



**TOWN OF HOLDEN BEACH  
BOARD OF COMMISSIONERS  
PUBLIC HEARING/REGULAR MEETING  
TUESDAY, SEPTEMBER 21, 2021 – 5:00 P.M.**

The Board of Commissioners of the Town of Holden Beach, North Carolina met for a Public Hearing/Regular Meeting on Tuesday, September 21, 2021 at 5:00 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; Inspections Director Tim Evans; Assistant Town Manager Christy Ferguson; Public Works Director Chris Clemmons; Lieutenant Frank Dilworth; and Town Attorney Katie Madon. The meeting was livestreamed on the Town's Facebook page.

**PUBLIC HEARING: CONSIDERATION OF ENTERING INTO AN INSTALLMENT FINANCING CONTRACT FOR THE REMODELING AND IMPROVEMENT OF LIFT STATIONS FOR THE TOWN'S UTILITIES SYSTEMS AND PURCHASING PROPERTY LOCATED AT 441 OCEAN BOULEVARD WEST, INCLUDING THE PIER**

Town Manager Hewett explained this is the public hearing for consideration of entering into a financing contract for the remodeling and improvement of lift stations for the Town's utilities systems and purchasing property located at 441 Ocean Boulevard West, including the pier. This is for lift station 3, located at 794 Ocean Boulevard West, which has already been accomplished. The borrowing would reimburse the Town for the investment already made on a cash basis. It also includes the pending cost of the proposed improvement to lift station 2, at the corner of Greensboro Street. Together those costs are proposed at a price of \$5.2 million. The purchase of the pier property is proposed at an amount not to exceed \$3.3 million. The resolution is in the packet and outlines the particulars of the agreement. We have our bond counsel and financial consultant in attendance if there are questions.

John Witten said he is representing the Holden Beach Property Owners Association (HBPOA). He said they currently have about 1,400 households that are members of the association of the approximately 2,400 households on the island. He said at their Labor Day meeting, their membership adopted a resolution that says the HBPOA doesn't support incurring the \$3.3 million in debt associated with the pier part of the funding and is opposed until there is more information on plans. He said due to COVID, there was only about 30 households represented at the meeting, so they decided to poll their membership. They received about 345 votes from the members. Mr. Witten said the vote was nearly unanimous at the meeting and the poll of members is running at about 82% of the people who responded opposing the purchase.

Dan Alman went over his math for the purchase of the pier, which comes out to \$10,700 per month for 30 years. He said that doesn't include insurance or loss of taxes from the current owner. He asked if the Town has that kind of money, not to mention for the repairs that need to be done.

Gay Atkins asked if an inspection was done on the pier and the results of it. She inquired about the cost of tearing down the restaurant, tearing out the septic tank and the cost of insurance. She asked if there will be a public and owners' access and that cost. She asked how the Town will make money to pay for everything.

Beverly Compton thinks more information should be provided before the public speaks. She doesn't know how to comment if she doesn't have the presentation.

Mayor Holden closed the public hearing at 5:15 p.m.

## **REGULAR MEETING**

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

## **PLEDGE OF ALLEGIANCE**

## **AGENDA APPROVAL**

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

## **APPROVAL OF MINUTES**

*Motion by Mayor Pro Tem Brown to approve the minutes (Public Hearing/Regular Meeting of August 17, 2021 and Special Meeting of September 1, 2021); second by Commissioner Murdock; approved by unanimous vote.*

## **PUBLIC COMMENTS ON AGENDA ITEMS**

No comments were made.

## **SEPTEMBER MONTHLY REPORT AND WASHINGTON LEGISLATIVE AND ADVOCACY UPDATE – MIKE MCINTYRE, WARD AND SMITH AND ROGER GWINN, THE FERGUSON GROUP**

Assistant Town Manager Ferguson introduced Mike McIntyre, Roger Gwinn and Stephanie Missert (Ms. Missert was on the phone). Mr. McIntyre talked about the Corps' project. The Corps agreed the Town should not have to start again. We are able to use the 1966 authorization which saves the Town a significant amount of time and time is money. Now the benefits can occur earlier. Working with Senator Burr, Senator Tillis, Congressman Rouzer and their staff and the Ferguson Group, we were able to unite as a team to secure approval of the study to move forward. The Corps will enter 3/3/3 Project, which is an opportunity for no more than \$3 million to be spent on a study, split 50/50 between the federal government and the Town; three years to get it done and the three levels of review. The feasibility cost sharing agreement was signed on August 27<sup>th</sup>. Mr. McIntyre congratulated the Town.

Mr. McIntyre said they are continuing to track two other major pieces of legislation that are moving through Congress. One is the fiscal year 2022 appropriations. Congress decided to extend a continuing

resolution to keep the government functioning at least until December 3<sup>rd</sup>. He knows the maintenance dredging of the Lockwood Folly Inlet is an ongoing concern. This is the year that Congress gave up on earmarks. It ended up letting agencies with bureaucrats make decisions. Congress realized that they had given away an opportunity to oversee these decisions. This is the first year after 10 years for Congressionally directed spending, where they can make direction on how certain money is spent. They went through that process and worked closely with Congressman Rouzer's office. They made a request and the request was granted at \$1.05 million to help with Lockwood Folly maintenance dredging. In the Senate, Senator Burr submitted a request. They worked with his office and they got a \$1 million request to support Lockwood Folly. The Senate Appropriations Committee did not include it in their final decision for the Energy and Water Development Appropriations Bill. When it goes to conference between the House and the Senate, they will need to work out the differences. Mr. McIntyre said they are also tracking the Bipartisan Infrastructure Package. If that is passed it will include \$4 billion for the Corps' operations and maintenance budget. That budget is where the dredging money comes from to help places like Lockwood Folly. They are optimistic that if the other situation doesn't work out, the Corps will have abundant money to get it done in operations and maintenance. They are also passing the budget reconciliation package, the \$3.5 trillion bill. If that passes, they want to make sure that is another opportunity to help with projects.

Mr. McIntyre provided information on a couple other items of interest they are tracking including a component that includes a ban on offshore drilling; an order directing FEMA to extend the 100% cost share for all eligible Category B, Protective Measures incurred by local governments in light of COVID-19; the revision of FEMA's Preliminary Damage Assessment Guide and Pocket Guide; and the announcement from FEMA of the partial implementation of a federal flood risk management standard for all areas designated as being assisted by hazard mitigation assistance programs. FEMA is seeking public comment on the National Flood Insurance Program that could affect everybody with regard to flood insurance rates. They want input from the public on the Community Rating System. FEMA has revised the regulation regarding the public assistance appeals process. The NEPA process is being looked at to be revised.

Commissioner Kwiatkowski asked where the EPA is on their PFAS Program they are supposed to be putting together. Mr. McIntyre said PFAS Assistance money is being made available for water and sewer projects for ones that are yet to be built and ones that are currently being built. He can follow up with more details.

Mr. Gwinn congratulated the Town on the Corps' study. It is exceptional how quickly it has been moved forward from a dormant status to signing the agreement. Resources seem to be in a good place at this time.

Beverly Compton asked what the 1966 request was for. Mr. McIntyre went over the original authorization and progress since that point.

Mr. McIntyre spoke to the governor's office today about keeping the state share for the beach monies. Mayor Holden said he is proud to report that the relationship between the Town and the Corps is as good as it has ever been.

## **DISCUSSION AND POSSIBLE ACTION ON RESOLUTION 21-13, RESOLUTION APPROVING AN INSTALLMENT FINANCING CONTRACT AND DELIVERY THEREOF AND PROVIDING FOR CERTAIN OTHER RELATED MATTERS**

Assistant Town Manager Ferguson explained the resolution was prepared by our bond attorney firm and is required for the financing package. She introduced Scott Leo from Parker Poe and Andrew Carter from DEC Associates. Commissioner Kwiatkowski questioned the appropriateness of having one resolution, instead of two separate ones. She believes the Board needs to reexamine how much the Town wants to borrow for the sewer station. She stated when the Board initially approved the resolution last October, we were not looking at additional borrowing like we are now, which might reach an additional \$5 million. She said she prefers to have separate resolutions for the lift stations and the pier. Mr. Leo explained the resolution was prepared as part of the financing package for when the Town sought proposals from banks. The winning bidder at this point was Truist Bank to finance all of the projects together. This resolution was prepared that way, but it is the Board's prerogative to do what they see fit. He said the Board can split the resolution if it's the Board's prerogative. At this point the Local Government Commission (LGC) has not approved it yet, so the application would need to be revised. Mr. Leo added we would need to go back to the banking partner to see if they are still willing to approve it on the basis the Board wants to approve it on. Town Manager Hewett said when the financing package was developed, they put out solicitations for an amount not to exceed \$8.5 million. He inquired if that would need to be resolicited since the amounts would be different. He said that wouldn't be able to get done to meet the October 15<sup>th</sup> LGC date. Mr. Carter said if the deal changes enough, they would need to work with the winning bank.

*Motion by Commissioner Kwiatkowski that we rewrite Resolution 21-13 to cover the financing related to the improvement/remodeling of lift stations and write a separate resolution for the pier; second by Commissioner Sullivan.*

Commissioner Murdock said his concern would be that the terms would change enough if you split them up. He said you have a not to exceed number, which means you don't have to spend it all. He doesn't know the benefit to splitting them up. Mr. Carter said we have told them we would borrow no more than \$8.5 million, but close to that amount. If the amount drops in half as an example, he may need to go back to the bank to see if there are issues on the lending side. He won't know the answers until he talks to the bank. Town Manager Hewett stated he thinks the Board needs to be aware if there is a delay moving the application forward, he would forecast the next time the Board will be able to apply for financing is probably in the February timeframe.

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

*Motion by Commissioner Smith to approve the resolution as written, 21-13; second by Commissioner Murdock; approved 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 AWARD OF CONTRACT FOR VACUUM SEWER SYSTEM #2 UPGRADE**

Town Manager Hewett provided background on the topic. Mr. Green said the first time we advertised it, we only received one bid. They readvertised it and opened the bid yesterday. T.A. Loving is the company

that has built the improvements to lift stations 3 and 4. He went over the information he provided to the Board with previous amounts paid and the current bid of \$2,664,000. Mr. Green said it is indicative of what we are seeing in the construction industry. Prices continue to go up and the availability of labor is limited. There is plenty of work and materials are scarce. That is all reflected in the bid we received. Mr. Green went over some of the differences in the projects. The Board talked about the prices and availability of supplies. Mr. Green explained they backed off the aggressive schedule and added about five months to it. They did everything they could to keep the price down. He talked about options for proceeding. He confirmed we will need to go through another hurricane season before it is finished.

Mayor Pro Tem Brown stated that wood prices in construction are getting back to normal. He wondered if we would see the same thing on metal and wire if the time factor plays in. He suggested the Board should give thought to waiting. Commissioner Murdock said there is also the interest rate factor. Town Manager Hewett said there will be a whole bunch of American Recovery Act money that will enter in for the purpose of water and sewer improvements. That will further favor the contractors on coming in with higher prices. Mr. Green agreed. Commissioner Sullivan said after the Central Reach Project happened, we thought the next project would be more expensive because of the lack of ships and dredgers that would be able to do the job. When we put out the bid, we were able to save \$20 million from what we were authorized to spend. He said he has not heard that interest rates will climb to 4% or 5% in the next year. He said he thinks the Town would be better to wait and rebid the project. He thinks we are buying in at the highest point. Commissioner Kwiatkowski agreed. Mr. Green confirmed that if there is a delay it will not change the engineering costs. Town Manager Hewett said part of the facility upgrade required that the Town procure the skid for the equipment that goes on that. That is a \$200,000 piece of equipment with a lead time of four – five months. They ordered that in July. The Board discussed waiting.

*Motion by Commissioner Kwiatkowski that we do not accept the current bid and we defer work on lift station 2 until there is a determination it is an appropriate time to go back in; second by Commissioner Sullivan; approved by unanimous vote.*

Town Manager Hewett asked if the Board is in agreement that the Town should move forward with the reimbursement loan request for lift station 3 that has already been paid for. The Board agreed. Commissioner Sullivan asked if this change will materially change the application so that we will not be able to get it done in a timely manner. Mr. Carter responded that he would need to go back to the bank because the amounts have changed enough. The collateral in the deal were the sewer lift stations and we are taking about half of that away. He said there is a very small window of time to make any decisions. The amount for lift station 3 is \$2.517 million.

## **DISCUSSION AND POSSIBLE ACTION ON DRAFT PARKS & RECREATION MASTER PLAN**

Assistant Town Manager Ferguson provided background information on the draft plan. The plan is useful for grants. We have used excerpts for the grant application in the Board's packet. The draft was unanimously approved by Parks & Recreation Advisory Board (PRAB) and it is before the Board for consideration. She introduced Michael Norton and Mike Norris from McGill. Members of the PRAB are also in attendance. Town Manager Hewett stated this is the second plan. The first one was done 10 years ago. It was the foundation document required for the grants that went into Bridgeview Park. Assistant Town Manager Ferguson said the granting agencies look at plans being reviewed every five – seven years

to be current. They will accept up to 10. It serves as a guide; you can modify it. You can do things outside of the plan if opportunities present themselves.

Commissioner Kwiatkowski said she put a couple of pages of comments together (hereby incorporated into the minutes). She reviewed some of her comments, including working in the AARP livable community concept; a forward-looking framework acknowledging that as an island community there are things that are special to us around resiliency, the need to protect our investments; and suggestions for 796 Ocean Boulevard West. Commissioner Kwiatkowski has questions about the demographics. She talked about COVID-19 challenges and would like to send the plan back to the community. She thinks it would benefit from another four – six weeks of work. Assistant Town Manager Ferguson said she did review old minutes. McGill was not directed during their contract process to include AARP as part of the plan. It was in the Land Use Plan and they were to compare with the Land Use Plan to make sure it was not in conflict, but they were not directed to do this as part of the plan. Since the Board did not communicate that request, she did not take that forth to McGill.

Mike Norris stated they received a lot of good community input. The meetings were well attended and had a good cross section of participants. This was a plan driven by the community. A lot of the recommendations were made from public input, stakeholder focus groups and the survey. Mr. Norris said as a standard for parks & recreation master plans, you want to make sure they are consistent with the state and national standards with how and what they put as recommendations. He said particular elements of a plan are looked at, so they wanted to make sure that followed a recognized standard for recreation. He said they wanted to make sure the plan was inclusive of all ages and for people of all abilities. Mr. Norris said the footprint of what they are proposing is a minimal footprint. He went over some of the recommendations in the plan and went over why it was prepared the way it is. He stated he thinks the plan meets the spirit of the community. Visitor input was very consistent with property owners. He thinks that reinforces what they are proposing.

Commissioner Murdock reviewed his view of what is contained in the plan. As of right now, he thinks the plan is as good as it can get. It's a document that can be changed and he thinks the Board needs to move forward with it. He thinks they did good job. Commissioner Smith stated he was part of a couple of focus groups and it was interesting to see that a number of the people on and off the island had the same ideas. He said as someone who attends the activities, those things seem to be what makes the community gel together. The plan seems to continue to move that forward. Commissioner Sullivan thanked the members of the PRAB for their hard work. He went to a couple of meetings and they reviewed the plan with a fine tooth comb. He looks at page 31 and thinks the Town is in good shape when it comes to the amenities and facilities that are expected for a community of our size.

*Motion by Commissioner Smith to approve the Parks & Recreation Master Plan as written; second by Commissioner Murdock. The motion was approved by a 4 – 1 vote with Mayor Pro Tem Brown and Commissioners Murdock, Sullivan and Smith voting for the motion and Commissioner Kwiatkowski voting in the negative.*

## **POLICE REPORT – LIEUTENANT DILWORTH**

- Experienced the normal decline after Labor Day in the amount of visitors, traffic and call volume. Planned to do Booze it or Lose it that weekend, but had staffing shortage due to COVID.

- The next major event is the Run HB half marathon which is October 9<sup>th</sup>. It is put on by Coastal Race Productions, in coordination with the Town. The event occurs on and off the island. Went over the details.
- Pets can be back on the beach all the time. When you are off of your personal property they need to be on a lease and you need to clean up after them.
- Speed limit changes October 1<sup>st</sup> from Greensboro Street west to 45 MPH. Low speed vehicles (LSV) can no longer be operated on Ocean Boulevard in a 45 MPH zone because of state law.
- Keep a watch on hurricane activity.
- Went over the report on the LSV extraction of charges.

Commissioner Smith said in watching the golf carts over the summer, it is hard to imagine only five infractions in a 30-day period. Lieutenant Dilworth stated they look at the big picture on the island and enforce things as they observe them. They still had 483 other events in the month of August.

## **DISCUSSION AND POSSIBLE ACTION ON REVISED SYSTEM DEVELOPMENT FEES**

Town Manager Hewett explained the proposed revision is based on the report created by Raftelis. The Board adopted an effective date of October 1, <sup>2021</sup>. The proposed fees are \$460 per bedroom for a water system development fee and \$2,240 per bedroom for a sewer system development fee. The credit for prior paid sewer share fees remains the same, the fee is amended to reflect the cost of \$2,240. Inspections Director Evans went over current fees versus proposed fees. He said it is relatively a decrease across the board. Commissioner Kwiatkowski explained she thinks the Town should at least be neutral in the fees. That would mean the water system development fees should be \$560 per bedroom so that no building development activity would pay less moving forward than it would have paid in the past couple of years.

*Motion by Commissioner Kwiatkowski that the water system development fee should be \$560 per bedroom rather than \$460 and the sewer development fees be the \$2,240 as allowed. No second was made.*

*Motion by Commissioner Murdock to approve Resolution 21-14 as written; second by Commissioner Smith; approved by a 4 – 1 vote with Mayor Pro Tem Brown and Commissioner Murdock, Sullivan and Smith voting for the motion and Commissioner Kwiatkowski voting in the negative.*

## **DISCUSSION AND POSSIBLE SELECTION ON PARKING FIRM**

Town Manager Hewett explained staff met with Premium Parking and Otto Connect to see which firm would be better suited to implement a paid program for the Town. Six staff members participated in the process, inquiring as to price, user interface and some of the program implementation logistics. Otto Connect was unanimously selected as the staff's recommendation to the Board.

Commissioner Sullivan stated he doesn't think the Board approved paid parking yet. He thinks it is premature to award a contract to the vendor until they do. There has been some discussion about preventing people from parking in the rights-of-way. The Parking Committee hasn't made the recommendation to the Board on what they would like paid parking to look like. He is fine with accepting Otto as the potential vendor, but not asking for a contract before the Parking Committee gives the Board something to vote on. Commissioner Murdock agreed. He thinks the Town needs a vendor that is knowledgeable in paid parking before the idea can be entertained. He said he thinks the Board needs to

get someone so the Parking Committee has someone to work with so we can take a step forward or not do it at all. Attorney Madon said it sounds like the Board may want Otto as a consultant at this point, rather than a contract for services. It may be something they are willing to do.

*Motion by Commissioner Murdock that we approve Otto as the Town's parking vendor if paid parking does come to pass at Holden Beach; second by Mayor Pro Tem Brown.*

Attorney Madon said she thinks the wording is difficult. At this point it might be best to table the item or see if they would be willing to come on as a consultant.

*Commissioner Murdock amended his motion that we ask Otto as a potential parking vendor to come on as a consultant at this time for the Parking Committee to further make a decision on paid parking. Mayor Pro Tem Brown agreed with the amended motion.*

Commissioner Kwiatkowski asked the budget consideration if this needs to be an agreement with money attached. Attorney Madon said the Board would need to see what they would propose. Right now, they are looking at approving them as a consultant. They may not be willing to do that.

Town Clerk Finnell read the motion.

*After discussion Commissioner Murdock withdrew the motion.*

Town Manager Hewett said he can ask Otto what would be involved in asking them to be our consultant and get a fee schedule from them. He said a parking consulting services proposal could be brought back to the Board. The Board all agreed to his suggestion.

## **DISCUSSION AND POSSIBLE ACTION ON DIVISION OF COASTAL MANAGEMENT, NORTH CAROLINA PUBLIC BEACH AND WATERFRONT ACCESS GRANT APPLICATION**

Assistant Town Manager Ferguson went over the grant background. The final grant application is for the 50-foot-wide oceanfront lot only based on the lack of clarity DCM has in their current funding policy regarding public parking purposed for paid parking. The grant was for \$180,460. If the grant is awarded, the Board would still have to choose to accept the funds.

Commissioner Sullivan asked if there is still a question on if the Town could pay for parking in the 50-foot area or for the whole piece of property. Assistant Town Manager Ferguson answered that they separated it out to make sure it is free and clear of any rules that come with parking. The CRC is voting on language. It sounds like they are going with if you have paid parking at a site that they fund, it has to be for the purpose of maintaining that site only. They carved out just this access point, not where we are considering paid parking.

*Motion by Commissioner Smith to have the grant application considered for funding by the Division of Coastal Management; second by Mayor Pro Tem Brown; approved by unanimous vote.*



**DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 21-29, AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021 -2022 (AMENDMENT NO. 5)**

Town Manager Hewett said we received the first allotment of ARP funding. The funding allotment was a little higher than what we originally estimated in the budget to the tune of \$8,807.55. That same amount should come to us again next year. The proposed amendment allocates the \$17,614.10 to ARP Project Expenses and recognizes the corresponding revenues and expenses. The original amount in the ARP Project Expenses was budgeted for in the annual budget and was earmarked for stormwater expenses.

*Motion by Mayor Pro Tem Brown to approve Ordinance 21-29; second by Commissioner Smith; approved by unanimous vote.*

**DISCUSSION AND POSSIBLE ACTION ON ORDINANCE 21-30, AN ORDINANCE AMENDING ORDINANCE 21-13, THE REVENUES AND APPROPRIATIONS ORDINANCE FOR FISCAL YEAR 2021 -2022 (AMENDMENT NO. 6)**

Assistant Town Manager Ferguson said the proposed ordinance provides \$168,090 in current year funding via a reappropriation of a prior year encumbrance for vegetation and sand fence installation. The work has been completed.

*Motion by Mayor Pro Tem Brown to adopt Ordinance 21-30; second by Commissioner Murdock; approved by unanimous vote.*

**DISCUSSION AND POSSIBLE ACTION ON LIMITING MEETING TIME**

Mayor Pro Tem Brown suggested prioritizing Town business to limit the meeting time to two and a half hours. If the Board is not finished, the business could be moved to another agenda. Commissioner Murdock explained he is diabetic. He can sit up there, but the last meetings were three hours and 45 minutes for two of them and four and a half hours for the last one. They didn't finish at the last meeting and the Board was exhausted and out of patience. He would rather have a second meeting a month if that's what it takes. He talked about tabling items or taking a recess when the meetings run long. He would sit through it for the benefit of the Town, but he thinks for everybody's benefit, it should be limited. Commissioner Murdock said there is a limit on public comments. If the Board can have 30 minutes to talk, so should the public.

*Motion by Commissioner Murdock that we limit the meetings to somewhere between two and a half and three hours; second by Mayor Pro Tem Brown.*

Attorney Madon suggested that when the meetings get long, someone can make a motion to recess to be voted on by the Board. She thinks a blanket rule could potentially cause issues. Mayor Holden stated he thinks what she is saying is that with parliamentary procedure, they have what they want, without having to do that. Mayor Holden stated some of the Board still works at 6:30 a.m. or 7:00 a.m. and go to the meetings at 5:00 p.m. That turns into 15- or 16-hour days. Commissioner Kwiatkowski states she doesn't think anyone would object to recessing as long as a time is set within a couple of days to come back and finish the business. She went over the Board's Rules of Procedure for time limits.

*Commissioner Murdock withdrew the motion. Mayor Holden said he thinks everyone is in agreement that they want to be reasonable with time.*

## **PUBLIC COMMENTS ON GENERAL ITEMS**

No comments were made.

## **TOWN MANAGER'S REPORT**

- Encouraged everyone to get your hurricane decals if you haven't procured them yet. We are in the middle of hurricane season, now is the time to get them. Don't wait until we have one banging on our door.
- We have submitted our draft grant application to the Grand Strand Area Transportation Authority for federal directly attributable funds for the bike path burden share. It will be reviewed by the Transportation Coordinating Committee on Friday and hopefully will be moving to the Transportation Advisory Committee later in October.
- Just received a \$79,000 reimbursement from the Division of Water Resources for a portion of our vegetation project.
- Passed along comments from the PRAB chair on how clean the beach was.
- The Mountains to the Sea Cycle NC will be using the Town as its terminus in October 2022.

Commissioner Kwiatkowski asked about the October festival. Mayor Holden said he made several calls and talked to several people. The summary is the festival is on go for the last weekend of October. The parade is in question. The festival is subject to the governor's regulations, but they are planning on having it.

## **MAYOR'S COMMENTS**

- Three weekends ago, counted the boat trailers and trucks on the east and west side of the bridge. Stopped counting when he got to 75. Estimated the number was around 100 – 105. They were lined up past the HB Chapel. They were mixed and mingled in between cars. We are going to have to do something. The land that Holden Beach Enterprises had for sale for a reasonable price is now \$5.5 million. There is no way the Town can afford that at the present time. Doesn't know what the answer is. It upsets him when he goes to Sunset Beach, Ocean Isle Beach and Oak Island. It seems everyone that is an island has a better boat ramp facility than the Town. We have the smallest, most out of date, most unsafe boat ramp facility for any of the municipalities of our islands. It is embarrassing. People are talking about almost fist fights at the ramp and people are waiting over an hour to use the ramp. Talked about people's experience. Something needs to be done. He doesn't know where everyone will go when Holden Beach Enterprise's property is gone. Asked that the boat ramp and trailer parking be on the agenda for the next meeting. It may involve asking Wildlife and other state officials to be here and give the opportunity for these people that are complaining to let these people hear what the Board is hearing. When you go to the other boat ramps, the concrete finish is much safer than the one here.
- No wake zone – doesn't know if this needs to be part of the same subject. If not, wants that on the agenda as well. Have a no wake zone from essentially Betty's Waterfront to the west end of the Yacht

Watch Subdivision. Boats and jet skis run under the bridge wide open. Lives on South Shore half the time and 191 East half the time. There are five boat docks within a couple hundred yards of his house that had work done on them this year, beating and banging from some of the bigger boats making wakes. The laws are on the books and we need to do what the law states.

- As he always says, if there is not a storm in sight October 15<sup>th</sup> it means we made it.

## **BOARD OF COMMISSIONERS' COMMENTS**

### Mayor Pro Tem Brown

- Mayor Holden covered things pretty well.

### Commissioner Smith

- Thanked Assistant Town Manager Ferguson and the PRAB for all the hard work putting the plan together. There was a lot of hard work that went into it and it is very much appreciated.
- Low Speed Vehicles State Regulation Enforcement - there seems to be a disconnect. With us always being worried about the safety of the people on the island, doesn't understand why that is being overlooked.
- Thanked Town staff for working hard to find a good parking vendor. If we can get them to come on board and work with us, is hopeful we can have some of this in place by next year.
- Been a great summer, great concerts and activities. Hope we can make it through another three weeks to get through the danger zone of hurricane season. With the Police Department and the right turns on Saturday it seemed to be an easier summer, even though there seemed to be more people here.
- Thanked Mayor Holden for talking about the no wake zone. Has been talking about this with Dr. Caldwell for months. There is something on the books that seems to have all of a sudden fallen off a cliff. Having that on the agenda for the next meeting is a great idea and a move in the right direction.

### Commissioner Murdock

- Thanked staff. They work hard to put this stuff together for the good of the Town. It's not an easy feat.
- The pier has been a subject of conversation. Do we have a solid plan to purchase the pier right at this second, no. The pier is under contract pending an inspection, which he doesn't expect to be good and doesn't think anyone in the Town does. If the pier and building weren't there, there are seven oceanfront lots that we are purchasing at a very good price, \$460,000 apiece. He thinks in the market right now they are bringing in about \$690,000, if there are any available at all. Realizes it would take about \$20,000 to remove the pier building, not sure what it would take to take down the pier, but at the worst, we would have seven oceanfront lots, public access and property that is preserved for generations to come. There has to be a way to get the pier fixed, rebuilt, raised up. We may tear it down and build something better. Everyone wants to know if we have a plan in place to pay for it. We've had some great years of occupancy tax. Part of that money has to be spent on things such as that. We can take some of that money if we need to, not all of it. If we get paid parking implemented; we don't really have that many parking spaces right now. They all will be in someone's yard. All of those yards and vacant lots are going away every time someone puts pilings in the ground. If they put pilings in the yard at Block Q, doesn't know where you will have festivals, how people will get to the boat ramp or where people will park for concerts. There have been two previous boards that had really good opportunities to buy it. It was a whole lot cheaper, nowhere near what they are asking

today. Thinks if we had enough spaces for paid parking, it is conceivable we would have most of the money to make the payments to make this work. If you let it go, hindsight will get you. Brought Block Q to this Board in January and it was shot down. Thinks the HBPOA puts out great information, but also thinks some of the information gets a little twisted. Can drive the bus just as good in a different direction. Thinks if it was worded the same and if you tried to get support from the community instead of discourage or make it look like it is going to be a burden; even if the taxes had to be raised to pay for every bit of it, it would be about \$100 a year. You have been willing to absorb money for sewer and the Central Reach Project. Why not \$100 a year for the pier and seven oceanfront lots. If it is the consensus of the HBPOA that you don't want people to have parking or accesses, that whole canal community will not have access to the beach, just say it. Wants people to enjoy the beach. Unfortunately, it is one of the best economic times to sell, prices are high. Need to figure out if there is a way we can come together as a community and figure out how to pay for this, whether we use it or not. That pier never has to open, but it's there in case we decide to do something with it in the future, just like 796 Ocean Boulevard West has been sitting there for two years. It is the same principal. This is Holden Beach and Holden Beach needs property.

#### Commissioner Sullivan

- He and Commissioner Murdock have different ideas on the pier and what is important and necessary for Holden Beach. If you look and read the comments of the Parks and Recreation Master Plan, there are a lot more comments for keeping Holden Beach the way it is and not worrying about the people who come here to visit and the people who come here for daytrips. Read the comments and see what they have to say about the cost for making it more accessible and more inviting. We already have plenty. We are an open community and are welcome to everyone. If you have to get here at 5:00 a.m.; he came from the east coast, when you wanted to go to the beach you had to get there early or else there was no place to park. If you can't park and get to the beach you had to come home. That's not unique to this island. Had the conversation about the pier for the last five months. Problem is there is so little information that is out to the people. The reason for that is that the laws in NC make us have closed sessions to discuss items. Going to have a closed session tonight. We just got in a very preliminary report on the inspection of the pier. Going to consult with counsel to find out what can be put on the Town's website so that people have access to the information the Board has, everything that is legally permissible. Wants people's input. If we can purchase the property at a reasonable price and we can pay for it, that is great. Thinks everybody is in favor of that, but nobody wants to purchase something without knowing what the eventual total cost would be and the potential impact on taxes. The more people we invite and the more people it is available to, the more this beach changes. People come here and pay rentals of \$6,000 - \$7,000. They don't pay that because they want to be sitting on the same blanket as the guy next to them. They don't pay that because they want to be on Ocean Boulevard for 15 minutes to get where it used to take them five minutes. All of these proposals that will increase the traffic and increase the amount of people on the island, you need to think how it will affect the people on the island, not just the people who are allowed to go home at the end of the day.

#### Commissioner Kwiatkowski

- Will be having discussions about the pier and they probably will go on for a while. The initial discussion around preserving Holden Beach; we want to keep Holden Beach the way it is. There is a fishing pier, we want to maintain the fishing pier. There is an old restaurant, we don't want to make big changes.

We want to have a restaurant there, maybe a little better. This was the initial discussion, she is not sure where it is anymore, but she can assure you initial discussions were about trying to maintain the status quo and bringing it back to its glory days. Was in favor of pursuing it if it can be shown that it will more or less break even. Still in favor or pursuing that if it will more or less break even, but there have been no assumptions put together. Believes assumptions could be put together on this that could give a reasonable idea. Doesn't get when the discussions morph into let's make a boardwalk or do other things; thought they were trying to maintain something. Will try to stay open minded. When it starts getting into a big change, that's not where she started out or where she is going to go. Thanked the HBPOA for what they are doing and all of the people who wrote comments. All will do the best they can.

**EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(5), TO INSTRUCT THE STAFF OR AGENT CONCERNING THE NEGOTIATION OF THE PRICE AND TERMS OF CONTRACTS CONCERNING THE ACQUISITION OF REAL PROPERTY**

Town Clerk Finnell read the reason to enter into Executive Session.

*Motion by Mayor Pro Tem Brown to go into Executive Session at 7:48 p.m.; second by Commissioner Murdock; approved by unanimous vote.*

**OPEN SESSION**

The Board went back into Open Session at 8:26 p.m. No action was taken.

**RECESS**

*Motion by Mayor Pro Tem Brown at 8:26 p.m. to recess until next Wednesday morning (September 29, 2021) at 8:00 a.m.; second by Commissioner Murdock; approved by unanimous vote.*

**RECONVENE – WEDNESDAY, SEPTEMBER 29, 2021**

Mayor Holden called the reconvened meeting to order at 8:01 a.m. on Wednesday, September 29, 2021. 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; and Town Attorneys Katie Madon and Rick Green.

**EXECUTIVE SESSION PURSUANT TO NORTH CAROLINA GENERAL STATUTE 143-318.11(A)(5), TO INSTRUCT THE STAFF OR AGENT CONCERNING THE NEGOTIATION OF THE PRICE AND TERMS OF CONTRACTS CONCERNING THE ACQUISITION OF REAL PROPERTY**

Town Clerk Finnell read the reason for entering into Executive Session.

*Motion by Commissioner Sullivan to enter into Executive Session at 8:01 a.m.; second by Mayor Pro Tem Brown; approved by unanimous vote.*

## OPEN SESSION

The Board went back into Open Session at 9:15 a.m.

*Motion by Commissioner Sullivan that the Town go back to the seller of the pier property and ask for an extension of the due diligence and closing periods; second by Commissioner Kwiatkowski.*

Commissioner Sullivan said this is based on the information the Board has, the lack of the full inspection for the pier property, which he thinks is information that is necessary to make a decision on how much it will cost to repair it and keep it safe. At this point the due diligence period is going to expire in two days. He would like to get an extension of the due diligence period so that the inspection could be completely done and the Board would have a full understanding of the entire cost of the purchase of the property, not just the purchase price. The Board discussed how long of an extension the Town should ask for.

*Commissioner Sullivan amended his motion to extend the due diligence period to November 19, 2021. Commissioner Kwiatkowski agreed to the amendment.*

The Board further discussed the extension.

*The motion passed by unanimous vote.*

Attorney Madon said the Board needs to put a timeframe on when the extension request has to be accepted. They also need to address the closing date. The closing date and extension timeframe were discussed.

*Motion by Commissioner Kwiatkowski to define the closing date in the contract as the last day of February; second by Commissioner Sullivan; approved by unanimous vote.*

The extension timeframe was further discussed. Commissioner Sullivan suggested having the response due by noon Friday. Attorney Green suggested making a motion to terminate if the change is not accepted. Attorney Madon added that would be put in writing with the offer to extend.

*Commissioner Sullivan amended the motion to request a response by the end of business on Friday and failure to receive a response will result in termination of the contract at that time. Commissioner Sullivan amended his motion to 12:00 p.m. on Friday.*

Meeting on Friday was discussed.

*Commissioner Sullivan amended his motion to that we get a response from Mr. Bass by 12:00 p.m. noon on Friday. If the response is in the negative to our request, or requesting some type of counter proposal, at that point we will have a special meeting and if it is a denial we will terminate. No second was made.*

*Motion by Commissioner Kwiatkowski that we request a response from Mr. Bass by noon on Friday, no response will be taken as negative and the contract will be terminated; second by Commissioner Sullivan.*

Town Clerk Finnell read the motion. Commissioner Sullivan said the motion with the language to terminate was suggested by our counsel. He believes that based on that it should be part of the request to Mr. Bass.

*The motion passed by unanimous vote.*

Attorney Madon explained there is an option to offer more due diligence or earnest money. After discussion, the Board decided to talk about money on Friday.

Commissioner Kwiatkowski stated there are three items that are in hand related to the purchase, the appraisal, the engineer's report and the Town inspector's report that she believes should be made available for the public so people can review them. She said they could be put in the October packets or on the website. Commissioner Sullivan suggested doing both. The lack of information in great part is due to the open meetings law. We are getting to the point where certain documents can be disclosed.

*Motion by Commissioner Sullivan that we include the documents that were referred to in the packet for the next Board of Commissioners' meeting and we also post it on the Town website under proposed pier property purchase; second by Commissioner Kwiatkowski; approved by unanimous vote.*

Attorney Madon explained that Parker Poe created a resolution reflecting the removal of the lift station project that is now on hold (lift station2). The pier would also need to be removed. Town Manager Hewett said it would now be only for the reimbursement of the lift station that has already been constructed. Attorney Madon said the proposed resolution in front of the Board would need to be amended to reflect the removal of the pier property.

*Motion by Mayor Pro Tem Brown to approve the resolution (Resolution 21-15) with the amendments discussed; second by Commissioner Smith; approved by unanimous vote.*

The Board agreed to schedule a Special Meeting for 12:15 p.m. on Friday to discuss the pier contract.

Mayor Holden stated he has been scheduled for weeks to be out of town beginning on Thursday. He mentioned the fact that he can't participate and has not been participating in the discussions of the pier and the fact that there is registered certified mail going out stating that he is continuing to be the agent for the pier property and that he continues to participate, which everyone in the room knows is not true. Individuals are also spreading that information which is not true. The fact is that he has not or will not participate in the meeting Friday, other than procedurally. If he is not here, it doesn't really make a difference because Mayor Pro Tem Brown can run the meeting. If he is not there, it is because he is out of the state and it has been planned for an extended period of time. He hopes this is another opportunity to everyone who is listening and accusing him of participating to reaffirm he is not getting any commission from this and he is not participating. Mayor Holden said he thinks it is continuing to be unfair to put this false information out about him and some of the commissioners. There is so much misinformation out there and it is confusing to the public, it is infuriating. It is a frustrating event, either way it goes. It does not help when people are sending out false information, knowing it is false information.

## **ADJOURNMENT**

*Motion to adjourn at 9:58 a.m. by Mayor Pro Tem Brown; second by Commissioner Smith; approved by unanimous vote.*