPART revenue flow, if we don't have leasable property and parking income it isn't going to work. Our BPART is healthy, but it is paying for central reach beach nourishment, which is about \$1.3 million, which is almost half of what we get in occupancy tax revenue. It also has to cover our annual tourism related program and service expenses, beach and dune maintenance and administrative and personnel costs. That pretty much takes up the rest of the revenue from occupancy tax. This year we used half a million dollars from BPART Fund reserves to start the first payment for the Corps' study, which we all agreed was

necessary. Next year the cost will be \$800,000 and year three will be \$200,000. We are going to be borrowing later this year for bike lanes. There is discussion about purchasing property for paid parking. She is not implying the Town is not managing our money well, we are. Does sees that we are taking on a lot of debt at once. Thinks we need to look at everything together and not just one transaction after another. When we discuss the budget, has four categories in mind. Debt service obligations are top priority. Then you need to keep Town services and operations going. You have to maintain infrastructure, which includes the beach. Then there is the rest. Has categories for the rest, must have, should have, nice to have. Beach accesses are a must have if a significant stretch of our engineered beach isn't served adequately. Bike lanes are a should have. They have received strong support from our public. From her perspective the pier property is a nice to have. Understands having open space, but there are so many unknowns and probable expenses that must be précised before purchase. If our property owners support the pier purchase, understanding the uncertainties and the risk benefits, then she will do everything she can to make it happen in a fiscally responsible manner. Would like to hear from more of our owners, not through the HBPOA. She needs to hear from individuals. Would like to hear do you support the purchase no matter what, support the purchase as long as it will pay for itself, do you support the purchase if you see a fiscally responsible plan or do you not support the purchase. Has heard a lot of criticism that the Board has been debating without telling anybody anything. Please remember we have been discussing a potential purchase in Executive Session. They are not going to say anything that could negatively affect the Town's ability to negotiate. Now that we are moving into a new phase, there is still going to be confidential matters. Please respect the fact that we are operating under government rules for executive session, under contract, under law. We will tell you what we can when it is appropriate.

- Thanks for coming today. Hopes to see everyone in August.

ADJOURNMENT

Motion to adjourn by Mayor Pro Tem Brown at 7:11 p.m.; second by Commissioner Smith; approved by unanimous vote.

J. Alan Holden, Mayor

ATTEST:

Heather Finnell, Town Clerk